



Q3 Third quarter 2022

9 November 2022

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, Group CFO

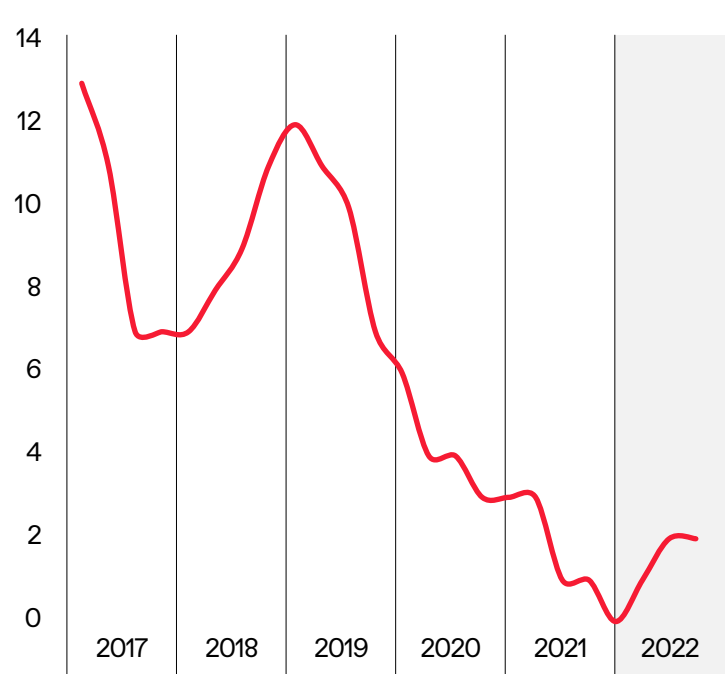
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

