INTERIM FINANCIAL REPORT FOR THE PERIOD 1 OCTOBER 2018-31 MARCH 2019

Today, the Board of Directors of Per Aarsleff Holding A/S has discussed and approved the interim financial report for the first six months of the financial year 2018/19. The interim financial report has not been audited or reviewed by the company's auditor.

RESULTS OF THE FIRST SIX MONTHS

- Consolidated revenue increased by 15.2% to DKK 6,374 million.
- Operating profit (EBIT) came to DKK 209 million compared to DKK 178 million in the first half of last financial year. As previously informed, results were influenced by Aarsleff's recognition in Q1 of an unexpected arbitration loss of DKK 72 million related to the construction of a biogas plant. The company's other day-to-day operations were above expectations, and EBIT before recognition of the arbitration loss came to DKK 281 million.
- Construction generated EBIT of DKK 126 million (H1 2017/18: DKK 117 million). The outcome of the above-mentioned arbitration proceedings was recognised in the segment in Q1 of the financial year, and EBIT before recognition of the arbitration loss amounted to DKK 198 million.
- Pipe Technologies generated EBIT of DKK 44 million (H1 2017/18: DKK 46 million).
- Ground Engineering generated EBIT of DKK 39 million (H1 2017/18: DKK 15 million).
- The Group's net interest-bearing deposit was DKK 375 million at 31 March 2019.

OUTLOOK FOR THE FINANCIAL YEAR 2018/19

The outlook for the full financial year 2018/19 is adjusted upwards to an EBIT level of DKK 480 million. In a company announcement of 16 January 2019, the outlook was changed to an EBIT level of DKK 460 million from the originally announced DKK 530 million due to the above-mentioned arbitration loss. Revenue is expected to show a growth of approx. 7% compared with last financial year, thus exceeding the previously announced revenue growth of approx. 5%.

ANDREAS LUNDBY
Chairman of the Board

JESPER KRISTIAN JACOBSEN
CEO

PER AARSLEFF HOLDING A/S
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:
CEO Jesper Kristian Jacobsen, tel. +45 8744 2222.

HIGHLIGHTS

(tDKK)	January quarter 2018/19	January quarter 2017/18	H1 2018/19	H1 2017/18	Financial year 2017/18
INCOME STATEMENT					
Revenue	2,985,677	2,530,169	6,374,431	5,532,478	12,108,257
Of this, work performed abroad	841,539	733,273	1,857,110	1,646,465	3,519,902
Operating profit (EBIT)	114,757	71,274	208,850	177,962	475,286
Net financials	2,374	-6,184	-17,743	-10,240	-29,847
Profit before tax	117,131	65,090	191,107	167,722	445,439
Profit after tax	88,066	48,357	144,110	126,495	340,961
BALANCE SHEET					
Non-current assets			2,693,072	2,675,223	2,683,396
Current assets			4,927,345	4,214,945	5,169,477
Total assets			7,620,417	6,890,168	7,852,873
Equity			2,928,402	2,728,890	2,895,142
Non-current liabilities			652,999	765,150	742,708
Current liabilities			4,039,016	3,396,128	4,215,023
Total equity and liabilities			7,620,417	6,890,168	7,852,873
Net-interest bearing debt			-374,503	143,146	-31,055
Invested capital (IC)			2,544,237	2,851,445	2,853,338

(tDKK)	January quarter 2018/19	January quarter 2017/18	H1 2018/19	H1 2017/18	Financial year 2017/18
CASH FLOW STATEMENT					
Cash flows from operating activities	204,969	148,364	668,733	347,715	768,841
Cash flows from investing activities	-201,578	-61,376	-516,824	-169,117	-392,894
Of this, investment in property, plant and equipment, net	-89,171	-85,608	-181,353	-174,395	-387,640
Cash flows from financing activities	-106,438	-84,470	-136,299	-83,391	-120,051
Change in cash and cash equivalents for the period	-103,047	2,518	15,610	95,207	255,896
FINANCIAL RATIOS					
Gross margin ratio, %	11.3	12.0	10.4	11.6	11.7
Profit margin (EBIT margin), %	3.8	2.9	3.3	3.2	3.9
Net profit ratio (pre-tax margin), %	3.9	2.6	3.0	3.0	3.7
Return on invested capital (ROIC), % *			7.7	6.2	16.6
Return on invested capital after tax (ROIC), % *			5.8	4.7	12.7
Return on equity (ROE), % *			5.0	4.7	12.2
Equity ratio, %			38.4	39.6	36.9
Earnings per share (EPS), DKK	4.35	2.36	7.10	6.19	16.68
Number of employees			6,551	6,280	6,499

* Not translated into full year figures

See page 82 of the 2017/18 annual report for financial ratio definitions.

