



HusCompagniet 18 August 2021

H1 2021 Interim report

Conference call



H1 2021 Interim Financial report

Disclaimer

Forward-looking statements

This presentation 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 expressed. 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.



H1 2021 Interim financial report - summary

H1 Highlights

- Solid growth in revenue and EBITA in line with expectations
- Sales grew 58% y-o-y. Higher sales rates than expected in the first six months
- EBITA margin grew 1.5ppt to 7.9% - strong margin focus
- Sales commissions increased in H1 2021 due to the high sales rate, and a ramp-up to support growth was initiated

Market

- Extraordinary high market activity
- Increased cost pressure on especially raw materials
- Key focus on keeping a healthy order book, duration of order book prolonged with a couple of months
- Supply chains intact and price inflation mitigated

Outlook

Outlook for 2021 reiterated:

- Revenue at DKK 4,100 - 4,250 million
- EBITA before special items at DKK 360 - 370 million
- EBIT at DKK 335 - 345 million

Market update

Sub-contractors

- High demand for contractors due to the high building activity
- Current level of completions is still well below pre-financial crises level of approx. 10,000 completions a year
- We engage with the contractors needed to secure an efficient building process

Raw materials

- Cost pressure on raw materials such as wood, steel and polystyrene
- Distressed supply chains
- We are monitoring the market closely
- Cost inflation is successfully mitigated and supply chains are intact

Order Book

- Prolonged delivery process due to longer processing time for building permits
- Building process is still kept on average 20 weeks
- Order book DKK 3,775 million, up 51% y-o-y
- We are ramping up to meet the higher building activity
- Expected full effect of FTE additions in 2022

Highlights H1 2021

Revenue

DKK 2,041 million ↑

Up 21% from H1 2020

EBITDA bsi

DKK 175 million ↑

Up 41% from DKK 124 million in H1 2020

EBITA bsi

DKK 161 million ↑

Up 49% from DKK 108 million in H1 2020

Free cash flow

DKK 66 million ↑

DKK -132 million in H1 2020

Deliveries

818 houses ↑

Up 11% from H1 2020

EBITDA bsi margin

8.6% ↑

7.3% in H1 2020

EBITA bsi margin

7.9% ↑

6.4% in H1 2020

Financial gearing (NIBD/EBITDA bsi)

