

17 August 2023

Company Announcement 21/2023

Interim financial report for the period 1 January – 30 June 2023

HusCompagniet confirms outlook for 2023

The first half of 2023 was characterised by increased demand compared to second half of 2022 and ended with 445 houses sold. This is in line with expectations but still below historic average. The financial result for the first half of 2023 was however affected by the low sales for newbuild in second half of 2022 and HusCompagniet generated revenue of DKK 1,280 million and EBITDA of DKK 58 million. The second quarter included a re-evaluation of provisions related to prior years of DKK 15m.

“The first half of 2023 has been satisfactory on the back of a very challenged 2022. We are pleased to see that demand in the detached segment is increasing and profitability is improving” says CEO Martin Ravn-Nielsen and continues.

“We are also pleased to see that our customer satisfaction continues to be at a very high level”

Selected key highlights H1 2023

<i>DKKm</i>	Q2 2023	Q2 2022	Change	H1 2023	H1 2022	Change
Houses sold (units)	219	358	-39%	445	732	-39%
Houses delivered (units)	265	526	-50%	609	1,006	-39%
Order backlog, gross	1,659	3,497	-53%	1,659	3,497	-53%
Order backlog, net	1,101	2,547	-57%	1,101	2,547	-57%
Revenue	624	1,094	-43%	1,280	2,266	-44%
Gross profit	118	207	-43%	267	425	-37%
EBITDA (bsi)*	16	76	-79%	58	175	-67%
Special items	1	-1	-200%	-1	-1	0%
EBIT	6	64	-91%	35	151	-77%
Gross margin (bsi)*	18.9%	18.9%	0,0 ppt.	20.9%	18.8%	2.1 ppt.
EBITDA margin (bsi)*	2.5%	6.9%	-4.4 ppt.	4.5%	7.7%	-3.2 ppt.
EBIT margin	0.9%	5.8%	-4.9 ppt.	2.7%	6.7%	-4.0 ppt.
Contract assets, gross	522	800	-35%	522	800	-35%
Available cash**	344	262	31%	344	262	31%
Net interest-bearing debt	-489	-897	-45%	-489	-897	-45%
NIBD/LTM EBITDA	2.5x	2.2x	0.3x	2.5x	2.2x	0.3x
FTEs end of period	385	463	-78	385	463	-78

*Before special items **With a RCF facility agreement of DKK 250 million

Highlights

- HusCompagniet generated revenue of DKK 1,280 million in H1 2023 driven by fewer deliveries.
- The first half of 2023 was characterised by increased demand compared to second half of 2022 and ended with 445 houses sold against 225 in H2 2022. The sales levels are still below historical average and continued to be affected by current market conditions with higher interest rates and economic uncertainty.

- EBITDA before special items (bsi) totalled DKK 58 million including a re-evaluation of provisions related to prior years of DKK 15 million. This corresponds to an EBITDA margin bsi of 4.5% and 5.7% excluding the provision.
- HusCompagniet completed a capital raise in May 2023 and entered into a new loan facility agreement. With completion of the capital raise of 19.22% and the refinancing in place with the financing banks, HusCompagniet secured liquidity and flexibility to be able to carry out strategic investments and implement commercial initiatives.
- On 30 June 2023 net debt was DKK 489 million and with a leverage ratio (NIBD/LTM EBITDA) of 2.5x.

Outlook for 2023

We reiterate the full-year 2023 guidance issued on 4 May 2023

- Revenue is expected to be DKK 2,250 -2,500 million
- EBITDA before special items is expected to be DKK 100 – 130 million
- Operating profit (EBIT) is expected to be DKK 50 – 75 million

Webcast and conference call

HusCompagniet will host a conference call for investors and analysts at 13:00 (CEST) today, Thursday 17 August 2023. 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/Q2-2023>

For additional information, please contact:

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DKK'm	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Income statement					
Revenue	624	1,094	1,280	2,266	4,330
Gross profit	118	207	267	425	837
EBITDA before special items	16	76	58	175	348
EBITDA after special items	17	75	57	174	316
Operating profit (EBIT) before special items	5	64	36	152	300
Operating profit (EBIT)	6	64	35	151	268
Financial income /expenses, net	-13	-5	-22	-10	-27
Profit for the period (continued operations)	-5	45	10	109	190
Profit for the period (discontinued operations)	-3	-9	-3	-10	-20
Profit for the period	-8	36	7	99	170
Balance sheet					
Total assets	3,377	3,639	3,377	3,639	3,572
Contract assets, net	425	737	425	737	626
Net working capital	461	657	461	657	511
Net interest-bearing debt (NIBD)	489	897	489	897	768
Equity	2,064	1,814	2,064	1,814	1,881
Cash flow					
Cash flow from operating activities	65	13	97	7	268
Cash flow from investing activities	-4	-10	-11	-17	-117
- Hereof from investment in property, plant and equipment	-1	-4	-5	-9	-22
Cash flow from financing activities	18	12	2	-29	-192
Free cash flow	61	3	87	-10	152
Key figures					
Revenue growth	-43,0%	0,9%	-43,5%	11,0%	0,3%
Gross margin	18,9%	18,9%	20,9%	18,8%	19,3%
EBITDA before special items	2,5%	6,9%	4,5%	7,7%	8,0%
EBITDA margin after special items	2,7%	6,9%	4,4%	7,7%	7,3%
Earnings Per Share (EPS Basic), DKK	-0,4	2,2	0,3	6,0	9,4
Diluted earnings per share (EPS-D) (DKK)	-0,4	2,2	0,3	5,9	9,4
Dividend per share, DKK	0	-	0	-	0
Share price end of period, DKK	59	63	59	63	41
Market value, DKK billion	1,3	1,1	1,3	1,1	0,7
ROIC	0,2%	2,3%	1,3%	5,4%	9,8%
ROIC (adjusted for goodwill)	0,9%	7,9%	5,2%	18,9%	37,1%
NIBD/LTM EBITDA	2,5	2,2	2,5	2,2	2,4

Refer to the consolidated financial statements 2022 for definition of key figures

Business Update

During the first half of 2023 we saw a recovery in the demand for newbuild compared to the second half of 2022. This was primarily driven by increased activity in the general housing market, a more stable development in the interest rate, lower inflation and improved consumer confidence. This is particular applicable to the detached market in Denmark.

The higher demand for newbuild during the first six months of 2023 resulted in 445 houses sold. The activity level is still below a historic average and uncertainty remains high going forward despite increased visibility.

The semi-detached segment experiences an increase in activity and dialogue with professional investors. We do however experience a market that is impacted by uncertainty and a minimum of deals are committed. The return requirement is not in balance with the high and fluctuating interest rates. We believe the fundamental demand from end costumers is still present and the activity will return.

The Swedish economy suffers from continued high inflation, high interest rates and low consumer confidence. We are looking into opportunities of utilizing the Swedish factory capacity to deliver to the semi-detached segment in Denmark.

HusCompagniet generated revenue of DKK 1,280 million in H1 2023. The core market, Danish detached houses, comprised 67% of the revenue while Semi-detached and Sweden comprised 19% and 14%, respectively.

Customer satisfaction

We are pleased to see that customer ratings remain high, and we continue to have the best rating in the industry, with a satisfaction score of 4.8 out of 5.0 on Trustpilot with more than 5,000 reviews.

Capital structure and dividend

The management and board reviewed the financing and capital structure of HusCompagniet. This resulted in a capital equity raise and refinancing of current facilities.

With completion of the capital raise of 19.2% and the refinancing in place with the current financing banks, HusCompagniet secured liquidity and flexibility to be able to carry out strategic investments and implement commercial initiatives.

The financial leverage was 2.5x LTM EBITDA H1 2023.

With the capital increase the share capital of HusCompagniet consists of 21,710,000 shares of nominally DKK 5 each, equivalent to a registered share capital of DKK 108,550,000.

The New Facilities Agreement restricts dividends and share buy backs until 30 June 2024 (except for share buy backs to hedge positions under share-based incentive programmes).

HusCompagniet expects to resume dividend payments once the leverage is back at appropriate levels.

Financial review for the first half of 2023

Revenue

HusCompagniet reported a total revenue of DKK 1,280 million in H1 2023, down 44% from DKK 2,266 million in H1 2022. Average selling price (ASP) for the Detached segment increased to DKK 2.9 million from DKK 2.4 million in H1 2022.

