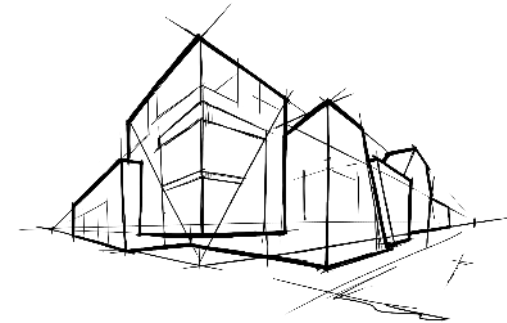




# Q3 2023 Financial results

23 November 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.





# Q3 YTD highlights

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Sales

**2686 MEUR**

down 9% in reported figures

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EBIT \*

**383 MEUR**

up 27%

---

Net profit

**289 MEUR**

up 119 MEUR

---

---

Sales decrease in local currencies

↓ **6%**

---

EBIT margin

**14.3%**

up 4.1 percentage points

---

Free cash flow

**285 MEUR**

up 274 MEUR

---



\*) After deducting 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.

# Q3 highlights

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Sales

**903 MEUR**

down 11% in reported figures

---

EBIT

**146 MEUR**

up 115%

---

Net profit

**109 MEUR**

up 64 MEUR

---

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Sales decrease in local currencies

**↓ 4%**

---

EBIT margin

**16.2%**

up 9.4 percentage points

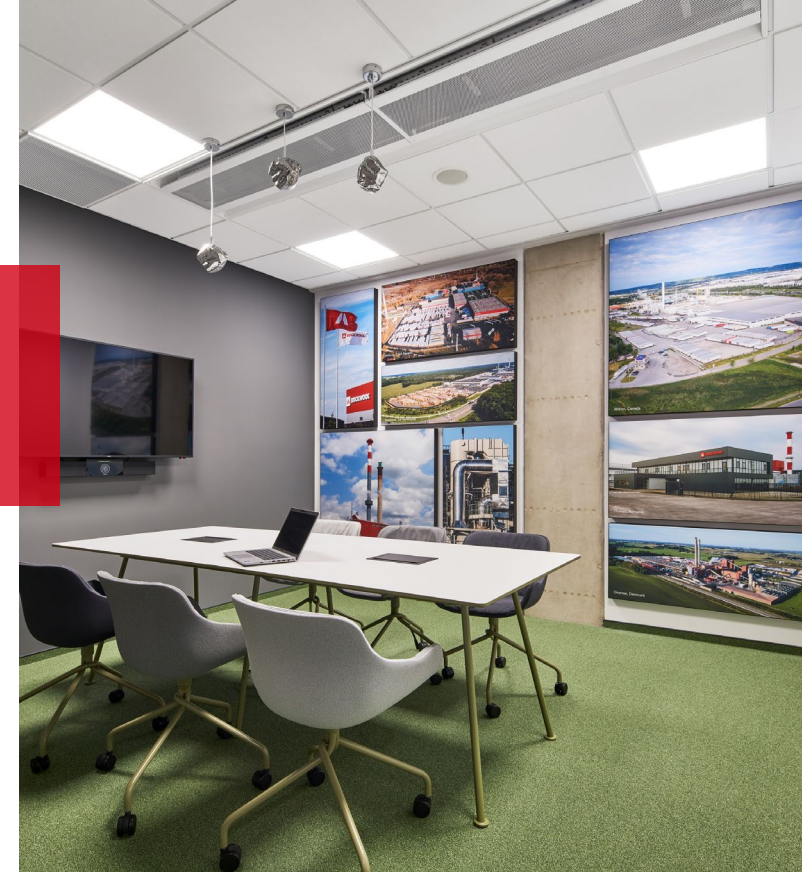
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Free cash flow

