

MT Højgaard Holding: Improved earnings and higher order intake in first half of the year - full-year outlook adjusted

MT Højgaard Holding has adjusted its full-year outlook and has therefore decided to bring forward the publication of its interim financial report for the first half of 2022:

HIGHLIGHTS FIRST HALF 2022

- Revenue increased by 27.7% to DKK 4,102 million. Organic growth accounted for about 18%.
- Operating profit before special items increased to DKK 92 million, compared to DKK 33 million in the first half of 2021. The operating margin improved by 1.2 percentage points to 2.2%.
- As expected, the improvement was most pronounced in the second quarter, where operating profit reached DKK 61 million.
- In spite of significantly higher prices and long delivery times for building materials, MT Højgaard Danmark, Enemærke & Petersen and MT Højgaard Projektudvikling delivered good growth rates and increasing earnings.
- Scandi Byg's results were unsatisfactory due to low utilisation of capacity since the production of the newly awarded orders will in effect only begin next year.
- MT Højgaard International's results were also unsatisfactory, and the company continued to adjust its activities for the purpose of improving profitability.

ORDER INTAKE AND ORDER BOOK

- In the first half of the year, order intake increased by 12.2% to DKK 5,338 million, of which DKK 3,415 million was generated in the second quarter alone. Scandi Byg and Enemærke & Petersen recorded particularly high growth in order intake.
- About 45% of Group order intake came from multi-annual strategic construction partnerships and other collaboration projects.
- After the high and stable order intake in the most recent quarters, the order book rose to DKK 12.0 billion. The order book was 11.4% higher than at the turn of the year and 25.5% over the level of the first half of 2021.
- To this should be added awarded but not yet contracted orders worth DKK 2.8 billion and future contributions from strategic construction partnerships which are expected to have a potential value of DKK 6-7 billion.

OUTLOOK FOR 2022

- The outlook for the financial year has been adjusted due to the challenges faced by Scandi Byg and MT Højgaard International. The other business units, especially MT Højgaard Danmark, are still expected to improve their earnings in 2022.
- Revenue is now expected to be around DKK 8.5 billion (previously: DKK 8.0-8.2 billion), following growth of about 18% in the first half of 2022.
- Operating profit before special items is now expected to be DKK 215-240 million. This will correspond to an improvement of 20-34% compared to 2021.
- Based on the known phasing of projects and orders, earnings are expected to continue to rise in the second half of 2022 as utilisation of capacity improves and more projects proceed from the preparatory phase to the construction phase, and moreover MT Højgaard Projektudvikling is expected to sell more projects developed in-house.
- A certain negative effect of price increases on building materials and supply chain bottlenecks is reflected in the adjusted outlook for 2022. The price and delivery problems remain a significant risk factor.

"85% of our business is running smoothly. The Danish building and construction companies are performing satisfactorily with good growth rates and increasing earnings. Until now, our managers and employees have been very good at handling the all-time high prices for building materials, and the order book is still growing due to our focus on close collaboration with customers. Unfortunately, our international activities and Scandi Byg face challenges, and for both business units turnaround plans have already been initiated. In spite of those challenges, we are well on the way to increasing Group earnings for the fourth year in a row", says CEO Henrik Mielke.

CHANGES IN FINANCIAL CALENDER

As already mentioned, the publication of the interim financial report has been brought forward from 25 August 2022 to 24 August 2022.

Contact: CEO Henrik Mielke and CFO Martin Solberg can be contacted on telephone +45 2270 9365. The executive board will be presenting the interim financial report at a teleconference tomorrow (25 August) at 12:15 am.