



Q2

Second quarter 2023

Key figures

Figures in NOK million	Q2 2023	Q2 2022	30.06.2023	30.06.2022	2022
Revenue	11 165	9 902	20 625	18 271	38 658
Profit/loss before tax	387	355	240	300	1 467
Construction Norway	164	128	300	235	530
Infrastructure Norway	109	155	-194	6	496
Construction Sweden	37	43	47	73	140
Infrastructure Sweden	59	55	52	46	290
Denmark	62	45	118	76	213
Other	-44	-71	-82	-136	-203
Profit margin	3.5%	3.6%	1.2%	1.6%	3.8%
Operating profit/loss before depreciation and amortisation (EBITDA)	646	609	731	806	2 446
Shareholders' profit/loss share	275	251	155	198	1 092
Profit/loss per share (NOK)	2.0	1.9	1.1	1.5	8.1
Net interest-bearing assets	1 121	2 002	1 121	2 002	2 840
Net cash flow from operations	179	27	499	28	1 409
Return on equity past 12 months	43%	37%	43%	37%	43%
Order book	45 032	44 224	45 032	44 224	41 334
- Of which to be implemented next 12 months	27 827	25 224	27 827	25 224	25 699
Order intake	12 218	13 151	22 549	23 546	39 032
LTI rate	3.7	2.2	3.2	4.3	3.0
Sickness absence	4.2%	4.7%	5.9%	5.3%	5.5%

Results Q2 2023

Veidekke achieved revenues of NOK 11.2 billion in Q2, and a pre-tax profit of NOK 387 million. The group's order book totalled NOK 45.0 billion at quarter-end. The profit per share was NOK 2.0.

“Veidekke has maintained high activity levels and stable profitability despite more challenging market conditions, and has increased group profits compared to last year,” says Group CEO Jimmy Bengtsson.

“The group's quarterly order inflow was robust and broad-based in terms of both geographical spread and market segments. The order book of the Norwegian construction operation is particularly strong, and although we are anticipating flatter growth going forward, we also expect activity levels to remain satisfactory. The order book of the Swedish construction operation has followed the sharp downturn in the residential property market, and we now expect declining activity levels in the months ahead,” says Jimmy Bengtsson.

“Meanwhile, demand for major infrastructure projects remains high in both Norway and Sweden, although the profits of the Norwegian infrastructure operation were weaker than anticipated. This is primarily attributable to tougher market conditions in the groundworks, foundation and aggregates segments,” says Bengtsson.

“Overall, the quarterly results illustrate our ability to adapt to challenging markets. Our project portfolio is highly diverse, featuring a range of customer groups and projects with different drivers in numerous geographical regions. Moreover, we continue to be selective in the assignments we take on. We remain focused on securing improvements and see continued high potential for boosting our profitability,” says Bengtsson.

Veidekke achieved revenues of NOK 11.2 billion in Q2 2023, up 13% from NOK 9.9 billion in the second quarter of 2022. The increase is attributable to Construction Norway, Hoffman and Infrastructure Sweden.

Higher activity levels improved the group's nominal result, with the quarterly pre-tax profit totalling NOK 387 million, compared to NOK 355 million in the second quarter of last year. Overall, the profit margin was 3.5%, compared to 3.6% in Q2 2022.

The group's quarterly order intake was NOK 12.2 billion, compared to NOK 13.2 billion in Q2 2022. Around two-thirds of the order book will be converted into revenue in the next 12 months. At quarter-end, the order book amounted to NOK 45.0 billion, up 9% since the start of the year and up 2% on the same quarter last year.

Net interest-bearing assets totalled NOK 1.1 billion at the end of Q2 2023, compared to NOK 2.0 billion last year. Cash flow from operational activities amounted to NOK 499 million in the first half of the year, compared to NOK 28 million in the first half of 2022. The statement of financial position totalled NOK 16.8 billion

at quarter-end, compared to NOK 17.6 billion at the beginning of the year and NOK 17.0 billion one year ago.

The second-quarter LTI (lost time injury) rate was 3.7, compared to 3.9 in the first quarter of the year and 2.2 in Q2 2022. No serious injuries occurred during the second quarter. The sick leave rate was 4.2%, down from 6.2% in the preceding quarter and 4.7% in the second quarter of last year.

