



# Presentation Q2 2021

19 August 2021

Jimmy Bengtsson, Group CEO

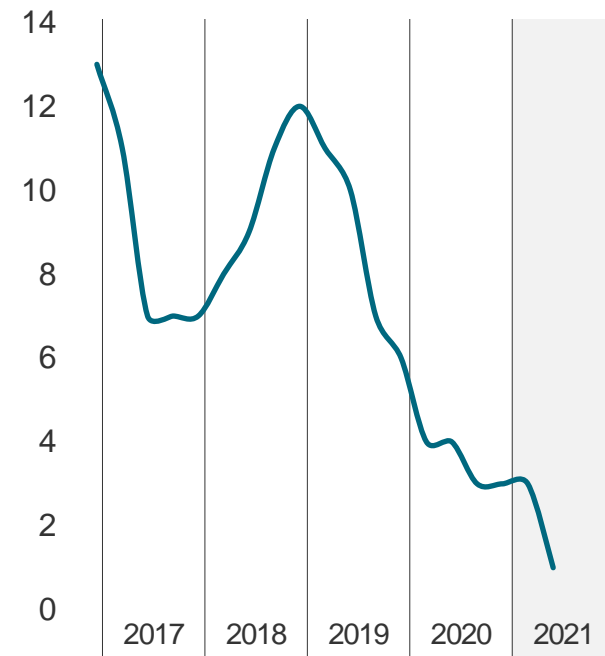
Jørgen Wiese Porsmyr, CFO

# Occupational health and safety

## Our primary priority

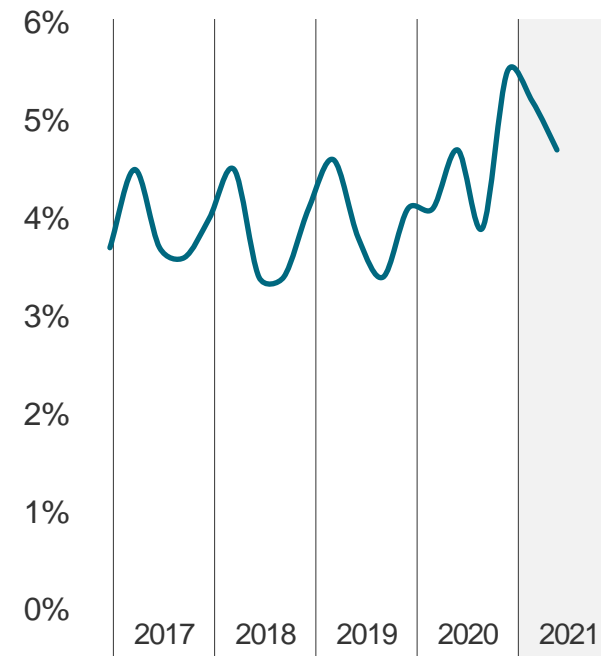
### Number of serious injuries

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



### Sickness absence

Veidekke employees





# Highlights Q2 2021

- Revenues on a par with 2020
- Strong results and increased profitability
- Good order intake in the quarter
- New organisational structure in Sweden



Over spring 2021, Veidekke entered into six new contracts with the Norwegian Public Roads Administration and three county municipalities for the operation and maintenance of national and county roads. The contracts have a duration from four to six years with options for extension, and the total contract value is in excess of NOK 1.9 billion excl. VAT.

# Market development

## On the tail end of a pandemic



- Vaccination signals the beginning of the end of the pandemic
- No significant impact on financial figures for the quarter



- Strong economic growth at home and among trading partners
- Uncertainty related to mutations and bottlenecks



