



Q2

Second quarter 2024

15 August 2024

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, CFO

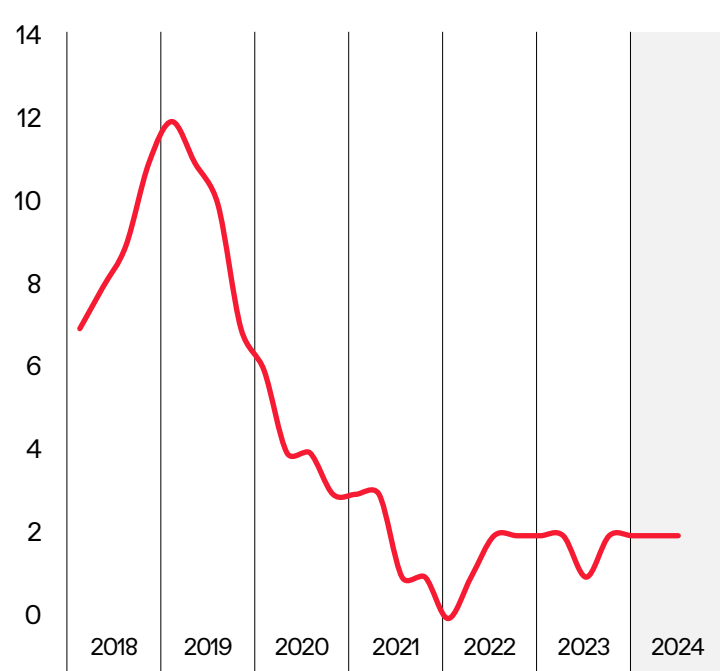
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

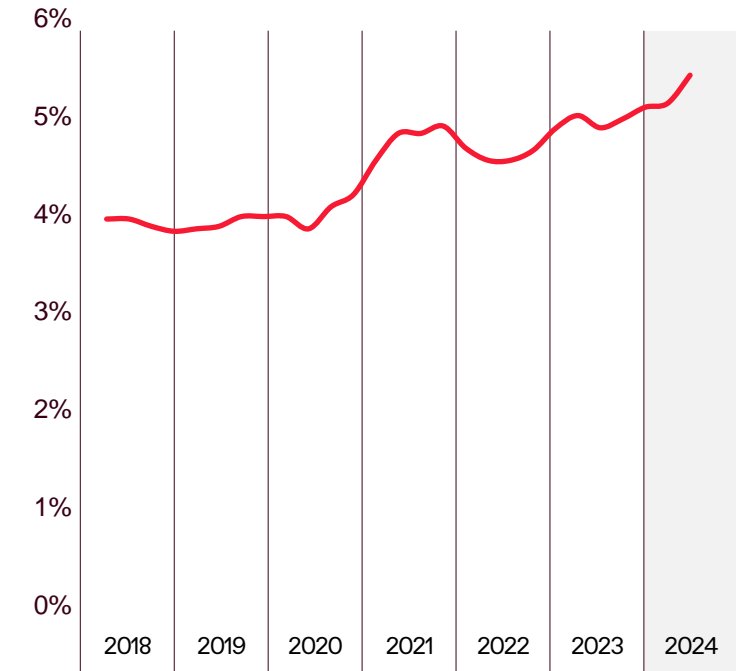
Number of serious injuries

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



Sickness absence

12-month rolling, Veidekke employees



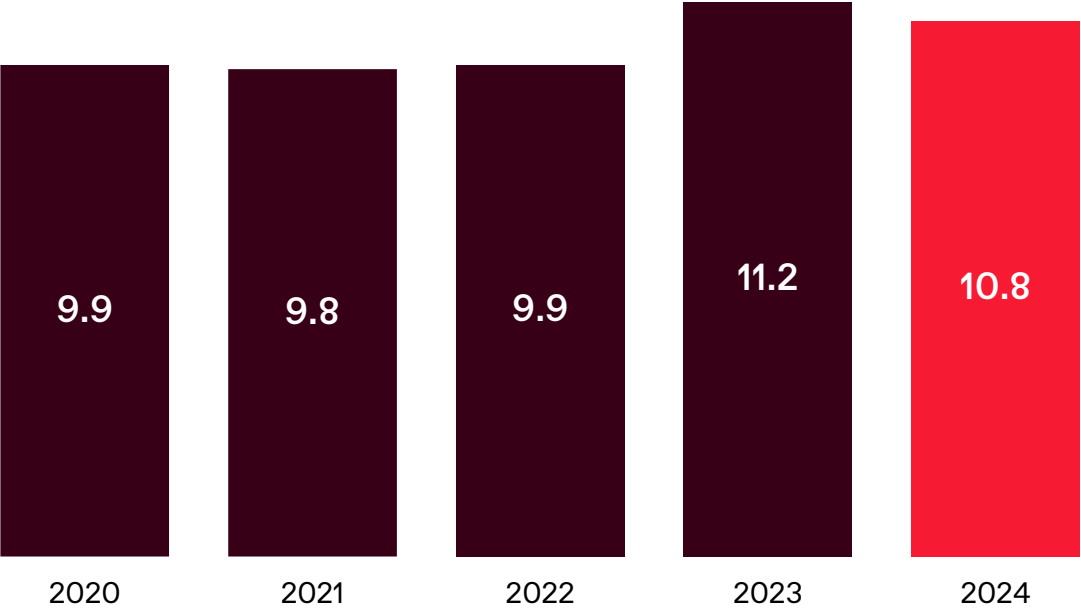
Highlights Q2 2024

- Revenue at NOK 10.8 billion – down 3% from Q2 2023
- Profits and profit margin improved from Q2 2023
- Large order book remains stable at NOK 41.1 billion

