



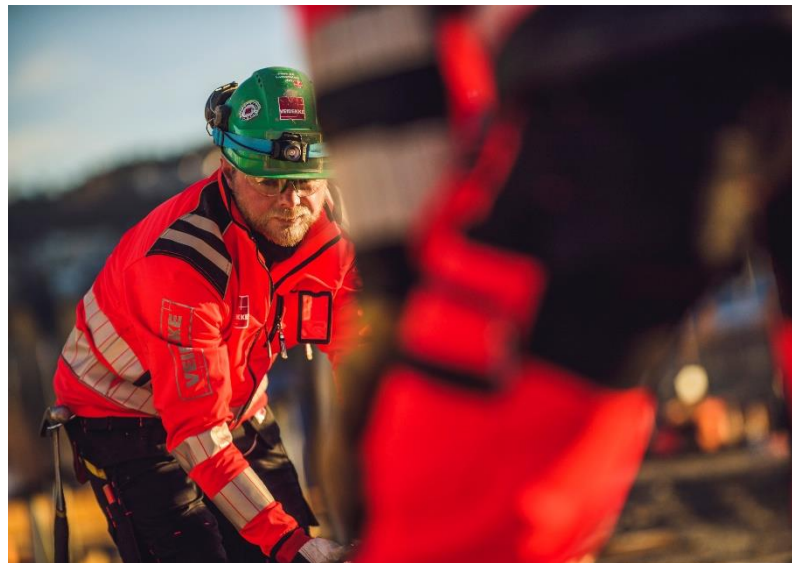
INVESTOR PRESENTATION

Veidekke ASA

March 2017

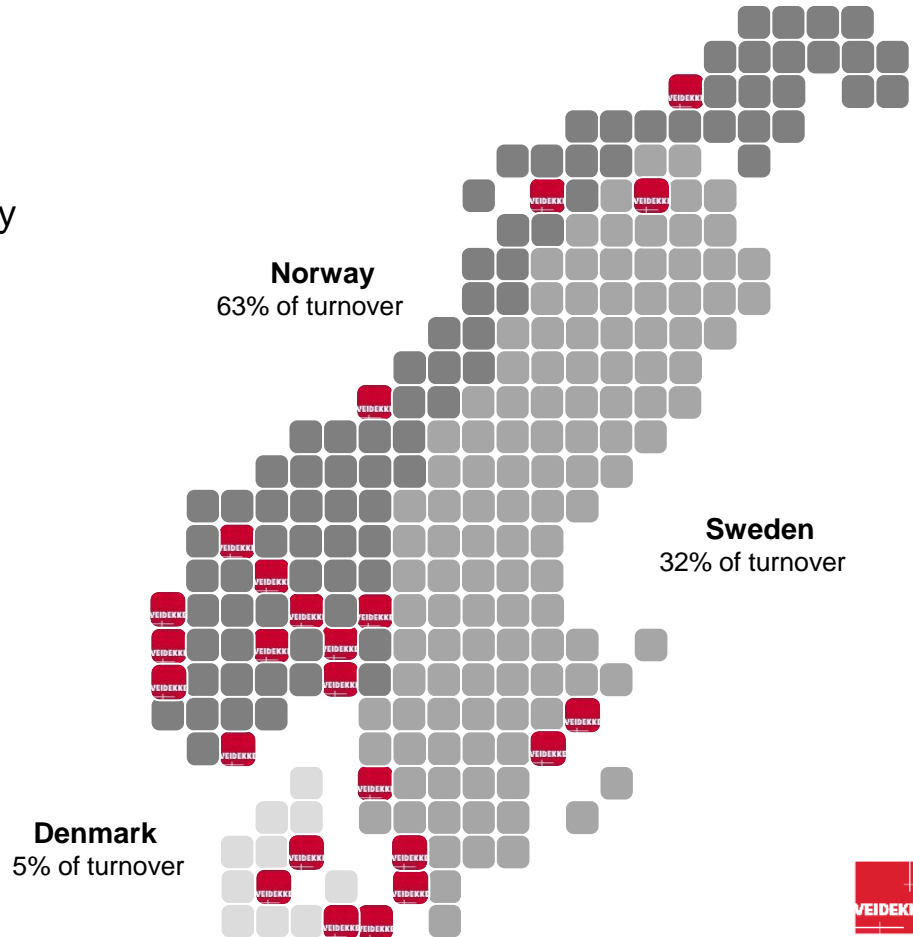
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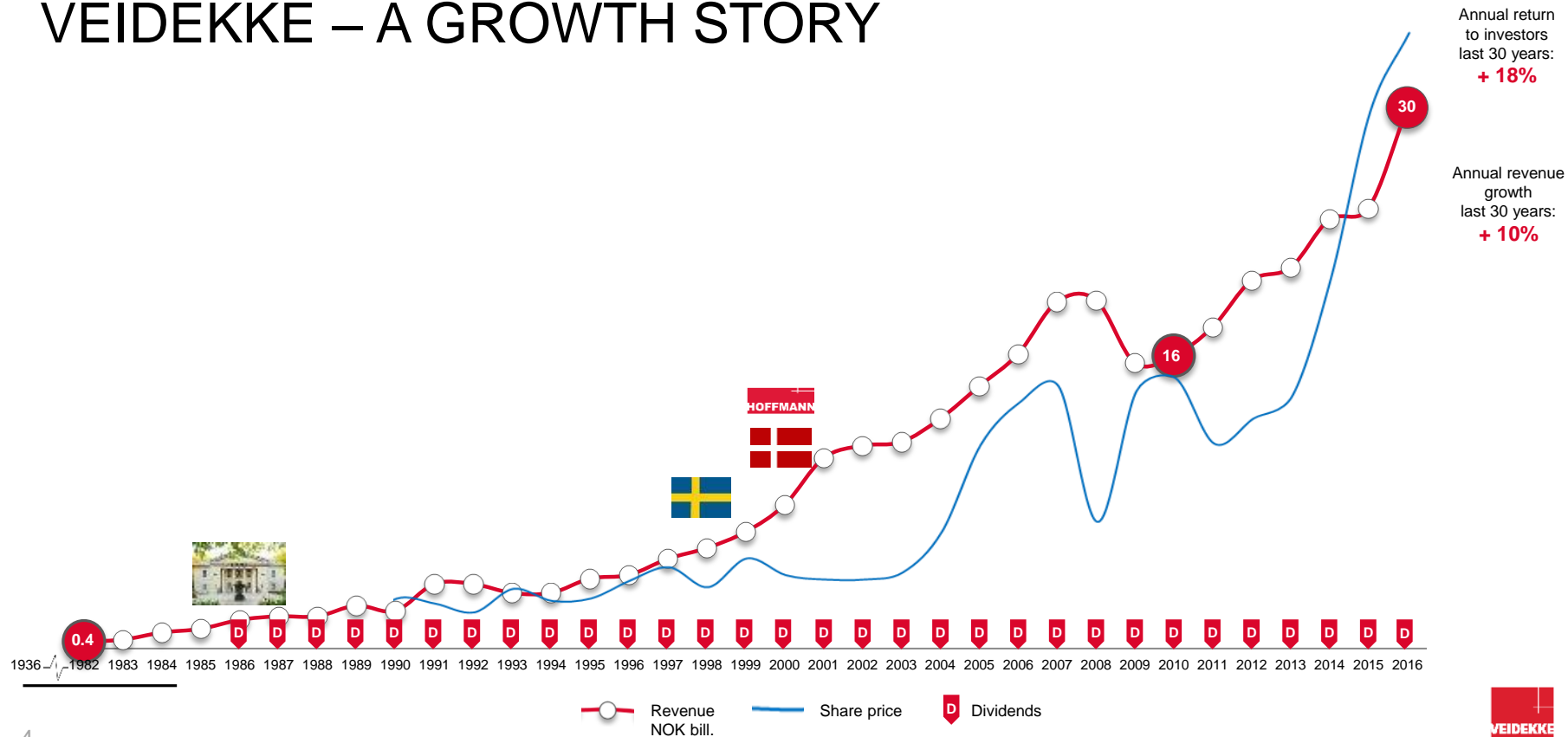



VEIDEKKE IN BRIEF

- + A leading Scandinavian construction and property development company
 - Largest player in Norway with strong positions in Sweden and Denmark
- + Strong revenue and earnings growth
- + Construction order book up by more than 50 % over last 24 months
- + Attractive property development portfolio
- + 80 years without loss
- + 15 % of the shares owned by employees/
management



VEIDEKKE – A GROWTH STORY





NORWAY

Leading and
national



SWEDEN

Strong
positions in the
largest markets



DENMARK

Leading in
selected
segments

OUR BUSINESS AREAS

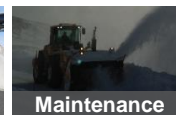
CONSTRUCTION



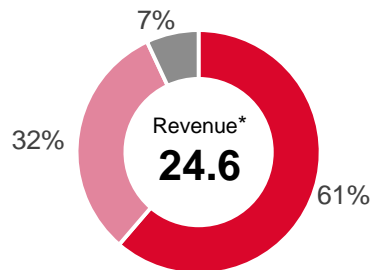
PROPERTY DEVELOPMENT



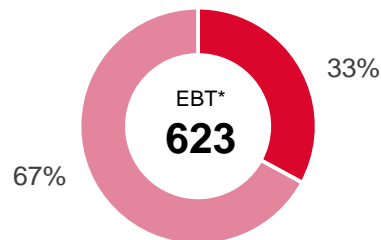
INDUSTRIAL



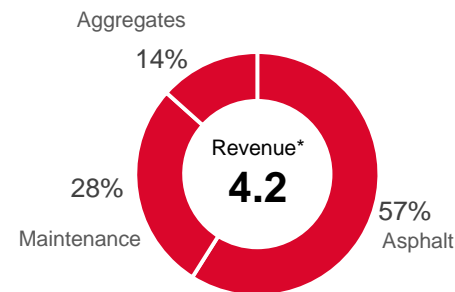
Result/
return



EBT NOK 723 mill.