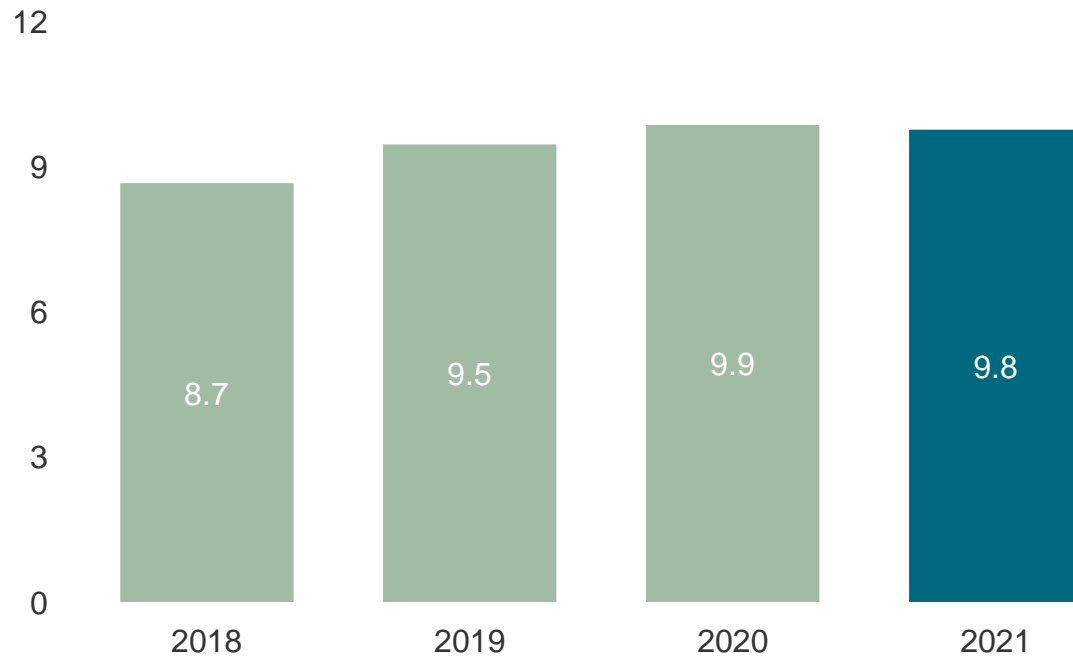
- Greatly varying prices of key raw materials such as steel, concrete and wood
- Challenging supply chain for technical components

