

# Interim report January – September, 2016

Peter Wågström  
President and CEO

Mattias Lundgren  
CFO

NCC Drysand factory Køge, Denmark

# NCC Q3 2016

- Impairment losses in Norway
- Close to zero result for Building and Infrastructure
- Healthy orders received
- Strong performance from Industry
- Lower earnings from Property Development

NCC Drysand factory Kåge, Denmark

# Q3 2016

## Orders received

SEK 12.6 BN  
(10.1)

## Net sales

SEK 13.6 BN  
(13.3)

## Order backlog

SEK 47.2 BN  
(41.5)

## Profit after financial items

SEK 471 M  
(715)

# January - September 2016

## Orders received

SEK 40.2 BN  
(35.8)

## Net sales

SEK 36.4 BN  
(36.8)

## Order backlog

SEK 47.2 BN  
(41.5)

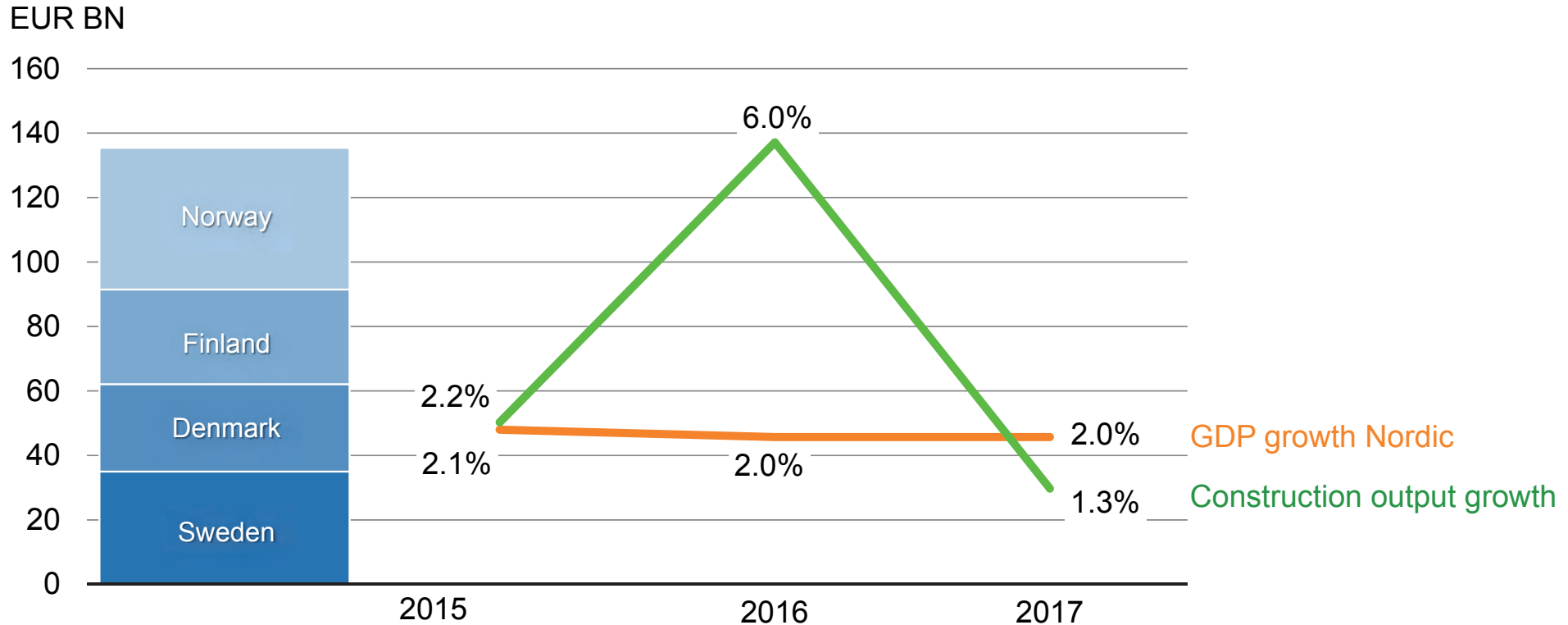
## Profit after financial items

SEK 711 M  
(1,001)

