

Q3 2020



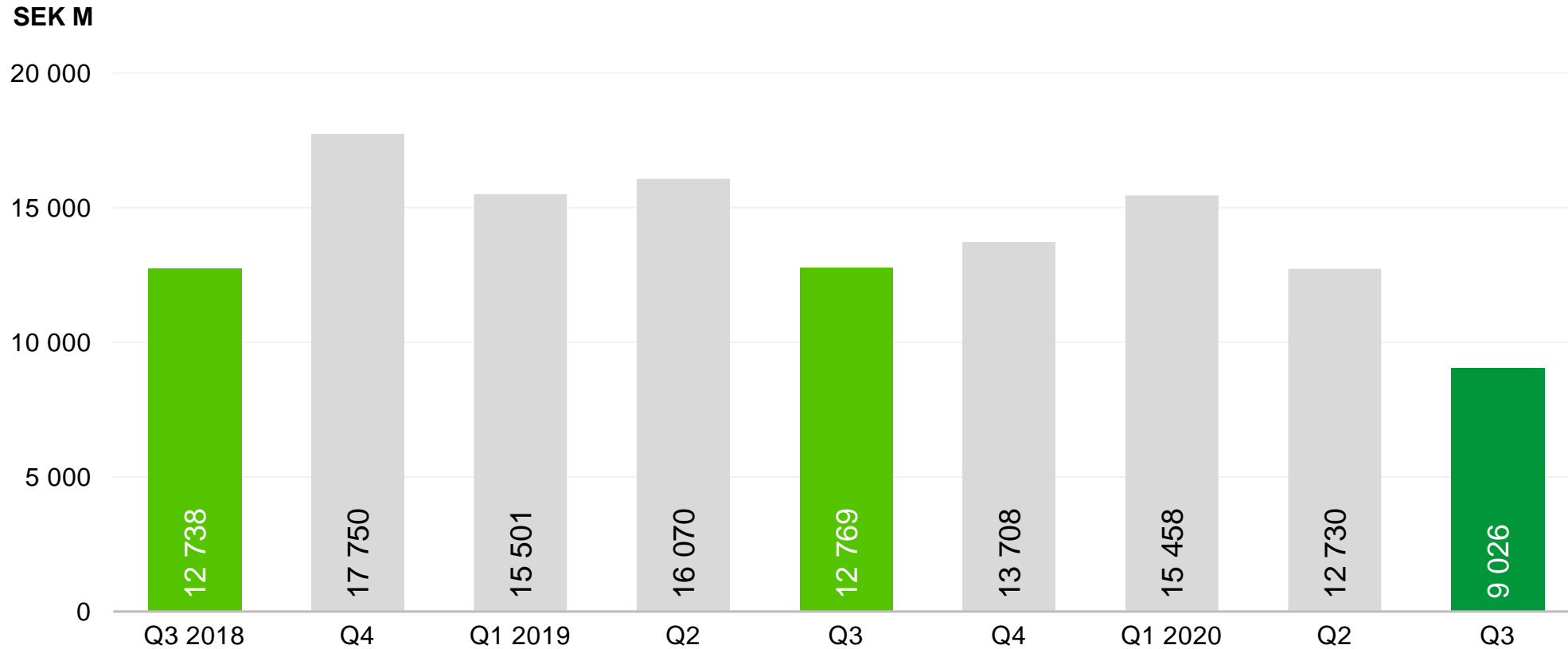
Flora school, Skellefteå

Tomas Carlsson

CEO

Orders received

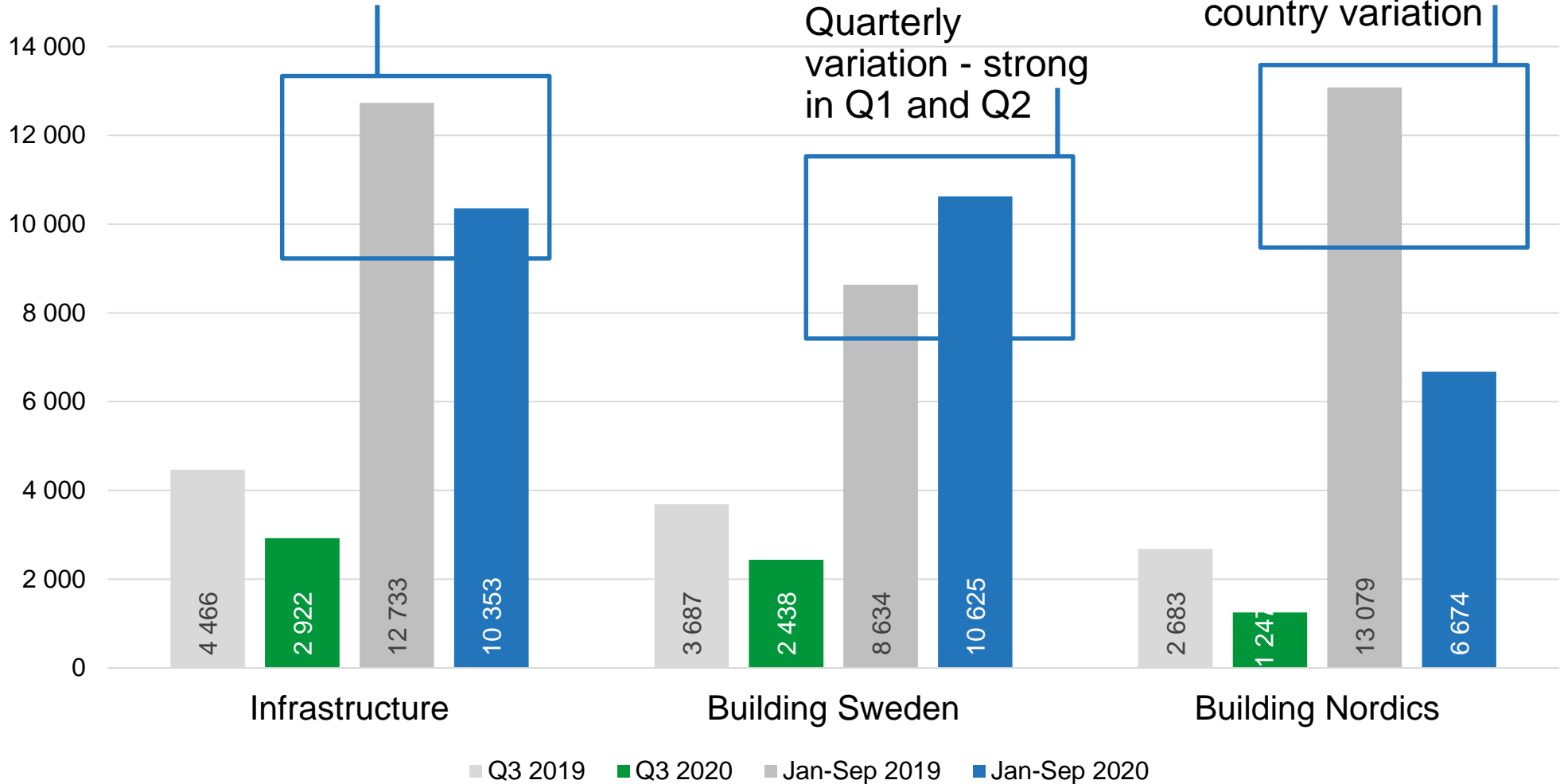
A low quarter in the contracting BAs with different underlying drivers