# Key financial figures

## Q2 revenues and profits

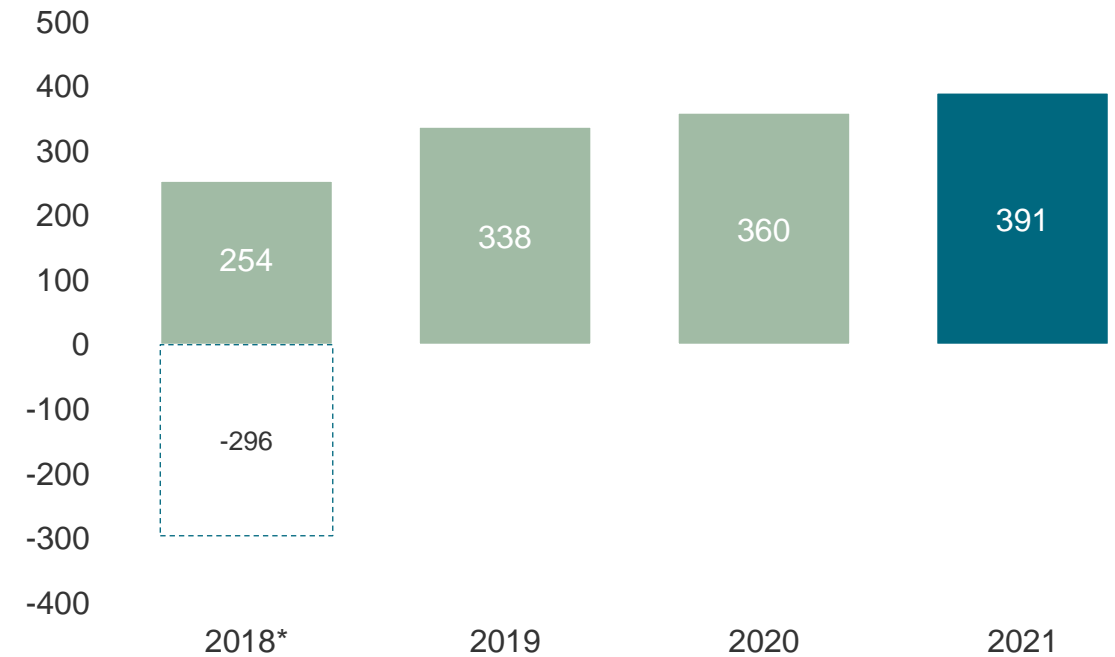
### Q2 revenues

NOK billion



### Q2 pre-tax profit

NOK million

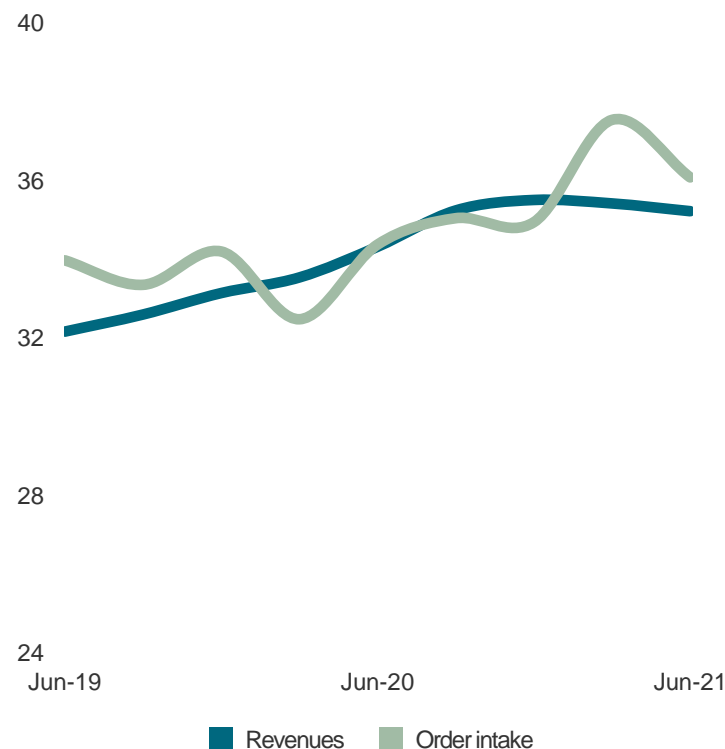


# Strong order book

## A shift towards public buildings

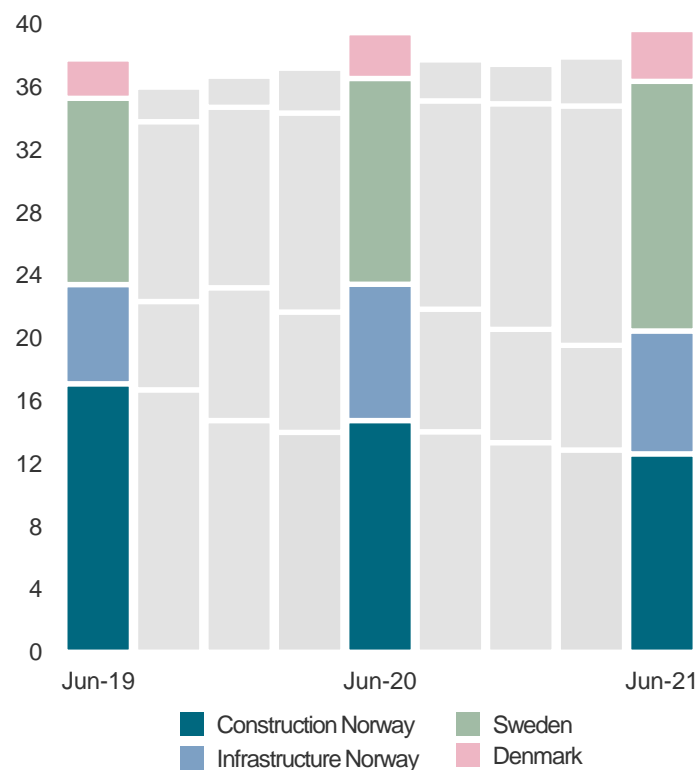
### Revenues and order intake

12-month rolling, NOK billion



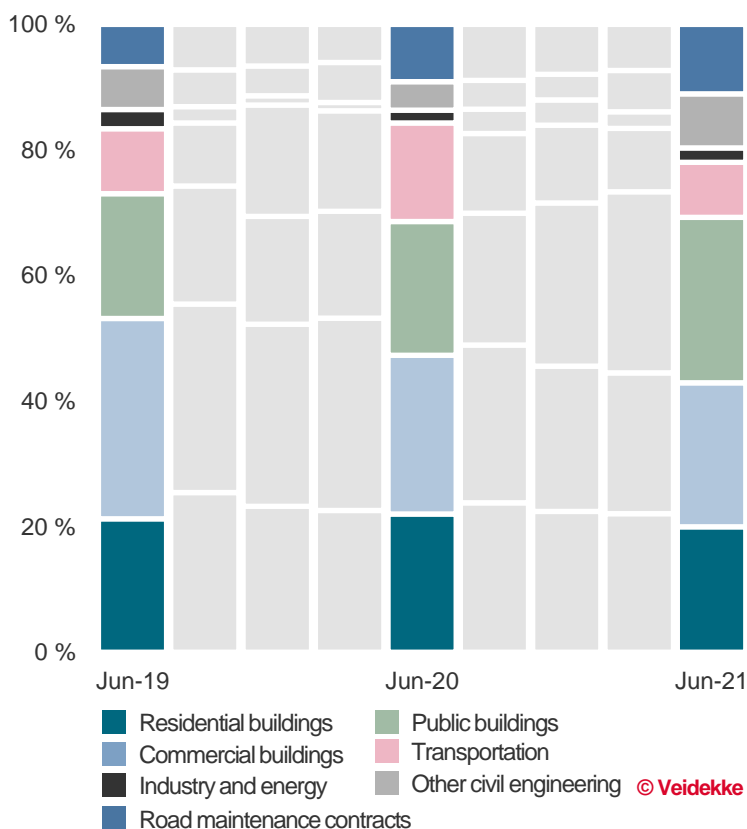
### Order book

NOK billion



### Order book per segment

Percent







# Results

## Group and segments

Jørgen Wiese Porsmyr, CFO  
Q2 2021

# Revenues, profits and profit margins

## Group and segments

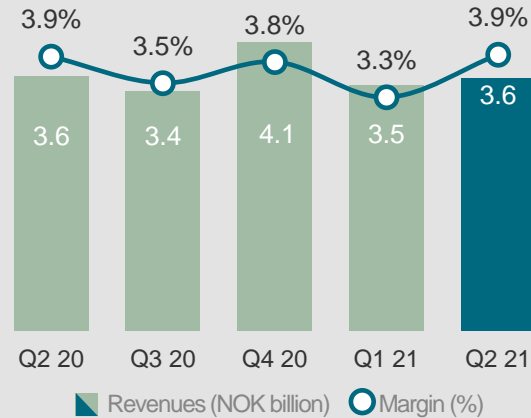
Amounts in NOK million	Q2 2021			Q2 2020		