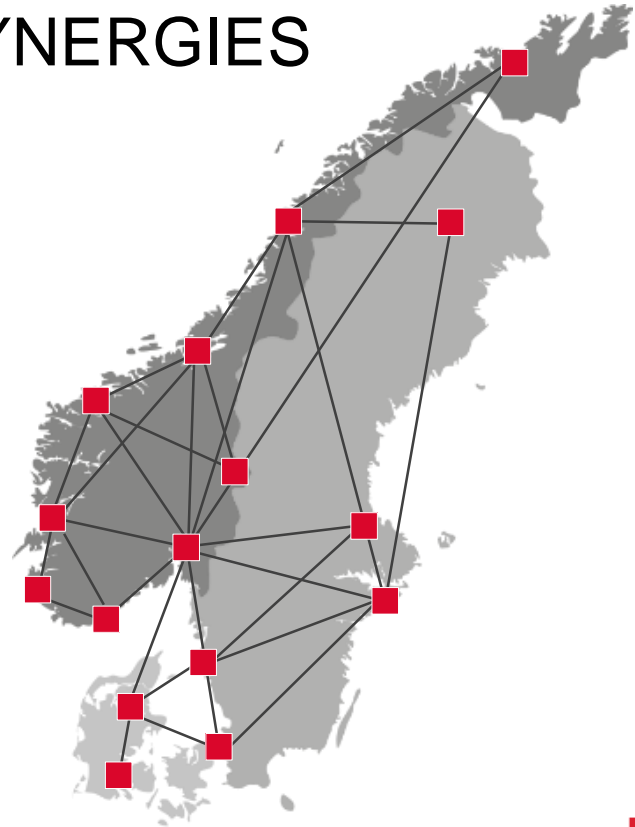
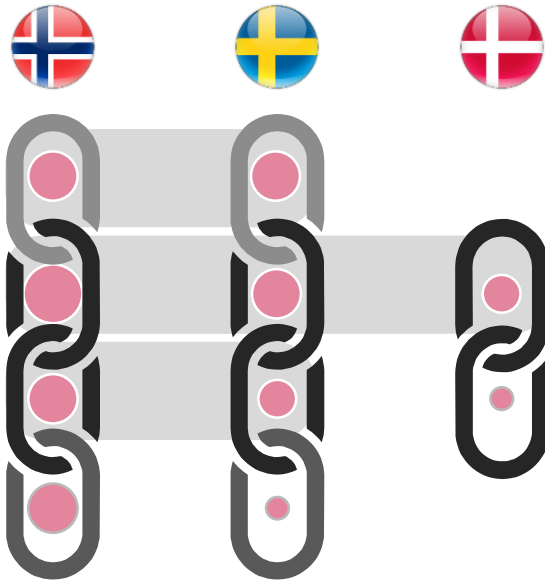


21.4**%



EBT NOK 117 mill.

MULTI LOCAL STRENGTH AND SYNERGIES



OUR ACTIVITY - NORWAY

100 %



Private infrastructure



Asphalt and road maintenance



Residential development and construction



Public infrastructure



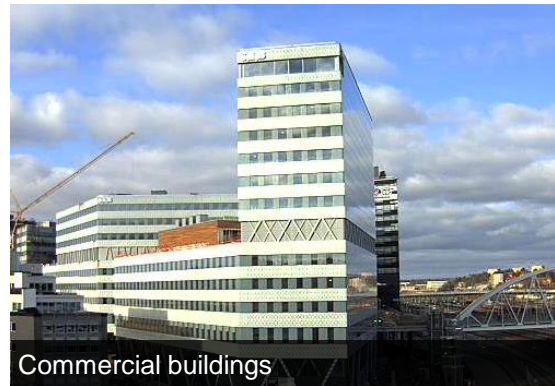
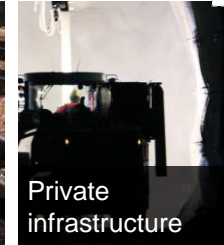
Commercial buildings



Public buildings

OUR ACTIVITY - SWEDEN

100 %



OUR ACTIVITY - DENMARK

100 %



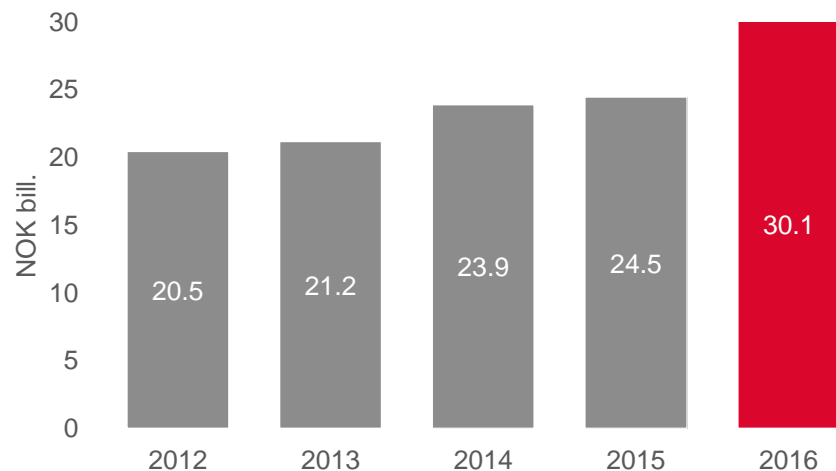
Commercial buildings



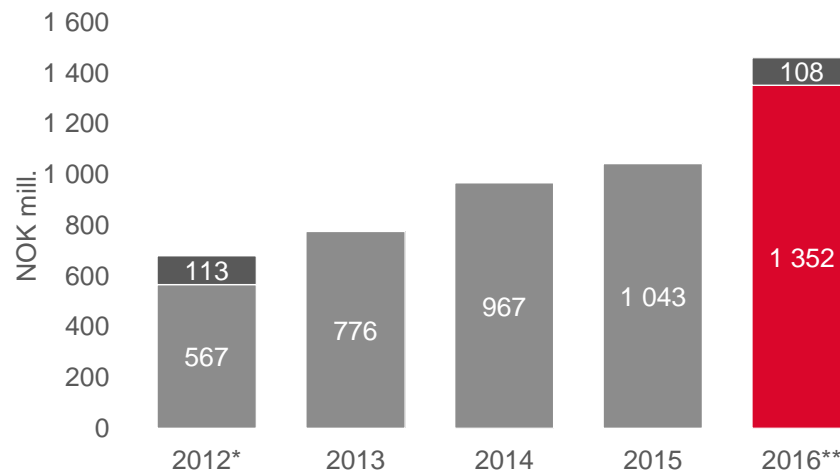
Public buildings

REVENUE AND EARNINGS

REVENUE



PROFIT BEFORE TAX



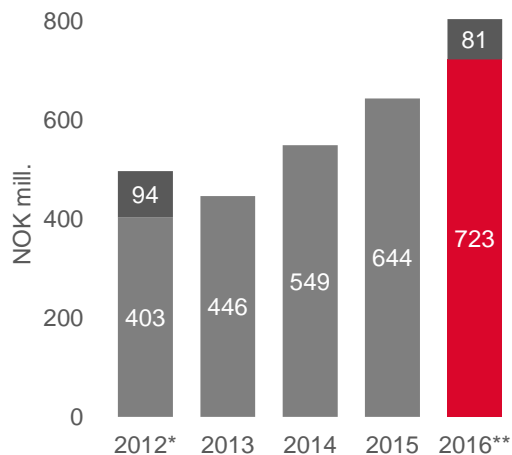
*Positive one-off effect from changes to the pension scheme in Norway of NOK 113 mill.

**Positive one-off effect from changes to the disability pension scheme in Norway of NOK 108 mill.

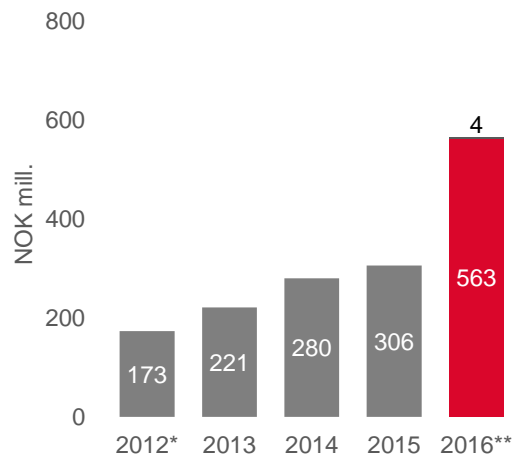


PROFIT BEFORE TAX PER BUSINESS AREA

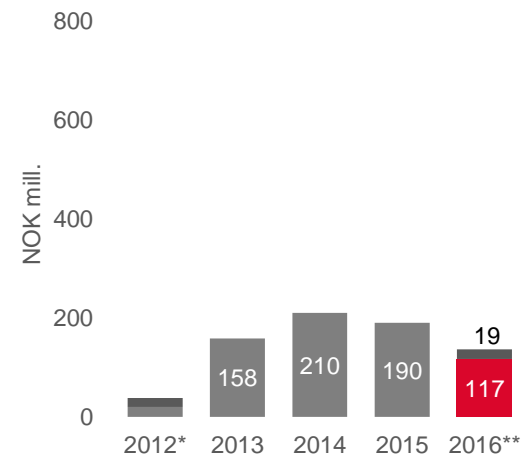
CONSTRUCTION



PROPERTY DEVELOPMENT



INDUSTRIAL



*Positive one-off effect from changes to the pension scheme in Norway of NOK 94 mill. and NOK 18 mill.

**Positive one-off effect from changes to the disability pension scheme in Norway of NOK 81 mill., NOK 19 mill. and NOK 4 mill.

SOLID FINANCIAL POSITION

+ Capital spending 2016

- Acquisitions NOK 0.2 bill.
- Equipment (PPE) NOK 0.7 bill.

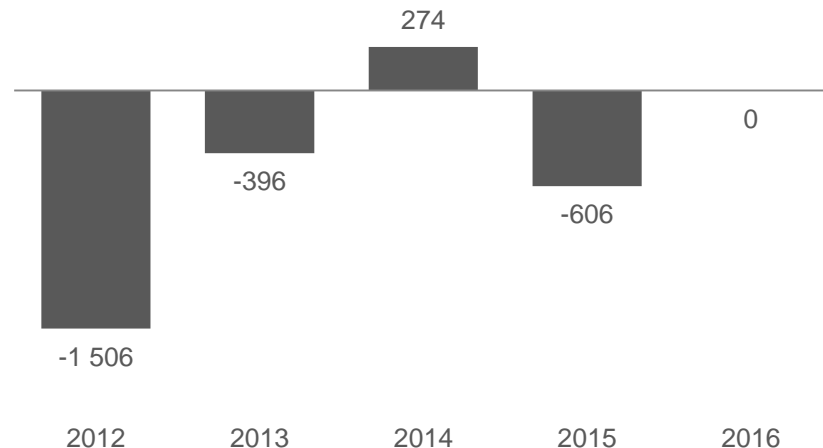
+ Invested capital

- Property Development NOK 3.1 bill.

+ Solid long-term financing

- Undrawn bank facility NOK 3.6 bill.

NET INTEREST-BEARING POSITION AT YEAR-END (NOK MILL.)

