

# Q2 2023

Tomas Carlsson, CEO  
Susanne Lithander, CFO





# Increase in orders received and higher profit



Good **orders received** and a solid order backlog. Focus on prioritized segments pays off

**Infrastructure** increased earnings. **Bergnäset** divested

**Building Sweden** and **Building Nordics** stable but some remaining earnings impact from last year

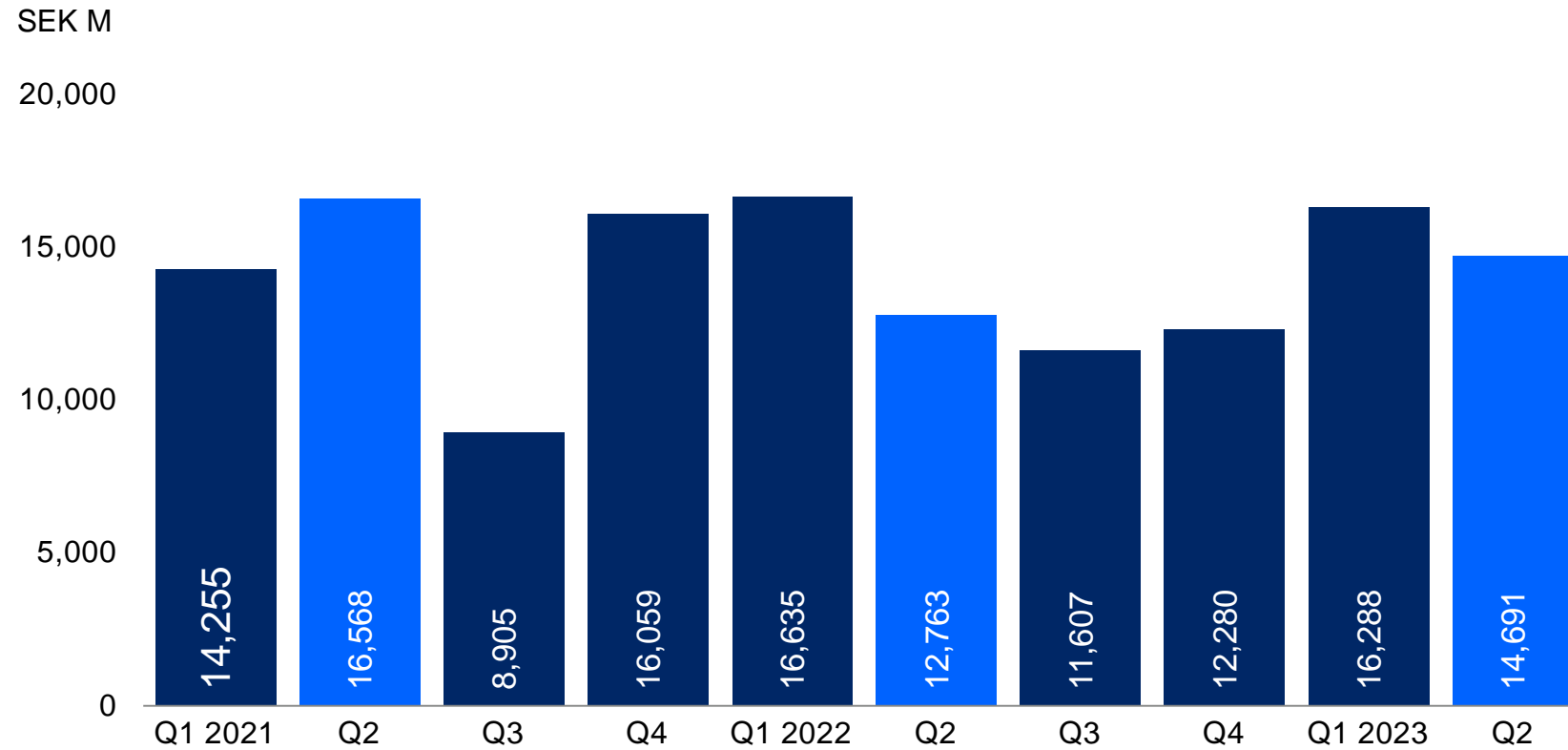
Clear **demand** in many segments

**Industry** continues to improve



**Property Development** a quarter with no project sale – slow market

# Good orders received







Building Nordics, Norway  
Stovner swimming hall  
SEK 800 M



Infrastructure, Denmark  
Water treatment plant, Sjaelland  
SEK 600 M



Building Sweden  
Refurbishment Avicii Arena,  
Stockholm  
SEK 700 M

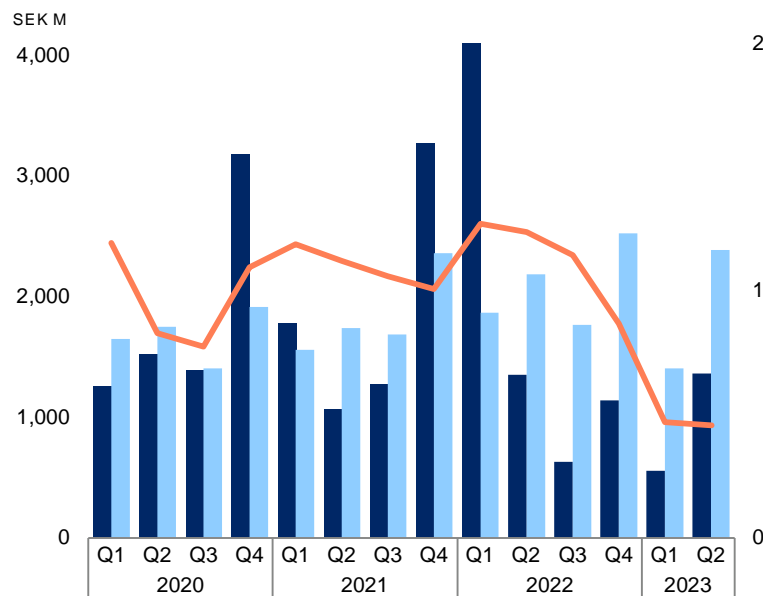


Building Nordics, Norway  
Secure psychiatric unit, Baerum  
SEK 1 bn

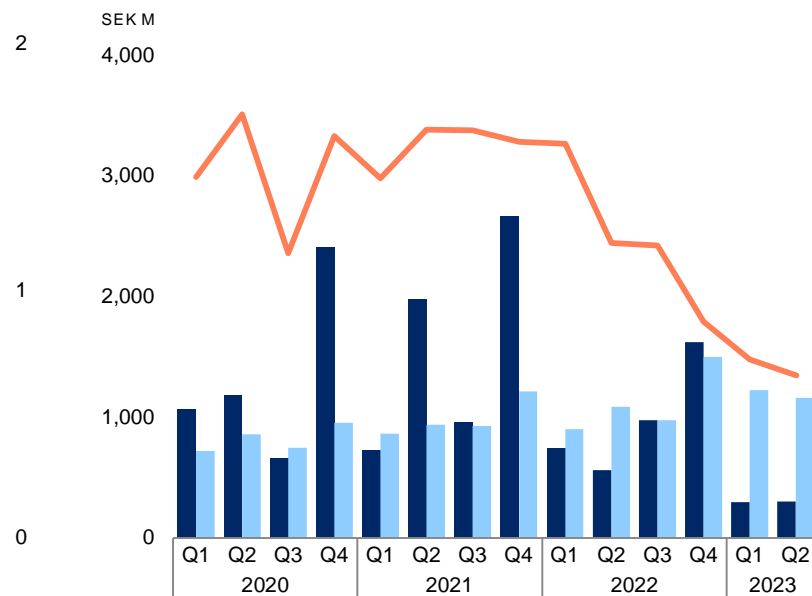


# Emphasis on public buildings

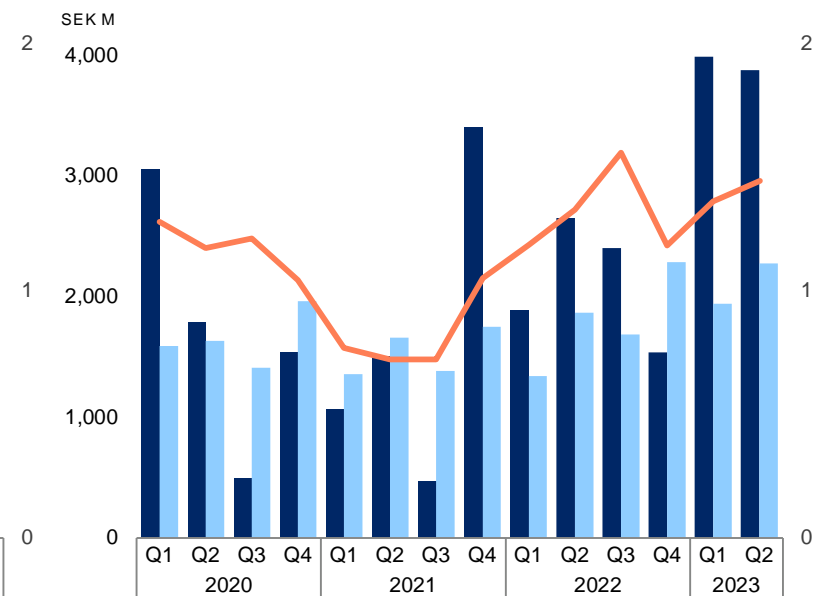
## Residential



## Offices

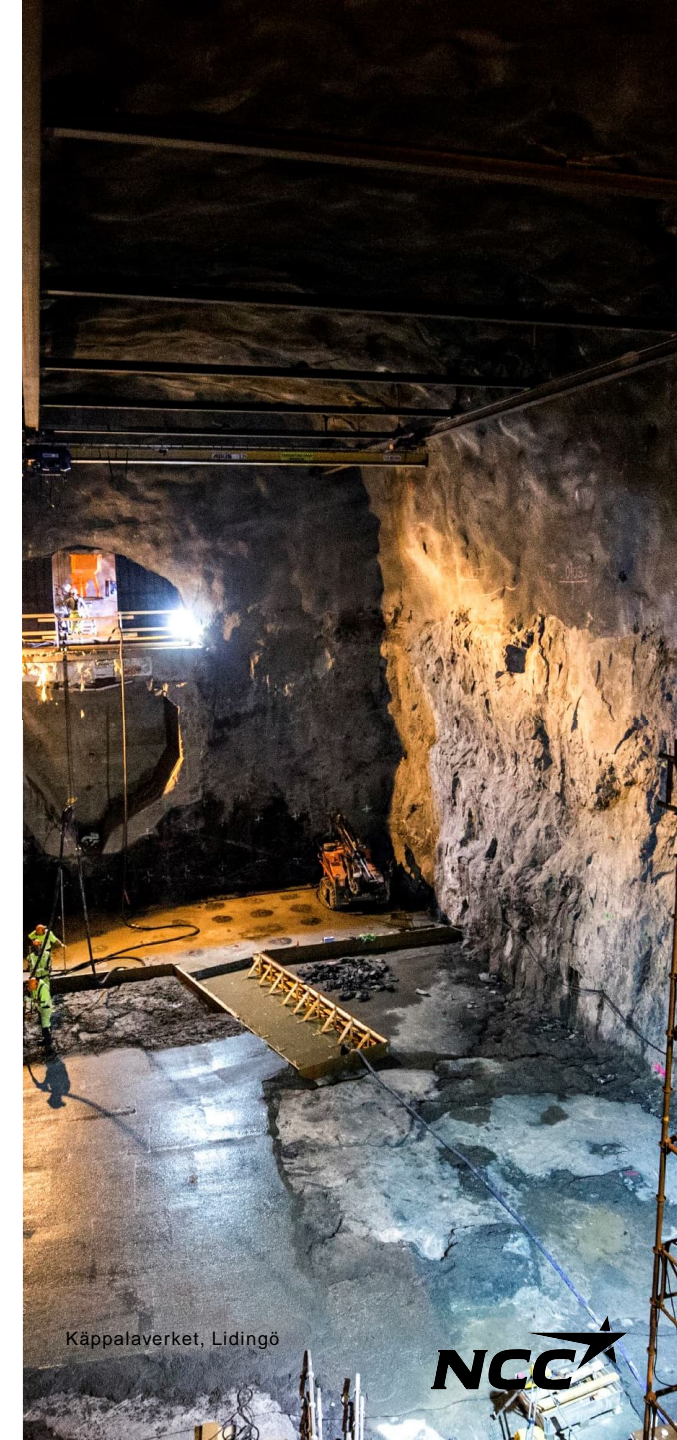
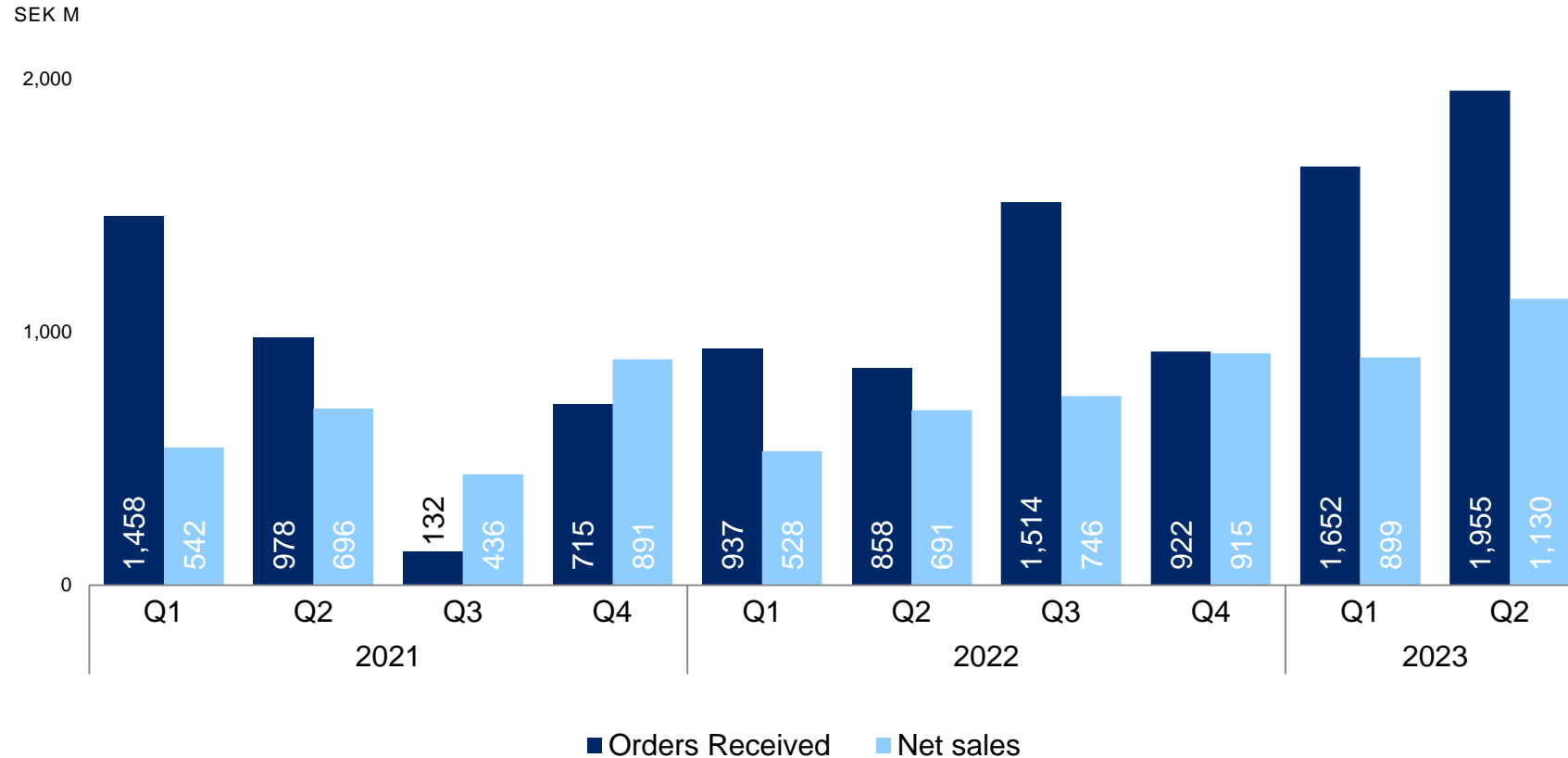


