

Q3 2023

Tomas Carlsson | CEO
Susanne Lithander | CFO



Strong earnings

Steady net sales and orders received within normal range

Infrastructure shows steady improvement in the business



Paving work in Björkliden, Sweden

Industry has a good quarter, back on normal levels

Building Sweden and Nordics still impacted by lower margins in ongoing projects



Kalix bridge, Sweden

One-off capital gain from divestment of a subsidiary in Infrastructure of SEK 175 M

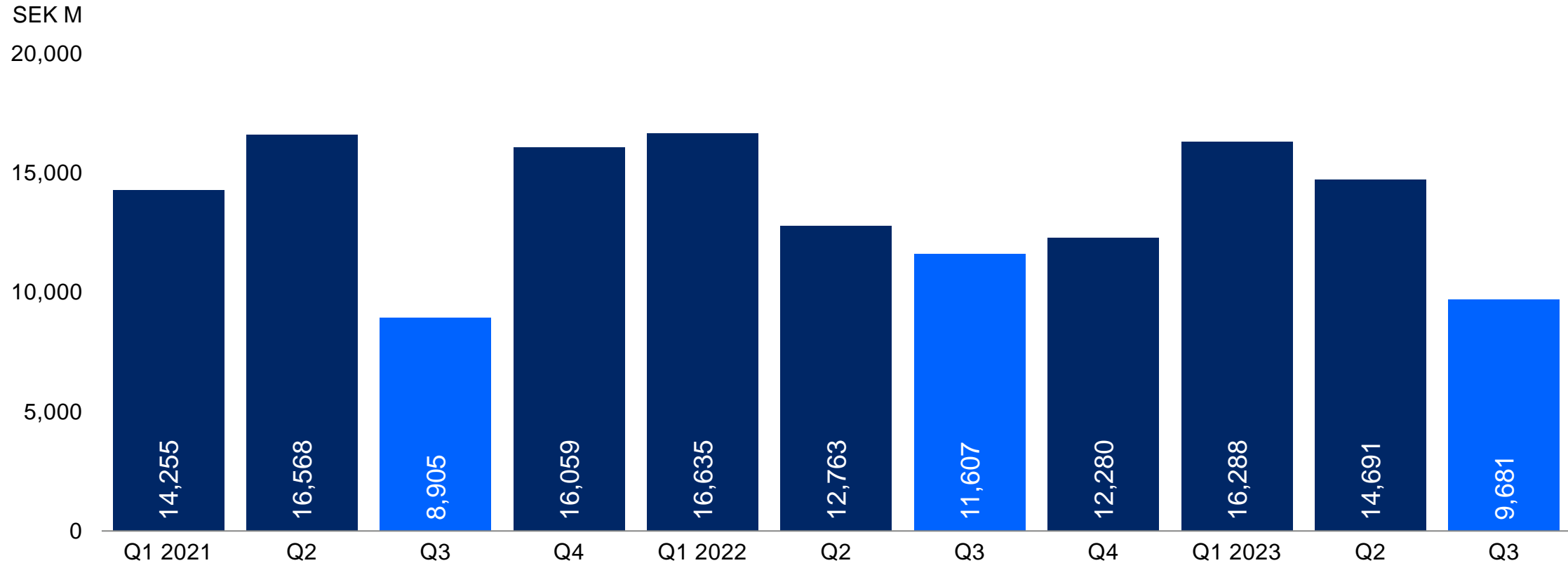
No property divestment in the quarter



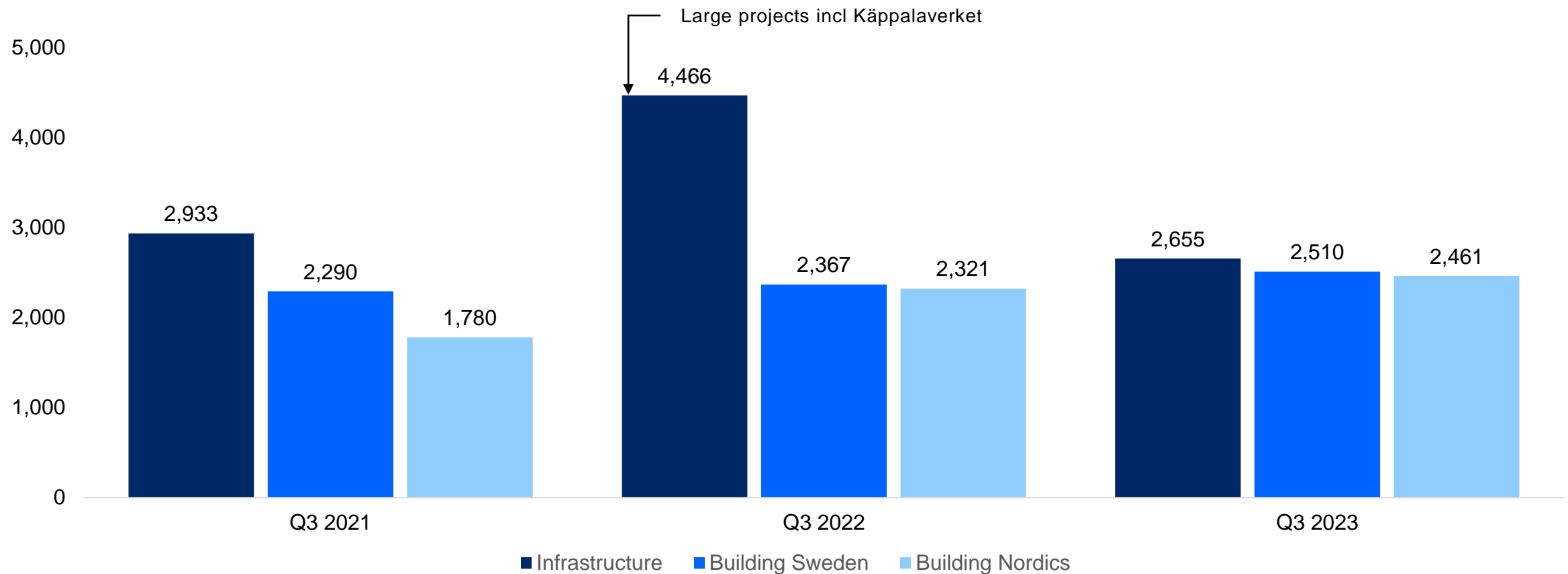
We Land, Helsinki, Finland

Orders received on normal levels

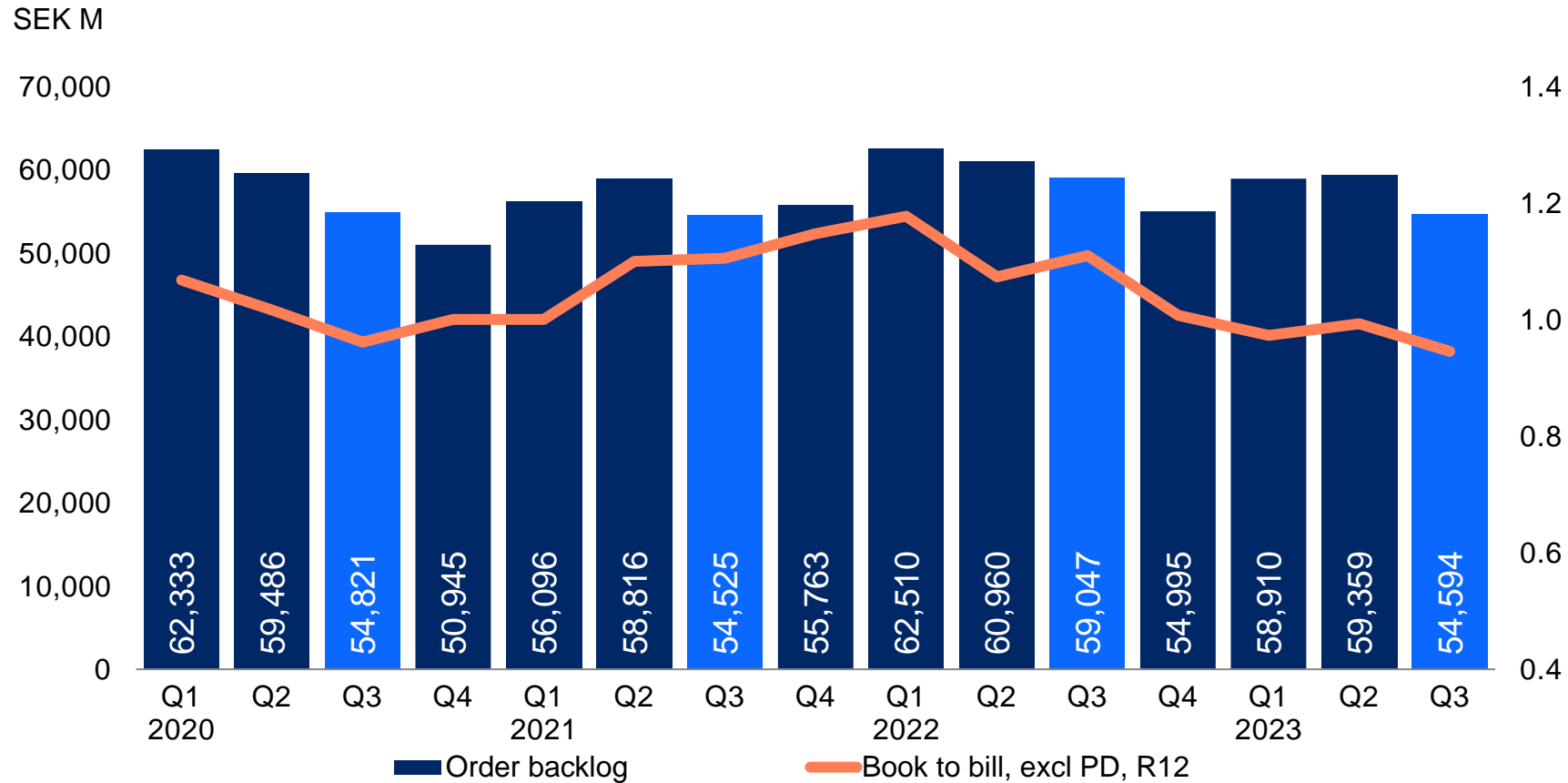
Some seasonal variation – Infrastructure lower than previous year



