

Company announcement 2/2024

8 March 2024

HusCompagniet delivered 2023 results in line with guidance in a challenging market

Group CEO of HusCompagniet, Martin Ravn-Nielsen says: *“We faced significant challenges in 2023 in the wake of a shift in market sentiments and a substantial reduction of our order book. I am proud of the tenacity displayed by our colleagues enabling us to report financial results in line with our guidance. Even though demand contracted significantly and drove a 47% decline in deliveries, we managed to generate revenue of DKK 2.4 billion and EBITDA of DKK 108 million, proving our ability to adjust our business duly in difficult times.”*

In 2023, HusCompagniet delivered financial results in line with the latest guidance from Q1 2023. Revenue declined to DKK 2,381 million from DKK 4,330 million in 2022, reflecting decreasing demand due to rising uncertainty among consumers in response to inflation and higher interest rates. The gross margin increased to 21.7% driven by lower production costs, disciplined pricing, and the addition of the prefabrication factory in Esbjerg, acquired in 2022. EBITDA before special items came to DKK 108 million for an EBITDA margin of 4.5%, reflecting the improved gross margin and strict cost control. EBIT amounted to DKK 62 million.

“In this challenging environment, we maintained our sharp focus on ensuring a high level of customer satisfaction – and we were proud to elevate our industry-leading Trustpilot score further to 4.8 of 5.0. We are confident that we are on track and well-positioned in a challenged market where trust, quality, and scale are key to ensure continued competitiveness”, says Martin Ravn-Nielsen.

Selected key highlights for 2023

DKKm	2023	2022	Change	Q4 2023	Q4 2022	Change
Houses sold (units)	851	957	-11%	212	87	144%
Houses delivered (units)	1,054	2,003	-47%	232	580	-60%
Order backlog (gross)	1,513	2,057	-26%	-	-	-
Revenue	2,381	4,330	-45%	531	980	-46%
Gross profit	517	837	-38%	129	195	-34%
EBITDA (before special items)	108	348	-69%	17	68	-75%
EBITDA (after special items)	108	316	-66%	18	50	-64%
EBIT	62	268	-77%	6	38	-84%
Gross margin	21.7%	19.3%	2.4 ppt.	24.3%	19.9%	4.4 ppt.
EBITDA margin (before special items)	4.6%	8.0%	-3.5 ppt.	3.2%	6.9%	-3.7 ppt.
EBITDA margin (after special items)	4.6%	7.3%	-2.7 ppt.	3.4%	5.1%	-1.7 ppt.
EBIT margin	2.6%	6.2%	-3.6 ppt.	1.0%	3.8%	-2.8 ppt.
Free cash flow	229	152	51%	86	271	-68%
Net interest-bearing debt	356	768	-54%	-	-	-
NIBD/EBITDA	3.3x	2.2x	1.1x			

Dividend

Dividend payment is suspended in 2024 and HusCompagniet expects to reintroduce dividends once the leverage (NIBD/EBITDA) is within the long-term target of below 2.0x.

2024 financial outlook

In 2024, HusCompagniet changes its profitability guidance to EBITDA after special items, and the financial outlook reflects continuously limited market visibility. HusCompagniet expects:

- Revenue of DKK 2,300-2,600 million,
- EBITDA of DKK 80-130 million
- EBIT of DKK 30-80 million

The 2024 guidance is based on expected deliveries of 800-1,000 houses, no severe supply chain disruption, raw material prices not significantly exceeding current level and slow market pick-up during 2024. Detailed assumptions can be found in the Annual report 2023.

“Near-term visibility remains limited as macroeconomic uncertainty persists and slow sales throughout 2023 will dampen activity in 2024. We will continue our targeted investments and strategic initiatives to deliver on our promises, and strongly supported by the dedicated efforts from our great employees we will strive to maintain solid performance”, Martin Ravn-Nielsen ends.

Webcast and conference call

HusCompagniet will host a conference call in English for investors and analysts today, Friday 8 March 2024 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/annual-report-2023>

For additional information, please contact:

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About HusCompagniet

HusCompagniet is a leading provider of single-family detached houses in Denmark and builds semi-detached houses for private consumers and professional investors. The activities in the semi-detached segment are supported by HusCompagniet Production offering prefabricated wood-framed houses. HusCompagniet also has a presence in Sweden where the Group 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 process is outsourced to subcontractors, enabling a flexible cost base.

HusCompagniet has showrooms and showhouses in Denmark and Sweden supplemented by digital sales through the online platform “HusOnline”. HusCompagniet currently has around 400 employees dedicated to maintaining the Group’s industry-leading customer satisfaction level and co-creating the homes of tomorrow – today.