**178 MEUR**

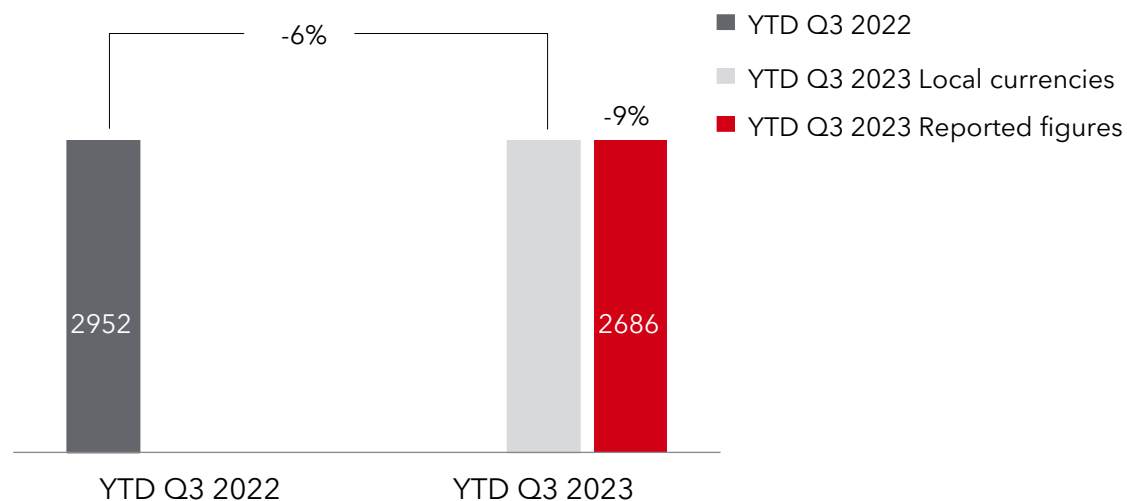
up 119 MEUR

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# Q3 YTD sales down six percent driven by Europe

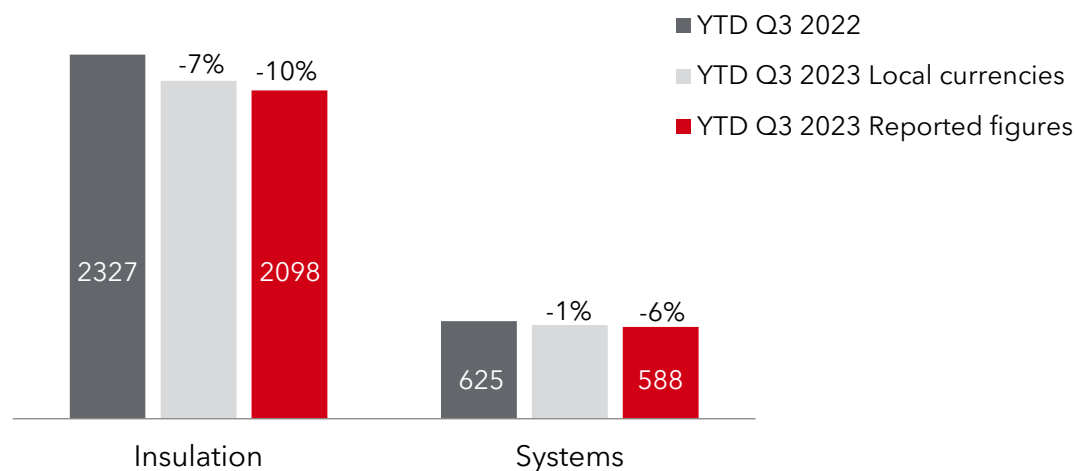
## Net sales MEUR



**Sales** reached 2686 MEUR, down six percent in local currencies.

The decrease was driven by lower demand in many European markets due to high interest rates and building costs.

