

# INTERIM FINANCIAL REPORT FOR THE PERIOD 1 OCTOBER-30 JUNE 2022



**AARSLEFF**

Today, the Board of Directors of Per Aarsleff Holding A/S has discussed and approved the interim financial report for the first nine months. The interim financial report has not been audited or reviewed by the company's auditor. The expectations for revenue growth for the full financial year have been adjusted, and therefore we have decided to bring forward the publication of the interim financial report.

## HIGHLIGHTS

- Consolidated revenue increased by 21.6% to DKK 12,925 million
- EBIT from continuing operations amounted to DKK 473 million, corresponding to an EBIT margin of 3.7%
- High level of activity but the market is characterised by price increases and shortage of materials
- All five reporting segments contributed results in line with expectations. Third quarter results were impacted by the strong increases in the prices of materials and raw materials
- Continued good order intake and a record-high order backlog
- Cash flow from operating activities was still affected by increasing working capital due to changes in the project composition.

## OUTLOOK

The outlook for the full financial year remains 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. 20% against previously approx. 12%.

## CHANGE OF FINANCIAL CALENDAR

As mentioned, the publication of the interim financial report has been brought forward from 29 August to 26 August 2022.

**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

The interim financial report has been prepared in Danish and in English. In case of discrepancy, the Danish version shall prevail.

### Further information:

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# FINANCIAL HIGHLIGHTS

	April quarter		Year to date		Financial year
(tDKK)	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Income statement</b>					
Revenue	4,666,141	3,703,297	12,925,397	10,625,394	14,629,769
Of this, worked performed abroad	1,575,327	1,187,695	4,160,518	3,243,831	4,475,245
Operating profit ( EBIT )	174,997	177,714	472,533	487,493	643,980
Net financials	-9,007	-2,668	-26,892	-19,948	-31,113
Profit before tax	165,990	175,046	445,641	467,545	612,867
Profit after tax ( continuing )	135,553	135,845	349,799	353,900	469,709
Profit after tax ( discontinued )	-21,627	1,718	-64,600	2,223	2,926
<b>Balance sheet</b>					
Non-current assets			3,888,365	3,192,320	3,417,649
Current assets			7,241,982	6,049,619	5,500,042
Total assets			11,130,347	9,241,939	8,917,691
Equity			3,695,045	3,590,834	3,663,452
Non-current liabilities			979,990	781,784	812,859
Current liabilities			6,455,312	4,869,321	4,441,380
Total equity and liabilities			11,130,347	9,241,939	8,917,691
Invested capital ( IC )			4,625,622	3,228,757	3,377,926
Working capital			1,391,016	493,760	581,104
Net interest-bearing deposits/ debt ( + / - )			-931,214	360,745	283,696

	April quarter		Year to date		Financial year
(tDKK)	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Statement of cash flows</b>					
Cash flow from operating activities	-228,504	11,995	-48,883	172,546	471,045
Cash flow from investing activities	-266,270	-167,878	-672,134	-427,154	-675,651
Of which, investment in property, plant and equipment, net	-203,663	-166,950	-577,089	-425,879	-638,389
Cash flow from financing activities	-56,698	-42,289	-378,980	-261,069	-301,702
Change in cash and cash equivalents for the period	-551,472	-198,172	-1,099,997	-515,677	-506,308
<b>Financial ratios</b>					
Gross margin, %	10.4	12.2	10.5	11.6	11.4
Operating margin ( EBIT margin ) , %	3.8	4.8	3.7	4.6	4.4
Profit margin ( pre-tax margin ) , %	3.6	4.8	3.4	4.4	4.2
Return on invested capital ( ROIC ) , % *			11.8	16.5	21.2
Return on invested capital after tax ( ROIC ) , % *			7.6	12.5	16.3
Return on equity ( ROE ) , % *			7.8	10.3	13.6
Equity ratio, %			33.2	38.9	41.1
Earnings per share ( EPS ) , DKK	5.71	6.83	14.36	17.73	23.53
Share price, DKK			212.00	282.00	262.50
Price/net asset value			1.13	1.58	1.43
Number of employees			8,586	7,581	7,658

\* Not translated into full-year figures.

See page 107 of the 2020/21 annual report for a definition of financial ratios.

# MANAGEMENT'S REVIEW

## Financial development of the Aarsleff Group

### Income statement

Consolidated revenue amounted to DKK 12,925 million in the first nine months of the financial year 2021/22, corresponding to an increase of 21.6% compared to last financial year, of which 18.4% was organic growth. Revenue in Denmark increased by 18.7%, while revenue of the foreign operations increased by 28.3%. Permagreen Grønland A/S was included effective from November 2021.

