



AARSLEFF

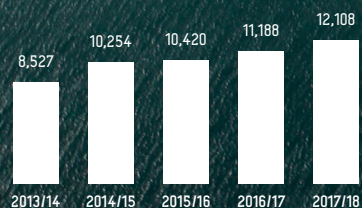
INVESTOR RELATIONS PRESENTATION 2017/18

THE YEAR IN FIGURES

REVENUE

12,108M

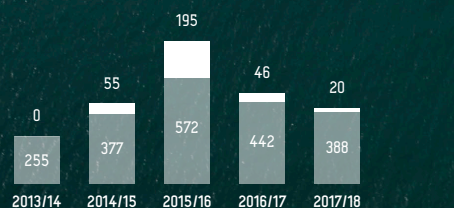
Revenue increased by 8.2%, of which 6.2% was organic growth. Revenue increased in all three segments. In Pipe Technologies, revenue growth is primarily attributable to the acquisition of the Norwegian company Olimb. In Ground Engineering, revenue growth is a result of a high level of activity in Poland and growth in the Danish activities, while revenue growth in Construction is related to the high level of activity within harbour expansions.



INVESTMENTS

408M

The most significant investments of the year comprise acquisition of equipment for the execution of the large harbour projects. The investment level is below expectations as several of the planned investments are deferred to the next financial year.

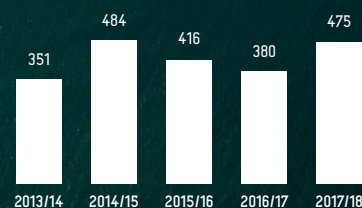


■ Acquisition of companies ■ Property, plant and equipment

EBIT

475M

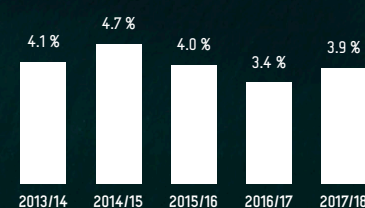
Due to a high level of activity Construction performed above expectations. Pipe Technologies performed in line with expectations, while Ground Engineering delivered results below expectations due to an unsatisfactory performance of the company in Germany.



EBIT MARGIN

3.9%

The EBIT margin develops positively in line with expectations. The EBIT margin target is 5%.

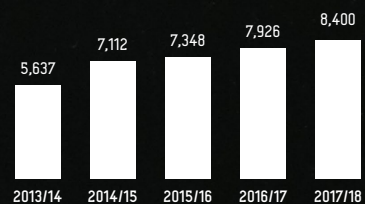


CONSTRUCTION

REVENUE

8,400M

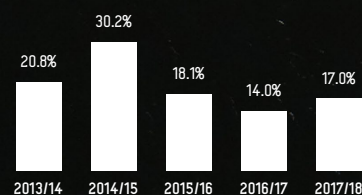
Revenue increased by 6%, of which 5.1% was organic growth. There was a high level of activity in Denmark, especially within harbour expansion as well as building construction in Greater Copenhagen. The foreign operations reported a revenue increase of 0.6% to DKK 1,074 million.



ROIC (AFTER TAX)

17.0%

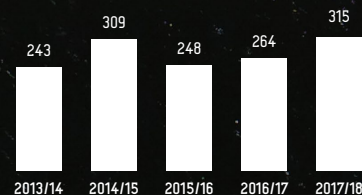
ROIC is above the 12% Group target. Construction is characterised by investments being below Pipe Technologies and Ground Engineering. The invested capital is in line with last financial year.



SEGMENT RESULTS (EBIT)

315M

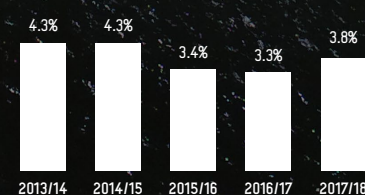
EBIT results exceeded expectations. Results are positively influenced by the high level of activity and the progress of the three large harbour expansion projects in Hanstholm, Rønne and Frederikshavn.



EBIT MARGIN

3.8%

The EBIT margin developed positively and was above expectations at the beginning of the financial year. The EBIT margin target for the segment is 4.5%.