## Net sales per business segment MEUR

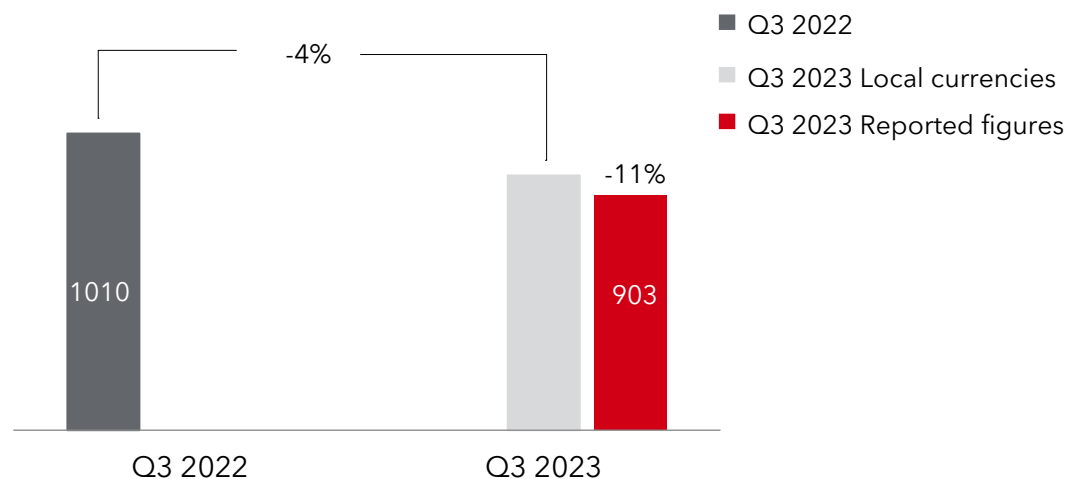


**Insulation** segment sales reached 2098 MEUR, down seven percent in local currencies and down 10 percent in reported figures.

**Systems** segment sales reached 588 MEUR, down one percent in local currencies and six percent in reported figures.

# Q3 sales down four percent in local currencies

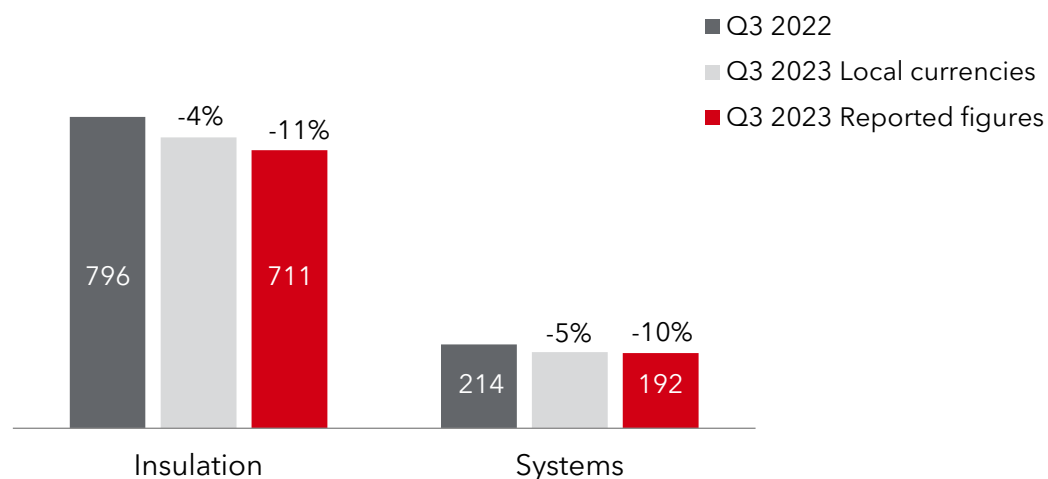
## Net sales MEUR



**Sales** reached 903 MEUR, down four percent in local currencies and 11 percent in reported figures.

Sales during Q3 were higher than the previous three quarters, also in volume.

## Net sales per business segment MEUR



**Insulation** segment sales reached 711 MEUR, down four percent in local currencies mainly related to lower volume especially in Central and Eastern Europe, while sales in North America and Asia grew.

**Systems** segment sales reached 192 MEUR, down five percent in local currencies, impacted by late ordering cycle for Grodan for the high-season.

