

Interim financial report First quarter 2019

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This interim financial report covers MT Højgaard Holding (formerly Højgaard Holding) and has been published in both Danish and English. In case of discrepancies between the two versions, or in case of doubt, the Danish version shall prevail.

Date of publication: 28 May 2019

Financial review

The merger of Højgaard Holding A/S and Monberg & Thorsen A/S was implemented on 5 April 2019, following which the continuing company has changed its name to MT Højgaard Holding A/S. The merger will have a material effect on the 2019 annual report. However, the financial statements for the first quarter of 2019 cover the period before the merger and consequently only comprise the operations of Højgaard Holding A/S.

Revenue in 2018 related to manufacturing and was attributable to the company Højgaard Industri A/S, which was disposed of in 2018 as part of the planning of the merger with Monberg & Thorsen A/S.

The comparative figures for 2018 comprise the consolidated financial statements of Højgaard Holding A/S, while the figures for 2019 relate to the company Højgaard Holding A/S (MT Højgaard Holding A/S).

The net result for the first quarter of 2019 was a loss of DKK 4.5 million compared with a loss of DKK 24.2 million in the same period last year.

The positive earnings trend was mainly attributable to higher earnings in the jointly controlled entity MT Højgaard Group, in which the ownership interest at 31 March 2019 was 54%.

The MT Højgaard Group reported EBIT of DKK 5.1 million in the first quarter compared with a

loss of DKK 55.8 million in the same period in 2018.

The MT Højgaard Group's earnings increased as expected, partly reflecting higher revenue and the effect of the Focus 2018 programme, the benefits of which include a 31% reduction in distribution costs.

In addition, revaluation and write-downs on projects balanced each other out, while the first quarter of 2018 saw significant write-downs.

The MT Højgaard Group's net result for the first quarter was a loss of DKK 2.9 million, compared with a loss of DKK 46.2 million in the same period in 2018.

For further details of the MT Højgaard Group, reference is made to the company's financial review, which was published today.

The MT Højgaard Group still expects revenue of around DKK 7.0 billion and EBIT of around DKK 75 million for 2019.

The profit outlook for MT Højgaard Holding for 2019 will be announced in connection with the interim financial statements for the first half of 2019.

The merger will be accounted for applying the acquisition method and the accounting consequences in the form of the purchase sum and allocation of the purchase sum etc. con-

sequently cannot be finally determined until after the merger has been implemented.

For accounting purposes, the date of final adoption of the merger, 5 April 2019, will be the acquisition date.

The financial review contains forward-looking statements, including the above projections of financial performance in 2019, which, by their nature, involve risks and uncertainties that may cause actual performance to differ materially from that contained in the forward-looking statements.

EVENTS AFTER THE REPORTING PERIOD

At the Annual General Meetings of Højgaard Holding A/S and Monberg & Thorsen A/S, both of which were held on 5 April 2019, the merger of Højgaard Holding A/S and Monberg & Thorsen A/S was finally adopted, with Højgaard Holding A/S as the continuing company.

Højgaard Holding A/S changed its name to MT Højgaard Holding A/S in connection with the merger.

On 10 April 2019, Knud Højgaards Fond granted a subordinated loan of DKK 400 million to MT Højgaard Holding A/S for use for a DKK 400 million capital increase in MT Højgaard A/S.

MT Højgaard Holding A/S injected new equity of DKK 400 million into MT Højgaard A/S on 10 April 2019, as planned.

Financial highlights and Statement by the Executive Board and the Board of Directors

Amounts in DKK million	2019 Q1	2018 Q1	2018 Year
Revenue	-	12.9	57.5
MT Højgaard Group (after tax and non-controlling interests)	-1.6	-24.9	-318.3
Højgaard Industri A/S	-	2.3	9.5
Højgaard Holding A/S	-3.2	-1.4	8.9
Profit/(loss) before tax	-4.8	-24.0	-299.9
Income tax expense	0.3	-0.2	-0.4
Net profit/(loss)	-4.5	-24.2	-300.3
Investment in jointly controlled entity	202.8	436.8	206.9
Equity, beginning of period	190.4	427.6	427.6
Net profit/(loss)	-4.5	-24.2	-300.3
Other comprehensive income in jointly controlled entity	-2.5	-0.3	63.2
Other	-	-	-0.1
Equity, end of period	183.4	403.1	190.4
Balance sheet total	210.9	460.1	218.6
Number of shares, average and at end of period (million shares)	4.2	4.2	4.2
Earnings and diluted earnings per share (EPS and EPS-D) (DKK)	-1.1	-5.8	-71.4
Book value per share (DKK)	44	96	45
Market price, end of period, A shares	77	162	62
Market prices, end of period, B shares	71	148	48
Total market capitalisation (DKK million)	316	666	245
Return on equity (%)	-2.4	-5.8	-97.2

Financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios' published by the Danish Finance Society. Financial ratios are defined in the 2018 annual report under accounting policies.

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of MT Højgaard Holding A/S for the period 1 January – 31 March 2019.

The interim financial report has not been audited or reviewed by the Company's auditor. The interim financial report conforms to the accounting policies, as described in the 2018 annual report.

Søborg, 28 May 2019

In our opinion, the interim financial report has been prepared materially in accordance with the accounting policies.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the period and the Company's financial position as well as a description of the significant risks and uncertainties pertaining to the Company.

EXECUTIVE BOARD

Anders Heine Jensen
President & CEO

Egil Mølsted Madsen
CFO

BOARD OF DIRECTORS

Carsten Dilling
Chairman

Anders Lindberg
Deputy Chairman

Christine Thorsen

Ole Røsdahl

Pernille Fabricius

Morten Hansen

Notes

1 ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with section 7(1)(ii) of the Danish Executive Order on Interim Financial Reports, and consequently does not conform to IAS 34 on interim financial reports.

The interim financial report conforms to the company's accounting policies and has been prepared in accordance with International Financial Reporting Standards (IFRS). A full description of accounting policies is provided in the 2018 annual report. The accounting policies are unchanged from the 2018 annual report, except as stated below.

Changes to accounting policies

The company has implemented IFRS 16 Leases with effect from 1 January 2019. The new standard replaces IAS 17 and IFRIC 4, SIC 15 and SIC 27. The company had no leased assets at 1 January 2019.

Financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios' published by the Danish Finance Society. Financial ratios are defined in the 2018 annual report under accounting policies.

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