

# Q1 2024

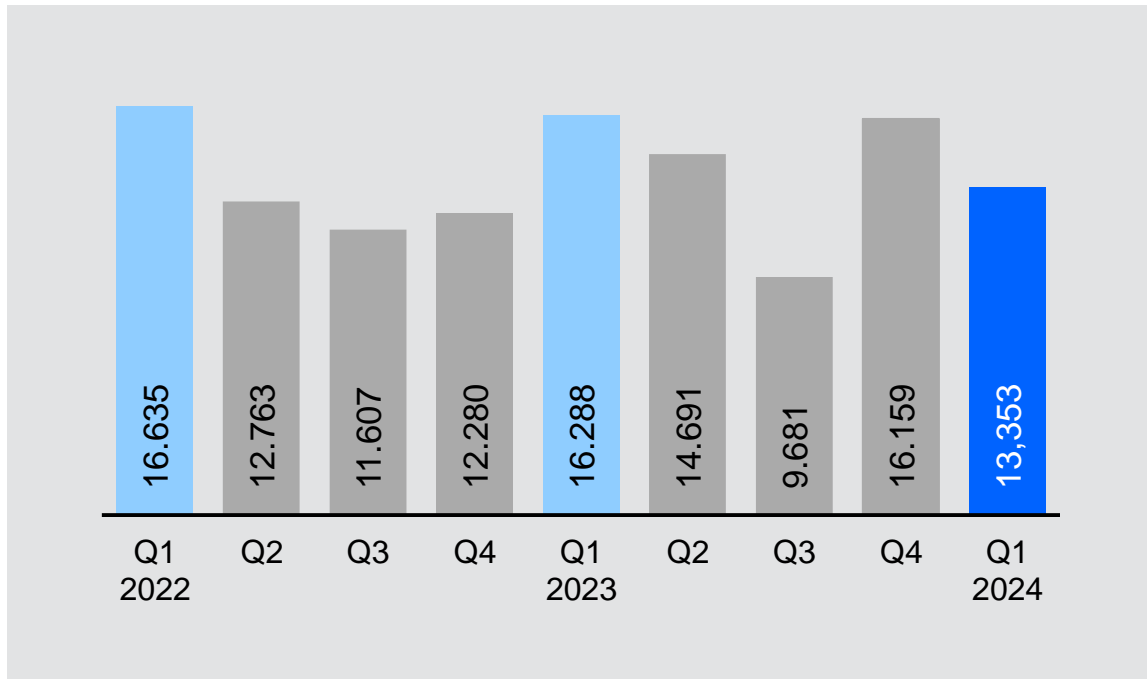
Tomas Carlsson, CEO

Susanne Lithander, CFO

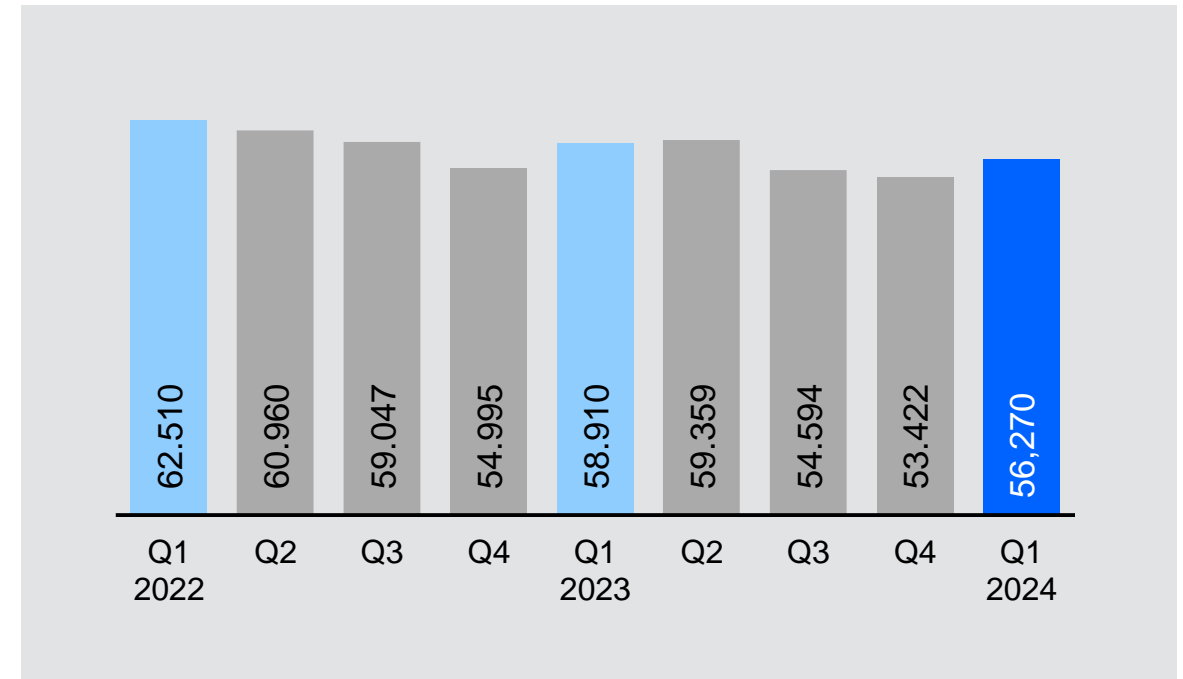
May 3, 2024



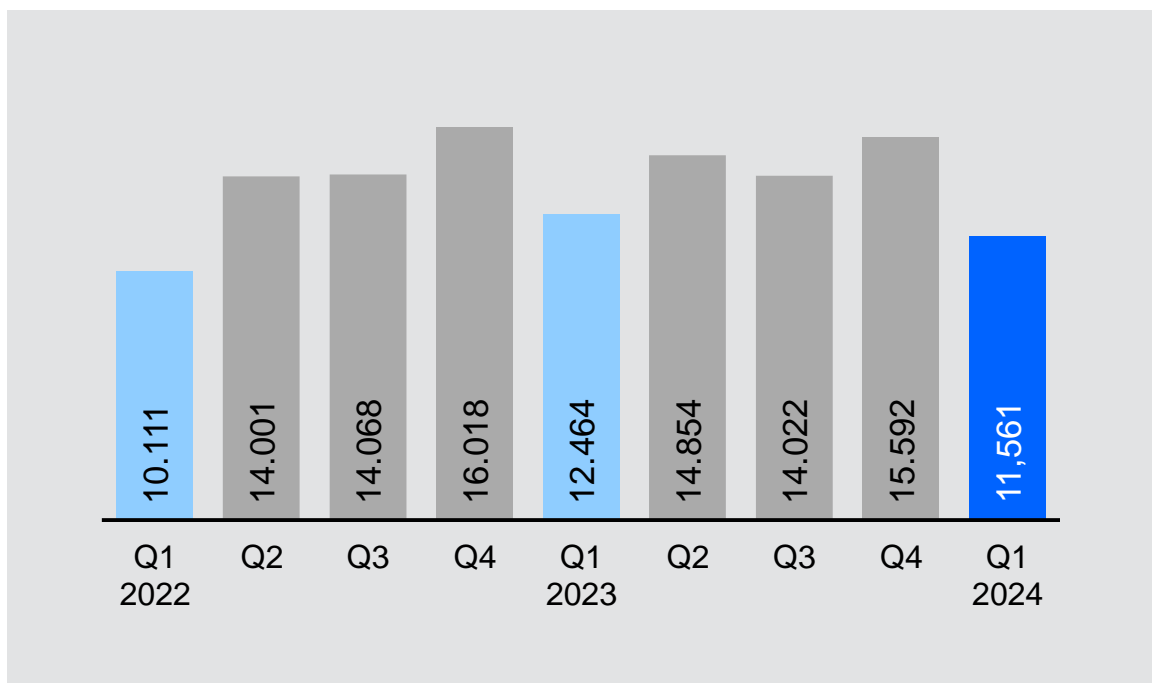
Orders received, SEK M



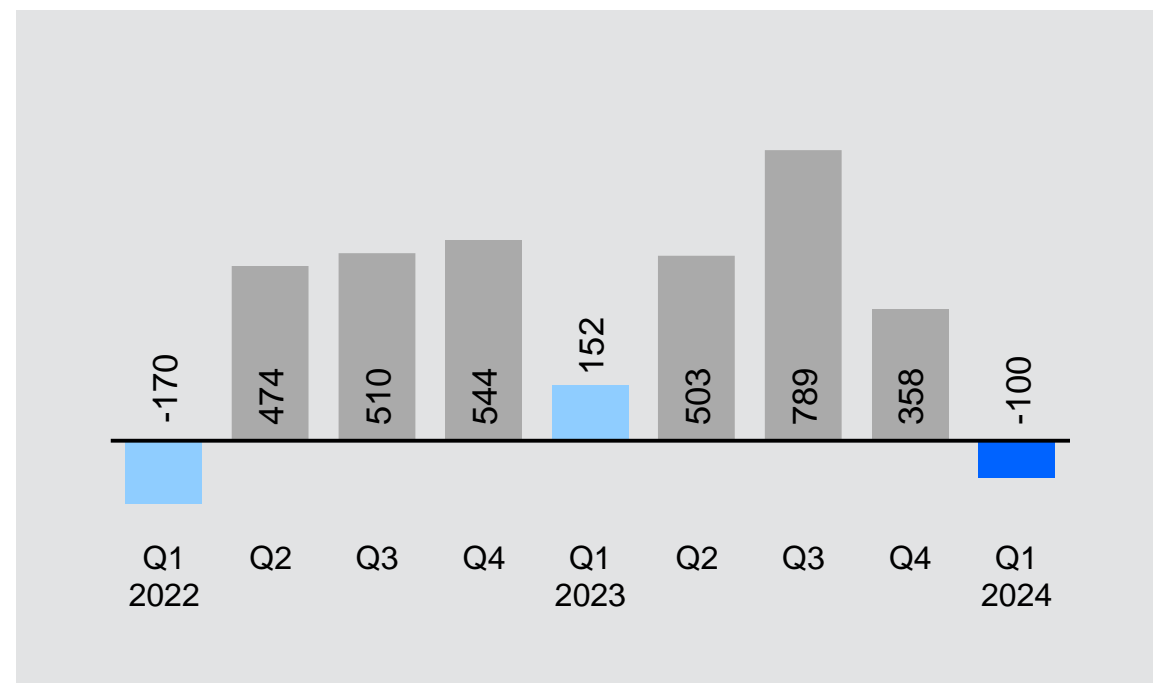
Order backlog, SEK M



Net sales, SEK M



Operating profit, SEK M



# Thomas Carlsson

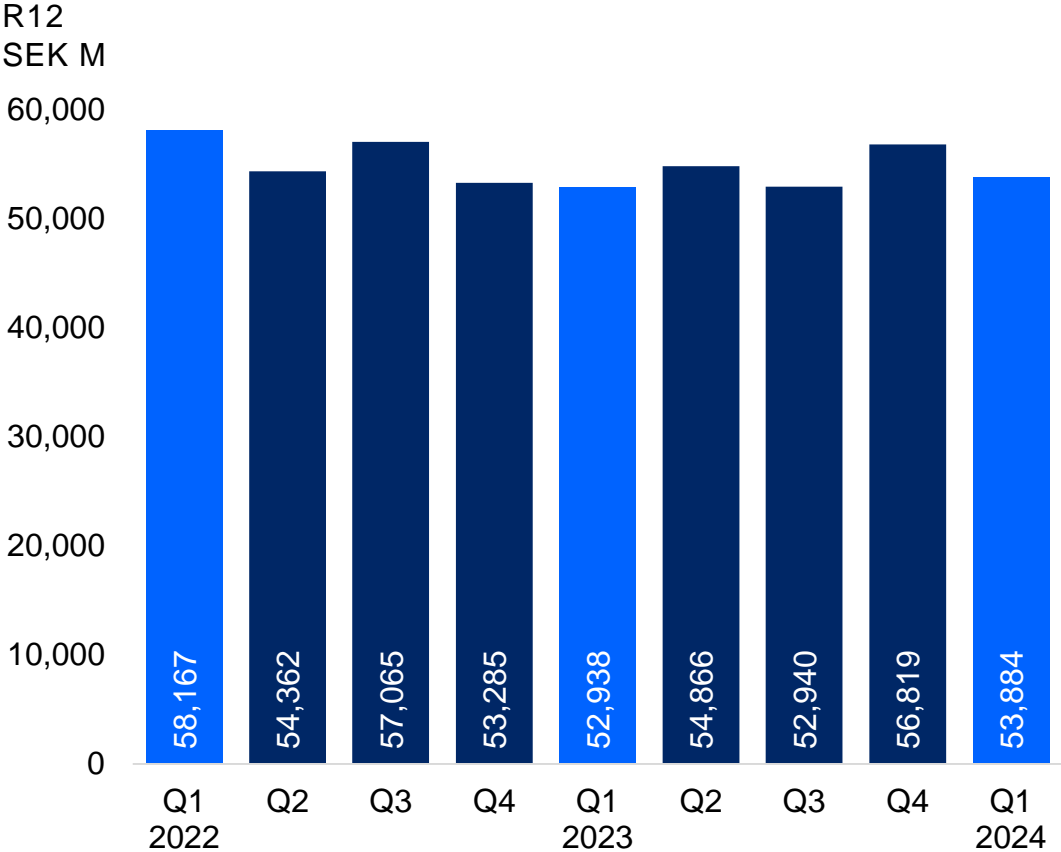
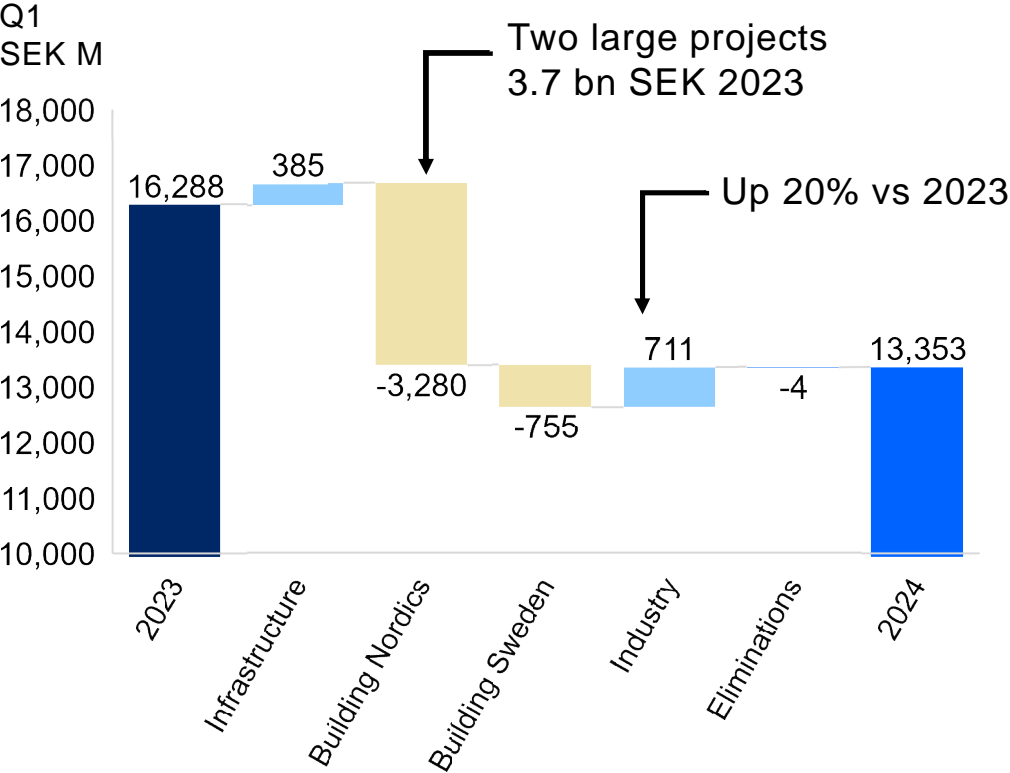
