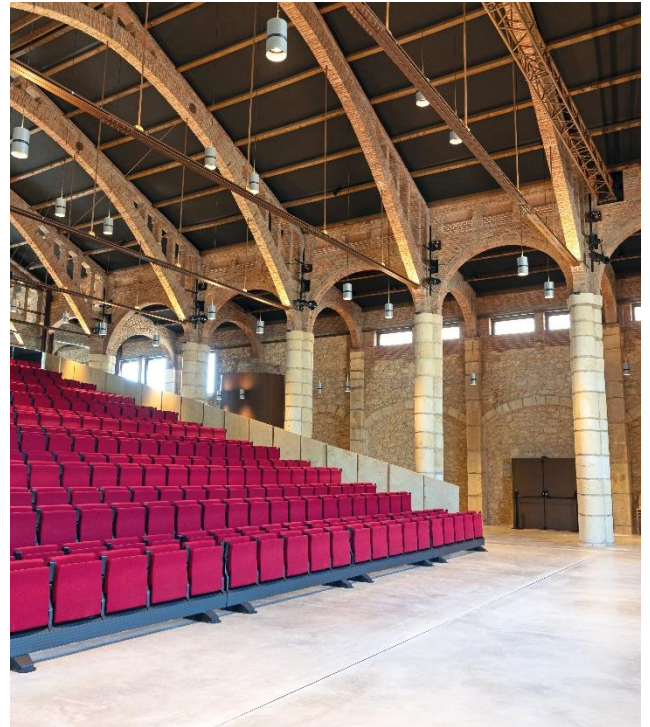


10 May 2023

Satisfactory first quarter earnings in a difficult market with low construction activity

Highlights

- Sales in Q1 2023 reached 866 MEUR, a decrease of seven percent in local currencies and six percent in reported figures compared to last year, driven by lower demand in most markets.
- EBITDA in Q1 2023 reached 164 MEUR, an increase of six percent in reported figures compared to Q1 2022. The EBITDA margin was 18.9 percent, up 2.1 percentage points from last year. The lower volume was partly offset by higher sales price in a quarter with moderate inflation.
- EBIT increased two percent to 104 MEUR in Q1 2023, with a 12.0 percent EBIT margin, up 1.0 percentage point from Q1 2022. EBIT included a 13 MEUR donation to the Foundation for Ukrainian Reconstruction. Excluding this donation, EBIT margin was 13.5 percent.
- Investments reached 77 MEUR in the first quarter of 2023, an increase of 7 MEUR compared to Q1 2022.
- Annualised return on invested capital reached 16 percent down from 18 percent in Q1 2022.
- In February 2023, the Group announced its intention to further expand its local capacity in Romania with the construction of a new stone wool insulation manufacturing line based on electrical melting technology.
- Shareholders may from 10 May 2023 until 26 May 2023 request conversion of A shares to B shares. For further information please refer to <https://www.rockwool.com/group/about-us/investors/conversion-shares/>.



“As expected, the negative trend we experienced in the end of last year continued into the first quarter, with low construction activity – broadly in the residential sector and more selectively in the commercial area. Sales declined seven percent relative to record volumes in Q1 last year. I am pleased with the margin recovery and overall financial performance.

We have adjusted our production capacity to meet evolving market demand conditions. We continue to see a degree of instability and unpredictability in the market, and it is important for us to safeguard market share.

The positive EU legislative trends continue, with a clear focus on energy efficiency and security of supply, though until now, we have not seen this translate into an increase in market activity”.

CEO Jens Birgersson

Outlook 2023

- Sales decline of up to 10 percent in local currencies.
- EBIT margin around 10 percent, changed from previously between 8-10 percent.
- Investment level around 400 MEUR excluding acquisitions.

Earnings call

ROCKWOOL Group will host an earnings call on 11 May 2023 at 11.00 CEST. The call will be transmitted live on www.rockwool.com.

