

Interim Financial Report

1 October to 31 December 2016

Investor relations presentation Q1

Aarsleff Group 2016/2017 Q1

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Aarsleff Group 2016/2017 Q1

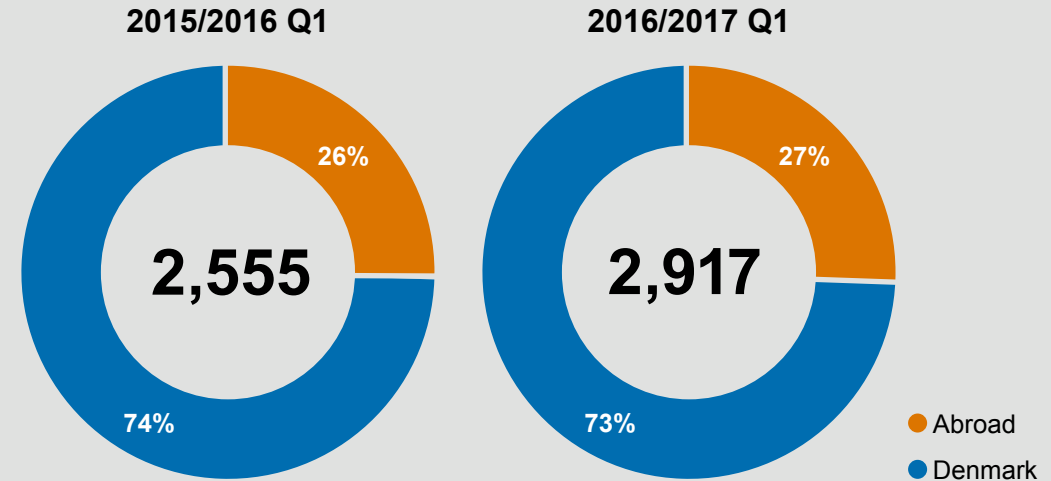


Aarsleff Group 2016/2017 Q1

Group



mDKK	2015/16 Q1	2016/17 Q1
Revenue	2,555	2,917
EBIT	123	103
EBIT, %	4.8%	3.5%
Number of employees	5,364	6,056



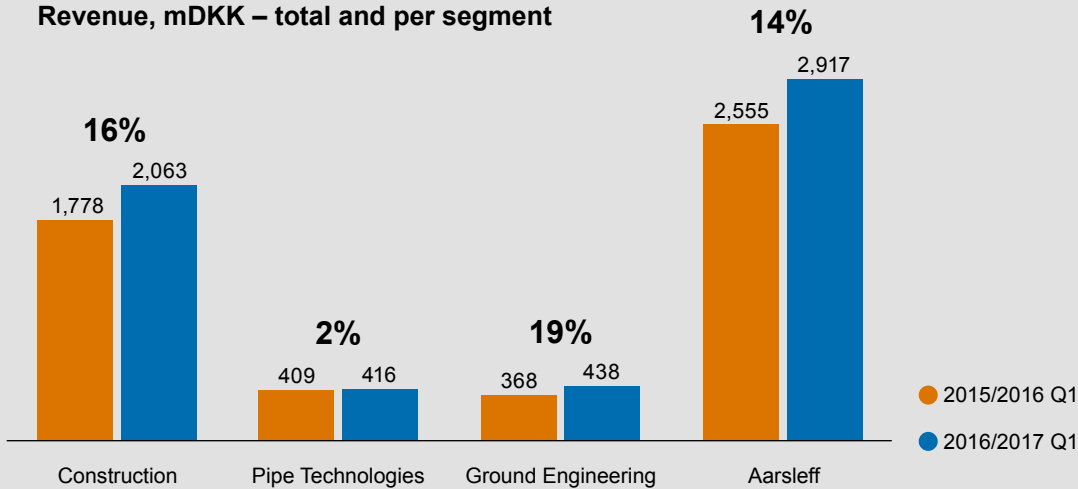
- Total growth of the Group came to 14%
- Our Danish operations reported growth of 14%, and our foreign operations reported a 15% revenue increase
- Profit after tax was DKK 74 million compared with DKK 90 million last financial year
- Operating profit (EBIT) came to DKK 103 million compared to DKK 123 million in the first quarter of last financial year. Results are in line with expectations
- The period includes profit of DKK 9.6 million from the sale of Aarsleff's former main office

Aarsleff Group 2016/2017 Q1

Revenue



Revenue, mDKK – total and per segment



- First quarter revenue in Hansson & Knudsen A/S came to DKK 216 million. The company was included in the Aarsleff Group from January 2016 and is thus not included in the first quarter of the financial year 2015/2016
- Revenue exclusive of acquired companies increased by 6% in the Group and 4% in Construction

