

# Q1 2022



Tomas Carlsson, CEO  
Susanne Lithander, CFO









# A steady Q1 despite a turbulent world

Strong orders received

Good letting in Property development

Repurchase of shares for maximum SEK 1.5 bn  
Dividend policy adjusted to approx. 60 percent of after-tax profit

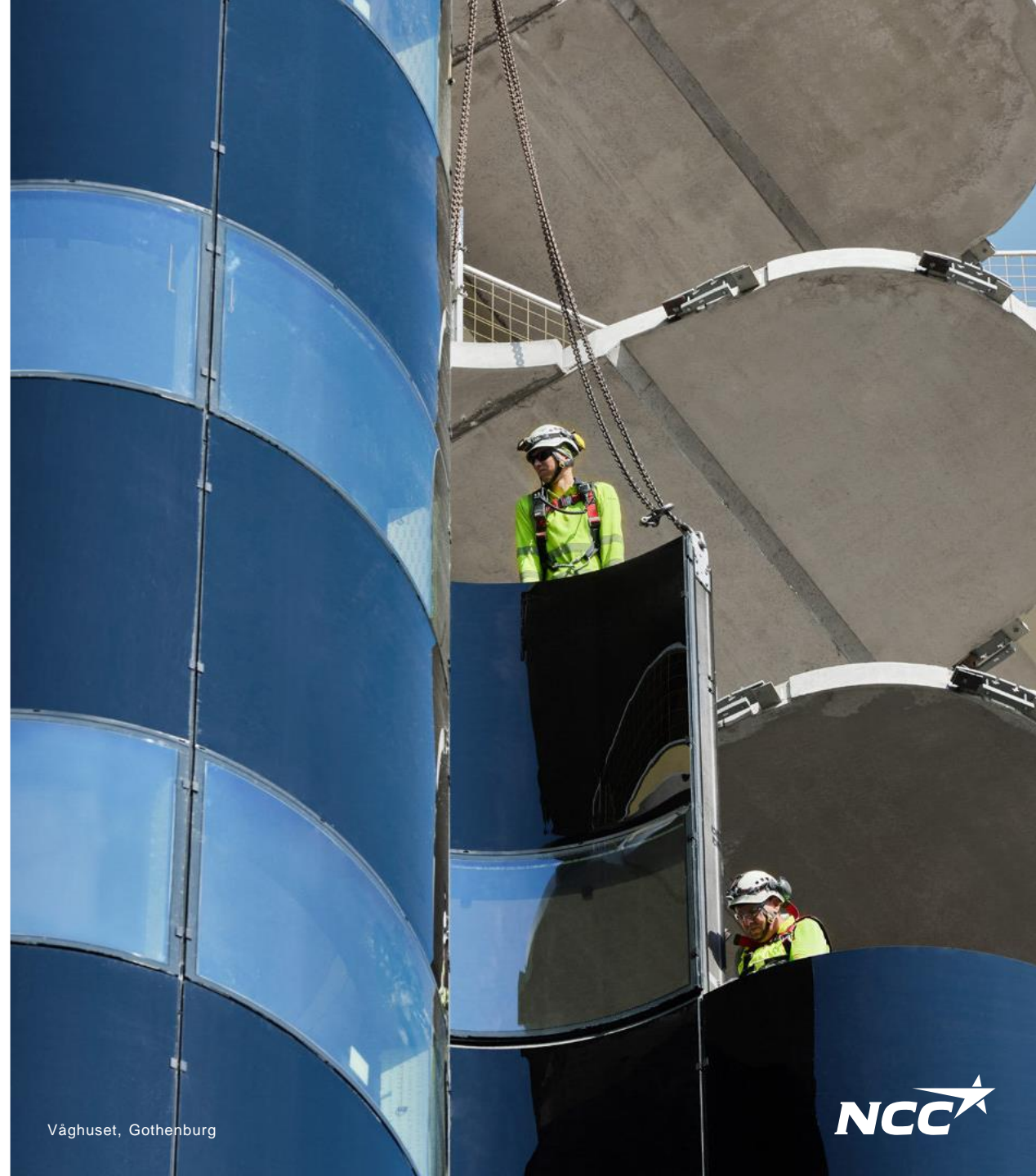
Earnings in contracting continue to improve

Industry preparations for the season as planned

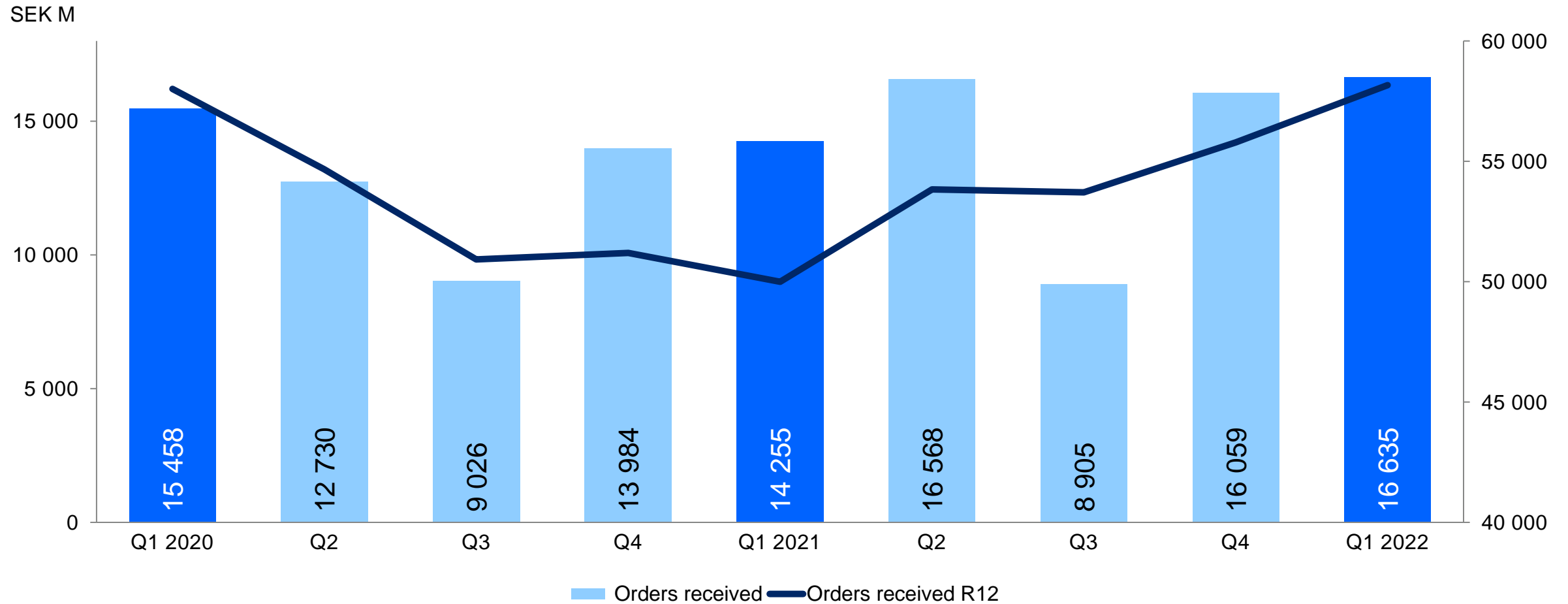
Seasonally low activity

# Global uncertainty and inflation – manageable so far

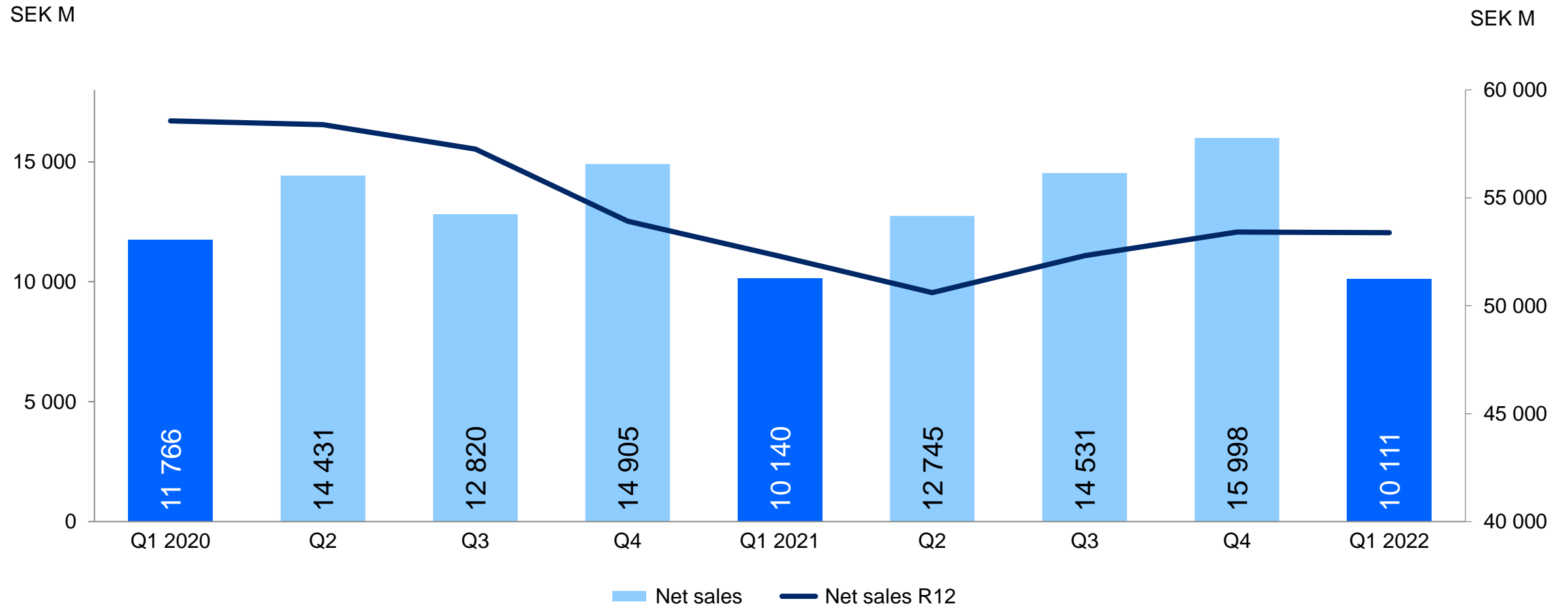
- NCC has no presence or direct suppliers in Ukraine, Russia or Belarus but dependencies further down in the supply chain
- Inflation significant but so far manageable
- Cement supply in Sweden still a concern for the coming years