1.8x ↓

2.0x at year-end 2020



Highlights Q2 2021

Revenue

DKK 1,084 million ↑

Up 21% from 841 Q2 2020

EBITDA bsi

DKK 101 million ↑

Up 44% from DKK 70 million in Q2 2020

EBITA bsi

DKK 94 million ↑

Up 49% from DKK 63 million in Q2 2020

Deliveries

424 houses ↑

Up 10% from 384 in Q2 2020

EBITDA bsi margin

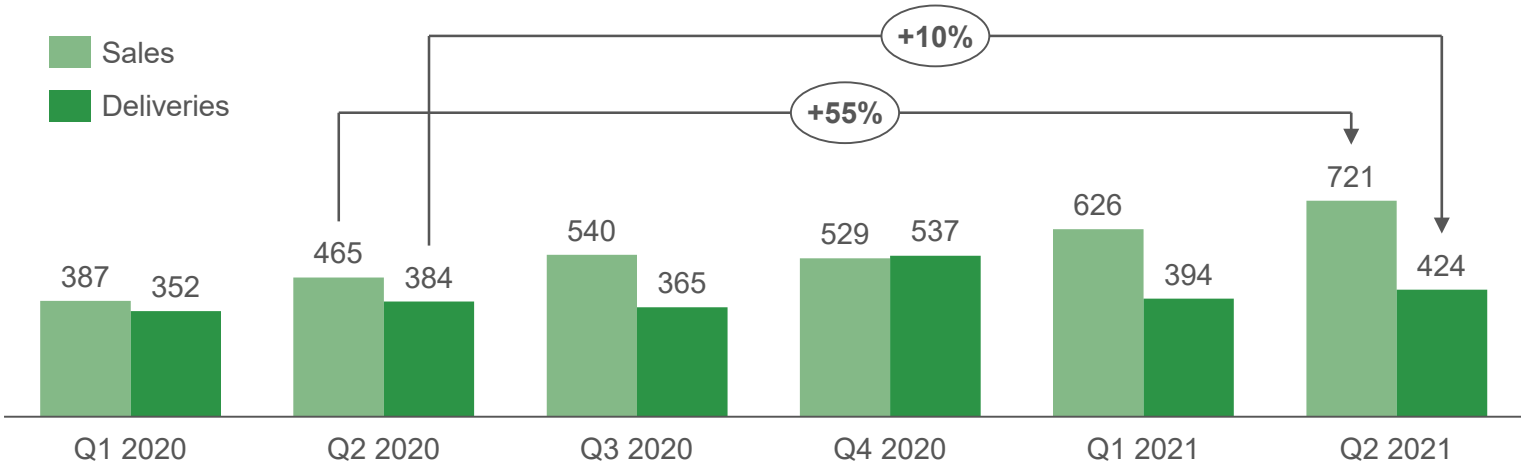
9.3% ↑

8.3% in Q2 2020

EBITA bsi margin

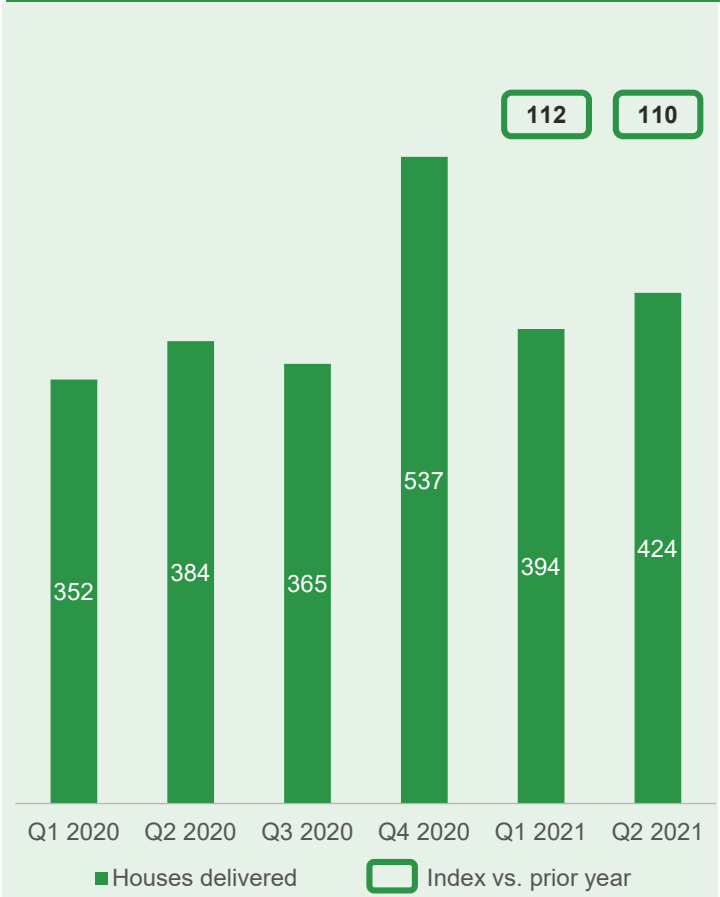
8.7% ↑

7.5% in Q2 2020