	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 564	138	3.9 %	3 601	140	3.9 %
Infrastructure Norway	2 459	136	5.5 %	2 332	105	4.5 %
Sweden	3 295	113	3.4 %	3 339	91	2.7 %
Denmark/Hoffmann	529	37	7.0 %	678	42	6.2 %
Other	-36	-32		-60	-18	
<b>Group</b>	<b>9 810</b>	<b>391</b>	<b>4.0 %</b>	<b>9 890</b>	<b>360</b>	<b>3.6 %</b>



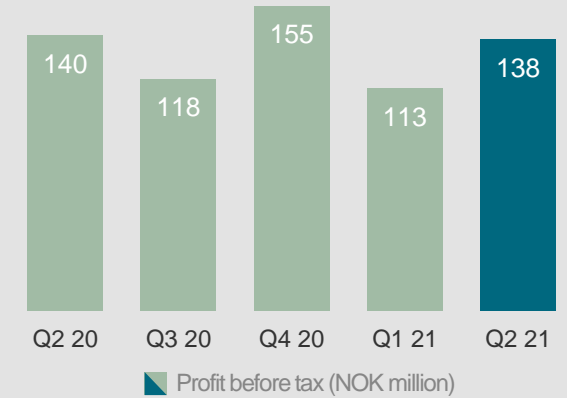
# Veidekke Construction in Norway

- Revenues on a par with last year
  - Revenue from operations in Eastern Norway at a high level
- Profits and margin on a par with last year
  - Oslo region is the main engine, with high profitability
- Order book
  - Order book shrunk by 17% over past 12 months
  - Commercial and residential buildings segments suffer largest decline

