

Year-end report January 1 – December 31, 2015

Peter Wågström
President and CEO NCC

Ann-Sofie Danielsson

Skånegatan, Gothenburg

Q4 2015 in brief

Orders received

SEK 20.4 BN (18.5)

Order backlog

SEK 56.6 BN (54.8)

Net sales

SEK 22.4 BN (18.8)

Profit after financial items

SEK 1,562 M (1,017)



Linköping, Universitetssjukhus

2015 in brief

Orders received

SEK 62.5 BN (61.4)

Order backlog

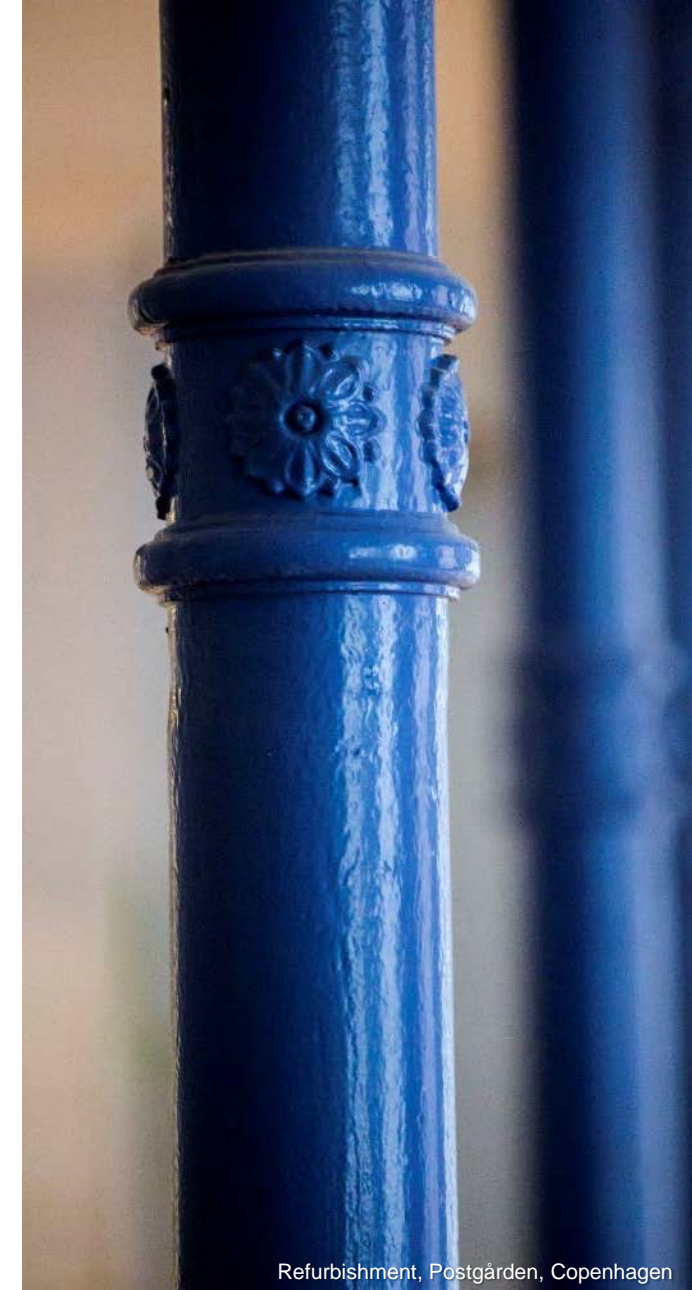
SEK 56.6 BN (54.8)

Net sales

SEK 62.5 BN (56.9)

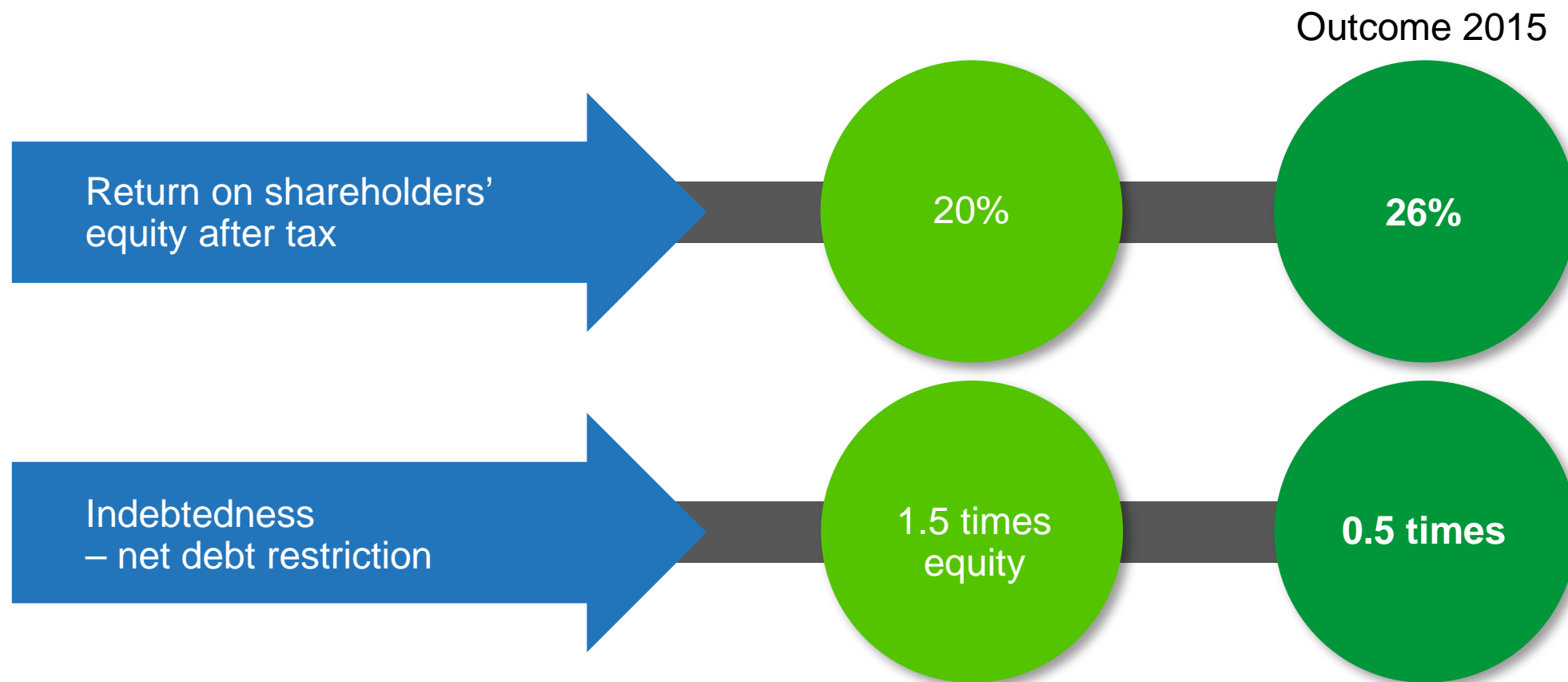
Profit after financial items

SEK 2,656 M (2,234)



Refurbishment, Postgården, Copenhagen

Financial objectives



Dividend proposal

- Distribute NCC Housing in accordance with the rules of Lex ASEA
- Cash dividend of SEK 3.00 per share for 2015, record date November 7



Trends in Nordic construction market

Sweden

- Strong market in general in all segments

Norway

- Strong market in infrastructure

Denmark

- Growth in Copenhagen and Aarhus – residential and other buildings, energy renovation

