

Q3 2021



Tomas Carlsson, CEO
Susanne Lithander, CFO



A strong quarter continuing our improvement

Strong earnings in the
contracting business

Property development
contributing with
earnings from three
sold office projects



Good demand

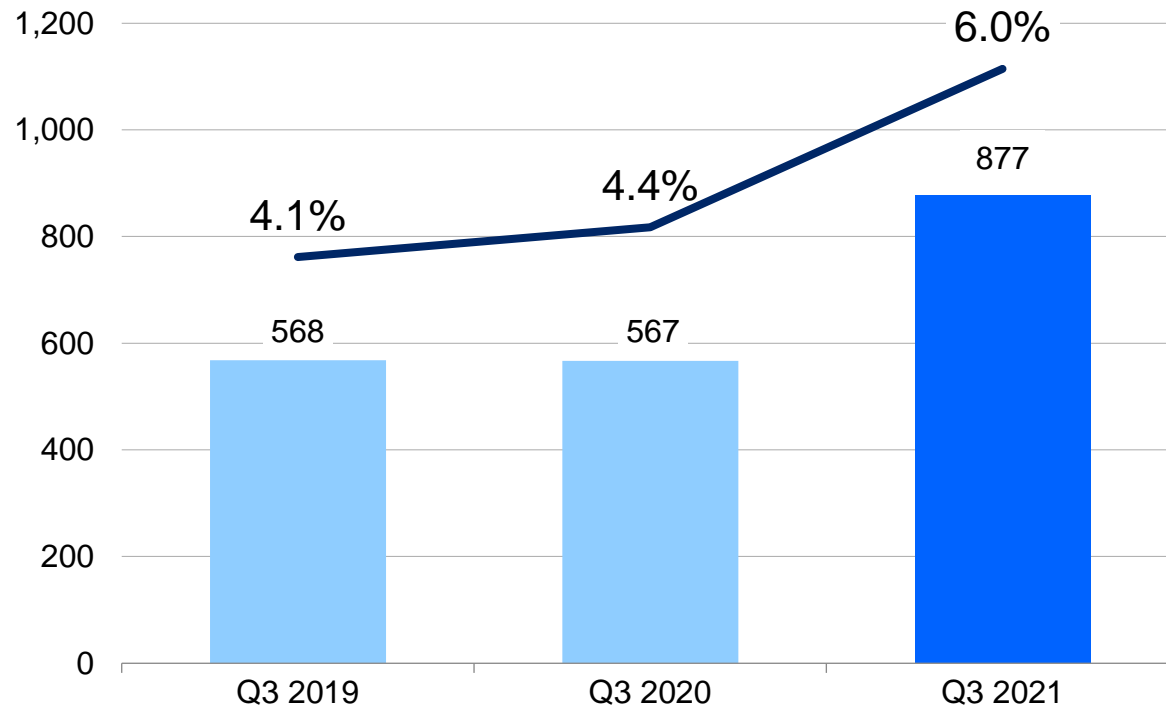
Industry stable but
negative impact from
Asphalt Finland

Strong cashflow and
a net cash position

Strong earnings and margin

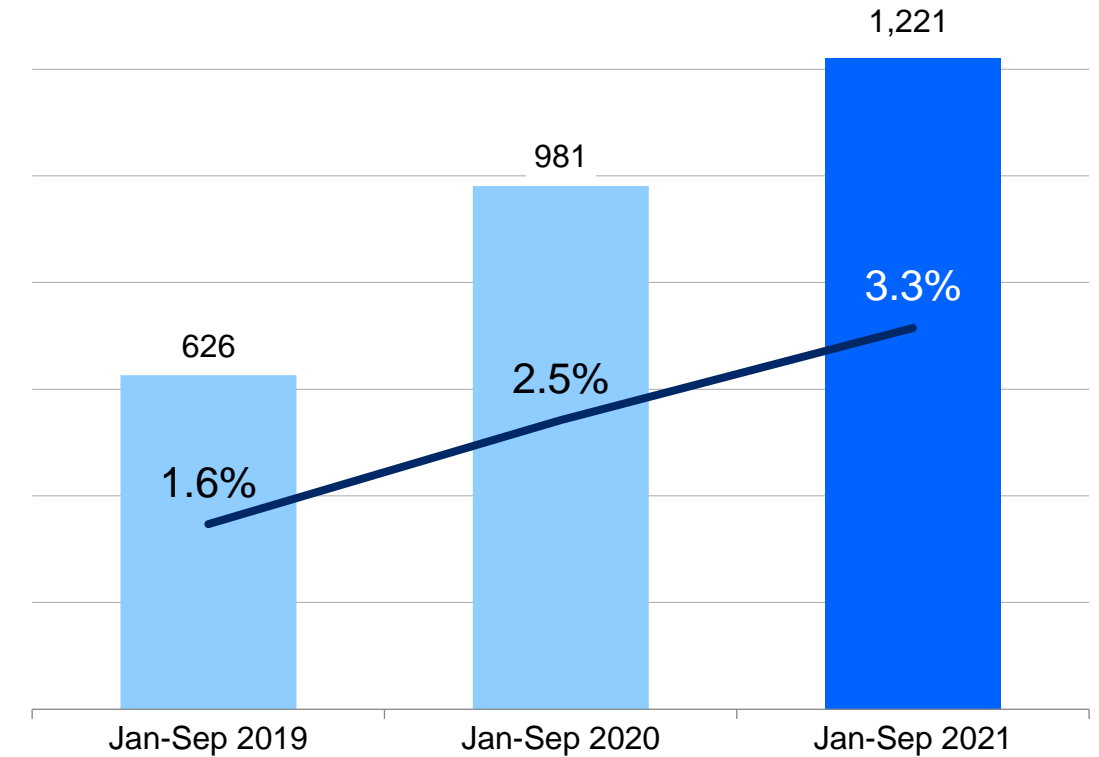
Q3

SEK M



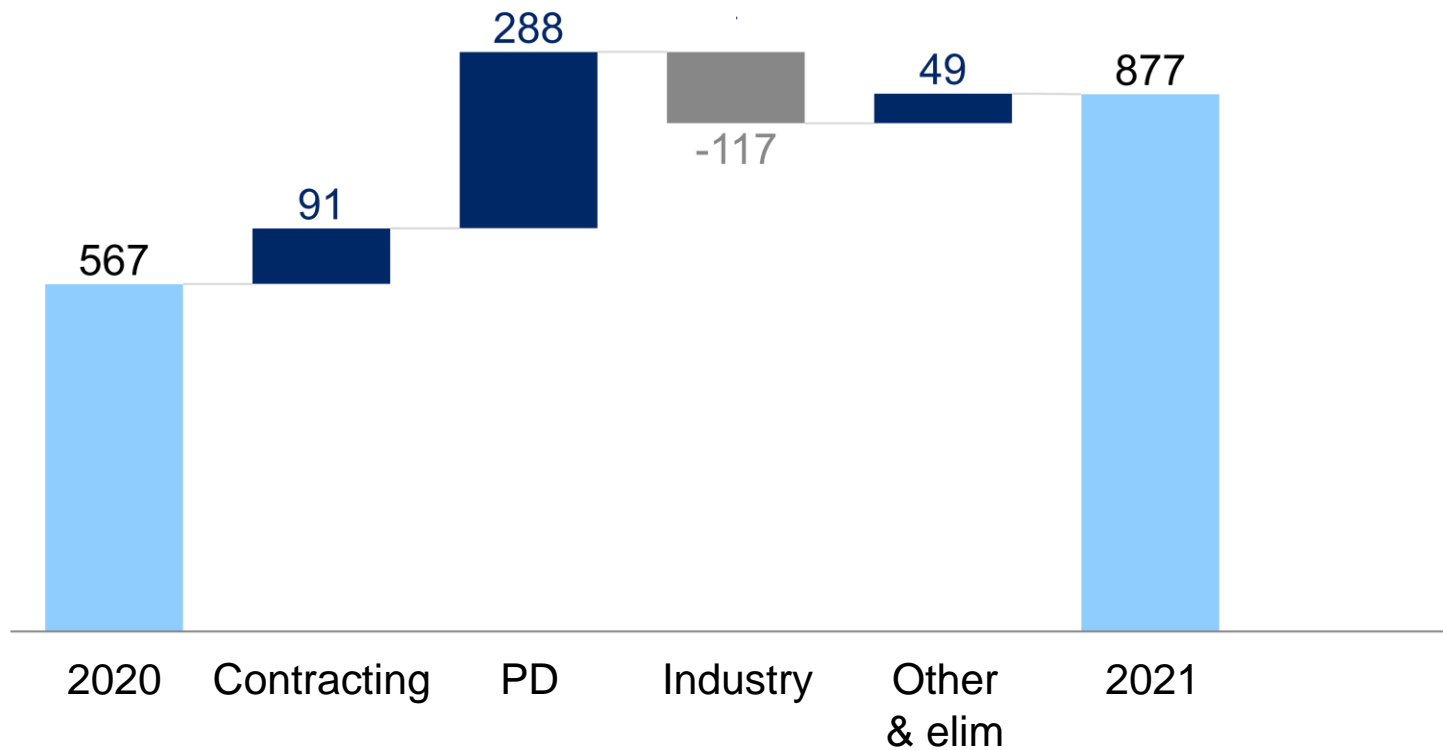
Jan-Sep

SEK M



EBIT Q3: Contracting and PD driving improvement q/q

SEK M



Contracting

Improved earnings. 37% up compared to last year with the largest improvement in Building Nordics

Property Development

Three projects recognized in profit compared to none in Q3 2020

Industry

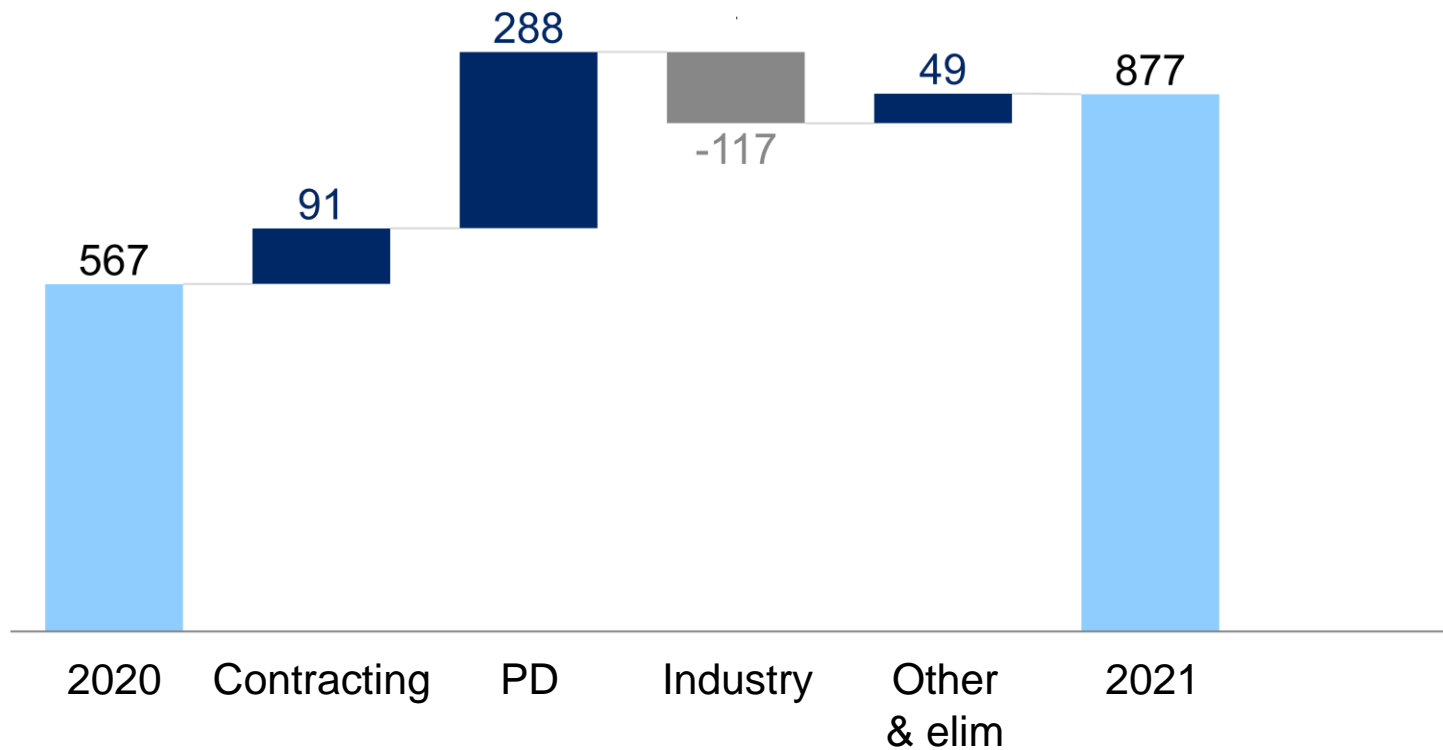
Stable performer but negative impact from Asphalt Finland