MANAGEMENT'S REVIEW

FINANCIAL DEVELOPMENT OF THE AARSLEFF GROUP

INCOME STATEMENT

In H1 of the financial year 2018/19, consolidated revenue amounted to DKK 6,374 million or 15.2% up on last financial year, of which 14.3% was organic growth. The Danish operations reported a revenue increase of 16.2%, while the foreign operations reported a revenue increase of 12.8%.

Revenue growth is primarily attributable to the Construction segment where revenue increased by 15.6% due to a continued high level of activity within harbour expansions, building activities in Greater Copenhagen and a high level of activity in Iceland and within the company's railway activities. In the Ground Engineering segment, revenue increased by 22.2% primarily due to a continued high level of activity in the Danish market for construction pits and the acquisition of the German company Neidhardt Grundbau GmbH. In the Pipe Technologies segment, revenue increased by 7.2%.

Administrative expenses and selling costs amounted to 7.2% compared to 8.3% in the same period last financial year. The decrease was primarily due to the high level of activity.

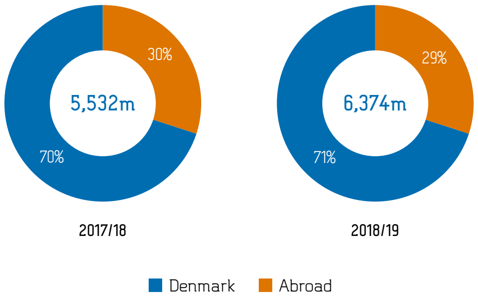
Operating profit (EBIT) amounted to DKK 209 million (EBIT margin: 3.3%) compared to DKK 178 million (EBIT margin: 3.2%) in H1 of last financial year. As informed in the Q1 interim financial report, results were influenced by Aarsleff's unexpected loss of DKK 72 million due to arbitration proceedings in connection with the construction of a biogas plant. The company's other operations performed above expectations, and EBIT before recognition of the arbitration loss came to DKK 281 million (EBIT margin: 4.4%).

The Construction segment performed below expectations, as the EBIT effect of the above-mentioned arbitration loss has been recognised in the segment results. The results of the segment's day-to-day operations exceeded expectations due to a high level of activity.

The Ground Engineering segment performed slightly above expectations. This is owing to a good capacity utilisation in Denmark, including the large, ongoing construction pit projects such as Danske Bank's new headquarters

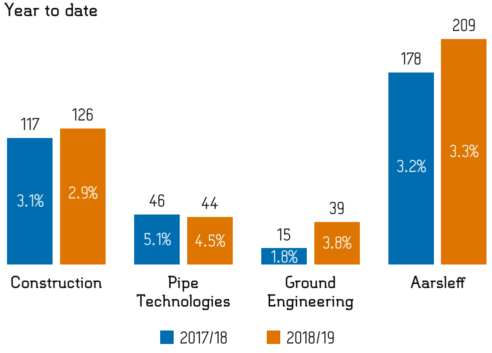
REVENUE

Year to date

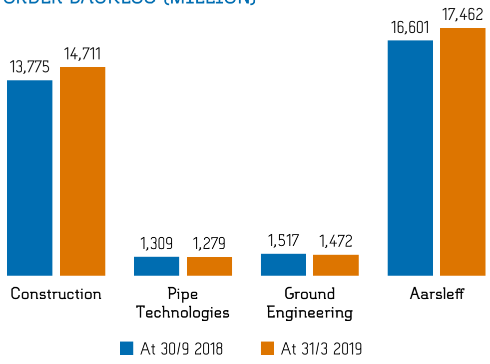


EBIT (MILLION) AND EBIT MARGIN (%)

Year to date



ORDER BACKLOG (MILLION)



at the former post facility site in Copenhagen and Pasteur's Tower in the Carlsberg City. In the UK, the market conditions remain difficult due to the uncertainty connected with Brexit, and in Poland the market is affected by a decrease in the demand for reinforced concrete piles.

The Pipe Technologies segment performed in line with expectations.

Net financials constituted a negative amount of DKK 18 million. The increase compared to last financial year is due to payment of litigation interest of DKK 16 million in connection with the lost arbitration proceedings.

Consolidated profit after tax amounted to DKK 144 million in H1 compared to DKK 126 million last financial year.

