

Q2 2022

Tomas Carlsson, CEO
Susanne Lithander, CFO

Some growth, strong order backlog, flat earnings

Order backlog strong and orders received on a good level

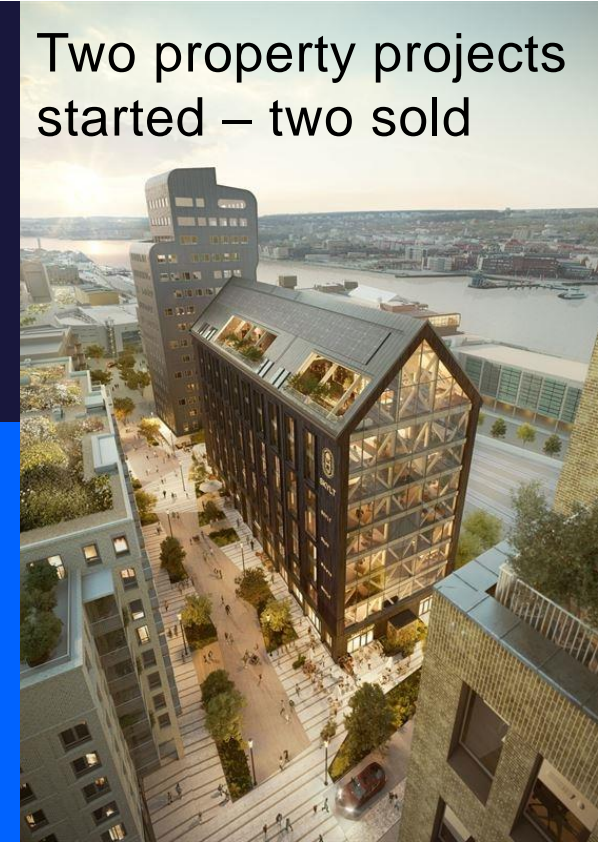
Higher net sales in contracting and Industry

Earnings in contracting on par with last year

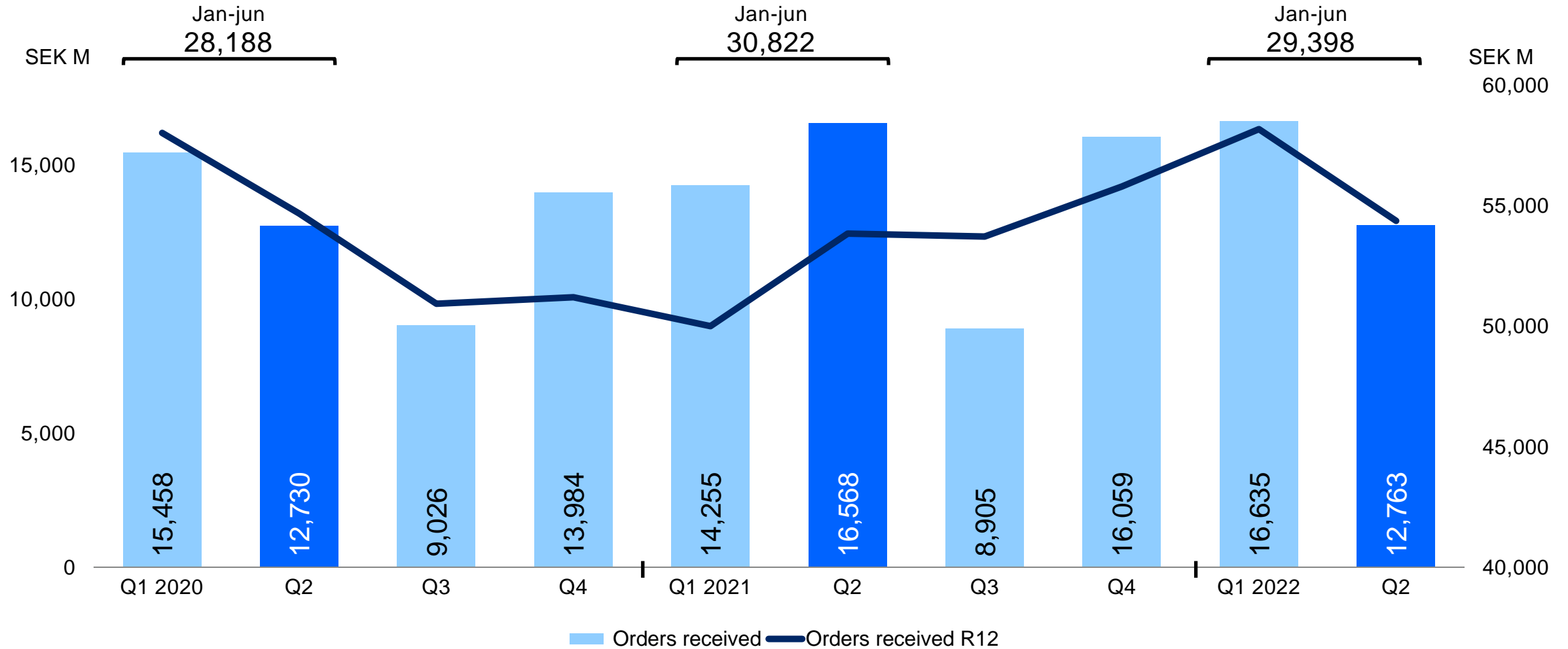
Two property projects started – two sold

