



Q2

Second quarter 2023

17 August 2023

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, CFO

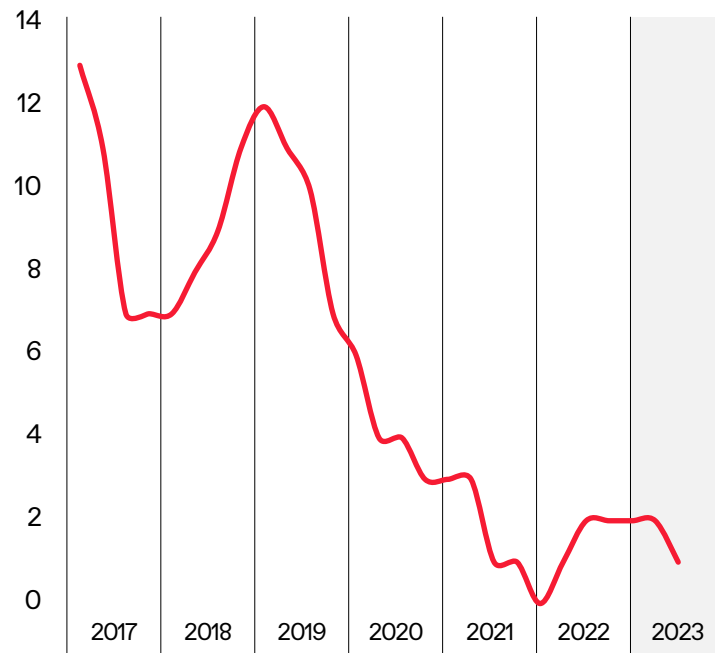
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

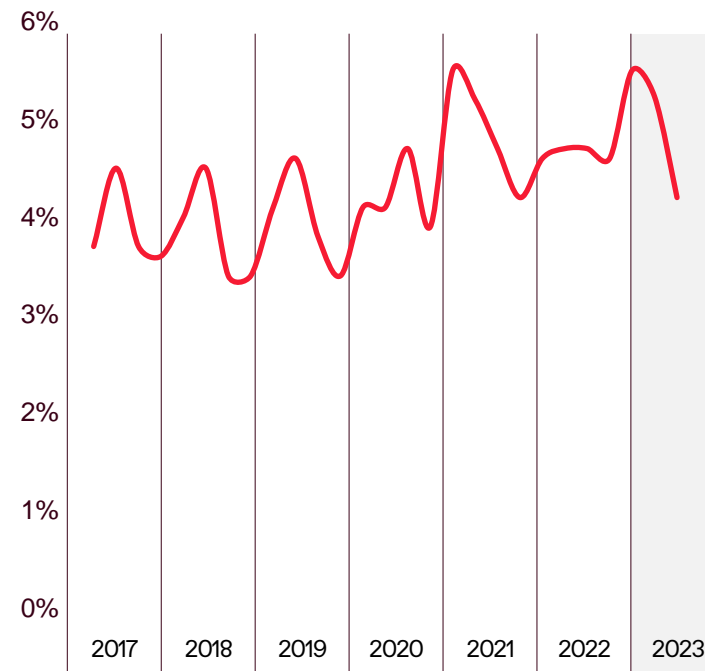
Number of serious injuries

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



Sickness absence

Veidekke employees



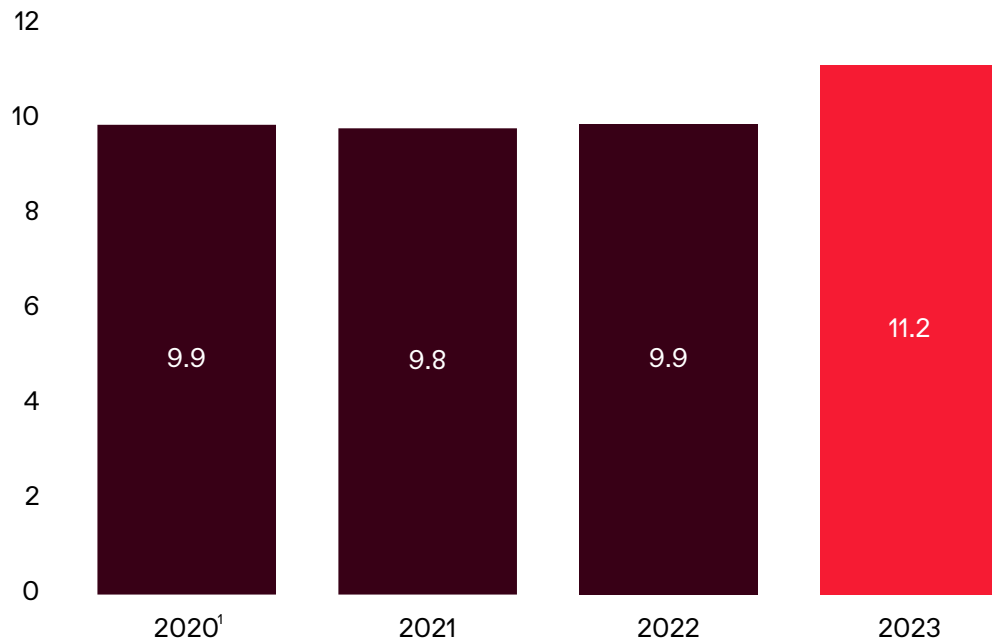
Highlights Q2 2023

- Revenue NOK 11.2 billion – up 13% on Q2 2022
- Pre-tax profit up 9% – profit margin remains almost flat
- Order book further boosted – currently at NOK 45.0 billion
- Uncertain market going forward