On 15 February 2019, Aarsleff signed an agreement to purchase the remaining 20% shares in Wicotec Kirkebjerg A/S. According to the original purchasing agreement Aarsleff was to acquire the remaining shares in April 2021 but in connection with the change of management in Wicotec Kirkebjerg, it was considered most appropriate to settle the obligation at present. The acquisition price corresponds to the liability already recognised in the latest annual report.

In February, the employees of the Danish part of the Group were once again offered to participate in an employee share programme. This was the second year of the programme out of the planned three years. The share programme is a matching shares programme where the participants by purchasing B shares in the company at their own cost (investment shares), subject to a three-year vesting period, will be entitled to receive one B share (matching share) in the company free of charge per acquired investment share (1:1). A total of 1,069 employees signed up for the programme in the second year. The costs are expected to amount to DKK 21.6 million and will be recognised as an expense over the three-year vesting period. The total costs of the employee share programme for the first two years will amount to DKK 11.3 million in the financial year 2018/19 and are included in the earnings expectations for the financial year.

ORDER BACKLOG

As at 31 March 2019, the company's order backlog amounted to DKK 17,462 million (30 September 2018: DKK 16,601 million). The H1 order intake amounted to DKK 7,235 million.

The H1 order intake of the Construction segment amounted to DKK 5,322 million, and at 31 March 2019 the order backlog amounted to DKK 14,711 million (30 September 2018: DKK 13,775 million) of which approx. DKK 4,250 million is expected to be carried out during this financial year. In March, a contract was signed with the consortium Lighthouse United for the construction of Lighthouse at Aarhus Ø. Lighthouse will become Denmark's tallest building, towering 142 metres high. The contract has a value of approx. DKK 1.2 billion.

The H1 order intake of the Pipe Technologies segment amounted to DKK 935 million, and at 31 March 2019 the order backlog amounted to DKK 1,279 million (30 September 2018: DKK 1,309 million) of which approx. DKK 750 million is expected to be carried out during this financial year.

The H1 order intake of the Ground Engineering segment amounted to DKK 978 million, and at 31 March 2019 the order backlog amounted to DKK 1,472 million (30 September 2018: DKK 1,517 million) of which approx. 650 million is expected to be carried out during this financial year.

BALANCE SHEET

The consolidated balance sheet total amounted to DKK 7,620 million at 31 March 2019. This corresponds to a decrease of DKK 233 million compared to the balance sheet total of DKK 7,853 million at the end of last financial year.

Contract work in progress, net increased by DKK 56 million in the first six months of the financial year.

Consolidated interest-bearing liabilities less interest-bearing assets amounted to a net deposit of DKK 375 million against a net deposit of DKK 31 million at 30 September 2018. The net debt decrease is primarily attributable to the positive development of the company's working capital.

Equity amounted to DKK 2,928 million compared to DKK 2,895 million at the end of last financial year or 38.4% of the balance sheet total compared to 36.9% at the beginning of the financial year.

CASH FLOW STATEMENT

Cash flows from operating activities amounted to DKK 669 million compared to DKK 348 million in the first half of last financial year. The company's working capital amounted to a positive effect of DKK 351 million, primarily due to a significant decrease in receivables which were exceptionally high at the presentation of the latest annual report. The company's trade payables decreased in H1, due to the usual seasonal fluctuations. In Q2, cash flows from operating activities were significantly influenced by the payment of approx. DKK 88 million in connection with the arbitration loss.

Cash flows from investing activities amounted to a negative amount of DKK 517 million compared to a negative amount of DKK 169 million in the first half of last financial year. In Q2, the purchase price for the acquisition of the German company Neidhardt was settled together with the amount from the purchase of the last 20% of the shares in Wicotec Kirkebjerg. In Q1, the portfolio of securities in the form of short-term mortgage credit bonds was increased by DKK 222 million to allow for optimisation of the Group's cash management.

The company's outlook for investments of the year exclusive of acquisitions is unchanged at DKK 440 million. In the second half of the financial year, several major investments in equipment for railway renovation are planned.

Cash flows from financing activities amounted to a negative amount of DKK 136 million compared to a negative amount of DKK 83 million in the first half of last financial year. In Q2, a net dividend of DKK 101.4 million was paid. In Q1, an extraordinary payment on the long-term debt in our Icelandic company Ístak hf. was made due to the positive development in the company's liquidity.

Thus, the change in liquidity for the period amounted to a positive DKK 15.6 million.

