

Q4 2022



Tomas Carlsson, CEO
Susanne Lithander, CFO

2022 – a mixed year with a stable fourth quarter

Considerable uncertainty in the market second half of 2022 and ahead of 2023



Good orders received. Strong order backlog. Lower earnings.

Infrastructure stable earnings improvement q/q and strong market

Building Sweden strong core, but impacted by write-down in Q3 and cost increases

Building Nordics – Denmark strong, Finland restructuring cost

Challenging year for **Industry** – EBIT around zero as communicated. Actions taken



Property development strong earnings in the year and quarter - market situation pending

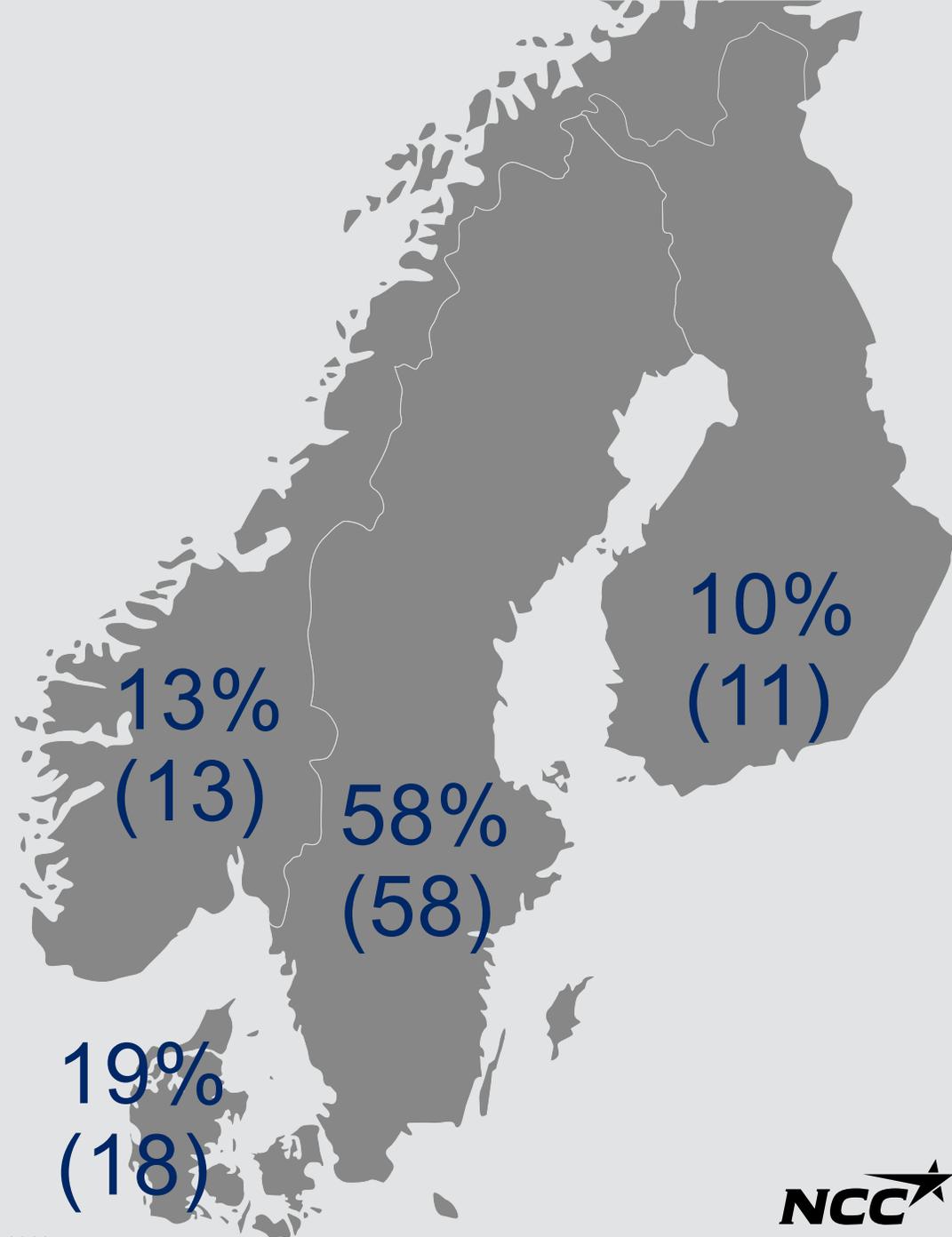


Sales SEK
54 Bn



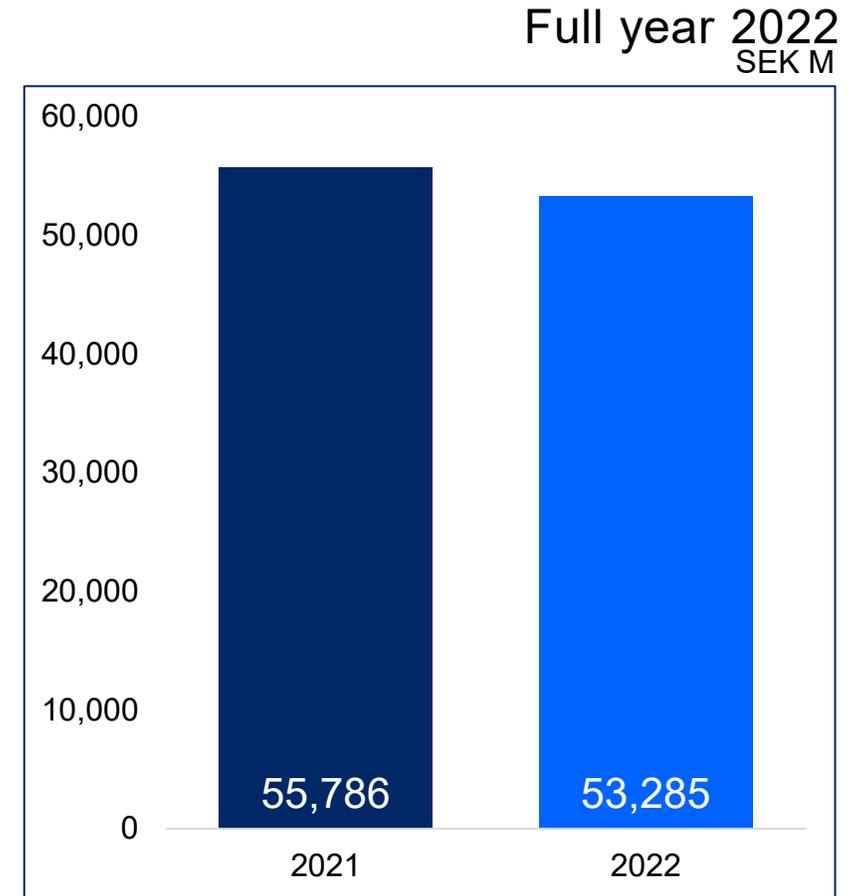
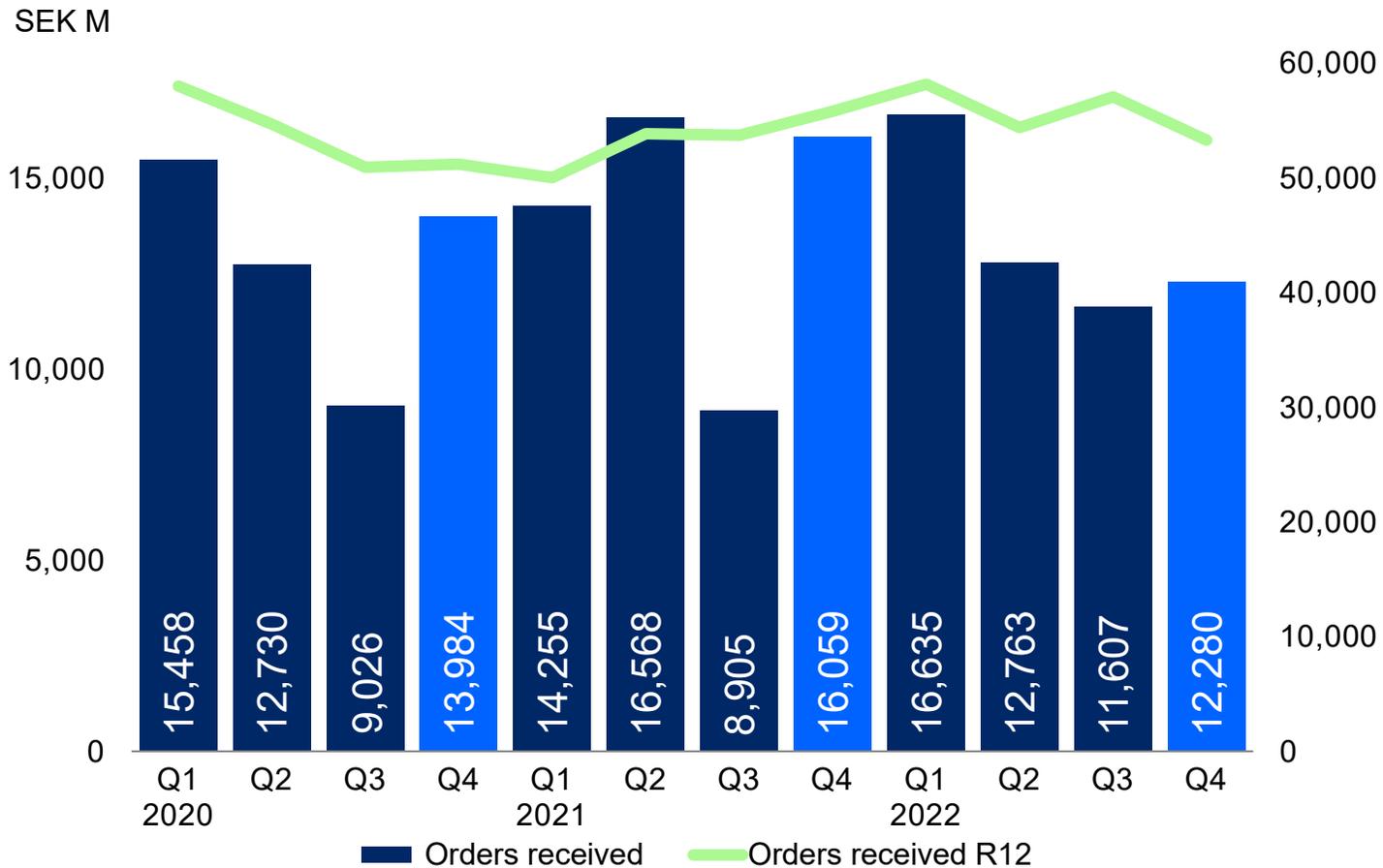
Employees

