



Q3

Third quarter
2022

Key figures

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	9 550	9 295	27 821	27 416	37 592
Profit before tax	545	530	845	949	1 342
Construction Norway	123	117	358	367	507
Infrastructure Norway	301	325	307	328	462
Construction Sweden	49	11	122	132	166
Infrastructure Sweden	59	54	105	81	133
Denmark/Hoffmann	53	50	129	130	200
Other	-41	-27	-177	-90	-127
Profit margin	5.7%	5.7%	3.0%	3.5%	3.6%
Operating profit before depreciation and amortisation (EBITDA)	792	769	1 598	1 628	2 282
Shareholders' profit share	404	389	601	655	958
Profit per share (NOK)	3.0	2.9	4.5	4.9	7.1
Net interest-bearing assets	2 324	3 195	2 324	3 195	3 709
Net cash flow from operations	474	784	502	1 338	2 194
Return on equity past 12 months	36%	31%	36%	31%	38%
Order book	43 675	40 057	43 675	40 057	38 084
Order intake	7 643	8 435	31 189	28 307	36 221
LTI rate	2.4	5.7	3.1%	6.4	4.6
Sickness absence	4.6%	4.2%	5.0%	4.5%	4.6%

Q3 2022 results

Veidekke achieved revenues of NOK 9.6 billion in Q3, and a profit before tax of NOK 545 million. The profit per share was NOK 3.0. The group’s order book totalled NOK 44 billion at quarter-end.

“Veidekke again achieved strong results in the third quarter. Although the prevailing circumstances resulted in varying project profitability, the group as a whole delivered a robust performance,” says Group CEO Jimmy Bengtsson.

“The construction and civil engineering markets continue to feel the effect of challenges such as long lead times, high raw material prices and increased energy costs. Our projects are

also affected. However, we have responded constructively to the situation by adapting to the circumstances,” says Bengtsson.

“Veidekke is maintaining its strong order book of high-quality projects. Much of the quarterly order intake is attributable to the success of our operational entities in maintaining profitable, productive long-term customer relationships,” says Jimmy Bengtsson.

Veidekke achieved revenues of NOK 9.6 billion in Q3 2022, compared to NOK 9.3 billion in the third quarter of last year. The profit before tax totalled NOK 545 million, compared to NOK 530 million in Q3 2021. The profit margin was 5.7%, on a par with the third quarter of 2021. Construction Sweden improved its performance year-on-year, while Infrastructure Norway’s profits fell slightly on the back of lower activity in the asphalt operation. The performance of the other operations was on a par with last year.

Net interest-bearing assets totalled NOK 2.3 billion at the end of Q3 2022, compared to NOK 3.7 billion at the beginning of the year and NOK 3.2 billion one year ago. Cash flow from operational activities amounted to NOK 474 million in the third quarter,

compared to NOK 784 million in Q3 2021. The statement of financial position totalled NOK 17.9 billion at quarter-end, compared to NOK 17.6 billion one year ago and NOK 17.3 billion at the beginning of the year.

The group’s quarterly order intake was NOK 7.6 billion, compared to NOK 8.4 billion in Q3 2021. At quarter-end, the order book amounted to NOK 43.7 billion, up from NOK 40.1 billion last year.

The third-quarter LTI (lost time injury) rate was 2.4, compared to 2.2 in the preceding quarter and 5.7 in Q3 2021. The sick leave rate was 4.6%, compared to 4.7% in Q2 2022 and 4.2% in the third quarter of last year.

Construction Norway

NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	3 097	3 005	9 507	10 040	13 514
Profit before tax	123	117	358	367	507
Profit margin	4.0%	3.9%	3.8%	3.7%	3.8%
Order book	17 218	13 318	17 218	13 318	13 537

The Norwegian construction operation generated revenues of NOK 3.1 billion in the third quarter of 2022, compared to NOK 3.0 billion in the third quarter of 2021.

The Q3 profit before tax totalled NOK 123 million, compared to NOK 117 million in the third quarter of last year. The quarterly profit margin was 4.0%, on a par with 3.9% in Q3 2021. The majority of profits were generated by the operations in central eastern Norway and Trøndelag. Activity levels and profitability remained low in southwestern Norway.

In the third quarter, Construction Norway entered into a memorandum of understanding concerning its acquisition of 100% of Constructa Entreprenør AS in Bergen. The acquisition is expected to complete in Q4 2022.

The third-quarter order intake was NOK 3.6 billion, compared to NOK 3.7 billion in Q3 2021. Commercial buildings and residential units accounted for most of the order intake.

- New contracts signed in the quarter:**
- Ulven B1, Veidekke’s head office. Commercial building in Oslo for Veidekke and OBOS (50/50). Contract value NOK 403 million.
 - Sintef Horizon. Commercial building in Trondheim for Sintef Energi AS. Contract value NOK 261 million.
 - Frysjaiparken field B. Residential units in Oslo for Stor-Oslo Eiendom AS. Contract value NOK 256 million.
 - Kvarteret, block 2. Residential units in Lillestrøm for Nesgata 19 Utvikling AS (Obos). Contract value NOK 248 million.
 - Mosetertoppen Ski Stadium. Holiday homes and commercial premises at Hafjell for Mosetertoppen Skistadion AS. Contract value NOK 237 million.