# Performing in a divided market


- Strong seasonal impact on earnings
- Infrastructure continues on strong trajectory
- Building Nordics and Building Sweden not immune to lower residential and office volumes but compensating well
- Industry seasonally low – strong orders received
- Still low activity on the property market



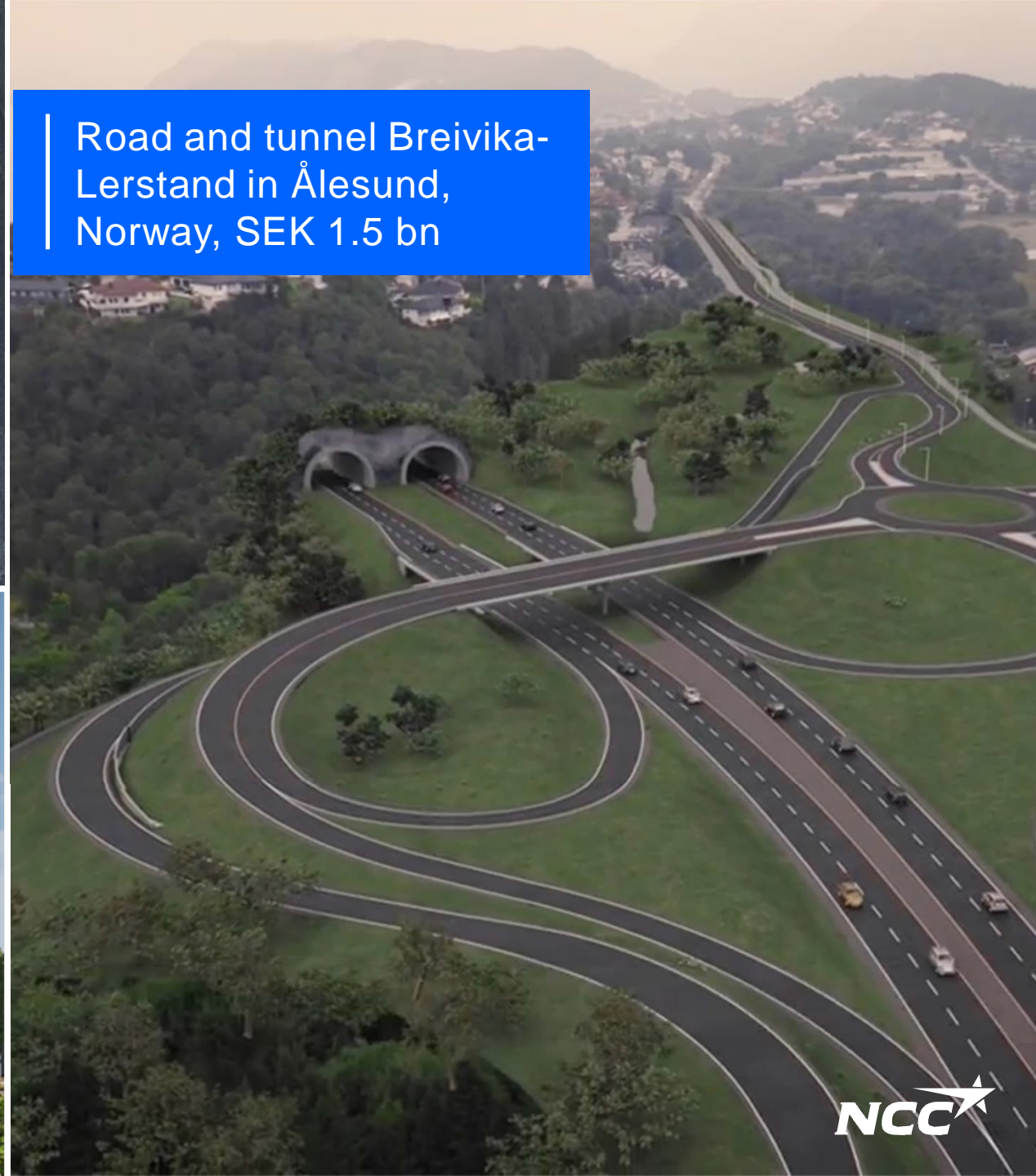
# Orders received varies between quarters but stable over time