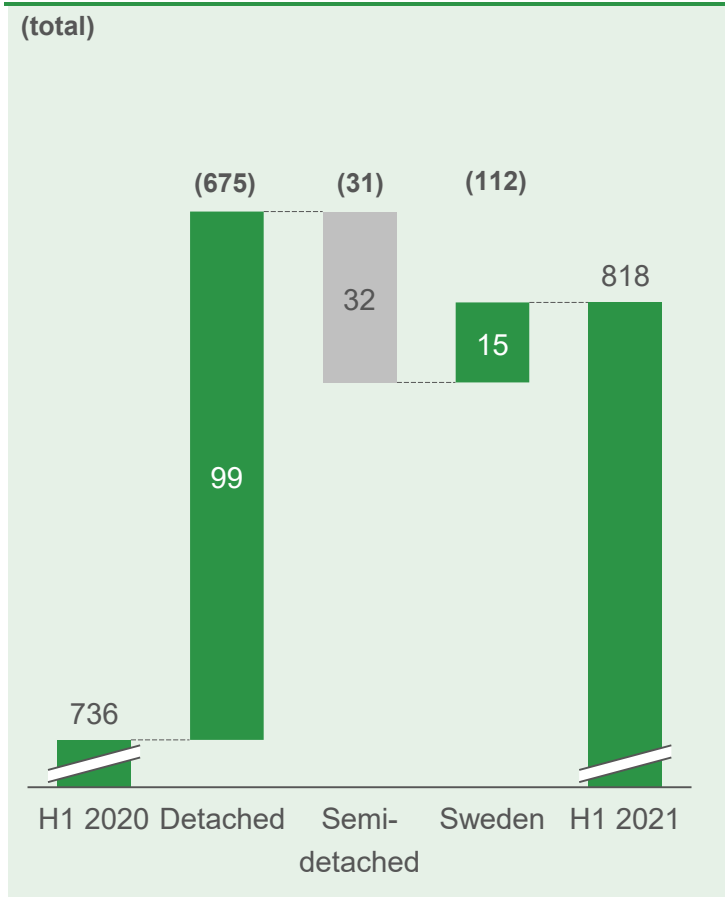


H1 deliveries up 11% y-o-y

818 houses delivered in H1 2021



Segment split - development

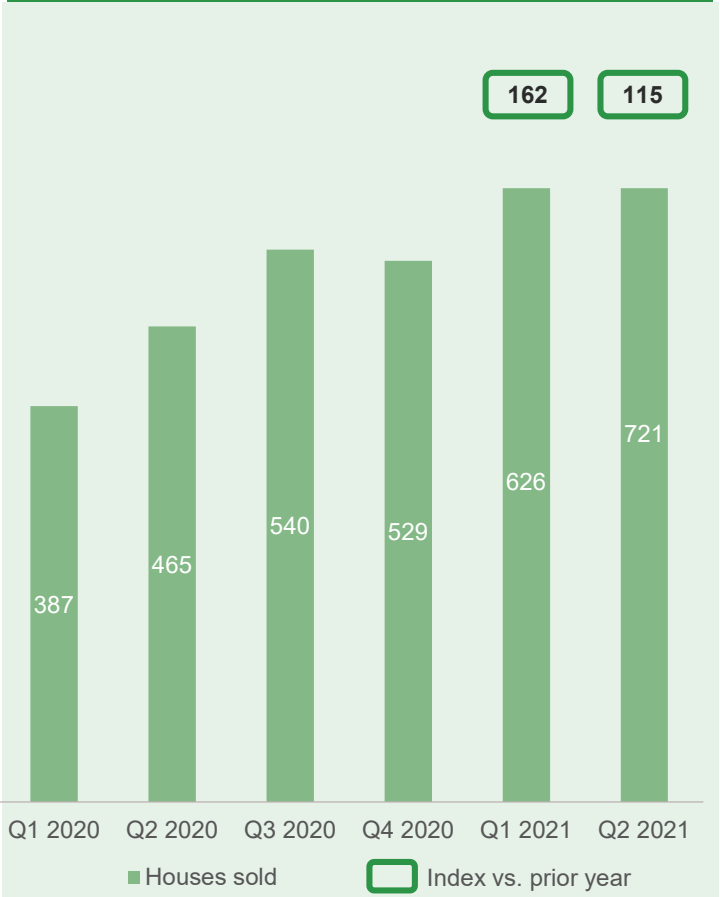


Comments

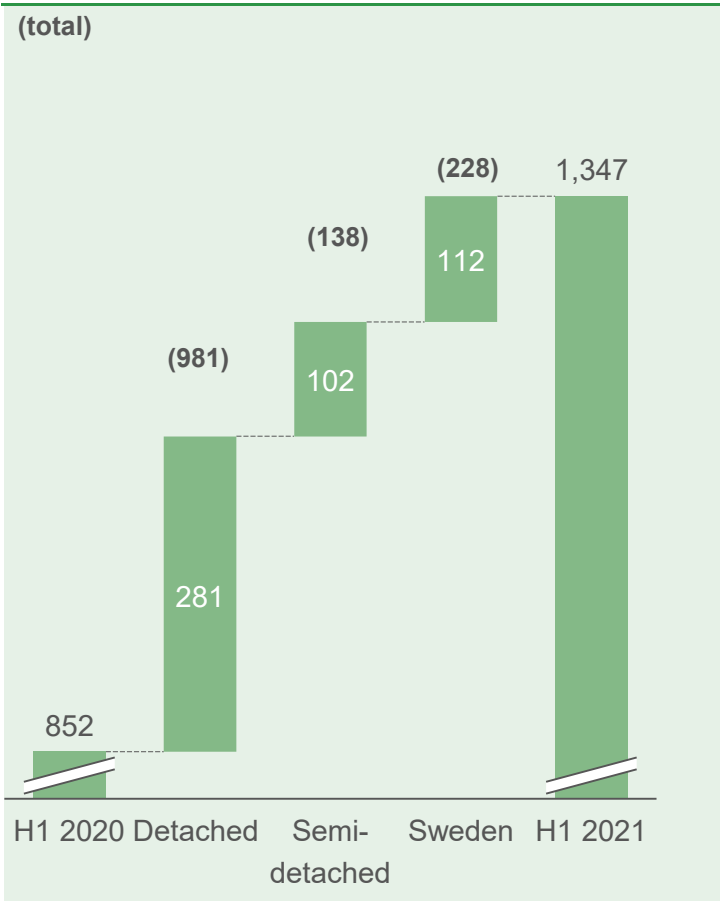
- H1 deliveries up 11% from H1 2020
- Both Q1 and Q2 exceeded last year levels
- Increased capacity utilisation and phasing of deliveries
- Semi-detached had delivery of a larger project completed in Q1 2020
- Semi-detached still expected to deliver revenue of around DKK 500 million in 2021

H1 sales up 58% y-o-y

1,347 houses sold in H1 2021



Segment split - development



Comments

- Extraordinary high market activity in H1 2021
- Low level in Q1 2020, affected by COVID-19 emergence
- 138 units sold in Semi-detached of which 79 were B2B sales
- High growth level in Sweden in Q2 with 154 units sold in the second quarter
- Market share maintained on Detached, while the market shares in Semi-Detached and Sweden increased

