

Increased sales in a more uncertain market

“We have growth and a robust order backlog. Operating profit is stable but impacted by some pressure on margins. The market is difficult to assess at this time and we see higher risks than previously.”

Tomas Carlsson, President and CEO of NCC

- Increased net sales in the Group, driven by the contracting business and Industry
- Order backlog remains robust in all business areas, and orders received are good
- Stable operating profit but pressure on margins. No property projects were recognized in profit
- Strong financial position
- NCC has initiated a repurchase program of own Series B shares, which will run up until the 2023 Annual General Meeting. Read more on page 14

Second quarter 2022

- Orders received amounted to SEK 12,763 M (16,568)
- Net sales totaled SEK 14,001 M (12,745)
- Operating profit amounted to SEK 474 M (487)
- Profit after financial items totaled SEK 464 M (476)
- Profit after tax was SEK 383 M (388)
- Earnings per share after dilution amounted to SEK 3.59 (3.61)

First half of 2022

- Orders received amounted to SEK 29,398 M (30,822)
- Net sales totaled SEK 24,113 M (22,885)
- Operating profit amounted to SEK 304 M (344)
- Profit after financial items totaled SEK 289 M (324)
- Profit after tax was SEK 236 M (265)
- Earnings per share after dilution amounted to SEK 2.20 (2.46)

Group, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	12,763	16,568	29,398	30,822	54,362	55,786
Order backlog	60,960	58,816	60,960	58,816	60,960	55,763
Net sales	14,001	12,745	24,113	22,885	54,642	53,414
Operating profit/loss	474	487	304	344	1,786	1,825
Operating margin, %	3.4	3.8	1.3	1.5	3.3	3.4
Profit/loss after financial items	464	476	289	324	1,730	1,765
Net profit/loss for the period	383	388	236	265	1,479	1,508
Profit/loss per share after dilution, SEK	3.59	3.61	2.20	2.46	13.78	14.02
Cash flow from operating activities	-1,419	-580	-1,797	171	292	2,260
Cash flow before financing	-1,505	-772	-1,865	-177	209	1,896
Net cash +/- net debt -	-4,383	-4,878	-4,383	-4,878	-4,383	-2,932

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

CEO Tomas Carlsson comments

The effects of inflation, higher interest rates and economic uncertainty were more noticeable in the second quarter than earlier in the year. At the same time the situation is not clear-cut since increased uncertainty is coupled with major industry investments and continued demand for residential units and public buildings. Right now, the market is difficult to assess with higher risks than previously and significantly greater uncertainty. In the longer term, we remain positive and can see good opportunities, but we are noting greater differences than previously between geographies and segments that are impacted by economic development to varying degrees.

NCC's orders received are good, and order backlog remains robust in all business areas. Inflation is impacting our costs, but we are working actively on making smart purchases and on ensuring that we are being compensated for price increases in line with our contracts. This is a challenge, but so far it has been a manageable one and we have a professional organization that is used to this.

The Infrastructure business area is experiencing a certain amount of growth and is maintaining a stable level of earnings. The order backlog remains robust. The business area's operating profit was negatively impacted by several major projects that were awarded several years ago and have low margins. Regarding our largest project, Korsvägen – part of the West Link project in Gothenburg – we are in a lengthy discussion with the Swedish Transport Administration. We have informed the Swedish Transport Administration that we see a significant risk that the project will have higher costs and take longer to complete due to changed conditions.

Building Sweden has a robust operation that has followed the stable positive development we have seen for several years. However, there are challenges in a few projects, primarily in residential housing, and going forward we see somewhat increased risks linked to more challenging market conditions.

Building Nordics continues to perform well, but we see some pressure on margins. The business area has a very strong order backlog. In all Nordic countries, major demands to manage price increases are being placed on the projects.



The Industry business area is impacted by cost increases on input materials, but has done good work on adjusting prices to offset these. Earnings are impacted to a certain extent by such factors as increased fuel prices. Volumes have been at good levels to date during the year. Grete Aspelund will become new head of the business area this autumn.

Property development is impacted by inflation and high interest rates, and we are seeing a more uncertain market and greater risks. In the Property Development business area, we have nevertheless sold a project in Denmark at a good level during the quarter. We also decided to start a high-quality office project in Gothenburg during the quarter. Furthermore, we sold and started construction on a logistics project, also in Gothenburg. Both these projects will be recognized in profit in a coming quarter.

In health and safety, the trend in our measurement of the accident frequency rate is somewhat positive, but we are not satisfied and are continuing to take measures. In the effort to reduce our emissions, we have Group-wide initiatives with long-term plans for our key areas including concrete, steel, transportation and asphalt.

These are challenging times, and it is difficult to predict how future development will impact us. However, we know that the measures we have been implementing over the past few years are just as right in a strong as in a weak economy. That is why we are continuing to tirelessly develop the company with effective project management, good risk management and close partnerships with our customers.

Tomas Carlsson, President and CEO
Solna, July 19, 2022

Group performance

Market

The long-term market conditions for contracting operations, property development and industrial operations in the Nordic region are positive. There are plans for large industrial investments in parts of Sweden. There is an underlying demand for public buildings, such as schools, hospitals and retirement homes, and for residential units, driven by growth and development in the metropolitan regions and in other growth regions. This is also driving initiatives for infrastructure in city areas, including roads, public transport, water and wastewater, and energy solutions. In general, the market for renovation and refurbishment is also healthy.

The countries in which NCC has infrastructure operations have ambitious and comprehensive infrastructure plans for long-term public investments in new construction, as well as refurbishment and maintenance of national and regional infrastructure. Demand for asphalt and stone materials is driven by investments in infrastructure and maintenance.

In the main, NCC is impacted by the general economic situation and the GDP trend. Cost increases and rising interest rates could have a dampening effect on the market. The effects in the second quarter were more noticeable, with rising prices. In the longer term, higher prices could lead to lower demand. To date, however, NCC has been unable to observe any material effects on the Group as a whole, but we note increased uncertainty and a slight decrease in interest in new property investments.

Net sales and earnings

Net sales in the second quarter amounted to SEK 14,001 M (12,745) and to SEK 24,113 M (22,885) for the first half of the year. All business areas increased their sales. In the Industry business area, this was driven primarily by higher prices. Changes in exchange rates had an impact of SEK 379 M (-284) on sales.

Operating profit amounted to SEK 474 M (487) in the second quarter and SEK 304 M (344) for the first half of the year. Higher sales during the quarter improved the operating profit in Building Nordics. A slight decrease in earnings in Building Sweden was due to lower project margins. Operating profit in Infrastructure increased as a result of a stable project portfolio and the sale of Hercules Rebar. Industry's operating profit was lower in the second quarter, driven by higher costs. Property Development did not recognize any projects in profit during the quarter.

The operating margin was slightly lower than in the preceding year. On a rolling twelve-month basis, NCC had an operating margin of 3.3 percent.

Net financial items totaled SEK -10 M (-11) for the quarter and SEK -15 M (-20) for the period. Higher capitalization of interest for Property Development had a positive impact during the period.

Effective tax

The effective tax rate for the Group amounted to 18.4 percent (18.2) for the period.

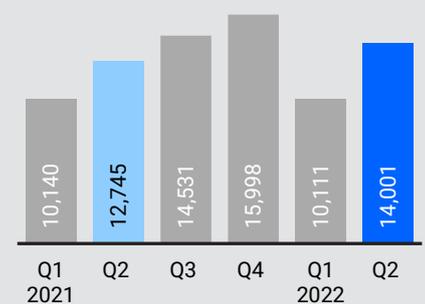
Orders received, Jan–Jun SEK M

29,398

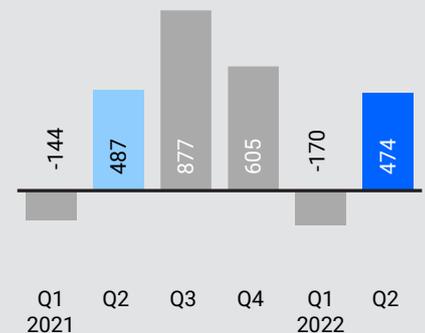
Net sales, Jan–Jun SEK M

24,113

Net sales, SEK M



Operating profit, SEK M



Cash flow

Cash flow before financing for the quarter amounted to SEK -1,505 M (-772). There is always a seasonal impact on cash flow from Industry due to the start of the activities, but Infrastructure and Building Nordics also reported lower cashflow in the quarter than in the same period last year.

