INTERIM FINANCIAL REPORT FOR THE PERIOD 1 OCTOBER 2018-30 JUNE 2019

AARSLEFF

Today, the Board of Directors of Per Aarsleff Holding A/S has discussed and approved the interim financial report for the first nine months of the financial year 2018/19. The interim financial report has not been audited or reviewed by the company's auditor.

RESULTS FOR THE FIRST NINE MONTHS

- Consolidated revenue increased by 13.3% to DKK 9,995 million.
- Operating profit (EBIT) came to DKK 377 million compared to DKK 343 million in the first nine months of last financial year and was in line with previously announced earnings expectations. As previously informed, results were influenced by Aarsleff's recognition in Q1 of an unexpected arbitration loss of DKK 72 million related to the construction of a biogas plant. EBIT before recognition of the arbitration loss was DKK 449 million.
- Construction generated EBIT of DKK 229 million (nine months 2017/18: DKK 219 million). The outcome of the above-mentioned arbitration proceedings was recognised in the segment in Q1 of the financial year, and EBIT before recognition of the arbitration loss was DKK 301 million.
- Pipe Technologies generated EBIT of DKK 66 million (nine months 2017/18: DKK 76 million).
- Ground Engineering generated EBIT of DKK 82 million (nine months 2017/18: DKK 48 million).
- Cash flows from operating activities amounted to DKK 803 million (nine months 2017/18: DKK 384 million).
- The Group's net interest-bearing deposit came to DKK 384 million at 30 June 2019.

OUTLOOK FOR THE FINANCIAL YEAR 2018/19

We maintain our expectations for an EBIT in the range of DKK 480 million for the financial year. Revenue expectations are changed to a growth of approx. 10% against previously approx. 7%.

ANDREAS LUNDBY
Chairman of the Board

JESPER KRISTIAN JACOBSEN
CEO

PER AARSLEFF HOLDING A/S
www.aarsleff.com
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The interim financial report has been prepared in Danish and in English. In case of discrepancy, the Danish version shall prevail.

FURTHER INFORMATION:
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HIGHLIGHTS

(tDKK)	April quarter 2018/19	April quarter 2017/18	Year to date 2018/19	Year to date 2017/18	Financial year 2017/18
INCOME STATEMENT					
Revenue	3,620,938	3,286,677	9,995,369	8,819,155	12,108,257
Of this, work performed abroad	1,126,573	953,374	2,983,683	2,599,839	3,519,902
Operating profit (EBIT)	168,253	164,848	377,103	342,810	475,286
Net financials	-3,404	-11,070	-21,147	-21,310	-29,847
Profit before tax	164,849	153,778	355,956	321,500	445,439
Profit after tax	130,280	120,943	274,390	247,438	340,961
BALANCE SHEET					
Non-current assets			2,709,768	2,678,005	2,683,396
Current assets			5,552,946	4,642,232	5,169,477
Total assets			8,262,714	7,320,237	7,852,873
Equity			3,058,801	2,832,929	2,895,142
Non-current liabilities			632,013	767,627	742,708
Current liabilities			4,571,900	3,719,681	4,215,023
Total equity and liabilities			8,262,714	7,320,237	7,852,873
Net-interest bearing debt			-383,712	220,109	-31,055
Invested capital (IC)			2,666,649	3,033,159	2,853,338

(tDKK)	April quarter 2018/19	April quarter 2017/18	Year to date 2018/19	Year to date 2017/18	Financial year 2017/18
CASH FLOW STATEMENT					
Cash flows from operating activities	134,197	36,458	802,931	384,173	768,841
Cash flows from investing activities	-127,869	-106,494	-644,693	-275,611	-392,894
Of this, investment in property, plant and equipment, net	-126,566	-106,954	-307,919	-281,349	-387,640
Cash flows from financing activities	-4,500	-7,022	-140,800	-90,413	-120,051
Change in cash and cash equivalents for the period	1,828	-77,058	17,438	18,149	255,896
FINANCIAL RATIOS					
Gross margin ratio, %	11.2	11.7	10.7	11.6	11.7
Profit margin (EBIT margin), %	4.6	5.0	3.8	3.9	3.9
Net profit ratio (pre-tax margin), %	4.6	4.7	3.6	3.6	3.7
Return on invested capital (ROIC), % *			13.7	11.6	16.6
Return on invested capital after tax (ROIC), % *			10.5	8.9	12.7
Return on equity (ROE), % *			9.2	9.0	12.2
Equity ratio, %			37.0	38.7	36.9
Earnings per share (EPS), DKK	6.43	5.93	13.53	12.12	16.68
Number of employees			6,706	6,459	6,499

* Not translated into full-year figures

See page 82 of the 2017/18 annual report for financial ratio definitions.