Main figures / key figures for the Group

	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
Income statement items in MEUR			
Net sales	866	924	3 907
EBITDA	164	155	638
Amortisation, depreciation and write-downs	60	53	236
EBIT	104	102	402
Profit before tax	106	83	358
Profit for the period	78	63	273
Balance sheet items in MEUR			
Non-current assets	2 311	2 156	2 301
Current assets	1 295	1 184	1 127
Total assets	3 606	3 340	3 428
Equity	2 616	2 455	2 580
Non-current liabilities	216	184	206
Current liabilities	774	701	642
Net interest-bearing cash / (debt)	-50	-1	-23
Net working capital	510	415	441
Invested capital	2 671	2 435	2 596
Cash flow items in MEUR			
Cash flow from operating activities	65	2	394
Cash flow from investing activities	77	70	334
Free cash flow	-12	-68	60
Others			
Number of full-time employees (end of period)	12 033	12 246	12 197
Ratios			
EBITDA margin	18.9%	16.8%	16.3%
EBIT margin	12.0%	11.0%	10.3%
ROIC (rolling 4 quarters)	15.8%	18.1%	16.4%
Return on equity (rolling 4 quarters)	11.4%	12.8%	11.0%
Equity ratio	72.6%	73.5%	75.3%
Stock market information (DKK)			
Earnings per share	27	22	93
Cash flow per share	23	1	136
Book value per share	901	845	887
Share capital (million)	216	216	216
Price per A share	1 673	2 246	1 636
Price per B share	1 677	2 260	1 637
Market cap (million)	36 112	48 565	35 311
Number of own shares	62 857	61 228	47 857

For definition of key figures and ratios see page 87 in the ROCKWOOL Group Annual Report 2022 available on our website: www.rockwool.com/.

Management report for the period 1 January to 31 March 2023

General update

Rising interest rates, high inflation especially in Europe and North America, and higher building costs have reduced construction activity in most markets. This has resulted in a decrease in new-build demand in both the residential and commercial building sectors.

The decrease in demand has resulted in a lower capacity utilisation, which in turn led to capacity adjustments at the end of 2022 and continuously throughout the first quarter.

Energy costs have come down during the quarter, offset by increasing prices on other input costs. Many markets are affected by the lower demand and tough competition. Sales prices have remained stable compared to year-end 2022, however we are diligently monitoring this to safeguard our volume market share.

Global sales development

In Q1 2023, ROCKWOOL Group generated net sales of 866 MEUR, a decrease of seven percent in local currencies compared to Q1 2022. Currency translation had a positive impact of one percentage point, meaning that the decrease in sales was six percent measured in reported figures. The decrease was driven by lower volume, which was partly offset by higher sales prices compared to the record high first quarter last year.

Group sales

-7%

The focus on energy efficiency in the EU has so far not resulted in significant pick-up in renovation of existing building stock across Europe, although the regulatory requirements through EU Energy Efficiency Directive and Energy Performance of Buildings Directive are encouraging and should in due course result in an increase in demand for insulation within energy efficiency renovation.

Regional sales development

In the first quarter of 2023, sales in Western Europe amounted to 528 MEUR, down four percent in local currencies and five percent in reported figures. In most markets sales decreased compared to the same period last year. On the upside, the United Kingdom, France and Spain had a good quarter with increased sales compared to the same quarter last year.

Sales in Western Europe

-4%

In Eastern Europe, sales for the first quarter of 2023 amounted to 138 MEUR, a decrease of 27 percent in local currencies and 22 percent in reported figures. The decrease was driven by Poland and Russia, though sales decreased in most countries compared to the same quarter last year.

