

**Q2  
2021**



## Healthy orders received and continued earnings improvement

“Operating profit is improving in the contracting operations. We experience healthy demand, strong letting in our development projects, but Industry can still improve,” says Tomas Carlsson, President and CEO of NCC.

- A positive quarter for the contracting operations, with favorable orders received and higher operating profit
- Industry demonstrated underlying improvements, but operating profit was weighted down by asphalt operations in Finland
- Favorable letting in ongoing property development projects, no major projects were recognized in profit during the quarter
- Cash flow was seasonally negative in the quarter

### Second quarter 2021

- Orders received amounted to SEK 16,568 M (12,730)
- Net sales totaled SEK 12,745 M (14,431)
- Operating profit amounted to SEK 487 M (483)
- Profit after financial items totaled SEK 476 M (463)
- Profit after tax was SEK 388 M (435)
- Earnings per share after dilution were SEK 3.61 (4.03)

### First half of 2021

- Orders received amounted to SEK 30,822 M (28,188)
- Net sales totaled SEK 22,885 M (26,197)
- Operating profit amounted to SEK 344 M (414)
- Profit after financial items totaled SEK 324 M (373)
- Profit after tax was SEK 265 M (351)
- Earnings per share after dilution were SEK 2.46 (3.25)

Group, SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	16,568	12,730	30,822	28,188	53,834	51,199
Order backlog	58,816	59,486	58,816	59,486	58,816	50,945
Net sales	12,745	14,431	22,885	26,197	50,610	53,922
Operating profit/loss	487	483	344	414	1,290	1,360
Operating margin, %	3.8	3.3	1.5	1.6	2.5	2.5
Profit/loss after financial items	476	463	324	373	1,232	1,281
Net profit/loss for the period	388	435	265	351	1,173	1,259
Profit/loss per share after dilution, SEK	3.61	4.03	2.46	3.25	10.89	11.68
Cashflow from operating activities	-580	-489	171	514	1,226	1,569
Cashflow before financing	-772	-605	-177	413	517	1,106
Net cash +/- net debt -	-4,878	-5,201	-4,878	-5,201	-4,878	-4,823

For definitions of key figures, see <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

## CEO Tomas Carlsson comments

During the second quarter, there were many indicators pointing in the right direction. The coronavirus pandemic has at last begun to relent due to the vaccination programs. We can look forward to a somewhat more normal existence in the autumn. The economy has demonstrated resistance with the support of the world's governments. In the Nordic region, we noted healthy demand and higher activity. This was apparent in strong orders received and in a good level of letting in our ongoing property development projects.

NCC's contracting operations in the Infrastructure, Building Sweden and Building Nordics business areas all had a strong quarter. The margins rose as a result of better project margins and operating profit was 30 percent higher than in the year-earlier period. All of these business areas have a solid order backlog.

The Infrastructure business area secured a large order to develop a railway station area in Drammen, but also several projects in the water and sewage area as well as in hydropower, which represents a strength for NCC. The Building Sweden business area reported a positive quarter, with some growth compared with the preceding year. Building Nordics performed well. The business area had multiple early involvement projects, even in Norway where orders received have been lower for a time. Things are moving in the right direction.

Within the Industry business area, there is still potential for improvement. We are seeing positive effects of the efficiency project that was launched at the end of last year, but the result was adversely impacted by the loss-making asphalt operations in Finland. As we communicated earlier, a process is ongoing to exit the asphalt operations in Finland.

Within Property Development, letting in our ongoing projects was high during the quarter. Many of our current office projects are for several tenants and this has enabled us to address the healthy demand for small and flexible office premises. There is also substantial interest in acquisitions of let office properties. We did not recognize any projects in profit during the quarter, but sold an office project in Denmark, Omega Company House. In addition, shortly after the end of the quarter, we signed an agreement for the transfer of the K11 office property in Solna to Castellum.



We have seen rising raw materials prices for a number of input materials, such as steel, timber and insulation materials, but were able to manage this within our projects. After the end of the quarter, uncertainty arose relating to the availability of cement in Sweden after the Cementa company had its permit application on Gotland rejected. The issue is being investigated, but there is no doubt that the closure of Cementa's plant in Slite on Gotland would have extensive negative effects for all of Sweden.

We are following our plan and building stable profitability that gives us the possibility to create value for our owners and, at the same time, invest for the future. At the moment, we are investing a lot of energy in analyzing how NCC can benefit in the future from all the data that we generate in projects. This requires structured processes, increased IT capacity, training and development. The digitalization of our industry has only just begun and will be able to generate positive effects, not only in the form of more effective projects, but also for the potential to trace and reuse materials, thereby reducing waste volumes, achieving higher energy efficiency and building in a smarter way.

Tomas Carlsson, President and CEO  
Solna, July 21, 2021

# Group performance

Second quarter and first half of 2021

## Market

The long-term market conditions for contracting operations and industrial operations in the Nordic region are positive. There is an underlying stable demand for public buildings, such as schools, hospitals and retirement homes, and for residential units, driven by growth and development in the metropolitan regions and other growth centers. This is also driving initiatives for infrastructure in city outskirts, including roads, public transport, water and wastewater, and energy solutions. In general, the market for renovation and refurbishment is also healthy. There is also substantial interest in property investments.

At a national level, Norway, Sweden and Denmark, have ambitious and comprehensive infrastructure plans for long-term public investments in new construction, as well as refurbishment and maintenance of national and regional infrastructure. Demand for asphalt and stone materials is fueled by a healthy market for infrastructure and maintenance.

In the main, NCC is impacted by the general economic situation and the GDP trend.

## Net sales and earnings

Net sales amounted to SEK 12,745 M (14,431) during the second quarter and to SEK 22,885 M (26,197) for the first half of the year. The lower net sales derive mainly from Infrastructure and Property Development, where no project where recognized in profit. Building Sweden reported higher sales in the quarter compared with the preceding year. Changes in exchange rates had an impact of SEK -284 M (-138) on sales.

Operating profit was in line with the preceding year and totaled SEK 487 M (483) for the quarter and SEK 344 M (414) for the first half-year. Infrastructure, Building Nordics and Building Sweden improved their operating profit during the quarter. Property Development's operating profit was lower for the quarter and the first half year due to fewer projects being recognized in profit. The recognized profit within Industry was on the same level as previous year.

Net financial items were SEK -20 M (-41) in the first half-year. Lower financing costs had a positive impact.

## Effective tax

The effective tax rate for the Group in the first half of the year amounted to 18.3 percent (6.0). Since the sales of projects in Property Development are done tax-free, there is a positive impact on the effective tax rate.

The foremost reason for the very low tax rate in 2020 was the tax-free property sale of K12.

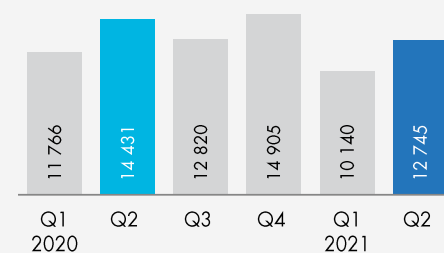
Orders received,  
Jan-Jun SEK M

**30,822**

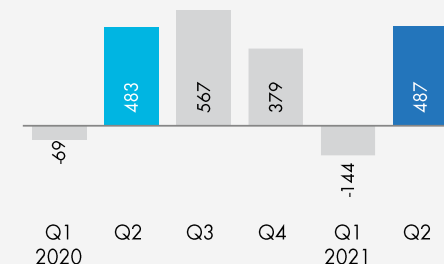
Net sales,  
Jan-Jun SEK M

**22,885**

Net sales, SEK M



Operating profit, SEK M



## Cash flow

Cash flow for the quarter before financing was SEK -772 M (-605). The cash flow for the second quarter was negatively affected seasonally by the start-up of operations in the Industry business area. The cash flow for the January–June period before financing was SEK -177 M (413). This change was primarily attributable to higher investments in property projects in the Property Development business area.

Total cash and cash equivalents at the end of the period amounted to SEK 1,540 M (2,405).

The Group's net debt at June 30 amounted to SEK -4,878 M (-5,201). The decrease was primarily due to a lower pension debt, but also due to reduced lease liability. Excluding lease liability and pension debt, the company's net debt at the end of the period was SEK -755 M (73). The increase in the company's net debt was due to such factors as the dividend of SEK 269 M (0) M, for which there was no equivalent in the comparative period, and increased investment in property projects countered by increased working capital.

The Group's total assets amounted to SEK 30,155 M (29,695) at June 30. The increase in total assets of approximately SEK 500 M was essentially due to higher investments in property projects and lower pension debt.