Other & eliminations

Normal levels

EBIT Q3

SEK M



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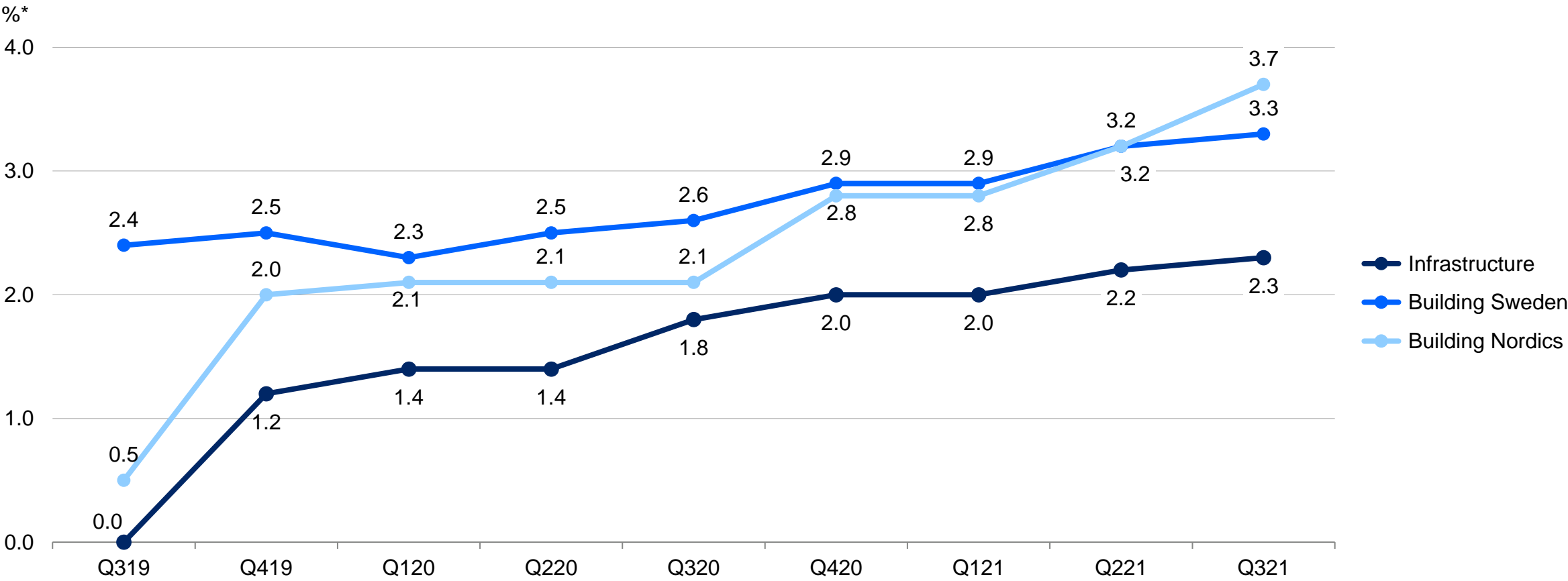
Industry

Stable performer but negative impact from Asphalt Finland

Other & eliminations

Normal levels

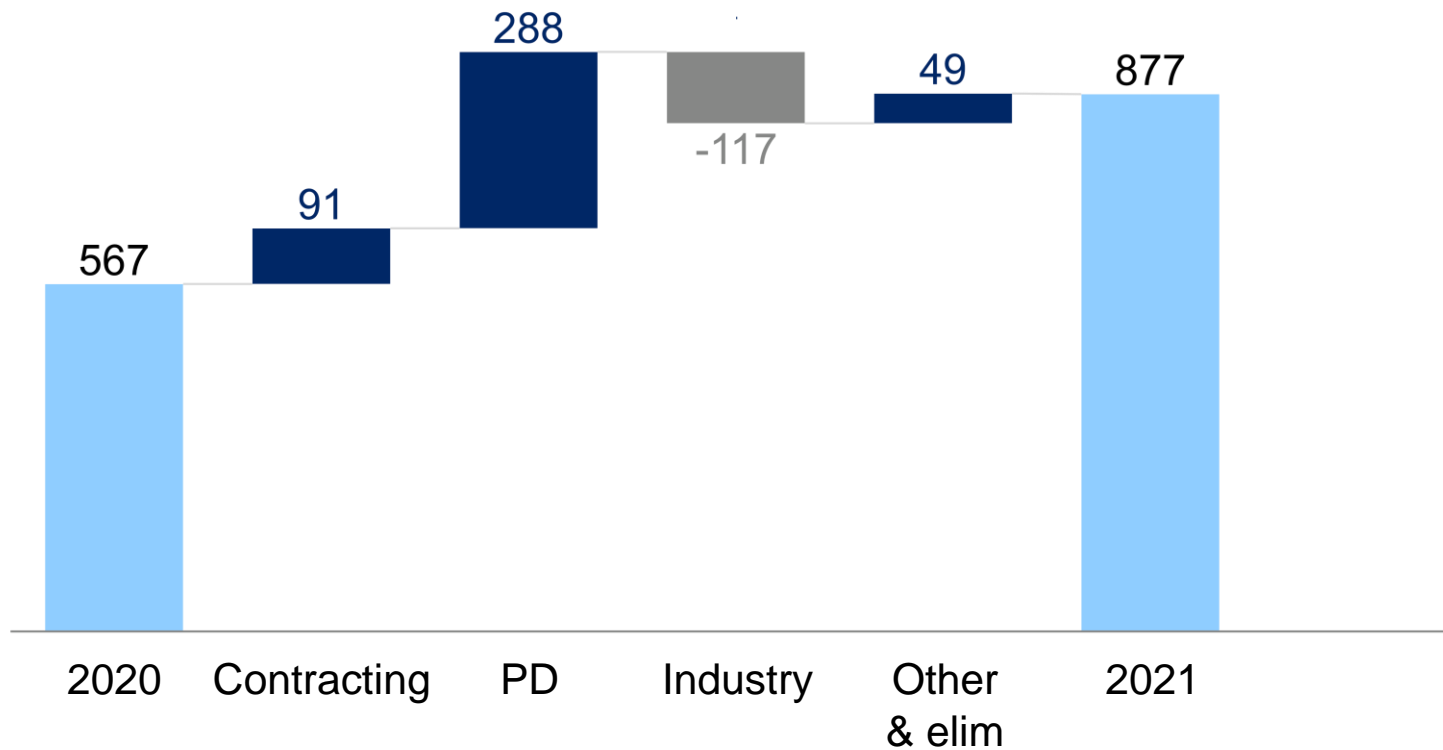
Contracting: Strong margins



*R12 EBIT margin. BA Infrastructure without Road Services

EBIT Q3

SEK M



Contracting

Improved earnings. 37% up compared to last year with the largest improvement in Building Nordics

Property Development

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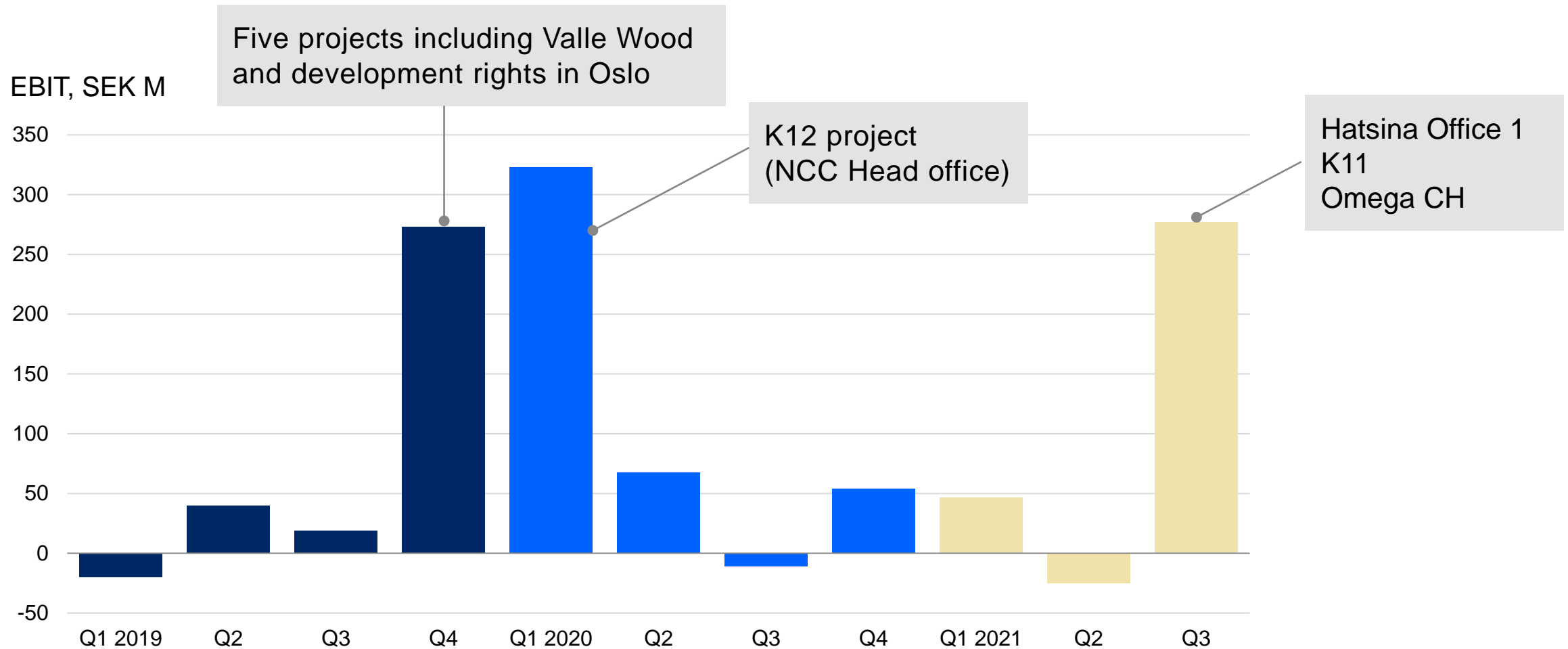
Industry

