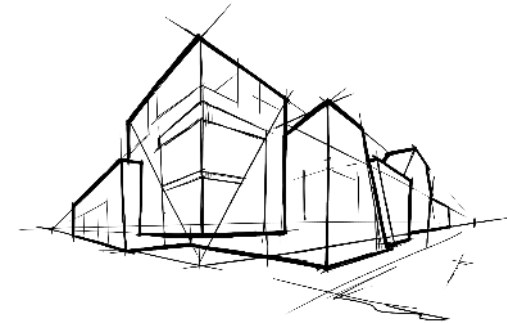




# H1/Q2 2023 Financial results

31 August 2023



# Forward-looking statement

The statements on the future in this presentation, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.

In no event shall ROCKWOOL A/S be liable for any direct, indirect or consequential damages or any other damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other action, arising out of or in connection with the use of information in this presentation.



# H1 highlights

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Sales

**1783 MEUR**

down 8% in reported figures

---

EBIT

**237 MEUR**

up 2%

---

EBIT before Ukraine donation\*

**264 MEUR**

up 13%, with EBIT margin of 14.8%

---

---

Sales decrease in local currencies

**↓ 7%**

---

EBIT margin

**13.3%**

up 1.3 percentage points

---

Free cash flow

**107 MEUR**

up 155 MEUR

---



\*) Excluding donation of 27 MEUR to the Foundation for Ukrainian Reconstruction, of which 100 MDKK was approved at the EGM on 31 August 2022 and the remaining 100 MDKK at the AGM on 29 March 2023. Together they constitute the 27 MEUR donation.



# Q2 highlights

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Sales

**917 MEUR**

down 10% in reported figures

---

EBIT

**133 MEUR**

up 1%

---

EBIT before Ukraine donation\*

**147 MEUR**

up 11%, with EBIT margin of 16%

---

---

Sales decrease in local currencies

**↓ 7%**

---

EBIT margin

**14.5%**

up 1.6 percentage point

---

Free cash flow

**119 MEUR**

up 99 MEUR

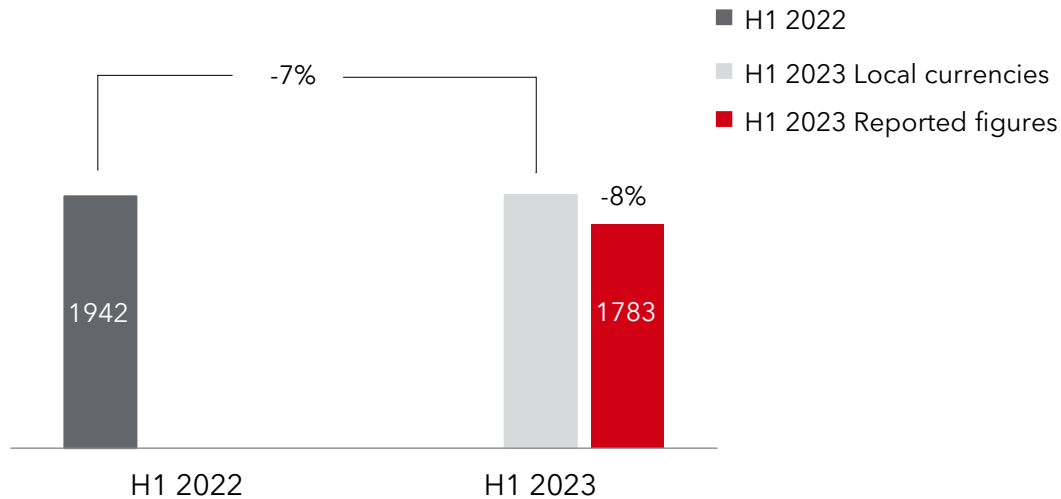
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\*) Excluding the Q2 portion of the total donation to the Foundation for Ukrainian Reconstruction.

