

23 August 2024

Company Announcement 13/2024

HusCompagniet realised H1 2024 performance in line with expectations and narrows full-year guidance

Interim financial report for the period 1 January – 30 June 2024

HusCompagniet realised revenue of DKK 1,062 million in H1 2024, down from DKK 1,280 million in H1 2023 due to fewer deliveries after lower sales in 2023. Gross margin increased to 23.4% from 20.9%, supported by a solid Q1 2024 performance and the comparison period being impacted by re-evaluation of provisions related to prior years. EBITDA came to DKK 45 million for an EBITDA margin of 4.2%. EBIT amounted to DKK 21 million.

In H1 2024, HusCompagniet sold 640 houses (units), an increase of 44% mainly driven by the semi-detached segment and supported by the detached business. The net order backlog increased by 25% compared to H1 2023.

Group CEO of HusCompagniet, Martin Ravn-Nielsen says: *“Our financial performance in the first half of 2024 was in line with expectations on the back of more project wins and a strengthening of our position in the B2B segment combined with moderately improving market conditions in the detached segment and continued strict cost control.”*

“We increased sales by 44% in the first half of the year after generating solid progress in the semi-detached segment and slight improvements in the detached business showing signs of gradual market recovery. We are narrowing our full-year guidance on the back of a satisfactory activity level, and for the longer term we are pleased to note increasing awareness and focus on HusCompagniet as an attractive partner for professional investors”, says Martin Ravn-Nielsen.

Selected key highlights Q2 and H1 2024

DKKm	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Houses sold (units)	368	219	68%	640	445	44%
Houses delivered (units)	215	265	-19%	382	609	-37%
Order backlog, gross				1,935	1,659	17%
Order backlog, net				1,472	1,179	25%
Revenue	579	624	-7%	1,062	1,280	-17%
Gross profit	128	118	8%	249	267	-7%
EBITDA	24	17	41%	45	57	-21%
Special items	0	1	-100%	0	-1	-100%
EBIT	12	6	100%	21	35	-40%
Gross margin	22.1%	18.9%	3.2 ppt.	23.4%	20.9%	2.5 ppt.
EBITDA margin	4.1%	2.7%	1.4 ppt.	4.2%	4.4%	-0.2 ppt.
EBIT margin	2.0%	0.9%	1.1 ppt.	1.9%	2.7%	-0.8 ppt.
Contract assets, gross				464	522	-11%
Available cash incl. RCF				586	344	70%
Net interest-bearing debt				236	489	-52%
NIBD/LTM EBITDA				2.4x	2.5x	-0.1x
FTEs end of period				392	385	7

Highlights

- In H1 2024, sales came to 640 houses (units) against 445 in H1 2023 with progress driven by the semi-detached business with 228 units sold compared to 101 in H1 2023. This excludes the Velkomn project of 153 units announced in July 2024 and the NREP project of 164 semi-detached houses announced in November 2023, still awaiting building permit. Sales in the detached segment increased to 373 units from 287, while sales decreased to 39 units from 57 in the Swedish Wooden houses segment.
- Revenue totalled DKK 1,062 million in H1 2024, down 17% driven by fewer deliveries across segments due to lower sales in 2023. Deliveries came to 382 houses (units) in H1 2024 from 609 in the comparison period.
- Gross margin rose to 23.4% in H1 2024 from 20.9% in H1 2023 driven by strong cost control and the comparison period being negatively impacted by a DKK 15 million re-evaluation of provisions related to prior years.
- H1 2024 EBITDA amounted to DKK 45 million for a margin of 4.2% against DKK 57 million and a margin of 4.4% in H1 2023.
- EBIT came to DKK 21 million in H1 2024, down from DKK 35 million last year.
- The order backlog (net) increased by 25% to DKK 1,472 million at end of Q2 2024, driven by improved sales.
- End of Q2 2024, net debt amounted to DKK 236 million for a leverage ratio (NIBD/LTM EBITDA) of 2.4x, down from net debt of DKK 489 million and a leverage ratio of 2.5x at end of Q2 2023 driven by lower working capital.

Outlook for 2024

Based on the H1 2024 financial performance and expectations for the remainder of 2024, the guidance issued on 8 March 2024 is narrowed:

- Revenue is expected to be DKK 2.3-2.4 billion (previously DKK 2,300-2,600 million)
- EBITDA is expected to be DKK 90-120 million (previously DKK 80-130 million)
- Operating profit (EBIT) is expected to be DKK 40-70 million (previously DKK 30-80 million)

Assumptions for the outlook

- Current expectations for 2024 deliveries are between 850 and 950 houses.
- The 2024 guidance is based on no severe disruption of supply chains emerging and on raw material prices not significantly exceeding current levels.
- Dividend distribution to shareholders remains suspended and is not expected to be reintroduced before leverage is below the long-term target of 2x net debt to EBITDA.

Webcast and conference call

HusCompagniet will host a conference call for investors and analysts at 10:00 (CEST) today, Friday 23 August 2024. The conference call and presentation will be available from HusCompagniet's investor website.

