



Q3 Third quarter 2024

7 November 2024

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, CFO

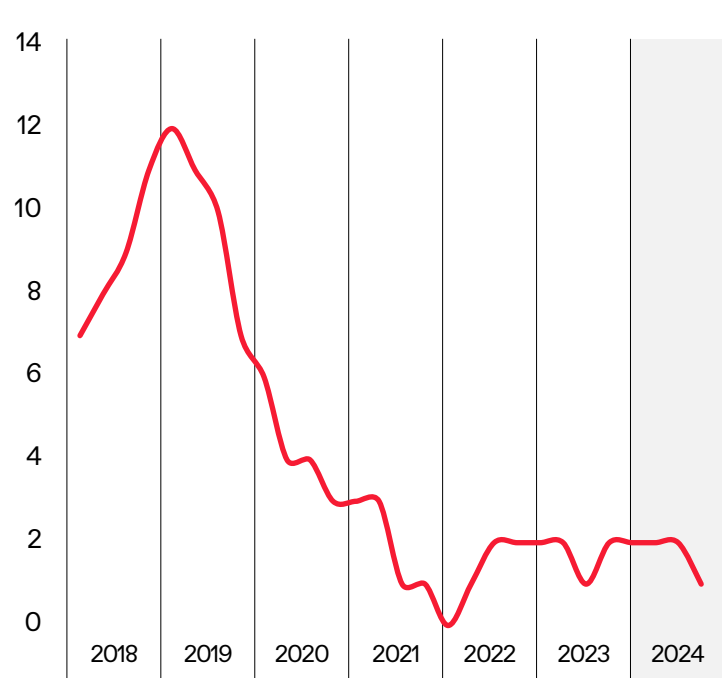
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

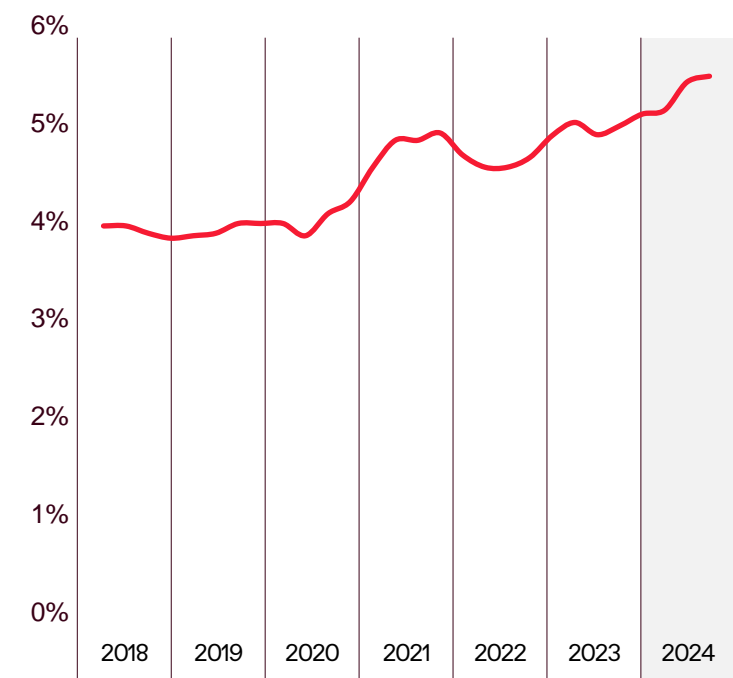
Number of serious injuries

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



Sickness absence

12-month rolling, Veidekke employees



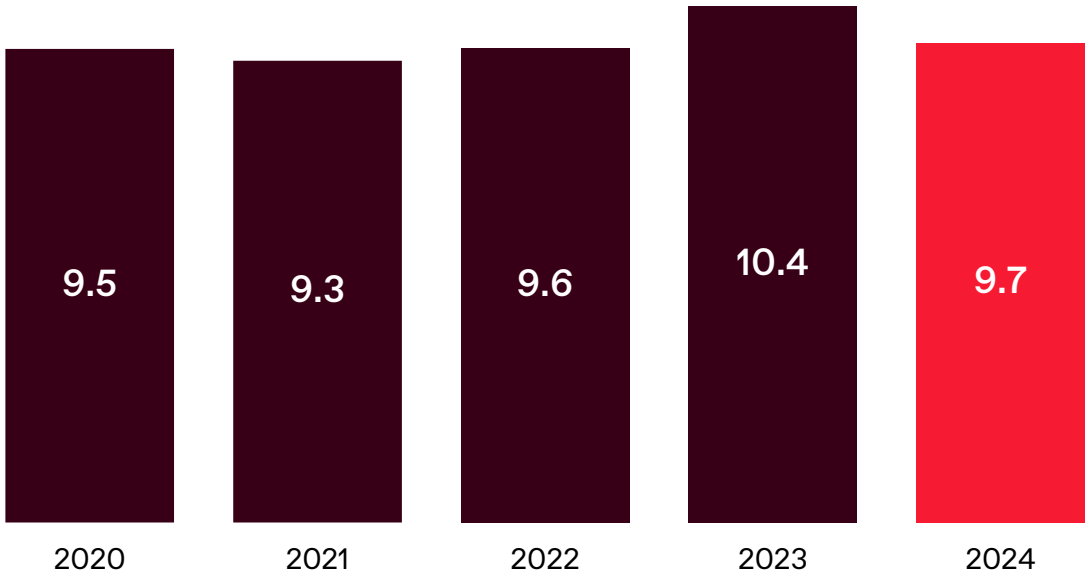
Highlights Q3 2024

- Revenue at NOK 9.7 billion – down 7% from Q3 2023
- Profits and profit margin improved from Q3 2023
- Order book remains stable at NOK 41 billion

