



## Interim report for 1 January to 30 June 2017 (first half 2017)

The board of directors of Højgaard Holding A/S has today considered and approved this interim report for the period from 1 January to 30 June 2017.

- The group's revenue was DKK 34 million against DKK 39 million for the same period last year.
- The group recorded a loss before tax of DKK 2 million, compared to a loss of DKK 12 million for the same period in the previous year.
- The jointly controlled enterprise MT Højgaard (in which Højgaard Holding A/S holds a share of 54%) recorded an operating profit before special items for the period of DKK 41 million, compared to a loss of DKK 19 million for the same period in the previous year. The development can be attributed to a generally higher level of activity and the recognition in advance of contribution margins from the transfer of the contract regarding Metro Cityringen to CMT. Results after tax for the period (before minority interests), which is negatively affected by special items amounting to DKK 25 million, was a loss of DKK 3 million, compared to a loss of DKK 18 million for the same period last year.
- For the MT Højgaard group as well as the Højgaard Holding group, expectations for the year remain unchanged from previous announcements.

Best regards,  
Højgaard Holding A/S

Søren Bjerre-Nielsen  
Chairman of the board

Ditlev Fløistrup  
CEO

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*This statement has been translated from the Danish language, and in the event of any discrepancies between the Danish and the English language versions, the Danish language version is the governing text.*

## Highlights and key figures for the group

DKK million	2017 Year to date	2016 Year to date	2016 Full year
<b>Income statement</b>			
Revenue	34	39	76
Operating profit	5	5	10
Financial items	-1	-1	-2
Share of profit after tax and minority interests in jointly controlled enterprise	-7	-16	-7
Profit before tax	-2	-12	1
Profit after tax	-3	-13	-1
<b>Balance sheet</b>			
Non-current assets	503	498	509
Current assets	18	18	14
Equity	466	454	468
Liabilities	55	62	55
Balance sheet total	521	516	523
Net interest-bearing debt	-38	-44	-40
<b>Cash flows</b>			
Cash flow to/from operating activities	2	3	7
Cash flow to/from financing activities	0	-2	-6
Total cash flows	2	1	1
<b>Key figures</b>			
Pre-tax margin (%)	-7	-32	2
Dividend paid, DKK million	0	0	0
Average number and number of shares at end of period, million	4.2	4.2	4.2
Earnings and diluted earnings after tax per share (EPS and EPS-D), DKK	-0.8	-3.1	-0.1
Book value per share, DKK	111	108	111
Share price at end of period, A-shares	217	323	239
Share price at end of period, B-shares	216	315	224
Total market value, DKK million	911	1,349	988
Share price/book value	2.0	3.0	2.1
Return on equity for the period (%)	-1	-3	0
Equity ratio (%)	89	88	90
<b>Other information</b>			
Average number of employees	32	34	34

The key figures have been calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios 2015". The definition of the key figures applied can be seen from the annual report for 2016.

## Management's review

Højgaard Holding A/S' main asset is the 54% ownership share of MT Højgaard A/S. For further details regarding MT Højgaard, reference is made to MT Højgaard's interim report which Højgaard Holding has today made public.

Højgaard Holding A/S' own cash resources are considered satisfactory.

The group recorded a loss before tax of DKK 2 million, compared to a loss of DKK 12 million for the same period in the previous year. The decrease in the loss, compared to the same period in the previous year, can be attributed to a decrease in the loss of the jointly controlled enterprise MT Højgaard.

At 30 June 2017, the group's net interest bearing debt amounted to DKK 38 million, compared to a debt of DKK 40 million at 31 December 2016.

The group's equity stood at DKK 466 million at 30 June 2017, and the book value corresponds to DKK 111 per share of DKK 20.

## Højgaard Industri A/S

Holding 100%

DKK million	2017 Year to date	2016 Year to date	2016 Full year
Revenue	33.7	38.7	75.6
Profit before tax	7.1	7.0	13.4
Profit after tax	5.5	5.5	10.5
Balance sheet total	16.8	19.8	21.3
Equity	7.5	7.5	12.5

The profit for the first half year is in line with expectations.

For the full 2017, expectations remain unchanged, i.e. a production of sleepers somewhat lower than in 2016 and results before tax below the level of 2016.



Interim report for 1 January – 30 June 2017

17 August 2017

Page 4 of 10

## **Outlook for 2017**

For the MT Højgaard group as well as the Højgaard Holding group, expectations for the year remain unchanged from previous announcements.

The projections concerning future financial performance are subject to uncertainties and risks that may result in a development that deviates substantially from expectations.



