

# Year-end report 2013

Peter Wågström  
President and CEO

Ann-Sofie Danielsson  
Chief Financial Officer

Östensjöveien 27, Oslo

# Q4 in brief

- Orders received: SEK 14,363 M (15,423)
- Net sales SEK 21,073 M (19,069)
- Order backlog: SEK 47,638 M (45,833)
- Operating profit: SEK 1,547 M (1,332)
- Cash flow before financing: SEK 4,240 M (2,981)



Plus energy building, Halmstad

# Intensified seasonal pattern...

*Profit/loss after financial items*



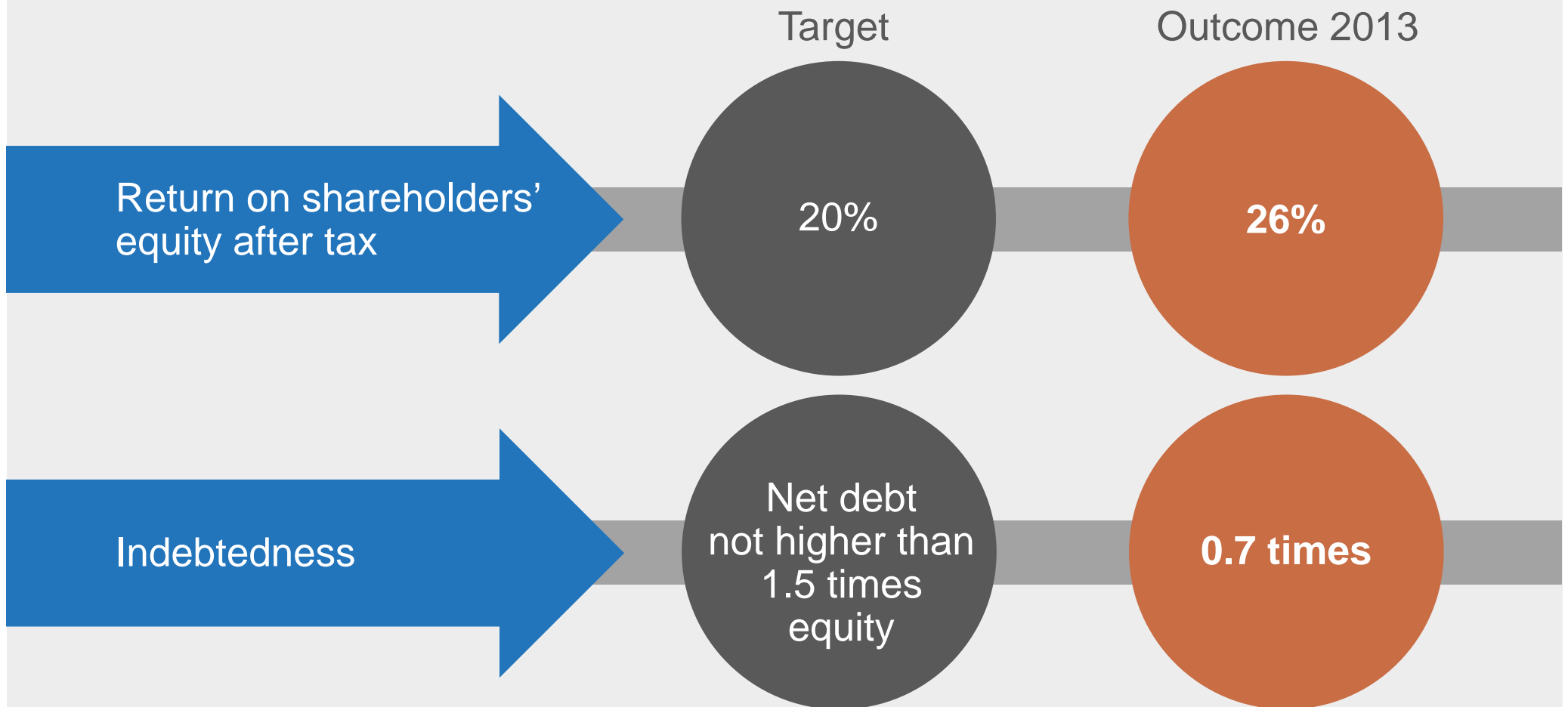


# 2013 in brief

- Orders received: SEK 56,979 M (55,759)
- Net sales: SEK 57,823 M (57,227)
- Operating profit: SEK 2,679 M (2,519)
- Cash flow before financing: SEK 1,661 M (neg: 932)
- Return on shareholders' equity 26% (28)



# Financial objectives



# Growth targets for the period 2012-2015

## Target 2012-2015

Industry  
2 times GDP

Construction operation  
2 times GDP

No fewer than 7,000 housing  
units in ongoing production

## Status 2013

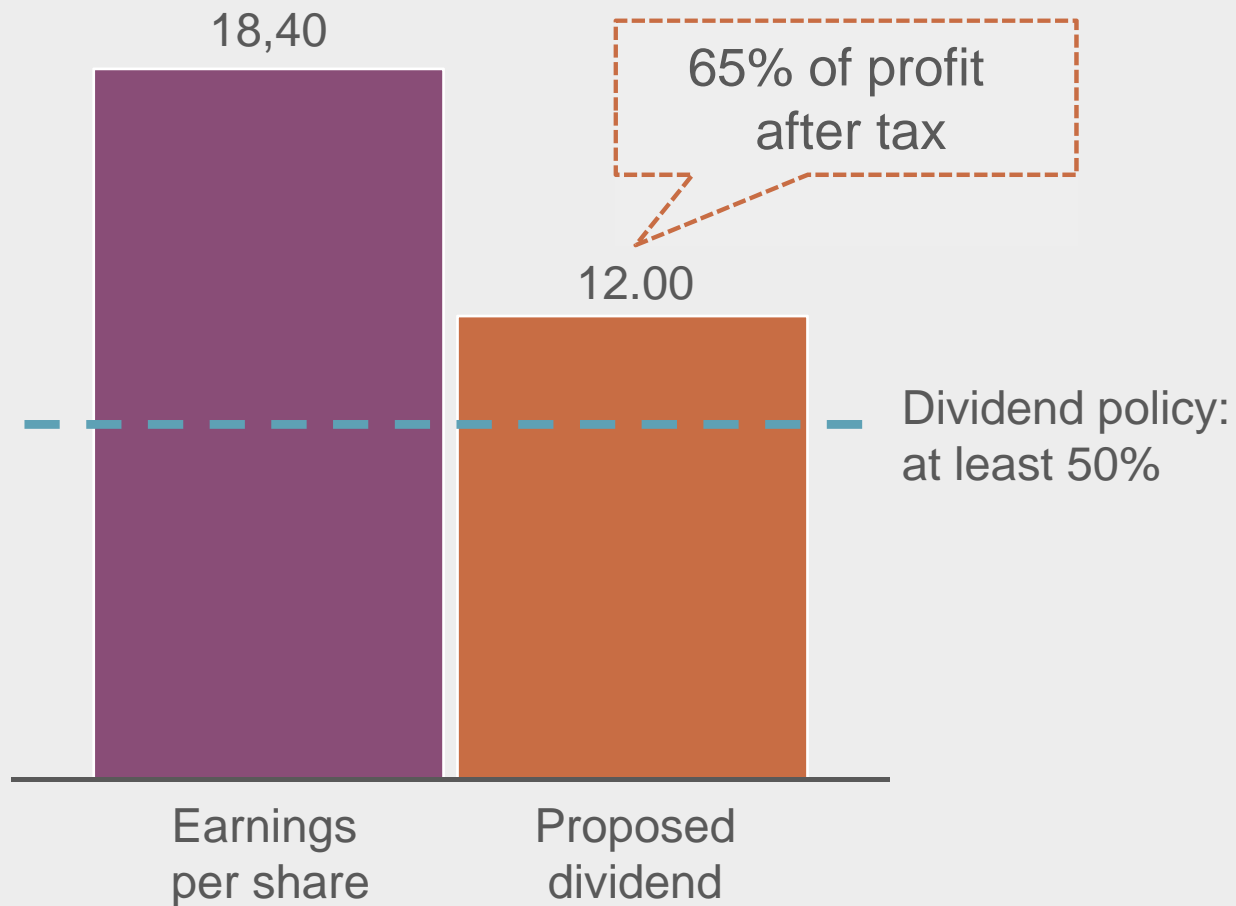
2%  
(2xBNP = 1.7%)

2,7%  
(2xBNP = 1.7%)

6,383



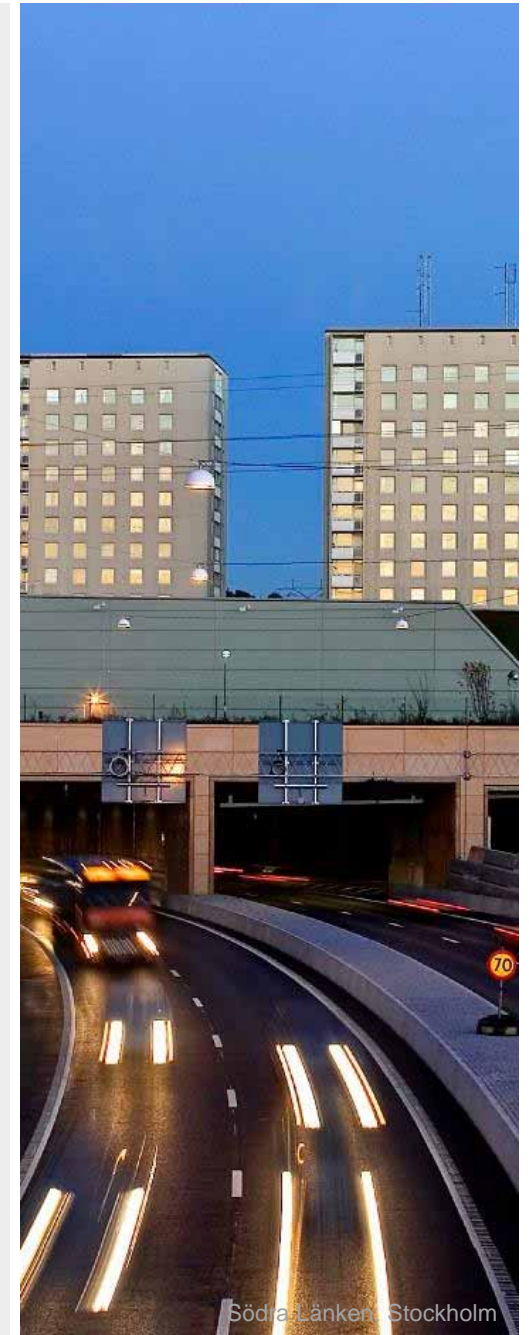
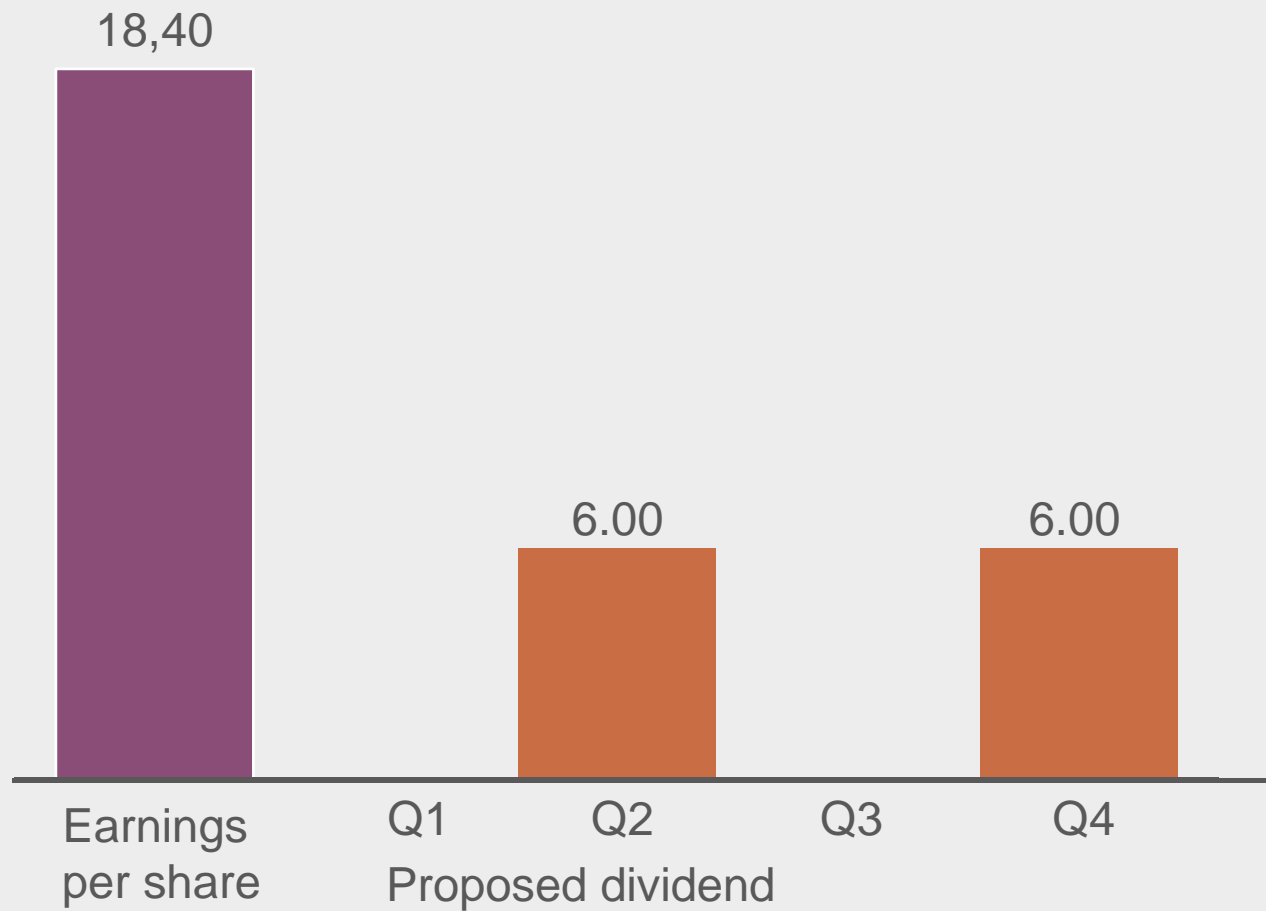
# Earnings per share and dividend *SEK*



