H+H International A/S
Q1 2025 Financial Results

Roadshow at Danske Bank

21 May 2025

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Forward-looking statements

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Q1 2025 financial highlights

Selected financial figures

Figures in DKKm unless otherwise stated. Q1 2024 figures in brackets

Organic growth	Gross margin(1)	EBIT margin(1)
3%	22%	2%
(-4%)	(17%)	(-3%)

EBITDA margin(1)	Free cash flow	Financial gearing(1)
9%	-71	2.7x
(4%)	(-91)	(5.1x)

Q1 key takeaways

(1) Strong volume growth in the UK, reinforcing a positive long-term outlook. Ongoing ramp-up of production capacity impacting gross margin.

(2) In Germany, market challenges persist, and we have yet to see the full potential of our business. However, we are closely monitoring how the new German government will improve regulations and provide funding to reactivate the new-build market.

(3) In Poland, the underlying fundamentals remain strong, despite a tough volume comparison with last year's strong Q1.

(4) Optimisation of our plant network (HOME) is ongoing to increase capacity and improve plant utilisation.

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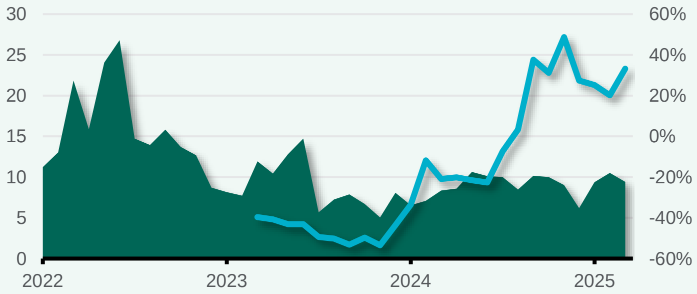
(1) Before special items

UK drives volume growth offset by Poland and Germany

UK registrations/Building Permits in '000 | 3m rolling y/y (%) | Organic growth in Q1-2025 (%)

United Kingdom

11%

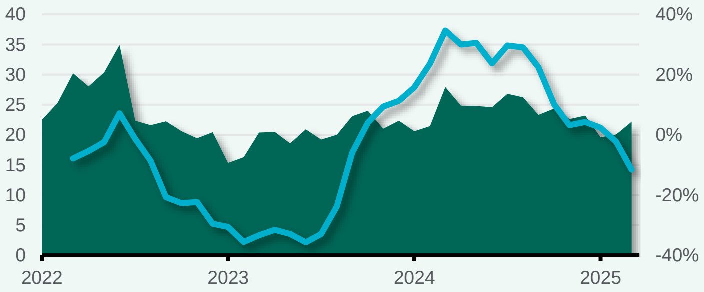


Market highlights

- Registrations have continued in a positive direction since mid-2024.
- Lenders are beginning to offer more competitive mortgage packages ahead of further expected cuts to the Bank of England base rate.
- Planning reforms are currently the focus of the new government.

Poland

-4%

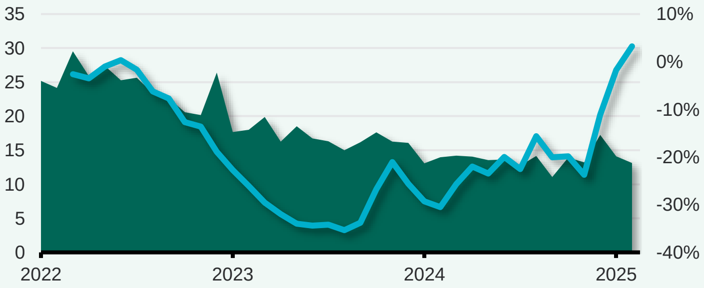


Market highlights

- Underlying fundamentals of the Polish market remain strong; however, permit activity has declined, primarily because developers are slowing new applications due to a solid backlog of permits from last year.
- Limited impact from proposed Housing Support program.
- High mortgage costs persisting.

Germany (CWE)

3%



Market highlights

- Building Permits Improving but outlook still weak.
- €500 billion special fund over 10 years aimed infrastructure.
- Impact on housing and interest cost to be seen.
- New government still not clear on new budget agenda.