# Q3 regional sales development

## Growth in local currencies

Western Europe

**-9%** ↓

-10 percent in reported figures

Eastern Europe and Russia

**-2%** ↓

-20 percent in reported figures

North America, Asia & others

**6%** ↑

-2 percent in reported figures

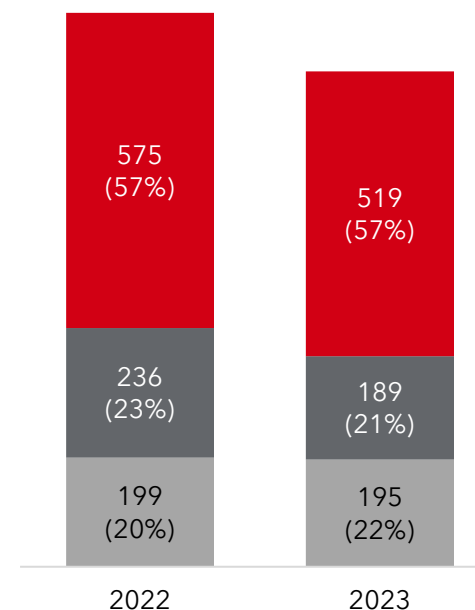
## Key developments

- In many markets, sales decreased compared to same period last year.
- Spain and United Kingdom performed well in the quarter. France was stable.
- Several main markets experienced double-digit sales decline in the quarter.
- Romania and Hungary improved. Good growth in Ukraine.
- Sales in parts of Asia regained momentum and delivered double-digit growth.
- Healthy sales growth in North America.