Key financial figures

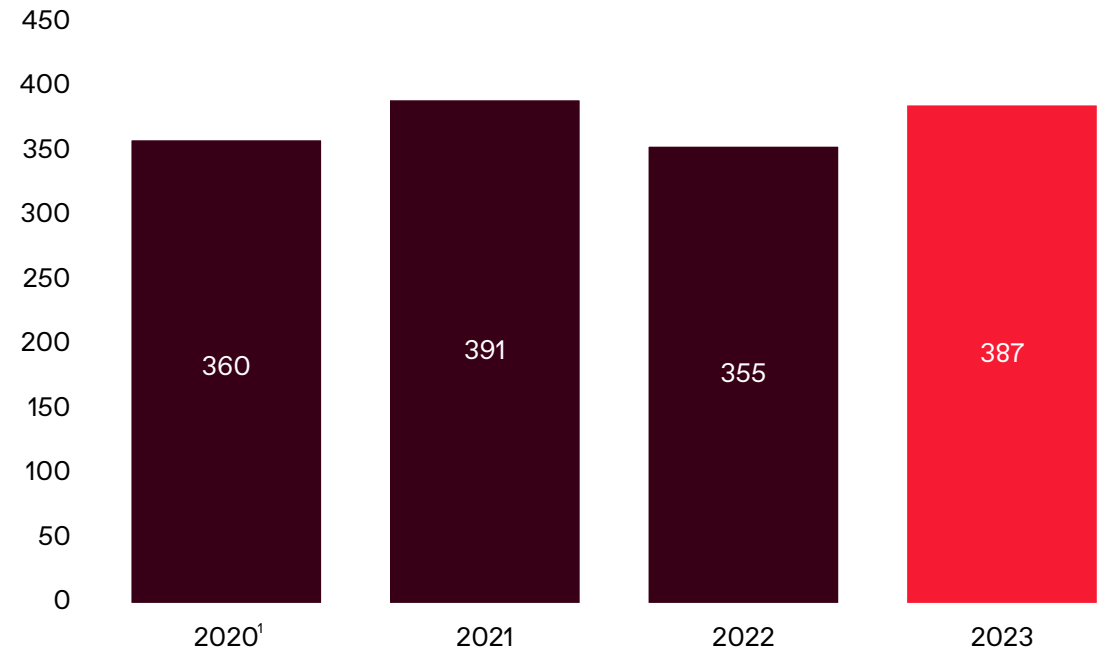
Q2 revenues

NOK billion



Q2 profit before tax

NOK million



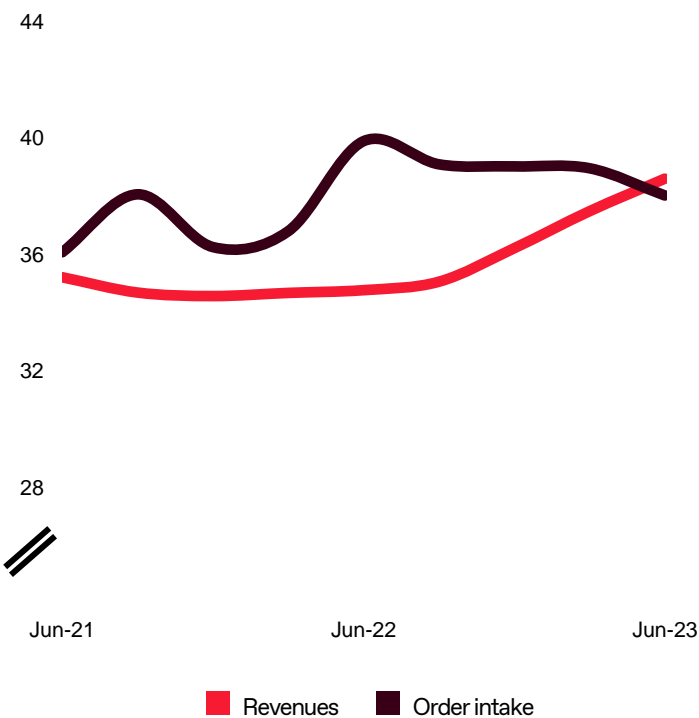
¹ Historical figures (2020) have been restated to reflect the spin-off of the property development operation

