

## Trading Statement for 1 January – 31 March 2022 and adjusted financial outlook for 2022

**HusCompagniet generated revenue growth of 22.6%, totalling more than DKK 1.1 billion in reported revenue for the first quarter of 2022. EBITDA margin was 8.5%, a satisfactory level in a challenging market environment with increased cost inflation and distressed supply chains. Financial outlook for 2022 adjusted due to immediate surcharges imposed by suppliers.**

“This is undoubtedly a historically extraordinary period and uncertainty is at an unprecedented high level. Despite the challenging market environment, HusCompagniet reports satisfactory performance for Q1 2022”, says CEO Martin Ravn-Nielsen and continues.

“2022 is yet a challenging year. The tragic war in Ukraine has affected the market environment, and prices for materials has increased significantly whilst supply chains remain distressed. Suppliers have imposed immediate surcharges of up to 30% in recent weeks due to accelerated energy prices. Our resilient and flexible business model has allowed us to adjust quickly to market development, yet in the short term, this will impact performance for 2022. We are therefore adjusting our guidance for 2022. Despite this extraordinary market situation, we guide an expected EBITDA margin for 2022 of minimum 8.1%.”

### Selected key highlights Q1 2022

<i>DKKm</i>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Change</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Houses sold (units)	374	626	-40.3%	2,376	1,921	23.7%
Houses delivered (units)	480	394	21.8%	1,831	1,638	11.8%
Order backlog, gross	3,724	3,181	17.1%	3,735	2,688	39.0%
Order backlog, net	2,742	2,475	10.8%	2,855	2,089	36.7%
Revenue	1,173	957	22.6%	4,315	3,598	19.9%
Gross profit	218	190	14.7%	875	756	15.7%
EBITDA bsi*	99	74	33.8%	401	346	15.9%
Special items	0	0	-	0	-79	-
EBIT	88	62	41.9%	355	220	61.4%
Gross margin bsi*	18.6%	19.9%	-1.3 ppt.	20.3%	21.0%	-0.7 ppt.
EBITDA margin bsi*	8.5%	7.7%	0.8 ppt.	9.3%	9.6%	-0.3 ppt.
EBIT margin	7.5%	6.5%	1.0 ppt.	8.2%	6.1%	2.1 ppt.
Contract assets, net	806	577	39.7%	725	445	62.9%
Inventories	261	310	-15.8%	316	360	-12.2%
Available cash	400	487	-17.9%	455	477	-4.6%
Net interest-bearing debt	764	686	11.4%	713	697	2.3%
NIBD/LTM EBITDA bsi*	1.8x	1.9x	-0.1x	1.8x	2.0x	-0.2x
FTEs end of period	488	439		481	434	

\*Before special items

## Highlights Q1 2022

- HusCompagniet generated revenue of DKK 1,173 million in Q1 2022, an increase of 22.6% year-over-year. The higher level of revenue was supported by deliveries of 480 houses, up by 86 or 21.8% from 394 houses in Q1 2021.
- Our strong supplier and subcontractor relationships supported the completion rate in deliveries in an extraordinarily challenging environment with distressed supply chains, and the target of delivering 98% of our houses on time was maintained.
- Sales totalled 374 homes sold in the period, down 40.3% from an extraordinarily high sales rate in Q1 2021. Q1 2022 sales rate was characterised by private customers being more hesitant although March improved and was at normalised historical levels compared to the first two months.
- EBITDA before special items (bsi) was DKK 99 million, up 33.8% from DKK 74 million in Q1 2021. EBITDA margin bsi was 8.5% against 7.7% in Q1 2021. Despite increased cost pressures and distressed supply chains, margin increased 0.8 ppt. year-over-year. The overall level was impacted by a Q4 with high delivery level consequently affecting Q1 margins.
- The order backlog (net) on 31 March 2022 amounted to DKK 2,742 million, an increase of 10.8% from DKK 2,475 million at end of Q1 2021. The order backlog (net) was DKK 2,855 million at year-end 2021.
- Net debt (NIBD) amounted to DKK 764 million, while the leverage ratio (NIBD/LTM EBITDA) was 1.8x compared to 1.9x at year end Q1 2021. The leverage ratio is expected to be up to 2.25x due to the acquisition of the factory in Esbjerg, signed 22 April 2022, with a target level of below 2.0x at year end 2023.
- Contract assets, net, amounted to DKK 806 million compared to DKK 725 million at year end 2021, due to increased building activity. Excluding contract liabilities, contract assets amounted to DKK 873 million against DKK 809 million at year end 2021.
- Inventories were DKK 261 million, down from 316 million at year-end 2021. Inventories comprised; Raw materials of DKK 14 million; Show-houses of DKK 146 million; and Land of DKK 101 million.
- As of 31 March 2022, the Group's land bank comprised 204 individual land plots (including plots for show houses and project houses) valued at DKK 218 million (of which DKK 117 million was reclassified to contract assets). At year-end 2021, the Group's land bank comprised 271 individual land plots (including show houses and project houses) valued at DKK 207 million.
- Share-buyback program was completed in Q1 2022, totalling a buyback of 316,931 shares or DKK 36.8 million.
- Proposed dividend of 7.35 (DKK 132 million) based on the financial results for 2021, was approved at the Annual General Meeting on 8 April 2022. Further, the cancellation of 1,790,000 shares was approved. After cancellation, the entire share capital is 18,210,000 shares of a nominal value of DKK 5.
- On 22 April 2022, HusCompagniet signed agreement to acquire prefabricated (prefab) factory in Esbjerg, Denmark, from Danhaus. The acquisition supports more sustainable production in the growing semi-detached segment.

