

# MT Højgaard Holding: Higher earnings and good order intake

**The results for 2020 were in line with the published outlook for 2020 despite a minor impact from Covid-19. The order book increased by 24%. Revenue and earnings are expected to increase in 2021.**

## SUMMARY OF 2020 ANNUAL REPORT

- At DKK 5,951 million, revenue matched the outlook of revenue of DKK -5.9 billion. The MT Højgaard Group's revenue was 4% lower than in 2019, partly due to a temporary decline in activity in Enemærke & Petersen in the first half. The effects of Covid-19 were moderate.
- The MT Højgaard Group's operating profit before special items was DKK 129 million, compared to the forecast DKK -125 million. The DKK 40 million improvement compared to 2019 was due to a higher gross margin and lower costs for staff and group functions.
- The MT Højgaard Holding Group's operating profit before special items increased to DKK 87 million, from DKK 12 million in 2019. A profit of around DKK -85 million had been forecast.
- The MT Højgaard Holding Group's net profit was DKK 101 million, compared to DKK 66 million in 2019. The figure includes profit of DKK 87 million from discontinued operations (Lindpro A/S, sold on 31 March 2020). Except for balance sheet and cash flows, all comparative figures for 2019 have been restated to reflect the effect of the sale.

## ORDER INTAKE AND ORDER BOOK

There was good demand in areas in which the Group has a strong position: sustainable building and refurbishment, refurbishment of social housing and institutional buildings, and projects in new collaboration and partnership models.

- The Group won new orders and extra work amounting to DKK 7.5 billion, compared to DKK 6.3 billion in 2019. Order intake increased during the year, culminating with DKK 2.9 billion in the fourth quarter.
- The year-end order book was DKK 8.2 billion, compared to DKK 6.6 billion in 2019. Enemærke & Petersen, Ajos, MT Højgaard Danmark and MT Højgaard International delivered growth in their order books.
- After the close of the financial year, Enemærke & Petersen entered into an agreement on a multi-annual, strategic construction partnership with the housing association Civica on projects with an estimated value of DKK 3 billion.

## OUTLOOK FOR 2021

Earnings are expected to improve again in 2021, when only a profit outlook for the MT Højgaard Holding Group including the parent company will be announced. The outlook for operating profit will be presented before special items and PPA amortisation, which consists of amortisation of the write-ups as a result of purchase price allocations. The outlook includes the effect of the acquisitions of RTS Contractors and Raunstrup in February 2021.

- Revenue is expected to increase approx. 13% to around DKK 6.8 billion, underpinned by a sound order book and a promising pipeline. On 1 January 2021, 78% of expected revenue had been contracted.
- Operating profit before special items and PPA amortisation is expected to increase to around DKK 160 million, from DKK 124 million in 2020. The improvement is expected to be gradual and to be most pronounced in the second half, with rising revenue, better capacity utilisation, a higher gross margin, and falling costs.
- Profitability is still expected to be constrained by the current turnaround in MT Højgaard Danmark, with low capacity utilisation in the first half, and high fixed costs.
- The focus on the importance of positive cash flows on all projects will be maintained.
- Postponements of project start-ups or delays to the signing of new contracts may occur as a result of Covid-19, but it is assumed that any such effects will be limited.

*"We successfully executed our main task for 2020 – setting a new course: We have made a good start on putting the new strategy Sustainable'22 into action. The reorganisation has clarified responsibilities and roles. Our order books are showing good growth, and as regards our financial performance we have delivered what we predicted by improving our earnings for the second year running. We are improving operating activities step by step while reducing costs and limiting risks. There is still much to be done, and we are not yet half way through the three-year strategy period. But we are on the right track,"* says President and CEO Morten Hansen, MT Højgaard Holding A/S.

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