MANAGEMENT'S REVIEW

FINANCIAL DEVELOPMENT OF THE AARSLEFF GROUP

INCOME STATEMENT

Consolidated revenue for the first nine months of the financial year 2018/19 amounted to DKK 9,995 million or 13,3% up on last financial year, of which 12.2% was organic growth. The Danish operations reported a revenue increase of 12.7%, while the foreign operations reported a revenue increase of 14.8%.

Revenue growth was primarily attributable to the Construction segment where revenue increased by 14.3% due to a continued high level of activity within harbour expansions, building activities in Greater Copenhagen and an increased level of activity within the segment's railway activities. In the Ground Engineering segment, revenue increased by 17.5% primarily due to a continued high level of activity in the Danish market for construction pits and the acquisition of the German company Neidhardt Grundbau GmbH. In the Pipe Technologies segment, revenue increased by 4.9%.

Administrative expenses and selling costs amounted to 7% compared to 7.7% in the same period last financial year. The decrease was primarily due to the high level of activity.

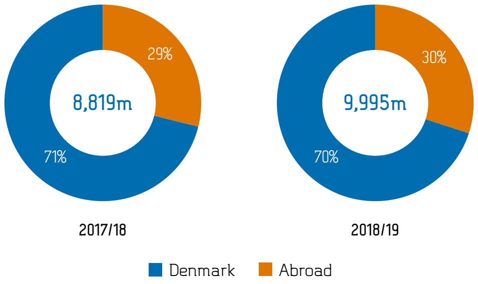
Operating profit (EBIT) came to DKK 377 million (EBIT margin: 3.8%) compared to DKK 343 million (EBIT margin: 3.9%) in the first nine months of last financial year and was in line with previously announced earnings expectations. As informed in the Q1 interim financial report, results were influenced by Aarsleff's unexpected loss of DKK 72 million due to arbitration proceedings in connection with the construction of a biogas plant. EBIT before recognition of the arbitration loss was DKK 449 million (EBIT margin: 4.5%).

Operating profit (EBIT) of the third quarter amounted to DKK 168 million (EBIT margin: 4.6%) compared to DKK 165 million (EBIT margin: 5.0%) in the same period of last financial year.

The Construction segment generated third quarter results in line with expectations. Most of the projects progressed according to plan or better than planned. However, write-downs of approx. DKK 10 million were made on some projects in the Jutland-based part of Wicotec Kirkebjerg A/S's business. Also, Dan Jord A/S made a provision of approx. DKK 12 million for a loss-making landscaping service contract.

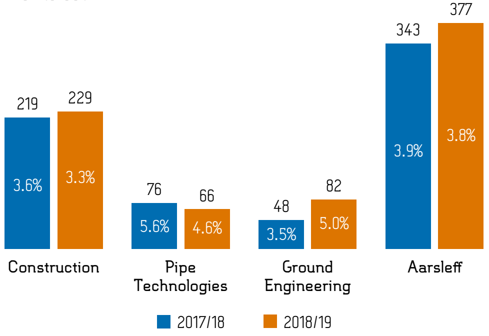
REVENUE

Year to date

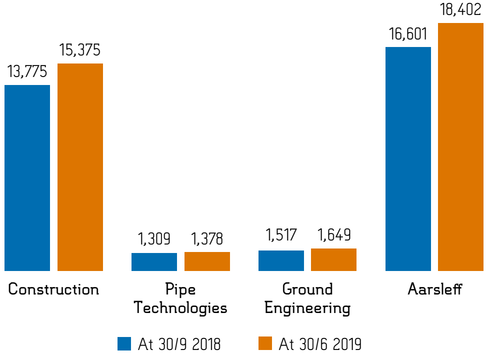


EBIT (MILLION) AND EBIT MARGIN (%)

Year to date



ORDER BACKLOG (MILLION)



The Ground Engineering segment generated third quarter results slightly above expectations. This is owing to a high level of activity in Denmark, e.g. on the ongoing harbour expansion projects and the large construction pit projects such as the construction of Danske Bank's new headquarters at the former post facility site in Copenhagen. In the UK, the market conditions remained difficult due to the uncertainty connected with Brexit, and in Poland the market was affected by a decrease in the demand for reinforced concrete piles.

The Pipe Technologies segment generated third quarter results in line with expectations.

Net financials came to a negative amount of DKK 21.1 million and were affected by the DKK 16 million payment of litigation interest in connection with the lost arbitration proceedings.

Consolidated profit after tax amounted to DKK 274 million in the first nine months of the financial year compared to a profit of DKK 247 million last financial year.

