

Interim report

January 1 – June 30, 2017

NCC's operating profit was somewhat lower in the second quarter compared with the year-earlier period

- Orders received amounted to SEK 16,431 M (17,123) in the second quarter and to SEK 27,913 M (27,661) in the first half of the year
- Net sales amounted to SEK 13,382 M (13,646) in the second quarter and to SEK 25,188 M (22,843) in the first half of the year
- Profit after financial items totaled SEK 522 M (548) for the second quarter and SEK 805 M (240) for the first half of the year
- Profit after tax amounted to SEK 435 M (441) for the second quarter and SEK 672 M (197) for the first half of the year
- Earnings per share after dilution amounted to SEK 3.99 (66.81*) in the second quarter and to SEK 6.20 (65.61*) for the first half of the year

Group, SEK M	2017		2016		Jul. 16-		2016	
	Apr.	Jun.	Apr.	Jun.	Jan.	Jun.	Jan.	Dec.
Orders received	16,431	17,123	27,913	27,661	56,758	56,506		
Order backlog	52,265	47,177	52,265	47,177	52,265	47,940		
Net sales	13,382	13,646	25,188	22,843	55,279	52,934		
Operating profit/loss	548	572	850	289	2,014	1,453		
Profit/loss after financial items	522	548	805	240	1,906	1,341		
Net profit/loss for the period	435	441	672	197	1,591	1,116		
Net profit/loss for the period after tax for continuing and discontinued operations *	435	7,250	672	7,095	1,560	7,983		
Profit/loss per share after dilution, SEK *	3.99	66.81	6.20	65.61	14.38	73.81		
Cashflow before financing	-2,064	-1,215	-326	-2,427	2,091	-11		
Equity/asset ratio, %	19	17	19	17	19	22		
Net cash +/- net indebtedness -	-1,232	-2,166	-1,232	-2,166	-1,232	-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 discontinued operation comprise Bonava's profit for the period January 1 to June 7 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

Lower profit from our construction and civil engineering operations led to slightly lower second-quarter earnings for NCC. However, earnings were on a par with the year-earlier period if the positive non-recurring effects resulting from the distribution of Bonava are taken into account. Earnings for the first half of 2017 improved because of a favorable first-quarter outcome for the property development business. Profit after financial items amounted to SEK 522 M (548) for the second quarter and to SEK 805 M (240) for the first half of 2017.

High order backlog

Market conditions in the Nordic construction market are generally favorable. As in the year-earlier period, orders received were high in the second quarter and exceeded net sales, which resulted in our further adding to the order backlog. The order backlog at the end of the quarter was SEK 52.3 billion, just over 10 percent higher than a year earlier.

Slightly improved margin in NCC Building

Sales in the Swedish market increased but a low work-up rate in Finland and Denmark led to lower sales in the second quarter. Orders received were favorable and the order backlog grew SEK 3 billion in the quarter, thus creating prerequisites for growth in the future. The operating margin improved during the quarter despite lower sales.

Weak earnings in NCC Infrastructure

The business area increased its net sales in the quarter and for the first half of the year. Operating profit deteriorated, primarily due to low margins in old projects at the same time as the work-up rate for new projects generating better profitability was low. Orders received were on a par with sales but were lower than in the year-earlier period, when more large-scale orders were registered.

New property projects in Sweden

Although NCC Property Development had no property projects recognized in profit during the quarter, earnings almost matched the year-earlier level as a result of sales of land and earnings from previously profit-recognized projects. It is gratifying that we have now been able to start the first two phases of our large-scale development area in Solna, outside Stockholm. We also started a logistics project in Mölndal and entered into cooperation with Platzer for two forthcoming projects in Gothenburg.

Healthy earnings in NCC Industry

NCC Industry improved its sales and earnings during both the second quarter and the first half of the year. In the second quarter, asphalt operations in particular accounted for an earnings improvement. Sales increased in all divisions.

Some progress made

In the preceding quarter, I talked about a number of challenges that we need to manage to achieve our strategic objectives for both sales growth and margin improvements. We have made some progress in respect of, for example, our overhead costs, which were at a lower level during the quarter. Looking at the first half of the year, both earnings and sales increased, but some work remains. Although NCC Industry and NCC Property Development are delivering according to the set targets, the construction and civil engineering operations have to show improvements in both profitability and sales.



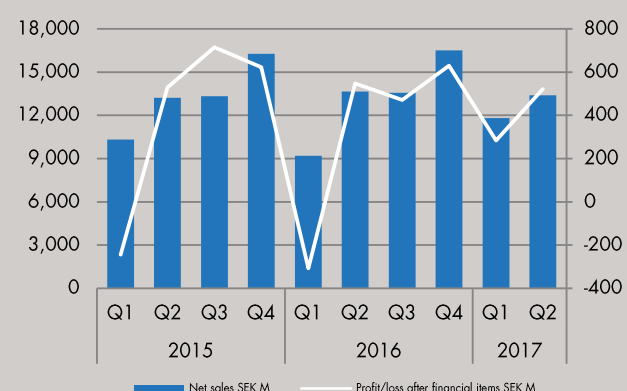
Peter Wågström, President and CEO
Solna, July 19, 2017

Order backlog



The diagrams show NCC's performance excluding Bonava.

Net sales and result after financial items



Net sales SEK M

Profit/loss after financial items SEK M

Group performance

The period January-June 2017

Orders received and order backlog

Orders received amounted to SEK 16,431 M (17,123) in the second quarter and to SEK 27,913 M (27,661) in the first half of the year. In the second quarter, orders received by NCC Building rose, due to favorable orders received in such areas as housing construction, but this did not fully offset the decline in NCC Infrastructure. Orders received by NCC Industry were higher, mainly for asphalt operations. Changes in exchange rates increased orders received in the first half of the year by SEK 341 M, year-on-year.

The Group's order backlog totaled SEK 52,265 M (47,177). Changes in exchange rates reduced the value of the order backlog by SEK 212 M.

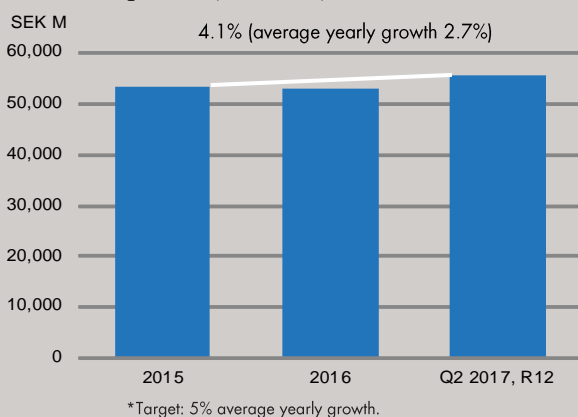
Net sales and earnings

Net sales amounted to SEK 13,382 M (13,646) in the second quarter and to SEK 25,188 M (22,843) in the first half of the year. The decrease during the quarter was due to NCC Building showing lower sales in Finland and Denmark. NCC Property Development reported higher sales for the first half of the year because more property projects were recognized in profit compared with the year-earlier period. NCC Infrastructure and NCC Industry also reported increased sales. Changes in exchange rates increased sales in the first half of the year by SEK 362 M, year-on-year.