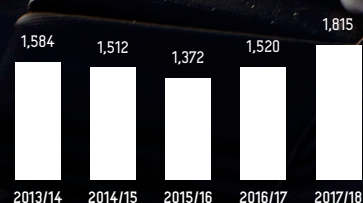


PIPE TECHNOLOGIES

REVENUE

1,815M

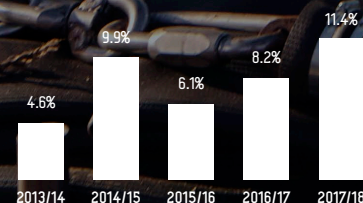
Revenue increased by 19.4%, of which 8.9% was organic growth. The Danish operations reported a revenue increase of 5.1% to DKK 499 million, and the foreign operations reported a revenue increase of 25.9% to DKK 1,316 million, primarily as a result of the acquisition of the Norwegian company Olimb.



ROIC (AFTER TAX)

11.4%

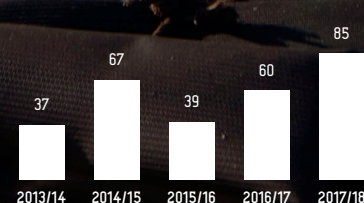
ROIC is close to the 12% Group target. Pipe Technologies is characterised by large investments in production plant for manufacture of materials and mobile installation units. The invested capital was at the same level as last financial year.



SEGMENT RESULTS (EBIT)

85M

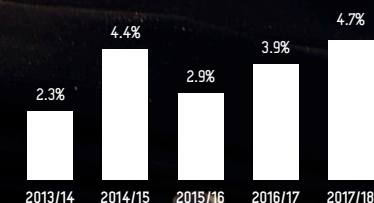
EBIT results were in line with expectations. Norway and Germany delivered results above expectations. Denmark and Sweden performed below expectations as the indexation of concluded long-term framework agreement did not compensate for increasing raw material prices to a sufficient degree.



EBIT MARGIN

4.7%

The EBIT margin developed very positively and is approaching the 5% EBIT margin target for the segment.

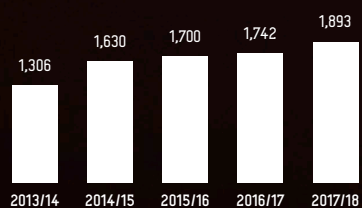


GROUND ENGINEERING

REVENUE

1,893M

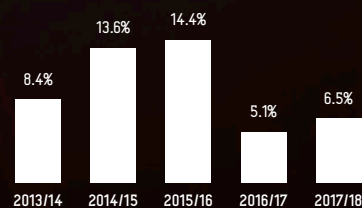
Revenue increased by 8.7%. Revenue in Denmark increased by 20.5% to DKK 763 million, and the level of activity was high during the last part of the financial year. The foreign operations reported a revenue increase of 1.9% to DKK 1,130 million.



ROIC (AFTER TAX)

6.5%

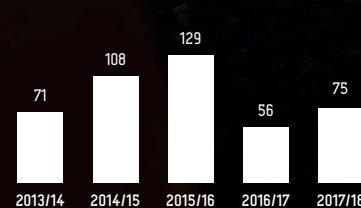
At present, ROIC is significantly below the Group target of 12% as the EBIT level was too low. Ground Engineering is characterised by large investments in production plant for manufacture of precast reinforced concrete piles and piling rigs for installation of piles. The invested capital was at the same level as last financial year.



SEGMENT RESULTS (EBIT)

75M

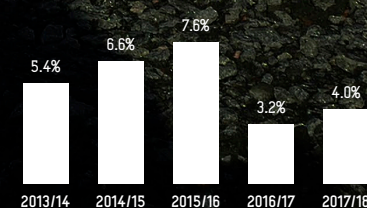
EBIT results were below expectations. The results of the Danish operations were lower than expected due to a bad capacity utilisation within the ground engineering business in the first half of the financial year. Sweden and Poland developed positively, while the performance of the German company was unsatisfactory, and the company was loss-making.



EBIT MARGIN

4.0%

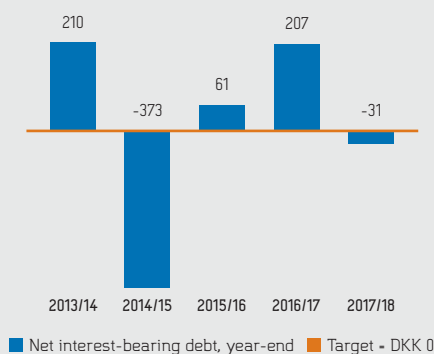
The EBIT margin developed positively but is still significantly below the 7% EBIT margin target for the segment.



