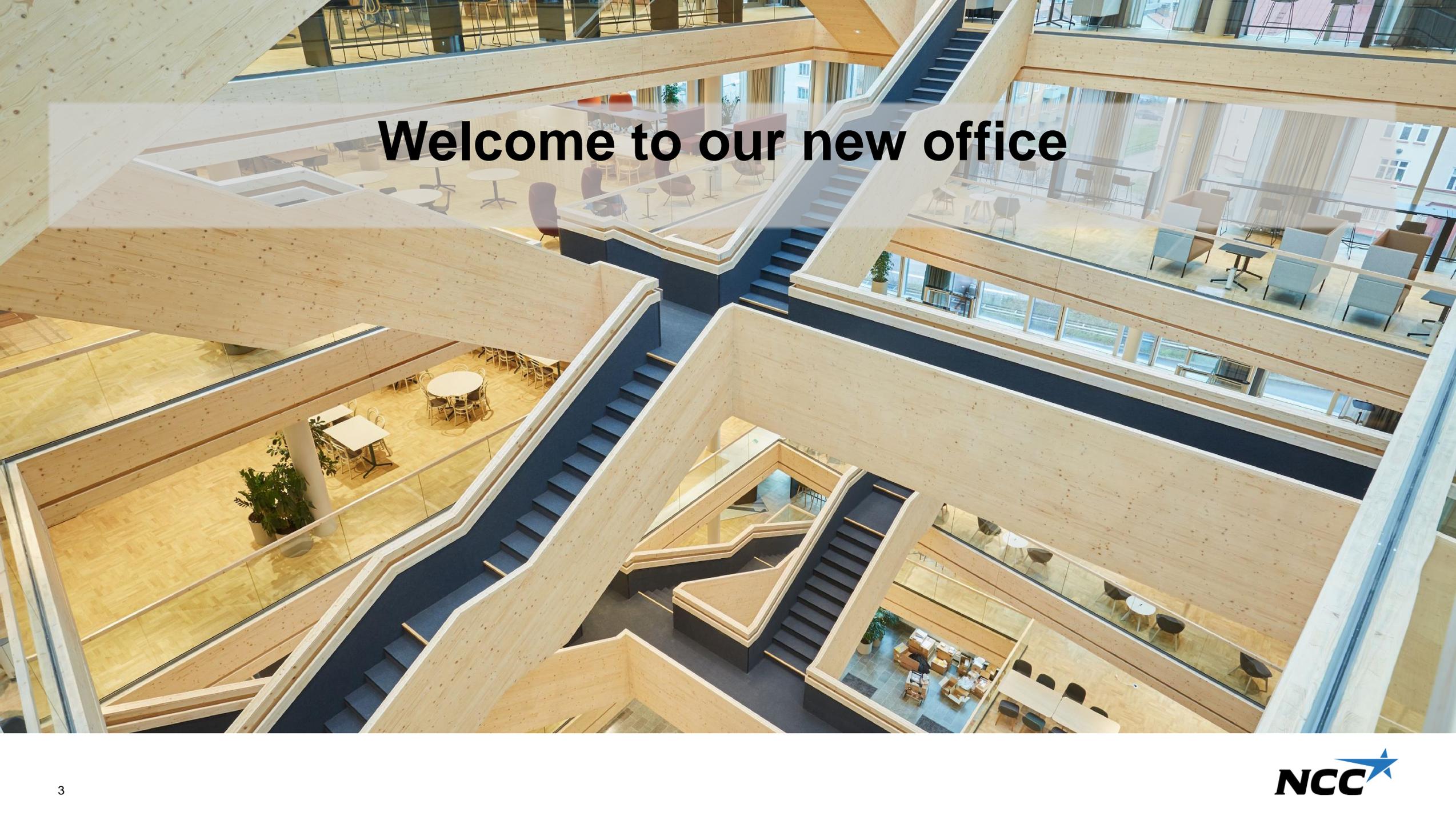


Interim report Q4 & full year 2019



Tomas Carlsson

CEO



Welcome to our new office

Ending 2019 with a strong Q4

Q4 2019

- Earnings improved and net sales up
- Strong cashflow
- Orders received down but order backlog on strong level
- Somewhat more cautious in the market mainly in Sweden

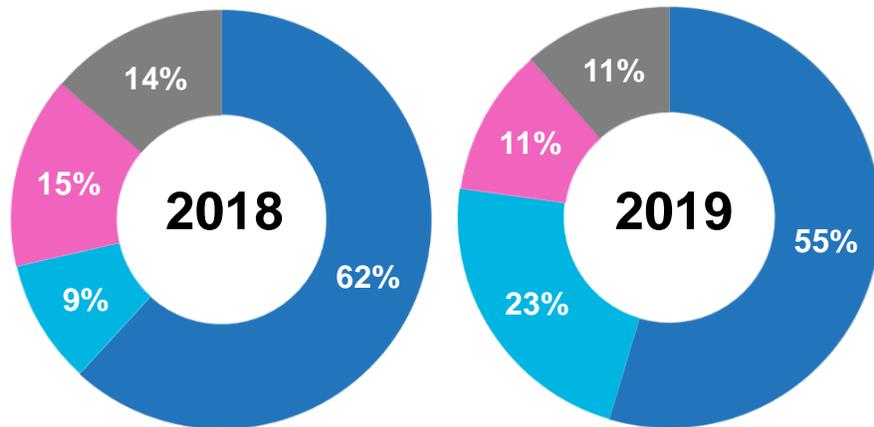
Full Year 2019 – improving in line with plan

- Earnings improved
- Orders received down
- Net sales up year on year
- Cash flow improved compared to last year

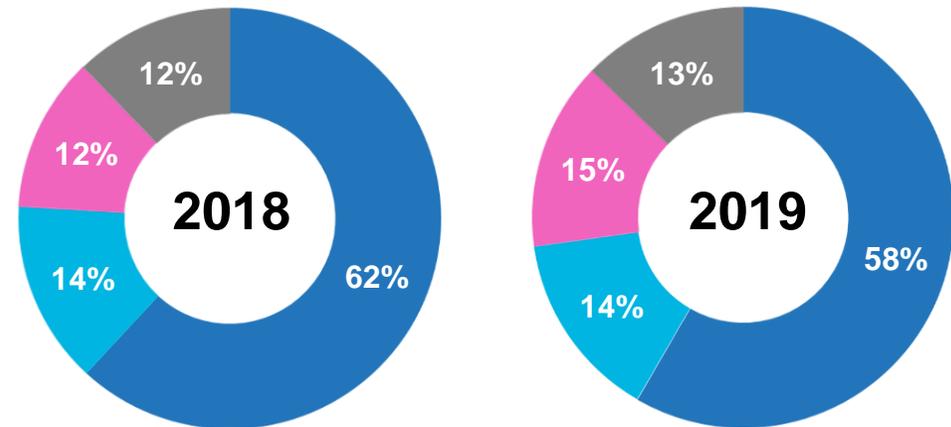
**Proposed dividend
SEK 5.00 per share**

NCC in 2019: Sweden remaining the largest market but orders received in Denmark doubled