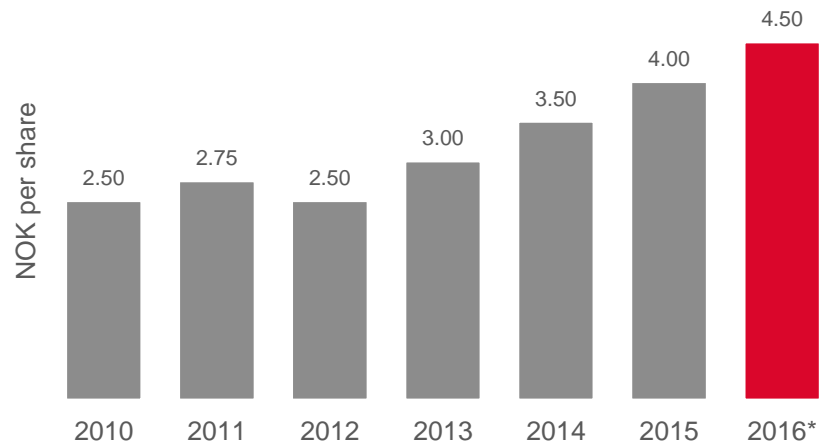


DIVIDEND DEVELOPMENT

2016:

- + Earnings per share: NOK 6.6 (5.7)
- + Proposed dividend: NOK 4.5 (4.0)
- + Dividend pay-out ratio: 68 % (70 %)
- + Earnings per share
the segment accounts: NOK 9.3 (6.5)

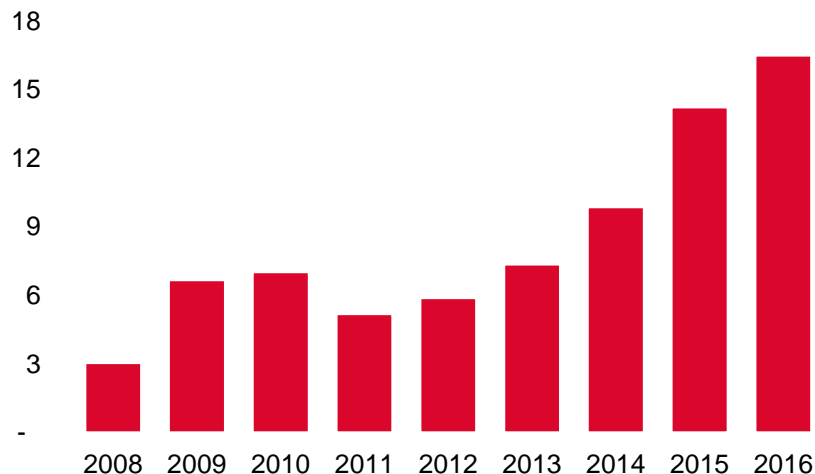
DIVIDEND



* Proposal for 2016

MARKET VALUE AND SHAREHOLDERS

MARKET CAPITALISATION PERIOD-END, NOK BILLION



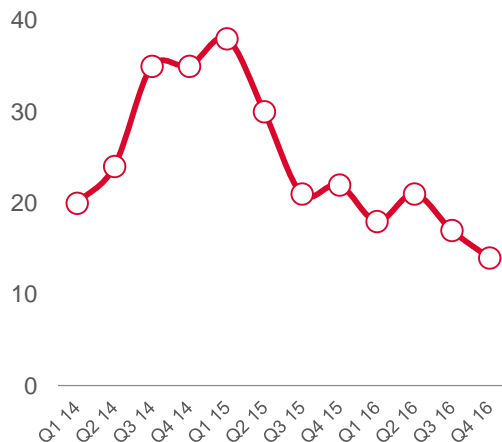
SHAREHOLDERS PER 31 DECEMBER 2016

OBOS BBL*	17.8%
The Government Pension Fund Norway	12.5%
IF Skadeförsäkring	6.9%
Handelsbanken aksjefond	3.4%
Danske Invest	2.1%
Must Invest	2.1%
MP Pensjon PK	2.0%
Swedbank Robur	1.5%
DnB Norge	1.4%
Taiga Invest	1.3%
Employees	14.9%
Foreign holdings	26.7%

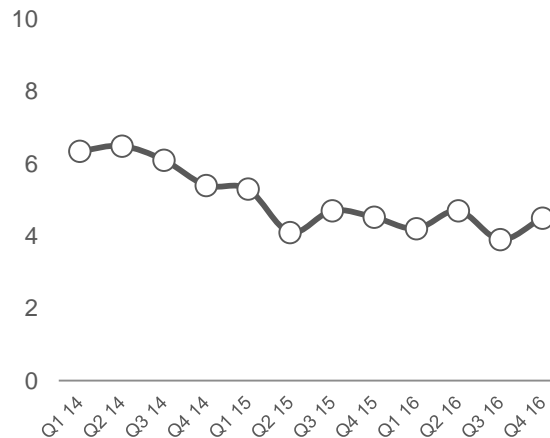
*Norway's largest cooperative building association

OCCUPATIONAL HEALTH AND SAFETY

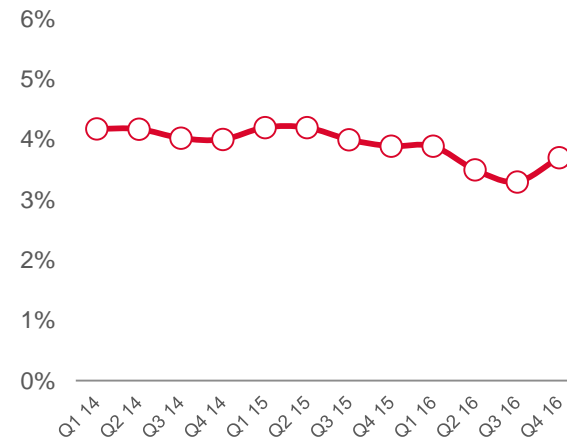
SERIOUS INJURIES* #



LTI RATE*



SICKNESS ABSENCE*



Veidekke employees, hired staff and sub-contractors

*12-month rolling (LTI = Number of lost-time injuries per million hours worked for Veidekke employees)



BUSINESS AREAS

BUILDING CONSTRUCTION



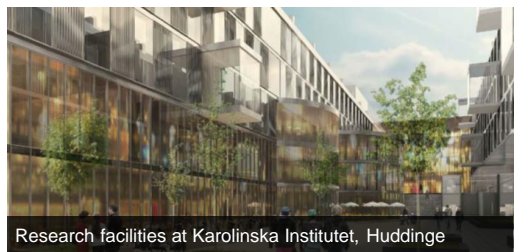
Hotel, commercial buildings and residential, Vitaminveien, Oslo



Diagonale by the Oslo Opera House



Bragenes Torg, Drammen



Research facilities at Karolinska Institutet, Huddinge



Danish Centre for Particle Therapy, Aarhus



Svea Symfoni, Stockholm



Pyramiden, Stockholm



Horten upper secondary school, Vestfold

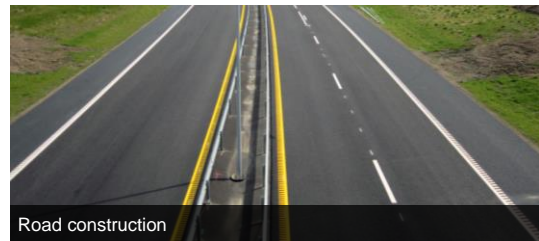
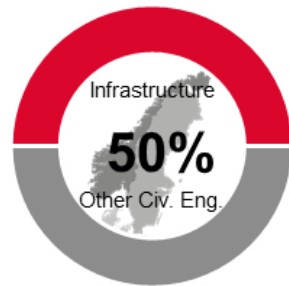
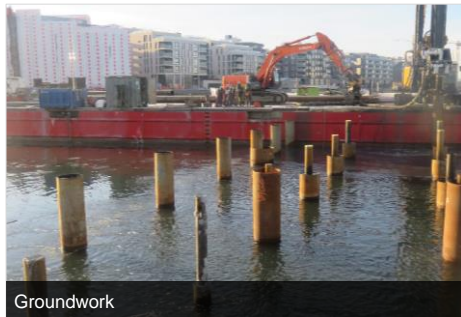