Book-to-bill 1.2 in Q1






Many new asphalt  
contracts in all countries

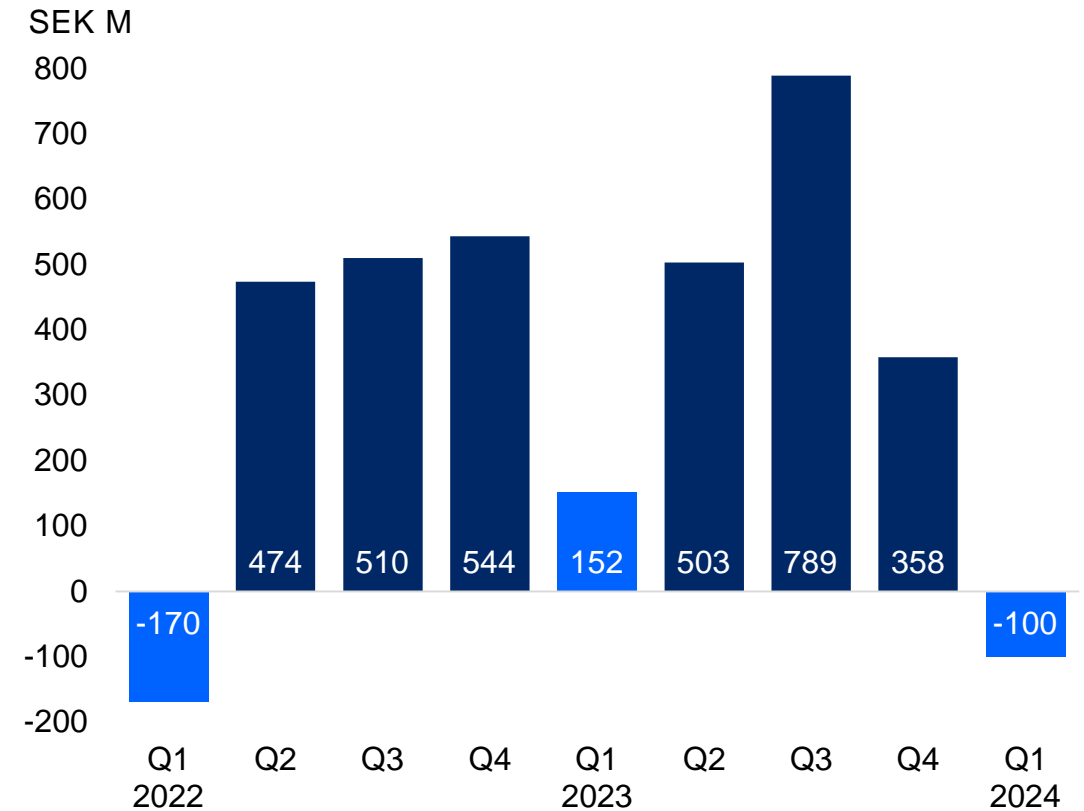
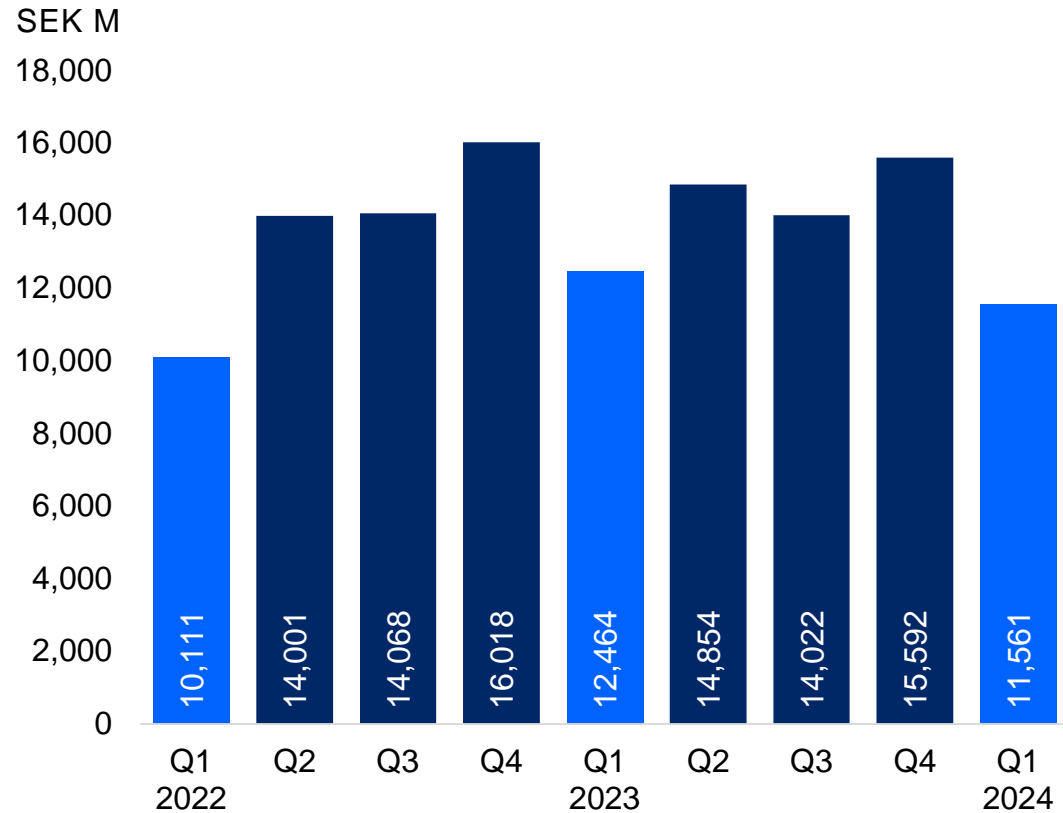


Road and tunnel Breivika-  
Lerstand in Ålesund,  
Norway, SEK 1.5 bn



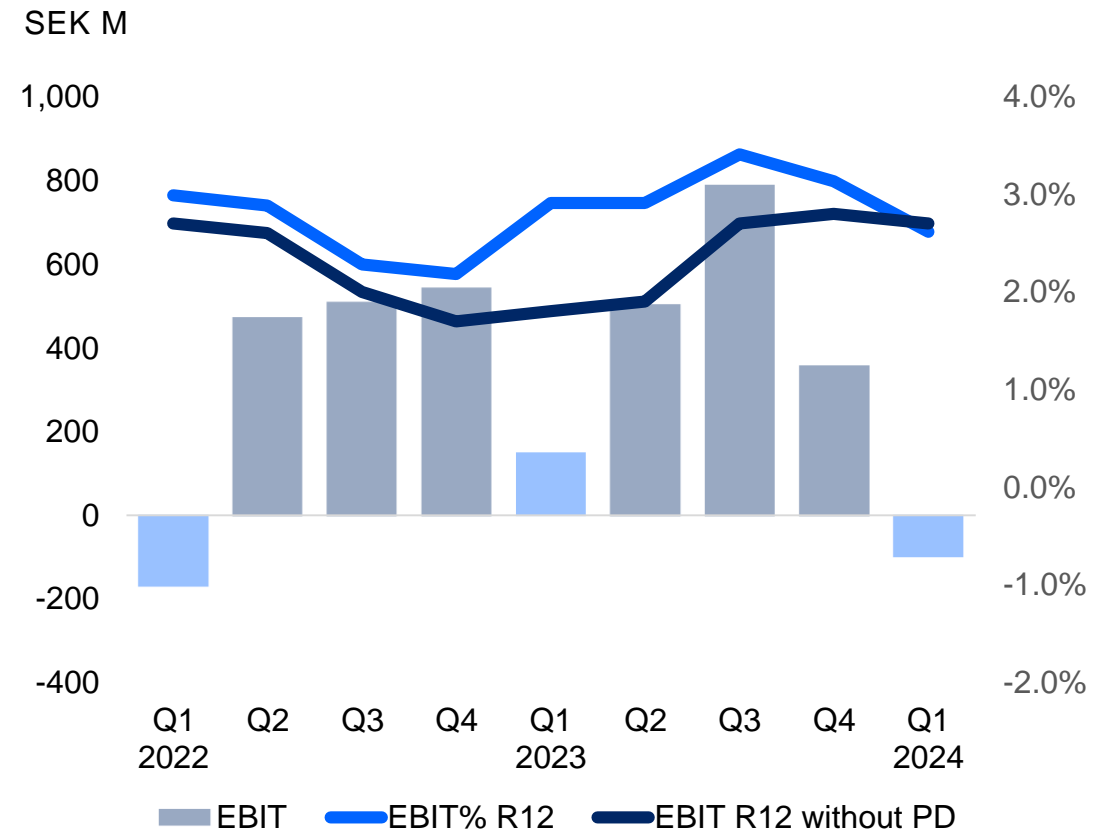
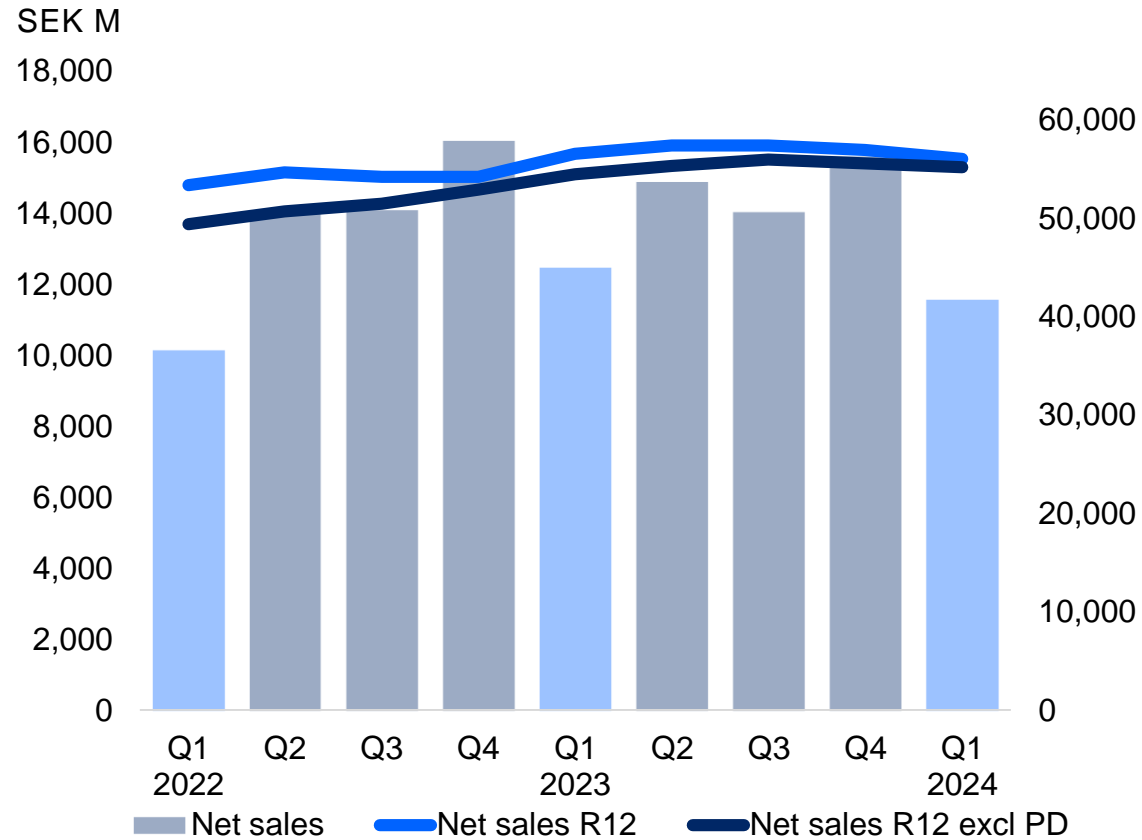
School in Västerås,  
Sweden, SEK 450 M

