

# Q3 2022



Tomas Carlsson, CEO  
Susanne Lithander, CFO



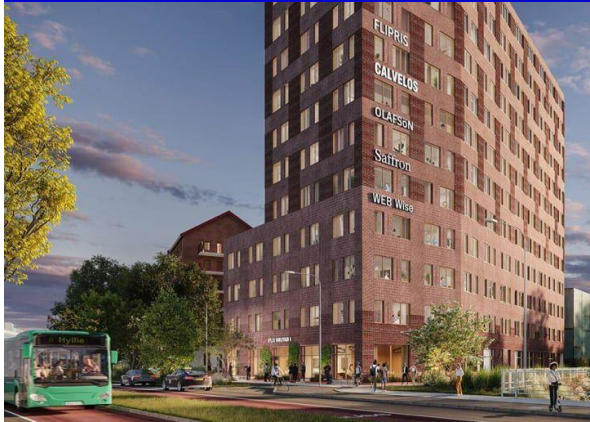
# Mixed picture in challenging conditions

Strong orders received and order backlog

Stable earnings in Infrastructure and Building Nordics, cost increases are challenging

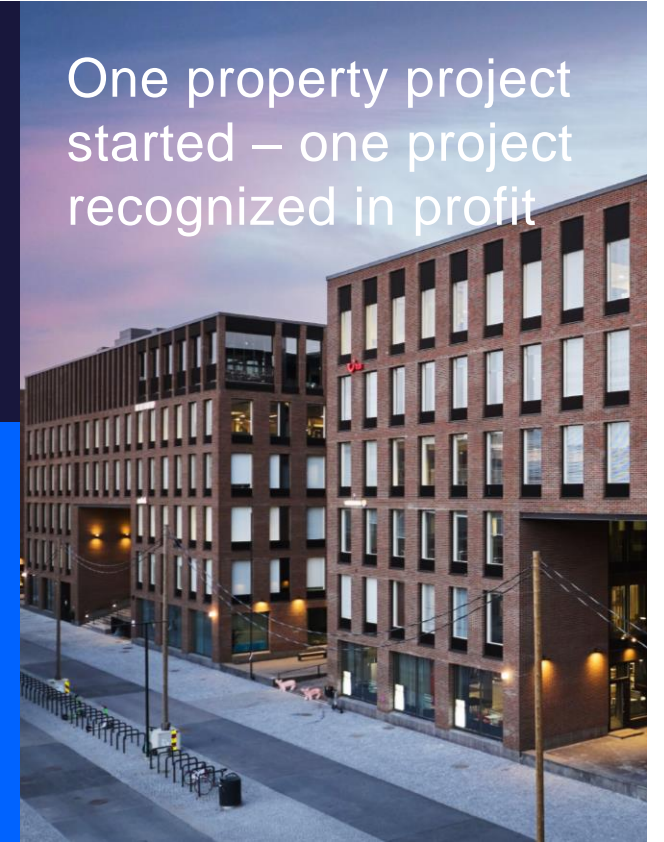
Building Sweden 120 MSEK write-down and pressure on margins