Stable performer but negative impact from Asphalt Finland

Other & eliminations

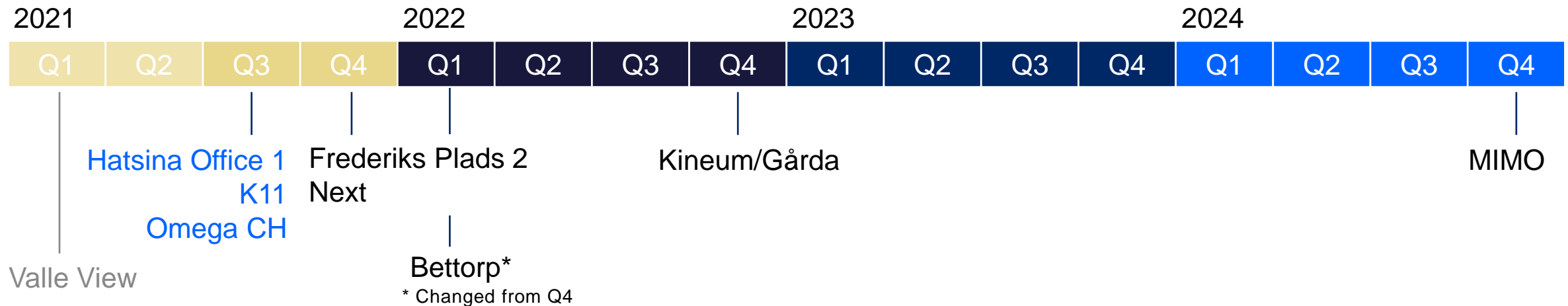
Normal levels

PD: Profit recognition of completed* projects



13 ongoing projects

Expected profit recognition for sold projects

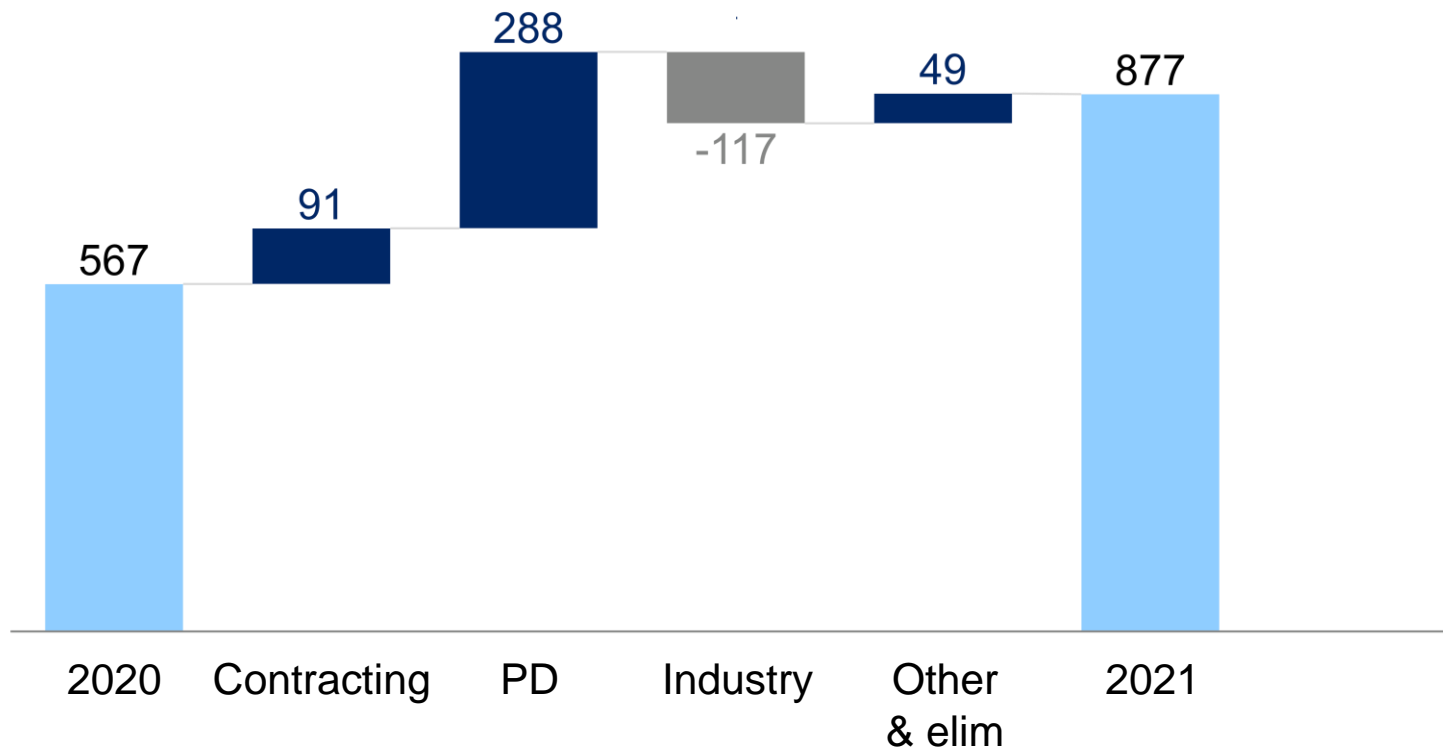


Ongoing unsold projects

- Bromma Blocks, Stockholm
- We Land, Helsinki
- Brick Studios, Gothenburg
- Kontorvaerket 1, Copenhagen
- Våghuset, Gothenburg
- Fredriksberg D, Helsinki
- Kulma21, Helsinki
- Nova, Stockholm

EBIT Q3

SEK M



Contracting

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Property Development

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Industry

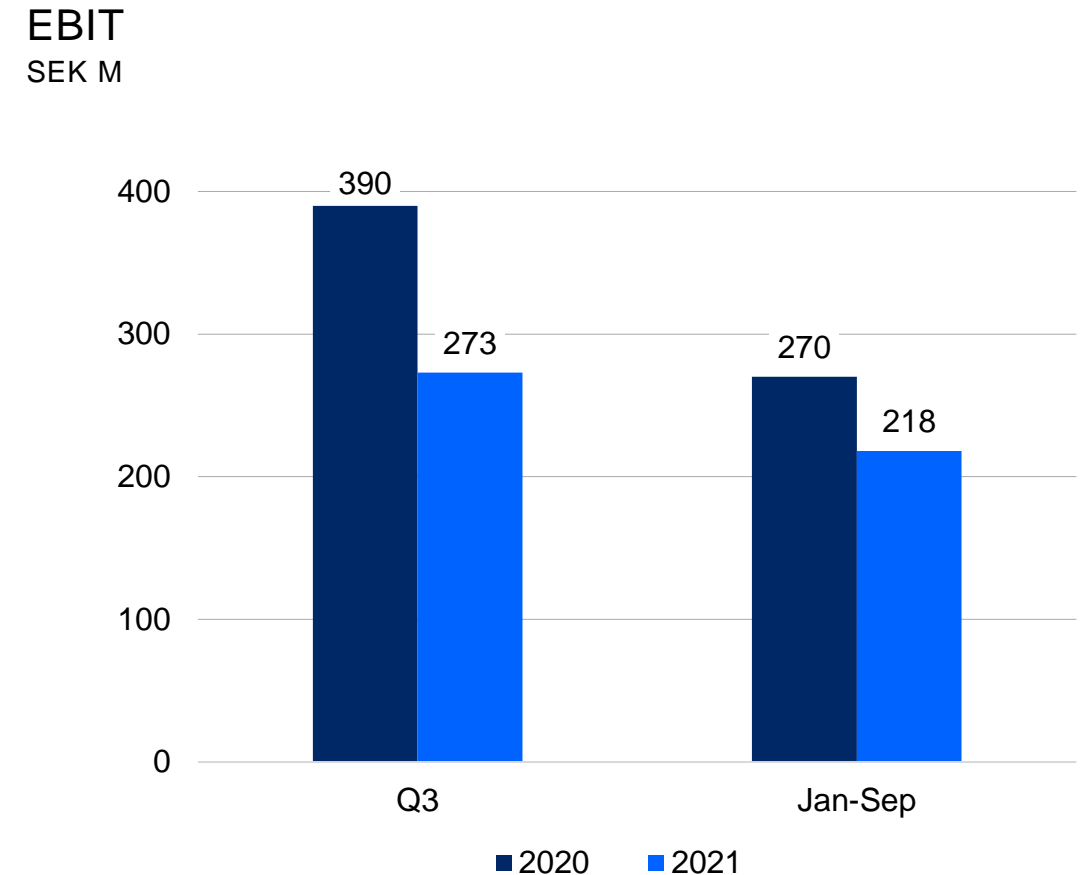
Stable performer but negative impact from Asphalt Finland

Other & eliminations

Normal levels

Industry: Stable performer but negative impact from Asphalt Finland

- Stone materials business stable and delivering strong result
- Asphalt business in Sweden, Norway and Denmark performing well



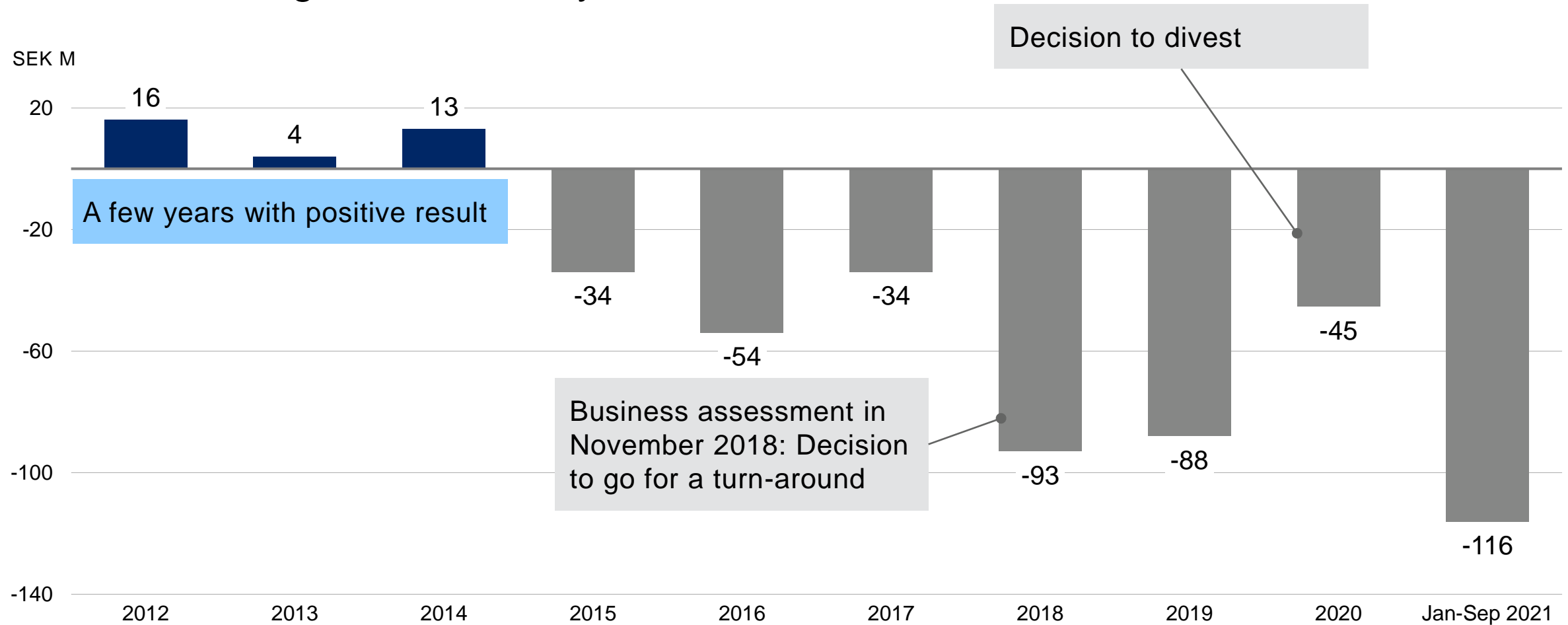
Asphalt Finland divested

- Decision in November 2020 to divest Asphalt Finland
 - Turn-around unsuccessful
 - No strategic fit with the rest of NCC in Finland
- Closing of divestment to Finnish company Asfaltikallio expected at year-end
- Negative one-time effect in Q4 of SEK 180 M
 - Book value, guarantees, remaining contractual obligations, transaction cost
- Cashflow impact positive
- Negative impact on earnings in the business area full year



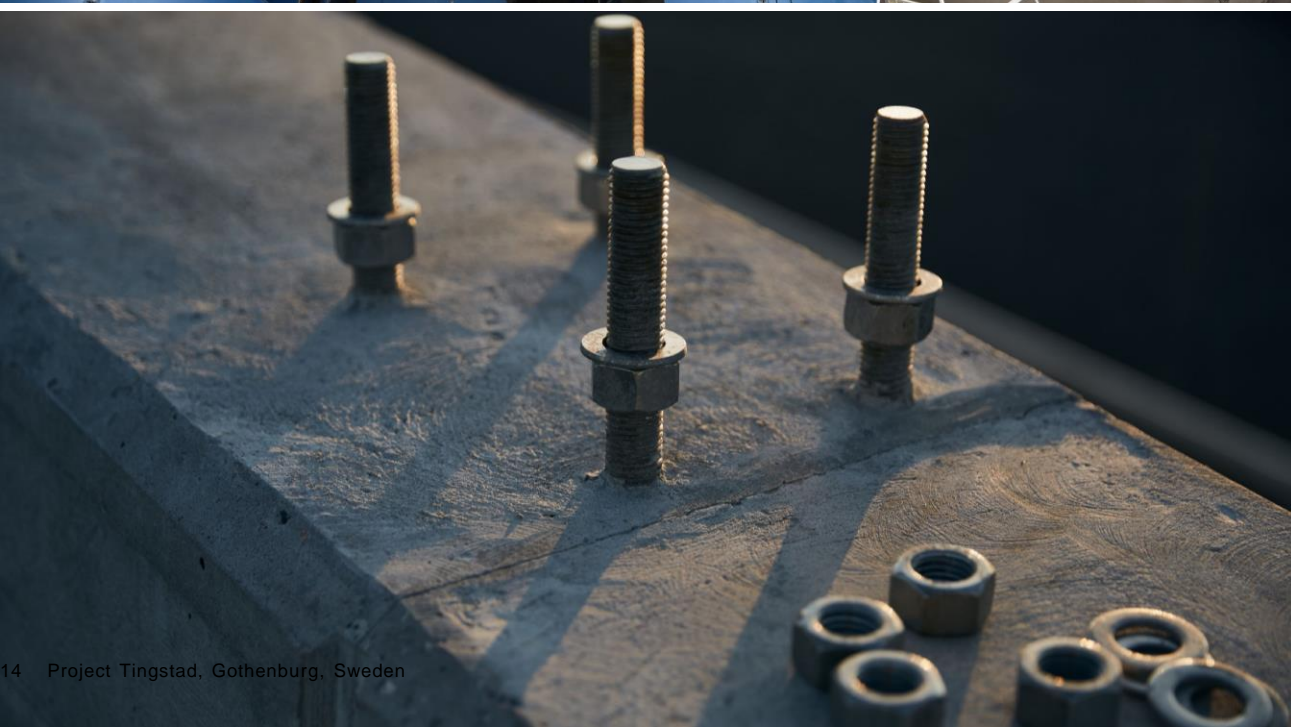
Asphalt Finland has been loss-making for years

