

Company Announcement No. 517, 2022

Q1-Q3 2022 Interim Financial Report: high-inflation environment continued to drive price increases, while market demand started to soften



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Today, the Board of Directors of H+H International A/S (hereinafter referred to as “H+H” or “the Company”) has adopted the Interim Financial Report for the third quarter (“Q3 2022”) and the first nine months of 2022 (“Q3 2022”).

CHIEF EXECUTIVE OFFICER JÖRG BRINKMANN QUOTE

I’m very excited to join H+H and to be part of the highly committed organisation. I am pleased to see the benefits of the agile business model and how H+H is capable to offset the continued inflationary pressure with sales price increases and taking advantage of its factory network established over the recent years. Our focus will remain to service customers across our footprint and deliver strong operational performance while not losing sight of our long-term commitments. The current business environment is challenging but at the same time, it also represents a great possibility to position H+H for a successful future and realize the full potential of the company.

PERFORMANCE HIGHLIGHTS FOR Q3 2022 (Q3 2021)

- Revenue increased by 13% to DKK 920 million (DKK 811 million).
- Revenue growth before acquisitions and divestments measured in local currencies (“organic growth”) was 7% (13%).
- Gross profit was DKK 254 million (DKK 250 million), corresponding to a gross margin of 28% (31%).
- EBIT before special items was DKK 110 million (DKK 125 million), corresponding to an EBIT margin before special items of 12% (15%).
- Net profit of DKK 82 million (DKK 88 million).
- Free cash flow was DKK 36 million (DKK 5 million).
- Financial gearing was 0.5 times EBITDA at the end of Q3 2022 (0.3 times EBITDA at the end of Q3 2021).

FINANCIAL OUTLOOK FOR 2022

The financial outlook for the full year 2022 is narrowed:

- Revenue growth before acquisitions and divestments measured in local currencies (“organic growth”) is expected to be around 15% (previously 15% to 20%).
- EBIT before special items is expected to be in the range of DKK 440 million to DKK 470 million (previously 440 million to DKK 520 million).

The expectations for H+H’s financial performance in 2022 are based on certain specific and general assumptions. Please refer to the Q3 2022 Interim Financial Report for more information about the specific and general assumptions.

FINANCIAL HIGHLIGHTS FOR THE PERIOD 1 JANUARY 2022 TO 30 SEPTEMBER 2022

DKK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Sales volume (thousand cubic metres)	1,019	1,176	3,288	3,328
Revenue	920	811	2,794	2,289
Organic growth	7%	13%	16%	14%
Gross margin before special items	28%	31%	29%	30%
EBITDA before special items	160	171	546	452
EBIT before special items	110	125	397	314
EBIT margin before special items	12%	15%	14%	14%
Special items	(9)	(4)	(28)	(4)
Return on Invested Capital (ROIC)	24%	21%	24%	21%
Free cash flow	36	5	138	145
NIBD/EBITDA before special items ratio	0.5x	0.3x	0.5x	0.3x

Q1-Q3 2022 INTERIM FINANCIAL REPORT CONFERENCE CALL

In connection with the release of the Q1-Q3 2022 Interim Financial Report, a conference call for investors and analysts is scheduled for Thursday 10 November 2022, at 10:00 a.m. CEST. On the call, Chief Executive Officer ("CEO") Jörg Brinkmann and Chief Financial Officer ("CFO") Peter Klovgaard-Jørgensen will present the interim financial report. The presentation will be followed by a Q&A session. Investors and analysts are invited to participate via phone:

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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](#).
- A replay of the conference call will be available afterwards on H+H's Investor Relations website [here](#).

For further information, please contact:

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