



Presentation Q4 2021

9 February 2022

Jimmy Bengtsson, Group CEO

Jørgen Wiese Porsmyr, Group CFO

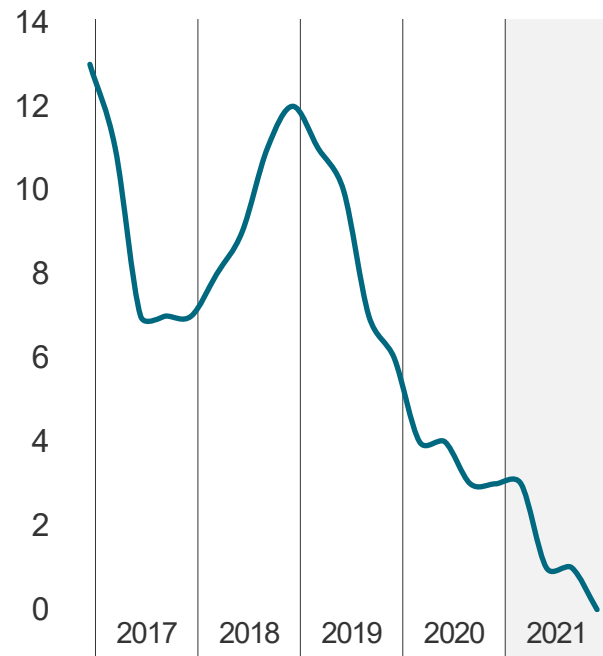


Occupational health and safety

Our primary priority

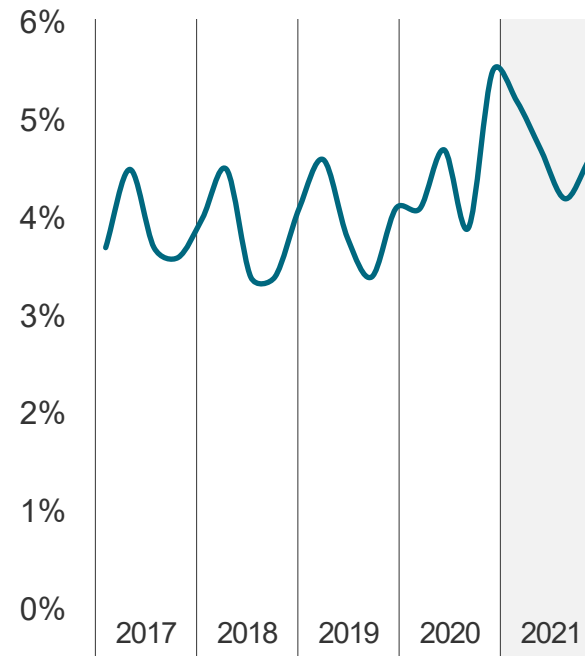
Number of serious injuries

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



Sickness absence

Veidekke employees



Highlights Q4 2021

- Revenues on a par with Q4 2020
- Solid results and 3.9% profit margin
- Order book on a par with a year ago
- Proposed dividend of NOK 7.0 per share for 2021



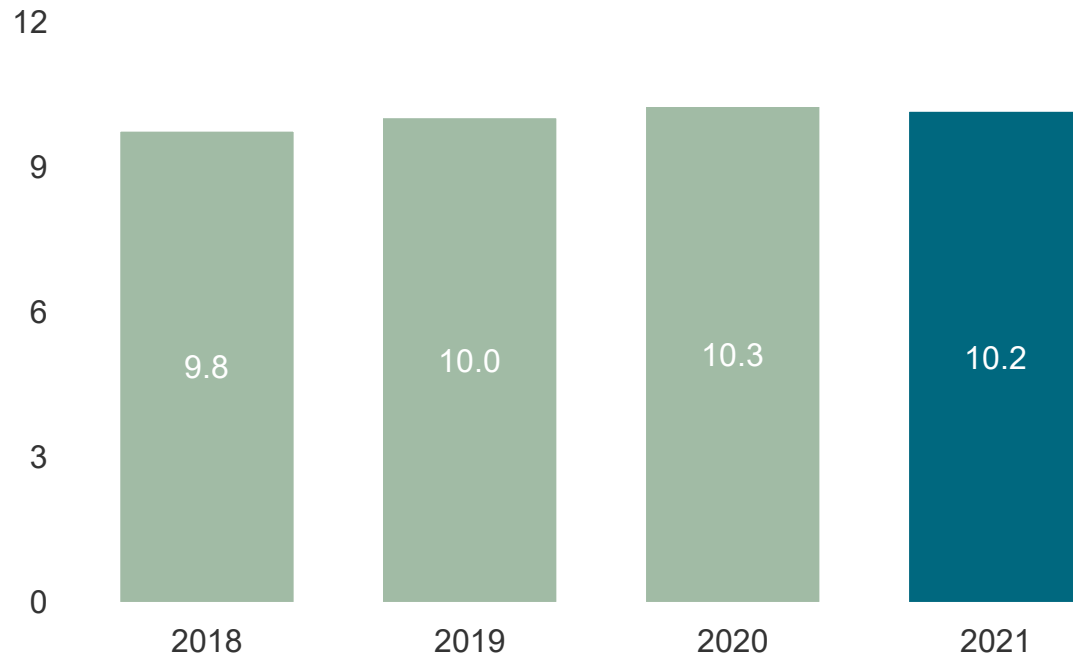
Veidekke is building a new nursing home in Moelv to the passive house standard. The project is a collaborative design and build contract valued at NOK 250 million excl. VAT.