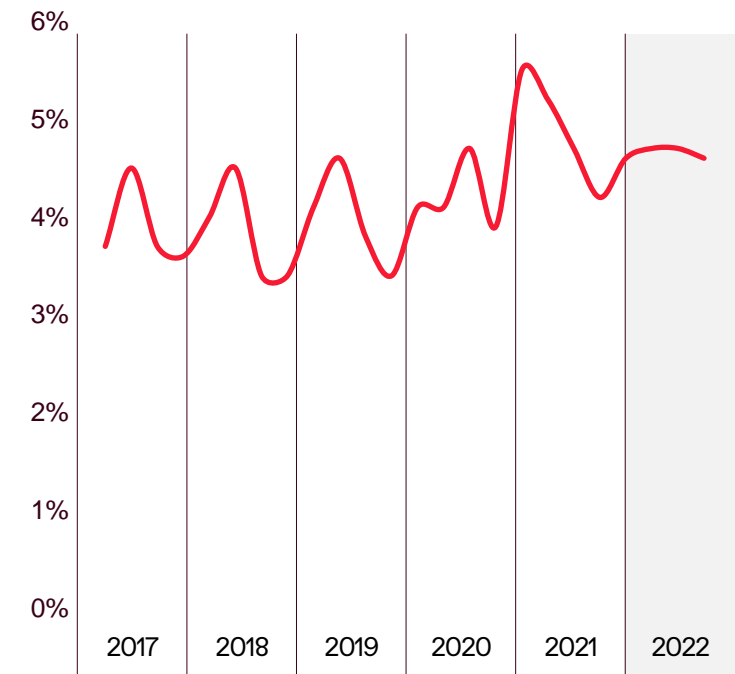
Number of serious injuries

12-month rolling, Veidekke employees,
hired staff and sub-contractors



Sickness absence

Veidekke employees



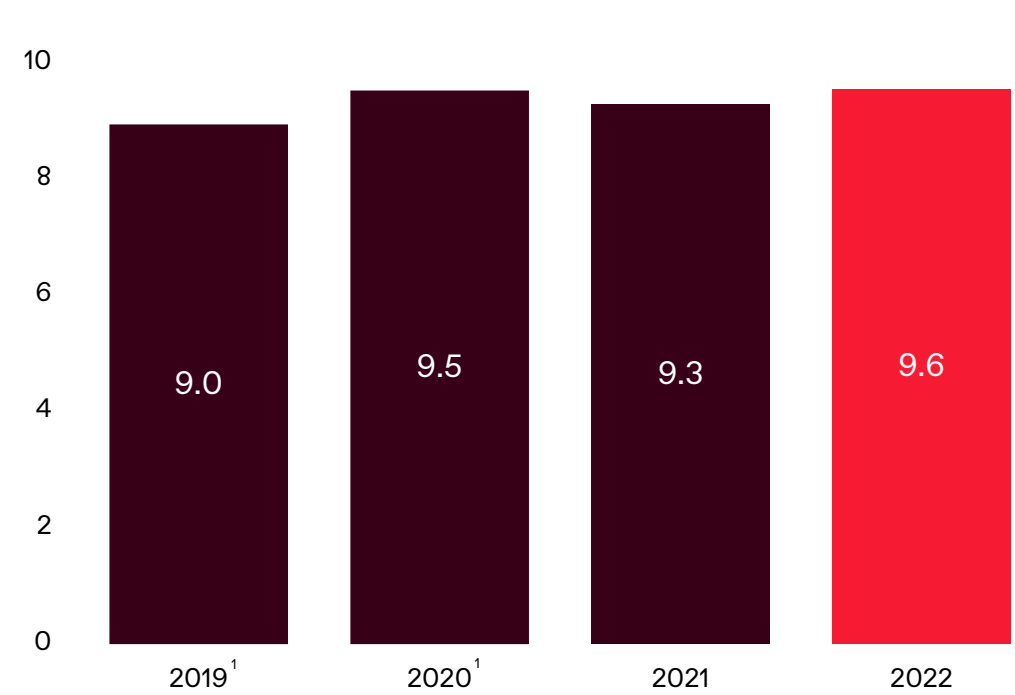
Highlights Q3 2022

- Revenues and profits on a par with a year ago
- Majority of the group produces solid results
- Large order book with good profitability

Key financial figures

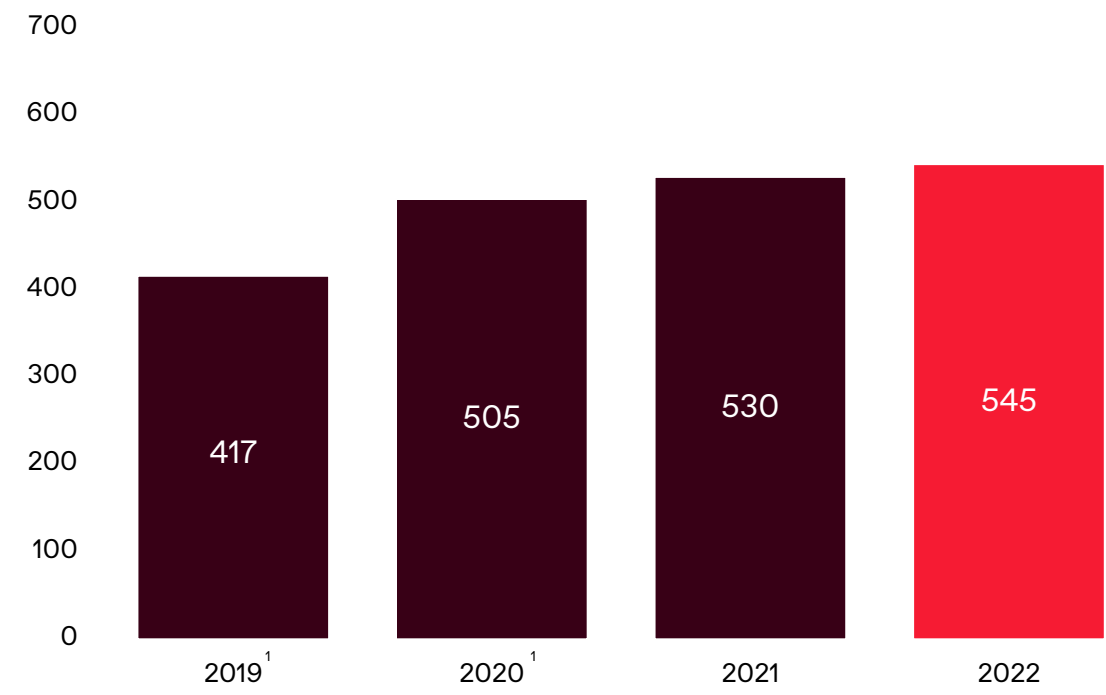
Q3 revenues

NOK billion



Q3 pre-tax profit

NOK million



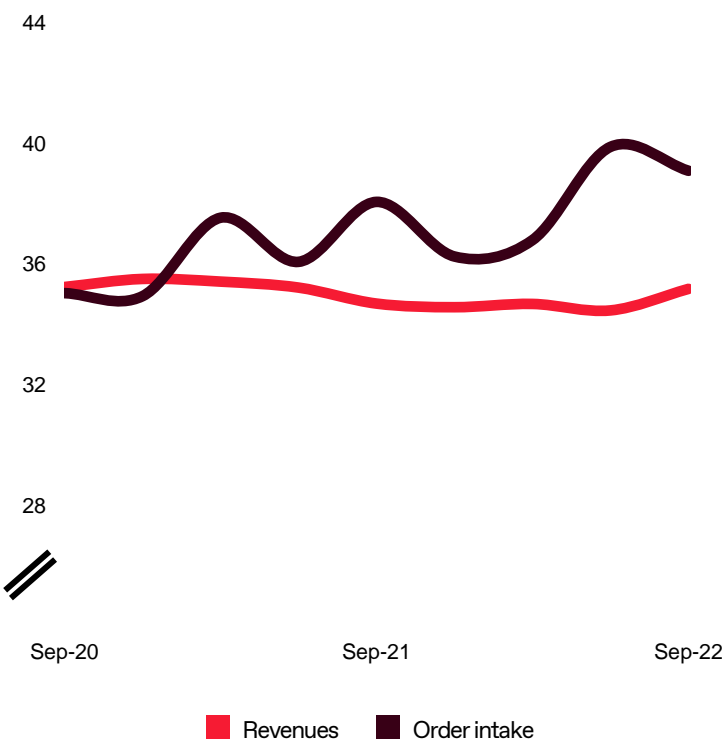
¹ Historical figures (2019–2020) have been restated to reflect the spin-off of the property development operation.

