

# Interim report

## January 1 – March 31, 2017


Peter Wågström  
President and CEO

Mattias Lundgren  
CFO



Torsplan 2, Stockholm

# NCC Q1 2017



## Improved earnings

- Good results from the property development business
- Good order intake
- Weak result in NCC Building and NCC Infrastructure

Citybanan, Stockholm

# Q1 2017

## Orders received

SEK 11.5 BN  
(10.5)

## Net sales

SEK 11.8 BN  
(9.2)

## Order backlog

SEK 49.4 BN  
(43.0)

## Profit after financial items

SEK 283 M  
(-309)

Norsborgsdepån, Stockholm

# Nordic construction market outlook

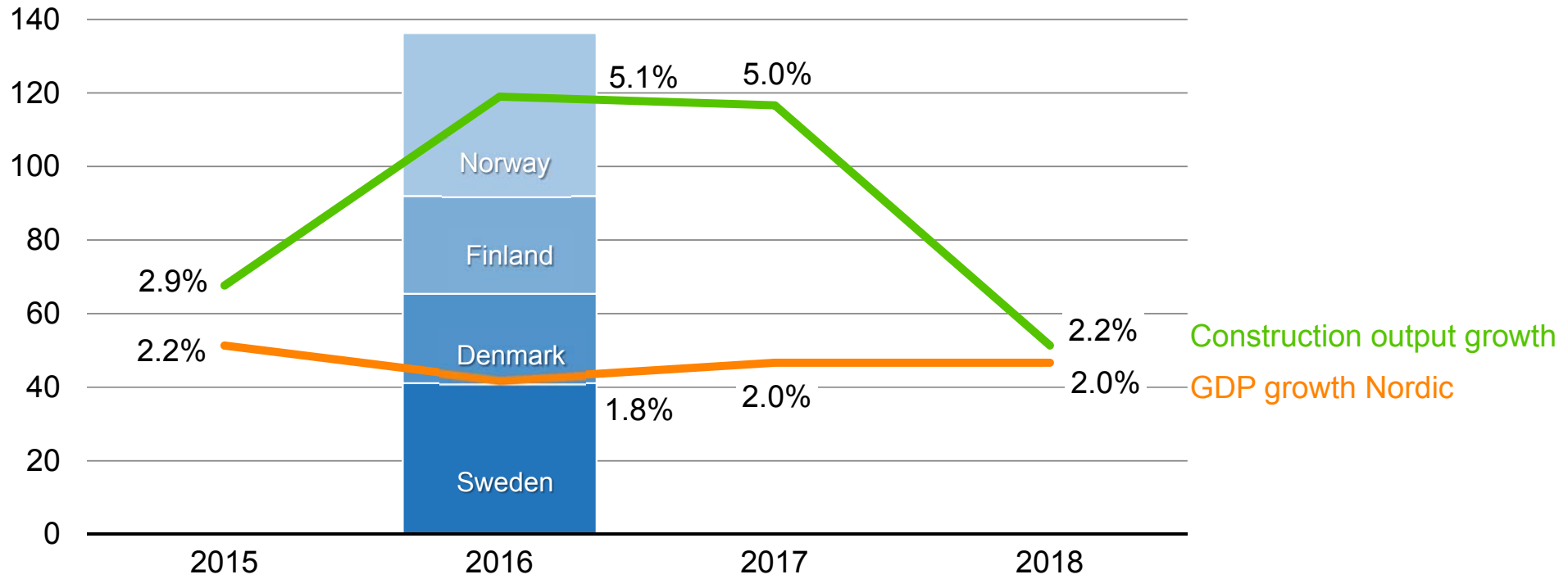


Lossjeplassen

# Nordic construction market

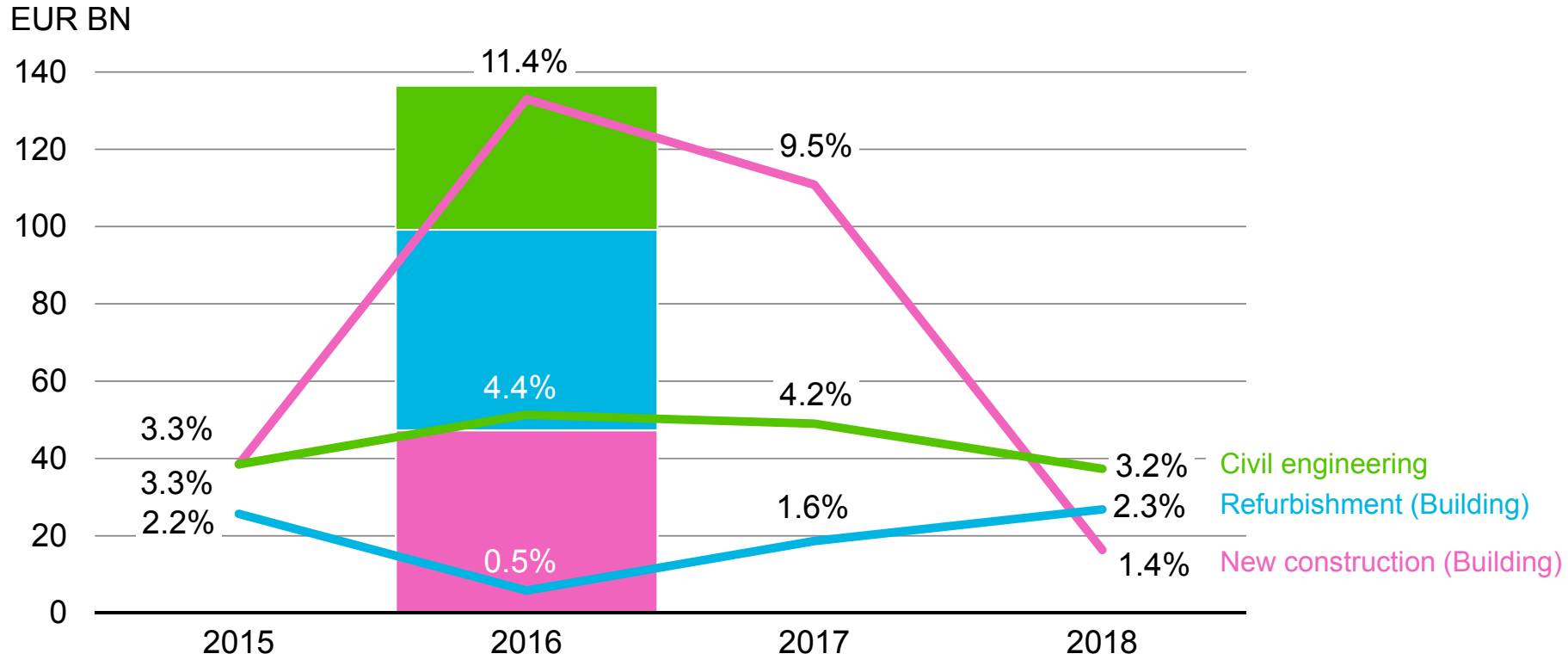
## Higher growth in construction volume than GDP 2017