At quarter-end, the order book totalled NOK 17.2 billion, compared to NOK 13.3 billion last year. Year-on-year, the order book has grown for most operations, with the exception of western Norway, where activity has declined somewhat.

Infrastructure Norway

NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021 ¹	2021
Total revenue	2 815	2 777	7 053	6 699	9 147
- Civil engineering	1 472	1 390	4 641	4 178	5 821
- Asphalt, aggregates	1 343	1 388	2 412	2 521	3 327
Total profit before tax	301	325	307	328	462
- Civil engineering	119	96	301	182	285
- Asphalt, aggregates	183	229	6	147	177
Total profit margin	10.7%	11.7%	4.4%	4.9%	5.1%
- Civil engineering	8.1%	6.9%	6.5%	4.3%	4.9%
- Asphalt, aggregates	13.6%	16.5%	0.3%	5.8%	5.3%
Order book	8 947	8 554	8 947	8 554	7 477

¹ The profit as at 30 September 2021 included a gain of NOK 38 million on the sale of an operation in Rogaland.

Infrastructure Norway achieved revenues of NOK 2.8 billion in the third quarter, on a par with the same quarter of last year. The profit before tax totalled NOK 301 million, compared to NOK 325 million in Q3 2021. The drop in profits is attributable to the asphalt operation, while the civil engineering operation delivered a stronger profit performance. The total profit margin was 10.7%, compared to 11.7% in Q3 2021.

The civil engineering operation generated revenues of NOK 1.5 billion in Q3, compared to NOK 1.4 billion in the corresponding quarter of last year. The profit totalled NOK 119 million, up from NOK 96 million in Q3 2021. The profit improvement is attributable to highly profitable projects in the road maintenance portfolio, as well as improved profitability of the major civil engineering projects portfolio. The profit margin of the civil engineering operation was 8.1%, compared to 6.9% in the third quarter of 2021.

The asphalt and aggregates operations achieved total revenues of NOK 1.3 billion in the third quarter, compared to NOK 1.4 billion last year. At 858 000 tonnes, the asphalt volume was down 18% year-on-year. The quarterly profit was NOK 183 million, compared to NOK 229 million last year. The decline in profits is attributable to the reduced asphalt volume.

Infrastructure Norway secured new orders valued at NOK 453 million in Q3, compared to NOK 2.2 billion in the same period last year. No major new contracts were signed in the quarter.

At quarter-end, the order book totalled NOK 8.9 billion, compared to NOK 8.6 billion last year. Road maintenance contracts accounted for NOK 4.1 billion of the order book, compared to NOK 4.2 billion in the corresponding quarter of 2021.

Construction Sweden

NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	1 824	1 874	6 211	6 053	8 544
Profit before tax	49	11	122	132	166
Profit margin	2.7%	0.6%	2.0%	2.2%	1.9%
Order book	8 311	10 498	8 311	10 498	9 483

Construction Sweden recorded revenues of NOK 1.8 billion in the third quarter, compared to NOK 1.9 billion in the same quarter of last year. Measured in local currency, revenues grew by 4%. While the Gothenburg-based subsidiary BRA boosted its revenues, most other parts of the operation recorded falling earnings.

The third-quarter profit was NOK 49 million, compared to NOK 11 million last year. Last year’s Q3 result included restructuring provisions totalling NOK 14 million. The subsidiary BRA again delivered strong profitability and a robust quarterly profit. The Stockholm operation’s project portfolio returned to break-even following several loss-making quarters. However, the majority of projects in Stockholm are not making a positive contribution, and are thus failing to cover fixed costs. This resulted in a loss for this part of the operation in the third quarter. The quarterly profit margin was 2.7%, compared to 0.6% in Q3 2021.

The third-quarter order intake totalled NOK 2.1 billion, compared to NOK 1.5 billion last year.

- New contracts signed in the quarter:**
- Elgiganten Jönköping. Logistics building for Catena. Contract value NOK 652 million.
 - Geely building 46. Commercial building in Gothenburg for Geely Gothenburg Investment AB. Contract value NOK 431 million.
 - Hills area 3. Residential units in Gothenburg for Nordr. Contract value NOK 139 million.

At the end of the third quarter, the order book stood at NOK 8.3 billion, compared to NOK 10.5 billion last year. While the order book remained stable for the Gothenburg operation, it fell for the Stockholm and Malmö regions. Measured in local currency, the order book shrank by 18%.

