

Lower operating profit – good orders received

“We have good orders received, a strong order backlog and most units are performing well, but it has been a difficult quarter for parts of the business.”

Tomas Carlsson, President and CEO of NCC

- Stable in Infrastructure and Building Nordics but some impact from cost increases
- Lower operating profit driven by the asphalt operations in Industry and write-downs in Building Sweden
- One property divestment recognized in profit during the quarter
- Good orders received and strong order backlog in all business areas
- Cash flow at anticipated level given the quarter’s results

Third quarter 2022

- Orders received amounted to SEK 11,607 M (8,905)
- Net sales totaled SEK 14,068 M (14,531)
- Operating profit amounted to SEK 510 M (877)
- Profit after financial items totaled SEK 490 M (864)
- Profit after tax was SEK 425 M (706)
- Earnings per share after dilution amounted to SEK 4.13 (6.56)

January–September 2022 period

- Orders received amounted to SEK 41,005 M (39,727)
- Net sales totaled SEK 38,180 M (37,416)
- Operating profit amounted to SEK 814 M (1,221)
- Profit after financial items totaled SEK 779 M (1,188)
- Profit after tax was SEK 661 M (971)
- Earnings per share after dilution amounted to SEK 6.26 (9.02)

Group, SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	11,607	8,905	41,005	39,727	57,065	55,786
Order backlog	59,047	54,525	59,047	54,525	59,047	55,763
Net sales	14,068	14,531	38,180	37,416	54,178	53,414
Operating profit/loss	510	877	814	1,221	1,419	1,825
Operating margin, %	3.6	6.0	2.1	3.3	2.6	3.4
Profit/loss after financial items	490	864	779	1,188	1,356	1,765
Net profit/loss for the period	425	706	661	971	1,199	1,508
Profit/loss per share after dilution, SEK	4.13	6.56	6.26	9.02	11.30	14.02
Cash flow from operating activities	714	1,421	-1,084	1,592	-416	2,260
Cash flow before financing	692	1,389	-1,172	1,211	-487	1,896
Net cash +/-Net debt -	-3,619	-3,247	-3,619	-3,247	-3,619	-2,932

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

CEO Tomas Carlsson comments

Earnings for the third quarter were impacted by major challenges in our asphalt operations, where we have been unable to fully offset the sharp increase in costs, by write-downs in Building Sweden and by the pressure of increased costs on our margins. In parallel, we noted strong orders received and a good, high-quality order backlog in all business areas. The majority of our projects and operations are performing well despite strong inflation and economic turbulence.

The Infrastructure business area noted a good level of orders received. A major order for the expansion of a water treatment plant on Lidingö, outside Stockholm, has further strengthened our position in a segment in which we hold a leading position. We have a strong order backlog, but also first-rate projects at an early stage. Operating profit is stable.

During the quarter, as communicated earlier, we substantial write-downs in Building Sweden related to a small number of residential projects in Stockholm. Naturally, this is a disappointment and the result of inadequate project management in the individual projects. Cost increases continued to generally exert some pressure on the margins in the business area during the quarter, most notable in the residential projects. Orders received are good and include an increased share of public buildings.

Building Nordics noted a strong order backlog and good orders received this quarter, with an increased focus on public buildings in all countries. Operating profit is stable, albeit affected by the prevailing situation of rising costs.

Within the Industry business area, there are major challenges in the asphalt operations, as we already announced in the end of September. Despite drastic price increases, it was not possible to offset the higher costs and we expect the effects of this situation to persist for the remainder of the year. Just like the other business areas, there are parts of the operations that have fared better. The negative effects are most pronounced in Denmark and Norway. The asphalt operations are characterized by a relatively short order backlog and a clear seasonal pattern, so we nonetheless believe that there is good potential to improve the situation by next



year. The stone materials operations are stable in terms of both sales and earnings.

In Property Development, we currently have eleven office projects in progress, of which the construction of one commenced during the quarter, namely, the Flow Hyllie office project in Malmö. It is common knowledge that the property market is in a state with significant uncertainty, with the interest rate situation and inflation having an impact on budgets and possibilities. We have a strong financial position and will sell projects when we believe that payment for these will reflect the market value. We will also continue to seek favorable project opportunities in all of the Nordic countries.

The Nordic region is facing a difficult period economically, and we don't know how long or how serious it will be. Inflation, higher interest rates and a slowdown of the economy are factors that impact our business and we are preparing for these eventualities. We will continue to select the right projects and to control risk. We have a relatively large share of projects in partnering and we have a strong focus on managing cost increases in our contracts. Continuing to develop the company in the direction we have set out is more important now than ever. We shall be leaders in managing complex construction processes and have a diversified project portfolio. Despite uncertainty we stand well equipped to take on both current and future projects.

Tomas Carlsson, President and CEO
Solna, November 1, 2022

Group performance

Market

In the main, NCC is impacted by the general economic situation and the GDP trend. Cost increases and rising interest rates has a dampening effect on the market. During the third quarter, the effects became more tangible, with rising prices, particularly for certain input materials and energy. Over the long term, higher prices lead to lower demand. Rising interest rates also affect interest in investing in new properties.

At the same time, the long-term market conditions for contracting operations, property development and industrial operations in the Nordic region remain positive. There are plans for large industrial investments in parts of Sweden. There is an underlying 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.

The countries in which NCC has infrastructure operations have ambitious plans and investment initiatives in renewal, refurbishment and maintenance of national and regional infrastructure. Demand for asphalt and stone materials is driven by investments in infrastructure and maintenance.

Net sales and earnings

Net sales amounted to SEK 14,068 M (14,531) in the third quarter and to SEK 38,180 M (37,416) for the January-September period. All business areas increased their net sales apart from Industry and Property Development. Changes in exchange rates had an impact of SEK 687 M (-366) on net sales.

Operating profit amounted to SEK 510 M (877) in the third quarter and SEK 814 M (1,221) for the January-September period. Building Sweden had a lower result mainly due to impairment relating to a small number of projects totaling SEK 120 M and to reduced project margins resulting from cost increases. Industry's operating profit was significantly lower than in the preceding year in the third quarter, driven by higher costs. On September 26, it was communicated that Industry is expected to report an operating result of about zero for the full year. Property Development recognized several projects in profit in the year-earlier period.

The operating margin was lower than in the preceding year. On a rolling twelve-month basis, NCC had an operating margin of 2.6 percent.

Net financial items totaled SEK -20 M (-13) for the quarter and SEK -35 M (-33) for the period. Higher corporate debt and higher interest expenses had a negative impact, which was offset to a certain extent by the positive effect resulting from higher capitalization of interest at Property Development.

Effective tax

The effective tax rate for the Group amounted to 15 percent (18) for the period.

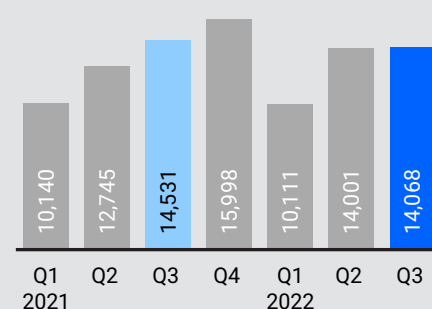
Orders received, Jan–Sep, SEK M

41,005

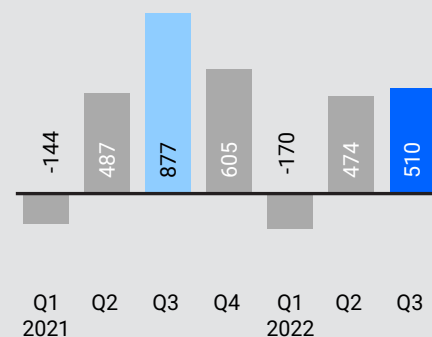
Net sales, Jan–Sep, SEK M

38,180

Net sales, SEK M



Operating profit, SEK M



Cash flow

Cash flow before financing for the quarter amounted to SEK 692 M (1,389).