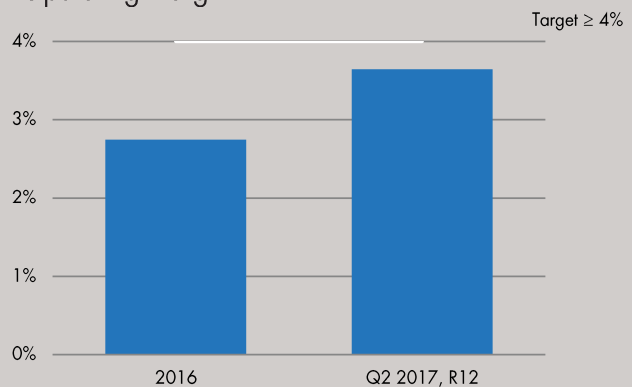
NCC's operating profit amounted to SEK 548 M (572) in the second quarter and SEK 850 M (289) for the first half of the year. The improvement in the first half of the year was mainly attributable to NCC Property Development, which reported higher profit from property sales. NCC Building's operating profit deteriorated, due mainly to impairment losses on projects in its Finnish operations in the first quarter and lower volumes in the Finnish and Danish operations. NCC Infrastructure's operating profit declined, due mainly to weak profitability in older projects and a low work-up rate and thus cautious recognition of earnings from new projects. NCC Industry's operating profit improved as a result of increased sales of stone materials and improved earnings from the Finnish and Swedish asphalt operations.

Net financial items amounted to an expense of SEK 45 M (expense: 49). Lower loans, lower interest rates and exchange-rate differences had a favorable impact on net financial items.

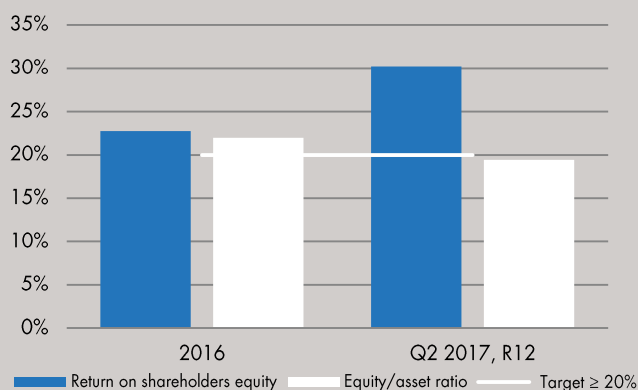
Revenue growth (net sales) *



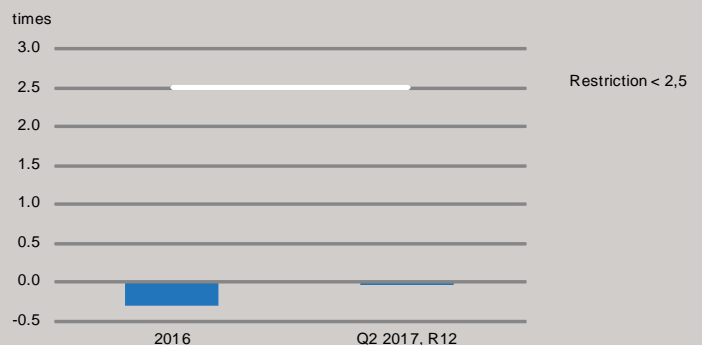
Operating margin



Equity/assets ratio and return on equity



Net indebtedness (excl. pension debt)/EBITDA



Cash flow

Cash flow from operating activities for the first half of the year totaled SEK 0 M (neg: 1,553). Positive earnings from operations in the first half of the year and profit recognition and handover of four projects in Property Development were offset by negative cash flow from other working capital, which was seasonally impacted primarily by increases in accounts receivable. Cash and cash equivalents at June 30, 2017 totaled SEK 2,237 M (2,492).

Financial position

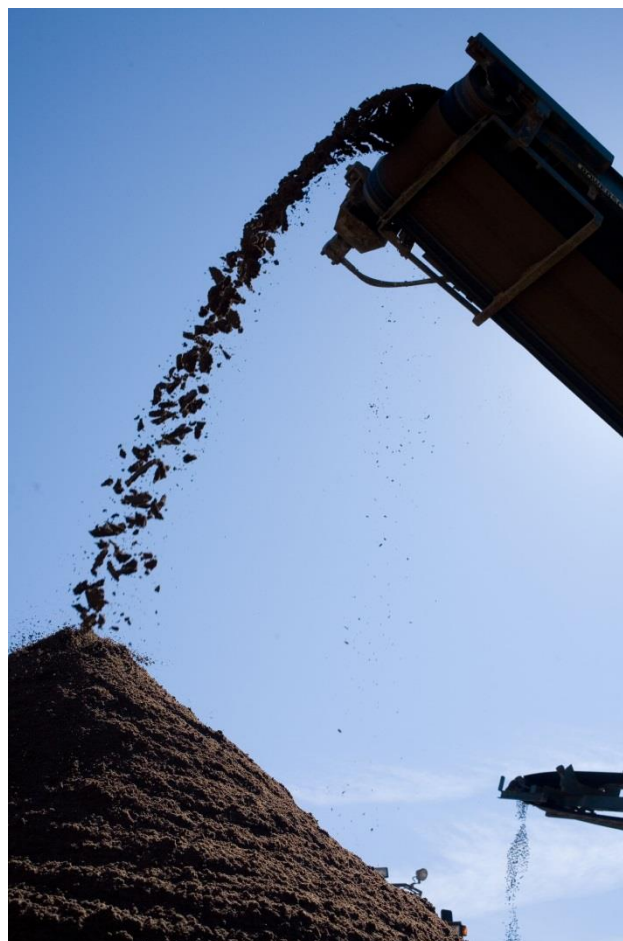
The Group's net indebtedness at June 30 amounted to SEK 1,232 M (2,166). The year-on-year improvement was mainly attributable to lower opening net indebtedness and improved cash flow during the first half of 2017.

The Group's total assets at June 30 amounted to SEK 26,212 M (27,155).

The average maturity period for interest-bearing liabilities, excluding pension debt according to IAS 19, was 35 months (37) at the end of the quarter. At the same date, NCC's unutilized committed lines of credit totaled SEK 3.4 billion (4.1), with an average remaining maturity of 49 (49) months.

Capital employed

Capital employed at June 30 totaled SEK 9,097 M (9,618), with the decline primarily due to an increase in the number of property projects recognized in profit. The return on capital employed was 21 percent (18).



	2017 Jan. -Jun.	2017 Jan. -Jun	Jul. -16 Jun. 17	2016 Jan. -Dec.
Net indebtedness, SEK M				
Net indebtedness, opening balance	-222	-4,552	-2,166	-4,552
Cash flow before financing	-326	-2,427	2,091	-11
Acquisition/Sale of treasury shares	-4	134	-78	60
Change of provisions for pensions	-337	-657	-350	-670
Dividend costs			-76	-76
Currency exchange differences in cash and cash equivalents ¹⁾	-19		-4	15
Paid dividend	-324		-648	-324
Dividend Bonava		5,336		5,336
Net cash + /net indebtedness - closing balance	-1,232	-2,166	-1,232	-222

¹⁾ For the comparative period and the period Jul.-16 Jun.-17, currency exchange differences in cash and cash equivalent is included in cash flow before financing.

Market development

The Nordic construction market is showing high growth. It is expected to grow by 4.8 percent in 2017 and 2.6 percent in 2018. Major projects in the Nordic region are attracting international interest and competition. In cities showing growth, the battle for competencies is intensive. GDP in the Nordic region is expected to grow by 2 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 7.5–11 percent annually up to 2019, while the Swedish market is expected to grow 3 percent annually during 2018–19. The civil engineering market in Finland is expected to decline by 2 percent in 2017 and to show zero growth in 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 raised sharply for 2017. In 2018, the growth rate will normalize. The Swedish construction market is expected to grow by a full 8 percent in 2017 and by 3 percent in 2018. The Norwegian market is expected to grow by 4 percent in 2017 and the growth will mainly occur in the Oslo region. In Finland, the market will grow by 4 percent in 2017. In 2018, a reduction in new housing production will coincide with lower public-sector spending, and new production in Finland is expected to decline by 2 percent. In Denmark, a 10-percent increase in new production of housing will contribute to estimated growth of slightly more than 2 percent in 2017.