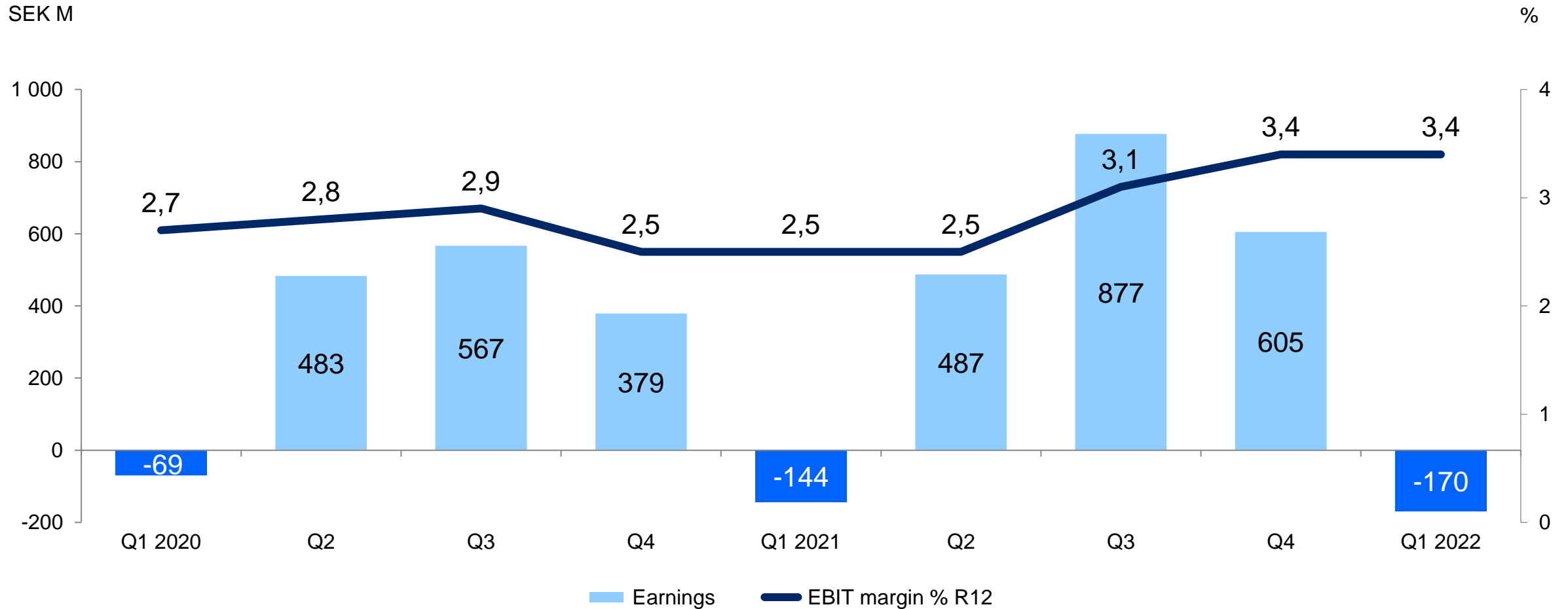
# Strong orders received



# Net sales on par with Q1 previous year

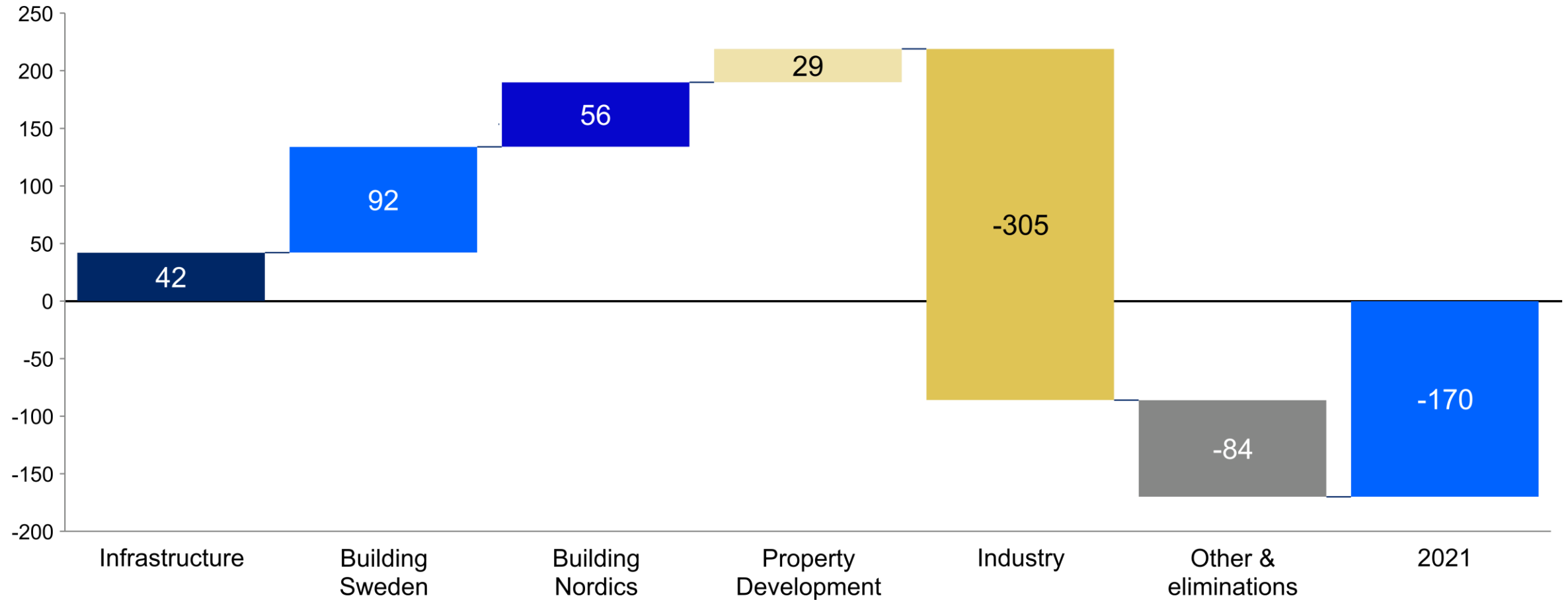


# EBIT seasonally low



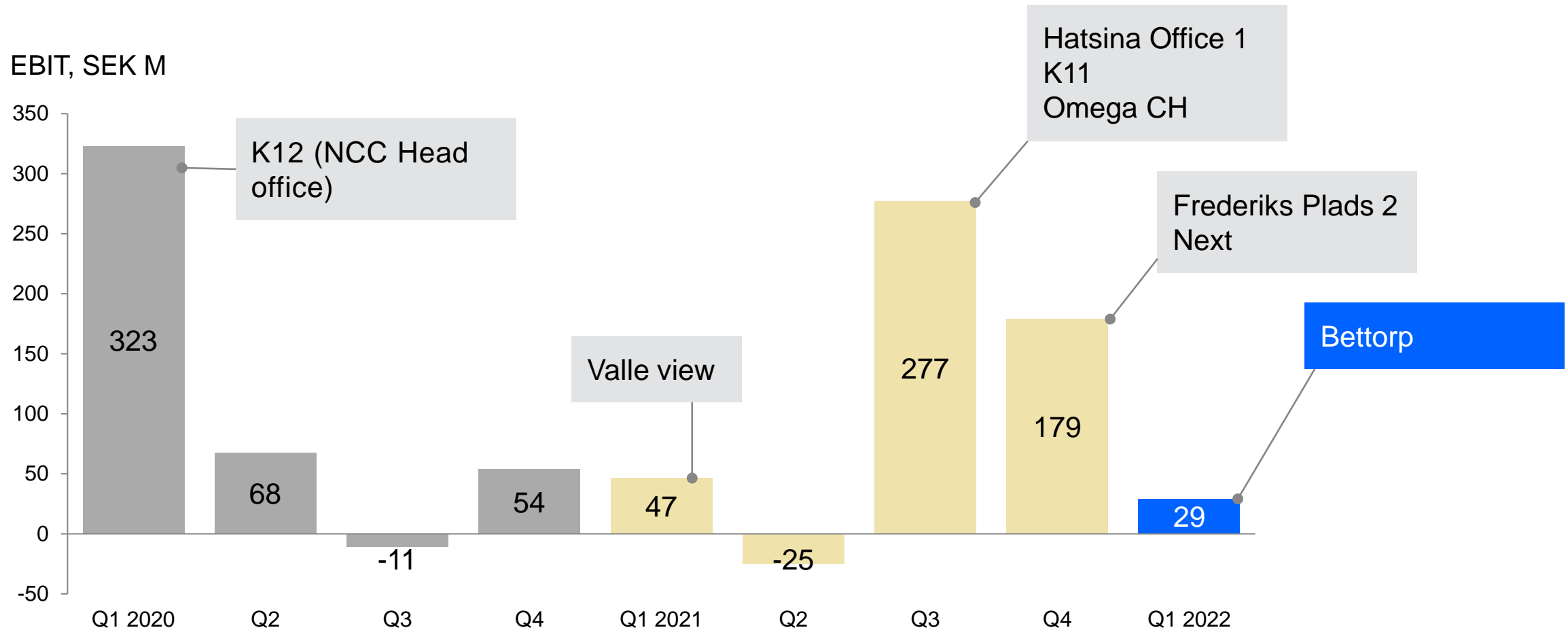
# Seasonal pattern in earnings due to winter