Conference call dial-in numbers for investors and analysts:

Participant Dial-in:

Denmark: +45-7-8768490

France: +33-1-81221259

Germany: +49-30-21789327

Sweden: +46-8-1241-0952

United Kingdom: +44-203-7696819

United States: +1 646-787-0157

PIN: 649396

Webcast link:

<https://huscompagniet-events.eventcdn.net/events/h1-2024>

For additional information, please contact:

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DKK'm	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Income statement					
Revenue	579	624	1,062	1,280	2,381
Gross profit	128	118	249	267	517
EBITDA	24	17	45	57	108
Operating profit (EBIT)	12	6	21	35	62
Financial income /expenses, net	-10	-13	-20	-22	-39
Profit for the period (continued operations)	-1	-5	-1	10	17
Profit for the period (discontinued operations)	8	-3	8	-3	-3
Profit for the period	8	-8	7	7	15
Balance sheet					
Total assets			3,461	3,377	3,264
Contract assets, net			264	425	262
Net working capital			216	461	316
Net interest-bearing debt (NIBD)			236	489	356
Equity			2,093	2,064	2,098
Cash flow					
Cash flow from operating activities	135	65	134	97	249
Cash flow from investing activities	-3	-4	-4	-11	-20
- Hereof from investment in property, plant and equipment	-1	-1	-2	-5	-10
Cash flow from financing activities	-11	18	-17	2	-9
Free cash flow	133	61	130	87	229
Key figures					
Revenue growth	-7.2%	-43.0%	-17.0%	-43.5%	-45.0%
Gross margin	22.1%	18.9%	23.4%	20.9%	21.7%
EBITDA margin	4.1%	2.7%	4.2%	4.4%	4.6%
Earnings Per Share (EPS Basic), DKK	0.4	-0.4	0.1	0.3	0.7
Diluted earnings per share (EPS-D) (DKK)	0.4	-0.4	0.1	0.3	0.7
Dividend per share, DKK	0	0	0	0	0
Share price end of period, DKK			55	59	46.5
Market value, DKK billion			1.2	1.3	1.0
ROIC before tax, LTM			2.2%	6.8%	2.5%
ROIC before tax (adjusted for goodwill), LTM			10.5%	25.2%	10%%
NIBD/LTM EBITDA			2.4	2.5	3.3

Refer to the consolidated financial statements 2023 for definition of key figures

Business Update

In the first half of 2024, overall sales increased despite continued cautiousness impacting consumer willingness to make large investment decisions. The positive trend in sales was supported by slightly decreasing interest rates towards the end of the reporting period, continuous relative improvements in consumer confidence from a very low level, and an unchanged strong job market. Core inflation stabilised at a significantly lower level compared to the first half of 2023.

HusCompagniet sold 640 units in the first six months of 2024 against 445 in the same period last year, and delivered 382 units, down from 609 in first half 2023.

The detached market in Denmark showed signs of gradual recovery at a moderate pace, supporting an increase in customer leads and meeting activity. On this background, the core detached segment increased sales in the quarter and the half year.

In the semi-detached segment, HusCompagniet entered contracts on smaller projects contributing to an order backlog with projects of varying sizes. After the balance sheet date, a partnership with property developer and operator of rental housing Velkomn was entered on a project of 153 DGNB gold-certified semi-detached houses in Haslev, Southern Zealand. Overall, the activity level remained satisfactory and constructive dialogues with larger investors continued.

Sweden was one of the first countries in Europe to implement an interest rate cut in Spring 2024, but overall, the economy and housing market saw fewer signs of a potential near-term pickup from a low level. To optimise capacity utilisation on the Swedish factory, it was prepared for potential delivery to the semi-detached segment in Denmark.

In H1 2024, revenue came to DKK 1,062 million where the core market, Danish

detached houses, comprised 77%, while semi-detached and the Swedish Wooden houses segment comprised 18% and 5%, respectively.

Customer satisfaction

HusCompagniet maintained its position as the best rated housing construction company among Danish customers on Trustpilot with a satisfaction score of 4.9 out of 5.0 based on a total of more than 6,000 reviews.

Financial review

Revenue

Q2 2024 revenue came to DKK 579 million, down from DKK 624 million in Q2 2023, as a higher number of deliveries in the detached segment was offset by a decline in the semi-detached and Wooden houses segments as a consequence of lower sales towards end-2023. Deliveries totalled 215 units, down from 265 in the comparison period.

H1 2024 revenue amounted to DKK 1,062 million compared to DKK 1,280 million in the same period last year. 382 housing units were delivered in the period, against 609 last year.

Gross margin

Q2 2024 gross margin was 22.1% against 18.9% in Q2 2023, where the detached segment was negatively affected by a DKK 15 million re-evaluation of provisions related to prior years.

H1 2024 gross margin came to 23.4%, supported by a solid 25.0% margin in Q1 2024, and up from 20.9% in H1 2023.

EBITDA

EBITDA increased to DKK 24 million for a margin of 4.1% in Q2 2024 against DKK 17 million and a margin of 2.7% in Q2 2023, which included the re-evaluation of provisions.

H1 2024 EBITDA amounted to DKK 45 million against DKK 57 million in H1 2023.

Amortisation and depreciation

In Q2 2024, amortisation and depreciation came to DKK 12 million, up from DKK 11 million in Q2 2023.

In H1 2024, the amount was DKK 24 million against DKK 22 million in the comparison period.

Amortisation mainly consists of development projects, whereas depreciation primarily refers to leasing contracts, factory equipment and IT projects.

EBIT

EBIT came to DKK 12 million in Q2 2024, up from DKK 6 million in Q2 2023, which was impacted by special items of DKK 1 million. For H1 2024, EBIT amounted to DKK 21 million against DKK 35 million in H1 2023.