Orders received

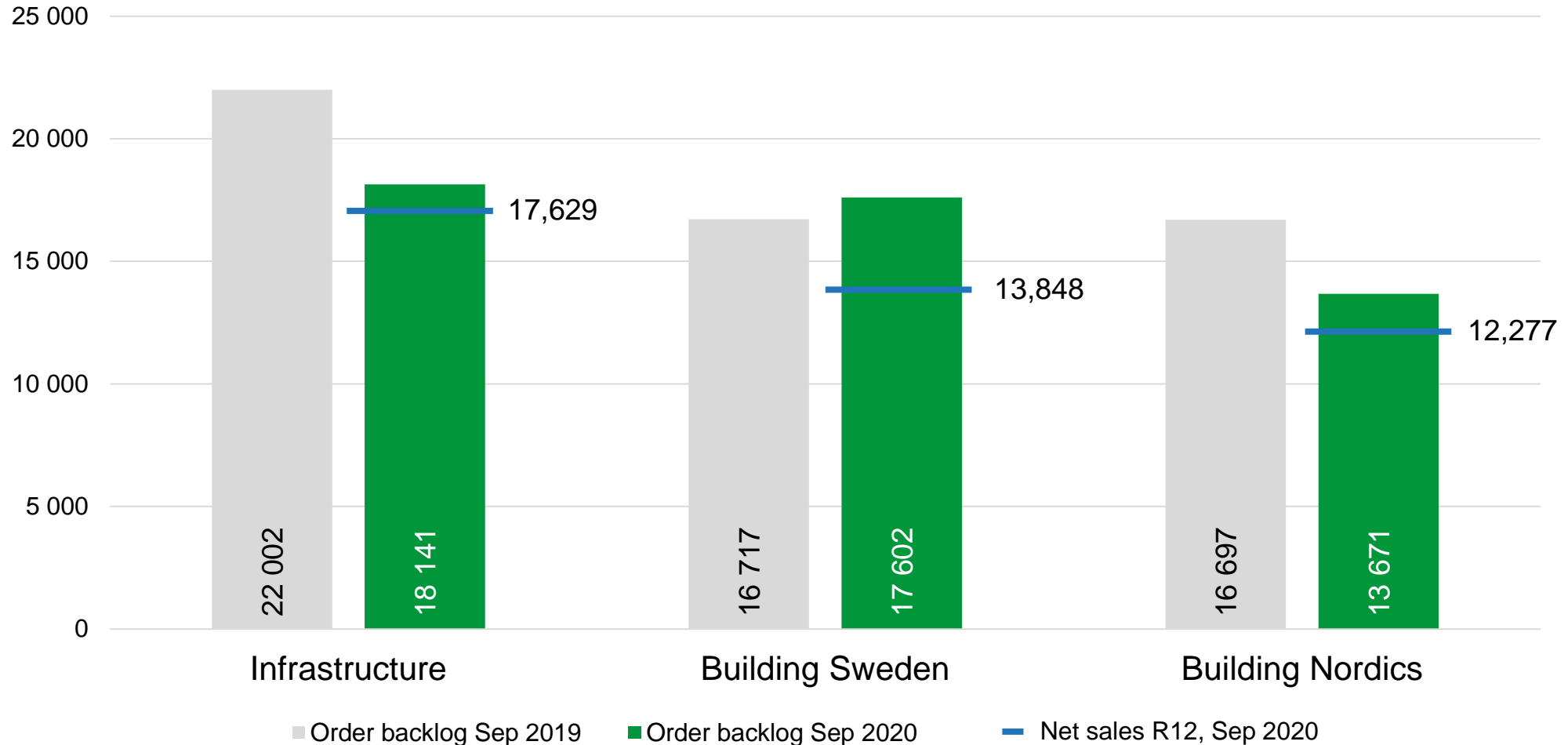
Prudent tendering especially in Norway and more early involvement than usual

Built exceptional backlog in 2019 – country variation

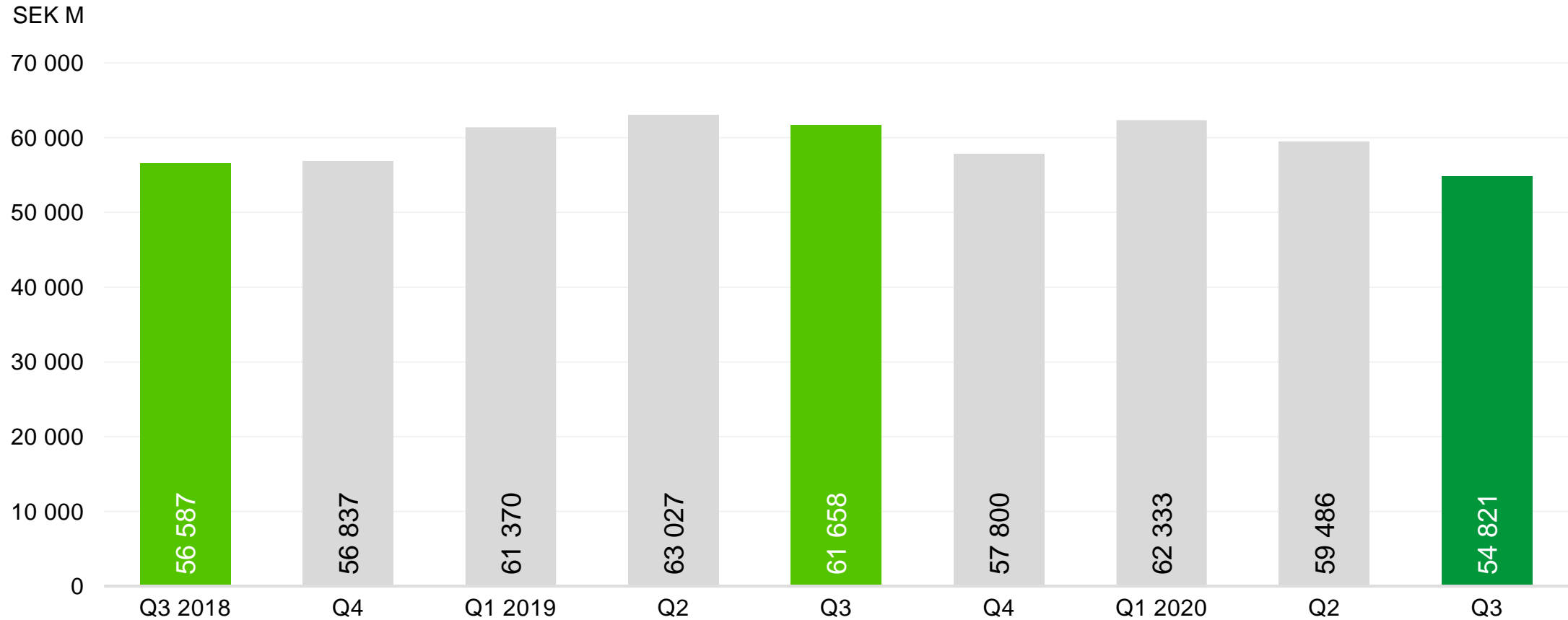


Order backlog vs net sales

Above net sales in all contracting BAs



Order backlog



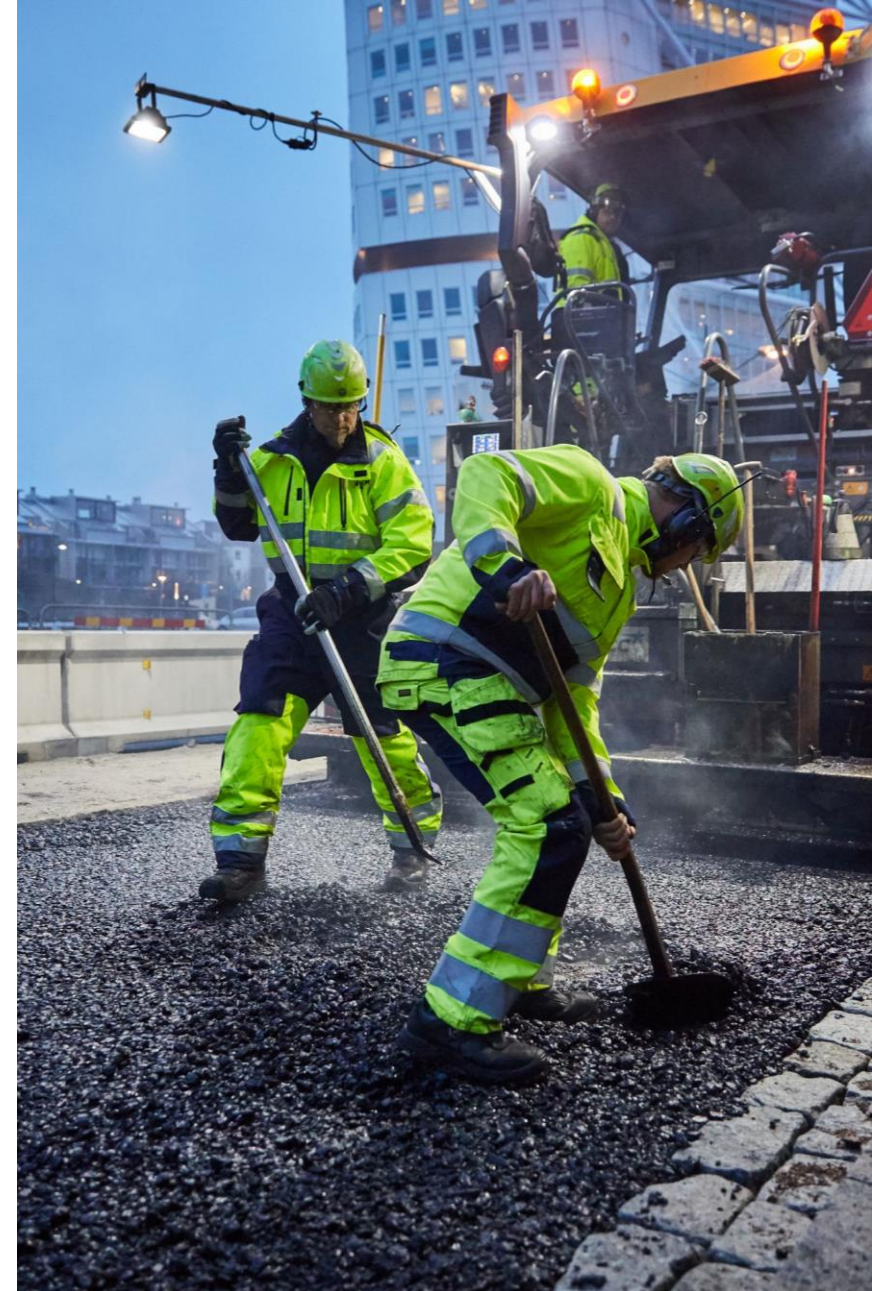
New roles for members of the Executive Team

