

18 August 2022

ROCKWOOL Group maintains strong top line guidance, but lowers expected full-year earnings margin due to surge in energy prices.

Based on preliminary reporting ROCKWOOL Group is lowering its expected EBIT margin for 2022 from around 13 percent to between 10 and 12 percent.

In addition, ROCKWOOL Group is reducing its expected investment amount from 425 MEUR to 375 MEUR excluding acquisitions.

Main preliminary highlights for Q2 and H1 2022:

- Sales in Q2 reached 1018 MEUR, up 26 percent in local currencies.
- EBIT in Q2 increased 18 percent to 131 MEUR equal to an EBIT margin of 12.9 percent, up 1.9 percentage points versus Q1 2022 and down 1.4 percentage points from last year.
- For H1 sales increased to 1942 MEUR, a 31 percent increase in local currencies and EBIT increased 16 percent to 233 MEUR equal to an EBIT margin of 12.0 percent, a decrease of 1.9 percentage points from last year.
- Investments excluding acquisitions reached 155 MEUR in H1 2022, at the level of last year.

Outlook 2022:

ROCKWOOL Group has had a good start to 2022, with record high sales in the first half of the year. The sales increase has been driven by continued good demand for our natural stone wool products and necessary sales price increases.

During the second quarter and into July, we experienced a significant increase in energy market volatility with unprecedented surges in natural gas and electricity prices.

Even though our energy-related input costs are extraordinarily volatile, as planned we will continue to raise prices gradually for the remainder of the year.

We maintain our forecast for sales growth in local currencies of 20 to 25 percent primarily driven by price, while we based on current energy price expectations, forecast a lower EBIT margin between 10 to 12 percent from previously around 13 percent.

We expect the full year investment level to be around 375 MEUR, compared to the previous estimate of 425 MEUR.

ROCKWOOL Group will publish its Q2/H1 2022 results on 24 August 2022.

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