One property project started – one project recognized in profit



Heavy negative impact in Industry (asphalt) from cost increases

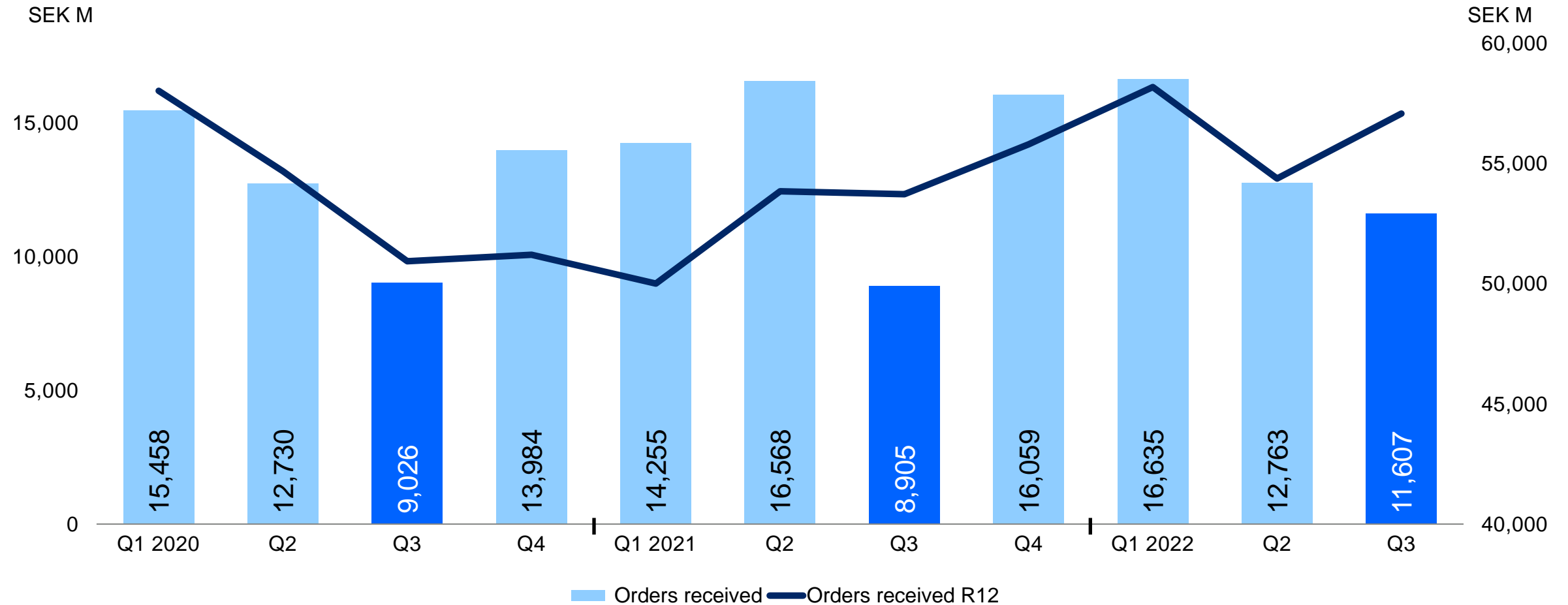
Cashflow as expected



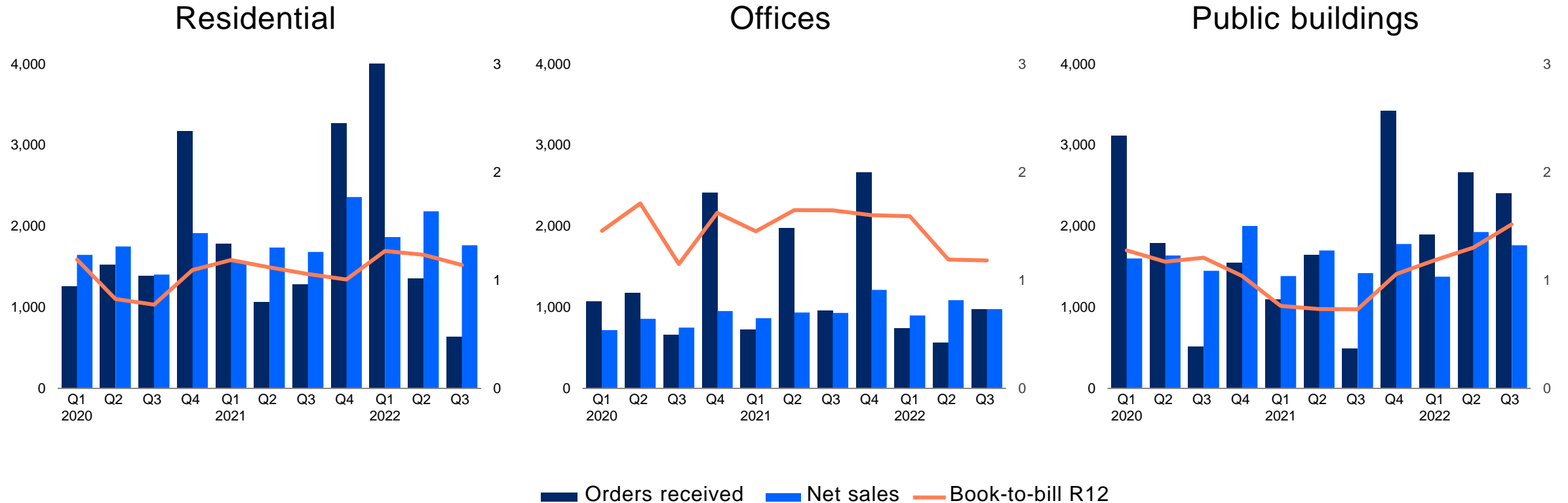


# Strong orders received

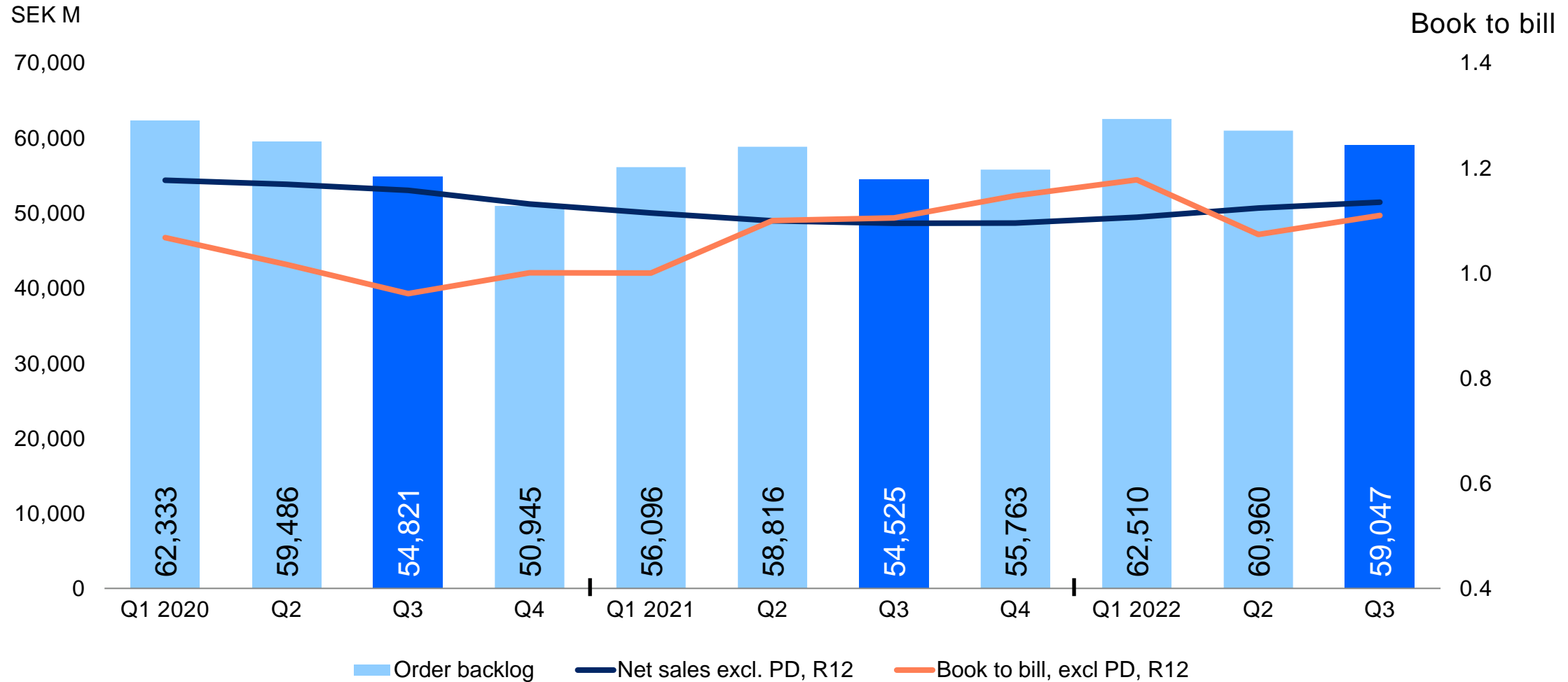
Up in all business areas



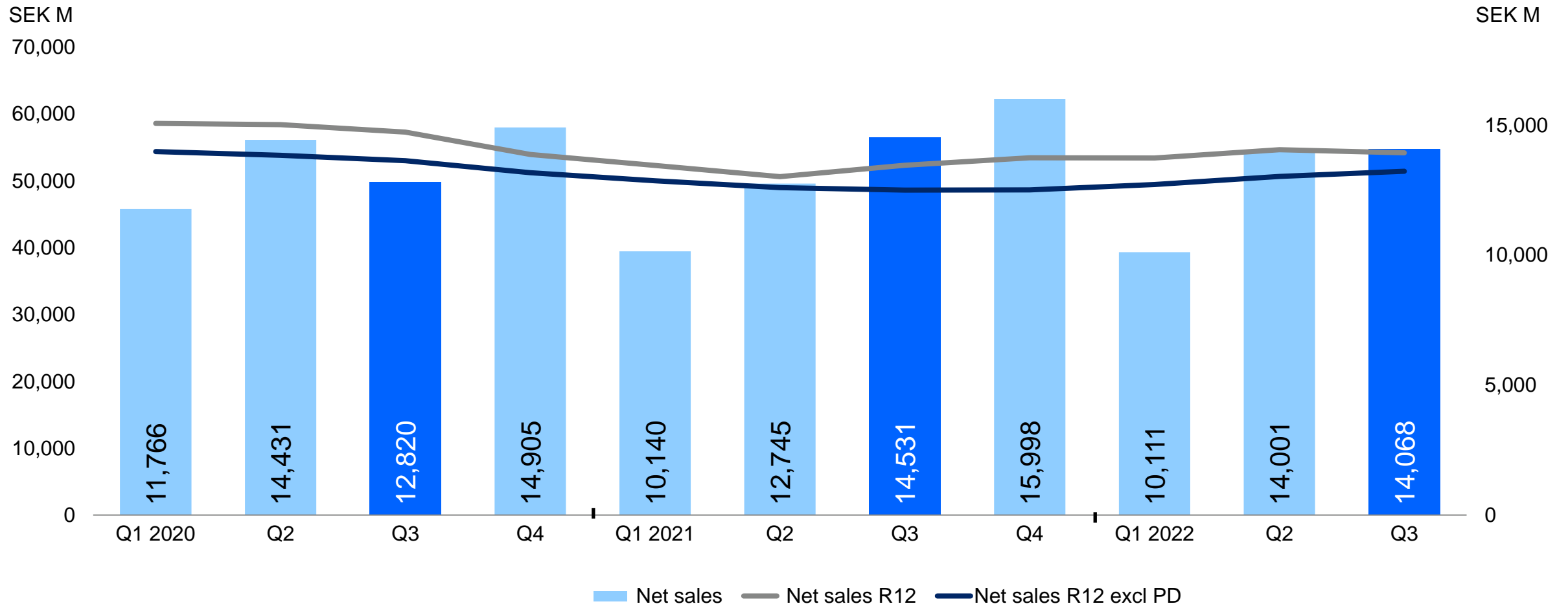
# Public buildings a growing segment



# Strong order backlog – Book to bill > 1

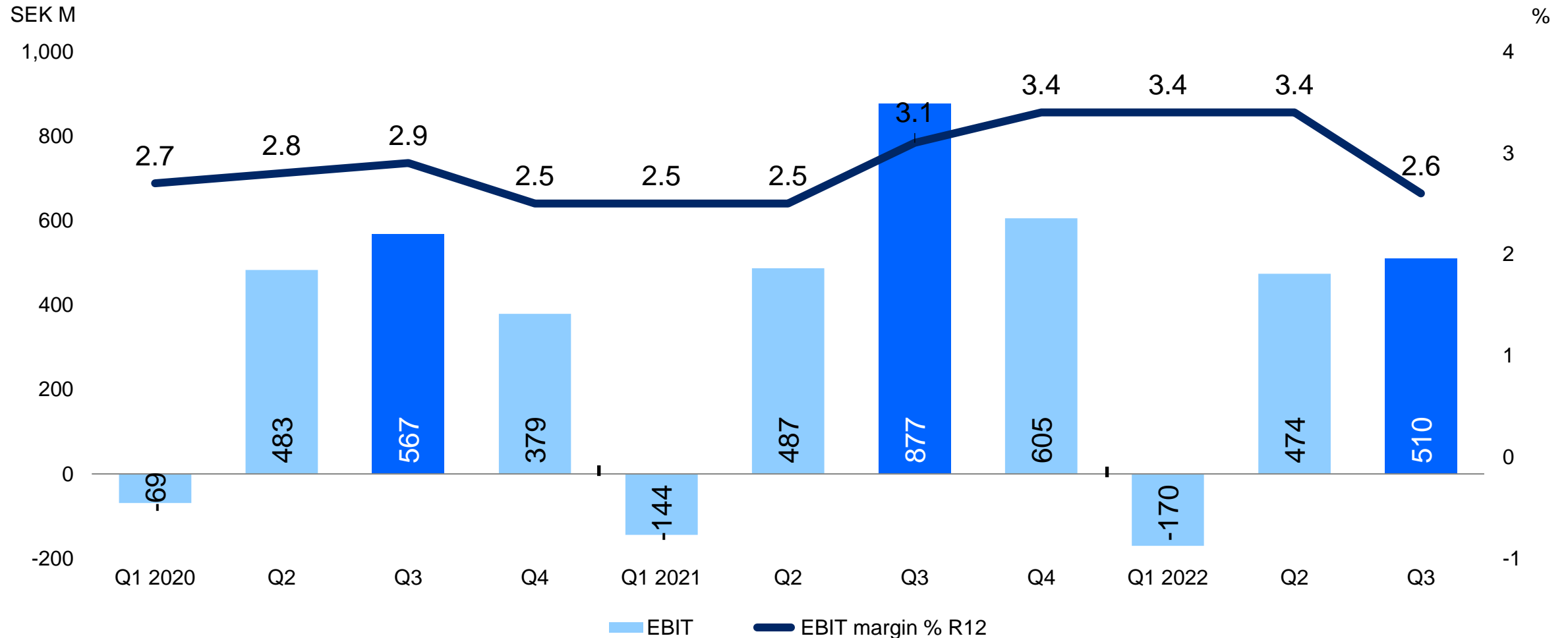


