



# Interim Report H1 2018

PEOPLE HELPING PEOPLE



Falck

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## Management's review

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### Continuing and discontinued operations

The Safety Services segment and Healthcare non-core activities are presented as assets classified as held for sale and as discontinued operations. The consolidated income statement and consolidated statement of cash flows will thus only comprise Falck's continuing operations. Profit after tax from discontinued operations will be presented in a single line after the profit after tax from continuing operations. The same applies to the statement of cash flows.





# H1 highlights

Falck takes important first step in turnaround – efficiency programme improving profitability.

## Financial highlights in H1 2018

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**2.2%**

EBITA margin was 2.2%  
(-1.3% in H1 2017)

**145m**

Operating profit before other items  
(EBITA) was DKK 145 million  
(DKK -94 million in H1 2017)

**6,733m**

Revenue was DKK 6,733 million  
(DKK 7,234 million in H1 2017)

**216m**

Free cash flow was DKK 216 million  
(DKK 258 million in H1 2017)

“2018 is a critical turnaround year at Falck. Our margin has deteriorated for several years. Our overriding priority is to restore profitability by reducing complexity and implementing global operating models. I am pleased that our underlying profitability improved in the first half of 2018. It is an important first step in our turnaround.

We have a long way to go to achieve our long-term financial goals. We are making significant progress in terms of restoring profitability, reducing complexity and implementing global operating models. Our frontline colleagues continue to deliver high quality services in their dedication to save and improve lives.”

**Jakob Riis**  
President & CEO, Falck

## Key events in H1 2018

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### Total revenue growth of 3.5% adjusted for IFRS 15 and currency translations

- Growth primarily driven by new Ambulance contract with LA County in the US.
- Ambulance contracts signed in Stockholm, Bonn, London and with the Central Denmark Region and renewed personal assistance contract with Copenhagen Airport.
- Roadside Assistance contract with Topdanmark expanded.

### Impairment

- Write-downs of software and trade receivables.

### DKK 95 million delivered on efficiency and cost optimisation programme

- DKK 95 million run-rate improvements delivered – total target of DKK 500 million in 2018 confirmed.
- 2,371 improvement and cost-out initiatives have been identified and 1,150 were completed in H1 2018. Financial effect hereof will ramp up in the second half of 2018.
- Solutions for achieving the identified potential were developed, detailed implementation plans were finalised and the first initiatives have been implemented during H1 2018.

### Implementation of global operating models successfully initiated

- Global dispatch, planning and fleet processes and new IT systems successfully implemented in the Danish and Spanish ambulance businesses.
- Customer management IT system successfully implemented in Assistance.
- Finance, IT and HR announced global operating models and initiated outsourcing of transactional and IT services.

### Other

- Senior loan facility agreement amended and extended with favorable terms.
- In June 2018, the Danish Competition and Consumer Authority issued a formal Statement of Objections with a preliminary conclusion that Falck violated Danish competition rules when handing over the contract to BIOS. Falck's legal advisors disagree on the preliminary conclusions and has submitted a reply to the Danish Competition and Consumer Authority in July.

# Financial results

This being a turnaround year, the financial priority is entirely on restoring profitability. Margin stabilised and underlying profitability slightly improved.

## Revenue

Revenue was DKK 6,733 million (H1 2017: DKK 7,234 million).

Reported numbers were significantly impacted by changes to revenue recognition requirements and interpretations under the IFRS 15 standard. IFRS 15 impacted revenue negatively by DKK 478 million and currency translations negatively by DKK 268 million.

Revenue grew by 3.5% adjusted for IFRS 15 and currency translations, the increase was primarily driven by a new Ambulance contract with LA County in the US.

## EBITA

Operating profit before other items (EBITA) was DKK 145 million (H1 2017: EBITA loss of DKK 94 million) a reported EBITA margin of 2.2%.

The H1 2017 and 2018 periods were both significantly impacted by write-downs. H1 2018 was adversely impacted by DKK 135 million from write-downs of software and trade receivables in the Healthcare business, write-downs of trade receivables in the US ambulance business and one-offs related to establishing global functions. H1 2017 was adversely impacted by DKK 295 million from write-downs of trade receivables in the US ambulance business and write-downs on a customer management IT-system in the Assistance business.

Adjusted for write-downs, underlying EBITA was DKK 280 million in 2018 (H1 2017: DKK 201 million) for an EBITA margin of 4.2% (H1 2017: 2.8%).

Improvements to the underlying profitability were driven by the implementation of Falck's efficiency and cost optimisation programme, most of which related to the Assistance business. Profitability in the Ambulance business improved slightly whereas profitability in Healthcare deteriorated.

## Cash flows

Free cash flow was DKK 216 million (H1 2017: DKK 258 million).

Cash flows were negatively impacted by DKK 195 million due to investments in new training facilities in Industrial Firefighting and

investments in new global dispatch, planning and fleet management IT systems.

## Equity and subordinated loans

Equity attributable to shareholders of Falck A/S amounted to DKK 2,551 million at 30 June 2018 compared to DKK 6,107 million at 30 June 2017. At 30 June 2018, subordinated loans from shareholders amounted to DKK 2,111 million compared to DKK 0 million at 30 June 2017.

Combined, equity and subordinated loans represented 37% of equity and liabilities total at 30 June 2018.

The negative development in equity was mainly related to the impairment of goodwill in Q4 2017 of DKK 2,825 million.

## Outlook 2018

Following several years of a deteriorating earnings, Falck has initiated a turnaround plan to restore profitability and to deliver positive economic profit in 2019, as the DKK 500 million efficiency and cost optimisation programme begins to deliver results.

Falck expects profitability and EBITA margins to improve in the second half of 2018 as the effects of the DKK 500 million efficiency and cost optimisation programme start to kick in. Revenue growth is expected to weaken somewhat.

## Key financial highlights H1

DKK million	H1 2018	H1 2017	Change %
Revenue	6,733	7,234	(6.9)
Operating profit before other items (EBITA)	145	(94)	254
EBITA margin (%)	2.2	(1.3)	269
Operating profit (EBIT)	21	(259)	108
Free cash flow	216	258	(16.3)
Net interest-bearing debt	5,676	5,059	12.2
Economic profit	(777)	(971)	20.0

Excluding discontinued operations

# Operational results

Falck to restore the profitability by improving efficiency, reducing complexity and integrating its business into global operating models.

The Company progressed according to plan in the first half of 2018 in terms of installing global operating models for the businesses.

In Ambulance, the implementation of global dispatch, planning and fleet processes and IT systems were successfully completed in Spain and Denmark. In Assistance, a customer management IT system was successfully implemented in April. In Finance, IT and HR, the company announced its future global operating models which imply outsourcing transactional business processes.

In May, Falck announced its outsourcing initiative of transactional business processes in Finance to Wipro and the outsourcing of its IT processes and infrastructure to HCL.

Falck's efficiency and cost optimisation programme identified 2,371 improvement and cost-out initiatives that will be carried out

in the second half of 2018. The programme supports the Company's 2018 target of improving its run-rate by DKK 500 million by year-end of 2018 (see page 6).

