

Interim report January – June, 2016

Peter Wågström
President and CEO

Mattias Lundgren
CFO



KMH, Stockholm

NCC Q2 2016

- Improved orders received +24%
- Mixed development in Building and Infrastructure
- Better for Industry
- Higher earnings from Property Development
- Distribution of Bonava

Police headquarters, Halmstad

Q2 2016

Orders received

SEK 17.1 BN
(13.8)

Net sales

SEK 13.6 BN
(13.2)

Order backlog

SEK 47.2 BN
(44.4)

Profit after financial items

SEK 572 M
(541)

January - June 2016

Orders received

SEK 27.7 BN
(25.7)

Net sales

SEK 22.8 BN
(23.5)

Order backlog

SEK 47.2 BN
(44.4)

Profit after financial items

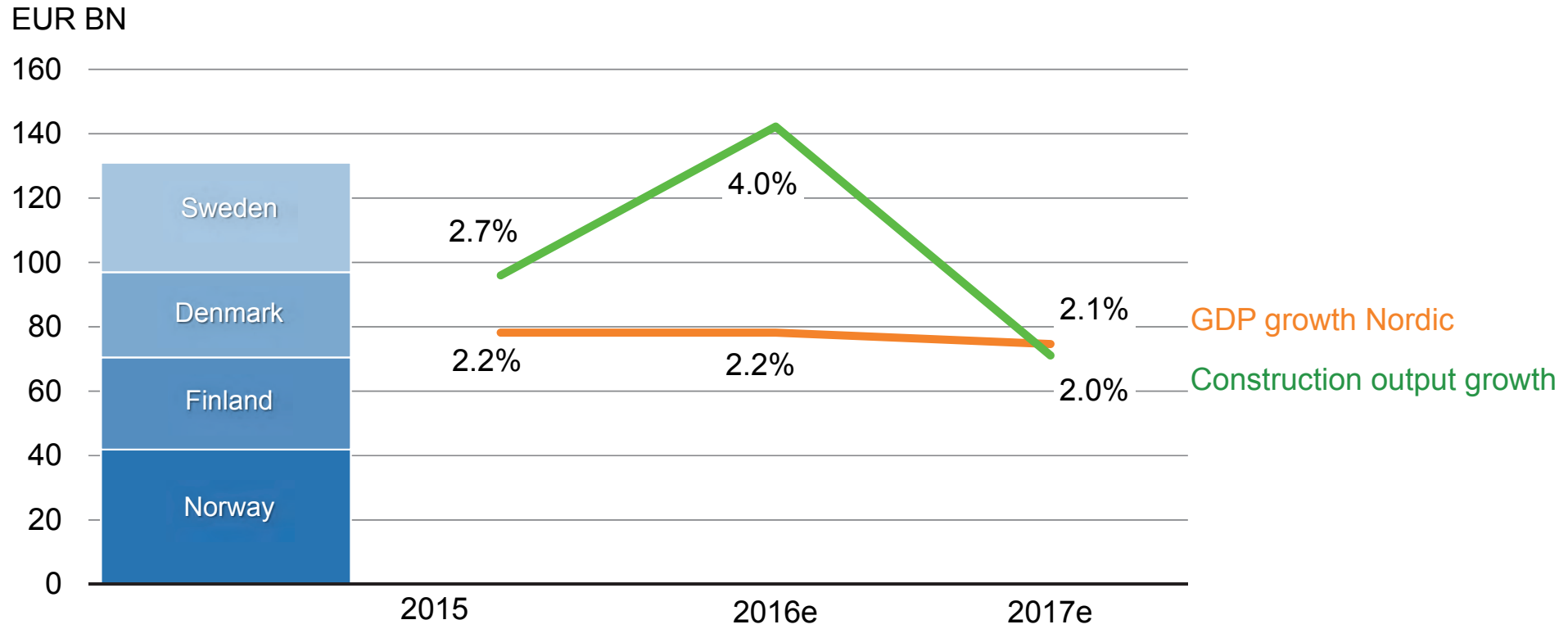
SEK 240 M
(286)

