

Lyngby, Denmark, 13 August 2015

Half year statement 2015

Market share maintained in a difficult first half year for Haldor Topsoe A/S

A satisfactory 18% increase in catalyst revenue was not sufficient to counterbalance a significant decrease in technology revenue of 30%. Overall market share was maintained and the ambition for the future is still to keep growing faster than the market. However, the general market slowdown due to continued recession in emerging markets along with geopolitical unrest results in a revision of the company's strategy and subsequent capacity adjustments. Recent years' growth has led to a present overcapacity of staff, and layoffs mainly in Denmark have proven inevitable.

Financial highlights

- Group revenue amounted to DKK 2,831 million, an increase of 5% compared to same period last year (when adjusting for the impact of USD appreciation, revenue decreased by 3%). Catalyst revenue increased by 18%, whereas technology revenue decreased by 30%.
- EBITDA was DKK 351 million, a decrease of 15% compared to same period last year.
- EBIT was DKK 212 million, a decrease of 31% compared to same period last year – primarily due to geopolitical unrest in some of the areas where the company operates combined with an economic slowdown in China and other BRIC countries as well as increased depreciation and staff costs due to investments in increased capacity.
- Net profit was DKK 154 million, a decrease of 33% compared to same period last year.
- Cash flow from operating activities was DKK 450 million, an improvement of 54% compared to same period last year.
- Capital expenditure was DKK 290 million compared to DKK 337 million in the first half of 2014. The level of capital expenditures will be high in second half 2015, mainly due to the construction of the production plant in Tianjin, China, where first phase has become operational according to plans in July 2015.
- As outlined in the announcement on June 24 2015, revenue for the full year of 2015 is expected to be at the same level as 2014. EBIT margin is expected to be lower than last year.
- In July 2015, EU, USA and other countries agreed with Iran that if it fulfills certain obligations related to its nuclear program the economic sanctions against Iran will be lifted. When it happens some currently suspended Haldor Topsoe A/S orders will be resumed, and this will have a positive impact on both profitability and order book. Such impact is not included in the current 2015 forecast.

The overall revenue for first half 2015 is 5% higher than the same period last year. Adjusting for the positive impact of USD appreciation, the revenue is 3% lower than last year. This is the result of a significant increase in catalyst revenue by 18% compared to the same period last year and a significant decrease in technology revenue by 30% compared to the same period last year.

Haldor Topsoe A/S was negatively impacted by a slowdown in realization of technology projects due to a downward trend on the global market for larger technology projects e.g. influenced by geopolitical unrest in some of the areas where the company operates and an economic slowdown in China and certain other

BRIC countries. Generally the recent market developments have in some areas been disappointing compared to the company's expectations and capacity planning.

"For Haldor Topsoe A/S it is of great importance that we have succeeded in maintaining our strong position and market share in our catalyst business. Having said that, we, like the industry in general, have been affected by the geopolitical unrest in some of the areas where we do business. Moreover, we had not expected continued declining growth in emerging markets which has hit us hard in our technology business", says Bjerne S. Clausen, CEO in Haldor Topsoe A/S.

"It is in the light of these challenges that we have found it necessary to adapt to the current market conditions and downsize the organization. Unfortunately, this means that we will have to say goodbye to some of our colleagues, meaning that around 160 employees, the vast majority in Denmark, will be leaving us," says Bjerne S. Clausen, and continues:

"Despite the current challenges, we remain confident about the future. Not least because we continue to see a strong interest in the solutions that we offer to meet the increasingly important global challenges in relation to energy, climate, the environment and food supply. We have therefore revised our corporate strategy in order to reflect the present market conditions – i.e. many fundamentals remain the same, and we stick to our innovation strategy as well as our growth ambition of developing faster than the market", Bjerne S. Clausen concludes.

The revised strategy will be communicated in more detail to the organization and implemented globally across the organization starting September 3.

Financial highlights for Haldor Topsoe A/S Group (DKK million)

	1st half year 2015	1st half year 2014
Revenue	2,831	2,705
EBITDA	351	411
EBIT	212	308
Net profit	154	230
Return on equity	16.5%	28.1%
Equity ratio	27.9%	28.1%

	June 30, 2015	December 31, 2014
Non-current assets	3,113	2,896
Current assets	3,741	3,559
Total assets	6,854	6,455
Equity attributed to the shareholders of the parent company	1,909	1,831
Non-controlling equity interest	104	94
Liabilities	4,841	4,530
Total equity and liabilities	6,854	6,455

	1st half year 2015	1st half year 2014
Cash and cash equivalents, beginning	920	934
Cash flows from operations	353	374
Change in working capital	97	-82
Cash flows from operating activities	450	292
Cash flows from investing activities	-290	-337
Cash flows from financing activities	-127	-354
Cash and cash equivalents, end	961	535

	1st half year 2015	1st half year 2014
Equity, beginning	1,925	1,644
Change in comprehensive income	238	233
Change in transactions with owners	-150	-250
Equity, end	2,013	1,627

The half year figures have not been reviewed by the company's auditors. The audited Annual Report for 2015 will be published by Haldor Topsoe A/S on 31 March, 2016.

Media relations contact

Kristine Ahrensbach
 VP, Corporate Communications & Marketing
 Mobile: +45 25529547