Overall revenue growth from Falck's contract portfolio was 3.5% in fixed currency and adjusted for the new IFRS 15 standard. The growth is primarily driven by a new ambulance contract with LA County in the US. Falck continues to prune the contract portfolio. Contracts were renewed, renegotiated and in several cases expanded across business areas.

Among the contracts amended were the renewal of roadside assistance services and the expansion of the contract for handling emergency calls and satellite surveillance of expensive vehicles with Topdanmark. In municipal fire services, Falck renewed its contracts with Nordjyllands Beredskab in Den-

mark to 2027, Midt- og Sydsjællands Brand og Redning in Denmark to 2025 and Faurskov in Denmark to 2021.

In Ambulance, service contracts were renewed with King's College Hospital NHS Foundation Trust in London until August 2019. Contracts for rescue and ambulance services as well as emergency response doctor's vehicles with the Central Denmark Region were extended until 2021 and the contract with the North Denmark Region was extended until 2022. Further, the contract with Copenhagen Airport was extended until 2021. In June, Falck won a public tender in Stockholm, renewing and expanding its contract with an extra lot until 2023. In April, a new contract was announced for rescue and ambulance services in Bonn, Germany.

The strategic reviews of the future ownership of Falck Safety Services and Healthcare non-core activities continue.

In June, Falck amended and extended its senior facility agreement with a bank syndicate led by Danske Bank. The two-year extension provides improved terms. Following the conversion of shareholder loans into shareholder capital and new shareholder loans raised in 2017, Falck remains comfortably within covenant limits and has a solid capital base of approximately 37%.

In June, the Danish Competition and Consumer Authority issued a formal Statement of Objections with a preliminary conclusion that Falck had violated Danish competition rules when handing over a contract for ambulance services in 2014-2015. Falck issued a press release on 29 June explaining that Falck has received the preliminary Statement of Objections. In the release Falck apologised for having failed to live up to its own standards and the expectations of society. However, Falck's legal advisors disagreed that the company has violated competition rules. In July, Falck and its legal advisor's submitted a reply to the Danish Competition and Consumer Authority.

In April 2018 EVP of Healthcare Jan F. Steenhard left Falck. Jakob Riis has taken the role as interim EVP of Healthcare until a new EVP has been appointed.

In June 2018 Miguel Buxó was appointed new General Counsel and member of the Executive Management of Falck.

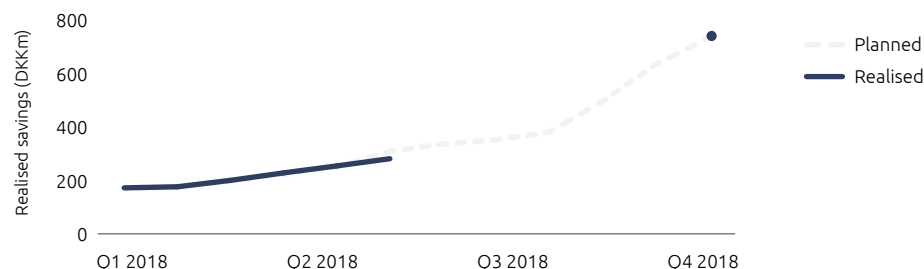
# Efficiency programme

## Efficiency and Cost Optimisation Programme

In 2017, Falck initiated a group-wide efficiency and cost optimisation programme in support of the overall target of delivering positive economic profit from 2019.

In the first half of 2018, solutions to achieve the identified potential were developed, detailed implementation plans were finalised and the first initiatives have been implemented during H1 2018. The initiatives have different timelines. Several projects including the elimination of redundant and non-value creating work, optimisation of call centres, changing operating models to increasing the use of sub-contractors and reducing overhead costs have been carried out. Other initiatives are in the planning phase and are expected to be implemented in H2 2018.

### Planned and realised 2018 run-rate cost potential



### Annual run-rate improved by DKK 95 million in the first half of 2018

The efficiency and cost optimisation programme aims at reducing Falck's cost base by DKK 500 million with full run-rate effect in 2019. Effects of the programme will ramp up in the second half of 2018 thus full run-rate effect in 2019.

In the first half of 2018, Falck's DKK 500 million programme positively impacted H1 2018 numbers by DKK 95 million. This was a result of a number of initiatives, the most significant being the optimisation of hot hands on call in Healthcare and subcontractor renegotiation in Assistance.

Falck's efficiency and cost optimisation programme builds on three pillars: operational optimisation, reduction of overhead costs and procurement initiatives.

### Operational optimisation

About 40% of the identified potential derives from optimisation initiatives in operations.



Operational optimisation includes a range of different initiatives. Most significant is the optimisation of operations in Assistance and patient transport services, including the reduction of sites, improved manning and route planning and sourcing to external partners. Better utilisation of call centres and reduction of complexity in front-office operations in, for instance, Healthcare will also provide a significant cost reduction potential.

### Reduction of overhead costs

About 50% of the potential derives from reduced overhead costs.



Key initiatives are the changed operating models for finance and IT which implies outsourcing of transactional business processes and IT infrastructure. Applying its global operating model on the business units will enable Falck to move towards functional responsibilities in staff functions, in turn allowing for cost optimisation when eliminating redundant work and when developing shared central solutions that can be deployed globally. In addition, optimising Falck's property portfolio holds a significant potential.

### Procurement initiatives

About 10% of the potential derives from implementing global procurement.



Key initiatives are the renegotiation of outsourced services and medical services and procurement enhancements related to Falck's fleet management, workwear and facility management. Procurement initiatives will take full effect by 2020.

- Project initiated.
- Project in progress and first financial effects realised.
- Project completed, but more financial effects to be realised.
- Full financial effect realised.

# Key figures

## Key figures and financial ratios

DKK million	H1 2018	H1 2017	2017	DKK million	H1 2018	H1 2017	2017
<b>Income Statement</b>				<b>Balance sheet</b>			
Revenue	6,733	7,234	14,381	Operating assets	2,329	2,781	2,483
Operating expenses	(6,333)	(7,032)	(13,928)	Operating liabilities	(3,316)	(3,416)	(3,350)
Operating profit before other items (EBITA)	145	(94)	(42)	<b>Working capital</b>	<b>(987)</b>	<b>(635)</b>	<b>(867)</b>
Impairment of goodwill	-	-	(2,825)	Operating provisions	(111)	(104)	(124)
Restructuring costs	(12)	(33)	(100)	Non-current assets excluding goodwill	1,713	2,243	1,805
Operating profit (EBIT)	21	(259)	(3,218)	<b>Net operating assets excluding goodwill</b>	<b>615</b>	<b>1,504</b>	<b>814</b>
Net financial income and expenses	(218)	(115)	(292)	Goodwill	6,079	9,787	6,486
Profit for the period from continuing operations	(170)	(252)	(3,603)	Intangible assets from acquisitions	888	1,156	1,003
<b>Key ratios</b>				Income taxes	(71)	(66)	(115)
Economic profit	(777)	(971)	(1,133)	Assets classified as held for sale	1,741	-	1,099
EBITA margin (%)	2.2	(1.3)	(0.3)	<b>Net operating assets including goodwill</b>	<b>9,252</b>	<b>12,381</b>	<b>9,287</b>
Cash conversion rate (%)	149	(274)	(1,066)	Equity attributable to Falck A/S	2,551	6,107	2,702
Equity ratio (%)	21.7	37.2	21.9	Non-controlling interests	402	423	428
Return on equity, Falck A/S share (%)	(82.3)	(4.4)	(89.7)	<b>Total equity</b>	<b>2,953</b>	<b>6,530</b>	<b>3,130</b>
Net interest-bearing debt to EBITDA	3.32	4.18	3.32	Net interest-bearing debt	5,676	5,059	5,524
Number of full-time employees (FTEs)	26,260	27,535	26,969	Provision for deferred tax	23	2	89
Number of employees at period end	34,246	36,402	36,153	Non-operating assets and liabilities	158	790	217
<b>Statement of cash flows</b>				Liabilities relating to assets classified as held for sale	442	-	327
Operating cash flow	305	366	450	<b>Financing</b>	<b>9,252</b>	<b>12,381</b>	<b>9,287</b>
Free cash flow	216	258	450				
Change in working capital including operating provisions	(8)	286	392				
Gross investments	(215)	(241)	(413)				