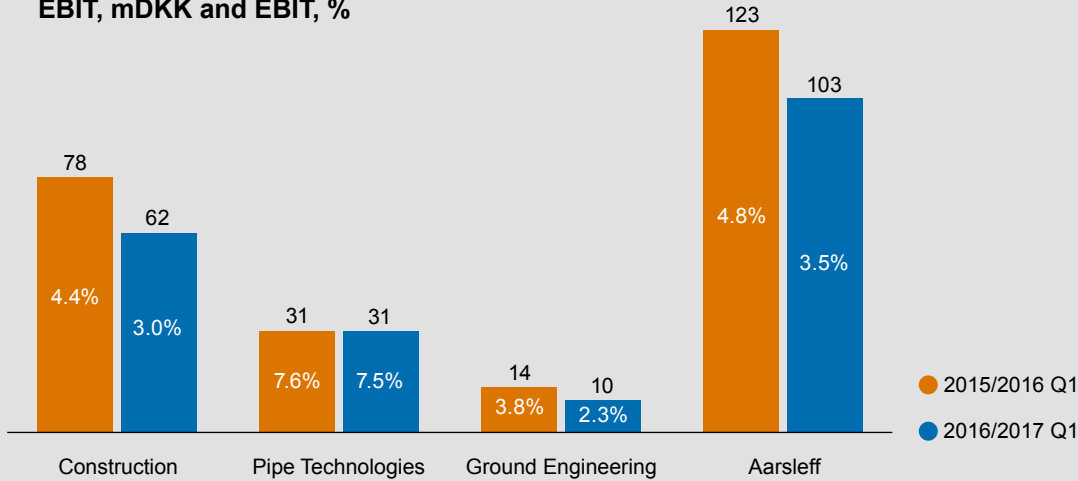


Aarsleff Group 2016/2017 Q1

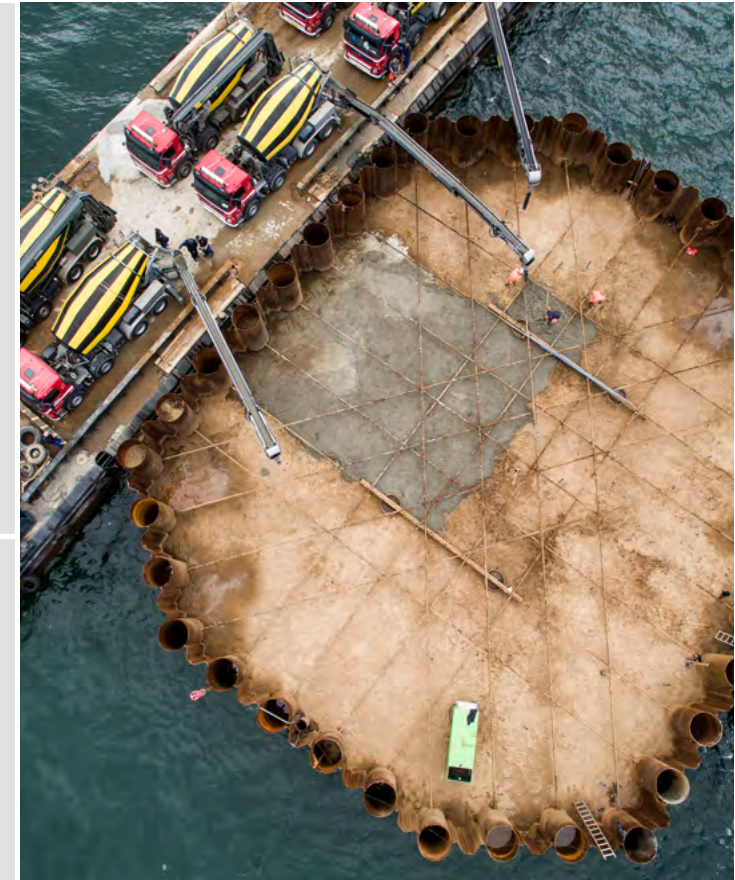
Revenue



EBIT, mDKK and EBIT, %

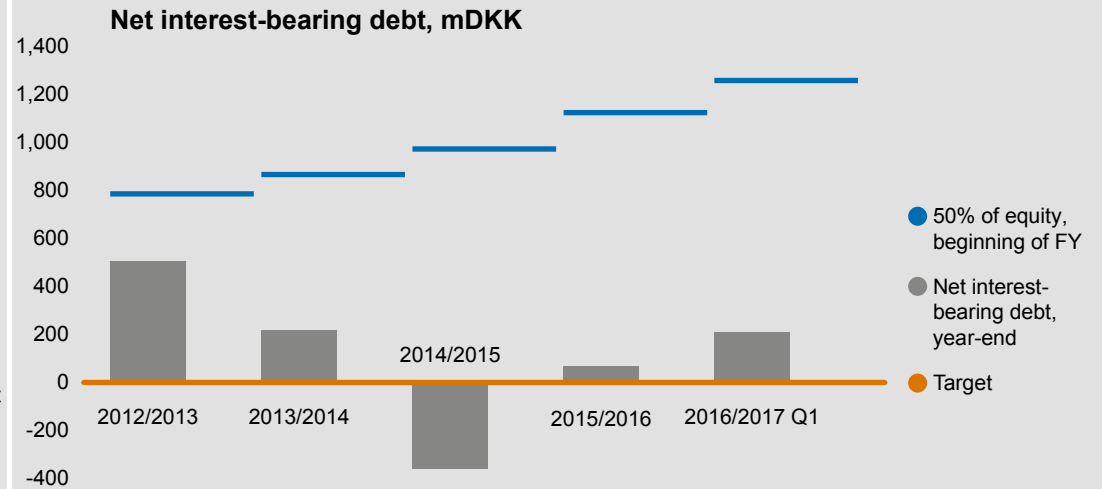
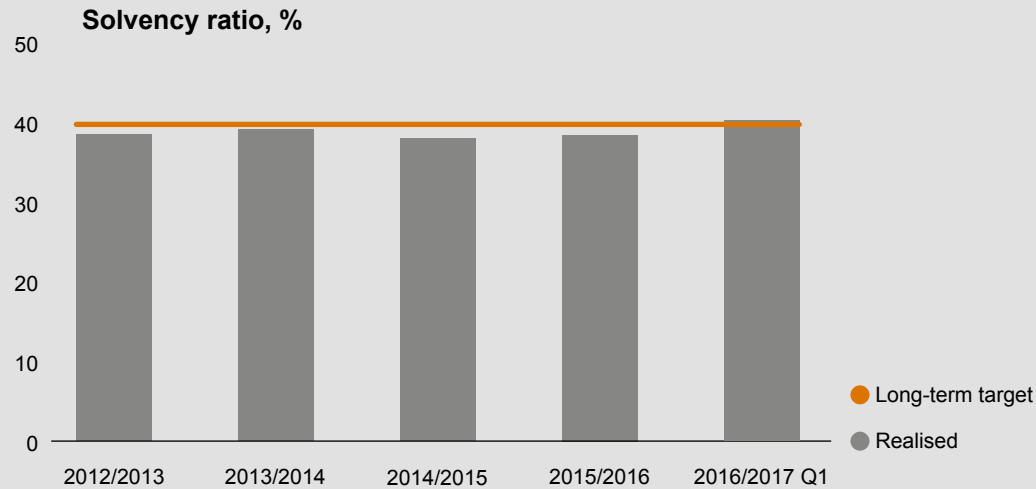


- Profit ratio (before tax) was 3.4% compared to 4.7% last financial year
- Administrative expenses and selling costs came to 7.7% of revenue, in line with the level of last financial year



