



## Good operating profit and strong order backlog

“We are now seeing the result of the past three years’ work in the form of good profitability, a strong financial position and a healthy order backlog,” says Tomas Carlsson, President and CEO of NCC.

- The Group’s operating profit increased 34 percent for the full year and improved throughout the contracting operations
- Healthy orders received for the quarter and the full year
- Strong cash flow and strong financial position – the company’s net cash balance was positive at the end of the year
- Earnings per share SEK 14.02, compared with the objective of at least SEK 16.00 per share in 2023
- The Board of Directors has proposed a dividend of SEK 6.00 (5.00) per share for 2021, to be paid on two occasions. See page 13.

### Fourth quarter 2021

- Orders received amounted to SEK 16,059 M (13,984)
- Net sales totaled SEK 15,998 M (14,905)
- Operating profit amounted to SEK 605 M (379)
- Profit after financial items totaled SEK 577 M (359)
- Profit after tax was SEK 538 M (420)
- Earnings per share after dilution were SEK 5.00 (3.90)

### January-December 2021 period

- Orders received amounted to SEK 55,786 M (51,199)
- Net sales totaled SEK 53,414 M (53,922)
- Operating profit amounted to SEK 1,825 M (1,360)
- Profit after financial items totaled SEK 1,765 M (1,281)
- Profit after tax was SEK 1,508 M (1,259)
- Earnings per share after dilution were SEK 14.02 (11.68)

Group, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Orders received	16,059	13,984	55,786	51,199
Order backlog	55,763	50,945	55,763	50,945
Net sales	15,998	14,905	53,414	53,922
Operating profit/loss	605	379	1,825	1,360
Operating margin, %	3.8	2.5	3.4	2.5
Profit/loss after financial items	577	359	1,765	1,281
Net profit/loss for the period	538	420	1,508	1,259
Profit/loss per share after dilution, SEK	5.00	3.90	14.02	11.68
Cash flow from operating activities	670	977	2,260	1,569
Cash flow before financing	687	756	1,896	1,106
Net cash +/- net debt -	-2,932	-4,823	-2,932	-4,823

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

# CEO Tomas Carlsson comments

In the fourth quarter of 2018, we implemented comprehensive changes within NCC and launched a plan, in which the initial phases involved stabilization and profitability improvement. In the twelve quarters since, we have steadily and successively improved the Group's earnings. The right choice of projects, clearer and more efficient internal processes, a focus on training and leadership, as well as on shared values and, not least, the hard work of all our employees, have borne fruit.

Slightly more than a year ago, we conducted a review of our goals and established the objective that NCC will have earnings per share of at least SEK 16 by 2023. This year, we have taken a major step closer to this objective by achieving SEK 14 per share. This is positive and demonstrates that we can generate value and that our plan is producing results.

But we are not yet at our destination and continued hard work and intense focus are required.

We have a demanding business environment, with a large amount of uncertainty. At the same time, we are experiencing healthy demand in all markets. Naturally, this is because society's basic need to build, refurbish and maintain is significant, and because major changes are under way in our countries. One example of this in Sweden is the comprehensive industrial investments in the north, which are not only driving infrastructure and industry, but require broad development of society. The adjustment to the changing climate is creating opportunities for us play a part in the transition – both in the form of specific projects targeted at addressing climate change and new approaches to work, methods, materials and products. We are also managing global price increases for raw materials and other products, and supply chain disruptions. The digitalization of our industry and the possibilities to achieve results through access to more and better data are core features of our strategic focus.

The contracting operations continue to perform well. Building Nordics and Building Sweden increased their operating profit by nearly 20 percent and Infrastructure by nearly 10 percent during the year. We have a strong order backlog and during the quarter, we signed agreements for several large-scale projects that we worked on for a long time at an early phase, including two major hospital projects in Finland and Denmark.

In the Industry business area, it was 2020 before we implemented any major changes and a substantial amount of work remains to be done in this area. The Finnish asphalt operations have been sold. During the quarter, we implemented more measures within the asphalt operations because we have not seen the results we expected. The stone materials operations are stable and displaying good results.



Within the Property Development business area, two property projects were recognized in profit in the fourth quarter. We also conducted a strategic review of the prospects of broadening our focus in property development. This has resulted in us investigating the possibility of also developing rental apartments as a complement to offices and community service properties in the next few years, initially in Sweden and Finland. We can see there that the Group's collective expertise could reap many benefits.

The work environment is always a priority. We are focusing on eliminating serious accidents and incidents, and are at low and stable levels, although work remains to be done. The overview is not entirely straightforward; some business areas have highly favorable results and others have more work to do. We have a plan for systematic improvements and are following this issue carefully.

We ended the year with a strong quarter and can close 2021 in a positive way. We are now going to build on the knowledge and expertise that exists within the company to take the next step in such key areas as business development, digitization and climate adaptation to become an even more profitable company.

Tomas Carlsson, President and CEO  
Solna, February 2, 2022

# Group performance

Fourth quarter and the January–December 2021 period

## Market

The long-term market conditions for contracting operations, property development and industrial operations in the Nordic region are positive. There is an underlying stable 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. There is also substantial interest in property investments.

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 fueled by a healthy market for infrastructure and maintenance.

In the main, NCC is impacted by the general economic situation and the GDP trend.

## Net sales and earnings

Net sales amounted to SEK 15,998 M (14,905) in the fourth quarter and to SEK 53,414 M (53,922) for the full year. The higher net sales for the quarter primarily derived from Property Development, which recognized two office projects in profit. Earnings from earlier sales and reversals of earlier provisions within Property Development made a positive contribution. Both Building Sweden and Building Nordics reported growth for the quarter while Infrastructure noted a smaller deviation compared with the preceding year than in the earlier quarters. For the full year, Building Sweden and Property Development increased their net sales, while net sales for Building Nordics and Infrastructure declined. Changes in exchange rates had an impact of SEK -372 M (-789) on sales.

Operating profit was SEK 605 M (379) in the fourth quarter and SEK 1,825 M (1,360) for the full year. Property Development, Infrastructure and Building Sweden improved their operating profit during the quarter. Operating profit was negatively affected by the sale of the asphalt operations in Finland and positively impacted by a nonrecurring repayment of health insurance premiums totaling SEK 160 M, of which approximately SEK 29 M was recognized in the Industry business area and the rest in Other and eliminations. All of the business areas, apart from Industry, improved their operating profit during the full year.

Net financial items for the fourth quarter were SEK -28 M (-20). Net financial items were SEK -60 M (-80) for the January–December period. The reduced financing requirement in Norwegian crowns, combined with lower Norwegian interest rates, and lower interest rates for pension debt and lease liability, had a positive impact. Other financial items had a negative impact.

## Effective tax

The effective tax rate for the Group amounted to 15 percent (2) for the period. The effective tax rate was lower than it would otherwise have been due to the tax-free sales of projects in Property Development, primarily K11 in Sweden and Valle View in Norway. The foremost reason for the very low tax rate in 2020 was the tax-free property sale of K12. In addition, a major positive impact on the tax rate for 2020 arose due to the lack of clarity concerning the allocation of certain deduction rights in 2019.