Operating profit (EBIT) amounted to DKK 473 million (EBIT margin: 3.7%) against DKK 487 million (EBIT margin: 4.6%) in the first nine months of last financial year which was positively affected by the completion of several large harbour projects.

In Construction, revenue increased by 26.7% driven by a high level of activity. Construction delivered nominal results in line with ex-

pectations. The EBIT margin is negatively affected by the strongly increasing prices of materials and raw materials and by a few building projects which are not progressing as expected. In addition, results are positively impacted by a high level of activity in the construction market and a gradually increasing revenue recognition as some of the large building projects are being completed.

Technical Solutions delivered third quarter results in line with expectations, and revenue increased by 27.1%. The great demand for technical services had a positive impact on earnings.

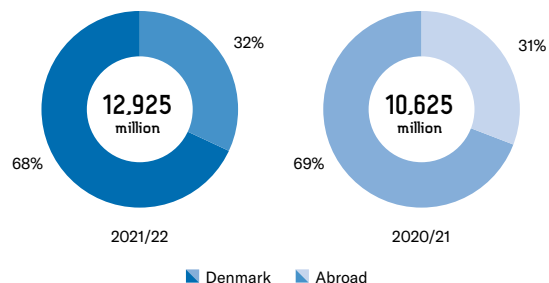
Rail delivered results in line with expectations, and revenue increased by 42.7%. The level of activity was above expectations in all markets, but the increasing raw material prices, especially fuel prices, affected project margins.

Ground Engineering delivered results in line with expectations. 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 13.2%, primarily due to the acquisition of the activities in Norway and a high level of activity in Denmark, the UK, Poland and Sweden.

Pipe Technologies delivered results in line with expectations, revenue increased by 1.5%, and the level of activity was satisfactory in all main markets. The strong increase in the prices of raw materials has especially impacted earnings in Pipe Technologies' Danish factory.

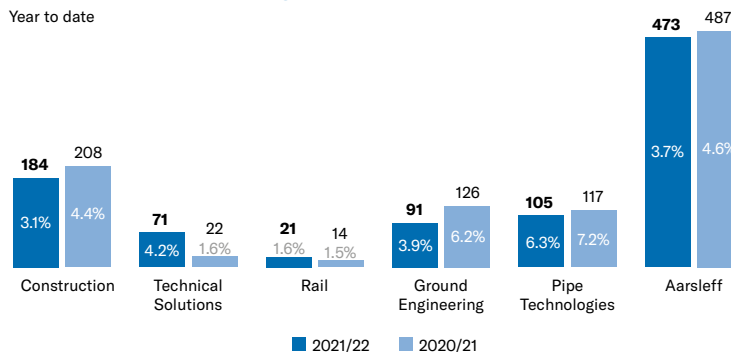
### Revenue

Year to date



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

Year to date



### Quarterly results

Operating profit (EBIT) of the third quarter amounted to DKK 175 million (EBIT margin: 3.8%) compared to DKK 178 million (EBIT margin: 4.8%) in the same period of last financial year.

Construction delivered results in line with expectations in the third quarter. Results were affected by the strongly increasing prices of materials and raw materials. However, this was partly offset by a high level of activity within construction and the fact that several building projects are expected to be completed in this financial year and the next, resulting in a gradually increasing revenue recognition on some projects.

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

### 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	5,942	9,468	14,422	2,050
Technical Solutions	2,493	1,706	1,861	2,648	350
Rail	3,108	1,307	1,047	2,848	450
Ground Engineering	1,958	2,308	2,642	2,292	750
Pipe Technologies	1,526	1,662	1,569	1,433	500
<b>Total</b>	<b>19,981</b>	<b>12,925</b>	<b>16,587</b>	<b>23,643</b>	<b>4,100</b>

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 performed in line with expectations in the third quarter. There was a high level of activity but increasing material prices impacted earnings.

Pipe Technologies delivered third quarter results in line with expectations. The strongly increasing raw material prices had a particular impact on earnings in the factory in Denmark combined with a continued 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 it will be included in the financial accounts as a discontinued operation. The business will be reassessed at fair value, which has resulted in a non-cash impairment of DKK 65 million (translated using the exchange rate on roubles at 30 June 2022). This is a further write-down of DKK 22 million compared to the announcement of 31 March 2022 and is attributable to the increase in the exchange rate on roubles. In the financial year 2020/21, the business in Russia reported revenue of DKK 64 million and operating profit of DKK 4 million.