EBIT, SEK M

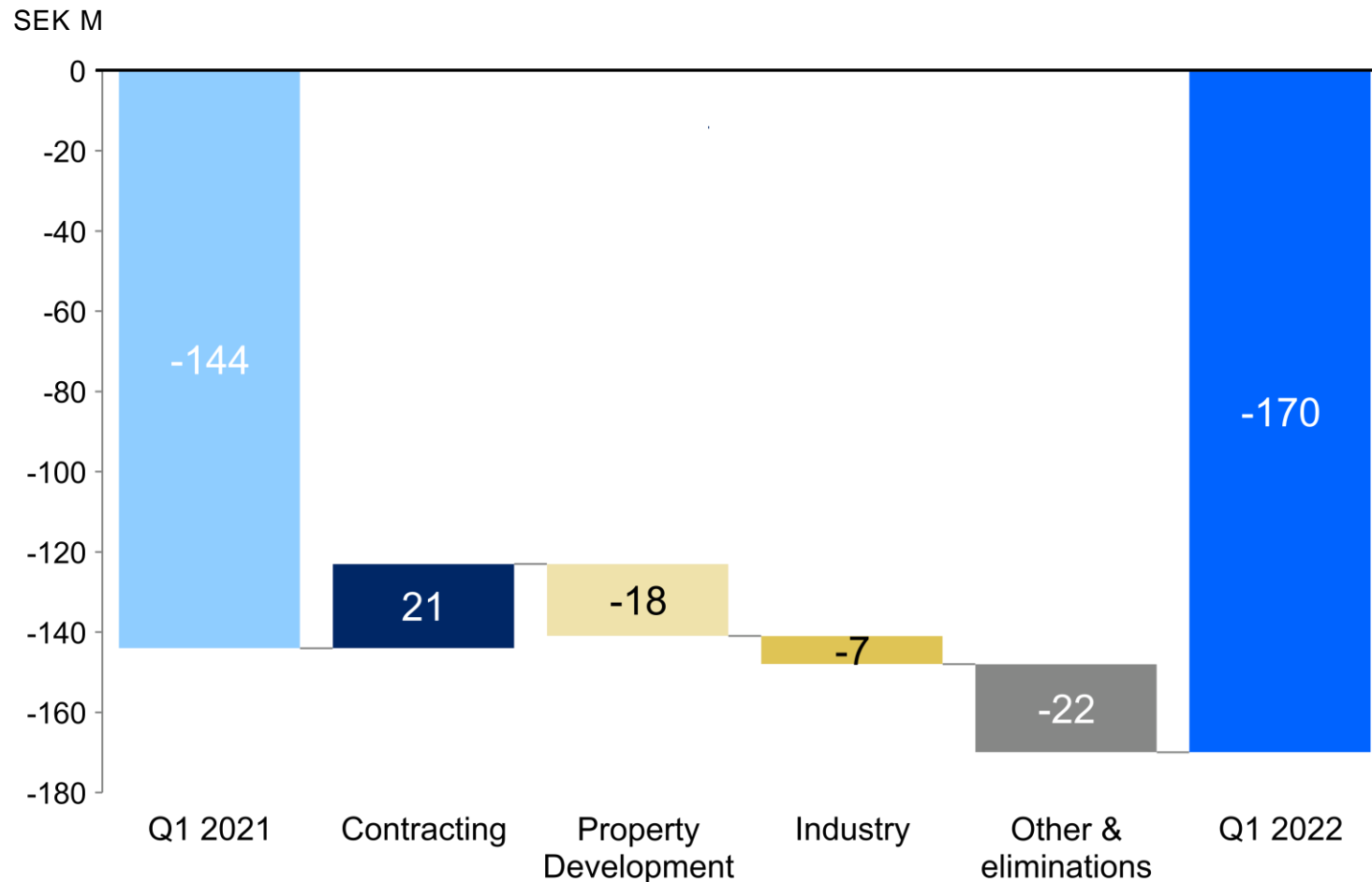




# One small property project recognized in profit



# Q1: Earnings – compared to 2021



**Contracting**  
Improved earnings

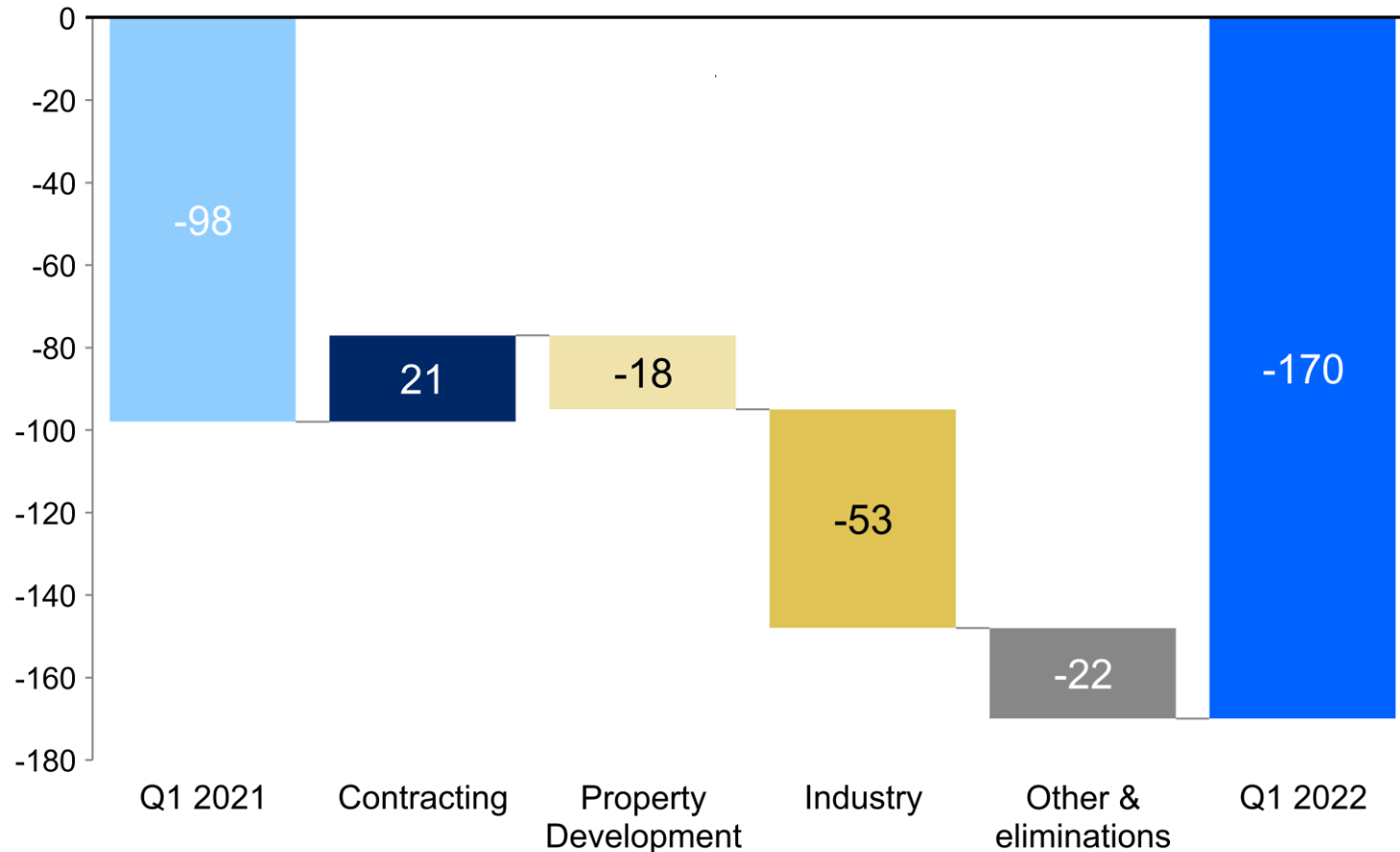
**Property Development**  
One small project recognized in profit. In 2021 Valle View was recognized in profit with deductions for rental guarantees etc

**Industry**  
A quarter with seasonally low activity – comparing including Asphalt Finland

**Other & eliminations**  
Internal gains -15 compared to last year

# Q1: Earnings – compared to 2021 excl. Asphalt Finland operations

SEK M



**Contracting**  
Improved earnings

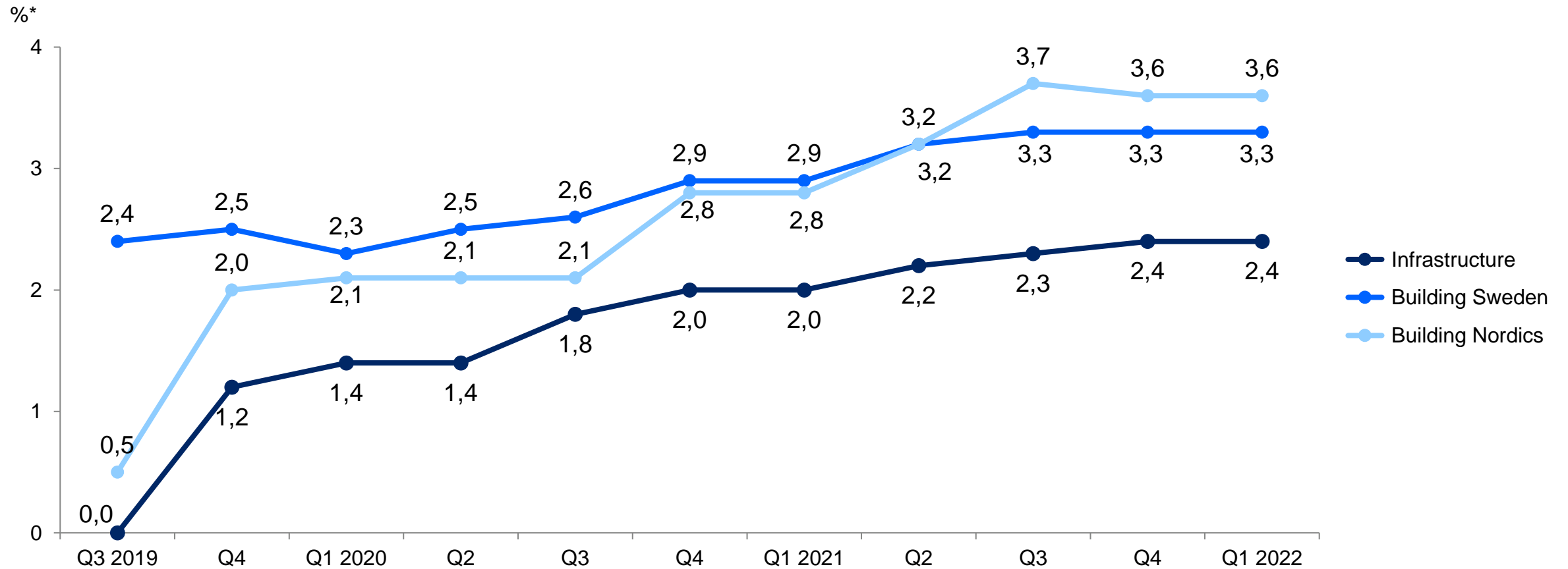
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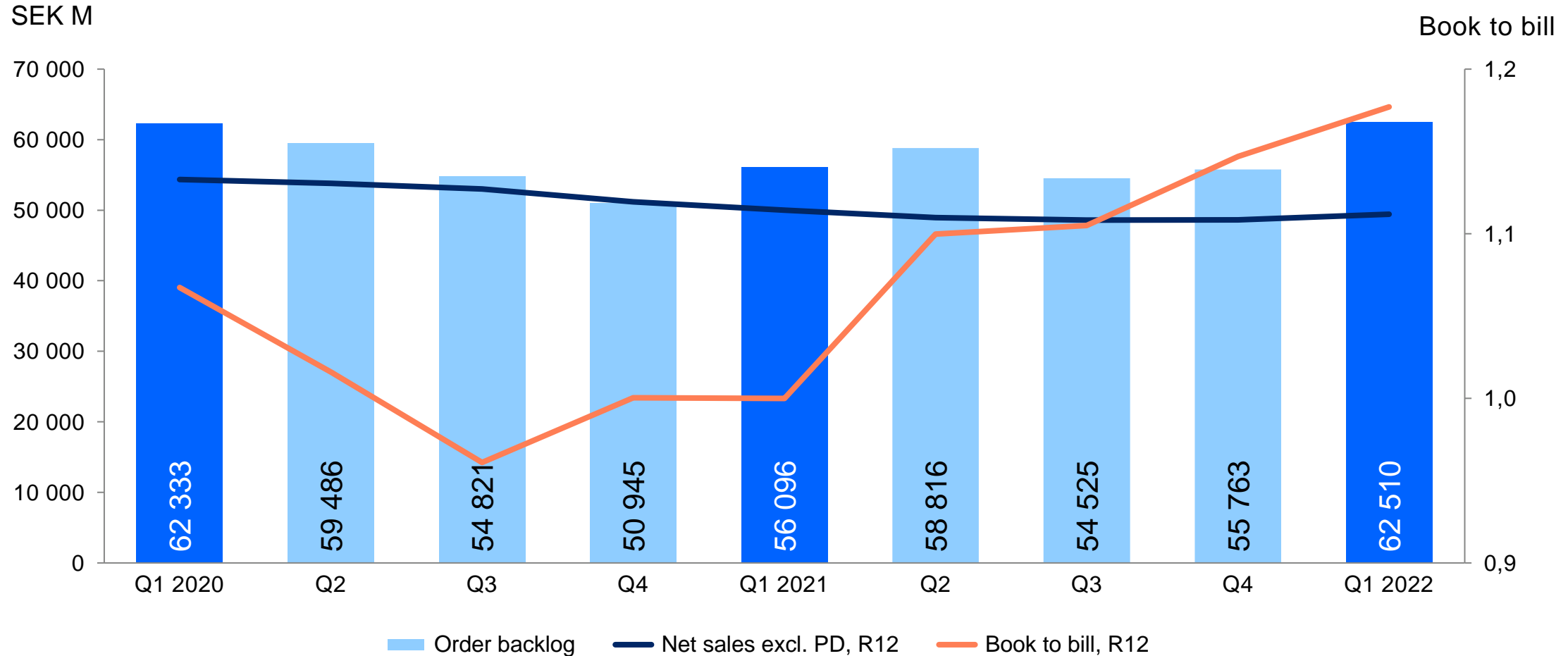