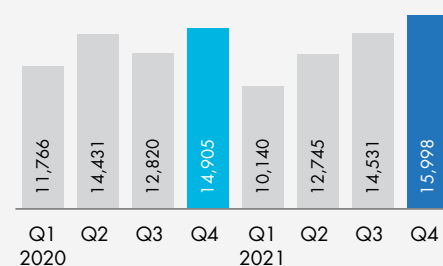
Orders received,  
Jan–Dec SEK M

**55,786**

Net sales,  
Jan–Dec SEK M

**53,414**

Net sales, SEK M



Operating profit, SEK M



## Cash flow

Cash flow for the quarter before financing was SEK 687 M (756). The cash flow for the January to December period was SEK 1,896 M (1,106). Positive cash flow in the Building Sweden business area was offset by a higher amount of tax paid during the quarter. The improved cash flow for the January to December period was primarily attributable to the projects in the Property Development business area being recognized in profit and payment for these, as well as advance payments received in the Building Sweden business area.

Total cash and cash equivalents at the end of the period amounted to SEK 3,048 M (2,330).

The Group's net debt at December 31 amounted to SEK -2,932 M (-4,823). The decrease was due to a lower pension debt, reduced lease liability and an increase in the company's net cash. Excluding lease liability and pension debt, the company's net cash<sup>1</sup> at the end of the period was SEK 766 M (64). The increase in the company's net cash was mainly attributable to improved cash flow from property projects, but also to improved cash flow from working capital.

The Group's total assets amounted to SEK 29,421 M (28,549) at December 31. The increase in total assets of approximately SEK 0.9 billion was essentially due to higher investments in property projects and increased accounts receivable, as well as an increase in invoiced, non-worked-up revenues.

The average maturity period for interest-bearing liabilities, excluding pension debt and lease liabilities, was 14 months (34) at the end of the quarter. A long-term loan of SEK 800 M was repaid in advance on January 10, 2022, after which the average maturity was 20 months. At December 31, 2021, NCC's unutilized committed lines of credit totaled SEK 3.1 billion (2.9), with an average remaining maturity of 34 months (22).

## Capital employed

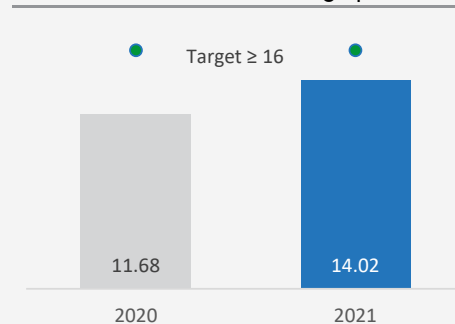
At December 31, 2021, capital employed amounted to SEK 12,055 M (11,375). The return on capital employed was 16 percent (12) during the quarter.

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 14.02 at the end of the fourth quarter. NCC had a net cash balance<sup>1</sup> and accordingly, the recognized net debt/EBITDA amounted to -0.3 times EBITDA.

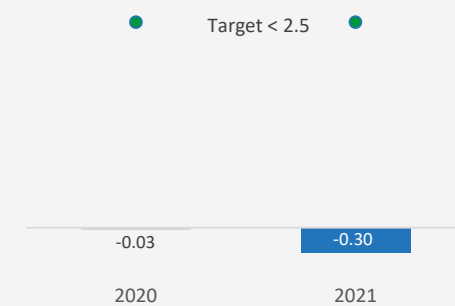
NCC's dividend policy is to distribute at least 40 percent of after-tax profit for the year. For 2021, the Board of Directors has proposed a dividend of SEK 6 per share to be paid on two occasions. This corresponds to 43 percent of after-tax profit for 2021. See also page 13.

### Earnings per share



### 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.



<sup>1</sup> This refers to the company's net cash excluding pension debt and lease liability  
NCC AB Interim Report Q4, January-December 2021



## Health and Safety

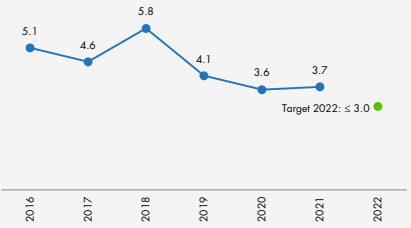
Safety is a high priority area at NCC. All levels of the Group have their sights set on completely preventing accidents and incidents that lead to or could lead to serious injury or fatalities. The aim is to reduce the accident frequency rate for accidents that lead to more than four days of absence per million worked hours to 3.0 by 2022. During 2021, this accident frequency rate was 3.7, which is somewhat higher than the 3.6 for full-year 2020. The results vary between business areas, whereby in 2021, the Building Sweden business area and Building Nordics came in under the 3.0 target set for 2022. Systematic work is in progress at Group level and in every business area.

## Climate and Energy

NCC's target is to be climate-neutral by 2045. As an interim goal, NCC will reduce emissions from its own operations (Scope 1 and 2) by 60 percent by 2030. At mid-year 2021, the emission intensity was 3.2 CO<sub>2</sub>e (tons)/SEK M, corresponding to a reduction of 46 percent since 2015. Updated data for full-year 2021 will be reported in the 2021 Annual Report and in the interim report for the first quarter of 2022.

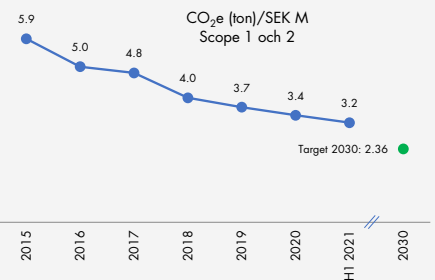
NCC also works to reduce climate emissions in the value chain and has therefore set an interim goal of reducing emissions in the value chain (Scope 3) by 50 percent by 2030 in four prioritized areas: concrete, steel, asphalt and transportation. For concrete, steel and asphalt, data for CO<sub>2</sub>e/m<sup>3</sup> per product will be presented in the 2021 Annual Report and in the interim report for the first quarter of 2022.

### Accident frequency rate<sup>1)</sup>



<sup>1)</sup>Accident frequency rate: Worksite accidents resulting in more than four days of absence from work per million worked hours.

### Emission intensity:



In Espoo in Finland, NCC has developed approximately 18,000 square meters of office space under the Oasis of Professionals (OOPS) concept. The project has been sold to Varma, which took over in the autumn of 2021. The project is environmentally certified in accordance with the BREEAM system, Excellent level.

# Order status

Fourth quarter and the January–December 2021 period

## Orders received and order backlog

Orders received in the fourth quarter amounted to SEK 16,059 M (13,984).

Orders received in the quarter were higher year-on-year in all business areas apart from Industry.

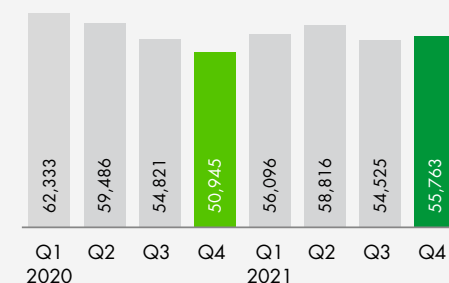
Orders received for the full year amounted to SEK 55,786 M (51,199). Compared with the preceding year, the increased orders received in Infrastructure and Building Nordics was primarily driven by the operations in Norway.

Changes in exchange rates impacted orders received by SEK -314 M (-557).

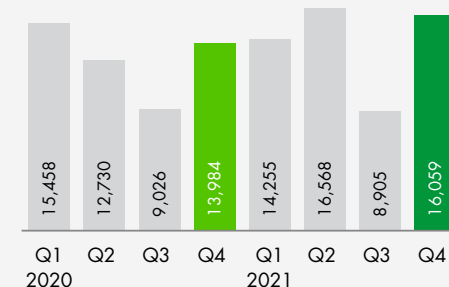
The Group's order backlog amounted to SEK 55,763 M (50,945) at the end of the quarter. The order backlog was higher in Infrastructure, Building Sweden and Building Nordics. Changes in exchange rates impacted the order backlog by SEK 711 M (-1,256).