Gross margin

Gross margin was 20.9%, up from 18.8% in H1 2022. The development was mainly driven by the semi-detached segment and a continuous focus on margins. The acquisition of the factory last year has played a pivotal role in driving this positive trend. The detached segment was negatively affected by the re-evaluation of provision of DKK 15 million.

EBITDA before special items

Reported EBITDA before special items was DKK 58 million compared with DKK 175 million in H1 2022. This corresponds to an EBITDA margin before special items of 4.5% compared to a margin of 7.7% in H1 2022. The EBITDA margin was 5.7% excluding the provision of DKK 15 million.

The development was mainly due to decreased revenue (fewer deliveries). SG&A decreased as a result of cost cutting initiatives started in 2022. The number of FTEs was down 78. The SG&A level is expected to further decrease in the second half of 2023 due to staff reductions made in H2 2022 and H1 2023.

Amortisation and depreciation

Amortisation and depreciation amounted to DKK 22 million against DKK 23 million in H1 2022. Amortisation mainly consists of development projects including ERP system. Depreciation mainly refers to leasing contracts and factory equipment.

EBIT

Reported EBIT amounted to DKK 35 million against DKK 151 million in H1 2022, corresponding to a margin of 2.7% and 6.7% respectively. The margin level reflected a challenging market.

Net financials

Reported net financials was an expense of DKK 22 million compared to an expense of DKK 10 million in H1 2022. The increase is due to refinancing costs from full amortization of cost related to previous loan and higher interest.

Profit for the period before tax for continued operations

Profit for period before tax from the continued operation was DKK 12 million in H1 2023 compared with DKK 141 million in H1 2022.

Taxation

Reported tax for H1 2023 was DKK 2 million against DKK 32 million in H1 2022.

Discontinued operations

During 2020, the Group closed its German and Swedish brick house activities. Loss from discontinued operations was DKK 3 million reflecting an increase in provisions for the close down expenses.

	Q2-2023	Q2-2022	H1-2023	H1-2022
Sales (units)	219	358	445	732
Detached	169	279	287	557
Semi detached	9	52	101	126
Sweden	41	27	57	49
Deliveries (units)	265	526	609	1,006
Detached	142	364	342	705
Semi detached	73	93	145	165
Sweden	50	69	122	136
Order backlog (gross) (DKKm)	1,659	3,497	1,659	3,497
Detached	1,080	2,525	1,080	2,525
Semi detached	449	658	449	658
Sweden	129	314	129	314
Order backlog (net) (DKKm)	1,101	2,547	1,101	2,547
Detached	775	1,832	775	1,832
Semi detached	278	434	278	434
Sweden	48	281	48	281
Share of own land* (%)	14.0%	10.1%	12.9%	15.7%
Detached (%)	9.2%	8.0%	8.5%	8.2%
Semi-detached (%)	23.3%	18.3%	23.4%	47.9%

*Only Denmark

Cash flow

Operating activities

Net cash generated from operating activities was DKK 97 million compared with DKK 7 million in H1 2022 driven by the lower activity level.

Investing activities

Net investments related to development projects and property, plant, and equipment, were DKK 11 million in H1 2023 compared to DKK 17 million in H1 2022.

Financing activities

Cash flows from finance of DKK 2 million are mainly related to the capital raise of DKK 207 million and the repayment of loans (DKK 175 million). No dividends were paid to shareholders in 2023, whereas DKK 29 million was paid in 2022.

Free cash flow

Free cash flow was DKK 87 million against negative DKK 10 million in H1 2022, mainly driven by operating activities.

Balance sheet

Financing

Net interest-bearing debt (NIBD) totalled DKK 489 million H1 2023 against DKK 768 million end 2022. The net interest-bearing debt to EBITDA ratio was 2.5x compared to 2.4x at year-end 2022. The decrease in debt was mainly due to the capital raise and new capital loan structure.

Equity

The Groups equity increased by DKK 183 million in H1 2023 and ended at DKK 2,064 million. The increase was based on capital increase of DKK 207 million, partly offset from cost of capital increase (DKK 8 million), purchase of own shares (DKK 8 million).

