



Q3 Third quarter 2023

8 November 2023

Jimmy Bengtsson, Group CEO | Jørgen Wiese Porsmyr, CFO

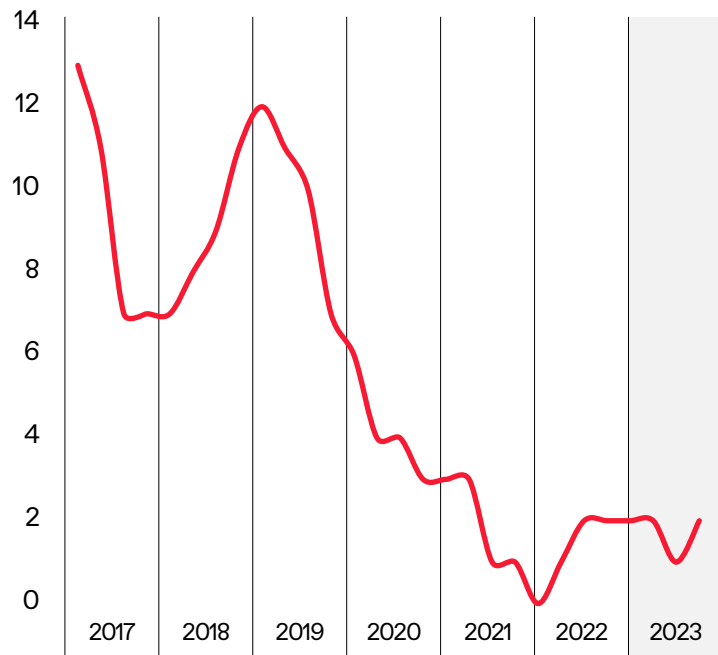
Questions? Email ir@veidekke.no

Occupational health and safety

Our primary priority

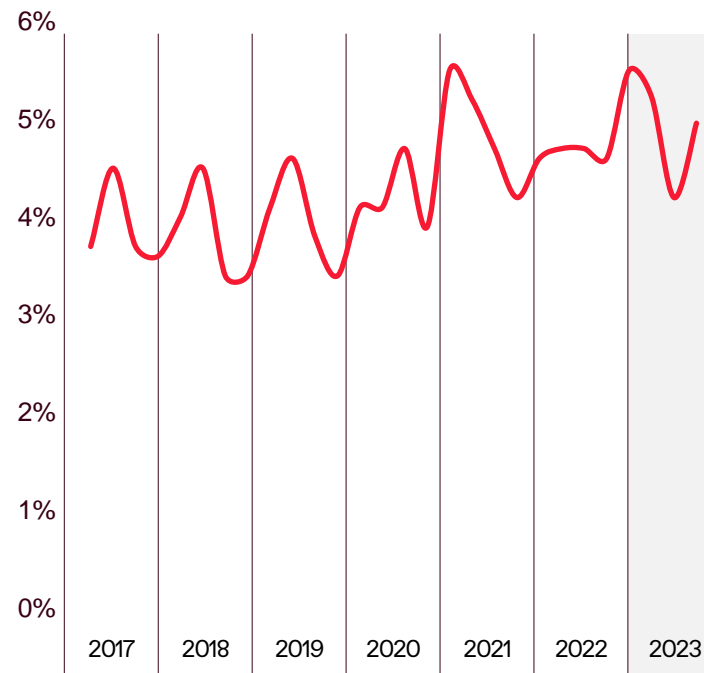
Number of serious injuries

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



Sickness absence

Veidekke employees



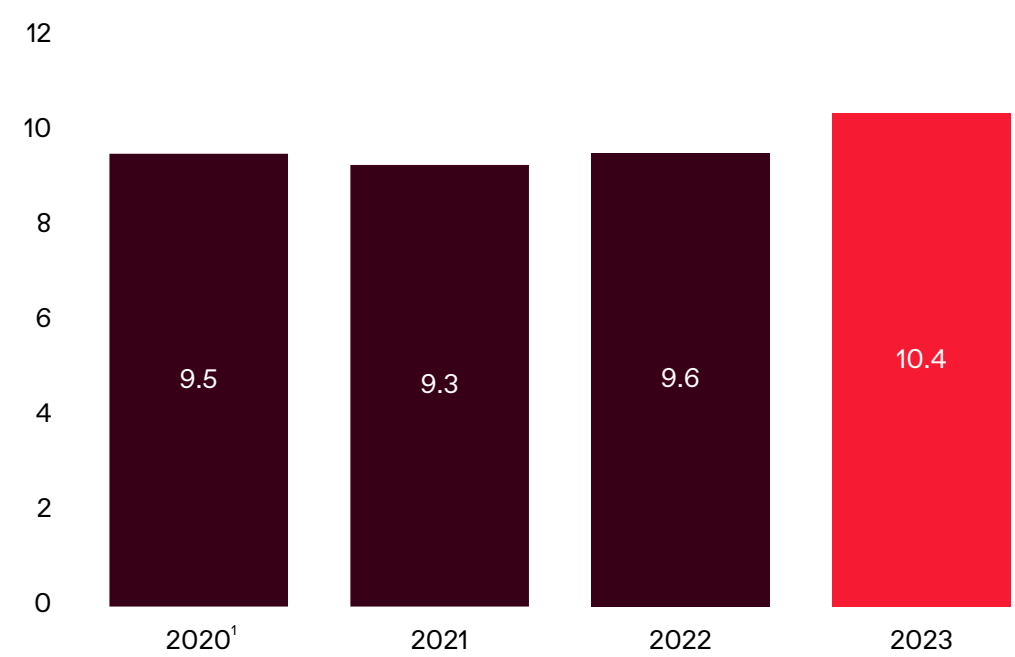
Highlights Q3 2023

- Revenue NOK 10.4 billion – up 9% on Q3 2022
- Profit before tax up 10% – profit margin remains stable
- Order book down 10% from the previous quarter, to NOK 40.7 billion
- In a challenging market, Veidekke has a good overview of activity for the upcoming year

