

Nasdaq Copenhagen A/S
P.O. Box 1040
1007 København K

28 August 2017
Ref.: MVH/tms



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

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 2016/2017. The interim financial report has not been audited or reviewed by the company's auditor.

Results of the first nine months:

- Operating profit (EBIT) came to DKK 246 million compared to DKK 312 million in the first nine months of last financial year.
- Consolidated revenue came to DKK 8,234 million against DKK 7,596 million in the same period last financial year, corresponding to an increase of 8.4%.
- Construction generated EBIT of DKK 151 million.
- Pipe Technologies generated EBIT of DKK 49 million.
- Ground Engineering generated EBIT of DKK 46 million.
- The Group's net interest-bearing debt came to DKK 302 million as at 30 June 2017.
- The equity ratio was 39% as at 30 June 2017.

Outlook for the financial year 2016/2017:

- We maintain our expectations for an EBIT level of DKK 375 million for the financial year. Expectations for revenue are changed to a growth of approx. 6% against previously approx. 5%.

Andreas Lundby
Chairman of the Board

Ebbe Malte Iversen
General Manager

Further information:

General Manager Ebbe Malte Iversen, tel. 8744 2222.

Per Aarsleff Holding A/S
Main office
Hasselager Allé 5
DK-8260 Viby J
Denmark
Tel +45 8744 2222

Copenhagen office
Industriholmen 2
DK-2650 Hvidovre
Denmark
Tel +45 3679 3333

CVR no. 24257797



Highlights for the Group

Amounts in DKK million

	April quarter		Year to date		Financial year
	2016/2017	2015/2016	2016/2017	2015/2016	2015/2016
Income statement					
Revenue	2,901	2,705	8,234	7,596	10,420
Of this figure, work performed abroad	889	761	2,337	2,021	2,843
EBIT (operating profit)	136	130	246	312	418
Profit before interest	136	129	246	309	416
Net financials	-7	-2	-15	-11	-17
Profit before tax	129	127	231	298	399
Profit after tax	98	96	174	225	304
Balance sheet					
Non-current assets			2,541	2,316	2,420
Current assets			4,160	3,485	4,113
Total assets			6,701	5,801	6,533
Equity			2,610	2,410	2,503
Non-current liabilities			781	664	767
Current liabilities			3,310	2,727	3,263
Total equity and liabilities			6,701	5,801	6,533
Net interest-bearing debt			302	70	61
Invested capital (IC)			2,893	2,472	2,555
Cash flow statement					
Cash flows from operating activities	-168	-9	160	236	430
Cash flows from investing activities	-126	-116	-312	-603	-782
Of this figure, investment in property, plant and equipment, net	-115	-115	-316	-398	-572
Cash flows from financing activities	1	6	-76	-161	-77
Change in liquidity for the period	-293	-119	-228	-529	-429
Financial ratios					
Gross margin ratio, %	12.0	12.7	10.7	12.1	12.0
Profit margin (EBIT margin), %	4.7	4.8	3.0	4.1	4.0
Net profit ratio (pre-tax margin), %	4.4	4.7	2.8	3.9	3.8
Return on invested capital (ROIC), %*			9.0	14.3	18.8
Return on invested capital after tax (ROIC), %*			6.8	10.8	14.4
Return on equity (ROE), %*			6.8	9.7	12.7
Equity ratio, %			39.0	41.5	38.3
Earnings per share (EPS), DKK	4.79	4.70	8.53	11.04	14.84
Number of employees			6,169	5,886	5,906

Please see page 55 of the 2015/2016 annual report for financial ratio definitions.

*Not translated into full year figures.



Management's review concerning the first nine months of the financial year 2016/2017

Financial development of the Aarsleff Group

Income statement

In the first nine months of the financial year 2016/2017, consolidated revenue increased by DKK 638 million or 8.4% from DKK 7,596 million to DKK 8,234 million. The Danish operations reported a revenue increase of 5.8%, and the foreign operations reported a revenue increase of 15.6%.

