

Company announcement no. 27/2022

## MT Højgaard Holding initiates sales process for Scandi Byg and adjusts 2022 guidance

22 December 2022

The board of directors of MT Højgaard Holding has decided to initiate a sales process for Scandi Byg after an extensive strategic review. The process is initiated to focus on the group's subsidiaries within construction and civil works of which MT Højgaard Holding is the best owner and has the best opportunities to create value. Dialogue has been initiated with potential buyers of Scandi Byg.

The sales process will not impact neither existing, planned nor new projects in Scandi Byg. Operations continue unchanged under the new executive management, which took office in November 2022, and with full support from MT Højgaard Holding.

As a consequence of the decision, Scandi Byg will not be included in revenue and operating profit in the consolidated financial statements for 2022, but be classified as discontinuing activities. On this background, the group adjusts its expectations to the 2022 operating profit before special items to a level of DKK 260 million (previously: DKK 215-240 million incl. the expected operating loss in Scandi Byg). Group revenue is still expected to be around DKK 8.5 billion in 2022 even though Scandi Byg's expected revenue of around DK 335 million will no longer be included.

As discontinuing activity, Scandi Byg is expected to impact the consolidated financial statements with a loss after tax of around DKK 56 million. In addition, there may be value adjustments of assets in case of a sale.

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. This year, the company's results have been impacted by low capacity utilisation as new orders have been booked late in the year with no significant production being undertaken before 2023.

"Our analysis shows that MT Højgaard Holding is not the best owner of Scandi Byg. We owe our employees, partners and customers to establish a long-term ownership to ensure stability and realise Scandi Byg's potential. Through a sale, we can focus fully on our construction and civil works activities for which MT Højgaard Holding is the best owner and has the greatest opportunities to create value and continue the positive development from recent years. At the same time, a sale will simplify the group and strengthen our balance sheet," says CEO Henrik Mielke, MT Højgaard Holding.

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

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