

# Q3 2021



Tomas Carlsson, CEO  
Susanne Lithander, CFO



# A strong quarter continuing our improvement

Strong earnings in the contracting business

Property development contributing with earnings from three sold office projects



Good demand

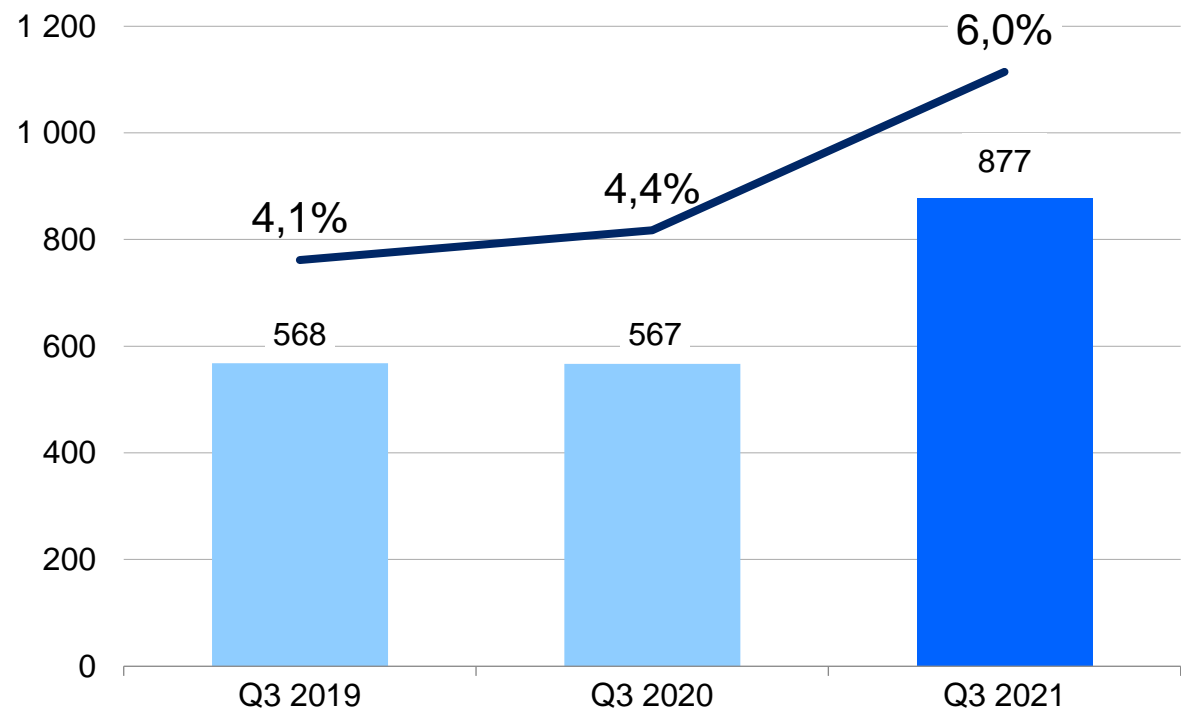
Industry stable but negative impact from Asphalt Finland

Strong cashflow and a net cash position

# Strong earnings and margin

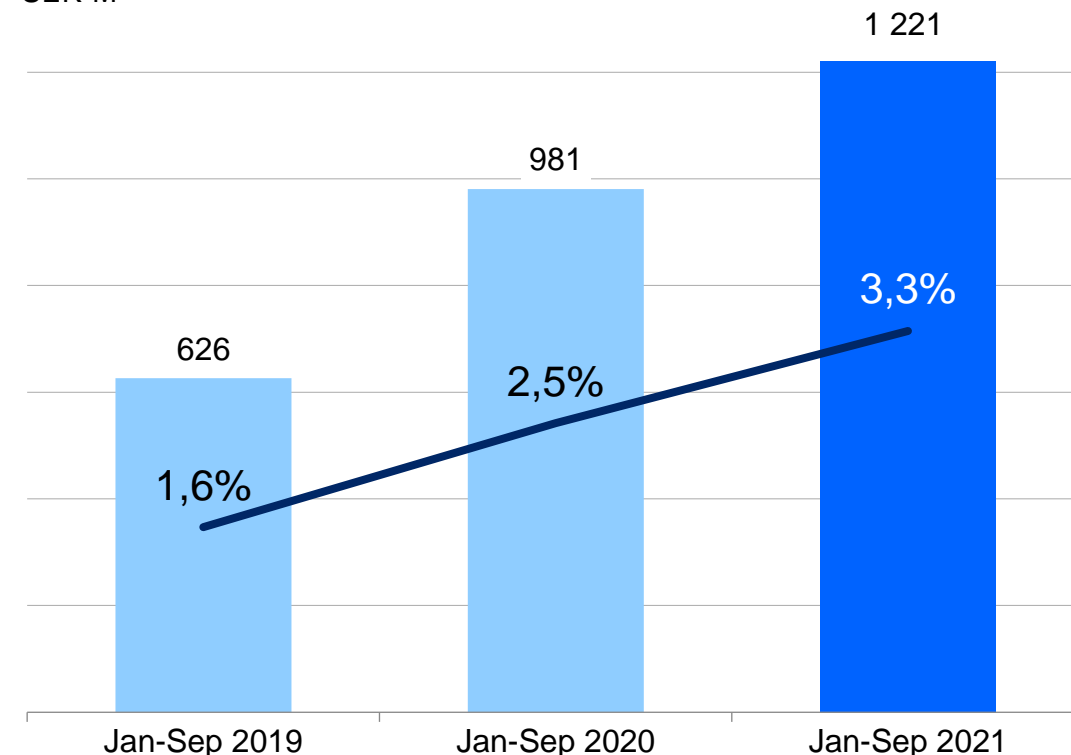
Q3

SEK M



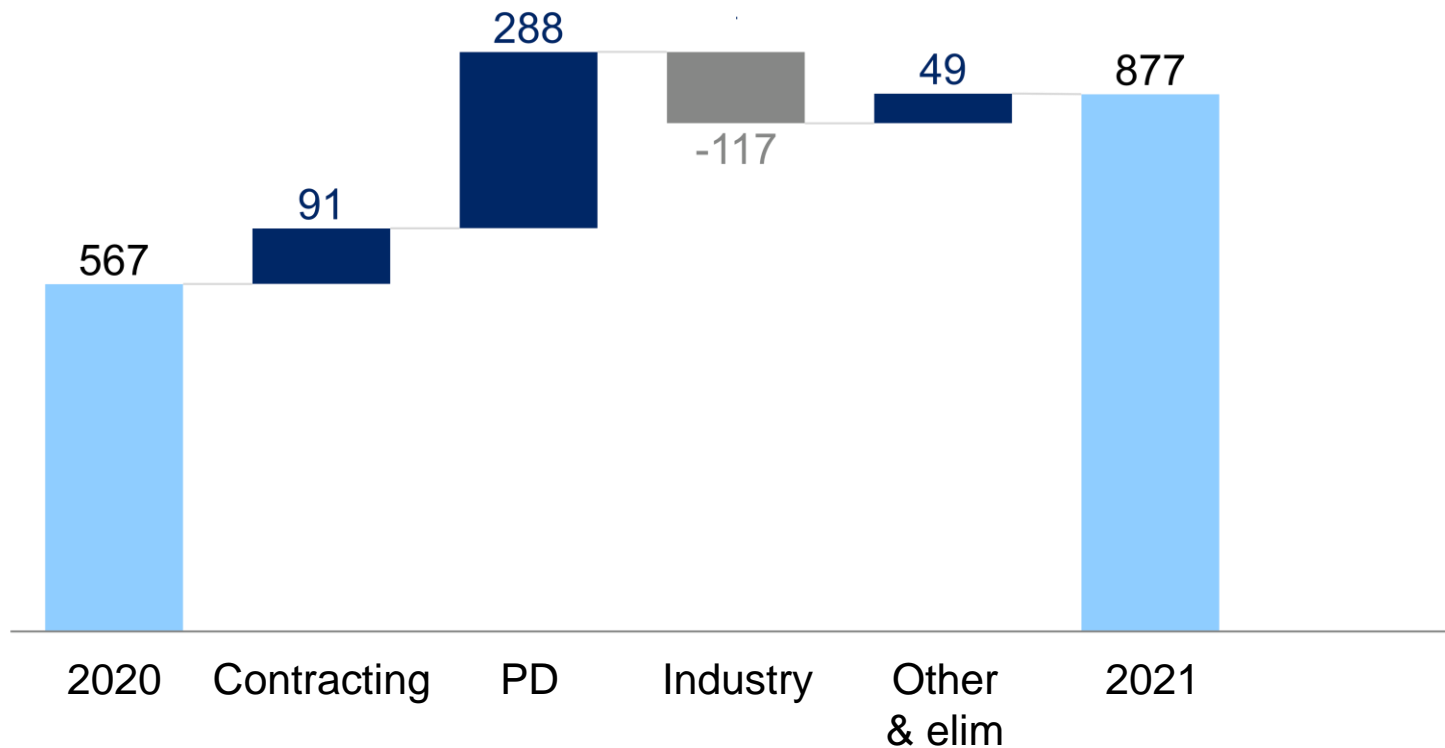
Jan-Sep

SEK M



# EBIT Q3: Contracting and PD driving improvement q/q

SEK M



## Contracting

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

## Property Development

Three projects recognized in profit compared to none in Q3 2020

## Industry

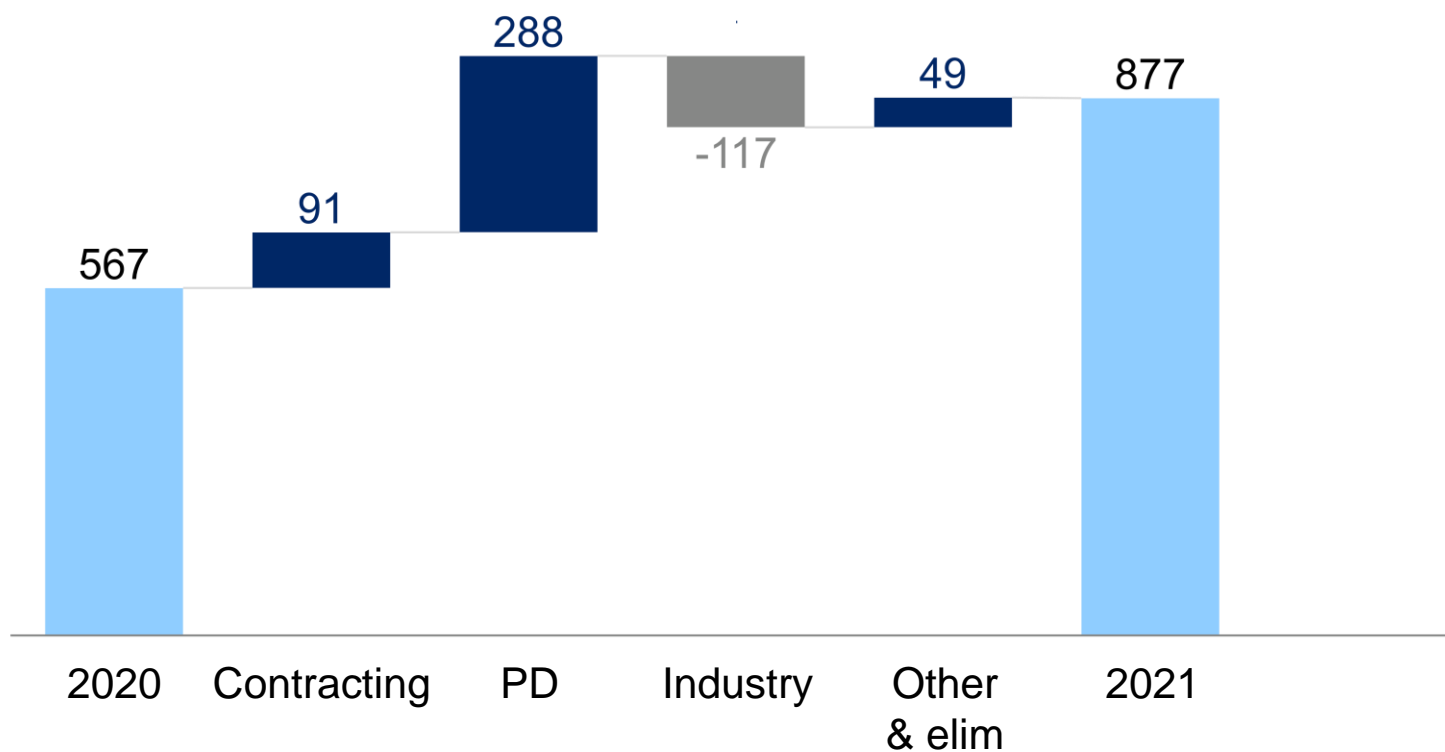
Stable performer but negative impact from Asphalt Finland