# Nordic construction market outlook

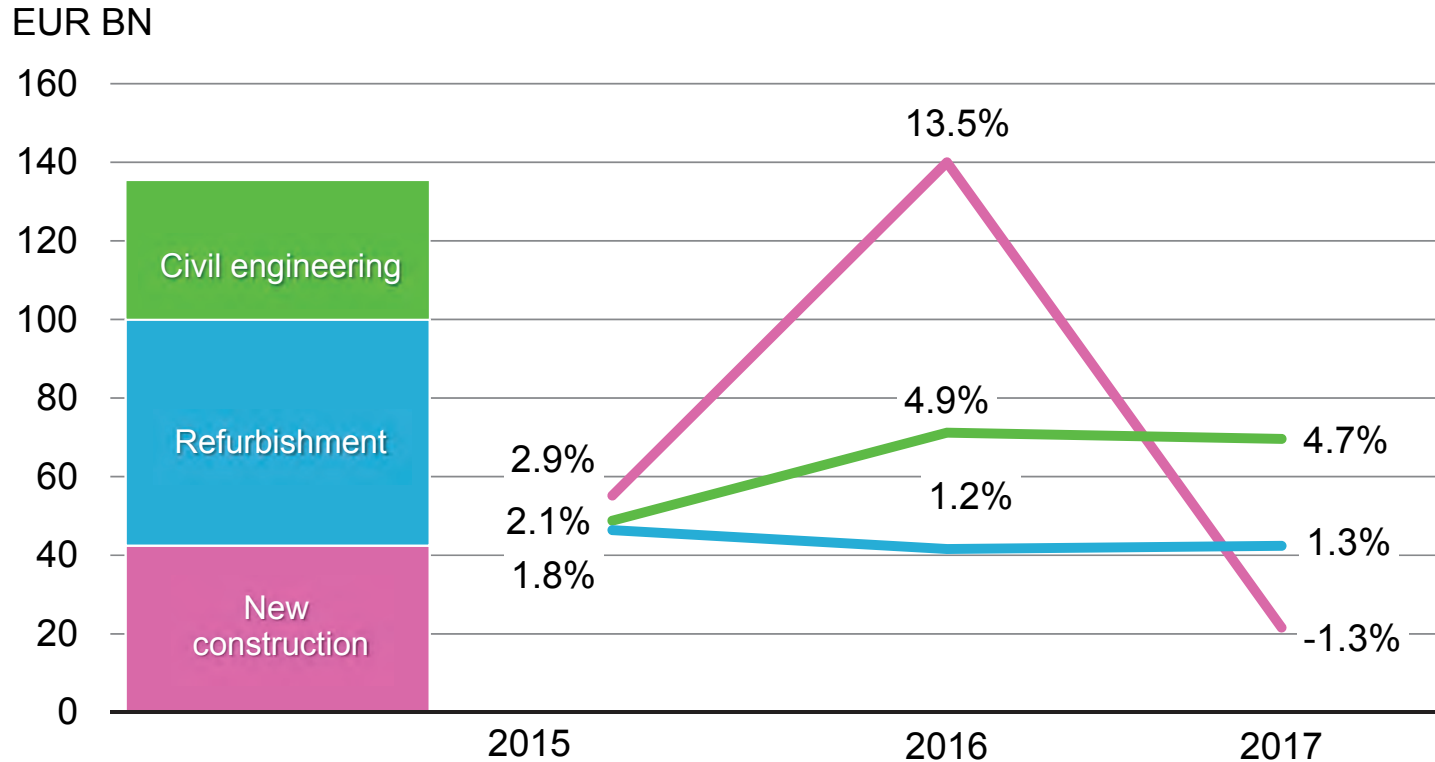


# Higher growth in construction volume than GDP 2016



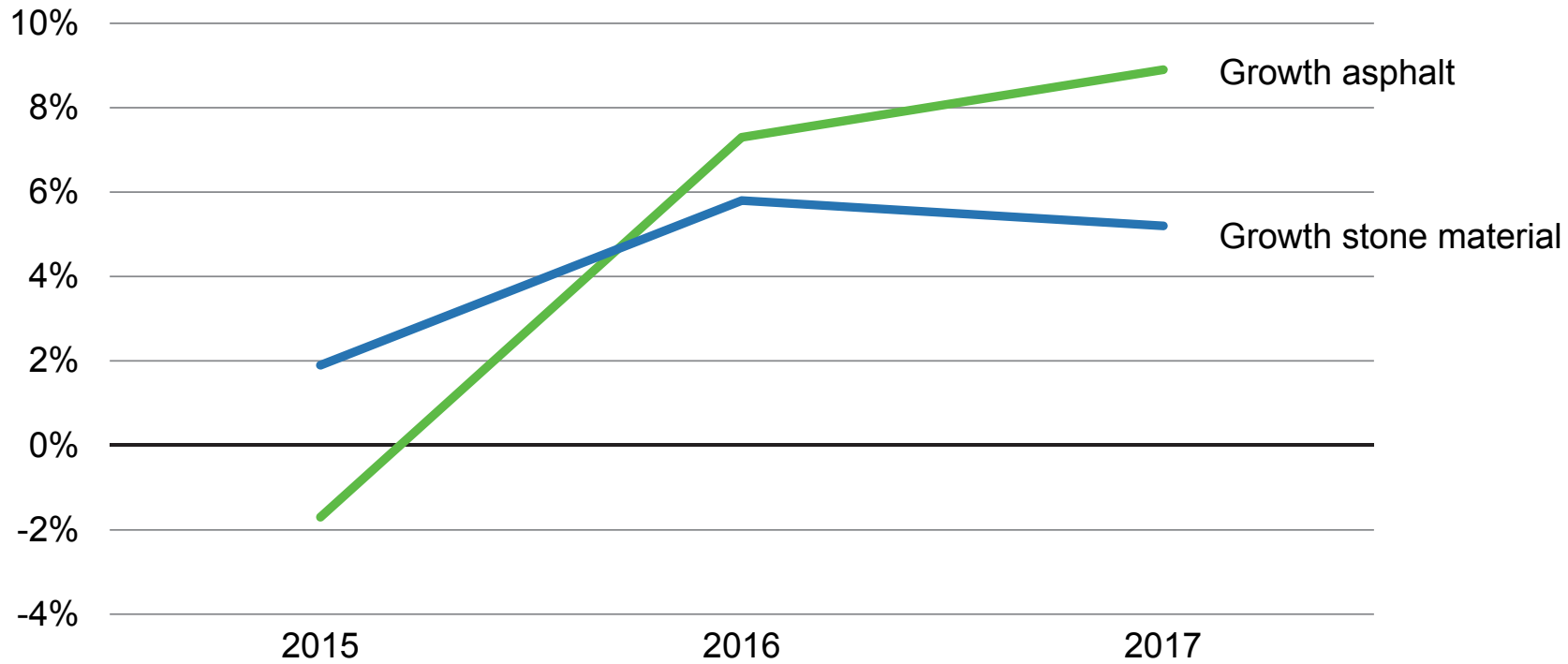
Source: Euroconstruct and NCC

# Construction volume by segment



Source: Euroconstruct and NCC

# Market outlook – asphalt and stone material



Source: Euroconstruct and NCC



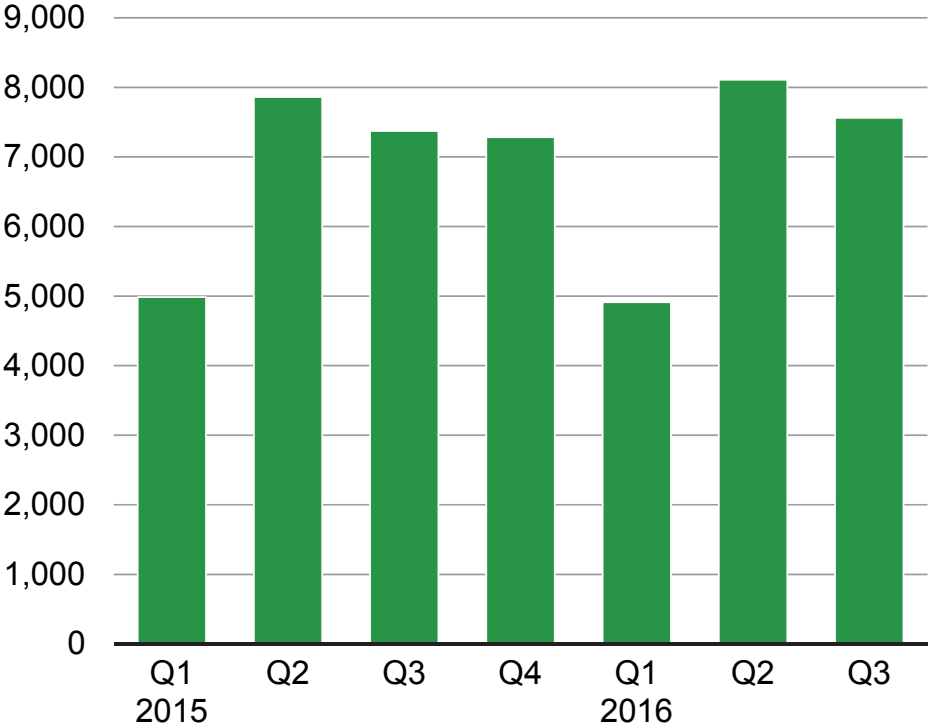
# NCC Industry



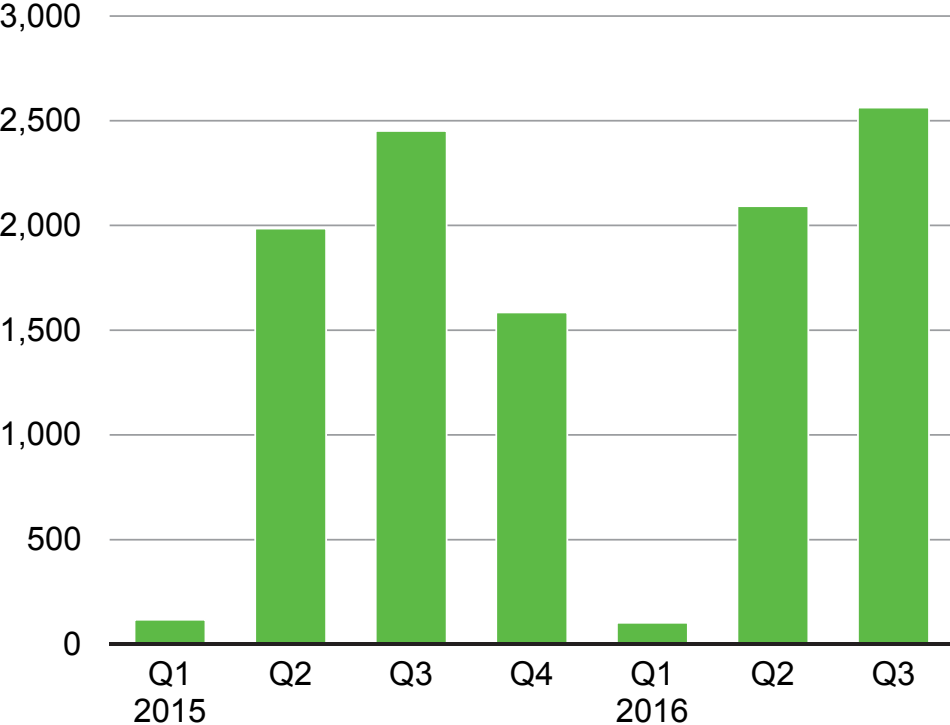
NCC Recycling Borås

# Slightly higher volumes in Q3 year-on-year

Stone material sold, thousands of tons



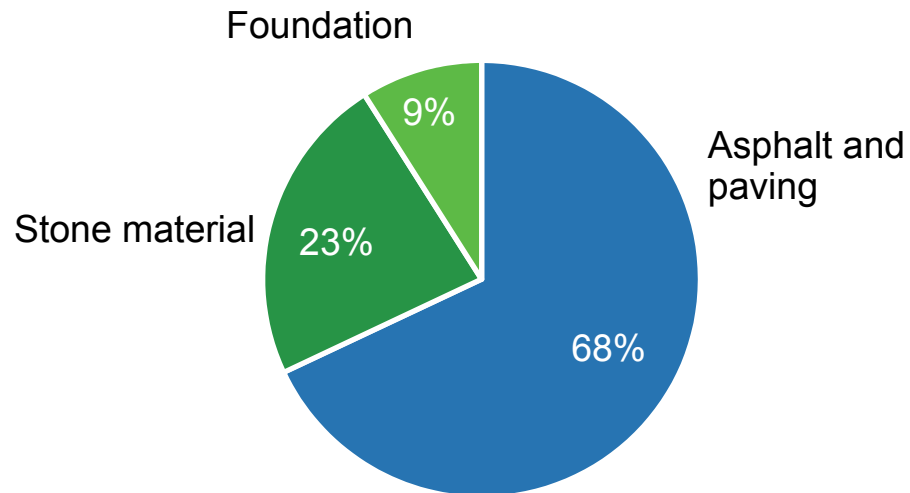
Asphalt sold, thousands of tons



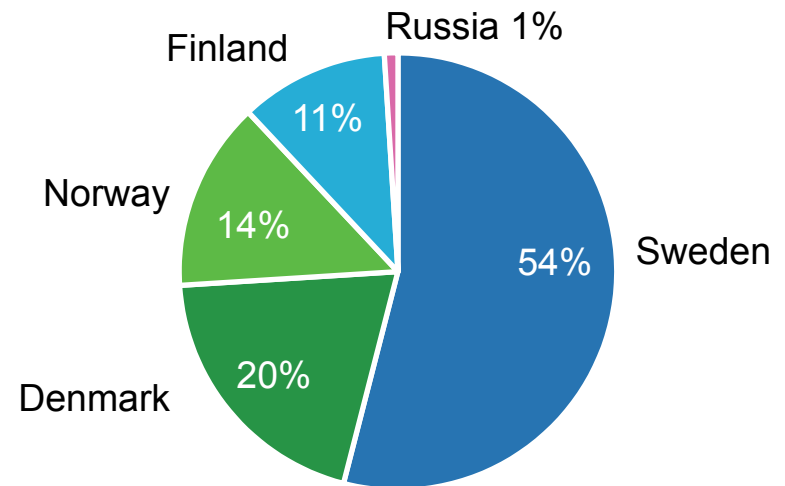
# Net sales January - September 2016

NCC Industry

## Product mix



## Geographical distribution



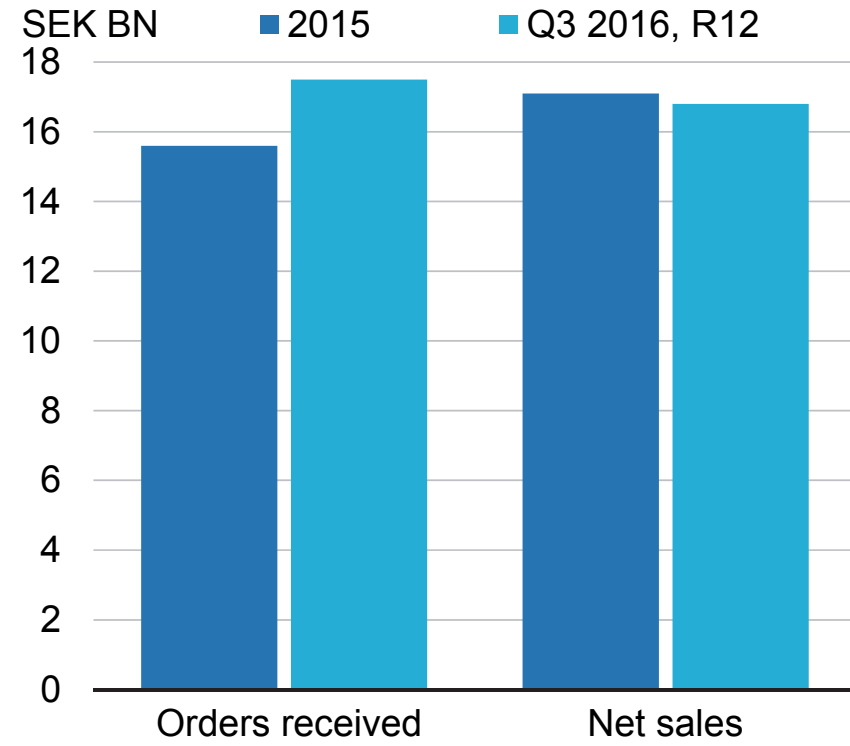
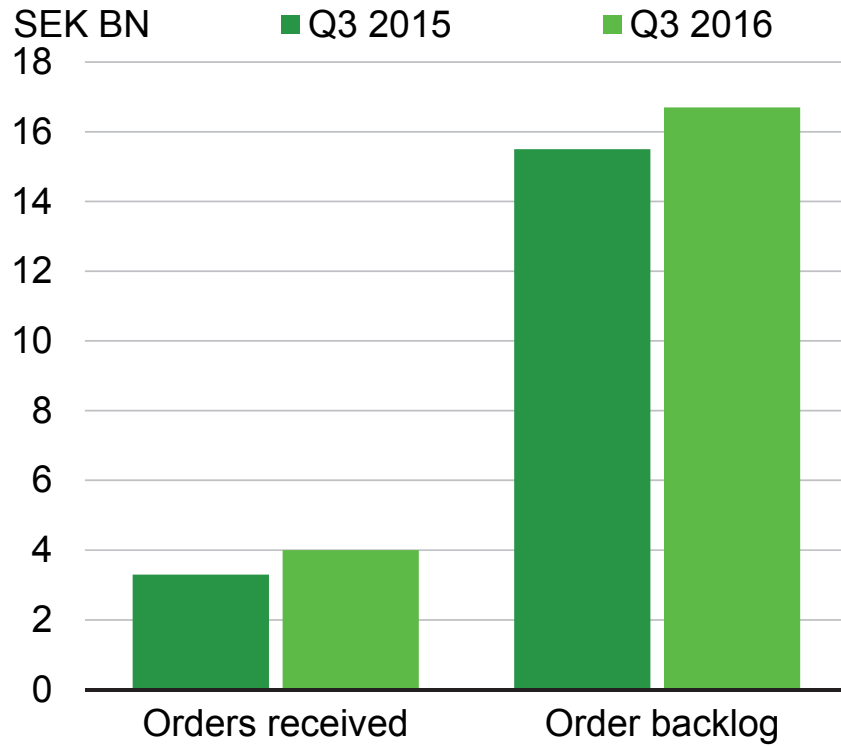
# NCC Infrastructure