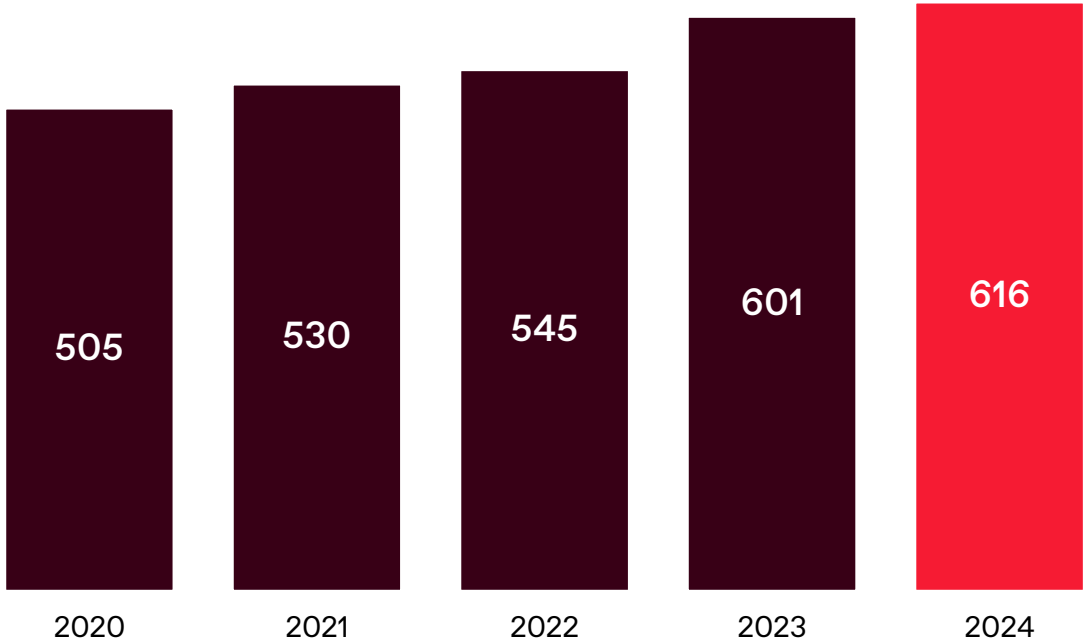
Key financial figures

Third quarter

Revenues
NOK billion



Profit before tax
NOK billion

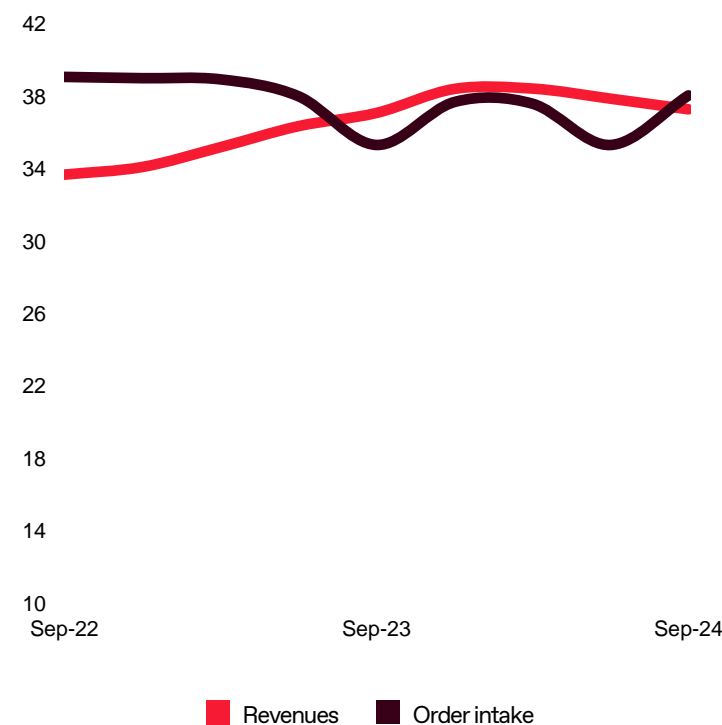


Stable order book

High quality project portfolio

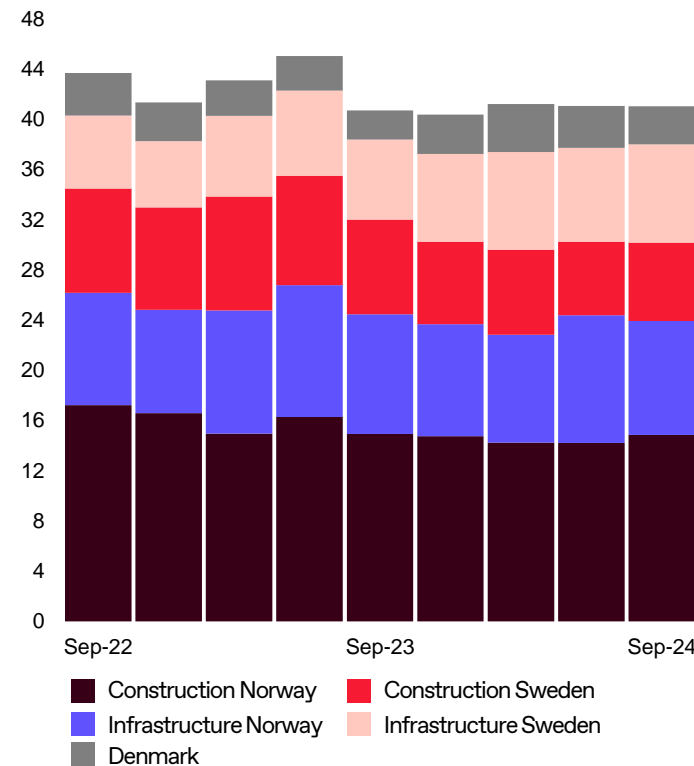
Revenues and order intake

12-month rolling, NOK billion



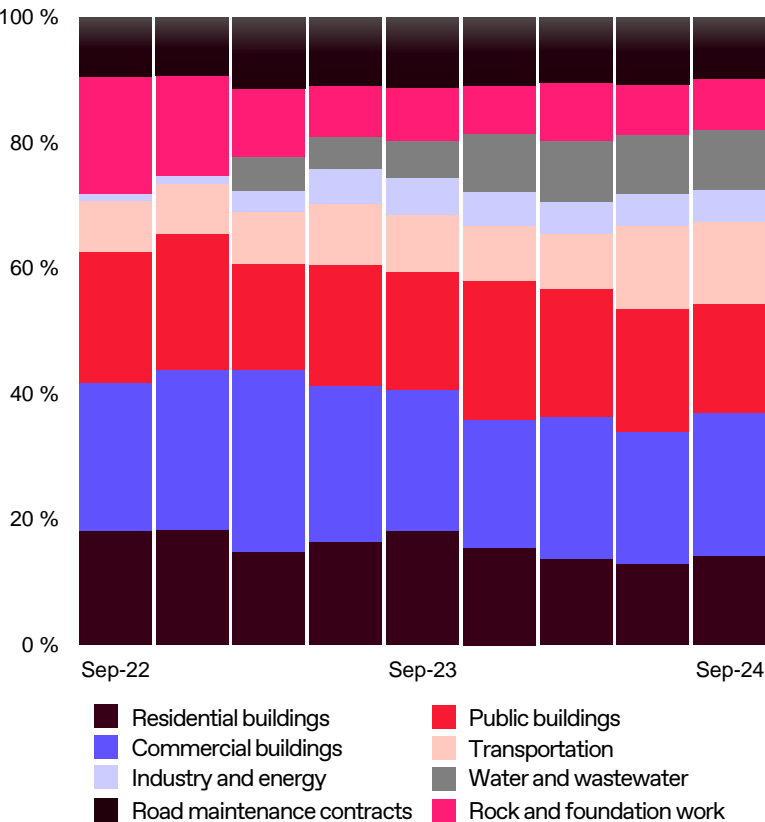
Order book

NOK billion



Order book per segment

Percent

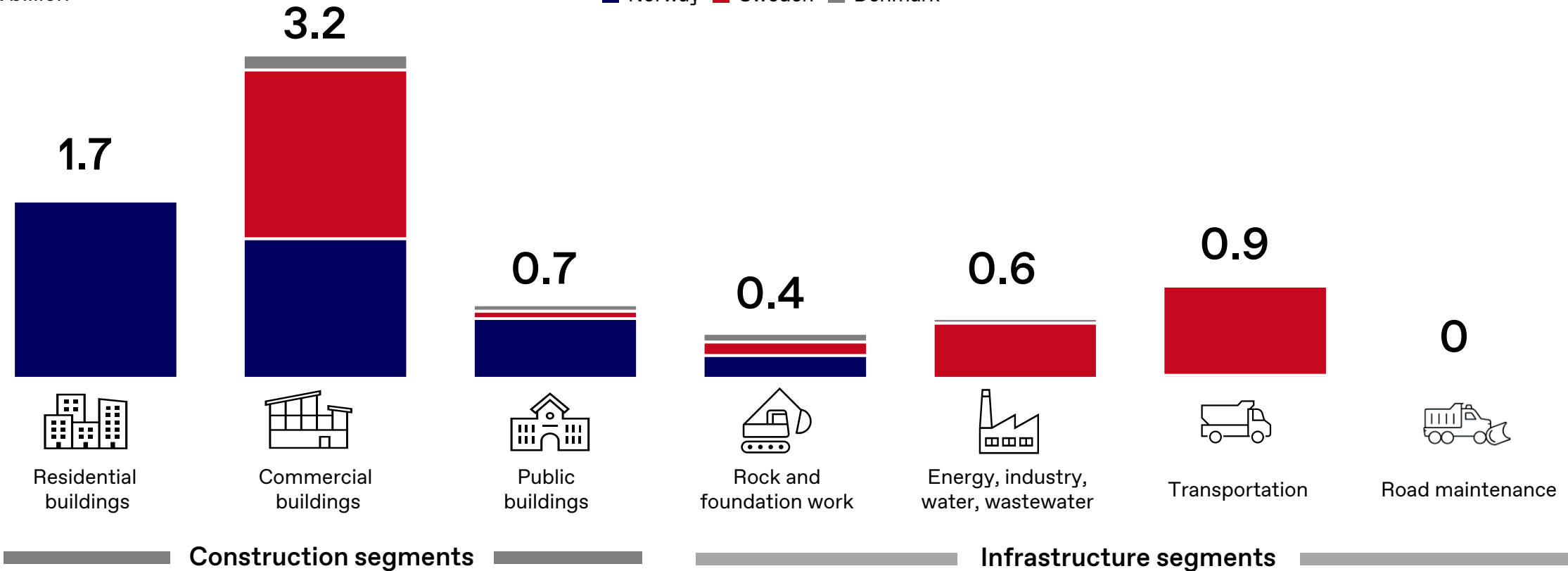


Order intake at NOK 7.6 billion in Q3

Emphasis on residential and commercial buildings

Order intake Q3 2024
NOK billion

Norway Sweden Denmark



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Q3

Results and financial status

Jørgen Wiese Porsmyr, CFO

Revenues, profits and profit margins

Group and business areas

	Q3 2024			Q3 2023		
Amounts in NOK million	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 230	129	4.0%	3 695	165	4.5%
Infrastructure Norway	2 754	321	11.7%	2 798	283	10.1%
Construction Sweden	1 621	36	2.2%	2 032	41	2.0%
Infrastructure Sweden	1 450	76	5.3%	1 349	62	4.6%
Denmark	705	76	10.8%	673	65	9.6%
Total business areas	9 759	638	6.5%	10 547	613	5.8%
Other	-102	-22		-160	-15	
Group	9 656	616	6.4%	10 387	601	5.8%