Net financials

In Q2 2024, net financials were an expense of DKK 10 million, down from an expense of DKK 13 million in Q2 2023. For H1 2024, net financials came to an expense of DKK 20 million, down from an expense of DKK 22 million in H1 2023, which was impacted by refinancing costs from full amortisation of cost related to previous loan and higher interest.

Taxation

In Q2 2024, tax amounted to negative DKK 3 million compared to DKK 2 million in Q2 2024. For H1 2024 tax amounted to DKK 2 million, on par with H1 2023.

Discontinued operations

In 2020, HusCompagniet closed its brick house activities in Germany and Sweden. H1 2024 profit from discontinued operations came to DKK 8 million compared to a loss of DKK 3 million in the comparison period. The change mainly reflected an adjustment of close-down provision and a correction of tax for previous years.

Group profit for the period

Q2 2024 profit amounted to DKK 8 million, up from negative DKK 8 million in Q2 2023. In H1 2024, profit came to DKK 7 million, on par with H1 2023.

	Q2-2024	Q2-2023	H1-2024	H1-2023	FY-2023
Sales (units)	368	219	640	445	851
Detached	201	169	373	287	579
Semi detached	140	9	228	101	171
Sweden	27	41	39	57	101
Deliveries (units)	215	265	382	609	1,054
Detached	160	142	272	342	633
Semi detached	33	73	71	145	234
Sweden	22	50	39	122	187
Order backlog (gross) (DKKm)			1,935	1,659	1,513
Detached			1,362	1,080	1,058
Semi detached			480	449	363
Sweden			93	129	93
Order backlog (net) (DKKm)			1,472	1,179	1,145
Detached			1,061	775	805
Semi detached			320	278	248
Sweden			92	125	93
Share of own land* (%)	10.9%	14.0%	9.6%	12.9%	13.1%
Detached (%)	7.5%	9.2%	6.3%	8.5%	7.3%
Semi-detached (%)	27.3%	23.3%	22.5%	23.4%	29.1%

*Only Denmark

Cash flow

Operating activities

In Q2 2024, cash flow from operating activities came to DKK 135 million, up from DKK 65 million in Q2 2023. The development was primarily driven by increased deliveries in the detached segment and a relative increase in on-account invoicing of B2B projects as well as timing of creditor payments between quarters.

In H1 2024, cash generated from operating activities amounted to DKK 134 million, up from DKK 97 million in the comparison period.

Investing activities

In Q2 2024, cash outflow from investing activities amounted to DKK 3 million, against an outflow of DKK 4 million in Q2 2023.

In H1 2024, cash outflow came to DKK 4 million compared to an outflow of DKK 11

million in H1 2023, which was impacted by higher investments in property, plant and equipment as well as digitalisation projects.

Financing activities

Cash outflow from financing activities in Q2 2024 was DKK 11 million against an inflow of DKK 18 million in Q2 2023, which mainly related to a capital raise of DKK 207 million and repayment of loans (DKK 175 million).

H1 2024 cash outflow came to DKK 17 million compared to an inflow of DKK 2 million in H1 2024.

Free cash flow

Q2 2024 free cash flow increased to DKK 133 million, up from DKK 61 million in Q2 2023, mainly driven by operating activities.

In H1 2024 free cash flow came to DKK 130 million against DKK 87 million in H1 2023.

Balance sheet

Financing

At end of H1 2024, net interest-bearing debt (NIBD) amounted to DKK 236 million, down from DKK 489 million at end-H1 2023, supported by lower working capital. The financial leverage was 2.4x LTM EBITDA compared to 3.3x at year-end 2023.

Equity

Equity amounted to DKK 2,093 million in H1 2024, up from DKK 2,064 million in H1 2023 due to higher retained earnings and other reserves.

Net working capital

At end-H1 2024, net working capital amounted to DKK 216 million, down from DKK 461 million in the comparison period. The development was driven by the improved cash flow from operating activities.

Contract assets

At end-H1 2024, Net contract assets were DKK 264 million, down from 425 end-H1 2023 due to lower sales level in H1 2023.

Dividend

Dividends were suspended in 2023 as part of the debt refinancing agreement entered into in Q2 2023. HusCompagniet expects to return to making dividend payments, once the leverage is below 2x net debt to EBITDA.

Segments

In H1 2024, the detached segment comprised 77% of total revenue, whereas semi-detached and Wooden houses generated 18% and 5%, respectively. H1 2023 revenue split was 67%, 19% and 14%, respectively.

Detached houses

Q2 2024 revenue amounted to DKK 461 million, up from DKK 412 million and Average selling price (ASP) was DKK 2.8 million, down from DKK 2.9 million. Deliveries totalled 160 against 142 last year, and share of own land deliveries was 7.5%, down from 9.2%. Sales came to 201 housing units, up from 169 in Q2 2023.

H1 2024 revenue decreased to DKK 817 million from DKK 859 million in H1 2023 with ASP coming to DKK 2.8 million, down from DKK 2.9 million in H1 2023, due to changes in market geography and product mix. Deliveries totalled 272, down from 342 in 2023, and share of own land deliveries was 6.3%, down from 8.5% in 2023. The number of housing units sold was 373, up from 287 in H1 2023.

