

Q4 2020



Kuopio Museum, Finland

Tomas Carlsson

CEO

Following our designated path

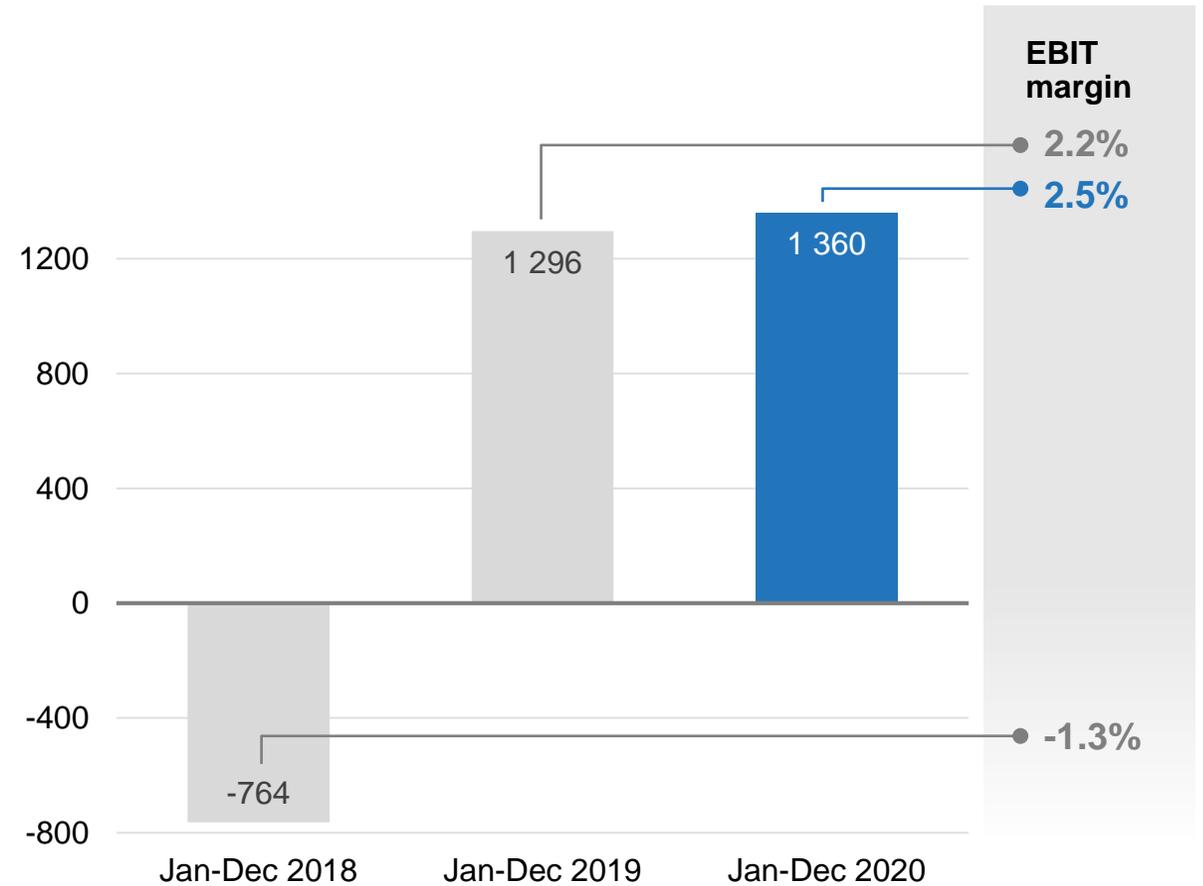
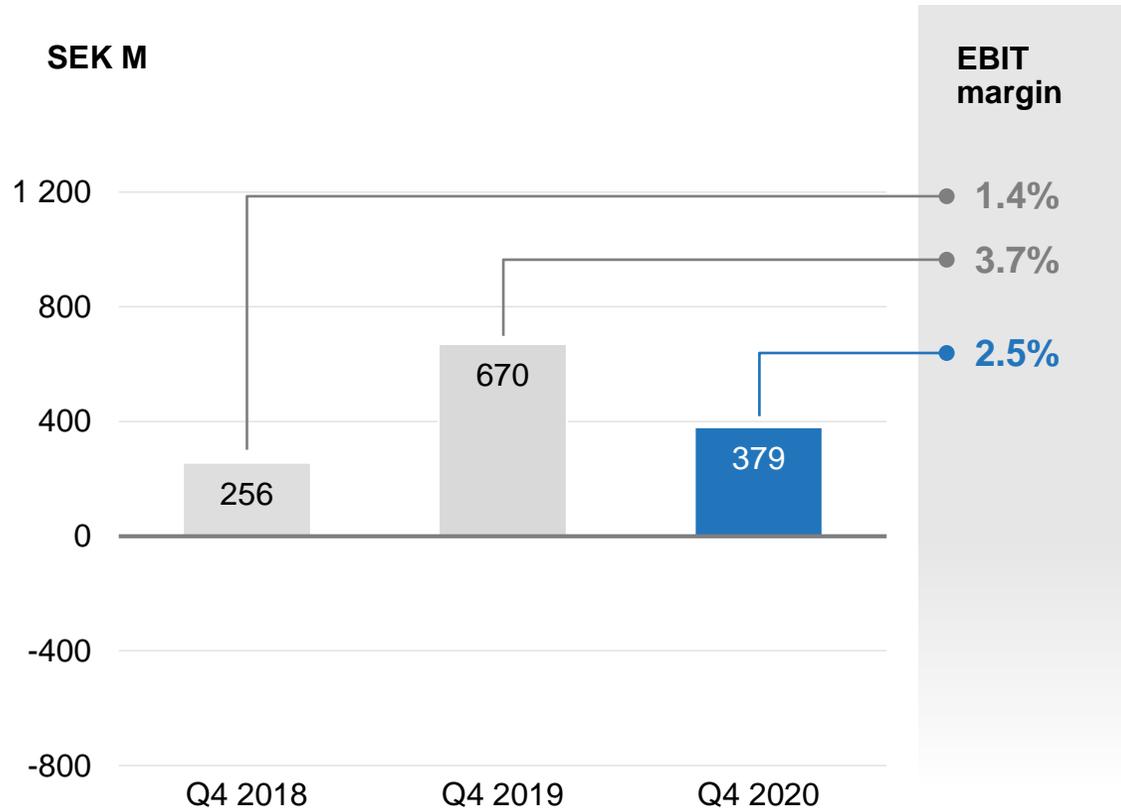
The contracting business is improving quarter after quarter

Measures to boost performance in Industry taken – will deliver result from 2021

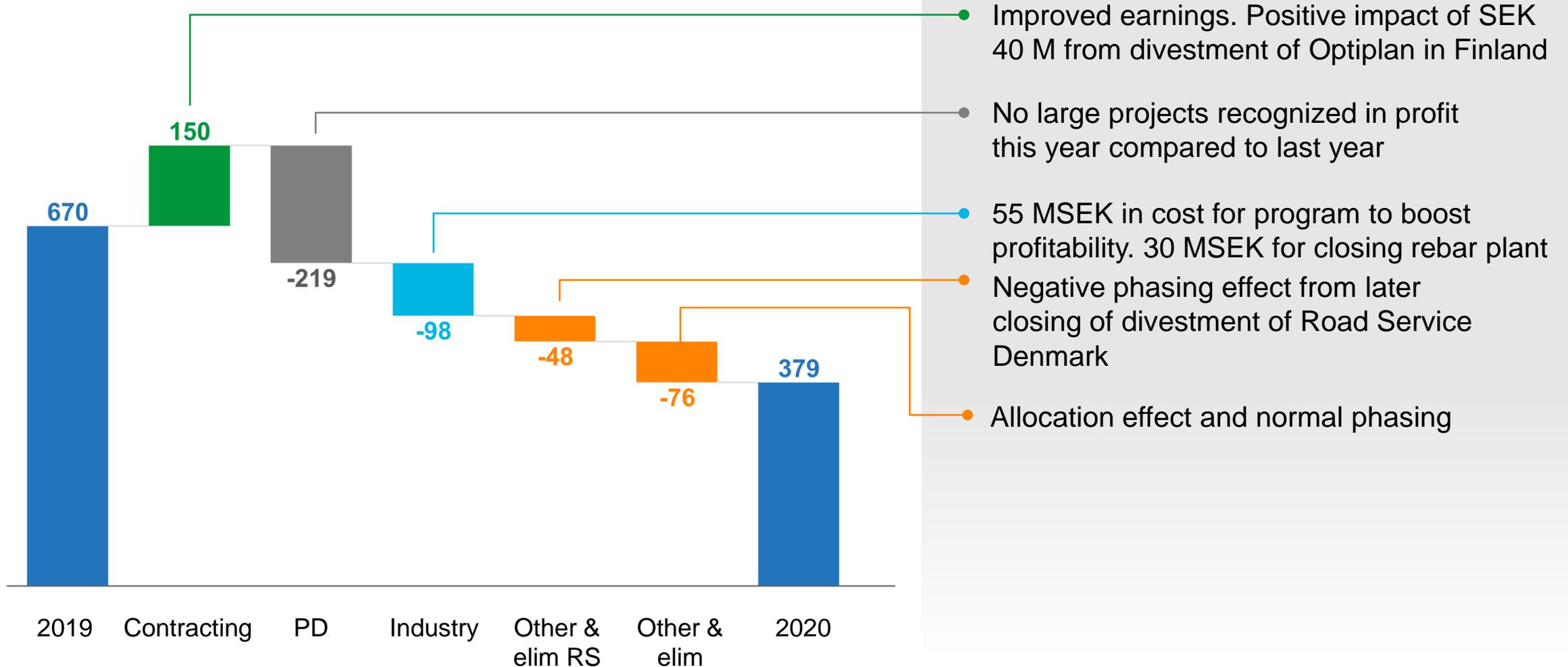
Five new property development projects started in 2020 and strong letting in Q4