# Contracting: Strong and stable margins

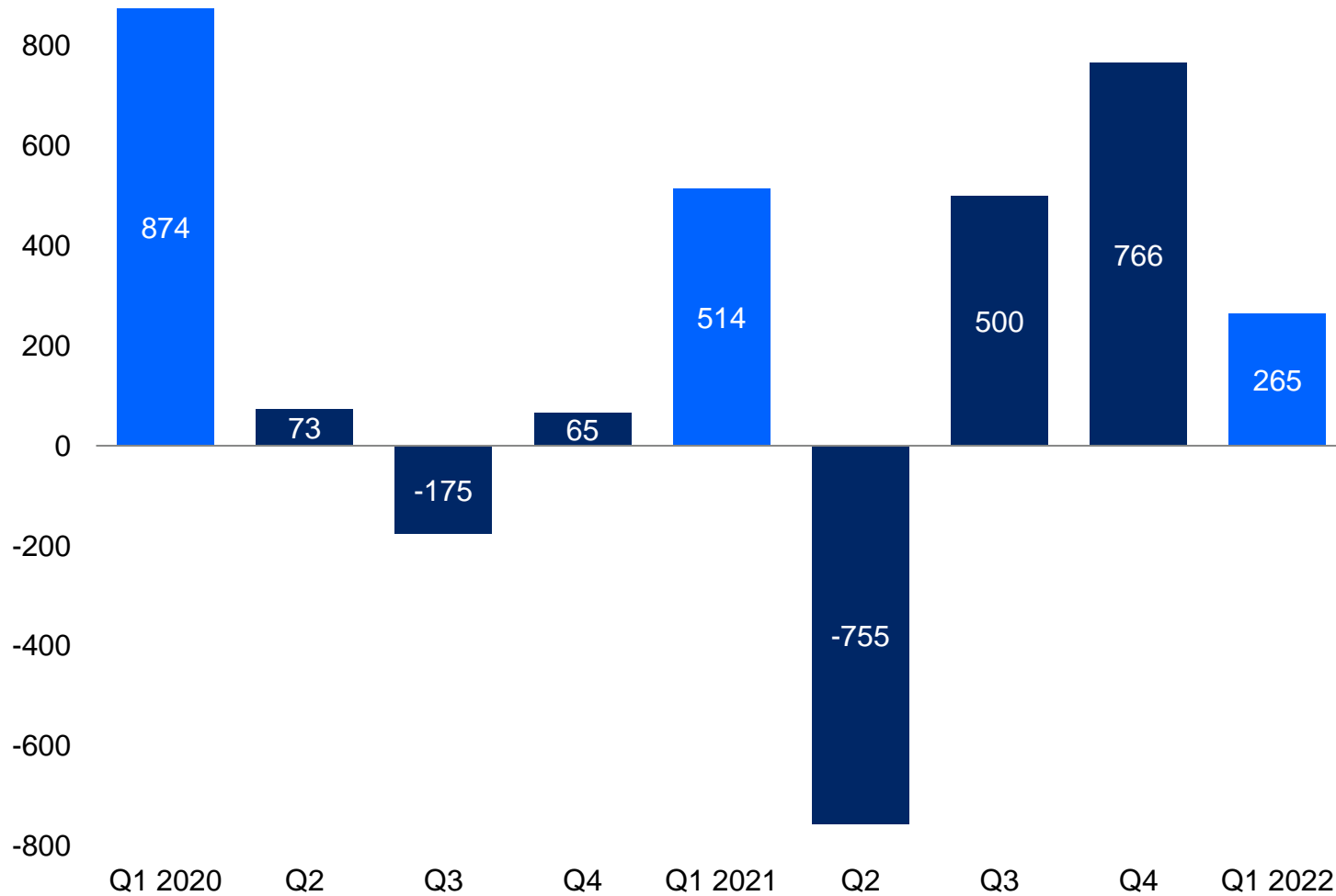


\*R12 EBIT margin. BA Infrastructure without Road Services

# Order backlog strong – Book to bill > 1



# Corporate net debt / cash



## Net debt\* / EBITDA

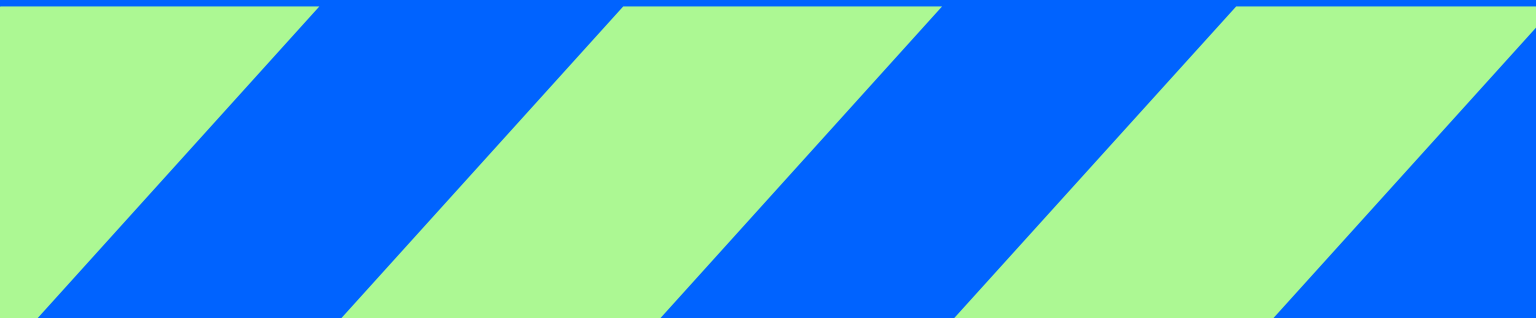
Target < 2.5x

Mar 31, 2022 -0.1x

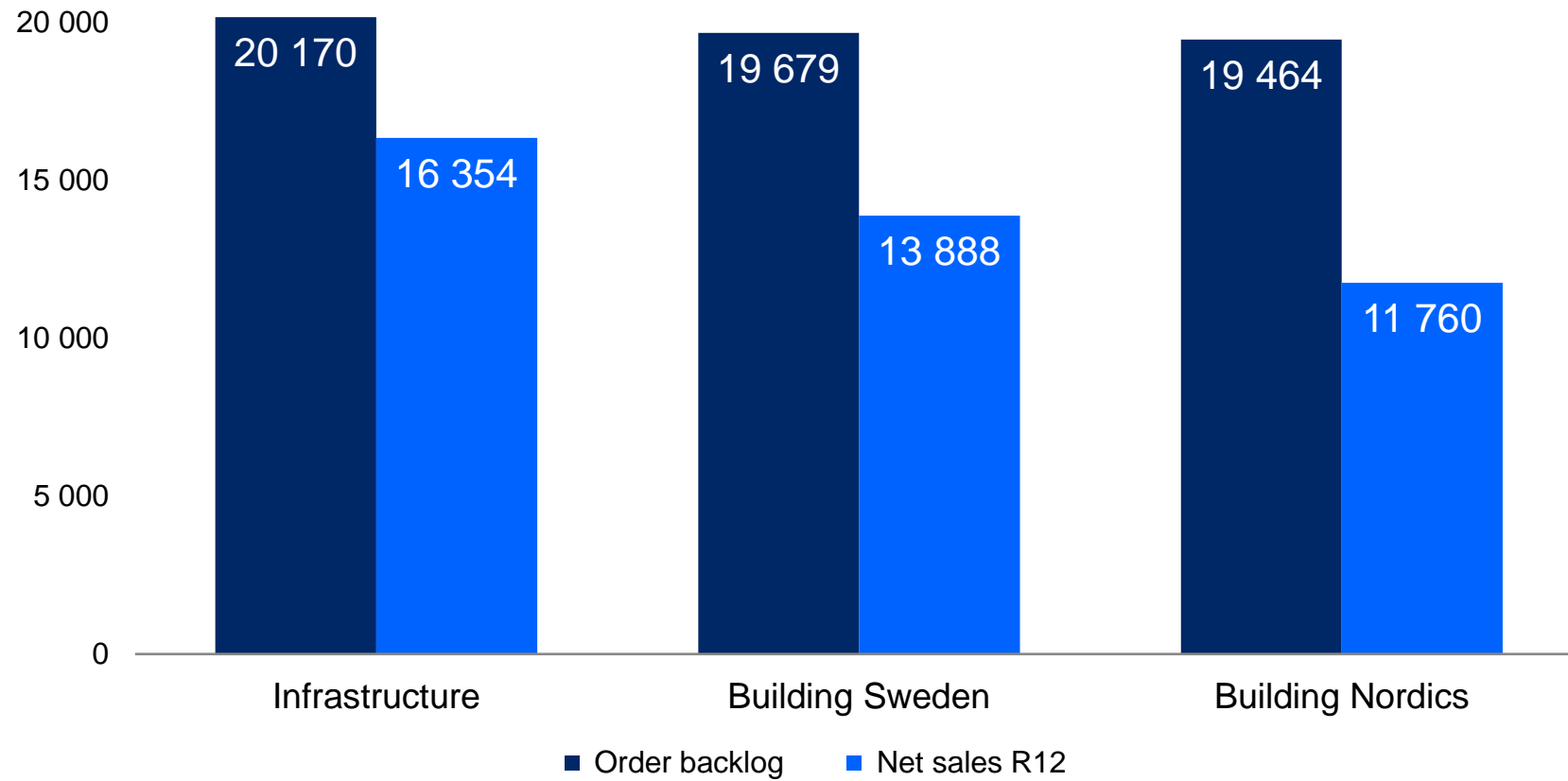
\*Corporate net debt excluding pension liabilities and leasing liabilities