Revetal lower secondary school, Vestfold



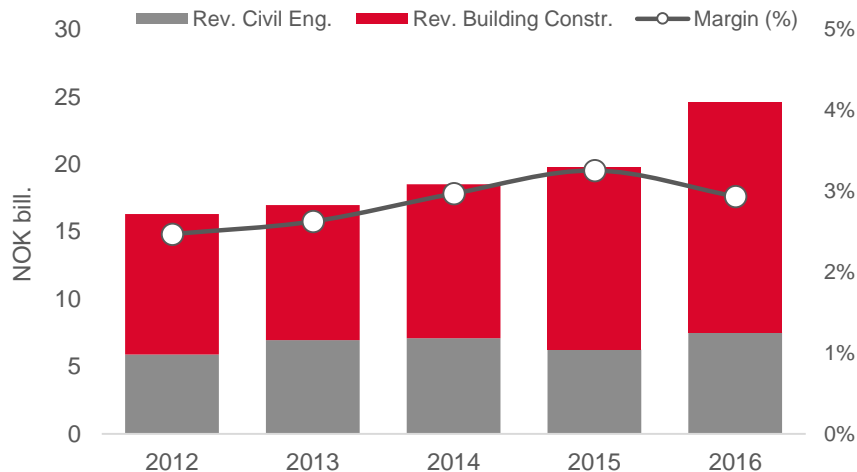
Vrå school, Knivsta at Uppsala

CIVIL ENGINEERING

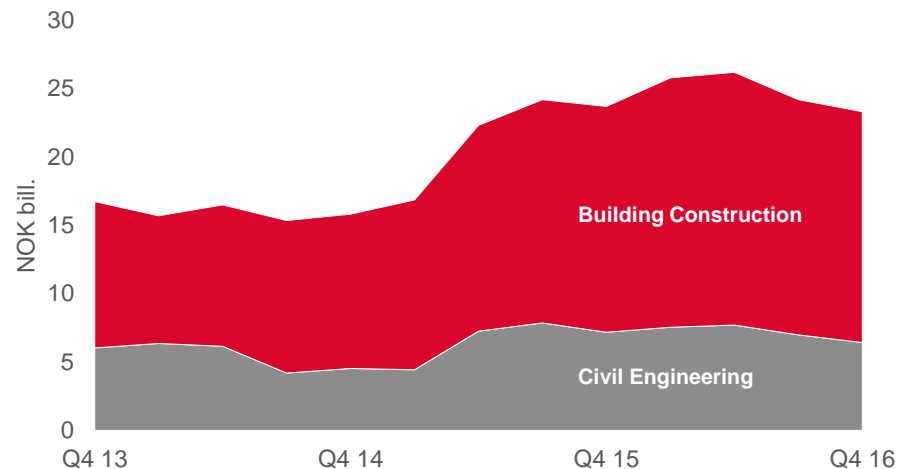


CONSTRUCTION

REVENUE AND MARGIN*

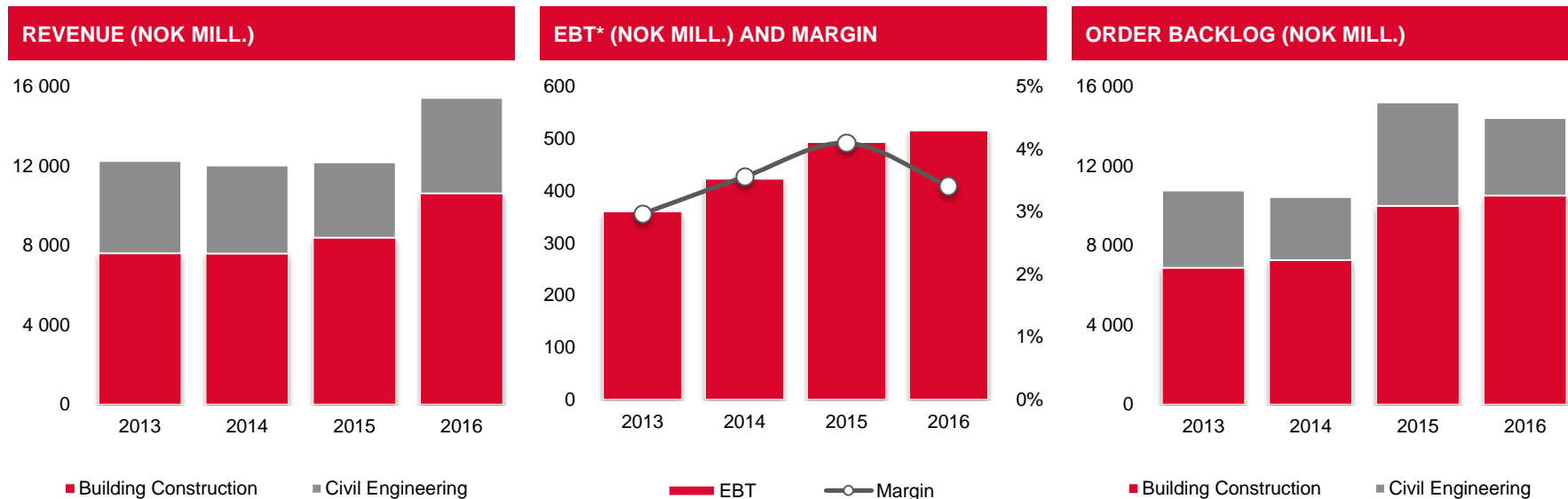


CONSTRUCTION ORDER BACKLOG BY BUSINESS AREA



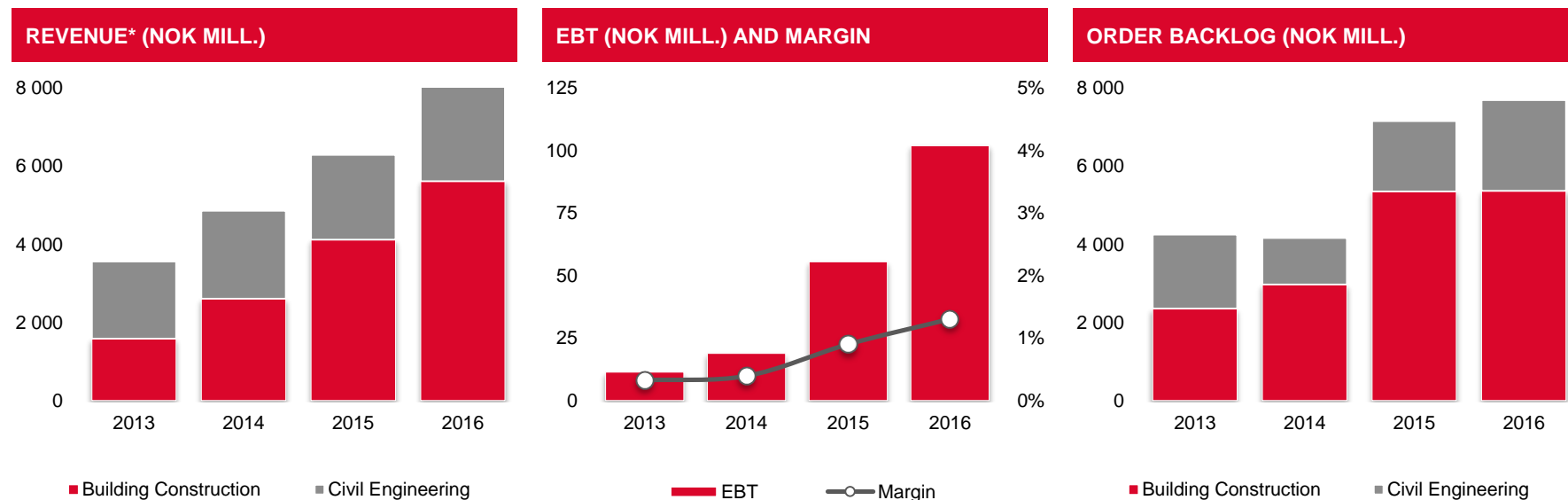
*Adjusted for positive one-off effects from changes in the pension scheme in 2012 and 2016

CONSTRUCTION NORWAY

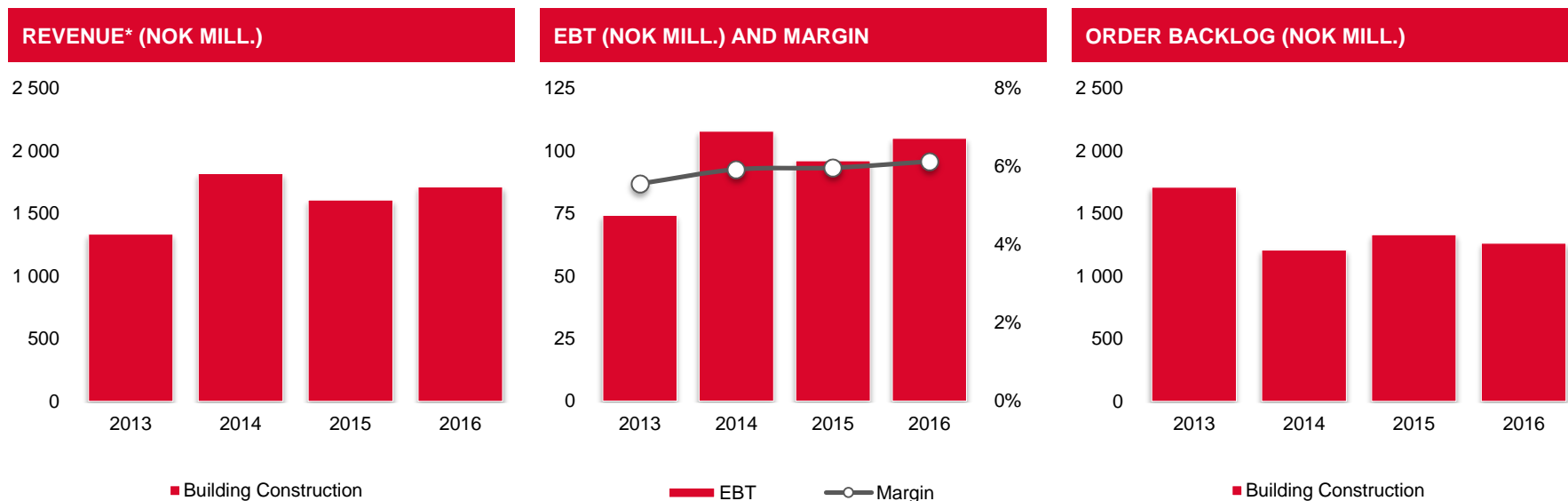


*Adjusted for positive one-off effects from changes in the pension scheme in 2016