## Q1 segmental development

	Detached houses		Semi-detached houses		Sweden		Group	
	Q1-2022	Q1-2021	Q1-2022	Q1-2021	Q1-2022	Q1-2021	Q1-2022	Q1-2021
<i>DKKm</i>								
Houses sold (units)	278	470	74	82	22	74	374	626
Houses delivered (units)	341	327	72	11	67	56	480	394
Houses delivered on own land (%)	8.5%	10.4%	86.1%	36.4%	n/a	n/a	22.0%	11.2%*
Order backlog, gross	2,652	2,447	706	503	365	231	3,724	3,181
Order backlog, net	1,941	1,897	465	377	336	201	2,742	2,475
Revenue	882	757	205	132	86	68	1,173	957
Gross profit	170	147	15	15	33	28	218	190
EBITDA bsi	78	53	9	11	12	11	99	74
Average selling price (ASP)	2.3	2.2	2.2	1.3	1.3	1.2	n/a	n/a
Revenue growth (%)	16.5%	3.6%	55.3%	169%	26.5%	-5.6%	22.6%	12.5%
Gross margin	19.3%	19.4%	7.4%	11.4%	37.8%	41.6%	18.6%	19.9%
EBITDA margin bsi	8.9%	7.0%	4.4%	8.1%	14.2%	15.4%	8.5%	7.7%

\*Only includes houses delivered in Denmark.

### Detached houses

- Sales totalled 278 homes, down 192 or 40.9% from 470 homes in Q1 2021. Sales rate increased slightly in March after low sales activity in January and February. The market in the beginning of the year was affected by customers being hesitant compared to an extraordinary high market demand in Q1 2021.
- Revenue was DKK 882 million, up 16.5% from Q1 2021. Deliveries was 341, up 14 or 4.3% from 327 homes in Q1 2021. The higher level of deliveries supports increased revenue level. The delivery level is expected to continue due to the extraordinary high sales level in H1 2021
- EBITDA bsi was DKK 78 million up DKK 25 million or 47.2% from DKK 53 million. EBITDA margin was 8.9% against 7.0% in Q1 2021. The overall level was impacted by a Q4 with high delivery level consequently affecting Q1 margins.
- Gross margin was on par with Q1 2021 while EBITDA margin was positively affected by lower level of provision compared to Q1 2021.
- Average selling price (ASP) was DKK 2.3 million up from DKK 2.2 million in Q1 2021. Development was affected by continued price adjustments during 2021.

### Semi-detached houses

- Q1 unit sales amounted to 74 units, down from 82 units in Q1 2021. The B2B share was 31 units sold. The overall level was impacted by periodic fluctuations in the B2B sales, which is not unusual.
- Revenue increased to DKK 205 million from DKK 132 million and comprised delivery of a larger B2B project as well as delivery of B2C projects and work-in-progress.