Orders received per country



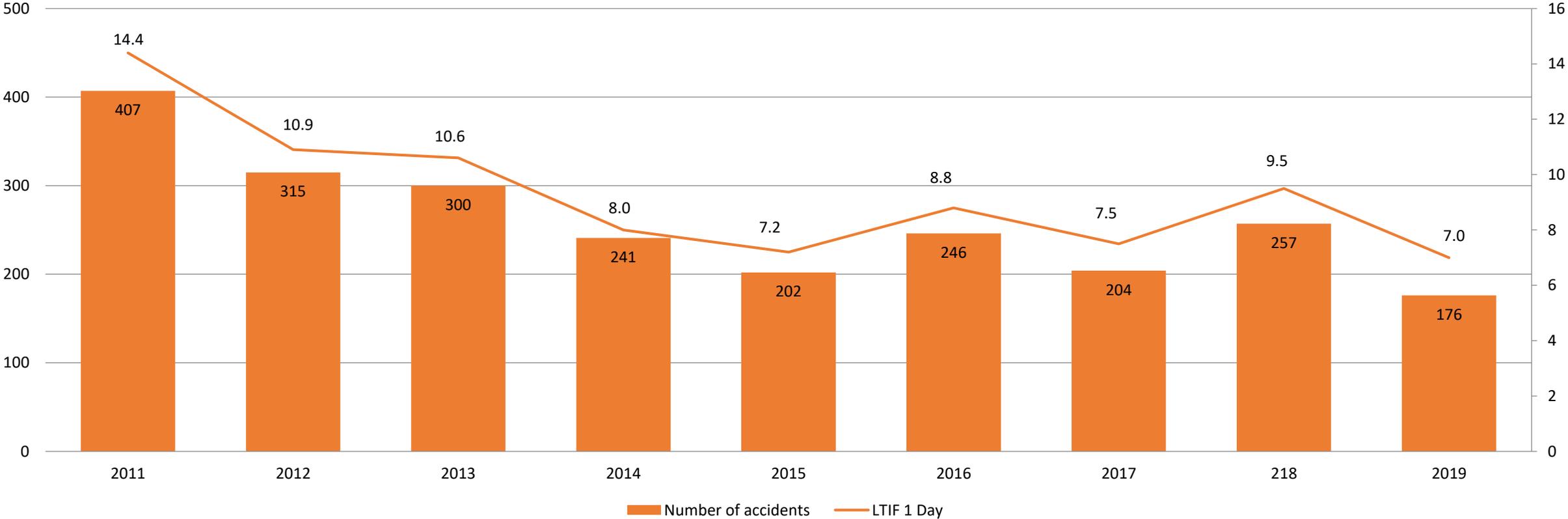
Net sales per country



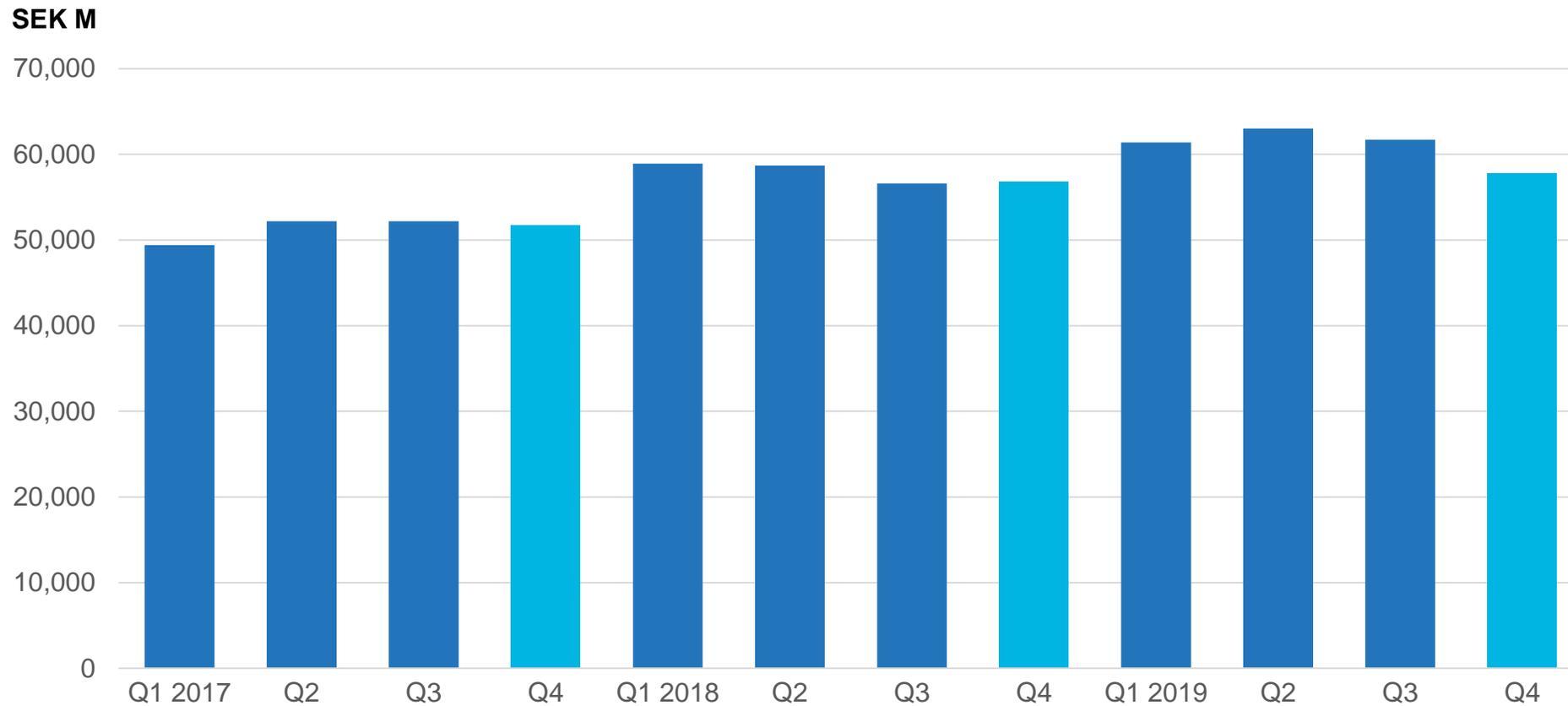
■ Sweden ■ Denmark ■ Norway ■ Finland

Accident frequency going down

LTIF Group 1 Day

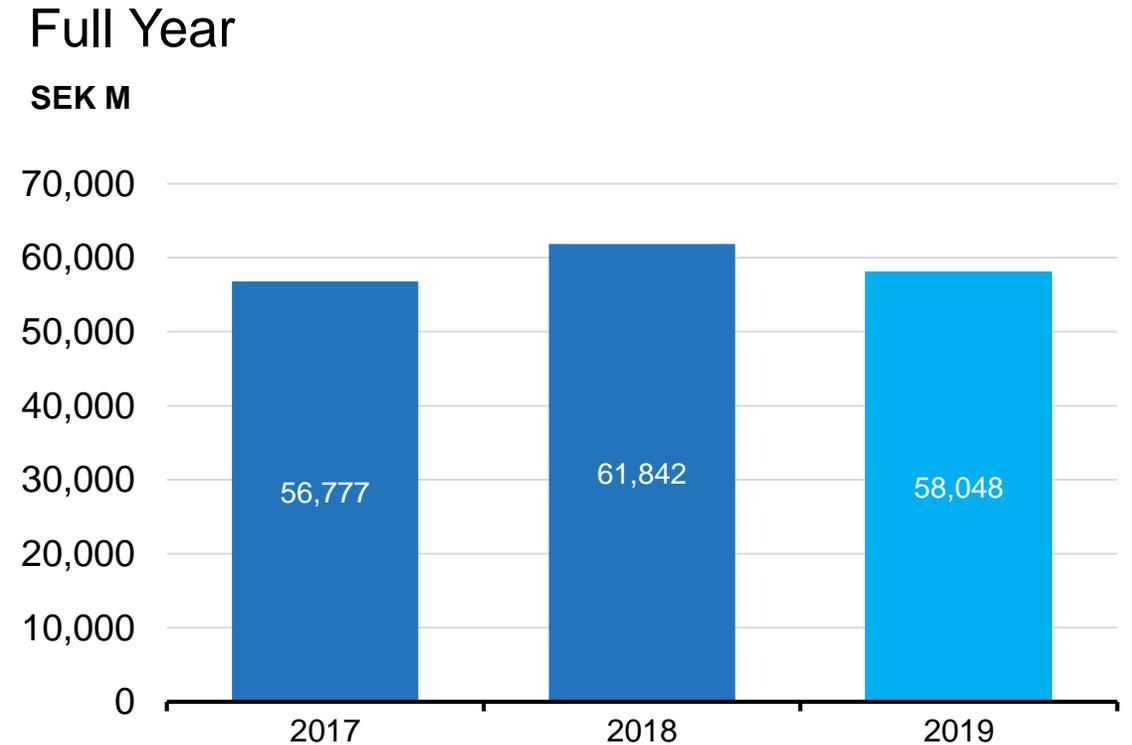
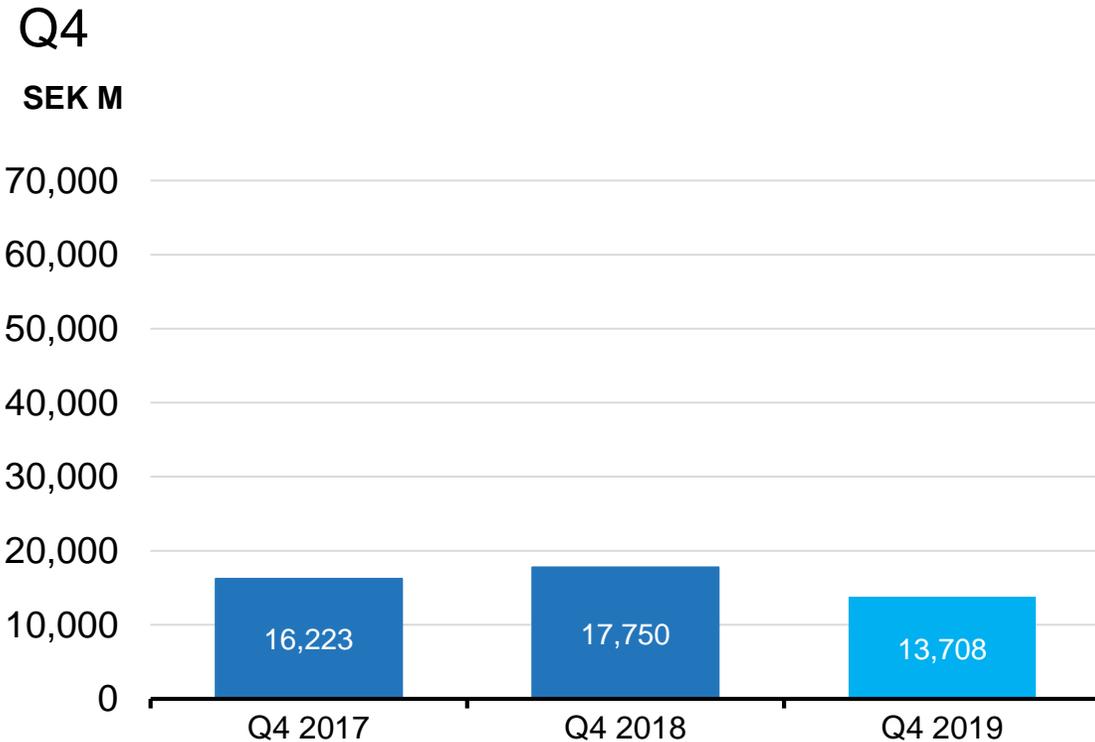


