

# INTERIM FINANCIAL REPORT FOR THE PERIOD 1 OCTOBER 2021-31 MARCH 2022



**AARSLEFF**

Today, the Board of Directors of Per Aarsleff Holding A/S has discussed and approved the interim financial report for the first half of the financial year 2021/22. The interim financial report has not been audited or reviewed by the company's auditor.

## HIGHLIGHTS FROM THE FIRST HALF OF THE FINANCIAL YEAR 2021/22

- Consolidated revenue increased by 19.3% to DKK 8,259 million
- EBIT from continuing operations amounted to DKK 298 million, corresponding to an EBIT margin of 3.6%
- High level of activity but the market is characterised by price increases and shortage of materials
- Technical Solutions had a very high level of activity with high earnings and results above expectations
- Ground Engineering delivered results below expectations as the costs of especially steel, transportation and energy continued to increase
- Construction, Rail and Pipe Technologies delivered results in line with expectations
- High order intake during the first half of the financial year, among other things because of the signing of the contract with Copenhagen Airport in the first quarter
- Cash flow from operating activities was still affected by increasing working capital due to changes in the project composition
- Aarsleff has announced that the Group will leave Russia and that the activities are accounted for as an asset held for sale. During the quarter, this has resulted in a DKK 43 million non-cash impairment of the value.

## OUTLOOK FOR THE FINANCIAL YEAR 2021/22

Earnings expectations for the financial year remain unchanged. EBIT from continuing operations is expected to be in the range of DKK 700 million. Revenue expectations are changed to a growth of approx. 12% against previously approx. 8.5%.

**Ebbe Malte Iversen**  
Chairman of the Board

**Jesper Kristian Jacobsen**  
CEO

**Per Aarsleff Holding A/S**  
**[www.aarsleff.com](http://www.aarsleff.com)**  
CVR no. 24257797

**Further information:**  
CEO Jesper Kristian Jacobsen,  
tel. +45 8744 2222.

# FINANCIAL HIGHLIGHTS

	January quarter		H1		Financial year
(tDKK)	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Income statement</b>					
Revenue	4,121,796	3,279,252	8,259,256	6,922,097	14,629,769
Of this, worked performed abroad	1,265,200	888,761	2,585,191	2,056,136	4,475,245
Operating profit ( EBIT )	133,945	137,586	297,536	309,779	643,980
Net financials	-14,389	-12,959	-17,885	-17,280	-31,113
Profit before tax	119,556	124,627	279,651	292,499	612,867
Profit after tax ( continuing )	90,149	88,064	214,246	218,055	469,709
Profit after tax ( discontinued )	-44,086	-510	-42,973	505	2,926
<b>Balance sheet</b>					
Non-current assets			3,747,581	3,115,905	3,417,649
Current assets			6,791,370	5,287,952	5,500,042
Total assets			10,538,951	8,403,857	8,917,691
Equity			3,642,121	3,442,454	3,663,452
Non-current liabilities			957,272	774,516	812,859
Current liabilities			5,939,558	4,186,887	4,441,380
Total equity and liabilities			10,538,951	8,403,857	8,917,691
Invested capital ( IC )			3,979,079	2,870,721	3,377,926
Working capital			876,003	183,289	581,104
Net interest-bearing deposits/ debt ( + / - )			-337,595	570,562	283,696

	January quarter		H1		Financial year
(tDKK)	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Statement of cash flows</b>					
Cash flow from operating activities	213,176	83,852	179,621	160,551	471,045
Cash flow from investing activities	-205,170	-167,788	-405,864	-259,276	-675,651
Of which, investment in property, plant and equipment, net	-205,486	-167,441	-373,426	-258,929	-638,389
Cash flow from financing activities	-248,092	-171,106	-322,282	-218,780	-301,702
Change in cash and cash equivalents for the period	-240,086	-255,042	-548,525	-317,505	-506,308
<b>Financial ratios</b>					
Gross margin, %	10.2	11.1	10.6	11,2	11.4
Operating margin ( EBIT margin ) , %	3.2	4.2	3.6	4,5	4.4
Profit margin ( pre-tax margin ) , %	2.9	3.8	3.4	4,2	4.2
Return on invested capital ( ROIC ) , % *			8.1	11,1	21.2
Return on invested capital after tax ( ROIC ) , % *			5.0	8.3	16.3
Return on equity ( ROE ) , % *			4.7	6.5	13.6
Equity ratio, %			34.6	41.0	41.1
Earnings per share ( EPS ) , DKK	2.35	4.37	8.65	10.90	23.53
Number of employees			8,302	7,358	7,658

\* Not translated into full-year figures.

See page 107 of the 2021/21 annual report for a definition of financial ratios.

# MANAGEMENT'S REVIEW

## Financial development of the Aarsleff Group

### Income statement

In the first half of the financial year 2021/22, consolidated revenue amounted to DKK 8,259 million or 19.3% up on last financial year, of which 16.7% was organic growth. Revenue in Denmark increased by 16.6%, while revenue of the foreign operations increased by 25.7%. Permagreen Grønland A/S was included effective from November 2021.

Operating profit (EBIT) amounted to DKK 298 million (EBIT margin: 3.6%) against DKK 310 million (EBIT margin: 4.5%) in the first half of last financial year which was positively affected by the completion of several large harbour projects.