Despite a sharp decrease in investments in property projects during the first half of the year, cash flow was only approximately SEK 200 M lower since the Valle View office project in Norway was recognized in profit during the first quarter in the comparison period.

Cash flow from other working capital for the January–June period decreased primarily in Infrastructure.

Cash flow from investments improved in both the quarter and the period. Purchase considerations from the sale of Hercules Rebar as well as from the sale of land from Industry in December 2021 were received during the quarter.

Total cash and cash equivalents at the end of the period amounted to SEK 1,180 M (1,540).

The Group's net debt at June 30 amounted to SEK -4,383 M (-4,878). Total net debt decreased, primarily due to lower pension debt but also to lower lease liabilities. Excluding pension debt and lease liabilities, the company's net debt increased, totaling SEK -1,984 M (-755) at the end of the quarter as an effect of the lower cash flow before financing.

The Group's total assets at June 30 amounted to SEK 30,928 M (30,155). The increase was mainly attributable to an increase in accounts receivable.

The average maturity period for interest-bearing liabilities, excluding pension debt and lease liabilities, was 18 months (28) at the end of the quarter. At June 30, 2022, NCC's unutilized committed lines of credit totaled SEK 3.3 bn (2.9), with an average remaining maturity of 28 months (16).

Capital employed

At June 30, capital employed amounted to SEK 12,191 M (10,932). The return on capital employed was 15 percent (12).

The return on equity was 27 percent (30).

Financial targets and dividend policy

NCC has financial objectives for two areas: earnings per share and net debt in relation to EBITDA. The objective is for earnings per share to be a minimum of SEK 16 by 2023. Net debt is to be less than 2.5 times EBITDA.

Earnings per share on a rolling 12-month basis amounted to SEK 13.78.

The recognized net debt amounted to 0.80 times EBITDA.

NCC's dividend policy has been to distribute at least 40 percent of after-tax profit for the year. On April 5, 2022, the Annual General Meeting of NCC adopted the proposal by the Board of Directors for a dividend of SEK 6.00 per share for fiscal year 2021, divided into two installments. This corresponds to 43 percent of after-tax profit for 2021. The record date for the first disbursement of SEK 3.00 per share was April 7, 2022. For the second disbursement of SEK 3.00 per share, the record date is November 8, 2022. The Board of directors adopted an adjusted dividend policy during the quarter, which states that approximately 60 percent of the company's after-tax profit is to be distributed to shareholders. See also page 14.

Earnings per share SEK



Net debt/EBITDA



Net debt excludes pension debt and lease liability. EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses according to Notes 2 and 3.

Health and safety targets

Safety is a high priority area at NCC. All levels of the Group are focused on reducing the total number of accidents as well as completely preventing accidents and incidents that lead to or could lead to serious injury or fatalities. NCC measures the accident frequency rate for accidents that lead to more than four days of absence per million worked hours and has set a target, measured for NCC's own employees, of 3.0 by 2022.

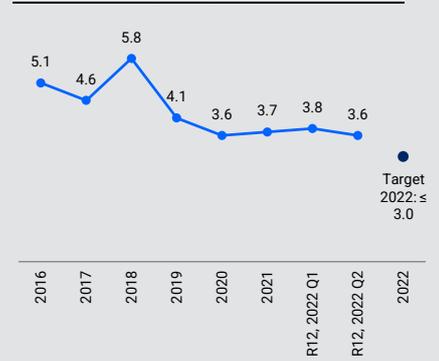
During the second quarter of 2022, this accident frequency rate was 3.6, rolling twelve months, which is somewhat lower than for full-year 2021. In May, NCC conducted the annual health and safety week, where each workplace carries out activities to increase knowledge and focus on issues concerning health and safety at its own workplace.

Climate and energy targets

NCC's objective is to be climate-neutral by 2045. As an interim target, NCC will reduce emissions from its own operations (Scope 1 and 2, measured as emission intensity) by 60 percent by 2030. At year-end 2021, the emission intensity was 3.5 CO₂e (tons)/SEK M, corresponding to a reduction of 41 percent since 2015. Figures for the first half of 2022 will be reported in the interim report for the third quarter.

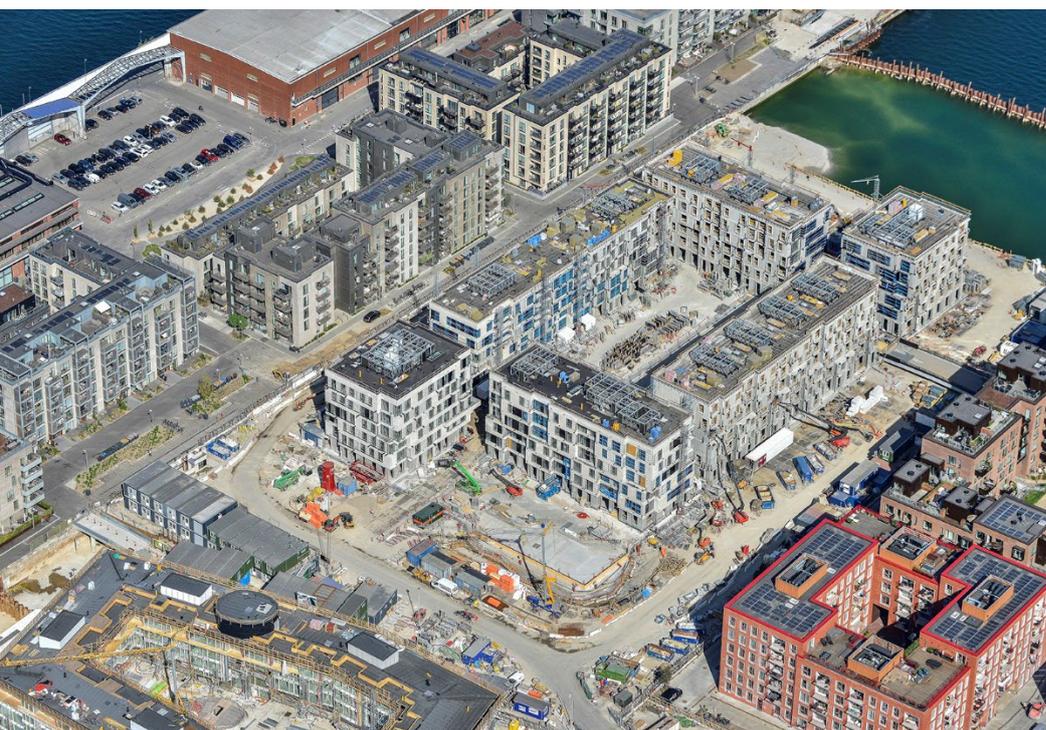
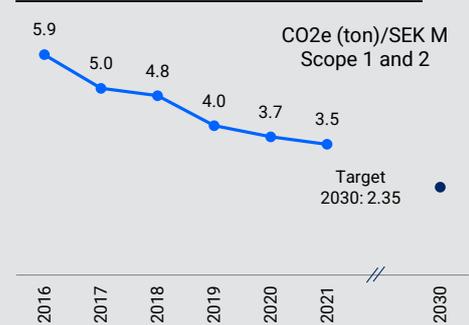
NCC also works to reduce climate emissions in the value chain and has therefore set an interim goal of reducing emissions in the value chain (Scope 3) by 50 percent by 2030. NCC focuses on four prioritized areas: concrete, steel, asphalt and transportation.

