

Company Announcement No. 486, 2022

**Interim Financial Report Q1 2022: record start to the year in challenging market drives guidance upgrade**



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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 2022 (“Q1 2022”).

### CEO MICHAEL T. ANDERSEN QUOTE

*“The first quarter showed solid financial performance with organic growth of 29 percent underpinning the successful implementation of sales price increases to counter the inflationary pressure on production cost and the negative impact on margins. This was further highlighted by a record-high EBIT before special items and a strong margin of 13 percent for the quarter. We expect the inflationary pressure to remain in place in the short-to-medium term, and we are ready to introduce further sales price increases to protect our earnings margins.”*

### PERFORMANCE HIGHLIGHTS FOR Q1 2022 (Q1 2021)

- Revenue increased by 36% to DKK 874 million (DKK 642 million). Revenue growth before acquisitions and divestments measured in local currencies (“organic growth”) was 29% (negative 9%).
- Gross profit was DKK 244 million (DKK 188 million), corresponding to a gross margin of 28% (29%).
- EBIT before special items<sup>1</sup> was DKK 110 million (DKK 64 million), corresponding to an EBIT margin before special items of 13% (10%).
- Net profit of DKK 72 million (DKK 49 million).
- Free cash flow was negative DKK 63 million (negative DKK 32 million).
- Financial gearing was 0.7 times EBITDA at the end of Q1 2022 (0.6 times at the end of Q1 2021).

### CHANGE TO EXECUTIVE BOARD

As announced in Company Announcement no. 467 of 28 February 2022, Dr. Jörg Brinkmann will be appointed as new Chief Executive Officer, replacing Michael T. Andersen who will leave the H+H Group. The changes will come into effect no later than 1 October 2022, and Michael T. Andersen will remain in his position as CEO until Dr. Jörg Brinkmann joins the Company. Following the changes, the Executive Board will consist of Dr. Jörg Brinkmann and Peter Klovgaard-Jørgensen.

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<sup>1</sup> No special items were recognised in the period from 1 January 2021 to 31 March 2021

## FINANCIAL HIGHLIGHTS FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2022

DKK million	Q1 2022	Q1 2021
Sales volume (thousand cubic metres)	1,087	960
Revenue	874	642
Organic growth	29%	(9)%
Gross margin before special items	28%	29%
EBITDA before special items	159	109
EBIT before special items	110	64
EBIT margin before special items	13%	10%
Special items	(10)	-
Return on Invested Capital (ROIC)	21%	16%
NIBD/EBITDA before special items ratio	0.7x	0.6x
Free cash flow	(63)	(32)

## FINANCIAL OUTLOOK FOR 2022

The financial outlook for the full year 2022 is upgraded as follows:

- Revenue growth before acquisitions and divestments measured in local currencies ("organic growth") is expected to be in the range of 15% to 20% (previously 10% to 15%).
- EBIT before special items is expected to be in the range of DKK 440 million to DKK 520 million (previously DKK 420 million to DKK 500 million).

The financial outlook for 2022 is based on the following specific assumptions:

- Exchange rates, primarily the British pound ("GBP"), the euro ("EUR") and the Polish zloty ("PLN"), remain at end-April 2022 levels.
- Energy costs are expected to remain at end-April 2022 levels.
- Raw material costs continue to be impacted by modest inflation from end-April levels.

## Q1 2022 INTERIM FINANCIAL REPORT CONFERENCE CALL

In connection with the release of the Q1 2022 Interim Financial Report, a conference call for investors and analysts is scheduled for Monday 9 May 2022, 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. 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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