



**Højgaard Holding**



**MTHøjgaard**

Præsentation den 22. marts 2012



# Turnaround required after poor financial performance

Investor Presentation  
22 March 2012

# Group structure

Policy of nurturing collaboration among Group entities, but only if advantageous to individual client or overall competitiveness

## THE MT HØJGAARD GROUP

MT HØJGAARD A/S

carries out civil works, construction and refurbishment

AJOS A/S

leases mechanical equipment

ENEMÆRKE & PETERSEN A/S

carries out refurbishment and new build

GREENLAND CONTRACTORS I/S

is responsible for operation at the Thule Air Base (67%)

LINDPRO A/S

carries out electrical installations and services work

SCANDI BYG A/S

produces and builds industrial modular buildings

SETH S.A.

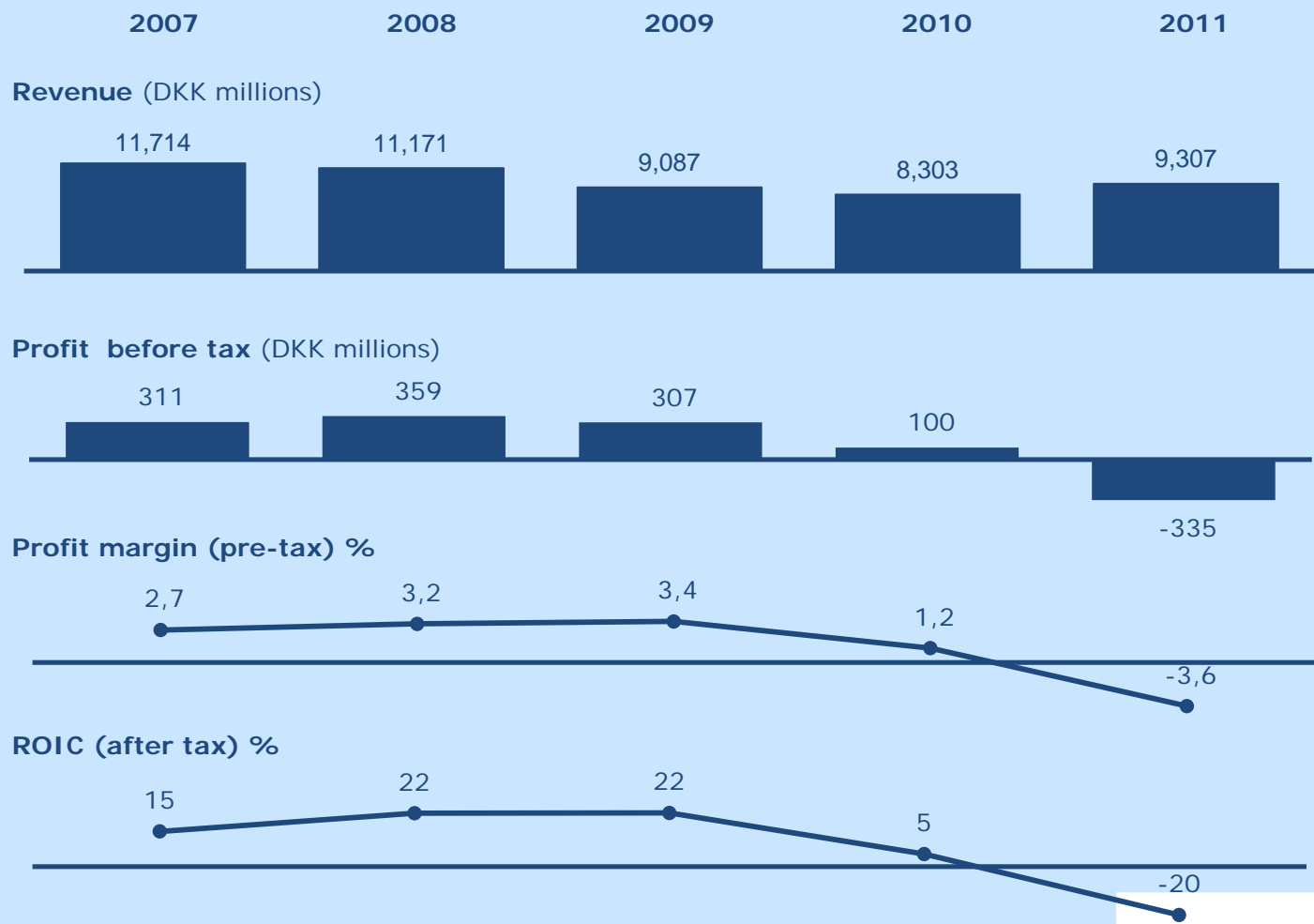
carries out civil works in the area of marine works in Portugal and Africa (60%)

