

Capital Market Day May 29, 2013

Peter Wågström
President and CEO

How far has NCC come

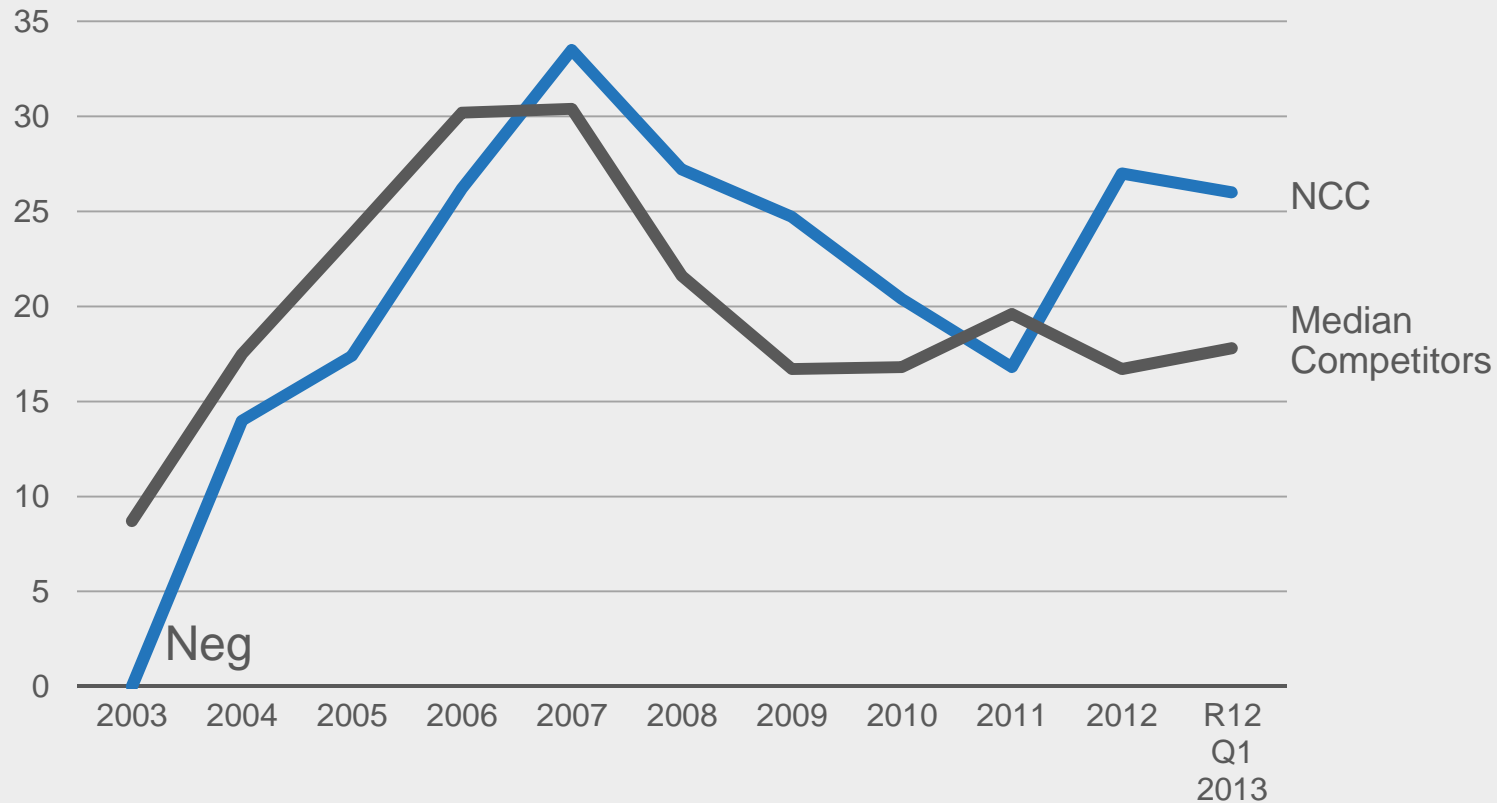
Profitable growth 2012-2015



But first...

