



Q1

First quarter 2023

11 May 2023

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, CFO

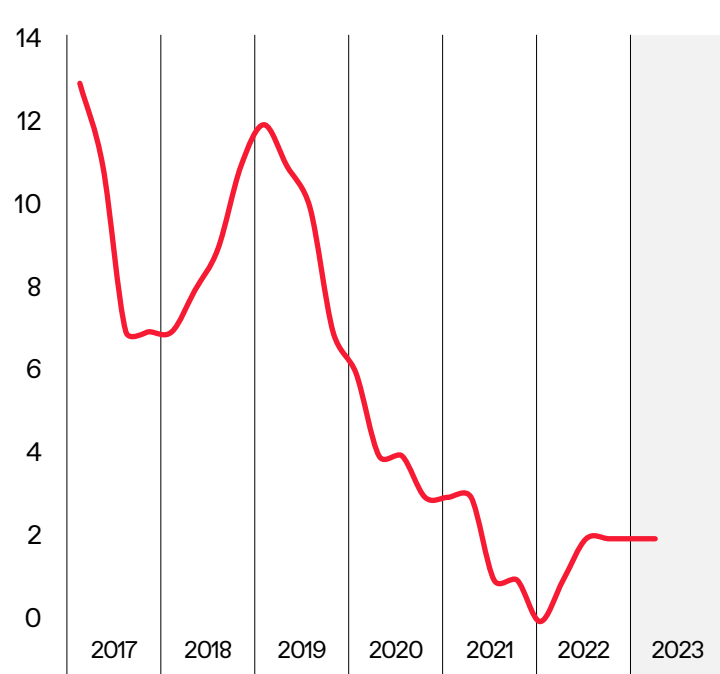
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

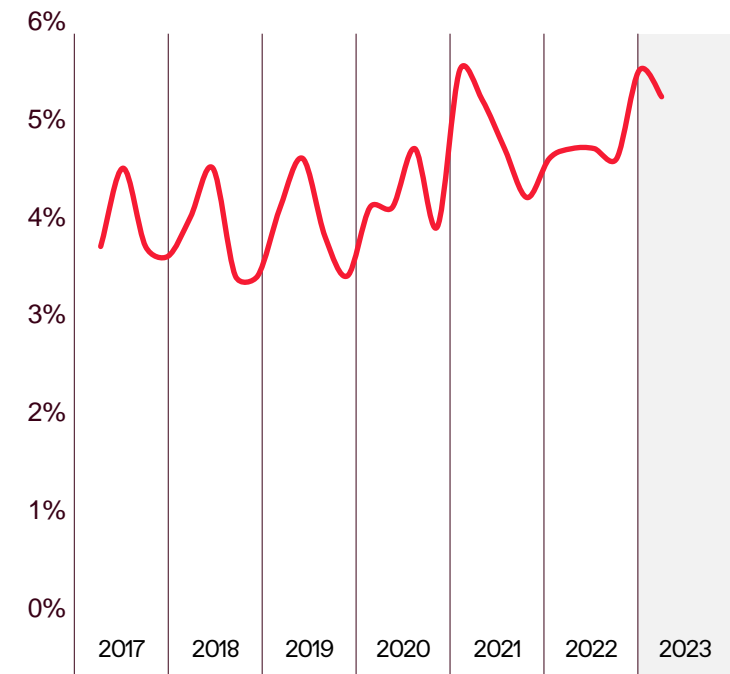
Number of serious injuries

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



Sickness absence

Veidekke employees



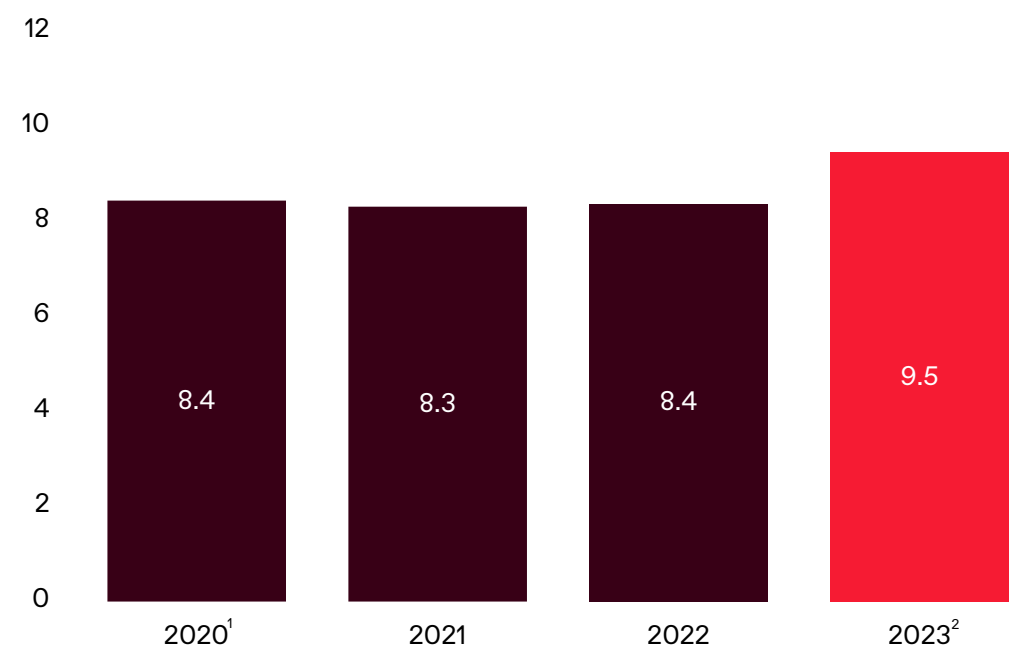
Highlights Q1 2023

- NOK 9.5 billion revenue – up 13% on Q1 2022
- E39 dispute settled
- Underlying profits and margin on a par with a year ago
- Maintains strong order book of NOK 43.1 billion