On 15 February 2019, Aarsleff signed an agreement to purchase the remaining 20% shares in Wicotec Kirkebjerg. According to the original purchasing agreement Aarsleff was to acquire the remaining shares in April 2021 but in connection with the change of management in Wicotec Kirkebjerg, it was considered most appropriate to settle the obligation at present. The acquisition price corresponds to the liability already recognised in the latest annual report.

In February 2019, the employees of the Danish part of the Group were once again offered to participate in an employee share programme. This was the second year of the programme out of the planned three years. The share programme is a matching shares programme where the participants by purchasing B shares in the company at their own cost (investment shares), subject to a three-year vesting period, will be entitled to receive one B share (matching share) in the company free of charge per acquired investment share (1:1). A total of 1,069 employees signed up for the programme in the second year. The costs are expected to amount to DKK 22.3 million and will be recognised as an expense over the three-year vesting period. The total costs of the employee share programme for the first two years will amount to DKK 11.3 million in the financial year 2018/19 and are included in the earnings expectations for the financial year.

ORDER BACKLOG

At 30 June 2019, the Group's order backlog amounted to DKK 18,402 million (30 September 2018: DKK 16,601 million). The order intake of the first nine months of the financial year amounted to DKK 11,796 million.

The order intake of the Construction segment for the first nine months of the financial year came to DKK 8,538 million, and at 30 June 2019 the order backlog amounted to DKK 15,375 million (30 September 2018: DKK 13,775 million) of which approx. DKK 2,351 million is expected to be carried out this financial year. In May, a contract was signed with the Danish Road Directorate to commence the work related to the construction of the new Natural History Museum of Denmark in Copenhagen. Estimated completion of the museum is at the turn of the year 2022/2023. In June, a contract was signed with Port of Skagen for the phase 3 expansion. The contract has a value of approx. DKK 500 million.

The order intake of the Pipe Technologies segment for the first nine months of the financial year came to DKK 1,505 million, and at 30 June 2019 the order backlog amounted to DKK 1,378 million (30 September 2018: DKK 1,309 million) of which approx. DKK 416 million is expected to be carried out this financial year.

The order intake of the Ground Engineering segment for the first nine months of the financial year came to DKK 1,753 million, and at 30 June 2019 the order backlog amounted to DKK 1,649 million (30 September 2018: DKK 1,517 million) of which approx. DKK 402 million is expected to be carried out this financial year.

BALANCE SHEET

The consolidated balance sheet total was DKK 8,263 million at 30 June 2019. This corresponds to an increase of DKK 410 million compared to the balance sheet total of DKK 7,853 million at the end of last financial year.

Contract work in progress, net increased by DKK 49 million in the first nine months of the financial year.

Consolidated interest-bearing liabilities less interest-bearing assets amounted to a net deposit of DKK 384 million against a net deposit of DKK 31 million at 30 September 2018. The net deposit increase is primarily attributable to the positive development of the company's working capital.

Equity amounted to DKK 3,059 million against DKK 2,895 million at the end of last financial year or 37% of the balance sheet total compared with 36.9% at the beginning of the financial year.

CASH FLOW STATEMENT

Cash flows from operating activities amounted to DKK 803 million compared to DKK 384 million in the same period of last financial year. The company's working capital amounted to a positive effect of DKK 248 million, primarily due to a significant decrease in receivables which were exceptionally high at the presentation of the latest annual report. As previously announced in the second quarter, cash flows from operating activities were significantly influenced by the payment of approx. DKK 88 million in connection with the arbitration loss.

Cash flows from investing activities came to a negative amount of DKK 645 million compared to a negative DKK 276 million in the same period of last financial year. The increase is owing to investments in a subsidiary made this financial year relating to the acquisition of the German company Neidhardt Grundbau and the purchase of the last 20% of the shares in Wicotec Kirkebjerg. Also, the portfolio of securities in the form of short-term mortgage credit bonds has been increased by DKK 223 million to allow for optimisation of the Group's cash management.

The company's outlook for investments of the year exclusive of acquisitions is unchanged at DKK 440 million.

Cash flows from financing activities amounted to a negative DKK 141 million compared to a negative DKK 90 million in the same period last financial year. In the second quarter, a net dividend of DKK 101.4 million was paid, and in the first quarter, an extraordinary payment on the long-term debt in our Icelandic company Ístak hf. was made due to the positive development in the company's liquidity.

Thus, the change in liquidity for the period was positive at DKK 17 million.