Södra Länken, Stockholm

# Earnings per share and dividend

*SEK*





# NCC's Construction units

## *Market*

### Q4/2013

- Construction market is recovering slowly

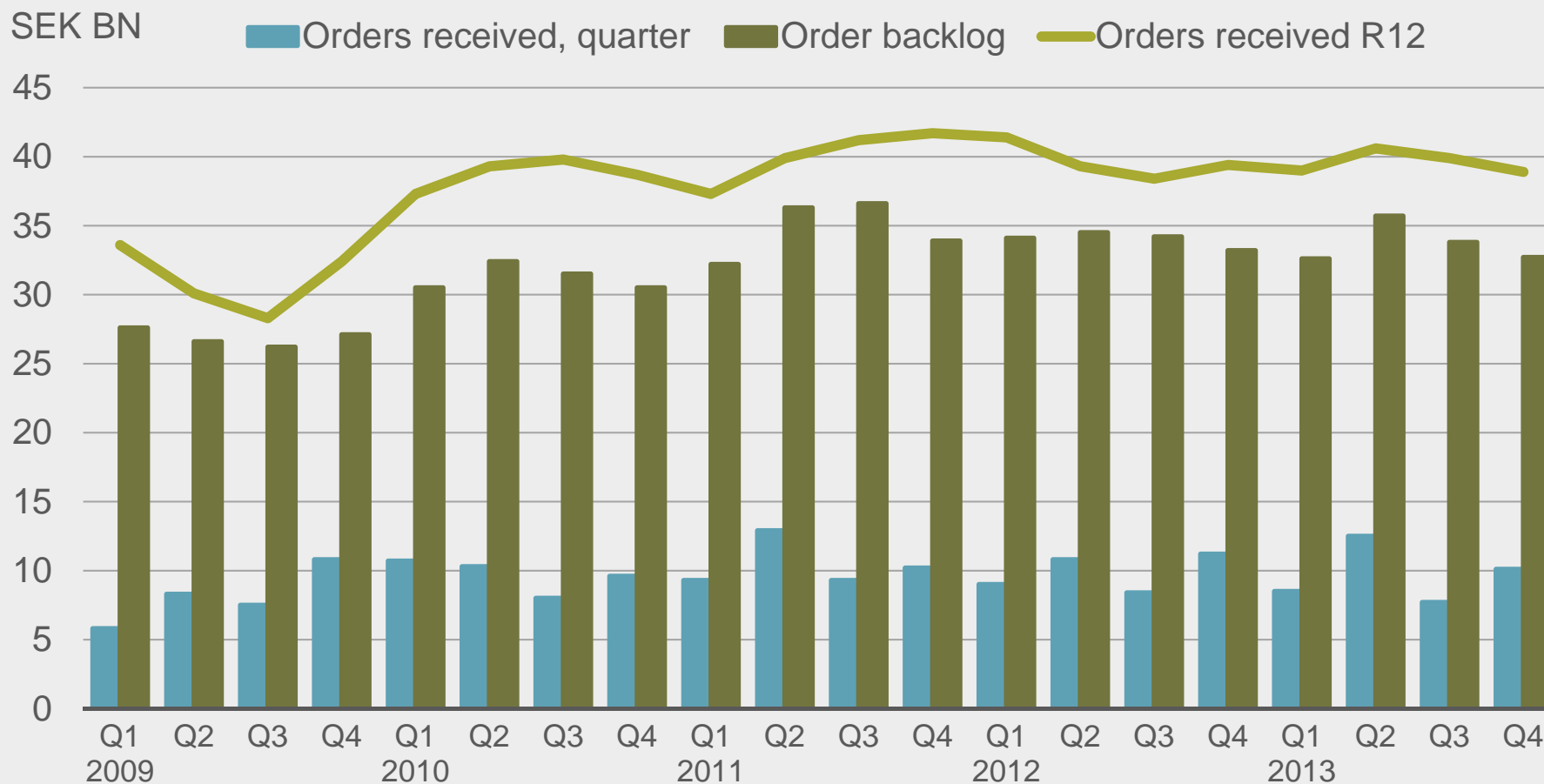
### 2014

- Some expansion in the Nordic construction market
- Strongest performance in the Norwegian and Swedish markets, weaker in Finland



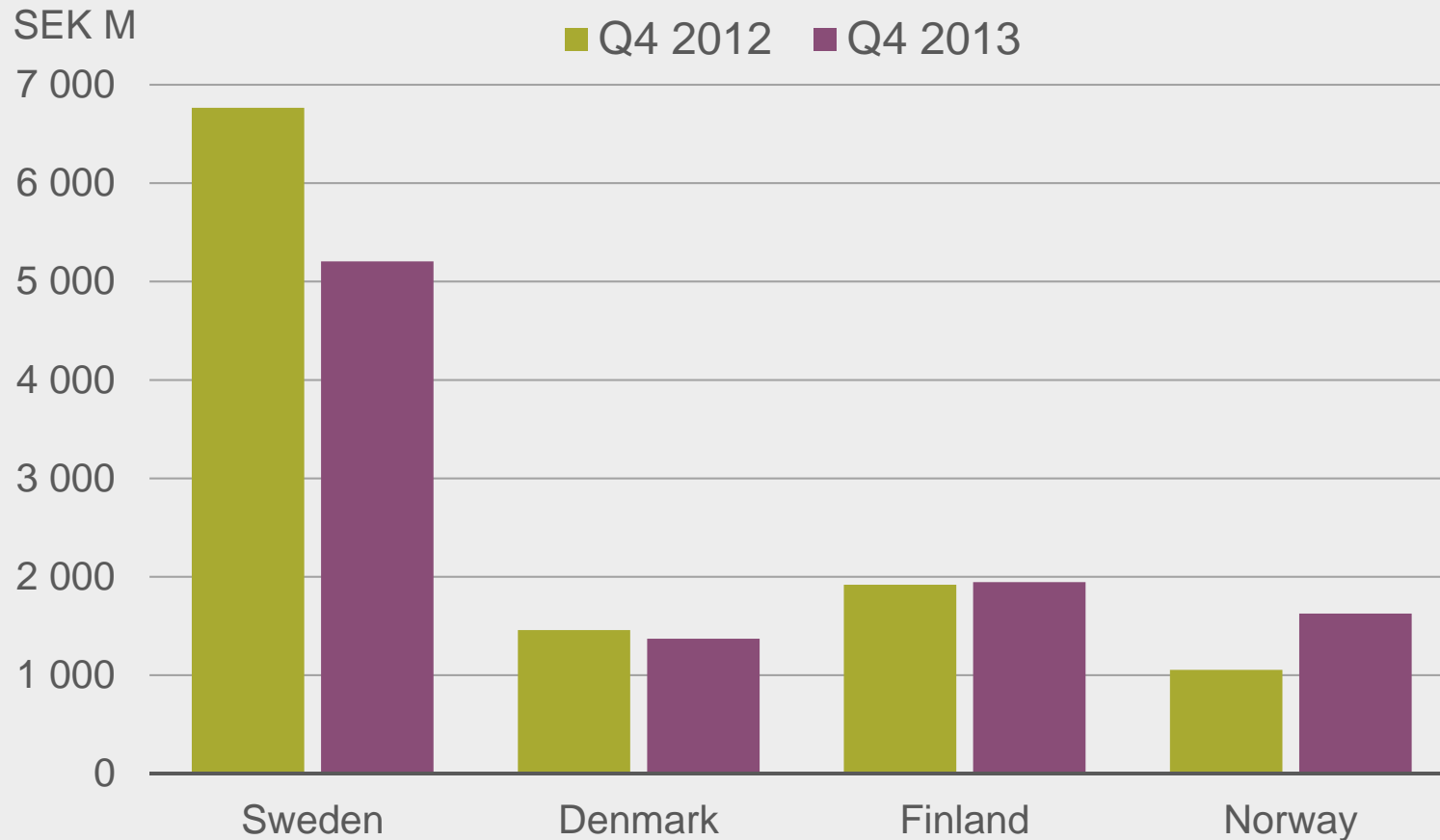
# Orders received and order backlog at a favorable level...

*NCC's Construction units*



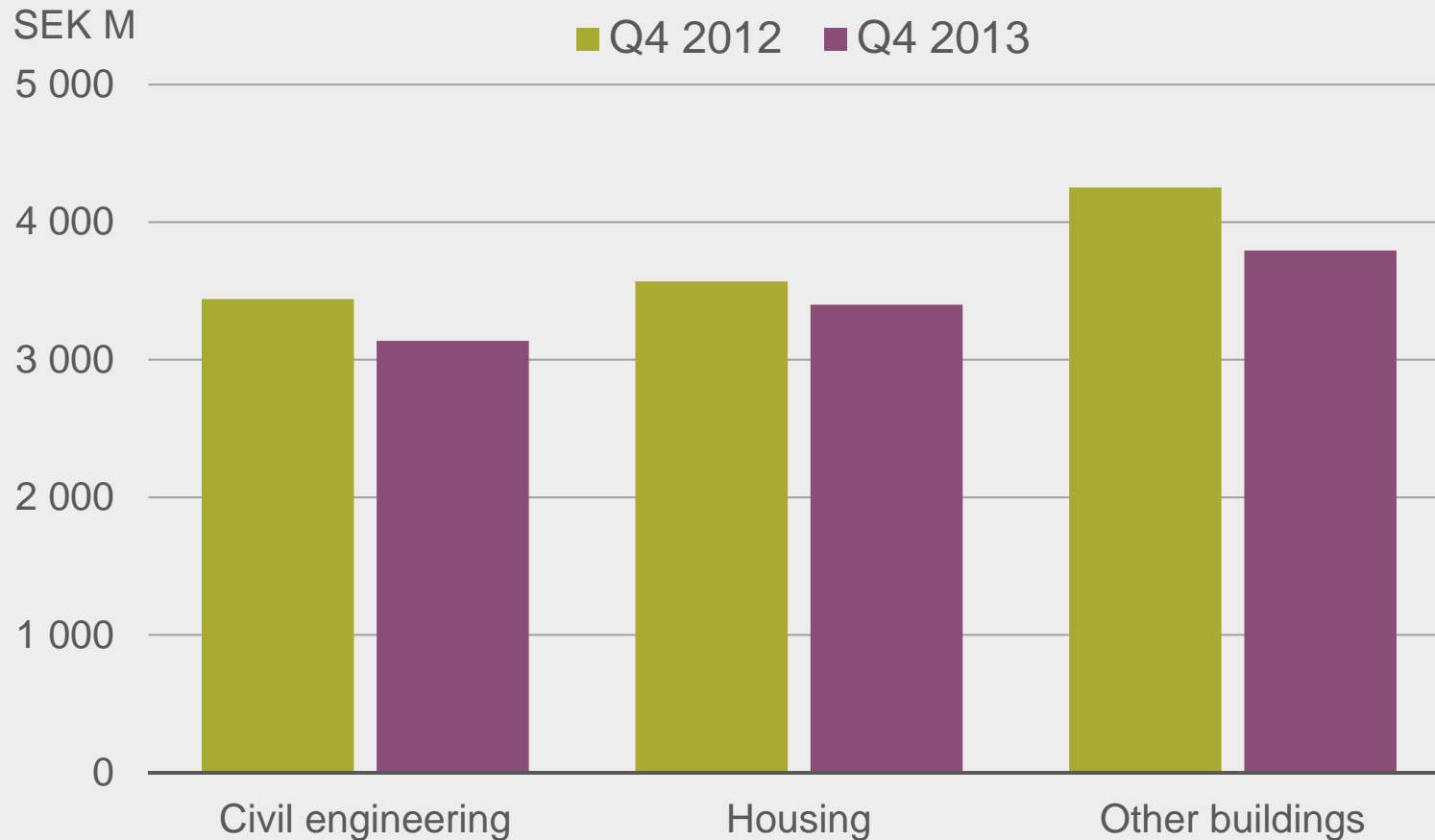
# ...despite decrease in orders received in Q4