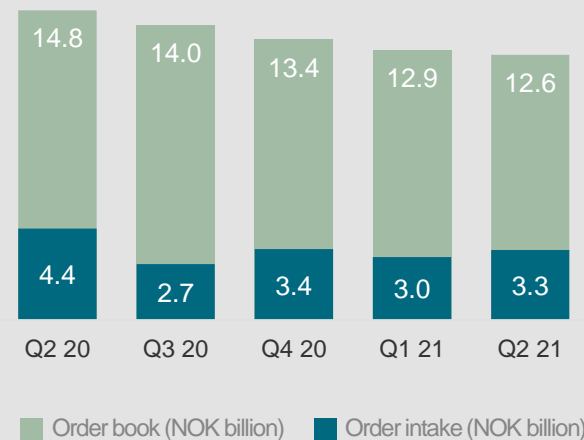
## Revenues and margin



## Profit before tax



## Order intake and order book



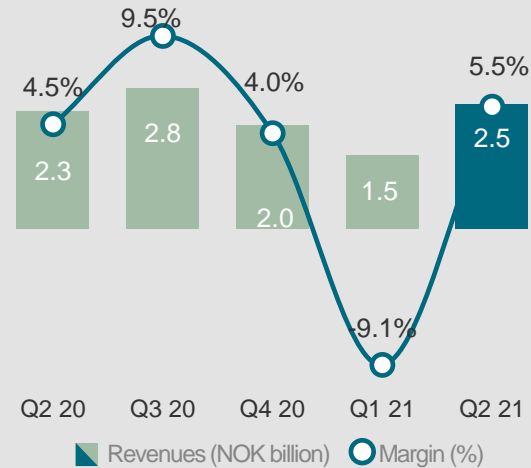
## Revenues and order intake



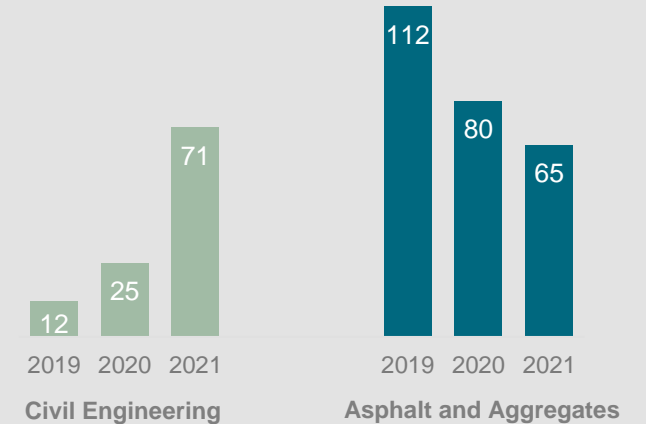
# Veidekke Infrastructure in Norway

- Revenues up 5% over previous year
  - Bitumen price increase has boosted Asphalt and Aggregates revenues
  - Civil Engineering revenues have declined
- Improved profits and margin
  - Civil Engineering; profit margin at 4.8%, as a result of strong profitability in Road Maintenance
  - Asphalt and Aggregates; profit margin at 6.8%. Profits declined somewhat from last year, which included a non-recurring effect from currency gains. Lower asphalt tonnage also contributed to decline.
- Order book
  - 10% slump over past 12 months
  - Transport segment orders are down, while maintenance contracts are up

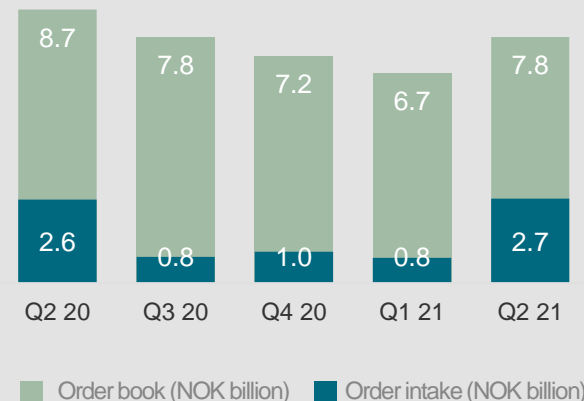
## Revenues and margins



## Profit before tax



## Order intake and order book



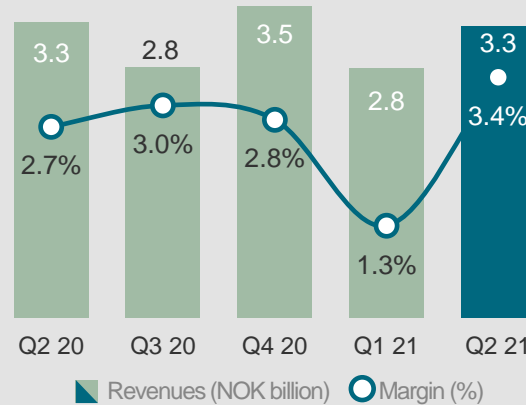
## Revenues and order intake



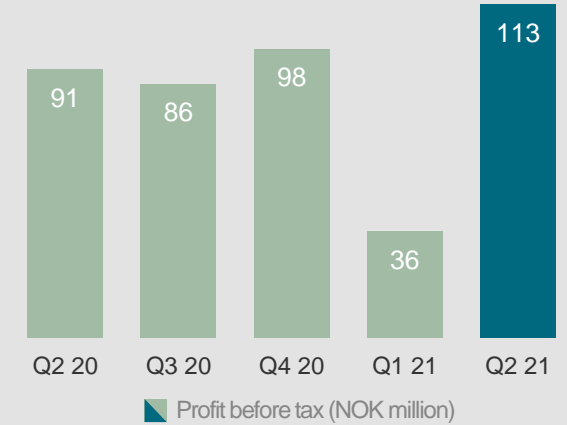
# Veidekke in Sweden

- Revenues on a par with last year
  - Up in Construction
  - Down in Infrastructure
- Increased profits and margin
  - Construction; profit margin at 3.3%. Profitability has improved in Gothenburg and Malmö, while still low in Stockholm
  - Infrastructure; profit margin at 3.7%
- Order book
  - Order book increased by 18% in local currency over past 12 months
  - All building segments increased new orders, with public buildings segment achieving the greatest increase
- 11 • Decline in Infrastructure orders

