

Interim Financial Report, Q3 2024

CHIEF EXECUTIVE OFFICER JÖRG BRINKMANN QUOTE

“Overall, I am very pleased with our Q3 performance. Our gross margin improved to 24%, better reflecting the underlying performance of the business and our restructuring program over the last two years. On top of this Poland and the 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. Another key highlight of the quarter was the successful completion of the sale of the closed down plant in Warsaw, which brings our financial gearing closer to our long-term target.” says CEO Jörg Brinkmann.

PERFORMANCE HIGHLIGHTS FOR Q3 2024 (Q3 2023)

- Sales volume increased by 5% driven by growth in the UK and Poland, offset by the German market, which is weaker than last year.
- Revenue growth measured in local currencies (“organic growth”) was 2% (negative 24%).
- Gross profit before special items was DKK 174 million (DKK 138 million), corresponding to a gross margin of 24% (20%). The increase is driven by higher sales prices, normalised gas costs and adversely impacted by some de-stocking and the stand-still of the Borough Green plant in July.
- EBIT before special items was DKK 53 million (DKK 13 million), corresponding to an EBIT margin before special items of 7% (2%).
- Financial gearing was 4.4 times EBITDA before special items at the end of Q3 2024 (2.6 times EBITDA at the end of Q3 2023).

OTHER KEY EVENTS

- Sale of closed down plant in Warsaw for PLN 110 million completed after the balance sheet date. We expect our year-end financial gearing to be around 3 times EBITDA before special items.
- Re-opening of Pollington 1 in the UK completed.

UPDATED FINANCIAL OUTLOOK FOR 2024

- Revenue growth measured in local currencies is expected to around 0% (Unchanged).
- EBIT before special items is expected to be in the range of DKK million 50 to 80 (from 50 to 100).

Q3 2024 INTERIM FINANCIAL REPORT CONFERENCE CALL

In connection with the release of the Q3 2024 Interim Financial Report, a conference call for investors and analysts is scheduled for Wednesday 20 November 2024, at 10:00 p.m. CET. The presentation will be followed by a Q&A session. Participants can follow the conference call via live webcast [here](#).

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.