Due to fewer property projects recognized in profit, the cash flow from property projects was approximately SEK 1 bn below the level in the preceding year, despite lower investments. During the quarter, one project, Fredriksberg D, was recognized in profit, compared with three in the year-earlier quarter, and two projects in the period as a whole compared with five in the comparative period.

Cash flow from other working capital for the January-September period was significantly lower than for the comparative period. The primary explanation is that Property Development received financing from a customer.

Cash flow from investments improved in both the quarter and the period. During the quarter, the purchase consideration was received for the NoDig operation that was sold by Infrastructure. In the January-September period, cash flow was also positively impacted by the divestment of Hercules Armering and the sale of land in Industry that was carried out in December 2021.

Total cash and cash equivalents at the end of the period amounted to SEK 1,184 M (2,798).

The Group's net debt at September 30 amounted to SEK -3,619 M (-3,247). Total net debt increased despite a significantly lower pension debt and lower lease liabilities. The company's net debt, net debt excluding pension debt and lease liabilities, increased and totaled SEK -1,867 M (500) at the end of the quarter as an effect of the lower cash flow before financing.

The Group's total assets amounted to SEK 30,695 M (30,935) at September 30. The reduction was essentially attributable to reduced cash and cash equivalents and lower pension debt.

The average maturity of interest-bearing liabilities, excluding the pension debt and lease liability, was 26 months (25) at the end of the quarter. At September 30, NCC's unutilized committed lines of credit totaled SEK 3.3 bn (2.9), with an average remaining maturity of 25 (13) months.

Capital employed

At September 30, capital employed amounted to SEK 11,902 M (11,495). The return on capital employed was 12 percent (14).

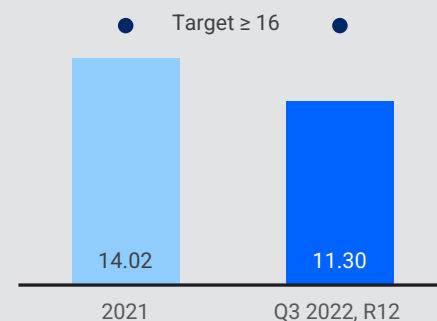
The return on equity was 20 percent (32).

Financial targets and dividend policy

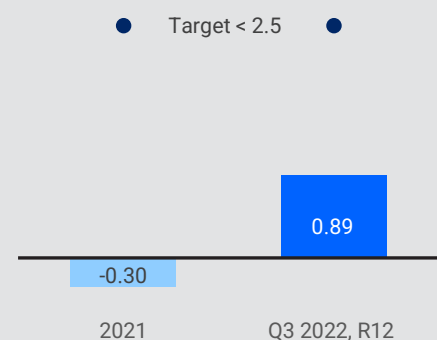
NCC has two financial objectives: earnings per share and net debt in relation to EBITDA. The objective is for earnings per share to be a minimum of SEK 16 by 2023. The company's net debt is to be less than 2.5 times EBITDA. Earnings per share on a rolling 12-month basis amounted to SEK 11.30. Corporate net debt amounted to 0.89 times EBITDA.

NCC's dividend policy until April 27, 2022, was to distribute at least 40 percent of after-tax profit for the year. On April 5, 2022, the Annual General Meeting of NCC adopted the proposal by the Board of Directors for a dividend of SEK 6 per share for fiscal year 2021, divided into two installments. This corresponds to 43 percent of after-tax profit for 2021. The record date for the first disbursement of SEK 3 per share was April 7, 2022. For the second disbursement of SEK 3 per share, the record date is November 8, 2022. On April 27, 2022, the NCC Board of Directors adopted a new dividend policy, which states that approximately 60 percent of the profit for the year is to be distributed to shareholders.

Earnings per share (SEK)



Net debt/EBITDA



This refers to corporate net debt ie net debt excluding pension debt and lease liability. EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses according to Notes 2 and 3.

Health and safety targets

Safety is a high priority area at NCC. All levels of the Group are focused on reducing the total number of accidents as well as completely preventing accidents and incidents that lead to or could lead to serious injury or fatalities. NCC measures the accident frequency rate for accidents that lead to more than four days of absence per million worked hours and has set a Group-wide target, measured for NCC's own employees, for 2022 of 3.0.

During the third quarter of 2022, this accident frequency rate was 3.7, rolling twelve months, which is level with full-year 2021.

NCC Awareness Day was held on September 7, 2022. In the morning, work was suspended for an hour at all workplaces to highlight health and safety efforts in each team. The theme this year was Time Out, a tool giving each individual the opportunity and responsibility to down tools when anything feels unsafe. Awareness Day was held for the first time in 2011, and the Time Out tool was introduced in 2014. Since 2017, daily safety briefings have been conducted before the day's operations at all of NCC's construction sites.

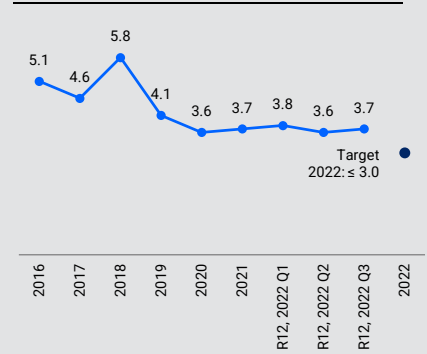
Climate and energy targets

NCC's objective is to be climate-neutral by 2045. As an interim target, NCC will reduce emissions from its own operations (Scope 1 and 2, measured as emission intensity) by 60 percent by 2030. At mid-year 2022, the emission intensity was 2.7 CO₂e (tons)/SEK M, corresponding to a reduction of 48 percent since 2015 (base year). The figures for the base year were recalculated due to the sale of Asphalt Finland at year-end 2021, in accordance with the Greenhouse Gas Protocol Corporate Standard.

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. NCC focuses on four prioritized areas: concrete, steel, asphalt and transportation. The figures below pertain to parts of these areas for which data is currently available. Due to seasonal changes, full-year figures for 2021 are also presented here for comparison. For more details on accounting policies, refer to the 2021 Annual Report. During the quarter NCC has set a comparison value for concrete for the base year 2015.

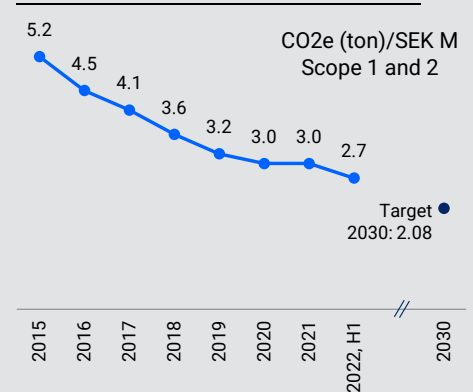
Scope 3	Base year (2015)	2021	R12 at June 30, 2022	Reduction since 2015
Ready-mix concrete (kg CO ₂ e/m ³)	350	326	299	15%
Steel reinforcement (kg CO ₂ e/ton)	1,000	590	628	37%
Asphalt (kg CO ₂ e/ton)	35	22	27	23%
Transportation	Work to develop a metric is in progress			

Accident frequency*



*Accident frequency rate: Worksite accidents resulting in more than four days of absence per one million worked hours.

Emission intensity:



The figures for the base year were recalculated due to the divestment of Asphalt Finland, in accordance with the Greenhouse Gas Protocol Corporate Standard. Earlier, the following values were reported:

2015	2016	2017	2018	2019	2020	2021
5,9	5,0	4,8	4,0	3,7	3,4	3,5

Order status

Orders received and order backlog

Orders received in the third quarter amounted to SEK 11,607 M (8,905). Orders received in the quarter increased in all business areas and primarily in Infrastructure. The increase in Building Nordics was primarily in the Finnish operations. In Building Sweden and Industry, orders received were in line with the preceding year.