The group's large order book maintained

Commercial buildings' share of the portfolio has increased

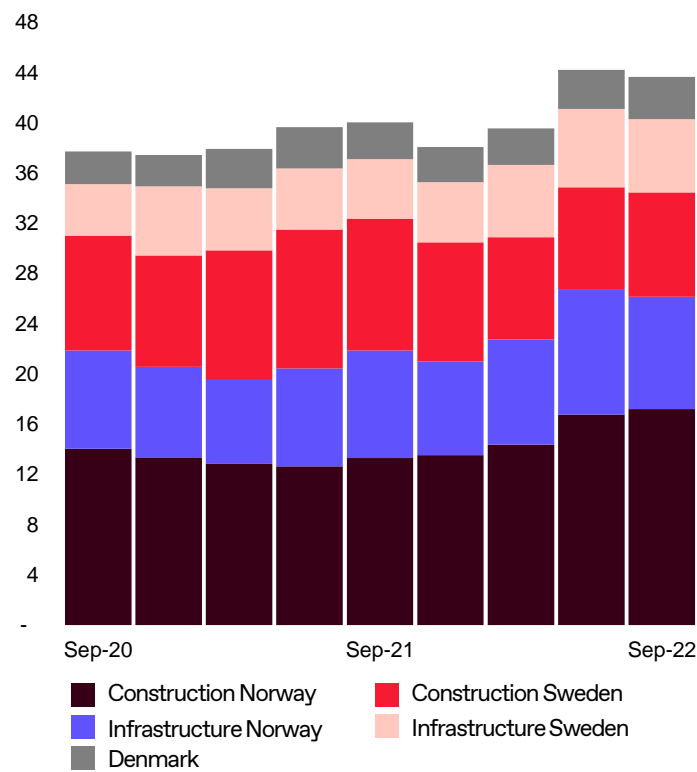
Revenues and order intake

12-month rolling, NOK billion



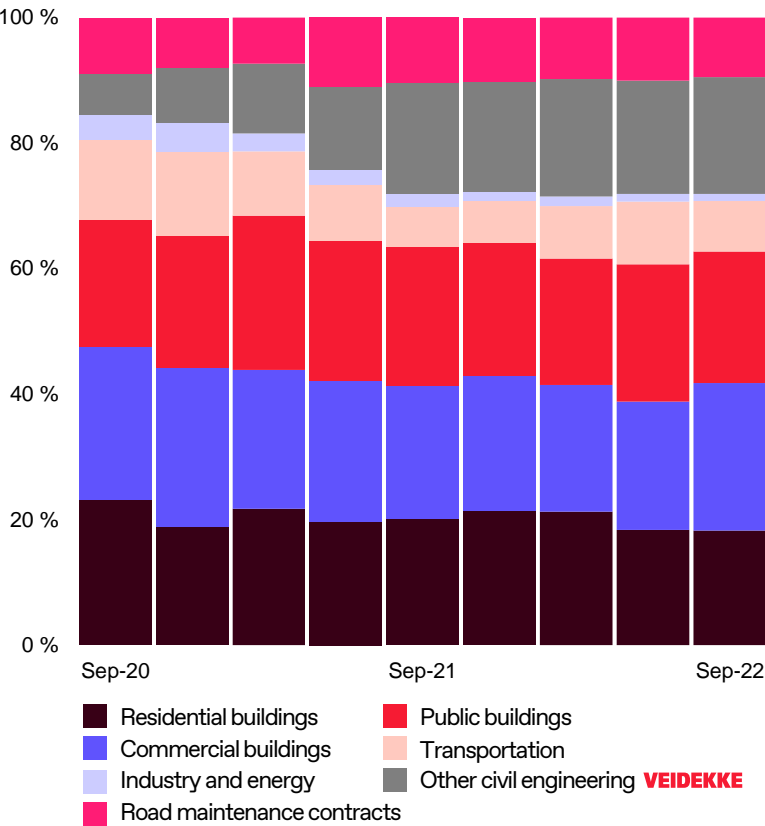
Order book

NOK billion



Order book per segment

Percent



Large addition of contracts with commercial clients

...in Gothenburg, Copenhagen, Trondheim og central eastern Norway

Elgiganten Jönköping (NOK 652 mill.)



Construction Sweden, BRA (Gothenburg)

Geely B46 (NOK 431 mill.)



Construction Sweden, BRA (Gothenburg)

Kvarteret, block 2 (NOK 248 mill.)



Construction Norway, Oslo

Fisketorvet (NOK 306 mill.)



Hoffmann, Copenhagen

Sintef Horizon (NOK 261 mill.)




Construction Norway, Trondheim

Frysjaiparken field B (NOK 256 mill.)



