

# Half-year financial report 2014

Lyngby, Denmark, 12 August 2014

## Financial report for the first half of 2014

The results of the first half of 2014 for Haldor Topsoe A/S did not meet our growth expectations. Revenue decreased compared to first half of 2013 primarily due to postponed customer projects. First half 2013 was positively impacted by a change of estimate of warranty provision related to technology projects. The one time impact in 2013 was DKK 105 million on revenue, EBITDA and EBIT, and DKK 79 million on net profit. When excluding the impact of this one-time adjustment, the results of first half 2014 almost matched the results of first half 2013.

“The results for the first half of 2014 were not in line with our growth strategy. We achieved an acceptable operating result, but our revenue development was disappointing. Looking ahead, however, we remain confident about our growth potential. During the first half of 2014 we made significant progress with our strategic investments, laying the foundation for future growth. We completed the construction of two new production lines in Denmark and the US. We also moved ahead with the construction of our new plant in China, and decided to establish a new plant in Brazil. At the same time, we continued investing significantly in R&D and acquired a stake in the UK based battery materials company Faradion,” says Peter Rønne Andersen, Chief Financial Officer in Haldor Topsoe A/S.

### Financial highlights

- Group revenue amounted to DKK 2,705 million, a decrease of 5% compared to same period last year (when adjusting for the change of estimate of warranty provision in first half of 2013, revenue decreased by 1%).
- EBITDA was DKK 411 million, a decrease of 23% compared to same period last year (when adjusting for the change of estimate of warranty provision in first half of 2013, EBITDA decreased by 5%).
- EBIT was DKK 308 million, a decrease of 24% compared to same period last year (when adjusting for the change of estimate of warranty provision in first half of 2013, EBIT increased by 3%). Depreciation has been lower in first half of 2014 compared to first half of 2013, but depreciations will increase going forward as a consequence of increased investments.
- Net profit was DKK 230 million, a decrease of 26% compared to same period last year (when adjusting for the change of estimate of warranty provision in first half of 2013, net profit decreased by 1%).
- Cash flow from operations was DKK 374 million and cash flow from operating activities was DKK 292 million.
- Capital expenditure increased to DKK 337 million compared to DKK 298 million in the first half of 2013. The level of capital expenditures will be high in second half 2014, mainly due the construction of the production plant in China, where first phase is expected to be operational by mid-2015.

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- Haldor Topsoe A/S has through its fully owned subsidiary Topsoe Fuel Cell A/S invested heavily in the fuel cell area. Progress towards reaching a commercially viable solution has however been very slow , and therefore the intention is during second half of 2014 to cease most of the activities in Topsoe Fuel Cell A/S. This will potentially lead to an asset impairment of up to DKK 200 million in second half of 2014, but will increase the free cash flow by up to DKK 100 million on a yearly basis from 2015 onwards thereby freeing capital for other investments.
- For the full year of 2014, the revenue outlook is a slight revenue increase compared to last year when adjusted for the one-time adjustment in 2013. Excluding the impact of asset impairment related to Topsoe Fuel Cell A/S and the one-time adjustment in 2013, EBIT is expected to be approximately on par with last year.

## Key financial figures for Haldor Topsoe A/S Group (DKK million)

	1st half year 2014	1st half year 2013
Revenue	2,705	2,842
EBITDA	411	536
EBIT	308	403
Net profit	230	311
Return on equity	28.1%	43.5%
Equity ratio	28.1%	23.9%

	June 30, 2014	December 31, 2013
Non-current assets	2,834	2,615
Current assets	2,957	3,517
Assets total	5,791	6,132
Equity	1,627	1,644
Liabilities	4,164	4,488
Equity and liabilities total	5,791	6,132

	1st half year 2014	1st half year 2013
Cash and cash equivalents beginning	934	1,009
Cash flow from operations	374	516
Change in working capital	-82	-400
Cash flow from operating activities	292	116
Cash flow from investing activities	-337	-298
Cash flow from financing activities	-354	257
Cash and cash equivalents end	535	1,084

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	1st half year 2014	1st half year 2013
Equity beginning	1,644	1,422
Change in comprehensive income	233	316
Change in transactions with owners	-250	-300
Equity end	1,627	1,438

The half year figures have not been reviewed by the company's auditors. The audited annual report 2014 will be published by Haldor Topsoe A/S on March 26, 2015.

**Investor relations contact**

Peter Rønnest Andersen  
Chief Financial Officer,  
pera@topsoe.dk

**Press contact**

Mads Cordt Gyldenkærne  
Media Relations Manager,  
macg@topsoe.dk  
Mobile: +45 2275 4124