CONSTRUCTION – RESULTS IN LINE WITH EXPECTATIONS

Revenue for the first nine months of the financial year was DKK 6,938 million or 14.3% up on the same period of last financial year, of which 14.1% was organic growth. Revenue generated by the Danish operations was DKK 5,810 million or 9.5% up on the same period of last financial year. The foreign operations reported a revenue increase of 47.5% to DKK 1,128 million.

Segment results (EBIT) amounted to DKK 229 million (EBIT margin: 3.3%) compared to DKK 219 million (EBIT margin: 3.6%) last financial year and were in line with the most recently announced earnings expectations. EBIT before recognition of the previously mentioned arbitration loss was DKK 301 million (EBIT margin: 4.3%).

Per Aarsleff A/S reported results above expectations. The level of activity remained high, primarily within building activities in Greater Copenhagen and harbour expansions, and the projects progressed as planned. At the end of June, the new pier head for Port of Hanstholm was successfully installed. The 7,000-ton pier head was cast on a barge at Aarsleff's element factory in Swinoujscie in Poland and subsequently towed to Hanstholm.

Wicotec Kirkebjerg performed in line with expectations during the first nine months, however third quarter results were not satisfactory due to write-downs of a total of approx. DKK 10 million relating to projects in the Jutland-based part of the business. The focus on project management was maintained, including the collaboration regarding One Company building projects.

Hansson & Knudsen A/S was still challenged by the difficult market conditions primarily on Funen. The severe price competition affected revenue and results. The focus is on strengthening the project management qualifications.

Ístak hf. performed in line with expectations. However, there is a small setback within building activities resulting in a more intense price competition. However, this will partly be compensated for by an increasing level of activity within construction projects.

WHAT WE DO

http://www.aarsleff.com/references

There was a continued high level of activity within railway activities in the Aarsleff Rail Group.

In Dan Jord, a provision of approx. DKK 12 million was made for a loss-making landscaping service contract.

In March, Aarsleff entered into an agreement with Copenhagen Airport to design and plan the Terminal 3 expansion with a view to being involved in the project at an early stage. Aarsleff is currently involved in a number of similar projects in both Aarhus and Copenhagen.

For the full financial year 2018/19, the outlook is maintained for an EBIT margin slightly above 3%. Revenue expectations are changed to a growth of approx. 11% against previously approx. 7%.

REVENUE

6,938M

SEGMENT RESULTS (EBIT)

229M

EBIT MARGIN

3.3%

PIPE TECHNOLOGIES – RESULTS IN LINE WITH EXPECTATIONS

Revenue for the first nine months of the financial year was DKK 1,436 million or 4.9% up on last financial year. Revenue generated by the Danish operations increased by 2% to DKK 384 million. The foreign operations reported a revenue increase of 5.9% to DKK 1,052 million.

Segment results (EBIT) amounted to DKK 66 million (EBIT margin: 4.6%) compared to DKK 76 million (EBIT margin: 5.6%) last financial year. Results were in line with expectations.

The companies in Denmark and Norway performed in line with expectations, and the level of activity was stable. In Sweden, the level of activity has returned to a normal level, and third quarter results were in line with expectations, but the full-year results will be influenced by the unsatisfactory second quarter.

In Germany, there was a continued high level of activity, and earnings improved as a result of the initiatives launched to increase productivity at the construction sites and the focus on selective order acquisition in a market with an increasing number of invitations to tender.

The company in Russia generated results well below expectations, and the company is still loss-making. The level of activity will increase in the fourth quarter, and there are several projects in the pipeline to be executed in the next financial year

In Poland, results were in line with expectations, and the focus is on project execution.

The strategic partnership with the American company Hammerhead Trenchless progressed in line with expectations.

The outlook for the financial year 2018/19 is unchanged, corresponding to an EBIT margin of approx. 4.5% and revenue approx. 5% up on last financial year.

REVENUE

1,436M

SEGMENT RESULTS (EBIT)

66M

EBIT MARGIN

4.6%

WHAT WE DO

http://www.aarsleff.com/references

GROUND ENGINEERING – RESULTS SLIGHTLY ABOVE EXPECTATIONS

WHAT WE DO

http://www.aarsleff.com/references

Revenue for the first nine months of the financial year was DKK 1,621 million or 17.5% up on the same period of last financial year, of which 11.2% was organic growth. Revenue generated by the Danish operations increased by 52.1% to DKK 817 million. The foreign operations reported a revenue decline of 4.5% to DKK 804 million.

Segment results (EBIT) amounted to DKK 82 million (EBIT margin: 5%) compared to DKK 48 million (EBIT margin: 3.5%) last financial year and were slightly above expectations.

The Danish activities performed above expectations, and the large, ongoing projects comprising construction pits and harbour expansions progressed according to plan.