Infrastructure Sweden

NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	1 209	1 086	3 569	3 029	4 345
Profit before tax	59	54	105	81	133
Profit margin	4.9%	5.0%	2.9%	2.7%	3.1%
Order book	5 831	4 741	5 831	4 741	4 774

Infrastructure Sweden generated revenues of NOK 1.2 billion in the third quarter of 2022, compared to NOK 1.1 billion in Q3 2021. Measured in local currency, revenues increased by 19%. The quarterly profit amounted to NOK 59 million, compared to NOK 54 million last year. The result for Q3 2021 included restructuring costs totalling NOK 7 million. The quarterly profit margin was 4.9%, on a par with the same period last year.

The third-quarter order intake totalled NOK 653 million, compared to NOK 812 million in Q3 2021. No major new contracts were signed in the quarter.

At the end of the third quarter, the order book stood at NOK 5.8 billion, up from NOK 4.7 billion last year. Measured in local currency, the order book grew by 27%.

In March 2022, Veidekke entered into an agreement with the logistics real estate company NREP Logicensenters relating to the sale of an industrial site in Snebro at Nykvarn, south of Stockholm. Completion of the transaction was made subject to official environmental approval, which has now been granted. The transaction is scheduled to complete in mid-November, and will generate an accounting gain of NOK 130 million in Q4.

Denmark/Hoffmann AS

NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	663	622	1 637	1 772	2 362
Profit before tax	53	50	129	130	200
Profit margin	8.0%	8.0%	7.9%	7.3%	8.5%
Order book	3 367	2 947	3 367	2 947	2 813

The Danish operation achieved revenues of NOK 663 million in the third quarter, compared to NOK 622 million in the corresponding quarter of last year. Measured in local currency, this corresponds to a year-on-year increase of 9%. The profit before tax was NOK 53 million, compared to NOK 50 million in Q3 2021. The profit margin was 8.0%, on a par with the third quarter of 2021. Profitability was stable and strong throughout the project portfolio.

The third-quarter order intake totalled NOK 898 million, compared to NOK 278 million in Q3 2021.

- New contracts signed in the quarter:**
- Fisketorvet. Commercial building in Copenhagen for Uniball Rodamco. Contract value NOK 306 million.

The order book stood at NOK 3.4 billion at the end of the third quarter, compared to NOK 2.9 billion last year. Measured in local currency, the order book grew by 10%.

Other operations

Other operations consist of unallocated costs associated with the group’s corporate administration, the sale of administrative services to the group’s Norwegian operations, financial management and the group’s ownership role in public-private partnerships (PPPs), and the elimination of intra-group profits. The result for the quarter was NOK -41 million, compared to NOK -27 million in Q3 2021.

Financial situation

Net interest-bearing assets amounted to NOK 2.3 billion at quarter-end, compared to NOK 3.2 billion one year ago and NOK 3.7 billion at the beginning of the year. Cash flow from operational activities amounted to NOK 474 million in the quarter, compared to NOK 784 million in Q3 2021. Net investments in current assets – net of leases pursuant to IFRS-16 – amounted to NOK -339 million at quarter-end. The statement of financial position totalled NOK 17.9 billion at the end of the quarter, compared to NOK 17.6 billion last year.

As at the end of Q3 2022, Veidekke had not drawn on any of its available credit totalling NOK 2.5 billion.

Shareholder information

A total of 3.7 million Veidekke shares were traded in the third quarter of 2022. The share price ranged from NOK 80.9 to NOK 105.0, and was NOK 81.4 as at 30 September. The foreign shareholding proportion was 24.3%. Approximately 11.5% of the shares in the company are owned by Veidekke employees.

Largest shareholders as at 30 September 2022	Shareholding
OBOS BBL	19.6%
Folketrygdfondet	10.1%
BNP Paribas Securities Services	3.7%
Verdipapirfond ODIN Norge	3.4%
Pareto Aksje Norge Verdipapirfond	2.3%
Must Invest AS	2.2%
MP Pensjon PK	2.0%
State Street Bank and Trust Company	2.0%
JPMorgan Chase Bank	1.6%
State Street Bank and Trust Company	1.4%
Total 10 largest shareholders	48.5%
Others	51.5%
Total	100.0%
Total number of issued shares	134 956 267

Related-party transactions

Veidekke is regularly involved in transactions with related parties in the course of its ordinary operations, including contracts for the development of specific projects. There were no other significant related-party transactions in the third quarter of 2022. For a more detailed description of related-party transactions, see Veidekke’s Annual and Sustainability Report 2021.

Risk

Veidekke’s business primarily involves the execution of construction and infrastructure projects for private and public-sector clients in Norway, Sweden and Denmark. A recent increase in market uncertainty has created difficulties with the delivery of goods and components and triggered rises in energy and other commodity prices.

