



Presentation

1st quarter 2019

9 May 2019

CEO Arne Giske and CFO Terje Larsen

Highlights 1st quarter 2019

- Low season in parts of the business
- Historically high order book and continued turning towards non-residential buildings
- Revenue growth and stable results in Construction
- Increased residential sales and profit decline in Property Development Sweden

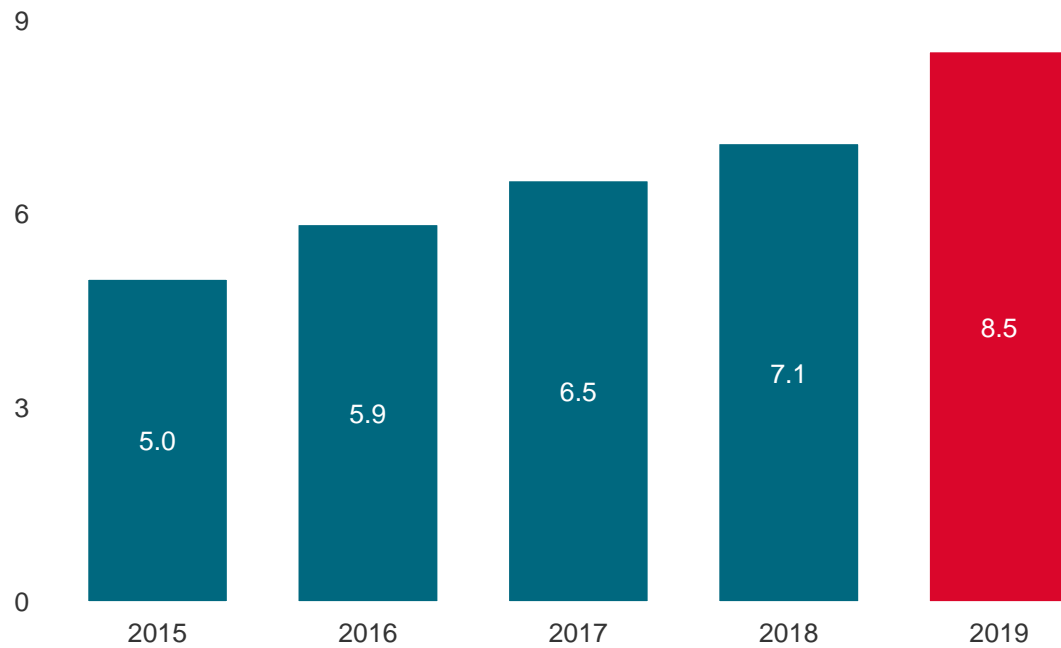


Mineralvandsfabrikken, built by Veidekke in central Copenhagen, with commercial and residential units

Revenue and earnings 1st quarter

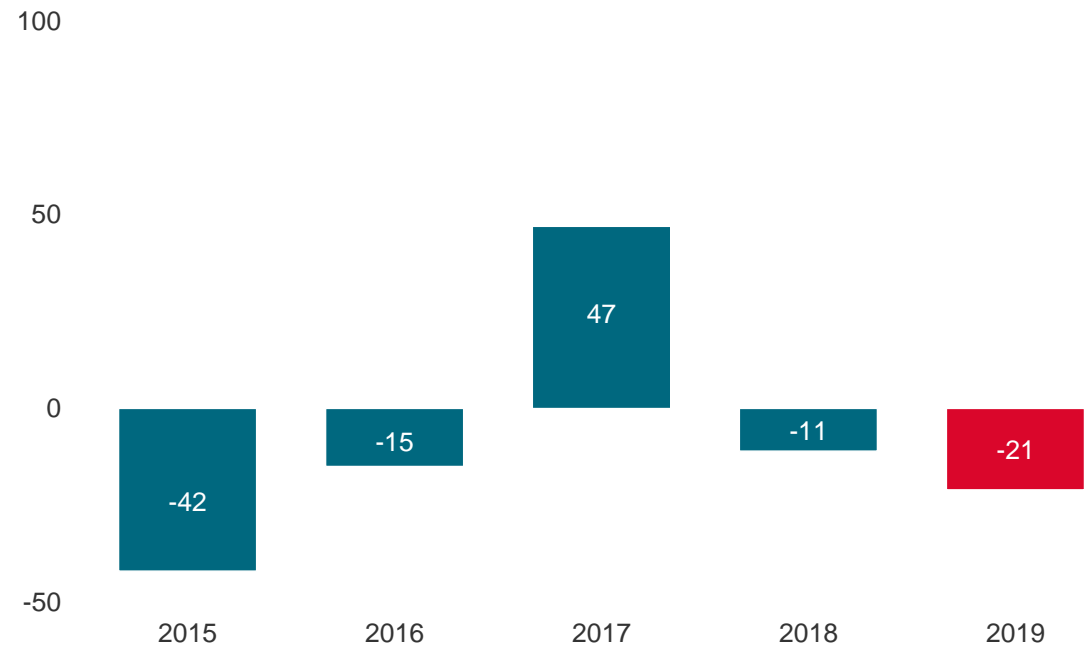
1st quarter: Revenue

NOK bill.



1st quarter: Profit before tax

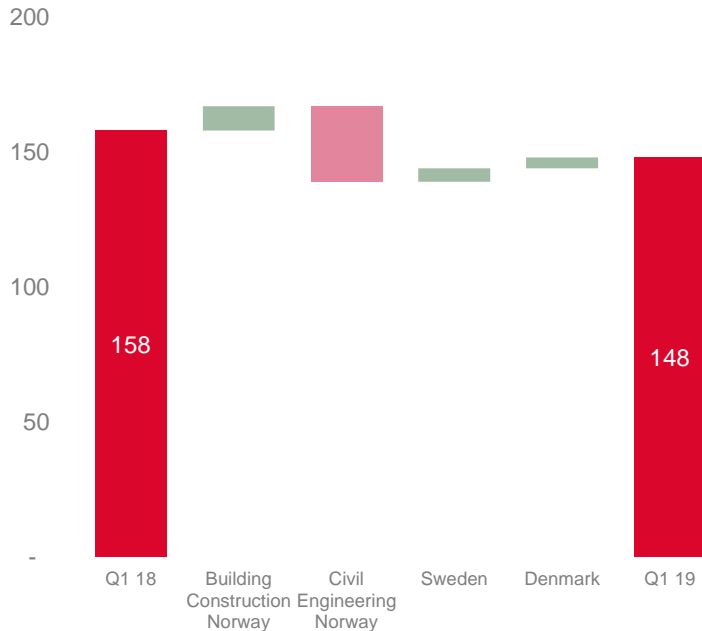
NOK mill.