Net working capital

Net working capital totalled DKK 461 million H1 2023, down from DKK 671 million H1 2022. The change was mainly caused by a decrease in contract assets, partly offset by an increase of trade and other payables.

Contract assets

Contract assets (net) amounted to DKK 425 million compared to DKK 737 million end of H1 2022. The development reflected the low sales level in H2 2022.

Dividend

Dividends are suspended in 2023 and thus no distribution to shareholders in 2023. HusCompagniet expects to return to making dividend payments, once the leverage is back within the long-term target.

Financial review for the second quarter of 2023

Revenue

HusCompagniet reported total revenue of DKK 624 million in Q2 2023 down 43% from DKK 1,094 million in Q2 2022. Deliveries amounted to 265 houses which is a decrease of 50% from 526 houses in Q2 2022.

EBITDA before special items

Reported EBITDA before special items was DKK 16 million compared with DKK 76 million in Q2 2022. This corresponds to an EBITDA margin before special items of 2.5%. A provision of DKK 15 million was included in the quarter. The EBITDA margin excluding the provision was 5.0%.

Special items

Special items amounted to positive DKK 1 million in Q2 2023 related to reversal of impairment of leaseholds year end 2022.

Profit for the period

Profit for the period from continued operations was negative DKK 5 million in Q2 2023, against DKK 45 million in Q2 2022.

Cash flow

Operating activities

Net cash generated from operating activities was DKK 65 million compared with DKK 13 million in Q2 2022. Inflow was mainly driven by a lower activity level.

Investing activities

Net investments related to development projects and property, plant, and equipment, were DKK 4 million in Q2 2023 compared to DKK 10 million in Q2 2022.

Financing activities

Cash flows from finance of DKK 18 million are mainly related to the capital raise of DKK 207 and the repayment of loans (DKK 175 million).

Free cash flow

Free cash flow was DKK 61 million against DKK 12 million in Q2 2022, mainly driven by operating activities.

Segments

Detached is our largest segment comprising 67% of total revenue in H1 2023. Semi-detached and Sweden comprised 19% and 14%, respectively. For H1 2022, the revenue split between the segments was 78%, 14% and 8%, respectively.

Denmark - detached

Sales was 287 in H1 2023, down 48% or 270 houses from 557 houses in H1 2022. Q2 2023 sales came in at 169 houses.

Deliveries decreased 51% totalling 342 in H1 2023 from 705 houses in H1 2022.

Revenue amounted to DKK 859 million, down 51% from DKK 1,769 million from H1 2022. The decrease was driven by fewer deliveries as a result of a reduced sale in 2022. Share of own land deliveries was 8.5% up from 8.2%.

The gross margin was 16.8% down from 18.8% and EBITDA before special items DKK 12 million. The margin would have been 18.7% excluding the provision of DKK 15 million.

Average selling price (ASP) was DKK 2.9 million increased from DKK 2.4 million in H1 2022, The increase was due to higher sales prices and a higher proportion of houses delivered in Zealand.

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Sales	374	358	138	87	226	219
Deliveries	480	526	417	580	344	265

Denmark - Semi-detached houses

Sales was 101 units, down from 126 in H1 2022

Revenue amounted to DKK 247 million, down from DKK 319 million in H1 2022. Revenue comprised mainly contracted work in progress. Share of own land in deliveries was 23.4%.

The gross margin was 25.8% and EBITDA before special items DKK 29 million, corresponding to a margin of 11.9%. Semi-detached was on a higher margin compared to H1 2022, mainly due to increase in projects delivered directly to end customer in line with the increased production capacity.

Average selling price (ASP) was DKK 1.8 million, same level as H1 2022. Share of own land deliveries decreased in the period. The Q2 2023 gross margin was 23.8% and an EBITDA margin at 10.8%.

Sweden

Revenue amounted to DKK 175 million, down from DKK 178 million in H1 2022. The gross margin was 33.9% with EBITDA before special items at DKK 17 million, corresponding to an EBITDA margin of 9.6%. Average selling price (ASP) was DKK 1.4 million, up from DKK 1.3 million in H1 2022

Outlook for 2023

We reiterate the full-year 2023 guidance issued on 4 May 2023

- Revenue is expected to be DKK 2,250 -2,500 million
- EBITDA before special items is expected to be DKK 100 – 130 million
- Operating profit (EBIT) is expected to be DKK 50 – 75 million

Assumptions for the outlook

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.