Industry volumes stable – some cost impact on earnings

More impact from inflation, interest rates and economic uncertainty



Orders received on good level

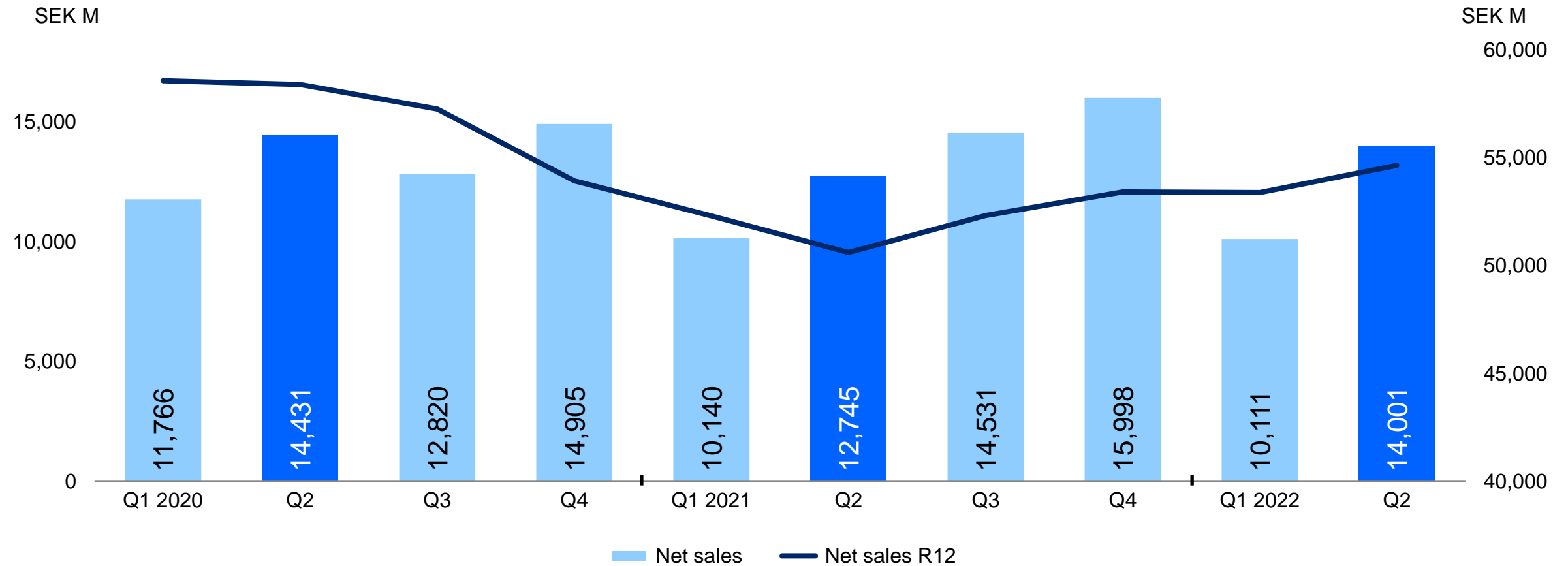


Orders received variation over quarters



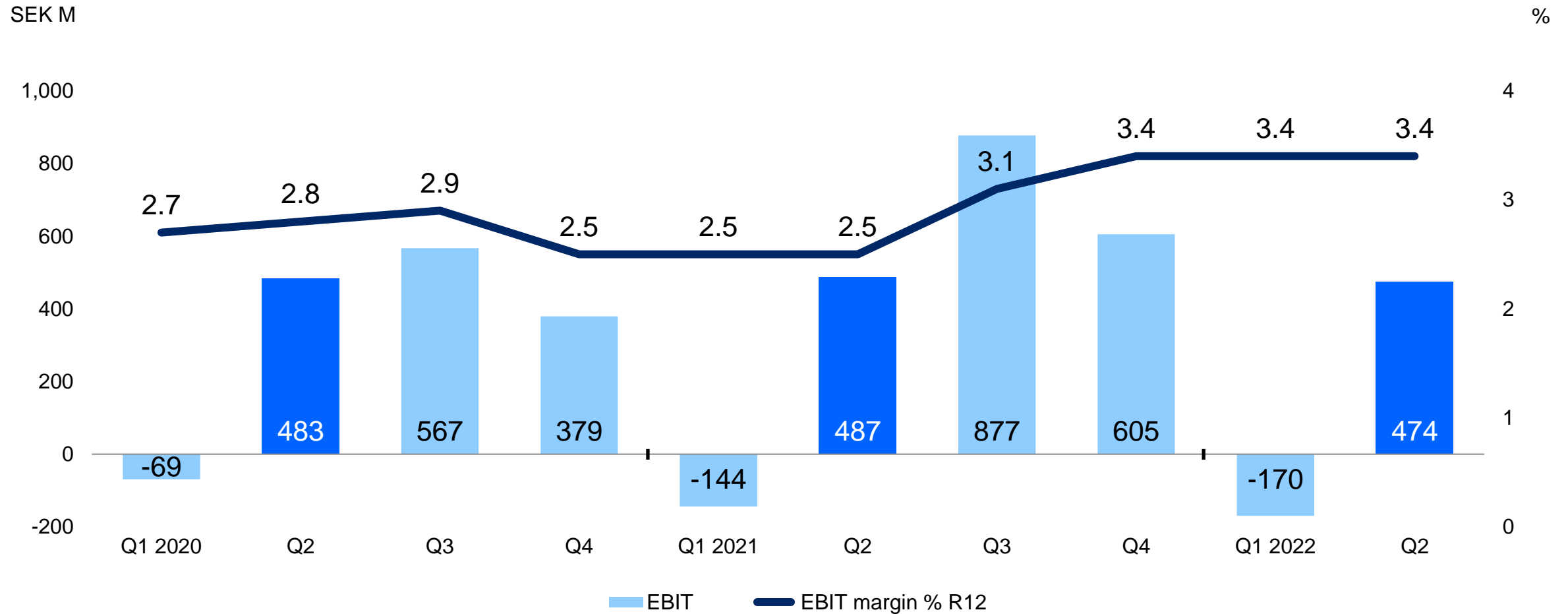
Net sales up from last year

Some growth in all business areas

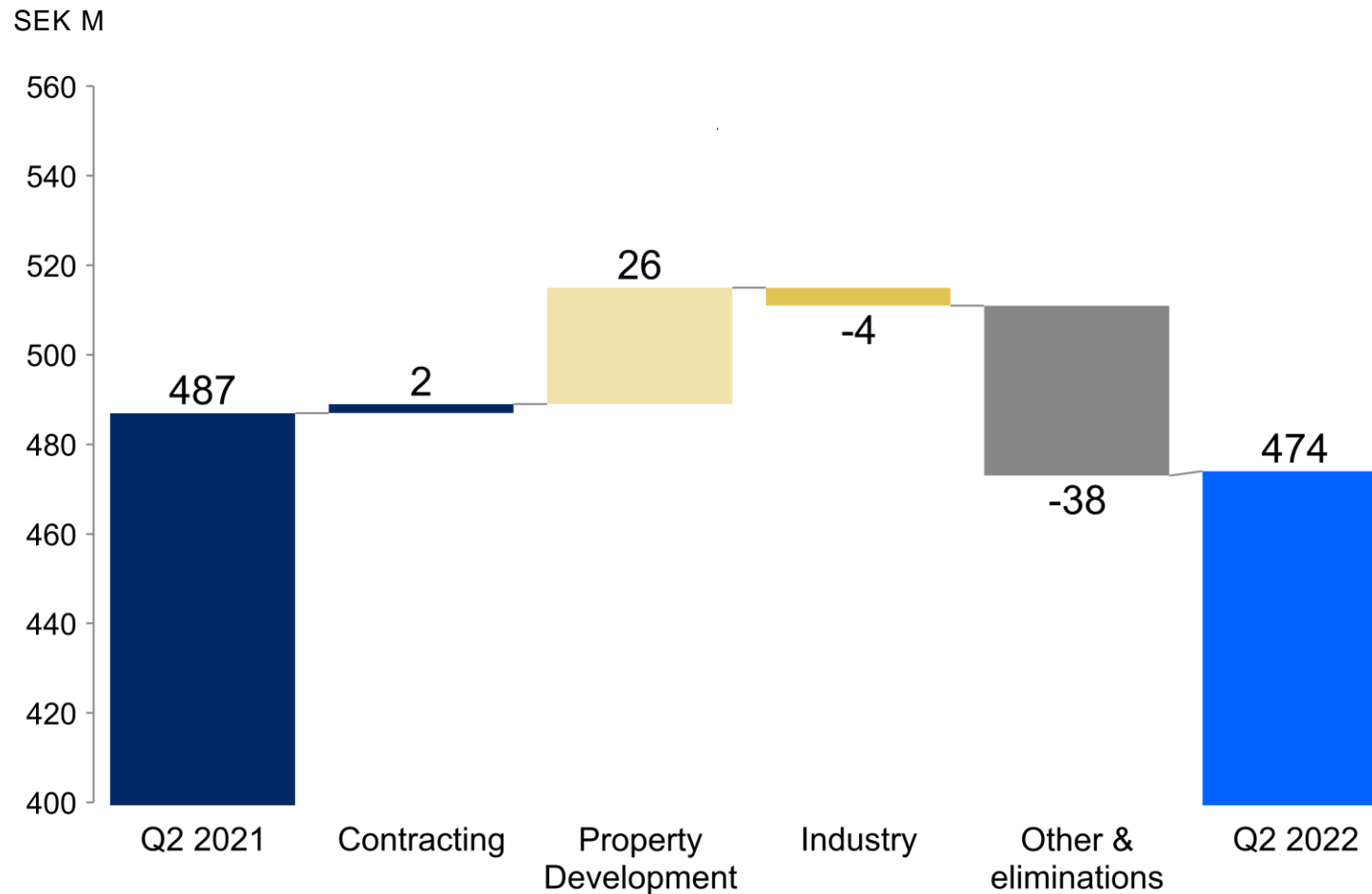


Stable earnings – margins flat

No property project recognized in profit



Q2: Earnings – compared to 2021



Contracting

On par with last year

Property Development

