

Lower sales and earnings for NCC in the third quarter

- Orders received amounted to SEK 12,782 M (12,578) in the third quarter and to SEK 40,695 M (40,239) for the January-September period
- Net sales amounted to SEK 13,102 M (13,572) in the third quarter and to SEK 38,290 M (36,415) for the January-September period
- Profit after financial items was SEK 365 M (471) in the third quarter and SEK 1,169 M (711) for the January-September period
- Profit after tax was SEK 303 M (387) in the third quarter and SEK 975 M (584) for the January-September period
- Earnings per share after dilution amounted to SEK 2.78 (3.54) in the third quarter and to SEK 8.98 (69.16*) for the January-September period

Group, SEK M	2017		2016		2016	
	Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.	Oct. 16- Sep. 17	2016 Jan. -Dec.
Orders received	12,782	12,578	40,695	40,239	56,962	56,506
Order backlog	52,220	47,219	52,220	47,219	52,220	47,940
Net sales	13,102	13,572	38,290	36,415	54,809	52,934
Operating profit/loss	390	503	1,240	792	1,901	1,453
Profit/loss after financial items	365	471	1,169	711	1,799	1,341
Net profit/loss for the period	303	387	975	584	1,507	1,116
Net profit/loss for the period after tax for continuing and discontinued operations *	303	387	975	7,482	1,476	7,983
Profit/loss per share after dilution, SEK *	2.78	3.54	8.98	69.16	13.62	73.81
Cashflow before financing	443	-106	117	-2,533	2,638	-11
Equity/asset ratio, %	19	18	19	18	19	22
Net cash +/-net indebtedness -	-884	-2,756	-884	-2,756	-884	-222

For definitions of key figures, see www.ncc.group/Investor-relations/Financial-data/Financial-definitions

* In this report, Bonava is reported as a discontinued operation according to IFRS 5 (see accounting policies on page 16 and Note 4) and is included in NCC's income statement up to June 7, 2016. Earnings from the discontinued operation comprise Bonava's profit for the period January 1 to June 7, 2016 plus the difference between Bonava's market capitalization on the listing date and Bonava's shareholders' equity on the spinoff date.

CEO Peter Wågström comments

NCC's earnings for the third quarter were disappointing mainly because of the impairment of an infrastructure project in Norway and lower sales in the construction operations. Profit after financial items was SEK 365 M (471) for the third quarter and SEK 1,169 M (711) for the January-September period.

Lower sales in NCC Building

Orders received were lower in Denmark and Finland in the early part of the year, resulting in weaker sales in the third quarter. New projects were secured in these markets during the quarter but these will not have any effect on the business area until next year. Sales in Norway also declined. Sales in Sweden were unchanged in the quarter and the order backlog is high. The business area's operating margins were higher than in the preceding year but were nonetheless below our strategic targets.

Continued headwinds in Norway

NCC Infrastructure increased its sales for the quarter and for the January to September period. Operating profit was negative for the quarter primarily as a result of a project impairment of SEK 150 M relating to the Björnegård Tunnel. In addition to the impairment, the effect of weak orders received in Norway resulted in a deterioration in earnings. The Swedish operations of the business area performed well in terms of growth and profitability. Lower orders received and weaker profitability in the Norwegian operations will affect earnings for the business area over the next few quarters.

Healthy trend in NCC Industry

While the business area's earnings for the quarter were good, they did not quite reach the level set in the year-earlier period. With respect to the January to September period, the business area performed better than in the preceding year.

Few projects to recognize in revenue

The quarterly results in NCC Property Development are volatile and are determined by which projects are recognized in revenue and handed over to customers.

Only a minor logistics project was recognized in revenue in the third quarter. At present, the business area has no projects to recognize in revenue in the fourth quarter. If no project is divested and recognized in revenue, the quarterly result will be negative.

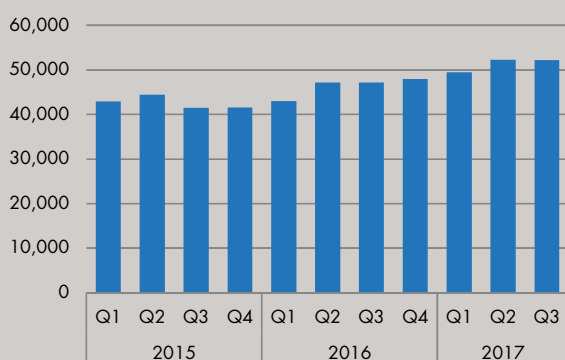
Focus on production

The outlook for NCC's markets is largely favorable and we noted a healthy level of orders received in the quarter and in several previous quarters. This has meant that we have a high order backlog to work up. Our focus now is to ensure that we leverage this in the form of higher sales and improved margins in our construction and civil engineering operations.



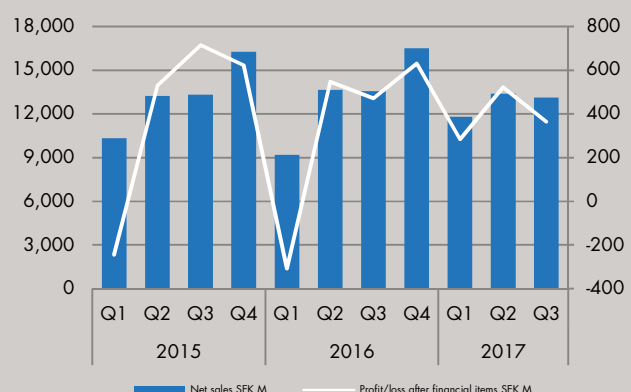
Peter Wågström, President and CEO
Solna, October 26, 2017

Order backlog



The diagrams show NCC's performance excluding Bonava.
■ Order backlog SEK M

Net sales and result after financial items



■ Net sales SEK M — Profit/loss after financial items SEK M

Group performance

January-September 2017 period

Orders received and order backlog

Orders received amounted to SEK 12,782 M (12,578) in the third quarter and to SEK 40,695 M (40,239) for the January-September period. In the third quarter, orders received by NCC Infrastructure were higher due to a healthy inflow of orders in the Swedish market. Changes in exchange rates increased orders received by SEK 350 M in the January to September period compared with the year-earlier period.

The Group's order backlog totaled SEK 52,220 M (47,219). Changes in exchange rates reduced the value of the order backlog by SEK 96 M.

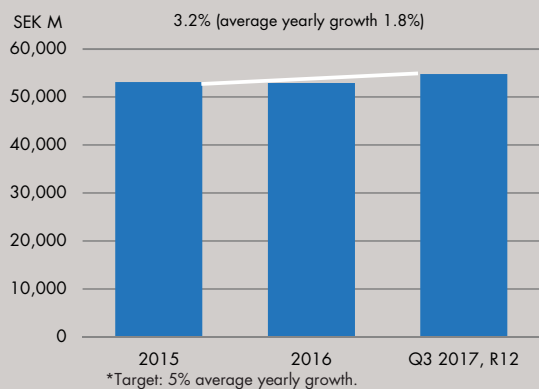
Net sales and earnings

Net sales amounted to SEK 13,102 M (13,572) in the third quarter and to SEK 38,290 M (36,415) for the January-September period. The decrease during the quarter was due to NCC Building, which reported lower sales in Finland, Norway and Denmark, and NCC Property Development, which recognized a major property project in profit in the year-earlier period. NCC Infrastructure and NCC Industry reported an increase in sales. Changes in exchange rates increased sales by SEK 395 M in the January to September period compared with the year-earlier period.

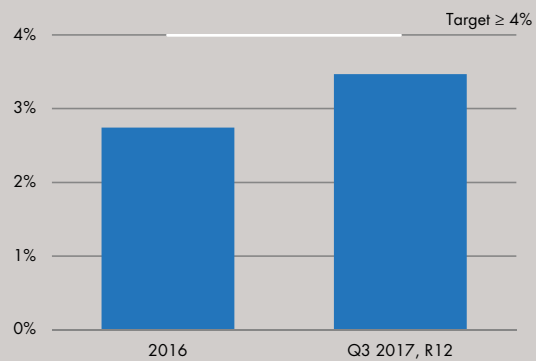
NCC's operating profit was SEK 390 M (503) in the third quarter and SEK 1,240 M (792) for the report period. Operating profit in the quarter was charged with a project impairment in Norway totaling SEK 150 M (290). The improvement during the January to September period was mainly attributable to NCC Property Development, which reported higher profit from property sales. NCC Building's operating profit improved due to lower impairment losses on projects. NCC Infrastructure's operating profit deteriorated primarily due to a project impairment in the Norwegian operations. NCC Industry noted an improvement in operating profit as a result of high activity in Sweden, which improved operating profit in the aggregates and foundation engineering operations.