- Current expectations for 2023 deliveries are between 950 and 1,100

- Revenue from the semi-detached segment is assumed to be around DKK 350-450 million

General assumptions

General assumptions comprise assumptions relating to macro-economic conditions, industry considerations, regulatory changes, and customer behaviour (particularly in the light of the Covid-19 pandemic). 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 2022 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 2023. 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 requirements in the Danish Financial Statements Act.

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 2023 and the results of the Group's operations and cash flow for the period 1 January – 30 June 2023.

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, 17 August 2023

Executive Board:

Martin Ravn-Nielsen
Group CEO

Jesper Høybye
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	H1 2023	H1 2022	Q2 2023	Q2 2022	FY 2022
Revenue	3, 4	1,280,081	2,266,150	623,840	1,093,638	4,329,833
Cost of Sales		-1,012,949	-1,840,892	-505,874	-886,650	-3,492,916
Gross profit		267,132	425,258	117,966	206,988	836,917
Staff cost		-144,689	-176,657	-73,912	-90,929	-346,287
Other external expenses		-64,488	-73,504	-28,520	-40,451	-142,400
Other operating income/(expenses), net		-257	106	6	106	67
Operating profit before depreciation and amortisation (EBITDA) before special items		57,698	175,202	15,541	75,714	348,297
Special items		-1,145	-722	1,108	-722	-31,939
Operating profit before depreciation and amortisation (EBITDA) after special items		56,553	174,481	16,649	74,992	316,358
Depreciation and amortisation		-22,047	-23,207	-11,021	-11,446	-48,343
Operating profit (EBIT)		34,506	151,274	5,628	63,546	268,014
Financial income		954	23	954	14	697
Financial expenses		-23,304	-10,311	-13,538	-5,451	-27,784
Profit before tax from continuing operations		12,156	140,986	-6,956	58,112	240,927
Tax on profit		-2,235	-32,069	2,285	-13,437	-50,449
Profit for the period from continuing operations		9,921	108,918	-4,671	44,676	190,478
Profit/(loss) after tax for the period from discontinued operations	5	-3,075	-9,665	-3,073	-8,601	-20,169
Profit for the period		6,847	99,253	-7,744	36,075	170,309

Profits attributable to:

DKK'000	H1 2023	H1 2022	Q2 2022	Q2 2021	FY 2022
Equity owners of the Company	6,847	99,253	-7,744	36,075	170,309

Earnings per share:

DKK	Note	H1 2023	H1 2022	Q2 2023	Q2 2022	FY 2022
Earnings per share (EPS Basic)		0.3	6.0	-0.4	2.2	9.4
Diluted earnings per share (EPS-D)		0.3	5.9	-0.4	2.2	9.4
Earnings per share (EPS Basic) continuing operations		0.5	6.5	-0.4	2.7	10.6
Diluted earnings per share (EPS-D) continuing operations		0.5	6.5	-0.4	2.7	10.5
Earnings per share (EPS) (DKK) from discontinued business		-0.1	-0.6	-0.1	-0.5	-1.1
Diluted earnings per share (EPS-D) (DKK) from discontinued business		-0.1	-0.6	-0.1	-0.5	-1.1

Interim consolidated Statement of Other Comprehensive Income

DKK'000	Note	H1 2023	H1 2022	Q2 2023	Q2 2022	FY 2022
Profit for the year		6,847	99,253	-7,744	36,075	170,309
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>		-18,473	-4,455	-14,000	-5,551	-11,719
Other comprehensive income, net of tax		-18,473	-4,455	-14,000	-5,551	-11,719
Total comprehensive income for the year		-11,626	94,808	-21,744	30,524	158,590

Total comprehensive income attributable to:

DKK'000	Note	H1 2023	H1 2022	Q2 2023	Q2 2022	FY 2022
Equity owners of the Company		-11,626	94,808	-21,744	30,524	158,590