Construction Norway, Oslo



Q3 Results

Group and segments

Jørgen Wiese Porsmyr, Group CFO

Revenues, profits and profit margins

Group and business areas

	Q3 2022			Q3 2021		
Amounts in NOK million	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 097	123	4,0%	3 005	117	3,9%
Infrastructure Norway	2 815	301	10,7%	2 777	325	11,7%
Construction Sweden	1 824	49	2,7%	1 874	11	0,6%
Infrastructure Sweden	1 209	59	4,9%	1 086	54	5,0%
Denmark/Hoffmann	663	53	8,0%	622	50	8,0%
Total business areas	9 609	585	6,1%	9 364	557	5,9%
Other	-59	-41		-70	-27	
Group	9 550	545	5,7%	9 295	530	5,7%

Construction Norway

Stable level of activity

- Revenue up 3% over Q3 2021

Profitability marginally improved over previous year

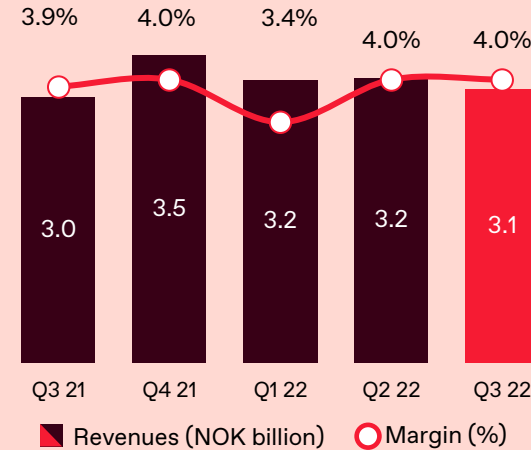
- Broad effort to increase and maintain profit margins
- Robust profitability in central eastern Norway and in Trøndelag
- Weak profitability in southwestern Norway

Order book increased over previous quarter

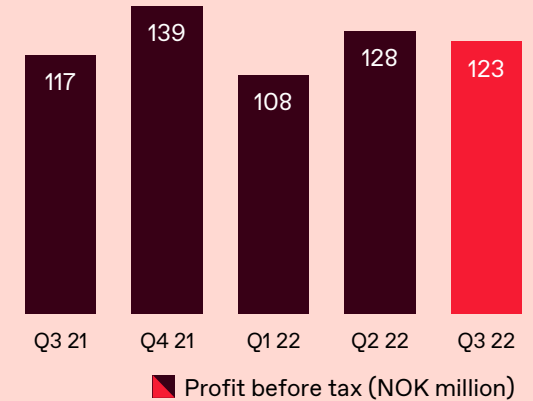
- Intake of new orders in commercial and residential segments
- Revenue expected to increase next year

Completion of the acquisition of Constructa Entreprenør AS in Bergen is expected in Q4

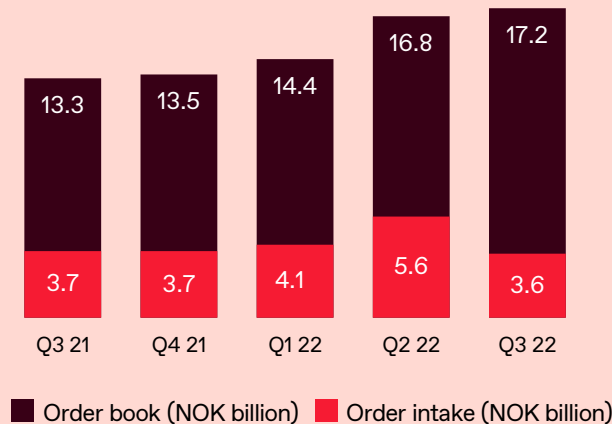
Revenues and profit margin



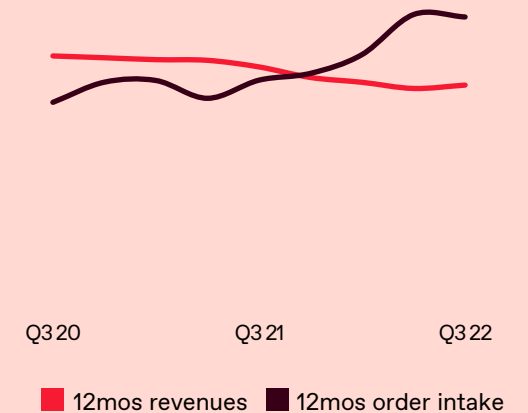
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenues on a par with preceding year

- Solid level of activity in civil engineering
- Asphalt tonnage dropped 18% compared to Q3 2021

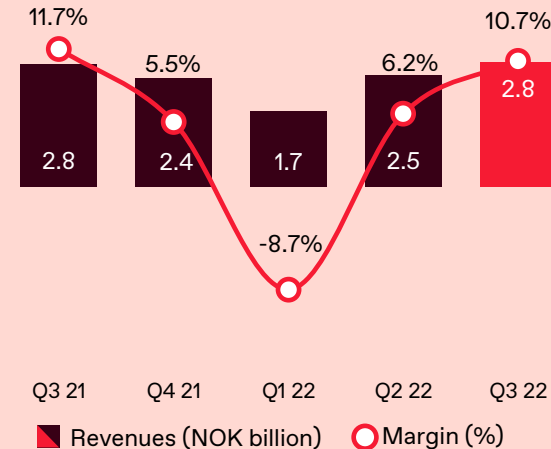
Civil engineering strong; Asphalt weak

- Total profits NOK 301 (325) million
- Civil engineering; strong profitability from the large projects portfolio and Road maintenance
- Asphalt; profits weak due to tonnage drop