*Orders received, NCC Construction units*



# Uniform distribution between segments

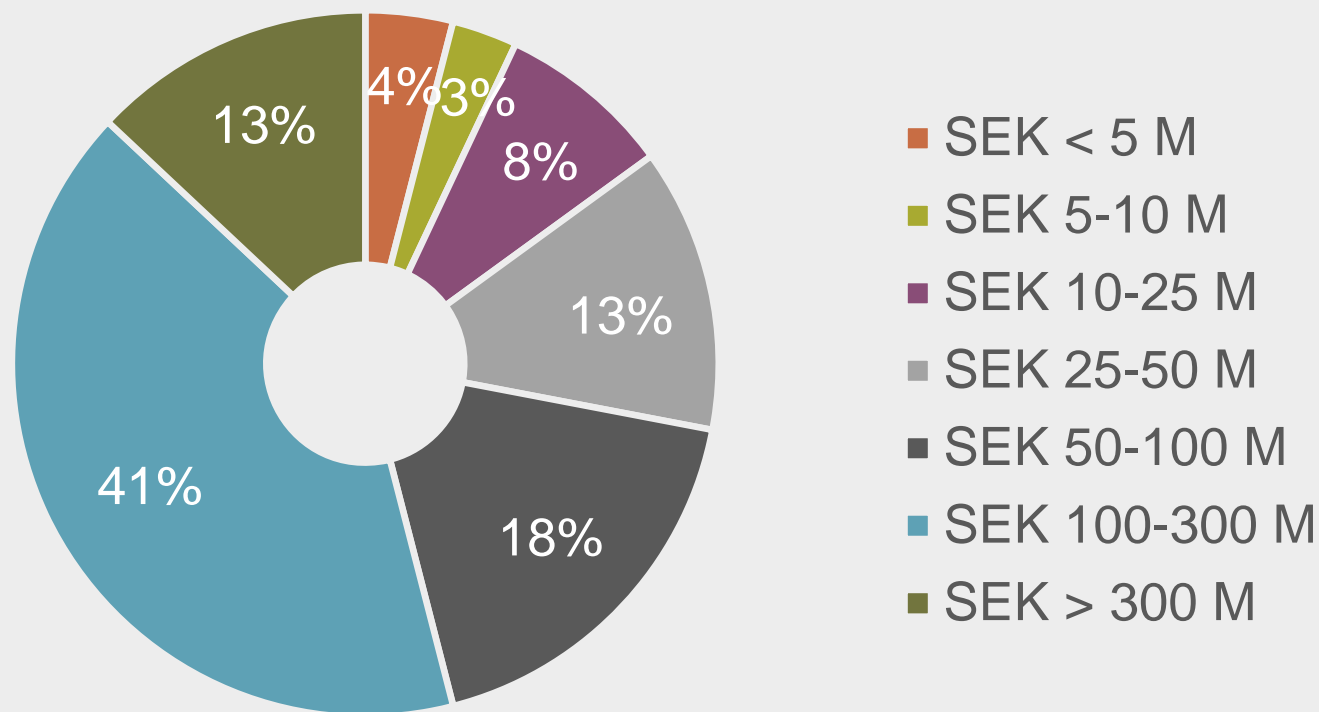
*Orders received, NCC Construction units*





# Healthy distribution between small and large projects

*NCC's Construction units*



**Total SEK 10.1 BN (11.2)**

# Large-scale orders in construction operations

## *Q4 2013*

- Birkelandskrysset traffic hub in Bergen, SEK 490 M
- Eco-profiled swimming complex in Eskilstuna, SEK 295 M
- Hotel in Oslo, SEK 250 M



# NCC Roads

## *Market*

### **Q4/2013**

- Long season – higher demand for asphalt
- Weaker demand for aggregates, southwestern Sweden and Finland

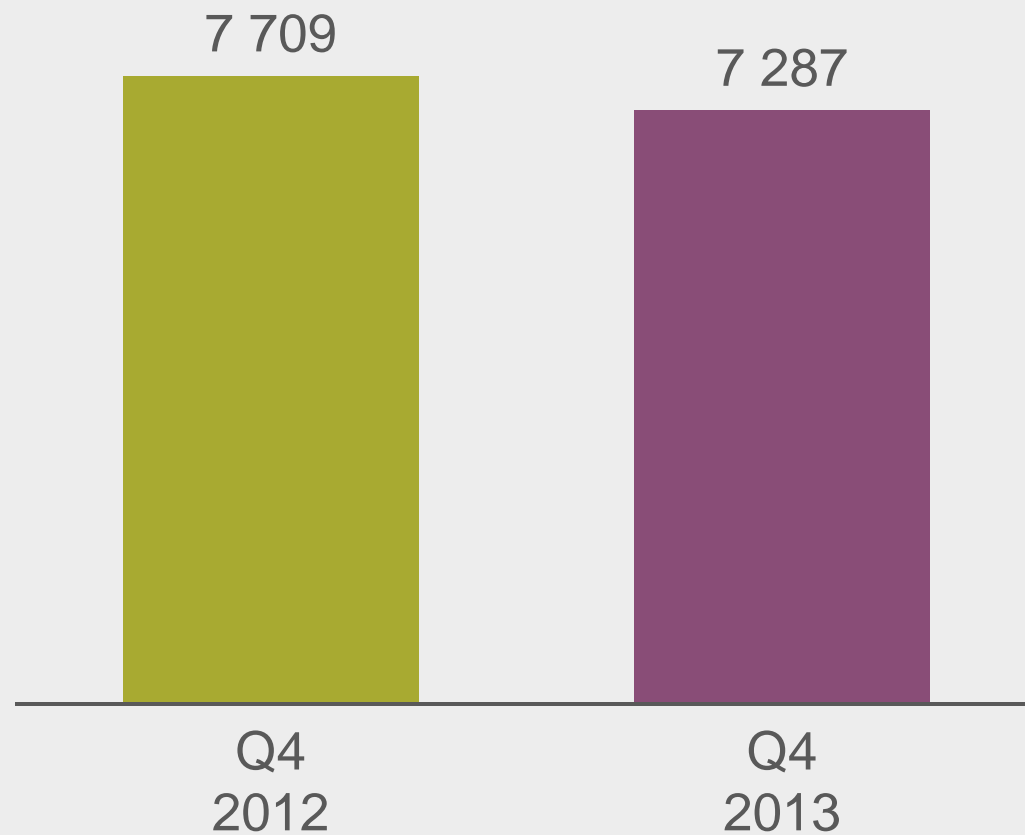
### **2014**

- Higher demand for aggregates
- Asphalt market – conditions for growth
- Road services – stable demand, intense competition



# Lower volume of aggregates

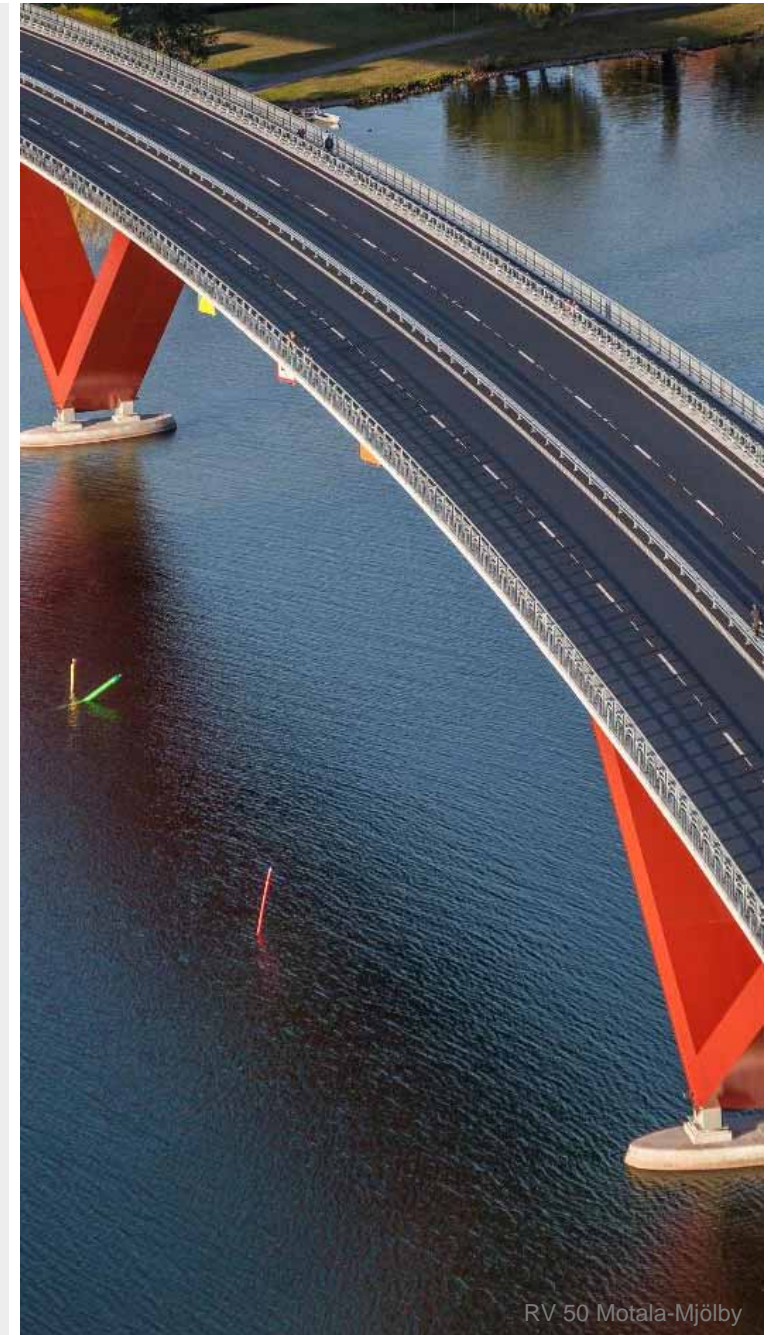
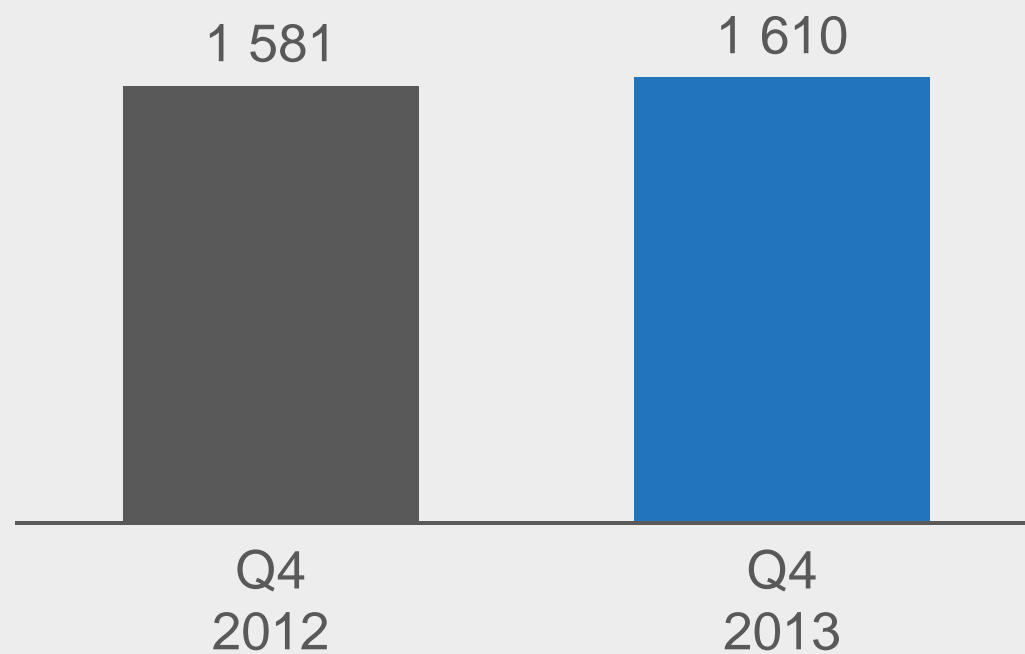
*Volumes of aggregates sold,  
thousands of tons*





# High asphalt volumes

*Volumes of asphalt sold,  
thousands of tons*



# NCC Housing

## *Market conditions*

### **Q4/2013**

- Best market conditions in Germany and St. Petersburg.
- Improvement in market conditions in Copenhagen and the Baltic countries, while the Finnish market weakened
- Higher prices in Sweden – market characterized by caution
- Norway – prolonged selling process

### **2014**

- Stable demand in all markets in 2014 – Finland and Norway more uncertain
- Essentially unchanged price levels



Vallda Heberg, Kungsbacka

# Continued healthy sales of housing...

No. of housing units sold	Oct-Dec		Jan-Dec	
	2013	2012	2013	2012
Sweden	297	210	854	702
Denmark	78	63	269	121
Finland	243	251	719	736
Baltic countries	51	33	176	103
St. Petersburg	219	111	782	496
Norway	10	54	67	144
Germany	214	195	880	635
<b>Total, private customers</b>	<b>1,112</b>	<b>917</b>	<b>3,747</b>	<b>2,937</b>
Investment market	281	651	1,129	1,395
<b>Total</b>	<b>1,393</b>	<b>1,568</b>	<b>4,876</b>	<b>4,332</b>

## ... create platform for more starts

	Oct-Dec		Jan-Dec	
No. of housing starts	2013	2012	2013	2012
Sweden	306	44	681	690
Denmark	60	105	263	167
Finland	257	346	656	728
Baltic countries	0	45	137	118
St. Petersburg	295	651	935	651
Norway	0	118	25	174
Germany	161	159	1,018	668
<b>Total, private customers</b>	<b>1,079</b>	<b>1,468</b>	<b>3,715</b>	<b>3,196</b>
Investment market	247	536	1,095	1,328
<b>Total</b>	<b>1,326</b>	<b>2,004</b>	<b>4,810</b>	<b>4,524</b>