CASH FLOWS, FINANCIAL RESOURCES AND DIVIDEND



NET INTEREST-BEARING DEBT IN DKKm



DIVIDEND IS % OF PROFIT AFTER TAX



Cash flows from operating activities amounted to DKK 765 million compared to DKK 493 million in the same period last financial year. The company's working capital amounted to a positive DKK 105 million, primarily due to an increase in prepayments e.g. from the contracts for the construction work in connection with the Copenhagen Light Rail. In the financial year, there was a payment on account of tax in Denmark of DKK 140 million. A number of large projects was completed during the past financial year resulting in an increase in tax paid.

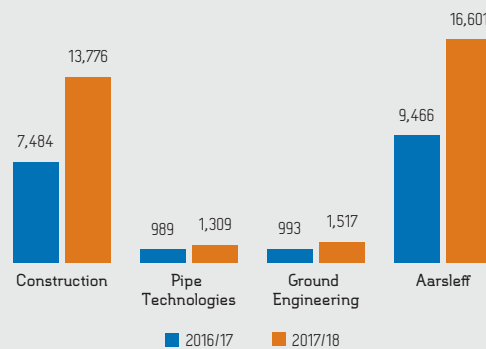
Capital structure and financial resources will be reviewed by the Board of Directors and the Executive Management in the future financial year.

ORDER BACKLOG



ORDER BACKLOG

16,601M



ORDER INTAKE

19,243M



- Danske Bank's new headquarters (DKK 3,000m)
- Copenhagen Light Rail (DKK 1,900m)
- Carlsberg City's tallest residential building (DKK 1,200m)
- Other projects (DKK 13,143m)

THE FUTURE FINANCIAL YEAR

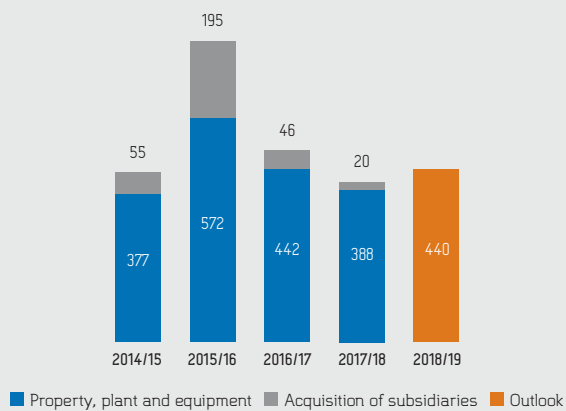


	2018/19	2017/18
REVENUE GROWTH		
Construction	5%	6.0%
Pipe Technologies	5%	19.4%
Ground Engineering	5%	8.7%
The Aarsleff Group	5%	8.2%
The Aarsleff Group	12,700m	12,108m

	2018/19	2017/18
EBIT MARGIN		
Construction	4%	3.8%
Pipe Technologies	4.5%	4.7%
Ground Engineering	4.5%	4.0%
The Aarsleff Group	4.2%	3.9%
The Aarsleff Group	530m	475m

INVESTMENTS

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AS WELL AS SUBSIDIARIES



Investments in property, plant and equipment are expected to amount to DKK 440 million compared to DKK 388 million last financial year. The increase is attributable to a deferral of a number of investments planned in 2017/18 to 2018/19.

FOCUS AREAS FOR THE THREE SEGMENTS

CONSTRUCTION



ONE COMPANY

Strengthen our competitiveness continuously through One Company collaboration by developing improved solutions, improved collaboration and increased efficiency in the execution phase.



PROJECT MANAGEMENT SKILLS

Focus on project management skills in large, complex design and build contracts to ensure successful implementation while focusing on commercial management and risk management.



EMPLOYEES

Recruit, develop and retain employees in a market with an increasing demand for the right skills.



PROJECT DEVELOPMENT

Continue building up skills within project development and early involvement.



INDUSTRIALISATION

Achieve efficiency improvements by means of repetition effects and efforts to integrate industrialisation into the projects.



DIGITALISATION

Achieve improved efficiency by means of digitalisation, including continued development of the Group's VDC skills.



BUILDING CONSTRUCTION

Continue expanding the building activities, including an increase of the level of activity in the western part of Denmark.



EMBEDDING OF LARGE-SCALE PROJECTS

Embed large-scale projects in the top management.

PIPE TECHNOLOGIES



EFFICIENCY IMPROVEMENTS

Continue to industrialise and improve the efficiency of the installation and production processes.