Key financial figures

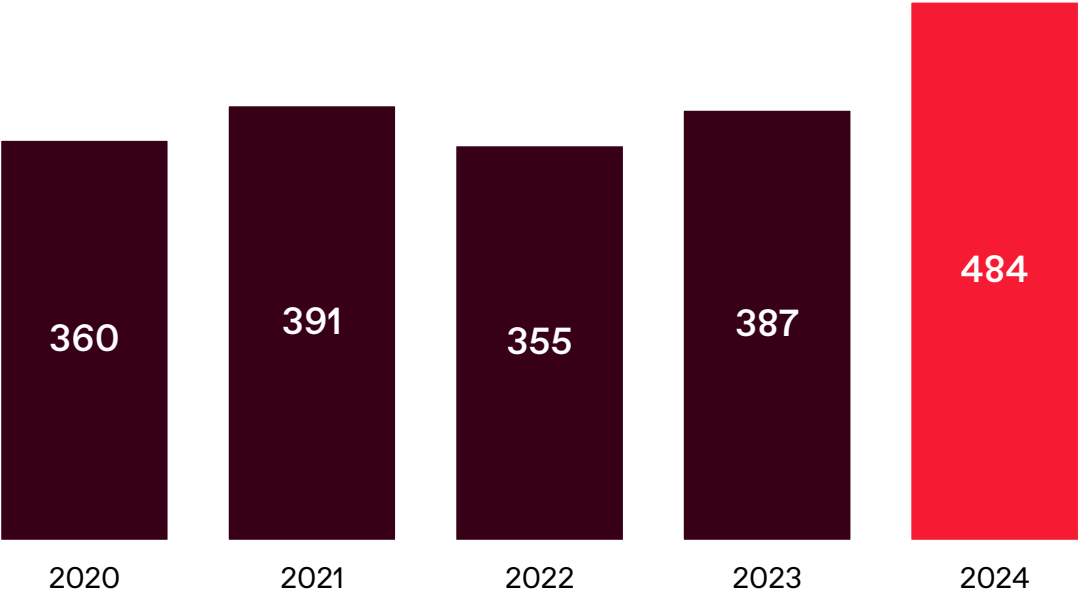
Q2 revenues

NOK billion



Q2 profit before tax

NOK million

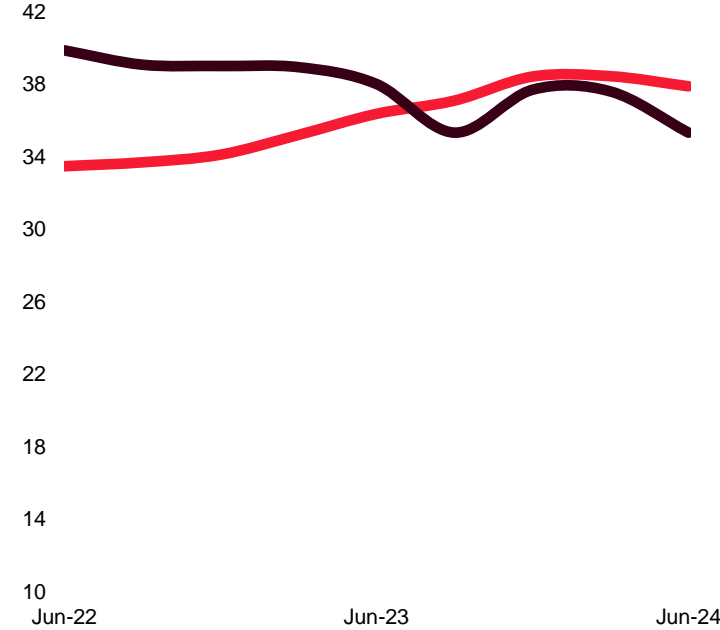


Stable order book

High quality project portfolio

Revenues and order intake

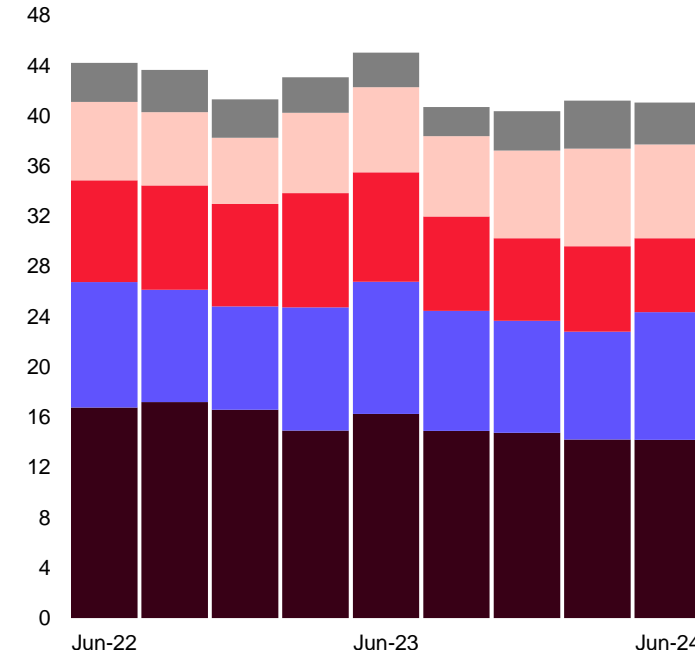
12-month rolling, NOK billion



■ Revenues ■ Order intake

Order book

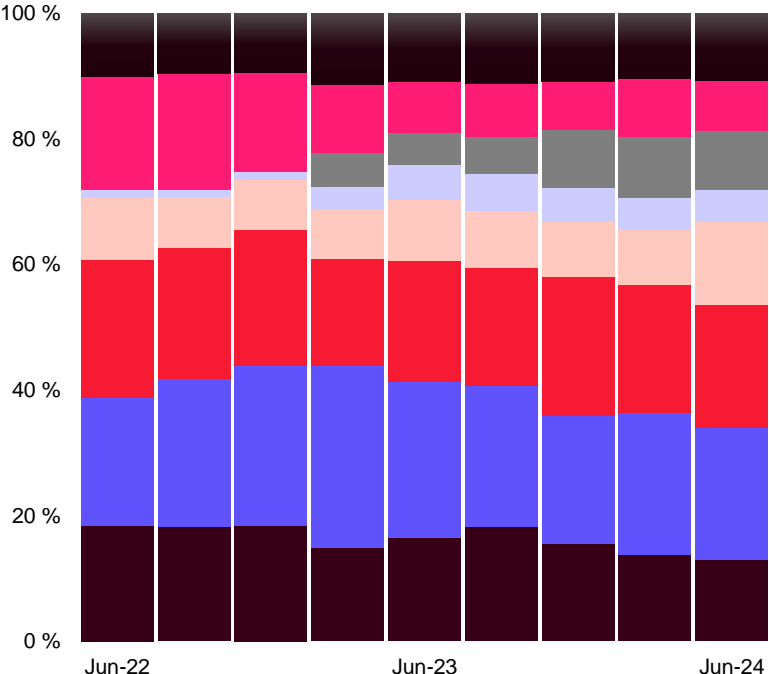
NOK billion



■ Construction Norway ■ Construction Sweden
 ■ Infrastructure Norway ■ Infrastructure Sweden
 ■ Denmark

