

# Q2 2020



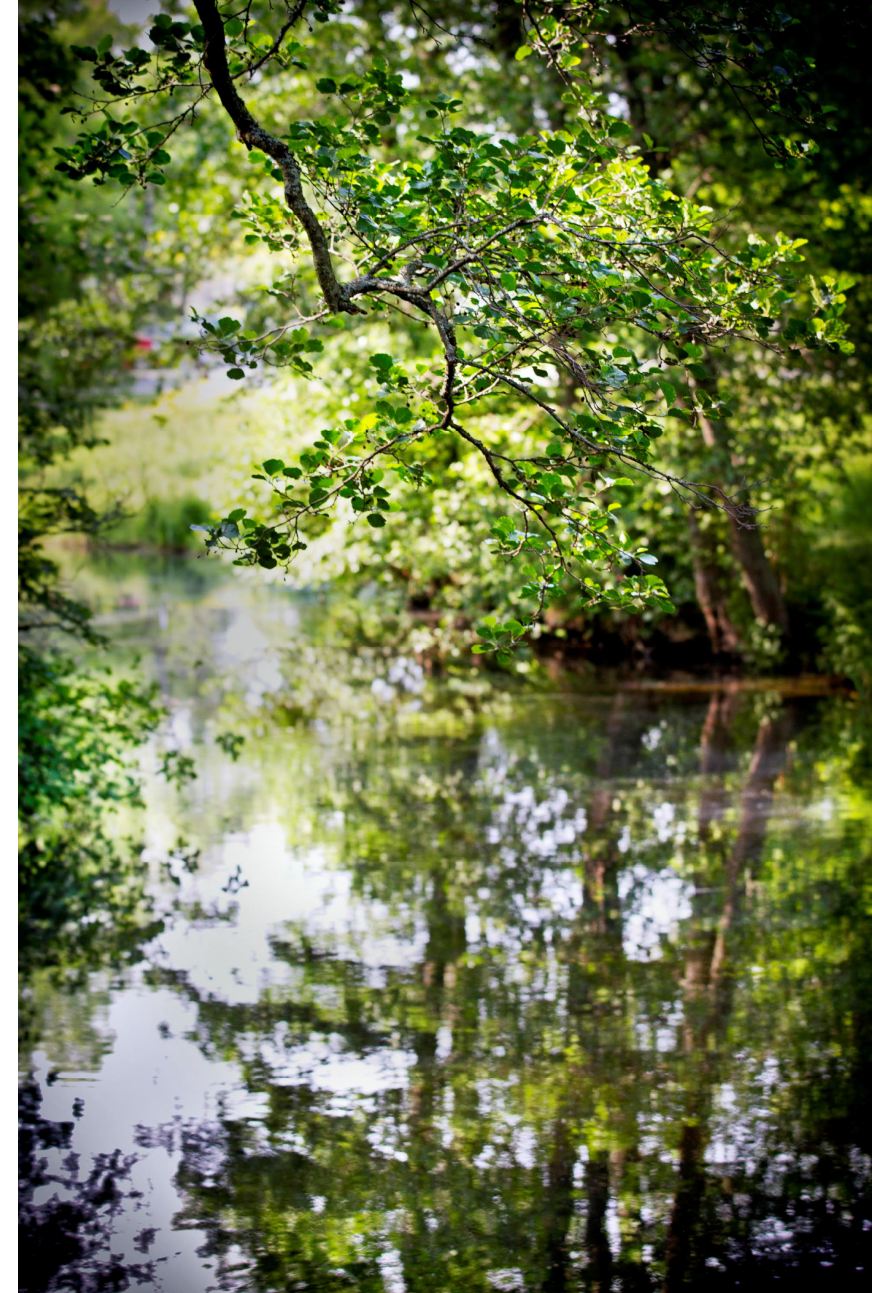
*Horisonten, Aalborg*

# Tomas Carlsson

CEO

# Improved profitability – Q2 and H1

- Earnings improved in all business areas except Industry
- Net sales on par with last year
- Orders received on normal levels – strong in Sweden
  - 3.4 bn order in Denmark 2019 in comparison
- Orders received in first half significantly higher than net sales
- Order backlog remains strong
- Cash flow from operations strong compared to last year



# Market update

- Ongoing projects not impacted by coronacrisis to date
- Longterm effects from economic downturn still hard to assess – no material negative effects to date
- Property market outlook has some uncertainty – letting resumed in June but long term effects to be monitored



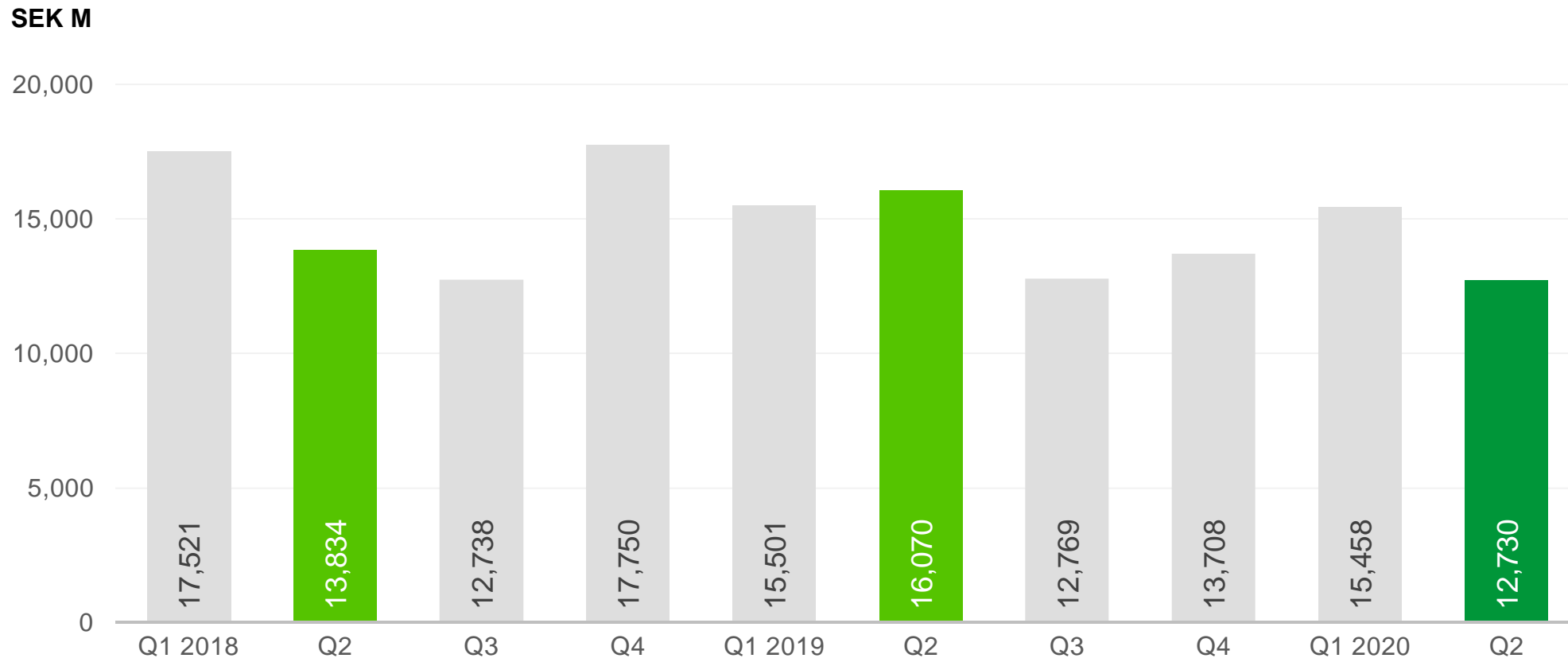
# Divestment Road Services

- Road Services Denmark divested to Arkil
- Road Services Sweden and Finland divested to Mutares
- Expected to close in Q3
  - Combined: No earnings effect and marginally positive effect on cashflow
- Road Services Norway will remain and be reported as part of BA Infrastructure
  - Divestment opportunities still considered