Finland

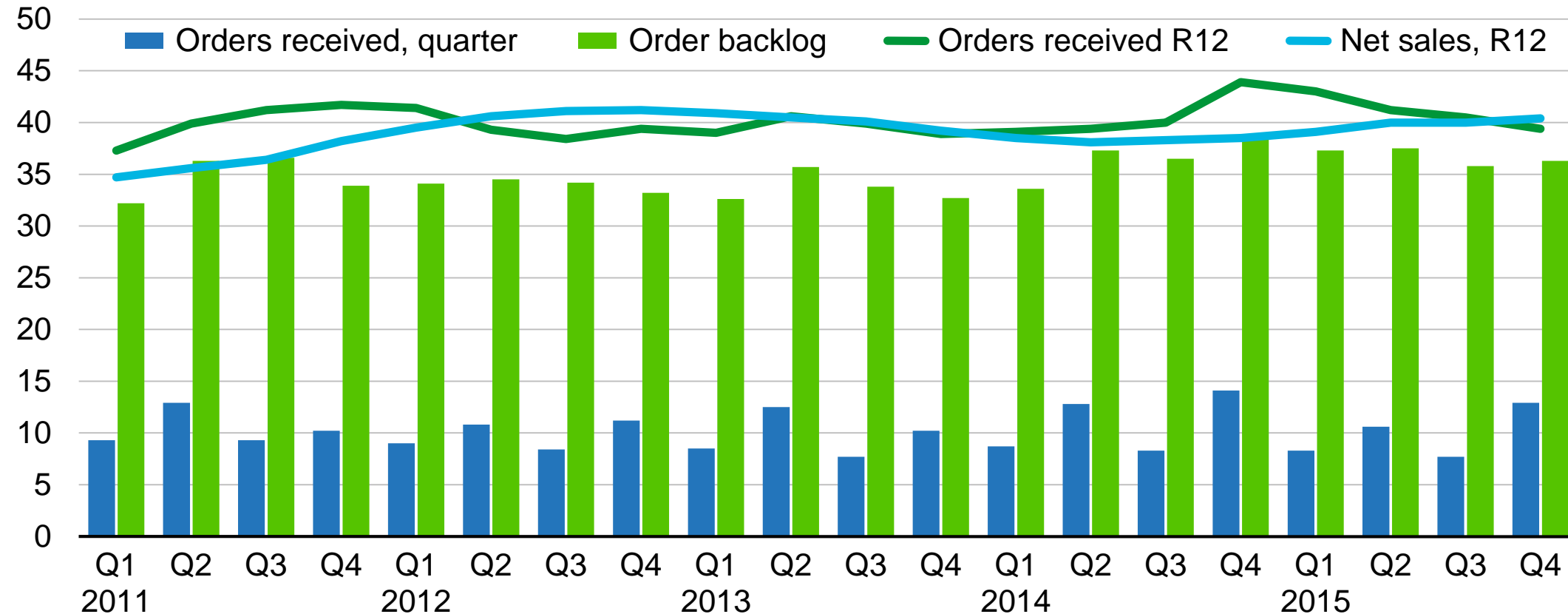
- Challenging market



Order backlog increased in Q4

NCC Construction

SEK BN

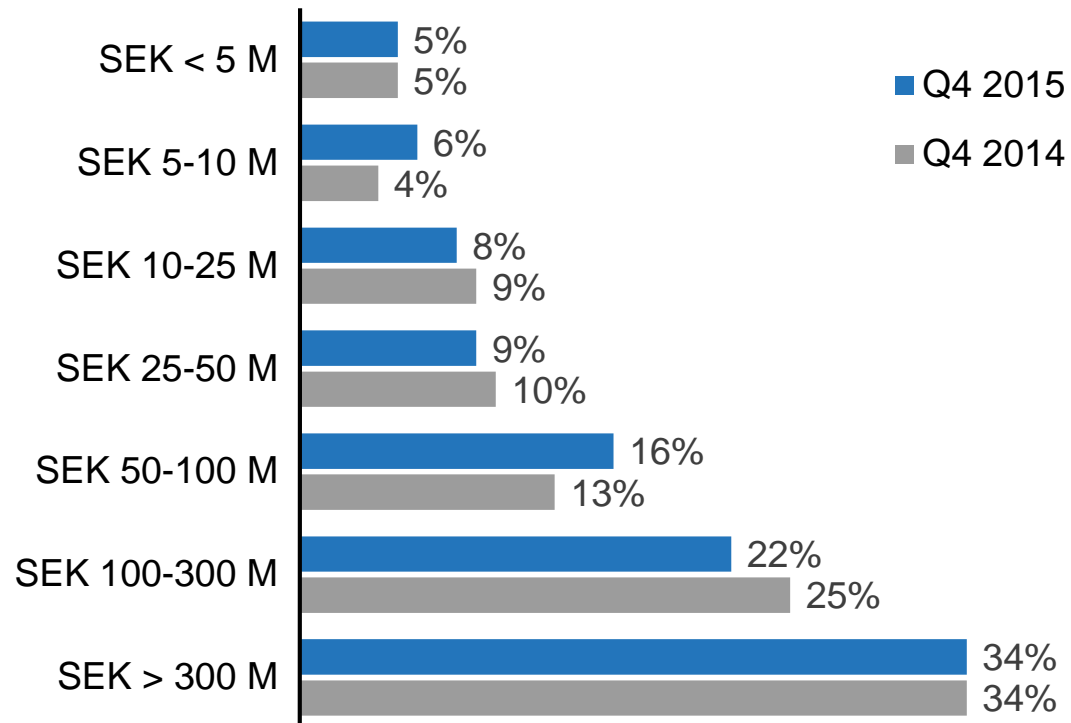


Stable mix in the portfolio

NCC Construction

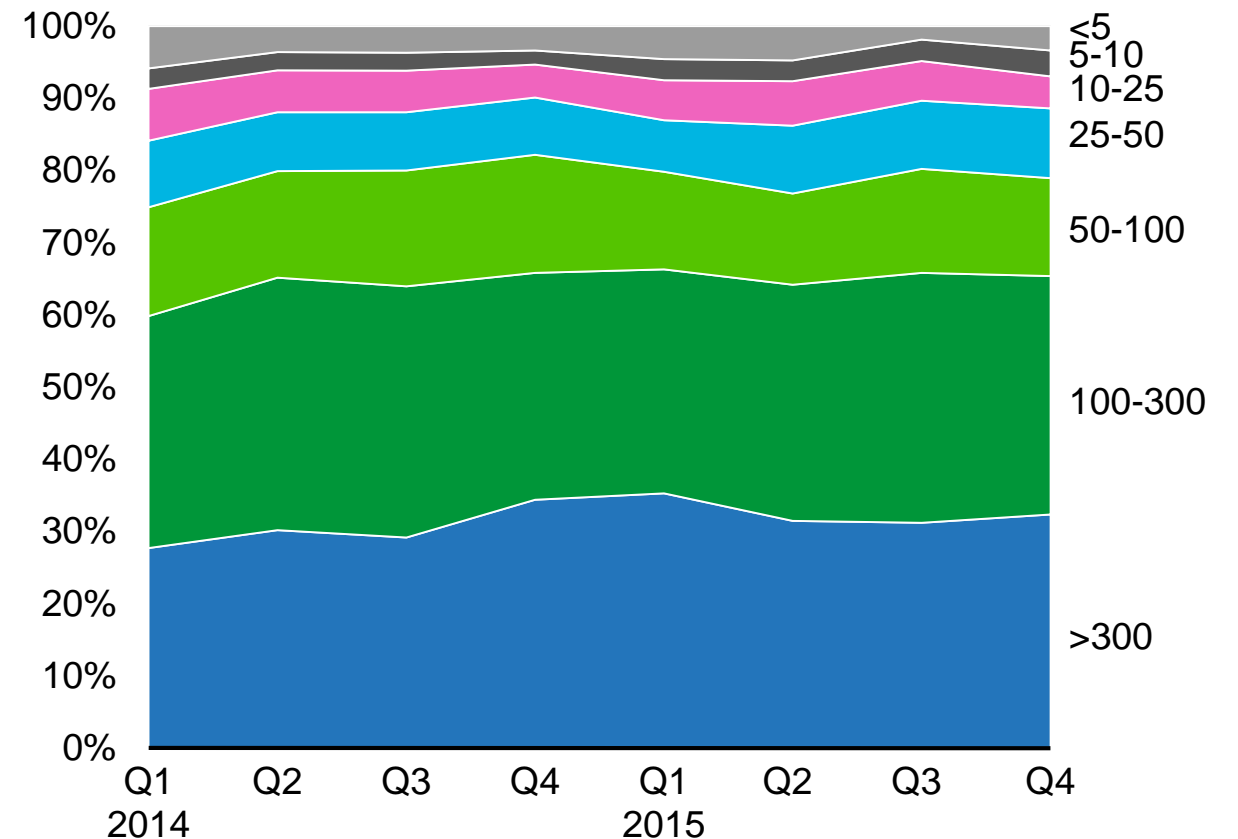
Project size, orders received

Total SEK 12.9 BN



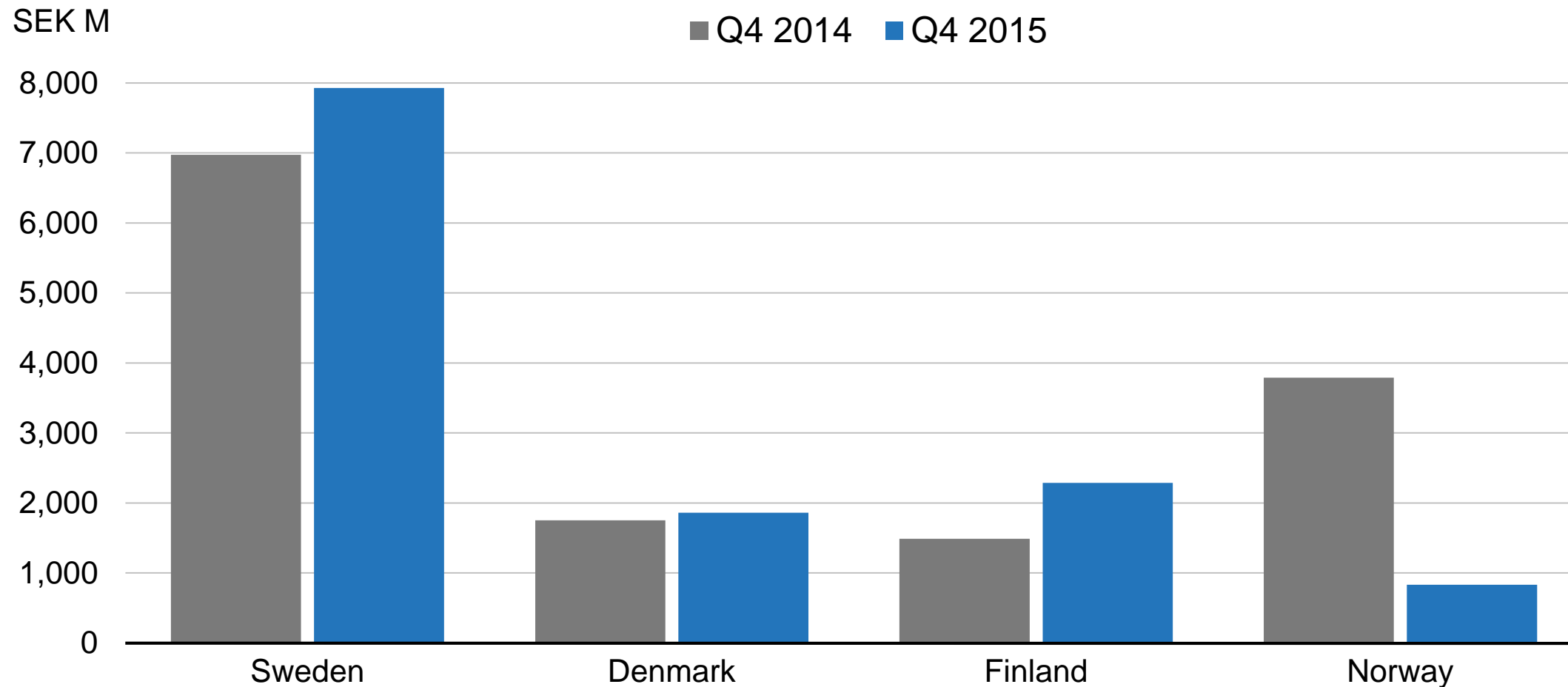
Project size, order backlog

Total SEK 36.3 BN



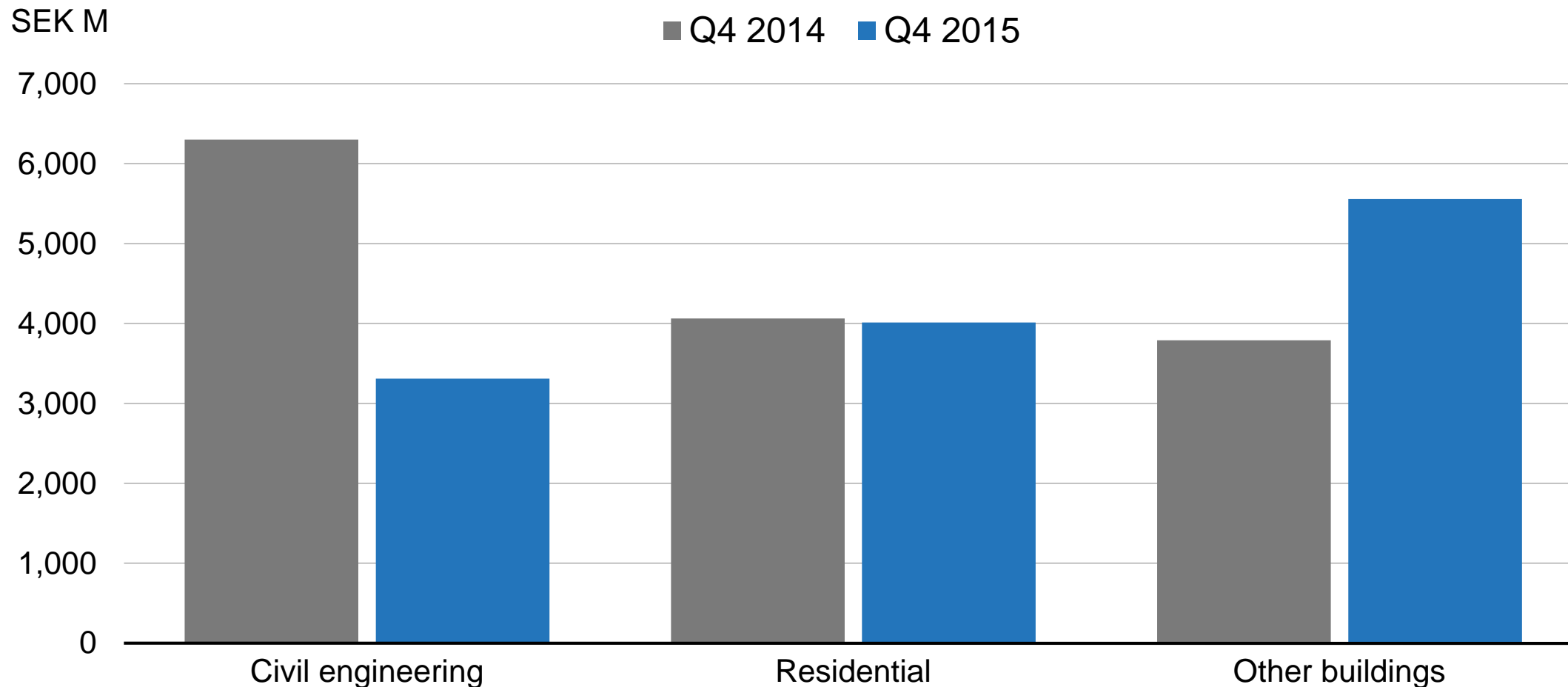
Geographical distribution

Orders received, NCC Construction



Good order intake in other buildings

Orders received, NCC Construction



A selection of construction projects in Q4

Refurbishment of 493 town houses in Albertslund, Denmark
SEK 610 M



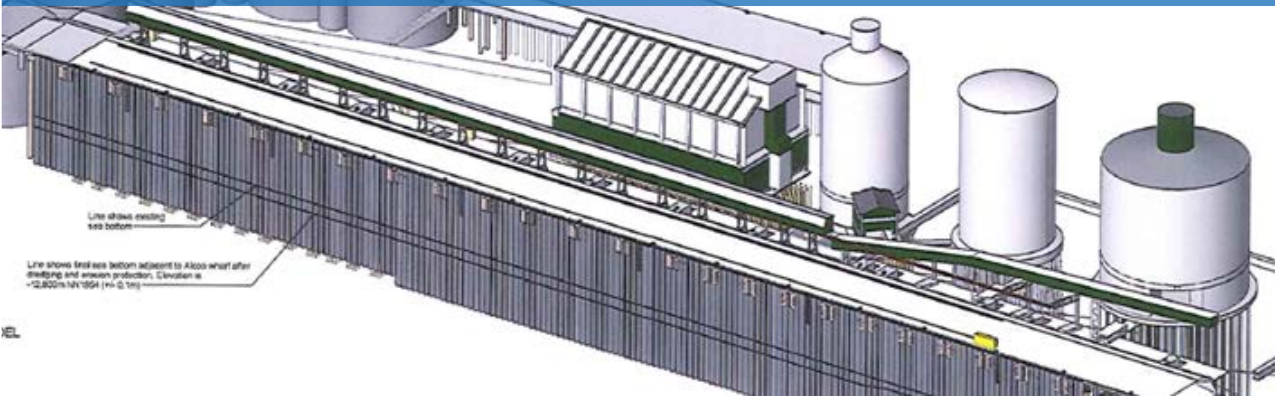
Children's hospital, Göteborg
SEK 1 BN



School, research, and hospital building in Turku University, Finland
SEK 560 M



Development and upgrading of Alcoa quay, Mosjøen, Norway
SEK 200 M



Passive house – Kiruna



Passive house – Kiruna



Trends in stone material, asphalt and road service

The Nordic market

Stone material

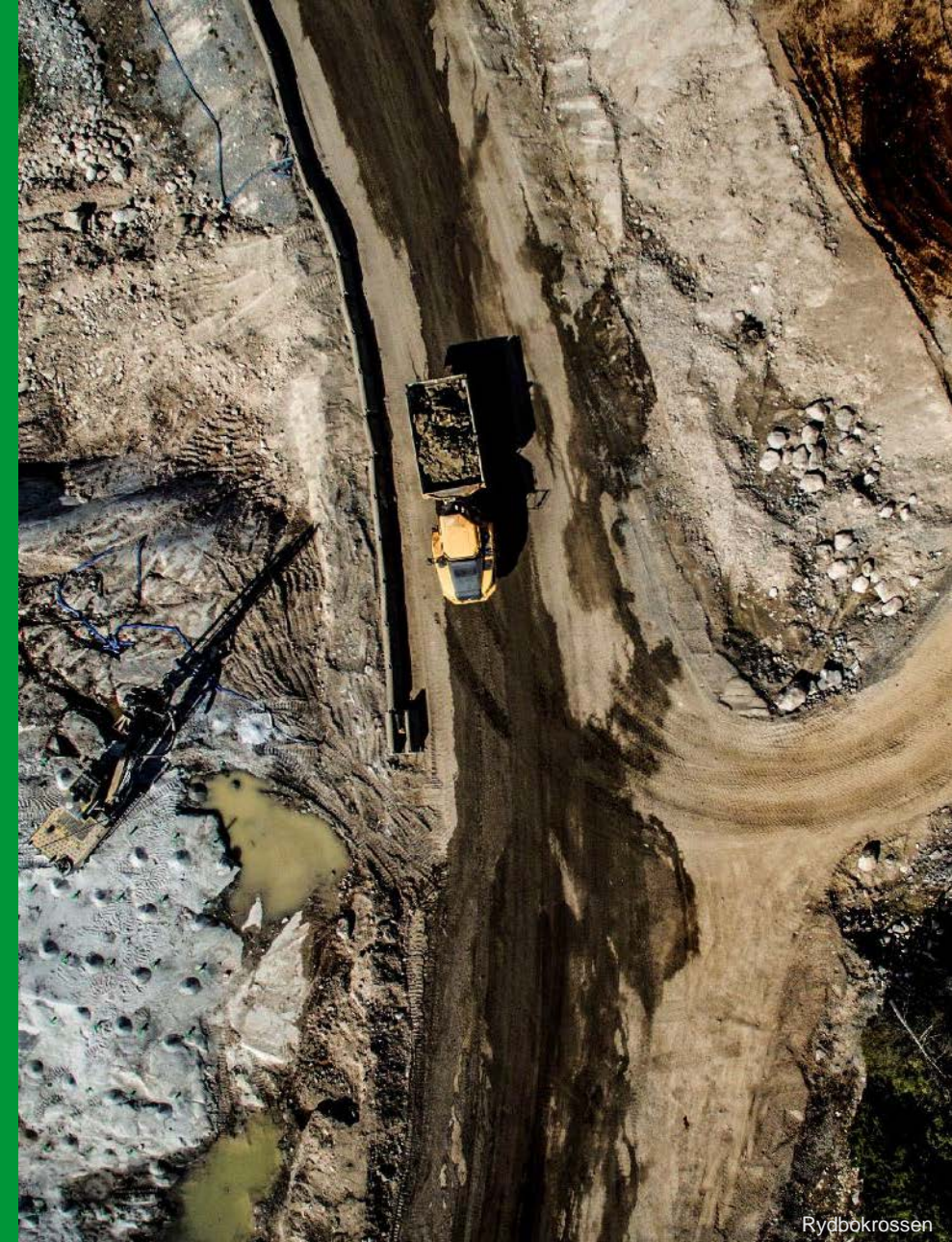
- Favorable demand
 - Growing construction market
 - Strong in Stockholm and Gothenburg