# Stable net sales

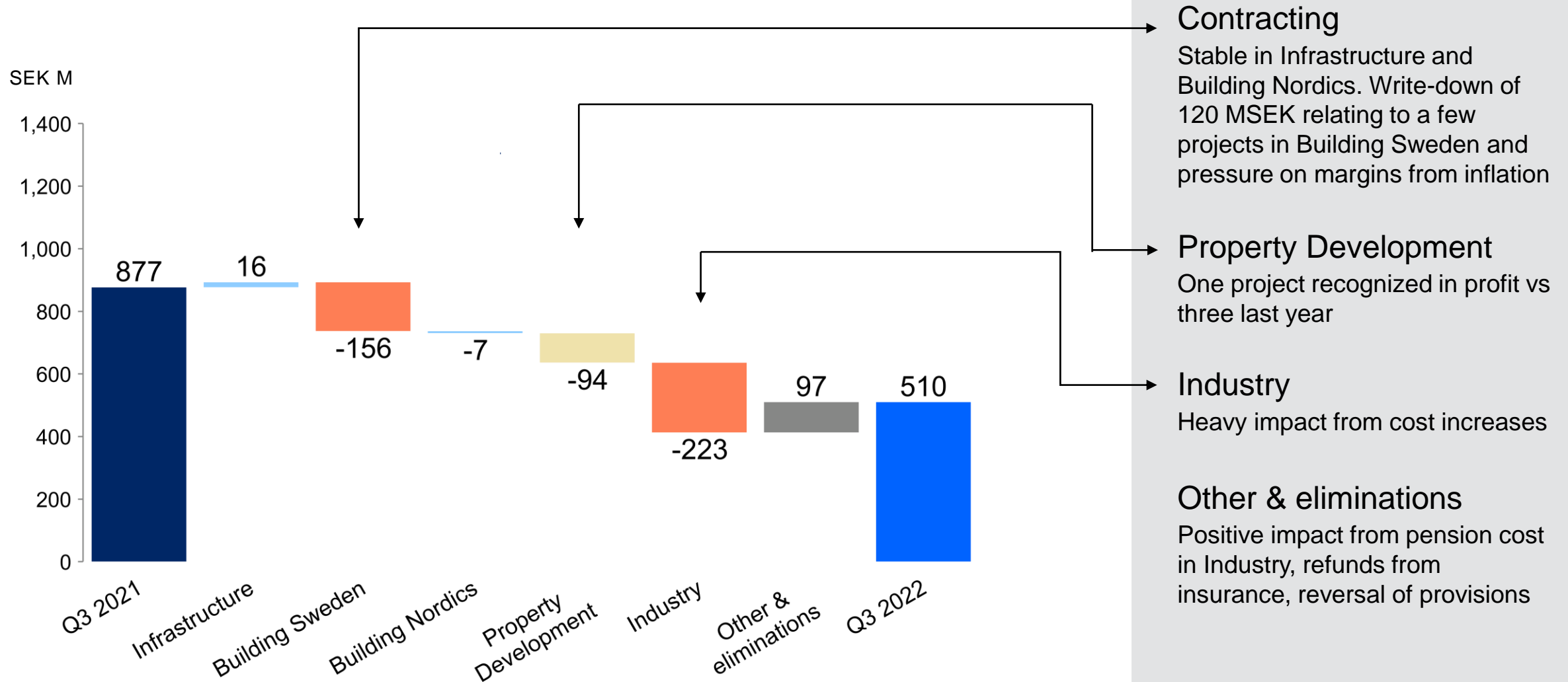


# Lower earnings and margin

Asphalt business, Building Sweden, less PD profit recognition



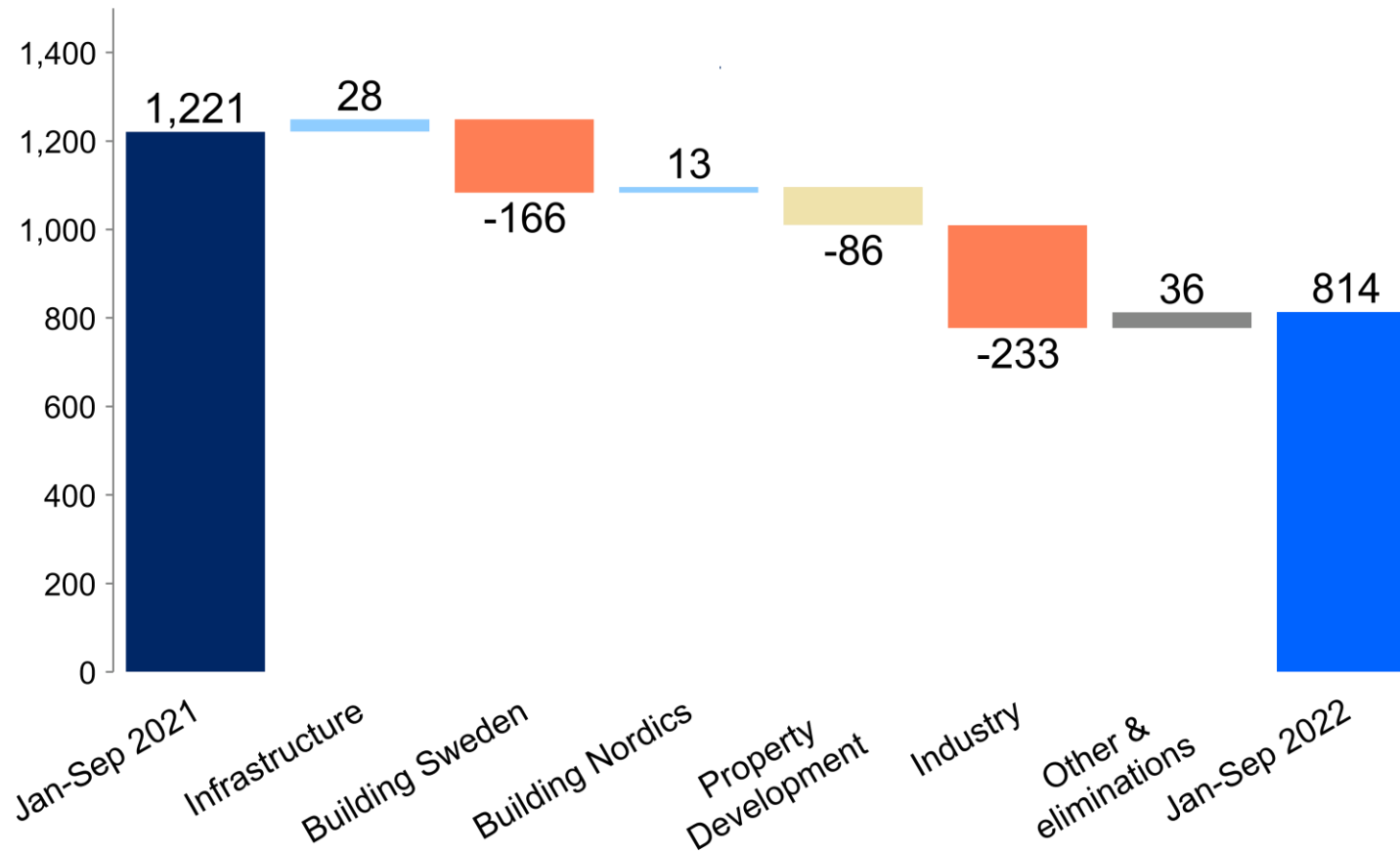
# Q3: Earnings – compared to 2021





# Jan-Sep: Earnings

SEK M



## Contracting

Infrastructure and Building Nordics stable. Building Sweden lower due to impairment and higher costs

## Property Development

Two projects recognized in profit vs five last year