Administrative expenses and selling costs amounted to 7.9% of revenue compared to 8% the year before.

Operating profit (EBIT) came to DKK 245.9 million against DKK 311.9 million in the first nine months of last financial year.

Net financials were negative at DKK 14.7 million against a negative amount of DKK 11.4 million last financial year.

In the first nine months of the financial year, profit before tax came to DKK 230.8 million against DKK 297.8 million last year.

Consolidated profit after tax was DKK 174.2 million compared with consolidated profit of DKK 225.3 million last financial year.

Balance sheet

The consolidated balance sheet total was DKK 6,701 million as at 30 June 2017. This corresponded to an increase of DKK 168 million compared with the balance sheet total of DKK 6,533 million at the end of last financial year.

Consolidated interest-bearing liabilities less interest-bearing assets amounted to a net debt of DKK 302 million against a net debt of DKK 61 million at the end of last financial year.

Equity amounted to DKK 2,610 million against DKK 2,503 million at the end of last financial year or 39% of the balance sheet total compared with 38.3% at the beginning of the financial year.

Cash flow statement

Cash flows from operating activities was DKK 160 million against DKK 236 million in the first nine months of last financial year.

Cash flows from investing activities were negative at DKK 312 million against a negative DKK 603 million in the same period last financial year.

Cash flows from financing activities were negative at DKK 76 million against a negative amount of DKK 161 million in the same period last financial year.

Thus, the change in liquidity for the period constituted a negative amount of DKK 228 million.

The liquidity of the quarter is affected by an increasing working capital as a result of a higher level of activity.



Segment results

Amounts in DKK million	Construction		Pipe Technologies		Ground Engineering		Total	
	First nine months		First nine months		First nine months		First nine months	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Segment revenue	5,930	5,362	1,110	1,034	1,292	1,254	8,332	7,650
Internal revenue	-69	-35	-2	-5	-27	-14	-98	-54
Revenue	5,861	5,327	1,108	1,029	1,265	1,240	8,234	7,596
Of this figure, work performed abroad	804	673	748	662	785	686	2,337	2,021
EBIT (operating profit)	151	181	49	34	46	97	246	312
Profit in associates and joint ventures	0	0	0	-3	0	0	0	-3
Profit before interest	151	181	49	31	46	97	246	309
Net financials							-15	-11
Profit before tax							231	298
EBIT margin, %	2.6	3.4	4.4	3.3	3.5	7.8	3.0	4.1
Number of employees	4,418	4,147	807	825	944	914	6,169	5,886

Construction – third-quarter results in line with expectations

Revenue for the first nine months of the financial year came to DKK 5,861 million against DKK 5,327 million in the same period last financial year, corresponding to an increase of 10%, of which organic growth came to 6%. The Danish operations reported a revenue increase of 9% to DKK 5,057 million. The foreign operations reported a revenue increase of 19% to DKK 804 million.

Segment results (EBIT) came to DKK 151 million compared to DKK 181 million last financial year and are below expectations at the beginning of the financial year.

Third-quarter results are in line with the most recently announced expectations, and particularly the Danish part of Construction of Per Aarsleff A/S generated positive earnings contribution in the quarter.

In connection with the handing over of the project in Nuuk, Greenland, extra costs have been incurred; these are included in the results of the quarter, and there is a dialogue with the client concerning different outstanding amounts. On the second phase of the project for electrification of the Danish railway network, efficiency improvements are still going on.

The results of Wicotec Kirkebjerg A/S are still unsatisfactory, and the work to strengthen the project management continues.

The results of Hansson & Knudsen A/S are still affected by lack of orders earlier this year. However, contracts for a number of middle-sized orders have been entered into during the quarter.

Ístak hf. continues the positive development with improved results and a high level of activity.