CONSTRUCTION – RESULTS ABOVE EXPECTATIONS BEFORE RECOGNITION OF UNEXPECTED ARBITRATION LOSS

H1 revenue came to DKK 4,386 million or 15.6% up on H1 of last financial year, of which 15.3% was organic growth. Revenue generated by the Danish operations was DKK 3,680 million or 10.9% up on H1 of last financial year. The foreign operations reported a revenue increase of 48% to DKK 706 million.

Segment results (EBIT) amounted to DKK 126 million (EBIT margin: 2.9%) compared to DKK 117 million (EBIT margin: 3.1%) last financial year and were below expectations at the beginning of the financial year. As mentioned in the Q1 interim financial report, this is due to the recognition of the unexpected arbitration loss resulting in a negative impact on EBIT of approx. DKK 72 million. The results of the segment's day-to-day operations were thus above expectations due to a high level of activity, and EBIT before recognition of the arbitration loss is thus DKK 198 million (EBIT margin: 4.5%).

Per Aarsleff A/S contributed results above expectations before recognition of the negative impact from the arbitration proceedings. The level of activity remained high, primarily within harbour expansions and building activities in Greater Copenhagen, and the projects progressed as planned. The level of activity within harbour construction will decrease during the second half of the financial year due to the completion of the harbour expansions in Frederikshavn and Rønne.

Wicotec Kirkebjerg A/S performed above expectations with a satisfactory level of activity. The focus on project management was maintained, including the collaboration regarding One Company building projects.

Hansson & Knudsen A/S was still challenged by the difficult market conditions primarily on Funen, and the severe price competition affected revenue and results. The focus is on strengthening the project management qualifications.

Ístak hf. performed above expectations. There was a high level of activity, and the project execution was according to plan or above expectations.

REVENUE

4,386M

SEGMENT RESULTS (EBIT)

126M

EBIT MARGIN

2.9%

WHAT WE DO

http://www.aarsleff.com/references

In H1, there was a high level of activity within railway activities in the Aarsleff Rail Group. Results exceeded expectations.

In March, Aarsleff entered into an agreement with Copenhagen Airport to design and plan the Terminal 3 expansion. Subsequently, Copenhagen Airport may choose to enter into a contract with Aarsleff for the execution work based on the developed project. Aarsleff's involvement in a similar process concerning the expansion of the Natural History Museum of Copenhagen resulted in Aarsleff signing a contract for the execution of the work on 2 May 2019.

The outlook for the financial year 2018/19 is adjusted upwards to an EBIT margin of approx. 3.35% against the previous announcement of approx. 3.25% and revenue which is approx. 7% higher compared to last financial year, contrary to our previous announcement of approx. 5%.

PIPE TECHNOLOGIES – RESULTS IN LINE WITH EXPECTATIONS

H1 revenue came to DKK 965 million or 7.2% up on last financial year. The Danish operations reported a revenue increase of 11.2% to DKK 278 million. The foreign operations reported a revenue increase of 5.7% to DKK 687 million.

Segment results (EBIT) amounted to DKK 44 million (EBIT margin: 4.5%) compared to DKK 46 million (EBIT margin: 5.1%) last financial year. Results were in line with expectations at the beginning of the financial year.

The companies in Denmark and Norway performed in line with expectations, and the level of activity is stable. The Swedish company performed below expectations due to a too low level of activity in the second quarter. However, the market is improving in the second half of the financial year.

The German company performed above expectations. The focus remains on selective order acquisition in a market with an increasing number of invitations to tender, and the initiatives launched to increase productivity at the construction sites contribute to continued improved results.

The company in Russia performed well below expectations, and the company is loss-making. The level of activity was very low, and the current market conditions are difficult. In the second half of the financial year, a positive operating profit is expected.

In Poland, the integration between Pipe Technologies and Ground Engineering was accomplished as planned, and there is a satisfactory order backlog to be executed in the second half of the financial year.

The strategic partnership with the American company HammerHead Trenchless progressed in line with expectations, and the first units have already been supplied to the American market.

The outlook for the financial year 2018/19 is unchanged, corresponding to an EBIT margin of approx. 4.5% and revenue approx. 5% up on last financial year.

REVENUE

965M

SEGMENT RESULTS (EBIT)

44M

EBIT MARGIN

4.5%

WHAT WE DO

http://www.aarsleff.com/references

GROUND ENGINEERING – RESULTS SLIGHTLY ABOVE EXPECTATIONS

H1 revenue came to DKK 1,023 million or 22.2% up on H1 of last financial year, of which 17.4% was organic growth. The Danish operations reported a revenue increase of 75.8% to DKK 559 million. The foreign operations reported a revenue decline of 10.6% to DKK 464 million.