Interim consolidated Balance Sheet

DKK'000	Note	H1 2023	FY 2022	H1 2022
Assets				
Non-current assets				
Goodwill	9	2,001,953	2,016,050	2,019,275
Intangible assets		36,957	37,550	39,297
Right-of-use assets		67,854	76,578	77,805
Property, plant, and equipment		95,030	97,394	27,662
Deferred tax asset		30,811	29,254	27,568
Other receivables		3,778	4,151	4,756
Total non-current assets		2,236,383	2,260,977	2,196,363
Current assets				
Inventories	6	343,820	343,033	312,549
Contract assets	7	522,408	731,056	800,096
Trade and other receivables		161,697	217,221	302,562
Prepayments		18,235	14,796	11,992
Cash and cash equivalents		94,951	5,207	15,063
Total current assets		1,141,110	1,311,313	1,442,263
Total assets		3,377,493	3,572,291	3,638,626

Interim consolidated Balance Sheet - continued

DKK'000	Note	H1 2023	FY 2022	H1 2022
Equity and liabilities				
Equity				
Share capital		108,550	91,050	91,050
Retained earnings and other reserves		1,955,596	1,790,040	1,722,579
Total equity		2,064,146	1,881,090	1,813,629
Liabilities				
Non-current liabilities				
Borrowings	8	505,886	682,461	672,442
Lease liabilities		55,238	65,689	64,337
Provisions		30,503	22,126	16,692
Deferred tax liability		36,923	42,742	38,373
Total non-current liabilities		628,550	813,017	791,845
Current liabilities				
Borrowings	8	1,044	1,045	0
Lease liabilities		21,842	23,874	21,876
Trade and other payables		399,192	522,247	603,420
Contract liabilities	7	97,656	105,041	62,613
Prepayments from customers	7	9,276	15,312	10,133
Provisions		28,667	28,042	31,910
Income tax payable		44,425	40,750	60,390
Other liabilities		82,694	141,872	89,648
Bank overdrafts		0	0	153,162
Total current liabilities		684,796	878,184	1,033,152
Total liabilities		1,313,347	1,691,201	1,824,997
Total equity and liabilities		3,377,493	3,572,291	3,638,626

Interim consolidated Statement of Cash Flows

DKK'000	Note	H1 2023	H1 2022	FY 2022
Cash flow from operating activities				
EBITDA, after special items		56,553	174,481	316,358
EBITDA, discontinued activities		-2,980	0	-193
EBITDA		53,573	174,481	316,164
Adjustments for non-cash items		4,936	10,140	23,863
Adjusted EBITDA		58,509	184,621	340,027
Changes in working capital		64,666	-150,911	20,596
Cash flow from operating activities before financial items		123,175	33,710	360,624
Interest received		954	23	697
Interest elements of lease payments		-2,191	-2,604	-5,014
Interest paid		-18,826	-7,706	-22,771
Corporation tax paid		-5,935	-16,402	-65,065
Net cash generated from operating activities		97,177	7,021	268,471
Cash flow from investing activities				
Acquisition of assets recognised as property, plant, and equipment		-4,756	-9,184	-22,401
Acquisition of assets recognised as intangible assets		-5,764	-7,631	-13,155
Cash outflow on acquisition subsidiaries		0	0	-75,252
Cash and cash equivalents of subsidiaries on acquisition date		0	0	-5,746
Net cash generated from investing activities		-10,521	-16,815	-116,554
Cash flow from financing activities				
Repayment of long-term debt and mortgage		-675,489	0	-523
Repayment of bank overdraft		0	-50,000	-125,000
Proceeds from loans		500,000	203,546	125,000
Repayment of lease liabilities		-12,588	-13,088	-22,697
Capital increase		206,500	0	0
Transaction costs share issue		-8,087	0	0
Dividend to equity holders		0	-132,276	-132,276
Acquisition of own shares		-7,935	-36,821	-36,821
Net cash generated from financing activities		2,402	-28,639	-192,317
Total cash flows		89,058	-38,433	-40,400
Cash and cash equivalents on 1 January		5,207	55,420	55,420
Net foreign currency gains or losses		685	-1,925	-9,813
Cash and cash equivalents on 30 June/31 December		94,951	15,063	5,207
Free cash flow		86,657	-9,794	151,916