The past year has seen significant increases in both interest rates and inflation. These developments are expected to impact financial capacity and investment decisions in both the private and public sectors, and to result in the deferment, redesign or cancellation of planned projects. Significant effects on the residential market are already being felt in the form of lower residential sales and falling prices. Veidekke’s order book remains strong going into 2023, but the company is prepared for challenging market conditions going forward. The company is engaged in an ongoing dialogue with clients and suppliers, and has an organisational and cost structure that allows rapid adaptation to altered framework conditions. The order book’s development thus far in 2022 indicates that the market is functioning, but it is also clear that there are large variations between geographical regions and market segments. Veidekke presents its outlook for the Scandinavian contracting markets twice a year. The market update is available on the Veidekke website.

Veidekke’s project portfolio varies greatly in terms of complexity, size, duration and risk, and systematic risk management in all parts of the business and during all project phases is therefore of crucial importance. This encompasses matters such as project selection, processes, tender quality, project follow-up and project execution. Having the necessary expertise to ensure optimal assignment execution is key when deciding which projects to tender for. At the tender preparation stage, risks are

identified and assessed, and plans are made for managing risk during the execution phase. Veidekke’s projects are increasing in size and complexity, making risk management a high priority. Certain forms of contract permit differing interpretations of contractual performance, giving room for disagreement between contractor and client regarding final payment. This applies particularly to transport infrastructure projects, in which the contractual sums are large. Although Veidekke seeks to reach agreement with clients through negotiations, some disputes do end up in the court system. As at the end of the quarter, Veidekke was involved in one major dispute currently before the courts.

In Sweden, uncertainty has arisen about the future availability of cement for the construction and civil engineering markets following a decision by Sweden’s Land and Environment Court to refuse a new mining licence for the Cementa factory on Gotland, which currently produces around 75% of all cement used in Sweden. However, pending a final decision the Swedish Government has temporarily extended Cementa’s licence until 31 December 2022. In the interim, Veidekke is working closely with industry stakeholders and cement product partners to secure priority and future supplies for its projects.

For further discussion of the company’s financial risk, climate risk and other risk factors, see [Note 30](#) in Veidekke’s Annual and Sustainability Report 2021.

Consolidated interim financial statement (unaudited)

- A. FINANCIAL STATEMENT, THIRD QUARTER
- B. BUSINESS SEGMENTS
- C. STATEMENT OF CHANGES IN EQUITY
- D. NOTES TO THE INTERIM FINANCIAL STATEMENTS

Oslo, 8 November 2022
The board of directors of Veidekke ASA

Gro Bakstad chair	Daniel Kjørberg Siraj	Hanne Rønneberg	Per-Ingemar Persson	Klara Lise Aasen	Carola Lavén
Pål Eitrheim	Inge Ramsdal	Odd Andre Olsen	Arve Fludal	Jimmy Bengtsson Group CEO	

Statement of comprehensive income

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Revenue	9 550	9 295	27 821	27 416	37 592
Operating expenses	-8 764	-8 527	-26 242	-25 785	-35 312
Share of net income from joint ventures	6	1	19	-3	2
Operating profit before depreciation and amortisation (EBITDA)	792	769	1 598	1 628	2 282
Depreciation	-225	-219	-668	-669	-919
Operating profit (EBIT)	566	550	930	959	1 364
Financial income	4	2	28	56	70
Financial costs	-26	-22	-114	-66	-92
Profit before tax	545	530	845	949	1 342
Tax expenses	-123	-122	-190	-216	-313
Profit for the period	422	407	655	732	1 029
of which non-controlling interests	18	19	53	77	71
Profit per share (NOK)	3.0	2.90	4.5	4.90	7.1

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Profit for the period	422	407	655	732	1 029
Revaluation of pensions	-	-	-	-	-39
Net items that will not be reclassified subsequently to profit or loss	-	-	-	-	-39
Currency translation differences	24	-12	30	-52	-82
Fair value adjustment of financial assets	13	15	92	46	46
Net items that may be reclassified subsequently to profit or loss	37	3	122	-6	-36
Total comprehensive income	459	410	777	727	954
of which non-controlling interests	21	17	56	75	68

Statement of financial position Veidekke group

Figures in NOK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	1 794	1 792	1 758
Other intangible assets	149	105	150
Rights of use assets	813	784	896
Land and buildings	684	668	689
Plant and machinery	2 195	2 138	2 199
Investments in joint ventures	252	148	150
Financial assets	512	638	479
Total non-current assets	6 399	6 272	6 323
Current assets			
Inventories	690	637	590
Trade and other receivables, contract assets	8 106	6 791	6 050
Financial investments	511	540	539
Cash and cash equivalents	2 174	3 340	3 814
Total current assets	11 482	11 307	10 992
Total assets	17 881	17 579	17 315

Figures in NOK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	67	67	67
Other equity	2 508	2 620	2 781
Non-controlling interests	24	19	17
Total equity	2 600	2 706	2 865
Non-current liabilities			
Pensions and deferred tax liabilities	1 375	1 123	1 176
Bonds	193	600	600
Amounts due to credit institutions	162	194	162
Other non-current liabilities	754	1 224	1 358
Total non-current liabilities	2 484	3 141	3 297
Current liabilities			
Debts to credit institutions	13	14	13
Trade payables and warranty provisions	7 166	7 009	6 723
Public duties and taxes payable	1 485	1 361	1 106
Other current liabilities and contract liabilities	4 132	3 348	3 310
Total current liabilities	12 797	11 732	11 153
Total equity and liabilities	17 881	17 579	17 315