# Highlights

- Unsatisfactory financial development recent years, unacceptable performance in 2011
- Turnaround to be achieved through a series of specific initiatives
- Strong strategic assets



# Financial performance in five years perspective



- Revenue markedly up, but we end the year below profit projections
- The result is unsatisfactory - profit is significantly lower
- Profit margin lower than expected

# Financial highlights 2011

## Consolidated financial highlights

	2011	2010
Revenue	9,307	8,303
Profit before tax	-335	100
Profit margin (pre-tax) %	-3.6	1.2
Equity ratio %	22.8	34.5
Cash flow	-237	-113
Amounts in DKK million		

## Conclusions

- Unsatisfactory financial performance
- Small margins
- Major losses incurred on two projects
- Further exceptional provisions
- Challenges primarily within core business areas – losses in both Civil Engineering and Construction
- Subsidiaries made a positive contribution
- President and CEO Kristian May and Chief Operating Officer Thorbjørn N. Rasmussen resigned

# Our challenges are sizeable

- Poor profitability
- Insufficient risk management
- Expected delay of negative contributions from parts of the order book
- Financial transparency has showed weaknesses
- The Board of Directors is determined to recognize the challenges and to turn the development around – firmly and quickly

# Specific initiatives

Specific initiatives being prepared, launched and executed:

- Strong focus on market conditions
- Develop Risk Management
- Reorganize Procurement procedures
- More initiatives to follow (Spring 2012)

