

# NCC Building Nordics

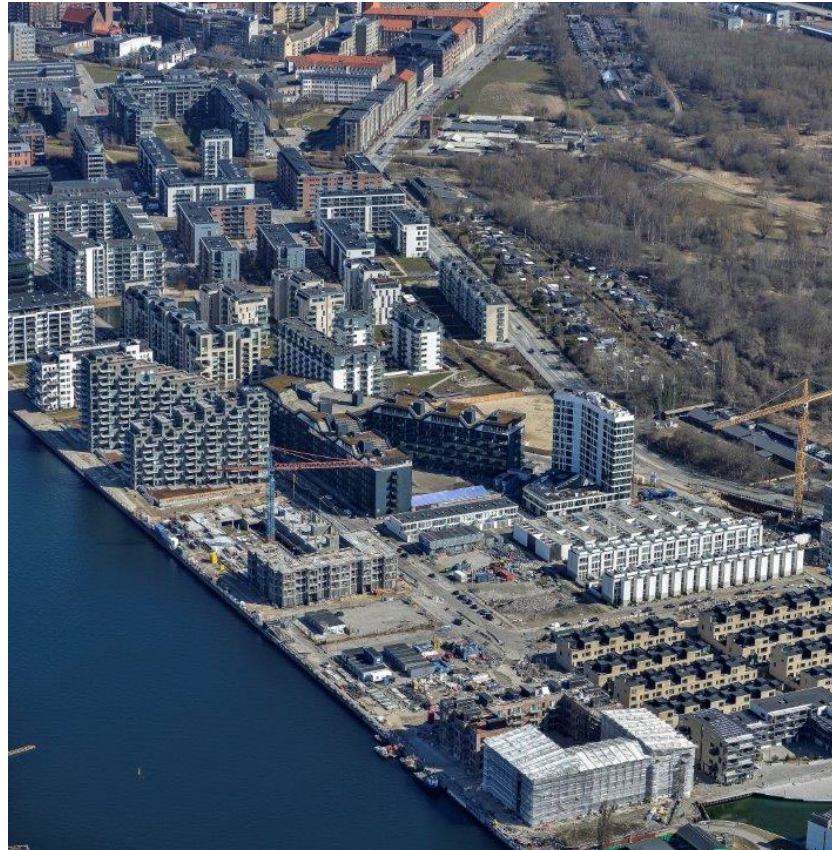
Klaus Kaae  
Head of NCC Building Nordics



# NCC Building Nordics



Scandic Railway Station  
Helsinki, FI



Islands Brygge  
Copenhagen, DK



Risenga School  
Asker, NO

# NCC Building Nordics

- Geographically present in Finland, Denmark and Norway
- 2,800 employees
- More than 180 ongoing projects
- Strong focus on prioritized segments in each country



Scandic Railway Station  
Helsinki, FI



Islands Brygge  
Copenhagen, DK



Risenga School  
Asker, NO

# Market outlook

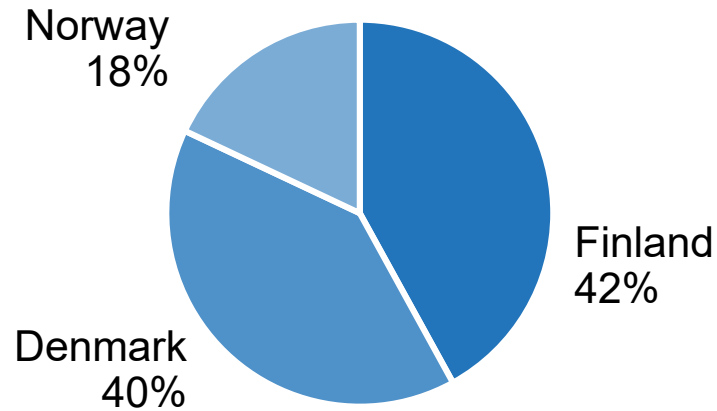
## NCC Building Nordics

- Strong market in all three countries
- Increasing market within the early involvement projects
- Strong refurbishment market in Denmark & Finland
- Strong public market in Norway