Net financial items amounted to an expense of SEK 70 M (expense: 81). A lower loan volume and lower interest rate on loans had a positive impact on financial net.

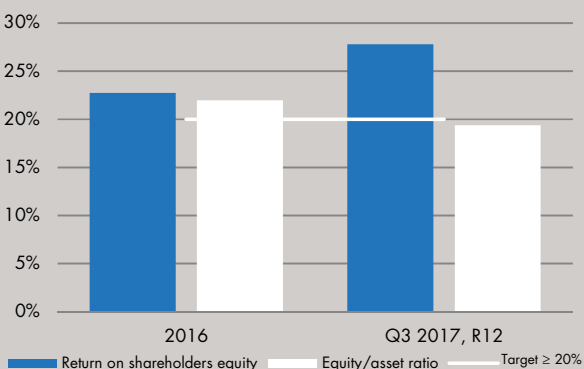
Revenue growth (net sales) *



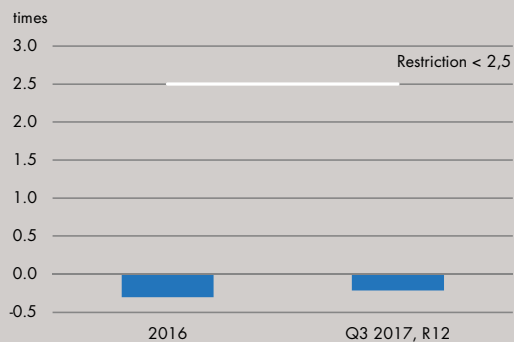
Operating margin



Equity/assets ratio and return on equity



Net indebtedness (excl. pension debt)/EBITDA



Cash flow

Cash flow from operating activities totaled SEK 676 M (neg: 1,599) for the January to September period. Cash flow was positively impacted by earnings from operations and the profit recognition and handover of five projects in Property Development. Other changes in working capital were of a slightly more negative nature this year. Total cash and cash equivalents at the end of the quarter amounted to SEK 2,515 M (1,708).

Financial position

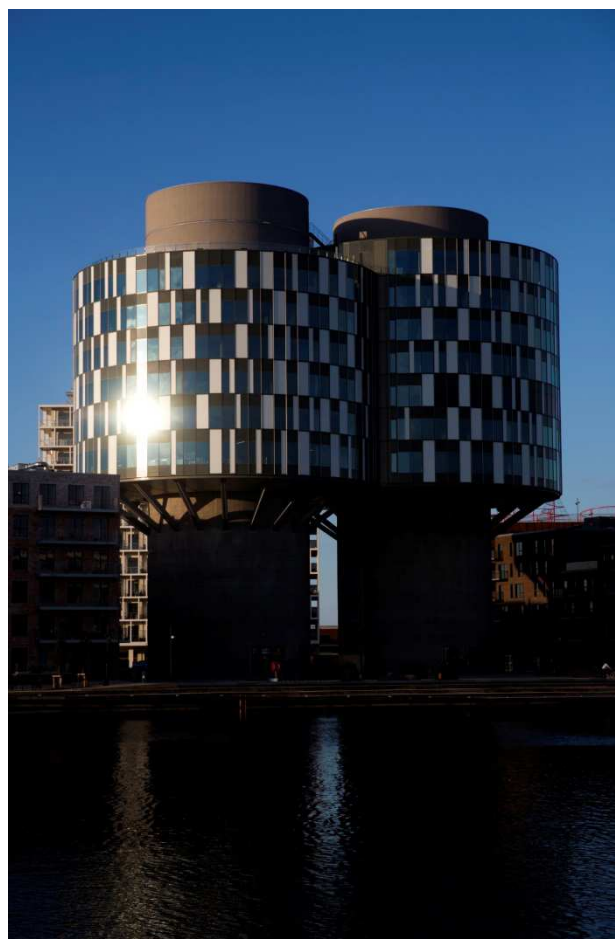
The Group's net indebtedness at September 30 amounted to SEK 884 M (debt: 2,756). The year-on-year improvement was mainly attributable to lower opening net indebtedness and improved cash flow during 2017.

The Group's total assets amounted to SEK 27,584 M (26,062) at September 30.

The average maturity period for interest-bearing liabilities, excluding pension debt according to IAS 19, was 33 months (38) at the end of the quarter. At the same date, NCC's unutilized committed lines of credit totaled SEK 3.4 billion (4.2), with an average remaining maturity of 46 (46) months.

Capital employed

Capital employed at September 30 amounted to SEK 9,395 M (9,551), with the decline primarily due to an increase in the number of property projects recognized in profit. The return on capital employed was 20 percent (18) in the third quarter.



	2017	2016	Oct. -16	2016
	Jan. - Sep.	Jan. - Sep.	Sep. 17	Jan. - Dec.
Net indebtedness, SEK M				
Net indebtedness, opening balance	-222	-4,552	-2,756	-4,552
- Cash flow from operating activities	676	-1,599	3,446	1,170
- Cash flow from investing activities	-559	-933	-808	-1,181
Cash flow before financing	117	-2,533	2,638	-11
Acquisition/Sale of treasury shares	-4	60	-4	60
Change of provisions for pensions	-440	-1,009	-102	-670
Dividend costs		-72	-4	-76
Currency exchange differences in cash and cash equivalents ¹⁾	-10	13	-8	15
Paid dividend	-324		-648	-324
Dividend Bonava		5,336		5,336
Net cash + /net indebtedness - closing balance	-884	-2,756	-884	-222

Market development

The Nordic construction market is showing high growth. The forecast rate of growth has been adjusted upwards to 7 percent for 2017 and 4 percent for 2018. Major projects in the Nordic region are attracting international interest and competition. In the urban growth markets, the battle for competencies is intensive. GDP in the Nordic region is being adjusted upward and is expected to grow by approximately 2.4 percent annually in 2017 and 2018.

Civil engineering – high growth in Norway

Infrastructure initiatives are market drivers in Norway and Sweden. The Norwegian market is expected to grow by 10-15 percent annually up to 2018, while the Swedish market is expected to grow 7 percent in 2017 and 3 percent in 2018. The civil engineering market in Finland is expected to decline by 2 percent in 2017 with zero growth forecast for 2018. Denmark will have negative growth in 2017.

Construction – new production fueling growth

The growth expectations for new production in the Nordic region have been adjusted upward again for 2017 in the wake of the strong economic situation. The Swedish construction market is expected to grow by a full 12 percent in 2017 (new builds: 22 percent). Growth of 5 percent is expected in 2018. The Norwegian market is expected to grow by 6 percent in 2017 and the growth will mainly occur in the Oslo region. In Finland, the market will grow by 10 percent in 2017. In 2018, a reduction in new housing production will coincide with a reduction in public-sector spending, and new production is expected to decline by 1.5 percent. In Denmark, a 10-percent increase in new production of housing will contribute to estimated growth of just over 2 percent in 2017 to increase to 5 percent in 2018

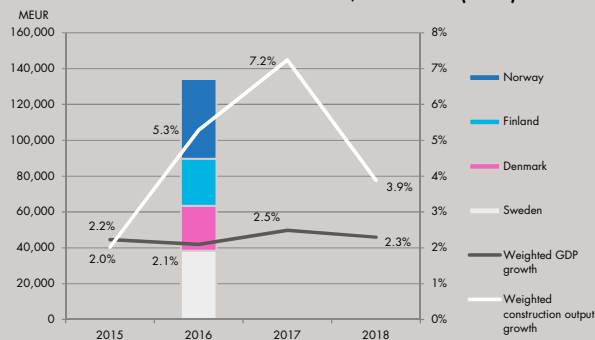
Industry – civil engineering market fueling growth

A strong civil engineering market in 2017 is driving growth in demand for asphalt and stone materials in the Nordic region, with a normalization expected thereafter. The market for stone materials is expected to grow, primarily driven by infrastructure and housing projects in Sweden and Norway, while lower growth is expected in Finland and Denmark. Within asphalt, the most significant market growth in 2017 is anticipated in Finland, with the figure expected to approach 10 percent. The Swedish market is also expected to grow considerably, driven by major projects in metropolitan areas. In Norway, the impact of growth from large-scale infrastructure projects will become increasingly apparent during 2017 and 2018. The Danish market will show weak growth until 2018. The market for foundation engineering companies will expand in 2017 with growth exceeding 5 percent and a distinct internationalization among competitors.