In Construction, revenue increased by 22.7% driven by a high level of activity within building construction and construction. Construction delivered results in line with expectations. The EBIT margin is negatively affected by the strongly increasing prices of materials and raw materials. In addition, results are positively impacted by a gradually increasing revenue recognition as some of the large building projects are being completed as well as a high level of activity in the construction market.

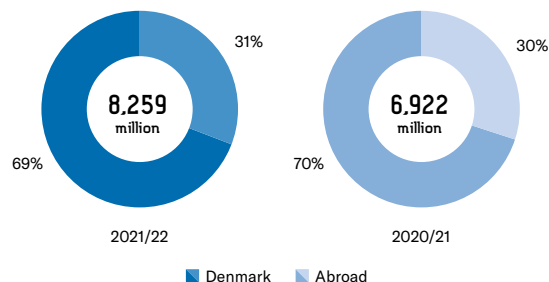
Technical Solutions delivered results above expectations, and revenue increased by 23.3%. There was high demand for technical services; this together with the gradually increasing revenue recognition as some of the large building projects are being completed had a positive impact on earnings.

Rail delivered results in line with expectations, and revenue increased by 37.7%. The level of activity was above expectations in all markets, but the increasing raw material prices, especially fuel prices, affected project margins. Also, earnings are subject to considerable seasonal fluctuations, and the first half of the financial year is normally characterised by lower earnings.

Ground Engineering delivered results below expectations at the beginning of the year. Overall, there is a satisfactory level of activity in all countries, but earnings are affected by increased costs of especially steel, transportation and energy. Revenue increased by 14.5%, primarily due to the acquisition of the activities in Norway and a high level of activity in Denmark and Sweden.

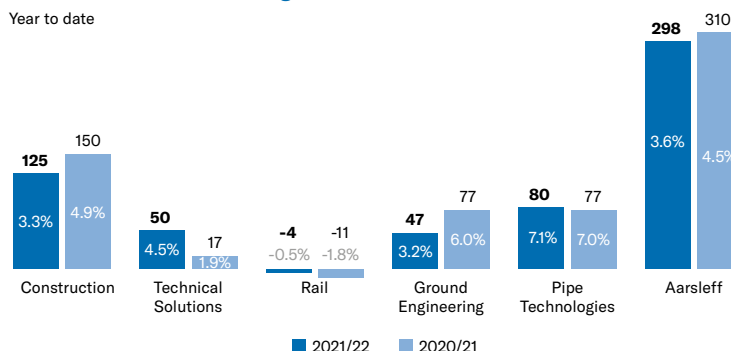
### Revenue

Year to date



### EBIT (million) and EBIT margin (%)

Year to date



Pipe Technologies delivered results in line with expectations, revenue increased by 2.5%, and the level of activity was satisfactory in all main markets. Once again there was a strong increase in the prices of raw materials which affected earnings especially in Pipe Technologies' factory in Denmark.

#### Quarterly results

Operating profit (EBIT) of the second quarter amounted to DKK 134 million (EBIT margin: 3.2%) compared to DKK 138 million (EBIT margin: 4.2%) in the same period last financial year.

Construction delivered results in line with expectations in the second quarter. Several building projects are expected to be completed in this financial year and the next, which for some projects will result in a gradually increasing revenue recognition. This will contribute partly to offsetting the impact of the strongly increasing prices of raw materials and materials.

Technical Solutions delivered results above expectations in the second quarter. There was a continued high level of activity resulting from the participation in large One Company building projects, and recent years' focus on increasing revenue within service and facility management has contributed positively to growth and earnings.

Rail performed in line with expectations. There was a high level of activity but increasing raw material prices, especially fuel prices, had a negative impact on earnings.

Ground Engineering delivered results below expectations in the second quarter. There was a high level of activity but increasing material prices impacted earnings.

Pipe Technologies delivered results below expectations in the second quarter. The strongly increasing raw material prices impacted earnings especially in the factory in Denmark combined with a low level of activity in Sweden.

#### Impact from the war in Ukraine

On 31 March, Aarsleff announced that the Group had decided to sell its business in Russia and leave the country. Negotiations are currently going on about a sale of the Russian subsidiary to the local management, and completion of the sale is expected during this financial year. As a result of this decision, the business in Russia will no longer be included in the Group's revenue and operating profit. From an accounting perspective, the business will be treated as an asset held for sale until completion of the disposal and is included in the accounts as a discontinued operation. The business will be reassessed at fair value, which has resulted in a non-cash impairment of DKK 43 million (translated using the RUB exchange rate at 31 March). In the financial year 2020/21, the activities in Russia reported revenue of DKK 64 million and operating profit of DKK 4 million.

The war in Ukraine has resulted in large fluctuations and great uncertainty about the development of raw material prices and the availability of critical materials and components used in our production and building projects. On many of our projects, we maintain a close and constructive dialogue with our customers about the challenges concerning the availability of materials such as wood floors, ceilings and steel and about how to solve the challenges in the best possible way. Also, we have a strong focus on material availability when submitting new tenders.