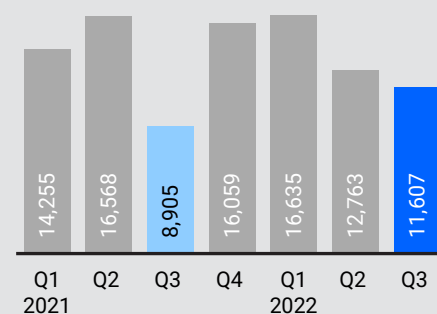
Orders received for the January–September period amounted to SEK 41,005 M (39,727). Orders received increased in all business areas except Infrastructure and were driven primarily by the Danish operations of Building Nordic. The lower orders received in Infrastructure was due to a number of major projects being registered among orders during the January-September 2021 period.

Many orders have different elements of early involvement or partnering. There is large focus on managing risk and on managing cost increases in accordance with established processes and decision mandates.

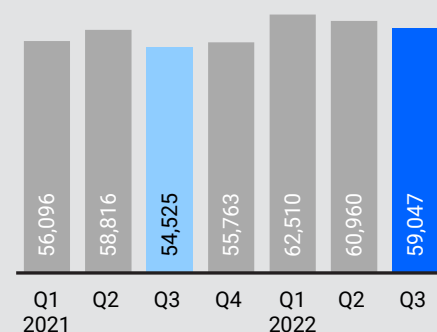
Changes in exchange rates impacted orders received by SEK 654 M (-303).

The Group's order backlog totaled SEK 59,047 M (54,525) at the end of the quarter. The order backlog increased in Building Sweden and Building Nordics. Changes in exchange rates impacted the order backlog by SEK 1,132 M (408).

Orders received, SEK M



Order backlog, SEK M



Examples of orders and contracts during the third quarter of 2022. A list of orders valued at more than SEK 150 M and announced via press releases during the quarter is available at ncc.com.

- Infrastructure is to refurbish the Käppalaverket wastewater treatment plant on Lidingö, to upgrade the plant's capacity and performance. The order value for the first main phase is approximately SEK 1 billion.
- Building Sweden is to construct 144 new prison places in Mariestad. The order value of the contract is estimated at approximately SEK 900 million
- Building Nordics is to build a school and preschool (order value SEK 200 M) and the new Valkeavuori campus (order value SEK 380 M) in Turku, Finland
- In Espoo, Finland, Building Nordics is to construct another 191 apartments. The order value is approximately SEK 260 M.
- Infrastructure is to build a pumping station to keep Kristianstad drained. The order is worth SEK 240 M.
- In Denmark, Building Nordics is to construct a retirement home. The order value is approximately SEK 230 M.
- Industry signed an agreement with the City of Oslo to pave municipal roads. A total of close to 70,000 tonnes of asphalt will be laid and the two-year agreement has a value of approximately SEK 180 million.
- Building Sweden is to build Flow Hyllie, the office project that Property Development is developing in the Öresund region
- Building Sweden is expanding a senior high school in Västerås (order value SEK 150 M) and a new school in Sickla (order value SEK 150 M)

NCC Infrastructure

Orders received and order backlog

Orders received amounted to SEK 4,466 M (2,933) in the third quarter and to SEK 11,926 M (15,135) for the January-September period. The higher orders received in the quarter derived from several major projects, including the refurbishment of the Käppalaverket wastewater treatment plant on Lidingö for approximately SEK 1 billion. The lower orders received in the January-September period was due to a number of major projects being registered among orders during the same period in the preceding year.

The order backlog was lower than in the year-earlier period and amounted to SEK 18,967 M (20,047), but remained at a high level.

Net sales and earnings

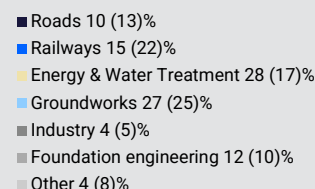
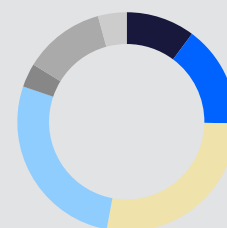
Net sales were higher in the third quarter and amounted to SEK 4,135 M (3,789) and to SEK 11,994 M (11,393) for the January-September period.

Operating profit amounted to SEK 139 M (123) in the third quarter and SEK 305 M (277) for the January-September period. The divestment of the NCC NoDig business that was announced on July 8, 2022, was completed during the quarter and, as communicated, had a minor positive effect on the business area's operating profit.

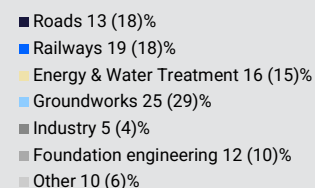
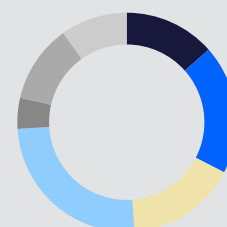
The operating margin improved in the third quarter through a better project portfolio. The business area's operating profit continued to be negatively impacted by some large infrastructure projects with a low margin that have been in progress for some time.

	Q3		Jan-Sep		R12 Oct-Sep 2021/2022	Jan-Dec 2021
	2022	2021	2022	2021		
Orders received	4,466	2,933	11,926	15,135	15,168	18,377
Order backlog	18,967	20,047	18,967	20,047	18,967	18,923
Net sales	4,135	3,789	11,994	11,393	16,940	16,339
Operating profit/loss	139	123	305	277	419	391
Operating margin, %	3.4	3.2	2.5	2.4	2.5	2.4

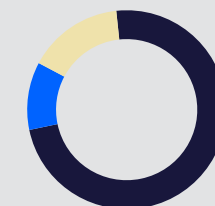
Orders received, Jan-Sep



Net sales, Jan-Sep



Net sales, Jan-Sep



Share of sales

30%

NCC Building Sweden

Orders received and order backlog

Orders received in the third quarter amounted to SEK 2,367 M (2,290) and to SEK 10,886 M (10,159) for the January-September period. The higher level of orders received compared with the preceding year was primarily attributable to several major projects being registered among orders in the first quarter of 2022. Residential units and public buildings accounted for the largest share of orders received, followed by renovation and refurbishment. Slightly more than half of the residential units were rental units. Several major office projects were registered among orders in the preceding year.

The order backlog was strengthened year-on-year and amounted to SEK 19,035 M (17,846) at the end of the quarter.

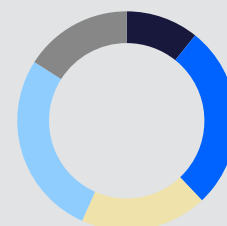
Net sales and earnings

Net sales amounted to SEK 3,028 M (2,990) in the third quarter and to SEK 9,905 M (9,765) for the January-September period. Residential units accounted for nearly one-third of total net sales, followed by public buildings, corresponding to one-fifth of net sales.

Operating loss amounted to SEK -56 M (profit: 100) in the third quarter and to profit of SEK 154 M (320) for the January-September period. Impairment losses in a small number of residential projects, as announced in a press release on September 26, had a negative impact of approximately SEK 120 M on operating profit for the quarter. In addition, operating profit was negatively impacted by somewhat lower project margins, mainly in residential projects due to higher material costs.

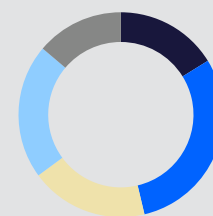
	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	2,367	2,290	10,886	10,159	15,096	14,369
Order backlog	19,035	17,846	19,035	17,846	19,035	18,046
Net sales	3,028	2,990	9,905	9,765	14,008	13,868
Operating profit/loss	-56	100	154	320	290	457
Operating margin, %	-1.8	3.4	1.6	3.3	2.1	3.3

Orders received, Jan-Sep



■ Offices	11 (23)%
■ Residential	27 (29)%
■ Refurbishment/Conversion	19 (21)%
■ Public Buildings	27 (13)%
■ Other	16 (14)%

Net sales, Jan-Sep



■ Offices	16 (15)%
■ Residential	30 (27)%
■ Refurbishment/Conversion	19 (18)%
■ Public Buildings	21 (26)%
■ Other	14 (14)%

Share of sales

24%

NCC Building Nordics

Orders received and order backlog

Orders received in the third quarter amounted to SEK 2,321 M (1,780) and to SEK 9,852 M (6,779) for the January-September period. The major increase in orders received for the January-September period was mainly attributable to the Danish operations as a result of several major orders in the first quarter. In the third quarter, a number of major orders were registered among orders in Finland, such as a campus in Turku for approximately SEK 380 M. The proportion of residential units and public buildings increased and accounted for slightly more than three-quarters of the total number of orders received.