Sales in Eastern Europe

-27%

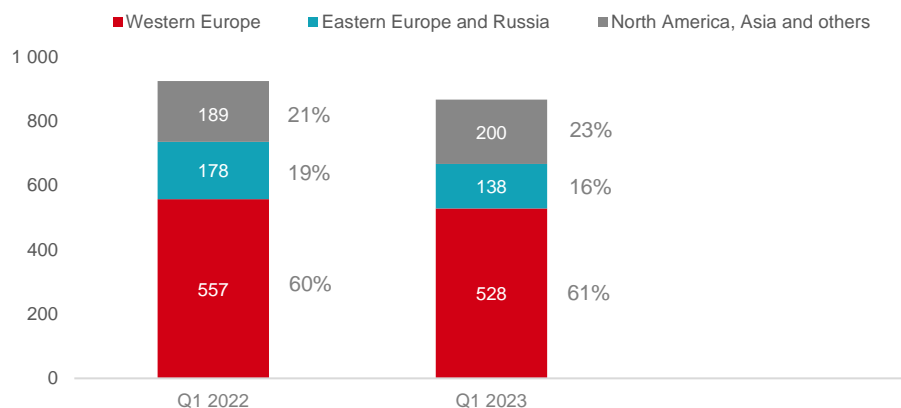
In the rest of the world, first quarter sales amounted to 200 MEUR, an increase of four percent in local currencies and five percent in reported figures. Most of the increase in sales came from North America. Sales also increased in some markets in Asia.

Sales in rest of the world

+4%

Regional sales

MEUR



Group profitability

In Q1 2023, EBITDA increased six percent to 164 MEUR resulting in an EBITDA margin of 18.9 percent compared to 16.8 percent for the same period last year. The margin recovery was driven by the higher sales prices implemented during 2022 and stabilising input costs. Cost for energy decreased during the quarter but was offset by increasing prices for other input costs.

EBITDA

+6%

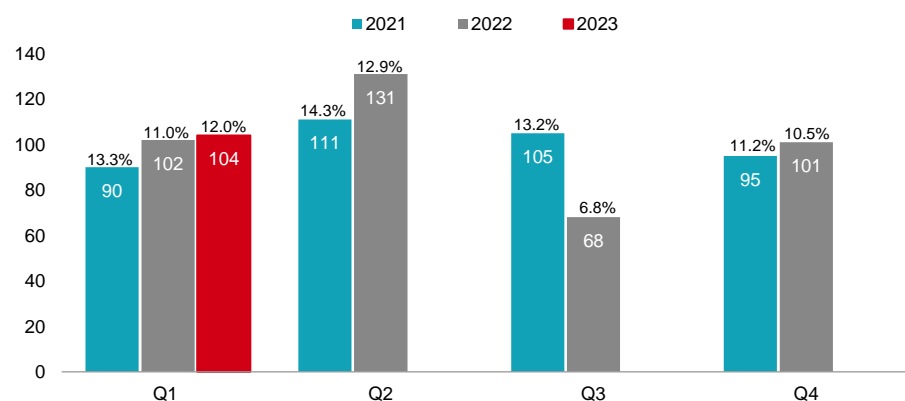
EBIT for the first quarter of 2023 increased two percent, reaching 104 MEUR, corresponding to an EBIT margin of 12.0 percent compared to 11.0 percent for the same period last year. The result for Q1 2023 includes a donation to the Foundation for Ukrainian Reconstruction of 13.4 MEUR. Excluding this donation, the first quarter EBIT margin was 13.5 percent, an increase of 2.5 percentage points compared to last year.

EBIT margin

+1.0%-points

EBIT & EBIT margin

MEUR



Net financial items ended positive at 2 MEUR for Q1 2023. Since March 2022 the foreign currency exposure on the intercompany balance between

ROCKWOOL A/S and our subsidiary in Russia has not been hedged. Consequently we have recorded an unrealised exchange rate gain of 7 MEUR during Q1 2023, partly recovering last year's unrealised exchange rate loss of 34 MEUR.

The effective tax rate was 26 percent for Q1 2023, up two percentage points from the same period last year and up 2.3 percentage points from full year 2022. The increase is driven by the non-deductible donation to the Foundation for Ukrainian Reconstruction.

Net profit for the first quarter of 2023 amounted to 78 MEUR, which is 15 MEUR higher than in the same period last year.

