



H+H International A/S

Q3 2024 Financial Results

Conference Call

20 November 2024



Forward-looking statements

This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of H+H International A/S, may cause actual developments and results to differ materially from the expectations expressed in this presentation.

In no event shall H+H International A/S be liable for any direct, indirect or consequential damages or any other damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other action, arising out of or in connection with the use of information in this presentation.



Strongest EBIT bsi result since Q4 2022

Selected financial figures

Figures in DKKm unless otherwise stated. Q3 2023 figures in brackets

Sales volume

5%

(-27%)

Gross margin⁽¹⁾

24%

(20%)

EBIT ⁽¹⁾

53

(13)

EBIT margin⁽¹⁾

7%

(2%)

Free cash flow

122

(54)

Financial gearing⁽¹⁾

4.4x

(2.6x)

Q3 2024 key takeaways

- (1) Gross margin improved to 24%, better reflecting the underlying performance of the business and our restructuring program over the last two years.
- (2) In Q3 2024 we delivered our strongest EBIT bsi result since Q4 2022.
- (3) The Polish and UK markets are slowly improving building activity. Consequently, we are increasing output from the plant network and have successfully completed the re-opening of our UK plant in Pollington.
- (4) Successful completion of the sale of the closed down plant in Warsaw in October 2024 is bringing our financial gearing closer to our long-term target.

Volume growth in Poland offset by Germany



The United Kingdom:

- Building registrations has have shown signs of improvement throughout the year, though growth has been from a low starting point.
- Consumer confidence has improved, with optimism supported by lower interest rates and the new Labour government which has the country's ongoing housing shortage on their agenda.
- Stable pricing based on fixed annual contracts however, lower prices compared to last year.
- Pollington 1 has completed the re-opening.



Poland:

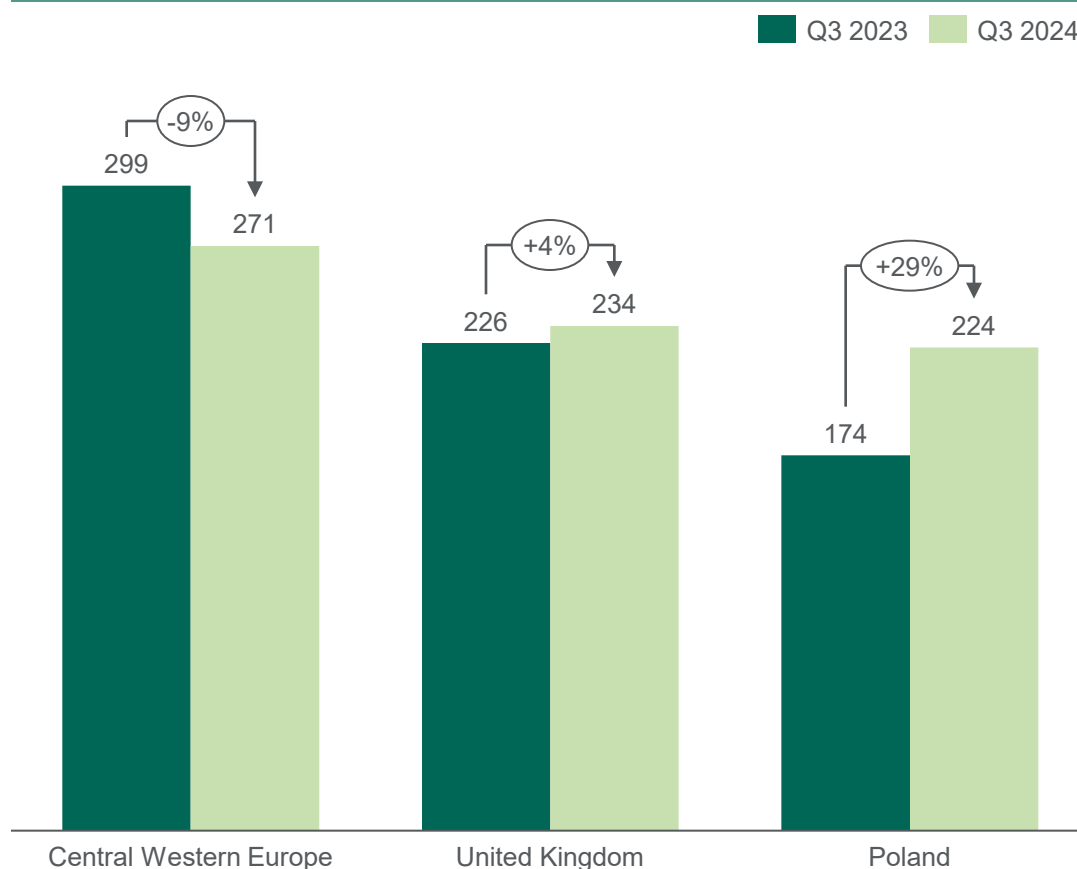
- Positive underlying permits development.
- No further mortgages processed with previous supporting program "safe credit 2%".
- A potential successor program, "Kredyt na Start / Loan for Start," is currently under discussion, with timing details yet to be determined.
- Higher prices vs. last year.