PoC accounting, forecasts key

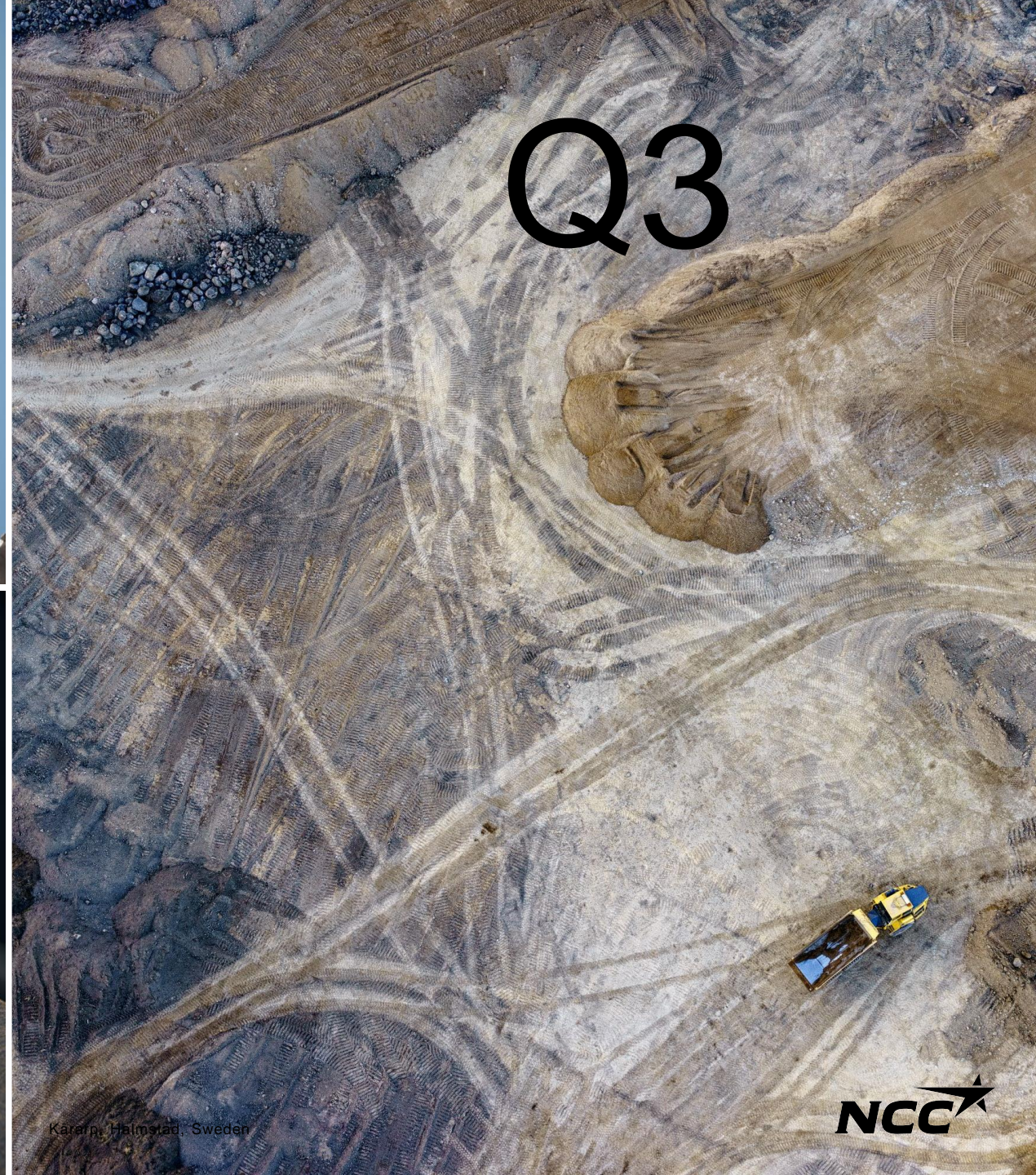




Våghuset, Gothenburg, Sweden



14 Project Tingstad, Gothenburg, Sweden



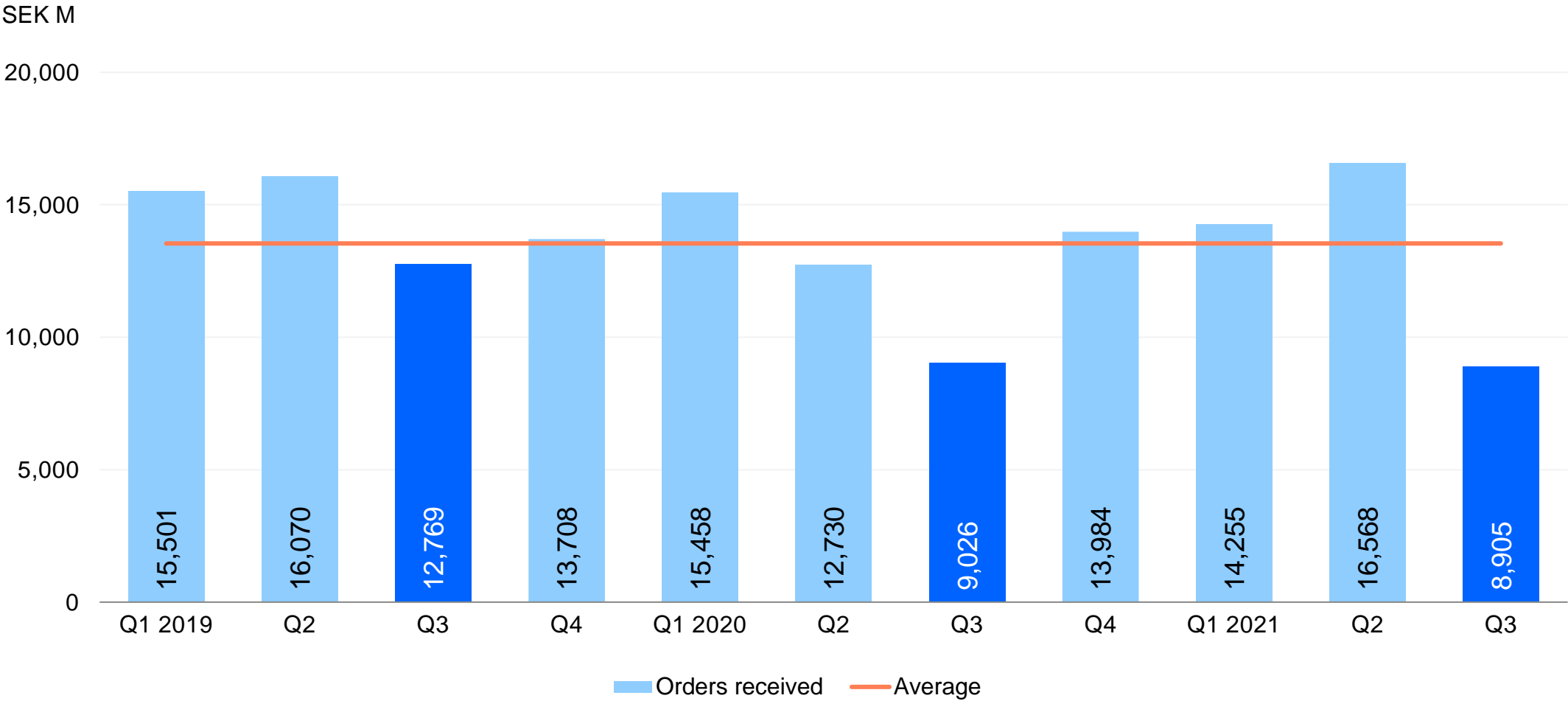
Q3

Kararp, Halmstad, Sweden

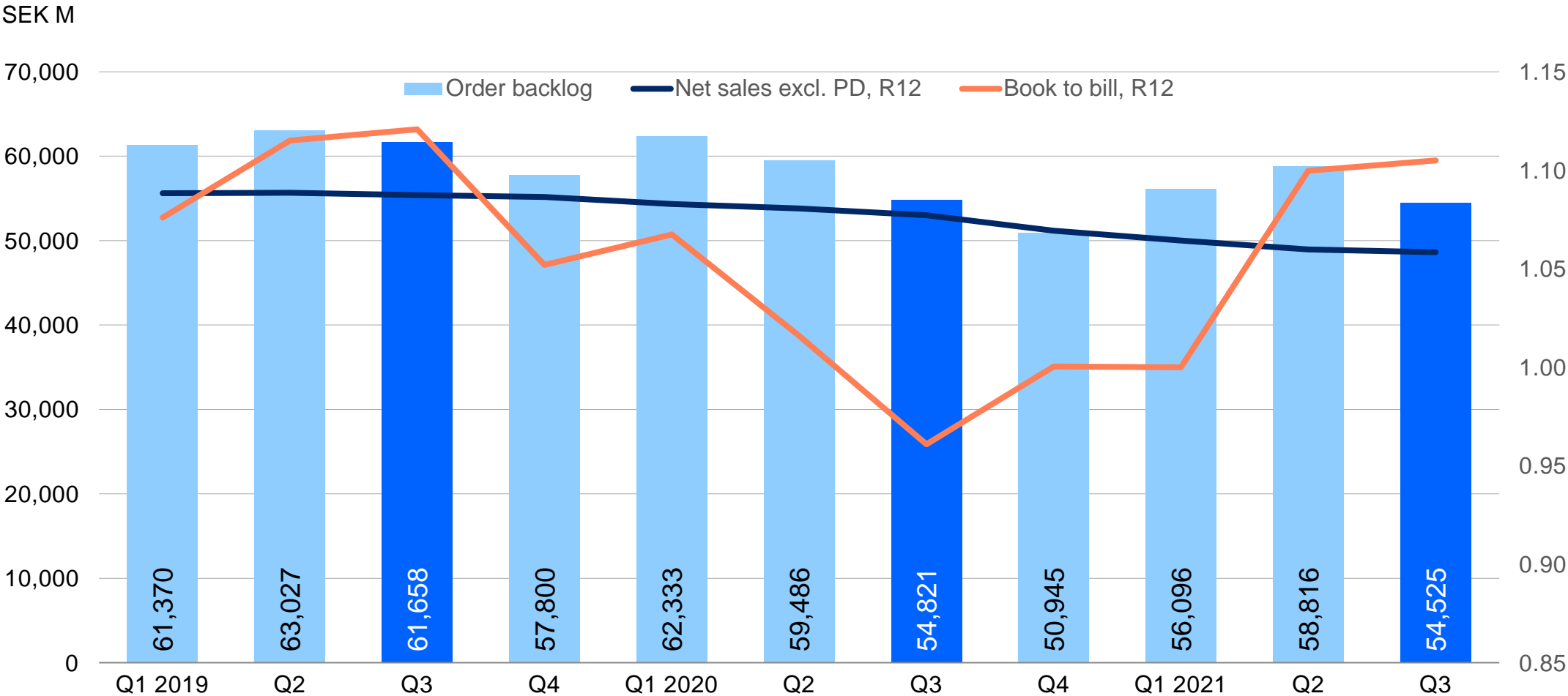


Orders received on par with last year

Good demand in all markets

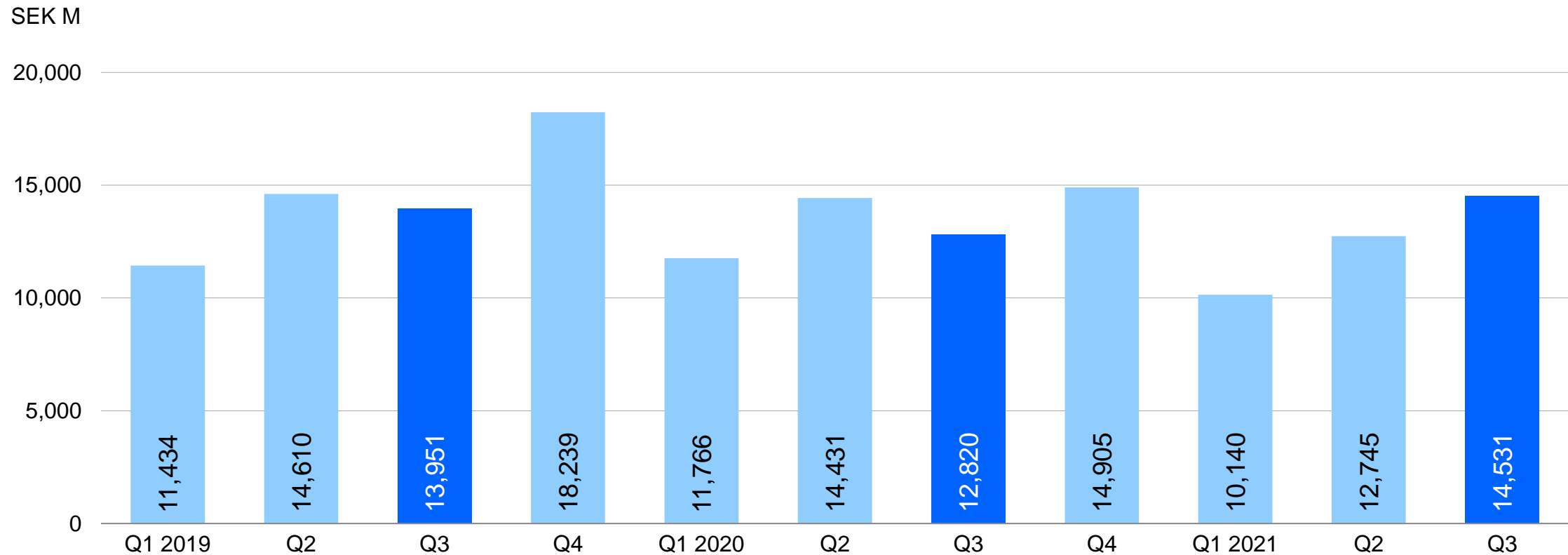


Order backlog remains strong



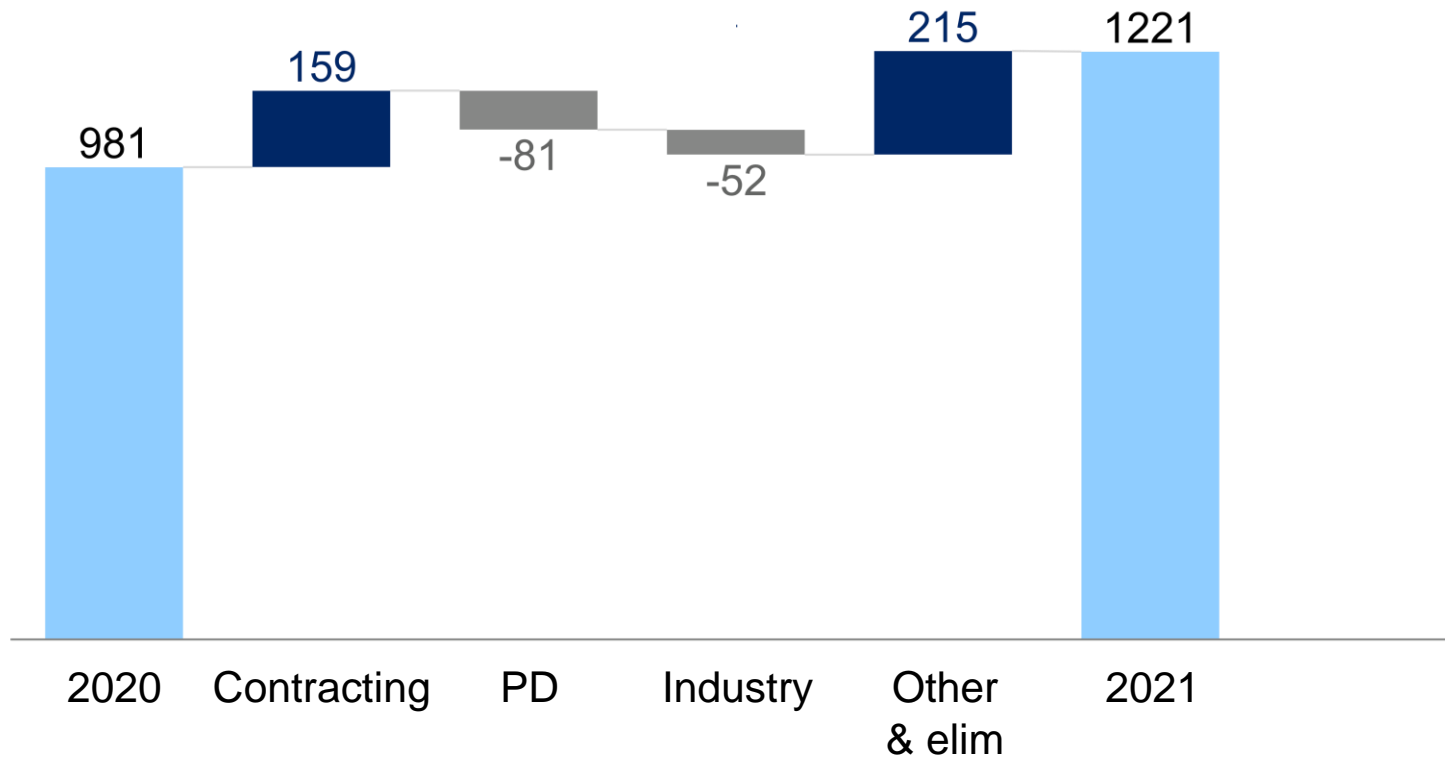
Net sales up

PD profit recognition and some growth in Building Sweden



Earnings January - September

SEK M



Contracting
Improved earnings

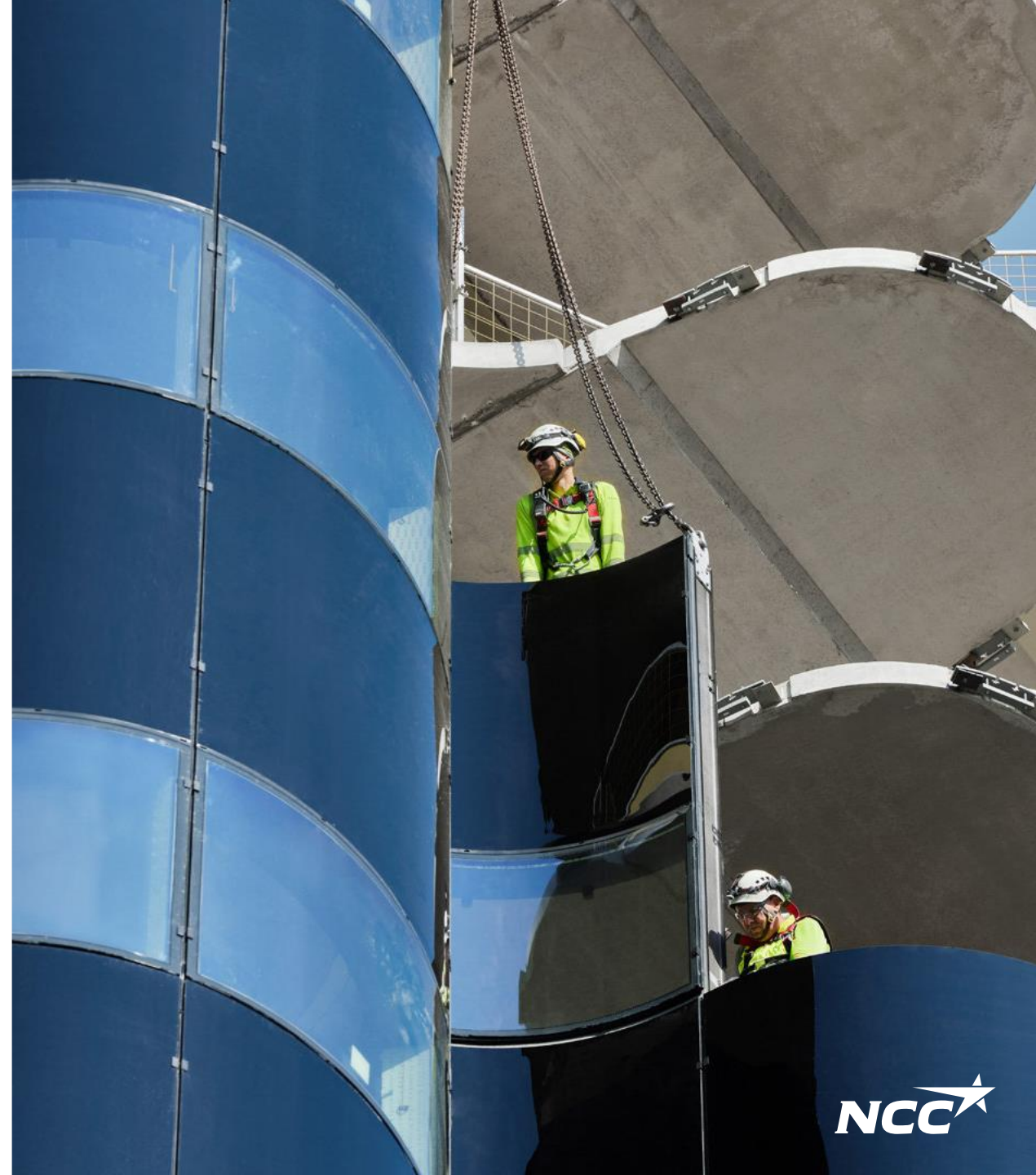
Property Development
Phasing of profit recognition of sold properties

Industry
Lower than last year mainly driven by Asphalt Finland

Other & eliminations
2020 included a negative impact from the sale-lease back of the NCC head office

Potential risks

- Supply of cement in Sweden – monitoring the situation and preparing for different scenarios in close contact with our suppliers