#### Order backlog and order intake

	Order backlog beginning of period	Executed in the period	Order intake in the period	Order backlog end of period	Of which to be executed in the current year
Construction	10,896	3,746	6,609	13,759	3,600
Technical Solutions	2,493	1,110	1,082	2,465	750
Rail	3,108	800	806	3,114	800
Ground Engineering	1,958	1,482	1,456	1,932	1,100
Pipe Technologies	1,526	1,130	1,037	1,433	700
<b>Total</b>	<b>19,981</b>	<b>8,268</b>	<b>10,990</b>	<b>22,703</b>	<b>6,950</b>

### Employee share programme

In February, the employees of the Danish part of the Group were once again offered to participate in an employee share programme. The share programme is a matching shares programme, under which the participants for their own account acquire B shares in the company (investment shares), which are subject to a three-year vesting period, earning them the right to receive, free of charge, one B share (matching share) in the company per acquired investment share (1:1). A total of 1,168 employees signed up for the programme and purchased a total of 135,270 shares. The costs are expected to amount to DKK 32.8 million and will be recognised as an expense over the three-year vesting period.

### Share buyback programme

On 25 February, the Board of Directors of Per Aarsleff Holding A/S decided to use its authority to let the company buy own B shares by extending the current share buyback programme. The programme commenced on 28 June 2021 and will now be completed on 1 March 2023, both days inclusive. During this period, Per Aarsleff Holding A/S will buy back B shares up to a maximum value of DKK 325 million against previously DKK 125 million according to the "Safe Harbour" rules. The purpose of the share buyback is to reduce Per Aarsleff Holding A/S's share capital and to cover obligations arising from the share-based incentive programme for the Danish employees of the Group.

### Order backlog

At 31 March 2022, the Group's order backlog amounted to DKK 22,703 million (30 September 2021: DKK 19,981 million). In the first half of the financial year, the order intake amounted to DKK 10,990 million.

### Balance sheet

Consolidated balance sheet total was DKK 10,539 million at 31 March 2022. This corresponds to an increase of DKK 1,621 million compared to the balance sheet total of DKK 8,918 million at the end of last financial year. The increase in the balance sheet total was affected by a recognition of financial instruments of DKK 536 million in connection with interest optimisation.

Contract work in progress, net increased by DKK 523 million in the first half of the financial year.

Consolidated interest-bearing debt less interest-bearing assets amounted to a net debt of DKK 338 million against a net deposit of DKK 284 million at 30 September 2021.

Equity amounted to DKK 3,642 million compared to DKK 3,663 million at the end of last financial year or 34.6% of the balance sheet total compared to 41.1% at the beginning of the financial year.

### Statement of cash flows

Cash flow from operating activities amounted to DKK 180 million compared to DKK 160 million in the first half of last financial year. There was a negative effect of working capital of DKK 279 million in the first half of the financial year, primarily due to changes in the project composition with more small and medium-sized projects to which working capital is tied up. Also, for some large projects payment schedules have been agreed on, resulting in an increased amount of funds tied up in a certain period.

Cash flow from investing activities amounted to an outflow of DKK 406 million against an outflow of DKK 259 million in the first half of last financial year.

The Group's outlook for investments of the year exclusive of acquisitions is unchanged at DKK 750 million. Among other things, the high investment level is due to investments in buildings and a new pile factory in Skåne, Sweden to expand the pile production capacity as well as in Ground Engineering's new product, a threaded pile.

In November, Aarsleff purchased 70% of the shares in Permagreen Grønland. In January, Aarsleff exercised an option to buy the remaining 49% of the shares at book value in the Norwegian company Olimb Rørfornyning Holding AS following a purchase of 51% of the shares in 2017.

Cash flow from financing activities amounted to an outflow of DKK 322 million against an outflow of DKK 219 million in the first half of last financial year.



# CONSTRUCTION – HIGH REVENUE

Revenue amounted to DKK 3,746 million in the first half of the financial year, an increase of 22.7% compared to the same period last financial year. Organic growth was 18.2%. Revenue of the Danish operations was DKK 3,139 million or 17.3% up on the same period last financial year. Revenue of the foreign operations increased by 60.5% to DKK 607 million.

EBIT amounted to DKK 125 million (EBIT margin: 3.3%) compared to DKK 150 million (EBIT margin: 4.9%) last financial year. Construction delivered results in line with expectations. The EBIT margin was negatively impacted by the strongly increasing prices of materials and raw materials. But a gradually increasing revenue recognition, as some of the large building projects are being completed, together with a high level of activity within construction had a positive influence on results. In addition, the first half of last financial year was positively impacted by the completion of some of the major harbour projects.

Per Aarsleff A/S reported results slightly above expectations at the beginning of the financial year. There is still a high level of activity within building construction with several major projects in Copenhagen and Aarhus. The level of activity within construction projects remained high, including e.g. the construction of the Greater Copenhagen Light Rail, Ring 3, and the Fehmarnbelt Link.

Hansson & Knudsen A/S reported results in line with expectations. The order intake was high, and among other things a contract was awarded for the first housing renovation project in Copenhagen. The focus is still on operation and execution to improve earnings.

The Icelandic company Ístak hf. performed below expectations because of increasing prices on materials and raw materials. There is a high level of activity and a satisfactory order backlog.



What we do  
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Permagreen Grønland was included effective from November 2021, and results were in line with expectations. Market opportunities are good, particularly within residential building in Nuuk, and the company has a high order backlog. The integration proceeds as planned, and the focus is on utilising the synergies with the rest of the Aarsleff Group.

Generally, there are many tender opportunities in the construction market, including large infrastructure projects such as harbour projects. An example of this is the SEK 1.3 billion contract which was signed in May with Älvstranden Utveckling AB for the construction of a large peninsula in Port of Gothenburg. The peninsula will be 200 metres wide and expand 100 metres into the river, and in future it will accommodate a completely new urban district called Masthuggskajen.

