



Interim report for 1 January to 30 June 2018 (first half 2018)

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 2018.

- The group's revenue was DKK 28 million against DKK 34 million for the same period last year. The decrease, compared to the previous year, can be attributed to a stop in the production of sleepers in a period caused by a plant switchover to another type of sleepers.
- The group recorded a loss before tax of DKK 49 million, compared to a loss of DKK 2 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 loss before special items for the period of DKK 90 million, compared to a profit of DKK 41 million for the same period in the previous year. Results were unsatisfactory which can, among other things, be attributed to continued write down on single projects, particularly one civil works project, lower revenue and low use of capacity. The result for the period after tax (before minority interests) was a loss of DKK 96 million, compared to a loss of DKK 3 million for the same period last year.
- As announced yesterday, the MT Højgaard group now expects an EBIT in the range of DKK 0 – 50 million. The group maintains the outlook of revenue of around DKK 6.8 billion. In addition to our 54 % share in the MT Højgaard group's profit after tax and minority interests the Højgaard Holding group still expects a small positive result before tax.

Best regards,
Højgaard Holding A/S

Søren Bjerre-Nielsen
Chairman of the board

Ditlev Fløistrup
CEO

Contacts:

Søren Bjerre-Nielsen, chairman of the board, Højgaard Holding, tel. +45 4520 1500
Ditlev Fløistrup, CEO, Højgaard Holding, tel. +45 4520 1500

Highlights and key figures for the group

DKK million	2018 Year to date	2017 Year to date	2017 Full year
Income statement			
Revenue	28	34	60
Operating profit	3	5	9
Financial items	0	-1	-1
Share of profit after tax and minority interests in jointly controlled enterprise	-52	-7	-46
Profit before tax	-49	-2	-38
Profit after tax	-50	-3	-40
Balance sheet			
Non-current assets	410	503	462
Current assets	24	18	20
Equity	377	466	427
Liabilities	57	55	55
Balance sheet total	434	521	482
Net interest-bearing debt	-29	-38	-30
Cash flows			
Cash flow to/from operating activities	2	2	3
Cash flow to/from financing activities			
Total cash flows	2	2	3
Key figures			
Pre-tax margin (%)	-175	-7	-64
Dividend paid, DKK million			
Return on equity for the period (%)	-12	-1	-9
Equity ratio (%)	87	89	89
Average number and number of shares at end of period	4.2	4.2	4.2
Earnings and diluted earnings per share (EPS and EPS-D), DKK	-11.8	-0.8	-9.5
Book value per share, DKK	90	111	102
Share price at end of period, A-shares	126	217	172
Share price at end of period, B-shares	122	216	174
Total market value, DKK million	525	911	728
Share price/book value	1.4	2.0	1.7
Other information			
Average number of employees	29	32	30

The key figures have been calculated in accordance with the Danish Finance Society's Recommendations. The definition of the key figures applied can be seen from the annual report for 2017. In the interim report, DKK 0.0 million indicates that a figure is rounded down to DKK million 0.0, whereas blank indicates that there is no figure.



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 49 million, compared to a loss of DKK 2 million for the same period in the previous year. The increase in the loss, compared to the same period in the previous year, can be attributed to an increase in the loss of the jointly controlled enterprise MT Højgaard.

At 30 June 2018, the group's net interest bearing debt amounted to DKK 29 million, compared to a debt of DKK 30 million at 31 December 2017.

The group's equity stood at DKK 377 million at 30 June 2018, and the book value corresponds to DKK 90 per share of DKK 20.

Højgaard Industri A/S

Holding 100 %

DKK million	2018 Year to date	2017 Year to date	2017 Full year
Revenue	28.1	33.7	59.8
Profit before tax	5.3	7.1	12.0
Profit after tax	4.2	5.5	9.4
Balance sheet total	28.0	16.8	21.3
Equity	15.5	7.5	11.4

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

For the full 2018, overall expectations remain unchanged, i.e. a production of sleepers at the same level as in 2017 and a result before tax slightly below the level of 2017.



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Outlook for 2018

As announced yesterday, the MT Højgaard group now expects an EBIT in the range of DKK 0 – 50 million. The group maintains the outlook of revenue of around DKK 6.8 billion. In addition to our 54 % share in the MT Højgaard group's profit after tax and minority interests the Højgaard Holding group still expects a small positive result before tax.

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



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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 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 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 2018 and of the results of the group's activities and cash flows for the period from 1 January to 30 June 2018.

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, 16 August 2018

Executive board

Ditlev Fløistrup
CEO

Board of directors

Søren Bjerre-Nielsen
Chairman

Carsten Dilling
Deputy chairman

Pernille Fabricius

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Group income statement

DKK million	2018 Year to date	2017 Year to date	2017 Full year
Revenue	28.1	33.7	59.8
Production costs	21.5	25.4	45.1
Gross profit	6.6	8.3	14.7
Administration costs	3.2	3.1	6.1
Operating profit	3.4	5.2	8.6
Share of profit after tax and minority interests in jointly controlled enterprise	-52.1	-6.8	-45.5
Financial items	-0.5	-0.6	-1.2
Profit before tax	-49.2	-2.2	-38.1
Tax on profit for the period	0.6	1.0	1.7
Total profit for the period after tax	-49.8	-3.2	-39.8

The profit before tax can be specified as follows:

MT Højgaard group (after tax and minority interests)	-52.1	-6.8	-45.5
Højgaard Industri A/S	5.3	7.1	12.0
Højgaard Holding A/S	-2.4	-2.5	-4.6
Profit before tax	-49.2	-2.2	-38.1
Earnings and diluted earnings after tax per share (EPS and EPS-D), DKK	-11.8	-0.8	-9.5

Group statement of comprehensive income

DKK million

Profit after tax	-49.8	-3.2	-39.8
Other comprehensive income			
Items that can be reclassified to the income statement:			
Share of other comprehensive income after tax in jointly controlled enterprise	-0.5	0.8	0.0
Other comprehensive income after tax	-0.5	0.8	0.0
Total comprehensive income	-50.3	-2.4	-39.8

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Group balance sheet

DKK million	2018 30 June	2017 30 June	2017 31 December
ASSETS			
Non-current assets			
Deferred tax assets	0.4	0.4	0.4
Investments in jointly controlled enterprise	409.4	502.5	462.1
Total non-current assets	409.8	502.9	462.5
Current assets			
Inventories	2.8	2.7	1.7
Receivables	14.2	10.3	12.6
Cash and cash equivalents	7.4	4.9	5.6
Total current assets	24.4	17.9	19.9
Total assets	434.2	520.8	482.4
EQUITY AND LIABILITIES			
Equity	377.2	465.9	427.6
Non-current liabilities			
Payables to group companies	42.5	42.5	42.5
Total non-current liabilities	42.5	42.5	42.5
Current liabilities			
Suppliers of goods and services	5.5	3.1	4.3
Other current liabilities	9.0	9.3	8.0
Total current liabilities	14.5	12.4	12.3
Total liabilities	57.0	54.9	54.8
Total equity and liabilities	434.2	520.8	482.4

Group statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Reserve for currency rate adjustments	Profit carried forward	Total equity
Equity at 1 January 2017	84.1	-20.7	2.8	402.1	468.3
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					
Total changes in equity		2.3	-1.5	-3.2	-2.4
Equity at 30 June 2017	84.1	-18.4	1.3	398.9	465.9
Equity at 1 January 2018	84.1	-18.7	0.8	361.4	427.6
Impact of IFRS 15 at beginning of period				-0.3	-0.3
New equity at 1 January 2018	84.1	-18.7	0.8	361.1	427.3
Profit after tax				-49.8	-49.8
Other				0.2	0.2
Other comprehensive income in jointly controlled enterprise		0.1	-0.6		-0.5
Tax on other comprehensive income					
Total changes in equity		0.1	-0.6	-49.6	-50.1
Equity at 30 June 2018	84.1	-18.6	0.2	311.5	377.2

Group cash flow statement

DKK million	2018 Year to date	2017 Year to date	2017 Full year
Operations			
Operating profit	3.4	5.2	8.6
Cash flow to/from primary activities before changes in working capital	3.4	5.2	8.6
Change in working capital, etc.	-1.6	-2.8	-5.4
Cash flow to/from operating activities	1.8	2.4	3.2
Cash flow to/from financing activities			
Cash flows, net	1.8	2.4	3.2
Cash and cash equivalents at beginning of period	5.6	2.4	2.4
Cash and cash equivalents at end of period	7.4	4.8	5.6

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.

Apart from the changes described below, the accounting policies applied remain unchanged from those described in note 1 in the annual report for 2017, to which reference is made. The annual report for 2017 includes a full description of the accounting policies applied.

Changes in the accounting policies applied

With an effective date of 1 January 2018, the group has implemented IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers”.

In accordance with IFRS 9 “Financial Instruments”, which replaces IAS 39, expected credit losses are recognised on initial recognition and not, as previously, on indication of impairment. This has had no material impact on the group and the implementation as of 1 January 2018 and has, consequently, had no effect on the equity at the beginning of the period.

IFRS 15 “Revenue from Contracts with Customers” replaces the existing revenue standards (IAS 11 and IAS 18) and interpretations. IFRS 15 has affected recognition and measurement in the interim report of MT Højgaard A/S. The effect only has an insignificant impact on the earnings and diluted earnings per share, balance sheet and key figures. The effect has no impact on the cash flow.

The group has decided to use the “modified” retrospective transition option for which reason the effect on the net profit of total DKK 0.3 million is recognised in equity at 1 January 2018 with no restatement of comparative figures.

As the “modified” retrospective transition option has been used, the management of MT Højgaard A/S has assessed the differences between IFRS 15 and the former accounting policies applied for the period 1 January to 30 June 2018. The management has not identified any significant differences which has affected the period and the individual items.

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 2017.

Note 3 - Segment information

DKK million	2018 Year to date	2017 Year to date	2017 Full year
Revenue			
Production	28.1	33.7	59.8
Total revenue	28.1	33.7	59.8
Profit before tax			
Production	5.3	7.1	12.0
Jointly controlled enterprise, etc.	-54.5	-9.3	-50.1
Total profit before tax	-49.2	-2.2	-38.1
Total assets			
Production	28.0	16.8	21.3
Jointly controlled enterprise, etc.	406.2	504.0	461.1
Total assets	434.2	520.8	482.4
Total liabilities			
Production	12.5	9.3	9.9
Parent company, etc.	44.5	45.6	44.9
Total liabilities	57.0	54.9	54.8