- Price increases in supply chain evident but no impact on group



Susanne Lithander

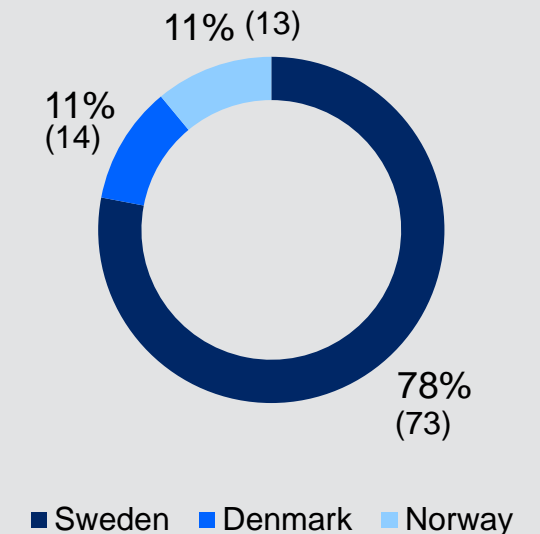
CFO

NCC Infrastructure

Improving earnings and margin

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	2,933	3,249	15,135	11,278	17,938	14,080
Order backlog	20,047	18,598				16,200
Net sales	3,789	4,230	11,393	13,086	16,579	18,271
EBIT	123	115	277	260	374	357
EBIT margin, %	3.2	2.7	2.4	2.0	2.3	2.0

Net sales, Jan-Sep



NCC Building Sweden

Strong earnings and margin, some growth in net sales and a strong order backlog

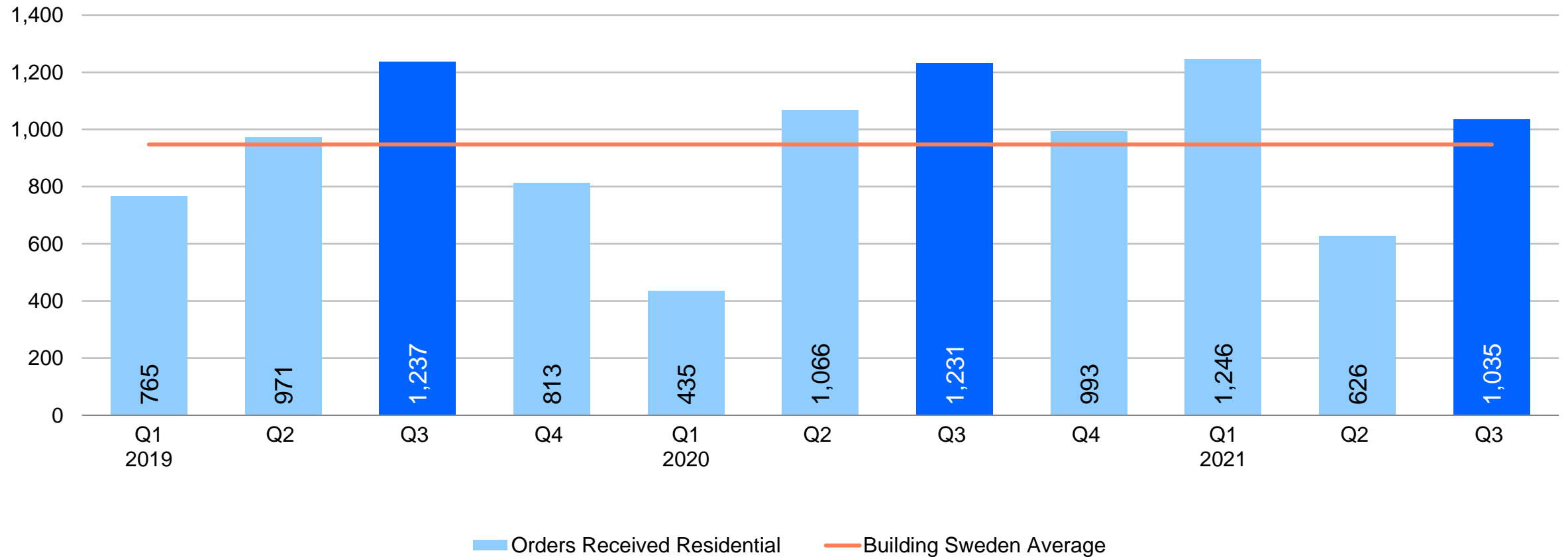
	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
SEK M	2021	2020	2021	2020	2020/2021	2020
Orders received	2,290	2,438	10,159	10,625	14,018	14,484
Order backlog	17,846	17,602				17,670
Net sales	2,990	2,735	9,765	9,583	13,557	13,375
EBIT	100	78	320	255	447	381
EBIT margin, %	3.4	2.9	3.3	2.7	3.3	2.9