Order book per segment

Percent



■ Residential buildings ■ Public buildings
 ■ Commercial buildings ■ Transportation
 ■ Industry and energy ■ Water and wastewater
 ■ Road maintenance contracts ■ Rock and foundation work

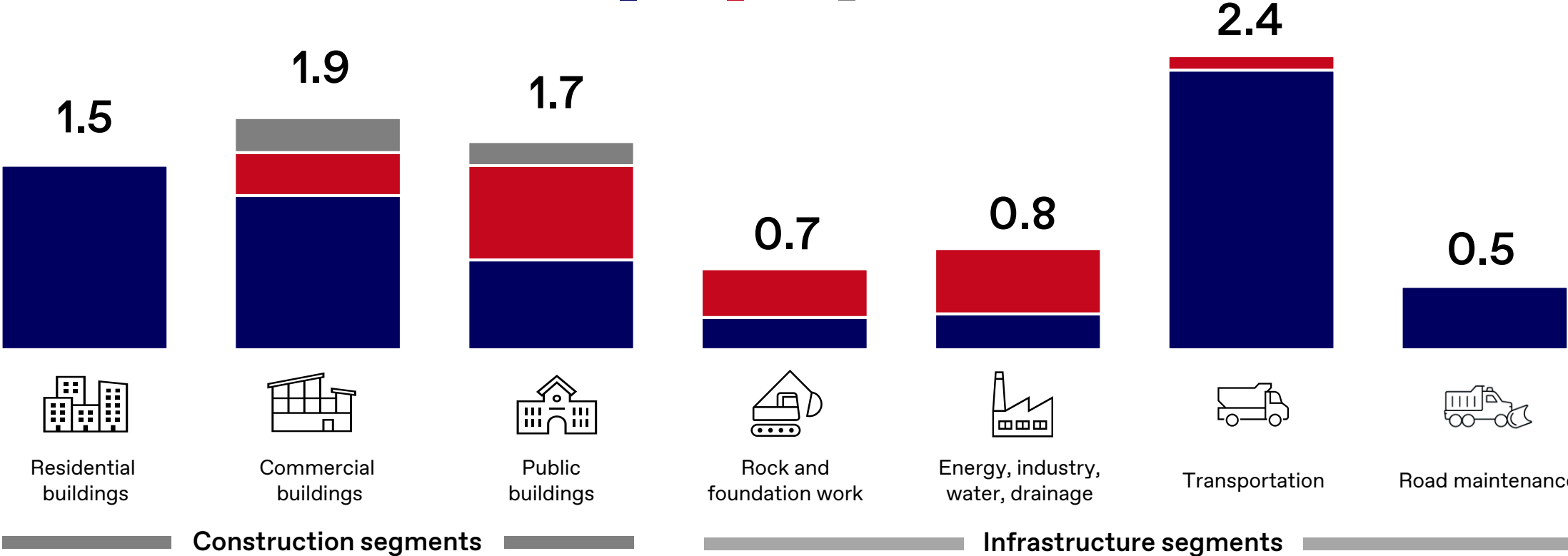
Solid and diverse order intake

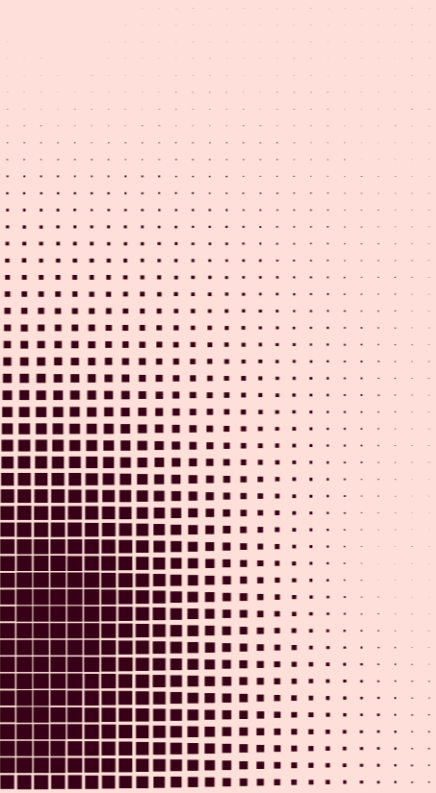
Of which public projects comprise the bulk

Order intake Q2 2024

NOK billion

Norway Sweden Denmark





Q2

Results and financial status

Jørgen Wiese Porsmyr, CFO

Revenues, profits and profit margins

Group and business areas

Amounts in NOK million	Q2 2024			Q2 2023		
	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 692	148	4.0%	4 089	164	4.0%
Infrastructure Norway	2 817	183	6.5%	2 436	109	4.5%
Construction Sweden	1 943	42	2.2%	2 305	37	1.6%
Infrastructure Sweden	1 595	70	4.4%	1 594	59	3.7%
Denmark/Hoffmann	920	81	8.8%	811	62	7.7%
Total business areas	10 967	524	4.8%	11 236	432	3.8%
Other	-187	-41		-71	-44	
Group	10 780	484	4.5%	11 165	387	3.5%

Construction Norway

Revenue down 10% – from a high level in Q2 2023

- As in the preceding quarter, revenue increased in the big cities, but decreased in the other regions