No large Infrastructure project this quarter



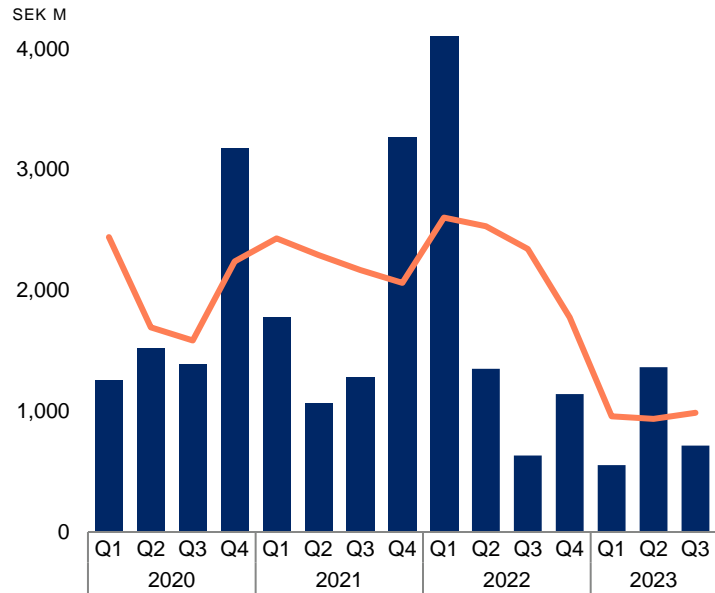
Solid order backlog



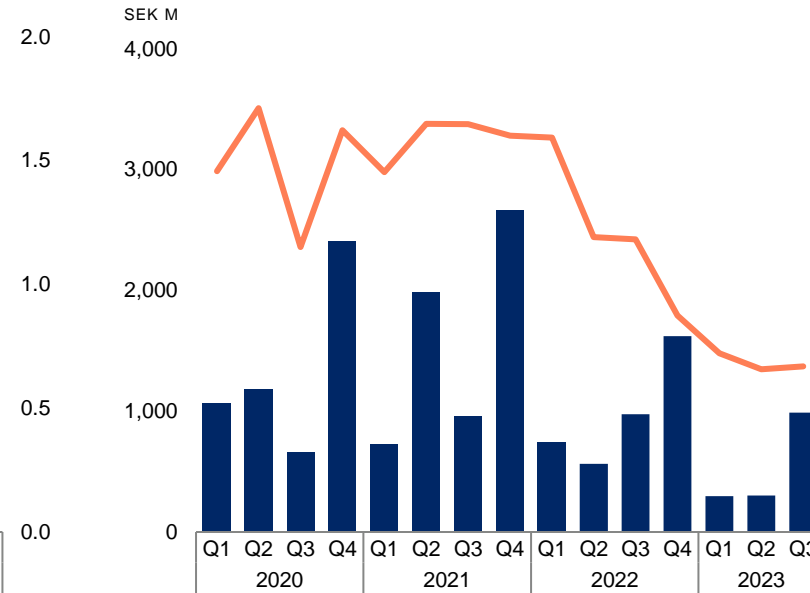
Public buildings

Orders received Building Sweden and Building Nordics

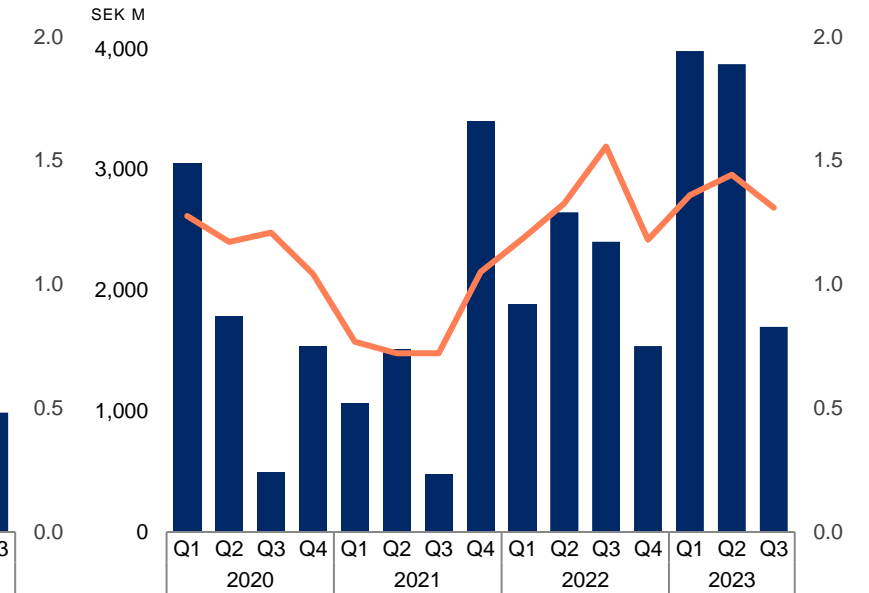
Residential



Offices



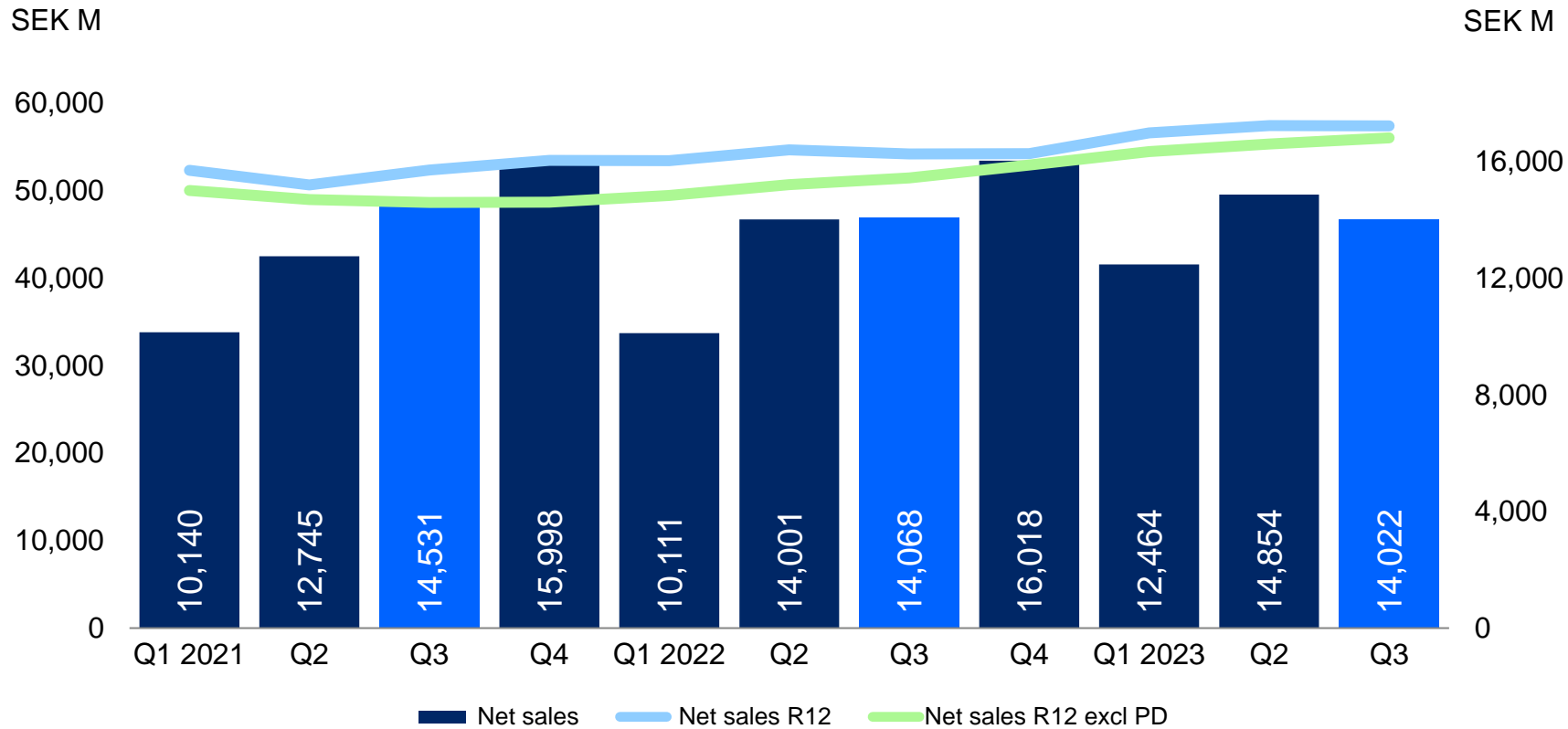
Public buildings



Orders received

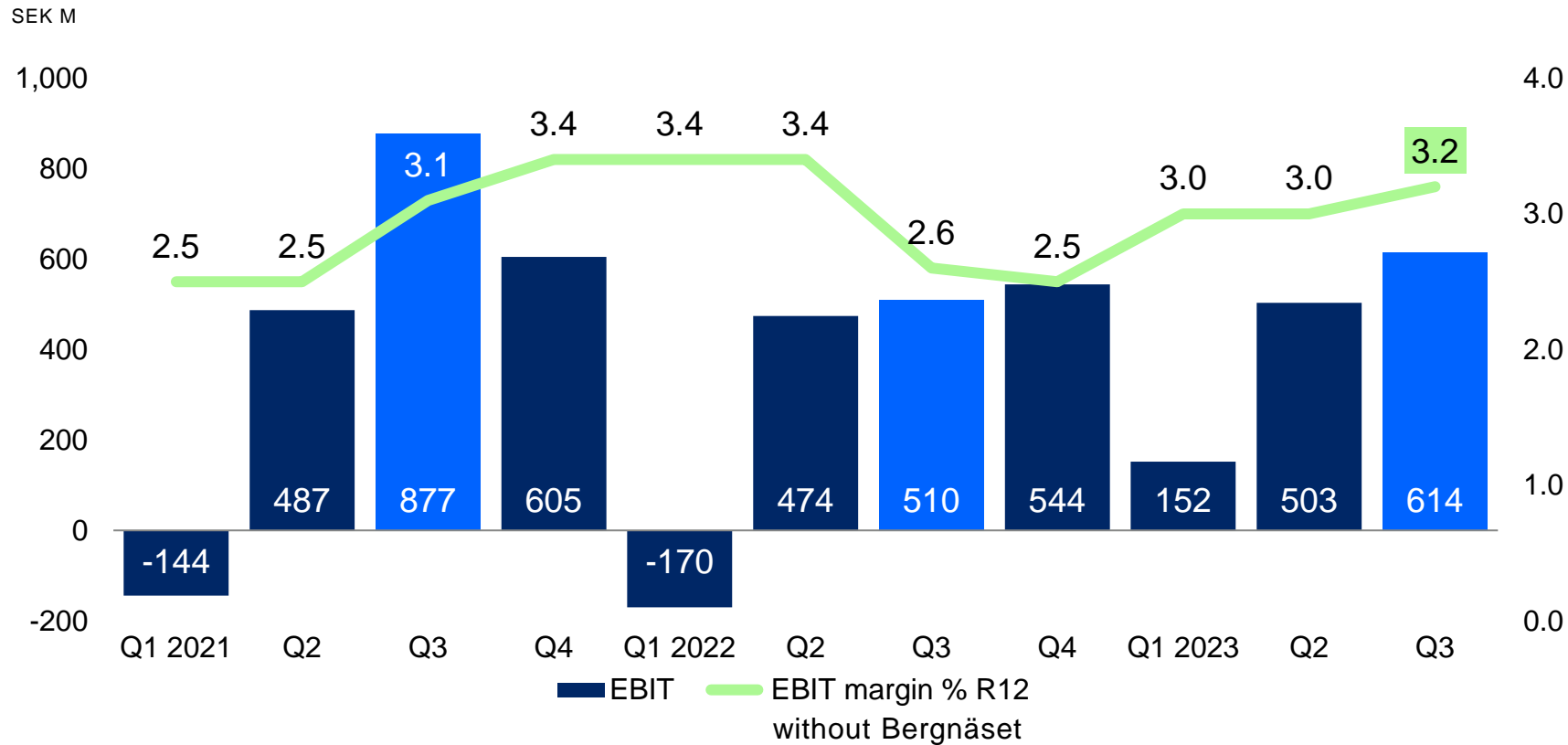
Book-to-bill R12

Net sales



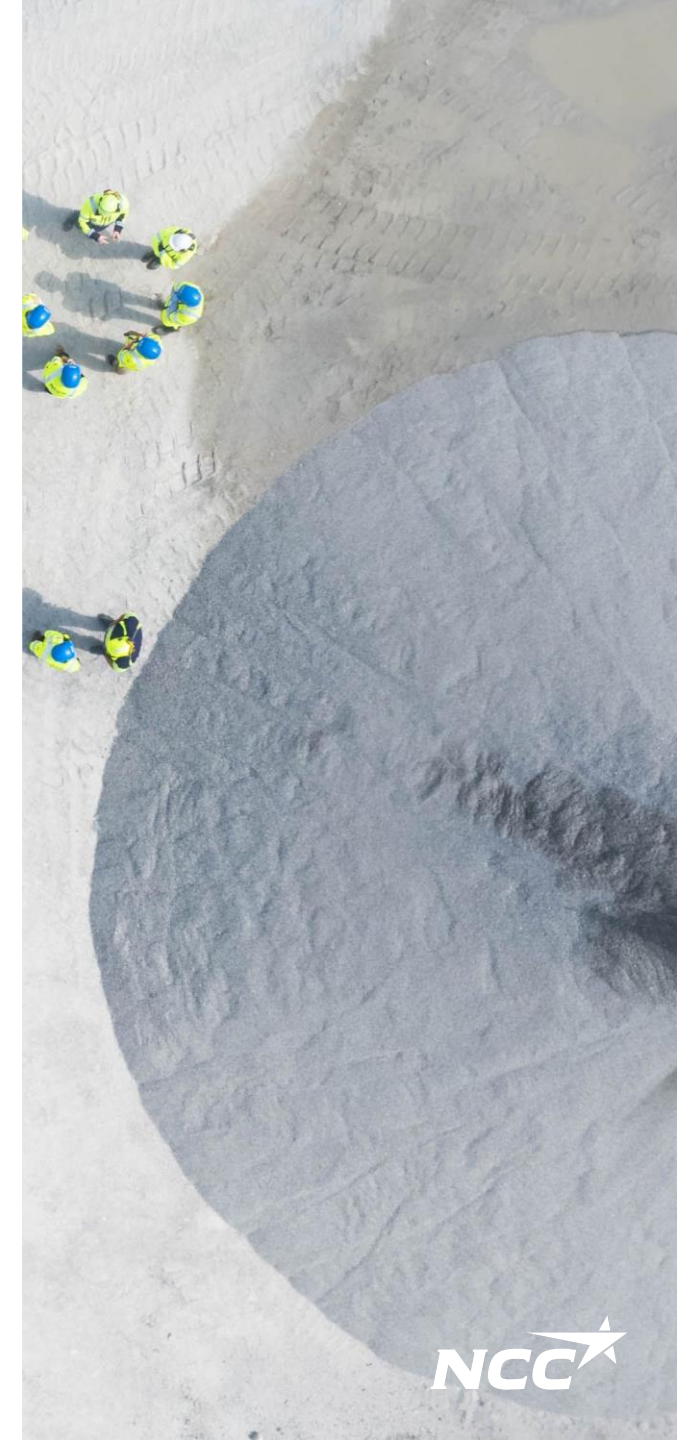
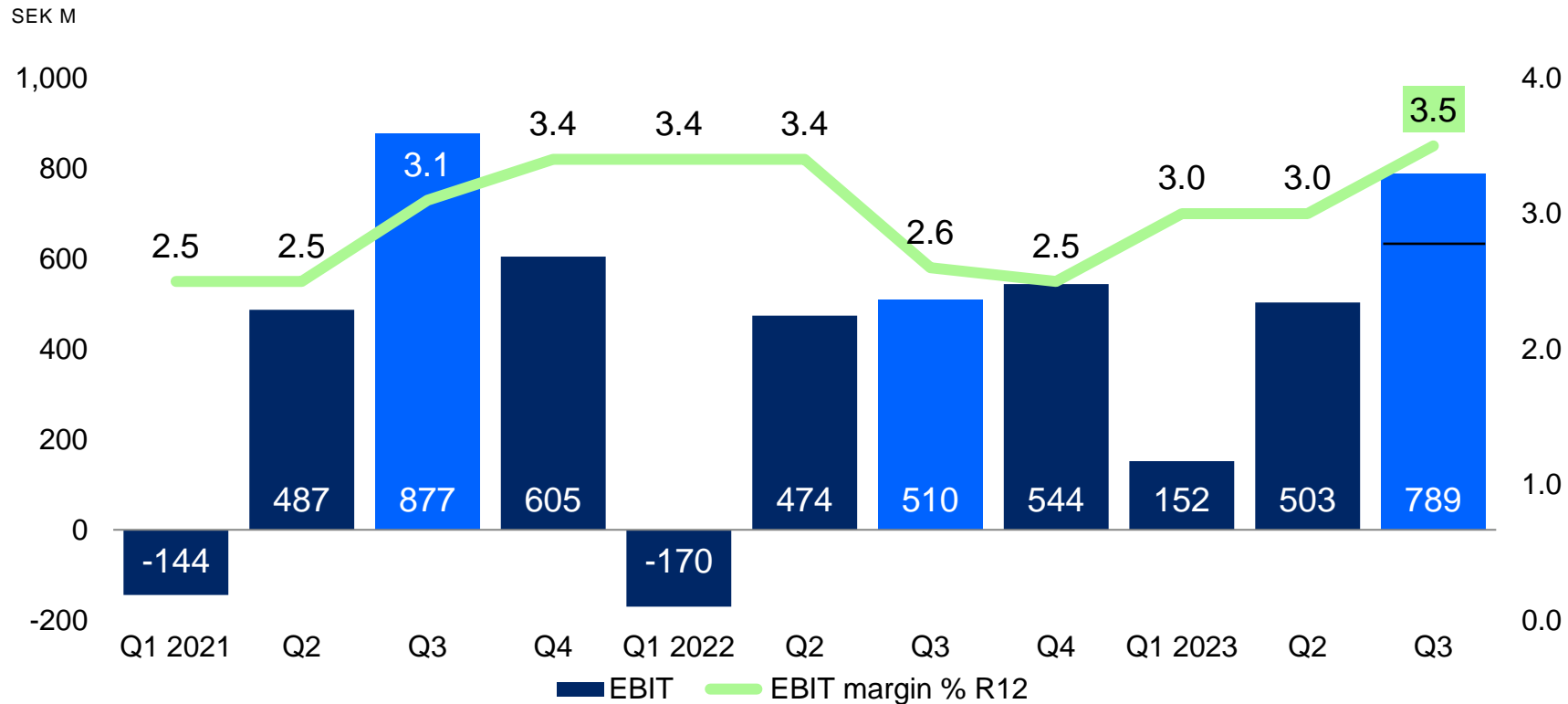
Strong earnings in the business