Construction Norway

Revenue down 13% on Q3 2023

- Revenue dropped in most geographies; a consequence of lower order intake in 2023
- Distinct revenue drop expected in Q4 2024 as well

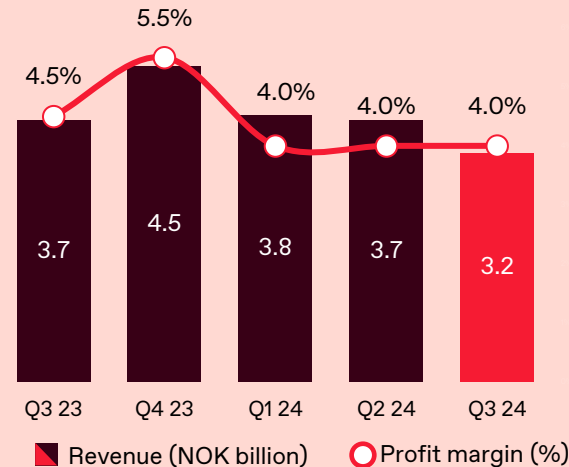
Profit dropped compared to Q3 2023

- Improved profit margin in the project portfolio
- Declining volume and lower capacity utilisation impacted profits negatively
- Profit margin has remained stable at 4% to date in 2024

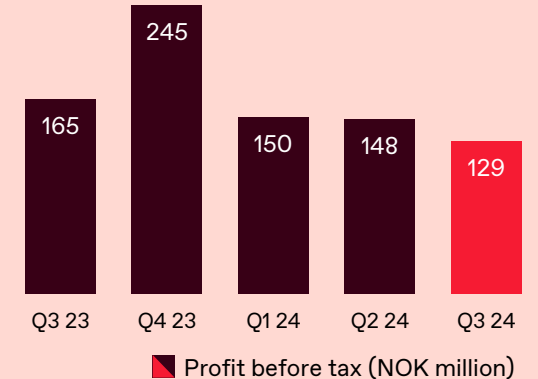
Order book boosted

- Solid order intake of quality projects in all segments

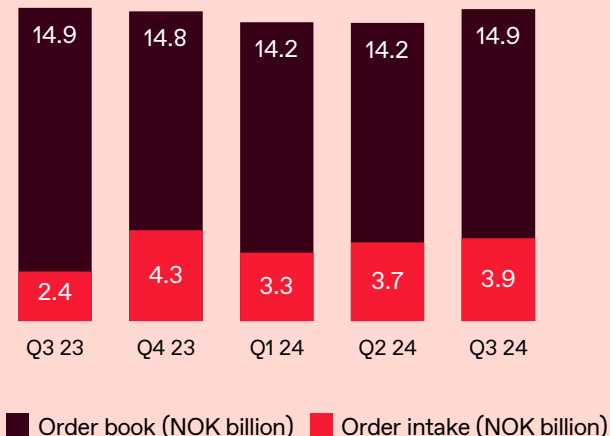
Revenues and profit margin



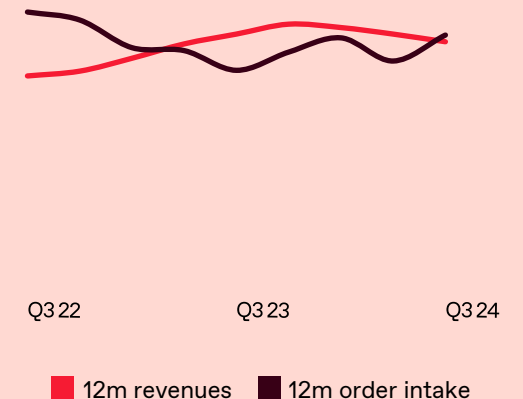
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenue on a par with Q3 2023

- Civil engineering improved (10%); asphalt declined (-12%)

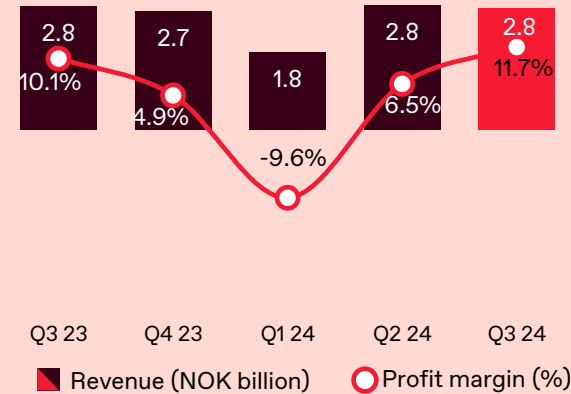
Clear profit improvement

- Solid profitability in the civil engineering business
- Price hikes and a good product mix compensate for lower volumes in the asphalt business

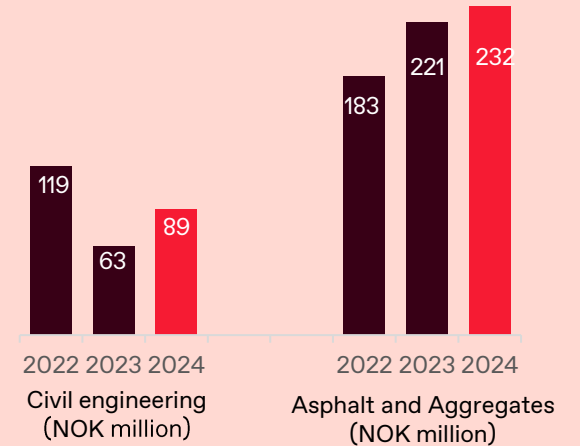
Order book down from the preceding quarter

- Signed Ring 1 road contract in Q2
- Awarded new Fornebu Line contract worth NOK 1.8 billion after the close of Q3

