



Strong operating profit

“A solid quarter for NCC where Infrastructure and Industry, in particular, delivered a good result.”

Tomas Carlsson, President and CEO of NCC

- Strong operating profit from business operations and a gain of SEK 175 M on the divestment of a subsidiary
- Infrastructure posted strong operating profit and stable sales
- The Building business areas posted stable sales and orders received but operating profit was impacted by ongoing projects with lower margins
- Industry delivered sharply improved operating profit year-on-year
- Orders received were slightly lower seasonally in the third quarter, and somewhat lower than the previous year due to fewer large projects
- No property development project was recognized in profit during the quarter
- Good cash flow from the contracting operations

Third quarter 2023

- Orders received amounted to SEK 9,681 M (11,607)
- Net sales totaled SEK 14,022 M (14,068)
- Operating profit amounted to SEK 789 M (510)
- Profit after financial items totaled SEK 771 M (490)
- Profit after tax was SEK 621 M (425)
- Earnings per share after dilution amounted to SEK 6.36 (4.13)

January-September 2023 period

- Orders received amounted to SEK 40,660 M (41,005)
- Net sales totaled SEK 41,341 M (38,180)
- Operating profit amounted to SEK 1,444 M (814)
- Profit after financial items totaled SEK 1,449 M (779)
- Profit after tax was SEK 1,181 M (661)
- Earnings per share after dilution amounted to SEK 12.09 (6.26)

Group, SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Orders received	9,681	11,607	40,660	41,005	52,940	53,285
Order backlog	54,594	59,047	54,594	59,047	54,594	54,995
Net sales	14,022	14,068	41,341	38,180	57,359	54,198
Operating profit/loss	789	510	1,444	814	1,988	1,358
Operating margin, %	5.6	3.6	3.5	2.1	3.5	2.5
Profit/loss after financial items	771	490	1,449	779	1,969	1,299
Net profit/loss for the period	621	425	1,181	661	1,588	1,069
Profit/loss per share after dilution, SEK	6.36	4.13	12.09	6.26	16.21	10.29
Cash flow from operating activities	563	714	-255	-1,084	1,094	265
Cash flow before financing	764	692	-491	-1,172	546	-136
Net cash +/- Net debt -	-3,710	-3,619	-3,710	-3,619	-3,710	-3,000

For definitions of key figures, see ncc.com/investor-relations/ncc-share/financial-definitions/

CEO Tomas Carlsson comments

NCC had a good quarter. I am particularly pleased with the continued earnings improvement for Infrastructure and that Industry has now resumed a more normal level of earnings after struggling with high energy costs last year that they could not offset by raising prices.

The market situation for large parts of the construction operations remains favorable, even though residential units and commercial properties are weak segments and that regional variations are noticeable. When needed, we adjust our costs regionally. The market for property transactions is still essentially locked.

During the quarter, the gain on the sale of the Bergnäset subsidiary generated a positive earnings impact for the Infrastructure business area, which is good. The most important thing, however, is that even without this non-recurring effect, Infrastructure has continued to improve its earnings quarter by quarter for 20 consecutive quarters now. The improvement is largely due to the ability to choose the right projects where the business area is best equipped to deliver. There are still some large projects with lower margins, but the order backlog is improving all the time and we have many projects in an early phase.

While orders received and sales are stable for Building Sweden, operating profit is still affected by the fact that some residential housing projects with lower margins are still in progress. This business area has a strong profile in the Public Buildings segment, which is a strength since demand for residential units and offices is weak due to the economic situation. The market is favorable, but there are signs that municipalities and regions are also reviewing their financial capacity to run projects at the same pace as planned.

Orders received are still high for Building Nordics, primarily in Denmark, which is also the business area's most profitable division. In Finland, we have adapted our operations to the weaker market we are seeing, but the



regional variations are also significant there. Orders received were favorable in northern Finland, for example. Choosing the right projects is essential for good profitability.

The Industry business area has resumed more normal levels after last year's difficulties. Conscious efforts to build a stronger structure and add expertise have yielded good results and this is reflected in profitability. Volumes for the stone materials operations were impacted by lower activity in the general construction market but higher costs could be offset by price adjustments.

We did not start any project in Property Development during the quarter. The property market is tightly locked at present and NCC will maintain its more cautious approach until the market becomes more accessible and the outlook improves. At the same time, we are looking into many opportunities to start projects when the conditions are right.

Tomas Carlsson, President and CEO
Solna, October 31, 2023

Group performance

Market

In the main, NCC is impacted by the general economic situation and the GDP trend. Cost increases, rising interest rates and uncertainty about future economic development have a dampening effect on the market. Over the long term, higher prices could lead to lower demand, especially in certain segments. Rising interest rates also affect interest in investing in new properties. The market for residential units and offices is impacted most tangibly by the economic situation.

At the same time, the long-term market conditions for contracting operations, property development and industrial operations in the Nordic region remain positive. There are plans for large industrial investments in parts of Sweden. There is an underlying demand for public buildings, such as schools, prisons, hospitals and retirement homes. However, the economic situation in municipalities and regions could reduce or delay demand in some cases.

Urban expansion and the emergence of new growth regions are 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. There is also underlying demand for residential units, although this is being impacted by the economic situation.

The countries in which NCC has infrastructure operations have ambitious plans and investment initiatives in renewal, refurbishment and maintenance of national and regional infrastructure. Demand for asphalt and stone materials is driven by investments in infrastructure and maintenance, as well as general construction and, to some extent, the economic situation of public customers.

Net sales and earnings

Net sales totaled SEK 14,022 M (14,068) in the third quarter, and SEK 41,341 M (38,180) in the January-September period. All business areas reported higher net sales year-on-year for the January-September period. Exchange rate effects had an impact of SEK 894 M (687) on net sales.

Operating profit amounted to SEK 789 M (510) in the third quarter, and SEK 1,444 M (814) for the January-September period. The improved operating profit during the quarter was mainly attributable to significantly higher operating profit in the Industry and Building Sweden business areas year-on-year. In the comparative quarter, operating profit in Building Sweden was impacted by impairment losses totaling SEK 120 M related to a small number of projects. Operating profit for Industry in the preceding year was impacted by high energy costs that could not be passed on to customers in prices.

In the Infrastructure business area, divestment of the Bergnäset subsidiary generated a positive impact of SEK 175 M on operating profit for the quarter, but operating profit also increased for other operations in the business area. Operating profit was slightly lower in Building Nordics, attributable to Norway and Finland. Property Development did not recognize any projects in profit during the quarter. The higher operating profit for the January-September period was mainly driven by higher operating profit in the Industry business area and divestment of the Bergnäset subsidiary.

The operating margin was higher year-on-year for both the quarter and the January-September period. On a rolling twelve-month basis, NCC had an operating margin of 3.5 percent.

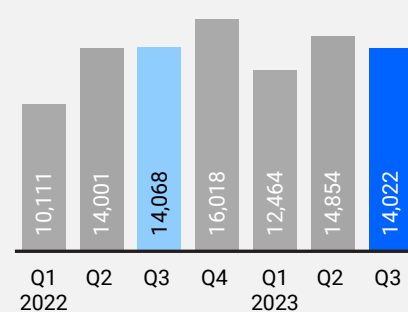
Orders received, Jan-Sep, SEK M

40,660

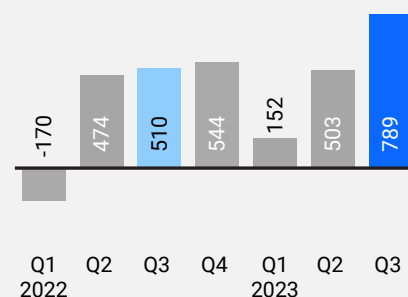
Net sales, Jan-Sep, SEK M

41,341

Net sales, SEK M



Operating profit, SEK M



Net financial items amounted to SEK -18 M (-20) for the quarter. Higher capitalization of interest for Property Development had a positive impact. Higher corporate debt and higher interest expenses had a negative impact.