Strong cashflow from operating activities

Earnings Q4 and 2020

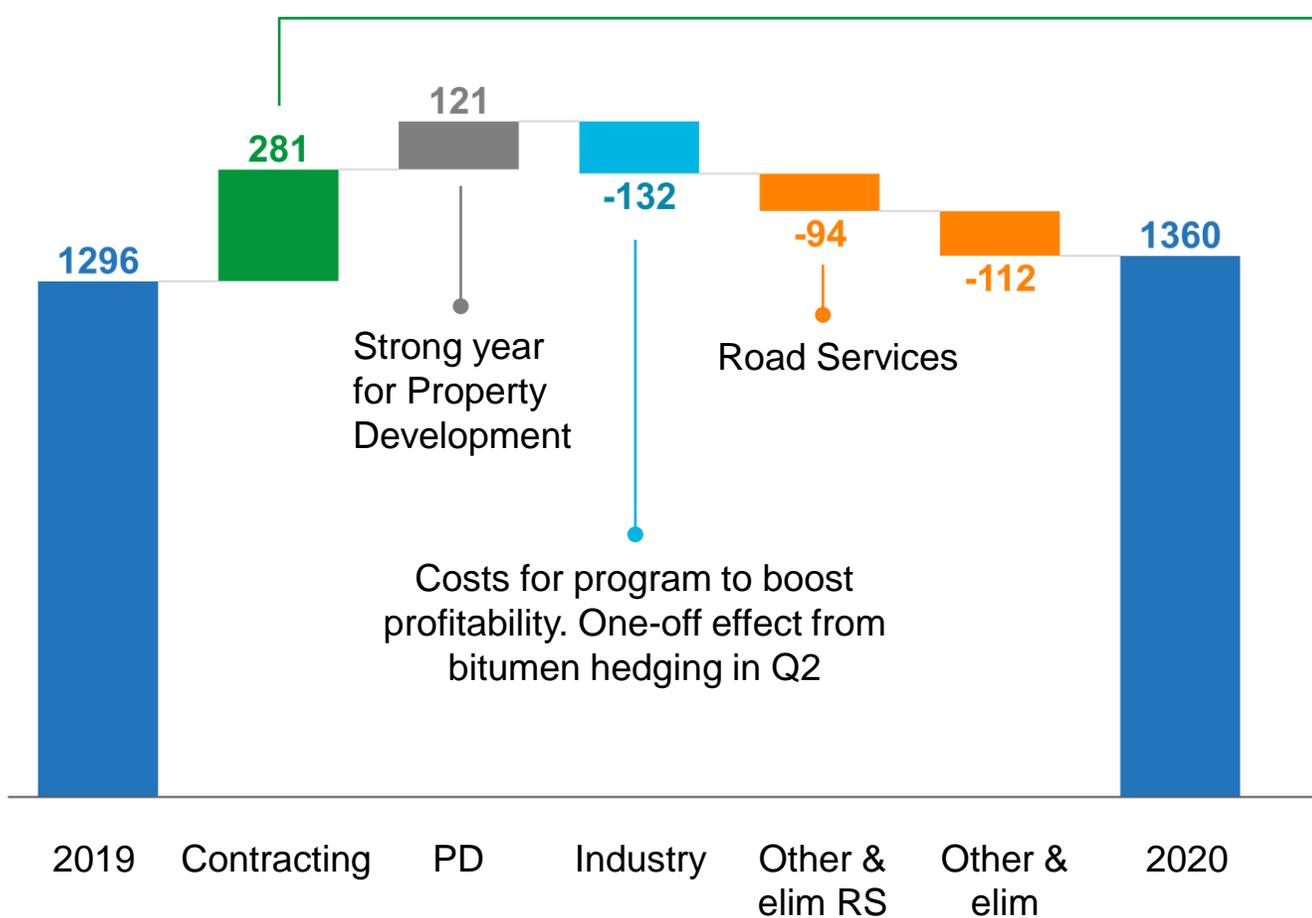


Earnings Q4



Earnings 2020

Stronger in contracting and property development



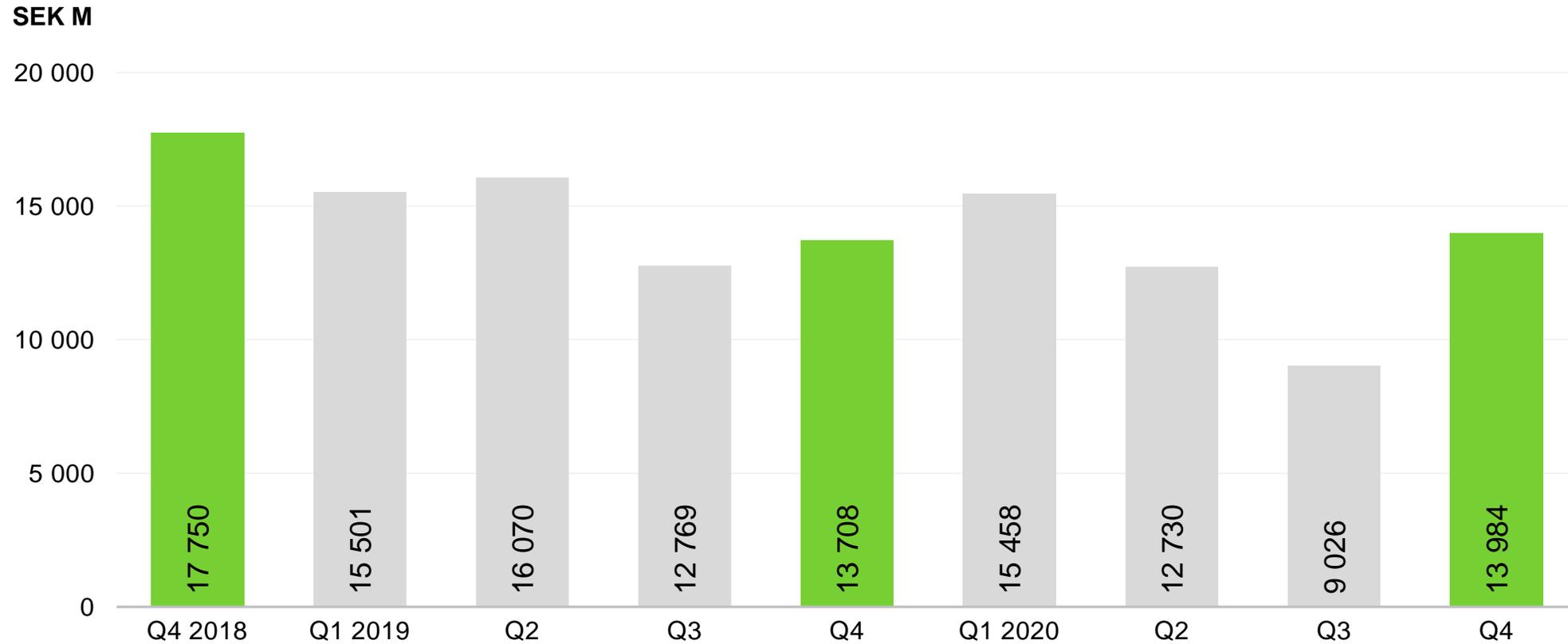
Contracting

Higher earnings in Infrastructure, Building Sweden and Building Nordics

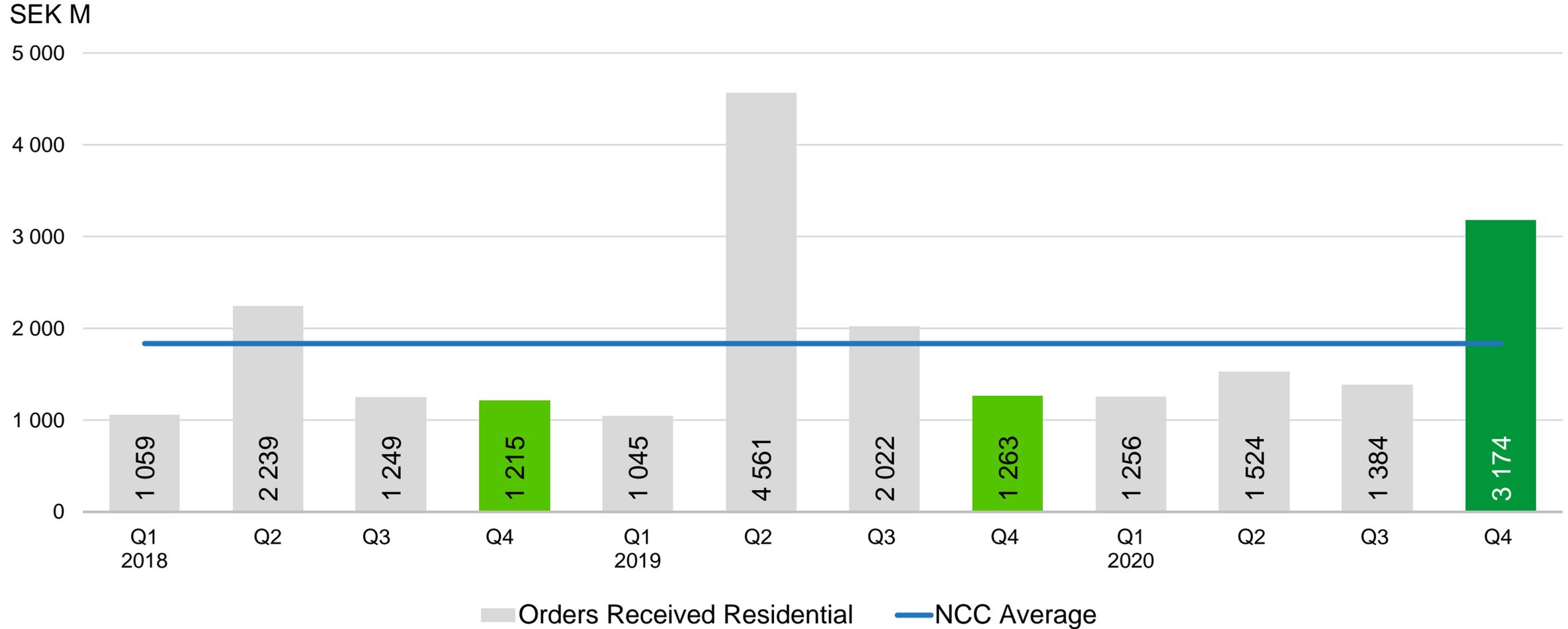


Orders received

Normal levels in the quarter

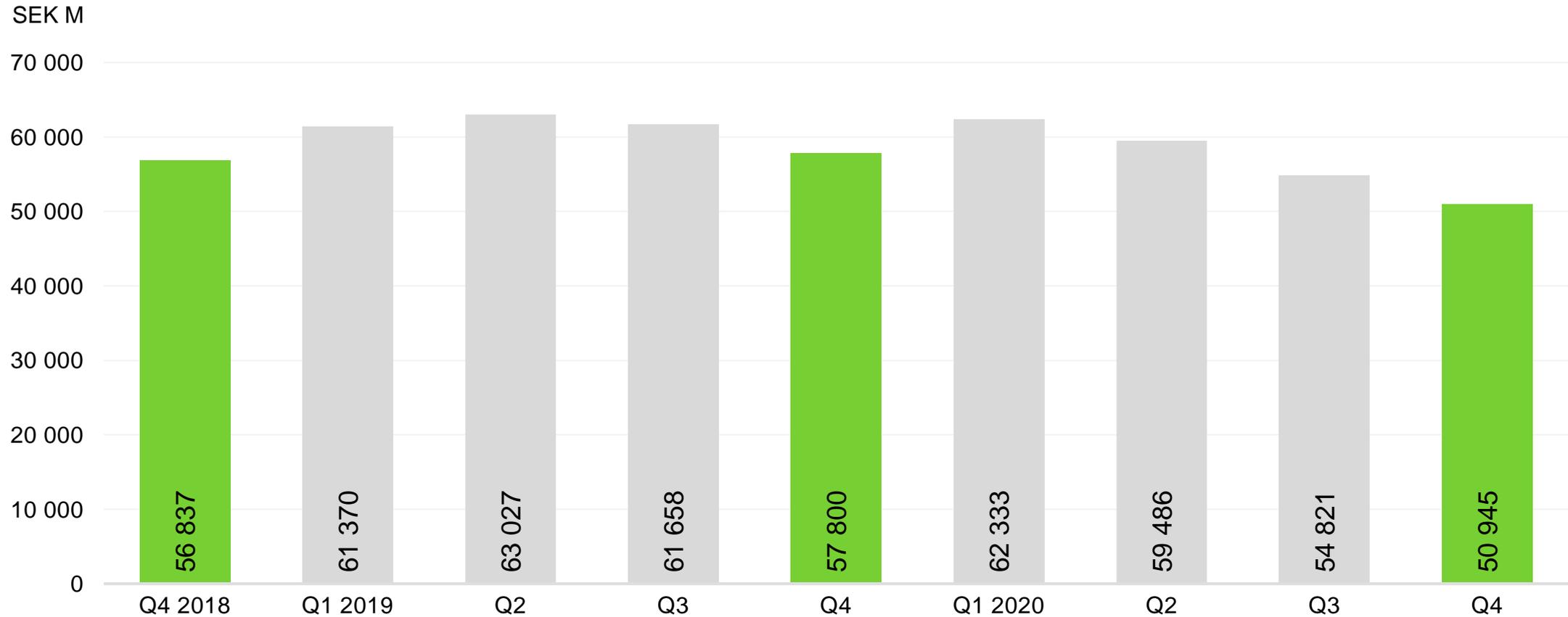


Residential orders received



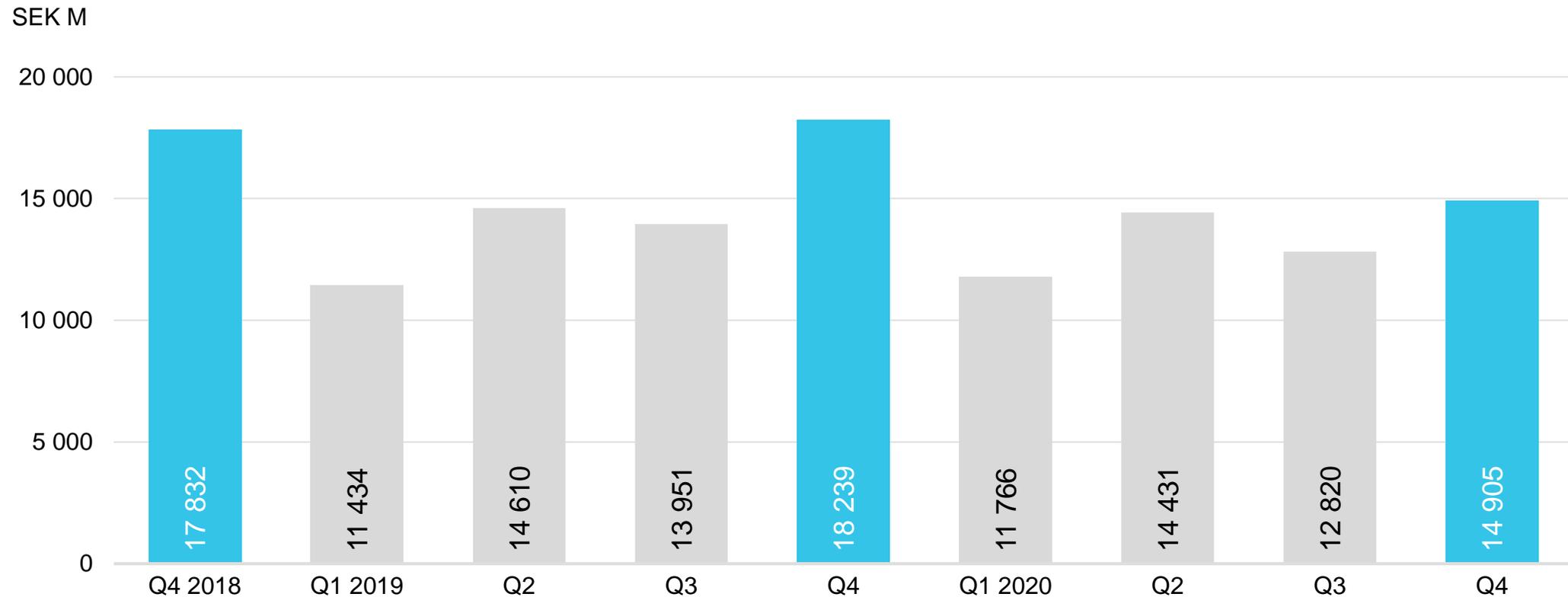
Order backlog

More early involvement



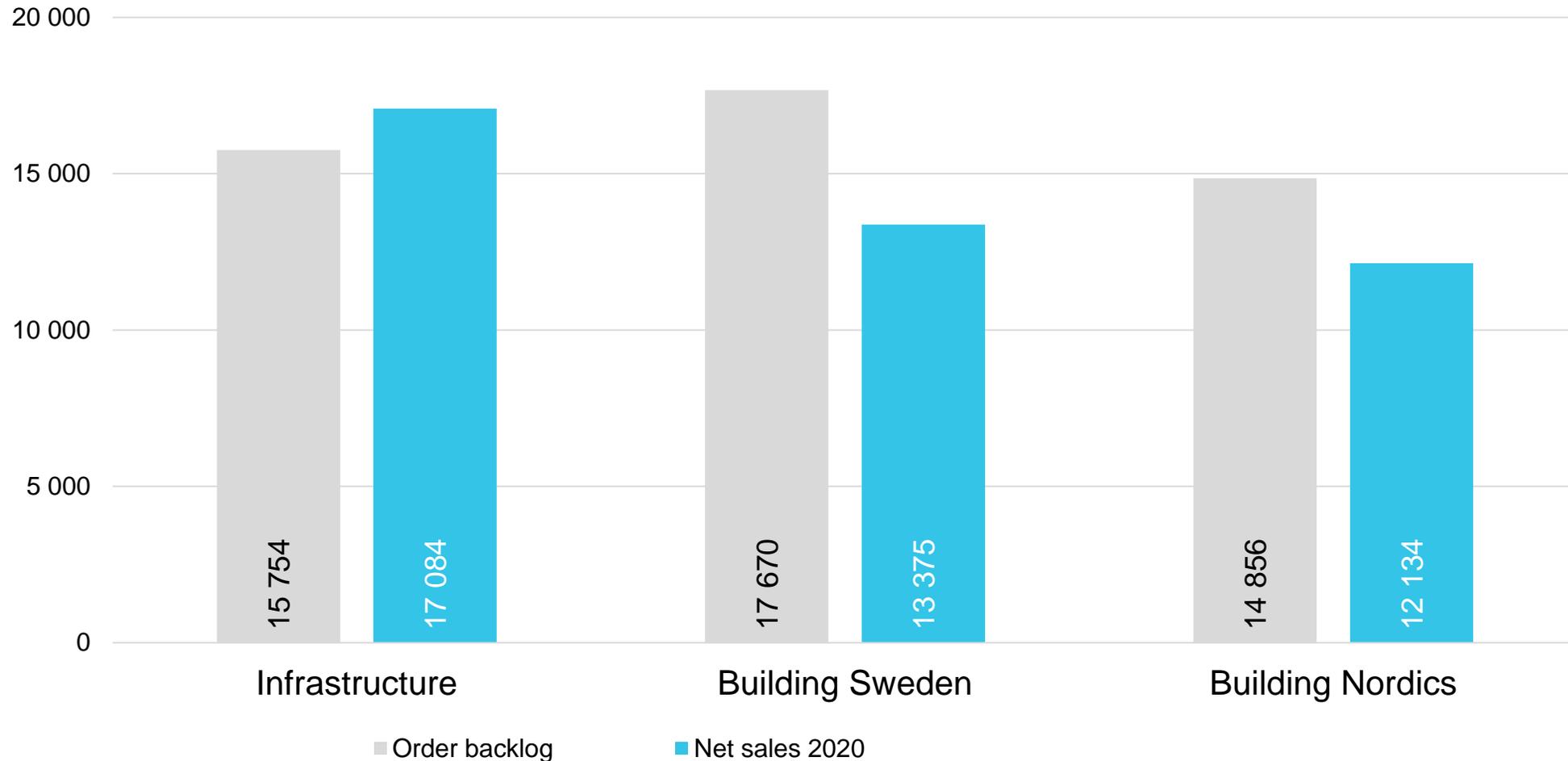
Net Sales

Lower level – part PD phasing, part Infrastructure and Building Sweden