12,500

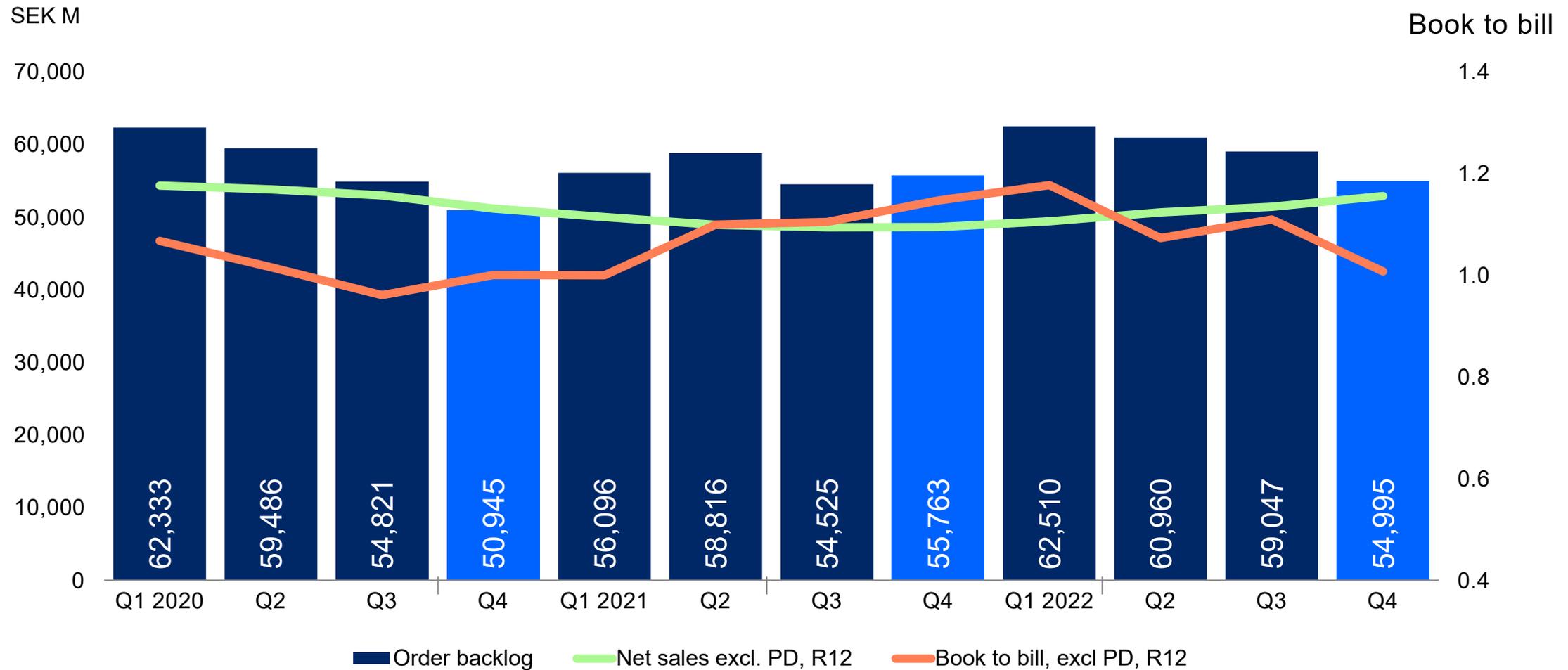


Orders received

Q4 within normal variation

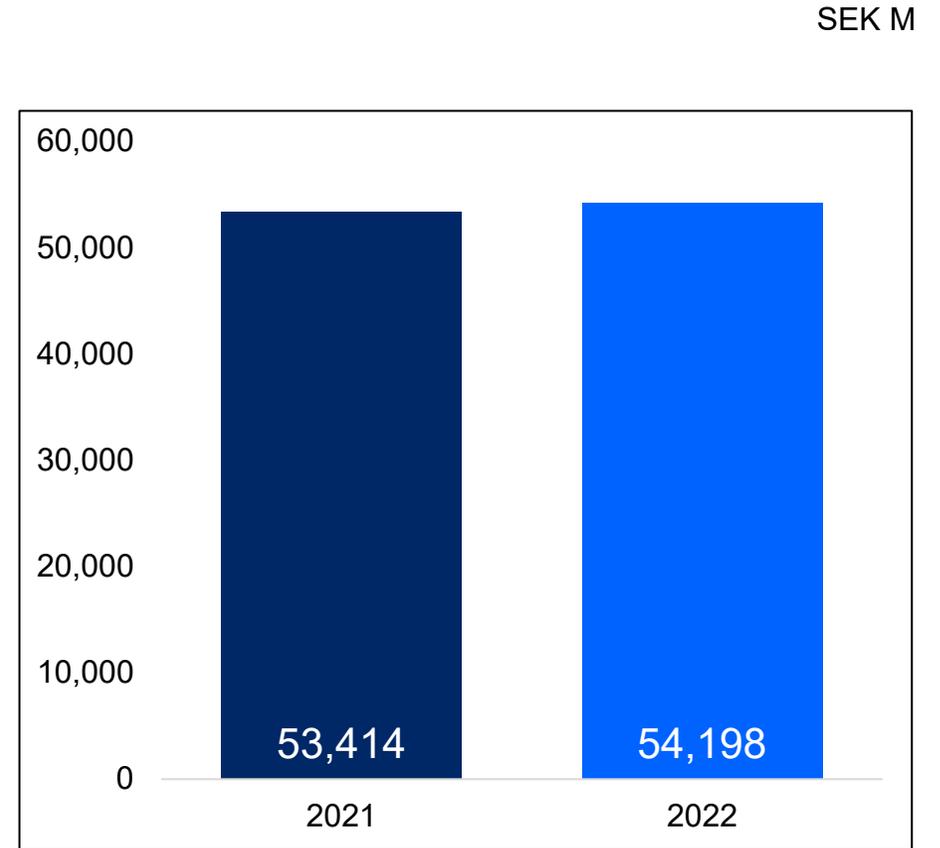
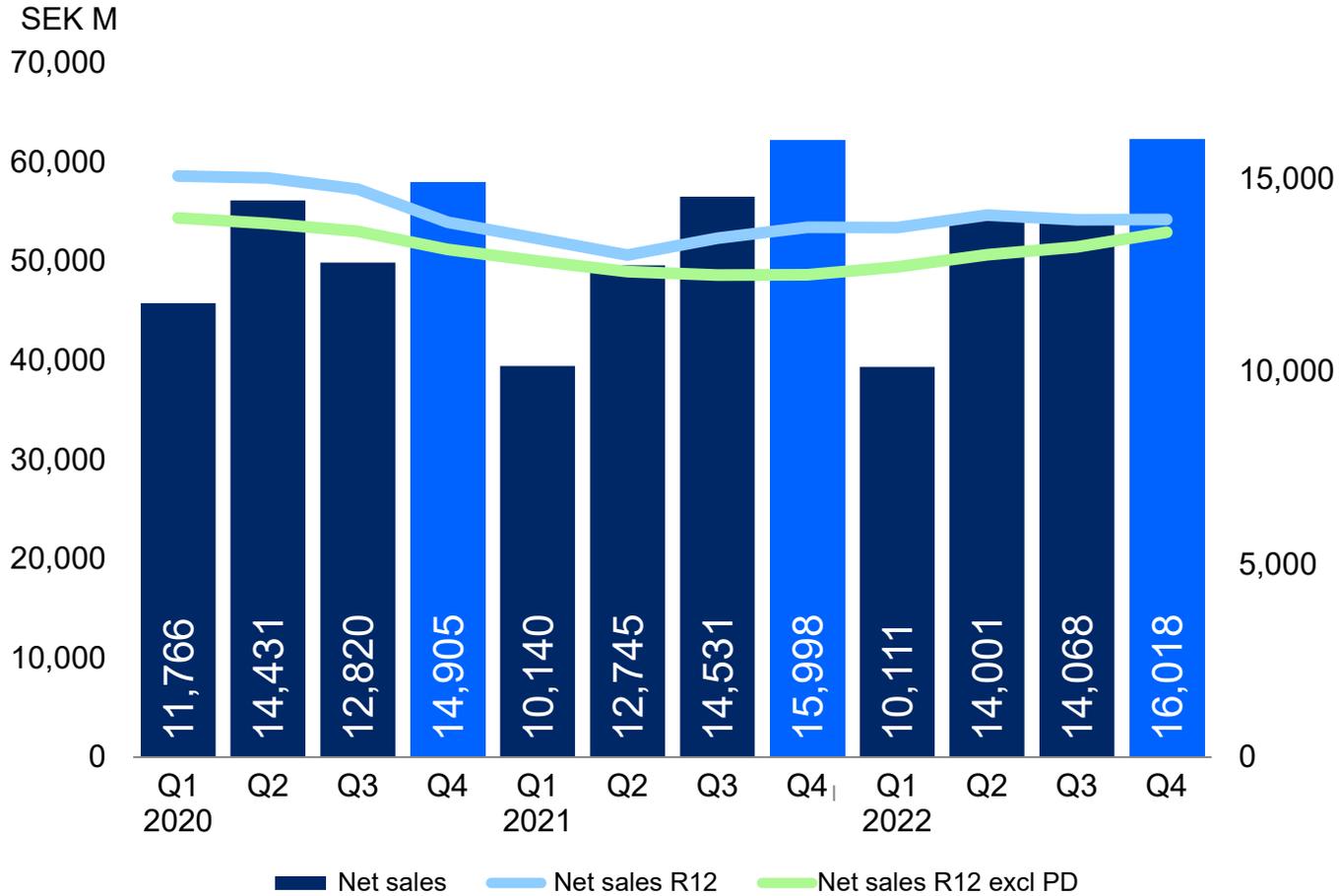


Strong order backlog – Book to bill ≈ 1

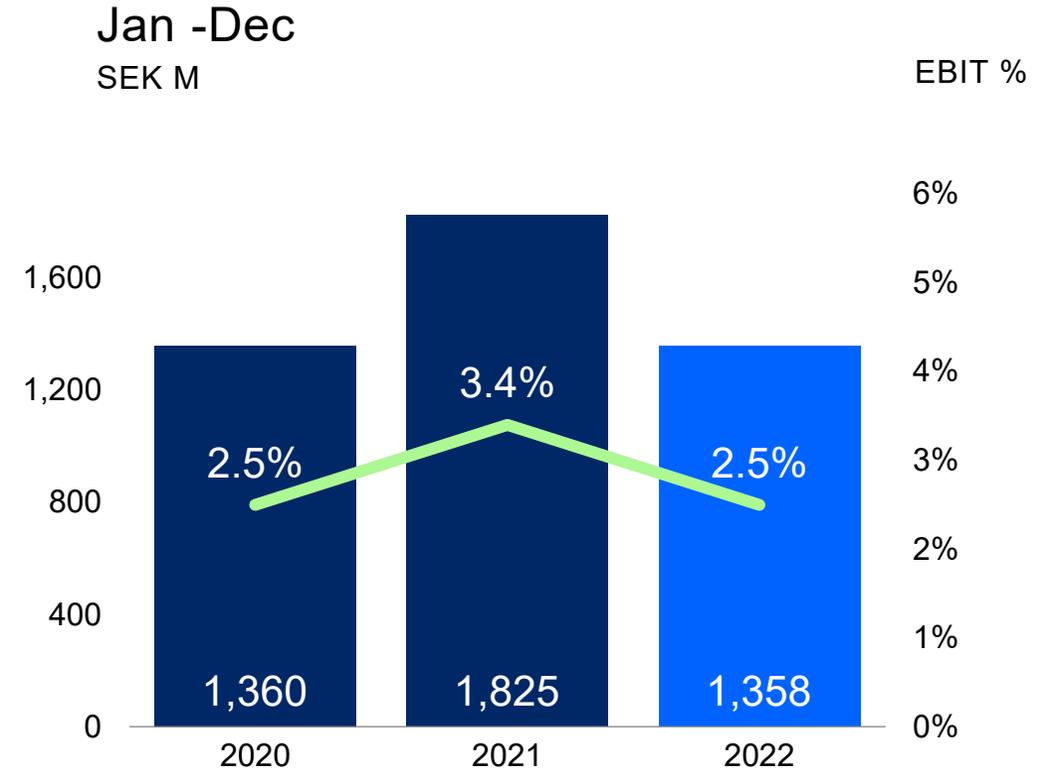
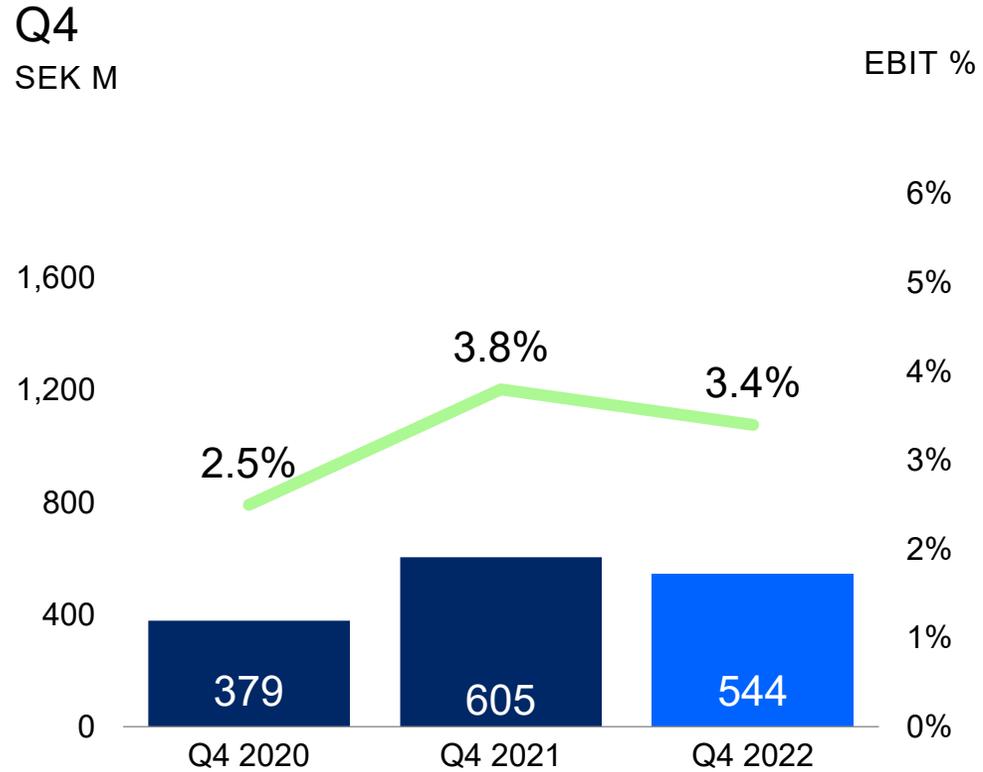