Net financial items amounted to SEK 5 M (-35) for the January-September period. Higher capitalization of interest for Property Development and lower pension debt had a positive impact. Higher corporate debt and higher interest expenses had a negative impact.

Effective tax

The effective tax rate for the Group was 18.5 percent (15.1) for the period.

Cash flow

Cash flow before financing amounted to SEK 764 M (692) for the quarter and to SEK -491 M (-1,172) for the January-September period. The improvement for the period was due to higher operating profit, the divestment of Bergnäset and a positive change in working capital. Cash flow from the contracting operations is substantially higher than in the same period in the previous year.

Cash flow from property projects was considerably lower for the quarter than during the year-earlier quarter when the Fredriksberg D project was recognized in profit. Investments in ongoing property projects were continuously higher year-on-year during the January-September period compared to last year.

During the quarter, cash flow from investing activities was higher year-on-year, mainly due to divestment of the Bergnäset subsidiary. During the January-September period, mainly Industry increased investments compared with the preceding year.

At the end of the period, cash and cash equivalents totaled SEK 1,125 M (1,184).

At September 30, the Group's net debt amounted to SEK -3,710 M (-3,619).

At the end of the quarter, corporate net debt, meaning net debt excluding pension debt and lease liabilities, amounted to SEK -2,787 M (-1,867). The increase in corporate net debt was due to higher investments in ongoing property projects while no projects were sold and recognized in profit during the quarter.

At September 30, the Group's total assets amounted to SEK 33,922 M (30,695). It was primarily completed projects in Property Development that increased, at the same time as current interest-bearing liabilities increased.

The average maturity of interest-bearing liabilities, excluding pension debt and lease liability, was 18 months (26) at the end of the quarter. At September 30, NCC's unutilized committed lines of credit totaled SEK 4.9 billion (3.3), with an average remaining maturity of 21 months (25).

Capital employed

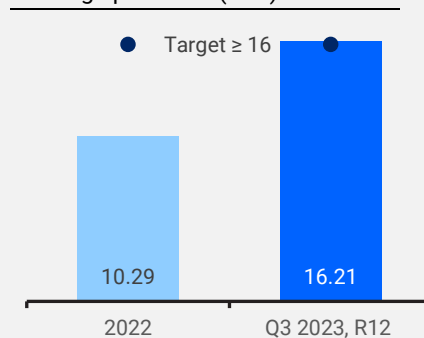
At September 30, capital employed amounted to SEK 13,786 M (11,902). The increase was mainly due to higher investments in property projects. The return on capital employed was 16 percent (12).

Return on equity was 22 percent (20).

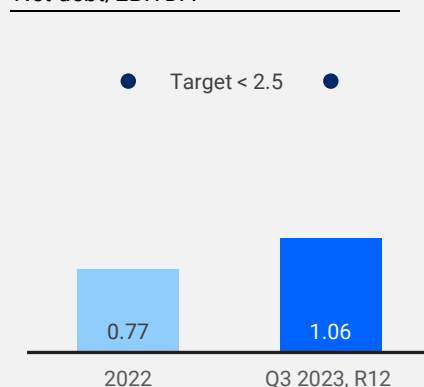
Financial targets and dividend policy

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

Earnings per share (SEK)



Net debt/EBITDA



This refers to corporate net debt, that is, net debt excluding pension debt and lease liability. EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses according to Note 2, excluding depreciation/amortization of right-of-use assets.

Earnings per share on a rolling 12-month basis amounted to SEK 16.21. Corporate net debt amounted to 1.06 times EBITDA.

NCC's dividend policy states that approximately 60 percent of the profit for the year is to be distributed to shareholders. On March 31, the Annual General Meeting of NCC adopted the proposal by the Board of Directors for a dividend of SEK 6 per share for fiscal year 2022, divided between two payment occasions. This corresponds to 55 percent of after-tax profit for 2022. The record date for the first payment of SEK 3 per share was April 4, 2023. The record date for the second payment of SEK 3 per share is November 6, 2023.

Health and safety targets

Health and safety is a high priority area in NCC and a prioritized area in the Group's sustainability framework. All levels of the Group are focused on reducing the total number of accidents as well as completely avoiding accidents and incidents that lead to or could lead to serious injury or fatalities.

NCC has set a Group-wide target for the accident frequency rate for accidents that lead to more than four days of absence per million worked hours (LTIF4) for the Group's own employees. The target is to achieve 2.0 in 2026 with annual interim targets. On a rolling 12-month basis, the outcome for the third quarter was 3.9, which is lower than for full-year 2022.

The annual Awareness Day was held in September, where all projects stop working to focus on safety. This year's theme was safety culture.

Climate and energy targets

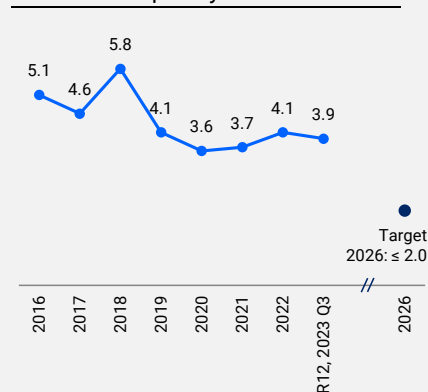
NCC reports on developments in climate and energy at six-monthly intervals, in the interim reports for the first and third quarters.

In the first half of 2023, emission intensity for Scopes 1 and 2, which are emissions from own operations, decreased to 2.2 CO₂e (tons)/SEK M, down 58 percent since the base year of 2015. The target is a reduction of at least 60 percent by 2030.

In 2023, emissions in Scope 3, or the value chain, are reported for some categories that account for a major share of the emissions. Prioritized categories are concrete, steel, asphalt and transportation, but there is still no data for everything that is included in these categories. The target is to reduce emissions in the value chain by 50 percent by 2030.

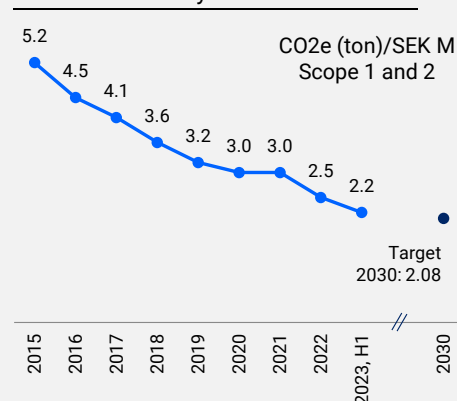
Scope 3	Base year (2015)	2022	R12 at June 30	Reduction since 2015
Ready-mix concrete (kg CO ₂ e/m ³)	350	293	280	20%
Steel reinforcement (kg CO ₂ e/ton)	1,000	624	567	43%
Asphalt (kg CO ₂ e/ton)	35	25	25	29%
Transportation	Work to develop a metric is in progress			

Accident frequency*



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

Emission intensity



The figures for the base year were recalculated due to the divestment of Asphalt Finland, in accordance with the Greenhouse Gas Protocol Corporate Standard. Earlier, the following values were reported:

2015	2016	2017	2018	2019	2020	2021
5.9	5.0	4.8	4.0	3.7	3.4	3.5

Order status

Orders received and order backlog

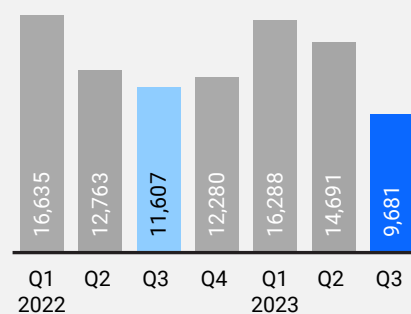
Orders received in the third quarter amounted to SEK 9,681 M (11,607), which is just over 17 percent lower than the year-earlier quarter when more large projects were registered, for example, in Infrastructure. Orders received during the quarter were therefore lower in Infrastructure than in the comparative period. In other business areas, there were minor changes compared with the year-earlier quarter. Building Sweden and Building Nordics increased marginally, while Industry declined slightly.