## Other & eliminations

Normal levels

# EBIT Q3

SEK M



## Contracting

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

## Property Development

Three projects recognized in profit compared to none in Q3 2020

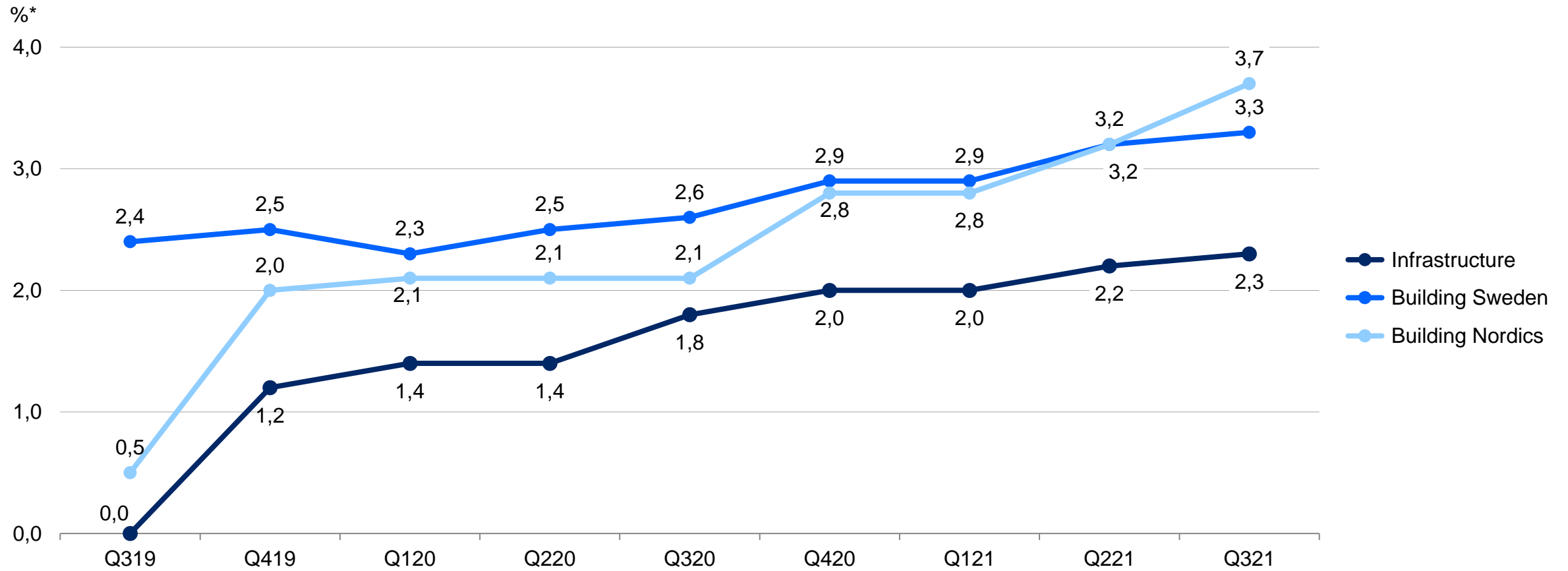
## Industry

Stable performer but negative impact from Asphalt Finland

## Other & eliminations

Normal levels

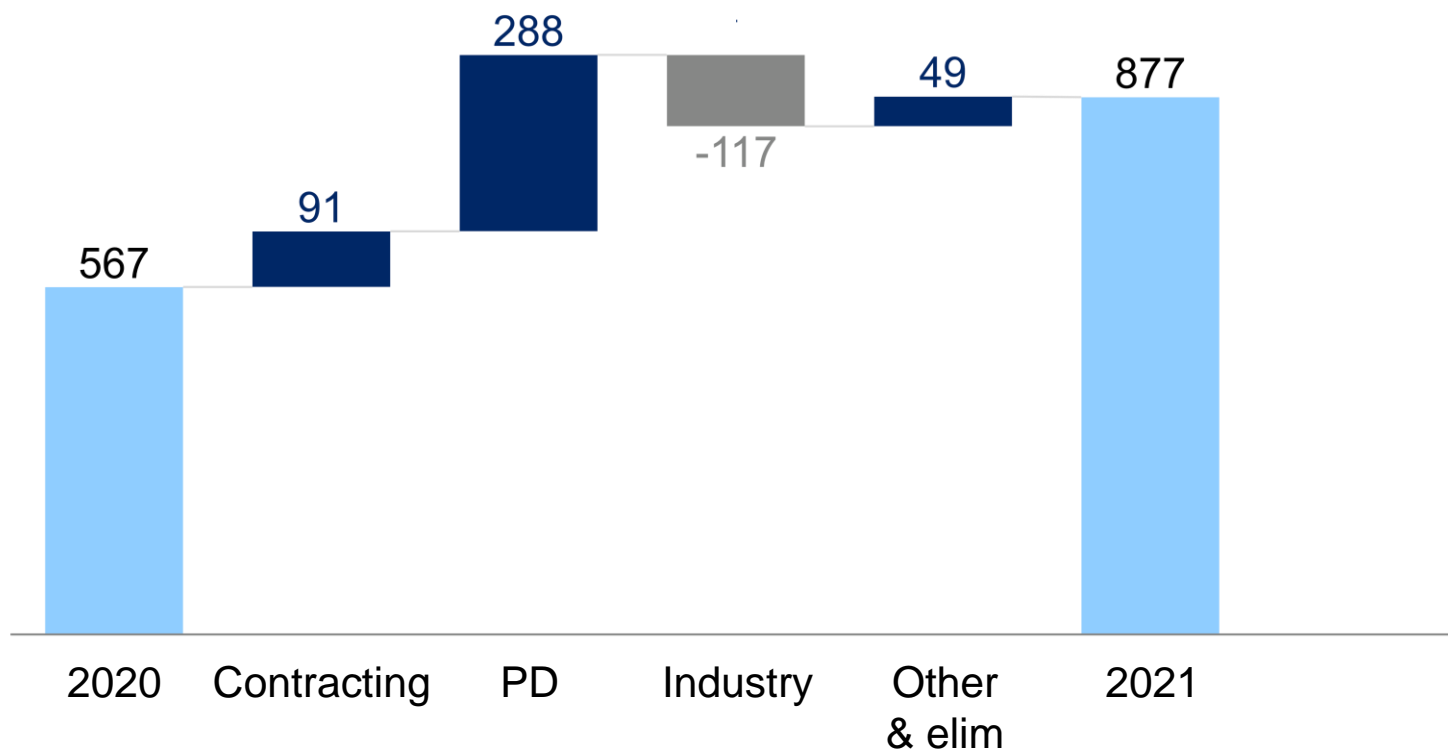
# Contracting: Strong margins



\*R12 EBIT margin. BA Infrastructure without Road Services

# EBIT Q3

SEK M



## Contracting

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

## Property Development

Three projects recognized in profit compared to none in Q3 2020

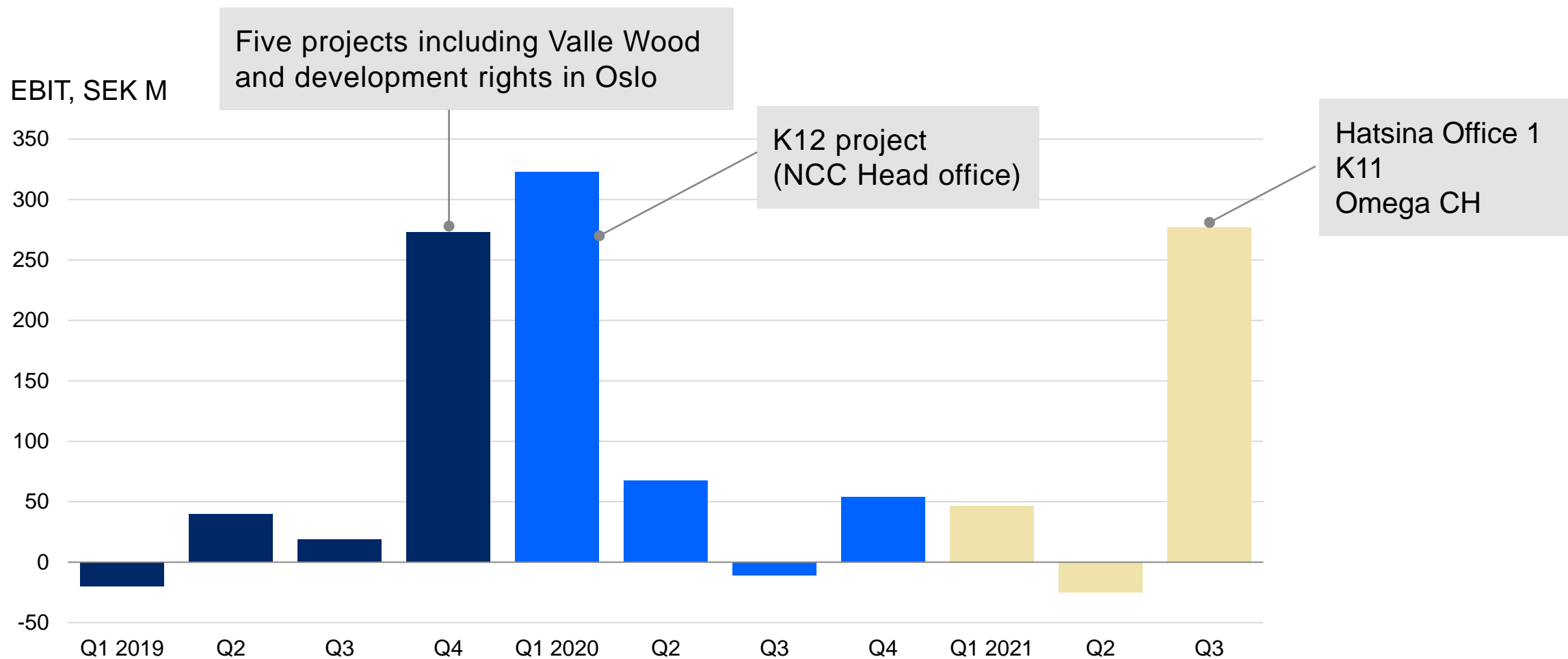
## Industry

Stable performer but negative impact from Asphalt Finland

## Other & eliminations

Normal levels

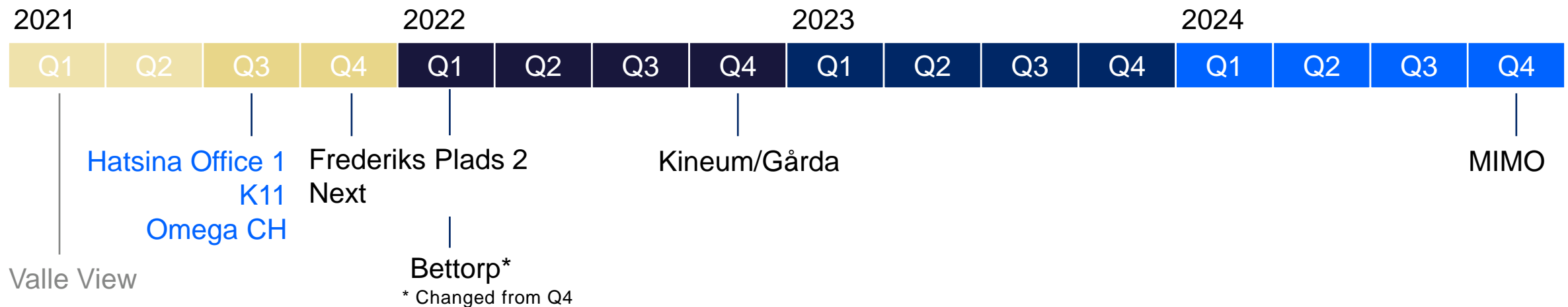
# PD: Profit recognition of completed\* projects