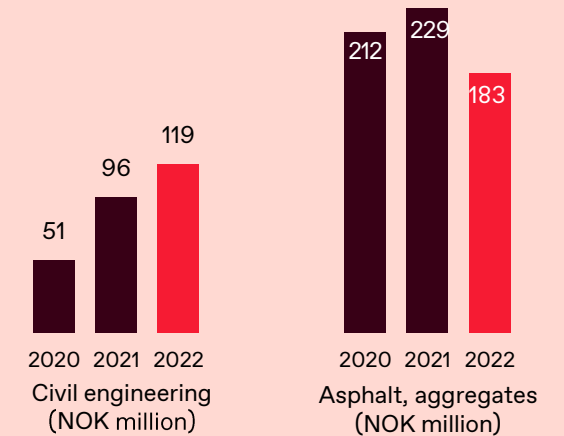
Order book shrank somewhat from the preceding quarter

- No major contracts signed in the quarter

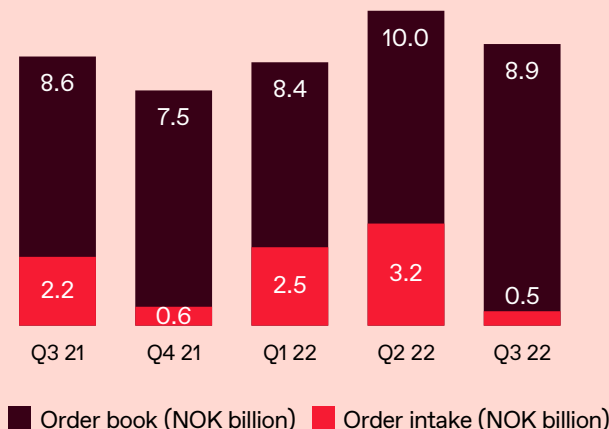
Revenues and profit margin



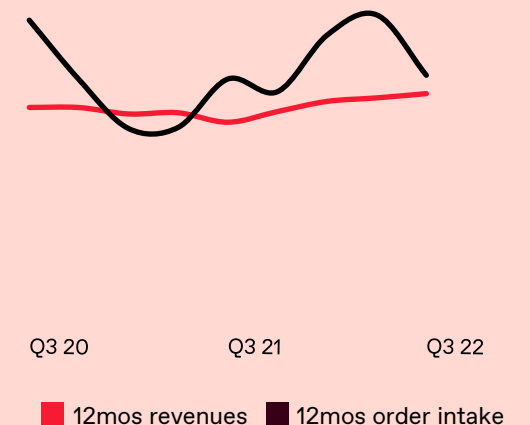
Profit before tax Q3



Order intake and order book



Revenues and order intake



Construction Sweden

Revenues up 4% from Q3 2021 in local currency

- Increase related to BRA in Gothenburg
- Revenues dropped in Stockholm and Malmö

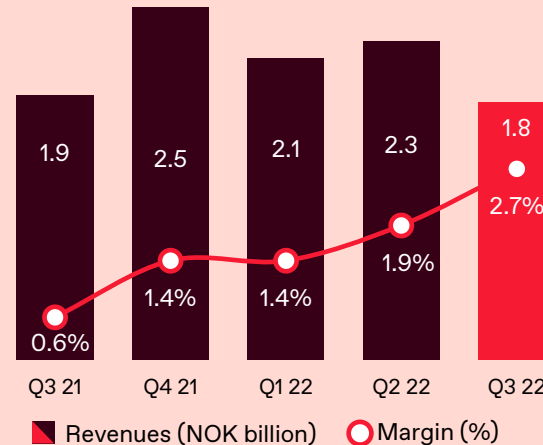
Profits improved, but profitability remains low

- Robust profitability in BRA's projects in Gothenburg
- Loss in Stockholm continues – the project portfolio has returned to break-even, but is unable to cover fixed costs

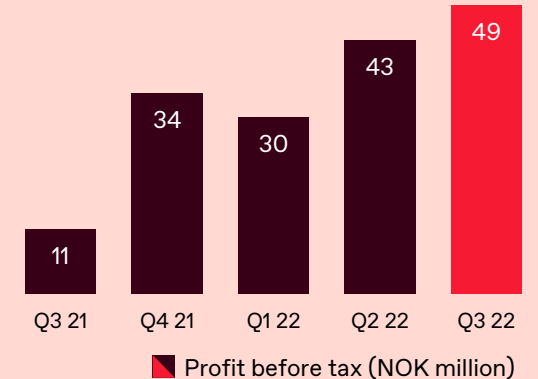
Order book down 18% from Q3 2021 in local currency