Tunnel E134, Gvammen-Århus, Telemark, Norway

# Higher orders received

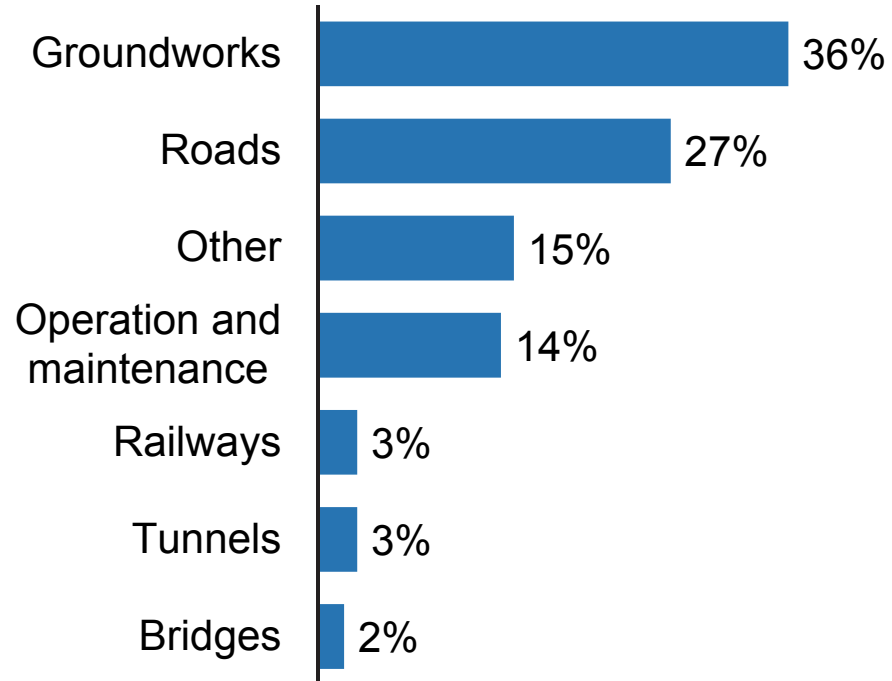
## NCC Infrastructure



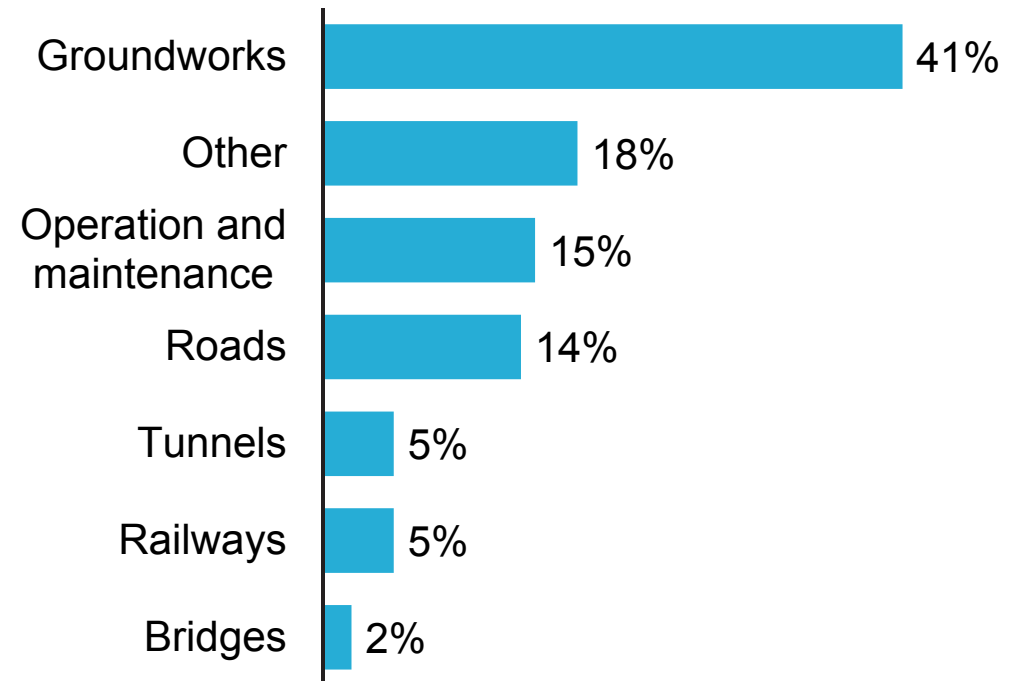
# Product mix Jan.- Sep. 2016

NCC Infrastructure

## Orders received



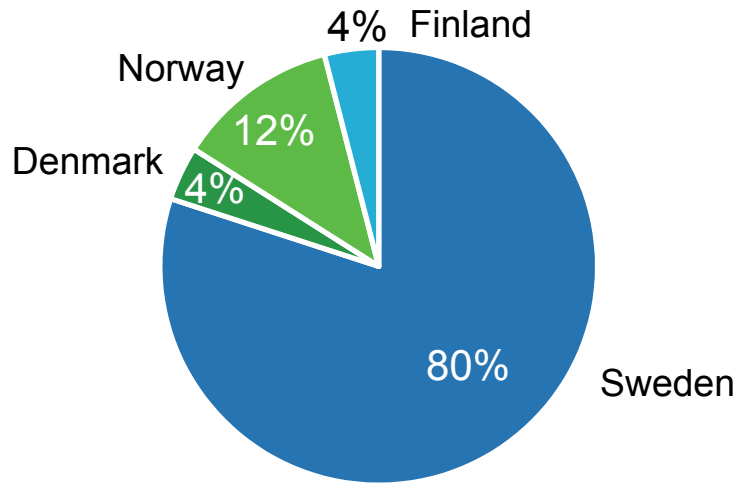
## Net sales



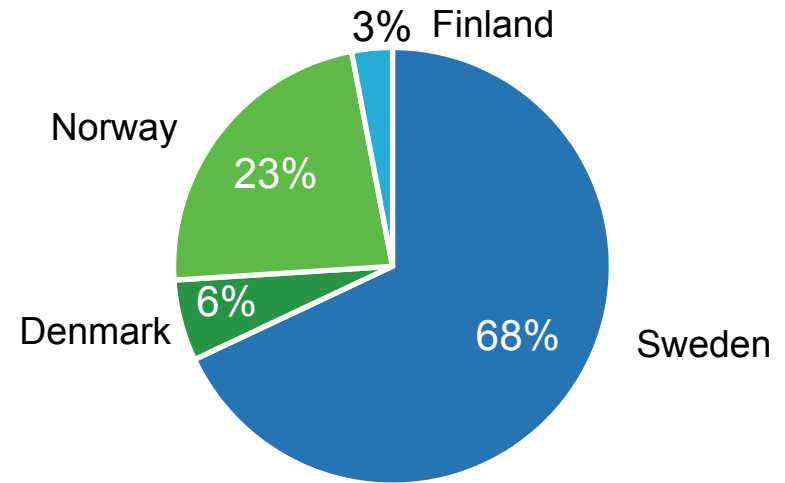
# Geographical distribution Jan.- Sep. 2016

NCC Infrastructure

## Orders received



## Net sales



# Project example

## NCC Infrastructure

- Earth and groundworks in Norvik, Stockholm
- Initial preparations for the construction of Stockholm Norvik Port
- Customer: Ports of Stockholm
- Order value: SEK 500 million



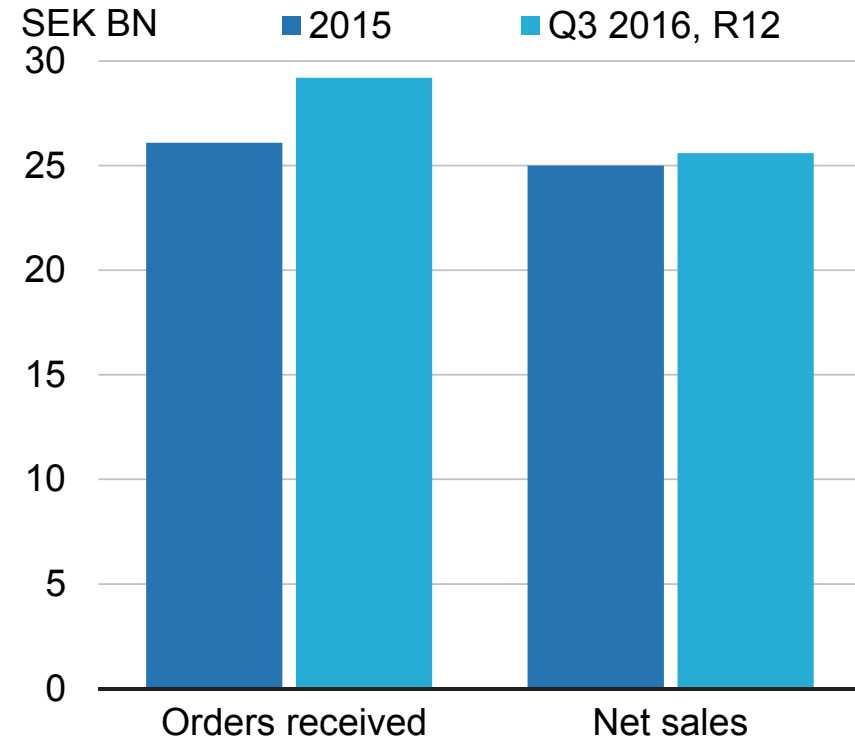
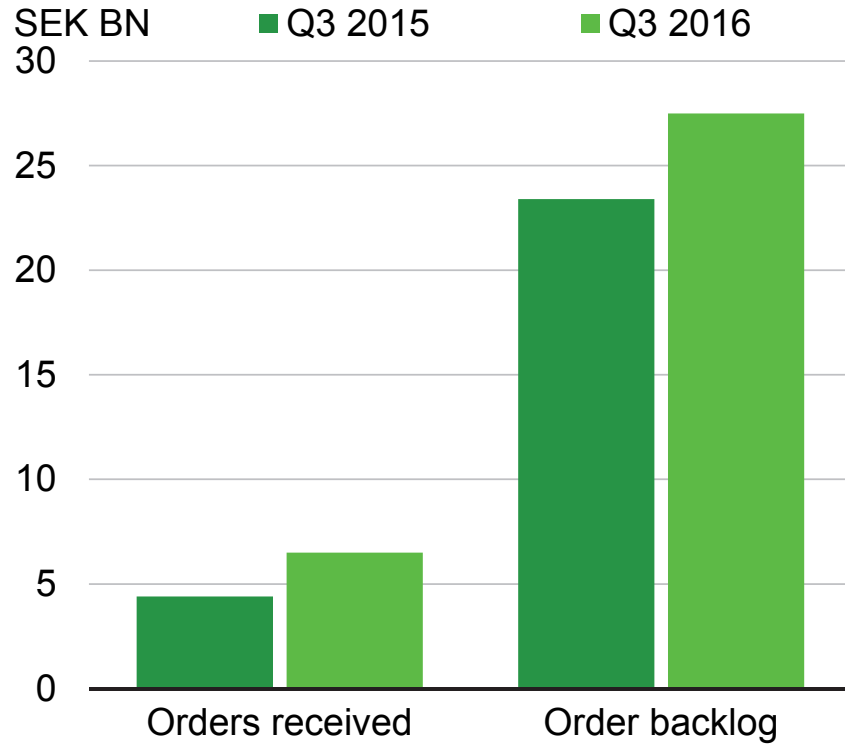
# NCC Building



