



H+H International A/S

Q4/FY 2024 Financial Results

Conference Call

5 March 2025



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Q4 2024 financial highlights

Selected financial figures

Figures in DKKm unless otherwise stated. Q4 2023 figures in brackets

Organic growth

6%

(-26%)

Gross margin⁽¹⁾

25%

(16%)

EBIT margin⁽¹⁾

6%

(-2%)

EBITDA margin⁽¹⁾

13%

(5%)

Free cash flow

166

(-23)

Financial gearing⁽¹⁾

2.7x

(3.6x)

Q4 2024 key takeaways

- (1) Strong volume development in UK and Poland, while activity in Germany remained low.
- (2) Gross margin came in at 25% driven by sales volume and solid plant performance.
- (3) Reopening of Pollington 1 plant completed and now in next phase of ramp-up.
- (4) Sale of Warsaw plant completed in Q4 impacting cash flow and significantly improves our debt situation.

Full year 2024 highlights

Financial

Organic growth
Percent

0%

Sales volume increased by 8%. This was offset by country mix effects and lower prices.

Gross margin
DKK million

21%

Gross margin was 21% and on par with 2023. Gross profit was DKK 579 million.

EBITDA before special items
DKK million

250

In 2024, EBITDA before special items was DKK 250 million corresponding to a 9% margin, which is unchanged from last year.

EBIT before special items
DKK million

63

EBIT before special items amounted to DKK 63 million compared to DKK 57 million in 2023, corresponding to EBIT margins of 2% in both 2023 and 2024.

Free cash flow
DKK million

219

Free cash flow was DKK 219 million, up from a negative DKK 346 million last year, driven by land sales in Poland and destocking.

Financial gearing
DKK million

2.7x

Net interest-bearing debt was DKK 682 million as of end-2024, down DKK 205 million from last year.

Sustainability

Climate – Reduction in
scope 1 and 2 emissions

13%

We achieved 13% lower scope 1 and 2 emissions compared to last year, making us well-aligned and on track with our Science Based targets.

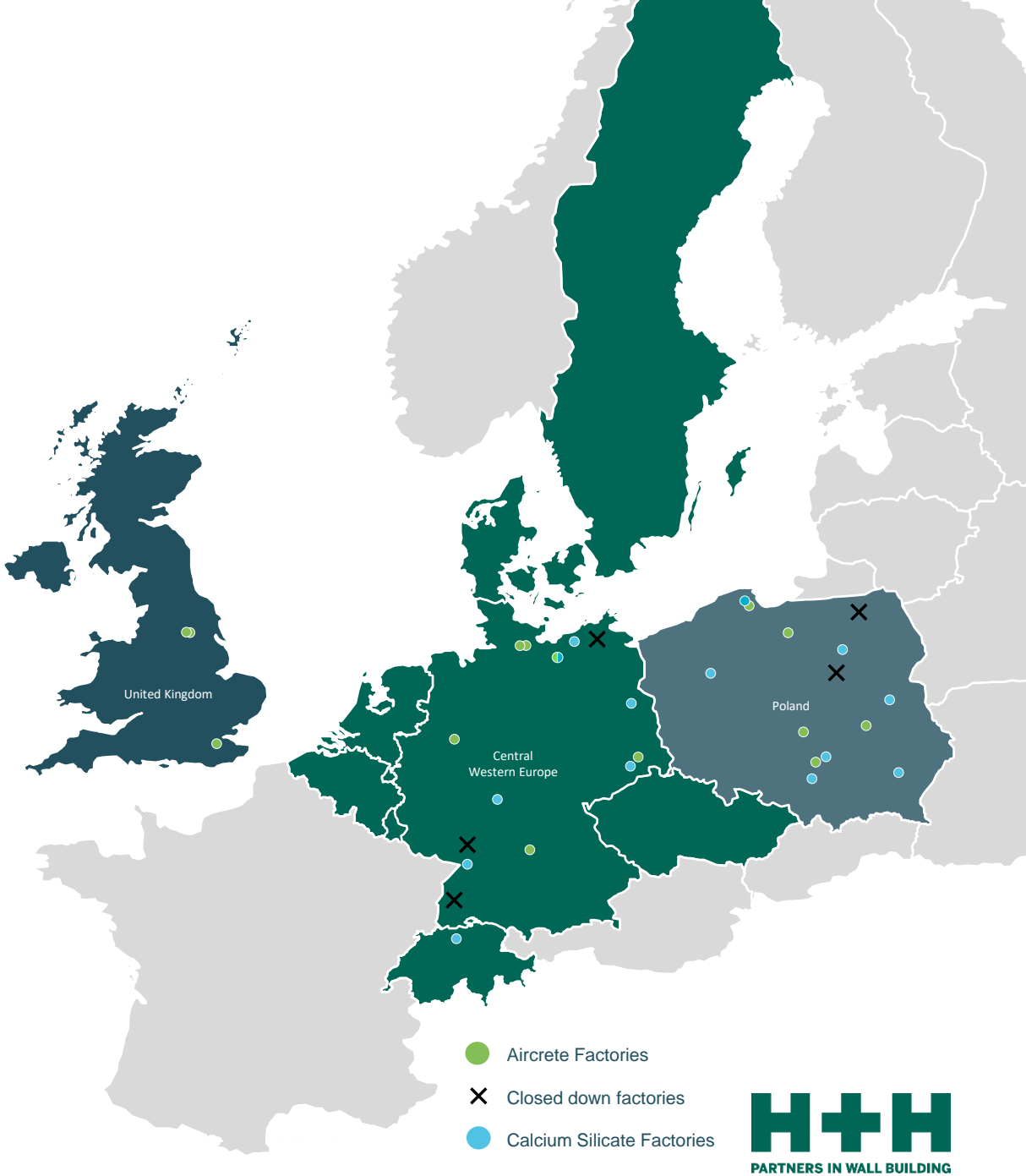
Safety – Lost time incidents frequency
(LTIF)