Germany:







- Building permits are further declining.
- Rising building costs have affected the affordability.
- Positive price development compared to last year with further increases implemented as of 1st September.
- Germany in a recession since Q1 2023. German general election is set for Feb 2025.

Revenue by region in DKKm.



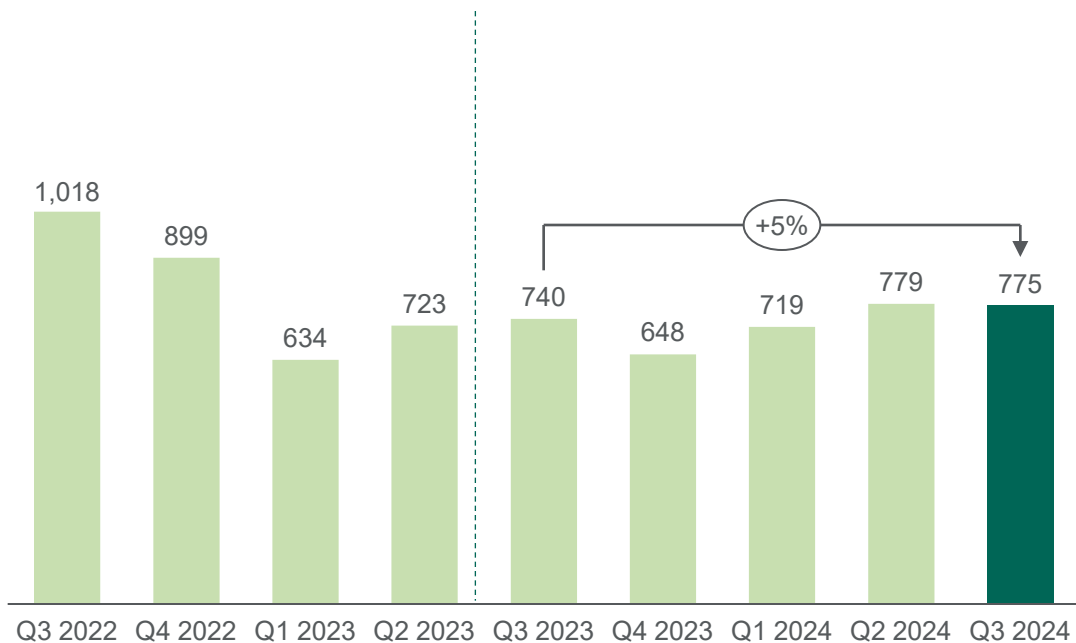
We have made considerable adjustments to our cost base

- Our business improvement program is focused on building a leaner organization, prepare for future growth and enhance shareholder value.
- Financial benefits of DKK ~300 million compared to 2022 costs.
- Around DKK 50 million of cost out to come in 2025.
- In total around DKK 200 million has been spend on these programs.