Key financial figures

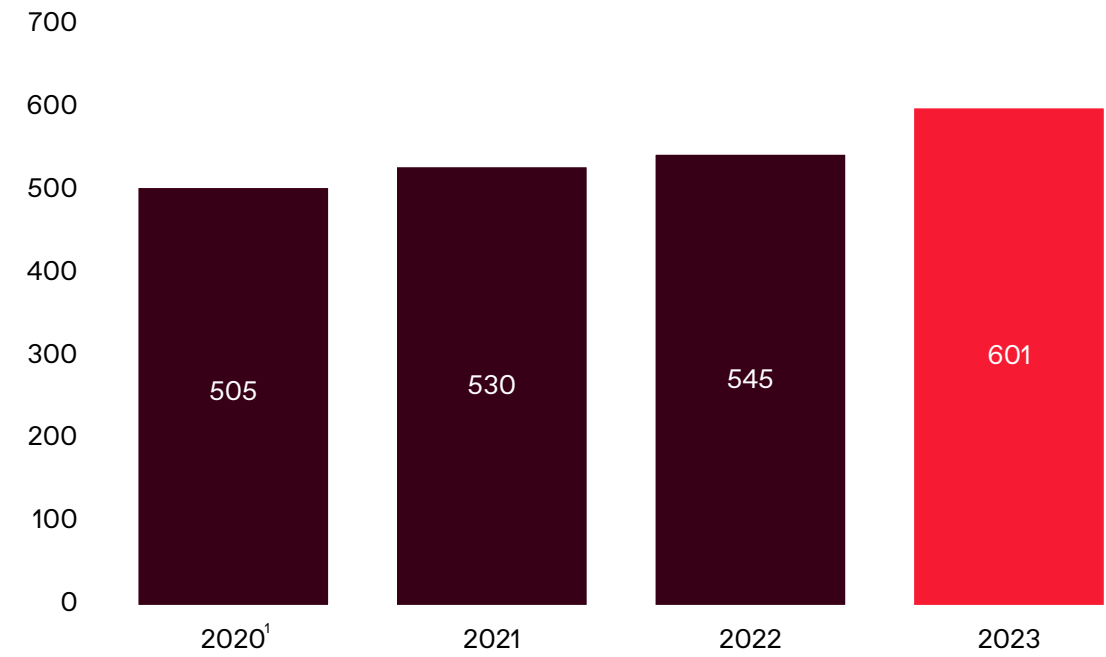
Q3 revenues

NOK billion



Q3 profit before tax

NOK million

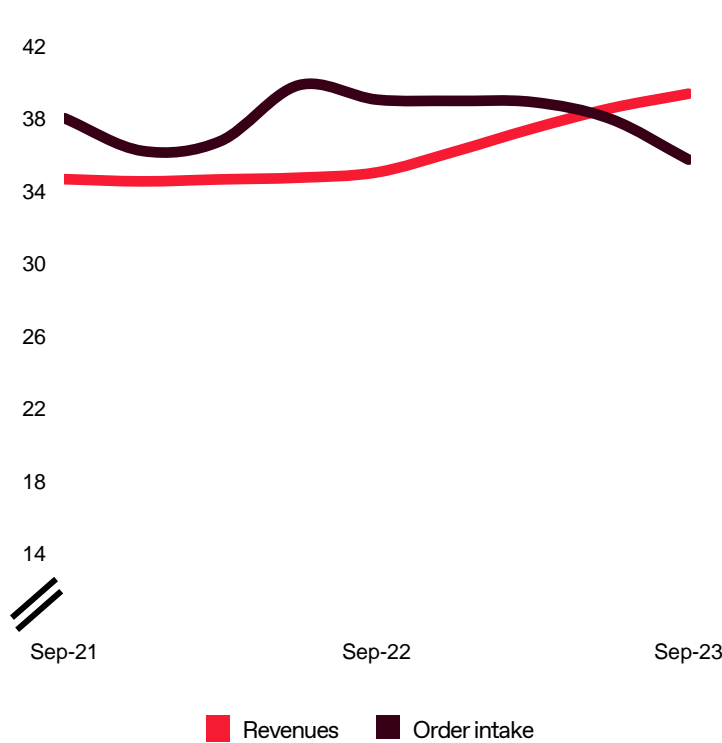


¹ Historical figures (2020) have been restated to reflect the spin-off of the property development operation

