



Profitability continues to improve

“NCC is stable and has a strong order backlog and healthy cash flow. We are in a good position for the years ahead,” says Tomas Carlsson, President and CEO of NCC.

- Improved operating profit for the quarter and first half-year
- Orders received at normal levels – comparison with 2019 is affected by several major orders worth in total SEK 3.4 billion in Denmark in the second quarter of 2019
- Year-on-year improvement in quarter and half-year in cash flow from operating activities
- No significant effects on ongoing projects from the Corona virus, more cautious letting market but with a slight recovery toward the end of the period

Second quarter 2020

- Orders received amounted to SEK 12,730 M (16,070)
- Net sales totaled SEK 14,431 M (14,610)
- Operating profit improved to SEK 483 M (411)
- Profit after financial items improved to SEK 463 M (380)
- Profit after tax improved to SEK 435 M (322)
- Earnings per share after dilution were SEK 4.03 (2.85)

First half of 2020

- Orders received amounted to SEK 28,188 M (31,572)
- Net sales totaled SEK 26,197 M (26,044)
- Operating profit improved to SEK 414 M (59)
- Profit after financial items improved to SEK 373 M (9)
- Profit after tax improved to SEK 351 M (8)
- Earnings per share after dilution were SEK 3.25 (-0.03)

Group, SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	12,730	16,070	28,188	31,572	54,665	58,048
Order backlog	59,486	63,027	59,486	63,027	59,486	57,800
Net sales	14,431	14,610	26,197	26,044	58,387	58,234
Operating profit/loss	483	411	414	59	1,652	1,296
Operating margin, %	3.3	2.8	1.6	0.2	2.8	2.2
Profit/loss after financial items	463	380	373	9	1,547	1,184
Net profit/loss for the period	435	322	351	8	1,218	875
Profit/loss per share after dilution, SEK	4.03	2.85	3.25	-0.03	11.38	8.09
Cashflow from operating activities	-489	-889	514	-834	3,562	2,214
Cashflow before financing	-605	-1,109	413	-1,249	3,174	1,512
Net cash +/-net debt -	-5,201	-6,352	-5,201	-6,352	-5,201	-4,489

For definitions of key figures, see <https://www.ncc.com/investor-relations/nccshare/financial-definitions/>

CEO Tomas Carlsson comments

NCC's operating profit is improving and net sales are at the same levels as before. Activity levels during the second quarter remained high despite the Corona crisis. Orders received are at a normal level given that the comparative figure from last year includes a number of major orders in Denmark totaling SEK 3.4 billion. Orders received have a natural variation between quarters. During the first half-year, orders received are substantially higher than net sales and NCC has a strong order backlog.

Cash flow remains strong and is a substantial improvement on the preceding year, which is important in our operations and particularly in times of uncertainty.

The Corona crisis has still not had any significant impact in ongoing projects. Work has largely continued as normal, albeit adapted to the current situation. The impact in the longer term is still unclear.

The Infrastructure business area is steadily improving its operating profit in pace with the renewal of its project portfolio. After the end of the quarter, we announced that the Road Services division in Sweden and Finland will be sold to the German company Mutares and that Road Services in Denmark will be sold to Arkil A/S. The operations within Road Services differ commercially from other parts of NCC and have few synergies with the rest of the company. The limited operations that remain in Norway will be continued as part of the Infrastructure business area while various sales opportunities are considered.

Orders received were healthy in the Building Sweden business area this quarter, and included a number of housing projects, particularly rental units. The business area has a strong order backlog. Earnings are steadily improving due to slightly higher project margins.

The Building Nordics business area also reported better profitability year-on-year. Despite lower orders received than the exceptional second quarter of 2019, the business area has a strong order backlog. Net sales are increasing as activity is getting under way in the many projects secured last year.

Year-on-year, the Industry business area reported lower operating profit. Asphalt operations reported normal volumes



but lower net sales and higher costs, both of which were related to the price of the input material bitumen due to falling oil prices. Early in the period, we secured larger than normal bitumen volumes to a higher price due to uncertainty about a supplier.

The Property Development business area recognized two projects in profit during the quarter, both in Finland. Uncertainty caused by the Corona crisis was noticeable in lower activity levels on the letting market at the start of the quarter. Activity increased toward the end of the quarter and letting resumed again, though the long-term effects are still unclear.

Today, NCC is a stable company with the right conditions in place to develop well and to contribute to strengthening society through a continuous high level of activity even in difficult and uncertain times. We maintain close dialogue with various members in society about how we can best contribute and what is needed to create a favorable environment to allow our economies to recover.

Tomas Carlsson, President and CEO
Solna, July 16, 2020

Group performance

Second quarter and first half of 2020

Market

It remains difficult to say how, and for how long, the effect of the Corona virus will affect the long-term market conditions in the global economy. NCC is affected by a general decline in the economy.

The long-term market conditions for construction in the Nordic region nonetheless remained generally favorable, although a more cautious attitude in some submarkets was already noted prior to the Corona virus, with somewhat protracted decision-making processes. There is continued demand for public buildings, such as schools, hospitals and retirement homes, driven by growing cities and the demographic trend. Demand for housing has stabilized. In general, demand for renovation and refurbishment is healthy.

Public-sector infrastructure initiatives are fueling the Nordic infrastructure market, resulting in a continued strong market in Norway and Sweden. Competition from both domestic and international players is intense, meaning that NCC only bids on the projects that meet the risk profile and profitability requirements NCC has set. Demand for asphalt and stone materials in Norway and Sweden is stable, driven by a strong civil engineering market.

The Corona virus makes it difficult to assess market conditions in the Nordic property market in the short and medium term, even if there is support for healthy demand in the stable Nordic economies. During the spring, we noted a slight increase in activity at the end of the second quarter compared with the beginning of the quarter.

Net sales and earnings

Net sales amounted to SEK 14,431 M (14,610) in the second quarter and to SEK 26,197 M (26,044) in the first half-year. Net sales in the quarter were higher in Infrastructure, Building Nordics and Property Development but lower in Building Sweden and Industry's asphalt operations. Changes in exchange rates had an impact of SEK -138 M (241) on net sales.

The operating profit amounted to SEK 483 M (411) in the second quarter and SEK 414 M (59) for the first half-year. Operating profit improved in all business areas apart from Industry during the second quarter.

During the first half-year, operating profit was positively impacted by Property Development's recognition of the K12 office project in Sweden, but also from underlying improvements in other operations. Because NCC is the principal tenant of the K12 property, approximately 40 percent of the result from the sale was eliminated at Group level to be allocated over a ten year period, in compliance with IFRS 16.

Net financial items was SEK -41 M (-50) in the first half-year. The improvement is attributable to lower costs for the company's other net debt.

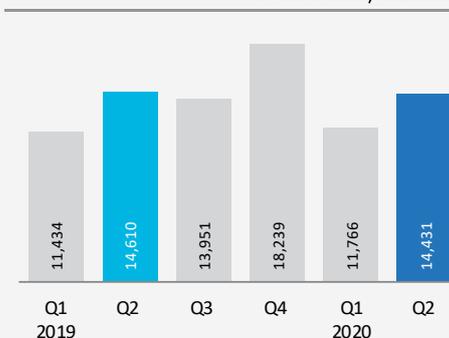
Orders received,
Jan-Jun SEK M

28,188

Net sales,
Jan-Jun SEK M

26,197

Net sales, SEK M



Operating profit, SEK M



Cash flow

Cash flow for the quarter before financing was SEK -605 M (-1,109). The improvement was largely due to sales of property projects. The cash flow for the January–June period before financing was SEK 413 M (-1,249). The improvement was attributable to higher cash flow from the sale of K12 in the first quarter. Total cash and cash equivalents at the end of the period amounted to SEK 2,405 M (726).

