

Interim report first quarter 2019

Tomas Carlsson
CEO
Susanne Lithander
CFO



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2019-04-29

NCC AB



Consistent Q1 performance

- Orders received on a high level on the back of continued good demand
- Stable operating profit
- Healthy cash flow
- Two new property development projects started



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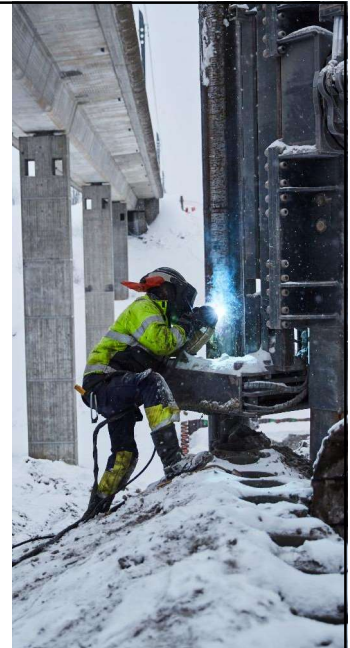
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Action plan to strengthen NCC

Examples of action taken during the quarter

- Divestment of retail projects Roskildevej and Kolding
- Divestment process of division Road Service proceeding according to plan, expected to be completed in 2019
- Turnaround initiatives ongoing in non-performing units



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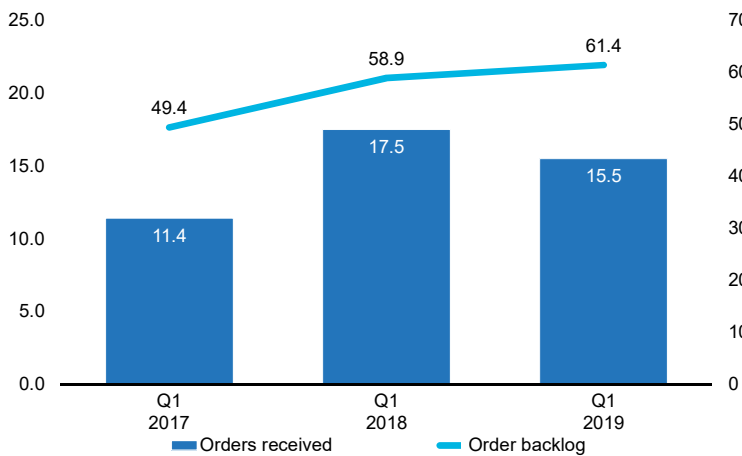
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Orders received and order backlog

Higher than historical average

SEK Bn



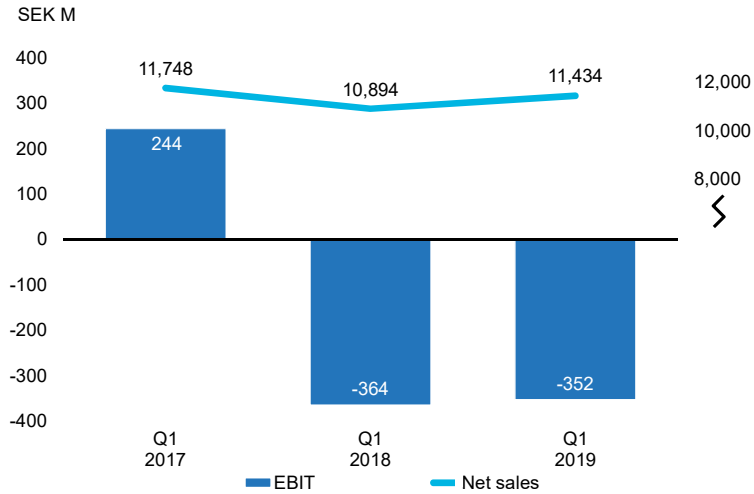
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Net sales and EBIT