As of the beginning of 2022, NCC will normally issue press releases on orders exceeding approximately SEK 150 M. A list of published orders is available on the Group website at [investor-relations/financial-information/orders-received/](https://www.ncc.se/investor-relations/financial-information/orders-received/). This also includes the data for 2020 and 2021.

Order backlog



Orders received



## Examples of orders and contracts during the fourth quarter

- Building Nordics is to construct a new building for Oulu University Hospital as part of the second phase of the hospital's development program. Order value SEK 1,300 M
- Building Nordics is to construct the Teknostallen office building in Trondheim on behalf of KLP Eiendom AS. Order value approximately SEK 900 M
- Building Nordics is to construct an office building for the Danish Building and Property Agency in Odense, Denmark. The building is to be made of wood. Order value approximately SEK 880 M
- Building Sweden is to construct 584 rental apartments in the northwest of Stockholm for Slättö. Order value approximately SEK 665 M
- Building Nordics has signed an agreement with the Capital Region of Denmark for the second phase of the New North Zealand Hospital project in Denmark. Order value approximately SEK 650 M
- Building Sweden is to construct 78 tenant-owner apartments and an office building in Umeå on behalf of Balticgruppen. Order value approximately SEK 480 M
- Building Sweden is to construct 164 apartments in Jönköping for Vätterhem. Order value approximately SEK 400 M
- Building Nordics is to construct Bentsebrua School in Oslo for Oslobygg KF. Order value approximately SEK 360 M
- Infrastructure is to upgrade two harbors in Northern Norway on behalf of Hammerfest Municipality and the Norwegian Coastal Administration. Order value approximately SEK 345 M
- Building Sweden is to construct a new office building for IKEA in Älmhult. Order value approximately SEK 340 M
- Building Nordics is to expand the Aalto University in Espoo, Finland. Order value approximately SEK 340 M
- Building Sweden is to construct new residential units in Märsta in cooperation with Sigtunahem. Order value approximately SEK 300 M
- Infrastructure, in a joint venture with SMET, is to construct a surface water and stormwater tunnel in central Copenhagen. The order value for NCC is approximately SEK 300 M.
- Building Sweden is to refurbish a block of service apartments in Enskededalen. Order value approximately SEK 250 M

# NCC Infrastructure

Fourth quarter and the January–December 2021 period

## Orders received and order backlog

Orders received amounted to SEK 3,242 M (2,803) in the fourth quarter and to SEK 18,377 M (14,080) for the full year. During the full year, orders received increased, mostly in the Norwegian operations. During the fourth quarter, orders received in Sweden increased by way of, for example, supplementary contracts in the Centralen project in Gothenburg and in Norway, through, for example, a new order in North Norway and supplementary contracts for projects in the Norwegian operations.

The order backlog was higher than in the preceding year, primarily due to higher orders received in the Norwegian operations, and totaled SEK 18,923 M (16,200).

## Net sales and earnings

Net sales were lower and amounted to SEK 4,946 M (5,185) in the fourth quarter and to SEK 16,339 M (18,271) for the full year. The reduced sales are attributable to lower orders received during 2020, combined with the fact that the orders received for the year have not yet resulted in large volumes of new projects.

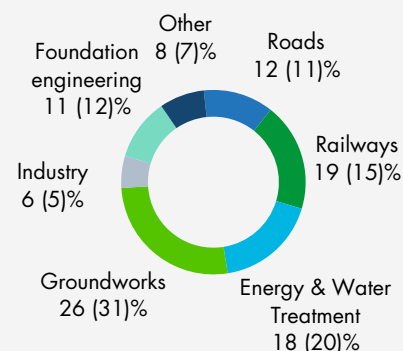
Operating profit improved somewhat to SEK 115 M (97) in the fourth quarter and to SEK 391 M (357) for the full year. The operating profit for the full year improved, mainly due to higher margins in projects due to better product portfolio and lower overhead costs.

NCC Infrastructure, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Orders received	3,242	2,803	18,377	14,080
Order backlog	18,923	16,200	18,923	16,200
Net sales	4,946	5,185	16,339	18,271
Operating profit/loss	115	97	391	357
Operating margin, %	2.3	1.9	2.4	2.0

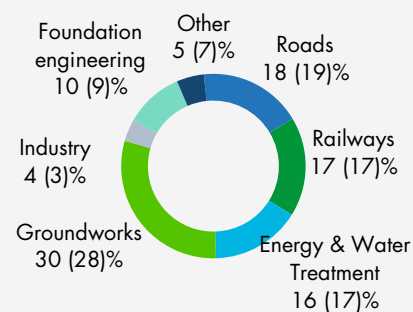
Share of sales Jan-Dec

29%

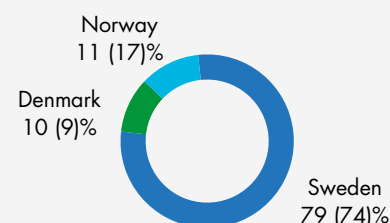
Orders received Jan-Dec



Net sales Jan-Dec



Net sales Jan-Dec



# NCC Building Sweden

Fourth quarter and the January–December 2021 period

## Orders received and order backlog

Orders received amounted to SEK 4,210 M (3,860) in the fourth quarter and to SEK 14,369 M (14,484) for the January to December period. Residential units accounted for the largest proportion of orders received due to several large orders during the year. Fewer than half of these were rental units. The number of offices was higher year-on-year and accounted for slightly more than one fifth of orders received. For public buildings, the comparison for the January to December period was impacted by two large projects in Region Sörmland that were registered among orders in 2020.

The order backlog increased to SEK 18,046 M (17,670) at the end of the quarter.

## Net sales and earnings

Net sales increased to SEK 4,102 M (3,792) in the fourth quarter and to SEK 13,868 M (13,375) for the January to December period. Residential construction and public buildings accounted for more than half of net sales.

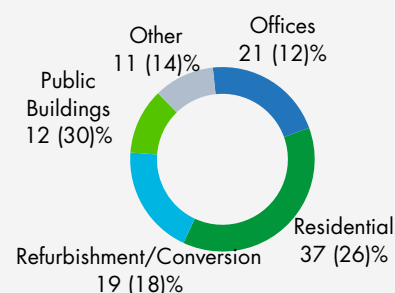
Operating profit increased to SEK 137 M (126) in the fourth quarter and SEK 457 M (381) for the January to December period. Year-on-year, earnings were positively impacted by higher volumes and better underlying profitability for the full year. The operating margin for the January to December period improved year-on-year.

NCC Building Sweden, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Orders received	4,210	3,860	14,369	14,484
Order backlog	18,046	17,670	18,046	17,670
Net sales	4,102	3,792	13,868	13,375
Operating profit/loss	137	126	457	381
Operating margin, %	3.3	3.3	3.3	2.9

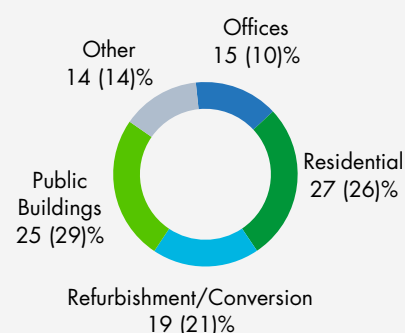
Share of sales Jan-Dec

24%

Orders received Jan-Dec



Net sales Jan-Dec





# NCC Building Nordics

Fourth quarter and the January–December 2021 period

## Orders received and order backlog

Orders received increased to SEK 6,518 M (5,203) in the fourth quarter and to SEK 13,297 M (11,877) for the January to December period. The increase in the quarter was mainly attributable to the Norwegian operations due to two major orders. The proportion of public buildings and renovation and refurbishment increased and accounted for more than half of the total orders received.