Property – high activity

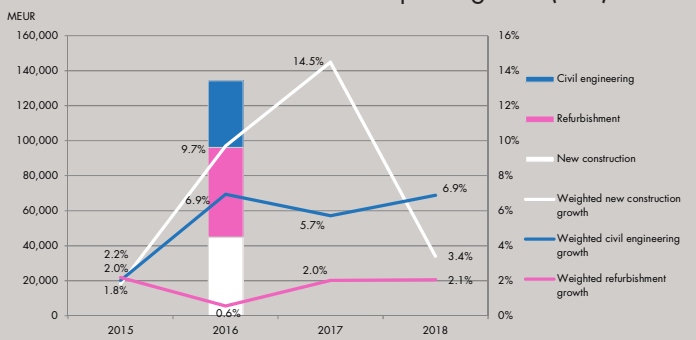
The property markets of Stockholm and Gothenburg are experiencing high levels of activity, with low vacancy rates and rising rents. In the Stockholm Central Business District (CBD), the yield is about to rise from a very low level, while it continues to decline or remains unchanged in CBDs in other markets in the Nordic region. In Helsinki, private investments are forecast to rise in space-efficient offices in prime locations. In the Danish market, marginally rising yield requirements and an increase in new investments are expected during 2017. The Oslo market is growing in 2017 as a result of continued demand for attractive offices, and the market is better than in other regions of Norway with slightly increasing rent levels.

GDP and construction volume, outlook (real)



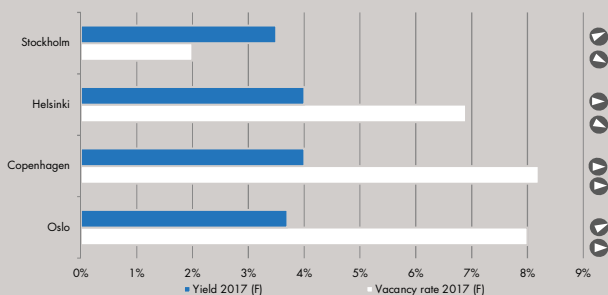
Source: Euroconstruct, NCC.

Construction volume and outlook per segment (real)



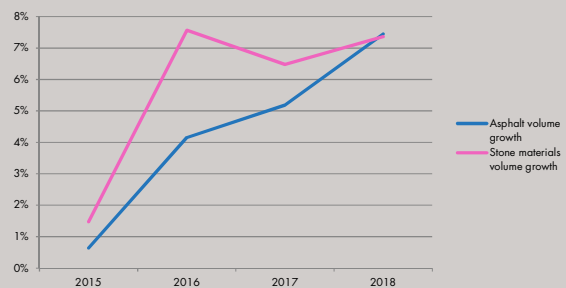
Source: Euroconstruct, NCC

Property yield and vacancy rate, offices, CBD



Source: Newsec, NCC.

Asphalt and stone volumes, outlook



Source: Euroconstruct, NCC.

NCC Building

January-September 2017 period

Orders received and order backlog

Orders received by NCC Building declined in the third quarter and amounted to SEK 5,583 M (6,528) and to SEK 18,391 M (19,753) for the January to September period. In the third quarter, orders received for the Swedish operations declined, while mainly Denmark and even Norway increased somewhat. A high order backlog in Sweden has meant that NCC has been restrictive in relation to bidding on new tenders. In Finland, the market is challenging. The product mix in orders received continued to display a trend of an increased share of refurbishment projects.

The order backlog increased during the year and amounted to SEK 30,403 M at the end of the period.

Net sales and earnings

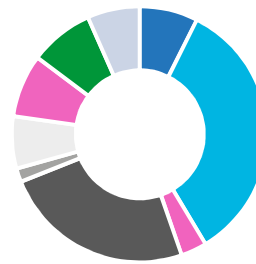
Net sales declined in the third quarter and amounted to SEK 5,346 M (6,033) and to SEK 17,167 M (18,271) for the January-September period. The decrease during the quarter and for the January-September period was due to lower sales in Norway, Finland and Denmark. Sales in the Swedish operations, which are the largest in the business area, increased for the January-September period and were at the same level for the quarter.

NCC Building's net sales consist mainly of housing production, followed by refurbishment. In terms of sales, Sweden is the largest market and the Swedish operations have a high order backlog to work up moving forward.

Operating profit was SEK 116 M (1) in the third quarter and SEK 316 M (221) for the January-September period. The higher earnings for the quarter were the effect of lower impairment losses on projects. Earnings for the January-September period were also higher year on year primarily as a result of lower impairment losses on projects.

Product mix

Orders received



- Offices 7 (11)%
- Residential 34 (35)%
- Industry/Logistics 3 (2)%
- Refurbishment/Conversion 24 (17)%
- Retail 2 (1)%
- Health Care 7 (14)%
- Educational 8 (9)%
- Public Buildings 8 (4)%
- Other 7 (7)%

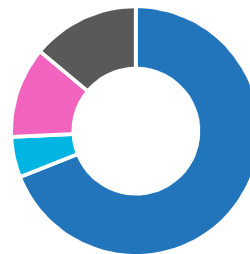
Net sales



- Offices 8 (9)%
- Residential 38 (39)%
- Industry/Logistics 3 (3)%
- Refurbishment/Conversion 21 (23)%
- Retail 3 (3)%
- Health Care 7 (6)%
- Educational 10 (7)%
- Public Buildings 4 (4)%
- Other 6 (6)%

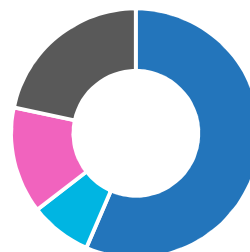
Geographical breakdown

Orders received



- Sweden 69 (69)%
- Norway 5 (6)%
- Denmark 12 (7)%
- Finland 14 (18)%

Net sales



- Sweden 56 (51)%
- Norway 8 (9)%
- Denmark 14 (15)%
- Finland 22 (25)%

NCC Building, SEK M	2017		2016		Oct. 16- Sep. 17	2016 Jan. -Dec.
	Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.		
Orders received	5,583	6,528	18,391	19,753	27,377	28,738
Order backlog	30,403	27,513	30,403	27,513	30,403	29,159
Net sales	5,346	6,033	17,167	18,271	24,576	25,681
Operating profit/loss	116	1	316	221	584	489
Financial target:						
Operating margin, % ¹⁾	2.2	0.0	1.8	1.2	2.4	1.9

¹⁾ Target: operating margin ≥ 3.5%

NCC Infrastructure

January-September 2017 period

Orders received and order backlog

Orders received by NCC Infrastructure increased to SEK 5,158 M (3,968) in the third quarter and to SEK 14,669 M (13,374) in January-September period. The Civil Engineering division and the InfraserVICES division both reported stronger orders received for the quarter. An increase was also noted primarily in the Swedish operations, which secured the Lund-Arlöv project – order value SEK 1 billion – in the railways segment. Major projects were secured primarily in the railways, energy and water treatment segments in the third quarter.

The order backlog rose SEK 2,369 M in the January-September period to SEK 18,792 M at the end of the period.

Net sales and earnings

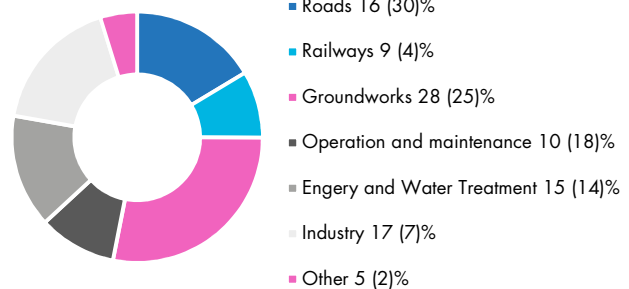
Sales amounted to SEK 4,472 M (3,986) in the third quarter and to SEK 12,415 M (11,602) for the January-September period. The increase in the third quarter derived from higher sales in the InfraserVICES division.

NCC Infrastructure's net sales largely comprise earth and groundworks and roads.

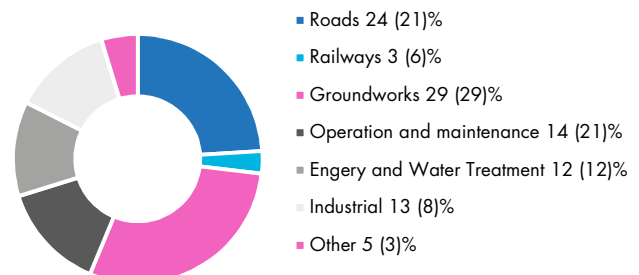
The operating result was lower year on year at a loss of SEK 65 M (profit: 3) in the third quarter and a loss of SEK 22 M (profit: 85) for the January-September period. The weak quarterly result was mainly due to a SEK 150 M impairment of the Björnegård Tunnel project. In addition to this impairment, the weaker result for the period was mainly attributable to the completion of projects with lower profitability.