## Public buildings



■ Orders received 
 ■ Net sales 
 — Book-to-bill R12

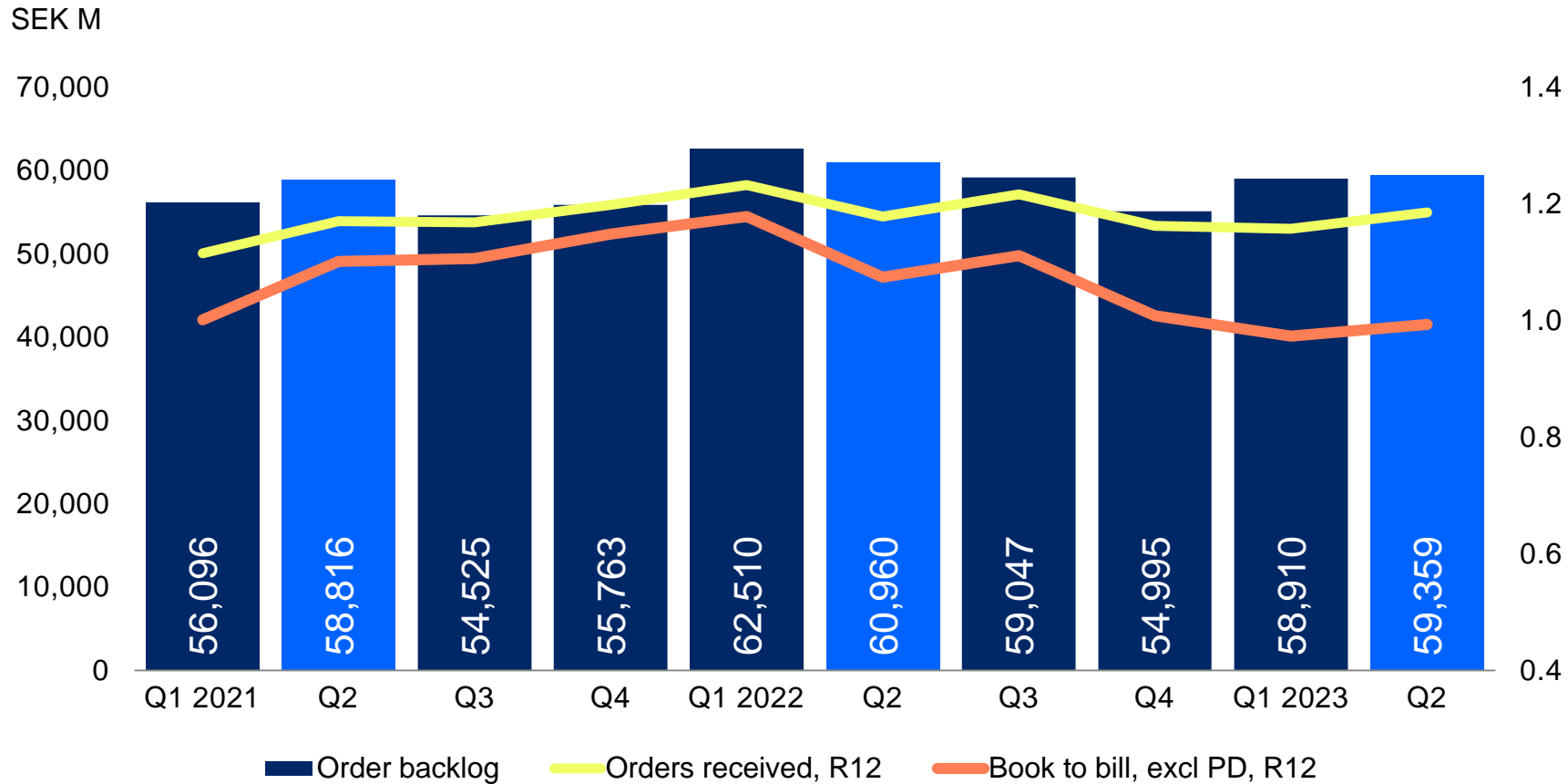
# Energy & Water Treatment



Käppalaverket, Lidingö

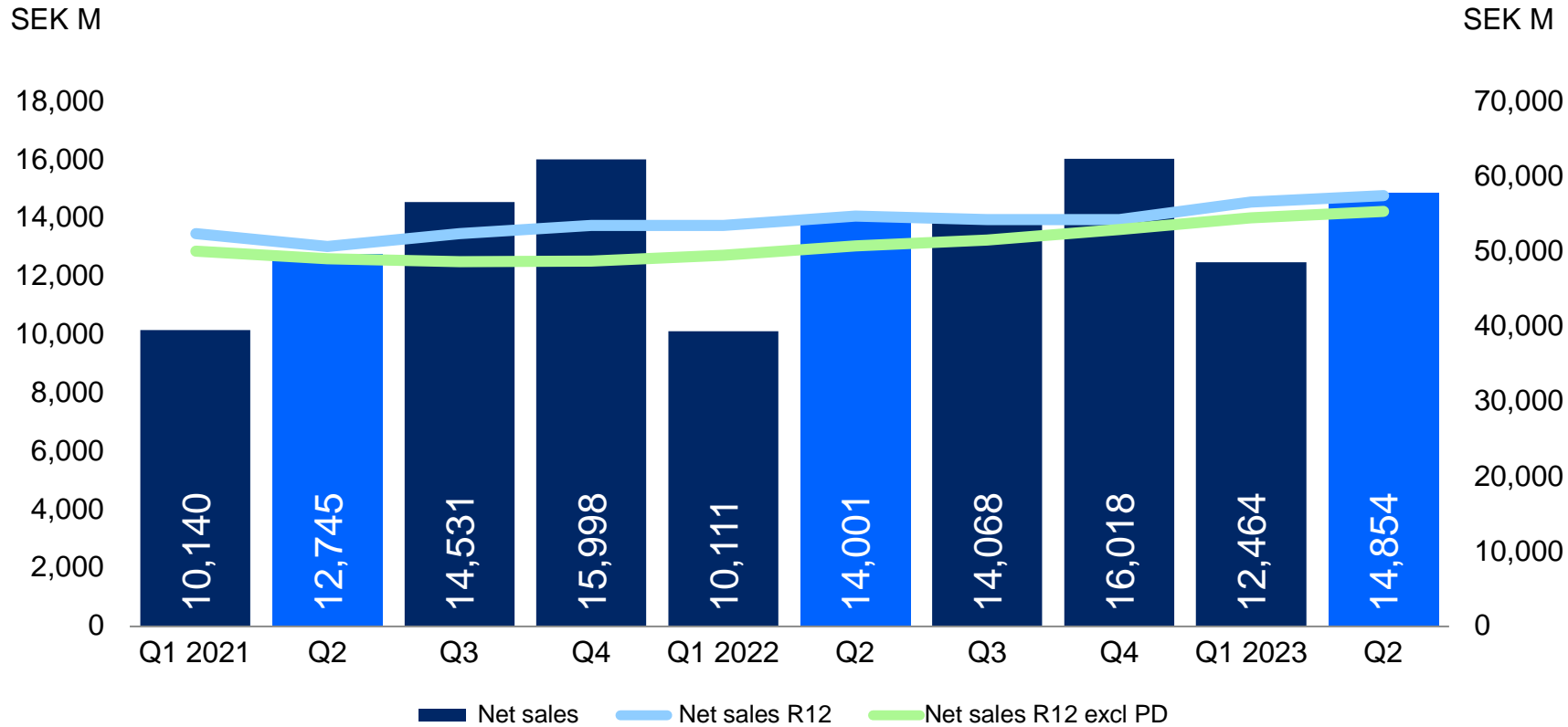


# Solid order backlog – Book-to-bill 1



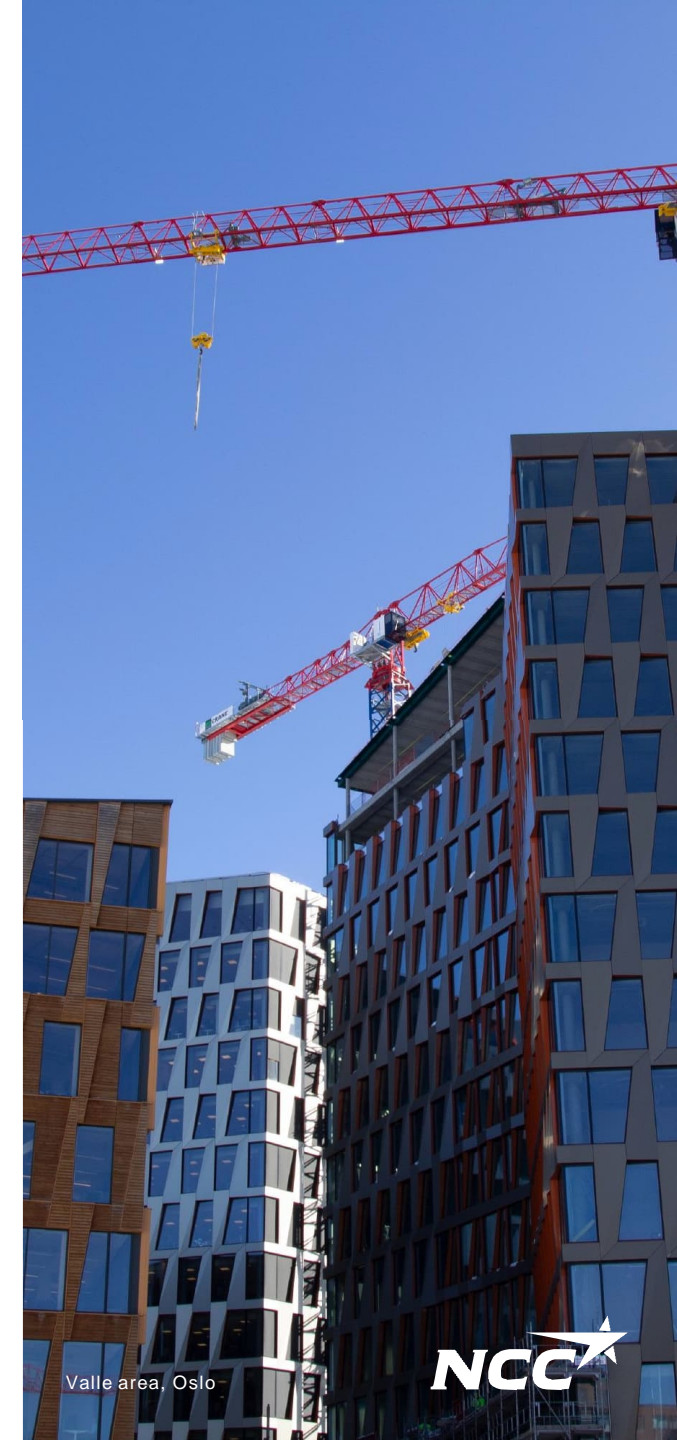
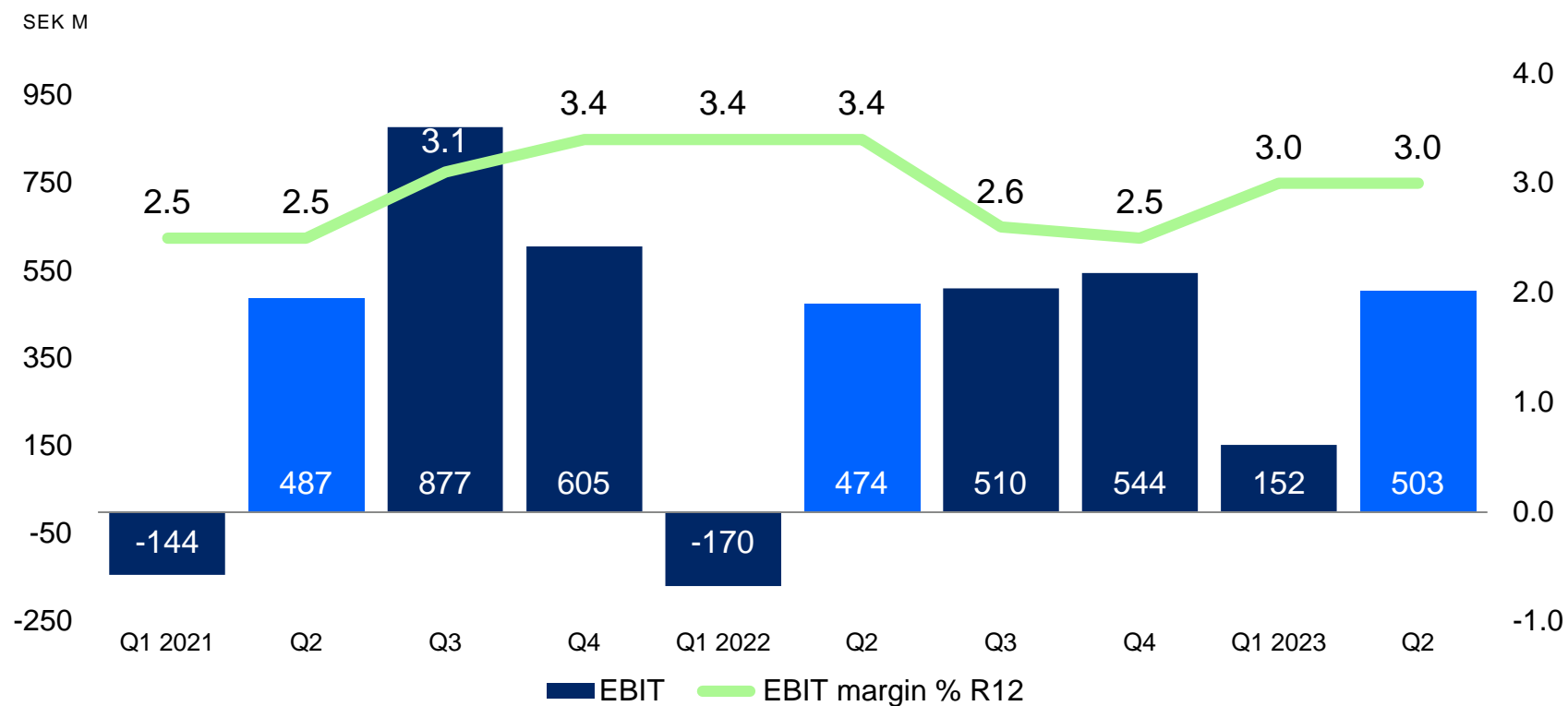