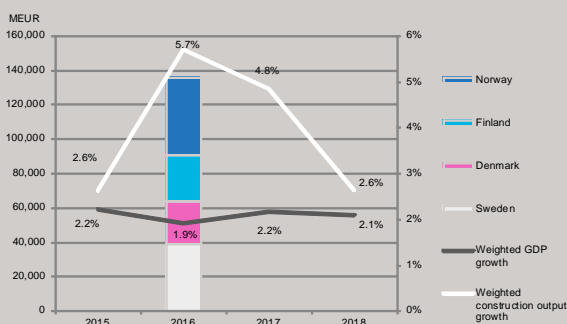
Industry – civil engineering market fueling growth

A strong civil engineering market in 2017 is driving growth in demand for asphalt and stone materials in the Nordic region. The market for both stone materials and asphalt is expected to grow, driven mainly by infrastructure and housing projects in Sweden and Norway, while lower growth is expected in Finland and Denmark. Within asphalt, market growth in Finland is expected to approach 10 percent in 2017. The Danish market will show weak growth until 2018. The market for foundation engineering is expected to grow by more than 5 percent in 2017.

Property – high activity

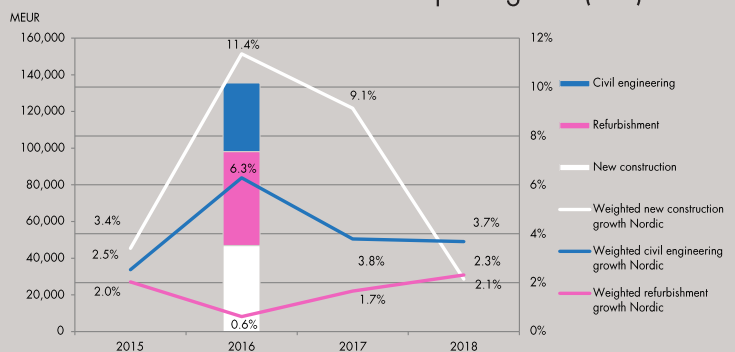
Keen international interest, urbanization and the quest for yield are the activity drivers in the market. The Stockholm and Gothenburg property markets remain highly active, with low vacancy rates and rising rents. The capacity ceiling is approaching in such countries as Sweden, which is expected to increase inflation. This should reduce activity somewhat and increase sensitivity in the future. 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 the Danish market, marginally increasing yield requirements and an increase in new investments are expected during 2017. In Oslo, economic uncertainty moving forward will result in a slowdown in the increase in rent levels. The rent levels in central Helsinki are rising slightly and the level of vacancies is expected to decline moving forward.

GDP and construction volume, outlook (real)



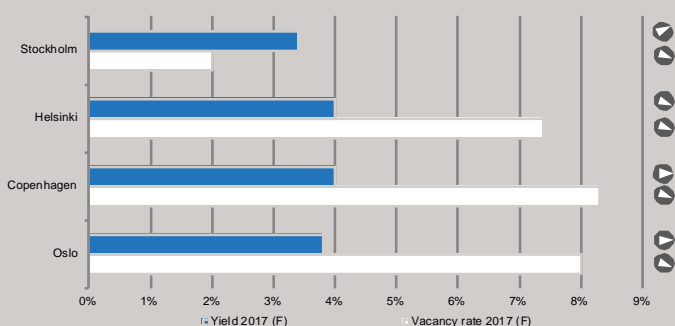
Source: Euroconstruct, NCC

Construction volume and outlook per segment (real)



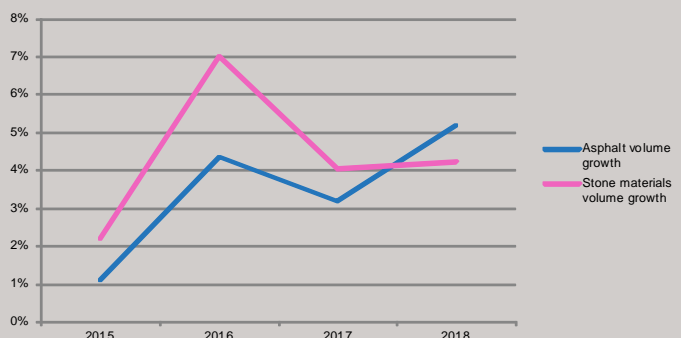
Source: Euroconstruct, NCC

Property yield and vacancy rate, offices, CBD



Source: Newsec, NCC

Asphalt and stone volumes, outlook



Source: Euroconstruct, NCC

NCC Building

The period January-June 2017

Orders received and order backlog

Orders received by NCC Building in the second quarter increased to SEK 9,058 M (7,843) and amounted to SEK 12,808 M (13,225) for the first half of the year. In the second quarter, orders received increased in the Swedish and Danish markets, but this did not fully offset the lower level reported in the first quarter. In Finland, the market is challenging with intense competition. During the second quarter, a number of large-scale projects were secured, including housing and office projects in Sweden.

The order backlog rose SEK 3,375 M in the first half of the year to SEK 30,153 M at the end of the period.

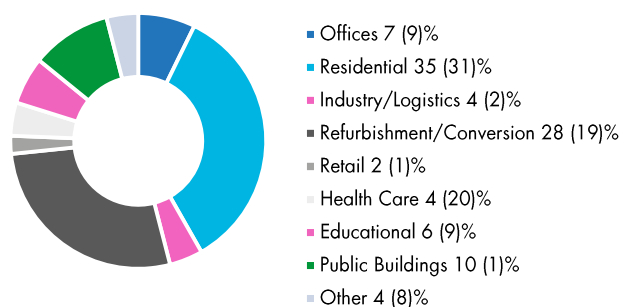
Net sales and earnings

Net sales declined to SEK 6,147 M (6,849) in the second quarter and to SEK 11,821 M (12,238) for the first half of the year. The decrease during the quarter was due to lower sales in Denmark and Finland. 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 proportion of orders received also increased in the first half of the year.

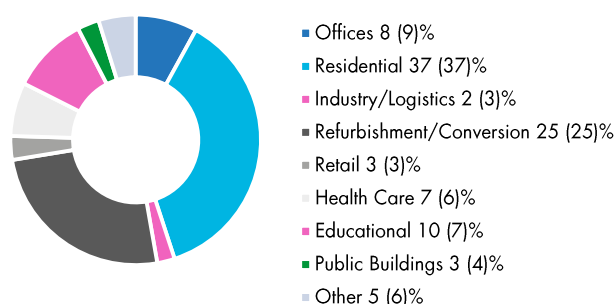
Operating profit totaled SEK 144 M (150) in the second quarter and SEK 200 M (220) for the first half of the year. Earnings during the quarter declined due to lower sales but the operating margin improved somewhat. Earnings for the first half of the year were lower year-on-year, due mainly to the first quarter's impairment losses of SEK 50 M on housing projects in the Finnish market. Earnings in Norway improved but remain negative, primarily due to a nonexistent margin on ongoing previously impaired projects.