Without capital gain from divestment of Bergnäset and with no Property Development sale in the earnings

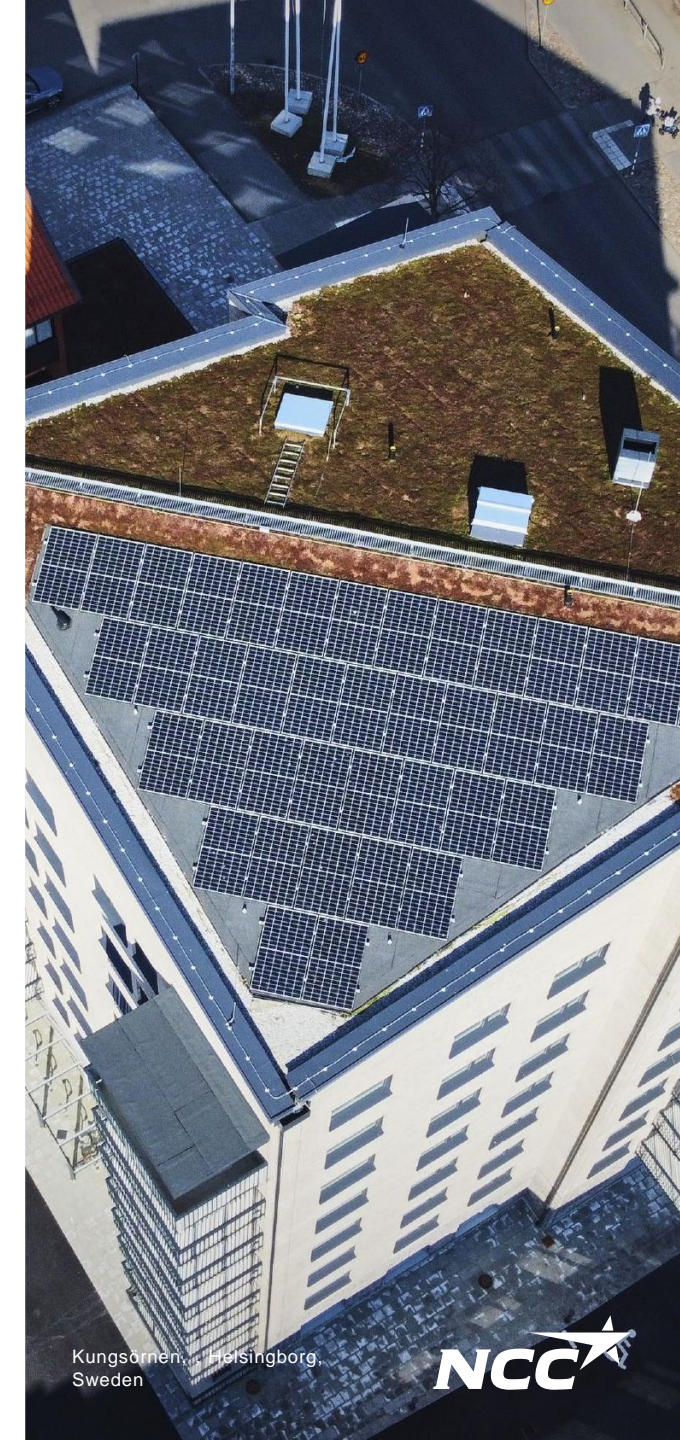
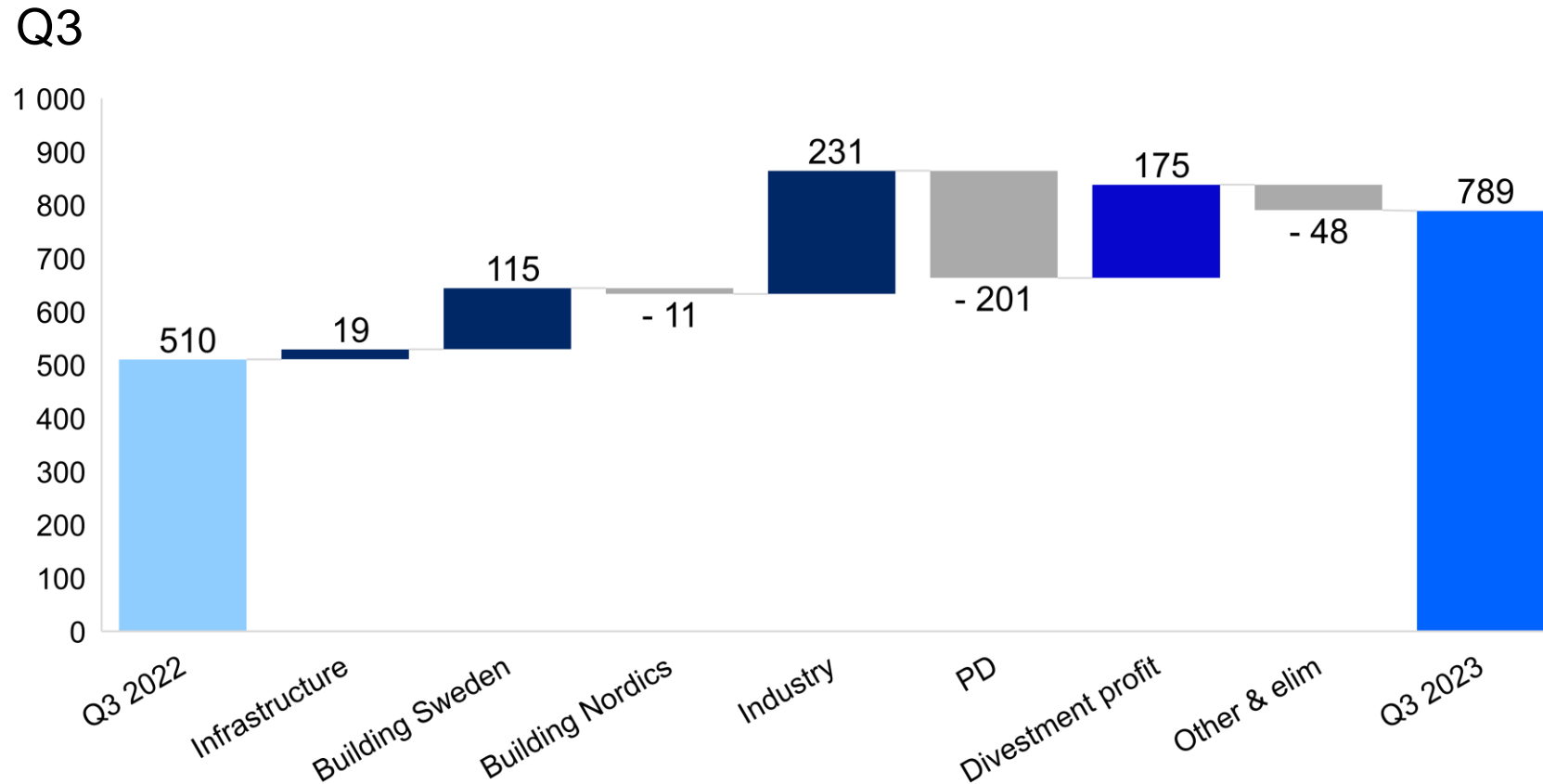


Strong earnings

Including SEK 175 M in one-off from divestment of subsidiary



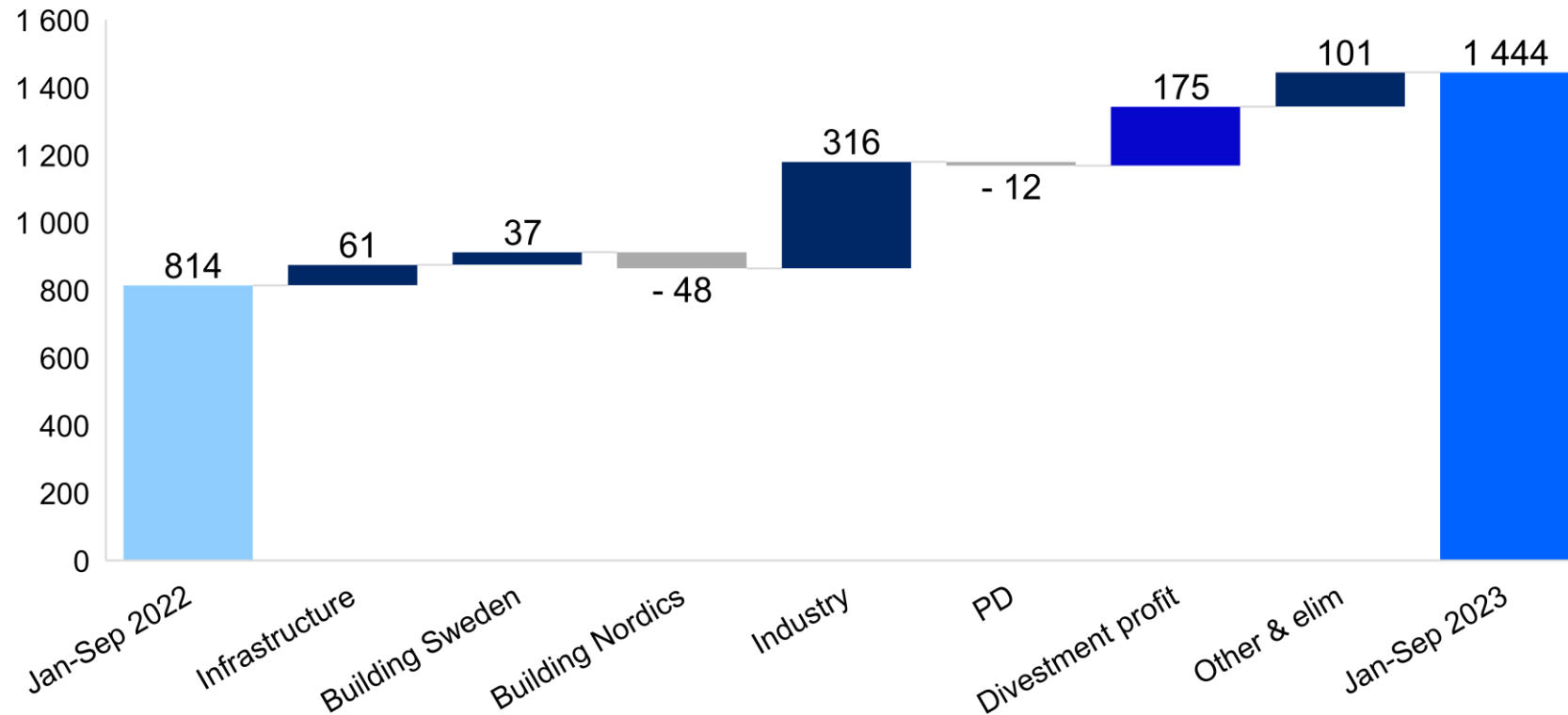
Industry back on normal levels, no PD sales in the quarter



Industry back on track – Infrastructure improves

Property Development on par with previous year

Jan-Sep



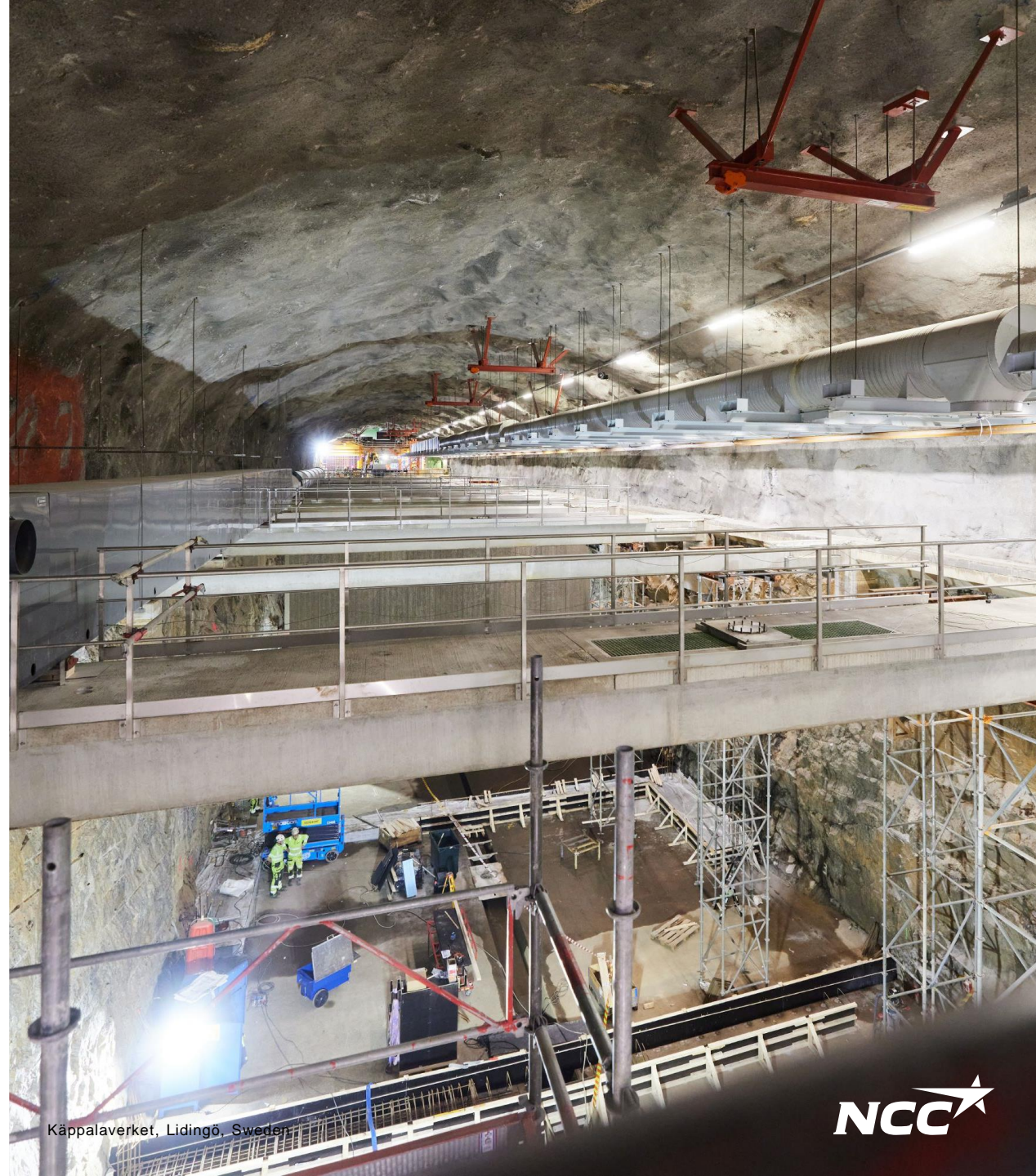
Market outlook

- Large parts of the construction market remains strong with many new projects in early phases
- Local variations
- Commercial and residential markets weak
- Municipalities and regions somewhat more muted