- Ylva Lagesson appointed as Head of business area Industry
- Susanne Lithander will take on the role as Head of the group function Development & Operations Services (DOS) in addition to being CFO and Head of Finance
- Jyri Salonen, former head of business area Industry will leave NCC



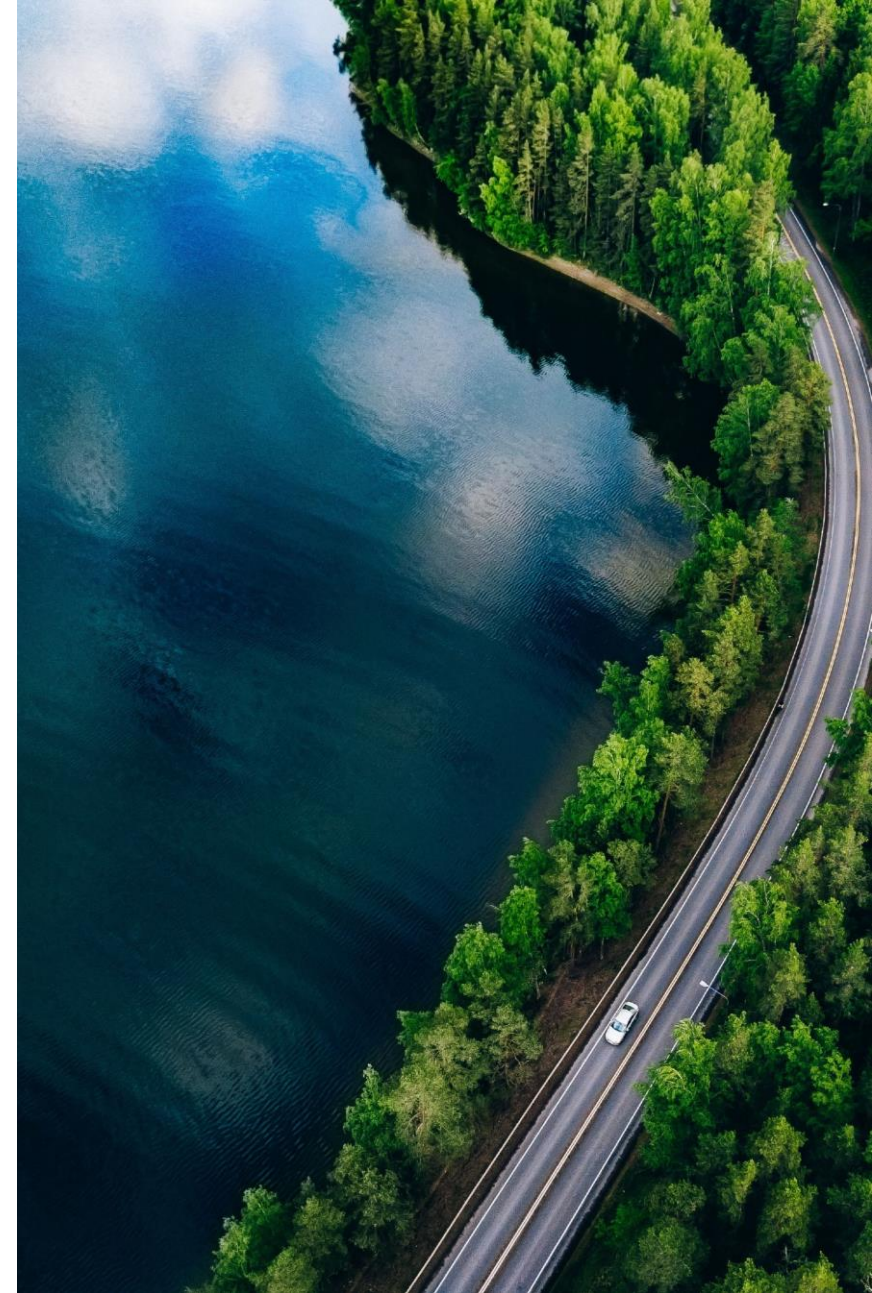
BA Industry: Action plan to unlock more potential

- Division Asphalt: New and leaner organization
 - Strong potential in Sweden, Norway and Denmark
 - Expected to reduce annual cost base with approx. SEK 50 M from 2021
 - Restructuring cost of approx. SEK 65 M expected in Q4/Q1
- Strategic review of exit options for Asphalt Finland
 - Smaller, no strategic fit and loss-making
 - Turnaround since 2018 has not delivered expected results
- Division Hercules
 - Move to BA Infrastructure – better strategic fit with the contracting business