The average maturity period for interest-bearing liabilities, excluding pension debt and lease liabilities, was 28 months (34) at the end of the quarter. At June 30, 2021, NCC's unutilized committed lines of credit totaled SEK 2.9 billion (3.7), with an average remaining maturity of 16 months (16).

## Capital employed

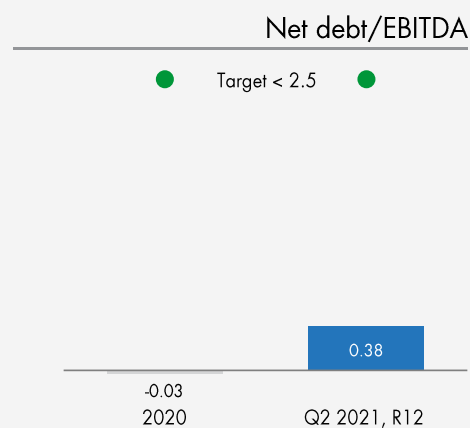
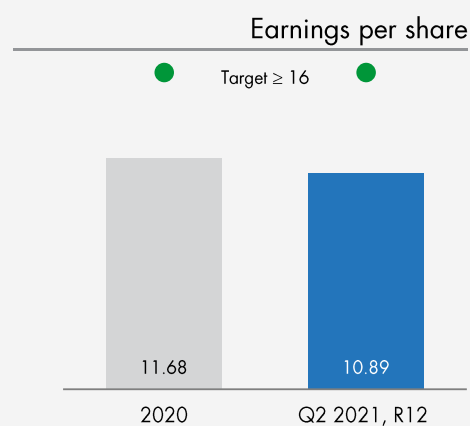
At June 30, 2021, capital employed amounted to SEK 10,932 M (11,040). This marginal change was the result of the Property Development business area increasing its investment in property projects by SEK 2 billion counteracted by changes in cash and current liabilities by the corresponding amount. The return on capital employed was 12 percent (15) during the quarter.

## Financial targets and dividend policy

NCC has financial objectives for two areas: earnings per share and net debt in relation to EBITDA. The objective is for earnings per share to be a minimum of SEK 16 by 2023. Net debt is to be less than 2.5 times EBITDA.

Earnings per share on a rolling 12-month basis amounted to SEK 10.89 at the end of the second quarter. Net debt amounted to 0.38 times EBITDA.

NCC's dividend policy is to distribute at least 40 percent of after-tax profit for the year. On March 30, 2021, NCC's Annual General Meeting resolved in favor of the Board's proposal that a dividend of SEK 5.00 be paid per share for the 2020 fiscal year, divided between two payment occasions. This corresponds to 43 percent of after-tax profit for 2020. April 1, 2021 was adopted as the record date for the first dividend payment of SEK 2.50. November 9, 2021 was set as the record date for the second payment of SEK 2.50.



Net debt excludes pension debt and lease liability. EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses.

## Sustainability targets

NCC works with sustainability issues on a broad front in its operations and the CEO and Senior Management Team have the principle responsibility for this. The operational responsibility for pursuing the sustainability efforts in various areas lies with the business areas and relevant Group functions. At Group level, NCC has sustainability targets in two areas: Health and Safety and Climate and Energy.

## Health and Safety

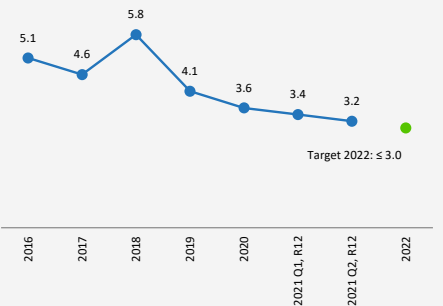
Safety is a high priority area at NCC. We focus on this at all levels, with our sights set on completely preventing accidents that lead to serious injury or fatalities. Our aim is to reduce the accident frequency rate for accidents that lead to more than four days of absence per million worked hours to 3.0 by 2022. During the second quarter, the accident frequency rate was 3.2, which was lower than for full-year 2020, which was 3.6.

## Climate and Energy

NCC's target is to reduce the carbon footprint of its own operations (Scope 1 and Scope 2) with 60 percent compared with 2015 until 2030. This will be reported six-monthly in the interim reports for the first and third quarters.

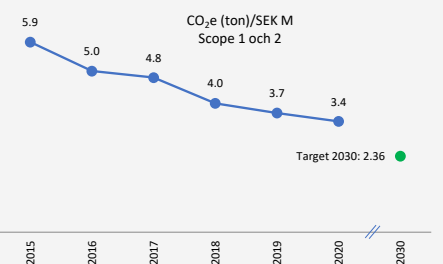
NCC also aims to reduce the carbon footprint by half on from input materials and bought services with focus on four categories: asphalt, concrete, steel and transport. Development of metrics is in progress.

### Accident frequency rate<sup>1)</sup>

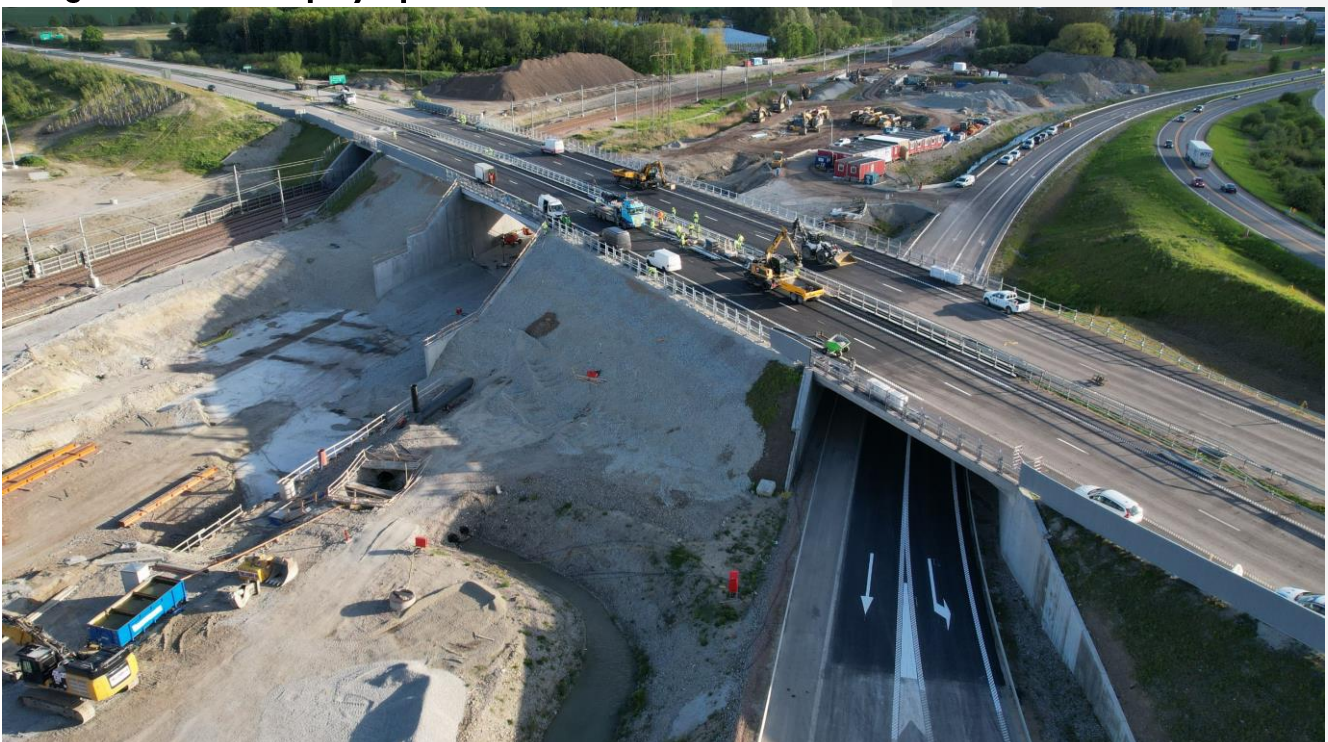


<sup>1)</sup>Accident frequency rate: Worksite accidents resulting in more than four days of absence from work per million worked hours.

### Emission intensity:



## Bridge launch Alnarp Fyrspåret in Sweden



NCC has launched a 9,000-tonne bridge to make way for four new railway tracks between Malmö and Lund.