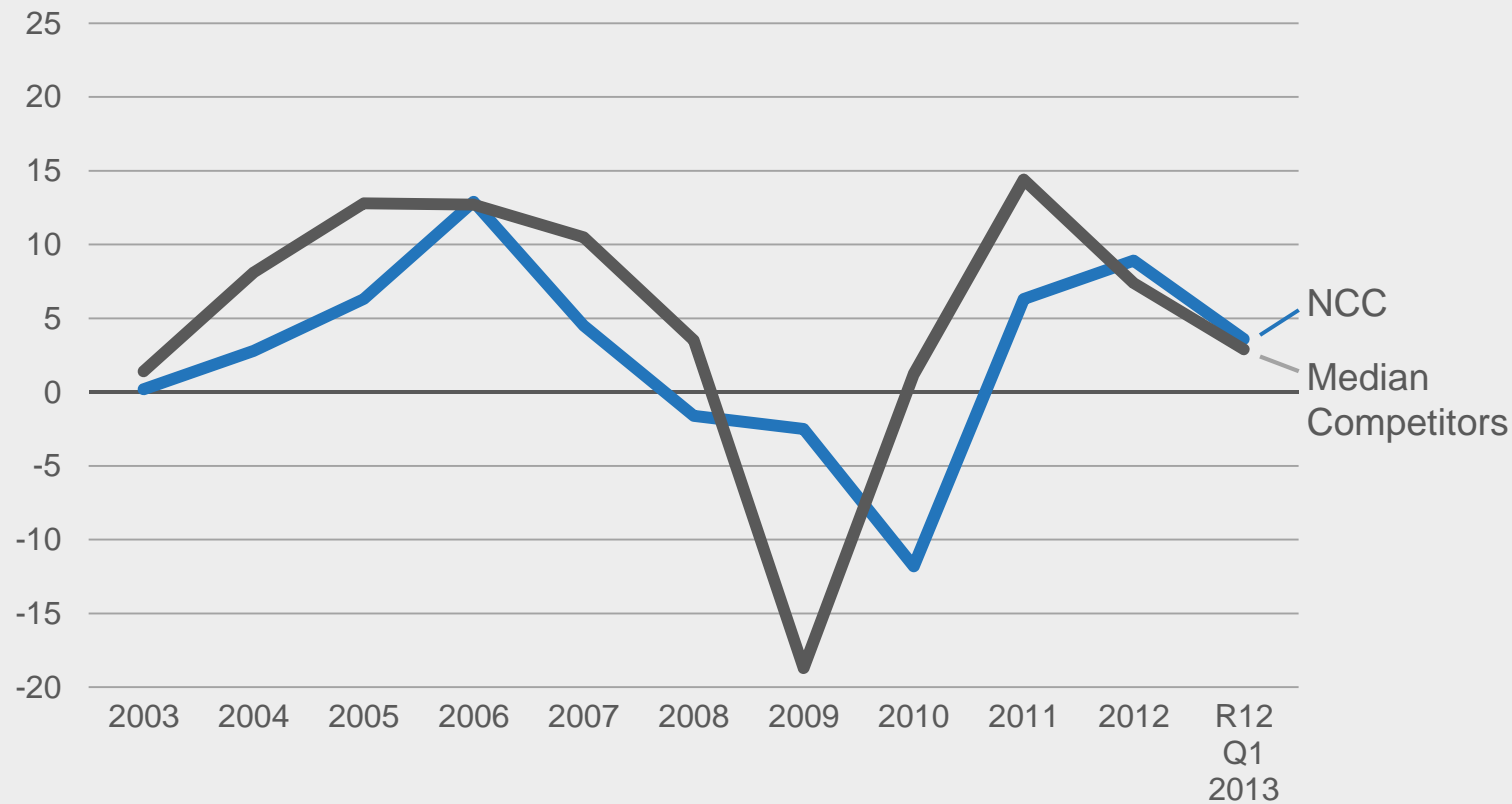
From the worst to the best in class

Return on shareholders' equity, %



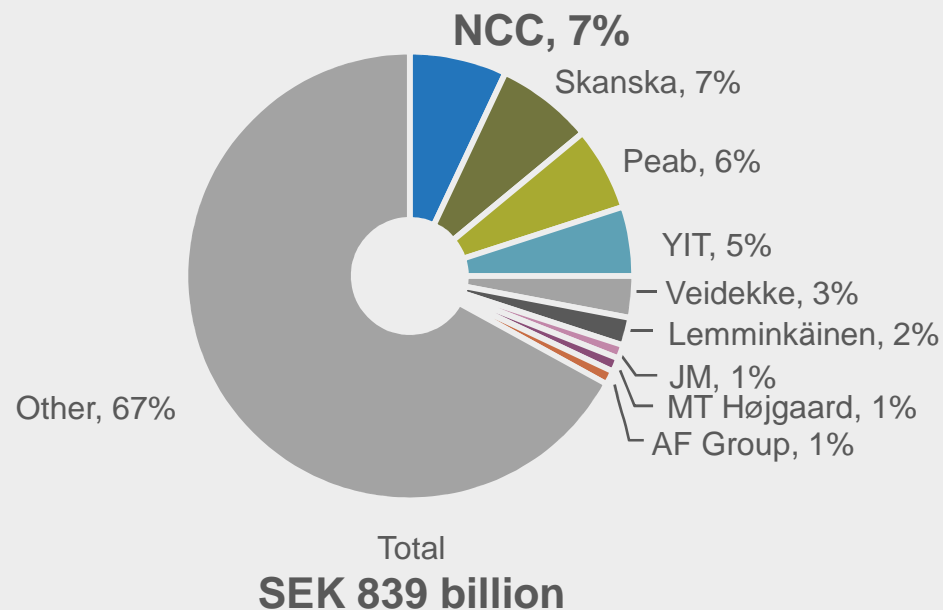
Growth compared with competitors

Revenue growth, %



Strong position in fragmented Nordic construction market

Market shares, revenue 2012



Source: Euroconstruct and NCC