Sales increased in all business areas



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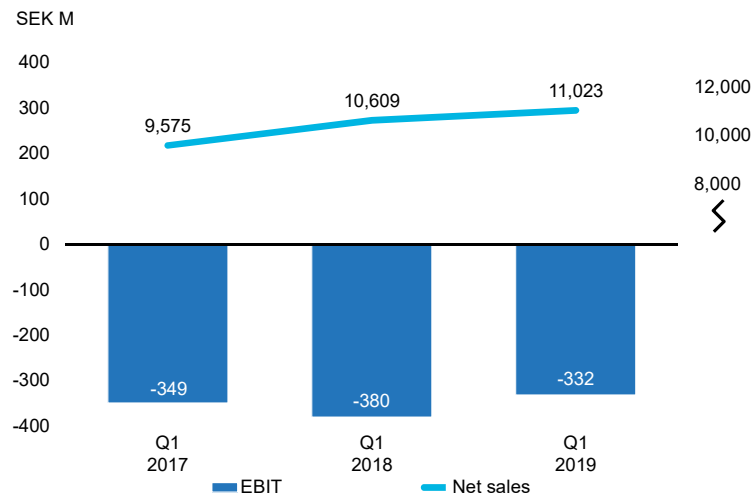
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Net sales and EBIT – without PD

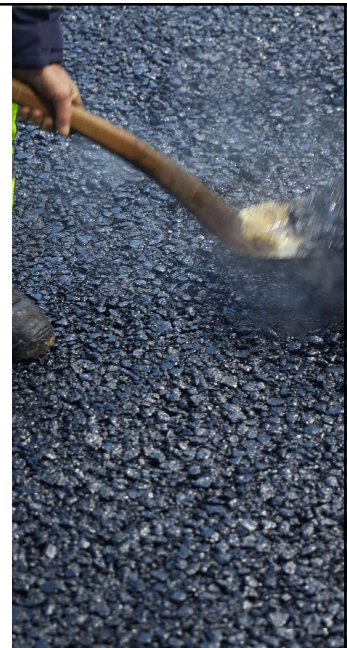
Construction and industry business on par with previous years



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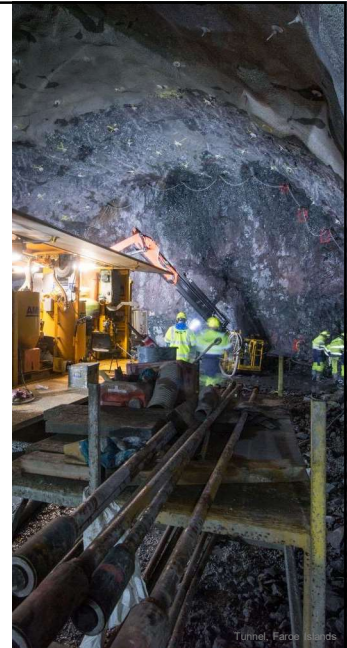


NCC Infrastructure

Orders received on good level – prudent profit recognition

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017*	R12 Apr 18 – Mar 19	Jan-Dec 2018
Orders received	4,840	8,284	4,996	17,827	21,271
Order backlog	22,460	21,620	17,957	22,460	21,037
Net sales	3,649	3,587	3,365	16,997	16,936
EBIT	8	44	-66	-734	-698
EBIT margin, %	0.2	1.2	-2.0	-4.3	-4.1
NCC Road Service					
Net sales	662	707		2,811	2,855
EBIT	-5	-55		-245	-296

*Including NCC Road Service



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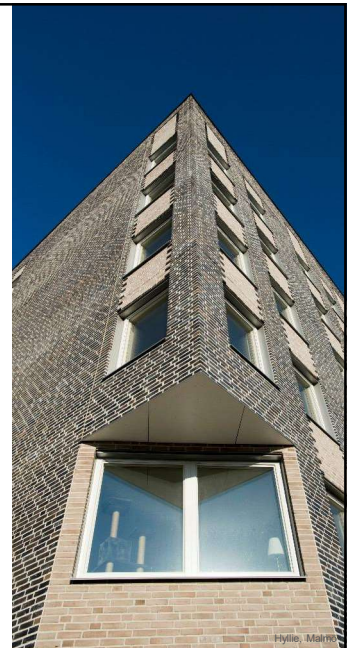
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NCC Building Sweden

Net sales on good level and order backlog strong

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	R12 Apr 18 – Mar 19	Jan-Dec 2018
Orders received	2,579	3,677	2,351	13,978	15,075
Order backlog	17,619	19,367	16,953	17,619	18,709
Net sales	3,669	3,649	3,206	15,720	15,701
EBIT	110	111	93	452	453
EBIT margin, %	3.0	3.0	2.9	2.9	2.9



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NCC Building Nordics

Improved project margins and higher sales drives increased EBIT

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	R12 Apr 18 – Mar 19	Jan-Dec 2018
Orders received	4,187	1,915	1,380	13,501	11,229
Order backlog	13,132	10,384	10,205	13,132	11,313
Net sales	2,567	2,299	2,451	11,021	10,753
EBIT	34	11	-55	-204	-227
EBIT margin, %	1.3	0.5	-2.2	-1.9	-2.1



