



HusCompagniet 8 November 2021

Q1-Q3 2021
Conference call

Q1-Q3 2021 Trading statement

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.

Q1-Q3 2021 - summary

Q1-Q3 Highlights

- Solid growth in revenue and EBITA in line with expectations
- Sales grew 36% y-o-y. Higher sales rates than expected in the first six months
- EBITA margin grew 0.5ppt to 8.5% - strong margin focus
- The target of delivering 98% of houses on time was maintained
- Share buyback of DKK 180m completed in August and new programme expected for Q1 2022

Market

- Market demand normalised in Q3 after extraordinary high market activity in H1 2021
- Two main market challenges:
 - Cost inflation from materials and subcontractors
 - Access to materials and subcontractors

Outlook

Outlook for 2021 reiterated – EBITDA before special items added

- Revenue at DKK 4,100 - 4,250 million
- EBITDA before special items at DKK 390 – 400 million
- EBITA before special items at DKK 360 - 370 million
- EBIT at DKK 335 - 345 million

Outlook for 2022 introduced

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
- Increased scarcity expected to create bottlenecks in Q4 2021

Raw materials

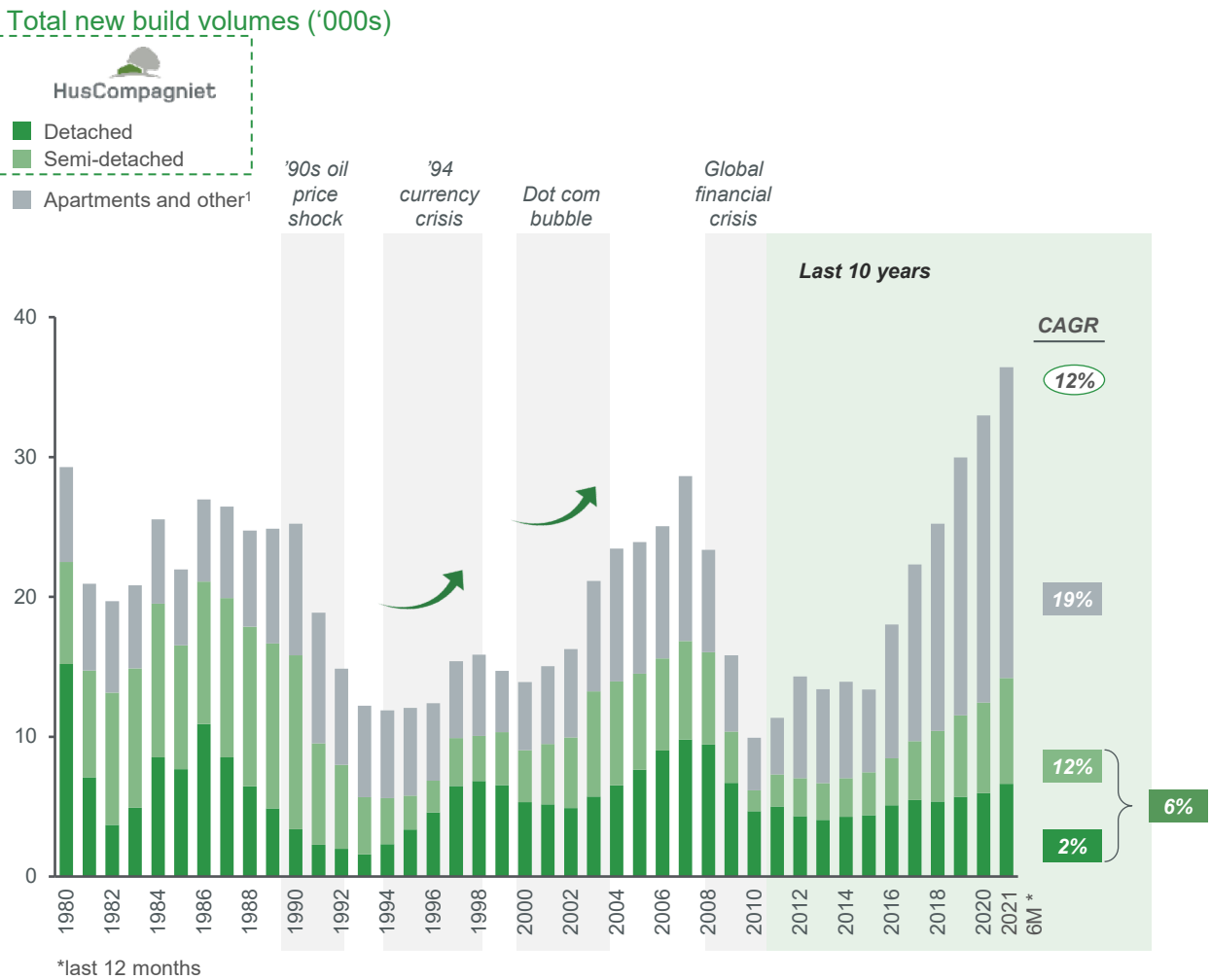
- Cost pressure on raw materials such as wood, steel and polystyrene
- Distressed supply chains
- We are monitoring the market closely
- Cost inflation is successfully mitigated and supply chains are overall intact