Our operations are affected by the war in Ukraine which 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 several projects, we have a close and constructive dialogue with our customers about the challenges and how to find the best solutions. Also, we have a strong focus on both material availability and price increases when submitting new tenders.

### 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 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 30 June 2022, the Group's order backlog amounted to DKK 23,643 million (30 September 2021: DKK 19,981 million). The order intake of the first nine months amounted to DKK 16,587 million. In May, Aarsleff signed a SEK 1.3 billion contract with Älvstranden Utveckling AB for the construction of a large peninsula in Port of Gothenburg, Sweden. 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 project is carried out in a One Company collaboration between Construction and Ground Engineering.

#### Balance sheet

Consolidated balance sheet total was DKK 11,130 million at 30 June 2022. This corresponds to an increase of DKK 2,212 million compared to the balance sheet total of DKK 8,918 million at the

end of last financial year. The development in the balance sheet total can be explained by a DKK 480 million recognition of financial instruments as of 30 June 2022 in connection with interest rate optimisation.

Consolidated interest-bearing debt less interest-bearing assets amounted to a net debt of DKK 931 million against a net deposit of DKK 284 million at 30 September 2021. The change is mainly attributable to a DKK 523 million increase of work in progress, net during the first nine months, primarily due to changes in the project composition with more small and medium-sized projects to which working capital is tied up. Also, payment schedules have been agreed on for some large projects, resulting in an increased amount of funds tied up in a certain period.

Equity amounted to DKK 3,695 million compared to DKK 3,663 million at the end of last financial year or 33.2% of the balance sheet total compared to 41.1% at the beginning of the financial year.

#### Statement of cash flows

Cash flows from operating activities amounted to an outflow of DKK 49 million against an inflow of DKK 173 million in the first nine months of last financial year. There was a negative effect of working capital of DKK 799 million compared to DKK 476 million in the same period last financial year, primarily due to the changes in the project composition.

Among other things, cash flows from investing activities were affected by the acquisitions of Permagreen Grønland A/S, Olimb Rørfornying Holding AS and Cannon Piling Ltd. and amounted to an outflow of DKK 672 million compared to an outflow of DKK 427 million in the first nine months 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 resulting in an expansion of the pile production capacity as well as in Ground Engineering's new product, a threaded pile.

#### Subsequent events

Per Aarsleff Holding A/S has entered into an agreement to purchase 66.6% of the shares in the Norwegian company Trym Anlegg AS. Also, it has been agreed that Aarsleff will buy the remaining shares at book value at the latest in 2027. The total price for 100% of the company is NOK 240 million. The transaction was carried out on 12 July 2022. Trym Anlegg is a well-run project-based company within the railway and construction segment with a skilled management and 90 committed employees. The company, which is headquartered in Trondheim in central Norway, generates annual revenue of NOK 425 million, and in 2021 the operating profit, EBIT, amounted to NOK 30 million. Trym Anlegg has a strong position in the Norwegian market, especially within railway infrastructure, as well as a strategically important location in relation to the Aarsleff Rail Group's other railway activities in Norway, which are anchored in Banedrift AS domiciled in Fredrikstad south of Oslo.

In August, Aarsleff entered into a contract for the extension of a data centre in Odense at a value of DKK 2.4 billion.



# CONSTRUCTION – HIGH REVENUE

Revenue amounted to DKK 5,942 million in the first nine months of the financial year, an increase of 26.7% compared to last financial year. Organic growth was 21.7%. Revenue of the Danish operations amounted to DKK 4,905 million or 19% up compared to the same period last financial year. Revenue of the foreign operations increased by 82.3% to DKK 1,037 million.

EBIT amounted to DKK 184 million (EBIT margin: 3.1%) compared to DKK 208 million (EBIT margin: 4.4%) last financial year. Construction delivered nominal results in line with expectations. The EBIT margin is negatively affected by the strongly increasing prices of materials and raw materials and by a few building projects which are not progressing as expected. But a gradually increasing revenue recognition due to the completion of some of the large building projects combined with a high level of activity in the construction market had a positive impact on results. In addition, last financial year was positively impacted by the completion of some of the major harbour projects.

Per Aarsleff A/S reported results in line with expectations. 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 the company entered into a contract 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  
[www.aarsleff.com/references](http://www.aarsleff.com/references)

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, such as large infrastructure projects and projects driven by the green transition, e.g. conversion from natural gas to district heating. An example of a large construction project is the contract for the extension of a data centre in Odense at a value of DKK 2.4 billion. There are signs of a slowdown in the market for building construction due to increasing prices of materials and raw materials as well as the rising interest rates.