- Medium-term sales target for semi-detached increased from 500 within 2023 – 2025 to 750 towards 2025. With the acquisition of the factory in Esbjerg, we are comfortable with the increased target set, as both production capacity is secured as well as more sustainable production.
- The EBITDA margin was 4.4%, against 8.1% in Q1 2021. The margin was impacted by inter-segment move of larger B2C project in Roskilde, Denmark, as the project is produced in the Detached segment. The organisation has in 2021 ramped up to support growth.
- Order backlog (net) was DKK 465 million against DKK 377 million at end of March 2021, reflecting the higher activity.

### **Sweden**

- Q1 2022 sales totalled 22 houses, down from 74 houses in Q1 2021. The sales rate was impacted by lower market activity and focus on executing on existing orderbook as 2022 production is fully booked.
- Revenue totalled DKK 86 million, up DKK 18 million or 26.5% from DKK 68 million in Q1 2021. The strong sales rate in 2021 supported the higher revenue level. Deliveries amounted to 67 homes, up from 56 homes in Q1 2021.
- EBITDA margin was 14.2% against 15.4%. The margin was positively affected by high production utilisation on the factory while increased prices on materials impacted the margin. Quarterly fluctuations are expected.
- Order back log (net) was DKK 336 million against DKK 201 million as of 31 March 2021. The order back reflects full capacity utilisation for 2022.

### **Outlook for 2022**

We adjust our outlook announced on 17 March 2022, which reiterated the announced outlook on 5 November 2021, with adjusted sales assumptions due to the expected lower marked demand.

The visibility has been reduced substantially due to the war in Ukraine. The geopolitical situation has not been as unstable for the past 50 years or more. High-cost inflation and distressed supply chains are affecting the market situation. HusCompagniet are continuously adjusting sales prices to follow the market development. In the latest weeks, immediate surcharges have been imposed from suppliers as high as up to 30%, due to accelerated energy prices. We therefore adjust our outlook.

Further, as visibility remains low, we expand the range of our outlook for EBTDA before special items and operating profit (EBIT) and we adjust our assumptions for sales and deliveries in 2022. We maintain our ambition of 98% delivery on time.

- Revenue is expected to be DKK 4,250-4,550 million (previously DKK 4,350-4,650 million)
- EBITDA before special items is expected to be DKK 370-410 million (previously DKK 420-450 million)
- Operating profit (EBIT) is expected to be DKK 320-360 million (previously DKK 370-400 million)

HusCompagniet expects net debt to EBITDA before special items below 2.25x at the end of 2022 (previously below 2.0x).

The above outlook includes effects from the transaction of the factory in Esbjerg, Denmark, announced on 22 April 2022 (Company announcement 20/2022), and the related costs.

### **Assumptions for the outlook**

The 2022 guidance is based on no severe disruption of supply chains emerging and on raw material prices not significantly exceeding current levels.

- Current expectations for 2022 sales are between 1,700 – 2,100 (previously 1,900 and 2,100 houses).
- Current expectations for 2022 deliveries are between 1,950 and 2,100 houses (previously between 2,020 and 2,160 houses).
- Revenue from the semi-detached segment is assumed to be around DKK 500 million.
- Share of deliveries on own land is expected to be below 10% due to the current size of the land bank. Long-term target remains at around 20%.
- Current expectations for capital expenditures are DKK 40–60 million and comprise investments in digitalisation, automation, B2B and sustainability.
- Full year cash conversion (free cash flow to EBITDA) is expected to be at least 50% despite the increased capex level (previously at least 60%).
- Special items of DKK 2-5 million is expected (previously no significant special items are expected).
- The newly acquired factory is expected to generate around DKK 100 million in revenue and break-even EBITDA result.

### **Webcast and conference call**

HusCompagniet will host a conference call (in English) for investors and analysts today, Friday 29 April 2022 at 10:00 (CEST). 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 74 07 10  
US: +1 646 307 1963

<https://streams.eventcdn.net/huscompagniet/2022q1/>

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### **Forward-looking statements**

This announcement includes forward-looking statements on various matters, such as expected earnings and future strategies and expansion plans. Such statements are uncertain and involve various risks, as many factors, some of which are beyond our control, may result in actual developments differing considerably from the expectations set out. Such factors include, but are not limited to, general economic and business conditions, exchange rate and interest rate fluctuations, the demand for our services and competition in the market.