The Group's net debt at June 30 amounted to SEK -5,201 M (-6,352). This decrease is due in all significant respects to a substantially improved cash flow from operating activities. The positive effects were offset by a higher pension debt. Excluding lease liability and pension debt, the company's net cash at the end of the quarter was SEK 73 M (-2,089).

The Group's total assets at June 30 amounted to SEK 29,570 M (30,579). The decrease in total assets of SEK 1 billion, despite an increase in cash and cash equivalents of SEK 1.3 billion, was largely attributable to a decrease in accounts receivable and lower liabilities such as invoiced not worked-up revenues as well as lower interest-bearing liabilities.

At the end of the quarter, the average maturity period for the interest-bearing liabilities, excluding pension debt according to IAS 19 and lease liabilities according to IFRS 16 Leases, was 34 months (21). At June 30, 2020, NCC's unutilized committed lines of credit totaled SEK 3.7 billion (3.7), with an average remaining maturity of 16 months (27).

Capital employed

At June 30, 2020, capital employed amounted to SEK 11,040 M (10,091). The increase was mainly attributable to a reduction in interest-free liabilities, particularly invoiced not worked-up revenues in the Building Sweden and Infrastructure business areas. Return on capital employed was 15 percent (-9).

Financial targets and dividend policy

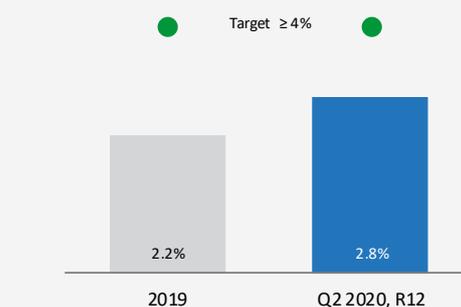
NCC has established three financial targets at Group level: operating margin $\geq 4\%$, return on equity $\geq 20\%$ and net debt < 2.5 times EBITDA.

On a rolling twelve-month basis, NCC has an operating margin of 2.8 percent. The return on equity is 44 percent, and the company has net cash¹, no net debt. Accordingly, the recognized net debt/EBITDA amounted to -0.03 times.

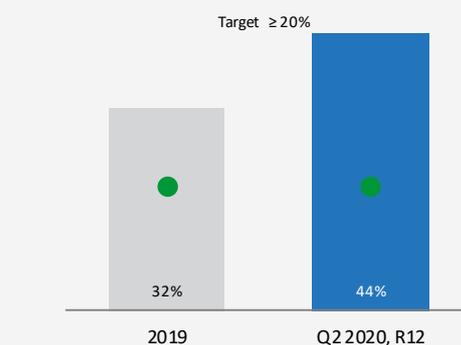
NCC's dividend policy is to distribute at least 40 percent of after-tax profit for the year. At the Annual General Meeting on April 1, 2020, the Meeting resolved, due to the prevailing uncertainty in society due to the Corona virus, not to pay any dividend for 2019. NCC's Board of Directors expressed its intention to convene an Extraordinary General Meeting later this year to decide on a dividend if the situation permits.

¹ This refers to the company's net cash excluding pension debt and lease liability

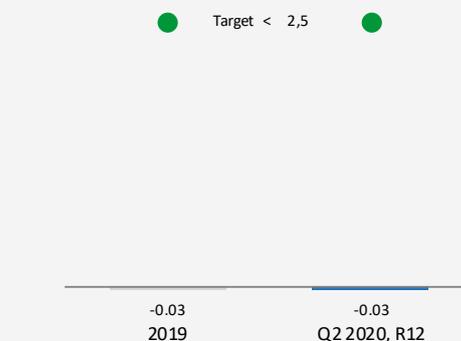
Operating margin



Return on equity



Net debt/EBITDA



Net debt excludes pension debt and lease liability in accordance with IFRS 16 Leases. EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses.

Safety

Safety is a high priority area at NCC, and we have a vision of zero accidents. The accident frequency rate during the second quarter of 2020 was at a slightly lower level than the second quarter of 2019 but higher than 2019 as a whole. In June, a tragic fatal accident took place at one of NCC's facilities in Sweden when a subcontractor died.

The importance of our work with health and safety and the goal of reaching zero accidents cannot be overestimated. We are continuing to develop our work method with support and initiatives for managers at all levels, development of methods and more focused resources and activities on units with high accident rates.



¹⁾Accident frequency rate: Worksite accidents resulting in one or several dates of absence from work per million worked hours.

Horisonten – a new landmark in Danish Aalborg



The three apartment blocks in the Horisonten project are, with a maximum of 66 meters, the highest buildings in northern Jutland and contain 166 energy-efficient apartments. The buildings, designed by Arkitema, form a new landmark in the city. They were delivered to the customer, Aberdeen Standard Investments, one month ahead of schedule, in May 2020.

Order status

Second quarter and first half of 2020

Orders received and order backlog

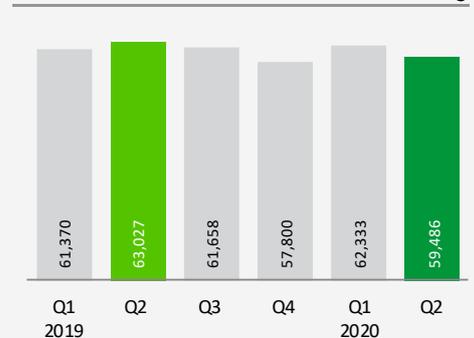
Orders received amounted to SEK 12,730 M (16,070) during the second quarter and to SEK 28,188 M (31,572) for the first half-year. A comparison with the preceding year is affected by Building Nordics' Danish operations, which registered several major housing projects among orders in the second quarter of 2019, valued at a total of SEK 3.4 billion. Otherwise, changes are considered to be within the scope of normal variations.

Changes in exchange rates impacted orders received by SEK -105 M (421).

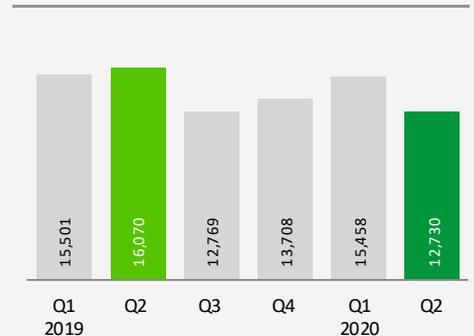
The Group's order backlog amounted to SEK 59,486 M (63,027) at the end of the first half-year. Changes in exchange rates had an impact of SEK -548 M (869) on order backlog.

The order backlog remains at a high level and the orders received were higher than net sales in the first half-year.