Order backlog stronger than previous years

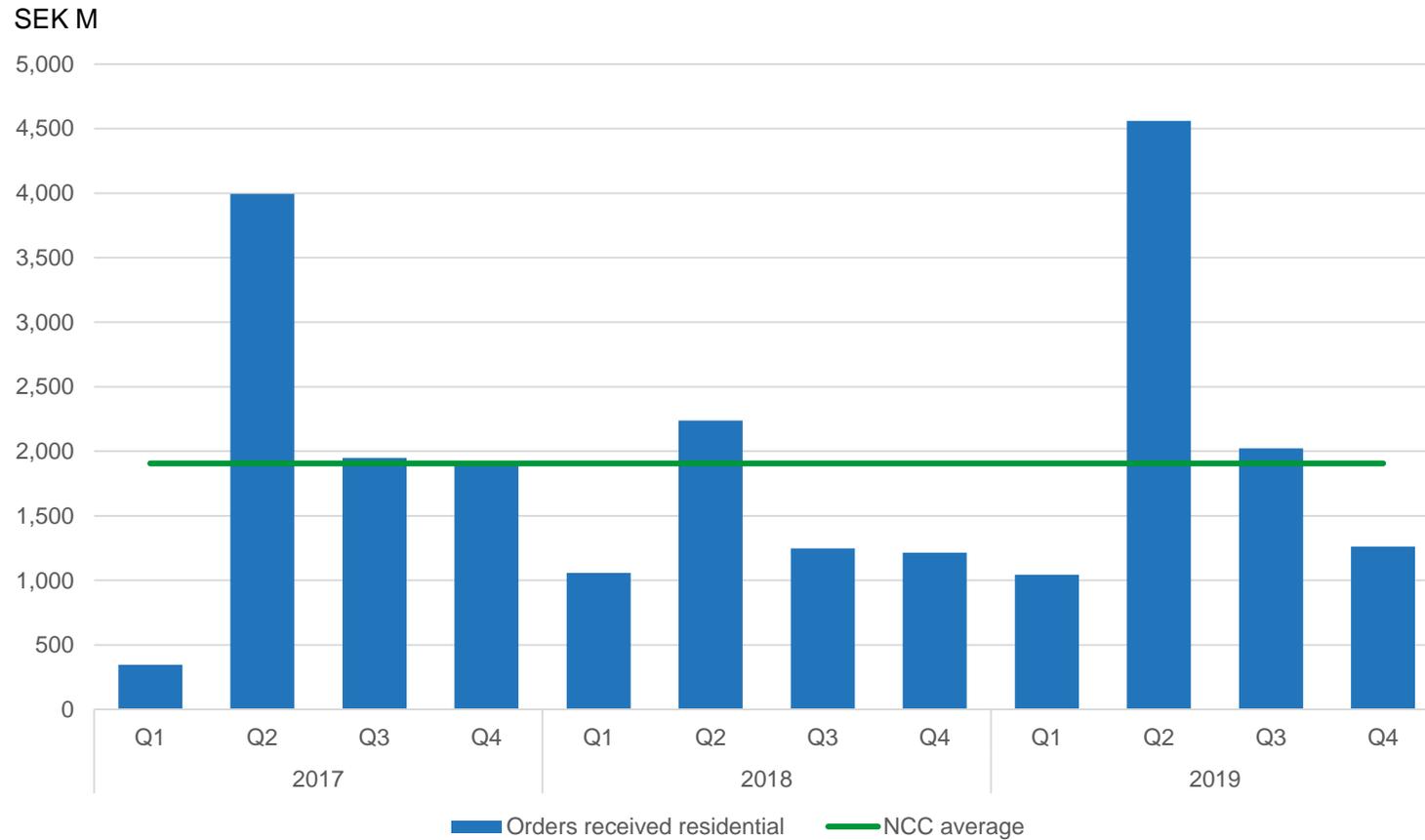


Orders received

Down in Road Services, BU SE and Infrastructure – up in BU Nordics



Residential orders received

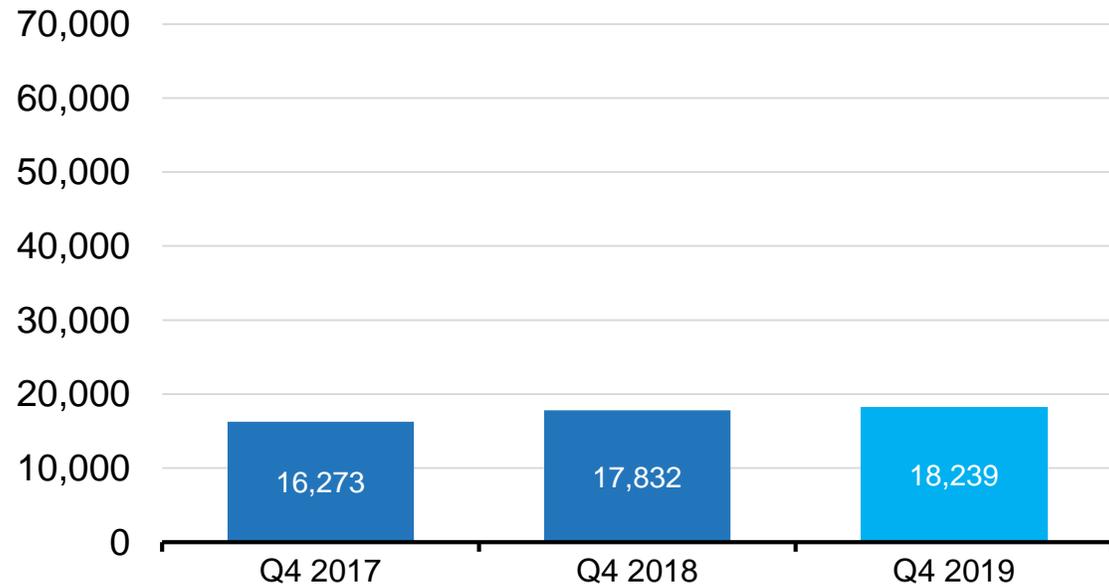


Net Sales

Net sales growing

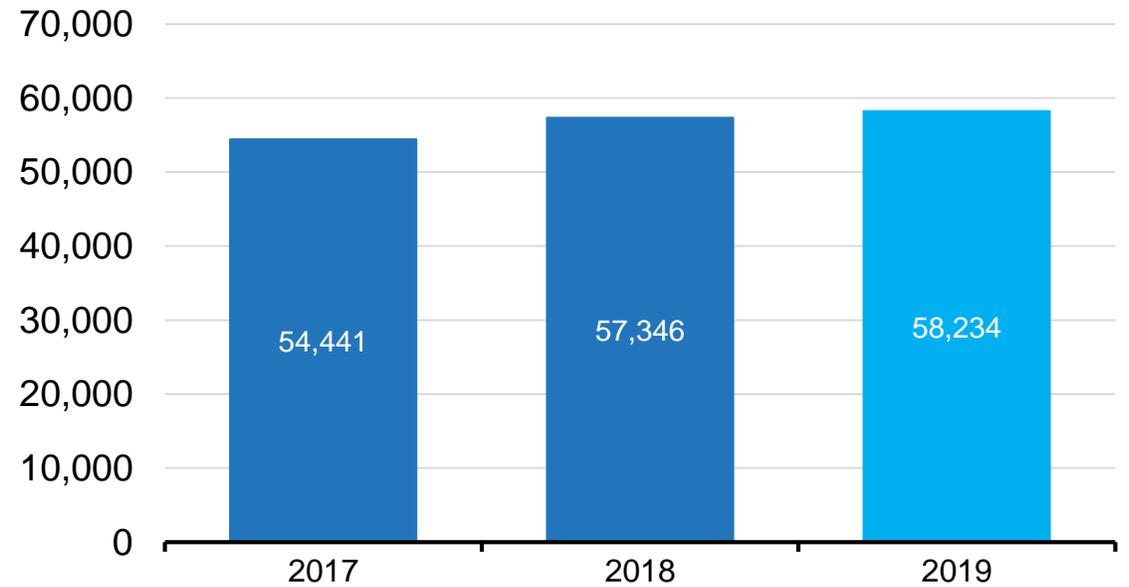
SEK M

Q4



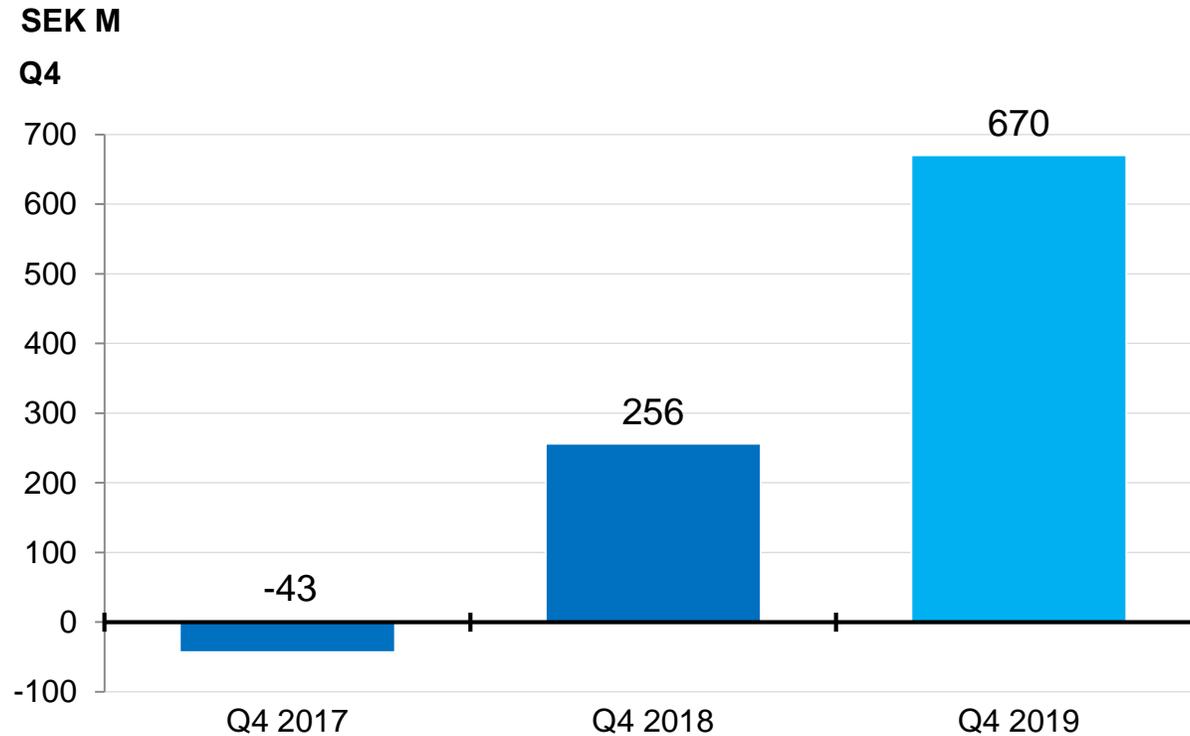
SEK M

Full year



Q4 2019: Earnings improving

Improvements in all business areas supported by sale of property

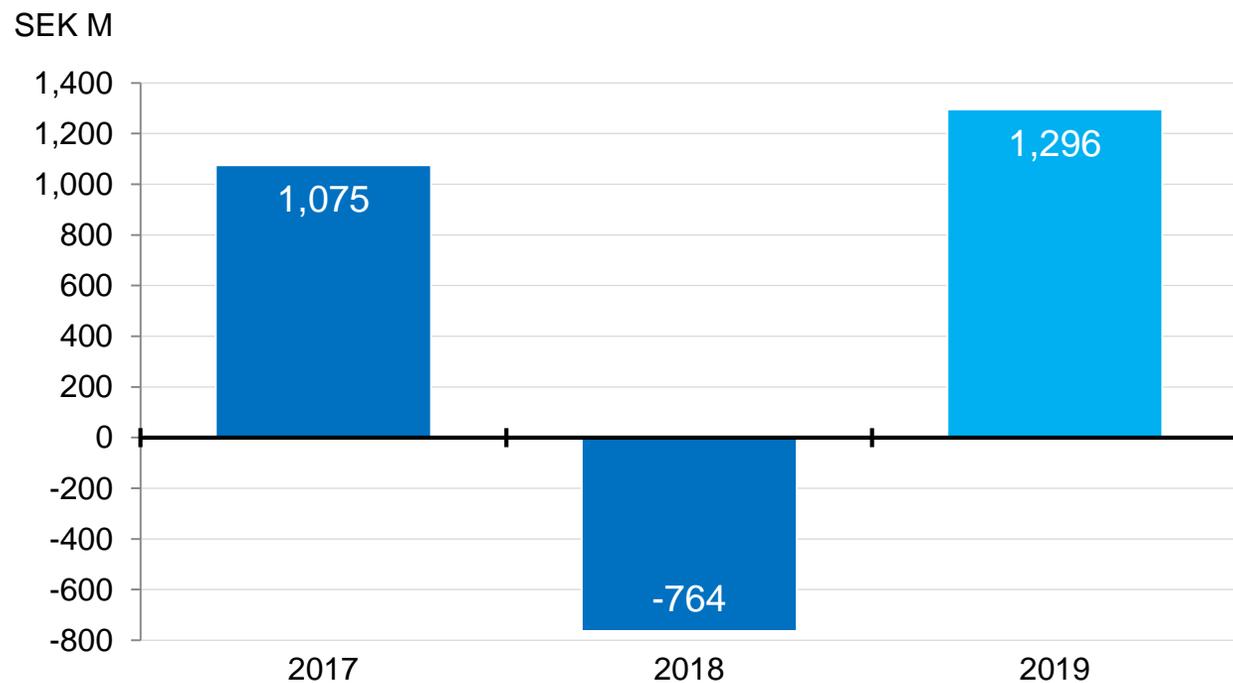


Operating margin

2019 3.7%

2018 1.4%

Full year 2019: Improved earnings