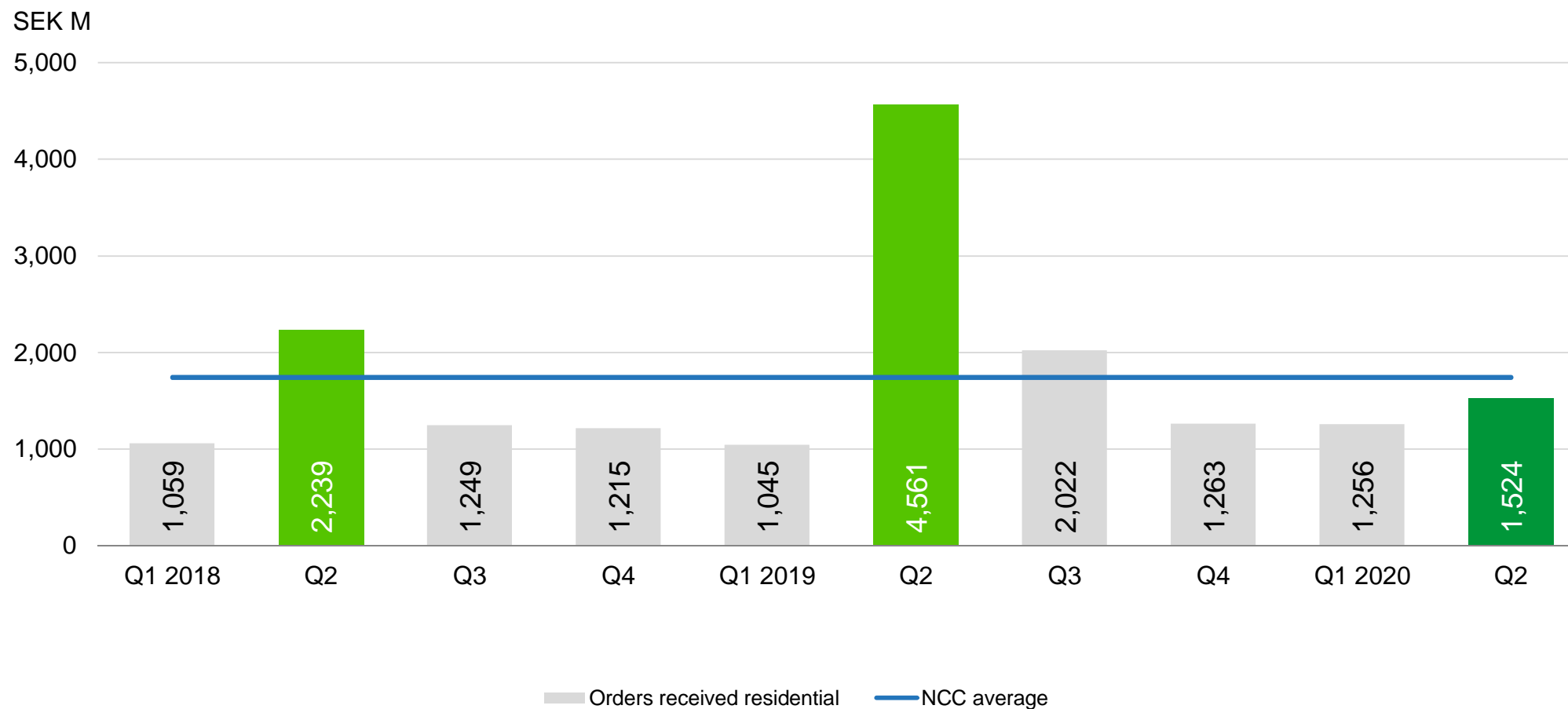


# Orders received

3.4 bn residential orders in Denmark in Q2/19

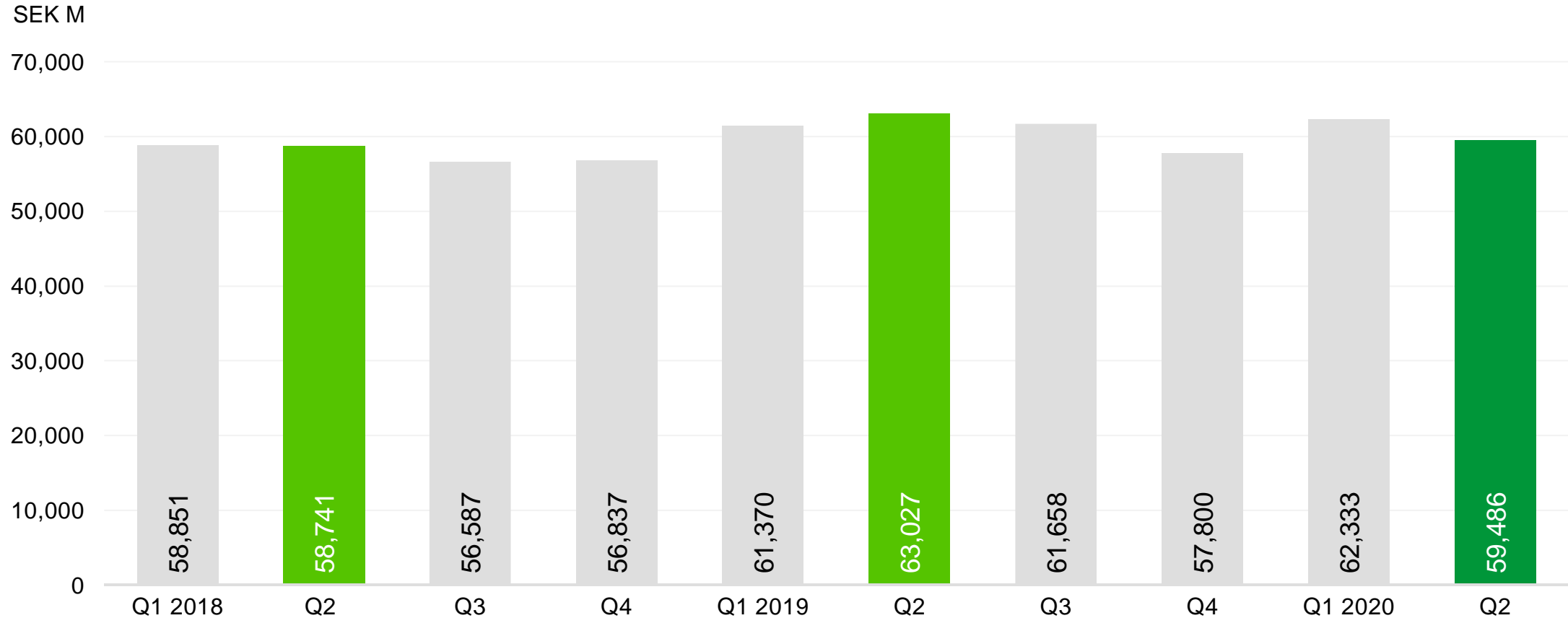


# Residential orders received - NCC



# Order backlog

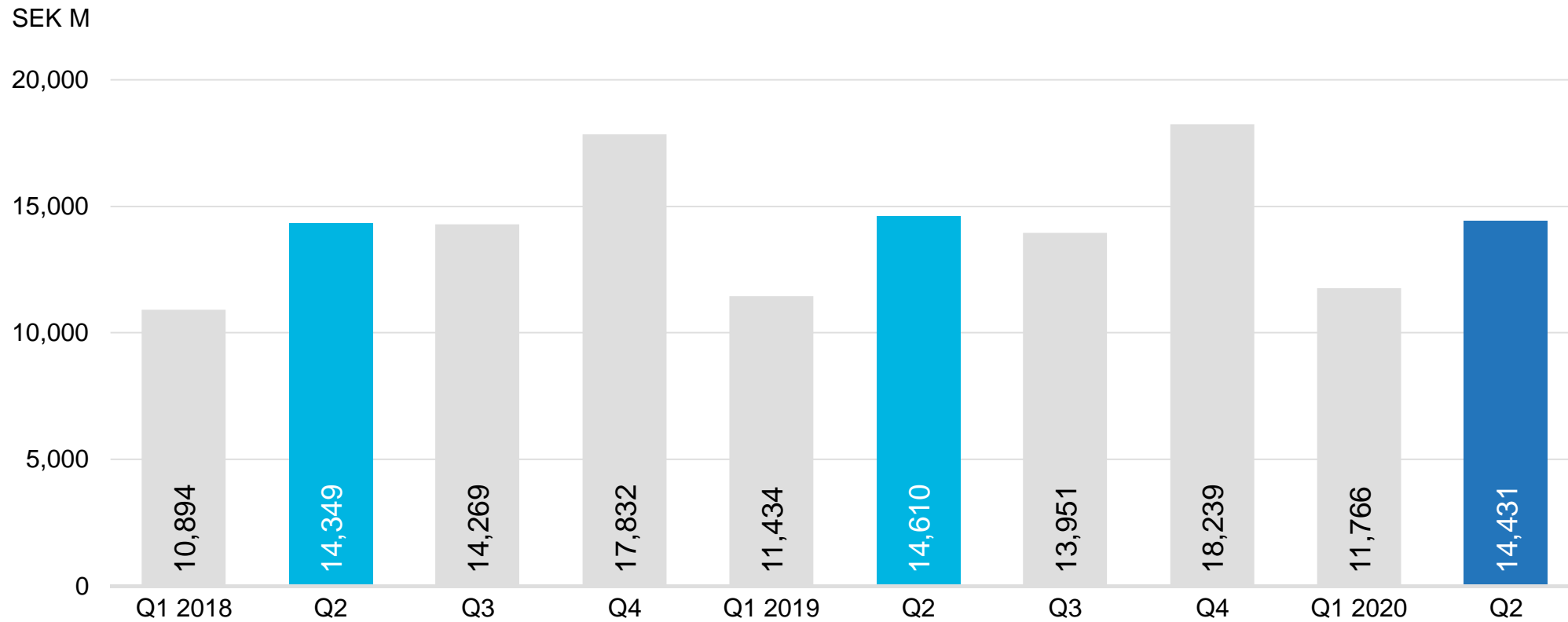
Remains strong in all business areas





# Net Sales

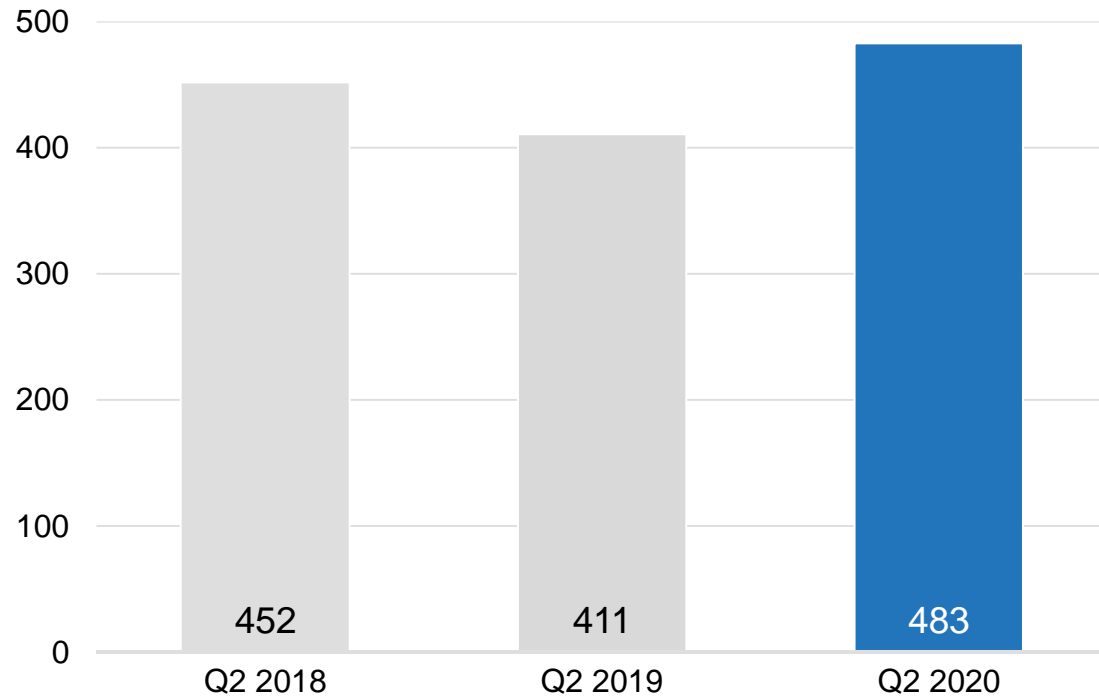
On par with previous years



# Operating profit

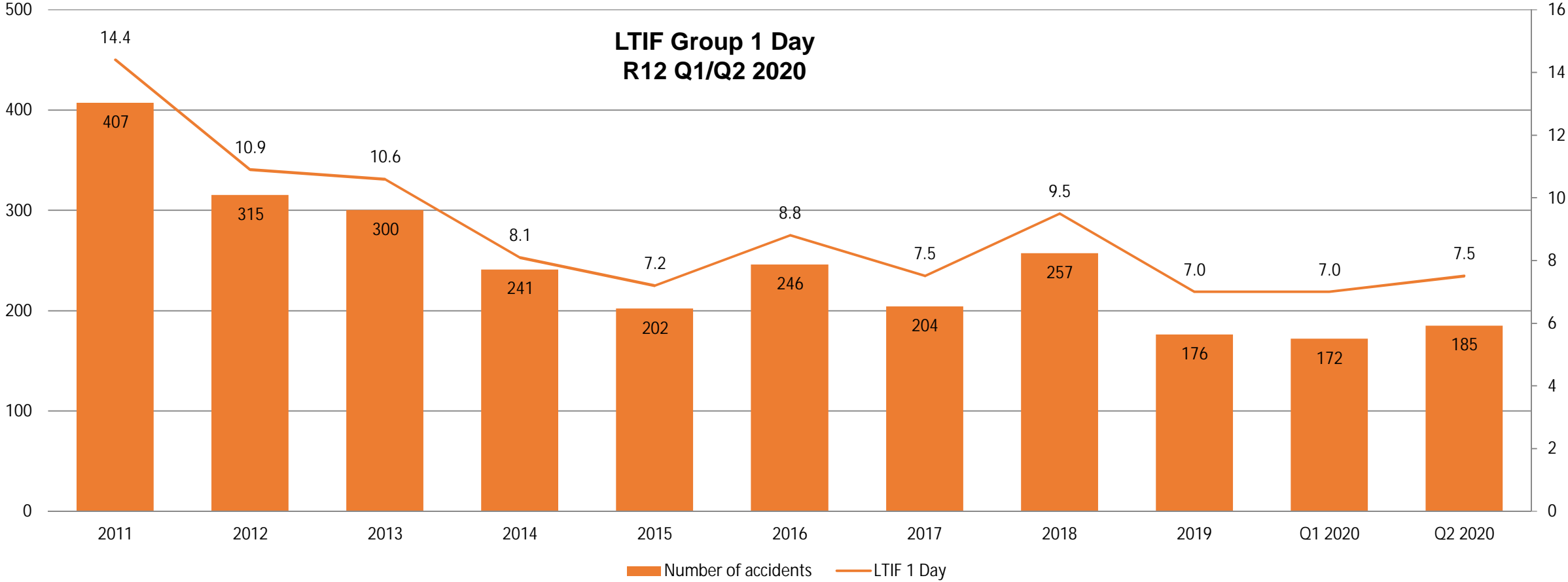