The order backlog amounted to SEK 17,271 M (14,856) at the end of the quarter.

## Net sales and earnings

Net sales totaled SEK 3,437 M (3,342) in the fourth quarter and SEK 11,324 M (12,134) for the January to December period. The decrease during the period compared with the preceding year derived from the Finnish and Norwegian operations. The number of residential units was higher year-on-year and accounted for slightly less than one-third of net sales.

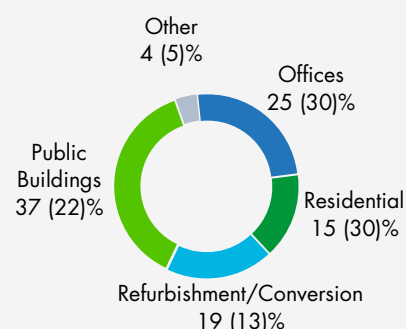
Operating profit was SEK 172 M (181) in the fourth quarter and SEK 410 M (343) for the January to December period. The comparison with the preceding year was impacted by the divestment of the subsidiary Optiplan in the fourth quarter 2020, which made a positive contribution of slightly more than SEK 40 M. Operating profit for the full year increased in all countries and was positively impacted by better project margins. The operating margin for the January to December period improved.

NCC Building Nordics, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Orders received	6,518	5,203	13,297	11,877
Order backlog	17,271	14,856	17,271	14,856
Net sales	3,437	3,342	11,324	12,134
Operating profit/loss	172	181	410	343
Operating margin, %	5.0	5.4	3.6	2.8

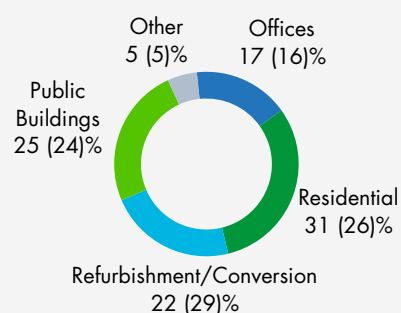
Share of sales Jan-Dec

20%

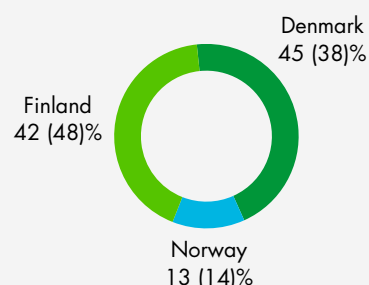
Orders received Jan-Dec



Net sales Jan-Dec



Net sales Jan-Dec



Fourth quarter and the January–December 2021 period

## Orders received

Orders received amounted to SEK 2,119 M (2,360) in the fourth quarter and to SEK 10,297 M (10,605) for the full year. In both the fourth quarter and the full year, orders received were lower in the Finnish asphalt operations and Region North in Sweden, which was partly offset by higher orders received in the Norwegian operations. In the stone materials operations, orders received increased both in the fourth quarter and for the full year, primarily in the Swedish and Danish operations.

## Net sales and earnings

Net sales amounted to SEK 3,058 M (3,099) in the fourth quarter and to SEK 10,755 M (10,869) for the full year. The asphalt operations had somewhat lower net sales, primarily driven by the Finnish operations, which were divested at the end of the quarter. In the stone materials operations, net sales increased in the quarter and for the full year in the Swedish and Danish operations.

Operating profit amounted to SEK 2 M (115) for the fourth quarter and to SEK 220 M (386) for the full year. The Finnish asphalt operations had a negative operating result of SEK 161 M (45) for the full year. Earnings in other asphalt operations were unsatisfactory in the fourth quarter with lower operating profit than in the previous year. This was impacted by a lower operating margin due to higher expenses not passed on in the selling price. As communicated earlier, operating profit was also impacted by negative non-recurring effects from the divestment of the Finnish asphalt operations. These were offset by a substantial positive effect from sales of land during the quarter.

The operating profit was higher in the stone materials operations for the full year and the fourth quarter due to favorable performance in the Swedish, Danish and Finnish operations. Operating profit was impacted by a non-recurring repayment of health insurance premiums of SEK 29 M.

## Capital employed

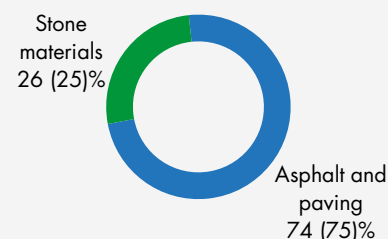
Capital employed rose compared with the end of 2020 due to higher working capital.

NCC Industry, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Orders received	2,119	2,360	10,297	10,605
Net sales	3,058	3,099	10,755	10,869
Operating profit/loss	2	115	220	386
Operating margin, %	0.1	3.7	2.0	3.5
Capital employed	4,772	4,465	4,772	4,465
Stone materials tons, sold volume	7,653	7,585	28,976	28,508
Asphalt tons, sold volume	1,610	1,603	6,096	6,219
Return on capital employed, %			4.4	7.8

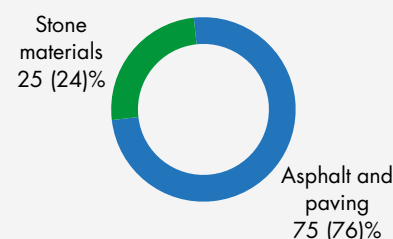
Share of sales Jan-Dec

19%

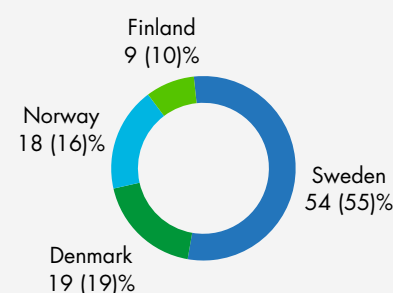
Orders received Jan-Dec



Net sales Jan-Dec



Net sales Jan-Dec



# NCC Property Development

Fourth quarter and the January–December 2021 period

## Net sales and earnings

Net sales amounted to SEK 1,528 M (464) in the fourth quarter and to SEK 4,775 M (2,737) for the January to December period.

Operating profit increased to SEK 179 M (54) in the fourth quarter and SEK 478 M (434) for the January to December period. Two office projects were recognized in profit during the quarter, Frederiks Plads 2 in Denmark and Next in Finland. Gains from earlier sales and reversals of provisions made earlier for example for rental guarantees also made a positive contribution to earnings during the quarter. In the preceding year, two small projects were recognized in profit in the fourth quarter. A total of seven projects were recognized in profit in the January to December period, compared with five in the preceding year.

## Property projects

The Fredriksberg D project was divested in the fourth quarter and is expected to be recognized in profit during the third quarter of 2022.

Letting for the January to December period totaled 56,900 square meters (67,900), of which 14,400 square meters (30,400) in the fourth quarter. During the quarter, a total of 23 new leases were signed in Sweden, Denmark and Finland. The comparison with the preceding year was impacted by a large amount of letting in the Kontorværket 1 and We Land projects in the corresponding quarter of 2020.

At the end of the fourth quarter, 11 projects (15) were ongoing and not yet recognized in profit. As a result of postponed transfer, the Bettorp project will be recognized in profit in the first quarter of 2022 instead of in the fourth quarter of 2021 as communicated earlier. The costs incurred in all projects amounted to SEK 5.9 billion (5.7), corresponding to a total completion rate of 57 percent (49). The letting rate was 58 (57) percent. Operating net amounted to SEK 6 M (-1) for the fourth quarter and SEK 4 M (6) for the January to December period.

