

Company announcement 12/2022

17 March 2022

HusCompagniet generates more than DKK 4.3 billion in revenue for 2021 and deliver strong margins in a challenging market

HusCompagniet sets new sales record with an increase of 24% of houses sold in 2021, which has been driven by an extraordinary high demand in H1 2021. Deliveries also increased with 12% to 1,831 houses. The increases have both been the highest in Group history. Reported revenue was DKK 4,315 million for 2021 corresponding to 20% growth from the revenue of 2020. EBITDA before special items increased by 16% to DKK 401 million corresponding to a margin of 9.3%. The overall performance of HusCompagniet has been satisfactory despite challenging markets.

"I'm very pleased that, even in a challenging year like 2021 with price inflation on materials and scarcity of contractors, we were able to deliver strong results. With close monitoring of the market development, HusCompagniet quickly adapted with price adjustments throughout the year. At the same time, we have succeeded in maintaining stable supply chains and secure deliveries, supported by our suppliers and subcontractors. This means, despite challenges, that we once again achieved our important target of delivering 98% of our houses on time," says Martin Ravn-Nielsen, CEO of HusCompagniet.

Selected key highlights for 2021

DKKm	2021	2020	change	Q4 2021	Q4 2020	change
Houses sold (units)	2,376	1,921	23.7%	484	529	-8.5%
Houses delivered (units)	1,831	1,638	11.8%	623	537	16.0%
Order backlog (gross)	3,735	2,688	39.0%	-	-	
Revenue	4,315	3,598	19.9%	1,201	1,012	18.7%
Gross profit	875	756	15.7%	237	218	8.7%
EBITDA (bsi)*	401	346	15.9%	116	118	-1.7%
EBIT	355	220	61.4%	104	51	104%
Gross margin (bsi)*	20.3%	21.0%	-0.7ppt.	19.7%	21.6%	-1.9ppt.
EBITDA margin (bsi)*	9.3%	9.6%	-0.3ppt.	9.7%	11.6%	-1.9ppt.
EBIT margin	8.2%	6.1%	2.1ppt.	8.7%	5.0%	3.7ppt.
Free cash flow	237	110	116%	271	48	465%
Net interest-bearing debt	713	697	2.3%	-	-	
NIBD/EBITDA (bsi)*	1.8x	2.0x	-0.2x	-	-	

*Before special items

After an extraordinary high demand for detached houses in the first six months of 2021, sales normalised in second half of 2021, and sales rates are expected to be on a lower level for 2022.

"We see private customers especially in Denmark being more hesitant. As we expect a lower market demand to continue, we have in February 2022 adjusted the organisation accordingly. Our semi-detached segment continues to expand with strong traction and with 387 units sold in 2021, we are

pleased to see our B2B-strategy pays off. This strengthens our confidence in our target set with 500 units sold yearly within one-three years (2023-2025)."

In addition to HusCompagniet's strategic growth ambitions, both for the semi-detached segment and the Swedish market, the Group has intensified its sustainability efforts. As a market leader, HusCompagniet was the first in the industry to stop offering houses with natural gas heating as of 1 January 2022 and sustainability will be further anchored in the value chain of the entire company.

"We should not only be proud of the houses that we build, but also how we build them. Today, we build energy-efficient homes, and we are at the forefront of the industry by setting ambitious targets, which will ensure that we reduce CO₂ emissions. We want to change the way our employees, customers and business partners think about sustainable construction, and we will drive this agenda – not just follow it. We need to promote sustainable solutions and drive the green transition within construction. This will be a continued focus for us in 2022," says Martin Ravn-Nielsen.

In connection with the annual report for 2021 HusCompagniet proposes a dividend of DKK 7.35 per share.

"We are pleased that the financial results for the year enable us to distribute dividends and thereby let our shareholders receive a share of the profit for the year. Since listing in November 2020, we have returned around DKK 400 million to our shareholders in form of dividends or by means of share buyback," says Mads Dehlsen Winther, Group CFO at HusCompagniet.

Dividend

HusCompagniet will distribute DKK 132 million (DKK 7.35 per share) in dividends based on the financial results for 2021, subject to approval at the Annual General Meeting on 8 April 2022.

From 2022, HusCompagniet has updated the dividend policy from at least 50% by means of dividend to at least 25% by means of dividend, supplemented by means of share buyback for around 25%. The dividend policy is updated to enhance flexibility between dividend and share buyback.

Outlook for 2022

We reiterate our outlook announced on 5 November 2021:

- Revenue is expected to be DKK 4,350-4,650 million
- EBITDA before special items is expected to be DKK 420-450 million
- Operating profit (EBIT) is expected to be DKK 370-400 million

HusCompagniet expects net debt to EBITDA before special items below 2.0x at the end of 2022.

Assumptions

The outlook above is based on HusCompagniets usual solid forecast and provides for an ambitious guidance for 2022. In the meantime, the geopolitical situation has not been as unstable as it currently looks for the past 50 years or more.

The potential impact on macroeconomic factors and elements possibly adversely affecting HusCompagniet are significant, and uncertainty is at an unprecedented high level. HusCompagniets business model, agility and strong financial position provides us with what we believe to be the necessary platform and flexibility to proactively act on changes in the market environment.

Current expectations for 2022 sales are between 1,900 and 2,100 houses. Changed from 2,200 and 2,400 houses due to lower expected market levels in the detached segment. The organisation has been adjusted accordingly to meet the expected demand.

Further detailed assumptions for the outlook can be found in the Annual Report 2021.

Webcast and conference call

HusCompagniet will host a conference call (in English) for investors and analysts today, Thursday 17 March 2022 at 10:00 (CET). The conference call and presentation will be available from HusCompagniet's investor website.

Conference call dial-in numbers for investors and analysts:

UK: +44 20 3481 4247

DK: +45 32 71 24 99

US: +1 646 307 1963

Webcast link <https://streams.eventcdn.net/huscompagniet/2021fy/>

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About HusCompagniet

HusCompagniet is a leading provider of single-family detached houses in Denmark. The company also builds semi-detached houses to both private consumers and professional investors and has a presence in Sweden where it produces prefabricated wood-framed detached houses through its VårgårdaHus brand.

The Group operates an asset-light and flexible delivery model with on-site building, primarily on customer-owned land. The construction is outsourced to subcontractors, allowing for a flexible cost base. In 2021, HusCompagniet generated revenue of approximately DKK 4.3 billion.

HusCompagniet delivered 1,831 houses in 2021, of which 1,441 were detached houses in Denmark, corresponding to a market share of approximately 24% of the Danish detached-house new-build market segment. HusCompagniet has 16 offices with showrooms in Denmark and Sweden and more than 60 show houses and offers digital sales through the online platform "HusOnline". HusCompagniet currently has more than 400 employees.