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After two years of restructuring, focus is now on profitable growth

Focus 2023 + 2024

Launch of H+H's **streamlining program** in 2023 entails a **shift in production** to larger and more effective plants to substantially **lower fixed costs** while **increasing uptime and capacity**, offering tangible benefits

	2022	2024
Plants	32	27 (incl. 3 MB)
Output	4,187k m^3	2,967k m^3
Approach	Individual plants	Network of plants
Avg. Price (rev. pr. M3 in DKK)	857	926
People	Around 1.700	Around 1.300
SG&A (DKKm)	392	331
Zero Harm (LTIs)	11	2
Germany	Acquisitions	Integration (ONE)

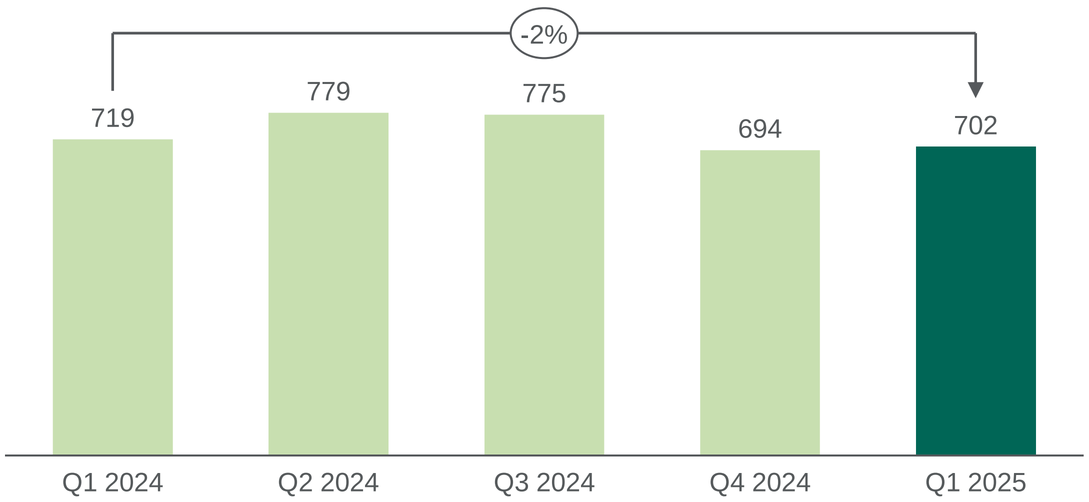
Focus 2025 and beyond

From **2025 onwards**, the focus will shift to delivering **profitable growth**, driven by the Group's unique growth platform and ongoing cost savings. Recent streamlining efforts have strengthened the company's **resilience**, enabling H+H to better navigate market fluctuations and challenges.

Platform for future growth in place

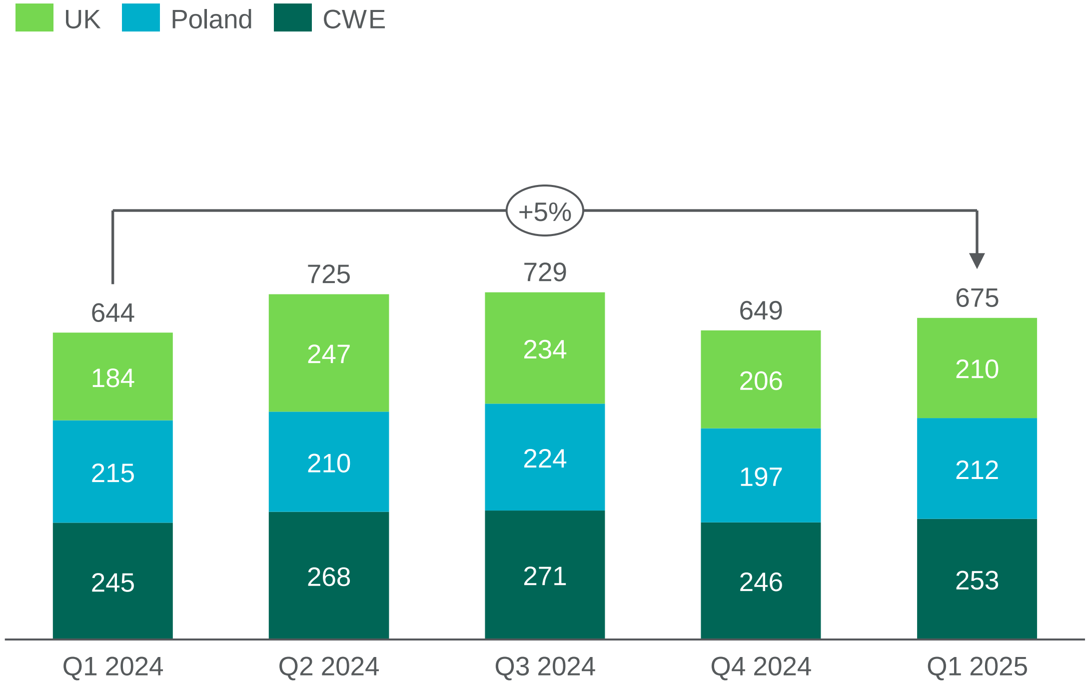
Higher sales prices more than offsets lower volumes