# Order status

Second quarter and first half of 2021

## Orders received and order backlog

Orders received amounted to SEK 16,568 M (12,730). Orders received were higher for the quarter, driven by, among other factors, Infrastructure's Norwegian operations receiving an order valued at SEK 1.9 billion. Building Nordics' Danish operations and Building Sweden, with two major office projects, also made a positive contribution.

Orders received in the first half-year totaled SEK 30,822 M (28,188). Infrastructure drove the increase. All units within the business area increased their orders received. Several orders were registered in the quarter after the early partnership phase with clients had been conducted.

Changes in exchange rates impacted orders received by SEK -350 M (-105).

The Group's order backlog totaled SEK 58,816 M (59,486) at the end of the quarter. The order backlog was higher in Infrastructure and Building Sweden, but lower in Building Nordics. Changes in exchange rates impacted the order backlog by SEK 273 M (-548).



## Examples of orders and contracts during the second quarter

- Infrastructure is to remodel the area around the railway station in Drammen on behalf of Bane NOR. The order value amounts to SEK 1.9 billion.
- Building Sweden is to rebuild and expand a block in central Gothenburg for the Hufvudstaden property company. The order value amounts to SEK 1.2 billion.
- Property Development is to develop the MIMO project in Mölndal. Building Sweden registered the order and commenced building work during the quarter.
- NCC, in partnership with Region Jönköping County, is to construct a new train depot in Nässjö. The project is to be jointly conducted by Infrastructure and Building Sweden and the order is valued at SEK 550 M.
- In Norway, Infrastructure and Building Nordics are collaborating to build the Granåsen winter sports venue for Trondheim Municipality. The order is valued at SEK 470 M.
- In Herlev, outside Copenhagen, Building Nordics is to refurbish 210 rental apartments for the DAB housing company. The order value is approximately SEK 360 M.
- In southern Sweden, Infrastructure secured an extended collaborative agreement for up to eight years from NSVA (Nordvästra Skånes vatten och avlopp). The order value is expected to amount to approximately SEK 40 M per year.
- Infrastructure won two assignments for treatment plants. On behalf of Uppsala Vatten, Infrastructure is to upgrade and modernize the Kungsängenverket treatment plant for approximately SEK 270 M. In Norway, NCC is to build the new Gardermoen treatment plant for approximately SEK 240 M.
- In collaboration with Skellefteå Kraft, Infrastructure is to extend a hydropower plant. It is a partnering arrangement with an order value of approximately SEK 230 M.
- Building Nordics is to construct a school in Akaan, in Finland. The order value is approximately SEK 190 M.

# NCC Infrastructure

Second quarter and first half of 2021

## Orders received and order backlog

Orders received amounted to SEK 6,769 M (3,253) during the second quarter and to SEK 12,202 M (8,028) for the first halfyear. Orders received increased in all divisions, but mainly in Norway, where orders received were SEK 2.3 billion higher than in the year-earlier quarter, mainly driven by a major order in Drammen for SEK 1.9 billion.

The order backlog was higher than in the preceding year, primarily due to higher orders received in the Norwegian operations and totaled SEK 20,865 M (19,760).

## Net sales and earnings

Sales were lower and amounted to SEK 4,118 M (4,763) in the second quarter, and to SEK 7,604 M (8,856) for the first halfyear. The reduced sales are attributable to lower orders received during 2020, combined with the fact that the orders received for the year have not yet resulted in large volumes.

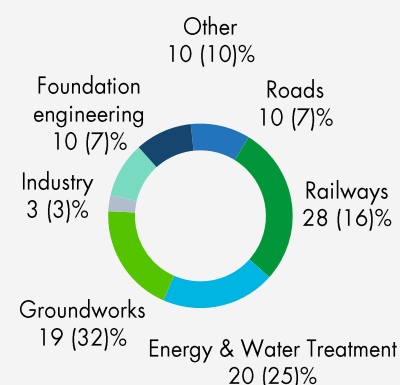
Operating profit improved somewhat and amounted to SEK 115 M (105) in the second quarter and SEK 154 M (145) for the first half of the year. The operating profit improved mainly due to higher margins in projects.

NCC Infrastructure, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	6,769	3,253	12,202	8,028	18,254	14,080
Order backlog	20,865	19,760	20,865	19,760	20,865	16,200
Net sales	4,118	4,763	7,604	8,856	17,020	18,271
Operating profit/loss	115	105	154	145	366	357
Operating margin, %	2,8	2,2	2,0	1,6	2,2	2,0

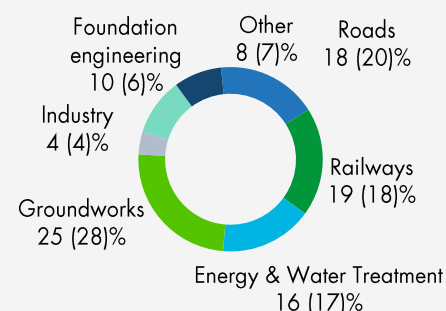
Share of sales Jan-Jun

31%

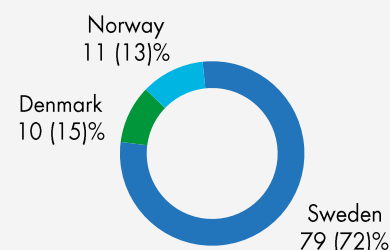
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



# NCC Building Sweden

Second quarter and first half of 2021

## Orders received and order backlog

Orders received amounted to SEK 4,203 M (3,729) in the second quarter and to SEK 7,869 M (8,187) in the first half of the year. Offices accounted for the largest proportion of orders received due to two large orders in Western Sweden. The number of residential units was higher year-on-year and accounted for nearly one-fourth of orders received. Fewer than half of these were rental units. For public buildings, the comparison for the first half-year was impacted by two large projects in Region Sörmland that were registered among orders during the first quarter of 2020.

The order backlog increased to SEK 18,700 M (17,898) at the end of the quarter.

## Net sales and earnings

Net sales amounted to SEK 3,697 M (3,464) in the second quarter and to SEK 6,775 M (6,849) in the first half of the year. Public buildings and residential construction accounted for more than half of net sales.

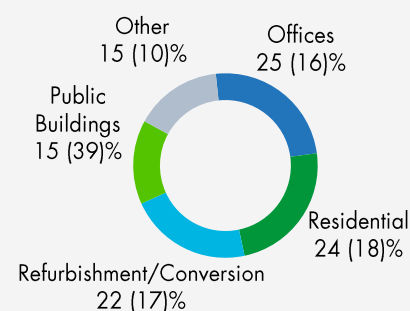
The operating profit increased and amounted to SEK 129 M (90) in the second quarter and to SEK 219 M (177) for the first half-year. Year-on-year, earnings were positively impacted by higher project margins and higher volumes for the quarter. The operating margin improved year-on-year for both the quarter and the first half-year.

NCC Building Sweden, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	4,203	3,729	7,869	8,187	14,166	14,484
Order backlog	18,700	17,898	18,700	17,898	18,700	17,670
Net sales	3,697	3,464	6,775	6,849	13,301	13,375
Operating profit/loss	129	90	219	177	423	381
Operating margin, %	3,5	2,6	3,2	2,6	3,2	2,9

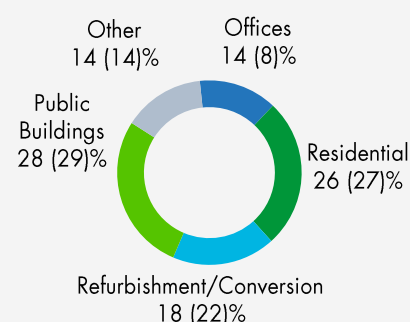
Share of sales Jan-Jun

27%

Orders received Jan-Jun



Net sales Jan-Jun





# NCC Building Nordics

Second quarter and first half of 2021

## Orders received and order backlog

Orders received amounted to SEK 2,906 M (2,179) in the second quarter and to SEK 4,999 M (5,426) in the first half of the year. The increase in the quarter was mainly attributable to the Danish operations, while the decline during the first half of the year compared with the preceding year was primarily due to the Danish operation registering a major refurbishment project of approximately SEK 1 billion among orders in the first quarter of 2020. Public buildings accounted for approximately one-third of the total orders received, followed by renovation and refurbishment, which accounted for slightly more than one-fourth of orders received.

The order backlog totaled SEK 14,919 M (15,178) at the end of the quarter.

## Net sales and earnings

Sales amounted to SEK 2,680 M (3,142) in the second quarter and to SEK 5,100 M (5,997) in the first half-year. The decline compared with the preceding year derived from the Norwegian and Finnish operations. The number of residential units was higher year-on-year and accounted for slightly less than one-third of net sales.