Solid order book in a more challenging market

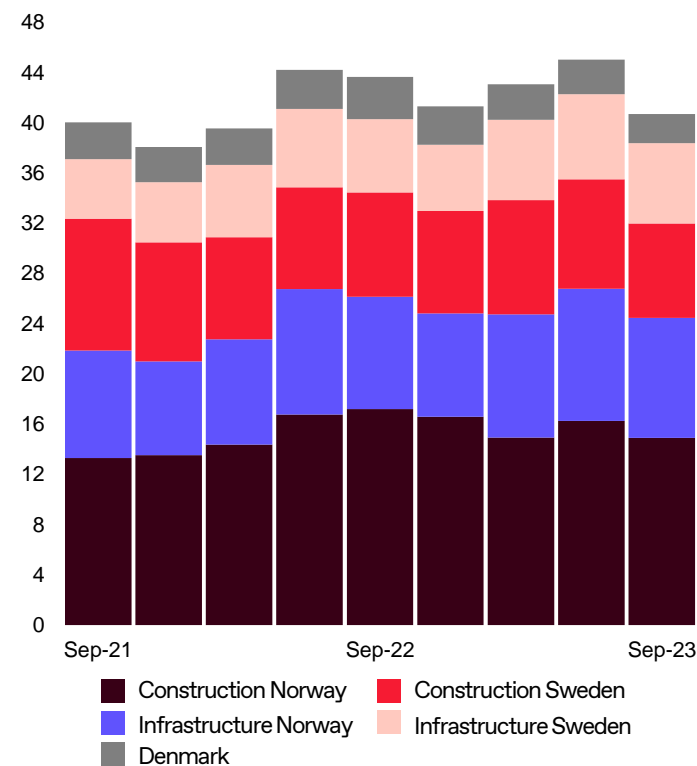
Revenues and order intake

12-month rolling, NOK billion



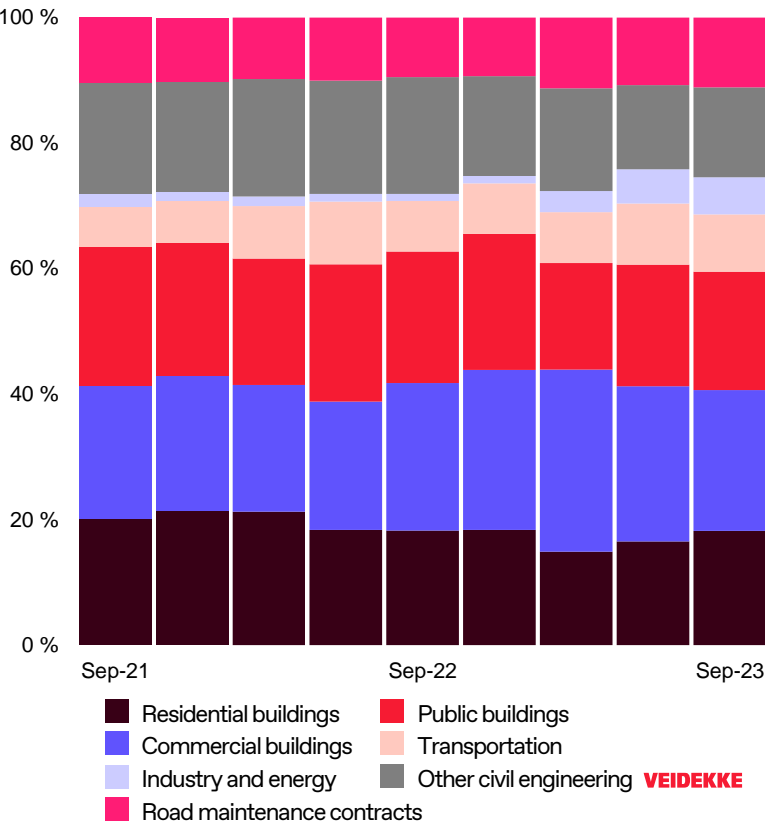
Order book

NOK billion



Order book per segment

Percent

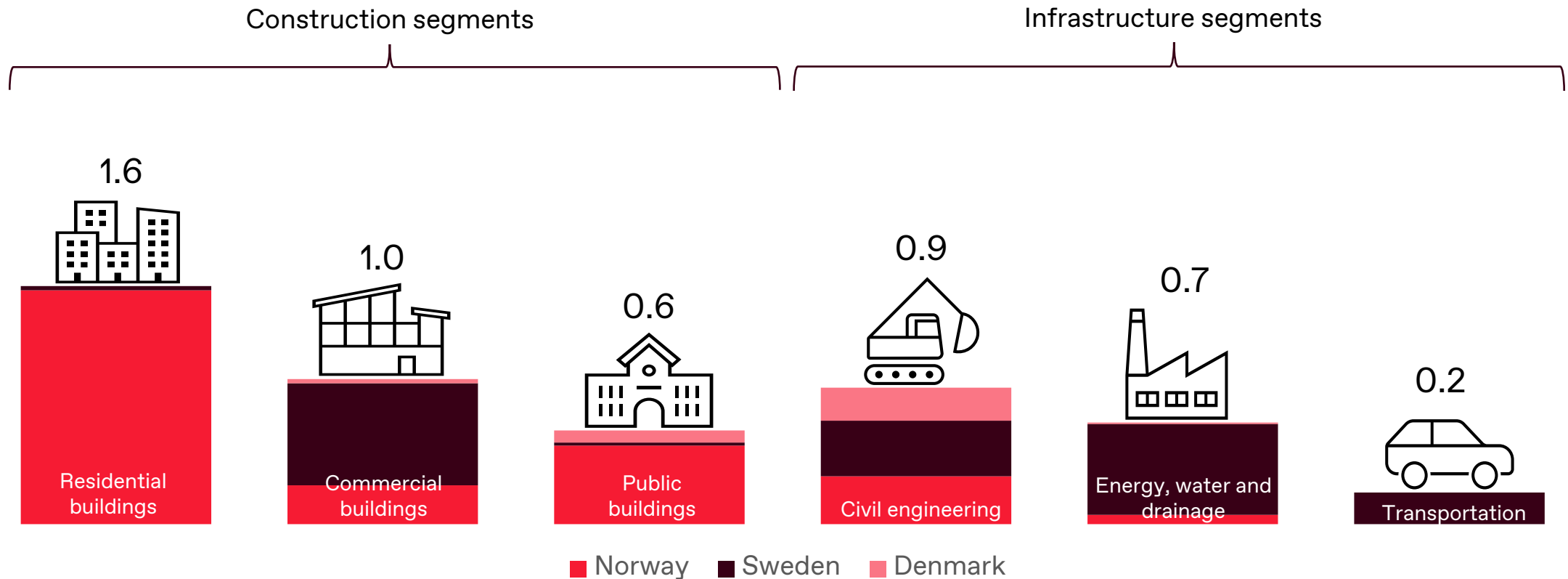



Broad intake of orders in the quarter

Share of orders from private clients remains high

Order intake Q3 2023

NOK billion





Q3

Results and financial status

Jørgen Wiese Porsmyr, CFO

Revenues, profits and profit margins

Group and business areas

| | Q3 2023 | | | Q3 2022 | | |
|-----------------------------|---------------|-------------------|---------------|--------------|-------------------|---------------|
| Amounts in NOK million | Revenues | Profit before tax | Profit margin | Revenues | Profit before tax | Profit margin |
| Construction Norway | 3 695 | 165 | 4.5% | 3 097 | 123 | 4.0% |
| Infrastructure Norway | 2 798 | 283 | 10.1% | 2 815 | 301 | 10.7% |
| Construction Sweden | 2 032 | 41 | 2.0% | 1 824 | 49 | 2.7% |
| Infrastructure Sweden | 1 349 | 62 | 4.6% | 1 209 | 59 | 4.9% |
| Denmark/Hoffmann | 673 | 65 | 9.6% | 663 | 53 | 8.0% |
| Total business areas | 10 547 | 616 | 5.8% | 9 609 | 586 | 6.1% |
| Other | -160 | -15 | | -59 | -41 | |
| Group | 10 387 | 601 | 5.8% | 9 550 | 545 | 5.7% |