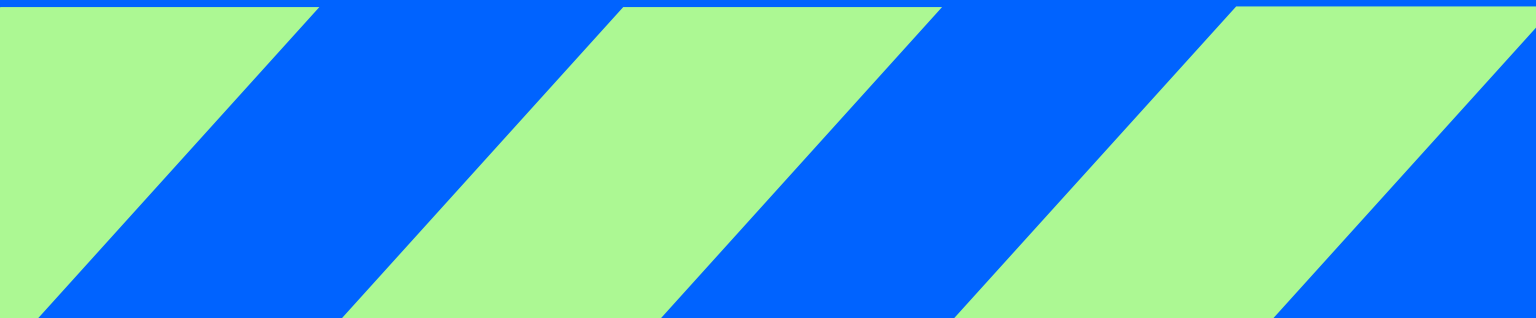


Focus areas for NCC

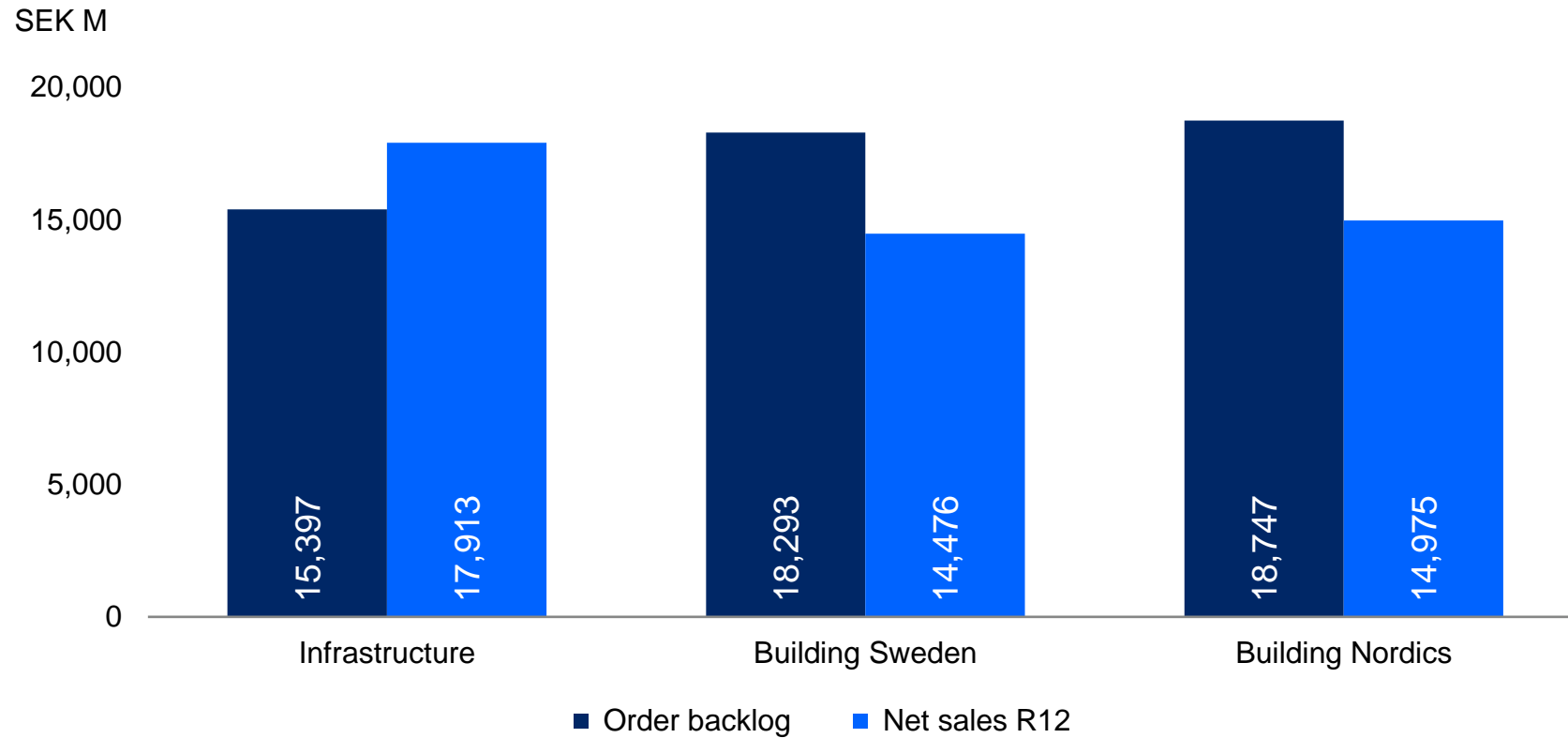
- Build on our strengths – continue to select the right projects
- Adapt our organization locally where needed



Susanne Lithander

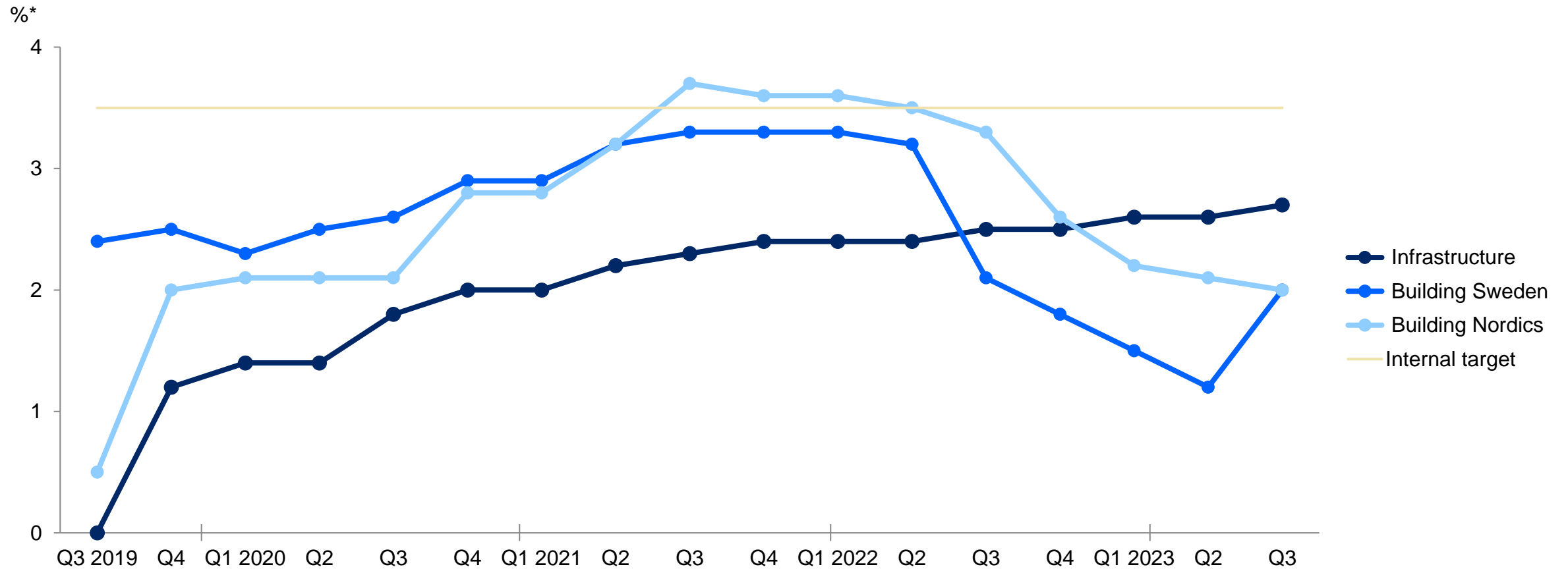


Order backlog



Contracting margins

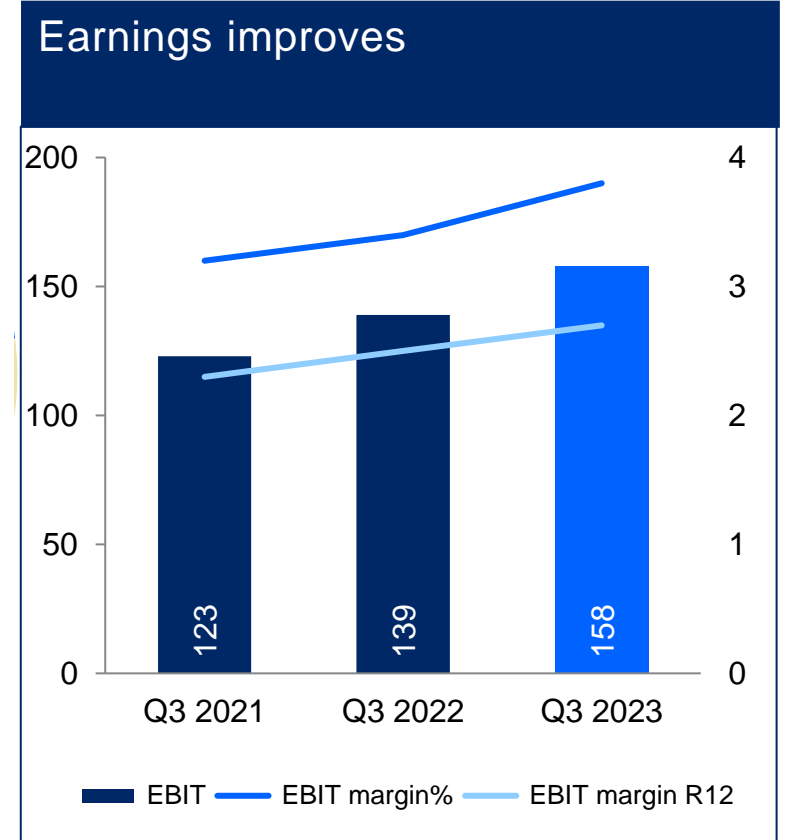
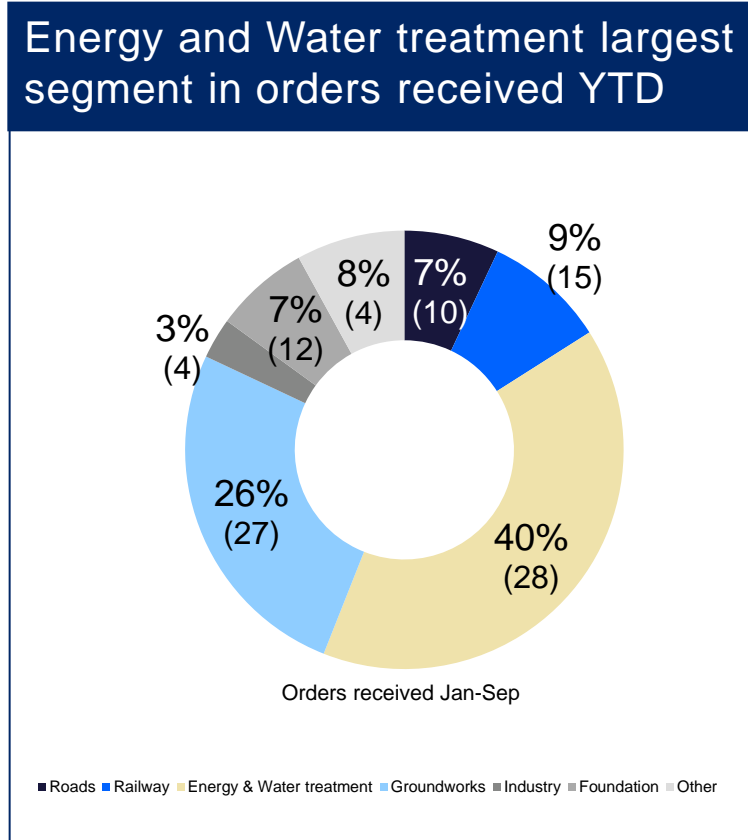
Infrastructure improves margin 20 quarters in a row



*R12 EBIT margin. BA Infrastructure without Road Services and adjusted for profit from divestment of Bergnäset