Revenues in the first half of 2023 totalled NOK 20.6 billion, compared to NOK 18.3 billion in the first half of 2022. The pre-tax profit for the first half-year amounted to NOK 240 million, compared to NOK 300 million in the same period last year. The result for the first half of 2023 includes a settlement with the Norwegian Public Roads Administration relating to the E39 motorway which had a negative profit effect of NOK -110 million. Adjusted for the settlement, the first-half 2023 profit was NOK 350 million. A positive liquidity effect of NOK 300 million will have effect in Q3. The overall profit margin totalled 1.2% as at 30 June 2023, compared to 1.6% one year ago. Adjusted for the settlement, the profit margin was 1.7%.

Construction Norway

NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Revenue	4 089	3 214	8 066	6 410	13 370
Profit/loss before tax	164	128	300	235	530
Profit margin	4.0%	4.0%	3.7%	3.7%	4.0%
Order book	16 277	16 765	16 277	16 765	16 584
- To be implemented next 12 mos.	11 610	10 395	11 610	10 395	11 794

The Norwegian construction operation generated revenues of NOK 4.1 billion in the second quarter of 2023, up 27% from NOK 3.2 billion in the second quarter of 2022. The revenue increase was spread across most geographical regions.

The Q2 pre-tax profit totalled NOK 164 million, compared to NOK 128 million in the second quarter of 2022. The profit increase is attributable to higher activity levels. Like last year, the quarterly profit margin was 4.0%. Profitability was satisfactory across large parts of the operation.

During the quarter, Veidekke entered into a final agreement to purchase all of the shares in Haugerud Vikeby AS in Mysen. The company generated revenues of approximately NOK 200 million and achieved a profit margin of 4% in 2022.

The second-quarter order intake was NOK 5.4 billion, compared to NOK 5.6 billion in Q2 2022.

- New contracts signed in the quarter:**
- Oslo Atrium. Refurbishment of office building in Oslo for Watrium AS. Contract value NOK 740 million.
 - Vannkunsten Syd. Residential project in Oslo for Oslo S Utvikling AS. Contract value NOK 480 million.
 - Kvam VGS. Upper secondary school in Kvam municipality for Vestland county municipality. Contract value NOK 390 million.
 - Lille Løren Park BT3. Residential project in Oslo for Sinsenveien Utvikling AS. Contract value NOK 320 million.
 - Feyer Brygge. Residential project in Egersund for Feyer Eiendom AS. Contract value NOK 290 million.

Construction Norway’s order book is stable and high, totalling NOK 16.3 billion at quarter-end, compared to NOK 16.8 billion last year. The quarter saw approximately equal order-book growth in the residential, commercial-building and public-building segments. The current order book indicates that revenues will flatten out in the second half of 2023.

Infrastructure Norway

NOK million	Q2 2023	Q2 2022	30 Jun 2023¹	30 Jun 2022	2022
Total revenue	2 436	2 523	3 843	4 237	9 583
- Civil engineering	1 426	1 592	2 715	3 169	6 333
- Asphalt, Aggregates	1 010	930	1 127	1 069	3 251
Total profit/loss before tax	109	155	-194	6	496
- Civil engineering	64	121	5	182	485
- Asphalt, Aggregates	46	34	-199	-176	11
Total profit margin	4.5%	6.2%	-5.0%	0.1%	5.2%
- Civil engineering	4.5%	7.6%	0.2%	5.8%	7.7%
- Asphalt, Aggregates	4.5%	3.7%	-17.6%	-16.5%	0.3%
Order book	10 509	10 003	10 509	10 003	8 242
- To be implemented next 12 mos.	4 297	4 290	4 297	4 290	3 527

¹ The pre-tax profit as at 30 June 2023 includes a NOK -110 million loss related to the settlement of an older dispute in the civil engineering business.

Infrastructure Norway achieved revenues of NOK 2.4 billion in the second quarter, compared to NOK 2.5 billion in the same quarter of last year. The pre-tax profit totalled NOK 109 million, compared to NOK 155 million in Q2 2022. The profit decline is attributable to the civil engineering operation. Overall, the profit margin was 4.5%, compared to 6.2% in Q2 2022.

The civil engineering operation generated revenues of NOK 1.4 billion in Q2, compared to NOK 1.6 billion in the corresponding quarter of last year. Combined with a weaker market and reduced activity levels in the groundworks and foundation segments, the completion of several large civil engineering projects contributed to a year-on-year fall in revenue. The pre-tax profit was NOK 64

million, down from NOK 121 million in Q2 2022. The profit drop is attributable to a lower volume of groundwork and foundation assignments, as well as reduced activity levels pending building-starts under major new civil engineering contracts. Both the major civil engineering projects portfolio and the road maintenance operation achieved good profitability. However, the performance of the latter operation was somewhat down on last year, when project profitability was extraordinarily high. Overall, the profit margin of the civil engineering operation was 4.5%, compared to 7.6% in Q2 2022.