Orders received for the January-September period amounted to SEK 40,660 M (41,005). Orders received declined in Building Sweden and Infrastructure, but increased in Building Nordics. The lower orders received in Infrastructure was due to fewer major projects being registered among orders during the January-September period. The higher orders received in Building Nordics was driven by the Danish and Norwegian operations.

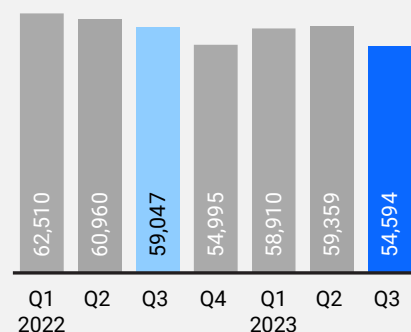
Changes in exchange rates impacted orders received by SEK 883 M (654).

The Group's order backlog amounted to SEK 54,594 M (59,047) at the end of the quarter. The order backlog declined in Infrastructure, Building Sweden and Industry but was marginally offset by a higher order backlog in Building Nordics.

Orders received, SEK M



Order backlog, SEK M



Examples of orders and contracts during the third quarter of 2023. A list of orders valued at more than SEK 150 M and announced via press releases during the quarter is available at ncc.com/ir.

- Building Sweden is to build a training hall for the Swedish Armed Forces at the LV6 Air Defence Regiment in Halmstad, Sweden. The order value is approximately SEK 660 M.
- Building Nordics is to construct a 12,400-square-meter office building in the city of Middelfart in Funen, Denmark. The order value is approximately SEK 630 M.
- In Rovaniemi in Finland, Building Nordics is to build a new school building, a new sports hall and upgrade the outdoor environment and the adjacent sports field. The order value is approximately SEK 400 M.
- Building Sweden is to construct 170 rental apartments in the third phase of the new Invernesshöjden residential block in Danderyd, north of Stockholm, Sweden. The order value is approximately SEK 300 M.
- In Sundborn, north of Falun in Dalarna, Building Sweden is to build the Sundborn School. The order value is approximately SEK 265 M.
- Building Nordics has been commissioned to refurbish 236 residential units in Frederiksværk on North Zealand in Denmark. The order value is approximately SEK 230 M.
- In Vrå, in northern Jylland in Denmark, Building Nordics has been commissioned to construct a swim center. The order value is approximately SEK 190 M.
- In Tampere in Finland, Building Nordics has signed a contract for the construction of 82 right-of-occupancy apartments. The order value is approximately SEK 160 M.
- Industry has signed 22 agreements with the Swedish Transport Administration for paving work across large parts of northern Sweden. In total, 360,000 tons of asphalt will be laid in the projects, which are located between Gävle and Kiruna, primarily in Norrbotten and Västerbotten

NCC Infrastructure

Orders received and order backlog

Orders received amounted to SEK 2,655 M (4,466) in the third quarter and to SEK 10,794 M (11,926) in the January-September period. The lower orders received was due to fewer large projects being registered among orders. Energy and Water Treatment accounted for nearly half of orders received, and increased most.

The order backlog was lower year-on-year and amounted to SEK 15,397 M (18,967), due to higher activity in ongoing projects and lower orders received.

Net sales and earnings

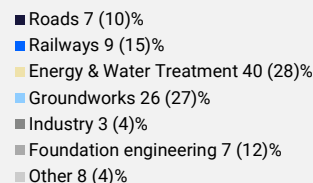
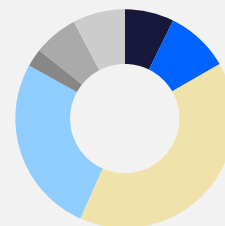
Net sales amounted to SEK 4,114 M (4,135) in the third quarter and to SEK 12,651 M (11,994) in the January-September period. Energy and Water Treatment and Groundworks accounted for half of total net sales.

As previously announced, the Bergnäset Ställningsmontage AB subsidiary was divested to the German company REMONDIS Maintenance & Services Sweden AB. The divestment was completed in the third quarter and generated a positive impact of SEK 175 M on earnings. Operating profit amounted to SEK 333 M (139) in the third quarter and to SEK 541 M (305) in the January-September period.

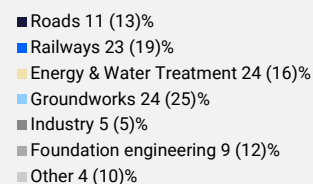
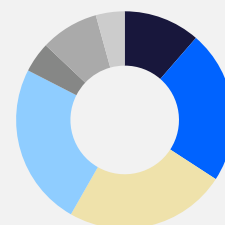
Adjusted for the positive contribution from the divestment of Bergnäset, operating profit amounted to SEK 158 M (139) in the third quarter and to SEK 366 M (305) in the January-September period. During the period, higher net sales and higher project margins in the order backlog also had a positive impact on operating profit.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Orders received	2,655	4,466	10,794	11,926	14,259	15,391
Order backlog	15,397	18,967	15,397	18,967	15,397	17,291
Net sales	4,114	4,135	12,651	11,994	17,913	17,256
Operating profit/loss	333	139	541	305	665	429
Operating profit/loss excl Bergnäset	158	-	366	-	490	-
Operating margin, %	8.1	3.4	4.3	2.5	3.7	2.5
Operating margin excl Bergnäset, %	3.8	-	2.9	-	2.7	-

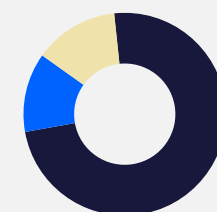
Orders received, Jan-Sep



Net sales, Jan-Sep



Net sales, Jan-Sep



Share of sales, Jan-Sep

29%

NCC Building Sweden

Orders received and order backlog

Orders received amounted to SEK 2,510 M (2,367) in the third quarter and to SEK 9,452 M (10,886) in the January-September period. The lower orders received for the January-September period was mainly attributable to the higher number of large projects among orders in the first quarter of 2022. Public Buildings accounted for the largest share of orders received in the January-September period, and increased most. Residential units declined due to the prevailing market situation. 90 percent of orders received for residential units comprised rental apartments.

The order backlog was lower than in the year-earlier period, but remained at a high level compared with net sales for one year, amounting to SEK 18,293 M (19,035) at the end of the quarter.

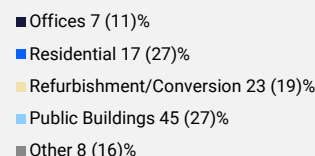
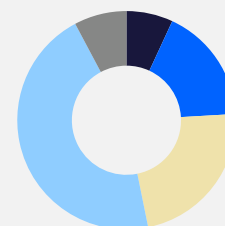
Net sales and earnings

Net sales amounted to SEK 2,970 M (3,028) in the third quarter and to SEK 10,203 M (9,905) in the January-September period. Residential units and Public Buildings accounted for the largest share of total net sales.

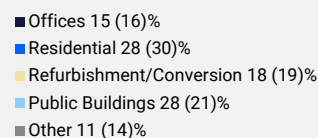
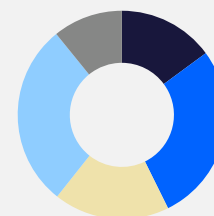
Operating profit amounted to SEK 59 M (-56) in the third quarter and to SEK 191 M (154) in the January-September period. Impairment losses in a small number of residential housing projects had a negative impact of approximately SEK 120 M on operating profit in the comparative period. Operating profit was adversely impacted by impairment losses in a small number of residential housing projects in 2022 on which work is still ongoing.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Orders received	2,510	2,367	9,452	10,886	13,276	14,711
Order backlog	18,293	19,035	18,293	19,035	18,293	18,587
Net sales	2,970	3,028	10,203	9,905	14,476	14,178
Operating profit/loss	59	-56	191	154	289	252
Operating margin, %	2.0	-1.8	1.9	1.6	2.0	1.8

Orders received, Jan-Sep



Net sales, Jan-Sep



Share of sales, Jan-Sep

24%

NCC Building Nordics

Orders received and order backlog

Orders received amounted to SEK 2,461 M (2,321) in the third quarter and to SEK 12,290 M (9,852) in the January-September period. The increase during the period was attributable to Norway and Denmark, where several large projects were registered among orders. In Finland, orders received declined. Due to the large projects in Norway and Denmark, Public Buildings accounted for the largest share of orders received. The increase in Other is due to the reclassification of some projects from Public Buildings. The proportion of residential units declined sharply year-on-year due to the prevailing market situation.