EUR BN



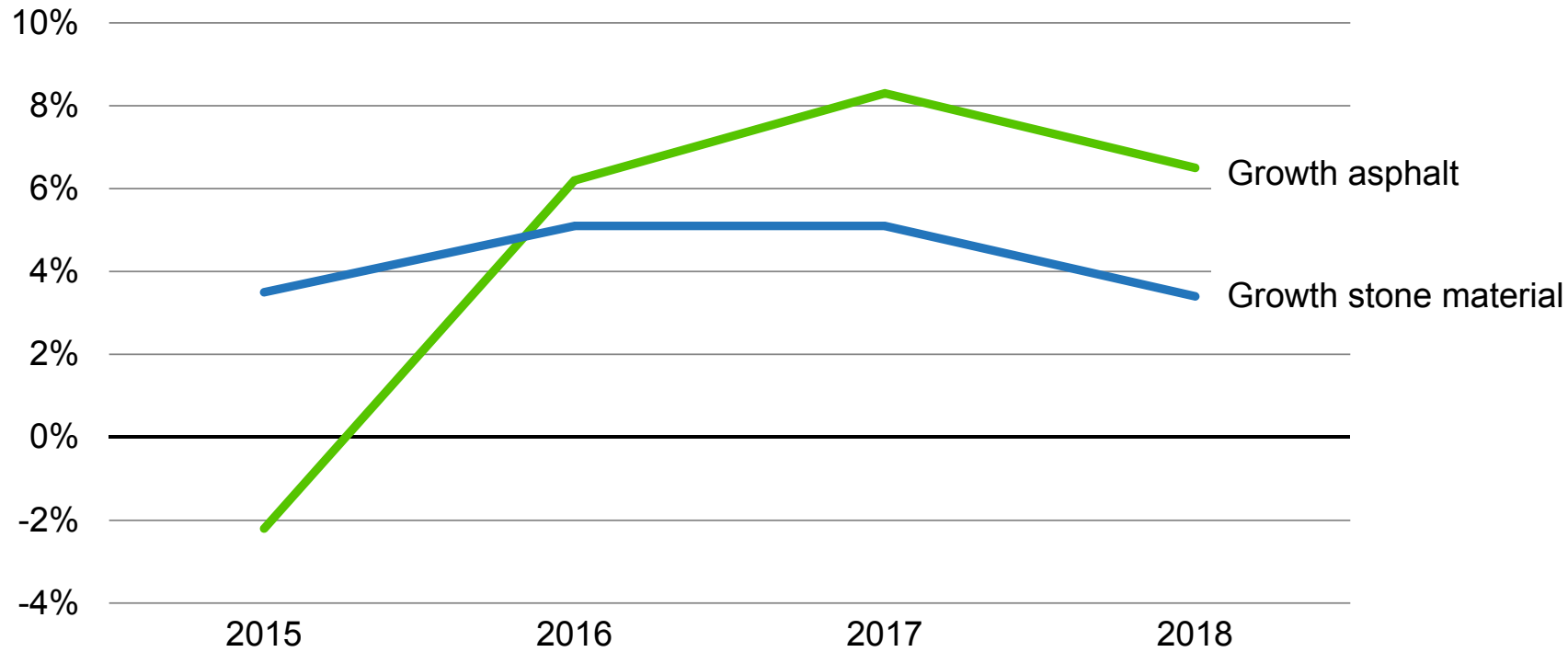
Source: Euroconstruct and NCC

# Construction volume by segment



Source: Euroconstruct and NCC

# Market outlook – asphalt and stone material



Source: Euroconstruct and NCC

# NCC Building

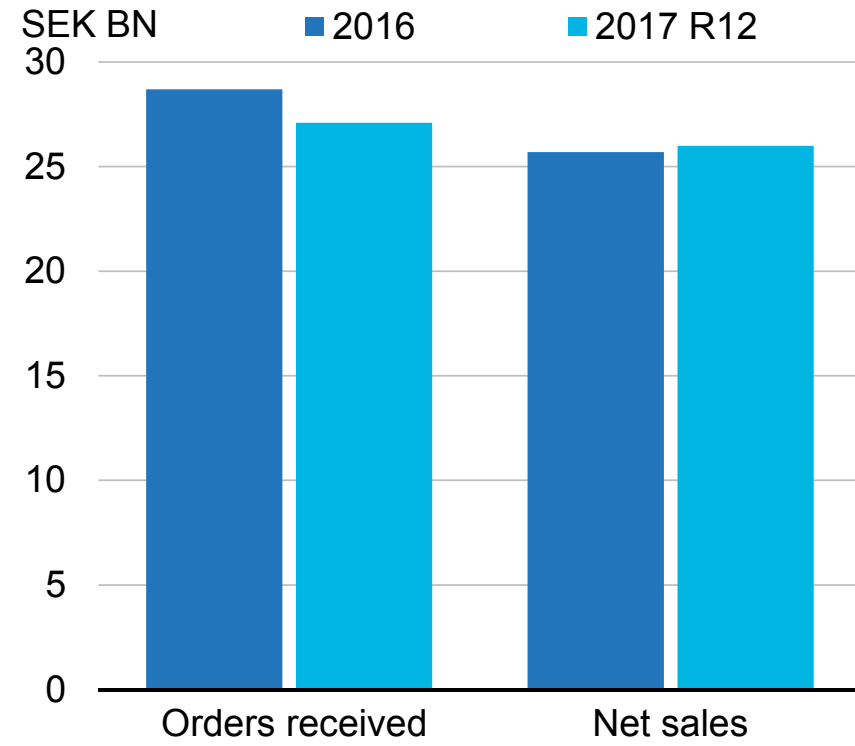
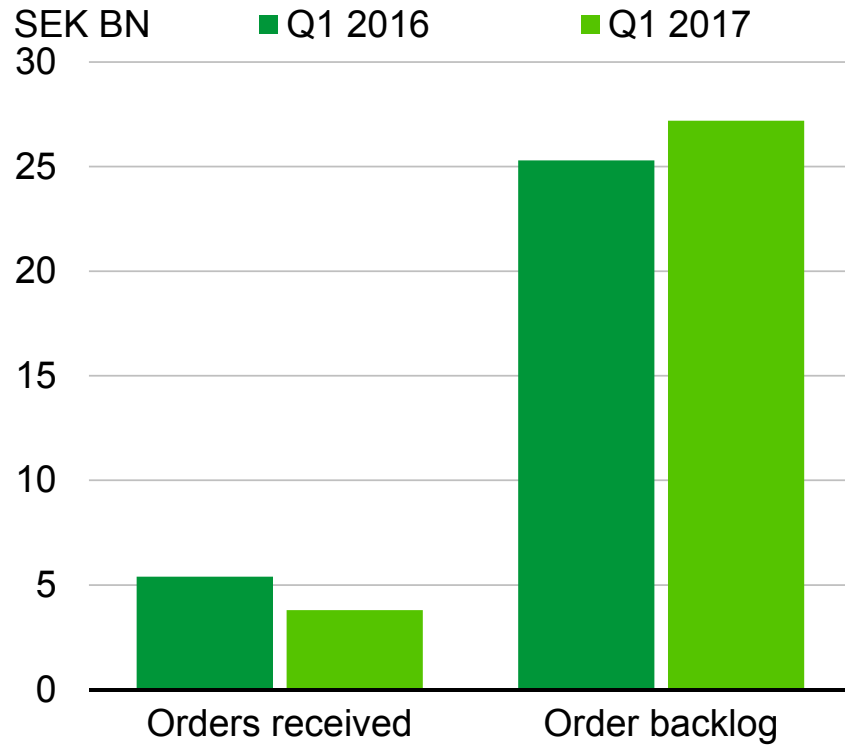


Lyckoslanten, Umeå



# Higher order backlog

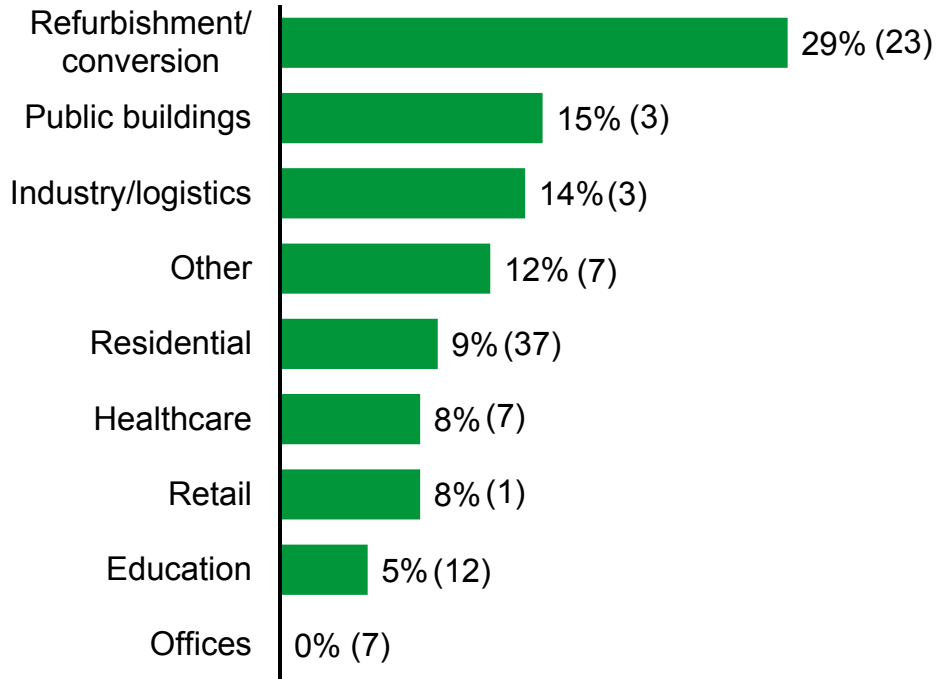
## NCC Building



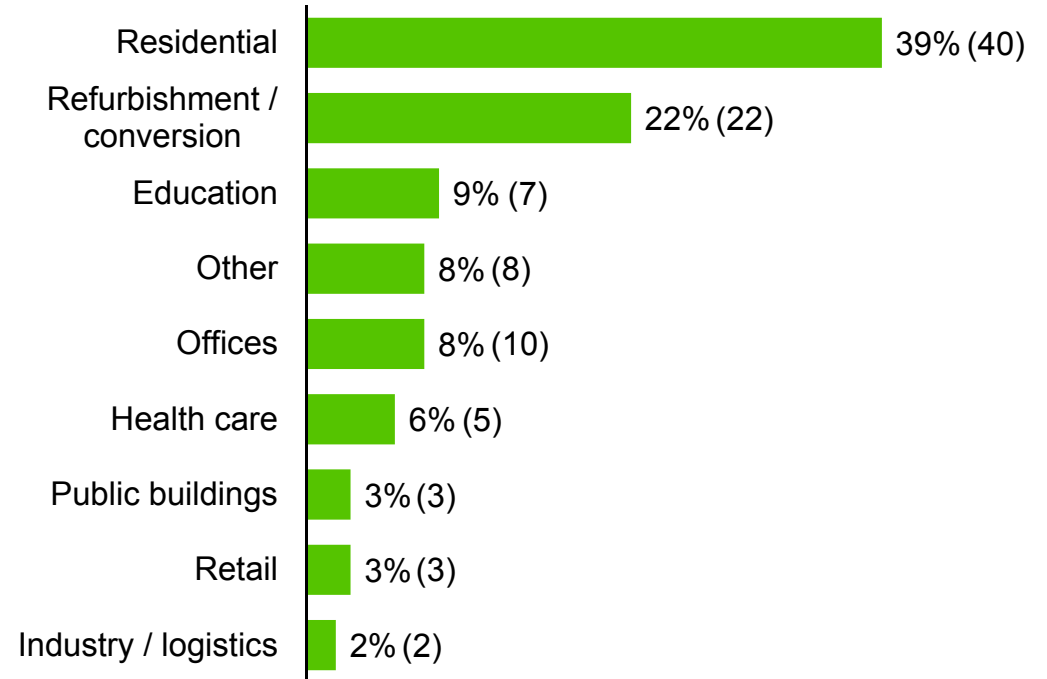
# Product mix Jan. - Mar. 2017

## NCC Building

### Orders received



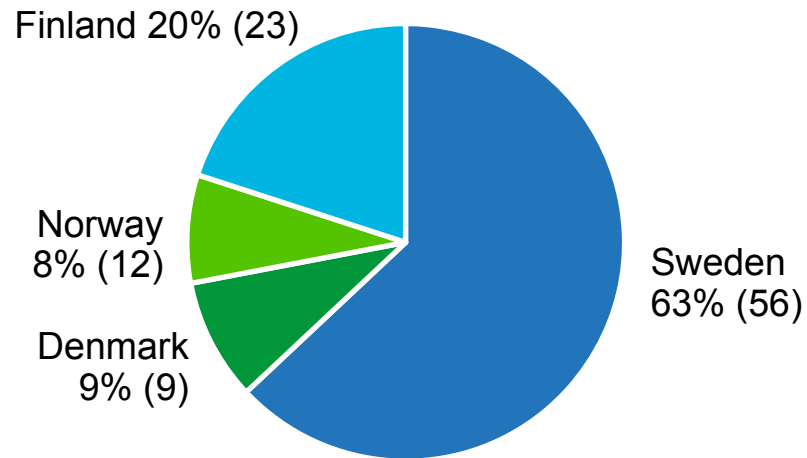
### Net sales



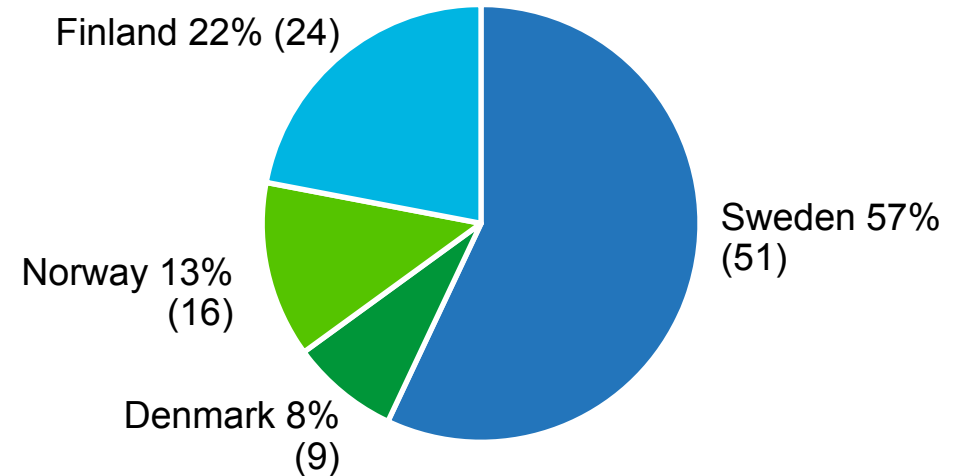
# Geographical distribution Jan. - Mar. 2017

NCC Building

## Orders received



## Net sales



Project example

# Redevelop the Davida 16 block in Malmö

- Offices and a hotel containing 225 rooms in 13 stories, 24,000 sqm
- Customer: Skandia Fastigheter Öresund AB
- Order value: SEK 270 million