- Residential segment in Stockholm and Malmö has suffered strong decline
- BRA signed two major new contracts

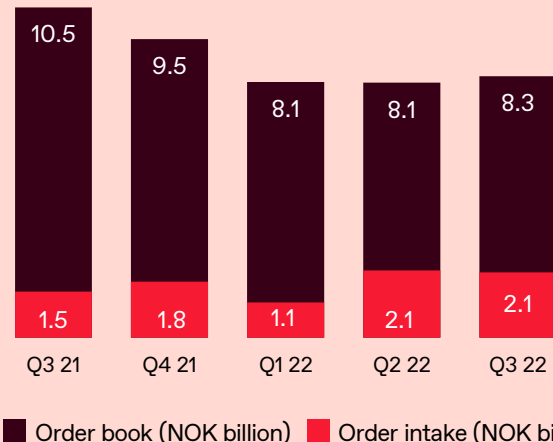
Revenues and profit margin



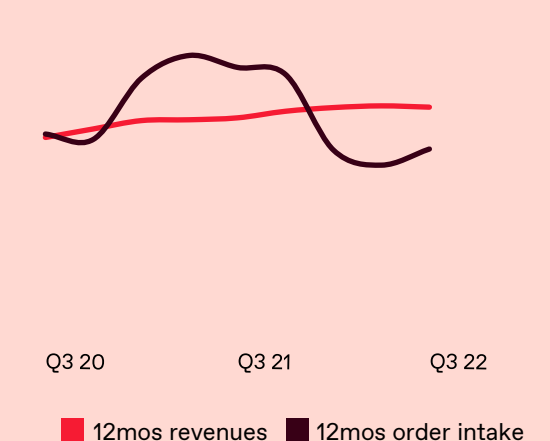
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

Revenues boosted 19% from Q3 2021 in local currency

Stable profits and margin

- Profit improvement in industrial operations

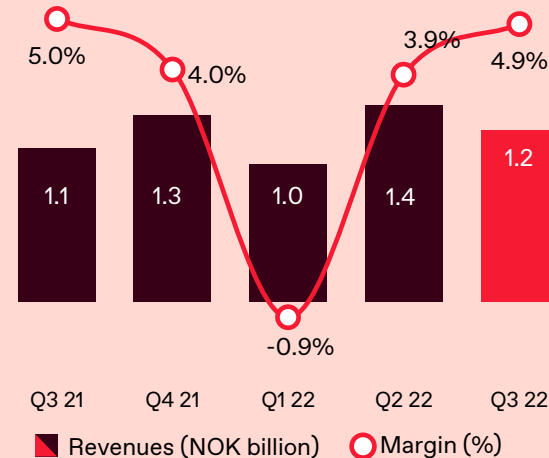
Order book increased by 27% in local currency from Q3 2021

- No major contracts signed in the quarter

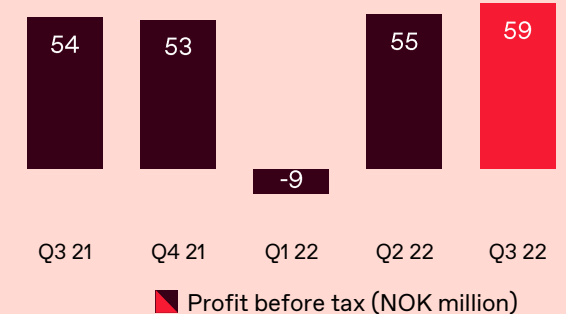
Sale of industrial plot to be completed in Q4 2022