Beckomberga, Stockholm

# Higher order backlog

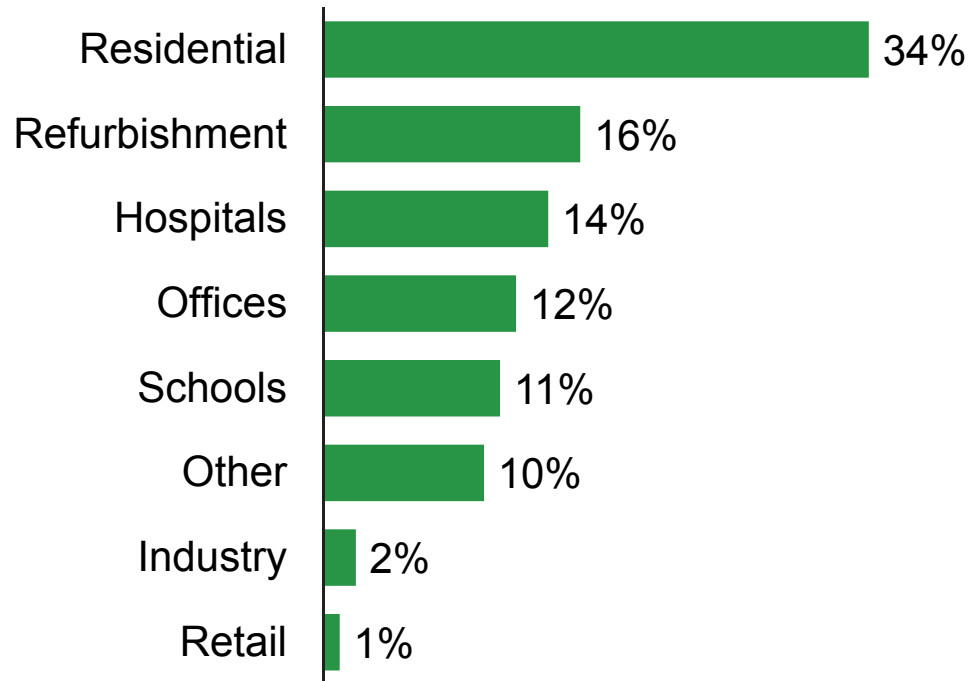
## NCC Building



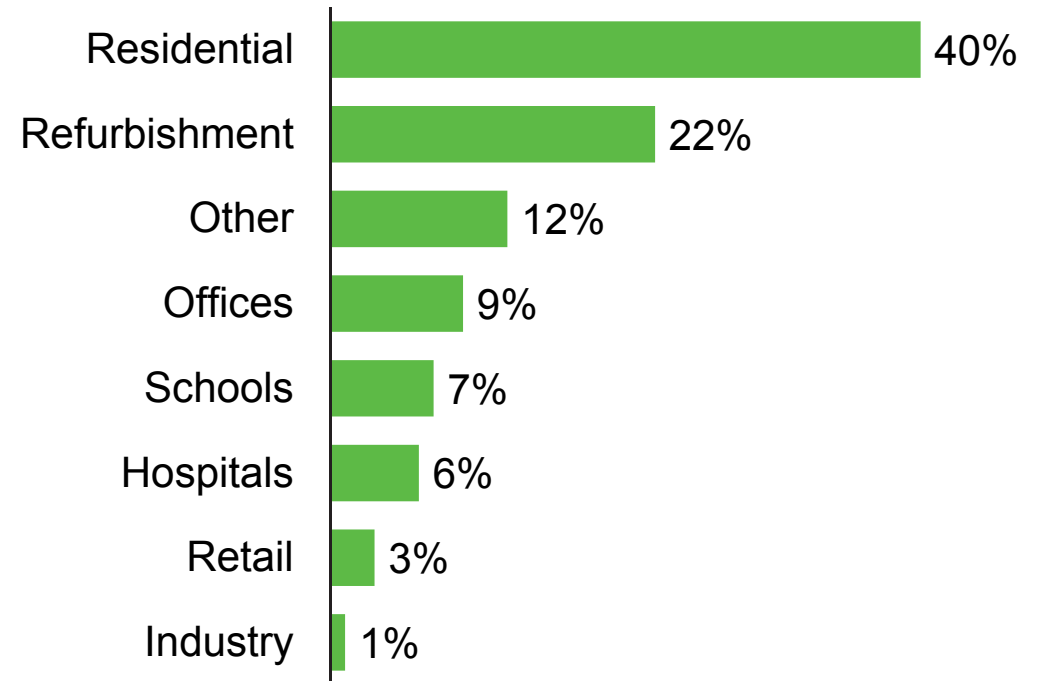
# Product mix Jan.- Sep. 2016

NCC Building

## Orders received



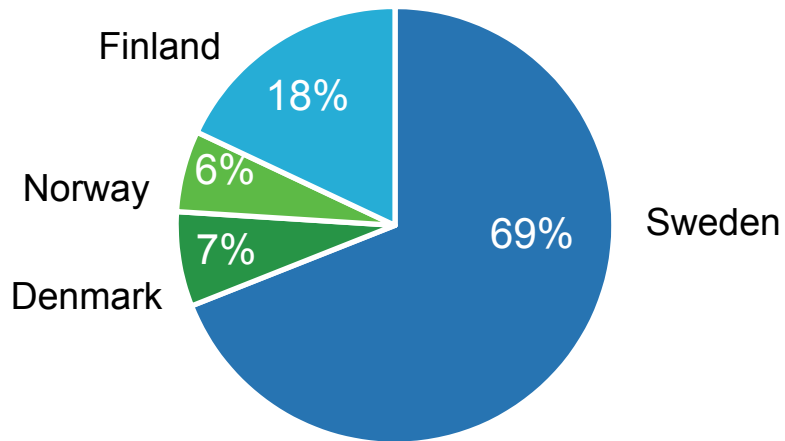
## Net sales



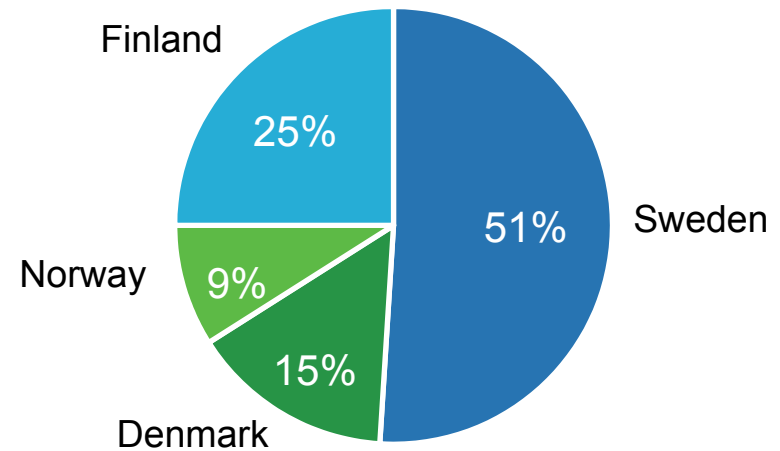
# Geographical distribution Jan.-Sep. 2016

NCC Building

## Orders received



## Net sales



# Project example

## NCC Building

- New school and sports hall in Trelleborg, Sweden
- Customer: the Municipality of Trelleborg
- Order value: SEK 309 million



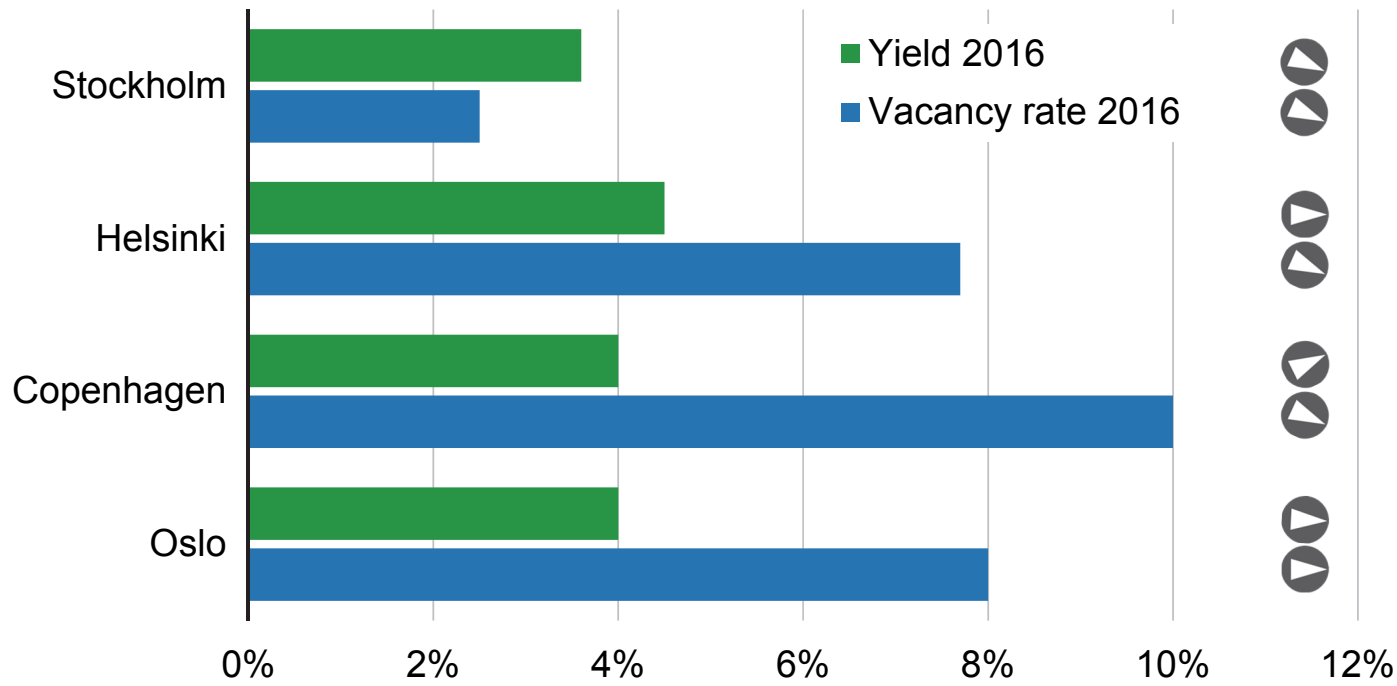
# NCC Property Development



Aitio BP, Helsinki

# Property market outlook – offices

## CBD



Source: Newsec, NCC



# Project profit recognized in Q3

Project	Type	Location	Purchase price, SEK M	Lettable area, sqm.	Letting ratio
Matinkylä	Retail	Espoo, Finland	750	12,700	90%