Product mix

Orders received

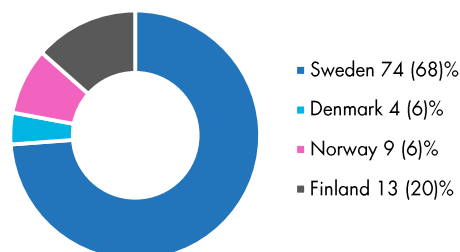


Net sales

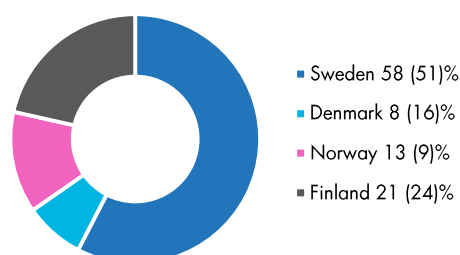


Geographical breakdown

Orders received



Net sales



NCC Building, SEK M	2017		2016		Jul. 16- Jun. 17	2016 Jan.-Dec.
	Apr.	Jun.	Apr.	Jun.		
Orders received	9,058	7,843	12,808	13,225	28,321	28,738
Order backlog	30,153	26,778	30,153	26,778	30,153	29,159
Net sales	6,147	6,849	11,821	12,238	25,264	25,681
Operating profit/loss	144	150	200	220	469	489
Financial target:						
Operating margin, % ¹⁾	2.3	2.2	1.7	1.8	1.9	1.9

¹⁾ Target: operating margin \geq 3.5%

NCC Infrastructure

The period January-June 2017

Orders received and order backlog

Orders received by NCC Infrastructure decreased to SEK 4,483 M (6,540) in the second quarter and amounted to SEK 9,511 M (9,406) for the first half of the year. The Civil Engineering division and the InfraserVICES division both reported declines in orders received during the quarter, primarily due to postponement of projects in the Swedish operation. Projects secured in the second quarter mainly comprised groundworks and road works.

The order backlog rose SEK 1,529 M in the first half of the year to SEK 18,019 M at the end of the period.

Net sales and earnings

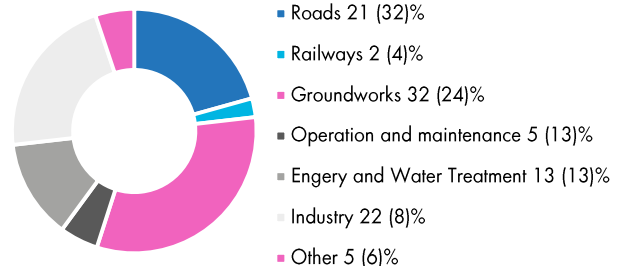
Net sales amounted to SEK 4,539 M (4,250) in the second quarter and to SEK 7,943 M (7,615) for the first half of the year. The increase in the second quarter derived from higher sales in the InfraserVICES division.

NCC Infrastructure's net sales largely comprise earth and groundworks and road contracts, which have a major impact on net sales, accounting for more than half.

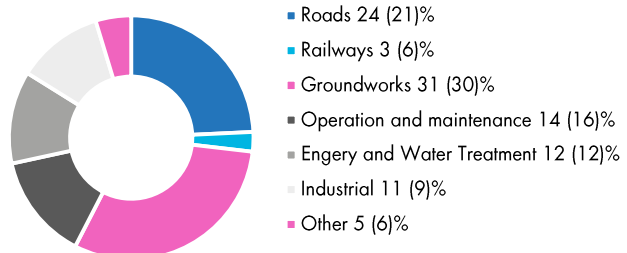
Operating profit declined year-on-year to SEK 70 M (93) in the second quarter and SEK 43 M (82) for the first half of the year. The weak result for the first half of the year was mainly due to the completion of projects with weaker profitability combined with a low work-up rate and thus cautious recognition of profit from new projects.

Product mix

Orders received

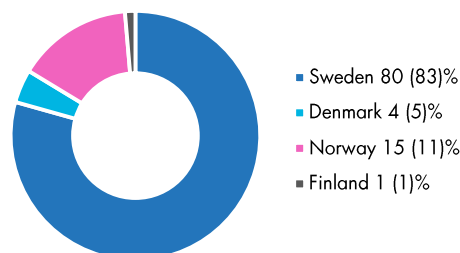


Net sales

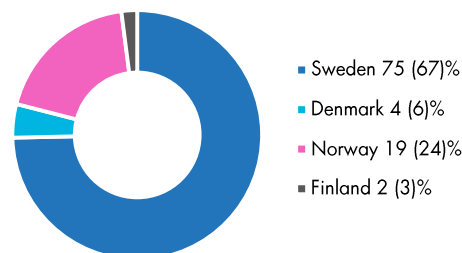


Geographical breakdown

Orders received



Net sales



NCC Infrastructure, SEK M	2017		2016		2016	
	Apr. -Jun.	Apr. -Jun.	Jan. -Jun.	Jan. -Jun.	Jul. -Jun. 17	Jan. -Dec.
Orders received	4,483	6,540	9,511	9,406	18,769	18,664
Order backlog	18,019	16,490	18,019	16,490	18,019	16,423
Net sales	4,539	4,250	7,943	7,615	17,335	17,007
Operating profit/loss	70	93	43	82	123	162
Financial target:						
Operating margin, % ¹⁾	1.5	2.2	0.5	1.1	0.7	1.0

¹⁾ Target: operating margin \geq 3.5%

NCC Industry

The period January-June 2017

Net sales and earnings

Net sales increased year-on-year to SEK 3,416 M (3,039) in the second quarter and SEK 4,503 M (3,927) for the first half of the year. Sold volumes of stone materials were higher in all markets during the period. The volume of asphalt sold matched the year-earlier level and increased in Finland, Denmark and Sweden but declined in Norway. Sales of foundation engineering were higher year-on-year, due to high activity in the Swedish market.

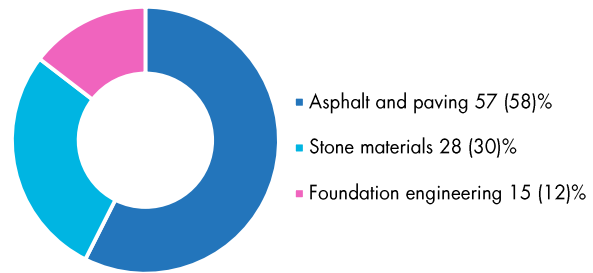
Earnings improved year-on-year to SEK 336 M (290) for the second quarter and SEK 26 M (loss: 35) for the first half of the year. Earnings in the first half of the year improved in stone materials and asphalt operations but were slightly lower for foundation engineering. Earnings from stone materials operations improved, primarily as a result of high construction activity in Sweden. Profit from asphalt operations improved in Sweden and Finland. Earnings from foundation engineering declined due to lower activity in Denmark and Norway.

Capital employed

Capital employed has increased seasonally by SEK 0.9 billion since year-end and amounted to SEK 4.9 billion.