Order backlog vs net sales

Strong in Building Sweden and Building Nordics



Financial objectives 2020

	Operating margin $\geq 4.0\%$	Net debt < 2.5 x EBITDA	Return on equity $\geq 20\%$	Dividend policy $\geq 40\%$ of profit after tax
2020	2.5% (2.2%)	-0.03*x (-0.03x)	37% (32%)	Proposed 5.00 SEK per share 43% of profit after tax

*Net cash at year-end

Financial objectives from 2021

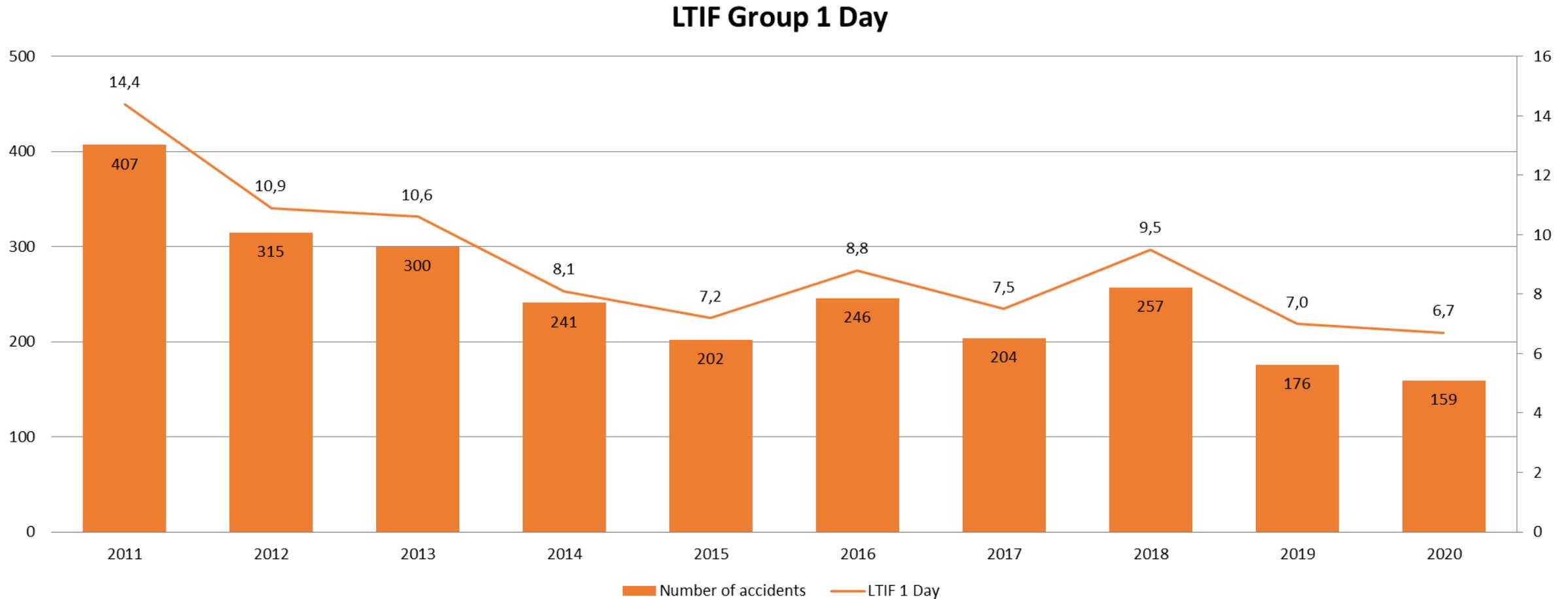
	<p>Earnings per share</p> <p>16.00</p> <p>SEK 2023</p>	<p>Net debt</p> <p>< 2.5</p> <p>x EBITDA</p>	<p>Dividend policy</p> <p>≥ 40%</p> <p>of profit after tax</p>