# Tobaksmonopolet, tenant-owner association Söderkisen



## Immense interest

- 91 apartments
- Average price SEK 65,800 per sqm
- 2,700 interested parties in the VIP register  
– VIP presentation fully booked;  
attracted with 700 participants
- Sales to commence on January 30

## ...create platform for more starts

	Oct-Dec		Jan-Dec	
No. of housing starts	2013	2012	2013	2012
Sweden	306	44	681	690
Denmark	60	105	263	167
Finland	257	346	656	728
Baltic countries	0	45	137	118
St. Petersburg	295	651	935	651
Norway	0	118	25	174
Germany	161	159	1,018	668
<b>Total, private customers</b>	<b>1,079</b>	<b>1,468</b>	<b>3,715</b>	<b>3,196</b>
Investment market	247	536	1,095	1,328
<b>Total</b>	<b>1,326</b>	<b>2,004</b>	<b>4,810</b>	<b>4,524</b>

# Housing sales for investors, Q4

## *Major transactions*

City	Housing units	Price SEK M	Recognized in profit
Frankfurt, Germany	70	138	Q2 2015
Helsinki, Finland	92	210	Q4 2013



Malmgård, Helsinki

# Fewer completed unsold housing units

Number of housing units	Dec 31, 2013	Dec 31, 2012
Sweden	117	77
Denmark	21	40
Finland	103	152
Baltic countries	32	75
St. Petersburg	34	11
Norway	8	16
Germany	27	22
<b>Total, private customers</b>	<b>342</b>	<b>393</b>
Investment market	0	0
<b>Total</b>	<b>342</b>	<b>393</b>



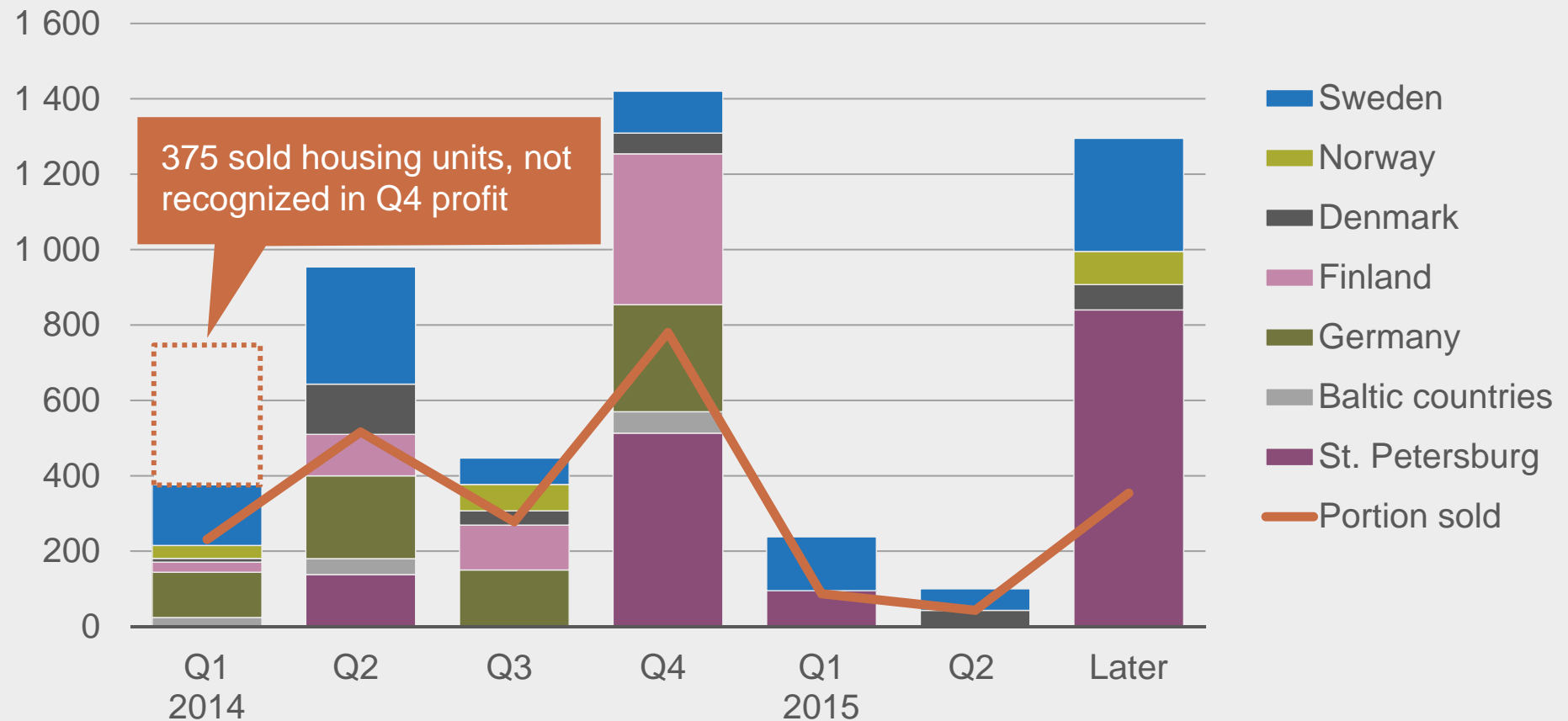
Säby, Stockholm



# More housing units will be added in Q1

## *Estimated completion*

No. of housing units for private customers



# More housing units under construction in 2013

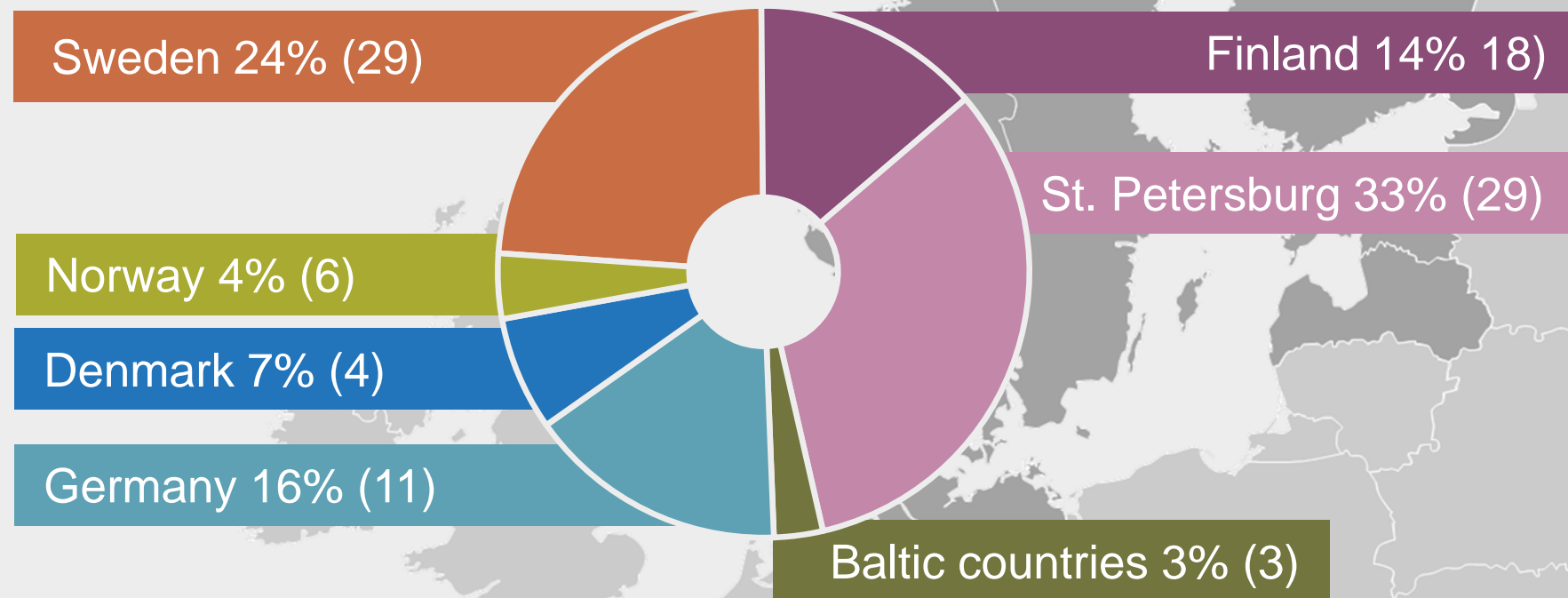
	For private customers		For investors		Total	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31,	Dec 30, 2013	Dec 31, 2012
<b>Number of housing units</b>						
Ongoing production	<b>4,831</b>	4,391	<b>1,552</b>	1,377	<b>6,383</b>	5,768
Sales rate, %	<b>47</b>	43	<b>98</b>	96	<b>59</b>	56
Completion rate, %	<b>49</b>	47	<b>38</b>	40	<b>46</b>	45



Havneviggen, Denmark

# Housing portfolio – market adjustment 2013

*Housing for private customers,  
ongoing production  
December 31, 2013 (December 31, 2012)*



# NCC Property Development *Market*

## **Q4/2013**

- Lower transaction volume
- Demand for modern and “green” properties with stable tenants in prime locations
- Healthy demand and stable vacancy rates in leasing market, with the exception of Finland

## **2014**

- Anticipated GDP increase – positive impact on Nordic property market
- Best conditions in Swedish market



Alberga Business Park

# Property sales, Q4

Project	Type	Price SEK M	Recognized in profit
Plaza Tuike, Vantaa	Offices	154	Q1 2014
Plaza Halo, Vantaa	Offices		Q4 2013
Östensjöveien 27, Oslo	Offices	490	Q4 2013
Herredsentret I and II, Hilleröd	Retail	85	Q4 2013
Kolding Retailpark, Kolding	Retail	14	Q4 2013
Eslöv	Retail	53	Q4 2013

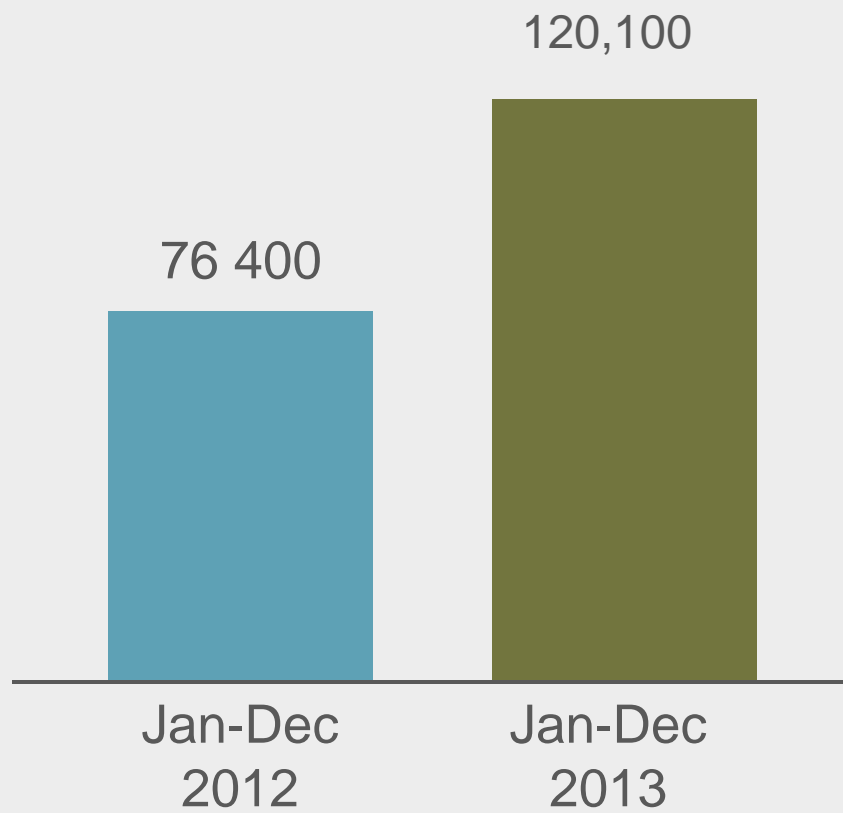


Östensjöveien, Oslo



# Successful leasing

*Leased floor space, m<sup>2</sup>*



Koggen 2, Malmö

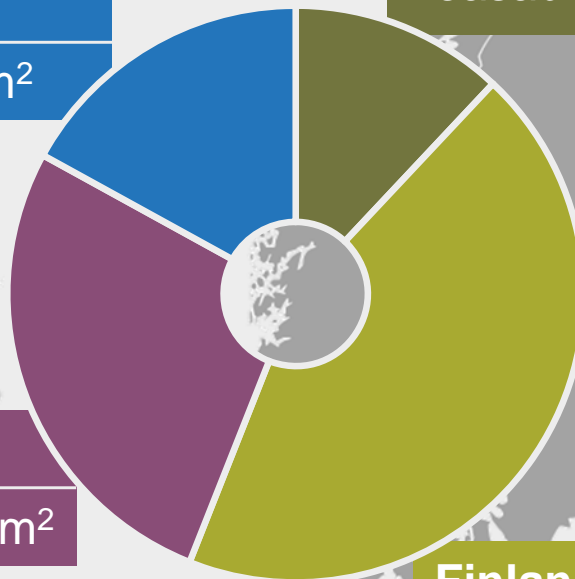
# Smaller portfolio

*17 (23) ongoing or completed projects not recognized in profit  
December 31, 2013 (December 31, 2012)*