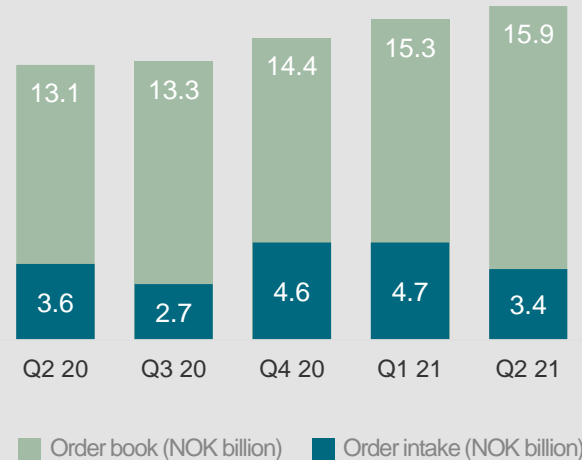
## Revenues and margin



## Profit before tax



## Order intake and order book



## Revenues and order intake

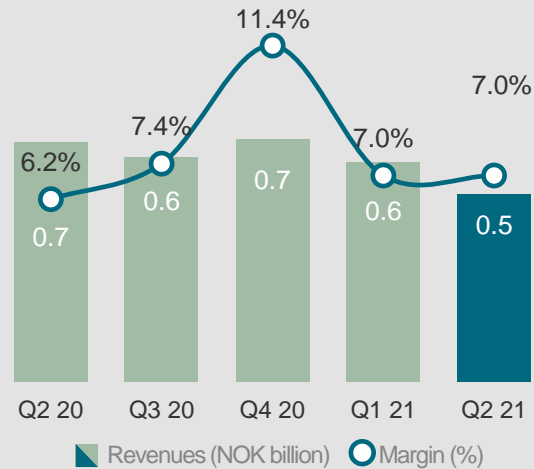




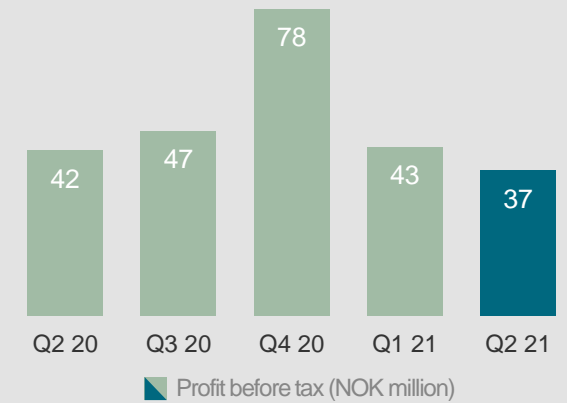
# Veidekke in Denmark

- Revenues down 17% in local currency
  - Mainly related to lower commercial buildings activity in the Copenhagen region
- Margin increase, but reduced profit due to lower activity
  - Project profitability is consistently strong
- Order book
  - 12% boost over past 12 months
  - Order boost in public buildings segment

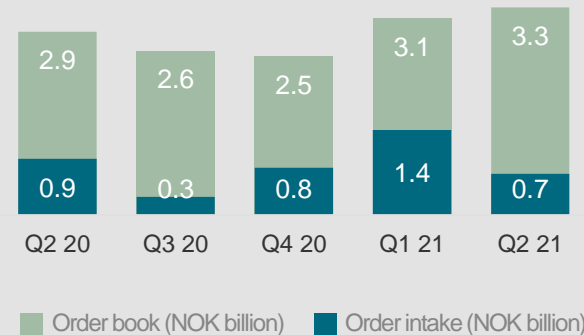
## Revenues and margin



## Profit before tax



## Order intake and order book



## Revenues and order intake



# Financial position

## Balance sheet

Amounts in NOK million

	30 June 2021	30 June 2020
Fixed assets	6 292	6 442
Current assets (excluding cash, cash equivalents and financial investments)	7 670	6 957
Cash, cash equivalents and financial investments	3 206	101
Assets, discontinued operations	-	9 332
<b>Assets</b>	<b>17 168</b>	<b>22 831</b>
Equity	2 297	4 293
Long-term debt	3 062	4 409
Short-term debt	11 809	11 598
Liabilities, discontinued operations	-	2 531
<b>Equity and debt</b>	<b>17 168</b>	<b>22 831</b>
Equity ratio	13.4 %	18.8 %
Return on equity (12mos)	60 %	26 %
Net interest-bearing assets	2 494	-2 067