Asphalt

- Favorable demand
 - Weather

Road service

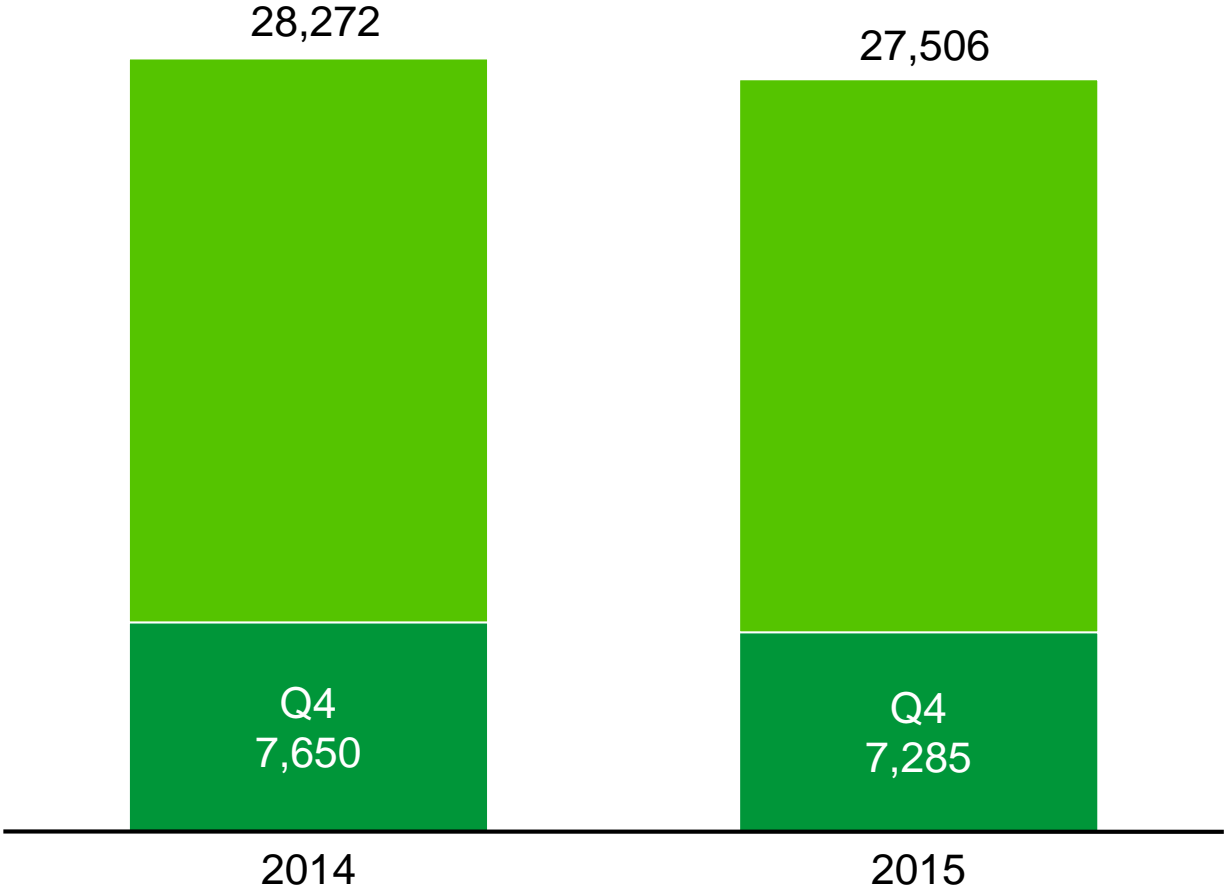
- Stable demand
 - Intense competition



Rydbokrossen

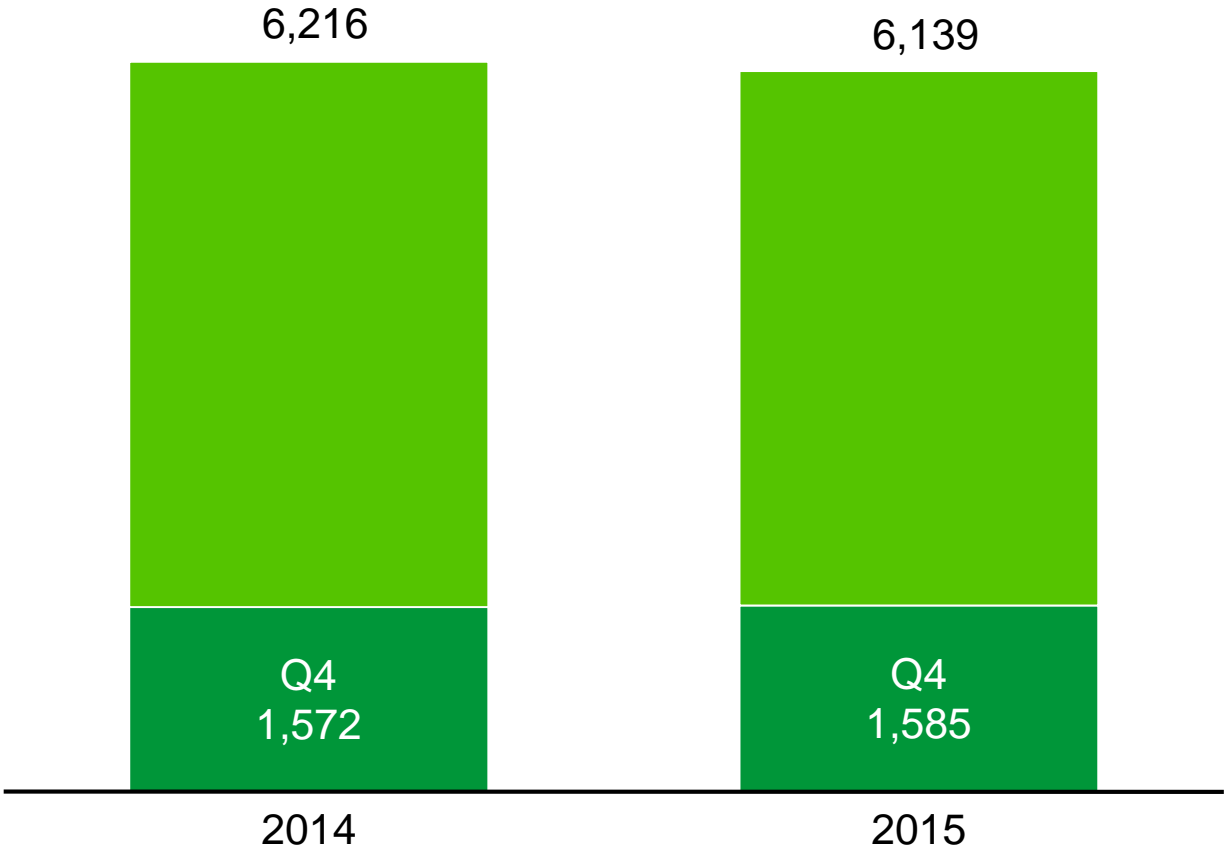
Slightly lower volume of stone material

Volumes of stone material sold, thousands of tons



Stable asphalt volumes

Volumes of asphalt sold, thousands of tons



Trends in residential markets

Private customers

- Favorable market in general
 - Prices in Sweden are flattening
 - Strong German market
 - Finland – challenging but good demand for small apartments

Investor markets

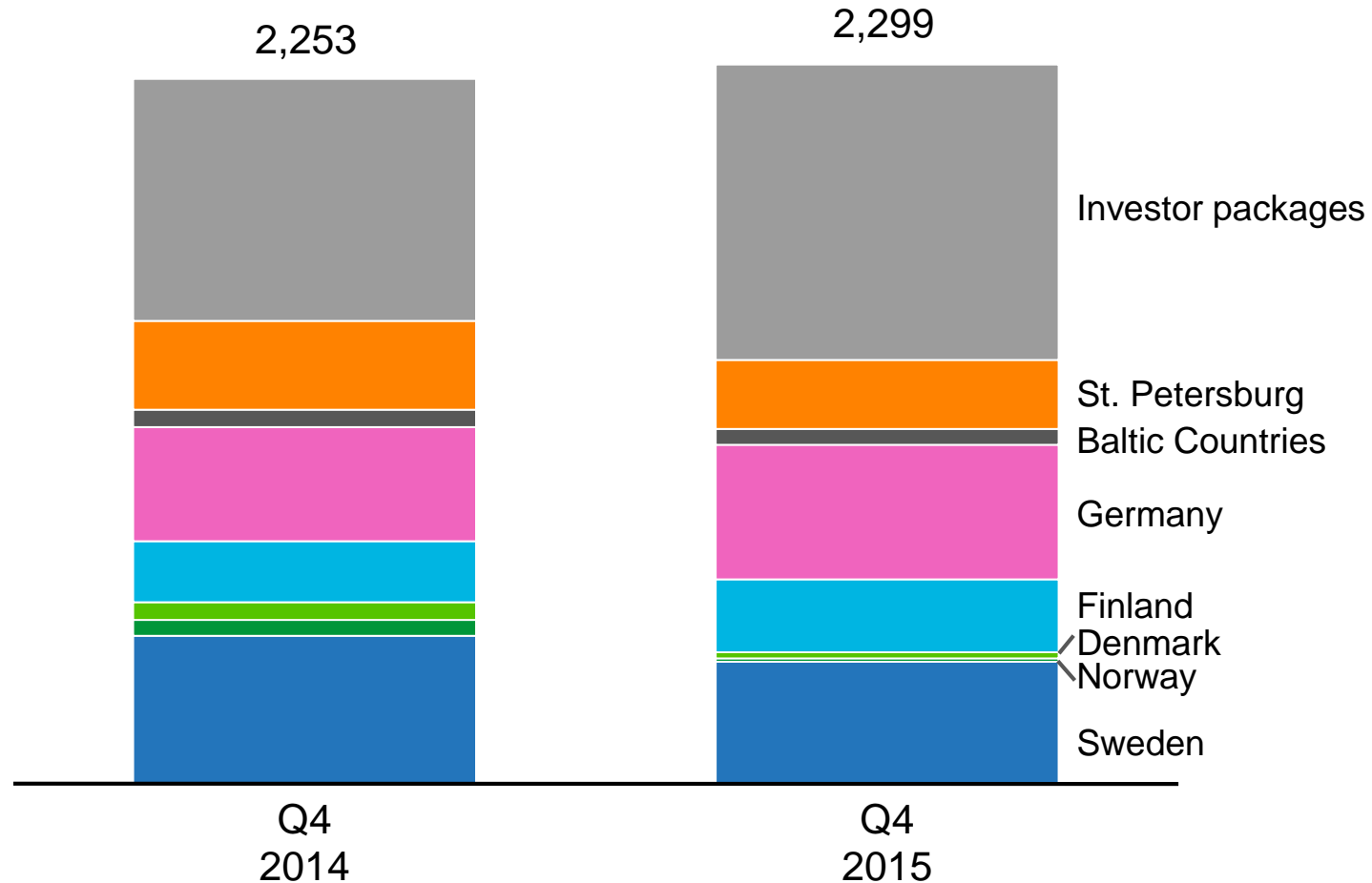
- Strong demand for investor packages in Germany, Sweden and Finland