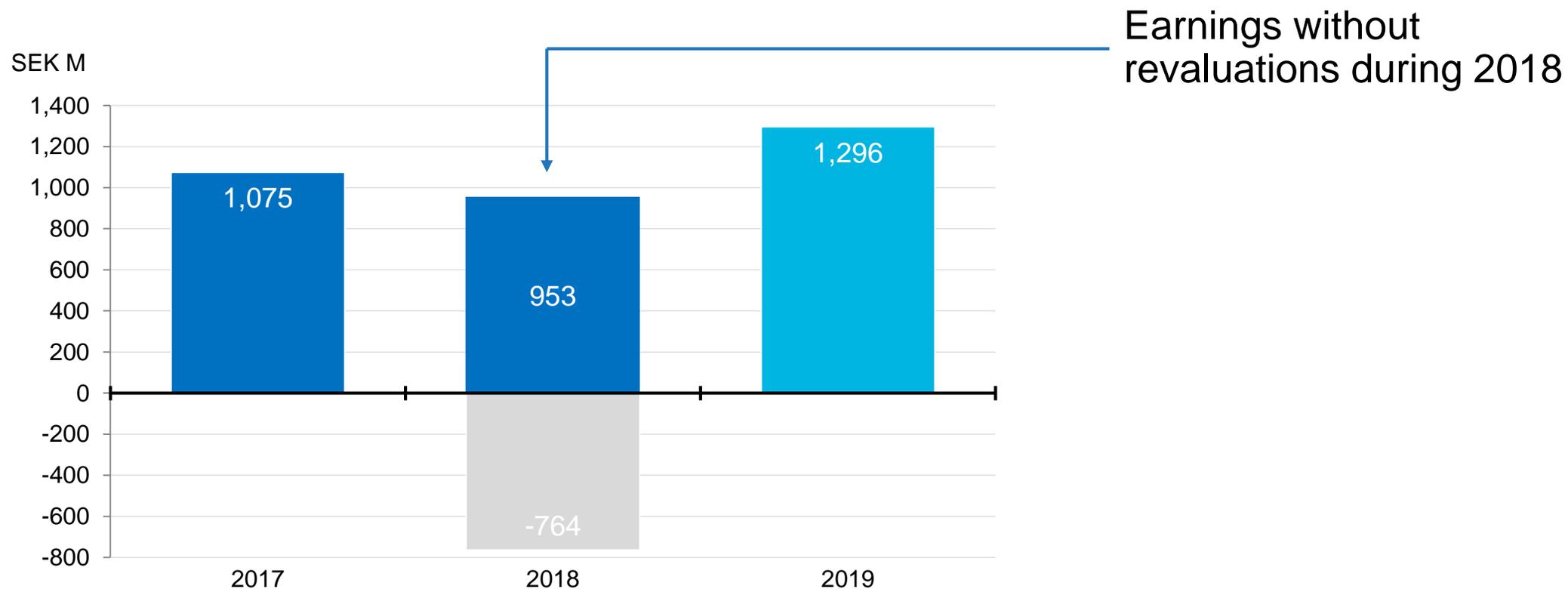


Operating margin (NCC total)

2019 2.2%

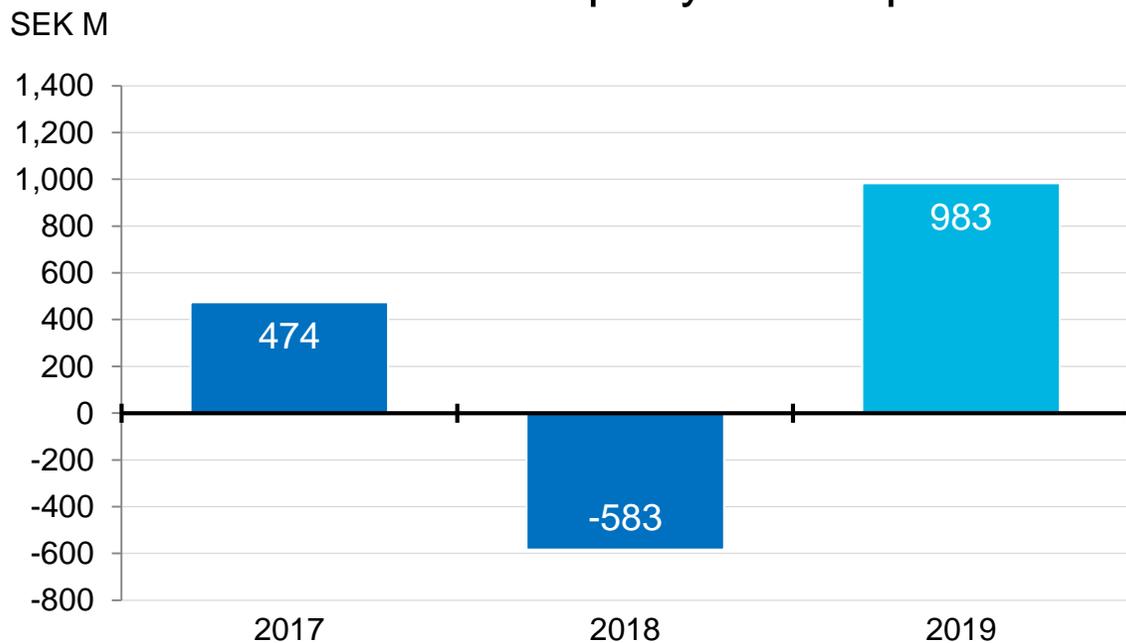
2018 -1.3%

Full year 2019: Comparison with 2018

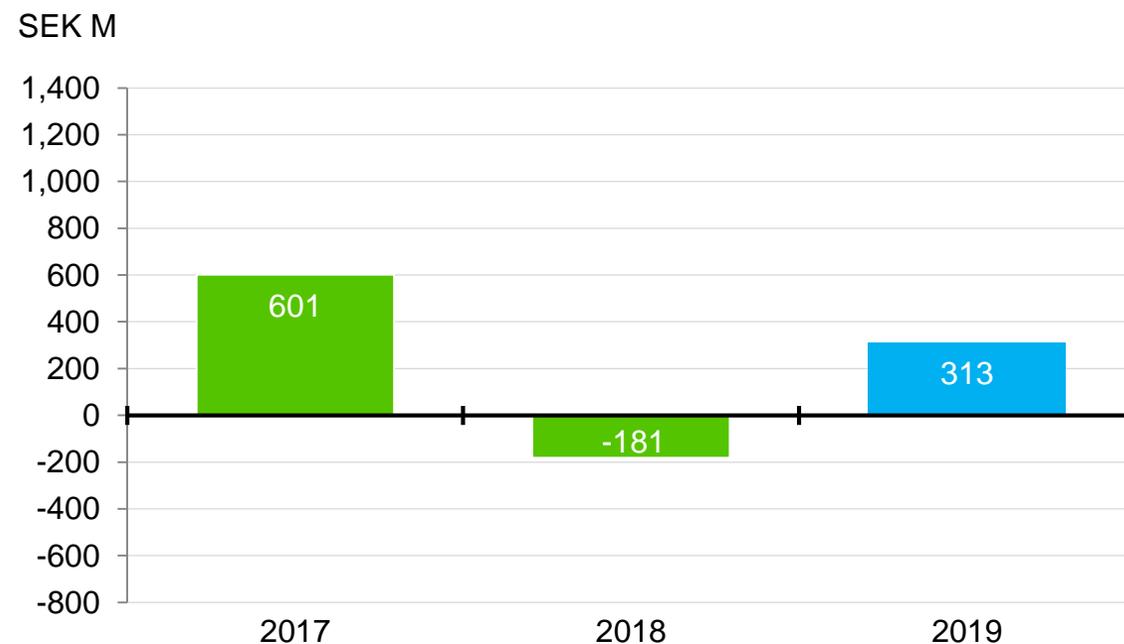


Full year 2019: Improved earnings without PD

NCC without Property Development



Business Area Property Development



Proposed dividend 5,00 SEK per share

2.50 SEK

3 April 2020

2.50 SEK

2 November 2020

Financial objectives and dividend policy

Operating margin
 $\geq 4.0\%$

Net debt
 < 2.5
x EBITDA

Return on equity
 $\geq 20\%$

Dividend policy
 $\geq 40\%$
of profit after tax

2019
2.2%
(-1.3%)