Aarsleff Group 2016/2017 Q1

Investments, solvency ratio, cash flows and financial resources



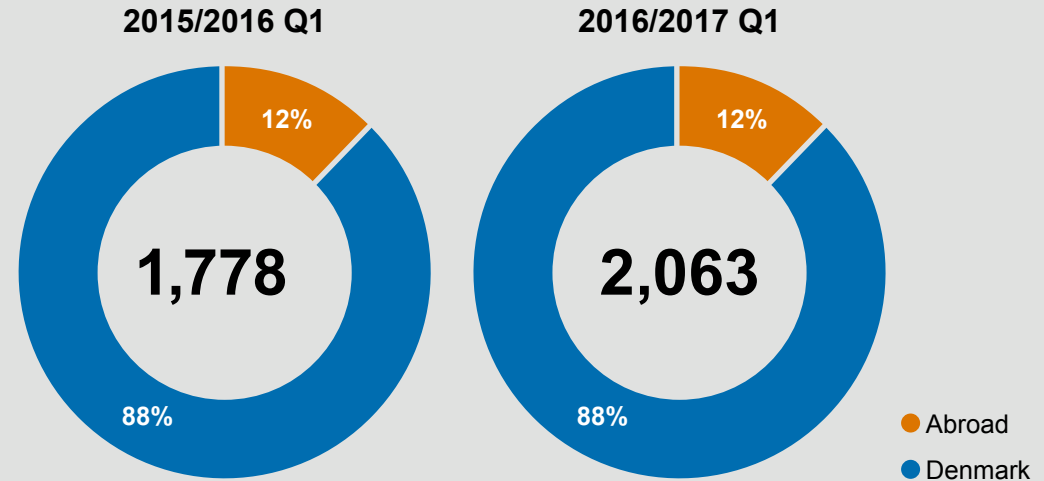
- Equity ratio is 40.5% against 38.3% at the beginning of the financial year
- The Group's net interest-bearing debt is DKK 205 million against a net debt of DKK 61 million at the beginning of the financial year
- Contract work in progress, net increased by DKK 142 million in the first quarter