# H1 sales down seven percent driven by lower demand

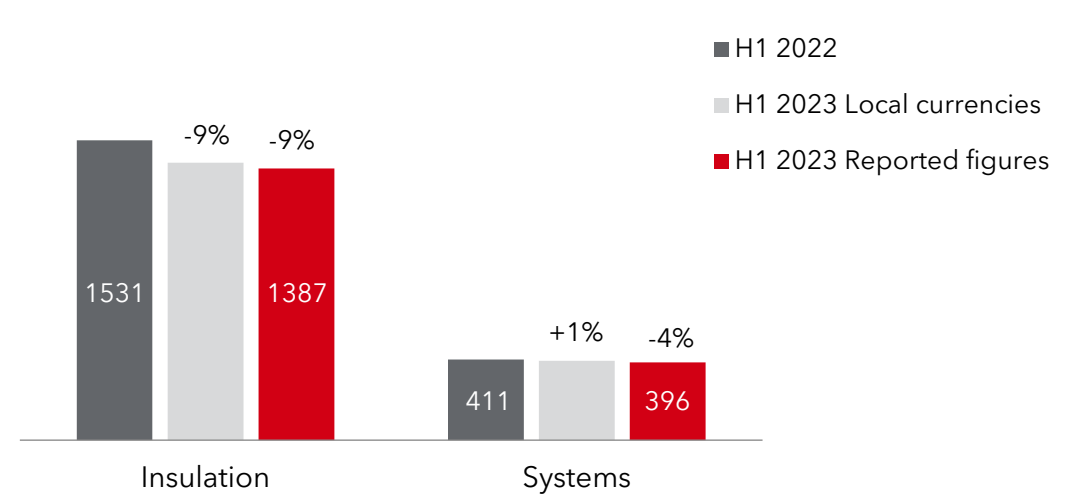
## Net sales MEUR



**Sales** reached 1783 MEUR, down seven percent in local currencies.

The decrease was driven by lower demand in many European markets.