In Sweden, results were in line with expectations. The slowdown within housing projects continued; however, this was partly compensated for by the increasing activity within construction projects

The company in Poland performed well below expectations. The number of projects within standardised reinforced concrete piles continued to decrease, affecting the results of the pile factory as well as the ground engineering business. The decrease is expected to continue during the last quarter of the financial year.

In the UK, results remained unsatisfactory, and the company was loss-making. In the short term, the market will improve, and a positive operating profit is expected in the fourth quarter. However, there is generally high uncertainty in the market due to the approaching Brexit.

In Germany, the pile foundation activities continued to be loss-making as expected. Operating activities were positive in the third quarter of the financial year, but the order backlog to be executed in the fourth quarter is not satisfactory. However, tender opportunities are increasing.

The newly acquired company Neidhardt Grundbau performed above expectations, and the company has a satisfactory order backlog.

In July, Aarsleff signed a purchase agreement on the acquisition of all shares in the German company STB Wöltjen GmbH. The company has a revenue of DKK 45 million and specialises in drilled piles primarily in Germany. The acquisition of the company underpins our strategy for the Ground Engineering segment allowing us to complement our standardised reinforced concrete piles with piling activities.

The outlook for the financial year 2018/19 is unchanged, corresponding to an EBIT margin of approx. 4.5%. Revenue expectations are changed to a growth of approx. 13% against the previous announcement of approx. 10%.

REVENUE

1,621M

SEGMENT RESULTS (EBIT)

82M

EBIT MARGIN

5.0%

OUTLOOK FOR THE FINANCIAL YEAR 2018/19

We maintain our expectations for an EBIT in the range of DKK 480 million for the financial year. Revenue expectations are changed to a growth of approx. 10% against previously approx. 7%.

The expectations for the future financial performance are subject to uncertainties and risks that may cause the performance to differ from the expectations. Significant commercial risks are described in Commercial risk assessment of the 2017/18 annual report and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

COMPANY ANNOUNCEMENTS

20 December 2018	Annual report for 2017/18
9 January 2019	Notice convening the Annual General Meeting 2019
16 January 2019	Aarsleff adjusts expectations downwards after unexpected arbitration award
31 January 2019	Annual General Meeting in Per Aarsleff Holding A/S
26 February 2019	Interim financial report for the period 1 October-31 December 2018
19 March 2019	Aarsleff to build Denmark's tallest building
27 May 2019	Interim financial report for the period 1 October 2018-31 March 2019

READ THE COMPANY ANNOUNCEMENTS

http://www.aarsleff.com/ext-uk/investor/company-announcements

MANAGEMENT'S STATEMENT

Today, the Board of Directors and Executive Management have discussed and approved the interim financial report of Per Aarsleff Holding A/S for the period 1 October 2018-30 June 2019.

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim financial reports of listed companies.

The interim financial report has not been audited or reviewed by the company's auditor.

We consider the accounting policies used to be appropriate. Accordingly, the interim financial report gives a true and fair view of the financial position at 30 June 2019 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October 2018-30 June 2019.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Viby J, 27 August 2019

EXECUTIVE MANAGEMENT

JESPER KRISTIAN JACOBSEN
CEO

LARS M. CARLSEN
Deputy CEO

MOGENS VEDEL HESTBÆK
Group CFO

BOARD OF DIRECTORS

ANDREAS LUNDBY
Chairman of the Board

JENS BJERG SØRENSEN
Deputy Chairman

PETER ARNDRUP POULSEN
Board Member

CHARLOTTE STRAND
Board Member

BJARNE MOLTKE HANSEN
Board Member

INCOME STATEMENT

(tDKK)	April quarter 2018/19	April quarter 2017/18	Nine months 2018/19	Nine months 2017/18
Revenue	**3,620,938**	**3,286,677**	**9,995,369**	**8,819,155**
Production costs	-3,213,633	-2,902,137	-8,922,296	-7,794,516
Gross profit	**407,305**	**384,540**	**1,073,073**	**1,024,639**
Administrative expenses and selling costs	-239,588	-219,516	-697,428	-681,246
Other operating income and expenses	-999	-118	-1,687	-4
Profit/loss in associates and joint ventures	1,535	-58	3,145	-579
Operating profit (EBIT)	**168,253**	**164,848**	**377,103**	**342,810**
Net financials	-3,404	-11,070	-21,147	-21,310
Profit before tax	**164,849**	**153,778**	**355,956**	**321,500**
Tax on profit for the period	-34,569	-32,835	-81,566	-74,062
Profit after tax	**130,280**	**120,943**	**274,390**	**247,438**
Earnings per share (DKK)	6.43	5.93	13.53	12.12
Diluted earnings per share	6.23	5.93	13.15	12.12