The asphalt and aggregates operations achieved total revenues of NOK 1.0 billion in the second quarter, compared to NOK 930 million in Q2 2022. Asphalt volumes were on a par with last year, while increased prices contributed to higher revenue and profit improvements. The aggregates operation experienced lower activity levels and a drop in profits attributable to reduced demand for rock-based products. The quarterly profit was NOK 46 million, compared to NOK 34 million last year.

Infrastructure Norway secured new orders valued at NOK 2.1 billion in Q2, compared to NOK 3.2 billion in the same period last year.

- New contracts signed in the quarter:**
- K1B Skøyen–Majorstuen. Tunnel project in Oslo linked to the Fornebu Line. Contract value NOK 1.4 billion.
 - Indre Romsdal D&V. Maintenance contract with Møre og Romsdal county municipality. Contract value NOK 300 million.

After quarter-end, Veidekke was awarded a contract to construct a new ring road around Oslo (Ring 1) on behalf of the Norwegian Public Roads Administration. The contract, which is expected to be signed in the third quarter, includes both design and construction of a new tunnel under the government district. Tunnel construction is not due to start until the spring of 2024.

At quarter-end, the order book totalled NOK 10.5 billion, compared to NOK 10.0 billion last year. Road maintenance contracts amounted to NOK 4.9 billion, up from NOK 4.4 one year ago.

Construction Sweden

NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Revenue	2 305	2 252	4 514	4 386	8 858
Profit/loss before tax	37	43	47	73	140
Profit margin	1.6%	1.9%	1.0%	1.7%	1.6%
Order book	8 724	8 107	8 724	8 107	8 158
- To be implemented next 12 mos.	6 215	5 724	6 215	5 724	5 337

Construction Sweden recorded revenues of NOK 2.3 billion in the second quarter, on a par with the same quarter of last year. Measured in local currency, revenues fell by 4%. Although revenues were stable in Gothenburg, residential construction activity dropped significantly in Stockholm and Malmö. In Stockholm, a lack of residential building starts was compensated for by increased demand from public-sector clients, while demand was low in all market segments in Skåne.

The second-quarter profit was NOK 37 million, compared to NOK 43 million last year. The quarterly profit margin was 1.6%, compared to 1.9% in Q2 2022. The subsidiary BRA in Gothenburg achieved solid profitability, and several projects approaching completion ensured good profitability for the Malmö operation. Construction Sweden is making broad-based efforts to reorient its project portfolio and adapt its cost structure.

The second-quarter order intake totalled NOK 2.0 billion, compared to NOK 2.1 billion last year.

New contracts signed in the quarter:

- Hallunda Eleonoraskolan. School for Botkyrka municipality outside Stockholm. Contract value NOK 550 million.
- Pilevall, Exporten. Rental apartments in Skåne for KKB Fastigheter Ab. Contract value NOK 215 million.
- Kasern III. Refurbishment of the Royal Institute of Art in Stockholm. Contract value NOK 100 million.

At the end of the second quarter, the order book stood at NOK 8.7 billion, compared to NOK 8.1 billion last year. Measured in local currency, the order book grew by 5%.

Infrastructure Sweden

NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022 ¹
Revenue	1 594	1 387	2 786	2 360	5 247
Profit/loss before tax	59	55	52	46	290
Profit margin	3.7%	3.9%	1.8%	1.9%	5.5%
Order book	6 772	6 233	6 772	6 233	5 277
- To be implemented next 12 mos.	3 555	2 739	3 555	2 739	2 714

¹ The 2022 pre-tax profit included a NOK 130 million gain on the sale of an industrial site outside Stockholm

Infrastructure Sweden generated revenues of NOK 1.6 billion in the second quarter of 2023, compared to NOK 1.4 billion in Q2 2022. Measured in local currency, revenues increased by 8%. The increase is attributable to high production on individual projects in the Stockholm region.

The quarterly profit amounted to NOK 59 million, compared to NOK 55 million last year. The quarterly profit margin was 3.7%, compared to 3.9% in the second quarter of 2022.