Net sales in Q4 on par with last year

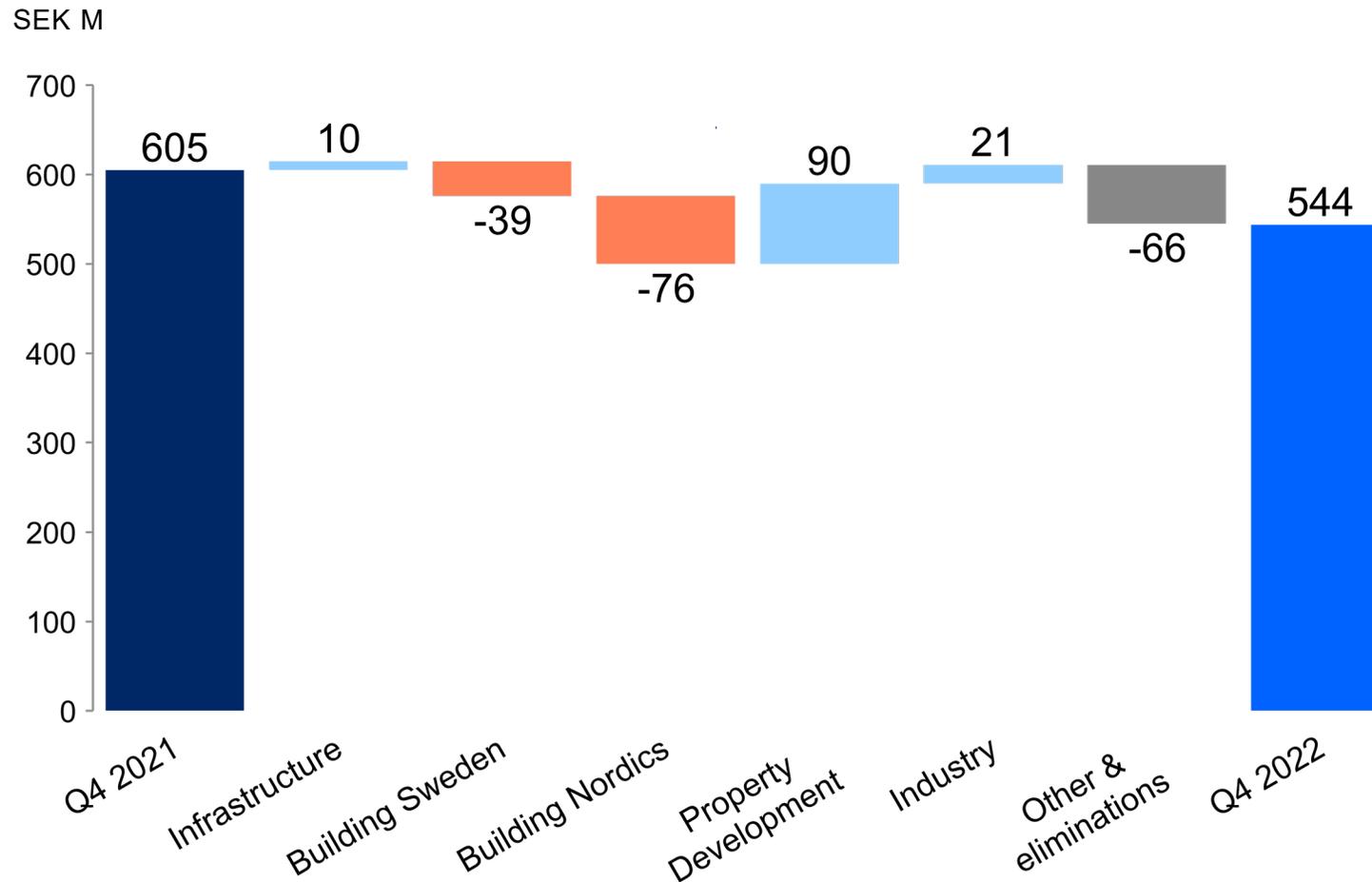
Contracting net sales up



EBIT and margin



Q4: Earnings – compared to 2021



Contracting

Infrastructure stable.

Building Sweden impacted by price increases and Building Nordics by restructuring costs in Finland

Property Development

One project recognized in profit

Industry

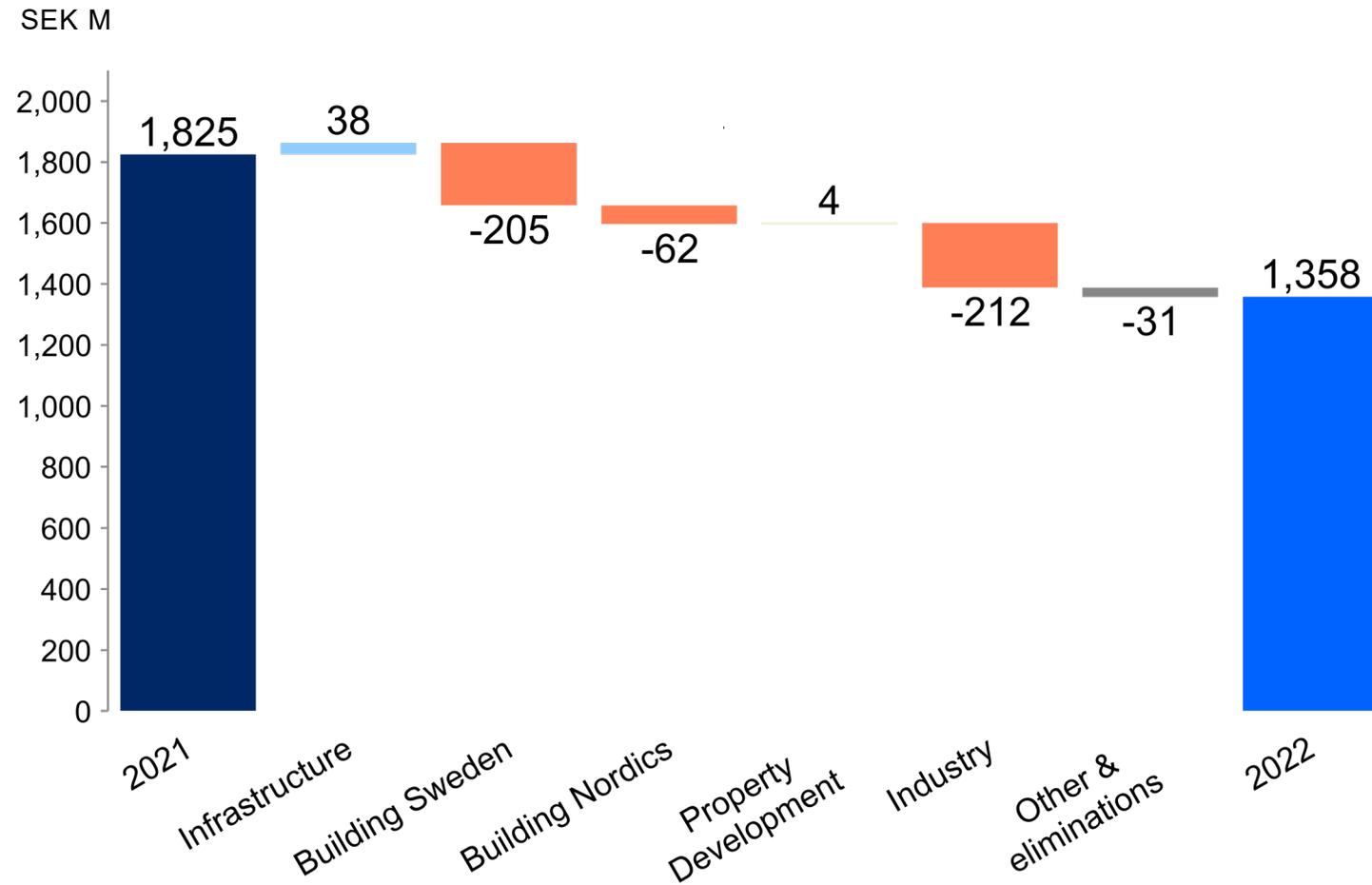
Heavy impact from cost increases. Q4 2021 had negative impact from asphalt business including Asphalt Finland earnings and divestment but also positive one-time impact from land sales and insurance policy repayment

Other & eliminations

Lower internal gains

2022: Earnings

Including Asphalt Finland



Contracting

Infrastructure stable.

Building Sweden project write down of SEK 120 M in Q3 and general margin pressure

Building Nordics costs for restructuring in Finland

Property Development

On par, three projects recognized in profit

Industry

A very challenging year

Other & eliminations

Lower internal gains

Market outlook

- Significant economic uncertainty - many different possible scenarios
- Office and residential market significantly slower
- Property market difficult, low activity
- Strong market for infrastructure and public buildings and large industry development



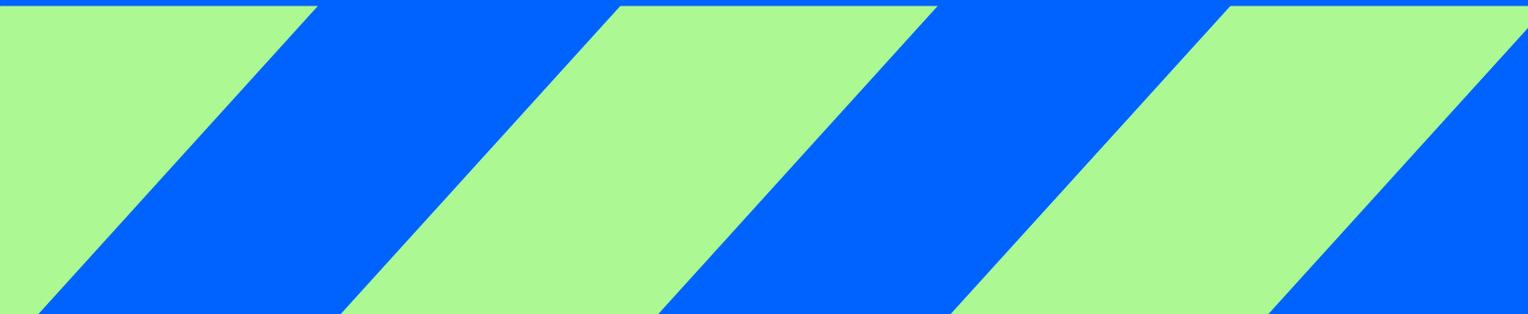
Görväln water treatment plant,
Stockholm, Sweden