Order Book

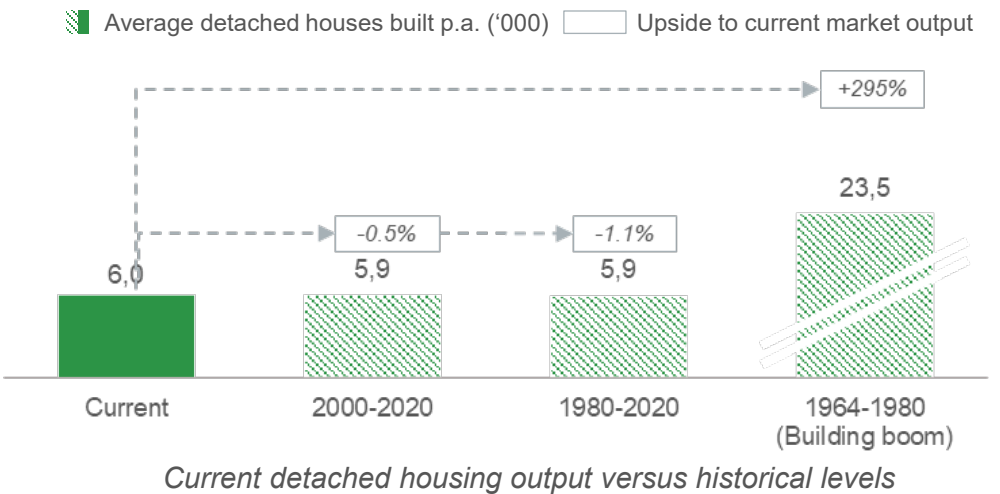
- Prolonged delivery process due to longer processing time for building permits
- Building process is still kept on average 20 weeks
- Order book DKK 4,088 million, up 52% y-o-y
- Comfortable with order book margins
- We are ramping up to meet the higher building activity
- Expected full effect of FTE additions in 2022

Completions since 1980 - stable core market segment

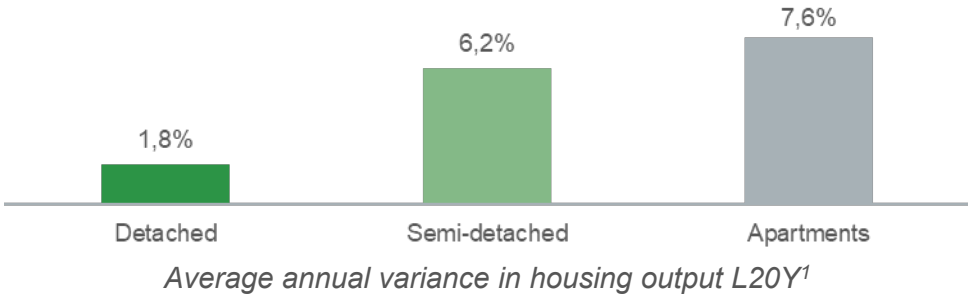
Stable market volumes in our core market -detached segment



Detached still well below historical levels



And with general low average variance



Highlights Q1-Q3 2021

Revenue

DKK 3,114 million ↑

Up 20% from Q1-Q3 2020

EBITDA bsi

DKK 285 million ↑

Up 25% from DKK 228 million in Q1-Q3 2020

EBITA bsi

DKK 264 million ↑

Up 28% from DKK 206 million in Q1-Q3 2020

Available cash

DKK 192 million ↓

DKK 424 million in Q1-Q3 2020

Deliveries

1,208 houses ↑

Up 10% from Q1-Q3 2020

EBITDA bsi margin

9.2% ↑

8.8% in Q1-Q3 2020

EBITA bsi margin

8.5% ↑

8.0% in Q1-Q3 2020

Financial gearing (NIBD/EBITDA bsi)