Earnings and margin improving

SEK M



Operating margin	
Q2 2019	2.8%
Q2 2020	3.3%

# Strong focus on reducing serious accidents



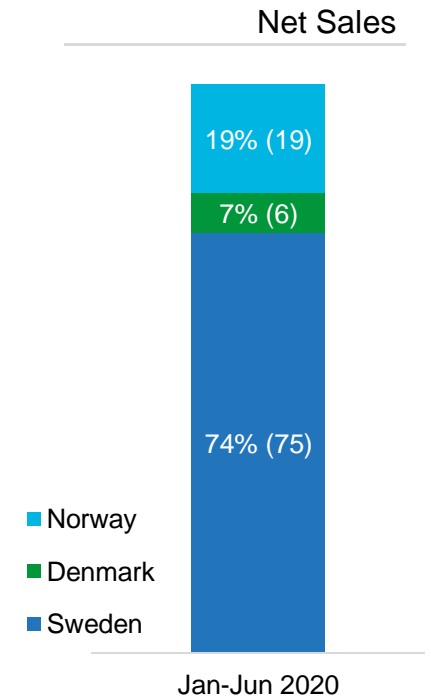
# Susanne Lithander

CFO

# NCC Infrastructure

Consistent improvement – normal variation in orders received

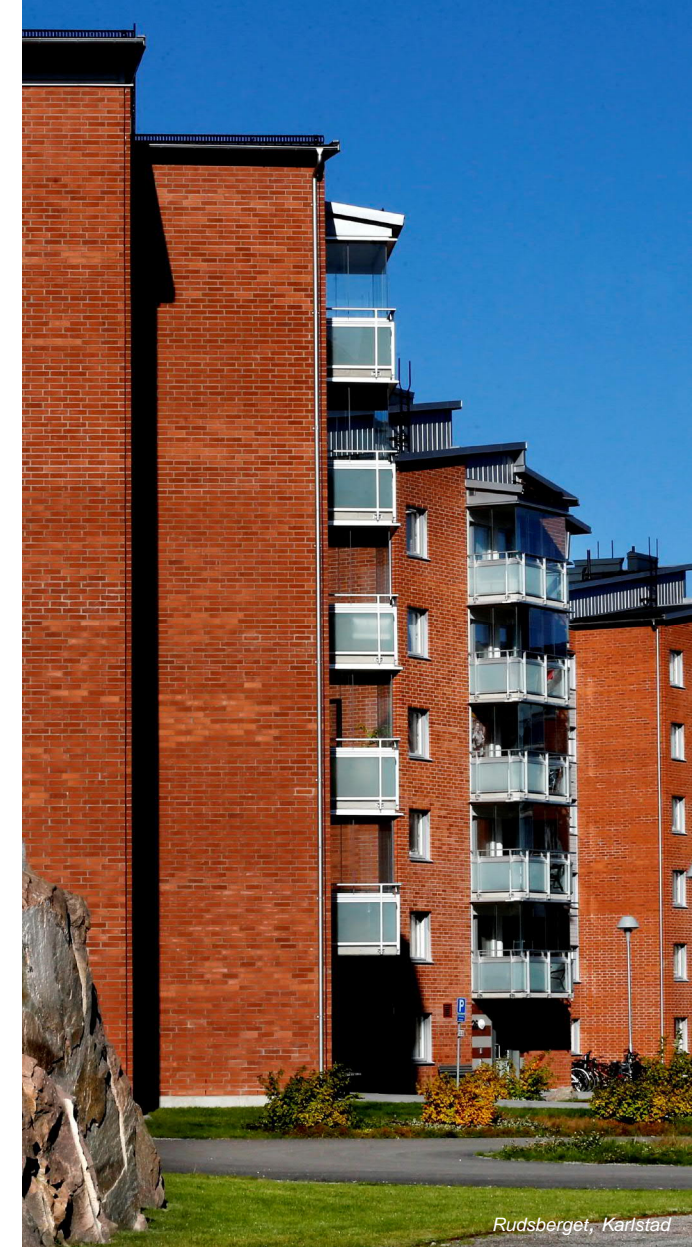
SEK M	Q2		Jan-Jun		R12	Jan-Dec
	2020	2019	2020	2019	Jul-Jun	2019
Orders received	3,015	3,428	7,431	8,267	15,764	16,601
Order backlog	19,219	21,770	19,219	21,770	19,219	20,389
Net sales	4,512	4,192	8,302	7,841	17,886	17,425
EBIT	92	81	131	89	254	212
EBIT margin, %	2.0	1.9	1.6	1.1	1.4	1.2
<b>NCC Road Services</b>						
Orders received	619	268	1,117	1,117	1,618	1,617
Order backlog	2,884	3,679	2,884	3,679	2,884	2,816
Net sales	531	635	958	1,297	2,285	2,624
EBIT	4	6	-10	1	9	20