Key financial figures

Q4 revenues and profits

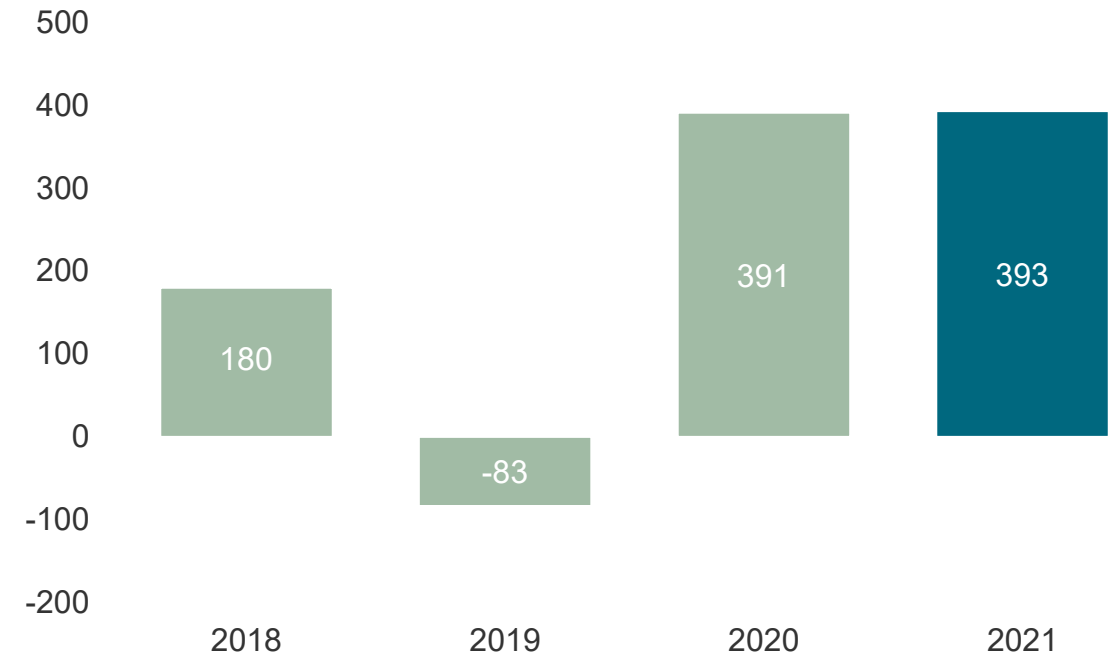
Q4 revenues

NOK billion



Q4 pre-tax profit

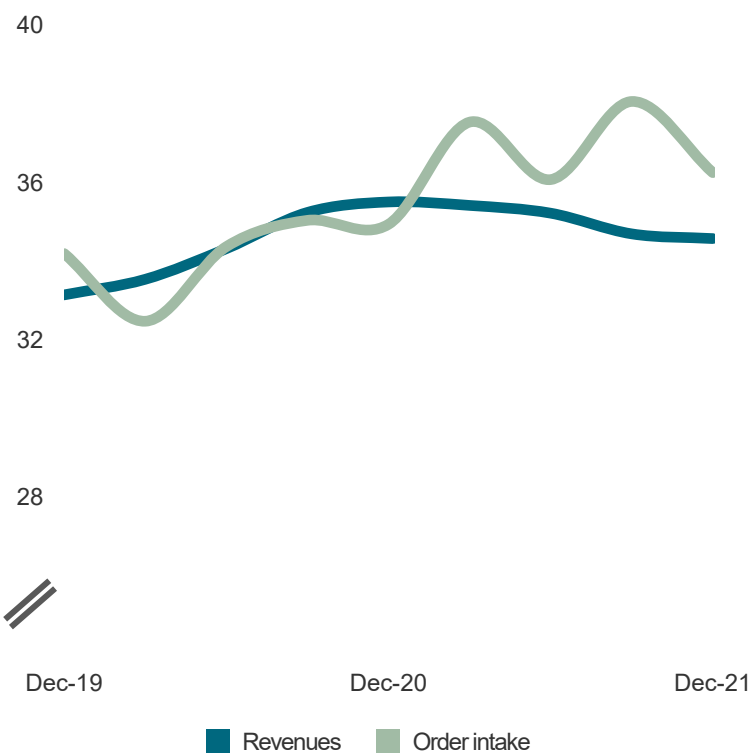
NOK million



Strong order book

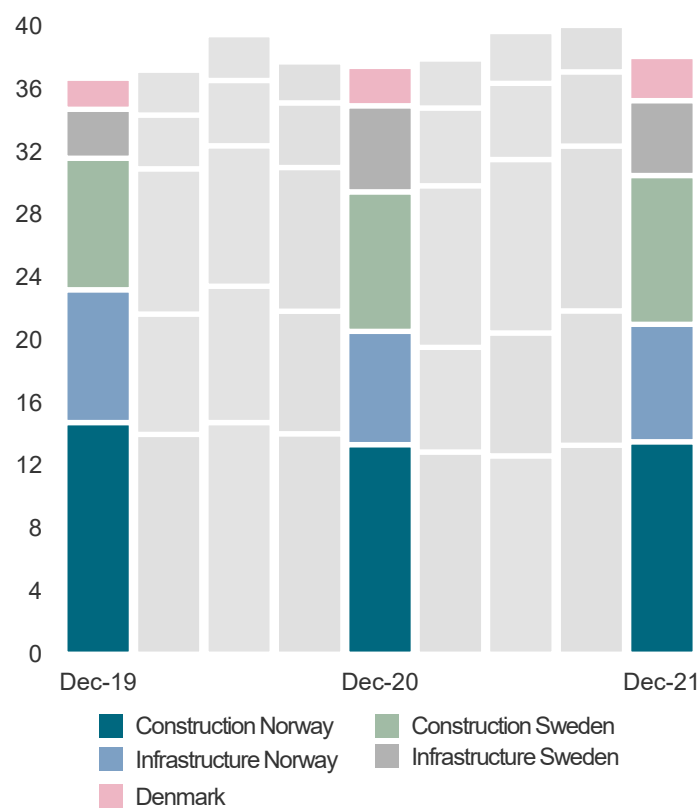
Revenues and order intake

12-month rolling, NOK billion



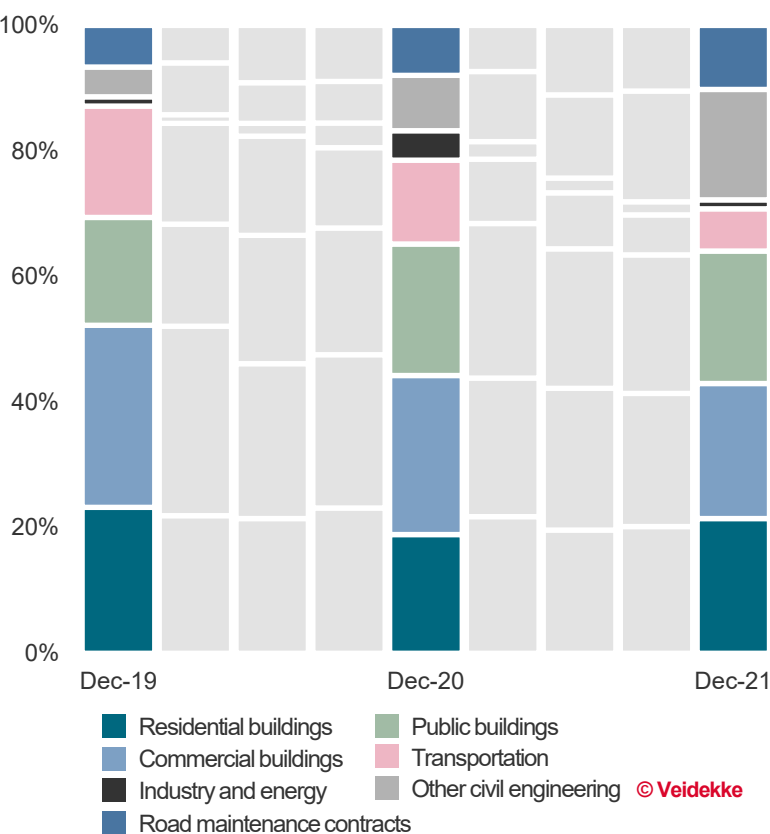
Order book

NOK billion



Order book per segment

Percent





Results Group and segments

Jørgen Wiese Porsmyr, Group CFO
Q4 2021

Revenues, profits and profit margins

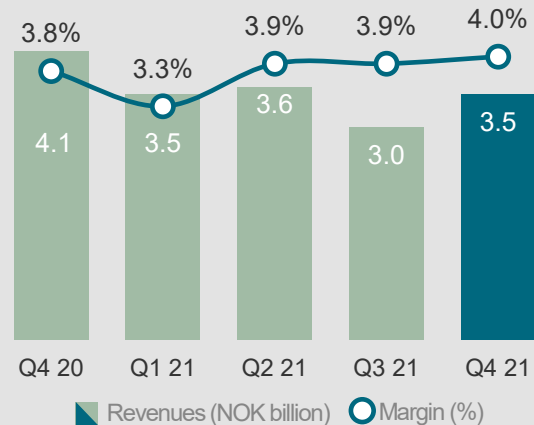
Group and segments

Amounts in NOK million	Q4 2021			Q4 2020		
	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 474	139	4.0 %	4 076	155	3.8 %
Infrastructure Norway	2 448	134	5.5 %	2 049	82	4.0 %