Profit before tax 1st quarter per business area

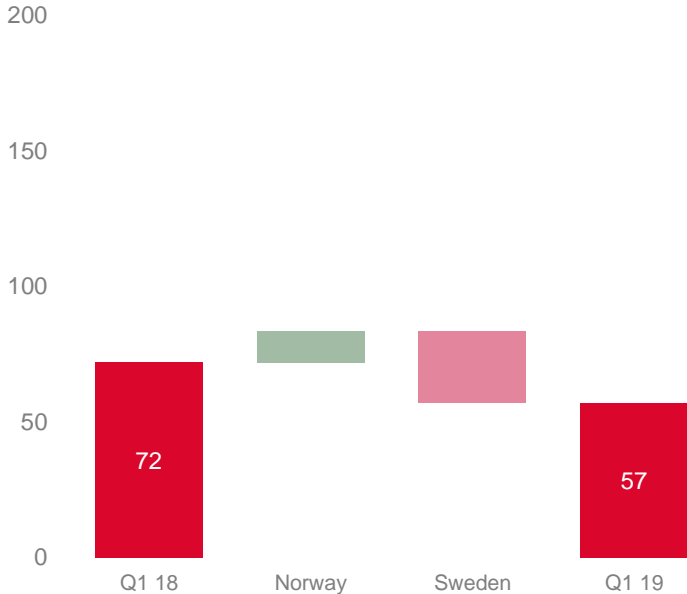
Construction

NOK mill.



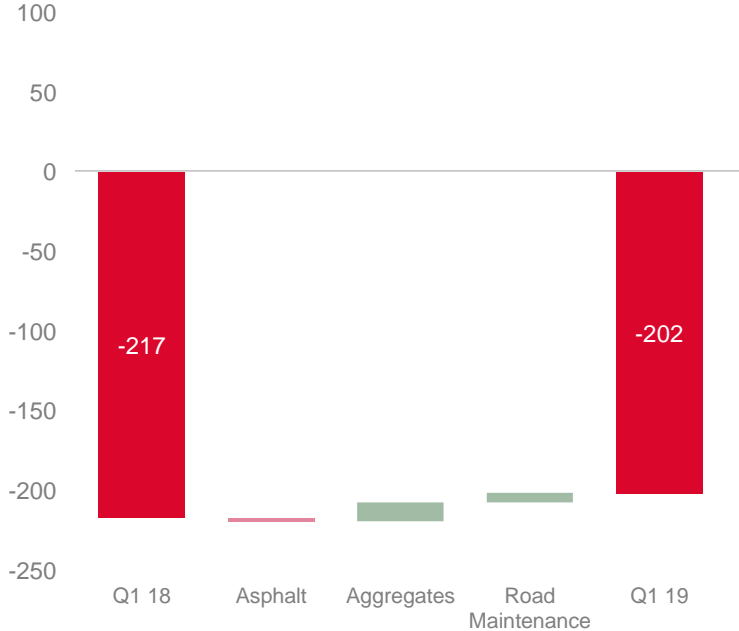
Property Development

NOK mill.



Industrial

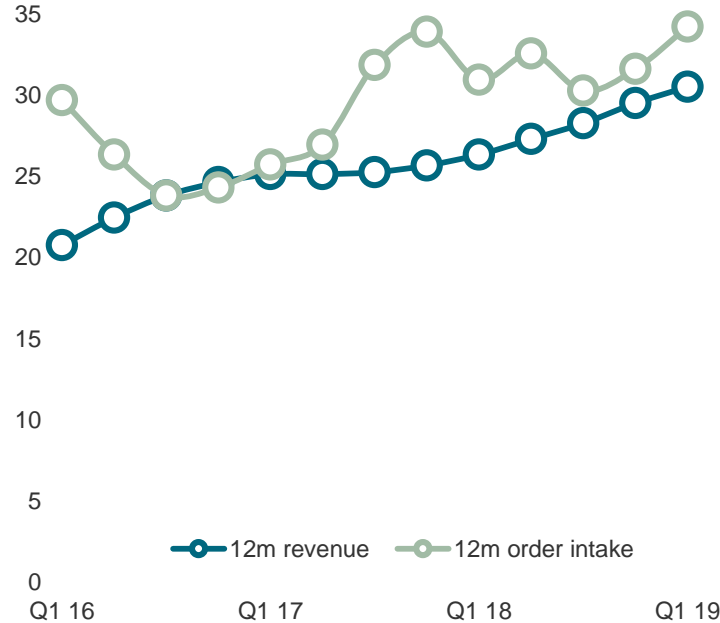
NOK. mill.