PARTNERS IN WALL BUILDING			
	 Factory network	 Cost optimization	 Project ONE
Financial benefit	DKK ~150 million	DKK ~100 million	DKK ~50 million
P&L line	COGS	SG&A	COGS/SG&A
Period	2023/2024	2023/2024	2025
Level of implementation			

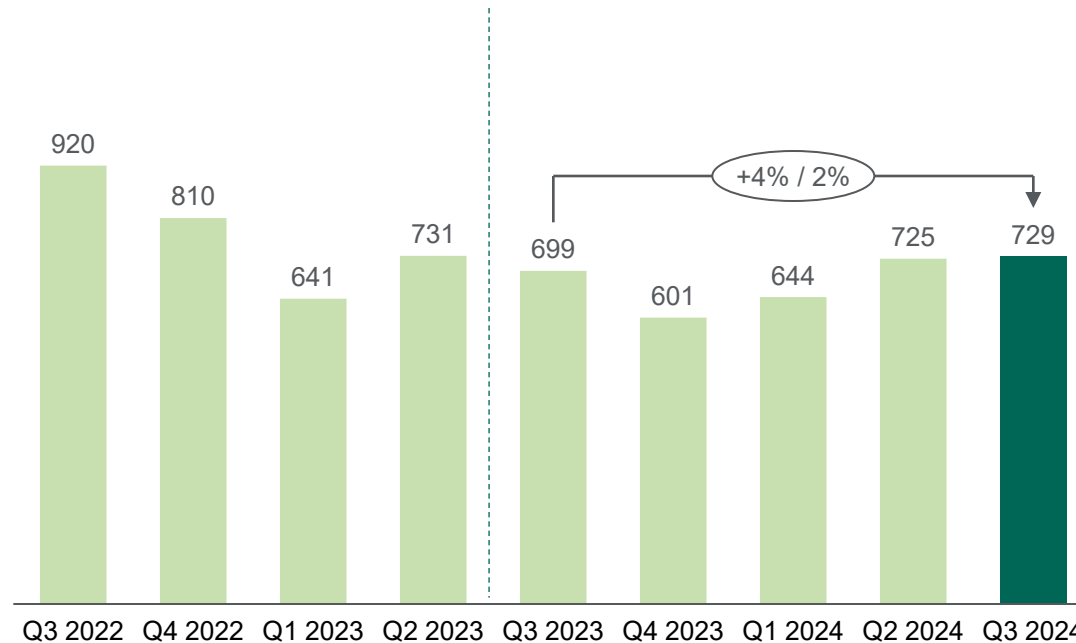
Poland and the UK driving organic growth

Volumes by quarter (Thousand m³)



- Positive volume growth in the UK and in PL offset by CWE.
- Volume up 5% in Q3 2024 vs. last year.

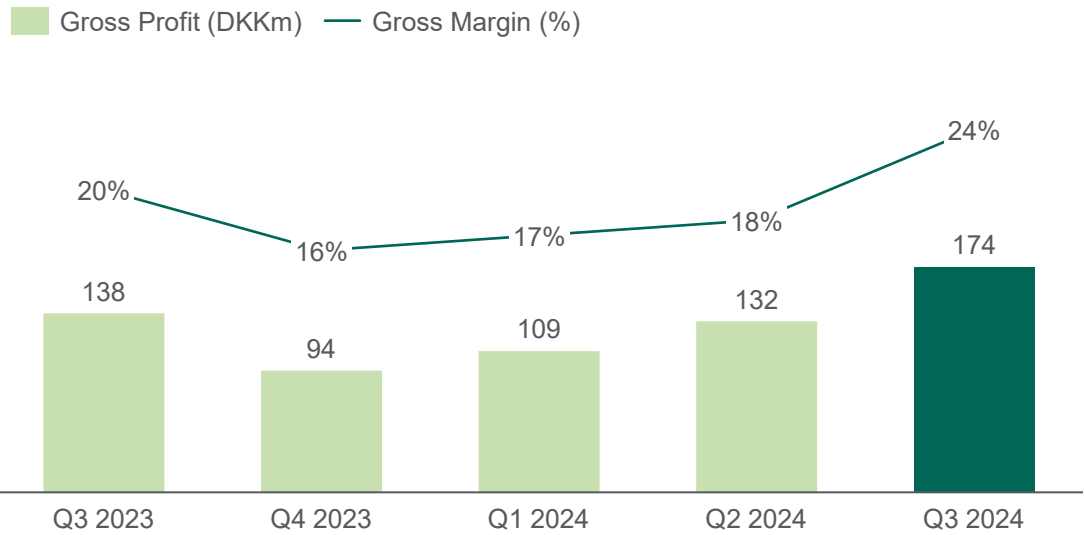
Revenue by quarter DKKm. Revenue growth / organic growth