0.9

In 2024, we achieved our lowest ever LTIF rate of 0.9.

Streamlining the business

	From 2022	To 2024
Volume <i>'000 m3</i>	4.187	2.967
Avg. price <i>Rev. per m3 (DKK)</i>	857	926
# of plants	32	27 (3 mothballed)
# of employees	around 1.700	around 1.300
SG&A <i>DKK million</i>	392	331
Capex	197	156
Strategic focus	Growth	Network efficiency
Germany	Acquisitions	Integration (ONE)



2024 saw strong volume recovery in Poland offset by Germany



Germany:

- Building activity and permits are further declining (-19% vs. last year).
- Germany is in recession and no signs of market recovery in 2025.
- Economy was key topic in recent election campaign.
- For NL, CZ, DK there are growth opportunities.



The United Kingdom:

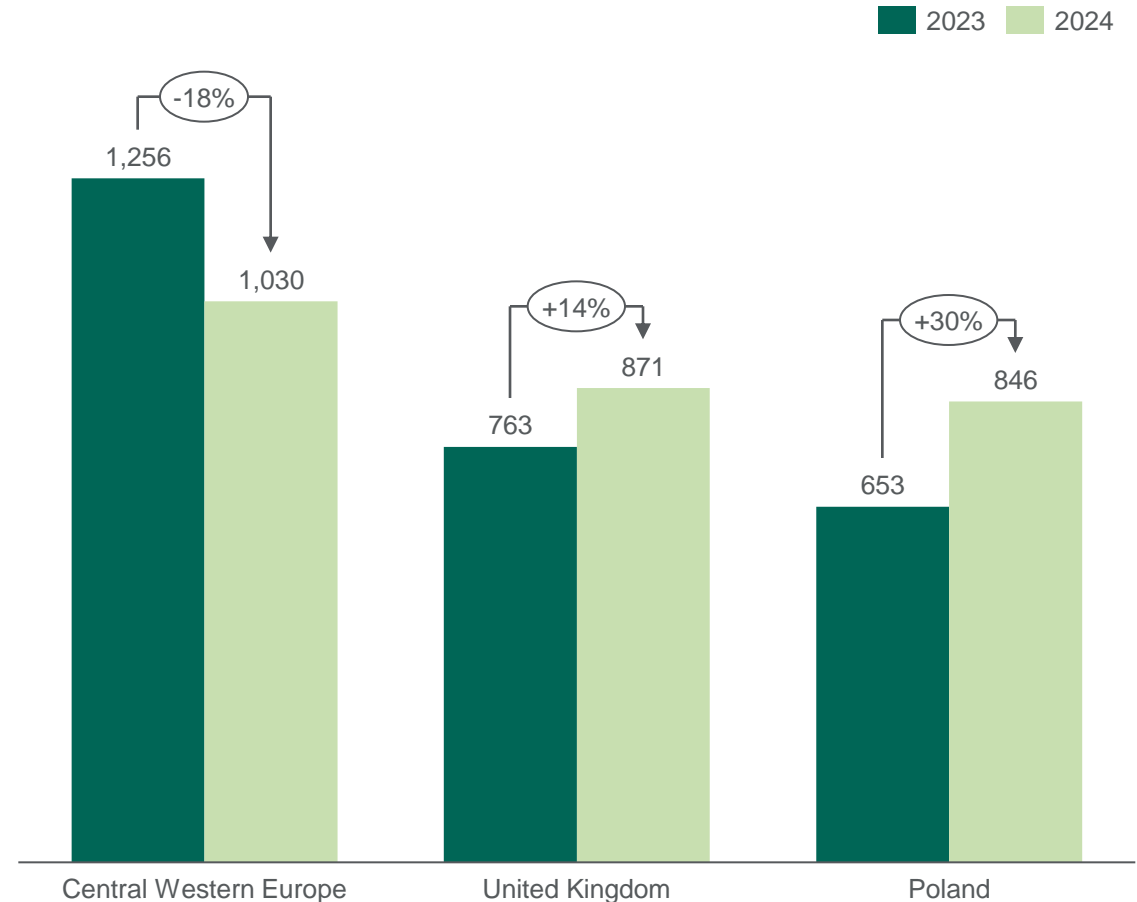
- Registrations flat year on year but improving towards the end of the year (-1% vs. last year).
- Mortgage Approvals on an upward trend, demonstrating the correlation with falling interest rates and better mortgage deals as a result.
- New governments are taking initiatives to improve planning.