In Q2 2024, gross margin was 19.9%, up from 15.0% in 2023, and EBITDA was DKK 20 million against negative DKK 5 million in the comparison period, which was impacted by the beforementioned provision of DKK 15 million. In H1 2024, gross margin was 20.0%, up from 16.8% in H1 2023, and EBITDA came to DKK 23 million against DKK 12 million in H1 2023.

In Q2 2024, EBIT amounted to DKK 11 million compared to negative DKK 13 million in the comparison period. EBIT for H1 2024 came to DKK 5 million, up from DKK negative 4 million last year.

In July 2024, 21 houses were delivered, and 50 units were sold compared to 32 deliveries and 40 sales in July 2023.

Semi-detached houses

In Q2 2024, revenue amounted to DKK 91 million, down from DKK 130 million in Q2 2023 and with ASP declining to DKK 1.5 million from DKK 2.1 million last year due to the mix in deliveries. Deliveries came to 33 compared to 73 last year, due to lower sales in previous quarters. The share of own land deliveries was 27.3% against 23.3% in Q2 2023. Sales increased significantly to 140 units from 9.

In H1 2024, revenue came to DKK 192 million, down from DKK 247 million last year, while ASP amounted to DKK 1.6 million, down from DKK 1.8 million in H1 2023. Deliveries totalled 71 units compared to 145 units last year. The share of own land deliveries was 22.5%, down from 23.4% last year. 228 units were sold, up from 101 units in H1 2023.

The Q2 2024 gross margin increased to 25.9% from 23.8% in Q2 2023 despite the lower ASP, and EBITDA was DKK 3 million, down from DKK 14 million. In H1 2024, gross margin was 32.5%, up from 25.8% in H1 2023, for an EBITDA of DKK 22 million, down from DKK 30 million. Q2 2024 EBIT was DKK 2 million against DKK 13 million last year. EBIT for H1 2024 came to DKK 19 million, down from DKK 27 million in H1 2023.

No semi-detached housing units were delivered in July 2024, while 32 units were sold against no deliveries and 2 sales in July 2023.

Wooden houses

Revenue in Q2 2024 amounted to DKK 27 million compared to DKK 82 million last year with ASP of DKK 1.1 million against DKK 1.6 million last year. Deliveries were 22, down from 50 in Q2 2023. 27 housing units were sold, down from 41 last year

H1 2024 revenue was DKK 54 million, down from 175 million. ASP came to DKK 1.3 million against 1.4 million last year. 39 units were delivered, down from 122 units in H1 2023. 39 units were sold compared to 57 in H1 2023.

Q2 2024 gross margin was 46.4%, up from 30.6% in Q2 2023, aided by delivery of a show house. EBITDA came to DKK 1 million, down from DKK 7 million. H1 2024 gross margin was 43.5%, compared to 33.9% in H1 2023, with EBITDA of DKK 0 million, down from DKK 15 million.

In Q2 2024, EBIT reached negative DKK 1 million against DKK 6 million last year. EBIT for H1 2024 was negative DKK 4 million, down from DKK 12 million in H1 2023.

In July 2024, 2 houses were delivered, and 9 units were sold in the Swedish Wooden houses segment compared to 4 deliveries and 2 sales in July 2023.

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Deliveries	215	167	232	213	265	344
Sales	368	272	212	194	219	226

Outlook for 2024

Based on the H1 financial performance and expectations for the remainder of 2024, the guidance issued on 8 March 2024 is narrowed:

- Revenue is expected to be DKK 2.3-2.4 billion (previously DKK 2,300-2,600 million)
- EBITDA is expected to be DKK 90-120 million (previously DKK 80-130 million)
- Operating profit (EBIT) is expected to be DKK 40-70 million (previously DKK 30-80 million)

Assumptions for the outlook

The 2024 guidance is based on no severe disruption of supply chains emerging and on raw material prices not significantly exceeding current levels.

- Current expectations for 2024 deliveries are between 850 and 950

General assumptions

General assumptions comprise assumptions relating to macro-economic conditions, industry considerations, regulatory changes, and customer behaviour. The Group's estimates assume that there will not be any material change in the competitive or regulatory landscape, and no other external actions.

Forward-looking statements

This interim report 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 set expectations. 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.

Risk factors

HusCompagniet is exposed to strategic, operational, and financial risks, which are described in the management review and the 2023 Annual Report prepared in accordance with IFRS.

Statement by Management

The Board of Directors and the Executive Board have reviewed and approved the interim condensed consolidated financial statement of the Group for the period 1 January – 30 June 2024. The interim condensed consolidated financial statement, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU, and additional Danish disclosure requirements for interim financial reporting of listed companies.

It is our opinion that the interim condensed consolidated financial statement gives a true and fair view of the financial position for the Group on 30 June 2024 and the results of the Group's operations and cash flows for the period 1 January – 30 June 2024.

Further, in our opinion, the Management's review gives a fair view of the development in the Group's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group face.