Construction Norway

High activity

- Revenues up 19% on Q3 2022 (of which acquisition accounts for 5%)
- Effect of high order intake in 2022

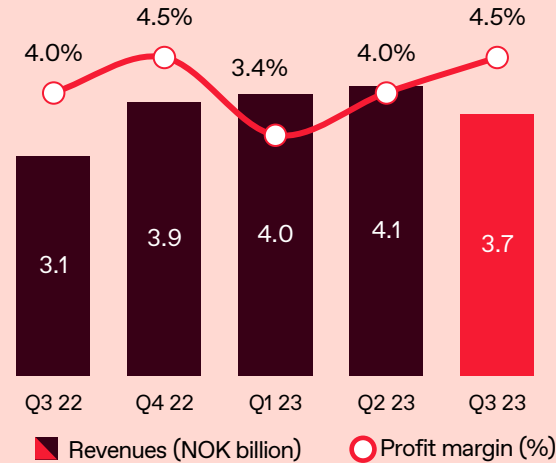
Improved performance

- Profit increase due to higher revenue
- The bulk of the business delivered solid profitability

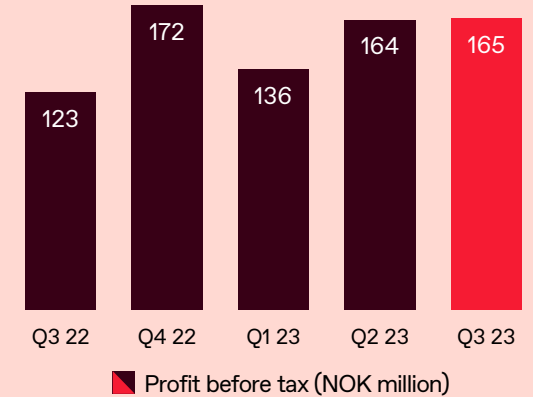
Order book down 8% over the quarter

- Clear differences between different segments and regions
- Revenues are expected to flatten out around spring 2024

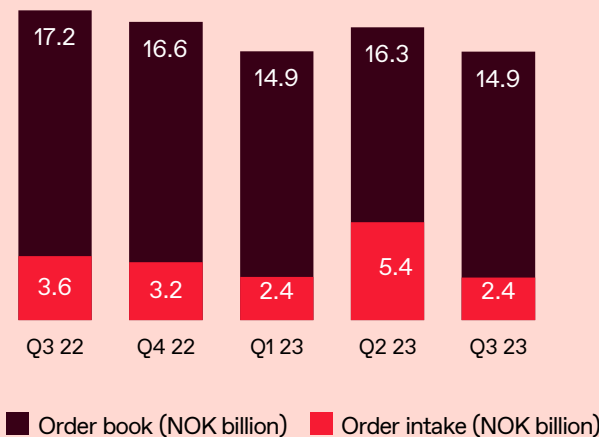
Revenues and profit margin



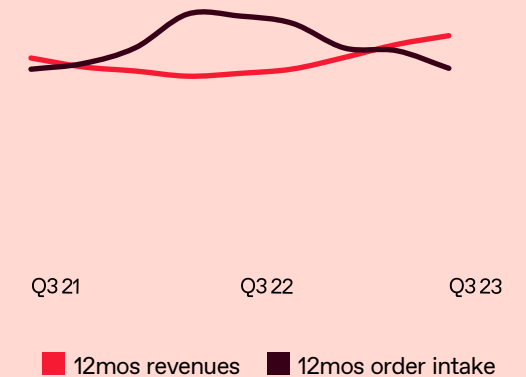
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Norway

Revenues on a par with Q3 2022

- Drop in civil engineering activities. Road maintenance activities remain stable
- Increase in asphalt revenues; stable volume and somewhat higher prices

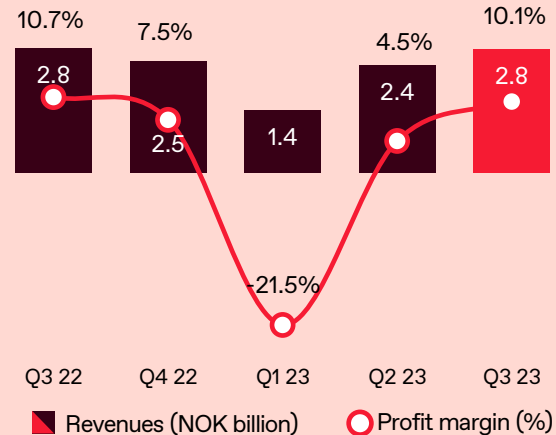
Total profit NOK 283 (301) mill.