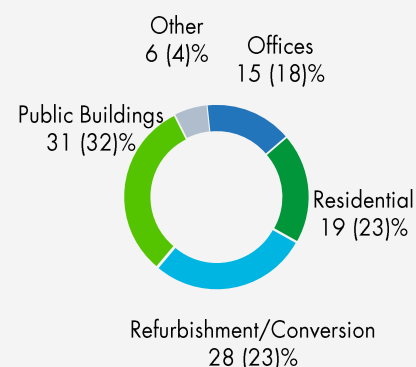
Operating profit amounted to SEK 88 M (62) in the second quarter and to SEK 127 M (112) for the first half-year. Year-on-year, earnings were positively impacted by higher project margins, but negatively impacted by lower sales. The operating margin improved year-on-year for both the quarter and the first half-year.

NCC Building Nordics, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	2,906	2,179	4,999	5,426	11,449	11,877
Order backlog	14,919	15,178	14,919	15,178	14,919	14,856
Net sales	2,680	3,142	5,100	5,997	11,237	12,134
Operating profit/loss	88	62	127	112	358	343
Operating margin, %	3.3	2.0	2.5	1.9	3.2	2.8

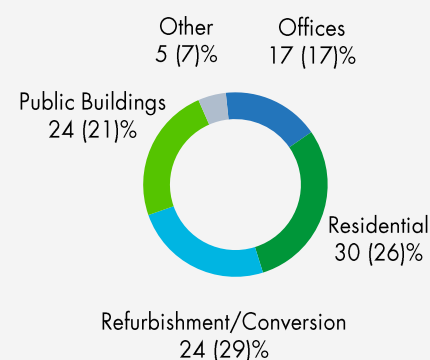
Share of sales Jan-Jun

21%

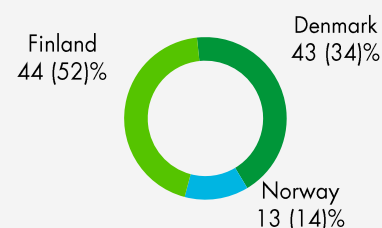
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



# NCC Industry

Second quarter and first half of 2021

## Orders received

Orders received amounted to SEK 2,984 M (3,315) in the second quarter, and to SEK 5,868 M (6,235) for the first half-year. Orders received in the asphalt operations were lower in all countries apart from Denmark. Orders received by the stone materials operations were higher during the quarter, but somewhat lower for the first half-year.

## Net sales and earnings

Net sales amounted to SEK 3,107 M (3,139) in the second quarter, and to SEK 3,929 M (4,065) for the first half-year. Net sales increased in Norway and southern Sweden but were lower in other regions. Sales by the stone materials operations were marginally higher for the quarter, but somewhat lower for the first half-year.

Operating profit was SEK 243 M (244) in the second quarter and SEK -55 M (-119) for the first half-year. The operating profit for the asphalt operations was positively impacted by measures implemented for enhanced efficiency, but negatively by the loss-making operations in Finland. The operating profit for the stone materials operations was higher for the quarter and for the first half of the year, driven by the Swedish and Danish operations.

## Capital employed

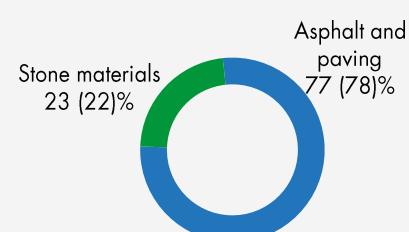
Capital employed rose seasonally compared with the end of 2020 and was somewhat higher year-on-year due to higher working capital.

NCC Industry, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Orders received	2,984	3,315	5,868	6,235	10,238	10,605
Net sales	3,107	3,139	3,929	4,065	10,732	10,869
Operating profit/loss	243	244	-55	-119	450	386
Operating margin, %	7.8	7.8	-1.4	-2.9	4.2	3.5
Capital employed	5,418	5,307	5,418	5,307	5,418	4,465
Stone materials tons, sold volume	8,092	7,908	13,984	13,986	28,506	28,508
Asphalt tons, sold volume	1,928	1,935	2,063	2,111	6,170	6,219
Return on capital employed, %					8.5	7.8

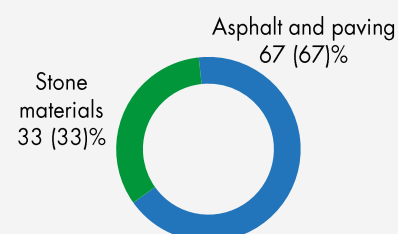
Share of sales Jan-Jun

16%

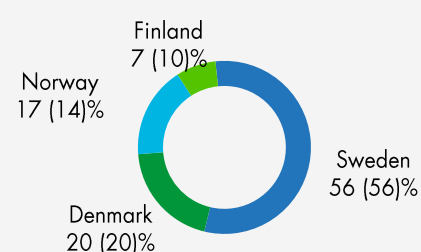
Orders received Jan-Jun



Net sales Jan-Jun



Net sales Jan-Jun



# NCC Property Development

Second quarter and first half of 2021

## Net sales and earnings

Net sales amounted to SEK 40 M (679) in the second quarter and to SEK 1,175 M (2,255) in the first half of the year.

The operating profit declined and amounted to SEK -25 M (68) in the second quarter and to SEK 22 M (391) in the first half of the year. No major projects were recognized in profit, but a small remaining retail project in Denmark, Viborg, was sold and recognized in profit without contributing to earnings. A certain reversal of provisions for rental guarantees had a positive effect on earnings. In the preceding year, profit for the second quarter was derived from two office projects recognized in profit (Fredriksberg B and Fredriksberg C in Finland), sales of land and gains from earlier sales.

## Property projects

Construction of an office project in Sweden, MIMO, commenced during the quarter. In total, construction of two projects commenced during the first half-year, one in Sweden and one in Finland.

The Omega CH project in Denmark was sold and is expected to be recognized in profit in the third quarter of 2021. As announced earlier, the Kineum Gårda project in Sweden will be acquired by Platzer and is expected to be recognized in profit during the fourth quarter of 2022.

Letting during the first half of the year amounted to 36,600 square meters (25,600), including 25,100 (12,100) square meters in the second quarter. During the quarter, a total of 24 new leases were signed in all countries.

At the end of the second quarter, 15 projects (14) were either ongoing or completed but not yet recognized in profit. The costs incurred in all projects amounted to SEK 6.8 billion (4.4), corresponding to a total completion rate of 55 percent (46). The completion rate for all ongoing projects amounted to 53 percent (46). The total letting rate was 59 percent (55). Operating net amounted to SEK 1 M (2) for the second quarter, and to SEK 4 M (9) in first half-year.

## Capital employed

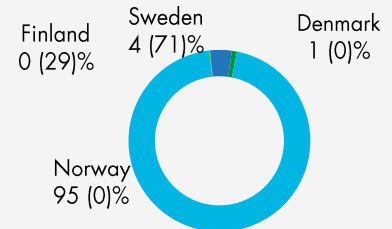
The capital employed amounted to SEK 6,401 M (5,337) at the end of the quarter. The return on capital employed is low, because the operating profit during the last twelve months is impacted by few profits that are recognized in profit while investments in property projects continue.

NCC Property Development, SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Net sales	40	679	1,175	2,255	1,657	2,737
Operating profit/loss	-25	68	22	391	65	434
Capital employed	6,401	5,337	6,401	5,337	6,401	6,433
Operating margin, %	-62.6	10.1	1.9	17.3	3.9	15.9
Return on capital employed, %					1.1	8.0

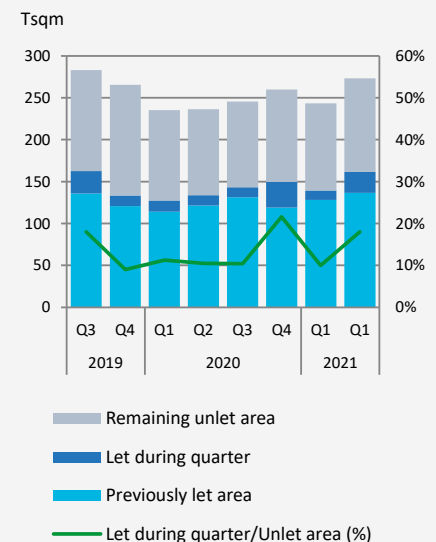
Share of sales Jan-Jun

5%

Net sales Jan-Jun

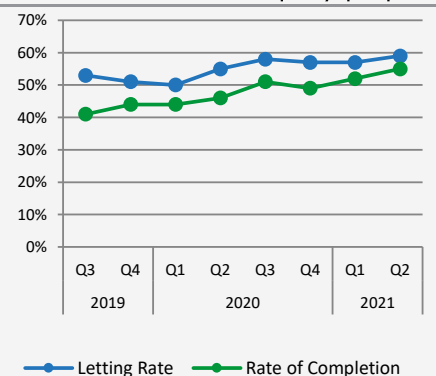


Letting<sup>1)</sup>



<sup>1)</sup> Total letting also includes property sold earlier and property projects recognized earlier in profit, where NCC works with letting.