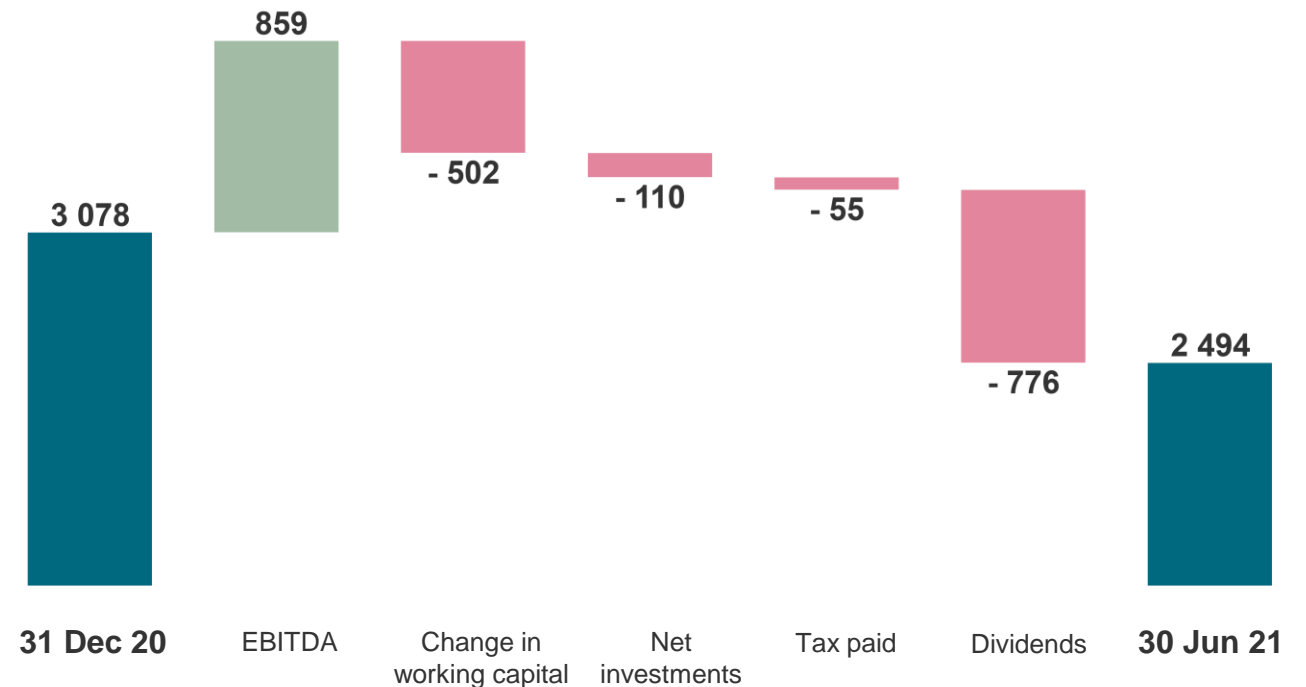
# Financial position

## Key points H1 2021

- Weak cash flow due to customarily low season in certain segments during H1
- Received NOK 600 million in payment related to completion of a project
- Paid dividend of NOK 5.75 per share