0x
(0.6x)

32%
(-18%)

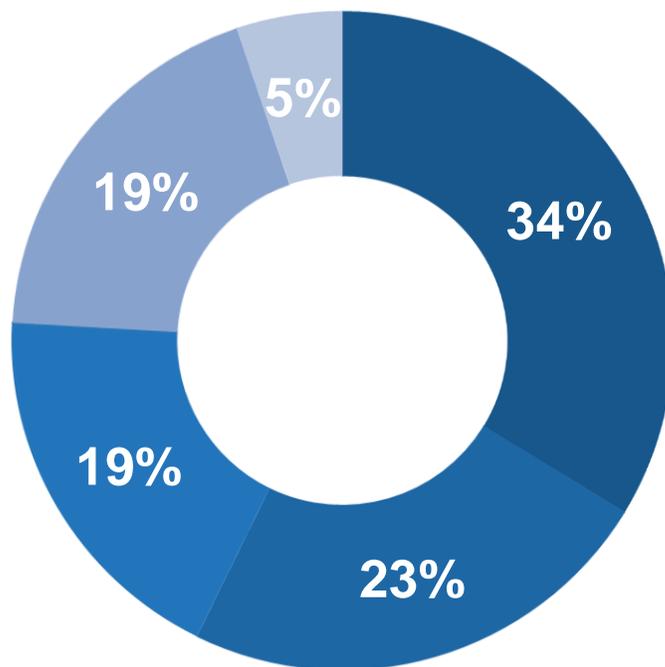
Proposed
5,00 SEK per share
62% of profit after tax

Susanne Lithander

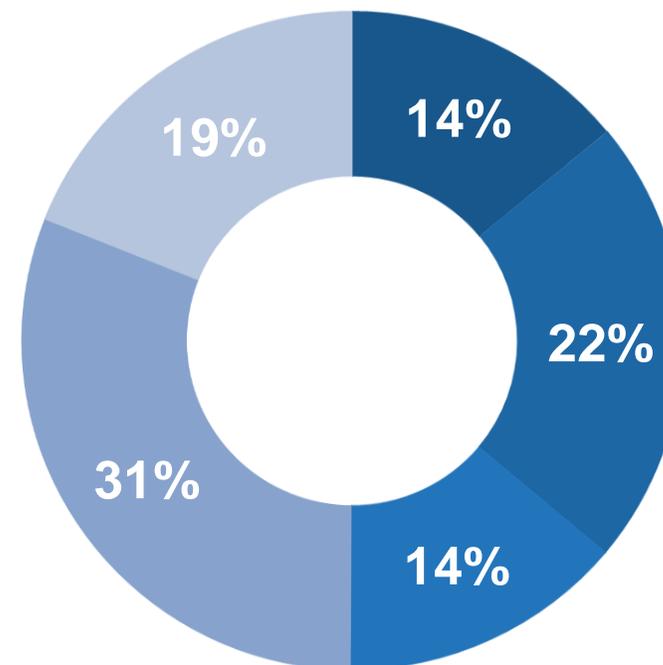
CFO

Balanced business areas

Net sales 2019



EBIT*



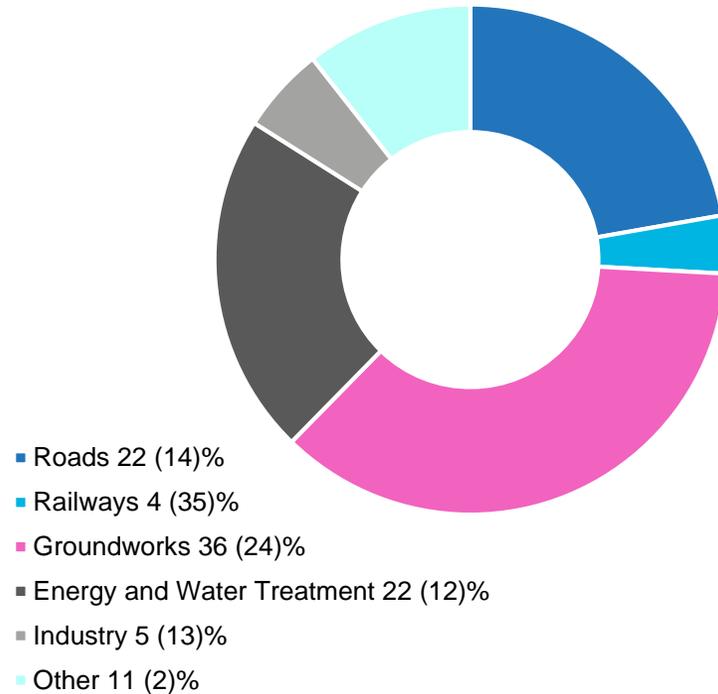
■ NCC Infrastructure ■ NCC Building Sweden ■ NCC Building Nordics ■ NCC Industry ■ NCC Property Development

*according to segment reporting

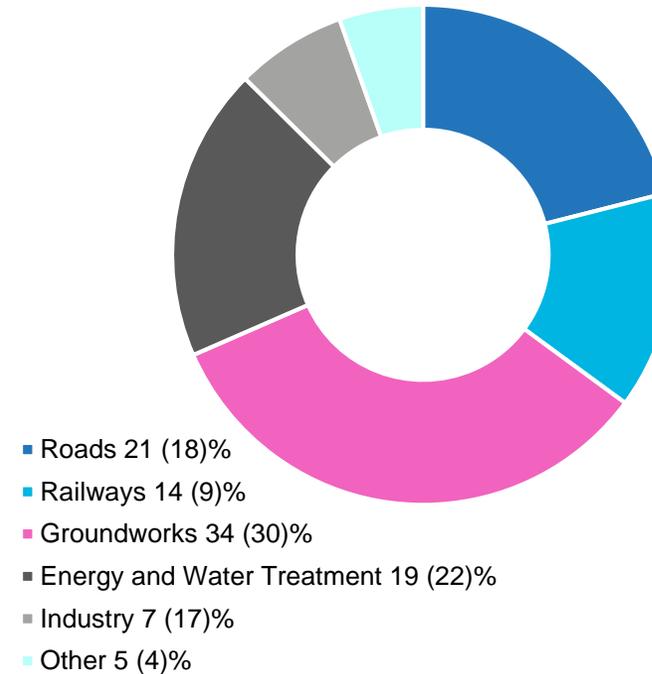
NCC Infrastructure

Primarily Sweden and Norway – Centralen project in orders received 2018

Orders received 2019



Net Sales 2019



NCC Infrastructure

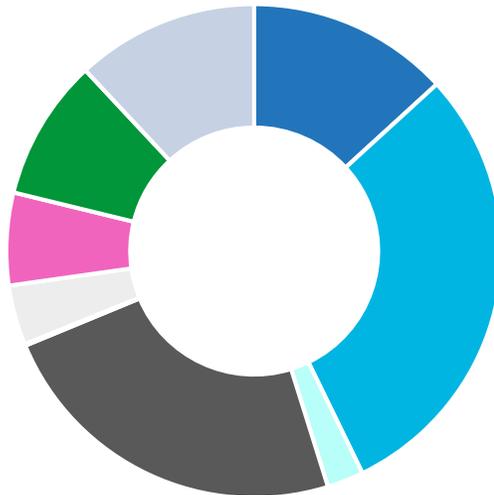
Earnings stabilized and improving – Road Services positive result

SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Orders received	3,868	5,796	16,601	21,271
Order backlog	20,389	21,037	20,389	21,037
Net sales	5,371	5,134	17,425	16,936
EBIT	78	-144	212	-743
EBIT margin, %	1.4	-2.8	1.2	-4.4
NCC Road Services				
Orders received	112	424	1,617	3,609
Order backlog	2,816	3,749	2,816	3,749
Net sales	735	858	2,624	2,855
EBIT	14	-6	20	-251

NCC Building Sweden

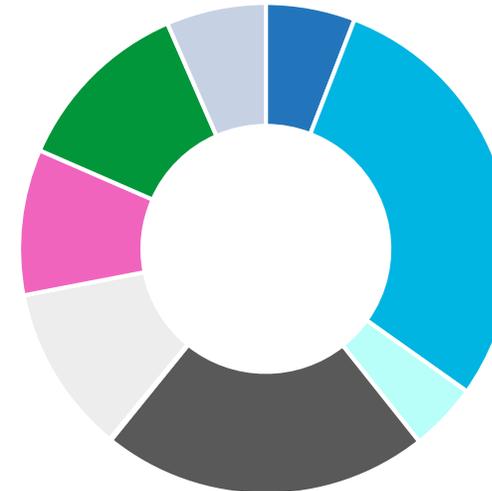
Residential 1/3 of both net sales and orders received; 2/3 rental units

Orders received 2019



- Offices 13 (9)%
- Industry/Logistics 2 (6)%
- Retail 0 (0)%
- Educational 6 (7)%
- Other 12 (15)%
- Residential 30 (17)%
- Refurbishment/Conversion 24 (22)%
- Health Care 4 (7)%
- Public Buildings 9 (17)%

Net Sales 2019



- Offices 6 (8)%
- Industry/Logistics 4 (4)%
- Retail 0 (1)%
- Educational 10 (8)%
- Other 7 (4)%
- Residential 29 (33)%
- Refurbishment/Conversion 21 (21)%
- Health Care 11 (13)%
- Public Buildings 12 (8)%