The development of more large-scale building projects by means of early contractor involvement continues, such as two building plots at Aarhus Ø for the real estate company Prime Office. Another example of early contractor involvement is the cooperation with the utility company Aarhus Vand on the future resource and wastewater treatment plant Aarhus ReWater. Aarsleff has been chosen as a project partner and will assist with the design and planning with a view to entering into a subsequent design and build contract.

In the first half of the financial year, Construction's order intake amounted to DKK 6,609 million, and the order backlog amounted to DKK 13,759 million at 31 March 2022 (30 September 2021: DKK 10,896 million) of which approx. DKK 3,600 million is expected to be carried out in the current financial year. The figures for the order intake in the first half of the financial year include the order backlog at the acquisition of Permagreen Grønland with a total value of DKK 627 million.

Revenue expectations for the financial year 2021/22 are changed to a growth of approx. 15% against the previous announcement of a 12% revenue growth. The EBIT margin expectations are maintained at approx. 3.8%.



## Revenue

# 3,746M

H1 2020/21: 3,053M

## Segment results (EBIT)

# 125M

H1 2020/21: 150M

## EBIT margin

# 3.3%

H1 2020/21: 4.9%

# TECHNICAL SOLUTIONS – IMPROVED EARNINGS AND HIGH DEMAND



What we do  
[www.wk.dk](http://www.wk.dk)

Revenue amounted to DKK 1,110 million in the first half of the financial year, an increase of 23.3% compared to the same period last financial year. Organic growth was 23.1%.

EBIT amounted to DKK 50 million (EBIT margin: 4.5%) compared to DKK 17 million (EBIT margin: 1.9%) last financial year and was above expectations at the beginning of the financial year.

Revenue is increasing due to high demand for the Group's technical services as well as participation in the large building projects carried out in One Company collaboration. Also, the focus on increasing revenue within service and facility management in recent years has contributed positively to growth and earnings. This together with the gradually increasing revenue recognition as some of the large building projects are being completed contributed to improved earnings compared to previous years.

Another focus area is industry and infrastructure, and there is particular high demand for the Group's technical expertise within areas such as the food and pharmaceuticals industry as well as within stainless steel pipe installations for primarily waterworks, wastewater treatment plants and hospitals. Also, there is focus on opportunities arising in connection with the green transition where e.g. installation and operation of intelligent control systems may optimise and reduce the energy consumption.

There are continued good tender opportunities within large technical contracts, primarily in Greater Copenhagen. An example of this is that Wicotec Kirkebjerg A/S in May signed an approx. DKK 550 million contract with the Capital Region for the installations for Mary Elizabeth's Hospital.

In January, Wicotec Kirkebjerg bought the company S&H Klimateknik A/S which specialises in cooling and has extensive experience in designing and building cooling systems. Among other things, S&H Klimateknik supplies solutions within cooling of server rooms for data centres, comfort cooling for ventilation systems as well as cooling and freezing room solutions for hospitals and for the pharmaceutical industry. The company, which is based in Glostrup, generates revenue of approx. DKK 15 million and has approx. 15 employees. The acquisition supports Wicotec Kirkebjerg's strategic plan to offer more specialist skills within the technical field and at the same time provide synergies for the existing service and ventilation business.

In the first half of the financial year, Technical Solution's order intake amounted to DKK 1,082 million, and the order backlog amounted to DKK 2,465 million at 31 March 2022 (30 September 2021: DKK 2,493 million) of which approx. DKK 750 million is expected to be carried out in the current financial year.

The outlook for the financial year 2021/22 is adjusted upwards to an EBIT margin of approx. 3.5% against the previous announcement of 2.5%, and revenue growth of approx. 15% against the previous announcement of approx. 5%.



## Revenue

1,110<sub>M</sub>

H1 2020/21: 900M

## Segment results (EBIT)

50<sub>M</sub>

H1 2020/21: 17M

## EBIT margin

4.5%

H1 2020/21: 1.9%



# RAIL – HIGH REVENUE BUT INCREASING RAW MATERIAL PRICES IMPACTED EARNINGS

Revenue amounted to DKK 800 million in the first half of the financial year, an increase of 37.7% compared to the same period last financial year. Revenue of the Danish operations amounted to DKK 553 million or 18.1% up on the same period last financial year. Revenue of the foreign operations increased by 118.3% to DKK 247 million.

EBIT amounted to DKK -4 million (EBIT margin: -0.5%) compared to DKK -11 million (EBIT margin: -1.8%) last financial year and is in line with expectations at the beginning of the financial year. The level of activity was above expectations in all markets, but the increasing raw material prices, especially fuel prices, affected project margins. Also, earnings are affected by large seasonal fluctuations, and the first half of the financial year is generally characterised by lower earnings.

Results of the Danish operations were in line with expectations. On the Greater Copenhagen Light Rail, Ring 3, the track laying for the control and maintenance centre has commenced. In March, the

project involving track renewal and preparation for speed upgrading on the railway section between Aarhus and Langå began. There is still focus on increasing the level of activity within service and maintenance, and in May the work comprising operation and maintenance of the infrastructure of Odense Tramway began.

The development in Norway and Sweden is still positive. The order intake is good, and there are many tender opportunities. Focus remains on controlled growth and building up of local resources with support from Denmark.