FOJAB arkitekter

Project example

# Lögaräng swim center in Västerås



- New Lögaräng swim center in Västerås
- Customer: Municipality of Västerås
- Order value: SEK 340 million

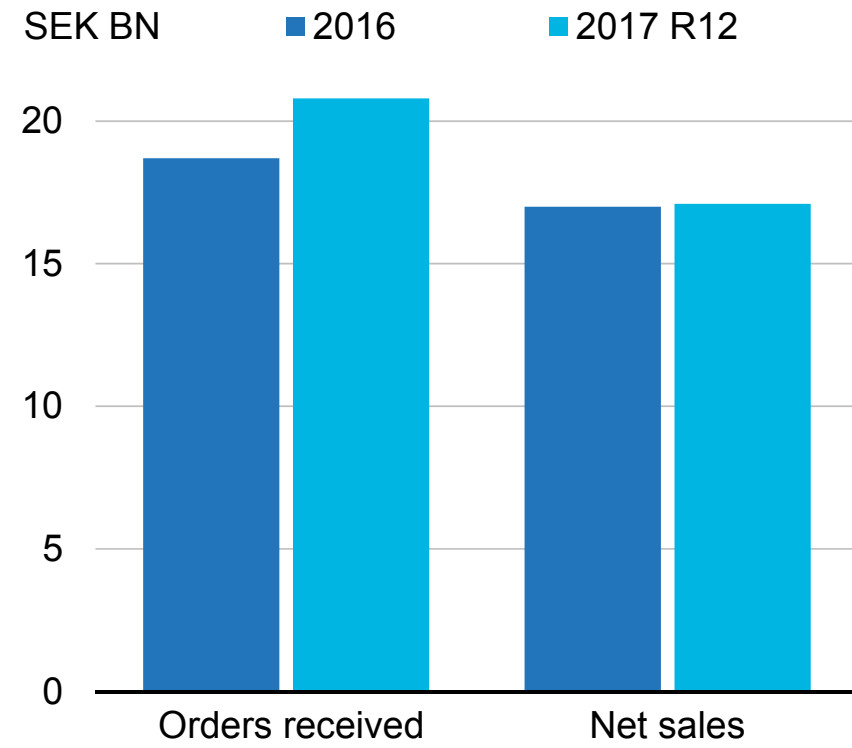
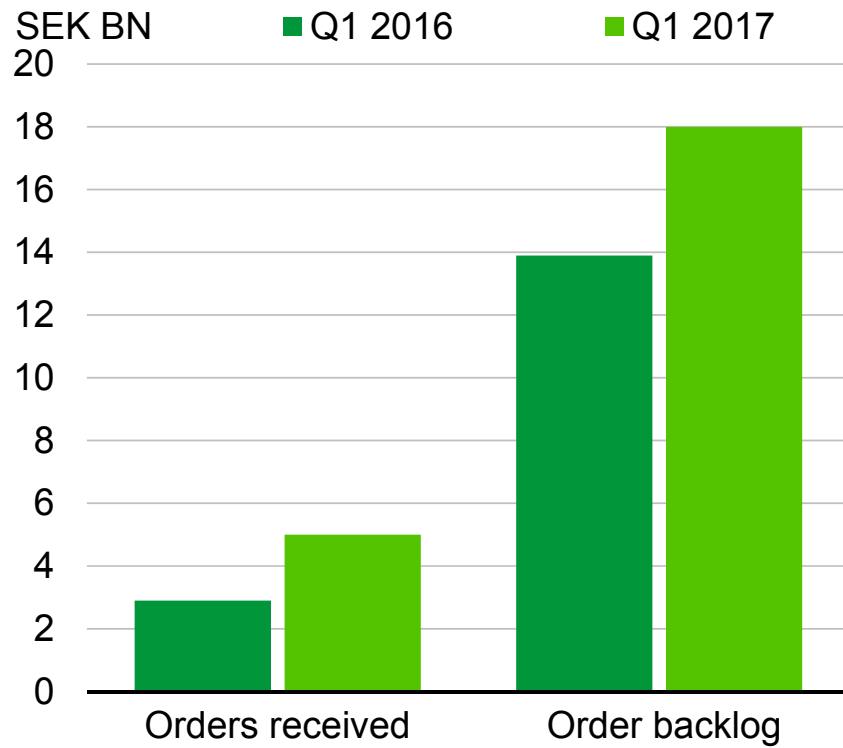
# NCC Infrastructure



Norsborgsdepån, Stockholm

# Higher orders received

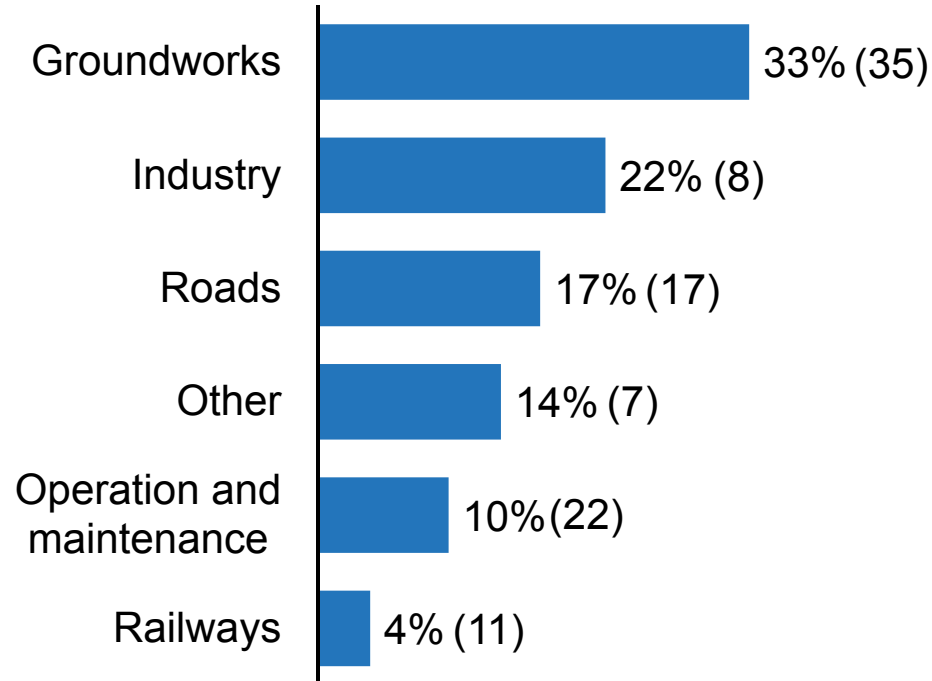
## NCC Infrastructure



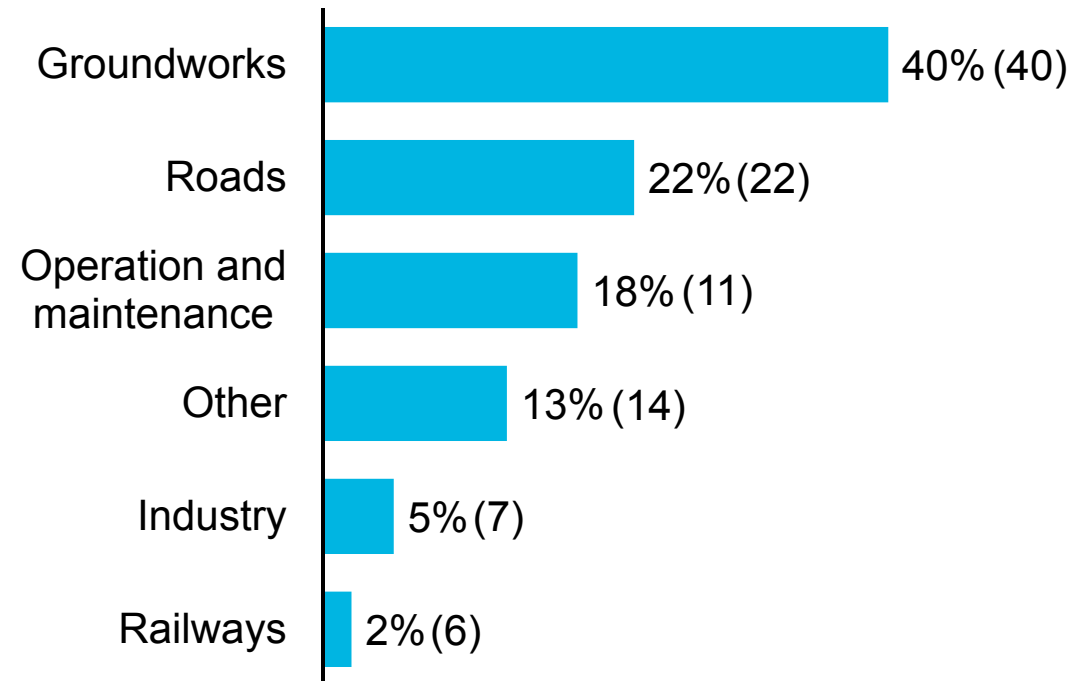
# Product mix Jan. - Mar. 2017

NCC Infrastructure

## Orders received



## Net sales

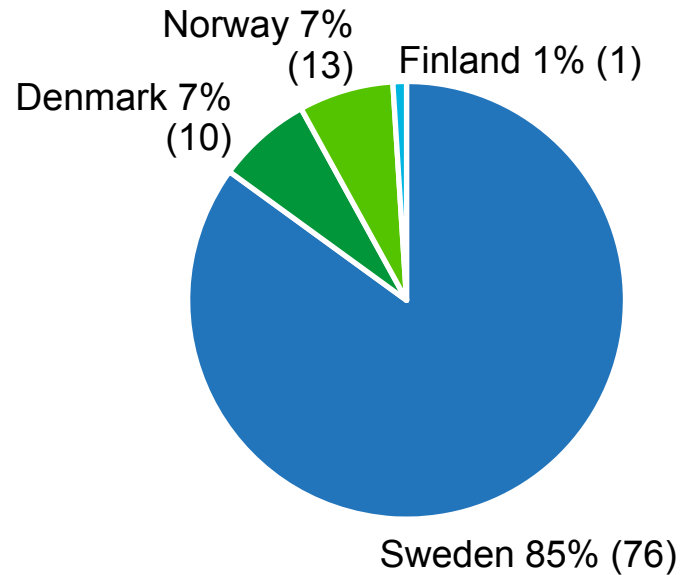




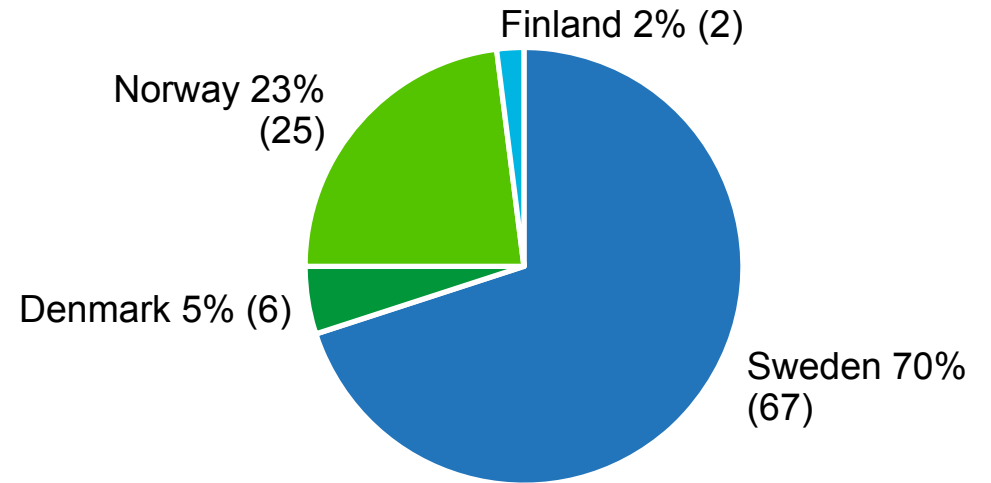
# Geographical distribution Jan. - Mar. 2017