# Normal seasonal variation in net sales and EBIT



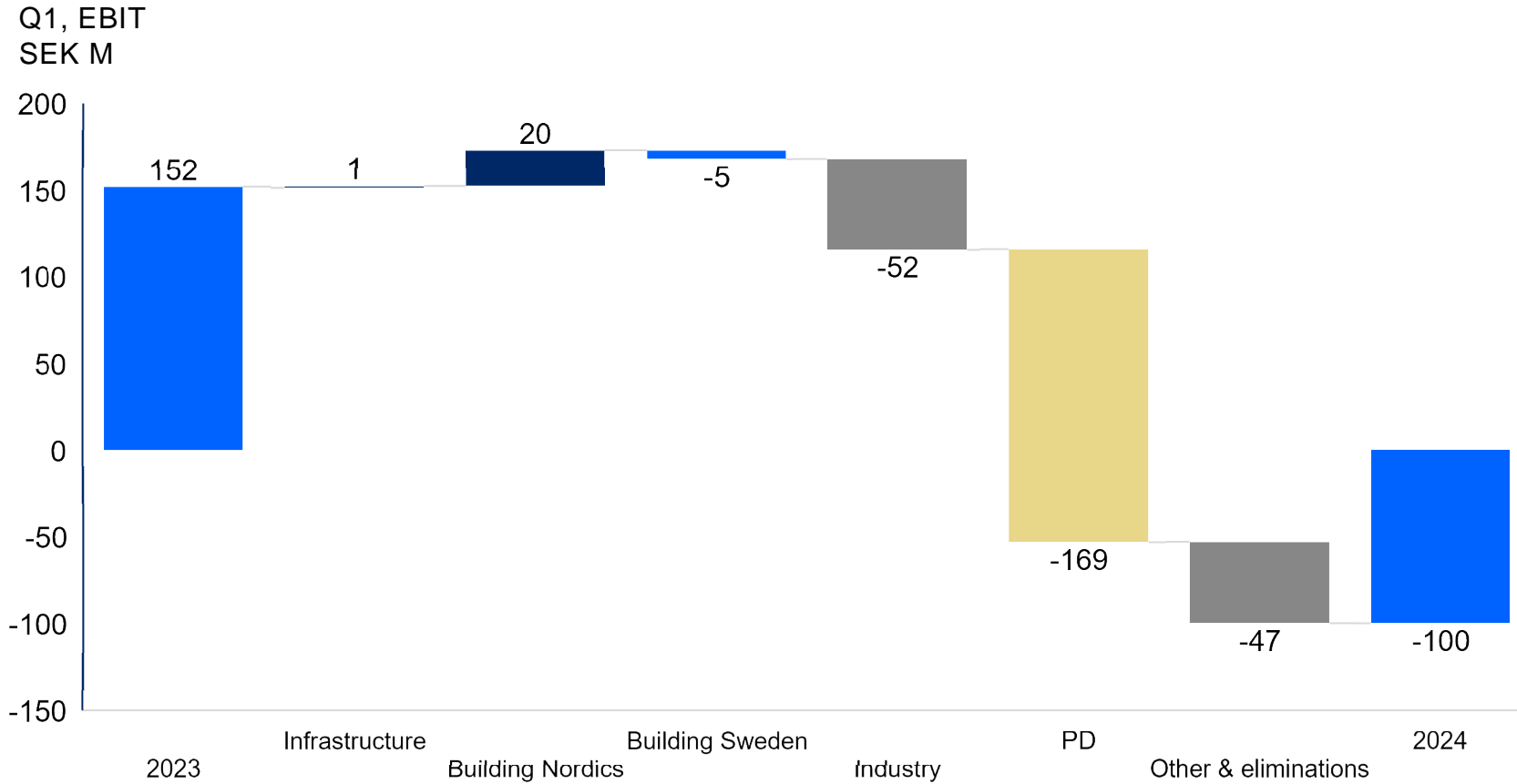


# A stable trend over time



# Contracting EBIT on par with 2023

Smaller project divested in PD, higher maintenance cost in Industry



# Financial targets

Earnings per share

**$\geq 16.00$**

SEK

Q1 2024, R12

**13.59**

SEK

2023 16.11 SEK

Net debt

**$< 2.5$**

x EBITDA

Q1 2024, R12

**1.13**

x EBITDA

Dividend policy

**$\approx 60\%$**

of profit after tax

2023

**8.00**

SEK

50% of profit after tax

# Environment & climate targets

Scope 1 & 2

**-60%**

2030

Scope 3

**-50%**

2030

Q4 2023

**-56%**

2.3 ton CO<sub>2</sub>e per SEK M net sales

Q4 2023

Ready-made concrete -22%

Rebar steel -45%

Asphalt -25%

kg CO<sub>2</sub>e per bought volumes



# Health & Safety targets

LTIF4

<2.00

2026

Q1 2024

4.5



# A divided, but good, market

- Infrastructure, large industrial projects and public buildings remain strong
- Residential and office markets are weaker
- Future interest rate cuts promising, but too early to see impact on the business
- NCC is generally well positioned to benefit from the current market situation



# Susanne Lithander

# NCC's Contracting units

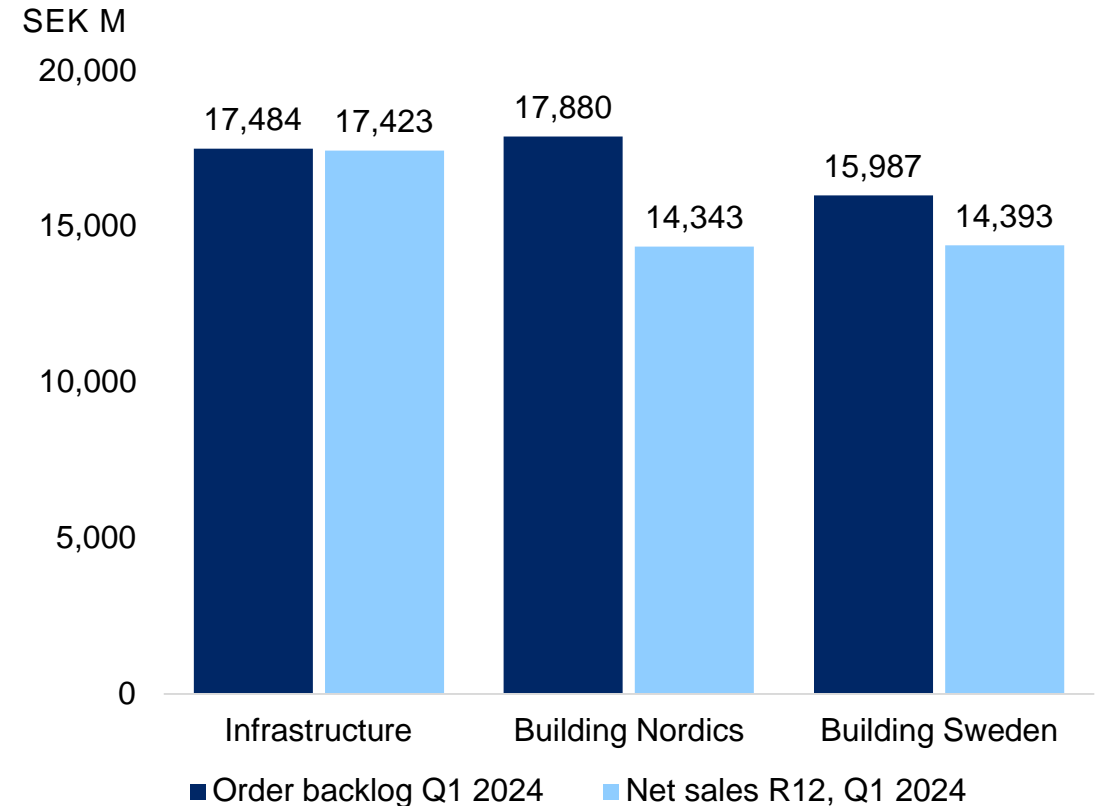
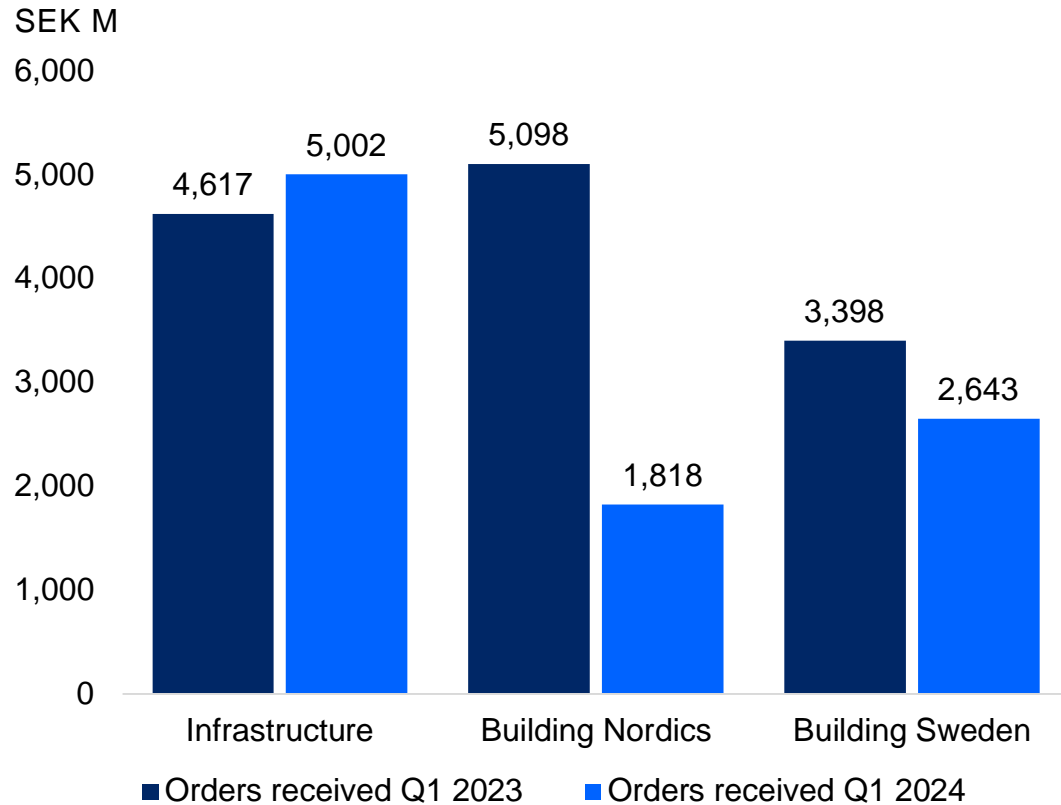
## Business update Q1