NCC Infrastructure

Share of net sales %

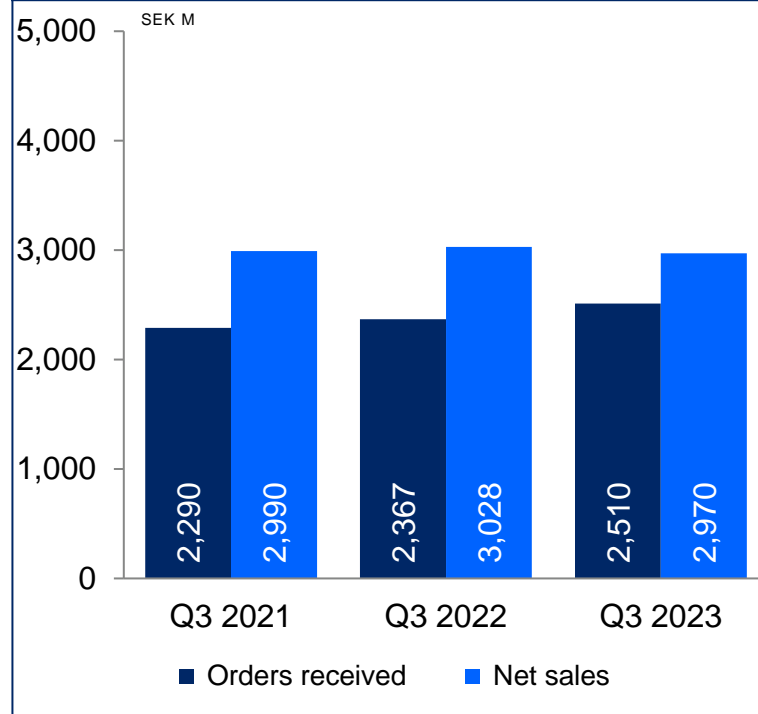


Profit from divestment of Bergnäset excluded

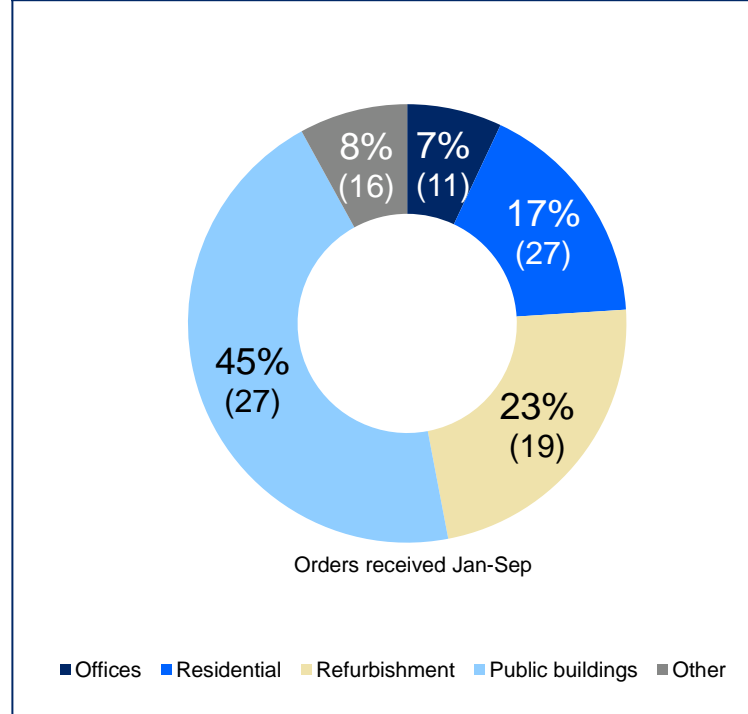


NCC Building Sweden

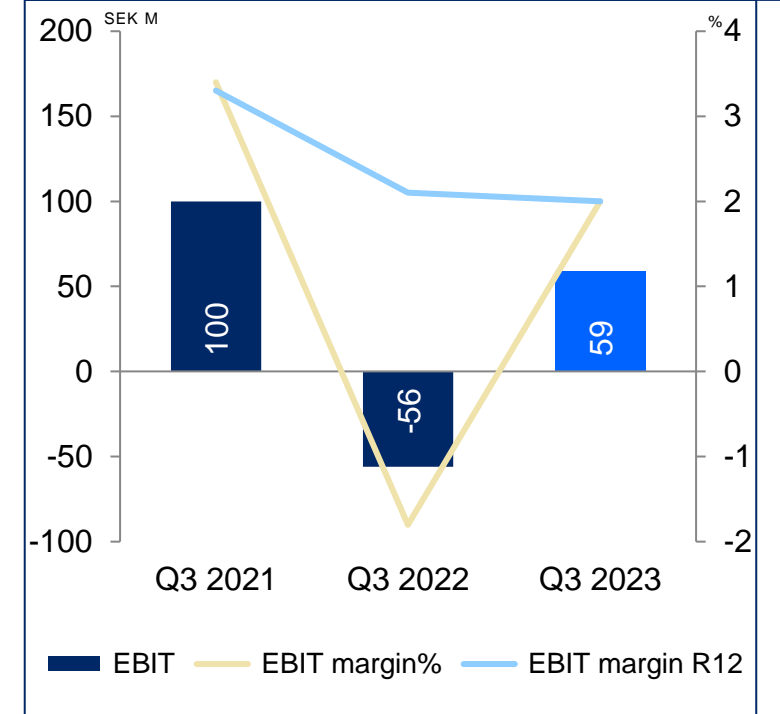
Stable orders received and net sales



Public buildings and refurbishment largest segments

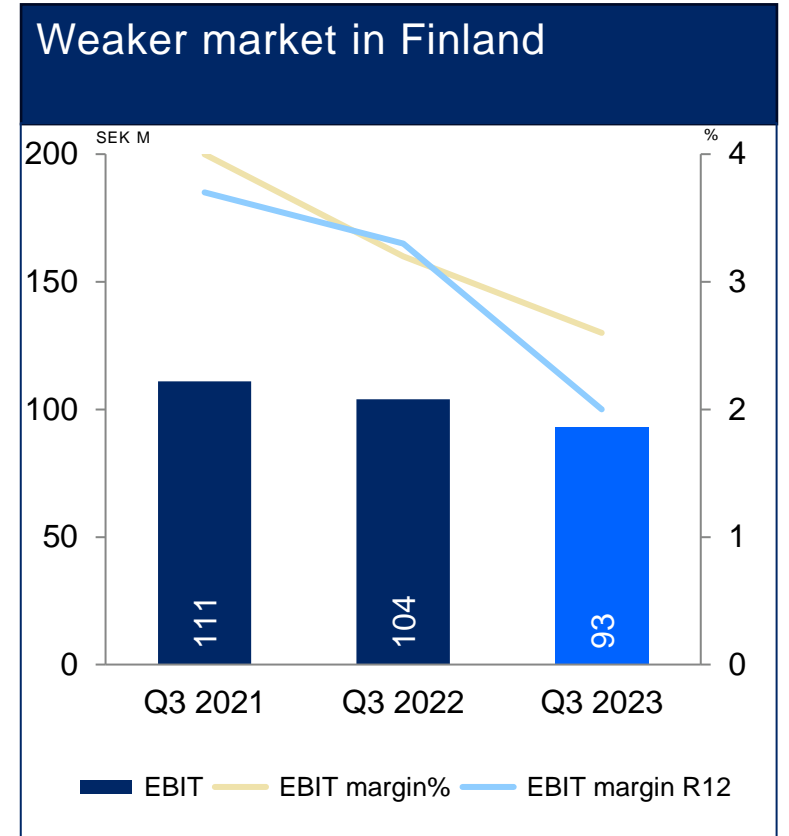
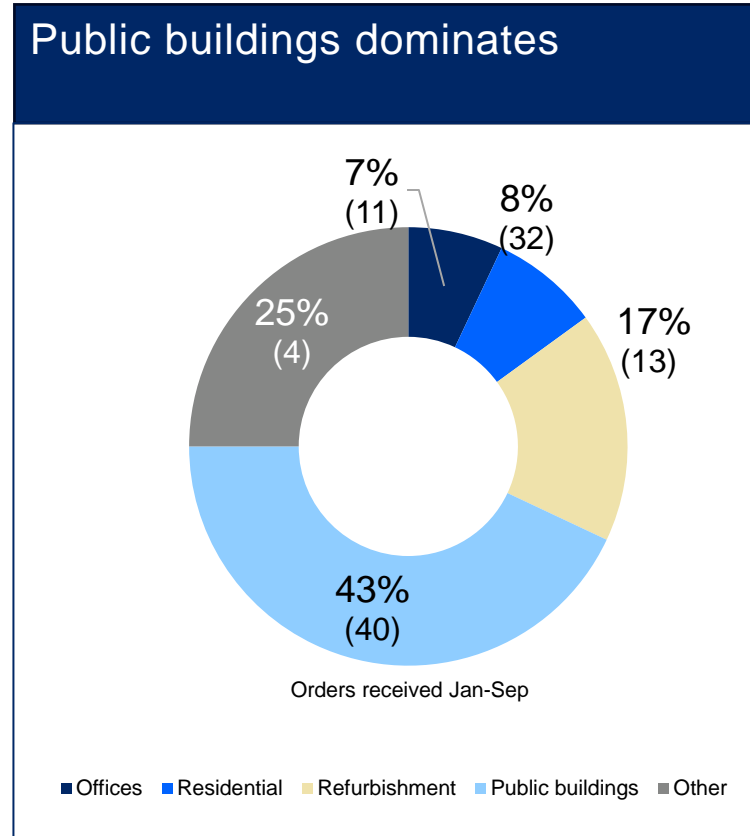
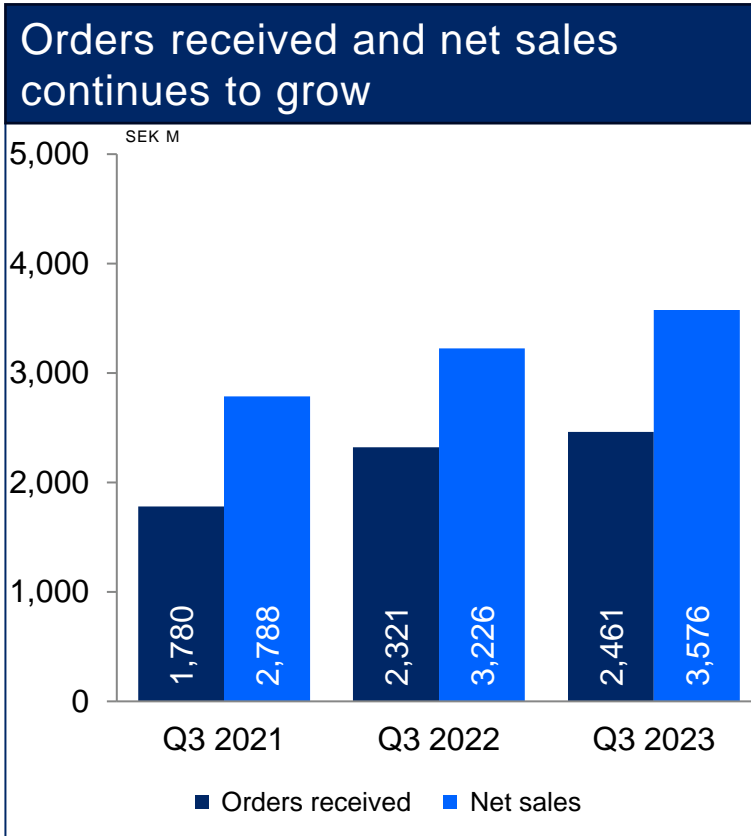