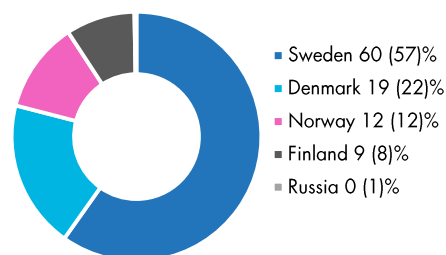
Product mix

Net sales



Geographical breakdown

Net sales



NCC Industry, SEK M	2017		2016		Jul. 16-		2016			
	Apr.	Jun.	Apr.	Jun.	Jan.	Jun.	Jan.	Dec.		
Orders received	3,614		3,228		6,862		5,692		12,422	11,252
Order backlog	5,251		4,160		5,251		4,160		5,251	2,883
Net sales	3,416		3,039		4,503		3,927		11,336	10,760
Operating profit/loss	336		290		26		-35		594	533
Capital employed	4,855		4,356		4,855		4,356		4,855	3,975
Stone materials, tons ¹⁾	8,329		8,110		14,112		13,022		29,200	28,110
Asphalt, tons ¹⁾	1,994		2,092		2,153		2,196		6,307	6,350
Financial targets:										
Operating margin, % ²⁾	9.8		9.6		0.6		-0.9		5.2	4.9
Return on capital employed, % ³⁾									13.9	13.5

1) Sold volume

2) Target: operating margin \geq 4%

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

NCC Property Development

The period January-June 2017

Net sales and earnings

Net sales totaled SEK 184 M (458) in the second quarter and SEK 2,358 M (550) for the first half of the year. In the first quarter, four projects were recognized in profit: the Torsplan 2 office project (Stockholm); the Vattenbrunnen logistics project (Upplands-Bro) and the Aitio Verdi and Vivaldi office projects (Helsinki). One project was recognized in profit in the first quarter of 2016: Hyllie in Malmö.

Operating profit amounted to SEK 65 M (71) in the second quarter and to SEK 658 M (93) for the first half of the year. Earnings from profit-recognized projects, sales of land and previous sales contributed to profit for the first half of the year. In the year-earlier period, earnings derived from one profit-recognized project, previous sales and sales of land.

Property projects

One project was started in the first quarter, the Laajasalo retail project in Helsinki, Finland, and three more were added in the second quarter: two phases of NCC's new head office and a logistics project in Gothenburg.

Leasing in the first half of the year totaled 38,700 square meters (37,000), including 28,300 (17,900) in the second quarter.

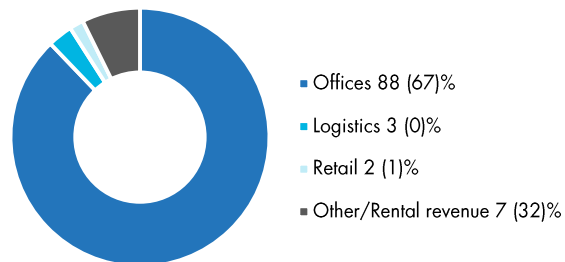
At the end of the quarter, 19 projects (17) were either ongoing or completed but not yet recognized in profit. Costs incurred in all projects totaled SEK 1.8 billion (3.5), corresponding to a completion rate of 39 (70) percent. The leasing rate was 51 (73) percent. Operating profit was SEK 28 M (43) for the first half of the year and SEK 12 M (24) for the second quarter.

Capital employed

Capital employed increased SEK 0.4 billion in the second quarter, when investments in ongoing projects exceeded the value of sales of land. Capital employed totaled SEK 3.7 billion.

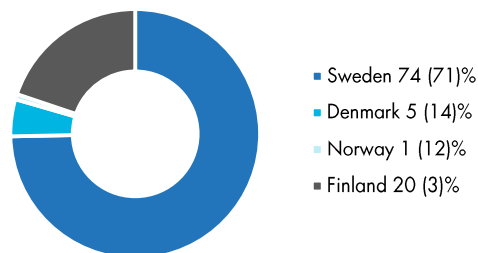
Product mix

Net sales



Geographical breakdown

Net sales



NCC Property Development, SEK M	2017		2016		Jul. 16- Jun. 17	2016 Jan.-Dec.
	Apr.	Jun.	Apr.	Jun.		
Net sales	184	458	2,358	550	4,630	2,823
Operating profit/loss	65	71	658	93	892	327
Capital employed	3,727	4,817	3,727	4,817	3,727	4,450
Financial targets:						
Operating margin, % ¹⁾	35.4	15.5	27.9	16.9	19.3	11.6
Return on capital employed, % ²⁾					21.0	7.0

1) Target: operating margin ≥ 10%

2) Target: return on capital employed ≥ 10%

NCC Property Development

Property development projects as of June 30, 2017 ¹⁾

Ongoing Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
CH Vallensbæk 4.1	Office	Vallensbæk		80	6,100	7
Frederiks Plads 1	Office	Århus		33	5,000	0
Total Denmark				53	11,100	3
Alberga E	Office	Espoo		72	5,800	33
Fredriksberg 1	Office	Helsinki		33	9,000	17
Laajasalo	Retail	Helsinki		11	8,600	84
Suurpelto 1	Retail	Espoo		67	4,500	99
Total Finland				40	27,900	54
Lysaker PP11	Office	Bærum		34	6,400	78
Valle 1	Office	Oslo		17	6,300	0
Total Norway				27	12,700	42
K11	Office	Solna		13	11,900	0
K12	Office	Solna		14	20,000	99
Arendal 3	Logistics	Gothenburg	Q2 2018	9	6,800	76
Multihuset	Other	Malmö		14	19,700	52
Mölnadal Galleria	Retail	Mölnadal	²⁾	66	13,800	57
Önskebrunnen	Logistics	Upplands- Bro	Q3 2017	83	14,400	23
Total Sweden				28	86,600	57
Total				32	138,300	51

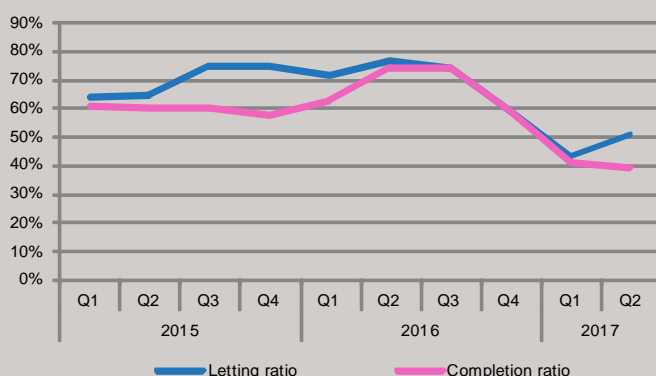
Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
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	63
Total Denmark				12,500	68
Stavanger Business Park 1	Office	Stavanger		9,200	44
Total Norway				9,200	44
Total				21,700	54

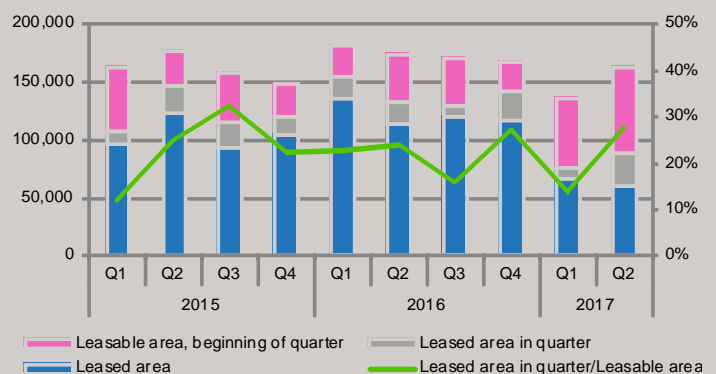
1) The table refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees / additional purchase) in four previously sold and revenue recognized property projects, a maximum of approximately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

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 character. Related-company sales in the second quarter totaled SEK 823 M (1,489) and purchases SEK 1 M (116). Related-company sales in the first half of the year totaled SEK 1,690 M (1,979) and purchases SEK 156 M (263).

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 during the rest of the year.

Repurchase of shares

In the second quarter, 25,144 Series B shares were transferred to participants of LTI 2014. 37,987 Series B shares were sold and 54,232 Series B shares were bought back. Following these transactions, NCC AB holds 353,323 Series B treasury shares to meet its obligations pursuant to long-term incentive programs.