Accident frequency rate*



*Accident frequency rate: Worksite accidents resulting in more than four calendar days of absence per million worked hours.

Emission intensity:



The image to the left shows the construction of the Kronløbsøen project, in Copenhagen's new Nordhavn district. The 9,500-square meter island holds 233 tenant-owner apartments as well as commercial premises in six separate buildings, designed as a city block around an inner courtyard, as well as a subterranean garage with space for 1,100 vehicles. NCC is the turnkey contractor for the project, which is a partnership between By & Havn, PensionDanmark and Nordkranen. Completion is expected in late 2023. Kronløbsøen is certified under the DGNB standard, level Gold.

Order status

Orders received and order backlog

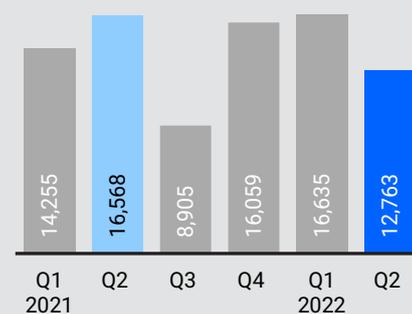
Orders received in the second quarter totaled SEK 12,763 M (16,568). Orders received during the quarter increased in Industry but decreased marginally in Building Nordics, primarily in the Danish operations. In Building Sweden and Infrastructure, orders received during the quarter were lower than in the preceding year, primarily as the result of larger projects being registered in the order book during the year-earlier period.

Orders received during the first half of the year totaled SEK 29,398 M (30,822). Orders received increased in all business areas except Infrastructure but were driven primarily by the Danish operations in Building Nordic. Lower orders received were noted by Infrastructure, which registered a number of major projects in the order book during the first half of 2021.

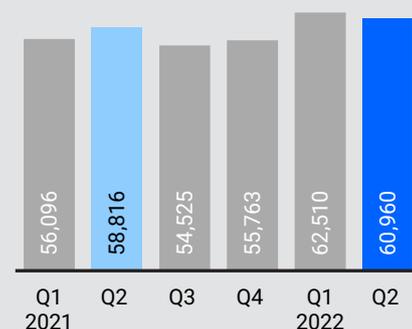
Changes in exchange rates impacted orders received by SEK 462 M (-350).

The Group's order backlog totaled SEK 60,960 M (58,816) at the end of the quarter. The order backlog increased in Building Sweden and Building Nordics. Changes in exchange rates impacted the order backlog by SEK 816 M (273).

Orders received, SEK M



Order backlog, SEK M



Examples of orders and contracts during the second quarter of 2022. A list of orders valued at more than SEK 150 M and announced via press releases during the quarter is available at [ncc.com](https://www.ncc.com).

- Building Nordics is to build a school for 850 students in Mikkeli, Finland (order value SEK 270 M) as well as a school and kindergarten in northern Helsinki (order value SEK 150 M)
- In Västerås, Building Sweden is to build a new emergency hospital. The initial order for the project planning phase amounts to SEK 250 million
- Infrastructure is to renovate the Langelinie Quay in central Copenhagen. Order value SEK 220 M
- Building Sweden is to build the Hertsö swim center in Luleå. Order value SEK 185 M
- Building Nordics is to construct buildings for the Danish Ministry of Defence Estate Agency. Order value SEK 170 M
- Building Sweden is to construct residential units and retail premises in Oxelösund. Order value SEK 165 M
- Building Sweden is to build a new pilot hall for RISE in Örnsköldsvik. Order value SEK 150 M
- Industry received an order for 200,000 tonnes of asphalt in Norway outside Trondheim, one of the largest asphalt projects ever in Norway
- Building Sweden is to build Habitat 7, the office project that Property Development is developing at Masthuggskajen in Gothenburg.
- Building Nordics is to build student accommodation with approximately 200 student housing units in Oslo

NCC Infrastructure

Orders received and order backlog

Orders received amounted to SEK 3,056 M (6,769) in the second quarter and to SEK 7,460 M (12,202) in the first half of the year. The lower number of orders received was due primarily to several extremely large projects – such as the SEK 1.9 bn railway project in Drammen, Norway and the subway project in Hagastaden – being registered in the order book during the first half of 2021.

The order backlog is lower than in the preceding year, totaling SEK 18,434 M (20,865) and is due primarily to increased activity in the projects.

Net sales and earnings

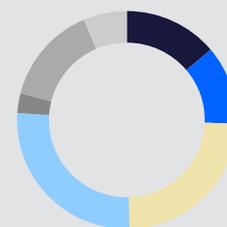
Sales were higher in the second quarter and amounted to SEK 4,359 M (4,118), and to SEK 7,860 M (7,604) for the first half of the year.

Operating profit amounted to SEK 124 M (115) in the second quarter and SEK 166 M (154) for the first half of the year. The operating margin improved slightly in the first half of the year, due primarily to a stable project portfolio with higher margins as well as the sale of Hercules Rebar.

The operating profit in the business area is impacted by some major infrastructure projects with a low margin that have been going on for a long time. With regards to the largest project, Korsvägen in Gothenburg, NCC informed the Swedish Transport Administration during the quarter that there is a significant risk that the project will have higher costs and take longer than previously announced due to changed conditions.

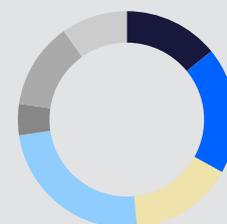
	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	3,056	6,769	7,460	12,202	13,635	18,377
Order backlog	18,434	20,865	18,434	20,865	18,434	18,923
Net sales	4,359	4,118	7,860	7,604	16,595	16,339
Operating profit/loss	124	115	166	154	403	391
Operating margin, %	2.8	2.8	2.1	2.0	2.4	2.4

Orders received Jan–Jun



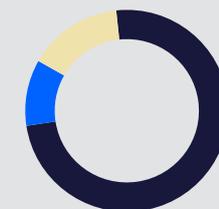
■ Roads	14 (10)%
■ Railways	12 (28)%
■ Energy & Water Treatment	24 (20)%
■ Groundworks	26 (19)%
■ Industry	3 (3)%
■ Foundation engineering	15 (10)%
■ Other	6 (10)%

Net sales Jan–Jun



■ Roads	14 (18)%
■ Railways	19 (19)%
■ Energy & Water Treatment	15 (16)%
■ Groundworks	24 (25)%
■ Industry	5 (4)%
■ Foundation engineering	13 (10)%
■ Other	10 (8)%

Net sales Jan–Jun



■ Sweden	74 (79)%
■ Denmark	11 (7)%
■ Norway	15 (14)%

Share of sales

31%

NCC Building Sweden

Orders received and order backlog

Orders received in the second quarter totaled SEK 3,726 M (4,203) and SEK 8,518 M (7,869) for the first half of the year. The higher level of orders received for the January–June period compared with the preceding year is attributable primarily to several major projects being registered in the order books during the first quarter of 2022.

Residential and public buildings accounted for the largest share of order received, followed by other, which includes industrial and logistics buildings. Just over half of the residential units were rental apartments. For offices, the comparison is impacted by two large projects in western Sweden being registered in the order book last year.

The order backlog amounted to SEK 19,685 M (18,700) at the end of the quarter.

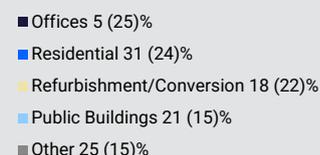
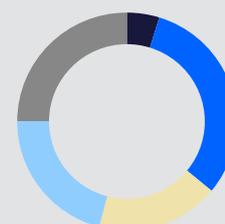
Net sales and earnings

Sales amounted to SEK 3,778 M (3,697) in the second quarter and to SEK 6,877 M (6,775) in the first half of the year. Residential units accounted for nearly one third of total net sales, followed by renovation and refurbishment, corresponding to nearly one fifth of net sales.