# Susanne Lithander



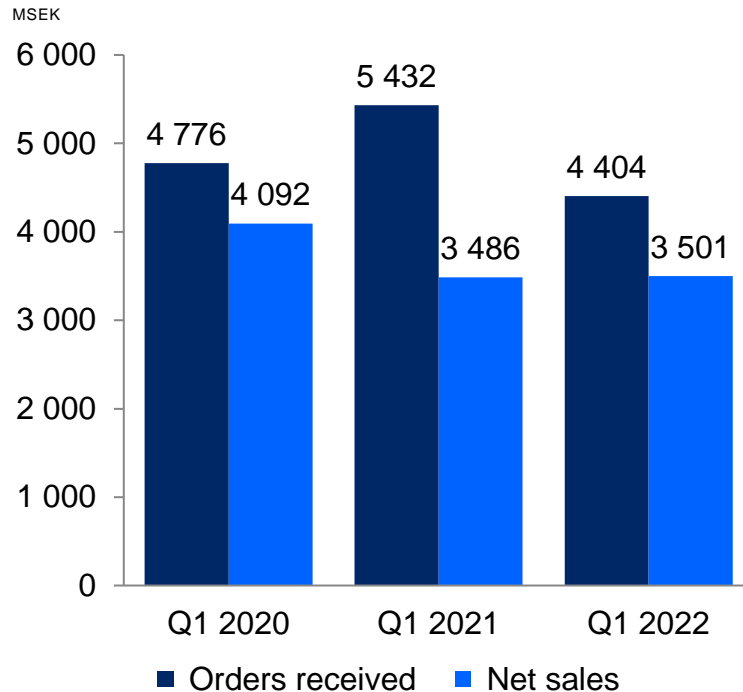
# Contracting order backlog strong



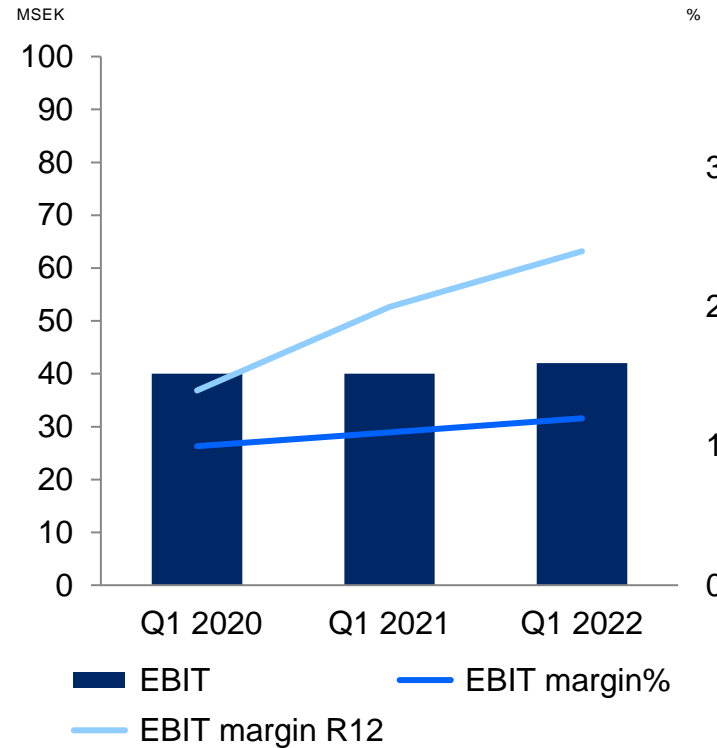
# NCC Infrastructure

Steady progress

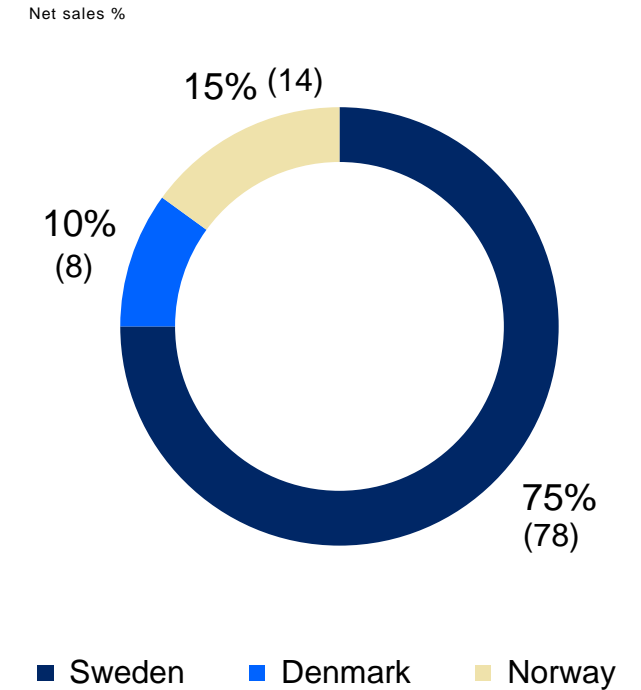
## Positive book-to-bill



## Earnings improving



## Sweden largest market

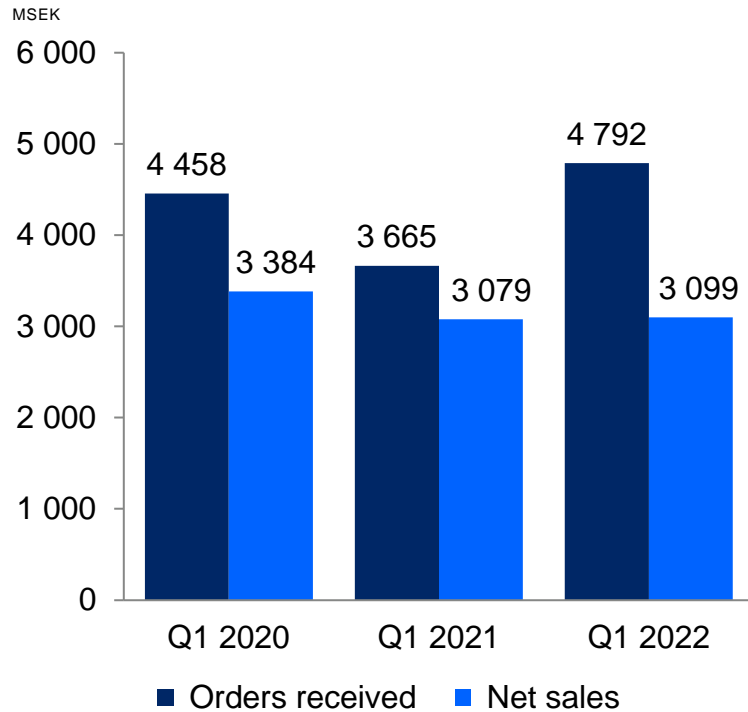




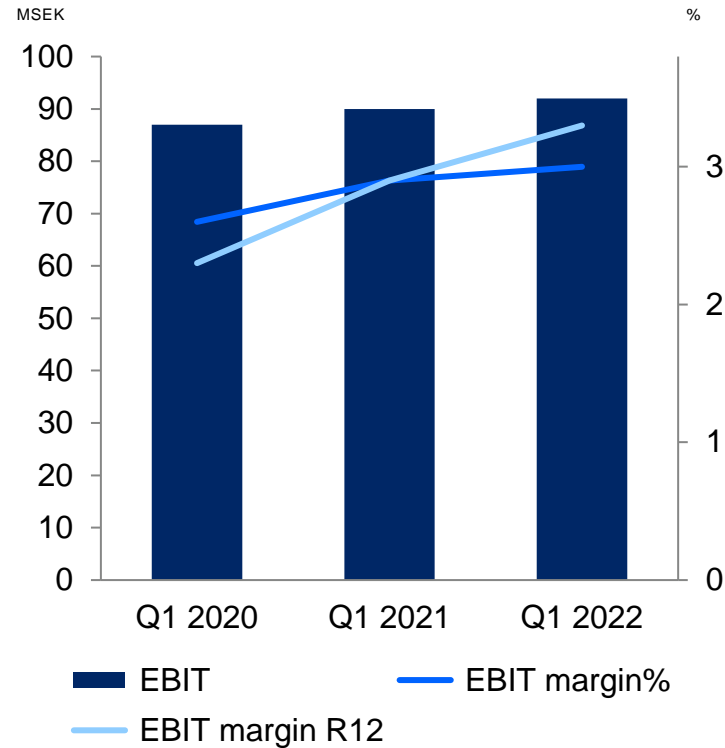
# NCC Building Sweden

Good development and strong orders received

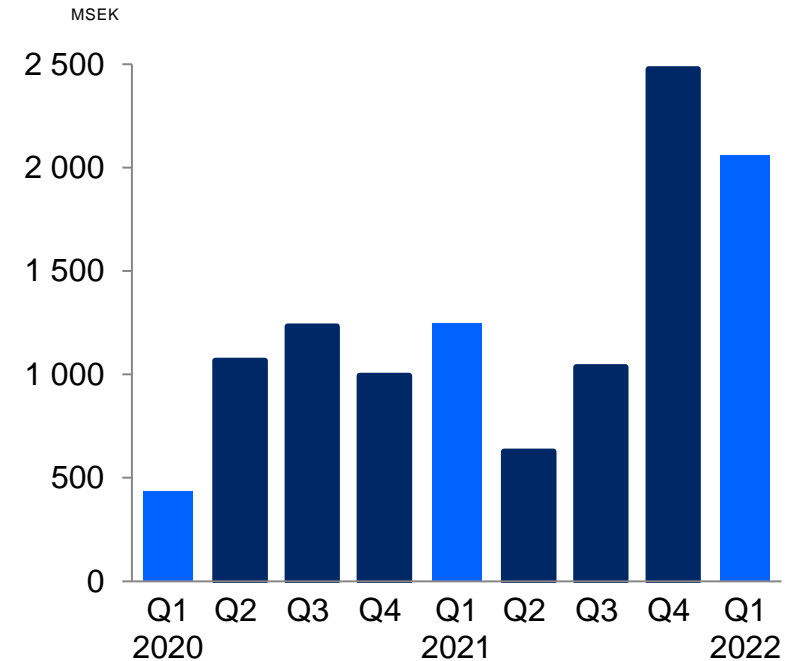
## Strong orders received



## Earnings improving



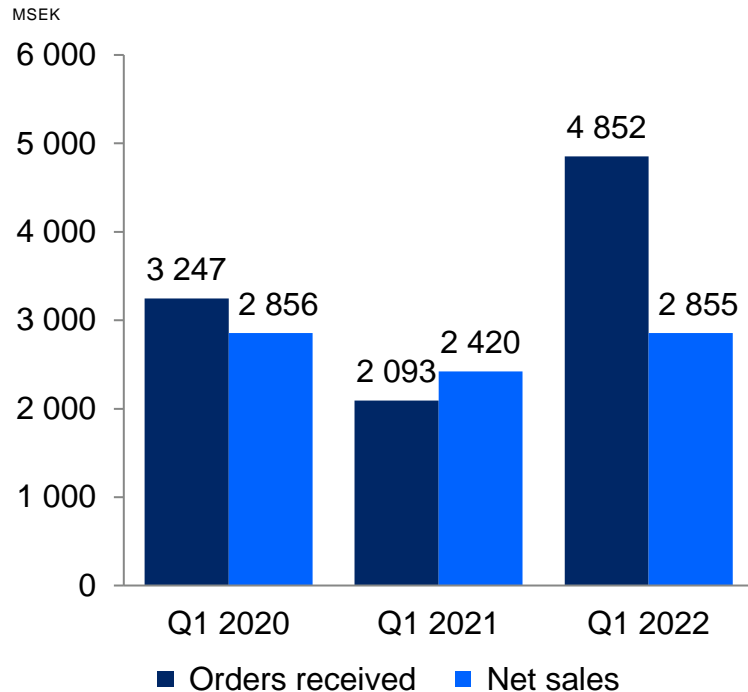
## Residential orders received



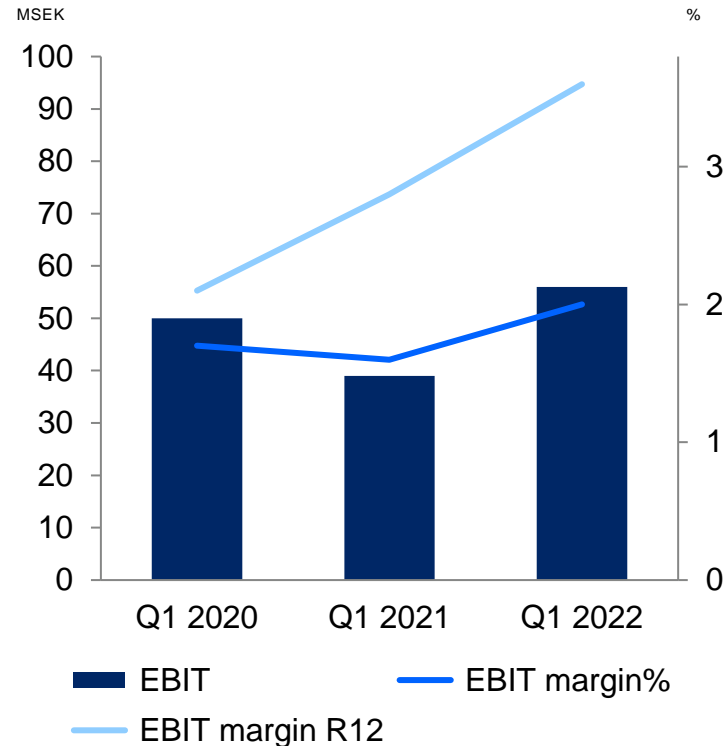
# NCC Building Nordics

Growth and a positive trajectory – strong order backlog

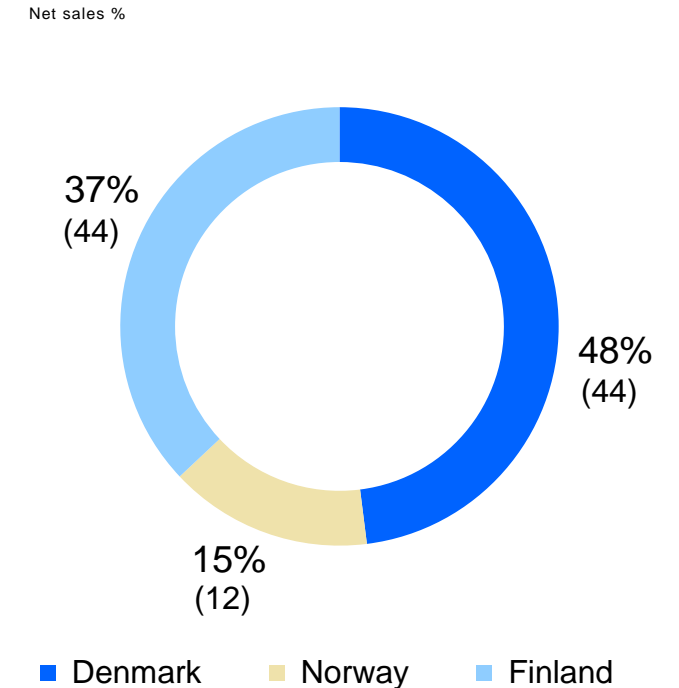
## Strong orders received



## Earnings improving



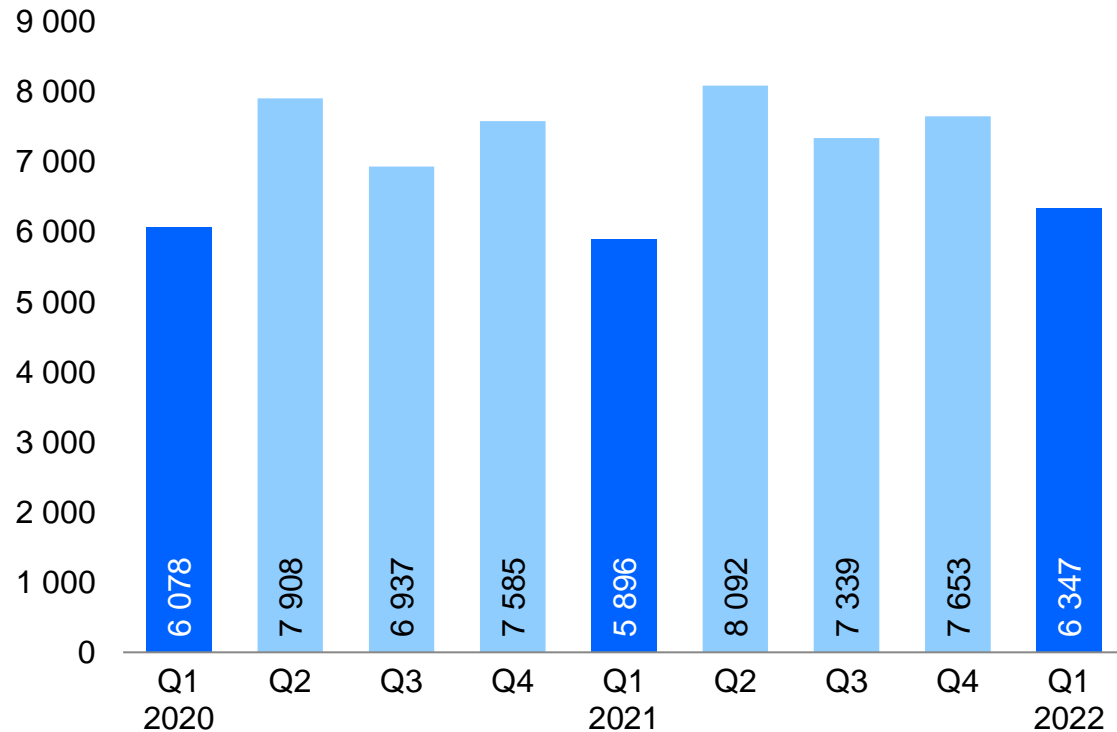