NCC Infrastructure

## Orders received



## Net sales



Project example

# Closed-loop facility for E.ON

- Cogeneration plant as part of a closed-loop facility at Högbytorp, north Stockholm
- Customer: Energy company E.ON
- Order value SEK 750 million

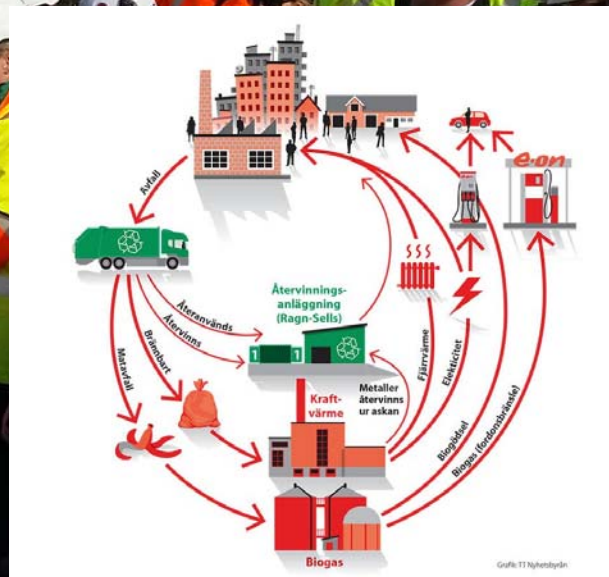


Photo: E.ON

Project example

# Next Generation project at Gruvön Mill

- The most modern production facility in the world for the production of liquid packaging board, cartonboard, food service board and white kraftliner
- Customer: BillerudKorsnäs AB
- Order value: SEK 950 million