Volumes by quarter (Thousand m^3)



- Overall volumes fell 2% in Q1 2025 compared to last year.
- Volume growth primarily coming from the UK.

Revenue by quarter DKKm. Revenue growth (%)



- Revenue growth was 5% for the quarter and organic growth was 3% mainly driven by higher sales prices.
- The impact from prices was 4% compared to last year.

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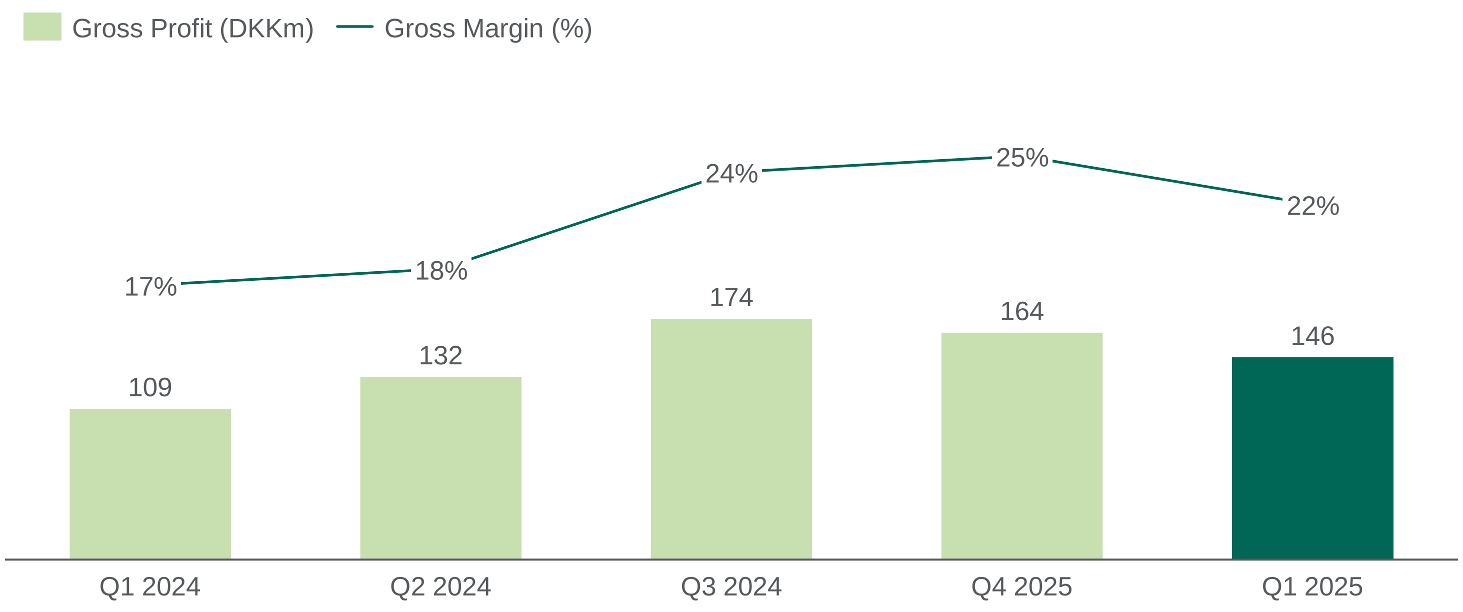
Gross margin impacted by the continuous decline in DE and operational inefficiencies in the UK

Gross Profit and Gross Margin[1]