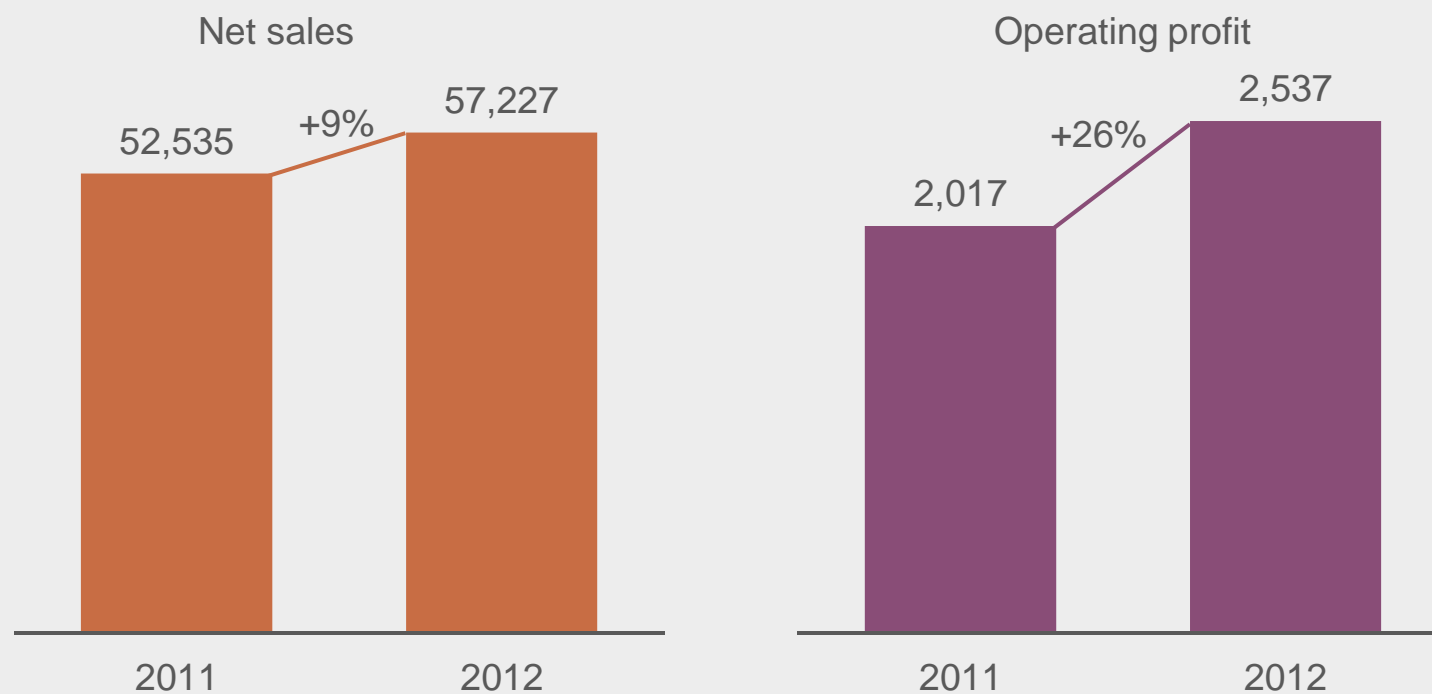


2012 – one of the best years in NCC's history



Higher sales and profit

SEK M



Nordic leader in construction and property development

Three businesses

Industrial



Construction and civil engineering

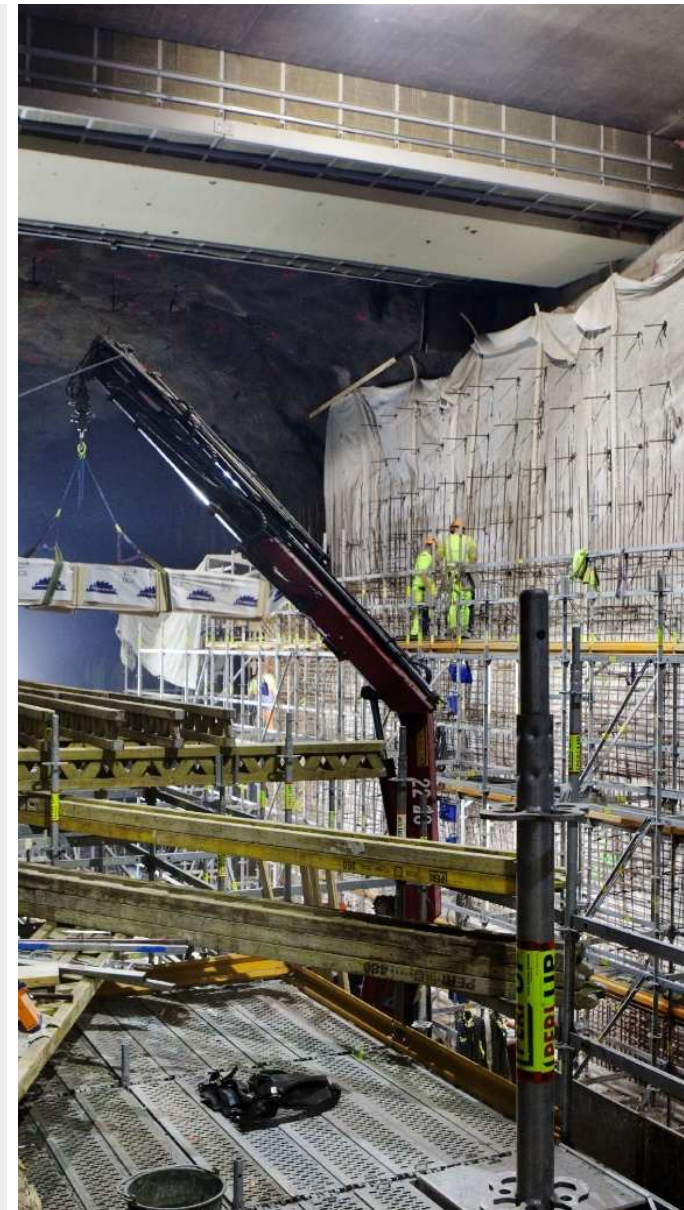
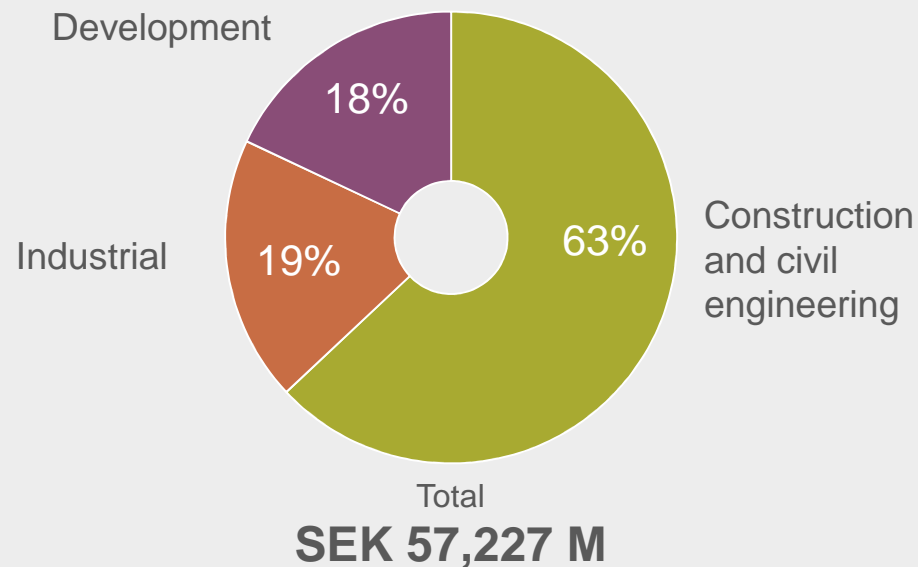