The group maintains a strong order book

Commercial buildings' share of portfolio has increased

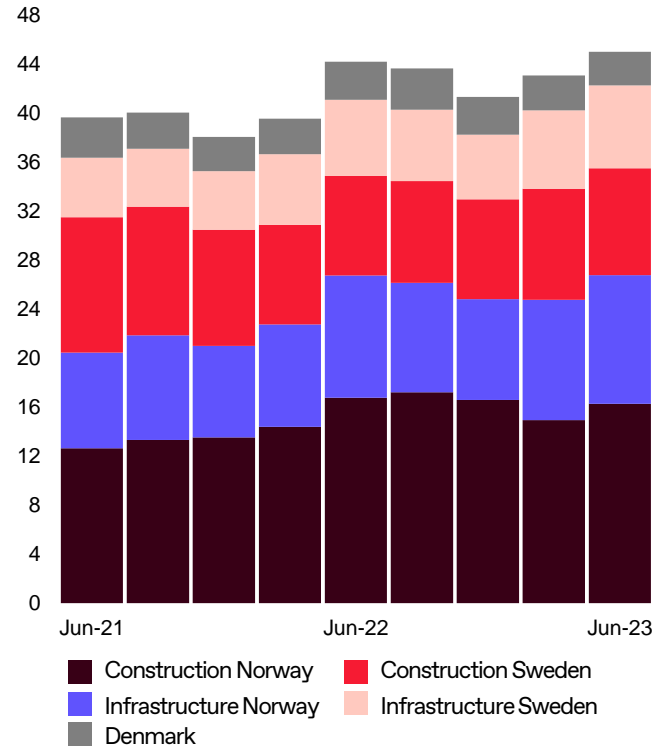
Revenues and order intake

12-month rolling, NOK billion



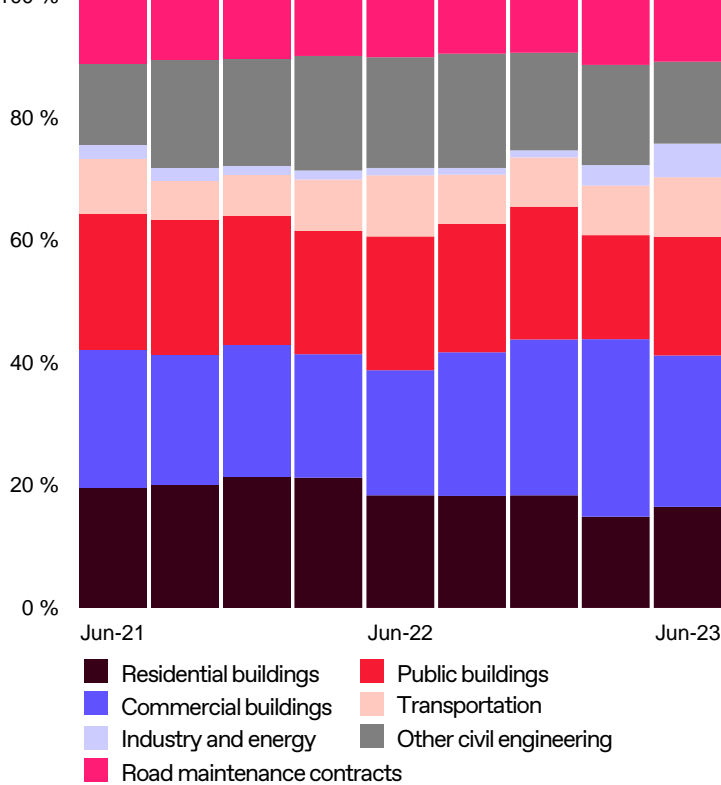
Order book

NOK billion



Order book per segment

Percent

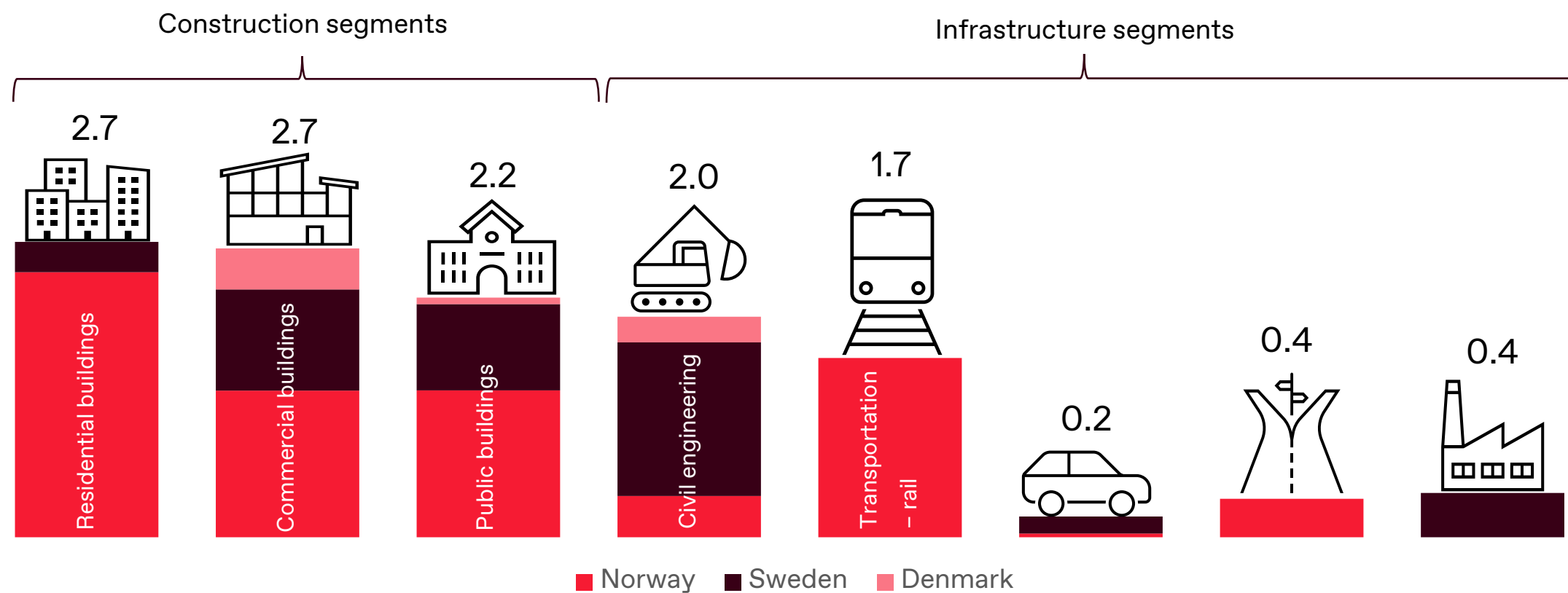



Robust and broad-based order inflow in the quarter

Activity remains high in most segments

Order intake Q2 2023

NOK billion



A decorative halftone pattern consisting of a grid of small dots, transitioning from dark purple on the left to light pink on the right, located in the bottom-left corner of the slide.