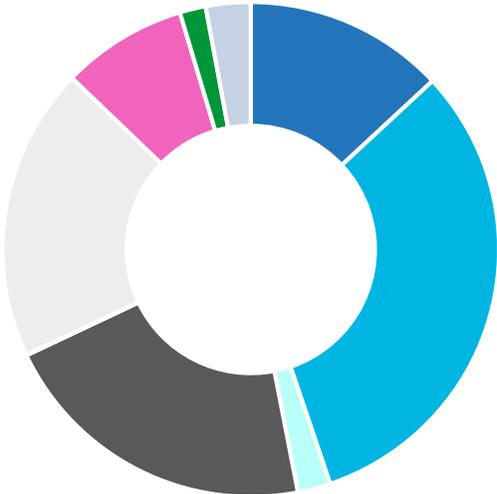
NCC Building Sweden

Some departments still in turnaround

SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Orders received	4,107	5,893	12,741	15,075
Order backlog	16,561	18,709	16,561	18,709
Net sales	4,264	4,614	14,851	15,701
EBIT	103	109	364	453
EBIT margin, %	2.4	2.4	2.5	2.9

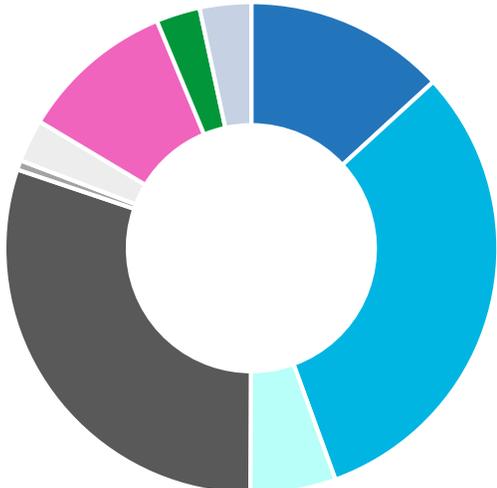
NCC Building Nordics

Orders received 2019



- Offices 13 (8)%
- Industry/Logistics 2 (6)%
- Retail 0 (1)%
- Educational 8 (10)%
- Other 3 (10)%
- Residential 32 (29)%
- Refurbishment/Conversion 21 (31)%
- Health Care 19 (1)%
- Public Buildings 2 (4)%

Net Sales 2019



- Offices 13 (17)%
- Industry/Logistics 6 (4)%
- Retail 1 (2)%
- Educational 10 (6)%
- Other 3 (9)%
- Residential 31 (29)%
- Refurbishment/Conversion 30 (28)%
- Health Care 3 (3)%
- Public Buildings 3 (2)%

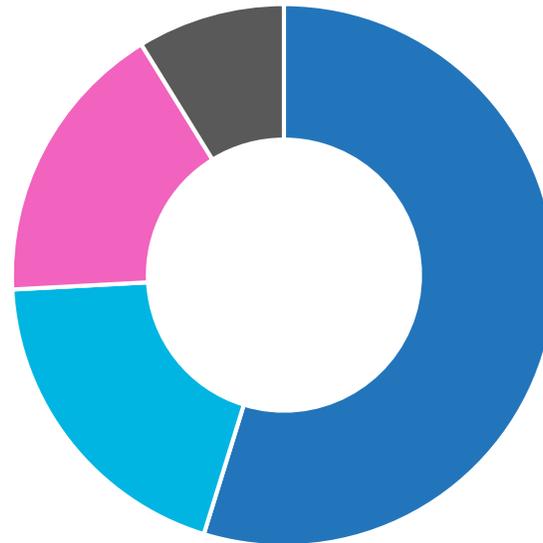
NCC Building Nordics

Strong order backlog and improving results in all countries

SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Orders received	3,001	3,477	16,080	11,229
Order backlog	15,807	11,313	15,807	11,313
Net sales	3,485	3,162	11,769	10,753
EBIT	99	-78	231	-227
EBIT margin, %	2.8	-2.5	2.0	-2.1