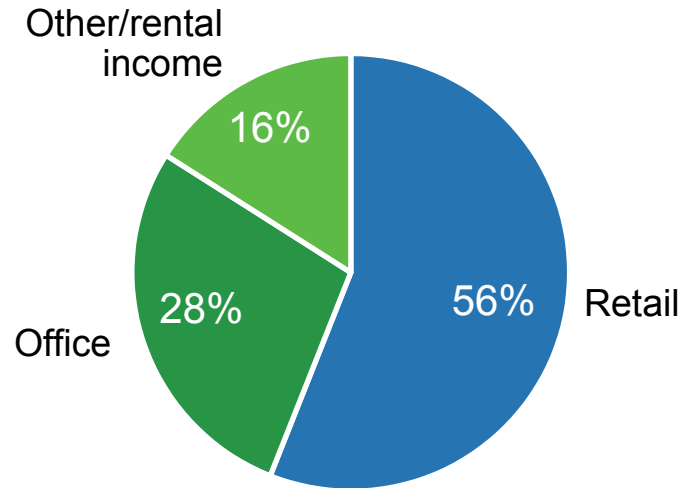
Iso Omena Shopping Center, Espoo



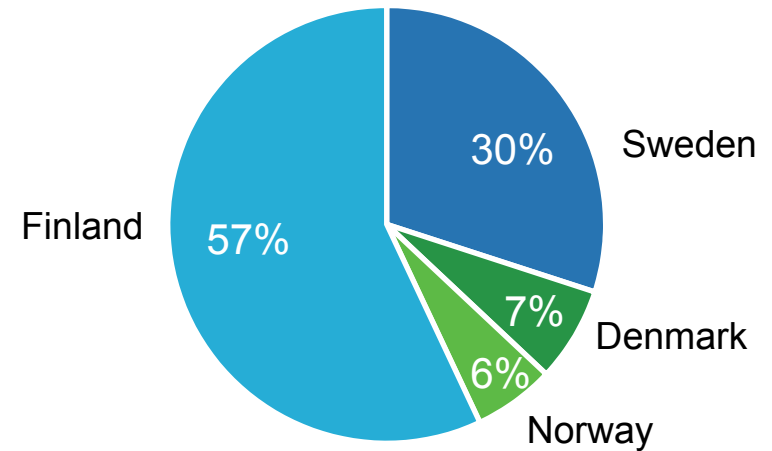
# Net sales Jan.-Sep. 2016

NCC Property Development

## Product mix



## Geographical distribution



# Project starts in Q3

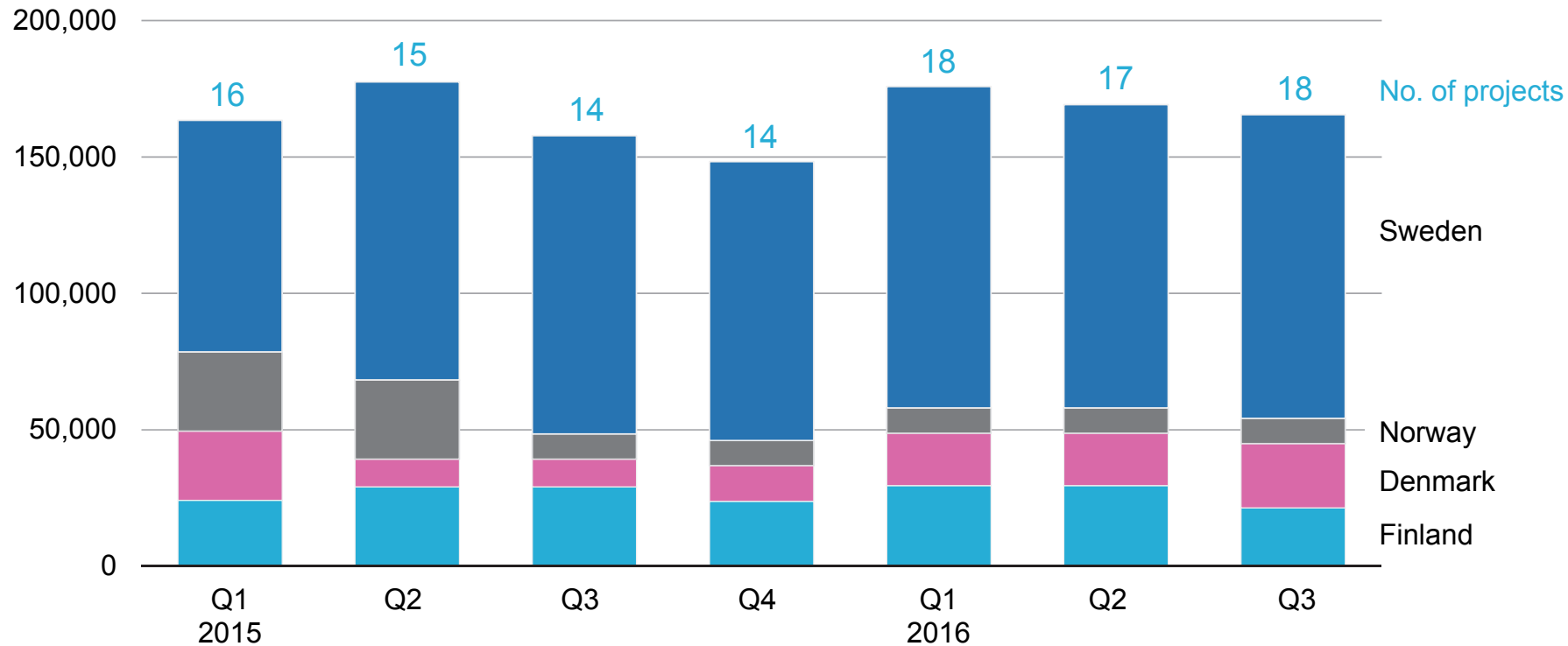
Project	Type	Location	Lettable area, sqm	Letting ratio
Frederiks Plads 1	Office	Århus, Denmark	5,000	0%
Suurpelto 1	Retail	Espoo, Finland	4,500	90%



Frederiks Plads, Århus

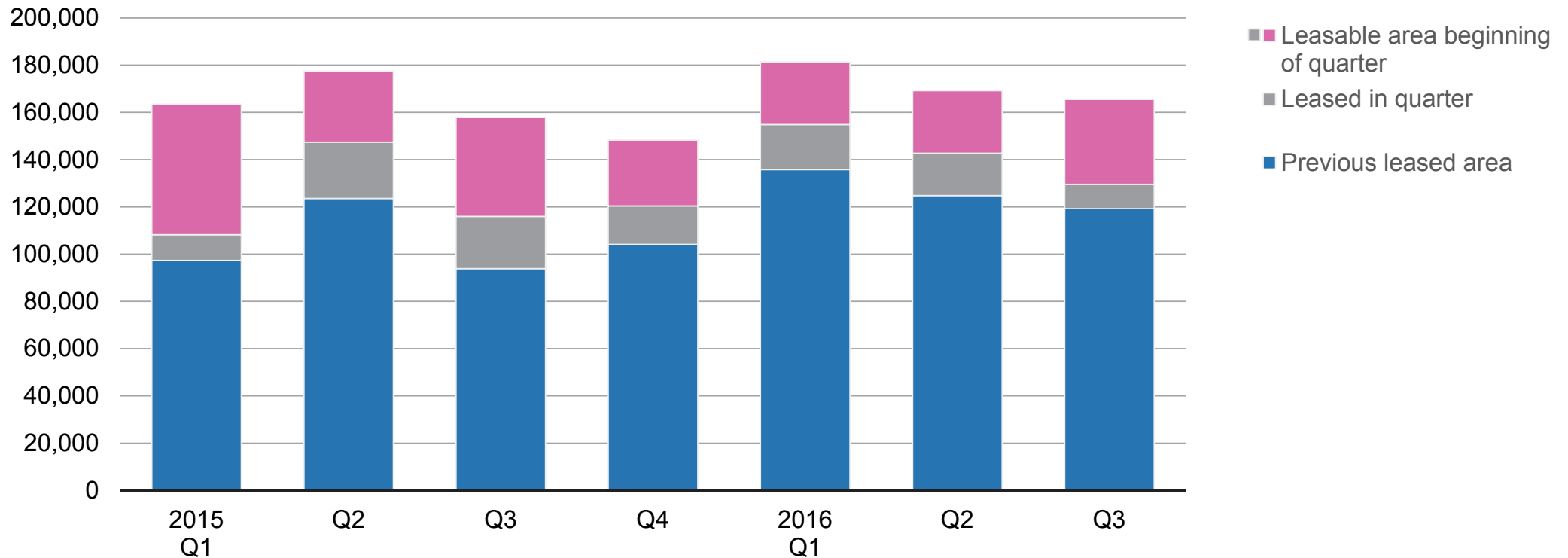
# Property portfolio

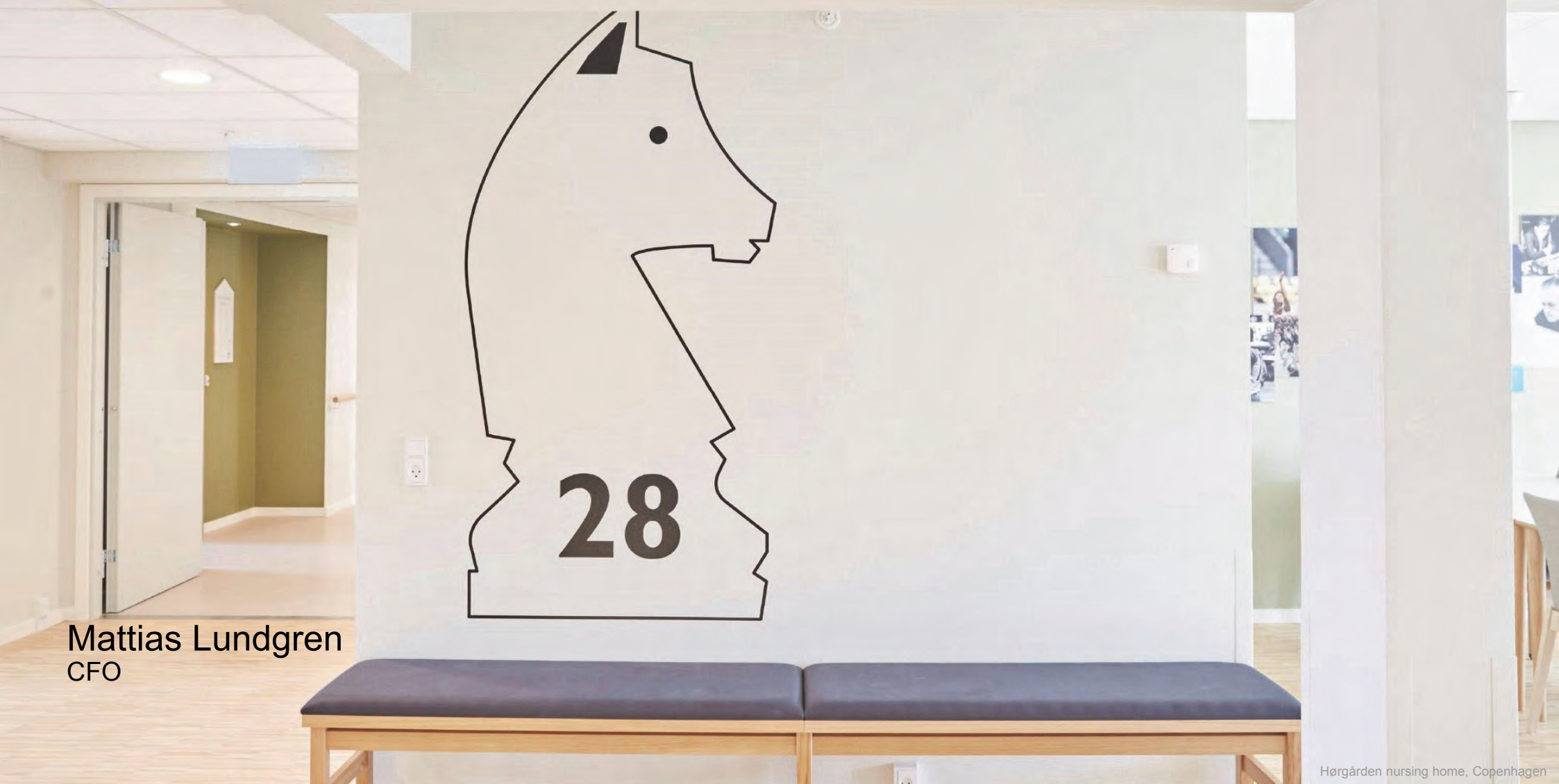
Leasable space, sqm, in ongoing or completed projects not recognized in profit