Statement of cash flows

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
OPERATING ACTIVITIES					
Profit before tax	545	530	845	949	1 342
Tax paid for the period	-28	-11	-96	-65	-128
Depreciation, amortisation and impairments	225	219	668	669	919
Other operational items	-269	46	-914	-215	61
Net cash flow from operating activities	474	784	502	1 338	2 194
INVESTING ACTIVITIES					
Acquisition/disposal of property, plant and equipment	-115	-78	-339	-217	-473
Other investing activities	19	5	-88	34	177
Change in interest-bearing receivables	4	21	28	23	15
Net cash flow from investing activities	-92	-53	-399	-161	-282
FINANCING ACTIVITIES					
Change in interest-bearing liabilities	-14	-44	-	-42	-90
Repayment of bond loan	-	-	-420	-	-
Dividend paid	-	-	-945	-776	-776
Other financial items	-61	-14	-378	-237	-448
Net cash flow from financing activities	-75	-58	-1 743	-1 055	-1 314
Total cash flow	307	673	-1 640	122	598
Cash and cash equivalents, start of period	1 867	2 667	3 814	3 219	3 219
Exchange rate adjustment foreign cash balances	-	-	-	-2	-3
Cash and cash equivalents, end of period	2 174	3 340	2 174	3 340	3 814

Net interest-bearing position

Figures in NOK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Cash and cash equivalents	2 174	3 340	3 814
Interest-bearing assets (short-term)	511	540	539
Interest-bearing assets (long-term)	7	123	132
Interest-bearing liabilities	-369	-808	-776
Net interest-bearing position	2 324	3 195	3 709

Other key figures

Figures in NOK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Order book	43 675	40 057	38 084
Equity ratio	15%	15%	17%
Return on equity past 12 months	36%	31%	38%
Number of employees	7 829	7 892	7 796

Business segments

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Construction Norway					
Revenue	3 097	3 005	9 507	10 040	13 514
Operating expenses	-2 937	-2 848	-9 044	-9 556	-12 845
Share of net income from joint ventures	-1	-	-1	-	-
Depreciation, amortisation and impairments	-47	-40	-131	-128	-180
Operating profit (EBIT)	111	116	330	355	489
Net financial items	12	1	28	13	18
Profit before tax (EBT)	123	117	358	367	507
Total assets	6 692	6 504	6 692	6 504	6 602
Infrastructure Norge					
Revenue	2 815	2 777	7 053	6 699	9 147
Operating expenses	-2 396	-2 329	-6 394	-6 004	-8 190
Share of net income from joint ventures	3	-2	3	-1	2
Depreciation, amortisation and impairments	-108	-111	-326	-336	-458
Operating profit (EBIT)	315	336	336	358	502
Net financial items	-13	-11	-29	-30	-40
Profit before tax (EBT)	301	325	307	328	462
Total assets	5 969	5 652	5 969	5 652	4 921

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Construction Sweden					
Revenue	1 824	1 874	6 211	6 053	8 544
Operating expenses	-1 757	-1 843	-6 031	-5 867	-8 285
Share of net income from joint ventures	-1	-2	1	-2	-6
Depreciation, amortisation and impairments	-17	-15	-58	-58	-92
Operating profit (EBIT)	50	14	122	126	160
Net financial items	-	-3	-	6	6
Profit before tax (EBT)	49	11	122	132	166
Total assets	2 993	3 158	2 993	3 158	3 222
Infrastructure Sweden					
Revenue	1 209	1 086	3 569	3 029	4 345
Operating expenses	-1 121	-993	-3 378	-2 837	-4 076
Share of net income from joint ventures	-	-	-	-16	-16
Depreciation, amortisation and impairments	-30	-36	-87	-94	-117
Operating profit (EBIT)	58	58	104	82	137
Net financial items	1	-4	-	-1	-4
Profit before tax (EBT)	59	54	105	81	133
Total assets	1 846	1 646	1 846	1 646	1 563

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Denmark					
Revenue	663	622	1 637	1 772	2 362
Operating expenses	-605	-566	-1 492	-1 625	-2 138
Share of net income from joint ventures	-	-	-	-	-
Depreciation, amortisation and impairments	-6	-6	-16	-18	-24
Operating profit (EBIT)	52	50	129	130	200
Net financial items	1	-	-	-	-
Profit before tax (EBT)	53	50	129	130	200
Total assets	1 889	1 782	1 889	1 782	1 739
Other operations¹					
Revenue	105	40	198	120	162
Operating expenses	-111	-56	-259	-186	-253
Share of net income from joint ventures	5	5	17	16	22
Depreciation, amortisation and impairments	-18	-12	-51	-36	-51
Operating profit (EBIT)	-18	-22	-96	-87	-119
Net financial items	-22	-4	-86	2	-2
Profit before tax (EBT)	-40	-26	-181	-85	-121
Total assets	2 855	2 664	2 855	2 664	3 787

¹ Other operations include the group's net financial items and central unassigned costs.

