

MT Højgaard Holding: High growth in the Danish core business in H1

RESULTS FOR THE FIRST HALF OF THE YEAR

The profitability of the Danish core business improved in the first half of the year, but the improvement was eclipsed by a considerable operating loss recorded by MT Højgaard International whose activities are being scaled down in a controlled process.

- Group revenue increased by 24% to DKK 4.9 billion, driven by double-digit growth in the Danish business units.
- Group operating profit before special items decreased by 40% to DKK 64 million.
- The Danish core business consisting of MT Højgaard Danmark, Enemærke & Petersen and MT Højgaard Property Development increased its operating profit by 39% to DKK 147 million, and the operating margin rose from 2.9% to 3.2%.
- MT Højgaard International's operating profit before special items deteriorated, and the business unit recorded a loss of DKK 83 million compared to DKK 0 for the first half of 2022, after write-downs on three projects in Greenland and the remaining project on the Faroe Islands.
- The first-half profit recorded by the Group was DKK 43 million (2022: DKK 34 million), after positive adjustments for the expected earn-out payment from the sale of Ajos's pavilion activities in 2021.
- Operating activities generated an increased cash inflow of DKK 160 million, an improvement of DKK 276 million from the first half of 2022.
- Interest-bearing debt was DKK 438 million, down from DKK 872 million at the end of the first half of 2022.

INCREASING ORDER BOOK

The Group's order book grew in the first half of the year, although the business units chose a prudent approach in order to ensure profitable growth in a market characterised by fiercer price competition with more bidders competing for fewer projects:

- First-half order intake was DKK 6.6 billion, compared to DKK 4.8 billion in the first half of 2022.
- The order book grew to DKK 15.5 billion, a 12% increase from the turn of the year and a 36% increase from the first half of 2022. To this should be added orders awarded but not yet contracted and contributions from strategic construction partnerships and joint ventures.

OUTLOOK FOR 2023

The full-year outlook is maintained and supported by the strong order book.

- Revenue is still expected to increase to DKK 9.0-9.5 billion.
- Operating profit before special items and any value adjustments is still expected to be DKK 200-225 million.
- Earnings from the Danish core business are expected to improve because of higher revenue, but the improvement will be set off by a considerable loss from the international activities.
- About 95% of the expected contract revenue had been contracted at the end of the first half of 2023.

"Our Danish core business maintains high growth and improved performance despite intensifying competition. Order intake is solid. Cash flows have improved, cash and cash equivalents have been strengthened, and net interest-bearing debt has been cut in half in the past year. However, the performance of the international activities is highly unsatisfactory, and we give high priority to eliminating these losses in a controlled process", says CEO Henrik Mielke.

Contact:

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Henrik Mielke and Rasmus Untidt will be presenting the interim financial report at a teleconference today (25 August 2023) at 10.00 am (CEST). The teleconference can be followed [live here](#).