# 13 ongoing projects

## Expected profit recognition for sold projects

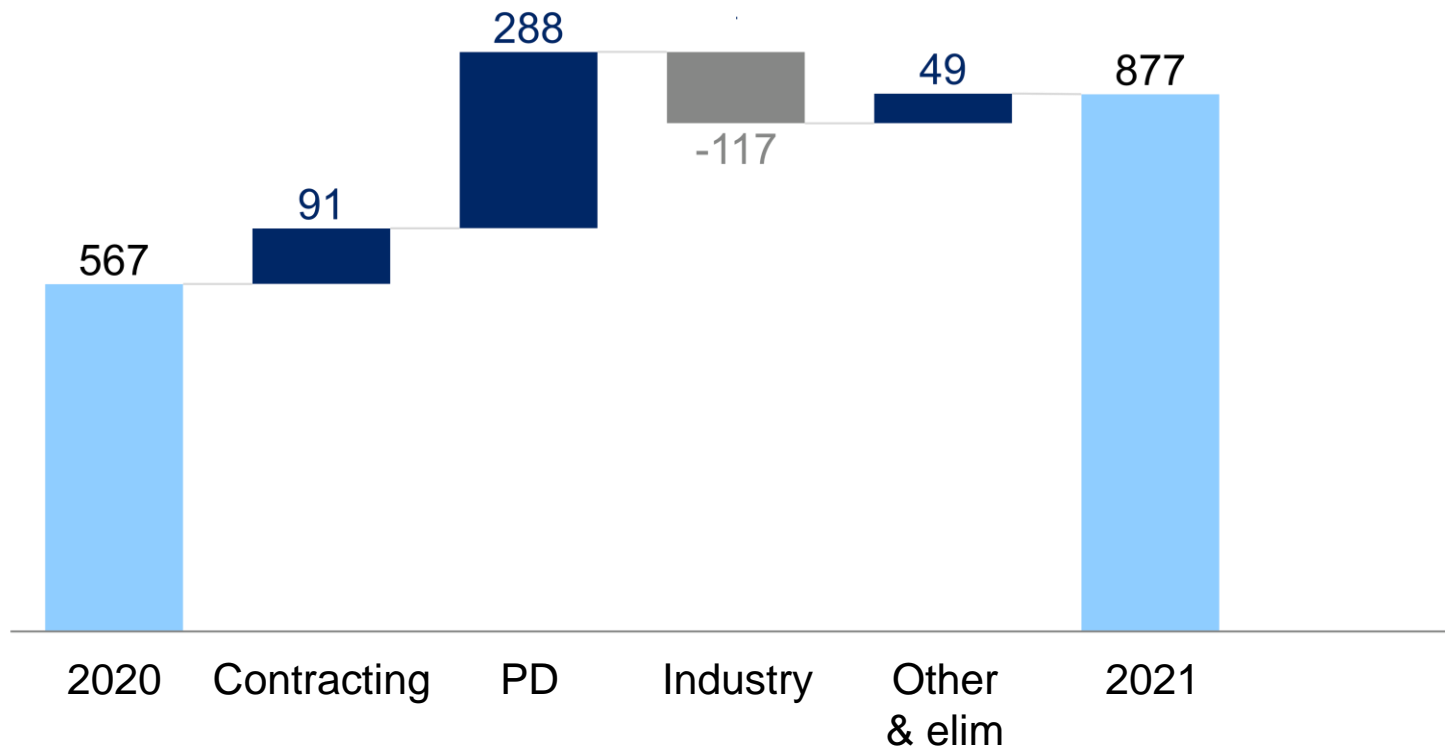


## Ongoing unsold projects

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

# EBIT Q3

SEK M



## Contracting

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

## Property Development

Three projects recognized in profit compared to none in Q3 2020

## Industry

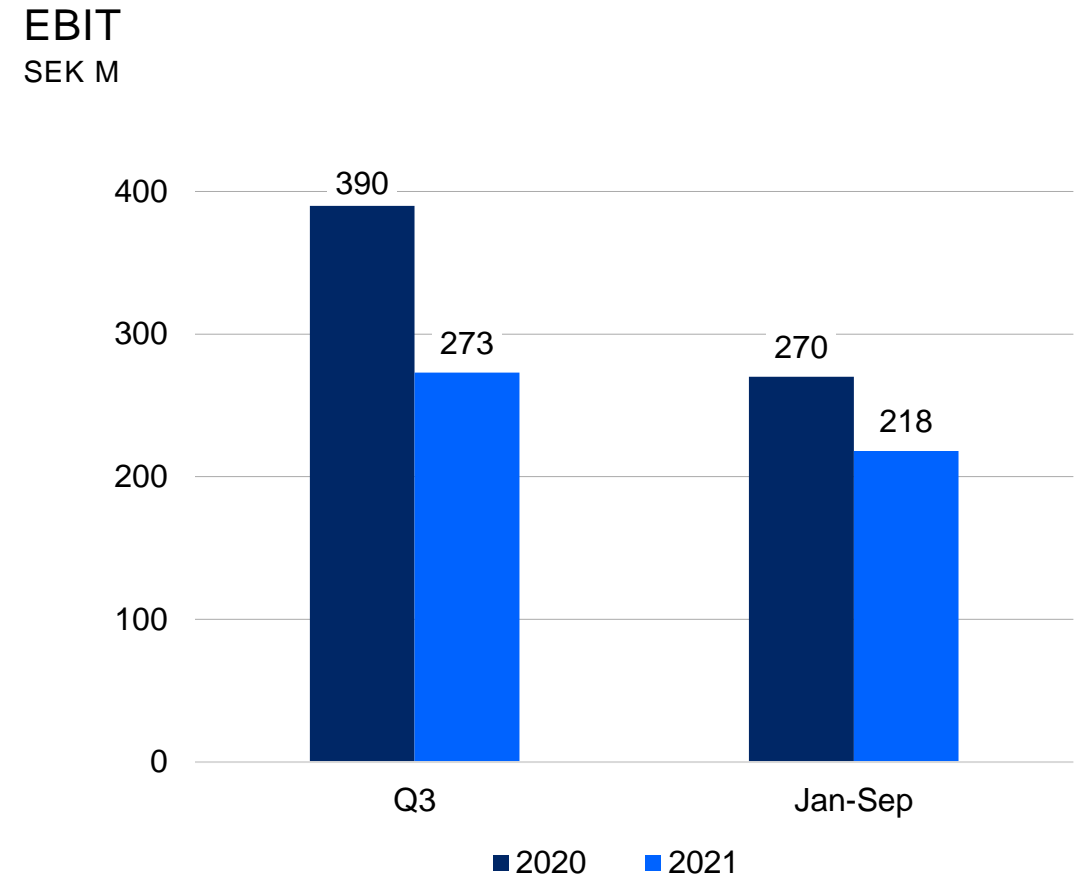
Stable performer but negative impact from Asphalt Finland

## Other & eliminations

Normal levels

# Industry: Stable performer but negative impact from Asphalt Finland

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



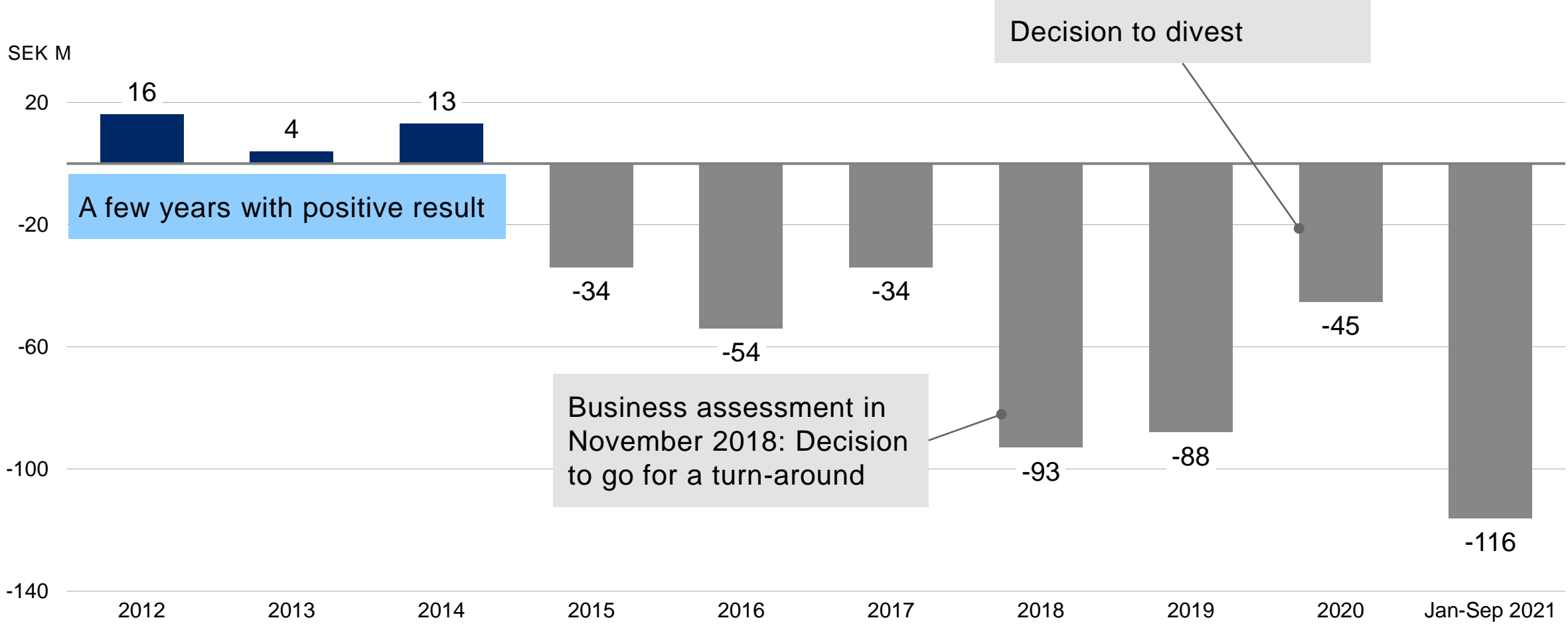
# Asphalt Finland divested

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



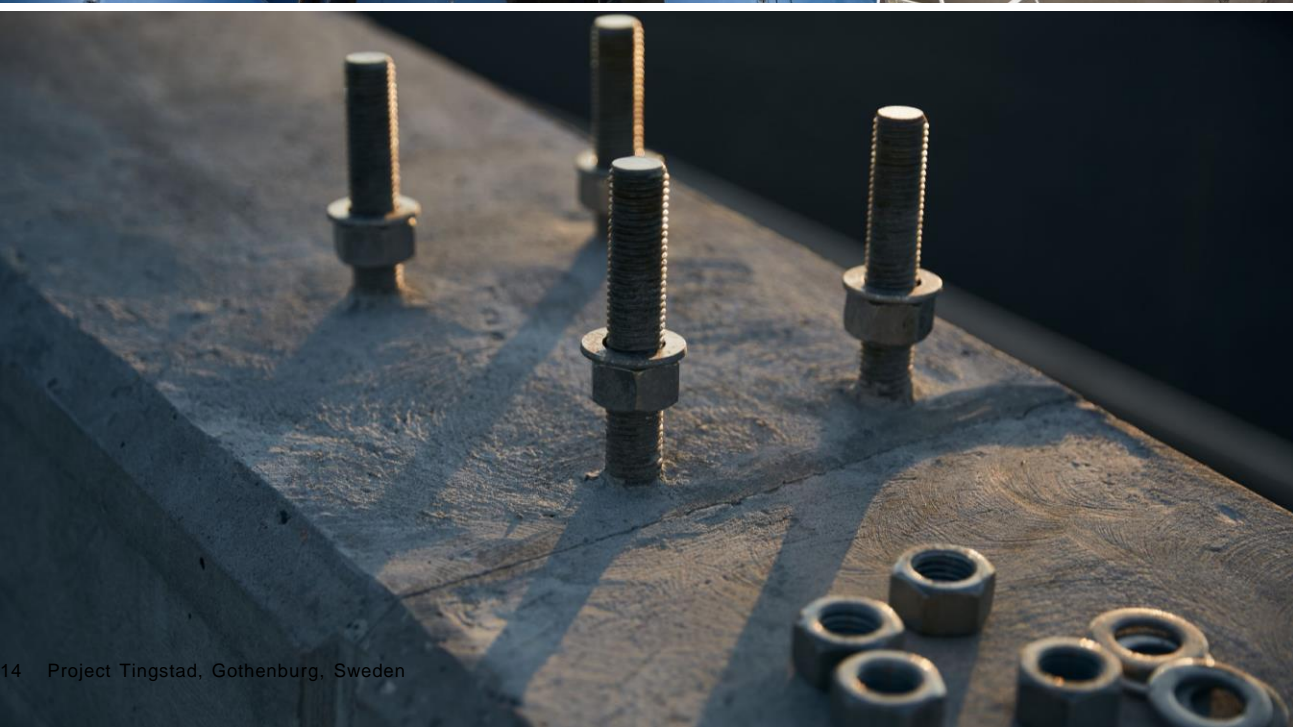
# Asphalt Finland has been loss-making for years