CONSTRUCTION SWEDEN



CONSTRUCTION DENMARK

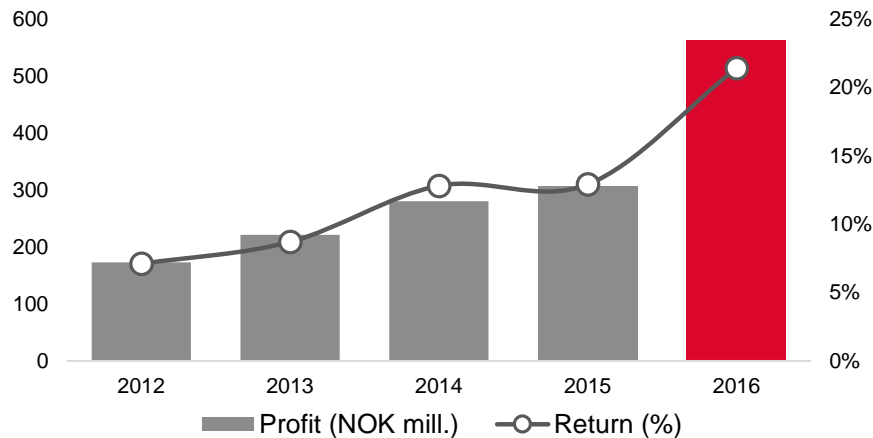


PROPERTY DEVELOPMENT

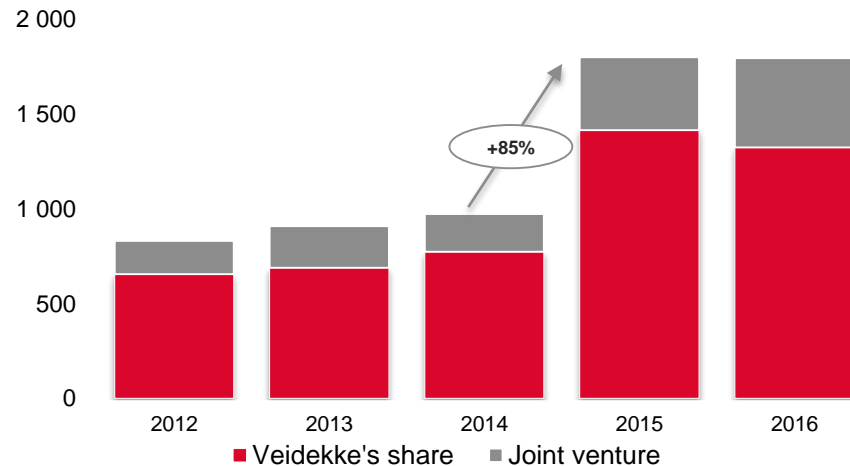


PROPERTY DEVELOPMENT

PROFIT AND RETURN

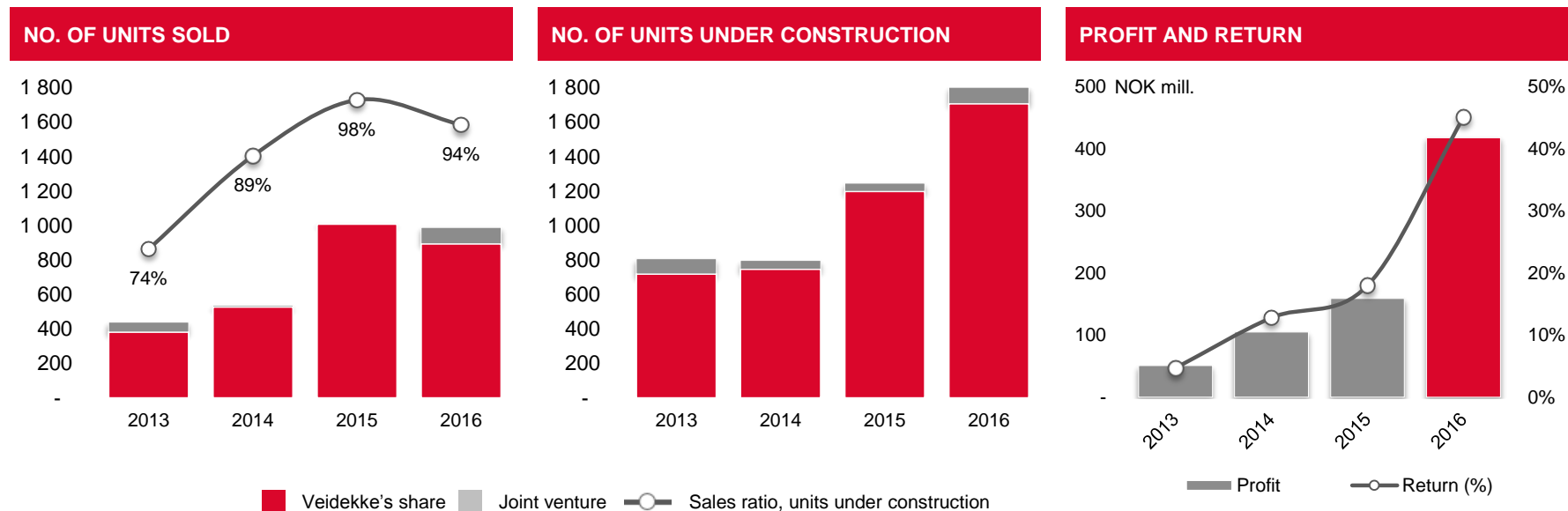


STRONG RESIDENTIAL SALES IN 2015 (NUMBER OF UNITS)



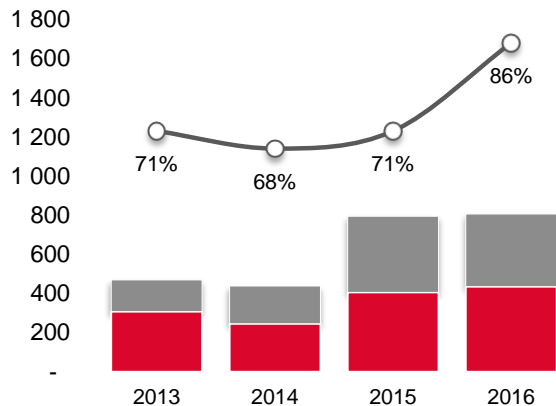
*2012 and 2016 is adjusted for changes in the pension scheme

PROPERTY DEVELOPMENT SWEDEN

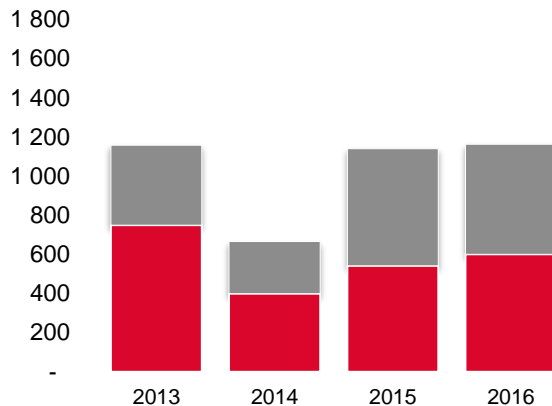


PROPERTY DEVELOPMENT NORWAY

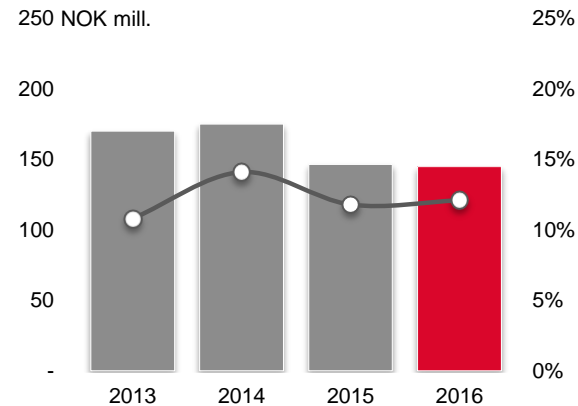
NO. OF UNITS SOLD



NO. OF UNITS UNDER CONSTRUCTION



PROFIT AND RETURN



■ Veidekke's share ■ Joint venture —○— Sales ratio, units under construction

■ Profit —○— Return (%)

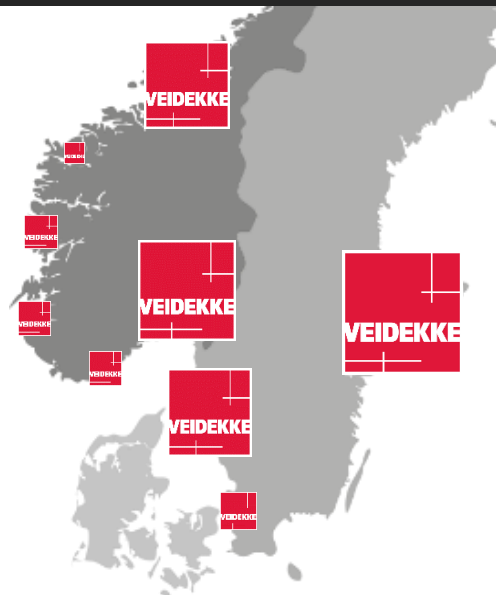
STRONG MARKET POSITIONS IN PROPERTY DEVELOPMENT

Housing development in major regions

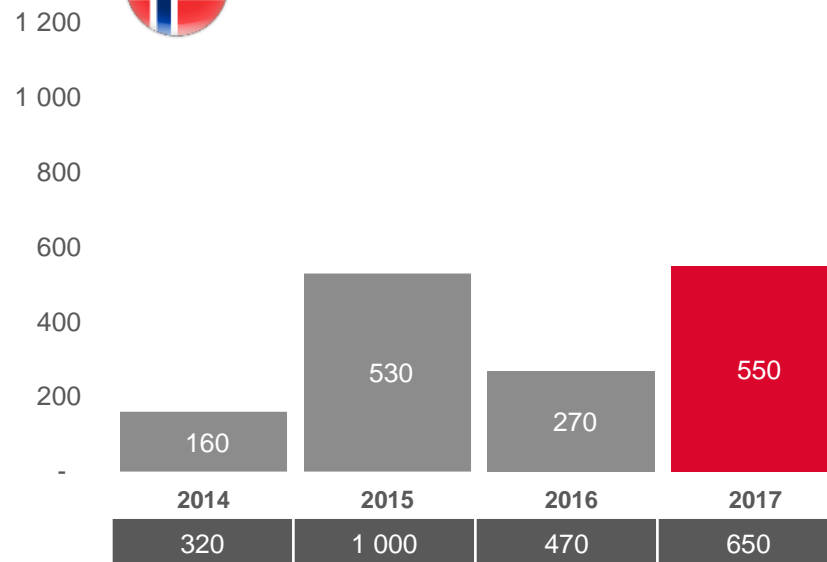
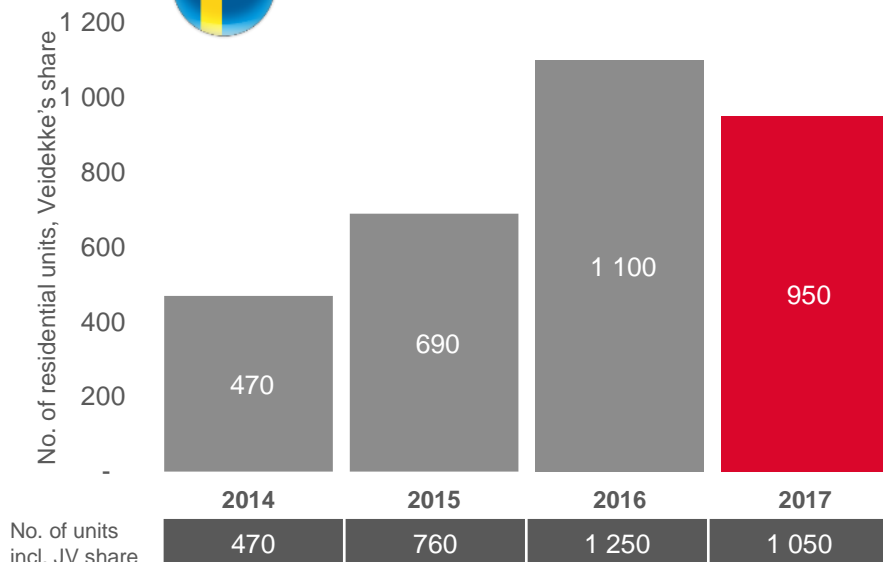
Land bank of 16 750 units