Order intake and order book Construction

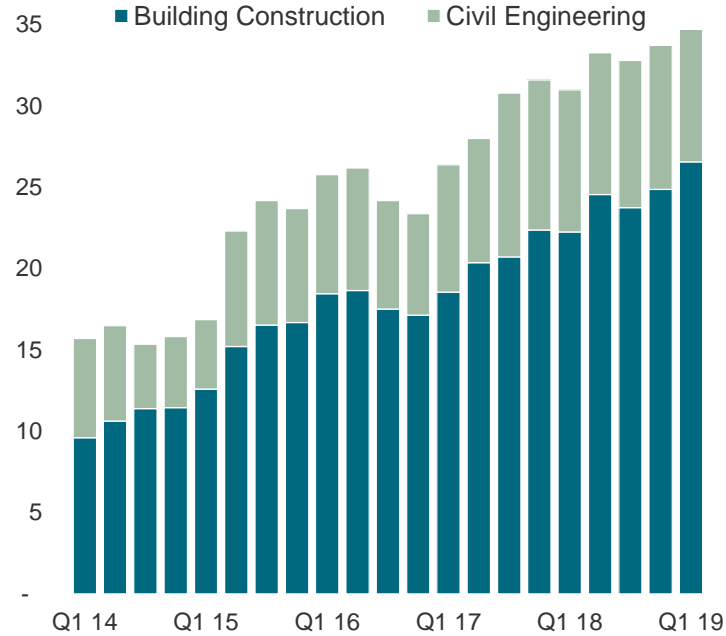
Revenue and order intake

NOK bill. - "Book-to-bill ratio" 1.12



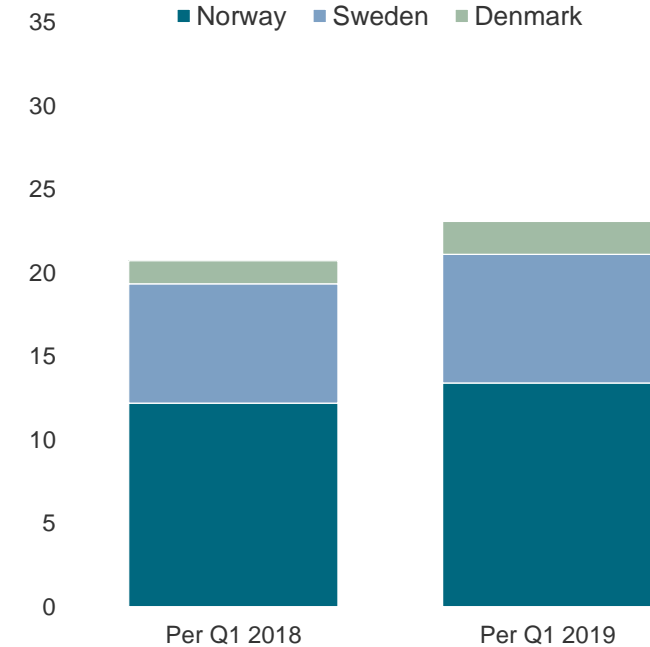
Order book

NOK bill.



Orders in revenue next 12 months

NOK bill.