The free cash flow is net of investment in property, plant and equipment as the Group invests in vehicles, infrastructure and similar assets as part of its ordinary operations.

In general, the financial and non-financial data are stated excluding discontinued operations. See definitions of ratios in Section 1.5 in the 2017 Annual Report.

# Performance by business units



## Ambulance

Ambulance operates more than 2,500 ambulances, patient transport vehicles and medical emergency response units, and our employees help ill and injured people all around the world.

### Financial and operational performance

Profitability improved on an underlying increase in revenue.

Revenue was DKK 3,827 million (H1 2017: 3,998) resulting in a revenue growth of 5.3% adjusted for IFRS 15 and currency translations. The new IFRS 15 standards

impacted revenue negatively by DKK 179 million in the first half of 2018 and currency translation by DKK 193 million. The growth was primarily driven by a new ambulance contract with LA County in the US and higher activity levels and price increases in Germany, Spain, Colombia and US.

Operating profit before other items (EBITA) was DKK 141 million (H1 2017: EBITA loss of DKK 155 million). Write-downs of trade receivables in the US ambulance business impacted EBITA negatively by DKK 32 million in H1 2018 and by DKK 232 million in H1 2017.

Adjusted for write-downs, the underlying EBITA margin improved to 4.2% (H1 2017: 1.9%).

The improvement was driven by improved profitability across markets. The US payer environment remained challenging. Despite the implementation of improved cash collection and cost reductions, underlying profitability in the US ambulance business continues to be under pressure.

In April, Falck announced changes to its operating model that will allow for the increased use of subcontractors for seated patient transports in its Danish operations.

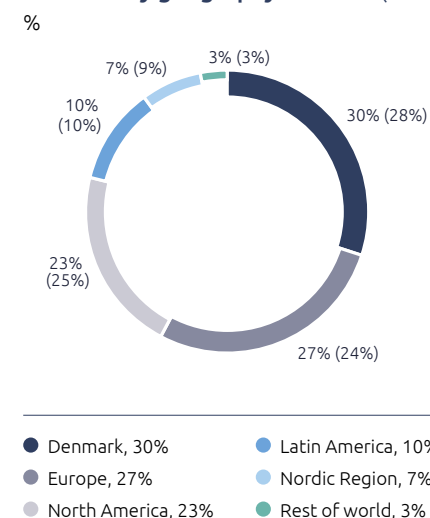
Colombia-based Grupo EMI increased its focus on improving retention levels to support continued earnings growth.

Several contracts were renewed, renegotiated and new ones won, including with King's College Hospital NHS Foundation Trust in London, for rescue and emergency services in the Central Denmark Region and in Stockholm, Sweden and Bonn, Germany as well as personal assistance services at Copenhagen Airport.

### Key figures

DKK million	H1 2018	H1 2017	2017
Revenue	3,827	3,998	8,086
EBITA	141	(155)	(214)
EBITA margin (%)	3.7	(3.9)	(2.6)
Free cash flow	233	214	290
Economic profit	(409)	(720)	(817)
Number of full-time employees	19,817	20,551	20,305

### Revenue by geography H1 2018 (H1 2017)







## Healthcare

Healthcare is the largest provider of employee healthcare programmes in Scandinavia. We make it easy for businesses and organisations to ensure that employees and citizens have longer, healthier and better working lives.

### Financial and operational performance

Profitability and revenue decreased in the first half of 2018.

Revenue was DKK 882 million (H1 2017: DKK 1,039 million). Revenue growth was negative by 5.9% adjusted for IFRS 15 and currency

translation. The new IFRS 15 standard impacted revenue adversely by DKK 66 million.

Operating profit before other items (EBITA) was negative by DKK 101 million (H1 2017: DKK 35 million). Write-downs on software and trade receivables impacted EBITA negatively in H1 2018 by DKK 88 million.

Adjusted for write-downs, the underlying EBITA margin was negative at 1.5 % (H1 2017: 3.4%).

EBITA margin in Healthcare was significantly impacted by unfavourable developments in

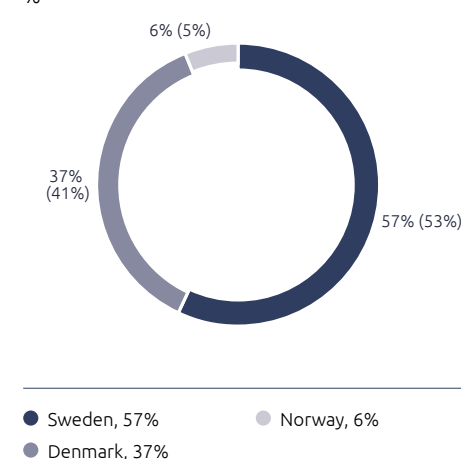
activity levels. In its Swedish pay-per-use operations activity levels decreased leading to a lower revenue and leaving pressure on EBITA margins. In its Danish subscription-based operation activity levels, and hence cost, were higher leaving EBITA margin under pressure. In addition, revenue and profitability were impacted by the loss of a large fast-diagnosis contract in 2017.

Healthcare initiated efficiency and cost optimisation initiatives across its business in H1 2018. Initiatives included contract portfolio pruning, elimination of redundant and non-value creating work and improved utilisation of call centres.

### Key figures

DKK million	H1 2018	H1 2017	2017
Revenue	882	1,039	1,955
EBITA	(101)	35	57
EBITA margin (%)	(11.5)	3.4	2.9
Free cash flow	(58)	(27)	(6)
Economic profit	(171)	(52)	(87)
Number of full-time employees	1,631	1,723	1,661

Revenue by geography H1 2018 (H1 2017)





## Assistance

Assistance helps safeguard and support our customers, either by providing advice on the prevention of accidents and other incidents, or by ensuring fast and competent assistance if an accident does occur.

### Financial and operational performance

Profitability improved significantly on a 1% revenue growth adjusted for currency translations. Revenue was DKK 1,555 million (H1 2017: DKK 1,557 million).