Q2

Results and financial status

Jørgen Wiese Porsmyr, CFO

Revenues, profits and profit margins

Group and business areas

	Q2 2023			Q2 2022		
Amounts in NOK million	Revenues	Profit before tax	Profit margin	Revenues	Profit before tax	Profit margin
Construction Norway	4 089	164	4.0%	3 214	128	4.0%
Infrastructure Norway	2 436	109	4.5%	2 523	155	6.2%
Construction Sweden	2 305	37	1.6%	2 252	43	1.9%
Infrastructure Sweden	1 594	59	3.7%	1 387	55	3.9%
Denmark/Hoffmann	811	62	7.7%	530	45	8.5%
Total business areas	11 236	432	3.8%	9 906	426	4.3%
Other	-71	-44		-4	-71	
Group	11 165	387	3.5%	9 902	355	3.6%

Construction Norway

High activity

- Revenue increased 27% on Q2 2022
- An effect from high 2022 order intake

Profit margin on a par with a year ago

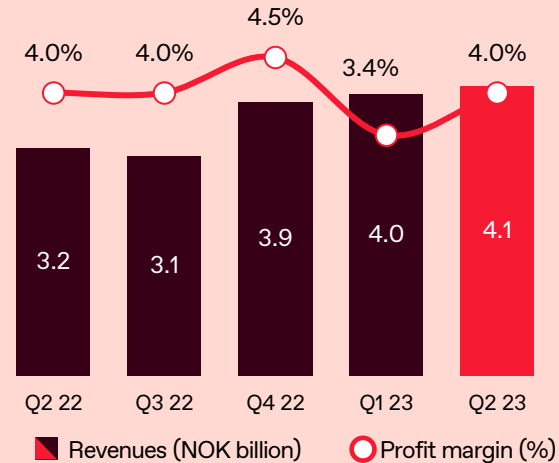
- Higher activity renders nominal result increase
- Solid profitability from bulk of the business

Order book up 9% over the quarter

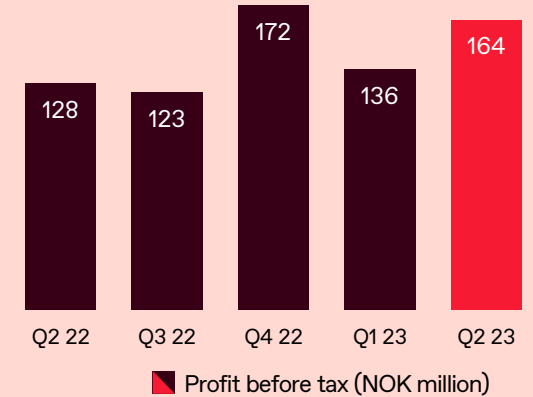
- The market is still active, but lead times have increased
- Revenue growth is expected to flatten in H2 2023

Acquisition of Haugerud/Vikeby in Indre Østfold

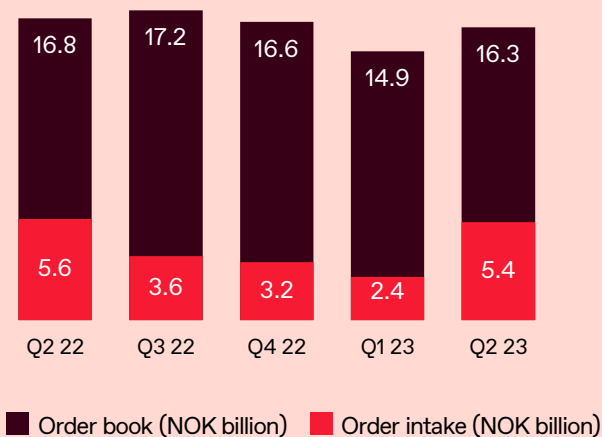
Revenues and profit margin



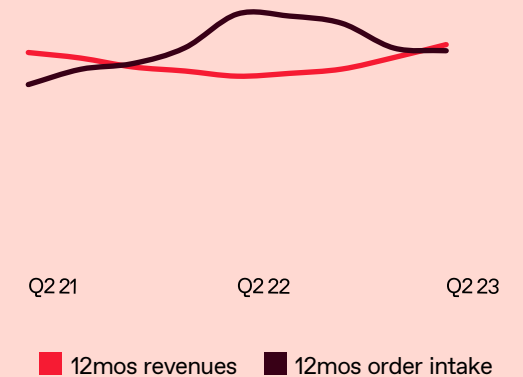
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenues down 3% on Q2 2022

- Reduced activity in the civil engineering operations
- Asphalt revenues increased; stable volume and somewhat higher prices

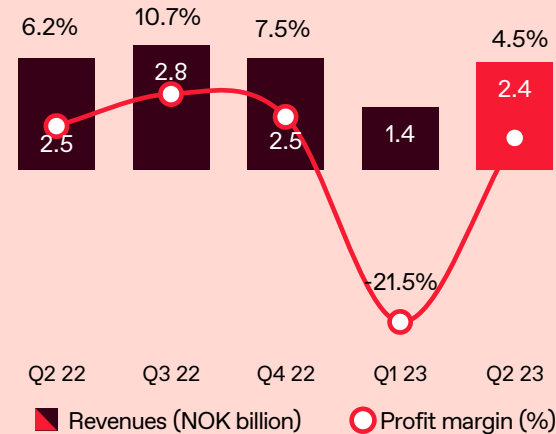
Total profit NOK 109 (155) million

- Reduced activity and earnings from early-stage deliveries, such as groundwork, foundations and aggregates
- Solid profitability from large civil engineering projects and road maintenance
- Improved results in first stage of asphalt production season

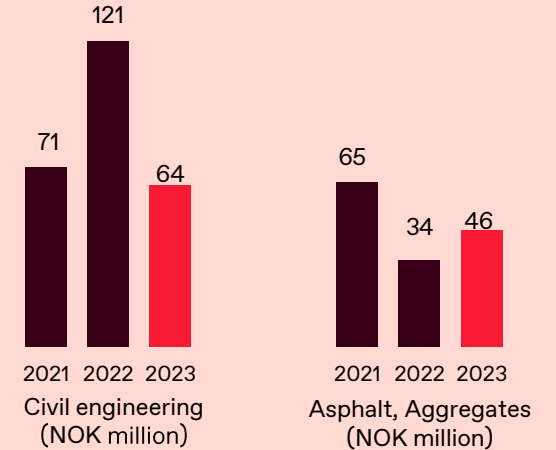
Order book up from previous quarter

- NOK 1.4 billion contract on the Fornebu Line
- While large infrastructure project opportunities abound, activity has declined in market for early-stage deliveries to construction projects