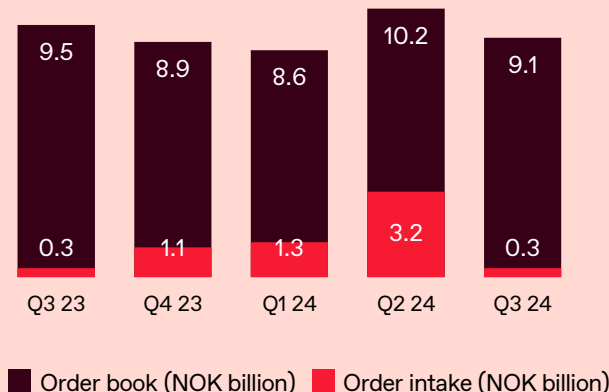
Revenues and profit margin



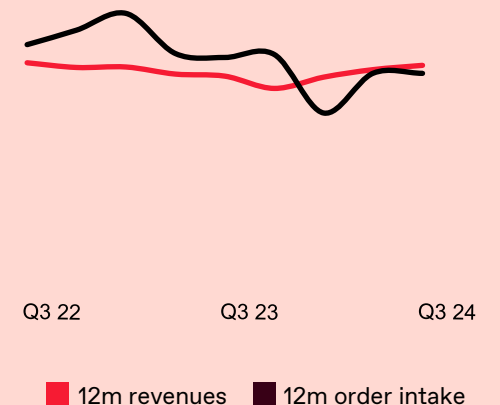
Profit before tax Q3



Order intake and order book



Revenues and order intake



Construction Sweden

Revenue down 25% on Q3 2023 in local currency

- Stockholm and Gothenburg saw the greatest drop, but downturn also evident in remainder of the business

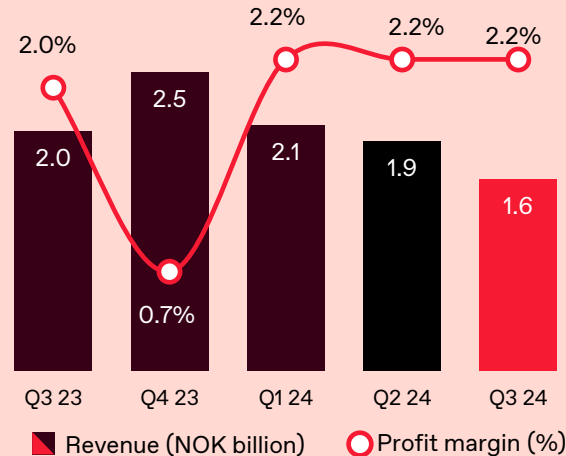
Profitability remains unsatisfactory

- BRA (Gothenburg) had good profitability, though below the preceding year
- Results stabilised in the other operations
- Capacity adjustments are made on an ongoing basis

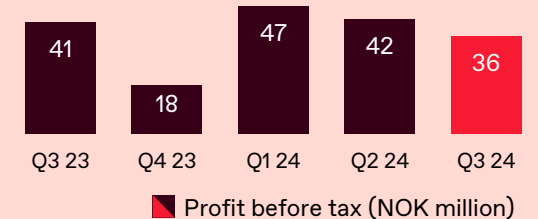
Order book increased slightly in the quarter

- Several commercial building projects contracted in Gothenburg
- Total order book down 8% from year-end in local currency

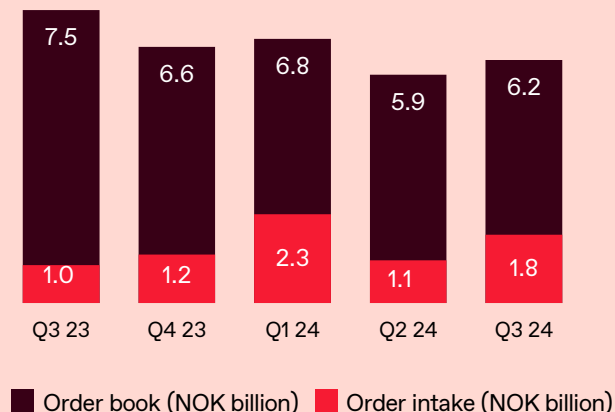
Revenues and profit margin



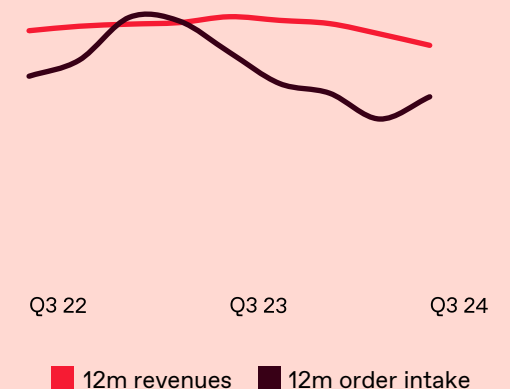
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

Revenue on a par with Q3 2023 in local currency

- Stable revenue in all market segments

Profit increased

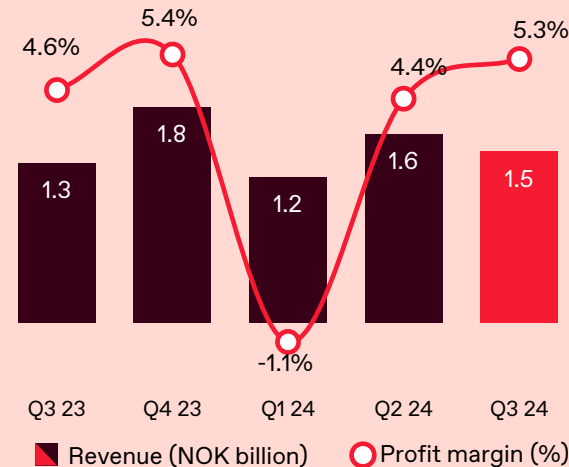
- Utilisation of capacity was good and profit margin in portfolio improved

