

Interim financial report - First half 2018

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 2018. 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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Comments to the interim financial report for the first half of 2018

The share of MT Højgaard A/S's net result for the period was a loss of DKK 44 million, compared with a loss of DKK 6 million in the first half of 2017.

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

The outlook for the operating result for 2018 has been changed and reference is made to Stock Exchange Announcement No 11 published on 15 August 2018.

The accounting policies are unchanged from the 2017 annual report.

Financial ratios

DKK million	H1		Year 2017
	2018	2017	
Income statement			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard (46%)	-44	-6	-39
Administrative expenses in Monberg & Thorsen	-1	-1	-2
EBIT	-45	-7	-41
Net financials	0	3	4
Profit/(loss) before tax	-45	-4	-37
Tax	0	0	0
Net profit/(loss) for the period	-45	-4	-37
Balance sheet			
Interest-bearing assets	71	77	78
Interest-bearing liabilities	0	0	0
Invested capital	416	428	434
Equity	417	505	616
Balance sheet total	420	507	619
Cash flows			
From operating activities	-1	3	3
For investing activities **	3	102	97
From financing activities	-7	-108	-108
Net increase (decrease) in cash and cash equivalents	-5	-3	-8
** Portion relating to investments in property, plant and equipment	0	0	0
Financial ratios (%)			
Return on invested capital (ROIC)	-11% *	-2% *	-3%
Return on equity (ROE)	-11% *	-1% *	-1%
Equity ratio	99%	100%	99%
Share ratios (DKK per DKK 20 share)			
Earnings per share (EPS)	-13	-1	-3
Book value	116	141	172
Market price	128	256	230
Market price/book value	1.1	1.8	1.3
Market capitalisation (DKK million)	459	916	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 the recommendations published by the Danish Finance Society. Financial ratios are defined in the 2017 annual report.

Management's review

Income statement

MT Højgaard A/S's activity and financial performance in the first half of 2018 were lower than in the same period last year. EBIT was a loss of DKK 33 million, compared with a profit of DKK 38 million in the first half of 2017, reflecting an 11% decrease in revenue due to lower order intake in 2017 as well as a DKK 80 million write-down on a major civil works project.

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 14, 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 flows for the period were an outflow of DKK -1 million, primarily relating to expenses, interest and value adjustments on the securities portfolio as well as loans in Monberg & Thorsen A/S. The portfolio of listed corporate bonds was sold during the period and a subordinated loan of DKK 69 million was granted to MT Højgaard. Cash and cash equivalents and bank debt in Monberg & Thorsen amounted to DKK 1 million net, 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 are tight due to the loan granted to MT Højgaard A/S.

Balance sheet

At DKK 420 million, the balance sheet total was lower than in the first half of 2017 and at 31 December 2017, mainly reflecting the negative result of the jointly controlled entity and the payment of dividend. The equity ratio was 99% compared with 99% at 31 December 2017.

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 2017 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 A/S 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 2018

The outlook for the operating result for 2018 has been changed and reference is made to Stock Exchange Announcement No 11 released on 15 August 2018.

MTH GROUP now expects EBIT in the DKK 0-50 million range and unchanged revenue of around DKK 6.8 billion.

Monberg & Thorsen's share is 46% of MTH GROUP's result 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, to which should be added any further expenses in connection with the indemnities and guarantees provided in connection with the divestment of Dyrup A/S.

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 2017 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 2018.

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 2018 and of the results of the operations and cash flows for the period 1 January – 30 June 2018.

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, 16 August 2018

Executive Board

Lars Goldschmidt
CEO

Board of Directors

Anders Heine Jensen
Chairman

Henriette H. Thorsen

Christine Thorsen

Income statement

DKK million	H1		Year 2017
	2018	2017	
Income statement in the individual financial statements			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard	-44	-6	-39
Administrative expenses in Monberg & Thorsen	-1	-1	-3
EBIT	-45	-7	-42
Net financials	0	4	4
Profit/(loss) before tax	-45	-3	-38
Tax	0	0	0
Net profit/(loss) for the period	-45	-3	-38

DKK million	H1		Year 2017
	2018	2017	
Income statement in the individual financial statements			
Net profit/(loss) for the period	-45	-3	-38
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard	-1	0	0
Total comprehensive income	-46	-3	-38

Statement of cash flows

DKK million	H1		Year 2017
	2018	2017	
Statement of cash flows in the individual financial statements			
EBIT	-45	-7	-42
Share of profit/(loss) from jointly controlled entities	44	6	39
Working capital changes	-1	0	2
Cash flows from operations (operating activities)	-2	-1	-1
Net financials	1	4	4
Income taxes paid, net	0	0	0
Operating cash flow	-1	3	3
Investments	-69	0	0
Purchase/sale of securities	72	102	97
Cash flows for investing activities	3	102	97
Cash flows before financing activities	2	105	100
Dividends paid	-7	-108	-108
Cash flows from financing activities	-7	-108	-108
Net increase (decrease) in cash and cash equivalents during the period	-5	-3	-8
Cash and cash equivalents at 1 January	6	14	14
Cash and cash equivalents end of period, consisting of cash and bank loans	1	11	6

Balance sheet

DKK million	H1		Year 2017
	2018	2017	
Balance sheet in the individual financial statements			
Assets:			
Investments in jointly controlled entities, MT Højgaard	349	428	394
Subordinated loan capital, MT Højgaard	69	0	0
Other securities	0	0	0
Total non-current assets	418	428	394
Receivables	0	2	1
Securities	0	63	72
Cash	2	14	6
Total current assets	2	79	79
Total assets	420	507	473
Equity and liabilities:			
Equity	417	505	470
Bank loans	1	0	0
Trade payables	0	0	0
Income tax	0	0	0
Other payables	2	2	3
Total current liabilities	3	2	3
Total equity and liabilities	420	507	473

DKK million	H1		Year 2017
	2018	2017	
Statement of changes in equity in the individual financial statements			
Start of period	470	616	616
Comprehensive income for the period	-46	-3	-38
Other	0	0	0
Dividends to shareholders	-7	-108	-108
End of period	417	505	470