Interim report for 1 January – 30 June 2017

17 August 2017  
Page 5 of 10

## **Statement by the executive board and the board of directors**

The board of directors and the executive board have today considered and approved this interim report for Højgaard Holding A/S for the period from 1 January to 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 disclosure requirements in the Danish Financial Statements Act.

In our opinion, the interim report provides a true and fair view of the group's assets, liabilities and financial position at 30 June 2017 and of the results of the group's activities and cash flows for the period from 1 January to 30 June 2017.

Further, in our opinion, the management's review also gives a true and fair account of the development in the activities and financial affairs of the group, the results for the period and the group's financial position as a whole as well as a description of the significant risks and uncertainties facing the group.

Gentofte, 17 August 2017

### **Executive board**

Ditlev Fløistrup  
CEO

### **Board of directors**

Søren Bjerre-Nielsen  
Chairman

Carsten Bjerg  
Deputy chairman

Pernille Fabricius

Interim report for 1 January – 30 June 2017

17 August 2017  
Page 6 of 10

## Group income statement

DKK million	2017 Year to date	2016 Year to date	2016 Full year
Revenue	33.7	38.7	75.6
Production costs	25.4	30.5	59.7
<b>Gross profit</b>	<b>8.3</b>	8.2	15.9
Administration costs	3.1	3.1	5.7
<b>Operating profit</b>	<b>5.2</b>	5.1	10.2
Share of profit after tax and minority interests in jointly controlled enterprise	-6.8	-16.4	-6.9
Financial items	-0.6	-1.0	-1.9
<b>Profit before tax</b>	<b>-2.2</b>	-12.3	1.4
Tax on profit	1.0	0.9	1.9
<b>Total profit after tax</b>	<b>-3.2</b>	-13.2	-0.5

### The profit before tax can be specified as follows:

MT Højgaard group (after tax and minority interests)	-6.8	-16.4	-6.9
Højgaard Industri A/S	7.1	7.0	13.4
Højgaard Holding A/S	-2.5	-2.9	-5.1
<b>Profit before tax</b>	<b>-2.2</b>	-12.3	1.4
Earnings and diluted earnings after tax per share (EPS and EPS-D), DKK	-0.8	-3.1	-0.1

## Group statement of comprehensive income

DKK million

<b>Profit after tax</b>	<b>-3.2</b>	-13.2	-0.5
<b>Other comprehensive income</b>			
Items that can be reclassified to the income statement:			
Share of other comprehensive income after tax in jointly controlled enterprise	0.8	-6.1	-3.0
<b>Other comprehensive income after tax</b>	<b>0.8</b>	-6.1	-3.0
<b>Total comprehensive income</b>	<b>-2.4</b>	-19.3	-3.5

Interim report for 1 January – 30 June 2017

17 August 2017  
Page 7 of 10

## Group balance sheet

DKK million	<b>2017</b> <b>30 June</b>	2016 30 June	2016 31 December
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	0.4	0.4	0.4
Investments in jointly controlled enterprise	<u>502.5</u>	497.3	<u>508.5</u>
<b>Total non-current assets</b>	<b>502.9</b>	497.7	<b>508.9</b>
<b>Current assets</b>			
Inventories	2.7	2.8	4.5
Receivables	10.3	13.3	7.2
Cash and cash equivalents	<u>4.9</u>	2.4	<u>2.5</u>
<b>Total current assets</b>	<b>17.9</b>	18.5	<b>14.2</b>
<b>Total assets</b>	<b>520.8</b>	516.2	<b>523.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>465.9</b>	454.0	468.3
<b>Non-current liabilities</b>			
Payables to group companies	<u>42.5</u>	46.5	<u>42.5</u>
<b>Total non-current liabilities</b>	<b>42.5</b>	46.5	<b>42.5</b>
<b>Current liabilities</b>			
Suppliers of goods and services	3.1	6.5	4.4
Other current liabilities	<u>9.3</u>	9.2	<u>7.9</u>
<b>Total current liabilities</b>	<b>12.4</b>	15.7	<b>12.3</b>
<b>Total liabilities</b>	<b>54.9</b>	62.2	<b>54.8</b>
<b>Total equity and liabilities</b>	<b>520.8</b>	516.2	<b>523.1</b>