The second-quarter order intake totalled NOK 2.0 billion, up from NOK 1.5 billion in Q2 2022. The order intake primarily comprised increased volumes in ongoing projects, in addition to the Bellmangaraget parking facility in Stockholm for Atrium Ljungberg, which has a total contract value of NOK 450 million.

At the end of Q2, the order book stood at NOK 6.8 billion, up from NOK 6.2 billion last year. Measured in local currency, the order book grew by 6%.

Denmark

NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Revenue	811	530	1 607	974	2 420
Profit/loss before tax	62	45	118	76	213
Profit margin	7.7%	8.5%	7.3%	7.8%	8.8%
Order book	2 751	3 117	2 751	3 117	3 074
- To be implemented next 12 mos.	2 150	2 076	2 150	2 076	2 327

The Danish operation achieved revenues of NOK 811 million in the second quarter, compared to NOK 530 million in the corresponding quarter of last year. The increase, which amounts to 24% measured in local currency, is attributable to high production on a number of major projects in Copenhagen.

The pre-tax profit was NOK 62 million, compared to NOK 45 million in Q2 2022. The profit increase is attributable to increased revenues. The profit margin was 7.7%, compared to 8.5% in the second quarter of 2022.

The second-quarter order intake totalled NOK 675 million, compared to NOK 606 million last year.

No major new contracts were signed in the quarter.

The order book stood at NOK 2.8 billion at the end of the second quarter, compared to NOK 3.1 billion one year ago. Measured in local currency, the order book shrank by 22%. Market conditions are challenging, and it is proving difficult to satisfy client demands and wishes while maintaining satisfactory profitability. Although the order book level is satisfactory, individual project building starts are taking time, and revenues are therefore expected to flatten out in the year ahead.

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 (PPP), as well as the elimination of intra-group profits. The result for the second quarter was NOK -44 million, compared to NOK -71 million in Q2 2022.

Financial situation

Net interest-bearing assets amounted to NOK 1.1 billion at quarter-end, compared to NOK 2.0 billion one year ago. The change since last year is attributable to a final payment in Q1 2023 linked to a 2018 acquisition by Construction Sweden, as well as a buy-out of minority shareholders in Construction Norway. Construction Norway’s strong project liquidity impacted cash flow from operational activities, which amounted to NOK 499 million in the first half of 2023, compared to NOK 28 million in the first half of 2022. Cash flow from investment activities totalled NOK -882 million, compared to NOK -307 million in the first half of last year. The statement of financial position totalled NOK 16.8 billion at quarter-end, down from NOK 17.6 billion at the beginning of the year and NOK 17.0 billion one year ago.

As at the end of Q2 2023, Veidekke had not drawn on any of its available credit totalling NOK 2.5 billion.

Shareholder information

A total of 5.1 million Veidekke shares were traded in the second quarter of 2023. The share price ranged from NOK 101.60 to NOK 122.60, and was NOK 115.0 as at 30 June. A dividend of NOK 7.75 per share was paid in May. The foreign shareholding was 24.2%. In total, approximately 12% of the shares in the company are owned by Veidekke employees.

Largest shareholders as at 30 June 2023	Shareholding
Obos BBL	19.5%
Folketrygdfondet	10.5%
If Skadeförsäkring AB	3.7%
Pareto Asset Management	3.0%
Vanguard	2.8%
Must Invest AS	2.2%
Odin Fond	2.1%
MP Pensjon PK	2.0%
Danske Invest	1.8%
RBC Global Asset Management	1.4%
Total 10 largest shareholders	49.3%
Others	50.7%
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 second quarter of 2023. For a more detailed description of related-party transactions, see Veidekke’s Annual and Sustainability Report 2022.

Risks

Veidekke’s business primarily involves the execution of construction and infrastructure projects for private and public-sector clients in Norway, Sweden and Denmark. In the past year, increasing market uncertainty has brought about further rises in energy and other commodity prices, higher interest-rate levels and higher 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. Effects on the residential market are already clearly apparent, in the form of lower of new-unit sales. Veidekke’s order book was strong at the end of Q2 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 in recent months indicates that the market is functioning, but there are large variations between different 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. Although Veidekke seeks to reach agreement with clients through negotiations, some disputes do end up in the court system.

Following settlement of a dispute relating to the E39 motorway, the number of legal disputes is at a normal level.

Veidekke sees no material change in financial risk in the first half of 2023. For further discussion of the company’s financial risk, climate risk and other risk factors, see [Note 29](#) in Veidekke’s Annual and Sustainability Report 2022.