Order book increased slightly in the quarter

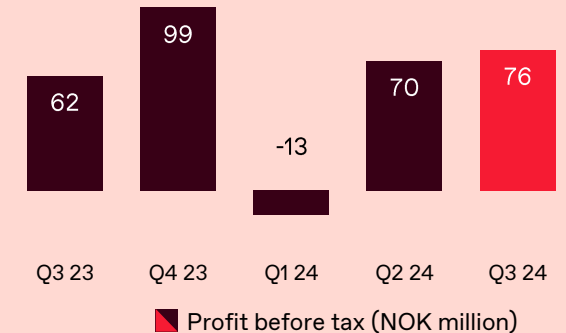
- Up 9% from year-end in local currency
- Of the order intake to date this year, the bulk is attributed to increased scope in existing contracts

Acquisition of Euromining completed in October

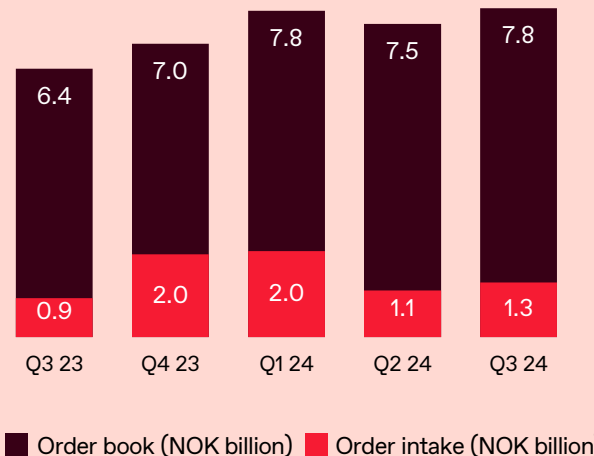
Revenues and profit margin



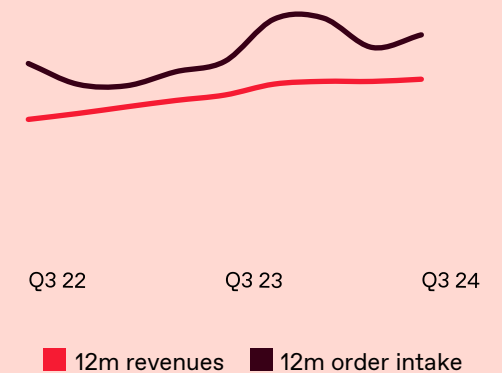
Profit before tax



Order intake and order book



Revenues and order intake



Denmark

Revenue up 2% on Q3 2023 in local currency

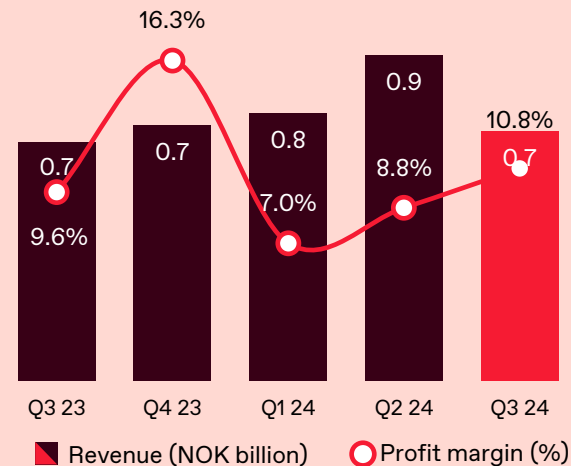
Strong results and solid profitability

- Consistently robust project profitability

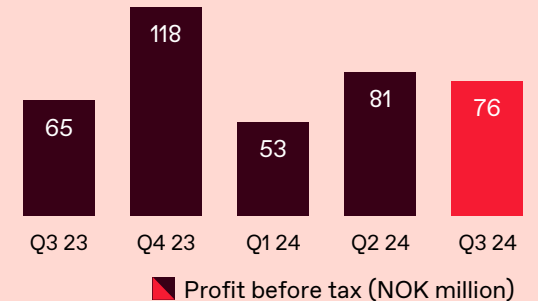
Order book shrank in Q3

- Down 8% from year-end 2023, in local currency

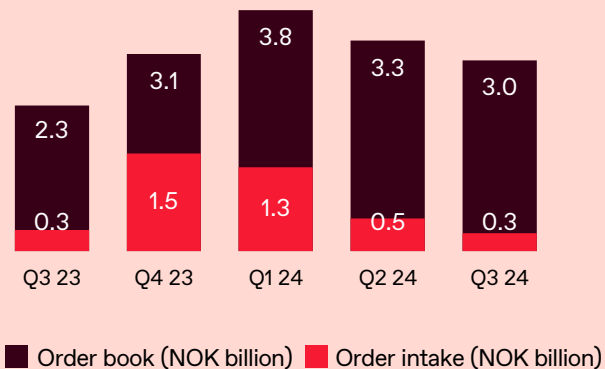
Revenues and profit margin



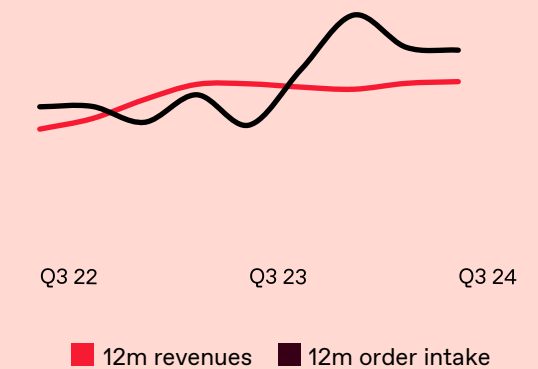
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million	30 September 2024	30 September 2023
Fixed assets	7 321	7 173
Current assets (excluding cash, cash equivalents and financial investments)	7 951	9 345
Cash, cash equivalents and financial investments	2 450	1 735
Assets	17 722	18 253
Equity	2 888	2 591
Long-term debt	2 254	2 274
Short-term debt	12 579	13 387
Equity and debt	17 722	18 253
Equity ratio	16%	14%
Return on equity (12mos)	49%	43%
Net interest-bearing position	2 110	1 446