<p>2020</p>	<p>11.68*</p> <p>SEK</p>	<p>-0.03*x</p> <p>(-0.03x)</p>	

*0.90 SEK one-time effect from low tax rate in 2020

*Net cash at year-end

Health & Safety: Absence and accident frequency

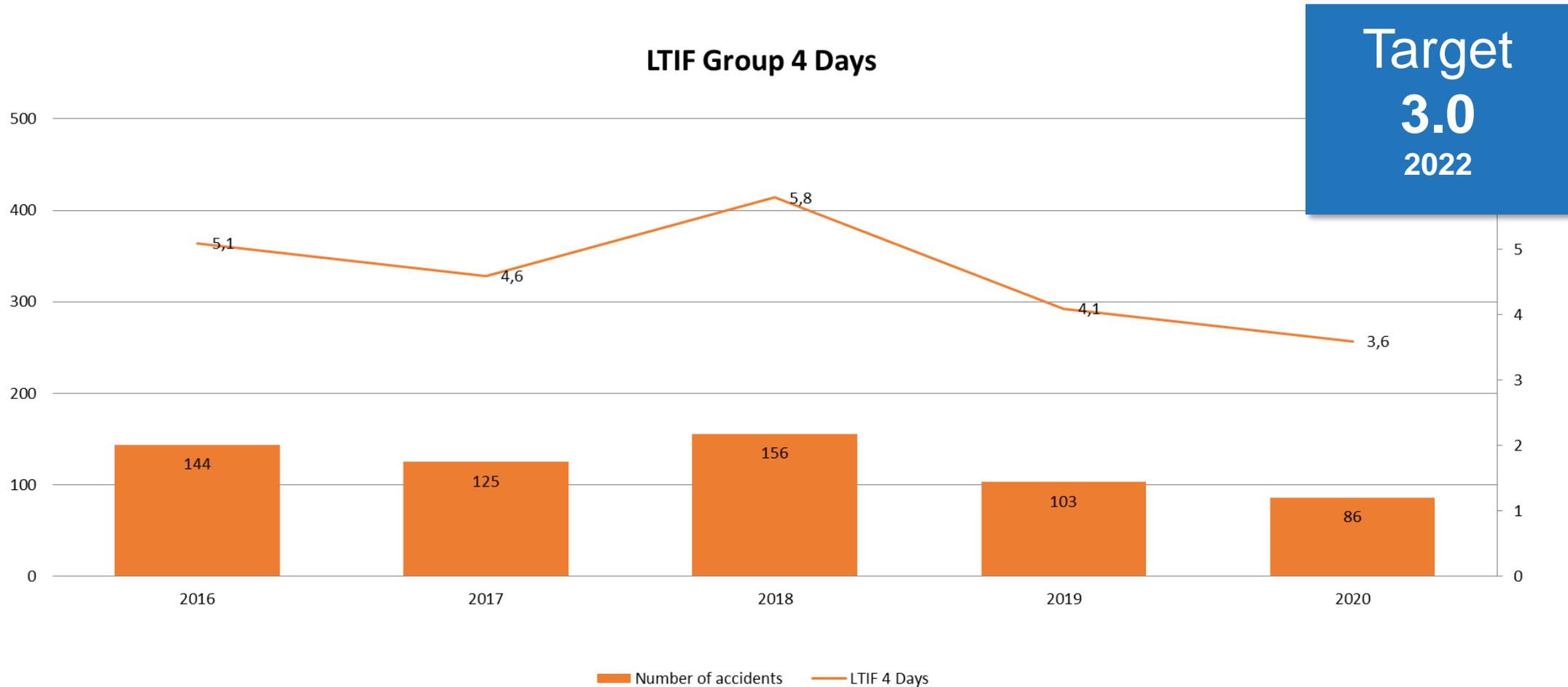
LTIF 1 day* and number of accidents going down



*LTIF 1 day - Lost Time Injury Frequency - work related accidents with one day or more absence from ordinary duties per one million worked hours.

Health & Safety: Absence and accident frequency

LTIF more than 4 days* going down



*LTIF more than 4 days - Lost Time Injury Frequency - work related accidents with over four days of absence from ordinary duties per one million worked hours.