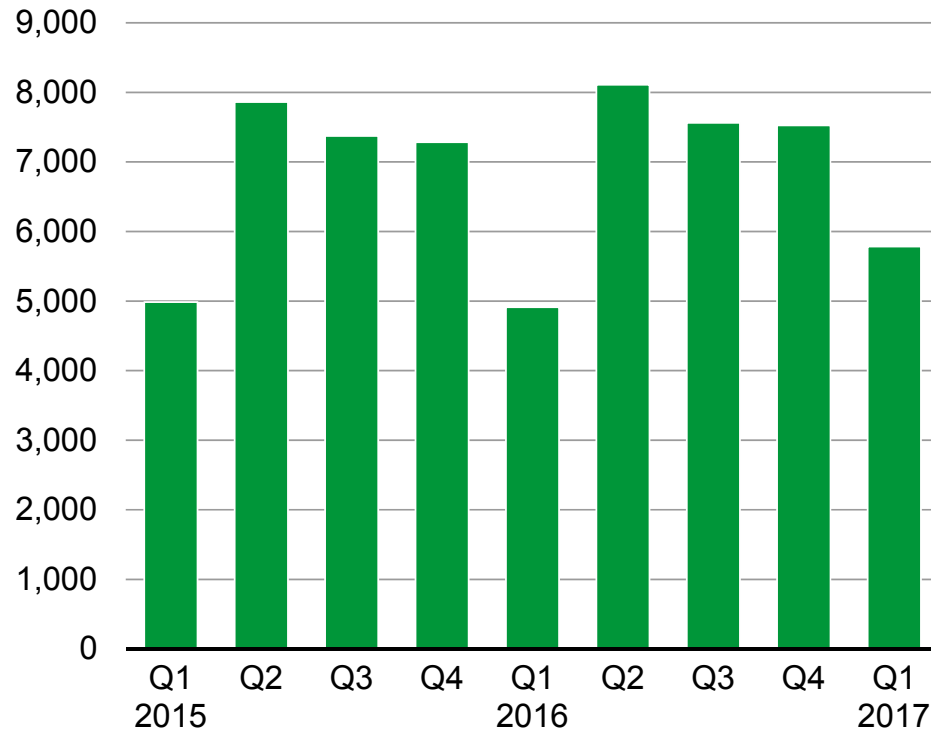
# NCC Industry



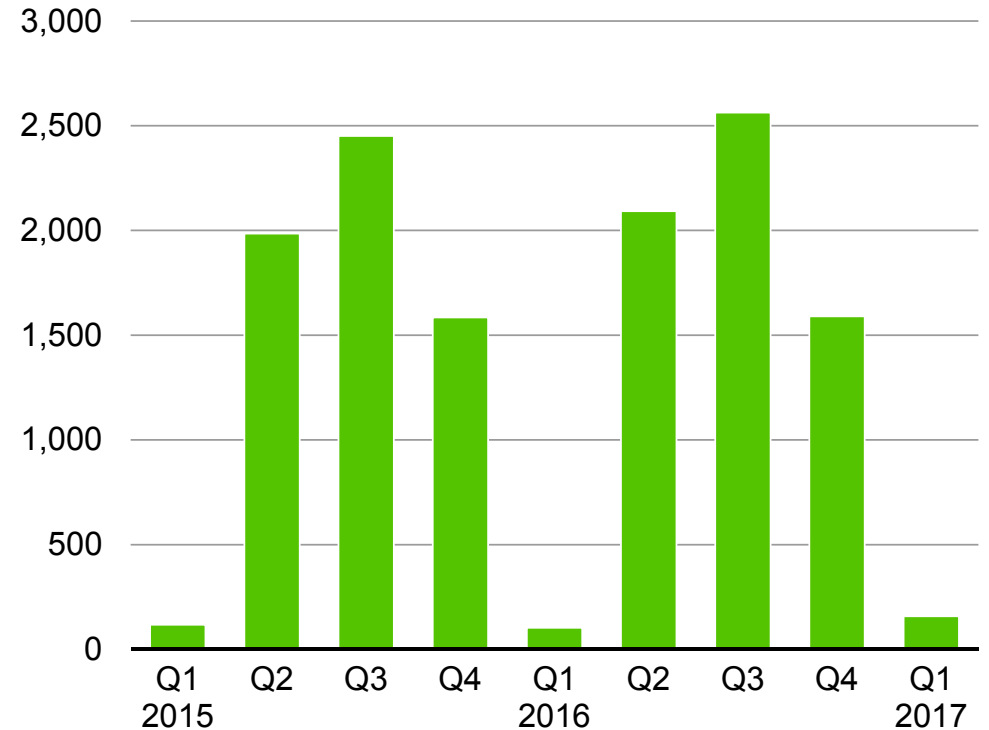
Arlanda Quarry

# Higher volumes in Q1 year-on-year

Stone material sold, thousands of tons



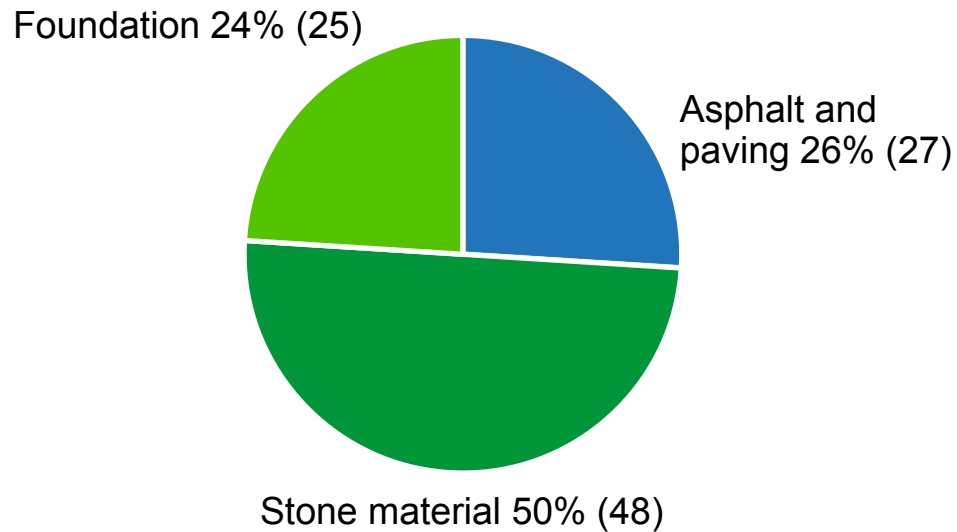
Asphalt sold, thousands of tons



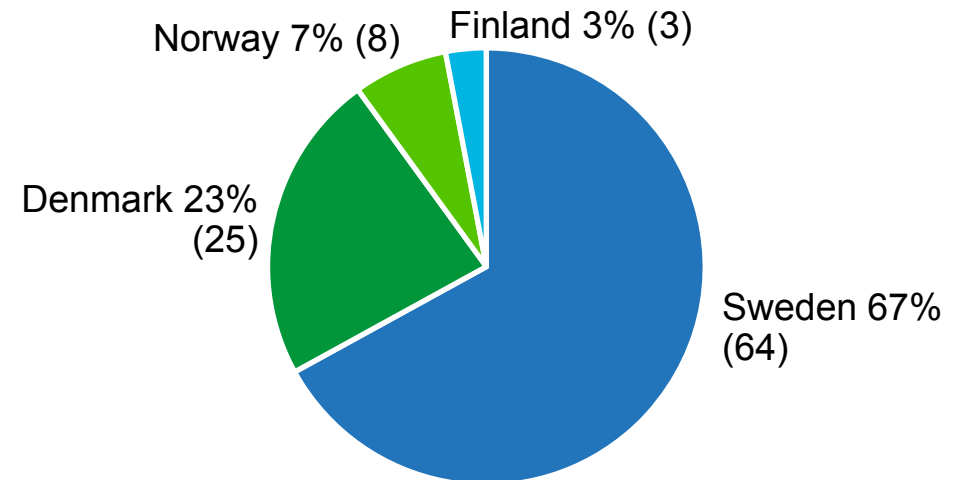
# Net sales Jan. – Mar. 2017

NCC Industry

## Product mix



## Geographical distribution









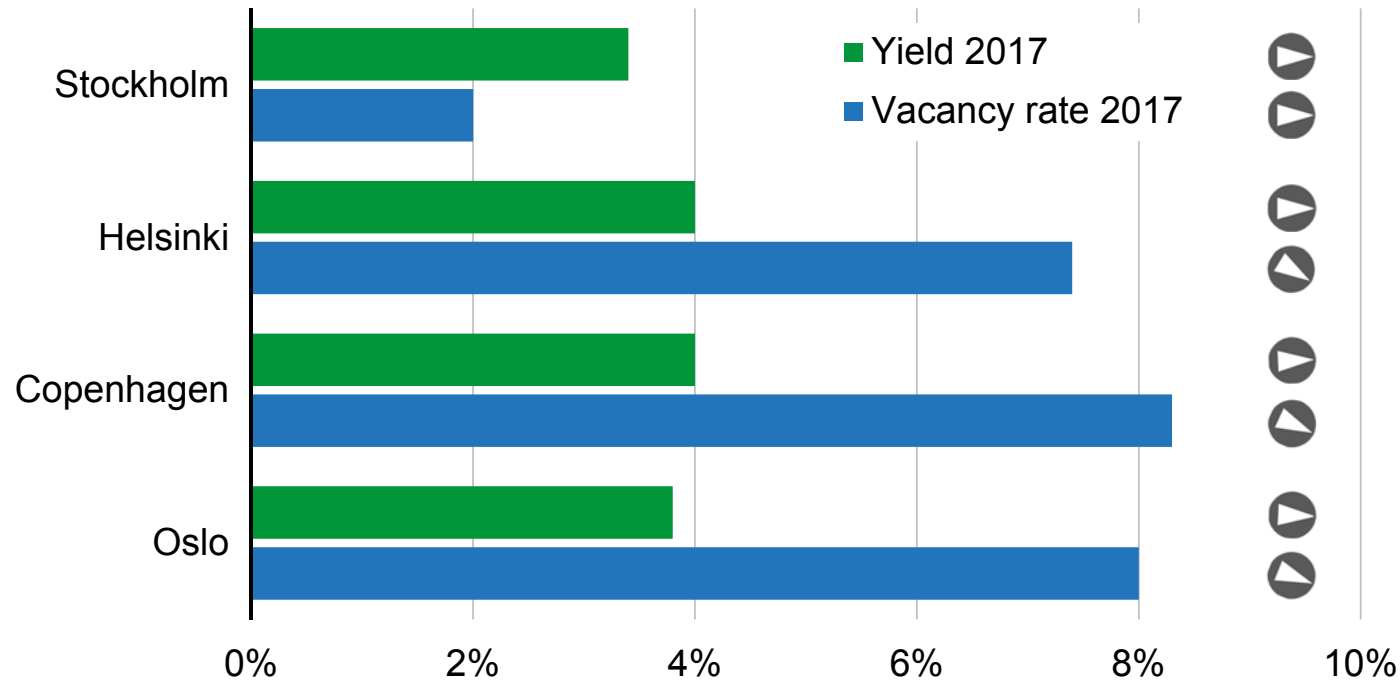
# NCC Property Development



Logistics, Brunna

# Property market outlook – offices

## CBD



# Project profit recognized in Q1

Project	Type	Location	Property value, SEK M	Lettable area, sqm.	Letting ratio
Torsplan 2	Office	Stockholm, Sweden	1,600	22,700	100%
Vattenbrunnen	Logistics	Upplands Bro, Sweden	73	6,400	100%
Aitio Verdi, Aitio Vivaldi	Office	Helsinki, Finland	430	11,100	87%



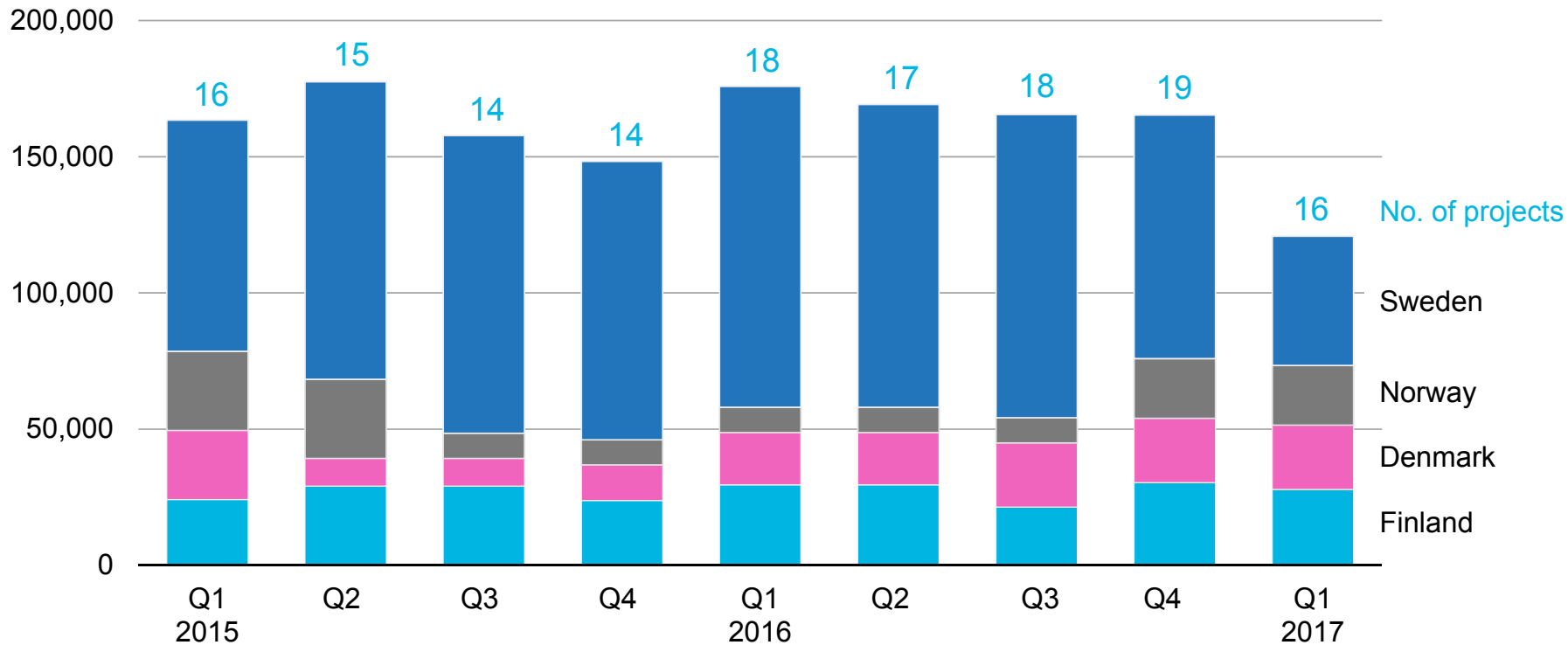
# Project start in Q1

Project	Type	Location	Lettable area, sqm	Letting ratio
Laajasalo	Retail	Helsinki, Finland	8,700	78 %