## Capital employed

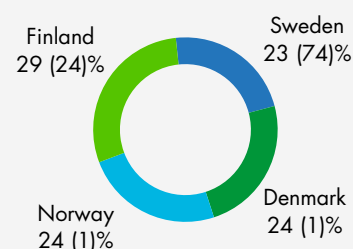
Capital employed amounted to SEK 6,567 M (6,433) at the end of the quarter.

NCC Property Development, SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	1,528	464	4,775	2,737
Operating profit/loss	179	54	478	434
Capital employed	6,567	6,433	6,567	6,433
Operating margin, %	11.7	11.6	10.0	15.9
Return on capital employed, %			7.5	8.0

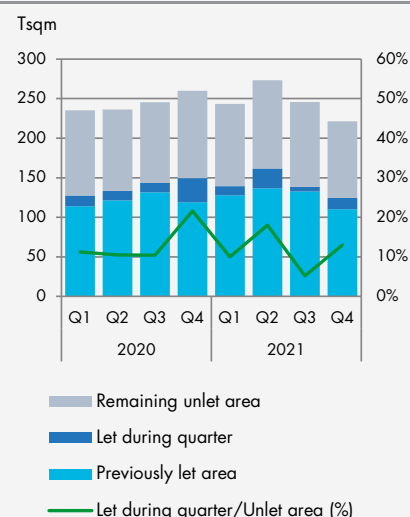
Share of sales Jan-Dec

8%

Net sales Jan-Dec

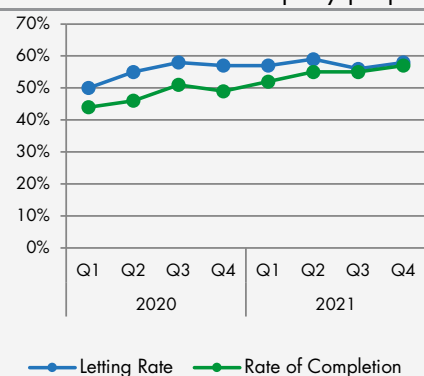


Letting<sup>1)</sup>



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

Property projects



# NCC Property Development

## Property development projects as of 2021-12-31

### Ongoing Property development projects<sup>1</sup>

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
Kontorværket 1	Office	Copenhagen		33	15,900	100
<b>Total Denmark</b>				<b>33</b>	<b>15,900</b>	<b>100</b>
Fredriksberg D	Office	Helsinki	Q3 2022	75	8,400	99
Kulma21	Office	Helsinki		51	7,700	5
We Land	Office	Helsinki		24	21,300	22
<b>Total Finland</b>				<b>41</b>	<b>37,400</b>	<b>36</b>
Bromma Blocks	Office	Stockholm		82	51,900	67
Kineum Gårda <sup>2</sup>	Office	Gothenburg	Q4 2022	79	21,300	93
Brick Studios	Office	Gothenburg		61	16,200	74
Våghuset	Office	Gothenburg		60	11,100	64
MIMO <sup>3</sup>	Office	Gothenburg	Q4 2024	26	31,800	31
Nova	Office	Solna		24	9,800	0
Bettorp <sup>4</sup>	Other	Örebro	Q1 2022	81	6,900	100
<b>Total Sweden</b>				<b>64</b>	<b>149,000</b>	<b>61</b>
<b>Total</b>				<b>64</b>	<b>202,300</b>	<b>61</b>

1) The tables refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees / additional purchase) in thirteen previously sold and revenue recognized property projects, a maximum of approximately SEK 150 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% or more.

4) The transfer of the property has been postponed, therefore, Project Bettorp will be recognized in the income statement during the first quarter of 2022 instead of in the fourth quarter of 2021 as previously communicated.

# Other

## Significant risks and uncertainties

An account of the risks to which NCC may be exposed is presented in the 2020 Annual Report (pages 21–23). This assessment still applies.

This description also includes the risk of pandemics, such as the coronavirus pandemic. It could impact NCC in several ways. The availability of labor could be affected by restrictions on travel and freedom of movement, as well as the health situation and quarantine rules. There are risks of delays to deliveries due to disruptions in production or supplies. The credit risk could also be impacted. In general, NCC's development follows the GDP trend and the company could be affected by a downward trending economy and falling GDP, as well as uncertainty that has resulted in longer decision-making processes.

One of the risks described in NCC's Annual Report is supplier risks. In July 2021, the Swedish Land and Environment Court announced that it had rejected the Cementa company's application for a continued permit to extract limestone on Gotland. Cementa was granted a new shorter permit. This was appealed to the Supreme Court, but at the time this report is issued, no decision has been taken. Cementa is Sweden's largest supplier of cement to the concrete industry. If Cementa's operations were to completely cease, or be considerably restricted, it would have large consequences for all of the Swedish construction industry, including NCC, since shortages would arise. Cementa has advised that it will apply a quota system. NCC is monitoring the situation and working to identify and assess the consequences in close cooperation with other stakeholders, as well as preparing action plans for various scenarios. This includes close contact with concrete suppliers and internal action plans.

In general, disturbances in the supply chain are a risk in the business along with the risk for deficits and sharp increases in price that can not be compensated in the sales price.

## Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. Related-company sales during the fourth quarter amounted to SEK 16 M (14) and purchases to SEK 4 M (-10). For the full year, sales amounted to SEK 41 M (36) and purchases to SEK 13 M (3).

## 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.

## Repurchase of shares

NCC AB holds 841,072 Series B treasury shares to meet its obligations pursuant to long-term incentive programs.

## Other significant events

The divestment of asphalt operations in Finland was completed as planned on December 29, 2021. As communicated previously, the divestment resulted in a negative effect on earnings in the Industry business area, which was mainly attributable to non-cash items in the form of carrying amount, guarantees, contractual assumptions and from transaction expenses.

In the fourth quarter, NCC received a nonrecurring repayment of pension funds, which had a positive impact of SEK 160 M on operating profit, of which SEK 29 M in the Industry business area and rest in group. This is recognized in Other and eliminations.

On December 30, 2021, NCC Treasury AB signed a new three-year revolving credit facility of EUR 280 M, with two one-year extension options. The credit facility, which is guaranteed by NCC AB, will be used for NCC's general borrowing requirements and replaces an existing credit facility of EUR 260 M that was signed on December 21, 2020.

## Proposed dividend

NCC's Board of Directors has proposed a dividend of SEK 6.00 (5.00) per share for the 2021 fiscal year to be paid on two occasions. This corresponds to 43 percent of after-tax profit for the year. The proposed record date is April 7, 2022 for the first payment of SEK 3.00. For the second payment of SEK 3.00, November 8, 2022 is the proposed record date.

## Annual General Meeting

The NCC Annual General Meeting will be held on April 5, 2022. The notification and information on the Meeting's execution will be published not later than four weeks prior to the Meeting.

## Proposal from the Nomination Committee

The Nomination Committee has proposed the reelection of Alf Göransson (member since 2019 and Chairman of the Board since 2020) as Chairman of the Board at the Annual General Meeting. In addition, the Nomination Committee has proposed the reelection of Board members Geir Magne Aarstad (member since 2017), Simon de Château (member since 2020), Mats Jönsson (member since 2017), Angela Langemar Olsson (member since 2018) and Birgit Nørgaard (member since 2017). Viveca Ax:son Johnson (member since 2014) has declined reelection. The Nomination Committee also proposes new members to the Nomination Committee. See press release issued January 26, 2022. The Nomination Committee's other proposals will be presented in the notice convening the AGM.