Strong Q2 2021 performance in line with expectations

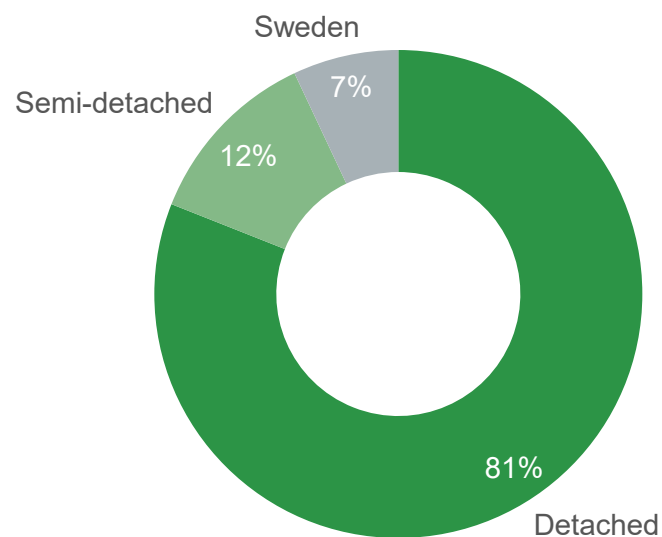
DKKm	Q2 2021	Q2 2020	Difference
Income statement			
Revenue	1.084	841	29%
Gross profit	229	167	37%
EBITDA before special items	101	70	44%
EBITA before special items	94	63	49%
Special items	0	-15	-
EBIT	90	43	109%
<hr/>			
Gross margin (bsi)	21.2%	19.8%	1.4%pt
EBITDA margin (bsi)	9.3%	8.3%	1.0%pt
EBITA margin (bsi)	8.7%	7.5%	1.1%pt
EBIT margin	8.3%	5.1%	3.2%pt

DKKm	Q2 2021	FY 2020	Difference
Balance sheet			
Contract assets, gross	807	548	264
Inventories	314	360	-46
Available cash*	475	477	-2
Net interest-bearing debt (NIBD)	702	697	4
NIBD / LTM EBITDA bsi	1.8x	2.0x	-0.2x

*Available cash includes an RCF facility of DKK 400m

Segments H1 2021

Revenue split H1 2021



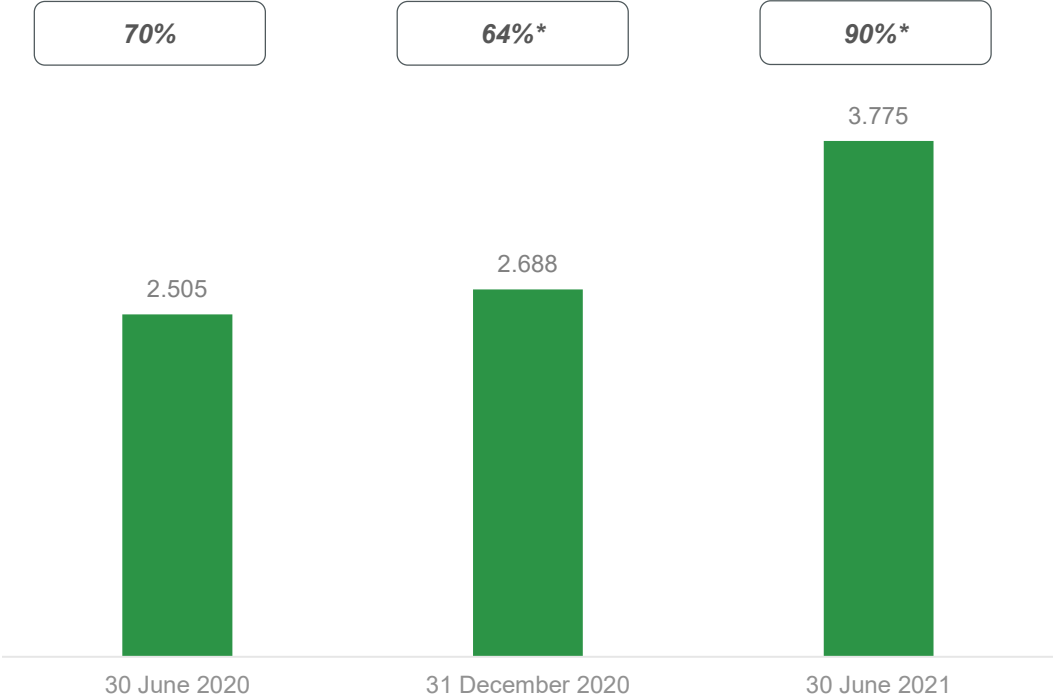
	Denmark						Group	
	Detached Houses		Semi-detached Houses		Swedish business			
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
DKK m								
Order backlog	2,867	2,250	584	74	324	182	3,775	2,505
Revenue	1,651	1,472	239	77	150	142	2,041	1,692
EBITDA bsi	135	97	17	6	23	21	175	124
EBITA bsi	123	86	17	5	20	16	161	108
Average Selling Price	2.2	2.2	1.3	1.8	1.3	1.5	n/a	n/a
Revenue growth (%)	12%	-	210%	-	5.6%	-	21%	-
EBITDA margin bsi	8.2%	6.6%	7.3%	7.9%	15.4%	14.7%	8.6%	7.3%
EBITA margin bsi	7.5%	5.8%	7.3%	7.0%	13.4%	11.2%	7.9%	6.4%