Market: No clear impact from corona

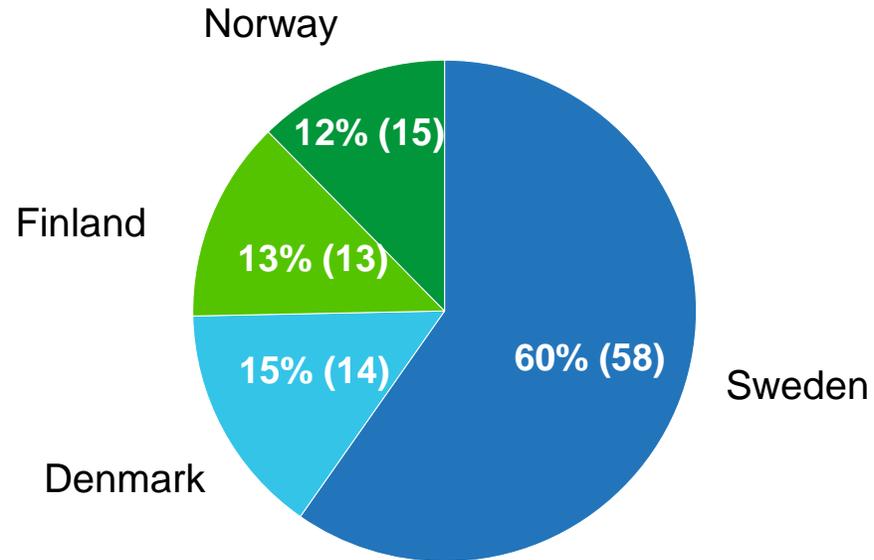
- Ongoing projects not impacted by corona pandemic to date – adapting to changing regulation well
- Strong underlying demand. Potential long-term negative impact from economic downturn due to corona pandemic still hard to assess
- Signs of slower decision processes mainly on the commercial property market may have impact going forward

Susanne Lithander

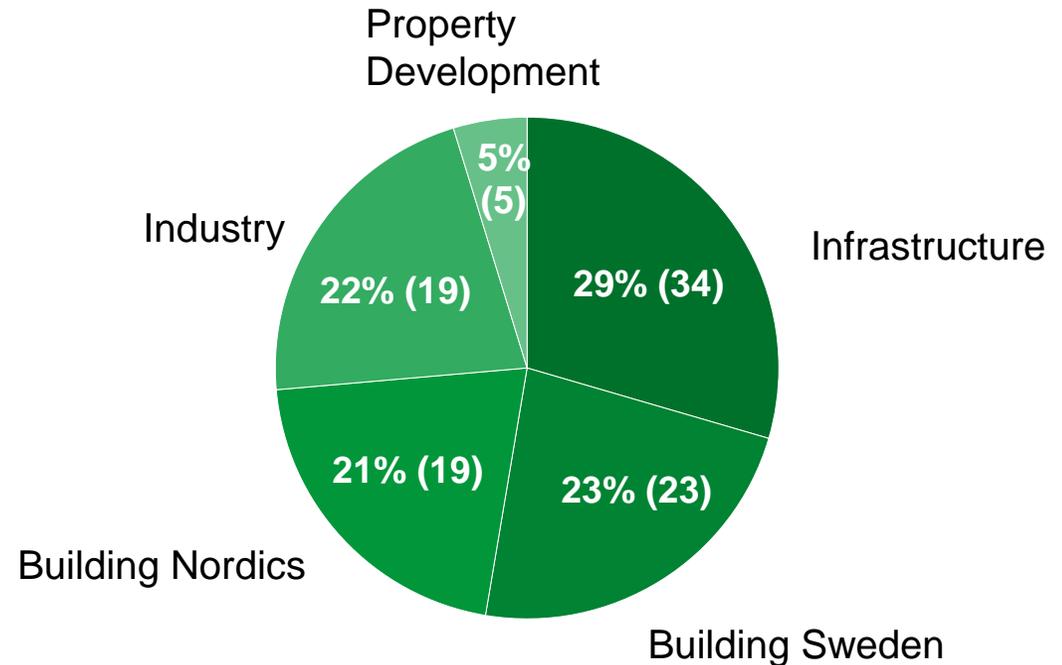
CFO

Balanced business areas

Net sales per country



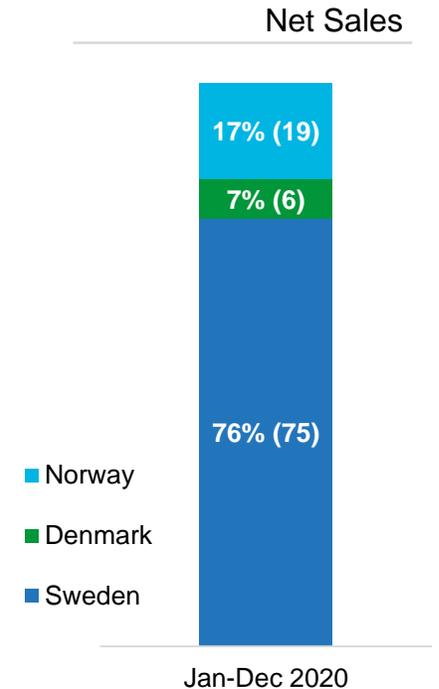
Total net sales per BA



NCC Infrastructure

Stronger margins. Orders received: More early involvement and some impact from lower hit-rate on tenders in some regions

SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Orders received	2,476	3,868	12,828	16,601
Order backlog	15,754	20,389	15,754	20,389
Net sales	4,826	5,371	17,084	17,425
EBIT	123	78	364	212
EBIT margin, %	2.6	1.4	2.1	1.2



Divestment Road Services

- RS Sweden and Finland – closed in Q4 with negative effect
- RS Denmark – closing still in process, with expected positive effect
- Road Services reported as part of Other & Eliminations from Q4
 - Q4: Earnings SEK -34 M (14), including negative effect
 - 2020: Earnings SEK -75 M (19)
- Road Services Norway
 - Operationally managed by BA Infrastructure in Norway but reported under Other & eliminations



NCC Building Sweden

Strong order backlog and earnings growing

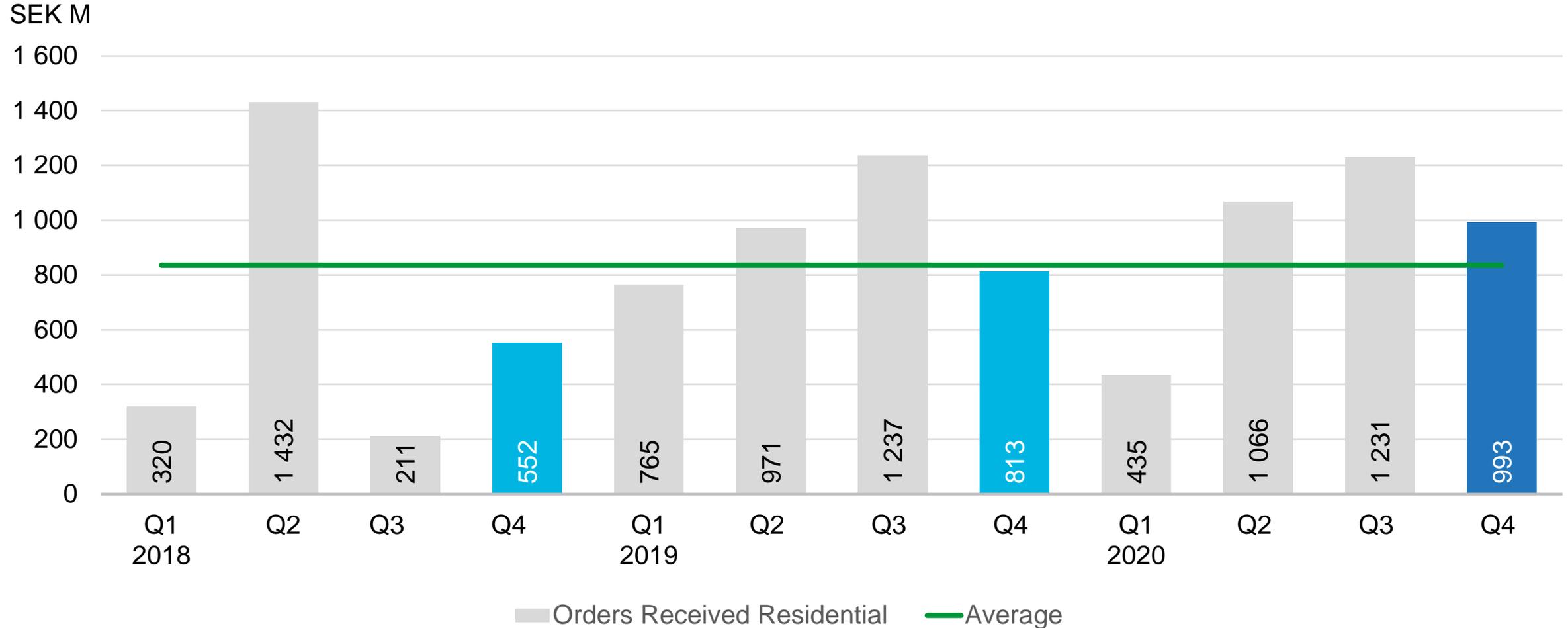
SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Orders received	3,860	4,107	14,484	12,741
Order backlog	17,670	16,561	17,670	16,561
Net sales	3,792	4,264	13,375	14,851
EBIT	126	103	381	364
EBIT margin, %	3.3	2.4	2.9	2.5



Power substation building in Stockholm

Residential orders received in Sweden

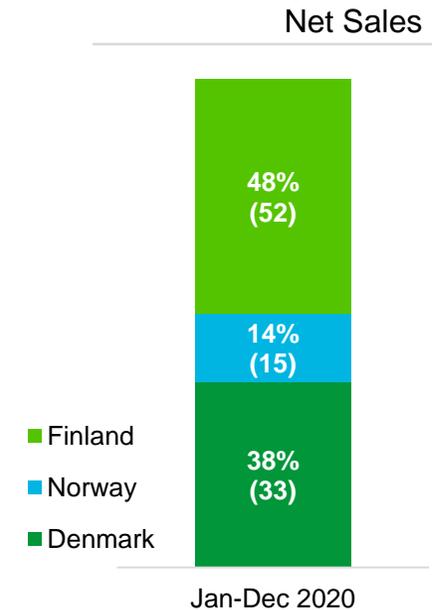
On normal levels – approx. 70% rentals in 2020