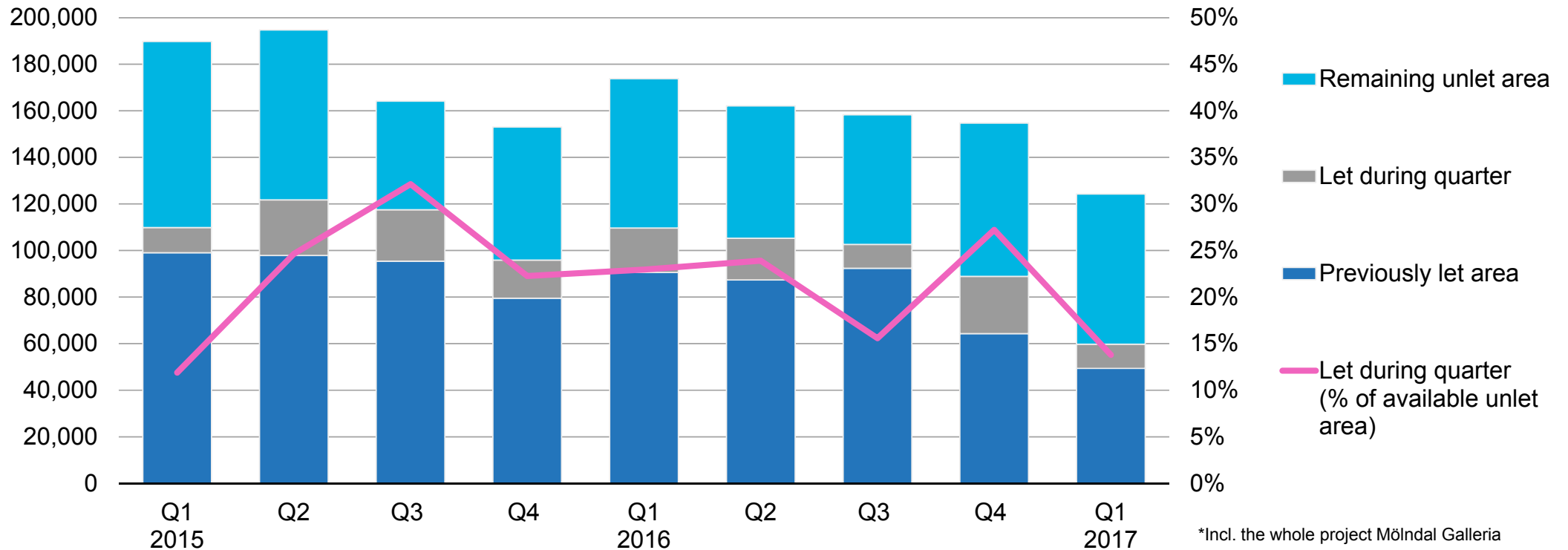
# Property portfolio

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

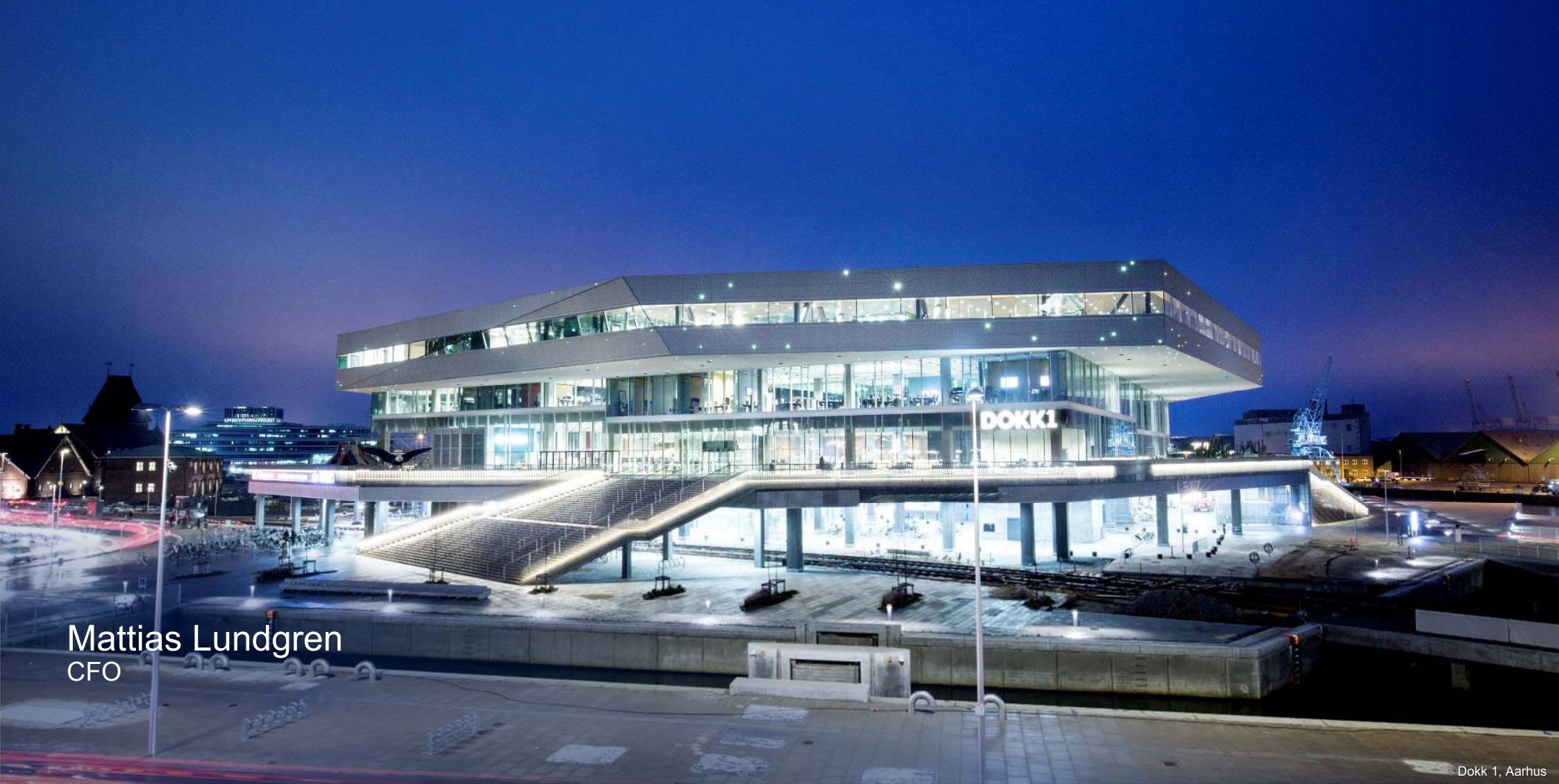


# 10,300 sqm leased in the quarter

Leased floor space, sqm\*



\*Incl. the whole project Mölndal Galleria



Mattias Lundgren  
CFO

Dokk 1, Aarhus

# Income statement

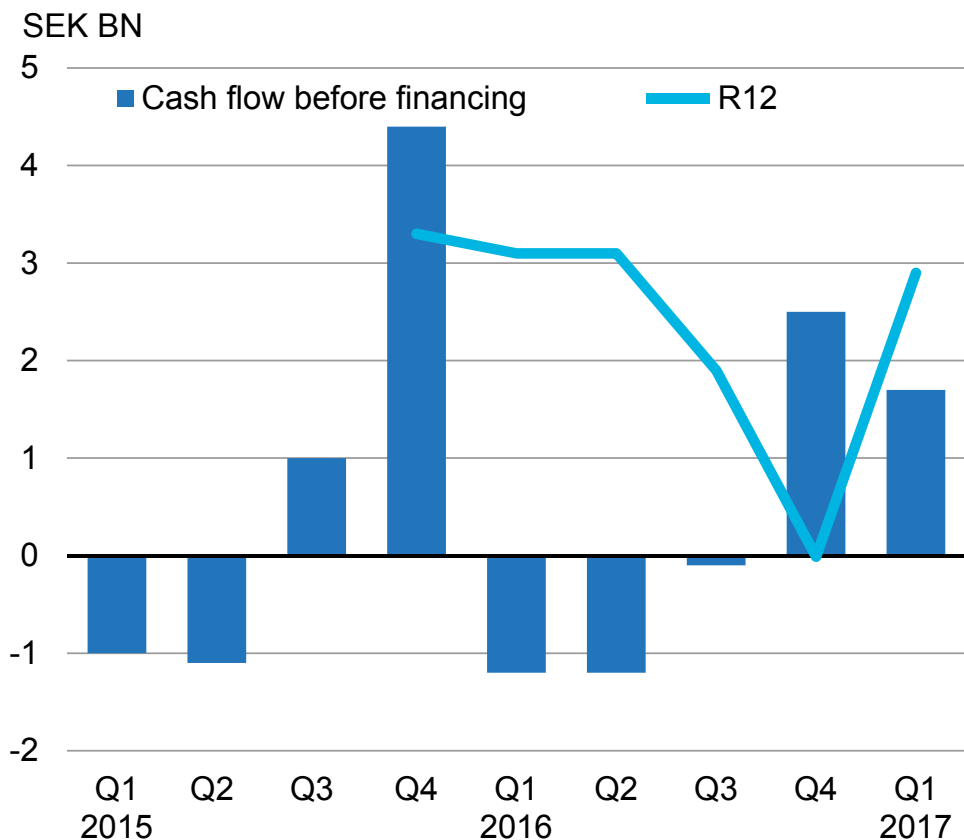
SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Apr. 16- Mar. 17	Jan.-Dec. 2016
Net sales	11,806	9,197	55,543	52,934
<b>Gross profit</b>	<b>1,021</b>	<b>426</b>	<b>5,046</b>	<b>4,450</b>
Selling and administrative expenses	-716	-708	-2,920	-2,912
Cost ratio	6.1%	7.7%	5.3%	5.5%
Other	-3	-1	-87	-85
<b>Operating profit</b>	<b>302</b>	<b>-284</b>	<b>2,040</b>	<b>1,453</b>
Financial items	-19	-25	-106	-112
<b>Profit after financial items</b>	<b>283</b>	<b>-309</b>	<b>1,933</b>	<b>1,341</b>
Tax	-47	65	-336	-225
<b>Profit for the period</b>	<b>237</b>	<b>-243</b>	<b>1,596</b>	<b>1,116</b>



Falkoner Centret, Copenhagen



# Cash flow



SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Jan.-Dec. 2016
From operating activities	638	-73	1,506
From property projects	1,201	-371	506
From housing projects	-	-877	-606
Other working capital	31	311	-237
Investing activities	-132	-204	-1,181
<b>Cash flow before financing</b>	<b>1,738</b>	<b>-1,213</b>	<b>-11</b>

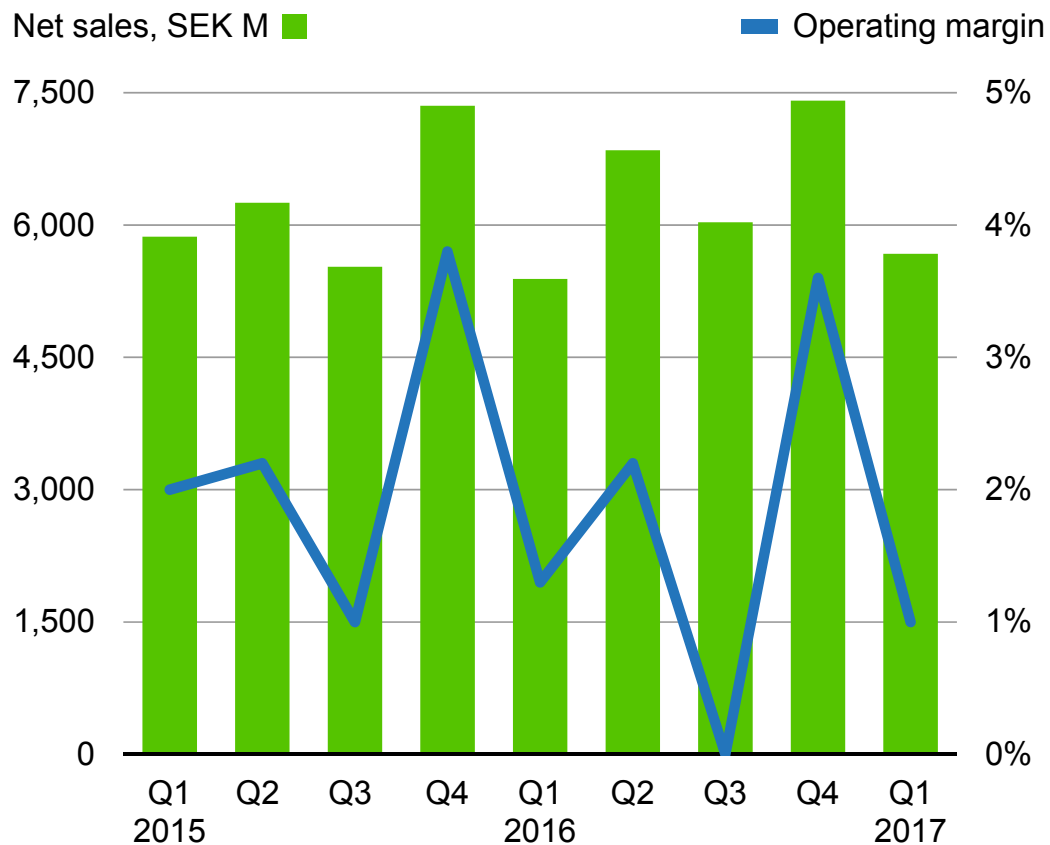
# Operating profit/loss per business area

SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Jan.-Dec. 2016
NCC Building	56	70	
NCC Infrastructure	-27	-11	
NCC Industry	-310	-324	
NCC Property Development	593	22	
Other and eliminations	-10		
<b>Operating profit excl. Bonava (Housing)</b>	<b>302</b>	<b>-284</b>	

SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016
NCC HQ and International proj.	-28	-25
Internal gains	41	-27
Other Group adjustment	-23	12
Other and eliminations	-10	-40