Aarsleff Group 2016/2017 Q1

The Construction segment



mDKK	2015/2016 Q1	2016/2017 Q1
Revenue	1,778	2,063
EBIT	78	62
EBIT, %	4.4%	3.0%
Number of employees	3,682	4,346



- Total growth of 16%: 15% increase in the Danish operations and a 23% revenue increase in the foreign operations
- Results are in line with expectations
- Increased tender costs due to exceptionally large tenders with extended preparation periods

- Per Aarsleff A/S performed above expectations at the beginning of the financial year. Single construction projects have been completed with results above expectations
- Overall, the results of Construction's other companies fell short of expectations at the beginning of the financial year. The performance of Wicotec Kirkebjerg A/S

is significantly below expectations due to impairment of some large projects

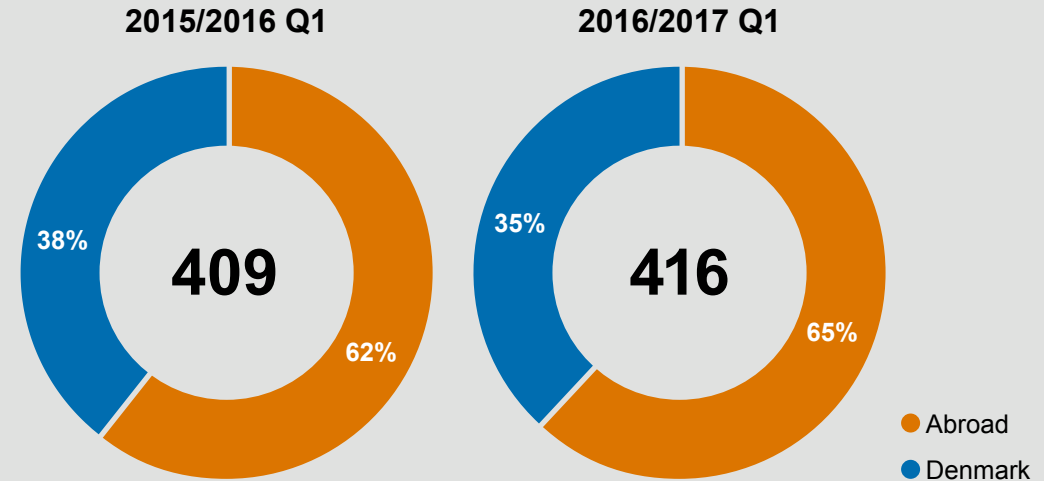
- Hansson & Knudsen A/S and Ístak hf. performed in line with expectations

Aarsleff Group 2016/2017 Q1

The Pipe Technologies segment



mDKK	2015/2016 Q1	2016/2017 Q1
Revenue	409	416
EBIT	31	31
EBIT, %	7.6%	7.5%
Number of employees	802	776



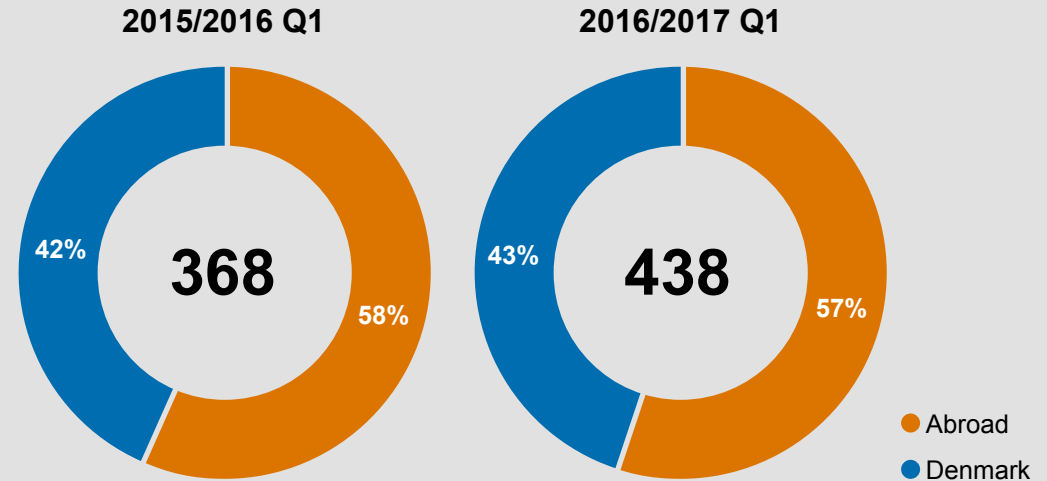
- Total revenue growth of 2%: 6% decrease in the Danish operations and a 7% revenue increase in the foreign operations
- Results exceeded expectations
- The first quarter of the financial year is Pipe Technologies' peak season
- In Denmark, the level of activity of the municipal utility companies and the housing and industry segments exceeded expectations, and therefore the contribution to results was higher
- The total performance of the foreign companies was in line with expectations