## Industry

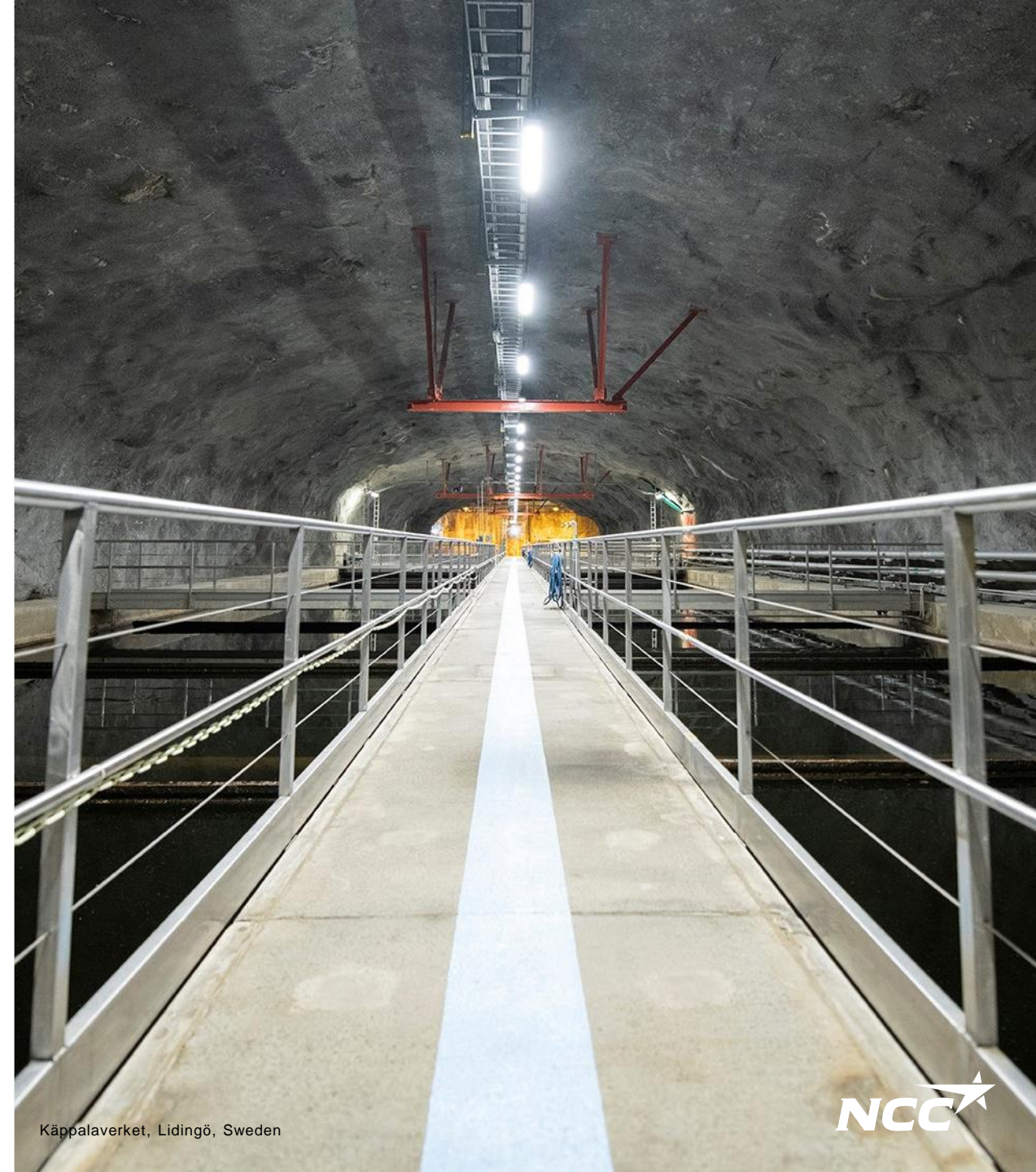
Comparing including Asphalt Finland that was divested last year

## Other & eliminations

Higher IT-costs

# Market

- Significant economic uncertainty with potential impact on all business areas
- Also: Strong areas of demand and segments with large potential





# Actions

- Diligent project selection
- Continued execution discipline
- Adapting resources

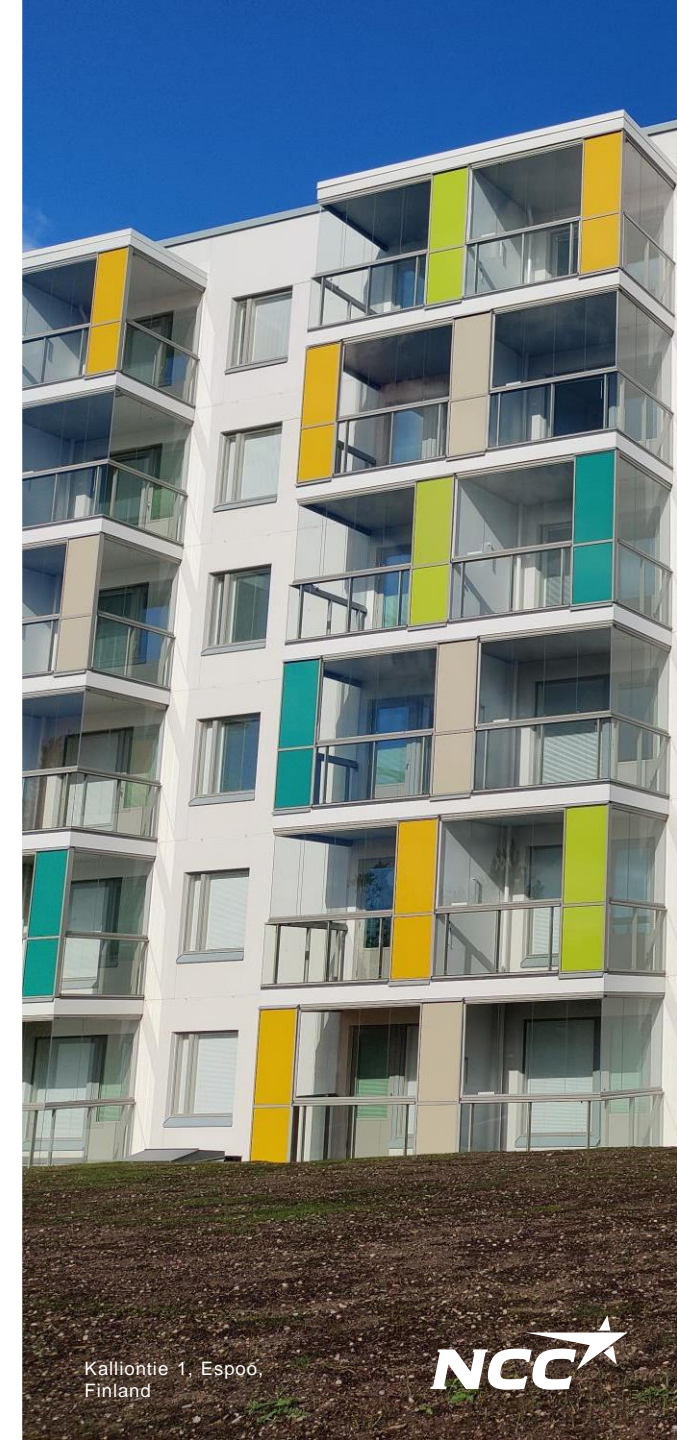
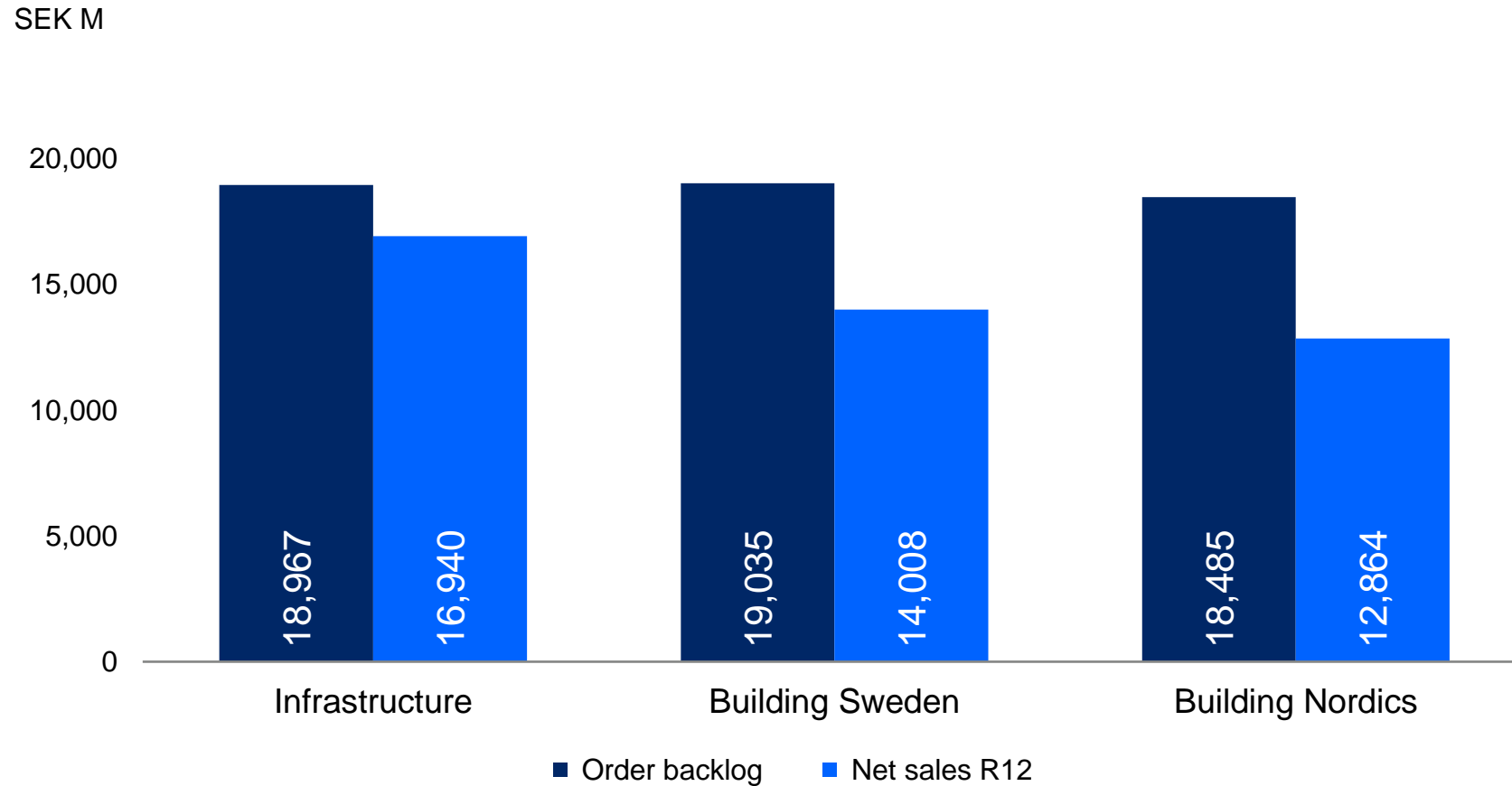