# NCC Building Sweden

Improved earnings and strong orders received

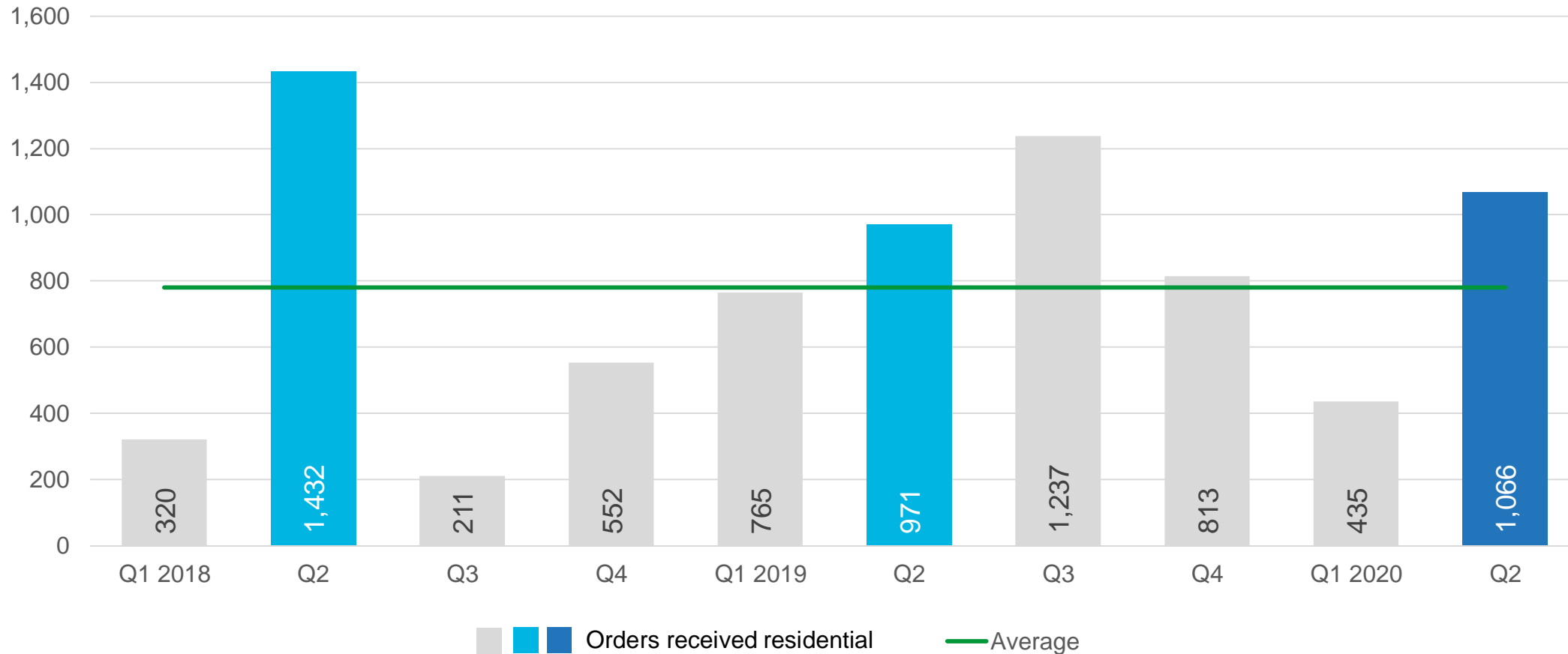
SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	3,729	2,368	8,187	4,947	15,981	12,741
Order backlog	17,898	16,261	17,898	16,261	17,898	16,561
Net sales	3,464	3,726	6,849	7,394	14,306	14,851
EBIT	90	76	177	185	356	364
EBIT margin, %	2.6	2.0	2.6	2.5	2.5	2.5



Rudsberget, Karlstad

# NCC Building Sweden

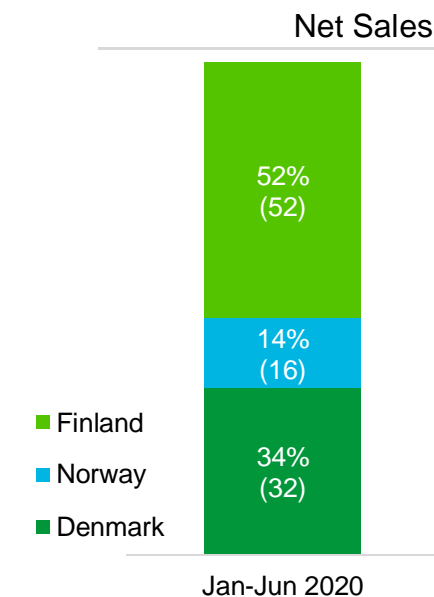
Residential orders received above average – >70% rentals in 2020



# NCC Building Nordics

Improved earnings – Q2/19 had 3.4 bn SEK residential orders in Denmark

SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	2,179	6,210	5,426	10,396	11,110	16,080
Order backlog	15,178	16,738	15,178	16,738	15,178	15,807
Net sales	3,142	2,803	5,997	5,370	12,396	11,769
EBIT	62	46	112	80	263	231
EBIT margin, %	2.0	1.6	1.9	1.5	2.1	2.0