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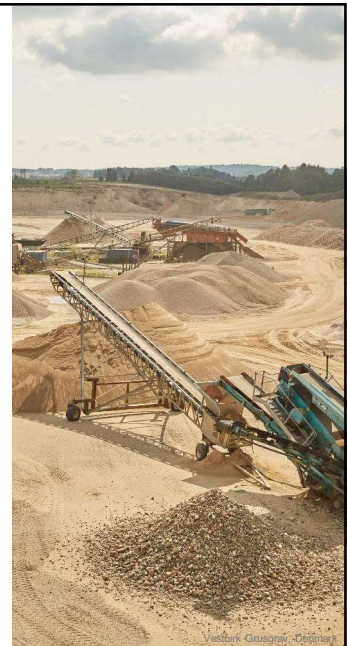
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NCC Industry

Pronounced seasonality in the business

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	R12 Apr 18 – Mar 19	Jan-Dec 2018
Net sales	1,265	1,165	1,087	13,067	12,968
EBIT	-385	-411	-310	377	350
EBIT margin, %	-30.5	-35.3	-28.5	2.9	2.7
RoCE, %				7.3	7.1



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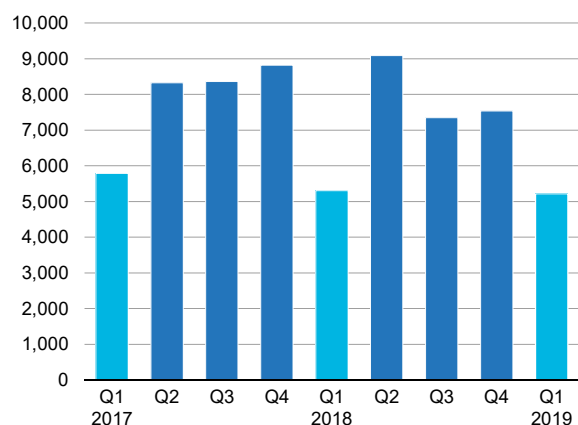
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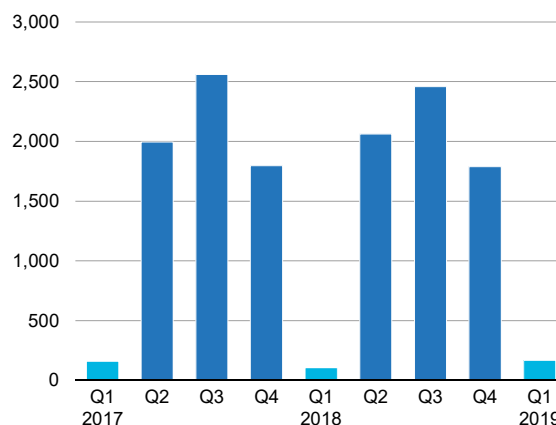


Activity seasonally low – in line with previous years

Stone material sold, thousands of tons



Asphalt sold, thousands of tons



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NCC Property Development

No major projects profit-recognized in the quarter

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	R12 Apr 18 – Mar 19	Jan-Dec 2018
Net sales	411	285	2,173	2,284	2,157
EBIT	-20	16	593	-217	-181
EBIT margin, %	-4.8	5.5	27.3	-9.5	-8.4
RoCE, %				-4.6	-3.9



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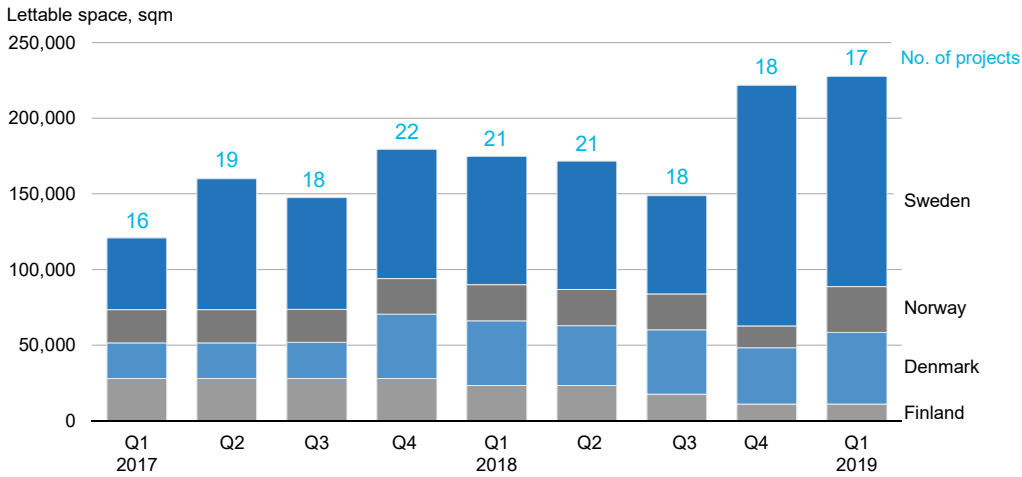
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Portfolio focused on Sweden