Property projects



# NCC Property Development

## Property development projects as of 2021-06-30

### Ongoing Property development projects <sup>1</sup>

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
Frederiks Plads 2	Office	Århus	Q4 2021	79	17,400	75
Kontorværket 1	Office	Copenhagen		19	15,900	100
Omega CH	Office	Århus	Q3 2021	87	8,900	62
<b>Total Denmark</b>				<b>56</b>	<b>42,200</b>	<b>83</b>
Fredriksberg D	Office	Helsinki		42	8,500	98
Hatsina Office 1	Office	Espoo	Q3 2021	76	18,300	66
Next	Office	Espoo	Q4 2021	68	10,000	100
Kulma21	Office	Helsinki		40	7,200	5
We Land	Office	Helsinki		15	21,300	22
<b>Total Finland</b>				<b>42</b>	<b>65,300</b>	<b>52</b>
Bromma Blocks	Office	Stockholm		75	51,900	57
Kineum Gårda <sup>2</sup>	Office	Gothenburg	Q4 2022	70	21,300	86
Brick Studios	Office	Gothenburg		48	16,200	57
Våghus et	Office	Gothenburg		49	11,100	33
MMO	Office	Gothenburg		16	31,800	31
Bettorp	Other	Örebro	Q4 2021	67	6,900	100
<b>Total Sweden</b>				<b>58</b>	<b>139,200</b>	<b>56</b>
<b>Total</b>				<b>53</b>	<b>246,700</b>	<b>58</b>

### Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
K11	Office	Solna		12,900	80
<b>Total Sweden</b>				<b>12,900</b>	<b>80</b>
<b>Total</b>				<b>12,900</b>	<b>80</b>

1) The tables refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees /additional purchase) in fourteen previously sold and revenue recognized property projects, a maximum of approximately SEK 100 M

2) The project comprises rentable area of an existing building of approximately 16,000 square meters and an additional building right about 30,000 square meters of office space. The project is carried out together with Platzer, a Swedish listed real estate company, in a half-owned company. The information in the table refers to NCC's share of the project.

# Other

## Significant risks and uncertainties

An account of the risks to which NCC may be exposed is presented in the 2020 Annual Report (pages 21–23). This assessment still applies.

This description also includes the risk of pandemics, such as the coronavirus pandemic. It could impact NCC in several ways. The availability of labor could be affected by restrictions on travel and freedom of movement, as well as the health situation and quarantine rules. There are risks of delays to deliveries due to disruptions in production or supplies. The credit risk could also be impacted. In general, NCC's development follows the GDP trend and the company could be affected by a downward trending economy and falling GDP, as well as uncertainty that has resulted in longer decision-making processes.

## Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. Related-company sales during the second quarter amounted to SEK 9 M (10) and purchases to SEK 1 M (0). In the first half-year, sales amounted to SEK 14 M (14) and purchases to SEK 2 M (0).

## Seasonal effects

Industry's operations and certain operations in Building Sweden, Building Nordics and Infrastructure are impacted by seasonal variations due to weather conditions. Earnings in the first quarter are normally weaker than the rest of the year.

## Repurchase of shares

NCC AB holds 841,072 Series B treasury shares to meet its obligations pursuant to long-term incentive programs.

## Other significant events

### Divestment of Road Services Denmark finalized

The divestment of Road Services Denmark to Mutares A/S, which was announced on May 17, 2021, was finalized on May 31, 2021.

## Events after the close of the period

### Ruling pertaining to the cement supplier Cementa in Sweden

One of the risks described in NCC's Annual Report is supplier risks. In July, the Land and Environment Court announced that it had rejected the Cementa company's application for a continued permit to extract limestone on Gotland. Cementa is Sweden's largest supplier of cement to the concrete industry. If Cementa were to completely cease its operations, it would have significant consequences for all of the Swedish construction industry, including NCC, since shortages would arise. NCC is monitoring the situation and working to identify and assess the consequences in close cooperation with other stakeholders.

### Divested property projects

The K11 office project in Järva Krog was sold and the transfer and payment of purchase considerations occurred on July 1, 2021. This will have a positive impact on the result and cash flow in Property Development business area in the third quarter. For more information please see the press release.

# Signatures

The Board of Directors and the CEO provide their assurance that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Solna, July 21, 2021

Alf Göransson  
*Chairman of the Board*

Geir Magne Aarstad  
*Board member*

Simon de Château  
*Board member*

Viveca Ax:son Johnson  
*Board member*

Mats Jönsson  
*Board member*

Angela Langemar Olsson  
*Board member*

Birgit Nørgaard  
*Board member*

Karl-Johan Andersson  
*Board member*  
*Employee representative*

Karl G Sivertsson  
*Board member*  
*Employee representative*

Harald Stjernström  
*Board member*  
*Employee representative*

Tomas Carlsson  
*President and CEO*

This report is unaudited.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Nöte 1	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
		2021	2020	2021	2020	2020/2021	2020
Net sales		12,745	14,431	22,885	26,197	50,610	53,922
Production costs	Nöte 2, 3	-11,559	-13,204	-21,118	-24,319	-46,387	-49,589
<b>Gross profit</b>		<b>1,185</b>	<b>1,227</b>	<b>1,767</b>	<b>1,878</b>	<b>4,223</b>	<b>4,333</b>
Selling and administrative expenses	Nöte 2, 3	-732	-740	-1,459	-1,466	-2,960	-2,967
Other operating income/expenses	Nöte 3	34	-3	36	2	28	-6
<b>Operating profit/loss</b>		<b>487</b>	<b>483</b>	<b>344</b>	<b>414</b>	<b>1,290</b>	<b>1,360</b>
Financial income			7	15	22	23	30
Financial expense <sup>1)</sup>		-11	-27	-35	-64	-81	-110
<b>Net financial items</b>		<b>-11</b>	<b>-20</b>	<b>-20</b>	<b>-41</b>	<b>-59</b>	<b>-80</b>
<b>Profit/loss after financial items</b>		<b>476</b>	<b>463</b>	<b>324</b>	<b>373</b>	<b>1,232</b>	<b>1,281</b>
Tax		-88	-28	-59	-22	-59	-22
<b>Net profit/loss</b>		<b>388</b>	<b>435</b>	<b>265</b>	<b>351</b>	<b>1,173</b>	<b>1,259</b>
<b>Attributable to:</b>							
NCC's shareholders		388	435	265	351	1,173	1,259
<b>Net profit/loss for the period</b>		<b>388</b>	<b>435</b>	<b>265</b>	<b>351</b>	<b>1,173</b>	<b>1,259</b>
<b>Earnings per share</b>							
Before and after dilution							
Net profit/loss for the period, SEK		3,61	4,03	2,46	3,25	10,89	11,68
<b>Number of shares, millions</b>							
Total number of issued shares		108,4	108,4	108,4	108,4	108,4	108,4
Average number of shares outstanding before and after dilution during the period		107,6	107,8	107,6	107,8	107,7	107,8
Number of shares outstanding at the end of the period		107,6	107,7	107,6	107,7	107,6	107,7