Construction Sweden	2 491	34	1.4 %	2 238	49	2.2 %
Infrastructure Sweden	1 316	53	4.0 %	1 287	49	3.8 %
Denmark/Hoffmann	590	70	11.9 %	686	78	11.4 %
Other	-142	-37		-61	-22	
Group	10 176	393	3.9 %	10 274	391	3.8 %

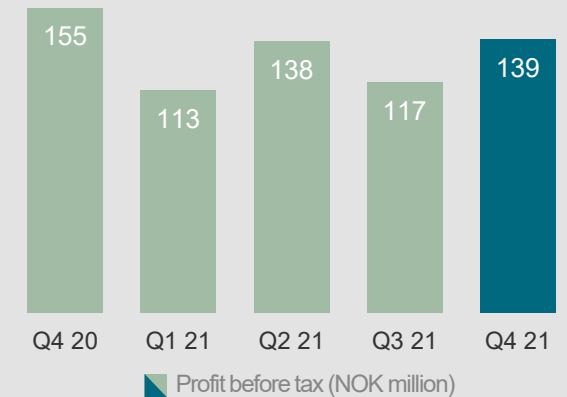
Construction Norway

- 15% year-on-year drop in revenues from Q4 2020
 - Reflects drop in new orders in 2020
 - Largely attributable to commercial building segment in Oslo
- Margin increase on slightly declining profits
 - Majority of operations had solid profitability
 - Weak profitability in south-western Norway
- Order book
 - 2% boost in order book over preceding quarter
 - Increase in residential and commercial building segments
 - Revenues expected to drop in 1H 2022, compared to preceding year