The order backlog was slightly higher year-on-year and amounted to SEK 18,747 M (18,485).

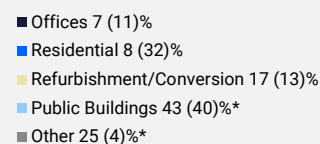
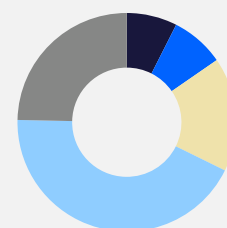
Net sales and earnings

Net sales amounted to SEK 3,576 M (3,226) in the third quarter and to SEK 10,835 M (9,427) in the January-September period. Net sales increased in all countries, but most in Denmark. Public Buildings and Refurbishment accounted for just over half of net sales.

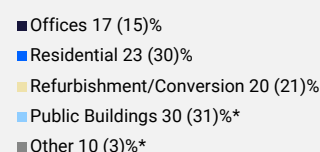
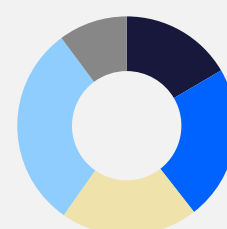
Operating profit amounted to SEK 93 M (104) for the quarter and to SEK 204 M (252) for the January-September period. Operating profit in the business area was adversely impacted by lower margins in the order backlog and higher costs in projects, particularly in Norway and Finland. Denmark reported strong operating profit. In Finland, changes were implemented in the organization to align the business with the market and to strengthen profitability.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Orders received	2,461	2,321	12,290	9,852	14,759	12,321
Order backlog	18,747	18,485	18,747	18,485	18,747	17,127
Net sales	3,576	3,226	10,835	9,427	14,975	13,568
Operating profit/loss	93	104	204	252	300	347
Operating margin, %	2.6	3.2	1.9	2.7	2.0	2.6

Orders received, Jan-Sep

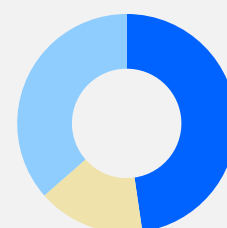


Net sales, Jan-Sep



*During the period, some projects were reclassified from Public Buildings to Other

Net sales, Jan-Sep



Share of sales, Jan-Sep

25%

NCC Industry

Orders received

Orders received amounted to SEK 2,218 M (2,333) for the third quarter and to SEK 8,614 M (8,864) for the January-September period. Orders received were lower for asphalt operations in both the quarter and the January-September period, while orders received in the stone materials operations were higher in both the quarter and the January-September period.

Net sales and earnings

Net sales increased year-on-year and amounted to SEK 3,862 M (3,637) in the third quarter and to SEK 8,391 M (7,894) for the January-September period. The higher net sales during the quarter and the January-September period were driven by price increases for customers in both the asphalt and stone materials operations. The level of asphalt volumes sold remained unchanged year-on-year in both the quarter and the January-September period, while the volume of stone materials sold was lower year-on-year.

Operating profit amounted to SEK 281 M (50) in the third quarter and to SEK 301 M (-15) in the January-September period. The higher profit was mainly due to higher earnings in the asphalt operations in Denmark and Norway. This was essentially due to higher prices and lower costs. Operating profit in the preceding year was adversely impacted primarily by higher energy costs that could not be offset by raising prices for customers.

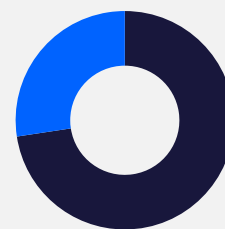
Operating capital employed

Operating capital employed increased seasonally compared with the end of 2022 and was slightly lower year-on-year.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2023	2023	2023	2022/2023	2022
Orders received	2,218	2,333	8,614	8,864	11,388	11,638
Net sales	3,862	3,637	8,391	7,894	11,765	11,268
Operating profit/loss	281	50	301	-15	324	8
Operating margin, %	7.3	1.4	3.6	-0.2	2.8	0.1
Operating capital employed ¹	4,820	5,101	4,820	5,101	4,820	4,411
Stone materials thousand tonnes, sold volume	6,647	7,132	19,480	21,449	26,473	28,443
Asphalt thousand tonnes, sold volume	1,716	1,737	3,435	3,468	4,769	4,803
Return on operating capital employed, % ¹	-	-	-	-	6.9	0.3

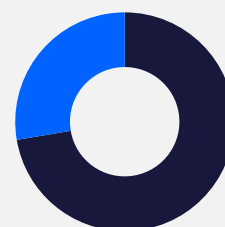
1) See definition at NCC:s website, ncc.com/investor-relations/ncc-share/financial-definitions/

Orders received, Jan-Sep



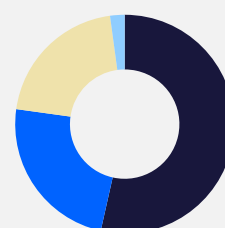
■ Asphalt and paving 73 (74)%
■ Stone materials 27 (26)%

Net sales, Jan-Sep



■ Asphalt and paving 72 (72)%
■ Stone materials 28 (28)%

Net sales, Jan-Sep



■ Sweden 53 (56)%
■ Denmark 24 (21)%
■ Norway 21 (20)%
■ Finland 2 (3)%

Share of sales, Jan-Sep

19%

NCC Property Development

Net sales and earnings

Net sales amounted to SEK 69 M (836) in the third quarter and to SEK 1,277 M (1,224) in the January-September period. Operating profit amounted to SEK -18 M (183) in the third quarter and to SEK 201 M (213) in the January-September period.

No projects were recognized in profit during the quarter, which affected both net sales and earnings. In the January-September period, one project in Denmark (Kontorværket 1) was recognized in profit, and one sale of land with development rights in Sweden (Järva krog) made a positive contribution to earnings during the year. In the third quarter of the preceding year, one office project in Finland (Fredriksberg D) was recognized in profit, while one small project in Bettorp, Sweden, was recognized in the January-September period.

Property projects

No projects were started during the quarter. One project, Park Central, was started in Sweden in the January-September period. This project is expected to be recognized in profit in the second quarter of 2027.

During the January-September period, a total of 22 new leases (27) were signed in Sweden, Finland and Denmark, of which 4 (8) were signed in the third quarter. These contracts corresponded to 15,300 square meters (30,100) in the January-September period, including 1,900 (9,000) in the third quarter.

At the end of the third quarter, 11 projects (12) were either ongoing or completed but not yet recognized in profit. Costs incurred in all projects amounted to SEK 8.5 billion (7.3), corresponding to a total completion rate of 73 percent (63). The completion rate for ongoing projects was 56 percent (63). The letting rate was 34 percent (62) for ongoing projects, and 87 percent for completed projects. The total letting rate during the quarter was 59 percent (62). Operating net amounted to SEK 34 M (8) in the third quarter and to SEK 101 M (26) in the January-September period.