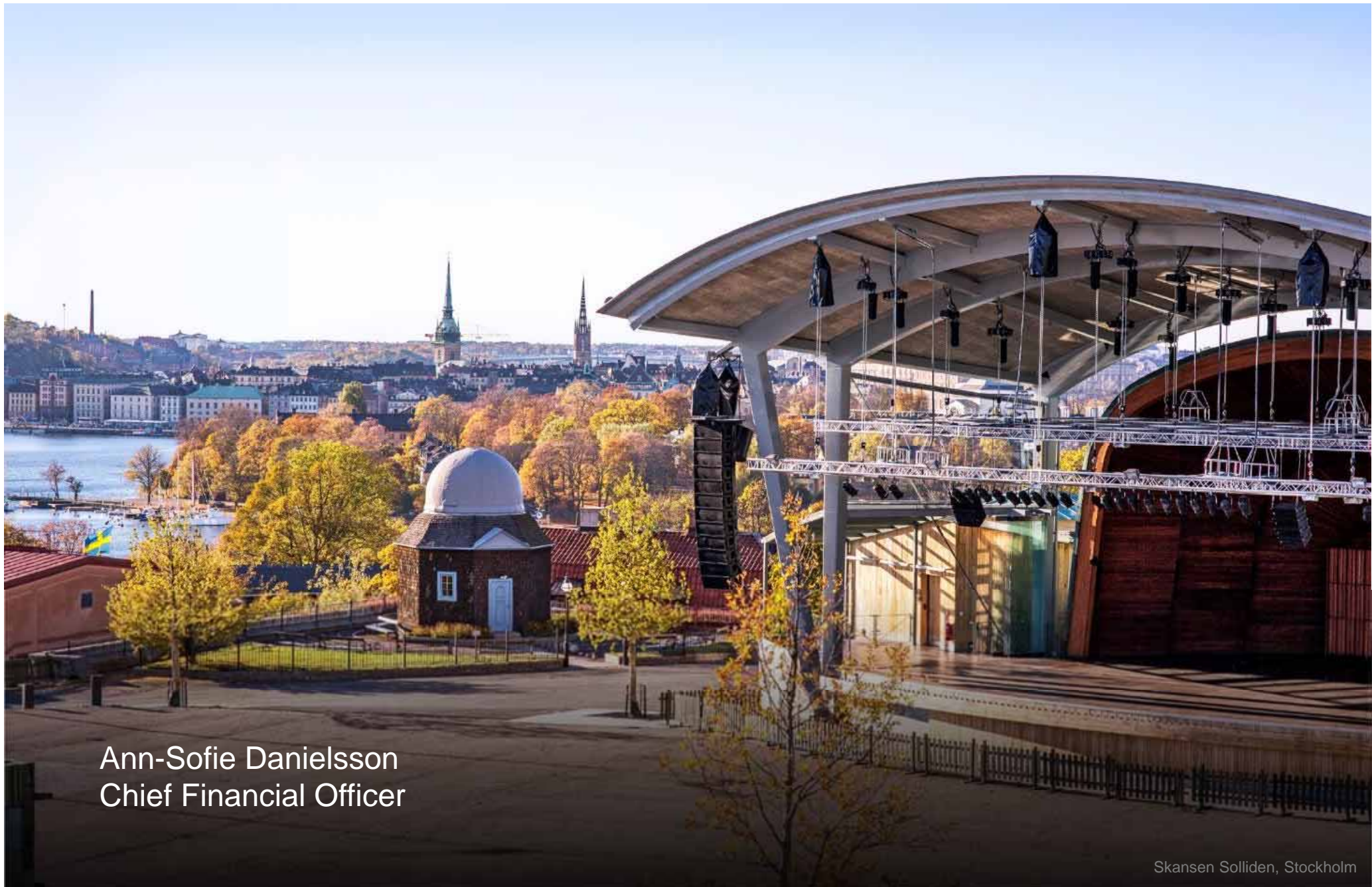
**Norway, 2 (2) projects**  
Leasable floor space 28,700 m<sup>2</sup>

**Sweden, 1 (5) projects**  
Leasable floor space 20,200 m<sup>2</sup>

**Denmark, 7 (9) projects**  
Leasable floor space 44,600 m<sup>2</sup>



**Finland, 7 (7) projects**  
Leasable floor space 73,500 m<sup>2</sup>



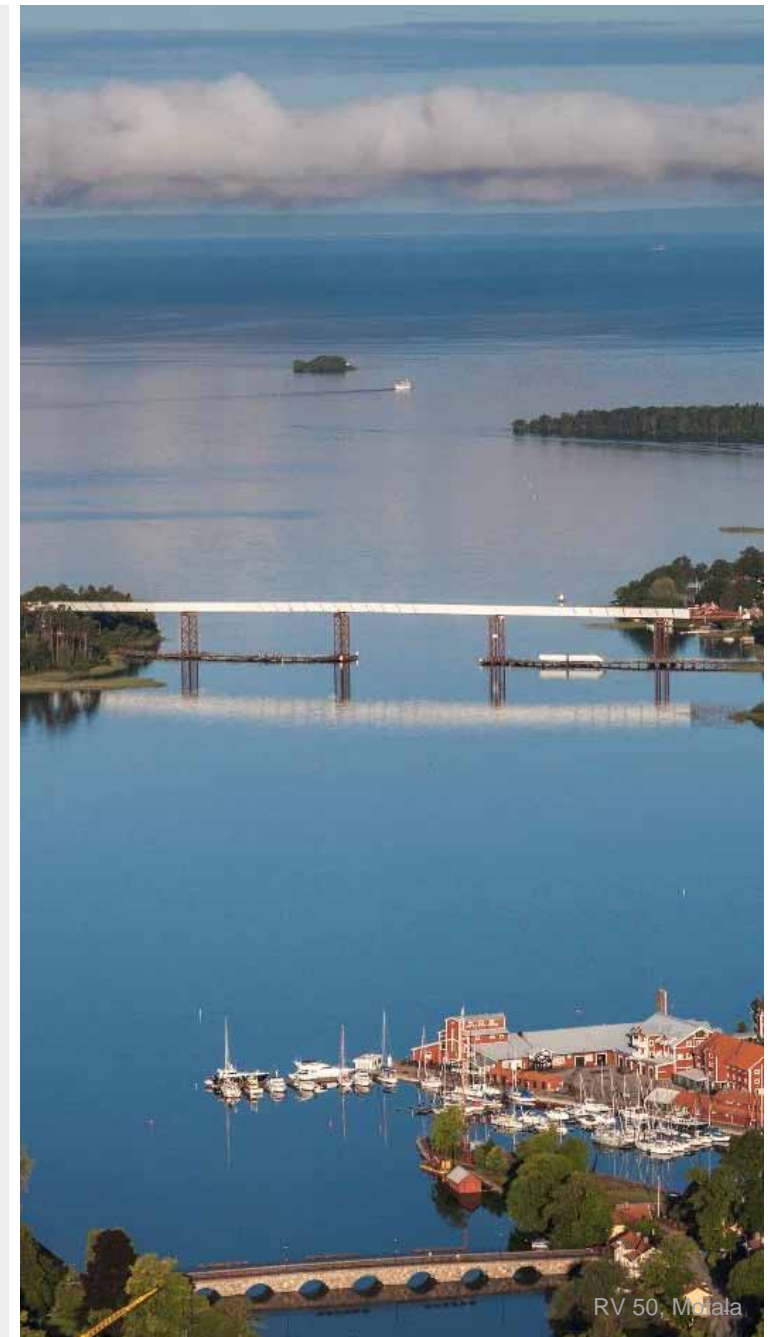
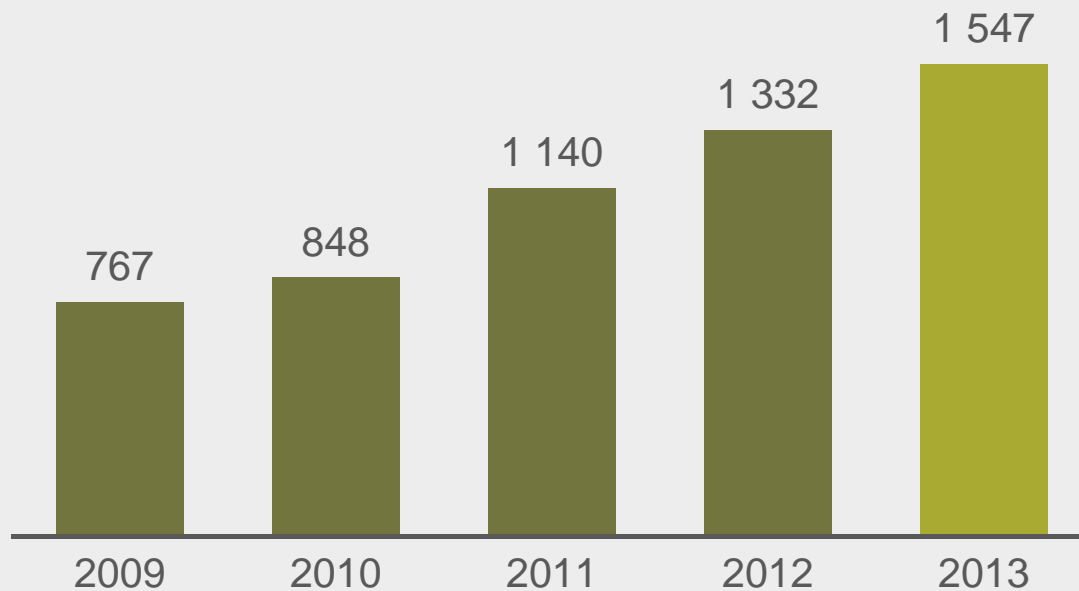
Ann-Sofie Danielsson  
Chief Financial Officer