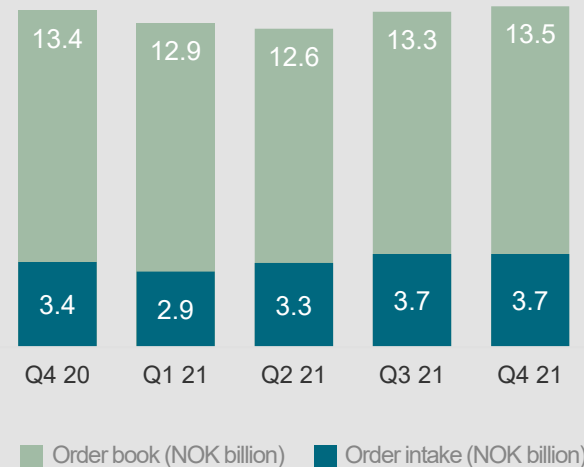
Revenues and margin



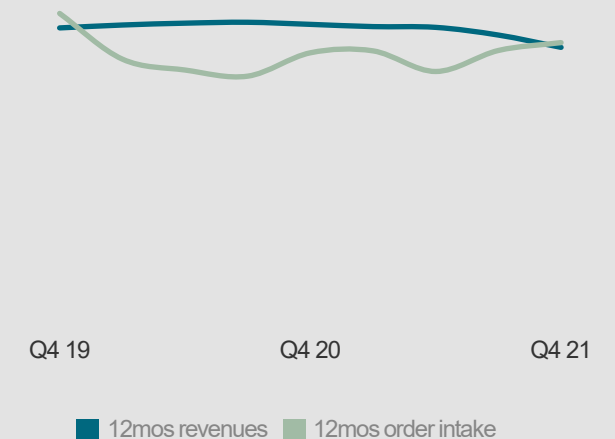
Profit before tax



Order intake and order book



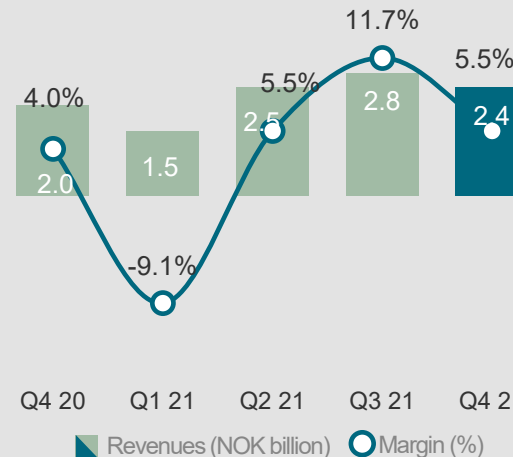
Revenues and order intake



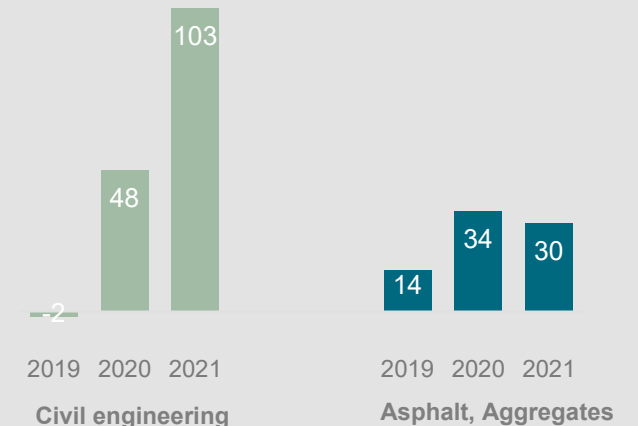
Infrastructure Norway

- Revenues up 23% over Q4 2020
 - Revenue boost in majority of operations
 - Increase in Asphalt and Aggregates revenues attributed to higher raw material prices
- Results and profit margin improvements, particularly related to civil engineering
 - Total profit increased to NOK 134 mill. (82 mill.)
 - Civil engineering: Improvements in major projects portfolio and solid road maintenance profitability
 - Asphalt and Aggregates; on a par with the previous year – no activity in asphalt factories in December
- Order book down 12% from previous quarter, but up somewhat over Q4 2020
 - High market activity