Development



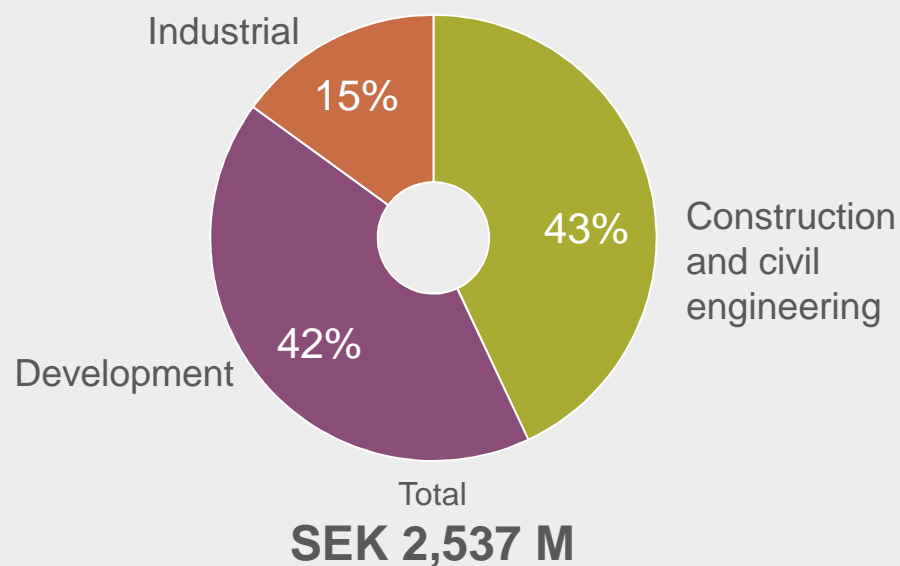
Construction and civil engineering is the largest operation

Share of revenue, 2012



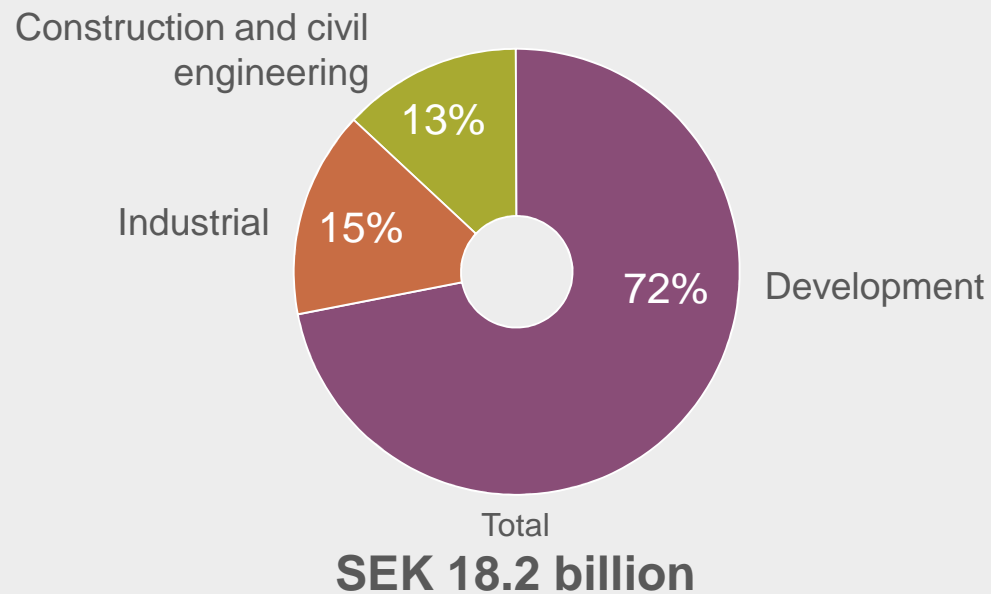
Development business's share of operating profit increased