Poland:

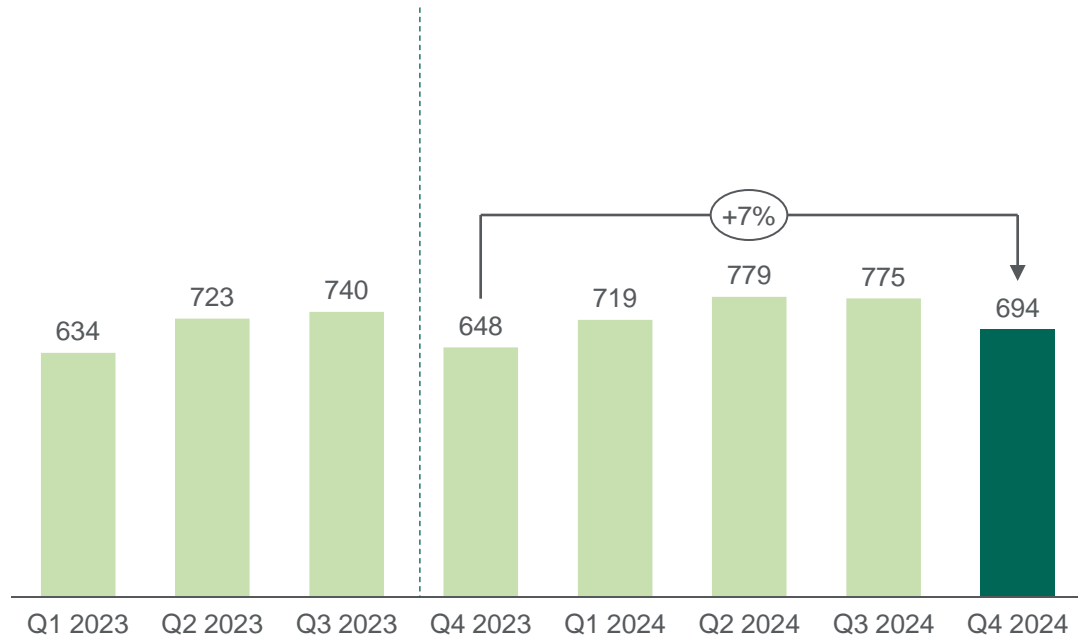
- Strong recovery in 2024, driven by the government's 2% loan support programme. Building permits increased 20% vs. last year.
- While demand slowed towards the end of the year as the programme was phased out, the underlying fundamentals of the Polish market remained strong.
- Looking ahead to 2025, we expect continued strong building activity in Poland.

Revenue by region in DKKm. (Revenue growth)