- Civil engineering had robust project margins, but profit declined due to volume drop
- Road maintenance margins remain very high, albeit below the previous year's
- Clear improvement of Asphalt results this production season

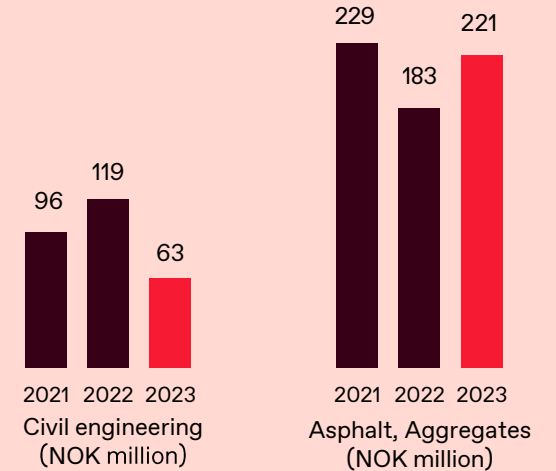
Order book decline compared to previous quarter

- No major contracts signed in the quarter
- Several opportunities for large infrastructure projects

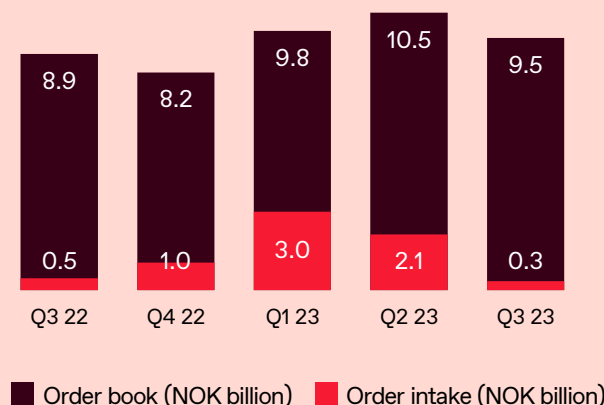
Revenues and profit margin



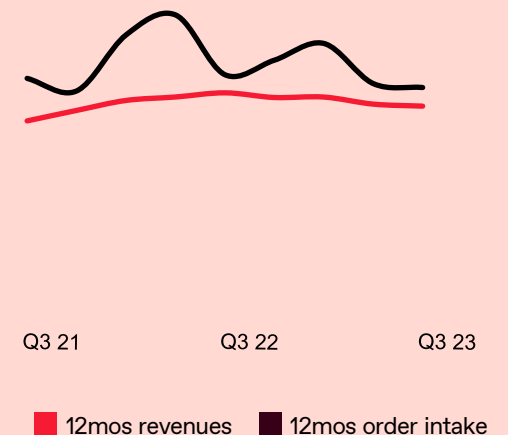
Profit before tax Q3



Order intake and order book



Revenues and order intake



Construction Sweden

Revenues up 9% in local currency from Q3 2022

- Activity boost in BRA, Gothenburg
- Significant decline in the residential segments

Overall profitability remains low

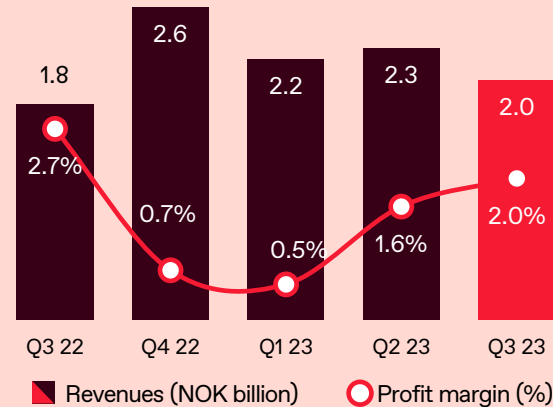
- While robust in BRA (Gothenburg), profitability remains unsatisfactory in the remainder of the business
- To adapt the organisation to a lower activity level, the workforce will be reduced by 60 persons

Order book down 12% in local currency in the quarter

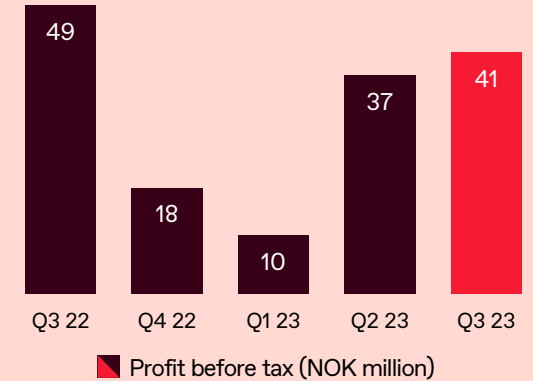
- BRA has a strong order book, but the remainder of the business needs more assignments
- Residential order book reduced by more than half over the past year
- Order book comprises approx. 70% private commercial, 20% public commercial, and 10% residential buildings

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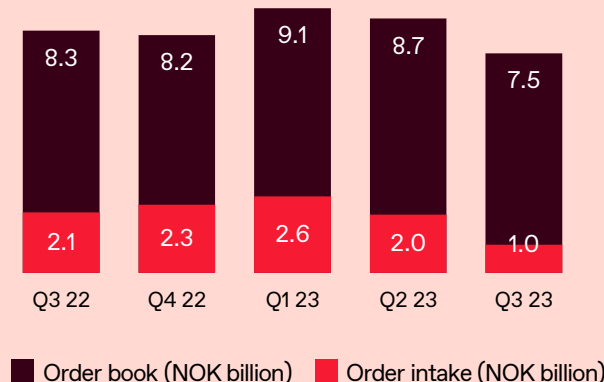
Revenues and profit margin



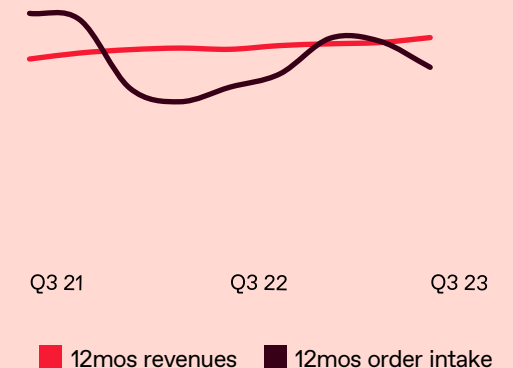
Profit before tax



Order intake and order book



Revenues and order intake



Infrastructure Sweden

Revenue up 9% in local currency from Q3 2022

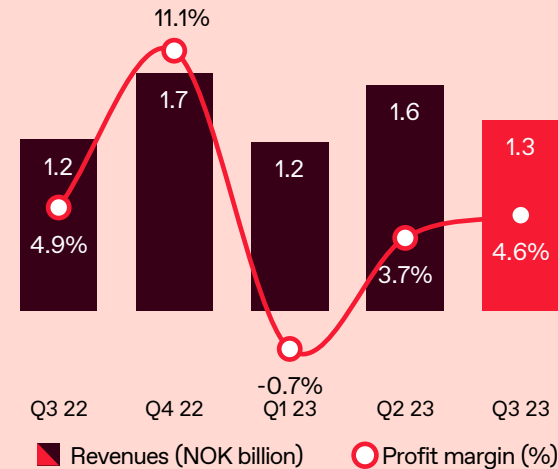
- Increase linked to high production and expansion of ongoing projects