There was a sharp increase in the order backlog, which amounted to SEK 18,485 M (14,003) at the end of the quarter.

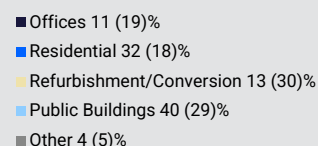
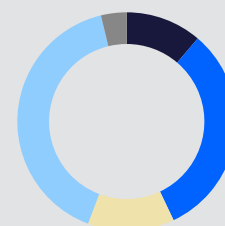
Net sales and earnings

Net sales amounted to SEK 3,226 M (2,788) in the third quarter and to SEK 9,427 M (7,888) for the January-September period. All countries contributed to the increase. The number of public buildings was higher year-on-year and, together with residential units, accounted for slightly less than two-thirds of net sales.

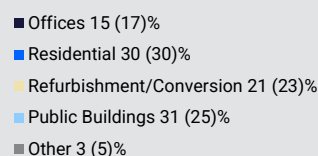
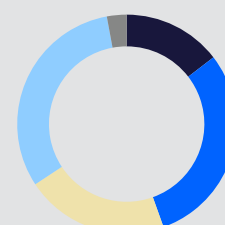
Operating profit declined to SEK 104 M (111) in the third quarter but was higher for the January-September period and amounted to SEK 252 M (239). Year-on-year, earnings were positively affected by higher sales. The operating margin deteriorated somewhat for both the quarter and the January-September period due to rising costs.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Orders received	2,321	1,780	9,852	6,779	16,370	13,297
Order backlog	18,485	14,003	18,485	14,003	18,485	17,271
Net sales	3,226	2,788	9,427	7,888	12,864	11,324
Operating profit/loss	104	111	252	239	424	410
Operating margin, %	3.2	4.0	2.7	3.0	3.3	3.6

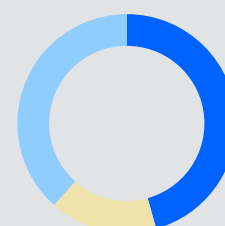
Orders received, Jan-Sep



Net sales, Jan-Sep



Net sales, Jan-Sep



Share of sales

23%

NCC Industry

Orders received

Orders received in the third quarter amounted to SEK 2,333 M (2,236) and to SEK 8,864 M (7,574) for the January-September period. Orders received were higher in both the asphalt and stone materials operations during the quarter and for the January-September period.

Net sales and earnings

Net sales increased year-on-year and amounted to SEK 3,637 M (3,383) in the third quarter and to SEK 7,894 M (7,112) for the January-September period. The higher net sales during the quarter and the January-September period was mainly attributable to higher customer prices driven by increased costs in the asphalt and stone materials operations, but was also impacted by a changed product mix in the asphalt operations and a slight volume increase in the stone materials operations.

Operating profit amounted to SEK 50 M (306) in the third quarter and to a loss of SEK -15 M (profit: 334) for the January-September period. The decline in operating profit is primarily derived from the asphalt operations as a result of higher costs that could not be fully offset through price increases, which was particularly clear in the Norwegian and Danish operations, as well as from higher overheads. In a press release on September 26, it was announced that the operating result for the business area is expected to be zero for the full year. The stone materials operations remain stable.

Operating capital employed

Operating capital employed rose seasonally compared with the end of 2021 and was on par with the year-earlier period.

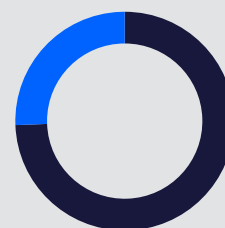
The asphalt operations in Finland were divested at the end of 2021. To achieve comparability between the years, Asphalt Finland's effect on 2021 has been excluded from the table below. More information is available in Note 2 of the table.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021 ²	2022	2021 ²	2021/2022 ²	2021 ²
Orders received	2,333	2,236	8,864	7,574	10,997	9,708
Net sales	3,637	3,383	7,894	7,112	10,847	10,065
Operating profit/loss	50	306	-15	334	139	488
Operating margin, %	1.4	9.0	-0.2	4.7	1.3	4.9
Operating capital employed ¹	5,101	5,189	5,101	5,189	5,101	4,711
Stone materials thousand tonnes, sold volume	7,132	7,339	21,449	21,323	29,102	28,976
Asphalt thousand tonnes, sold volume	1,737	1,925	3,468	3,716	4,930	5,178
Return on operating capital employed, % ¹					2.9	10.4

1) See new definition at NCC:s website, <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

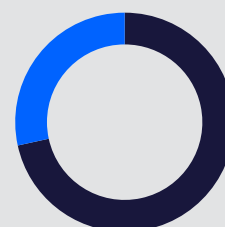
2) In the comparative values for the period and Jan-Dec 2021, Asphalt Finland, which was sold in December 2021, has been excluded. Orders received would have been SEK 73 M higher and net sales SEK 386 M higher in the comparison quarter and SEK 603 M respective SEK 586 M in the comparative period if Asphalt Finland had been reflected. Operating profit would have been SEK 33 M respective SEK 116 M lower. For the full year 2021, orders received would have been SEK 588 M higher and net sales SEK 691 M higher. Operating profit, on the other hand, would have been SEK 268 M lower. The volume of asphalt sold for the full year 2021 would have been 918 tonnes higher.

Orders received, Jan-Sep



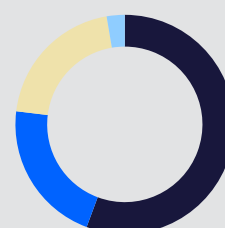
■ Asphalt and paving 74 (74)%
■ Stone materials 26 (26)%

Net sales, Jan-Sep



■ Asphalt and paving 72 (72)%
■ Stone materials 28 (28)%

Net sales, Jan-Sep



■ Sweden 56 (58)%
■ Denmark 21 (20)%
■ Norway 20 (20)%
■ Finland 3 (2)%

Share of sales

20%

NCC Property Development

Net sales and earnings

Net sales amounted to SEK 836 M (2,072) in the third quarter and to SEK 1,224 M (3,247) for the January-September period.

Operating profit amounted to SEK 183 M (277) in the third quarter and to SEK 213 M (299) for the January-September period. In the quarter, the Fredriksberg D project was recognized in profit and for the January-September period, the Bettorp (Örebro residential care) project was also recognized in profit. During the third quarter of the preceding year, three office projects – Omega in Denmark, Hatsina Office in Finland and K11 in Sweden – were recognized in profit. For the January-September period of the preceding year, the office projects Valle View in Norway and Viborg in Denmark were also recognized in profit. Operating profit was positively impacted during the quarter and the January-September period by profits from earlier sales and the reversal of provisions for rental guarantees made earlier. The operating margin improved for the quarter, mainly due to a project with higher margin was recognized in profit than in the year-earlier period.

Property projects

Construction of one project commenced during the quarter, the Flow Hyllie project, which is an office project in Sweden. Four projects are sold and are expected to be recognized in profit during the period extending from the end of 2022 through the end of 2024.

Letting totaled 9,000 square meters (5,900) in the third quarter and 30,100 (42,500) in the January-September period. During the quarter, a total of 8 (6) new leases were signed and for the January-September period, 27 (45) new leases were signed.

At the end of the third quarter, 12 projects (13) were ongoing but not yet recognized in profit. The costs incurred in all projects amounted to SEK 7.3 bn (6.4), corresponding to a total completion rate of 63 percent (55). The total letting rate was 62 percent (56). Operating net amounted to SEK 8 M (-5) in the third quarter and to SEK 26 M (-1) for the January-September period.

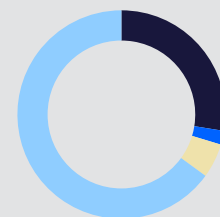
Operating capital employed

Operating capital employed increased at the end of the quarter, totaling SEK 7,627 M (5,403). The increase was largely attributable to advance payments from customers received during the comparative period.