# Net sales





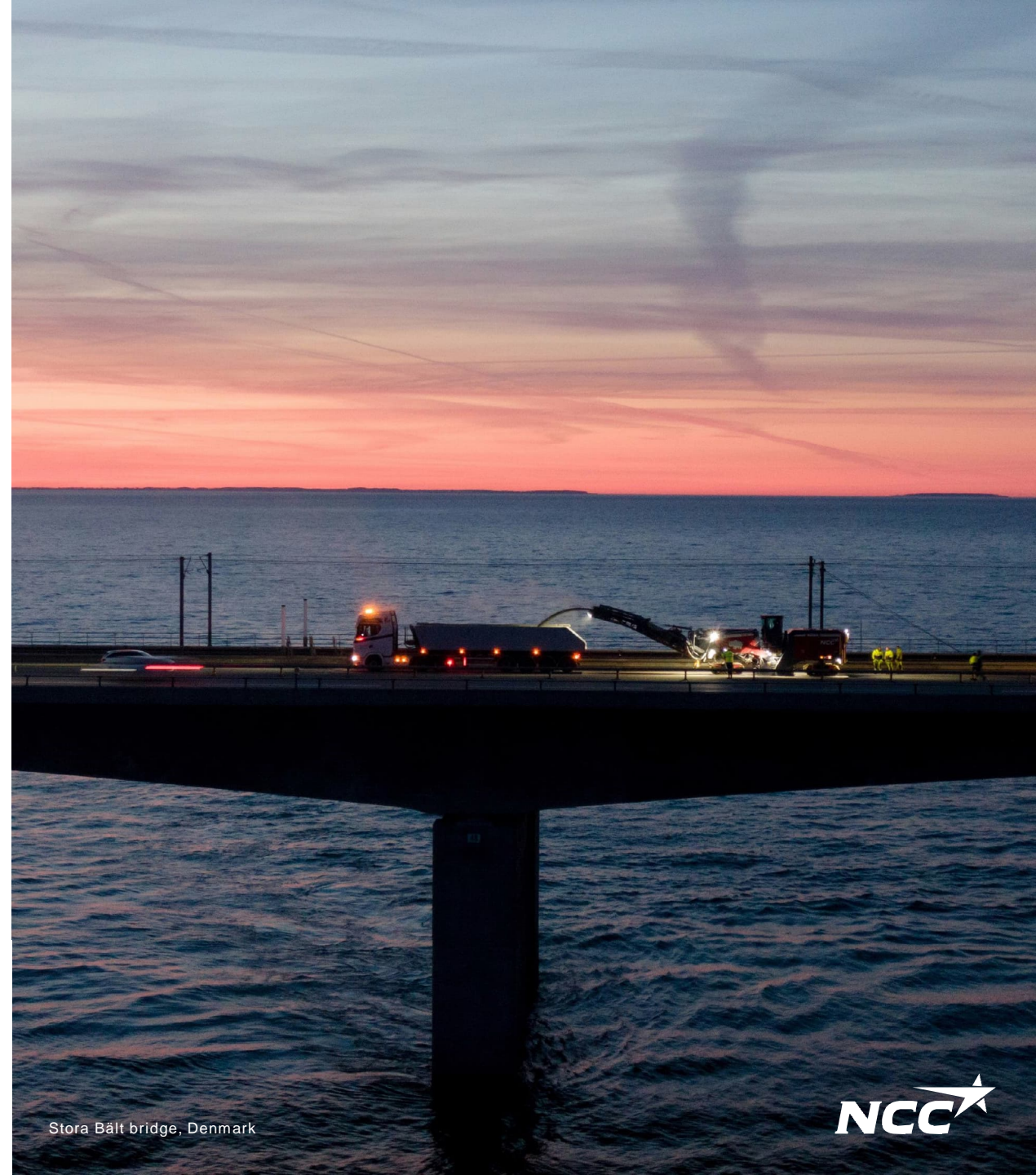
# EBIT on good level





# Market outlook

- Activity in the market in many segments
- Growing demand for public buildings
- Continued strong long-term market for infrastructure and industrial development
- Residential and commercial market significantly slower
- Property market activity very low