# 10,300 sqm leased in the quarter

Leased floor space, sqm





Mattias Lundgren  
CFO

Hørgården nursing home, Copenhagen

# Spinoff of Bonava – effects on the financial statement

## Accounting policy IFRS 5

- Bonava is recognized net on a single line under operations being discontinued in the income statement
- In cash flow, Bonava's profit after net financial items is recognized separately, following which Bonava as a whole is included

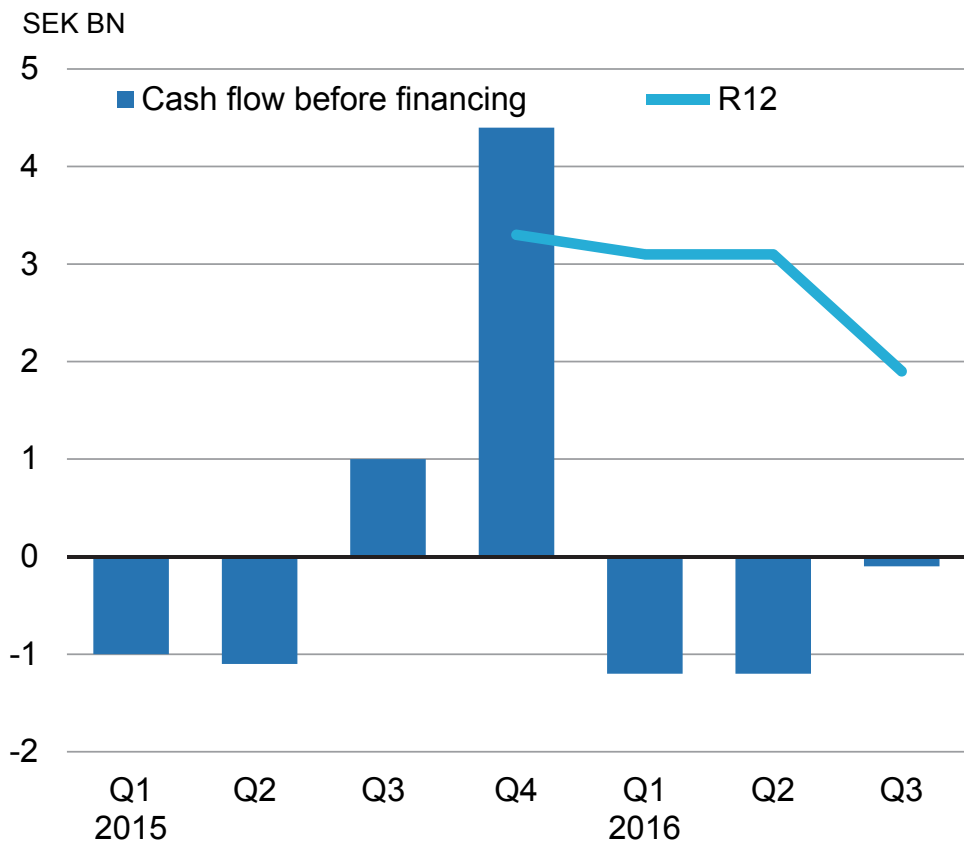


# Income statement

SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15 – Sep.16
<b>Remaining operations</b>			
Net sales	13,572	13,320	52,683
<b>Gross profit</b>	<b>1,026</b>	<b>1,265</b>	<b>4,453</b>
Selling and administrative expenses	-542	-557	-2,923
Cost ratio	4.0%	4.2%	5.5%
Other	19	13	-103
<b>Operating profit</b>	<b>503</b>	<b>721</b>	<b>1,426</b>
Financial items	-32	-6	-94
<b>Profit after financial items</b>	<b>471</b>	<b>715</b>	<b>1,332</b>
Tax	-84	-143	-231
<b>Profit for the period</b>	<b>387</b>	<b>572</b>	<b>1,101</b>
Profit from discontinued operations	-	75	7,622
<b>Profit from remaining and discontinued operations</b>	<b>387</b>	<b>647</b>	<b>8,723</b>



# Cash flow



SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct.15-Sep. 16
From operating activities	397	890	2,939
From property projects	341	571	219
From housing projects	5	-721	1,252
Other working capital	-788	417	-1,454
Investing activities	-59	-154	-1,084
<b>Cash flow before financing</b>	<b>-106</b>	<b>1,004</b>	<b>1,874</b>



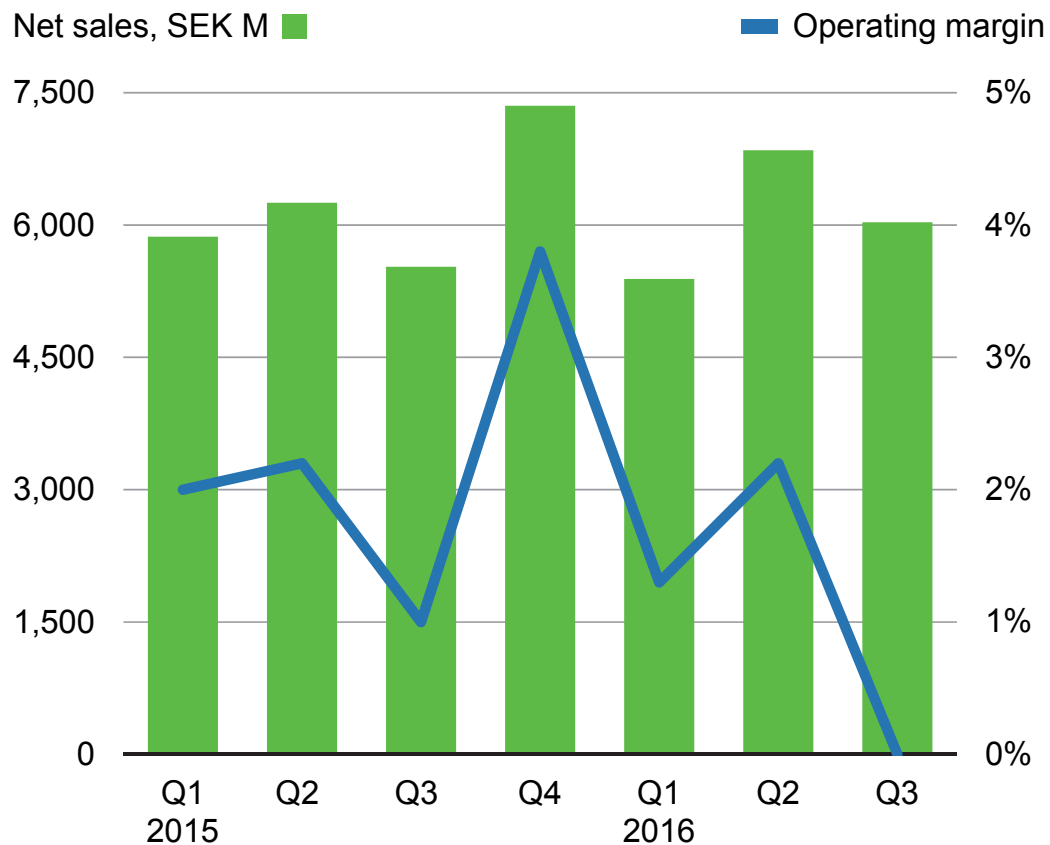
# Operating profit/loss per business area

SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15-Sep. 16
NCC Building	1	58	
NCC Infrastructure	3	127	
NCC Industry	442	397	
NCC Property Development	32	1	
Other and eliminations	25	-1	
<b>Operating profit excl. Bonava (Housing)</b>	<b>503</b>	<b>722</b>	

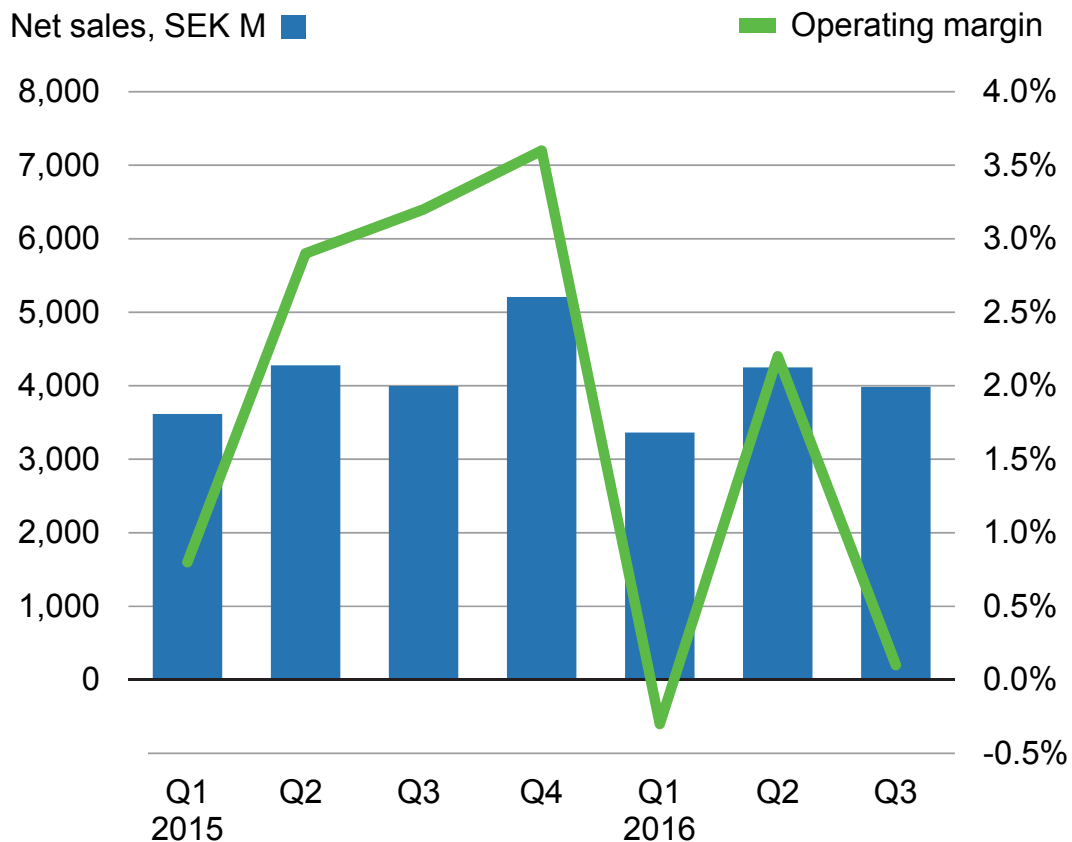
SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015
NCC HQ	54	-17
Internal gains	-1	-1
Group adjustments	-28	17
<b>Other and eliminations</b>	<b>25</b>	<b>-1</b>