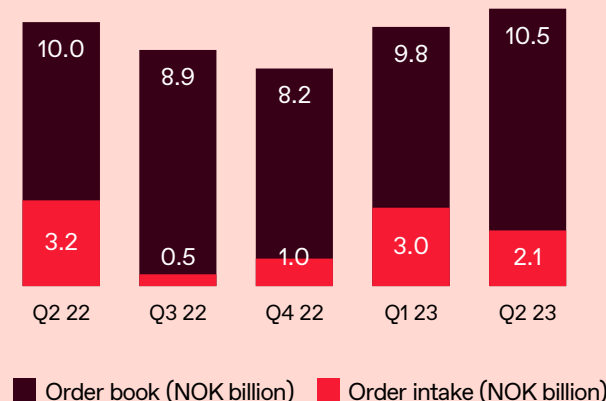
Revenues and profit margin



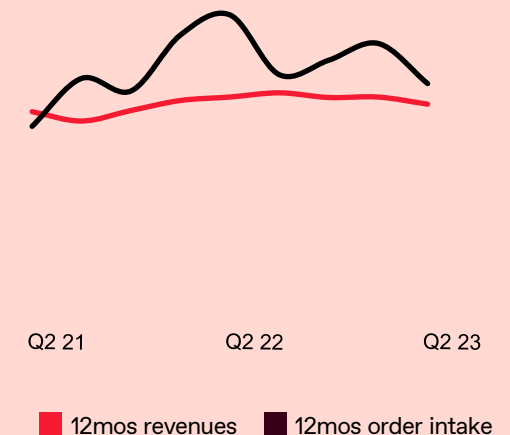
Profit before tax – Q2



Order intake and order book



Revenues and order intake



Construction Sweden

Revenue down 4% on Q2 2022 in local currency

- High activity in the Gothenburg business
- Significant decline in Stockholm and Malmö residential segments

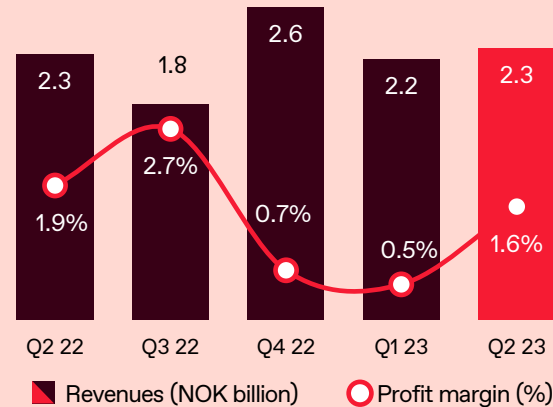
Profitability varies considerably

- BRA (Gothenburg) maintains solid profitability
- In the other business units, efforts are ongoing to adapt the cost structure and turn the project portfolio around

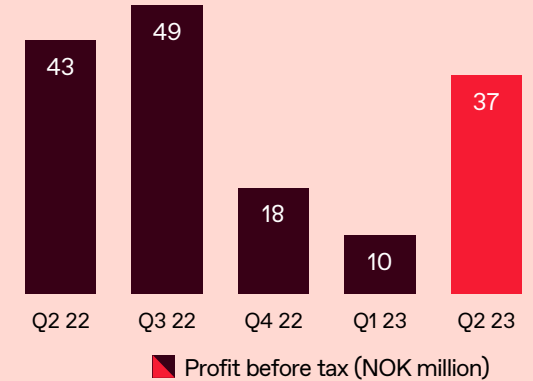
The order book is down 2% in local currency

- While BRA (Gothenburg) has a strong order book, the other operations require new orders
- The residential segment order book is down by more than half over the past year, while orders for private and public commercial buildings have increased

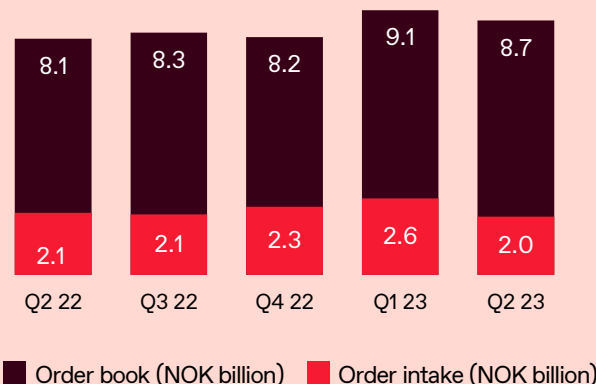
Revenues and profit margin



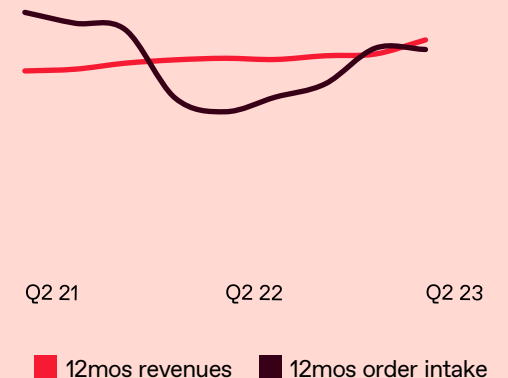
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

