

H+H reorganises its German operations and adjusts its financial outlook for the full year 2025

CHIEF EXECUTIVE OFFICER JÖRG BRINKMANN QUOTE

“Despite significant improvement efforts over the past two years, our German operations continue to weigh heavily on the overall performance of the Group. Excluding the impact of Germany, H+H delivered double-digit EBIT-% in H1 which is close to our long-term financial targets. However, the persistently low-volume environment in the German market, combined with intensified competition and pricing pressure, has prevented the turnaround we had anticipated. With markets in Germany falling short of expectations and no clear signs of improvement in the short to medium term, we are revising our full-year guidance accordingly. We have also decided to shift our business model from national coverage to a regional structure. This will enable us to operate with a lower cost base and focus on improving regional margins. In addition, we will initiate a strategic review of the German activities with a clear aim of further enhancing Group profitability” says CEO Jörg Brinkmann.

UPDATED FINANCIAL OUTLOOK FOR FULL-YEAR 2025 (INSIDE INFORMATION)

Outlook	Updated	Previous
Organic revenue growth	Around 4%	5% to 10%
EBIT before special items	DKK 100-150 million	DKK 120-180 million

Updated key assumptions for the financial outlook for 2025:

- Modest volume growth primarily coming from the UK and stable development in Poland (unchanged).
- The outlook does not assume any market improvements in Germany (unchanged).
- Price increases will not cover cost inflation driven by the German market situation.
- CAPEX of around DKK 180 million.
- Special items of around DKK 80-100 million in Q3 and Q4 2025 which will be paid in cash during 2025 and 2026.
- Assets impairment related to the German market of around DKK 600 million will be treated as special items.

UPDATED OUTLOOK 2025

Despite significant improvement efforts over the past two years including savings of approximately DKK 200 million in SG&A and IPC, market conditions in Germany remain difficult, with residential construction operating well below historical levels. As the short- and mid-term outlook does not show signs of improvements, we update our outlook for 2025. Organic growth is now expected to be around 4% from previously 5-10% and EBIT before special items is now projected within the range of DKK 100-150 million, down from the previous estimate of DKK 120-180 million. Our cash and covenant positions remain strong.

In Poland, performance remains stable and on track. Although building permits are declining, the pipeline for the remaining part of the year looks stable. In the UK, we are seeing strong demand coming through, with all plants now operating 24/7 being the primary driver of earnings improvement in the second half of 2025.

REORGANISATION PLAN

We are reorganising our German operations from national coverage to a regional setup. This allows us to run stronger market focused units, improve margins and operate on a lower cost base with less FTEs. We expect restructuring costs in the range of DKK 80-100 million (special items in H2 2025). This will lead to savings of around DKK 20 million in H2 2025.

The reorganisation also includes closure of plants and write-down of assets. As a consequence, the Q2 2025 report will contain impairment of assets of around DKK 600 million. The impairment will be treated as special items in the Q2 2025 report and has no cash impact. This will lead to lower depreciation of around DKK 30 million on a full-year basis (around DKK 15 million in H2 2025). In addition, we will initiate a strategic review of the German activities with a clear target to further enhance group profitability.

PRELIMINARY H1 2025 NUMBERS

DKK Million	Q2	H1
Organic growth	0%	1%
Revenue	719	1394
Gross profit	155	301
Gross margin	22%	22%
EBITDA bsi	72	136
EBIT bsi	24	40

The full Q2 2025 report will be available on 12 August 2025.

JOIN THE TEAMS CALL - 30 JULY 2025 AT 09:00 CEST

CEO Jörg Brinkmann and CFO Bjarne Pedersen will host a Teams call.

You can join in two ways:

Join online: [\[Here\]](#)

- Meeting ID: 356 245 838 379
- Passcode: 5vb2gd6W

Join by phone:

- Dial: +45 32 72 52 23
- Phone Conference ID: 669 016 614#

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H+H's core activity is the manufacture and sale of wall-building materials with a revenue in 2024 of DKK 2.7 billion. The main product lines are aircrete blocks and calcium silicate units used for the residential new building segment. H+H has factories in Northern and Central Europe and has a leading market position. H+H is listed on the Nasdaq Copenhagen stock exchange.