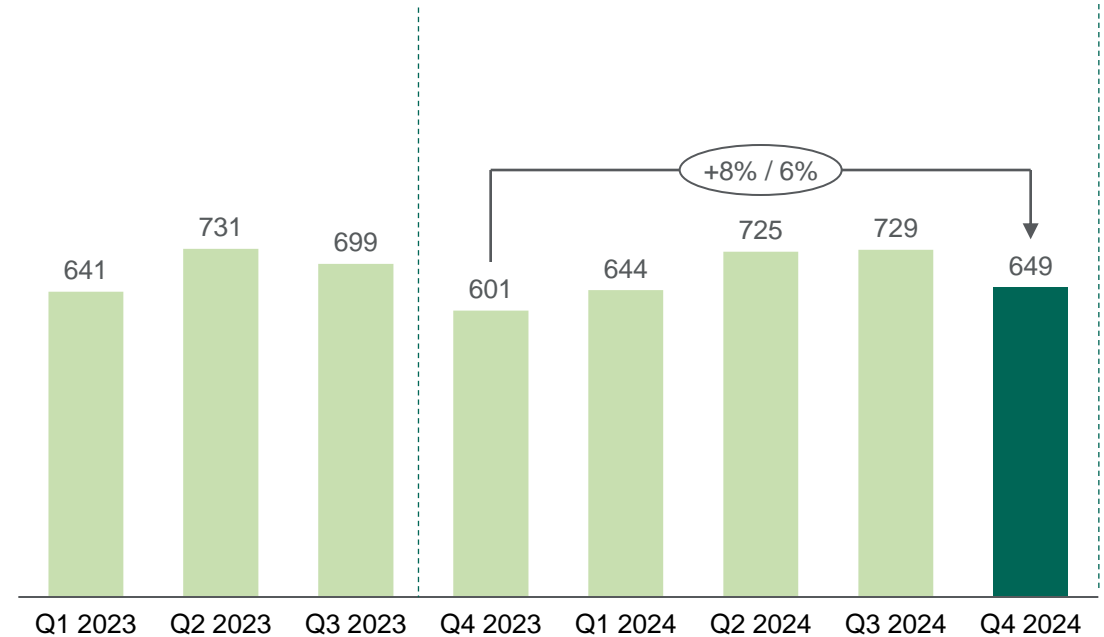
Poland and the UK driving organic growth in Q4

Volumes by quarter (Thousand m³)



- Volume up 7% in Q4-24 vs. last year.
- Positive overall volume development offset by Germany.

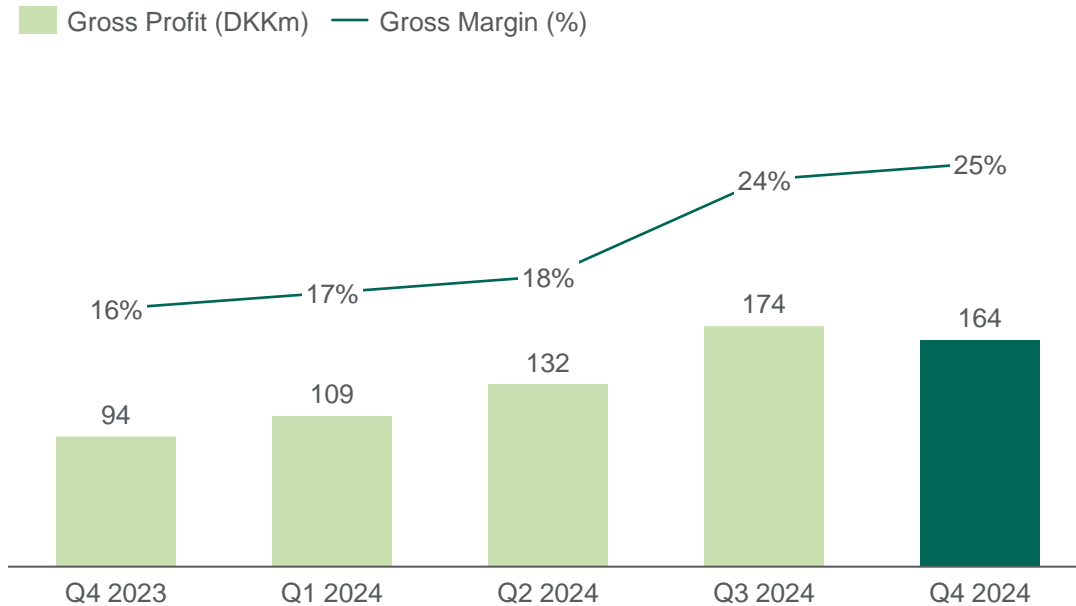
Revenue by quarter DKKm. Revenue growth / organic growth



- Revenue growth was 8% for the quarter and organic growth was 6%.
- Organic growth for the full year was 0%.