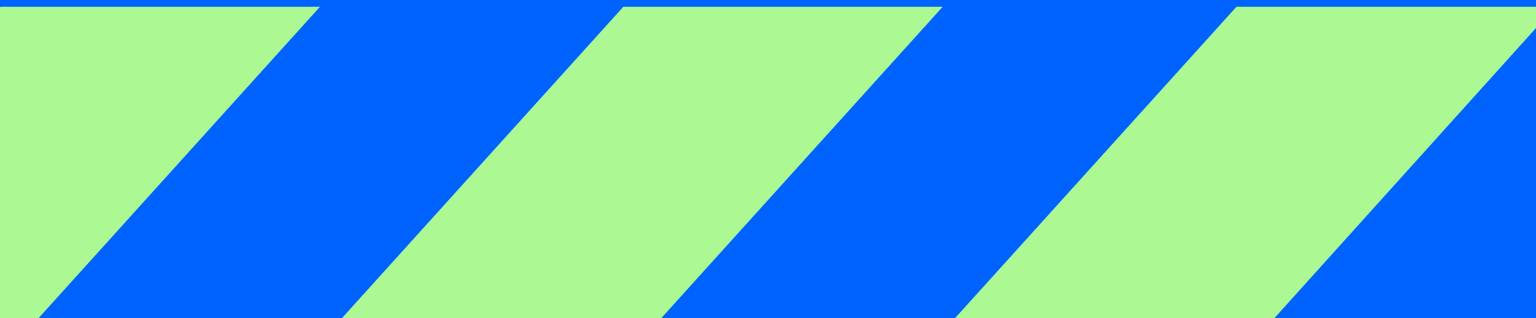
# Focus areas for NCC

- Diligent project selection
- Using our segment strengths
- Continued execution discipline
- Adapting resources where needed

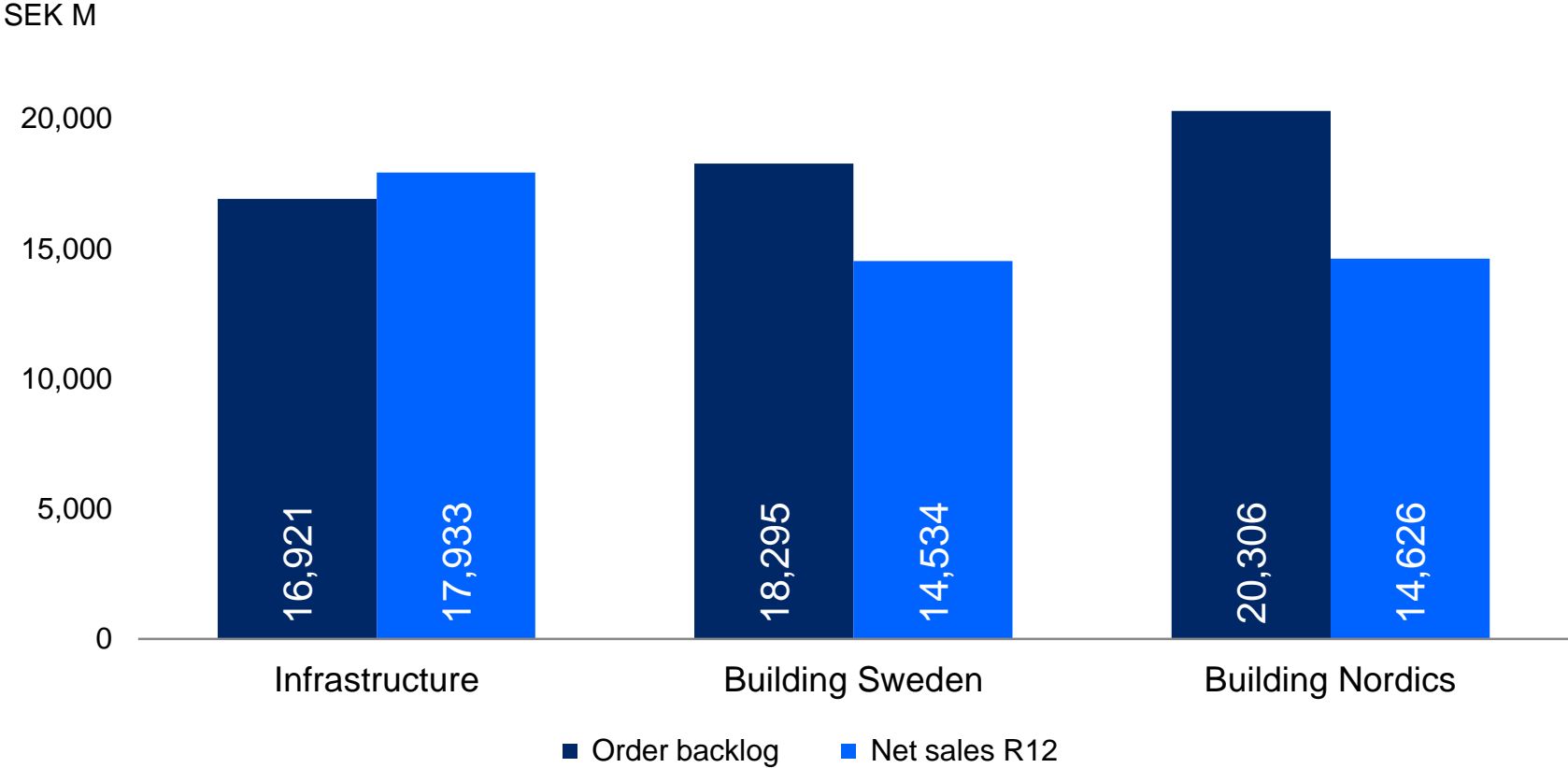




# Susanne Lithander



# Solid order backlog in all contracting units





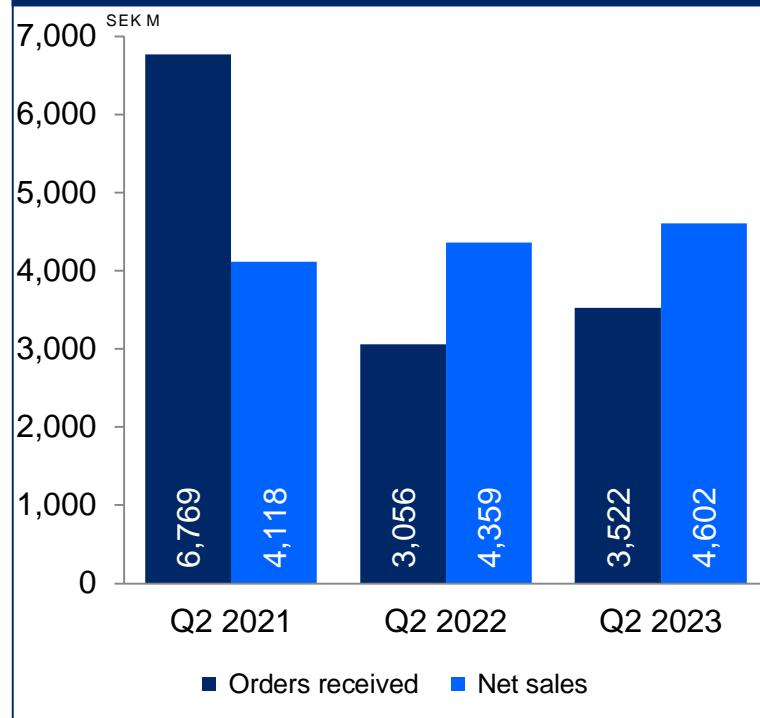
# NCC Infrastructure

Solid trajectory of improvement – focus on prioritized segments

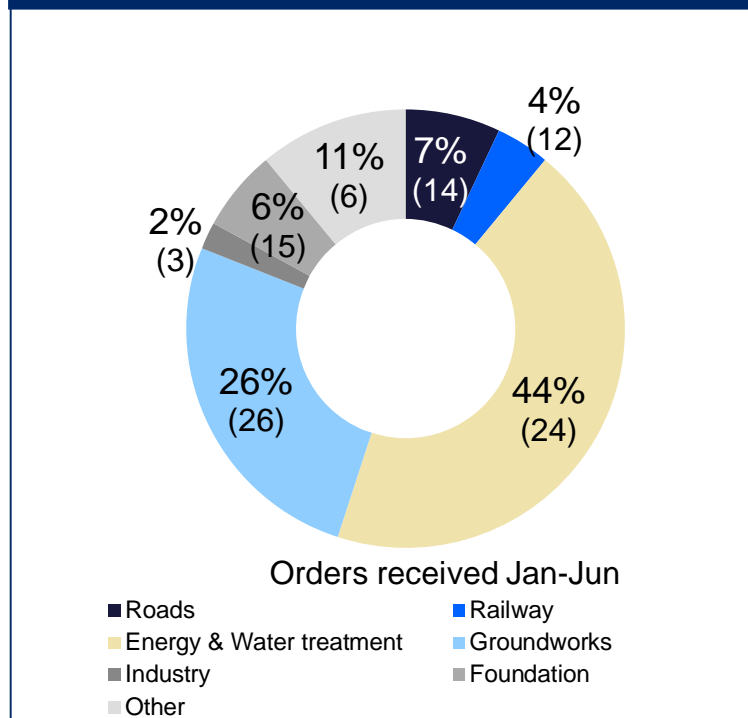
Share of net sales %

SE 75	DK 12	NO 13
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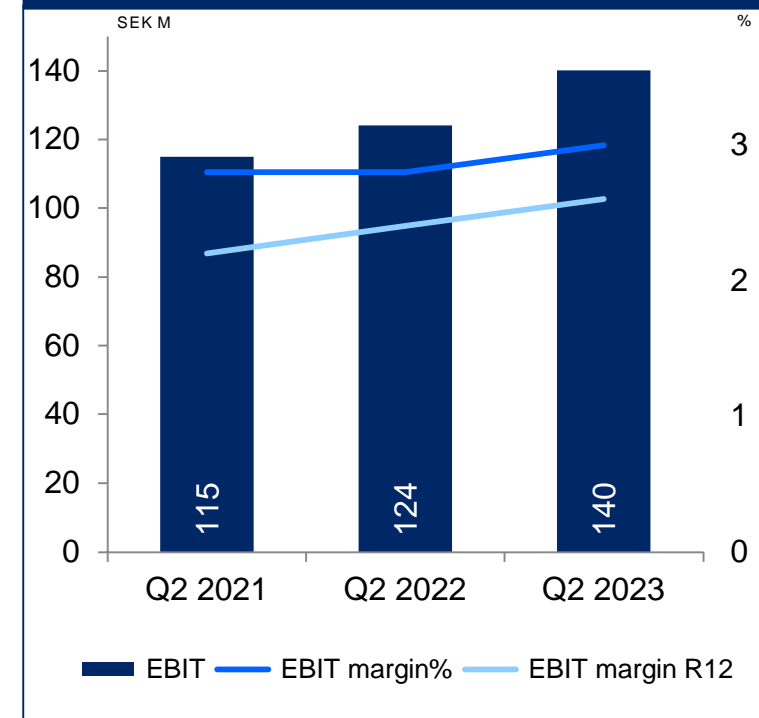
## Fair orders received