2012



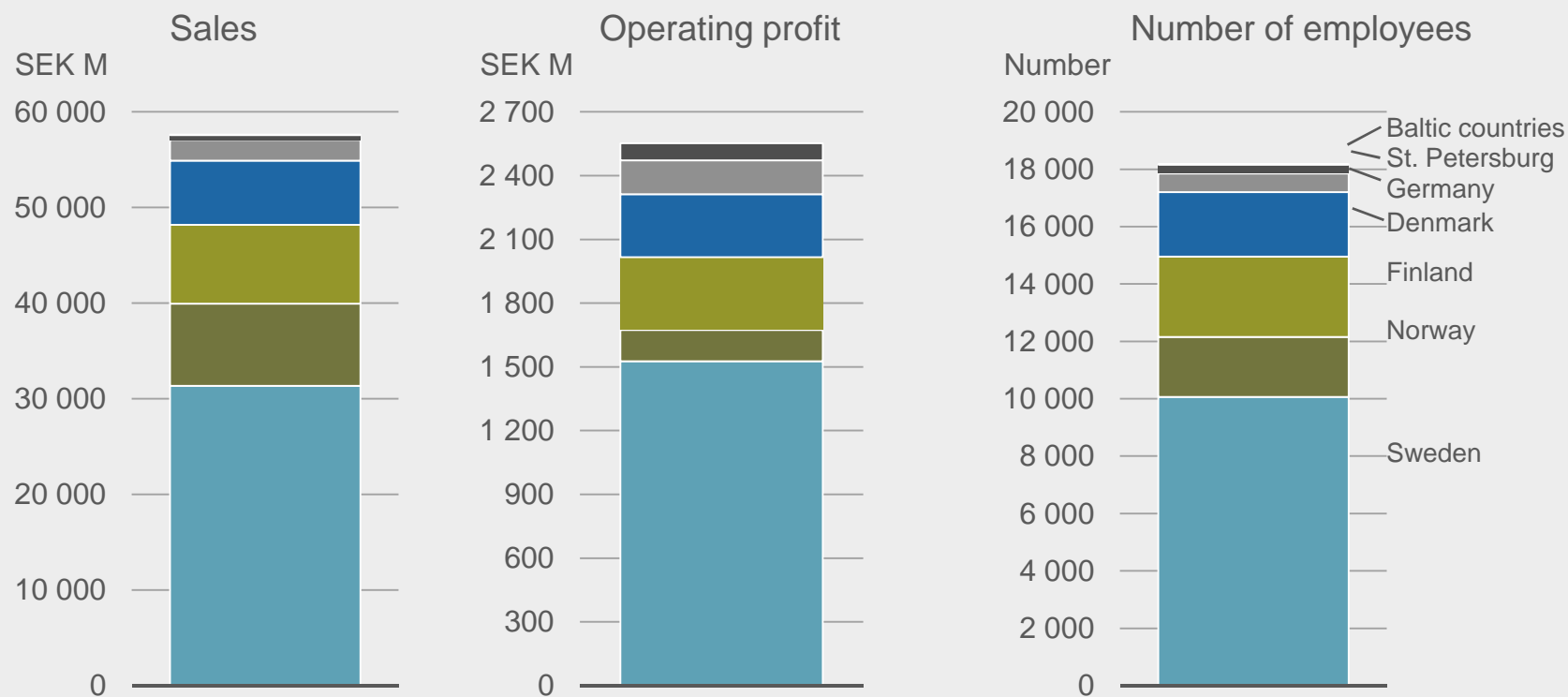
Development business ties up the most capital