Folkboende, Munkedal

Higher sales to investors

No. of housing units sold



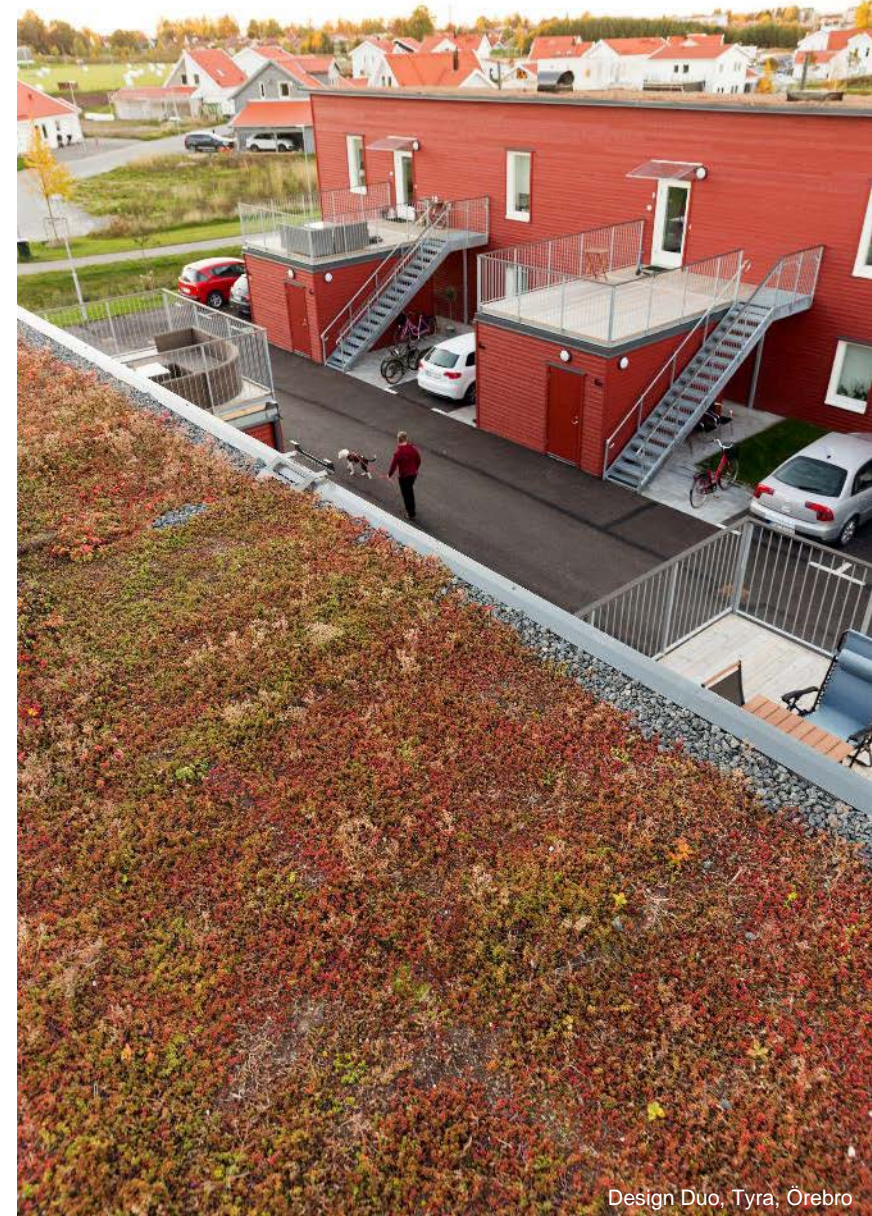
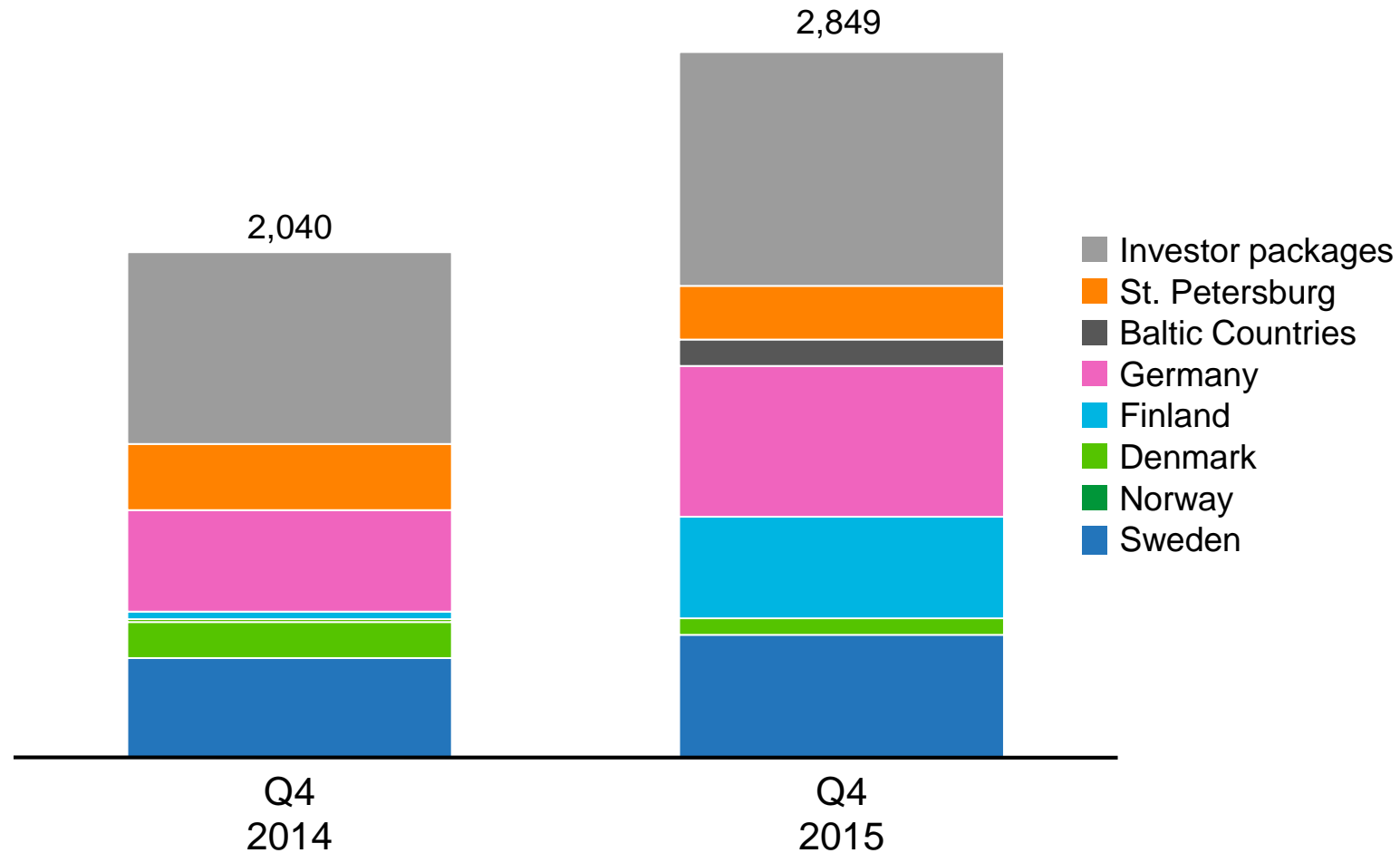
8,778 units in production

	For private customers		For investors		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Number of housing units						
Ongoing production	6,432	5,952	2,346	1,735	8,778	7,687
Sales rate, %	60	58	94	100	69	67
Sales including bookings, %	66	70	94	100	73	77
Completion rate, %	46	45	69	65	52	50



Main starts in three countries

No. of housing starts



Some of the started housing projects in Q4

Kotisiilo, Järvenpää, Finland
49 units



Gröndal Strand, Stockholm, Sweden
93 units



Lapsu, Riga, Latvia
46 units



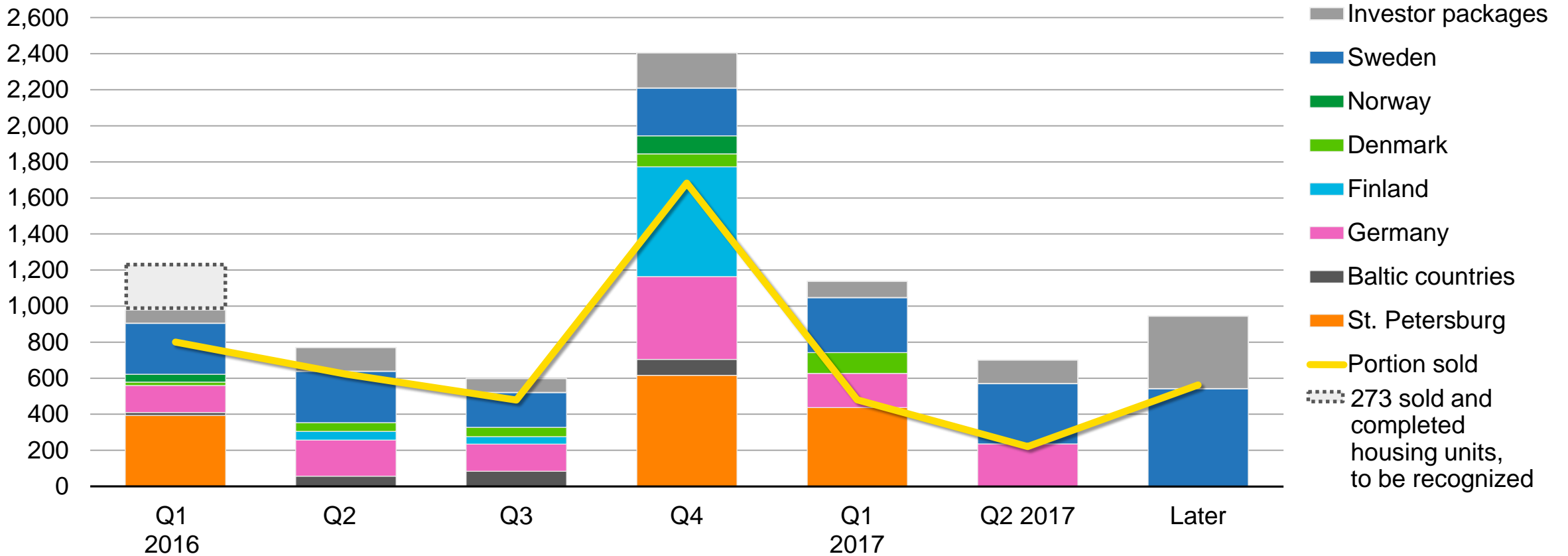
Sebastianstrasse, Köln-Niehl, Germany
34 units