Segment results (EBIT) amounted to DKK 39 million (EBIT margin: 3.8%) compared to DKK 15 million (EBIT margin: 1.8%) last financial year and are slightly above expectations at the beginning of the financial year.

The Danish activities performed above expectations owing to a continued good capacity utilisation, including the large, ongoing construction pit projects such as the construction of Danske Bank's headquarters at the former post facility site in Copenhagen and Pasteur's Tower in the Carlsberg City.

In the second half of the financial year, the execution of the large construction pits for Lighthouse in Aarhus and for the expansion of the Natural History Museum of Copenhagen will begin.

In Sweden, results were in line with expectations. The slowdown within housing projects continued; however, this is partly compensated for by the increasing activity within construction projects.

The company in Poland performed well below expectations. The number of projects within standardised reinforced concrete piles decreased, affecting the results of the pile factory and the ground engineering business. The decrease is expected to continue during the rest of the financial year.

The H1 results of the company in the UK were negative as expected. The order backlog is satisfactory, but projects are still being postponed, and there is considerable uncertainty in the market due to the approaching Brexit.

WHAT WE DO

http://www.aarsleff.com/references

In H1, the German pile company was loss-making as expected. However, the market is stabilising, the order intake is improving, and a positive operating profit is expected during the rest of the financial year.

The newly acquired company Neidhardt was off to a good start in the financial year with a high level of activity and a good order backlog.

Revenue expectations for the full financial year 2018/19 are changed to a growth of approx. 10% compared with last financial year against previous expectations for a revenue growth of approx. 5%. EBIT margin expectations are maintained at approx. 4.5%.

REVENUE

1,023M

SEGMENT RESULTS (EBIT)

39M

EBIT MARGIN

3.8%

OUTLOOK FOR THE FINANCIAL YEAR 2018/19

The outlook for the full financial year 2018/19 was adjusted upwards to an EBIT level of DKK 480 million. In a company announcement of 16 January 2019, the outlook was changed to an EBIT level of DKK 460 million from the originally announced DKK 530 million due to the previously mentioned arbitration loss. Revenue is expected to increase to approx. 7% compared with last financial year against the previous announcement of approx. 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 2017/18 annual report and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

COMPANY ANNOUNCEMENTS

20 December 2018	Annual report for 2017/18
9 January 2019	Notice convening the Annual General Meeting 2019
16 January 2019	Aarsleff adjusts expectations downwards after unexpected arbitration award
31 January 2019	Annual General Meeting in Per Aarsleff Holding A/S
26 February 2019	Interim financial report for the period 1 October-31 December 2018
19 March 2019	Aarsleff to build Denmark's tallest building

READ THE COMPANY ANNOUNCEMENTS

http://www.aarsleff.com/ext-uk/investor/company-announcements

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 2018-31 March 2019.

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim financial reports of listed companies.

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

We consider the accounting policies used to be appropriate. Accordingly, the interim financial report gives a true and fair view of the financial position at 31 March 2019 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October 2018 to 31 March 2019.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Viby J, 27 May 2019

EXECUTIVE MANAGEMENT

JESPER KRISTIAN JACOBSEN
CEO

LARS M. CARLSEN
Deputy CEO

MOGENS VEDEL HESTBÆK
Group CFO

BOARD OF DIRECTORS

ANDREAS LUNDBY
Chairman of the Board

JENS BJERG SØRENSEN
Deputy Chairman

PETER ARNDRUP POULSEN
Board Member

CHARLOTTE STRAND
Board Member

BJARNE MOLTKE HANSEN
Board Member

INCOME STATEMENT

	January quarter		H1	
(tDKK)	2018/19	2017/18	2018/19	2017/18
Revenue	**2,985,677**	**2,530,169**	**6,374,431**	**5,532,478**
Production costs	-2,646,939	-2,226,121	-5,708,663	-4,892,379
Gross profit	**338,738**	**304,048**	**665,768**	**640,099**
Administrative expenses and sellings costs	-222,640	-231,272	-457,840	-461,730
Other operating income and expenses	-1,766	-101	-688	114
Profit/loss in associates and joint ventures	425	-1,401	1,610	-521
Operating profit (EBIT)	**114,757**	**71,274**	**208,850**	**177,962**
Net financials	2,374	-6,184	-17,743	-10,240
Profit before tax	**117,131**	**65,090**	**191,107**	**167,722**
Tax on profit for the period	-29,065	-16,733	-46,997	-41,227
Profit after tax	**88,066**	**48,357**	**144,110**	**126,495**
Earnings per share (DKK)	4.35	2.36	7.10	6.19
Diluted earnings per share	4.20	2.36	6.92	6.19