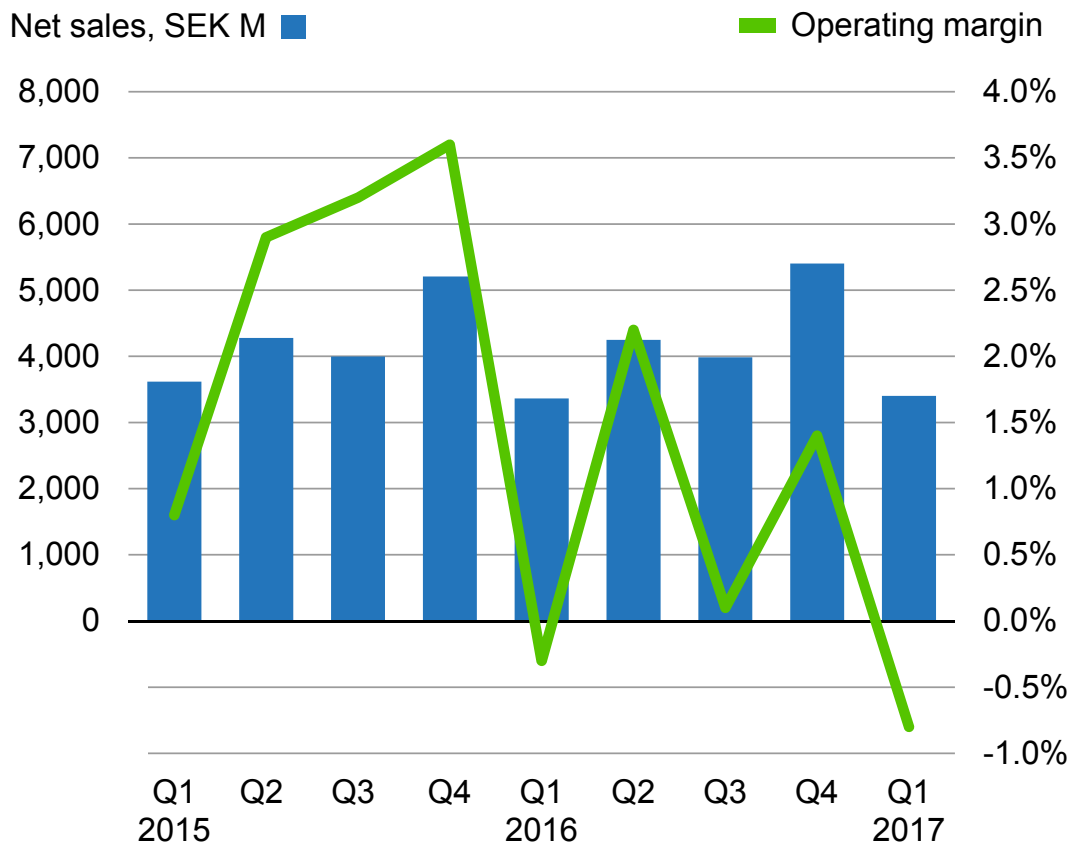
Refurbishment Tibberup, Copenhagen

# NCC Building



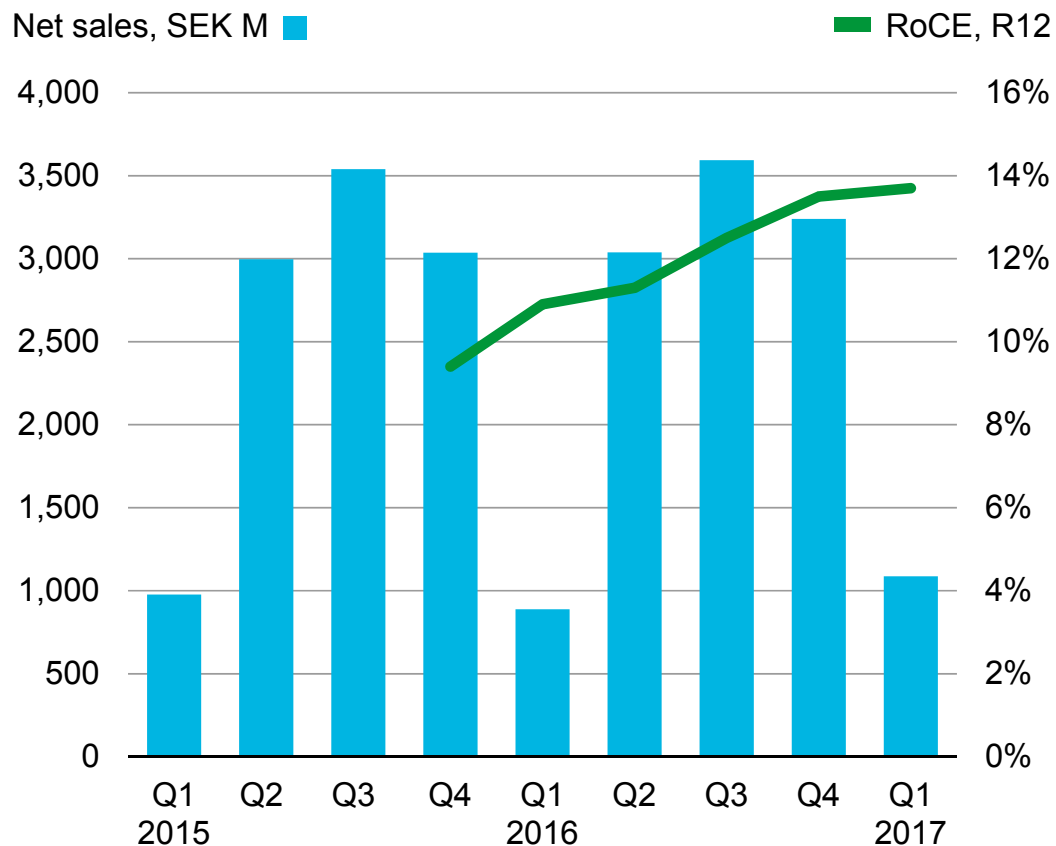
SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Apr. 16-Mar. 17	Jan.-Dec. 2016
Net sales	5,674	5,389	25,966	25,681
Operating profit	56	70	475	489
Operating margin, %	1.0	1.3	1.8	1.9

# NCC Infrastructure



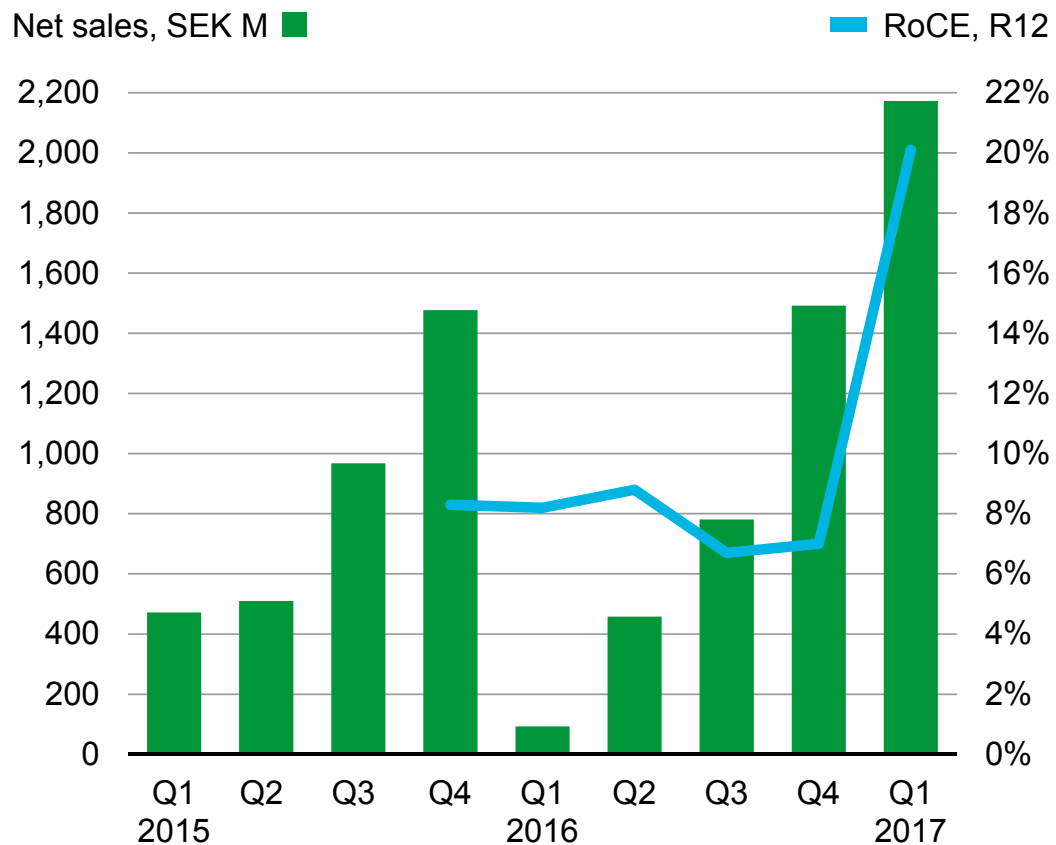
SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Apr. 16-Mar. 17	Jan.-Dec. 2016
Net sales	3,404	3,365	17,046	17,007
Operating profit	-27	-11	145	162
Operating margin, %	-0.8	-0.3	0.9	1.0

# NCC Industry



SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Apr. 16-Mar. 17	Jan.-Dec. 2016
Net sales	1,087	888	10,959	10,760
Operating profit	-310	-324	548	533
Operating margin, %	-28.5	-36.5	5.0	4.9
RoCE, %			13.7	13.5

# NCC Property Development



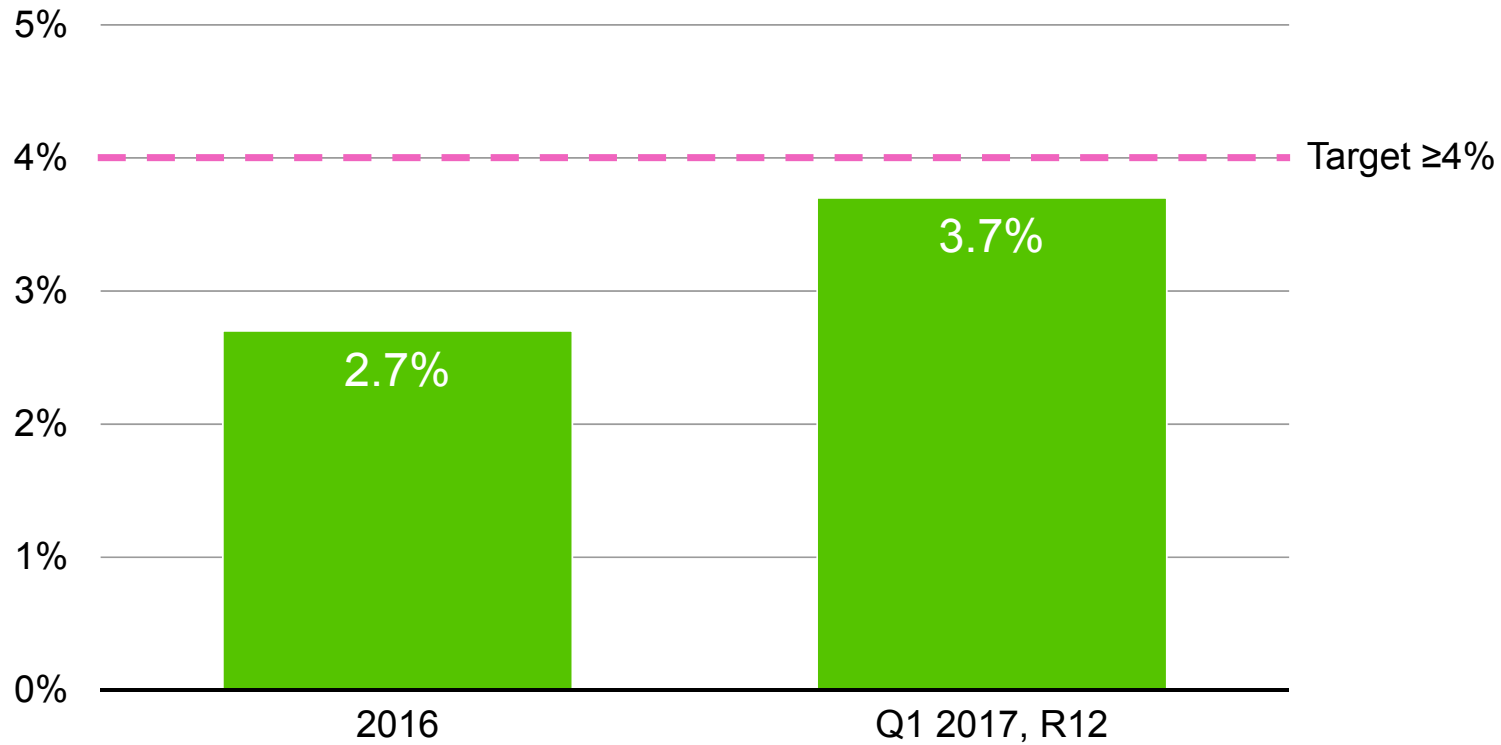
SEK M	Jan.-Mar. 2017	Jan.-Mar. 2016	Apr. 16-Mar. 17	Jan.-Dec. 2016
Net sales	2,173	93	4,903	2,823
Operating profit	593	22	898	327
Operating margin, %	27.3	23.7	18.3	11.6
RoCE, %			20.1	7.0