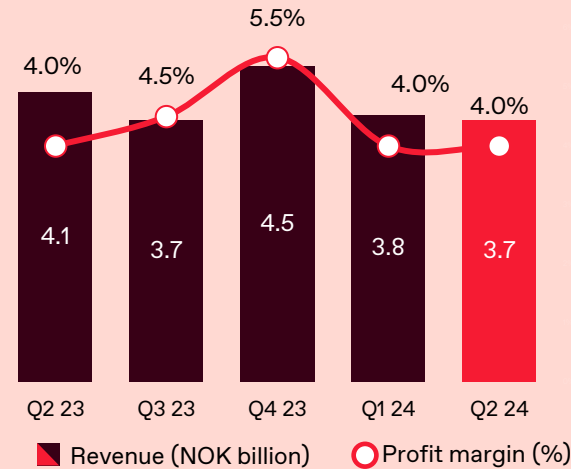
Profit margin remained stable at 4%

- Profit margin of portfolio improved
- Profits (NOK) down due to lower volume

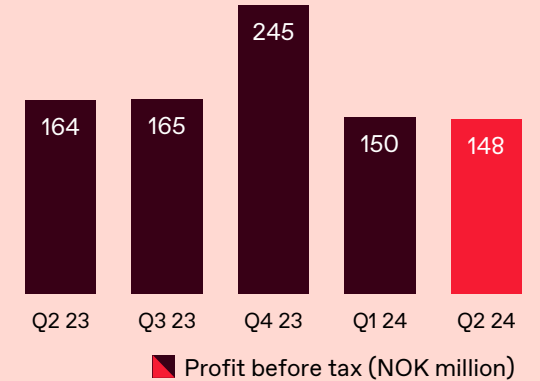
Stable order book

- Solid order intake with high quality projects in all segments
- Revenue decline expected to continue in 2H 2024

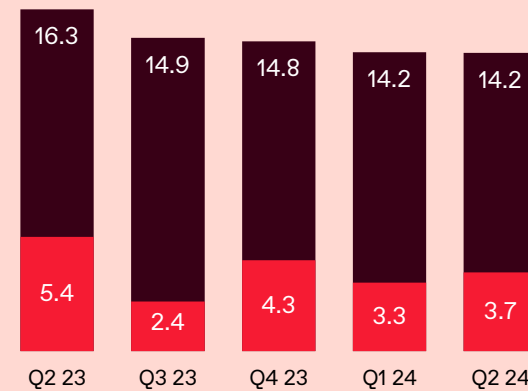
Revenues and profit margin



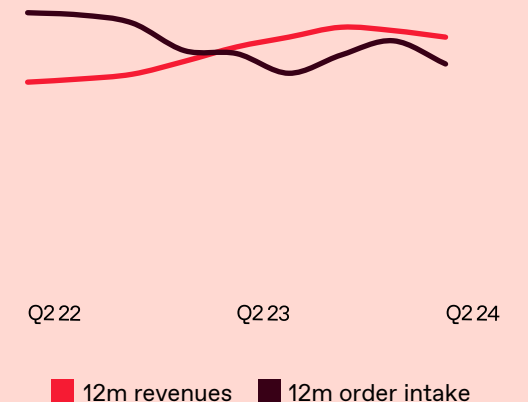
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenue up 16% compared to Q2 2023

- Increase in both Civil engineering and Asphalt

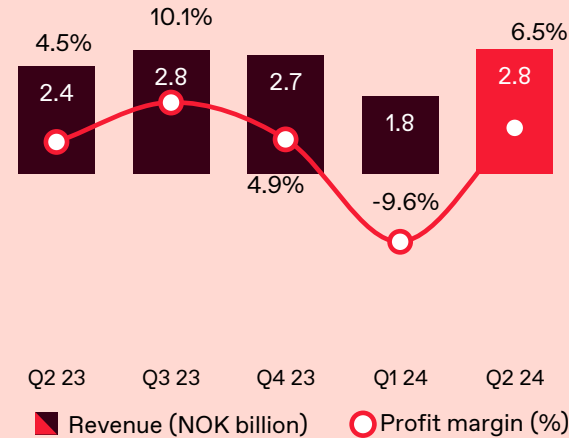
Total profit NOK 183 (109) million

- All parts of the civil engineering business had solid profitability
- A rise in prices and volumes led to clearly improved Asphalt profits
- Asphalt volume expected to drop some in 2H, compared to last year

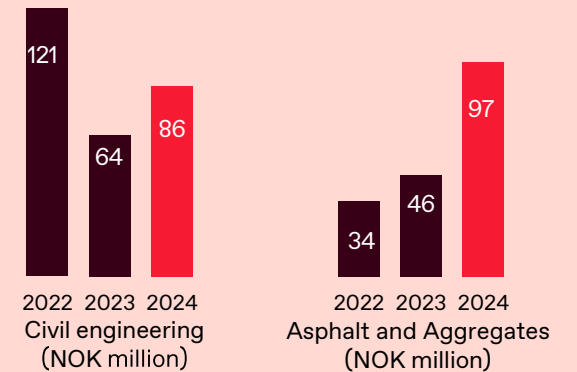
Order book up 18% from preceding quarter

- NOK 2.1 billion contract signed with the Norwegian Public Roads Administration for Ring 1 reconstruction

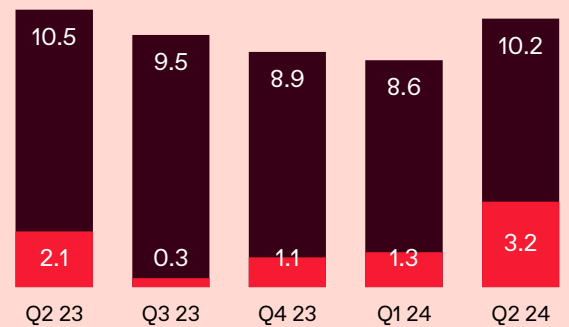
Revenues and profit margin



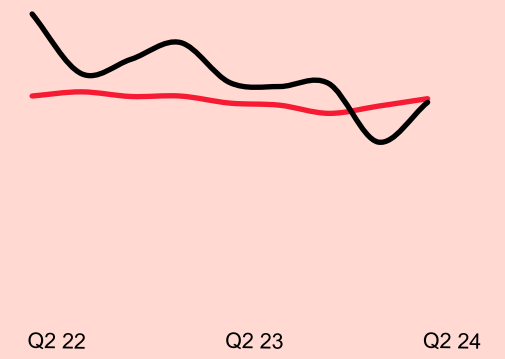
Profit before tax Q2



Order intake and order book



Revenues and order intake



■ Order book (NOK billion) ■ Order intake (NOK billion)