PoC accounting, forecasts key

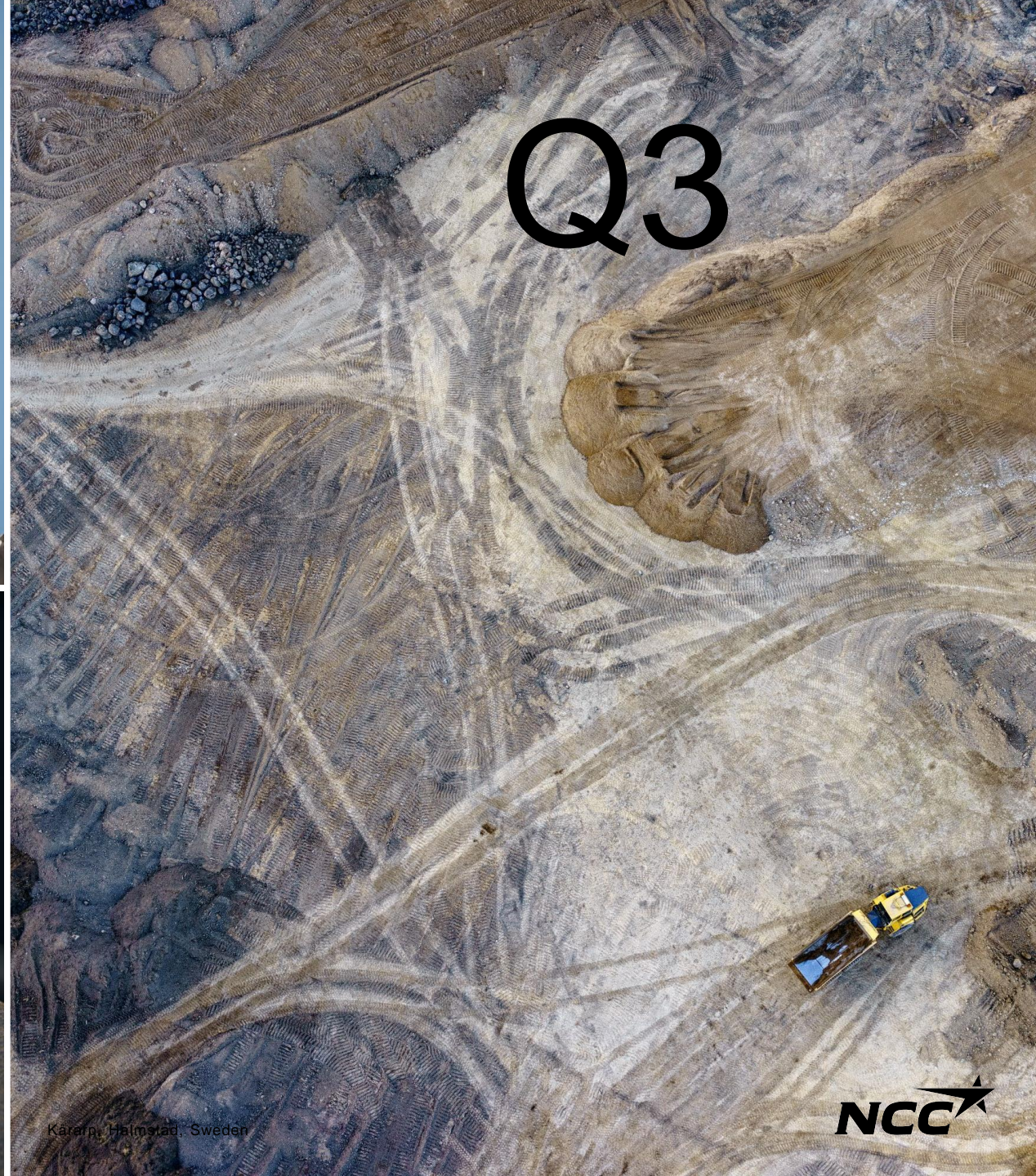




Våghuset, Gothenburg, Sweden



14 Project Tingstad, Gothenburg, Sweden



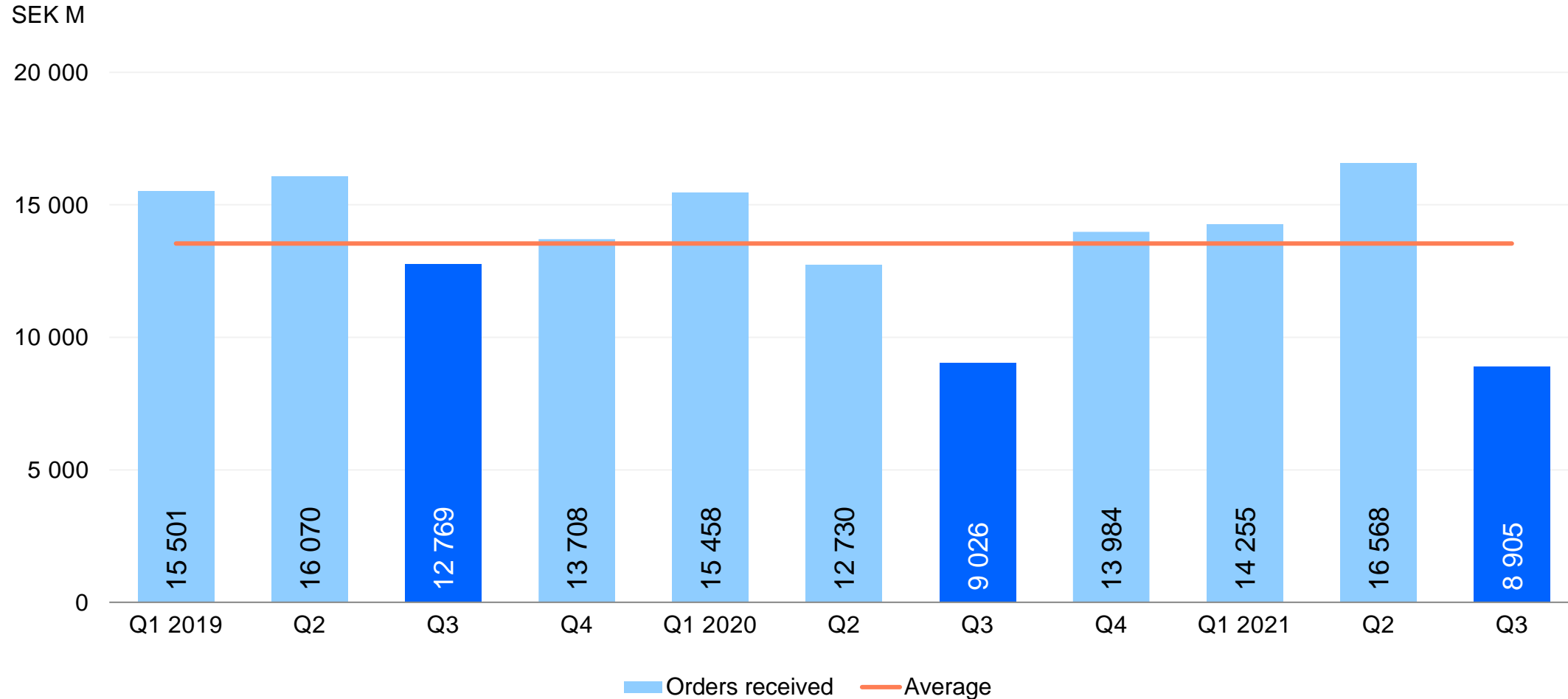
Q3

Kararp, Halmstad, Sweden

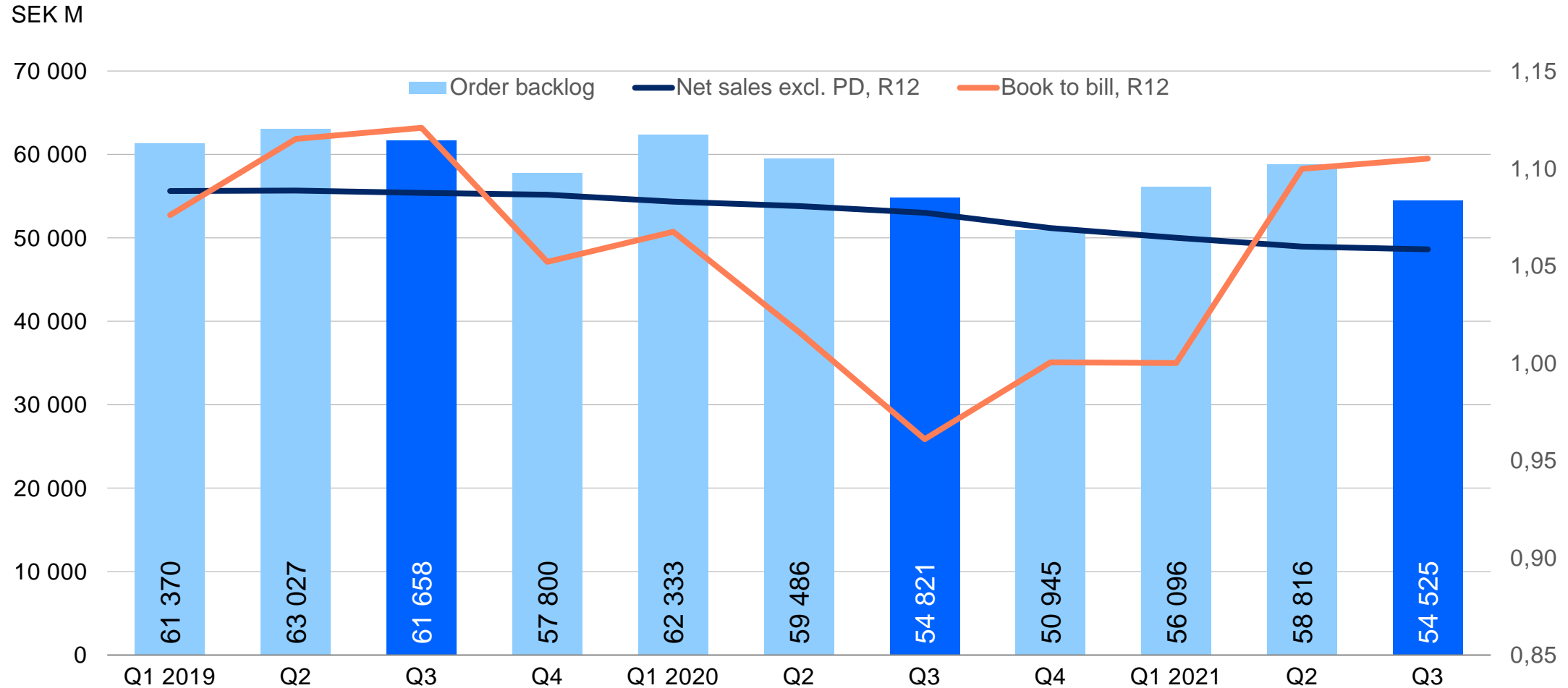


# Orders received on par with last year

Good demand in all markets



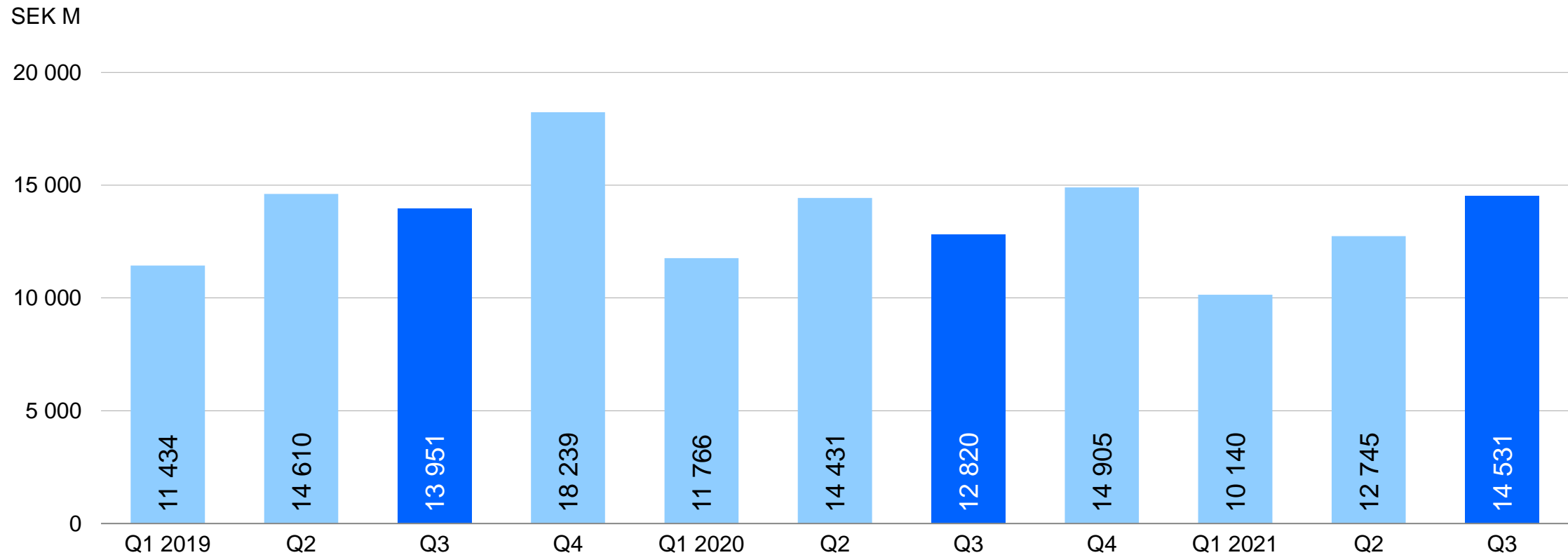