Strong ending of 2016

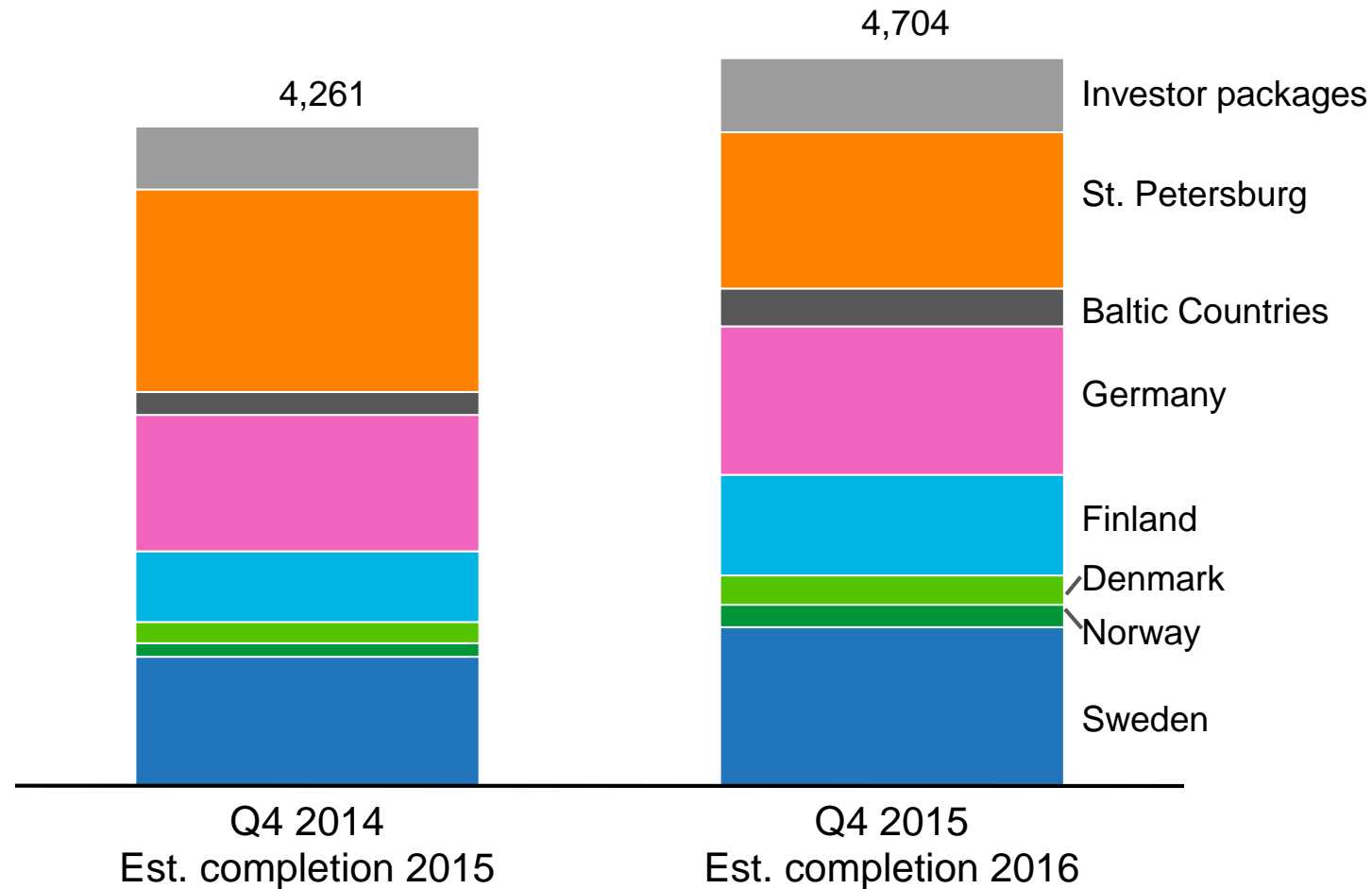
Estimated completion

No. of housing units



Higher number of units

Estimated units to complete 2016

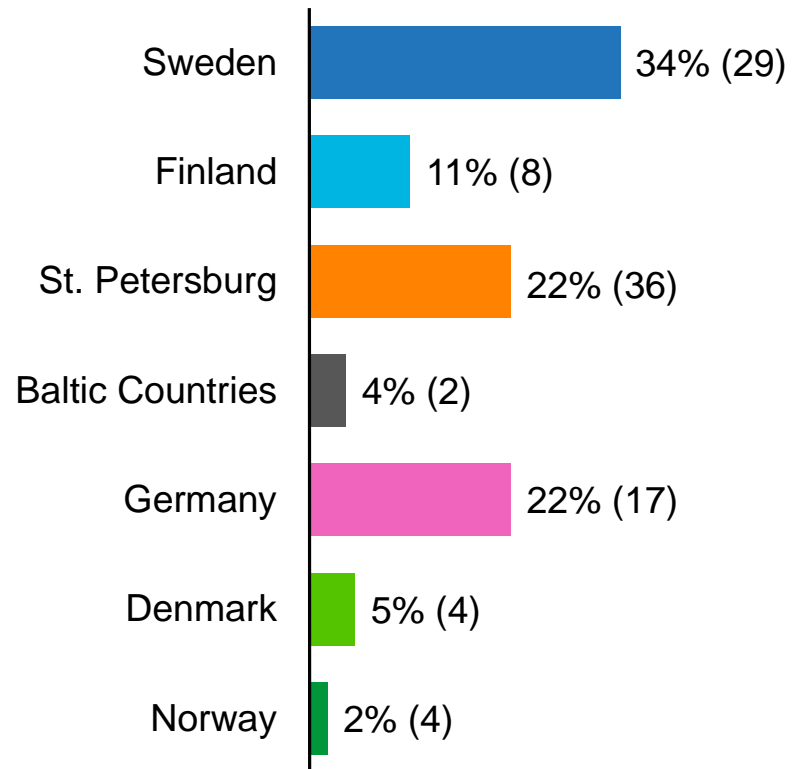


Housing portfolio

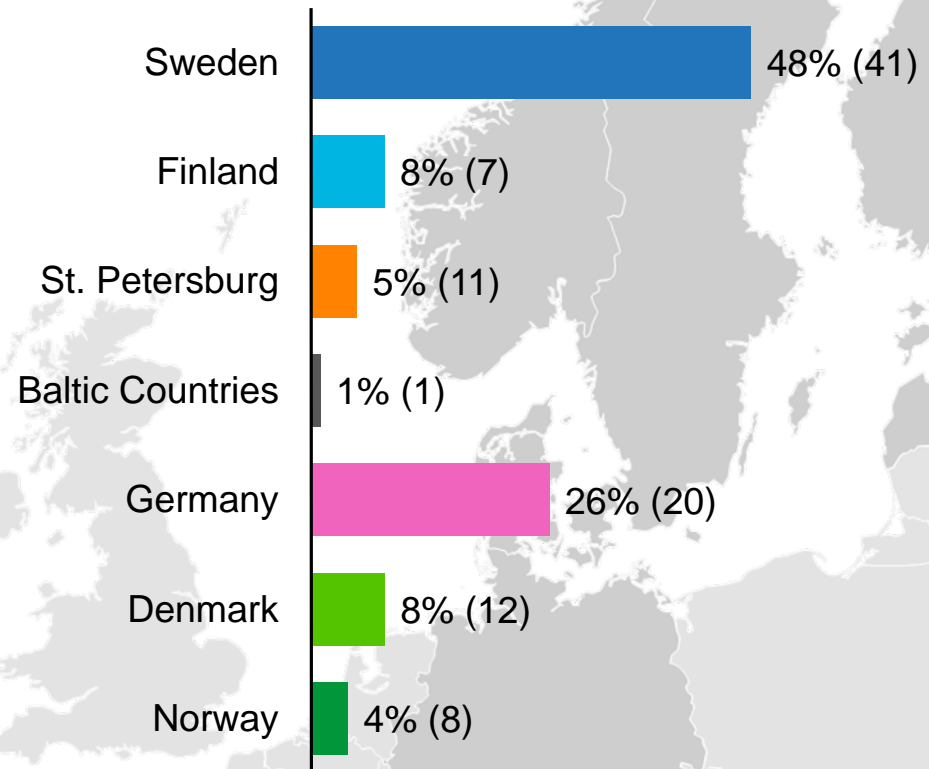
Housing for private customers, ongoing production

Dec. 31, 2015 (Dec. 31, 2014)

Number of housing units



Estimated value



Trends in Nordic property market

Investor market

- High interest in the Nordic market
- Finland
 - Cautious investors

Rental market

- Strong demand in Sweden
- Stable in Denmark
- Increased vacancies in Norway
- Weak demand in Finland



Portland Towers, Copenhagen

Office projects sold in Q4

Torsplan 2, office property in Hagastaden, Stockholm

- Company transaction at a value of approx. SEK 1.6 BN
- Total leasable floor space approx. 23,000 sqm.
- Positive impact on earnings in the first quarter of 2017

Office property in Hyllie in Malmö, Sweden

- Underlying property value approx. SEK 320 M
- Total leasable space 7,300 sqm.
- Positive impact on earnings in the second quarter of 2016



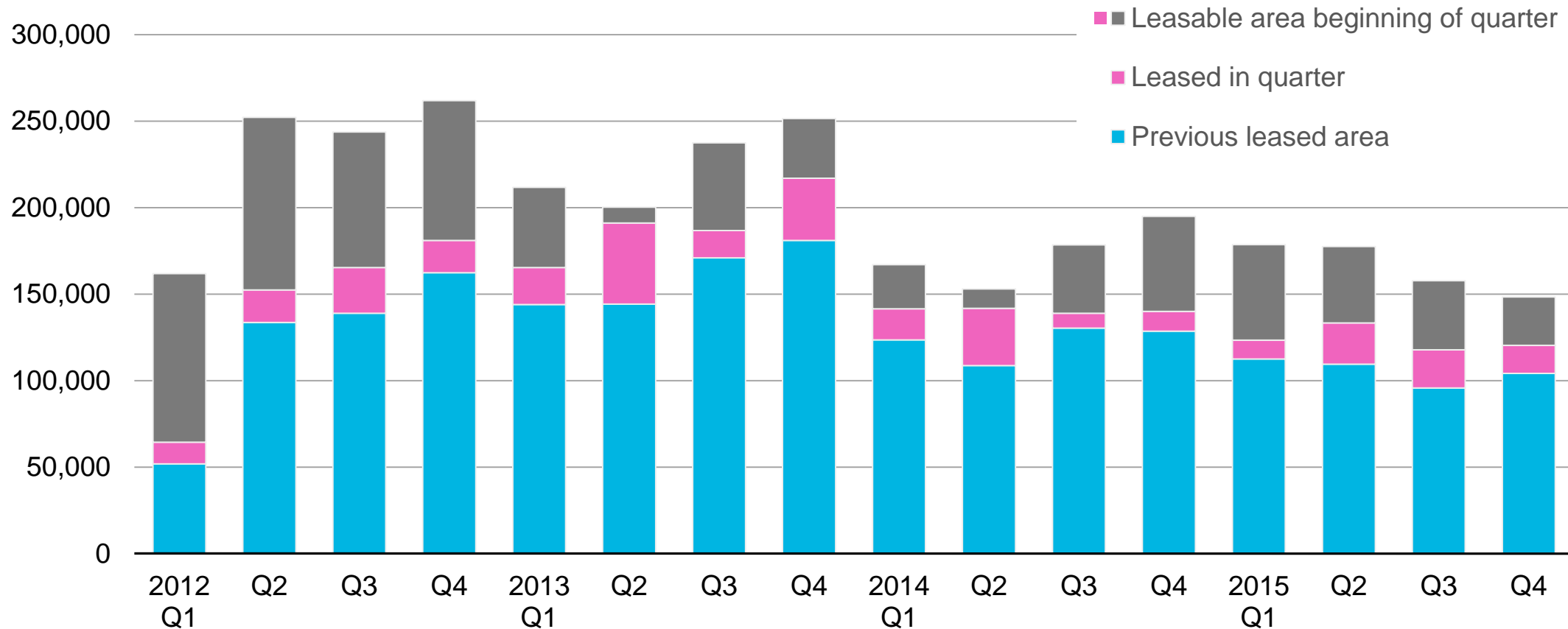
Project starts in Q4

Project	Type	Location	Lettable area, sqm	Letting ratio
Tornby 2	Retail	Linköping, Sweden	9,500	48%
Önskebrunnen	Logistics	Upplands-Bro, Sweden	13,800	0%
Zenit 2	Office	Aarhus, Denmark	3,600	0%



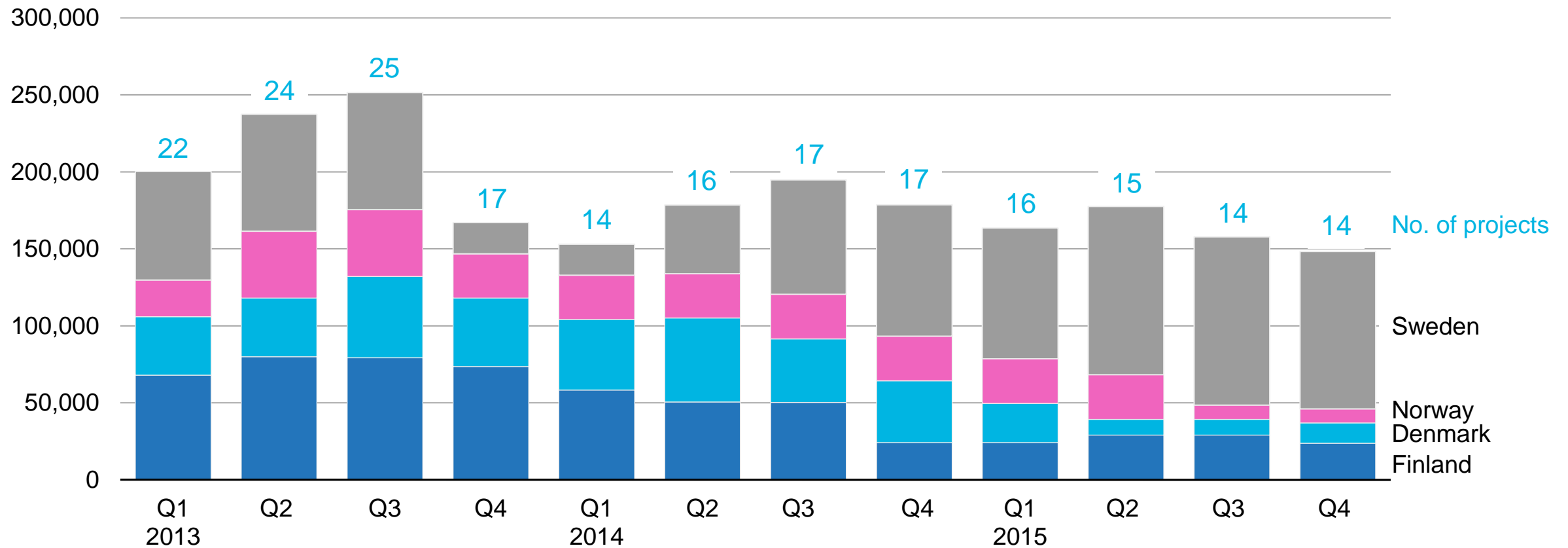
Good lease in the quarter – 16,300 sqm

Leased floor space, sqm



Property portfolio

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





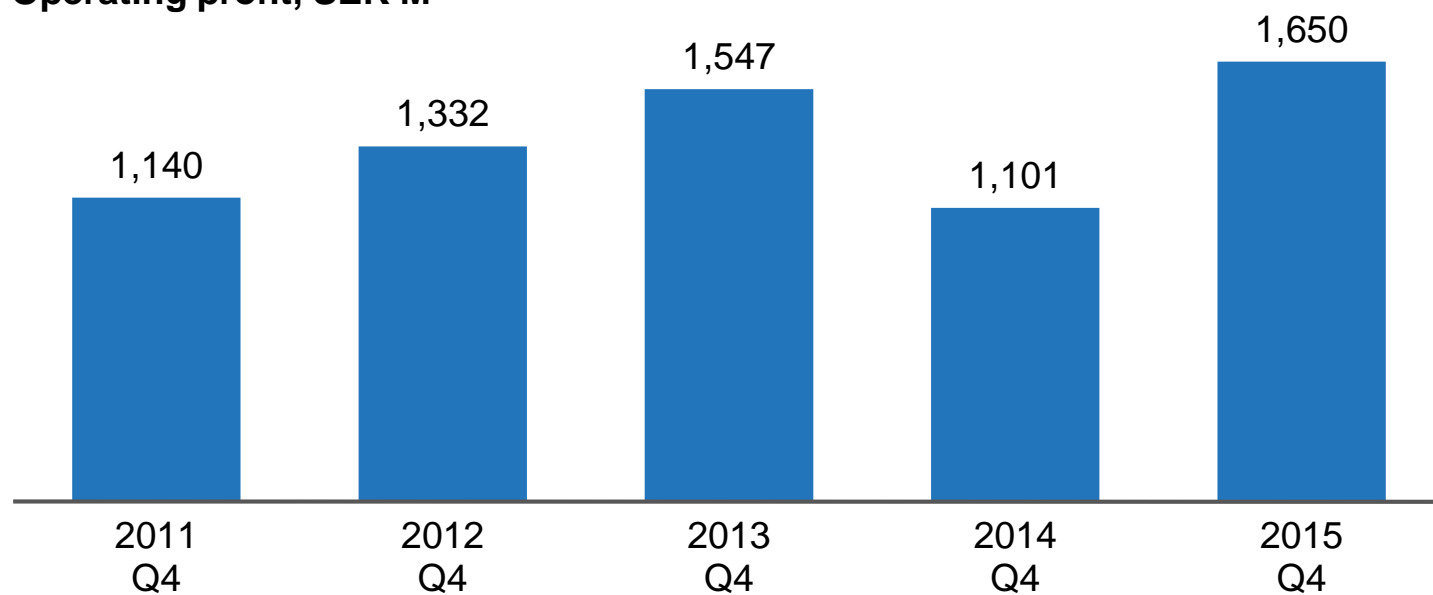
Ann-Sofie Danielsson

Folkboende, Munkedal

Q4 2015 in brief

- Best Q4 ever
- Best EBIT ever
- Very strong cash flow

Operating profit, SEK M



Income statement

SEK M	Oct.-Dec. 2015	Oct.-Dec. 2014	Jan.-Dec. 2015	Jan.-Dec. 2014
Net sales	22,412	18,760	62,495	56,867
Gross profit	2,759	1,999	6,486	5,691
Selling and administrative expenses	-1,052	-923	-3,405	-3,117
Cost ratio	4.6%	4.9%	5.4%	5.5%
Other	-57	24	-42	31
Operating profit	1,650	1,101	3,039	2,604
Financial items	-89	-84	-383	-370
Profit after financial items	1,562	1,017	2,656	2,234
Tax	-320	-140	-536	-396
<i>Tax rate</i>	20.5%	13.8%	20.2%	17.7%
Profit for the period	1,241	878	2,120	1,838