2.4x ↑

2.0x at year-end 2020



Highlights Q3 2021

Revenue

DKK 1,074 million ↑

Up 20% from Q3 2020

EBITDA bsi

DKK 110 million ↑

Up 5% from DKK 105 million in Q3 2020

EBITA bsi

DKK 103 million ↑

Up 5% from DKK 98 million in Q3 2020

Deliveries

390 houses ↑

Up 7% from Q3 2020

EBITDA bsi margin

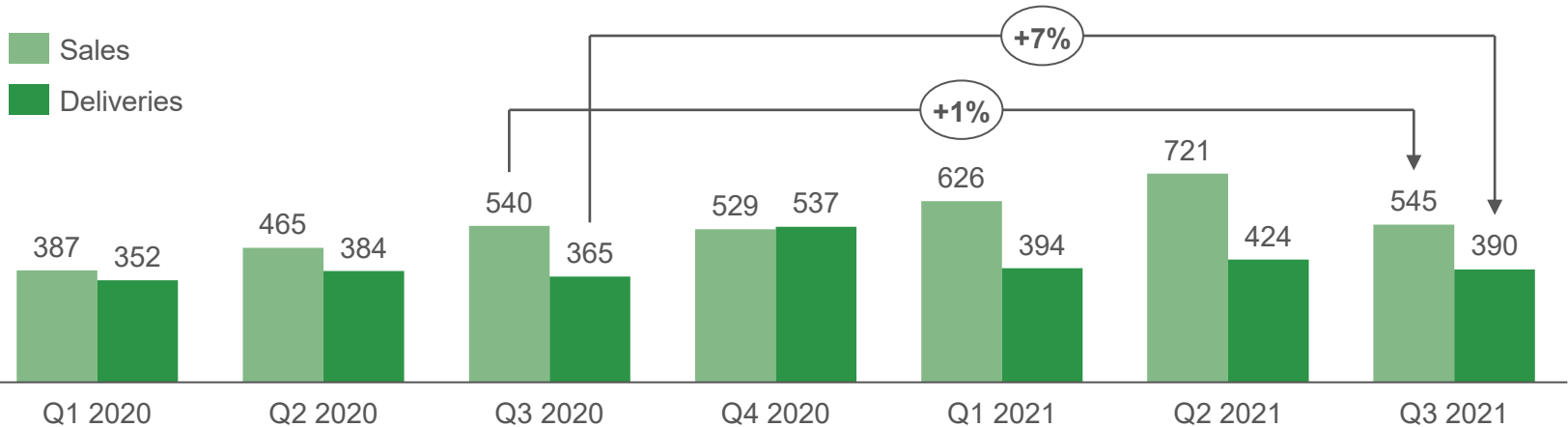
10.2% ↓

11.7% in Q3 2020

EBITA bsi margin

9.6% ↓

11.0% in Q3 2020

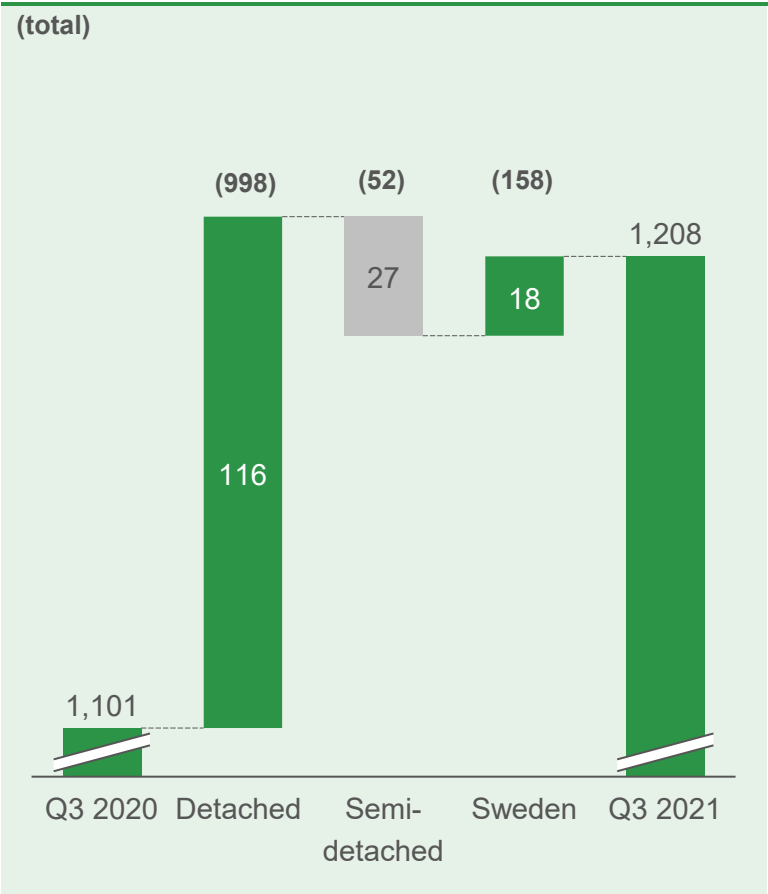


Q1-Q3 deliveries up 10% y-o-y

1,208 houses delivered in Q1-Q3 2021



Segment split - development



Comments

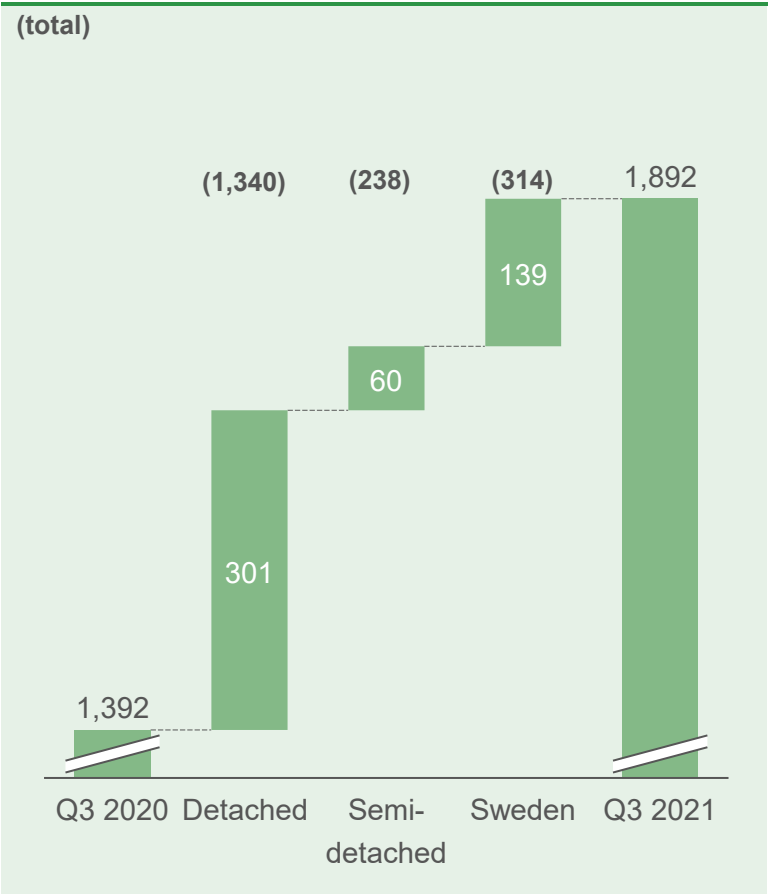
- Q1-Q3 deliveries up 10% from Q1-Q3 2020
- The high completion rate continues. All three quarters exceeded last year levels