Aarsleff Group 2016/2017 Q1

The Ground Engineering segment



mDKK	2015/2016 Q1	2016/2017 Q1
Revenue	368	438
EBIT	14	10
EBIT, %	3.8%	2.3%
Number of employees	880	934



- Total growth of 19%: 21% increase in the Danish operations and an 18% revenue increase in the foreign operations
- Results fell short of expectations
- Results of the Danish operations are in line with expectations

- Total results of the foreign companies fell short of expectations
- The activities in Poland are loss-making. The market conditions continue to be very difficult, and capacity adjustments plans have been initiated

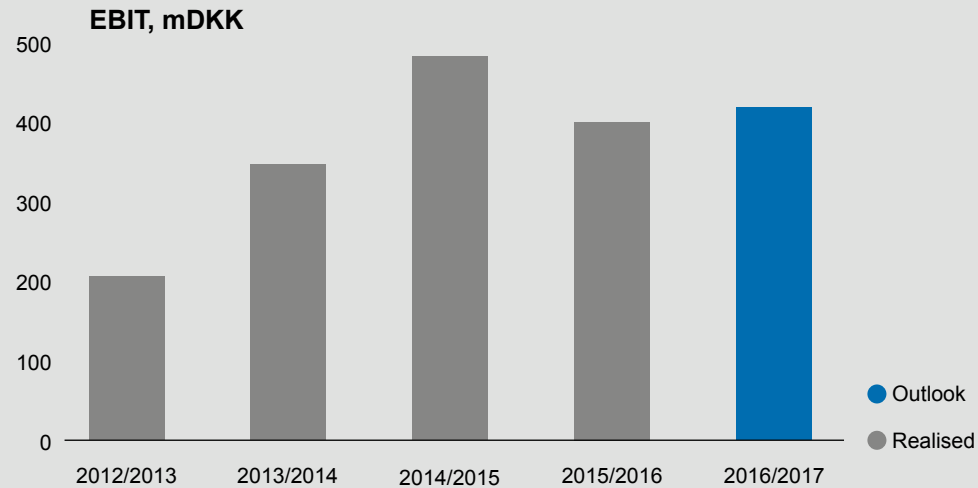
- In the UK, first quarter revenue was high, primarily due to a single, major project which was won with a relatively low margin level for the segment.