Nordic construction market outlook



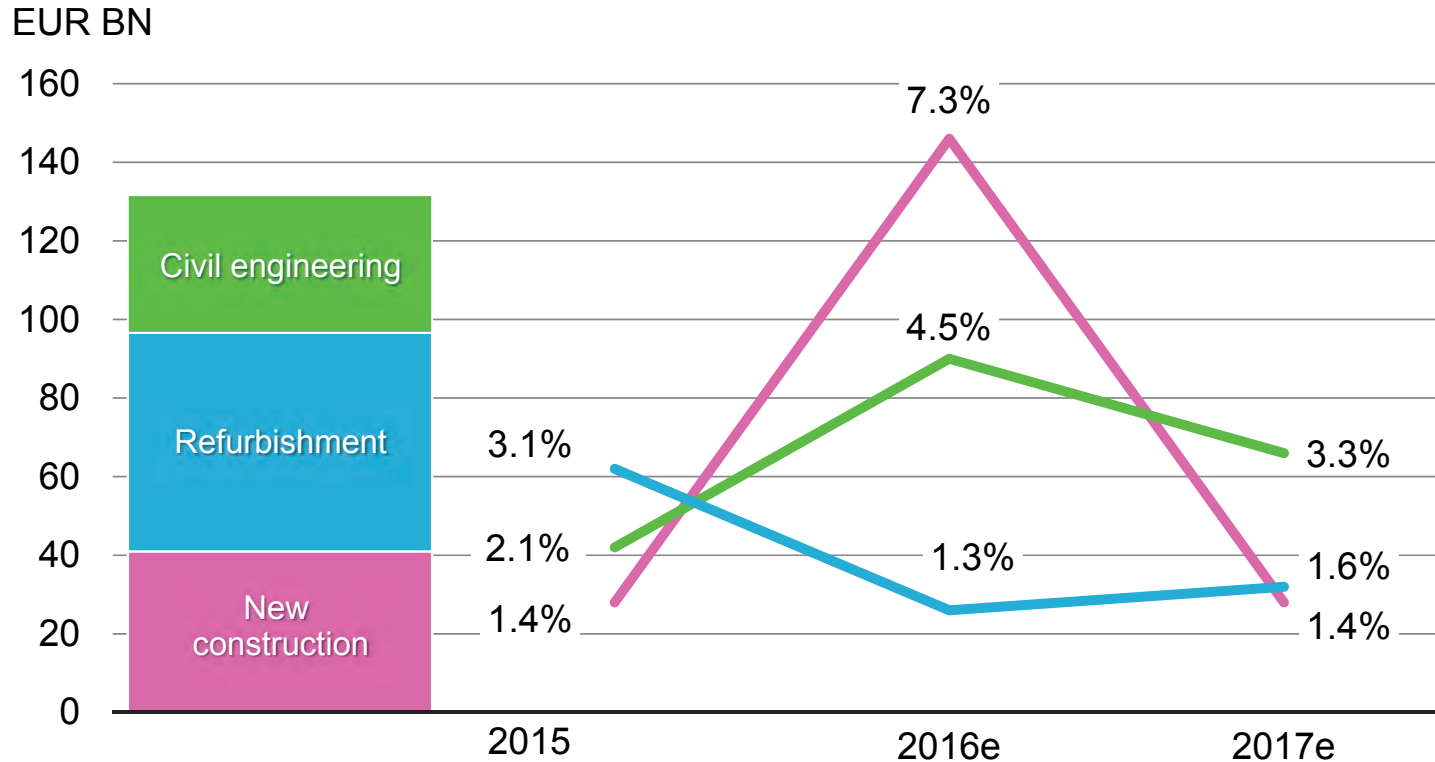
Nordic construction market

Higher growth in construction volume than GDP 2016



Source: Euroconstruct and NCC

Construction volume by segment

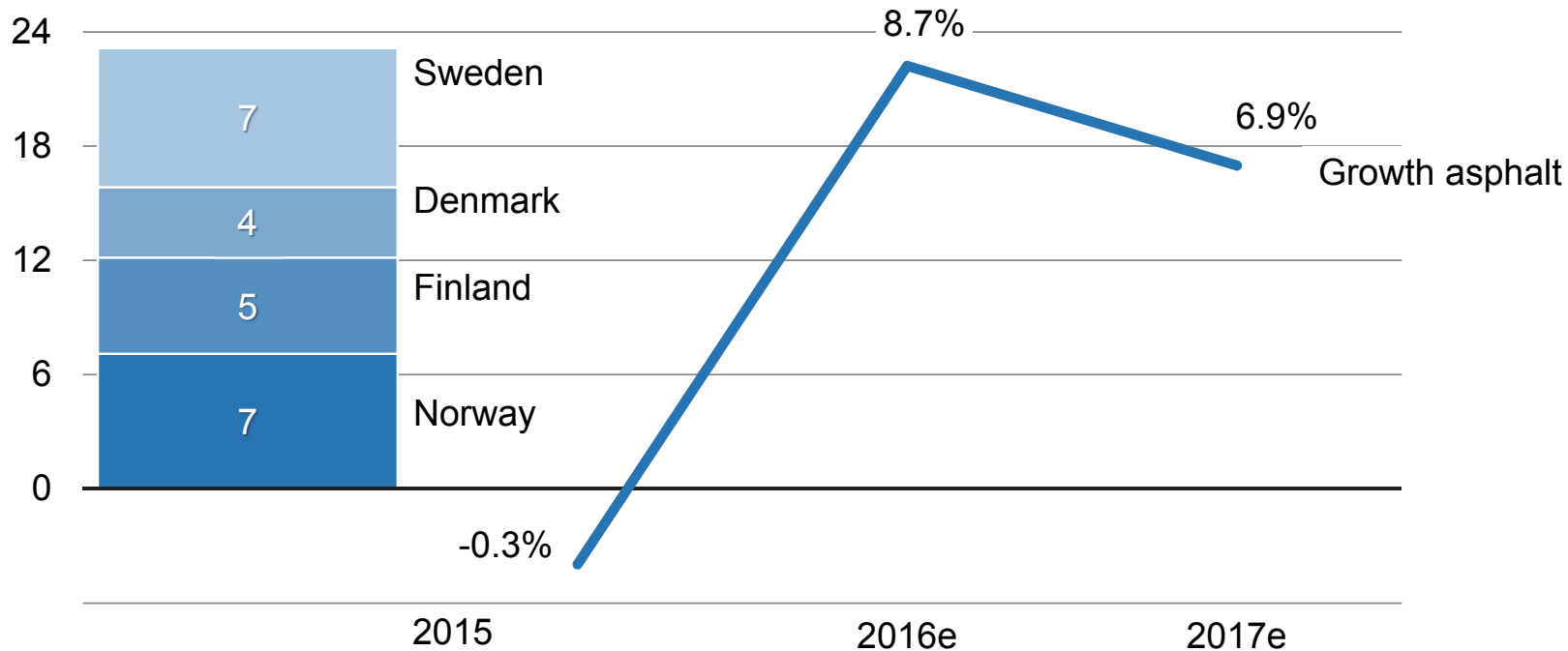


Source: Euroconstruct and NCC

Nordic construction market

Market outlook – asphalt

Asphalt, million tons

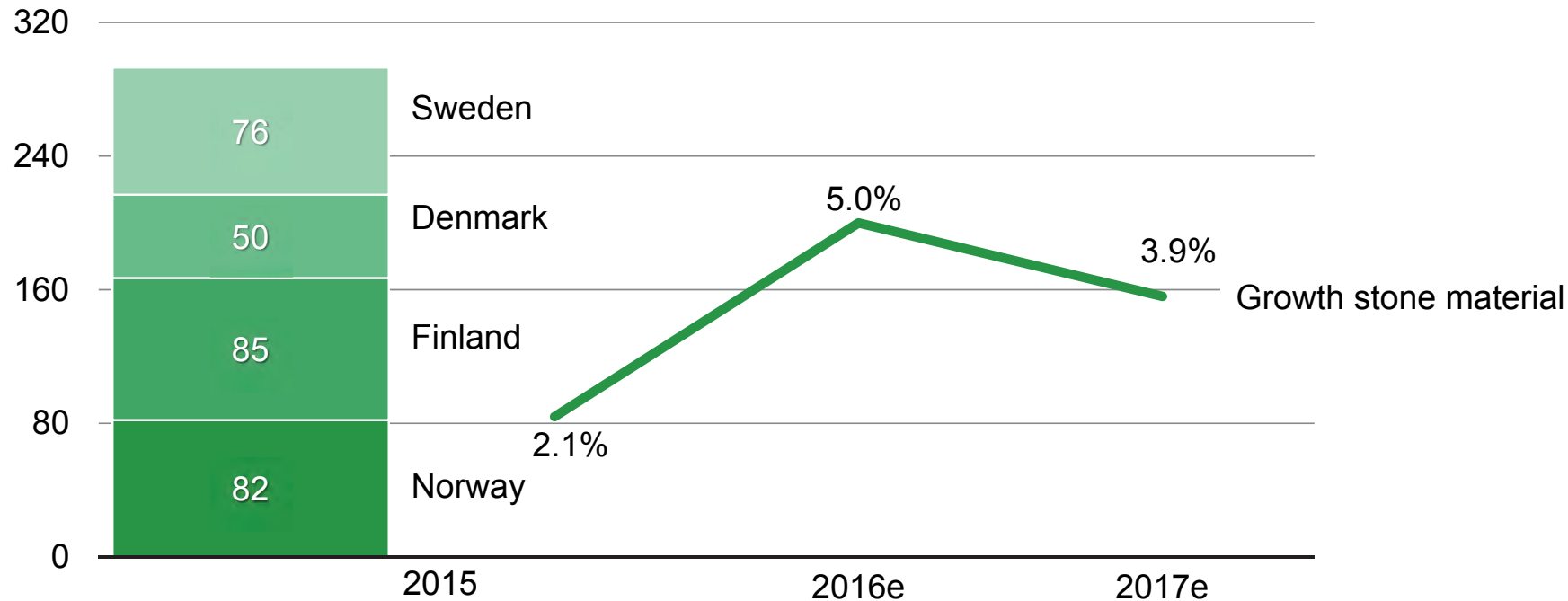


Source: Euroconstruct and NCC

Nordic construction market

Market outlook – stone material

Stone material, million tons



Source: Euroconstruct and NCC

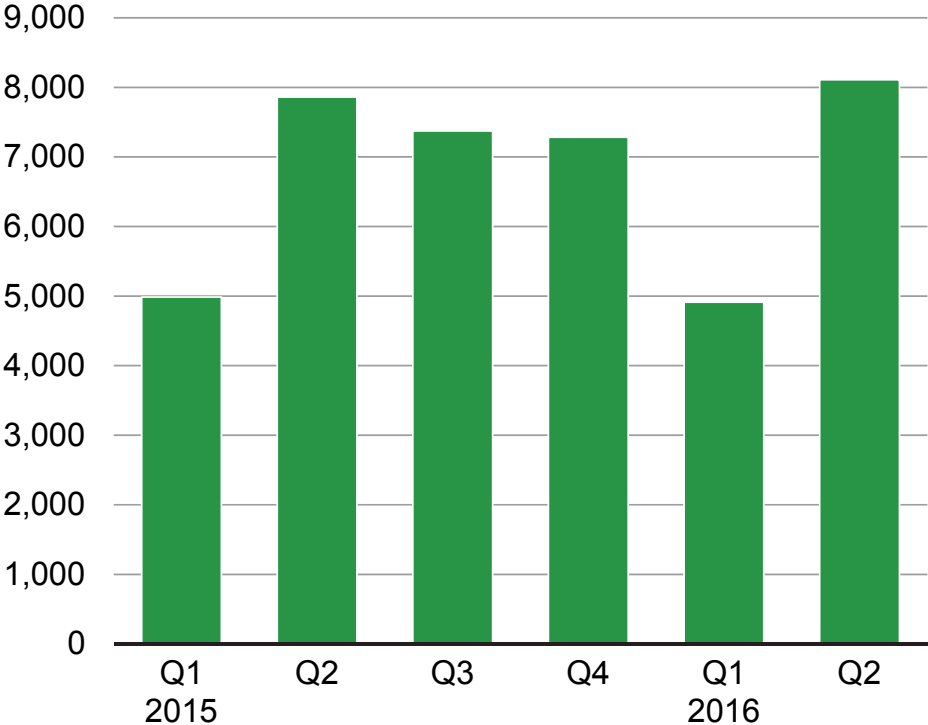
NCC Industry



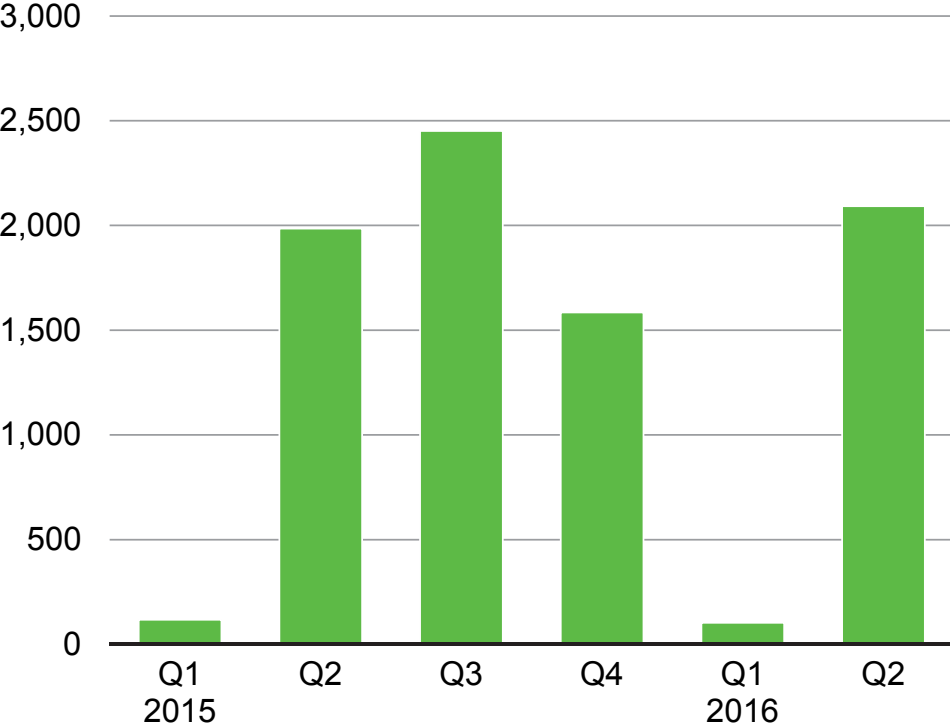
NCC Recycling Borås

Slightly higher volumes in Q2 year-on-year

Stone material sold, thousands of tons



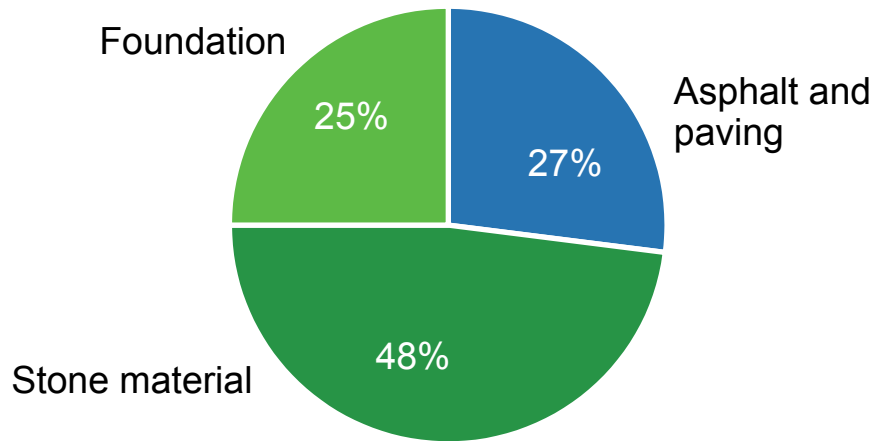
Asphalt sold, thousands of tons



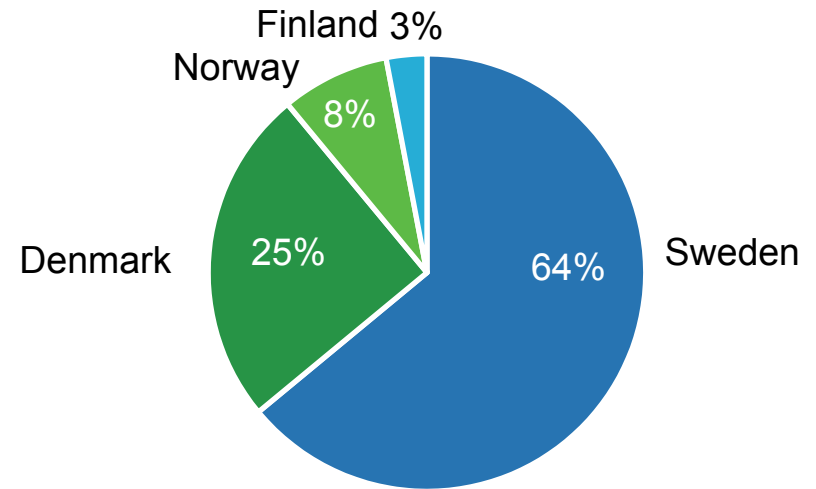
Net sales in Q1

NCC Industry

Product mix



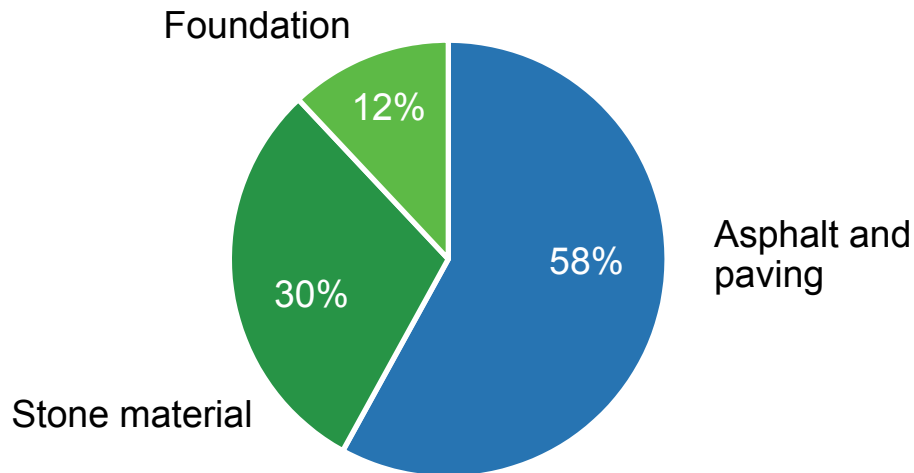
Geographical distribution



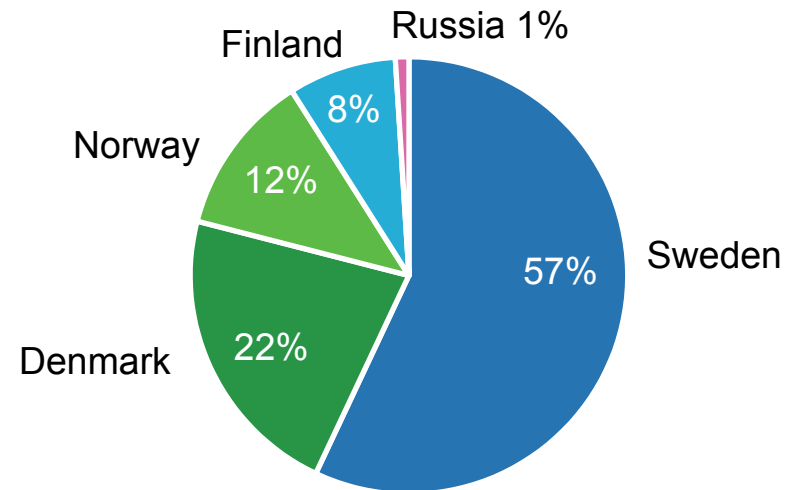
Net sales January - June 2016

NCC Industry

Product mix



Geographical distribution



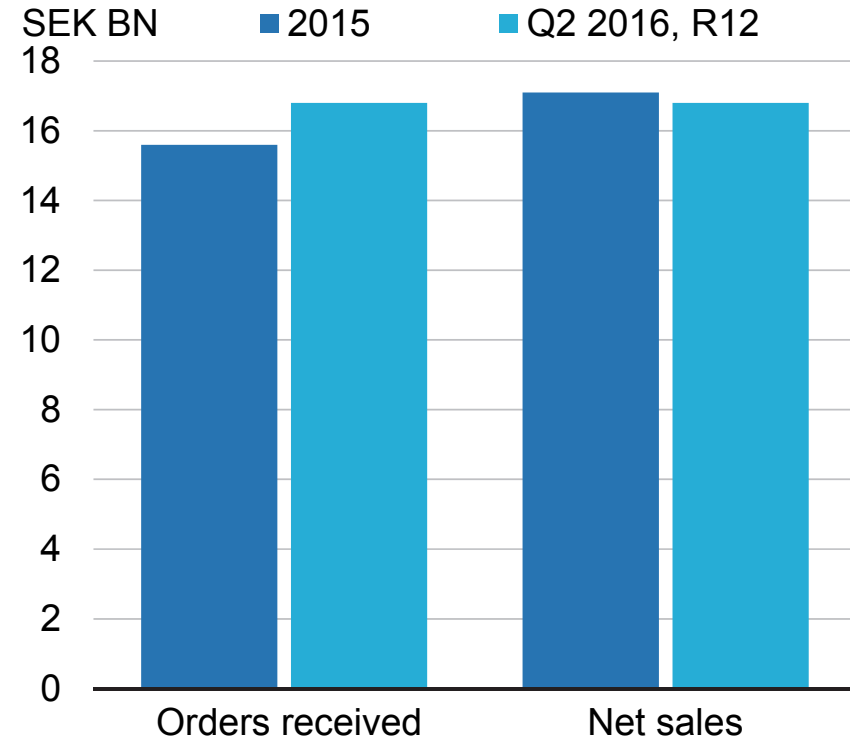
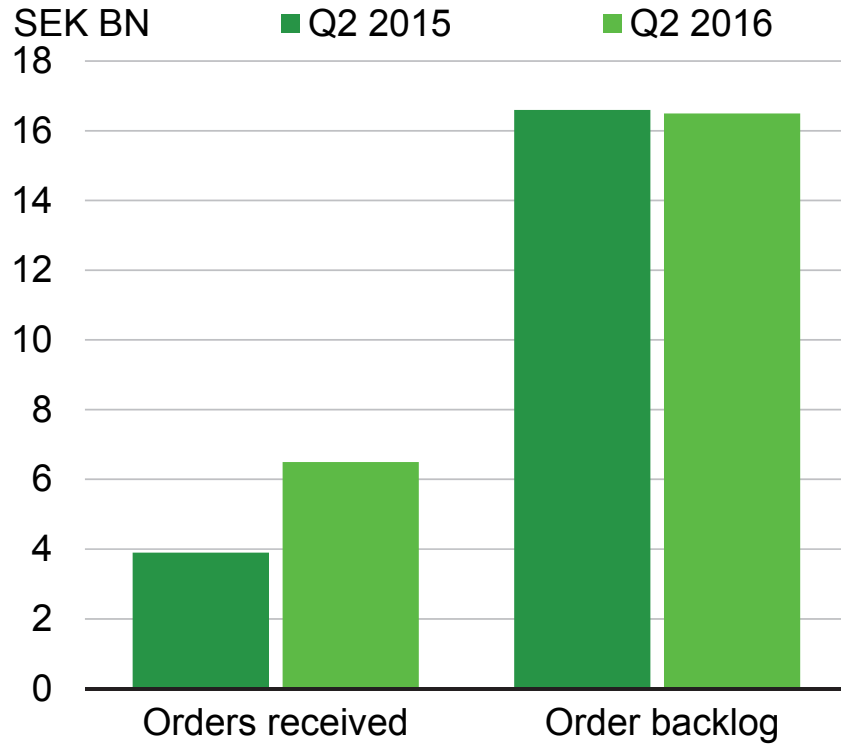
NCC Infrastructure



