

Company announcement No. 558, 2024

15 May 2024

Interim Financial Report Q1-2024

1 January 2024 – 31 March 2024

CHIEF EXECUTIVE OFFICER JÖRG BRINKMANN QUOTE

“In the first quarter, we saw signs of market improvements in the UK and Poland resulting in 13% higher sales volumes. Our business improvement program delivered in line with our expectations. However, gross margin in Q1 is still impacted by planned de-stocking and effects from unfavourable gas hedges. We expect this to improve going forward. Across regions we are preparing for future growth by enhancing operational efficiencies and dedicated investments to de-bottleneck plants and expand customer offerings” says CEO Jörg Brinkmann.

PERFORMANCE HIGHLIGHTS FOR Q1 2024 (Q1 2023)

- Sales volume increased by 13% to 719k m³ (634k m³)
- Revenue growth measured in local currencies (“organic growth”) was negative 4% (negative 25%)
- Gross profit before special items was DKK 109 million (DKK 154 million), corresponding to a gross margin of 17% (24%)
- EBITDA before special items was DKK 26 million (DKK 72 million), corresponding to an EBITDA margin before special items of 4% (11%).
- EBIT before special items was negative DKK 21 million (positive DKK 21 million), corresponding to an EBIT margin before special items of negative 3% (3%).
- Free cash flow was negative DKK 91 million (negative DKK 309 million).
- Financial gearing was 5.1 times EBITDA before special items at the end of Q1 2024 (1.4 times EBITDA at the end of Q1 2023).
- Special items for the quarter was DKK 129 million, of which 93 million relates to the settlement of the gas contract in accordance with plan.

FINANCIAL HIGHLIGHTS FOR THE PERIOD

DKK million	Q1 2024	Q1 2023
Sales volume (thousand cubic metres)	719	634
Revenue	644	641
Organic growth	(4)%	(25)%
Gross margin before special items	17%	24%
EBITDA before special items	26	72
EBITDA margin before special items	4%	11%
EBIT before special items	(21)	21
EBIT margin before special items	(3)%	3%
Special items	(129)	(9)
Return on Invested Capital (ROIC)	(16)%	15%
NIBD/EBITDA before special items ratio	5.1x	1.4x
Free cash flow	(91)	(309)

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 mid-May 2024 levels

Q1 2024 INTERIM FINANCIAL REPORT CONFERENCE CALL

In connection with the release of the Q1 2024 Interim Financial Report, a conference call for investors and analysts is scheduled for Wednesday 15 May 2024, at 12:00 p.m. CEST. On the call, Chief Executive Officer (“CEO”) Jörg Brinkmann and Chief Financial Officer (“CFO”) Bjarne Pedersen will present the Q1 interim financial report. The presentation will be followed by a Q&A session. Investors and analysts are invited to participate via phone (PIN code: 275042):

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- 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](#)

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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.