In the first half of the financial year, Rail's order intake amounted to DKK 806 million, and the order backlog amounted to DKK 3,114 million at 31 March 2022 (30 September 2021: DKK 3,108 million) of which approx. DKK 800 million is expected to be carried out in the current financial year. In the quarter, major agreements were entered into concerning a new station near Favrholt and washing facilities for DSB (Danish State Railways) near Næstved Station.

The outlook for the financial year 2021/22 is adjusted to an EBIT margin of approx. 4% against the previous announcement of approx. 4.4%, and a revenue growth of approx. 20% against the previous announcement of approx. 13%.

## Revenue

# 800M

H1 2020/21: 581M

## Segment results (EBIT)

# -4M

H1 2020/21: -11M

## EBIT margin

# -0.5%

H1 2020/21: -1.8%



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# GROUND ENGINEERING – EARNINGS IMPACTED BY INCREASED COSTS



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Revenue amounted to DKK 1,481 million in the first half of the financial year, an increase of 14.5% compared to the same period last financial year. Organic growth was 11.2%. Revenue of the Danish operations increased by 11.9% to DKK 555 million. Revenue of the foreign operations increased by 16.1% to DKK 926 million.

EBIT amounted to DKK 47 million (EBIT margin: 3.2%) compared to DKK 77 million (EBIT margin: 6.0%) last financial year and was below expectations at the beginning of the financial year. Overall, there was a satisfactory level of activity in all countries, but earnings were affected by increased costs for materials, transportation and energy.

Results of the Danish activities were as expected. The level of activity in Denmark was higher than in the same period of last financial year due to several large construction pit projects. The level of activity of the No-Dig activities in Entreprenørfirmaet Østergaard was unchanged.

In Sweden, revenue and results were in line with expectations. There was a high level of activity in the second quarter which is expected to continue during the rest of the financial year, among other things because Aarsleff Ground Engineering AB in November entered into a contract for the sheet pile work for the Södertälje lock and canal in Stockholm. The contract value is DKK 271 million.

In Poland, results were in line with expectations. The order backlog is good and comprises numerous projects with reinforced concrete piles.

In the UK, results were below expectations as the start-up of several major piling projects has been postponed. There are still good market opportunities and a high level of activity is expected during the rest

of the financial year. In April, Aarsleff acquired the UK-based contracting company Cannon Piling Ltd. The company was founded in 1992 and carries out in situ activities such as drilled piles, CFA piles and micro piles. Based in Essex, 60 kilometres northeast of London, Cannon Piling generates revenue of approx. DKK 100 million and has 45 employees. The acquisition of the activities will strengthen Ground Engineering's market position in the London area and within in situ activities on the UK market in general where Cannon Piling will become a part of the existing contracting activities. The acquisition will support Ground Engineering's strategic plan and achieve synergies with the existing business in the UK.

In Germany, the level of activity is increasing because of several large piling projects. However, the piling projects did not generate satisfactory earnings during the first half of the financial year. The results of the other activities in Germany were as expected, and there are promising market opportunities, among other things because of the green transition.

In Norway, results were below expectations, primarily because Sør-Norsk Boring AS is particularly exposed to increasing steel prices. Market opportunities remain promising in Norway.

In the first half of the financial year, Ground Engineering's order intake amounted to DKK 1,456 million, and the order backlog amounted to DKK 1,932 million at 31 March 2022 (30 September 2021: DKK 1,958 million) of which approx. DKK 1,100 million is expected to be carried out in the current financial year.

The outlook for the financial year 2021/22 is adjusted to an EBIT margin of approx. 4.5% against the previous announcement of approx. 5.5%, and a revenue growth of approx. 7% against the previous announcement of approx. 5%.



Revenue

1,481M

H1 2020/21: 1,294M

Segment results (EBIT)

47M

H1 2020/21: 77M

EBIT margin

3.2%

H1 2020/21: 6.0%

# PIPE TECHNOLOGIES – INCREASING RAW MATERIAL PRICES IMPACTED EARNINGS



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Revenue amounted to DKK 1,122 million in the first half of the financial year, an increase of 2.5% compared to the same period last financial year. Revenue of the Danish operations decreased by 2.9% to DKK 318 million. Revenue of the foreign operations increased by 4.9% to DKK 804 million.

EBIT amounted to DKK 80 million (EBIT margin: 7.1%) compared to DKK 77 million (EBIT margin: 7.0%) last financial year and was in line with expectations. In general, the level of activity is satisfactory, but the significantly increasing raw material prices impacted earnings especially in Pipe Technologies' factory in Denmark.

In the Nordic countries, results were in line with expectations and the level of activity was satisfactory. However, in the past quarter the activities in Sweden declined. The level of activity in Norway is still increasing both in the public market and the private market. The significantly increasing prices of raw materials impacted earnings in the factory in Denmark, and in future it will also impact earnings on the many long-term framework agreements in Denmark.

In Germany, results were in line with expectations. The level of activity is still satisfactory, and the price pressure decreases. In the Netherlands, recent years' positive development in both revenue and earnings continues.

Revenue in Poland and the Baltic countries was low as expected. Poland was affected by the lack of EU funded projects.

In the first half of the financial year, Pipe Technologies' order intake amounted to DKK 1,037 million, and the order backlog amounted to DKK 1,433 million at 31 March 2022 (30 September 2021: DKK 1,526 million) of which approx. DKK 700 million is expected to be carried out in the current financial year.