Norsborgsdepan, Stockholm

Higher orders received

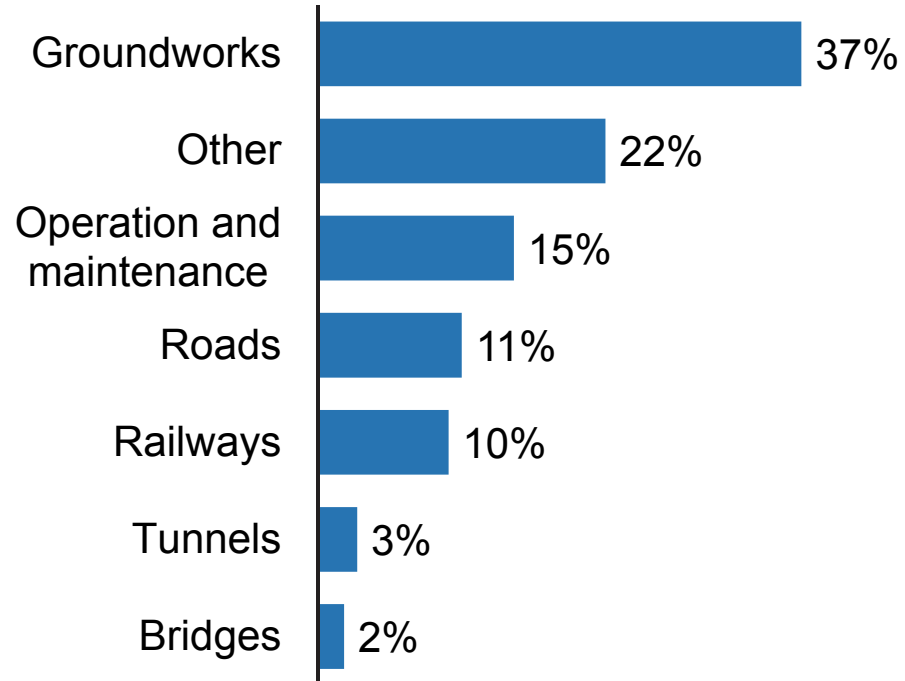
NCC Infrastructure



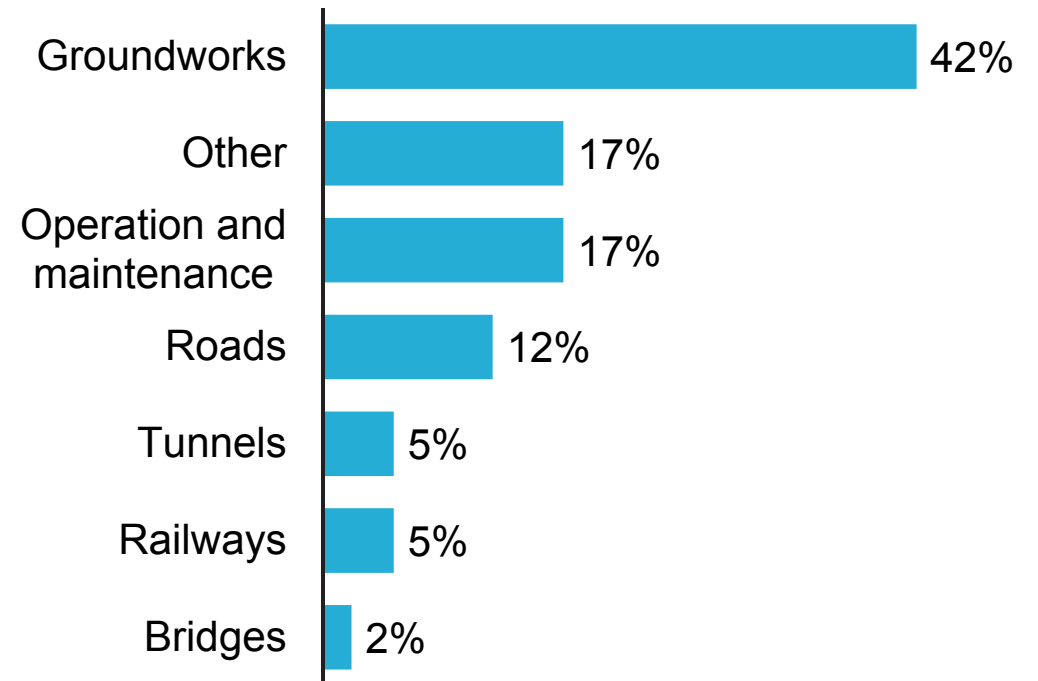
Product mix Q1

NCC Infrastructure

Orders received



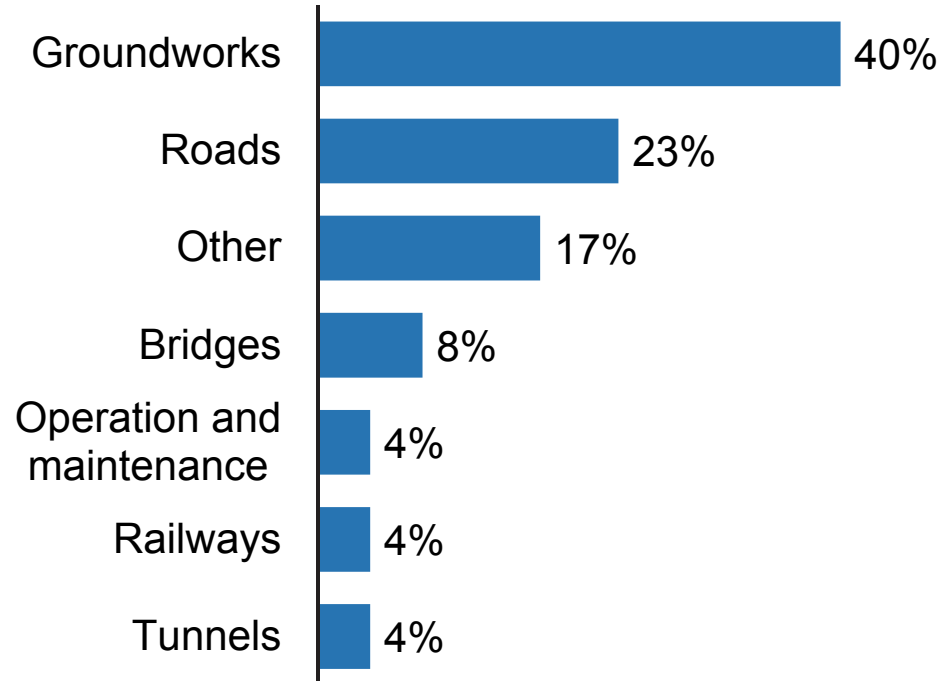
Net sales



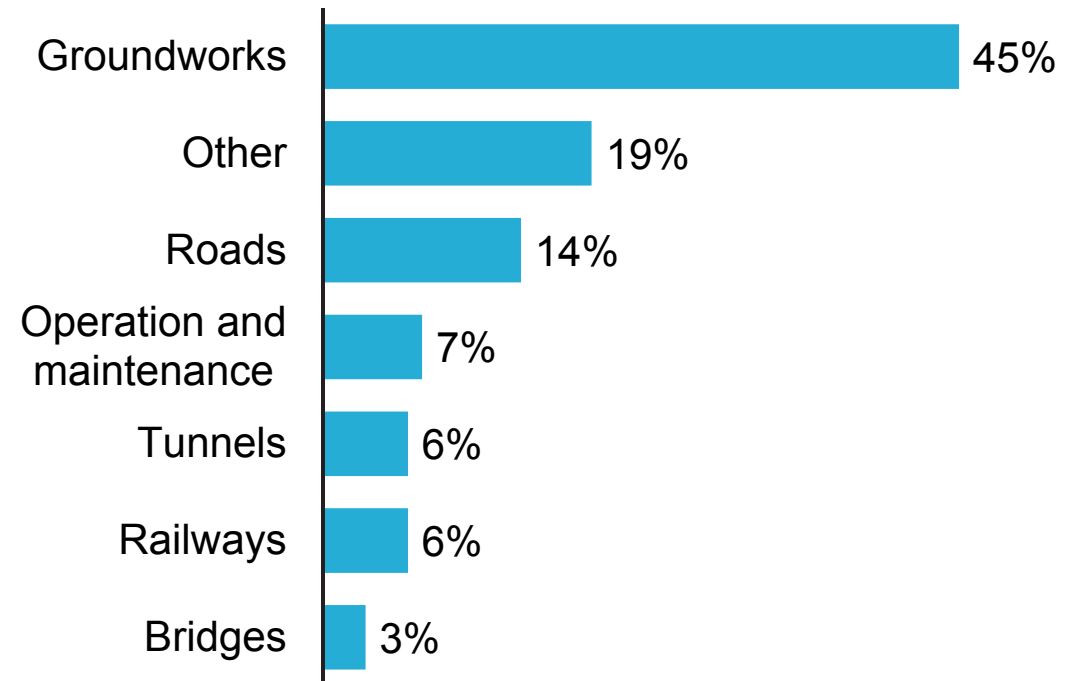
Product mix Jan.-Jun. 2016

NCC Infrastructure

Orders received



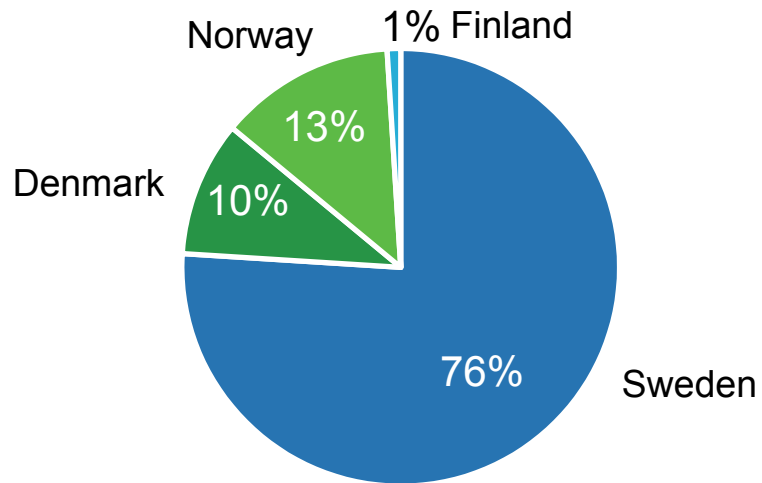
Net sales



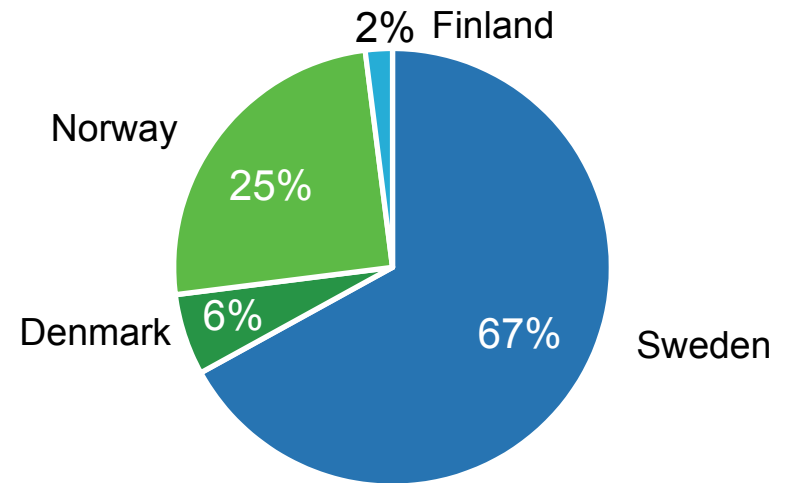
Geographical distribution Q1

NCC Infrastructure

Orders received



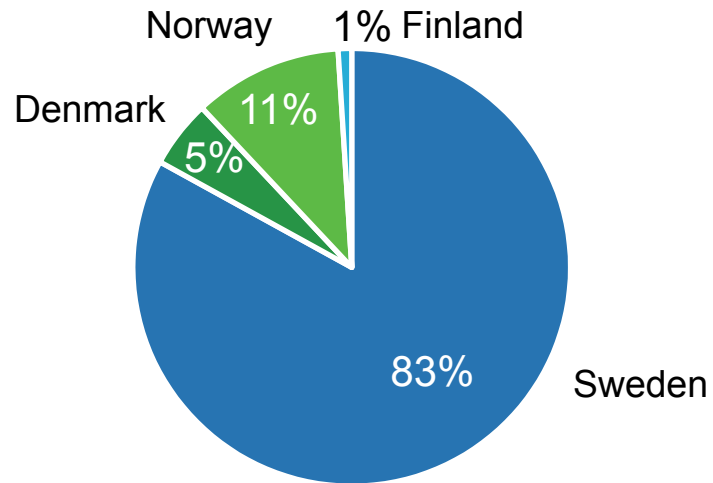
Net sales



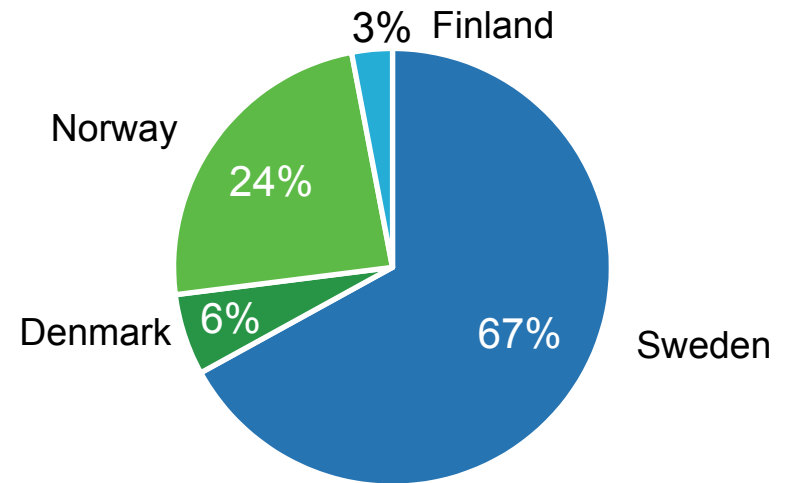
Geographical distribution Jan.-Jun. 2016