- NCC Infrastructure
- NCC Building Nordics
- NCC Building Sweden
  
- *NCC Green Industry Transformation –  
under construction*



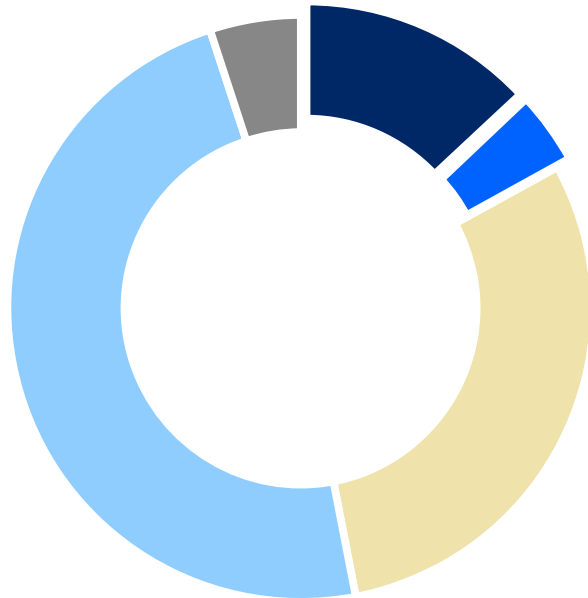


# Strong order backlog in all three business areas



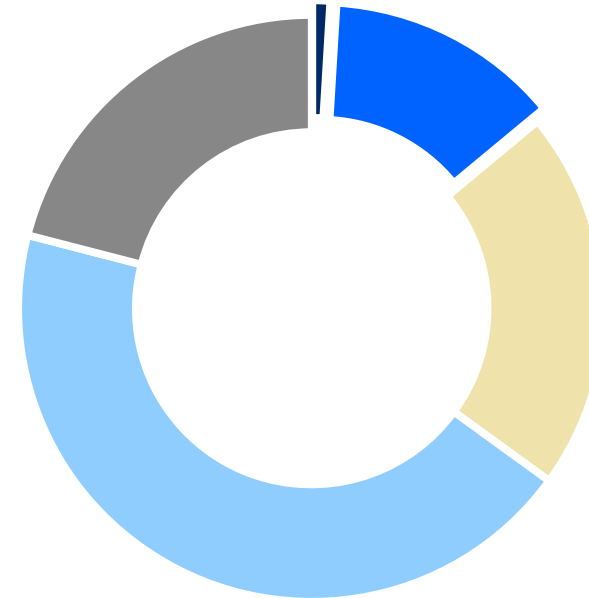
# Portfolio adjustment from residential and office markets

Building Nordics, Orders received



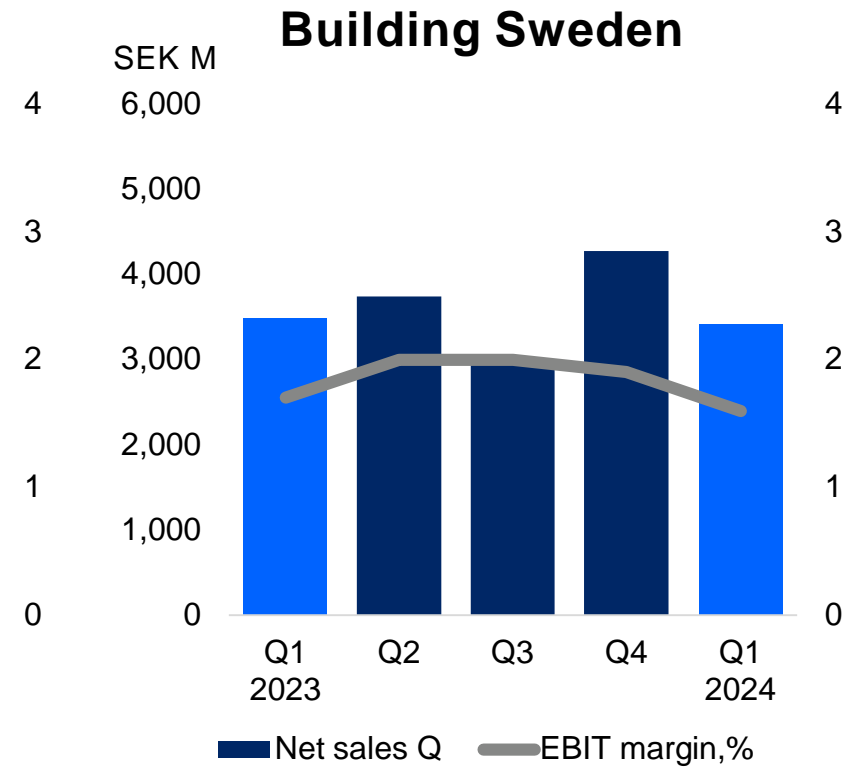
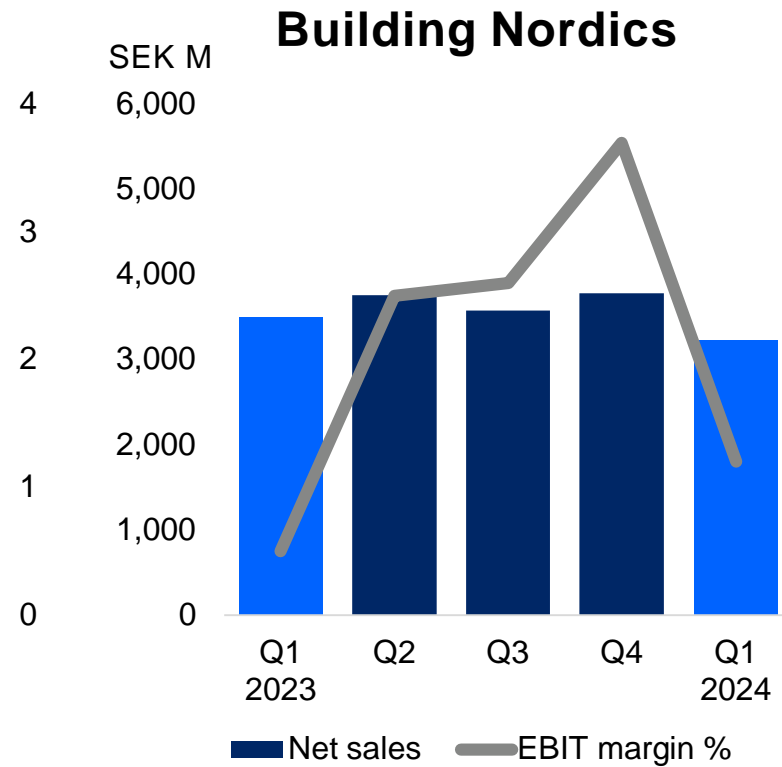
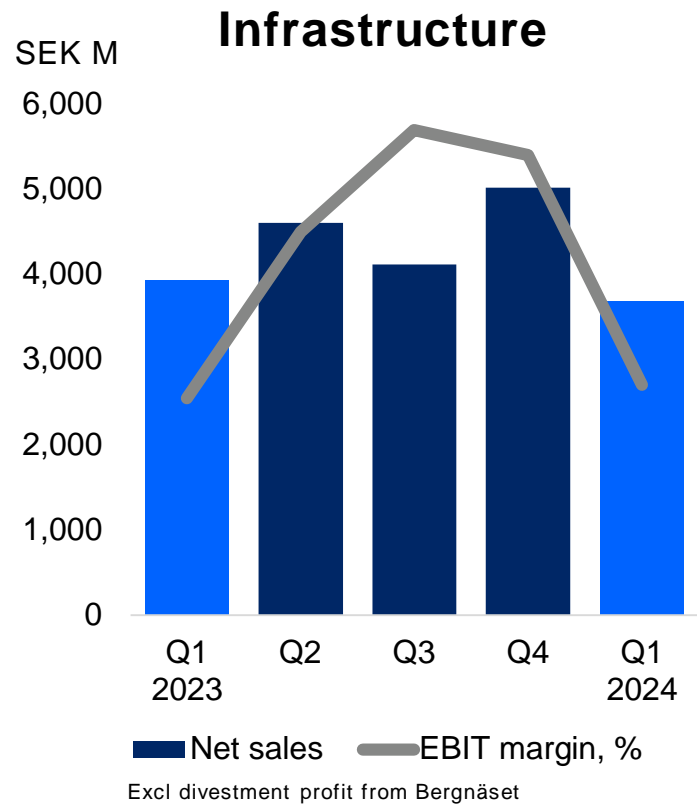
■ Offices ■ Residential ■ Refurbishment ■ Public buildings ■ Other