## Energy and water treatment segment growing



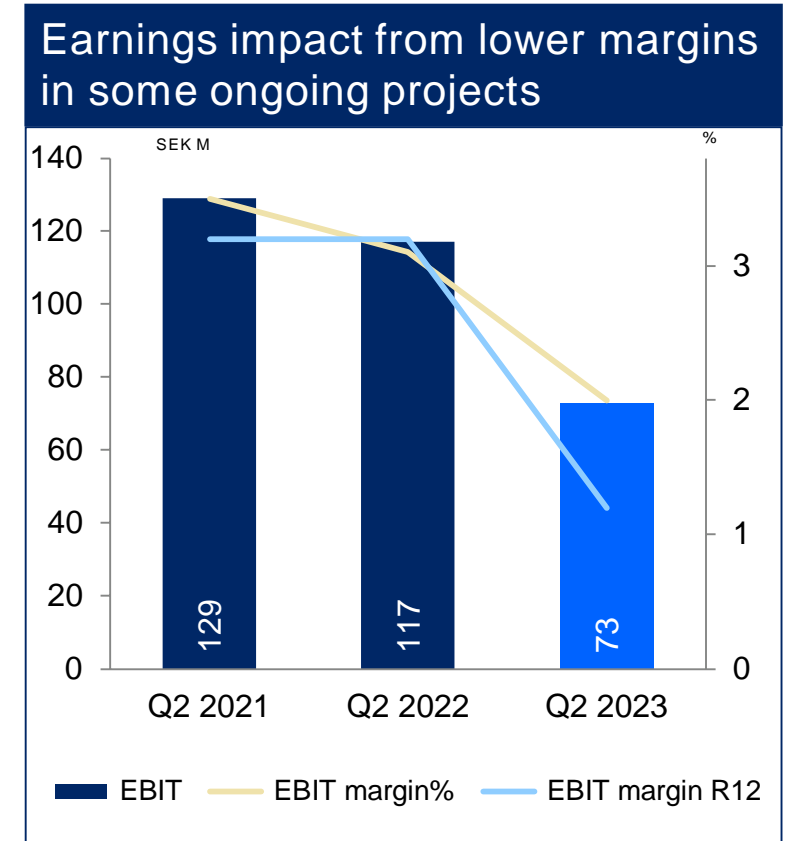
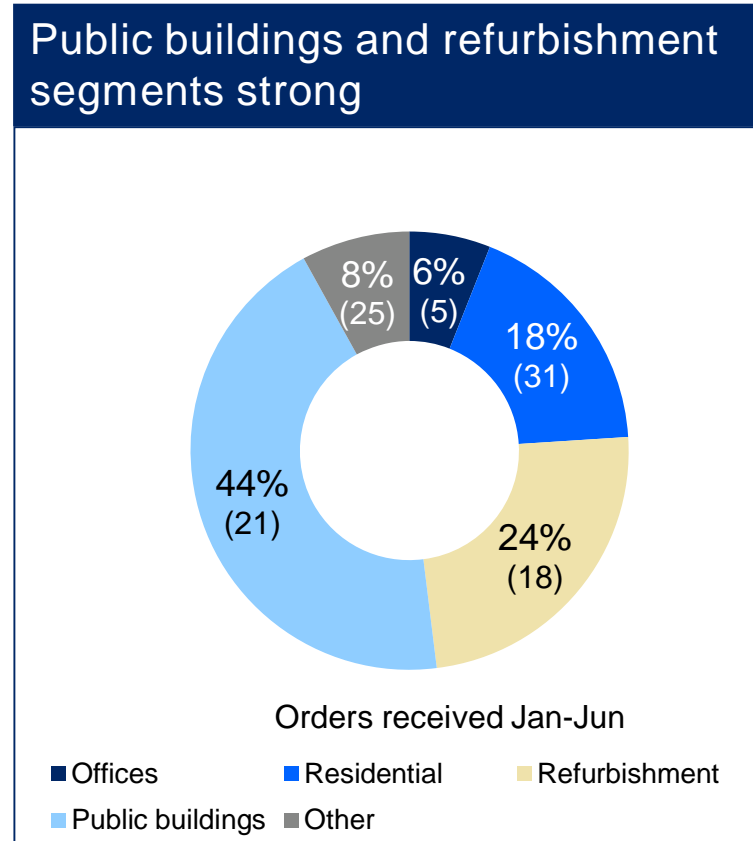
## Earnings improving





# NCC Building Sweden

Solid orders received – public buildings and refurbishment strong

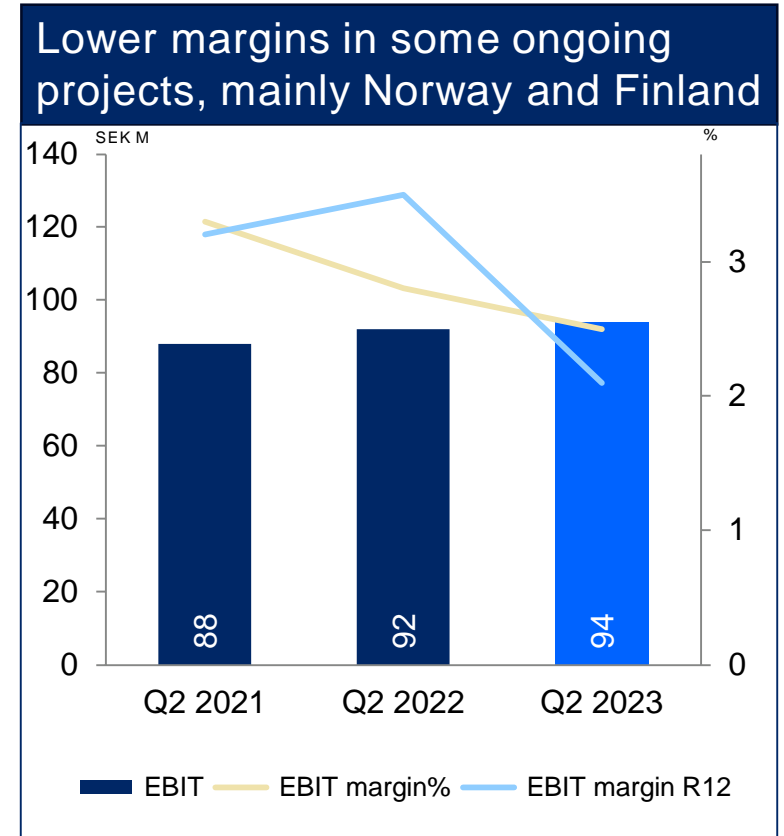
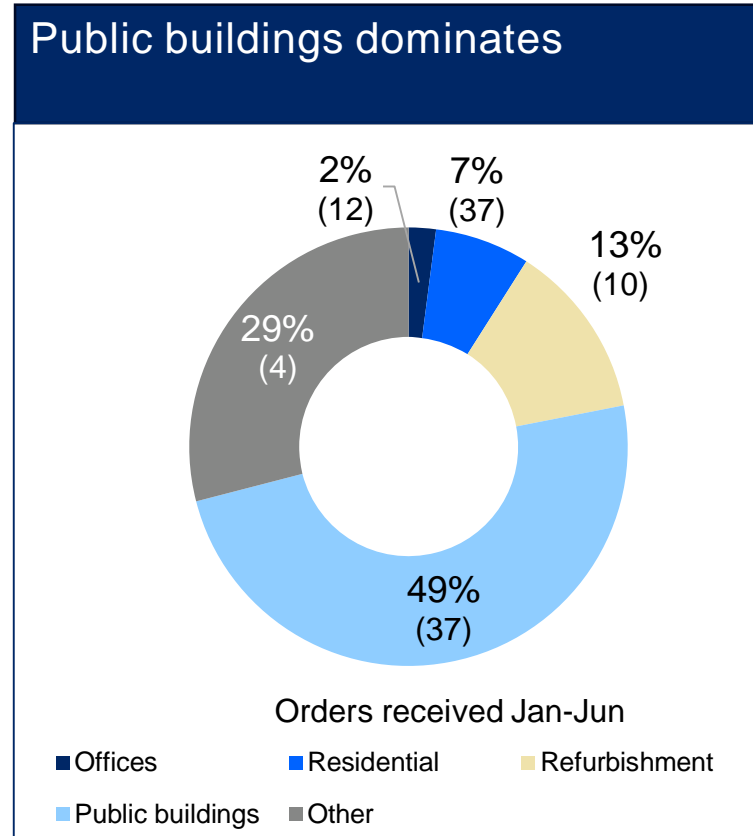
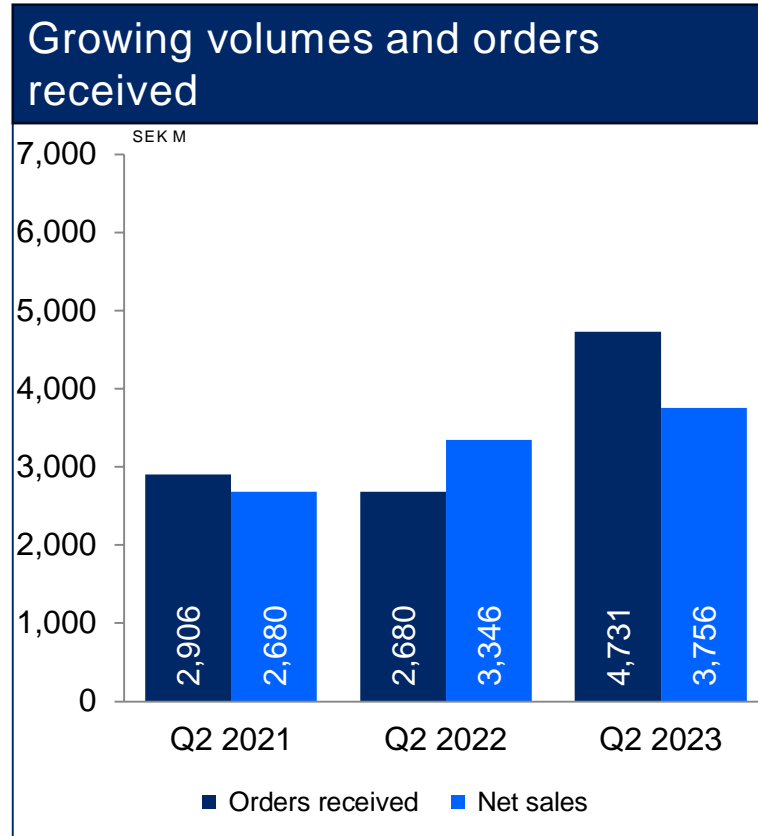