Order backlog



Orders received



Examples of orders and contracts received in the second quarter

- NCC Building Sweden is to construct an office building for Fabege in Solna. The order is worth SEK 750 M
- NCC Building Nordics in Finland is to construct apartments in Espoonlahti, outside Helsinki. The order is worth SEK 440 M
- NCC Infrastructure has, in consortium with OHL, been awarded an additional project in the Lund-Arlöv railway project. The order value for NCC is SEK 400 M
- NCC Building Nordics in Norway received an order to construct Manglerud Swim Center in Oslo. The order is worth SEK 370 M
- NCC Building Sweden is to construct 135 tenant-owner apartments for HSB Gothenburg. The order is worth SEK 285 M
- NCC Building Sweden is to construct timber apartment blocks and a preschool in Karlstad. The order is worth SEK 200 M
- NCC Building Nordics in Finland is to construct schools and preschools in Pakilanpuisto in Helsinki. The order is worth SEK 280 M
- NCC Building Sweden is to construct 144 apartments in Älvsjöstad, Stockholm. The order is worth SEK 280 M
- NCC Infrastructure has been commissioned by Stockholm Public Transport (SL) and the City of Sundbyberg to extend a section of the Tvärbanan light rail line in Stockholm. The order is worth SEK 265 M
- NCC Building Sweden is to construct 132 rental units in Sundsvall. The order is worth SEK 160 M
- NCC Building Sweden is to construct 131 apartments in Täby Park for Riksbyggen. The order is worth SEK 180 M
- NCC Infrastructure is to rebuild Kristianstad's treatment plant, and work is beginning with an order for groundwork valued at SEK 150 M
- NCC Building Sweden and NCC Infrastructure are constructing an electrical power facility at Skaraborg Hospital. The order is worth SEK 150 M

NCC Infrastructure

Second quarter and first half of 2020

Orders received and order backlog

Orders received by NCC Infrastructure totaled SEK 3,015 M (3,428). For the first half-year, orders received amounted to SEK 7,431 M (8,267). Orders received were lower in Norway and Sweden within normal variation and in line with a selective approach to submitting tenders with a focus on profitability.

The order backlog decreased year-on-year due primarily to lower orders received in Norwegian operations and totaled SEK 19,219 M (21,770).

Net sales and earnings

Net sales increased to SEK 4,512 M (4,192) in the second quarter, and to SEK 8,302 M (7,841) for the first half-year. The higher net sales during the first half-year are from all parts of the operations.

Operating profit was SEK 92 M (81) in the second quarter and SEK 131 M (89) for the first half-year. The improved operating profit is attributable to higher volumes and a better project portfolio with higher margins.

Operating profit for the second quarter and for the first half of 2019 included a positive earnings impact of SEK 45 M from settled disputes, primarily in Norway.

NCC Infrastructure, SEK M	Q2		Jan-Jun		R 12	Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019	2019
Orders received	3,015	3,428	7,431	8,267	15,764	16,601	
Order backlog	19,219	21,770	19,219	21,770	19,219	20,389	
Net sales	4,512	4,192	8,302	7,841	17,886	17,425	
Operating profit/loss	92	81	131	89	254	212	
Financial target:¹⁾							
Operating margin, %	2.0	1.9	1.6	1.1	1.4	1.2	

¹⁾ Target: operating margin \geq 3.5%

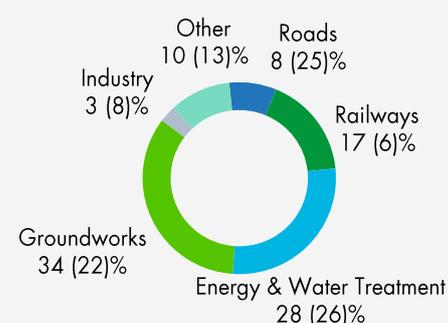
NCC has decided to divest the Road Services division. The division is therefore presented separately as of the fourth quarter of 2018. After the end of the quarter, it was announced that Road Services' operations in Sweden, Finland and Denmark will be sold and the transactions are expected to be completed in the third quarter. Thereafter, the limited operations that remain will be reported as part of the Infrastructure business area.

NCC Road Services, SEK M	Q2		Jan-Jun		R 12	Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019	2019
Orders received	619	268	1,117	1,117	1,618	1,617	
Order backlog	2,884	3,679	2,884	3,679	2,884	2,816	
Net sales	531	635	958	1,297	2,285	2,624	
Operating profit/loss	4	6	-10	1	9	20	

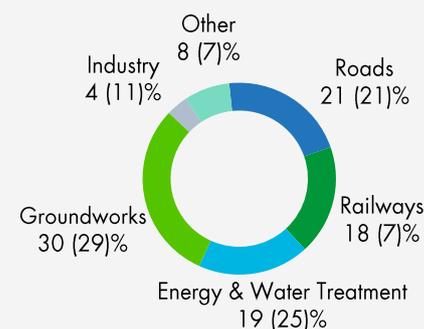
Share of net sales Jan-Jun

32%

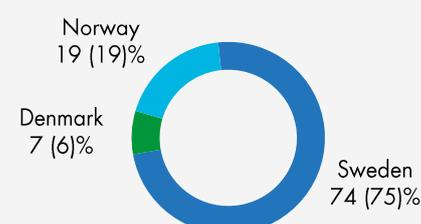
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



NCC Building Sweden

Second quarter and first half of 2020

Orders received and order backlog

Orders received increased considerably to SEK 3,729 M (2,368) in the second quarter and to SEK 8,187 M (4,947) in the first half-year. Public buildings accounted for the largest proportion of orders received for the first half-year and included an order from Region Sörmland for SEK 2.4 billion in the first quarter. Almost three-quarters of orders received for housing consisted of rental units. The share of orders received for refurbishment/conversion declined during the first half year but orders received in value were at roughly on a par with the year-earlier period.

The order backlog increased to SEK 17,898 M (16,261) at the end of the quarter.

Net sales and earnings

Net sales amounted to SEK 3,464 M (3,726) in the second quarter and to SEK 6,849 M (7,394) in the first half-year. Public buildings accounted for almost a third of the total net sales, followed by residential, which corresponded to slightly more than a quarter of net sales.

Operating profit amounted to SEK 90 M (76) in the second quarter and SEK 177 M (185) for the first half-year. Year-on-year, the earnings were positively impacted by an improved project portfolio, but negatively impacted by lower volumes. In the preceding year, operating profit was negatively impacted by a provision for fines and legal costs related to a district court decision regarding the Rågården project.

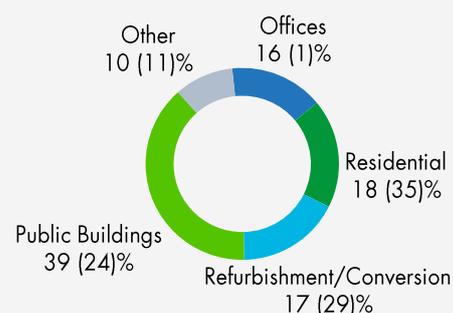
NCC Building Sweden, SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan.-Dec.
	2020	2019	2020	2019	2019/2020	2019
Orders received	3,729	2,368	8,187	4,947	15,981	12,741
Order backlog	17,898	16,261	17,898	16,261	17,898	16,561
Net sales	3,464	3,726	6,849	7,394	14,306	14,851
Operating profit/loss	90	76	177	185	356	364
Financial target:¹⁾						
Operating margin, %	2,6	2,0	2,6	2,5	2,5	2,5

¹⁾ Target: operating margin ≥ 3.5%

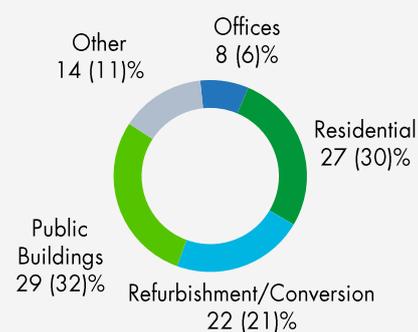
Share of net sales Jan-Jun

23%

Orders received Jan-Jun



Net sales Jan-Jun



NCC Building Nordics

Second quarter and first half of 2020

Orders received and order backlog

Orders received decreased to SEK 2,179 M (6,210) in the second quarter and to SEK 5,426 M (10,396) in the first half-year. A comparison with the preceding year is affected by three major housing projects, valued at a total of SEK 3.4 billion, which were registered among orders in Danish operations in the second quarter last year. Public buildings accounted for approximately a third of the total orders received, followed by residential and refurbishment/conversion, which together corresponded just under half of orders received.