## Reporting occasions and financial calendar

Annual General Meeting	April 5, 2022
Q1	April 28, 2022
Q2 and Jan-Jun	July 19, 2022
Q3 and Jan-Sep	November 1, 2022
Q4 and Jan-Dec	January 31, 2023

The Annual Report for 2021 will be published not later than March 15, 2022.

## Events after the close of the period

### Impact of the coronavirus pandemic

During the period from the end of the quarter until the date of publication of the report, there has been extensive spread of infection and restrictions in all markets due to the coronavirus pandemic. This resulted in increased absence at NCC and among subcontractors and some temporary production disruptions and delays. However, in general, the disruptions are small and most of the operations made good progress.

## Signatures

Solna, February 2, 2022

Tomas Carlsson  
President and CEO

This report is unaudited.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Note 1	Q4		Jan-Dec	
		2021	2020	2021	2020
Net sales		15,998	14,905	53,414	53,922
Production costs	Note 2, 3	-14,727	-13,617	-48,894	-49,589
<b>Gross profit</b>		<b>1,272</b>	<b>1,288</b>	<b>4,520</b>	<b>4,333</b>
Selling and administrative expenses	Note 2, 3	-750	-898	-2,808	-2,967
Other operating income/expenses	Note 3	83	-11	114	-6
<b>Operating profit/loss</b>		<b>605</b>	<b>379</b>	<b>1,825</b>	<b>1,360</b>
Financial income		2	2	20	30
Financial expense <sup>1)</sup>		-30	-22	-80	-110
<b>Net financial items</b>		<b>-28</b>	<b>-20</b>	<b>-60</b>	<b>-80</b>
<b>Profit/loss after financial items</b>		<b>577</b>	<b>359</b>	<b>1,765</b>	<b>1,281</b>
Tax		-40	61	-257	-22
<b>Net profit/ loss</b>		<b>538</b>	<b>420</b>	<b>1,508</b>	<b>1,259</b>
<b>Attributable to:</b>					
NCC's shareholders		538	420	1,508	1,259
<b>Net profit/loss for the period</b>		<b>538</b>	<b>420</b>	<b>1,508</b>	<b>1,259</b>
<b>Earnings per share</b>					
Before and after dilution					
Net profit/loss for the period, SEK		5.00	3.90	14.02	11.68
<b>Number of shares, millions</b>					
Total number of issued shares		108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		107.6	107.7	107.6	107.8
Number of shares outstanding at the end of the period		107.6	107.7	107.6	107.7

<sup>1)</sup> Whereof interest expenses for the period January-December SEK 49 M (91)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Note 1	Q4		Jan-Dec	
		2021	2020	2021	2020
<b>Net profit/loss for the period</b>		<b>538</b>	<b>420</b>	<b>1,508</b>	<b>1,259</b>
<b>Items that have been recycled or should be recycled to net profit/loss for the period</b>					
Exchange differences on translating foreign operations		40	-110	99	-127
Cash flow hedges		24	8	74	8
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-5	-2	-15	-2
		<b>59</b>	<b>-104</b>	<b>157</b>	<b>-121</b>
<b>Items that cannot be recycled to net profit/loss for the period</b>					
Revaluation of defined benefit pension plans		27	-66	942	111
Income tax relating to items that can not be recycled to net profit/loss for the period		-5	15	-194	-23
		<b>21</b>	<b>-51</b>	<b>748</b>	<b>88</b>
<b>Other comprehensive income</b>		<b>80</b>	<b>-155</b>	<b>905</b>	<b>-32</b>
<b>Total comprehensive income</b>		<b>618</b>	<b>265</b>	<b>2,413</b>	<b>1,226</b>
<b>Attributable to:</b>					
NCC's shareholders		618	265	2,413	1,226
<b>Total comprehensive income</b>		<b>618</b>	<b>265</b>	<b>2,413</b>	<b>1,226</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	Note 1	Dec 31 2021	Dec 31 2020
<b>ASSETS</b>			
Goodwill		1,852	1,800
Other intangible assets		335	342
Right-of-use assets	Note 4	1,600	1,952
Owner-occupied properties		790	875
Machinery and equipment		2,296	2,306
Long-term holdings of securities		82	93
Long-term interest-bearing receivables		128	125
Other long-term receivables		23	19
Deferred tax assets		609	587
<b>Total fixed assets</b>		<b>7,714</b>	<b>8,099</b>
Right-of-use assets	Note 4	2	11
Properties held for future development		1,005	1,492
Ongoing property projects		5,370	4,610
Completed property projects			496
Participations in associated companies		431	295
Materials and inventories		1,059	953
Tax receivables		70	58
Accounts receivable		7,748	7,084
Worked-up, non-invoiced revenues		1,367	1,349
Prepaid expenses and accrued income		952	907
Current interest-bearing receivables		103	126
Other receivables		552	740
Short-term investments <sup>1)</sup>		487	174
Cash and cash equivalents		2,561	2,155
<b>Total current assets</b>		<b>21,707</b>	<b>20,450</b>
<b>Total assets</b>		<b>29,421</b>	<b>28,549</b>
<b>EQUITY</b>			
Shareholders' equity		5,844	3,972
<b>Total shareholders' equity</b>		<b>5,844</b>	<b>3,972</b>
<b>LIABILITIES</b>			
Long-term interest-bearing liabilities		2,038	3,965
Other long-term liabilities		47	60
Provisions for pensions and similar obligations		1,997	2,832
Deferred tax liabilities		464	196
Other provisions		2,608	2,586
<b>Total long-term liabilities</b>		<b>7,154</b>	<b>9,639</b>
Current interest-bearing liabilities		2,176	606
Accounts payable		4,567	4,487
Tax liabilities		22	66
Invoiced revenues not worked-up		4,830	4,104
Accrued expenses and prepaid income		3,588	3,727
Provisions		13	19
Other current liabilities		1,227	1,930
<b>Total current liabilities</b>		<b>16,422</b>	<b>14,938</b>
<b>Total liabilities</b>		<b>23,577</b>	<b>24,577</b>
<b>Total shareholders' equity and liabilities</b>		<b>29,421</b>	<b>28,549</b>