Product mix

Orders received

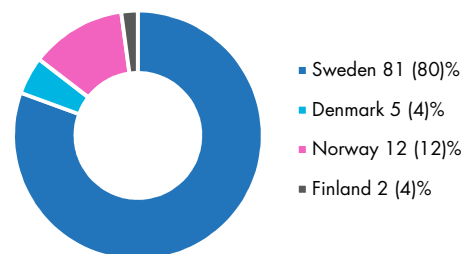


Net sales

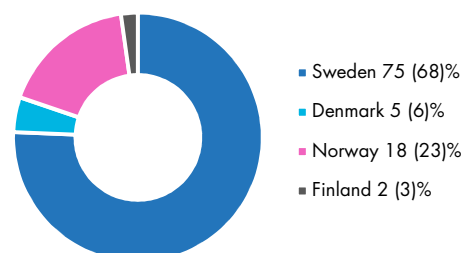


Geographical breakdown

Orders received



Net sales



NCC Infrastructure, SEK M	2017 Jul. -Sep.	2016 Jul. -Sep.	2017 Jan. -Sep.	2016 Jan. -Sep.	Oct. 16- Sep. 17	2016 Jan. -Dec.
Orders received	5,158	3,968	14,669	13,374	19,959	18,664
Order backlog	18,792	16,712	18,792	16,712	18,792	16,423
Net sales	4,472	3,986	12,415	11,602	17,820	17,007
Operating profit/loss	-65	3	-22	85	55	162
Financial target:						
Operating margin, % ¹⁾	-1.5	0.1	-0.2	0.7	0.3	1.0

¹⁾ Target: operating margin \geq 3.5%

NCC Industry

January-September 2017 period

Net sales and earnings

Net sales increased year-on-year to SEK 4,051 M (3,594) in the third quarter and SEK 8,554 (7,520) in the January-September period. Sold volumes of stone materials were higher in all markets during the period. The volume of asphalt sold was slightly lower than in the year-earlier period, with higher volumes in Finland and Denmark, Sweden and Norway at the year-earlier level and lower volumes in St. Petersburg. Sales of foundation engineering were higher year on year, mainly due to high activity in the Swedish market.

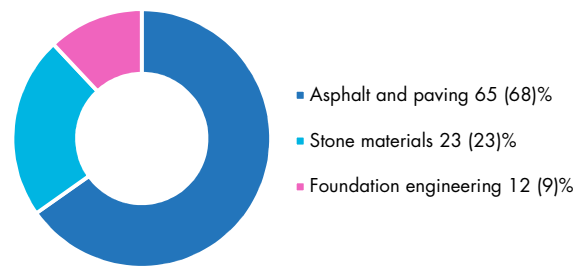
Operating profit amounted to SEK 409 M (442) in the third quarter and SEK 435 M (407) for the January-September period. Earnings for the January-September period improved in stone materials and foundation engineering, but were lower in the asphalt operations. Earnings from stone materials operations improved primarily as a result of high construction activity in Sweden and improved earnings in the recycling operations. Earnings for foundation engineering improved, driven by high activity in the Swedish market. Profit from asphalt operations declined due to lower activity and intensified competition in Norway and Denmark.

Capital employed

Capital employed has increased seasonally, and as a result of higher sales, by SEK 0.85 billion since year-end and amounted to SEK 4.8 billion.

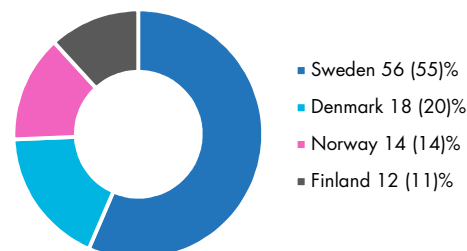
Product mix

Net sales



Geographical breakdown

Net sales



NCC Industry, SEK M	2017	2016	2017	2016	Oct. 16-	2016
	Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.	Sep. 17	Jan. -Dec.
Orders received	2,584	2,760	9,445	8,452	12,246	11,252
Order backlog	3,781	3,338	3,781	3,338	3,781	2,883
Net sales	4,051	3,594	8,554	7,520	11,795	10,760
Operating profit/loss	409	442	435	407	561	533
Capital employed	4,825	4,442	4,825	4,442	4,825	3,975
Stone materials, tons ¹⁾	8,364	7,563	22,476	20,585	30,001	28,110
Asphalt, tons ¹⁾	2,560	2,563	4,712	4,759	6,303	6,350
Financial targets:						
Operating margin, % ²⁾	10.1	12.3	5.1	5.4	4.8	4.9
Return on capital employed, % ³⁾					12.7	13.5

1) Sold volume

2) Target: operating margin \geq 4%

3) Target: return on capital employed \geq 10%

NCC Property Development

January-September 2017 period

Net sales and earnings

Net sales amounted to SEK 168 M (781) in the third quarter and to SEK 2,525 M (1,331) for the January-September period. A logistics project – Önskebrunnen in Upplands Bro, Sweden – was recognized in profit in the third quarter. During the year-earlier period, two projects were recognized in profit; the Hyllie office project in Malmö, Sweden, and the retail park in Matinkylä in Espoo, Finland.

Operating loss amounted to SEK 9 M (profit: 32) in the third quarter and to profit of SEK 650 M (126) for the January-September period.

Property projects

Four projects were started this year, one in the first quarter (the Laajasalo retail project in Helsinki, Finland), and three more in the second quarter (NCC's new head office, the development of the Järva Krog property block and a logistics project in Gothenburg).

Leasing in the January-September period totaled 40,500 square meters (47,200), of which 1,800 square meters (10,300) in the third quarter.

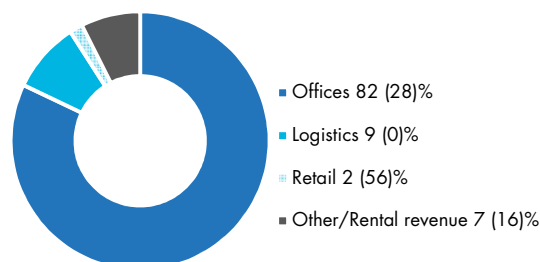
At the end of the third quarter, 18 projects (18) were either ongoing or completed but not yet recognized in profit. Costs incurred in all projects totaled SEK 2.0 billion (3.2), corresponding to a completion rate of 43 (70) percent. The leasing rate was 53 (71) percent. Operating profit for the January-September period amounted to SEK 40 M (57) and to SEK 12 M (14) in the third quarter.

Capital employed

The decline in capital employed in the January-September period was the result of profit recognition of large completed projects in Sweden and Finland. Capital employed rose SEK 0.1 billion to SEK 3.8 billion in the third quarter.

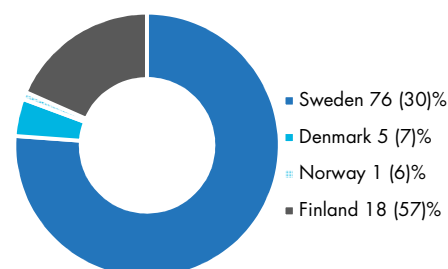
Product mix

Net sales



Geographical breakdown

Net sales



NCC Property Development, SEK M	2017		2016		Oct. 16- Sep. 17	2016 Jan. -Dec.
	Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.		
Net sales	168	781	2,525	1,331	4,017	2,823
Operating profit/loss	-9	32	650	126	852	327
Capital employed	3,836	5,013	3,836	5,013	3,836	4,450
Financial targets:						
Operating margin, % ¹⁾	-5.1	4.1	25.7	9.5	21.2	11.6
Return on capital employed, % ²⁾					21.1	7.0

1) Target: operating margin \geq 10%

2) Target: return on capital employed \geq 10%

NCC Property Development

Property development projects as of 2017-09-30 ¹⁾

Ongoing Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Comple- tion ratio, %	Lettable area (sqm)	Letting ratio, %
Frederiks Plads 1	Office	Århus		39	5,200	0
Total Denmark				39	5,200	0
Fredriksberg 1	Office	Helsinki		44	9,000	17
Laajasalo	Retail	Helsinki		20	8,700	84
Suurpelto 1	Retail	Espoo		84	4,500	99
Total Finland				43	22,200	60
Lysaker PP11	Office	Bærum		34	6,400	78
Valle 1	Office	Oslo		18	6,300	0
Total Norway				27	12,700	42
K11	Office	Solna		14	12,700	0
K12	Office	Solna		20	21,700	95
Arendal 3	Logistics	Gothenburg	Q2 2018	18	6,800	76
Multihuset	Other	Malmö		18	19,700	52
Mölnadal Galleria	Retail	Mölnadal	2)	76	12,900	59
Total Sweden				30	73,800	59
Total				33	113,900	55