Operating profit/loss per business area

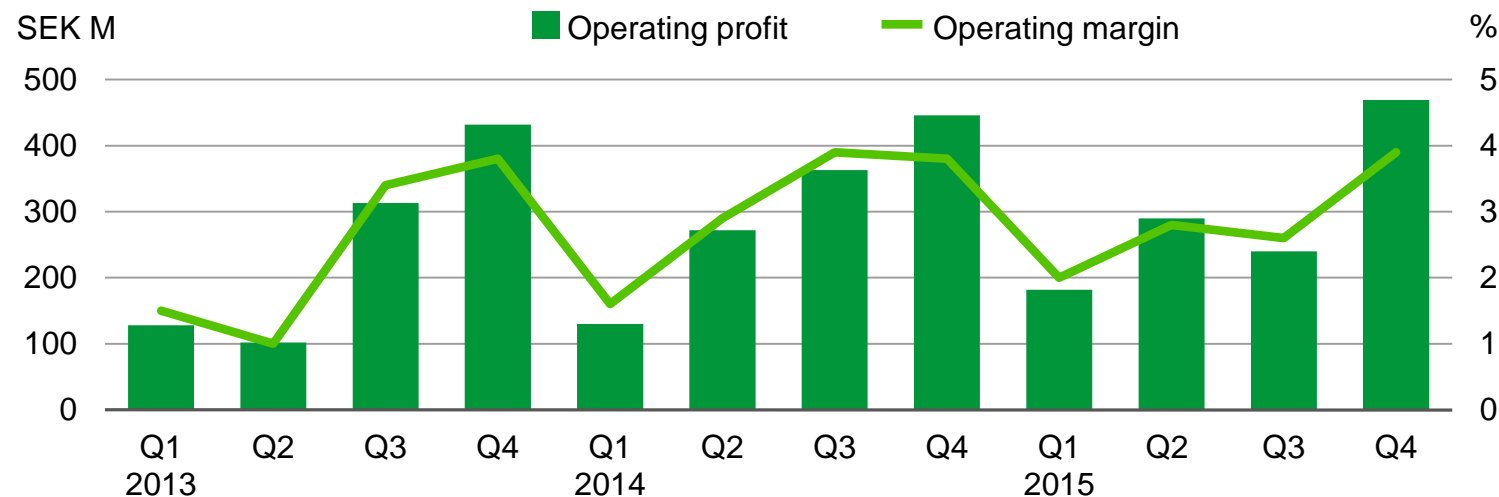
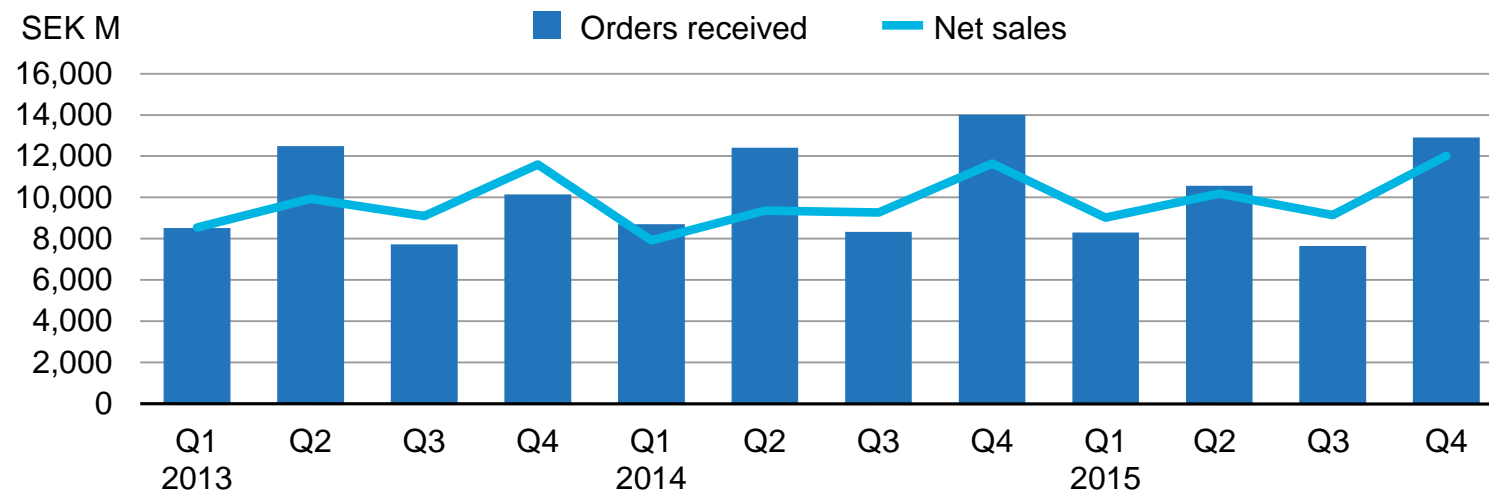
SEK M	Oct.-Dec. 2015	Oct.-Dec. 2014	Jan.-Dec. 2015	Jan.-Dec. 2014
NCC Construction Sweden	279	263	743	640
NCC Construction Denmark	104	99	321	281
NCC Construction Finland	62	28	159	111
NCC Construction Norway	24	44	-41	146
NCC Roads	126	186	349	459
NCC Housing	998	493	1,368	949
NCC Property Development	201	43	423	169
Other and eliminations	-144	-55	-282	-151
Operating profit	1,650	1,101	3,039	2,604

Operating profit/loss per business area

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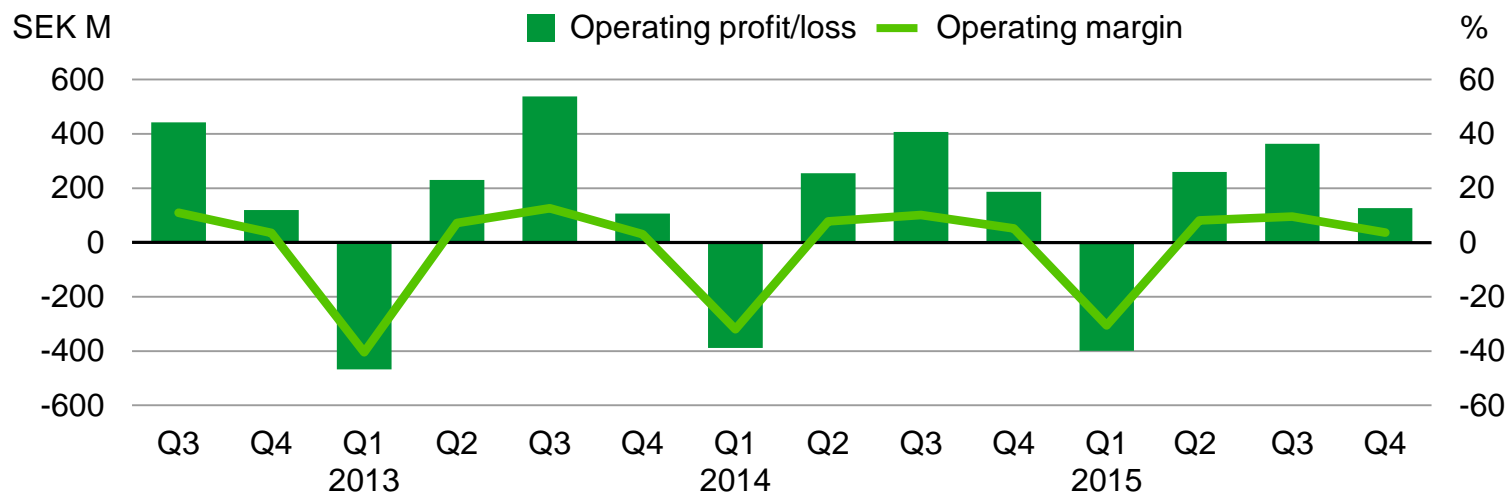
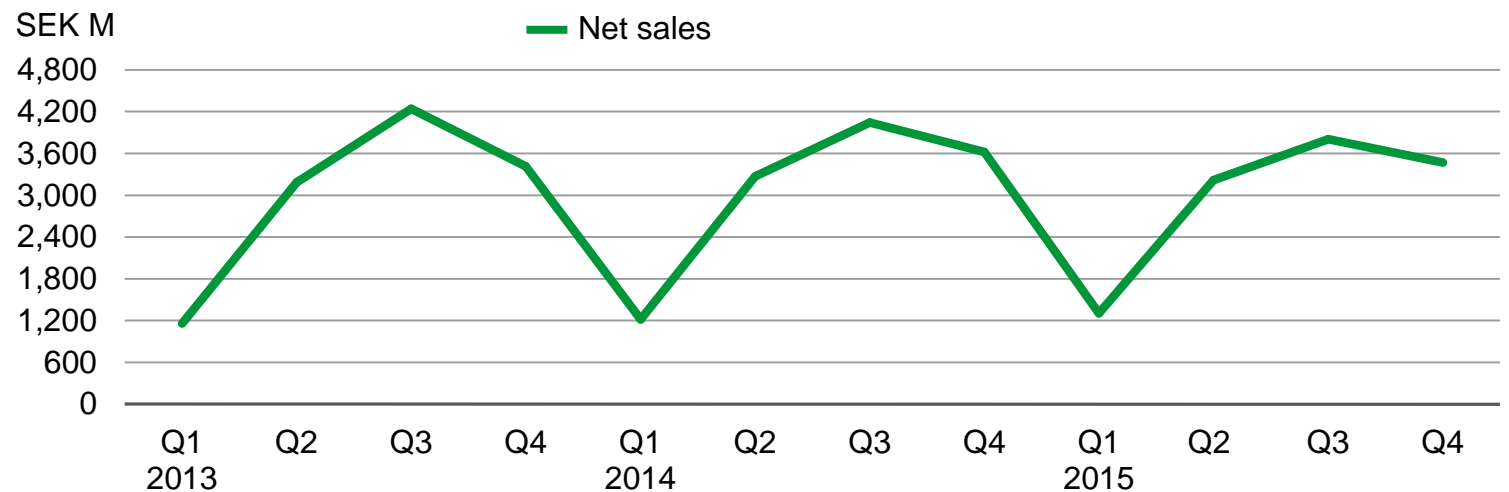
	Oct-Dec. 2015	Oct.-Dec. 2014
NCC HQ and International Projects	-133	-68
Competition infringement fee	-82	
Internal gains	56	8
Group adjustments	15	6
Total	-144	-55

NCC Construction



- Net sales SEK 12,023 M (11,637)
- Higher operating profit SEK 469 M (433)
- Operating margin 3.9% (3.7%)

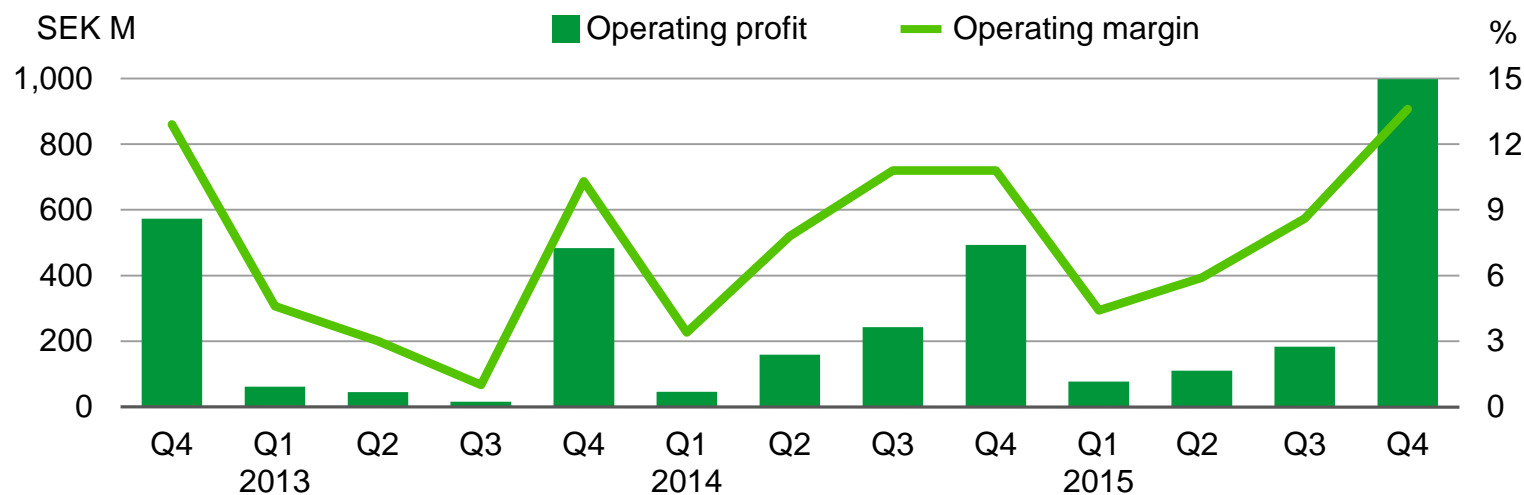
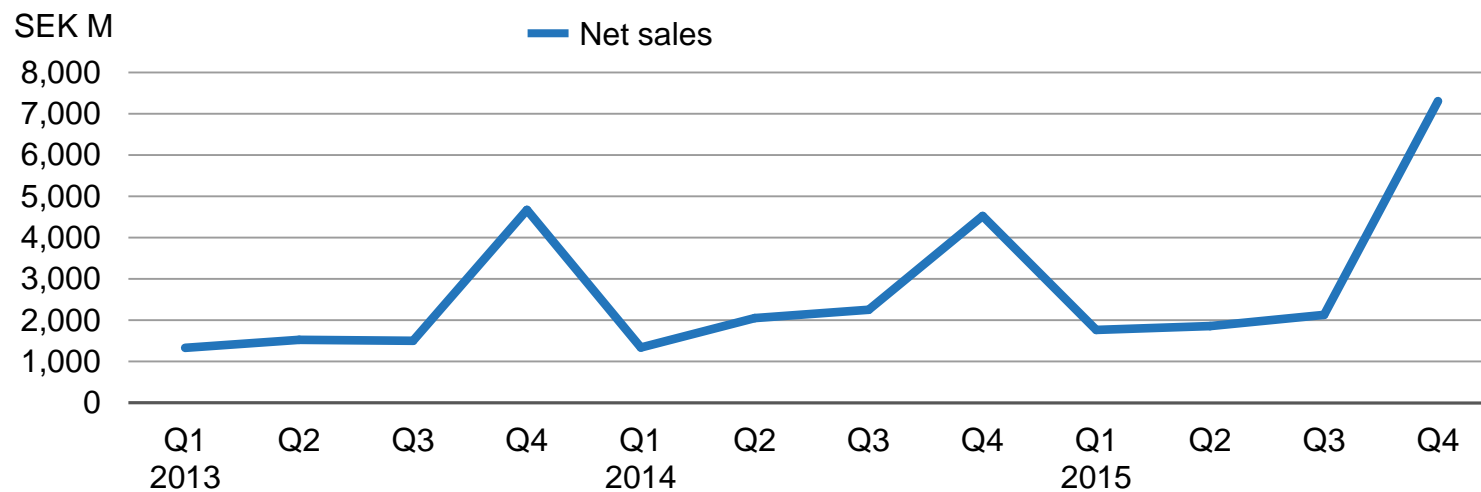
NCC Roads