<sup>1)</sup> Whereof interest expenses for the period Jul 20-Jun 21, SEK 63 M (14) and Jan-Dec 20, SEK 91M.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Nöte 1	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
		2021	2020	2020	2020	2020/2021	2020
<b>Net profit/loss for the period</b>		<b>388</b>	<b>435</b>	<b>265</b>	<b>351</b>	<b>1,173</b>	<b>1,259</b>
<b>Items that have been recycled or should be recycled to net profit/loss for the period</b>							
Exchange differences on translating foreign operations		-29	-108	39	-26	-61	-127
Cash flow hedges		14	12	44	-9	61	8
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-3	-3	-9	2	-13	-2
		<b>-18</b>	<b>-100</b>	<b>74</b>	<b>-33</b>	<b>-13</b>	<b>-121</b>
<b>Items that cannot be recycled to net profit/loss for the period</b>							
Revaluation of defined benefit pension plans		424	179	668	-145	924	111
Income tax relating to items that can not be recycled to net profit/loss for the period		-87	-38	-138	31	-192	-23
		<b>336</b>	<b>141</b>	<b>530</b>	<b>-114</b>	<b>733</b>	<b>88</b>
<b>Other comprehensive income</b>		<b>318</b>	<b>41</b>	<b>604</b>	<b>-147</b>	<b>719</b>	<b>-32</b>
<b>Total comprehensive income</b>		<b>706</b>	<b>476</b>	<b>869</b>	<b>204</b>	<b>1,892</b>	<b>1,226</b>
<b>Attributable to:</b>							
NCC's shareholders		706	476	869	204	1,892	1,226
<b>Total comprehensive income</b>		<b>706</b>	<b>476</b>	<b>869</b>	<b>204</b>	<b>1,892</b>	<b>1,226</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	Nbte 1	Jun 30 2021	Jun 30 2020	Dec 31 2020
<b>ASSETS</b>				
Goodwill		1,825	1,855	1,800
Other intangible as s ets		325	356	342
Right-of-use as s ets	Nbte 4	1,804	2,095	1,952
Ow ner-occupied properties		863	880	875
Machinery and equipment		2,404	2,472	2,306
Long-term holdings of securities		88	113	93
Long-term interest-bearing receivables		121	92	125
Other long-term receivables		31	28	19
Deferred tax as s ets		572	729	587
<b>Total fixed as s ets</b>		<b>8,033</b>	<b>8,620</b>	<b>8,099</b>
Right-of-use as s ets	Nbte 4	13	50	11
Properties held for future development		1,169	1,412	1,492
Ongoing property projects		5,668	3,967	4,610
Completed property projects		565	4	496
Participations in as s ociated companies		328	293	295
Materials and inventories		1,146	1,130	953
Tax receivables		143	191	58
Accounts receivable		8,044	7,863	7,084
Worked-up, non-invoiced revenues		1,832	2,040	1,349
Prepaid expenses and accrued income		1,013	1,002	907
Current interest-bearing receivables		97	120	126
Other receivables		564	596	740
Short-term investments <sup>1)</sup>		102	174	174
Cash and cash equivalents		1,438	2,231	2,155
<b>Total current as s ets</b>		<b>22,122</b>	<b>21,075</b>	<b>20,450</b>
<b>Total as s ets</b>		<b>30,155</b>	<b>29,695</b>	<b>28,549</b>
<b>EQUITY</b>				
Shareholders ' equity		4,296	3,221	3,972
<b>Total s hareholders ' equity</b>		<b>4,296</b>	<b>3,221</b>	<b>3,972</b>
<b>LIABILITIES</b>				
Long-term interest-bearing liabilities		3,686	3,908	3,965
Other long-term liabilities		64	67	60
Provisions for pensions and similar obligations		2,217	3,048	2,832
Deferred tax liabilities		361	368	196
Other provisions		2,498	2,633	2,586
<b>Total long-term liabilities</b>		<b>8,826</b>	<b>10,025</b>	<b>9,639</b>
Current interest-bearing liabilities		733	863	606
Accounts payable		4,342	4,549	4,487
Tax liabilities		5	13	66
Invoiced revenues not worked-up		5,847	6,240	4,104
Accrued expenses and prepaid income		3,233	3,566	3,727
Provisions		17	15	19
Other current liabilities		2,856	1,204	1,930
<b>Total current liabilities</b>		<b>17,034</b>	<b>16,450</b>	<b>14,938</b>
<b>Total liabilities</b>		<b>25,859</b>	<b>26,474</b>	<b>24,577</b>
<b>Total s hareholders ' equity and liabilities</b>		<b>30,155</b>	<b>29,695</b>	<b>28,549</b>

<sup>1)</sup> Includes short-term investments with maturities exceeding three months, see also cash-flow statement.



## CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Jun 30 2021		Jun 30 2020	
	Shareholders' equity	Total shareholders' equity	Shareholders' equity	Total shareholders' equity
<b>Opening balance, January 1<sup>st</sup></b>	<b>3,972</b>	<b>3,972</b>	<b>3,044</b>	<b>3,044</b>
Total comprehensive income	869	869	204	204
Dividend	-538	-538		
Sale/Acquisition of treasury shares	-13	-13	-34	-34
Performance based incentive program	5	5	7	7
<b>Closing balance</b>	<b>4,296</b>	<b>4,296</b>	<b>3,221</b>	<b>3,221</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK M	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
<b>OPERATING ACTIVITIES</b>						
Operating profit/loss	487	483	344	414	1 290	1 360
Adjustments for items not included in cash flow	295	382	543	677	1 430	1 564
Taxes paid	-80	-92	-154	-263	-80	-188
<b>Cash flow from operating activities before changes in working capital</b>	<b>702</b>	<b>773</b>	<b>733</b>	<b>828</b>	<b>2 641</b>	<b>2 736</b>
Divestment of property projects	0	456	1 000	1 727	1 365	2 092
Gross investments in property projects	-812	-716	-1 779	-1 690	-3 443	-3 353
<b>Cash flow from property projects</b>	<b>-812</b>	<b>-259</b>	<b>-779</b>	<b>37</b>	<b>-2 078</b>	<b>-1 262</b>
<b>Other changes in working capital</b>	<b>-470</b>	<b>-1 002</b>	<b>217</b>	<b>-350</b>	<b>663</b>	<b>96</b>
<b>Cash flow from changes in working capital</b>	<b>-1 282</b>	<b>-1 262</b>	<b>-562</b>	<b>-314</b>	<b>-1 415</b>	<b>-1 167</b>
<b>Cash flow from operating activities</b>	<b>-580</b>	<b>-489</b>	<b>171</b>	<b>514</b>	<b>1 226</b>	<b>1 569</b>
<b>INVESTING ACTIVITIES</b>						
Acquisition/Sale of subsidiaries and other holdings	-26	8	-19	9	-14	15
Acquisition/Sale of tangible fixed assets	-137	-121	-300	-104	-651	-456
Acquisition/Sale of other fixed assets	-29	-3	-28	-6	-44	-22
<b>Cash flow from investing activities</b>	<b>-192</b>	<b>-116</b>	<b>-348</b>	<b>-101</b>	<b>-709</b>	<b>-463</b>
<b>Cash flow before financing</b>	<b>-772</b>	<b>-605</b>	<b>-177</b>	<b>413</b>	<b>517</b>	<b>1 106</b>
<b>FINANCING ACTIVITIES</b>						
<b>Cash flow from financing activities</b>	<b>-401</b>	<b>-245</b>	<b>-541</b>	<b>-563</b>	<b>-1 301</b>	<b>-1 322</b>
<b>Cash flow during the period</b>	<b>-1 173</b>	<b>-850</b>	<b>-718</b>	<b>-150</b>	<b>-784</b>	<b>-217</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2 612</b>	<b>3 068</b>	<b>2 155</b>	<b>2 416</b>	<b>2 231</b>	<b>2 416</b>
Effects of exchange rate changes on cash and cash equivalents	1	14	1	-34	-9	-44
<b>Cash and cash equivalents at end of period</b>	<b>1 438</b>	<b>2 231</b>	<b>1 438</b>	<b>2 231</b>	<b>1 438</b>	<b>2 155</b>
Short-term investments due later than three months	102	174	102	174	102	174
<b>Total liquid assets at end of period</b>	<b>1 541</b>	<b>2 405</b>	<b>1 541</b>	<b>2 405</b>	<b>1 541</b>	<b>2 330</b>

## CONDENSED CONSOLIDATED NET DEBT

	Jan-Jun		R12 Jul-Jun	Jan-Dec
	2021	2020	2020/2021	2020
Net debt, SEK M				
Net debt, opening balance	-4,823	-4,489	-5,201	-4,489
- Cash flow from operating activities	171	514	1,226	1,569
- Cash flow from investing activities	-348	-101	-709	-463
Cash flow before financing	-177	413	517	1,106
Change of provisions for pensions	616	-208	831	8
Change in leasing debt	-211	-849	-462	-1,100
Paid dividend	-269		-539	-269
Acquisition/Sale of treasury shares	-13	-34	-13	-34
Currency exchange differences in cash and cash equivalents	1	-34	-9	-44
Net cash + /net debt - closing balance	<b>-4,878</b>	<b>-5,201</b>	<b>-4,878</b>	<b>-4,823</b>
- Whereof provisions for pensions	-2,217	-3,048	-2,217	-2,832
- Whereof leasing debt	-1,907	-2,226	-1,907	-2,055
- Whereof other net cash/net debt	-755	73	-755	64

