

Company announcement no. 1/2023

MT Højgaard Holding enters binding cooperation and option agreement for a sale of Scandi Byg

18 January 2023

In December 2022, MT Højgaard Holding A/S initiated a sales process for Scandi Byg A/S, which has today led to a binding cooperation and an option agreement for a sale of Scandi Byg to Nordic Wood Industries A/S, one of Denmark's leading manufacturers and suppliers of wood-based materials and prefabrication for sustainable construction.

As part of the binding cooperation, Nordic Wood Industries will be represented on the board of directors of Scandi Byg. A final purchase price will be comprised of variable elements and can only be established and announced in continuation of Nordic Wood Industries' expected exercise of the option. If the option is not exercised as planned no later than 16 October 2023, Nordic Wood Industries will pay DKK 10 million to MT Højgaard Holding.

Completion of the sale will be subject to approval from the Danish competition authorities.

Scandi Byg is a front-runner in the field of sustainable, certified modular buildings in wood and has approximately 220 employees in Løgstør and on construction sites across Denmark. The company's revenue is expected to be around DKK 335 million in 2022 with results having been impacted by low capacity utilisation as new orders have been delayed or booked late in the year with no significant production being undertaken before 2023.

As stated in company announcement no. 27/2022 on 22 December 2022, Scandi Byg will not be included in revenue and operating profit in the consolidated financial statements for 2022 and going forward, but instead be classified as discontinuing activities with an expected loss after tax of around DKK 46 million in 2022 before potential value adjustments of assets.

"We are pleased to have entered a binding cooperation and an option agreement for a sale of Scandi Byg to Nordic Wood Industries, which will be able to establish a long-term ownership to ensure stability and provide the best conditions for the employees to leverage the opportunities within modular buildings and create value for customers. We will sell Scandi Byg to focus solely on our construction and civil works activities, which are making good progress and continue to hold great potential for MT Højgaard Holding," says CEO Henrik Mielke, MT Højgaard Holding.

Following a divestment, MT Højgaard Holding will have four 100%-owned business units: MT Højgaard Danmark, Enemærke & Petersen, MT Højgaard International and MT Højgaard Property Development. On a proforma basis, excluding Scandi Byg, the group generated 9M 2022 revenue of DKK 6,094 million and 27% growth, while operating profit before special items increased by 93% to DKK 166 million excluding Scandi Byg.

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