Key financial figures

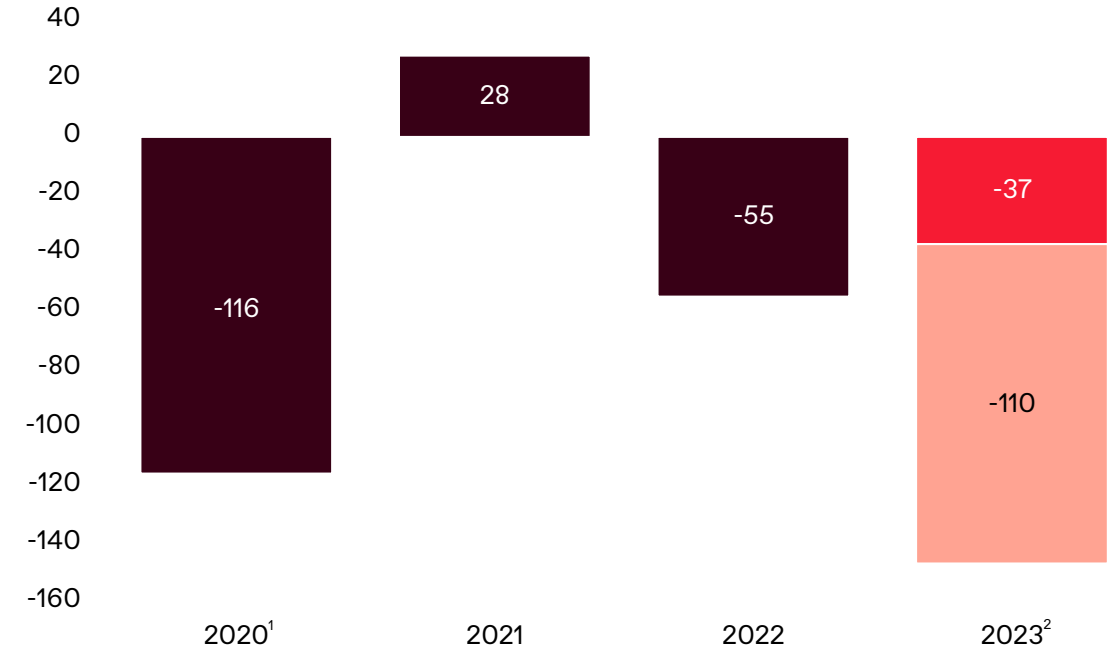
Q1 revenues

NOK billion



Q1 profit before tax

NOK billion



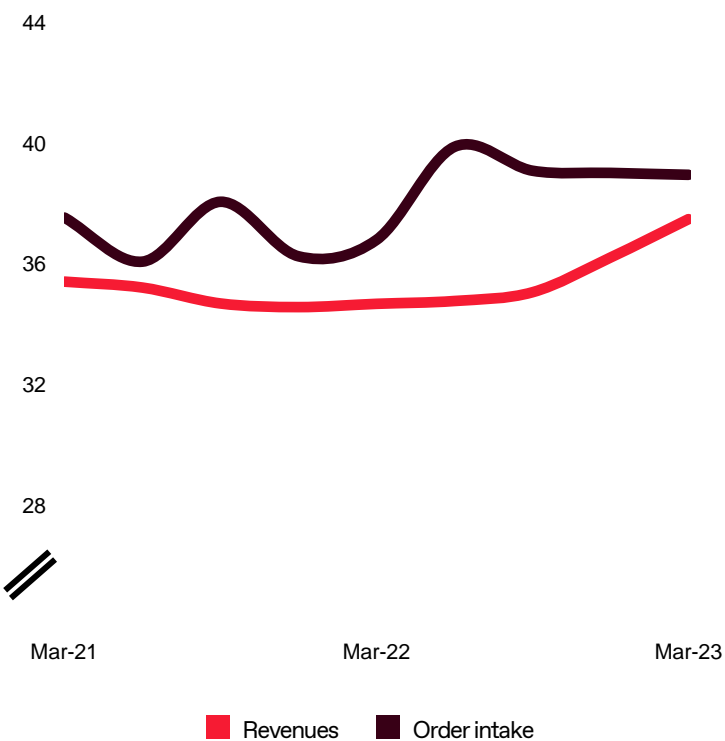
¹ Historical figures (2020) have been restated to reflect the spin-off of the property development operation
² Q1 2023 includes a NOK -110 million loss related to the settlement of an older dispute in the civil engineering business