On 31 March, Aarsleff announced that the Group had decided to sell its business in Russia and leave the country. Negotiations are currently going on about a sale of the Russian subsidiary to the local management, and completion of the sale is expected during this financial year. As a result of this decision, the activities in Russia will no longer be included in Pipe Technologies' revenue and operating profit. From an accounting perspective, the activities will be treated as an asset held for sale until completion of the disposal and are included in the accounts as a discontinued operation. The business will be reassessed at fair value which has resulted in a non-cash impairment of DKK 43 million (translated using the RUB exchange rate at 31 March). In the financial year 2020/21, the business in Russia reported revenue of DKK 64 million and operating profit of DKK 4 million.

In January, Aarsleff exercised an option to buy the remaining 49% of the shares at book value in the Norwegian company Olimb Rørfornying Holding AS following a purchase of 51% of the shares in 2017.

Revenue expectations for the financial year 2021/22 are changed to a growth of approx. 0% against the previous announcement of a 3% revenue growth. The EBIT margin expectations are maintained at approx. 6.5%.



## Revenue

1,122M

H1 2020/21: 1,094M

## Segment results (EBIT)

80M

H1 2020/21: 77M

## EBIT margin

7.1%

H1 2020/21: 7.0%

# OUTLOOK FOR THE FINANCIAL YEAR 2021/22

Earnings expectations for the financial year remain unchanged. EBIT from continuing operations is expected to be in the range of DKK 700 million. Revenue expectations are changed to a growth of approx. 12% against previously approx. 8.5%.

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 2020/21 annual report and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

# FINANCIAL CALENDAR

29 August 2022	Interim financial report for the period 1 October 2021–30 June 2022
16 December 2022	Annual report for the financial year 2021/22

# 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 2021-31 March 2022.

The interim financial report, which has not been audited or reviewed by the company's auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

We consider the accounting policies used to be appropriate. Accordingly, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2022 and of the results of the Group's operations and cash flows for the period 1 October 2021 to 31 March 2022.

In our opinion, Management's review includes a true and fair account of the development in the Group's operations and financial circumstances, 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, 31 May 2022

## Executive Management

**Jesper Kristian Jacobsen**  
CEO

**Nicolai Schultz**  
Deputy CEO

**Mogens Vedel Hestbæk**  
Group CFO

## Board of Directors

**Ebbe Malte Iversen**  
Chairman of the Board

**Jørgen Wisborg**  
Deputy Chairman

**Jens Bjerg Sørensen**  
Member of the Board

**Charlotte Strand**  
Member of the Board

**Henrik Højen Andersen**  
Member of the Board



# INCOME STATEMENT

	January quarter		H1	
(tDKK)	2021/22	2020/21	2021/22	2020/21
<b>Revenue</b>	<b>4,121,796</b>	<b>3,279,252</b>	<b>8,259,256</b>	<b>6,922,097</b>
Production costs	-3,699,869	-2,914,193	-7,382,866	-6,143,963
<b>Gross profit</b>	<b>421,927</b>	<b>365,059</b>	<b>876,390</b>	<b>778,134</b>
Administrative expenses and selling costs	-297,633	-231,646	-597,229	-483,565
Other operating income and expenses	5,525	4,173	10,125	15,210
Share of profit in associates and joint ventures	4,126	0	8,250	0
<b>Operating profit (EBIT)</b>	<b>133,945</b>	<b>137,586</b>	<b>297,536</b>	<b>309,779</b>
Net financials	-14,389	-12,959	-17,885	-17,280
<b>Profit before tax</b>	<b>119,556</b>	<b>124,627</b>	<b>279,651</b>	<b>292,499</b>
Tax on profit for the period	-29,407	-36,563	-65,405	-74,444
<b>Profit after tax (continuing operations)</b>	<b>90,149</b>	<b>88,064</b>	<b>214,246</b>	<b>218,055</b>
Profit after tax (discontinued operations)	-44,086	-510	-42,973	505
<b>Profit after tax</b>	<b>46,063</b>	<b>87,554</b>	<b>171,273</b>	<b>218,560</b>
Earnings per share (DKK)	2.35	4.37	8.65	10.90

# STATEMENT OF COMPREHENSIVE INCOME

	January quarter		H1	
(tDKK)	2021/22	2020/21	2021/22	2020/21
<b>Profit after tax</b>	<b>46,063</b>	<b>87,554</b>	<b>171,273</b>	<b>218,560</b>
<b>Items that can be reclassified to the income statement</b>				
Foreign exchange adjustment on translation of foreign entities	6,866	8,401	15,805	29,394
Fair value adjustment of derivative financial instruments, net	-5,026	5,716	-4,324	6,558
Tax on other comprehensive income	1,077	-1,576	841	-1,867
Other comprehensive income recognised directly in equity	2,917	12,541	12,322	34,085
<b>Total comprehensive income</b>	<b>48,980</b>	<b>100,095</b>	<b>183,595</b>	<b>252,645</b>
<b>Comprehensive income is attributable to</b>				
Per Aarsleff Holding A/S shareholders	49,147	100,092	183,889	252,500
Minority shareholders	-167	3	-294	145
<b>Total</b>	<b>48,980</b>	<b>100,095</b>	<b>183,595</b>	<b>252,645</b>