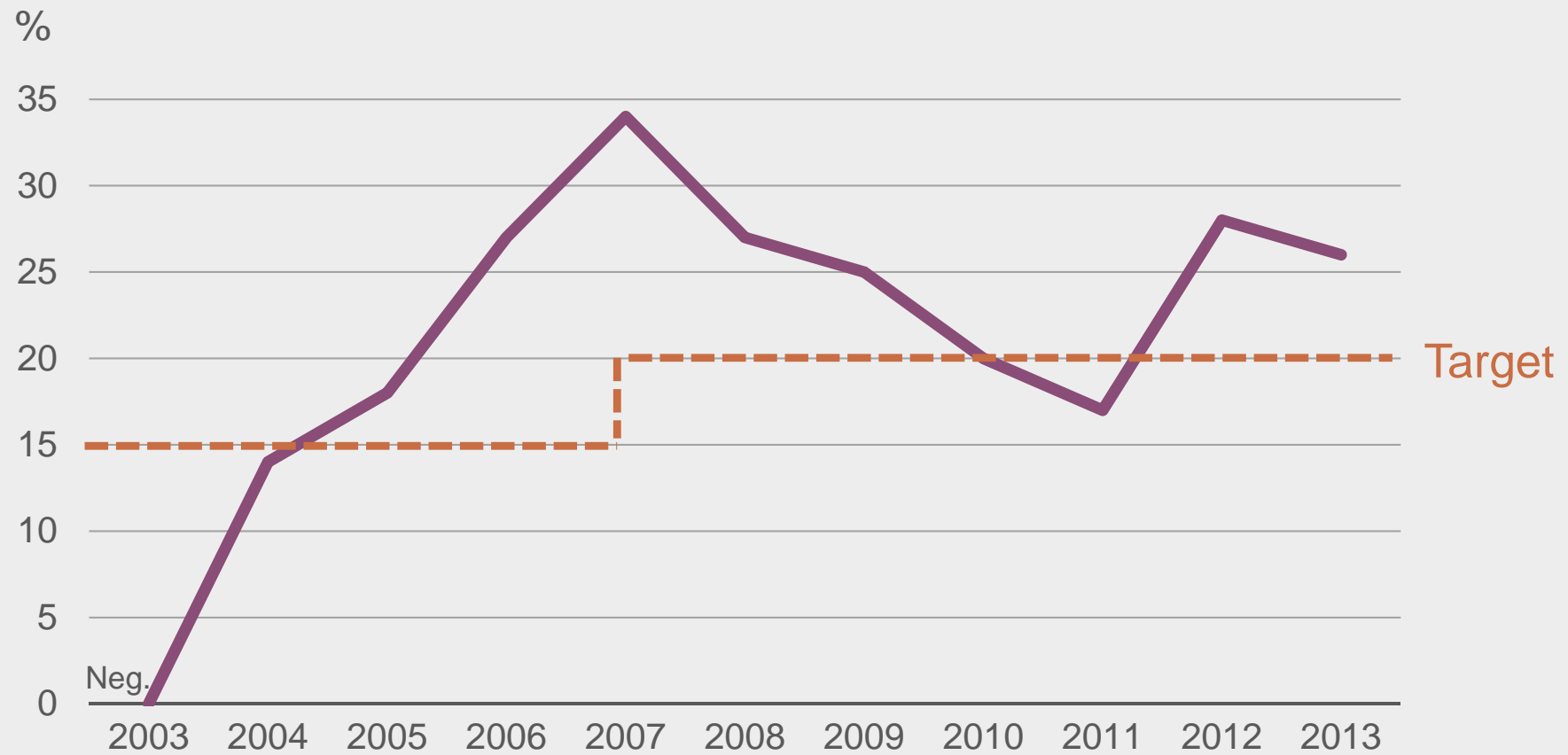
# Q4 in brief

- Best fourth quarter ever
- Healthy cash flow
- Favorable return on equity

Profit after financial items, SEK M



# Return on equity

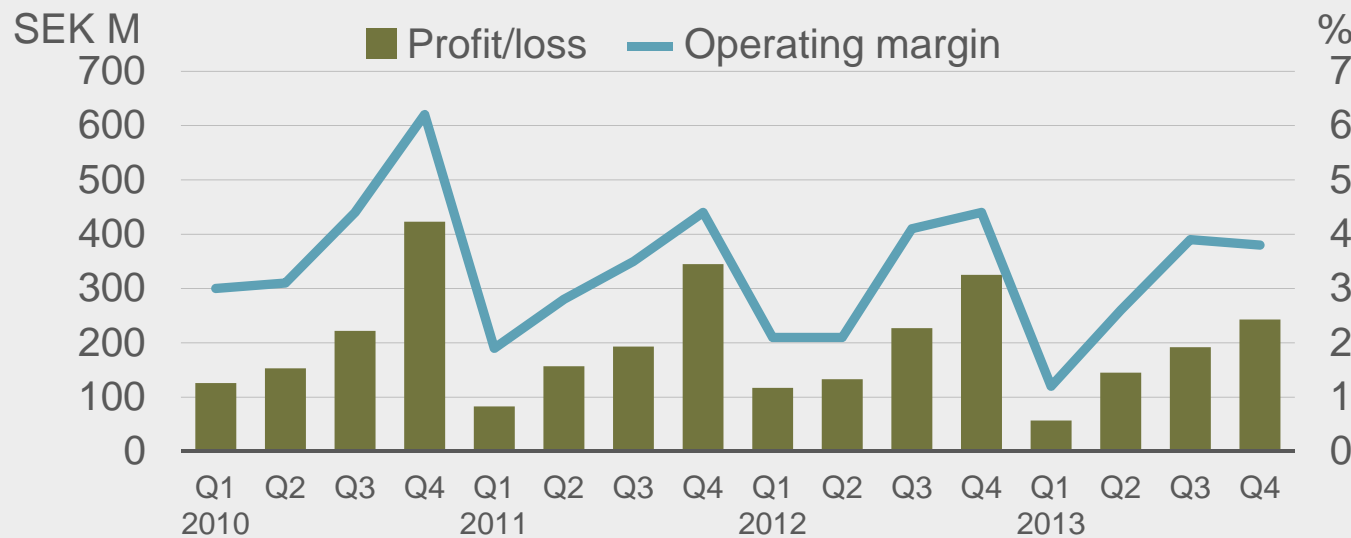
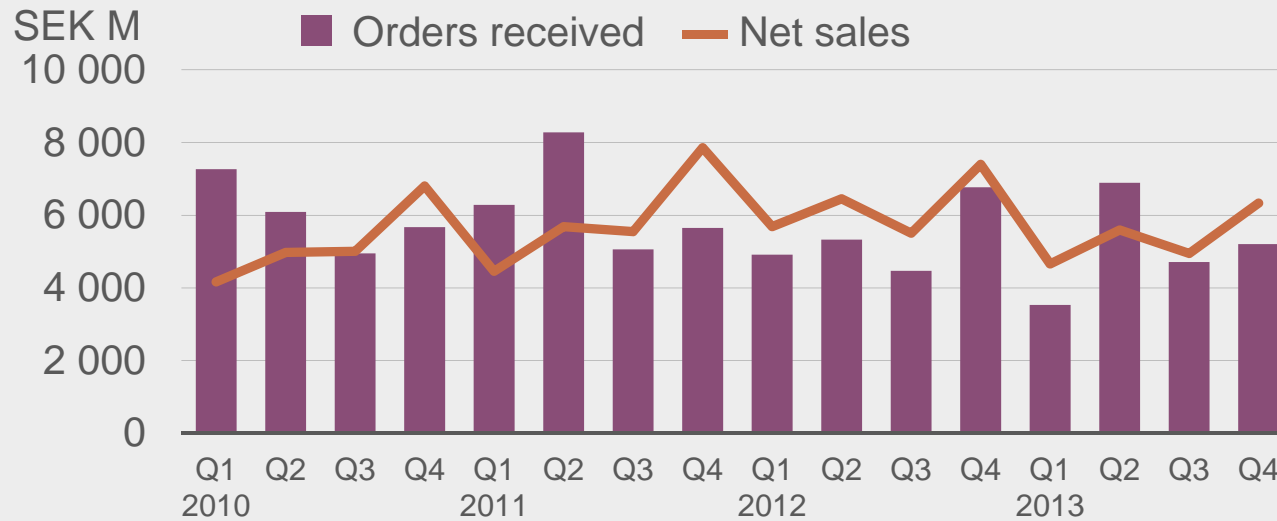




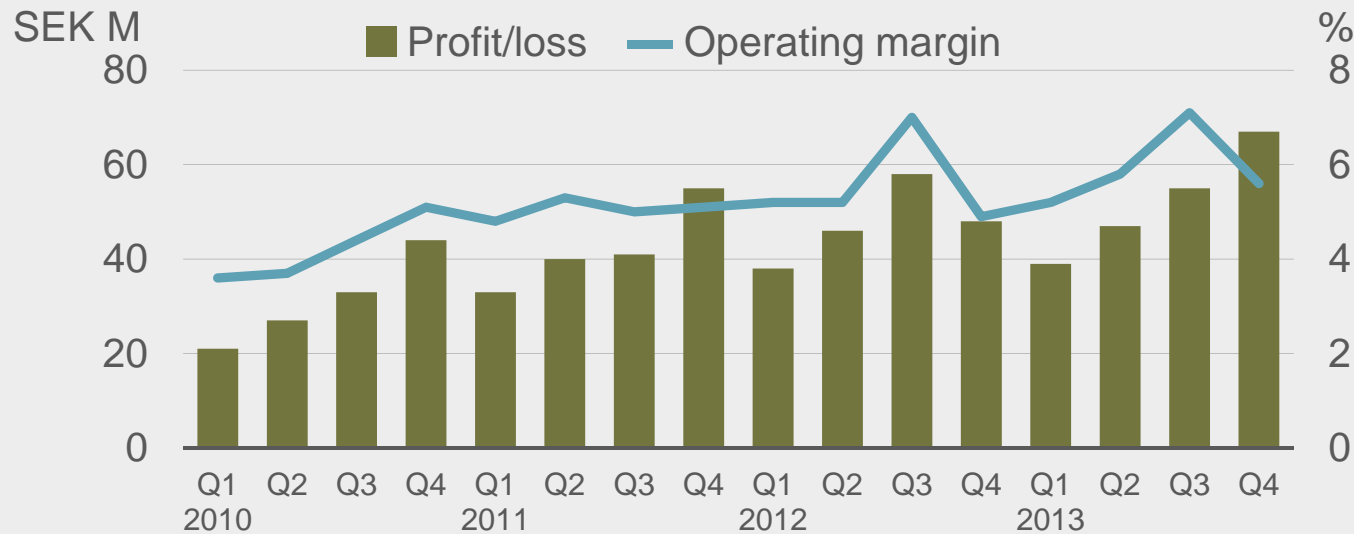
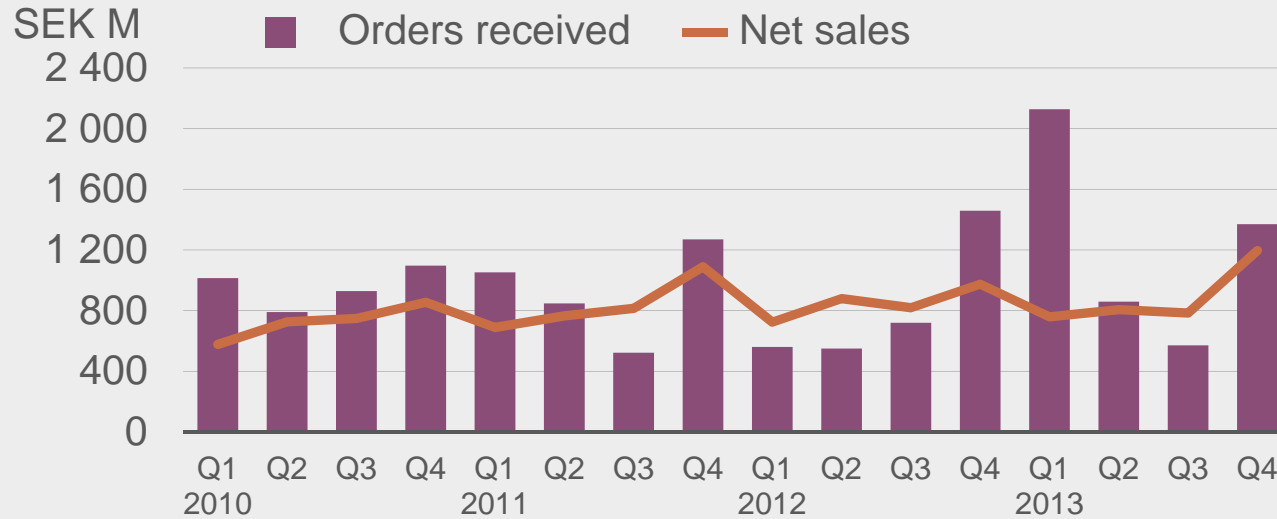
# Income statement

SEK M	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Net sales	21,073	19,069	57,823	57,227
<b>Gross profit</b>	<b>2,400</b>	<b>2,208</b>	<b>5,796</b>	<b>5,495</b>
Selling and administrative expenses	-852	-881	-3,130	-2,988
<i>Cost ratio</i>	4.0%	4.6%	5.4%	5.2%
Other	-1	6	14	12
<b>Operating profit</b>	<b>1,547</b>	<b>1,332</b>	<b>2,679</b>	<b>2,519</b>
Financial items	-75	-74	-279	-241
<b>Profit after financial items</b>	<b>1,472</b>	<b>1,258</b>	<b>2,400</b>	<b>2,277</b>
Tax on profit for the period	-241	-129	-411	-367
<i>Tax rate</i>	16.4%	10.3%	17.1%	16.1%
<b>Profit for the period</b>	<b>1,231</b>	<b>1,130</b>	<b>1,989</b>	<b>1,910</b>

# NCC Construction Sweden

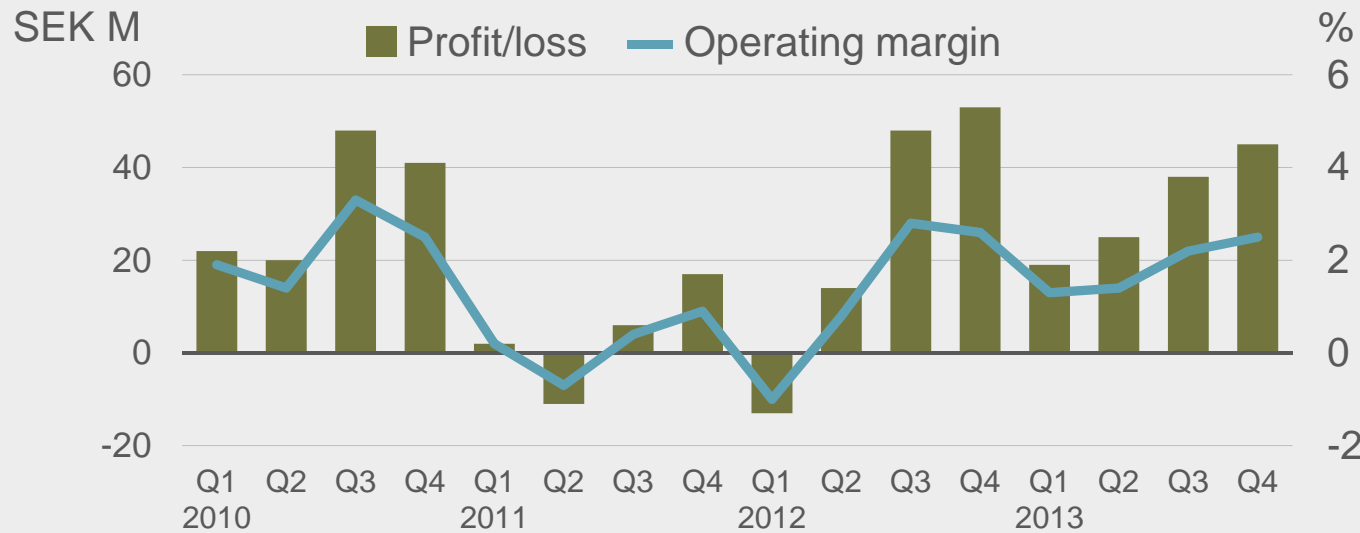
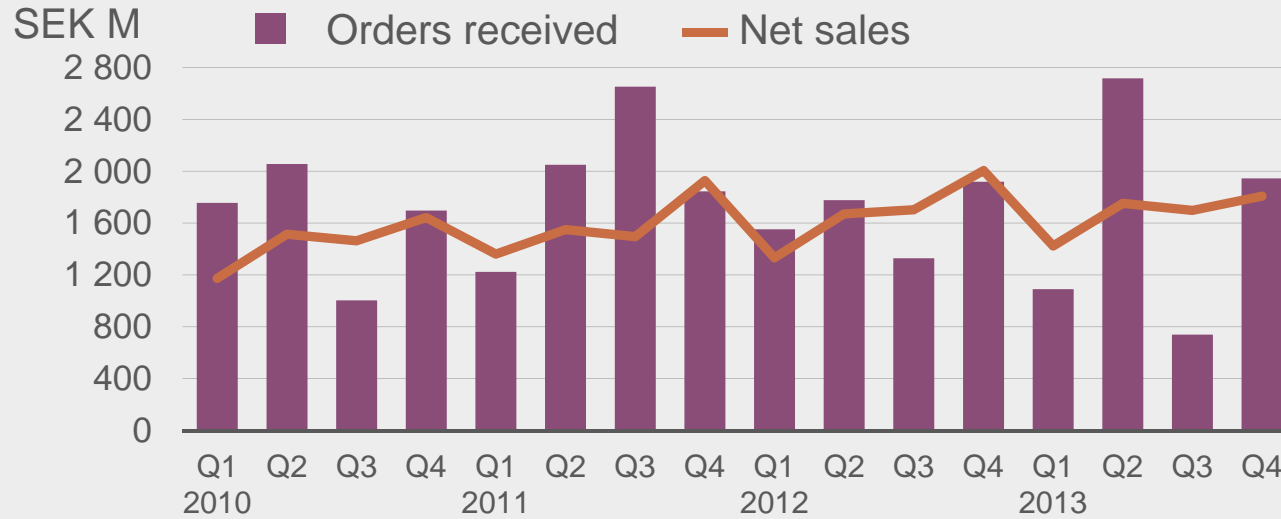