## Change in net interest-bearing assets

NOK million







# Closing comments

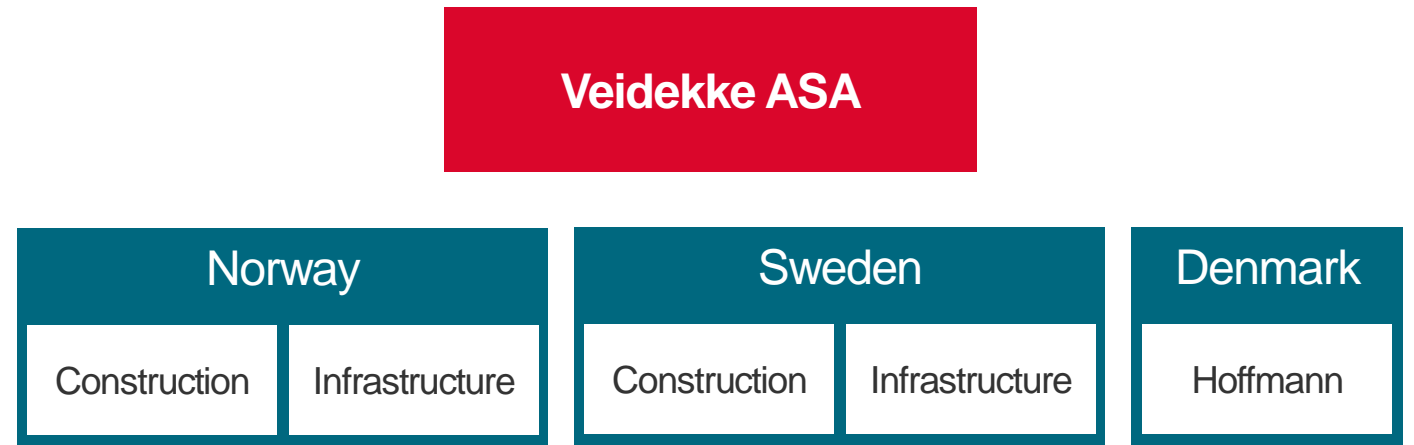
Jimmy Bengtsson, CEO



# Streamlined organisational structure

## Sharpened focus on operations

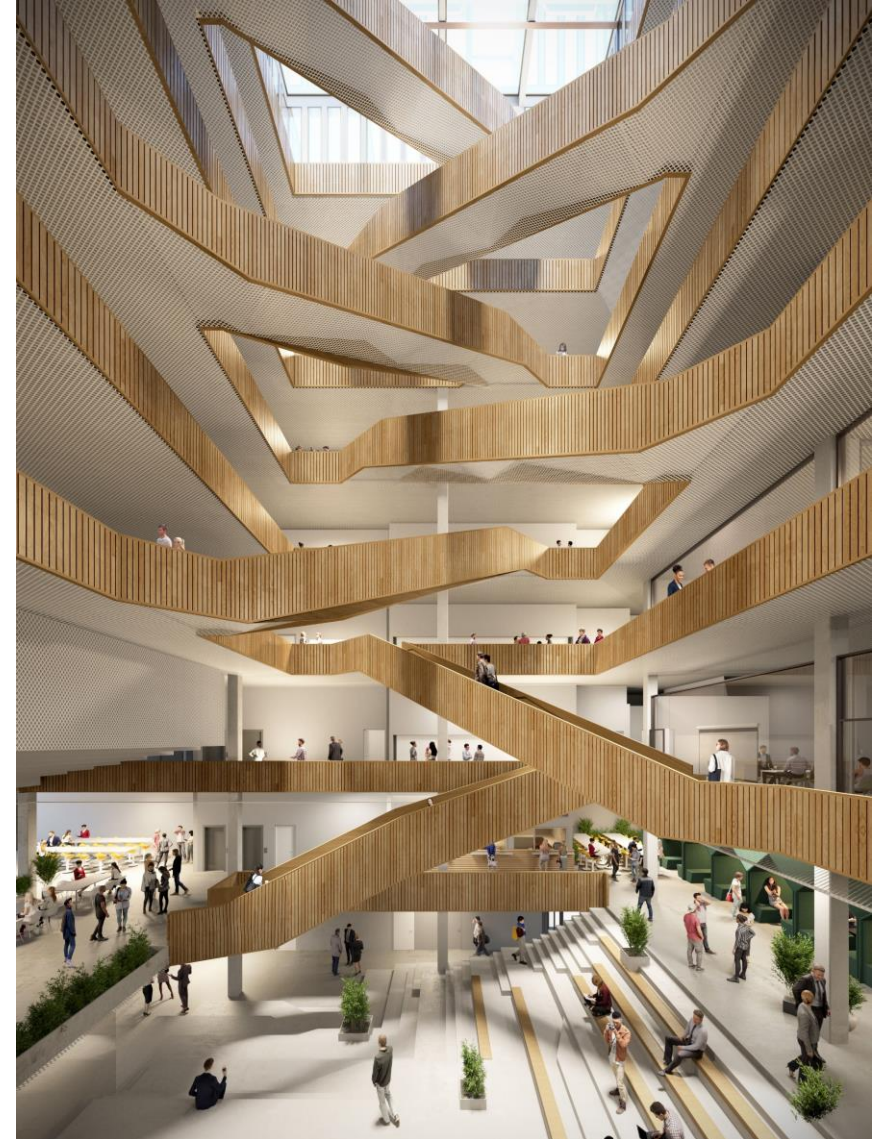
- 1 A more efficient organisational structure
- 2 Shorter distance between management and projects
- 3 Sharpened operational focus throughout the organisation



The new organisational structure will be reflected in Veidekke's reporting from the third quarter 2021.

# Closing comments

- Good results and increased profitability
- Strong order intake in Q2
- Revision of organisational structure in Sweden to ensure operational focus



Veidekke has been contracted to construct an educational building for AVA Eiendom. The environmentally certified building in the Kvadraturen area in central Oslo will house Kristiania University College. The collaborative contract is valued at NOK 407 million.





# Revenues, profits and profit margins

## Group and segments

Amounts in NOK million	First half 2021			First half 2020		
	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	7 035	251	3.6 %	7 181	258	3.6 %
Infrastructure Norway	3 922	3	0.1 %	4 015	-102	-2.5 %
Sweden	6 122	148	2.4 %	5 934	119	2.0 %
Denmark/Hoffmann	1 151	80	7.0 %	1 331	75	5.6 %
Other	-108	-63		-130	-106	
<b>Group</b>	<b>18 121</b>	<b>419</b>	<b>2.3 %</b>	<b>18 332</b>	<b>244</b>	<b>1.3 %</b>