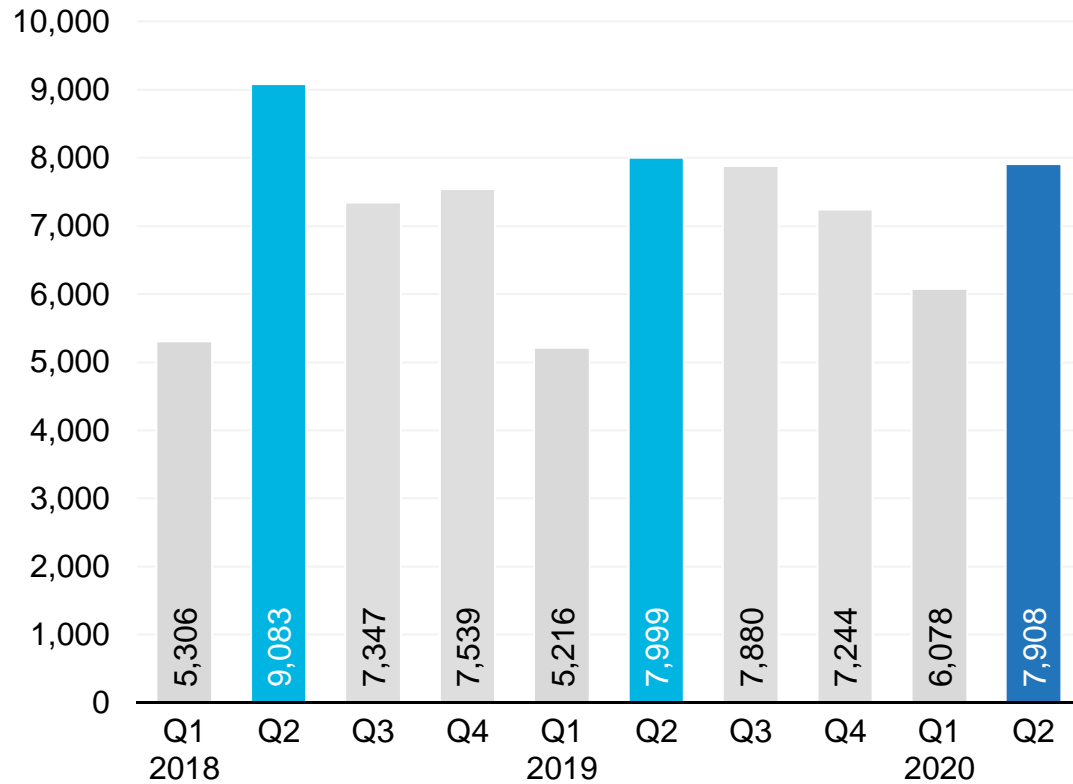




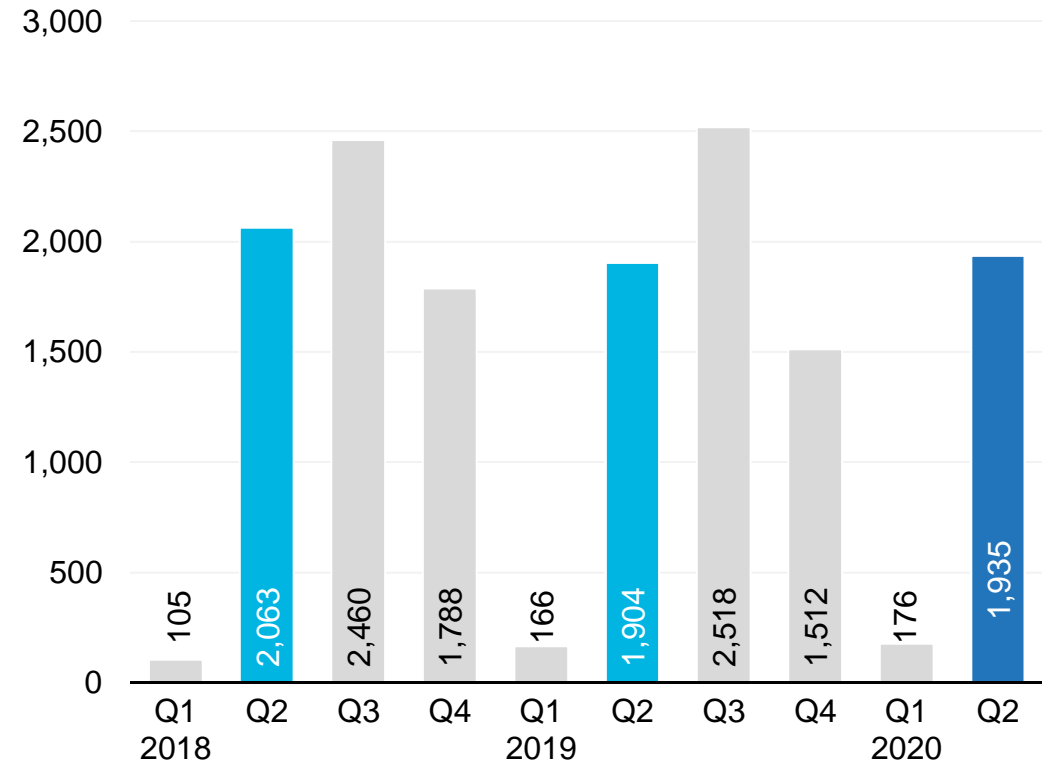
# NCC Industry: Stone and asphalt volumes

Volumes on par with last year

Stone material sold, thousands of tons



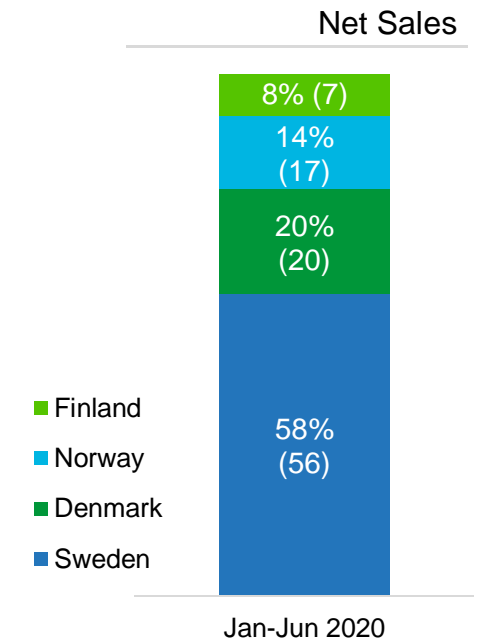
Asphalt sold, thousands of tons



# NCC Industry

Change in bitumen price impacts net sales and earnings

SEK M	Q2		Jan-Jun		R12	Jan-Dec
	2020	2019	2020	2019	Jul-Jun	2019
Orders received	3,677	3,991	7,089	7,362	12,579	12,852
Order backlog	5,119	5,487	5,119	5,487	5,119	2,967
Net sales	3,554	3,721	4,868	4,985	12,854	12,971
EBIT	258	322	-105	-63	470	511
Operating margin %	7.2	8.6	-2.2	-1.3	3.7	3.9
ROCE %					10.3	9.0



# NCC Property Development

Two projects in Finland recognized in profit

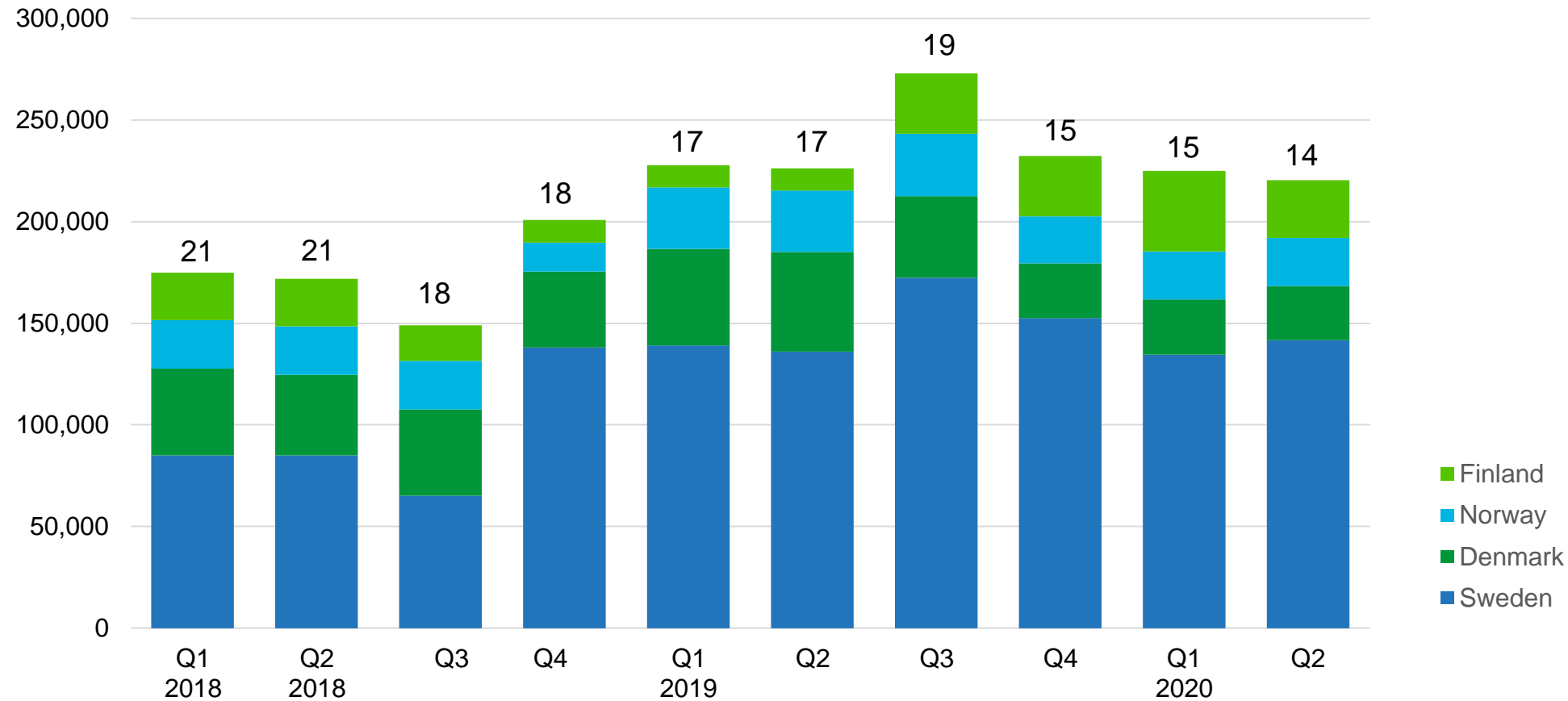
SEK M	Q2		Jan-Jun		R12	Jan-Dec
	2020	2019	2020	2019	Jul-Jun	2019
Net sales	679	321	2,255	732	4,580	3,056
EBIT	68	40	391	21	683	313
Capital employed	5,337	5,534	5,337	5,534	5,337	4,935
EBIT margin %	10.1	12.5	17.3	2.9	14.9	10.2
ROCE %					12.9	6.2