Stable profit; slight drop in profit margin

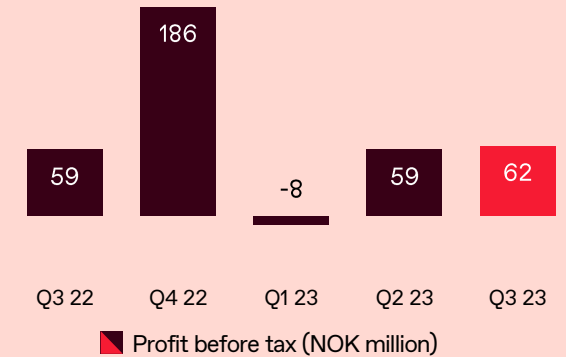
- The North and West Sweden project portfolios show robust profitability
- Results are somewhat weaker in parts of industrial operations

Order book down 4% in local currency from previous quarter

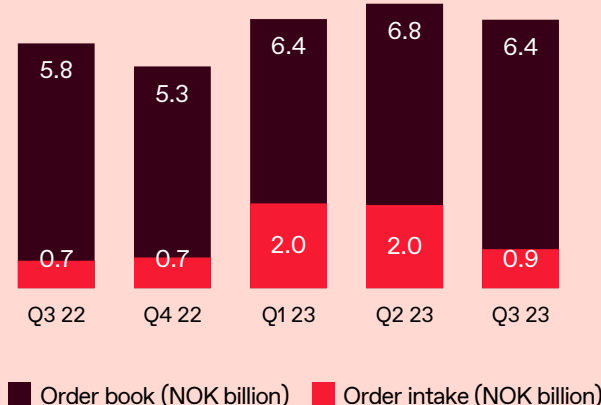
Revenues and profit margin



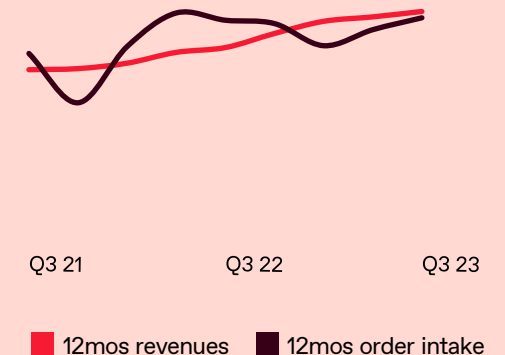
Profit before tax



Order intake and order book



Revenues and order intake



Denmark

Revenues dropped 10% in local currency from Q3 2022

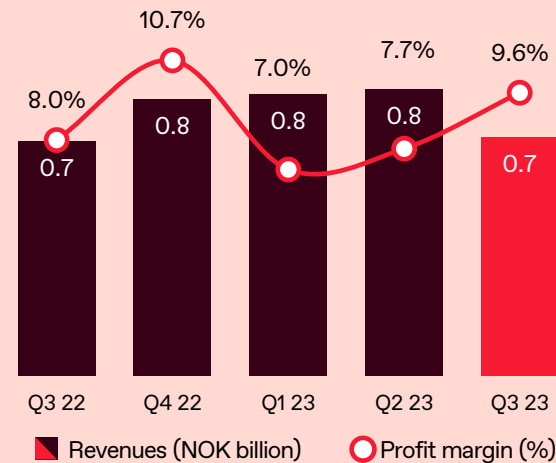
High profit margin

- Consistently strong project profitability

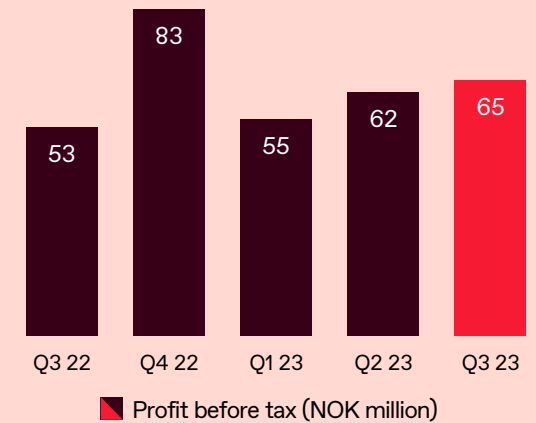
Order book down 12% in local currency in the quarter

- Challenging market – difficult to deliver on the customer's business case while maintaining satisfactory profitability
- Order book and order intake indicate lower revenues going forward