## Net sales per business segment MEUR

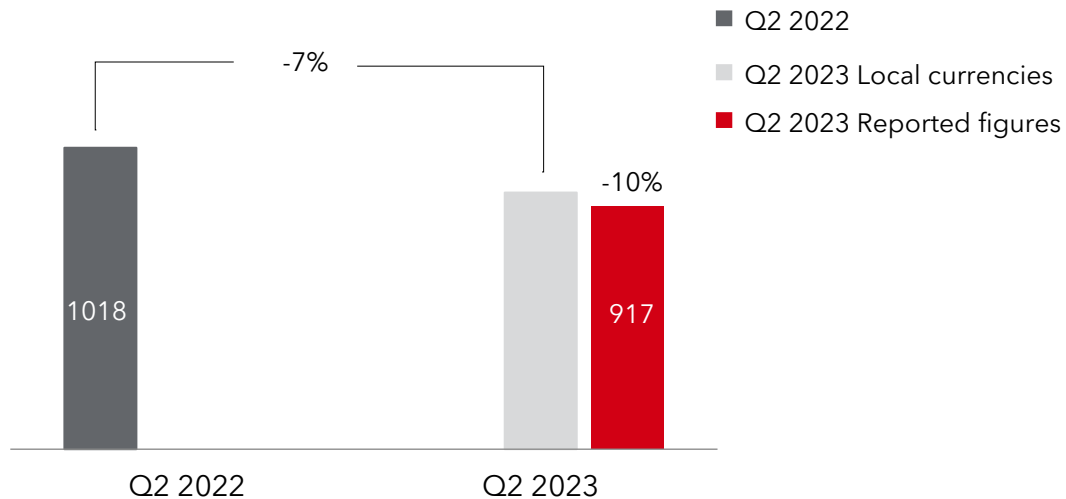


**Insulation** segment sales reached 1387 MEUR, down nine percent in both local currencies and reported figures.

**Systems** segment sales reached 396 MEUR, up one percent in local currencies.

# Q2 sales down seven percent over LY, while up vs. Q1

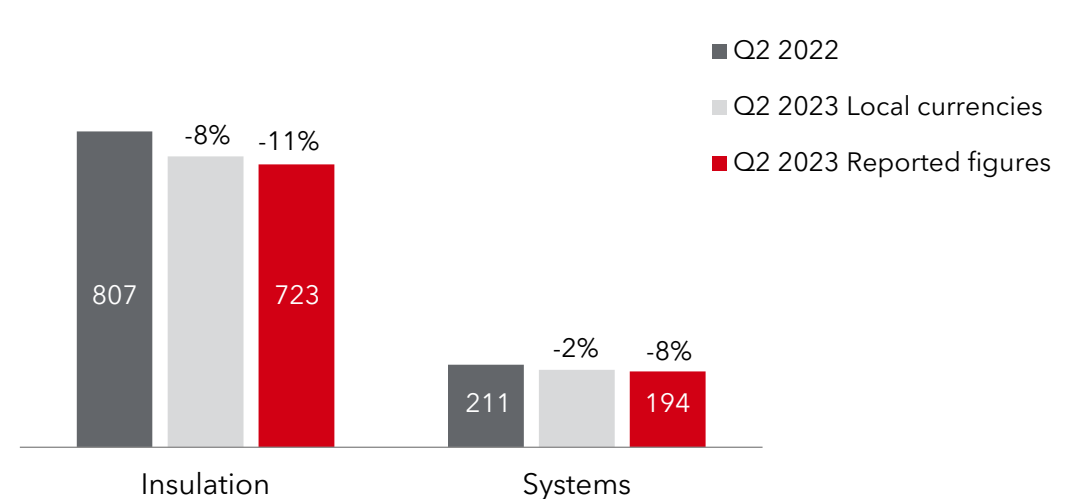
## Net sales MEUR



**Sales** reached 917 MEUR, down seven percent in local currencies and 10 percent in reported figures.

The decrease was driven by lower volume, especially in Germany and Eastern Europe where most markets showed double-digit sales decreases.

## Net sales per business segment MEUR



**Insulation** segment sales reached 723 MEUR, down eight percent in local currencies mainly related to lower volume especially in Germany and Eastern Europe.

**Systems** segment sales reached 194 MEUR, down two percent in local currencies, with sales in Rockfon and Rockpanel declining, while Grodan recovered in North America.

# Q2 regional sales development

## Growth in local currencies

Western Europe

**-8%** ↓

-9 percent in reported figures

Eastern Europe and Russia

**-18%** ↓

-26 percent in reported figures

North America, Asia & others

**8%** ↑

4 percent in reported figures

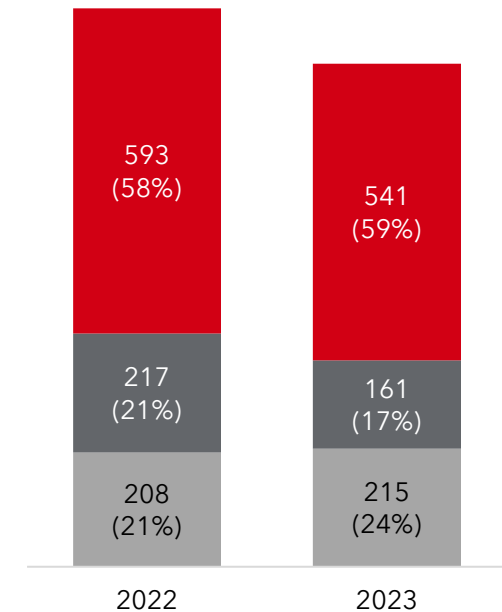
## Key developments

- In many markets, sales decreased compared to same period last year.
- France, Spain, and United Kingdom performed well in the quarter.
- Decrease driven by Poland and Romania.
- Sales decreased in most countries.
- Sales in North America drove the increase.
- Sales also increased in some markets in Asia.