Portion of capital employed, 2012



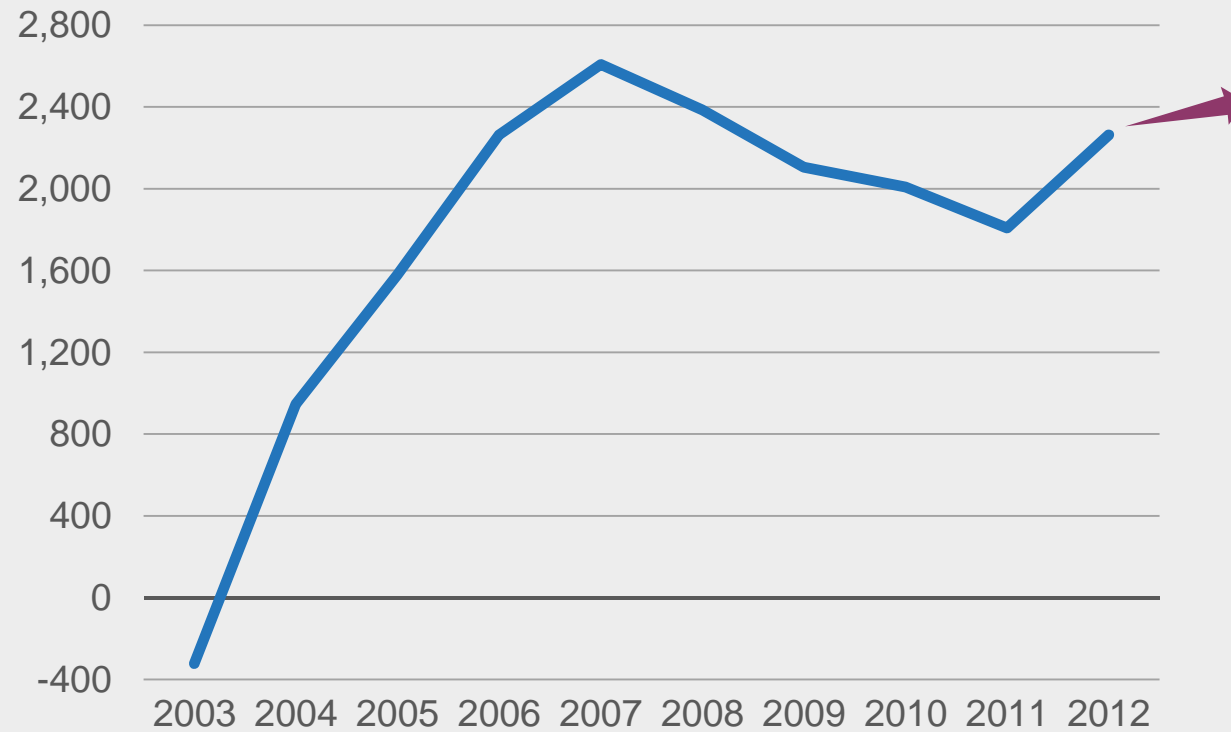
Sweden is our largest market

2012



Strategy aimed at boosting the earnings level

Profit after financial items, SEK M



Financial targets and dividend policy

Return on shareholders' equity after tax

20%

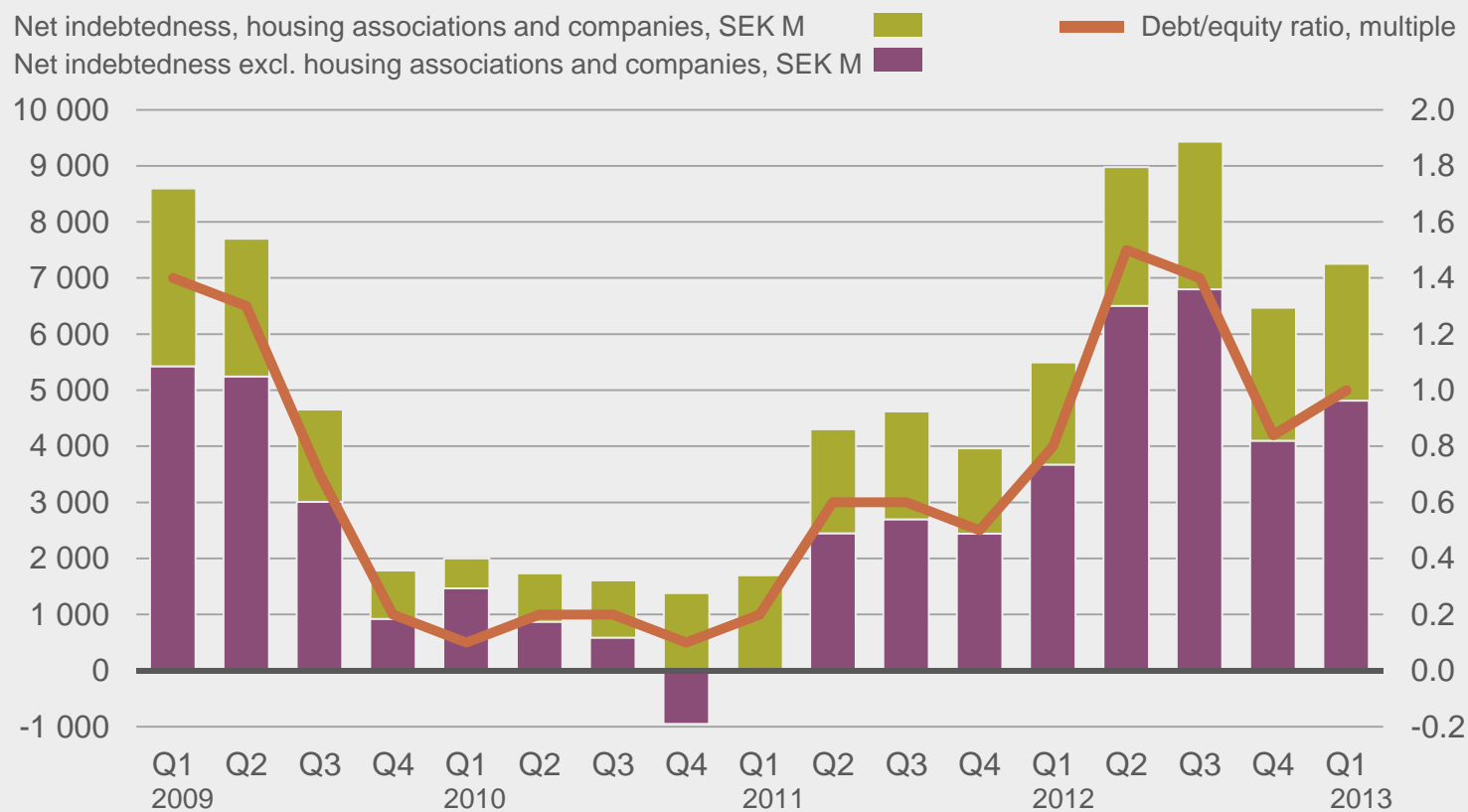
Indebtedness

Net debt not higher than 1.5 times shareholders' equity

Dividend policy

At least half of profit for the year after tax to be distributed to shareholders

Project investments lead to higher indebtedness



Strategy 2012-2015

Profitable growth

Customer focus

Market leader

Costs

One NCC

Housing

Sustainability



≥ 2 times GDP growth