## Denmark largest market



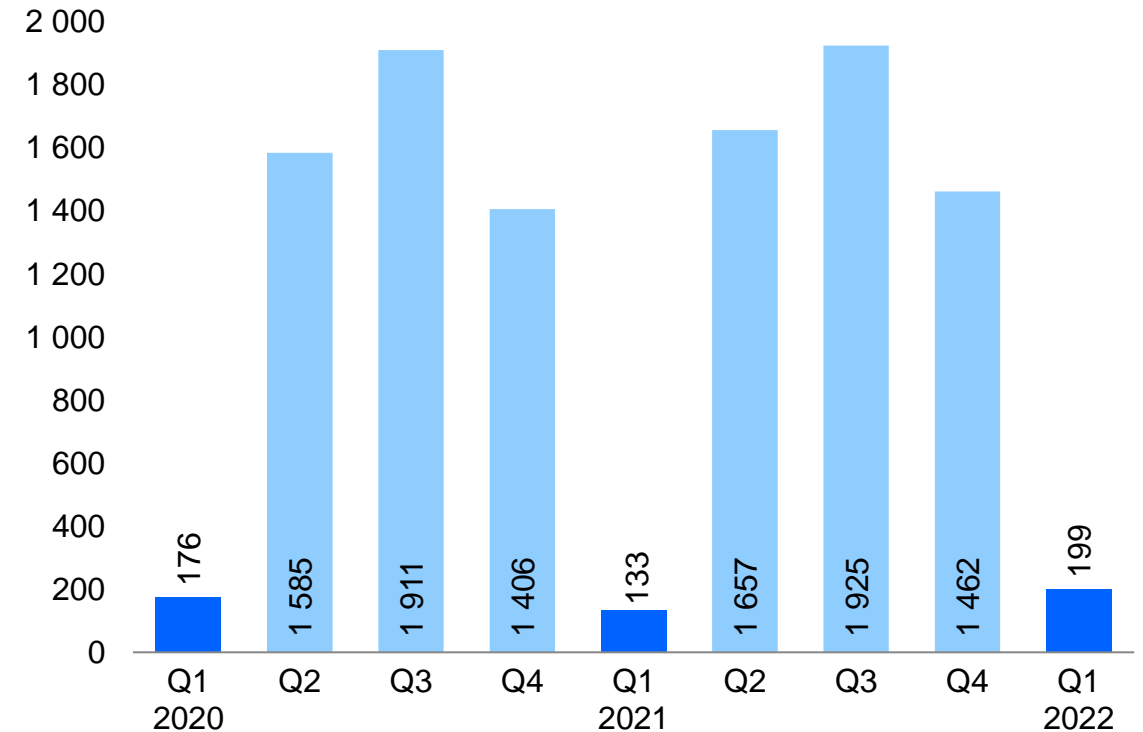
# NCC Industry: Stone and asphalt volumes

Volumes up compared to previous years

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)



# NCC Industry

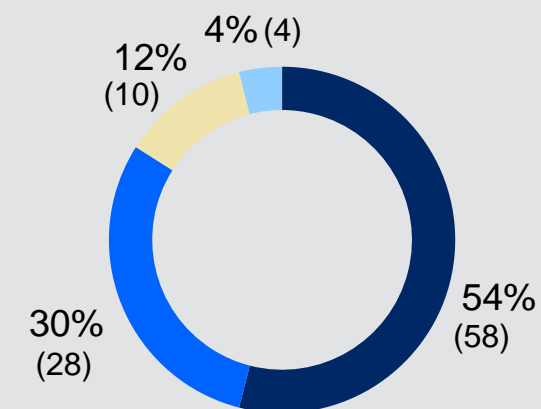
Seasonally low activity – normal preparations for the season

SEK M	Q1		R12, Apr -Mar		Jan-Dec	Jan-Dec
	2022	2021 excl AF	2021 incl AF	2022/2021 excl AF	2021 excl AF	2021 incl AF
Orders received	2,755	2,626	2,884	9,838	9,708	10,269
Net sales	977	821	822	10,221	10,065	10,755
EBIT	-305	-252	-298	435	488	220
Operating margin %	-31.2	-30.6	-36.2	4.3	4.9	2.0

Earnings difference excl Asphalt Finland from a number of small contributors such as seasonal variation of certain costs (for example repair and maintenance), costs for improvement plans and no positive one-offs

