

Interim financial report - First half 2017

At its meeting today, the Board of Directors of Monberg & Thorsen A/S approved the interim financial report for the period 1 January – 30 June 2017. The interim financial report has not been audited or reviewed by the company's auditor.

Questions relating to this announcement should be directed to Anders Heine Jensen, Chairman, on telephone +45 2048 8563.

The announcement can also be viewed at www.monthor.com

This announcement is available in Danish and English. In case of doubt, the Danish version shall prevail.

MONBERG & THORSEN A/S

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Denmark

Comments to the interim financial report for the first half of 2017

The first-half operating result was in line with expectations.

The share of MT Højgaard A/S's net result for the period was a loss of DKK 6 million, compared with a loss of DKK 14 million in the first half of 2016.

Administrative expenses in Monberg & Thorsen A/S were in line with expectations.

The outlook for the operating result for 2017 as announced in the interim financial report for the first quarter of 2017 is reaffirmed.

The accounting policies are unchanged from the 2016 annual report.

Financial highlights

DKK million	H1		Year 2016
	2017	2016	
Income statement			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard (46%)	-6	-14	-6
Administrative expenses in Monberg & Thorsen	-1	-5	-6
EBIT	-7	-19	-12
Net financials	2	2	4
Profit/(loss) before tax	-5	-17	-8
Tax	0	0	0
Net profit/(loss) for the period	-5	-17	-8
Balance sheet			
Interest-bearing assets	77	183	183
Interest-bearing liabilities	0	0	0
Invested capital	428	424	434
Equity	505	607	616
Balance sheet total	507	609	619
Cash flows			
From operating activities	2	-2	1
For investing activities **	106	39	30
From financing activities	-108	-36	-36
Net increase (decrease) in cash and cash equivalents	0	1	-5
** Portion relating to investments in property, plant and equipment	0	0	0
Financial ratios (%)			
Return on invested capital (ROIC)	-2% *	-4% *	-3%
Return on equity (ROE)	-1% *	-4% *	-1%
Equity ratio	100%	100%	99%
Share ratios (DKK per DKK 20 share)			
Earnings per share (EPS)	-1	-5	-3
Book value	141	169	172
Market price	205	323	230
Market price/book value	1.5	1.9	1.3
Market capitalisation (DKK million)	735	1,158	825

* not converted to full-year figures

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and Danish disclosure requirements for interim financial reports of listed companies.

Financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2015' published by the Danish Finance Society. Financial ratios are defined in the 2016 annual report.

Management's review

Income statement

MT Højgaard A/S's activity and financial performance in the first half was slightly ahead of last year and in line with expectations. EBIT was a profit of DKK 16 million, compared with a loss of DKK 19 million in the first half of 2016, while the operating margin was 1.1% compared with -0.6% in the first half of 2016. The development reflects a generally higher level of activity and a positive effect from the transfer of the contract for interior works on stations on Metro Cityringen to CMT.

A detailed account of the development in the jointly controlled entity MT Højgaard, in which Monberg & Thorsen has a 46% ownership interest, is given in Stock Exchange Announcement No 12, which has just been released and to which reference is made.

The parent company's EBIT was in line with expectations.

Statement of cash flows

Operating cash flow for the period was an inflow of DKK 2 million, primarily relating to expenses and value adjustments on the securities portfolio in Monberg & Thorsen A/S. The cash inflow from investing activities related to value adjustments and the redemption and sale of corporate bonds. The portfolio of listed corporate bonds amounted to DKK 63 million. Cash and cash equivalents in Monberg & Thorsen amounted to DKK 14 million, including an amount of DKK 2 million that is still lodged as security in respect of the guarantees provided in connection with the divestment of Dyrup.

Total financial resources were slightly lower than at the end of 2016. Financial resources are still considered to be satisfactory.

Balance sheet

At DKK 507 million, the balance sheet total was slightly lower than in the first half of 2016 and at 31 December 2016, mainly reflecting the payment of dividend. The equity ratio was 100% compared with 99% at 31 December 2016.