NCC Building Sweden

Residential orders received - 44% rentals 2021

SEK M

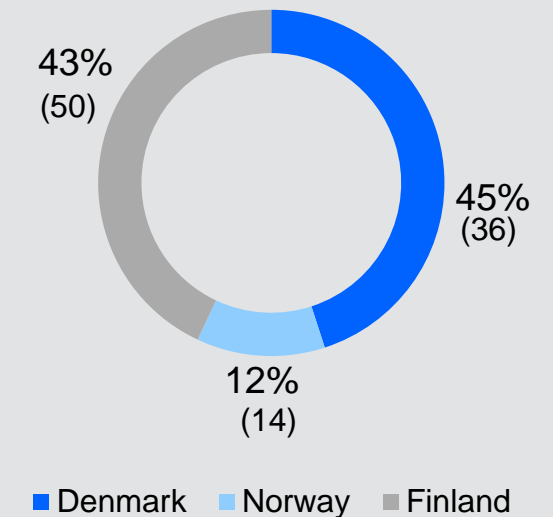


NCC Building Nordics

Strong earnings

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
SEK M	2021	2020	2021	2020	2020/2021	2020
Orders received	1,780	1,247	6,779	6,674	11,982	11,877
Order backlog	14,003	13,671				14,856
Net sales	2,788	2,795	7,888	8,792	11,230	12,134
EBIT	111	50	239	162	420	343
EBIT margin, %	4.0	1.8	3.0	1.8	3.7	2.8

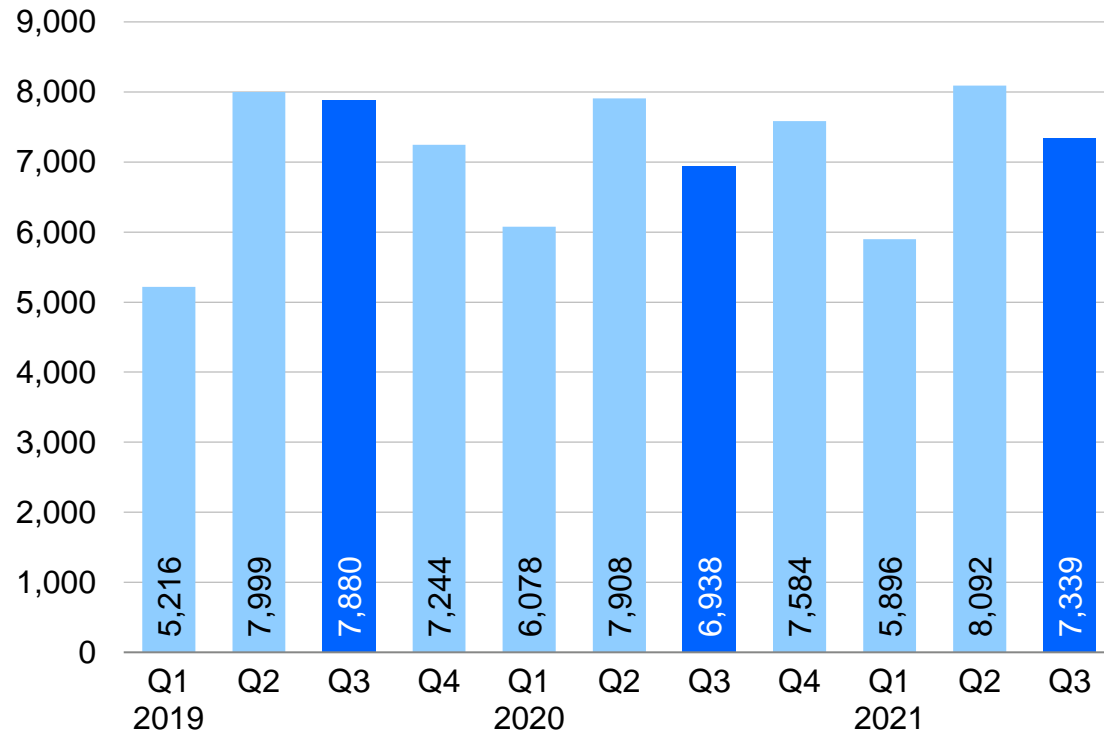
Net sales, Jan-Sep



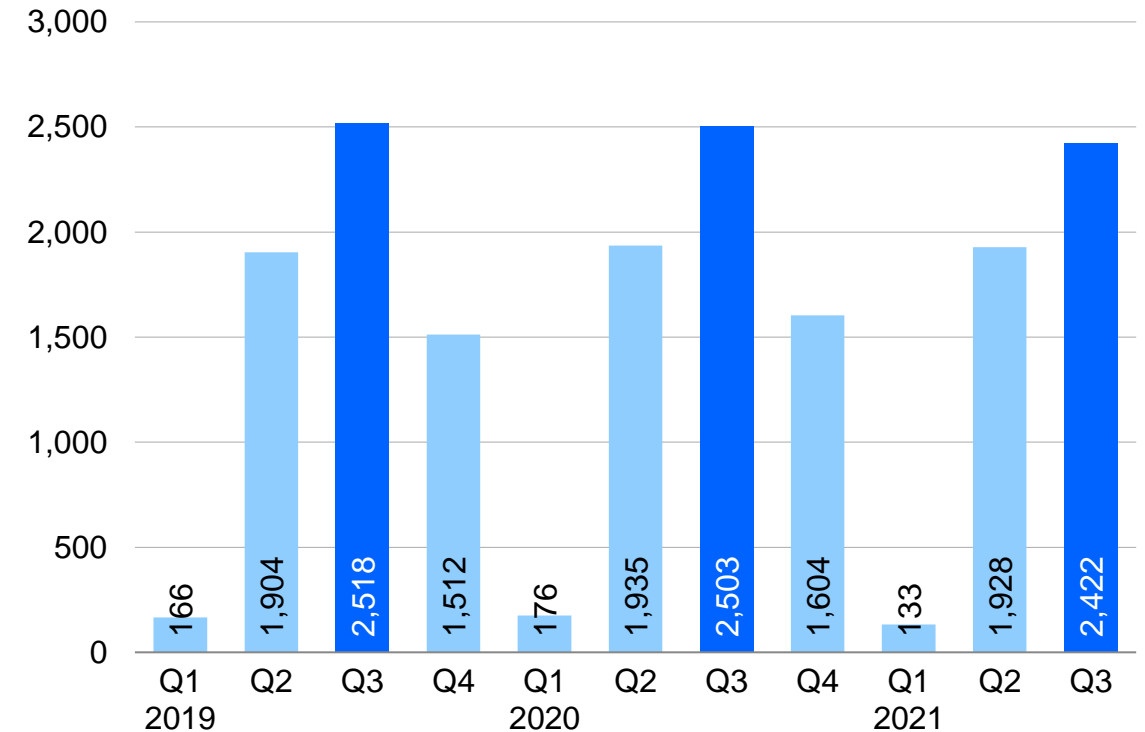
NCC Industry: Stone and asphalt volumes

Volumes remain stable, somewhat lower in asphalt

Stone material sold, thousands of tons



Asphalt sold, thousands of tons

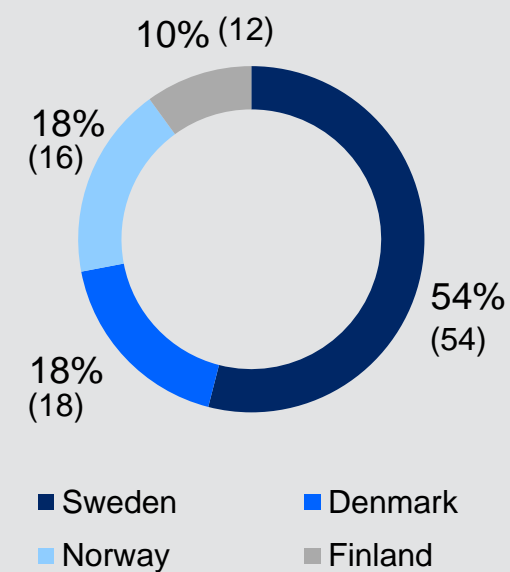


NCC Industry

Negative earnings impact of SEK 73 M from Asphalt Finland

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	2,309	2,011	8,178	8,245	10,537	10,605
Net sales	3,769	3,706	7,698	7,771	10,796	10,869
EBIT	273	390	218	270	333	386
Operating margin %	7.2	10.5	2.8	3.5	3.1	3.5
ROCE %					6.5	7.8

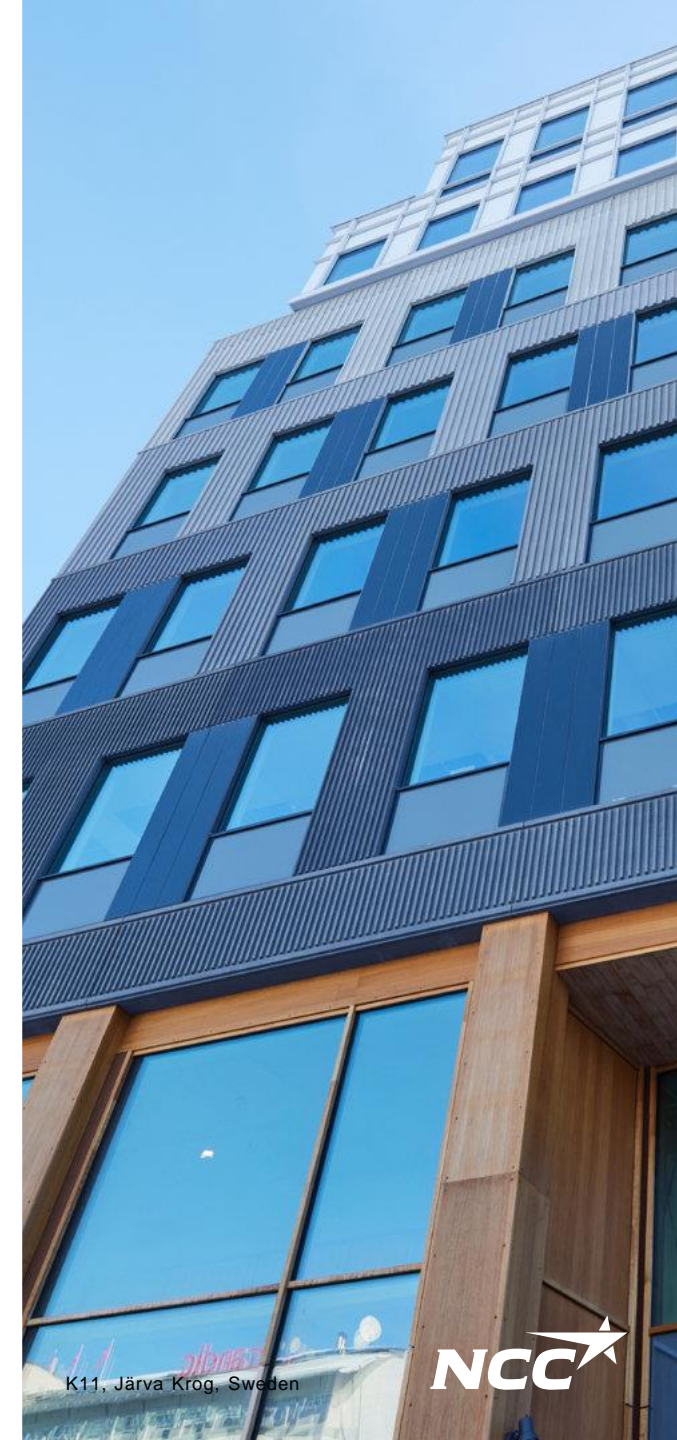
Net sales, Jan-Sep



NCC Property Development

Three projects recognized in profit

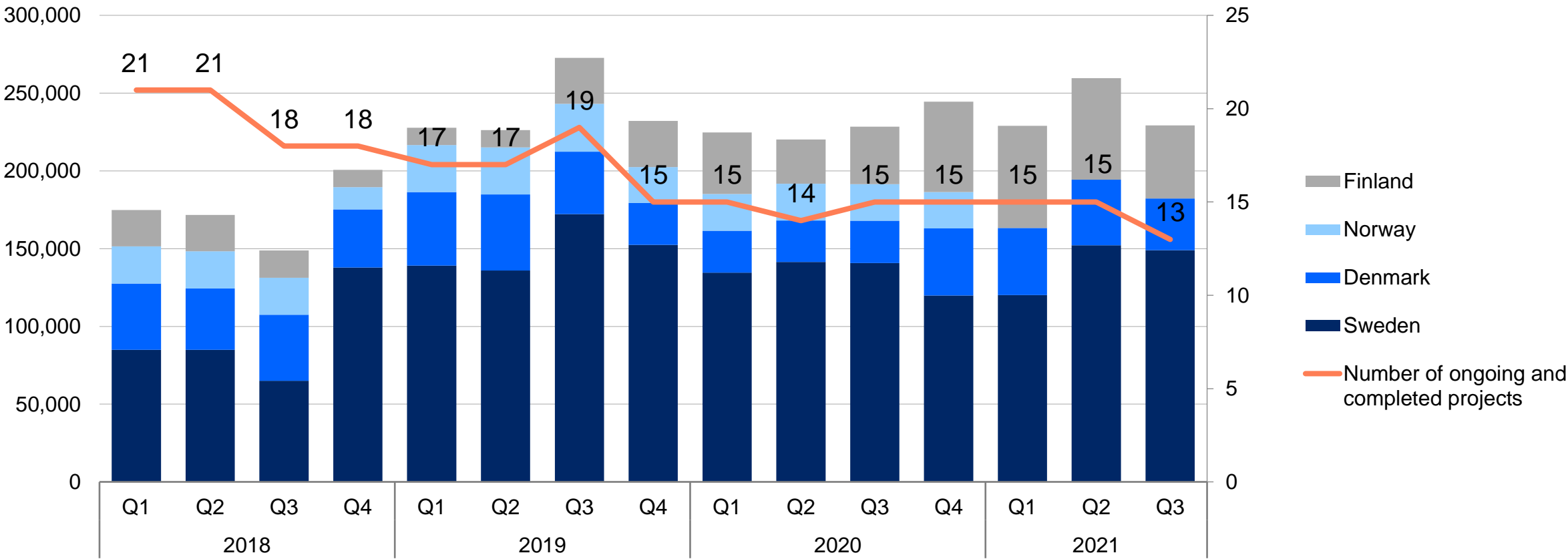
	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
SEK M	2021	2020	2021	2020	2020/2021	2020
Net sales	2,072	18	3,247	2,274	3,711	2,737
EBIT	277	-11	299	380	353	434
Capital employed	5,517	5,793	5,517	5,793	5,517	6,433
EBIT margin %	13.4	-58.5	9.2	16.7	9.5	15.9
ROCE %					5.9	8.0