Earnings bouncing back after write-downs last year



NCC Building Nordics

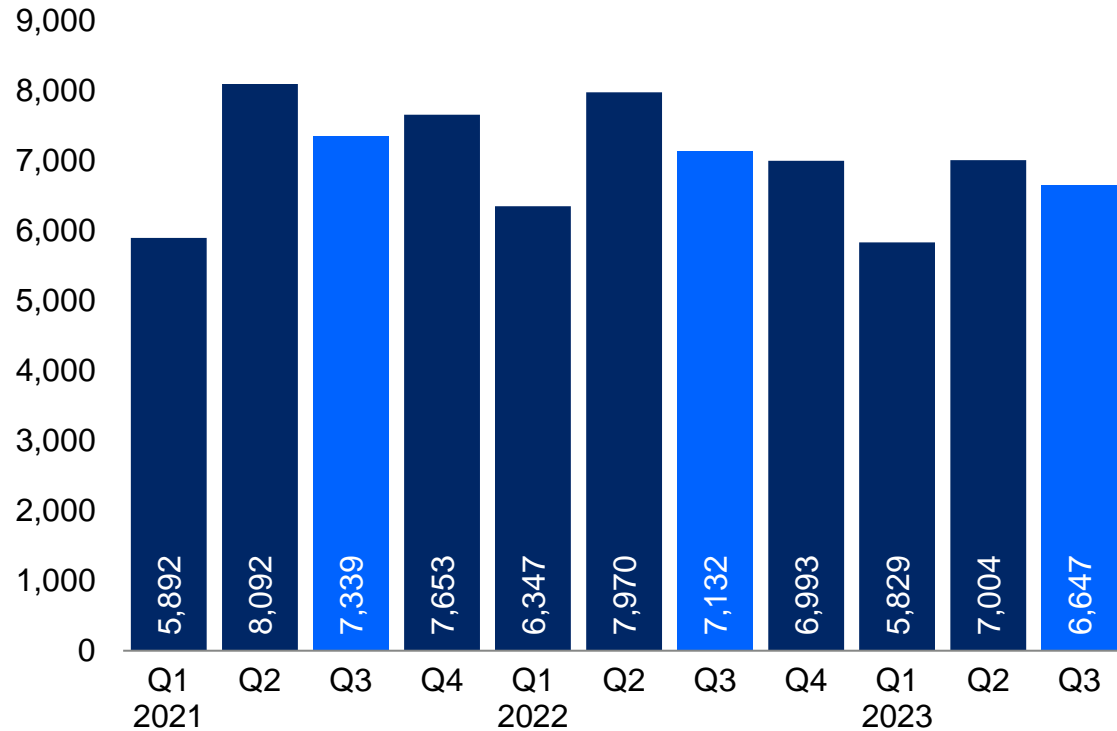
Share of net sales %



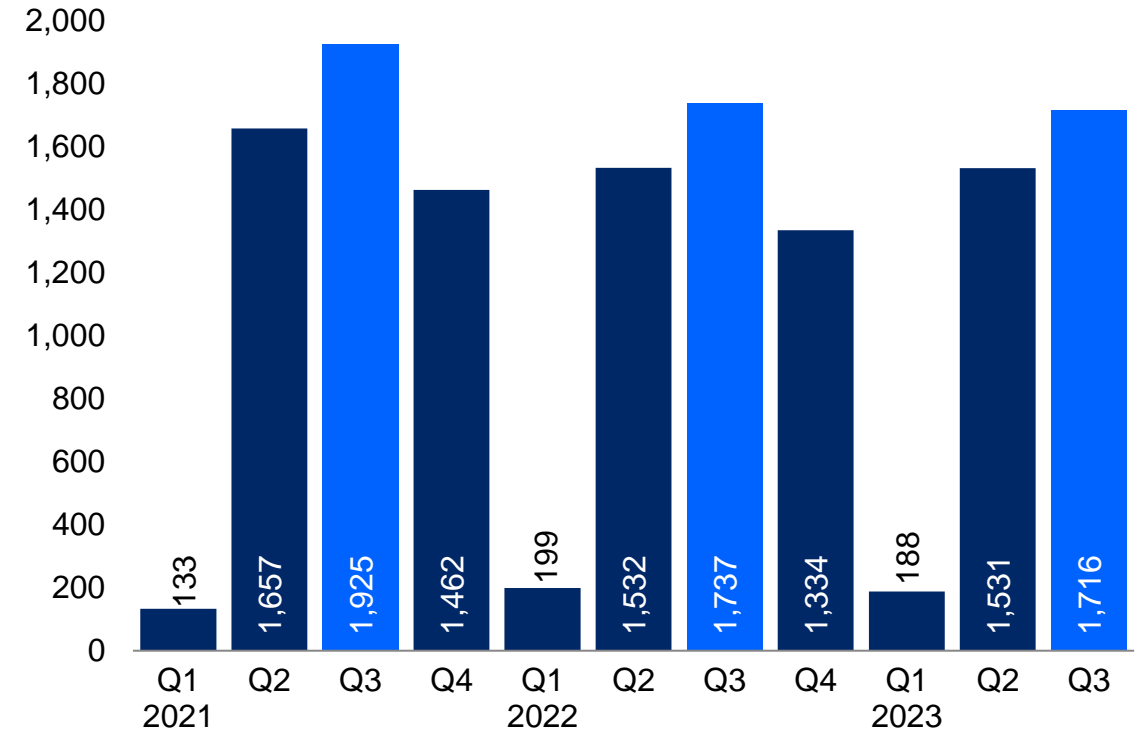
NCC Industry

Asphalt volumes stable, stone volumes slightly down

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)



NCC Industry*

Returning to more normal earnings

Share of net sales %



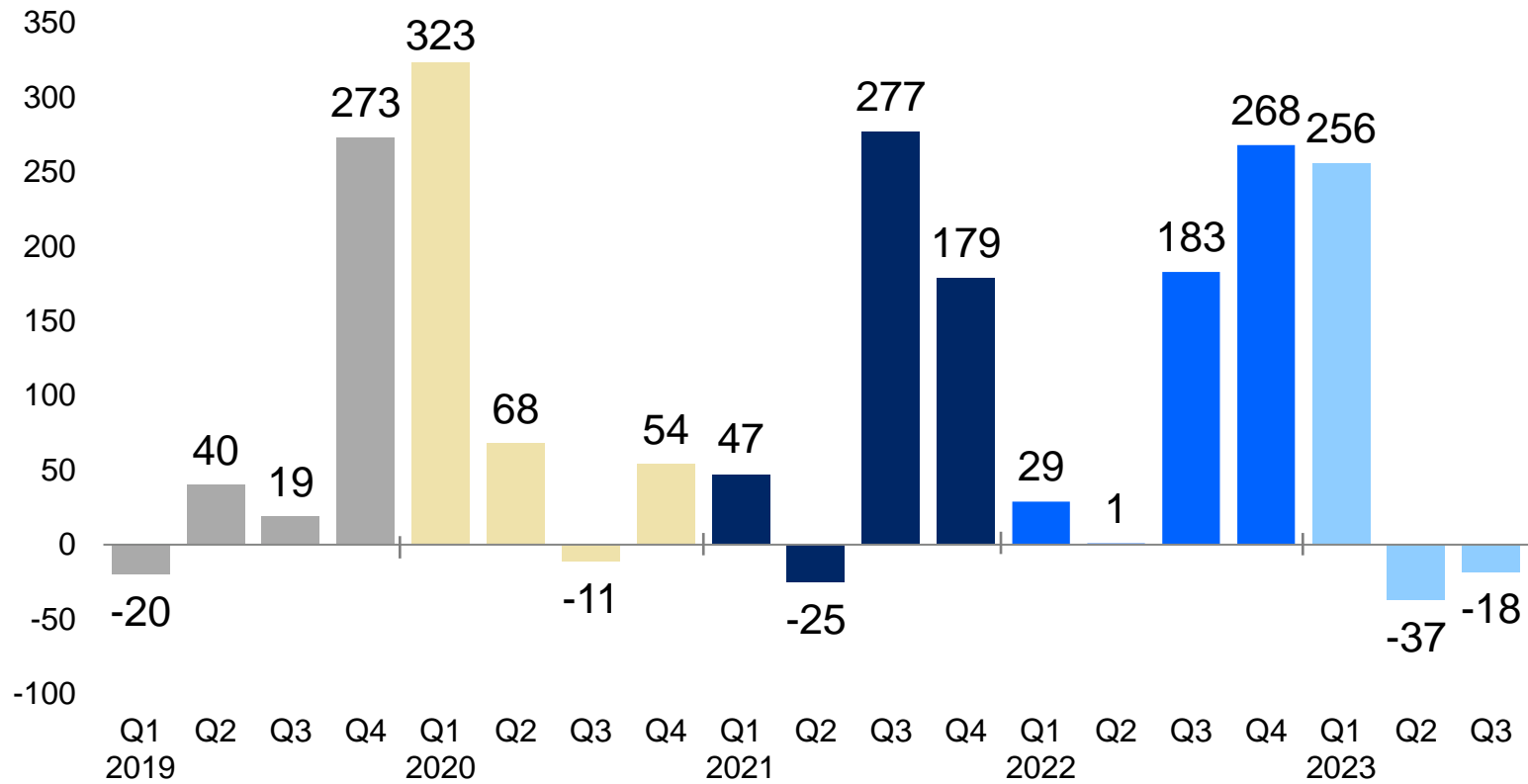
Operating capital employed, SEK M	4,820
ROCE, %	6.9

*Asphalt Finland excluded from 2021 numbers



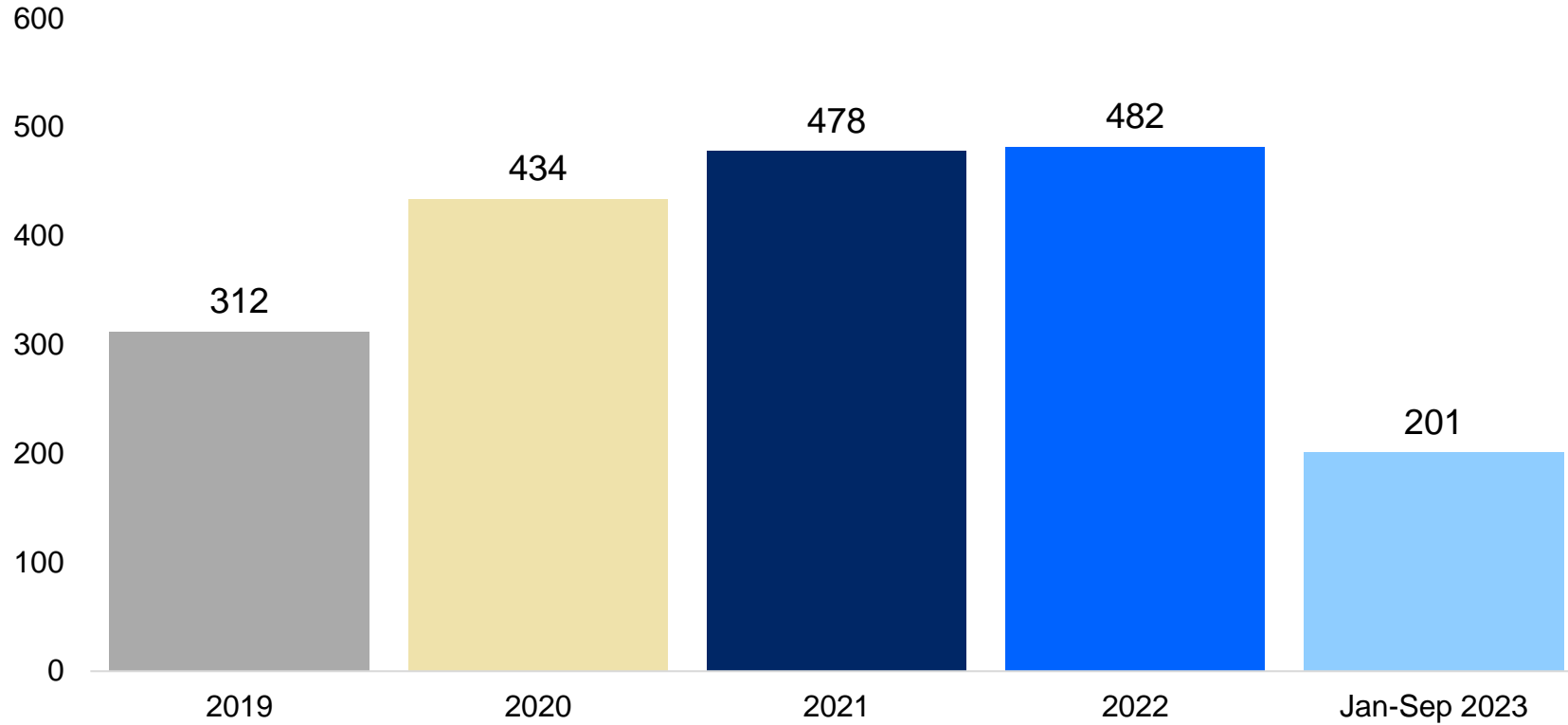
NCC Property Development

EBIT, SEK M



NCC Property Development

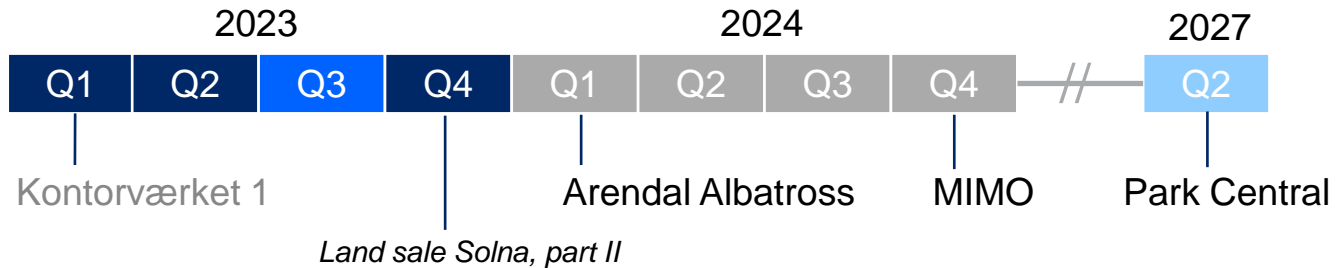
EBIT, SEK M



NCC Property Development

7 ongoing projects, 4 completed projects

Sold projects, expected time of profit recognition



Ongoing projects, not sold

- We Land, Helsinki
- Flow Hyllie, Malmö
- Nova, Solna
- Habitat 7, Gothenburg

Completed projects, not sold

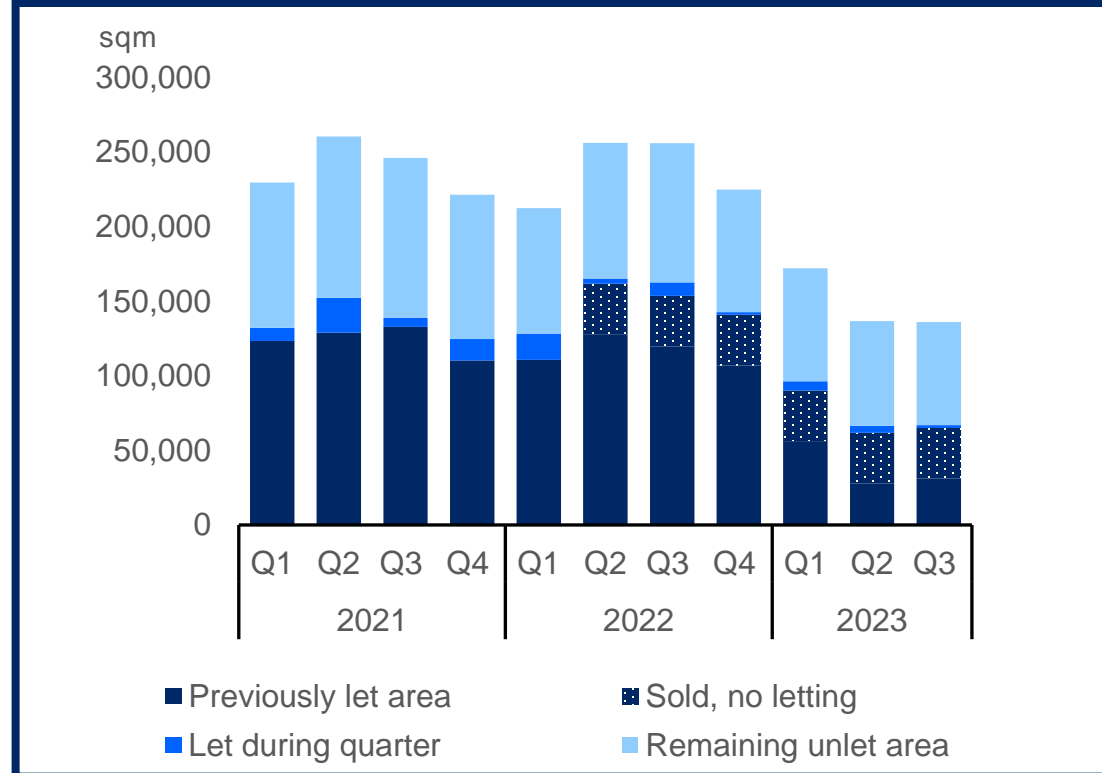
- Bromma Blocks, Stockholm
- Brick Studios, Gothenburg
- Våguset, Gothenburg
- Kulma21, Helsinki