Virum, 23 August 2024

Executive Board:

Martin Ravn-Nielsen
Group CEO

Allan Auning-Hansen
Group CFO

Board of Directors:

Claus V. Hemmingsen
Chairperson

Anja B. Eriksson
Vice chairperson

Stig Pastwa

Ylva Ekborn

Ole Lund Andersen

Michael Troensegaard Andersen

Interim consolidated Income Statement

DKK'000	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Revenue	3, 4	579,118	623,840	1,062,388	1,280,081	2,381,357
Cost of Sales		-451,029	-505,874	-813,424	-1,012,949	-1,864,177
Gross profit		128,089	117,966	248,964	267,132	517,180
Staff cost		-75,807	-73,912	-151,998	-144,689	-281,391
Other external expenses		-28,384	-28,520	-53,427	-64,488	-127,756
Other operating income/(expenses), net		0	6	1,397	-257	0
Operating profit before depreciation and amortisation (EBITDA) before special items		23,897	15,541	44,935	57,698	108,033
Special items		0	1,108	0	-1,145	347
Operating profit before depreciation and amortisation (EBITDA) after special items		23,897	16,649	44,935	56,553	108,380
Depreciation and amortisation		-12,116	-11,021	-24,327	-22,047	-46,075
Operating profit (EBIT)		11,781	5,628	20,609	34,506	62,305
Financial income		402	954	974	954	2,301
Financial expenses		-10,240	-13,538	-20,754	-23,304	-40,830
Profit before tax from continuing operations		1,944	-6,956	829	12,156	23,776
Tax on profit		-2,691	2,285	-2,265	-2,235	-6,437
Profit for the period from continuing operations		-747	-4,671	-1,436	9,921	17,339
Profit/(loss) after tax for the period from discontinued operations	5	8,387	-3,073	8,193	-3,075	-2,683
Profit for the period		7,640	-7,744	6,757	6,847	14,656

Profits attributable to:

DKK'000	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Equity owners of the Company	7,640	-7,744	6,757	6,847	14,656

Earnings per share:

DKK	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Earnings per share (EPS Basic)		0.4	-0.4	0.3	0.3	0.7
Diluted earnings per share (EPS-D)		0.4	-0.4	0.3	0.3	0.7
Earnings per share (EPS Basic) continuing operations		0.0	-0.4	-0.1	0.5	0.9
Diluted earnings per share (EPS-D) continuing operations		0.0	-0.4	-0.1	0.5	0.9
Earnings per share (EPS) (DKK) from discontinued business		0.4	-0.1	0.4	-0.1	-0.1
Diluted earnings per share (EPS-D) (DKK) from discontinued business		0.4	-0.1	0.4	-0.1	-0.1

Interim consolidated Statement of Other Comprehensive Income

DKK'000	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Profit for the year		7,640	-7,744	6,757	6,847	14,656
Other comprehensive income		0	0	0	0	0
<i>Items that may be reclassified to the income statement in subsequent periods</i>		0	0	0	0	0
<i>Foreign currency translation differences, subsidiary</i>		5,266	-14,000	-8,376	-18,473	1,662
Other comprehensive income, net of tax		5,266	-14,000	-8,376	-18,473	1,662
Total comprehensive income for the year		12,906	-21,744	-1,619	-11,626	16,318

Total comprehensive income attributable to:

DKK'000	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Equity owners of the Company		12,906	-21,744	-1,619	-11,626	16,318

Interim consolidated Balance Sheet

DKK'000	Note	H1 2024	H1 2023	FY 2023
Assets				
Non-current assets				
Goodwill	9	2,011,522	2,001,953	2,017,181
Intangible assets		26,834	36,957	33,289
Right-of-use assets		60,323	67,854	65,223
Property, plant, and equipment		89,148	95,030	94,146
Deferred tax asset		32,602	30,811	32,602
Other receivables		15,290	3,778	15,293
Total non-current assets		2,235,719	2,236,383	2,257,734
Current assets				
Inventories	6	273,571	343,820	281,062
Contract assets	7	463,548	522,408	352,932
Trade and other receivables		139,930	161,697	140,678
Prepayments		10,888	18,235	8,405
Cash and cash equivalents		337,202	94,951	223,454
Total current assets		1,225,138	1,141,110	1,006,531
Total assets		3,460,857	3,377,493	3,264,265

Interim consolidated Balance Sheet - continued

DKK'000	Note	H1 2024	H1 2023	FY 2023
Equity				
Share capital		108,550	108,550	108,550
Retained earnings and other reserves		1,984,725	1,955,596	1,989,043
Total equity		2,093,275	2,064,146	2,097,593
Liabilities				
Non-current liabilities				
Borrowings	8	505,769	505,886	505,871
Lease liabilities		50,399	55,238	51,741
Provisions		27,420	30,503	28,228
Deferred tax liability		29,571	36,923	30,190
Total non-current liabilities		613,160	628,550	616,030
Current liabilities				
Borrowings	8	920	1,044	937
Lease liabilities		16,446	21,842	21,004
Trade and other payables		403,298	399,192	292,288
Contract liabilities	7	199,724	97,656	90,973
Prepayments from customers	7	720	9,276	2,865
Provisions		28,194	28,667	27,124
Income tax payable		21,410	44,425	19,427
Other liabilities		83,710	82,694	96,024
Total current liabilities		754,422	684,796	550,642
Total liabilities		1,367,582	1,313,347	1,166,672
Total equity and liabilities		3,460,857	3,377,493	3,264,265