The future financial year 2016/2017

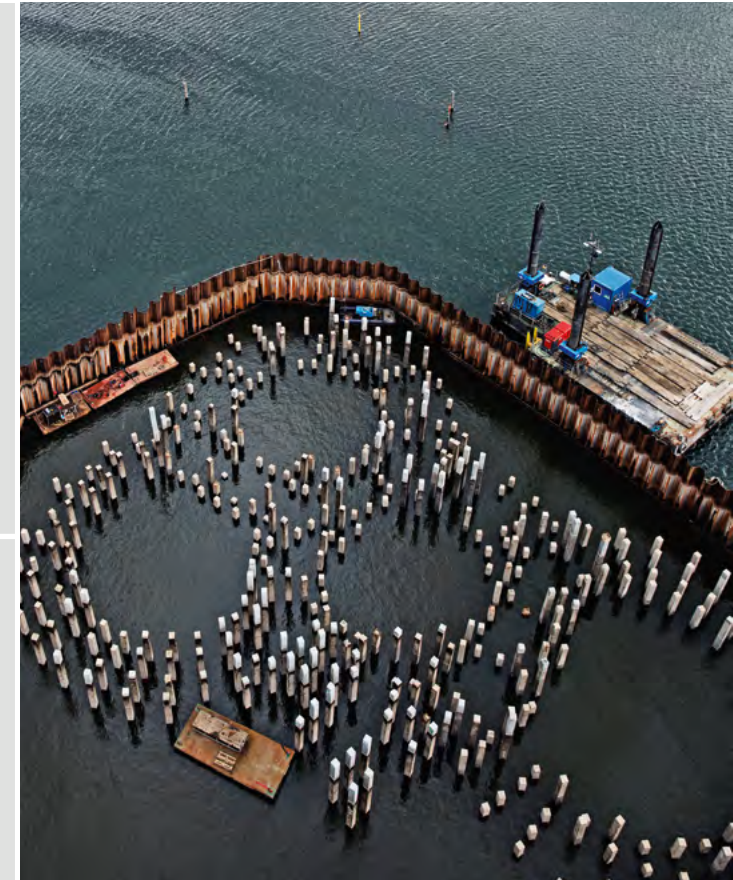


The future financial year 2016/2017

Group

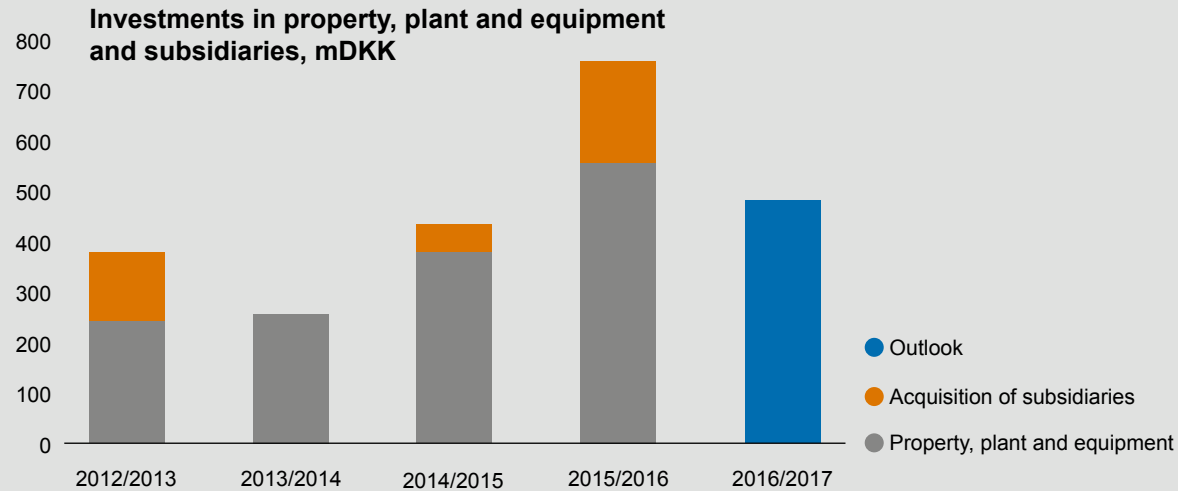


- The Group as a whole expects the level of activity to be approx. 5% higher compared with 2015/2016
- EBIT is expected to amount to DKK 430 million