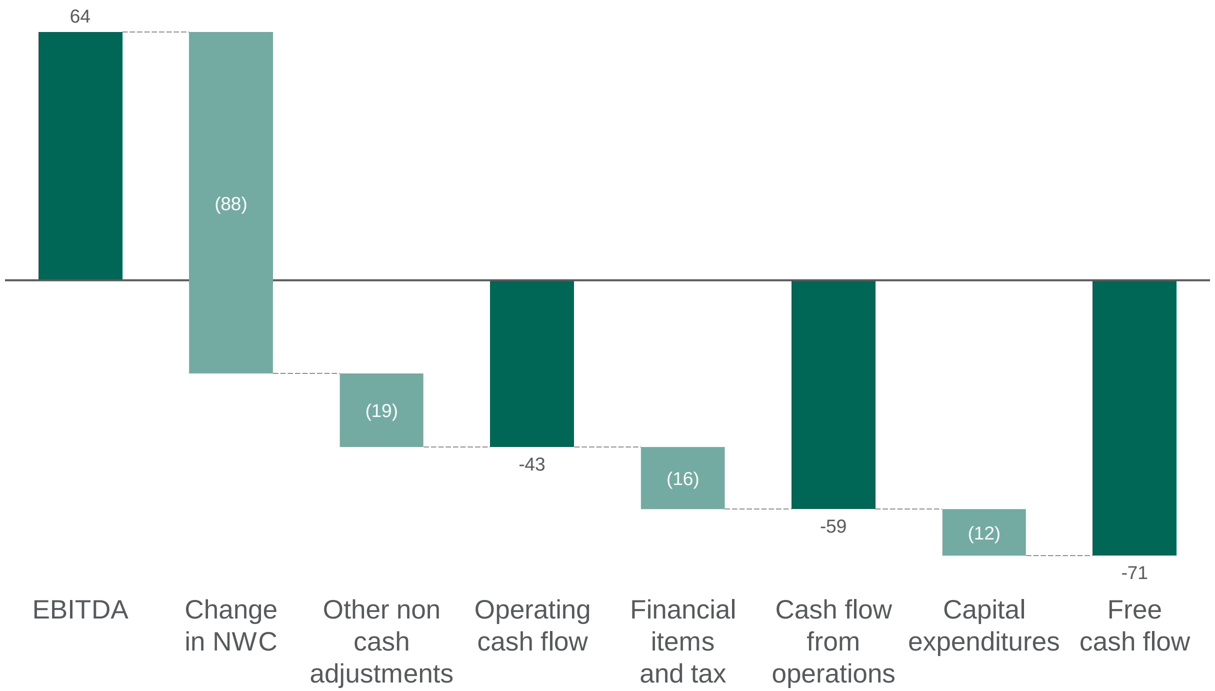


- Ongoing efforts to catch up with strong demand in the UK, are causing operational inefficiencies across the UK network.

(1) Before special items

Cash flow in Q1 affected by working capital changes in line with expectations

Q1 2025 Free cash flow development (DKKm)



Comments

- Net working capital was mainly affected by normal seasonality and planned payments of provisions.
- Financial gearing in Q1 2025 was 2.7 times EBITDA before special items.

(1) 'Other' comprises primarily of the Warsaw land sale and other adjustments with non-cash effects

Financial outlook

Organic growth

5% to 10%

(2024: 0%)

Organic revenue growth for 2025 is expected to be in the range between **5% to 10%**

EBIT before special items (DKKm)

120 to 180

(2024: 63)

EBIT before special items is expected to range between **DKK 120 to 180 million.**

Key assumptions

- Modest volume growth primarily in the UK. The outlook does not assume a market recovery in Germany.
- Price increases aligned with cost inflation.
- The 2025 average FX rates are based on Aprils 2025 actual average and the forward FX rates for the next 8 months.

Other assumptions

- Capex of around DKK 200 million.
- Continuation of an uncertain macroeconomic and geopolitical environment.
- Price discipline within our key markets.

Key takeaways

(1) Strong volume growth in the UK, reinforcing a positive long-term outlook. Full margin impact expected in H2.

(2) In Germany, market challenges persist, and we haven't seen the full potential of our business yet.

(3) In Poland, the underlying fundamentals remain strong.

(4) Our focus is on HOME to increase capacity and improve plant utilisation.

Questions and answers

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