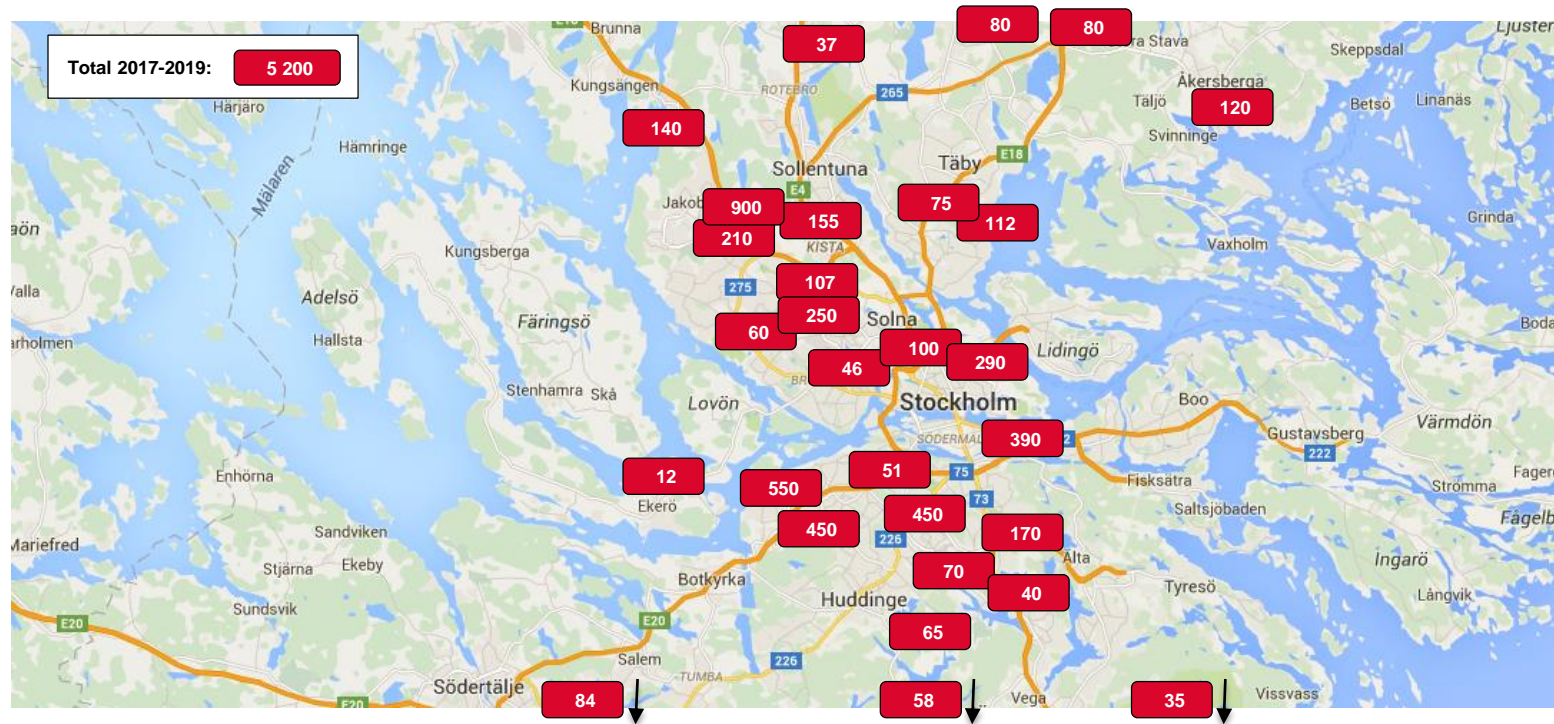
10 MAL
FELLES
UTEAREAL



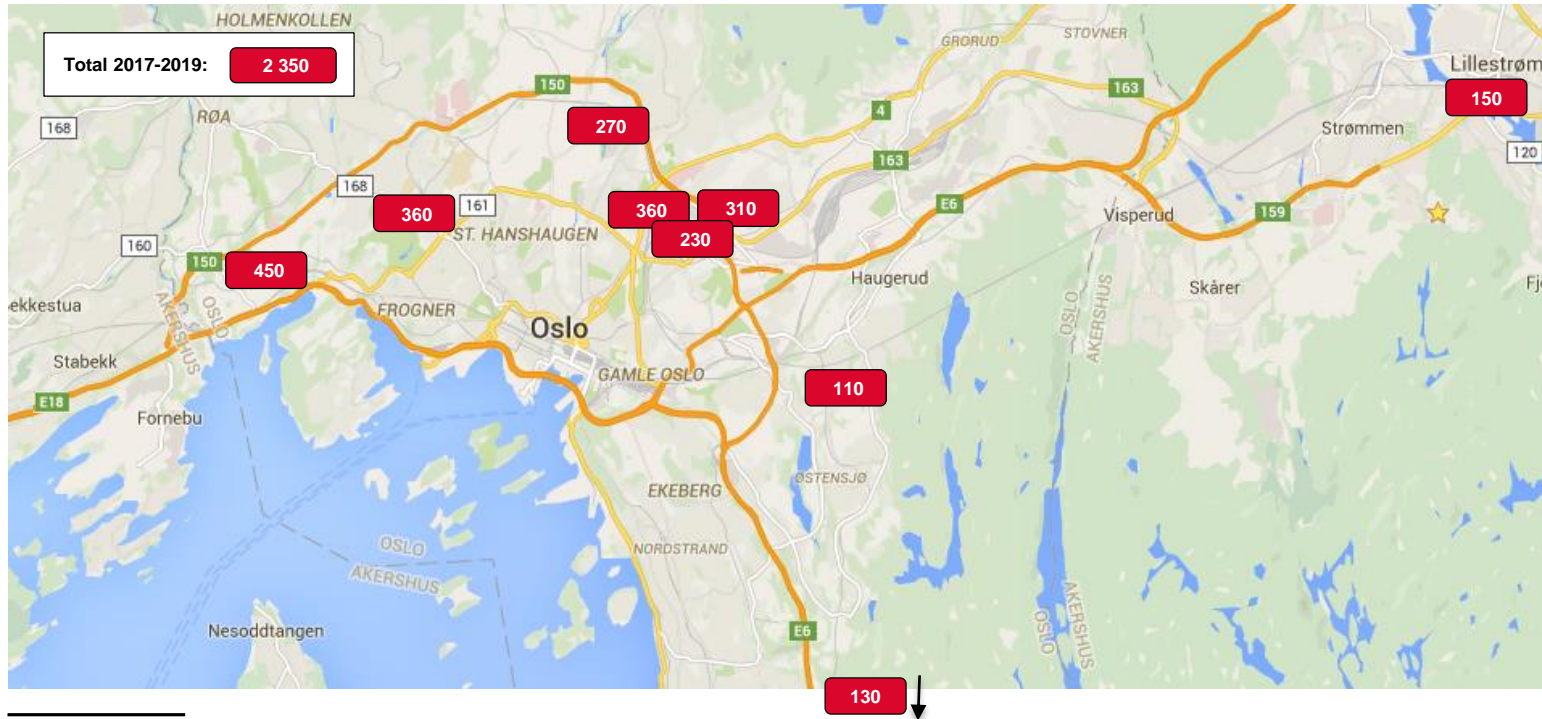
RESIDENTIAL SALE STARTS



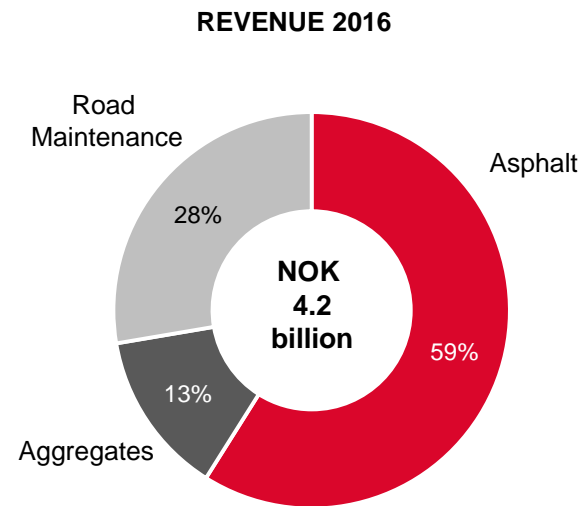
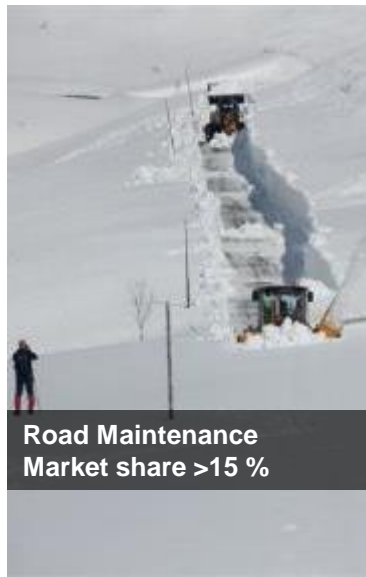
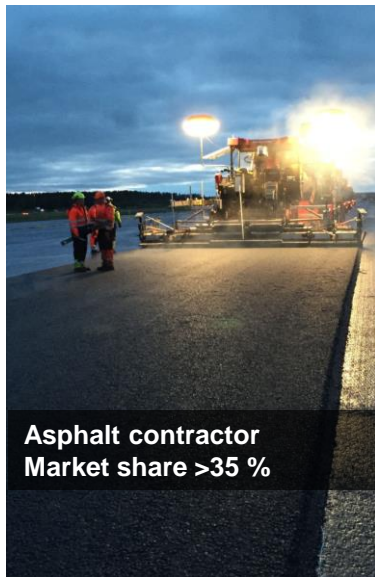
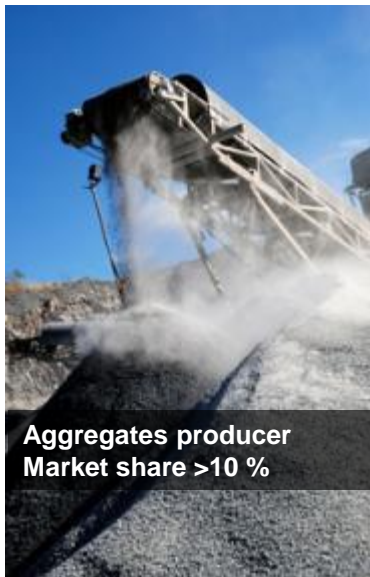
RESIDENTIAL PROJECTS IN THE STOCKHOLM AREA