Interim report for 1 January – 30 June 2017

17 August 2017  
Page 8 of 10

## Group statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Reserve for currency rate adjustments	Profit carried forward	Total equity
<b>Equity at 1 January 2016</b>	<b>84.1</b>	<b>-18.2</b>	<b>3.3</b>	<b>402.6</b>	<b>471.8</b>
Profit after tax				-13.2	-13.2
Other comprehensive income in jointly controlled enterprise		-5.9	-0.2		-6.1
Tax on other comprehensive income					
Other				1.5	1.5
<b>Total changes in equity</b>		<b>-5.9</b>	<b>-0.2</b>	<b>-11.7</b>	<b>-17.8</b>
<b>Equity at 30 June 2016</b>	<b>84.1</b>	<b>-24.1</b>	<b>3.1</b>	<b>390.9</b>	<b>454.0</b>
<b>Equity at 1 January 2017</b>	<b>84.1</b>	<b>-20.7</b>	<b>2.8</b>	<b>402.1</b>	<b>468.3</b>
Profit after tax				-3.2	-3.2
Other comprehensive income in jointly controlled enterprise		2.3	-1.5		0.8
Tax on other comprehensive income					
Other					
<b>Total changes in equity</b>		<b>2.3</b>	<b>-1.5</b>	<b>-3.2</b>	<b>-2.4</b>
<b>Equity at 30 June 2017</b>	<b>84.1</b>	<b>-18.4</b>	<b>1.3</b>	<b>398.9</b>	<b>465.9</b>

## Group cash flow statement

DKK million	2017 Year to date	2016 Year to date	2016 Full year
<b>Operations</b>			
Operating profit	5.2	5.1	10.2
<b>Cash flow to/from primary activities before changes in working capital</b>	<b>5.2</b>	<b>5.1</b>	<b>10.2</b>
Change in working capital	-2.8	-1.9	-2.9
<b>Cash flow to/from operating activities</b>	<b>2.4</b>	<b>3.2</b>	<b>7.3</b>
<b>Cash flow to/from financing activities</b>	<b>0.0</b>	<b>-2.0</b>	<b>-6.0</b>
<b>Cash flows, net</b>	<b>2.4</b>	<b>1.2</b>	<b>1.3</b>
Cash and cash equivalents at beginning of period	2.4	1.1	1.1
<b>Cash and cash equivalents at end of period</b>	<b>4.8</b>	<b>2.3</b>	<b>2.4</b>

The cash flow statement cannot be determined on the basis of the published material alone.



## **Note 1 - Accounting policies applied**

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU, and Danish disclosure requirements for interim reporting by listed companies.

The accounting policies applied remain unchanged from those described in note 1 to the annual report for 2016, to which reference is made. The annual report for 2016 includes a full description of the accounting policies applied.

## **Note 2 – Accounting estimates and assessments**

The preparation of the interim financial statements requires that the management makes accounting estimates and assessments that affect the accounting policies applied and the recognition of assets, liabilities, income and expenses. The actual financial performance may deviate from those estimates.

Estimates made and the related estimation uncertainty, which are considered customary and in all material respects unchanged, are described in note 2 to the consolidated financial statements and the financial statements for 2016.

## **Note 3 - New accounting standard**

IFRS 15 “Revenue from Contracts with Customers” replaces the existing revenue standards (IAS 11 and IAS 18) and interpretations and is effective for financial years beginning on or after 1 January 2018. MT Højgaard has commenced an in-depth analysis of the effect of the new standard on the MT Højgaard group. Depending on the circumstances, the timing of revenue recognition could change in the case of housing projects that are sold before they are built and extra work or claims. In addition, the new requirements concerning estimates and judgements of variable consideration and identification of components, etc., could affect the timing of recognition and/or the amount recognised as some types of variable consideration and any bonus income will be recognised later in future. However, based on work in progress and historical projects, it is deemed that the effect will be limited. The general assessment, based on the analysis performed, is that the effect on recognition and measurement will not be significant in view of the current project mix and contract types. The MT Højgaard group has decided to use the “modified” retrospective transition option whereby the change is recognised at 1 January 2018, and any effect will be recognised in equity with no restatement of comparative figures.

For further information regarding the new accounting standard reference is made to note 19 in the annual report for 2016.



Interim report for 1 January – 30 June 2017

17 August 2017  
Page 10 of 10

## Note 4 - Segment information

DKK million	<b>2017</b> Year to date	2016 Year to date	2016 Full year
<b>Revenue</b>			
Production	33.7	38.7	75.6
<b>Total revenue</b>	<b>33.7</b>	38.7	75.6
<b>Profit before tax</b>			
Production	7.1	7.0	13.4
Jointly controlled enterprise, etc.	-9.3	-19.3	-12.0
<b>Total profit before tax</b>	<b>-2.2</b>	-12.3	1.4
<b>Total assets</b>			
Production	16.8	19.8	21.3
Jointly controlled enterprise, etc.	504.0	496.4	501.8
<b>Total assets</b>	<b>520.8</b>	516.2	523.1
<b>Total liabilities</b>			
Production	9.3	12.3	8.8
Parent company, etc.	45.6	49.9	46.0
<b>Total liabilities</b>	<b>54.9</b>	62.2	54.8