# NCC Building Nordics

Growing, some earnings impact from last year mainly in Finland and Norway

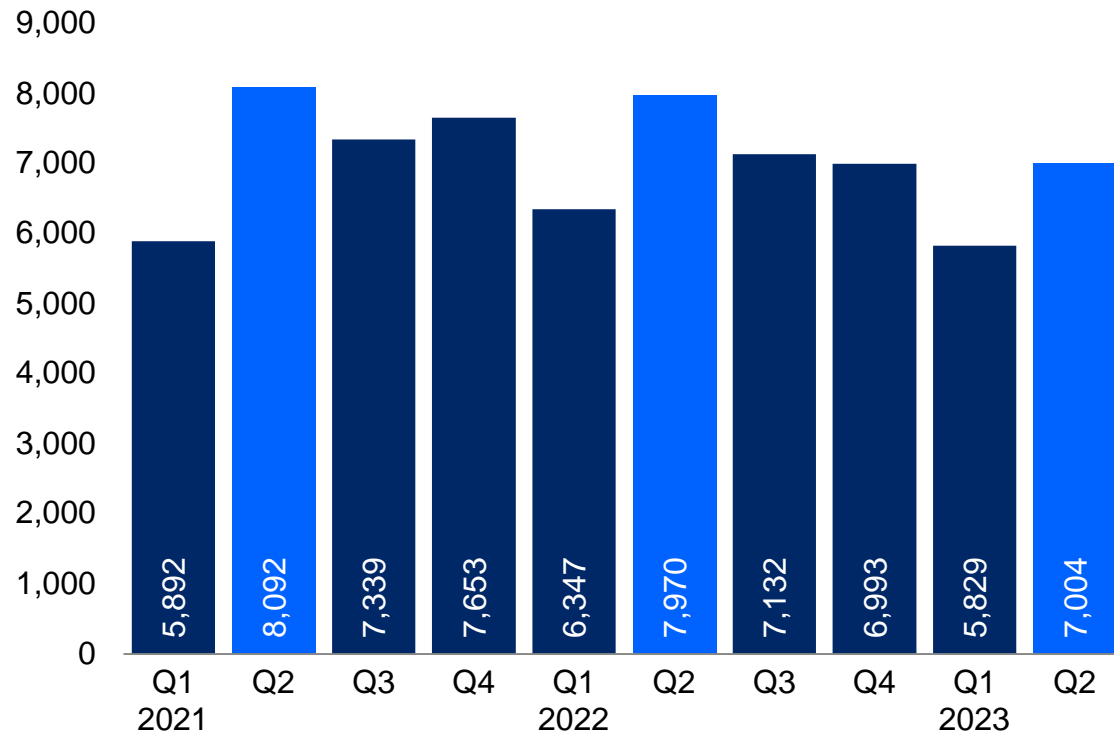
Share of net sales %



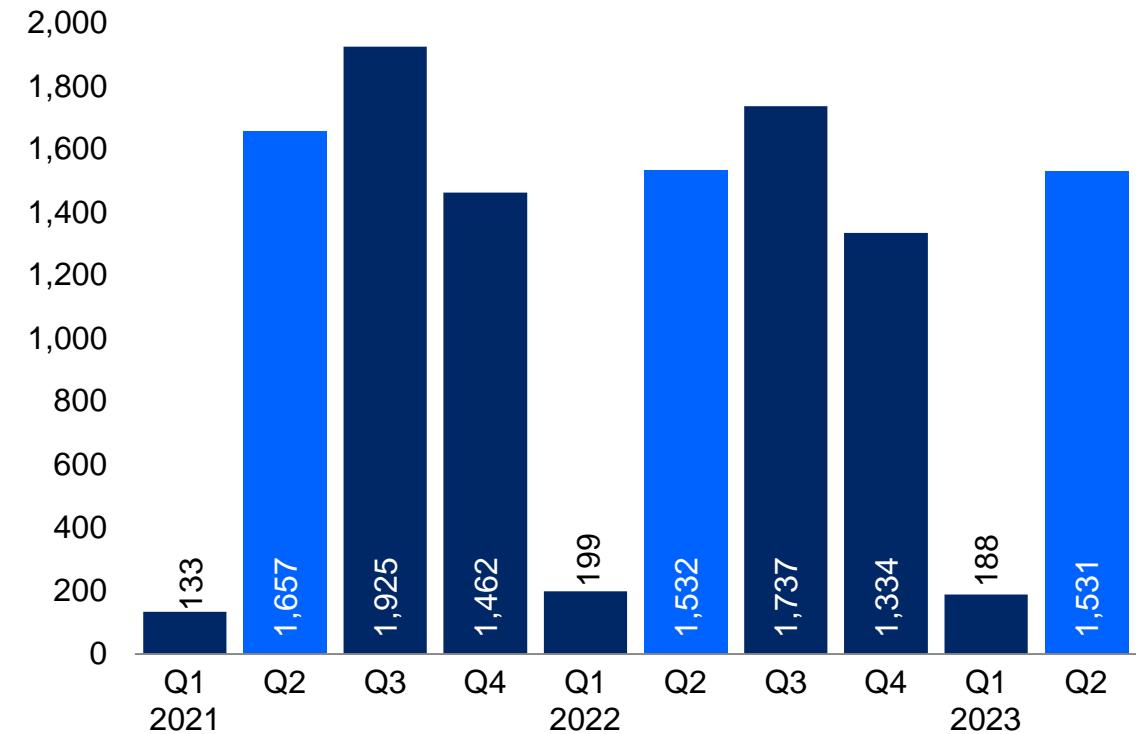
# NCC Industry: Stone and asphalt volumes

Asphalt volumes on par, stone volumes following residential market

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)





# NCC Industry\*

Good progress and good start to the year

Share of net sales %



Operating capital employed, SEK M	5,378
ROCE, %	2.0

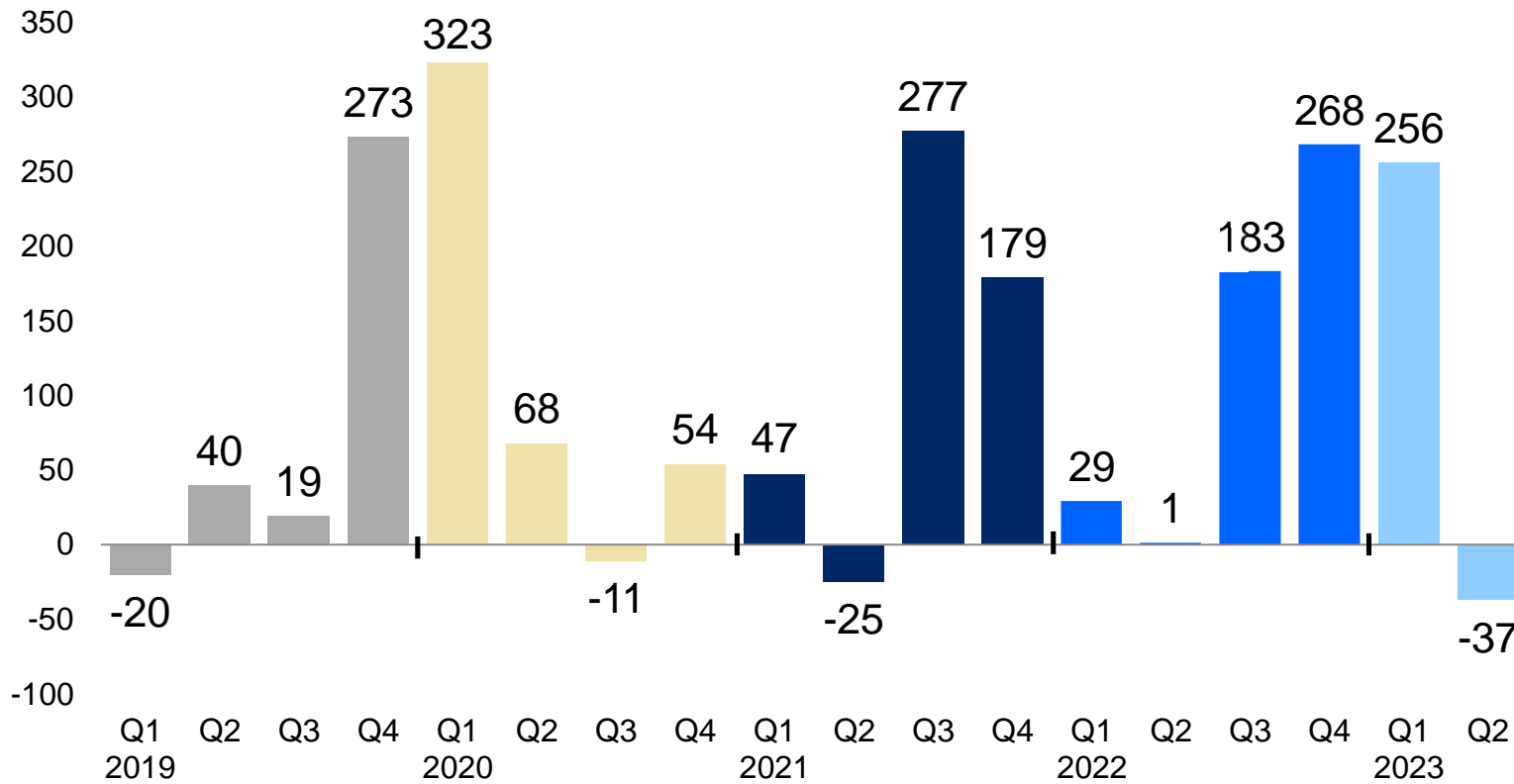
\*Asphalt Finland excluded from 2021 numbers



# NCC Property Development

No profit recognition of sold projects this quarter

EBIT, SEK M

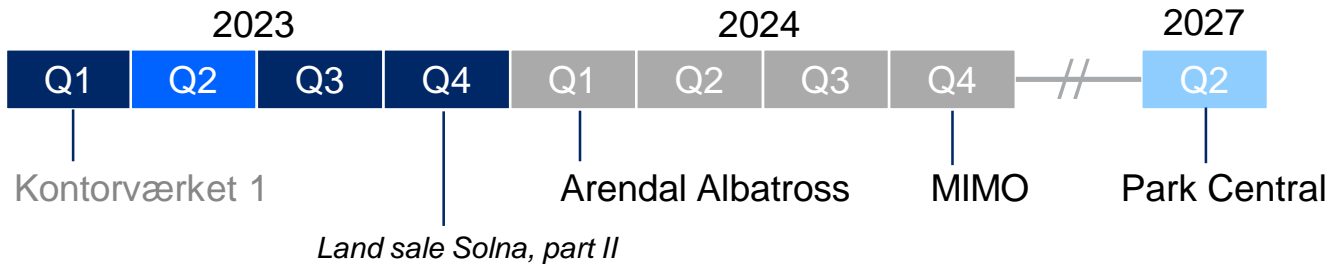




# NCC Property Development

7 ongoing projects, 4 completed projects

## Expected time of profit recognition for sold projects



### Ongoing projects, not sold

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

### Completed projects, not sold

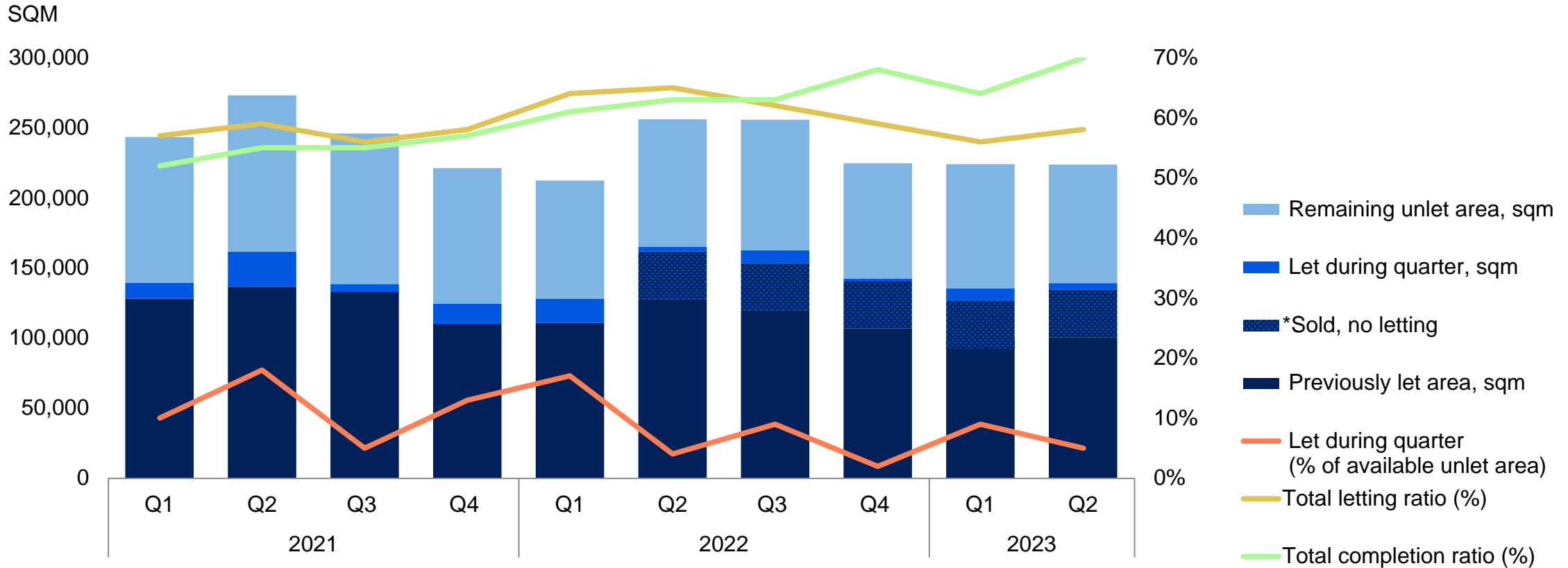
- Bromma Blocks, Stockholm
- Brick Studios, Gothenburg
- Våghuset, Gothenburg
- Kulma21, Helsinki

Operating capital employed, SEK M 8,787

ROCE, % 8.4

# NCC Property Development

7 letting contracts signed during Q2



\* Arrendal 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.