Operating capital employed, SEK M 9,225

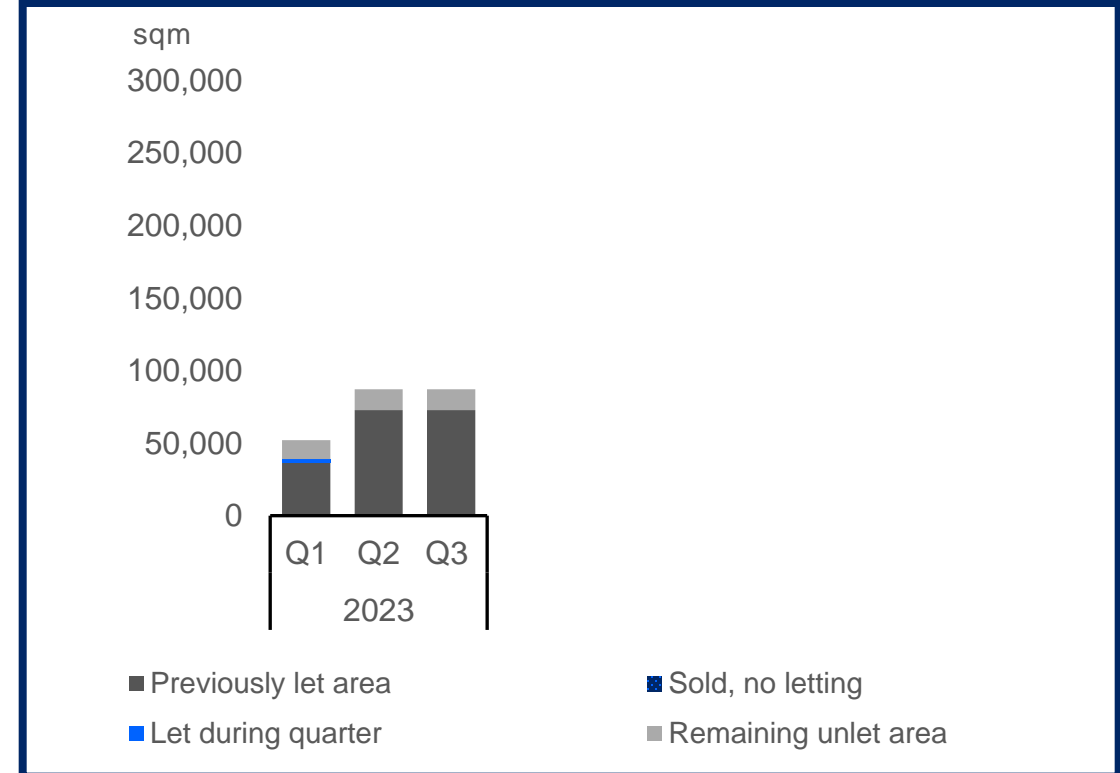
ROCE, % 5.7

Current project portfolio – Sweden and Finland

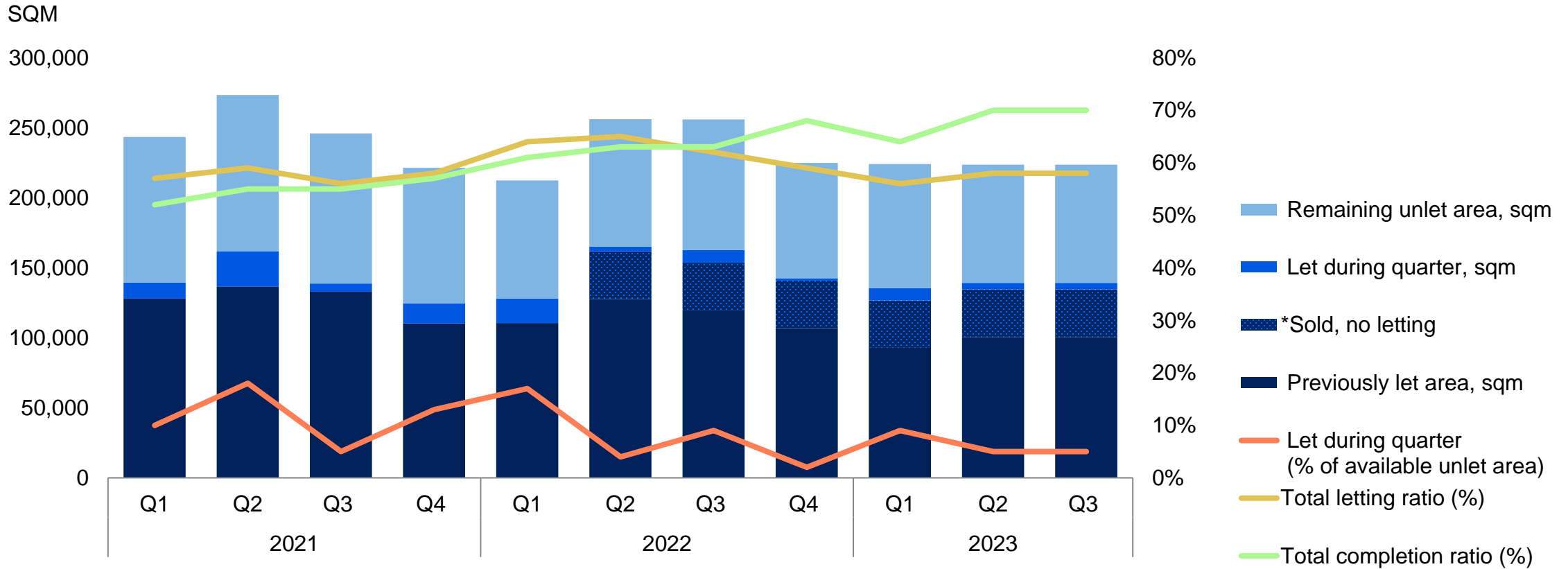
7 ongoing projects – 34% let, 3 projects pre-sold



4 completed projects – 87% let

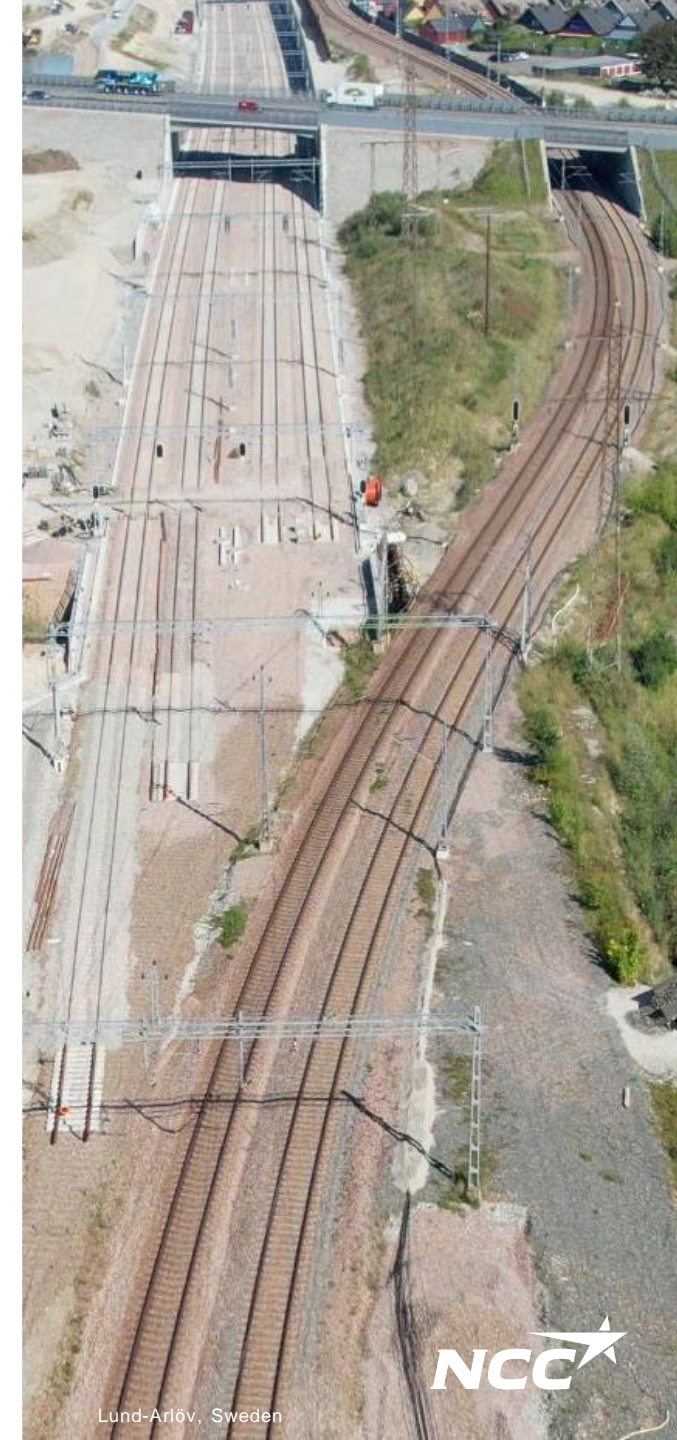


NCC Property Development

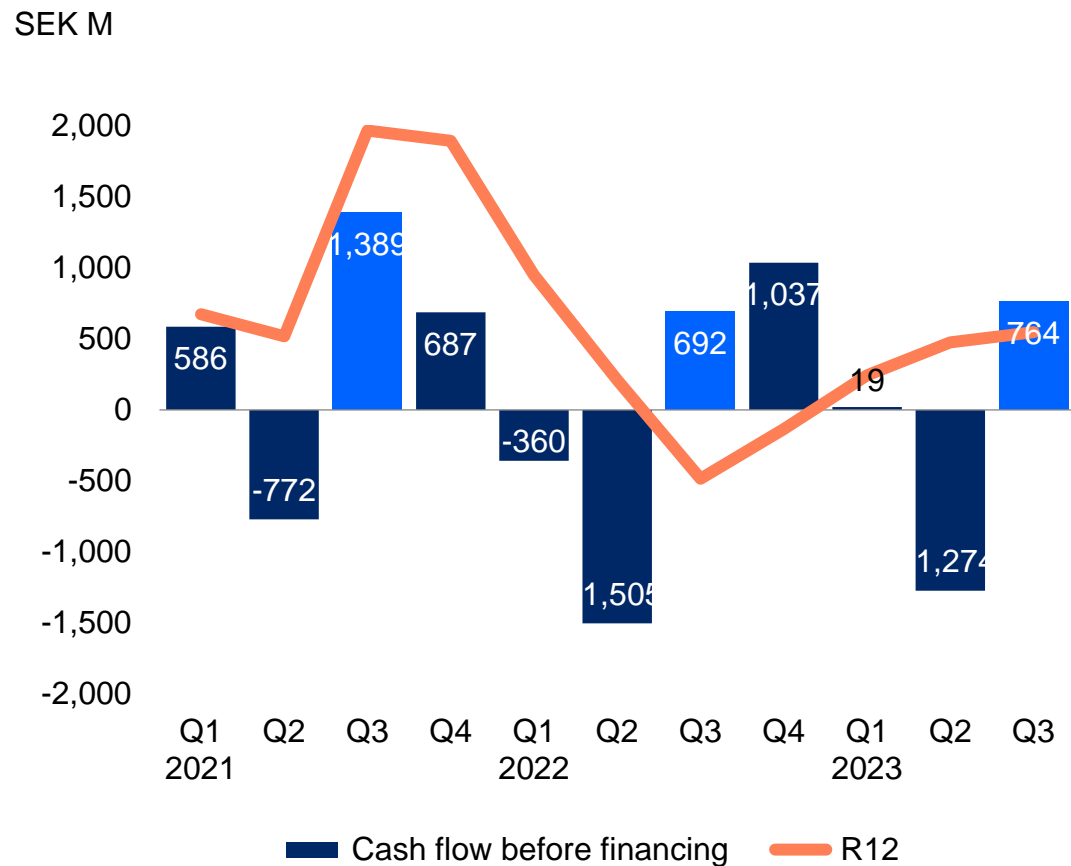


Earnings

SEK M	Q3		Jan - Sep		R12, Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/2023	2022
Earnings in segments (all BAs)	747	420	1,439	910	2,047	1,518
<i>NCC HQ and subsidiaries</i>	-13	27	-171	-105	-197	-131
<i>Internal gains</i>	7	8	13	-20	-11	-44
<i>Other group adjustments</i>	47	54	163	29	149	15
Other & Eliminations total	42	90	5	-96	-59	-160
EBIT	789	510	1,444	814	1,988	1,358
Financial items	-18	-20	5	-35	-19	-59
EBT	771	490	1,449	779	1,969	1,299
Tax	-149	-64	-268	-117	-381	-230
Profit for the period	621	425	1,181	661	1,588	1,069
Earnings per Share	6.36	4.13	12.09	6.26	16.21	10.29