# NCC Building



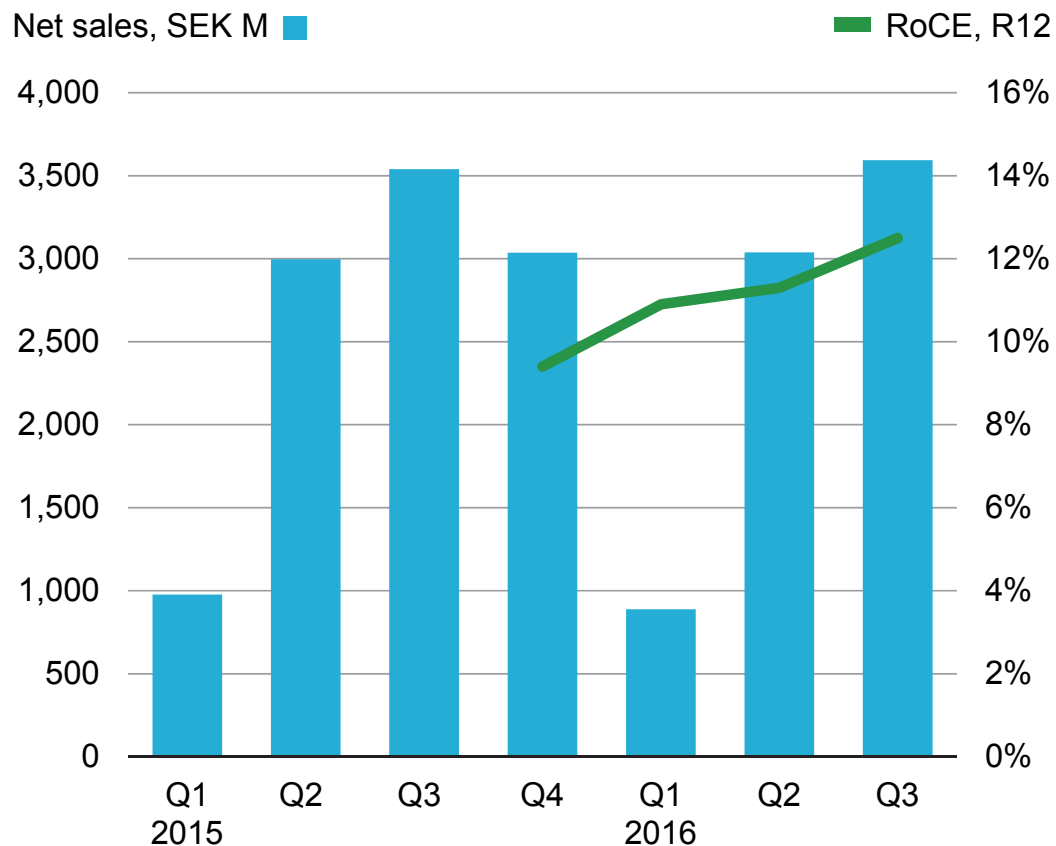
SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15-Sep. 16
Net sales	6,033	5,527	25,624
Operating profit	1	58	504
Operating margin, %	0.0	1.0	2.0

# NCC Infrastructure



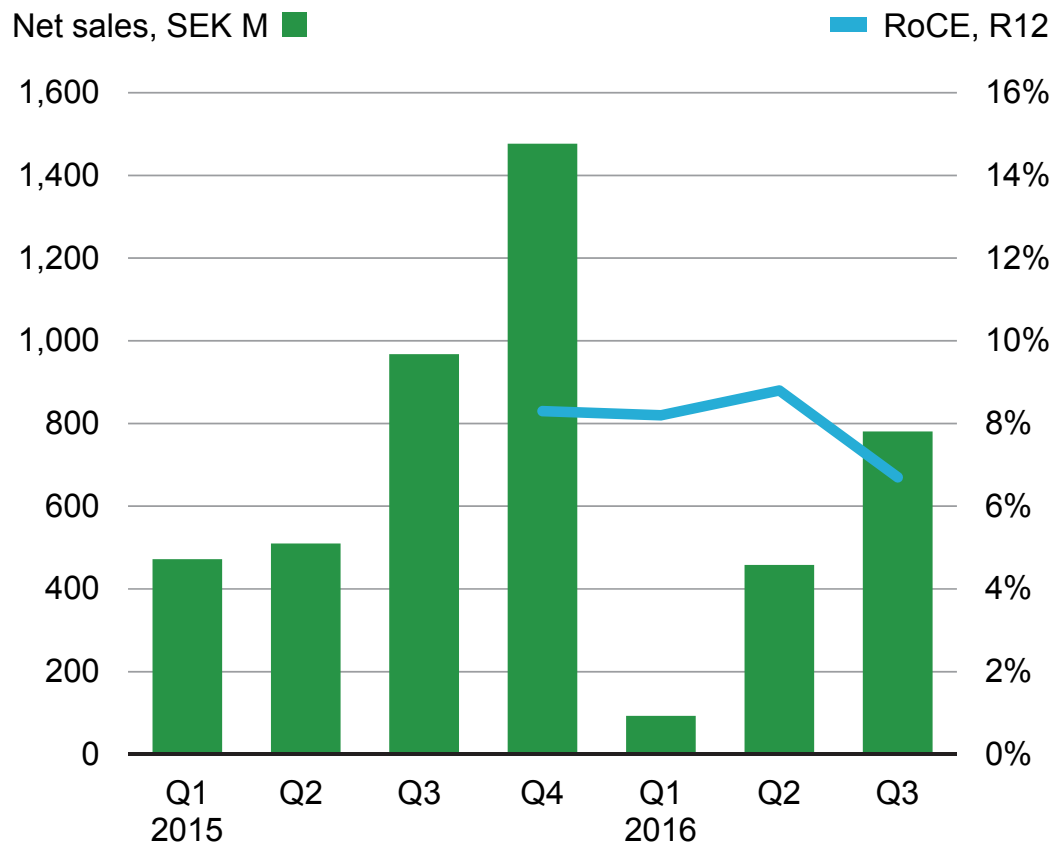
SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15-Sep. 16
Net sales	3,986	3,999	16,812
Operating profit	3	127	275
Operating margin, %	0.1	3.2	1.6

# NCC Industry



SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15-Sep. 16
Net sales	3,594	3,540	10,578
Operating profit	442	397	508
Operating margin, %	12.3	11.2	4.8
RoCE, %			12.5

# NCC Property Development



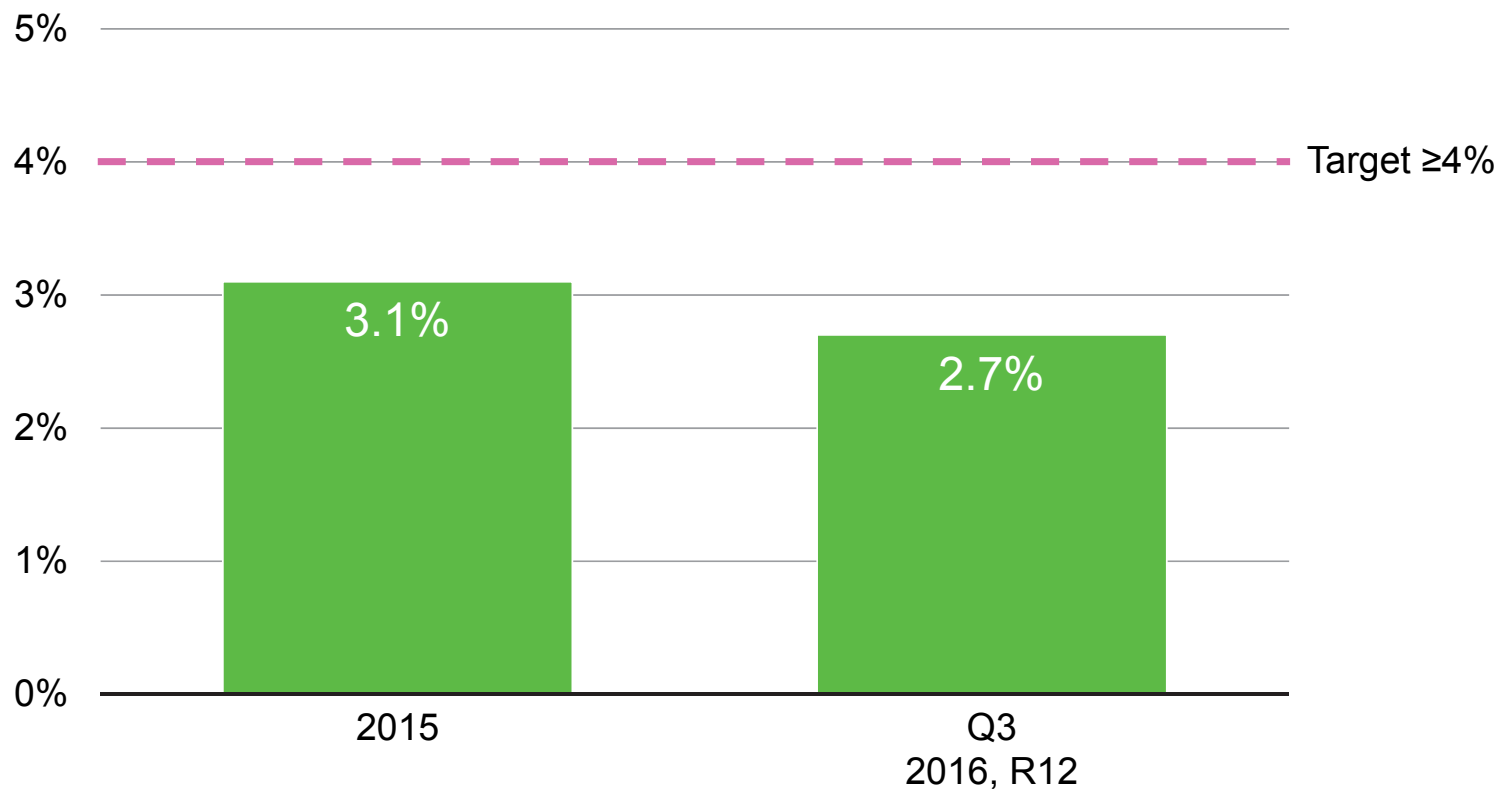
SEK M	Jul.-Sep. 2016	Jul.-Sep. 2015	Oct. 15-Sep. 16
Net sales	781	968	2,808
Operating profit	32	140	325
Operating margin, %	4.1	14.4	11.6
RoCE, %			6.7