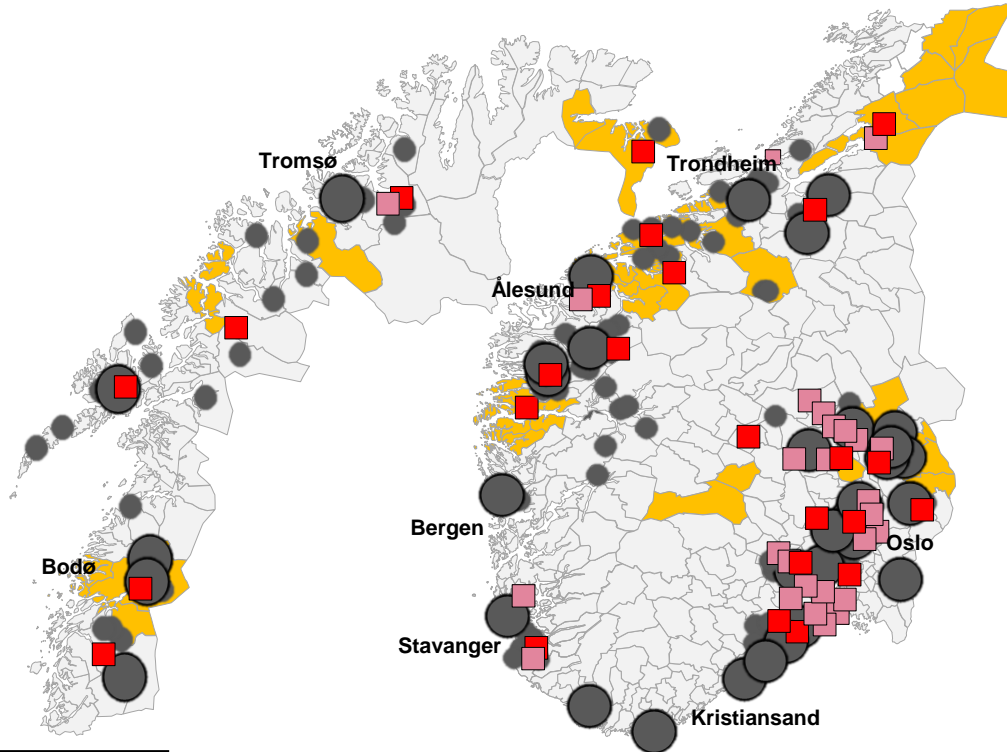
RESIDENTIAL PROJECTS IN THE OSLO AREA



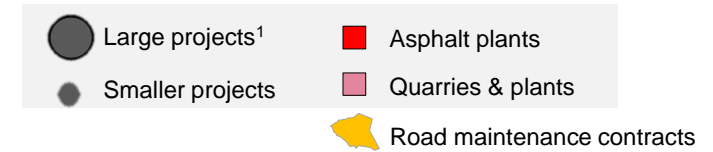
INDUSTRIAL



GOOD LOCAL PRESENCE



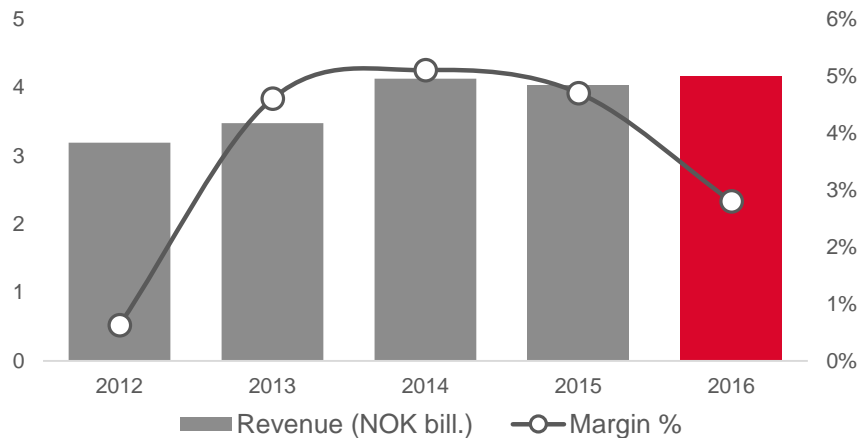
- + Asphalt plants and Quarries & plants are covering the most important markets
- + 24 Road maintenance contracts
- + Veidekke is well positioned for the many planned road projects



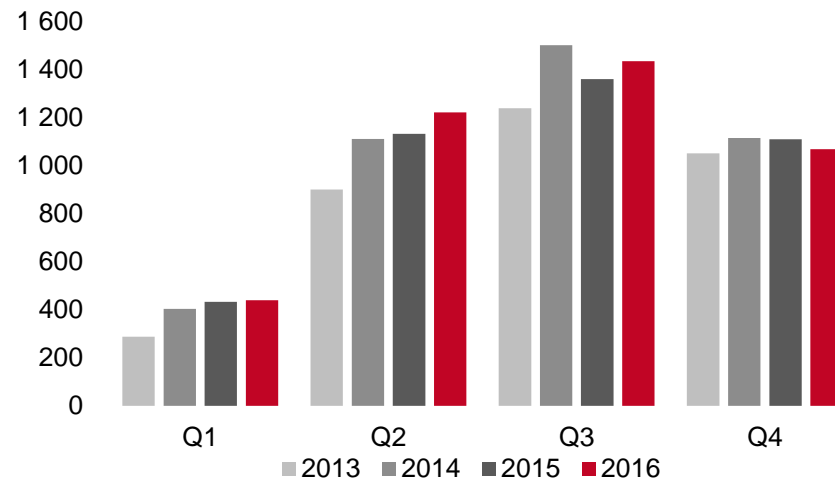
1) Projects with expected volume of >100 000 tonnes asphalt (Sources: Veidekke, The Norwegian Public Roads Administration (SVV))

INDUSTRIAL

REVENUE AND MARGIN*



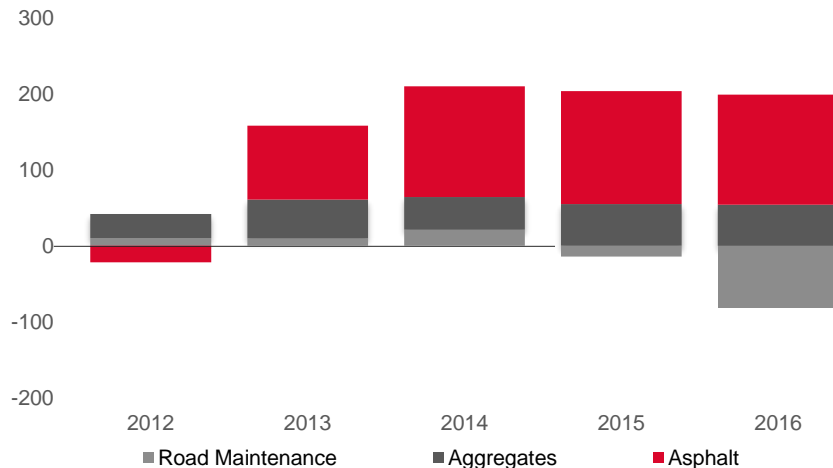
QUARTERLY REVENUE, INDUSTRIAL (NOK MILL.)



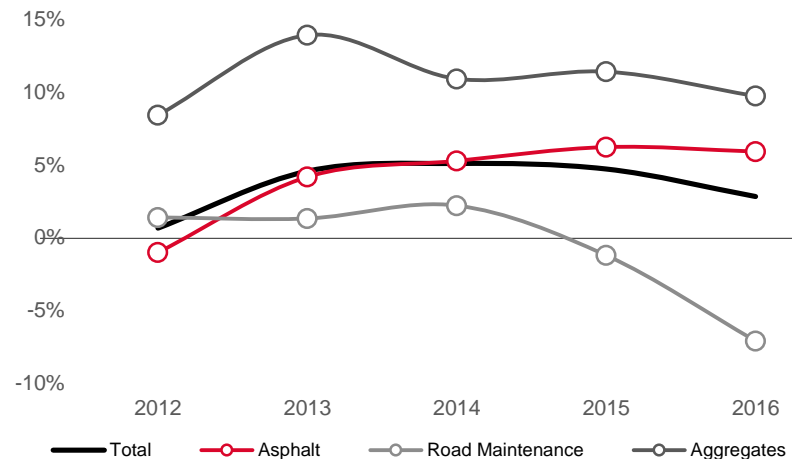
*Adjusted for changes in the pension scheme in 2012 and 2016

SOLID PERFORMANCE IN ASPHALT AND AGGREGATES

PROFIT BEFORE TAX* (NOK MILL.)

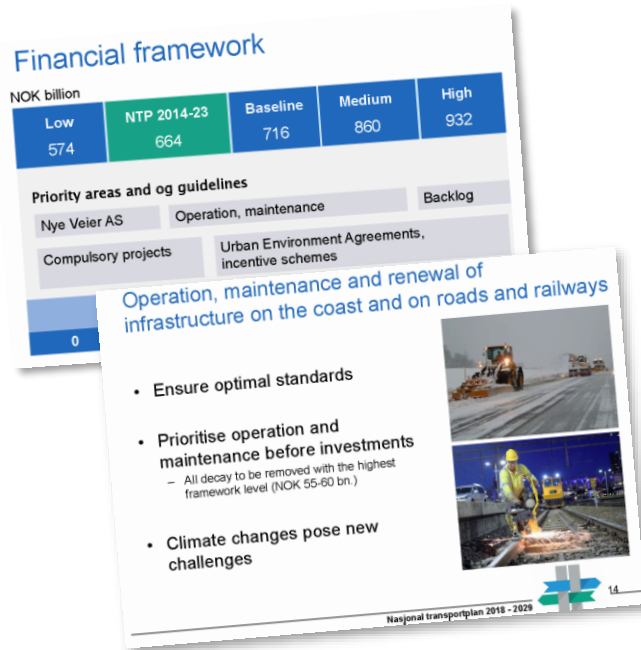


MARGIN DEVELOPMENT*

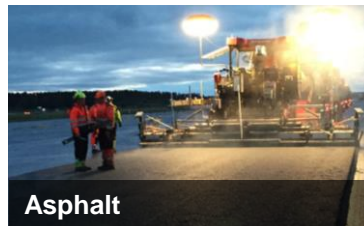


*Adjusted for positive one-off effects from changes in the pension scheme in 2012 and 2016

LEADING POSITION WITHIN THE ROAD SEGMENT



- Good operations and continuous improvements
- Develop positions through organic growth and acquisitions



- Good operations and continuous improvements
- Develop positions
- Large infrastructure projects
- Environmental benefits through energy efficiency

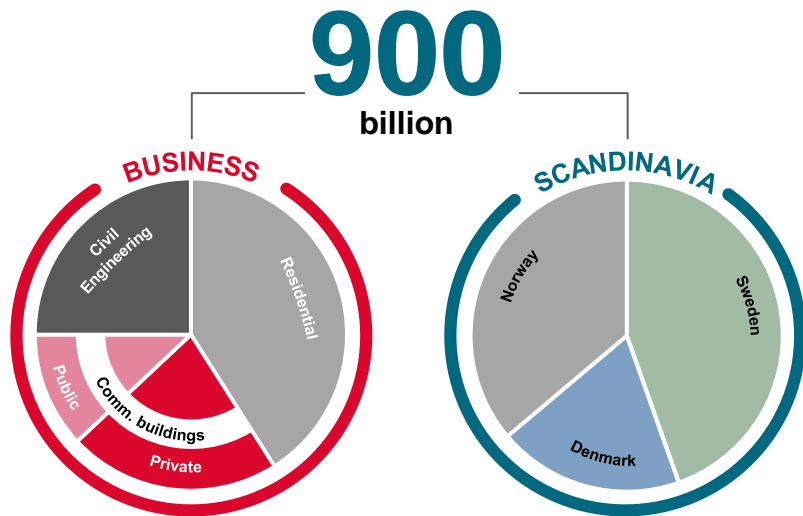


- Turnaround
- The right contract and project execution
- Large infrastructure projects