## Geographic share of sales

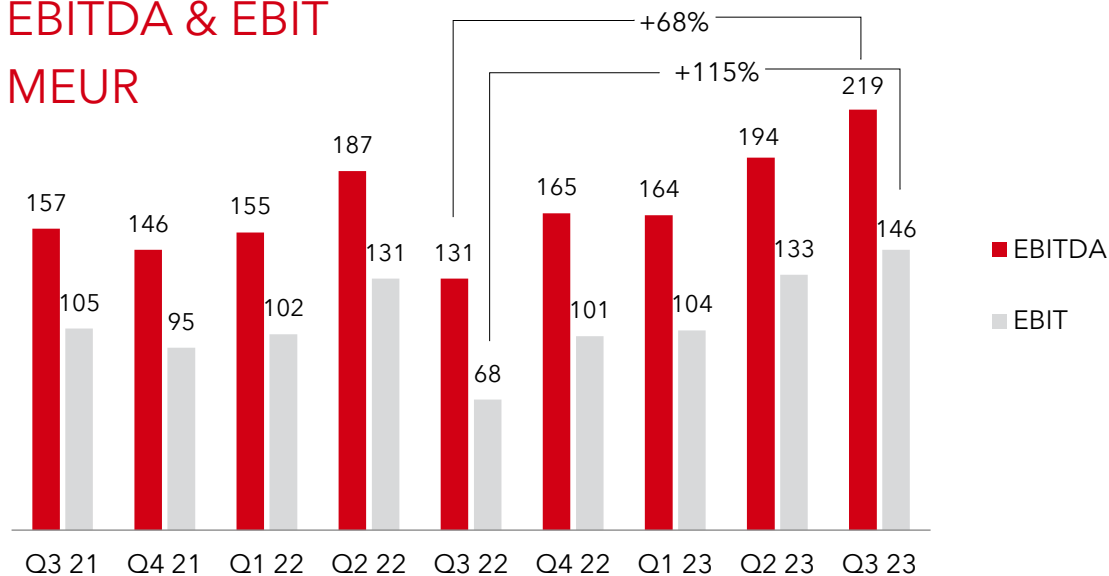
MEUR, reported figures

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



# Q3 profitability improved

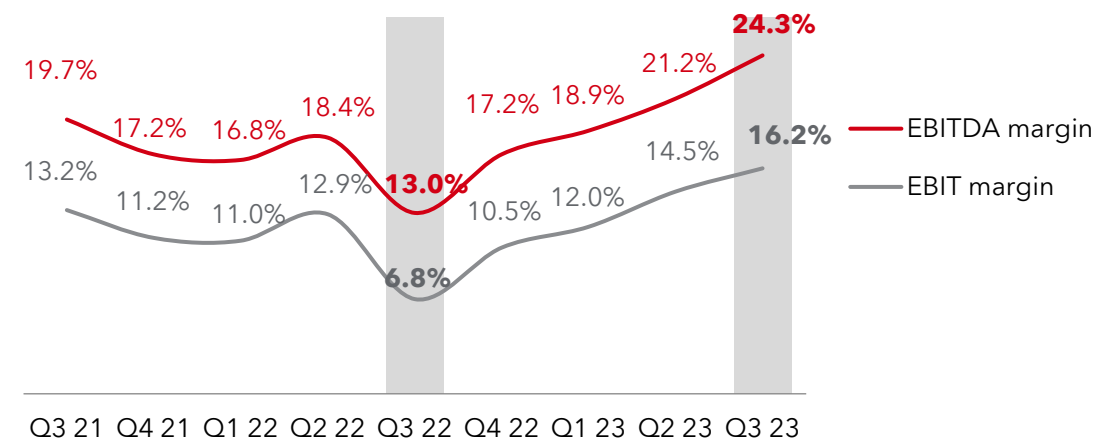
## EBITDA & EBIT MEUR



**EBITDA** reached 219 MEUR, up 68 percent.

- EBITDA margin of 24.3 percent compared to 13.0 percent last year.
- Earnings in Q3 last year were strongly impacted by inflation and particularly a surge in energy prices resulting in unusual low margins.

## EBITDA / EBIT margin (%)



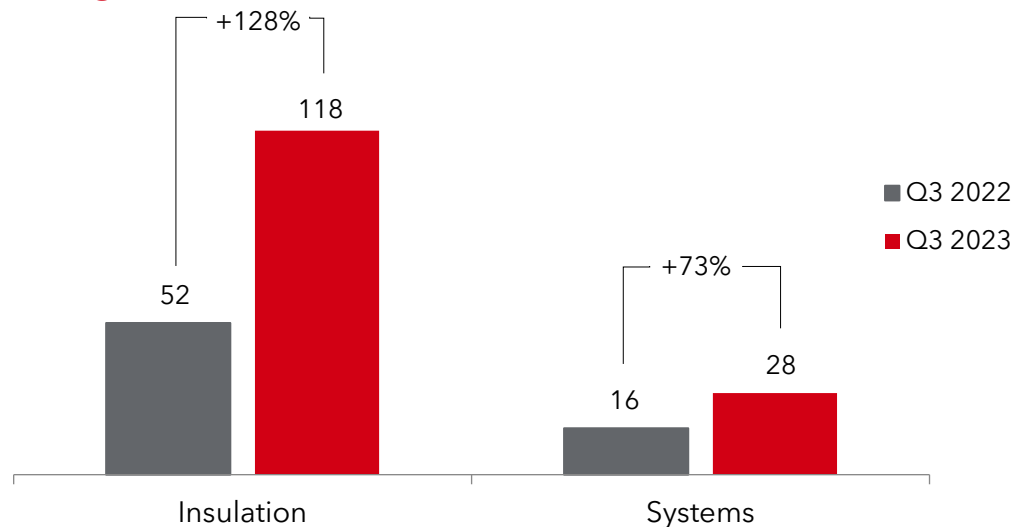
**EBIT** amounted to 146 MEUR, up 115 percent.

- EBIT margin of 16.2 percent compared to 6.8 percent last year.
- Stable sales prices and lower if still high energy prices, and agility in operation have recovered earnings and margins.