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

Interim consolidated statement of changes in equity

2022

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
Equity on 1 January	100,000	1,656	1,651,050	132,276	1,884,982
Profit for the period	0	0	99,253	0	99,253
Other comprehensive income:					
Foreign currency translation differences	0	-4,455	0	0	-4,455
Total other comprehensive income	0	-4,455	0	0	-4,455
Transactions with owners of the Company and other equity transactions:					
Capital reduction	-8,950	0	8,950	0	0
Share-based payment	0	0	2,946	0	2,946
Purchase of own shares	0	0	-36,821	0	-36,821
Dividends, own shares	0	0	0	0	0
Dividends paid	0	0	0	-132,276	-132,276
Total transactions with owners of the Company and other equity transactions	-8,950	0	-24,925	-132,276	-166,151
Equity on 30 June	91,050	-2,799	1,725,378	0	1,813,629

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1 Accounting policies

This interim condensed financial report comprises the period 1 January – 30 June 2023.

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

The financial part of the interim condensed financial report has been prepared in accordance with IAS 34 for interim condensed consolidated financial statements.

The accounting policies are unchanged from the 2022 consolidated financial statements, to which reference is made except the changes stated below. A full description of accounting policies is provided in the 2022 consolidated financial statements.

Changes to accounting policies

HusCompagniet A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2023:

· Amendments to Definition of Accounting Estimates - Amendments to IAS 8; Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2; Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

HusCompagniet A/S has implemented the standards and interpretations that became effective in the EU for 2023. None of these standards or interpretations has affected recognition or measurement in 2023 or is 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 2022.

3 Segment information

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

- The detached houses in Denmark segment, which comprise 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. In 2022 an acquisition of a pre-fab factory was completed. The pre-fab factory produces components used in semi-detached production
- The Swedish business comprise detached prefabricated houses

No operating segments have been aggregated to form the above reportable operating segments.

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 2023						
	Denmark		Sweden			
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
Segment EBITDA bsi	11,565	29,313	16,820	57,698	1	57,699
EBITDA bsi margin	1.3%	11.9%	9.6%	4.5%	n.a.	4.5%
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%

3 Segment information – Continued

H1 2022						
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Revenue						
External customers	1,966,192	121,774	178,185	2,266,150	0	2,266,150
Inter-segment	-196,764	196,764	0	0	0	0
Total revenue	1,769,427	318,538	178,185	2,266,150	0	2,266,150
Income/(expenses)						
Cost of goods	-1,626,484	-102,772	-111,636	-1,840,892	-280	-1,841,172
Inter-segment	188,894	-188,894	0	0	0	0
Segment gross profit	331,837	26,872	66,549	425,258	-280	424,978
Gross margin	18.8%	8.4%	37.3%	18.8%	n.a.	18.8%
Other operating income/(expenses), net	106	0	0	106	0	106
Staff costs	-140,420	-12,016	-24,221	-176,657	0	-176,657
Other operating expenses	-52,819	-1,662	-19,023	-73,504	1,426	-70,089
Segment EBITDA bsi	138,704	13,194	23,305	175,203	1,146	178,337
EBITDA margin	7.8%	4.1%	13.1%	7.7%	n.a.	7.9%
Special items	-722	0	0	-722	-0	-722
EBITDA	137,982	13,194	23,305	174,481	1,146	177,615
EBITDA margin	7.8%	4.1%	13.1%	7.7%	n.a.	7.8%

Reconciliation of profit as per interim statement

DKK'000	2023 H1	2022 H1
Segment EBITDA from continuing operations	57,698	174,481
Segment EBITDA from discontinued operations	1	1,146
Special items	-4,126	-1,146
Depreciation and amortisations	-22,047	-23,207
Financial income	1,007	1,437
Financial expenses	-23,452	-21,463
Loss before tax from discontinued operations	3,075	9,738
Profit before tax from continuing operations	12,156	140,986

4 Revenue

H1 2023						
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
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
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Show- and project 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

4 Revenue - Continued

Revenue per segment and category - Contracted Sales

H1 2022

DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Sales value houses sold on customers building sites	1,594,646	159,434	178,185	1,932,264	0	1,932,264
Sales value houses sold on own building sites	119,577	159,104	0	278,681	0	278,681
Total Contracted sales	1,714,222	318,538	178,185	2,210,945	0	2,210,945