Balance sheet

Net working capital ended the first quarter at 510 MEUR, an increase of 69 MEUR compared to year-end 2022 and 95 MEUR compared to Q1 2022. The increase was driven by planned seasonal inventory compared to last year where the record sales did not allow for inventory build-up. Lower commercial creditors from the lower production activity also contributed to the net working capital increase. This was partly offset by lower trade receivables from the lower sales. The net working capital ratio ended at 13.3 percent, 0.9 percentage points higher than the same period last year.

Due to higher invested capital and lower four quarter rolling EBIT, annualised return on invested capital ended at 15.8 percent compared to 18.1 percent for the same period last year.

At the end of Q1 2023, total assets amounted to 3606 MEUR, an increase of 178 MEUR compared to year-end 2022 and 266 MEUR compared to Q1 2022. The increase is mainly related to ongoing investments combined with increased inventories due to planned seasonal inventory and higher cash balances.

At the end of the period, the equity ratio remained solid at 73 percent.

Cash Flow

Cash flow from operations before financial items and tax amounted to 87 MEUR for the first quarter of 2023, compared to 38 MEUR in the same period last year. Operations continued to generate solid cash flow, and the negative impact from net working capital was lower than in 2022.

In Q1 2023, capital expenditure excluding acquisitions was 77 MEUR compared to 70 MEUR in the same period last year. The sustainability investment for conversion to electrical melter in Flumroc (Switzerland), additional production capacity in Bohumin (Czech Republic), new Rockpanel capacity in Roermond (Netherlands) and the additional Grodan capacity in Toronto (Canada) were the largest individual projects.

Free cash flow was -12 MEUR in Q1 2023 compared to -68 MEUR in the same period last year.

ROIC
-2.3%-points

**Operational cash flow before
financial items and tax**
+49 MEUR

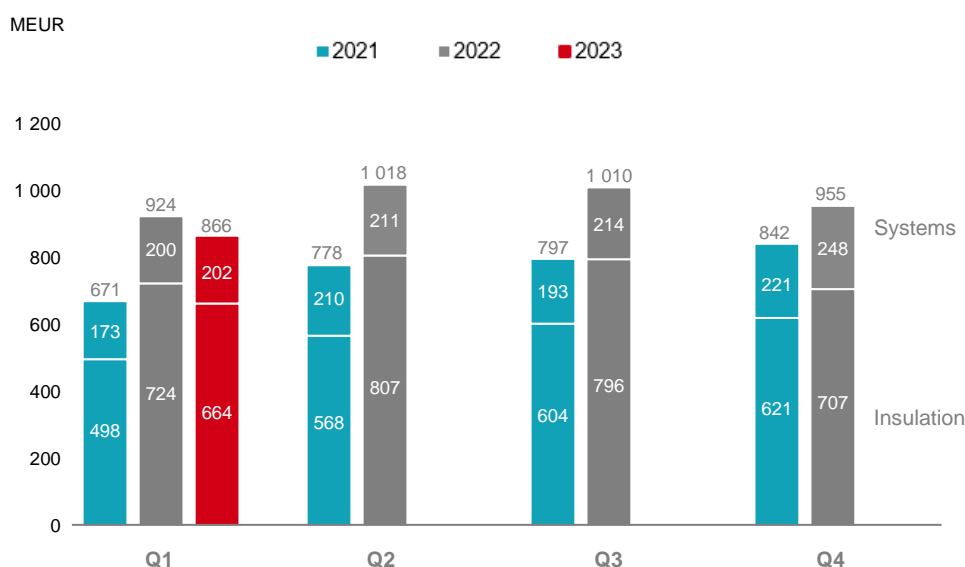
Free cash flow
+56 MEUR

Cash flow from financing was 139 MEUR, at level with the same period last year, and mainly due to drawings on our credit facilities.

The Group's financial situation remains solid with a relatively small net interest-bearing debt of 50 MEUR and unused credit facilities of 350 MEUR.