Interim consolidated Statement of Cash Flows

DKK'000	Note	H1 2024	H1 2023	FY 2023
Cash flow from operating activities				
EBITDA, after special items		44,935	56,553	108,380
EBITDA, discontinued activities		3,594	-2,980	-317
EBITDA		48,529	53,573	108,063
Adjustments for non-cash items		-57	4,936	17,954
Adjusted EBITDA		48,472	58,509	126,017
Changes in working capital		100,447	64,666	209,564
Cash flow from operating activities before financial items		148,919	123,175	335,581
Interest received		974	954	2,301
Interest elements of lease payments		-1,955	-2,191	-4,333
Interest paid		-18,798	-18,826	-36,497
Corporation tax paid/received		4,545	-5,935	-47,614
Net cash generated from operating activities		133,685	97,177	249,438
Cash flow from investing activities				
Acquisition of assets recognised as property, plant, and equipment		-1,746	-4,756	-11,032
Sale of assets recognised as property, plant and equipment		103	0	1,435
Acquisition of assets recognised as intangible assets		-2,245	-5,764	-10,539
Net cash generated from investing activities		-3,887	-10,521	-20,136
Cash flow from financing activities				
Repayment of long-term debt and mortgage		-457	-675,489	-675,948
Proceeds from loans		0	500,000	500,000
Repayment of lease liabilities		-10,369	-12,588	-23,736
Capital increase		0	206,500	206,500
Transaction costs share issue		0	-8,087	-8,088
Acquisition of own shares		-5,888	-7,935	-7,935
Net cash generated from financing activities		-16,714	2,402	-9,207
Total cash flows		113,081	89,058	220,095
Cash and cash equivalents on 1 January		223,454	5,207	5,207
Net foreign currency gains or losses		667	685	-1,848
Cash and cash equivalents on 30 June/31 December		337,202	94,951	223,454
Free cash flow		129,798	86,657	229,302

Interim consolidated statement of changes in equity

2024

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
Equity on 1 January	108,550	-8,401	1,997,444	0	2,097,593
Profit for the period	0	0	6,757	0	6,757
Other comprehensive income:					
Foreign currency translation differences	0	-8,376	0	0	-8,376
Total other comprehensive income	0	-8,376	0	0	-8,376
Transactions with owners of the Company and other equity transactions:					
Share-based payment	0	0	3,190	0	3,190
Purchase of own shares	0	0	-5,888	0	-5,888
Total transactions with owners of the Company and other equity transactions	0	0	-2,698	0	-2,698
Equity on 30 June	108,550	-16,777	2,001,503	0	2,093,275

Interim consolidated statement of changes in equity

2023

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
Equity on 1 January	91,050	-10,063	1,800,103	0	1,881,090
Profit for the period	0	0	6,847	0	6,847
Other comprehensive income:					
Foreign currency translation differences	0	-18,473	0	0	-18,473
Total other comprehensive income	0	-18,473	0	0	-18,473
Transactions with owners of the Company and other equity transactions:					
Increase in capital	17,500	0	189,000	0	206,500
Transaction costs capital increase	0	0	-8,087	0	-8,087
Share-based payment	0	0	4,205	0	4,205
Purchase of own shares	0	0	-7,935	0	-7,935
Total transactions with owners of the Company and other equity transactions	17,500	0	177,184	0	194,684
Equity on 30 June	108,550	-28,537	1,984,133	0	2,064,146

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1 Accounting policies

This interim condensed financial report comprises the period 1 January – 30 June 2024.

The interim condensed financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies are unchanged from the 2023 consolidated financial statements, to which reference is made except the changes stated below. A full description of accounting policies is provided in the 2023 consolidated financial statements.

Selected key highlights comparison figures have been adjusted and no longer reflect the alternative performance measure 'Before special items'. As stated in the Q1 trading statement, the composition of inventory items has been restated for FY 2023 figures.

A correction has been made to comparison figures in note 7 Contract Assets, restating the delivery obligations in FY 2023, within one year from DKK 1,231,415 to DKK 1,372,282.

Changes to accounting policies

HusCompagniet A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2024:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback - Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Amendments to IAS 7 and IFRS 7

HusCompagniet A/S has implemented the standards and interpretations that became effective in the EU for 2024. None of these standards or interpretations have affected recognition or measurement in 2024 or are expected to affect the Group.

2 Accounting estimates and judgements

In preparing the interim condensed financial statements, management made various judgements, estimates and assumptions concerning future events that affected the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The significant estimates made by management applying the Group's accounting policies and the associated significant estimating uncertainties are the same for the preparation of the interim condensed financial statements as for the preparation of the consolidated financial statements for 2023.

3 Segment information

For management purposes, the Group is organised into business units based on its products and services. The Group has three reportable segments, as follows:

- The detached houses in Denmark segment, which comprises brick houses built on site and plots
- The semi-detached houses in Denmark segment, which comprises brick houses built on sites and plots, includes both business-to-business and business-to-consumers.
- The Wooden houses comprises detached prefabricated houses

Executive Management is responsible for operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA and is measured consistently with operating profit (EBIT) plus amortisation and depreciation in the consolidated financial statements. The Group's depreciation, amortisations, financing (including financial income and financial expenses) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and Liabilities are not allocated to segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