Focus areas for NCC

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

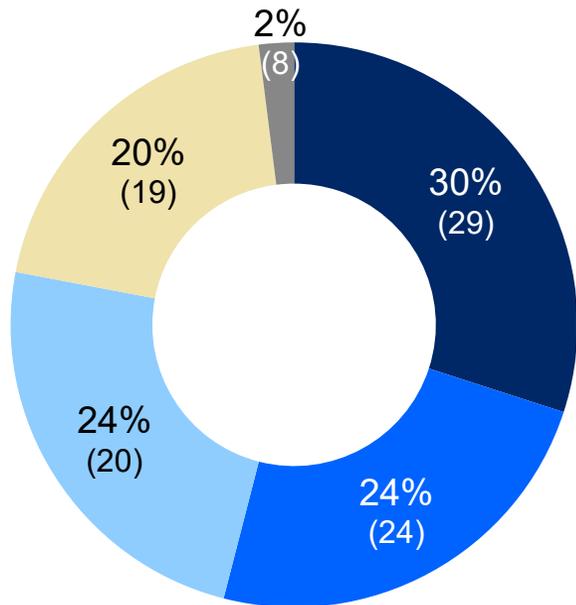


Susanne Lithander

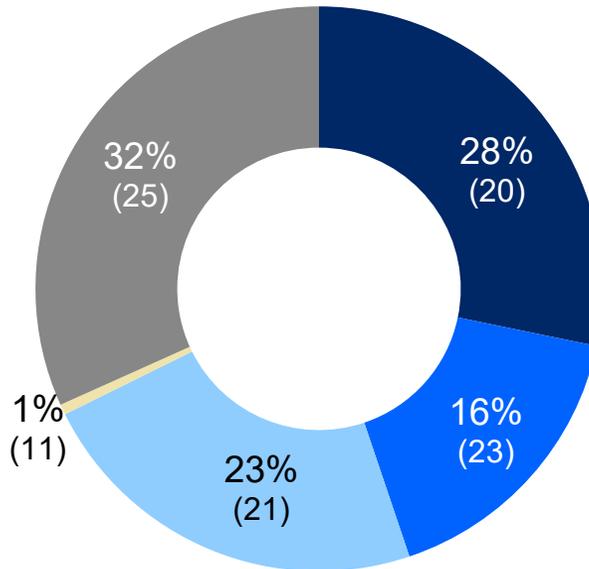


Business split, 2022

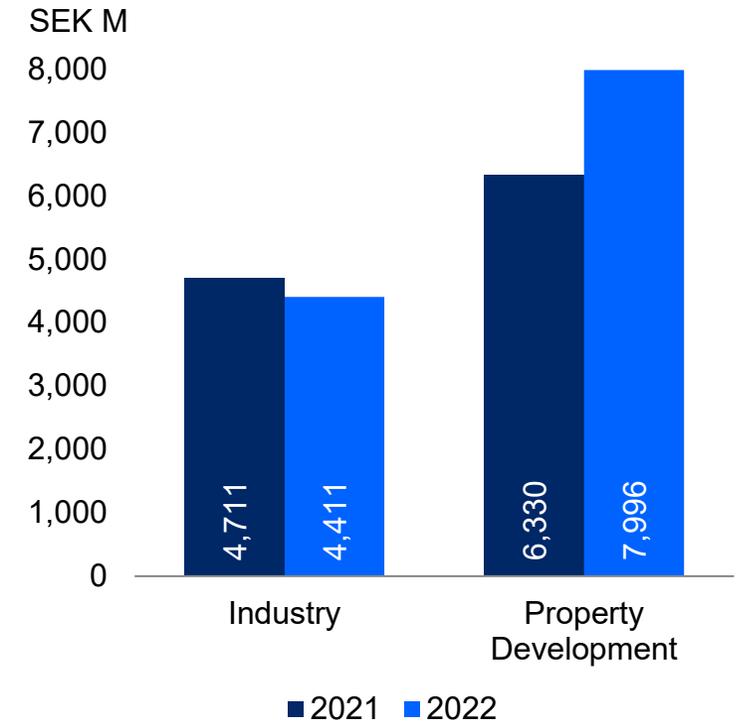
Net sales per business area



EBIT per business area

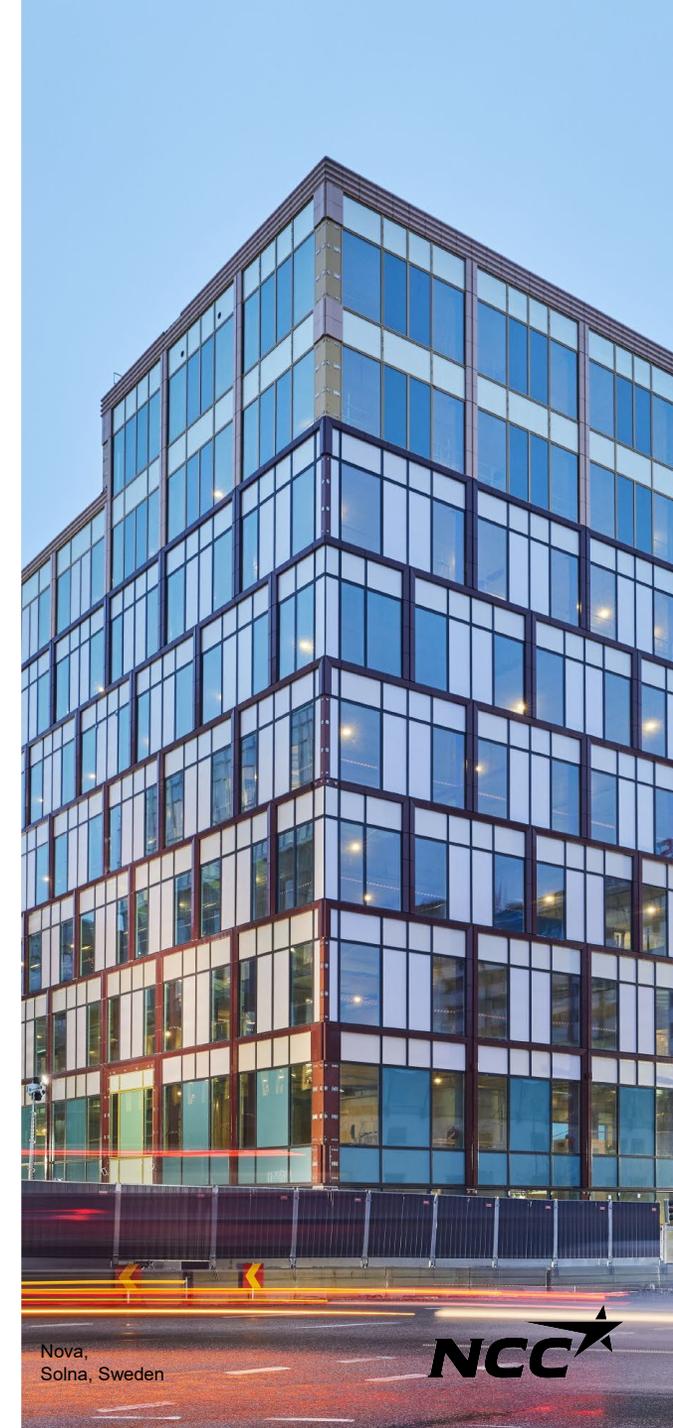
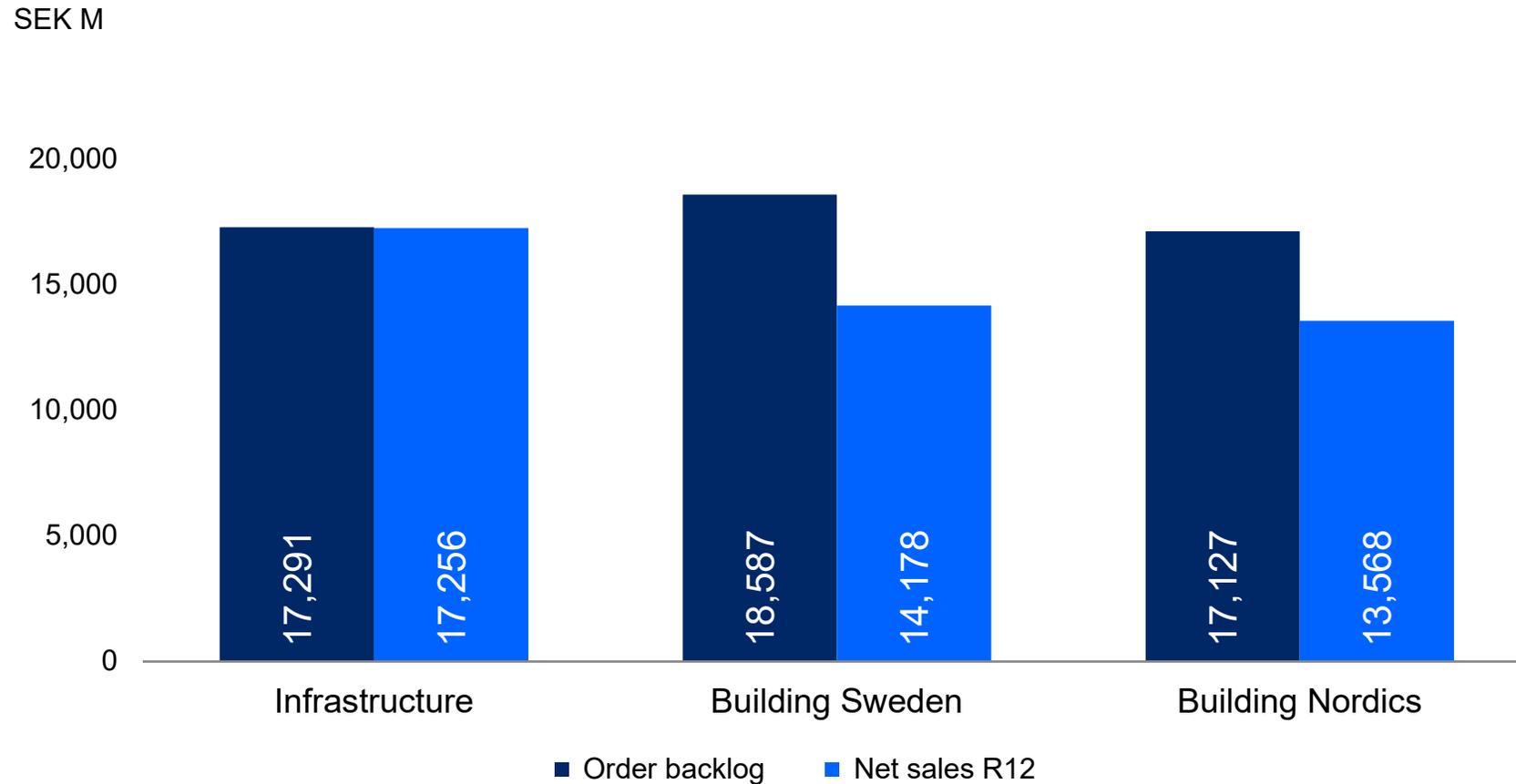