Two new projects started this quarter



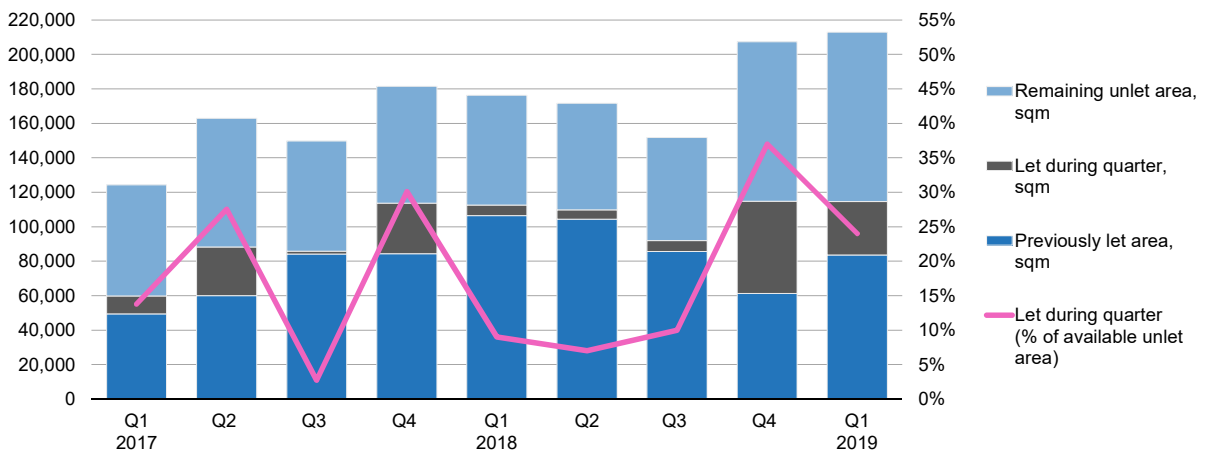
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Healthy letting in the quarter – 31,000 sqm



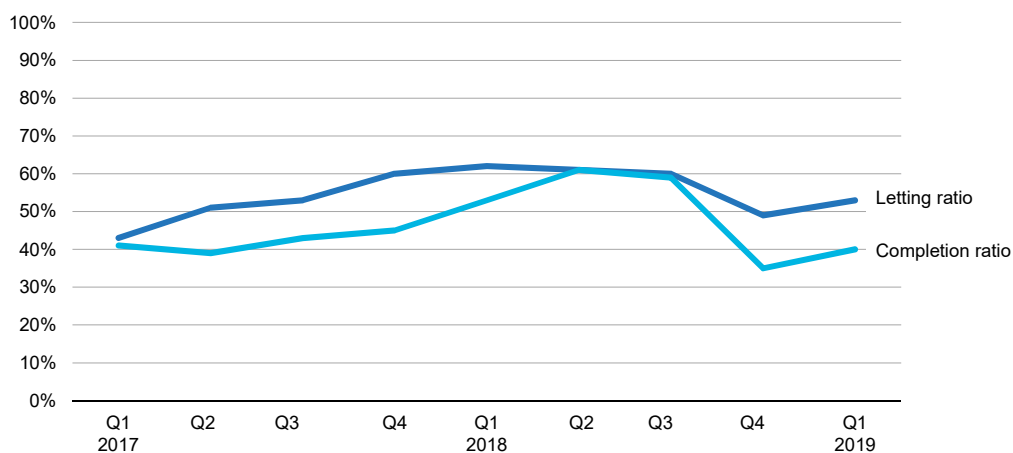
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Letting and completion status in the property portfolio