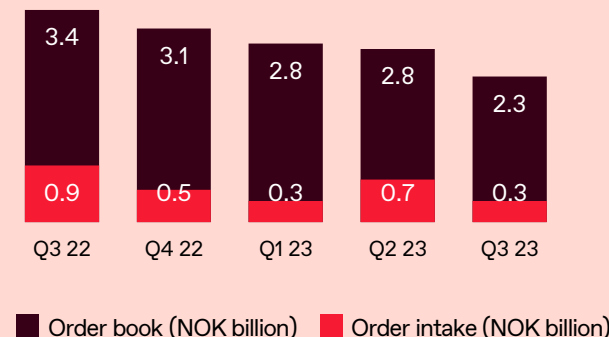
Revenues and profit margin



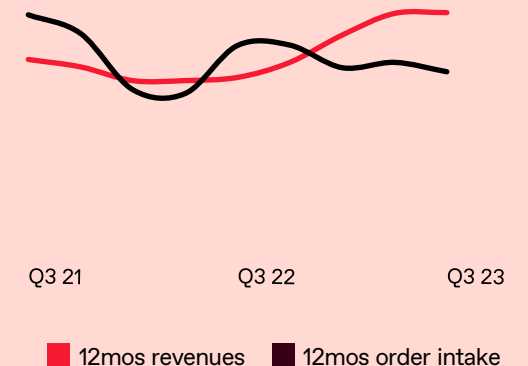
Profit before tax



Order intake and order book



Revenues and order intake



Financial position

Balance sheet

| Amounts in NOK million | 30 Sept. 2023 | 30 Sept. 2022 |
|---|---------------|---------------|
| Fixed assets | 7 173 | 6 399 |
| Current assets (excluding cash, cash equivalents and financial investments) | 9 345 | 8 797 |
| Cash, cash equivalents and financial investments | 1 735 | 2 685 |
| Assets | 18 253 | 17 881 |
| Equity | 2 591 | 2 600 |
| Long-term debt | 2 274 | 2 484 |
| Short-term debt | 13 387 | 12 797 |
| Equity and debt | 18 253 | 17 881 |
| Equity ratio | 14% | 15% |
| Return on equity (12mos) | 43% | 36% |
| Net interest-bearing position | 1 446 | 2 324 |

Financial position

Highlights Q3 2023

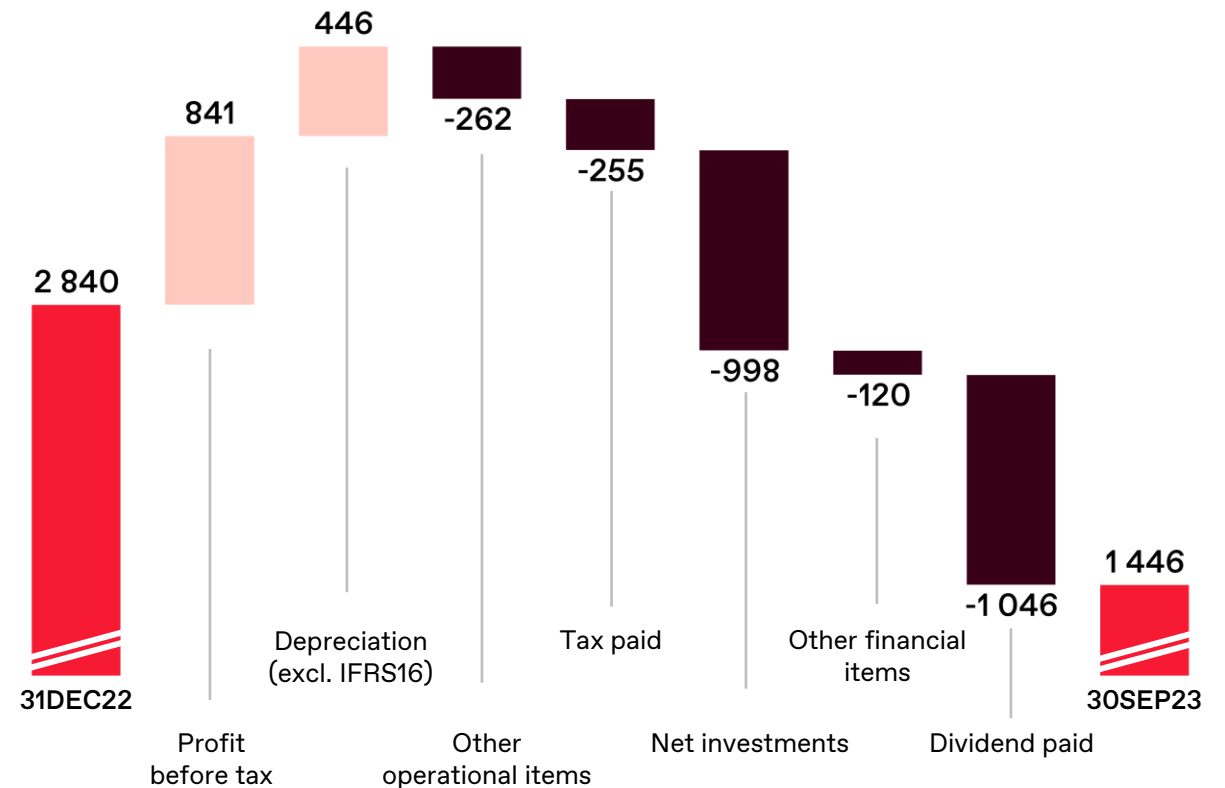
- Normal seasonal development in operational cash flow, with somewhat higher working capital in Asphalt
- Otherwise only minor changes from Q2


Highlights YTD 2023

- Strong project liquidity in the Norwegian construction operation
- Approx. NOK 640 mill. shares settlement in BRA, Gothenburg. Veidekke retains 70% ownership share (Q1)
- Buyout of a minority in the Norwegian construction business (Q2)
- In Q4, positive inflow of working capital is expected from the asphalt business, in the amount of up to NOK 500 million