NCC Infrastructure

Orders received



Net sales



Project example

NCC Infrastructure

- New waterworks north of Kungälv
- Customer: Kungälv Municipality
- Partnering agreement
- Order value: SEK 300 million



Stockholm Bypass Link

- Hjulsta Norra interchange
- Customer: Trafikverket
- Order value: SEK 608 million

- Häggvik interchange
- Customer: Trafikverket
- Order value: SEK 740 million

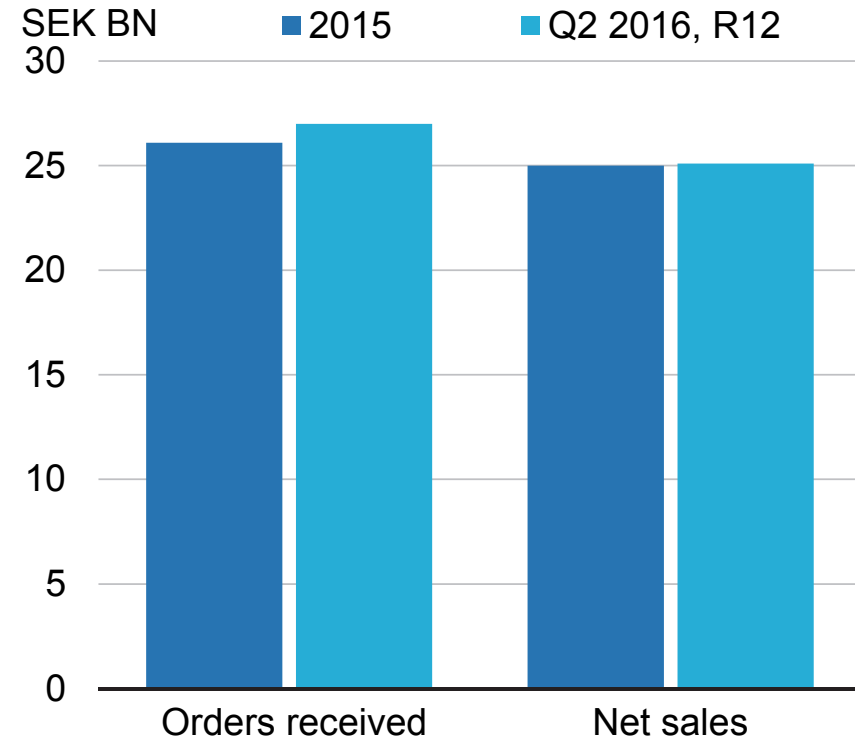
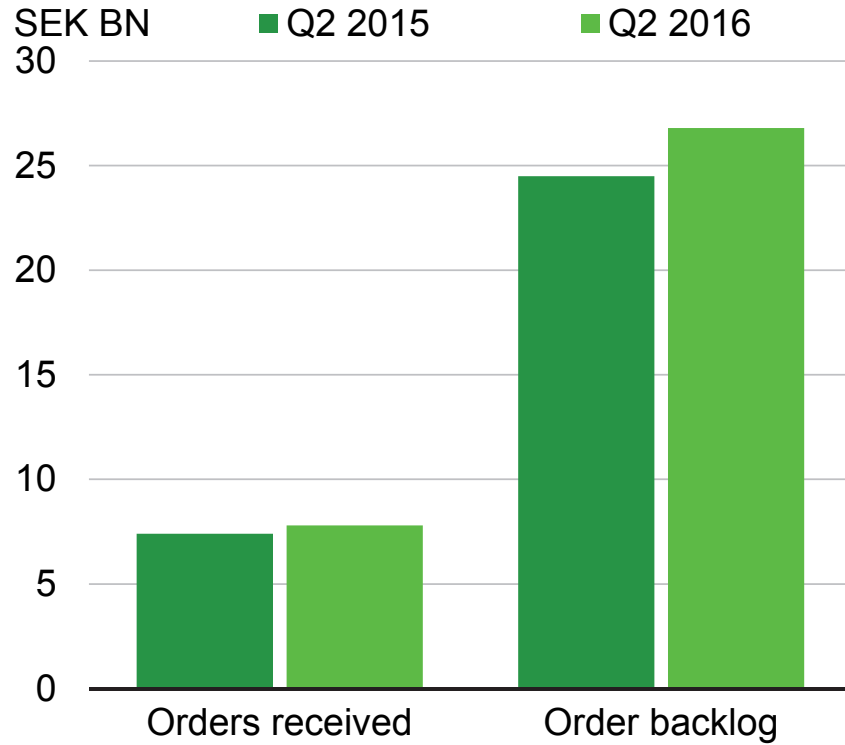
NCC Building