Revenue per segment and category - Non-contracted sales

H1 2022

DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Show houses	39,596	0	0	39,596	0	39,596
Other revenue	0	0	0	0	0	0
Sales of land plots	15,609	0	0	15,609	0	15,609
Total Non-contracted sales	55,205	0	0	55,205	0	55,205
Total Revenue	1,769,427	318,538	178,185	2,266,150	0	2,266,150

Revenue per continuing and discontinued operations

DKK'000	2023 H1	2022 H1
Total revenue from continuing operations	1,280,081	2,266,150
Total revenue from discontinued operations	-275	0
Total revenue	1,279,807	2,266,150

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

Non-contracted sales are recognised on delivery (point-in-time). Contracted sales are recognised over time. 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 customers land, or houses sold on own land (semi-detached includes land plots) that are covered by a customer contract before construction is started.

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 its German activities and to 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 large new 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 wood rather than brick houses. The German and Swedish brick house activities were closed during September 2020. The closing of the discontinued operations are proceeding as expected. The closing is expected to be finalised in 2024.

DKK'000	H1 2023	H1 2022
Revenue	0	0
Expenses	-2,980	0
Impairment	0	0
Operating income	-2,980	0
Finance Costs	-95	-9,738
Profit/(loss) before tax from discontinued operations	-3,075	-9,738
Tax on profit/(loss)	0	74
Profit/(loss) after tax for the period from discontinued operations	-3,075	-9,665

The net cash flows generated /(incurred) by the business segments brick houses in Sweden and the operations in Germany are, as follows:

DKK'000	H1 2023	H1 2022
Operating	-5,423	-2,031
Investing	0	0
Financing from group entities	4,684	17,000
Net cash inflow/(outflow)	-739	14,969

6 Inventories

DKK'000	H1 2023	H1 2022	FY 2022
Raw materials	20,423	9,793	26,587
Show-houses and semi-detached houses (non-contracted)	148,119	159,735	164,158
Land	178,282	143,066	155,294
Write-down inventories	-3,005	0	-3,005
Total inventories	343,820	312,549	343,033

7 Contract assets

DKK'000	H1 2023	H1 2022	FY 2022
Selling price of contract assets	565,803	810,395	760,375
Invoking on account	-141,052	-72,911	-134,478
	424,752	737,484	626,015

Calculated as follows:

Contract assets	522,408	800,096	731,056
Contract liabilities	-97,656	-62,613	-105,041
	424,752	737,484	626,015
Prepayments from customers regarding construction contracts not yet started	9,276	10,133	15,312

Delivery obligations	H1 2023	H1 2022	FY 2022
Within one year	1,512,269	3,282,289	1,966,382
After one year	146,745	214,232	90,714

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.

Delivery obligations are lower in H1 2023 due to a decline in sales compared to H1 2022.

Credit risk on contract assets is generally managed by regular credit rating of customers and business partners. The credit risk exposure relating to dealing with private counterparties is estimated to be limited.

8. Borrowings

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	2024	Floating	672,442
30 June 2022			672,442

DKK'000	Maturity	Fixed or floating interest	Carrying amount
Bank loan	2024	Floating	672,825
Mortgage loan	2032	Floating	10,681
31 December 2022			683,506

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of DKK 500m (30 June 2023: DKK 3.3m) and cost of previous loan of DKK 675m (30 June 2023: DKK 2.6M 31 December 2021: USD 2.6m), which are amortized over the term of the loans.

As of 30 June 2023, HusCompagniet A/S was in compliance with the financial covenants. HusCompagniet A/S expects to remain in compliance with the financial covenants in the remaining period of 2023.

9 Impairment

For impairment testing, goodwill is allocated to the three CGU's ("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 CGU's once a year or more frequently if indication of impairment exists. On H1 2023 Management has revisited forecasts for all three CGU's and concludes that no impairments are necessary

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 5 years ("the budget period") as well as projections for the terminal period after the budget period. A 5-year period is used to reflect a full business cycle.

Assumptions are used in the estimate of the present value are 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

We are not aware of any other events after June 30, 2023, that potentially could have a material impact on the Group's financial position.