# Group financial objectives



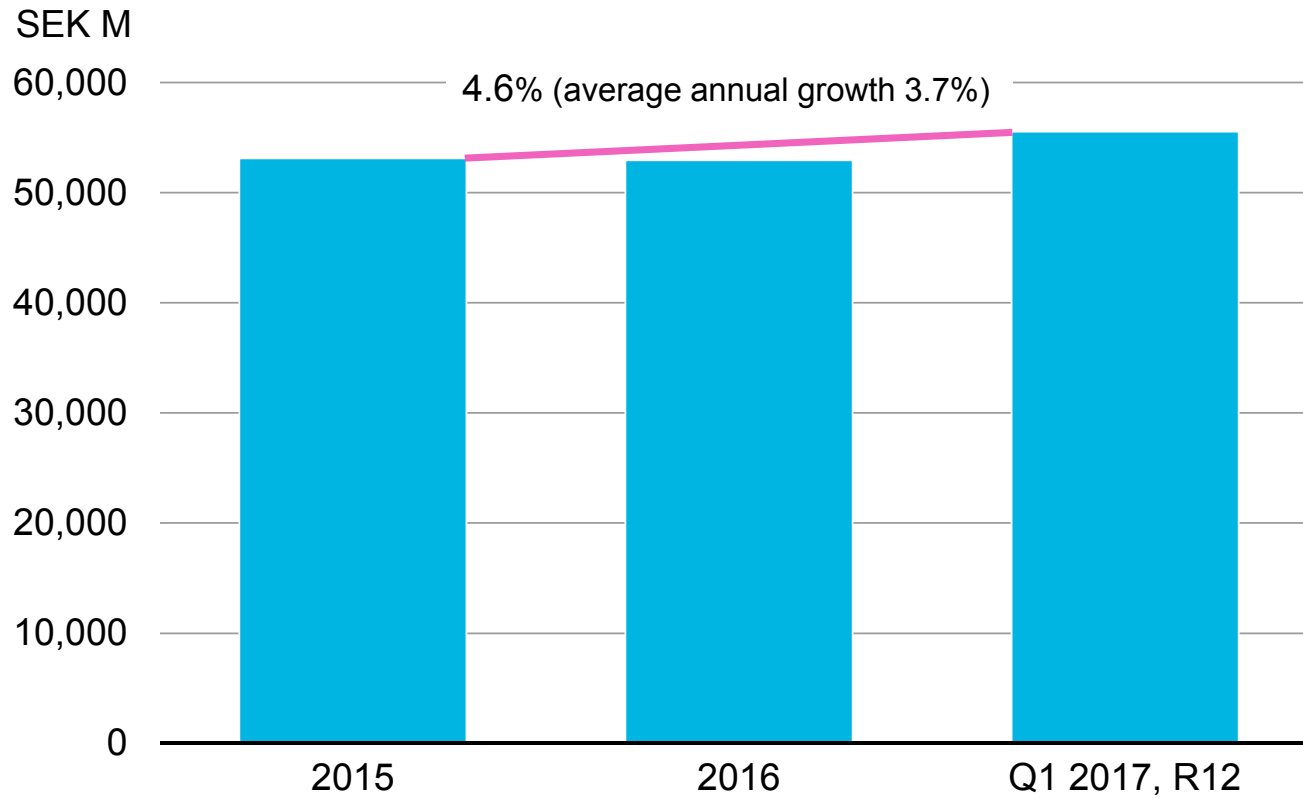
Tranan School, Albany

# Operating margin



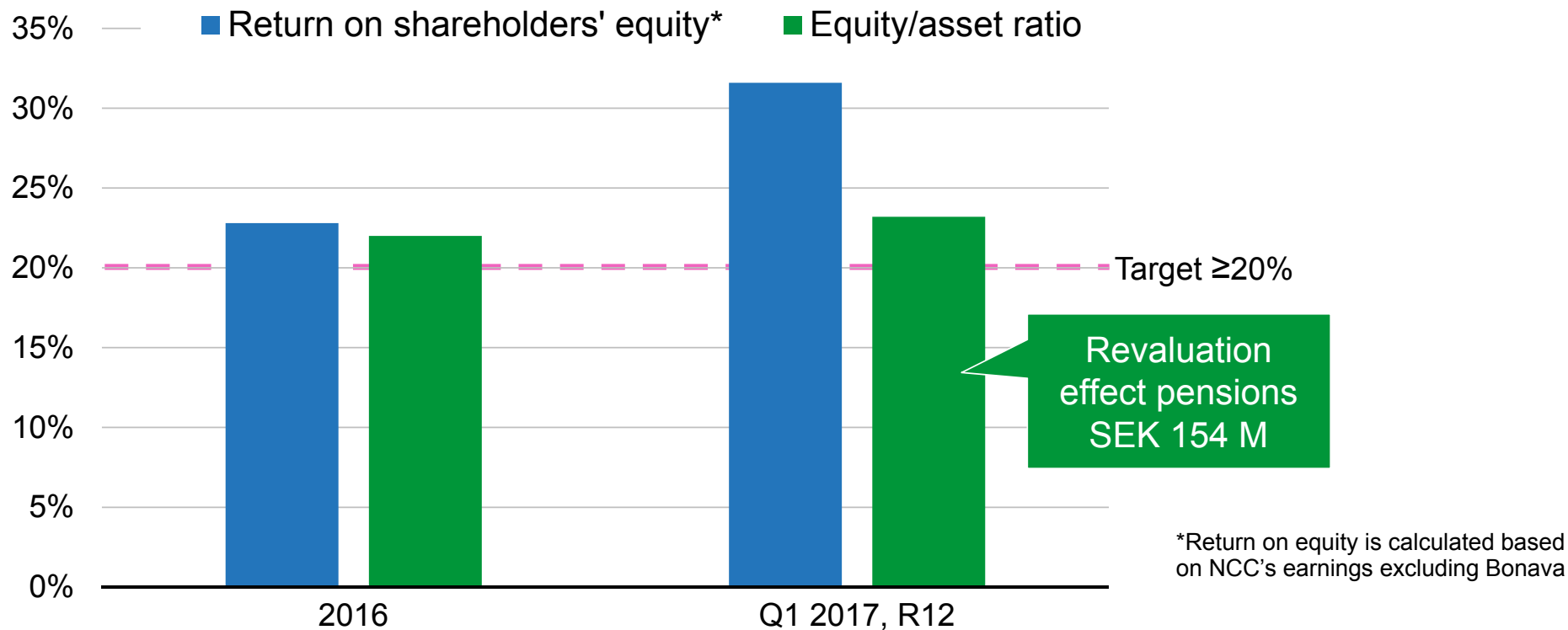


# Revenue development

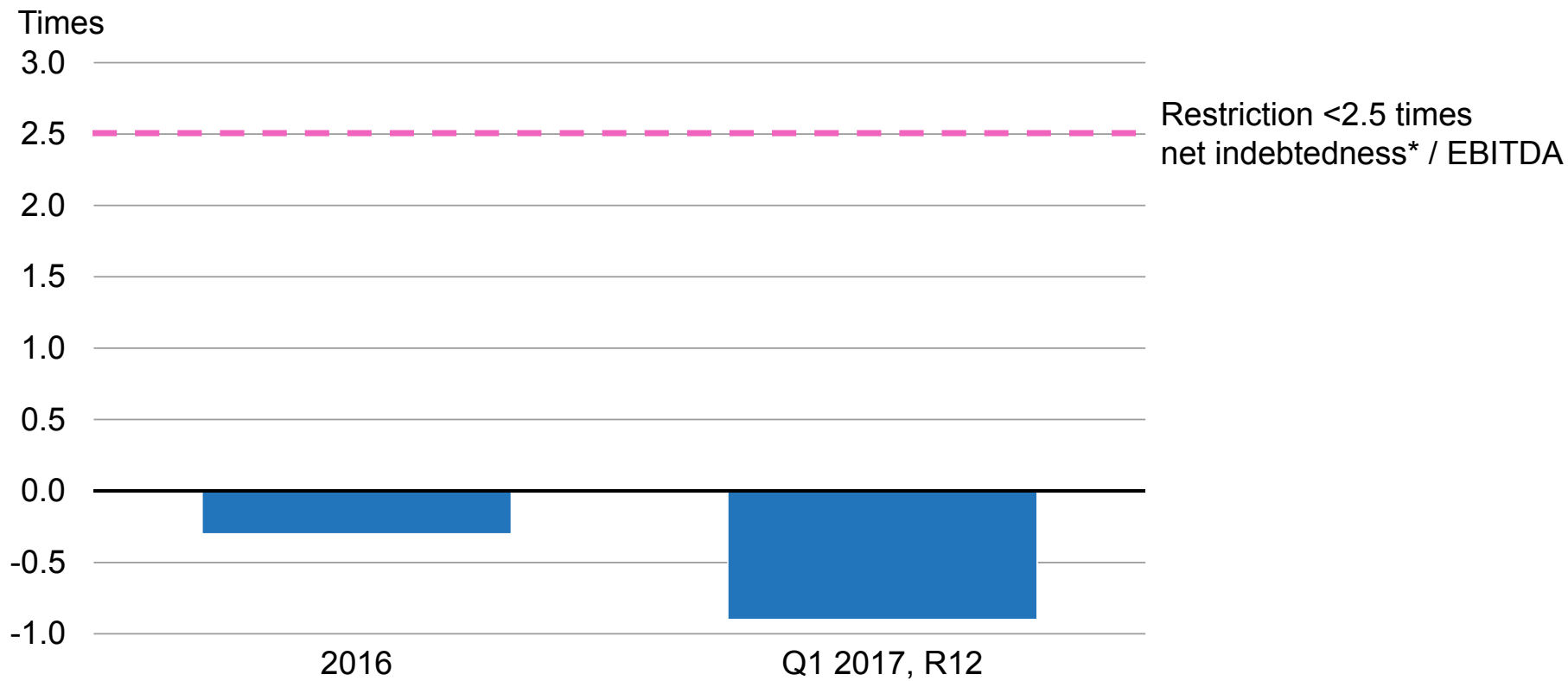


**Objective:**  
5% average annual  
revenue growth

# Equity/asset ratio and return on shareholders' equity



# Net indebtedness – net cash position



\* Excl. pension liability



KMH, Stockholm

# Summary Q1 2017

- High result in NCC Property Development
- Good start for NCC Industry
- Increasing net sales in NCC Building, weak result
- Improved orders received in NCC Infrastructure, weak result
- Higher order backlog
- Favorable market outlook
- Increasing margins, cost and capacity in focus





# Contact information

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