Middelthunet – very good sales start



329 units at
Majorstuen, Oslo

Stepwise sales start for
183 units from Q1 2019

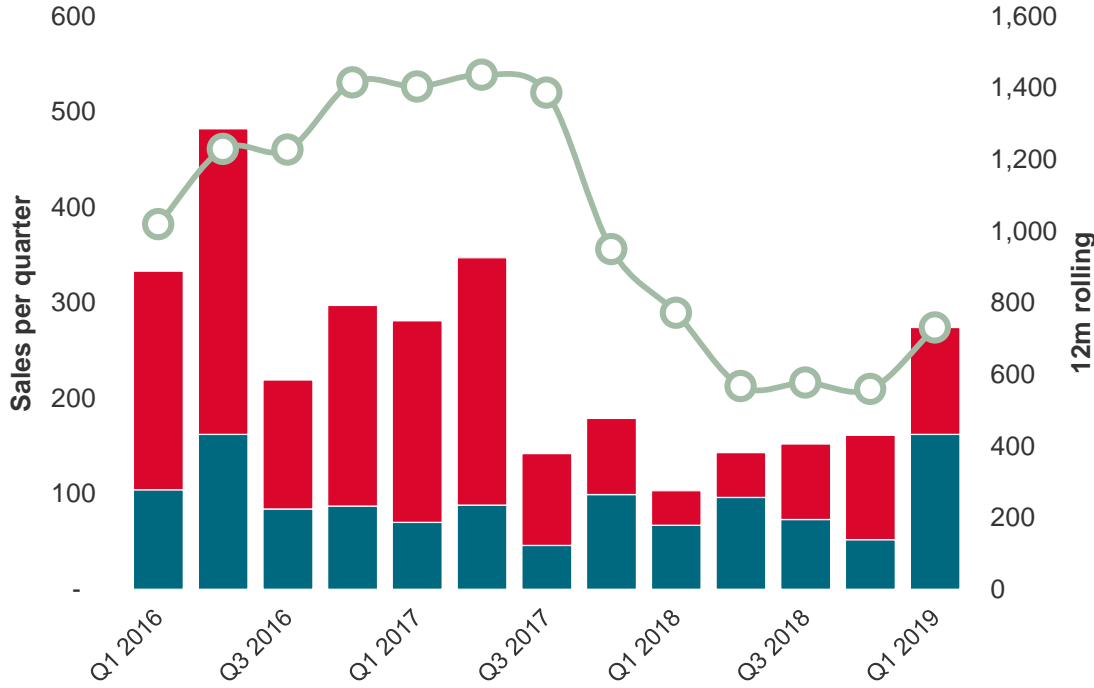
164 of 183 units sold

Construction start
planned for 2020, with
completion in 2022



Residential sales and construction

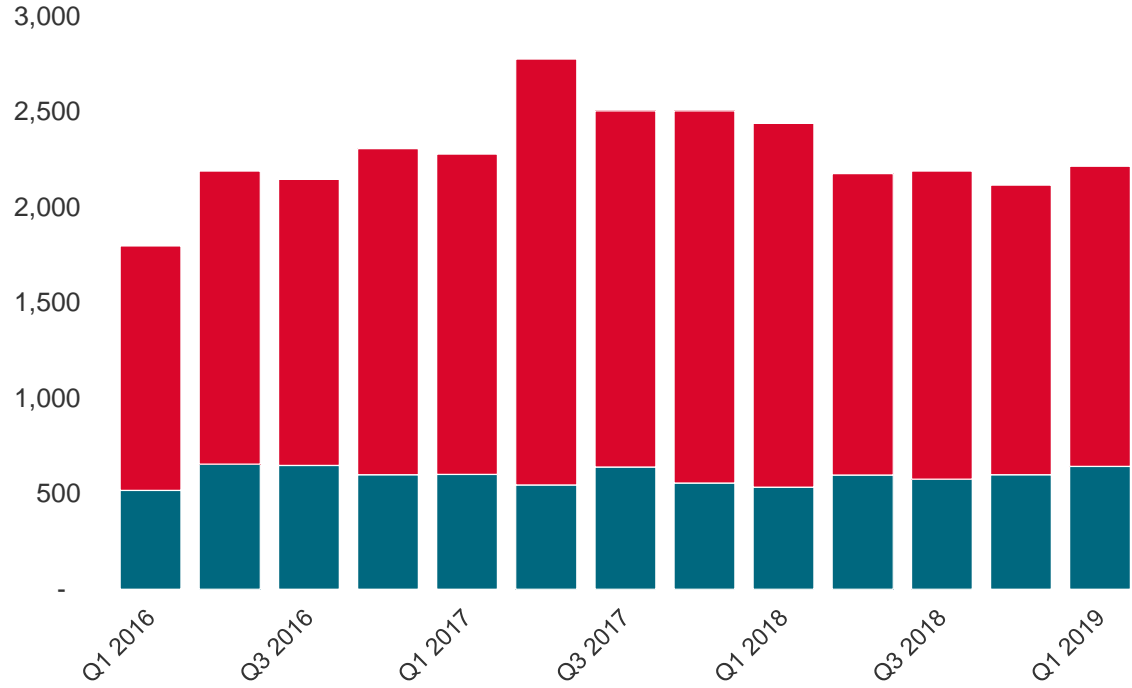
No. of units sold*



*Veidekke's share

○ 12m rolling sales ■ Sweden ■ Norway

Units under construction*



Business areas 1st quarter

Amounts in NOK million	1st quarter 2019			1st quarter 2018		
	Revenue	Profit	Margin	Revenue	Profit	Margin
Building Construction Norway	3 390	110	3.2 %	3 018	101	3.3 %
Civil Engineering Norway	1 143	-25	-2.2 %	1 009	3	0.3 %
Construction Sweden	2 409	33	1.4 %	1 968	28	1.4 %
Construction Denmark	569	30	5.3 %	505	26	5.2 %
Total Construction	7 510	148	2.0 %	6 500	158	2.4 %
Property Development Norway	242	39		153	27	
Property Development Sweden	476	19		480	45	
Total Property Development	718	57		633	72	
Industrial	615	-202	-33 %	475	-217	-46 %
Other	-312	-24		-501	-25	
Total Group	8 531	-21	-0.2 %	7 107	-11	-0.2 %

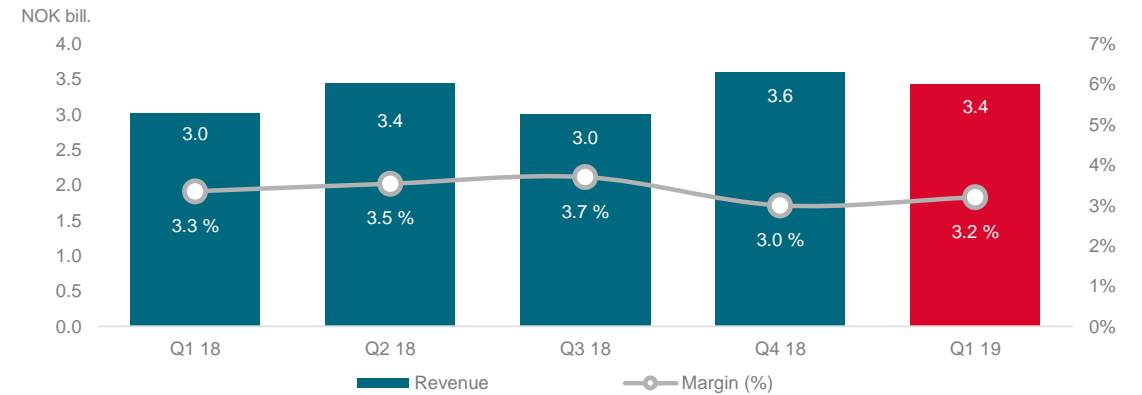
Building Construction Norway

1ST QUARTER 2019

- Revenue growth from 1st quarter 2018
 - Particularly strong performance in Eastern Norway and Mid-Norway
- Stable margin
 - Improved results due to revenue growth
- Significantly increased order book
 - New large contracts in all main segments

	1st quarter		Full year
NOK mill.	2019	2018	2018
Revenue	3 390	3 018	13 070
Profit before tax	110	101	443
Profit margin	3.2 %	3.3 %	3.4 %

