

H+H, Annual General Meeting, April 9th 2024

Thank you for the floor. My name is Mark Jessen and I represent ATP.

A thanks to the chair and the CEO for the presentation of the 2023 results.

2023 became another page in the H+H history book. But probably one of the pages we will turn quite quick when reading the book in the future. Over the last 10 years H+H has been on a journey to become a more diversified and financial robust company. In my view the financial results of 2023 have been big step backwards on that journey.

Nevertheless, in a year like 2023 there's a lot of learnings to bring with us in the future. As a cyclical company robustness is a competitive edge when tides are turning. Unfortunately, H+H was late in adjusting capacity and change course when winds changed in late 2022. A learning from this is to incorporate external dynamics internal processes. I am pleased with the company improving on this matter.

A more upfront and ongoing capacity adjustment when the clouds were forming on the horizon might have brought H+H in a more favorable situation during the market turmoil. Today we must face that it is a missed opportunity and due to the high financial gearing, all eyes are focused on deleveraging.

With continued lower activity levels, a quick margin recovery seems difficult. This is both due to an unfavorable price/cost dynamic and lower utilization. Though, many companies face this challenge and focus on restoring gross margins. I would like to ask how H+H are working with restoring the gross margin since the current levels all else equal is a risk to the company?

Another development during the past years is an increasing number of adjustments and special items in the financial reporting. Best exemplified in the presentation material in connection with the annual report where readers must turn to the appendix to see, that actual reported EBIT was negative for the year.

Here I would like to stress a preference for a clearer picture. Adjustments might show a better picture of the underlying development, but in the end reported bottom line and cash effects matters. Here adjustments and special items can be noise both internally and investors – especially in smaller companies.

I would like to make a final and brief comment on sustainability. I appreciate the efforts done by H+H within ESG. I'm convinced a dedicated focus on sustainability will become either a differentiator or a license to operate in the coming years. H+H is doing a great job in mapping risks and reporting on KPI's within E, S and G. During the year we have focused on biodiversity and while complying to regulation I would like to emphasize the importance on mapping the biodiversity related risks in the supply chain – especially when operating within the construction materials industry.

With that, I would like to wish everyone in H+H all the best in 2024.

Thank you.



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Questions were commented on by the chairman of the board/managing director.

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