STATEMENT OF COMPREHENSIVE INCOME

	January quarter		H1	
(tDKK)	2018/19	2017/18	2018/19	2017/18
Profit after tax	**88,066**	**48,357**	**144,110**	**126,495**
Items that may become reclassified to the income statement				
Foreign exchange adjustment on translation of foreign entities	-6,587	-4,864	-9,096	-5,231
Fair value adjustments of derivative financial instruments, net	2,603	-5,103	-5,340	-7,530
Tax on other comprehensive income	-639	1,035	993	1,523
Other comprehensive income recognised directly in equity	-4,623	-8,932	-13,443	-11,238
Total comprehensive income	**83,443**	**39,425**	**130,667**	**115,257**
Comprehensive income is attributable to				
Per Aarsleff Holding A/S shareholders	83,508	39,306	130,520	114,995
Minority shareholders	-65	119	147	262
Total	**83,443**	**39,425**	**130,667**	**115,257**

BALANCE SHEET

(tDKK)	31/03 2019	30/9 2018	31/03 2018
ASSETS			
Goodwill	267,623	267,623	275,085
Patents and other intangible assets	97,376	114,035	121,470
Land and buildings	846,505	840,895	851,619
Plant and machinery	1,285,330	1,281,766	1,217,911
Other fixtures and fittings, tools and equipment	129,409	127,323	123,100
Property, plant and equipment in progress	52,909	36,144	61,368
Other non-current assets	13,920	15,610	24,670
Non-current assets	**2,693,072**	**2,683,396**	**2,675,223**
Inventories	299,498	280,500	279,765
Contracting debtors	2,376,789	3,094,457	2,404,407
Work in progress	1,109,899	1,011,008	877,858
Other receivables	194,680	150,774	158,332
Securities	412,885	190,146	173,343
Cash and cash equivalents	533,594	442,592	321,240
Current assets	**4,927,345**	**5,169,477**	**4,214,945**
Total assets	**7,620,417**	**7,852,873**	**6,890,168**

(tDKK)	31/03 2019	30/9 2018	31/03 2018
EQUITY AND LIABILITIES			
Equity, shareholders of Per Aarsleff Holding A/S	2,920,820	2,887,716	2,721,561
Minority interests' share of equity	7,582	7,426	7,329
Equity	**2,928,402**	**2,895,142**	**2,728,890**
Mortgage debt and credit institutions	135,983	167,330	180,526
Provisions	62,737	66,124	74,305
Other payables	0	64,549	122,846
Deferred tax	454,279	444,705	387,473
Non-current liabilities	**652,999**	**742,708**	**765,150**
Mortgage debt and credit institutions	371,202	299,205	334,357
Work in progress	1,204,901	1,162,062	858,699
Trade payables	1,506,318	1,785,192	1,335,335
Other payables	956,595	968,564	867,737
Current liabilities	**4,039,016**	**4,215,023**	**3,396,128**
Total liabilities	**4,692,015**	**4,957,731**	**4,161,278**
Total equity and liabilities	**7,620,417**	**7,852,873**	**6,890,168**

CASH FLOW STATEMENT

	H1	
(tDKK)	2018/19	2017/18
Cash flow generated from operations		
Operating profit (EBIT)	208,850	177,962
Depreciation, amortisation and impairment losses, intangible assets	19,645	11,018
Depreciation, amortisation and impairment losses, property, plant and equipment	190,913	178,403
Other adjustments	-22,380	-20,388
Change in working capital	351,197	154,939
Net financials	-17,743	-10,240
Tax paid	-61,749	-143,979
Cash flow from operating activities	**668,733**	**347,715**
Cash flow generated from investments		
Acquisitions	-113,458	-18,954
Securities	-222,012	24,232
Net investment in property, plant and equipment and intangible assets	-181,354	-174,395
Cash flow from investing activities	**-516,824**	**-169,117**
Non-current liabilities	-34,896	-1,851
Dividend paid	-101,403	-81,540
Cash flow from financing activities	**-136,299**	**-83,391**
Change in cash flows for the period	**15,610**	**95,207**
Cash and cash equivalents at the beginning of the year	160,558	-90,203
Change in cash and cash equivalents for the period	15,610	95,207
Closing cash and cash equivalents	**176,168**	**5,004**