	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Net sales	836	2,072	1,224	3,247	2,752	4,775
Operating profit/loss	183	277	213	299	392	478
Operating margin, %	21.9	13.4	17.4	9.2	14.2	10.0
Operating capital employed ¹	7,627	5,403	7,627	5,403	7,627	6,330
Return on operating capital employed, % ¹					5.6	7.7

1) See new definition at NCC:s website, <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

Net sales, Jan-Sep



■ Sweden 28 (32)%
■ Denmark 2 (11)%
■ Norway 5 (34)%
■ Finland 65 (23)%

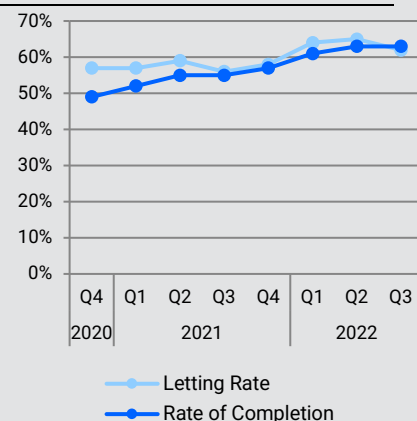
Letting¹



1) Total letting also includes previously sold and profit-recognized property projects where NCC works with letting.

* Arendal Albatross has been sold, and the letting rate is 100 percent since the letting risk has passed to the buyer at the time of sale.

Property projects



Share of sales

3%

NCC Property Development

Property development projects as of 2022-09-30

Ongoing Property development projects¹

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
Kontorværket 1	Office	Copenhagen	Q1 2023	68	15,900	100
Total Denmark				68	15,900	100
Kulma21	Office	Helsinki		76	7,700	100
We Land	Office	Helsinki		40	21,300	20
Total Finland				51	29,000	43
Bromma Blocks	Office	Stockholm		91	51,900	74
Kineum Gårda ²	Office	Gothenburg	Q4 2022	91	21,800	96
Brick Studios	Office	Gothenburg		73	16,200	92
Våghuset	Office	Gothenburg		74	11,000	89
MIMO ³	Office	Gothenburg	Q4 2024	42	31,700	35
Nova	Office	Solna		44	9,800	2
Arendal Albatross ⁴	Logistics	Gothenburg	Q1 2024	28	34,000	100
Habitat 7	Office	Gothenburg		15	8,100	0
Flow Hyllie	Office	Malmö		18	10,200	40
Total Sweden				66	194,700	64
Total				63	239,600	62

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 eleven previously sold and revenue recognized property projects, a maximum of approximately SEK 70 M.

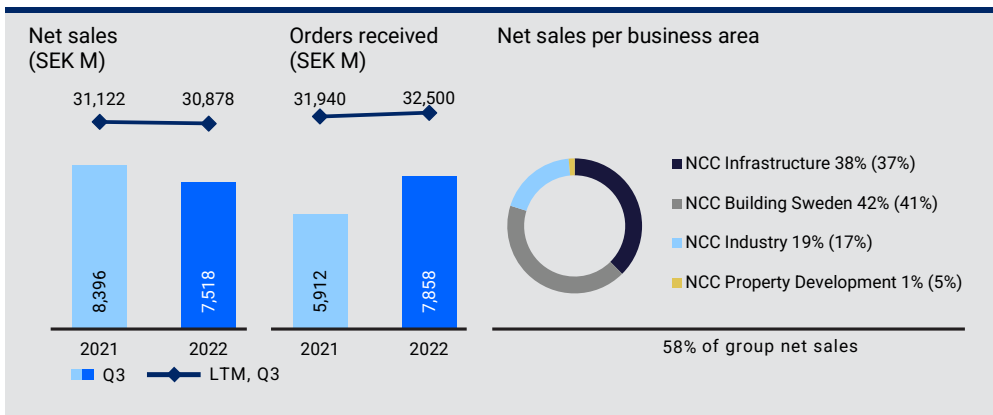
2) The project comprises rentable area of an existing building of approximately 16,000 square meters and an additional building right about 30,000 square meters of office space. The project is carried out together with Platzer, a Swedish listed real estate company, in a half-owned company. The information 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 project has been sold and the letting ratio is 100 percent as the letting-risk has passed to the buyer.

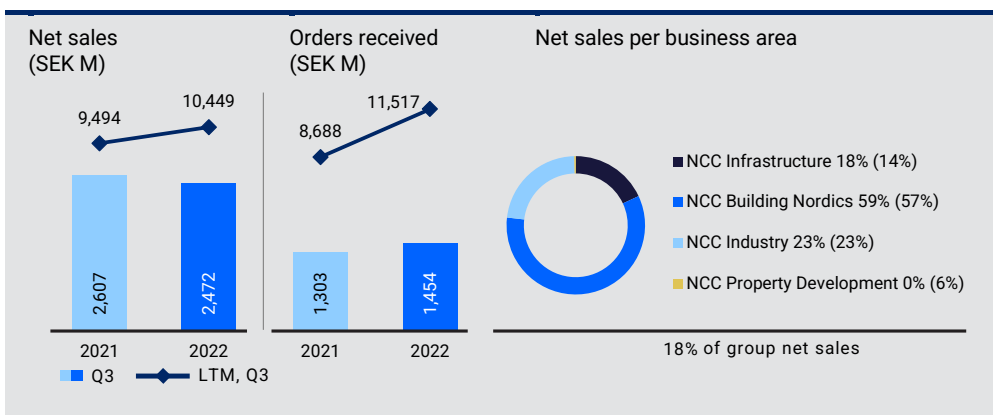
Geographical areas

Sweden



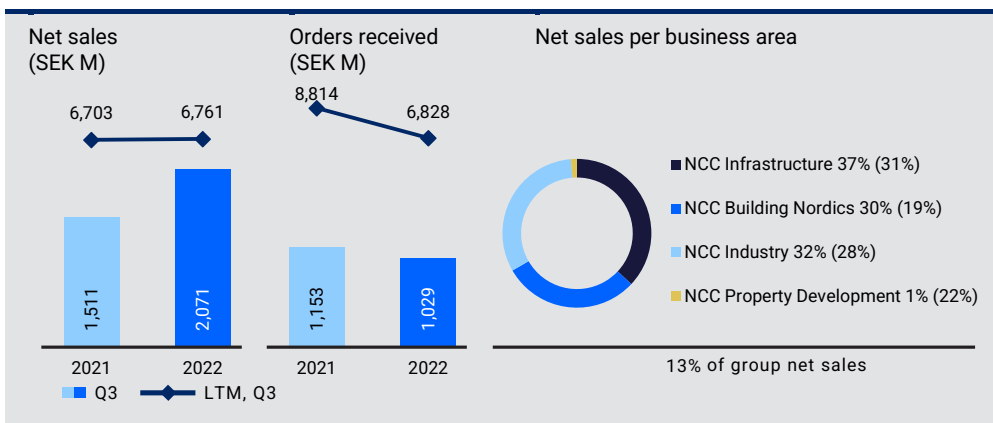
- Infrastructure registered among orders the first phase of the work to expand the Käppala treatment plant for approximately SEK 1 billion.
- Building Sweden signed an agreement to expand the number of prison places in Mariestad, valued at SEK 900 M
- Property Development started one office project, Flow Hyllie, in Malmö