Increased order backlog - ramping up to support growth

Order backlog (DKKmn)

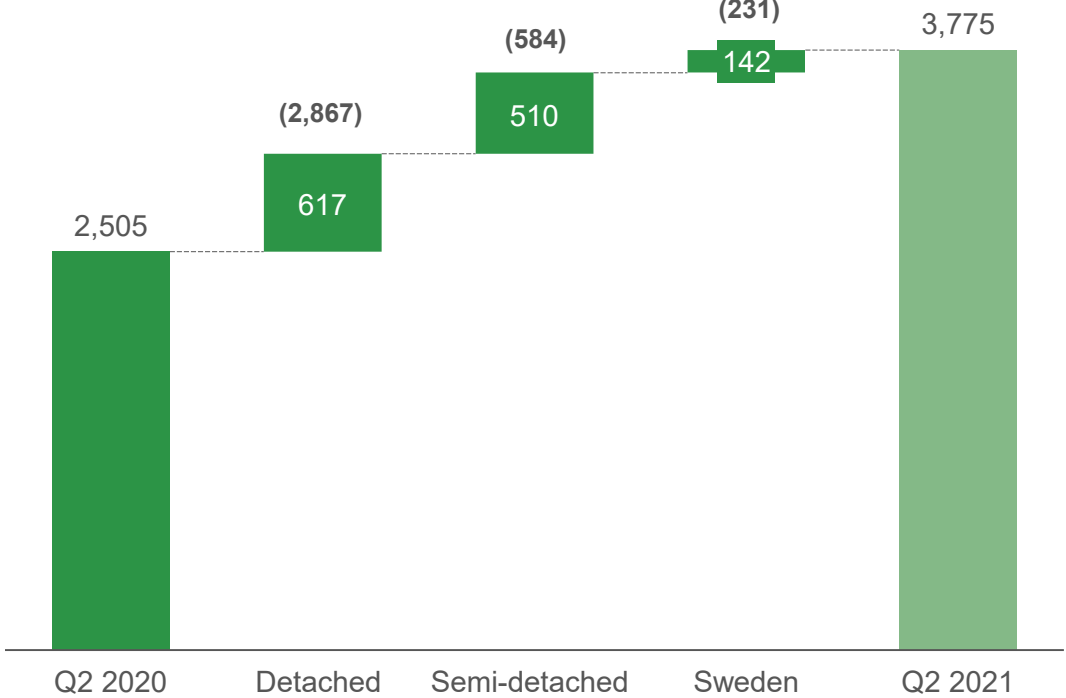
Order backlog as % of 2020 revenue

* 2021 midpoint guidance



Order backlog segments (DKKmn)

(total)



Denmark	H1 2020	FY 2020	H1 2021
Share of own land projects Detached	18.6%	17.0%	14.2%
Share of own land projects Semi-detached	68.3%	70.7%	51.6%
Denmark share of own land	23.5%	20.5%	15.9%

HusCompagniet is well capitalised

Capital structure

- HusCompagniet has a **target leverage of below 2.0x** net debt to EBITDA before special items considering the Group's cash flow profile.
- Level moving towards 1.5x.
- If the leverage ratio is **below 1.5x** and capital is not committed or expected to be short term committed towards investments, HusCompagniet **will seek to return capital to shareholders** in addition to the initial **pay-out ratio through dividends and/or share buybacks**.