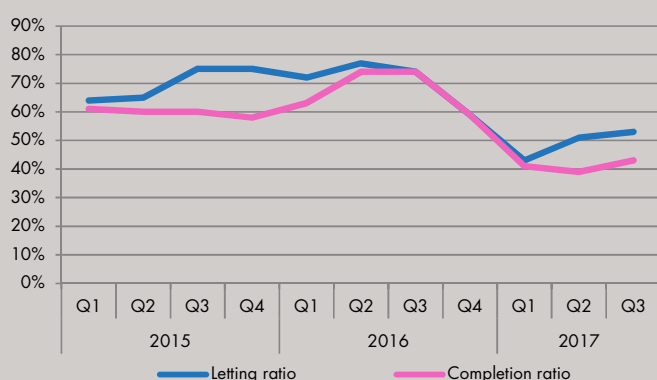
Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
CH Vallensbæk 4.1	Office	Vallensbæk		6,100	14
Kolding Retailpark	Retail	Kolding		4,000	54
Roskildevej	Retail	Taastrup		4,000	100
Viborg Retail II+III	Retail	Viborg		900	0
Zenit 2	Office	Århus		3,600	70
Total Denmark				18,600	48
Alberga E	Office	Espoo		5,800	33
Total Finland				5,800	33
Stavanger Business Park 1	Office	Stavanger		9,200	44
Total Norway				9,200	44
Total				33,600	43

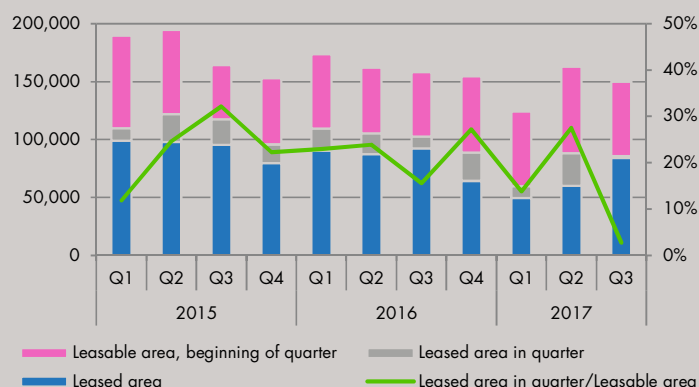
1) The table refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees / additional purchase) in four previously sold and revenue recognized property projects, a maximum of approximately 30 MSEK.

2) The project covers approximately 25,000 square meters of leasable area and is implemented together with Citycon, a Finnish listed real estate company, in a jointly owned company. The data in the table refer to NCC's share of the project.

Property projects



Leasing



Other

Significant risks and uncertainties

An account of the risks to which NCC may be exposed is presented in the 2016 Annual Report (pages 51–53). This description remains relevant.

Related-party transactions

Related parties are the Nordstjernan Group (including the associated company Bonava), NCC's subsidiaries, associated companies and joint arrangements. Related-party transactions were of a production nature. Related-company sales in the third quarter amounted to SEK 601 M (504) and purchases to SEK 6 M (251). Related-company sales in the interim period amounted to SEK 2,291 M (2,483) and purchases to SEK 162 M (515).

Seasonal effects

NCC Industry's operations and certain operations in NCC Building and NCC Infrastructure are impacted by seasonal variations due to cold weather. Earnings in the first quarter are normally weaker than the rest of the year.

Dividend

NCC's Annual General Meeting resolved to approve a dividend of SEK 8.00 per share, divided into two payments. The first payment of SEK 3.00 was made in April and the second payment of SEK 5.00 will take place in November. The record date is November 6 and the amount is expected to be paid by Euroclear Sweden AB on November 9.

Repurchase of shares

NCC AB holds 353,323 Series B treasury shares to meet its obligations pursuant to long-term incentive programs.

Other significant events

NEW BUSINESS AREA MANAGER FOR NCC INFRASTRUCTURE
Göran Landgren, former Business Area Manager at NCC, has been appointed Interim Business Area Manager for NCC Infrastructure as of September 25. In parallel, Svante Hagman, the current Business Area Manager, will transition to another role in the Group.

MAJOR ORDERS IN IN THE THIRD QUARTER

NCC has been awarded the assignment to build a police station in Stockholm's Rinkeby district on behalf of Familjebostäder. The project involves the redevelopment of a residential building into a police station. The assignment is a turnkey contract and the order value is SEK 520 M.

NCC, in consortium with the Spanish firm OHL, has been awarded an assignment to construct a new section of railway between Lund and Arlöv in Skåne, Sweden, for the Swedish Transport Administration. The order value totals approximately SEK 2 billion, of which half accrues to NCC. The contract includes an option valued at an additional SEK 1 billion.

NCC has signed an agreement for extensive refurbishment, rebuilding and extension of the Falkoner Center in Copenhagen, Denmark. The Falkoner Center features a hotel, conference center and retail. The order is worth slightly more than SEK 640 M and refurbishment is expected to be complete in June 2019.

Reporting occasions in 2018

Year-end report 2017	January 25, 2018
2018 Annual General Meeting	April 11, 2018
Interim report, Jan-Mar 2018	April 25, 2018
Interim report, Jan-Jun 2018	July 18, 2018
Interim report, Jan-Sep 2018	October 25, 2018

Signatures

Solna, October 26, 2017

Peter Wågström
President and CEO

Auditors' review report

NCC AB (publ), Corp. Reg. No. 556034-5174

Introduction

We have reviewed the condensed interim financial information (interim report) of NCC AB (publ) as of September 30, 2017 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and in accordance with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 26, 2017

PricewaterhouseCoopers AB

Håkan Malmström

Authorized Public Accountant
Auditor in Charge

Ann-Christine Häglund

Authorized Public Accountant

Condensed consolidated income statement

SEK M	Note 1	2017 Jul. -Sep.	2016 Jul. -Sep.	2017 Jan. -Sep.	2016 Jan. -Sep.	Oct. 16- Sep. 17	2016 Jan. -Dec.
CONTINUING OPERATIONS							
Net sales		13,102	13,572	38,290	36,415	54,809	52,934
Production costs	Note 2	-12,167	-12,546	-35,043	-33,452	-50,075	-48,484
Gross profit		935	1,026	3,247	2,963	4,734	4,450
Selling and administrative expenses	Note 2	-550	-542	-2,017	-2,089	-2,840	-2,912
Other operating income/expenses		5	19	10	-82	7	-85
Operating profit/loss		390	503	1,240	792	1,901	1,453
Financial income		5	8	28	22	32	26
Financial expense ¹⁾		-30	-40	-98	-103	-133	-138
Net financial items		-25	-32	-70	-81	-101	-112
Profit/loss after financial items		365	471	1,169	711	1,799	1,341
Tax		-62	-84	-194	-127	-293	-225
Net profit/ loss for the period from continuing operations		303	387	975	584	1,507	1,116
DISCONTINUED OPERATION							
Discontinued operation, net after tax					6,898	-31	6,867
Net profit/loss for the period from discontinued operation	Note 4				6,898	-31	6,867
CONTINUING AND DISCONTINUED OPERATIONS							
Net profit/loss for the period from continuing and discontinued operations		303	387	975	7,482	1,476	7,983
Attributable to:							
NCC's shareholders		301	383	971	7,478	1,473	7,980
Non-controlling interests		2	4	4	4	3	3
Net profit/loss for the period		303	387	975	7,482	1,476	7,983
Earnings per share							
Before dilution							
Net profit/loss for the period, SEK		2.78	3.54	8.98	69.16	13.62	73.81
After dilution							
Net profit/loss for the period, SEK		2.78	3.54	8.98	69.16	13.62	73.81
Earnings per share from continuing operations							
Before dilution							
Net profit/loss for the period, SEK		2.78	3.54	8.98	5.36	13.91	10.30
After dilution							
Net profit/loss for the period, SEK		2.78	3.54	8.98	5.36	13.91	10.30
Number of shares, millions							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		108.1	108.2	108.1	108.1	108.1	108.1
Number of shares outstanding before dilution at the end of the period		108.1	108.1	108.1	108.1	108.1	108.1

¹⁾ Whereof interest expenses for the period Oct.16 -Sep.17, amounting to SEK 113 M and for the period Jan.- Dec. 2016 amounting to SEK 118 M.
For information about discontinued operations, refer to note 4.