Figures in NOK million	Q3 2022	Q3 2021	30 Sep 2022	30 Sep 2021	2021
Group eliminations					
Revenue	-164	-110	-353	-297	-482
Operating expenses	163	108	356	290	474
Share of net income from joint ventures	-	-	-	-	-
Depreciation, amortisation and impairments	-	1	1	1	2
Operating profit (EBIT)	-1	-1	4	-6	-6
Net financial items	-	-	-	-	-
Profit before tax (EBT)	-1	-1	4	-6	-6
Total assets	-4 363	-3 826	-4 363	-3 826	-4 519
Total Veidekke group segment accounts					
Revenue	9 550	9 295	27 821	27 416	37 592
Operating expenses	-8 764	-8 527	-26 242	-25 785	-35 312
Share of net income from joint ventures	6	1	19	-3	2
Depreciation, amortisation and impairments	-225	-219	-668	-669	-919
Operating profit (EBIT)	566	550	930	959	1 364
Net financial items	-22	-20	-85	-10	-22
Profit before tax (EBT)	545	530	845	949	1 342
Total assets	17 881	17 579	17 881	17 579	17 315

Statement of changes in equity

Figures in NOK million	Equity holders of Veidekke ASA						Total	Minority	
	Share capital	Other paid-in capital ¹	Reevaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustments ²		Non-controlling interests	Total
Equity at 1 January 2021	67	419	-46	54	2 514	-156	2 853	25	2 877
Profit for the period					655		655	77	732
Other comprehensive income				-50		46	-4	-2	-6
IFRS 2 – share-based transactions employees					-25		-25		-25
Transactions, non-controlling interests					-15		-15	-28	-43
Dividend					-776		-776	-53	-829
Equity at 30 September 2021	67	419	-46	4	2 353	-109	2 688	19	2 706
Equity at 1 January 2021	67	419	-46	54	2 514	-156	2 853	25	2 877
Profit for the period					958		958	71	1 029
Other comprehensive income			-39	-79		46	-72	-3	-75
IFRS 2 – share-based transactions employees					-38		-38		-38
Additions, acquisitions of operations, non-controlling interests								22	22
Transactions, non-controlling interests					-76		-76	-38	-114
Dividend					-776		-776	-60	-836
Equity at 31 December 2021	67	419	-85	-25	2 581	-110	2 848	17	2 865
Equity at 1 January 2022	67	419	-85	-25	2 581	-110	2 848	17	2 865
Profit for the period					601		601	53	655
Other comprehensive income				27		92	120	2	122
IFRS 2 – share-based transactions employees					-15		-15		-15
Additions, acquisitions of operations, non-controlling interests								6	6
Transactions, non-controlling interests					-34		-34	-4	-38
Dividend					-945		-945	-50	-995
Equity at 30 September 2022	67	419	-85	3	2 189	-18	2 576	24	2 600

¹ Paid-in capital over and above nominal value of shares.

² Financial assets and derivatives defined as hedging instruments that are both valued at fair value through comprehensive income.

Notes Veidekke group

Note 01. General information

Veidekke is one of Scandinavia's largest construction companies. The company is headquartered in Oslo and is listed on the Oslo Stock Exchange. The consolidated accounts for Q3 2022 include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. The group included mainly the same units as of Q3 2022 as in the submitted annual accounts for 2021.

Accounting figures in quarterly accounts are not audited.

Note 02. Accounting principles

The group's financial reports are prepared in accordance with international accounting standards (IFRS) approved by the EU. The quarterly accounts have been prepared in accordance with IAS 34 on interim financial reporting, and comply with applicable stock-exchange rules. The quarterly accounts were prepared in accordance with the same accounting principles as the annual accounts for 2021.

Segment and financial statements are presented according to the same accounting principles. There is therefore difference between IFRS and the principles applied by management to follow up on business.

The quarterly accounts do not include all information required in a complete annual report and should therefore be read in connection with the group's annual accounts for 2021, which are available at www.veidekke.com.