Operating profit before other items (EBITA) was DKK 204 million (H1 2017: DKK 10 mil-

lion). Write-downs on a customer management IT system impacted EBITA negatively by DKK 63 million in 2017.

Adjusted for write-downs, the underlying EBITA margin improved by 8.4 percentage points to 13.1% (H1 2017: 4.7%).

Assistance initiated a comprehensive efficiency and cost optimisation programme in 2017 followed by additional initiatives in early 2018. The programme includes the closing down of damage control services and several other unprofitable activities, contract portfolio pruning, a changed operating model

allowing for the increased use of franchise takers and sub-contractors in its roadside assistance business, improved utilisation of its call centres and optimisation of the network of Falck stations in Denmark.

In April, Assistance went live with its new customer management IT system.

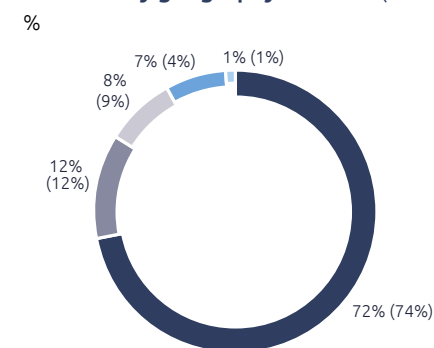
In the first half of 2018, Assistance renewed its contract with Topdanmark and expanded its services to handling emergency calls and satellite surveillance of expensive vehicles.

Contracts were renewed with Norwegian insurer Frende and with Mercedes in Denmark, Sweden, Norway, Finland and the Baltics. In addition, contracts were renewed with Nordjyllands Beredskab, Midt- og Sydsjællands Brand og Redning, and Faurskov for municipal firefighting services.

### Key figures

DKK million	H1 2018	H1 2017	2017
Revenue	1,555	1,557	3,043
EBITA	204	10	188
EBITA margin (%)	13.1	0.6	6.2
Free cash flow	211	144	256
Economic profit	(2)	(172)	(146)
Number of full-time employees	1,922	2,402	2,117

Revenue by geography H1 2018 (H1 2017)



- Denmark, 72%
- Norway, 12%
- Sweden, 8%
- Finland, 7%
- Rest of the world, 1%



## Portfolio Businesses

Portfolio Businesses consist of three service areas: Global Assistance, Industrial Firefighting and Safety Services. Industrial Firefighting is the world's largest international provider of firefighting services, and Global Assistance aids travellers around the world with fast and competent assistance when accidents happen. Safety Services has been classified as held for sale and discontinued operations.

### Financial and operational performance

Profitability improved on an underlying increase in revenue.

Revenue was DKK 589 million (H1 2017: DKK 823 million) resulting in a revenue growth of 3.3% adjusted for IFRS 15 and currency translations. The new IFRS 15 standards impacted revenue negatively by DKK 233 million in the first half of 2018 and currency translation by DKK 27 million.

Operating profit before other items (EBITA) was DKK 27 million (H1 2017: DKK 24 million).

The Portfolio Businesses are progressing well. The restructuring of Global Assistance was completed in H1 2018 and a new man-

agement team was in place at the end of the period.

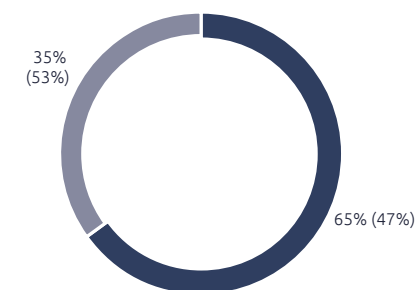
Further, cost-out initiatives and streamlining of administrative functions were implemented in H1 2018 and efforts are ongoing to improve profitability.

On the global travel market, Global Assistance successfully implemented a new partnership with Kaiser Permanente in the US.

### Key figures

DKK million	H1 2018	H1 2017	2017
Revenue	589	823	1,611
EBITA	27	24	(3)
EBITA margin (%)	4.5	2.9	(0.2)
Free cash flow	(57)	(61)	(72)
Economic profit	(67)	4	(54)
Number of full-time employees	2,737	2,801	2,803

Revenue by service area H1 2018 (H1 2017)  
%



● Industrial Firefighting, 65%      ● Global Assistance, 35%

# Management's statement

The Board of Directors and the Executive Management Board have today considered and approved the interim report of Falck A/S for the period 1 January 2018 – 30 June 2018.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted

by the EU and additional requirements of the Danish Financial Statements Act. Apart from the adoption of IFRS 9 and IFRS 15, the accounting policies are consistent with those applied in the 2017 Annual Report.

In our opinion, the interim financial report gives a true and fair view of the Falck Group's assets, equity, liabilities and financial position at 30

June 2018 and of the results of the Group's activities and cash flows for the period 1 January to 30 June 2018.

Furthermore, in our opinion, the Management's review gives a fair presentation of the development in the Group's operations and financial position of the result for the period

and of the overall financial position of the Group.

Over and above the disclosures in the interim financial report, there have been no changes in the Group's most significant risks and uncertainties relative to the disclosures made in the 2017 Annual Report.

Copenhagen, 17 August 2018

## Executive Management Board:

Jakob Riis  
President and CEO

Tor Magne Lønnum  
CFO

Jakob Bomholt  
EVP, Ambulance

## Board of Directors:

Peter Schütze  
Chairman

Lene Skole  
Deputy Chairman

Lars Frederiksen

Niels Smedegaard

Dorthe Mikkelsen

Søren Thorup Sørensen

## Employee representative:

Vagn Flink Møller Pedersen

Henrik Villsen Andersen

Allan Rensgaard



# Income statement

1 January – 30 June

DKK million	Section	H1 2018	H1 2017	2017
Revenue	2	6,733	7,234	14,381
Other operating income and expenses, net		42	33	72
Cost of sales and external assistance		(902)	(896)	(1,804)
Other external costs		(1,355)	(1,835)	(3,592)
Staff costs	3	(4,076)	(4,301)	(8,532)
Depreciation, amortisation and impairment		(297)	(329)	(567)
<b>Operating profit before other items (EBITA)</b>		<b>145</b>	<b>(94)</b>	<b>(42)</b>
Restructuring costs		(12)	(33)	(100)
Amortisation of customer contracts		(112)	(132)	(251)
Impairment of goodwill		-	-	(2,825)
<b>Operating profit (EBIT)</b>		<b>21</b>	<b>(259)</b>	<b>(3,218)</b>
Gains/losses from divestments of enterprises		(8)	(1)	(13)
Income after tax from associates and joint arrangements		(1)	2	(6)
Financial income		19	50	95
Financial expenses		(237)	(165)	(387)
<b>Profit before tax</b>		<b>(206)</b>	<b>(373)</b>	<b>(3,529)</b>
Income taxes		36	121	(74)
<b>Profit for the period from continuing operations</b>		<b>(170)</b>	<b>(252)</b>	<b>(3,603)</b>
<b>Profit for the period from discontinued operations</b>	6	<b>47</b>	<b>4</b>	<b>(79)</b>
<b>Profit for the period</b>		<b>(123)</b>	<b>(248)</b>	<b>(3,682)</b>
<b>Profit is attributable to:</b>				
Shareholders in Falck A/S		(120)	(249)	(3,691)
Non-controlling interests		(3)	1	9
<b>TOTAL</b>		<b>(123)</b>	<b>(248)</b>	<b>(3,682)</b>