NET INTEREST-BEARING DEBT

	H1	
(tDKK)	2018/19	2017/18
Cash and cash equivalents	533,594	321,240
Securities	412,885	173,343
Total interest-bearing assets	**946,479**	**494,583**
Mortgage debt and credit institutions	507,184	514,883
Other long-term debt	0	122,846
Other short-term debt	64,792	0
Total interest-bearing liabilities	**571,976**	**637,729**
Net interest-bearing debt	**-374,503**	**143,146**

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
Equity at 1 October 2017	**45,300**	**-70,511**	**20,781**	**2,601,936**	**90,600**	**2,688,106**	**7,067**	**2,695,173**
Comprehensive income								
Profit for the period				126,233		126,233	262	126,495
Other comprehensive income								
Foreign exchange adjustment of foreign entities		-5,231				-5,231		-5,231
Fair value adjustments of derivative financial instruments			-7,530			-7,530		-7,530
Tax on derivative financial instruments			1,523			1,523		1,523
Total other comprehensive income	0	-5,231	-6,007	0	0	-11,238	0	-11,238
Total comprehensive income	**0**	**-5,231**	**-6,007**	**126,233**	**0**	**114,995**	**262**	**115,257**
Transactions with owners								
Dividend paid					-90,600	-90,600		-90,600
Dividend, treasury shares				9,060		9,060		9,060
Total transactions with owners	**0**	**0**	**0**	**9,060**	**-90,600**	**-81,540**	**0**	**-81,540**
Equity at 31 March 2018	**45,300**	**-75,742**	**14,774**	**2,737,229**	**0**	**2,721,561**	**7,329**	**2,728,890**
Equity at 1 October 2018	**45,300**	**-85,443**	**2,968**	**2,815,541**	**113,250**	**2,891,616**	**7,426**	**2,899,042**
Adjustment, at the beginning of the year				-3,900		-3,900		-3,900
Adjusted equity at 1 October 2018	**45,300**	**-85,443**	**2,968**	**2,811,641**	**113,250**	**2,887,716**	**7,426**	**2,895,142**
Comprehensive income								
Profit for the period				143,963		143,963	147	144,110
Other comprehensive income								
Foreign exchange adjustment of foreign entities		-9,105				-9,105	9	-9,096
Fair value adjustments of derivative financial instruments			-5,340			-5,340		-5,340
Tax on derivative financial instruments			993			993		993
Total other comprehensive income	0	-9,105	-4,347	0	0	-13,452	9	-13,443
Total comprehensive income	**0**	**-9,105**	**-4,347**	**143,963**	**0**	**130,511**	**156**	**130,667**
Transactions with owners								
Employee share programme				3,996		3,996		3,996
Dividend paid					-113,250	-113,250		-113,250
Dividend, treasury shares				11,847		11,847		11,847
Total transactions with owners	**0**	**0**	**0**	**15,843**	**-113,250**	**-97,407**	**0**	**-97,407**
Equity at 31 March 2019	**45,300**	**-94,548**	**-1,379**	**2,971,447**	**0**	**2,920,820**	**7,582**	**2,928,402**

NOTES

NOTE 1 – SEGMENT INFORMATION

	Contruction		Pipe Technologies		Ground Engineering		Total	
Amounts in mDKK	H1 2018/19	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19	H1 2017/18
Segment revenue	4,488	3,823	967	903	1,045	849	6,500	5,575
Internal revenue	-102	-28	-2	-3	-22	-12	-126	-43
Revenue	**4,386**	**3,795**	**965**	**900**	**1,023**	**837**	**6,374**	**5,532**
Of this, work performed abroad	706	477	687	650	464	519	1,857	1,646
Operating profit (EBIT)	**126**	**117**	**44**	**46**	**39**	**15**	**209**	**178**
Net financials							-18	-10
Profit before tax							**191**	**168**
EBIT margin, %	2.9	3.1	4.5	5.1	3.8	1.8	3.3	3.2
Number of employees	4,398	4,275	1,017	961	1,136	1,044	6,551	6,280

NOTE 2 – ALLOCATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	H1	
(tDKK)	2018/19	2017/18
Danish operations		
Sale of goods	60,043	39,918
Construction contracts*	4,457,278	3,846,095
Total Danish operations	**4,517,321**	**3,886,013**
Foreign operations		
Sale of goods	79,703	74,208
Construction contracts*	1,777,407	1,572,257
Total foreign operations	**1,857,110**	**1,646,465**
Total		
Sale of goods	139,746	114,126
Construction contracts*	6,234,685	5,418,352
Total	**6,374,431**	**5,532,478**

*Construction contracts are recognised over time

NOTES

NOTE 3 – ACCOUNTING POLICIES

The interim financial report covering the first six months of the financial year 2018/19 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and additional Danish disclosure requirements for interim financial reports of listed companies.