# Q3 profitability by business segment

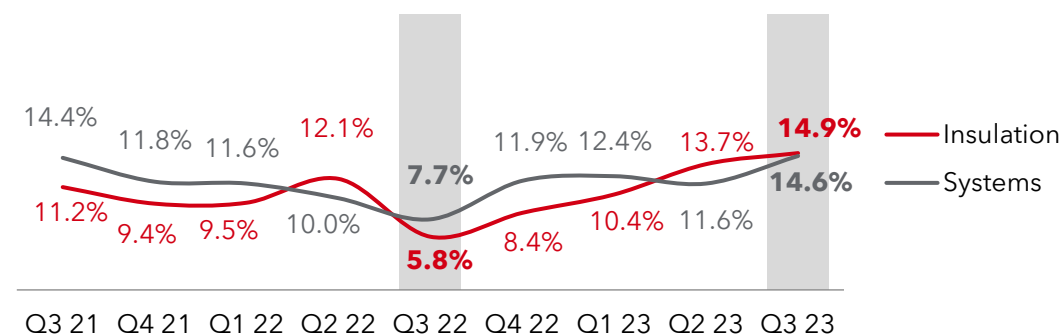
EBIT  
MEUR



**Insulation** EBIT at 118 MEUR, up 66 MEUR, up 128 percent.

- EBIT margin was 14.9 percent, up 9.1 percentage points compared to Q3 2022. Besides lower energy prices, a more favourable product mix improved margins.

EBIT margin (%)



**Systems** EBIT amounted to 28 MEUR in Q3 2023, up 12 MEUR, up 73 percent.

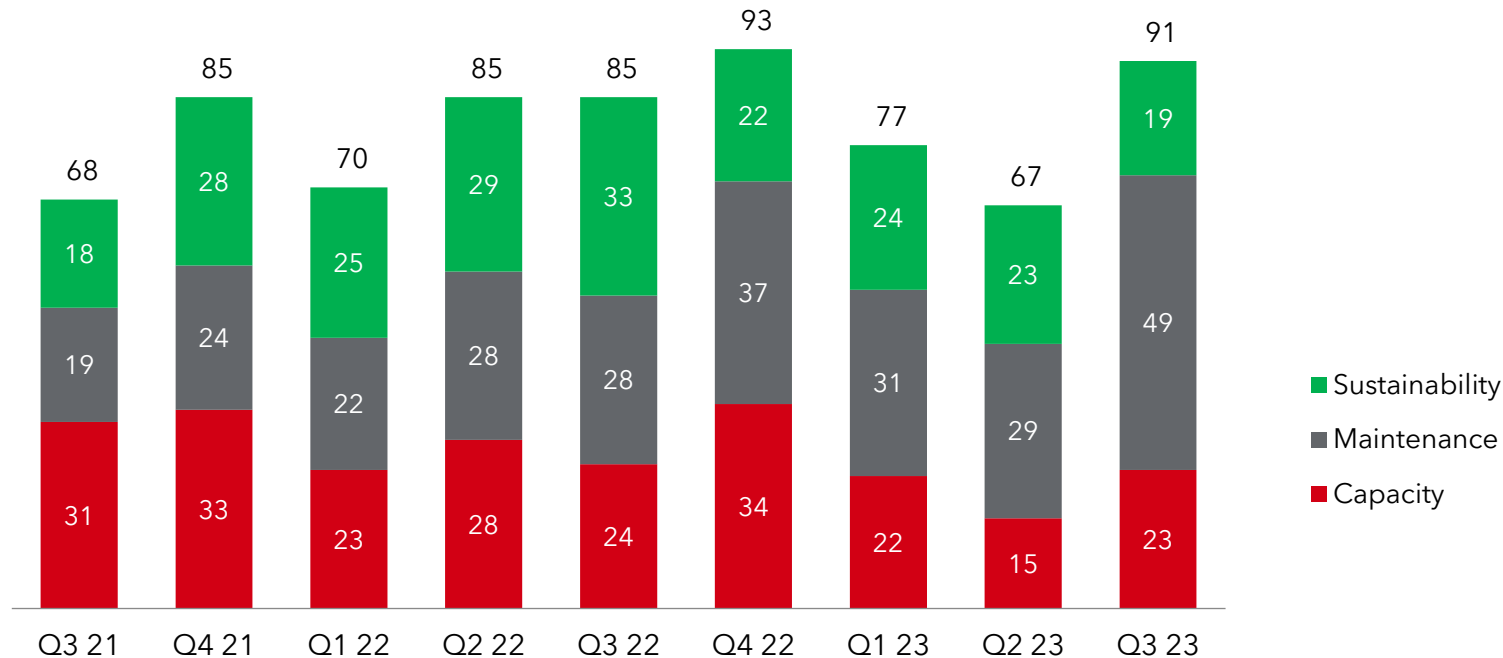
- EBIT margin was 14.6 percent, compared to 7.7 percent in Q3 2022. Good performance by Grodan in North America and Rockfon in Europe and Asia.