The group maintains a strong order book

Increase in commercial buildings, while residential segment declines

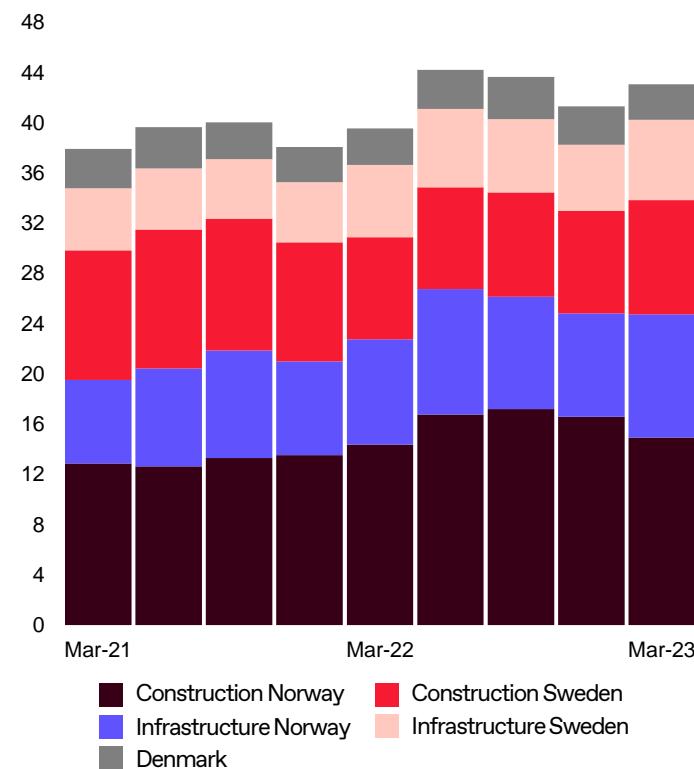
Revenues and order intake

12-month rolling, NOK billion



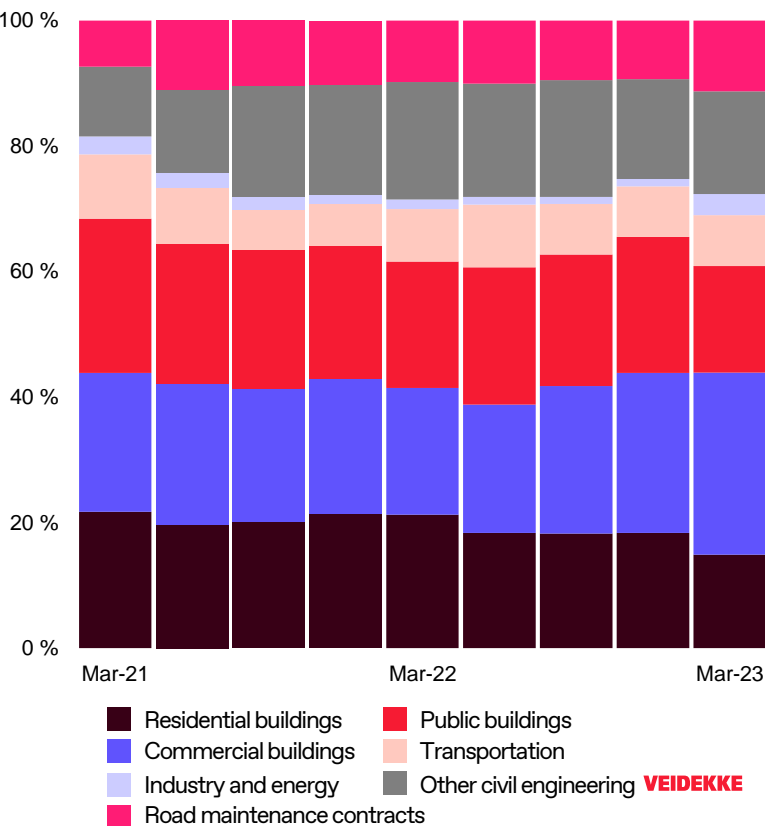
Order book

NOK billion



Order book per segment

Percent



High order intake

Both private and public clients

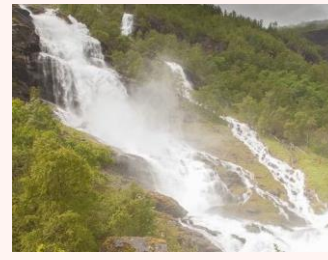
1

Vestfold/Telemark East
Infra Norway
NOK 807 million



4

Feios power plant
Infra Norway
NOK 500 million



2

Volvo STL AE
Constr. & Infrastr. Sweden
NOK 1 500 million



5

Kallerud student housing
Construction Norway
NOK 137 million



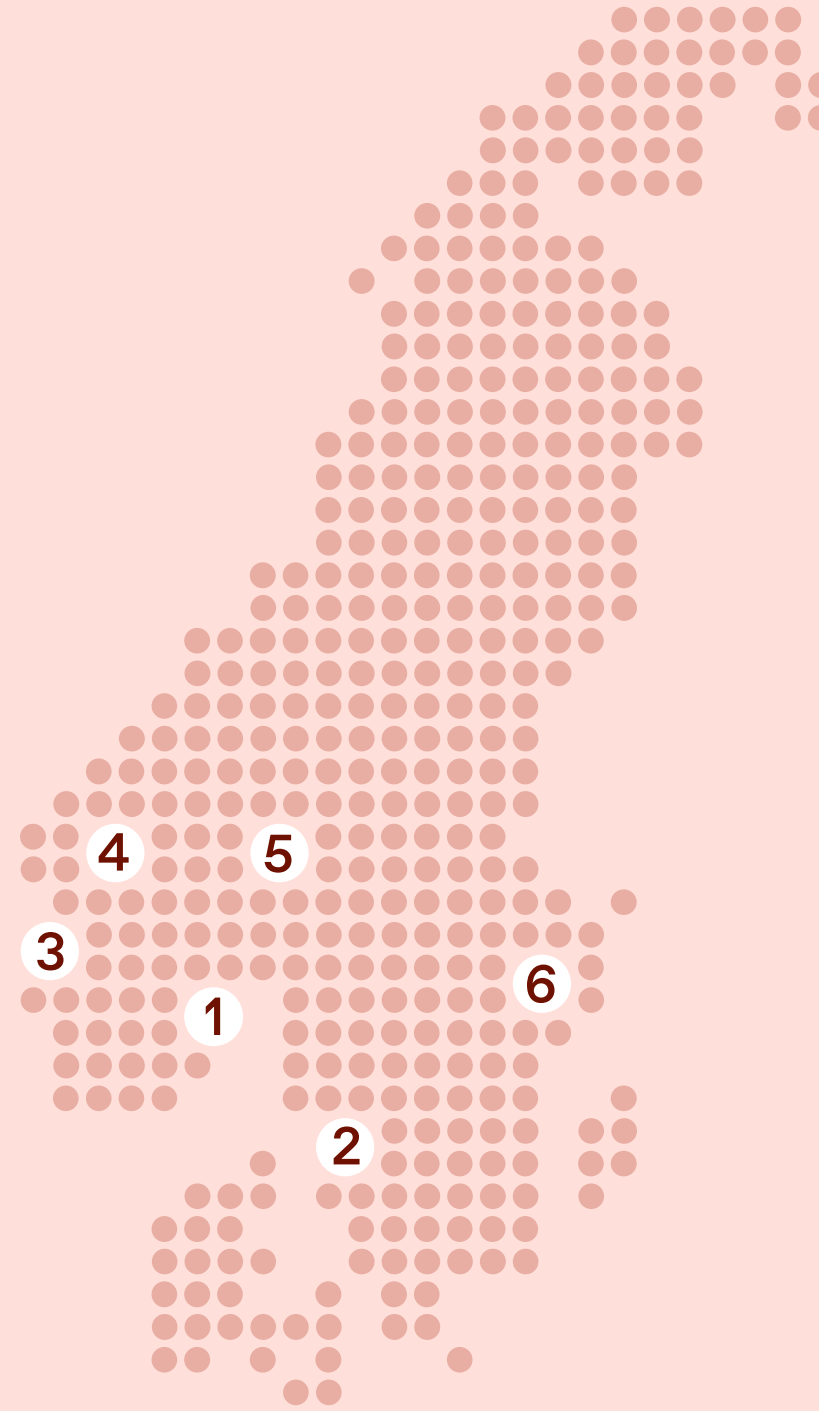
3


Nygatakvartalet
Construction Norway
NOK 210 million



6

Tellus sports facilities
Construction Sweden
NOK 217 million





Q1 Results

Group and segments

Jørgen Wiese Porsmyr, Group CFO

Revenues, profits and profit margins

Group and business areas

	Q1 2023			Q1 2022		
Amounts in NOK million	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	3 977	136	3.4%	3 196	108	3.4%