Other significant events

MAJOR ORDERS IN THE 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, which is expected to be registered among orders in the third quarter of 2017.

NCC has been commissioned by PensionDanmark Ejendomme to build a complex of 17,000 square meters, comprising housing units, offices and a parking facility. The contract is valued at approximately SEK 330 M.

NCC has been commissioned by Bonava to build Kapellgärdet Arena, comprising 152 tenant-owner apartments in Uppsala city center. The order value is some SEK 250 M, with SEK 160 M to be registered in the third quarter of 2017 when planning permission has been received and SEK 90 M in the second quarter of 2018.

NCC has been commissioned to construct an additional 644 apartments in central Uppsala for Magnolia Bostad. The construction assignment marks the second phase of the Senapsfabriken property block. The order value is about SEK 650 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 some SEK 2 billion, of which half

accrues to NCC. The contract includes an option valued at an additional SEK 1 billion. The award decision has been appealed and the contract is not registered among orders.

NCC has been commissioned by Bonava to build 124 apartments in the Tollare area of Nacka, Stockholm. The order is worth SEK 339 M.

NCC has been commissioned to construct a new train maintenance depot for Öresund trains. The project will be performed in two phases; in the first phase, the partners will focus on preparing construction documents and a target price for the project. Once this is completed, the parties will sign a construction contract with an estimated order value of some SEK 550 M, which is expected to be registered among orders in the fourth quarter of 2017.

NCC has been commissioned by Vasakronan to refurbish part of the Hästskon 12 property block, also known as Sergelhuset, converting it from office space to a hotel and apartments. The assignment is a turnkey contract in the form of a partnering arrangement and the order value is SEK 550 M.

NCC has started construction of two office buildings (of which, one will be NCC's new headquarters) in Solna, signaling the start of the development of a new, sustainable and attractive city district in Solna. The contract has an order value of some SEK 1,050 M. Construction work on the office building that will become NCC's headquarters is expected to be completed in 2019 and the second office building in 2020.

MAJOR PROPERTY SALES

NCC is divesting the Önskebrunnen logistics project in Brunna for an agreed property value of some SEK 150 M. The buyer is NREP Logicens. No rental guarantees are included in the divestment, which is expected to have a positive impact on NCC Property Development's earnings in the third quarter of 2017.

NCC and Platzer have signed an agreement for a transaction involving joint development of a project in Gårda and they also intend to implement a property deal in central Mölndal. The transaction in Gårda will be performed in the form of a company transaction where the parties have agreed that NCC will acquire 50 percent of the property-owning company from Platzer when the detailed development plan gains legal force at an underlying property value of about SEK 300 M as well as a supplementary purchase consideration of some SEK 45 M upon completion. The parties also agreed that Platzer will repurchase NCC's 50-percent share when the property is completed. Construction is scheduled to start in the first quarter of 2018 with completion scheduled for the fourth quarter of 2020. A prerequisite for the transaction is that the detailed development plan gains legal force. The transaction also entails that Platzer intends to acquire future NCC's projects in central Mölndal.

Reporting occasions in 2017

Interim report, Jan-Sep 2017	October 26, 2017
Year-end report Jan-Dec 2017	January 24, 2018

Condensed consolidated income statement

SEK M	Note 1	2017 Apr. -Jun.	2016 Apr. -Jun.	2017 Jan. -Jun.	2016 Jan. -Jun.	Jul. 16- Jun. 17	2016 Jan. -Dec.
CONTINUING OPERATIONS							
Net sales		13,382	13,646	25,188	22,843	55,279	52,934
Production costs	Note 2	-12,092	-12,135	-22,876	-20,906	-50,454	-48,484
Gross profit		1,290	1,511	2,312	1,937	4,825	4,450
Selling and administrative expenses	Note 2	-751	-838	-1,467	-1,547	-2,832	-2,912
Other operating income/expenses		9	-100	6	-101	22	-85
Operating profit/loss		548	572	850	289	2,014	1,453
Financial income		6	7	23	14	35	26
Financial expense ¹⁾		-32	-31	-68	-63	-143	-138
Net financial items		-26	-24	-45	-49	-108	-112
Profit/loss after financial items		522	548	805	240	1,906	1,341
Tax		-87	-108	-133	-43	-315	-225
Net profit/ loss for the period from continuing operations		435	441	672	197	1,591	1,116
DISCONTINUED OPERATION							
Discontinued operation, net after tax			6,810		6,898	-31	6,867
Net profit/loss for the period from discontinued operation	Note 4		6,810		6,898	-31	6,867
CONTINUING AND DISCONTINUED OPERATIONS							
Net profit/loss for the period from continuing and discontinued operations		435	7,250	672	7,095	1,560	7,983
Attributable to:							
NCC's shareholders		431	7,245	670	7,096	1,554	7,980
Non-controlling interests		4	5	2	-1	6	3
Net profit/loss for the period		435	7,250	672	7,095	1,560	7,983
Earnings per share							
Before dilution							
Net profit/loss for the period, SEK		3.99	66.81	6.20	65.61	14.38	73.81
After dilution							
Net profit/loss for the period, SEK		3.99	66.81	6.20	65.61	14.38	73.81
Earnings per share from continuing operations							
Before dilution							
Net profit/loss for the period, SEK		3.99	4.06	6.20	1.82	14.67	10.30
After dilution							
Net profit/loss for the period, SEK		3.99	4.06	6.20	1.82	14.67	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	108.4	108.1	108.2	108.1	108.1
Number of shares outstanding before dilution at the end of the period		108.1	108.4	108.1	108.4	108.1	108.1

¹⁾ Whereof interest expenses for the period Jul. 16 - Jun. 17, amounting to SEK 129 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 Apr. -Jun.	2016 Apr. -Jun.	2017 Jan. -Jun.	2016 Jan. -Jun.	Jul. 16- Jun. 17	2016 Jan. -Dec.
Net profit/loss for the period		435	7,250	672	7,095	1,560	7,983
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		5	56	-7	115	43	165
Change in hedging/fair value reserve		-4	-13		-39	5	-34
Cash flow hedges		-20	60	-41	56	6	103
Income tax relating to items that have been or should be recycled to net profit/loss for the period		5	-11	9	-4	-2	-15
		-14	92	-39	128	52	219
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		-340	-282	-304	-639	-255	-590
Income tax relating to items that cannot be recycled to net profit/loss for the period		75	52	67	131	66	130
		-265	-231	-237	-509	-189	-460
Other comprehensive income		-279	-139	-276	-381	-137	-242
Total comprehensive income		156	7,112	396	6,714	1,423	7,742
Attributable to:							
NCC's shareholders		152	7,106	394	6,715	1,417	7,738
Non-controlling interests		4	5	2	-1	6	3
Total comprehensive income		156	7,112	396	6,714	1,423	7,742