Building Sweden, Orders received

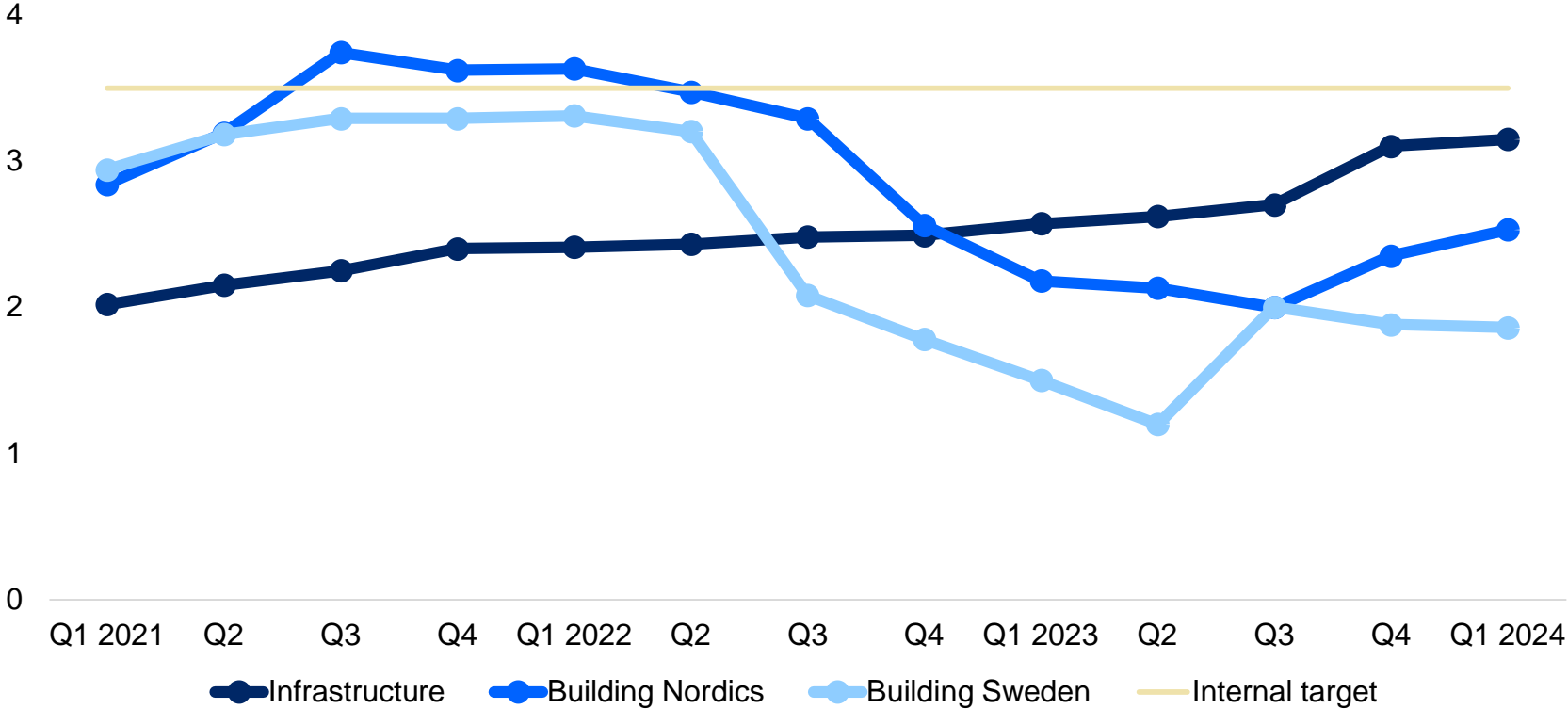


■ Offices ■ Residential ■ Refurbishment ■ Public buildings ■ Other

# Seasonal pattern in net sales and earnings



# On the right trajectory



EBIT margin, R 12, excl divestment profit from Bergnäset in 2023



Avicii Arena, Stockholm, Sweden



# NCC Industry

## Business update Q1

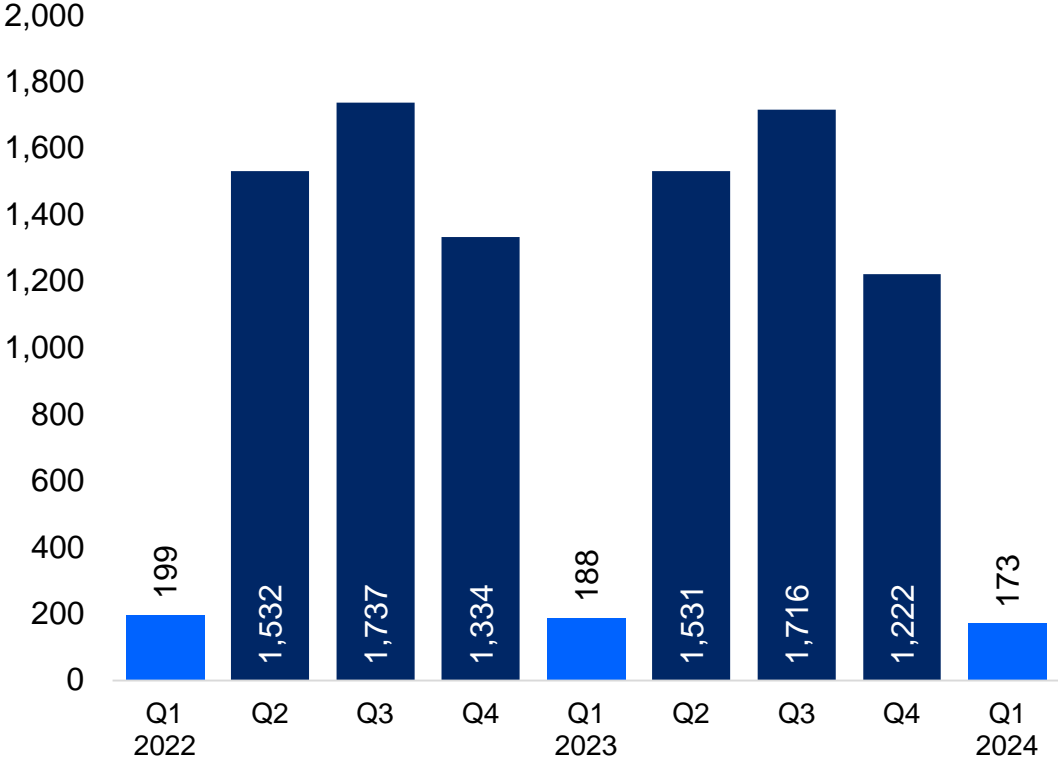
- Good orders received
  - Up >20% in Q1 vs 2023
- Important contracts secured for the upcoming season
  - Increased share of asphalt contracts with higher climate requirements