The development of a number of 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 nine months of the financial year, Construction's order intake amounted to DKK 9,468 million, and the order backlog amounted to DKK 14,422 million at 30 June 2022 (30 September 2021: DKK 10,896 million) of which approx. DKK 2,050 million is expected to be carried out in the financial year 2021/22. The figures for the order intake during the first nine months of the financial year include the order backlog at the acquisition of Permagreen Grønland with a total value of DKK 627 million.

The outlook for the financial year 2021/22 is adjusted to an EBIT margin of approx. 3.2% against the previous announcement of approx. 3.8%, and a revenue growth of approx. 26% against the previous announcement of approx. 15%.



## Revenue

5,942M

2020/21: 4,691M

## Segment results (EBIT)

184M

2020/21: 208M

## EBIT margin

3.1%

2020/21: 4.4%

# TECHNICAL SOLUTIONS – IMPROVED EARNINGS AND GREAT DEMAND



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

Revenue amounted to DKK 1,706 million in the first nine months of the financial year, an increase of 27.1% compared to last financial year. Organic growth was 26.4%.

EBIT amounted to DKK 71 million (EBIT margin: 4.2%) compared to DKK 22 million (EBIT margin: 1.6%) last financial year and is in line with expectations.

Revenue is increasing due to a great 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 both growth and earnings.

Another focus area is industry and infrastructure, and there is a particular great 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, e.g. installation and operation of intelligent control systems for optimising and reducing the energy consumption.

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

In January, Wicotec Kirkebjerg acquired the company S&H Klimateknik A/S which specialises in cooling and has extensive experience in designing and building refrigeration systems. Among other things, S&H Klimateknik supplies solutions within cooling of server rooms for data centres, comfort cooling for ventilation systems, and refrigeration and freezing room solutions for hospitals and the pharmaceutical industry. The company, which is based in Glostrup, generates revenue of approx. 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 July, Wicotec Kirkebjerg acquired the company Kurt Jensen Maskinfabrik A/S. The company specialises in manufacturing of stainless piping for waterworks, food manufacturers and the environmental sector. The company has its own facilities for pickling of stainless steel and has specialist pipe collaring equipment for branch connections. Kurt Jensen Maskinfabrik has 20 employees and 4,000 square metres of production facilities, placed in Otterup on Funen.

In the first nine months of the financial year, Technical Solutions' order intake amounted to DKK 1,861 million, and the order backlog amounted to DKK 2,648 million at 30 June 2022 (30 September 2021: DKK 2,493 million) of which approx. DKK 350 million is expected to be carried out in the current financial year.

Revenue expectations for the financial year 2021/22 are changed to a growth of approx. 20% against the previous announcement of a 15% revenue growth. The EBIT margin expectations are maintained at approx. 3.5%.



## Revenue

**1,706M**

2020/21: 1,342M

## Segment results (EBIT)

**71M**

2020/21: 22M

## EBIT margin

**4.2%**

2020/21: 1.6%



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

Revenue amounted to DKK 1,307 million in the first nine months of the financial year, an increase of 42.7% compared to last financial year. Revenue of the Danish operations amounted to DKK 912 million or 29.1% up compared to the same period last financial year. Revenue of the foreign operations increased by 88.6% to DKK 395 million.

EBIT amounted to DKK 21 million (EBIT margin: 1.6%) compared to DKK 14 million (EBIT margin: 1.5%) last financial year and is in line with expectations. The level of activity was above expectations in all markets, but the increasing raw material prices, especially fuel prices, affected project margins.

Results of the Danish operations were in line with expectations. There was a high level of activity on a number of large projects such as the Greater Copenhagen Light Rail, Ring 3, where the track laying for the control and maintenance centre has commenced, and track maintenance and preparation for speed upgrading on the railway section between Aarhus and Langå. Also, we have started working on the electrification of the section Fredericia-Aarhus. 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.



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

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 July, an agreement was signed to purchase 66.6% of the shares in the Norwegian company Trym Anlegg AS. Also, it has been agreed that Aarsleff will buy the remaining shares at book value at the latest in 2027. The total price of 100% of the company was set at NOK 240 million. Trym Anlegg is a well-run project-based company within the railway and construction segment with a skilled management and 90 committed employees. The company which is headquartered in Trondheim in central Norway generates annual revenue of NOK 425 million and it had an operating profit, EBIT, of approx. NOK 30 million in 2021. Trym Anlegg has a strong position in the Norwegian market, especially within railway infrastructure, as well as a strategically important location in relation to the Aarsleff Rail Group's other railway activities in Norway, which are anchored in Banedrift AS domiciled in Fredrikstad south of Oslo.