# Susanne Lithander



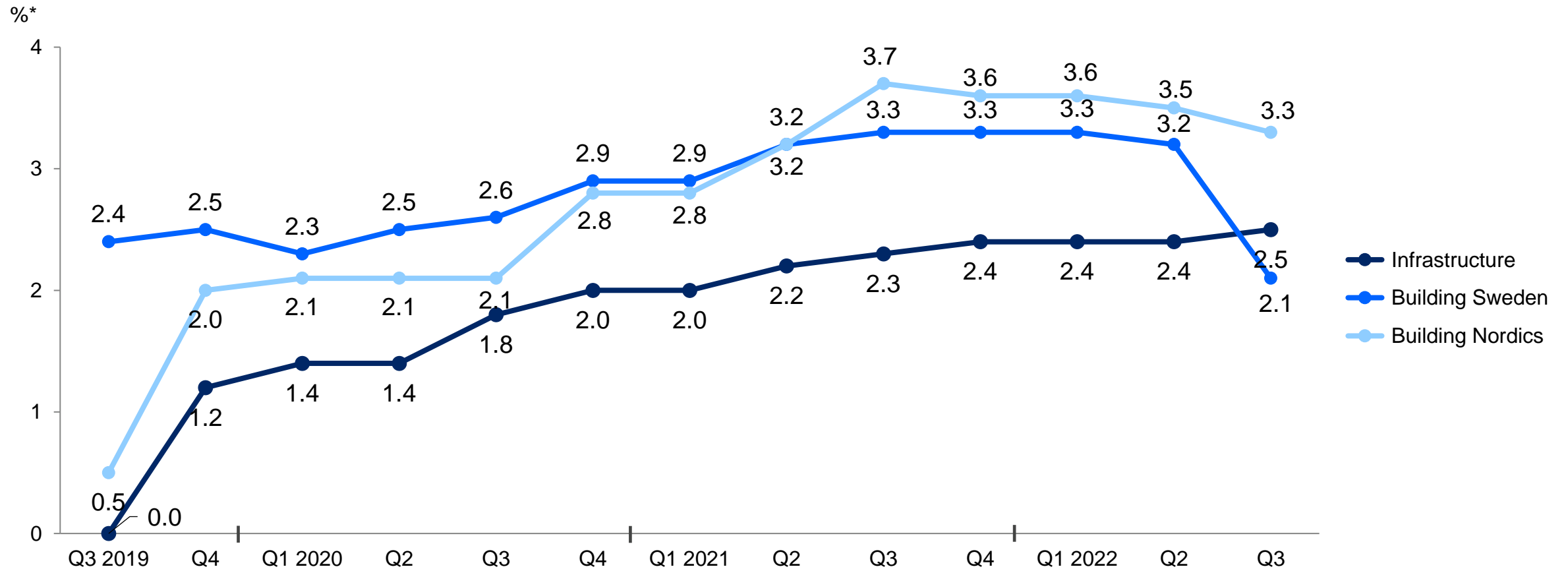


# Strong contracting order backlog



# Contracting margins

Stable in Infrastructure



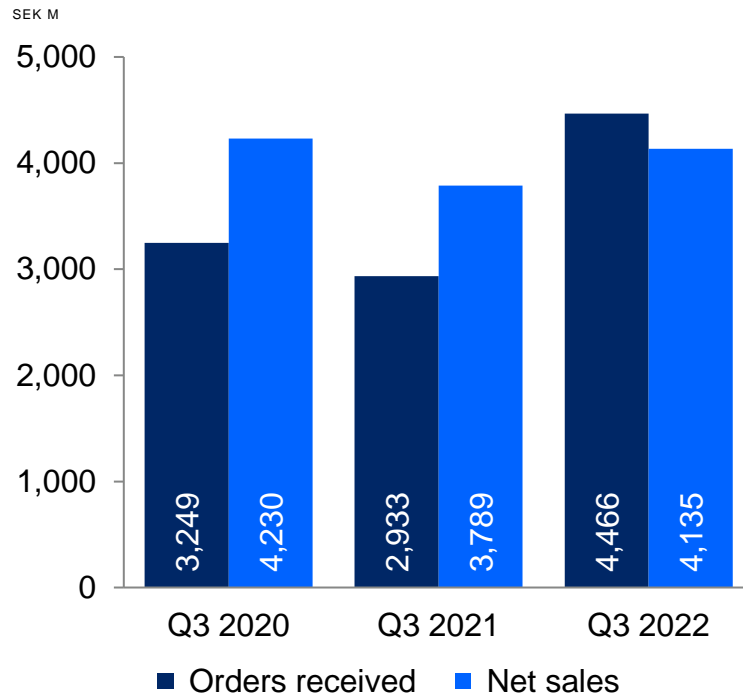
\*R12 EBIT margin. BA Infrastructure without Road Services



