

Quarterly announcement – Third quarter 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 September 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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Comments on quarterly announcement – Third quarter 2017

Monberg & Thorsen's sole activity is its 46% ownership interest in the jointly controlled entity MT Højgaard A/S. A detailed account of the development in the quarter under review and the period 1 January – 30 September 2017 is given in the interim financial report of MT Højgaard in Stock Exchange Announcement No 14, which has just been released and to which reference is made.

Financial highlights for Monberg & Thorsen:

DKK million	Q3		Year 2016
	2017	2016	
Income statement			
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard (46%)	-35	-18	-6
Administrative expenses in Monberg & Thorsen	-2	-5	-7
EBIT	-37	-23	-13
Net financials	3	3	4
Profit/(loss) before tax	-34	-20	-9
Tax	0	0	0
Net profit/(loss) for the period	-34	-20	-9
Balance sheet			
Investment in jointly controlled entity, MT Højgaard	398	419	433
Interest-bearing assets	78	185	183
Invested capital	397	419	434
Equity, start of period	616	663	663
Net profit/(loss) for the period	-34	-20	-9
Other comprehensive income in jointly controlled entity	0	-6	-3
Other	0	2	0
Dividends to shareholders	-108	-35	-35
Equity, end of period	474	604	616
Financial ratios (%)			
Return on invested capital (ROIC)	-9% *	-5% *	-3%
Return on equity (ROE)	-8% *	-4% *	-1%
Equity ratio	100%	100%	99%
Share ratios (DKK per DKK 20 share)			
Earnings per share (EPS)	-10	-5	-3
Book value	133	169	172
Market price	203	282	230
Market price/book value	1.5	1.7	1.3
Market capitalisation (DKK million)	728	1,011	825

* not converted to full-year figures

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.

Operating review – Third quarter 2017

The third-quarter operating result was in line with expectations.

The share of MT Højgaard's net result for the period was a loss of DKK 35 million, compared with a loss of DKK 18 million in the same period last year. The lower result primarily reflected adjustment of special items relating to the Robin Rigg offshore project (see company announcement No 11 of 3 August 2016), and the assessment of ongoing guarantee liabilities on legacy offshore projects, which has led to an increase in the provision for offshore guarantee liabilities that run until 2021.

Monberg & Thorsen's financial resources are considered satisfactory, and equity stood at DKK 474 million, corresponding to an equity ratio of 100%.

Outlook for 2017

MTH Group's full-year forecast of revenue of around DKK 7.2 billion and operating profit before special items in the DKK 150-200 million range is unchanged. Special items, which depressed MTH Group's first-half result by DKK 25 million, are now expected to depress MTH Group's full-year result by DKK 125 million.

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

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 are unchanged compared with the description in the annual report. The outlook is based on relatively stable interest rate and exchange rate levels.