# Q3 investment activities

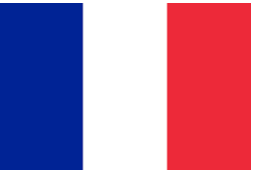
**Investments** excluding acquisitions and grants totalled 91 MEUR in Q3 2023, compared to 85 MEUR in Q3 2022.

- The sustainability investment for conversion to electrical melter in Flumroc (Switzerland), electrification of the factory in France, additional Rockpanel capacity in Roermond (Netherlands), and additional Grodan capacity in Toronto (Canada) were the largest individual projects.

## Investments excl. acquisitions and grants MEUR



# Update on new factory in France



**The Administrative court lifted the suspension of work at the site in Soisson, France. Next important milestone is the final ruling on the building permit appeal.**

## Status

- The Administrative court lifted the suspension on 13 November 2023.
- ROCKWOOL has initiated light construction works at the site (i.e. site preparation, fencing, security).
- We will await the final building permit appeal ruling, expected in January 2024, before beginning heavy construction activities.



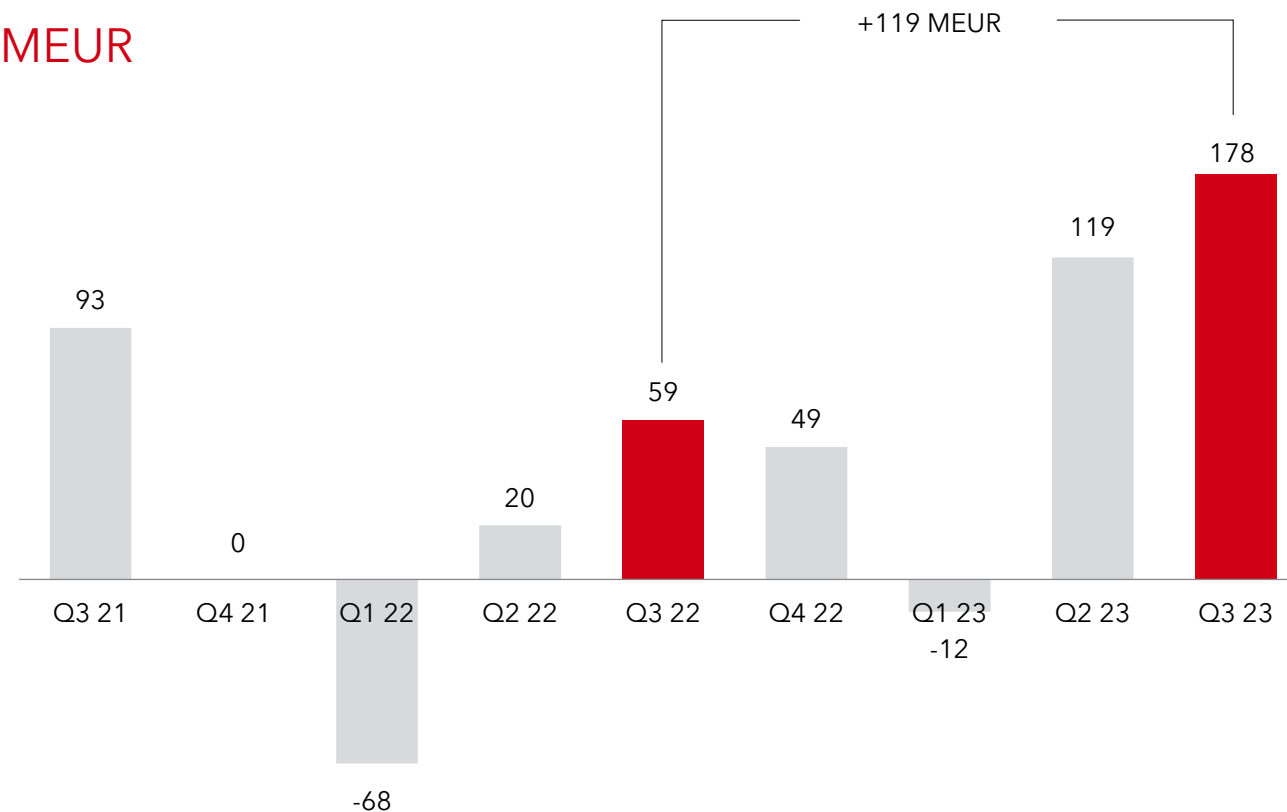
# Q3 generated a solid free cash flow

**Q3 free cash flow** was 178 MEUR, compared to 59 MEUR in Q3 2022, generated by a strong operational result and reduced net working capital.

**Net working capital** was 11.5 percent (Q3 2022: 12.2 percent) of net sales and ended at 417 MEUR, down 44 MEUR compared to Q3 2022.

**Net debt free with a net cash position** of 122 MEUR and unused credit facilities of 600 MEUR end of Q3 2023.

Free cash flow  
MEUR







# Outlook 2023

# Outlook full year 2023

## 1 Sales

Sales **decline of 4-5 percent** in local currencies, changed from previously up to eight percent.