NCC Industry

Sweden remains the largest market

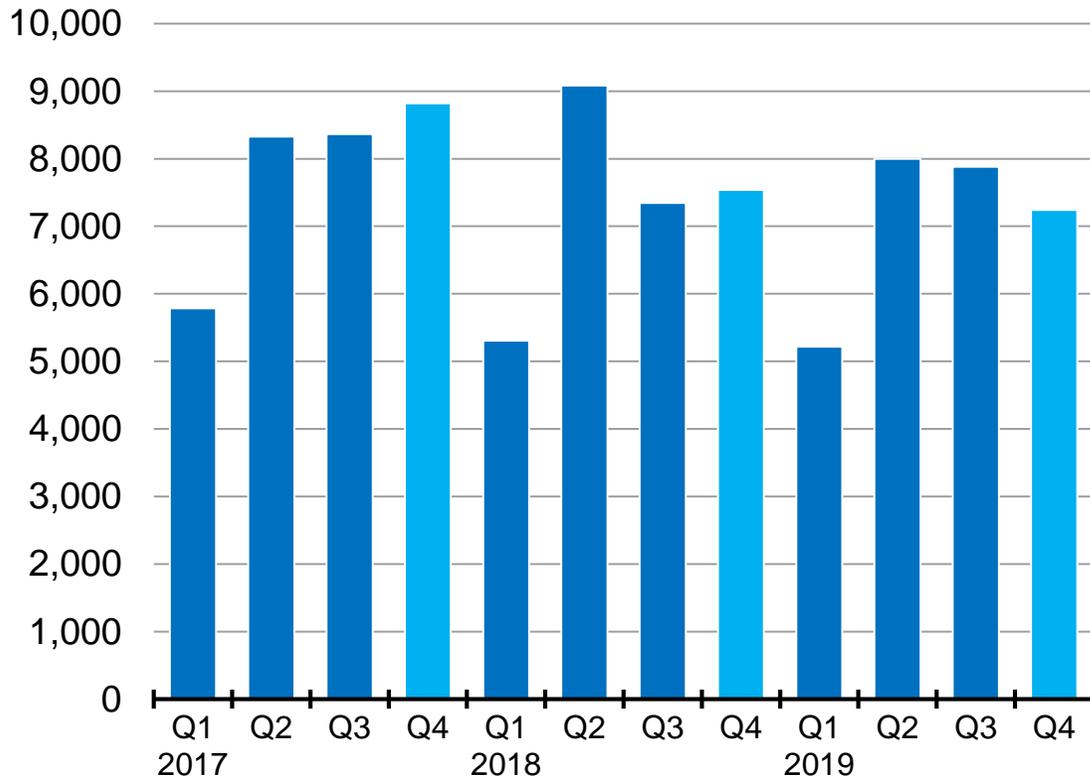


- Sweden 55 (55)%
- Denmark 19 (19)%
- Norway 17 (17)%
- Finland 9 (9)%

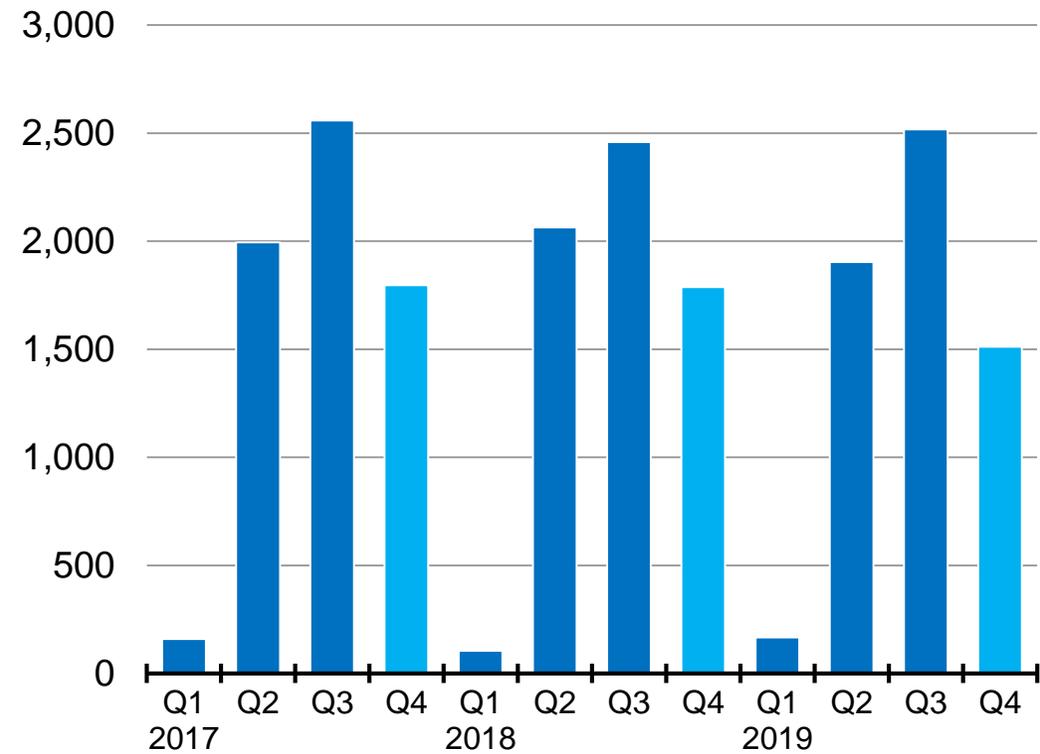
NCC Industry: Stone and asphalt volumes

Steady volumes in stone – asphalt lower due to weather conditions in Q4

Stone material sold, thousands of tons



Asphalt sold, thousands of tons



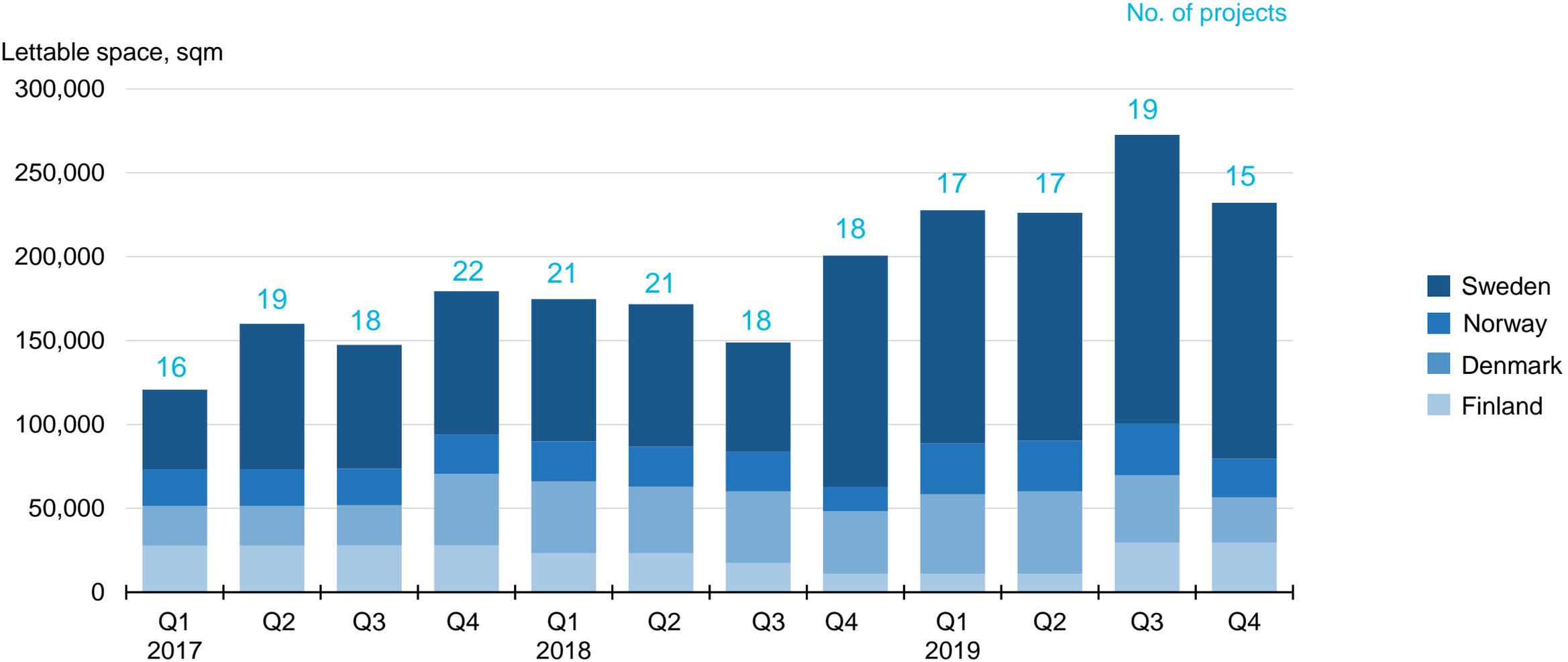
NCC Industry

Volumes steady – close to objective for operating margin in 2019

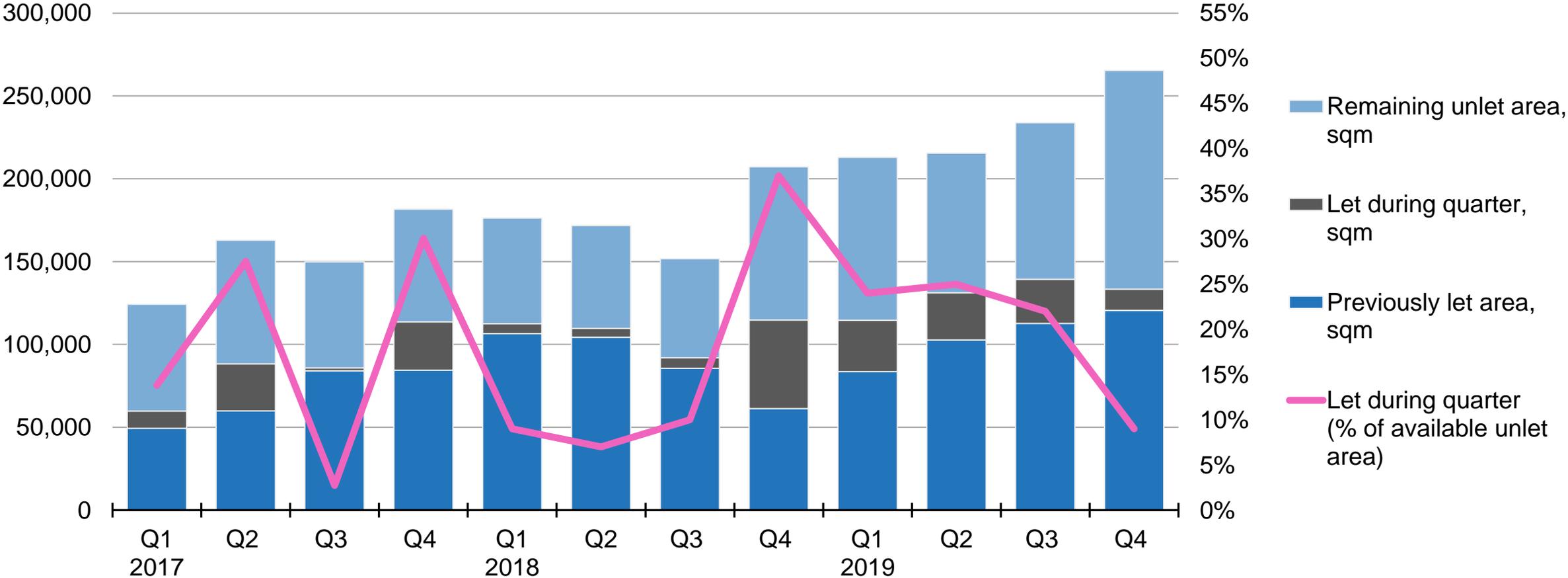
SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Orders received	3,040	3,058	12,852	12,943
Order backlog	2,967	3,092	2,967	3,092
Net sales	3,674	3,876	12,971	12,968
EBIT	187	155	511	350
Operating margin %	5.1	4.0	3.9	2.7
ROCE %			9.0	7.1

One new project started in Q4 – eight in total 2019

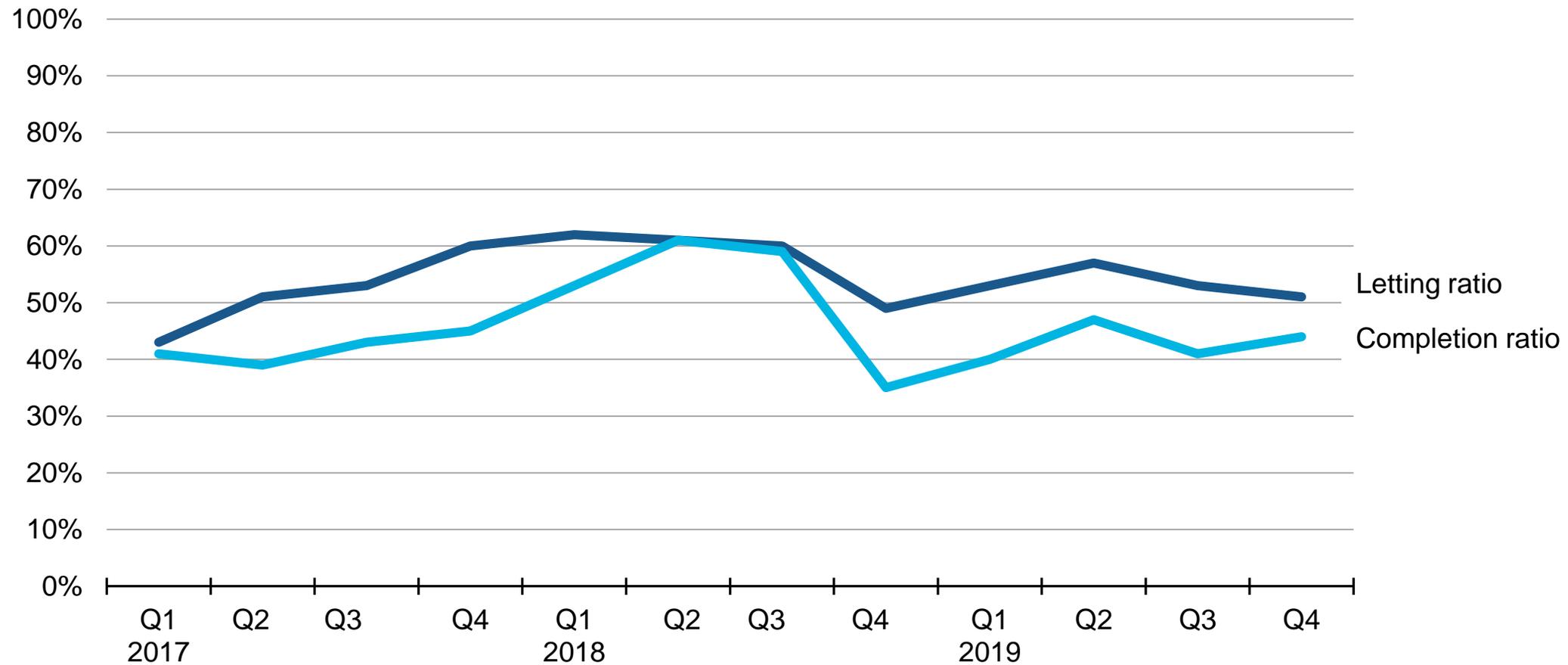
Four projects sold with later profit recognition



Strong letting in full year 2019 but lower in Q4



Letting and completion status in the property portfolio



NCC Property Development

Five projects in earnings in Q4 and sale of land with building rights in Norway

SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	1,989	1,361	3,056	2,157
Operating profit/loss	273	144	313	-181
Capital employed	4,935	4,314	4,935	4,314
EBIT margin %	13.7	10.6	10.2	-8.4
ROCE %			6.2	-3.9

Other and eliminations

SEK M	Q4 2019	Q4 2018	FY 2019	FY 2018
NCC Infrastructure	78	-140	212	-743
NCC Building Sweden	103	109	364	453
NCC Building Nordics	99	-78	231	-227
NCC Industry	187	155	511	350
NCC Property Development	273	144	313	-181
Other/NCC Road Service	14	-10	20	-251
Other and eliminations	-85	76	-355	-166
EBIT	670	256	1,296	-764

SEK M	Q4 2019	Q4 2018	FY 2019	FY 2018
NCC HQ and other group adjustments	-100	49	-331	-177
Internal gains	15	27	-24	11
Other and eliminations	-85	76	-355	-166