# One new project started in Q2

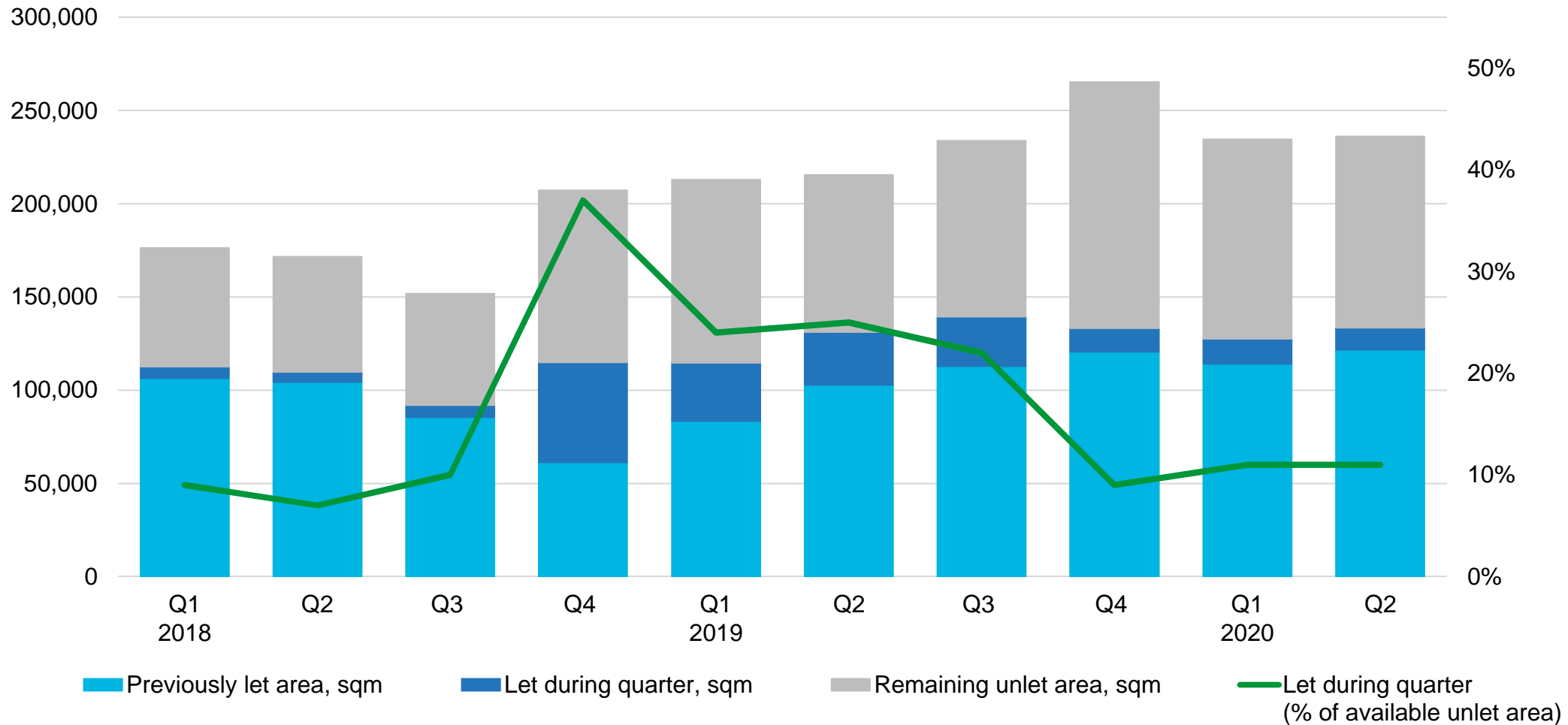
## Project "Bettorp" in Sweden

Lettable space, sqm



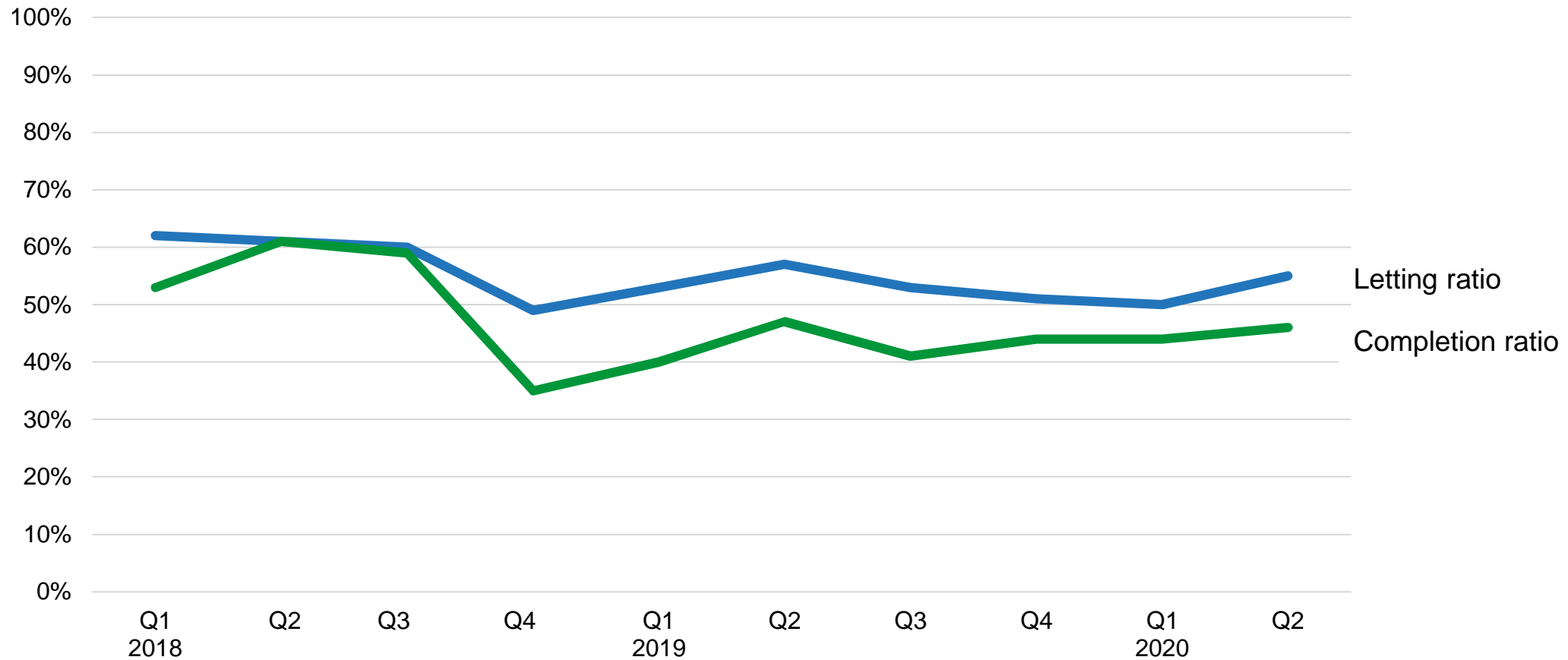
# Letting on normal levels

Letting resumed towards the end of the quarter



# Letting and completion status

Letting higher than completion ratio in the property portfolio

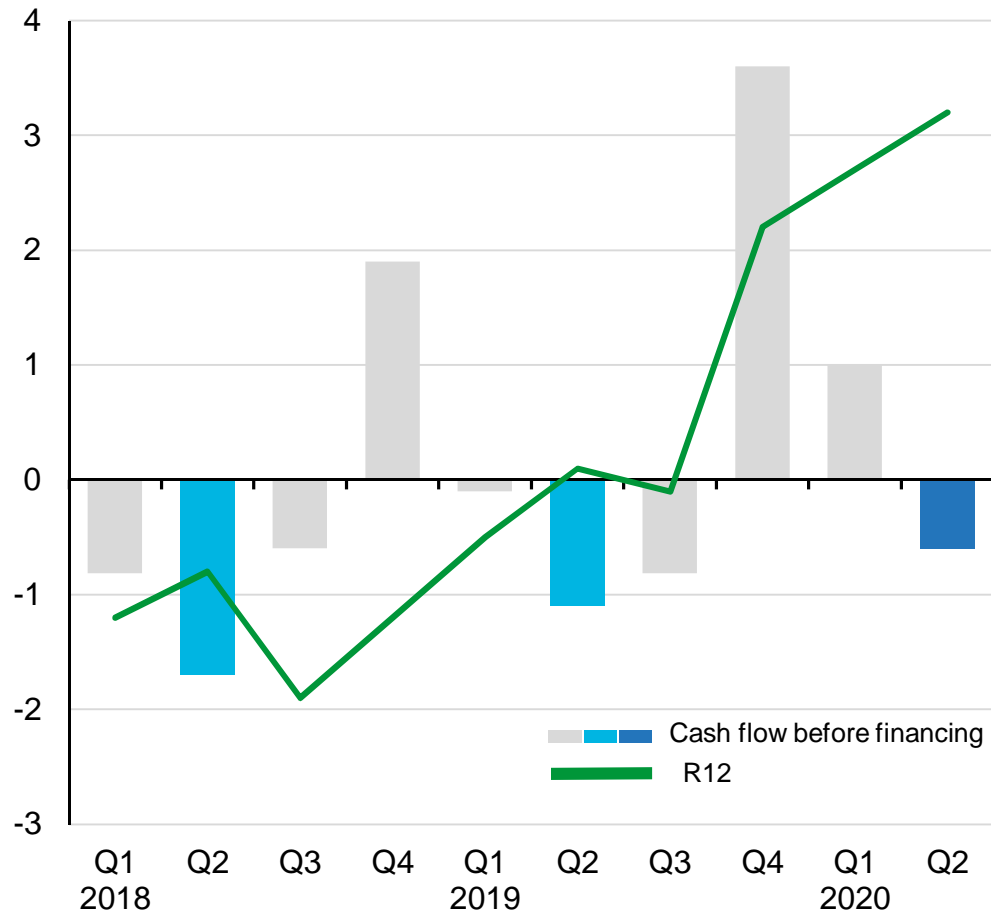


# Earnings

SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
<b>Earnings in segments (all BAs)</b>	<b>574</b>	<b>571</b>	<b>696</b>	<b>313</b>	<b>2,034</b>	<b>1,651</b>
<i>NCC HQ and other group adjustments</i>	-47	-94	-92	-140	-156	-204
<i>Internal gains</i>	-18	-44	-17	-55	14	-24
<i>Other Group Adjustments</i>	-26	-22	-173	-59	-240	-126
<b>Other &amp; Eliminations total</b>	-91	-160	-282	-254	-382	-355
<b>EBIT</b>	<b>483</b>	<b>411</b>	<b>414</b>	<b>59</b>	<b>1,652</b>	<b>1,296</b>
Financial items	-20	-32	-41	-50	-104	-112
<b>EBT</b>	<b>463</b>	<b>380</b>	<b>373</b>	<b>9</b>	<b>1,547</b>	<b>1,184</b>