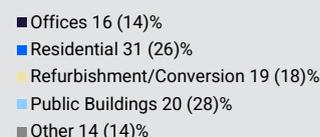
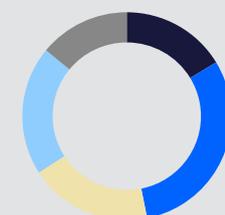
Operating profit amounted to SEK 117 M (129) in the second quarter and SEK 210 M (219) for the first half of the year. Year-on-year, earnings were impacted negatively by somewhat lower project margins and challenges in a few projects, mainly on the residential side, the operating margin was thus poorer both for the quarter and for the first half of the year.

	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	3,726	4,203	8,518	7,869	15,018	14,369
Order backlog	19,685	18,700	19,685	18,700	19,685	18,046
Net sales	3,778	3,697	6,877	6,775	13,970	13,868
Operating profit/loss	117	129	210	219	447	457
Operating margin, %	3.1	3.5	3.1	3.2	3.2	3.3

Orders received Jan–Jun



Net sales Jan–Jun



Share of sales

27%

NCC Building Nordics

Orders received and order backlog

Orders received in the second quarter totaled SEK 2,680 M (2,906) and SEK 7,531 M (4,999) for the first half of the year. The major increase in orders received for the January–June period was mainly attributable to the Danish operations, which secured several major orders during the first quarter, including a new phase of a hospital project outside Copenhagen. The proportion of residential units and public buildings increased and accounted for nearly three quarters of the total number of orders received.

There was a robust increase in the order backlog, which amounted to SEK 19,282 M (14,919) at the end of the quarter.

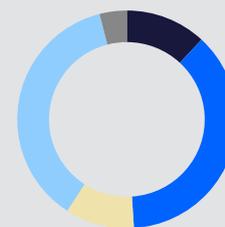
Net sales and earnings

Sales amounted to SEK 3,346 M (2,680) in the second quarter and to SEK 6,201 M (5,100) in the first half of the year. All countries contributed to the increase. The number of public buildings was higher year-on-year and, together with residential units, accounted for slightly less than two thirds of net sales.

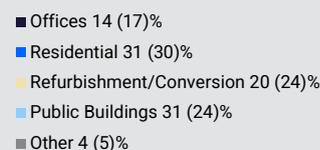
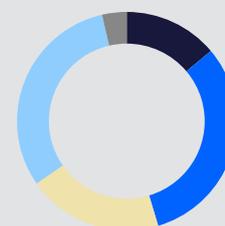
Operating profit also increased, amounting to SEK 92 M (88) in the second quarter and to SEK 148 M (127) for the first half of the year. Year-on-year, earnings were positively affected by higher sales. The operating margin was slightly poorer for both the quarter and the first half of the year.

	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	2,680	2,906	7,531	4,999	15,830	13,297
Order backlog	19,282	14,919	19,282	14,919	19,282	17,271
Net sales	3,346	2,680	6,201	5,100	12,425	11,324
Operating profit/loss	92	88	148	127	431	410
Operating margin, %	2.8	3.3	2.4	2.5	3.5	3.6

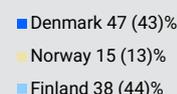
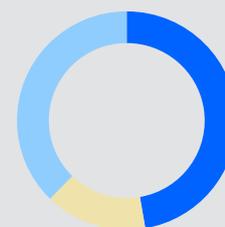
Orders received Jan–Jun



Net sales Jan–Jun



Net sales Jan–Jun



Share of sales

24%

NCC Industry

Orders received and order backlog

The asphalt operations in Finland were divested at the end of 2021. To achieve comparability between the years, Asphalt Finland's effect on 2021 has been excluded.

Orders received during the second quarter totaled SEK 3,776 M (2,713) and SEK 6,531 M (5,338) for the first half of the year. Orders received were higher in both the asphalt and stone materials operations, during the quarter and for the first half of the year.

Net sales and earnings

Sales increased year-on-year, totaling SEK 3,280 M (2,908) in the second quarter, and SEK 4,257 M (3,729) for the first half-year. The increase in sales in the first half of the year is primarily derived from the asphalt operations, driven by higher prices and a change in the product mix, but also from the stone materials operations as the result of larger volumes and higher prices.

Operating profit amounted to SEK 240 M (280) in the second quarter and SEK -65 M (28) in the first half of the year. The decline in operating profit is primarily derived from the Norwegian and Danish asphalt operations as a result of higher costs that could not be successfully fully offset through price increases as well as from higher overheads.

Operating capital employed

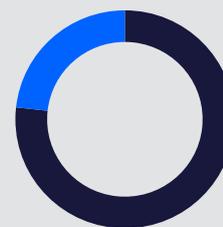
Operating capital employed rose seasonally compared with the end of 2021 and was somewhat higher year-on-year.

	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021 ²	2022	2021 ²	2021/2022 ²	2021 ²
Orders received	3 776	2 713	6 531	5 338	10 901	9 708
Net sales	3 280	2 908	4 257	3 729	10 593	10 065
Operating profit/loss	240	280	-65	28	395	488
Operating margin, %	7,3	9,6	-1,5	0,7	3,7	4,9
Operating capital employed ¹	5 361	5 150	5 361	5 150	5 361	4 711
Stone materials thousand tonnes, sold volume	7 970	8 092	14 317	13 984	29 309	28 976
Asphalt thousand tonnes, sold volume	1 532	1 657	1 731	1 791	5 118	5 178
Return on operating capital employed, % ¹					8,0	10,4

1) See new definition at NCC:s website, <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

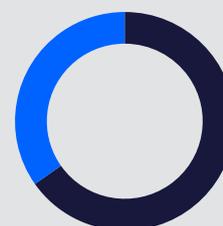
2) In the comparative values for the period and Jan-Dec 2021, Asphalt Finland, which was sold in December 2021, has been excluded. Orders received would have been SEK 271 M higher and net sales SEK 199 M higher in the comparison quarter and SEK 530 M respective SEK 200 M in the comparative period if Asphalt Finland had been reflected. Operating profit would have been SEK 36 M respective SEK 83 M lower. For the full year 2021, orders received would have been SEK 588 M higher and net sales SEK 691 M higher. Operating profit, on the other hand, would have been SEK 268 M lower. The volume of asphalt sold would have been 918 tonnes higher.

Orders received Jan-Jun



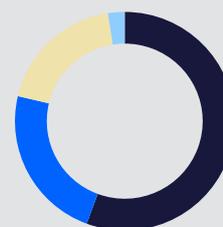
■ Asphalt and paving 77 (75%)
■ Stone materials 23 (25%)

Net sales Jan-Jun



■ Asphalt and paving 65 (65%)
■ Stone materials 35 (35%)

Net sales Jan-Jun



■ Sweden 56 (58%)
■ Denmark 23 (21%)
■ Norway 19 (18%)
■ Finland 2 (3%)

Share of sales

17%

NCC Property Development

Net sales and earnings

Net sales amounted to SEK 58 M (40) in the second quarter and SEK 388 M (1,175) for the first half of the year.

Operating profit increased to SEK 1 M (-25) in the second quarter and SEK 31 M (22) for the first half of the year. No projects were recognized in profit during the quarter, and only one minor project in Sweden was recognized in profit for the January–June period. This year, earnings in both the quarter and the first half of the year were derived primarily from previous sales. During the year-earlier period, a minor remaining project in Denmark and a major office project in Norway were recognized in profit, which had a positive impact on net sales, but full allocation to provisions for rental guarantees and VAT for unlet spaces had a negative effect on the results from this project in the first quarter 2021.

Property projects

Construction of two projects, Habitat 7 and Arendal Albatross, began in Sweden during the quarter. Project Albatross was sold and is expected to be recognized in profit in the first quarter of 2024. The letting rate in the project is 100 percent since the letting risk transferred to the buyer at the time of the sale. The Kontorværket 1 project in Denmark was also sold during the quarter and is expected to be recognized in profit in the first quarter of 2023.

Letting amounted to 21,000 square meters (36,600) for the first half of the year, including 3,400 square meters (25,100) in the second quarter. During the quarter, a total of 7 new leases (24) were signed in Sweden and Finland.