Dividend

- The Board of Directors has adopted a dividend policy with a target initial pay-out ratio of at least 50% of reported profit for the year
- In April, HusCompagniet paid **dividend of DKK 3.00 per share** (DKK 60 million) for the financial year of 2021, corresponding to a **payout ratio of 65%**
- Due to the strong liquidity, HusCompagniet will consider further options to share Group capital surplus with shareholders through dividends and/or share buyback

Outlook for 2021

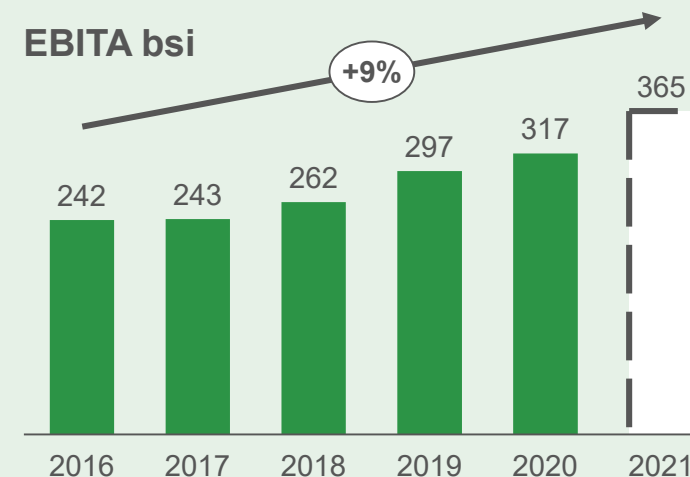
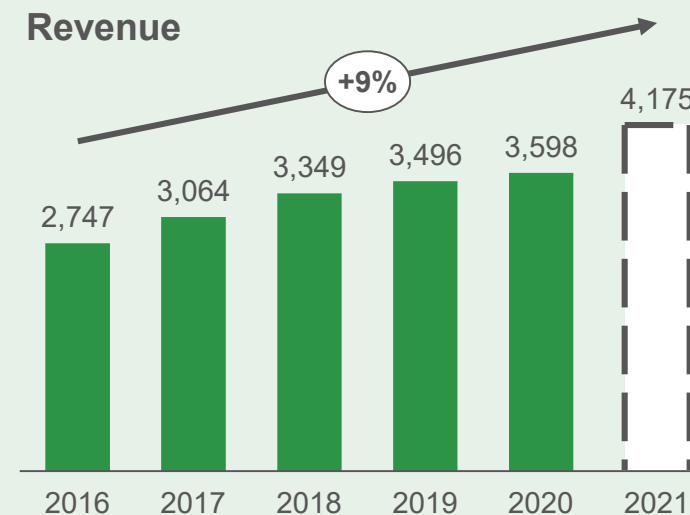
Financial outlook for 2021 reiterated:

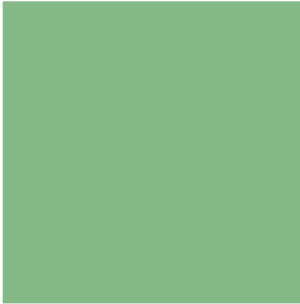
- Revenue is expected to be DKK 4,100 – 4,250 million
- EBITA before special items is expected to be DKK 360 - 370 million
- EBIT is expected to be DKK 335 - 345 million
- Leverage ratio below 2.0x NIBD/EBITDA before special items, with the level moving towards 1.5x

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
- Expected deliveries for the year is between 1,800 houses and 1,900 houses
- Average selling price (ASP) is expected to be positively impacted by price adjustments
- No significant special items are expected for the financial year ending 31 December 2021
- Revenue from semi-detached (Denmark) segment is assumed to be around DKK 500 million for the financial year ending 31 December 2021
- Contract assets are assumed to increase by around DKK 200 million in 2021





Q&A