# Order backlog remains strong





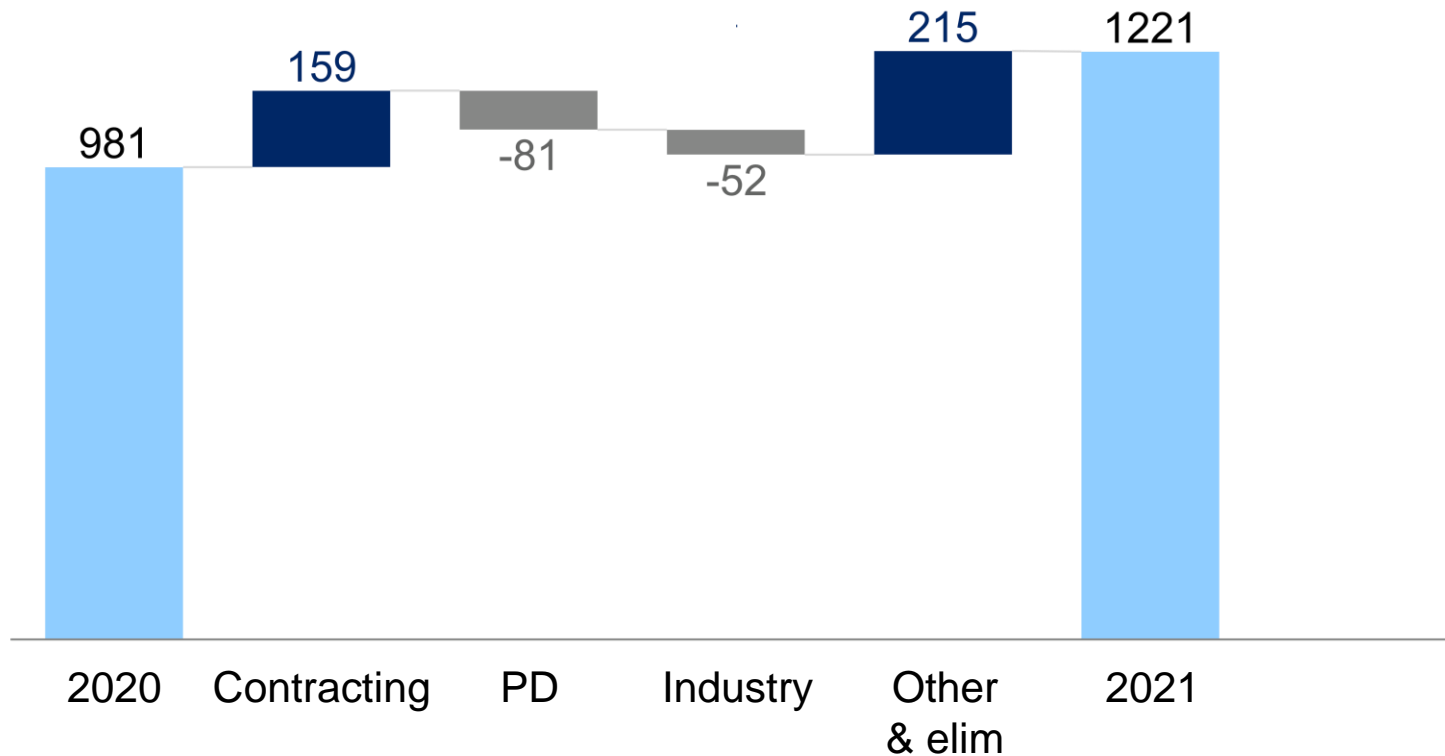
# Net sales up

PD profit recognition and some growth in Building Sweden



# Earnings January - September

SEK M



**Contracting**  
Improved earnings

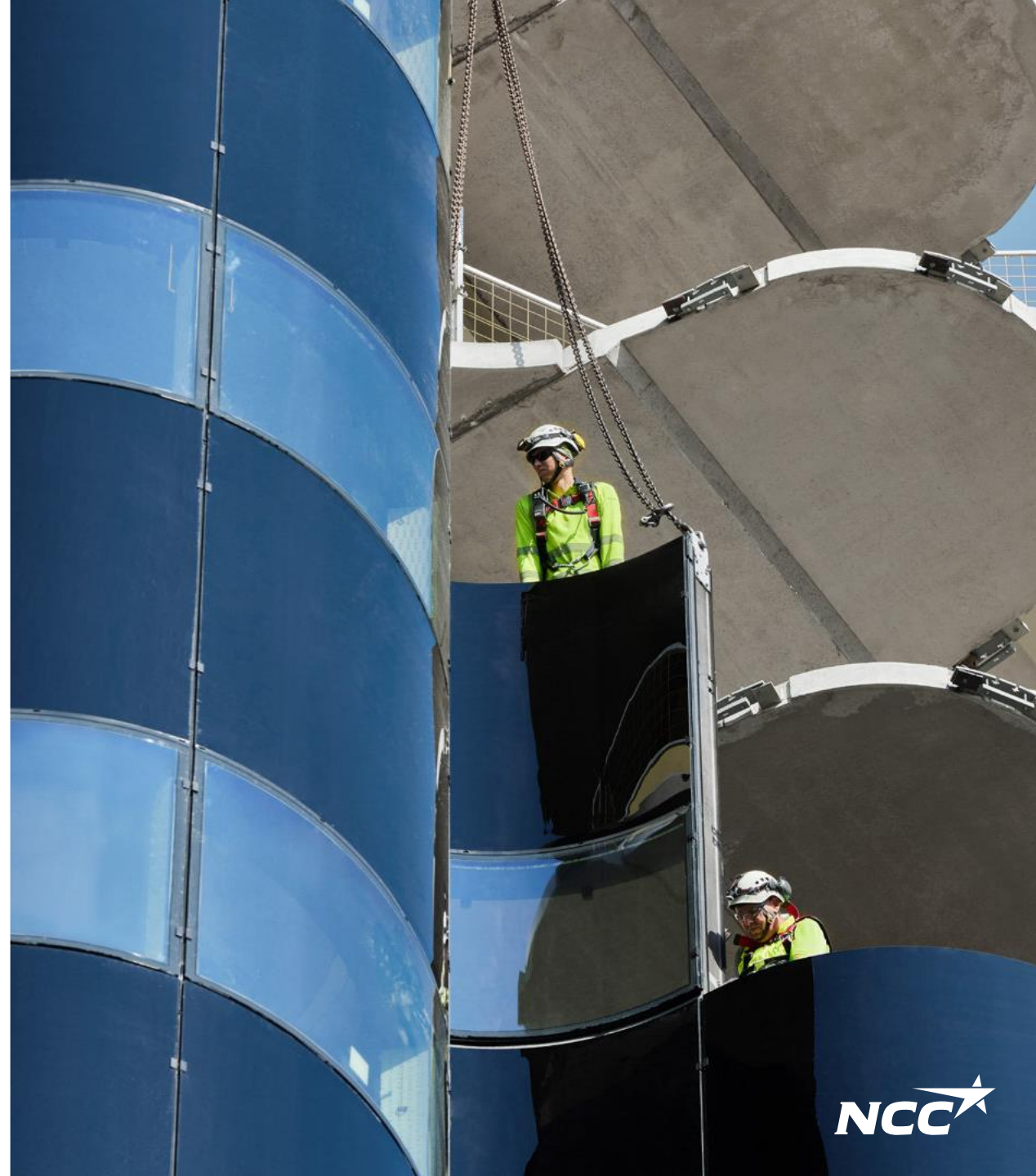
**Property Development**  
Phasing of profit recognition of sold properties