At the end of the second quarter, 12 projects (15) were ongoing but not yet recognized in profit. The costs incurred in all projects amounted to SEK 7.1 bn (6.8), corresponding to a total completion rate of 63 percent (55). The total letting rate was 65 percent (59). Operating net amounted to SEK 9 M (1) for the second quarter, and to SEK 18 M (4) for the first half of the year.

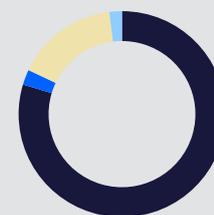
Operating capital employed

Operating capital employed increased at the end of the quarter, totaling SEK 7,495 M (6,279).

	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Net sales	58	40	388	1,175	3,987	4,775
Operating profit/loss	1	-25	31	22	486	478
Operating margin, %	2.0	-62.6	7.9	1.9	12.2	10.0
Operating capital employed ¹	7,495	6,279	7,495	6,279	7,495	6,330
Return on operating capital employed, % ¹					7.3	7.7

1) See new definition at NCC:s website, <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

Net sales Jan–Jun



- Sweden 80 (4)%
- Denmark 2 (1)%
- Norway 16 (95)%
- Finland 2 (0)%

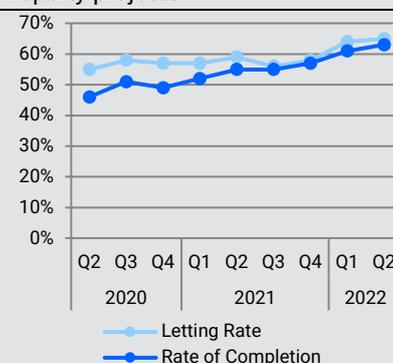
Letting¹



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

* Arendal Albatross has been sold and letting ratio is 100 percent since the letting risk has passed to the buyer at the time of sale.

Property projects



Share of sales

1%

NCC Property Development

Property development projects as of 2022-06-30

Ongoing Property development projects¹

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
Kontorværket 1	Office	Copenhagen	Q1 2023	61	15,900	100
Total Denmark				61	15,900	100
Fredriksberg D	Office	Helsinki	Q3 2022	91	8,400	99
Kulma21	Office	Helsinki		66	7,700	100
We Land	Office	Helsinki		33	21,300	20
Total Finland				52	37,400	55
Bromma Blocks	Office	Stockholm		88	51,900	73
Kineum Gårda ²	Office	Gothenburg	Q4 2022	88	22,000	96
Brick Studios	Office	Gothenburg		71	16,200	92
Våghuset	Office	Gothenburg		72	11,000	86
MIMO ³	Office	Gothenburg	Q4 2024	36	31,800	31
Nova	Office	Solna		37	9,800	2
Arendal Albatross ⁴	Logistics	Gothenburg	Q1 2024	23	34,000	100
Habitat 7	Office	Gothenburg		13	8,200	0
Total Sweden				66	184,900	65
Total				66	238,200	65

1) The table refers to ongoing property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees and additional purchase) in thirteen previously sold and revenue recognized property projects, a maximum of approximately SEK 100 M.

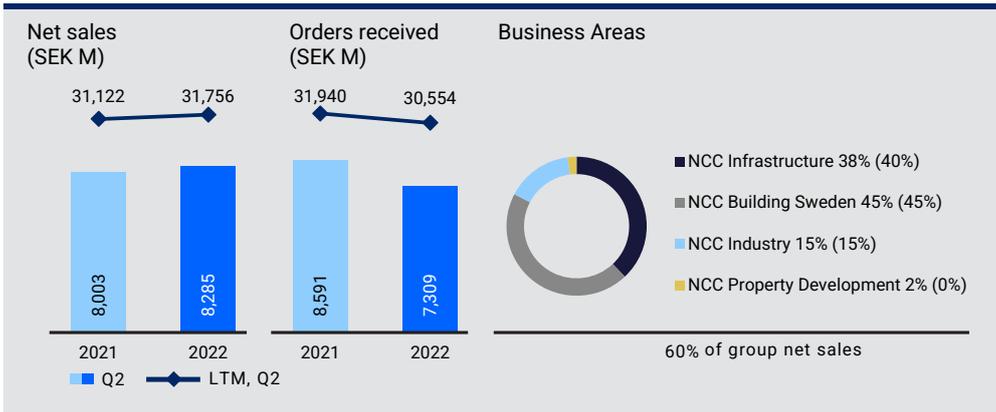
2) The project comprises rentable area of an existing building of approximately 16,000 square meters and an additional building right about 30,000 square meters of office space. The project is carried out together with Platzer, a Swedish listed real estate company, in a half-owned company. The information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

3) NCC announced in Q2 2017 that Platzer had an option to acquire the property in Mölndal when the project is completed. During Q3 2021, Platzer chose to realize the option and the parties have signed a sales agreement. The sale is conditioned by a letting ration of 80%.

4) The project has been sold and the letting ratio is 100 percent as the letting-risk has passed to the buyer.

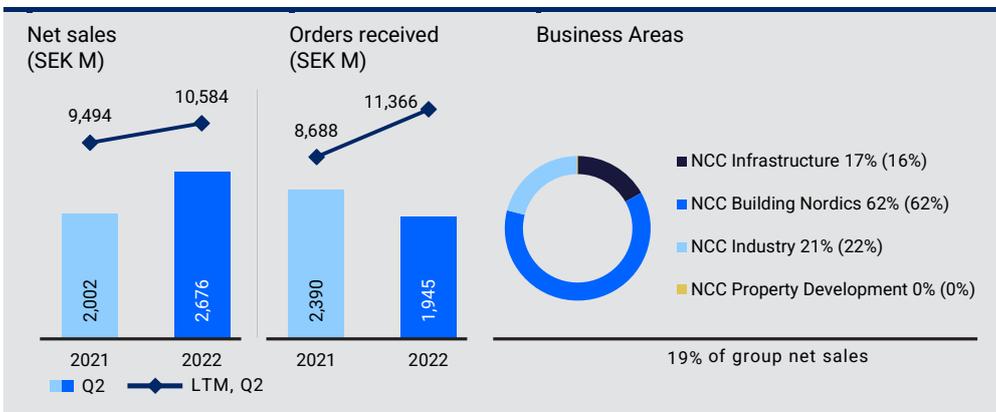
Geographical areas

Sweden



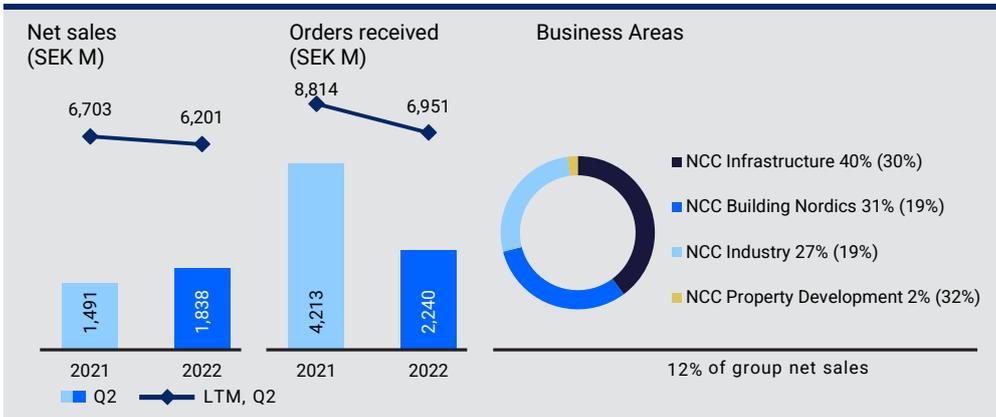
- Building Sweden has registered an order amounting to SEK 250 M for the planning of the new hospital in Västerås. The region has a total budget of approximately SEK 6.8 bn.
- Building Sweden has also received an order for residential units in Oxelösund, Sundsvall, and other locations.
- Property Development has started and sold Arendal Albatross, a logistics project in Gothenburg, and started the office project Habitat 7.
- Industry has signed the first partnering agreement within asphalt, in Kristianstad.