Infrastructure Norway ¹	1 407	-303	-21.5%	1 715	-149	-8.7%
Construction Sweden	2 209	10	0.5%	2 134	30	1.4%
Infrastructure Sweden	1 191	-8	-0.7%	973	-9	-0.9%
Denmark/Hoffmann	796	55	7.0%	444	31	7.0%
Total business areas	9 580	-109	-1.1%	8 462	11	0.1%
Other	-119	-38		-91	-66	
Group	9 461	-147	-1.6%	8 369	-55	-0.7%

¹ Q1 2023 includes a NOK -110 million loss related to the settlement of an older dispute in the civil engineering business

Construction Norway

Activity boost across the business

- 24% revenue increase over Q1 2022
- Effect of order intake in 1H 2022

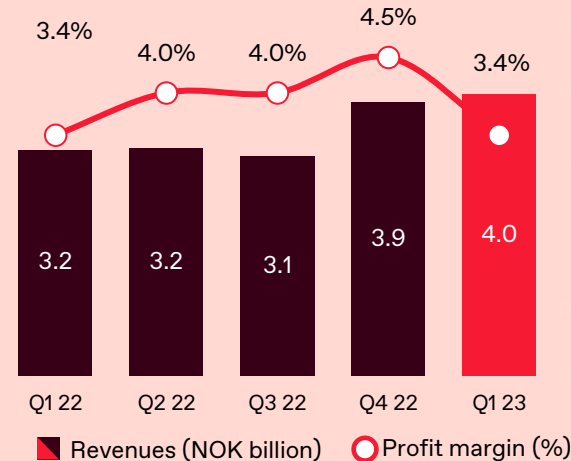
Profit margin on a par with preceding year

- Nominal profit increase as a result of increased activity
- Majority of the operation has robust profitability

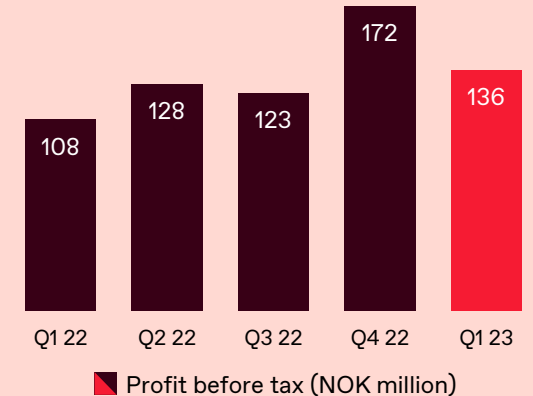
Order book down 11% in Q1

- Market activity still ongoing, but lead times have increased

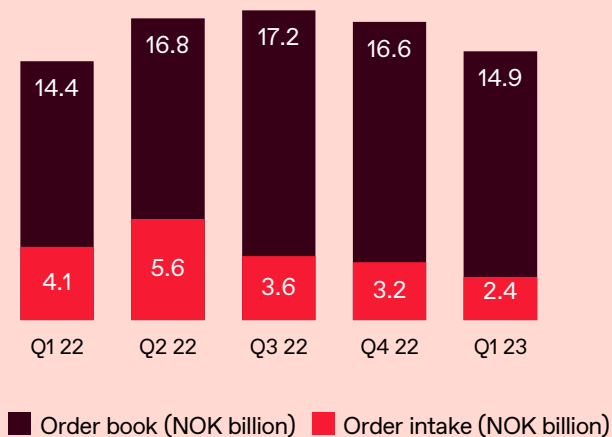
Revenues and profit margin



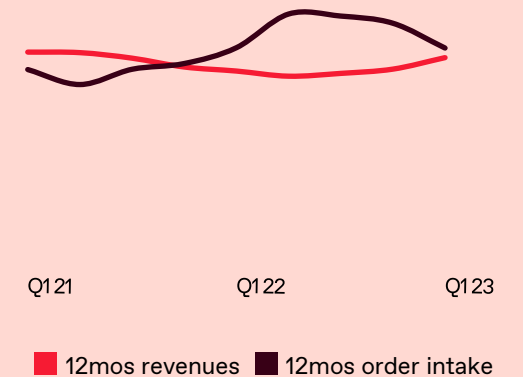
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenues down 18% from Q1 2022