## PARENT COMPANY CONDENSED INCOME STATEMENT

SEK M	Note 1	Q2		Jan-Jun		R12 Jul-Jun	Jan-Dec
		2021	2020	2021	2020	2020/2021	2020
Net sales		9	13	19	30	129	140
Selling and administrative expenses		-50	-73	-102	-133	-232	-263
<b>Operating profit</b>		<b>-41</b>	<b>-60</b>	<b>-82</b>	<b>-102</b>	<b>-103</b>	<b>-123</b>
Result from participations in Group companies		1,027	1,054	1,027	1,054	1,030	1,057
Result from other financial fixed assets			10	12	10	17	14
Result from financial current assets				1	3	1	3
Interest expense and similar items		-5	-10	-12	-19	-23	-30
<b>Result after financial items</b>		<b>980</b>	<b>994</b>	<b>946</b>	<b>945</b>	<b>922</b>	<b>921</b>
Appropriations						153	153
Tax		12	15	19	25	14	20
<b>Net profit/loss for the period</b>		<b>992</b>	<b>1,009</b>	<b>965</b>	<b>971</b>	<b>1,089</b>	<b>1,095</b>

The Parent Company consists primarily of head office functions. Net sales pertain to charges to Group companies. The average number of employees was 50 (53).

## PARENT COMPANY CONDENSED BALANCE SHEET

SEK M	Note 1	Jun 30 2021	Jun 30 2020	Dec 31 2020
<b>ASSETS</b>				
Financial fixed assets		4,614	4,567	4,600
<b>Total fixed assets</b>		<b>4,614</b>	<b>4,567</b>	<b>4,600</b>
Current receivables		108	248	859
Treasury balances in NCC Treasury AB		975	505	259
<b>Total current assets</b>		<b>1,084</b>	<b>753</b>	<b>1,119</b>
<b>Total assets</b>		<b>5,698</b>	<b>5,321</b>	<b>5,719</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		4,497	4,227	4,080
Provisions		6	6	6
Long term liabilities		646	605	804
Current liabilities		550	482	829
<b>Total shareholders' equity and liabilities</b>		<b>5,698</b>	<b>5,321</b>	<b>5,719</b>

Total approved dividends to shareholders amounted to SEK 538 M, of which SEK 269 M was paid in April and SEK 269 M will be paid in November 2021.

# Notes

## NOTE 1. ACCOUNTING POLICIES

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union (EU).

The interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2020 Annual Report (Note 1 and in connection with the subsequent notes). A small number of changes to existing standards and interpretations came into effect for the fiscal year commencing January 1, 2021. These standards and interpretations had no material impact on this financial report.

### Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for the Parent Company has been prepared in accordance with the same accounting policies and methods of calculation as the 2020 Annual Report (Note 1 and in connection with the subsequent notes) except that the Parent Company applies the exemption in RFR 2 and recognizes all lease commitments as operating leases.

## NOTE 2. DEPRECIATION/AMORTIZATION

SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Other intangible assets	-11	-15	-23	-28	-69	-75
Owner-occupied properties <sup>1)</sup>	-79	-91	-157	-167	-334	-344
Machinery and equipment <sup>2)</sup>	-239	-244	-476	-491	-978	-993
<b>Total depreciation</b>	<b>-329</b>	<b>-351</b>	<b>-655</b>	<b>-687</b>	<b>-1,381</b>	<b>-1,412</b>

<sup>1)</sup> Of which depreciation of right-of-use assets SEK 132 M (141)

<sup>2)</sup> Of which depreciation of right-of-use assets SEK 204 M (214)

## NOTE 3. IMPAIRMENT LOSSES

SEK M	Q2		Jan-Jun		R 12 Jul-Jun	Jan-Dec
	2021	2020	2021	2020	2020/2021	2020
Properties held for future development	-2		-2		-2	
Owner-occupied properties		-9		-9		-8
Machinery and equipment	4		4		-12	-16
<b>Total impairment losses</b>	<b>2</b>	<b>-9</b>	<b>2</b>	<b>-9</b>	<b>-13</b>	<b>-24</b>

## NOTE 4. RIGHT-OF-USE ASSETS

SEK M	Jun 30 2021	Jun 30 2020	Dec 31 2020
Owner-occupied properties	982	1,129	1,043
Machinery and equipment	822	967	909
Land leases	13	50	11
<b>Total right-of-use assets</b>	<b>1,817</b>	<b>2,146</b>	<b>1,963</b>

## NOT 5. SEGMENT REPORTING

SEK M

Q2 2021	NCC		NCC	NCC		Total segments	Other and eliminations <sup>1)</sup>	Group
	Infrastructure	NCC Building Sweden	Building Nbrdics	Industry	NCC Property Development			
Net sales, external	3,928	3,328	2,333	2,945	39	12,573	172	12,745
Net sales, internal	189	369	347	162	1	1,068	-1,068	
Net sales, total	4,118	3,697	2,680	3,107	40	13,641	-896	12,745
Operating profit	115	129	88	243	-25	550	-63	487
Net financial items								-11
Profit/loss after financial items								476

Q2 2020	NCC		NCC	NCC		Total segments	Other and eliminations <sup>1)</sup>	Group
	Infrastructure	NCC Building Sweden	Building Nbrdics	Industry	NCC Property Development			
Net sales, external	4,545	3,054	2,758	2,867	676	13,900	531	14,431
Net sales, internal	218	411	383	272	3	1,287	-1,287	
Net sales, total	4,763	3,464	3,142	3,139	679	15,187	-756	14,431
Operating profit	105	90	62	244	68	570	-87	483
Net financial items								-20
Profit/loss after financial items								463

January - June 2021	NCC		NCC	NCC		Total segments	Other and eliminations <sup>2)</sup>	Group
	Infrastructure	NCC Building Sweden	Building Nbrdics	Industry	NCC Property Development			
Net sales, external	7,223	6,042	4,402	3,696	1,173	22,536	348	22,885
Net sales, internal	381	733	698	233	2	2,047	-2,047	
Net sales, total	7,604	6,775	5,100	3,929	1,175	24,583	-1,699	22,885
Operating profit	154	219	127	-55	22	468	-124	344
Net financial items								-20
Profit/loss after financial items								324

January - June 2020	NCC		NCC	NCC		Total segments	Other and eliminations <sup>2)</sup>	Group
	Infrastructure	NCC Building Sweden	Building Nbrdics	Industry	NCC Property Development			
Net sales, external	8,350	6,110	5,344	3,699	2,250	25,752	445	26,197
Net sales, internal	506	739	653	366	6	2,270	-2,270	
Net sales, total	8,856	6,849	5,997	4,065	2,255	28,022	-1,825	26,197
Operating profit	145	177	112	-119	391	706	-291	414
Net financial items								-41
Profit/loss after financial items								373

<sup>1)</sup> The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -29 M (-47). Further, the figures for the quarter includes eliminations of internal profits of SEK -33 M (-18) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totalling SEK -20 M (-26). These items primarily correspond to pensions and from 2020 also leasing, when the rules on sale and leaseback are applied. Road Services is included with 19 M (3).

<sup>2)</sup> The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -63 M (-92). Further, the figures includes eliminations of internal profits amounting of SEK -31M (-17) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group, totalling SEK 38 M (-173). These items primarily correspond to pensions and in 2020 also leasing, when the rules on sale and leaseback are applied. Road Services is included with 9 M (-10).

### Geographical areas

SEK M	Net sales		Orders received	
	Jan-Jun			
	2021	2020	2021	2020
Sweden	13,728	15,669	18,692	18,398
Denmark	3,605	3,492	3,945	4,170
Norway	3,422	3,131	5,080	2,685
Finland	2,129	3,906	3,105	2,936
<b>Total</b>	<b>22,885</b>	<b>26,197</b>	<b>30,822</b>	<b>28,188</b>

## NOT 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

In the tables below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with the prices quoted on an active market for the same instruments. Derivatives in level 2 comprise currency forward contracts, currency options, interest-rate swaps, oil

forward contracts and electricity forward contracts used for hedging purposes. The measurement at fair value of currency forward contracts, currency options, oil forward contracts and electricity forward contracts is based on accepted models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest-rate swaps is based on forward interest rates based on observable yield curves. In level 3, measurement is based on input data that is not observable in the market.