Denmark



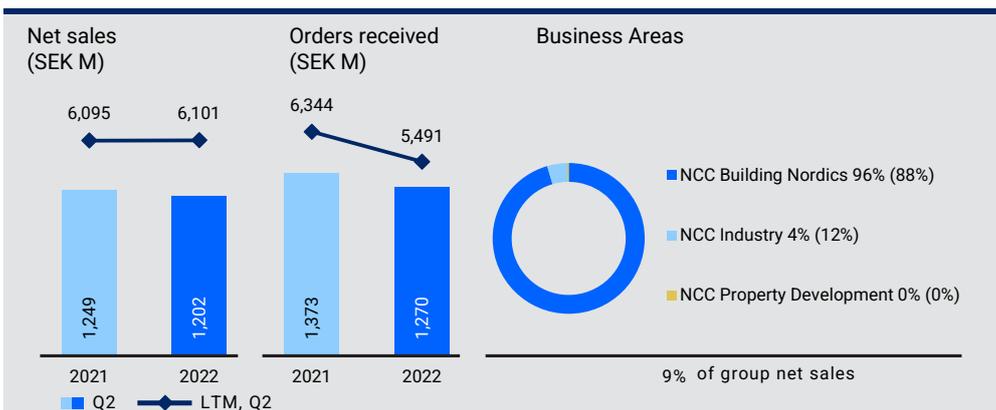
- Property Development has signed agreements on the sale of Kontorværket 1 to Industriens Pension. It will be the company Genmab's new head office.
- Infrastructure has signed agreements on the construction of Langelinie, a quay in central Copenhagen
- In Hillerød outside Copenhagen, Building Nordics has begun working on the facade for the new hospital, Nyt Hospital Nordsjaelland.

Norway



- Building Nordics is to build 200 student residences outside Oslo
- Industry has signed a contract for 200,000 tonnes of asphalt outside Trondheim, one of the largest contracts in Norway where environmental factors played a key role
- Together with the industry, NCC has signed onto an action program for reducing the industry's climate impact

Finland



- Property Development signed a lease for the entire Kulma21 property in Helsinki.
- Building Nordics will build several schools - a school in St Michel's for 850 students, a pre-school and a school in northern Helsinki.

Other

Significant risks and uncertainties

A description of the risks to which NCC may be exposed is provided in the 2021 Annual Report (pages 23–25). This assessment still applies.

In February 2022 Russia invaded Ukraine, which has had a number of consequences for the global economy. NCC has no operations in Ukraine, Russia or Belarus, nor does it have any major direct suppliers in these countries. However, there are dependencies in the supply chain that are still difficult to assess and could lead to shortages or delays.

The conflict has also strengthened an already ongoing trend of cost increases for key input materials, not least fuel, which could have an impact on NCC and NCC's customers. A declining economy and falling GDP also represent a risk for NCC in the longer term. Higher interest rate could also have an impact on factors such as the conditions for selling properties.

In Sweden, there is still uncertainty regarding the long-term supply of cement because the primary supplier has no long-term permit for continued operation. NCC has close cooperation with suppliers of cement and concrete to secure supplies as far as possible. However, there is a risk of serious disruption if cement production at Slite on Gotland were to cease or be substantially reduced, temporarily or for an extended period.

The coronavirus pandemic brought restrictions in all countries of operation at the beginning of the year, and it cannot be ruled out that continued effects of the pandemic could impact NCC's production or cause disruption to the supply chain.

Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. Related-company sales during the second quarter amounted to SEK 13 M (9) and purchases to SEK 4 M (1). In the first half-year, sales amounted to SEK 23 M (14) and purchases to SEK 6 M (2).

Seasonal effects

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

Amounts and dates

Unless otherwise indicated, amounts are stated in SEK millions (SEK M). All comparative figures in this report pertain to the year-earlier period. Rounding-off differences may arise in all tables.

Treasury shares and repurchase program

On April 27, the Board of Directors took a decision on a program for the repurchase of own Series B shares as part of the authorization issued by the Annual General Meeting. The program covers repurchases during the period up to the 2023 AGM for a maximum of SEK 1.5 bn. The repurchase program commenced on May 11.

As of June 30, NCC AB holds a total of 3,341,819 repurchased Series B shares, of which 765,842 are to cover commitments according to the long-term incentive plan. The remaining 2,575,977 – corresponding to approximately SEK 300 M – were acquired under the repurchase program.

Adjusted dividend policy

On April 27, the Board of Directors adopted an adjusted dividend policy, which states that approximately 60 percent of the company's after-tax profit is to be distributed to shareholders (previously not less than 40 percent). The dividend level can be adjusted with regard to the company's strategy, financial position, risk level and other financial objectives.

Changes to the Senior Management Team

On May 10, it was announced that Grete Aspelund will become new head of the Industry business area. She will take office on October 1, 2022. Ylva Lagesson will remain as head of the business area until October 1 and will subsequently transition to a role as Division Manager for the Asphalt division in the Industry business area.

Events after the close of the quarter

Sale of "No dig"

NCC has signed an agreement covering the sale of its trenchless pipe replacement operations to No Dig Alliance. The transaction is expected to be concluded during the third quarter of 2022 and will then have a small positive impact on earnings in 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 19, 2022

Alf Göransson
Chairman of the Board

Geir Magne Aarstad
Board member

Simon de Château
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	Note	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net sales		14,001	12,745	24,113	22,885	54,642	53,414
Production costs	2, 3	-12,754	-11,568	-22,289	-21,135	-50,048	-48,894
Gross profit		1,247	1,177	1,824	1,750	4,594	4,520
Selling and administrative expenses	2, 3	-795	-733	-1,547	-1,459	-2,896	-2,808
Other operating income/expenses	3	22	44	27	53	88	114
Operating profit/loss		474	487	304	344	1,786	1,825
Financial income		2		17	15	23	20
Financial expense ¹		-12	-11	-32	-35	-78	-80
Net financial items		-10	-11	-15	-20	-55	-60
Profit/loss after financial items		464	476	289	324	1,730	1,765
Tax		-81	-88	-53	-59	-251	-257
Net profit/ loss		383	388	236	265	1,479	1,508
Attributable to:							
NCC's shareholders		383	388	236	265	1,479	1,508
Net profit/loss for the period		383	388	236	265	1,479	1,508
Earnings per share							
Net profit/loss for the period, before and after dilution, SEK		3.59	3.61	2.20	2.46	13.78	14.02
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		106.7	107.6	107.1	107.6	107.3	107.6
Number of shares outstanding at the end of the period		105.1	107.6	105.1	107.6	105.1	107.6

1) Whereof interest expenses for the quarter SEK 7 M (9) and for the period SEK 16 M (28).