## Geographic share of sales

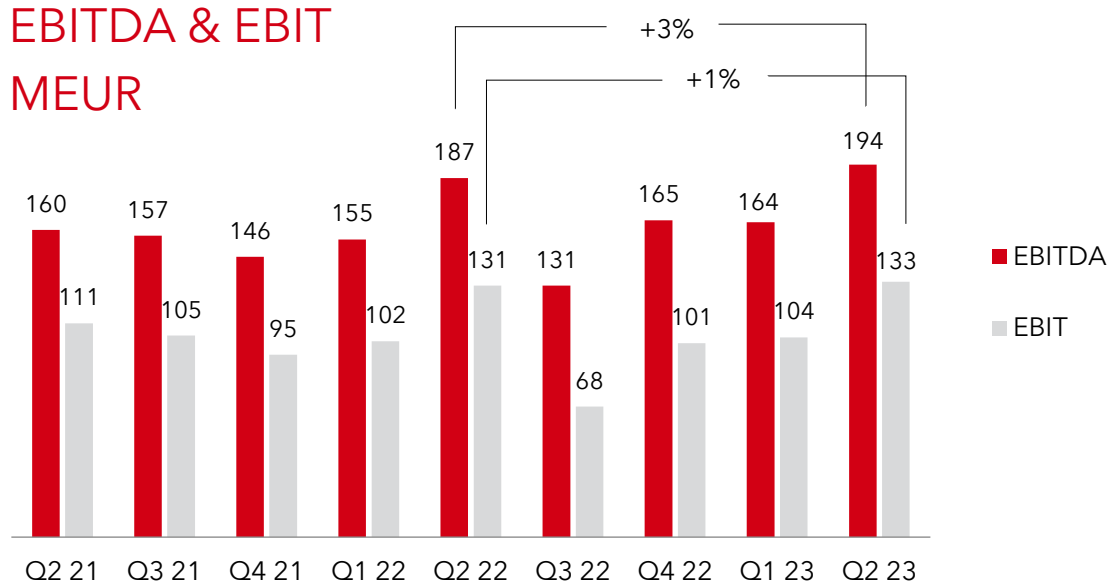
MEUR, reported figures

- Western Europe
- Eastern Europe and Russia
- North America, Asia and others



# Q2 profitability improved

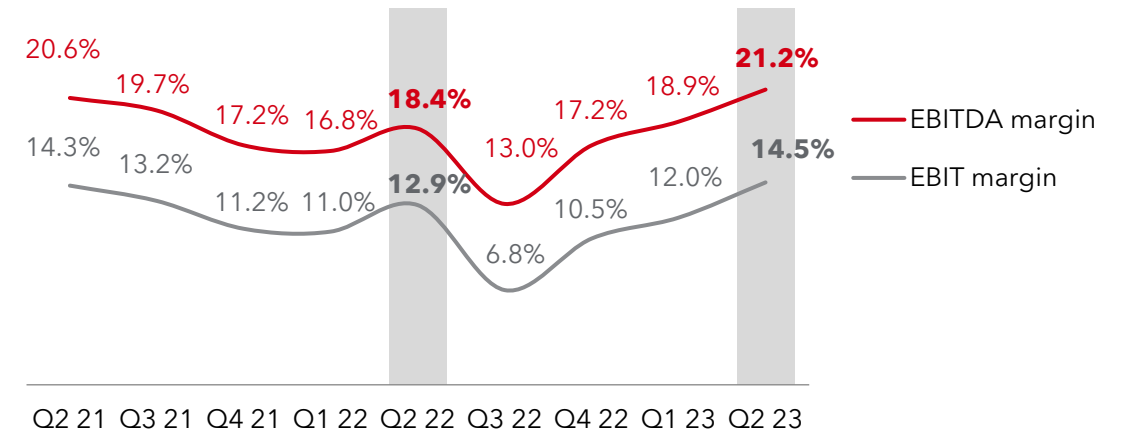
## EBITDA & EBIT MEUR



**EBITDA** reached 194 MEUR, up three percent.

- EBITDA margin of 21.2 percent compared to 18.4 percent last year.
- Margins have normalised and are now back to a satisfactory level in an environment where inflation remains high even with a decrease in energy costs.