≥ 2 times GDP growth

≥ 7,000 housing units

Key strategic issues
Customer focus

- Customer's first choice
 - One company – one voice
 - Understand the customer's business
 - Transparency and clarity
 - Deliver the right product, with the right quality at the right time



Key strategic issues
Market leader

- Strong position creates opportunities
- Scale generates advantages
- Among the three leaders in the markets in which we are active
- Both profitability and volume



Key strategic issues

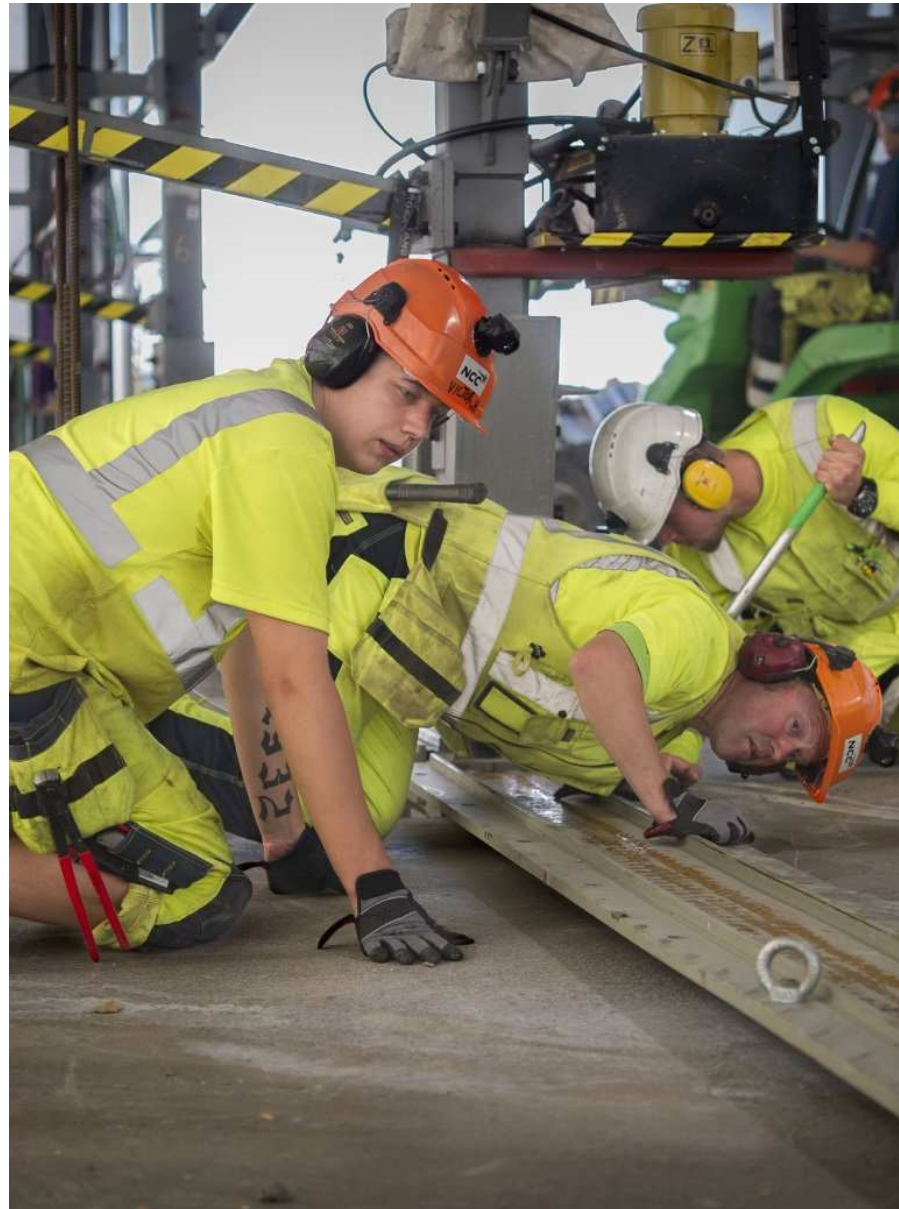
Costs

- Mature and price-centric markets
- Reduced construction costs a prerequisite for organic growth
- Cost efficiency