Consolidated interim financial statement (unaudited)

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

Declaration by the board of directors and Group CEO

The board and Group CEO have today reviewed and approved the condensed consolidated financial statements and board of directors’ report for the six-month period that ended 30 June 2023. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and the additional disclosure requirements of the Norwegian Securities Trading Act. The board considers that the half-year accounts provide a correct picture of the group’s assets, debt, financial position and financial results. The half-year report provides a correct overview of important events during the accounting period, and of their impact on the half-year accounts. It also describes key risk and uncertainty factors facing the group in the next accounting period, as well as material transactions involving related parties.

Oslo, 16 August 2023
The board of directors of Veidekke ASA

Gro Bakstad
chair

Hanne Rønneberg

Per-Ingemar Persson

Klara Lise Aasen

Carola Lavén

Pål Eitrheim

Nils Morten Bøhler

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Jimmy Bengtsson
Group CEO

Statement of comprehensive income

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Revenue	11 165	9 902	20 625	18 271	38 658
Operating expenses	-10 526	-9 301	-19 910	-17 478	-36 250
Share of net income from joint ventures	8	8	15	13	37
Operating profit before depreciation and amortisation (EBITDA)	646	609	731	806	2 446
Depreciation	-257	-222	-505	-442	-938
Operating profit/loss (EBIT)	389	388	225	364	1 508
Financial income	23	8	60	24	45
Financial costs	-26	-41	-46	-88	-87
Profit/loss before tax	387	355	240	300	1 467
Tax expenses	-85	-80	-53	-68	-308
Profit/loss for the period	302	275	187	233	1 159
of which non-controlling interests	27	24	33	35	67
Profit/loss per share (NOK)	2.0	1.9	1.1	1.5	8.1

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Profit/loss for the period	302	275	187	233	1 159
Revaluation of pensions	-	-	-	-	33
Net items that will not be reclassified subsequently to profit or loss	-	-	-	-	33
Currency translation differences	3	42	84	6	4
Fair value adjustment of financial assets	-1	25	7	80	91
Net items that may be reclassified subsequently to profit or loss	3	67	91	85	95
Total comprehensive income	305	342	279	318	1 287
of which non-controlling interests	26	25	33	35	68

Statement of financial position Veidekke group

Figures in NOK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	2 084	1 786	2 016
Other intangible assets	224	147	137
Rights of use assets	988	862	857
Land and buildings	753	688	740
Plant and machinery	2 312	2 204	2 349
Investments in joint ventures	313	258	278
Financial assets	544	501	524
Total non-current assets	7 218	6 446	6 901
Current assets			
Inventories	699	737	639
Trade and other receivables, contract assets	7 436	7 434	6 867
Financial investments	321	513	523
Cash and cash equivalents	1 127	1 866	2 714
Total current assets	9 583	10 549	10 743
	-	-	
Total assets	16 800	16 996	17 644

Figures in NOK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	67	67	67
Other equity	2 062	2 069	2 906
Non-controlling interests	99	18	22
Total equity	2 228	2 155	2 995
Non-current liabilities			
Pensions and deferred tax liabilities	1 252	1 245	1 239
Bonds	193	193	193
Amounts due to credit institutions	139	175	194
Other non-current liabilities	771	763	687
Total non-current liabilities	2 356	2 375	2 313
Current liabilities			
Debts to credit institutions		15	14
Trade payables and warranty provisions	7 924	7 035	7 082
Public duties and taxes payable	927	1 210	1 102
Other current liabilities and contract liabilities	3 366	4 206	4 137
Total current liabilities	12 217	12 465	12 336
	-	-	
Total equity and liabilities	16 800	16 996	17 644

