

4 May 2021

Company Announcement 6/2021

Trading Statement for 1 January – 31 March 2021

HusCompagniet generates solid growth in both revenue and EBITA in line with expectations. Sales rates were higher than expected, and consequently, sales commissions increased in Q1 2021. The higher than expected sales rate continued in April, leading to an upgrade of the financial outlook for 2021 to a revenue level of DKK 4,100 – 4,250 million and an EBITA of DKK 360-370 million.

“I’m very pleased with the strong results for the first quarter of 2021, showing improvements in all of our segments year-on-year, especially in our detached market. The overall market demand in Sweden and Denmark continue to be extraordinarily high and enable us to upgrade the guidance for 2021.

We continue to have a key focus on keeping a healthy order book. With supply chains intact, we successfully maintain our important target of delivering 98% of our houses on time and at agreed cost.” says Martin Ravn-Nielsen, CEO of HusCompagniet.

Highlights

- Revenue increased by 12% year-over-year to DKK 957 million, supported by an increase in deliveries totalling 394 houses, up with 42 from 352 houses in Q1 2020
- Sales grew 62% in a market with extraordinary high activity from a low level in Q1 2020, affected by the COVID-19 emergence. The strong sales rate supports continued growth and increases capacity utilisation of production
- The order backlog as at 31 March 2021 amounted to DKK 3,181 million, an increase from DKK 2,688 million at year-end 2020 and DKK 2,384 year-over-year
- EBITA bsi increased 49% to DKK 67 million, up from DKK 45 million in Q1 2020. EBITA margin was 7.0% compared to 5.3% in Q1 2020. The improvement was driven by the higher focus on margin improvements partly offset by higher sales commissions due to higher sales rate than expected. A smaller ramp-up of the organisation is planned to meet the higher sales rate
- Net debt was DKK 686 million, and leverage ratio (NIBD/LTM EBITDA) was 1.9x compared to 2.0x at year-end 2020. As at 31 March 2021, available cash was DKK 487 million, including a revolver of DKK 400 million
- Contract assets amounted to DKK 665 million compared to DKK 548 million at year-end 2020, primarily driven by increased sales in Semi-detached. Including contract liabilities, contract assets amounted to DKK 577 million against DKK 445 million at year-end 2020
- Inventories were DKK 310 million, down from 360 million at year-end 2020. Inventories comprised; Raw materials of DKK 12 million; Show-houses of DKK 142 million; and Land of DKK 156 million, including Write-downs

- As at 31 March 2021, The Group's land bank comprised 464 individual land plots (including show houses and project houses) valued at DKK 232 million (hereof DKK 75 million reclassified to contract assets). Value of land was in line with year-end 2020, despite lower number of plots. This was mainly driven by payment in Q1 2021 of land acquired in 2020, and maturity of land on existing plots in Q1 2021

Selected key highlights Q1

<i>DKKm</i>	Q1 2021	Q1 2020	FY 2020	FY 2019
Houses sold (units)	626	387	1,921	1,700
Houses delivered (units)	394	352	1,638	1,565
Order backlog	3,181	2,384	2,688	2,312
Revenue	957	851	3,598	3,496
Gross profit	190	160	756	716
EBITDA before special items (bsi)	74	53	346	326
EBITA before special items	67	45	317	297
Special items	0	0	-79	-17
EBIT	62	40	220	271
Gross margin before special items	19.9%	18.8%	21.0%	20.5%
EBITA margin before special items	7.0%	5.3%	8.8%	8.5%
EBIT margin	6.5 %	4.7%	6.1%	7.7%
Contract assets, gross	665	663	548	688
Inventories	310	407	360	403
Available cash*	487	424	477	449
Net interest-bearing debt	686	928	697	831
NIBD/LTM EBITDA before special items	1.9x	n/a	2.0x	2.5x

*Available cash includes all RCF facilities. 2019 and Q1 20 include a DKK 450m RCF facility. The RCF facility agreement was changed in October 2020 to a DKK 400m agreement.

Q1 segmental development

<i>DKKm</i>	Detached houses		Semi-detached houses		Sweden		Group	
	Q1-2021	Q1-2020	Q1-2021	Q1-2020	Q1-2021	Q1-2020	Q1-2021	Q1-2020
Houses sold (units)	470	311	82	29	74	47	626	387
Houses delivered (units)	327	278	11	27	56	47	394	352
Houses delivered on own land (%)	10.4%	21.9%	36.4%	96.3%	n/a	n/a	11.2%*	28.5%*
Order backlog	2,447	2,091	503	118	231	175	3,181	2,384
Revenue	757	730	132	49	68	72	957	851
EBITA bsi	47	35	11	4	9	6	67	45
Average selling price (ASP)	2.2	2.2	1.3	2.1	1.2	1.6	n/a	n/a
Revenue growth (%)	3.6%	n/a	169%	n/a	-5.6%	n/a	12.5%	n/a
EBITA margin bsi	6.3%	4.8%	8.1%	8.7%	12.8%	7.7%	7.0%	5.3%

*Only includes houses delivered in Denmark.

Detached houses

- Sales increased 51%, driven by high activity in the housing market. In addition, COVID-19 impacted Q1 2020
- Q1 2021 deliveries increased 18%. Revenue from work-in-progress was lower compared to the same period last year due to phasing
- Despite a lower share of own land in Detached in Q1 2021, the EBITA margin increased. The focus on margin improvements drove the increase, and to some extent, the obtained COVID-19 discounts
- Due to the increased sales rates, the Group incurred more in sales provisions than expected

Semi-detached houses

- Sales increased 183% to 82 units sold, of which 47 units were B2B sales. The largest B2B project sold in Q1 2021 comprised 22 units. The order book was above DKK 500 million for the first time in the company's history
- Revenue comprised mainly contracted work in progress (DKK 118m)
- Share of own land was 36%. The development reflected the increased share of semi-detached from B2B. The majority of B2C Semi-detached projects are completed on own land, while B2B-projects generally comprise a smaller share of own land. The mix effect also affected the development in Average selling price

Sweden

- Sales increased 57%, driven by high market activity and execution of strategic initiatives
- Revenue was slightly lower than Q1 2020. A lower share of revenue from on-site construction was partly offset by an increase in deliveries
- The lower share of on-site construction projects had a positive impact on margin while also affecting the development in Average selling price

Outlook for 2021

The full-year guidance for 2021 is upgraded due to higher than expected sales.

- Revenue is expected to be DKK 4,100 – 4,250 million (previously DKK 3,800 – 4,150 million)
- EBITA before special items is expected to be DKK 360 – 370 million (previously DKK 350 – DKK 360 million)
- Operating profit (EBIT) is expected to be DKK 335 – 345 million (previously DKK 325 – 335 million)

HusCompagniet expects a leverage ratio below 2.0x net debt to last twelve months EBITDA before special items at the end of 2021.

Assumptions for the outlook

HusCompagniet estimates for 2021 are primarily based on its historic execution rate, existing order backlog and current market expectations.

Current expectation for 2021 sales is between 2,100 and 2,250 houses (adjusted from between 1,950 and 2,100)

Detailed assumptions for the outlook can be found in the Annual Report 2020.

Webcast and conference call

HusCompagniet will host a conference call (in English) for investors and analysts today, Tuesday 4 May 2021 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 3333009262
DK: +45 78150109
US: +18 332498407
DE: +49 69222220380

<https://streams.eventcdn.net/huscompagniet/huscompagniet-q1-2021/>

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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.