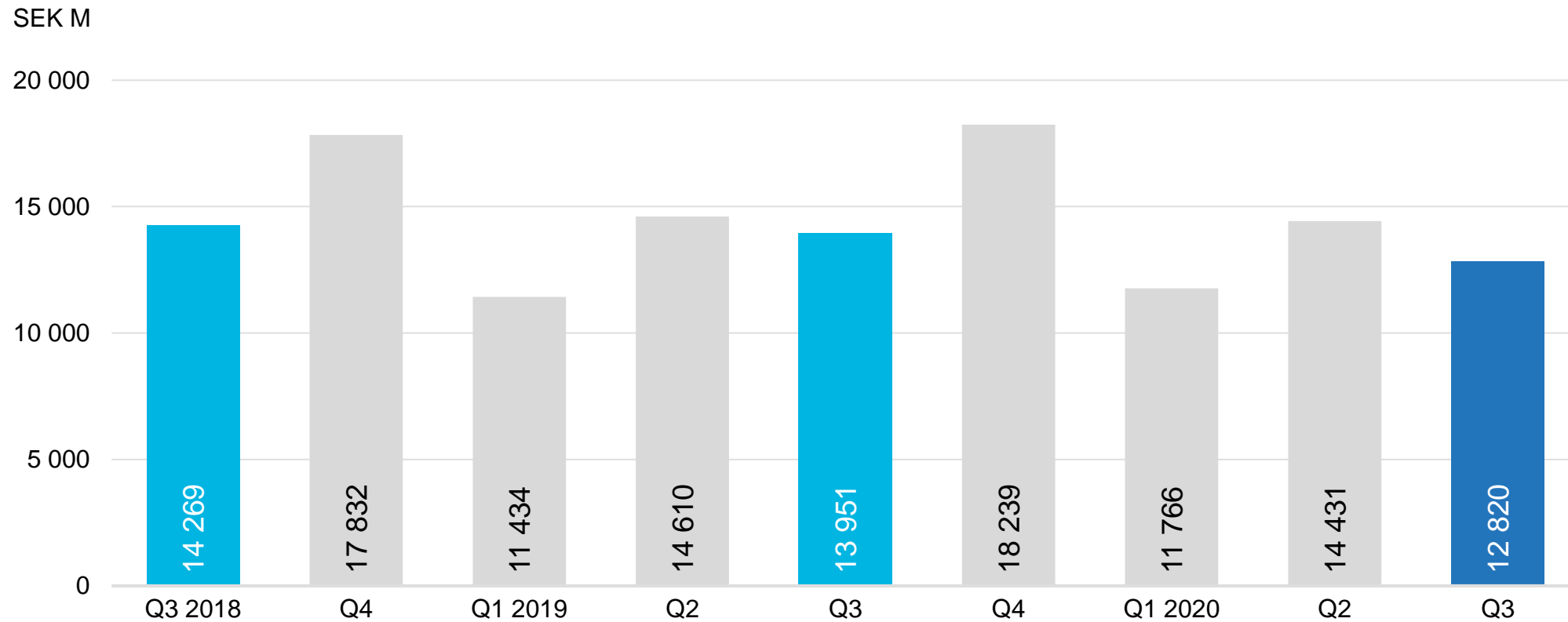
Other changes

- Harri Savolainen, Head of Purchasing, will leave NCC for another opportunity



Net Sales

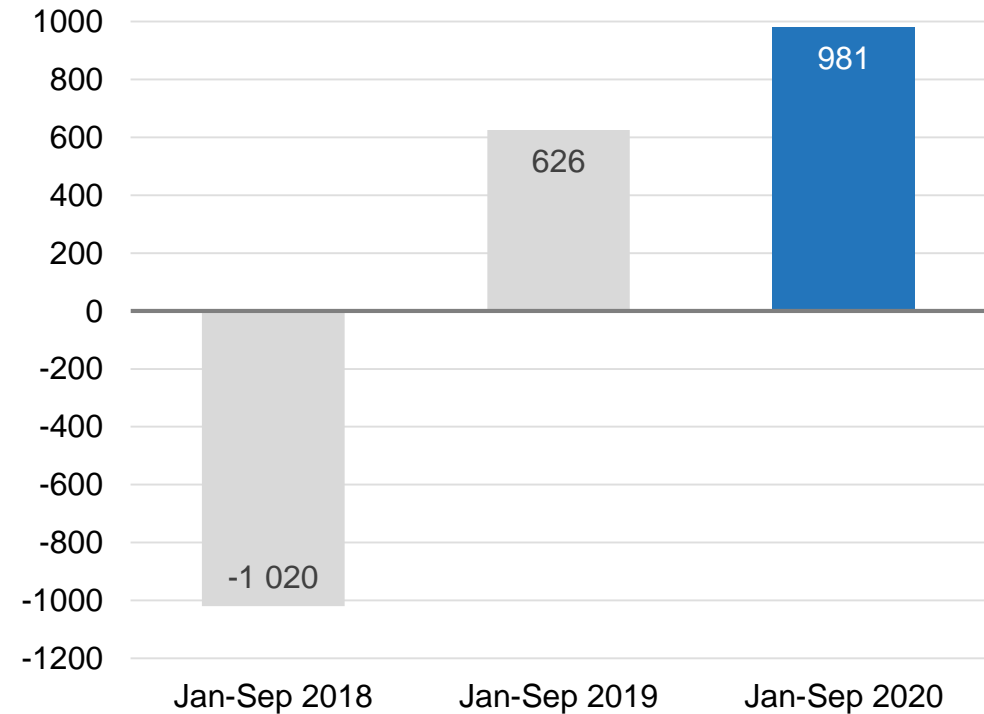
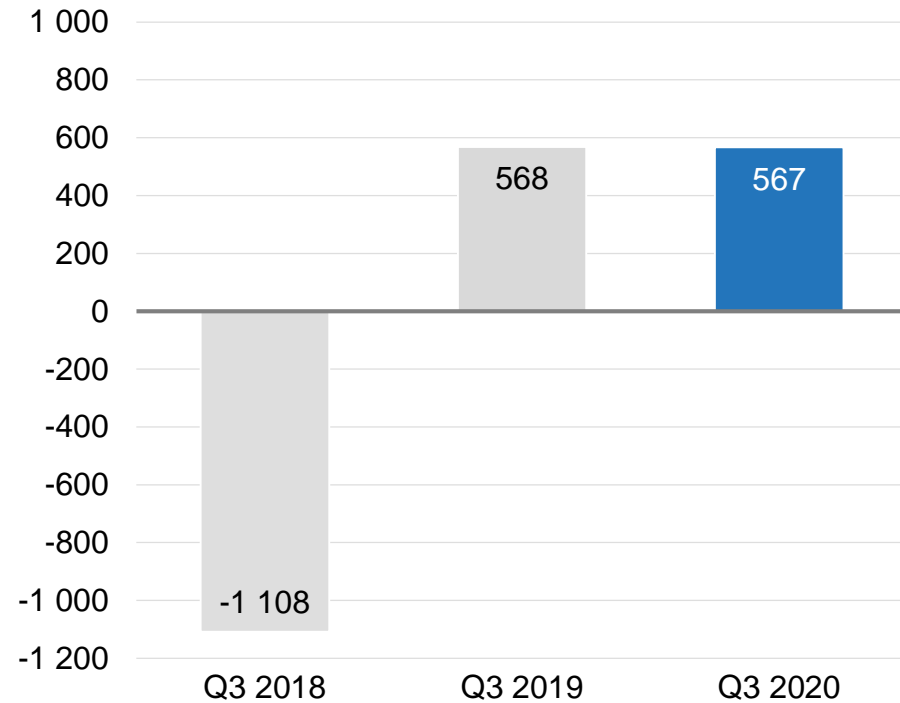
Building Sweden lower than last year and no property sale in PD this quarter