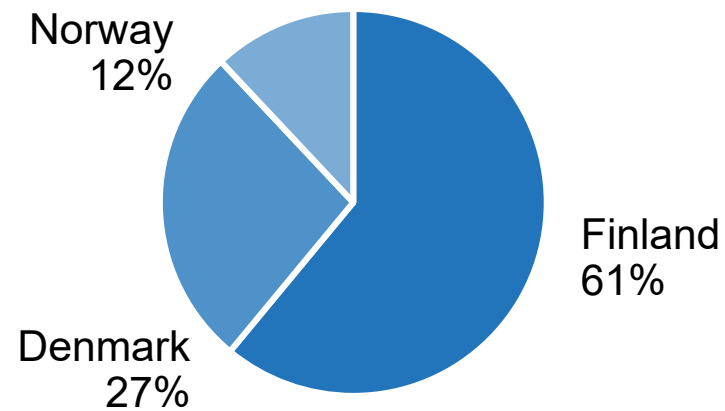
# NCC Building Nordics

Jan-Sep 2018

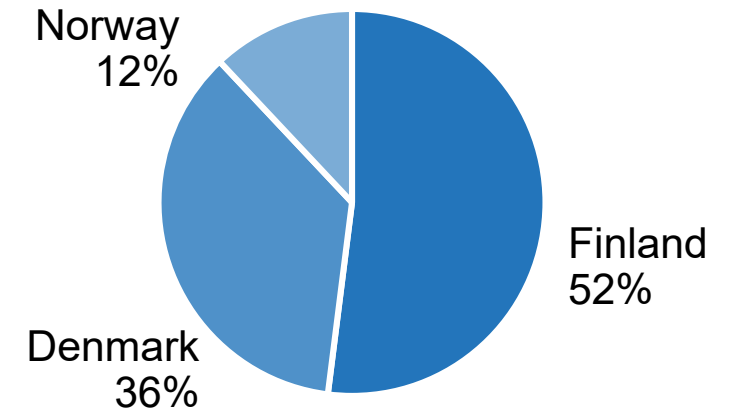
## Net sales



## Order received



## Order Backlog



# NCC Building Nordics

Jan-Sep 2018

**Net  
sales**

SEK 7,590 M  
(7,380)

**Orders  
received**

SEK 7,753 M  
(5,603)

**Order  
backlog**

SEK 11,110 M  
(9,577)

**EBIT**

SEK -153 M  
(-68)

**EBIT-margin**

-2.0%  
(-0.9 %)

# 3 Divisions – 3 causes to make a turnaround

## NCC Building Nordics

- Division Finland
  - Recovering from split from NCC Housing
  - Recovering from a long list of quality problems in Residential Helsinki
- Division Denmark
  - Problems isolated to one department, Building East
  - Finalizing loss making projects and solving quality problems
  - Increasing numbers of projects in disputes with customers due to design problems
- Division Norway
  - A legacy of old quality problems and disputes
  - A lot of actions done, but we are not there yet!

# Turnaround actions

## NCC Building Nordics

### **Residential Helsinki, Finland**

- New Head of Department in 2017
- Net sales cut by 45%
- New unit managers moved to the department
- Experienced project managers moved to Residential Helsinki
- Change in risk management
- Bad projects phasing out
- Adaption of cost

### **Building East, Denmark**

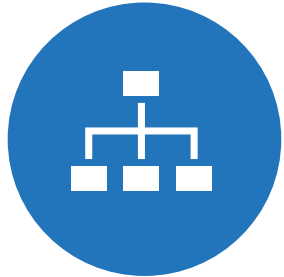
- New management team in Building East in 2017
- Net sales cut by 30%
- Change of business unit managers
- Change of project managers
- Root cause analysis and improvement of RM
- Bad projects phasing out
- Adaption of cost

### **Division Norway**

- New management team in 2016
- Net sales cut by 25%
- We introduced risk management and contract boards
- We are restructuring the organization and our way of working
- From competition to early involvement
- Old projects phasing out
- Adaption of cost

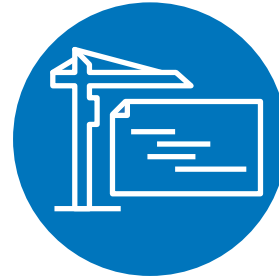


# Prioritized actions



## Right organization and team

- The right management on all levels
- Adapt organization to competitiveness
- Increase education within project- and design management



## Execute profitable projects

- Secure right competencies and sufficient resources throughout the project
- Secure management support
- Be proactive to insure quality, time and budgets
- Improve our ability to identify, analyze and eliminate risks



## Select profitable projects

- Prioritize the right projects
- Adherence to existing NCC procedures and risk management guidelines
- Ensure the right competencies in both tender and contract execution
- Ensure right time for execution



## Action plan for underperforming units

- Separate action plan for all departments with EBIT < 2%

# Summary

## NCC Building Nordics

- Strong core, but parts of BA Building Nordic are underperforming in terms of EBIT
- 3 divisions – 3 different turnarounds
- The different challenges are identified and reevaluated
- Actions taken to finalize old projects
- Plans made to execute turnarounds
- Need for time to recover and build up strength