Consolidated statement of comprehensive income

SEK M	Note	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net profit/loss for the period		383	388	236	265	1,479	1,508
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		64	-29	107	39	167	99
Cash flow hedges		104	14	106	44	135	74
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-22	-3	-22	-9	-28	-15
		146	-18	191	74	274	157
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		1,280	424	1,227	668	1,502	942
Income tax relating to items that can not be recycled to net profit/loss for the period		-264	-87	-253	-138	-309	-194
		1,017	336	975	530	1,192	748
Other comprehensive income		1,163	318	1,166	604	1,466	905
Total comprehensive income		1,546	706	1,402	869	2,946	2,413
Attributable to:							
NCC's shareholders		1,546	706	1,402	869	2,946	2,413
Total comprehensive income		1,546	706	1,402	869	2,946	2,413

Condensed consolidated balance sheet

SEK M	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
	1			
ASSETS				
Goodwill		1,895	1,825	1,852
Other intangible assets		330	325	335
Right-of-use assets	4	1,501	1,804	1,600
Owner-occupied properties		859	863	790
Machinery and equipment		2,388	2,404	2,296
Long-term interest-bearing receivables		197	121	128
Other financial fixed assets		676	691	713
Total fixed assets		7,846	8,033	7,714
Properties held for future development		905	1,169	1,005
Ongoing property projects		6,402	5,668	5,370
Completed property projects			565	
Participations in associated companies		491	328	431
Materials and inventories		1,148	1,146	1,059
Accounts receivable		8,750	8,044	7,748
Worked-up, non-invoiced revenues		2,378	1,832	1,367
Current interest-bearing receivables		103	97	103
Other current receivables	4	1,723	1,733	1,577
Short-term investments		367	102	487
Cash and cash equivalents		813	1,438	2,561
Total current assets		23,081	22,122	21,707
Total assets		30,928	30,155	29,421
EQUITY				
Shareholders' equity		6,327	4,296	5,844
Total shareholders' equity		6,327	4,296	5,844
LIABILITIES				
Long-term interest-bearing liabilities		2,444	3,686	2,038
Provisions for pensions and similar obligations		814	2,217	1,997
Other long-term liabilities		763	425	511
Other provisions		2,500	2,498	2,608
Total long-term liabilities		6,521	8,826	7,154
Current interest-bearing liabilities		2,606	733	2,176
Accounts payable		5,334	4,342	4,567
Invoiced revenues not worked-up		5,874	5,847	4,830
Other current liabilities		4,265	6,111	4,849
Total current liabilities		18,080	17,034	16,422
Total liabilities		24,601	25,859	23,577
Total shareholders' equity and liabilities		30,928	30,155	29,421

Condensed consolidated changes in shareholders' equity

SEK M	30 Jun 2022		30 Jun 2021	
	Shareholders' equity	Total shareholders' equity	Shareholders' equity	Total shareholders' equity
Opening balance	5,844	5,844	3,972	3,972
Total comprehensive income	1,402	1,402	869	869
Dividend	-646	-646	-538	-538
Acquisition/sale of treasury shares	-283	-283	-13	-13
Performance based incentive program	11	11	5	5
Closing balance	6,327	6,327	4,296	4,296

Condensed consolidated cash flow statement

SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
OPERATING ACTIVITIES						
Operating profit/loss	474	487	304	344	1,786	1,825
Adjustments for items not included in cash flow	186	295	472	543	1,183	1,253
Interest paid and received	-3	-1	-9	-9	-9	-9
Taxes paid	-58	-80	-172	-154	-258	-241
Cash flow from operating activities before changes in working capital	598	701	596	724	2,701	2,829
Divestment of property projects			233	1,000	2,899	3,666
Gross investments in property projects	-672	-812	-1,217	-1,779	-2,905	-3,467
Cash flow from property projects	-672	-812	-984	-779	-6	198
Other changes in working capital	-1,345	-469	-1,409	226	-2,403	-768
Cash flow from changes in working capital	-2,017	-1,281	-2,393	-553	-2,409	-570
Cash flow from operating activities	-1,419	-580	-1,797	171	292	2,260
INVESTING ACTIVITIES						
Acquisition/sale of subsidiaries and other holdings	96	43	96	50	284	237
Acquisition/sale of tangible fixed assets	-175	-129	-161	-300	-404	-543
Acquisition/sale of other fixed assets	-7	-105	-2	-97	37	-58
Cash flow from investing activities	-86	-192	-67	-348	-83	-363
Cash flow before financing	-1,505	-772	-1,865	-177	209	1,896
FINANCING ACTIVITIES						
Cash flow from financing activities	1,038	-401	114	-541	-837	-1,492
Cash flow during the period	-467	-1,173	-1,751	-718	-629	404
Cash and cash equivalents at beginning of period	1,279	2,613	2,561	2,155	1,438	2,155
Effects of exchange rate changes on cash and cash equivalents	2	1	2	1	3	2
Cash and cash equivalents at end of period	813	1,438	813	1,438	813	2,561
Short-term investments due later than three months	367	102	367	102	367	487
Total liquid assets at end of period	1,180	1,540	1,180	1,540	1,180	3,048

Condensed consolidated net debt

Net debt, SEK M	Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2021/2022	2021
Net cash +/Net debt - opening balance	-2,932	-4,823	-4,878	-4,823
- Cash flow from operating activities	-1,797	171	292	2,260
- Cash flow from investing activities	-67	-348	-83	-363
Cash flow before financing	-1,865	-177	209	1,896
Change in provisions for pension	1,183	616	1,402	835
Change in leasing debt	-168	-211	-246	-290
Paid dividend	-323	-269	-592	-538
Acquisition/sale of treasury shares	-283	-13	-283	-13
Currency exchange differences in cash and cash equivalents	2	1	4	2
Net cash + /Net debt - closing balance	-4,383	-4,878	-4,383	-2,932
- Whereof provisions for pensions	-814	-2,217	-814	-1,997
- Whereof leasing debt	-1,585	-1,907	-1,585	-1,700
- Whereof other net cash/net debt	-1,984	-755	-1,984	766

Parent Company condensed income statement

SEK M	Note 1	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net sales		11	9	21	19	129	127
Selling and administrative expenses		-75	-50	-131	-102	-143	-114
Operating profit		-64	-41	-109	-82	-14	13
Result from participations in Group companies		1,081	1,027	1,081	1,027	1,102	1,048
Result from other financial fixed assets				13	12	13	12
Result from financial current assets					1		1
Interest expense and similar items		-2	-5	-5	-12	-15	-22
Result after financial items		1,015	980	979	946	1,086	1,052
Appropriations						452	452
Tax on net profit/loss for the period		16	12	24	19	-86	-90
Net profit/loss for the period		1,031	992	1,003	965	1,452	1,415

Net sales pertain to charges to Group companies. The average number of employees was 57 (50).

Parent Company condensed balance sheet

SEK M	Note 1	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS				
Financial fixed assets		4,585	4,614	4,552
Total fixed assets		4,585	4,614	4,553
Current receivables		215	108	824
Treasury balances in NCC Treasury AB		743	975	721
Total current assets		958	1,084	1,545
Total assets		5,543	5,698	6,097
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		5,037	4,497	4,951
Provisions		6	6	6
Long-term liabilities		4	646	6
Current liabilities		496	550	1,135
Total shareholders' equity and liabilities		5,543	5,698	6,097

Total approved dividends amounted to SEK 646 M, of which SEK 323 M was paid in April and SEK 323 M will be paid in November.

Notes

Note 1. Accounting policies

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union (EU).

A small number of changes to existing standards and interpretations came into effect for the fiscal year commencing January 1, 2022. In conjunction with these changes, NCC conducted a review in relation to the clarification of IAS 37, which came into effect on January 1, 2022. The change clarifies which information is to be included in the assessment of whether a contract will be loss-making. The review shows that this clarification has no material impact on the Group's financial statements. Other changes to standards and interpretations that came into force on January 1, 2022, had no material impact on this financial report either.

Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act 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 policies and methods of calculation as the 2021 Annual Report (Note 1 and in connection with the subsequent notes) 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		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Other intangible assets	-12	-11	-24	-23	-47	-46
Owner-occupied properties ¹	-70	-79	-141	-157	-307	-323
Machinery and equipment ²	-221	-239	-440	-476	-903	-939
Total depreciation	-303	-329	-605	-655	-1,257	-1,307

1) Whereof depreciation of right-of-use assets for the quarter SEK 58 M (66) and for the period SEK 118 M (132).

2) Whereof depreciation of right-of-use assets for the quarter SEK 84 M (102) and for the period SEK 166 M (204).

Note 3. Impairment losses

SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Properties held for future development		-2		-2	-8	-10
Owner-occupied properties					-19	-19
Machinery and equipment		4		4		4
Total impairment losses	0	2	0	2	-27	-25

Note 4. Right-of-use assets

SEK M	30 Jun 2022	30 Jun 2021	31 Dec 2021
Owner-occupied properties	876	982	901
Machinery and equipment	625	822	699
Land leases ¹	2	13	2
Total right-of-use assets	1,504	1,817	1,602

1) Land leases are classified as current assets.