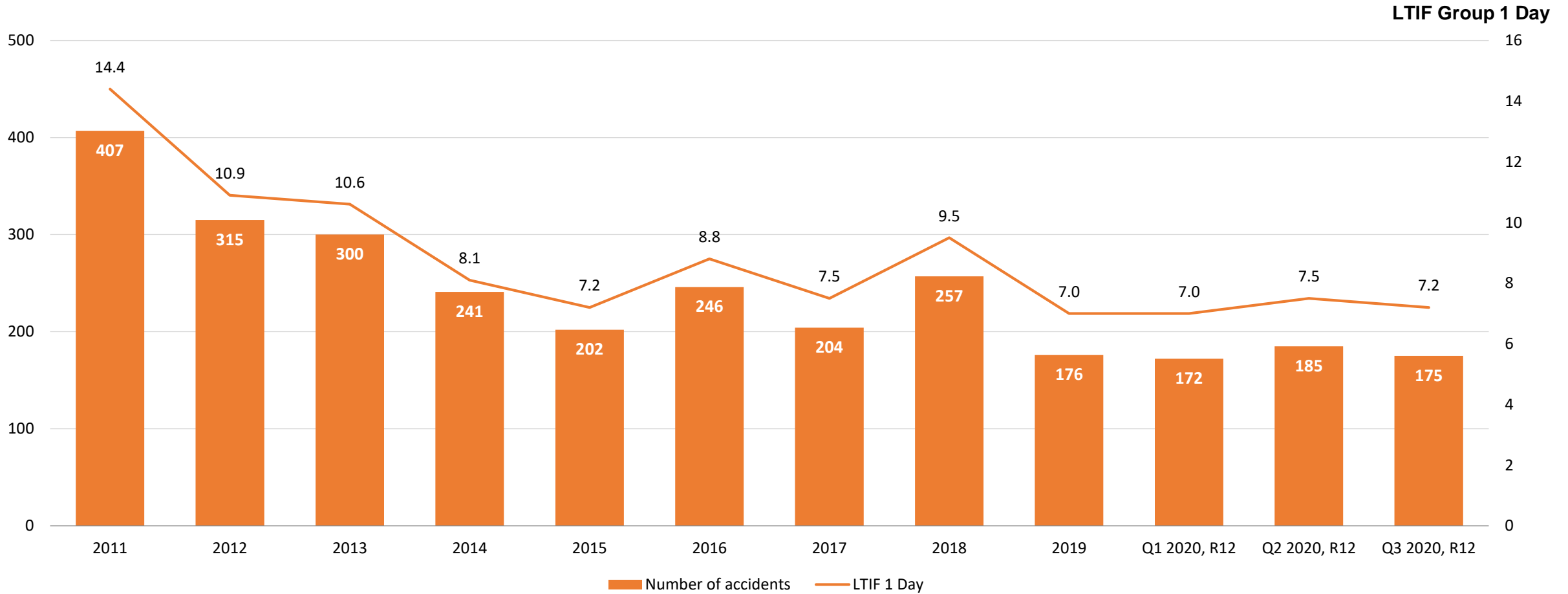
Operating profit on par in the quarter

Operating margin	
Q3 2020	4.4%
Q3 2019	4.1%
R12, Sep 2020	2.9%

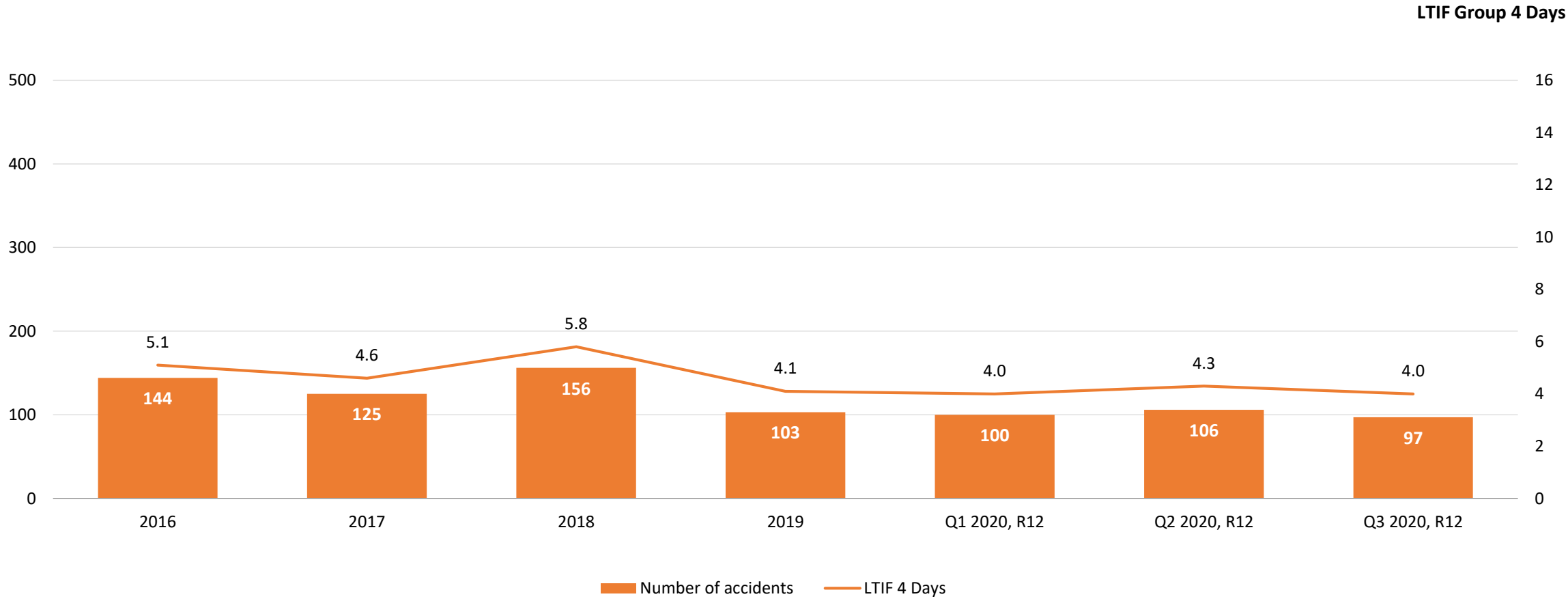
SEK M



Health & Safety



Health & Safety



10th Awareness Day, 2 September 2020



Hospital Nordsjælland, Denmark



Venjar Eidsvoll, Norge

Market: Signs of slowdown in some segments

- Strong underlying demand but potential longterm negative impact from economic downturn due to corona pandemic still hard to assess
- Signs of slower decision processes mainly on the commercial property market may have impact going forward
- Ongoing projects not impacted by corona pandemic to date

In summary: Stable earnings, good cash flow and order backlog in shape

- Margins and earnings better or on par with last year
 - In all contracting business areas and in Industry
 - Property Development had no property sale this quarter
- Strong cash flow
- Different drivers behind low orders received
 - Prudent tendering, more early involvement and quarterly variation
- Order backlog higher than net sales in all BAs

- New Head of business area Industry and a plan to boost performance

**Proposed dividend
2.50 SEK per share
EGM Nov, 12**

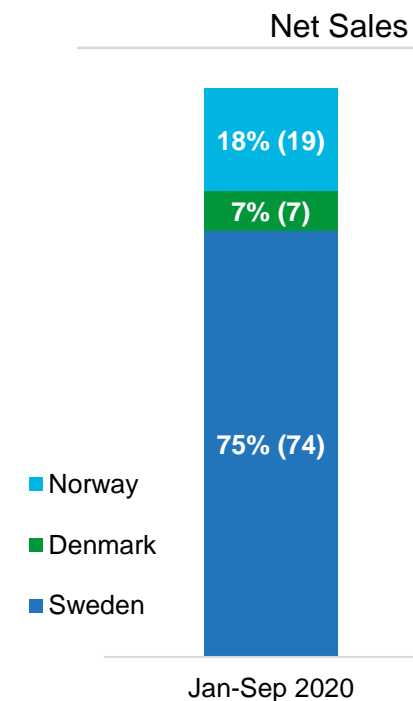
Susanne Lithander

CFO

NCC Infrastructure

Better project portfolio lifts margins – orders received lower

SEK M	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	2,922	4,466	10,353	12,733	14,221	16,601
Order backlog	18,141	22,002	18,141	22,002	18,141	20,389
Net sales	3,956	4,213	12,258	12,054	17,629	17,425
EBIT	110	46	240	135	318	212
EBIT margin, %	2.8	1.1	2.0	1.1	1.8	1.2
NCC Road Services						
Orders received	404	388	1,522	1,505	1,634	1,617
Order backlog	2,824	3,481	2,824	3,481	2,824	2,816
Net sales	455	592	1,413	1,889	2,148	2,624
EBIT	-31	4	-41	5	-26	20



Divestment Road Services

- Road Services Sweden and Finland to Mutares – closed
- Divestment of Road Services Denmark to Arkil in process
- Road Services Norway
 - Reported in the Other and eliminations segment after closing of above divestments
 - Operationally managed by BA Infrastructure in Norway

NCC Building Sweden

Margins improving and strong order backlog

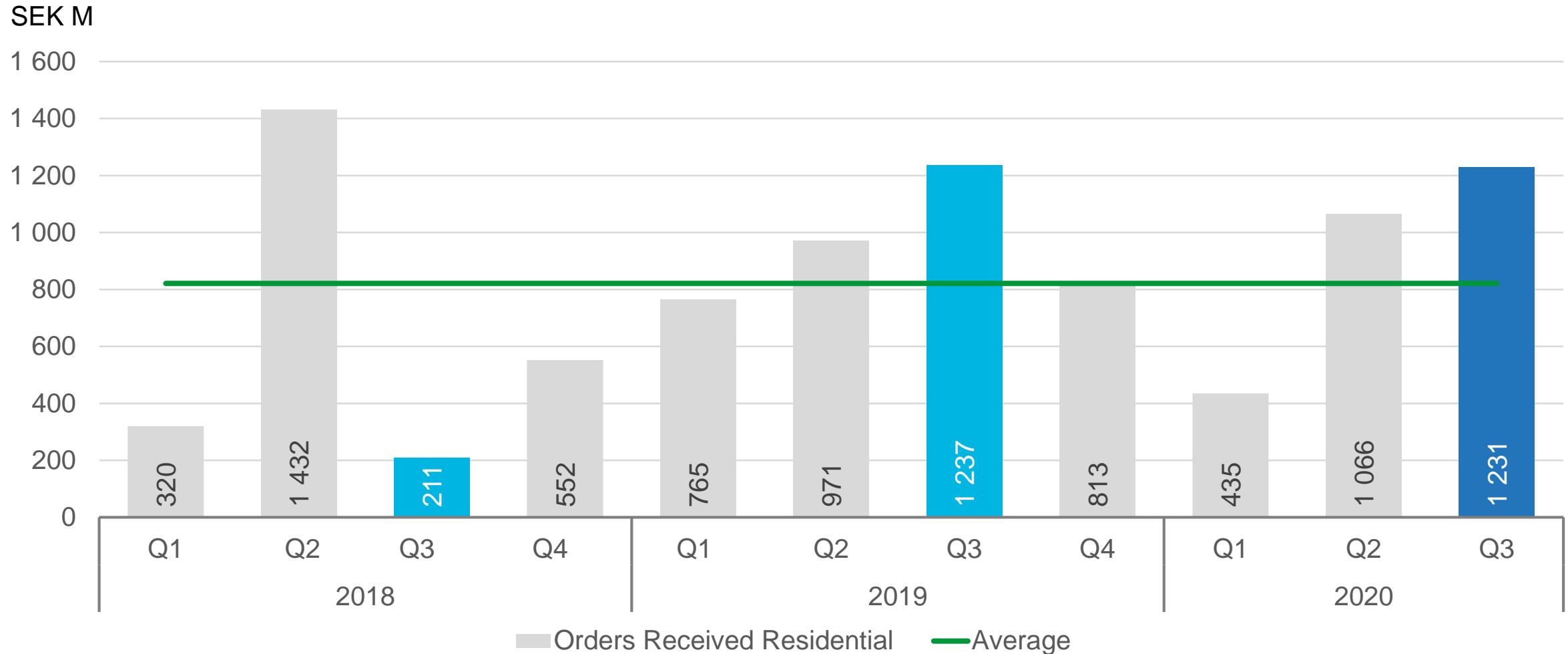
SEK M	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	2,438	3,687	10,625	8,634	14,732	12,741
Order backlog	17,602	16,717	17,602	16,717	17,602	16,561
Net sales	2,735	3,192	9,583	10,587	13,848	14,851
EBIT	78	75	255	261	359	364
EBIT margin, %	2.9	2.4	2.7	2.5	2.6	2.5