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

## CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Dec 31 2021		Dec 31 2020	
	Shareholders' equity	Total shareholders' equity	Shareholders' equity	Total shareholders' equity
<b>Opening balance, January 1<sup>st</sup></b>	<b>3,972</b>	<b>3,972</b>	<b>3,044</b>	<b>3,044</b>
Total comprehensive income	2,413	2,413	1,226	1,226
Dividend	-538	-538	-269	-269
Sale/Acquisition of treasury shares	-13	-13	-34	-34
Performance based incentive program	10	10	4	4
<b>Closing balance</b>	<b>5,844</b>	<b>5,844</b>	<b>3,972</b>	<b>3,972</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>				
Operating profit/loss	605	379	1,825	1,360
Adjustments for items not included in cash flow	374	562	1,253	1,564
Interest paid and received	31	-21	-9	-79
Taxes paid	-34	157	-241	-188
<b>Cash flow from operating activities before changes in working capital</b>	<b>975</b>	<b>1,077</b>	<b>2,829</b>	<b>2,657</b>
Divestment of property projects	1,109	409	3,666	2,092
Gross investments in property projects	-788	-1,113	-3,467	-3,353
<b>Cash flow from property projects</b>	<b>321</b>	<b>-704</b>	<b>198</b>	<b>-1,262</b>
<b>Other changes in working capital</b>	<b>-626</b>	<b>604</b>	<b>-768</b>	<b>174</b>
<b>Cash flow from changes in working capital</b>	<b>-305</b>	<b>-101</b>	<b>-570</b>	<b>-1,088</b>
<b>Cash flow from operating activities</b>	<b>670</b>	<b>977</b>	<b>2,260</b>	<b>1,569</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition/Sale of subsidiaries and other holdings	170	4	237	15
Acquisition/Sale of tangible fixed assets	-131	-220	-543	-456
Acquisition/Sale of other fixed assets	-22	-6	-58	-22
<b>Cash flow from investing activities</b>	<b>17</b>	<b>-222</b>	<b>-363</b>	<b>-463</b>
<b>Cash flow before financing</b>	<b>687</b>	<b>756</b>	<b>1,896</b>	<b>1,106</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash flow from financing activities</b>	<b>-822</b>	<b>-568</b>	<b>-1,492</b>	<b>-1,322</b>
<b>Cash flow during the period</b>	<b>-135</b>	<b>188</b>	<b>404</b>	<b>-217</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,696</b>	<b>1,972</b>	<b>2,155</b>	<b>2,416</b>
Effects of exchange rate changes on cash and cash equivalents	2	-5	2	-44
<b>Cash and cash equivalents at end of period</b>	<b>2,561</b>	<b>2,155</b>	<b>2,561</b>	<b>2,155</b>
Short-term investments due later than three months	487	174	487	174
<b>Total liquid assets at end of period</b>	<b>3,048</b>	<b>2,330</b>	<b>3,048</b>	<b>2,330</b>

## CONDENSED CONSOLIDATED NET DEBT

Net debt, SEK M	Jan-Dec	
	2021	2020
Net debt, opening balance	-4,823	-4,489
- Cash flow from operating activities	2,260	1,569
- Cash flow from investing activities	-363	-463
Cash flow before financing	1,896	1,106
Change of provisions for pensions	835	8
Change in leasing debt	-290	-1,100
Paid dividend	-538	-269
Acquisition/Sale of treasury shares	-13	-34
Currency exchange differences in cash and cash equivalents	2	-44
Net cash + /net debt - closing balance	<b>-2,932</b>	<b>-4,823</b>
- Whereof provisions for pensions	-1,997	-2,832
- Whereof leasing debt	-1,700	-2,055
- Whereof other net cash/net debt	766	64



## PARENT COMPANY CONDENSED INCOME STATEMENT

SEK M	Note 1	Q4		Jan-Dec	
		2021	2020	2021	2020
Net sales		97	97	127	140
Selling and administrative expenses		41	-73	-114	-263
<b>Operating profit</b>		<b>138</b>	<b>24</b>	<b>13</b>	<b>-123</b>
Result from participations in Group companies		-79	-97	1,048	1,057
Result from other financial fixed assets			4	12	14
Result from financial current assets				1	3
Interest expense and similar items		-5	-6	-22	-30
<b>Result after financial items</b>		<b>54</b>	<b>-74</b>	<b>1,052</b>	<b>921</b>
Appropriations		452	153	452	153
Tax		-119	-16	-90	20
<b>Net profit/loss for the period</b>		<b>387</b>	<b>64</b>	<b>1,415</b>	<b>1,095</b>

The Parent Company consists primarily of head office functions. Net sales pertain to charges to Group companies. The average number of employees was 51 (52).

## PARENT COMPANY CONDENSED BALANCE SHEET

SEK M	Note 1	Dec 31 2021	Dec 31 2020
<b>ASSETS</b>			
Financial fixed assets		4,552	4,600
<b>Total fixed assets</b>		<b>4,553</b>	<b>4,600</b>
Current receivables		824	859
Treasury balances in NCC Treasury AB		721	259
<b>Total current assets</b>		<b>1,545</b>	<b>1,119</b>
<b>Total assets</b>		<b>6,097</b>	<b>5,719</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity		4,951	4,080
Provisions		6	6
Long term liabilities		6	804
Current liabilities		1,135	829
<b>Total shareholders' equity and liabilities</b>		<b>6,097</b>	<b>5,719</b>

Total approved dividends to shareholders amount to SEK 538 M, of which SEK 269 M was paid in April and SEK 269 M in November 2021.

# 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).

The interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2020 Annual Report (Note 1 and in connection with the subsequent notes). A small number of changes to existing standards and interpretations came into effect for the fiscal year commencing January 1, 2021. These standards and interpretations had no material impact on this financial report.

### 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 2020 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	Q4		Jan-Dec	
	2021	2020	2021	2020
Other intangible assets	-12	-28	-46	-75
Owner-occupied properties <sup>1)</sup>	-82	-85	-323	-344
Machinery and equipment <sup>2)</sup>	-233	-260	-939	-993
<b>Total depreciation</b>	<b>-327</b>	<b>-373</b>	<b>-1,307</b>	<b>-1,412</b>

<sup>1)</sup> Of which depreciation of right-of-use assets SEK 261 M (290)

<sup>2)</sup> Of which depreciation of right-of-use assets SEK 385 M (435)

## NOTE 3. IMPAIRMENT LOSSES

SEK M	Q4		Jan-Dec	
	2021	2020	2021	2020
Properties held for future development	-8		-10	
Owner-occupied properties			-19	-8
Machinery and equipment		-16	4	-16
<b>Total impairment losses</b>	<b>-8</b>	<b>-16</b>	<b>-25</b>	<b>-24</b>

## NOTE 4. RIGHT-OF-USE ASSETS

SEK M	Dec 31 2021	Dec 31 2020
Owner-occupied properties	901	1,043
Machinery and equipment	699	909
Land leases	2	11
<b>Total right-of-use assets</b>	<b>1,602</b>	<b>1,963</b>

## NOT 5. SEGMENT REPORTING

### SEK M

Q4 2021	NCC	NCC	NCC	NCC	NCC Property	Total segments	Other and eliminations <sup>1)</sup>	Group
	Infrastructure	Building Sweden	Building Nbrdics	Industry	Development			
Net sales, external	4 776	3 712	3 016	2 849	1 526	15 879	119	15 998
Net sales, internal	171	390	421	208	2	1 192	-1 192	
Net sales, total	4 946	4 102	3 437	3 058	1 528	17 071	-1 073	15 998
Operating profit	115	137	172	2	179	604	1	605
Net financial items								-28
Profit/loss after financial items								577

Q4 2020	NCC	NCC	NCC	NCC	NCC Property	Total segments	Other and eliminations <sup>1)</sup>	Group
	Infrastructure	Building Sweden	Building Nbrdics	Industry	Development			
Net sales, external	4 954	3 340	2 917	2 881	461	14 554	351	14 905
Net sales, internal	232	452	425	218	2	1 328	-1 328	
Net sales, total	5 185	3 792	3 342	3 099	464	15 881	-976	14 905
Operating profit	97	126	181	115	54	573	-194	379
Net financial items								-20
Profit/loss after financial items								359

January - December 2021	NCC	NCC	NCC	NCC	NCC Property	Total segments	Other and eliminations <sup>2)</sup>	Group
	Infrastructure	Building Sweden	Building Nbrdics	Industry	Development			
Net sales, external	15 668	12 464	9 829	10 120	4 768	52 849	566	53 414
Net sales, internal	672	1 404	1 496	635	8	4 214	-4 214	
Net sales, total	16 339	13 868	11 324	10 755	4 775	57 062	-3 648	53 414
Operating profit	391	457	410	220	478	1 956	-130	1 825
Net financial items								-60
Profit/loss after financial items								1 765

January - December 2020	NCC	NCC	NCC	NCC	NCC Property	Total segments	Other and eliminations <sup>2)</sup>	Group
	Infrastructure	Building Sweden	Building Nbrdics	Industry	Development			
Net sales, external	17 279	11 842	10 724	10 098	2 728	52 671	1 252	53 922
Net sales, internal	992	1 533	1 410	771	10	4 716	-4 716	
Net sales, total	18 271	13 375	12 134	10 870	2 737	57 387	-3 465	53 922
Operating profit	357	381	343	386	434	1 902	-542	1 360
Net financial items								-80
Profit/loss after financial items								1 281

<sup>1)</sup> The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK 33 M (-93). Non-recurring repayment of health insurance premiums has been made by SEK 124 M. Further, the figures for the quarter includes eliminations of internal profits of SEK 23 M (-12) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totaling SEK -45 M (-55). These items primarily correspond to pensions and leasing. Road Services is included with SEK -9 M (-34).