No project recognized in profit

Industry

On par with last year including Asphalt Finland

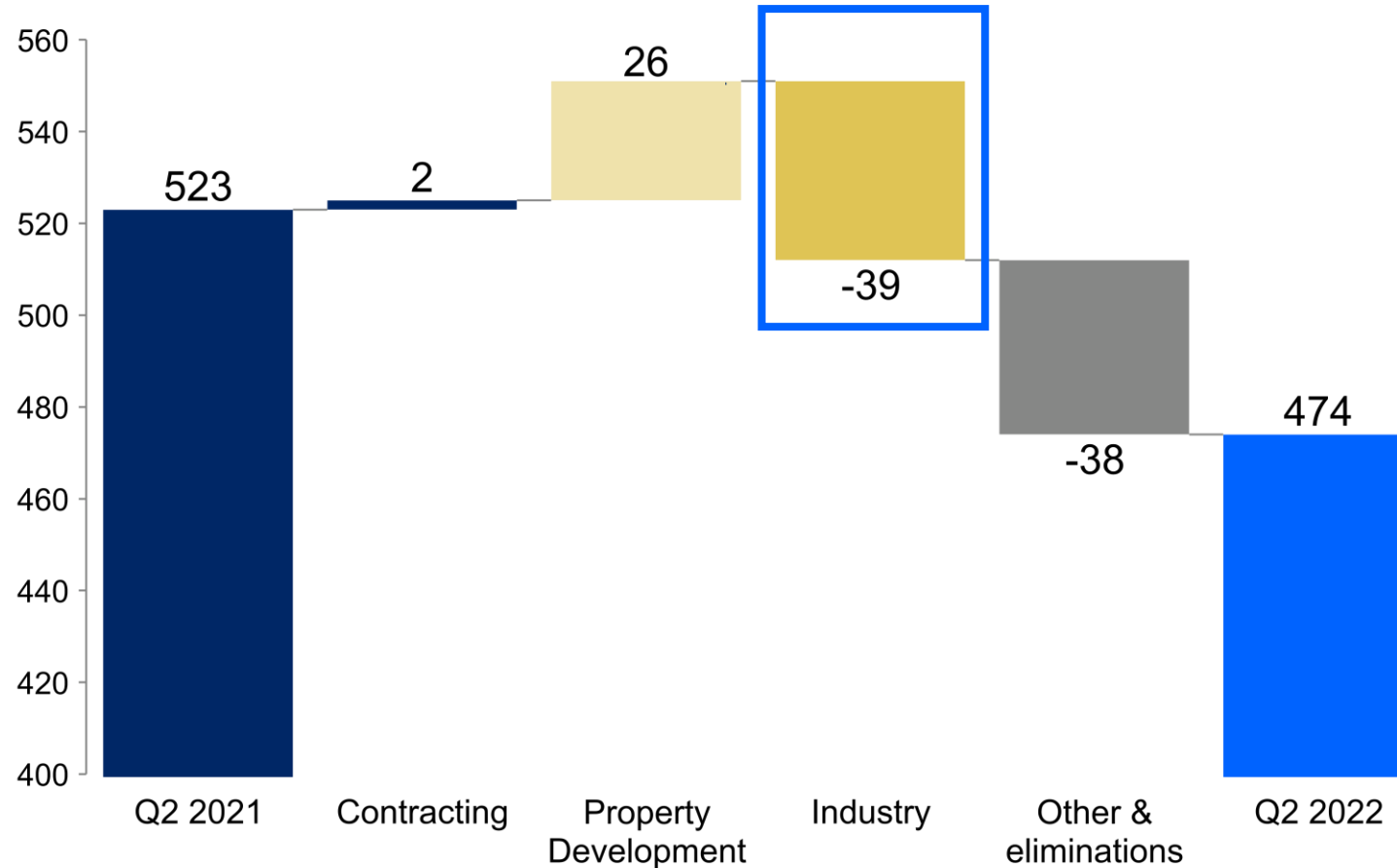
Other & eliminations

Road Services and higher investments in IT

Q2: Earnings

Excluding Asphalt Finland

SEK M



Contracting

On par with last year

Property Development

No project recognized in profit

Industry

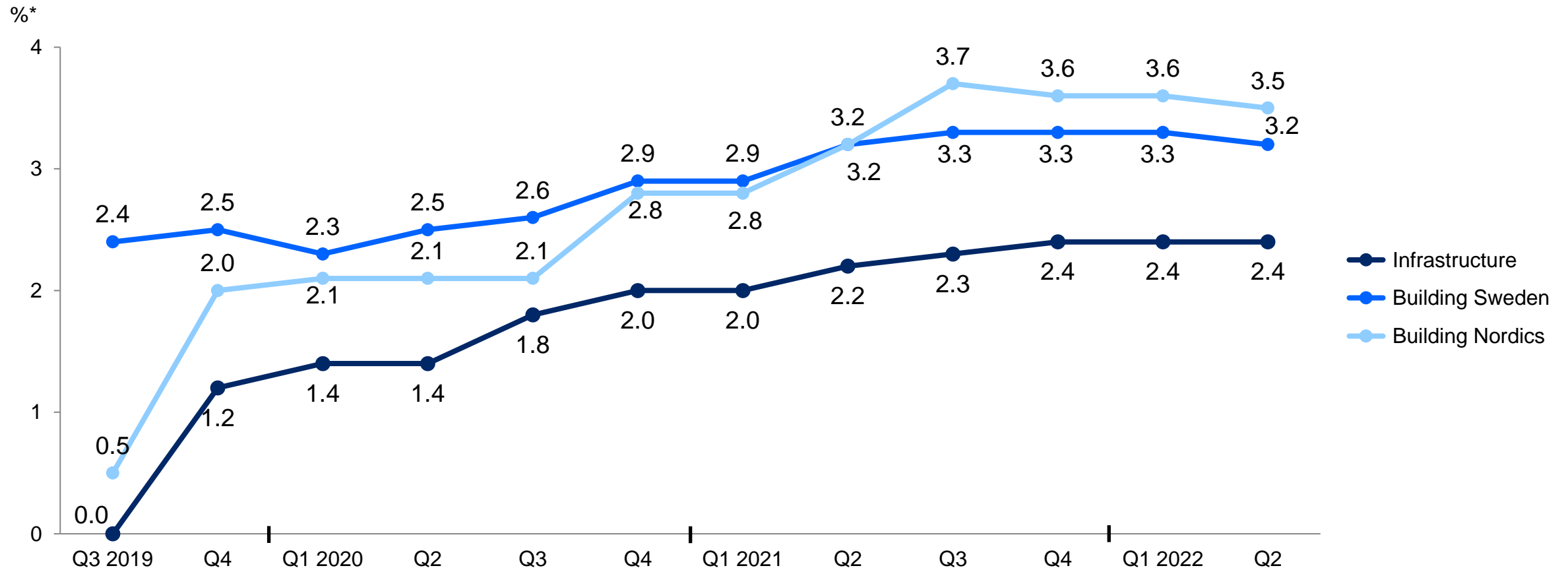
Excluding Asphalt Finland – mainly cost for continuous improvement

Other & eliminations

Road Services and higher investments in IT

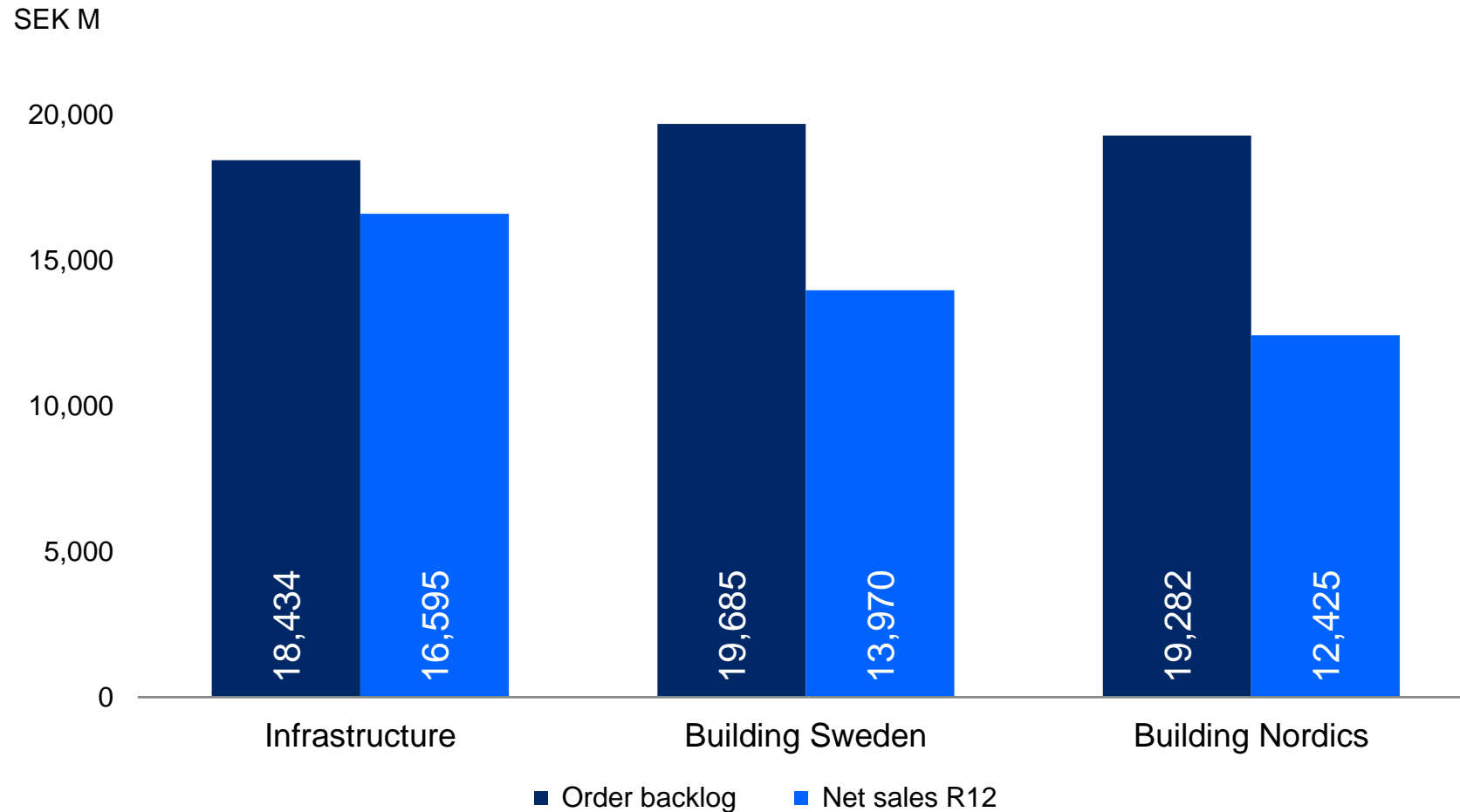