Denmark



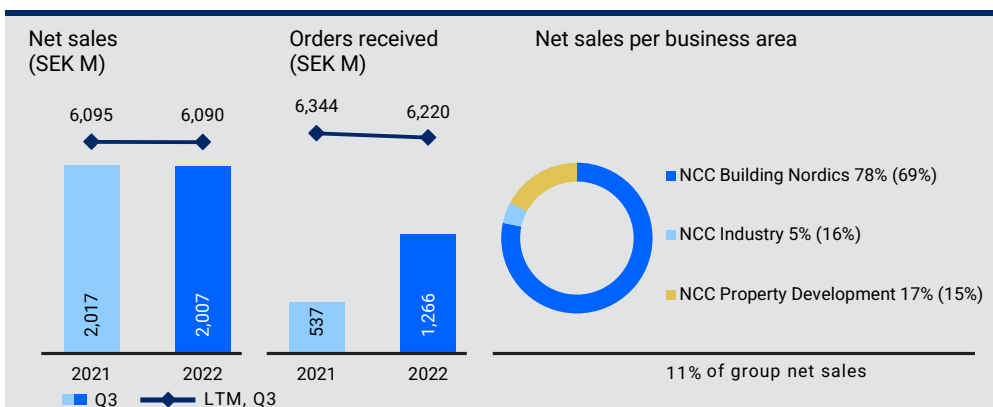
- Building Nordics signed an agreement to construct a retirement home, order value approximately SEK 230 M
- Building Nordics commenced construction on Woodhub in Odense, an occasion that was attended by, among others, the Danish Minister Of Transport
- Industry continues to work on environmental product declarations (EPDs) of stone materials and issued another two during the quarter, from the quarries in Aarhus and Sorø

Norway



- Infrastructure secured an order to upgrade a park in Oslo, the Middelalderparkern. Order value SEK 140 M
- Industry signed a contract for 200,000 tonnes of asphalt, outside Trondheim, one of the largest contracts in Norway where environmental factors played a key role
- Industry signed an agreement with the City of Oslo to pave municipal roads. A total of close to 70,000 tonnes of asphalt will be laid and the two-year agreement has a value of approximately SEK 180 million.

Finland



- Building Nordics is to construct a campus outside Turku
- Property Development transferred Fredriksberg D, which was also recognized in profit during the quarter

Other

Significant risks and uncertainties

A description of the risks to which NCC may be exposed is provided in the 2021 Annual Report (pages 23–25). This assessment still applies.

In February 2022, Russia began an invasion of Ukraine, which has had a number of consequences for the global economy. NCC has no operations in Ukraine, Russia or Belarus, nor does it have any major direct suppliers in these countries. However, there are dependencies in the supply chain that are so far difficult to assess and could lead to shortages or delays.

The conflict has also strengthened an already ongoing trend of cost increases for key input materials, not least fuel, which could have an impact on NCC and NCC's customers. A declining economy and falling GDP also represent a risk for NCC in the longer term. Higher interest rates could also have an impact on factors such as the conditions for selling properties.

In Sweden, there is still uncertainty regarding the long-term supply of cement because the primary supplier has no long-term permit for continued operation. NCC has close cooperation with suppliers of cement and concrete to secure supplies as far as possible. However, there is a risk of serious disruption if cement production at Slite on Gotland were to cease or be substantially reduced, temporarily or for an extended period.

The coronavirus pandemic brought restrictions in all countries of operation at the beginning of the year and it cannot be ruled out that continued effects of the pandemic could impact NCC's production or cause disruption to the supply chain.

Higher interest rates are impacting the property market and, accordingly, the possibilities for selling properties. This also has an impact on the construction market in general in accordance with the description in the risk section of the Annual Report.

Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. Related-company sales during the third quarter amounted to SEK 9 M (11) and purchases to SEK 4 M (7). In the January–September period, sales amounted to SEK 32 M (25) and purchases to SEK 10 M (10).

Seasonal effects

Operations in the Industry business area 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.

Amounts and dates

Unless otherwise indicated, amounts are stated in SEK millions (SEK M). All comparative figures in this report pertain to the year-earlier period. Rounding-off differences may arise in all tables.

Treasury shares and repurchase program

On April 27, the Board of Directors took a decision on a program for the repurchase of own Series B shares as part of the authorization issued by the Annual General Meeting. The program covers repurchases during the period up to the 2023 AGM for a maximum of SEK 1.5 bn. NCC may hold a maximum of 10 percent of the shares outstanding. The repurchase program commenced on May 11.

As of September 30, NCC AB holds a total of 7,588,340 repurchased Series B shares, of which 765,842 are to cover commitments according to the long-term incentive plan. The remaining 6,822,498, corresponding to approximately SEK 724 M, were acquired under the repurchase program. NCC may own a maximum of 10,843,582 shares.

Dividend

In accordance with the Annual General Meeting's resolution, the record date for the second payment of the dividend of SEK 3 per share is November 8, 2022.

Financial calendar 2023

Year-end report Q4, and full-year 2022	January 31
Annual General Meeting (AGM)	March 31
Interim report Q1	April 26
Interim report Q2 and Jan–Jun period	July 18
Interim report Q3 and Jan–Sep period	October 31

The Annual Report for 2022 will be published not later than March 10, 2023.

Events after the close of the quarter

Changes to the Senior Management Team

As announced earlier, Grete Aspelund assumed the position of new head of the Industry business area on October 1, 2022.

Repurchase of shares

The repurchase program mentioned above has continued in the fourth quarter. At October 28, NCC AB held a total of 9,588,531 repurchased Series B shares, corresponding to approximately SEK 894 M and 88 percent of the maximum of 10,843,582 shares.

Auditor's review report

Introduction

NCC AB (publ), Corp. Reg. No. 556034-5174

We have reviewed the condensed interim financial information (interim report) for NCC AB (publ) for September 30, 2022 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 1, 2022

PricewaterhouseCoopers AB

Ann-Christine Hägglund

Authorized Public Accountant

Auditor in Charge

Erik Bergh

Authorized Public Accountant

Condensed consolidated income statement

SEK M	Note	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net sales		14,068	14,531	38,180	37,416	54,178	53,414
Production costs	2, 3	-13,045	-13,033	-35,334	-34,168	-50,061	-48,894
Gross profit		1,022	1,499	2,846	3,248	4,118	4,520
Selling and administrative expenses	2, 3	-557	-614	-2,104	-2,072	-2,840	-2,808
Other operating income/expenses	3	45	-8	72	45	141	114
Operating profit/loss		510	877	814	1,221	1,419	1,825
Financial income		5	3	22	18	25	20
Financial expense ¹		-25	-16	-58	-50	-87	-80
Net financial items		-20	-13	-35	-33	-63	-60
Profit/loss after financial items		490	864	779	1,188	1,356	1,765
Tax		-64	-158	-117	-217	-157	-257
Net profit/ loss		425	706	661	971	1,199	1,508
Attributable to:							
NCC's shareholders		425	706	661	971	1,199	1,508
Net profit/loss for the period		425	706	661	971	1,199	1,508
Earnings per share							
Net profit/loss for the period, before and after dilution, SEK		4.13	6.56	6.26	9.02	11.30	14.02
Number of shares, millions							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		103.0	107.6	105.6	107.6	106.1	107.6
Number of shares outstanding at the end of the period		100.8	107.6	100.8	107.6	100.8	107.6

1) Whereof interest expenses for the quarter SEK 21 M (13) and for the period SEK 37 M (40).

Consolidated statement of comprehensive income

SEK M	Note	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net profit/loss for the period	1	425	706	661	971	1,199	1,508
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		57	20	164	59	203	99
Cash flow hedges		50	5	156	50	180	74
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-10	-1	-32	-10	-37	-15
		97	24	288	99	346	157
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		486	247	1,714	915	1,740	942
Income tax relating to items that can not be recycled to net profit/loss for the period		-100	-51	-353	-188	-358	-194
		386	196	1,361	726	1,382	748
Other comprehensive income		483	221	1,648	825	1,728	905
Total comprehensive income		908	927	2,310	1,796	2,927	2,413
Attributable to:							
NCC's shareholders		908	927	2,310	1,796	2,927	2,413
Total comprehensive income		908	927	2,310	1,796	2,927	2,413