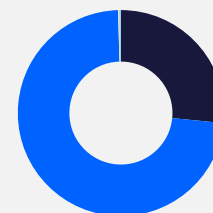
Operating capital employed

Operating capital employed increased and amounted to SEK 9,225 M (7,627) at the end of the quarter. The increase was attributable to investments in ongoing projects, while only one project was recognized in profit during the period.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	836	2023	1,224	2022/2023	2022
Net sales	69	836	1,277	1,224	1,353	1,301
Operating profit/loss	-18	183	201	213	469	482
Operating margin, %	-26.7	21.9	15.7	17.4	34.7	37.0
Operating capital employed ¹	9,225	7,627	9,225	7,627	9,225	7,996
Return on operating capital employed, % ¹	-	-	-	-	5.7	6.7

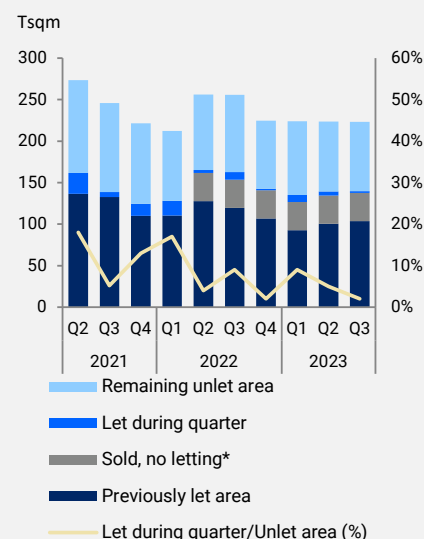
1) See definition at NCC:s website, ncc.com/investor-relations/ncc-share/financial-definitions/

Net sales, Jan-Sep



■ Sweden 27 (28%)
■ Denmark 73 (2%)
■ Norway 0 (5%)
■ Finland 0 (65%)

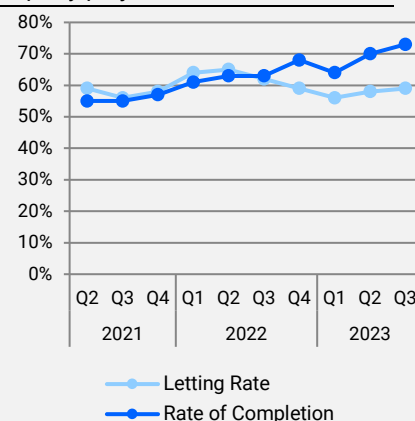
Letting¹



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

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

Property projects



Share of sales, Jan-Sep

3%

NCC Property Development

Property development projects as of 2023-09-30

Ongoing Property development projects¹

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
We Land	Office	Helsinki		67	21,200	36
Total Finland				67	21,200	36
MIMO ²	Office	Gothenburg	Q4 2024	69	31,600	39
Nova	Office	Solna		82	9,900	27
Arendal Albatross ³	Logistics	Gothenburg	Q1 2024	87	34,000	100
Habitat 7	Office	Gothenburg		43	8,200	35
Flow Hyllie	Office	Malmö		52	10,300	40
Park Central ⁴	Office	Gothenburg	Q2 2027	8	15,200	0
Total Sweden				52	109,200	34
Total				56	130,400	34

Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
Kulma21	Office	Helsinki		7,700	100
Total Finland				7,700	100
Bromma Blocks	Office	Stockholm		52,400	79
Våghuset	Office	Gothenburg		10,900	99
Brick Studios	Office	Gothenburg		16,100	95
Total Sweden				79,400	85
Total				87,100	87

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 five previously sold and revenue recognized property projects, a maximum of approximately SEK 15 M.

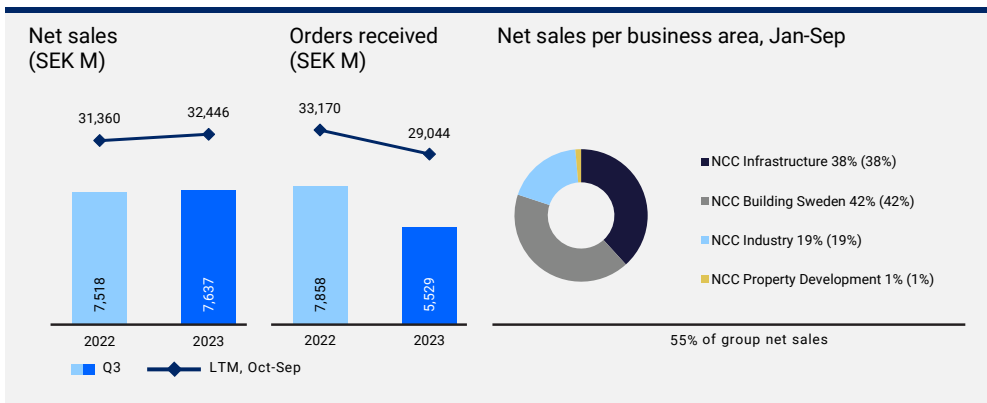
2) NCC announced in Q2 2017 that Platzer had an option to acquire the property in Mölndal when the project is completed. During Q3 2021, Platzer chose to realize the option and the parties have signed a sales agreement. The access is conditioned by a letting ratio of 80% or more.

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

4) The project covers approximately a total of 40 000 square meters and lettable area of approximately 30 400 square meters. The project is carried out together with Jernhusen, a Swedish state-owned property company, and was included in the december 2021 agreement to jointly develop Park Central in joint venture through a jointly owned company. NCC has acquired 50 percent of the property-owning company by Jernhusen that will repurchase the part when the property is completed and some criteria is fulfilled. The data in the table refers to NCCs share of the project.

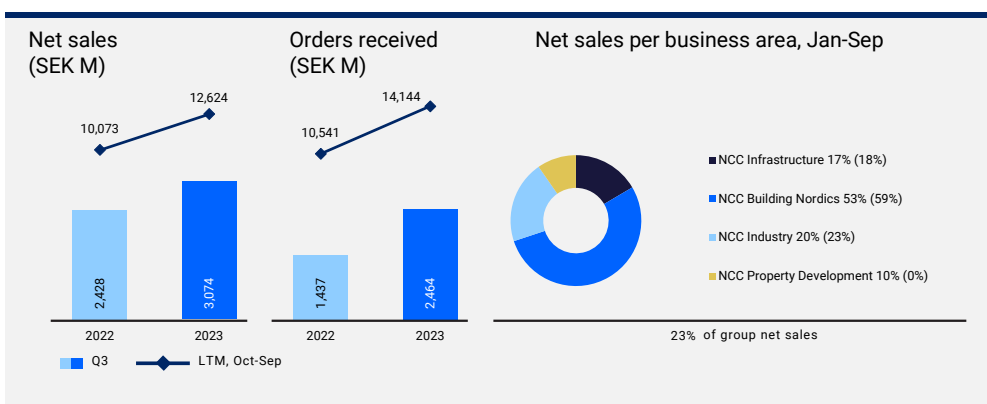
Geographical areas

Sweden



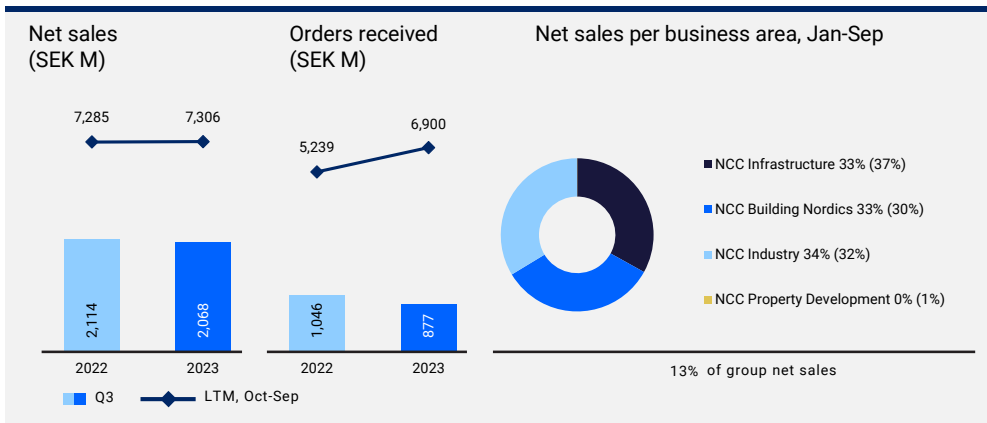
- Building Sweden is to build a facility for the Swedish Fortifications Agency in Halmstad, with an order value of SEK 660 M
- Building Sweden has also been commissioned to build a school in Sundborn in Dalarna, and a preschool in Malmö
- Infrastructure has been awarded a contract to build a ring road in Norrköping. The parties are now planning the project, which will be registered as an order at a later stage