NCC Building Nordics

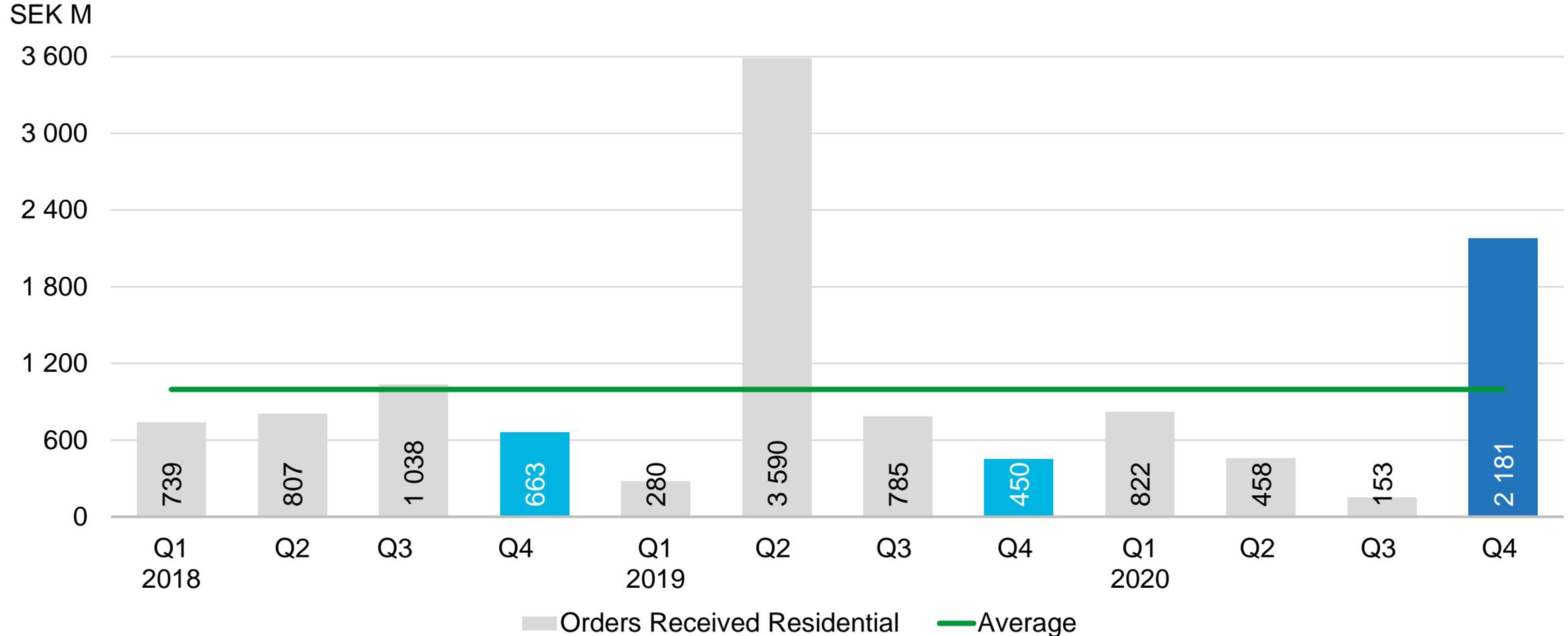
Strong margin in Q4, strong order backlog

SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Orders received	5,203	3,001	11,877	16,080
Order backlog	14,856	15,807	14,856	15,807
Net sales	3,342	3,485	12,134	11,769
EBIT	181	99	343	231
EBIT margin, %	5.4	2.8	2.8	2.0
EBIT margin, %	4.2 in Q4 without Optiplan divestment			



Residential orders received in Building Nordics

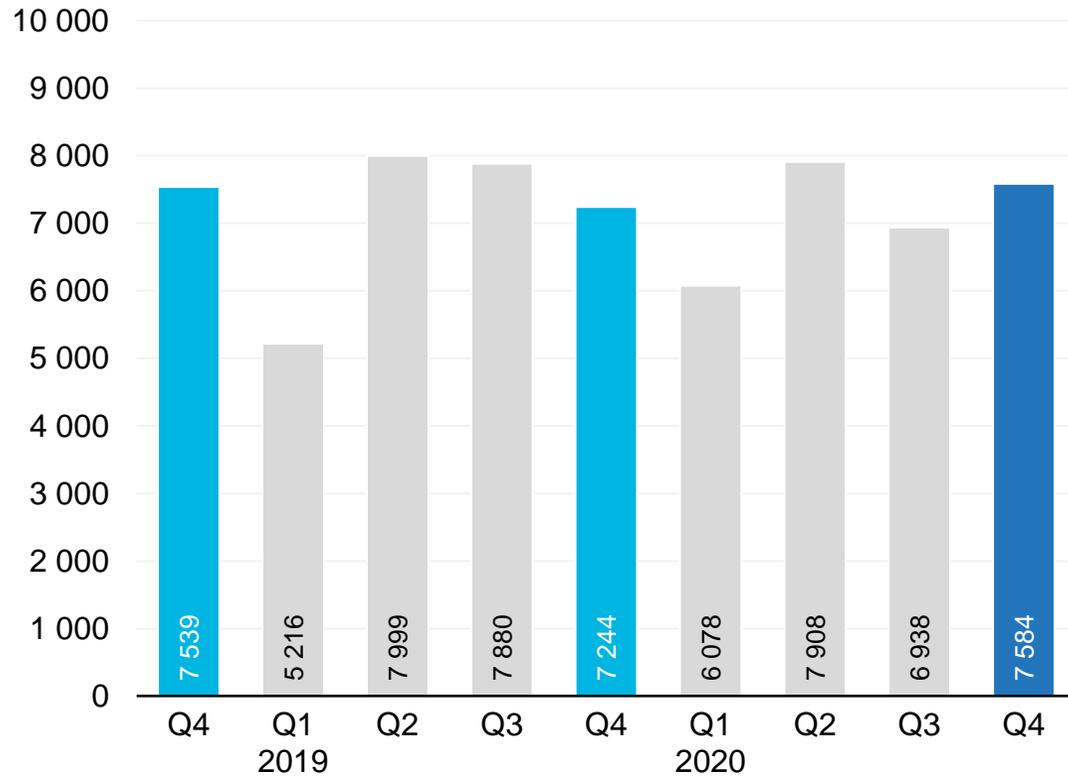
A strong quarter in Denmark and Finland



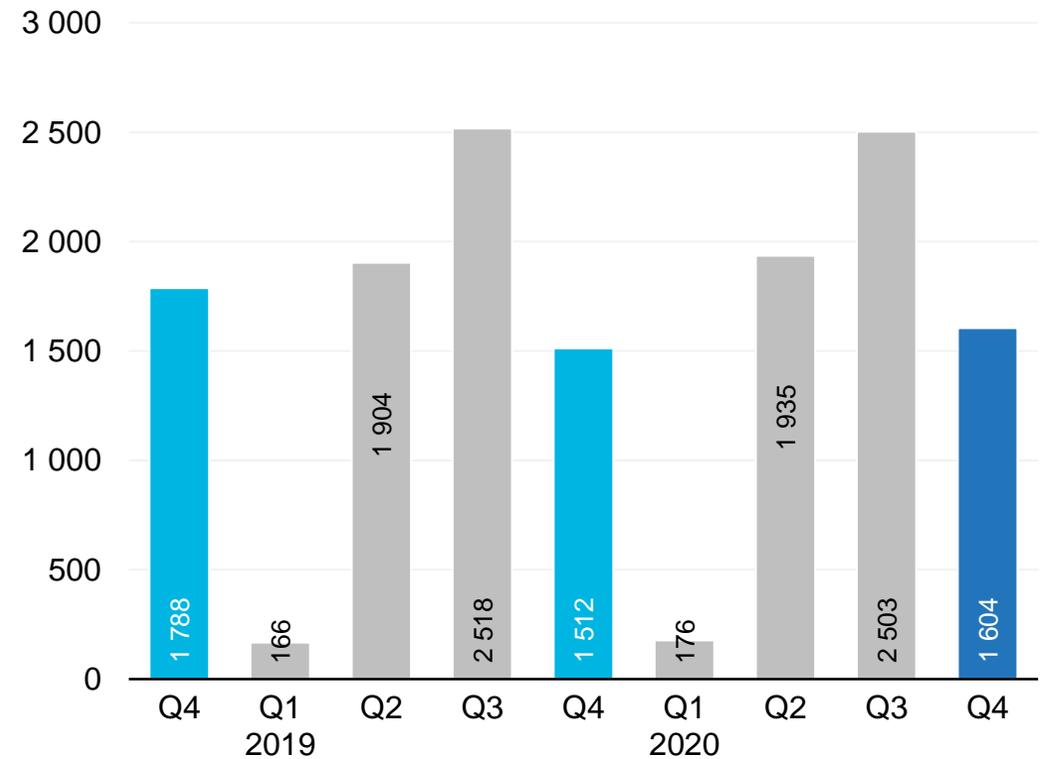
NCC Industry: Stone and asphalt volumes

Volumes on par with previous years

Stone material sold, thousands of tons



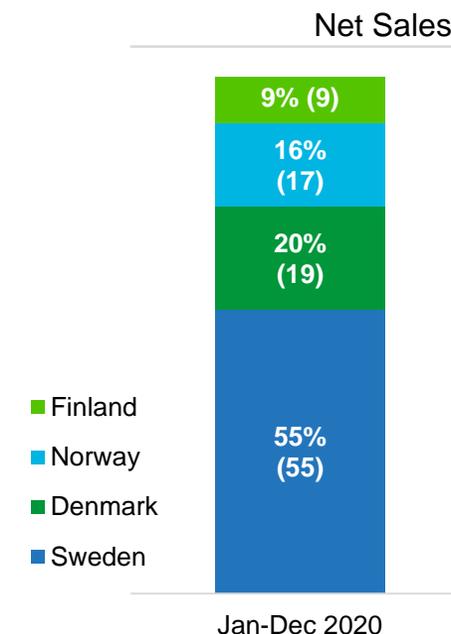
Asphalt sold, thousands of tons



NCC Industry

Cost for measures to boost profitability SEK 85 M in the quarter
Expected to generate 60 MSEK in cost reduction from 2021

SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Orders received	2,762	3,040	12,251	12,852
Order backlog	2,595	2,967	2,595	2,967
Net sales	3,559	3,674	12,528	12,971
EBIT	89	187	379	511
Operating margin %	2.5	5.1	3.0	3.9
Capital employed	5,025	5,507	5,025	5,507
ROCE %			7.0	9.0



Margin in Q4 without restructuring 4.9%, on same level as Q4 2019

NCC Property Development

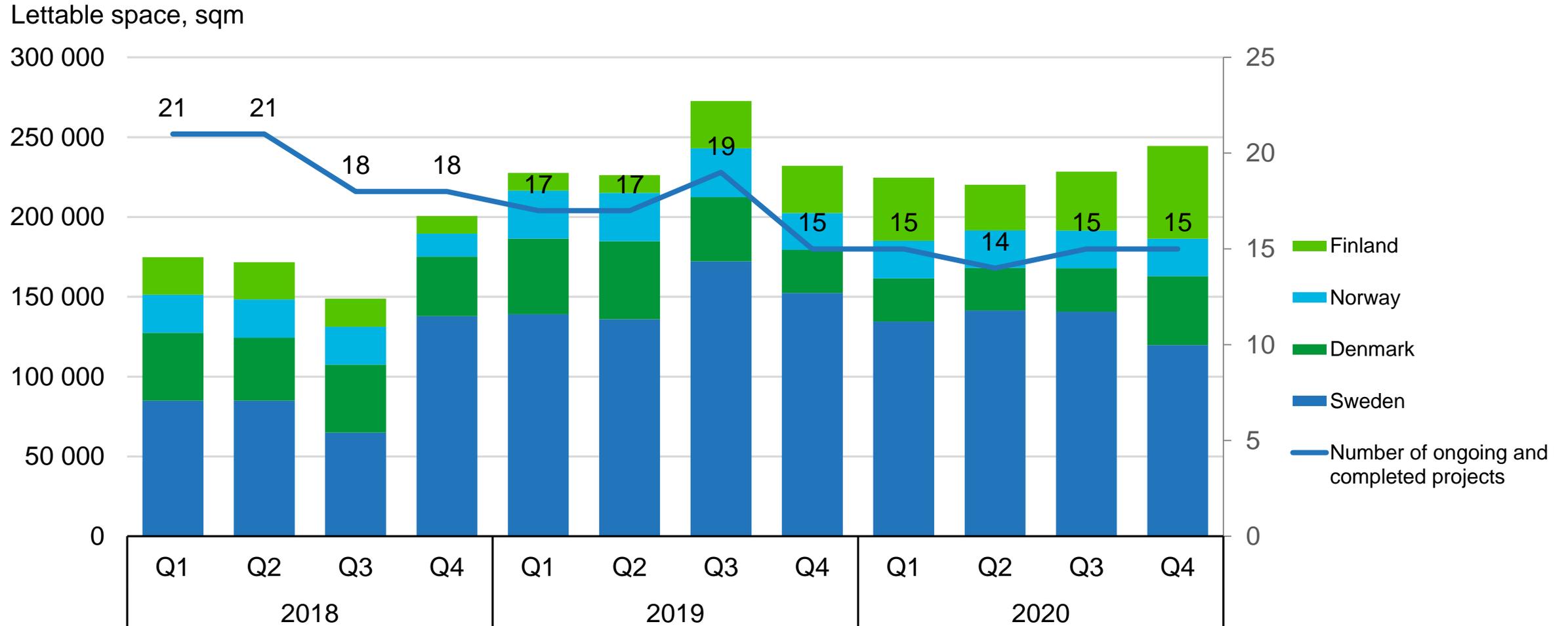
Two projects, Arendal 4 and Björkö school recognized in profit

SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Net sales	464	1,989	2,737	3,056
EBIT	54	273	434	313
Capital employed	6,433	4,935	6,433	4,935
EBIT margin %	11.6	13.7	15.9	10.2
ROCE %			8.0	6.2



