

# MT Højgaard Holding: Growth in more challenging markets

MT Højgaard Holding publishes its interim financial report for the third quarter of 2022.

## FINANCIAL HIGHLIGHTS YEAR-TO-DATE

As expected, MT Højgaard Holding improved earnings in the first nine months despite the third quarter market challenges of high prices for building materials and energy, increasing inflation and rising interest rates.

- Revenue increased by 26.3% to DKK 6,310 million. Organic growth was 22.1%.
- Operating profit before special items increased by 42.9% to DKK 136 million.
- The improvement was mainly attributable to MT Højgaard Danmark, whose earnings increased by DKK 80 million, compared with the same period last year. Just below half of MT Højgaard Danmark's revenue came from infrastructure and other civil works projects.
- Also Enemærke & Petersen reported higher earnings, while MT Højgaard Projektudvikling almost halved its operating loss this year.
- The results of Scandi Byg and MT Højgaard International were unsatisfactory. A number of initiatives were taken to improve the profitability of the international activities. Scandi Byg's management was changed with a new, interim CEO and a new CFO.

## ORDER INTAKE AND ORDER BOOK

- In spite of falling market demand, order intake increased by 9.4% in the first nine months to DKK 8.4 billion, of which DKK 3.0 billion was contracted in the third quarter. This figure does not include MT Højgaard Danmark's share of the North Harbour Tunnel project which is being constructed as a joint venture.
- Almost half of the order intake came from multi-annual strategic construction partnerships and other collaboration projects. This percentage is increasing.
- The order book rose to an all-time high of DKK 12.8 billion. The order book grew by 20%, compared with the order book at the turn of the year and the third quarter of 2021.
- To this should be added orders awarded but not yet contracted worth around DKK 1.6 billion and future contributions from strategic construction partnerships, which are estimated to have a potential value of around DKK 6.5 billion over a number of years.

## OUTLOOK FOR 2022

- The outlook is unchanged, but the exposure to risk is increasing.
- Revenue is still expected to be around DKK 8.5 billion. This will correspond to a growth rate of around 18%, compared with 2021.
- Operating profit before special items is still expected to be DKK 215-240 million. This will correspond to an improvement of 20-34%, compared with 2021.
- MT Højgaard Danmark and Enemærke & Petersen are expected to report healthy earnings in the fourth quarter, but inflation and supply chain bottlenecks constitute an increasing risk factor.
- MT Højgaard Projektudvikling is expected to sell a number of projects in the fourth quarter, but may be affected by changed investor behaviour.
- MT Højgaard International's results are expected to be affected by the continued clearing-up in Greenland and on the Faroe Islands, while Scandi Byg is expected to report an unsatisfactory result due to low capacity utilisation until the new orders go into production.

*"Our order intake is still good despite an otherwise challenging market. Across the Group, we benefit from our focus on strategic construction partnerships and close collaboration with customers. Besides, MT Højgaard Danmark is making good use of the opportunities within critical infrastructure and other civil works projects at a time when private and social housing clients are somewhat reluctant to launch new projects. However, conditions have become more difficult, and in every project we invest a lot of effort together with our clients and business partners to mitigate the effects of price rises and higher inflation", says CEO Henrik Mielke.*

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