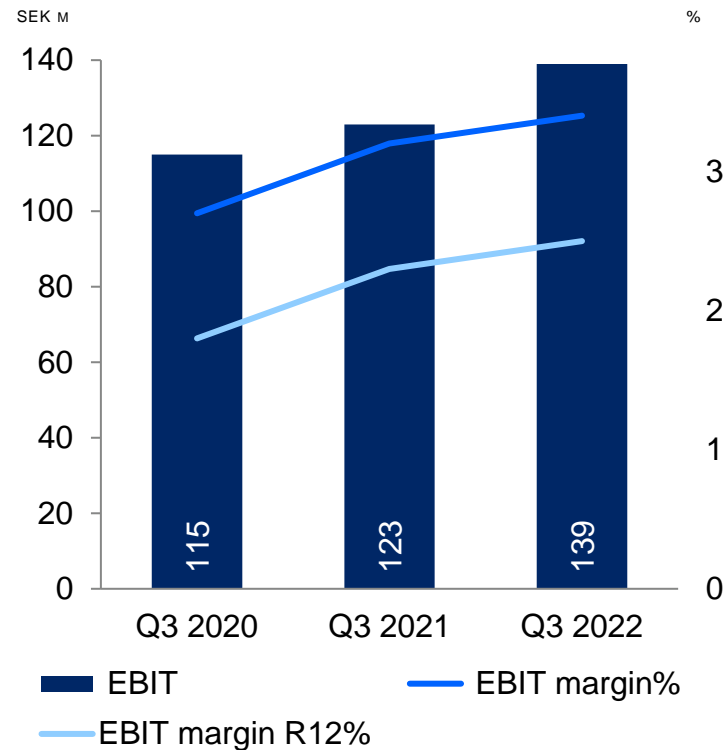
# NCC Infrastructure

Stable improvement and solid margins

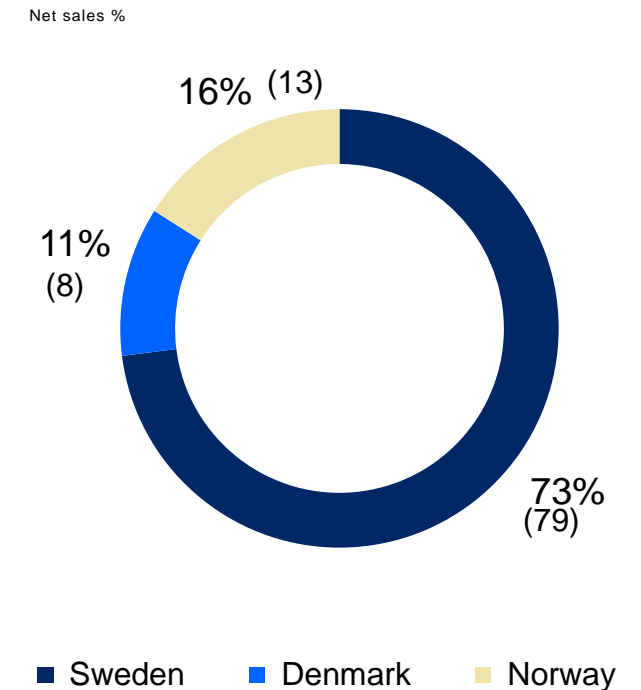
## Good orders received



## Stable margin improvement



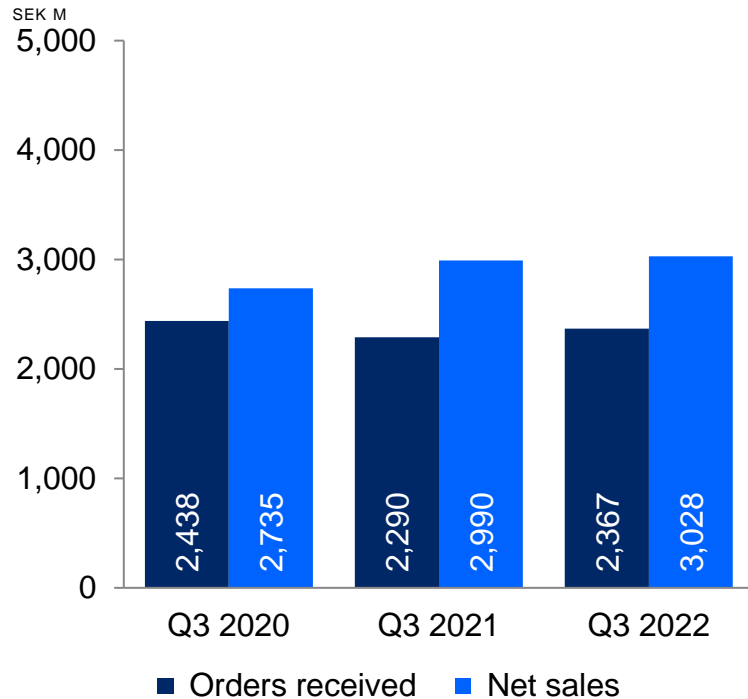
## Sweden largest market



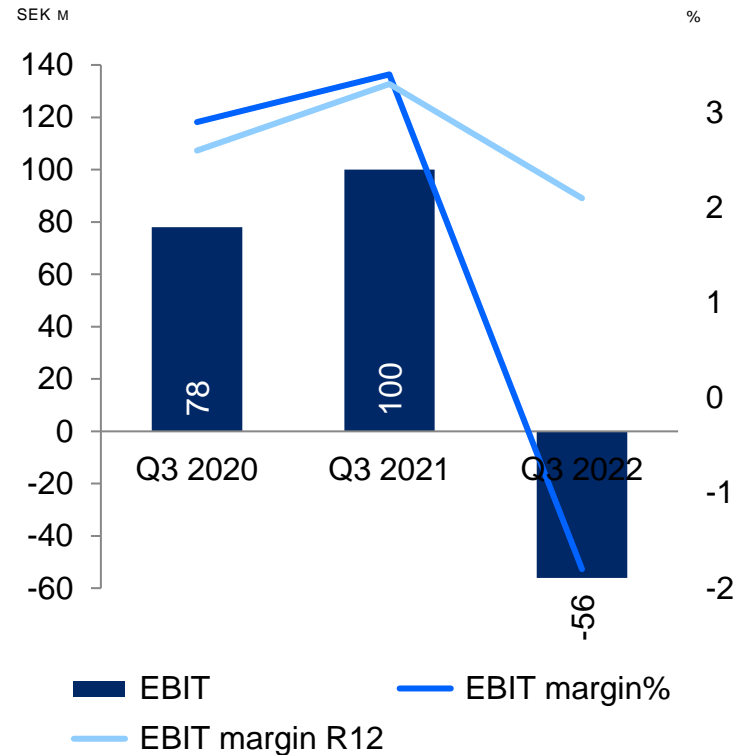
# NCC Building Sweden

Heavy impact from write-down and margin pressure

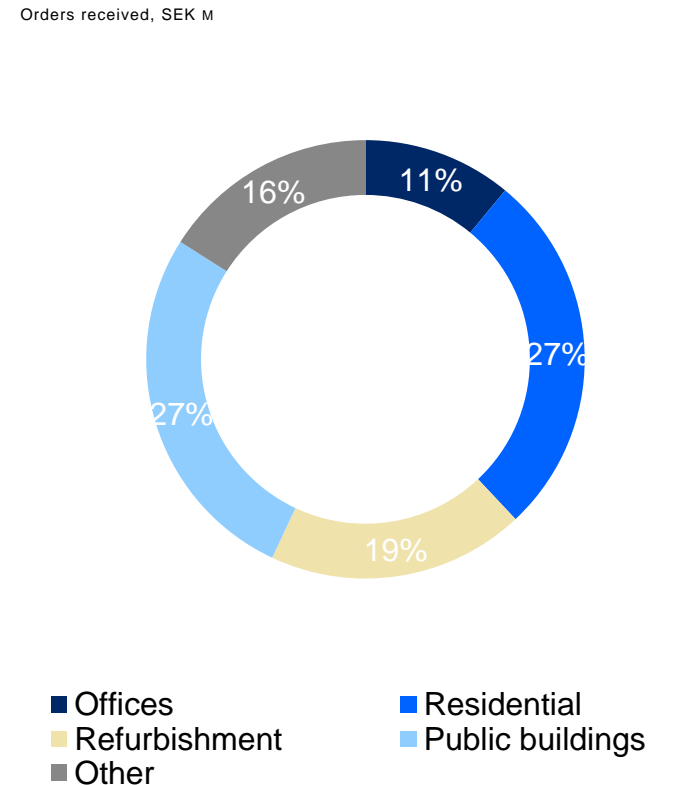
## Good level of orders received



## Write-down 120 MSEK



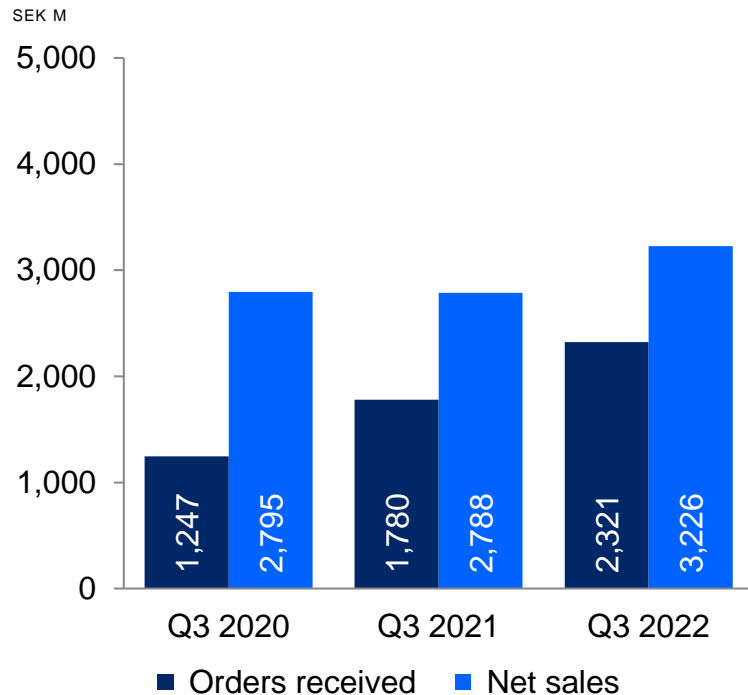
## Residentials, 56% rentals



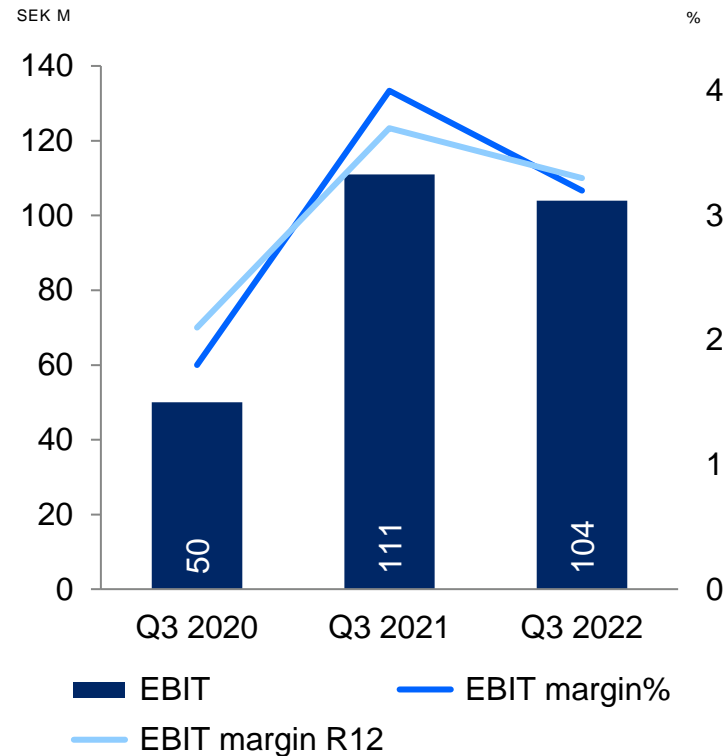
# NCC Building Nordics

Some margin pressure but still maintaining stability

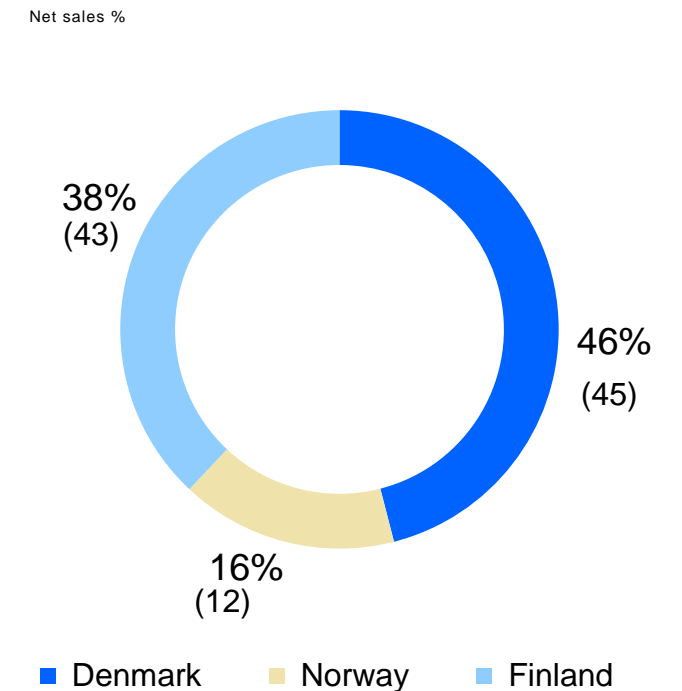
## Orders converted to growth



## Margins still ok given market



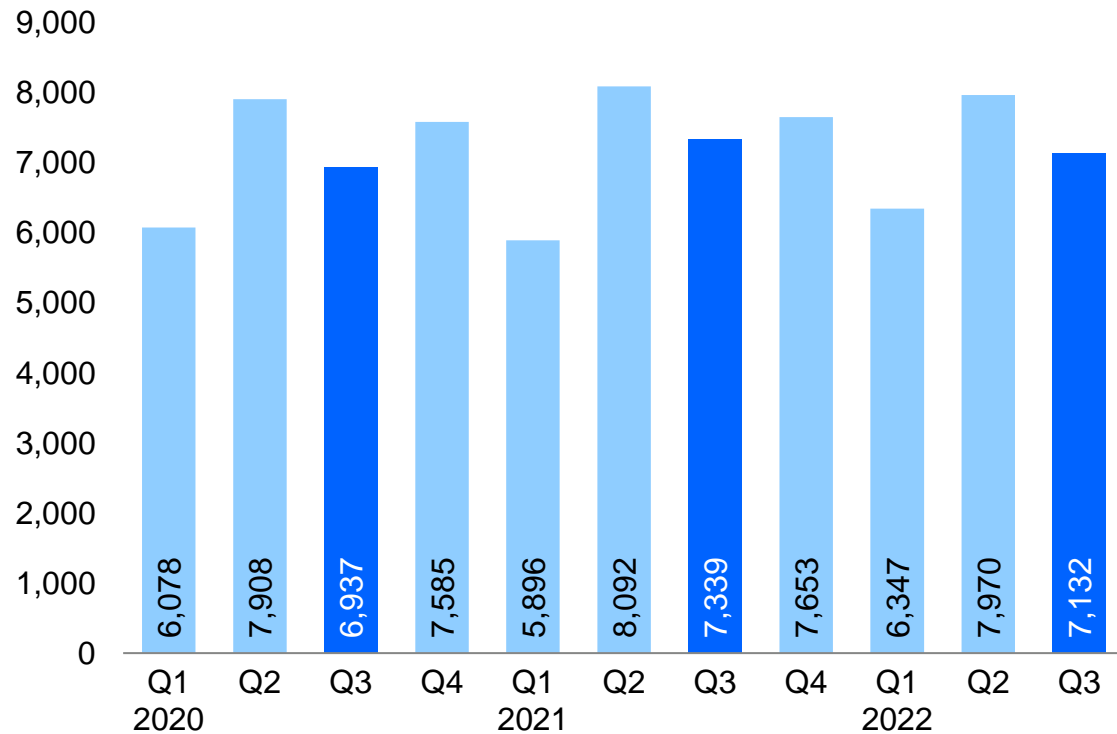
## Denmark largest market



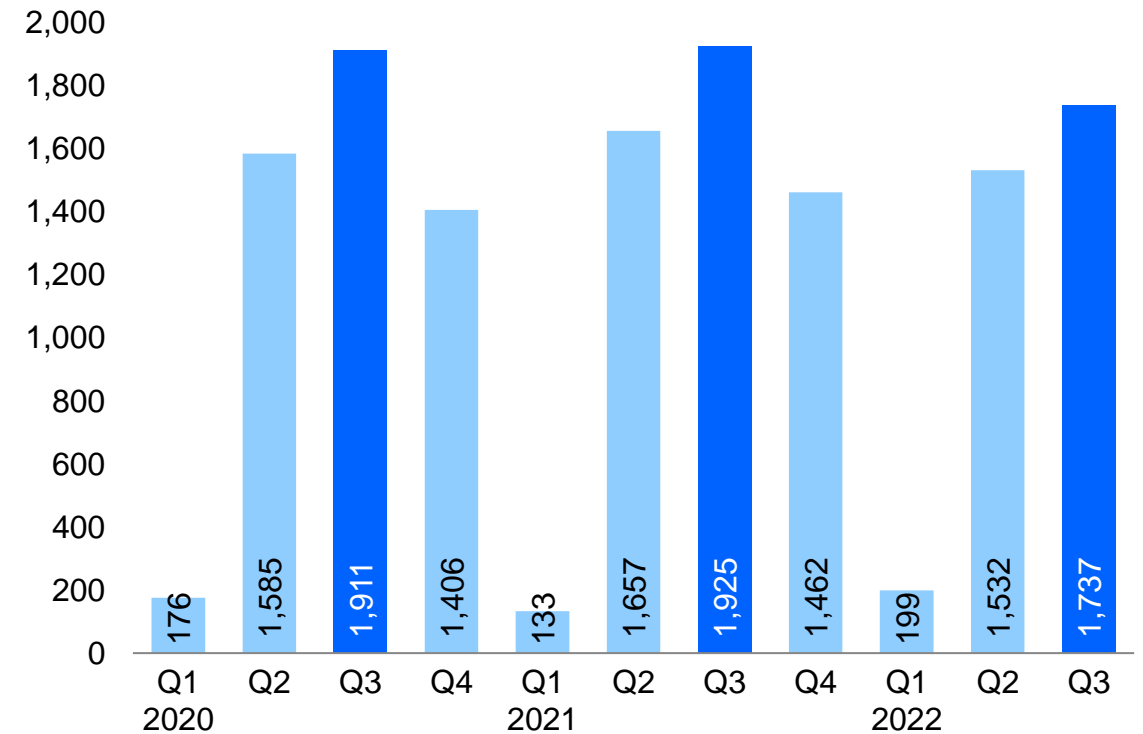
# NCC Industry: Stone and asphalt volumes

Somewhat lower volumes

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)



# NCC Industry\*

Heavy impact from cost increases

SEK M	Q3		Jan-Sep		R12	Jan-Dec
	2022	2021	2022	2021	Oct-Sep	2021/2022
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
EBIT	50	306	-15	334	139	488
Operating margin %	1.4	9.0	-0.2	4.7	1.3	4.9

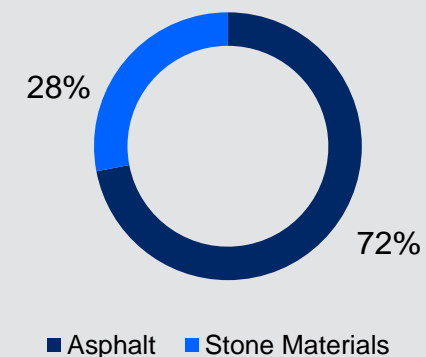
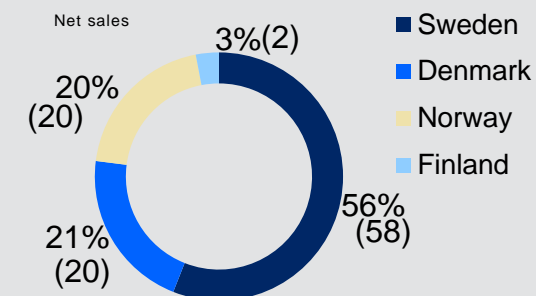
\*Comparing the business area like-for-like ie excluding Asphalt Finland that was divested at year-end