Gross margin came in at 25% driven by sales volume and solid plant performance

Gross Profit and Gross Margin¹

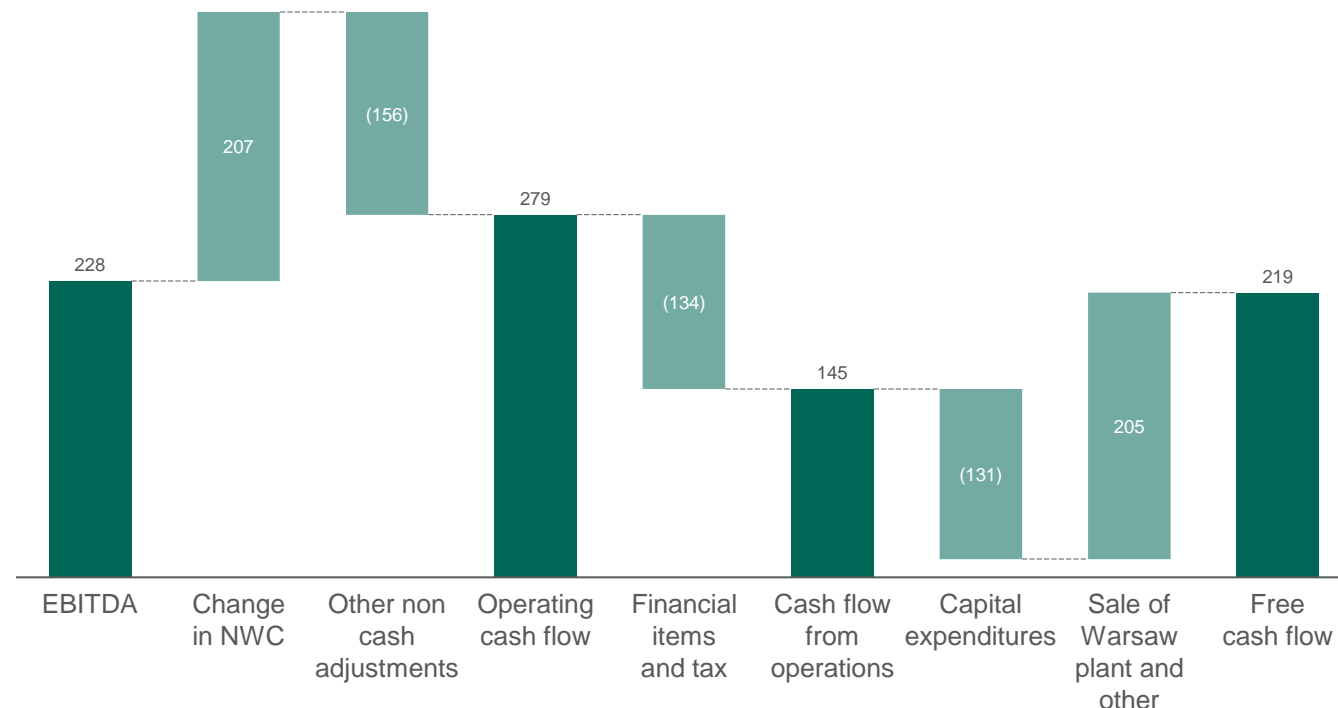


- Gross profit came in at DKK 164 million for the quarter.
- Gross margin was 25% on par with Q3.
- Comparison figures impacted by redundant gas contract.



Positive cash flow in 2024 driven by sale of Warsaw and destocking

2024 Free cash flow DKKm



- **Net working capital** mainly driven by destocking offset by trade payables.
- **Capex** for the year were primarily related to the factory upgrades in and the reopening of Pollington 1 in the UK.
- **Sale of Warsaw plant** in Q4 had a sales price of DKK 190 million and DKK 154 million was recorded as special items.

Restructuring cost and special items

- In Q4 2024, all conditions for the sale of land and buildings from the closed plant in Warsaw to a Polish residential developer were fulfilled. The sales price was paid in cash, and a gain of DKK 156 million was recognised as a special item.
- The restructuring initiated in 2023 continued in 2024 and amounted to DKK 27 million in Q4 and to a total of DKK 68 million for 2024. This mainly comprises costs associated with the German organisation including the costs related to the termination of employees.

Special items, net Amounts in DKK million	2024 Q4	2024 FY
Gain from Warsaw sale	156	156
Restructuring costs	-27	-68
Unused part of gas hedges, incl. settlement cost	-	-110
Total	129	-22



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 February's 2025 actual average and the forward FX rates for the next 10 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) With the streamlining of our organisation over the last two years, we enter 2025 on a stronger and more competitive foundation.
- (2) With the implementation of ONE in Germany and the rollout of HOME, we are further enhancing operational efficiency throughout the group.
- (3) In Poland and in the UK markets are developing positively whereas In Germany we are not seeing a recovery yet.
- (4) The adjustments we have made will put us into a stronger position and we are moving in the right direction, although a full market recovery most likely will take time.





Questions and answers

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