Condensed consolidated balance sheet

SEK M	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
	1			
ASSETS				
Goodwill		1,913	1,833	1,852
Other intangible assets		326	321	335
Right-of-use assets	4	1,395	1,652	1,600
Owner-occupied properties		860	842	790
Machinery and equipment		2,358	2,398	2,296
Long-term interest-bearing receivables		197	122	128
Other financial fixed assets		818	788	713
Total fixed assets		7,867	7,957	7,714
Properties held for future development		943	1,015	1,005
Ongoing property projects		6,557	5,775	5,370
Completed property projects				
Participations in associated companies		479	330	431
Materials and inventories		1,112	1,114	1,059
Accounts receivable		8,149	7,896	7,748
Worked-up, not-invoiced revenues		2,331	2,324	1,367
Current interest-bearing receivables		103	97	103
Other current receivables	4	1,971	1,630	1,577
Short-term investments		403	102	487
Cash and cash equivalents		781	2,696	2,561
Total current assets		22,828	22,978	21,707
Total assets		30,695	30,935	29,421
EQUITY				
Shareholders' equity		6,799	5,231	5,844
Total shareholders' equity		6,799	5,231	5,844
LIABILITIES				
Long-term interest-bearing liabilities		3,357	2,713	2,038
Provisions for pensions and similar obligations		270	1,999	1,997
Other long-term liabilities		1,062	723	511
Other provisions		2,561	2,486	2,608
Total long-term liabilities		7,250	7,921	7,154
Current interest-bearing liabilities		1,475	1,552	2,176
Accounts payable		5,236	4,756	4,567
Invoiced revenues not worked-up		5,734	5,331	4,830
Other current liabilities		4,200	6,144	4,849
Total current liabilities		16,646	17,783	16,422
Total liabilities		23,895	25,704	23,577
Total shareholders' equity and liabilities		30,695	30,935	29,421

Condensed consolidated changes in shareholders' equity

SEK M	30 Sep 2022		30 Sep 2021	
	Shareholders' equity	Total shareholders' equity	Shareholders' equity	Total shareholders' equity
Opening balance	5,844	5,844	3,972	3,972
Total comprehensive income	2,310	2,310	1,796	1,796
Dividend	-646	-646	-538	-538
Acquisition/sale of treasury shares	-715	-715	-13	-13
Performance based incentive program	6	6	13	13
Closing balance	6,799	6,799	5,231	5,231

Condensed consolidated cash flow statement

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
OPERATING ACTIVITIES						
Operating profit/loss	510	877	814	1,221	1,419	1,825
Adjustments for items not included in cash flow	241	336	714	879	1,088	1,253
Interest paid and received	-5	-13	-15	-39	16	-9
Taxes paid	-34	-52	-206	-206	-241	-241
Cash flow from operating activities before changes in working capital	711	1,147	1,307	1,854	2,282	2,829
Divestment of property projects	483	1,559	716	2,559	1,823	3,666
Gross investments in property projects	-626	-900	-1,843	-2,679	-2,631	-3,467
Cash flow from property projects	-143	659	-1,126	-120	-808	198
Other changes in working capital	145	-385	-1,264	-142	-1,890	-768
Cash flow from changes in working capital	2	274	-2,391	-262	-2,698	-570
Cash flow from operating activities	714	1,421	-1,084	1,592	-416	2,260
INVESTING ACTIVITIES						
Acquisition/sale of subsidiaries and other holdings	106	87	201	67	372	237
Acquisition/sale of tangible fixed assets	-117	-112	-278	-412	-409	-543
Acquisition/sale of other fixed assets	-10	-7	-12	-36	-35	-58
Cash flow from investing activities	-21	-33	-89	-380	-72	-363
Cash flow before financing	692	1,389	-1,172	1,211	-487	1,896
FINANCING ACTIVITIES						
Cash flow from financing activities	-725	-131	-611	-672	-1,431	-1,492
Cash flow during the period	-33	1,257	-1,783	539	-1,918	404
Cash and cash equivalents at beginning of period	813	1,438	2,561	2,155	2,696	2,155
Effects of exchange rate changes on cash and cash equivalents	3	1	3	1	4	2
Cash and cash equivalents at end of period	781	2,696	781	2,696	781	2,561
Short-term investments due later than three months	403	102	403	102	403	487
Total liquid assets at end of period	1,184	2,798	1,184	2,798	1,184	3,048

Condensed consolidated net debt

Net debt, SEK M	Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2021/2022	2021
Net cash +/Net debt - opening balance	-2,932	-4,823	-3,247	-4,823
- Cash flow from operating activities	-1,084	1,592	-416	2,260
- Cash flow from investing activities	-89	-380	-72	-363
Cash flow before financing	-1,172	1,211	-487	1,896
Change in provisions for pensions	1,728	833	1,729	835
Change in leasing debt	-207	-188	-309	-290
Paid dividend	-323	-269	-592	-538
Acquisition/sale of treasury shares	-715	-13	-715	-13
Currency exchange differences in cash and cash equivalents	3	1	4	2
Net cash + /Net debt - closing balance	-3,619	-3,247	-3,619	-2,932
- Whereof provisions for pensions	-270	-1,999	-270	-1,997
- Whereof leasing debt	-1,481	-1,748	-1,481	-1,700
- Whereof other net cash/net debt	-1,867	500	-1,867	766

Parent Company condensed income statement

SEK M	Note 1	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
		2022	2021	2022	2021	2021/2022	2021
Net sales		8	11	29	30	126	127
Selling and administrative expenses		-28	-53	-159	-155	-118	-114
Operating profit		-20	-42	-130	-125	8	13
Result from participations in Group companies			100	1,081	1,127	1,002	1,048
Result from other financial fixed assets				13	12	13	12
Result from financial current assets					1		1
Interest expense and similar items		-1	-5	-6	-17	-11	-22
Result after financial items		-21	53	958	998	1,012	1,052
Appropriations						452	452
Tax on net profit/loss for the period		4	10	28	29	-91	-90
Net profit/loss for the period		-17	62	986	1,027	1,373	1,415

Net sales pertain to charges to Group companies. The average number of employees was 58 (51).

Parent Company condensed balance sheet

SEK M	Note 1	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS				
Financial fixed assets		4,594	4,649	4,552
Total fixed assets		4,594	4,649	4,553
Current receivables		213	119	824
Treasury balances in NCC Treasury AB		290	969	721
Total current assets		502	1,089	1,545
Total assets		5,096	5,738	6,097
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		4,584	4,566	4,951
Provisions		6	6	6
Long-term liabilities		3	646	6
Current liabilities		503	520	1,135
Total shareholders' equity and liabilities		5,096	5,738	6,097

Total approved dividends amounted to SEK 646 M, of which SEK 323 M was paid in April and SEK 323 M will be paid in November.

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).

A small number of changes to existing standards and interpretations came into effect for the fiscal year commencing January 1, 2022. In conjunction with these changes, NCC conducted a review in relation to the clarification of IAS 37, which came into effect on January 1, 2022. The change clarifies which expenses are to be included in the assessment of whether a contract will be loss-making. The review shows that this clarification has no material impact on the Group's financial statements. Other changes to standards and interpretations that came into force on January 1, 2022 had no material impact on this financial report either.

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 2021 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	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Other intangible assets	-12	-12	-37	-34	-48	-46
Owner-occupied properties ¹	-82	-83	-224	-240	-307	-323
Machinery and equipment ²	-218	-229	-657	-705	-892	-939
Total depreciation	-313	-324	-918	-980	-1,247	-1,307

1) Whereof depreciation of right-of-use assets for the quarter SEK 65 M (67) and for the period SEK 184 M (199).

2) Whereof depreciation of right-of-use assets for the quarter SEK 78 M (92) and for the period SEK 243 M (296).

Note 3. Impairment losses

SEK M	Q3		Jan-Sep		R12 Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
Properties held for future development				-2	-8	-10
Owner-occupied properties		-19		-19		-19
Machinery and equipment				4		4
Total impairment losses	0	-20	0	-17	-8	-25

Note 4. Right-of-use assets

SEK M	30 Sep 2022	30 Sep 2021	31 Dec 2021
Owner-occupied properties	819	938	901
Machinery and equipment	575	714	699
Land leases ¹	2	2	2
Total right-of-use assets	1,397	1,654	1,602

1) Land leases are classified as current assets.

