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**Interim Financial Report Q1 2021: H+H upgrades 2021 financial guidance based on solid market conditions**



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Today, the Board of Directors of H+H International A/S (hereinafter referred to as “H+H” or “the Group”) has adopted the Interim Financial Report for the first quarter of 2021 (“Q1 2021”).

**CEO Michael T. Andersen quote**

*“I am very pleased with the positive demand outlook across all our markets, which has driven the upgrade of our full-year financial expectations. Despite a slow-down in demand in Germany and Poland in the early months of 2021 caused by the strongest weather impact in a decade, activity has quickly picked up and is now gaining momentum. The UK market is looking particularly strong with solid forward sales reported by housebuilders in recent trading updates indicating building activity in the UK potentially returning to the historic high 2019-levels already this year.”*

**Performance highlights for Q1 2021**

- Industry hit by strongest weather impact in a decade with very low temperatures and several days of snowfall, especially in Germany and Poland, adversely impacting activity levels during January and February.
- Revenue decreased by 9% to DKK 642 million (DKK 704 million). Revenue in local currencies (organic growth) decreased by 9% (increase of 2%).
- Gross profit of DKK 188 million (DKK 222 million), corresponding to a gross margin of 29% (32%).
- EBITDA of DKK 109 million (DKK 130 million), corresponding to an EBITDA margin of 17% (18%).
- EBIT of DKK 64 million (DKK 85 million), corresponding to an EBIT margin of 10% (12%).
- Net profit for the period was DKK 49 million (DKK 64 million), and earnings per share was DKK 2.7 (DKK 3.5).
- Capital expenditures amounted to DKK 27 million (DKK 21 million).
- Free cash flow was negative by DKK 32 million (negative by DKK 78 million).
- Financial gearing was 0.6 times EBITDA at the end of the quarter compared to 0.4 times at the end of 2020.
- During Q1 2021, H+H joined the UN Global Compact initiative and commenced the process of having its net-zero emissions target verified under the Science Based Target initiative.

## Financial highlights for the period 1 January 2021 to 31 March 2021

DKK million	Q1 2021	Q1 2020
Sales volume (thousand cubic metres)	960	1,073
Organic growth	(9%)	2%
Revenue	642	704
Gross margin	29%	32%
EBITDA before special items*	109	130
EBIT before special items*	64	85
EBIT margin before special items*	10%	12%
NIBD/EBITDA ratio before special items*	0.6x	0.9x
Free cash flow	(32)	(78)

\*no special items Q1 2021 or Q1 2020

## Outlook for 2021

- Revenue growth before acquisitions and divestments measured in local currencies (organic growth) is expected to be in the range 2% to 7% (previously 0% to 5%)
- EBIT before special items is expected to be in the range of DKK 330 million to DKK 390 million (previously DKK 310 million to DKK 370 million)

The financial outlook for 2021 is based on the following specific assumptions:

- The COVID-19 pandemic is not expected to have any material impact on construction activity levels or supply chains
- Exchange rates, primarily GBP, EUR and PLN remain at mid-May 2021 levels
- Energy and raw material prices increase at greater levels than the current inflation

## Q1 2021 Interim Financial Report conference call

In connection with the release of the Q1 2021 Interim Financial Report, a conference call for investors and analysts is scheduled for Monday 17 May 2021, at 10:00 a.m. CEST. On the call, CEO Michael T. Andersen and CFO Peter Klovgaard-Jørgensen will present the interim financial report. The presentation will be followed by a Q&A session.

- The conference call can be followed via live webcast [here](#).
- The presentation slides for the conference call will be made available beforehand [here](#).
- A replay of the conference call will be available afterwards on H+H's Investor Relations website [here](#).

**Kent Arentoft**  
Chairman of the Board of Directors

**Michael T. Andersen**  
Chief Executive Officer

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