COST REDUCTIONS

Reduce costs in the value chain from manufacturing to installation of standard products.



TECHNOLOGICAL FOUNDATION

Focus on future-proofing the business area by an ongoing development of a broad product portfolio and a strong technological foundation.



SALES GROWTH

Increase growth on existing markets and increase growth internationally via third party sales.



LED SYSTEM SELLING

Focus on selling Aarsleff's unique LED concept, consisting of equipment and materials to third parties through direct sale or in the form of license agreements.

GROUND ENGINEERING



SPECIALISED SEGMENT

Be a strong and coherent international specialised segment focusing on earnings, industrialisation and optimisation.



PRODUCTIVITY

Increase productivity and competitiveness by incorporating common standards concurrently with product and method development.



MARKET DEVELOPMENT

Provide ground engineering expertise and methods in line with the market development to create technological breadth and earnings potential.



PRECAST CONCRETE PILES

Keep the main priority on supply and installation of precast concrete piles on all markets.



EXCHANGE OF QUALIFICATIONS

Exchange experience, methods, resources and expertise across countries to further develop our machinery, piling methods and technologies to optimise earnings.



BUSINESS APPROACH

Focus on a more project-based business approach and organisation in line with the development of the individual units.



ONE COMPANY

Expand One Company collaboration.

NEW BRIDGE ACROSS MASNEDSUND

In a DKK 200 million design and build contract, Aarsleff is to construct the new railway bridge across Masnedsund between Vordingborg and Masnedø in a One Company collaboration. The bridge work is a part of the Ringsted-Fehmarn Railway Line which will be expanded with an extra track and electrified.

READ MORE

www.aarsleff.com/masnedsund

BRIDGE DECK AND BRIDGE ABUTMENTS PRODUCED IN POLAND

The 200-metre-long bridge consists of 6 concrete bridge decks and 5 concrete bridge abutments prefabricated at Aarsleff's production facilities in Poland and subsequently shipped to Masnedsund on two barges and installed with a barge crane.

EXPANSION OF EXISTING RAILWAY EMBANKMENT

In addition to constructing the new bridge, Aarsleff is to expand the existing railway embankment from single to double tracks on a 1,400-metre-long stretch before and after the bridge.

MIND THE TRACKS

Collaborating with the Group's railway specialists, Aarsleff Rail A/S, we currently monitored the railway embankment to avoid settlement damage and during the pile driving work, we monitored the tracks each time a train had passed.

VISUALISATION AND PLANNING

The long and narrow construction site with tracks in operation on one side and buildings on the other imposed high demands on planning. Aarsleff's VDC expertise helped us to visualise both working space and major work processes. This allowed us, among other things, to decide if and how the logistic challenges could be solved during execution.



NEW HEADQUARTERS FOR CARLSBERG AND COPENHAGEN'S TALLEST TOWER

Carlsberg's old brewery site in Copenhagen is being transformed from an industrial site to a new district with residential and commercial buildings. Aarsleff is constructing Carlsberg's new headquarters and Copenhagen's tallest residential tower.

READ MORE

www.aarsleff.com/newbuildings

NEW HEADQUARTERS FOR CARLSBERG

At the outskirts of the Carlsberg City, Aarsleff is constructing Carlsberg's new headquarters. The three-winged office building in four storeys has a total area of 15,500 square metres plus approx. 7,700 square metres of underground parking facilities. Wicotec Kirkebjerg A/S carries out the technical installations.

TALLEST RESIDENTIAL TOWER IN COPENHAGEN

At a central location in the Carlsberg City, Aarsleff is to build the 120-metre Pasteur's Tower which will become the tallest residential building in Copenhagen. The total building area is 76,000 square metres taken up by residential tower, residential blocks and basement. Prior to the conclusion of the DKK 1.2 billion design and build contract, Aarsleff was also involved in the design phase working with an international team of consultants and architects. Wicotec Kirkebjerg A/S carries out the technical installations.

ESBJERG STRAND – A NEW RECREATIONAL URBAN SPACE

In a One Company collaboration, Aarsleff and the Group's coastal protection specialist, VG Entreprenør A/S, have delivered the first part of phase 1 of a new urban space in Esbjerg where the new marina will also be located. The contract has a value of DKK 150 million.

READ MORE

www.aarsleff.com/esbjergbeach

TWO CONNECTING BRIDGES

The harbour island is connected to the main-land with two bridges made as a combination of in situ concrete and precast elements cast on Aarsleff's production facility in Poland and supported by 26 large, tubular steel piles.