Business segments

Sales per business



Key figures Insulation segment

MEUR	Q1 2023	Q1 2022
External net sales	664	724
EBIT	79	79
EBIT margin	10.4%	9.5%

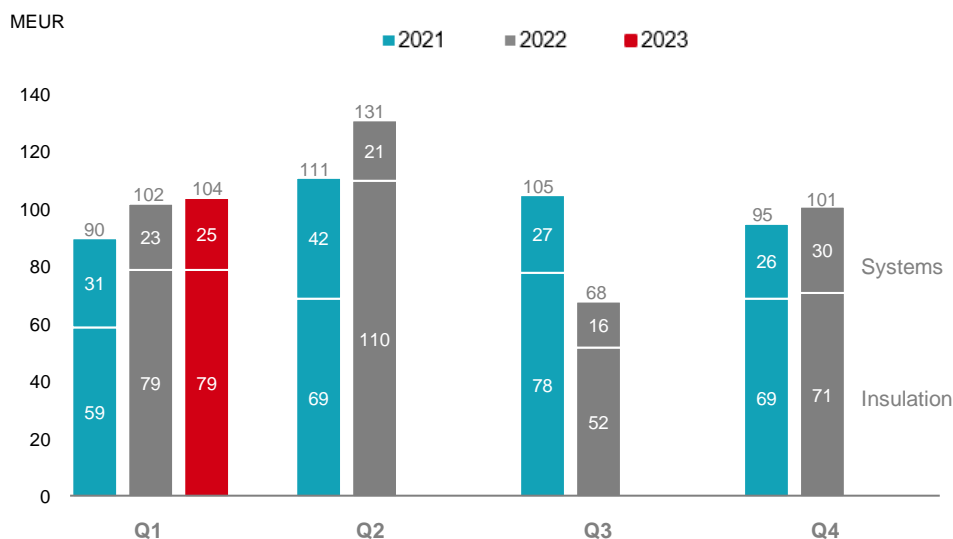
In Q1 2023, Insulation segment sales reached 664 MEUR, which is a decrease of nine percent in local currencies and eight percent in reported figures compared to first quarter last year. The decrease was mainly related to lower volume especially in Eastern Europe.

EBIT in the Insulation segment was 79 MEUR resulting in an EBIT margin of 10.4 percent in Q1 2023. Based on our commitment to support reconstruction activities in Ukraine, a donation of 13.4 MEUR to the Foundation for Ukrainian Reconstruction was recognised in the Insulation segment. Excluding this donation, EBIT margin in Q1 2023 was 12.1 percent, up 2.6 percentage points compared to Q1 2022.

Insulation sales
-9%

Insulation EBIT margin
+0.9%-points

EBIT per business



Key figures Systems segment

MEUR	Q1 2023	Q1 2022
External net sales	202	200
EBIT	25	23
EBIT margin	12.4%	11.6%

Systems segment sales amounted to 202 MEUR in Q1 2023, which is an increase of four percent in local currencies and one percent in reported figures compared to Q1 2022. Rockfon performed well in the quarter. Grodan sales were at the same level as last year, while Rockpanel and Lapinus sales decreased.

Systems segment generated an EBIT of 25 MEUR, which is 2 MEUR or eight percent above last year. The EBIT margin was 12.4 percent, up 0.8 percentage points compared to Q1 2022.

Systems sales
+4%

Systems EBIT margin
+0.8%-points

Conversion of shares

In accordance with ROCKWOOL's articles of association, shareholders may from 10 May 2023 (as per this announcement) until 26 May 2023 request conversion of A shares to B shares. Further information on how to submit a conversion request and on the terms and conditions can be found on the company's website:

<https://www.rockwool.com/group/about-us/investors/conversion-shares/>.

Outlook for the full year 2023

We still expect a sales decline of up to 10 percent.

We now expect EBIT margin to be around 10 percent, changed from previously between 8-10 percent.

We still expect the investments excluding acquisitions to amount to around 400 MEUR.