There are still many opportunities in the market, particularly within building construction activities in and around the large cities. In the market for civil engineering projects, there is an increasing level of activity within harbour construction, establishment of data centres as well as large infrastructure tenders for the Sydhavnen metro line, the Copenhagen light rail system and the Storstrøm Bridge.



For the full financial year 2016/2017, expectations are maintained for an EBIT margin of approx. 3%. Expectations for revenue are changed to a growth of approx. 7% against previously approx. 5%.

Pipe Technologies – continues the positive development

Revenue for the first nine months of the financial year came to DKK 1,108 million against DKK 1,029 million in the same period last financial year, corresponding to an increase of 8%. The Danish operations reported a revenue decrease of 2% to DKK 360 million. The foreign operations reported a revenue increase of 13% to DKK 748 million.

Segment results (EBIT) came to DKK 49 million against DKK 34 million last financial year. Results exceeded expectations at the beginning of the financial year, and the segment continued the positive development.

Overall, the results on the three main markets Germany, Denmark and Sweden exceeded expectations. The markets are mature with a relatively stable annual growth but with an increasing price pressure.

The companies in Poland and Russia will be loss-making this year. However, the situation has stabilised, and positive results are expected in the next financial year.

In Norway, the company is developing positively, and Pipe Technologies' different technologies are in demand.

For the full financial year 2016/2017, an EBIT margin of approx. 4% is expected against previously approx. 3.5%. Expectations for revenue are changed to a growth of approx. 7% against previously approx. 5%.

Ground Engineering – results below expectations

Revenue for the first nine months of the financial year came to DKK 1,265 million against DKK 1,240 million in the same period last financial year, corresponding to an increase of 2%. The Danish operations reported a revenue decrease of 13% to DKK 480 million. The foreign operations reported a revenue increase of 14% to DKK 785 million.

Segment results (EBIT) came to DKK 46 million against DKK 97 million last financial year and fell short of expectations at the beginning of the financial year.

The results in Denmark were lower than expected due to a bad capacity utilisation.

The company in Sweden is developing positively, and results were above expectations. The piling activities in Germany were in line with expectations, and there is an increasing level of activity on the newly established pile factory.

In the UK, there was an unexpected slowdown in the market, and the results of the company were below expectations. Capacity adjustments were made.

After a difficult year with capacity adjustments in Poland, the order intake has now improved, and the market conditions have enhanced.

Expectations for the full year revenue are changed, and growth is reduced from 10% to approx. 3%. The EBIT margin is now expected to amount to approx. 4.5% against previously approx. 5 %.

Outlook for the financial year 2016/2017

Our expectations for an EBIT level of DKK 375 million for the financial year are unchanged. Revenue is expected to result in growth of approx. 6% against 5% last financial year.



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 Assessment of commercial risks of the annual report of 2015/2016 and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

Procedure for company announcements when entering into large-scale contracts

It has been decided to raise the limit for when Aarsleff issues company announcements when entering into large-scale contracts. The limit will be raised from the current amount of DKK 500 million to DKK 1,000 million or more. However, there will always be a specific assessment of the contract's significance for the company.

Information about order status

Starting with the 2016/2017 annual report, it has been decided to provide information about the company's order status in connection with interim financial reports and annual reports.

Accounting policies

The interim financial report covering the first nine months of the financial year 2016/2017 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 2015/2016 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. Please refer to the 2015/2016 Annual Report for a further description of the accounting policies.

Certain new or changed standards or interpretations have become effective for the financial year 2016/2017. It is the Management's view that these standards and interpretations will have no significant effect on the annual report.

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



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 2016-30 June 2017.

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 2017 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October 2016-30 June 2017.