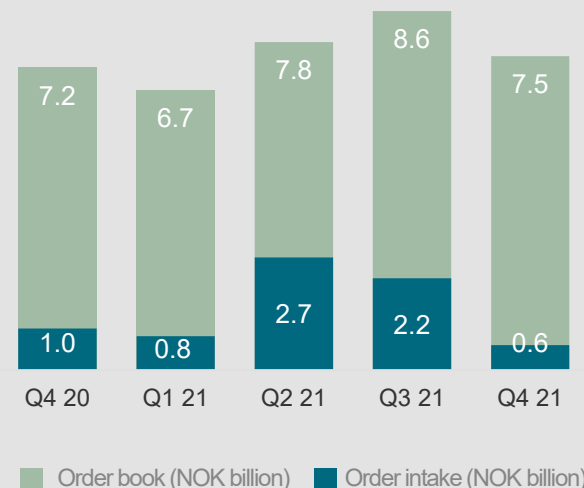
Revenues and margin



Profit before tax



Order intake and order book



Revenues and order intake



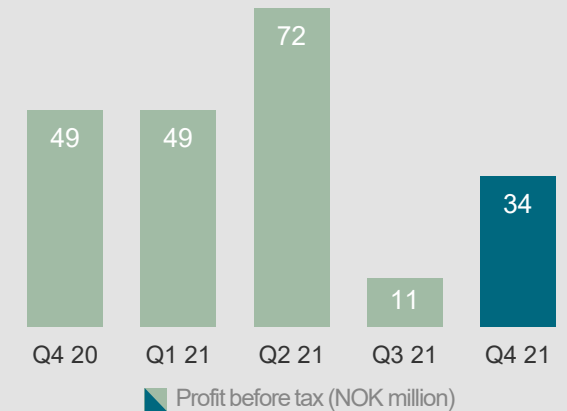
Construction Sweden

- Revenues increased by 11% over Q4 2020
 - Gothenburg operations accounted for the bulk of the increase
- Weak results and low profitability
 - Low profitability in Stockholm and Uppsala
 - Will become more selective and adapt capacity, with an increased proportion of collaborative contracts
- Order book
 - The order book dropped 10% from preceding quarter, affecting all segments
 - Slight increase over Q4 2020, with orders clearly increasing in western Sweden, and dropping in Stockholm.

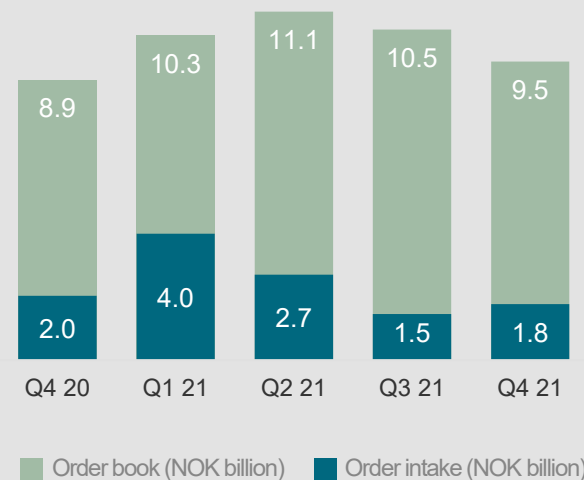
Revenues and margin



Profit before tax



Order intake and order book



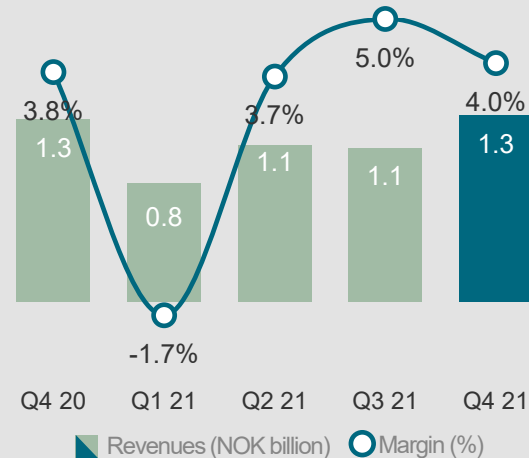
Revenues and order intake



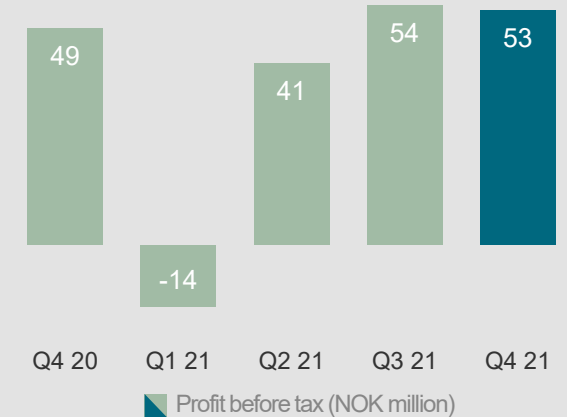
Infrastructure Sweden

- Revenues up by 2% over Q4 2020
 - Majority of operations contributed to the increase, while revenues from the Stockholm business dropped slightly
- Results and profit margin boosted
 - Margin improvement in majority of operations
 - Slightly lower profitability in industrial operations
- Order book on a par with preceding quarter, but below Q4 2020
 - High market activity