**Industry**  
Lower than last year mainly driven by Asphalt Finland

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

# Potential risks

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



# Susanne Lithander

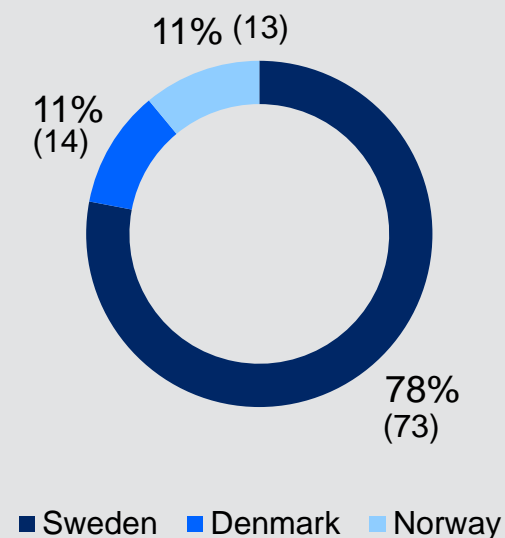
CFO

# NCC Infrastructure

Improving earnings and margin

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

Net sales, Jan-Sep



# NCC Building Sweden

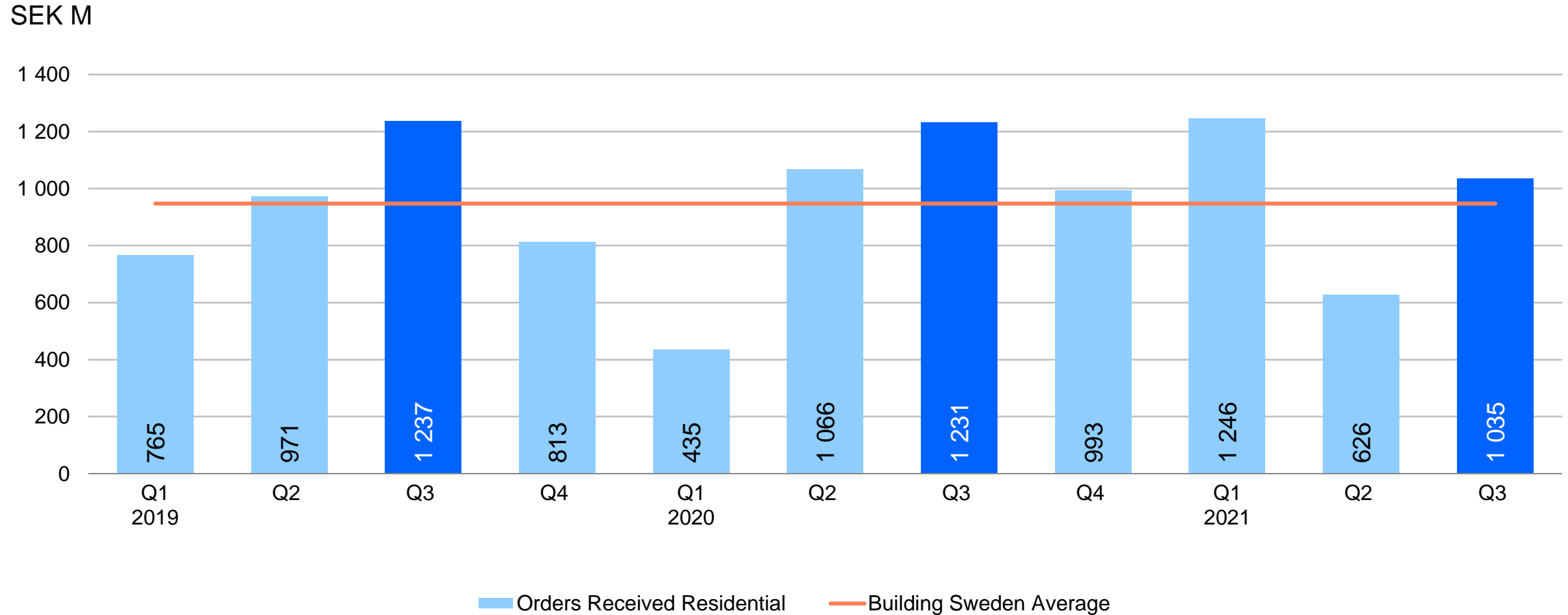
Strong earnings and margin, some growth in net sales and a strong order backlog

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



# NCC Building Sweden

Residential orders received - 44% rentals 2021

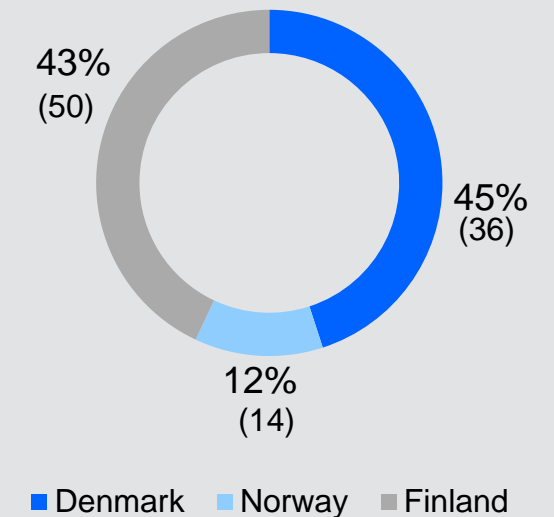


# NCC Building Nordics

Strong earnings

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

## Net sales, Jan-Sep

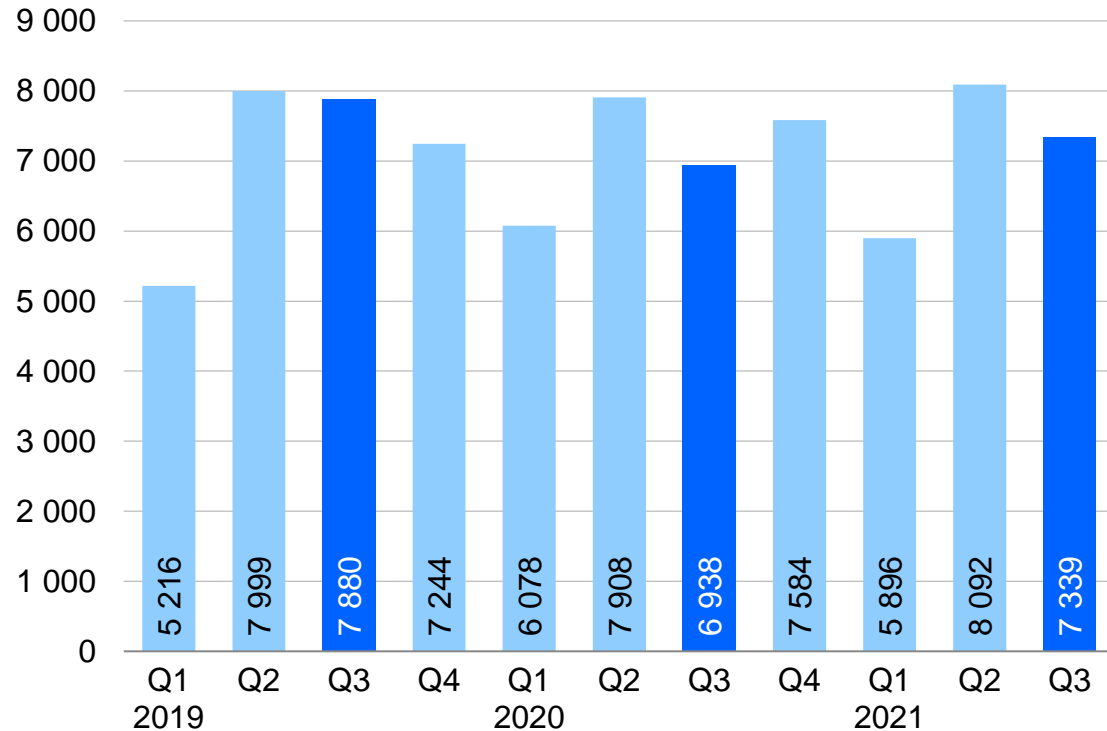




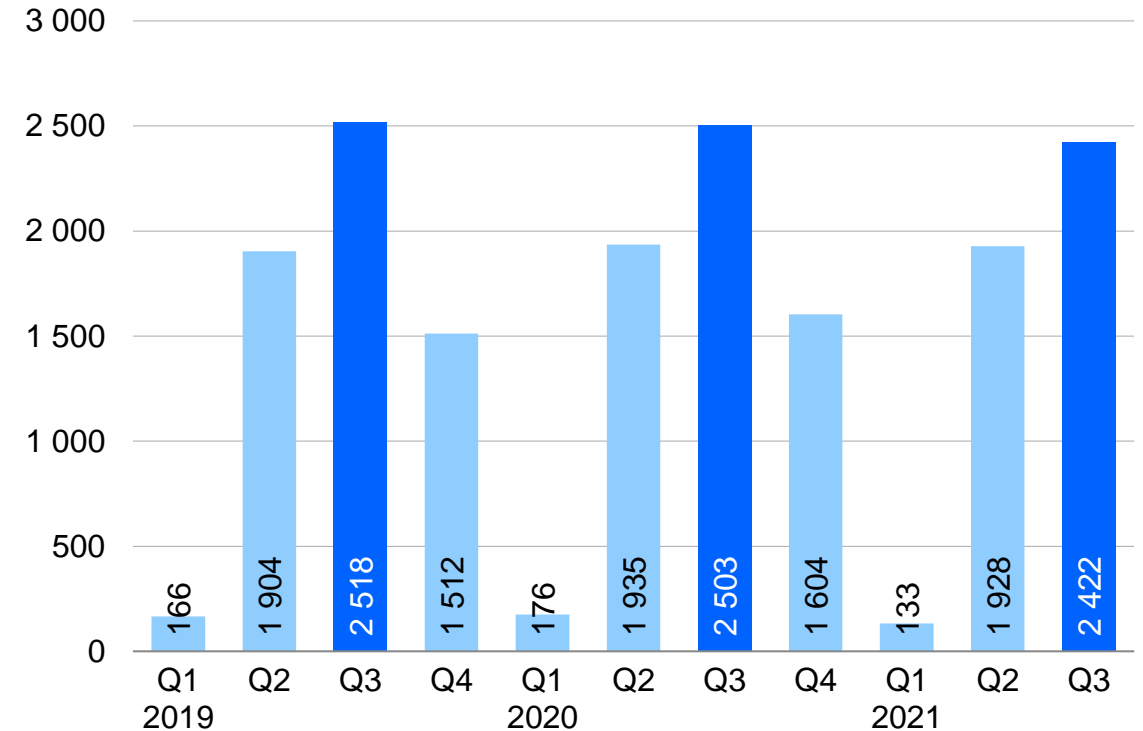
# NCC Industry: Stone and asphalt volumes