Folkboende, Isopen, Örebro

Higher order backlog

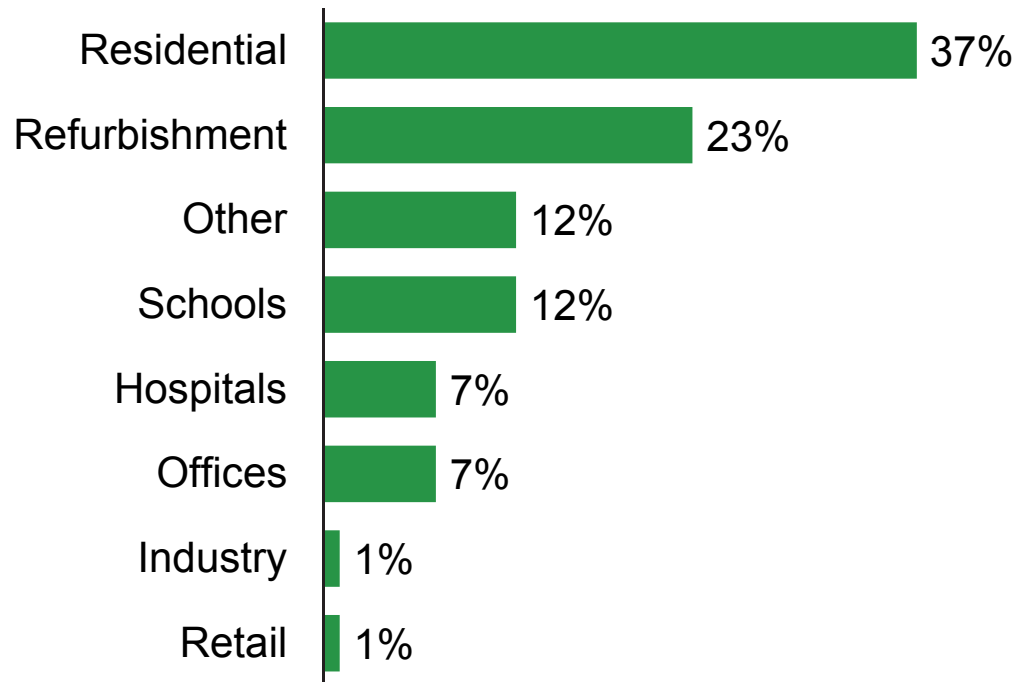
NCC Building



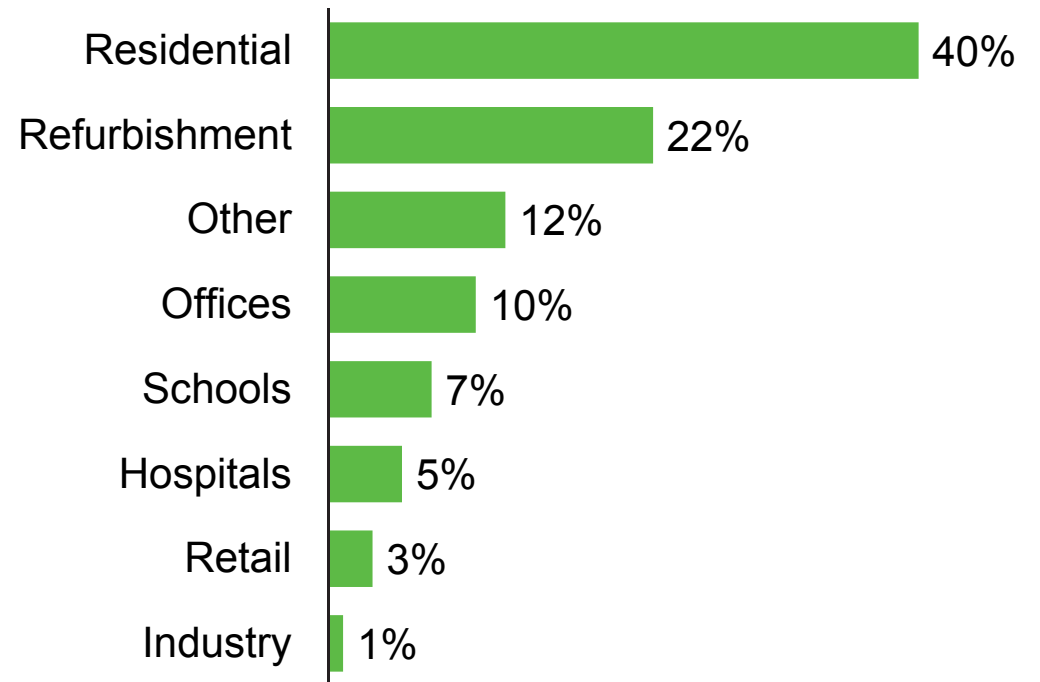
Product mix Q1

NCC Building

Orders received



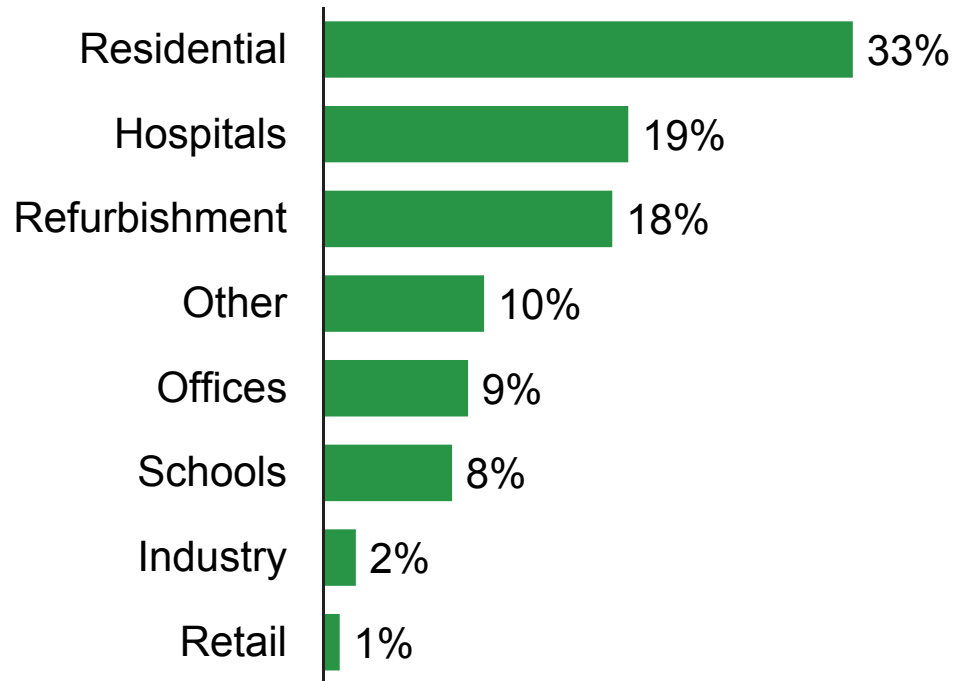
Net sales



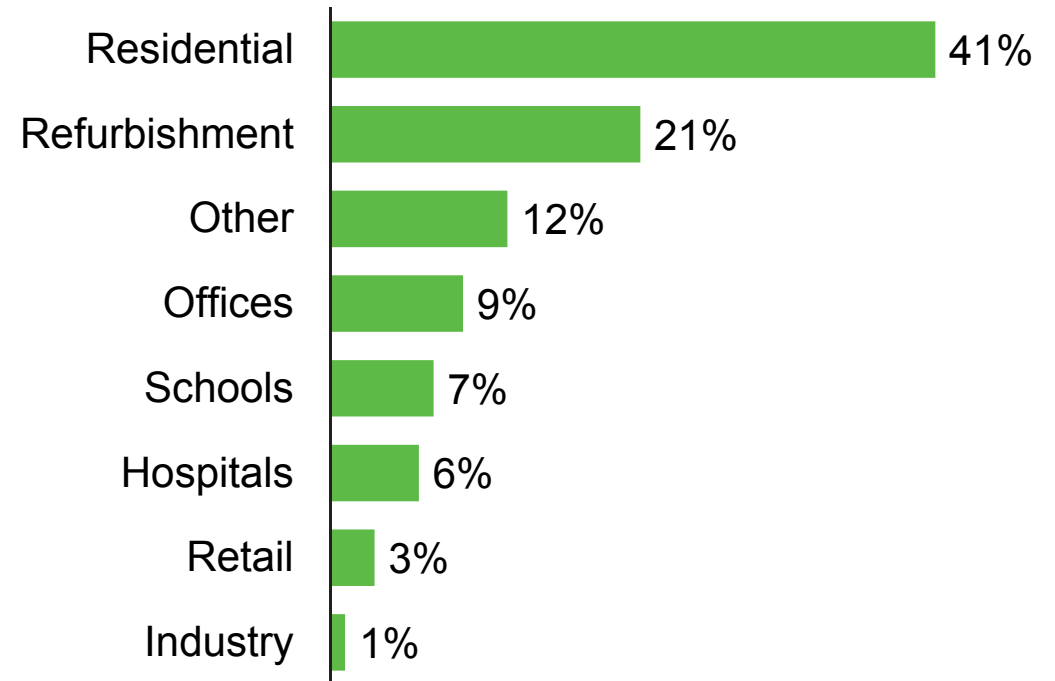
Product mix Jan.-Jun. 2016

NCC Building

Orders received



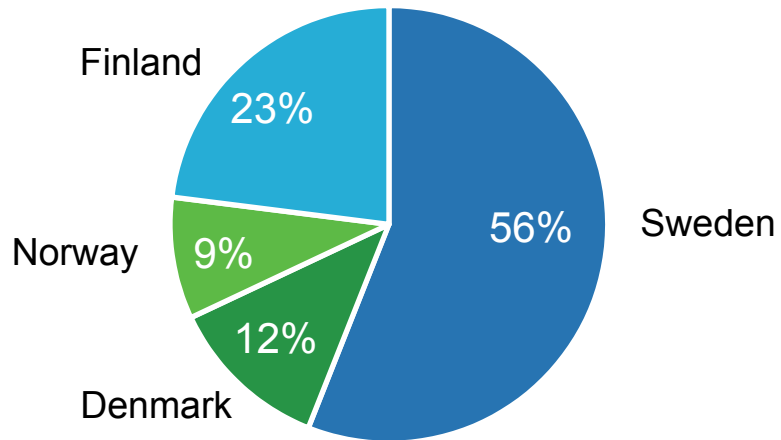
Net sales



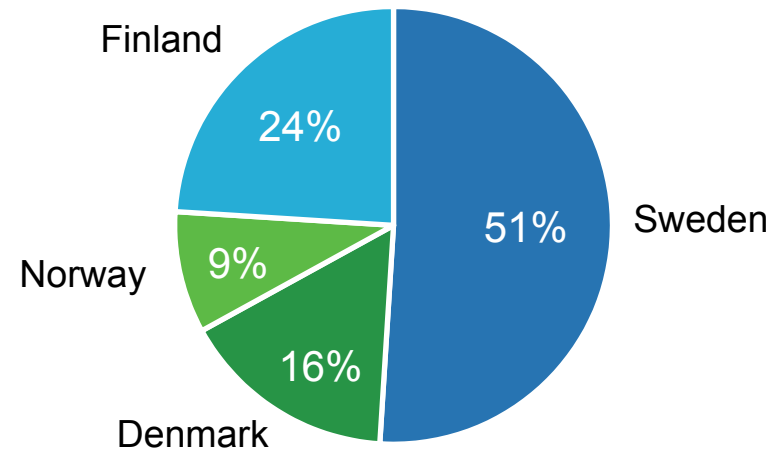
Geographical distribution Q1

NCC Building

Orders received



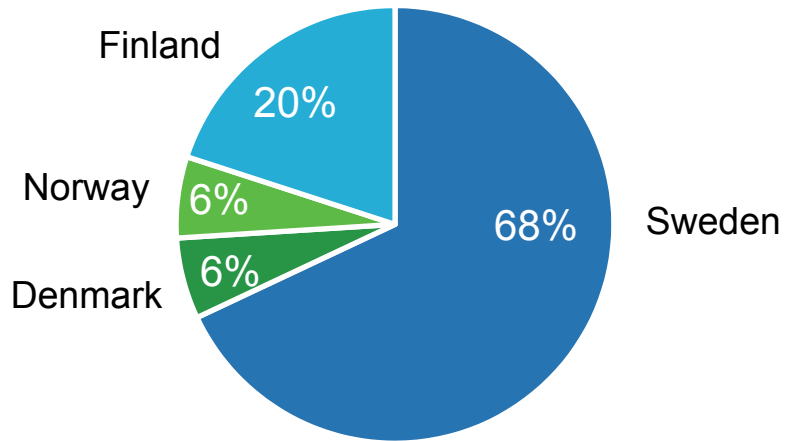
Net sales



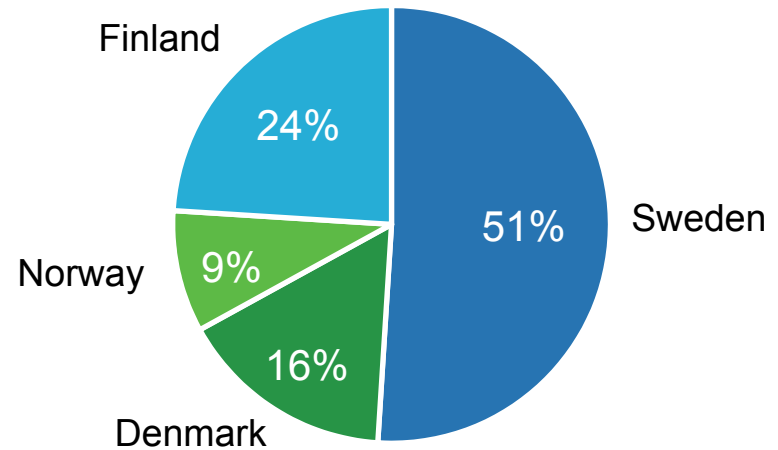
Geographical distribution Jan.-Jun. 2016

NCC Building

Orders received



Net sales



Project example

NCC Building

- Green office building for Fabege
- Arenastaden, Solna, Sweden
- SEK 830 million



University Hospital of Örebro

- New University Hospital in Örebro
- Customer: Region Örebro County
- Partnering agreement
- Order value: SEK 1.5 billion