Capital employed, SEK M 4,991

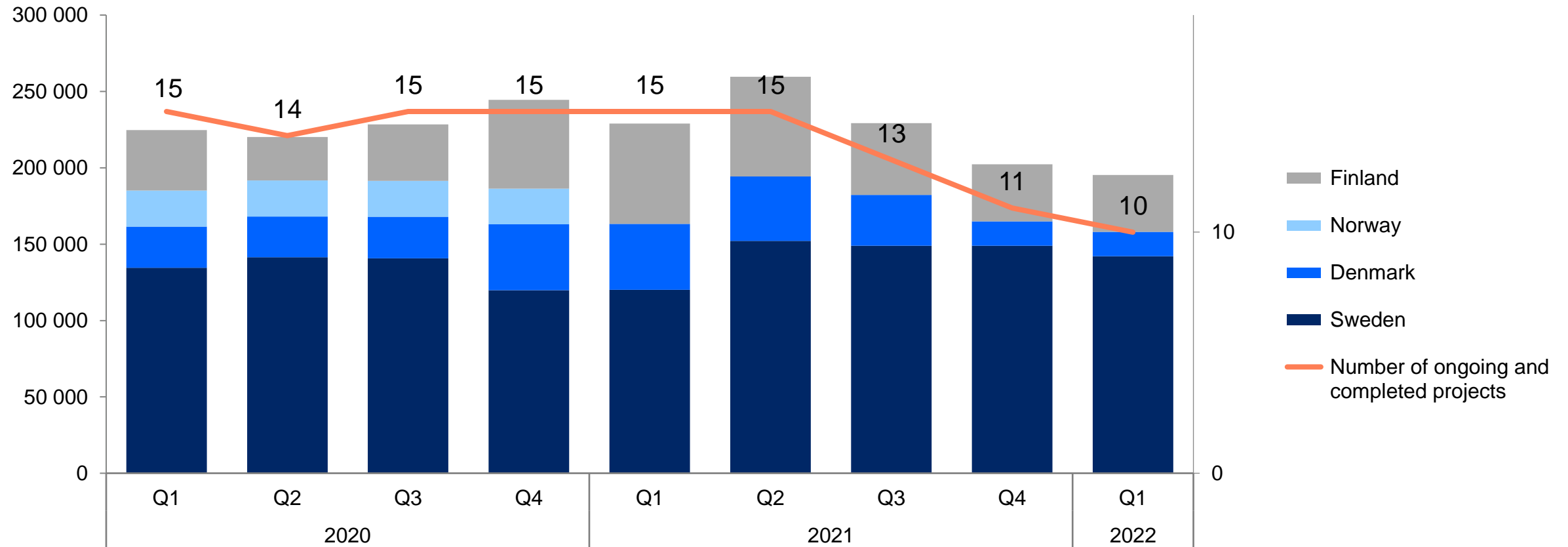
ROCE, % 8.4



■ Sweden ■ Denmark  
■ Norway ■ Finland

# NCC Property Development

Lettable space in ongoing projects, sqm



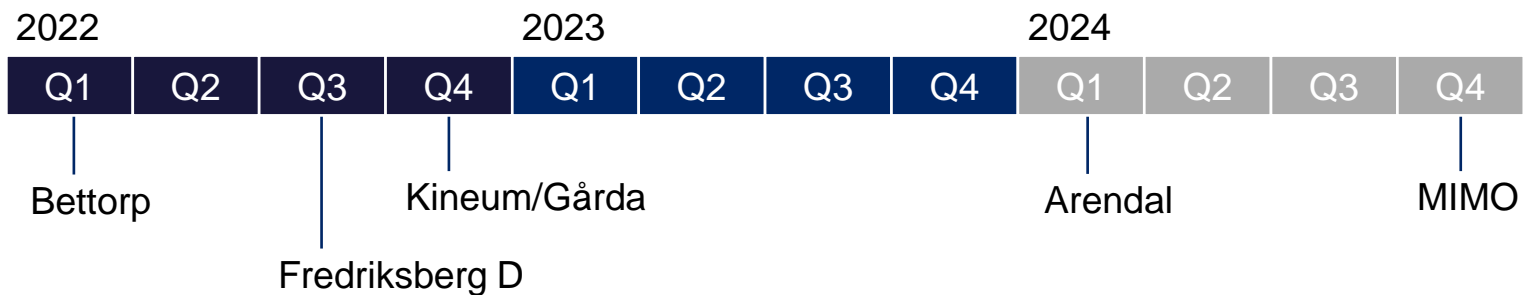


# NCC Property Development

One project recognized in profit

SEK M	Q1		R12, Apr -Mar	Jan-Dec
	2022	2021	2022/2021	2021
Net sales	329	1,136	3,969	4,775
EBIT	29	47	460	478

## Expected time of profit recognition for sold projects



Capital employed, SEK M **6,905**

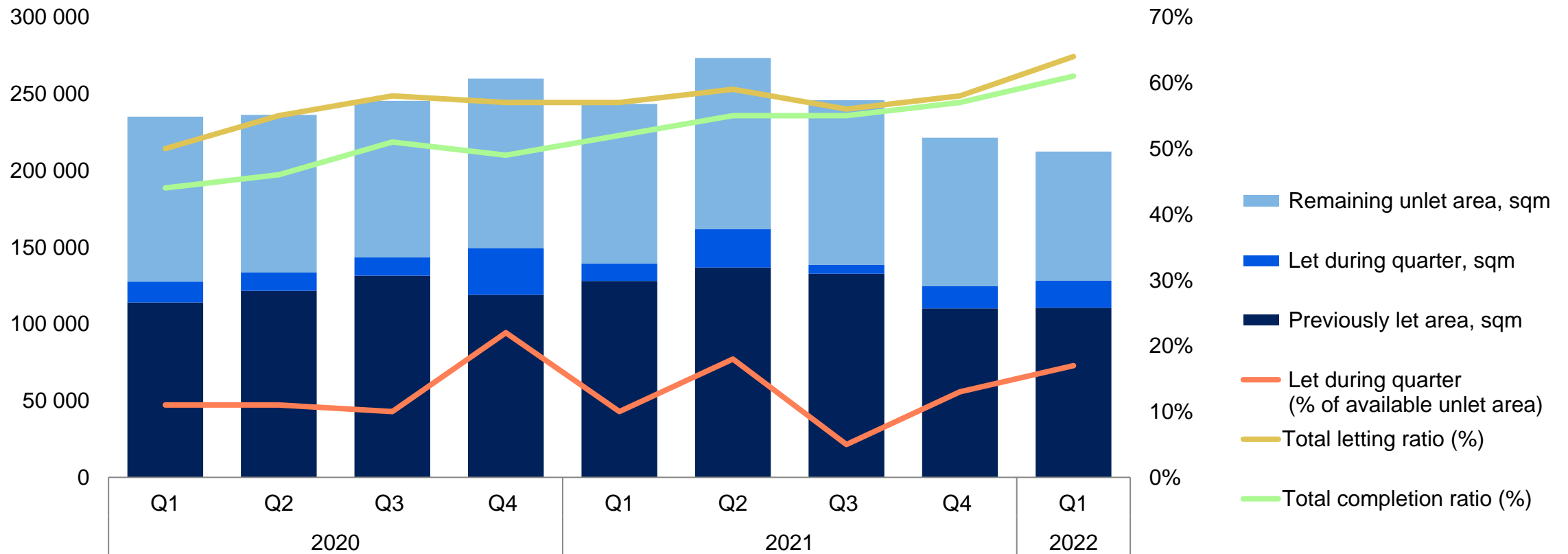
ROCE, % **6.9**

## Ongoing unsold projects

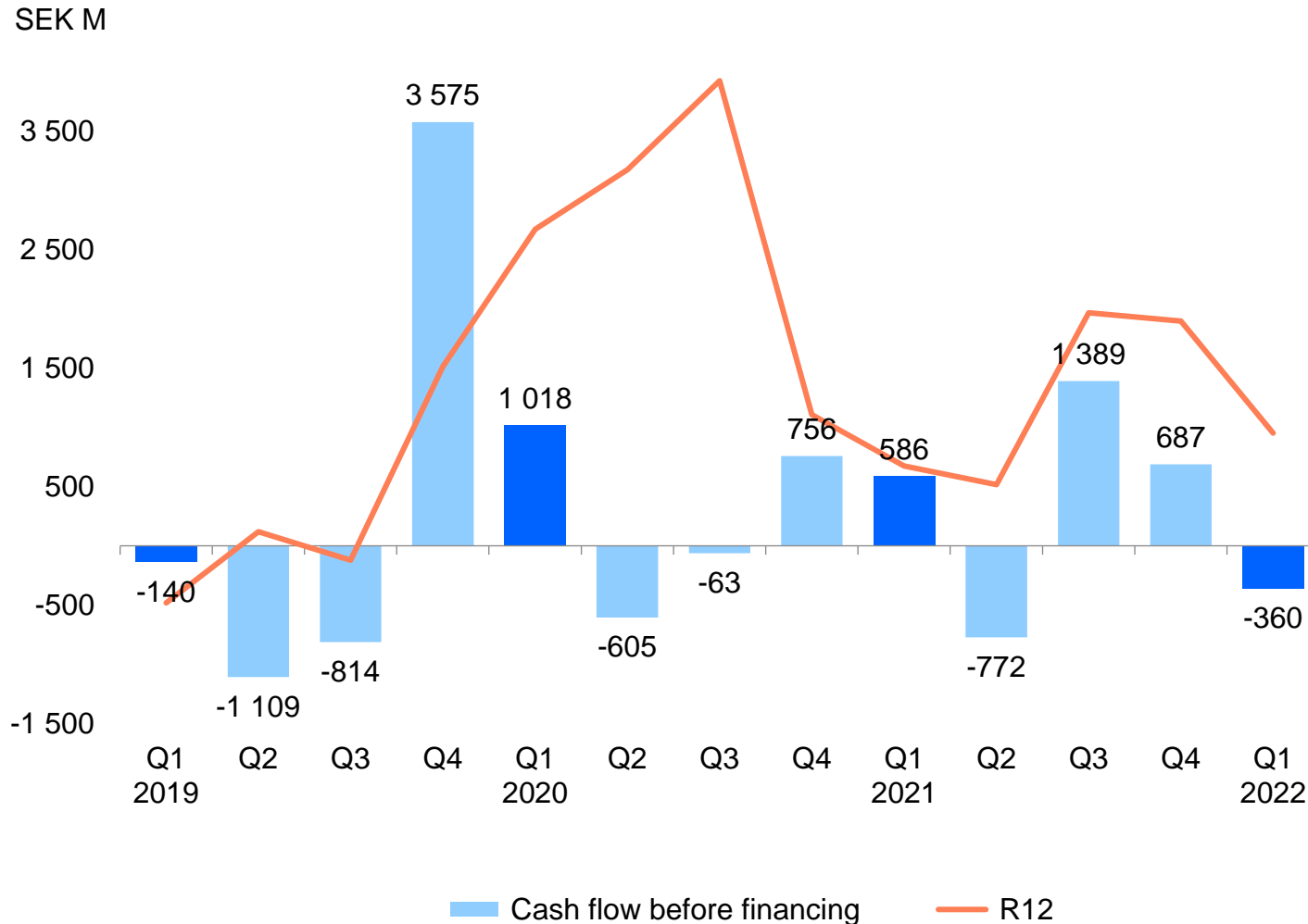
- Bromma Blocks, Stockholm
- We Land, Helsinki
- Brick Studios, Gothenburg
- Kontorvaerket 1, Copenhagen
- Våghuset, Gothenburg
- Kulma21, Helsinki
- Nova, Solna

# Letting in the quarter

Good letting compared with Q4 2021 and Q1 2020/2021



# Cashflow



SEK M	Q1		R12, Apr - Mar	Jan-Dec
	2022	2021	2022/2021	2021
From operating activities	-3	22	2,804	2,829
From property projects	-311	33	-146	198
Other working capital	-65	687	-1,519	-768
Investing activities	19	-156	-188	-363
<b>Cash flow before financing</b>	<b>-360</b>	<b>586</b>	<b>950</b>	<b>1,896</b>

# Earnings

SEK M	Q1		R12, Apr-Mar	Jan-Dec
	2022	2021	2021/2022	2021
<b>Earnings in segments (all BAs)</b>	<b>-86</b>	<b>-83</b>	<b>1,953</b>	<b>1,956</b>
<i>NCC HQ and subsidiaries (incl Road Services)</i>	-60	-44	-74	-58
<i>Internal gains</i>	-13	2	19	34
<i>Other group adjustments</i>	-11	-19	-99	-107
<b>Other &amp; Eliminations total</b>	-84	-61	-153	-130
<b>EBIT</b>	<b>-170</b>	<b>-144</b>	<b>1,800</b>	<b>1,825</b>
Financial items	-5	-9	-57	-60
<b>EBT</b>	<b>-175</b>	<b>-152</b>	<b>1,742</b>	<b>1,765</b>
Tax	28	29	-258	-257
<b>Profit for the period</b>	<b>-147</b>	<b>-124</b>	<b>1,485</b>	<b>1,508</b>
<b>Earnings per Share</b>	<b>-1.37</b>	<b>-1.15</b>	<b>13.80</b>	<b>14.02</b>