Operating Capital employed



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

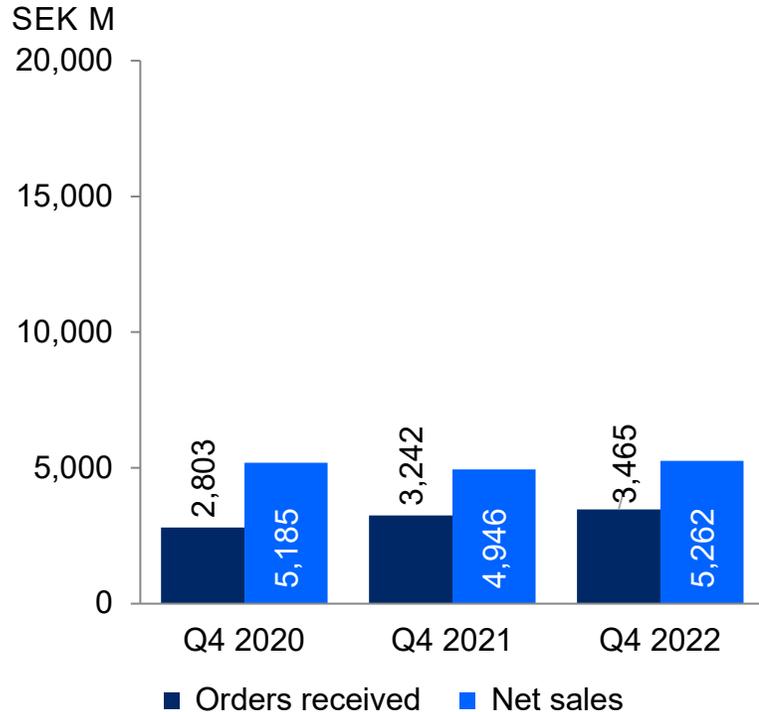
Contracting order backlog



NCC Infrastructure

Steady improvement quarter after quarter

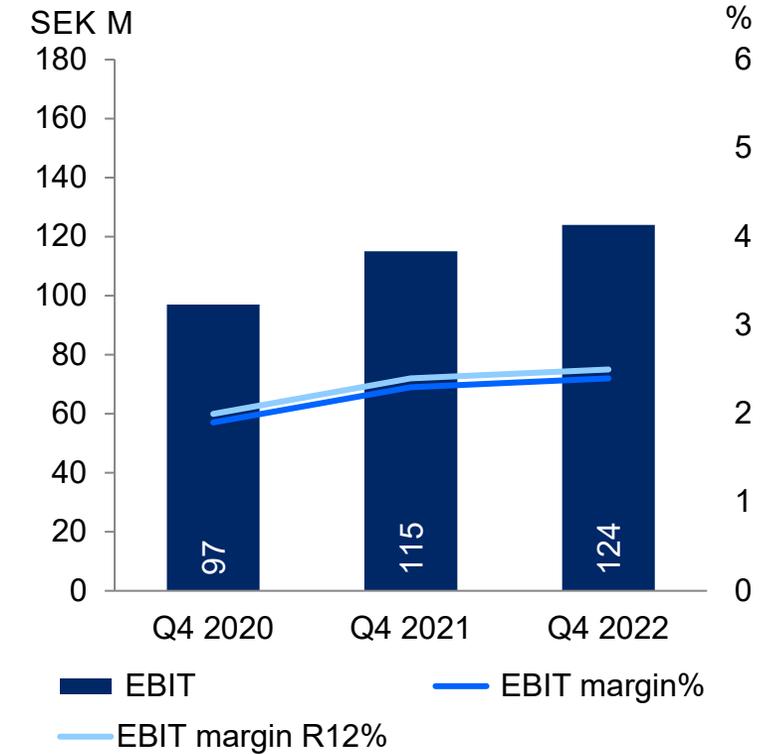
Q4: A stable quarter



Jan-Dec: Some growth

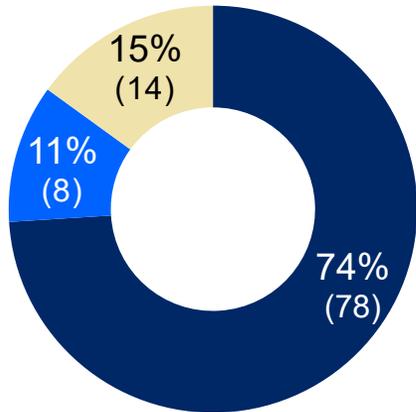


Improved earnings and margin



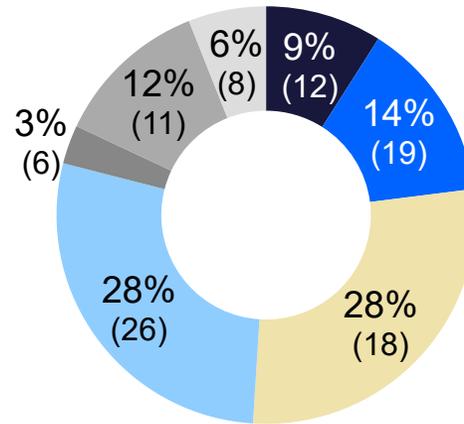
NCC Infrastructure

Sweden largest, Denmark growing
Net sales

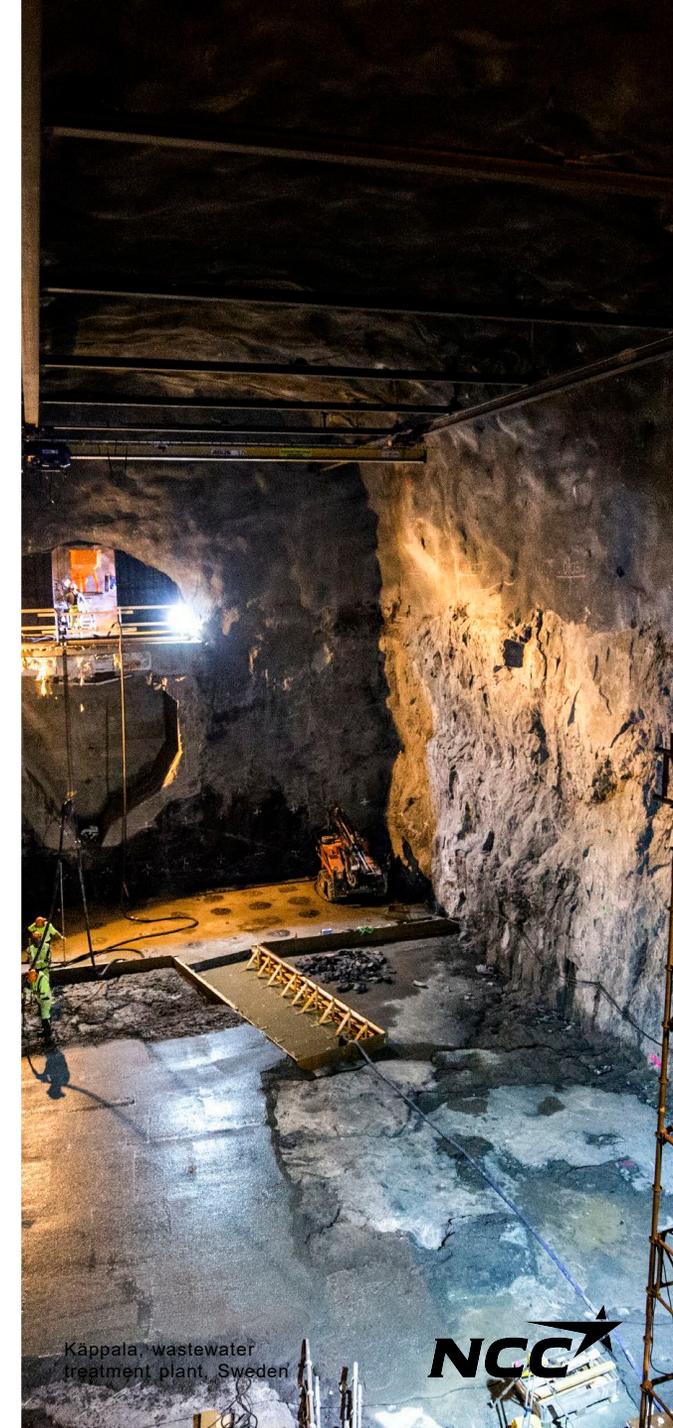


- Sweden
- Denmark
- Norway

Energy & Water treatment growing
Orders received



- Roads
- Energy & Water treatment
- Industry
- Other
- Railway
- Groundworks
- Foundation

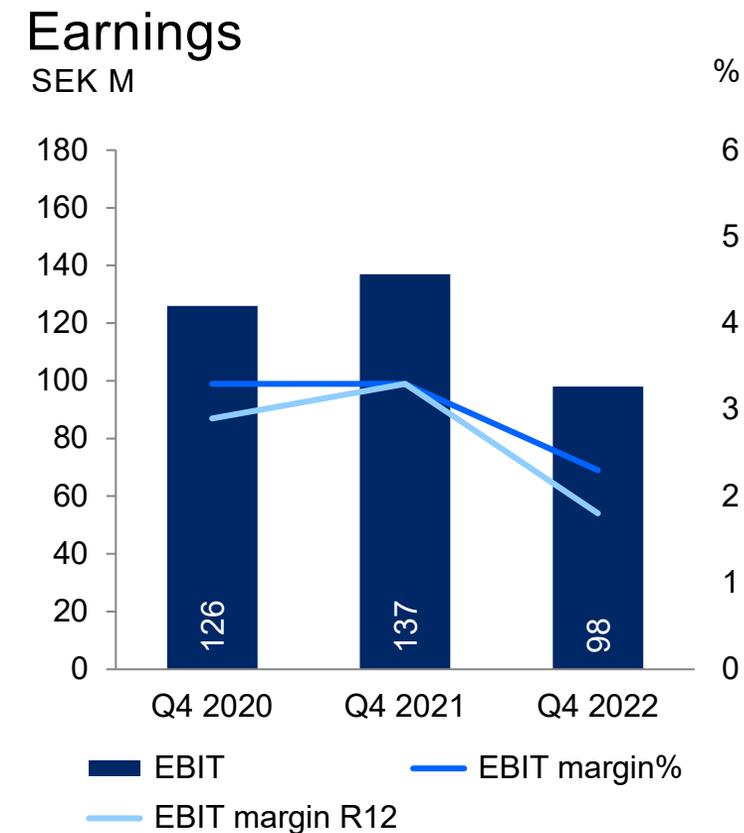
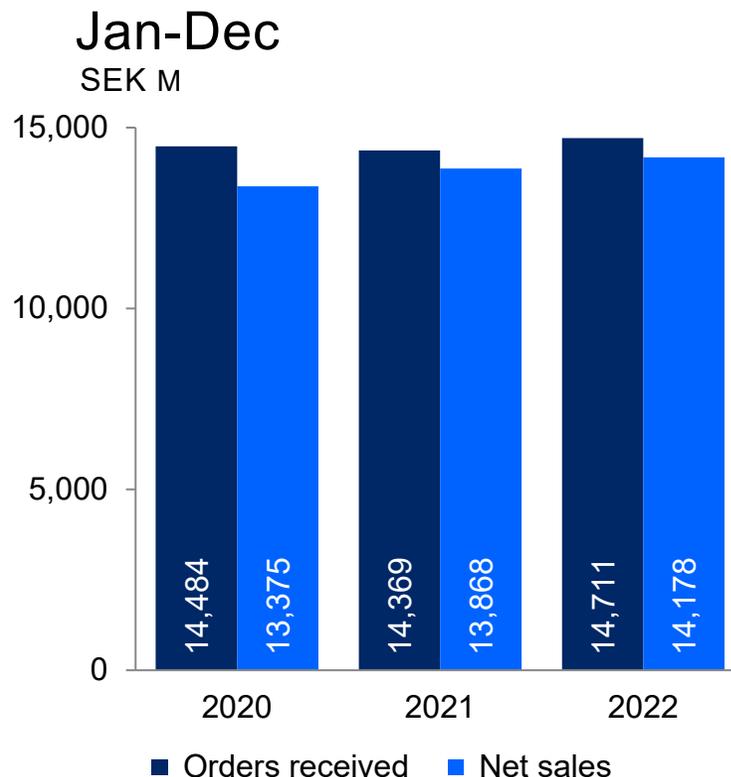
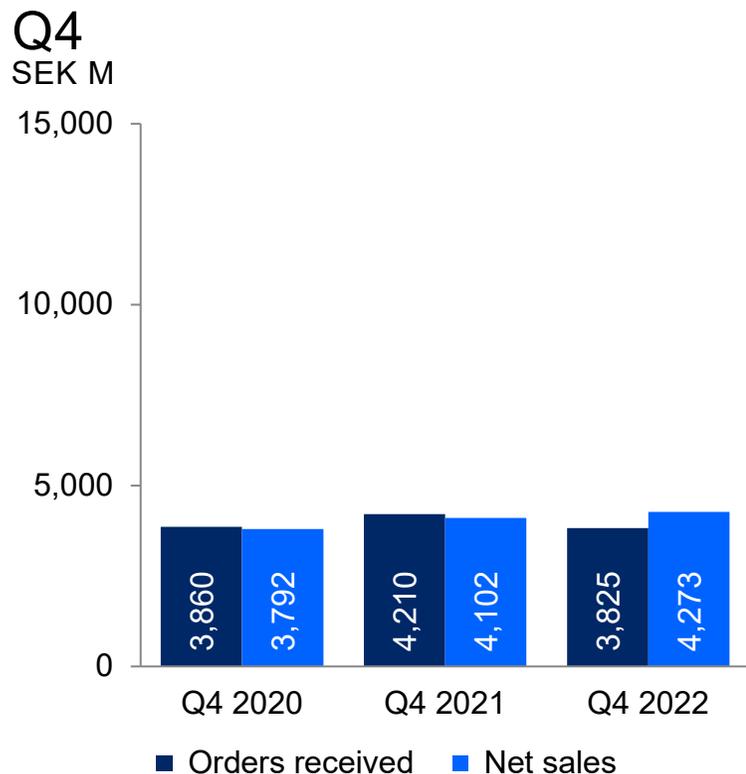


Käppala wastewater treatment plant, Sweden



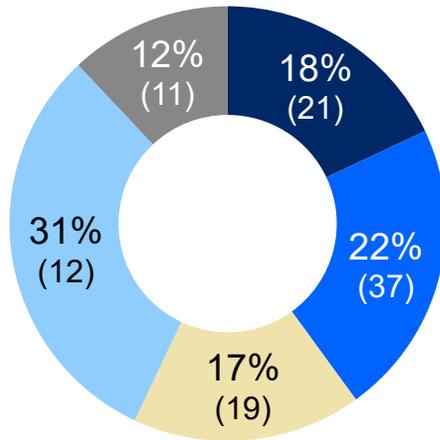
NCC Building Sweden

Cost increases has impacted earnings in the quarter



NCC Building Sweden

Strong orders received for public buildings

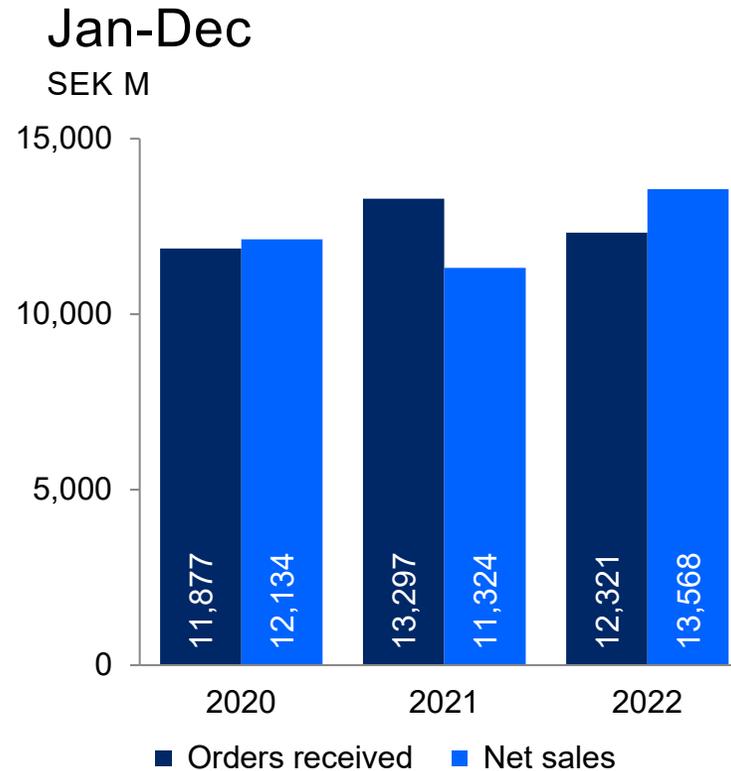
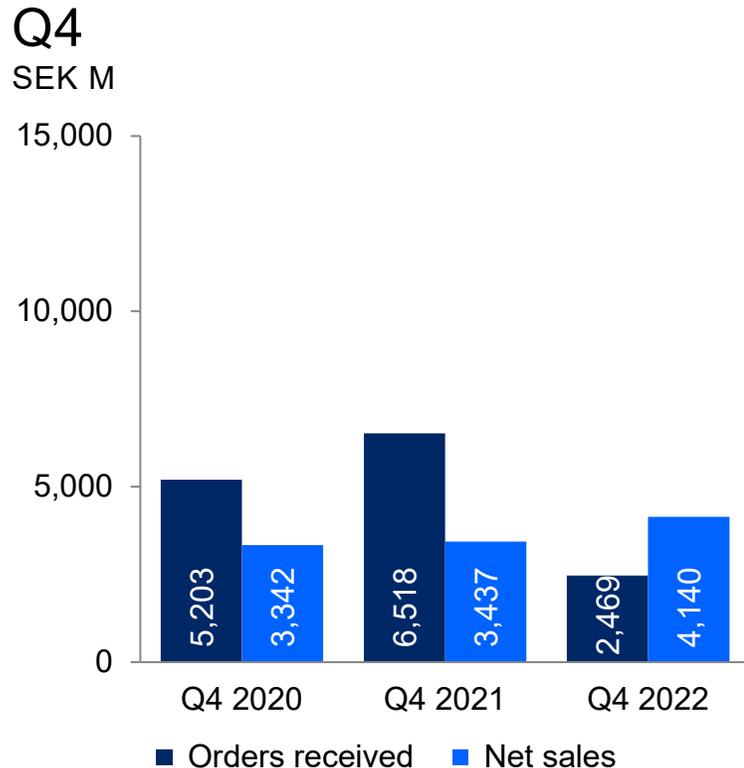