Note 5. Segment reporting

Q3 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	4,012	2,716	2,969	3,472	836	14,005	62	14,068
Net sales, internal	122	312	257	166		857	-857	0
Net sales, total	4,135	3,028	3,226	3,637	836	14,862	-795	14,068
Operating profit	139	-56	104	50	183	420	90	510
Net financial items								-20
Profit/loss after financial items								490

Q3 2021	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry ¹	NCC Property Development	Total segments	Other and eliminations ²	Group
Net sales, external	3,669	2,709	2,411	3,575	2,068	14,433	98	14,531
Net sales, internal	120	281	377	194	4	975	-975	0
Net sales, total	3,789	2,990	2,788	3,769	2,072	15,408	-877	14,531
Operating profit	123	100	111	273	277	884	-7	877
Net financial items								-13
Profit/loss after financial items								864

January - September 2022	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry	NCC Property Development	Total segments	Other and eliminations ³	Group
Net sales, external	11,622	8,942	8,669	7,507	1,224	37,963	217	38,180
Net sales, internal	373	964	759	387		2,481	-2,481	0
Net sales, total	11,994	9,905	9,427	7,894	1,224	40,444	-2,264	38,180
Operating profit	305	154	252	-15	213	910	-96	814
Net financial items								-35
Profit/loss after financial items								779

January - September 2021	NCC Infrastructure	NCC Building Sweden	NCC Building Nordics	NCC Industry ¹	NCC Property Development	Total segments	Other and eliminations ³	Group
Net sales, external	10,892	8,752	6,813	7,271	3,241	36,969	447	37,416
Net sales, internal	501	1,014	1,075	427	6	3,022	-3,022	0
Net sales, total	11,393	9,765	7,888	7,698	3,247	39,991	-2,575	37,416
Operating profit	277	320	239	218	299	1,353	-131	1,221
Net financial items								-33
Profit/loss after financial items								1,188

- 1) The figures in segment Industry include Asphalt Finland in quarter and period, during 2021. For details regarding Asphalt Finland please refer to section about business area Industry, page 10.
- 2) The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK 27 M (-27). Further, the figures includes eliminations of internal profits of SEK 8 M (43) and other Group adjustments of SEK 54 M (-23). These items primarily correspond to pensions and leases.
- 3) The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -105 M (-82). Further, the figures includes eliminations of internal profits amounting of SEK -20 M (12) and other Group adjustments of SEK 29 M (-61). These items primarily correspond to pensions and leases.

Note 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	Sep 30 2022				Sep 30 2021				Dec 31 2021			
	Level				Level				Level			
	1	2	3	Tot	1	2	3	Tot	1	2	3	Tot
Financial assets measured at fair value through profit and loss												
Short-term investments	388			388	10			10	401			401
Derivative instruments		121		121		8		8		8		8
Derivative instruments used in hedge accounting		231		231		32		32		59		59
Financial assets measured at fair value through other comprehensive income												
Equity instruments			68	68			68	68			68	68
Total assets	388	352	68	808	10	40	68	118	401	67	68	536
Financial liabilities measured at fair value through profit and loss												
Derivative instruments		4		4		23		23		39		39
Derivative instruments used in hedge accounting		16		16		6		6		5		5
Total liabilities	0	20	0	20	0	29	0	29	0	44	0	44

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	Sep 30 2022		Sep 30 2021		Dec 31 2021	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	197	187	122	122	128	128
Short-term investments - amortized cost	15	15	91	91	86	86
Long-term interest-bearing liabilities	3,357	3,301	2,713	2,717	2,038	2,038
Current interest-bearing liabilities	1,475	1,475	1,552	1,552	2,176	2,176

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.

Note 7. Pledged assets, contingent liabilities and guarantee obligations

SEK M

Group	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets pledged	418	463	453
Contingent liabilities and guarantee obligations ¹	224	265	253
Parent company			
Contingent liabilities and guarantee obligations ¹	29,401	22,514	22,561

1) 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

	Q3		R12 Oct-Sep		Jan-Dec		
	2022	2021	2021/2022	2021	2020	2019	2018
Profitability ratios							
Return on shareholders equity, % ¹	20	32	20	32	37	32	-18
Return on capital employed, % ¹	12	14	12	16	12	13	-9
Financial ratios at period-end							
EBITDA % including effects of dividends	5.8	8.4	4.9	5.9	5.2	4.7	0.8
Interest-coverage ratio, times ¹	16.5	22.3	16.5	23.0	12.7	9.1	-6.0
Equity/asset ratio, %	22	17	22	20	14	10	11
Interest bearing liabilities/total assets, %	17	20	17	21	26	25	17
Net cash +/- Net debt -, SEK M	-3,619	-3,247	-3,619	-2,932	-4,823	-4,489	-3,045
Debt/equity ratio, times	0.5	0.6	0.5	0.5	1.2	1.5	1.0
Capital employed at period end, SEK M	11,902	11,495	11,902	12,055	11,375	10,382	7,619
Capital employed, average, SEK M	11,769	11,300	11,769	11,430	10,983	9,936	8,780
Capital turnover rate, times ¹	4.6	4.6	4.6	4.7	4.9	5.9	6.5
Closing interest rate, % ³	3.3	1.1	3.3	1.1	1.1	1.1	1.3
Average period of fixed interest, years ³	1.0	0.6	1.0	0.5	1.0	1.2	0.5
Per share data							
Profit/loss after tax, before and after dilution, SEK	4.13	6.56	11.30	14.02	11.68	8.09	-7.00
Cash flow from operating activities, before and after dilution, SEK	6.93	13.21	-3.89	21.00	14.56	20.50	-3.47
Cash flow before financing, before and after dilution, SEK	6.72	12.90	-4.57	17.62	10.26	14.01	-10.71
P/E ratio ¹	7	11	7	12	13	19	-20
Dividend, ordinary, SEK			6.00	6.00	5.00	2.50	4.00
Dividend yield, %			7.5	3.6	3.3	1.6	2.9
Shareholders' equity before and after dilution, SEK	67.42	48.62	67.42	54.32	36.89	28.21	27.13
Share price/shareholders' equity, %	119	284	119	309	407	543	508
Share price at period-end, NCC B, SEK	80.30	138.20	80.30	167.70	150.00	153.20	137.80
Number of shares, millions							
Total number of issued shares ²	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	7.6	0.8	7.6	0.8	0.8	0.5	0.4
Total number of shares outstanding at period-end before and after dilution	100.8	107.6	100.8	107.6	107.7	107.9	108.0
Average number of shares outstanding before and after dilution during the period	103.0	107.6	106.1	107.6	107.8	108.0	108.1
Market capitalization before and after dilution, SEK M	8,411	14,893	8,411	18,035	16,144	16,548	14,896
Personnel							
Average number of employees	12,586	13,204	12,586	13,002	14,388	15,273	16,523

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

2) All shares issued by NCC are common shares.

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

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

Invitation to presentation of the Interim Report for the period January–September 2022

NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the interim report at a meeting on November 1, 2022, at 9:00 a.m. (CET) at Space, Mäster Samuelsgatan 45, Stockholm, Sweden. It will also be possible to follow the presentation by webcast and teleconference.

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

Link to webcast:

<https://ncc-live-external.creo.se/221101>

To participate by phone, please call one of the following numbers five minutes prior to the start of the conference.

SE: +46 8 505 100 31

UK: +44 207 107 06 13

US: +1 631 570 56 13

Financial calendar

Year-end report Q4, and full-year 2022 January 31, 2023

Annual General Meeting 2023 March 31, 2023

Interim report Q1 2023 April 26, 2023

Interim report Q2 and Jan-June 2023 July 18, 2023

This is the type of information that NCC is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out below on November 1, 2022 at 07.10 a.m. CET.

For further information, please contact:

Susanne Lithander tel. +46 730 37 08 74
Chief Financial Officer (CFO)

Maria Grimberg tel. +46 708 96 12 88
Head of Communication & Investor Relations

NCC AB Interim report Q3, January-September 2022

Visitor address Herrjärva torg 4
170 80 Solna

Postal address NCC AB, SE-170 80 Solna, Sweden

Telephone +46 8 585 510 00

Website ncc.com

E-mail info@ncc.se