Including Safety Services

# Statement of comprehensive income

1 January – 30 June

DKK million	Section	H1 2018	H1 2017	2017
<b>Profit for the period</b>		<b>(123)</b>	<b>(248)</b>	<b>(3,682)</b>
Actuarial adjustment of pension provisions		1	2	2
<b>Items that will not be reclassified to the income statement</b>		<b>1</b>	<b>2</b>	<b>2</b>
Exchange rate adjustment		21	(192)	(295)
Value adjustment of currency hedging instruments		2	3	11
Value adjustment of interest hedging instruments		9	21	29
Tax on other comprehensive income		(1)	27	45
<b>Items that may be reclassified to the income statement</b>		<b>31</b>	<b>(141)</b>	<b>(210)</b>
<b>Other comprehensive income</b>		<b>32</b>	<b>(139)</b>	<b>(208)</b>
<b>Total comprehensive income</b>		<b>(91)</b>	<b>(387)</b>	<b>(3,890)</b>
<b>Total comprehensive income is attributable to:</b>				
Shareholders in Falck A/S		(88)	(388)	(3,899)
Non-controlling interests		(3)	1	9
<b>TOTAL</b>		<b>(91)</b>	<b>(387)</b>	<b>(3,890)</b>

# Statement of cash flows

1 January – 30 June

DKK million	Section	H1 2018	H1 2017	2017	DKK million	Section	H1 2018	H1 2017	2017
<b>Operating profit (EBIT)</b>		<b>21</b>	<b>(259)</b>	<b>(3,218)</b>	Transactions with shareholders		-	26	2,026
Depreciation, amortisation and impairment		297	329	567	Transactions with non-controlling interests, net		(14)	(24)	(31)
Amortisation of customer contracts		112	132	251	Interest-bearing debt raised		14	239	108
Impairment of goodwill		-	-	2,825	Repayment of interest-bearing debt		(664)	(473)	(1,636)
<b>Profit before depreciation, amortisation and impairment (EBITDA)</b>		<b>430</b>	<b>202</b>	<b>425</b>	<b>Cash flows from financing activities</b>		<b>(664)</b>	<b>(232)</b>	<b>467</b>
Change in net working capital		(8)	286	392	Cash flows from continuing operations		(568)	(60)	274
Transactions with associates		18	4	(9)	Cash flows from discontinued operations		7	(2)	(4)
Reversal of profit/(loss) from divestment of non-current assets, net		(11)	(9)	(25)	<b>Change in cash and cash equivalents</b>		<b>(561)</b>	<b>(62)</b>	<b>270</b>
Net interest paid		(54)	(58)	(159)	<b>Cash and cash equivalents at 1 January</b>		<b>1,009</b>	<b>900</b>	<b>900</b>
Income tax paid		(70)	(59)	(174)	Change in cash and cash equivalents		(561)	(62)	270
<b>Cash flows from operating activities</b>		<b>305</b>	<b>366</b>	<b>450</b>	Exchange gains/(losses) on cash and cash equivalents		(6)	(17)	(30)
Purchase of property, plant and equipment		(126)	(173)	(286)	Cash and cash equivalents related to assets classified as held for sale		(19)	-	(131)
Sale of property, plant and equipment		20	20	71	<b>Cash and cash equivalents at period end</b>		<b>423</b>	<b>821</b>	<b>1,009</b>
Purchase of intangible assets		(89)	(68)	(127)					
Investments in subsidiaries, non-controlling interests and operations		(36)	(41)	(409)					
Divestment of subsidiaries, non-controlling interests and operations		4	6	7					
Cash flows from hedging of net investments		21	12	28					
Change in securities, net		(3)	50	73					
<b>Cash flows from investing activities</b>		<b>(209)</b>	<b>(194)</b>	<b>(643)</b>					

# Balance sheet

DKK million	Section	H1 2018	H1 2017	2017	DKK million	Section	H1 2018	H1 2017	2017
<b>Assets</b>					<b>Equity and liabilities</b>				
Goodwill		6,079	9,787	6,486	Share capital		81	81	81
Other intangible assets		1,208	1,517	1,363	Hedging reserve		(18)	(39)	(27)
<b>Total intangible assets</b>		<b>7,287</b>	<b>11,304</b>	<b>7,849</b>	Currency translation reserve		(421)	(362)	(443)
Land and buildings		434	549	401	Retained earnings		2,909	6,427	3,091
Leasehold improvements		124	172	140	<b>Equity attributable to Falck A/S</b>		<b>2,551</b>	<b>6,107</b>	<b>2,702</b>
Fixtures and fittings, tools and equipment		836	1,161	904	Non-controlling interests		402	423	428
<b>Total property, plant and equipment</b>		<b>1,394</b>	<b>1,882</b>	<b>1,445</b>	<b>Total equity</b>		<b>2,953</b>	<b>6,530</b>	<b>3,130</b>
Investments in associates and joint ventures		54	65	56	Subordinated shareholder loans		2,111	-	2,008
Deferred tax assets		209	420	178	Loans		3,944	4,991	4,336
Other receivables		42	84	43	Deferred tax		231	422	266
<b>Total financial assets</b>		<b>305</b>	<b>569</b>	<b>277</b>	Provisions		143	537	117
<b>Total non-current assets</b>		<b>8,986</b>	<b>13,755</b>	<b>9,571</b>	Contract liabilities		40	-	-
Inventories		71	93	82	Other payables		10	37	29
Contract assets		598	-	-	<b>Total non-current liabilities</b>		<b>6,479</b>	<b>5,987</b>	<b>6,756</b>
Trade receivables	4	1,399	2,375	2,111	Loans		115	980	257
Income tax receivable		26	33	20	Trade payables		787	740	731
Other receivables		150	220	176	Income taxes		97	99	135
Prepayments		154	164	159	Provisions		213	408	260
Securities		71	91	68	Contract liabilities		1,505	-	-
Cash		423	821	1,009	Other payables		1,028	2,808	2,699
<b>Total current assets</b>		<b>2,892</b>	<b>3,797</b>	<b>3,625</b>	<b>Total current liabilities</b>		<b>3,745</b>	<b>5,035</b>	<b>4,082</b>
<b>Assets classified as held for sale</b>	5	<b>1,741</b>	-	<b>1,099</b>	<b>Total current and non-current liabilities</b>		<b>10,224</b>	<b>11,022</b>	<b>10,838</b>
<b>Total assets</b>		<b>13,619</b>	<b>17,552</b>	<b>14,295</b>	<b>Liabilities relating to assets classified as held for sale</b>	5	<b>442</b>	-	<b>327</b>
					<b>Total equity and liabilities</b>		<b>13,619</b>	<b>17,552</b>	<b>14,295</b>