Condensed consolidated balance sheet

SEK M	Note 1	2017 Jun. 30	2016 Jun. 30	2016 Dec. 31
ASSETS				
Fixed assets				
Goodwill		1,837	1,819	1,851
Other intangible assets		269	298	275
Owner-occupied properties		799	780	814
Machinery and equipment		2,665	2,460	2,569
Long-term holdings of securities		127	125	125
Long-term interest-bearing receivables		429	281	361
Other long-term receivables		65	190	62
Deferred tax assets		106	280	97
Total fixed assets		6,298	6,233	6,154
Current assets				
Properties held for future development		1,649	2,002	1,780
Ongoing property projects		986	2,690	1,440
Completed property projects		435	384	808
Housing properties held for future development			54	16
Materials and inventories		816	789	713
Tax receivables		288	259	42
Accounts receivable		8,955	8,246	7,682
Worked-up, non-invoiced revenues		2,534	2,356	1,737
Prepaid expenses and accrued income		1,133	1,067	1,061
Current interest-bearing receivables		106	69	152
Other receivables		775	513	446
Short-term investments ¹⁾		91	186	190
Cash and cash equivalents		2,146	2,307	3,093
Total current assets		19,914	20,922	19,161
Total assets		26,212	27,155	25,315
EQUITY				
Share capital		867	867	867
Other capital contributions		1,844	1,844	1,844
Reserves		-164	-216	-125
Profit/loss brought forward, including current-year profit/loss		2,530	2,105	2,967
Shareholders' equity		5,078	4,600	5,553
Non-controlling interests		15	10	13
Total shareholders' equity		5,093	4,609	5,566
LIABILITIES				
Long-term liabilities				
Long-term interest-bearing liabilities		2,168	3,364	2,288
Other long-term liabilities		34	105	54
Provisions for pensions and similar obligations		1,345	995	1,008
Deferred tax liabilities		574	983	407
Other provisions		1,693	1,591	1,686
Total long-term liabilities		5,815	7,038	5,443
Current liabilities				
Current interest-bearing liabilities		490	649	723
Accounts payable		4,255	4,247	4,427
Tax liabilities		25	19	115
Invoiced revenues not worked-up		6,050	5,368	4,355
Accrued expenses and prepaid income		2,810	2,999	3,205
Provisions		7	37	21
Other current liabilities		1,666	2,188	1,460
Total current liabilities		15,304	15,507	14,306
Total liabilities		21,119	22,544	19,749
Total shareholders' equity and liabilities		26,212	27,155	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	Jun. 30, 2017			Jun. 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	394	2	396	6,715	-1	6,714
Dividend	-864		-864	-325	-11	-336
Dividend, Bonava				-11,563		-11,563
Listing costs				-56		-56
Sale of treasury shares	-4		-4	134		134
Performance based incentive program	-1		-1	3		3
Closing balance	5,078	15	5,093	4,600	10	4,609

If the principles for accounting for pensions, IAS19, applied before 1 January 2013, had been used, the equity would have been SEK 1,928 M higher and net indebtedness SEK 1,345 M lower at June 30 2017.

Condensed consolidated cash flow statement

SEK M	2017		2016		Jul. 16-		2016	
	Apr.	Jun.	Apr.	Jun.	Jan.	Jun.	Jan.	Dec.
OPERATING ACTIVITIES								
Profit / loss after financial items, continuing operations		521		548		240		1,341
Profit / loss after financial items, discontinued operations				6,821		6,934		6,902
Adjustments for items not included in cash flow		-65		-6,881		-6,600		-6,336
Taxes paid		-87		-78		-236		-401
Cash flow from operating activities before changes in working capital		369		410		337		1,506
Cash flow from changes in working capital								
Divestment of property projects		71		304		305		2,118
Gross investments in property projects		-316		-537		-908		-1,612
Divestment of housing projects				1,047		2,532		2,548
Gross investments in housing projects				-809		-3,171		-3,154
Other changes in working capital		-1,993		-959		-648		-237
Cash flow from changes in working capital		-2,238		-954		-1,890		548
Cash flow from operating activities		-1,869		-544		0		1,170
INVESTING ACTIVITIES								
Acquisition/Sale of subsidiaries and other holdings ¹⁾				-469		-4		-496
Acquisition/Sale of tangible fixed assets		-179		-198		-328		-613
Acquisition/Sale of other fixed assets		-15		-3		-46		-72
Cash flow from investing activities		-194		-670		-326		-1,181
Cash flow before financing		-2,064		-1,215		-326		-2,427
FINANCING ACTIVITIES								
Cash flow from financing activities		-235		160		550		-2,240
Cash flow during the period		-2,299		-1,055		-928		-1,877
Cash and cash equivalents at beginning of period		4,447		3,361		3,093		4,177
Effects of exchange rate changes on cash and cash equivalents		-2		1		-19		6
Cash and cash equivalents at end of period		2,146		2,307		2,146		2,307
Short-term investments due later than three months		91		186		91		186
Total liquid assets at end of period		2,237		2,492		2,237		2,492

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.

Parent Company condensed income statement

SEK M	Note 1	2017		2016		2016		2016	
		Apr.	Jun.	Apr.	Jun.	Jan.	Jun.	Jan.	Jun.
Net sales		40	5,594	77	11,279	9,671	20,873		
Production costs			-4,869		-10,393	-8,774	-19,167		
Gross profit		40	725	77	886	897	1,706		
Selling and administrative expenses		-89	-393	-169	-718	-695	-1,244		
Impairment losses			-88		-88		-88		
Operating profit		-49	244	-92	80	202	374		
Result from financial investment									
Result from participations in Group companies		618	225	618	740	701	823		
Result from participations in associated companies			16		16	14	30		
Result from other financial fixed assets		11		12	1	12	1		
Result from financial current assets			1	4	4	9	9		
Interest expense and similar items		-6	-24	-11	-54	-65	-109		
Result after financial items		574	461	530	786	873	1,129		
Appropriations				527		814	287		
Tax on net profit for the period		15	-40	-92	2	-205	-110		
Net profit for the period		589	421	965	788	1,483	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 has been transferred from NCC AB to NCC Sverige AB. Appropriations for the operations no longer conducted in the Parent Company were reversed to the Parent Company 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 other Group companies. The average number of employees was 65 (5,956).

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 Sweden 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	
		Jun. 30	Jun. 30	Jun. 30	Dec. 31		
ASSETS							
Fixed assets							
Intangible fixed assets		37	116	108			
Tangible fixed assets		4	93	86			
Financial fixed assets		4,428	4,403	4,595			
Total fixed assets		4,470	4,612	4,789			
Current assets							
Materials and inventories			41	57			
Current receivables		246	4,085	4,338			
Cash and bank balances		700	3	2			
Treasury balances		1,893	6,262	5,833			
Total current assets		2,839	10,391	10,231			
Total assets		7,309	15,003	15,020			
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity		3,771	3,235	3,677			
Untaxed reserves			441	527			
Provisions		9	457	569			
Long term liabilities		2,057	2,565	2,072			
Current liabilities		1,471	8,304	8,175			
Total shareholders' equity and liabilities		7,309	15,003	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 re-

ceived.

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.

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	
	Apr. - Jun.	Apr. - Jun.	Jan. - Jun.	Jan. - Jun.	Jan. - Jun.	Jul. -16 Jun. 17	Jan. -Dec. 2016	
Other intangible assets	-17	-17	-33	-33	-33	-82	-82	
Owner-occupied properties	-7	-6	-13	-11	-11	-26	-24	
Machinery and equipment	-163	-159	-317	-301	-301	-636	-620	
Total depreciation ¹⁾	-187	-182	-363	-345	-345	-744	-726	

¹⁾Excluding impairments. Impairments for the period Jul. -16 - Jun. -17 amounts to SEK 13 M and for the period Jan. - Dec. 2016 to SEK 97 M.