- Increased capacity utilisation and phasing of deliveries
- High level of deliveries expected in Q4
- Semi-detached had delivery of a larger project completed in Q1 2020
- Semi-detached still expected to deliver revenue of around DKK 500 million in 2021

Q1-Q3 sales up 36% y-o-y

1,892 houses sold in Q1-Q3 2021



Segment split - development



Comments

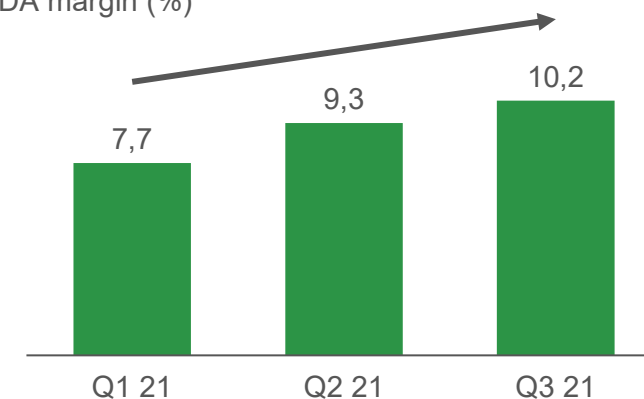
- Extraordinary high market activity in H1 2021
- Sales rate normalised in Q3 2021
- Low level in Q1 2020, affected by COVID-19 emergence
- 238 units sold in Semi-detached of which 177 were B2B sales
- Semi-detached sold a large project of 71 units in Q3 2020
- High growth level in Sweden in Q3 with 86 units sold in the third quarter