Note 03. Segment information

Business areas

Figures in NOK million	Construction Norway		Infrastructure Norway		Construction Sweden		Infrastructure Sweden		Denmark		Other		Eliminations		Group	
	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21	At 30 Sep 22	At 30 Sep 21
Income statement																
Revenue	9 507	10 040	7 053	6 699	6 211	6 053	3 569	3 029	1 637	1 772	198	120	-353	-297	27 821	27 416
Operating expenses	-9 044	-9 556	-6 394	-6 004	-6 031	-5 867	-3 378	-2 837	-1 492	-1 625	-259	-186	356	290	-26 242	-25 785
Share of net income from joint ventures	-1	-	3	-1	1	-2	-	-16	-	-	17	16	-	-	19	-3
Depreciation	-131	-128	-326	-336	-58	-58	-87	-94	-16	-18	-51	-36	1	1	-668	-669
Operating profit	330	355	336	358	122	126	104	82	129	130	-96	-87	4	-6	930	959
Net financial items	28	13	-29	-30	-	6	-	-1	-	-	-86	2	-	-	-85	-10
Profit before tax	358	367	307	328	122	132	105	81	129	130	-181	-85	4	-6	845	949
Statement of financial position at 30 June																
Non-current assets	1 336	1 304	2 610	2 477	829	987	593	615	234	221	867	2 836	-70	-2 167	6 399	6 272
Current assets	2 443	2 267	3 308	3 012	1 528	1 204	1 047	587	410	323	710	634	-139	-60	9 307	7 967
Cash and cash equivalents	2 913	2 933	51	162	635	967	207	444	1 244	1 239	1 279	1 280	-4 154	-3 685	2 174	3 340
Total assets	6 692	6 504	5 969	5 651	2 993	3 158	1 846	1 646	1 889	1 782	2 855	4 750	-4 363	-5 912	17 881	17 579
Equity	1 453	1 499	1 213	1 256	464	623	364	263	578	536	-1 270	916	-202	-2 385	2 600	2 706
Non-current liability	901	885	1 328	1 454	138	629	94	101	112	107	3 942	3 682	-4 030	-3 718	2 484	3 141
Current liabilities	4 338	4 120	3 428	2 940	2 391	1 907	1 388	1 282	1 199	1 140	184	152	-131	191	12 797	11 732
Total equity and liabilities	6 692	6 504	5 969	5 651	2 993	3 158	1 846	1 646	1 889	1 782	2 855	4 750	-4 363	-5 912	17 881	17 579
Key figures																
Number of employees	2 819	2 826	2 260	2 254	1 115	1 224	1 059	1 049	434	410	142	129	-	-	7 829	7 892
Order book	17 218	13 318	8 947	8 554	8 311	10 498	5 831	4 741	3 367	2 947	-	-	-	-	43 675	40 057
- due for completion within 12 months	10 170	9 212	3 794	3 737	5 903	7 398	2 670	2 554	2 368	1 663	-	-	-	-	24 905	24 563

Note 04. Operating income

The tables below show the group’s revenues split into service areas.

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	3 407	-	1 520	15	34	-	4 975
Commercial buildings	1 763	-	3 578	4	678	-	6 023
Public buildings	3 497	425	917	-	783	-	5 621
Transport infrastructure – road	-	12	-	355	-	-	366
Transport infrastructure – rail	-	1 726	-	442	-	-	2 168
Asphalt and aggregates	-	2 434	-	522	-	-	2 956
Other civil engineering	840	1 324	196	2 232	142	-	4 734
Maintenance contracts (road maintenance)	-	1 132	-	-	-	-	1 132
Other/Eliminations	-	-	-	-	-	-155	-155
Total 30 Septeber 2022	9 507	7 053	6 211	3 569	1 637	-155	27 821

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	3 717	-	1 745	-	76	-	5 539
Commercial buildings	3 084	-	2 601	-	1 158	-	6 843
Public buildings	2 766	-	1 589	-	370	-	4 724
Transport infrastructure – road	-	133	-	403	-	-	536
Transport infrastructure – rail	-	1 443	-	204	-	-	1 647
Asphalt and aggregates	-	2 916	2	1 082	-	-	4 000
Other civil engineering	473	1 306	116	1 340	168	-	3 403
Maintenance contracts (road maintenance)	-	901	-	-	-	-	901
Other/Eliminations	-	-	-	-	-	-178	-178
Total 30 September 2021	10 040	6 699	6 053	3 029	1 772	-178	27 416

Note 05. Estimates

Veidekke’s operations comprise construction projects. Accounting for project activities is largely based on estimates. Significant judgements used in applying the group’s accounting policies as well as main sources of estimate uncertainty are the same at the end of Q3 2022 as in the 2021 annual accounts.

Note 06. Non-current assets

Figures in NOK million	Q3 2022	Q3 2021	As at 31 Dec 2021
Property, plant, equipment and other intangible assets			
Carrying amount at start of period	3 935	3 859	3 859
Additions of non-current assets excl. Rights of use assets	465	433	751
Additions of Rights of use assets	160	263	484
Additions from acquisitions of operations	12	87	84
Disposals of non-current assets excl. Rights of use assets	-65	-239	-246
Disposals of Rights of use assets	-	-7	-9
Depreciation/amortisation of non-current assets excl. Rights of use assets	-424	-435	-573
Depreciation of Rights of use assets	-244	-233	-335
Currency translation differences, etc.	-	-35	-80
Carrying amount at end of period	3 841	3 694	3 935
Other intangible assets	149	105	150
Rights of use assets	813	784	896
Land and buildings	684	668	689
Plant and machinery	2 195	2 138	2 199
Carrying amount at end of period	3 841	3 694	3 935