- Reduced activity in the civil engineering business

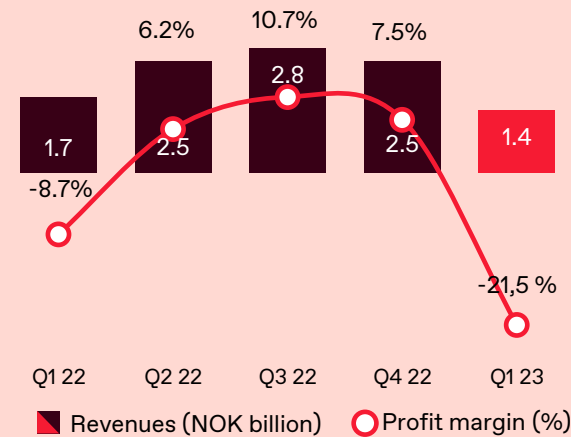
E39 dispute settled; underlying profit also dropped

- Underlying total loss NOK -193 (-149) mill.
- Asphalt winter season costs increased
- Civil engineering; solid profitability in ongoing large construction projects and road maintenance

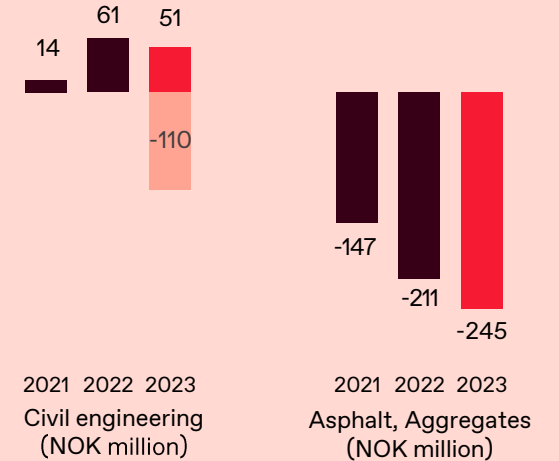
Order book increased over preceding quarter

- Four new road maintenance contracts in this year's tender round, of which three awarded in Q1

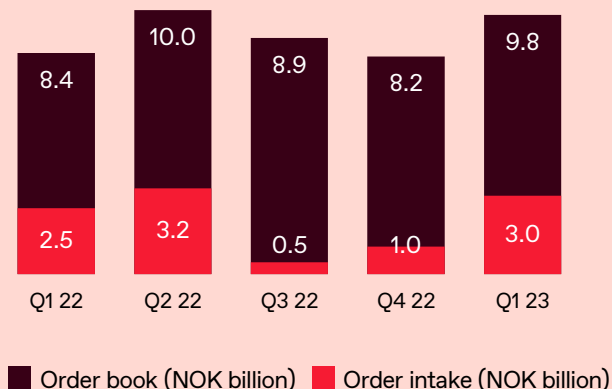
Revenues and profit margin



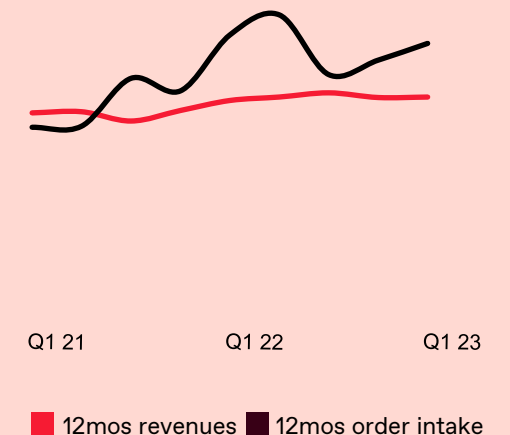
Profit before tax Q1



Order intake and order book



Revenues and order intake



Asphalt – status at the start of 2023 season

- Q1 deficit increased (-245 MNOK vs. -211 MNOK)
 - Season preparations and training activities
 - Overall cost inflation and financial costs
- 2023 national & county roads tender rounds generated a solid foundation
 - Comprises 1/3 of total asphalt market
 - Total volume in this market segment is down 30% on last year
 - Veidekke's volumes are on a par with last year – hence market share increased to 45%
- Clear steps taken to regenerate solid and stable profitability
 - Adapt capacity and mode of operation for all 25 production sites



Construction Sweden

Revenues on a par with Q1 2022

- Increase related to operations in Gothenburg
- Significant drop in the Stockholm and Malmö residential segment

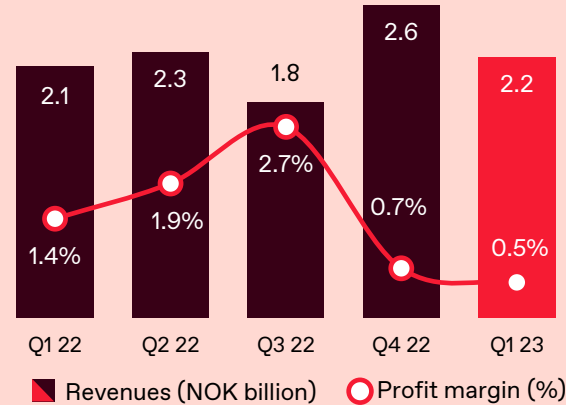
Wide range in profitability

- BRA in Gothenburg generated robust profitability
- Losses in Stockholm continued, due to cost increases in final stage of loss-making project, and low activity

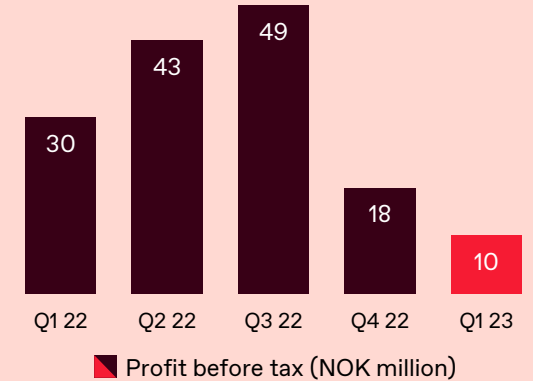
Order book increase driven by commercial projects