Q3 2021 - Margin levels increased during 2021 despite cost inflation

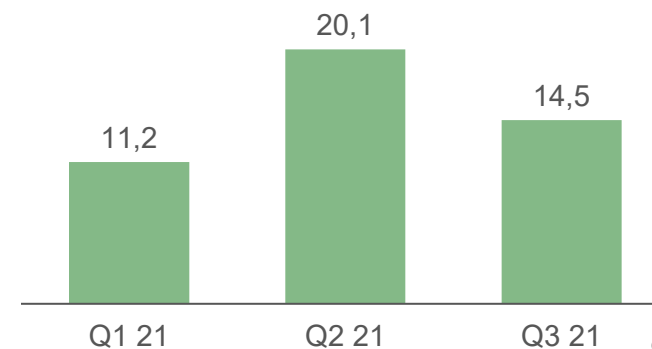
DKKm	Q1-Q3 2021	Q1-Q3 2020	FY 2020	Q3 2021	Q3 2020	Change
Income statement						
Revenue	3,114	2,586	3,598	1,074	894	20%
EBITDA before special items	285	228	346	110	105	5%
EBITA before special items	264	206	317	103	98	5%
Special items	0	-20	-79	0	-5	-
EBIT	251	169	220	99	87	13%
EBITDA margin (bsi)	9.2%	8.8%	9.6%	10.2%	11.7%	-1.5ppt.
EBITA margin (bsi)	8.5%	8.0%	8.8%	9.6%	11.0%	-1.4ppt.
EBIT margin	8.0%	6.5%	6.1%	9.2%	9.7%	-0.5ppt.
Share of own land projects						
Detached	14.2%	17.5%	17.0%	14.2%	15.7%	-1.5ppt.
Semi-detached	38.5%	72.2%	70.7%	19.0%	87.5%	-68.5ppt.
Denmark share of own land	15.4%	22.0%	20.5%	14.5%	19.3%	-4.8ppt.

2021 Quarterly development

EBITDA margin (%)

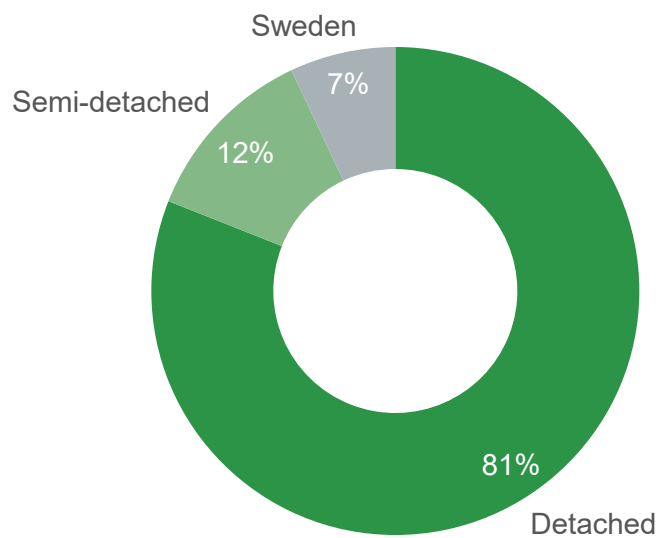


Share of own land deliveries (%)