# NCC Construction Denmark



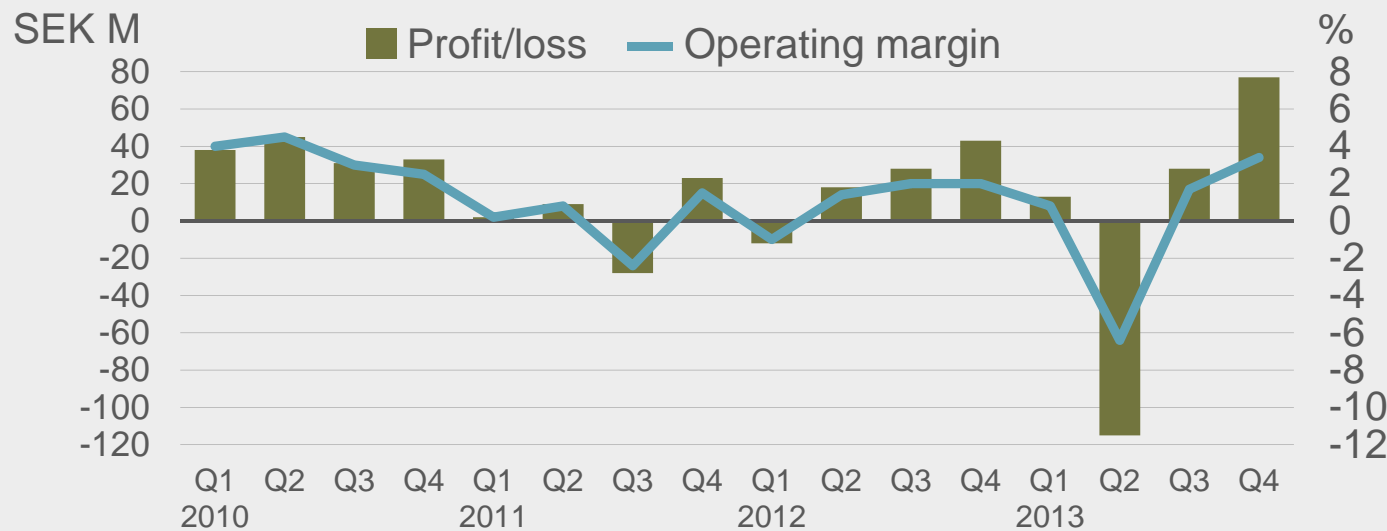
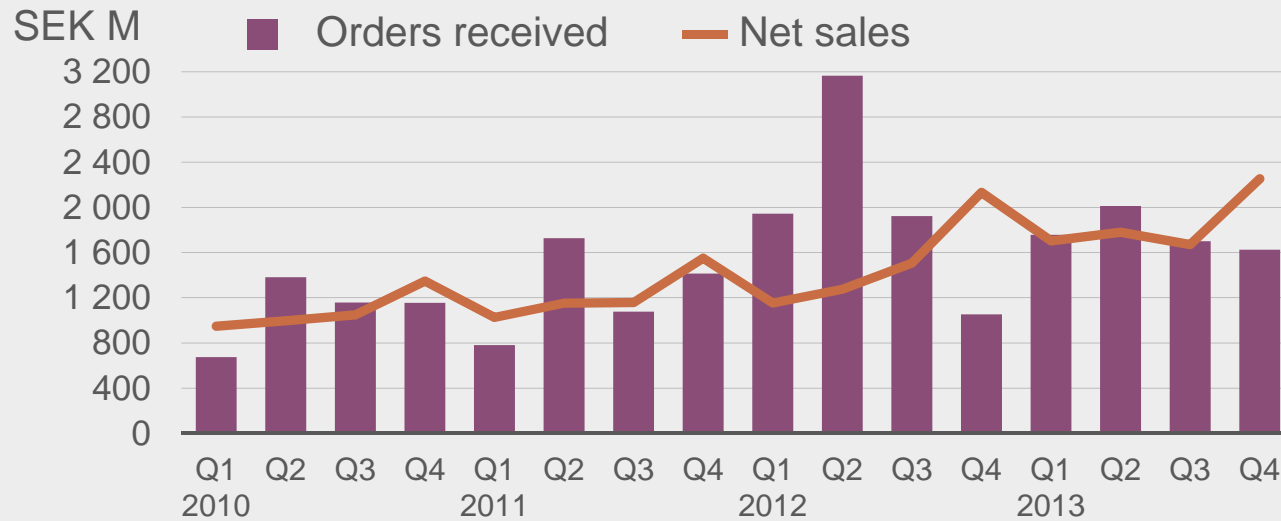
Ørestad, Copenhagen

# NCC Construction Finland



Plaza Business Park, Vantaa

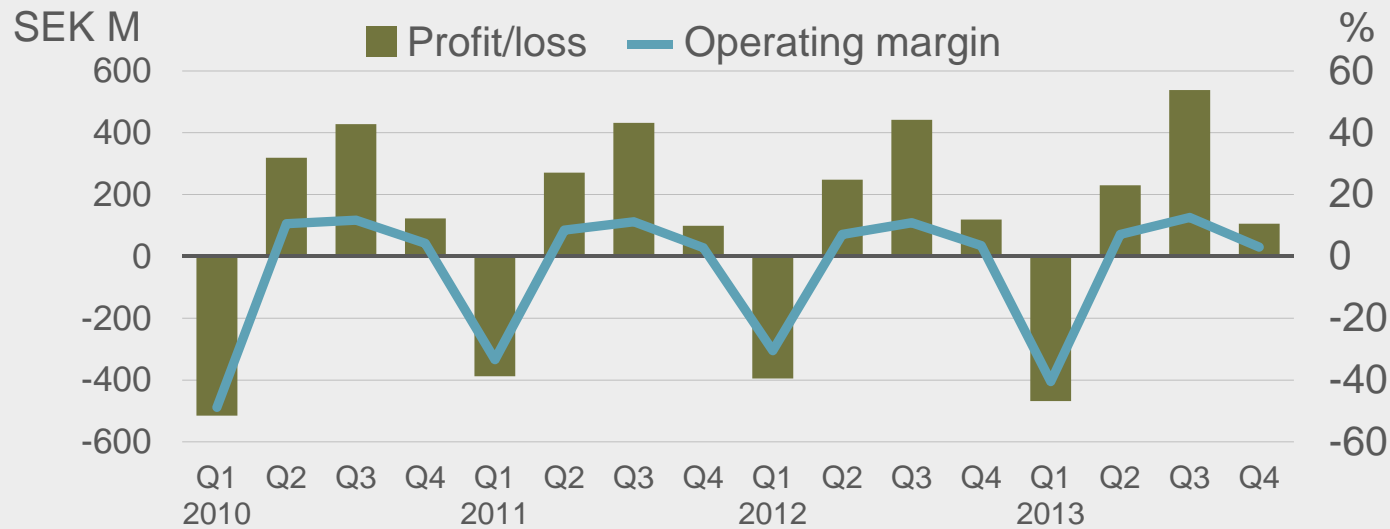
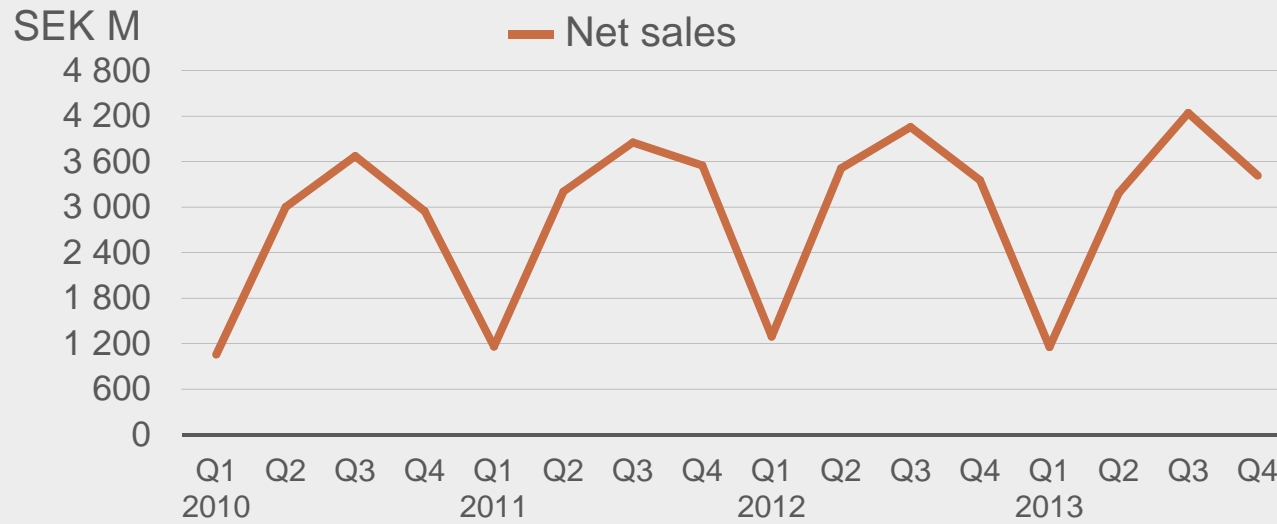
# NCC Construction Norway



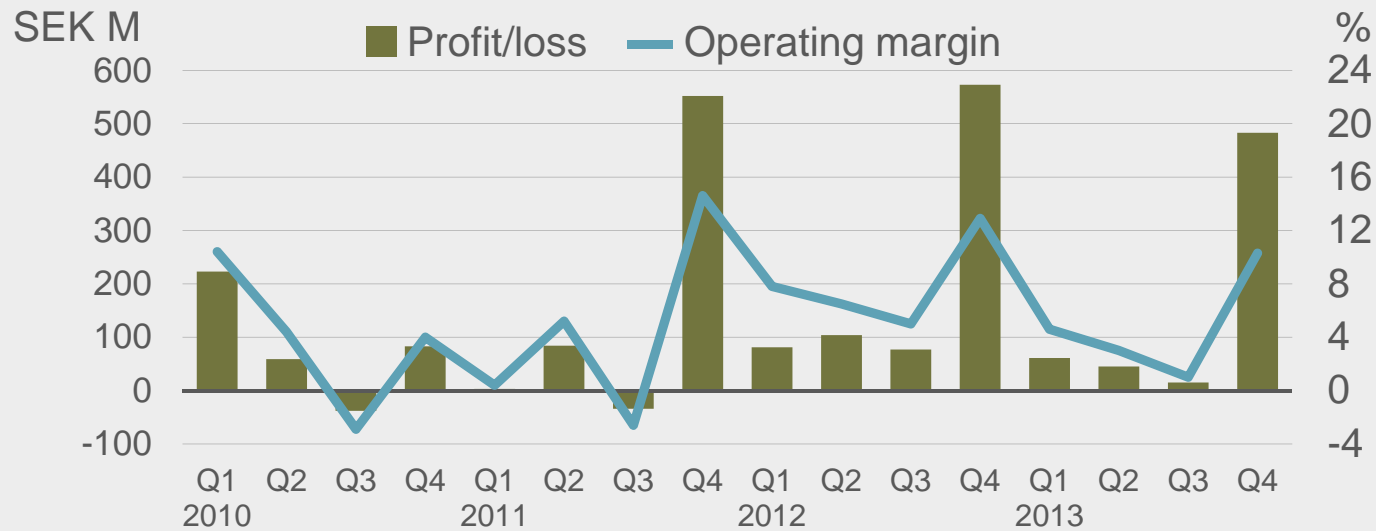
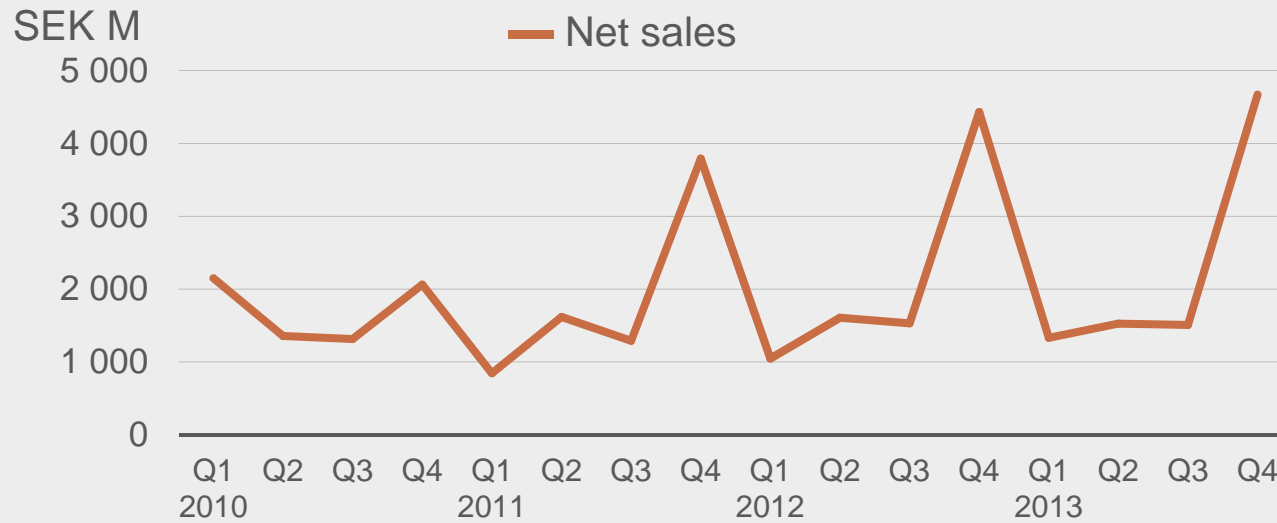
Wessel Building, Oslo