- 4% increase in local currency
- Growth in Gothenburg
- Clear drop in residential segments in all regions

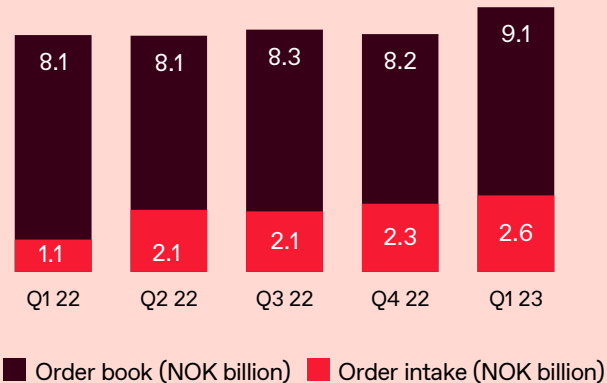
Revenues and profit margin



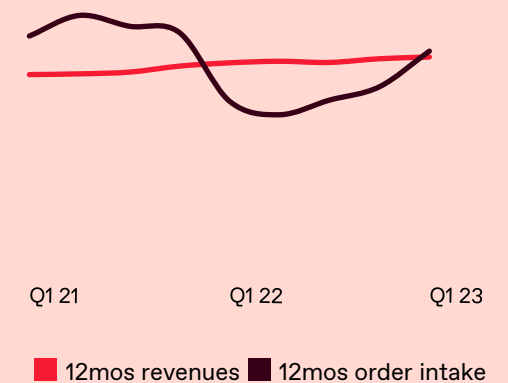
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

Revenue up 18% on Q1 2022 in local currency

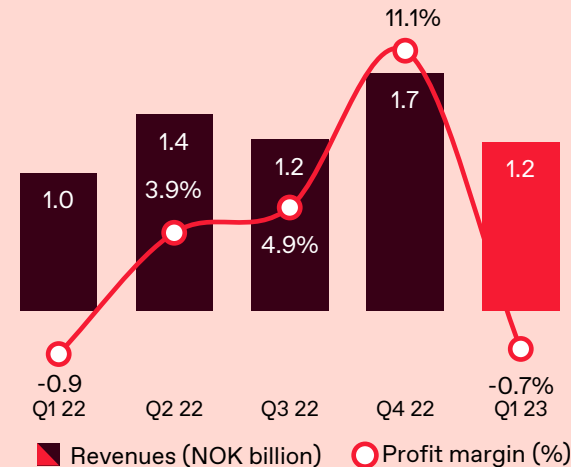
- Increase related to high production in individual projects
- Low season in parts of the business

Stable results

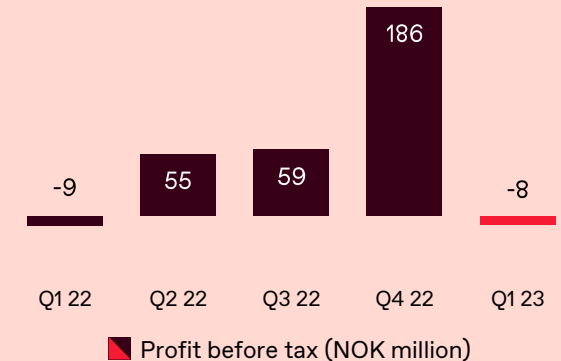
The order book increased 14% in Q1 in local currency

- Major contract with Volvo Lastvagnar AB (Gothenburg), in collaboration with the construction business

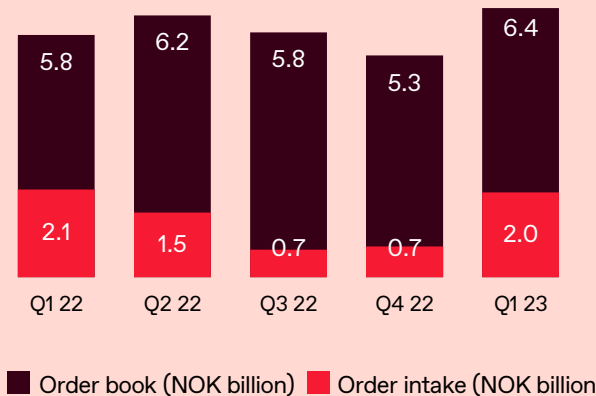
Revenues and profit margin



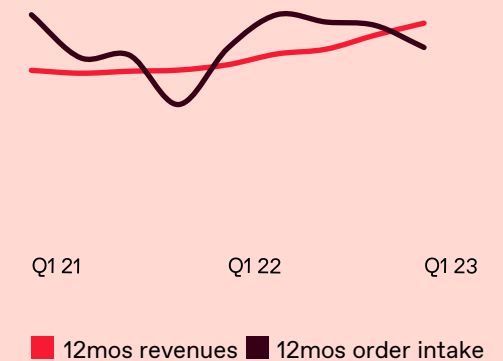
Profit before tax



Order intake and order book



Revenues and order intake



Denmark

Revenue increased 62% on Q1 2022 in local currency

- High production in several larger projects

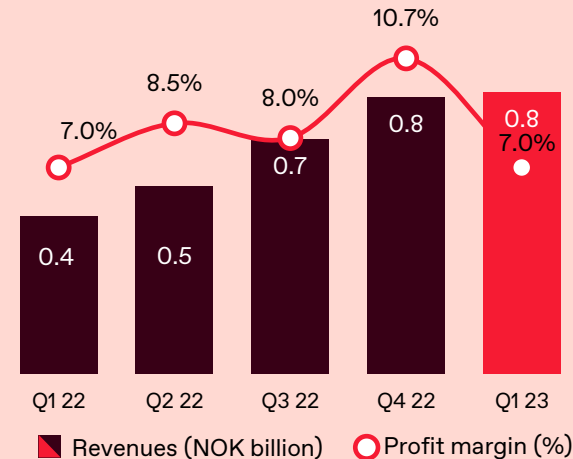
High profit margin

- Consistently solid project profitability

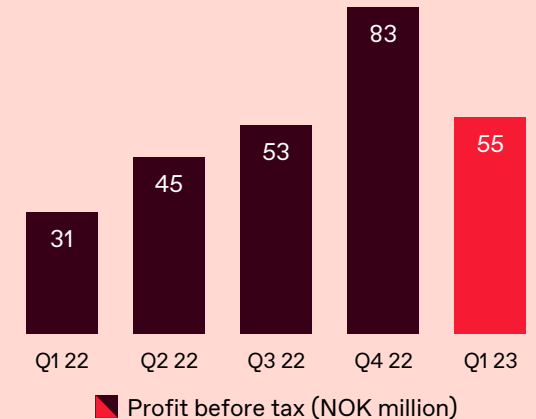
Order book declined 15% in Q1 in local currency,