Financial position

Highlights Q3

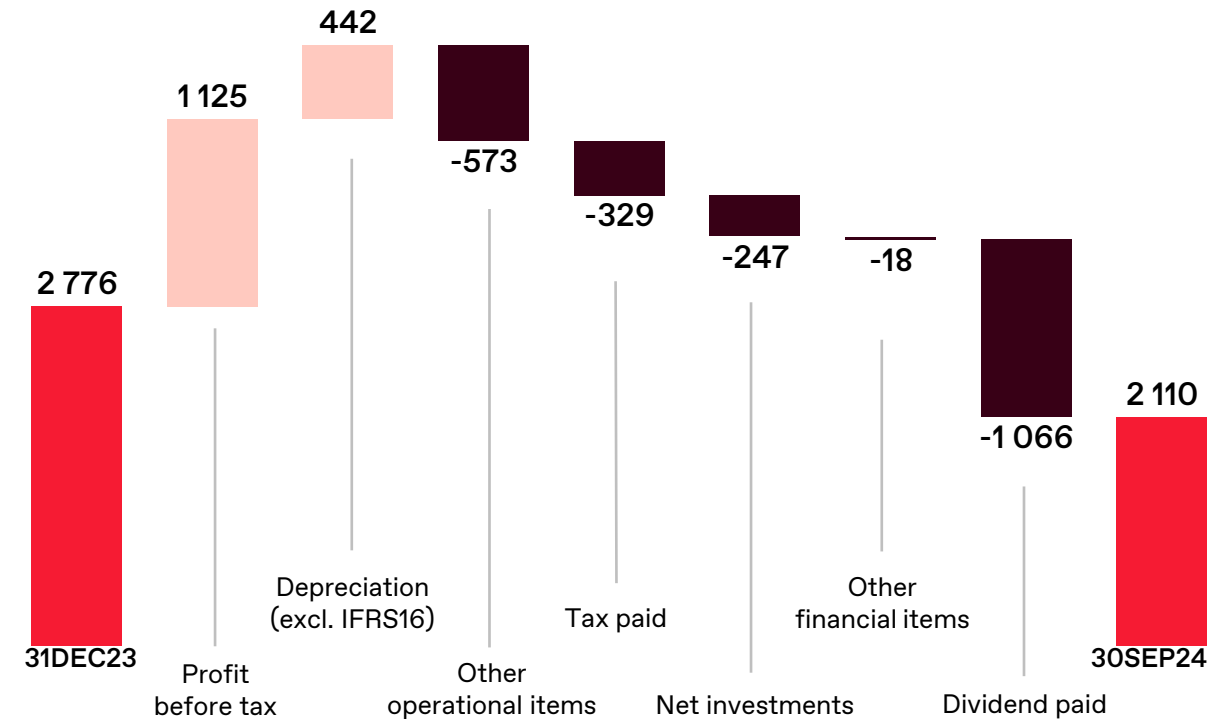
- Strong cash flow in the quarter – working capital decreased in the Norwegian units


Overall highlights 2024

- Net investments slightly down from last year (NOK 247 million vs. NOK 422 million), primarily in the infrastructure units
- Tax paid slightly up from 2023 (329 million vs. 255 million)
- Dividend paid out in May (NOK 7.9/share)

Net interest-bearing position

NOK million



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Q3

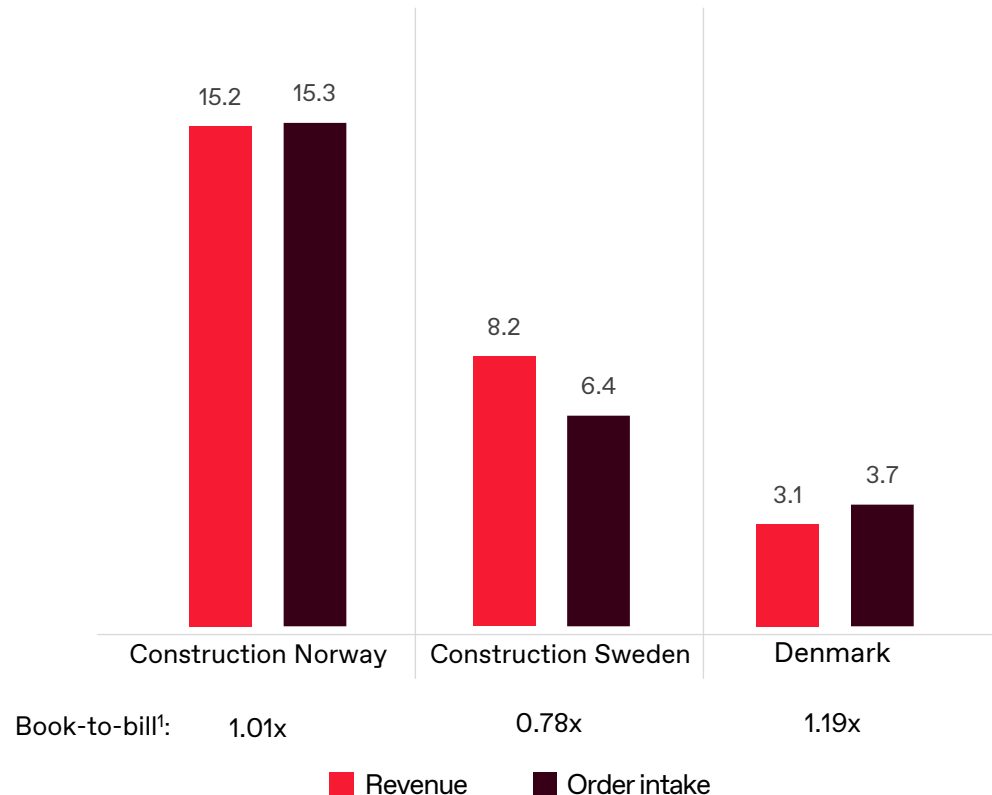
Closing comments

Jimmy Bengtsson, Group CEO

Construction: Good order intake in a challenging market

Revenue and order intake

12-month rolling, NOK billion



Construction Norway:

- Revenue in Norway expected to level off in 2025, after a decline in 2024

Construction Sweden:

- Good intake of orders for private commercial buildings; no new residential projects
- Overall revenue expected to drop in 2025

Hoffmann:

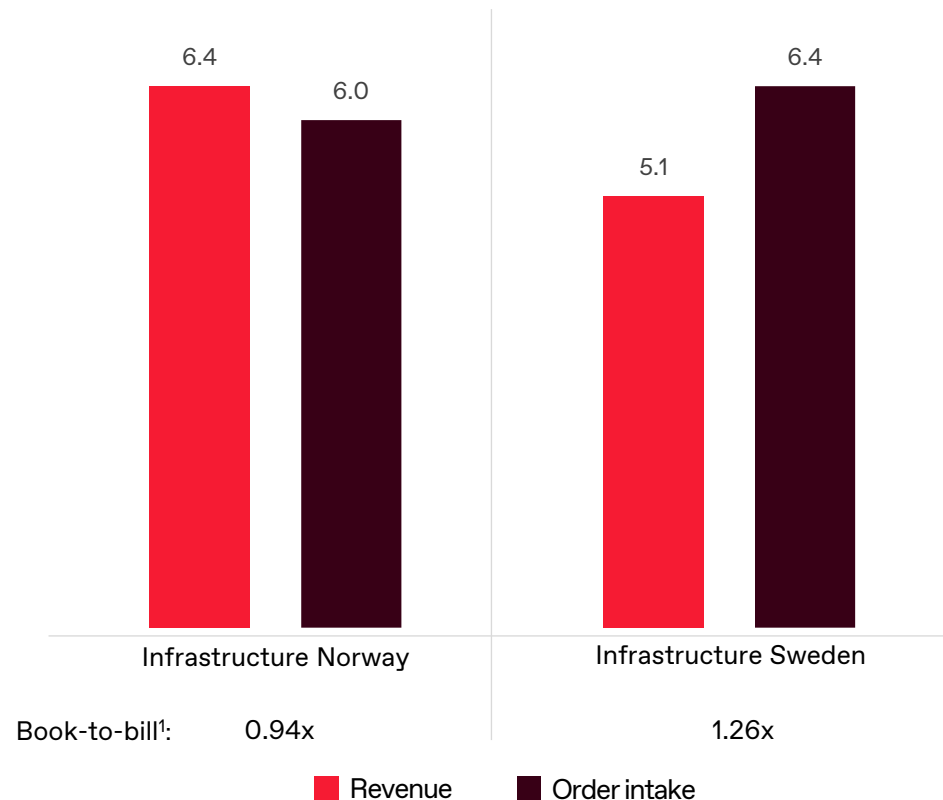
- Order intake over the past year has exceeded expectations

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

Infrastructure: Good market activity

Revenue and order intake

12-month rolling, NOK billion



Infrastructure Norway:

- In tenders for larger projects, the success rate to date in 2024 has been low, despite a robust market
- New Fornebu Line contract worth approx. NOK 1.8 billion was awarded Veidekke in Q4

Infrastructure Sweden:

- Volume increase in existing contracts
- The Euromining acquisition will boost revenue in 2025

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

From market decline in 2024 to new growth in 2026

Our systematic, step-by-step improvements continue

Contracting markets

Forecasts 2024–2026

Comments

- The drop in activity seen in 2023 is continuing in 2024, primarily on the back of weak building start numbers in the construction sector over several quarters. A 14% drop is forecast for 2024, although 8% total growth is expected over the next two years.
- In contrast to the construction sector, the civil engineering market is expected to maintain robust activity levels throughout the forecast period.
- Current reduced construction activity levels are attributable to rising interest rates and high inflation in 2022 and 2023. It normally takes one to two years for macroeconomic changes to affect activity.
- Correspondingly, interest-rate cuts and early signs of increased demand suggest that activity levels will recover in the next one to two years.
- We estimate that approximately half the present decline will be recovered by the end of 2026.

Production in the Scandinavian contracting markets

Percentage change since previous year, current prices

	2023	2024	2025	2026
Norway	3%	-7% (-7%)	-4% (-4%)	6%
Sweden	-5%	-15% (-11%)	4% (-1%)	7%
Denmark	-6%	-17% (-8%)	3% (-1%)	8%
Scandinavia	-3%	-14% (-9%)	1% (-2%)	7%
Scandinavia, NOK billion	1,035	895	905	970

Spring 2024 forecasts in brackets.

1 Sources: Veidekke market data, Statistics Norway, Statistics Sweden, Statistics Denmark

VEIDEKKE

Our tasks:

- The right projects at the right price
- Improved uncertainty management and implementation skills
- Turn around weakly-performing units

Source: Veidekke's autumn 2024 market update

Summary

1

Profit improvement, despite revenue drop

- Reflects high quality project portfolios
- Profit margin generally improved, except in Construction Norway

2

Order book remains strong

- Construction Norway activity expected to remain stable in 2025
- Overall positive development in Infrastructure

3

Well-equipped and cautiously optimistic

- 2025: a more stable market; 2026: prospects for improvement
- Good cash flow and a strong financial position



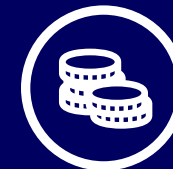
Selectivity

New projects at the right price for the relevant market



Execution

On plan or better, with uncertainty management



Cost base

Organisation and joint costs



Improvements

Turn around weak units and maintain solid units

