



# Pre-Close meetings October 2023



# Market update

## Central Western Europe



### Germany:

- The number of building permits for new buildings issued has declined by 33% in July year-on-year, mainly driven by decreases in individual investors.
- The volume of new mortgage loans showing a 40% decrease compared to the 2019-2021 period.
- We continue to see competition on individual projects.
- Indications of increasing list prices for the upcoming year.
- Political support to promote residential building.

### Other markets:

- In the Nordic region, building permits still impacted by higher interest rates.
- We continue to see competition on individual projects.

## United Kingdom



- 38,044 new home registrations in Q2 2023, down 42% on Q2 2022.
- 35,936 new homes completed in Q2 2023, down 11% on Q2 2022 driven by lower demand and rises in mortgages rates.
- Mortgage approvals are down 28% YTD compared to last year impacted by availability and pricing of mortgages.
- Major volume housebuilders express ongoing concerns regarding the high cost of mortgages and the absence of government assistance programs as well as lack of seasonal pick-up in demand.
- Recent decision by the UK government to remove EU water pollution regulations that were retained after Brexit is aimed at allowing the construction of an additional 100,000 homes by 2030.

## Poland



- The number of total building permits declined by 30% year-on-year (August YTD), mainly driven by decreases in developers (-33%).
- The number of starts was 20% less than a year ago.
- Increased demand in mortgages as initial data indicate a strong reception among first-time Polish borrowers for the 2% safe credit loan.
- Polish election: Results show pro-EU opposition victory.
- Still competitive environment which we are monitoring closely

# Group business improvement program to drive efficiency of our operations

## Procurement savings

- Utilising market opportunities and lower demand situation for better input cost partly offsetting rising energy costs
- Guiding principle to defend contribution margin
- Strengthened group procurement function

## Plant network efficiency

- In general: enhancing efficiency through lean manufacturing principles
- Permanently closed 5 plants and redirecting volumes to bigger and more efficient plants
- Adjusted shifts and our operations workforce by around 20%
- Further improving de-bottlenecking in our factories

## SG&A cost savings

- Implementing SG&A cost savings supported by standardised business processes and digital tools
- Focus on finally integrating CWE into ONE company after acquisitions in last 5 years



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