# Statement of changes in equity

1 January – 30 June

2018 DKK million	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Equity
<b>Equity at 1 January 2018</b>	<b>81</b>	<b>(27)</b>	<b>(443)</b>	<b>3,091</b>	<b>2,702</b>	<b>428</b>	<b>3,130</b>
Change in accounting policies	-	-	-	(53)	(53)	-	(53)
<b>Adjusted equity at 1 January 2018</b>	<b>81</b>	<b>(27)</b>	<b>(443)</b>	<b>3,038</b>	<b>2,649</b>	<b>428</b>	<b>3,077</b>
Exchange rate adjustment	-	-	21	-	21	-	21
Value adjustment of currency hedging instruments	-	2	-	-	2	-	2
Value adjustment of interest hedging instruments	-	9	-	-	9	-	9
Actuarial adjustment of pension provisions	-	-	-	1	1	-	1
Tax on other comprehensive income	-	(2)	1	-	(1)	-	(1)
Other comprehensive income	-	9	22	1	32	-	32
Profit for the period	-	-	-	(120)	(120)	(3)	(123)
Total comprehensive income	-	9	22	(119)	(88)	(3)	(91)
Dividend	-	-	-	-	-	(11)	(11)
Change in non-controlling interests' ownership share	-	-	-	12	12	(12)	-
Purchase and sale of treasury shares, warrants, etc.	-	-	-	(1)	(1)	-	(1)
Adjustment of provision for acquisition of non-controlling interests relating to acquisitions after 1 January 2010	-	-	-	(21)	(21)	-	(21)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>	<b>(23)</b>	<b>(33)</b>
<b>Total equity movements in the period</b>	<b>-</b>	<b>9</b>	<b>22</b>	<b>(129)</b>	<b>(98)</b>	<b>(26)</b>	<b>(124)</b>
<b>Total equity at 30 June 2018</b>	<b>81</b>	<b>(18)</b>	<b>(421)</b>	<b>2,909</b>	<b>2,551</b>	<b>402</b>	<b>2,953</b>



## Comments

Change in accounting policies of DKK 53 million is due to the implementation of the new accounting standards IFRS 9 and IFRS 15. The effect from IFRS 9 is DKK 28 million and relates to an increase in write-downs of receivables. The effect from IFRS 15 including deferred tax is DKK 25 million and relates to stepped-pricing contracts in Denmark where the services are transferred to the customer over time and are recognised at the same average consideration over the period of the contract.



# Statement of changes in equity

1 January – 30 June

2017 DKK million	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Equity
<b>Equity at 1 January 2017</b>	<b>67</b>	<b>(58)</b>	<b>(202)</b>	<b>5,720</b>	<b>5,527</b>	<b>406</b>	<b>5,933</b>
Exchange rate adjustment	-	-	(192)	-	(192)	-	(192)
Value adjustment of currency hedging instruments	-	3	-	-	3	-	3
Value adjustment of interest hedging instruments	-	21	-	-	21	-	21
Actuarial adjustment of pension provisions	-	-	-	2	2	-	2
Tax on other comprehensive income	-	(5)	32	-	27	-	27
Other comprehensive income	-	19	(160)	2	(139)	-	(139)
Profit for the period	-	-	-	(249)	(249)	1	(248)
Total comprehensive income	-	19	(160)	(247)	(388)	1	(387)
Purchase and sale of treasury shares, warrants, etc.	-	-	-	(1)	(1)	-	(1)
Capital increase	14	-	-	995	1,009	-	1,009
Dividend	-	-	-	-	-	(11)	(11)
Change in non-controlling interests' ownership share	-	-	-	(1)	(1)	27	26
Adjustment of provision for acquisition of non-controlling interests relating to acquisitions after 1 January 2010	-	-	-	(39)	(39)	-	(39)
<b>Total transactions with owners</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>968</b>	<b>16</b>	<b>984</b>
<b>Total equity movements in the period</b>	<b>14</b>	<b>19</b>	<b>(160)</b>	<b>707</b>	<b>580</b>	<b>17</b>	<b>597</b>
<b>Total equity at 30 June 2017</b>	<b>81</b>	<b>(39)</b>	<b>(362)</b>	<b>6,427</b>	<b>6,107</b>	<b>423</b>	<b>6,530</b>

### Section 1

## Accounting policies

Falck A/S is a public limited liability company domiciled in Denmark. This interim report comprises Falck and its subsidiaries (the Group).

The interim report has been presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

The interim report does not contain all the information required for the annual report and should therefore be read in conjunction with the 2017 Annual Report.

No interim report has been prepared for the parent company. Apart from the adoption of IFRS 9 and IFRS 15, the accounting policies are consistent with those applied in the 2017 Annual Report to which reference is made.

Definitions of financial highlights and key ratios can be found in Section 1.5 of the 2017 Annual Report.

### Key Figures

In H1 2018, the definition of economic profit has changed.

Economic profit is calculated as adjusted operating profit after income tax less (net operating assets \* WACC). Adjusted operating profit after tax is calculated as operating profit after tax adjusted for income and expenses of a non-recurring nature. Tax rate is set at 22% and WACC at 8%.

### Implementation of new accounting standards, amendments and interpretations

The following accounting standards and amendments (IAS and IFRS) and interpretations have been implemented effective from 1 January 2018:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers" including amendments and clarifications
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration"
- Amendment to IFRS 2 "Share-based payments"
- Amendment to IAS 40 "Transfer of Investment Property"
- Annual improvements to IFRS's 2014-2016 cycle.

Besides the impact from IFRS 9 and 15, the adoption of new standards, amendments and interpretations has not affected the interim financial report and is not expected to impact the consolidated financial statements for 2018.

### IFRS 9 Financial Instruments

Falck has applied the modified retrospective approach and comparative figures will thus not be restated. The most important changes resulting from IFRS 9, compared to IAS 36, can be summarised as follows:

- A loss allowance for expected credit losses must be recognised at initial recognition of receivables. Previously a loss allowance could only be recognised if there was objective ev-

idence of impairment. Thus, expected losses are recognised at an earlier point in time.

- The number of categories of financial assets is reduced to three; amortised cost, fair value or fair value through other comprehensive income. Previously, there were four categories.

In respect of hedge accounting, the standard does not affect the Group's financial statements.

### The impact of IFRS 9 in Falck

The impact of the IFRS 9 implementation is related to impairment of trade receivables due to implementation of the forward-looking expected credit loss model and has resulted in DKK (28) million recognised in equity in 1 January 2018.

The change in policy does not affect the Group's cash flows or results over time.

### IFRS 15 Revenue from contracts with customers

Falck has applied the modified retrospective approach and comparative figures will thus not be restated. The most important changes resulting from IFRS 15, compared to IAS 11 and IAS 18, can be summarised as follows:

- Recognition of revenue has been changed from being based on transfer of the risk and rewards of ownership to now being recognised as the transfer of control of goods or services transferred to the customer.
- More detailed guidelines for how elements in a contract of sale are identified and how the

individual components will be recognised and measured.

- More detailed guidance for recognition of revenue over time.