- Offices
- Residential
- Refurbishment
- Public buildings
- Other

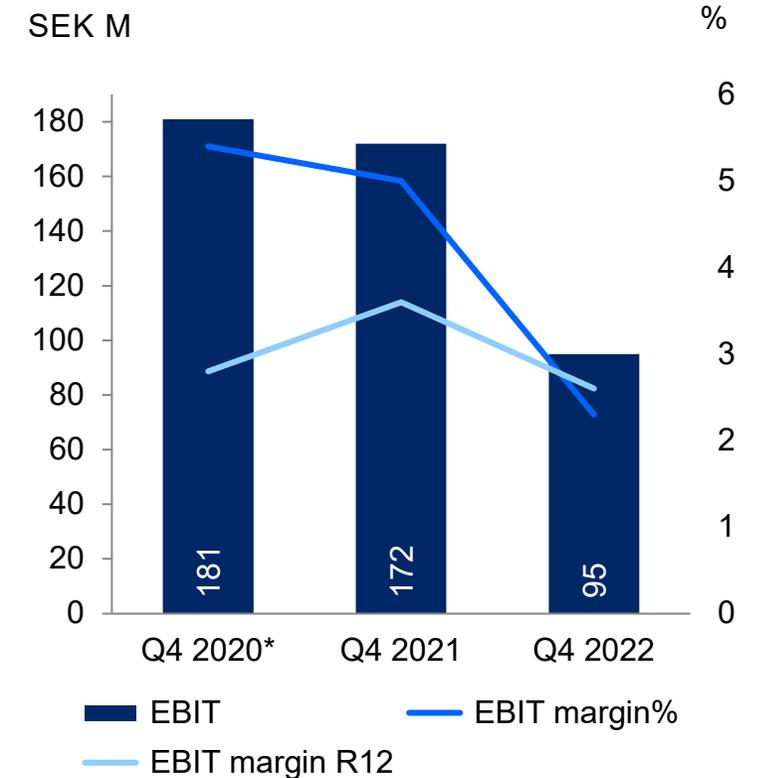


NCC Building Nordics

Margin impacted by restructuring costs in Finland. Denmark strong performer



Margins down mainly in Finland

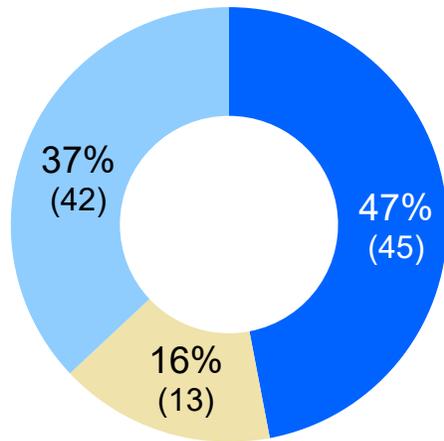


*2020 included one-time positive impact from Optiplan divestment of 40 MSEK

NCC Building Nordics

Denmark largest market

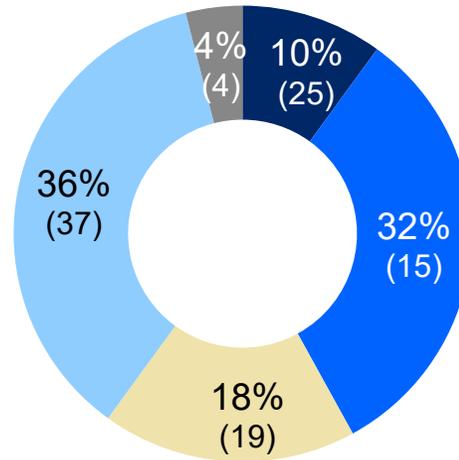
SEK M



- Denmark
- Norway
- Finland

Residential and public buildings strong orders received

SEK M



- Offices
- Refurbishment
- Other
- Residential
- Public buildings

%



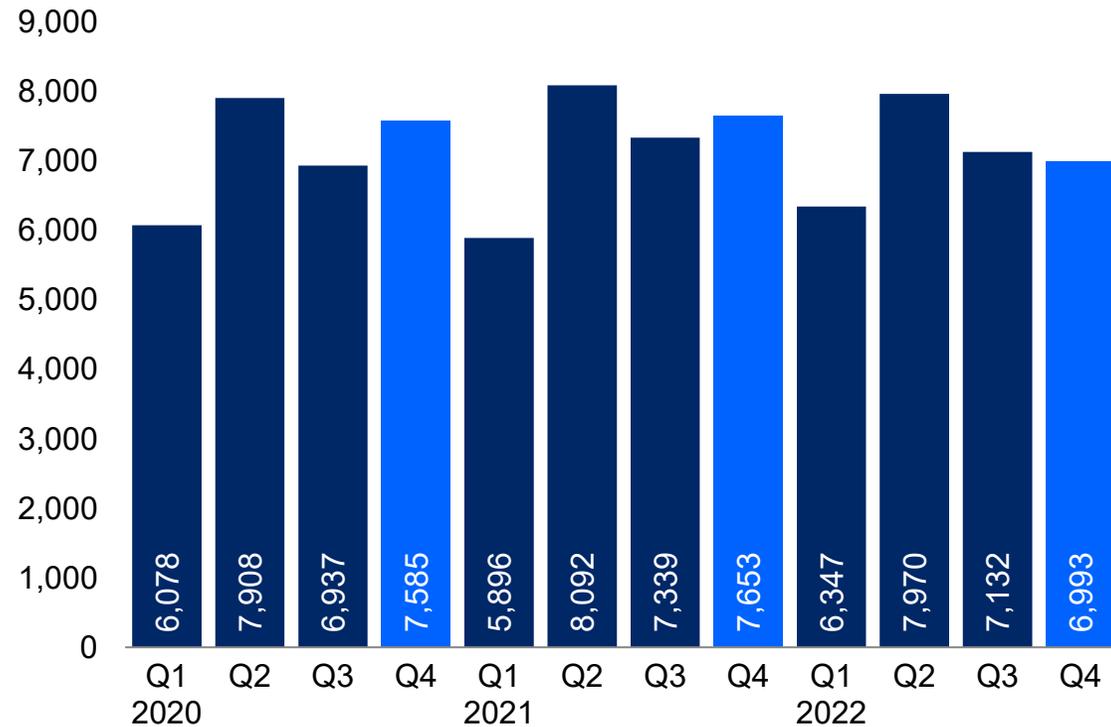
Nicolinehus, Aarhus, Denmark



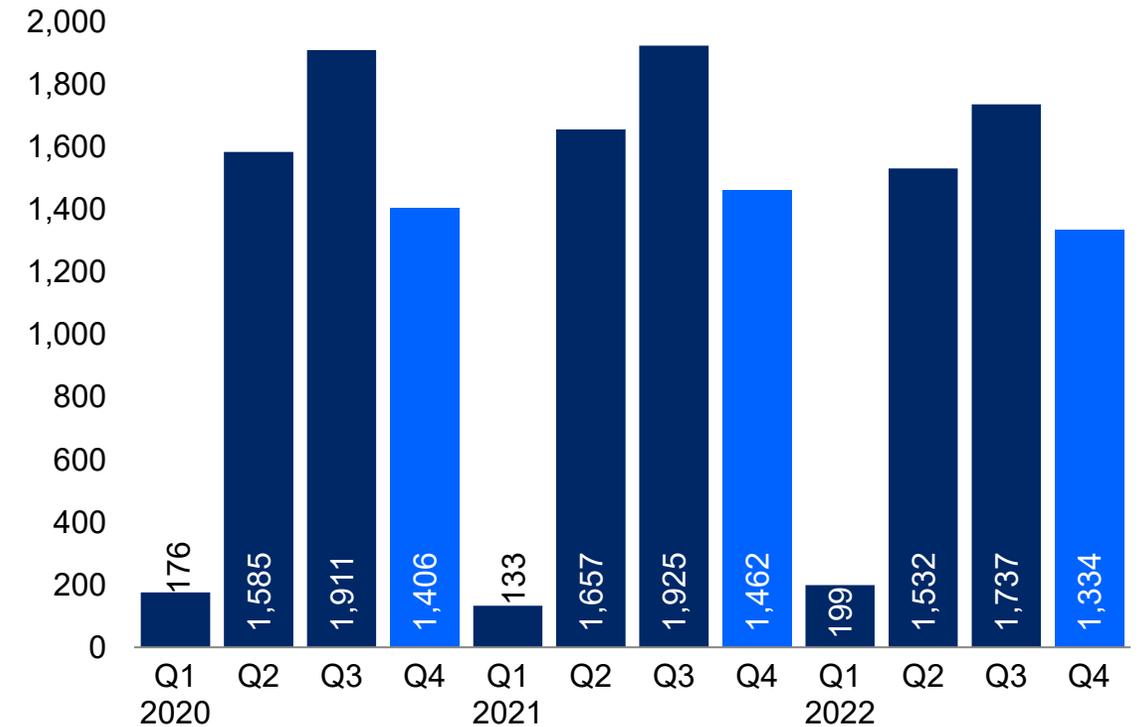
NCC Industry: Stone and asphalt volumes

Somewhat lower volumes

Stone material sold, thousands of tons



Asphalt sold, thousands of tons (excl Asphalt Finland)



NCC Industry*

Heavy impact from cost increases on earnings in part of Asphalt

SEK M	Q4		Jan-Dec	
	2022	2021	2022	2021
Orders received	2,774	2,134	11,638	9,708
Net sales	3,374	2,953	11,268	10,065
EBIT	23	154	8	488
Operating margin %	0.7	5.2	0.1	4.9

*Comparing the business area like-for-like ie excluding Asphalt Finland that was divested at year-end. For information please see the interim report