■ 12m revenues ■ 12m order intake

Construction Sweden

Revenue down 12% from Q2 2023 in local currency

- Gothenburg has the biggest drop
- Mixed performance in the other units

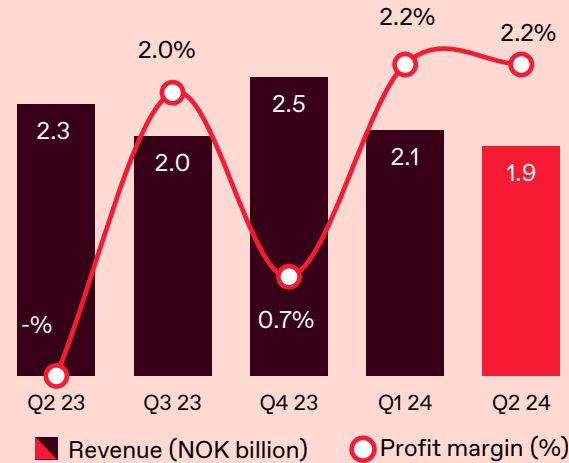
Profitability remains too low

- BRA (Gothenburg) shows solid profitability
- Results stabilised in other operations
- Measures to adjust capacity are being implemented on an ongoing basis

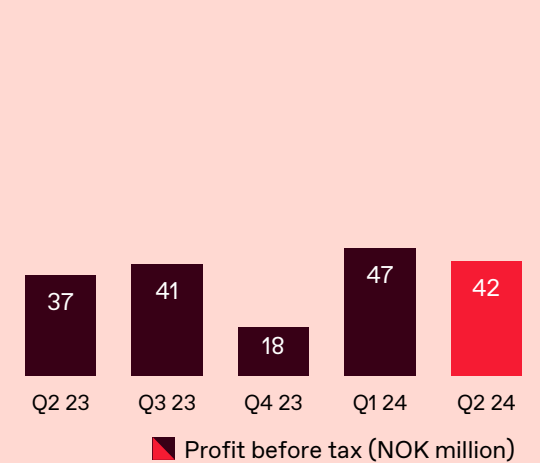
Order book down 10 % from yearend in local currency

- BRA order book declined
- As a result, the activity level will drop over the coming quarters

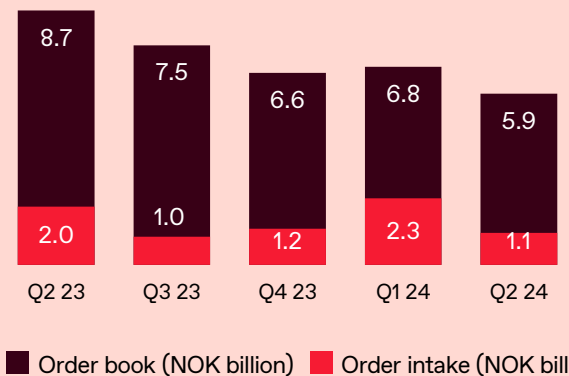
Revenues and profit margin



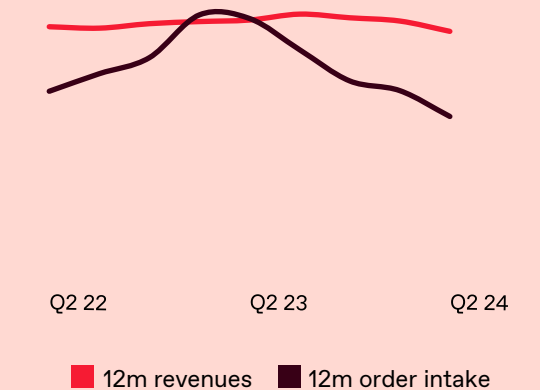
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

Revenue on a par with Q2 2023 in local currency

- Stable, strong revenue from all market segments

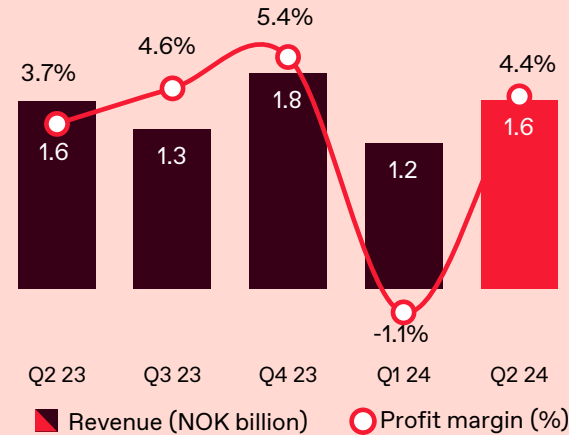
Profit boost

- Good utilisation of capacity and improved portfolio margins

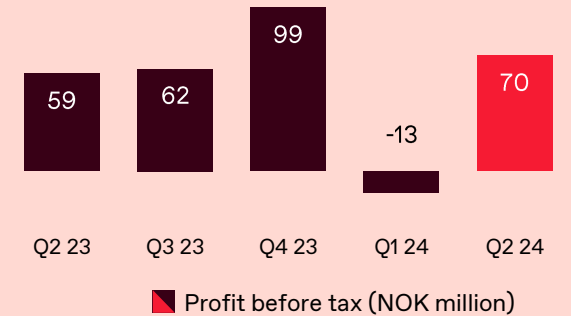
The order book shrank somewhat from previous quarter, but is up 8% from yearend in local currency

- The bulk of new orders to date this year comes from increased scope in existing contracts