SEK M	Jun 30 2021				Jun 30 2020				Dec 31 2020			
	Level				Level				Level			
	1	2	3	Tot	1	2	3	Tot	1	2	3	Tot
<b>Financial assets measured at fair value through profit and loss</b>												
Short-term investments	10			10	72			72	104			104
Derivative instruments		10		10		68		68		10		10
Derivative instruments used in hedge accounting		30		30		18		18		9		9
<b>Financial assets measured at fair value through other comprehensive income</b>												
Equity instruments			68	68			68	68			68	68
<b>Total assets</b>	<b>10</b>	<b>40</b>	<b>68</b>	<b>118</b>	<b>72</b>	<b>86</b>	<b>68</b>	<b>226</b>	<b>104</b>	<b>19</b>	<b>68</b>	<b>191</b>
<b>Financial liabilities measured at fair value through profit and loss</b>												
Derivative instruments		1		1		2		2		39		39
Derivative instruments used in hedge accounting		7		7		38		38		32		32
<b>Total liabilities</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>71</b>

In the table below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

SEK M	Jun 30 2021		Jun 30 2020		Dec 31 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables - amortized cost	121	121	92	93	125	126
Short-term investments - amortized cost	92	92	102	102	70	70
Long-term interest-bearing liabilities	3,686	3,685	3,908	3,867	3,965	3,946
Current interest-bearing liabilities	733	733	863	863	606	606

For other financial instruments recognized at amortized cost – accounts receivable, current interest-bearing receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities – the fair value does not materially deviate from the carrying amount.

## NOT 7. PLEDGED ASSETS, CONTINGENT LIABILITIES AND GUARANTEE OBLIGATIONS

SEK M

Group	Jun 30 2021	Jun 30 2020	Dec 31 2020
Assets pledged	484	532	537
Contingent liabilities and guarantee obligations <sup>1)</sup>	270	249	251
<b>Parent company</b>			
Contingent liabilities and guarantee obligations <sup>1)</sup>	21,968	21,505	20,279

<sup>1)</sup> Among these, NCC AB has sureties which are indemnified by Bonava AB based on the Master Separation Agreement. Bonava is working on formally replacing these sureties with other forms of collateral in a gradual process, which means that this item will decline further over time. In addition, NCC AB has received guarantees from credit insurance companies for the remaining outstanding commitments on behalf of now wholly owned Bonava companies.

# Summary of key figures

	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2021	2020	R 12 Jul-Jun 2020/2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017 <sup>3)</sup>	Jan-Dec 2017	Jan-Dec 2016
<b>Profitability ratios</b>									
Return on shareholders' equity, % excl profit from dividend of Bonava <sup>1)</sup>	30	44	30	37	32	-18	17	18	19
Return on shareholders' equity, % incl profit from dividend of Bonava <sup>1) 5)</sup>	30	44	30	37	32	-18	17	18	118
Return on capital employed, % excl profit from dividend of Bonava <sup>1)</sup>	12	15	12	12	13	-9	12	13	13
Return on capital employed, % incl profit from dividend of Bonava <sup>1) 5)</sup>	12	15	12	12	13	-9	12	13	63
<b>Financial ratios at period-end</b>									
EBITDA % excl profit from dividend of Bonava	6,4	5,8	5,3	5,2	4,7	0,8	3,3	3,6	4,7
EBITDA % incl profit from dividend of Bonava <sup>5)</sup>	6,4	5,8	5,3	5,2	4,7	0,8	3,3	3,6	17,0
Interest-coverage ratio, times excl profit from dividend of Bonava <sup>1)</sup>	16,2	12,2	16,2	12,7	9,1	-6,0	8,5	9,8	6,6
Interest-coverage ratio, times incl profit from dividend of Bonava <sup>1) 5)</sup>	16,2	12,2	16,2	12,7	9,1	-6,0	8,5	9,8	31,1
Equity/assets ratio, %	14	11	14	14	10	11	19	20	22
Interest bearing liabilities/total assets, %	22	26	22	26	25	17	15	15	16
Net cash +/-net debt -, SEK M	-4,878	-5,201	-4,878	-4,823	-4,489	-3,045	-149	-149	-222
Debt/equity ratio, times	1,1	1,6	1,1	1,2	1,5	1,0			
Capital employed at period end, SEK M	10,932	11,040	10,932	11,375	10,382	7,619	9,174	9,523	9,585
Capital employed, average	11,209	10,995	11,209	10,983	9,936	8,780	9,138	9,418	13,474
Capital turnover rate, times <sup>1)</sup>	4,5	5,3	4,5	4,9	5,9	6,5	6,0	5,8	4,1
Closing interest rate, % <sup>6)</sup>	1,1	1,1	1,1	1,1	1,1	1,3	2,0	2,0	2,6
Average period of fixed interest, years	0,8	1,0	0,8	1,0	1,2	0,5	0,6	0,6	0,9
<b>Per share data</b>									
Profit/loss after tax, before and after dilution, SEK excl profit from dividend Bonava	3,61	4,03	10,89	11,68	8,09	-7,00	8,07	9,29	11,61
Profit/loss after tax, before and after dilution, SEK incl profit from dividend Bonava	3,61	4,03	10,89	11,68	8,09	-7,00	8,07	9,29	73,81
Cash flow from operating activities, before and after dilution, SEK	-5,39	-4,54	11,38	14,56	20,50	-3,47	19,97	19,97	10,88
Cash flow before financing, before and after dilution, SEK	-7,17	-5,61	4,80	10,26	14,01	-10,71	12,59	12,59	-0,05
P/E ratio excl profit from dividend Bonava <sup>1)</sup>	13	13	13	13	19	-20	19	17	19
P/E ratio incl profit from dividend Bonava <sup>1) 5)</sup>	13	13	13	13	19	-20	19	17	3
Dividend, ordinary, SEK			5,00	5,00	2,50	4,00	8,00	8,00	8,00
Dividend yield, %			3,4	3,3	1,6	2,9	5,1	5,1	3,5
Shareholders' equity before and after dilution, SEK	39,93	29,91	39,93	36,89	28,21	27,13	47,81	51,04	51,39
Share price/shareholders' equity, %	366	504	366	407	543	508	329	308	439
Share price at period-end, NCC B, SEK	146,10	150,80	146,10	150,00	153,20	137,80	157,30	157,30	225,40
<b>Number of shares, millions</b>									
Total number of issued shares <sup>2)</sup>	108,4	108,4	108,4	108,4	108,4	108,4	108,4	108,4	108,4
Treasury shares at period-end	0,8	0,8	0,8	0,8	0,5	0,4	0,4	0,4	0,4
Total number of shares outstanding at period-end before dilution	107,6	107,7	107,6	107,7	107,9	108,0	108,1	108,1	108,1
Average number of shares outstanding before and after dilution during the period	107,6	107,8	107,7	107,8	108,0	108,1	108,1	108,1	108,1
Market capitalization before dilution, SEK M <sup>4)</sup>	15,744	16,226	15,744	16,144	16,548	14,896	16,997	16,997	24,325
<b>Personnel</b>									
Average number of employees	13,264	14,682	13,264	14,388	15,273	16,523	17,762	17,762	16,793

1) Calculations are based on the rolling 12 month period.

2) All shares issued by NCC are common shares.

3) The amounts are adjusted for change in accounting policy regarding IFRS 16.

4) Market value December 2016 excludes NCC's residential business, Bonava. Including Bonava the market value amounts to SEK 39,563 M.

5) The profit arising from the dividend of Bonava was SEK -31M and SEK 6,724 M in the full year 2017 and 2016.

6) Refers to interest-bearing liabilities excluding pension liabilities according to IAS 19 and leasing according to IFRS 16.

For definitions of key figures, see <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>.





This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was issued for publication through the agency of the contact persons set out below on July 21, 2021, at 7:10 a.m. CEST.

## Invitation to presentation of the Interim Report for the second quarter of 2021



NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the half-year report in an audiocast and teleconference on July 21 at 9:00 a.m. CEST. The presentation will be held in English.

Presentation material will be available at [www.ncc.com/ir](http://www.ncc.com/ir) from approximately 8:00 a.m. CEST.

Link to audiocast: <https://ncc-live-external.creo.se/210721>

To participate by phone: To participate by phone, please call one of the following numbers five minutes prior to the start of the conference.  
SE: +46 8 505 583 58  
UK: +44 333 300 9271  
US: +1 833 526 83 84

## Financial calendar

Interim report Q3 and Jan-Sep period November 2, 2021  
Interim report Q4 and Jan-Dec period February 2, 2022



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