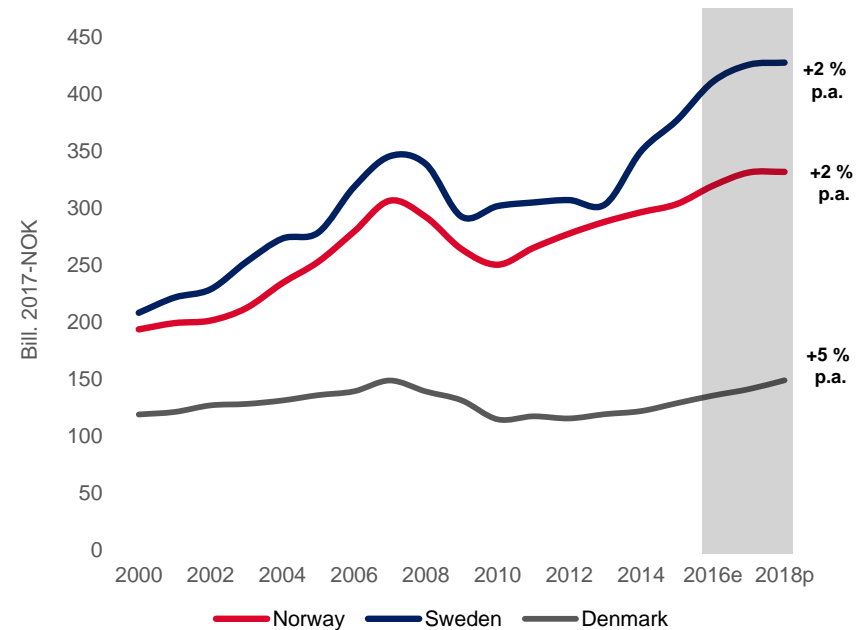


GOALS AND AMBITIONS

A STRONG SCANDINAVIAN MARKET

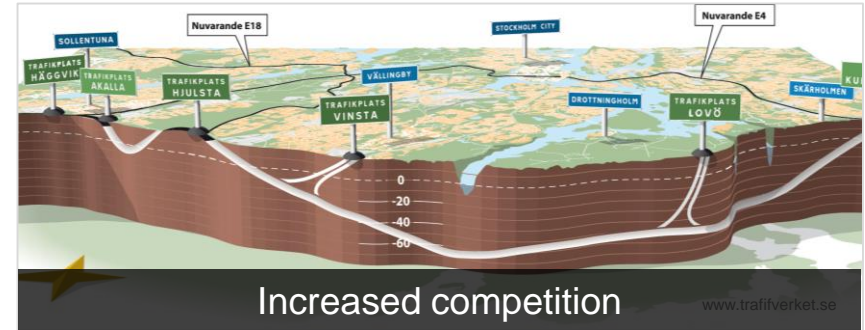


INVESTMENTS IN THE CONSTRUCTION SECTOR



Sources: Veidekke, SCB, DST and SSB.
Percentages are average annual growth prognosis for 2017 and 2018

IMPORTANT TRENDS



OUR LONG-TERM GOALS

OCCUPATIONAL
HEALTH AND SAFETY

0

SERIOUS INJURIES

CONSTRUCTION

5%

MARGIN

PROPERTY DEVELOPMENT

15%

RETURN ON INVESTED
CAPITAL

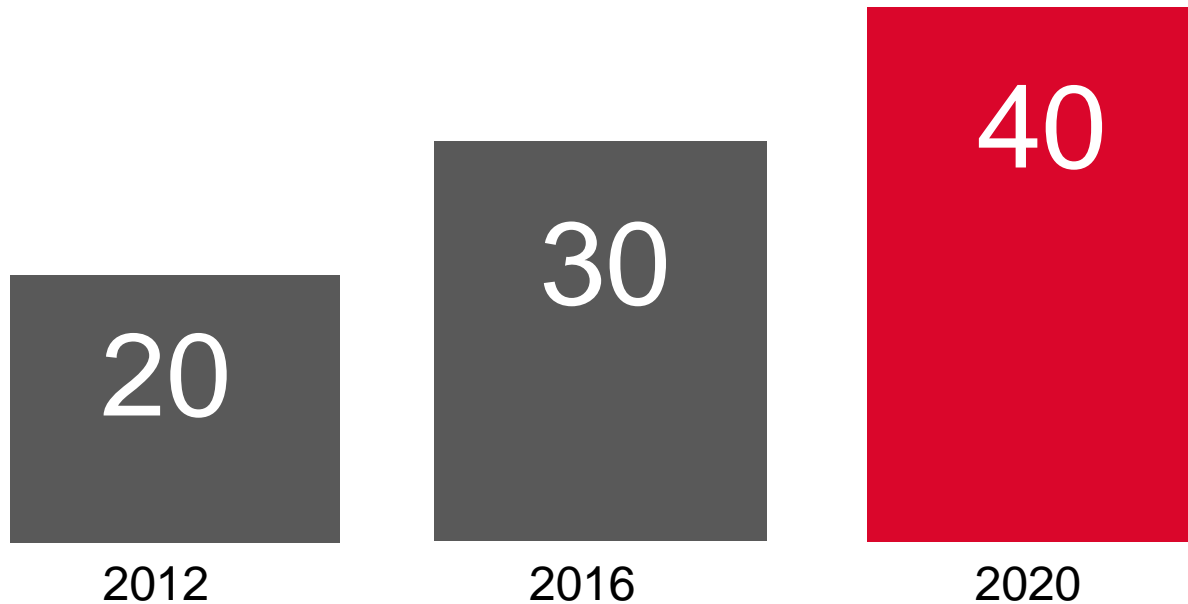
INDUSTRIAL

6,5%

MARGIN

Margin is based on Profit before tax

AMBITIONS FOR FURTHER GROWTH



- + Exploit strong positions and good markets
- + Selective acquisitions
- + Focus on profitability

OUR FOCUS

CONSTRUCTION



Building Construction



Civil Engineering

- + Selective prioritisation of new projects
- + Targeted measures in businesses with low profitability

PROPERTY DEVELOPMENT



- + Take advantage of the good markets
- + Further develop the land bank

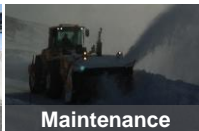
INDUSTRIAL



Asphalt



Aggregates



Maintenance

- + Turnaround in Road Maintenance
- + Further develop the positions in Asphalt and Aggregates

OUR INVESTMENT PROPOSITION

- + Strong positions in the Scandinavian construction markets
- + Revenue and profitability growth
- + Strong order backlog in construction
- + Attractive property development portfolio
- + Solid financial position
- + Dividend proposal of NOK 4.5 for 2016





Sjödalterrassen, Brandstegen, Huddinge

APPENDIX - GROUP FINANCIALS

BUSINESS AREAS

Amounts in NOK million	2016*			2015		
	Revenues	Profit	Margin	Revenues	Profit	Margin
Construction Norway	15 096	596	4.0%	12 031	493	4.1%
Construction Sweden	7 819	102	1.3%	6 156	56	0.9%
Construction Denmark	1 713	105	6.2%	1 608	96	6.0%
Total Construction	24 629	804	3.3%	19 795	644	3.3%
Property Development Norway	338	149		413	146	
Property Development Sweden	2 864	418		1 712	159	
Total Property Development	3 202	567		2 126	306	
Industrial	4 162	136	3.3%	4 033	190	4.7%
Other	-1 856	-47		-1 444	-97	
Total Group	30 137	1 460	4.8%	24 509	1 043	4.3%

* Positive one-off effect from changes to the disability pension scheme in Norway of NOK 108 mill. attributed to Construction with NOK 81 mill., NOK 19 mill. to Industrial, NOK 4 mill. to Property Development and NOK 4 mill. to Other.

CHANGES IN PROFIT BEFORE TAX

PROFIT BEFORE TAX*



* One-off effect from changes to the disability pension scheme in Norway in light red

INCOME STATEMENT

Amounts in NOK million	Full year	
	2016	2015
Revenue	28 613	24 225
Operating expenses	-27 284	-23 039
Share of net income from associates and JVs	190	130
Depreciation/impairment	-466	-372
Operating profit	1 053	944
Net financial income	38	6
Profit before tax	1 092	950
Income tax expense	-170	-167
Profit after tax	922	782
Of which non-controlling interests	35	18
Profit after tax (net)	887	765
Earnings per share (NOK)	6.6	5.7
Profit before tax, segment	1 460	1 043

BALANCE SHEET – ASSETS

Amounts in NOK million	31.12.2016	31.12.2015
Goodwill and other intangible assets	1 385	1 255
Deferred tax assets	65	65
Land and buildings	560	556
Plant and machinery	1 954	1 689
Investments in associates and joint ventures	1 363	1 134
Financial assets	649	852
Total non-current assets	5 975	5 550
Non-residential and residential projects	4 877	3 355
Inventories	455	310
Trade and other receivables	5 494	5 171
Cash and cash equivalents	644	402
Total current assets	11 470	9 238
Total assets	17 445	14 788

BALANCE SHEET – EQUITY AND LIABILITIES

Amount in NOK million	31.12.2016	31.12.2015
Equity	3 465	3 218
Pensions and deferred tax liabilities	877	940
Bonds	750	750
Amounts due to credit institutions	212	517
Other non-current liabilities	136	103
Total non-current liabilities	1 975	2 310
Debt to credit institutions	44	43
Trade payables and warranty provisions	5 097	4 626
Public duties and taxes payable	784	759
Other current liabilities	6 080	3 832
Total current liabilities	12 005	9 260
Total equity and liabilities	17 455	14 788
Net interest-bearing debt	0	606

STATEMENT OF CASH FLOWS

Amounts in NOK million	2016					2015
	Construction	Property development	Industrial	Other ¹⁾	Group	Group
Profit before tax	804	567	136	-415	1 092	950
Depreciation/impairment	295	1	167	3	466	372
Other working capital	153	-273	62	380	322	-551
Cash flow from operating activities	1 252	295	365	-32	1 880	771
Acquisition/disposal of PPE	-383	-12	-252	-13	-659	-463
Other investing activities	-126	20	8	-244	-341	-600
Cash flow from investing activities	-509	9	-244	-256	-1 000	-1 063
Dividend paid	-	-	-	-535	-535	-468
Other financial items	-65	14	-22	334	261	-120
Cash flow from financing activities	-65	14	-22	-200	-274	-588
Change in net interest-bearing debt	678	318	99	-489	606	-879
Invested capital at 31.12²⁾		3 115	1 133		4 326	4 472

*1) Includes IFRS adjustments and Group eliminations

2) Invested capital is calculated only for the capital-intensive business segments
Property Development and Industrial

FINANCIAL GOALS AND RESULTS

BUSINESS AREA	LONG TERM GOAL		AVG 2012-15	2016
Construction	Margin (EBT)	5.0%	2.9%	2.9%
Norway			3.3%	3.4%
Sweden			1.0%	1.3%
Denmark			5.4%	6.2%
Industrial	Margin (EBT)	6.5%	3.7%	2.8%
Property development	Return on invested capital	15.0%	10.4%	21.4%
Norway			11.9%	12.1%
Sweden			9.4%	45.1%



*2012 and 2016 are adjusted for changes in the pension scheme

INVESTOR RELATIONS

Jørgen Michelet

Senior Vice President Finance

T: +47 917 43 856

jorgen.michelet@veidekke.no