The order backlog declined to SEK 15,178 M (16,738) at the end of the quarter but remains at a high level.

Net sales and earnings

Net sales increased to SEK 3,142 M (2,803) in the second quarter and to SEK 5,997 M (5,370) in the first half-year. Net sales increased in both the Danish and Finnish operations.

Building Nordics' net sales during the first half-year largely comprised refurbishment and residential production.

Operating profit increased to SEK 62 M (46) in the second quarter and to SEK 112 M (80) for the first half-year. The improvement in the quarter is the result of higher net sales, primarily in the Danish operations.

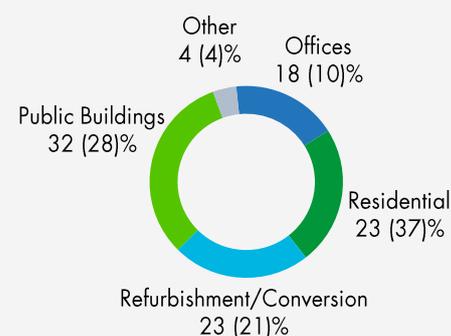
NCC Building Nordics, SEK M	Q2		Jan-Jun		R 12	Jul-Jun	Jan.-Dec.
	2020	2019	2020	2019	2019/2020	2019	2019
Orders received	2,179	6,210	5,426	10,396	11,110	16,080	
Order backlog	15,178	16,738	15,178	16,738	15,178	15,807	
Net sales	3,142	2,803	5,997	5,370	12,396	11,769	
Operating profit/loss	62	46	112	80	263	231	
Financial target:¹⁾							
Operating margin, %	2,0	1,6	1,9	1,5	2,1	2,0	

¹⁾ Target: operating margin ≥ 3.5%

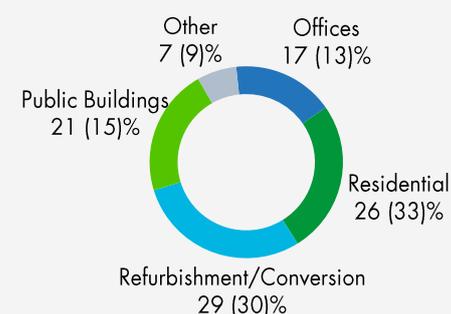
Share of net sales Jan-Jun

20%

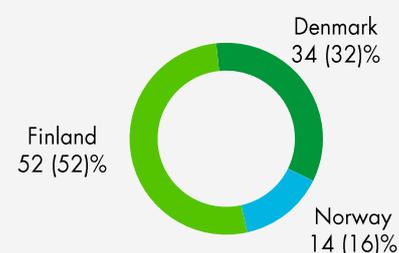
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



NCC Industry

Second quarter and first half of 2020

Orders received and order backlog

Orders received amounted to SEK 3,677 M (3,991) in the second quarter, and to SEK 7,089 M (7,362) for the first half-year. Orders received were lower in asphalt operations, mainly in Denmark, which registered a large government contract among orders during the second quarter last year. Orders received for Hercules were lower in the second quarter while orders received for stone materials operations rose slightly.

Net sales and earnings

Net sales amounted to SEK 3,554 M (3,721) in the second quarter, and to SEK 4,868 M (4,985) for the first half-year.

Volumes in asphalt operations were at the same level as the year-earlier period, but net sales were adversely impacted by the low price of bitumen. Net sales in Hercules and stone materials operations were slightly higher in the second quarter compared with prior year.

The operating profit was lower year-on-year and amounted to SEK 258 M (322) for the quarter and SEK -105 M (-63) for the first half-year. The operating profit for asphalt operations was negatively impacted by the low price of bitumen. Early in the period, NCC secured larger than normal bitumen volumes at a higher price due to uncertainty about the supplier Nynas. The operating profit for Hercules was higher during the quarter due to increased activity in Sweden and Denmark.

Capital employed

Capital employed increased seasonally at the end of the second quarter compared with the end of 2019 but was lower year-on-year due to lower capital tied up in machinery and equipment as well as lower working capital.

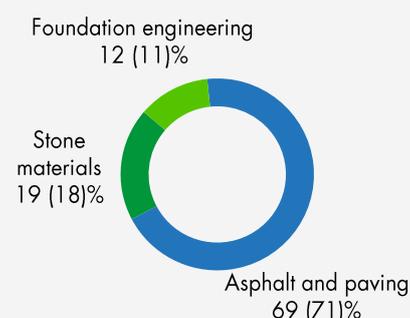
NCC Industry, SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	3,677	3,991	7,089	7,362	12,579	12,852
Order backlog	5,119	5,487	5,119	5,487	5,119	2,967
Net sales	3,554	3,721	4,868	4,985	12,854	12,971
Operating profit/loss	258	322	-105	-63	470	511
Capital employed	5,910	6,397	5,910	6,397	5,910	5,507
Stone materials tons, sold volume	7,908	7,999	13,986	13,215	29,110	28,339
Asphalt tons, sold volume	1,935	1,904	2,111	2,070	6,141	6,100
Financial targets: ¹⁾						
Operating margin, %	7.2	8.6	-2.2	-1.3	3.7	3.9
Return on capital employed, %					10.3	9.0

¹⁾ Targets: operating margin ≥ 4%, return on capital employed

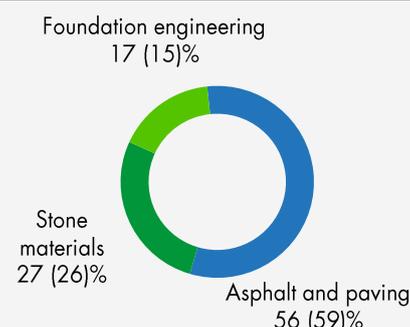
Share of net sales Jan-Jun

17%

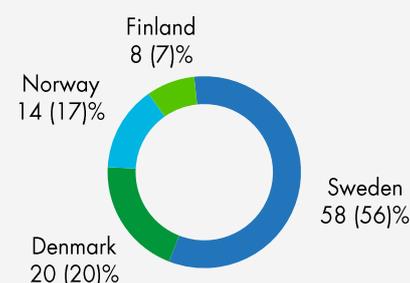
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



NCC Property Development

Second quarter and first half of 2020

Net sales and earnings

Net sales increased to SEK 679 M (321) in the second quarter and to SEK 2,255 M (732) for the first half-year.

Operating profit also increased to SEK 68 M (40) in the second quarter and to SEK 391 M (21) for the first half-year. During the second quarter, two office projects were recognized in profit, the Fredriksberg B and Fredriksberg C projects in Finland. During the second quarter, the sale of land as well as earnings from earlier sales also contributed positively to earnings. During the first half-year, operating profit was positively impacted by the recognition of the K12 office project in Sweden.

In the preceding year, the second quarter included earnings from one project recognized in profit and two sales of land.

Property projects

Two projects, the Fredriksberg B and Fredriksberg C projects in Finland, were recognized in profit during the second quarter. A total of three projects were recognized in profit during the first half-year compared with four projects in the year-earlier period.

In the second quarter, the construction of one project commenced, Bettorp in Sweden. It is a fully let community service property. This project was also divested during the quarter and is expected to be completed and recognized in profit during the fourth quarter of 2021.

In total, construction of two projects commenced during the first half-year, one in Finland and one in Sweden.