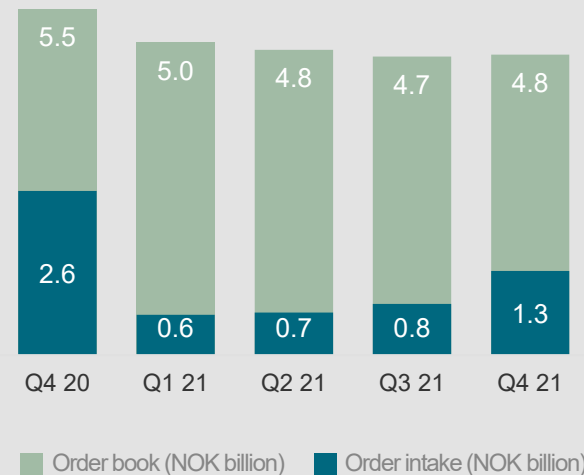
Revenues and margin



Profit before tax



Order intake and order book



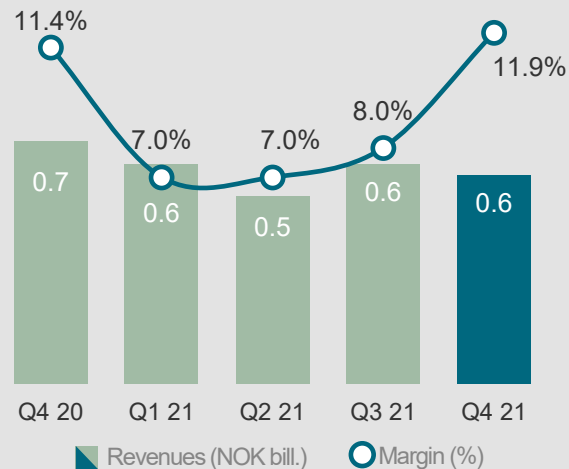
Revenues and order intake



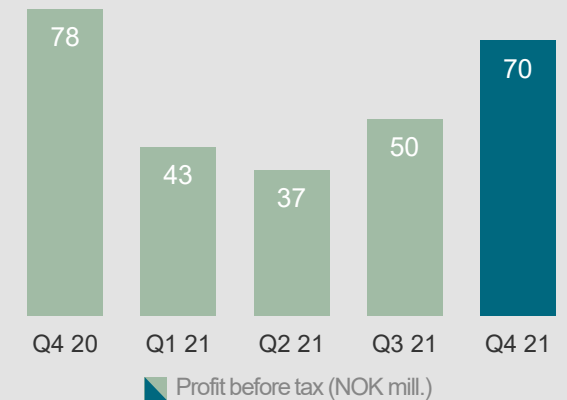
Denmark/Hoffmann

- Revenues down 14% compared to Q4 2020
 - Activities dropped in greater Copenhagen; but increased on Jutland
- Profits high; profit margin increased
 - Projects have consistently good profitability
- Order book down 5% from preceding quarter
 - Temporary revenue drop expected for 1H 2022; estimated at 15%–20% below 1H 2021

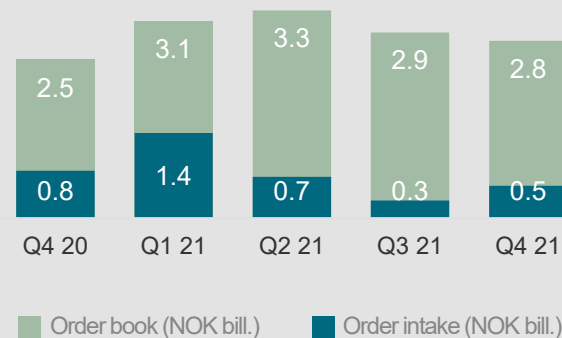
Revenues and margin



Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million

	31 December 2021	31 December 2020
Fixed assets	6 323	6 452
Current assets (excluding cash, cash equivalents and financial investments)	6 639	7 330
Cash, cash equivalents and financial investments	4 353	3 759
Assets	17 315	17 541
Equity	2 865	2 877
Long-term debt	3 297	3 031
Short-term debt	11 153	11 633
Equity and debt	17 315	17 541
Equity ratio	17 %	16 %
Return on equity (12mos)	38 %	53 %
Net interest bearing position	3 709	3 078

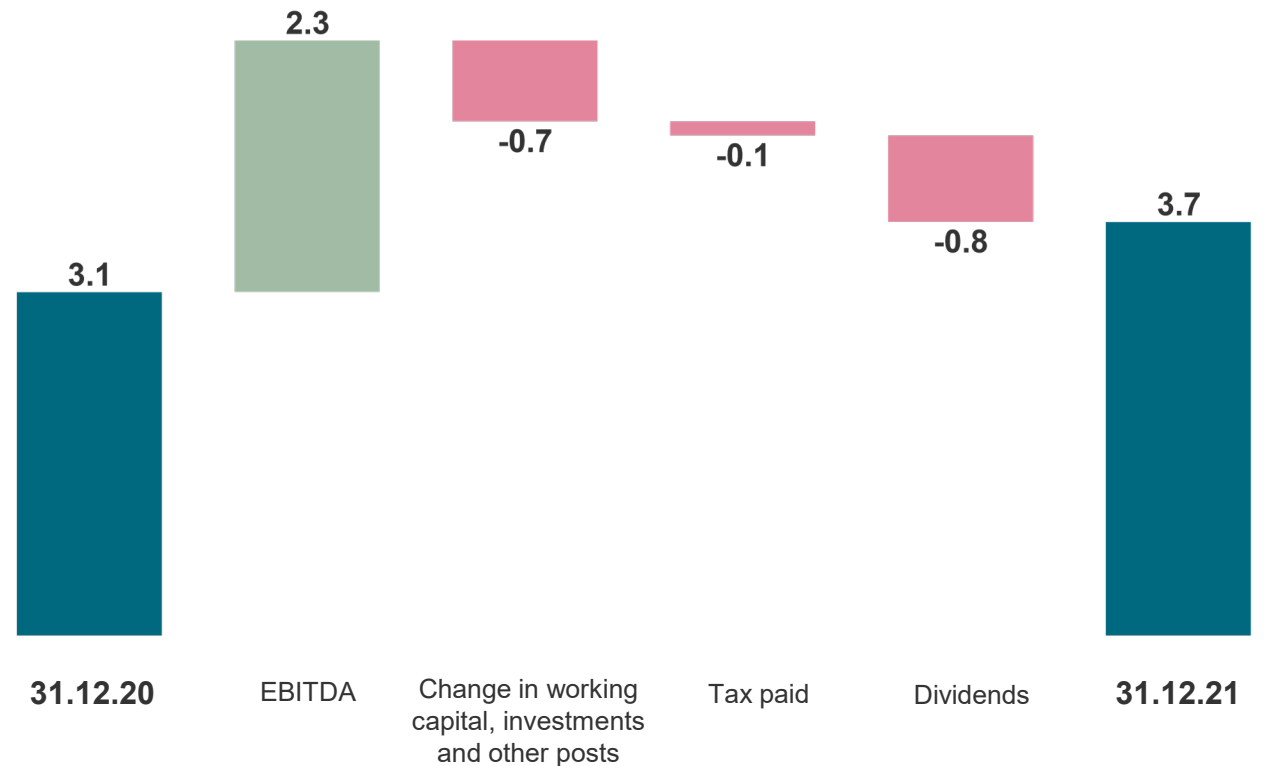
Financial position

Key points 2021

- NOK 2.2 billion cash flow from operations in 2021
- NOK 473 million net investment in fixed assets
 - Mainly related to investments in Infrastructure Norway
- Voluntary buy-back of bond loan completed after year-end
 - Bond loan reduced from NOK 600 million to NOK 193 million