Change in net interest-bearing assets

NOK million





Q3

Closing comments

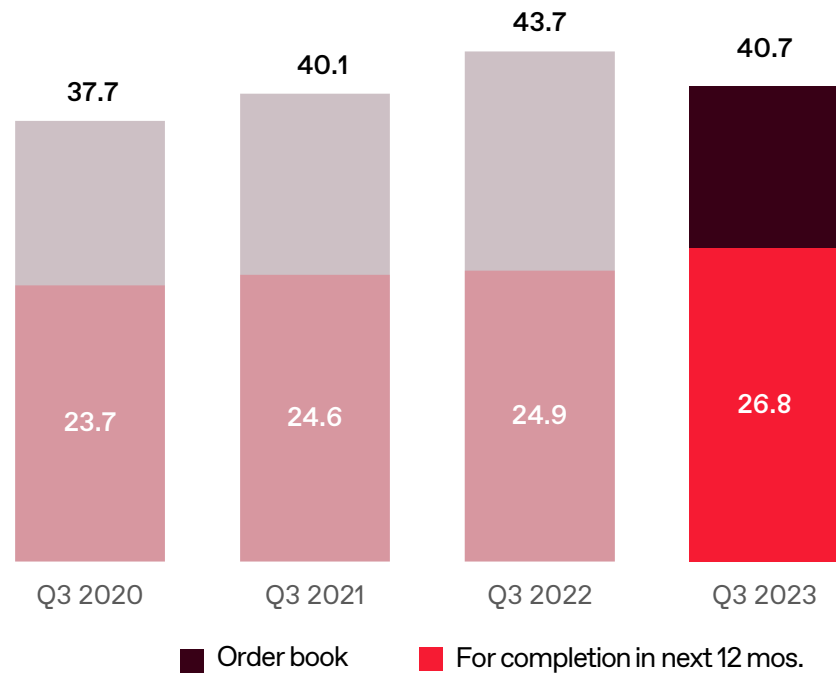
Jimmy Bengtsson, Group CEO

Challenging market

But a good overview over the next year

Order book

NOK billion



- Low general demand for residential and private commercial buildings
 - Interest rates and inflation are decisive factors
- Solid demand for large infrastructure projects
 - We will continue selective approach

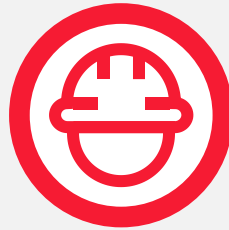
Focus on the things we can influence

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

Growth and stable profitability in Q3

- Strong revenue boost in several segments
- Profit increase, measured in NOK

2

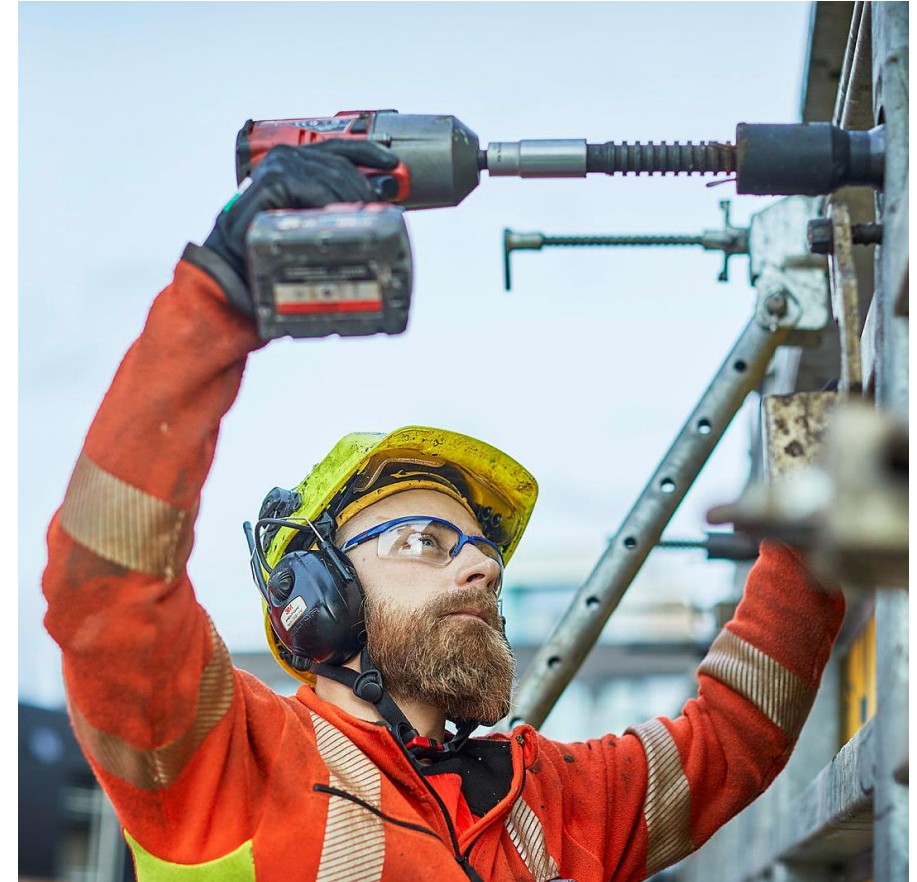
Solid order book

- Lower order intake in a challenging market
- Good overview over the next year

3

Focus on improvement

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





Revenues, profits and profit margins

Per 30 Sept. 2023

| | 30 Sept. 2023 | | | 30 Sept. 2022 | | |
|-----------------------------|---------------|-------------------|---------------|---------------|-------------------|---------------|
| Amounts in NOK million | Revenue | Profit before tax | Profit margin | Revenue | Profit before tax | Profit margin |
| Construction Norway | 11 762 | 465 | 4.0 % | 9 507 | 358 | 3.8 % |
| Infrastructure Norway | 6 641 | 90 | 1.3 % | 7 053 | 307 | 4.4 % |
| Construction Sweden | 6 546 | 88 | 1.3 % | 6 211 | 122 | 2.0 % |
| Infrastructure Sweden | 4 135 | 114 | 2.7 % | 3 569 | 105 | 2.9 % |
| Denmark | 2 280 | 182 | 8.0 % | 1 637 | 129 | 7.9 % |
| Total business areas | 31 363 | 938 | 3.0 % | 27 976 | 1 022 | 3.7 % |
| Other | -351 | -97 | | -155 | -177 | |
| Group | 31 012 | 841 | 2.7 % | 27 821 | 845 | 3.0 % |

¹ Profit before tax in Infrastructure Norway as at 30 Sept. 2023 includes a settlement with a profit effect in Q2 of NOK -110 million linked to an older dispute in the civil engineering business.