## EBITDA / EBIT margin (%)



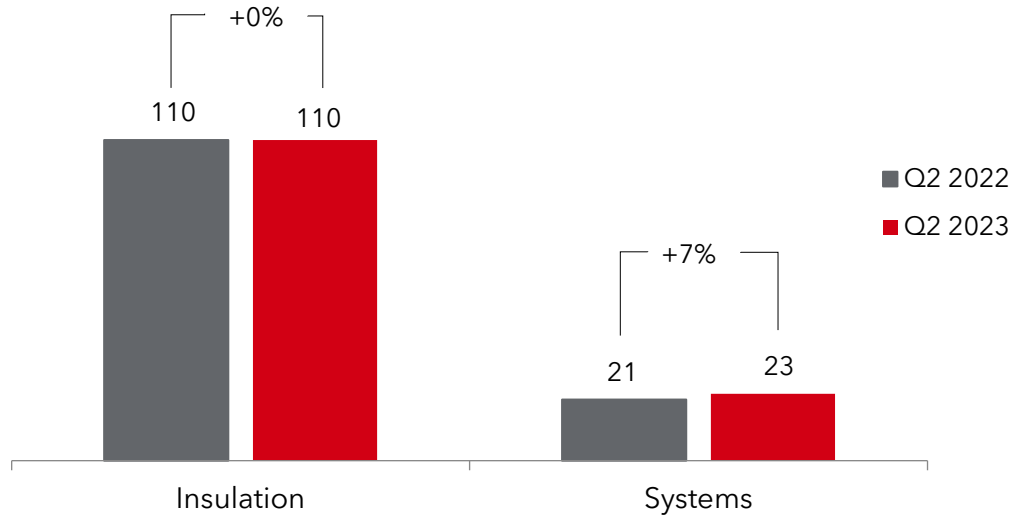
**EBIT** amounted to 133 MEUR, up one percent.

- Excluding the 13 MEUR donation to the Foundation for Ukrainian Reconstruction, EBIT was 147 MEUR with an EBIT margin of 16.0 percent. This was the last part of the donations approved at the EGM on 31 August 2022 and at the AGM on 29 March 2023.



# Q2 profitability by business segment

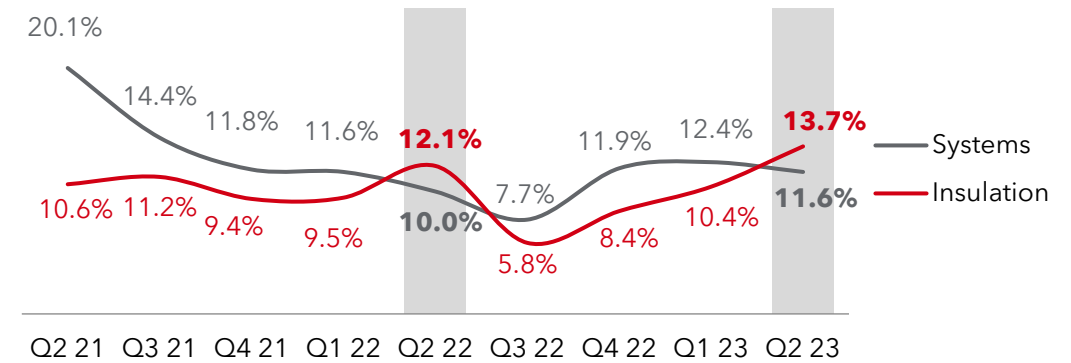
## EBIT MEUR



**Insulation** EBIT at 110 MEUR, at level with last year.

- EBIT margin was 13.7 percent, up 1.6 percentage points compared to Q2 2022.
- Excluding the 13 MEUR donation to the Foundation for Ukrainian Reconstruction, EBIT margin in Q2 2023 was 15.3 percent, up 3.2 percentage points.