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

The accounting policies of the interim financial report remain unchanged from the 2017/18 Annual Report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, except for the implementation of IFRS 15 “Revenue from contracts with customers” and IFRS 9 “Financial instruments, recognition and measurement”. See the description below.

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

IFRS 9 ”FINANCIAL INSTRUMENTS, RECOGNITION AND MEASUREMENT”

IFRS 9 is a new standard on financial instruments replacing IAS 39. It provides new guidance on hedge accounting. Finally, the standard introduces an expected loss model for impairment losses on receivables. Aarsleff has implemented IFRS 9 retrospectively, however, the accumulated effect of the amendment has been recognised in retained earnings in equity at 1 October 2018 with no restatement of comparative figures, meaning that IFRS 9 has no effect on results and equity. Aarsleff has analysed existing financial instruments in the context of the new standard, and implementing the standard is not expected to materially affect the Group’s financial reporting.

IFRS 15 ”REVENUE FROM CONTRACTS WITH CUSTOMERS”

The standard replaces the existing revenue standards (IAS 11 and IAS 18) and related interpretations. The standard introduces a new five-step approach to revenue recognition and measurement, under which revenue is recognised in step with the transfer of the control of the performance obligations to the counterparty. The performance obligation is recognised either over time or at a specific point in time.

A performance obligation is considered satisfied over time when control of the asset is transferred to the customer. Aarsleff’s construction contracts fall essentially within this category and consequently they are recognised over time.

The standard’s guidance on identification of separate performance obligations and constraint on the recognition of variable consideration may change the timing of revenue recognition of construction contracts, including the recognition of extra work, variations and claims. At the time of transition, however, no differences regarding existing contracts have been identified.

In many instances, Aarsleff incurs costs when signing new contracts, including costs related to submission of tenders. Some of these costs have previously been recognised as contract costs and do not comply with the requirements of IFRS 15 on recognition of assets. At the time of transition, the amendment involves a reduction of equity of DKK 2.1 million at 1 October 2018.

In connection with the execution of construction contracts, Aarsleff incurs costs that are necessary for the performance of the contract. These may include mobilisation costs and the set-up of necessary temporary facilities. These costs have previously been recognised as contract costs. According to IFRS 15 such costs should under certain circumstances be recognised as an asset and amortised over the contract period. At the time of transition, the amendment involves a reduction of equity of DKK 1.8 million at 1 October 2018.

Aarsleff has applied the prospective transitional provisions under which the accumulated change of IFRS 15 has been recognised in equity at 1 October 2018 with no restatement of comparative figures for the financial year 2017/18. The implementation of IFRS 15 has resulted in a total reduction of equity of DKK 3.9 million at the time of transition.

NOTES

NOTE 3 – ACCOUNTING POLICIES

BALANCE SHEET AT 1 OCTOBER 2018

(tDKK)	Previous accounting policy	Effect of IFRS 15	New accounting policy
Non-current assets	**2,683,396**		**2,683,396**
Inventories	**280,500**		**280,500**
Receivables	**4,256,239**		**4,256,239**
Securities	**190,146**		**190,146**
Cash and cash equivalents	**442,592**		**442,592**
Current assets	**5,169,477**		**5,169,477**
Total assets	**7,852,873**		**7,852,873**

(tDKK)	Previous accounting policy	Effect of IFRS 15	New accounting-policy
Equity	2,899,042	-3,900	2,895,142
Mortgage debt	159,243		159,243
Credit institutions	8,087		8,087
Provisions	66,124		66,124
Deferred tax	445,805	-1,100	444,705
Other payables	64,549		64,549
Non-current liabilities	**743,808**		**742,708**
Mortgage debt	17,171		17,171
Credit institutions	282,034		282,034
Work in progress	1,157,062	5,000	1,162,062
Provisions	60,853		60,853
Trade payables	1,785,192		1,785,192
Income tax payable	69,268		69,268
Other payables	838,443		838,443
Current liabilities	**4,210,023**		**4,215,023**
Total liabilities	**4,953,831**		**4,957,731**
Total equity and liabilities	**7,852,873**		**7,852,873**

The effect of H1 2018/19 on income statement, statement of comprehensive income and earnings per share is insignificant.