In the first nine months of the financial year, Rail's order intake amounted to DKK 1,047 million, and the order backlog amounted to DKK 2,848 million at 30 June 2022 (30 September 2021: DKK 3,108 million) of which approx. DKK 450 million is expected to be carried out in the current financial year.

Revenue expectations for the financial year 2021/22 are changed to a growth of approx. 35% against the previous announcement of a 20% revenue growth. The EBIT margin expectations are maintained at approx. 4%.



## Revenue

1,307<sub>M</sub>

2020/21: 916M

## Segment results (EBIT)

21<sub>M</sub>

2020/21: 14M

## EBIT margin

1.6%

2020/21: 1.5%



# GROUND ENGINEERING – EARNINGS IMPACTED BY INCREASED COSTS



What we do  
[www.aarsleff.com/references](http://www.aarsleff.com/references)

Revenue amounted to DKK 2,307 million in the first nine months of the financial year, an increase of 13.2% compared to last financial year. Organic growth was 8.1%. Revenue of the Danish operations increased by 6.5% to DKK 788 million. Revenue of the foreign operations increased by 17% to DKK 1.519 million.

EBIT amounted to DKK 91 million (EBIT margin: 3.9%) compared to DKK 126 million (EBIT margin: 6.2%) last financial year and is in line with expectations. Overall, there is a satisfactory level of activity in all countries, but earnings are still 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 June, Aarsleff acquired the company BL Grundvandssænkning A/S. The company has 18 employees and more than 20 years of experience. The acquisition will strengthen the Group's expertise and capacity within groundwater lowering and increase the opportunity of developing and providing new solutions within energy and water drillings in line with the increasing demand in the market.

In Sweden, revenue and results were above expectations. There was a high level of activity on a number of large projects. This is expected to continue in the rest of the financial year, among other things, caused by Aarsleff Ground Engineering AB's contract for the sheet pile work for the Södertälje lock and canal in Stockholm signed in November. The contract value is DKK 271 million.

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

In the UK, results are in line with expectations, and the start-up of several major pile foundation projects contributes to increasing revenue. 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 micro piles, CFA and bored piling. 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 pile installation projects. However, the pile installation projects are still not generating satisfactory earnings. The results of the other activities in Germany were as expected, and there are promising market opportunities, among other things as a result of the green transition.

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

In the first nine months of the financial year, Ground Engineering's order intake amounted to DKK 2,642 million, and the order backlog amounted to DKK 2,292 million at 30 June 2022 (30 September 2021: DKK 1,958 million) of which approx. DKK 750 million is expected to be carried out in the current financial year.

Revenue expectations for the financial year 2021/22 are changed to a growth of approx. 15% against the previous announcement of a 7% revenue growth. The EBIT margin expectations are maintained at approx. 4.5%.



Revenue

2,307<sub>M</sub>

2020/21: 2,038M

Segment results (EBIT)

91<sub>M</sub>

2020/21: 126M

EBIT margin

3.9%

2020/21: 6.2%

# PIPE TECHNOLOGIES – INCREASING RAW MATERIAL PRICES AFFECTED EARNINGS

Revenue amounted to DKK 1,663 million in the first nine months of the financial year, an increase of 1.5% compared to last financial year. Revenue of the Danish operations decreased by 3.8% to DKK 454 million. Revenue of the foreign operations increased by 3.6% to DKK 1,209 million.

EBIT amounted to DKK 105 million (EBIT margin: 6.3%) compared to DKK 117 million (EBIT margin: 7.2%) last financial year and is in line with expectations. In general, the level of activity is satisfactory, but the significantly increasing raw material prices are still impacting earnings especially in Pipe Technologies' Danish factory.

In the Nordic countries, results were in line with expectations and the level of activity was satisfactory, except for Sweden where there was a decline in revenue also in the third quarter. The level of activity in Norway is still increasing within the public as well as the private sector. The significantly increasing prices of raw materials are particularly impacting earnings in the factory in Denmark and will also impact 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 market opportunities are good.

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, and capacity adjustments were carried out in order to match the current level of activity.

In the first nine months of the financial year, Pipe Technologies' order intake amounted to DKK 1,569 million, and the order backlog amounted to DKK 1,433 million at 30 June 2022 (30 September 2021: DKK 1,526 million) of which approx. DKK 500 million is expected to be carried out in the current financial year.

