

Quarterly announcement – Third quarter 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 September 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 Morten Pedersen, on telephone +45 2186 7254.

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 quarterly announcement – Third quarter 2018

Monberg & Thorsen's sole activity is its 46% ownership interest in the jointly controlled entity MT Højgaard A/S. Reference is made to the interim financial report of MT Højgaard, which will be published shortly after this quarterly announcement, in Stock Exchange Announcement No 22. It gives a detailed account of the development in the quarter under review and the period 1 January – 30 September 2018.

Financial highlights for Monberg & Thorsen:

DKK million	Q3		Year 2017
	2018	2017	
Income statement			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard (46%)	-287	-35	-39
Administrative expenses in Monberg & Thorsen	-2	-2	-3
EBIT	-289	-37	-42
Net financials	1	2	4
Profit/(loss) before tax	-288	-35	-38
Tax	0	0	0
Net profit/(loss) for the period	-288	-35	-38
Balance sheet			
Investment in jointly controlled entity, MT Højgaard	107	398	394
Interest-bearing assets	71	78	78
Invested capital	174	397	392
Equity at start of period	470	616	616
Net profit/(loss) for the period	-288	-35	-38
Other comprehensive income in jointly controlled entity	1	0	0
Other	0	0	0
Dividends to shareholders	-7	-108	-108
Equity at end of period	176	473	470
Financial ratios (%)			
Return on invested capital (ROIC)	-102% *	-9% *	-10%
Return on equity (ROE)	-102% *	-8% *	-7%
Equity ratio	98%	100%	99%
Share ratios (DKK per DKK 20 share)			
Earnings per share (EPS)	-80	-10	-11
Book value	49	133	130
Market price	116	203	169
Market price/book value	2.4	1.5	1.3
Market capitalisation (DKK million)	416	728	606

* not converted to full-year figures

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.

Operating review – Third quarter 2018

The third-quarter operating result was lower than expected.

The share of MT Højgaard's net result for the period was a loss of DKK 287 million, compared with a loss of DKK 35 million in the same period last year. The lower result primarily reflected adjustment of a provision to cover the Group's potential liabilities on construction projects on which MgO boards have been used (see Company Announcement No 18 of 17 September 2018) and a further write-down on a major civil works project.

Monberg & Thorsen's financial resources are considered tight, and equity stood at DKK 176 million, corresponding to an equity ratio of 98%.

In connection with Anders Heine Jensen taking up the role as CEO of MTH GROUP on 1 November 2018, the Board of Directors of Monberg & Thorsen elected Henriette H. Thorsen as Chairman and Christine Thorsen and Anders Heine Jensen as ordinary members.

At its meeting today, the Board of Directors of Monberg & Thorsen resolved to contribute DKK 69 million to strengthening MT Højgaard A/S's capital position. Reference is made to Stock Exchange Announcement No 20, which has just been released.

Outlook for 2018

MTH GROUP previously expected full-year 2018 revenue of around DKK 6.8 billion, and EBIT amounting to a loss of around DKK 400 million. This outlook has now changed to EBIT amounting to a loss of around DKK 550 million. The revenue outlook remains unchanged.

For 2018, in addition to Monberg & Thorsen's 46% share of MTH GROUP's result after tax and non-controlling interests, we still expect our operating expenses 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.