Contracting margins

Stable in Infrastructure – on good levels in Building Business Areas

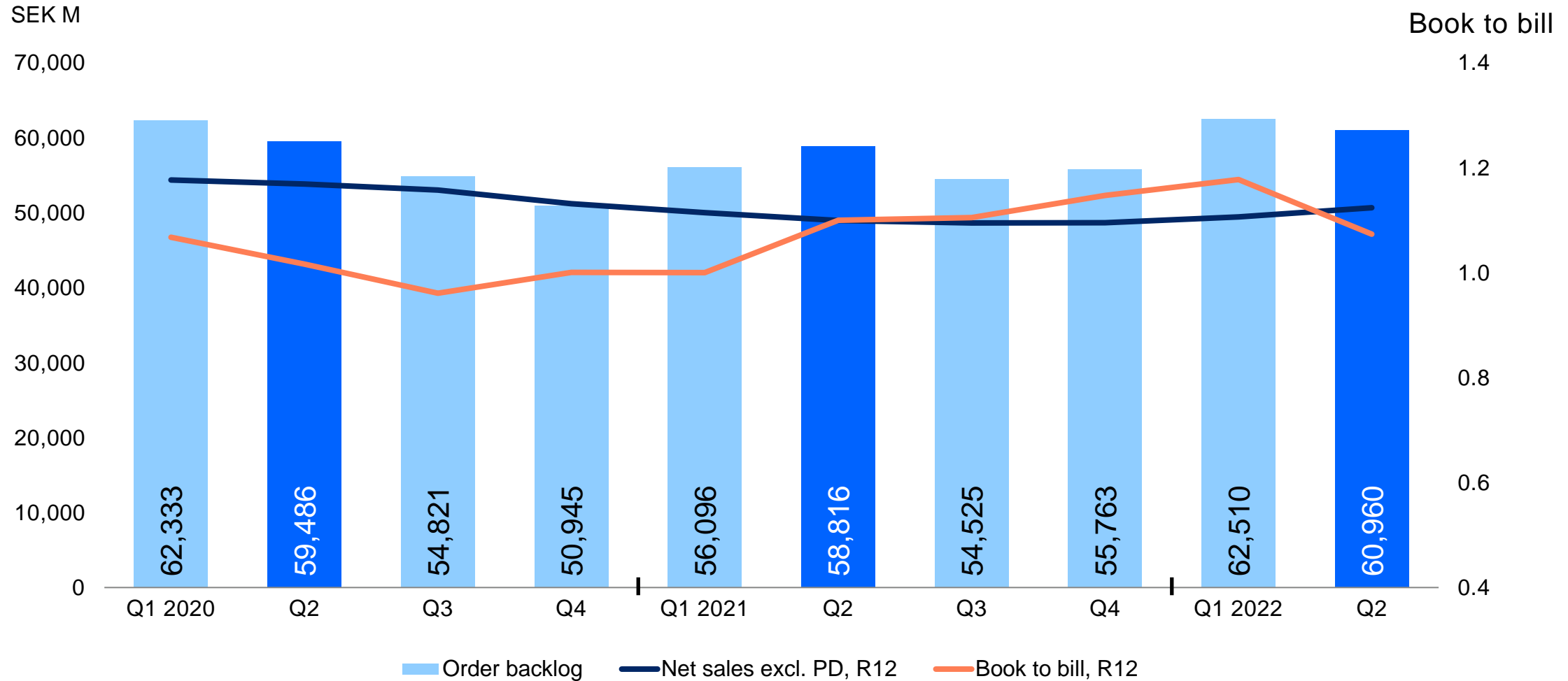


*R12 EBIT margin. BA Infrastructure without Road Services

Contracting order backlog strong



Order backlog strong – Book to bill > 1



Mixed market environment

- Risk from inflation and economic uncertainty – impact on residential and commercial buildings
- Maintained demand for public buildings
- Higher demand from industrial investments and infrastructure
- Cement supply in Sweden - long-term uncertainty