REVENUE AND MARGIN



ORDER BOOK AND ORDER INTAKE



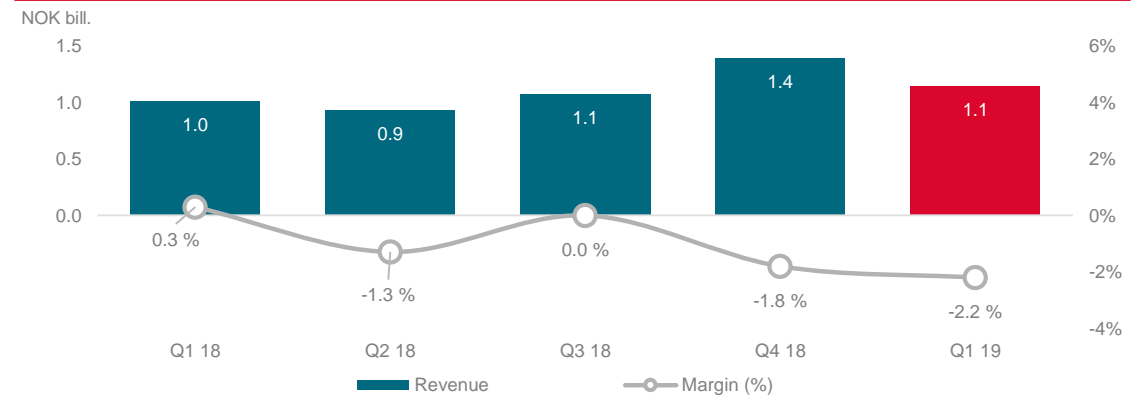
Civil Engineering Norway

1ST QUARTER 2019

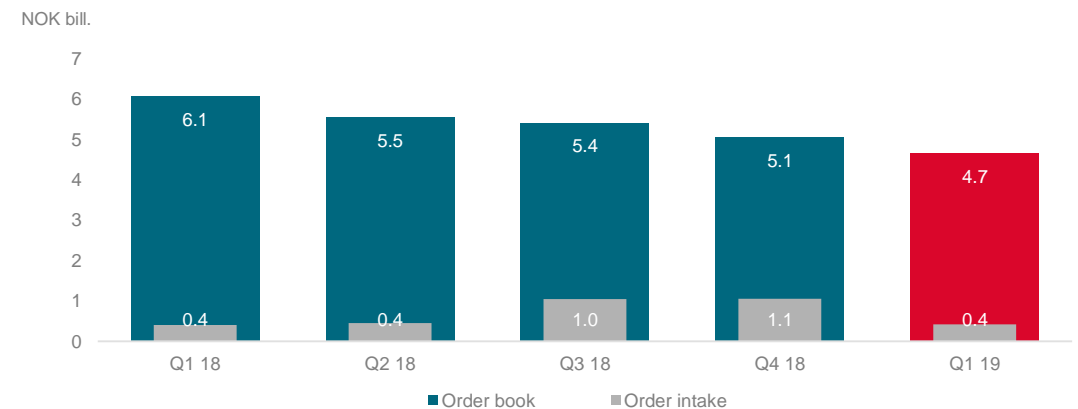
- High activity in ongoing projects
- The profitability of the project portfolio is weak
 - Several ongoing large-scale projects were written down in 2018 and do not generate positive results
 - Comprehensive measures have been implemented
- Low order intake in the quarter
 - Selective bidding

NOK mill.	1st quarter		Full year
	2019	2018	2018
Revenue	1 143	1 009	4 427
Profit before tax	-25	3	-584
Profit margin	-2.2 %	0.3 %	-13.2 %

REVENUE AND MARGIN*



ORDER BOOK AND ORDER INTAKE



* Margin in the chart excludes NOK 550 million write-down in Q2 2018

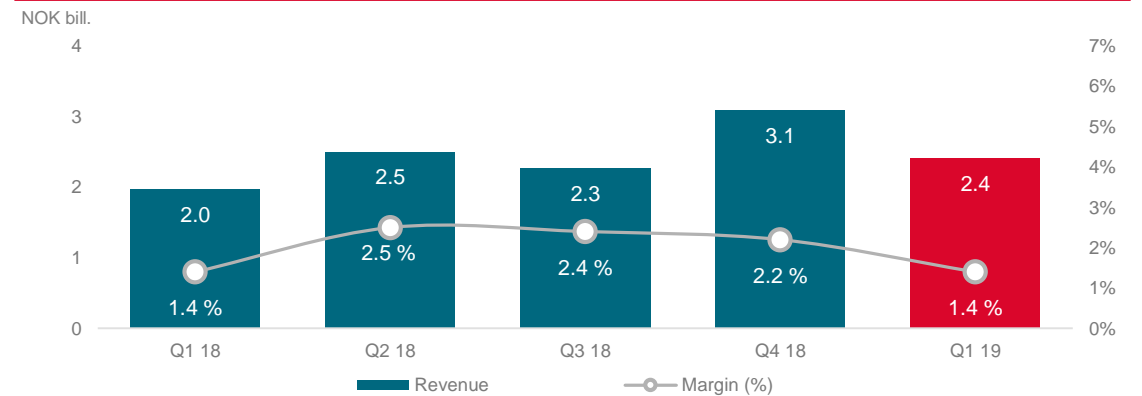
Construction Sweden

1ST QUARTER 2019

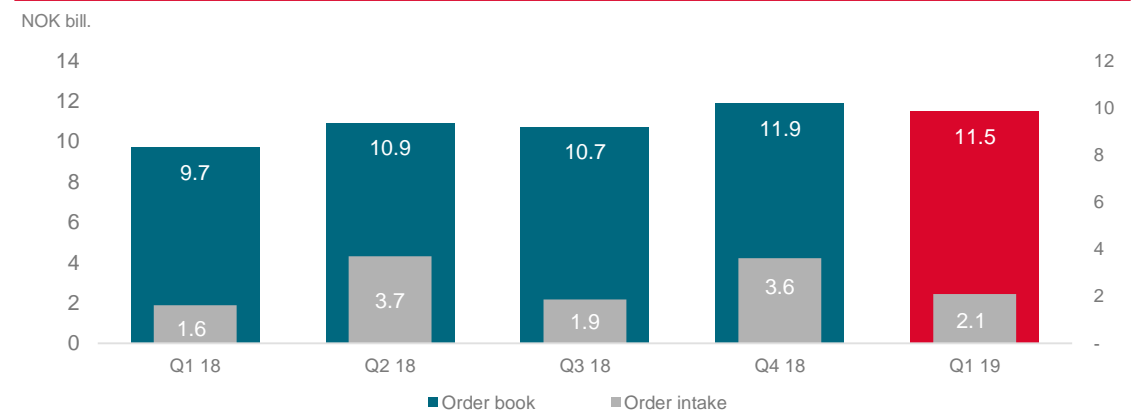
- Revenue growth from 1st quarter 2018
 - Acquisition in 2018 accounts for most of the increase
 - Lower activity level in residential
- Stable result and margin from 1st quarter 2018
 - Acquisition in 2018 contributed to improved results
 - Lower activity and weak profitability in the residential segment and somewhat weaker profitability in Civil Engineering
- Stable order book
 - Order intake mainly comprises residential projects for external customers

	1st quarter		Full year
NOK mill.	2019	2018	2018
Revenue	2 409	1 968	9 855
Profit before tax	33	28	214
Profit margin	1.4 %	1.4 %	2.2 %