- Country mix impact was negative 3%.
- Positive price growth of 1% compared to last year.

A better reflection of the underlying performance

Gross Profit and Gross Margin



- Gross margin is driven by higher sales prices and normalised gas costs vs. last year.
- The margin in the quarter was impacted by the stand-still of the Borough Green plant in July.



Special items

Restructuring cost:

- Due to the ongoing market downturn in Germany, we anticipate restructuring costs of approximately net DKK 40 million, classified as special items to be realised in Q4 2024. For the full year, we expect restructuring costs to reach around DKK 80 million.

Special items, net Amounts in DKK million	2024 Q3	2024 YTD
Restructuring costs	9	41
Unused part of gas hedges, incl. settlement cost	-	110
Total	9	151

- Expected net gain of DKK 160 million from the Warsaw sale will be treated as special items in Q4 2024.

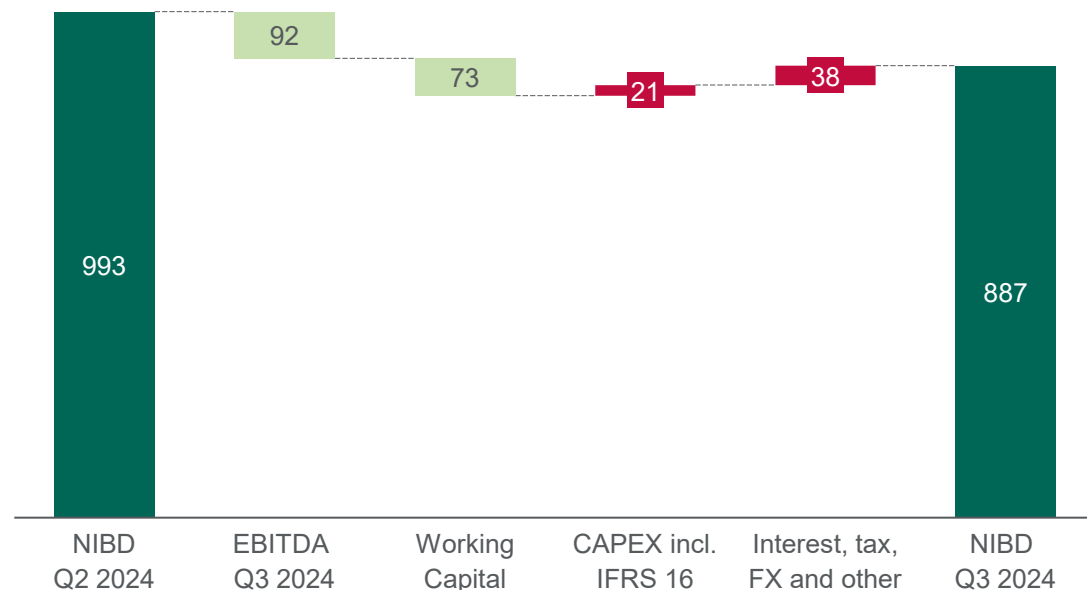
Sale of land in Poland

- H+H has completed the sale of land and buildings from its closed plant in Warsaw for PLN 110 million (approximately DKK 190 million).
- The sales price of PLN 110 million (approximately DKK 190 million) have been paid in cash in October.