Consolidated statement of comprehensive income

SEK M	Note 1	2017 Jul. -Sep.	2016 Jul. -Sep.	2017 Jan. -Sep.	2016 Jan. -Sep.	Oct. 16- Sep. 17	2016 Jan. -Dec.
Net profit/loss for the period		303	387	975	7,482	1,476	7,983
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		6	57	-1	172	-8	165
Change in hedging/fair value reserve		-2	1	-2	-38	3	-34
Cash flow hedges		27	16	-14	72	18	103
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-6	-3	3	-7	-4	-15
		26	71	-13	199	8	219
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		-88	-352	-392	-991	9	-590
Income tax relating to items that cannot be recycled to net profit/loss for the period		19	87	86	218	-2	130
		-69	-265	-306	-773	7	-460
Other comprehensive income		-43	-194	-319	-575	15	-241
Total comprehensive income		260	193	656	6,907	1,490	7,742
Attributable to:							
NCC's shareholders		258	188	652	6,903	1,487	7,739
Non-controlling interests		2	5	4	4	3	3
Total comprehensive income		260	193	656	6,907	1,490	7,742

Condensed consolidated balance sheet

SEK M	2017 Sep. 30	2016 Sep. 30	2016 Dec. 31
ASSETS			
Fixed assets			
Goodwill	1,844	1,863	1,851
Other intangible assets	338	293	275
Owner-occupied properties	844	784	814
Machinery and equipment	2,637	2,494	2,569
Long-term holdings of securities	129	122	125
Long-term interest-bearing receivables	536	282	361
Other long-term receivables	58	64	62
Deferred tax assets	110	62	97
Total fixed assets	6,497	5,964	6,154
Current assets			
Properties held for future development	1,725	2,029	1,780
Ongoing property projects	850	1,968	1,440
Completed property projects	714	811	808
Housing properties held for future development		53	16
Materials and inventories	773	772	713
Tax receivables	416	350	42
Accounts receivable	9,605	8,184	7,682
Worked-up, non-invoiced revenues	2,772	2,576	1,737
Prepaid expenses and accrued income	1,092	1,035	1,061
Current interest-bearing receivables	110	70	152
Other receivables	515	543	446
Short-term investments ¹⁾	101	208	190
Cash and cash equivalents	2,414	1,500	3,093
Total current assets	21,087	20,099	19,161
Total assets	27,584	26,062	25,315
EQUITY			
Share capital	867	867	867
Other capital contributions	1,844	1,844	1,844
Reserves	-143	-145	-125
Profit/loss brought forward, including current-year profit/loss	2,771	2,155	2,967
Shareholders' equity	5,339	4,722	5,553
Non-controlling interests	11	13	13
Total shareholders' equity	5,350	4,735	5,566
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing liabilities	1,704	2,919	2,288
Other long-term liabilities	23	93	54
Provisions for pensions and similar obligations	1,448	1,347	1,008
Deferred tax liabilities	658	686	407
Other provisions	1,707	1,602	1,686
Total long-term liabilities	5,540	6,647	5,443
Current liabilities			
Current interest-bearing liabilities	893	550	723
Accounts payable	4,868	4,374	4,427
Tax liabilities	36		115
Invoiced revenues not worked-up	6,570	5,334	4,355
Accrued expenses and prepaid income	2,772	2,889	3,205
Provisions	7	26	21
Other current liabilities	1,548	1,507	1,460
Total current liabilities	16,694	14,680	14,306
Total liabilities	22,234	21,327	19,749
Total shareholders' equity and liabilities	27,584	26,062	25,315

¹⁾ Includes short-term investments with maturities exceeding three months, see also cash-flow statement.

Condensed changes in shareholders' equity, Group

SEK M	Sep. 30, 2017			Sep. 30, 2016		
	Shareholders' equity	Non-controlling interests	Total shareholders' equity	Shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening balance, January 1st	5,553	13	5,566	9,691	23	9,714
Total comprehensive income	652	4	656	6,903	4	6,907
Sale/Acquisition of non-controlling interests				3		3
Dividend	-864	-6	-870	-324	-14	-338
Dividend, Bonava				-11,563		-11,563
Listing costs				-56		-56
Sale/Acquisition of treasury shares	-4		-4	60		60
Performance based incentive program	2		2	7		7
Closing balance	5,339	11	5,350	4,722	13	4,735

If the principles for accounting for pensions, IAS19, applied before 1 January 2013, had been used, the equity would have been SEK 2,291 M higher and net indebtedness SEK 1,448 M lower at September 30 2017.

Condensed consolidated cash flow statement

SEK M	2017		2016		2016	
	Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.	Oct. 16- Sep. 17	Jan. -Dec.
OPERATING ACTIVITIES						
Profit / loss after financial items, continuing operations	365	471	1,169	711	1,799	1,341
Profit / loss after financial items, discontinued operations				6,934	-31	6,902
Adjustments for items not included in cash flow	210	-9	645	-6,609	918	-6,336
Taxes paid	-71	-65	-305	-301	-405	-401
Cash flow from operating activities before changes in working capital	503	397	1,510	734	2,282	1,506
Cash flow from changes in working capital						
Divestment of property projects	64	686	1,524	1,000	2,642	2,118
Gross investments in property projects	-332	-341	-837	-1,263	-1,185	-1,612
Divestment of housing projects				2,522	26	2,548
Gross investments in housing projects				-3,157	3	-3,154
Other changes in working capital	441	-788	-1,521	-1,436	-322	-237
Cash flow from changes in working capital	173	-444	-834	-2,333	1,164	-336
Cash flow from operating activities	676	-46	676	-1,599	3,446	1,170
INVESTING ACTIVITIES						
Acquisition/Sale of subsidiaries and other holdings ¹⁾	-69	24	-73	-476	-93	-496
Acquisition/Sale of tangible fixed assets	-152	-67	-443	-395	-662	-613
Acquisition/Sale of other fixed assets	-12	-16	-43	-62	-53	-72
Cash flow from investing activities	-233	-59	-559	-933	-808	-1,181
Cash flow before financing	443	-106	117	-2,533	2,638	-11
FINANCING ACTIVITIES						
Cash flow from financing activities ²⁾	-184	-708	-786	-158	-1,715	-1,087
Cash flow during the period	259	-813	-669	-2,690	922	-1,099
Cash and cash equivalents at beginning of period	2,146	2,307	3,093	4,177	1,500	4,177
Effects of exchange rate changes on cash and cash equivalents	9	6	-10	13	-8	15
Cash and cash equivalents at end of period	2,414	1,500	2,414	1,500	2,414	3,093
Short-term investments due later than three months	101	208	101	208	101	190
Total liquid assets at end of period	2,515	1,708	2,515	1,708	2,515	3,283

For information about Bonava's impact on the Group's cash flow in each section, see note 4 Discontinued operations.

¹⁾ Bonava's cash and cash equivalents are included with SEK -658 M for the Jan-Dec 2016.

²⁾ Of the total determined dividend of 864 MSEK, 324 M has been paid per 30 September 2017. The balance will be paid in November 2017.

Parent Company condensed income statement

SEK M	Note 1	2017	2016	2017	2016	Oct. 16-	2016
		Jul. -Sep.	Jul. -Sep.	Jan. -Sep.	Jan. -Sep.	Sep. 17	Jan. -Dec.
Net sales		55	5,482	133	16,761	4,244	20,873
Production costs			-5,220		-15,613	-3,554	-19,167
Gross profit		55	262	133	1,148	690	1,706
Selling and administrative expenses		-101	-254	-271	-972	-543	-1,244
Impairment losses					-88		-88
Operating profit		-46	8	-138	88	148	374
Result from financial investment							
Result from participations in Group companies		-11	142	618	881	559	823
Result from participations in associated companies			14		30		30
Result from other financial fixed assets		11		12	1	12	1
Result from financial current assets		0	1	4	5	8	9
Interest expense and similar items		-4	-21	-14	-75	-48	-109
Result after financial items		-49	144	481	930	679	1,129
Appropriations				527		814	287
Tax on net profit for the period		11	-10	-81	-8	-184	-110
Net profit for the period		-38	134	927	922	1,309	1,306

The commission relationship between NCC AB and NCC Sverige AB was discontinued on January 1, 2017. Assets, liabilities, revenues and costs are currently recognized in both NCC Sverige AB and NCC AB. Accordingly, the employees' employment was transferred from NCC AB to NCC Sverige AB. Appropriations pertaining to the operations no longer conducted in the Parent Company were reversed to NCC AB during the first quarter. The Parent Company currently consists primarily of head office functions plus a branch in Norway. Net sales pertain to charges to Group companies. The average number of employees was 68 (6,215).

The first dividend to shareholders of SEK 3 per share was paid in April. The second dividend of SEK 5 per share will be paid in November. Dividends from subsidiaries have been received in an amount of SEK 629 M.