Operating capital employed, SEK M

5,101

ROCE, %

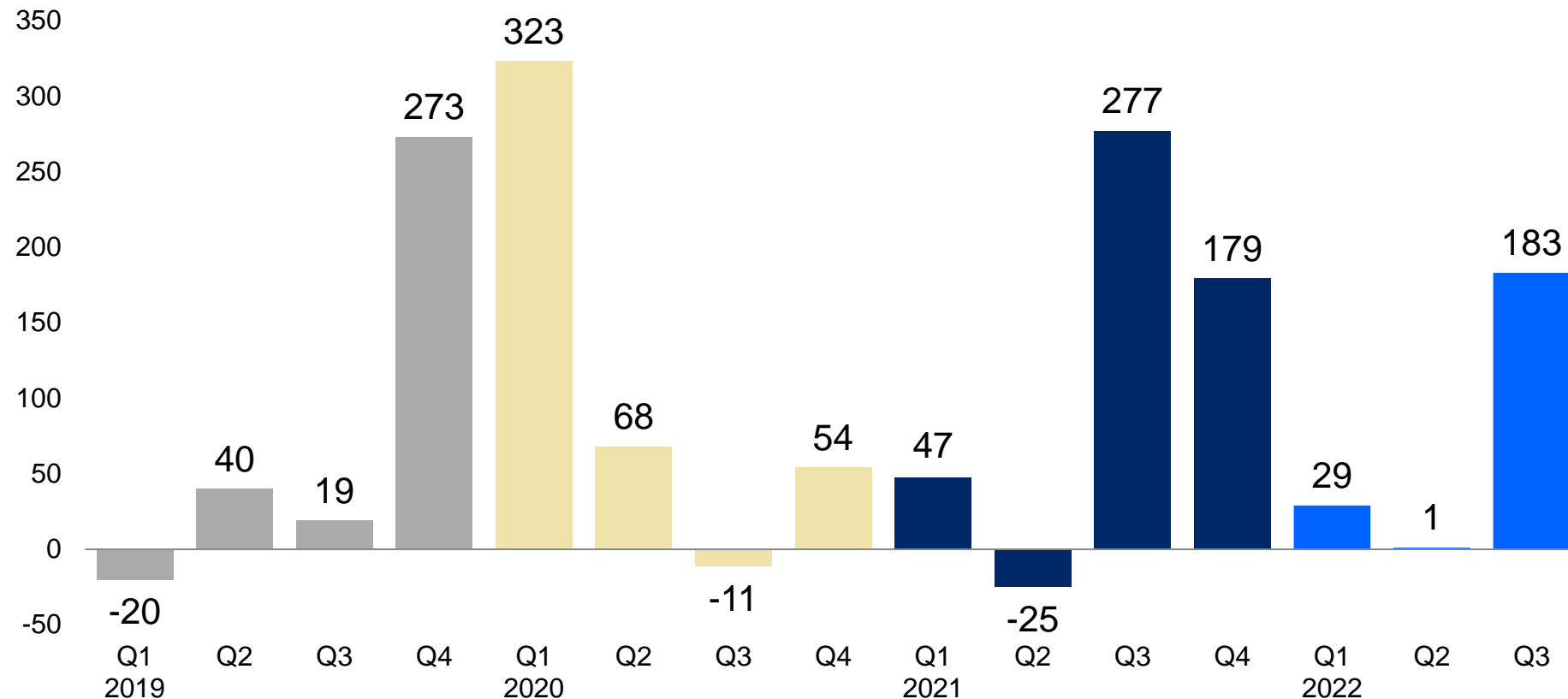
2.9



# NCC Property Development

One project recognized in profit, compared to three in Q3 2021

EBIT, SEK M

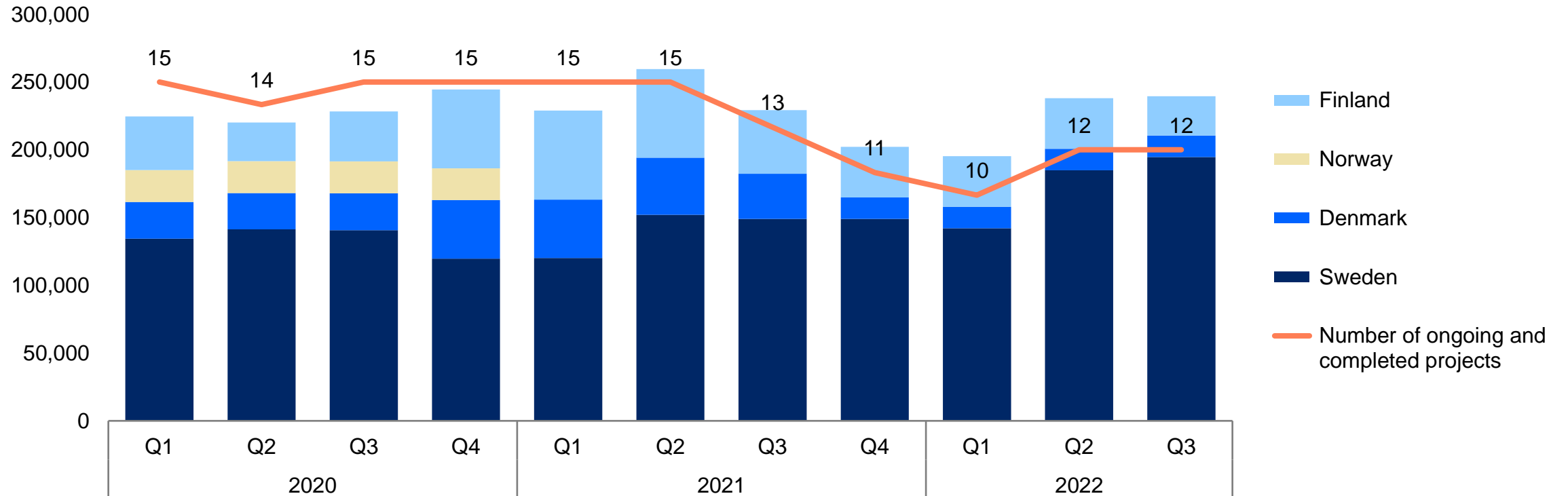




# NCC Property Development

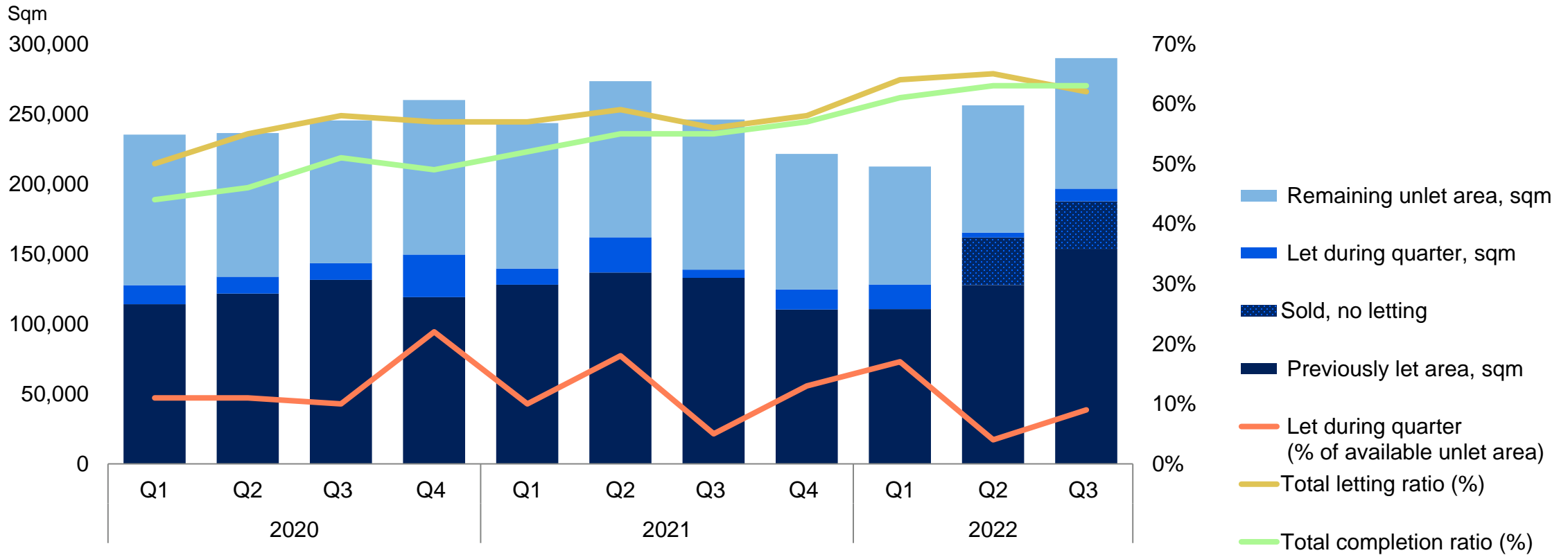
Project Flow Hyllie started. Project Fredriksberg D completed and recognized in profit

Lettable space, sqm



# NCC Property Development

Some letting in the quarter, 8 contracts



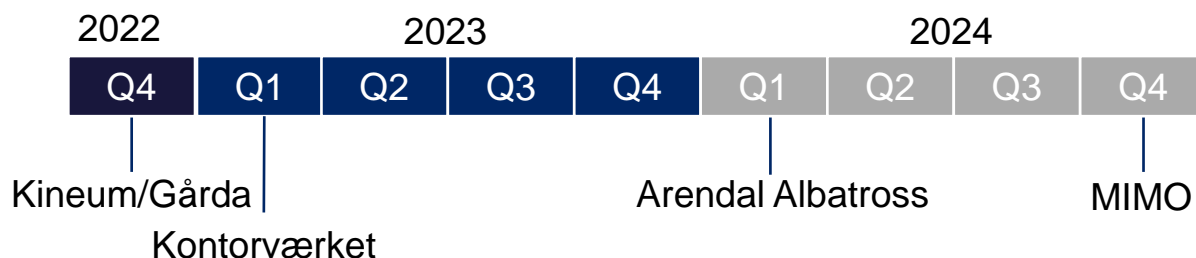
# NCC Property Development

SEK M	Q3		Jan-Sep		R12, Oct -Sep	Jan-Dec
	2022	2021	2022	2021	2022/2021	2021
Net sales	836	2,072	1,224	3,247	2,752	4,775
EBIT	183	277	213	299	392	478

Operating capital employed, SEK M **7,627**

ROCE, % **5,6**

## Expected time of profit recognition for sold projects

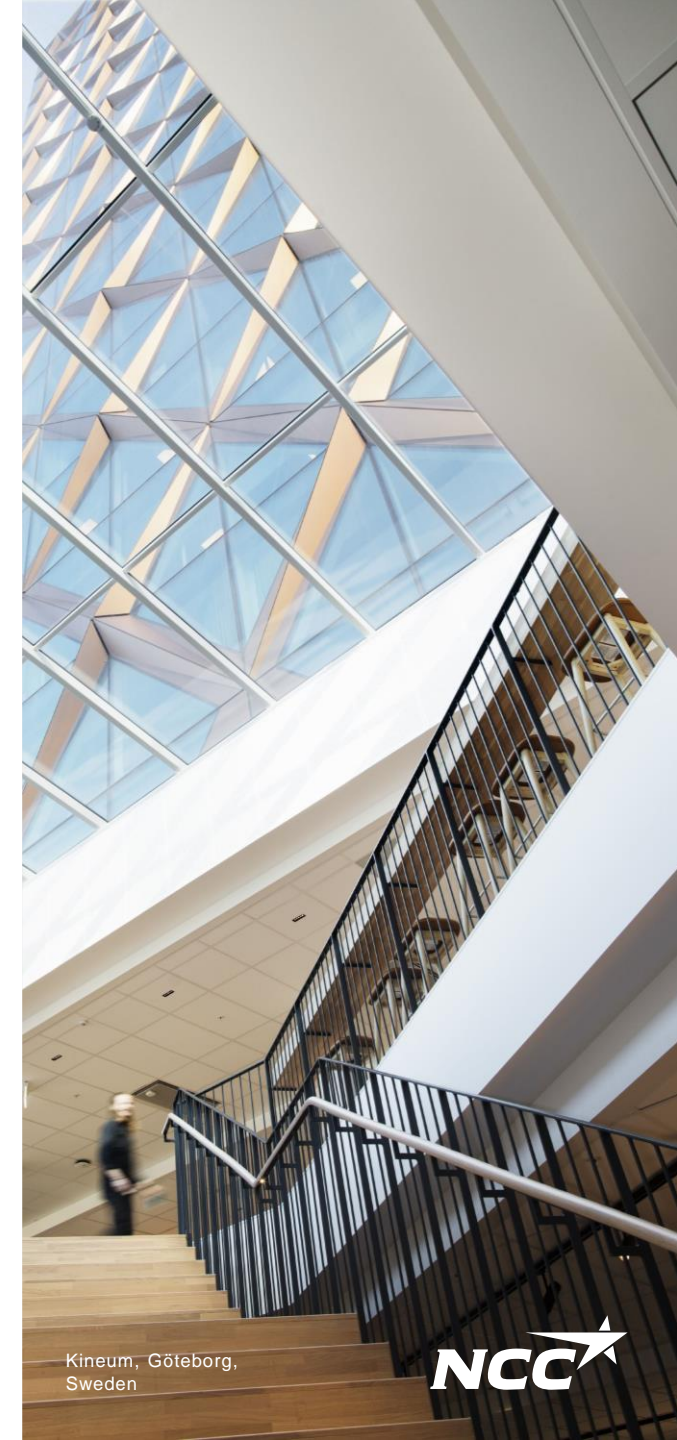


## Ongoing unsold projects

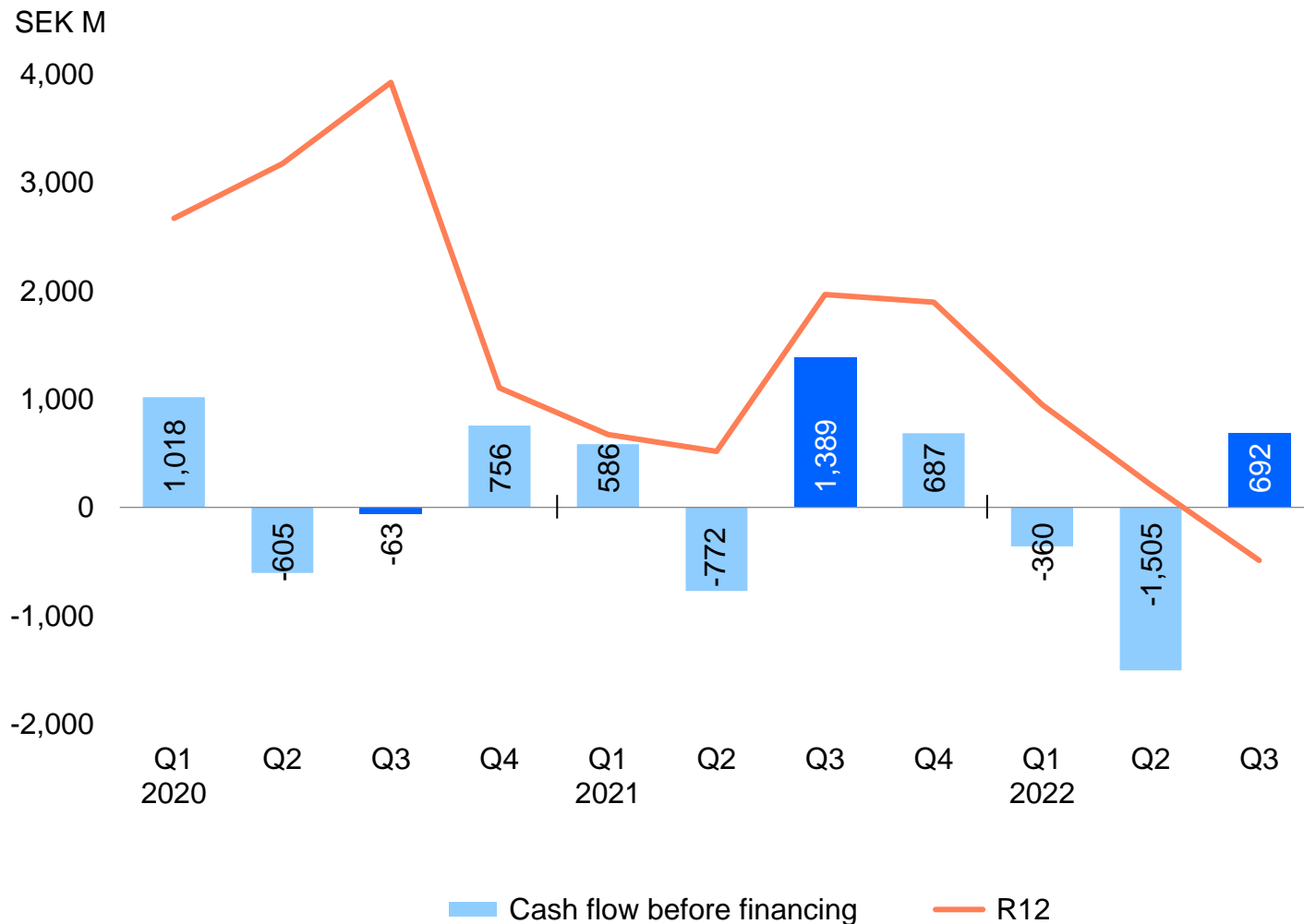
- Bromma Blocks, Stockholm
- We Land, Helsinki
- Brick Studios, Gothenburg
- Våguset, Gothenburg
- Flow Hyllie, Malmö
- Nova, Solna
- Habitat 7, Gothenburg
- Kulma21, Helsinki