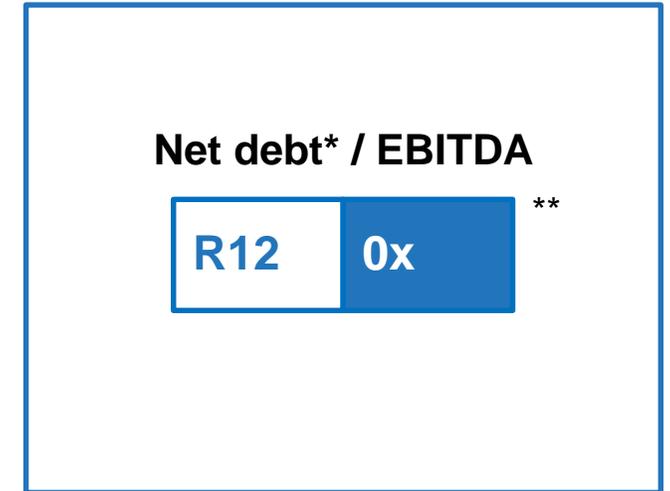
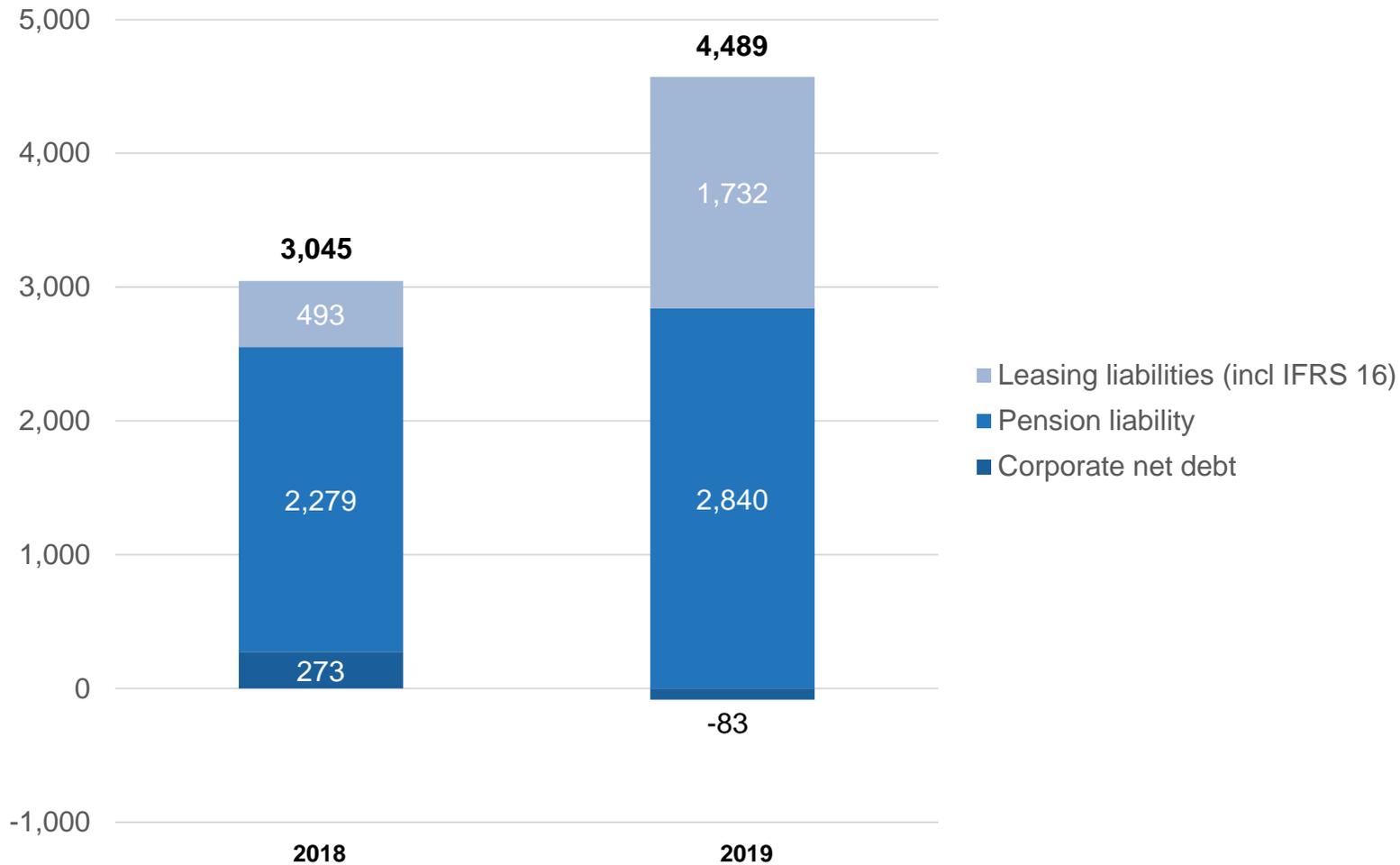
Comment to other & eliminations

Internal gains	SEK –50 to 50 M per quarter last three years	Depending of internal sales between Building and Property development due to different profit recognition methods
HQ costs	HQ costs normally steady over time	Q3 seasonally lower than other quarters due to vacation period
Other group adjustments such as non-BA subsidiaries, pension, treasury, insurance etc	Variable	Depending on both financial and business factors

Income statement

SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	18,239	17,832	58,234	57,346
Gross profit	1,497	1,047	4,101	2,140
Selling and administrative expenses	-829	-799	-2,811	-2,875
Cost ratio	4.5%	4.5%	4.8%	5.0%
Other	2	8	6	-29
EBIT	670	256	1,296	-764
Financial items	-31	-27	-112	-85
EBT	639	229	1,184	-849
Tax	-231	-69	-309	99
Profit for the period	408	160	875	-750

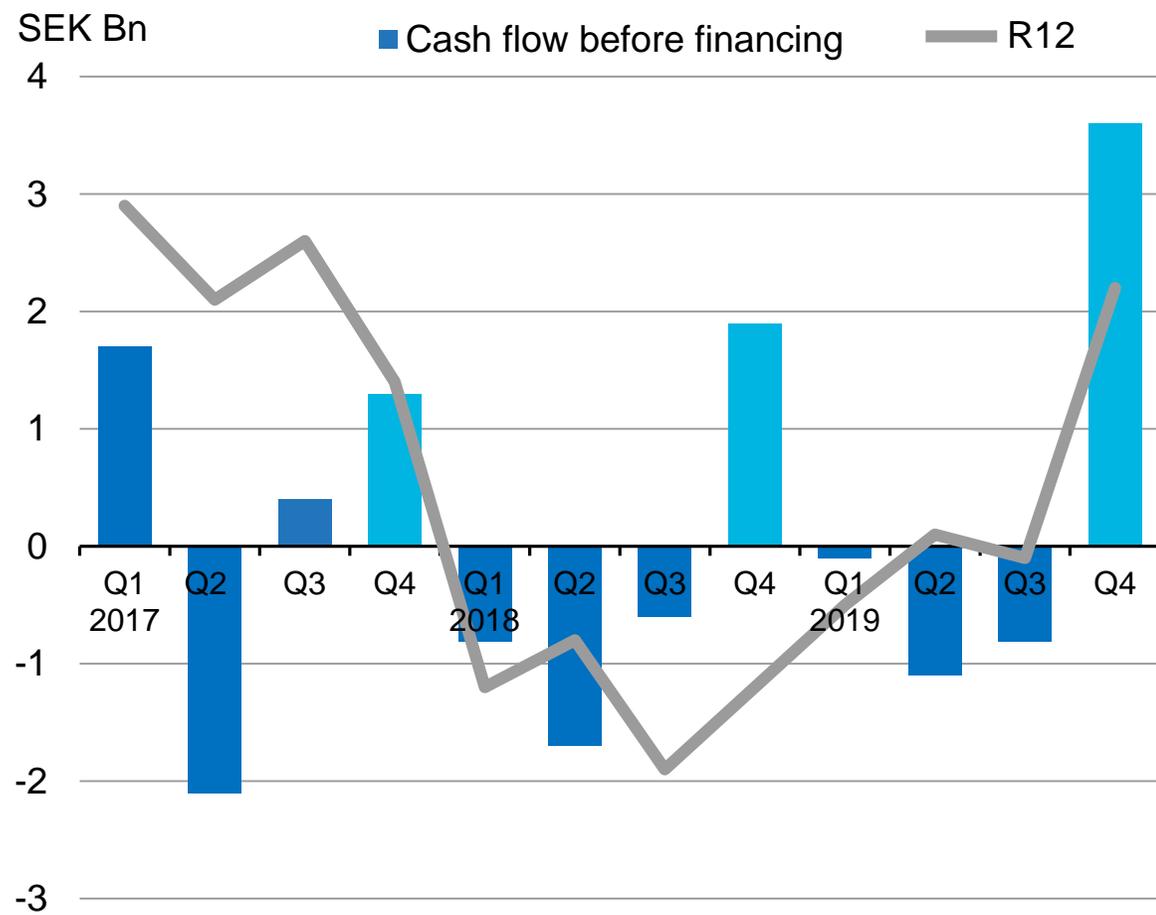
Net debt per December 31



*Net debt excluding pension liabilities and leasing liabilities according to IFRS16 and from this quarter not including leasing liabilities according to IAS17

**Net debt/EBITDA is -0.03

Cashflow very strong in Q4



SEK M	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
From operating activities	3,381	2,281	3,379	790
From property projects	349	-221	-1,165	-1,166
Investing activities	-155	-119	-701	-782
Cash flow before financing	3,575	1,942	1,512	-1,157

Tomas Carlsson

CEO

Ending 2019 with a strong Q4

Q4 2019

- Earnings improved and net sales up
- Strong cashflow
- Orders received down but order backlog on strong level
- Some more caution in the market mainly in Sweden

Full Year 2019 – improving in line with plan

- Earnings up compared with 2018 if adjusted for revaluations
- Orders received down
- Net sales up year on year
- Cash flow improved compared to last year

**Proposed dividend
SEK 5.00 per share**