- The transaction will yield a gain and liquidity effect of NOK 130 million

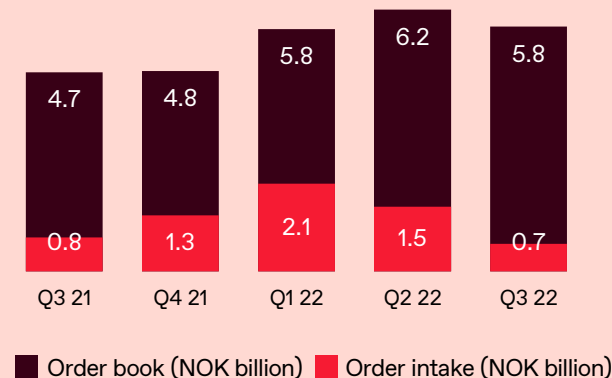
Revenues and profit margin



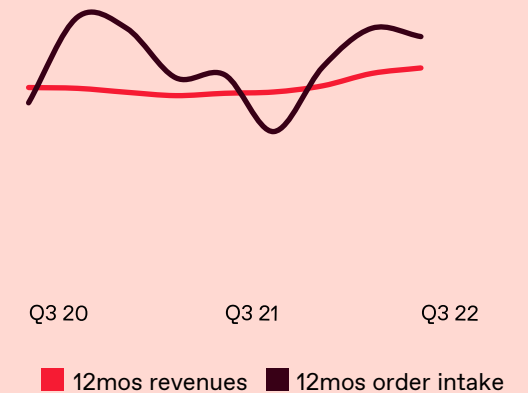
Profit before tax



Order intake and order book



Revenues and order intake



Denmark/Hoffmann

Revenue up 9% from Q3 2021 in local currency

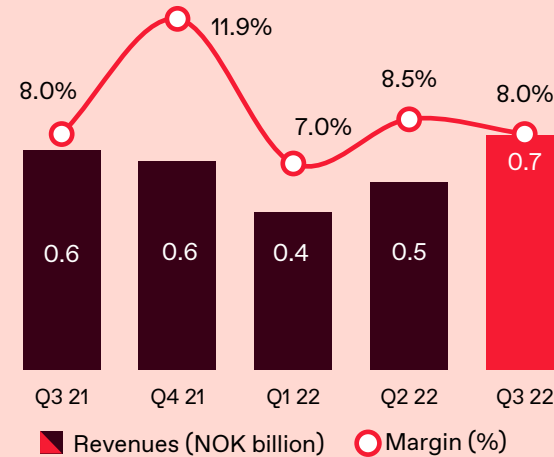
Margin remains high

- Consistently solid project profitability

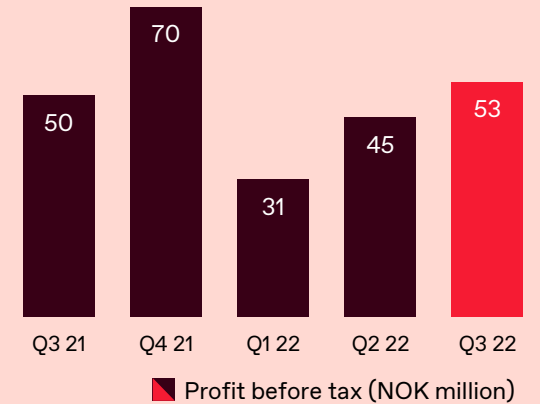
Order book increased since the preceding quarter

- 10% increase in local currency

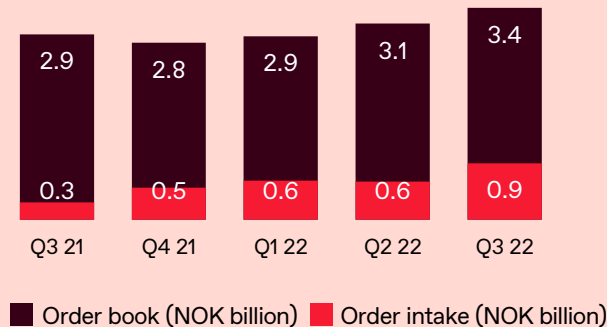
Revenues and profit margin



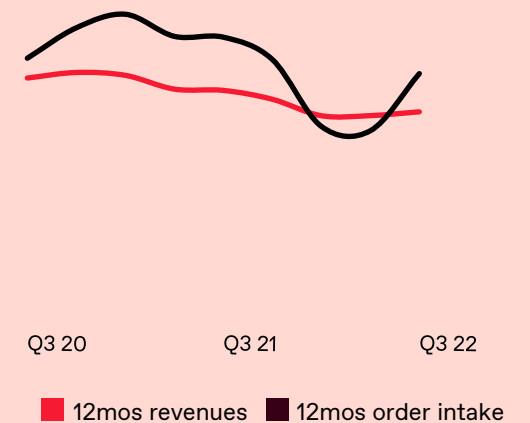
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million	30 September 2022	30 September 2021
Fixed assets	6 399	6 272
Current assets (excluding cash, cash equivalents and financial investments)	8 797	7 428
Cash, cash equivalents and financial investments	2 685	3 880
Assets	17 881	17 579
Equity	2 600	2 706
Long-term debt	2 484	3 141
Short-term debt	12 797	11 732
Equity and debt	17 881	17 579
Equity ratio	15%	15%
Return on equity (12mos)	36%	31%
Net interest-bearing position	2 324	3 195