Figures in NOK million	Q3 2022	Q3 2021	As at 31 Dec 2021
Goodwill			
Carrying amount at start of period	1 758	1 824	1 824
Additions	29	16	15
Disposals	-	-11	-12
Impairment	-	-1	-11
Currency translation differences	7	-36	-58
Carrying amount at end of period	1 794	1 792	1 758

Note 07. Operations significantly affected by seasonal fluctuations

The group's asphalt and aggregates operations, which report under the Infrastructure business area, is subject to seasonal fluctuations related to climatic conditions. Production takes place mainly between May and October, and the bulk of the operation's turnover is consequently generated during this period. However, costs related to salaried employees, maintenance of production facilities and depreciation accrue throughout the year. As a result, quarterly accounts for the Infrastructure business area will normally fluctuate significantly.

Note 08. Acquisitions, sales of operations

In Q1 2022, Infrastructure Sweden entered into an agreement with the logistics property company NREP Logicens for the sale of Veidekke's industrial site in Snebro near Nykvarn, south of Stockholm. Completion of the transaction was subject to environmental approval by the authorities, which given in October 2022. The transaction will provide an accounting gain of NOK 130 million and will be included in Infrastructure Sweden's results for Q4 2022.

Note 09. Special items

Veidekke has invested parts of the surplus liquidity in, among other things, bonds. Due to increased interest rates and market unrest the portfolio of investments has been exposed to a decline in value in 2022. As at the end of Q3 2022, unrealised losses totalling NOK 33 million have been booked in the accounts, of which NOK 30 million in first half 2022. In addition to this, parts of a bond loan was prematurely redeemed in the first quarter of 2022, which charged NOK 13 million to the accounts. Reference is made to [note 12](#). The cost entries are made under segment Other.

Note 10. Financial instruments

There were no significant changes during the period related to financial risk and the group's use of financial instruments. For further details, see the annual report for 2021.

Note 11. Dividends

For the financial year 2021, a dividend payment of NOK 7.0 per share, amounting to NOK 945 million in total, was approved by the Annual General Meeting on 11 May 2022 and recognised in the Q2 2022 accounts.

Note 12. Loan agreement covenants

Veidekke has a NOK 1.75 billion overdraft facility with DNB (rolling 364-day maturity) and a NOK 0.75 billion credit facility with SEB (with maturity until December 2023 and two one-year extension options). Both facilities remained unutilised as at the end of third quarter 2022.

Cash and cash equivalents amount to NOK 2.2 billion, including NOK 1.3 billion invested in money market funds. Veidekke has also invested NOK 0.5 billion in bond funds, and this investment has been classified as Financial investments in the Statement of financial position.

In first quarter 2022, Veidekke implemented a voluntary buy-back of its VEI10 bond loan, which has a maturity date of 19 March 2025. As at 31 December 2021, the loan had an outstanding volume of NOK 600 million, of which a total of NOK 407 million was bought back at a price of NOK 103.20. Following the buy-back, Veidekke’s bond loan stands at NOK 193 million. As a result of the premature redemption the income statement in Q1 has been charged with NOK 13 million related to share premiums.

Note 13. Events after the reporting date

No events have occurred after the balance sheet date that would have had a material effect on the issued accounts.

Note 14. Alternative performance measures

Veidekke generally reports its financial results in line with International Financial Reporting Standards (IFRS). The following alternative performance measures are also reported:

Net interest-bearing position

This key figure expresses the group’s financial position and is determined on the basis of the group’s capitalised interest-bearing debt on the date of calculation, less bank deposits and interest-bearing receivables, both current and non-current. This key figure is also included in the calculation of covenants in the loan agreement.

Order book

The order book provides an indication of future activity in the group’s construction and civil engineering operations. The order book is defined as contracted and signed contracts on the measurement date. This key figure also includes road maintenance contracts in Infrastructure’s Road maintenance unit.

Invested capital

The return on invested capital is calculated by dividing the profit/loss before tax plus interest costs over the previous 12 months by the average invested capital over the same period.

The average invested capital is calculated by averaging invested capital over the four preceding quarters.

Invested capital comprises equity and interest-bearing debt. Interest-bearing receivables and cash are excluded from the definition of interest-bearing debt.

Return on equity

This key figure indicates the return on equity during the period. It is calculated by dividing the post-tax profit by average equity.

Profit for the last 12 months

Average equity last 12 months

Average equity over the last 12 months is calculated by averaging equity over the preceding four quarters.

Veidekke is one of Scandinavia's largest contractors. In addition to undertaking all types of building and civil engineering assignments, the group also maintains roads and produces asphalt and aggregates. Veidekke emphasises stakeholder involvement and local experience. The annual turnover is NOK 38 billion, and half of its 7 800 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has posted a profit every year since its inception in 1936.



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