As previously announced, Aarsleff has decided to sell its business in Russia and leave the country. From an accounting perspective, the activities will be treated as an asset held for sale and is therefore no longer included in Pipe Technologies' revenue and operating profit.

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 maintained at an EBIT margin of approx. 6.5% and a revenue growth of approx. 0%.



What we do  
[www.aarsleff.com/references](http://www.aarsleff.com/references)



## Revenue

1,663<sub>M</sub>

2020/21: 1,639M

## Segment results (EBIT)

105<sub>M</sub>

2020/21: 117M

## EBIT margin

6.3%

2020/21: 7.2%

# OUTLOOK FOR THE FINANCIAL YEAR 2021/22

The outlook for the full financial year remains 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. 20% against previously approx. 12%.

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 subject to the description in the annual report but are affected by the situation in Ukraine as mentioned in the Management's review.

# FINANCIAL CALENDAR

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 2021-30 June 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 30 June 2022 and of the results of the Group's operations and cash flows for the period 1 October 2021-30 June 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, 26 August 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

	April quarter		Nine months	
(tDKK)	2021/22	2020/21	2021/22	2020/21
<b>Revenue</b>	<b>4,666,141</b>	<b>3,703,297</b>	<b>12,925,397</b>	<b>10,625,394</b>
Production costs	-4,182,345	-3,254,168	-11,565,211	-9,398,131
<b>Gross profit</b>	<b>483,796</b>	<b>449,129</b>	<b>1,360,186</b>	<b>1,227,263</b>
Administrative expenses and selling costs	-316,205	-284,786	-913,434	-768,351
Other operating income and expenses	3,281	5,271	13,406	20,481
Share of profit in associates and joint ventures	4,125	8,100	12,375	8,100
<b>Operating profit (EBIT)</b>	<b>174,997</b>	<b>177,714</b>	<b>472,533</b>	<b>487,493</b>
Net financials	-9,007	-2,668	-26,892	-19,948
<b>Profit before tax</b>	<b>165,990</b>	<b>175,046</b>	<b>445,641</b>	<b>467,545</b>
Tax on profit for the period	-30,437	-39,201	-95,842	-113,645
<b>Profit after tax (continuing operations)</b>	<b>135,553</b>	<b>135,845</b>	<b>349,799</b>	<b>353,900</b>
Profit after tax (discontinued operations)	-21,627	1,718	-64,600	2,223
<b>Profit after tax</b>	<b>113,926</b>	<b>137,563</b>	<b>285,199</b>	<b>356,123</b>
Earnings per share (DKK)	5.71	6.83	14.36	17.73

# STATEMENT OF COMPREHENSIVE INCOME

	April quarter		Nine months	
(tDKK)	2021/22	2020/21	2021/22	2020/21
<b>Profit after tax</b>	<b>113,926</b>	<b>137,563</b>	<b>285,199</b>	<b>356,123</b>
<b>Items that may be reclassified to the income statement</b>				
Foreign exchange adjustment on translation of foreign entities	-20,369	7,775	-4,564	37,169
Fair value adjustment of derivative financial instruments, net	-9,111	622	-13,435	7,180
Tax on other comprehensive income	1,960	-181	2,801	-2,048
Other comprehensive income recognised directly in equity	-27,520	8,216	-15,198	42,301
<b>Total comprehensive income</b>	<b>86,406</b>	<b>145,779</b>	<b>270,001</b>	<b>398,424</b>
<b>Comprehensive income is attributable to</b>				
Per Aarsleff Holding A/S shareholders	85,245	145,725	269,134	398,225
Minority shareholders	1,161	54	867	199
<b>Total</b>	<b>86,406</b>	<b>145,779</b>	<b>270,001</b>	<b>398,424</b>

# BALANCE SHEET

(tDKK)	30/06 2022	30/9 2021	30/06 2021
<b>Assets</b>			
Goodwill	239,922	225,463	202,314
Patents and other intangible assets	145,121	122,696	77,018
Land and buildings	920,098	847,797	827,140
Plant and machinery	1,555,641	1,437,705	1,318,809
Other fixtures and fittings, tools and equipment	157,268	156,371	148,585
Property, plant and equipment under construction	343,461	170,134	205,974
Lease assets	483,041	406,976	368,354
Other non-current assets	43,813	50,507	44,126
<b>Non-current assets</b>	<b>3,888,365</b>	<b>3,417,649</b>	<b>3,192,320</b>
Inventories	468,091	410,621	339,306
Construction contract debtors	3,306,871	2,542,351	2,651,380
Work in progress	2,136,226	1,298,740	1,433,514
Other receivables	219,015	200,752	390,584
Securities	567,180	602,918	606,023
Cash and cash equivalents	469,488	444,660	628,812
Assets held for sale	75,111	0	0
<b>Current assets</b>	<b>7,241,982</b>	<b>5,500,042</b>	<b>6,049,619</b>
<b>Total assets</b>	<b>11,130,347</b>	<b>8,917,691</b>	<b>9,241,939</b>