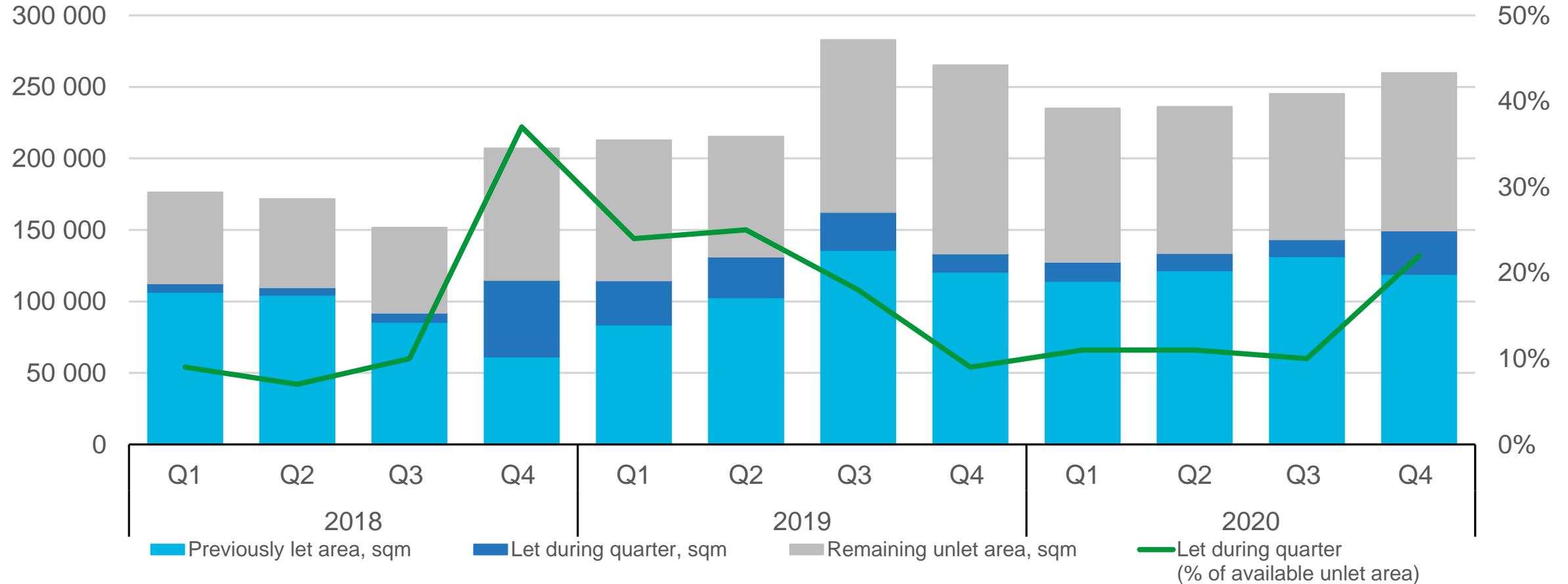
Two new projects started in Q4

Project "We Land" in Finland and project "Kontorværket 1" in Denmark



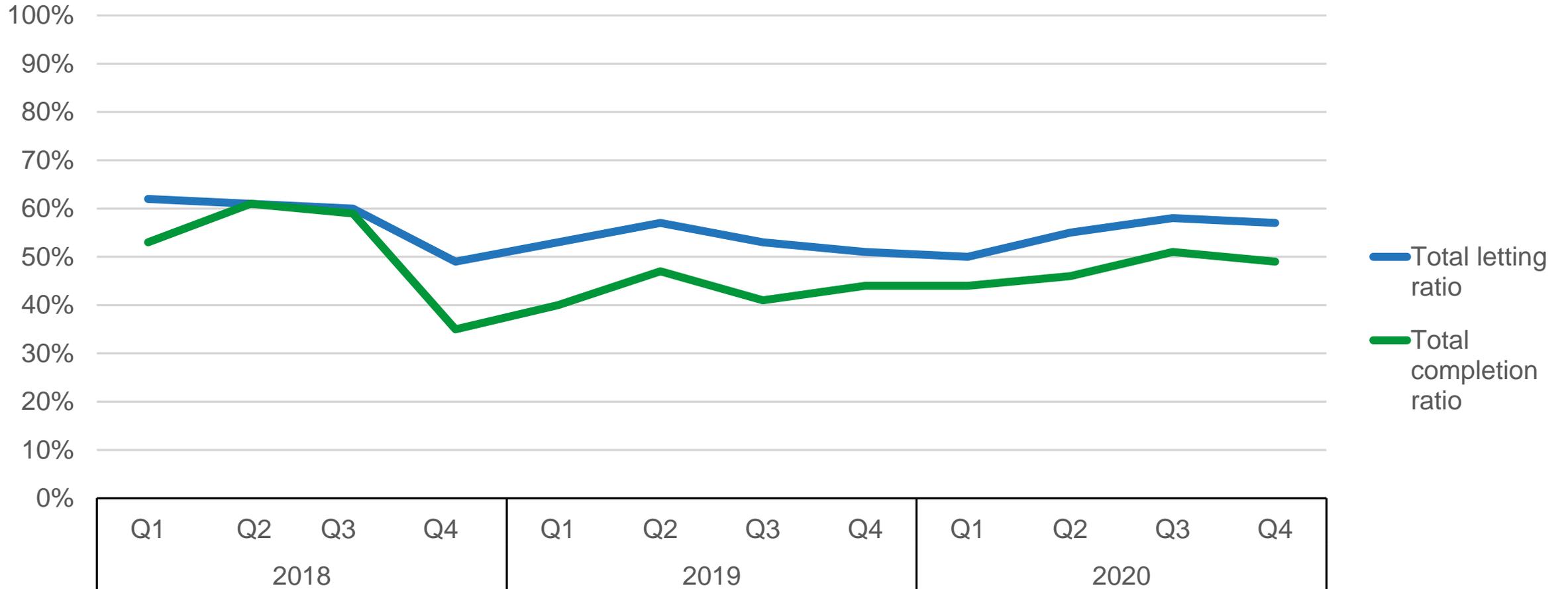
Strong letting in Q4

22 new contracts in Q4 – almost half of all contracts during the year



Letting and completion status

Letting higher than completion ratio in the property development

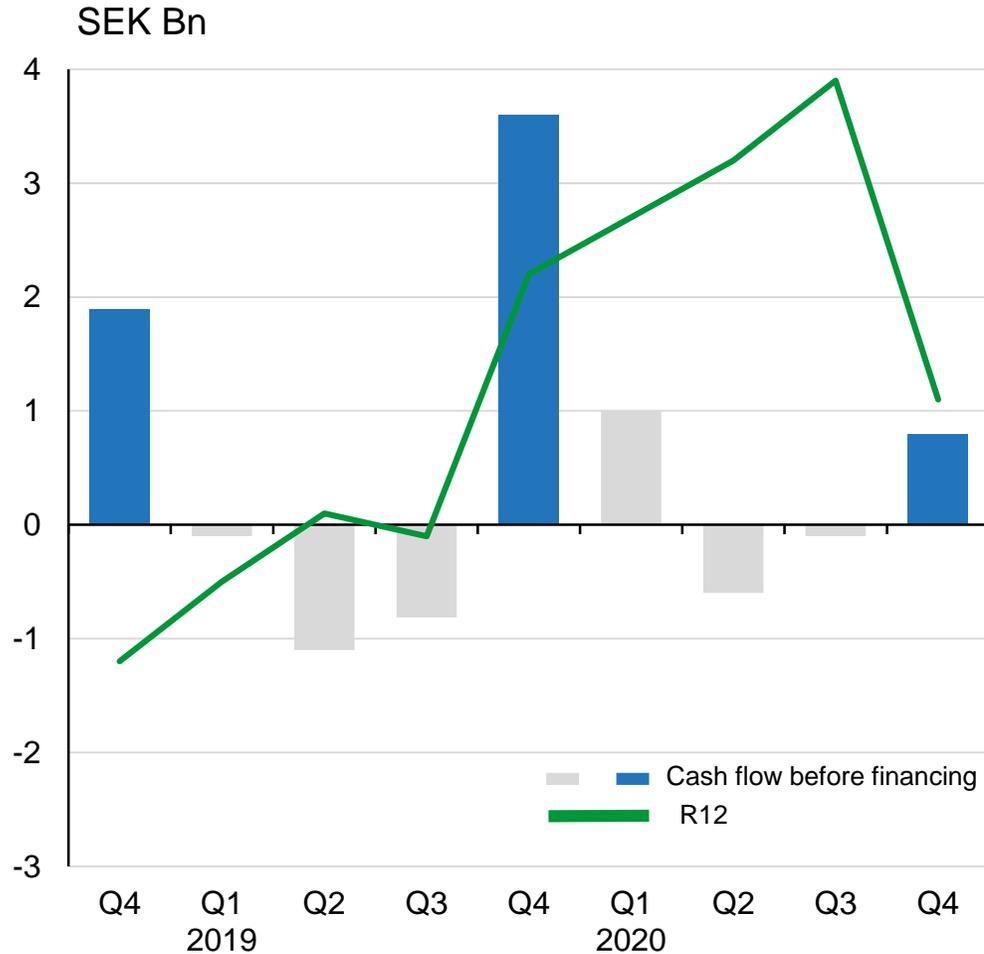


Earnings

Tax effect from property sales and timing effect from last year

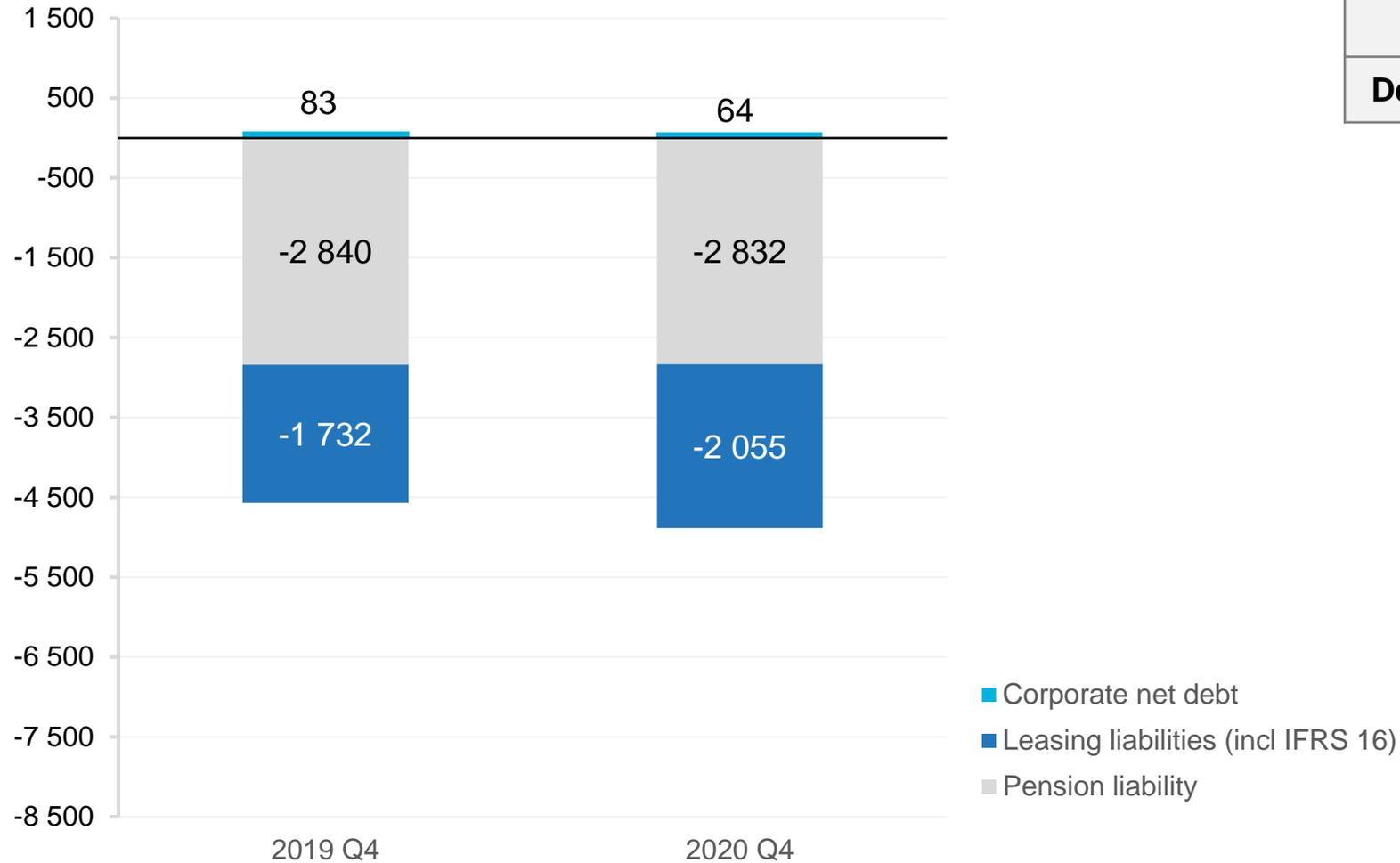
SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
Earnings in segments (all BAs)	573	740	1,902	1,631
<i>NCC HQ and subsidiaries</i>	-93	-55	-168	-204
<i>Internal gains</i>	-12	15	-64	-24
<i>Other group adjustments</i>	-55	-44	-235	-126
<i>Road Services</i>	-34	14	-75	19
Other & Eliminations total	-194	-70	-542	-335
EBIT	379	670	1,360	1,296
Financial items	-20	-31	-80	-112
EBT	359	639	1,281	1,184
Tax	61	-231	-22	-309
Profit for the period	420	408	1,259	875

Strong cashflow from operating activities



SEK M	Q4		Jan-Dec	
	2020	2019	2020	2019
From operating activities	1,077	1,448	2,656	2,774
From property projects	-704	349	-1,262	-1,165
Other working capital	604	1,933	174	605
Investing activities	-222	-155	-463	-701
Cash flow before financing	756	3,575	1,106	1,512

Net debt per Dec 31, 2020



Net debt* / EBITDA	
Target	< 2.5x
Dec 31, 2020	-0.03x

*Corporate net debt excluding pension liabilities and leasing liabilities according to IFRS16 Leasing

Tomas Carlsson

CEO

AGM March 30, 2021

- Proposed dividend 5,00 SEK
- Preparing various scenarios for the AGM
- Information and material will be published no later than 4 weeks before the meeting

2.50 SEK

April 1, 2021

2.50 SEK

November 9, 2021

Summary: Following our designated path

The contracting business is improving quarter after quarter

Measures to boost performance in Industry taken – will deliver result from 2021

Five new property development projects started in 2020 and strong letting in Q4

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