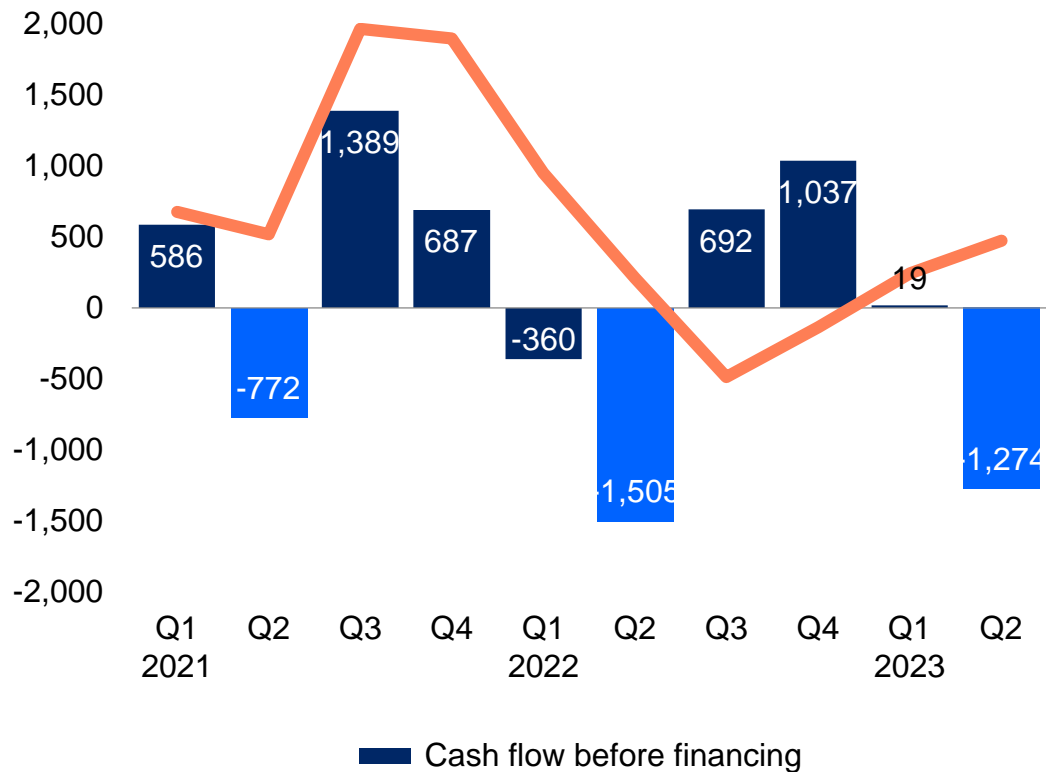
# Earnings

SEK M	Q2		Jan - Jun		R12, Jul-Jun	Jan-
	2023	2022	2023	2022	Dec	2022
<b>Earnings in segments (all BAs)</b>	<b>552</b>	<b>575</b>	<b>692</b>	<b>489</b>	<b>1 721</b>	<b>1,518</b>
<i>NCC HQ and subsidiaries</i>	-87	-71	-158	-132	-157	-131
<i>Internal gains</i>	-18	-16	5	-29	-10	-44
<i>Other group adjustments</i>	56	-14	116	-25	156	15
<b>Other &amp; Eliminations total</b>	-49	-101	-37	-186	-11	-161
<b>EBIT</b>	<b>503</b>	<b>474</b>	<b>655</b>	<b>304</b>	<b>1,708</b>	<b>1,358</b>
Financial items	-10	-10	23	-15	-21	-59
<b>EBT</b>	<b>493</b>	<b>464</b>	<b>678</b>	<b>289</b>	<b>1,688</b>	<b>1,299</b>
Tax	-86	-81	-119	-53	-296	-230
<b>Profit for the period</b>	<b>407</b>	<b>383</b>	<b>560</b>	<b>236</b>	<b>1,392</b>	<b>1,069</b>
<b>Earnings per Share</b>	<b>4.17</b>	<b>3.59</b>	<b>5.73</b>	<b>2.20</b>	<b>14.02</b>	<b>10.29</b>

# Cash flow

## Seasonally negative

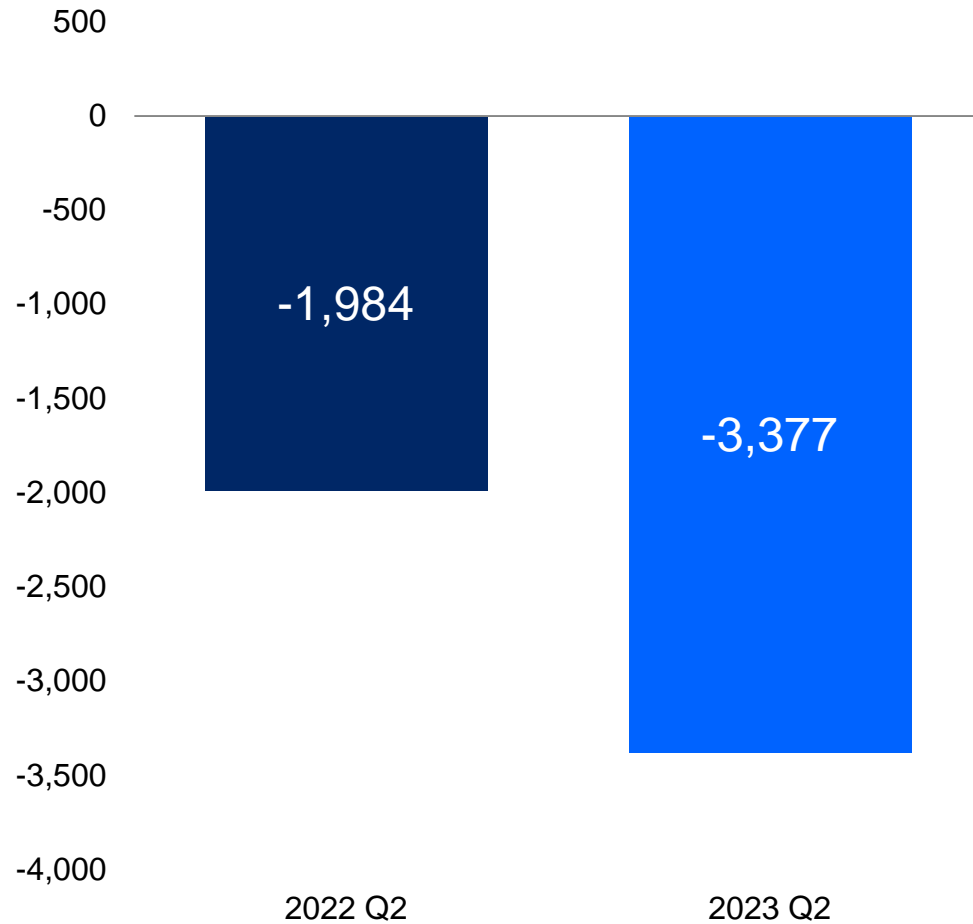
SEK M



SEK M	Q2		Jan-Jun		R12, Jul-Jun	Jan- Dec
	2023	2022	2023	2022	2022/ 2023	2022
From operating activities	598	598	938	596	2,339	1,997
From property projects	-603	-672	-857	-984	-1,391	-1,518
Other working capital	-1,003	-1,345	-899	-1,409	297	-213
Investing activities	-265	-86	-437	-67	-770	-401
<b>Cash flow before financing</b>	<b>-1,274</b>	<b>-1,505</b>	<b>-1 255</b>	<b>-1 865</b>	<b>474</b>	<b>-136</b>



# Corporate net debt Jun 30, 2023



## Net debt\* / EBITDA

Target	< 2.5x
Jun 30, 2023	1.4x

\*Corporate net debt excluding pension liabilities and leasing liabilities

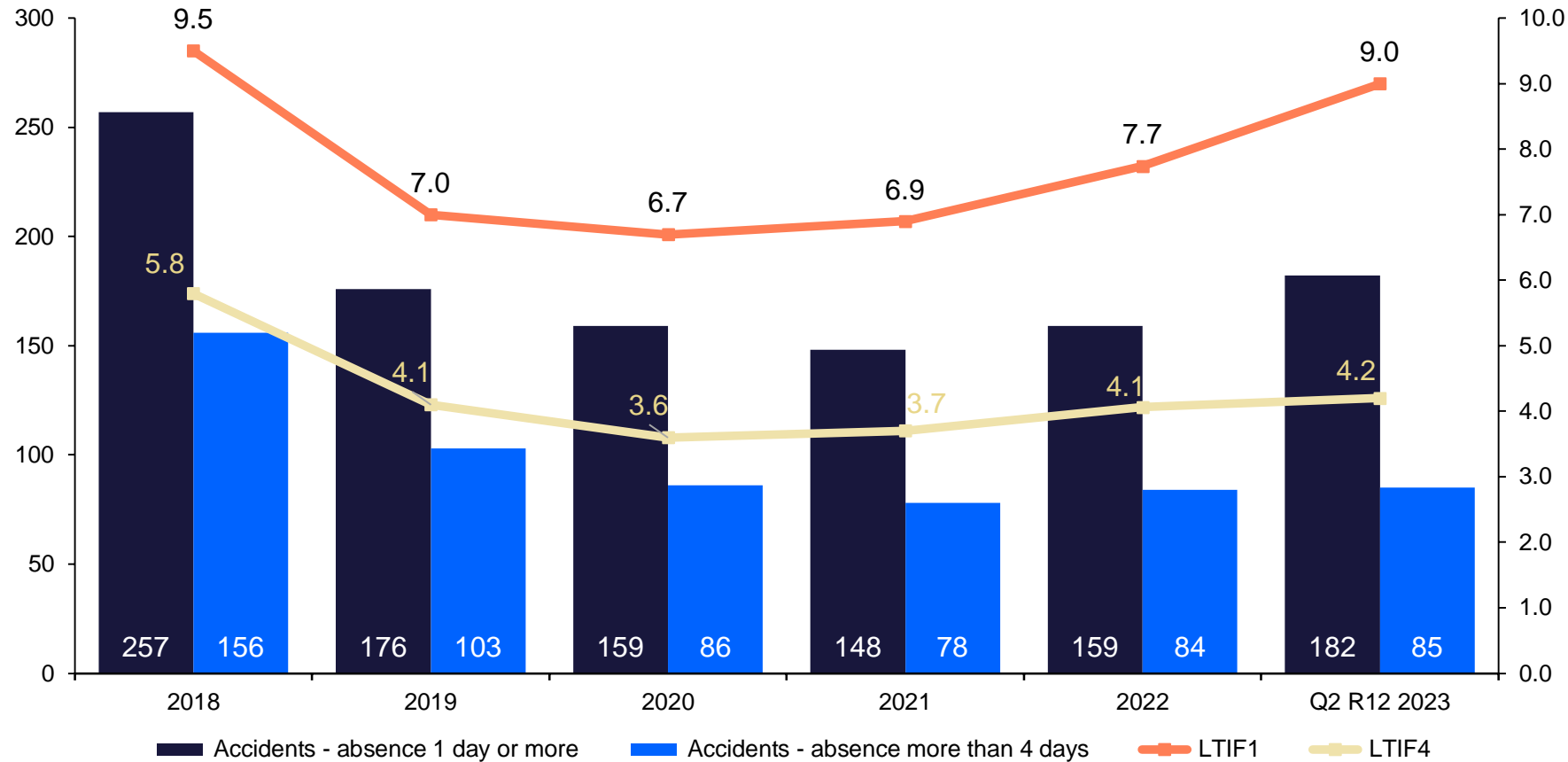
# Tomas Carlsson





# Health & Safety target

Lost Time Injury Frequency LTIF1\* and LTIF4\*\* for NCC employees



TARGET LTIF4  
**2.00**  
2026

\*LTIF1 - Lost Time Injury Frequency - work related accidents with one day or more absence from ordinary duties per one million worked hours