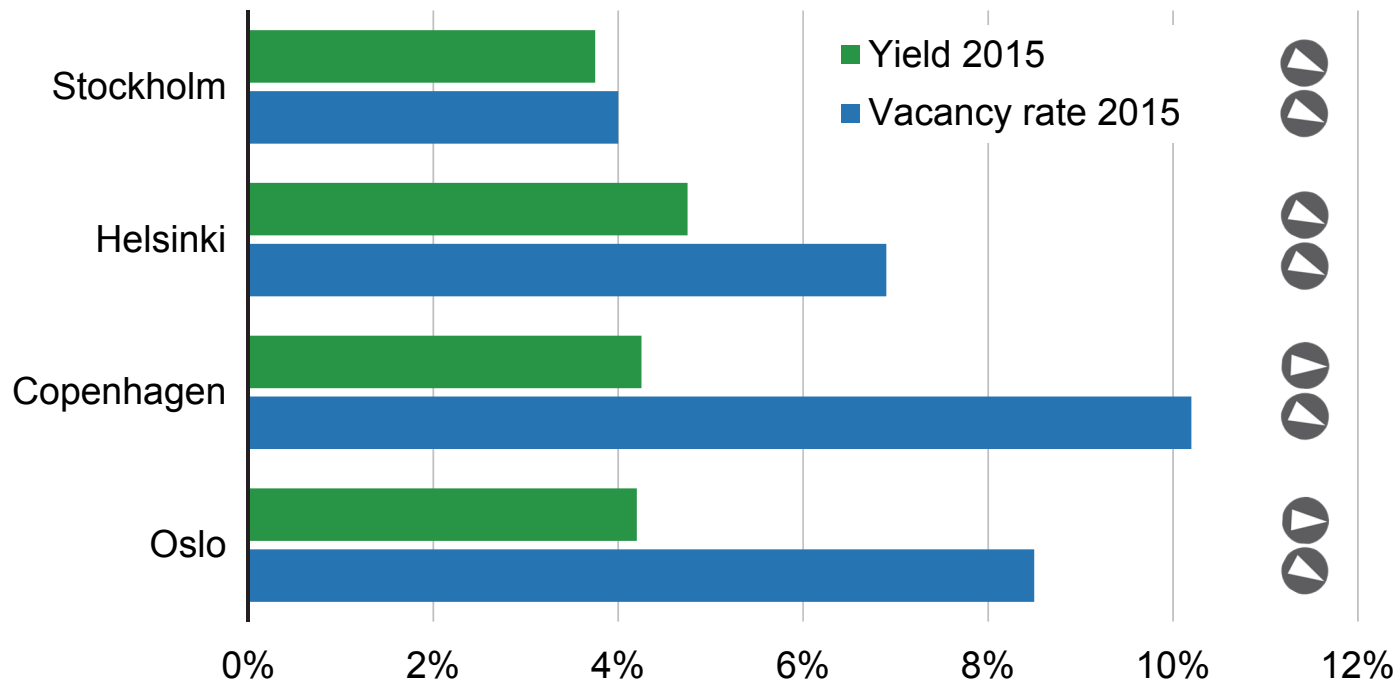
NCC Property Development



Hyllie, Malmö

Property market outlook – offices

CBD



Source: Newsec, NCC

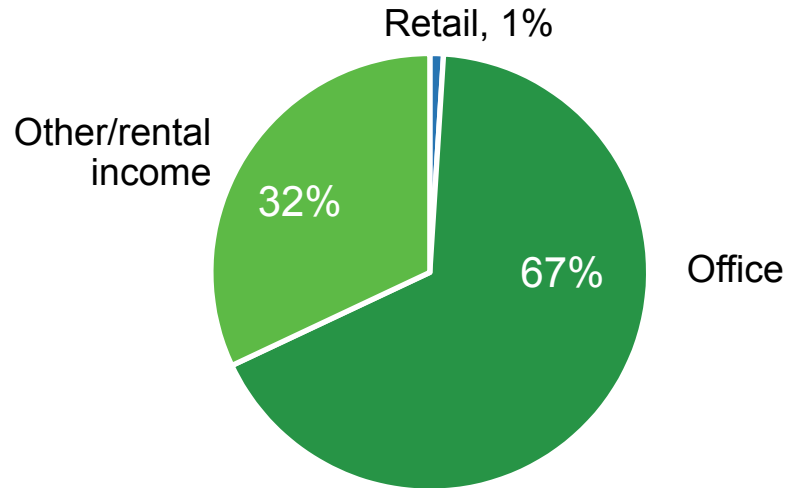


Lysaker Polaris, Oslo

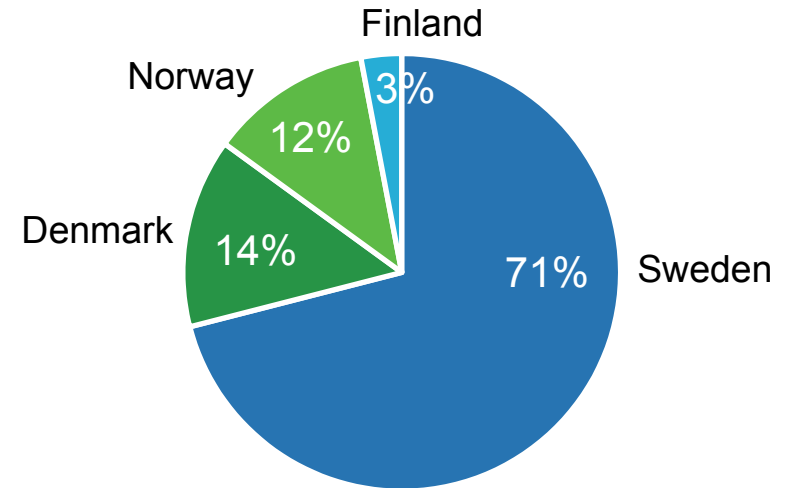
Net sales Jan.-Jun. 2016

NCC Property Development

Product mix

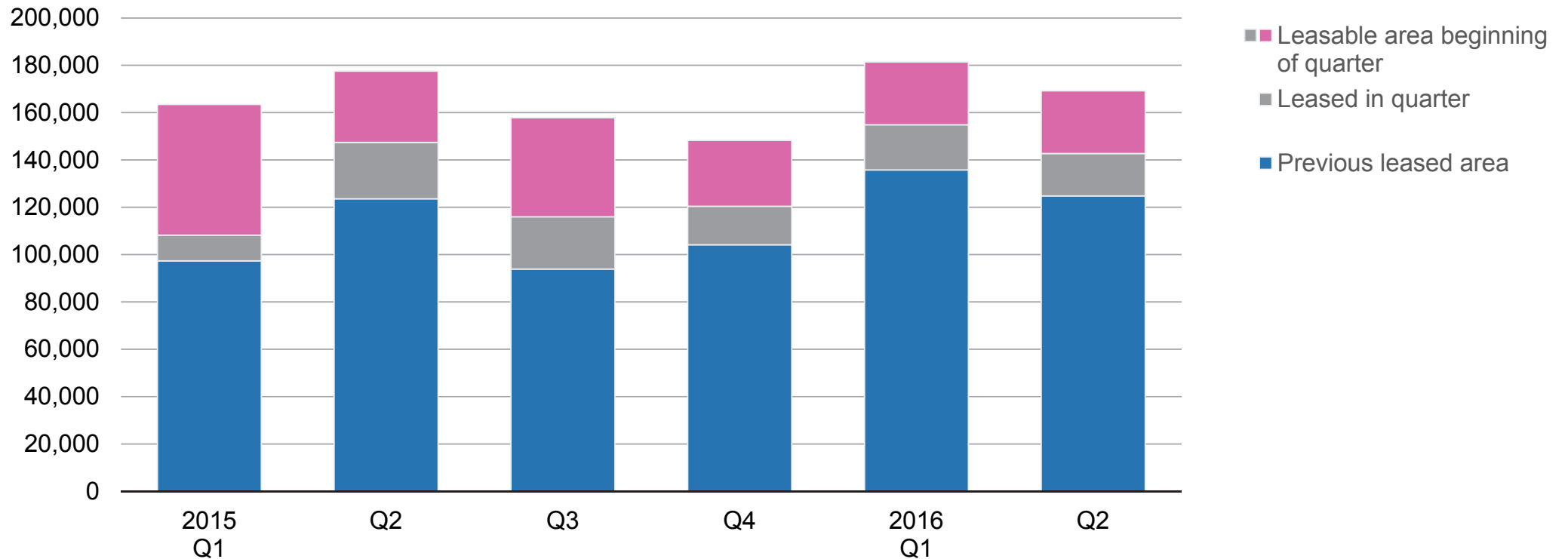


Geographical distribution



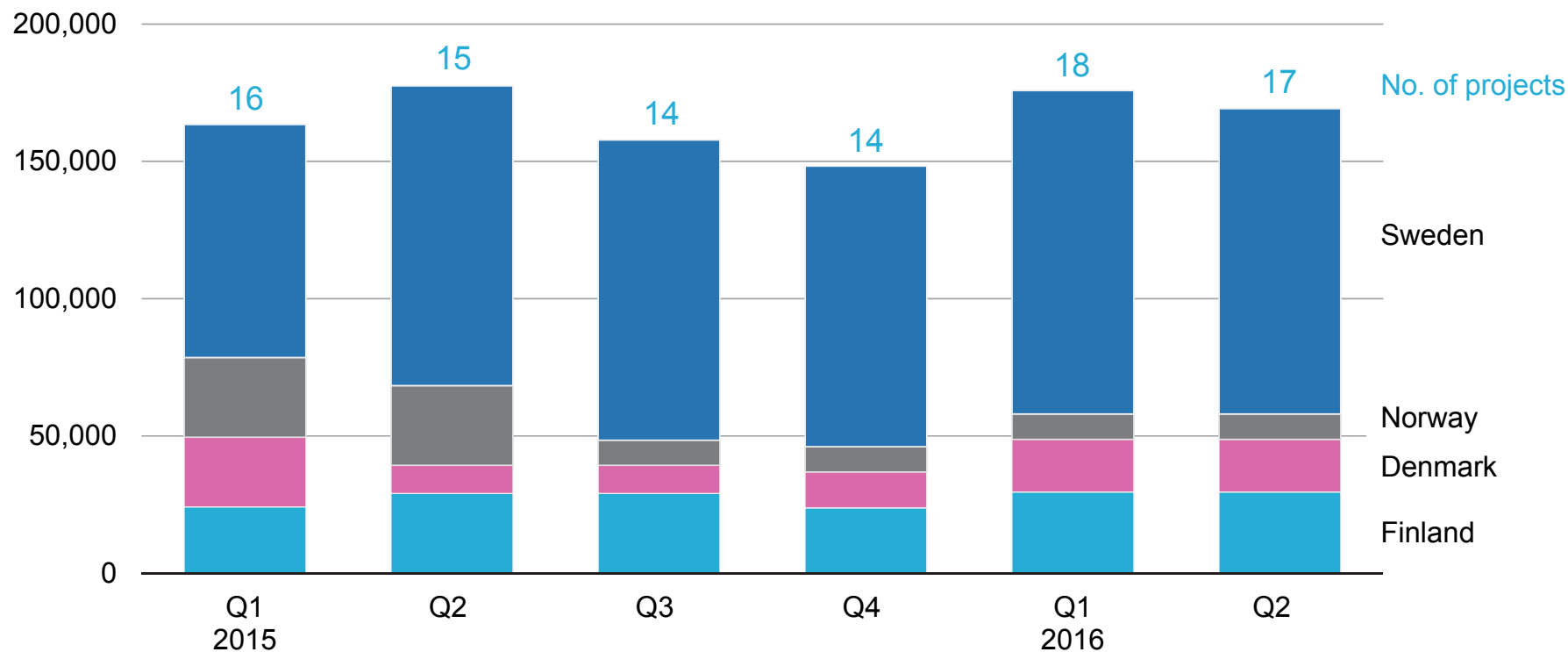
17,900 sqm leased in the quarter

Leased floor space, sqm



Property portfolio

Leasable space, sqm, in ongoing or completed projects not recognized in profit



Office property Hyllie profit recognized in Q2

- Company divestment with a total underlying property value of SEK 330 M
- Total leasable space 7,300 sqm.
- Leasing rate 98%



Gladsaxe Company House

- Office project close to Copenhagen
- Lettable space: 15,400 sqm
- Buyer: Danish pension fund PensionDanmark
- Platinum level in DGNB environmental certification system



Mattias Lundgren
CFO

Södra Cell, Värö

Spinoff of Bonava – effects on the financial statement

Accounting policy IFRS 5

- Bonava is recognized net on a single line under operations being discontinued in the income statement
- In cash flow, Bonava's profit after net financial items is recognized separately, following which Bonava as a whole is included



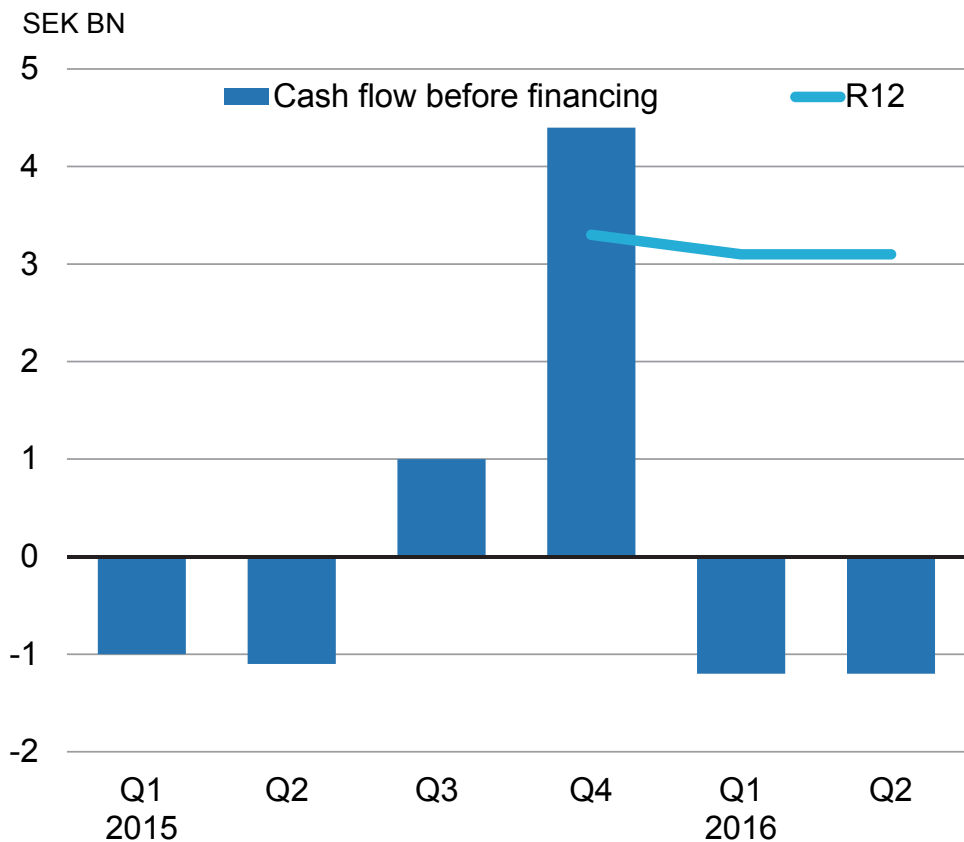
Income statement

SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15 – Jun.16
Remaining operations			
Net sales	13,646	13,218	52,430
Gross profit	1,511	1,244	4,692
Selling and administrative expenses	-838	-704	-2,938
Cost ratio	6.1%	5.3%	5.6%
Other	-100	1	-109
Operating profit/loss	572	541	1,644
Financial items	-24	-12	-68
Profit after financial items	548	529	1,576
Tax	-108	-102	-290
Profit/loss for the period	441	427	1,286
Profit from discontinued operations	6,810	9	7,696
Profit from remaining and discontinued operations	7,250	435	8,982



Logistics, Brunna, Stockholm

Cash flow



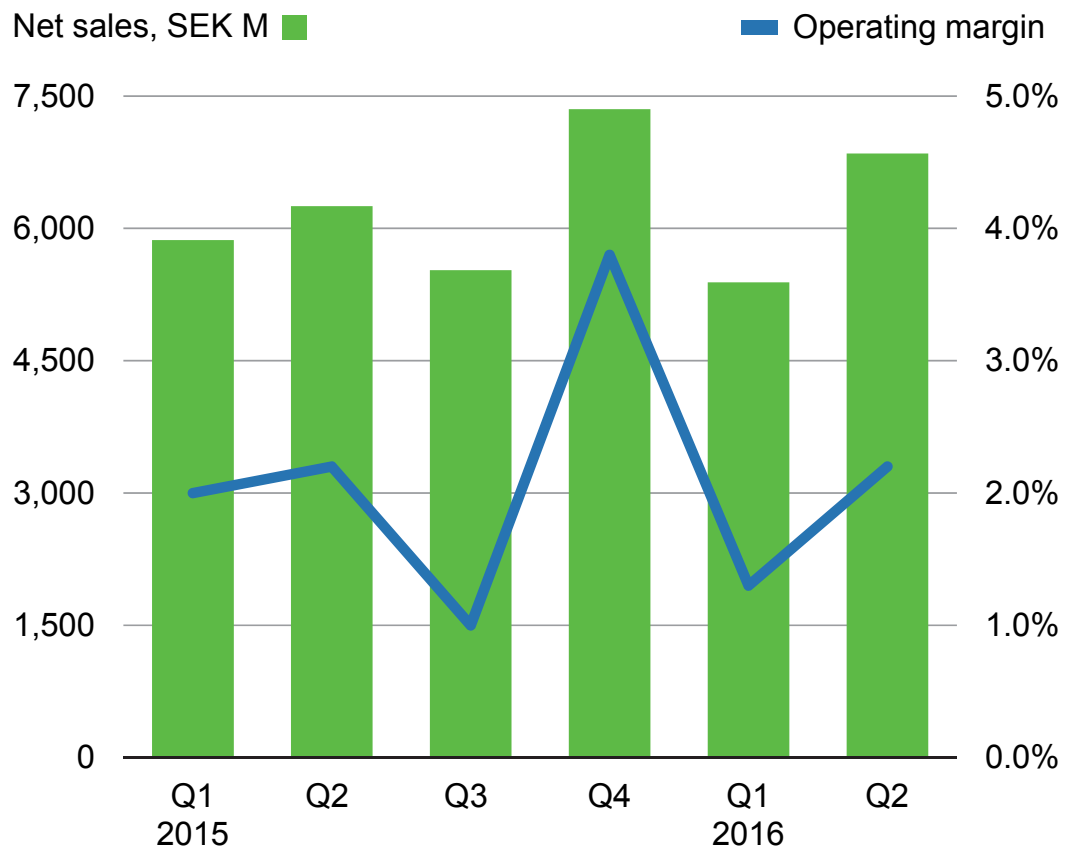
SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul.15-Jun. 16
From operating activities	410	471	3,430
From property projects	-233	-253	450
From housing projects	238	-550	527
Other working capital	-959	-527	-143
Investing activities	-670	-255	-1,179
Cash flow before financing	-1,215	-1,079	2,981

Operating profit/loss per business area

SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15 - Jun. 16
NCC Building	150	142	
NCC Infrastructure	93	124	
NCC Industry	290	262	
NCC Property Development	71		
Other and eliminations	-32	-38	
Operating profit excl. Bonava (Housing)	572	541	