Letting amounted to 25,600 square meters (59,400) for the first half-year, including 12,100 square meters (28,400) in the second quarter.

At the end of the second quarter, 14 projects (17) were either ongoing or completed but not yet recognized in profit. The costs incurred in all projects amounted to SEK 4.4 billion (4.6), corresponding to a total completion rate of 46 percent (47). The letting rate was 55 percent (57). Operating net amounted to SEK 2 M (9) for the second quarter, and to SEK 9 M (16) in the first half-year.

Capital employed

The capital employed amounted to SEK 5,337 M (5,534) at the end of the quarter.

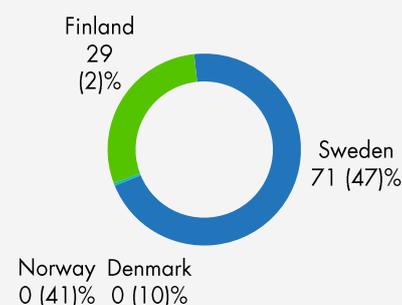
NCC Property Development, SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Net sales	679	321	2,255	732	4,580	3,056
Operating profit/loss	68	40	391	21	683	313
Capital employed	5,337	5,534	5,337	5,534	5,337	4,935
Financial targets:¹⁾						
Operating margin, %	10.1	12.5	17.3	2.9	14.9	10.2
Return on capital employed, %					12.9	6.2

¹⁾ Targets: operating margin ≥ 10%, return on capital employed

Share of net sales Jan-Jun

8%

Net sales Jan-Jun

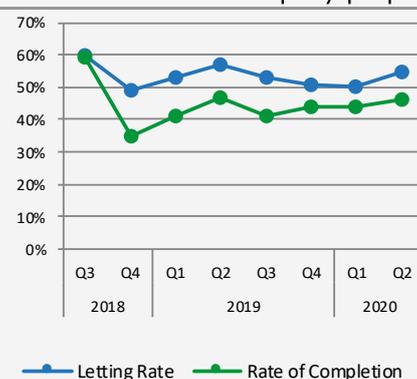


Letting¹⁾



¹⁾ Total letting also includes property sold earlier and property projects recognized earlier in profit, where NCC works with letting.

Property projects



NCC Property Development

Ongoing Property development projects ¹

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
Frederiks Plads 2	Office	Århus		48	17,000	70
Omega CH	Office	Århus		27	8,800	62
Total Denmark				42	25,800	68
Hatsina Office 1	Office	Espoo	Q3 2021	27	18,500	53
Next	Office	Espoo		27	10,000	100
Total Finland				27	28,500	70
Valle View	Office	Oslo	Q1 2021	54	23,600	63
Total Norway				54	23,600	63
Kineum Gårda ²	Office	Gothenburg		50	21,900	80
K11 ³	Office	Solna		64	13,100	31
Björkö Skola	Other	Gothenburg	Q4 2020	67	3,500	100
Bromma Blocks	Office	Stockholm		57	51,500	48
Arendal 4	Logistics	Gothenburg	Q4 2020	83	17,400	100
Våghuset	Office	Gothenburg		27	11,000	0
Brick Studios	Office	Gothenburg		27	16,100	19
Bettorp	Other	Örebro	Q4 2021	18	6,900	100
Total Sweden				50	141,400	49
Total				46	219,300	55

Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
Viborg Retail II+III	Retail	Viborg		900	0
Total Denmark				900	0

1) The tables refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees /additional purchase) in thirteen previously sold and revenue recognized property projects, a maximum of approximately SEK 129 M

2) The project comprises rentable area of an existing building of approximately 16,000 square meters and an additional building right about 30,000 square meters of office space. The project is carried out together with Platzer, a Swedish listed real estate company, in a half-owned company. The information about lettable area in the table refers to NCC's share of the project.

3) Since quarter 1 2020, a detached garage which is under construction is included.

Other

Significant risks and uncertainties

The risks to which NCC may be exposed is presented in the 2019 Annual Report (pages 20–22). This assessment still applies.

The effects and uncertainty in society due to the Corona virus could also affect NCC. NCC could be impacted by the availability of labor due to restrictions on travel and freedom of movement, as well as access to and delays to materials deliveries as a result of disruptions to production or supplies. The credit risk could also be impacted. In the longer term, a declining economy and falling GDP also represent a risk for NCC.

The company Nynas, which is one of the primary suppliers of bitumen for asphalt manufacturing in the Nordic region, announced during the fourth quarter of 2019 that it is in the process of reorganization. This still applies. If Nynas were to cease deliveries, it would have a negative impact in the short to medium term on the entire asphalt market in the Nordic region, including NCC's asphalt operations. This risk remains, even if measures to reduce the risk have been taken.

Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. Related-company sales during the second quarter amounted to SEK 10 M (16) and purchases to SEK 0 M (11). In the first half-year, sales amounted to SEK 14 M (26) and purchases to SEK 0 M (16).

Seasonal effects

NCC Industry's operations and certain operations in NCC Building Sweden, NCC Building Nordics and NCC Infrastructure are impacted by seasonal variations due to weather conditions. Earnings in the first quarter are normally weaker than the rest of the year.

Repurchase of shares

NCC AB holds 764,267 Series B shares in treasury to meet its obligations pursuant to long-term incentive programs.

Dividend

NCC's Annual General Meeting on April 1, 2020, resolved not to pay any dividend for 2019 due to the prevailing uncertainty in society due to the Corona virus. NCC's Board of Directors expressed its intention to convene an Extraordinary General Meeting later this year to decide on a dividend if the situation permits.

Events after the close of the quarter

Impact of the Corona crisis

Up until the report date, there has been no significant impact from the Corona virus.

Divestment of Road Services

On July 3, it was announced that the operations in Road Services in Denmark are being sold to Arkil A/S. The transaction is expected to close during the third quarter and then have a marginal positive impact on earnings.

On July 15, it was announced that the operations within Road Services Sweden and Finland will be sold to the company Mutares. This transaction is also expected to close during the third quarter with a marginally negative impact on earnings. Together, both transactions have a marginally positive effect on cash flow.

For the limited operations that remain in Norway, opportunities for divestment are still being considered. Following the completion of the above transactions, Road Services Norway will be operated and reported as part of the Infrastructure business area.

Signatures

The Board of Directors and the CEO provide their assurance that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Solna, July 16, 2020

Alf Göransson
Chairman of the Board

Geir Magne Aarstad
Board member

Simon de Château
Board member

Viveca Ax:son Johnson
Board member

Mats Jönsson
Board member

Angela Langemar Olsson
Board member

Birgit Nørgaard
Board member

Karl-Johan Andersson
Board member
Employee representative

Karl G Sivertsson
Board member
Employee representative

Harald Stjernström
Board member
Employee representative

Tomas Carlsson
President and CEO

This report is unaudited.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Npte 1	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
		2020	2019	2020	2019	2019/2020	2019
Net sales		14,431	14,610	26,197	26,044	58,387	58,234
Production costs	Npte 2, 3	-13,204	-13,473	-24,319	-24,560	-53,892	-54,134
Gross profit		1,227	1,137	1,878	1,484	4,495	4,101
Selling and administrative expenses	Npte 2, 3	-740	-730	-1,466	-1,423	-2,853	-2,811
Other operating income/expenses	Npte 3	-3	4	2	-2	10	6
Operating profit/loss		483	411	414	59	1,652	1,296
Financial income		7	5	22	23	33	34
Financial expense ¹⁾		-27	-37	-64	-72	-138	-146
Net financial items		-20	-32	-41	-50	-104	-112
Profit/loss after financial items		463	380	373	9	1,547	1,184
Tax		-28	-58	-22	-1	-329	-309
Net profit/loss		435	322	351	8	1,218	875
Attributable to:							
NCC's shareholders		435	308	351	-4	1,228	873
Non-controlling interests			14		11	-10	2
Net profit/loss for the period		435	322	351	8	1,218	875
Earnings per share							
Before and after dilution							
Net profit/loss for the period, SEK		4.03	2.85	3.25	-0.03	11.38	8.09
Number of shares, millions							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		107.8	108.0	107.8	108.8	107.9	108.0
Number of shares outstanding at the end of the period		107.7	108.0	107.7	108.0	107.7	107.9