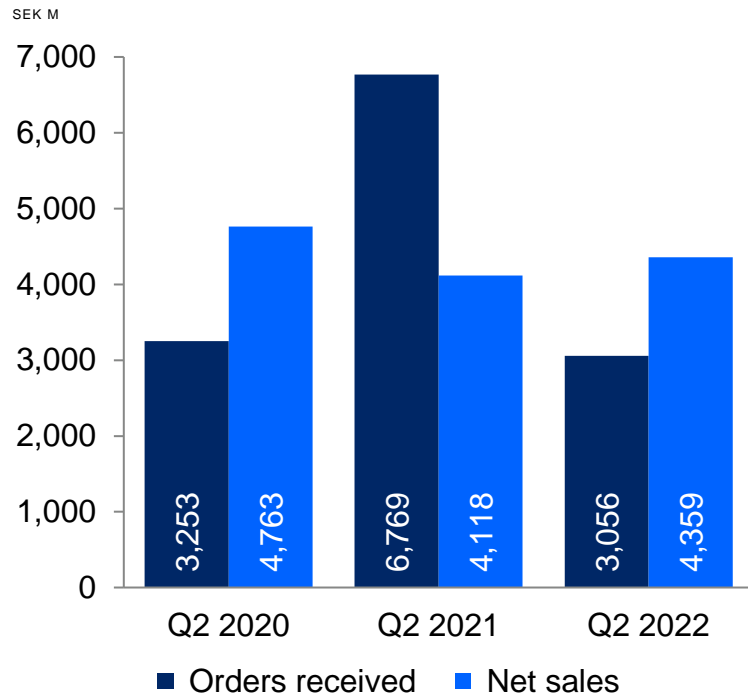
Susanne Lithander



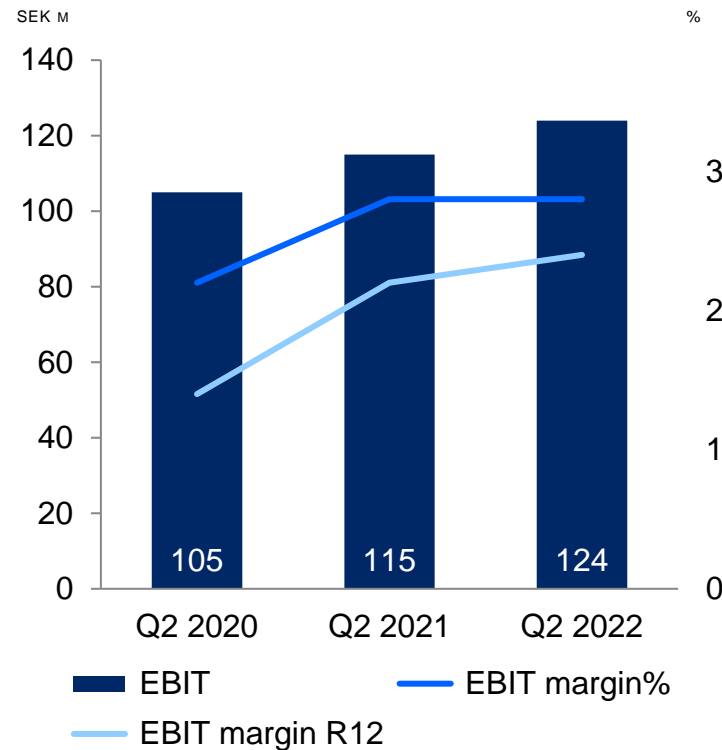
NCC Infrastructure

Steady progress

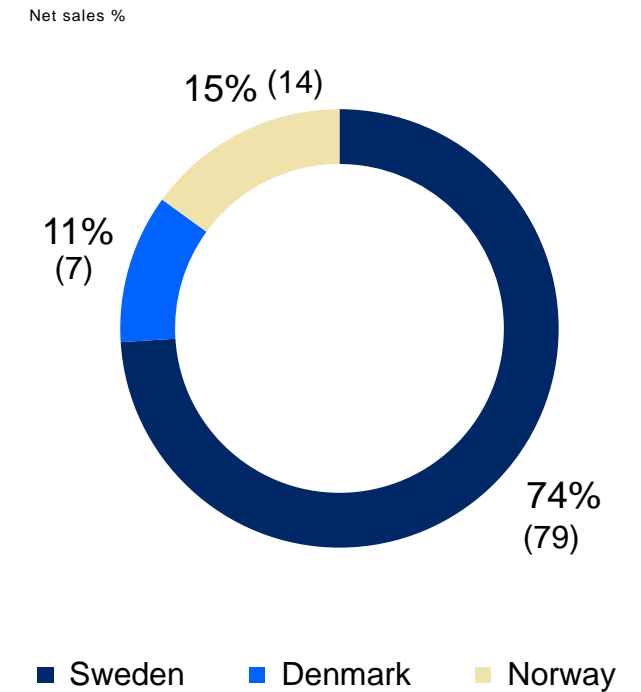
Some growth



Stable earnings



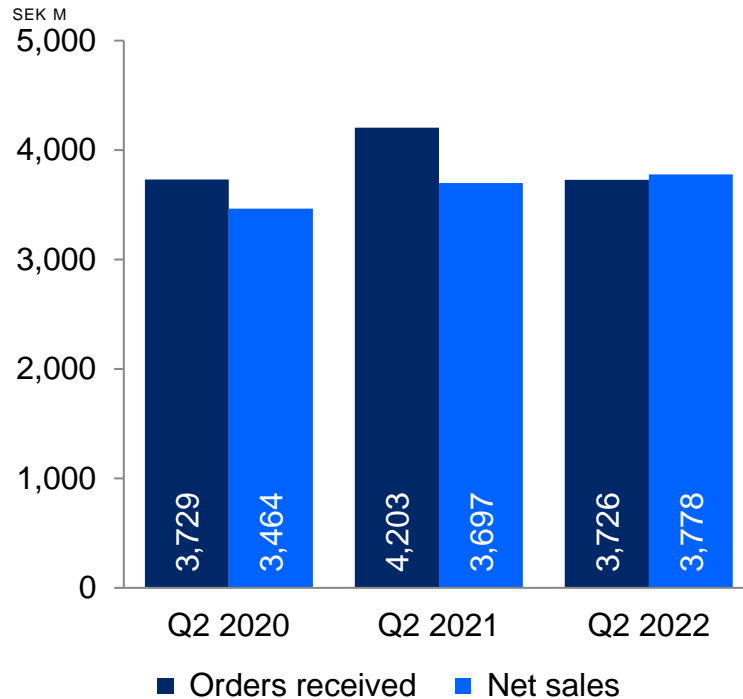
Sweden largest market



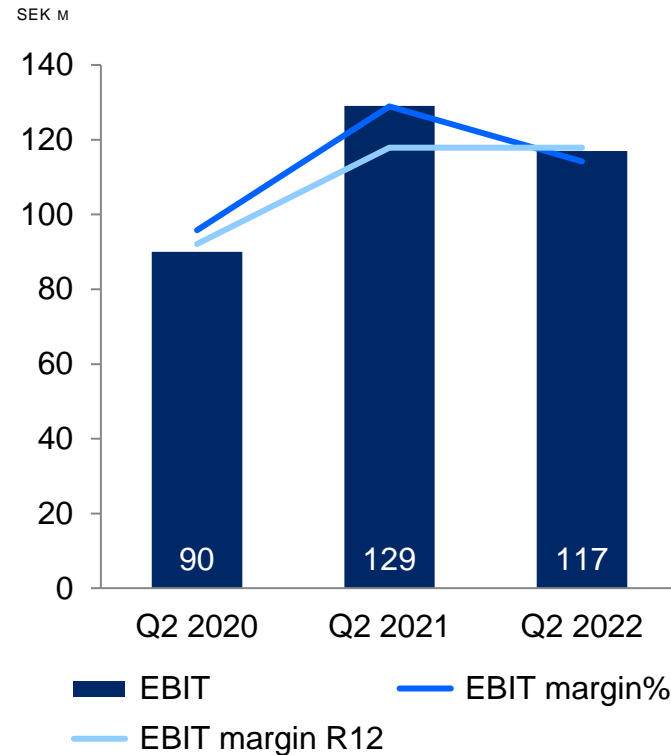
NCC Building Sweden

Some earnings impact from margin pressure

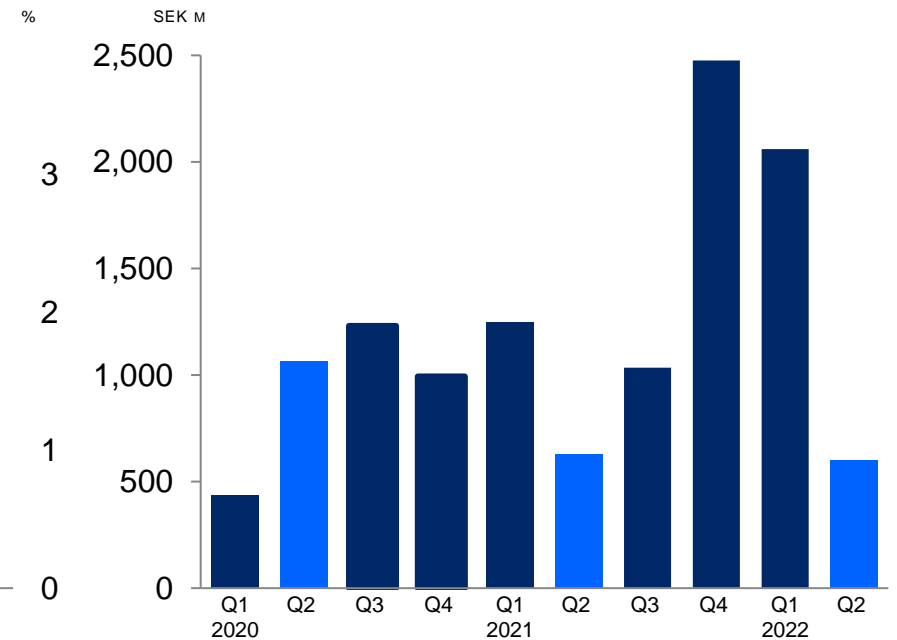
Good level of orders received



Some margin pressure



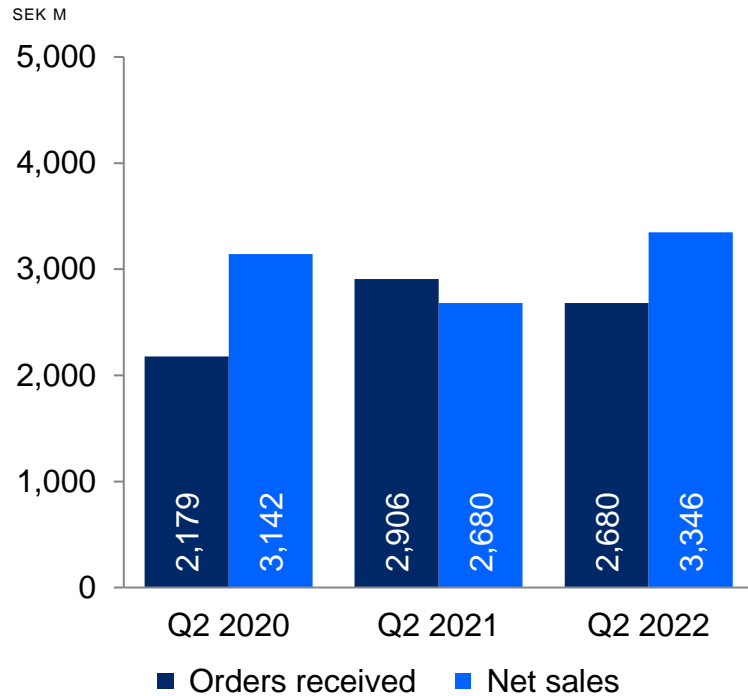
Residential orders received



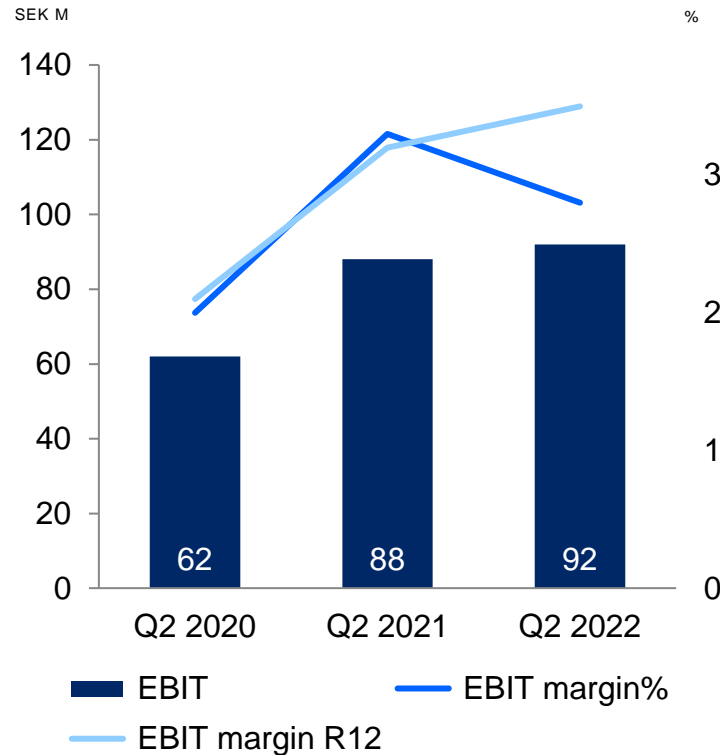
NCC Building Nordics

Growing with some margin pressure

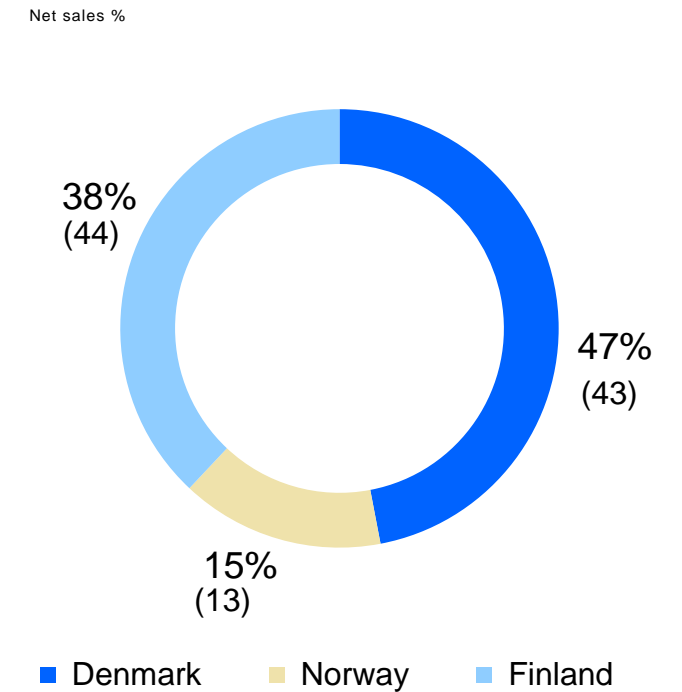
