

Press release

November 18, 2020

NCC to present updated financial and sustainability targets

NCC will present its updated financial and sustainability targets at today's Capital Markets meeting. Over the course of the day, CEO Tomas Carlsson, together with CFO Susanne Lithander and the managers of the respective business areas, will present an update on NCC's status and strategic direction.

"We have updated our strategic direction in order to strengthen NCC's position as a leading knowledge-based construction company that helps its customers to successfully navigate through complex processes and delivers sustainable results. We have now chosen to focus on a small number of targets in order to strengthen and accelerate this development," says Tomas Carlsson, CEO of NCC.

NCC is introducing a new financial target for earnings per share. The target, which has been set for 2023, is for NCC to return SEK 16 in earnings per share. The target for net debt of below 2.5 times EBITDA is unchanged, as is the dividend policy.

The target for return on equity and the target for operating margin at the Group level have been removed. They will be replaced by specific follow-up and relevant targets for each business area.

"We want to focus on growing profitably as a Group. The return on capital employed will be the priority target for the business areas that tie up large amounts of capital – that is, Property Development and Industry," says Tomas Carlsson.

NCC's financial targets

Earnings per share	Net debt/EBITDA*	Dividend policy
SEK 16 in earnings per share by 2023	Net debt: <2.5 times EBITDA	≥40 percent of after-tax profit is to be distributed to shareholders.

**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.*

In sustainability, NCC has a number of targets with a target date of 2020. Follow-up on these targets will be reported in the Annual Report for 2020. NCC has updated its targets in the areas of health and safety, and climate and energy, from 2021.

Updated sustainability targets

Health and safety	Climate and energy
LTIF4 will be 3.0 by 2022 This target puts additional focus on decreasing the number of serious accidents.	60% reduction in CO ₂ e emissions from Scope 1 and 2 per SEK million in sales by 2030 (base year 2015). 50% reduction of tons CO ₂ e in relation to volumes purchased of the largest contributors in NCC by 2030. Initially, we will be focusing on concrete, steel, asphalt and transport.

Like the financial targets, these targets have been broken down for the relevant business areas. Additionally, there are internal and business area specific targets for a number of other areas within sustainability. Further details will be disclosed concerning this work in conjunction with the publication of NCC's Annual Report for 2020.

Capital Markets webcast

Today, from 9:00 a.m. to 11:30 a.m., NCC will hold its Capital Markets meeting where CEO Tomas Carlsson, together with CFO Susanne Lithander and the managers of the respective business areas, will provide an update on NCC's strategic focus and plans going forward. Follow along at <https://ncc-live-external.creo.se/201118> or call in to one of the following numbers:

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About NCC. Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in the Nordics within construction, infrastructure and property development, with sales of over SEK 58 billion and 15,500 employees in 2019. The NCC share is listed on Nasdaq Stockholm.