Statement of cash flows

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
OPERATING ACTIVITIES					
Profit/loss before tax	387	355	240	300	1 467
Tax paid for the period	-38	-31	-225	-68	-290
Depreciation, amortisation and impairments	257	222	505	442	938
Other operational items	-427	-519	-22	-646	-706
Net cash flow from operating activities	179	27	499	28	1 409
INVESTING ACTIVITIES					
Acquisition/disposal of property, plant and equipment	-222	-145	-335	-224	-429
Other investing activities	99	-42	-547	-107	-289
Change in interest-bearing receivables	27	8	-1	24	17
Net cash flow from investing activities	-96	-179	-882	-307	-701
FINANCING ACTIVITIES					
Change in interest-bearing liabilities	-16	-28	-70	14	33
Repayment of bond loan	-	-	-	-420	-420
Dividend paid	-1 051	-945	-1 051	-945	-945
Other financial items	-191	-151	-242	-317	-477
Net cash flow from financing activities	-1 258	-1 124	-1 362	-1 668	-1 808
	-	-			
Total cash flow	-1 175	-1 276	-1 745	-1 947	-1 100
Cash and cash equivalents, start of period	2 292	3 143	2 714	3 814	3 814
Exchange rate adjustment foreign cash balances	10	0	158	-	-
Cash and cash equivalents, end of period	1 127	1 867	1 127	1 867	2 714

Net interest-bearing position

Figures in NOK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Cash and cash equivalents	1 127	1 866	2 714
Interest-bearing assets (short-term)	321	513	523
Interest-bearing assets (long-term)	5	5	5
Interest-bearing liabilities	-332	-383	-402
Net interest-bearing position	1 121	2 002	2 840

Other key figures

Figures in NOK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Order book	45 032	44 224	41 334
Equity ratio	13%	13%	17%
Return on equity past 12 months	43%	37%	43%
Number of employees	7 976	7 733	7 933

Business segments

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Construction Norway					
Revenue	4 089	3 214	8 066	6 410	13 370
Operating expenses	-3 904	-3 049	-7 717	-6 107	-12 732
Share of net income from joint ventures		-	-	-	-
Depreciation, amortisation and impairments	-43	-42	-85	-84	-171
Operating profit/loss (EBIT)	141	122	265	219	467
Net financial items	23	5	35	16	63
Profit/loss before tax (EBT)	164	128	300	235	530
Total assets	7 175	6 488	7 175	6 488	6 963
Infrastructure Norge					
Revenue	2 436	2 523	3 843	4 237	9 583
Operating expenses	-2 177	-2 252	-3 749	-3 998	-8 595
Share of net income from joint ventures	1	2	1		10
Depreciation, amortisation and impairments	-128	-109	-256	-218	-450
Operating profit/loss (EBIT)	133	164	-161	21	548
Net financial items	-24	-9	-33	-15	-52
Profit/loss before tax (EBT)	109	155	-194	6	496
Total assets	5 502	5 470	5 502	5 470	4 796

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Construction Sweden					
Revenue	2 305	2 252	4 514	4 386	8 858
Operating expenses	-2 248	-2 189	-4 431	-4 274	-8 617
Share of net income from joint ventures	-	1	1	1	1
Depreciation, amortisation and impairments	-22	-21	-42	-41	-98
Operating profit/loss (EBIT)	35	43	42	73	144
Net financial items	1	-	5	-	-3
Profit/loss before tax (EBT)	37	43	47	73	140
Total assets	2 559	2 982	2 559	2 982	3 174
Infrastructure Sweden					
Revenue	1 594	1 387	2 786	2 360	5 247
Operating expenses	-1 495	-1 304	-2 663	-2 257	-4 826
Share of net income from joint ventures	-	-	-	-	-
Depreciation, amortisation and impairments	-38	-28	-71	-57	-130
Operating profit/loss (EBIT)	62	55	52	46	291
Net financial items	-3	-1	-	-1	-1
Profit/loss before tax (EBT)	59	55	52	46	290
Total assets	1 871	1 809	1 871	1 809	1 781

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Denmark					
Revenue	811	530	1 607	974	2 420
Operating expenses	-747	-479	-1 487	-886	-2 190
Share of net income from joint ventures	-	-	-	-	-
Depreciation, amortisation and impairments	-7	-5	-14	-11	-23
Operating profit/loss (EBIT)	57	46	106	77	208
Net financial items	5	-1	12	-1	5
Profit/loss before tax (EBT)	62	45	118	76	213
Total assets	1 947	1 696	1 947	1 696	1 900
Other operations¹					
Revenue	52	50	130	93	193
Operating expenses	-82	-87	-186	-149	-300
Share of net income from joint ventures	7	6	13	11	27
Depreciation, amortisation and impairments	-20	-16	-39	-33	-68
Operating profit/loss (EBIT)	-43	-48	-82	-77	-149
Net financial items	-5	-28	-5	-64	-53
Profit/loss before tax (EBT)	-48	-76	-87	-141	-202
Total assets	2 083	2 850	2 083	2 850	4 197