Accounting policies

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The accounting policies are unchanged from the 2016 annual report.

Related parties

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Related parties with significant influence comprise the members of the Board of Directors and the Executive Board.

Monberg & Thorsen A/S's related parties also include the jointly controlled entity MT Højgaard A/S, in which Monberg & Thorsen has significant influence.

All related party transactions were entered into in the ordinary course of business and based on arm's length terms.

Outlook for 2017

The outlook for the operating result for 2017 as announced in the interim financial report for the first quarter of 2017 is reaffirmed.

The MT Højgaard Group still expects revenue of around DKK 7.2 billion and EBIT in the DKK 150-200 million range.

Monberg & Thorsen's share is 46% of the MT Højgaard Group's profit after tax and non-controlling interests. From this should be deducted operating expenses in Monberg & Thorsen, which are still expected to be around DKK 4 million.

The projections concerning future financial performance involve uncertainties and risks that may cause the performance to differ materially from the projections. Significant risks are described in the 'Risk factors' section in the 2016 annual report. Significant risks and uncertainties remain unchanged compared with the description in the annual report. The outlook is based on relatively stable interest rate and exchange rate levels.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of Monberg & Thorsen A/S for the period 1 January – 30 June 2017.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the financial position at 30 June 2017 and of the results of the operations and cash flows for the period 1 January – 30 June 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the period and the Company's financial position and a description of the significant risks and uncertainty factors pertaining to the Company.

Brøndby, 17 August 2017

Executive Board

Lars Goldschmidt
CEO

Board of Directors

Anders Heine Jensen
Chairman

Henriette H. Thorsen

Christine Thorsen

Income statement

DKK million	H1		Year 2016
	2017	2016	
Income statement in the individual financial statements			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard	-6	-14	-6
Administrative expenses in Monberg & Thorsen	-1	-5	-6
EBIT	-7	-19	-12
Net financials	3	3	4
Profit/(loss) before tax	-4	-16	-8
Tax	0	0	0
Net profit/(loss) for the period	-4	-16	-8

DKK million	H1		Year 2016
	2017	2016	
Income statement in the individual financial statements			
Net profit/(loss) for the period	-4	-16	-8
Share of other comprehensive income after tax in jointly controlled entities, MT Højgaard	1	-4	-3
Total comprehensive income	-3	-20	-11

Statement of cash flows

DKK million	H1		Year 2016
	2017	2016	
Statement of cash flows in the individual financial statements			
EBIT	-7	-19	-12
Share of profit/(loss) of jointly controlled entities	6	14	6
Working capital changes	0	-2	1
Cash flows from operations (operating activities)	-1	-7	-5
Net financials	3	5	8
Income taxes paid, net	0	0	-2
Cash flows from operating activities	2	-2	1
Purchase/sale of securities	106	39	30
Cash flows for investing activities	106	39	30
Cash flows before financing activities	108	37	31
Dividends paid	-108	-36	-36
Cash flows from financing activities	-108	-36	-36
Net increase (decrease) in cash and cash equivalents during the period	0	1	-5
Cash and cash equivalents at 1 January	14	20	20
Cash and cash equivalents end of period, consisting of cash	14	21	15

Balance sheet

DKK million	H1		Year 2016
	2017	2016	
Balance sheet in the individual financial statements			
Assets:			
Investments in jointly controlled entities, MT Højgaard	428	424	433
Other securities	0	0	0
Total non-current assets	428	424	433
Receivables	2	3	4
Securities	63	162	168
Cash	14	21	14
Total current assets	79	186	186
Total assets	507	610	619
Equity and liabilities:			
Equity	505	607	616
Trade payables	0	0	0
Income tax	0	0	0
Other payables	2	3	3
Total current liabilities	2	3	3
Total equity and liabilities	507	610	619

DKK million	H1		Year 2016
	2017	2016	
Statement of changes in equity in the individual financial statements			
Start of period	616	663	663
Comprehensive income for the period	-3	-20	-11
Other	0	0	0
Dividends to shareholders	-108	-36	-36
End of period	505	607	616