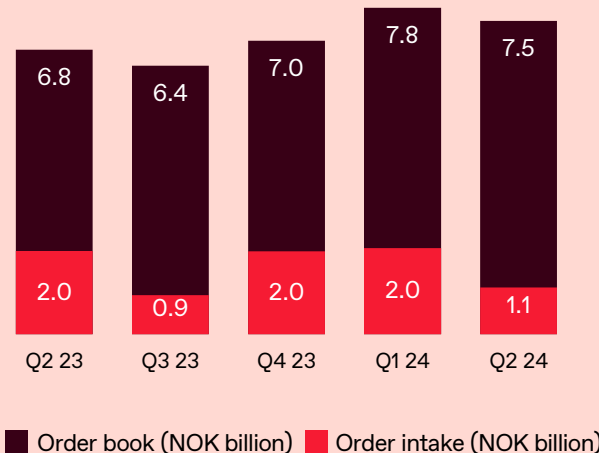
Revenues and profit margin



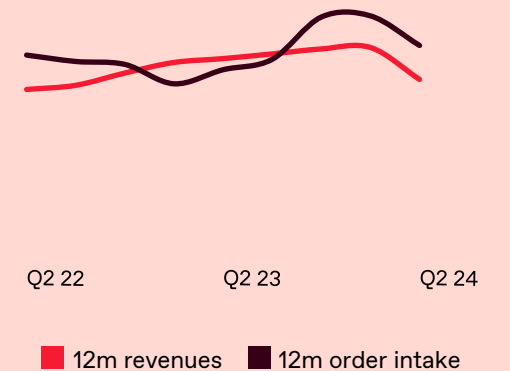
Profit before tax



Order intake and order book



Revenues and order intake



Denmark

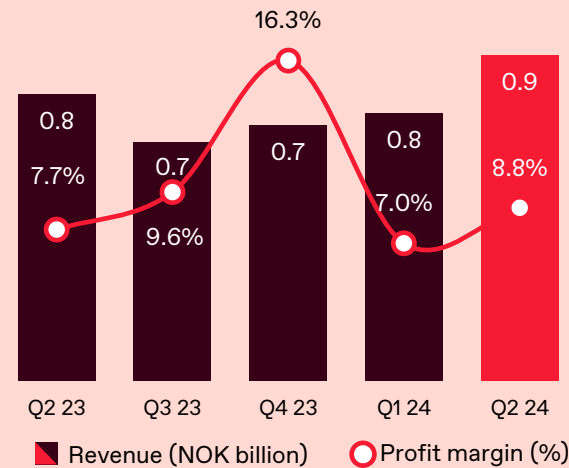
Revenue up 3% from Q2 2023 in local currency

Strong profits and solid profitability

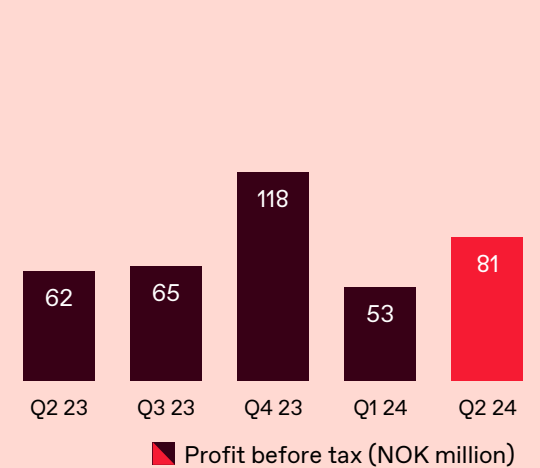
- Consistently solid project profitability

The order book dropped 10% in the quarter in local currency but is up 5% from yearend 2023.

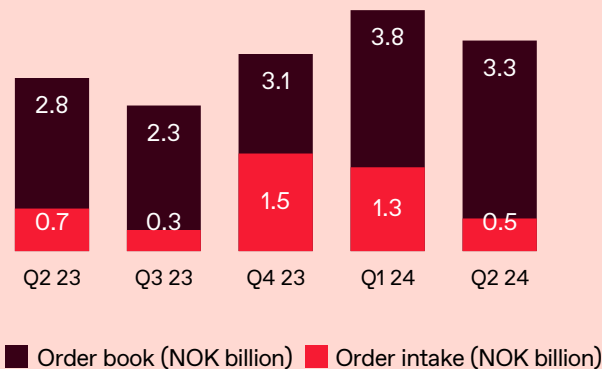
Revenues and profit margin



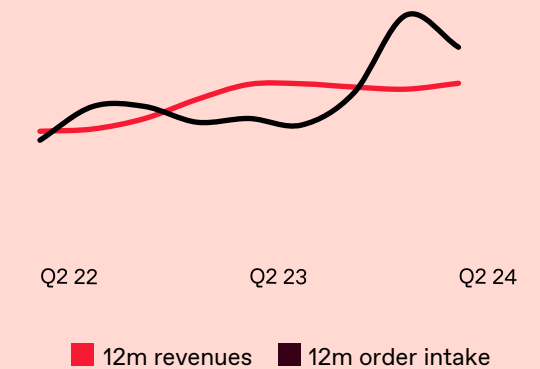
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million	30 June 2024	30 June 2023
Fixed assets	7 400	7 218
Current assets (excluding cash, cash equivalents and financial investments)	8 979	8 134
Cash, cash equivalents and financial investments	1 158	1 448
Assets	17 537	16 800
Equity	2 380	2 228
Long-term debt	2 290	2 356
Short-term debt	12 867	12 217
Equity and debt	17 537	16 800
Equity ratio	14%	13%
Return on equity (12mos)	51%	43%
Net interest-bearing position	1 024	1 121