Day-to-day firm pursuit of operational efficiency

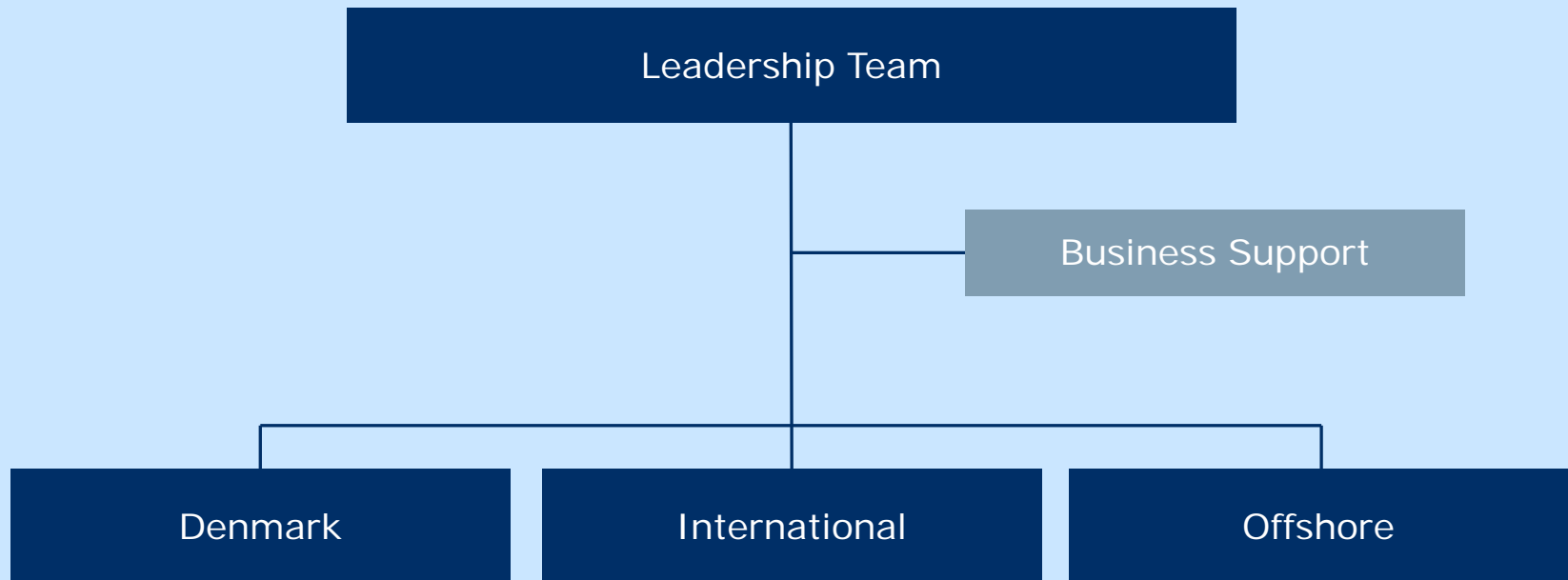


# Strong focus on market conditions

- Traditional "Doing what you do best" philosophy
- Identify competitive strongholds
- Assess client and/or assignment segments (globally)

# Parent company

- Organised into three units - competencies being key



# Develop Risk Management

- Portfolio Management (composition)
- Screening (order intake criteria)
- Contract conditions
- Risk monitoring, control & reporting procedures

# Reorganize Procurement procedures

- Exploit purchasing power
- Identify best suppliers, best practices... and best buyers
- Pursue financial benefits from streamlining

# Financial outlook 2012

- Weak profitability in parts of the order book
- Pre-tax profit will be positive in 2012 – but still far from satisfactory
- Profit increasing during year as strong profitability measures become effective
- Weak first half with a negative profit expected for Q1 - impacted further by reconstruction cost

# Recap: Specific initiatives being prepared, launched and executed

- Strong focus on market conditions
- Develop Risk Management
- Reorganize Procurement procedures

More to follow:

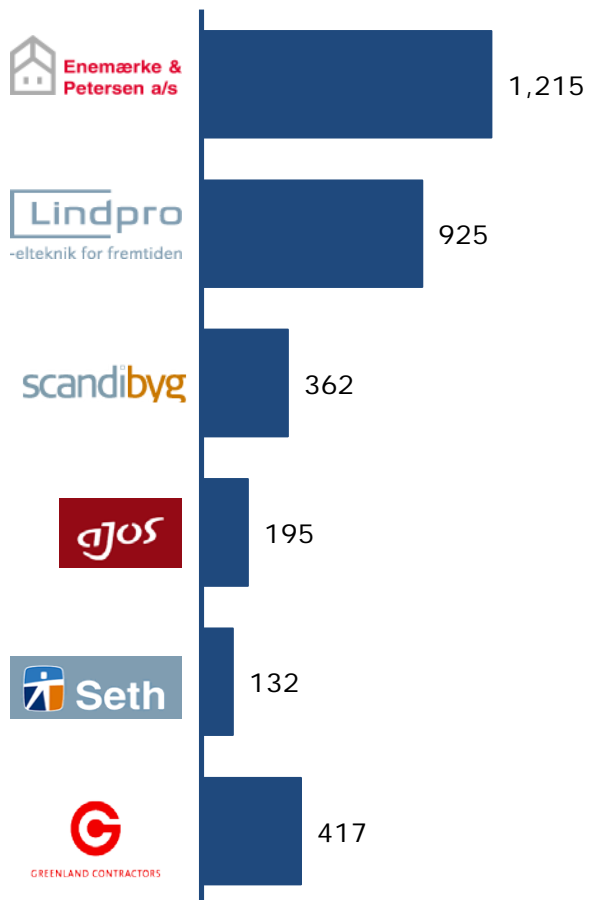
- Development of initiatives is being conducted as we speak, leading to further initiatives (Spring 2012)