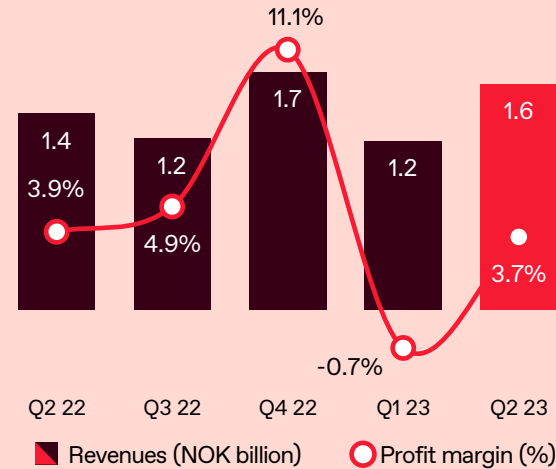
8% revenue increase on Q2 2022 in local currency

- Increase related to high production and expansion of ongoing projects

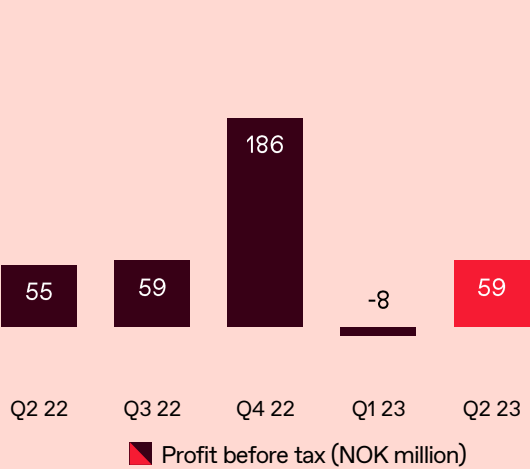
Profits remained stable, with a slightly declining profit margin

Order book increased 8% over the quarter in local currency

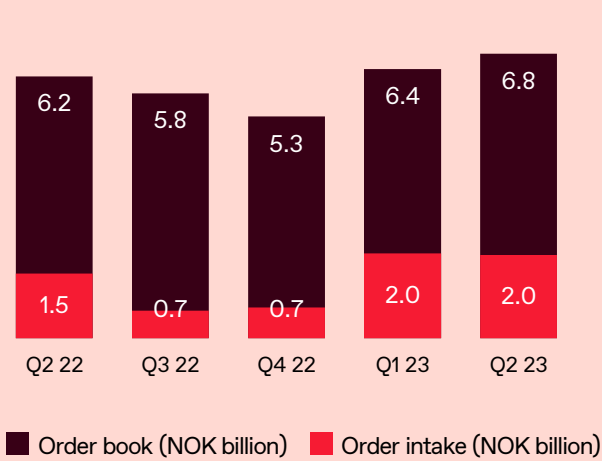
Revenues and profit margin



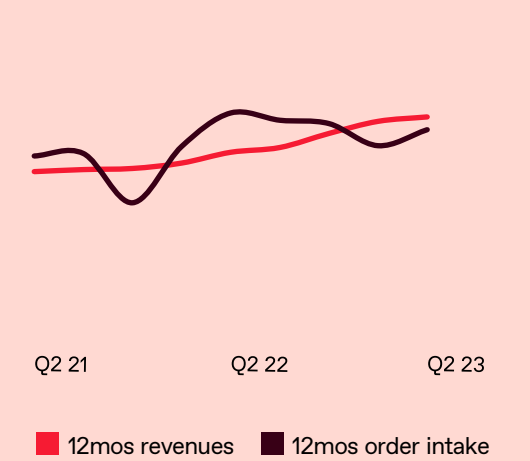
Profit before tax



Order intake and order book



Revenues and order intake



Denmark

24% revenue increase on Q2 2022 in local currency

- High production in some larger projects

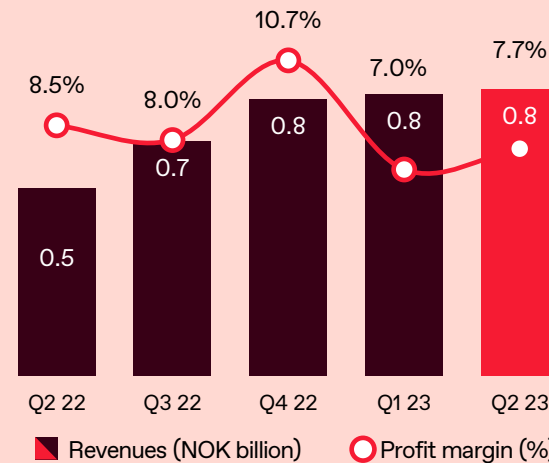
High profit margin

- Consistently solid project profitability

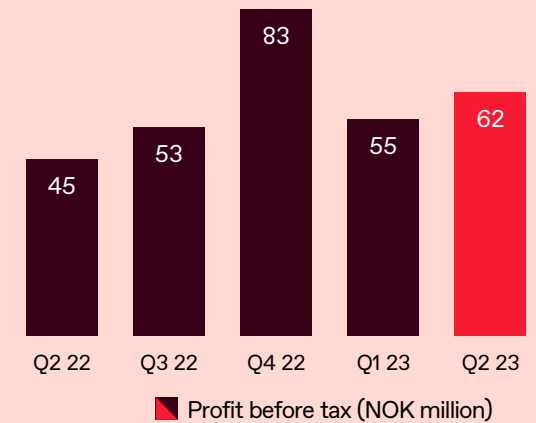
Order book down 6% over the quarter in local currency

- Demanding market – challenging to solve the customer's business case with satisfactory profitability
- Revenue growth expected to flatten in the next year