(tDKK)	30/06 2022	30/9 2021	30/06 2021
<b>Equity and liabilities</b>			
Equity, shareholders of Per Aarsleff Holding A/S	3,667,637	3,656,688	3,584,527
Minority interests' share of equity	27,408	6,764	6,307
<b>Equity</b>	<b>3,695,045</b>	<b>3,663,452</b>	<b>3,590,834</b>
Mortgage debt and credit institutions	180,504	94,128	96,386
Lease liabilities	331,821	262,995	233,145
Provisions	158,099	151,148	93,716
Other payables	41,405	43,628	0
Deferred tax	268,161	260,960	358,537
<b>Non-current liabilities</b>	<b>979,990</b>	<b>812,859</b>	<b>781,784</b>
Mortgage debt and credit institutions	1,278,346	151,233	348,122
Lease liabilities	135,806	137,981	130,423
Work in progress	1,474,830	1,160,405	1,464,721
Trade payables	2,207,043	1,832,816	1,728,174
Other payables	1,298,918	1,158,945	1,197,881
Liabilities concerning assets held for sale	60,369	0	0
<b>Current liabilities</b>	<b>6,455,312</b>	<b>4,441,380</b>	<b>4,869,321</b>
<b>Total liabilities</b>	<b>7,435,302</b>	<b>5,254,239</b>	<b>5,651,105</b>
<b>Equity and liabilities</b>	<b>11,130,347</b>	<b>8,917,691</b>	<b>9,241,939</b>

# STATEMENT OF CASH FLOWS

	Nine months	
(tDKK)	2021/22	2020/21
<b>Cash flow generated from operations</b>		
Operating profit ( EBIT )	472,533	487,493
Profit after tax (discontinued operations)	-64,600	2,223
Depreciation, amortisation and impairment, intangible assets	19,148	11,563
Depreciation, amortisation and impairment, property, plant and equipment	458,337	409,274
Other adjustments	-28,422	-41,723
Change in working capital	-799,396	-475,662
Net financials	-22,295	-14,192
Income tax paid	-84,188	-206,430
<b>Cash flow from operating activities</b>	<b>-48,883</b>	<b>172,546</b>
<b>Cash flow generated from investments</b>		
Acquisitions	-108,284	0
Net investment in property, plant and equipment and intangible assets	-577,089	-425,879
Securities	13,239	-1,275
<b>Cash flow from investing activities</b>	<b>-672,134</b>	<b>-427,154</b>
Non-current liabilities	25,512	-5,244
Dividend paid	-158,210	-130,188
Lease payments	-126,284	-124,222
Purchase of treasury shares	-119,998	-1,415
<b>Cash flow from financing activities</b>	<b>-378,980</b>	<b>-261,069</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-1,099,997</b>	<b>-515,677</b>
Cash and cash equivalents at the beginning of the year	302,227	804,722
Change in cash and cash equivalents for the period	-1,099,997	-515,677
<b>Closing cash and cash equivalents</b>	<b>-797,770</b>	<b>289,045</b>