## EBIT margin (%)



**Systems** EBIT amounted to 23 MEUR in Q2 2023, up 2 MEUR, up seven percent.

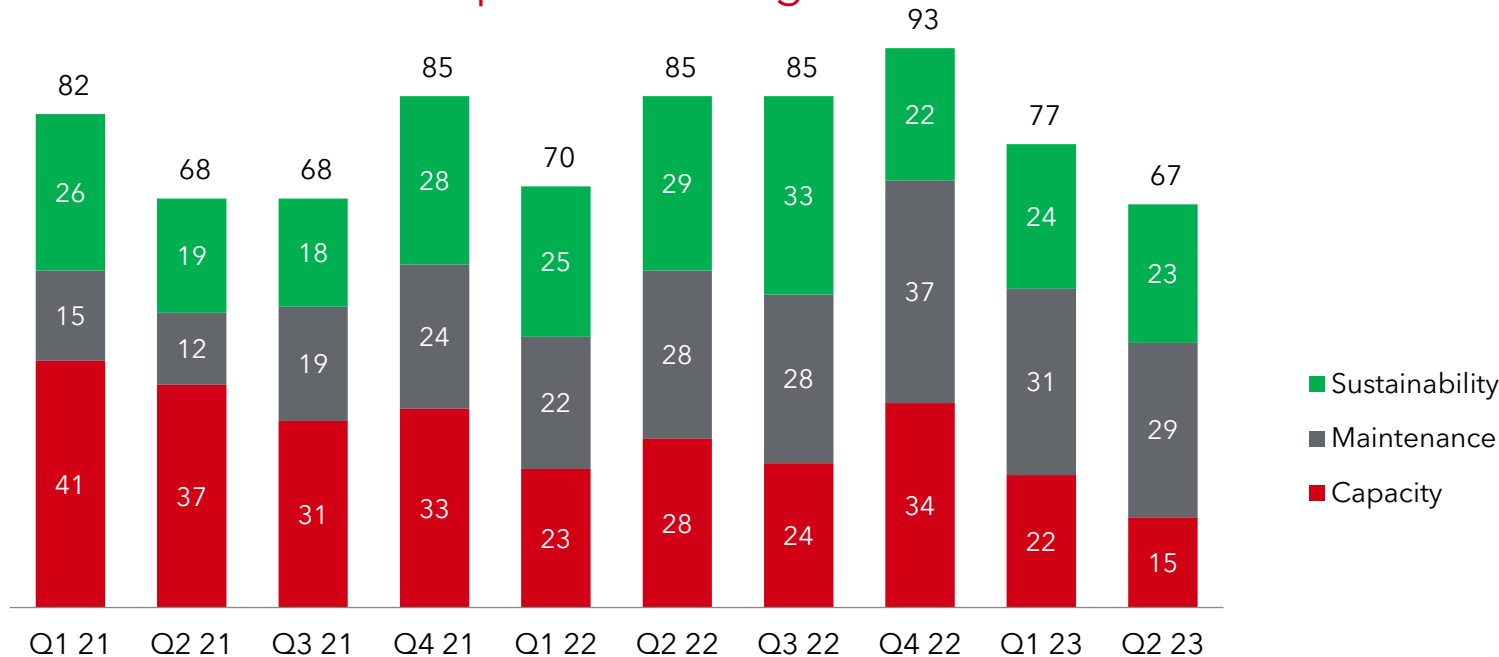
- EBIT margin was 11.6 percent, compared to 10.0 percent in Q2 2022.

# Q2 investment activities

**Investments** excluding acquisitions and grants totalled 67 MEUR in Q2 2023, compared to 85 MEUR in Q2 2022.

- The sustainability investment for conversion to electrical melter in Flumroc (Switzerland), preparations for the new factory in Soissons (France), additional Rockpanel capacity in Roermond (Netherlands), and additional Grodan capacity in Toronto (Canada) were the largest individual projects. In Q2 2023, we received 13 MEUR grants.