One new project started in Q3

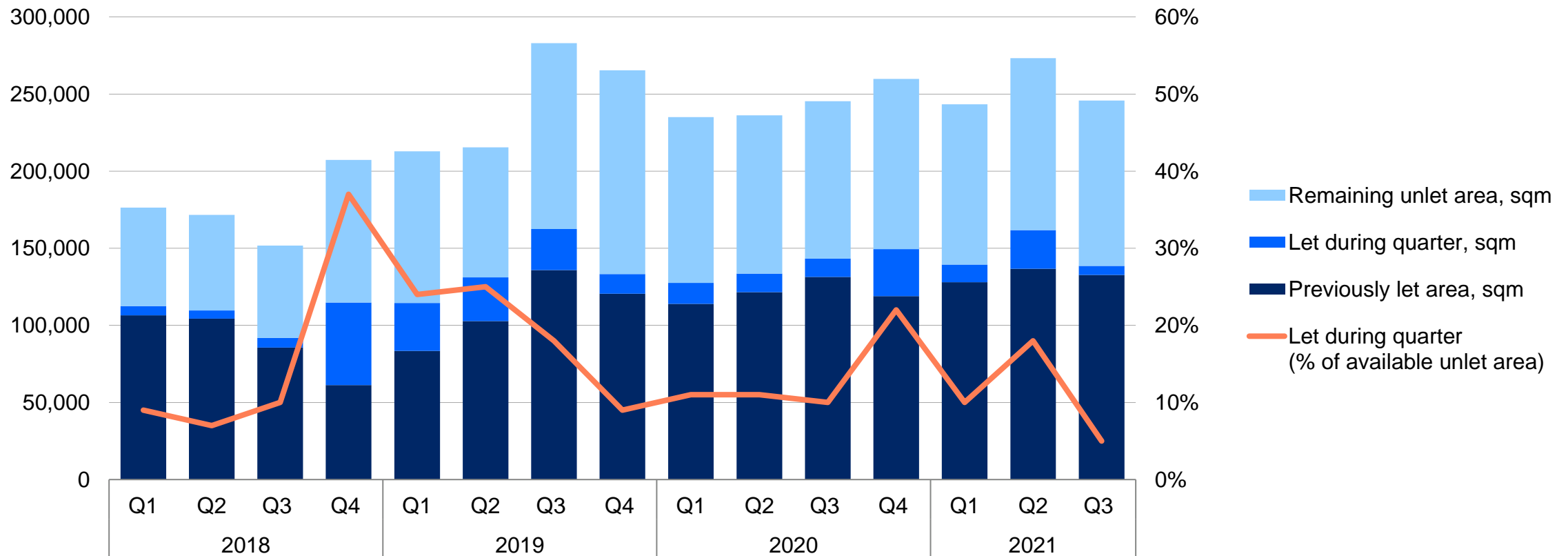
Project "Nova" in Sweden

Lettable space in ongoing projects, sqm

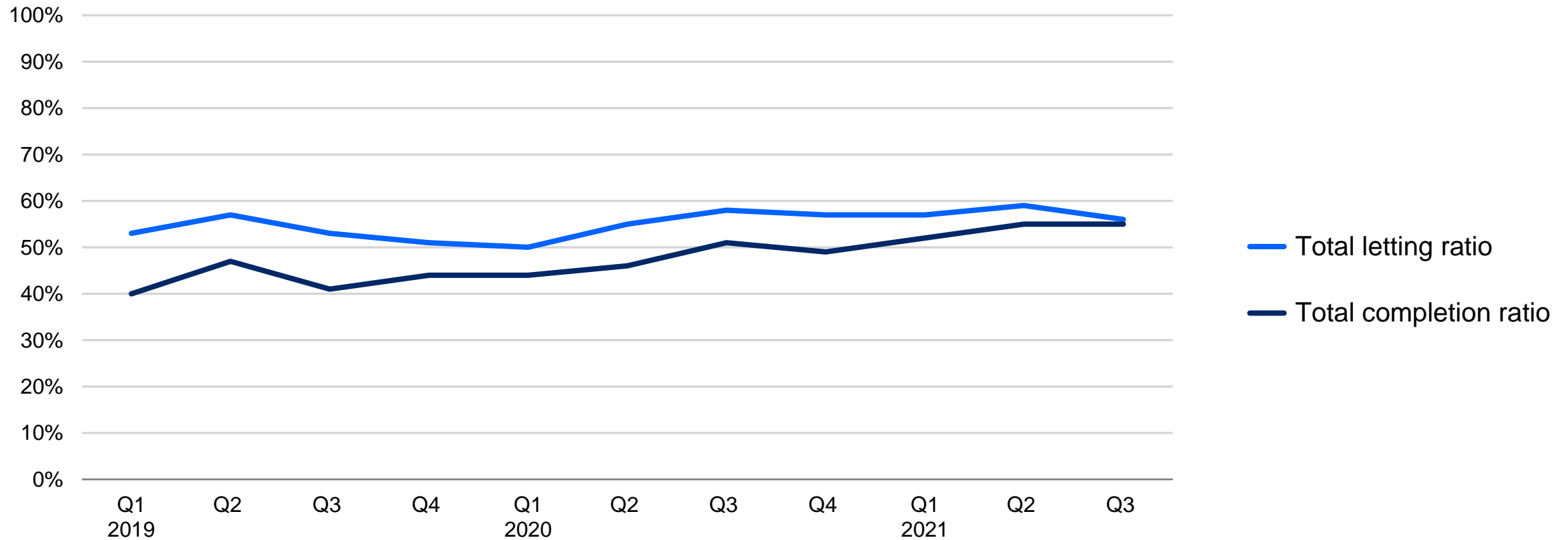


Letting in the quarter

Strong interest in the market



Letting and completion status

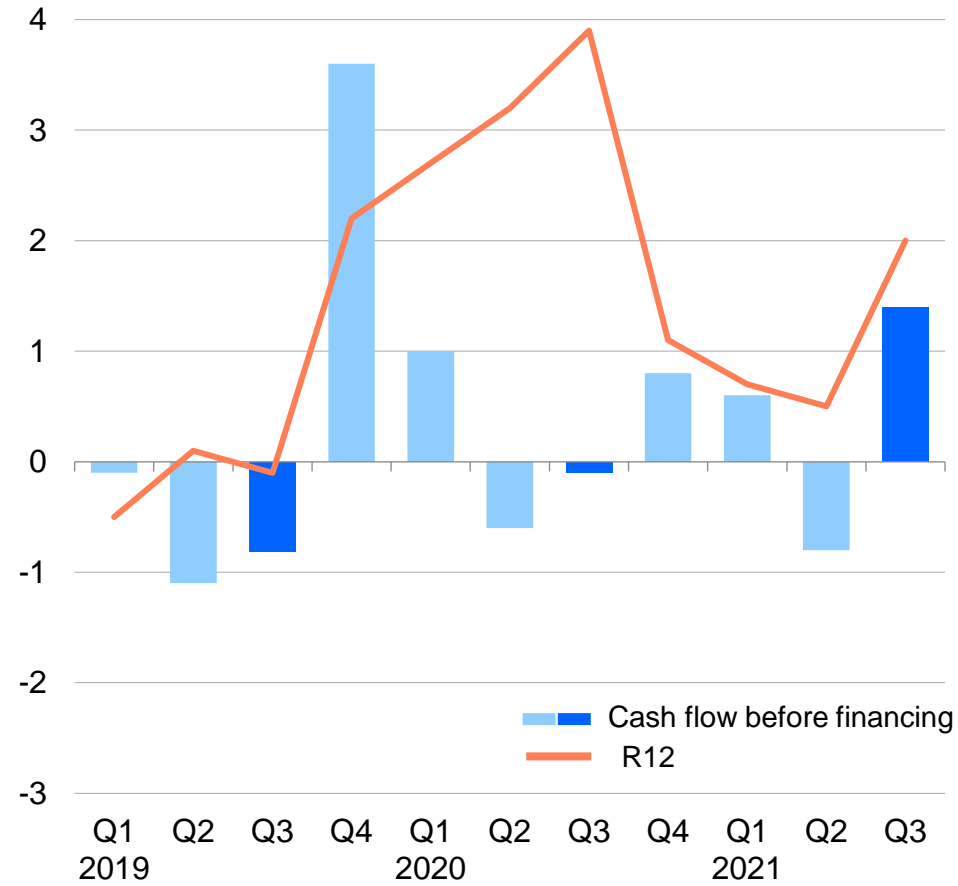


Earnings

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
SEK M	2021	2020	2021	2020	2020/2021	2020
Earnings in segments (all BAs)	884	623	1,353	1,329	1,926	1,902
<i>NCC HQ and subsidiaries</i>	-18	17	-81	-75	-174	-168
<i>Internal gains</i>	43	-35	12	-52	0	-64
<i>Other group adjustments</i>	-23	-7	-61	-180	-116	-235
<i>Road Services</i>	-10	-31	0	-41	-34	-75
Other & Eliminations total	-7	-56	-131	-347	-325	-542
EBIT	877	567	1,221	981	1,599	1,360
Financial items	-13	-19	-33	-60	-53	-80
EBT	864	549	1,188	922	1,547	1,281
Tax	-158	-61	-217	-83	-157	-22
Profit for the period	706	488	971	839	1,391	1,259

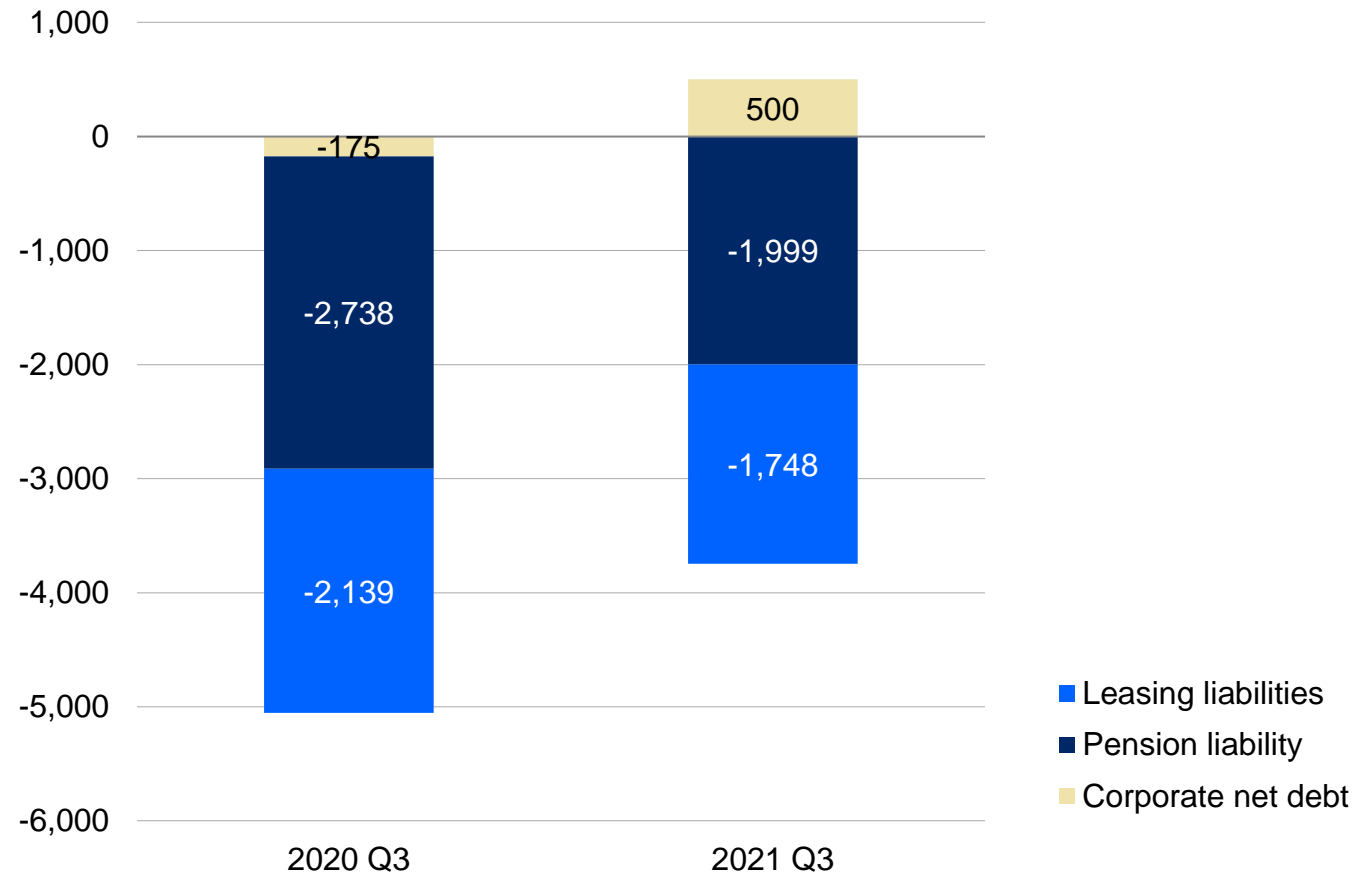
Strong cashflow

SEK Bn



SEK M	Q3	Jan-Sep		R12	Jan-Dec	
	2021	2020	2021	2020	2020/2021	2020
From operating activities	1,147	792	1,854	1,579	2,931	2,657
From property projects	659	-595	-120	-558	-824	-1,262
Other working capital	-385	-121	-142	-430	462	174
Investing activities	-33	-140	-380	-241	-602	-463
Cash flow before financing	1,389	-63	1,211	350	1,967	1,106

