

Company announcement 4/2023

9 March 2023

HusCompagniet generates more than DKK 4.3 billion in revenue for 2022 achieving the second-best EBITDA (bsi) in the Groups history and maintained margins at satisfying levels in a weak market

HusCompagniet delivered more than 2,000 houses for the first time in the Groups history with 2,003 houses delivered in 2022 corresponding to 9% growth over 2021. Reported revenue was DKK 4,330 million for 2022 up 0.3% from the revenue of 2021. The increase was mainly due to an increase in number of houses delivered. The organic growth was -1% as the acquisition of the factory in Esbjerg contributed with revenue DKK 45 million in 2022. EBITDA before special items decreased by 13% to DKK 348 million corresponding to a margin of 8.0%. The rapid shift in market conditions during 2022 drove a significant decline of 60% in sales with 957 houses sold, especially H2 2022 was hit hard. All three segments experienced negative sales growth. Despite the unprecedented market conditions impacting our business HusCompagniet's 2022 EBITDA before special items were the second-best in the Groups history.

"I am pleased, that in a year, with high inflation, instantly applied surcharges, and a rapid negative shift in market conditions, we were able to deliver a strong financial performance. I will remember 2022 as one of the most extraordinary years I have ever witnessed during my tenure in the housebuilding industry with sales levels worse than the financial crisis. Despite this extremely challenging environment, we proved the robustness of our business model, and I am satisfied with the financial results, which is also thanks to the good cooperation we have with our subcontractors", says Martin Ravn-Nielsen CEO of HusCompagniet and continues:

"However, the significantly lower sales levels in 2022 drove the need to adapt the organisation to a lower building activity in the coming year. We of course regret the situation affecting both contractors and employees, but at the same time, our swift reaction has demonstrated our flexible business model, which allows us to adapt quickly to the changed market situation. As these conditions might be the new normal for a while, we will cautiously monitor developments and are ready to scale-up when the market changes as well as to defend our leading position."

Selected key highlights for 2022

<i>DKKm</i>	2022	2021	Change	Q4 2022	Q4 2021	Change
Houses sold (units)	957	2,376	-59.7%	87	484	-82.0%
Houses delivered (units)	2,003	1,831	9.4%	580	623	-6.9%
Order backlog (gross)	2,057	3,735	-44.9%	-	-	
Revenue	4,330	4,315	0.3%	980	1,201	-18.4%
Gross profit	837	875	-4.3%	195	237	-17.6%
EBITDA (before special items)	348	401	-13.2%	68	116	-41.5%
EBIT	268	355	24.5%	38	104	-64.0%
Gross margin (before special items)	19.3%	20.3%	-1.0ppt.	19.9%	19.7%	+0.2ppt.
EBITDA margin (before special items)	8.0%	9.3%	-1.3ppt.	6.9%	9.7%	-2.7ppt.
EBIT margin	6.2%	8.2%	-2.0ppt.	3.8%	8.7%	-4.9ppt.
Free cash flow	152	237	-35.9%			
Net interest-bearing debt	768	713	7.7%	-	-	
NIBD/EBITDA (before special items)	2.2x	1.8x	0.4x	-	-	

In the beginning of 2022 gross margins were negatively affected by instant surcharges introduced by our supplier combined with bottlenecks in the supply chains in general.

“As a consequence of the high inflation and instant surcharges introduced by suppliers, we made several price adjustments during the year to protect our business. Looking at the margins for the second half of the year I am pleased to see the impact has partly materialised as we see these price increases have driven margin increases in both Q3 and Q4 as well as margins for 2022 ended at satisfying levels,” says Martin Ravn-Nielsen.

To further improve our competitiveness, HusCompagniet acquired an automated factory, which adds a new dimension to our delivery model by manufacturing prefabricated elements for construction, mainly used for the semi-detached B2B segment.

“The acquisition not only makes us more flexible in times of increased demand for subcontractors and enables the business to become even more scalable it also allows us to contribute to the sustainability agenda. We believe the demand for these houses will increase significantly over the coming years, and our ability to produce these partially prefabricated houses will contribute to reduce our carbon footprint,” says Martin Ravn-Nielsen

Dividend

Dividends are suspended in 2023 and therefore we do not expect any distribution to shareholders in 2023. HusCompagniet expects to return to making dividend payments, once the leverage is back within our long-term target below 2.0x. HusCompagniet has initiated a review of the appropriate capital structure going forward.

Outlook for 2023

- Revenue is expected to be DKK 2,200-2,500 million
 - EBITDA before special items is expected to be DKK 75-125 million
 - EBIT is expected to be DKK 25-75 million
- EBIT guidance adjustment includes special items effect of DKK 5-10 million from reorganisation.*

The 2023 guidance is based on no severe disruption of supply chains emerging, on raw material prices not significantly exceeding current levels and that the market will slowly pick-up during 2023.

Detailed assumptions for the outlook can be found in the Annual report 2022.

Webcast and conference call

HusCompagniet will host a conference call (in Danish) for investors and analysts today, Thursday 9 March 2023 at 10:00 (CET). The conference call and presentation will be available from HusCompagniet's investor website.

Conference call dial-in numbers for investors and analysts:

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/fy-2022>

For additional information, please contact:

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About HusCompagniet

HusCompagniet is a leading provider of single-family detached houses in Denmark. The company also builds semi-detached houses to both private consumers and professional investors and has a presence in Sweden where it produces prefabricated wood-framed detached houses through its VårgårdaHus brand.

The Group operates an asset-light and flexible delivery model with on-site building, primarily on customer-owned land. The construction is outsourced to subcontractors, allowing for a flexible cost base. In 2022, HusCompagniet generated revenue of approximately DKK 4.3 billion.

HusCompagniet delivered 2,003 houses in 2022, of which 1,427 were detached houses in Denmark, corresponding to a market share of approximately 20-25% of the Danish detached-house new-build market segment. HusCompagniet has 9 offices with showrooms in Denmark and Sweden and more than 60 show houses and offers digital sales through the online platform "HusOnline". HusCompagniet currently has more than 400 employees.