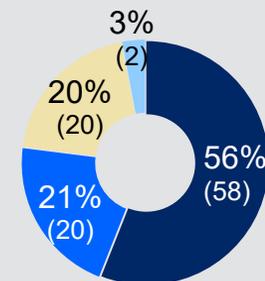
Operating capital employed, SEK M

4,411

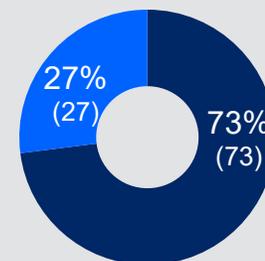
ROCE, %

0.3

Net sales



■ Sweden ■ Denmark ■ Norway ■ Finland

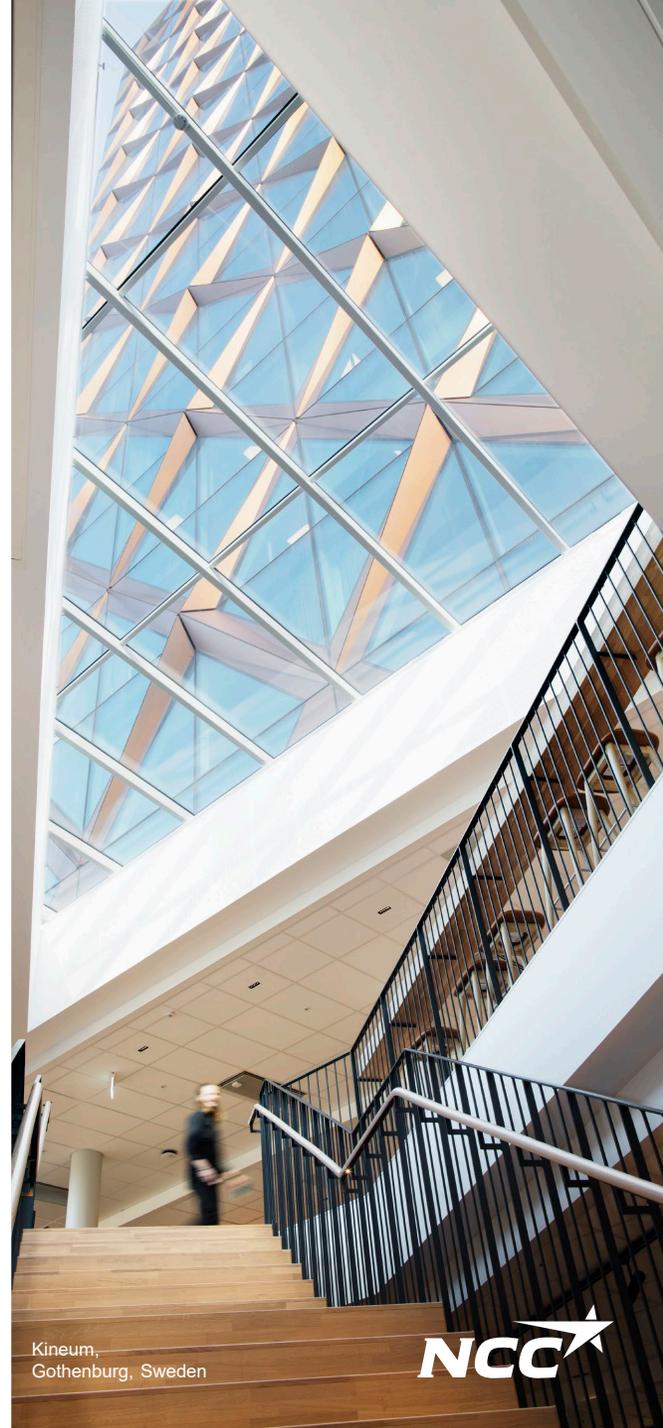
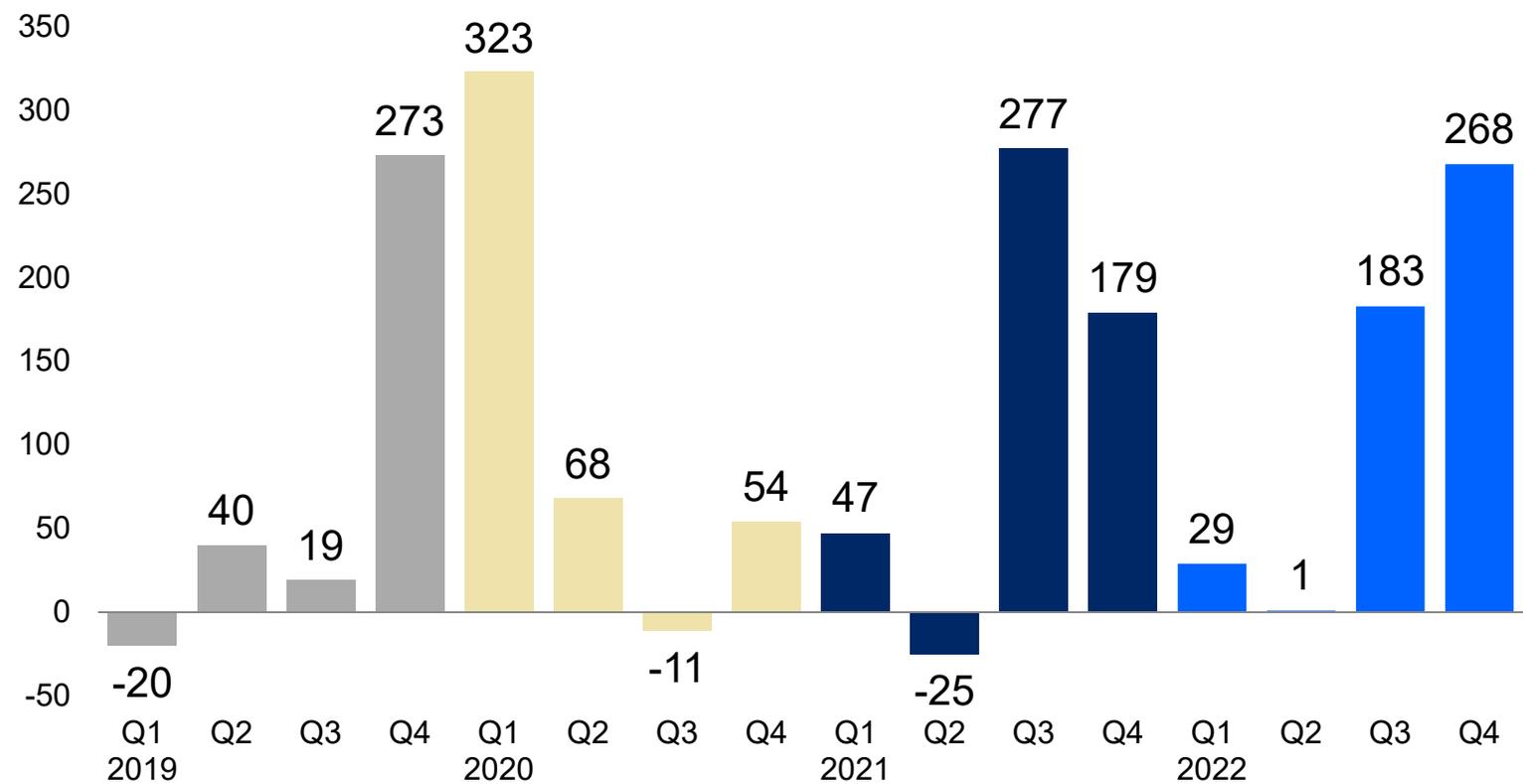


■ Asphalt ■ Stone Materials

NCC Property Development

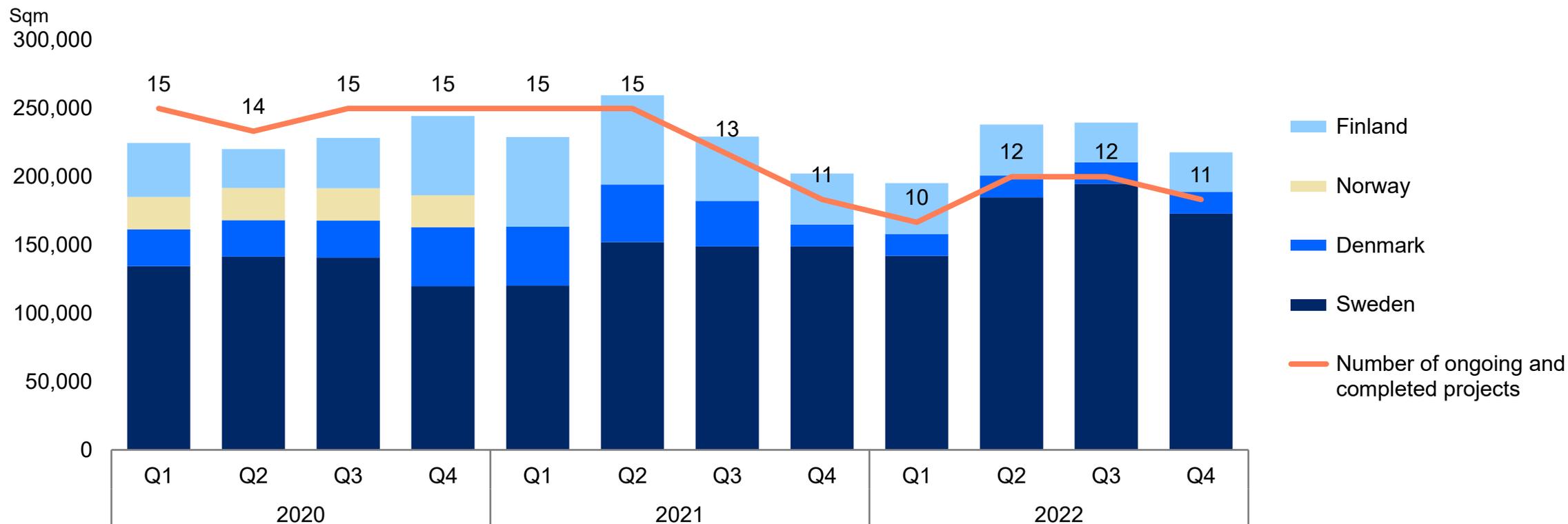
One project recognized in profit, compared to two in Q4 2021

EBIT, SEK M



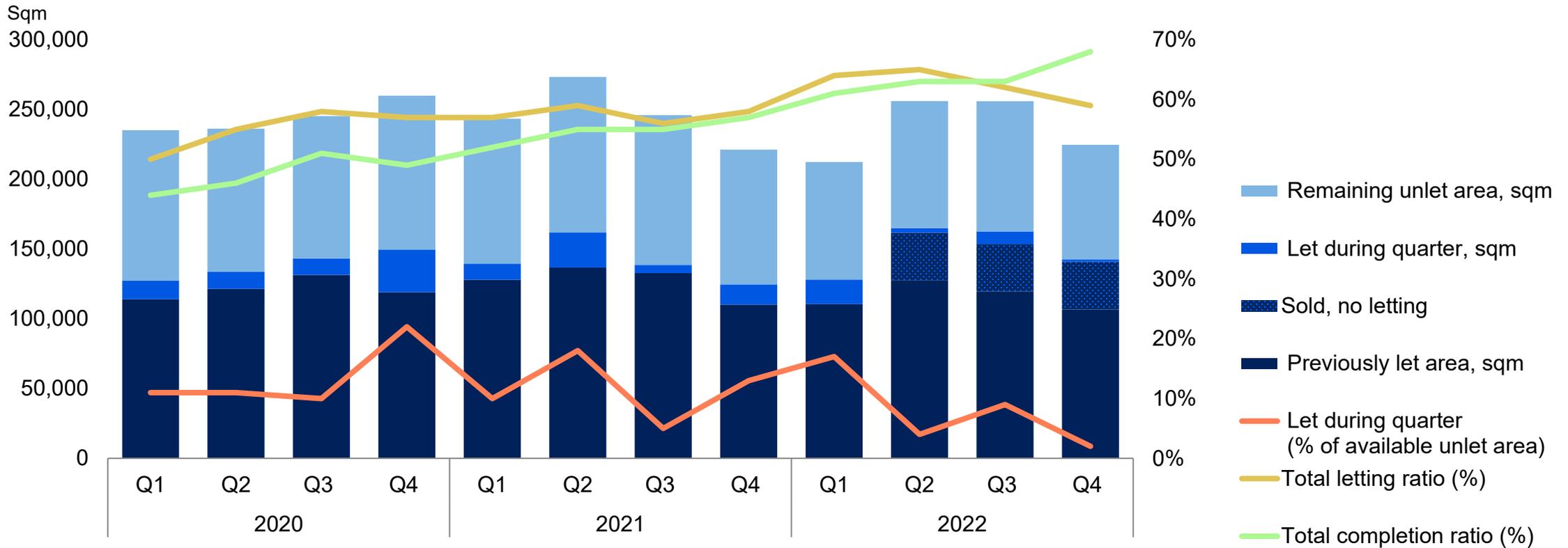
NCC Property Development

No project started in Q4



NCC Property Development

Slow letting in the quarter



NCC Property Development

Kineum Gårda recognized in profit (developed in JV)

SEK M	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales	77	1,528	1,301	4,775
EBIT	268	179	482	478