# BALANCE SHEET

(tDKK)	31/03 2022	30/9 2021	31/03 2021
<b>Assets</b>			
Goodwill	228,839	225,463	202,314
Patents and other intangible assets	122,540	122,696	79,494
Land and buildings	894,753	847,797	802,337
Plant and machinery	1,500,733	1,437,705	1,281,488
Other fixtures and fittings, tools and equipment	155,190	156,371	175,339
Property, plant and equipment under construction	302,486	170,134	168,147
Lease assets	497,113	406,976	356,649
Other non-current assets	45,927	50,507	50,137
<b>Non-current assets</b>	<b>3,747,581</b>	<b>3,417,649</b>	<b>3,115,905</b>
Inventories	462,149	410,621	341,823
Construction contract debtors	2,439,863	2,542,351	2,036,861
Work in progress	1,867,851	1,298,740	1,165,380
Other receivables	225,642	200,752	355,853
Securities	585,483	602,918	607,290
Cash and cash equivalents	1,164,283	444,660	780,745
Assets held for sale	46,099	0	0
<b>Current assets</b>	<b>6,791,370</b>	<b>5,500,042</b>	<b>5,287,952</b>
<b>Total assets</b>	<b>10,538,951</b>	<b>8,917,691</b>	<b>8,403,857</b>

(tDKK)	31/03 2022	30/9 2021	31/03 2021
<b>Equity and liabilities</b>			
Equity, shareholders of Per Aarsleff Holding A/S	3,615,874	3,656,688	3,436,201
Minority interests' share of equity	26,247	6,764	6,253
<b>Equity</b>	<b>3,642,121</b>	<b>3,663,452</b>	<b>3,442,454</b>
Mortgage debt and credit institutions	157,396	94,128	95,494
Lease liabilities	331,213	262,995	223,462
Provisions	160,929	151,148	95,197
Other payables	42,989	43,628	0
Deferred tax	264,745	260,960	360,363
<b>Non-current liabilities</b>	<b>957,272</b>	<b>812,859</b>	<b>774,516</b>
Mortgage debt and credit institutions	1,421,806	151,233	302,188
Lease liabilities	133,954	137,981	129,673
Work in progress	1,206,713	1,160,405	1,265,624
Trade payables	2,007,406	1,832,816	1,430,203
Other payables	1,129,640	1,158,945	1,059,199
Liabilities concerning assets held for sale	40,039	0	0
<b>Current liabilities</b>	<b>5,939,558</b>	<b>4,441,380</b>	<b>4,186,887</b>
<b>Total liabilities</b>	<b>6,896,830</b>	<b>5,254,239</b>	<b>4,961,403</b>
<b>Equity and liabilities</b>	<b>10,538,951</b>	<b>8,917,691</b>	<b>8,403,857</b>

# STATEMENT OF CASH FLOWS

	H1	
(tDKK)	2021/22	2020/21
<b>Cash flow generated from operations</b>		
Operating profit ( EBIT )	297,536	309,779
Profit after tax ( discontinued operations )	-42,973	505
Depreciation, amortisation and impairment, intangible assets	12,445	8,575
Depreciation, amortisation and impairment, property, plant and equipment	298,924	269,244
Other adjustments	-22,781	-21,651
Change in working capital	-278,943	-180,320
Net financials	-14,852	-14,664
Income tax paid	-69,735	-210,917
<b>Cash flow from operating activities</b>	<b>179,621</b>	<b>160,551</b>
<b>Cash flow generated from investments</b>		
Acquisitions	-39,728	0
Net investment in property, plant and equipment and intangible assets	-373,426	-258,929
Securities	7,290	-347
<b>Cash flow from investing activities</b>	<b>-405,864</b>	<b>-259,276</b>
Non-current liabilities	2,403	-6,136
Dividend paid	-158,210	-130,188
Lease payments	-87,683	-82,456
Purchase of treasury shares	-78,792	0
<b>Cash flow from financing activities</b>	<b>-322,282</b>	<b>-218,780</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-548,525</b>	<b>-317,505</b>
Cash and cash equivalents at the beginning of the year	302,227	804,722
Change in cash and cash equivalents for the period	-548,525	-317,505
<b>Closing cash and cash equivalents</b>	<b>-246,298</b>	<b>487,217</b>

# NET INTEREST-BEARING DEPOSIT

	H1	
(tDKK)	2021/22	2020/21
Cash and cash equivalents	1,164,283	780,745
Securities	585,483	607,290
<b>Total interest-bearing assets</b>	<b>1,749,766</b>	<b>1,388,035</b>
Mortgage debt and credit institutions	1,579,202	397,682
Lease liabilities	465,167	353,135
Other debt	42,992	66,656
<b>Total interest-bearing liabilities</b>	<b>2,087,361</b>	<b>817,473</b>
<b>Net interest-bearing deposits/debt ( + / - )</b>	<b>-337,595</b>	<b>570,562</b>