# Group financial objectives

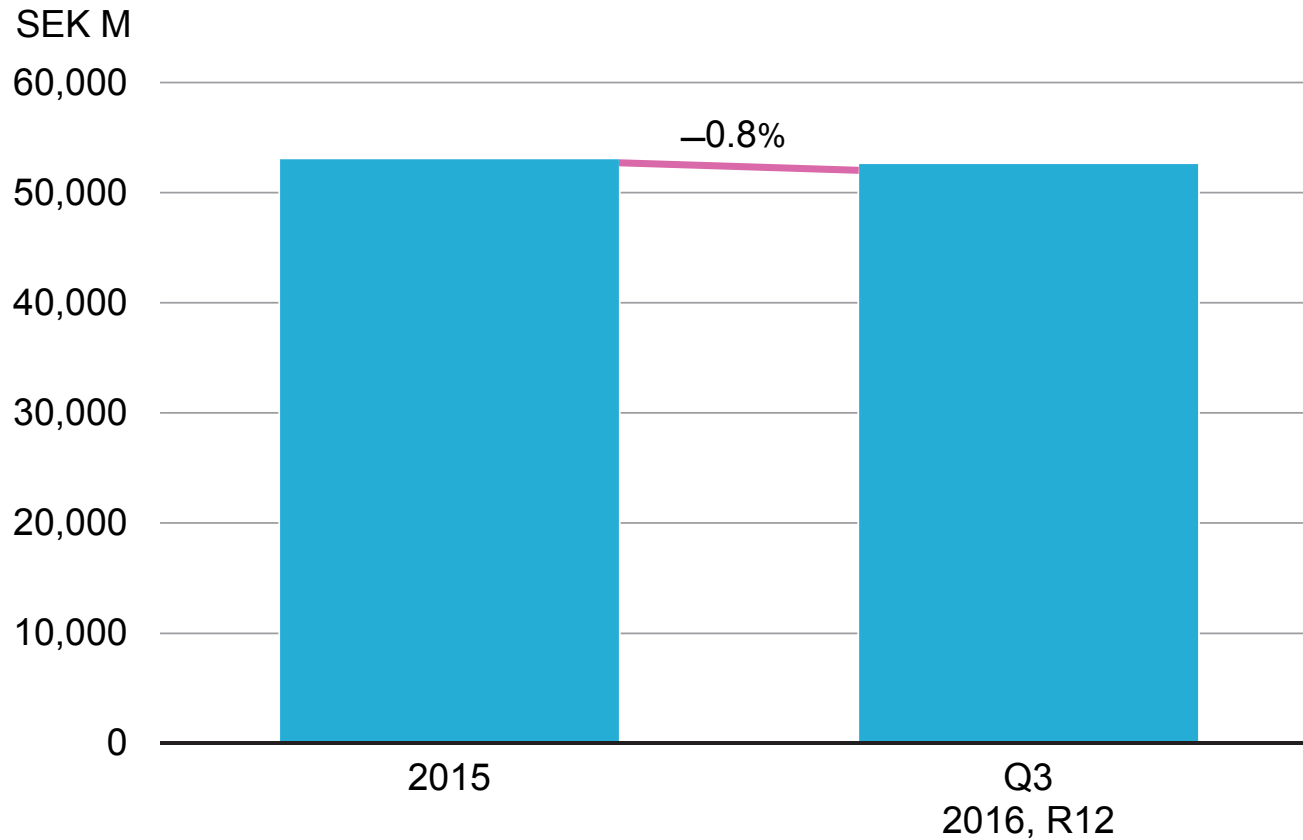


Torsplan 2, Stockholm

# Operating margin



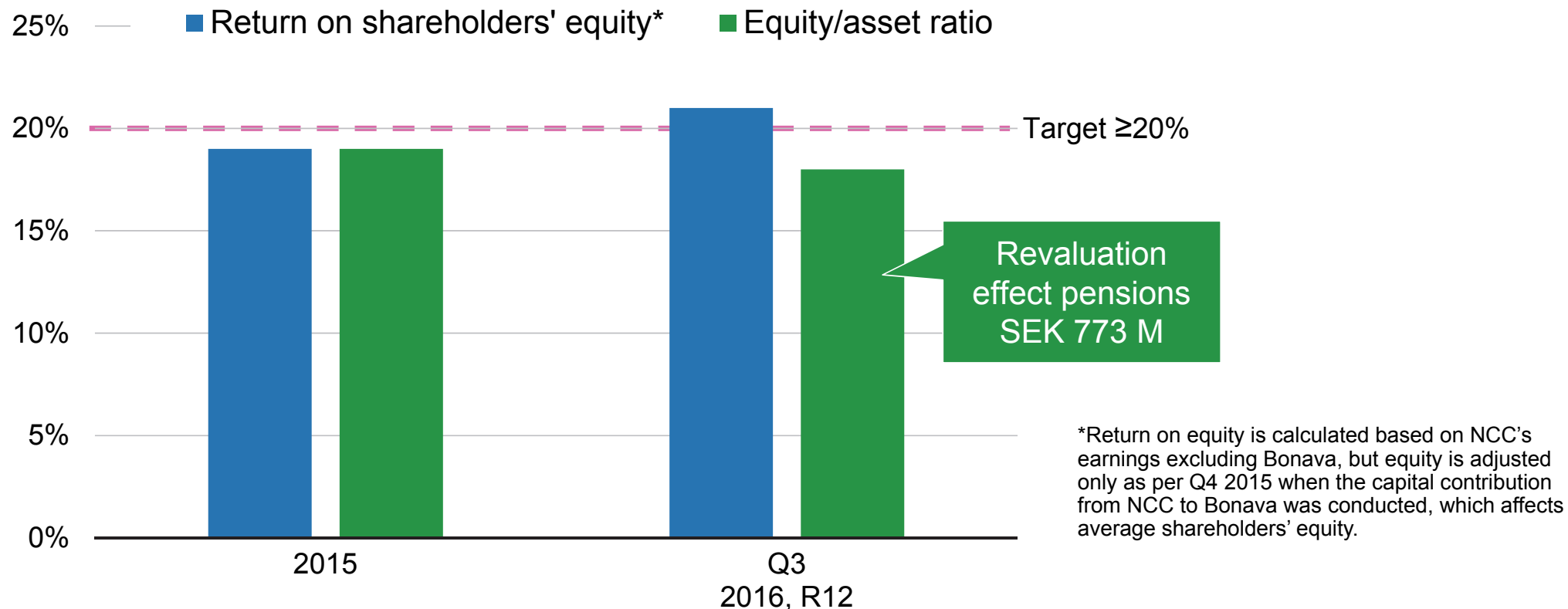
# Revenue growth



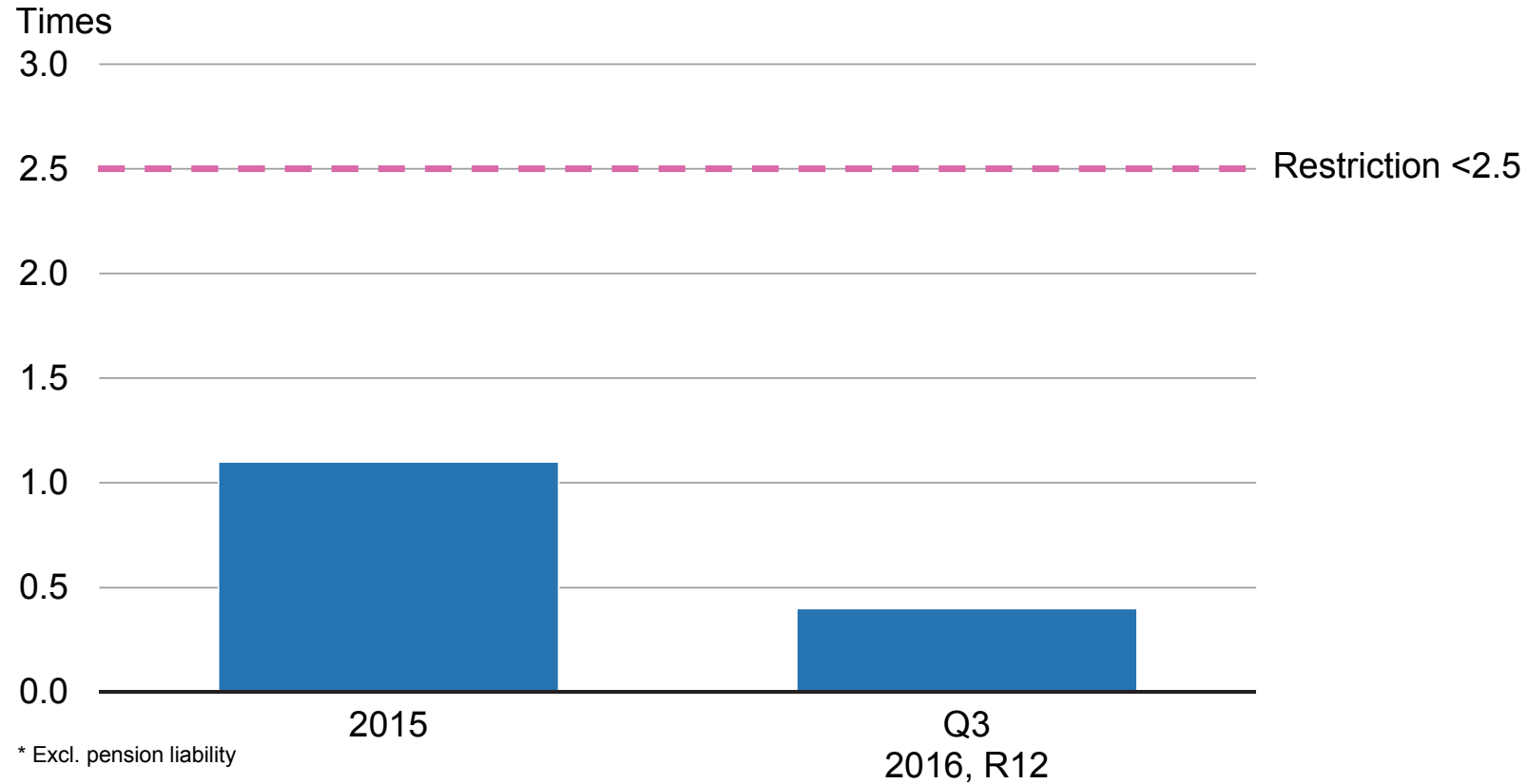
**Objective:**  
5% average annual  
revenue growth



# Equity/asset ratio and return on shareholders' equity



# Net indebtedness\* / EBITDA





De fem søstre, Vejle

# Summary Q3 2016

- Lower earnings
- Improved orders received
- Higher order backlog
- Good market outlook





# Contact information

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