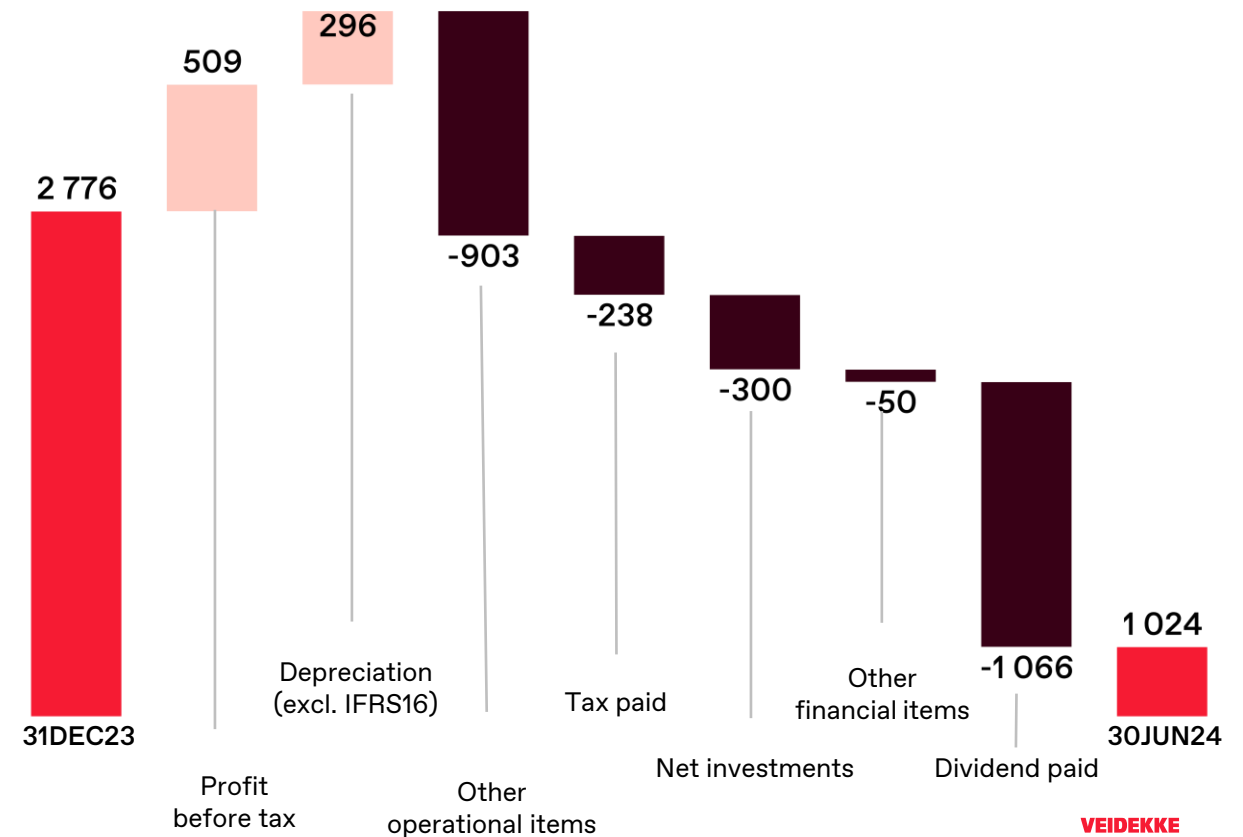
Financial position

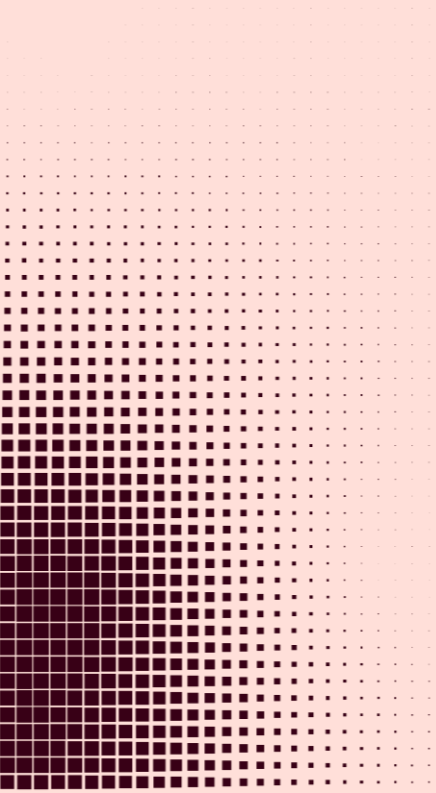
Highlights H1 2024

- Increase in working capital
 - Normal seasonal variation in the asphalt and civil engineering operations
- Some increase in net investments compared to last year (NOK 300 million vs NOK 242 million), primarily related to infrastructure operations
- Tax payable on a par with 2023
- Dividend for 2023 paid to shareholders

Net interest-bearing position

NOK million





Q2

Closing comments

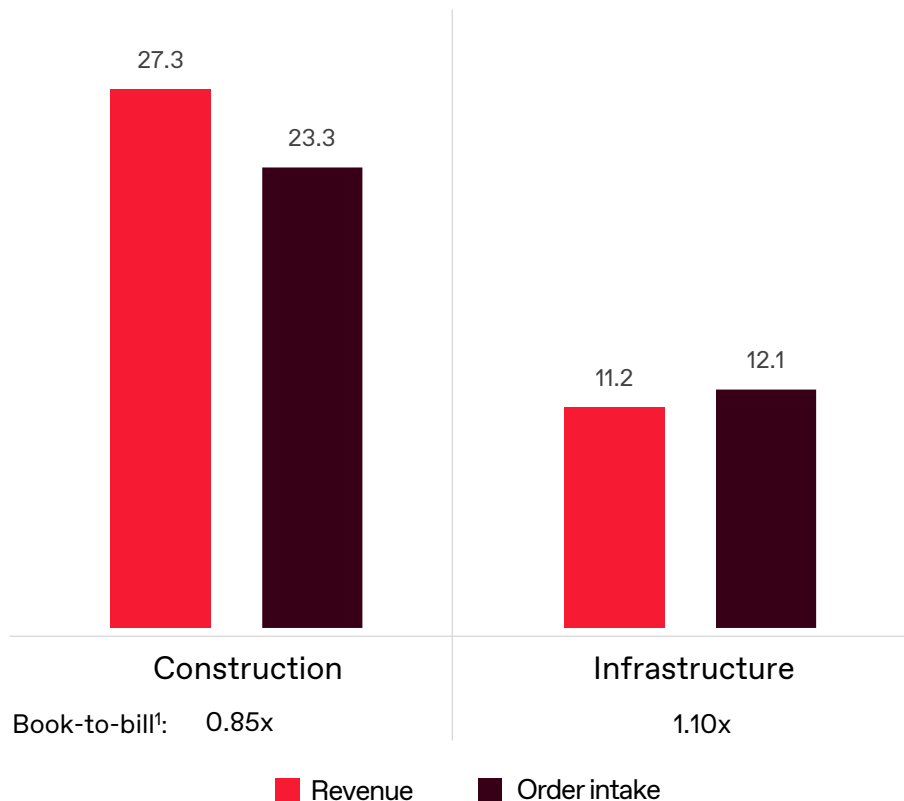
Jimmy Bengtsson, Group CEO

Good visibility

Revenue expected to decline somewhat in 2H 2024

Revenue and order intake

12-month rolling, NOK billion



Construction

- Order intake over past 12 months will result in lower activity in 2H 2024 compared to 2H 2023
- Interest rate developments will be an important influence on market sentiment going forward
- Perceived interest for projects in most major cities