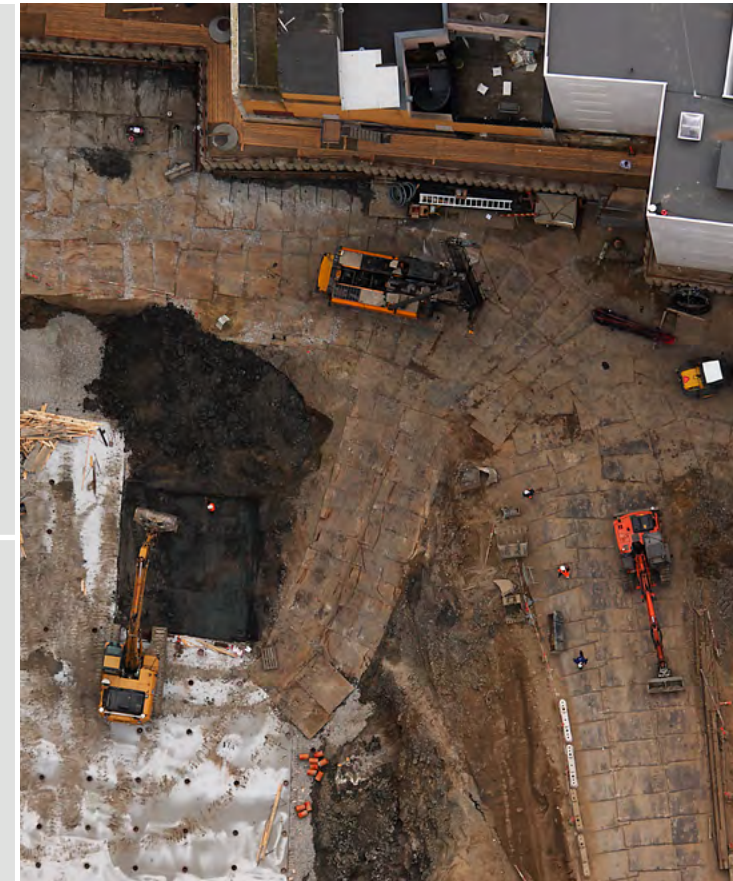


The future financial year 2016/2017

Group

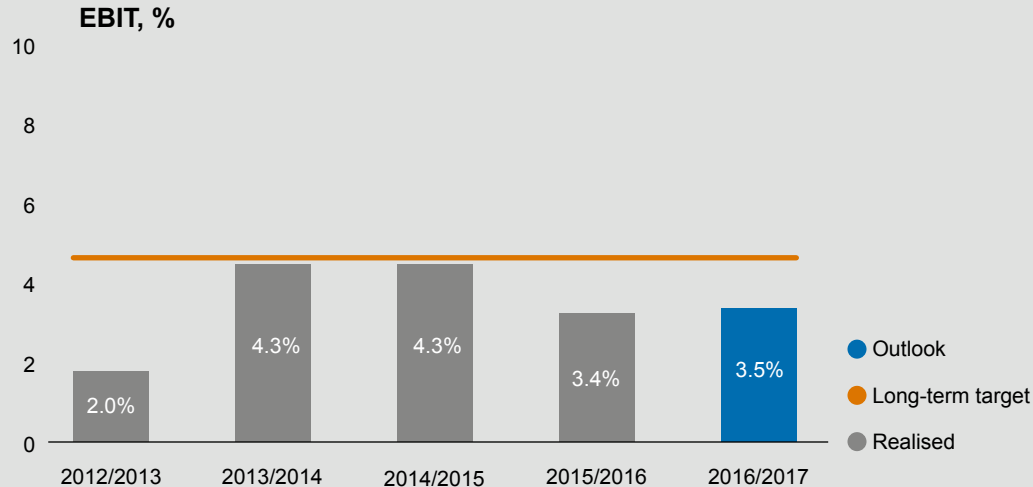


- Investments are expected to amount to approx. DKK 500 million and are inclusive of Aarsleff's new office building in the southern part of Aarhus and acquisition of equipment for the project concerning electrification of the Danish railway, a total of approx. DKK 120 million



The future financial year 2016/2017

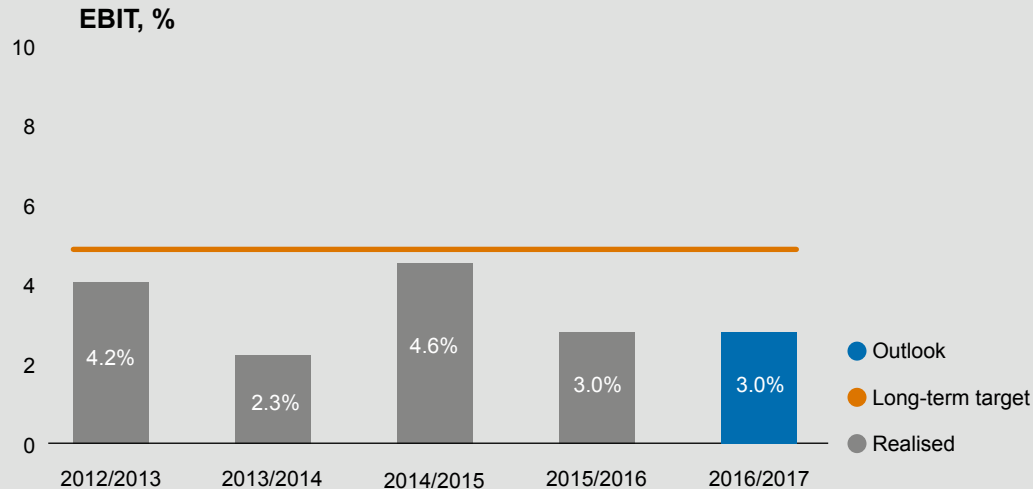
Construction



- A level of activity which is 5% higher
- The civil engineering market in Denmark is still stable, even though there is a small setback in some areas
- There is a high level of activity within new construction as well as building renovation in Denmark
- Even though activities will still be affected by the delay of major infrastructure projects, the level of activity is still expected to increase, among other things due to a full inclusion in the financial year of Hansson & Knudsen A/S
- EBIT will continue to be affected by high tender costs for exceptionally large tenders with extended preparation periods
- The integration of the acquired companies will continue to increase the earnings contribution
- Level of activity and earnings in connection with large projects abroad are expected to be relatively low due to a reduced number of ongoing projects
- EBIT margin of approx. 3.5%