Change in net interest-bearing assets

NOK billion



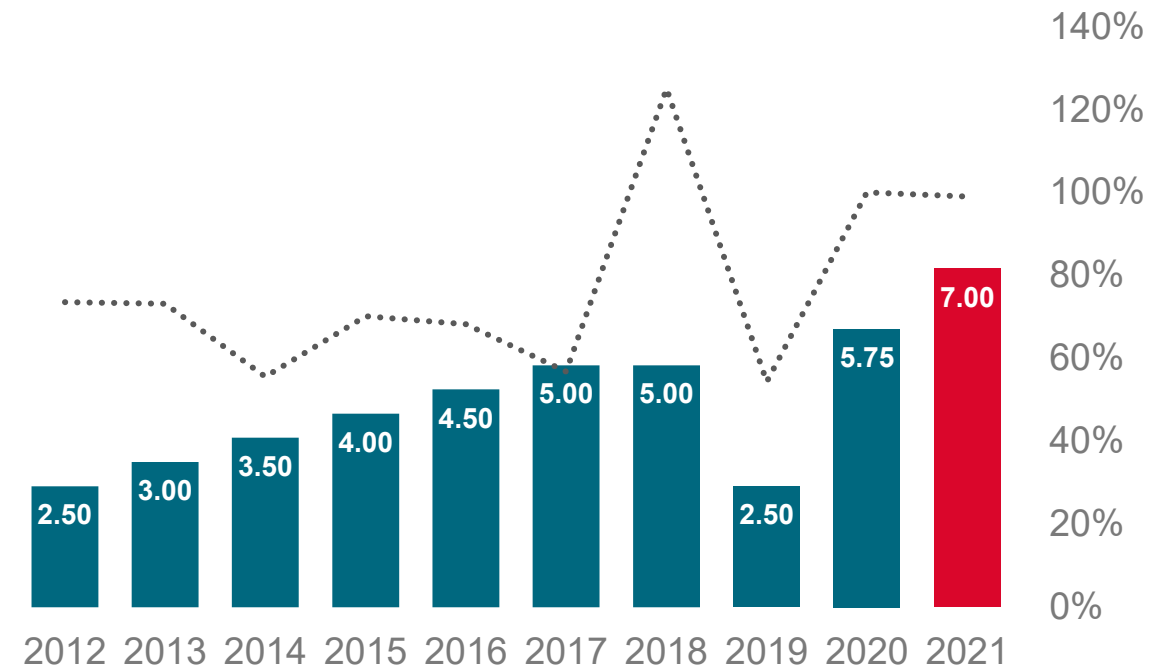
NOK 7.0 per share dividend proposed for 2021

Equals 99% of dividend ratio

- Proposed dividend*: NOK 7.0 (5.75)
- Earnings per share: NOK 7.1 (5.8)**
- Dividend ratio: 99% (100%)