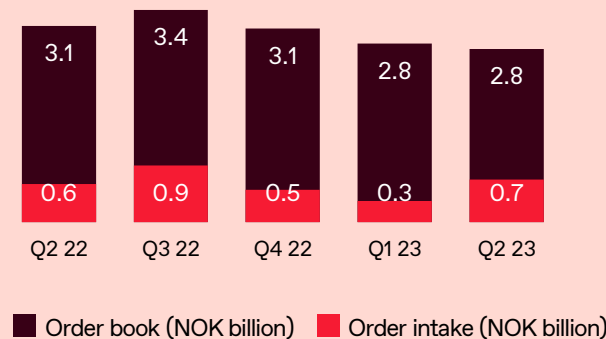
Revenues and profit margin



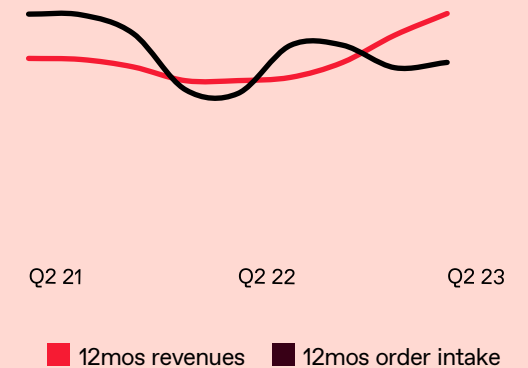
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

Amounts in NOK million	30 June 2023	30 June 2022
Fixed assets	7 218	6 446
Current assets (excluding cash, cash equivalents and financial investments)	8 134	8 171
Cash, cash equivalents and financial investments	1 448	2 379
Assets	16 800	16 996
Equity	2 228	2 155
Long-term debt	2 356	2 375
Short-term debt	12 217	12 465
Equity and debt	16 800	16 996
Equity ratio	13 %	13 %
Return on equity (12mos)	43 %	37 %
Net interest-bearing position	1 121	2 002

Financial position

Highlights H1 2023

Operations

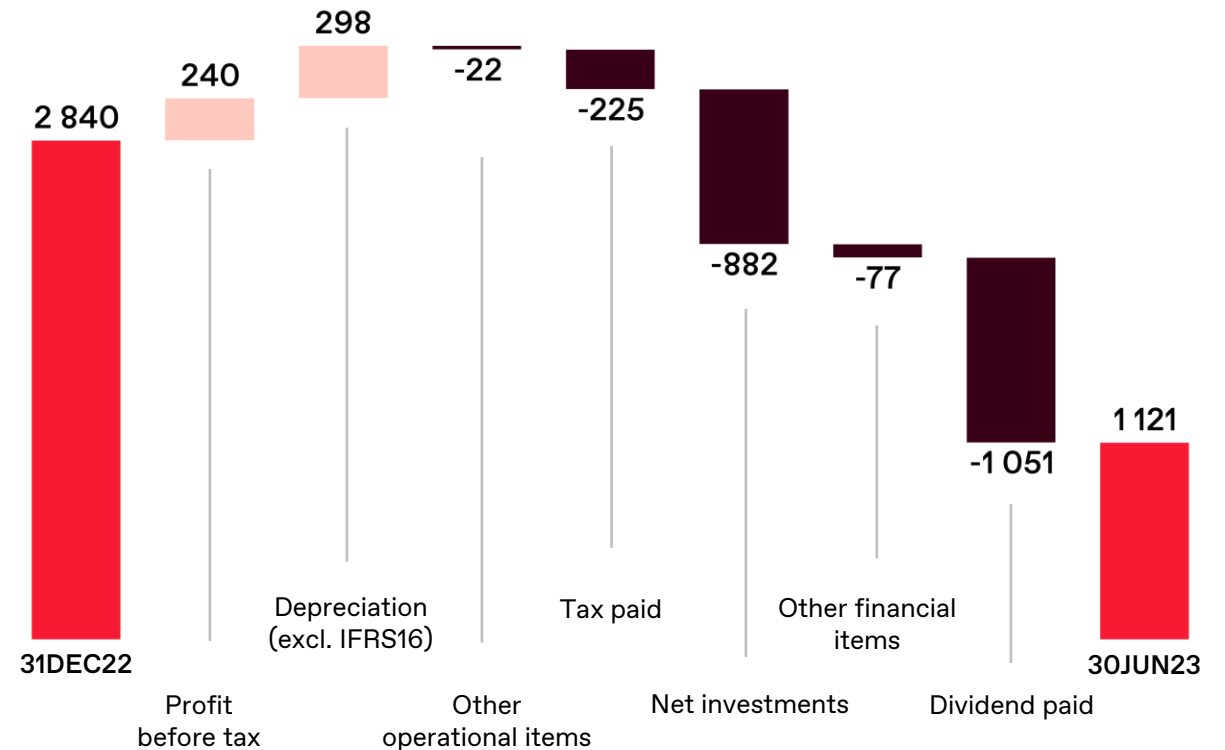
- Strong project liquidity in the Norwegian construction business


Investments

- Settlement of shares in the Gothenburg subsidiary BRA, valued at approx. NOK 640 million. Veidekke maintains 70% ownership (Q1)
- Buyout of a minority in the Norwegian construction business (Q2)