In 2016, NCC Sverige AB was included in the Parent Company, when it conducted operations on a commission basis on behalf of NCC AB. The projects were recognized in profit on completion.

Parent Company condensed balance sheet

SEK M	Note 1	2017	2016	2016
		Sep. 30	Sep. 30	Dec. 31
ASSETS				
Fixed assets				
Intangible fixed assets		38	112	108
Tangible fixed assets		5	86	86
Financial fixed assets		4,422	4,385	4,595
Total fixed assets		4,464	4,583	4,789
Current assets				
Materials and inventories			42	57
Current receivables		251	3,631	4,338
Cash and bank balances		700	3	2
Treasury balances		1,770	6,282	5,833
Total current assets		2,721	9,958	10,231
Total assets		7,186	14,541	15,020
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		3,801	3,299	3,677
Untaxed reserves			441	527
Provisions		9	448	569
Long term liabilities		2,048	2,568	2,072
Current liabilities		1,327	7,785	8,175
Total shareholders' equity and liabilities		7,186	14,541	15,020

Notes

Note 1. Accounting policies

Group

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of prevailing accounting standards issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the EU.

The interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2016 Annual Report (Note 1, pages 64–70).

During 2016, the operations of Bonava were recognized in accordance with IFRS 5, Fixed assets held for sale and discontinued operations. Accordingly, inter-company volumes from Bonava have not been eliminated from the income statement, nor have inter-company gains between Building and Bonava. Neither are internal volumes from Bonava eliminated from the order backlog and orders received.

Bonava's net after-tax profit is recognized on one line in the income statement.

Bonava's profit after net financial items is recognized separately in the cash flow statement, following which Bonava as a whole is included.

IFRS 15 Revenue from Contracts with Customers – NCC has conducted an analysis of the potential impact of IFRS 15 Revenue from Contracts with Customers for material revenue streams per business area and country. The central areas in the analysis of contracts are primarily the identification of performance obligations and whether revenues are to be recognized over time, meaning percentage of completion, or recognized in their entirety at a specific time.

The analysis has not yet been completed but based on the work performed to date the preliminary conclusions is that for most revenue streams IFRS 15 will not entail any

change compared to current recognition. However, some work remains to be done for certain revenue streams for which analyses are ongoing. The project is expected to be completed in the fourth quarter and any effects and quantification of them will be determined in the same period. NCC intends to apply the new standard retrospectively.

IFRS 9 Financial Instruments - IFRS 9 introduces new rules on areas including the recognition and measurement of financial instruments, impairment of financial instruments and hedge accounting.

The new rules on recognition and measurement are not expected to impact the consolidated financial statements since the regulations do not entail any changes to measurement.

The preliminary assessment regarding impairment is that reserves for expected customer losses will change, although this has not yet been quantified. Considering that the Group's customers have high credit ratings and that confirmed customer losses have historically been low, the assessment is that the rules on impairment will not have a material impact on the consolidated financial statements.

The changed rules on hedge accounting are also not deemed to entail any material impact. The Group is also working on analyzing the additional information that could be required in order to meet the disclosure requirements of IFRS 7. The standard will be applied retrospectively and with the exemption rules.

Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for the Parent Company has been prepared in accordance with the same accounting policies and methods of calculation as the 2016 Annual Report (Note 1, pages 64–70).

Note 2. Depreciation/amortization

SEK M	2017		2016		2017		2016	
	Jul.	Sep.	Jul.	Sep.	Jan.	Sep.	Jan.	Sep.
Other intangible assets	-17	-17	-17	-17	-49	-50	-81	-82
Owner-occupied properties	-8	-6	-6	-6	-22	-17	-29	-24
Machinery and equipment	-152	-155	-155	-155	-469	-456	-633	-620
Total depreciation ¹⁾	-177	-178	-177	-178	-540	-523	-742	-726

¹⁾ Excluding impairments. Impairments for the period Oct. -16 - Sep. -17 amounts to SEK 17 M and for the period Jan. - Dec. 2016 to SEK 97 M.

Note 3. Segment reporting

SEK M

July - September 2017	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
Net sales, external	5,097	4,397	3,454	152	13,101	1	13,102
Net sales, internal	249	75	597	15	936	-936	
Net sales, total	5,346	4,472	4,051	168	14,037	-935	13,102
Operating profit	116	-65	409	-9	452	-62	390
Net financial items							-25
Profit/loss after financial items							365

July - September 2016	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
Net sales, external	5,750	3,821	3,237	764	13,572		13,572
Net sales, internal	283	165	357	17	822	-822	
Net sales, total	6,033	3,986	3,594	781	14,394	-822	13,572
Operating profit	1	3	442	32	478	25	503
Net financial items							-32
Profit/loss after financial items							471

SEK M

January - September 2017	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
Net sales, external	16,525	12,097	7,188	2,475	38,286	4	38,290
Net sales, internal	642	318	1,366	50	2,376	-2,376	
Net sales, total	17,167	12,415	8,554	2,525	40,662	-2,372	38,290
Operating profit	316	-22	435	650	1,379	-139	1,240
Net financial items							-70
Profit/loss after financial items							1,169

January - September 2016	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
Net sales, external	17,346	11,257	6,531	1,281	36,415		36,415
Net sales, internal	925	345	989	50	2,308	-2,308	
Net sales, total	18,271	11,602	7,520	1,331	38,723	-2,308	36,414
Operating profit	221	85	407	125	838	-46	792
Net financial items							-81
Profit/loss after financial items							711

¹⁾ The figures for the quarter include among others NCC's head office, results from small subsidiaries and associated companies and remaining parts of NCC International Projects, totalling an income of SEK 12 M (income: 54) whereof SEK 88 MSEK relates to discontinued development of implementation of a common HR-system. Further, the figures for the quarter includes eliminations of internal profits amounting to an expense of SEK 10 M (expense: 1) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) amounting to an expense of SEK 64 M (expense: 28).

²⁾ The figures for the period include among others NCC's head office, results from small subsidiaries and associated companies and remaining parts of NCC International Projects, totalling an expense of SEK 58 M (expense: 143), whereof SEK 88 M relates to discontinued development and implementation of a common HR system. Further, the figures for the quarter includes eliminations of internal profits amounting to an income of SEK 32 M (income: 100) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) amounting to an expense of SEK 113 M (expense: 4).

Note 4. Discontinued operations

In June 2016, NCC spun off the shares in Bonava to the shareholders. The first day of trading on Nasdaq Stockholm was June 9, 2016, and the final prices paid were SEK 106.50 per Series B share and SEK 107.50

per Series A share, resulting in market capitalization of some SEK 11.5 billion. This generated a capital gain on the spinoff of Bonava of SEK 6,724 M.

Income statement

	2016 Jan-7 Jun	2016 Jan-Dec
Net sales	3,243	3,243
Production costs	-2,710	-2,710
Selling and administrative expenses	-231	-231
Operating profit/loss	303	303
Net financial items	-124	-124
Profit/loss after financial items	179	179
Tax	-36	-36
Net profit/loss for the period from discontinued operation	143	143
Capital gain from disposal of discontinued operation	6,755	6,724
Net profit from discontinued operation after tax	6,898	6,867
Comprehensive income for operation available for distribution	4	4
Earnings per share	1.32	1.32

Cash flow

	2016 Jan-7 Jun	2016 Jan-Dec
Below the effects on cashflow from discontinued operations are stated:		
Cash flow from operating activities before changes in working capital	105	105
Cash flow from operating activities	-708	-708
Cash flow from investing activities	-81	-81
Cash flow from financing activities	754	754
Cash flow during the period from discontinued operations	70	70

Note 5. Acquisition of operations

NCC Industry AS acquired the Franzefoss Group's asphalt operations in the Oslo region on September 1, 2017. NCC is a leading asphalt producer in Norway and the acquisition resulted in a strengthened position in

the growing Oslo market. The acquisition is not deemed to have any material impact on earnings or financial position for the third quarter.

Note 6. Fair value of financial instruments

In the tables below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with prices quoted on an active market for the same instruments. Derivatives in level 2 comprise currency forward contracts, cross-

currency swaps, interest-rate swaps, oil forward contracts, as well as electricity forward contracts used for hedging purposes. The measurement to fair value of currency-forward contracts, cross-currency swaps, oil forward contracts and electricity forward contracts is based on accepted models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest-rate swaps is based on forward interest rates based on observable yield curves. NCC has no financial instruments in level 3.