STATEMENT OF COMPREHENSIVE INCOME

(tDKK)	April quarter 2018/19	April quarter 2017/18	Nine months 2018/19	Nine months 2017/18
Profit after tax	**130,280**	**120,943**	**274,390**	**247,438**
Items that may become reclassified to the income statement				
Foreign exchange adjustment on translation of foreign entities	-6,658	-9,000	-15,754	-14,231
Fair value adjustments of derivative financial instruments, net	4,065	-11,437	-1,275	-18,967
Tax on other comprehensive income	-675	2,346	318	3,869
Other comprehensive income recognised directly in equity	-3,268	-18,091	-16,711	-29,329
Total comprehensive income	**127,012**	**102,852**	**257,679**	**218,109**
Comprehensive income is attributable to				
Per Aarsleff Holding A/S shareholders	127,142	102,791	257,662	217,786
Minority shareholders	-130	61	17	323
Total	**127,012**	**102,852**	**257,679**	**218,109**

BALANCE SHEET

(tDKK)	30/06 2019	30/9 2018	30/06 2018
ASSETS			
Goodwill	267,623	267,623	275,085
Patents and other intangible assets	90,641	114,035	116,058
Land and buildings	845,219	840,895	844,594
Plant and machinery	1,289,174	1,281,766	1,243,289
Other fixtures and fittings, tools and equipment	130,634	127,323	114,110
Property, plant and equipment in progress	73,864	36,144	60,759
Other non-current assets	12,613	15,610	24,110
Non-current assets	**2,709,768**	**2,683,396**	**2,678,005**
Inventories	293,241	280,500	271,114
Contracting debtors	2,852,832	3,094,457	2,780,730
Work in progress	1,087,170	1,011,008	981,616
Other receivables	189,847	150,774	169,236
Securities	415,390	190,146	173,120
Cash and cash equivalents	714,466	442,592	266,416
Currents assets	**5,552,946**	**5,169,477**	**4,642,232**
Total assets	**8,262,714**	**7,852,873**	**7,320,237**

(tDKK)	30/06 2019	30/9 2018	30/06 2018
EQUITY AND LIABILITIES			
Equity, shareholders of Per Aarsleff Holding A/S	3,051,351	2,887,716	2,826,312
Minority interests' share of equity	7,450	7,426	6,617
Equity	**3,058,801**	**2,895,142**	**2,832,929**
Mortgage debt and credit institutions	131,482	167,330	174,045
Provisions	44,655	66,124	75,071
Other payables	0	64,549	129,896
Deferred tax	455,876	444,705	388,615
Non-current liabilities	**632,013**	**742,708**	**767,627**
Mortgage debt and credit institutions	549,870	299,205	355,704
Work in progress	1,189,381	1,162,062	858,410
Trade payables	1,803,254	1,785,192	1,607,849
Other payables	1,029,395	968,564	897,718
Current liabilities	**4,571,900**	**4,215,023**	**3,719,681**
Total liabilities	**5,203,913**	**4,957,731**	**4,487,308**
Total equity and liabilities	**8,262,714**	**7,852,873**	**7,320,237**

CASH FLOW STATEMENT

(tDKK)	Nine months 2018/19	Nine months 2017/18
Cash flow generated from operations		
Operating profit (EBIT)	377,103	342,810
Depreciation, amortisation and impairment losses, intangible assets	28,107	15,687
Depreciation, amortisation and impairment losses, property, plant and equipment	288,885	268,500
Other adjustments	-46,415	-21,801
Change in working capital	247,920	-43,888
Net financials	-21,147	-21,310
Tax paid	-71,522	-155,825
Cash flow from operating activities	**802,931**	**384,173**
Cash flow generated from investments		
Acquisitions	-113,458	-18,954
Securities	-223,316	24,692
Net investment in property, plant and equipment and intangible assets	-307,919	-281,349
Cash flow from investing activities	**-644,693**	**-275,611**
Non-current liabilities	-39,397	-8,873
Dividend paid	-101,403	-81,540
Cash flow from financing activities	**-140,800**	**-90,413**
Change in cash flows for the period	**17,438**	**18,149**
Cash and cash equivalents at the beginning of the year	160,558	-90,203
Change in cash and cash equivalents for the period	17,438	18,149
Closing cash and cash equivalents	**177,996**	**-72,054**

NET INTEREST-BEARING DEBT

(tDKK)	30/06 2019	30/06 2018
Cash and cash equivalents	714,466	266,416
Securities	415,390	173,120
Total interest-bearing assets	**1,129,856**	**439,536**
Mortgage debt and credit institutions	681,352	529,749
Other long-term debt	0	129,896
Other short-term debt	64,792	0
Total interest-bearing liabilities	**746,144**	**659,645**
Net interest-bearing debt	**-383,712**	**220,109**