# NET INTEREST-BEARING DEPOSIT

	Nine months	
(tDKK)	2021/22	2020/21
Cash and cash equivalents	469,488	628,812
Securities	567,180	606,023
<b>Total interest-bearing assets</b>	<b>1,036,668</b>	<b>1,234,835</b>
Mortgage debt and credit institutions	1,458,850	444,508
Lease liabilities	467,627	363,568
Other debt	41,405	66,014
<b>Total interest-bearing liabilities</b>	<b>1,967,882</b>	<b>874,090</b>
<b>Net interest-bearing deposits/debt ( + / - )</b>	<b>-931,214</b>	<b>360,745</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				284,286		284,286	913	285,199
<b>Other comprehensive income</b>								
Foreign exchange adjustment of foreign entities		-4,518				-4,518	-46	-4,564
Fair value adjustment of derivative financial instruments			-13,435			-13,435		-13,435
Tax on derivative financial instruments			2,801			2,801		2,801
Total other comprehensive income	0	-4,518	-10,634	0	0	-15,152	-46	-15,198
<b>Total comprehensive income</b>	<b>0</b>	<b>-4,518</b>	<b>-10,634</b>	<b>284,286</b>	<b>0</b>	<b>269,134</b>	<b>867</b>	<b>270,001</b>
<b>Transactions with owners</b>								
Purchase of minority shareholders							20,342	20,342
Dividend, minority shareholders							-565	-565
Employee share programme				20,024		20,024		20,024
Purchase of treasury shares				-119,998		-119,998		-119,998
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>-95,104</b>	<b>-163,081</b>	<b>-258,185</b>	<b>19,777</b>	<b>-238,408</b>
<b>Equity at 30 June 2022</b>	<b>40,770</b>	<b>-127,910</b>	<b>-15,207</b>	<b>3,769,984</b>	<b>0</b>	<b>3,667,637</b>	<b>27,408</b>	<b>3,695,045</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				355,915		355,915	208	356,123
<b>Other comprehensive income</b>								
Foreign exchange adjustment of foreign entities		37,178				37,178	-9	37,169
Fair value adjustment of derivative financial instruments			7,180			7,180		7,180
Tax on derivative financial instruments			-2,048			-2,048		-2,048
Total other comprehensive income	0	37,178	5,132	0	0	42,310	-9	42,301
<b>Total comprehensive income</b>	<b>0</b>	<b>37,178</b>	<b>5,132</b>	<b>355,915</b>	<b>0</b>	<b>398,225</b>	<b>199</b>	<b>398,424</b>
<b>Transactions with owners</b>								
Dividend, minority shareholders							-273	-273
Employee share programme				13,467		13,467		13,467
Purchase of treasury shares				-1,415		-1,415		-1,415
Dividend paid					-132,503	-132,503		-132,503
Dividend, treasury shares				2,315		2,315		2,315
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,367</b>	<b>-132,503</b>	<b>-118,136</b>	<b>-273</b>	<b>-118,409</b>
<b>Equity at 30 June 2021</b>	<b>40,770</b>	<b>-114,249</b>	<b>-5,817</b>	<b>3,663,823</b>	<b>0</b>	<b>3,584,527</b>	<b>6,307</b>	<b>3,590,834</b>



# NOTES

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

	Construction		Technical Solutions		Rail		Ground Engineering		Pipe Technologies		Total	
(tDKK)	Nine months 2021/22	Nine months 2020/21	Nine months 2021/22	Nine months 2020/21	Nine months 2021/22	Nine months 2020/21	Nine months 2021/22	Nine months 2020/21	Nine months 2021/22	Nine months 2020/21	Nine months 2021/22	Nine months 2020/21
<b>Revenue</b>	<b>5,942,421</b>	<b>4,691,176</b>	<b>1,705,627</b>	<b>1,341,824</b>	<b>1,307,009</b>	<b>915,835</b>	<b>2,307,318</b>	<b>2,037,868</b>	<b>1,663,022</b>	<b>1,638,691</b>	<b>12,925,397</b>	<b>10,625,394</b>
Of which work performed abroad	1,036,712	568,830	0	0	395,357	209,668	1,519,080	1,298,054	1,209,369	1,167,279	4,160,518	3,243,831
<b>Operating profit (EBIT)</b>	<b>184,420</b>	<b>208,483</b>	<b>70,953</b>	<b>22,030</b>	<b>20,905</b>	<b>13,911</b>	<b>90,772</b>	<b>125,663</b>	<b>105,483</b>	<b>117,406</b>	<b>472,533</b>	<b>487,493</b>
Net financials											-26,892	-19,948
<b>Profit before tax</b>											<b>445,641</b>	<b>467,545</b>
EBIT margin, %	3.1	4.4	4.2	1.6	1.6	1.5	3.9	6.2	6.3	7.2	3.7	4.6
Number of employees	3,639	3,121	1,419	1,188	819	734	1,612	1,484	1,097	1,054	8,586	7,581

# NOTES

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

(tDKK)	Nine months	
	2021/22	2020/21
<b>Domestic</b>		
Sale of goods*	114,716	133,530
Construction contracts**	8,650,163	7,248,033
<b>Total domestic</b>	<b>8,764,879</b>	<b>7,381,563</b>
<b>International</b>		
Sale of goods*	227,140	194,466
Construction contracts**	3,933,378	3,049,365
<b>Total international</b>	<b>4,160,518</b>	<b>3,243,831</b>
<b>Total</b>		
Sale of goods*	341,856	327,996
Construction contracts**	12,583,541	10,297,398
<b>Total</b>	<b>12,925,397</b>	<b>10,625,394</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 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.

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 period 1 October 2021 to 30 June 2022. Also, no significant impact is expected on future periods.