Quarter 4

- Operation result 126 (186) MSEK
- Closing plants and cost for reorganization -81 MSEK

NCC Housing

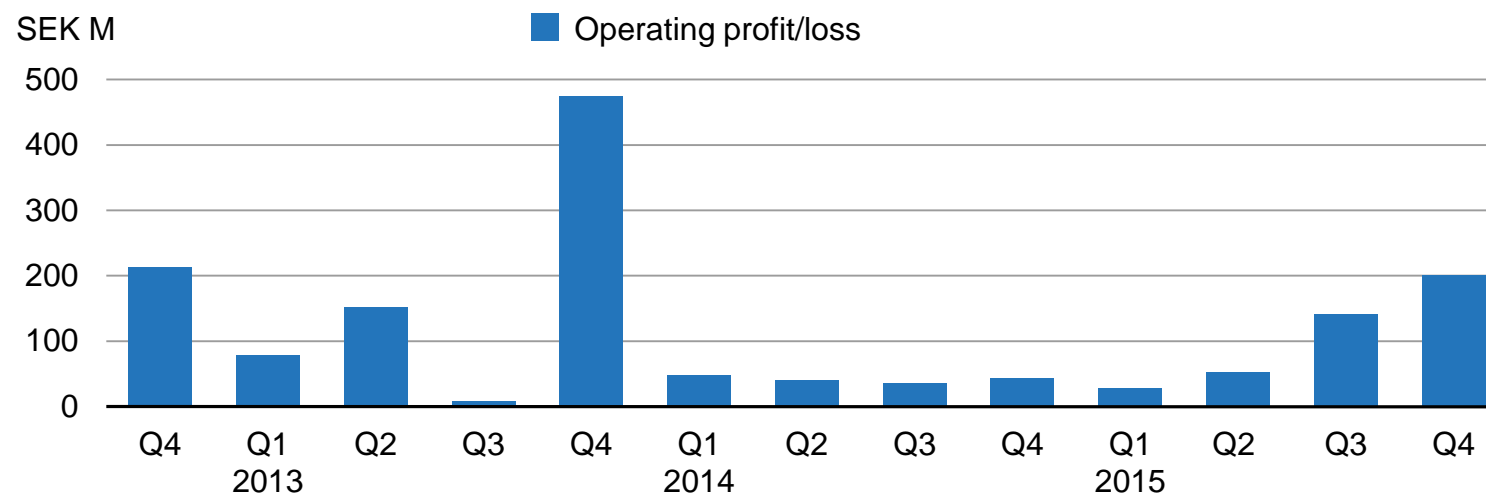
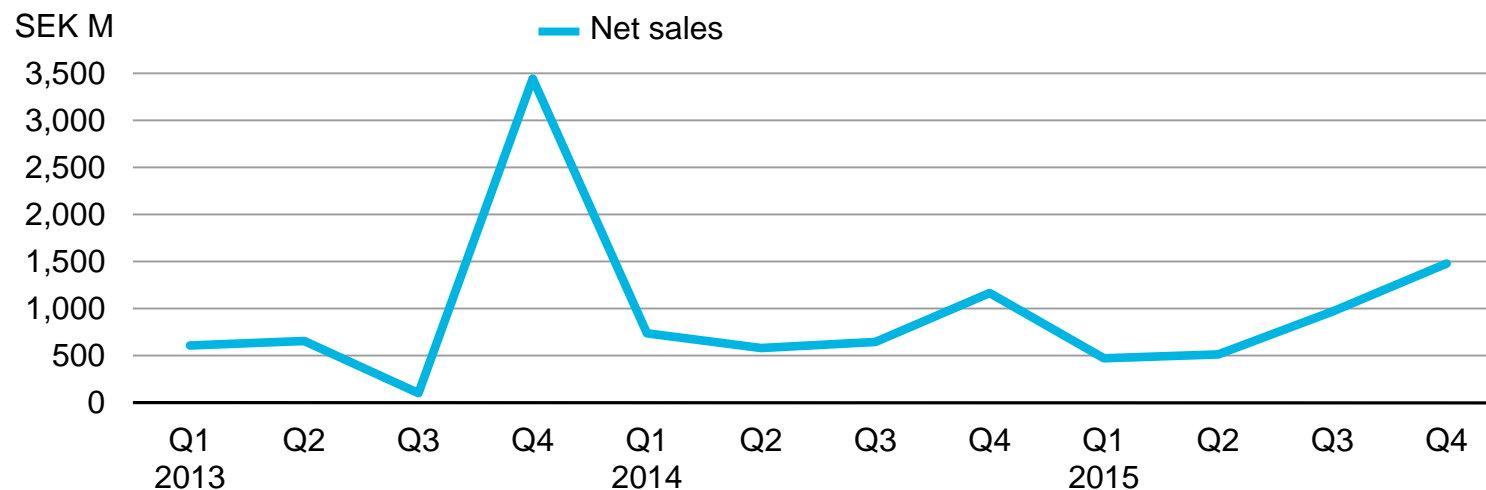


Higher number of profit recognized units

Number of housing units	Oct.-Dec. 2015	Oct.-Dec. 2014
Sweden	446	147
Denmark	117	125
Finland	236	360
Baltic countries	63	103
St. Petersburg	864	477
Norway	9	10
Germany	452	506
Total, private customers	2,187	1,728
Investor packages	987	708
Total	3,174	2,436



NCC Property Development



Profit recognized units Q4

- Ullevi Park 4, Gothenburg, Sweden (office)
- Hälsobrunnen, Upplands-Bro, Sweden (logistics)
- Alberga D, Espoo, Finland (office)

Balance sheet

SEK BN



Weidenpesch, Köln

Strong cash flow

SEK M	Oct.-Dec. 2015	Oct.-Dec. 2014	Jan.-Dec. 2015	Jan.-Dec. 2014
From operating activities	2,204	1,427	3,436	2,273
From property projects	483	481	671	145
From housing projects	1,887	1,060	175	-761
Other working capital	-18	634	-222	-313
Investing activities	-150	-175	-730	-771
Cash flow before financing	4,405	3,428	3,331	574



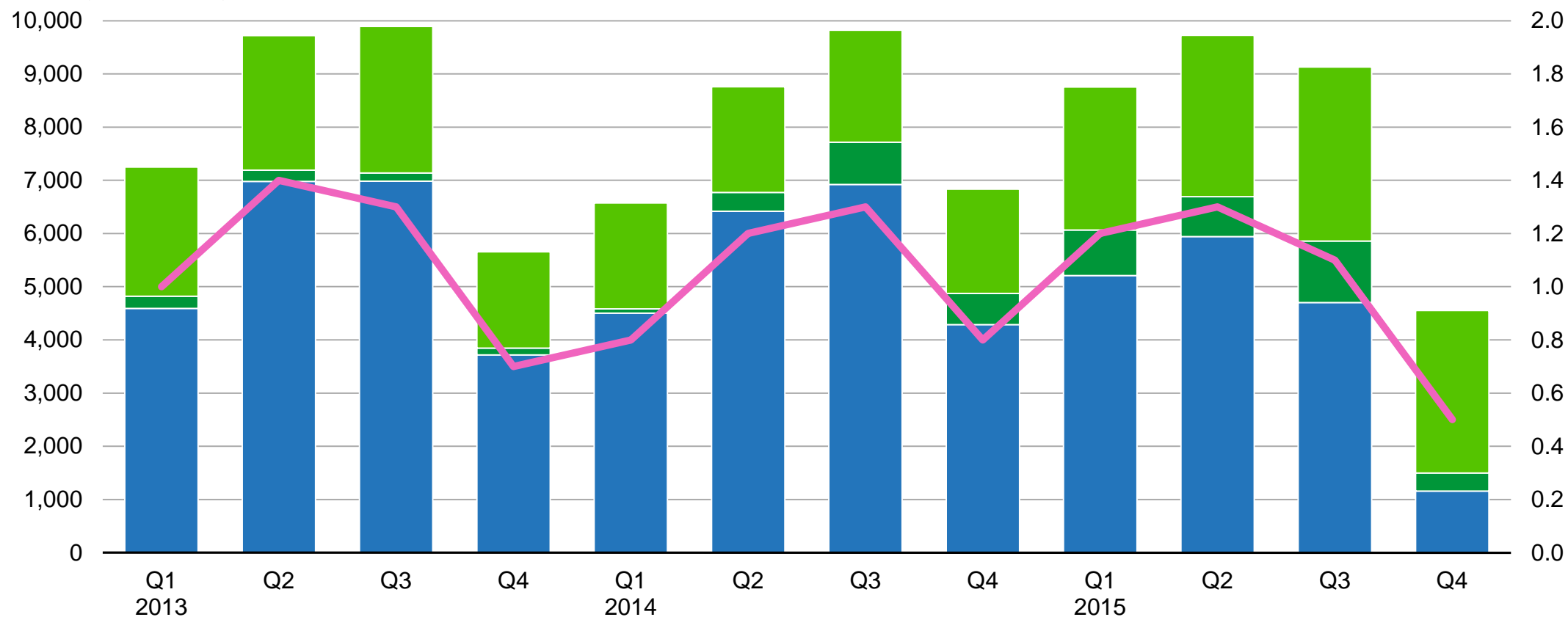
Net indebtedness

Net indebtedness, incl. tenant housing and housing associations, SEK M

Net indebtedness excl. tenant housing and housing associations, SEK M

Pension liability, IAS 19, SEK M

Debt/equity ratio, times



Spin-off Housing



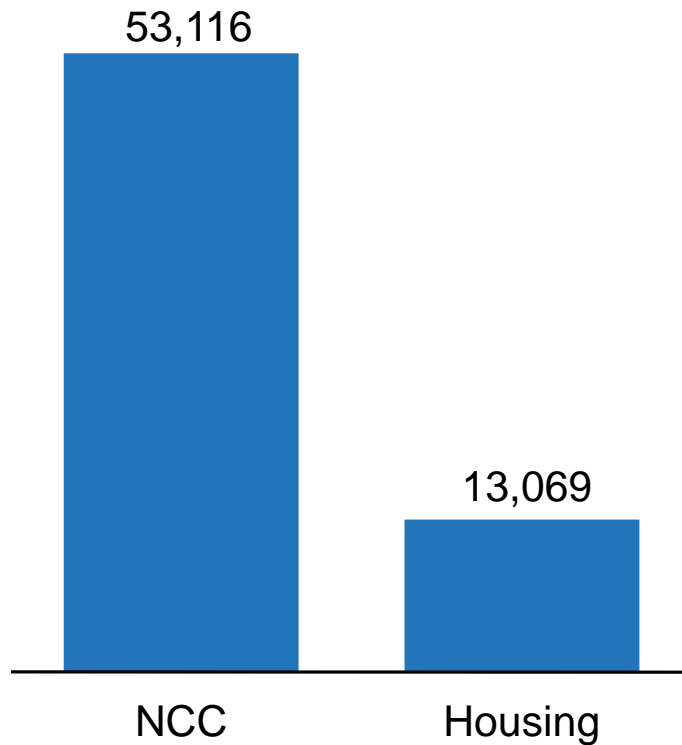
Shareholders decision on dividend at Annual general meeting April 12, 2016