## 2 EBIT

EBIT margin **around 14 percent**, changed from previously around 13 percent.

## 3 Investment

Investment level **around 325 MEUR** excluding acquisitions.



# Outlook full year 2023

## 1 Sales

Sales **decline of 4-5 percent** in local currencies, changed from previously up to eight percent.

## 2 EBIT

EBIT margin **around 14 percent**, changed from previously around 13 percent.

## 3 Investment

Investment level **around 325 MEUR** excluding acquisitions.

2023 Outlook overview	8 February 2023	10 May 2023	6 July 2023	30 August 2023	22 November 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	Sales decline of 4-5 percent
EBIT margin	Between 8-10 percent	Around 10 percent	Around 12 percent	Around 13 percent	Around 14 percent
Investments excl. acquisitions	Around 400 MEUR	Around 400 MEUR	Around 400 MEUR	Around 325 MEUR	Around 325 MEUR

# Key figures for the Group

MEUR	Q3 2023	Q3 2022	YoY (%)	YTD Q3 2023	YTD Q3 2022	YoY (%)	FY 2022
<b>Income statement</b>							
Net sales	903	1 010	-10.6%	2 686	2 952	-9.0%	3 907
EBITDA	219	131	67.6%	577	473	21.9%	638
EBIT	146	68	114.9%	383	301	27.2%	402
Profit before tax	148	63	134.4%	391	232	68.5%	358
Profit for the period	109	45	144.1%	289	170	70.3%	273
<b>Balance sheet</b>							
Total assets				3 476	3 574	-2.8%	3 428
Equity				2 698	2 628	2.7%	2 580
Equity ratio				77.6%	73.5%	4.1pp	75.3%



# Questions?

# Thank you

**ROCKWOOL A/S**

Hovedgaden 584  
2640 Hedehusene  
Denmark  
CVR No. 54879415  
Tel.: +45 46 56 03 00  
[www.rockwool.com](http://www.rockwool.com)