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

Q2 R12 2023 refers to June 1, 2022 – May 31, 2023



# Climate and Energy targets

Data for Jan-Jun presented in Q3





# Financial targets

Earnings per share

**16.00**

SEK 2023

R12, Q2 2023

**14.02**

SEK

Net debt

**< 2.5**

x EBITDA

Q2 2023 R12

**1.4x**

Dividend policy

**≈ 60%**

of profit after tax

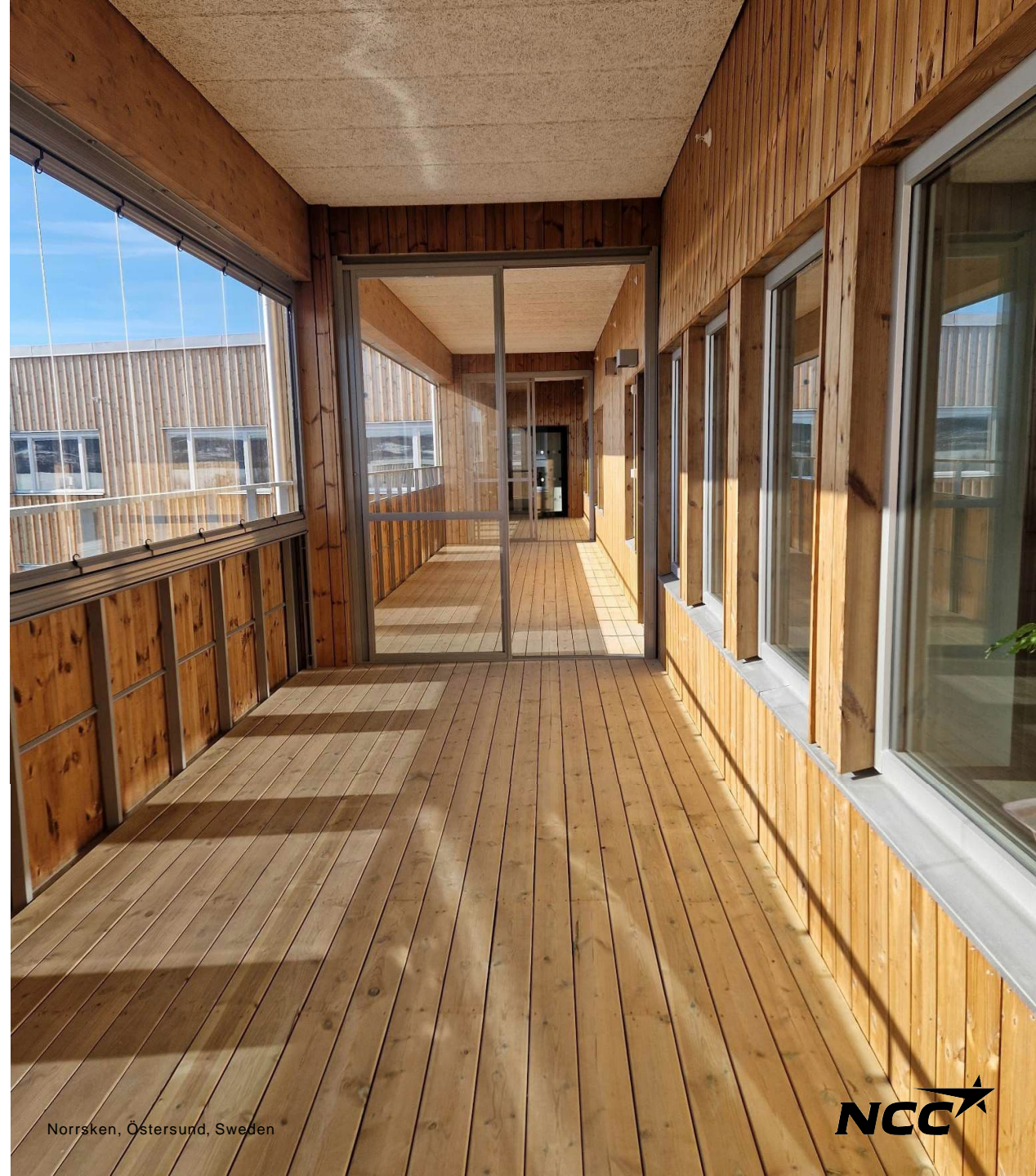
55% of profit after tax

**6.00**

SEK

# Targets going forward

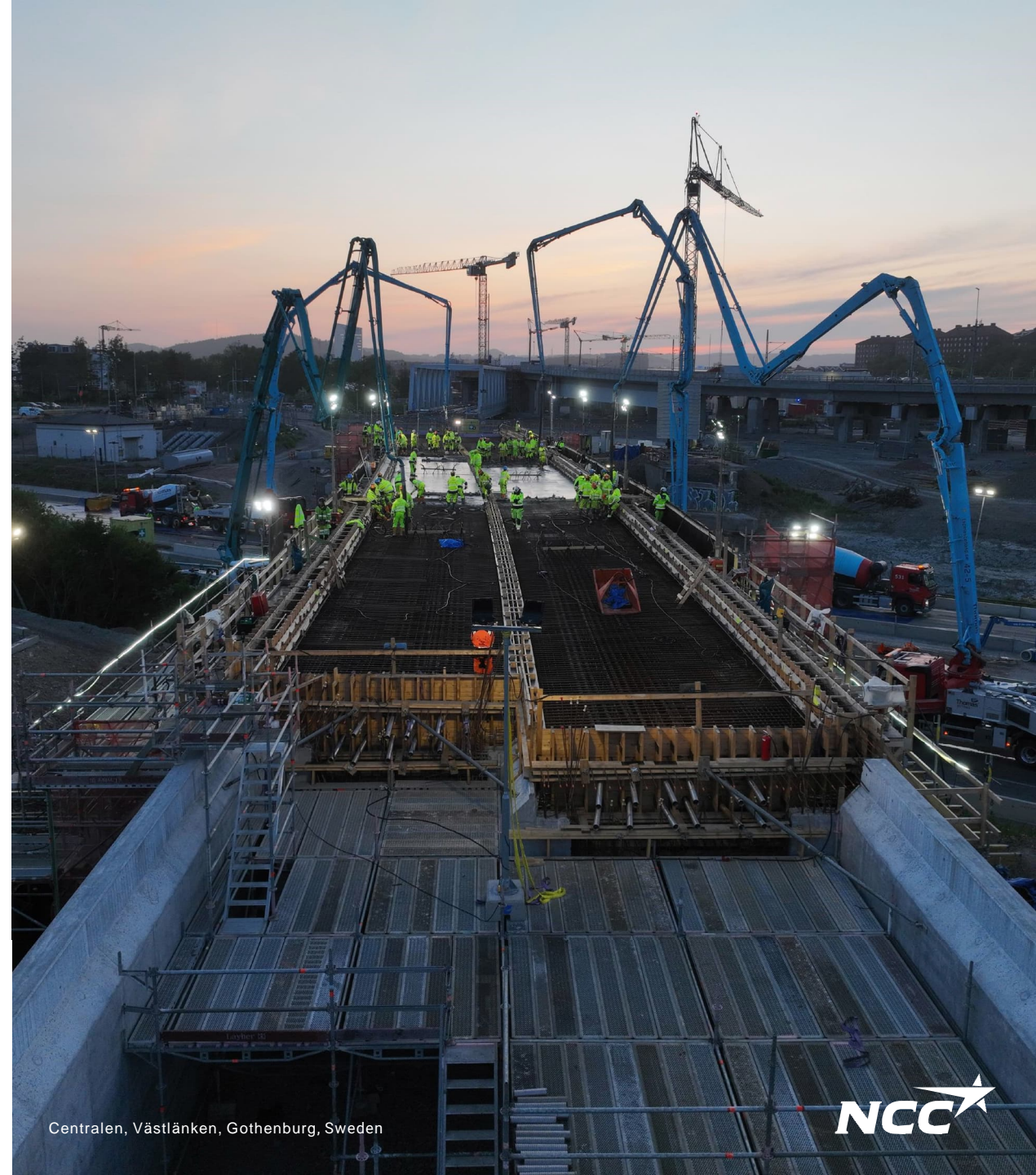
- EPS target of 16 SEK remains – but for 2023 contingent on property market
- Capital Markets Day planned for late autumn 2023





# Summary

- Good orders received – clear demand in many segments
- Good earnings in general – positive development
- Stable financial position
- Property market – timing for normalization of market uncertain







# Contact information

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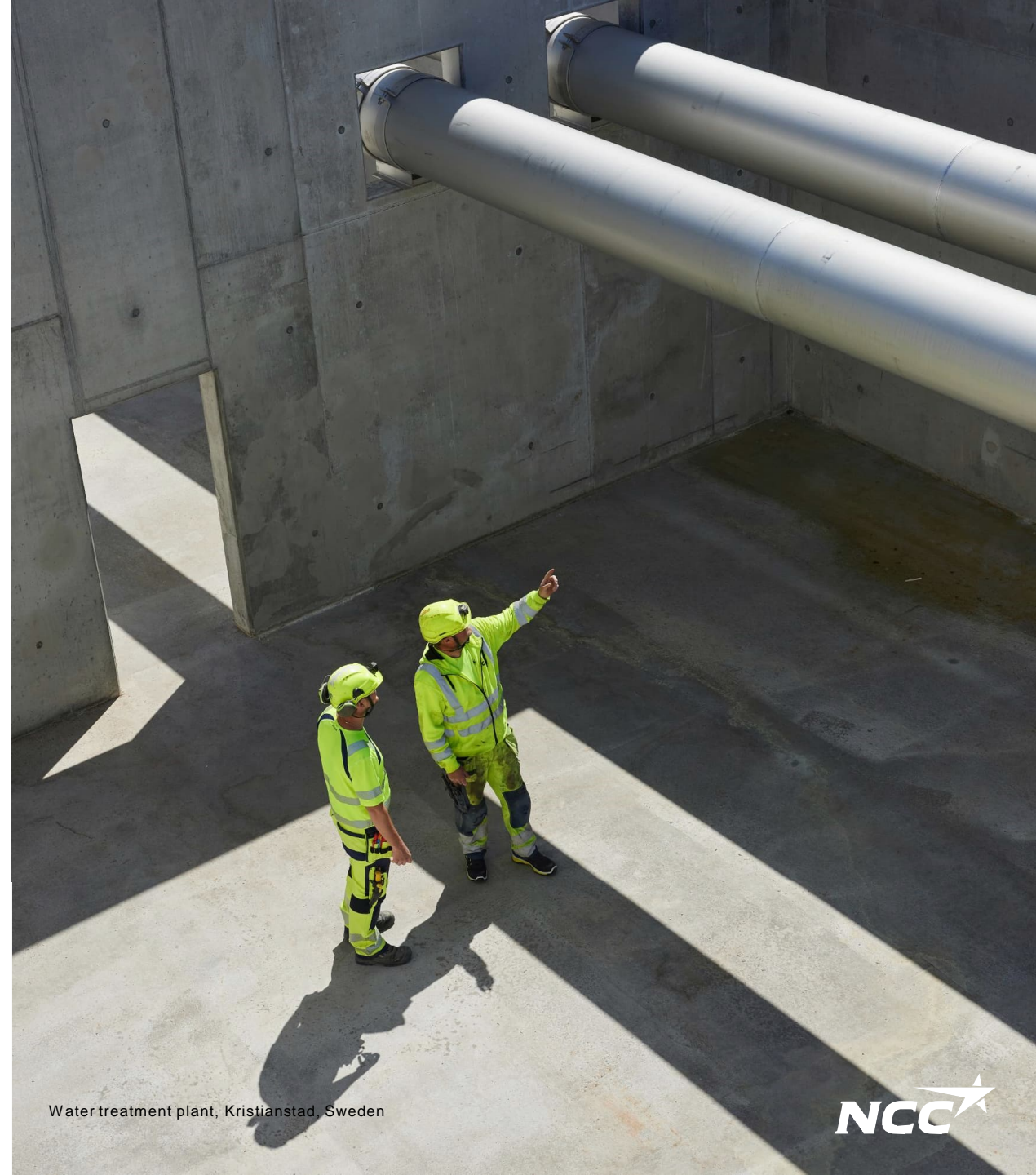
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For definitions and details, please see the quarterly report



Water treatment plant, Kristianstad, Sweden