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

Figures in NOK million	Q2 2023	Q2 2022	30 Jun 2023	30 Jun 2022	2022
Group eliminations					
Revenue	-124	-54	-321	-189	-1 012
Operating expenses	127	59	324	193	1 009
Share of net income from joint ventures	-	-	-	-	-
Depreciation, amortisation and impairments	-	-	1	1	2
Operating profit/loss (EBIT)	4	5	4	5	-2
Net financial items	-	-	-	-	-
Profit/loss before tax (EBT)	4	5	4	5	-2
Total assets	-4 337	-4 299	-4 337	-4 299	-5 168
Total Veidekke group segment accounts					
Revenue	11 165	9 902	20 625	18 271	38 658
Operating expenses	-10 526	-9 301	-19 910	-17 478	-36 250
Share of net income from joint ventures	8	8	15	13	37
Depreciation, amortisation and impairments	-257	-222	-505	-442	-938
Operating profit/loss (EBIT)	389	388	225	364	1 508
Net financial items	-2	-33	15	-64	-42
Profit/loss before tax (EBT)	387	355	240	300	1 467
Total assets	16 800	16 996	16 800	16 996	17 644

Statement of changes in equity

	Equity holders of Veidekke ASA						Minority		
Figures in NOK million	Share capital	Other paid-in capital¹	Reevaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustments²	Total	Non-controlling interests	Total
Equity at 1 January 2022	67	419	-85	-25	2 581	-110	2 848	17	2 865
Profit/loss for the period	-	-	-	-	198	-	198	35	233
Other comprehensive income	-	-	-	6	-	80	85	-	85
Share-based transactions employees	-	-	-	-	-15	-	-15	-	-15
Additions from acquisitions of operations – non-controlling interests	-	-	-	-	-	-	-	6	6
Transactions, non-controlling interests	-	-	-	-	-35	-	-35	11	-24
Dividend	-	-	-	-	-945	-	-945	-51	-995
Equity at 30 June 2022	67	419	-85	-19	1 784	-30	2 137	18	2 155
Equity at 1 January 2022	67	419	-85	-25	2 581	-110	2 848	17	2 865
Profit/loss for the period	-	-	-	-	1 092	-	1 092	67	1 159
Other comprehensive income	-	-	33	1	-	91	125	2	128
Share-based transactions employees	-	-	-	-	-31	-	-31	-	-31
Additions, acquisitions of operations, non-controlling interests	-	-	-	-	-	-	-	8	8
Transactions, non-controlling interests	-	-	-	-	-112	-	-112	-21	-133
Purchase of own shares	-	-	-	-	-5	-	-5	-	-5
Dividend	-	-	-	-	-945	-	-945	-50	-995
Equity at 31 December 2022	67	419	-52	-24	2 581	-19	2 973	22	2 995
Equity at 1 January 2023	67	419	-52	-24	2 581	-19	2 973	22	2 995
Profit/loss for the period	-	-	-	-	155	-	155	33	187
Other comprehensive income	-	-	-	84	-	7	91	-	91
Share-based transactions employees	-	-	-	-	-12	-	-12	-	-12
Transactions, non-controlling interests	-	-	-	-	-32	-	-32	106	75
Sale of own shares	-	-	-	-	5	-	5	-	5
Dividend	-	-	-	-	-1 051	-	-1 051	-62	-1 113
Equity at 30 June 2023	67	419	-52	60	1 646	-12	2 129	99	2 228

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 Q2 2023 include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. At the end of Q2 2023, the group included essentially the same units as in the annual accounts submitted for 2022.

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 2022.

The segment and financial statements presented are prepared in line with the same accounting principles, and there is therefore no 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 conjunction with the group's annual accounts for 2022, which are available at www.veidekke.com.

Note 03. 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	2 868	-	764	-	9	-	3 641
Commercial buildings	1 922	-	3 196	-	777	-	5 895
Public buildings	2 696	274	329	-	653	-	3 952
Transport infrastructure – road	-	2	-	220	-	-	479
Transport infrastructure – rail	-	907	-	293	-	-	950
Asphalt and aggregates	-	1 120	-	283	-	-	1 403
Other civil engineering	581	691	225	1 990	167	-	3 647
Maintenance contracts (road maintenance)	-	849	-	-	-	-	849
Other/Eliminations	-	-	-	-	-	-191	-191
Total 30 June 2023	8 066	3 843	4 514	2 786	1 607	-191	20 625