REVENUE AND MARGIN



ORDER BOOK AND ORDER INTAKE



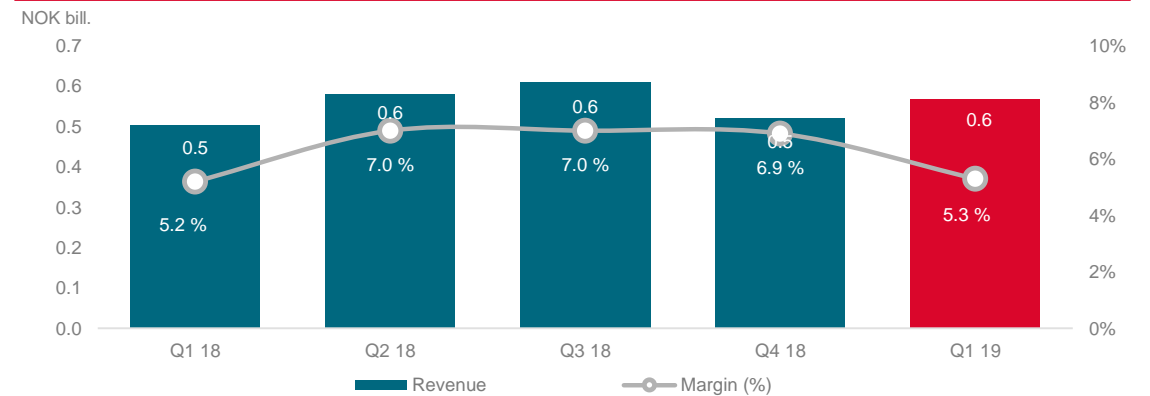
Construction Denmark

1ST QUARTER 2019

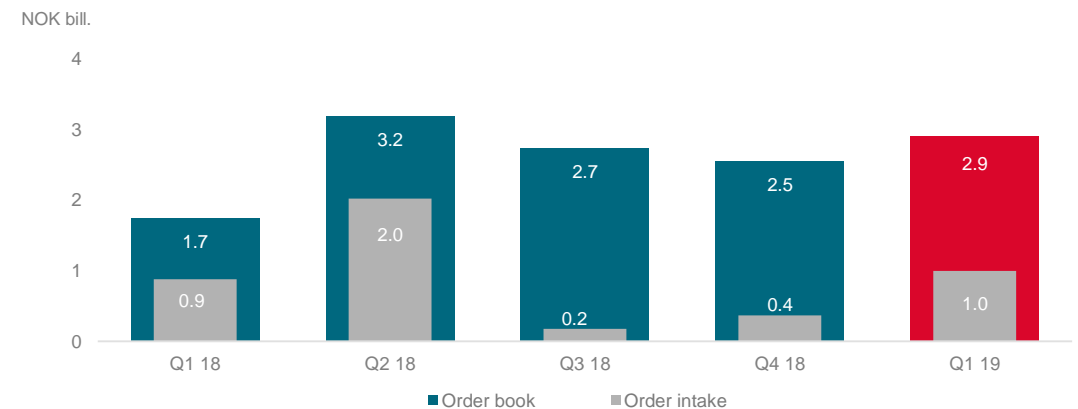
- Revenue growth
 - High activity in the Copenhagen area
- Stable result and margin from 1st quarter 2018
 - Solid overall project profitability in the portfolio
- Strong order book
 - New projects in Copenhagen and in Jutland

NOK mill.	1st quarter		Full year
	2019	2018	2018
Revenue	569	505	2 218
Profit before tax	30	26	146
Profit margin	5.3 %	5.2 %	6.6 %

REVENUE AND MARGIN



ORDER BOOK AND ORDER INTAKE



Property Development Norway

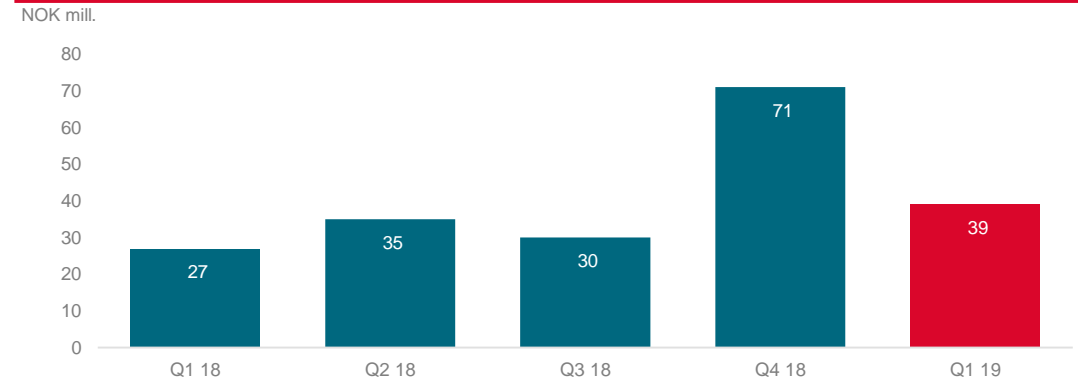
1ST QUARTER 2019

- A good result
 - Increased sales in ongoing projects
- Some increase in residential production
 - Construction started on three smaller projects with 44 residential units
- 174 units in three projects were released for sale in the quarter
- Invested capital
 - Payment for plot Nedre Skøyen vei, Oslo; NOK 750 mill.
 - Return on invested capital* 9%

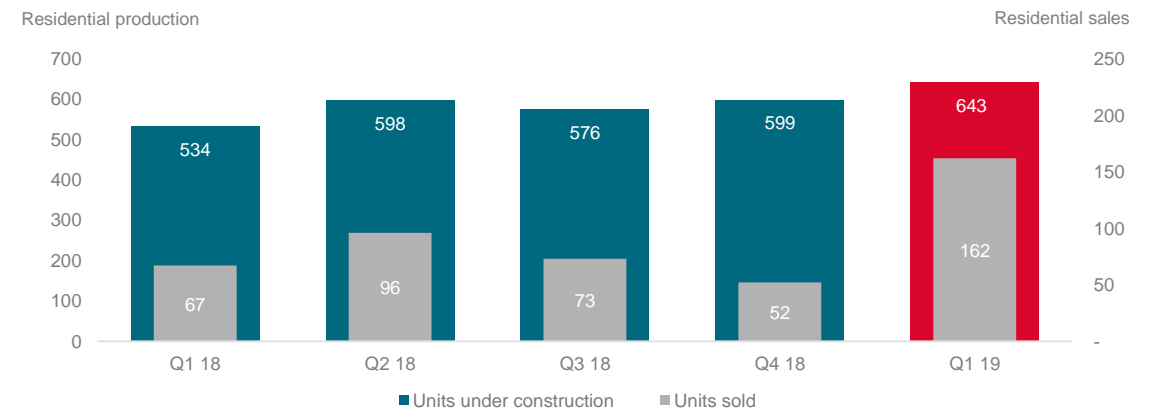
	1st quarter		Full year
	2019	2018	2018
Profit before tax (NOK mill.)	39	27	163
Number of units sold	162	67	288
Numbers of units started	44	9	385
Units under construction	643	534	599
Sales ratio (units under construction)	75 %	82 %	70 %

Figures in table denote Veidekke's share *Return past 12 months

PROFIT BEFORE TAX



RESIDENTIAL SALES & PRODUCTION, VEIDEKKE'S SHARE (NO. OF UNITS)