Tax	-28	-58	-22	-1	-329	-309
<b>Profit for the period</b>	<b>435</b>	<b>322</b>	<b>351</b>	<b>8</b>	<b>1,218</b>	<b>875</b>

# Strong cashflow

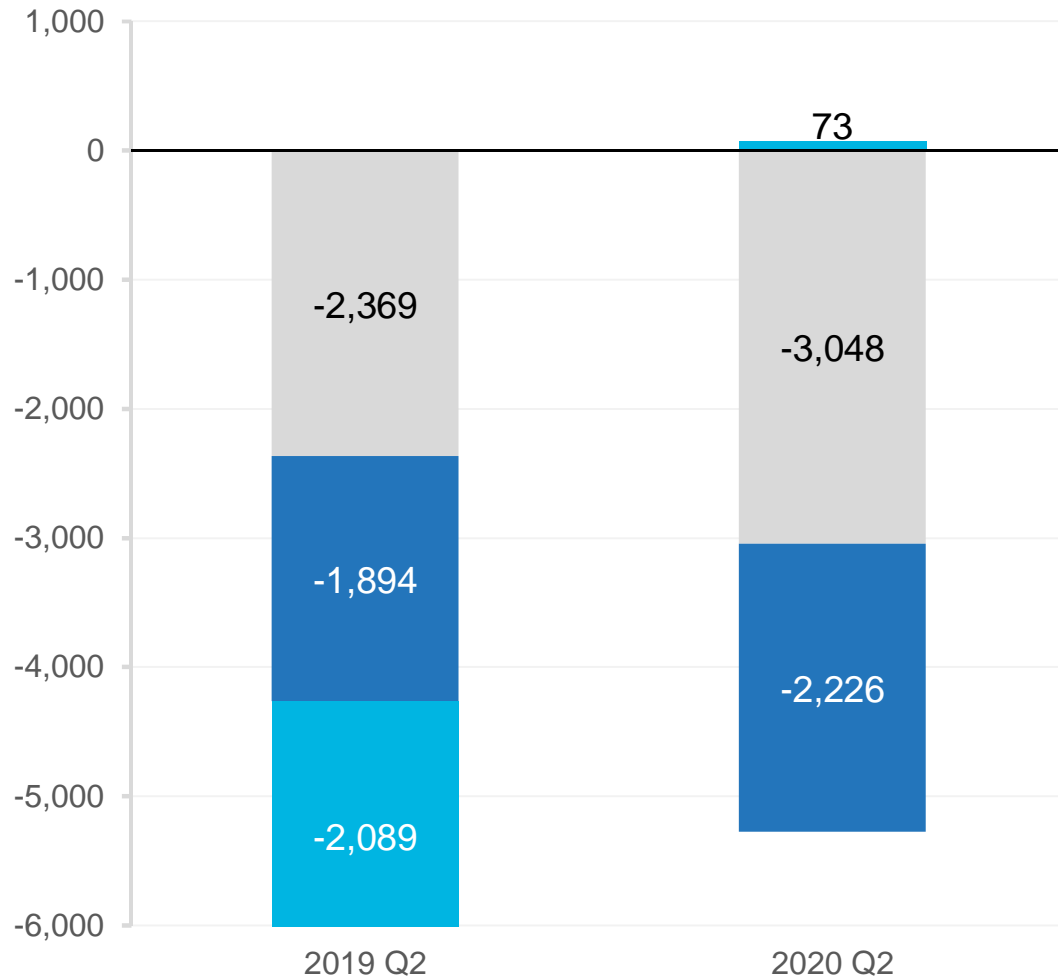
SEK Bn



SEK M	Q2		Jan-Jun		R12	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
From operating activities	753	595	787	379	3,181	2,774
From property projects	-259	-591	37	-800	-329	-1,165
Other working capital	-982	-892	-309	-414	710	605
Investing activities	-116	-221	-101	-415	-388	-701
<b>Cash flow before financing</b>	<b>-605</b>	<b>-1,109</b>	<b>413</b>	<b>-1,249</b>	<b>3,174</b>	<b>1,512</b>



# Net debt per June 30 – corporate net cash



- Corporate net debt
- Leasing liabilities (incl IFRS 16)
- Pension liability

Net debt* / EBITDA	
R12	N/A**

\*Corporate net debt excluding pension liabilities and leasing liabilities according to IFRS16 Leasing

\*\*Corporate net debt/EBITDA is -0.03

# Tomas Carlsson

CEO

# Comment Q2

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