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	2 294	-	1 215	-	29	-	3 539
Commercial buildings	1 150	-	2 580	-	402	-	4 133
Public buildings	2 404	365	591	-	449	-	3 809
Transport infrastructure – road	-	4	-	188	-	-	192
Transport infrastructure – rail	-	1 113	-	298	-	-	1 411
Asphalt and aggregates	-	1 100	-	313	-	-	1 413
Other civil engineering	561	944	-	1 561	93	-	3 159
Maintenance contracts (road maintenance)	-	809	-	-	-	-	809
Other/Eliminations	-	-97	-	-	-	-96	-193
Total 30 June 2022	6 410	4 238	4 386	2 360	974	-96	18 271

Note 04. Estimates

Veidekke’s operations comprise construction projects. Accounting for project activities is largely based on estimates. The significant assessments when applying the group’s accounting policies and the main sources of estimate uncertainty are the same at the end of Q2 2023 as in the 2022 annual accounts.

Note 05. Non-current assets

Figures in NOK million	Q2 2023	Q2 2022	As at 31 Dec 2022
Property, plant, equipment and other intangible assets			
Carrying amount at start of period	4 083	3 935	3 935
Additions of non-current assets excl. Rights of use assets	435	336	785
Additions of Rights of use assets	268	130	312
Additions from acquisitions of operations	18	12	72
Disposals of non-current assets excl. Rights of use assets	-59	-60	-80
Disposals of Rights of use assets	-6	-	-
Depreciation/amortisation of non-current assets excl. Rights of use assets	-297	-280	-572
Depreciation of Rights of use assets	-208	-163	-348
Currency translation differences, etc.	42	-10	-21
Carrying amount at end of period	4 277	3 902	4 083
Other intangible assets	224	147	137
Rights of use assets	988	862	857
Land and buildings	753	688	740
Plant and machinery	2 312	2 204	2 349
Carrying amount at end of period	4 277	3 902	4 083

Figures in NOK million	Q2 2023	Q2 2022	As at 31 Dec 2022
Goodwill			
Carrying amount at start of period	2 016	1 758	1 758
Additions	19	29	289
Disposals	-	-	-
Impairment	-	-	-18
Currency translation differences	49	-2	-14
Carrying amount at end of period	2 084	1 786	2 016

Note 06. Operations significantly affected by seasonal fluctuations

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

Note 07. Acquisitions, sales of operations

In Q2 2023, Construction Sweden acquired the remaining 9.9% of the shares in BRA (Billström Riemer Andersson AB), and paid the remaining purchase price for shares transferred to Veidekke in 2018. A NOK 642 million payment made in Q2 also includes the acquisition of shares from minorities in certain BRA subsidiaries. During Veidekke's period of ownership, BRA has produced excellent results, and contributed a total profit of NOK 717 million before tax for the period 2018–2022. As of 31 March 2023, Veidekke had almost 100% ownership of the BRA group. Veidekke values employee co-ownership, and to ensure the continued high commitment of key personnel in this company, the group performed a sell-down of shares in BRA in Q2 2023, reducing Veidekke's share of ownership to 70%.

Note 08. Special items

In Q2 2023, Veidekke and the Norwegian Public Roads Administration agreed on the final settlement of the project E39 Sveгатjørn–Rådal outside Bergen. For Veidekke, the settlement entails a NOK -110 million loss, which has been recorded under Infrastructure Norway in the Q2 2023 accounts. The settlement will provide capital influx in the amount of NOK 300 million, comprising payments withheld for work performed and previously paid-in VAT. The positive cash flow from overpaid VAT will be recorded in the Q3 2023 accounts.

Note 09. 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 2022.

Note 10. Dividends

For the financial year 2022, a dividend of NOK 7.75 per share was paid to shareholders, amounting to NOK 1 051 million in total. The dividend was approved at the Annual General Meeting on 10 May 2023, and was accounted for in Q2 2023.

Note 11. 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 31. December 2025). Both facilities remained unutilised as at the end of second quarter 2023. Cash and cash equivalents amounted to NOK 1.1 billion, including NOK 0.8 billion invested in money market funds. Veidekke also has NOK 0.3 billion invested in bond funds. This investment has been classified as Financial investments in the Statement of financial position.

Note 12. Events after the reporting date

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

Note 13. 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

An expression of the group’s financial position, this key figure is determined from 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.

Return on equity

This key figure indicates the return on equity during the period and 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 39 billion, and nearly half of its 8 000 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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