¹⁾ Whereof interest expenses for the period Jul 19 - Jun 20 SEK, 114 M and Jan-Dec 19 SEK 126 M.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Npte 1	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
		2020	2019	2020	2019	2019/2020	2019
Net profit/loss for the period		435	322	351	8	1,218	875
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		-108	31	-26	75	-59	43
Cash flow hedges		12	-13	-9	12	-12	8
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-3	3	2	-2	2	-2
		-100	20	-33	85	-68	49
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		179	-38	-145	-38	-550	-443
Income tax relating to items that can not be recycled to net profit/loss for the period		-38	8	31	8	118	95
		141	-30	-114	-30	-433	-348
Other comprehensive income		41	-9	-147	55	-501	-299
Total comprehensive income		476	312	204	63	717	576
Attributable to:							
NCC's shareholders		476	298	204	52	727	574
Non-controlling interests			14		11	-10	2
Total comprehensive income		476	312	204	63	717	576

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	Note 1	Jun 30 2020	Jun 30 2019	Dec 31 2019
ASSETS				
Goodwill		1,855	1,914	1,893
Other intangible as sets		356	381	368
Right-of-use as sets		1,968	1,762	1,579
Owner-occupied properties		876	902	894
Machinery and equipment		2,392	2,588	2,516
Long-term holdings of securities		113	124	114
Long-term interest-bearing receivables		92	199	144
Other long-term receivables		28	25	34
Deferred tax as sets		723	781	524
Total fixed as sets		8,403	8,676	8,065
Right-of-use as sets		50	51	51
Properties held for future development		1,412	1,287	1,391
Ongoing property projects		3,967	3,211	3,042
Completed property projects		4	578	936
Participations in associated companies		293	261	263
Materials and inventories		1,119	1,068	993
Tax receivables		187	284	50
Accounts receivable		7,742	9,672	8,674
Worked-up, non-invoiced revenues		1,899	1,926	1,260
Prepaid expenses and accrued income		985	1,633	1,516
Current interest-bearing receivables		241	270	226
Other receivables		597	524	555
Short-term investments ¹⁾		174	10	63
Cash and cash equivalents		2,038	716	2,416
As sets held for sale		458	413	392
Total current as sets		21,166	21,904	21,826
Total as sets		29,570	30,579	29,890
EQUITY				
Shareholders' equity		3,221	2,533	3,044
Non-controlling interests			10	
Total shareholders' equity		3,221	2,543	3,044
LIABILITIES				
Long-term interest-bearing liabilities		3,834	2,191	3,568
Other long-term liabilities		67	40	52
Provisions for pensions and similar obligations		3,048	2,369	2,840
Deferred tax liabilities		356	490	170
Other provisions		2,585	2,442	2,777
Total long-term liabilities		9,891	7,533	9,407
Current interest-bearing liabilities		818	2,846	796
Accounts payable		4,464	5,190	4,275
Tax liabilities		11		100
Invoiced revenues not worked-up		6,114	7,159	6,254
Accrued expenses and prepaid income		3,492	3,404	3,767
Provisions		15	45	24
Other current liabilities		1,053	1,526	1,878
Liabilities attributable to as sets held for sale		491	334	344
Total current liabilities		16,458	20,503	17,439
Total liabilities		26,348	28,037	26,846
Total shareholders' equity and liabilities		29,570	30,579	29,890

¹⁾ Includes short-term investments with maturities exceeding three months, see also cash-flow statement.

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Jun 30, 2020			Jun 30, 2019		
	Shareholders' equity	Non-controlling interests	Total shareholders' equity	Shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening balance, January 1 st	3,044		3,044	2,931	17	2,948
Total comprehensive income	204		204	52	11	63
Dividend				-432	-18	-450
Sale/Acquisition of treasury shares	-34		-34	-19		-19
Performance based incentive program	7		7	2		2
Closing balance	3,221	0	3,221	2,533	10	2,543

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
OPERATING ACTIVITIES						
Profit /loss after financial items	463	380	373	9	1,547	1,184
Adjustments for items not included in cash flow	382	280	677	532	1,845	1,700
Taxes paid	-92	-65	-263	-162	-211	-110
Cash flow from operating activities before changes in working capital	753	595	787	379	3,181	2,774
Divestment of property projects	456	114	1,727	543	3,299	2,116
Gross investments in property projects	-716	-705	-1,690	-1,343	-3,628	-3,281
Cash flow from property projects	-259	-591	37	-800	-329	-1,165
Other changes in working capital	-982	-892	-309	-414	710	605
Cash flow from operating activities	-489	-889	514	-834	3,562	2,214
INVESTING ACTIVITIES						
Acquisition/Sale of subsidiaries and other holdings	8	1	9	2		-7
Acquisition/Sale of tangible fixed assets	-121	-209	-104	-397	-379	-671
Acquisition/Sale of other fixed assets	-3	-13	-6	-20	-9	-23
Cash flow from investing activities	-116	-221	-101	-415	-388	-701
Cash flow before financing	-605	-1,109	413	-1,249	3,174	1,512
FINANCING ACTIVITIES						
Cash flow from financing activities	-246	937	-563	741	-1,612	-308
Cash flow during the period	-850	-172	-150	-508	1,563	1,204
Cash and cash equivalents at beginning of period	3,068	883	2,416	1,197	716	1,197
Effects of exchange rate changes on cash and cash equivalents	14	6	-34	28	-47	15
Cash and cash equivalents at end of period ¹⁾	2,231	716	2,231	716	2,231	2,416
Short-term investments due later than three months	174	10	174	10	174	63
Total liquid assets at end of period	2,405	726	2,405	726	2,405	2,478

¹⁾ Road Services cash is included with SEK 193 M

CONDENSED CONSOLIDATED NET DEBT

Net debt, SEK M	Jan-Jun		R 12 Jul-Jun Jan-Dec	
	2020	2019	2019/2020	2019
Net debt, opening balance	-4,489	-3,045	-6,352	-3,045
- Cash flow from operating activities	514	-834	3,562	2,214
- Cash flow from investing activities	-101	-415	-388	-701
Cash flow before financing	413	-1,249	3,174	1,512
Leasing - IFRS 16-effect	-849	-1,743	-1,048	-1,942
Acquisition/Sale of treasury shares	-34	-19	-34	-19
Change of provisions for pensions	-208	-90	-679	-561
Currency exchange differences in cash and cash equivalents	-34	28	-47	15
Paid dividend		-234	-216	-450
Net cash + /net debt - closing balance	-5,201	-6,352	-5,201	-4,489
- Whereof provisions for pensions	-3,048	-2,369	-3,048	-2,840
- Whereof leasing debt according to IFRS 16	-2,226	-1,894	-2,226	-1,732
- Whereof other net cash/net debt	73	-2,089	73	83

PARENT COMPANY CONDENSED INCOME STATEMENT

SEK M	Npte 1	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
		2020	2019	2020	2019	2019/2020	2019
Net sales		13	38	30	71	205	246
Selling and administrative expenses		-73	-94	-133	-174	-303	-344
Operating profit		-60	-56	-102	-103	-97	-98
Result from participations in Group companies		1,054	332	1,054	332	1,204	482
Result from other financial fixed assets		10		10	13	10	13
Result from financial current assets				3	2	4	3
Interest expense and similar items		-10	-9	-19	-19	-42	-42
Result after financial items		994	268	945	226	1,079	358
Appropriations						577	577
Tax		15	21	25	33	-109	-102
Net profit/loss for the period		1,009	289	971	259	1,546	833

The Parent Company consists primarily of head office functions plus a branch in Norway. Net sales pertain to charges to Group companies. The average number of employees was 53 (62).