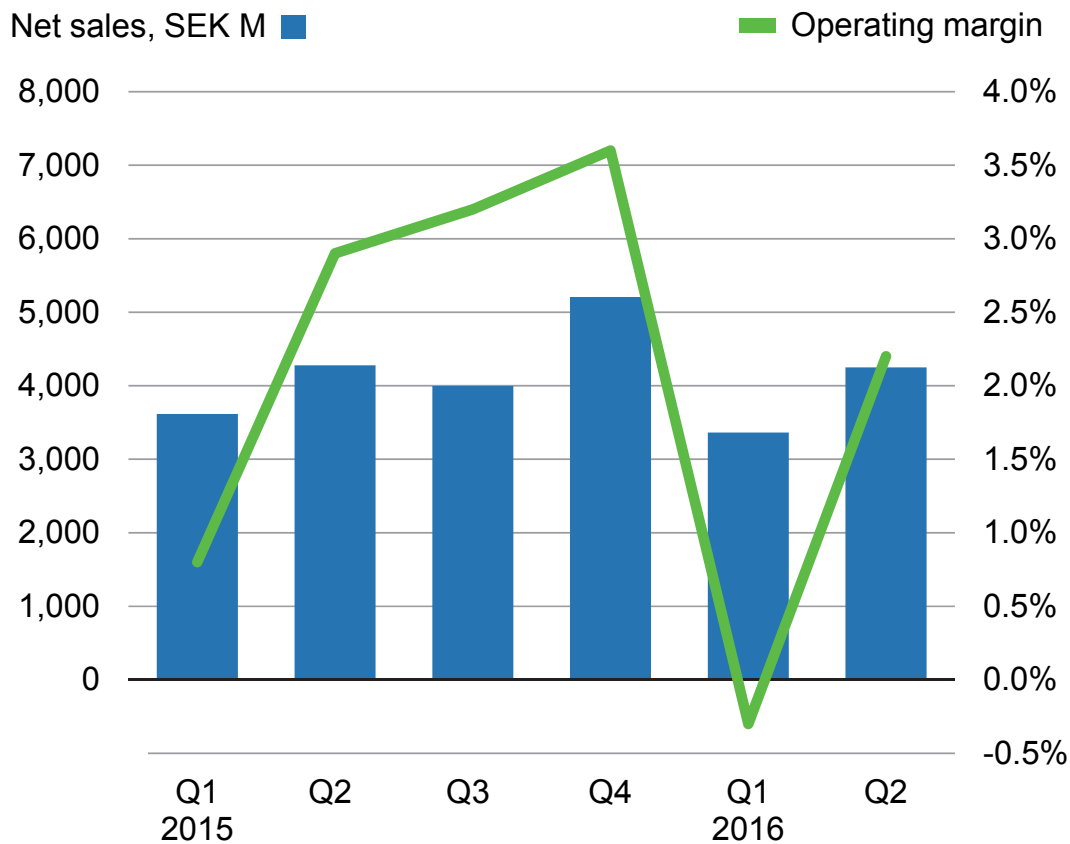
SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015
NCC HQ	-171	-31
Internal gains	128	-16
Group adjustments	12	10
Other and eliminations	-32	-38

NCC Building



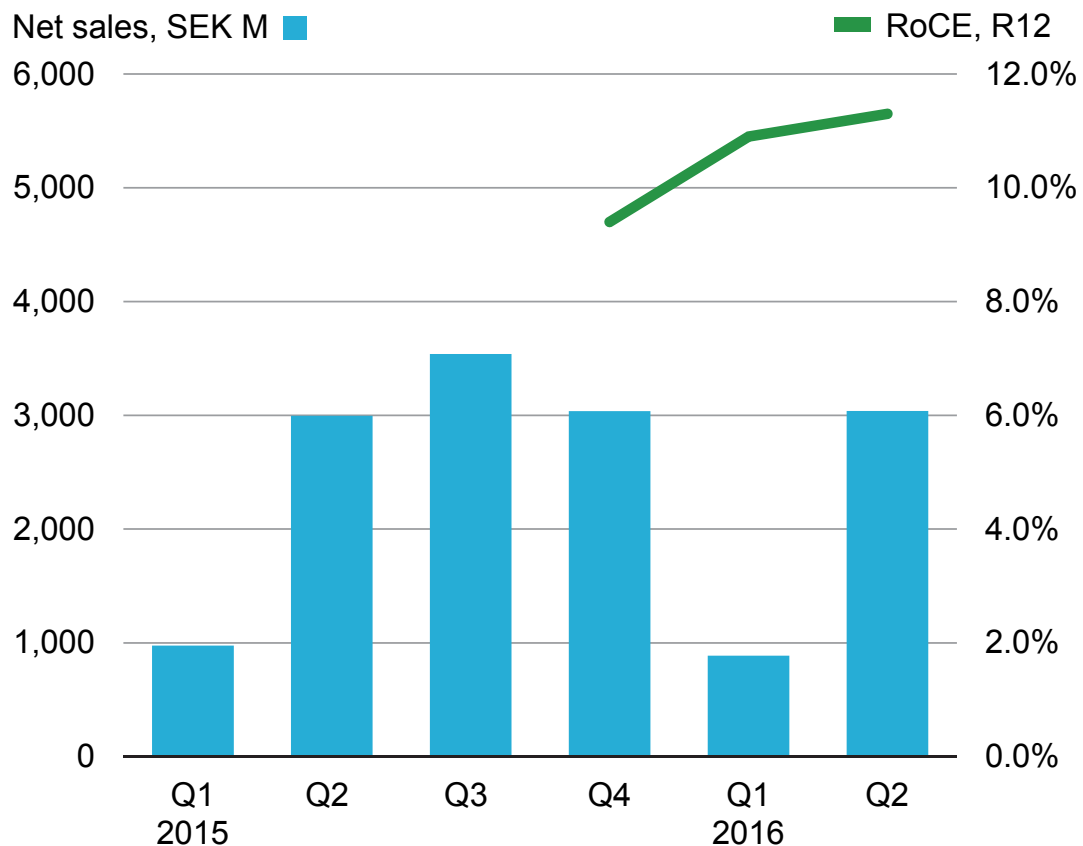
SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15-Jun. 16
Net sales	6,849	6,254	25,118
Operating profit	150	142	562
Operating margin, %	2.2	2.3	2.2

NCC Infrastructure



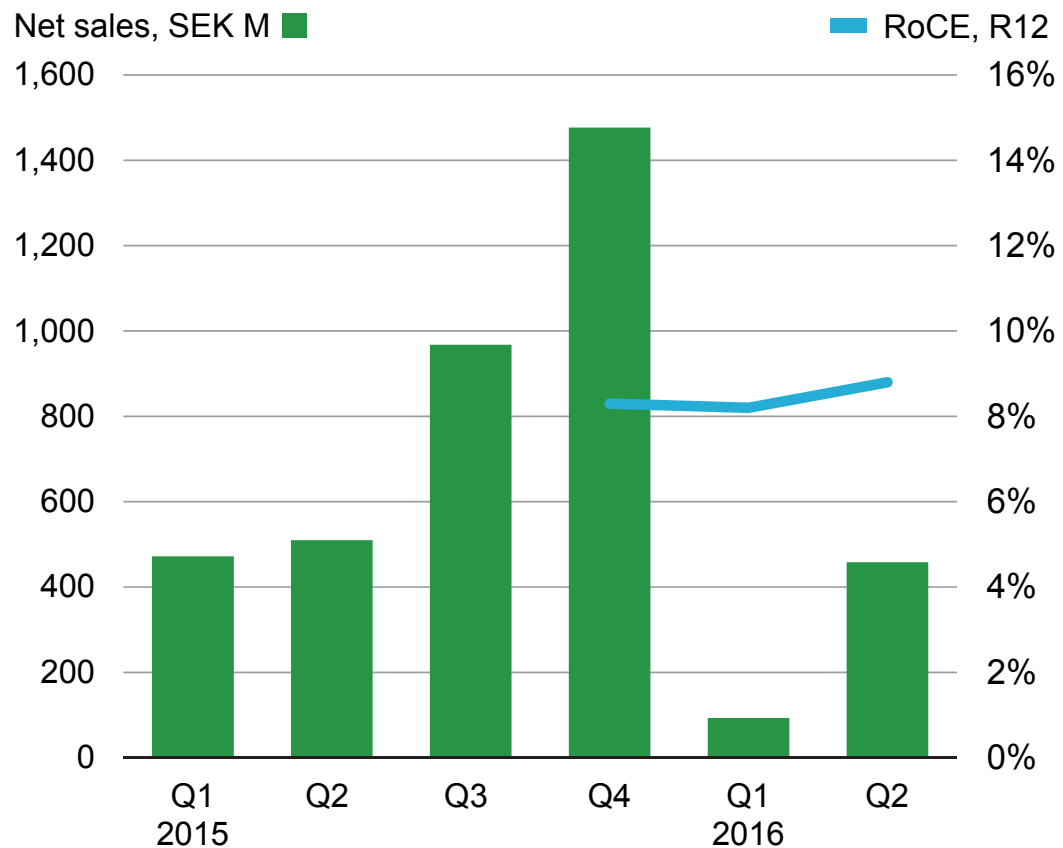
SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15-Jun. 16
Net sales	4,250	4,279	16,823
Operating profit	93	124	399
Operating margin, %	2.2	2.9	2.4

NCC Industry



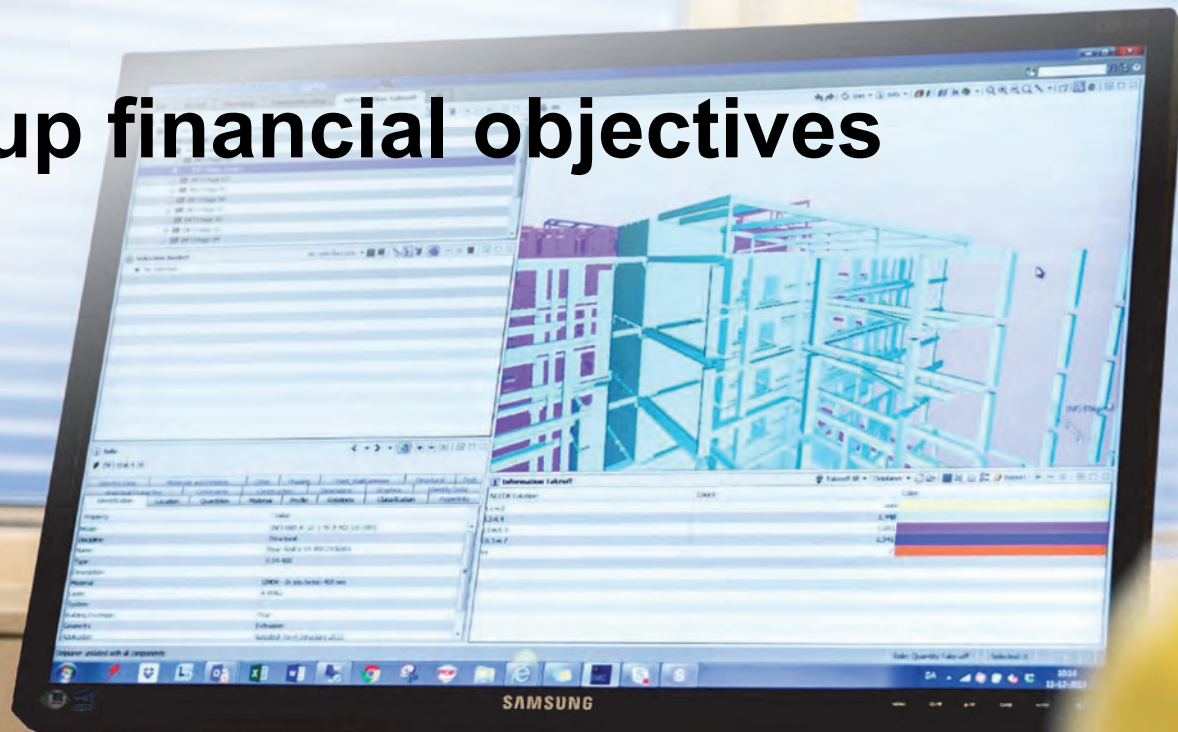
SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15-Jun. 16
Net sales	3,039	2,996	10,524
Operating profit	290	262	463
Operating margin, %	9.6	8.8	4.4
RoCE, %			11.3