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, 28 August 2017

Executive Management

Ebbe Malte Iversen
General Manager

Lars M. Carlsen
Deputy General Manager

Jesper Kristian Jacobsen
Deputy General Manager

Mogens Vedel Hestbæk
Group Chief Financial Officer

Board of directors

Andreas Lundby
Chairman of the Board

Jens Bjerg Sørensen
Deputy Chairman

Carsten Fode
Board member

Peter Arndrup Poulsen
Board member

Charlotte Strand
Board member



Consolidated income statement

Amounts in tDKK

	April quarter		First nine months	
	2016/2017	2015/2016	2016/2017	2015/2016
Revenue	2,901,549	2,704,736	8,234,453	7,595,960
Production costs	-2,552,948	-2,362,216	-7,356,324	-6,675,349
Gross profit	348,601	342,520	878,129	920,611
Administrative expenses and selling costs	-212,688	-212,643	-654,197	-608,671
Other operating income and expenses	-13	9	21,944	-66
EBIT (operating profit)	135,900	129,886	245,876	311,874
Profit/loss in associates and joint ventures	-248	-833	-387	-2,811
Profit before interest	135,652	129,053	245,489	309,063
Net financials	-6,636	-2,448	-14,682	-11,384
Profit before tax	129,016	126,605	230,807	297,679
Tax on profit for the period	-31,211	-30,740	-56,635	-72,346
Profit after tax	97,805	95,865	174,172	225,333
Earnings per share (DKK)	4.79	4.70	8.53	11.04

Statement of comprehensive income

Amounts in tDKK

	April quarter		First nine months	
	2016/2017	2015/2016	2016/2017	2015/2016
Profit after tax	97,805	95,865	174,172	225,333
Items which may become reclassified to the income statement				
Exchange rate adjustment of foreign companies	-4,646	-13,273	8,279	-18,581
Fair value adjustments of derivative financial instruments, net	6,664	-3,748	9,404	-980
Tax on other comprehensive income	-1,448	825	-2,078	216
Other comprehensive income	570	-16,196	15,605	-19,345
Total comprehensive income	98,375	79,669	189,777	205,988
Comprehensive income accrues to				
Shareholders of Per Aarsleff Holding A/S	98,292	79,544	189,560	205,608
Minority shareholders	83	125	217	380
Total	98,375	79,669	189,777	205,988



Consolidated balance sheet

Amounts in tDKK

	30/6 2017	30/9 2016	30/6 2016
Assets			
Goodwill	229,570	244,584	239,473
Patents and other intangible assets	78,137	88,164	91,256
Land and buildings	859,016	645,768	645,646
Plant and machinery	1,123,460	1,119,397	1,076,018
Other fixtures and fittings, tools and equipment	113,213	91,297	65,375
Property, plant and equipment in progress	100,091	212,519	182,533
Other non-current assets	37,502	18,322	15,957
Non-current assets	2,540,989	2,420,051	2,316,258
Inventories	240,935	225,432	218,031
Contracting debtors	2,196,790	2,553,926	1,975,583
Work in progress	979,591	678,638	738,479
Other receivables	166,486	142,005	97,833
Securities	195,513	195,997	196,004
Cash	380,756	317,272	258,590
Current assets	4,160,071	4,113,270	3,484,520
Total assets	6,701,060	6,533,321	5,800,778
Equity and liabilities			
Equity, shareholders of Per Aarsleff Holding A/S	2,603,535	2,495,515	2,402,971
Minority interests' share of equity	6,646	7,916	6,965
Equity	2,610,181	2,503,431	2,409,936
Mortgage debt and credit institutions	184,674	180,264	95,826
Provisions	79,313	71,786	56,820
Other payables	69,159	62,727	59,455
Deferred tax	447,385	452,457	451,507
Non-current liabilities	780,531	767,234	663,608
Mortgage debt and credit institutions	624,470	330,838	369,236
Work in progress	708,422	776,542	748,179
Trade payables	1,202,921	1,376,700	857,565
Other payables	774,535	778,576	752,254
Current liabilities	3,310,348	3,262,656	2,727,234
Total liabilities	4,090,879	4,029,890	3,390,842
Total equity and liabilities	6,701,060	6,533,321	5,800,778