Volumes remain stable, somewhat lower in asphalt

Stone material sold, thousands of tons



Asphalt sold, thousands of tons

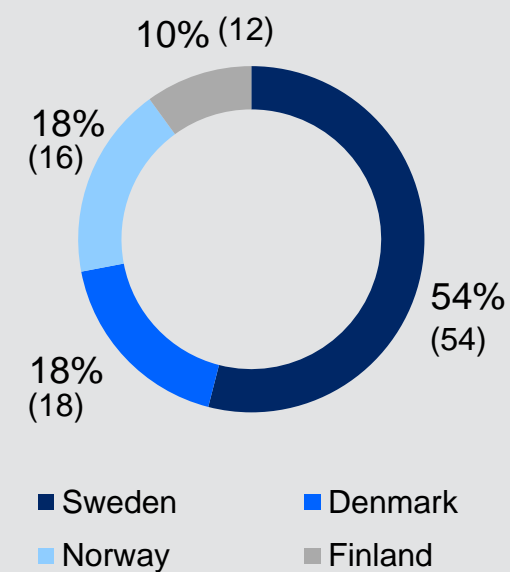


# NCC Industry

Negative earnings impact of SEK 73 M from Asphalt Finland

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

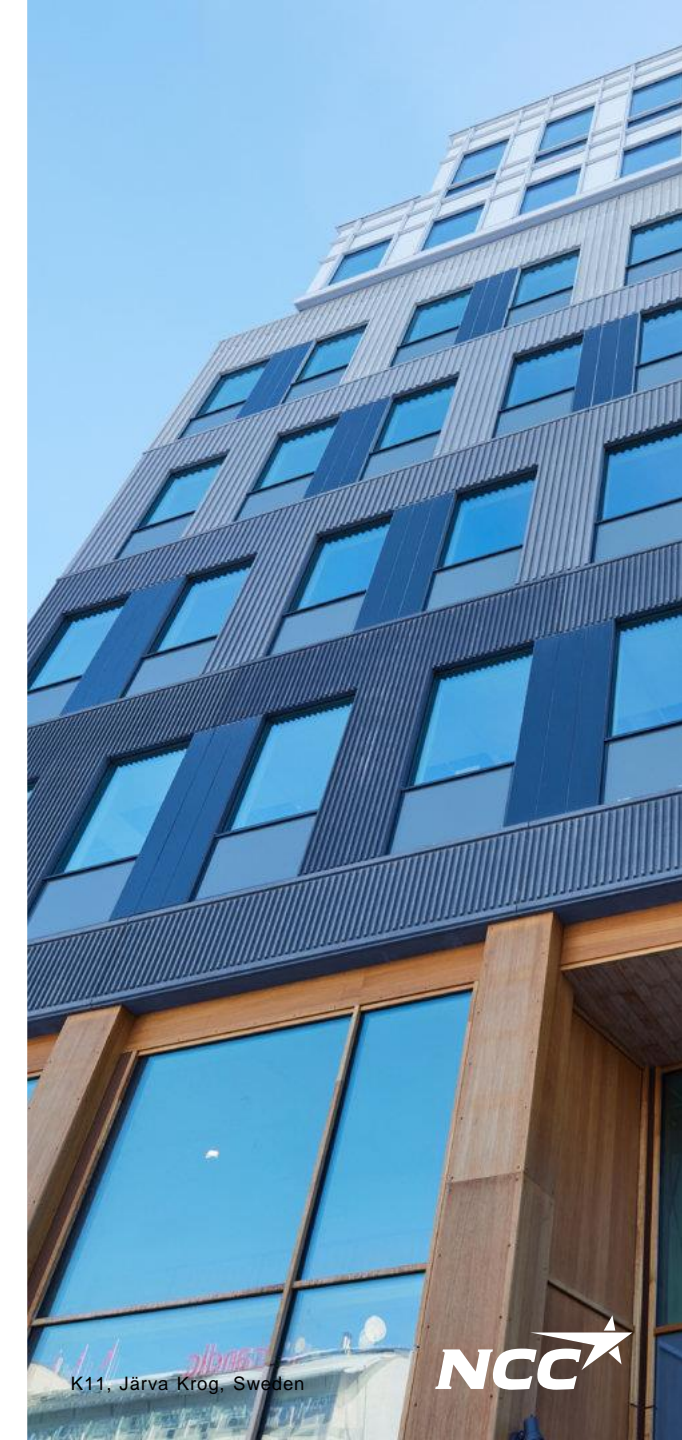
Net sales, Jan-Sep



# NCC Property Development

Three projects recognized in profit

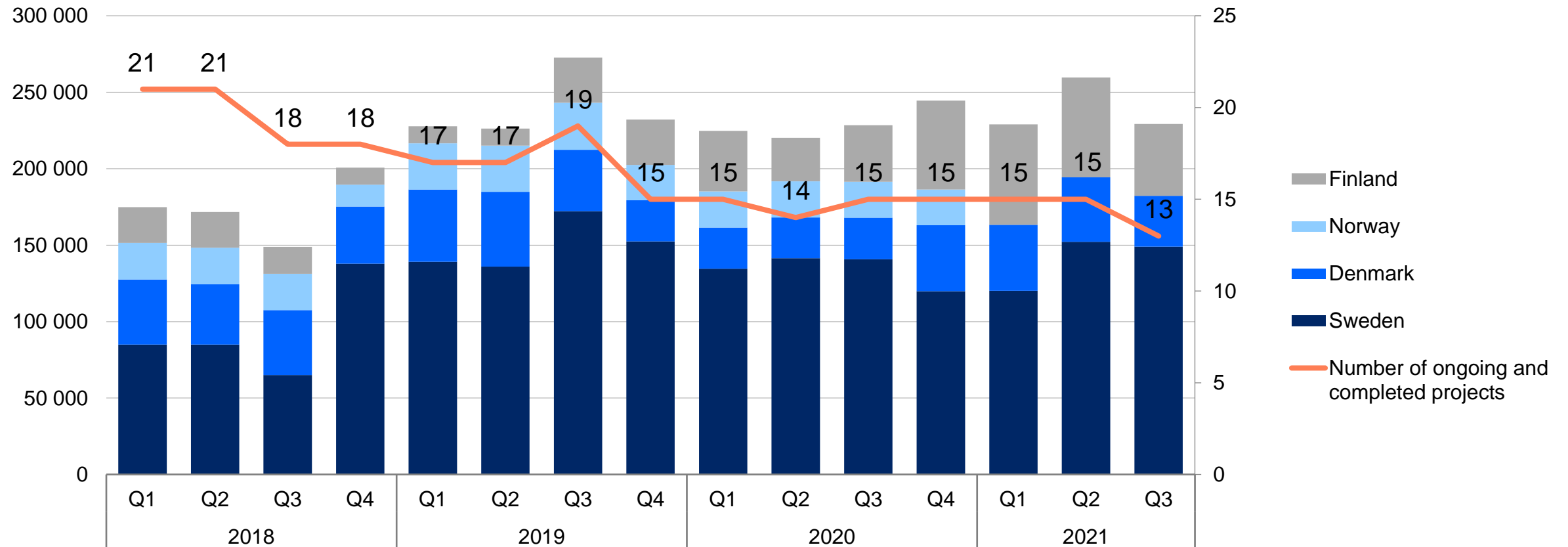
SEK M	Q3		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Net sales	2,072	18	3,247	2,274	3,711	2,737
EBIT	277	-11	299	380	353	434
Capital employed	5,517	5,793	5,517	5,793	5,517	6,433
EBIT margin %	13.4	-58.5	9.2	16.7	9.5	15.9
ROCE %					5.9	8.0