SEK M	Sep. 30, 2017			Sep. 30, 2016			Dec. 31, 2016		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets measured at fair value through profit and loss									
Securities held for trading	71		71	116		116	99		99
Derivative instruments		3	3		22	22		70	70
Derivative instruments used for hedge accounting		15	15		13	13		36	36
Total assets	71	18	89	116	35	151	99	106	205
Financial liabilities measured at fair value through profit and loss									
Derivative instruments		20	20		92	92		14	14
Derivative instruments used for hedge accounting		33	33		72	72		35	35
Total liabilities	0	53	53	0	164	164	0	49	49

In the tables below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

SEK M	Sep. 30, 2017		Sep. 30, 2016		Dec. 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables held to maturity	132	132	63	64	63	63
Short-term investments held to maturity	30	30	92	93	91	92
Long-term interest-bearing liabilities	1,704	1,716	2,919	2,942	2,288	2,311
Current interest-bearing liabilities	893	901	550	556	723	726

For financial instruments recognized at amortized cost - accounts receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities - the fair value does not materially deviate from the carrying amount.

Note 7. Pledged assets, contingent liabilities and guarantee obligations

SEK M	2017	2016	2016
Group	Sep. 30	Sep. 30	Dec. 31
Assets pledged	406	341	377
Contingent liabilities and guarantee obligations ¹⁾	703	2,934	768
Parent company			
Contingent liabilities and guarantee obligations ¹⁾	20,500	13,575	11,882

¹⁾ Since sureties for former wholly owned subsidiaries of NCC AB in the Bonava Group have not been eliminated, sureties still remaining as outstanding in NCC AB on behalf of Bonava companies have been included in this item. The remaining volume, which includes collateral for agreements concerning future development and has beneficiaries in the form of municipalities and private-sector companies, will continue to be managed during 2017. As a result of agreements between NCC AB and Bonava AB, however, NCC AB will be indemnified by Bonava AB for all undertakings. NCC AB has also received collateral from credit insurance companies for undertakings that remain outstanding pertaining to Bonava's wholly owned companies.

Summary of key figures

	2017 Jul.-Sep.	2016 Jul.-Sep.	Oct. 16- Sep. 17	2016 Jan.-Dec.	2015 Jan.-Dec.	2014 Jan.-Dec.	2013 Jan.-Dec.	2012 ³⁾ Jan.-Dec.	2012 Jan.-Dec.
Profitability ratios									
Return on shareholders equity, % ¹⁾⁴⁾	28	27	28	19	26	22	26	28	23
Return on shareholders equity, % ¹⁾⁵⁾	28	120	28	118	26	22	26	28	23
Return on capital employed, % ¹⁾⁴⁾	20	18	20	13	17	14	15	17	15
Return on capital employed, % ¹⁾⁵⁾	20	62	20	63	17	14	15	17	15
Financial ratios at period-end									
EBITDA % ⁴⁾	4.3	5.1	4.8	4.7	6.2	5.8	5.9	5.6	5.6
EBITDA % ⁵⁾	4.3	5.1	4.8	17.0	6.2	5.8	5.9	5.6	5.6
Interest-coverage ratio, % ¹⁾⁴⁾	14.5	8.4	14.5	6.6	7.1	6.4	7.8	7.5	7.0
Interest-coverage ratio, % ¹⁾⁵⁾	14.3	28.6	14.3	31.1	7.1	6.4	7.8	7.5	7.0
Equity/asset ratio, %	19	18	19	22	25	23	22	20	23
Interest bearing liabilities/total assets, %	15	18	15	16	24	26	25	26	24
Net cash +/- net debt -, SEK M	-884	-2,756	-884	-222	-4,552	-6,836	-5,656	-6,467	-6,061
Debt/equity ratio, times	0.2	0.6	0.2	0.0	0.5	0.8	0.7	0.8	0.7
Capital employed at period end, SEK M	9,395	9,551	9,395	9,585	19,093	18,935	18,345	17,285	18,241
Capital employed, average	9,424	15,401	9,424	13,474	18,672	18,531	18,005	15,755	16,632
Capital turnover rate, times ¹⁾	5.8	3.9	5.8	4.1	3.3	3.1	3.2	3.6	3.4
Share of risk-bearing capital, %	22	21	22	24	25	23	23	21	25
Closing interest rate, %	2.1	2.8	2.1	2.6	2.8	2.8	3.3	3.6	3.6
Average period of fixed interest, years	0.5	0.7	0.5	0.9	0.9	1.1	1.2	1.1	1.1
Per share data									
Profit/loss after tax, before dilution, SEK ⁴⁾	2.78	3.54	13.91	11.61	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁴⁾	2.78	3.54	13.91	11.61	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, before dilution, SEK ⁵⁾	2.78	3.54	13.62	73.81	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁵⁾	2.78	3.54	13.62	73.81	19.59	17.01	18.40	17.62	17.51
Cash flow from operating activities, after dilution, SEK	6.25	-0.43	31.88	10.88	37.65	12.47	23.46	-0.24	-0.24
Cash flow before financing, after dilution, SEK	4.09	-0.97	24.40	-0.05	30.88	5.32	15.40	-8.61	-8.61
P/E ratio ¹⁾⁴⁾	14	10	14	19	13	15	11	8	8
P/E ratio ¹⁾⁵⁾	14	3	14	3	13	15	11	8	8
Dividend, ordinary, SEK				8.00	3.00	12.00	12.00	10.00	10.00
Dividend yield, %				3.5	1.1	4.9	5.7	7.3	7.3
Shareholders' equity before dilution, SEK	49.40	43.69	49.40	51.39	89.85	82.04	80.24	70.58	82.97
Shareholders' equity after dilution, SEK	49.40	43.69	49.40	51.39	89.85	82.04	80.24	70.58	82.97
Share price/shareholders' equity, %	391	514	391	439	293	301	262	193	164
Share price at period-end, NCC B, SEK	193.20	224.80	193.20	225.40	263.00	246.80	209.90	136.20	136.20
Number of shares, millions									
Total number of issued shares ²⁾	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	0.4	0.3	0.4	0.4	0.6	0.6	0.6	0.4	0.4
Total number of shares outstanding at period-end before dilution	108.1	108.1	108.1	108.1	107.9	107.8	107.8	108.0	108.0
Average number of shares outstanding before dilution during the period	108.1	108.2	108.1	108.1	107.9	107.8	107.9	108.2	108.2
Market capitalization before dilution, SEK M ⁶⁾	20,917	24,295	20,917	24,325	28,369	26,574	22,625	14,706	14,706
Personnel									
Average number of employees	16,795	14,205	16,795	16,793	17,872	17,669	18,360	18,175	18,175

1) Calculations are based on the rolling 12 month period.

2) All shares issued by NCC are common shares.

3) The amounts are adjusted for change in accounting policy regarding IAS 19.

4) When calculating the key figure the profit arising from the dividend of Bonava, SEK -31M has been excluded.

5) When calculating the key figure the profit arising from the dividend of Bonava, SEK -31M has been included.

6) Market value December 2016 excludes NCC's housing business, Bonava. Including Bonava the market value amounts to SEK 39 563 M.

For definitions of key figures, see www.ncc.group/investor-relations/financial-data/financial-definitions.

NCC in brief

NCC is one of the leading Nordic construction and property development companies. With the Nordic region as its home market, NCC is active throughout the value chain – developing and building commercial properties and constructing housing, offices, industrial facilities and public buildings, roads, civil engineering structures and other types of infrastructure. NCC also offers input materials used in construction and accounts for paving and road services. NCC creates future environments for working, living and communication based on responsible construction operations that result in sustainable interaction between people and the environment.

Vision

We will renew our industry providing superior sustainable solutions.

Business concept – responsible enterprise

NCC develops and builds future environments for working, living and communication. Supported by its values, NCC and its customers jointly identify needs-based, cost-effective and high-quality solutions that generate added value for all of NCC's stakeholders and contribute to sustainable social development.

Core values

The company's values and Code of Conduct function as the backbone for the way NCC works and operates. They also jointly serve as a compass for how employees are to conduct themselves and act in everyday situations, and provide guidance when decisions have to be made.

- HONESTY
- RESPECT
- TRUST
- PIONEERING SPIRIT

Organization

NCC conducts integrated construction and development operations in the Nordic region. The company has three businesses – Industrial, Construction and civil engineering and Development – and as of January 1, 2016 is organized in four business areas



NCC Building



NCC Infrastructure



NCC Industry



NCC Property
Development

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Information meeting

An information meeting with an integrated Internet and telephone conference will be held on October 26 at 9:30 a.m. CET at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm. The presentation will be held in English. To participate in this teleconference, call +46 8 519 993 55 (SE), +44 203 194 05 50 (UK), +1 855 269 26 05 (US) or +49 211 971 900 86 (DE) five minutes prior to the start of the conference. State "NCC."

Information meeting

This is the type of information that NCC is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the contact person above, on October 26, 2017, at 08.00 CET.



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