School in Helsingborg

NCC Building Sweden

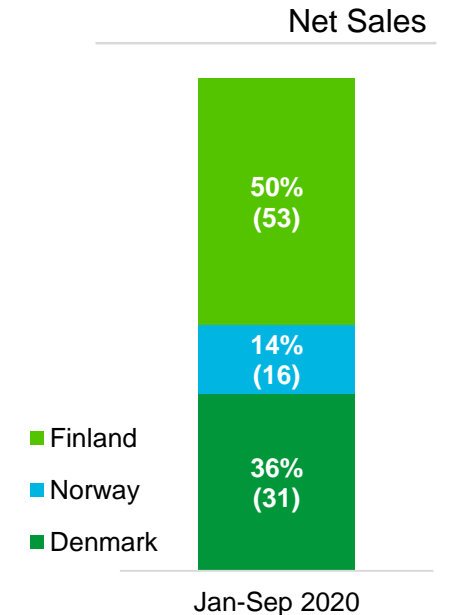
Residential orders received above average – >70% rentals in 2020



NCC Building Nordics

Stable quarter with some country variations – strong order backlog

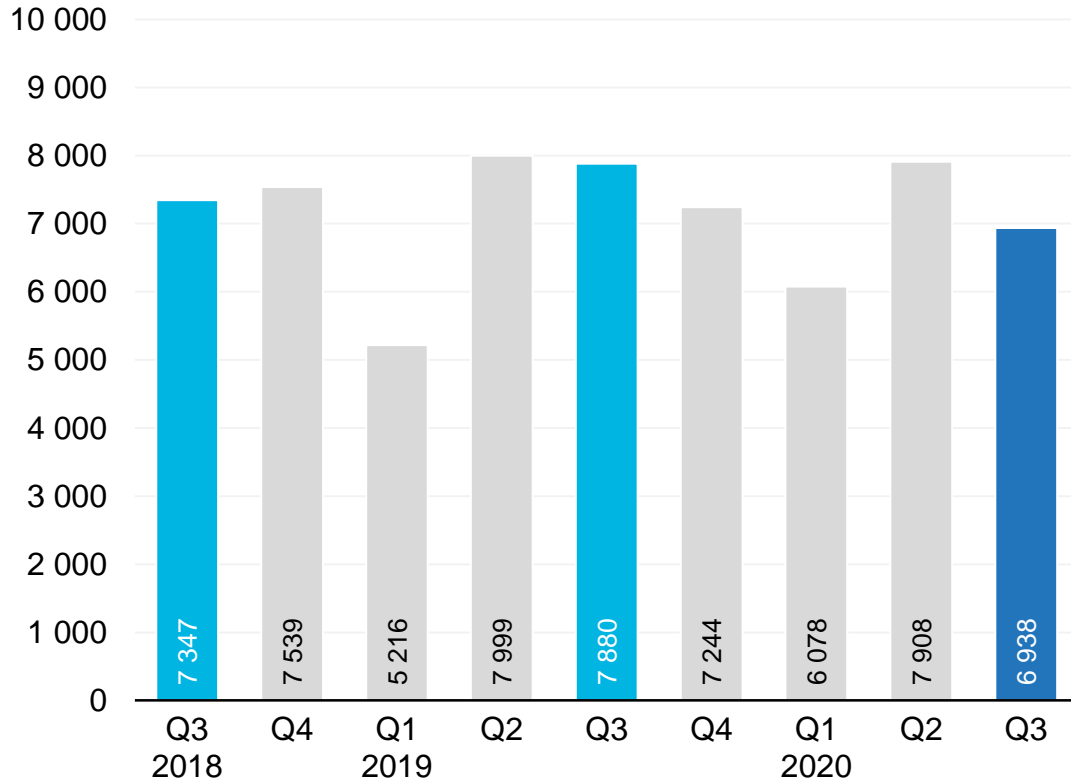
SEK M	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	1,247	2,683	6,674	13,079	9,674	16,080
Order backlog	13,671	16,694	13,671	16,694	13,671	15,807
Net sales	2,795	2,914	8,792	8,284	12,277	11,769
EBIT	50	53	162	132	261	231
EBIT margin, %	1.8	1.8	1.8	1.6	2.1	2.0



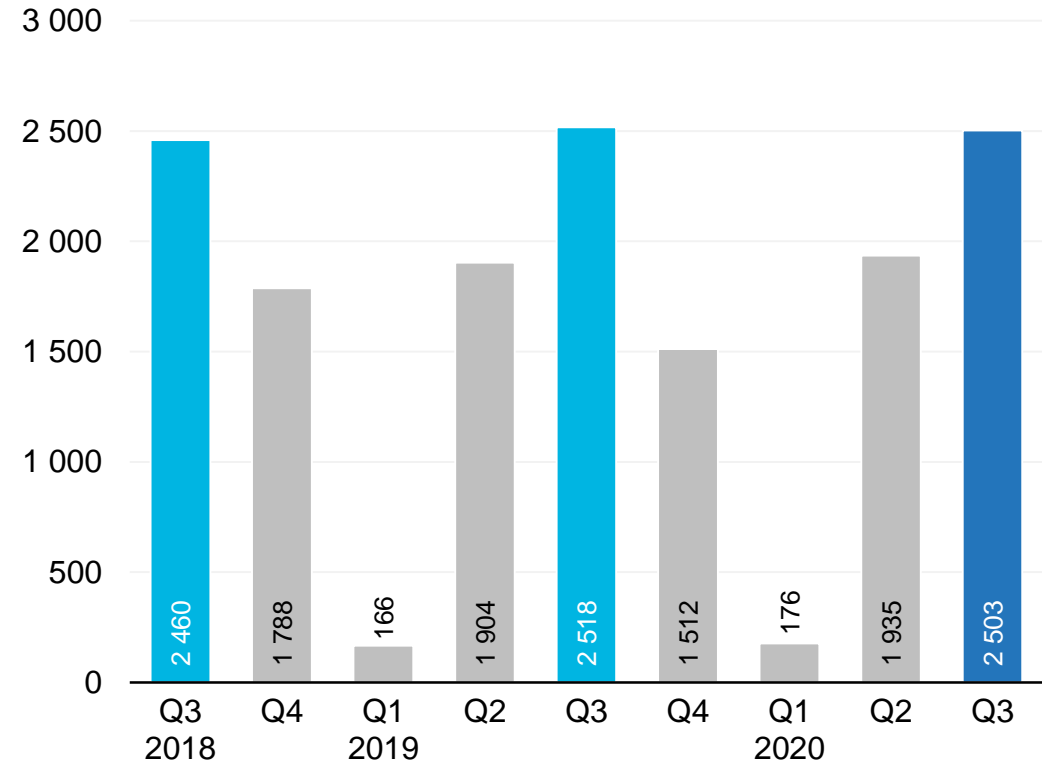
NCC Industry: Stone and asphalt volumes

Asphalt volumes on par, stone volumes somewhat lower

Stone material sold, thousands of tons



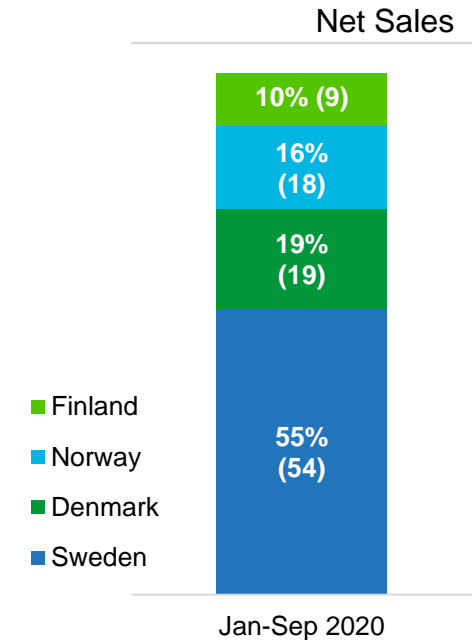
Asphalt sold, thousands of tons



NCC Industry

Delivering on the same level as last year

SEK M	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Orders received	2,399	2,450	9,489	9,812	12,529	12,852
Order backlog	3,402	3,631	3,402	3,631	3,402	2,967
Net sales	4,101	4,311	8,969	9,296	12,643	12,971
EBIT	395	387	290	324	478	511
Operating margin %	9.6	9.0	3.2	3.5	3.8	3.9
ROCE %					8.3	9.0



NCC Property Development

No property sale this quarter

	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
SEK M	2020	2019	2020	2019	2019/2020	2019
Net sales	18	335	2,274	1,067	4,263	3,056
EBIT	-11	19	380	39	654	313
Capital employed	5,793	6,107	5,793	6,107	5,793	4,935
EBIT margin %	-58.5	5.6	16.7	3.7	15.3	10.2
ROCE %					12.2	6.2