STATEMENT OF CHANGES IN EQUITY

(tDKK)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total, Per Aarsleff Holding A/S shareholders	Minority shareholders	Total
Equity at 1 October 2017	**45,300**	**-70,511**	**20,781**	**2,601,936**	**90,600**	**2,688,106**	**7,067**	**2,695,173**
Comprehensive income								
Profit for the period				247,115		247,115	323	247,438
Other comprehensive income								
Foreign exchange adjustment of foreign entities		-14,231				-14,231		-14,231
Fair value adjustments of derivative financial instruments			-18,967			-18,967		-18,967
Tax on derivative financial instruments			3,869			3,869		3,869
Total other comprehensive income	0	-14,231	-15,098	0	0	-29,329	0	-29,329
Total comprehensive income	**0**	**-14,231**	**-15,098**	**247,115**	**0**	**217,786**	**323**	**218,109**
Transactions with owners								
Employee share programme				1,960		1,960		1,960
Dividend paid					-90,600	-90,600		-90,600
Dividend, treasury shares				9,060		9,060		9,060
Dividend, minority shareholders							-773	-773
Total transactions with owners				**11,020**	**-90,600**	**-79,580**	**-773**	**-80,353**
Equity at 30 June 2018	**45,300**	**-84,742**	**5,683**	**2,860,071**	**0**	**2,826,312**	**6,617**	**2,832,929**
Equity at 1 October 2018	**45,300**	**-85,443**	**2,968**	**2,815,541**	**113,250**	**2,891,616**	**7,426**	**2,899,042**
Adjustment, at the beginning of the year				-3,900		-3,900		-3,900
Adjusted equity at 1 October 2018	**45,300**	**-85,443**	**2,968**	**2,811,641**	**113,250**	**2,887,716**	**7,426**	**2,895,142**
Comprehensive income								
Profit for the period				274,373		274,373	17	274,390
Other comprehensive income								
Foreign exchange adjustment of foreign entities		-15,761				-15,761	7	-15,754
Fair value adjustments of derivative financial instruments			-1,275			-1,275		-1,275
Tax on derivative financial instruments			318			318		318
Total other comprensive income	0	-15,761	-957	0	0	-16,718	7	-16,711
Total comprehensive income	**0**	**-15,761**	**-957**	**274,373**	**0**	**257,655**	**24**	**257,679**
Transations with owners								
Employee share programme				7,383		7,383		7,383
Dividend paid					-113,250	-113,250		-113,250
Dividend, treasury shares				11,847		11,847		11,847
Total transactions with owners	**0**	**0**	**0**	**19,230**	**-113,250**	**-94,020**	**0**	**-94,020**
Equity at 30 June 2019	**45,300**	**-101,204**	**2,011**	**3,105,244**	**0**	**3,051,351**	**7,450**	**3,058,801**

NOTES

NOTE 1 – SEGMENT INFORMATION

Amounts in mDKK	Contruction		Pipe Technologies		Ground Engineering		Total	
	9 mths. 2018/19	9 mths. 2017/18	9 mths. 2018/19	9 mths. 2017/18	9 mths. 2018/19	9 mths. 2017/18	9 mths. 2018/19	9 mths. 2017/18
Segment revenue	7,050	6,115	1,441	1,373	1,649	1,399	10,140	8,887
Internal revenue	-112	-44	-5	-4	-28	-20	-145	-68
Revenue	**6,938**	**6,071**	**1,436**	**1,369**	**1,621**	**1,379**	**9,995**	**8,819**
Of this, work performed abroad	1,128	765	1,052	993	804	842	2,984	2,600
Operating profit (EBIT)	**229**	**219**	**66**	**76**	**82**	**48**	**377**	**343**
Net financials							-21	-21
Profit before tax							**356**	**322**
EBIT margin, %	3.3	3.6	4.6	5.6	5.0	3.5	3.8	3.9
Number of employees	4,543	4,401	1,011	974	1,152	1,084	6,706	6,459

NOTE 2 – ALLOCATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

(tDKK)	Nine months 2018/19	2017/18
Danish operations		
Sale of goods	182,197	135,460
Construction contracts*	6,829,489	6,083,856
Total Danish operations	**7,011,686**	**6,219,316**
Foreign operations		
Sale of goods	142,215	133,338
Construction contracts*	2,841,468	2,466,501
Total foreign operations	**2,983,683**	**2,599,839**
Total		
Sale of goods	324,412	268,798
Construction contracts*	9,670,957	8,550,357
Total	**9,995,369**	**8,819,155**

*Construction contracts are recognised over time

NOTES

NOTE 3 – ACCOUNTING POLICIES

The interim financial report covering the first nine months of the financial year 2018/19 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and additional Danish disclosure requirements for interim financial reports of listed companies.