Ordinary dividend

NOK per share



* 2021 financial year proposal

** Earnings per share 2020 denote continued operations.
2020 figures in parentheses



Closing comments

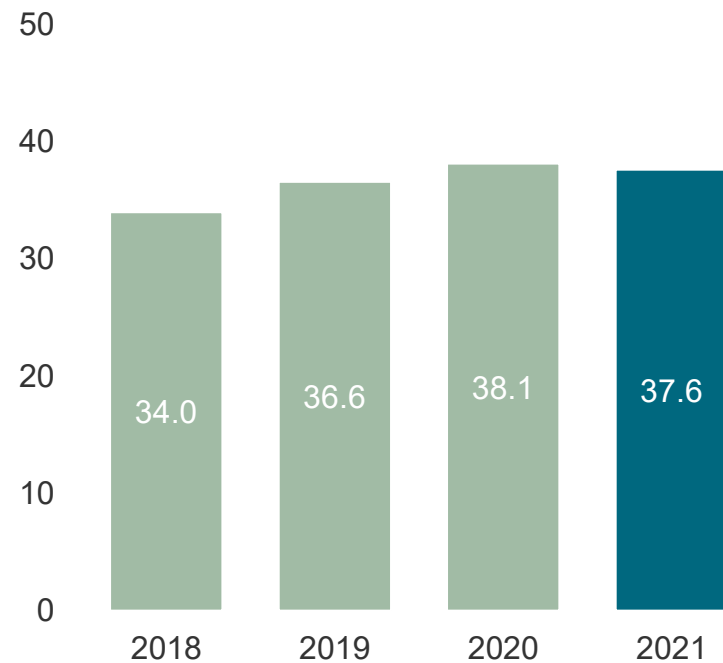
Jimmy Bengtsson, Group CEO

Key financial figures

Revenues and profits 2021

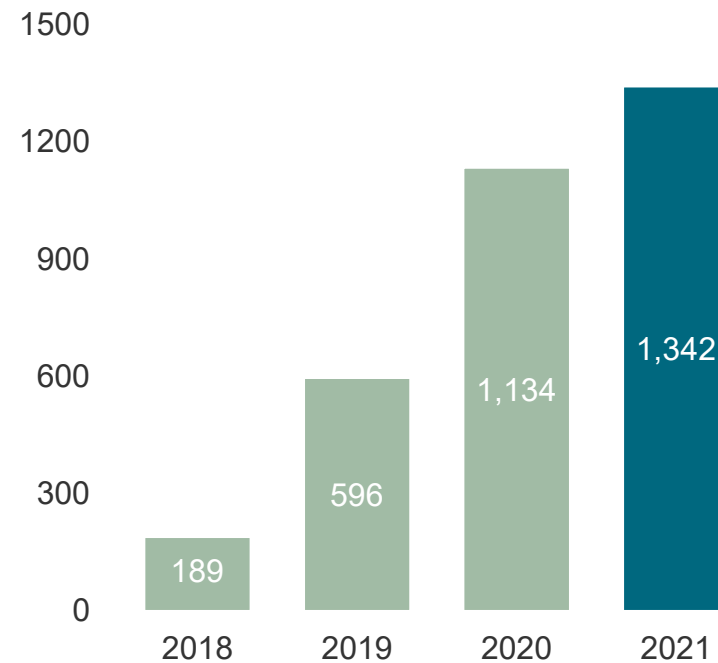
Revenues

NOK billion



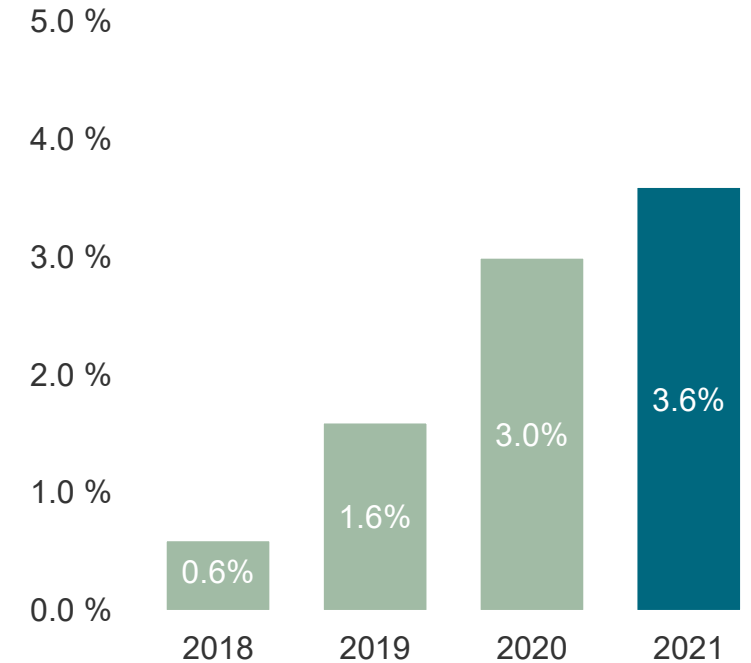
Pre-tax profit

NOK million



Profit margin

Percent



Profitability performance improved

Providing a solid basis for 2022

Concrete measures have improved profitability

- Selective approach to projects and customers
- Risk management at all levels of the organisation
- Operations have been discontinued and divested
- Organisational structure ensures proximity to customers

The order backlog provides a good basis for 2022, and improvement efforts continue

Improve result margin and grow profitably

Higher ambitions towards 2025

-  Profitability targets for 2022 remains, with raised ambitions towards 2025
-  Capital efficiency with return on invested capital above 15%
-  Selective growth in all three countries

2016-2020*	2020	2022	2025
Revenue growth p.a.	Revenue growth p.a.	Revenue growth p.a. 2021 - 2022	Revenue growth p.a. 2023 - 2025
6%	4%	0% - 2%	4% - 6%
Average margin	Margin 2020	Margin target 2022	Margin target 2025
2.1%	3.0%	>4%	>5%

* Historical pro forma figures, adjusted for the sale of Veidekke's Property Development business in 2020

© Veidekke

21

Facsimile from Veidekke's CMU in May 2021

Sustainability is at the core of Veidekke's achievements

Vital progress along three axes



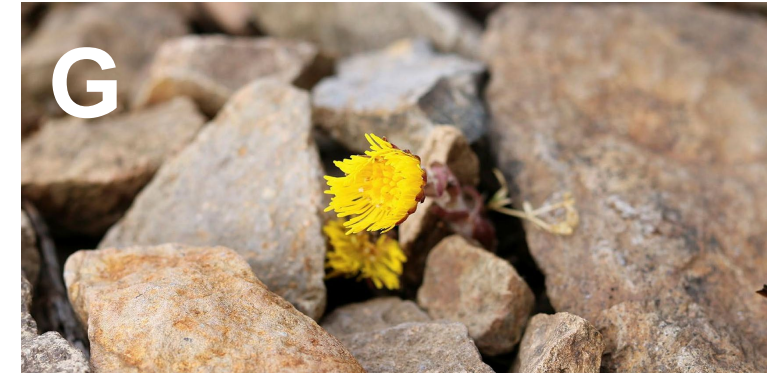
Climate adaptation and risk

- 2021 decision to make Veidekke climate neutral (net zero) by 2045
- Scope 1 & 2 emissions down 17% from 2020
- Climate risk is managed in line with TCFD



Safety and compliance

- For the first time, Veidekke reports no serious injuries
- Supportive of compliance efforts in the construction and civil engineering industry



Sustainability and governance

- Update of materiality analysis
- Sustainability is at the core of Veidekke's commercial strategy towards 2025

Closing comments

- Solid profits and profit margin development
- Growth and profitability targets remain unchanged
- Proposed dividend of NOK 7.0 per share