Segments Q1-Q3 2021

Revenue split Q1-Q3 2021

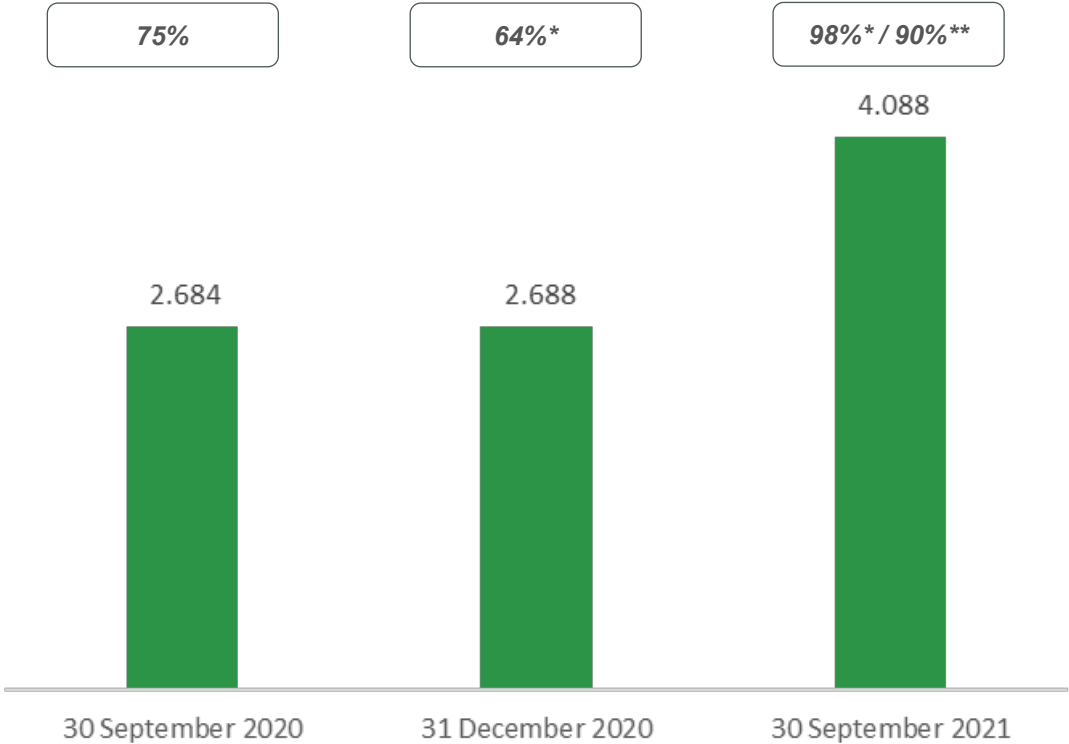


	Denmark							
	Detached Houses		Semi-detached Houses		Swedish business		Group	
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
DKK m								
Order backlog	3,048	2,301	659	213	382	170	4,088	2,684
Revenue	2,532	2,287	361	96	221	203	3,114	2,586
EBITDA bsi	224	194	29	7	32	27	285	228
EBITA bsi	207	178	29	6	28	22	264	206
Average Selling Price	2.2	2.2	1.4	1.8	1.4	1.5	n/a	n/a
Revenue growth (%)	10.7%	-	276%	-	8.9%	-	20.4%	-
EBITDA margin bsi	8.8%	8.5%	8.1%	7.1%	14.6%	13.4%	9.2%	8.8%
EBITA margin bsi	8.2%	7.8%	8.1%	6.2%	12.6%	10.8%	8.5%	8.0%

Increased order backlog with solid margins

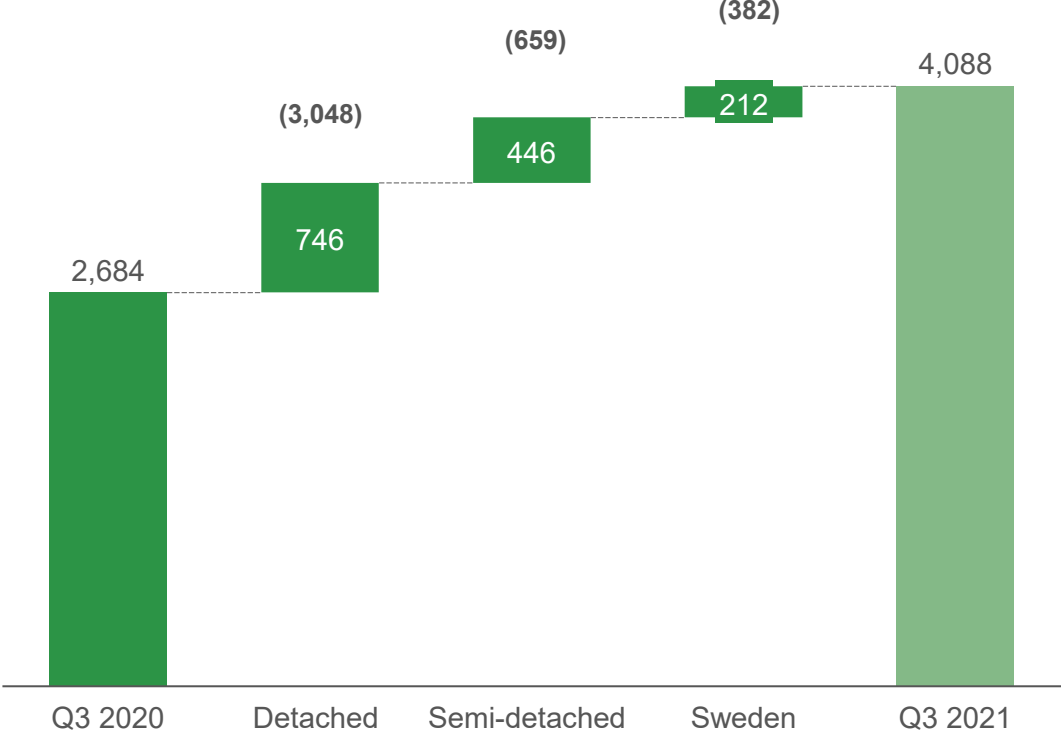
Order backlog (DKKm)