Growth continues



Strong R12 margin



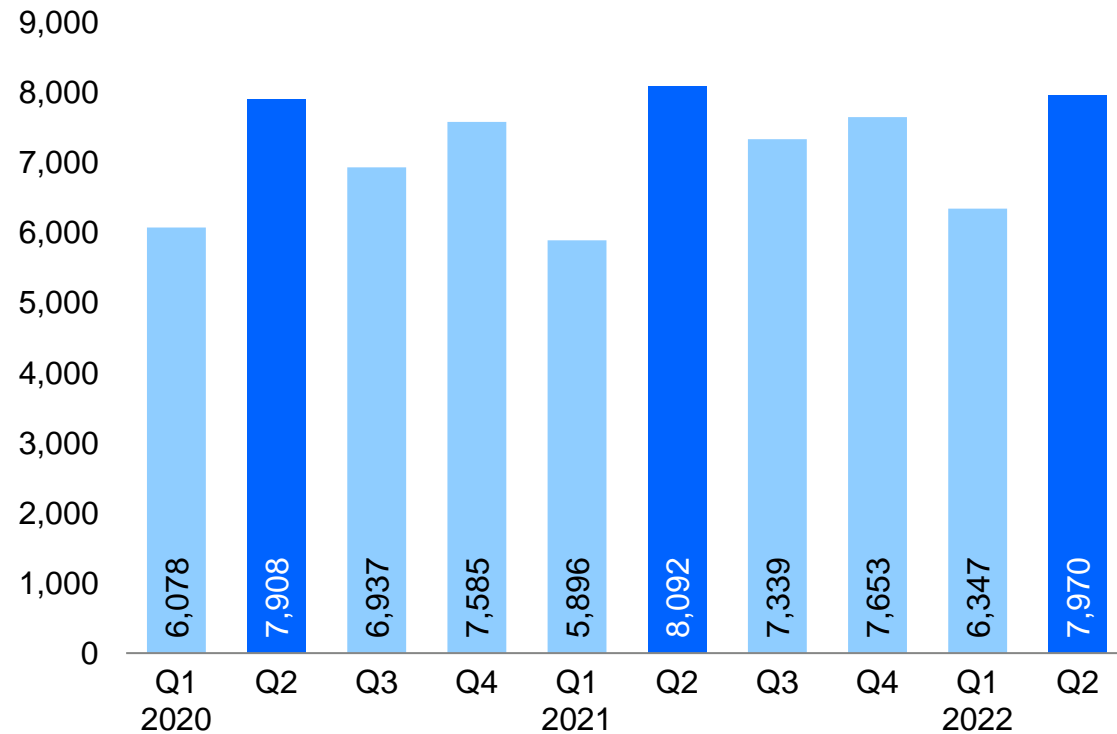
Denmark largest market



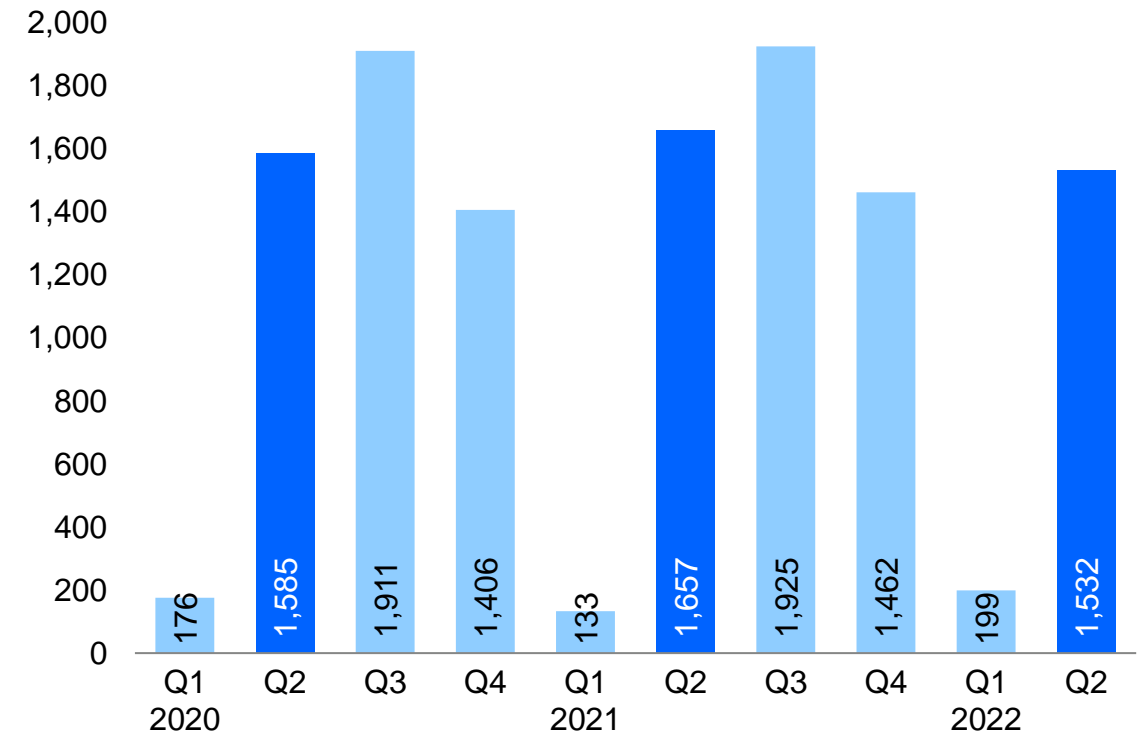
NCC Industry: Stone and asphalt volumes

Mix change in asphalt volumes

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)



NCC Industry*

Earnings impact mainly from cost for improvement

SEK M	Q2		Jan-Jun		R12	Jan-Dec
	2022	2021	2022	2021	Jul-Jun	2021/2022
Orders received	3,776	2,713	6,531	5,338	10,901	9,708
Net sales	3,280	2,908	4,257	3,729	10,593	10,065
EBIT	240	280	-65	28	395	488
Operating margin %	7.3	9.6	-1.5	0.7	3.7	4.9

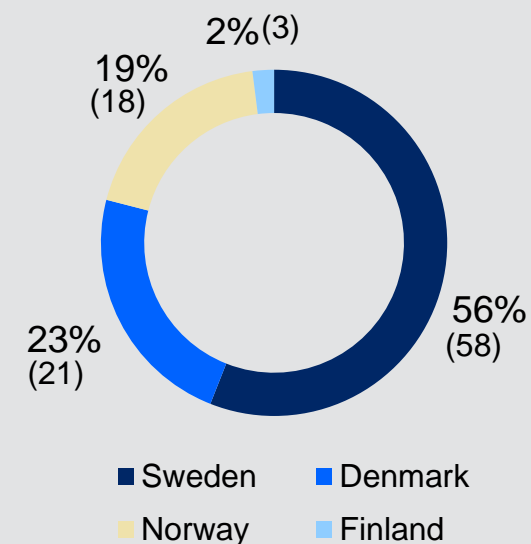
*Segment reporting comparing excluding Asphalt Finland