Denmark



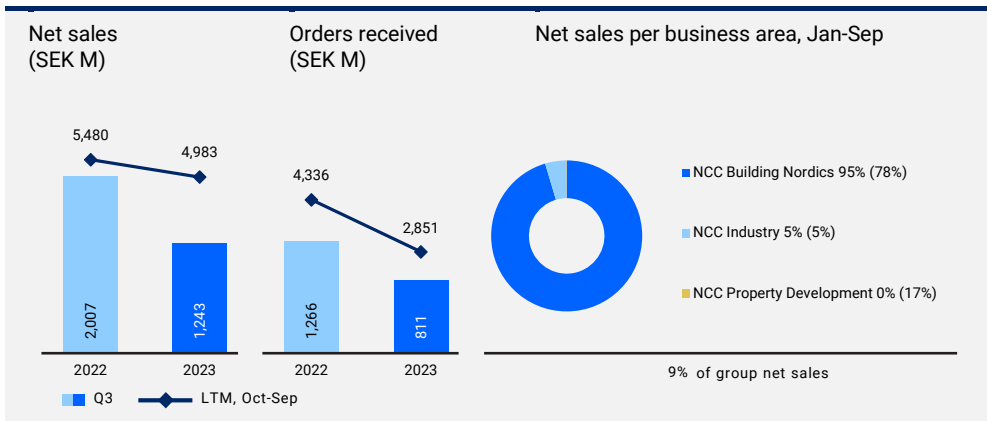
- Building Nordics is to construct an office building in Danish Middelfart, with a total order value of SEK 630 M
- Building Nordics will also refurbish 236 apartments on Zealand and construct a swim center in Danish Vrå
- Industry has an active season, including laying asphalt on the Öresund Bridge in collaboration with our Swedish operation

Norway



- In September, the Granåsen Ski Center in Trondheim was handed over. The facility opened on October 21
- The Norwegian Directorate of Public Construction and Property commissioned NCC to build the new courthouse in Tönsberg

Finland



- Building Nordics is to build a school in Rovaniemi, with an order value SEK 400 M, as well as 82 new apartments in Tampere for SEK 160 M
- A refurbishment project in Turku became one of the first refurbishment projects in Finland to obtain BREEM Excellent certification. A project developed by Property Development in Fredriksberg also obtained BREEM Excellent certification
- In Helsinki, a basketball arena for the YMCA was completed

Other

Significant risks and uncertainties

A description of the risks to which NCC may be exposed is provided in the 2022 Annual Report (pages 24-29). This assessment still applies.

In February 2022, Russia began an invasion of 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.

The conflict is impacting the global economy and high inflation, a declining economy and falling GDP also represent risks for NCC. Higher interest rates also have an impact on, for example, the conditions for the sale of properties and the general construction market, as detailed in the risk section of the Annual Report.

Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. In the third quarter, related-company sales amounted to SEK 11 M (9) and purchases to SEK 6 M (4). For the January-September period, sales amounted to SEK 29 M (32) and purchases to SEK 14 M (10).

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. Minor adjustments to the preceding year's figures are due to an adjustment of projects in the Faroe Islands.

Dividend

On March 31, NCC's Annual General Meeting (AGM) resolved in favor of the Board's proposal that a dividend of SEK 6.00 per share be paid for the 2022 fiscal year, divided between two payment occasions. The record date for the first payment of SEK 3.00 per share was April 4, 2023, with disbursement on April 11, 2023. The record date for the second payment of SEK 3.00 per share has been set at November 6, 2023, with disbursement on November 9, 2023.

Repurchase of shares

As September 30, NCC AB had a total of 2,099,221 Series B shares in treasury to cover the commitments according to the long-term incentive programs.

Other significant events

Changes to the Senior Management Team

Henrik Landelius, Head of NCC Building Sweden, has decided to leave NCC for another assignment, which was announced on September 25, 2023. A recruitment process is ongoing to find his successor. Henrik Landelius will remain in his role during his notice period, until March 2024 at the latest.

Divestment of company

Divestment of the wholly owned company Bergnäset Ställningsmontage AB to REMONDIS Maintenance & Services Sweden AB, which was announced on June 26, 2023, was finalized as planned in the third quarter of 2023 and generated a positive earnings effect in the Infrastructure business area. See page 7.

Financial calendar

Capital Market Day: November 9, 2023
Interim report Q4 and Jan-Dec: January 30, 2024
Annual General Meeting, Stockholm: April 9, 2024
Interim report Q1 2024: May 3, 2024
Interim report Q2 and Jan-Jun: July 16, 2024
Interim report Q3 and Jan-Sep: October 25, 2024

The Annual Report for 2023 will be published not later than March 19, 2024.

Events after the close of the quarter

Invitation to Capital Market Day

NCC will hold a Capital Market Day in Stockholm on November 9, 2023. It will be possible to participate physically on site or by following the presentations via webcast. For more information, visit ncc.com/ir.

Auditor's review report

Introduction

NCC AB (publ), Corp. Reg. No. 556034-5174

We have reviewed the condensed interim financial information (interim report) for NCC AB (publ) for September 30, 2023 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 31, 2023

PricewaterhouseCoopers AB

Ann-Christine Hägglund

Authorized Public Accountant

Auditor in Charge

Erik Bergh

Authorized Public Accountant

Condensed consolidated income statement

SEK M	Note	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2023	2022	2023	2022	2022/2023	2022
Net sales	4	14,022	14,068	41,341	38,180	57,359	54,198
Production costs	2	-12,800	-13,045	-37,934	-35,334	-52,802	-50,202
Gross profit		1,221	1,022	3,407	2,846	4,557	3,996
Selling and administrative expenses	2	-679	-557	-2,227	-2,104	-3,105	-2,981
Other operating income/expenses		247	45	265	72	536	343
Operating profit/loss	4	789	510	1,444	814	1,988	1,358
Financial income		22	5	56	22	62	29
Financial expense ¹		-40	-25	-51	-58	-81	-87
Net financial items	4	-18	-20	5	-35	-19	-59
Profit/loss after financial items	4	771	490	1,449	779	1,969	1,299
Tax		-149	-64	-268	-117	-381	-230
Net profit/ loss		621	425	1,181	661	1,588	1,069
Attributable to:							
NCC's shareholders		621	425	1,181	661	1,588	1,069
Net profit/loss for the period		621	425	1,181	661	1,588	1,069
Earnings per share							
Net profit/loss for the period, before and after dilution, SEK		6.36	4.13	12.09	6.26	16.21	10.29
Number of shares, millions							
Total number of issued shares		99.8	108.4	99.8	108.4	99.8	108.4
Average number of shares outstanding before and after dilution during the period		97.7	103.0	97.6	105.6	98.0	103.9
Number of shares outstanding at the end of the period		97.7	100.8	97.7	100.8	97.7	97.6

1) Whereof interest expenses including capitalized interest expenses for the quarter SEK -38 M (-21) and for the period SEK -36 M (-37).