Property Development Sweden

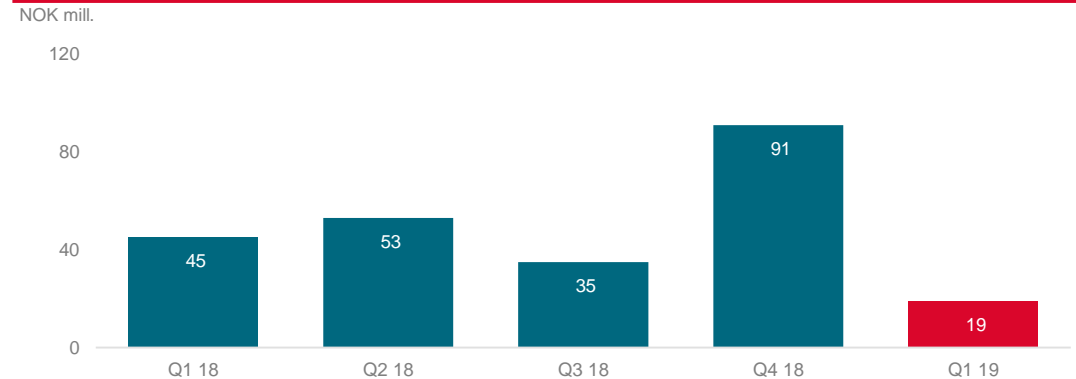
1ST QUARTER 2019

- Increased residential sales
 - Good sales in Gothenburg and Malmö, low in the Stockholm area
 - No property development gains in the quarter
- Decrease in profit
 - Lower production and price adjustments
- Construction started on three projects with 91 residential units in the quarter
- Return on invested capital* 15%

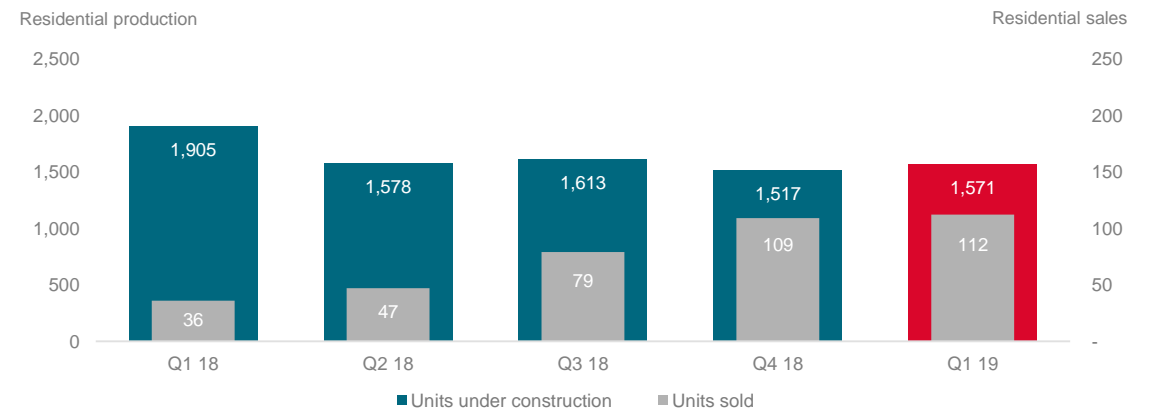
	1st quarter		Full year
	2019	2018	2018
Profit before tax (NOK mill.)	19	45	225
Number of units sold	112	36	271
Numbers of units started	91	0	295
Units under construction	1 571	1 905	1 517
Sales ratio (units under construction)	88 %	85 %	84%

Figures in table denote Veidekke's share *Return past 12 months

PROFIT BEFORE TAX



RESIDENTIAL SALES & PRODUCTION, VEIDEKKE'S SHARE (NO. OF UNITS)



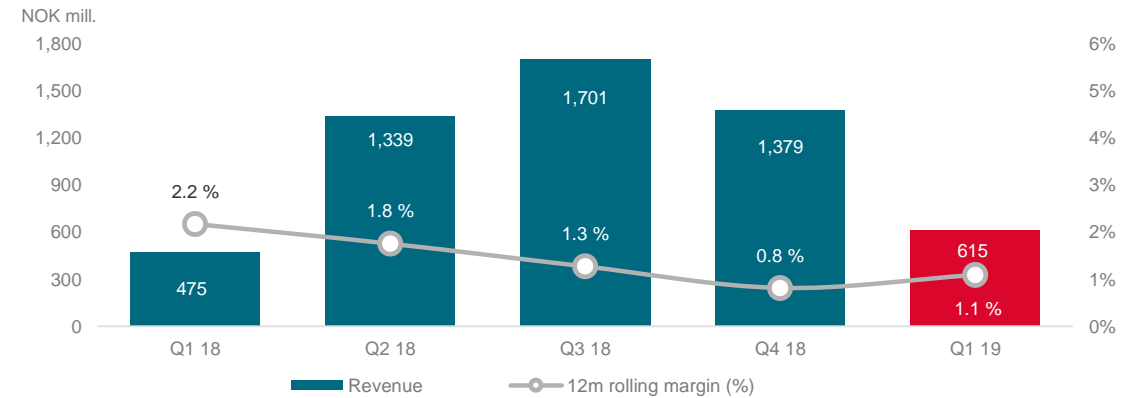
Industrial

1ST QUARTER 2019

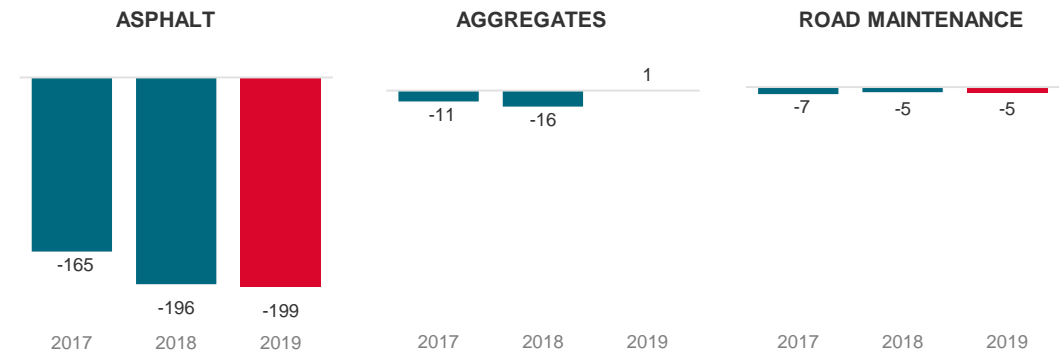
- Asphalt: Low activity, with preparations for start of season
- Aggregates: Increased profits and sound margins
 - More activity in spoil reception, new landfill business, higher prices
- Road Maintenance: Low results attributed to provisions