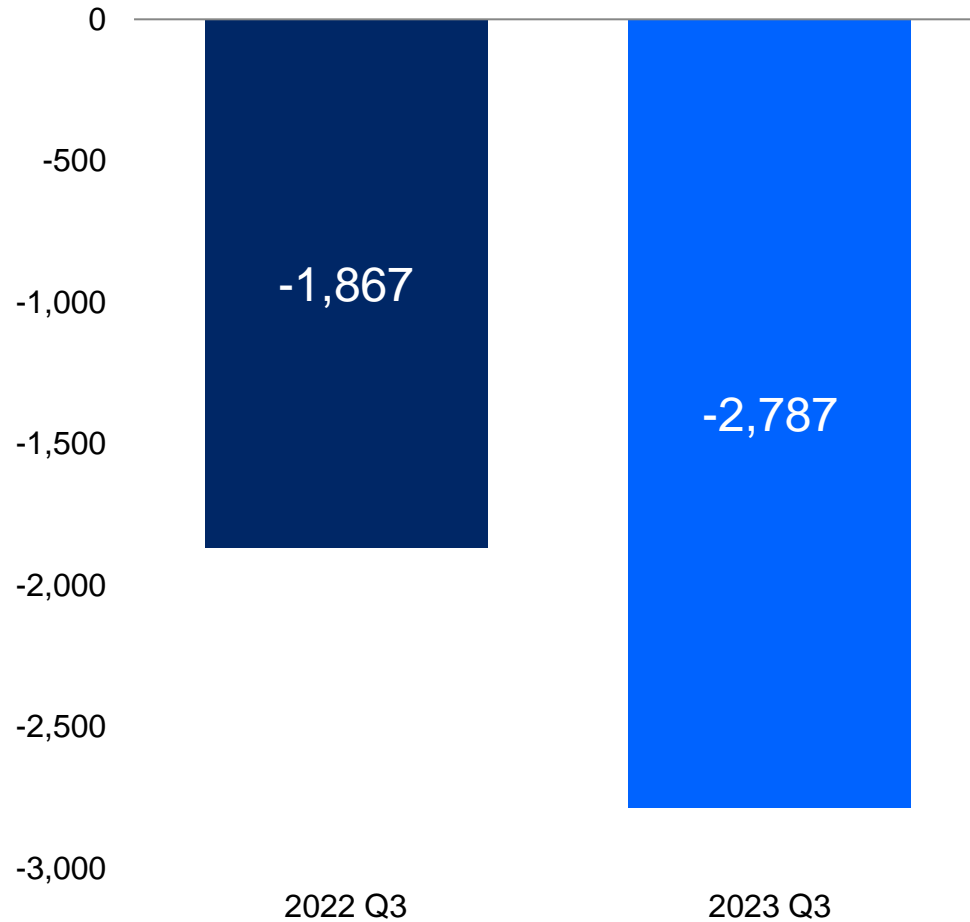


Cash flow



SEK M	Q3		Jan-Sep		R12, Oct-Sep	Jan-Dec
	2023	2022	2023	2022	2022/ 2023	2022
From operating activities	586	711	1,523	1,307	2,213	1,997
From property projects	-437	-143	-1,294	-1,126	-1,686	-1,518
Other working capital	415	145	-484	-1,264	567	-213
Investing activities	201	-21	-236	-89	-548	-401
Cash flow before financing	764	692	-491	-1,172	546	-136

Corporate net debt Sep 30, 2023



Net debt* / EBITDA

Target	< 2.5x
Sep 30, 2023	1.06x

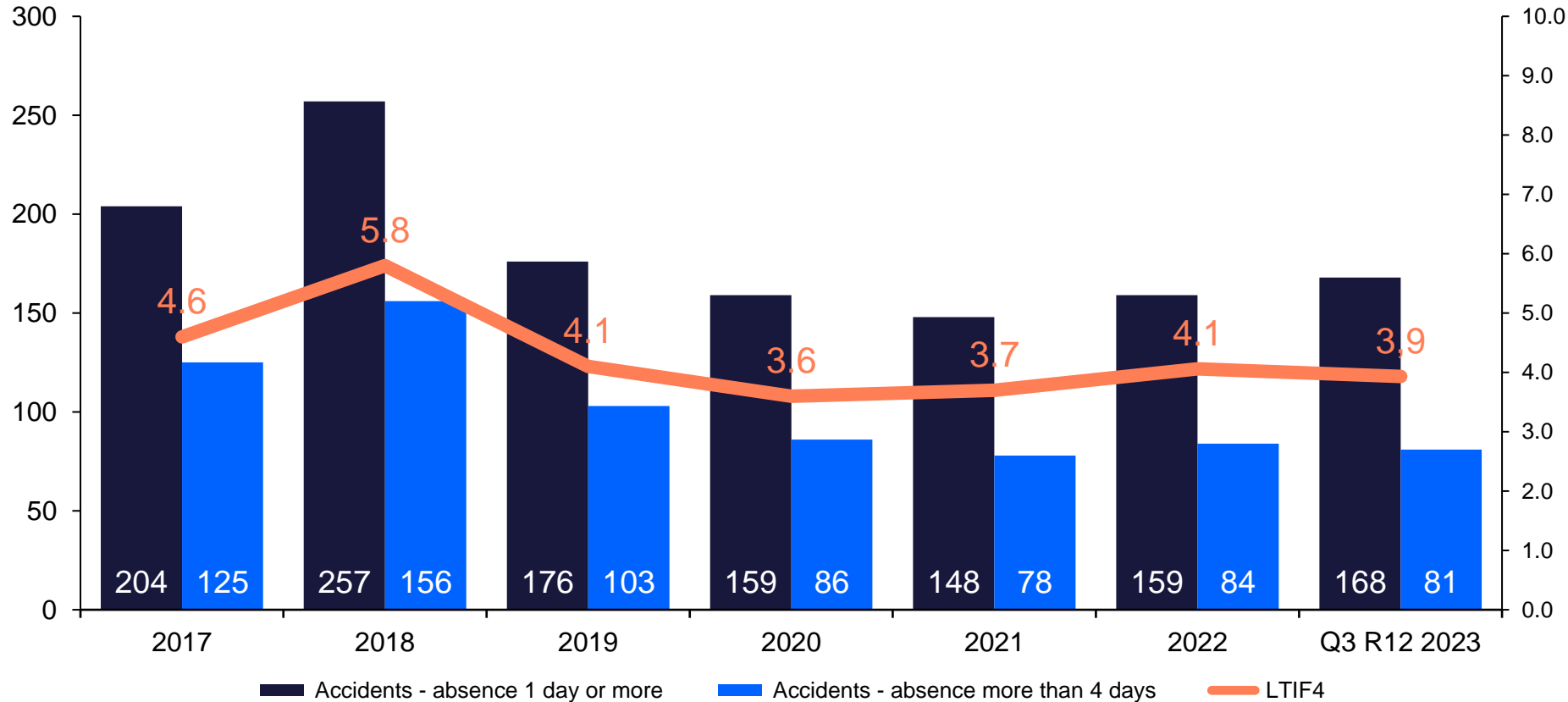
*Corporate net debt excluding pension liabilities and leasing liabilities

Tomas Carlsson



Health & Safety target

Lost Time Injury Frequency LTIF4** for NCC employees



TARGET
LTIF4
2.0
2026

R12 Q3, 2023
3.9

**LTIF4 - Lost Time Injury Frequency - work related accidents with more than four days of absence from ordinary duties per one million worked hours

Q3 R12 2023 refers to September 1, 2022 – August 31, 2023



Climate and Energy targets

Reduction targets for 2030

Scope 1 and 2, ton CO₂e per SEK M net sales

-60%

-58%

30 June, 2023

Scope 3, kg CO₂e/bought volumes
Selected categories

-50%

Ready-made concrete

-20%

30 June, 2023
compared to 2015
(kg CO₂e/m³)

Asphalt

-29%

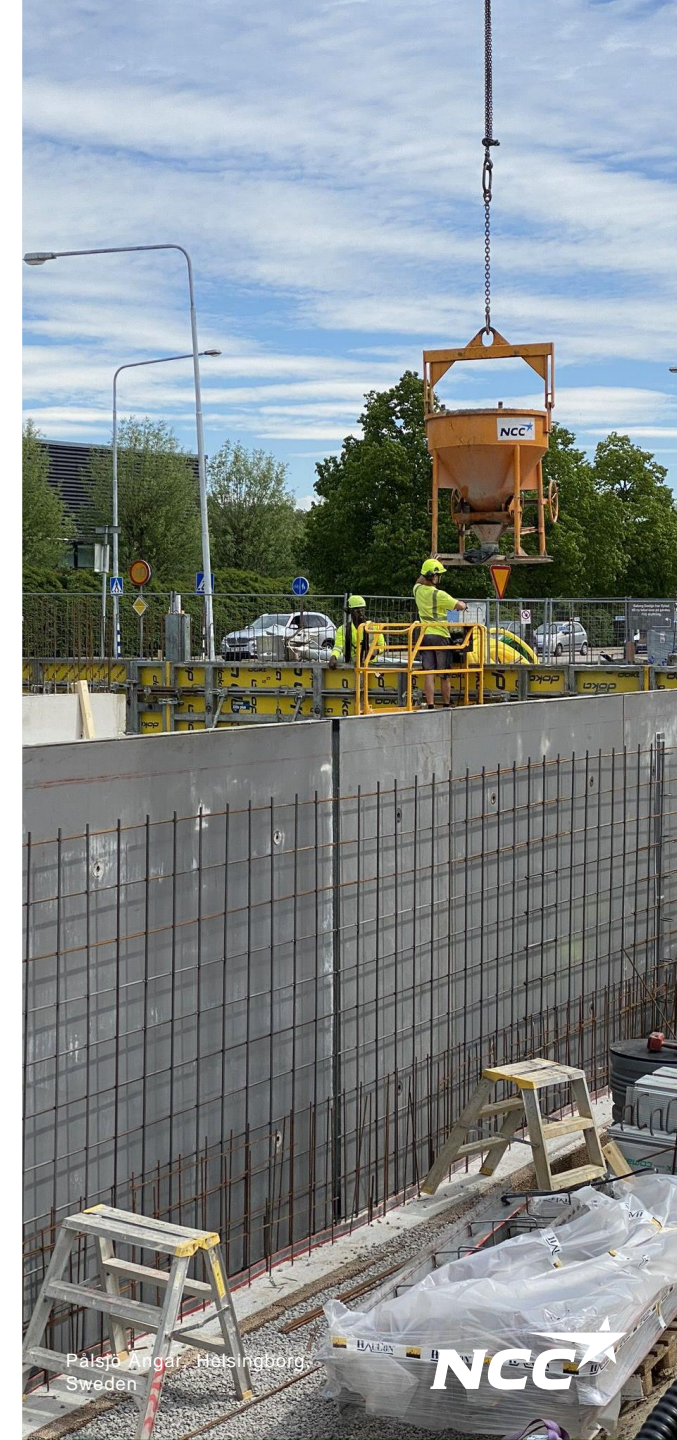
30 June, 2023
compared to 2015
(kg CO₂e/ton)

Rebar steel

-43%

30 June, 2023
compared to 2015
(kg CO₂e/ton)

Transport
In progress



Financial targets

Earnings per share

≥ 16.00

SEK 2023

Net debt

< 2.5

x EBITDA

Dividend policy

$\approx 60\%$

of profit after tax

Q3 2023 R12

16.21

SEK

Q3 2023 R12

1.06

x EBITDA

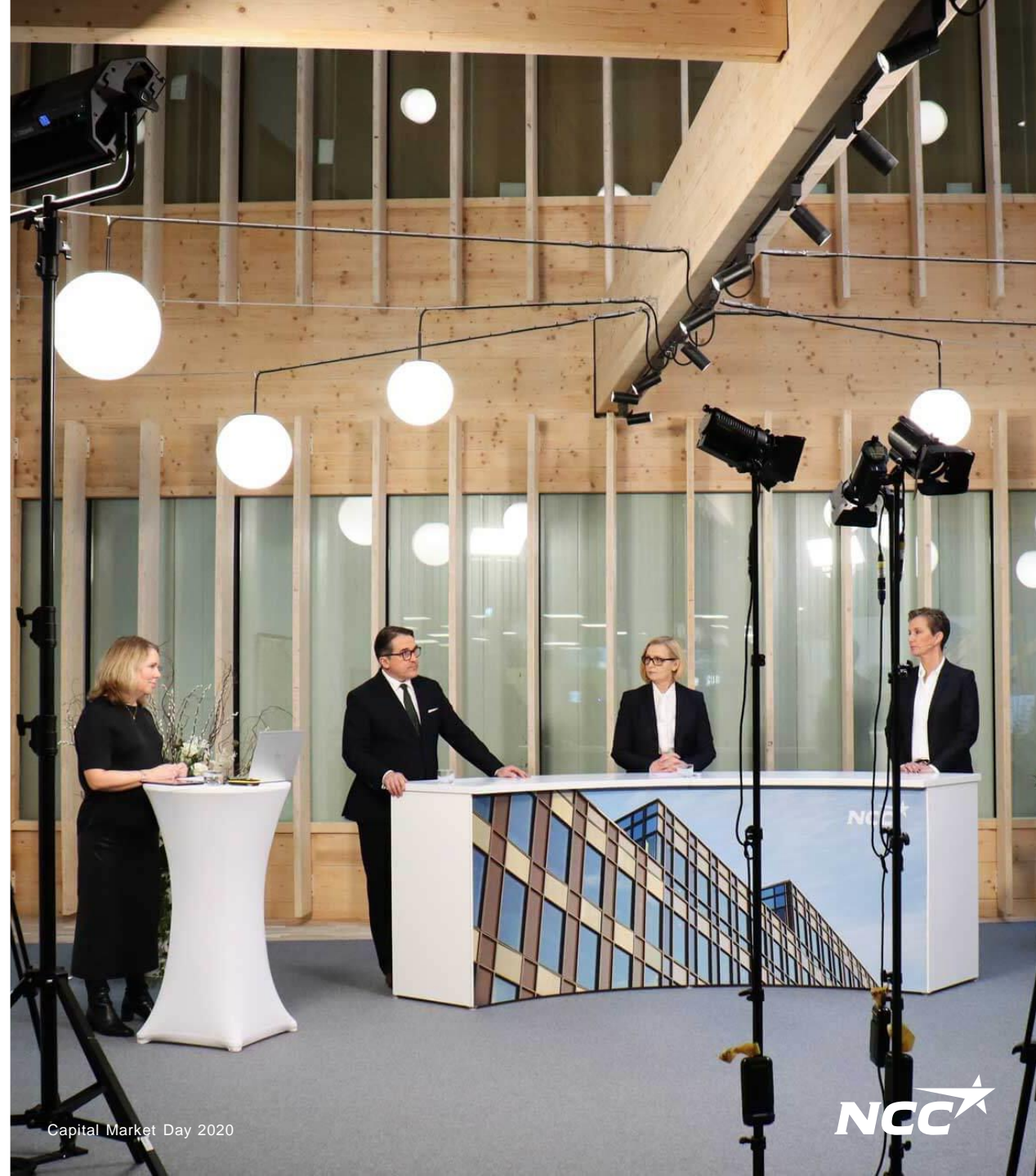
55% of profit after tax

6.00

SEK

Capital Market Day November 9, 2023

- Welcome to Scandic Continental or online
- Update on the business from the management team including all BA Managers



Summary

- Strong earnings
 - Industry back on normal levels
 - Orders received seasonally normal
 - Bergnäset one-off capital gain
-
- Market divided - variations regionally and between segments





Contact information

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ncc.com/Investor-relations

For definitions and details, please see the quarterly report