### The impact of IFRS 15 in Falck

IFRS 15 has a significant impact on Falck's recognition of revenue which can be summarised as follows:

Falck acts as the agent in multiple contracts. Hence, the agent-principal assessment impacts the recognition of revenue in Healthcare, Assistance and Portfolio Businesses. This results in a decrease in revenue and cost of sale. EBITA is not affected.

Ambulance has contracts with predetermined price reductions. The transaction price has been recalculated to an average price for the entire period. As the relevant contracts were entered before 1 January 2018, equity will consequently be adjusted in the opening balance. EBITA was affected in the interim report by DKK (8) million.

Due to the probability that Falck will collect the consideration Falck is entitled to, Ambulance US has changed the accounting policy to "cash accounting" for patients without insurance or aid from Federal/State programmes, as they often do not pay for the services provided. In cash accounting, revenue will be recognised when the customer pays for a service. EBITA was affected in the interim report by DKK (20) million.

Section 1

Accounting policies (continued)

Change in accounting

The impact of IFRS 15 in the interim report is approximately DKK (478) million on revenue and cost of sales and DKK (32) million before tax on equity. The impact is primarily related to the agent-principal assessment, where Falck act as an agent on behalf of the customers.

The change in policy does not affect the Group's cash flows or results over the contract periods. However, the timing of when income and costs are recognised in the consolidated financial statements is affected, thus the cash flows and results for individual years within a contract is affected respectively. The implementation of IFRS 15 has resulted in the following changes of presentation on the balance sheet in relation to contract assets and contract liabilities:

Contract assets primarily relate to Falck's right to consideration for the completed services which is not invoiced at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities show the recalculated transaction price from predetermined price reductions, where the service is transferred over time, and are recognised at the same average consideration over the term of the contract. Contract liabilities also show prepayments related to consideration from customers who have paid in advance for the following period.

As Falck has applied the modified retrospective approach, the comparatives for 2017 are not

Impact of implementation of IFRS 15





DKK million	1 January 2018			30 June 2018		
	Previous accounting policy	IFRS 15 adjustment	New accounting policy	Previous accounting policy	IFRS 15 adjustment	New accounting policy
<b>Income statement</b>						
Revenue	-	-	-	7,211	(478)	6,733
Other external cost	-	-	-	(1,805)	450	(1,355)
<b>Operating profit before other items (EBITA)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173</b>	<b>(28)</b>	<b>145</b>
<b>Assets</b>						
Deferred tax	178	7	185	202	7	209
Contract assets	-	484	484	-	598	598
Trade receivables	2,111	(484)	1,627	2,017	(618)	1,399
<b>Total Assets</b>	<b>14,295</b>	<b>7</b>	<b>14,302</b>	<b>13,632</b>	<b>(13)</b>	<b>13,619</b>
<b>Equity</b>						
Share capital	81	-	81	81	-	81
Hedging reserve	(27)	-	(27)	(18)	-	(18)
Currency translation reserve	(443)	-	(443)	(421)	-	(421)
Retained earnings	3,091	-	3,066	2,962	(28)	2,909
- Change of accounting policies	-	(32)	-	-	(32)	-
- Change of accounting policies, tax effect	-	7	-	-	7	-
<b>Equity attributable to Falck A/S</b>	<b>2,702</b>	<b>(25)</b>	<b>2,677</b>	<b>2,604</b>	<b>(53)</b>	<b>2,551</b>
<b>Liabilities</b>						
Contract liabilities, non-current	-	32	32	-	40	40
Contract liabilities, current	-	1,544	1,544	-	1,505	1,505
Other payables, current	2,699	(1,544)	1,155	2,533	(1,505)	1,028
<b>Total current and non-current liabilities</b>	<b>10,838</b>	<b>32</b>	<b>10,870</b>	<b>10,184</b>	<b>40</b>	<b>10,224</b>
<b>Total equity and liabilities</b>	<b>14,295</b>	<b>7</b>	<b>14,302</b>	<b>13,632</b>	<b>(13)</b>	<b>13,619</b>

restated. In the table the IFRS 15 adjustments to the opening balance at 1 January 2018 are summarised.

Section 2

Segment and revenue information

DKK million

Business units	 Ambulance	 Healthcare	 Assistance	 Portfolio Businesses <sup>(3)</sup>	Other activities/eliminations	Total
H1 2018						
<b>KEY ratios</b>						
EBITA margin (%) <sup>(1)</sup>	3,7	(11,5)	13,1	4,5		2,2
<b>Income statement</b>						
Revenue <sup>(2)</sup>	3,827	882	1,555	589	(120)	6,733
Staff costs	(2,569)	(495)	(545)	(388)	(79)	(4,076)
Depreciation, amortisation and impairments	(138)	(90)	(59)	(10)	-	(297)
<b>Operating profit before other items (EBITA)</b>	<b>141</b>	<b>(101)</b>	<b>204</b>	<b>27</b>	<b>(126)</b>	<b>145</b>
Restructuring costs	-	(12)	-	-	-	(12)
Amortisation of customer contracts	(40)	(12)	(60)	-	-	(112)
<b>Operating profit (EBIT)</b>	<b>101</b>	<b>(125)</b>	<b>144</b>	<b>27</b>	<b>(126)</b>	<b>21</b>
Financials, net						(227)
<b>Profit before tax</b>						<b>(206)</b>
Income taxes						36
<b>Profit for the period from continuing operations</b>						<b>(170)</b>
<b>Balance sheet</b>						
Total assets	5,135	1,412	4,074	1,268	1,730	13,619
Gross investments	121	27	12	55	-	215

<sup>(1)</sup> See definitions of ratios in section 1.5 in the 2017 Annual Report.

<sup>(2)</sup> Revenue comprises rendering of services of DKK 6,598 million and sale of goods of DKK 135 million.

<sup>(3)</sup> Excluding discontinued operations. For further information see section 6.



**Comments**





In H1 2018, no changes have been made to the corporate structure of Falck.



## Section 2

## Segment and revenue information (continued)

DKK million

Business units	 Ambulance	 Healthcare	 Assistance	 Portfolio Businesses <sup>(3)</sup>	Other activities/ eliminations	Total
H1 2017						
<b>KEY ratios</b>						
EBITA margin (%) <sup>(1)</sup>	(3.9)	3.4	0.6	2.9		(1.3)
<b>Income statement</b>						
Revenue <sup>(2)</sup>	3,998	1,039	1,557	823	(183)	7,234
Staff costs	(2,690)	(513)	(673)	(375)	(50)	(4,301)
Depreciation, amortisation and impairments	(136)	(25)	(157)	(11)	-	(329)
<b>Operating profit before other items (EBITA)</b>	<b>(155)</b>	<b>35</b>	<b>10</b>	<b>24</b>	<b>(8)</b>	<b>(94)</b>
Restructuring costs	(11)	(11)	(9)	(2)	-	(33)
Amortisation of customer contracts	(55)	(15)	(60)	(2)	-	(132)
<b>Operating profit (EBIT)</b>	<b>(221)</b>	<b>9</b>	<b>(59)</b>	<b>20</b>	<b>(8)</b>	<b>(259)</b>
Financials, net						(114)
<b>Profit before tax</b>						<b>(373)</b>
Income taxes						121
<b>Profit for the period from continuing operations</b>						<b>(252)</b>
<b>Balance sheet</b>						
Total assets	9,440	2,092	4,120	1,983	(83)	17,552
Gross investments	145	35	26	34	1	241

<sup>(1)</sup> See definitions of ratios in section 1.5 in the 2017 Annual Report.