Operating capital employed, SEK M

5,361

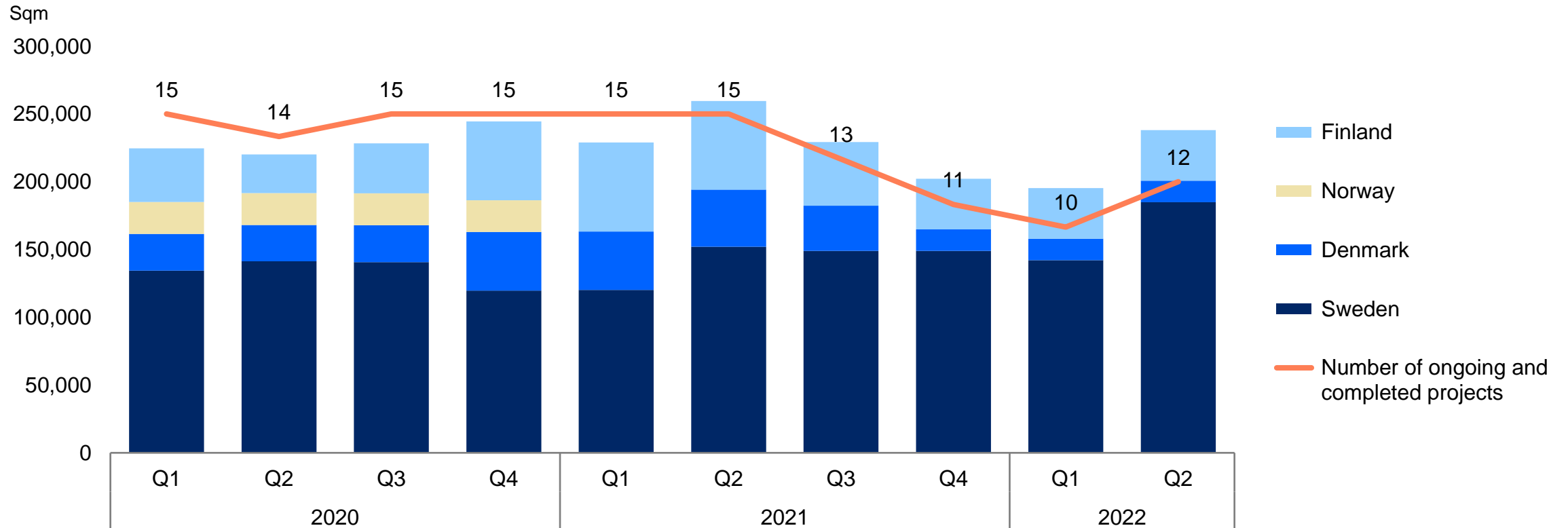
ROCE, %

8.0



NCC Property Development

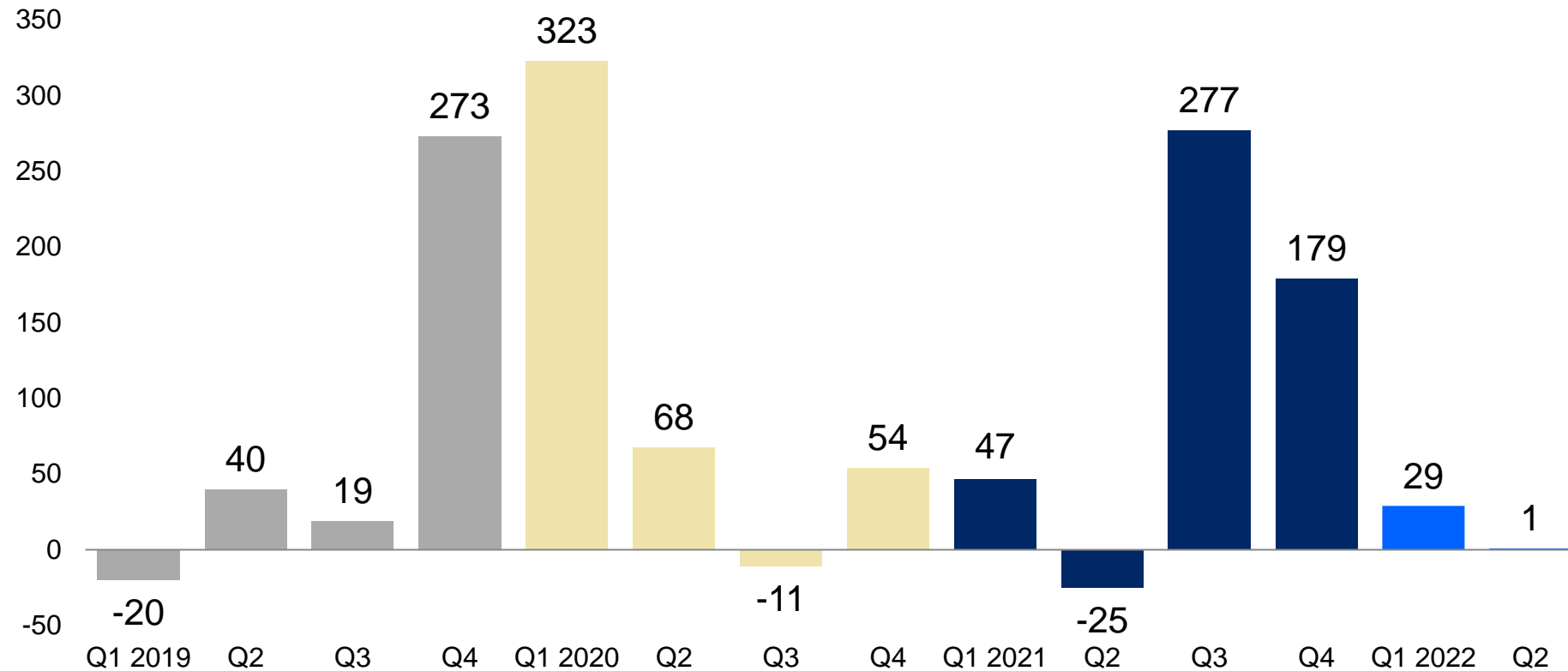
Two projects started



NCC Property Development

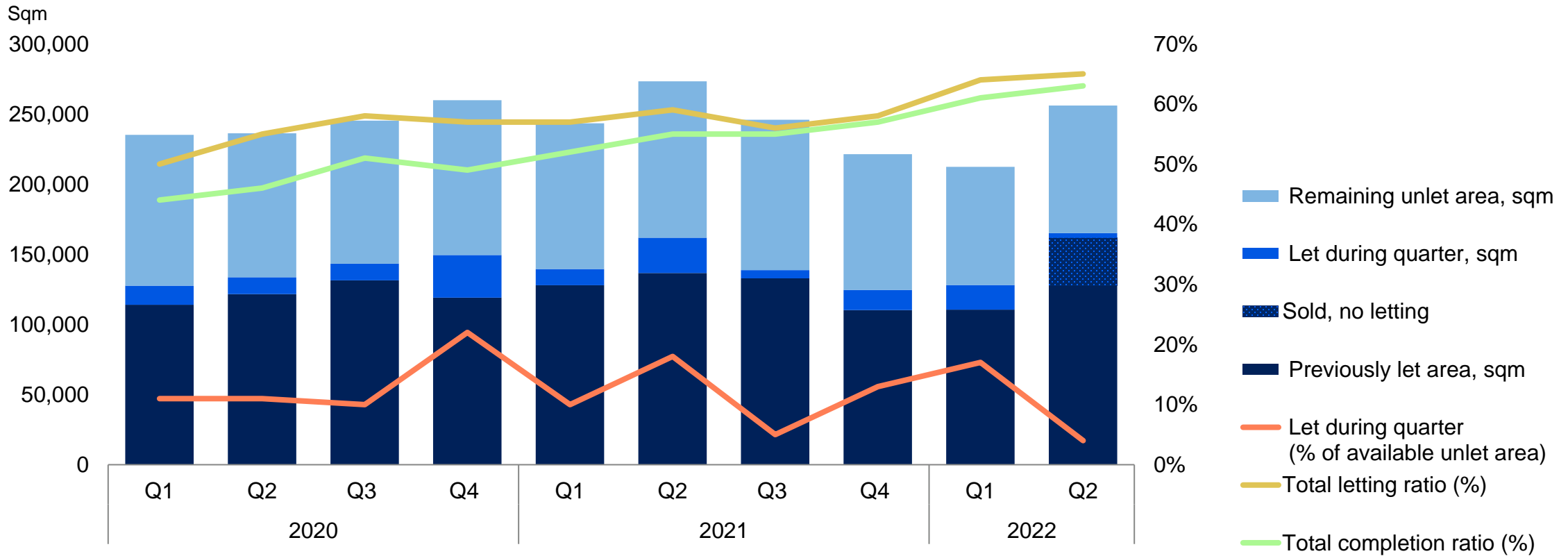
No project recognized in profit this quarter – two projects sold

EBIT, SEK M



NCC Property Development

Slow letting - project Arendal Albatross sold, no letting



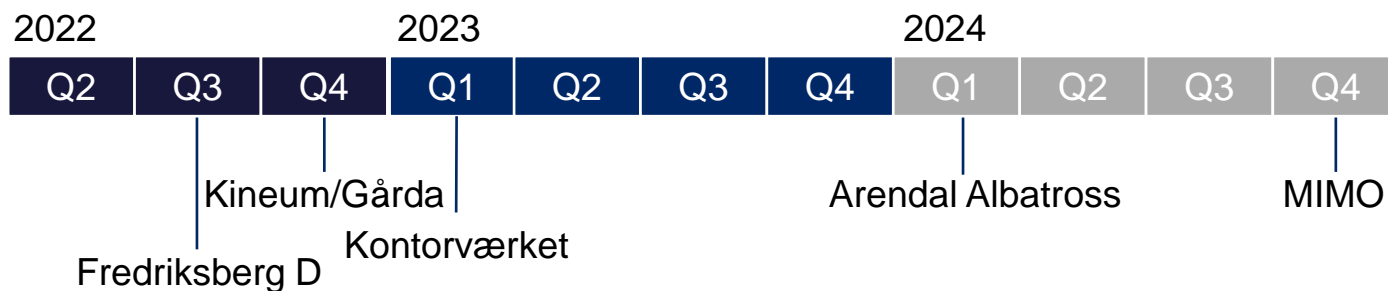
NCC Property Development

SEK M	Q2		Jan-Jun		R12, Jul -Jun Jan-Dec	
	2022	2021	2022	2021	2022/2021	2021
Net sales	58	40	388	1,175	3,987	4,775
EBIT	1	-25	31	22	486	478

Operating capital employed, SEK M **7,495**

ROCE, % **7.3**

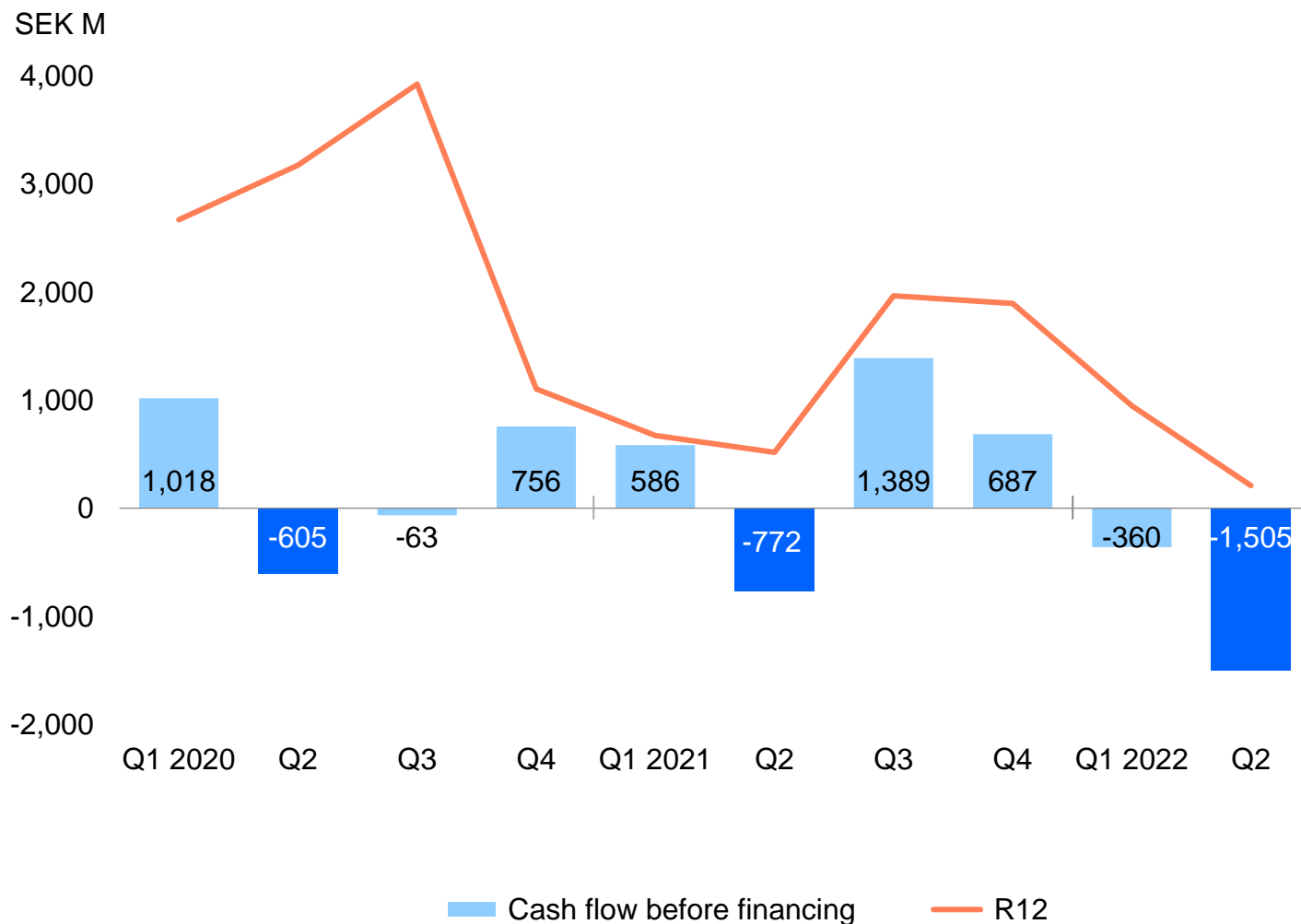
Expected time of profit recognition for sold projects