Operating capital employed, SEK M	7,996
ROCE, %	6.7

Expected time of profit recognition for sold projects



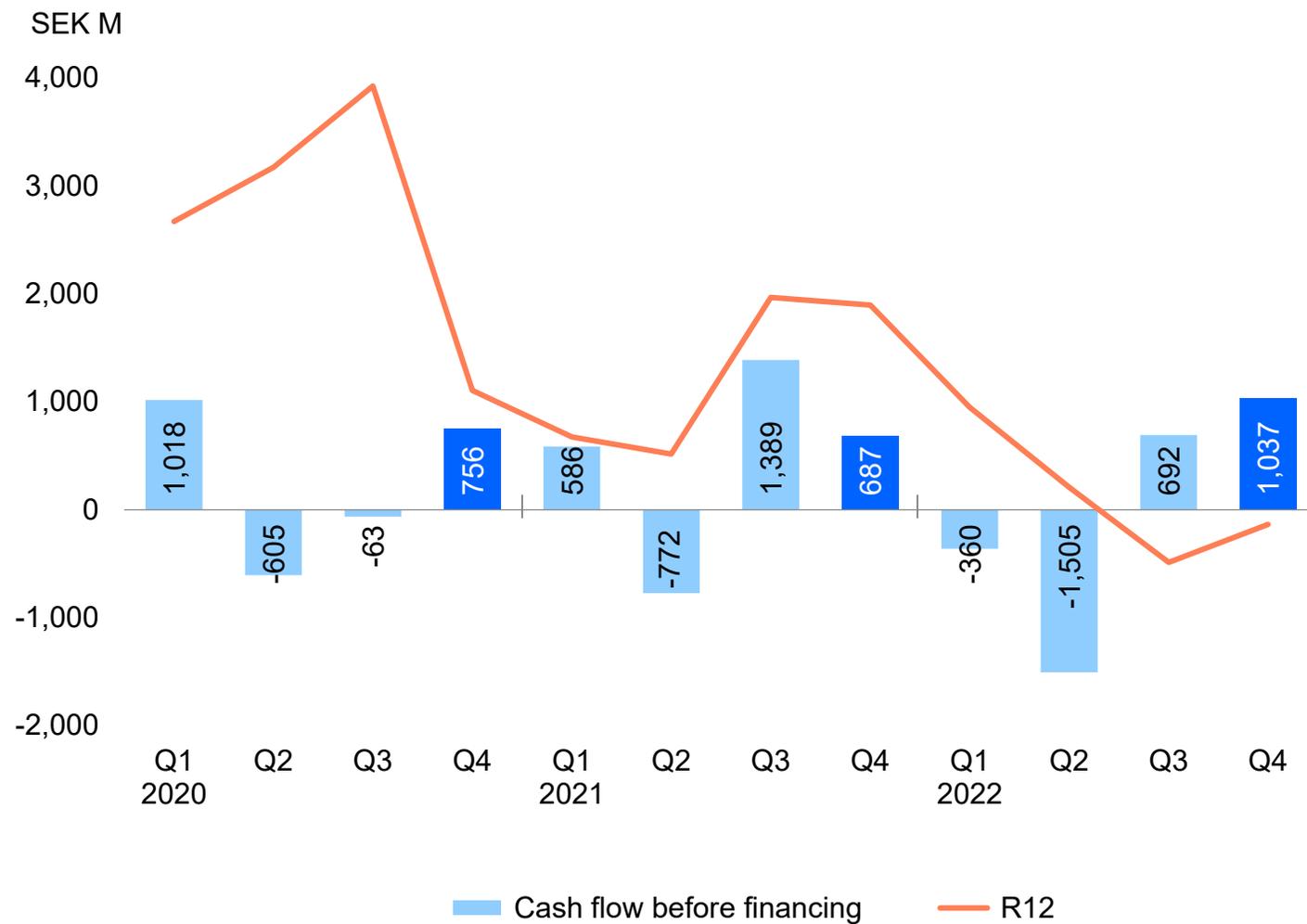
Ongoing unsold projects

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

Earnings

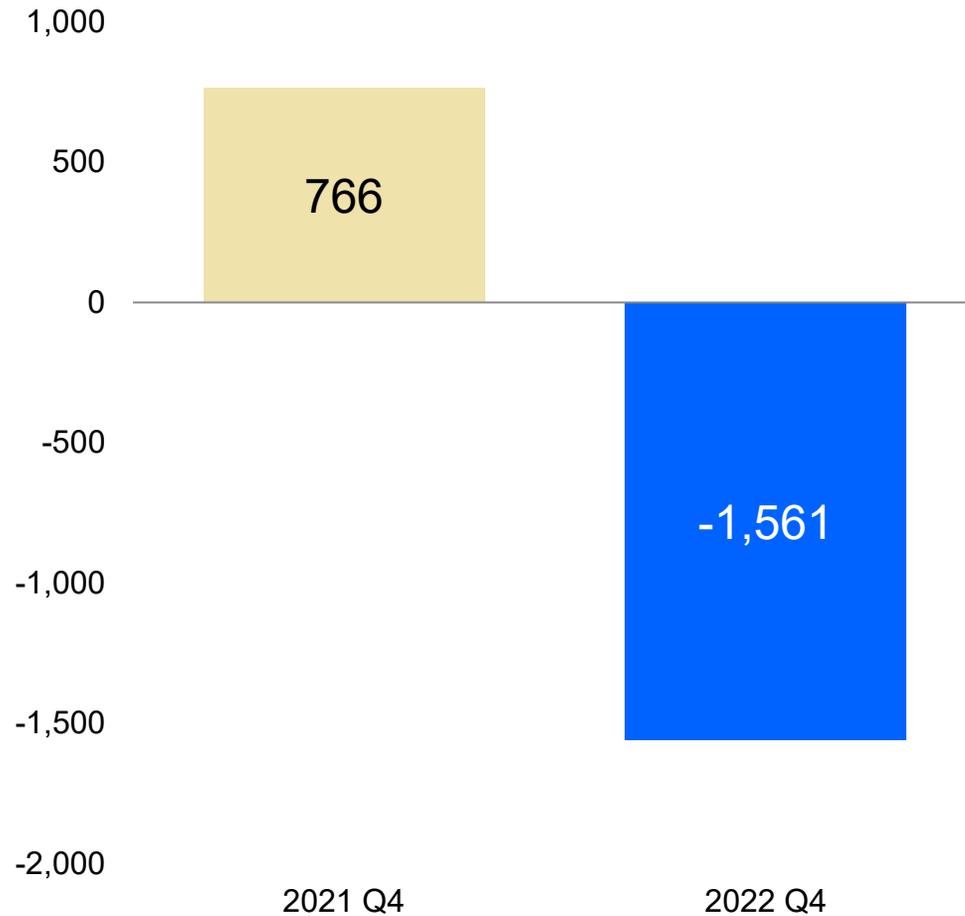
SEK M	Q4		Jan-Dec	
	2022	2021	2022	2021
Earnings in segments (all BAs)	609	604	1,518	1,956
<i>NCC HQ and subsidiaries</i>	-26	24	-131	-58
<i>Internal gains</i>	-24	23	-44	34
<i>Other group adjustments</i>	-15	-45	15	-107
Other & Eliminations total	-65	1	-161	-130
EBIT	544	605	1,358	1,825
Financial items	-24	-28	-59	-60
EBT	520	577	1,299	1,765
Tax	-113	-40	-230	-257
Profit for the period	407	538	1,069	1,508
Earnings per Share	4.13	5.00	10.29	14.02

Cashflow



SEK M	Q4		Jan-Dec	
	2022	2021	2022	2021
From operating activities	690	975	1,997	2,829
From property projects	-392	321	-1,518	198
Other working capital	1,051	-626	-213	-768
Investing activities	-312	17	-401	-363
Cash flow before financing	1,037	687	-136	1,896

Corporate net debt Dec 31, 2022



Net debt* / EBITDA

Target	< 2.5x
Dec 31, 2022	0.8x

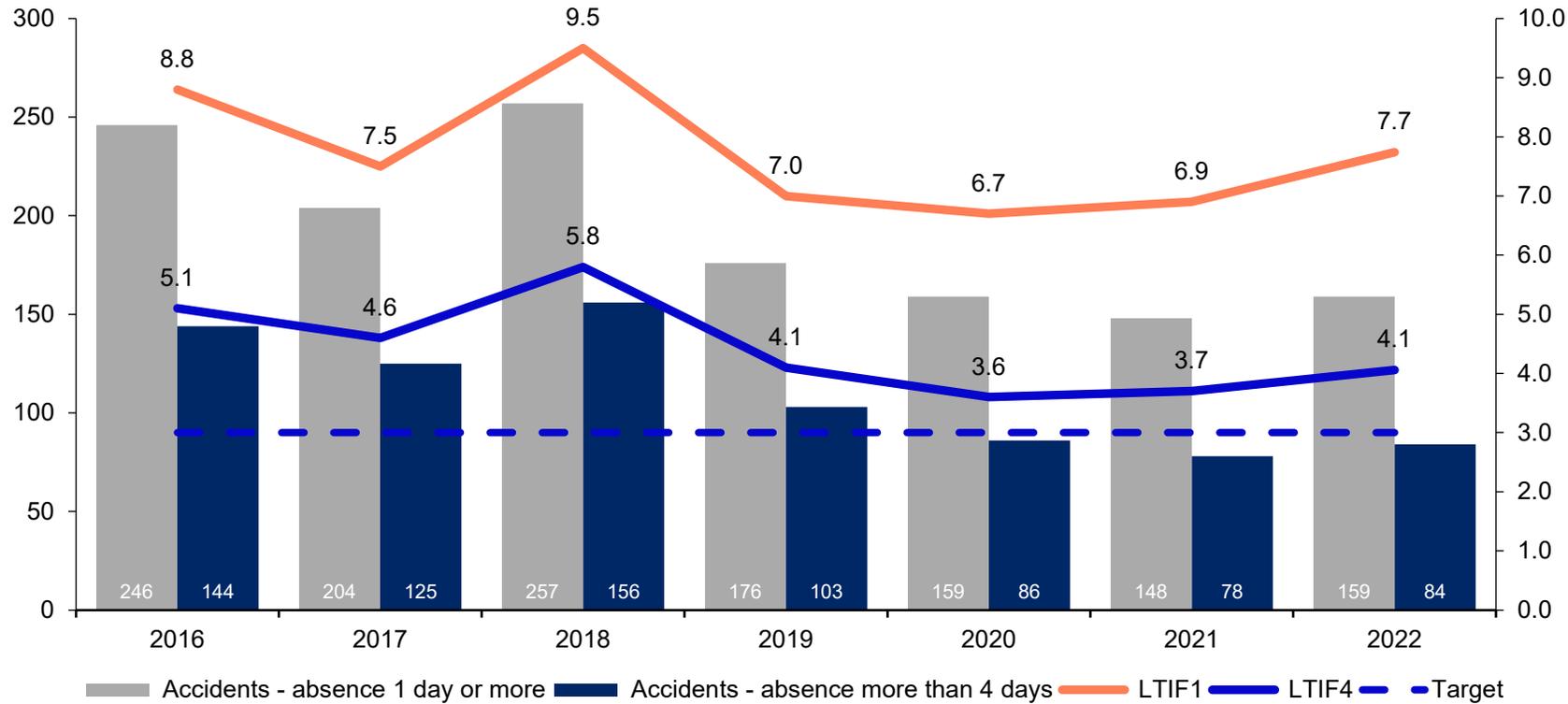
*Corporate net debt excluding pension liabilities and leasing liabilities

Tomas Carlsson



Health & Safety target

Target of LTIF4 3.0 is not reached. Work continues towards this target. New target for 2026 is 2.0.



*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

2022 refers to December 1st, 2021 – November 30th, 2022

NCC employees only



Financial targets

Earnings per share

16.00

SEK 2023

2022

10.29

SEK

Net debt

< 2.5

x EBITDA

2022

0.8x

Dividend policy

≈ 60%

of profit after tax

Proposal for 2022

SEK 6.00

55% of profit after tax

Repurchase of shares

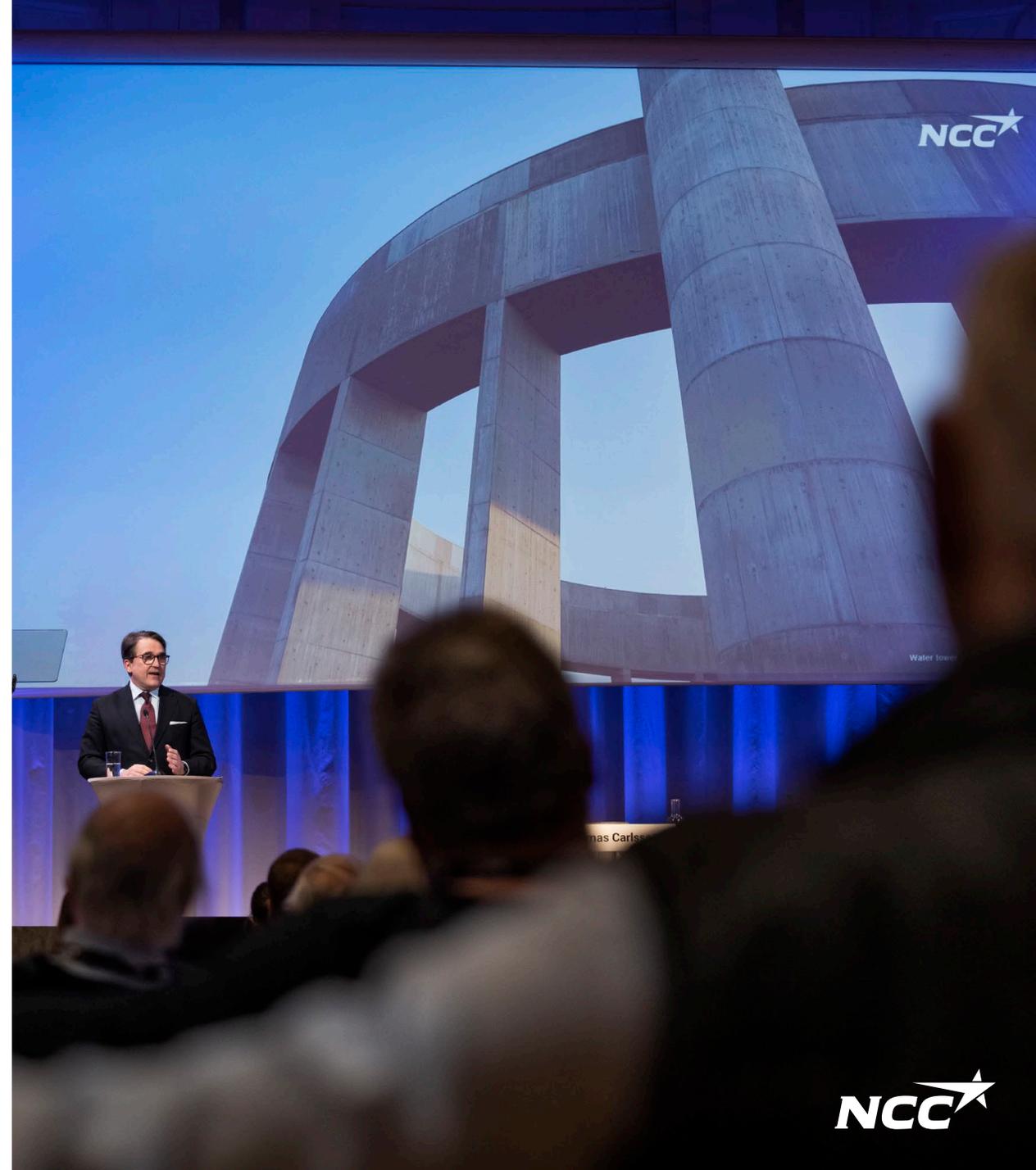
- Program concluded in November 2022 when the 10% threshold was reached
- NCC has repurchased shares for approx SEK 1 bn and currently owns 10,077,740 series B shares



Stormwater tunnel, Copenhagen
Denmark

Annual General Meeting

- March 31, 2023
- At Space conference center in Stockholm
- More information will be published no later than four weeks ahead of the AGM
- The annual report published at the latest on March 10, 2023



Summary

- Mixed picture with strong parts and more challenging parts
- Overall good position
- 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

For definitions and details, please see the quarterly report