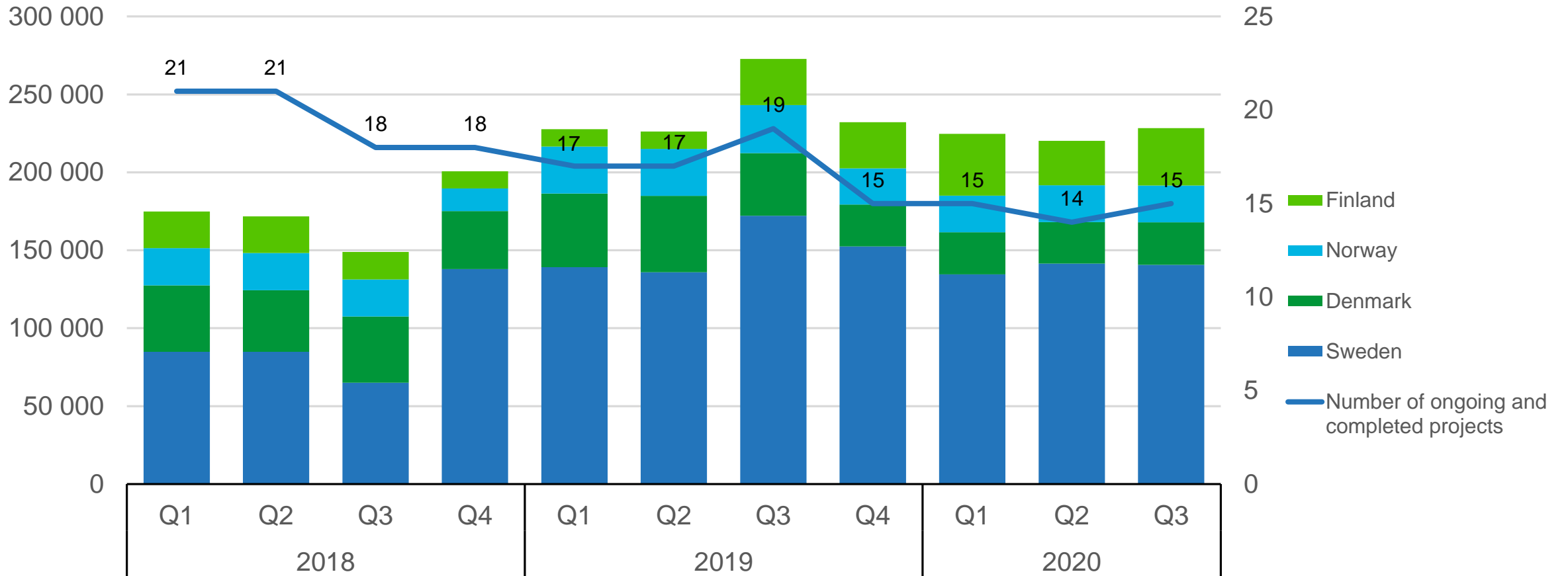


Masthuggskajen

One new project started in Q3

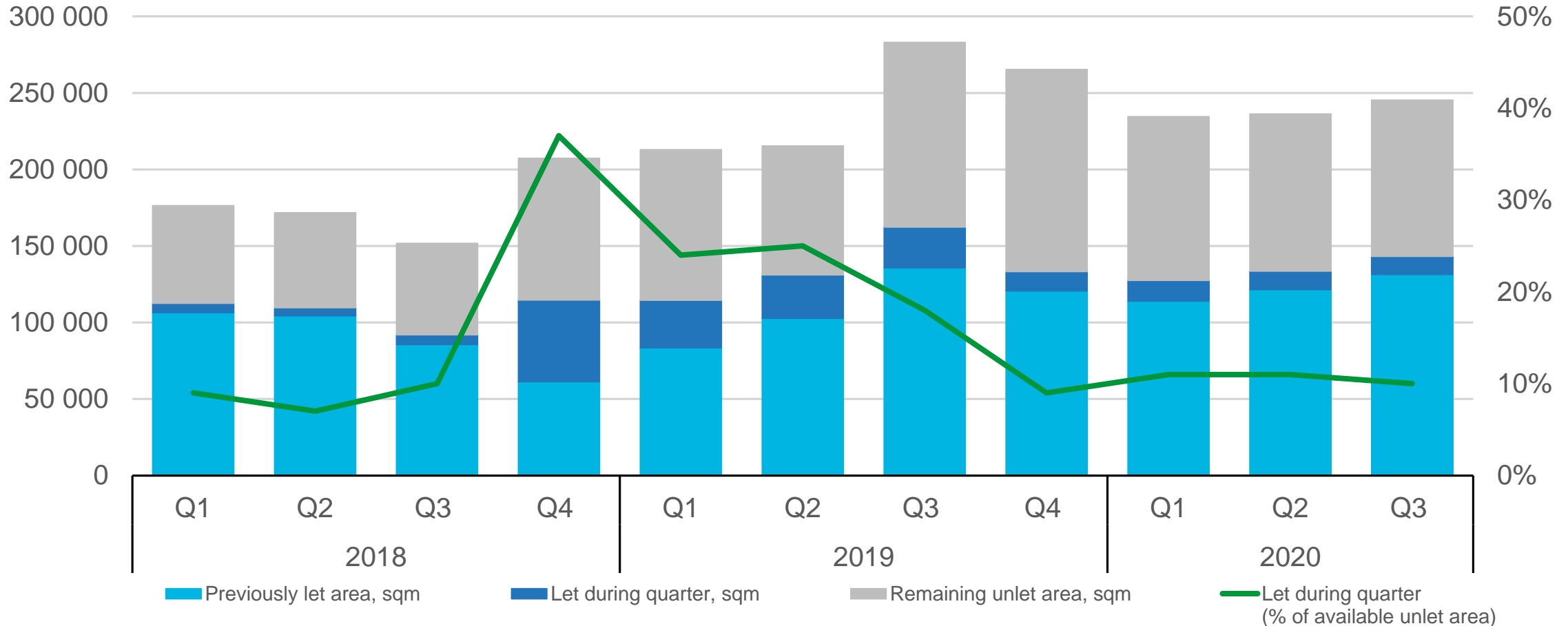
Project "Fredriksberg D" in Finland – 73% let

Lettable space, sqm



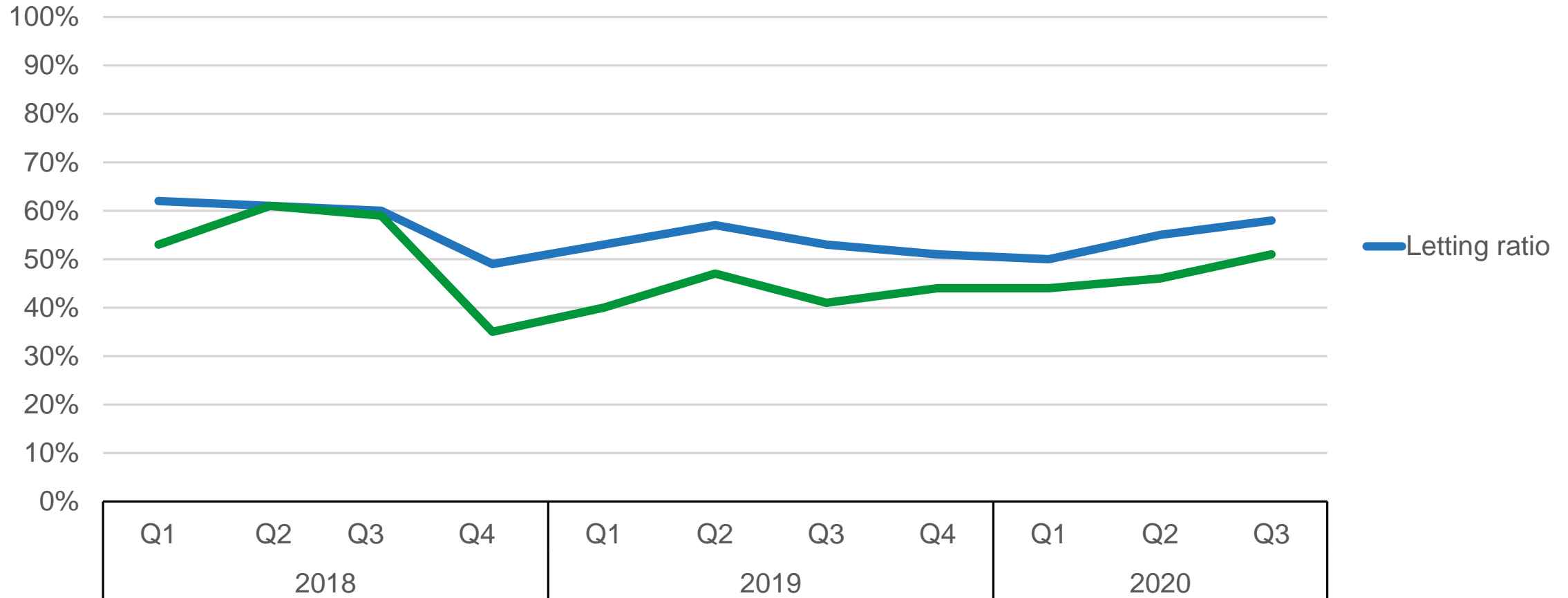
Letting on same level as previous quarters