Consolidated statement of comprehensive income

SEK M	Note	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2023	2022	2023	2022	2022/2023	2022
Net profit/loss for the period		621	425	1,181	661	1,588	1,069
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		-79	57	48	164	113	229
Cash flow hedges		-89	50	-123	156	-221	58
Income tax relating to items that have been or should be recycled to net profit/loss for the period		18	-10	25	-32	45	-12
		-150	97	-50	288	-63	275
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		80	486	330	1,714	655	2,039
Income tax relating to items that can not be recycled to net profit/loss for the period		-16	-100	-68	-353	-135	-420
		63	386	262	1,361	520	1,619
Other comprehensive income		-87	483	212	1,648	458	1,894
Total comprehensive income		535	908	1,393	2,310	2,046	2,963
Attributable to:							
NCC's shareholders		535	908	1,393	2,310	2,046	2,963
Total comprehensive income		535	908	1,393	2,310	2,046	2,963

Condensed consolidated balance sheet

SEK M	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
	1			
ASSETS				
Goodwill		1,966	1,913	1,943
Other intangible assets		394	326	326
Right-of-use assets	3	1,409	1,395	1,420
Owner-occupied properties		886	860	909
Machinery and equipment		2,456	2,358	2,504
Long-term interest-bearing receivables	5	232	197	184
Pension receivable		567	-	68
Other financial fixed assets		724	818	684
Total fixed assets		8,635	7,867	8,037
Properties held for future development		1,282	943	1,179
Ongoing property projects		3,465	6,557	7,171
Completed property projects		4,942	-	-
Participations in associated companies		164	479	74
Materials and inventories		1,129	1,112	1,079
Accounts receivable		9,273	8,149	8,205
Worked-up, not-invoiced revenues		2,112	2,331	1,410
Current interest-bearing receivables		168	103	117
Other current receivables	3	1,627	1,971	1,364
Short-term investments		442	403	394
Cash and cash equivalents		683	781	534
Total current assets		25,287	22,828	21,528
Total assets		33,922	30,695	29,565
EQUITY				
Shareholders' equity		7,985	6,799	7,183
Total shareholders' equity		7,985	6,799	7,183
LIABILITIES				
Long-term interest-bearing liabilities	5	2,986	3,357	3,286
Provisions for pensions and similar obligations		-	270	-
Other long-term liabilities		1,260	1,062	1,003
Other provisions		2,319	2,561	2,481
Total long-term liabilities		6,565	7,250	6,770
Current interest-bearing liabilities	5	2,816	1,475	1,012
Accounts payable		6,432	5,236	5,165
Invoiced revenues not worked-up		5,624	5,734	4,754
Other current liabilities		4,500	4,200	4,681
Total current liabilities		19,372	16,646	15,612
Total liabilities		25,936	23,895	22,382
Total shareholders' equity and liabilities		33,922	30,695	29,565

Condensed consolidated changes in shareholders' equity

SEK M	30 Sep 2023			30 Sep 2022		
	Share capital	Profit brought forward	Total shareholders' equity	Share capital	Profit brought forward	Total shareholders' equity
Opening balance	867	6,315	7,183	867	4,977	5,844
Total comprehensive income	-	1,393	1,393	-	2,310	2,310
Dividend	-	-586	-586	-	-646	-646
Withdrawal of own shares	-69	69	-	-	-	-
Bonus issue	69	-69	-	-	-	-
Acquisition/sale of treasury shares	-	-	-	-	-715	-715
Performance based incentive program	-	-5	-5	-	6	6
Closing balance	867	7,118	7,985	867	5,933	6,799

Condensed consolidated cash flow statement

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
OPERATING ACTIVITIES						
Operating profit/loss	789	510	1,444	814	1,988	1,358
Adjustments for items not included in cash flow	-89	241	336	714	503	881
Interest paid and received	-77	-5	-134	-15	-144	-24
Taxes paid	-37	-34	-123	-206	-134	-218
Cash flow from operating activities before changes in working capital	586	711	1,523	1,307	2,213	1,997
Divestment of property projects	8	483	659	716	1,349	1,406
Gross investments in property projects	-445	-626	-1,953	-1,843	-3,035	-2,924
Cash flow from property projects	-437	-143	-1,294	-1,126	-1,686	-1,518
Other changes in working capital	415	145	-484	-1,264	567	-213
Cash flow from changes in working capital	-22	2	-1,778	-2,391	-1,119	-1,731
Cash flow from operating activities	563	714	-255	-1,084	1,094	265
INVESTING ACTIVITIES						
Acquisition/sale of subsidiaries and other holdings	277	106	268	201	278	211
Acquisition/sale of tangible fixed assets	-55	-117	-374	-278	-675	-579
Acquisition/sale of other fixed assets	-21	-10	-129	-12	-151	-33
Cash flow from investing activities	201	-21	-236	-89	-548	-401
Cash flow before financing	764	692	-491	-1,172	546	-136
FINANCING ACTIVITIES						
Cash flow from financing activities	-502	-725	639	-611	-646	-1,896
Cash flow during the period	262	-33	148	-1,783	-100	-2,031
Cash and cash equivalents at beginning of period	423	813	534	2,561	781	2,561
Effects of exchange rate changes on cash and cash equivalents	-2	3	1	3	3	4
Cash and cash equivalents at end of period	683	781	683	781	683	534
Short-term investments due later than three months	442	403	442	403	442	394
Total liquid assets at end of period	1,125	1,184	1,125	1,184	1,125	928

Condensed consolidated net debt

Net debt, SEK M	Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2022/2023	2022
Net cash +/Net debt - opening balance	-3,000	-2,932	-3,619	-2,932
- Cash flow from operating activities	-255	-1,084	1,094	265
- Cash flow from investing activities	-236	-89	-548	-401
Cash flow before financing	-491	-1,172	546	-136
Change in provisions/receivables for pensions	499	1,728	837	2,066
Change in leasing debt	-427	-207	-596	-376
Paid dividend	-293	-323	-588	-618
Acquisition/sale of treasury shares	-	-715	-294	-1,009
Currency exchange differences in cash and cash equivalents	1	3	3	4
Net cash + /Net debt - closing balance	-3,710	-3,619	-3,710	-3,000
- Whereof provisions/receivables for pensions	567	-270	567	68
- Whereof leasing debt	-1,490	-1,481	-1,490	-1,507
- Whereof other net cash/net debt	-2,787	-1,867	-2,787	-1,561

Parent Company condensed income statement

SEK M	Note 1	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2023	2022	2023	2022	2022/2023	2022
Net sales		9	8	29	29	152	153
Selling and administrative expenses		-73	-28	-205	-159	-277	-231
Operating profit		-65	-20	-176	-130	-124	-78
Result from participations in Group companies		-	-	1,125	1,081	1,125	1,081
Result from other financial fixed assets		-	-	14	13	14	13
Result from financial current assets		6	-	13	-	14	1
Interest expense and similar items		-1	-1	-11	-6	-16	-10
Result after financial items		-60	-21	965	958	1,012	1,006
Appropriations		-	-	-	-	233	233
Tax on net profit/loss for the period		16	4	36	28	-26	-34
Net profit/loss for the period		-43	-17	1,001	986	1,219	1,205

Net sales pertain to charges to Group companies. The average number of employees was 61 (58).

Parent Company condensed balance sheet

SEK M	Note 1	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS				
Tangible fixed assets		0	0	0
Financial fixed assets		4,594	4,593	4,562
Total fixed assets		4,594	4,594	4,562
Current receivables		86	213	603
Treasury balances in NCC Treasury AB		684	290	213
Total current assets		769	502	816
Total assets		5,363	5,096	5,378
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		4,943	4,584	4,532
Provisions		6	6	6
Long-term liabilities		1	3	3
Current liabilities		413	503	836
Total shareholders' equity and liabilities		5,363	5,096	5,378

Total approved dividends amounted to SEK 586 M, of which SEK 293 M was paid in April and SEK 293 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 after January 1, 2023. IFRS 17 Insurance contracts was adopted by the EU in November 2021 and came into force on January 1, 2023. In its evaluation of the new standard, NCC made the assessment that it will not result in any changes for the Group. Other changes that came into force on January 1, 2023 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 Parent Company has been prepared pursuant to the same accounting policies and methods of calculation as the 2022 Annual Report (Note 1 and in connection with the subsequent notes).

Note 2. Depreciation/amortization

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Other intangible assets	-16	-12	-42	-37	-55	-50
Owner-occupied properties ¹	-94	-82	-236	-224	-319	-307
Machinery and equipment ²	-224	-218	-645	-657	-862	-874
Total depreciation	-334	-313	-923	-918	-1,236	-1,231

1) Whereof depreciation of right-of-use assets for the quarter SEK -83 M (-65), for the period SEK -201 (-184) M and for rolling twelve SEK -264 M.

2) Whereof depreciation of right-of-use assets for the quarter SEK -89 M (-78), for the period SEK -243 (-243) M and for rolling twelve SEK -321 M.

