

# NCC Industry

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# NCC Industry offering

- Asphalt
- Paving services
- Stone materials – from crushed rock to dried sand
- Foundation work, piling, retaining structures
- Manufacturing of concrete piles and steel reinforcement



# NCC Industry in brief

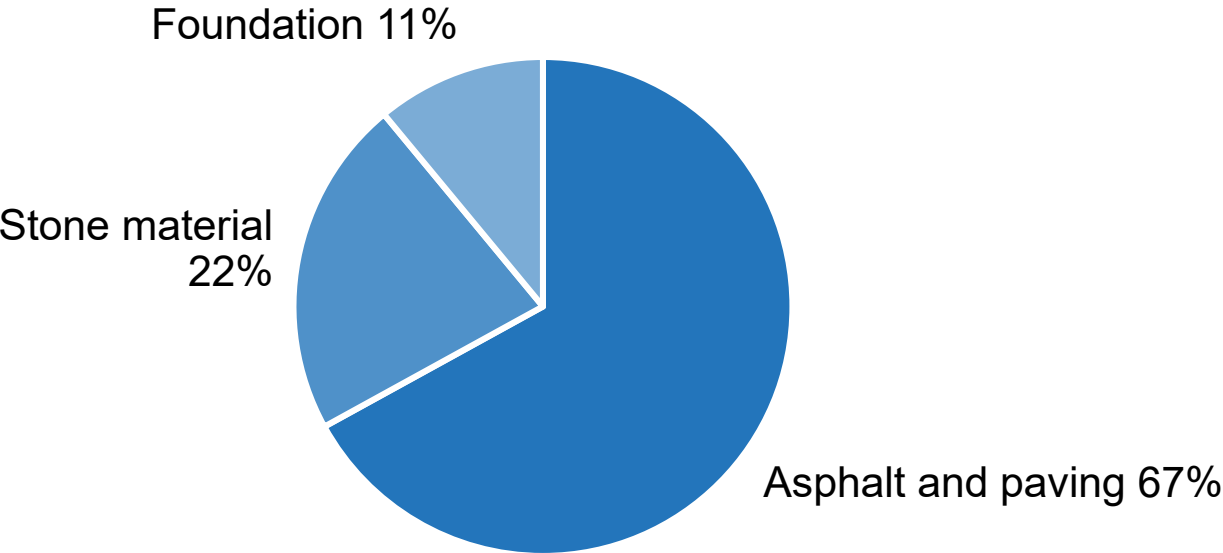
- Market leader in the Nordics
- 4,000 employees
- More than 300 production units
- 31,300 thousand tons stone material 2017
- 6,500 thousand tons asphalt 2017



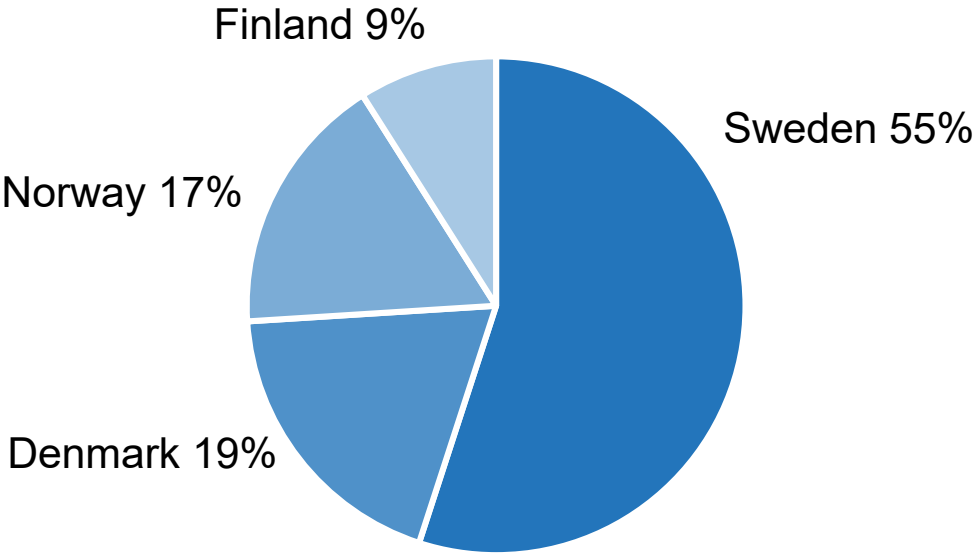
# Solid base, strongest parts Sweden and Asphalt

Net sales Jan-Sep 2018

### Product mix



### Geographical



# A leading market position in a strong market

- Market leader in the Nordics
- Positive effects from strong Nordic infrastructure and building market
- Trends affecting particularly Asphalt:
  - Increased public funding for roads
  - Ambition to decrease road maintenance backlog
  - Larger contracts in Sweden and Norway
  - Somewhat slower market in Denmark
- Demand for stone materials and foundation works boosted by strong building and infrastructure markets mainly in Sweden and Norway

# NCC Industry

Jan-Sep 2018

## Net sales

SEK 9,092 M  
(8,554)

## EBIT

SEK 196 M  
(435)

- Three underperforming departments
- Effect on Q3 results from closing units and exiting Russia
- Temporary volume decrease in Foundation Sweden this season
- Stone business overall delivers as expected
- Asphalt Sweden very strong results. Norway well on track

# Ongoing action plan to improve profitability in three departments

## Asphalt Finland

- New management
- Organizational restructuring and rightsizing
- Stationary asphalt plant close downs
- New strategy utilizing ultra mobile plants
- Reduction of machinery
- Centralization of tender selection and pricing
- New processes in place for risk management and project steering

## Asphalt Denmark

- New management
- Organizational restructuring and rightsizing
- Close down of unprofitable activities
- Increased use of reclaimed asphalt
- Reduction of machinery
- Centralization of tender selection and pricing
- New processes in place for risk management and project steering

## Foundation Norway

- New management
- Organizational restructuring and rightsizing
- Loss making unit in North closed down
- Acquisition end 2017 to enhance market position and scale
- Reduction of machinery
- Centralization of tender selection and pricing
- New processes in place for risk management and project steering

# Summary

- Q3 result affected by isolated non performing units and shut down cost for unprofitable business
- Actions already taken with future effect and further focused remediation plans in place for underperformers
- Solid base business, market continues to be strong