NOK mill.	1st quarter		Full year
	2019	2018	2018
Revenue	615	475	4 894
Profit before tax	-202	-217	40
Profit margin	-33 %	-46 %	0.8 %

REVENUE AND 12M MARGIN*



PROFIT BEFORE TAX 1st quarter



*Margin shown in the graph is exclusive of a development gain of NOK 70 million in Q4 2017

Financial Statements

IFRS

IFRS 16: New standard for leases from 2019

Leases must be capitalised*

Effect on Balance Sheet

Pro forma effects for the balance sheet at year-end 2018

- The lease obligation is recognised in the balance sheet at the present value of the unpaid lease obligations
- Increased balance of office rent NOK 747 mill. plus NOK 198 mill. in machine and barrack rentals

Balance Sheet per 31.12 2018, amounts in NOK mill.	Former principle	Changes	IFRS 16
Non-current assets	7 238	945	8 183
Current assets	11 597		11 597
Total assets	18 835	945	19 780
Equity	3 983		3 983
Long term debt	3 108	685	3 793
Short term debt	11 744	260	12 004
Total equity and liabilities	18 835	945	19 780

Effect on Income Statement

Pro forma effects for the income statement for 2018

- Depreciation increases, while operating expenses are reduced
- Provides improved EBITDA, but minor overall effect

Income Statement 2018, amounts in NOK mill.	Former principle	Changes	IFRS 16
Revenue	35 667		35 667
Operating expenses	-34 656	280	-34 376
Share of net income from associates and JVs	163		163
Operating profit before depreciation (EBITDA)	1 174	280	1 454
Depreciation	-594	-260	-854
Operating profit (EBIT)	580	20	600
Financial income	88		88
Financial expenses	-66	-30	-96
Profit before tax	602	-10	592

*The standard was implemented 1 January 2019. Exceptions from the standard: leases with a duration of less than 12 months and assets of low value. See note 16 in Veidekke's quarterly report for further details about the effects of the introduction of IFRS 16.

Income statement (IFRS)

Amounts in NOK million	1st quarter		Full year
	2019	2018	2018
Revenue	8 330	7 023	35 667
Operating expenses	-8 232	-6 965	-34 656
Share of net income from associates and JVs	3	20	163
Depreciation/impairment	-214	-139	-594
Operating profit	-112	-61	580
Net financial income	-1	-6	21
Profit before tax	-113	-67	602
Income tax expense	17	10	-28
Profit after tax	-96	-57	574
Of which non-controlling interests	2	8	34
Profit after tax (net)	-99	-65	540
Earnings per share (NOK)	-0,7	-0.5	4.0
Profit before tax, segment	-21	-11	591

*IFRS 16 implemented as of 1 January 2019 and historical figures have not been adjusted. See note 16 in Veidekke's quarterly report for further details

Balance sheet – Assets

Amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Goodwill and other intangible assets	1 924	1 569	1 957
Deferred tax assets	-	55	-
Land and buildings	1 346	605	646
Plant and machinery	2 815	2 306	2 694
Investments in associates and joint ventures	1 493	1 451	1 433
Financial assets	503	549	508
Total non-current assets	8 081	6 536	7 238
Non-residential and residential projects	5 502	3 910	4 309
Inventories	593	638	564
Trade and other receivables	6 539	6 026	6 527
Cash and cash equivalents	182	476	197
Total current assets	12 816	11 051	11 597
Total assets	20 897	17 586	18 835

*IFRS 16 implemented as of January 1, 2019 and historical figures have not been adjusted. See note 16 in Veidekke's quarterly report for further details

Balance sheet – Equity and liabilities

Amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Equity	3 791	4 030	3 983
Pensions and deferred tax liabilities	848	903	846
Bonds	1 600	600	1 600
Amounts due to credit institutions	2 190	942	248
Other non-current liabilities	1 046	217	414
Total non-current liabilities	5 684	2 662	3 108
Bond debt and debt to credit institutions	36	758	36
Trade payables and warranty provisions	6 114	5 510	6 989
Public duties and taxes payable	1 068	1 039	867
Other current liabilities	4 204	3 586	3 853
Total current liabilities	11 421	10 894	11 744
Total equity and liabilities	20 897	17 586	18 835
Net interest-bearing debt	-3 440	-1 613	-1 470

*IFRS 16 implemented as of January 1, 2019 and historical figures have not been adjusted. See note 16 in Veidekke's quarterly report for further details

Cash flow statement

Amounts in NOK million	1st quarter 2019					1st quarter 2018
	Construction	Property Development	Industrial	Other ¹⁾	Group	Group
Profit before tax	148	57	-202	-116	-113	-67
Depreciation/impairment	136	1	64	14	214	139
Other working capital	-454	-1 329	-98	57	-1 823	-639
Cash flow from operating activities	-170	-1 271	-236	-45	-1 722	-567
Acquisition/disposal of PP&E	-65	-8	-48	-	-120	-155
Other investing activities	7	5	-1	-40	-29	-86
Cash flow from investing activities	-58	-3	-49	-40	-149	-241
Dividend paid	-	-	-	-	-	-
Other financial items	-62	-23	-17	2	-99	-42
Cash flow from financing activities	-62	-23	-17	2	-99	-42
Change in net interest-bearing position	-290	-1 296	-302	-82	-1 970	-849
Invested capital at 31 March²⁾		6 106	1 500		7 580	6 300

¹⁾ Includes IFRS adjustment and group eliminations

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

Highlights 1st quarter 2019

- Low season in parts of the business
- Historically high order book and continued turning towards non-residential buildings
- Revenue growth and stable results in Construction
- Increased residential sales and profit decline in Property Development Sweden



Veidekke is building *Mineralvandsfabrikken* in central Copenhagen and will contain commercial and residential units