Consolidated cash flow statement

Amounts in tDKK

	First nine months	
	2016/2017	2015/2016
Cash flow from operating activities		
Profit before interest	245,489	309,063
Depreciation, amortisation and impairment losses for intangible assets	10,028	10,048
Depreciation, amortisation and impairment losses for property, plant and equipment	243,064	214,107
Other adjustments	-28,331	-40,299
Changes in working capital	-259,844	-228,905
Net financials	-14,682	-11,384
Corporation tax paid	-35,532	-16,686
Cash flows from operating activities	160,192	235,944
Cash flow from investing activities		
Net investment in property, plant and equipment and intangible assets	-300,991	-407,326
Net investment in subsidiaries	0	-197,483
Net investment in associates and joint ventures	-10,776	1,515
Cash flows from investing activities	-311,767	-603,294
Cash flow from financing activities	-76,589	-161,363
Cash flows from financing activities	-76,589	-161,363
Change in liquidity for the period	-228,164	-528,713
Opening liquidity	5,359	435,678
Change in liquidity for the period	-228,164	-528,713
Closing liquidity	-222,805	-93,035



Statement of changes in equity, Group

Amounts in tDKK

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total shareholders of Per Aarsleff Holding A/S	Minority shareholders	Total
Equity at 1 October 2015	45,300	-52,494	850	2,196,912	67,950	2,258,518	6,585	2,265,103
Comprehensive income								
Profit for the year				224,953		224,953	380	225,333
Other comprehensive income								
Exchange rate adjustments of foreign companies		-18,581				-18,581		-18,581
Fair value adjustments of derivative financial instruments			-980			-980		-980
Tax on derivative financial instruments			216			216		216
Other comprehensive income	0	-18,581	-764	0	0	-19,345	0	-19,345
Total comprehensive income	0	-18,581	-764	224,953	0	205,608	380	205,988
Transactions with owners								
Dividend paid					-67,950	-67,950		-67,950
Dividend, treasury shares				6,795		6,795		6,795
Total transactions with owners	0	0	0	6,795	-67,950	-61,155	0	-61,155
Equity at 30 June 2016	45,300	-71,075	86	2,428,660	0	2,402,971	6,965	2,409,936
Equity at 1 October 2016	45,300	-67,994	12,320	2,415,289	90,600	2,495,515	7,916	2,503,431
Comprehensive income								
Profit for the year				173,955		173,955	217	174,172
Other comprehensive income								
Exchange rate adjustments of foreign companies		8,279				8,279		8,279
Fair value adjustments of derivative financial instruments			9,404			9,404		9,404
Tax on derivative financial instruments			-2,078			-2,078		-2,078
Other comprehensive income	0	8,279	7,326	0	0	15,605	0	15,605
Total comprehensive income	0	8,279	7,326	173,955	0	189,560	217	189,777
Transactions with owners								
Dividend paid					-90,600	-90,600		-90,600
Dividend, treasury shares				9,060		9,060		9,060
Dividend, minority shareholders							-1,487	-1,487
Total transactions with owners	0	0	0	9,060	-90,600	-81,540	-1,487	-83,027
Equity at 30 June 2017	45,300	-59,715	19,646	2,598,304	0	2,603,535	6,646	2,610,181



Company announcements published this current financial year

21 December 2016	Preliminary announcement of financial statements for the financial year 2015/2016
09 January 2017	Notice convening the Annual General Meeting of Per Aarsleff Holding A/S
01 February 2017	Annual General Meeting of Per Aarsleff Holding A/S
10 February 2017	Aarsleff is to construct new headquarters for the Carlsberg Group
24 February 2017	Interim financial report for the period 1 October-31 December 2016
09 May 2017	Aarsleff adjusts expectations for the financial year 2016/2017 downwards
22 May 2017	Interim financial report for the period 1 October 2016-31 March 2017

See www.aarsleff.com for further information.

This interim financial report is a translation of Per Aarsleff Holding A/S's official Danish interim financial report. The original Danish text shall take precedence and in case of discrepancy the Danish wording shall prevail.