2023 outlook overview

	8 February 2023	10 May 2023
Net sales in local currencies	Sales decline of up to 10 percent	Sales decline of up to 10 percent
EBIT margin	Between 8-10 percent	Around 10 percent
Investments excluding acquisitions	Around 400 MEUR	Around 400 MEUR

Further information:

Kim Junge Andersen, Chief Financial Officer
ROCKWOOL A/S
+45 46 56 03 00

At ROCKWOOL Group, we are committed to enriching the lives of everyone who experiences our products and services. We help our customers and communities tackle many of today's biggest sustainability and development challenges, from energy consumption and noise pollution to fire resilience, water scarcity and flooding. Our product range reflects the diversity of the world's needs, while supporting our stakeholders in reducing their own carbon footprint.

Stone wool is a natural, fully recyclable, versatile material that forms the basis of all our businesses. With approximately 12 000 dedicated colleagues in 40 countries and sales in more than 120, we are the world leader in stone wool products, from building insulation to acoustic ceilings, external cladding systems to horticultural solutions, engineered fibres for industrial use to insulation for the process industry and marine & offshore.

Management statement

The Board of Directors and the Registered Directors have today considered and approved the interim report of ROCKWOOL A/S for the first quarter of 2023.

This interim report, which has not been audited or reviewed by the ROCKWOOL Group auditor, has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as approved by the EU and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report presents a true and fair view of Group’s financial position at 31 March 2023 and of the result from Group’s operations and cash flow for the period 1 January to 31 March 2023.

Furthermore, we believe that the management report includes a true and fair presentation about the development in the Group’s operations and financial matters, the result for the period and the Group’s financial position overall as well as a description of the most significant risks and uncertainties faced by the Group.

Besides what has been disclosed in this interim report no changes in the Group’s most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report for 2022.

10 May 2023

Registered Directors

Jens Birgersson
CEO

Kim Junge Andersen
CFO

Board of Directors

Thomas Kähler
Chairman

Jørgen Tang-Jensen
Deputy Chairman

Rebekka Glasser Herlofsen

Carsten Kähler

Ilse Irene Henne

Jes Carøe Munk Hansen

Connie Enghus Theisen

Christian Westerberg

Berit Anette Kjerulf

Income statement

MEUR	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
Net sales	866	924	3 907
Other operating income	6	1	15
Operating income	872	925	3 922
Raw material costs and production material costs	326	392	1 682
Delivery costs and indirect costs	106	128	518
Other external costs	77	55	273
Personnel costs	199	195	811
Operating costs	708	770	3 284
EBITDA	164	155	638
Amortisation, depreciation and write-downs	60	53	236
EBIT	104	102	402
Income from investments in associated companies	-	-	1
Financial items	2	-19	-45
Profit before tax	106	83	358
Tax on profit for the period	28	20	85
Profit for the period	78	63	273
EUR			
Earnings per share of 10 DKK (1.3 EUR)	3.6	2.9	12.7
Diluted earnings per share of 10 DKK (1.3 EUR)	3.6	2.9	12.6

Statement of comprehensive income

MEUR	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
Profit for the period	78	63	273
<i>Items that will not be reclassified to income statement:</i>			
Actuarial gains and losses of pension obligations	-	-	-
Tax on other comprehensive income	-	-	-4
<i>Items that may be subsequently reclassified to income statement:</i>			
Currency adjustment from translation of entities	-43	-	17
Hedging instruments, value adjustments	4	-	1
Tax on other comprehensive income	-	-	-1
Other comprehensive income	-39	-	13
Comprehensive income for the period	39	63	286

Business segments and sales reporting

Q1	Unaudited						ROCKWOOL Group	
	Insulation segment		Systems segment		Eliminations		2023	2022
MEUR	2023	2022	2023	2022	2023	2022	2023	2022
External net sales	664	724	202	200	-	-	866	924
Internal net sales	95	101	-	-	-95	-101	-	-
EBIT	79	79	25	23	-	-	104	102
<i>EBIT margin</i>	10.4%	9.5%	12.4%	11.6%			12.0%	11.0%
Goods transferred at a point in time	664	724	202	200			866	924