3 Segment information – continued

H1 2024						
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Revenue						
External customers	856,609	152,270	53,509	1,062,388	-31	1,062,357
Inter-segment	-39,523	39,523	0	0	0	0
Total revenue	817,086	191,793	53,509	1,062,388	-31	1,062,357
Income/(expenses)						
Cost of goods	-691,594	-91,590	-30,240	-813,424	38	-813,386
Inter-segment	37,942	-37,942	0	0	0	0
Segment gross profit	163,433	62,261	23,269	248,964	6	248,971
Gross margin	20.0%	32.5%	43.5%	23.4%	n.a.	23.2%
Other operating income/(expenses), net	1,397	0	0	1,397	0	1,397
Staff costs	-102,294	-38,049	-11,655	-151,998	0	-151,998
Other operating expenses	-39,172	-2,360	-11,895	-53,427	-37	-53,464
Special items	0	0	0	0	3,625	3,625
EBITDA	23,364	21,853	-281	44,935	3,594	48,530
EBITDA margin	2.9%	11.4%	n.a.	4.2%	n.a.	4.6%
Depreciation and amortisation	-18,385	-2,605	-3,337	-24,327	0	-24,327
EBIT	4,979	19,248	-3,617	20,609	3,594	24,203
EBIT margin	0.6%	10.0%	n.a.	1.9%	n.a.	2.3%

3 Segment information – Continued

H1 2023						
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Revenue						
External customers	881,584	223,877	174,620	1,280,081	-275	1,279,807
Inter-segment	-22,905	22,905	0	0	0	0
Total revenue	858,680	246,782	174,620	1,280,081	-275	1,279,807
Income/(expenses)						
Cost of goods	-736,525	-161,015	-115,409	-1,012,949	3	-1,012,946
Inter-segment	21,988	-21,988	0	0	0	0
Segment gross profit	144,143	63,778	59,211	267,132	-271	266,860
Gross margin	16.8%	25.8%	33.9%	20.9%	n.a.	20.9%
Other operating income/(expenses), net	-160	-97	0	-257	0	-257
Staff costs	-97,828	-31,741	-15,119	-144,689	0	-144,689
Other operating expenses	-34,590	-2,627	-27,271	-64,488	272	-64,216
Special items	432	205	-1,783	-1,145	-2,981	-4,126
EBITDA	11,997	29,518	15,037	56,553	-2,980	53,573
EBITDA margin	1.4%	12.0%	8.6%	4.4%	n.a.	4.2%
Depreciation and amortisation	-16,472	-2,422	-3,152	-22,047	0	-22,046
EBIT	-4,474	27,073	11,885	34,506	-2,980	31,527
EBIT margin	n.a.	11.0%	6.8%	2.7%	n.a.	2.5%

Reconciliation of profit as per interim statement

DKK'000	2024 H1	2023 H1
Segment EBIT from continuing operations	20,609	34,506
Segment EBIT from discontinued operations	3,594	-2,980
Financial income	1,131	1,007
Financial expenses	-20,856	-23,452
Loss before tax from discontinued operations	-3,649	3,075
Profit before tax from continuing operations	829	12,156

4 Revenue

Revenue per segment and category - Contracted Sales

H1 2024

DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Sales value houses sold on customers building sites	750,944	133,534	53,509	937,987	0	937,987
Sales value houses sold on own building sites	27,047	58,123	0	85,170	0	85,170
Total Contracted sales	777,990	191,657	53,509	1,023,157	0	1,023,157

Revenue per segment and category - Non-contracted sales

DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Show- and project houses	33,314	0	0	33,314	0	33,314
Other revenue	0	136	0	136	-31	105
Sales of land plots	5,782	0	0	5,782	0	5,782
Total Non-contracted sales	39,095	136	0	39,231	-31	39,200
Total Revenue	817,086	191,793	53,509	1,062,388	-31	1,062,357

4 Revenue - Continued

Revenue per segment and category - Contracted Sales

H1 2023

DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Sales value houses sold on customers building sites	779,984	135,363	174,620	1,089,966	0	1,089,966
Sales value houses sold on own building sites	7,843	111,346	0	119,189	0	119,189
Total Contracted sales	787,827	246,709	174,620	1,209,156	0	1,209,156

Revenue per segment and category - Non-contracted sales

DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Show houses	67,683	0	0	67,683	0	67,683
Other revenue	309	73	0	382	-275	107
Sales of land plots	2,861	0	0	2,861	0	2,861
Total Non-contracted sales	70,853	73	0	70,925	-275	70,651
Total Revenue	885,680	246,782	174,620	1,280,081	-275	1,279,807

Revenue per continuing and discontinued operations

DKK'000	2024 H1	2023 H1
Total revenue from continuing operations	1,062,388	2,266,150
Total revenue from discontinued operations	-31	0
Total revenue	1,062,357	1,279,807

The Group is engaged in construction activities in Denmark and Sweden.

Revenue from non-contracted sales is recognised on delivery (point-in-time). Revenue from contracted sales of houses is recognised over time as control of the house is transferred to the customer, corresponding to the costs incurred in constructing the house. Payment is typically due at the time of final delivery of the house project; however, a small deposit is paid upon contract negotiation.

The Group receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit, during the project. Construction contracts with professional investors may also include payments on account.

Contracted sales comprise the sale of houses constructed on the customer's land, or houses sold on own land (semi-detached includes land plots) that are covered by a customer contract before construction is started. All contracted sales are fixed price contracts and any changes to the cost price is carried by HusCompagniet as an adjustment to the gross profit.

4 Revenue - Continued

Conversely, non-contracted sales comprise of:

1. The sale of houses constructed on own land to which no customer contract has been entered into before construction starts.
2. The sale of detached land-plots to which no customer contract has been entered into before purchase and development of the land plots.