# Strong strategic assets

- MT Højgaard has the competencies, experience, size and financial strength to take on various different assignments within construction and civil engineering
- We have the strength to compete for and a record of winning selected demanding international assignments
- Fine reputation among customers
- Skilled engineering's and project managers

# Subsidiary undertaking: Status and strategic direction

## Turnover 2011 (DKK millions)



## Status

- Strong performance. However, challenging start-up of service business

- Among top 3
- Strong positions in prioritised market segments

- Market leader
- Best among peers

- Upper market focus
- Best among peers

- Weak performance

- Perform well
- Strong execution

## Strategic direction

- Regain profit level
- Entry Jutland
- Strengthen FM unit/business

- Strengthen positions in upper market segments
- Process optimisation

- Execute according to plan
- Automatisation in production set-up

- Strengthen positions in prioritised segments
- Organisational adjustments

- Maintain competence focus
- Improve collaboration w/ Civil Engineering

- Execution focus
- Maintain customer satisfaction

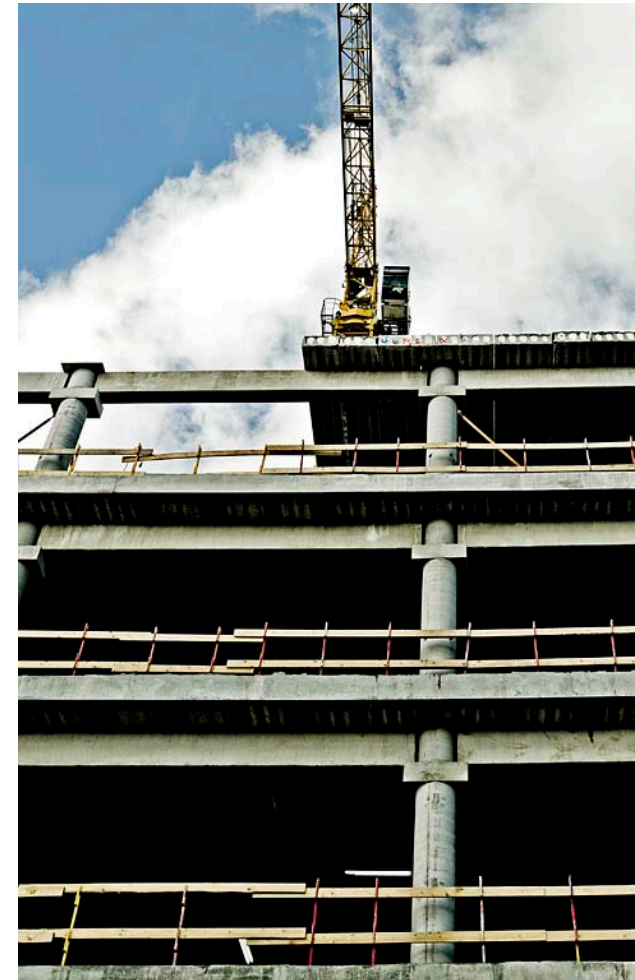


# Current focus points for Board of Directors

- Lead and support turnaround
- Assess and decide upon specific initiatives
- Re-establish Group Executive Management
- Review strategy and financial targets
- A separate listing of MT Højgaard is not contemplated until profitability is achieved

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# Resultat før skat

## Højgaard Holding koncernen

<u>Mio. DKK</u>	<u>2011</u>	<u>2010</u>
MT Højgaard koncernen	<b>-180,8</b>	54,1
Højgaard Industri A/S	<b>11,9</b>	13,9
<u>Højgaard Holding A/S</u>	<u><b>-0,9</b></u>	<u>-1,5</u>
<b><u>Resultat før skat</u></b>	<b><u>-169,8</u></b>	<b><u>66,5</u></b>



# Forventninger til 2012

## Højgaard Holding koncernen

En omsætning på samme niveau som i 2011

En positiv resultatgrad (før skat-margin)



**Yderligere oplysninger om de enkelte selskaber kan ses på hjemmesiderne:**

[www.hojgaard.dk](http://www.hojgaard.dk)  
[www.mth.dk](http://www.mth.dk)

**Eller kontakt os på nedenstående mail-adresse:**

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