PARENT COMPANY CONDENSED BALANCE SHEET

SEK M	Npte 1	Jun 30 2020	Jun 30 2019	Dec 31 2019
ASSETS				
Intangible fixed assets			3	
Tangible fixed assets			53	3
Financial fixed assets		4,567	5,587	4,562
Total fixed assets		4,567	5,642	4,565
Current receivables		248	292	1,123
Treasury balances in NCC Treasury AB		505	174	164
Total current assets		753	467	1,287
Total assets		5,321	6,109	5,852
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		4,227	2,699	3,281
Provisions		6	8	6
Long term liabilities		605	2,046	803
Current liabilities		482	1,356	1,761
Total shareholders' equity and liabilities		5,321	6,109	5,852

The total resolved dividend to shareholders amounted to SEK 0 M (432) due to the uncertainty prevailing in society due to the Corona virus.

Notes

NOTE 1. ACCOUNTING POLICIES

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting. The interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of prevailing accounting standards issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the EU.

The interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2019 Annual Report (Note 1, pages 32–38). Any new supplementary standards or interpretations did not affect this financial report to any discernible extent.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The assets and liabilities attributable to the sale of the operations in Road Services, are recognized on separate lines on the asset and liability sides, respectively.

Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for the Parent Company has been prepared in accordance with the same accounting policy and methods of calculation as the Annual Report for 2019 (Note 1, pages 32–38) except that the Parent Company applies the exemption in RFR 2 and recognizes all lease commitments as operating leases.

NOTE 2. DEPRECIATION/AMORTIZATION

SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Other intangible as sets	-15	-15	-28	-28	-59	-59
Owner-occupied properties ¹⁾	-91	-81	-167	-156	-339	-327
Machinery and equipment ²⁾	-244	-254	-491	-499	-1,012	-1,020
Total depreciation	-351	-349	-687	-684	-1,410	-1,407

¹⁾ Of which depreciation of right-of-use assets SEK 148 M (126)

²⁾ Of which depreciation of right-of-use assets SEK 214 M (219)

NOTE 3. IMPAIRMENT LOSSES

SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Owner-occupied properties	-9	-12	-9	-13	-9	-13
Machinery and equipment		-1		-8		-8
Other intangible as sets					-1	-1
Total impairment losses	-9	-13	-9	-21	-9	-22

NOTE 4. RIGHT-OF-USE ASSETS

SEK M	Jun 30 2020	Jun 30 2019	Dec 31 2019
Koncernen			
Owner-occupied properties	1,112	756	717
Machinery and equipment	856	1,006	862
Land leases	50	51	51
Total right-of-use as sets	2,018	1,813	1,630

NOTE 5. SEGMENT REPORTING

SEK M

April - June 2020	NCC		NCC		NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
	Infrastructure	Building Sweden	Building Nbrdics	Building Nbrdics					
Net sales, external	4,900	3,054	2,758	3,043	676	14,431		14,431	
Net sales, internal	142	411	383	512	3	1,451	-1,451		
Net sales, total	5,042	3,464	3,142	3,554	679	15,882	-1,451	14,431	
Operating profit	96	90	62	258	68	574	-91	483	
Net financial items								-20	
Profit/loss after financial items								463	

April - June 2020	NCC		NCC		NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
	Infrastructure	Building Sweden	Building Nbrdics	Building Nbrdics					
Net sales, external	4,951	3,514	2,598	3,236	309	14,607	3	14,610	
Net sales, internal	-124	212	205	484	11	789	-789		
Net sales, total	4,827	3,726	2,803	3,721	321	15,396	-786	14,610	
Operating profit	87	76	46	322	40	571	-160	411	
Net financial items								-32	
Profit/loss after financial items								380	

January - June 2020	NCC		NCC		NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
	Infrastructure	Building Sweden	Building Nbrdics	Building Nbrdics					
Net sales, external	9,015	6,110	5,344	3,991	2,250	26,710	-513	26,197	
Net sales, internal	246	739	653	877	6	2,521	-2,521		
Net sales, total	9,261	6,849	5,997	4,868	2,255	29,231	-3,034	26,197	
Operating profit	121	177	112	-105	391	696	-282	414	
Net financial items								-41	
Profit/loss after financial items								373	

January - June 2019	NCC		NCC		NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
	Infrastructure	Building Sweden	Building Nbrdics	Building Nbrdics					
Net sales, external	9,184	6,939	5,005	4,204	709	26,041	3	26,044	
Net sales, internal	-46	455	365	782	23	1,579	-1,579		
Net sales, total	9,138	7,394	5,370	4,985	732	27,620	-1,576	26,044	
Operating profit	90	185	80	-63	21	313	-254	59	
Net financial items								-50	
Profit/loss after financial items								9	

¹⁾ The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -47 M (-94). Further, the figures for the quarter includes eliminations of internal profits of SEK -18 M (-44) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totalling SEK -26 M (-22). These items primarily correspond to pensions and in 2020 also leasing, when the rules on sale and leaseback are applied.

²⁾ The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -92 M (-140). Further, the figures includes eliminations of internal profits amounting of SEK -17 M (-55) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totalling SEK -173 M (-59). These items primarily correspond to pensions and in 2020 also leasing, when the rules on sale and leaseback are applied.

Geographical areas

SEK M	Net sales		Orders received	
	Jan-Jun			
	2020	2019	2020	2019
Sweden	15,669	16,010	18,398	15,627
Denmark	3,492	3,190	4,170	8,329
Norway	3,131	3,613	2,685	3,756
Finland	3,906	3,232	2,936	3,860
Total	26,197	26,044	28,188	31,572

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

In the tables below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with the prices quoted on an active market for the same instruments. Derivatives in level 2 comprise currency forward contracts, interest rate swaps, oil forward contracts

and electricity forward contracts used for hedging purposes. The measurement to fair value of currency forward contracts, oil forward contracts and electricity forward contracts is based on accepted models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest rate swaps is based on forward interest rates based on observable yield curves. In level 3, measurement is based on input data that is not observable in the market.

SEK M	Jun 30, 2020				Jun 30, 2019				Dec. 31, 2019			
	Nivå				Nivå				Nivå			
	1	2	3	Tot	1	2	3	Tot	1	2	3	Tot
Financial assets measured at fair value through profit and loss												
Short-term investments	72			72	10			10	10			10
Derivative instruments		68		68		21		21		56		56
Derivative instruments used in hedge accounting		18		18		31		31		12		12
Financial assets measured at fair value through other comprehensive income												
Equity instruments			68	68			74	74			74	74
Total assets	72	86	68	226	10	52	74	136	10	68	74	152
Financial liabilities measured at fair value through profit and loss												
Derivative instruments		2		2		10		10		60		60
Derivative instruments used in hedge accounting		38		38		34		34		14		14
Total liabilities	0	40	0	40	0	44	0	44	0	74	0	74

In the table below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

SEK M	Jun 30, 2020		Jun 30, 2019		Dec. 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	92	93	199	201	144	144
Short-term investments - amortized cost	102	102			52	52
Long-term interest-bearing liabilities	3,834	3,793	2,191	2,192	3,568	3,569
Current interest-bearing liabilities	818	818	2,846	2,846	796	797
Interest-bearing liabilities attributable to assets held for sale	119	119	142	142	133	133

For other financial instruments recognized at amortized cost – accounts receivable, current interest-bearing receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities – the fair value does not materially deviate from the carrying amount.