Change in net interest-bearing assets

NOK million





Q2

Closing comments

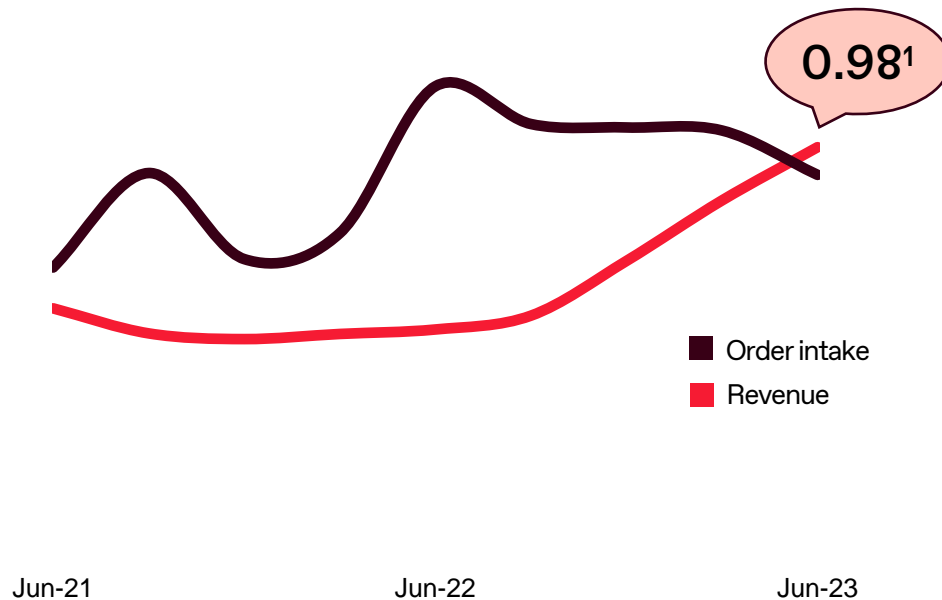
Jimmy Bengtsson, CEO

Good visibility in the short term

Revenue expected to flatten out at a high level

Revenue and order intake

12-month rolling, NOK billion



Construction market

- Uncertainty remains about future demand for residential and commercial buildings
- Developments in interest rates and inflation levels will be decisive going forward

Infrastructure market

- Still strong demand for large infrastructure projects
- A decline in construction project starts also affects parts of the infrastructure market

¹Book-to-bill (12-month order intake / 12-month revenue)

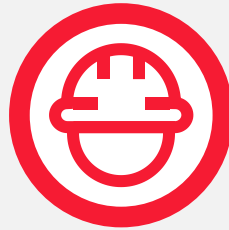
Focus on the things we can influence

Diversified and distributed



- Handle various geographies and markets with unique drivers
- Adjust capacity to demand

Flexible cost structure



- Large share of costs are related to project deliveries
- Flexibility to adapt cost structure to order book

Selectivity and portfolio



- Selectivity and market adaptation
- Manage risk in calculations and implementation

Summary

1

Solid growth and stable profitability

- Strong revenue increase
- Profit increase in NOK

2

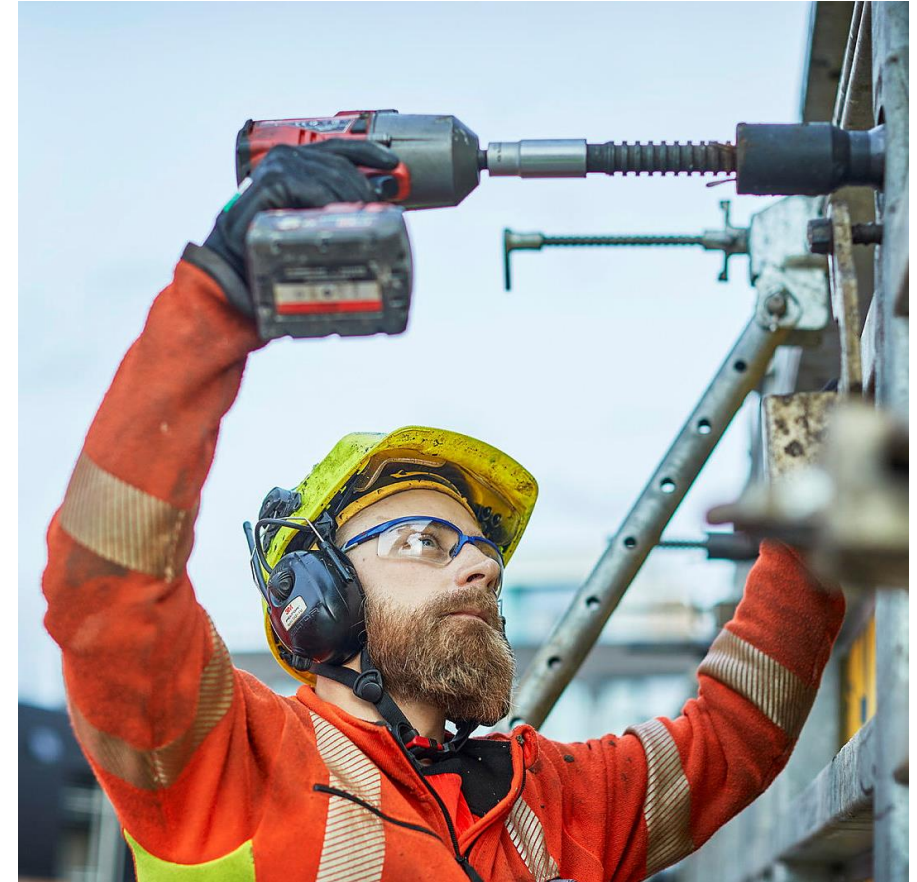
Strong order book

- Good order inflow in the quarter
- Order book provides good visibility in the short term

3

Focus on improvements

- Selectivity in line with strategy
- Lift units with weak profitability





Revenues, profits and profit margins

First half 2023

	30 June 2023			30 June 2022		
Amounts in NOK million	Revenue	Profit before tax	Profit margin	Revenue	Profit before tax	Profit margin
Construction Norway	8 066	300	3.7%	6 410	235	3.7%
Infrastructure Norway	3 843	-194	-5.0%	4 237	6	0.1%
Construction Sweden	4 514	47	1.0%	4 386	73	1.7%
Infrastructure Sweden	2 786	52	1.8%	2 360	46	1.9%
Denmark	1 607	118	7.3%	974	76	7.8%
Total business areas	20 806	322	1.5%	18 367	437	2.4%
Other	-191	-82		-96	-136	
Group	20 615	240	1.2%	18 271	301	1.6%