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**H1 2021 Interim Financial Report: solid demand across all markets led to strong organic growth and historical high earnings**



H+H International A/S  
Lautrupsgade 7, 5.  
2100 Copenhagen Ø  
Denmark

Telephone +45 35 27 02 00  
info@HplusH.com  
www.HplusH.com

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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 half of 2021 (“H1 2021”).

**CEO Michael T. Andersen quote**

*“Our markets have quickly recovered from the slowdown seen in early in the year caused by harsh weather conditions and Q2 2021 has showed solid demand across all markets leading to strong organic growth and historical high earnings for H+H—both for the quarter and for the half-year period. The UK market in particular has showed very strong demand and H+H is producing at near-full capacity to service its customers. Germany continues to provide a strong and stable market for H+H and in Poland, increasing demand appears to have stabilised the competitive situation in the CSU business and price increases have been observed in certain parts of the country. All in all, these solid market fundamentals and the momentum in current trading conditions have driven an upgrade of our financial expectations for the year.”*

**Performance highlights for Q2 2021**

- Demand has picked up significantly following the slow start to the year caused by harsh winter weather in especially Germany and Poland.
- Revenue increased by 40% to DKK 836 million (DKK 596 million in Q2 2020 and DKK 770 in Q2 2019). Revenue in local currencies (organic growth) increased by 39% (negative 22% in Q2 2020 and 7% in Q2 2019).
- Gross profit was DKK 251 million (DKK 177 million in Q2 2020 and DKK 241 in Q2 2019), corresponding to a gross margin of 30% (30% in Q2 2020 and 31% in Q2 2019).
- EBIT<sup>1</sup> was DKK 125 million (DKK 57 million in Q2 2020 and DKK 114 million in Q2 2019), corresponding to an EBIT margin of 15% (10% in Q2 2020 and 15% in Q2 2019).
- Net profit was DKK 93 million (DKK 38 million in Q2 2020 and DKK 89 million in Q2 2019).
- Cash flow from investing activities amounted to DKK 34 million (DKK 22 million in Q2 2020 and DKK 16 million in Q2 2019).
- Free cash flow was DKK 172 million (DKK 108 million in Q2 2020 and DKK 86 million in Q2 2019).
- Financial gearing was 0.3 times EBITDA at the end of the quarter compared to 0.8 times at the end of Q2 2020 and 1.3 times at the end of Q2 2019.

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<sup>1</sup> No special items in 2021, 2020 or 2019

## Financial highlights for the period 1 January 2021 to 30 June 2021

DKK million	Q2 2021	Q2 2020	Q2 2019	H1 2021	H1 2020	H1 2019
Sales volume (thousand cubic metres)	1,192	907	1,230	2,152	1,980	2,312
Organic growth	39%	(22)%	7%	14%	(11)%	13%
Revenue	836	596	770	1,478	1,300	1,436
Gross margin	30%	30%	31%	30%	31%	29%
EBITDA*	172	104	156	281	234	253
EBIT*	125	57	114	189	142	169
EBIT margin*	15%	10%	15%	13%	11%	12%
Return on Invested Capital (ROIC)	21%	18%	16%	21%	18%	16%
NIBD/EBITDA ratio*	0.3x	0.8x	1.3x	0.3x	0.8x	1.3x
Free cash flow	172	108	86	140	30	39

\*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 8% to 11% (previously 2% to 7%).
- EBIT before special items is expected to be in the range of DKK 360 million to DKK 400 million (previously DKK 330 million to DKK 390 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-August 2021 levels.
- Energy and raw material prices are stable for the remainder of the year.

### H1 2021 Interim Financial Report conference call

In connection with the release of the H1 2021 Interim Financial Report, a conference call for investors and analysts is scheduled for Thursday 12 August 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

### For further information please contact:

Andreas Holkjær  
Investor Relations and Treasury Manager  
+45 24 48 03 67  
aho@HplusH.com