# Earnings

SEK M	Q3		Jan-Sep		R12, Oct-Sep	Jan-Dec
	2022	2021	2022	2021	2021/2022	2021
<b>Earnings in segments (all BAs)</b>	<b>420</b>	<b>884</b>	<b>910</b>	<b>1,353</b>	<b>1,514</b>	<b>1,956</b>
<i>NCC HQ and subsidiaries</i>	27	-27	-105	-82	-80	-58
<i>Internal gains</i>	8	43	-20	12	2	34
<i>Other group adjustments</i>	54	-23	29	-61	-17	-107
<b>Other &amp; Eliminations total</b>	<b>90</b>	<b>-7</b>	<b>-96</b>	<b>-131</b>	<b>-95</b>	<b>-130</b>
<b>EBIT</b>	<b>510</b>	<b>877</b>	<b>814</b>	<b>1,221</b>	<b>1,419</b>	<b>1,825</b>
Financial items	-20	-13	-35	-33	-63	-60
<b>EBT</b>	<b>490</b>	<b>864</b>	<b>779</b>	<b>1,188</b>	<b>1,356</b>	<b>1,765</b>
Tax	-64	-158	-117	-217	-157	-257
<b>Profit for the period</b>	<b>425</b>	<b>706</b>	<b>661</b>	<b>971</b>	<b>1,199</b>	<b>1,508</b>
<b>Earnings per Share</b>	<b>4.13</b>	<b>6.56</b>	<b>6.26</b>	<b>9.02</b>	<b>11.30</b>	<b>14.02</b>



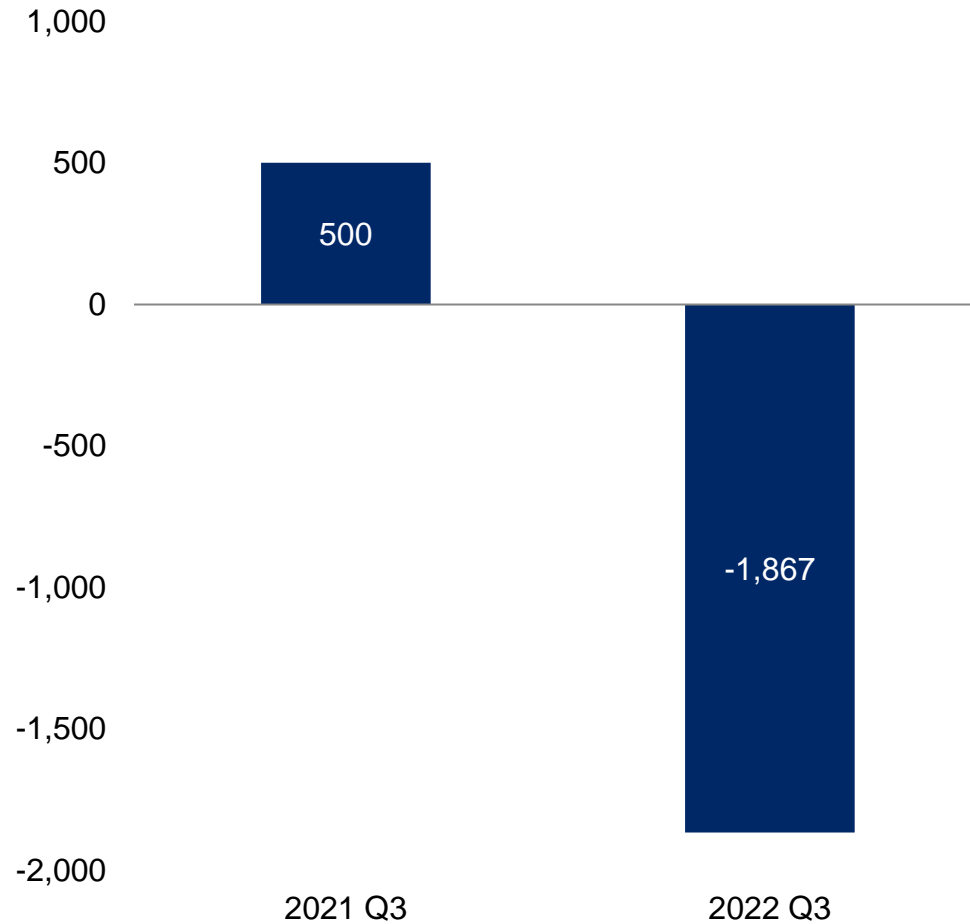
# Cashflow



SEK M	Q3		Jan-Sep		R12, Oct-Sep Jan-Dec	
	2022	2021	2022	2021	2022/ 2021	2021
From operating activities	711	1,147	1,307	1,854	2,282	2,829
From property projects	-143	659	-1,126	-120	-808	198
Other working capital	145	-385	-1,264	-142	-1,890	-768
Investing activities	-21	-33	-89	-380	-72	-363
<b>Cash flow before financing</b>	<b>692</b>	<b>1,389</b>	<b>-1,172</b>	<b>1,211</b>	<b>-487</b>	<b>1,896</b>

# Corporate net debt Sep 30, 2021

Negative cashflow and share buy-backs



## Net debt\* / EBITDA

Target	< 2.5x
Sep 30, 2022	0.9x

\*Corporate net debt excluding pension liabilities and leasing liabilities



# Tomas Carlsson



# Repurchase of shares

- Repurchase program of NCC B shares until the next AGM
- Max 1.5 bn SEK
- Max 10 percent of shares, corresponding to 10.8 m shares
- Per Friday Oct 28, NCC owned 9.6 m own series B shares



# Financial targets

Earnings per share

**16.00**

SEK 2023

2021

**SEK 14.02**

R12, Q3 2022

**SEK 11.30**

Net debt

**< 2.5**

x EBITDA

**0.9x**

Dividend policy

**≈ 60%**

of profit after tax

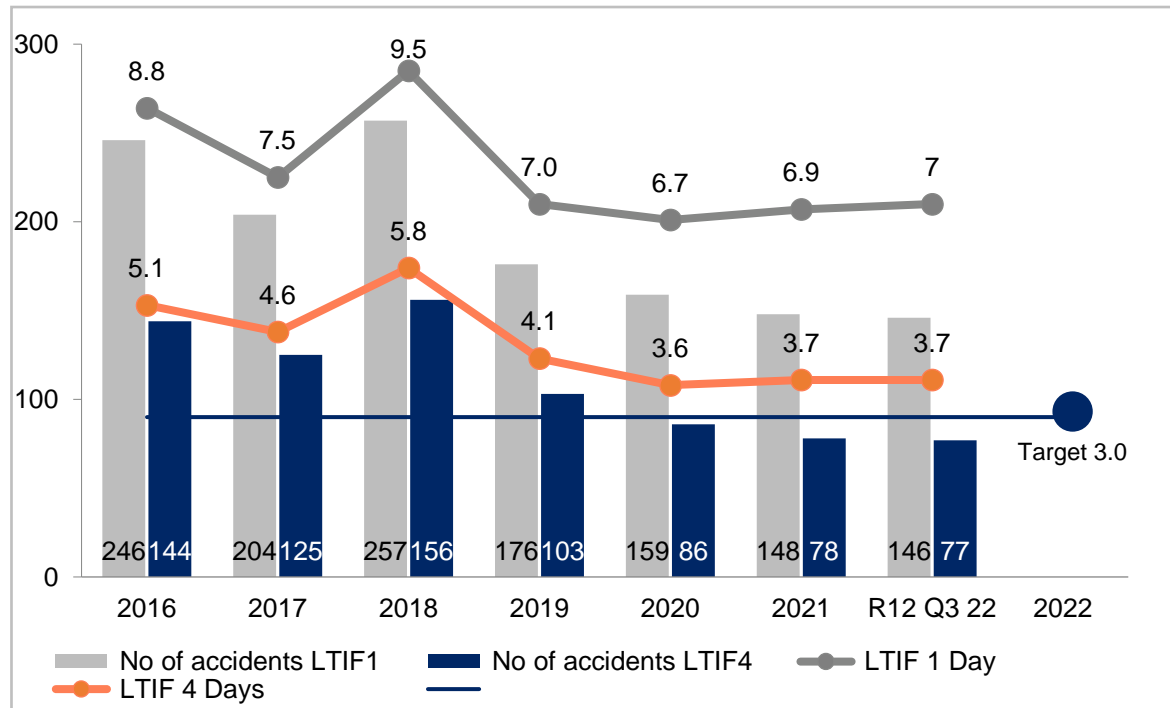
Policy 2021  $\geq$  40% of profit after tax. Dividend for 2021 6.00 SEK per share equal to 43% of profit after tax.

Payout of second part of SEK 3, record date November 8, 2022

# Non-financial targets

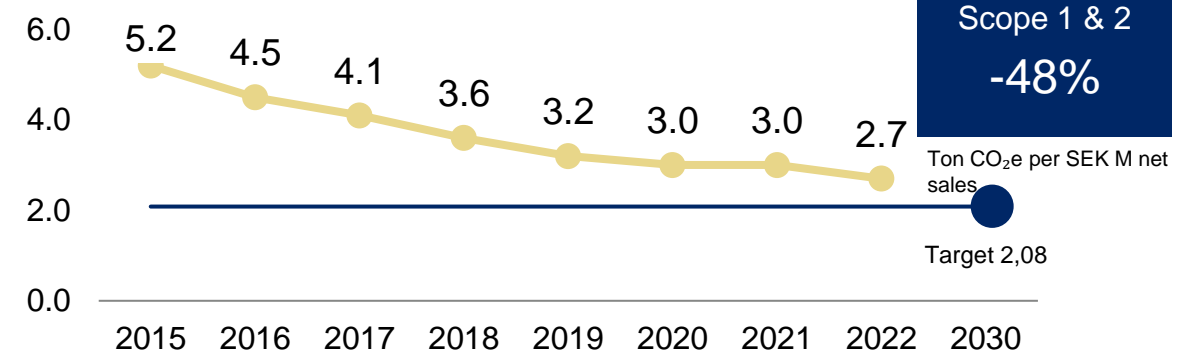
## Health & Safety

2022: LTIF 3.0



## Climate & Energy

2030: Scope 1&2 -60%. Scope 3 -50%



### Scope 3: Measured parts

Ready-made concrete	Asphalt	Rebar steel	Transport
Status H1 2022 <b>-15%</b> compared to 2015	Status H1 2022 <b>-23%</b> compared to 2015	Status H1 2022 <b>-37%</b> compared to 2015	In progress

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





# Summary: Mixed picture

- Strong orders received and order backlog
- Stable earnings in most of the business
- Tough quarter mainly for residential in Building Sweden and Industry asphalt
- Stable financial position
  
- Substantial uncertainty about impact from current economic climate – residential and commercial properties most exposed







# Contact information

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[ncc.com/Investor-relations](https://ncc.com/Investor-relations)

For definitions and details, please see the quarterly report