- Indicates revenue flattening in 2H 2023
- Many project opportunities, but solving the client's business case with satisfactory profitability is challenging

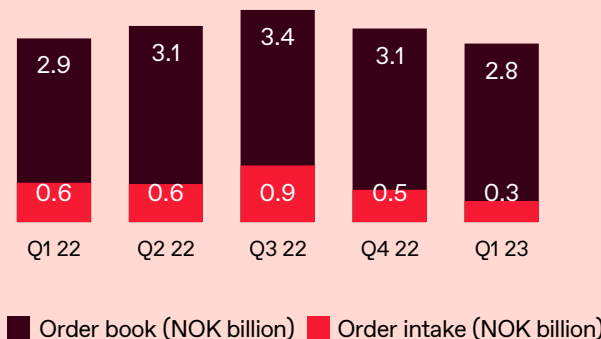
Revenues and profit margin



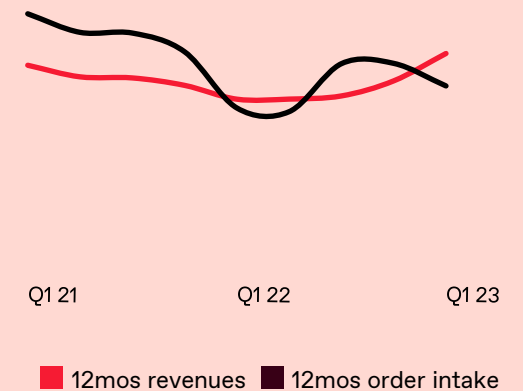
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million	31 March 2023	31 March 2022
Fixed assets	7 136	6 372
Current assets (excluding cash, cash equivalents and financial investments)	7 595	6 461
Cash, cash equivalents and financial investments	2 820	3 667
Assets	17 552	16 500
Equity	2 926	2 797
Long-term debt	2 400	2 876
Short-term debt	12 225	10 827
Equity and debt	17 552	16 500
Equity ratio	17 %	17 %
Return on equity (12mos)	40 %	36 %
Net interest-bearing position	2 504	3 289

Financial position

Highlights Q1 2023

Operating cash flow

- Improved project cash flow in the Norwegian construction business

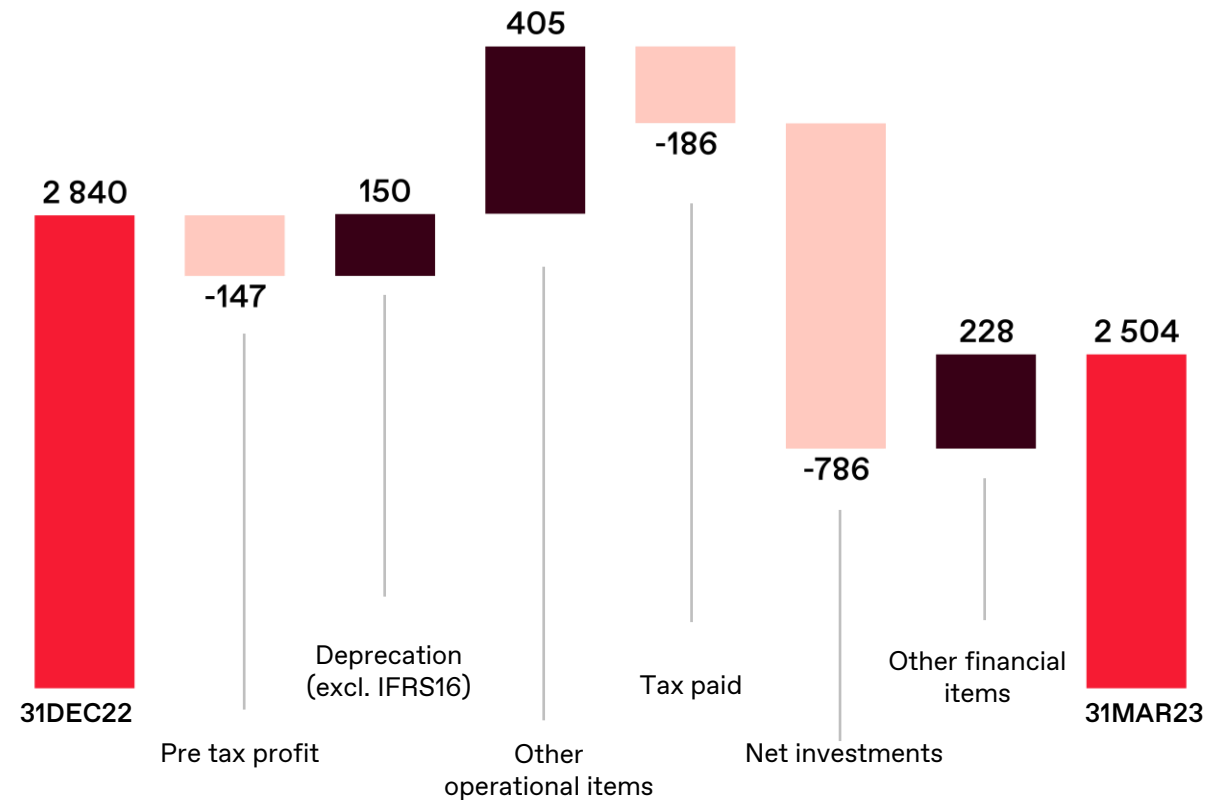
Investments


- BRA earnout payment of approx. NOK 640 million. Veidekke retains 70% ownership stake