5 Discontinued operations

In 2019, the Group decided to close down its German activities and focus on its original core market segments. The decision was driven by the difficulty of establishing a network of suppliers to support its business and of establishing significant brand recognition in a new large market. Also in 2019, the Group decided to cease its Swedish brick-house business activities due to the substantial differences in the supply and sales process in Sweden as compared to Denmark and due to Swedish customer preferences for wooden rather than brick houses. The German and Swedish brick house activities were closed down during September 2020. The closing of the discontinued operations is proceeding and expected to be finalised in 2024. An adjustment for provision for close down costs reflects a partial reversal of expenses in H1 2024 compared to H1 2023. Finance costs are mainly related to currency exchange losses from intercompany loans, and tax on profit/(loss) is related to adjustment of income double taxation in Sweden regarding the years 2015-2020.

DKK'000	H1 2024	H1 2023
Revenue	0	0
Expenses	3,594	-2,980
Operating income	3,594	-2,980
Finance costs	-197	-95
Finance income	251	0
Profit/(loss) before tax from discontinued operations	3,649	-3,075
Tax on profit/(loss)	4,545	0
Profit/(loss) after tax for the period from discontinued operations	8,193	-3,075

The net cash flows generated/(incurred) by the discontinued operations in Sweden and Germany are as follows:

DKK'000	H1 2024	H1 2023
Operating	5,248	-5,423
Investing	0	0
Financing from group entities	1,627	4,684
Net cash inflow/(outflow)	6,874	-739

6 Inventories

DKK'000	H1 2024	H1 2023	FY 2023
Raw materials	21,991	20,423	22,182
Show-houses and semi-detached houses (non-contracted)	109,350	148,119	119,196
Land	142,964	178,282	140,419
Write-down inventories	-735	-3,005	-735
Total inventories	273,571	343,820	281,062

7 Contract assets

DKK'000	H1 2024	H1 2023	FY 2023
Selling price of contract assets	495,851	565,803	345,615
Invoicing on account	-232,027	-141,052	-92,657
	263,824	424,752	261,958

Calculated as follows:

Contract assets	463,548	522,408	352,932
Contract liabilities	-199,724	-97,656	-90,973
	263,824	424,752	261,958
Prepayments from customers regarding construction contracts not yet started	720	9,276	2,865

Delivery obligations	H1 2024	H1 2023	FY 2023
Within one year	1,797,043	1,512,269	1,372,282
After one year	141,328	146,745	140,612

Construction contracts (assets/liabilities)

Contract assets comprise the selling price of work performed where the Group does not yet have an unconditional right to payment as the work performed has not yet been approved by the customer.

Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed.

Payment is typically due at the time of final delivery of the house project, however a small deposit is paid upon contract negotiation. The Group receives a bank guarantee in connection with the start-up of each contract and is entitled to payment for work performed, including profit during the project.

Contract liabilities were largely affected by a high level of deposits from larger projects.

Delivery obligations are secured orders from customers, where HusCompagniet is required to build a house for the customer.

*Correction of delivery obligations FY 2023, within one year from 1,231,415 to 1,372,282.

Credit risk on contract assets is generally managed by regular credit rating of customers and business partners, furthermore bank deposits or bank guarantees are obtained before the house is built. The credit risk exposure relating to dealing with private counterparties is estimated to be limited. For B2B projects, an individual assessment of the credit risk of the customer is conducted by management.

8. Borrowings

DKK'000	Maturity	Fixed or floating interest	Carrying amount
Bank loan	2027	Floating	497,413
Mortgage	2032	Floating	9,276
30 June 2024			506,689

DKK'000	Maturity	Fixed or floating interest	Carrying amount
Bank loan	2026	Floating	496,738
Mortgage	2032	Floating	10,192
30 June 2023			506,930

DKK'000	Maturity	Fixed or floating interest	Carrying amount
Bank loan	2026	Floating	497,075
Mortgage loan	2032	Floating	9,733
31 December 2023			506,808

The presented amounts to be repaid do not include directly related costs arising from the issuing or extension of the loans of DKK 500m, which are amortized over the term of the loans. These directly related costs were DKK 2.5m in H1 2024 (H1 2023: DKK 3.3m).

As of 30 June 2024, HusCompagniet A/S was in compliance with the financial covenants. HusCompagniet A/S expects to remain in compliance with the financial covenants going forward.

9 Impairment

For impairment testing, goodwill is allocated to the three CGUs ("Detached", "Semi-detached" and "Wooden houses"), which are also the operating and reportable segments. Among other factors, the Group considers the relationship between its market capitalization and the carrying value of assets including goodwill, when assessing for indicators of impairment. Impairment tests are performed separately for all three CGUs once a year or more frequently if indication of impairment exists. On H1 2024, Management has revisited the key assumptions used for the impairment test performed at 31.12.2023 for all three CGUs and concluded that there is no indication for impairment.

Key Assumptions

The recoverable amount determined in the impairment test is based on a value-in-use calculation. To determine the value-in-use, Management is required to estimate the present value of the future free net cash flows based on budgets and strategy for the coming five years ("the budget period") as well as projections for the terminal period after the budget period. A five-year period is used to reflect a full business cycle.

Assumptions used in the estimate of the present value include the discount rate, revenue growth (estimated on basis of expected units to be delivered and expected unit price) and EBIT-margin. Other assumptions include expected required investments, market share and growth expectations in the terminal period.

10 Events after the balance sheet date

HusCompagniet is not aware of any other events after 30 June 2024 that potentially could have a material impact on the Group's financial position.