COMPLEX FLOOD LOCK

With the base in level -8 and the top in level +6, the flood lock is a complex concrete structure with 11-metre-high walls, and because of the many openings and groutings of the structure we worked within small tolerances. The breakwater and the embankment will provide flood protection to the harbour island and the marina.

BREAKWATER, EMBANKMENT AND HARBOUR ISLAND

Aarsleff has constructed the new 250-metre breakwater, an 850-metre embankment as well as the 60,000-square-metre harbour island reusing the dredged sand. Also, we installed 2,600 running metres of sheet piles for the quay structure, comprising harbour island, outer harbour, flood lock and bridges.



DEVELOPMENT OF NEW DISTRICT IN COPENHAGEN

Through early contractor involvement, Aarsleff has been involved in the development of a 39,000-square-metre site at Bernstorffsgade in Copenhagen since 2015. Building plans and budgets have now been approved by the authorities, and the site will now be transformed into a new district with commercial and residential facilities as well as urban life.

READ MORE

www.aarsleff.com/projectdevelopment

CONSTRUCTION OF NEW HEADQUARTERS FOR DANSKE BANK

In the summer of 2018, Aarsleff entered into a DKK 3 billion design and build contract for the construction of Danske Bank's new headquarters. The construction work will be carried out in a One Company collaboration with the focus on in-house production. Of the 111,000 square metres, the headquarters will take up 71,000 square metres and the rest is plinth. The headquarters will be ready for occupancy in 2023, accommodating 4,000 employees and 1,000 guests.

DEMOLITION, CONSTRUCTION PIT AND LAND DEVELOPMENT

The former post facility site has been demolished, and the extraordinarily large construction pit of 28,000 square metres is now being established. Our work comprises excavation, removal and deposit of 190,000 cubic metres of soil as well as the complex task of keeping the construction pit dry.



THE HOUSE OF GENERATIONS

Aarsleff is carrying out concrete work and element installation for the 31,000-square-metre residential and institutional building, the House of Generations, in 9 storeys. Before constructing the shell structure, Aarsleff carried out the earthwork for the construction pit.

THE SHIP BUILDING

Aarsleff has installed sheet pile wall, driven piles, carried out earthwork and sewer work and cast foundations and basement for the SHIP building. Late this summer, Aarsleff commenced the 25,000-square-metre element installation for the shell structure.

THE PAKHUS BUILDINGS

Late this year, Aarsleff laid the last paving stones in the underground parking facility for the second phase of the residential and commercial buildings, Pakhusene. Prior to this, Aarsleff delivered the ground engineering work using concrete piles and steel profiles and carried out the concrete and sewer work in the construction pit, including complex reinforcement work and a large pumping well of 4 x 4 metres in a depth of 6 to 7 metres.

HIGH ACTIVITY AT AARHUS Ø

The new urban space, Aarhus Ø, is shooting up, and Construction, Ground Engineering, Dan Jord A/S and Wicotec Kirkebjerg A/S are involved in several of the projects – in One Company collaboration but also separately.

READ MORE

www.aarsleff.com/newbuildings

LIGHTHOUSE

At the outermost part of the harbour front area Aarhus Ø, Denmark's tallest residential building, Lighthouse, will be constructed. The project has entered into its final planning and design phase, and Aarsleff has signed a collaboration agreement with the client's joint venture contributing experience and expertise to obtain the best possible basis for decision – including geotechnical site investigations and two drilled test piles of a dimension of 2 metres to a depth of 70 metres.

An aerial photograph of a city street, likely in Copenhagen, showing historic multi-story buildings with dark roofs and dormers. A train station with a large, dark-roofed platform is visible on the right, with a red train stopped at the tracks. The street below has cars and a white van. A blue semi-transparent overlay covers the left side of the image, containing the title and a list of events.

FINANCIAL CALENDAR

- 31 January 2019 Annual general meeting at the Group headquarters, Hasselager Allé 5, 8260 Viby J, at 15:00
- 5 February 2019 Dividend paid to shareholders for the financial year 2017/18
- 26 February 2019 Interim financial report for the period 1 October 2018-31 December 2018
- 27 May 2019 Interim financial report for the period 1 October 2018-31 March 2019
- 27 August 2019 Interim financial report for the period 1 October 2018-30 June 2019
- 18 December 2019 Preliminary announcement of financial statements for the financial year 2018/19