Geographical split of net sales

MEUR	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
Western Europe	528	557	2 290
Eastern Europe and Russia	138	178	813
North America, Asia and others	200	189	804
Total net sales	866	924	3 907

Balance sheet

(condensed)	Unaudited		Audited
MEUR	Q1 2023	Q1 2022	FY 2022
Assets			
Intangible assets	160	167	165
Tangible assets	1 996	1 870	1 987
Right-of-use assets	89	56	88
Other financial assets	14	11	13
Deferred tax assets	52	52	48
Non-current assets	2 311	2 156	2 301
Inventories	424	354	433
Receivables	535	600	485
Cash	336	230	209
Current assets	1 295	1 184	1 127
Total assets	3 606	3 340	3 428
Equity and liabilities			
Share capital	29	29	29
Currency translation adjustments	-160	-134	-117
Proposed dividend	102	102	102
Retained earnings	2 642	2 459	2 567
Hedging	3	-1	-1
Total equity	2 616	2 455	2 580
Non-current liabilities	216	184	206
Current liabilities	774	701	642
Total liabilities	990	885	848
Total equity and liabilities	3 606	3 340	3 428

Cash flow statement

(condensed) MEUR	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
EBIT	104	102	402
Adjustments for amortisation, depreciation and write-downs	60	53	236
Adjustments of non-cash operating items	-5	-3	4
Changes in net working capital	-72	-114	-148
Cash flow from operations before financial items and tax	87	38	494
Cash flow from operating activities	65	2	394
Cash flow from investing activities excluding acquisitions	-77	-70	-333
Business acquisitions, net of cash	0	-	-1
Free cash flow	-12	-68	60
Cash flow from financing activities	139	136	-14
Net cash flow	127	68	46
Cash available – beginning of period	202	165	165
Exchange rate adjustments on cash available	-3	-5	-9
Cash available – end of period	326	228	202
Unutilised, committed credit facilities	350	470	500

Statement of changes in the equity

MEUR	Unaudited						Total equity
	Shareholders of ROCKWOOL A/S						
	Share capital	Currency translation adjustments	Proposed dividend	Retained earnings	Hedging		
Equity 1 January 2023	29	-117	102	2 567	-1		2 580
Profit for the period				78			78
Other comprehensive income		-43			4		-39
Comprehensive income for the period	-	-43	-	78	4		39
Purchase of own shares				-3			-3
Equity 31 March 2023	29	-160	102	2 642	3		2 616
Equity 1 January 2022	29	-134	102	2 398	-1		2 394
Profit for the period				63			63
Comprehensive income for the period	-	-	-	63	-		63
Purchase of own shares				-2			-2
Equity 31 March 2022	29	-134	102	2 459	-1		2 455

Main figures in DKK million

MDKK	Unaudited		Audited
	Q1 2023	Q1 2022	FY 2022
Net sales	6 447	6 873	29 068
Amortisation, depreciation and write-downs	448	398	1 760
EBIT	772	757	2 988
Profit before tax	786	613	2 664
Profit for the period	582	466	2 031
Total assets	26 856	24 841	25 493
Equity	19 486	18 261	19 186
Cash flow from operating activities	485	18	2 929
Cash flow from investing activities	574	523	2 481
Exchange rate	7.44	7.44	7.44

Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2022 with no significant changes.

Significant accounting estimates and assumptions

In preparing this interim report Management has made various accounting estimates and judgements that may significantly influence the amounts recognised in the Consolidated Financial Statement and related information at the reporting date. The accounting estimates and judgements which Management considers to be material for the preparation and understanding of the interim report are stated in Note 1.1 in the Annual Report 2022 and primarily relates to impairment testing, expected lifetime for tangible assets, deferred tax assets and uncertain tax positions.

Disclaimer

The statements on the future in this report, 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.