Net debt per Sep 30, 2021



Net debt* / EBITDA

Target	< 2.5x
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Sep 30, 2021	-0.22x
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*Corporate net debt excluding pension liabilities and leasing liabilities

Tomas Carlsson

CEO

Financial targets

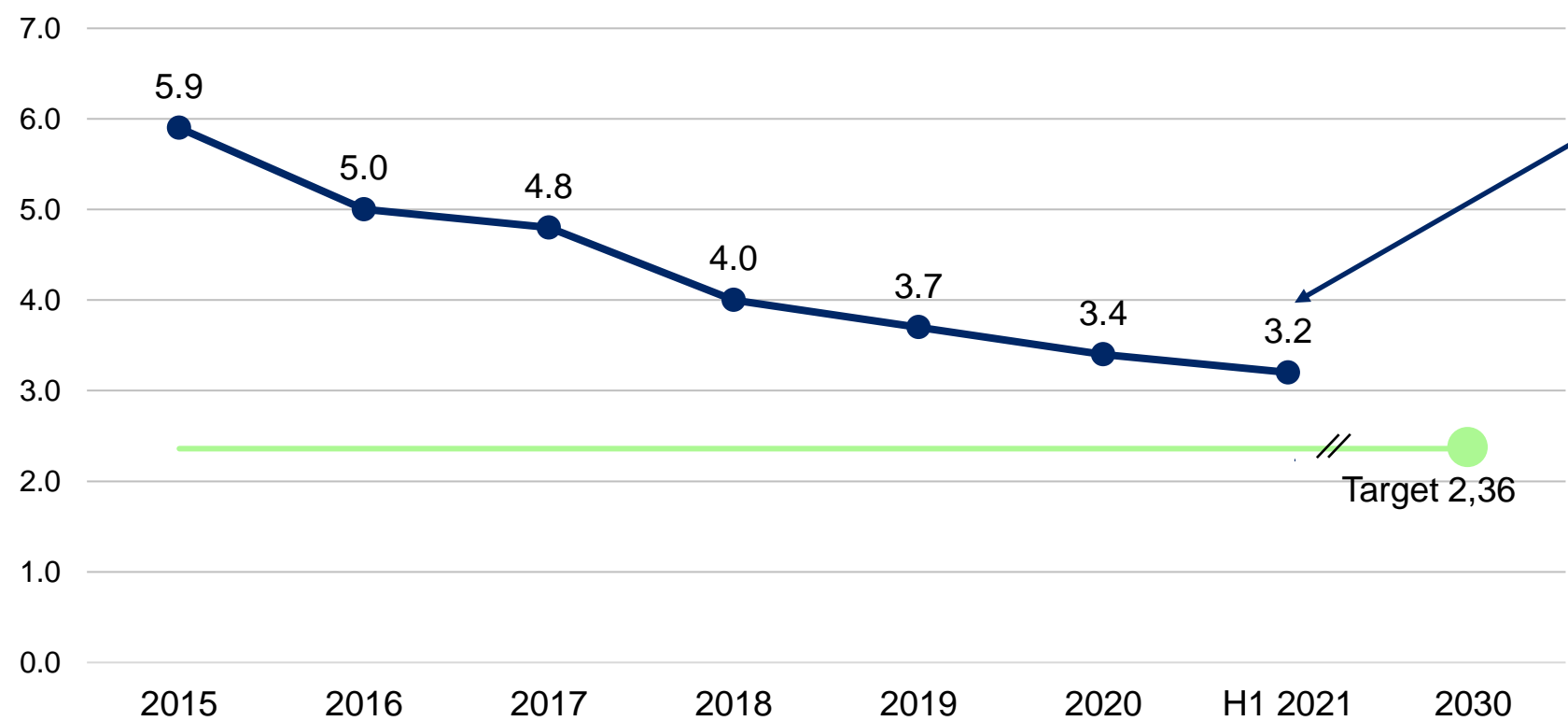
Q3 2021	Earnings per share 16.0 SEK 2023	Net debt < 2.5 x EBITDA	Dividend policy ≥ 40% of profit after tax
	12.9 SEK R12	-0.2x (-0.03x)	5.0 SEK per share in two payments for 2020 - 43% of profit after tax

Record date for the second
payment is Nov 9, 2021

Climate and Energy targets

Climate neutral 2045, reduction targets for 2030

Ton CO₂e per SEK M net sales



Scope 1 and 2, ton CO₂e per SEK M net sales

-60%

-46%

June 2021

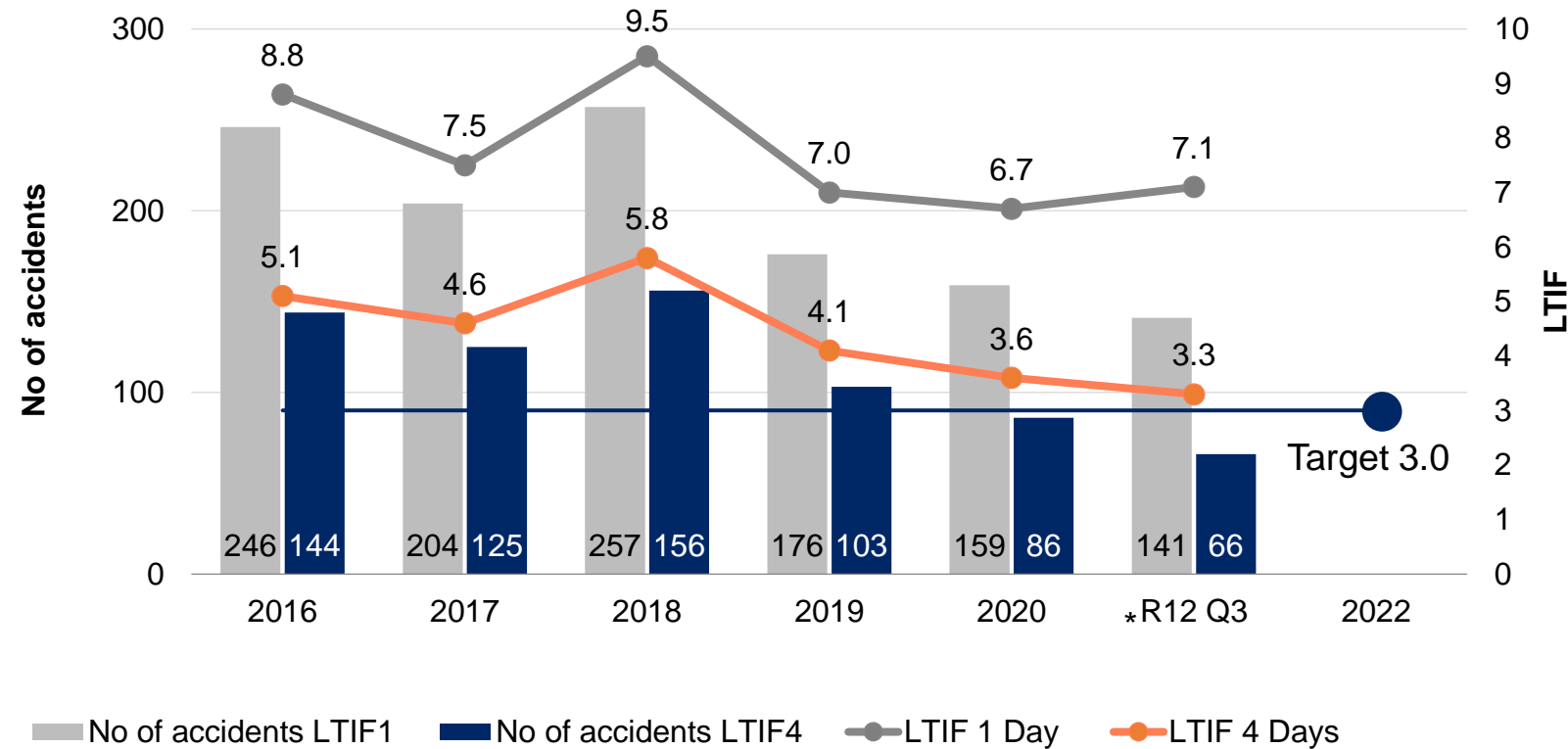
Ton CO₂e in relation to bought volumes scope 3 contributors. Focus on four main contributors: Concrete, steel, transportation, asphalt

-50%

Setting roadmaps. Progress reported from 2021

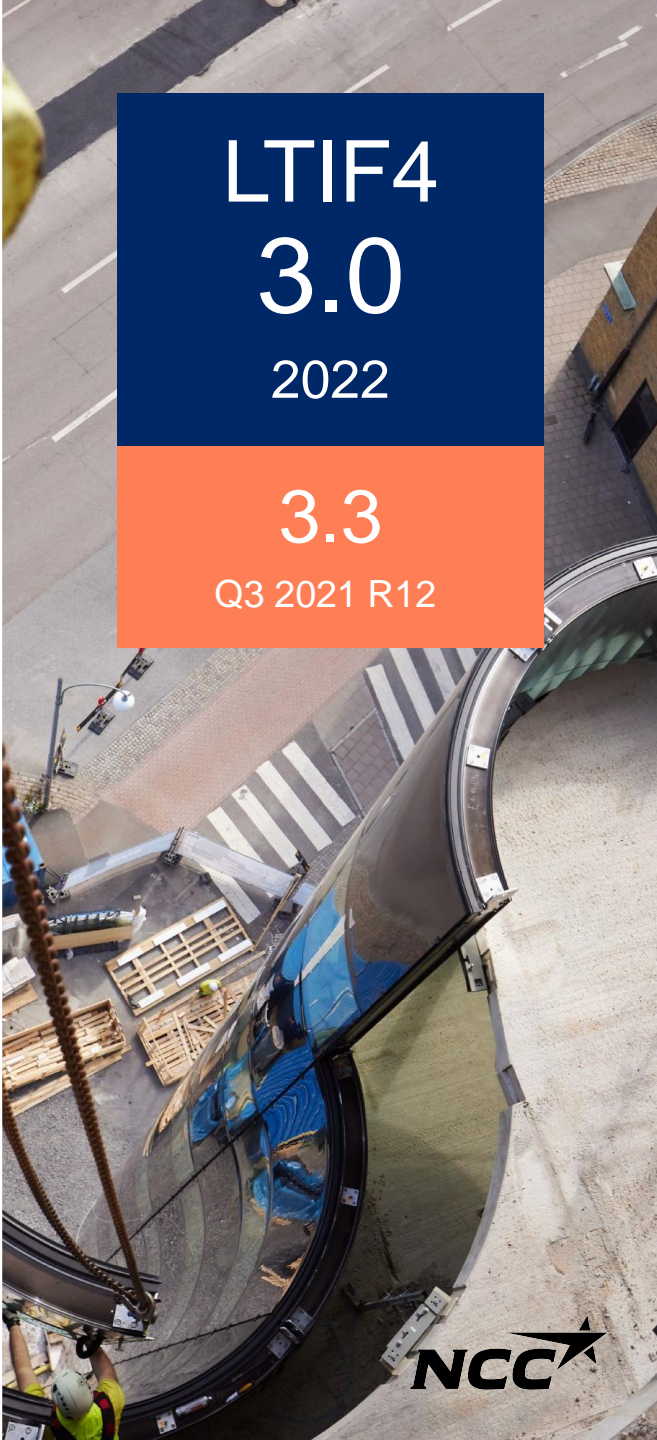
Health and Safety targets

Eliminate serious accidents and incidents



LTIF4
3.0
2022

3.3
Q3 2021 R12



A strong quarter for NCC

- Industry impacted by asphalt Finland
- Uncertainty regarding cement supply
- Price increases mitigated to date
- Good demand
- Order backlog strong
- Three property projects in profit recognition
- Earnings and margin improving in all contracting units
- Strong cashflow