# 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
<b>Equity at 1 October 2021</b>	<b>40,770</b>	<b>-123,392</b>	<b>-4,573</b>	<b>3,580,802</b>	<b>163,081</b>	<b>3,656,688</b>	<b>6,764</b>	<b>3,663,452</b>
<b>Comprehensive income</b>								
Profit for the period				171,576		171,576	-303	171,273
<b>Other comprehensive income</b>								
Foreign exchange adjustment of foreign entities		15,796				15,796	9	15,805
Fair value adjustment of derivative financial instruments			-4,324			-4,324		-4,324
Tax on derivative financial instruments			841			841		841
Total other comprehensive income	0	15,796	-3,483	0	0	12,313	9	12,322
<b>Total comprehensive income</b>	<b>0</b>	<b>15,796</b>	<b>-3,483</b>	<b>171,576</b>	<b>0</b>	<b>183,889</b>	<b>-294</b>	<b>183,595</b>
<b>Transactions with owners</b>								
Purchase of minority shareholders							20,342	20,342
Dividend, minority shareholders							-565	-565
Employee share programme				12,298		12,298		12,298
Purchase of treasury shares				-78,790		-78,790		-78,790
Dividend paid					-163,081	-163,081		-163,081
Dividend, treasury shares				4,870		4,870		4,870
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-61,622</b>	<b>-163,081</b>	<b>-224,703</b>	<b>19,777</b>	<b>-204,926</b>
<b>Equity at 31 March 2022</b>	<b>40,770</b>	<b>-107,596</b>	<b>-8,056</b>	<b>3,690,756</b>	<b>0</b>	<b>3,615,874</b>	<b>26,247</b>	<b>3,642,121</b>
<b>Equity at 1 October 2020</b>	<b>40,770</b>	<b>-151,427</b>	<b>-10,949</b>	<b>3,293,541</b>	<b>132,503</b>	<b>3,304,438</b>	<b>6,381</b>	<b>3,310,819</b>
<b>Comprehensive income</b>								
Profit for the period				218,407		218,407	153	218,560
<b>Other comprehensive income</b>								
Foreign exchange adjustment of foreign entities		29,402				29,402	-8	29,394
Fair value adjustment of derivative financial instruments			6,558			6,558		6,558
Tax on derivative financial instruments			-1,867			-1,867		-1,867
Total other comprehensive income	0	29,402	4,691	0	0	34,093	-8	34,085
<b>Total comprehensive income</b>	<b>0</b>	<b>29,402</b>	<b>4,691</b>	<b>218,407</b>	<b>0</b>	<b>252,500</b>	<b>145</b>	<b>252,645</b>
<b>Transactions with owners</b>								
Dividend, minority shareholders							-273	-273
Employee share programme				9,451		9,451		9,451
Dividend paid					-132,503	-132,503		-132,503
Dividend, minority shareholders				2,315		2,315		2,315
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,766</b>	<b>-132,503</b>	<b>-120,737</b>	<b>-273</b>	<b>-121,010</b>
<b>Equity at 31 March 2021</b>	<b>40,770</b>	<b>-122,025</b>	<b>-6,258</b>	<b>3,523,714</b>	<b>0</b>	<b>3,436,201</b>	<b>6,253</b>	<b>3,442,454</b>



# NOTES

## Note 1 – Results and financial ratios for the reporting entitites, H1

	Construction		Technical Solutions		Rail		Ground Engineering		Pipe Technologies		Total	
(tDKK)	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21
<b>Revenue</b>	<b>3,745,972</b>	<b>3,053,427</b>	<b>1,110,319</b>	<b>900,160</b>	<b>799,758</b>	<b>580,935</b>	<b>1,481,477</b>	<b>1,293,625</b>	<b>1,121,730</b>	<b>1,093,950</b>	<b>8,259,256</b>	<b>6,922,097</b>
Of which work performed abroad	607,406	378,398	0	0	247,233	113,256	926,567	797,789	803,985	766,693	2,585,191	2,056,136
<b>Operating profit (EBIT)</b>	<b>124,894</b>	<b>150,139</b>	<b>50,113</b>	<b>16,716</b>	<b>-3,883</b>	<b>-10,667</b>	<b>46,798</b>	<b>77,270</b>	<b>79,614</b>	<b>76,321</b>	<b>297,536</b>	<b>309,779</b>
Net financials											-17,885	-17,280
<b>Profit before tax</b>											<b>279,651</b>	<b>292,499</b>
EBIT margin, %	3.3	4.9	4.5	1.9	-0.5	-1.8	3.2	6.0	7.1	7.0	3.6	4.5
Number of employees	3,492	3,008	1,374	1,150	805	733	1,542	1,430	1,089	1,037	8,302	7,358

# NOTES

## Note 2 – Allocation of revenue from contracts with customers

	H1	
(tDKK)	2021/22	2020/21
<b>Domestic</b>		
Sale of goods*	77,640	84,689
Construction contracts**	5,596,425	4,781,272
<b>Total domestic</b>	<b>5,674,065</b>	<b>4,865,961</b>
<b>International</b>		
Sale of goods*	144,892	106,682
Construction contracts**	2,440,299	1,949,454
<b>Total international</b>	<b>2,585,191</b>	<b>2,056,136</b>
<b>Total</b>		
Sale of goods*	222,532	191,371
Construction contracts**	8,036,724	6,730,726
<b>Total</b>	<b>8,259,256</b>	<b>6,922,097</b>

\* Sales are mainly from the reporting segment Ground Engineering.

\*\* Construction contracts are recognised over time.

## Note 3 – Accounting policies

The interim financial report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

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

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

### Changes in accounting policies and disclosures

Except for the changes below, the accounting policies remain unchanged compared to the annual report for 2020/21, to which reference is made.

Aarsleff has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2021/22 financial year, including: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 due to the IBOR reform, phase 2 as well as IFRS 16 Leasing.

None of these had any significant impact on recognition or measurement in the consolidated financial statements for the first half of 2021/22. Also, no significant impact is expected on future periods.