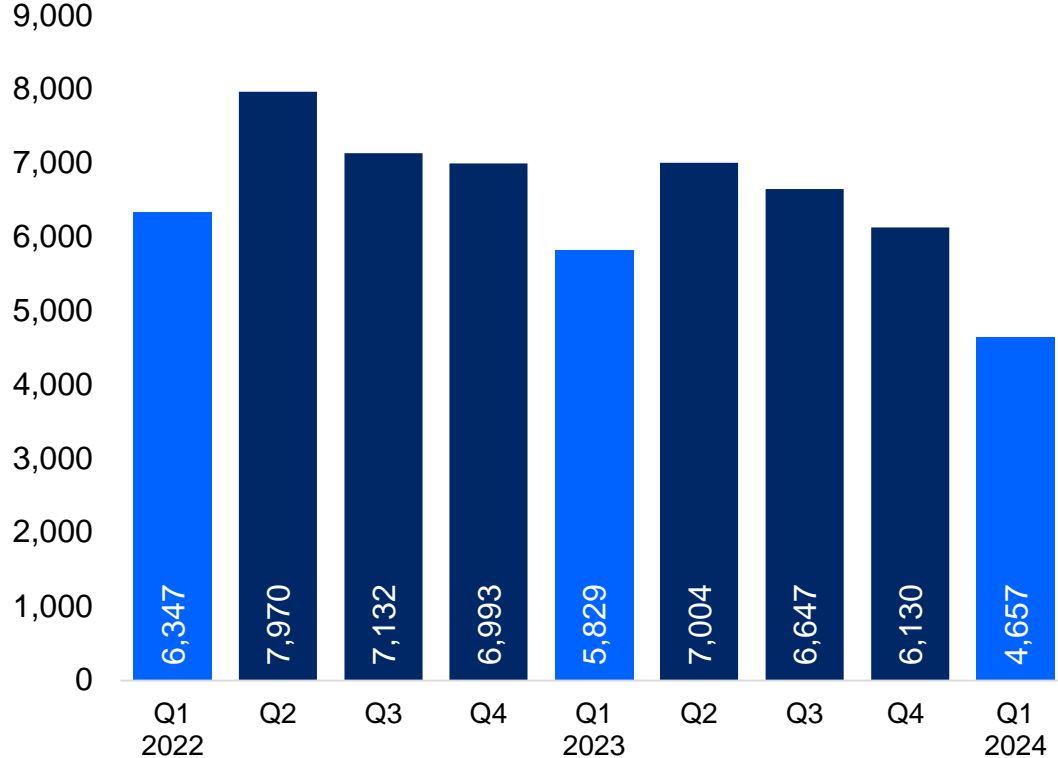
# Asphalt volumes seasonally low

Some weather and market impact on stone material volumes

Asphalt sold, thousands of tons

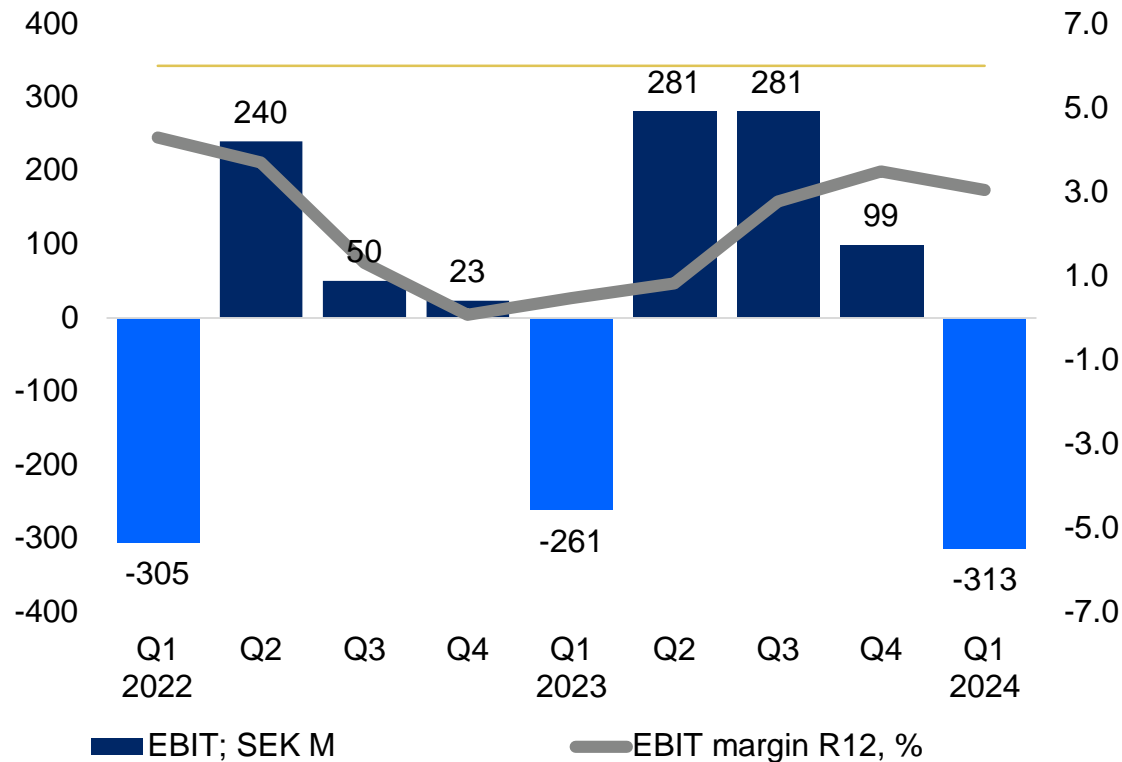


Stone materials sold, thousands of tons



# Customary seasonal earnings pattern

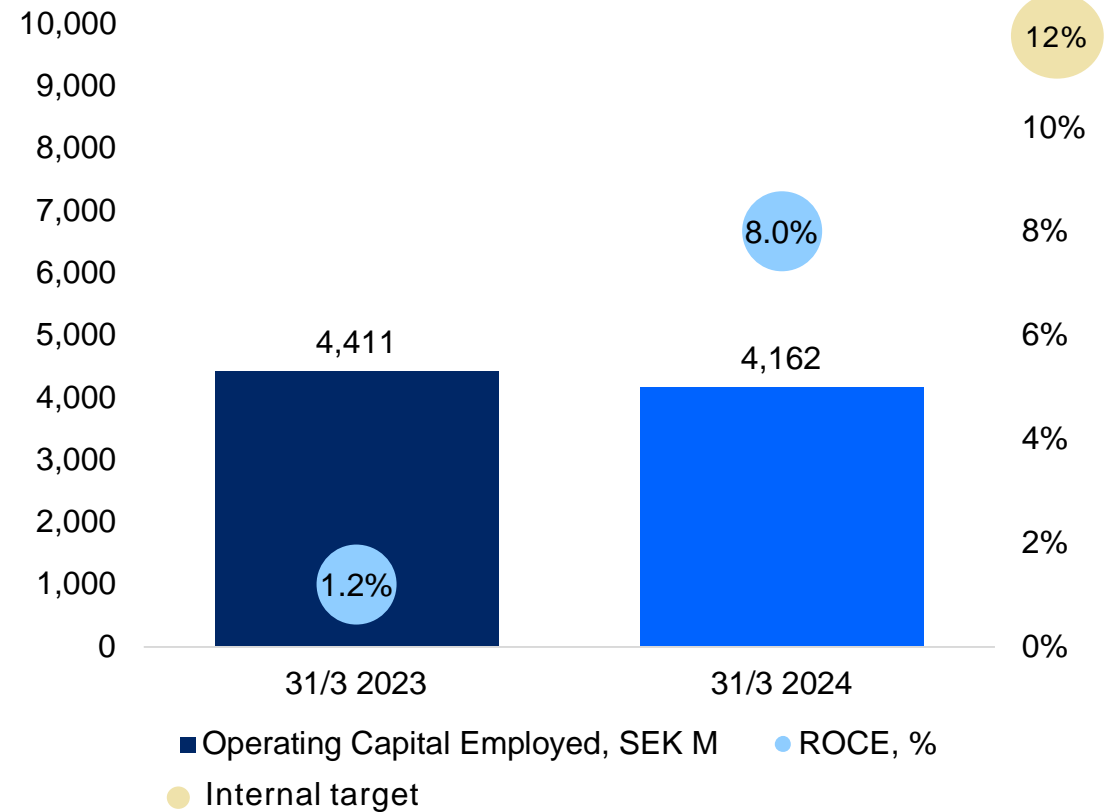
Higher maintenance costs and lower volumes in stone



■ EBIT; SEK M      — EBIT margin R12, %

— Internal target, EBIT margin%

Excl Asphalt Finland



■ Operating Capital Employed, SEK M      ● ROCE, %

● Internal target

# NCC Property Development

## Portfolio update Q1

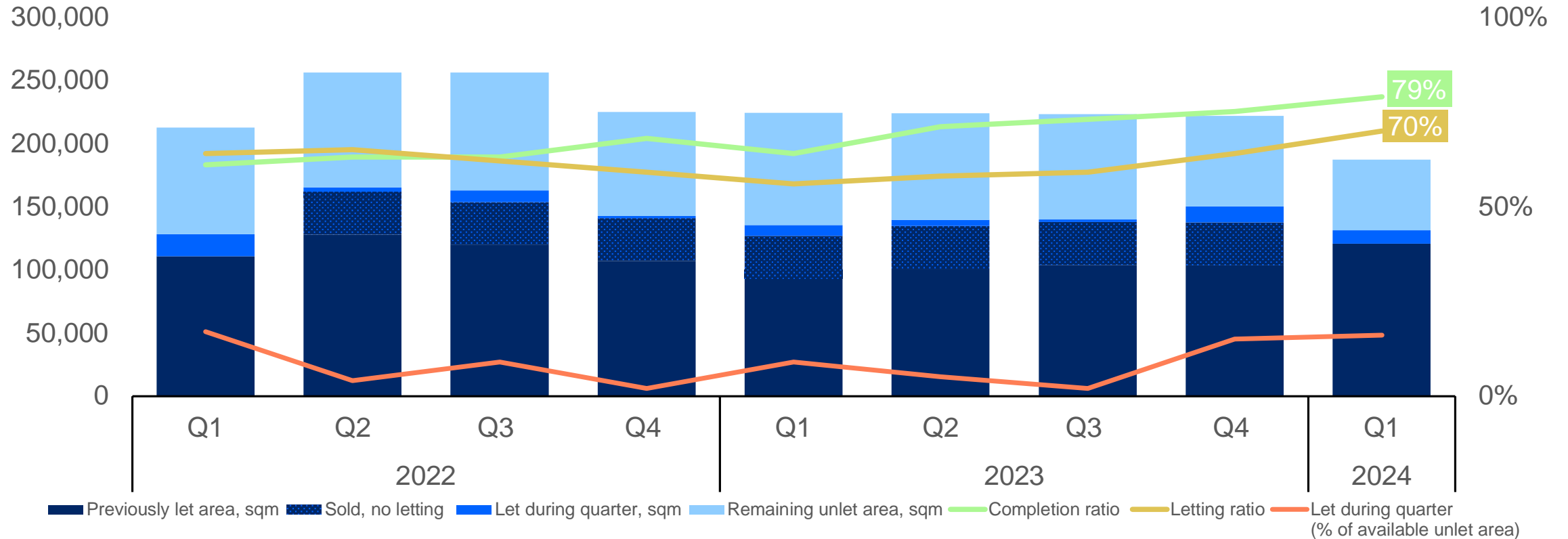
- One property divestment recognized in profit – logistics facility Arendal Albatross
- 5 ongoing property projects, 2/5 sold
- 5 completed property projects, 3/5 fully let
- No projects sold or started during Q1



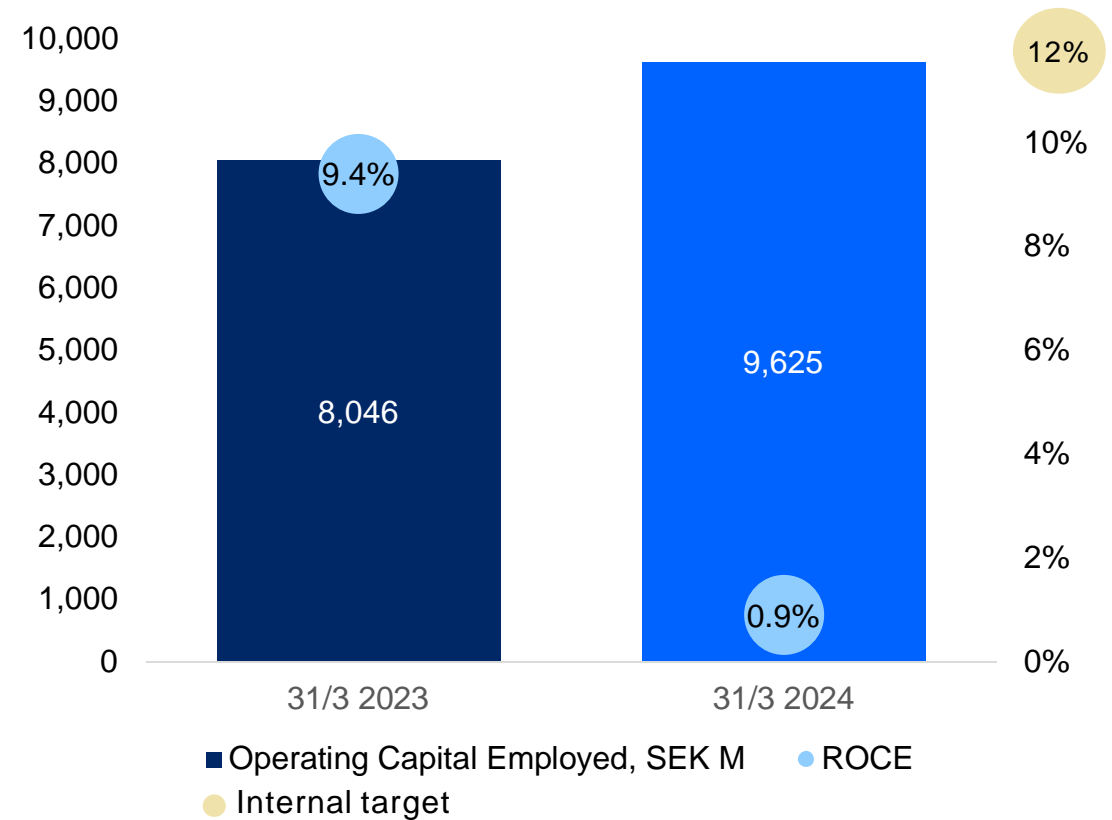
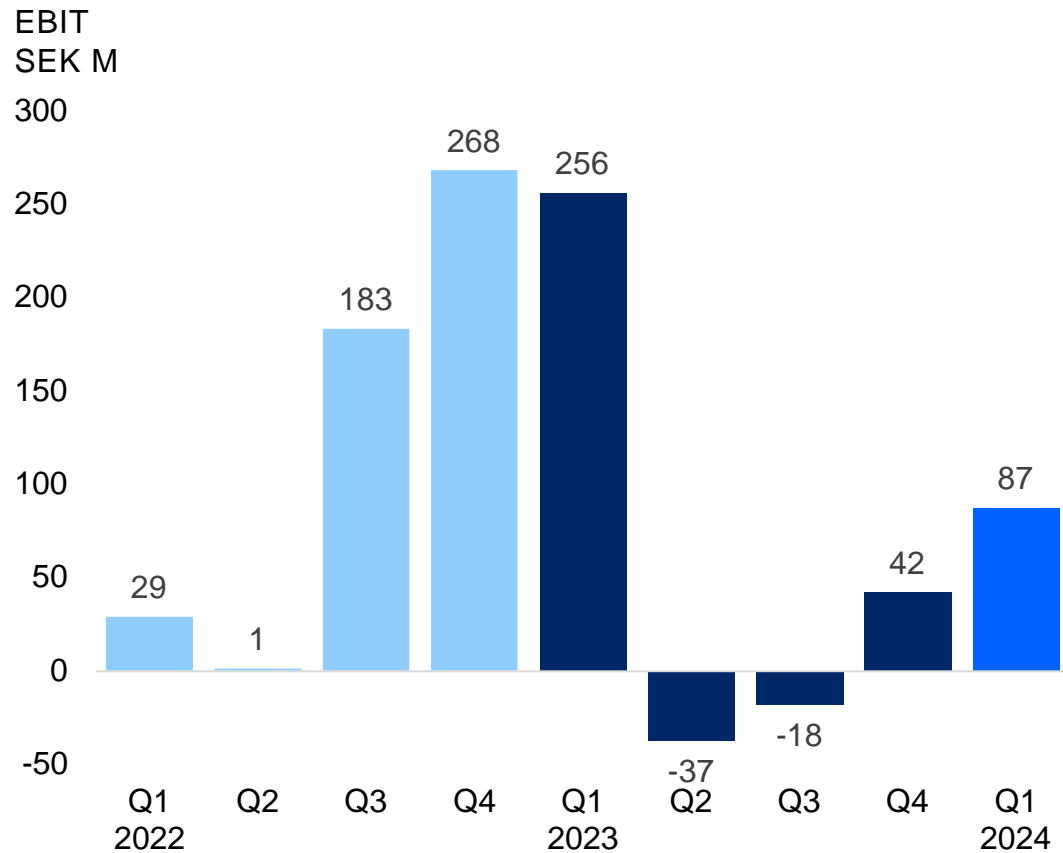