No interim financial report has been prepared for the parent company.

The accounting policies of the interim financial report remain unchanged from the 2017/18 Annual Report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, except for the implementation of IFRS 15 “Revenue from contracts with customers” and IFRS 9 “Financial instruments, recognition and measurement”. See the description below.

The interim financial report is presented in Danish kroner (DKK) which is the parent company’s functional currency.

IFRS 9 ”FINANCIAL INSTRUMENTS, RECOGNITION AND MEASUREMENT”

IFRS 9 is a new standard on financial instruments replacing IAS 39. It provides new guidance on hedge accounting. Finally, the standard introduces an expected loss model for impairment losses on receivables. Aarsleff has implemented IFRS 9 retrospectively, however, the accumulated effect of the amendment has been recognised in retained earnings in equity at 1 October 2018 with no restatement of comparative figures, meaning that IFRS 9 has no effect on results and equity. Aarsleff has analysed existing financial instruments in the context of the new standard, and implementing the standard is not expected to materially affect the Group’s financial reporting.

IFRS 15 ”REVENUE FROM CONTRACTS WITH CUSTOMERS”

The standard replaces the existing revenue standards (IAS 11 and IAS 18) and related interpretations. The standard introduces a new five-step approach to revenue recognition and measurement, under which revenue is recognised in step with the transfer of the control of the performance obligations to the counterparty. The performance obligation is recognised either over time or at a specific point in time.

A performance obligation is considered satisfied over time when control of the asset is transferred to the customer. Aarsleff’s construction contracts fall essentially within this category and consequently they are recognised over time.

The standard’s guidance on identification of separate performance obligations and constraint on the recognition of variable consideration may change the timing of revenue recognition of construction contracts, including the recognition of extra work, variations and claims. At the time of transition, however, no differences regarding existing contracts have been identified.

In many instances, Aarsleff incurs costs when signing of new contracts, including costs related to submission of tenders. Some of these costs have previously been recognised as contract costs and do not comply with the requirements of IFRS 15 on recognition of assets. At the time of transition, the amendment involves a reduction of equity of DKK 2.1 million at 1 October 2018.

In connection with the execution of construction contracts, Aarsleff incurs costs that are necessary for the performance of the contract. These may include mobilisation costs and the set-up of necessary temporary facilities. These costs have previously been recognised as contract costs. According to IFRS 15 such costs should under certain circumstances be recognised as an asset and amortised over the contract period. At the time of transition, the amendment involves a reduction of equity of DKK 1.8 million at 1 October 2018.

Aarsleff has applied the prospective transitional provisions under which the accumulated change of IFRS 15 has been recognised in equity at 1 October 2018 with no restatement of comparative figures for the financial year 2017/18. The implementation of IFRS 15 has resulted in a total reduction of equity of DKK 3.9 million at the time of transition.

NOTES

NOTE 3 – ACCOUNTING POLICIES

BALANCE SHEET AT 1 OCTOBER 2018

(tDKK)	Previous accounting policy	Effect of IFRS 15	New accounting policy
Non-current assets	**2,683,396**		**2,683,396**
Inventories	**280,500**		**280,500**
Receivables	**4,256,239**		**4,256,239**
Securities	**190,146**		**190,146**
Cash and cash equivalents	**442,592**		**442,592**
Current assets	**5,169,477**		**5,169,477**
Total assets	**7,852,873**		**7,852,873**

(tDKK)	Previous accounting policy	Effect of IFRS 15	New accounting-policy
Equity	2,899,042	-3,900	2,895,142
Mortgage debt	159,243		159,243
Credit institutions	8,087		8,087
Provisions	66,124		66,124
Deferred tax	445,805	-1,100	444,705
Other payables	64,549		64,549
Non-current liabilities	**743,808**		**742,708**
Mortgage debt	17,171		17,171
Credit institutions	282,034		282,034
Work in progress	1,157,062	5,000	1,162,062
Provisions	60,853		60,853
Trade payables	1,785,192		1,785,192
Income tax payable	69,268		69,268
Other payables	838,443		838,443
Current liabilities	**4,210,023**		**4,215,023**
Total liabilities	**4,953,831**		**4,957,731**
Total equity and liabilities	**7,852,873**		**7,852,873**

The effect of the first nine months of 2018/19 on income statement, statement of comprehensive income and earnings per share is insignificant.