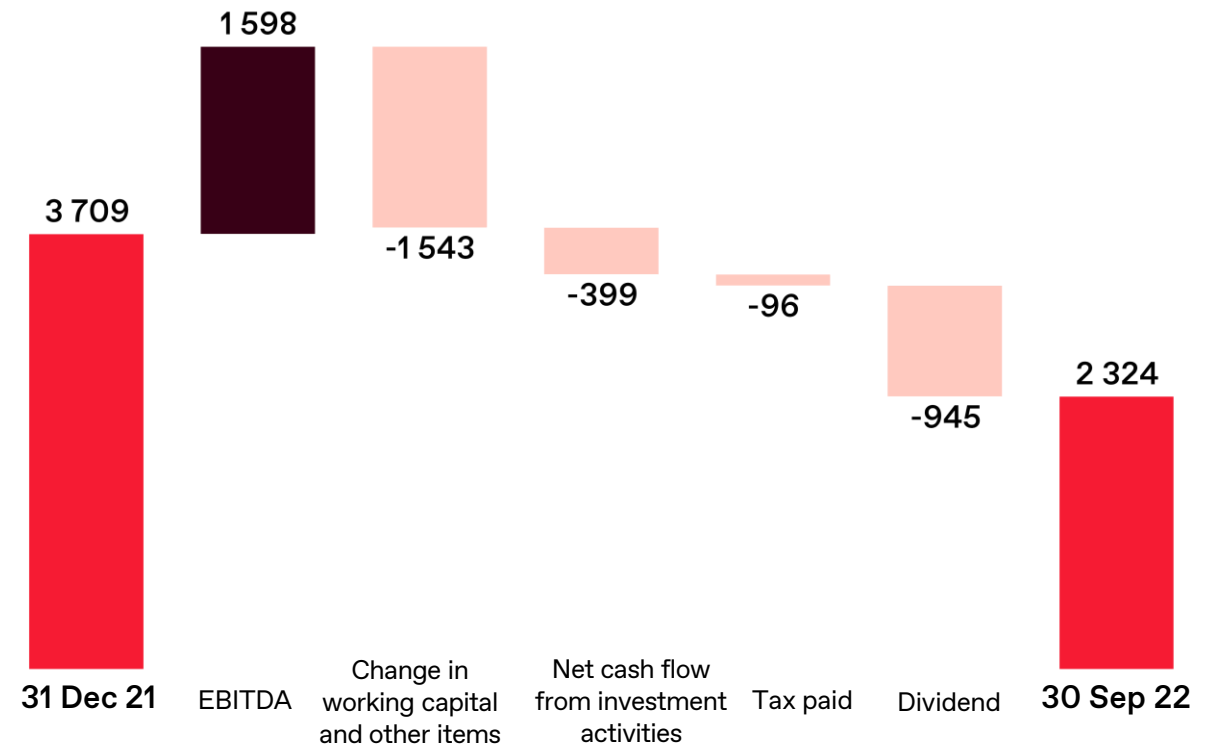
Financial position


Highlights year to date

- Payment of dividends of NOK 945 million
- Normal seasonal fluctuations in asphalt and aggregates operations
- Operational cash flow remains relatively weak in the Swedish operations
- A good cash flow can normally be expected in the fourth quarter

Change in net interest-bearing assets

NOK million





Q3 Closing comments

Jimmy Bengtsson, Group CEO

Veidekke is well positioned

1

Streamlined contractor

- Continuous focus on improvement
- Flexible and capital-light business model

2

Improvements implemented

- Selectivity in line with strategy and uncertainty management
- Project profitability improved and risk reduced

3

Strong financial position

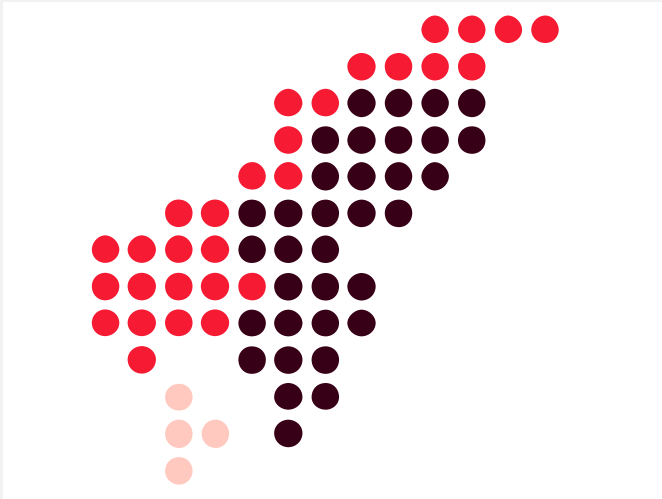
- Rock-solid balance sheet and good financial capacity
- Opportunity for expansion in a challenging market situation



Operational flexibility in an uncertain world

Selectivity, capacity and cost structure

Geographical spread



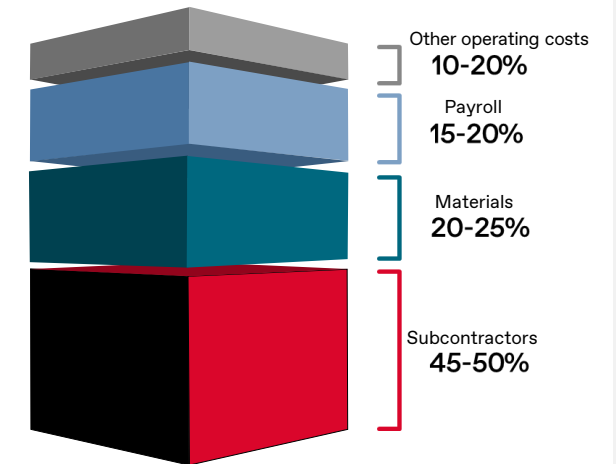
- Demand varies between geographies
- Able to adapt capacity to demand

Serves various markets



- The public and private markets have different drivers

Flexible cost structure



- Project deliveries account for large share of costs
- Flexibility to adapt cost structure

Closing comments

- Profits on a par with Q3 2021
- Majority of the group produced solid results
- Demanding situation, in an uncertain market with volatile commodity prices
- Veidekke is in a strong position, with a large order book, a flexible business model and considerable financial latitude