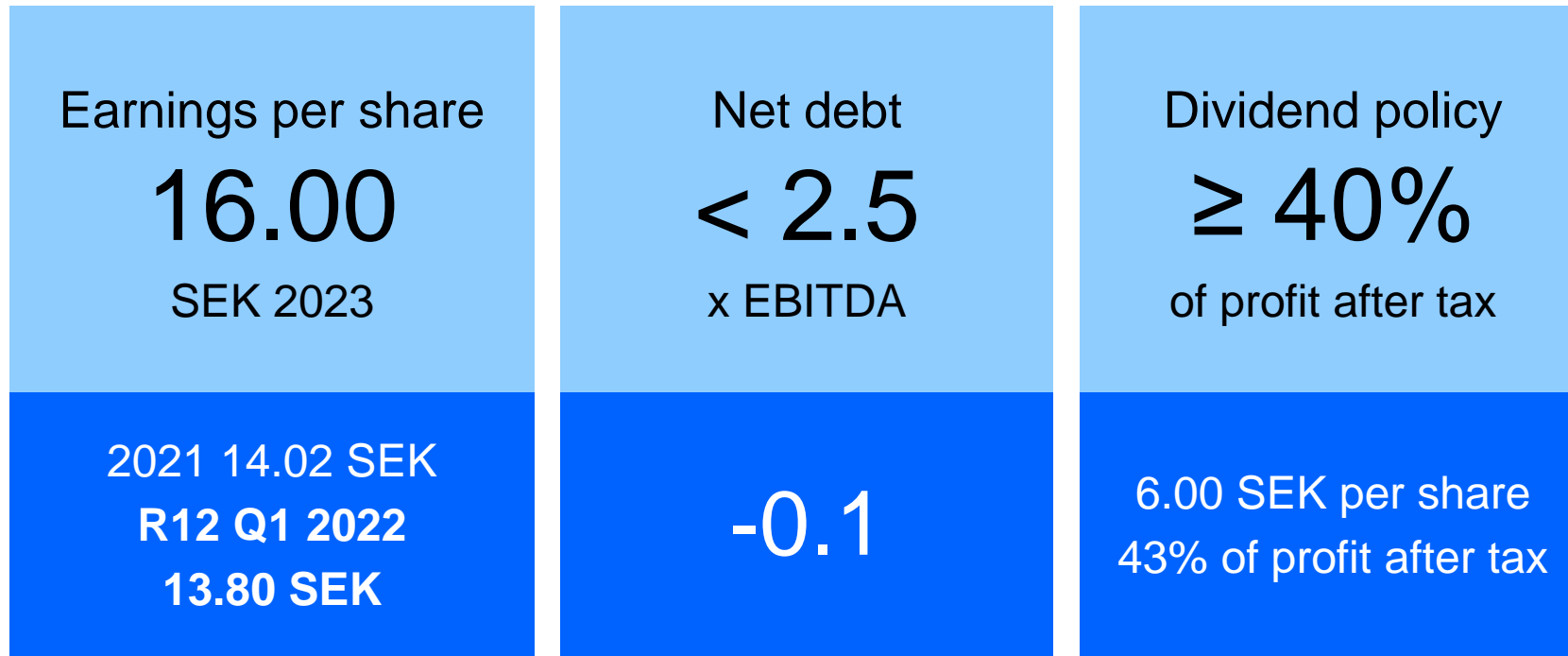


# Tomas Carlsson

CEO



# Financial targets



# New dividend policy and repurchase of shares

## Dividend policy

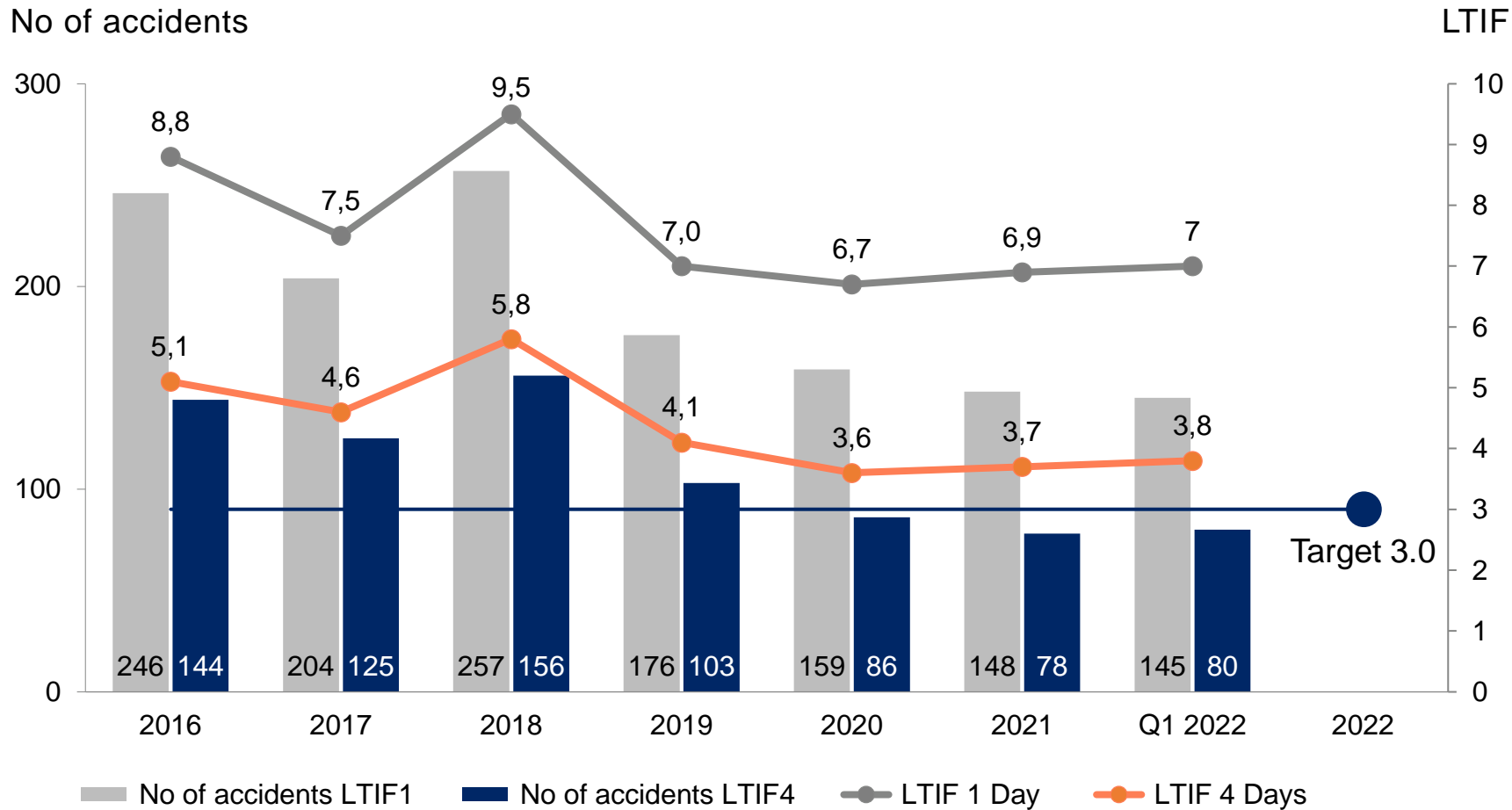
- Approximately 60 percent of earnings after tax to be distributed to shareholders
- The dividend level can be adjusted to the company's strategy, financial position, risk level and other financial objectives

## Repurchase of NCC shares

- Repurchase program of NCC B shares until the next AGM
- Maximum 1.5 bn SEK
- The company can own maximum 10 percent of the shares at any given time

# Health and Safety targets

## Eliminate serious accidents and incidents



**LTIF4**  
**3.0**  
 2022

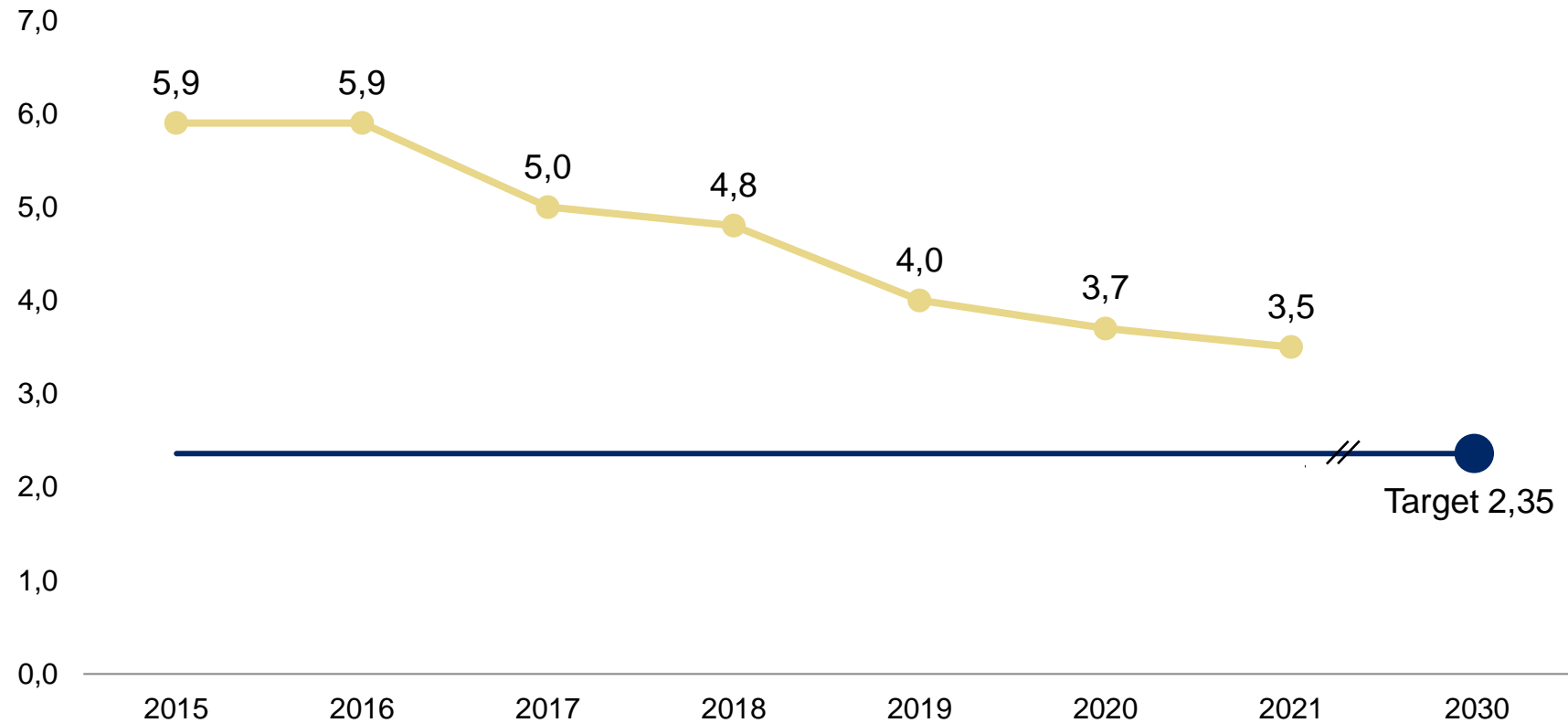
**3.8**  
 Q1 2022



# Climate and Energy targets

Climate neutral 2045, reduction targets for 2030

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



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

**-60%**

**-41%**

December 2021

# Climate and energy targets: Scope 3

## Measured parts

Ready-made concrete

Asphalt

Rebar steel

Transport



Status 2021

**-6%**

compared to 2017



Status 2021

**-37%**

compared to 2015



Status 2021

**-41%**

compared to 2015



In progress

Kg Co<sub>2</sub>e/bought volumes



# Summary

- Strong orders received
- Steady progress in earnings development
- Good letting
- Inflation well managed so far
- Repurchase of shares
- New dividend policy



