

Company announcement No. 551, 2024

5 March 2024

H+H International A/S Annual Report 2023: Significant decline in the newbuild market impacted the year, leading to considerable transformation

H+H International A/S (hereinafter referred to as “H+H” or “the Company”) hereby announces financial results for the full year ended 31 December 2023.

“In 2023, we experienced changes at an unprecedented speed, leading to decreased demand for residential newbuild. Consequently, our sales volumes dropped by 34%, while we have implemented price increases to counter inflation. In reaction to the market downturn, we have significantly adjusted our operations and achieved DKK 150 million in cost savings for the year from indirect production costs and SG&A. In the coming year, we anticipate similar activity levels within our markets. Our priority is to maintain price discipline, further improve our operations and keeping a strong focus on cash management.” says CEO Jörg Brinkmann.

- Revenue growth measured in local currencies (“organic growth”) came in at negative 25%.
- EBITDA before special items was DKK 244 million (DKK 657 million in 2022), corresponding to an EBITDA margin before special items of 9% (18% in 2022).
- EBIT before special items was DKK 57 million (DKK 455 million in 2022), corresponding to an EBIT margin before special items of 2% (13% in 2022).

FINANCIAL OUTLOOK FOR 2024

- Revenue growth measured in local currencies is expected to be ranging from -5% to +5%
- EBIT before special items is expected to be in the range of DKK 50 million to DKK 150 million

The financial outlook for 2024 is based on the following specific assumptions:

- Building activity in line with 2023 level
- Price discipline maintained in our key markets
- Exchange rates, primarily GBP, EUR and PLN remain at end-February 2024 levels

The general assumptions are described in the annual report for 2023.

UNWINDING GAS CONTRACTS IMPACTS OUR GUIDANCE FOR 2024

We have considered alternatives for the unfavourable gas contracts entered in 2022 and decided to unwind these hedges from 31 March 2024. This leads to an immediate one-off financial loss of around DKK 95 million in Q1 2024, classified as special items. This will not affect our cash balance or cash flow timing, as payments will continue to follow the original payment schedule. For more information, please refer to the outlook assumptions in the annual report for 2023.

SELECTED HIGHLIGHTS FOR THE PERIOD

DKK million	2023	2022	Q4 2023	Q4 2022
Sales volume (thousand cubic metres)	2,745	4,187	648	900
Revenue	2,672	3,604	601	810
Organic growth	(25%)	14%	(26%)	9%
Gross margin before special items	21%	28%	16%	25%
EBITDA before special items	244	657	32	111
EBITDA margin before special items	9%	18%	5%	14%
EBIT before special items	57	455	(15)	58
EBIT margin before special items	2%	13%	(2%)	7%
Special items	(287)	(42)	(81)	(14)
Return on Invested Capital (ROIC) excl. goodwill	(9%)	19%	(9%)	19%
NIBD/EBITDA before special items ratio	3.6x	0.7x	3.6x	0.7x
Free cash flow	(346)	61	(36)	(77)
Lost-time incident frequency (LTIF)	3.4	3.6		
Scope 1+2 intensity (kg/m3)	36	40		

ANNUAL REPORT CONFERENCE CALL

In connection with the release of the annual report for 2023, a conference call for investors and analysts is scheduled for Wednesday 6 March 2024, at 12:00 a.m. CET. On the call, Chief Executive Officer (CEO) Jörg Brinkmann and Chief Financial Officer (CFO) Peter Klovgaard-Jørgensen will present the Annual Report. The presentation will be followed by a Q&A session. Investors and analysts are invited to participate via phone (PIN code: 275042):

DK: +45 78 76 84 90
 UK: +44 203 769 6819
 US: +1 646 787 0157

- Other participants can follow the conference call via live webcast [here](#).
- The presentation slides for the conference call will be made available beforehand [here](#).
- After the conference call, you can access the replay and transcript on H+H's Investor Relations website [here](#).

In addition to the Annual Report for 2023, the remuneration report and the corporate governance statement for 2023 have been released and made available on H+H's website.

Kent Arentoft
 Chair

Jörg Brinkmann
 Chief Executive Officer

Peter Klovgaard-Jørgensen
 Chief Financial Officer

For further information please contact

Niclas Bo Kristensen
 Head of Investor Relations and Treasury
 +45 24 48 03 67
 nbk@HplusH.com

Disclaimer

This document 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 document. 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 document.

H+H's core activity is the manufacture and sale of wall-building materials with a revenue in 2023 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.