# One new project started in Q3

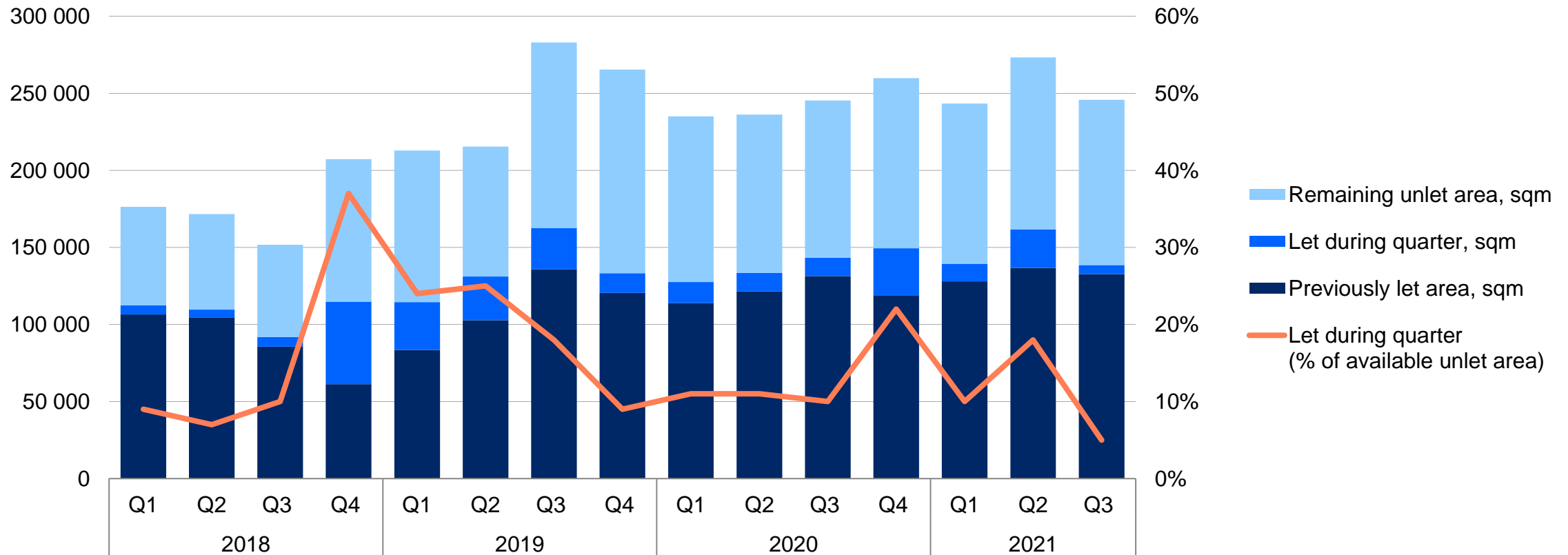
## Project "Nova" in Sweden

Lettable space in ongoing projects, sqm

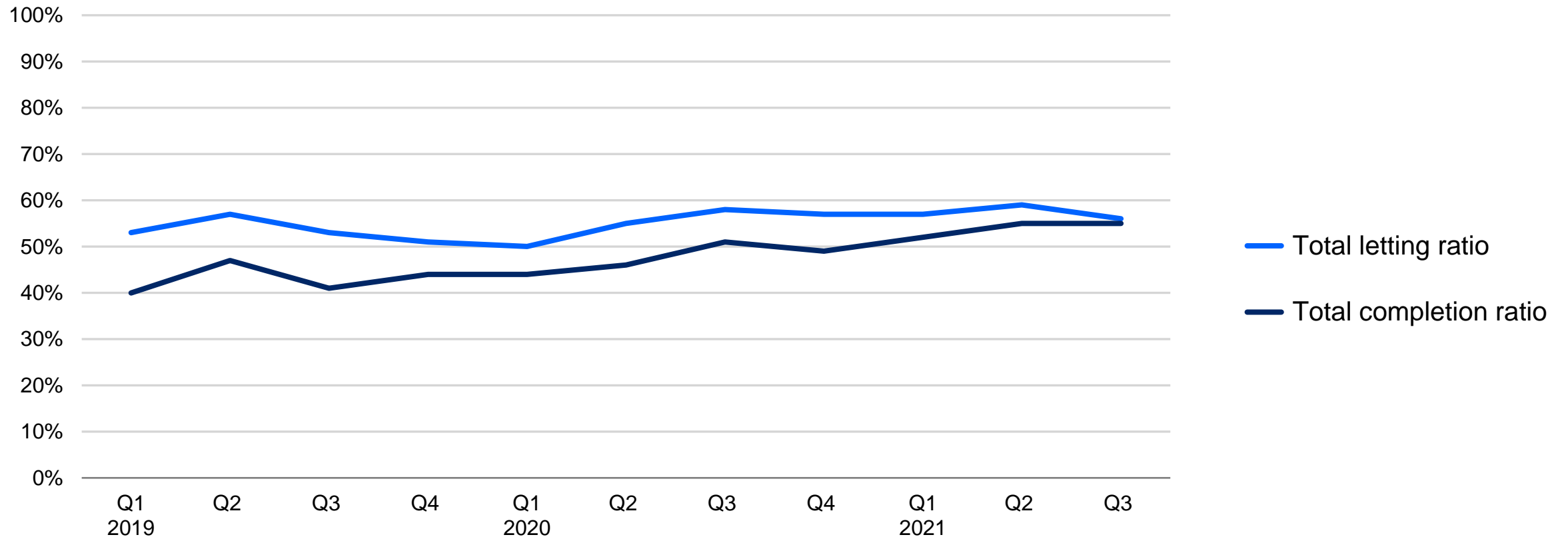


# Letting in the quarter

## Strong interest in the market



# Letting and completion status

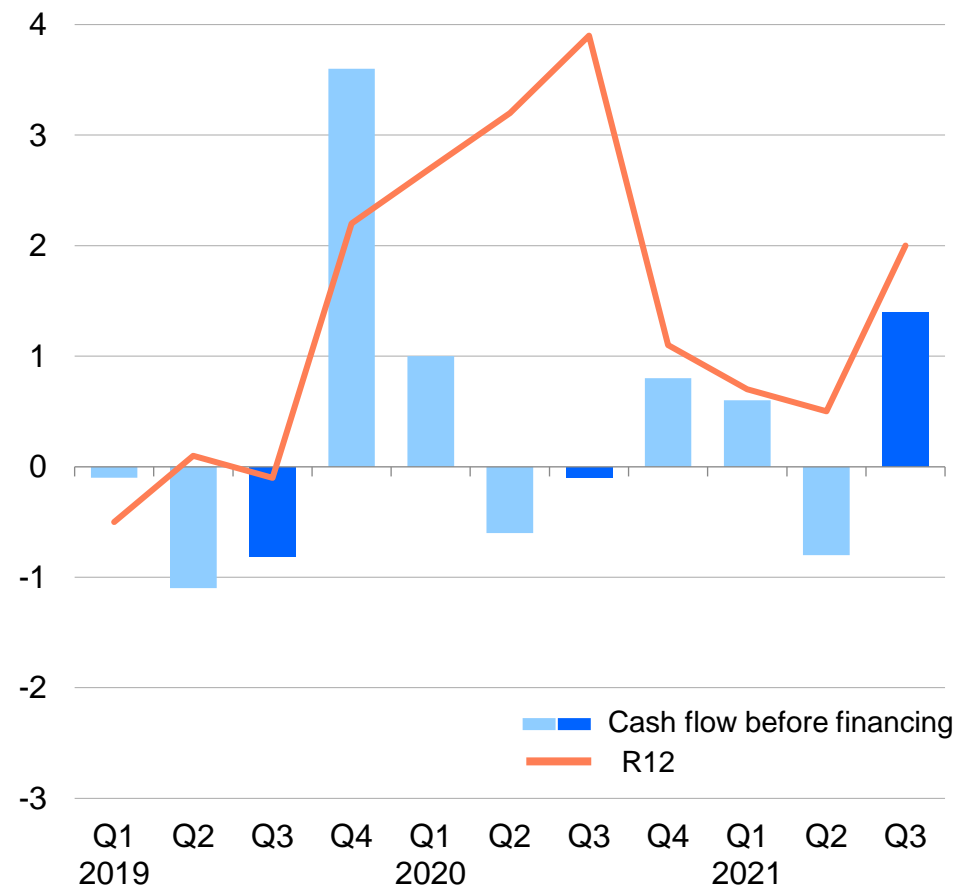


# Earnings

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

# Strong cashflow

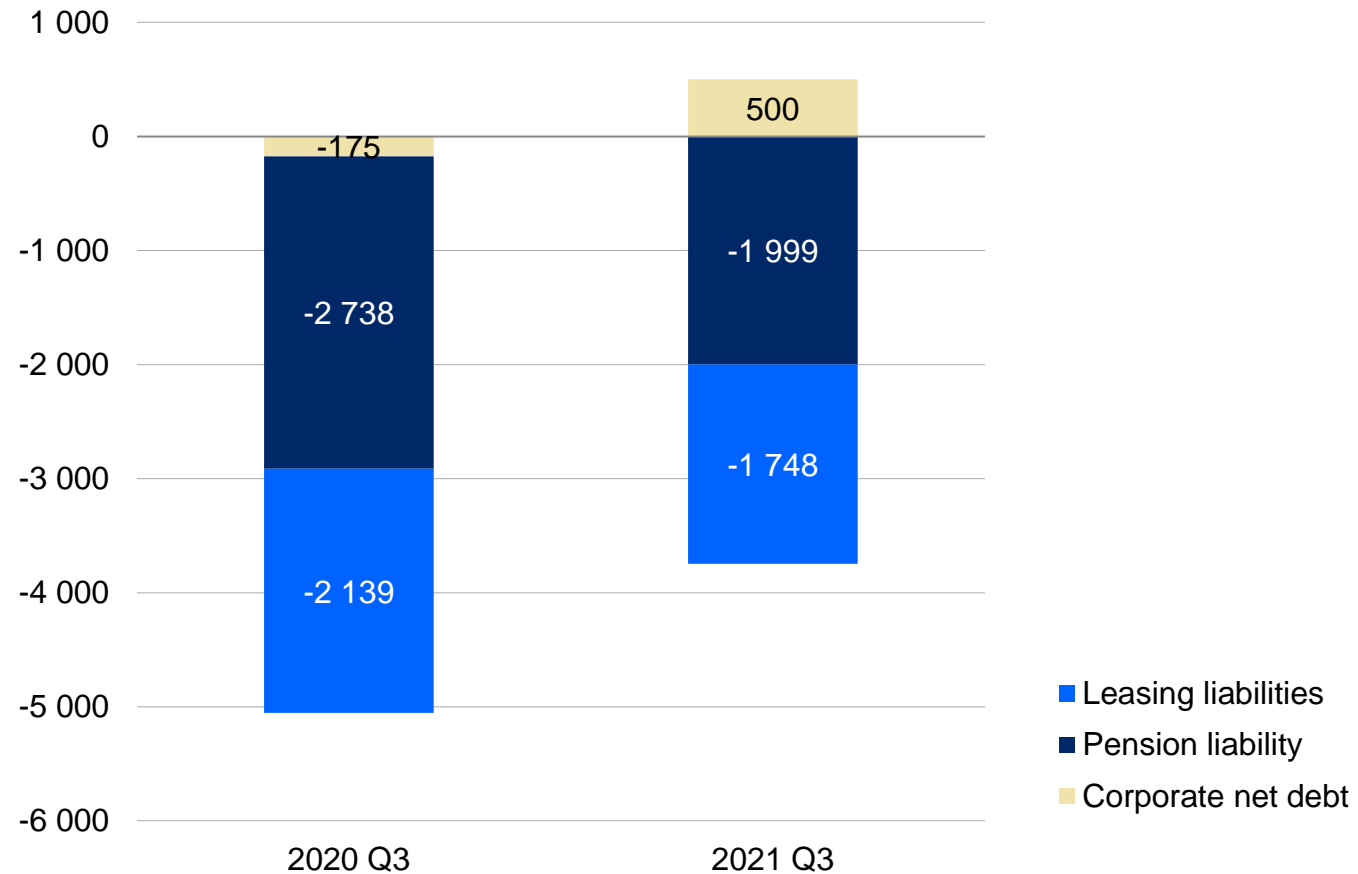
SEK Bn



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



# Net debt per Sep 30, 2021



Net debt* / EBITDA	
Target	< 2.5x
Sep 30, 2021	-0.22x

\*Corporate net debt excluding pension liabilities and leasing liabilities

# Tomas Carlsson

CEO

# Financial targets

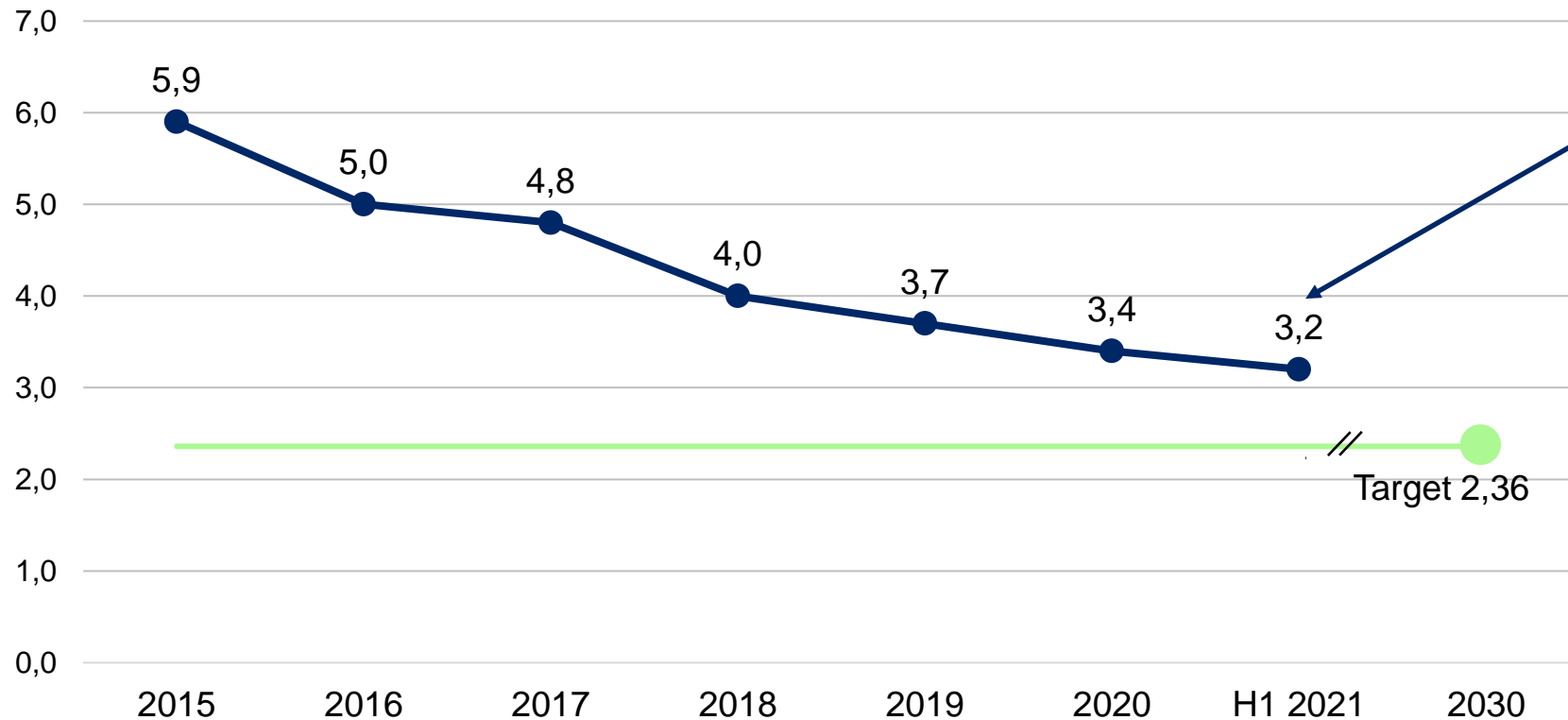


Record date for the second payment is Nov 9, 2021

# Climate and Energy targets

## Climate neutral 2045, reduction targets for 2030

Ton CO<sub>2</sub>e per SEK M net sales



Scope 1 and 2, ton CO<sub>2</sub>e per SEK M net sales

**-60%**

**-46%**

June 2021

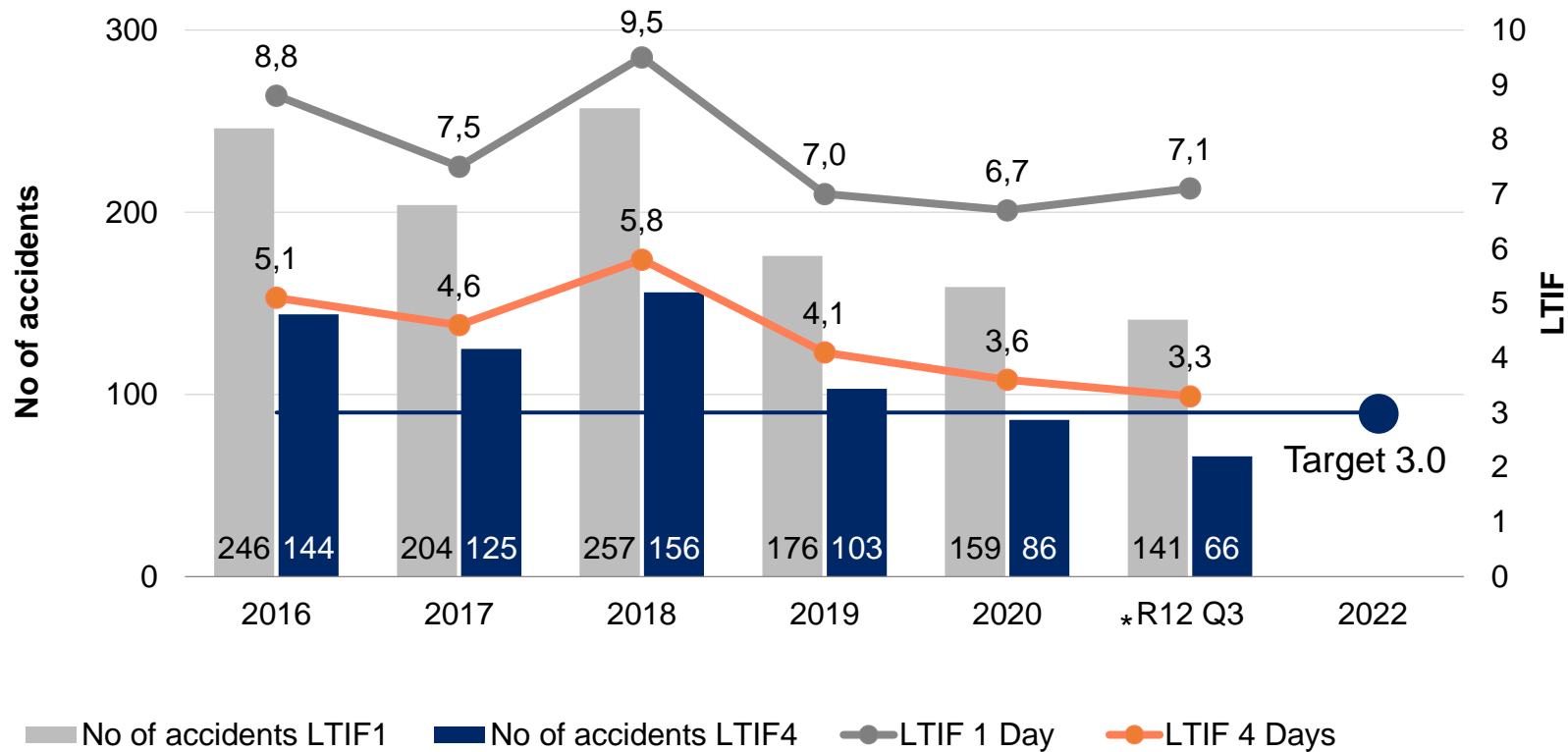
Ton CO<sub>2</sub>e in relation to bought volumes scope 3 contributors. Focus on four main contributors: Concrete, steel, transportation, asphalt

**-50%**

Setting roadmaps. Progress reported from 2021

# Health and Safety targets

Eliminate serious accidents and incidents



## LTIF4

# 3.0

2022

## 3.3

Q3 2021 R12



# A strong quarter for NCC

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