NOTE 7. PLEDGED ASSETS, CONTINGENT LIABILITIES AND GUARANTEE OBLIGATIONS

SEK M

Group	Jun 30 2020	Jun 30 2019	Dec 31 2019
Assets pledged	532	527	487
Contingent liabilities and guarantee obligations ¹⁾	249	576	594
Parent company			
Contingent liabilities and guarantee obligations ¹⁾	21,505	21,574	21,456

¹⁾ Among these, NCC AB has sureties which are indemnified by Bonava AB based on the Master Separation Agreement. Bonava is working on formally replacing these sureties with other forms of collateral in a gradual process, which means that this item will decline further over time. In addition, NCC AB has received guarantees from credit insurance companies for the remaining outstanding commitments on behalf of now wholly owned Bonava companies.

Summary of key figures

	2020	2019	R 12 Jul 19-	2019	2018	2017 ³⁾	2017	2016	2015
	Apr-Jun	Apr-Jun	Jun 20	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-dec	Jan-dec
Profitability ratios									
Return on shareholders' equity, % excl profit from dividend of Bonava ¹⁾	44	-25	44	32	-18	17	18	19	26
Return on shareholders' equity, % incl profit from dividend of Bonava ^{1) 5)}	44	-25	44	32	-18	17	18	118	26
Return on capital employed, % excl profit from dividend of Bonava ¹⁾	15	-9	15	13	-9	12	13	13	17
Return on capital employed, % incl profit from dividend of Bonava ^{1) 5)}	15	-9	15	13	-9	12	13	63	17
Financial ratios at period-end									
EBITDA % excl profit from dividend of Bonava	5.8	5.3	5.3	4.7	0.8	3.3	3.6	4.7	6.2
EBITDA % incl profit from dividend of Bonava ⁵⁾	5.8	5.3	5.3	4.7	0.8	3.3	3.6	17.0	6.2
Interest-coverage ratio, times excl profit from dividend of Bonava ¹⁾	12.2	-6.0	12.2	9.1	-6.0	8.5	9.8	6.6	7.1
Interest-coverage ratio, times incl profit from dividend of Bonava ^{1) 5)}	12.2	-6.0	12.2	9.1	-6.0	8.5	9.8	31.1	7.1
Equity/assets ratio, %	11	8	11	10	11	19	20	22	25
Interest bearing liabilities/total assets, %	26	25	26	25	17	15	15	16	24
Net cash +/-net debt -, SEK M	-5,201	-6,352	-5,201	-4,489	-3,045	-149	-149	-222	-4,552
Debt/equity ratio, times	1.6	2.5	1.6	1.5	1.0				0.5
Capital employed at period end, SEK M	11,040	10,091	11,040	10,382	7,619	9,174	9,523	9,585	19,093
Capital employed, average	10,995	8,814	10,995	9,936	8,780	9,138	9,418	13,474	18,672
Capital turnover rate, times ¹⁾	5.3	6.6	5.3	5.9	6.5	6.0	5.8	4.1	3.3
Share of risk-bearing capital, %	12	10	12	11	12	21	22	24	25
Closing interest rate, % ⁶⁾	1.1	0.9	1.1	1.1	1.3	2.0	2.0	2.6	2.8
Average period of fixed interest, years	1.0	0.5	1.0	1.2	0.5	0.6	0.6	0.9	0.9
Per share data									
Profit/loss after tax, before and after dilution, SEK excl profit from dividend Bonava	4.03	2.85	11.38	8.09	-7.00	8.07	9.29	11.61	19.59
Profit/loss after tax, before and after dilution, SEK incl profit from dividend Bonava ⁵⁾	4.03	2.85	11.38	8.09	-7.00	8.07	9.29	73.81	19.59
Cash flow from operating activities, before and after dilution, SEK	-4.54	-8.22	33.02	20.50	-3.47	19.97	19.97	10.88	37.65
Cash flow before financing, before and after dilution, SEK	-5.61	-10.27	29.43	14.01	-10.71	12.59	12.59	-0.05	30.88
P/E ratio excl profit from dividend Bonava ¹⁾	13	-22	13	19	-20	19	17	19	13
P/E ratio incl profit from dividend Bonava ^{1) 5)}	13	-22	13	19	-20	19	17	3	13
Dividend, ordinary, SEK					4.00	8.00	8.00	8.00	3.00
Dividend yield, %					2.9	5.1	5.1	3.5	1.1
Shareholders' equity before dilution, SEK	29.91	23.45	29.91	28.21	27.13	47.81	51.04	51.39	89.85
Shareholders' equity after dilution, SEK	29.91	23.45	29.91	28.21	27.13	47.81	51.04	51.39	89.85
Share price/sharesholders' equity, %	504	686	504	543	508	329	308	439	293
Share price at period-end, NCC B, SEK	150.80	160.95	150.80	153.20	137.80	157.30	157.30	225.40	263.00
Number of shares, millions									
Total number of issued shares ²⁾	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	0.8	0.4	0.8	0.5	0.4	0.4	0.4	0.4	0.6
Total number of shares outstanding at period-end before dilution	107.7	108.0	107.7	107.9	108.0	108.1	108.1	108.1	107.9
Average number of shares outstanding before and after dilution during the period	107.8	108.0	107.9	107.9	108.1	108.1	108.1	108.1	107.9
Market capitalization before dilution, SEK M ⁴⁾	16,226	17,382	16,226	16,548	14,896	16,997	16,997	24,325	28,369
Personnel									
Average number of employees	14,682	15,309	14,682	15,273	16,523	17,762	17,762	16,793	17,872

1) Calculations are based on the rolling 12 month period.

2) All shares issued by NCC are common shares.

3) The amounts are adjusted for change in accounting policy regarding IFRS 16.

4) Market value December 2016 excludes NCC's residential business, Bonava. Including Bonava the market value amounts to SEK 39,563 M.

5) The profit arising from the dividend of Bonava was SEK -31M and SEK 6,724 M in the full year 2017 and 2016.

6) Refers to interest-bearing liabilities excluding pension liabilities according to IAS 19 and leasing according to IFRS 16.

For definitions of key figures, see <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>.



This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out below on July 17, 2020, at 7:10 a.m. CEST.

Invitation to presentation of the Interim Report for the period January–June 2020

NCC’s President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the interim report by audiocast with integrated teleconference on July 17 at 9:00 a.m. (CEST). The presentation will be held in English.



Presentation material for the conference will be available at www.ncc.com/ir at around 8:00 a.m. (CEST).

Link to webcast: <https://ncc-live-external.creo.se/200717>

To participate by phone: To participate by phone, please call one of the following numbers five minutes prior to the start of the conference.

Sweden: +46 8 566 427 07
UK: +44 333 300 9272
US: +1 833 526 8383

Financial calendar 2020

Interim report Q3, January–September 2020 November 6, 2020



Year-end report Q4, January–December 2020 January 28, 2021

For further information, please contact:

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