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Income statement

SEK M	Jan-Mar 2019	Jan-Mar 2018	Apr 18 - Mar 19	Jan-Dec 2018
Net sales	11,434	10,894	57,885	57,346
Gross profit	346	342	2,144	2,140
Selling and administrative expenses	-693	-703	-2,865	-2,875
Cost ratio	6.1%	6.5%	5.0%	5.0%
Other	-5	-3	-31	-29
EBIT	-352	-364	-752	-764
Financial items	-18	-8	-95	-85
EBT	-370	-372	-846	-849
Tax	57	76	79	99
Profit for the period	-314	-296	-767	-750

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Other and eliminations

SEK M	Jan-Mar 2019	Jan-Mar 2018
NCC Infrastructure	3	-11
NCC Building Sweden	110	111
NCC Building Nordic	34	11
NCC Industry	-385	-411
NCC Property Development	-20	16
Non core assets, Road Service	-	-
Other and eliminations	-94	-79
EBIT	-352	-364

SEK M	Jan-Mar 2019	Jan-Mar 2018
NCC HQ etc.	-54	-57
Internal gains	-11	-2
Other Group adjustment	-29	-20
Other and eliminations	-94	-79

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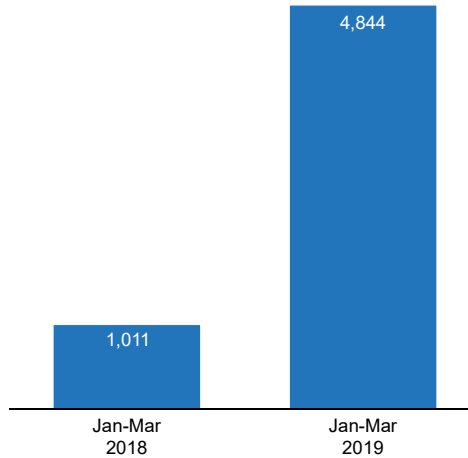
Effects from IFRS16 Leasing

Income statement	Balance sheet	Cash flow
Total effect -5 SEK M	Impact 1.364 SEK M	No impact
<p>Reversed leasing cost</p> <p>Increased depreciation</p> <p>Increased financial net</p> <p>Net profit/loss excl. IFRS16: -309</p> <p>Net profit/loss incl. IFRS16: -314</p>	<p>Assets:</p> <p>Right-of-use assets in fixed asset</p> <p>Liabilities:</p> <p>Long-term interest-bearing 946 SEK M</p> <p>Short-term interest-bearing 422 SEK M</p>	<p>+ 162 SEK M cash flow from operating activities</p> <p>-162 SEK M cash flow from financing activities</p>



Net debt

SEK M	2019	2018
Other net debt	665	- 889
Lease liabilities	1,875	443
Pension liability	2,304	1,457
Total	4,844	1,011



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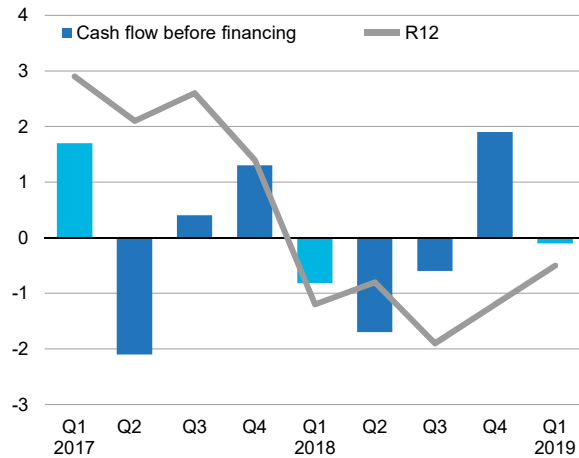
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Improved cash flow in Q1

SEK BN



SEK M	Jan-Mar 2019	Jan-Mar 2018	Apr 18 - Mar 19	Jan-Dec 2018
From operating activities	-216	-394	913	735
From property projects	-209	-356	-1,018	-1,166
Other working capital	478	166	367	55
Investing activities	-194	-231	-744	-782
Cash flow before financing	-140	-815	-482	-1,157

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Consistent Q1 performance

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- Long-term improvement process for NCC on track



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Contact information and calendar

IR Manager

Johan Bergman

Tel: +46 (0)70-354 80 35

johan.bergman@ncc.se

Chief Financial Officer

Susanne Lithander

Tel: +46 (0) 73-037 08 74

susanne.lithander@ncc.se

Financial Calendar

July 19, 2019 Interim report Jan-Jun

October 28, 2019 Interim report Jan-Sep

January 30, 2020 Interim report Jan-Dec