NCC Property Development

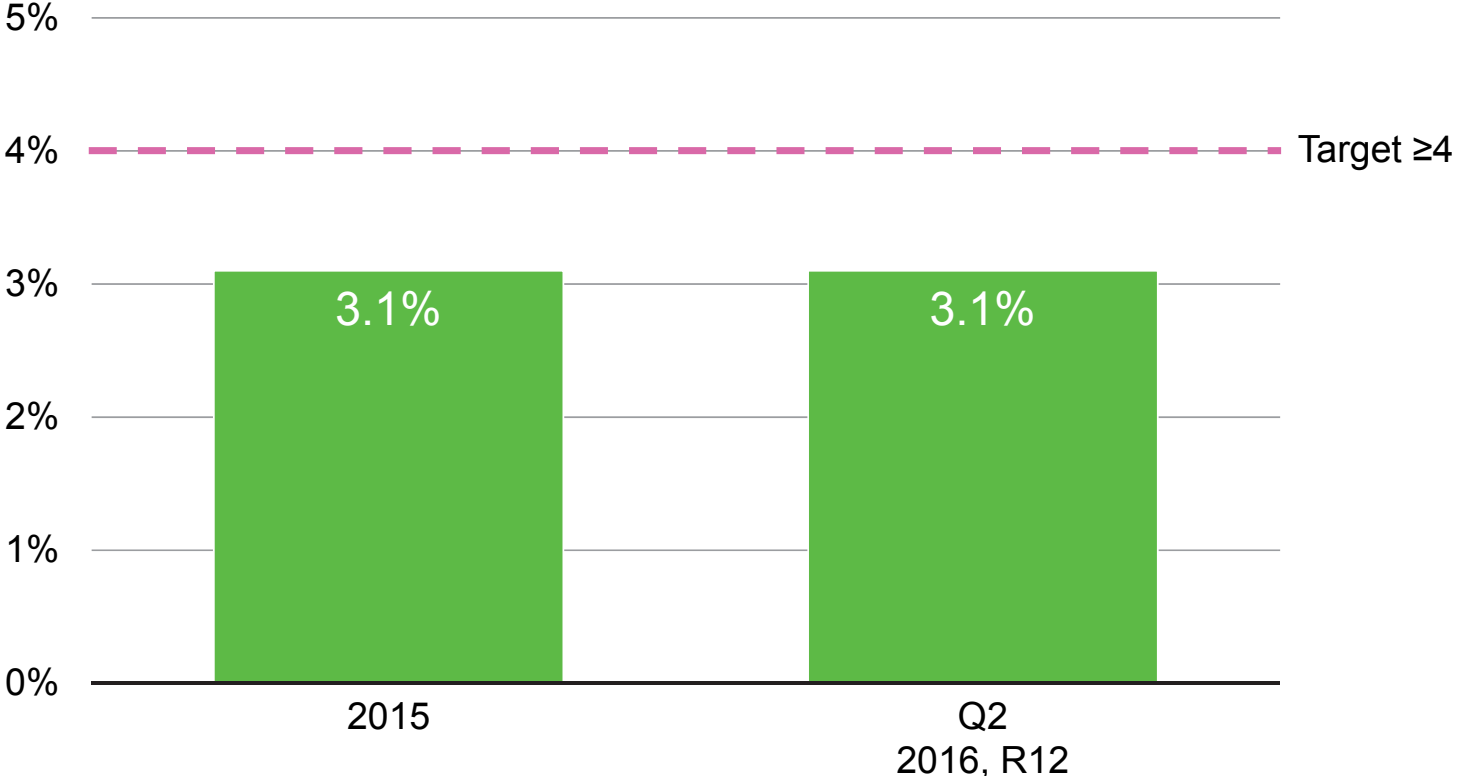


SEK M	Apr.-Jun. 2016	Apr.-Jun. 2015	Jul. 15-Jun. 16
Net sales	458	511	2,996
Operating profit	71	52	432
Operating margin, %	15.5	10.1	14.4
RoCE, %			8.8

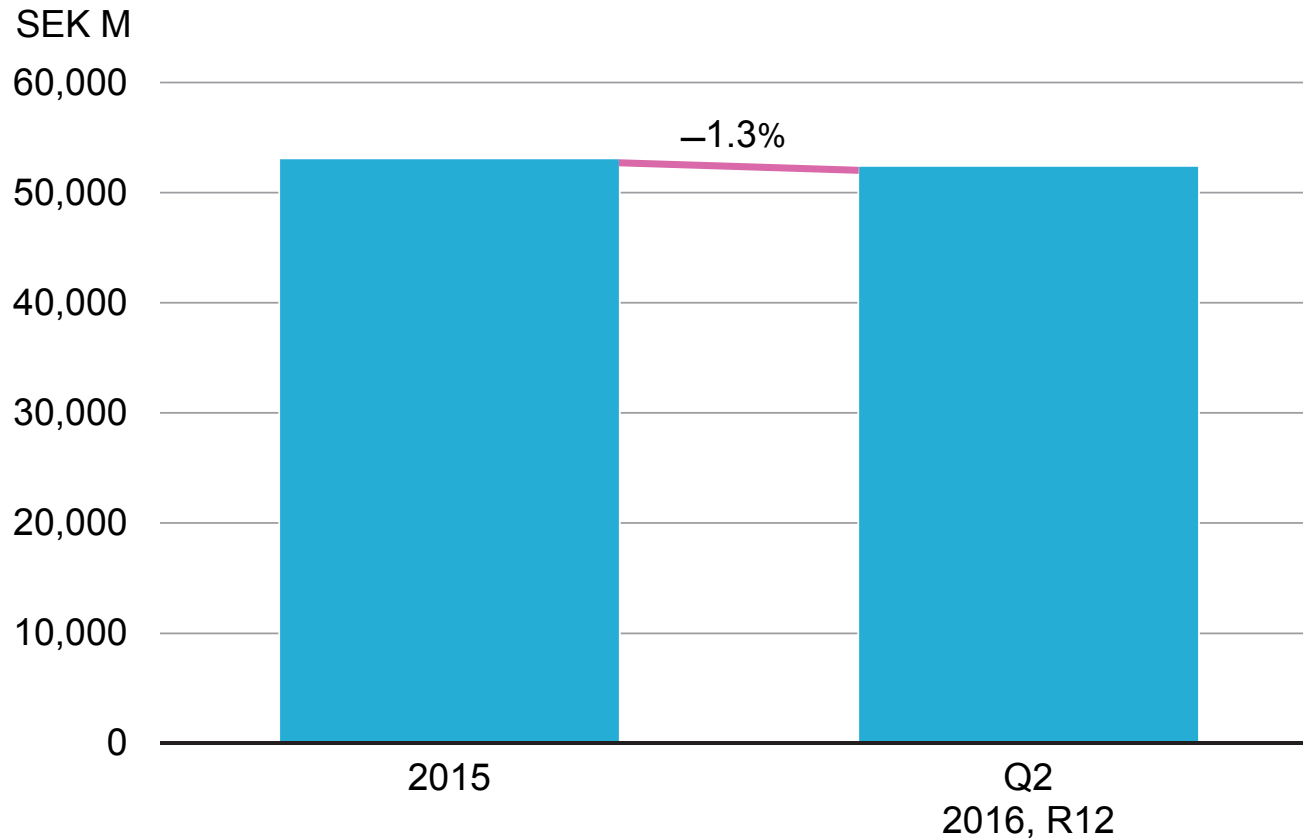
Group financial objectives



Operating margin

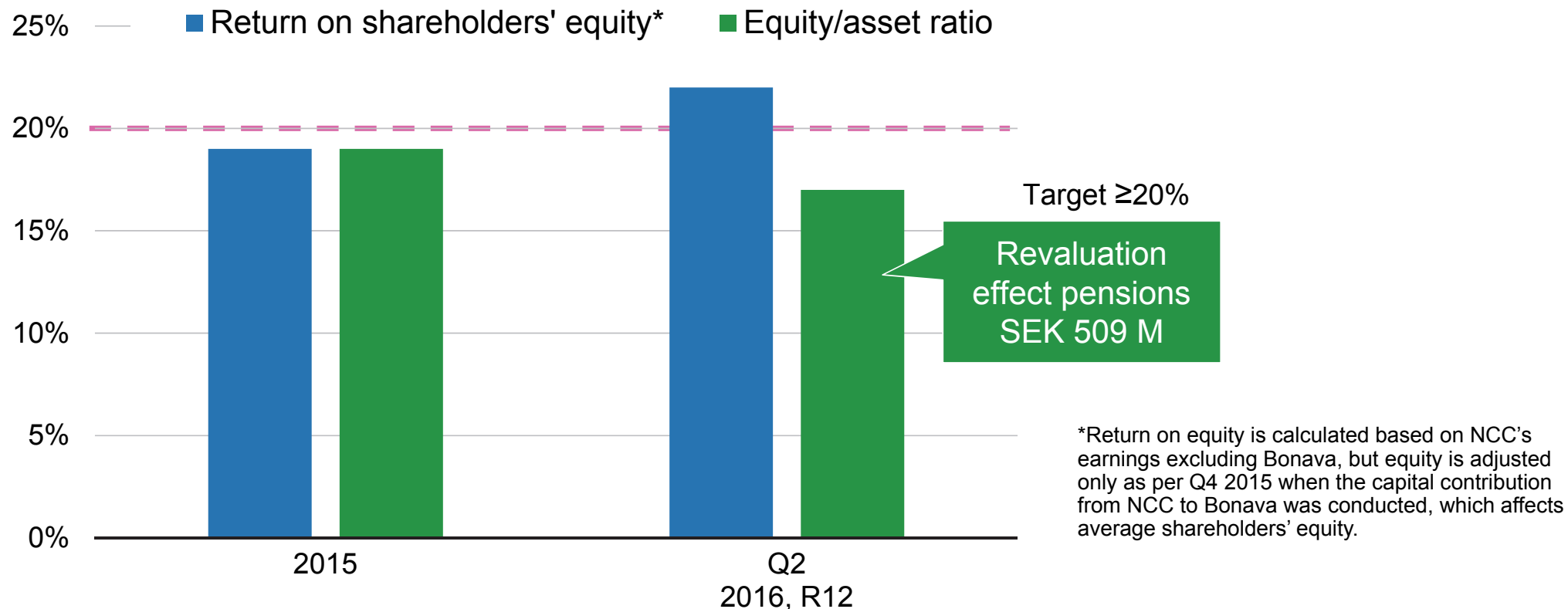


Revenue growth

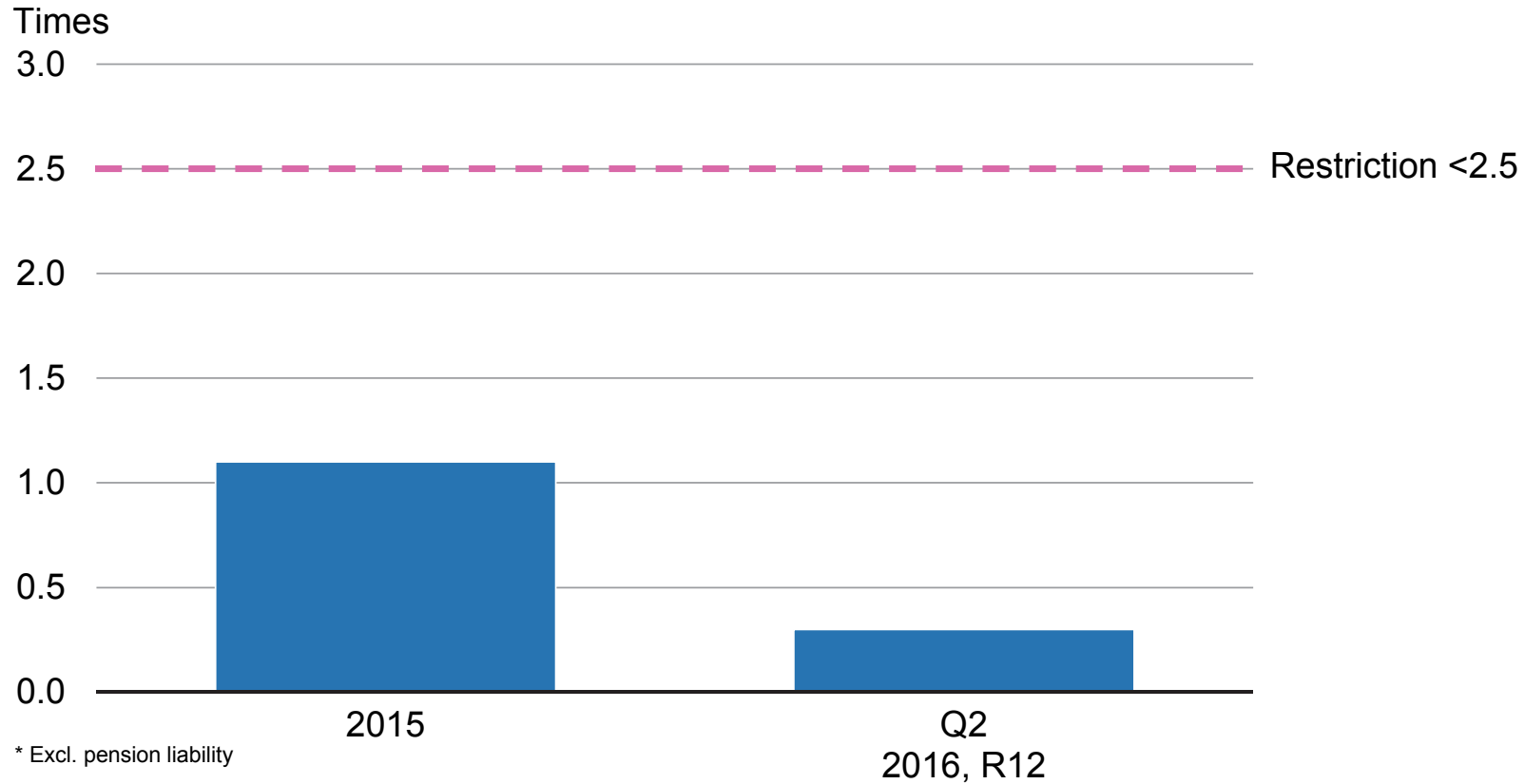


Objective:
5% average annual
revenue growth

Equity/asset ratio and return on shareholders' equity



Net indebtedness* / EBITDA





Summary halfway in 2016

- Good markets outlook
- NCC Building – net sales is improving
- NCC Infrastructure – good order intake in Q2 and high tendering activity
- NCC Industry – good start with improving result
- NCC Property Development – focus on starts
- Distribution of Bonava
- New organisation in place



Strategy 2016 – 2020

Profitable growth





Contact information

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