Note 5. Segment reporting

Q2 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	4,234	3,439	3,094	3,108	58	13,934	68	14,001
Net sales, internal	125	340	252	172		888	-888	0
Net sales, total	4,359	3,778	3,346	3,280	58	14,821	-820	14,001
Operating profit	124	117	92	240	1	575	-101	474
Net financial items								-10
Profit/loss after financial items								464

Q2 2021	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry ¹	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	3,928	3,328	2,333	2,945	39	12,573	172	12,745
Net sales, internal	189	369	347	162	1	1,068	-1,068	0
Net sales, total	4,118	3,697	2,680	3,107	40	13,641	-896	12,745
Operating profit	115	129	88	243	-25	550	-63	487
Net financial items								-11
Profit/loss after financial items								476

January - June 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ³	Group
Net sales, external	7,609	6,226	5,699	4,035	388	23,958	155	24,113
Net sales, internal	250	652	502	221		1,625	-1,625	0
Net sales, total	7,860	6,877	6,201	4,257	388	25,582	-1,470	24,113
Operating profit	166	210	148	-65	31	489	-185	304
Net financial items								-15
Profit/loss after financial items								289

January - June 2021	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry ¹	NCC Property Development	Total segments	Other and eliminations ³	Group
Net sales, external	7,223	6,042	4,402	3,696	1,173	22,536	348	22,885
Net sales, internal	381	733	698	233	2	2,047	-2,047	0
Net sales, total	7,604	6,775	5,100	3,929	1,175	24,583	-1,699	22,885
Operating profit	154	219	127	-55	22	468	-124	344
Net financial items								-20
Profit/loss after financial items								324

- 1) The figures in segment Industry include Asphalt Finland in quarter and period, during 2021. For details regarding Asphalt Finland please refer to section about business area Industry, page 10.
- 2) The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -71 M (-10). Further, the figures includes eliminations of internal profits of SEK -16 M (-33) and other Group adjustments of SEK -14 M (-20). These items primarily correspond to pensions and leases.
- 3) The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -132 M (-54). Further, the figures includes eliminations of internal profits amounting of SEK -29 M (-31) and other Group adjustments of SEK -25 M (-38). These items primarily correspond to pensions and leases.

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, currency options, interest-rate swaps, oil forward contracts and electricity

forward contracts used for hedging purposes. The measurement at fair value of currency forward contracts, currency options, 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	30 Jun 2022				30 Jun 2021				31 Dec 2021			
	Level				Level				Level			
	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	352			352	10			10	401			401
Derivative instruments		19		19		10		10		8		8
Derivative instruments used in hedge accounting		166		166		30		30		59		59
Financial assets measured at fair value through other comprehensive income												
Equity instruments			68	68			68	68			68	68
Total assets	352	185	68	605	10	40	68	118	401	67	68	536
Financial liabilities measured at fair value through profit and loss												
Derivative instruments		11		11		1		1		39		39
Derivative instruments used in hedge accounting		10		10		7		7		5		5
Total liabilities	0	21	0	21	0	8	0	8	0	44	0	44

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	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	197	190	121	121	128	128
Short-term investments - amortized cost	15	15	92	92	86	86
Long-term interest-bearing liabilities	2,444	2,412	3,686	3,685	2,038	2,038
Current interest-bearing liabilities	2,606	2,604	733	733	2,176	2,176

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	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets pledged	424	484	453
Contingent liabilities and guarantee obligations ¹	232	270	253
Parent company			
Contingent liabilities and guarantee obligations ¹	28,903	21,968	22,561

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

	Q2		R12 Jul-Jun	Jan-Dec			
	2022	2021	2021/2022	2021	2020	2019	2018
Profitability ratios							
Return on shareholders equity, % ¹	27	30	27	32	37	32	-18
Return on capital employed, % ¹	15	12	15	16	12	13	-9
Financial ratios at period-end							
EBITDA % including effects of dividends	5.6	6.4	5.6	5.9	5.2	4.7	0.8
Interest-coverage ratio, times ¹	23.2	16.2	23.2	23.0	12.7	9.1	-6.0
Equity/asset ratio, %	20	14	20	20	14	10	11
Interest bearing liabilities/total assets, %	19	22	19	21	26	25	17
Net cash +/- net debt -, SEK M	-4,383	-4,878	-4,383	-2,932	-4,823	-4,489	-3,045
Debt/equity ratio, times	0.7	1.1	0.7	0.5	1.2	1.5	1.0
Capital employed at period end, SEK M	12,191	10,932	12,191	12,055	11,375	10,382	7,619
Capital employed, average	11,575	11,209	11,575	11,430	10,983	9,936	8,780
Capital turnover rate, times ¹	4.7	4.5	4.7	4.7	4.9	5.9	6.5
Closing interest rate, % ³	2.0	1.1	2.0	1.1	1.1	1.1	1.3
Average period of fixed interest, years ³	0.6	0.8	0.6	0.5	1.0	1.2	0.5
Per share data							
Profit/loss after tax, before and after dilution, SEK	3.59	3.61	13.78	14.02	11.68	8.09	-7.00
Cash flow from operating activities, before and after dilution, SEK	-13.29	-5.39	2.74	21.00	14.56	20.50	-3.47
Cash flow before financing, before and after dilution, SEK	-14.10	-7.17	1.97	17.62	10.26	14.01	-10.71
P/E ratio ¹	7	13	7	12	13	19	-20
Dividend, ordinary, SEK			6.00	6.00	5.00	2.50	4.00
Dividend yield, %			5.8	3.6	3.3	1.6	2.9
Shareholders' equity before and after dilution, SEK	60.20	39.93	60.20	54.32	36.89	28.21	27.13
Share price/shareholders' equity, %	171	366	171	309	407	543	508
Share price at period-end, NCC B, SEK	102.90	146.10	102.90	167.70	150.00	153.20	137.80
Number of shares, millions							
Total number of issued shares ²	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	3.3	0.8	3.3	0.8	0.8	0.5	0.4
Total number of shares outstanding at period-end before and after dilution	105.1	107.6	105.1	107.6	107.7	107.9	108.0
Average number of shares outstanding before and after dilution during the period	106.7	107.6	107.3	107.6	107.8	108.0	108.1
Market capitalization before and after dilution, SEK M	11,176	15,744	11,176	18,035	16,144	16,548	14,896
Personnel							
Average number of employees	12,551	13,264	12,551	13,002	14,388	15,273	16,523

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

2) All shares issued by NCC are common shares.

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

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

Invitation to presentation of the Interim Report for the period January–June 2022

NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the half-year report in an audiocast and teleconference on July 19 at 9:00 a.m. (CEST). The presentation will be held in English.

Presentation material will be available at www.ncc.com/ir from approximately 8:00 a.m. (CEST).

Link to audiocast:

<https://ncc-live-external.creo.se/220719>

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

SE: +46 8 505 100 31

UK: +44 207 107 06 13

US: +1 631 570 56 13

Financial calendar

Interim report Q3 and Jan-Sep 2022 November 1, 2022

Year-end report Q4, and full year 2022 January 31, 2023

Interim report Q1 2023 April 26, 2023

Interim report Q2 and Jan-June 2023 July 18, 2023

This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was issued for publication through the agency of the contact persons set out below on July 19, 2022, at 7:10 a.m. CEST.

For further information, please contact:

Susanne Lithander tel. +46 730 37 08 74
Chief Financial Officer (CFO)

Maria Grimberg tel. +46 708 96 12 88
Head of Communication & Investor Relations

NCC AB Interim Report Q2, January-June 2022

Visitor address Herrjärva torg 4
170 80 Solna

Postal address NCC AB, SE-170 80 Solna, Sweden

Telephone +46 8 585 510 00

Website ncc.com

E-mail info@ncc.se