Order backlog as % of 2020 revenue
* 2021 midpoint guidance / **2022 midpoint guidance



Order backlog segments (DKKm)

(total)



Outlook for 2021

Financial outlook for 2021 reiterated.
EBITDA added, as 2022 guidance is based in EBITDA instead of EBITA.

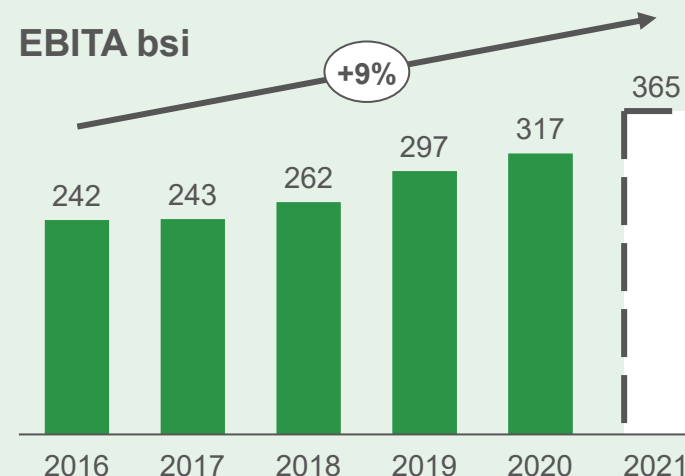
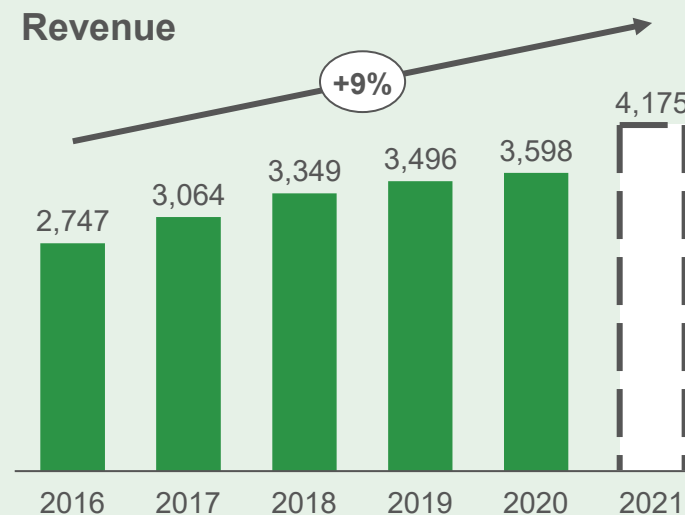
- Revenue is expected to be DKK 4,100 – 4,250 million
- EBITDA before special items is expected to be DKK 390-400 million
- EBITA before special items is expected to be DKK 360 - 370 million
- EBIT is expected to be DKK 335 - 345 million

Leverage ratio below 2.0x NIBD/EBITDA before special items

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 2,300 and 2,400 houses (adjusted from 2,100 – 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



Outlook for 2022

Introducing financial outlook for 2022:

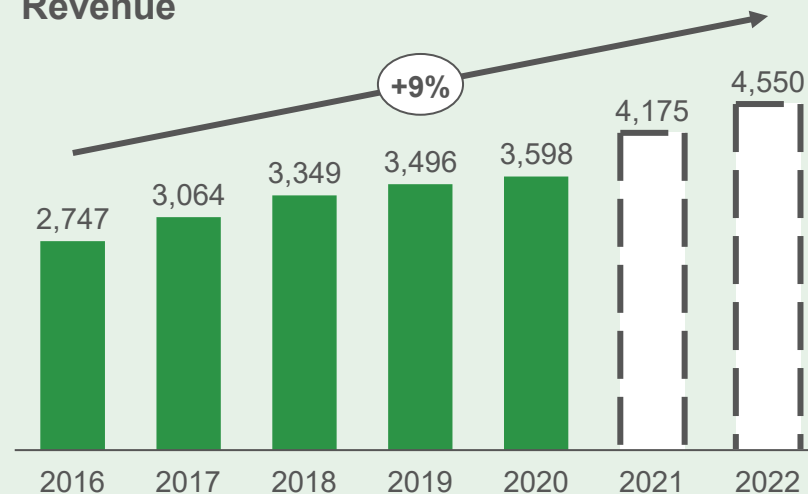
- Revenue is expected to be DKK 4,350 – 4,650 million
- EBITDA before special items is expected to be DKK 420 - 450 million
- EBIT is expected to be DKK 370 - 400 million
- Leverage ratio below 2.0x NIBD/EBITDA before special items

Assumptions for the outlook

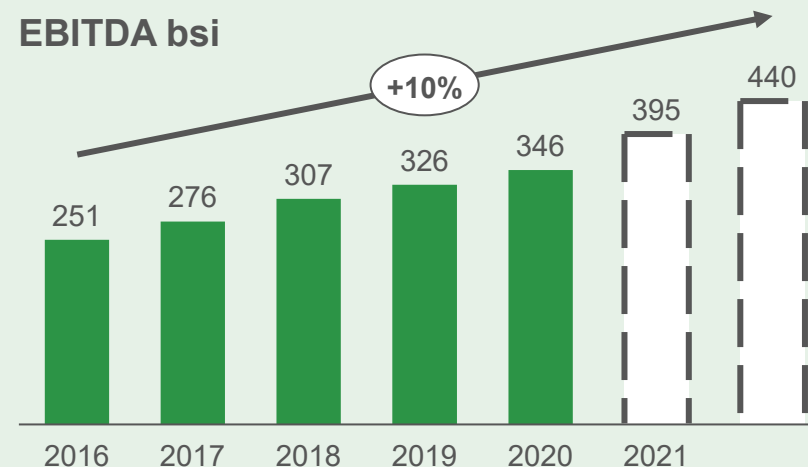
The 2022 guidance is based on no severe disruption of supply chains emerging and on raw material prices not significantly exceeding current levels.

- Current expectations for 2022 sales are between 2,200 and 2,400 houses.
- Current expectations for 2022 deliveries are 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 40–60m and comprise investments in digitalisation, automation, B2B and sustainability.
- Full year cash conversion (free cash flow to EBITDA) is expected to be at least 60% despite the increased capex level.
- No significant special items are expected.

Revenue



EBITDA bsi



2022 Outlook in details

Group outlook

Sales between 2,200 and 2,400 houses.

- from 2,300 - 2,400 houses in 2021

Deliveries are between 2,020 and 2,160 houses.

- from 1,800 – 1,900 houses in 2021

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%**.

Full year cash conversion (free cash flow to EBITDA) is expected to be **at least 60%** despite the increased capex level.

Share buyback of DKK 40m initiated

Considering the company's strong cash flow, HusCompagniet expect to initiate a **share buyback of up to DKK 40 million** with an expected start in Q1 2022.

Including the DKK 180 million share buyback completed in August 2021, the Board of Directors is expected to propose that **about 9% of the share capital be cancelled** in a share capital reduction, subject to approval at the Annual General Meeting in 2022

Total distribution to shareholders of DKK 280 million since listing, including dividend of DKK 60m in April 2021.



Semi-detached – around DKK 500m

Prolonged delivery process is expected due to the current market situation encounter delays in building permits, which may postpone some revenue recognition into 2023.

Planned investments– DKK 40-60m

- Digitalisation
- B2B
- Automatisations
- Sustainability

Automation of factory in Sweden

An investment to automate and increase utilisation capacity of the factory is planned for 2022, consequently closing the factory for up to two months.

The upgrade is expected to **increase the production capacity by 40%**.



Q&A