NIBD impacted by de-stocking and positive result for the quarter

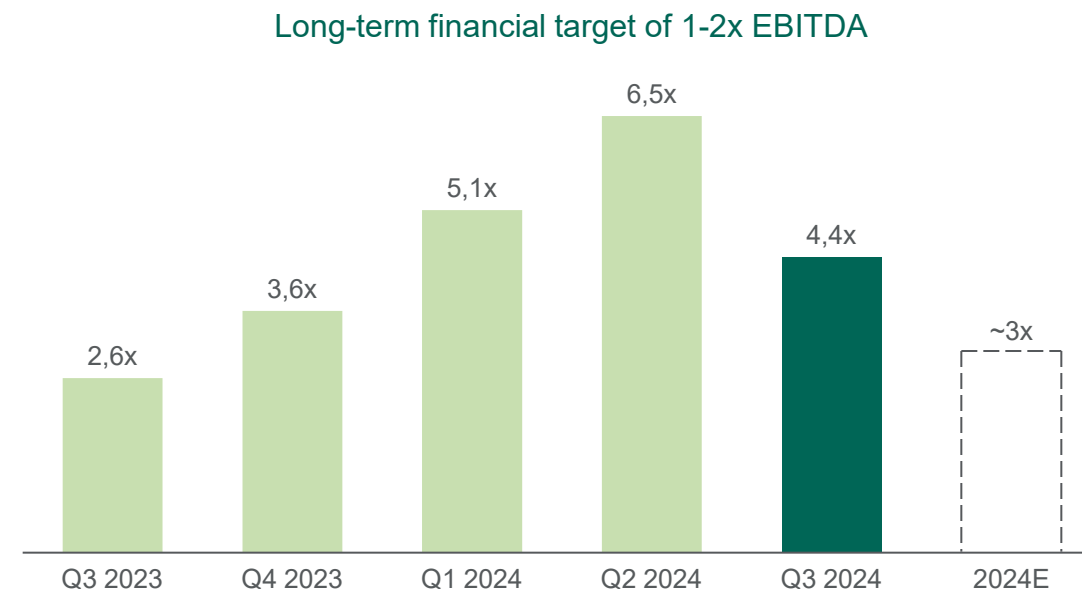
Net interest-bearing debt DKKm.



- Net interest-bearing debt amounted to DKK 887 million as of 30 September 2024 which is on par with 31 December 2023.
- In Q3 2024 changes in working capital was mainly driven by de-stocking.

Financial gearing

NIBD to EBITDA before special items



- Successful completion of the sale of the closed down plant in Warsaw in October 2024 is bringing our financial gearing closer to our long-term target.
- We anticipate our year-end financial gearing to be around 3 times EBITDA before special items.

Updated financial outlook for 2024

Revenue growth measured in local currencies (“organic growth”)

Around 0%

(Unchanged)

EBIT before special items is expected to be (DKKm)

50 to 80

(from 50 to 100)



Key takeaways

- (1) Gross margin improved to 24%, better reflecting the underlying performance of the business and our restructuring program over the last two years.
- (2) In Q3 2024 we delivered our strongest EBIT bsi result since Q4 2022.
- (3) The Polish and UK markets are slowly improving building activity. Consequently, we are increasing output from the plant network and have successfully completed the re-opening of our UK plant in Pollington.
- (4) Successful completion of the sale of the closed down plant in Warsaw in October 2024 is bringing our financial gearing closer to our long-term target.





Q&A

For further information, please contact

Niclas Bo Kristensen
Head of Investor Relations and Treasury
nbk@HplusH.com

H+H International A/S
Lautrupsgade 7, 5th Floor
2100 Copenhagen Ø
Denmark

+45 35 27 02 00

info@hplush.com
www.hplush.com

