

Company announcement
for ROCKWOOL A/S
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ROCKWOOL Group upgrades expected earnings margin for full-year 2023

Based on preliminary reporting, ROCKWOOL Group increases the EBIT margin outlook for the full year 2023 from around 10 percent to around 12 percent.

Main preliminary highlights for Q2 and H1 2023:

- Net sales for H1 2023 reached 1783 MEUR, a seven percent decline in local currencies compared to H1 2022.
- Net sales for Q2 2023 reached 917 MEUR, likewise a seven percent decline in local currencies compared to Q2 2022.
- EBIT in H1 2023 increased two percent to 237 MEUR, with a 13.3 percent EBIT margin, up 1.3 percentage points from H1 2022.
- EBIT in Q2 2023 reached 133 MEUR, on par with last year, with a 14.5 percent EBIT margin, up 1.6 percentage points from Q2 2022.

Outlook 2023:

Continued high interest rates and building costs have reduced new-build construction activity in most markets, in both the residential and commercial building sectors. As expected, ROCKWOOL experienced lower sales during the first half of 2023 and had already at the end of last year taken necessary actions to reduce factory capacity and maintain productivity. These actions, combined with generally stable sales prices and lower energy prices, have resulted in a recovery and normalisation of margins during the first half of the year.

Energy prices have recently stabilised but remain high compared to pre-energy crisis levels. During June, we hedged about half of our expected electricity and natural gas consumption for the second half of the year. With more stable input costs for the second half of the year, the margin risk has been reduced, contributing to the revised assumptions for a normalised full-year EBIT margin outlook.

We expect the EBIT margin to improve to around 12 percent from the previous outlook of around 10 percent. This includes two donations to the Foundation for Ukrainian Reconstruction, of 13.4 MEUR each expensed in Q1 and Q2 2023 respectively.

Full year outlook for a sales decline of up to 10 percent in local currencies and investment level around 400 MEUR excluding acquisitions are maintained. We see a continued difficult and depressed construction market in most geographies for the second half of the year.

ROCKWOOL Group will publish its full Q2 and H1 2023 results on 30 August 2023.

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