Investments excl. acquisitions and grants MEUR



# Q2 free cash flow

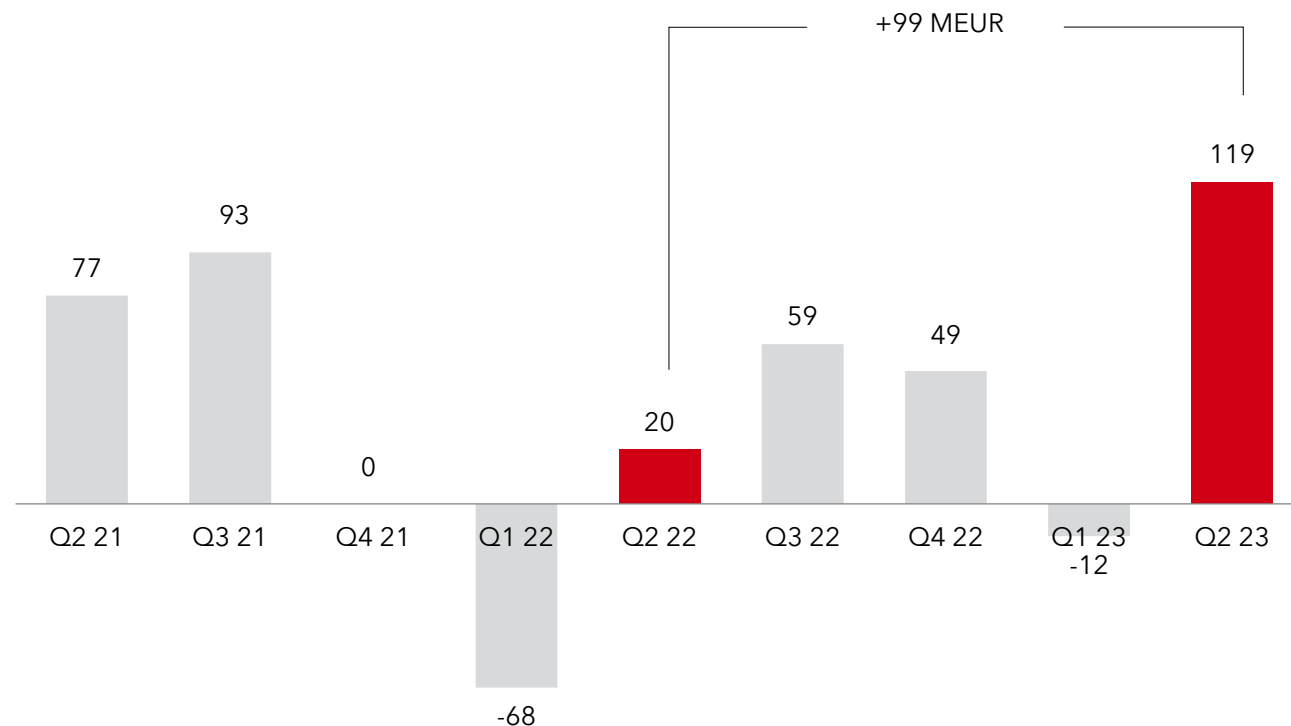
**Q2 free cash flow** was 119 MEUR, compared to 20 MEUR in Q2 2022.

**Net working capital** was 13.4 percent (Q2 2022: 14.1 percent) of net sales and ended at 502 MEUR, same level as Q2 2022.

Trade receivables decreased compared to last year but remain at a high level reflecting inflation-driven sales price increases.

**Net debt position** of 37 MEUR and unused credit facilities of 475 MEUR end of Q2 2023.

## Free cash flow MEUR





# Outlook 2023





# Outlook full year 2023

## 1 Sales

Sales **decline up to eight percent** in local currencies, changed from previously up to 10 percent decline.

## 2 EBIT

EBIT margin **around 13 percent**, changed from previously around 12 percent.

## 3 Investment

Investment level **around 325 MEUR** excluding acquisitions, changed from previously around 400 MEUR.





# Outlook full year 2023

## 1 Sales

Sales **decline up to eight percent** in local currencies, changed from previously up to 10 percent decline.

## 2 EBIT

EBIT margin **around 13 percent**, changed from previously around 12 percent.

## 3 Investment

Investment level **around 325 MEUR** excluding acquisitions, changed from previously around 400 MEUR.

2023 Outlook overview	8 February 2023	10 May 2023	6 July 2023	30 August 2023
Net sales in local currencies	Sales decline of up to 10 percent	Sales decline of up to 10 percent	Sales decline of up to 10 percent	Sales decline of up to eight percent
EBIT margin	Between 8-10 percent	Around 10 percent	Around 12 percent	Around 13 percent
Investments excl. acquisitions	Around 400 MEUR	Around 400 MEUR	Around 400 MEUR	Around 325 MEUR

# Key figures for the Group

MEUR	Q2 2023	Q2 2022	YoY (%)	H1 2023	H1 2022	YoY (%)	FY 2022
<b>Income statement</b>							
Net sales	917	1 018	-10.0%	1 783	1 942	-8.2%	3 907
EBITDA	194	187	3.4%	358	342	4.4%	638
EBIT	133	131	1.3%	237	233	1.5%	402
Profit before tax	137	86	58.9%	243	169	43.9%	358
Profit for the period	102	62	63.0%	180	125	43.9%	273
<b>Balance sheet</b>							
Total assets				3 490	3 572	-2.3%	3 428
Equity				2 609	2 573	1.4%	2 580
Equity ratio				74.8%	72.0%	2.8pp	75.3%

# Questions?

# Thank you

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