NCC without Housing

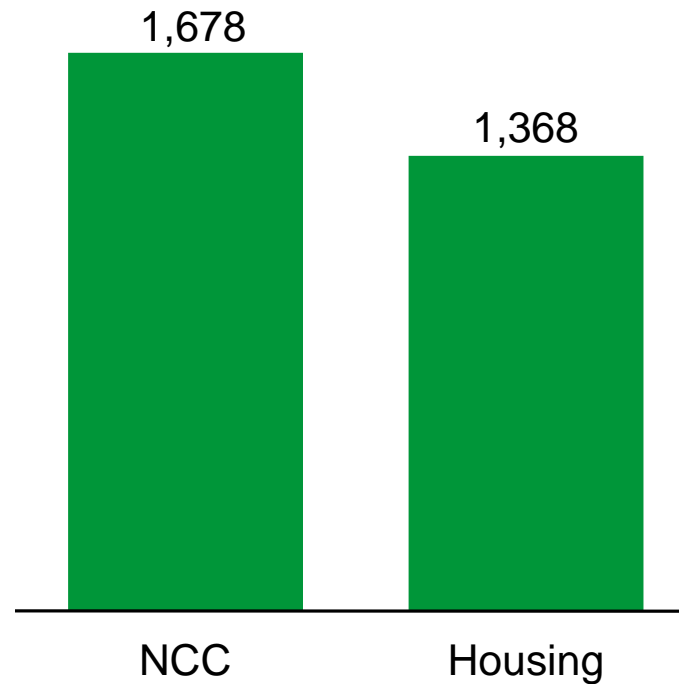
2015

SEK M

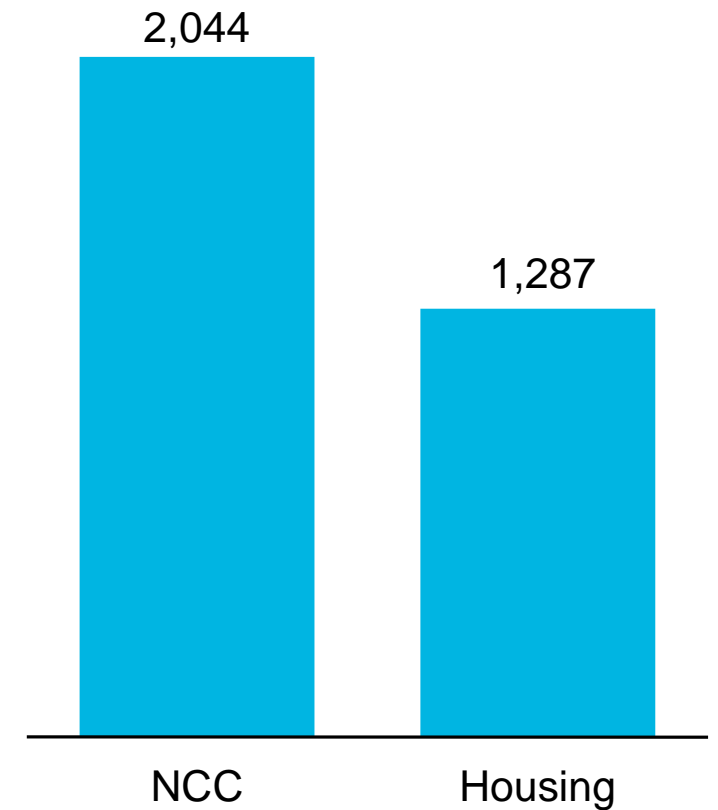
Net sales



EBIT

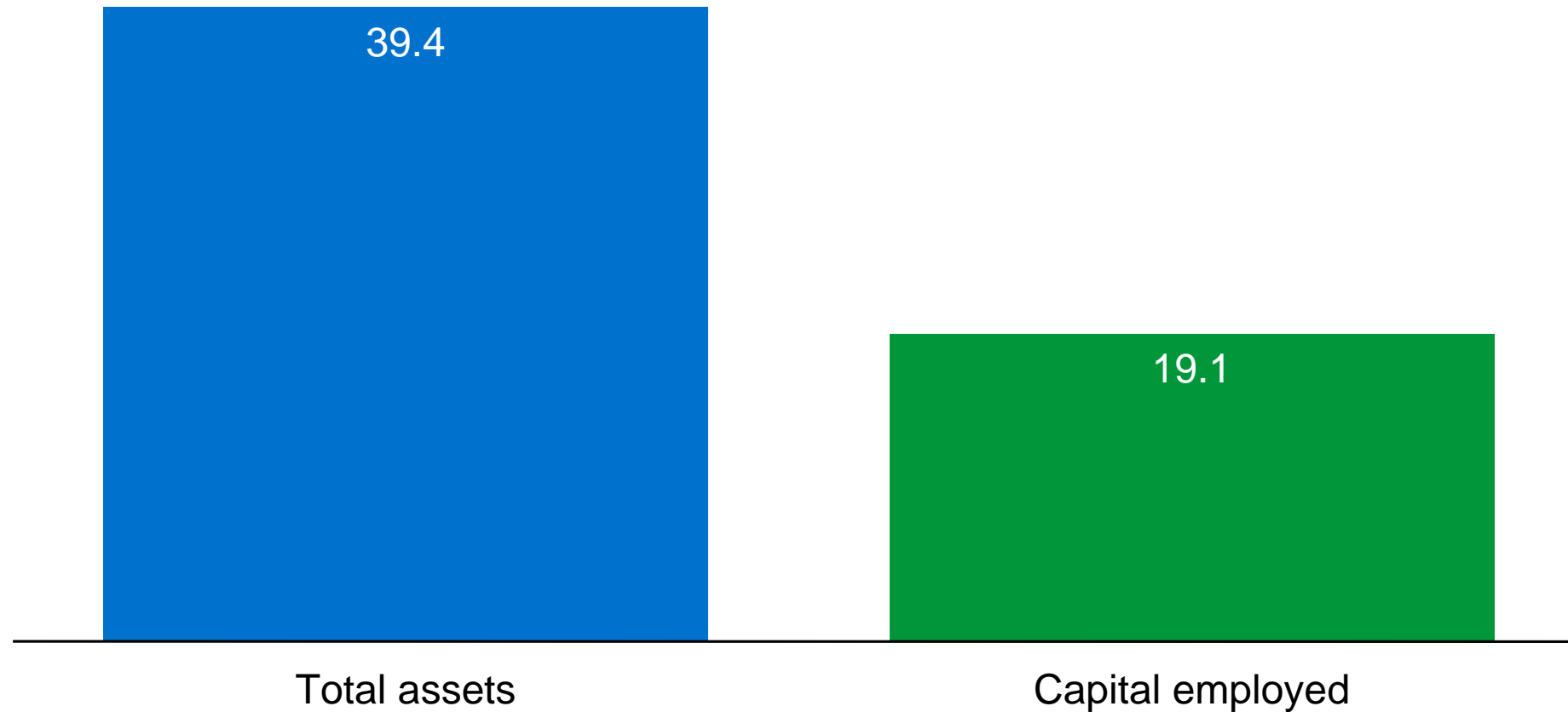


Cash flow



Capital structure NCC Q4 2015

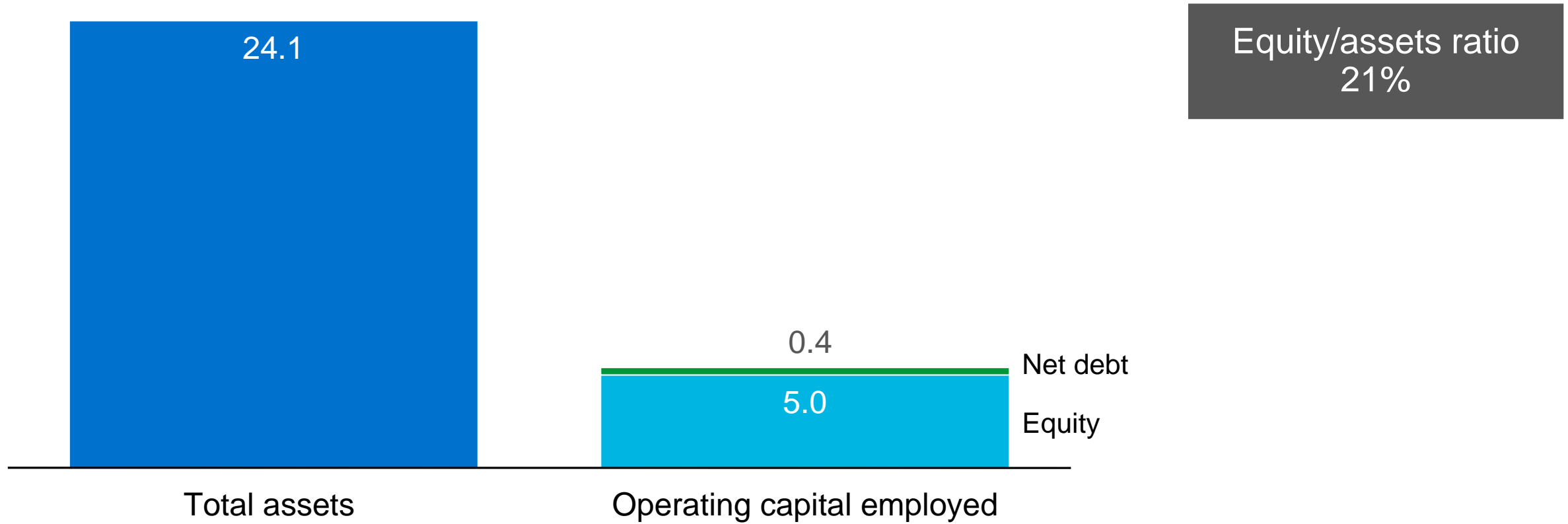
SEK BN



Capital structure NCC

If spin off Q4 2015

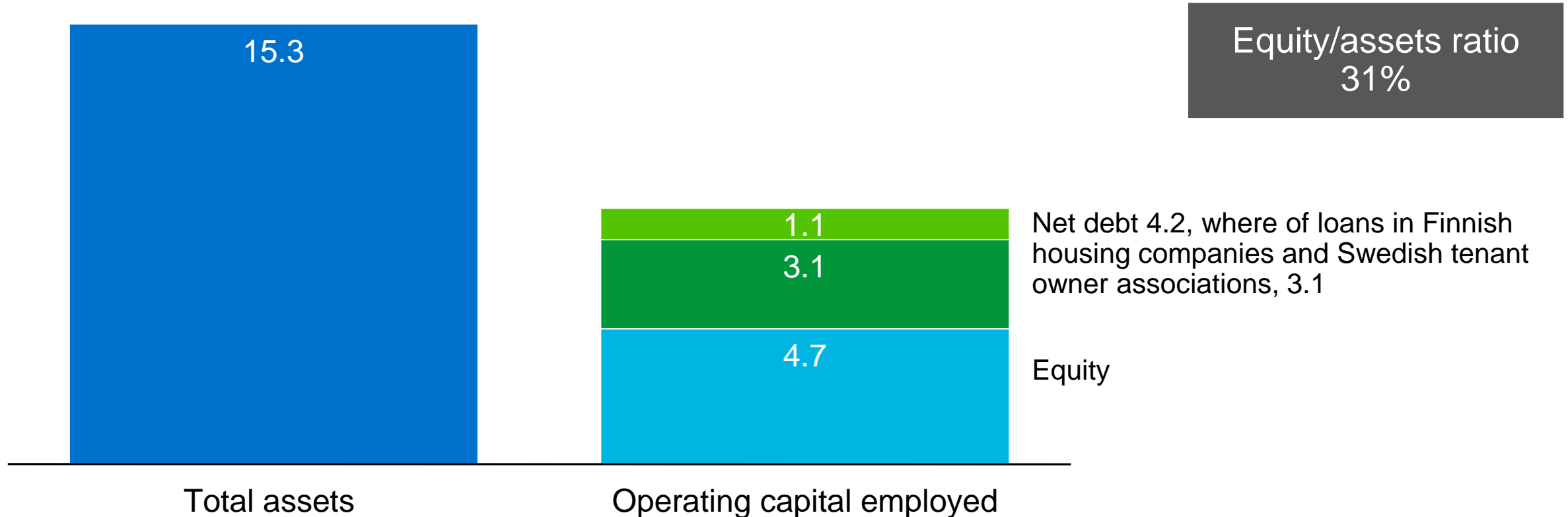
SEK BN



Capital structure Housing

If spin off Q4 2015

SEK BN



Financial objectives NCC Housing


Return on Capital
Employed

10-15%

Equity/assets ratio

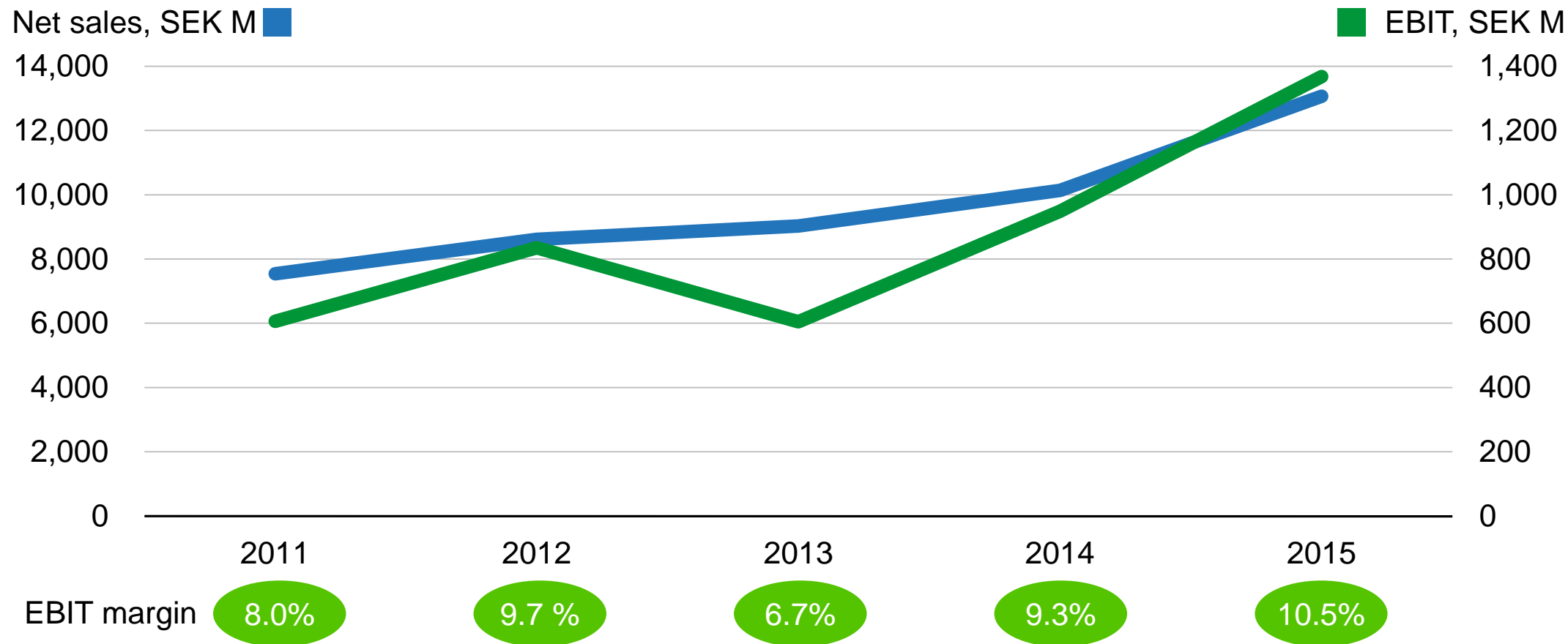
>30%

NCC Housing's dividend policy is to distribute yearly
at least 40% of after-tax profit to the shareholders



Joachim Hallengren
President NCC Housing

Strong sales and EBIT development continues



Strategy New Housing

- Focus on affordable housing in the Nordics, Germany, St. Petersburg and Baltic Countries
- Efficient capital allocation and grow our German operations
- Cost efficiency
- Increase level of industrialization and standardization
- Increasing differentiation through customer focus



Bahrfeldtstrasse, Berlin

Strengths and competitive advantages

- Strong market positions through deep local knowledge
- Housing operates in markets with long-term, favorable trends
- Geographic diversification enables efficient use of capital
- Diversified offer reduces risk
- Stable growth with healthy profitability
- Attractive portfolio of development rights and projects
- Good customer insight



Musterwohnung, Langen



Summary 2015

- Best result ever
- Strong development for NCC Housing
- Construction business in the right direction
- Mixed result from industrial business
- Improved result in Property Development
- Strong cash flow
- Good foundation for 2016



Kiruna



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