# NCC Roads



# NCC Housing



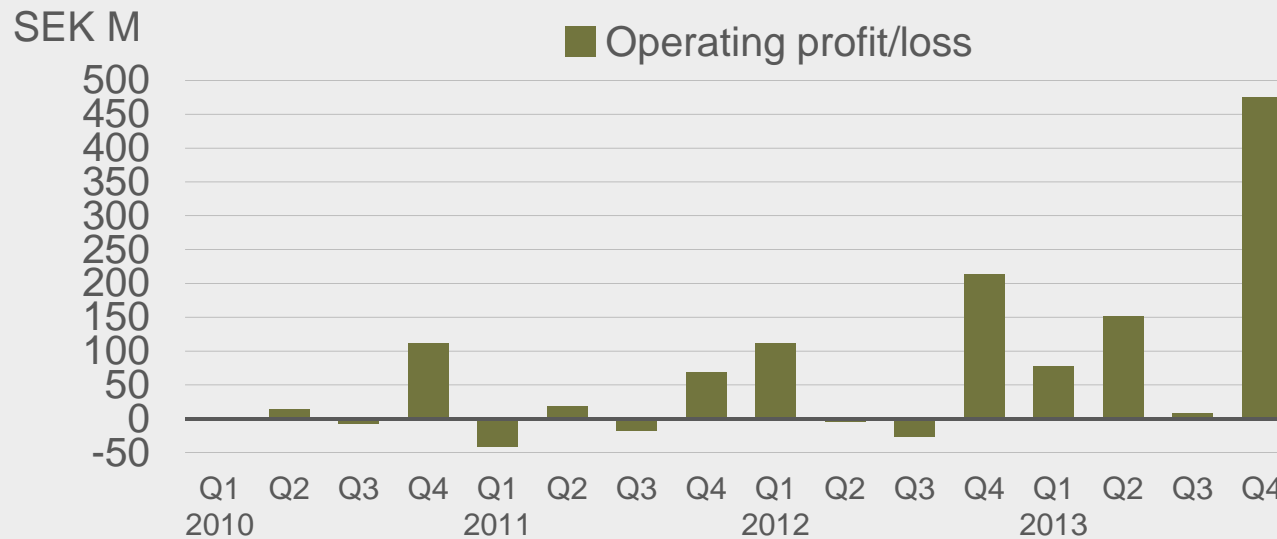
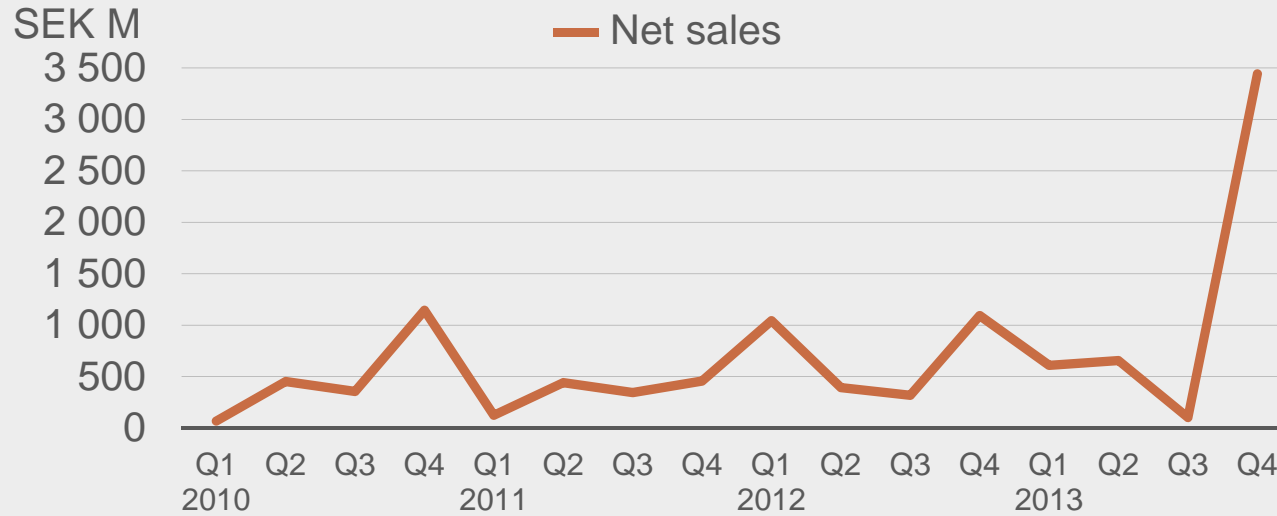
Säby, Stockholm

# Housing units recognized in profit

Number of housing units	Oct-Dec 2013	Oct-Dec 2012
Sweden	267	364
Denmark	21	56
Finland	388	401
Baltic countries	45	18
St. Petersburg	228	88
Norway	9	30
Germany	496	430
<b>Total, private customers</b>	<b>1,454</b>	<b>1,387</b>
Investment market	511	683
<b>Total</b>	<b>1,965</b>	<b>2,070</b>



# NCC Property Development



Ullevigatan 17-19, Gothenburg

## Operating profit per business area

SEK M	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
NCC Construction Sweden	243	325	637	801
NCC Construction Denmark	67	48	208	189
NCC Construction Finland	45	53	127	101
NCC Construction Norway	77	41	3	74
NCC Roads	106	120	406	417
NCC Housing	483	573	605	835
NCC Property Development	475	214	713	295
Other and eliminations	51	-41	-21	-192
<b>Operating profit</b>	<b>1,547</b>	<b>1,332</b>	<b>2,679</b>	<b>2,519</b>



# Balance sheet

SEK BN	Dec 31, 2013	Dec 31, 2012
Goodwill	1.8	1.8
Property projects	5.3	5.3
Housing projects	12.6	11.7
Accounts receivable and receivables from property sales	7.5	
Other assets		
<b>Total assets</b>		

SEK BN	Dec 31, 2013	Dec 31, 2012
Development properties	2.2	2.2
Ongoing property projects	2.0	2.7
Completed property projects	1.0	0.5
<b>Total property projects</b>	<b>5.3</b>	<b>5.3</b>



# Balance sheet

SEK BN	Dec 31, 2013	Dec 31, 2012
Goodwill	1.8	1.8
Property projects	5.3	5.3
<b>Housing projects</b>	<b>12.6</b>	<b>11.7</b>
Accounts receivable and receivables from property sales	7.5	
Other assets		
<b>Total assets</b>		

SEK BN	Dec 31, 2013	Dec 31, 2012
Development properties	4.9	5.5
Development costs	1.3	1.3
Ongoing housing projects	5.3	4.2
Completed housing units	1.1	0.8
<b>Total housing projects</b>	<b>12.6</b>	<b>11.7</b>



Hitsajankatu, Helsinki

## Excellent cash flow...

SEK M	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
From operating activities	1,631	1,476	2,321	2,458
From property projects	1,604	11	280	-928
From housing projects	1,200	926	-845	-2,046
Other working capital	88	836	775	489
Investing activities	-283	-267	-870	-906
<b>Cash flow before financing</b>	<b>4,240</b>	<b>2,981</b>	<b>1,661</b>	<b>-932</b>

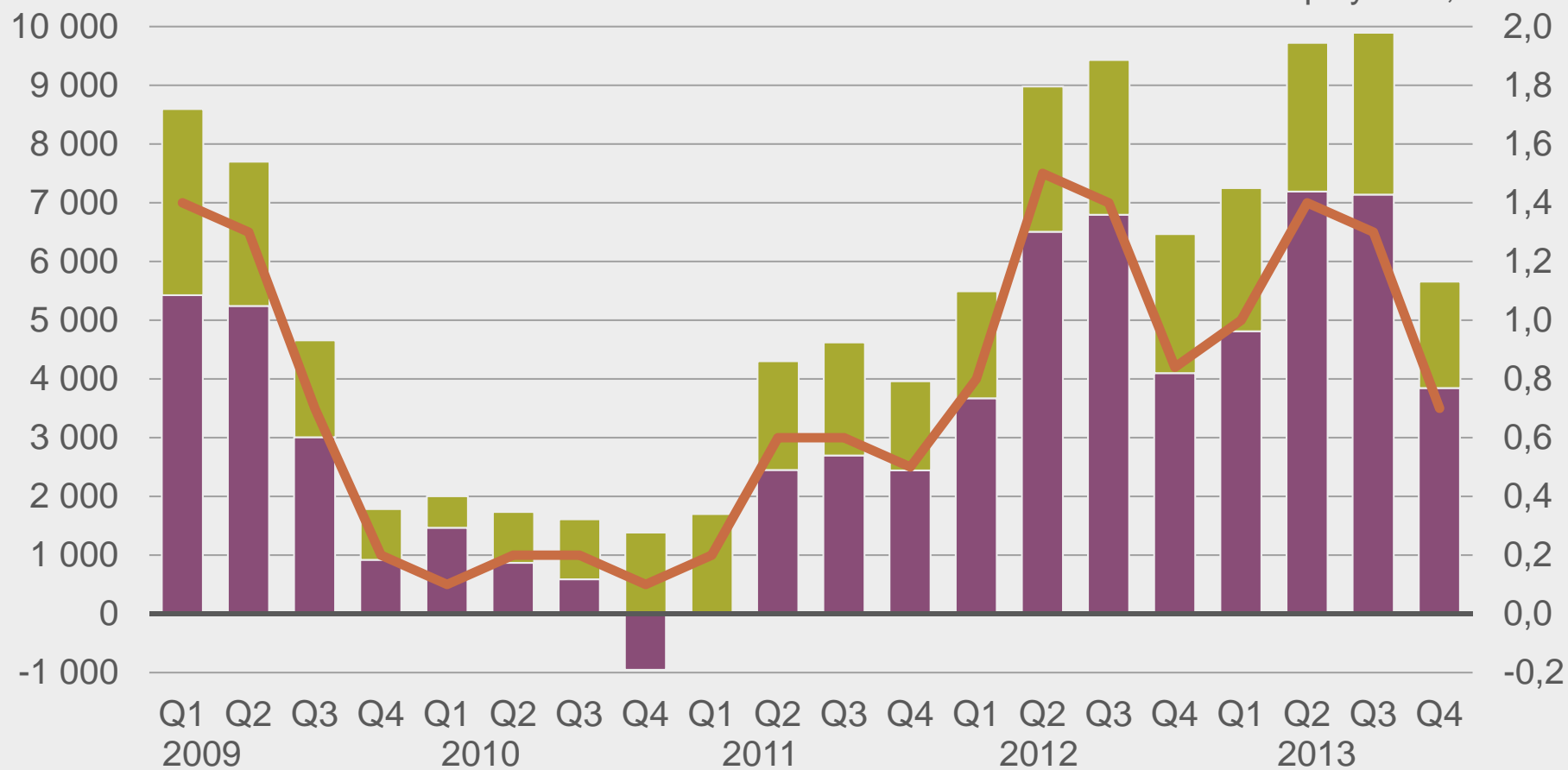


# ... resulted in lower net indebtedness

Net indebtedness, tenant housing and housing associations, SEK M

Net indebtedness excl. tenant housing and housing associations, SEK M

Debt/equity ratio, times







Plaza Business Park, Vantaa



# Summary 2013

- Sales on par with 2012
- Earnings slightly higher
- Orders received and order backlog at a favorable level
- Healthy cash flow
- Return on shareholders' equity 26%





# Contact information

IR Manager

**Johan Bergman**

Tel: +46 (0)8-585 523 53, +46 (0)70-354 80 35

[johan.bergman@ncc.se](mailto:johan.bergman@ncc.se)

Chief Financial Officer

**Ann-Sofie Danielsson**

Tel: +46 (0)8-585 517 17, +46 (0)70-674 07 20

[ann-sofie.danielsson@ncc.se](mailto:ann-sofie.danielsson@ncc.se)