Note 3. Right-of-use assets

SEK M	30 Sep 2023	30 Sep 2022	31 Dec 2022
Owner-occupied properties	855	819	864
Machinery and equipment	554	575	555
Land leases ¹	0	2	2
Total right-of-use assets	1,410	1,397	1,422

1) Land leases are classified as current assets.

Note 4. Segment reporting

Q3 2023	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹	Group
Net sales, external	4,032	2,758	3,418	3,728	69	14,004	18	14,022
Net sales, internal	82	212	158	134	0	586	-586	-
Net sales, total	4,114	2,970	3,576	3,862	69	14,590	-568	14,022
Operating profit	333	59	93	281	-18	747	42	789
Net financial items	-	-	-	-	-	-	-	-18
Profit/loss after financial items	-	-	-	-	-	-	-	771

Q3 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹	Group
Net sales, external	4,012	2,716	2,969	3,472	836	14,005	62	14,068
Net sales, internal	122	312	257	166	-	857	-857	-
Net sales, total	4,135	3,028	3,226	3,637	836	14,862	-795	14,068
Operating profit	139	-56	104	50	183	420	90	510
Net financial items	-	-	-	-	-	-	-	-20
Profit/loss after financial items	-	-	-	-	-	-	-	490

January - September 2023	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	12,358	9,314	10,244	8,029	1,276	41,221	119	41,341
Net sales, internal	293	889	591	362	0	2,135	-2,135	-
Net sales, total	12,651	10,203	10,835	8,391	1,277	43,356	-2,015	41,341
Operating profit	541	191	204	301	201	1,439	5	1,444
Net financial items	-	-	-	-	-	-	-	5
Profit/loss after financial items	-	-	-	-	-	-	-	1,449

January - September 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	11,622	8,942	8,669	7,507	1,224	37,963	217	38,180
Net sales, internal	373	964	759	387	-	2,481	-2,481	-
Net sales, total	11,994	9,905	9,427	7,894	1,224	40,444	-2,264	38,180
Operating profit	305	154	252	-15	213	910	-96	814
Net financial items	-	-	-	-	-	-	-	-35
Profit/loss after financial items	-	-	-	-	-	-	-	779

1) The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -13 M (27). Further, the figures includes eliminations of internal profits of SEK 7 M (8) and other Group adjustments of SEK 47 M (54). These items primarily correspond to pensions and leases.

2) The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -171 M (-105). Further, the figures includes eliminations of internal profits amounting of SEK 13 M (-20) and other Group adjustments of SEK 163 M (29). These items primarily correspond to pensions and leases.

Note 5. 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 at 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	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	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	422			422	388			388	374			374
Derivative instruments		20		20		121		121		34		34
Derivative instruments used in hedge accounting		36		36		231		231		117		117
Financial assets measured at fair value through other comprehensive income												
Equity instruments			68	68			68	68			68	68
Total assets	422	56	68	546	388	352	68	808	374	151	68	593
Financial liabilities measured at fair value through profit and loss												
Derivative instruments		51		51		4		4		3		3
Derivative instruments used in hedge accounting		51		51		16		16		6		6
Total liabilities	0	102	0	102	0	20	0	20	0	9	0	9

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 Sep 2023		30 Sep 2022		31 Dec 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	232	224	197	187	184	175
Short-term investments - amortized cost	20	20	15	15	20	20
Long-term interest-bearing liabilities	2,986	2,956	3,357	3,301	3,286	3,240
Current interest-bearing liabilities	2,816	2,810	1,475	1,475	1,012	1,012

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 6. Pledged assets, contingent liabilities and guarantee obligations

SEK M

Group	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets pledged	404	418	424
Contingent liabilities and guarantee obligations ¹	231	224	249
Parent company			
Contingent liabilities and guarantee obligations ¹	31,788	29,401	30,167

1) In the comparison periods NCC AB had sureties which were indemnified by Bonava AB based on a Master Separation Agreement. These sureties are completed as of June 2023.

Summary of key figures

	Q3		R12 Oct-Sep	Jan-Dec			
	2023	2022	2022/2023	2022	2021	2020	2019
Profitability ratios							
Return on shareholders equity, % ¹	22	20	22	17	32	37	32
Return on capital employed, % ¹	16	12	16	12	16	12	13
Financial ratios at period-end							
EBITDA % including effects of dividends	8.0	5.8	5.6	4.8	5.9	5.2	4.7
Interest-coverage ratio, times ¹	25	17	25	16	23	13	9
Equity/asset ratio, %	24	22	24	24	20	14	10
Interest bearing liabilities/total assets, %	17	17	17	15	21	26	25
Net cash +/ Net debt -, SEK M	-3,710	-3,619	-3,710	-3,000	-2,932	-4,823	-4,489
Debt/equity ratio, times	0.5	0.5	0.5	0.4	0.5	1.2	1.5
Capital employed at period end, SEK M	13,786	11,902	13,786	11,480	12,055	11,375	10,382
Capital employed, average, SEK M	12,521	11,769	12,521	11,766	11,430	10,983	9,936
Capital turnover rate, times ¹	4.6	4.6	4.6	4.6	4.7	4.9	5.9
Closing interest rate, % ³	5.1	3.3	5.1	4.1	1.1	1.1	1.1
Average period of fixed interest, years ³	0.7	1.0	0.7	1.0	0.5	1.0	1.2
Per share data							
Profit/loss after tax, before and after dilution, SEK	6.36	4.13	16.21	10.29	14.02	11.68	8.09
Cash flow from operating activities, before and after dilution, SEK	5.77	6.93	11.17	2.55	21.00	14.56	20.50
Cash flow before financing, before and after dilution, SEK	7.82	6.72	5.57	-1.30	17.62	10.26	14.01
P/E ratio ¹	7	7	7	9	12	13	19
Dividend, ordinary, SEK	-	-	6.00	6.00	6.00	5.00	2.50
Dividend yield, %	-	-	5.1	6.2	3.6	3.3	1.6
Shareholders' equity before and after dilution, SEK	81.76	67.42	81.76	73.60	54.32	36.89	28.21
Share price/shareholders' equity, %	145	119	145	132	309	407	543
Share price at period-end, NCC B, SEK	118.40	80.30	118.40	97.25	167.70	150.00	153.20
Number of shares, millions							
Total number of issued shares ^{2 4}	99.8	108.4	99.8	108.4	108.4	108.4	108.4
Treasury shares at period-end	2.1	7.6	2.1	10.8	0.8	0.8	0.5
Total number of shares outstanding at period-end before and after dilution	97.7	100.8	97.7	97.6	107.6	107.7	107.9
Average number of shares outstanding before and after dilution during the period	97.7	103.0	98.0	103.9	107.6	107.8	108.0
Market capitalization before and after dilution, SEK M	11,571	8,411	11,571	9,636	18,035	16,144	16,548
Personnel							
Average number of employees	10,873	12,586	10,873	12,485	13,002	14,388	15,273

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.

4) Withdrawal of 8,674,866 own shares series B has been made during the period.

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

Invitation to presentation of the Interim Report for the third quarter of 2023

NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the interim report at a webcast and teleconference the October 31, 2023 at 9.00 a.m. (CET). The presentation will be held in English.

Presentation material will be available at ncc.com/ir from approximately 8.00 a.m. (CET).

Link to webcast:

Webcast Q3

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
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Financial calendar

Capital Market Day	November 9, 2023
Interim report Q4 and Jan-Dec 2023	January 30, 2024
Annual General Meeting	April 9, 2024
Interim report Q1 2024	May 3, 2024
Interim report Q2 2024 and Jan-Jun 2024	July 16, 2024
Interim report Q3 2024 and Jan-Sep 2024	October 25, 2024

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 above on October 31, 2023 at 7:10 a.m. (CET).

The NCC Industry business area has signed 22 agreements with the Swedish Transport Administration for paving work across large parts of northern Sweden. In total, 360,000 tons of asphalt will be laid in the projects, which are located between Gävle and Kiruna, primarily in Norrbotten and Västerbotten.



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