<sup>(2)</sup> Revenue comprises rendering of services of DKK 7,111 million and sale of goods of DKK 123 million.

<sup>(3)</sup> Excluding discontinued operations. For further information see section 6.


**Comments**

On 1 January 2017, the Public Firefighting business and several Assistance-related activities were transferred from the Ambulance segment to the Assistance segment.

Section 3  
Staff costs

DKK million	H1 2018	H1 2017	2017
Wages, salaries and remuneration	(3,266)	(3,484)	(6,908)
Defined-contribution pension plans	(195)	(204)	(405)
Other social security costs	(400)	(409)	(835)
Other staff costs	(227)	(240)	(465)
<b>Total staff costs before transfer to other items</b>	<b>(4,088)</b>	<b>(4,337)</b>	<b>(8,613)</b>
<b>Transferred to restructuring costs</b>	<b>12</b>	<b>36</b>	<b>81</b>
<b>Total staff costs</b>	<b>(4,076)</b>	<b>(4,301)</b>	<b>(8,532)</b>
Permanent employees at period end	27,344	28,384	28,220
On-call and other employees at period end	6,902	8,018	7,933
<b>Total employees at period end</b>	<b>34,246</b>	<b>36,402</b>	<b>36,153</b>
Average number of employees (full-time equivalents)	26,260	27,535	26,969

Excluding discontinued operations



**Comments**

Staff costs decreased in H1 2018 compared to H1 2017 partly due to a number of redundancies particularly in Assistance and Ambulance during 2017. Please refer to section 6.1 in the 2017 Annual Report for remuneration of the Executive Management.

Section 4  
Trade receivables

DKK million	H1 2018	H1 2017	2017
<b>Total trade receivables</b>	<b>1,399</b>	<b>2,375</b>	<b>2,111</b>
Receivables overdue but not written down			
Within 1 to 30 days	267	289	316
Within 31 to 90 days	186	177	193
Within more than 90 days	176	262	205
<b>Total receivables overdue but not written down</b>	<b>629</b>	<b>728</b>	<b>714</b>
Write-downs at 1 January	418	455	455
Write-downs during the period	95	402	719
Used during the period	(205)	(324)	(745)
Reversals during the period	(3)	-	-
Transfers to assets classified as held for sale	-	-	(11)
<b>Write-downs at period end</b>	<b>305</b>	<b>533</b>	<b>418</b>

Excluding discontinued operations



**Comments**

Gross trade receivables and write-downs at period end have decreased compared to H1 2017. On 1 January 2018, IFRS 15 was adopted, hence a change in accounting policy for recognition of revenue was implemented. Consequently, revenue from private payers in the United States is now recognised when payments from costumers are received. Furthermore, the implementation has resulted in a change of presentation in relation to contract assets which are part of trade receivables in comparatives.

Section 5

**Assets classified as held for sale**

**Assets classified as held for sale**

(DKK million)	H1 2018	H1 2017	2017
Intangible assets	840	-	433
Property, plant and equipment	334	-	292
Deferred tax assets	60	-	61
Inventories	2	-	2
Contract assets	36	-	-
Trade receivables	254	-	130
Other receivables	36	-	27
Income tax	8	-	11
Prepayments	20	-	12
Cash	151	-	131
<b>Assets classified as held for sale at period end</b>	<b>1,741</b>	<b>-</b>	<b>1,099</b>
Deferred tax	26	-	32
Loans	29	-	29
Trade payables	87	-	57
Income tax	27	-	10
Provisions	124	-	119
Contract liabilities	9	-	-
Other payables	140	-	80
<b>Liabilities relating to assets classified as held for sale</b>	<b>442</b>	<b>-</b>	<b>327</b>
<b>Net assets classified as held for sale</b>	<b>1,299</b>	<b>-</b>	<b>772</b>



**Comments**

Assets and liabilities classified as held for sale relate to Safety Services and Healthcare non-core activities, where the Company has launched a process with the aim of divesting the activities.

Furthermore, Safety Services and Healthcare non-core activities are presented as discontinued operations, for which reason both the income statement and the statement of cash flows have been restated for 2017.

See section 6.

Section 6

**Discontinued operations**

**Discontinued operations**

DKK million	H1 2018	H1 2017	2017
Revenue	850	835	1,630
Other operating income and expenses, net	1	3	14
Cost of sales and external assistance	(98)	(91)	(178)
Other external costs	(157)	(182)	(358)
Staff costs	(523)	(491)	(991)
Depreciation, amortisation and impairment	(2)	(31)	(64)
<b>Operating profit before other items (EBITA)</b>	<b>71</b>	<b>43</b>	<b>53</b>
Restructuring costs	-	(4)	(43)
Amortisation of customer contracts	(1)	(7)	(19)
<b>Operating profit (EBIT)</b>	<b>70</b>	<b>32</b>	<b>(9)</b>
Financial income and expenses, net	(1)	(26)	(58)
<b>Profit before tax</b>	<b>69</b>	<b>6</b>	<b>(67)</b>
Income taxes	(22)	(2)	(12)
<b>Profit for the period</b>	<b>47</b>	<b>4</b>	<b>(79)</b>



**Comments**

It is the Management's assessment that the divestments will be completed within 12 months.

The classification as discontinued operations entails that assets and liabilities are shown separately from other assets and liabilities. The discontinued operations are also shown separately in the income statement and in the statement of cash flows. The comparative figures have been restated in both statements.

Section 6

**Discontinued operations** (continued)

**Cash flows from discontinued operations**

DKK million	H1 2018	H1 2017	2017
Operating profit (EBIT)	70	32	(9)
Depreciation, amortisation and impairment	2	31	64
Amortisation of customer contracts	1	7	19
<b>Profit before depreciation, amortisation and other items (EBITDA before other items)</b>	<b>73</b>	<b>70</b>	<b>74</b>
Change in net working capital	(65)	(40)	30
Reversal of profit/(loss) from divestment of non-current assets, net	-	-	(10)
Net interest paid	(11)	(19)	(46)
Income tax paid	(8)	(3)	22
<b>Cash flows from operating activities</b>	<b>(11)</b>	<b>8</b>	<b>70</b>
<b>Cash flows from investing activities</b>	<b>(39)</b>	<b>(6)</b>	<b>(28)</b>
<b>Cash flows from financing activities</b>	<b>57</b>	<b>(4)</b>	<b>(46)</b>
<b>Change in cash and cash equivalents</b>	<b>7</b>	<b>(2)</b>	<b>(4)</b>

Section 7

**Subsequent events**



No events have occurred after the balance sheet date.

Falck A/S  
Polititorvet  
1780 Copenhagen V  
Denmark

Tel.: +45 70 33 33 11  
[www.falck.com](http://www.falck.com)  
[www.falck.dk](http://www.falck.dk)  
CVR no. 33 59 70 45



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