Infrastructure

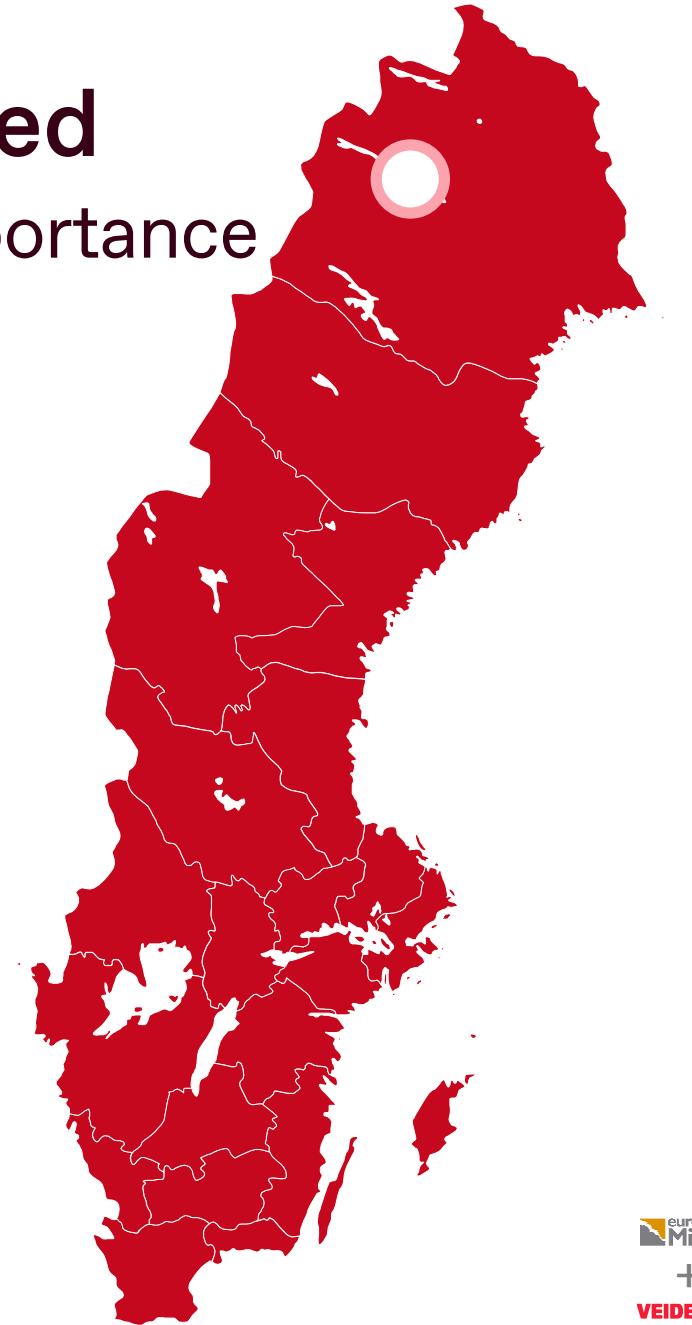
- Robust demand for large infrastructure projects
- Selection strategy – ensuring the right projects at the right price

¹ Book-to-bill (12-month order intake / 12-month revenue)

Position in northern Sweden bolstered

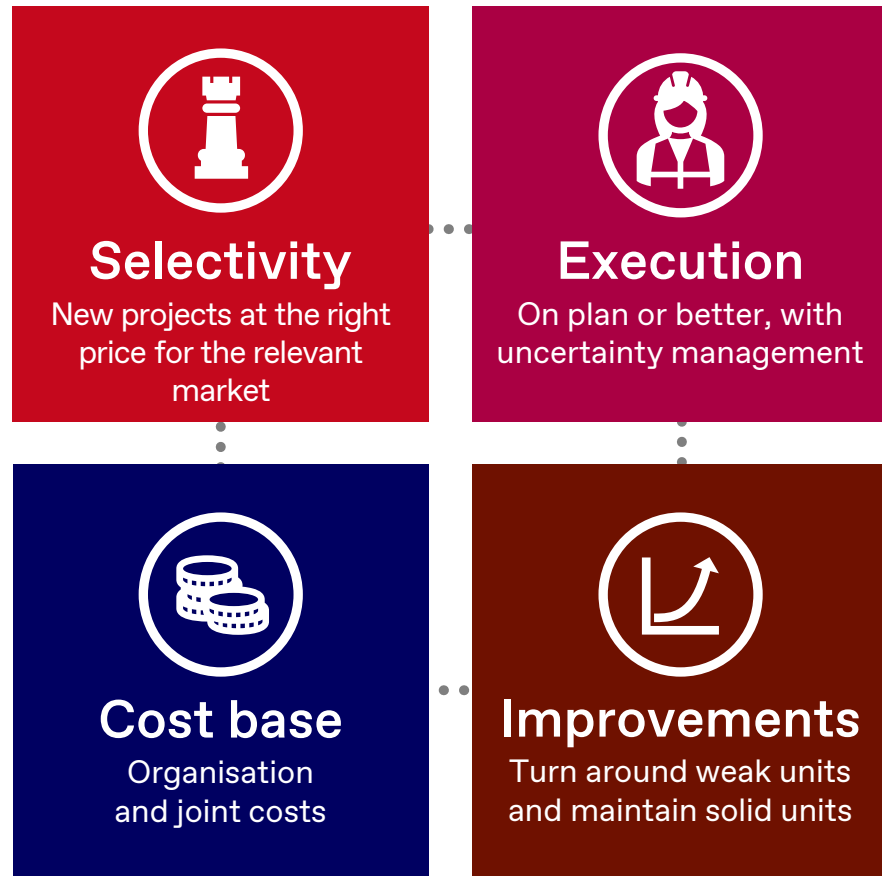
A region of growing strategic and economic importance

- With its raw materials industry, Northern Sweden takes on increasing importance in the Swedish economy
- Euromining specialises in ore loading and transporting for the Swedish mining industry
- The largest customer is LKAB, which activity in and around Kiruna and Gällivare is on the increase
- 200 employees, revenues of approx. NOK 750 million and operating profit of approx. NOK 90 million
- In 2023, Veidekke Infrastructure's revenues in the region amounted to NOK 850 million



The road to further improvement

Systematic and step-by-step



- Continued focus on selecting the right projects at the right price in important markets – today and in the future
- Develop close, long-term customer relationships
- Solid execution and the right projects have resulted in margin improvement in large parts of the business
- Improved uncertainty management and implementation skills provide scope to assess larger infrastructure projects
- A continuous process to maintain and improve results across the entire group
- The efforts to turn around weakly-performing units continues

Summary

1 |

Stable revenues

- Infrastructure growth
- Construction decline

2 |

Improved profit and margins

- Infrastructure Norway shows clear improvement
- Good project profitability in Construction

3 |

Stable and strong order book

- Solid order intake
- Construction activities expected to decline somewhat going forward