Key strategic issues
One NCC

- NCC will capitalize on Group synergies
 - operationally and financially
- IT
- Competency
- Financing
- Cash flow
- Purchasing



Key strategic issues
Housing

- Group-wide business
 - developed internal collaboration
- More efficient processes
- Broader product mix
- Industrialization and specialization



Key strategic issues Sustainability

- Proactively develop new businesses from a sustainability perspective
- Prioritized areas
 - Climate and energy
 - Chemicals and sustainable material choices
 - Environmental classification system for buildings and civil engineering
 - Waste and recycling



We prioritize three growth areas



Growth in Norway



Civil engineering
in Finland



Grow the housing
business

Performance in 2012



Growth target

– *Industrial*

Target 2012-2015

2 times GDP

Status 2012

3.8 percent
(2 times GDP =
1.1%)



Growth target

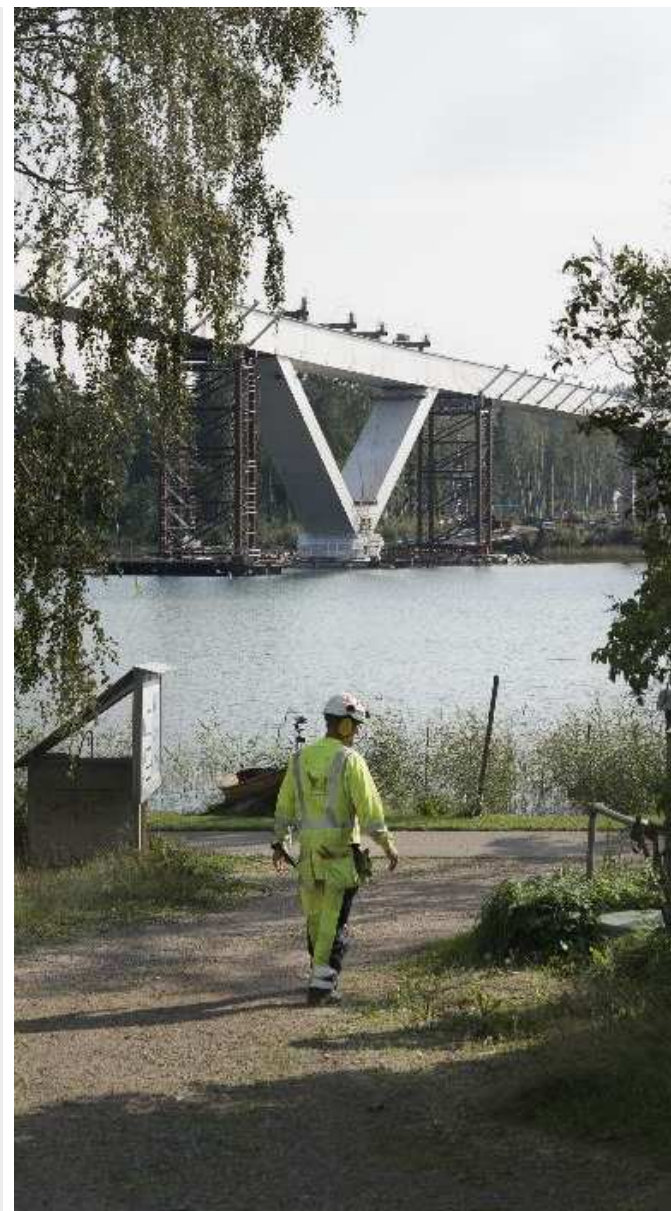
– *Construction and civil engineering*

Target 2012-2015

2 times GDP

Status 2012

8 percent
(2 times GDP =
1.1%)



Growth target

– *Development*

Target 2012-2015

At least 7,000 housing units in ongoing production



Status 2012

5,768
(increased by more than 400)

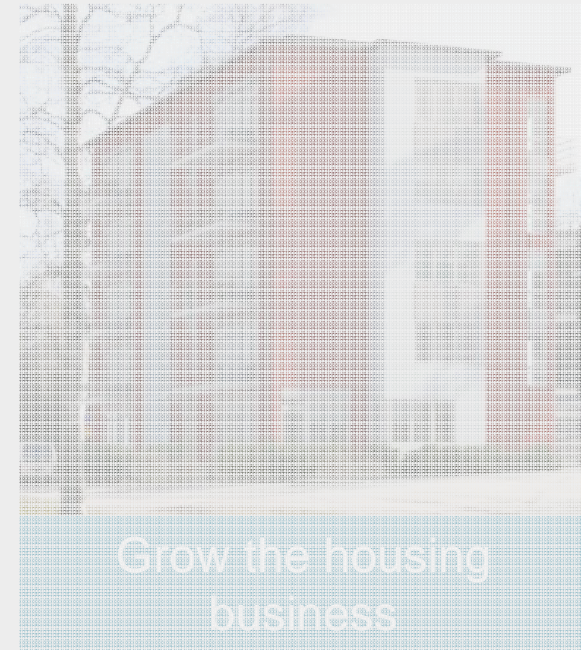




Growth in Norway



Civil engineering
in Finland



Grow the housing
business