Note 3. Segment reporting

SEK M

April - June 2017	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
Net sales, external	5,933	4,402	2,876	166	13,378	4	13,382
Net sales, internal	214	137	540	18	908	-908	
Net sales, total	6,147	4,539	3,416	184	14,286	-904	13,382
Operating profit	144	70	336	65	615	-67	548
Net financial items							-26
Profit/loss after financial items							522

April- June 2016	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ¹⁾	Group
Net sales, external	6,488	4,158	2,560	441	13,646		13,646
Net sales, internal	361	92	479	17	949	-949	
Net sales, total	6,849	4,250	3,039	458	14,595	-949	13,646
Operating profit	150	93	290	71	604	-32	572
Net financial items							-24
Profit/loss after financial items							548

SEK M

January - June 2017	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
Net sales, external	11,428	7,699	3,734	2,323	25,184	4	25,188
Net sales, internal	393	244	769	35	1,441	-1,441	
Net sales, total	11,821	7,943	4,503	2,358	26,625	-1,437	25,188
Operating profit	200	43	26	658	927	-77	850
Net financial items							-45
Profit/loss after financial items							805

January - June 2016	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations ²⁾	Group
Net sales, external	11,596	7,436	3,295	517	22,843		22,843
Net sales, internal	642	180	632	33	1,487	-1,487	
Net sales, total	12,238	7,615	3,927	550	24,330	-1,487	22,843
Operating profit	220	82	-35	93	361	-72	289
Net financial items							-49
Profit/loss after financial items							240

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 expense of SEK 42 M (expense: 171) 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 income of SEK 1 M (income: 128) 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 26 M (income: 12).

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 70 M (expense: 196), 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 42 M (income: 101) 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 49 M (income: 24).

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. 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	Jun. 30, 2017			Jun. 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	10		10	95		95	99		99
Derivative instruments		76	76		24	24		70	70
Derivative instruments used for hedge accounting		10	10		5	5		36	36
Total assets	10	86	96	95	29	124	99	106	205
Financial liabilities measured at fair value through profit and loss									
Derivative instruments		4	4		51	51		14	14
Derivative instruments used for hedge accounting		59	59		79	79		35	35
Total liabilities	0	63	63	0	130	130	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	Jun. 30, 2017		Jun. 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	73	73	62	63	63	63
Short-term investments held to maturity	81	81	91	92	91	92
Long-term interest-bearing liabilities	2,168	2,187	3,364	3,388	2,288	2,311
Current interest-bearing liabilities	490	493	649	653	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 6. Pledged assets, contingent liabilities and guarantee obligations

SEK M	2017		2016	
	Jun. 30	Dec. 31	Jun. 30	Dec. 31
Group				
Assets pledged	443	377	346	377
Contingent liabilities and guarantee obligations ¹⁾	748	768	5,347	768
Parent company				
Contingent liabilities and guarantee obligations ¹⁾	20,381	11,882	16,587	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	2016	Jul. 16-	2016	2015	2014	2013	2012 ³⁾	2012
	Apr.- Jun.	Apr.- Jun.	Jun.- 17	Jan.-Dec.	Jan.- Dec.	Jan.- Dec.	Jan.- Dec.	Jan.- Dec.	Jan.- Dec.
Profitability ratios									
Return on shareholders equity, % ¹⁾⁴⁾	31	28	31	19	26	22	26	28	23
Return on shareholders equity, % ¹⁾⁵⁾	30	115	30	118	26	22	26	28	23
Return on capital employed, % ¹⁾⁴⁾	21	18	21	13	17	14	15	17	15
Return on capital employed, % ¹⁾⁵⁾	21	57	21	63	17	14	15	17	15
Financial ratios at period-end									
EBITDA % ⁴⁾	5.5	6.7	5.0	4.7	6.2	5.8	5.9	5.6	5.6
EBITDA % ⁵⁾	5.5	53.7	5.0	17.0	6.2	5.8	5.9	5.6	5.6
Interest-coverage ratio, % ¹⁾⁴⁾	14.3	9.5	14.3	6.6	7.1	6.4	7.8	7.5	7.0
Interest-coverage ratio, % ¹⁾⁵⁾	14.1	48.0	14.1	31.1	7.1	6.4	7.8	7.5	7.0
Equity/asset ratio, %	19	17	19	22	25	23	22	20	23
Interest bearing liabilities/total assets, %	15	19	15	16	24	26	25	26	24
Net cash +/- net debt -, SEK M	-1,232	-2,166	-1,232	-222	-4,552	-6,836	-5,656	-6,467	-6,061
Debt/equity ratio, times	0.2	0.5	0.2	0.0	0.5	0.8	0.7	0.8	0.7
Capital employed at period end, SEK M	9,097	9,618	9,097	9,585	19,093	18,935	18,345	17,285	18,241
Capital employed, average	9,468	17,176	9,468	13,474	18,672	18,531	18,005	15,755	16,632
Capital turnover rate, times ¹⁾	5.8	3.6	5.8	4.1	3.3	3.1	3.2	3.6	3.4
Share of risk-bearing capital, %	22	20	22	24	25	23	23	21	25
Closing interest rate, %	2.2	2.5	2.2	2.6	2.8	2.8	3.3	3.6	3.6
Average period of fixed interest, years	0.6	0.8	0.6	0.9	0.9	1.1	1.2	1.1	1.1
Per share data									
Profit/loss after tax, before dilution, SEK ⁴⁾	3.99	4.52	14.67	11.61	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁴⁾	3.99	4.52	14.67	11.61	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, before dilution, SEK ⁵⁾	3.99	66.81	14.38	73.81	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁵⁾	3.99	66.81	14.38	73.81	19.59	17.01	18.40	17.62	17.51
Cash flow from operating activities, after dilution, SEK	-17.29	-5.02	25.18	10.88	37.65	12.47	23.46	-0.24	-0.24
Cash flow before financing, after dilution, SEK	-19.09	-11.20	19.33	-0.05	30.88	5.32	15.40	-8.61	-8.61
P/E ratio ¹⁾⁴⁾	16	8	16	19	13	15	11	8	8
P/E ratio ¹⁾⁵⁾	16	2	16	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	46.99	42.53	46.99	51.39	89.85	82.04	80.24	70.58	82.97
Shareholders' equity after dilution, SEK	46.99	42.53	46.99	51.39	89.85	82.04	80.24	70.58	82.97
Share price/shareholders' equity, %	505	458	505	439	293	301	262	193	164
Share price at period-end, NCC B, SEK	237.30	195.00	237.30	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	0.0	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	108.4	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	108.4	108.1	108.1	107.9	107.8	107.9	108.2	108.2
Market capitalization before dilution, SEK M ⁶⁾	25,652	21,144	25,652	24,325	28,369	26,574	22,625	14,706	14,706
Personnel									
Average number of employees	16,204	13,716	16,204	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 a 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.

Signatures

The Board of Directors and the CEO provide their assurance that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Solna, July 19, 2017

Tomas Billing
Chairman of the Board

Viveca Ax:son Johnson
Board member

Carina Edblad
Board member

Mats Jönsson
Board member

Ulla Litzén
Board member

Geir Magne Aarstad
Board member

Birgit Nørgaard
Board member

Karl-Johan Andersson
Board member
Employee representative

Lars Bergqvist
Board member
Employee representative

Karl G Sivertsson
Board member
Employee representative

Peter Wågström
President and CEO

This report is unaudited.

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

Contact information

Chief Financial Officer
Mattias Lundgren
Tel. +46 70 228 88 81

IR Manager
Johan Bergman
Tel. +46 8 585 523 53, +46 70 354 80 35

Information meeting

An information meeting with an integrated Internet and telephone conference will be held on July 19 at 10:00 a.m. 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."

This is the type of information that NCC AB could be obligated to disclose pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was issued for publication through the contact person above, on July 19, 2017, at 08:00 CET.



Vallgatan 3
SE-170 67 Solna, Sweden



NCC AB
SE-170 80 Solna, Sweden



+46 8 585 510 00



www.ncc.se



info@ncc.se