The future financial year 2016/2017

Pipe Technologies



- A level of activity which is 5% higher
- Pipe Technologies' market potential in Denmark is closely connected to the utility companies' investment level which is expected to be unchanged
- The difficult market conditions in Poland, the Baltic countries and Russia are expected to continue, and the

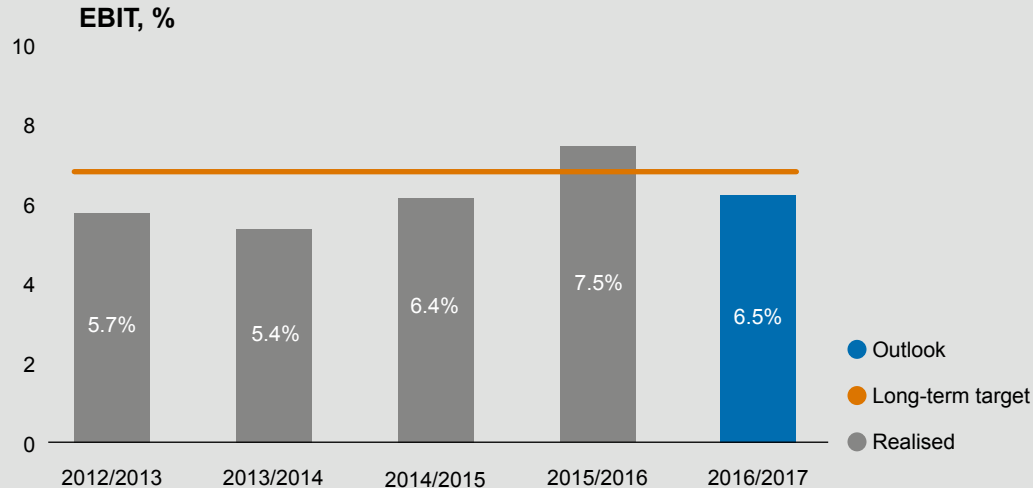
companies are not expected to contribute significantly to results in spite of the initiated capacity adjustments

- The implementation of sewer pipe renewal with our internally developed glass liner is continued gradually and expected to contribute to increased earnings over time
- EBIT margin of approx. 3%



The future financial year 2016/2017

Ground Engineering



- A level of activity which is 10% higher
- Ground Engineering has good market potential in a stable civil engineering market in Denmark, e.g. in One Company projects with Construction
- The potential on the segment's foreign markets in Sweden, the UK, Poland and Germany is expected to be positive

- In 2015/2016, the segment benefitted from an exceptionally high level of demand on the Danish market. However, in the future financial year, we expect the demand to normalise, but to remain at a high level
- The production launch in the new pile factory in Germany and the integration of the activities into the Ground Engineering segment's total activities will

continue in the financial year with an expected earnings growth in the future years

- EBIT margin of approx. 6.5%

Long-term financial targets



Long-term financial targets

Attractive and stable return on equity, significant financial resources and a high solvency ratio



	Financial year 2015/2016	Outlook for 2016/2017	Long-term financial targets
EBIT, %			
Construction	3.4%	3.5%	4.5%
Pipe Technologies	3.0%	3.0%	5.0%
Ground Engineering	7.5%	6.5%	7.0%
The Aarsleff Group	4.0%	4.0%	Approx. 5%
Profit share (Payout ratio)	27%	-	20-30%
Equity ratio of the balance sheet (solvency ratio)	38.3%	-	Approx. 40%
Net interest-bearing debt (measured as average per quarter)	DKK 90 million net deposit	-	DKK 0 million net debt
Return on equity (ROE)	12.7%	-	Minimum 12% per year

Long-term financial targets

Growth and development



- Growth takes place through a combination of organic growth, acquisition of specialist contracting expertise and with a focus on profitability
- In Construction, we are making the most of the current market potential while considering our policy of selective order intake
- Within the industrial segments Pipe Technologies and Ground Engineering, our growth target is between 5% and 10% per year with the focus on international growth

Financial calendar



Financial calendar



22 May 2017

Interim financial report for the period 1 October 2016-31 March 2017

28 August 2017

Interim financial report for the period 1 October 2016-30 June 2017

21 December 2017

Preliminary announcement of financial statements for the financial year 2016/2017