Impacted by corona pandemic uncertainty – but still activity in the market



Letting and completion status

Letting higher than completion ratio in the property development

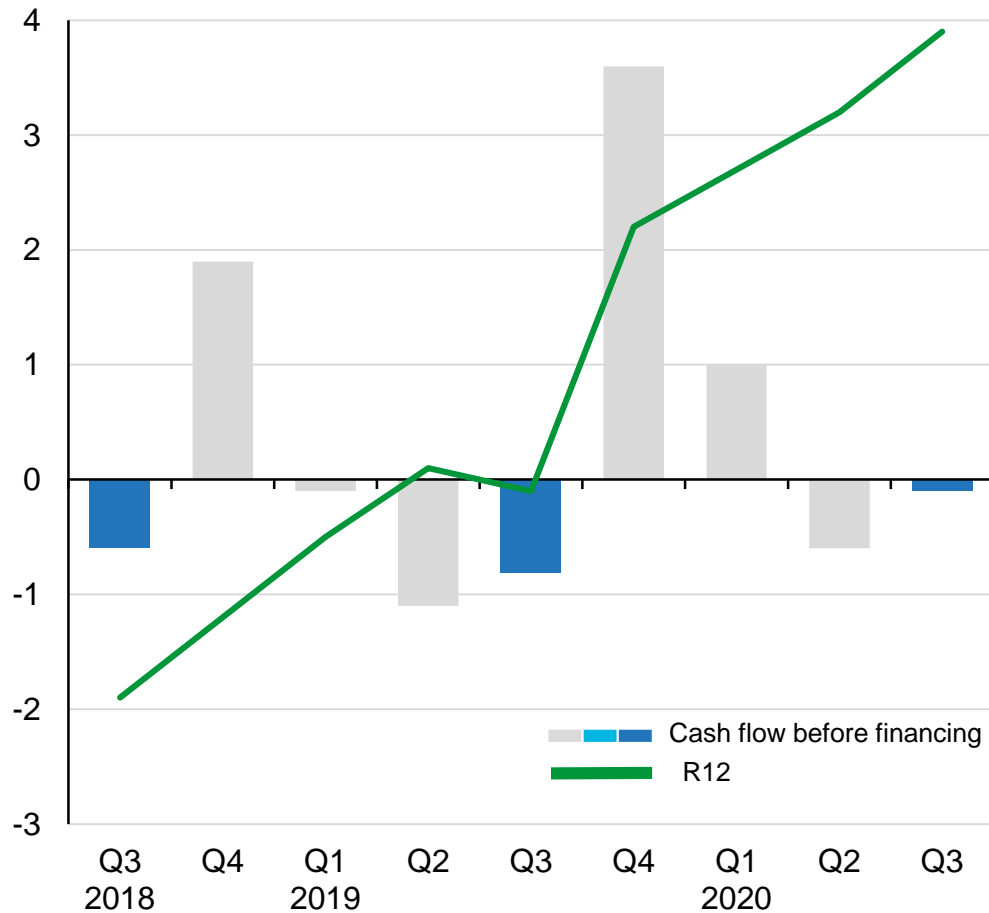


Earnings

SEK M	Q3		Jan-Sep		R12 Oct 19-Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Earnings in segments (all BAs)	592	583	1,288	896	2,043	1,651
<i>NCC HQ and subs</i>	17	-7	-75	-149	-130	-204
<i>Internal gains</i>	-35	16	-52	-39	-37	-24
<i>Other Group Adjustments</i>	-7	-24	-180	-82	-226	-126
Other & Eliminations total	-25	-15	-307	-269	-393	-354
EBIT	567	568	981	626	1,651	1,296
Financial items	-19	-32	-60	-81	-91	-112
EBT	548	536	922	545	1,560	1,184
Tax	-61	-77	-83	-78	-313	-309
Profit for the period	488	459	839	467	1,246	875

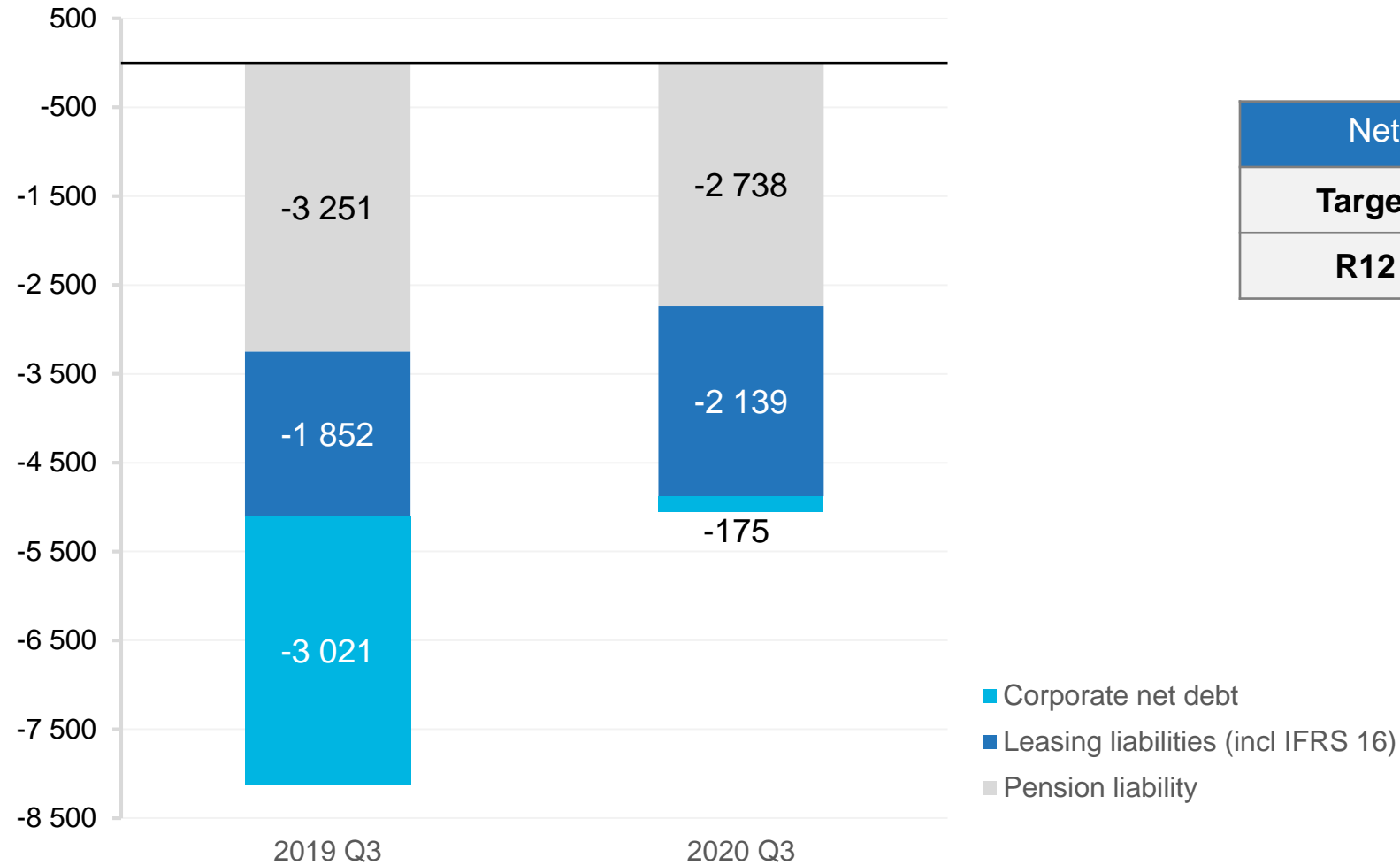
Strong cashflow

SEK Bn



SEK M	Q3		Jan-Sep		R12 Oct 19- Sep 20	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
From operating activities	792	947	1,579	1,326	3,027	2,774
From property projects	-595	-714	-558	-1,514	-209	-1,165
Other working capital	-121	-914	-430	-1,328	1,503	605
Investing activities	-140	-132	-241	-547	-396	-701
Cash flow before financing	-63	-814	350	-2,063	3,925	1,512

Net debt per Sep 30



Net debt* / EBITDA	
Target	< 2.5x
R12	0.08x

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

Tomas Carlsson

CEO

EGM Nov 12, 2020

- Digital EGM – voting digital or by mail
- More information on www.ncc.com/ir

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Welcome to
Capital Market Meeting, 18 November

For more information
www.ncc.com/ir

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