# Letting of >10,000 sqm in Q1

Lettable space, sqm

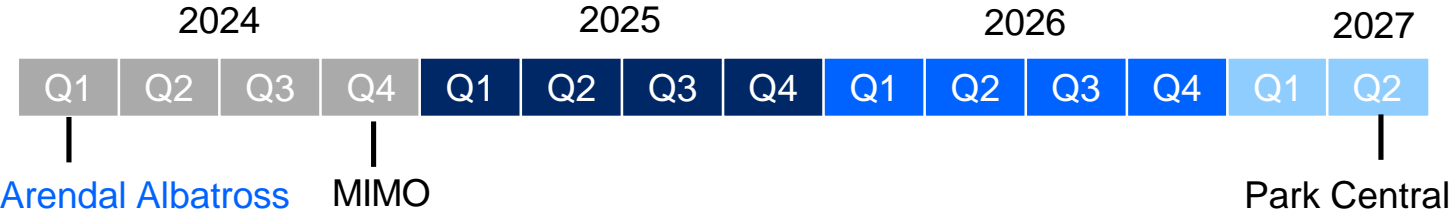


# Earnings from one project – Arendal Albatross



# Close monitoring of the market for divestment opportunities

Expected time of profit recognition for sold projects



- ### Ongoing unsold projects
- We Land, Helsinki
  - Flow Hyllie, Malmö
  - Habitat 7, Gothenburg

- ### Completed unsold projects
- Bromma Blocks, Stockholm
  - Brick Studios, Gothenburg
  - Våguset, Gothenburg
  - Kulma21, Helsinki
  - Nova, Solna



# NCC Green Industry Transformation

Business update Q1

- Initial team in place
- Business dialogues ongoing



# Other & eliminations

SEK M	Q1		R12, Apr-Mar	FY Jan-Dec
	2024	2023	2023/2024	2023
NCC Group common functions, subsidiaries and business area NCC Green Industry Transformation	-106	-72	-349	-315
Elimination of internal gains	17	23	-25	-18
Pension cost (IAS19 adjustments)	50	57	183	190
Other adjustments and eliminations	3	4	-36	-35
<b>EBIT, total</b>	<b>-35</b>	<b>12</b>	<b>-226</b>	<b>-179</b>

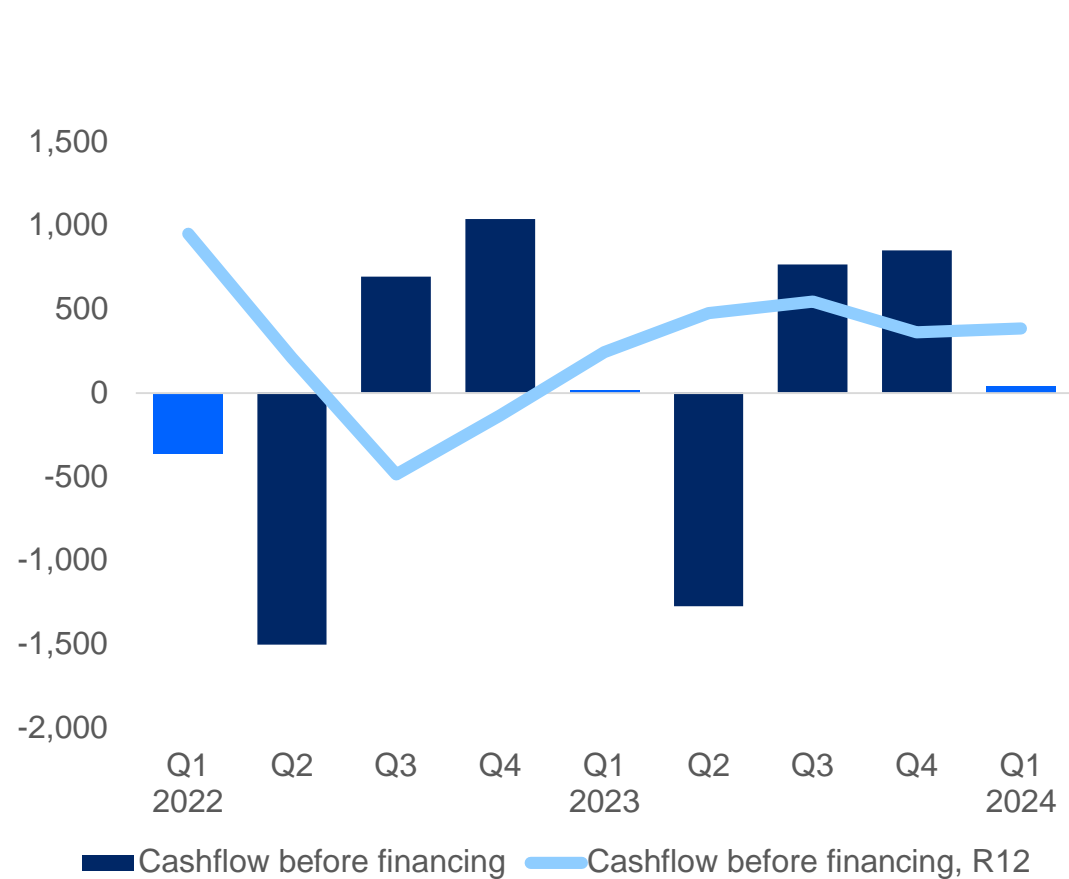


# Earnings

SEK M	Q1		R12, Apr-Mar	2023, Jan-Dec
	2024	2023	2023/2024	2023
Earnings in segments (all BAs)	-65	140	1,777	1,982
Other & Eliminations	-35	12	-227	-179
<b>EBIT</b>	<b>-100</b>	<b>152</b>	<b>1,550</b>	<b>1,802</b>
Financial items	-17	33	-49	1
<b>EBT</b>	<b>-117</b>	<b>185</b>	<b>1,502</b>	<b>1,803</b>
Tax	24	-32	-174	-230
<b>Profit for the period</b>	<b>-93</b>	<b>153</b>	<b>1,327</b>	<b>1,573</b>
Earnings per Share	-0.95	1.56	13.59	16.11

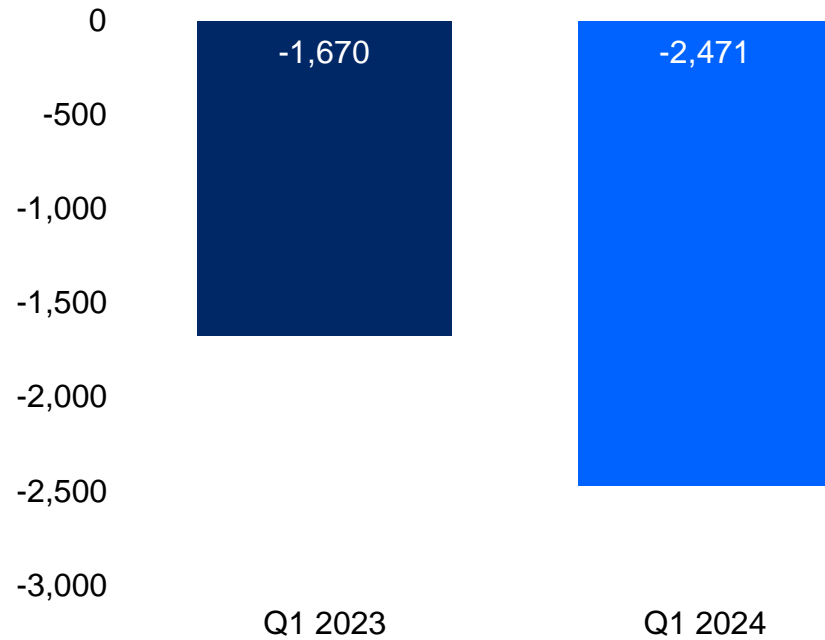


# Cashflow seasonally low



SEK M	Q1 2024	2023	R12, Apr- Mar 2023/2024	2023, Jan- Dec 2023
<b>OPERATING ACTIVITIES</b>				
From operating activities	186	340	1,968	2,122
From property projects	135	-254	-1,296	-1,684
Other changes in working capital	-130	104	135	369
Cashflow from operating activities	191	190	808	807
<b>INVESTING ACTIVITIES</b>				
Investing activities	-149	-171	-424	-446
Cash flow before financing	42	19	384	361

# Corporate net debt well within limits



Net debt* / EBITDA	
Target	< 2.5x
Mar 31, 2024, R12	1.13x

\*Corporate net debt excluding pension liabilities and leasing liabilities



# Thomas Carlsson

# In summary

- Strong seasonality
- Market divided
- Positive signals but too early for business impact
- Good performance in most market segments
- Compensating for residential and property market situation but some impact in Building Nordics and Sweden
- Property Development market still very slow and hesitant





# Contact information

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For definitions and details, please see the quarterly report