Ongoing unsold projects

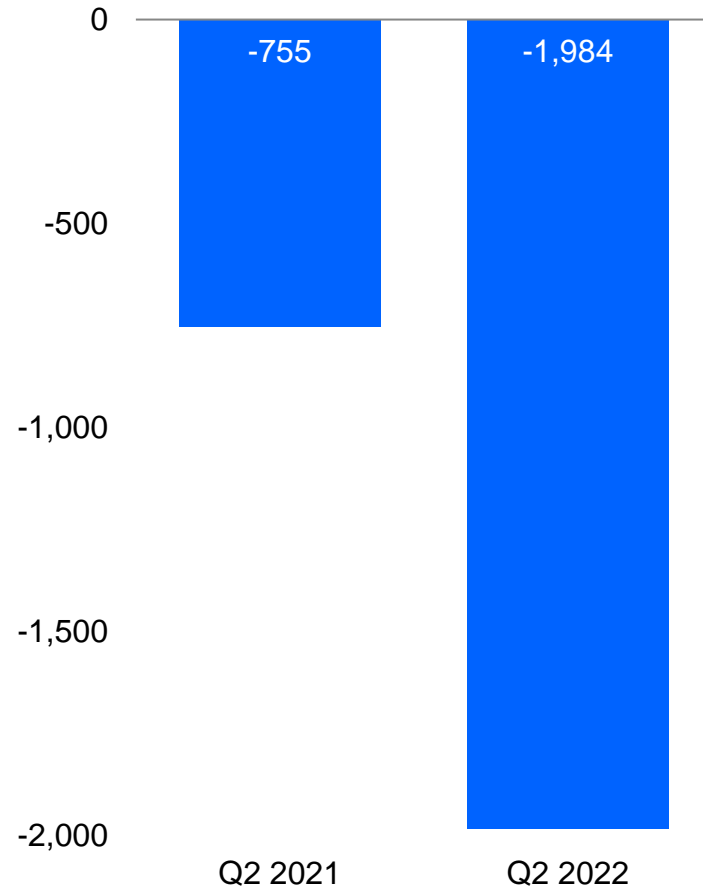
- Bromma Blocks, Stockholm
- We Land, Helsinki
- Brick Studios, Gothenburg
- Våghuset, Gothenburg
- Nova, Solna
- Kulma21, Helsinki
- Habitat 7, Gothenburg

Cashflow



SEK M	Q2		Jan-Jun		R12, Apr-Mar Jan-Dec	
	2022	2021	2022	2021	2022/ 2021	2021
From operating activities	598	701	596	724	2,701	2,829
From property projects	-672	-812	-984	-779	-6	198
Other working capital	-1,345	-469	-1,409	226	-2,403	-768
Investing activities	-86	-192	-67	-348	-83	-363
Cash flow before financing	-1,505	-772	-1,865	-177	209	1,896

Corporate net debt / cash



Net debt* / EBITDA

Target	< 2.5x
Jun 30, 2022	0.8x

*Corporate net debt excluding pension liabilities and leasing liabilities

Earnings

Road Services and investments in IT behind increased O&E

SEK M	Q2		Jan-Jun		R12, Jul-Jun	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Earnings in segments (all BAs)	575	550	489	468	1,978	1,956
<i>NCC HQ and subsidiaries</i>	-71	-10	-132	-54	-135	-58
<i>Internal gains</i>	-16	-33	-29	-31	36	34
<i>Other group adjustments</i>	-14	-20	-25	-38	-94	-107
Other & Eliminations total	-101	-63	-185	-124	-193	-130
EBIT	474	487	304	344	1,786	1,825
Financial items	-10	-11	-15	-20	-55	-60
EBT	464	476	289	324	1,730	1,765
Tax	-81	-88	-53	-59	-251	-257
Profit for the period	383	388	236	265	1,479	1,508
Earnings per Share	3.59	3.61	2.20	2.46	13.78	14.02



Tomas Carlsson



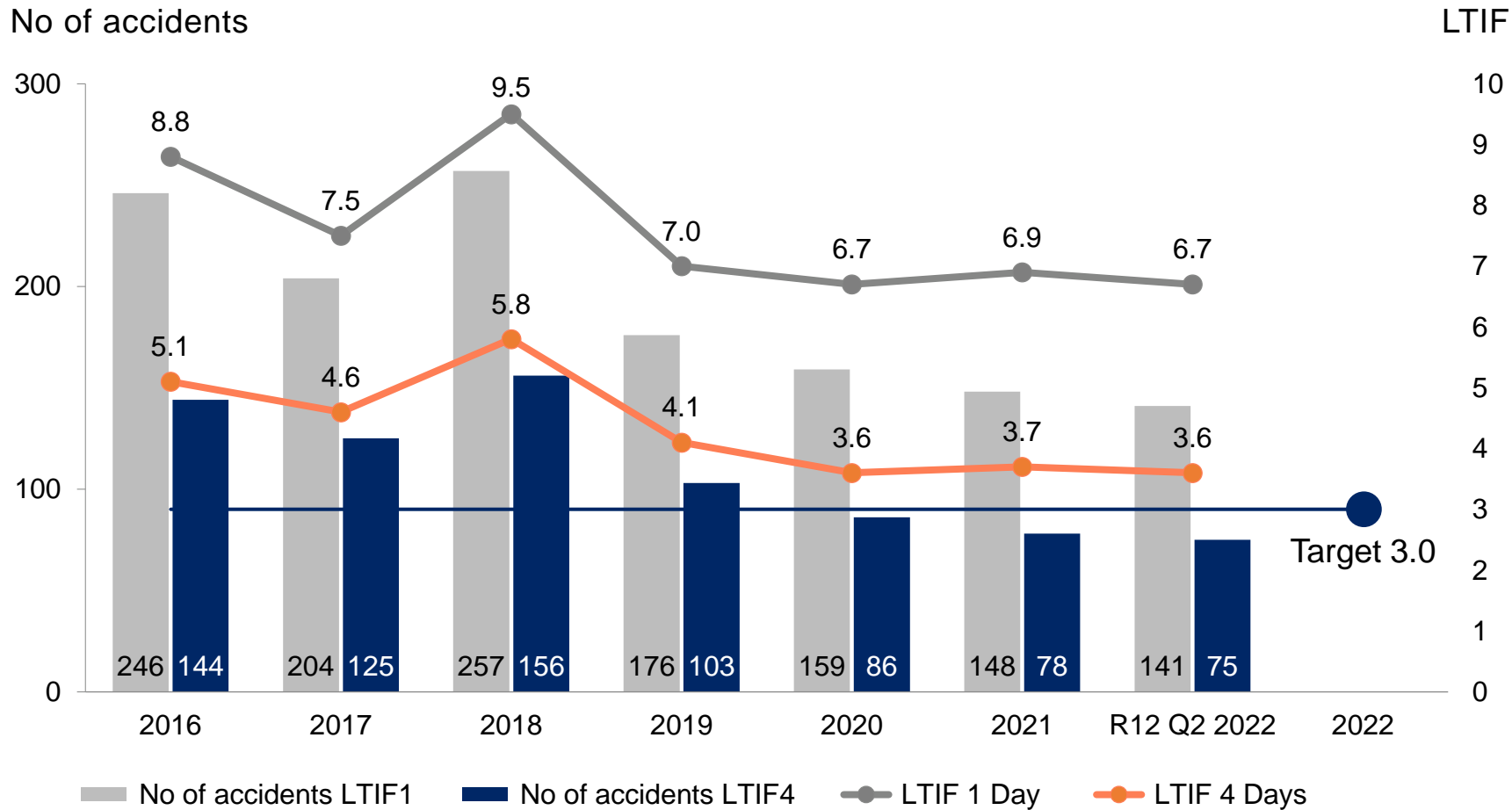
Repurchase of shares

- Repurchase program of NCC B shares until the next AGM
- Max 1.5 bn SEK
- Max 10 percent of shares
- Per June 30, NCC owned 3.3 m own series B shares



Health and Safety targets

Eliminate serious accidents and incidents



LTIF4
3.0
 2022

3.6
 Q2 2022



Climate & Energy scope 1 and 2, ton CO₂e per SEK M net sales

-41%

Reported in Q1 and Q3



Climate & Energy scope 3

Building roadmaps for progress

Concrete, transportation, steel, asphalt



Summary

- Order backlog strong – good orders received
- Some growth – earnings flat
- Two property projects started and two sold

- Price increase tangible but managed
- Mixed market conditions – more uncertainty

- Action plan still valid – focus on building a better business and have control over risk





Contact information

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ncc.com/Investor-relations

For definitions and details, please see the quarterly report



Appendix



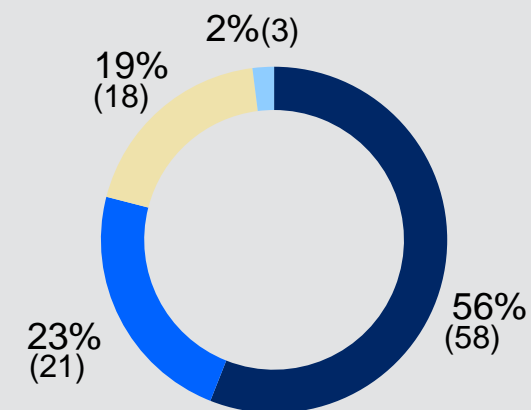
NCC Industry

Reported numbers including Asphalt Finland

SEK M	Q2			Jan-Jun			R12		
	2022	2021 excl AF	2021 incl AF	2022	2021 excl AF	2021 incl AF	Jul-Jun excl AF	Jan-Dec excl AF	Jan-Dec incl AF
Orders received	3,776	2,713	2,984	6,531	5,338	5,868	10,901	9,708	10,296
Net sales	3,280	2,908	3,107	4,257	3,729	3,929	10,593	10,065	10,756
EBIT	240	280	243	-65	28	-55	395	488	220
Operating margin %	7.3	9.6	7.8	-1.5	0.7	-1.4	3.7	4.9	2.0

Operating capital employed, SEK M **5,361**

ROCE, % **8.0**



■ Sweden ■ Denmark
■ Norway ■ Finland

Financial targets