The settlement of the E39 dispute generates capital influx of NOK 300 million in Q2 and Q3

Change in net interest-bearing assets

NOK million





Q1 Closing comments

Jimmy Bengtsson, Group CEO

Diversified, flexible and selective

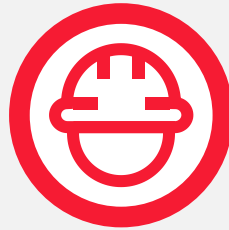
NOK 43 billion order book provides solid visibility

Diversified and distributed



- Different geographies and markets with unique drivers
- Adapt capacity to demand

Flexible cost structure



- Large share related to project deliveries
- Flexibility to adapt the cost structure to the order book

Selectivity and portfolio



- Selectivity and market adaptation
- Management of uncertainty in calculation and execution

Construct Sweden – clear potential for improvement

Different starting points require different actions

Stockholm–Uppsala: losses on residential projects

- Turnaround ongoing in a challenging market
- Selectivity and rebalancing against other market segments

Gothenburg: strong position

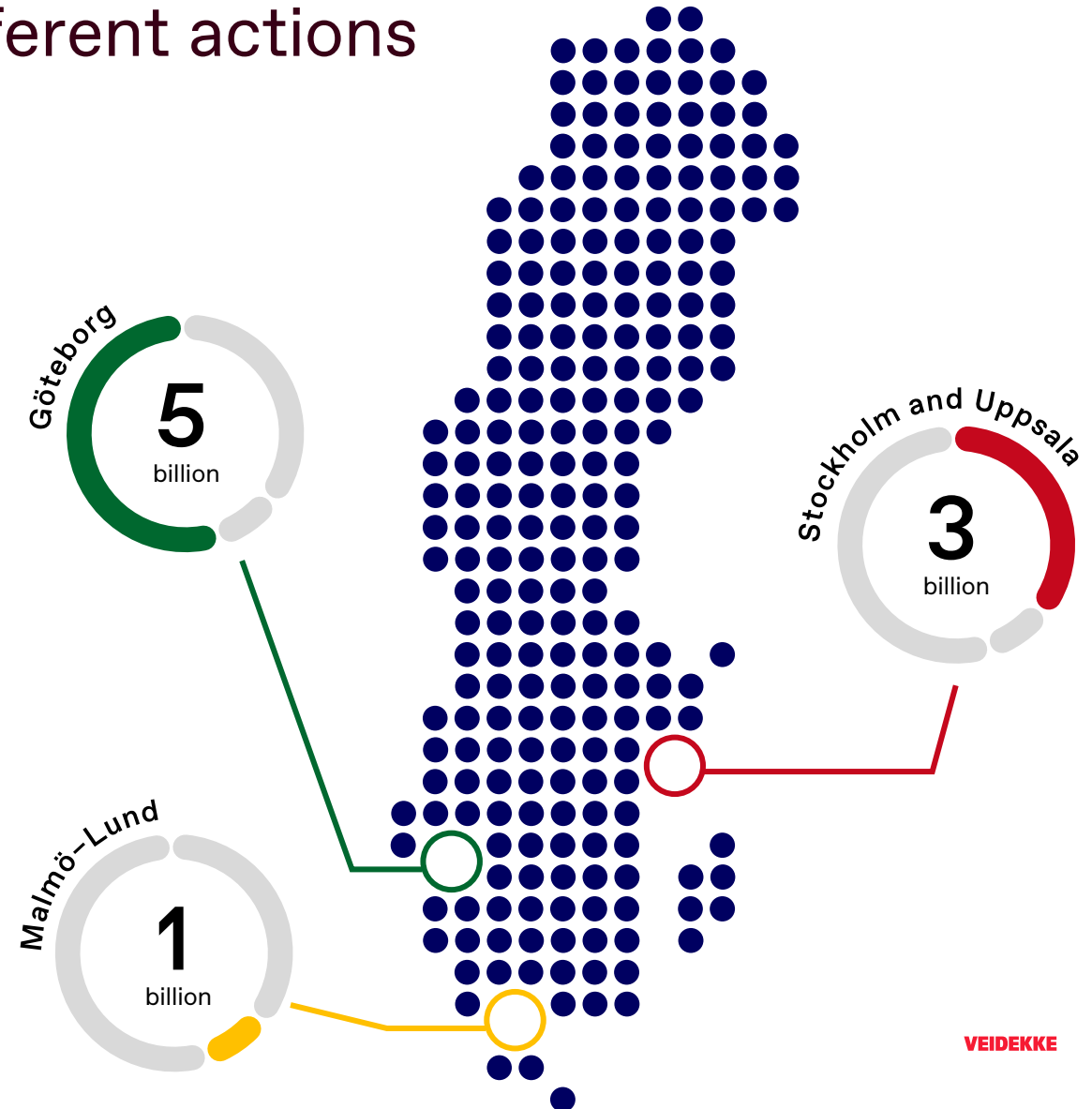
- Solid position and profitability in the commercial building segment
- Handle market decline in residential segment

Malmö–Lund: volume challenges

- Well-functioning organisation with good performance

Key activities going forward

- Maintain and further develop strong positions
- Turn loss units around by managing uncertainty and being selective
- Handle market decline and find the right capacity



Summary

1

Stable order intake

- Robust order book maintained
- Lower activity in certain regions

2

Turnaround and improvements

- Asphalt operation in Norway
- Construction operation in Stockholm and Uppsala

3

Profitability targets maintained

- Selectivity in line with strategy
- Constant improvement focus