<sup>2)</sup> The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -49 M (-168). Non-recurring repayment of health insurance premiums has been made by SEK 124 M. Further, the figures includes eliminations of internal profits amounting of SEK 34 M (-64) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totaling SEK -107 M (-235). These items primarily correspond to pensions and in 2020 also leasing, when the rules on sale and leaseback are applied. Road Services is included with SEK -9 M (-75).

### Geographical areas

SEK M	Net sales		Orders received	
	Jan-Dec			
	2021	2020	2021	2020
Sweden	31,122	32,199	31,940	32,120
Denmark	9,494	8,070	8,688	8,014
Norway	6,703	6,657	8,814	4,327
Finland	6,095	6,996	6,344	6,738
<b>Total</b>	<b>53,414</b>	<b>53,922</b>	<b>55,786</b>	<b>51,199</b>

## NOT 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	Dec 31 2021				Dec 31 2020			
	Level				Level			
	1	2	3	Tot	1	2	3	Tot
<b>Financial assets measured at fair value through profit and loss</b>								
Short-term investments	401			401	104			104
Derivative instruments		8		8		10		10
Derivative instruments used in hedge accounting		59		59		9		9
<b>Financial assets measured at fair value through other comprehensive income</b>								
Equity instruments			68	68			68	68
<b>Total assets</b>	<b>401</b>	<b>67</b>	<b>68</b>	<b>536</b>	<b>104</b>	<b>19</b>	<b>68</b>	<b>191</b>
<b>Financial liabilities measured at fair value through profit and loss</b>								
Derivative instruments		39		39		39		39
Derivative instruments used in hedge accounting		5		5		32		32
<b>Total liabilities</b>	<b>0</b>	<b>44</b>	<b>0</b>	<b>44</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>71</b>

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	Dec 31 2021		Dec 31 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	128	128	125	126
Short-term investments - amortized cost	86	86	70	70
Long-term interest-bearing liabilities	2,038	2,038	3,965	3,946
Current interest-bearing liabilities	2,176	2,176	606	606

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.

## NOT 7. PLEDGED ASSETS, CONTINGENT LIABILITIES AND GUARANTEE OBLIGATIONS

SEK M

<b>Group</b>	Dec 31 2021	Dec 31 2020
Assets pledged	453	537
Contingent liabilities and guarantee obligations <sup>1)</sup>	253	251
<b>Parent company</b>		
Contingent liabilities and guarantee obligations <sup>1)</sup>	22,561	20,279

<sup>1)</sup> 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

	Q4	Q4	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2021	2020	2021	2020	2019	2018	2017 <sup>3)</sup>	2017
<b>Profitability ratios</b>								
Return on shareholders' equity, % <sup>1)</sup>	32	37	32	37	32	-18	17	18
Return on capital employed, % <sup>1)</sup>	16	12	16	12	13	-9	12	13
<b>Financial ratios at period-end</b>								
EBITDA %	5,9	5,2	5,9	5,2	4,7	0,8	3,3	3,6
Interest-coverage ratio, times <sup>1)</sup>	23,0	12,7	23,0	12,7	9,1	-6,0	8,5	9,8
Equity/assets ratio, %	20	14	20	14	10	11	19	20
Interest bearing liabilities/total assets, %	21	26	21	26	25	17	15	15
Net cash +/net debt -, SEK M	-2,932	-4,823	-2,932	-4,823	-4,489	-3,045	-149	-149
Debt/equity ratio, times	0,5	1,2	0,5	1,2	1,5	1,0		
Capital employed at period end, SEK M	12,055	11,375	12,055	11,375	10,382	7,619	9,174	9,523
Capital employed, average	11,430	10,983	11,430	10,983	9,936	8,780	9,138	9,418
Capital turnover rate, times <sup>1)</sup>	4,7	4,9	4,7	4,9	5,9	6,5	6,0	5,8
Closing interest rate, % <sup>4)</sup>	1,1	1,1	1,1	1,1	1,1	1,3	2,0	2,0
Average period of fixed interest, years <sup>4)</sup>	0,5	1,0	0,5	1,0	1,2	0,5	0,6	0,6
<b>Per share data</b>								
Profit/loss after tax, before and after dilution, SEK	5,00	3,90	14,02	11,68	8,09	-7,00	8,07	9,29
Cash flow from operating activities, before and after dilution, SEK	6,23	9,08	21,00	14,56	20,50	-3,47	19,97	19,97
Cash flow before financing, before and after dilution, SEK	6,39	7,02	17,62	10,26	14,01	-10,71	12,59	12,59
P/E ratio <sup>1)</sup>	12	13	12	13	19	-20	19	17
Dividend, ordinary, SEK			6,00	5,00	2,50	4,00	8,00	8,00
Dividend yield, %			3,6	3,3	1,6	2,9	5,1	5,1
Shareholders' equity before and after dilution, SEK	54,32	36,89	54,32	36,89	28,21	27,13	47,81	51,04
Share price/shareholders' equity, %	309	407	309	407	543	508	329	308
Share price at period-end, NCC B, SEK	167,70	150,00	167,70	150,00	153,20	137,80	157,30	157,30
<b>Number of shares, millions</b>								
Total number of issued shares <sup>2)</sup>	108,4	108,4	108,4	108,4	108,4	108,4	108,4	108,4
Treasury shares at period-end	0,8	0,8	0,8	0,8	0,5	0,4	0,4	0,4
Total number of shares outstanding at period-end before dilution	107,6	107,7	107,6	107,7	107,9	108,0	108,1	108,1
Average number of shares outstanding before and after dilution during the period	107,6	107,7	107,6	107,8	108,0	108,1	108,1	108,1
Market capitalization before dilution, SEK M	18,035	16,144	18,035	16,144	16,548	14,896	16,997	16,997
<b>Personnel</b>								
Average number of employees	13,002	14,388	13,002	14,388	15,273	16,523	17,762	17,762

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

2) All shares issued by NCC are common shares.

3) The amounts are adjusted for change in accounting policy regarding IFRS 15.

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

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



This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out below on February 2, 2022 at 7:10 a.m. CET.

## Invitation to presentation of the Interim Report for the January-December 2021 period

NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the interim report in a webcast and teleconference on February 2, 2022, at 9:00 a.m. CET. The presentation will be held in English.



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

Link to webcast: <https://ncc-live-external.creo.se/220202>

To participate by phone: To participate by phone, please call one of the following numbers five minutes prior to the start of the conference.  
SE: +46 8 505 583 54  
UK: +44 333 300 9262  
US: +1 646 722 4902

## Financial calendar

Annual General Meeting 2021	April 5, 2022
Interim report Q1	April 28, 2022
Interim report Q2 and Jan – Jun	July 19, 2022
Interim report Q3 and Jan–Sep	1 November 2022



## For further information, please contact:

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