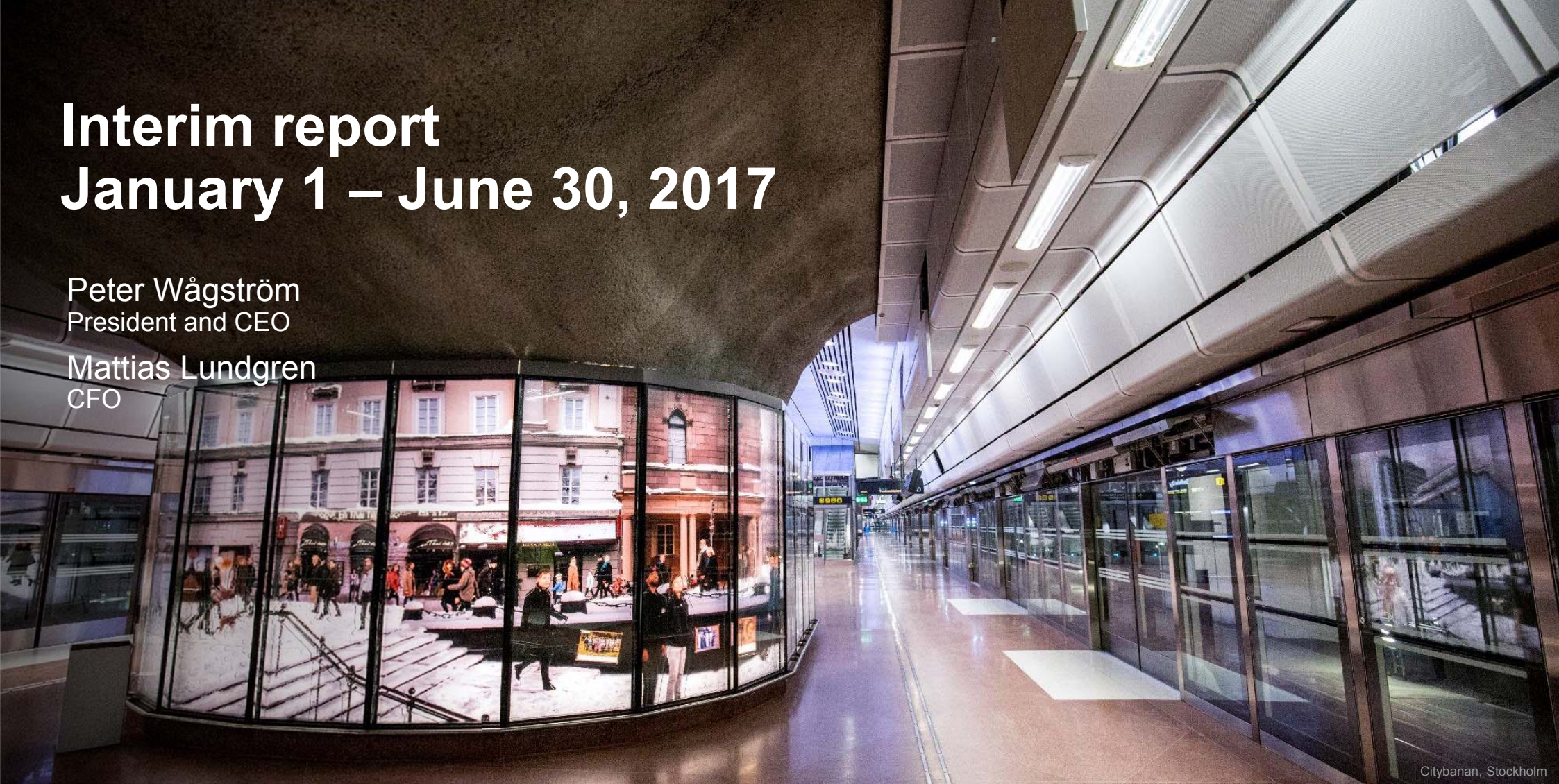


# Interim report January 1 – June 30, 2017

Peter Wågström  
President and CEO

Mattias Lundgren  
CFO



Citybanan, Stockholm

# NCC Q2 2017

- High order backlog
- Weak result in NCC Building and NCC Infrastructure
- Improved result NCC Industry
- New starts of property projects in Sweden

Citybanan, Stockholm

# Q2 2017

## Orders received

SEK 16.4 BN  
(17.1)

## Net sales

SEK 13.4 BN  
(13.7)

## Order backlog

SEK 52.3 BN  
(47.2)

## Profit after financial items

SEK 522 M  
(548)

# January - June 2017



## Orders received

SEK 27.9 BN  
(27.7)

## Net sales

SEK 25.2 BN  
(22.8)

## Order backlog

SEK 52.3 BN  
(47.2)

## Profit after financial items

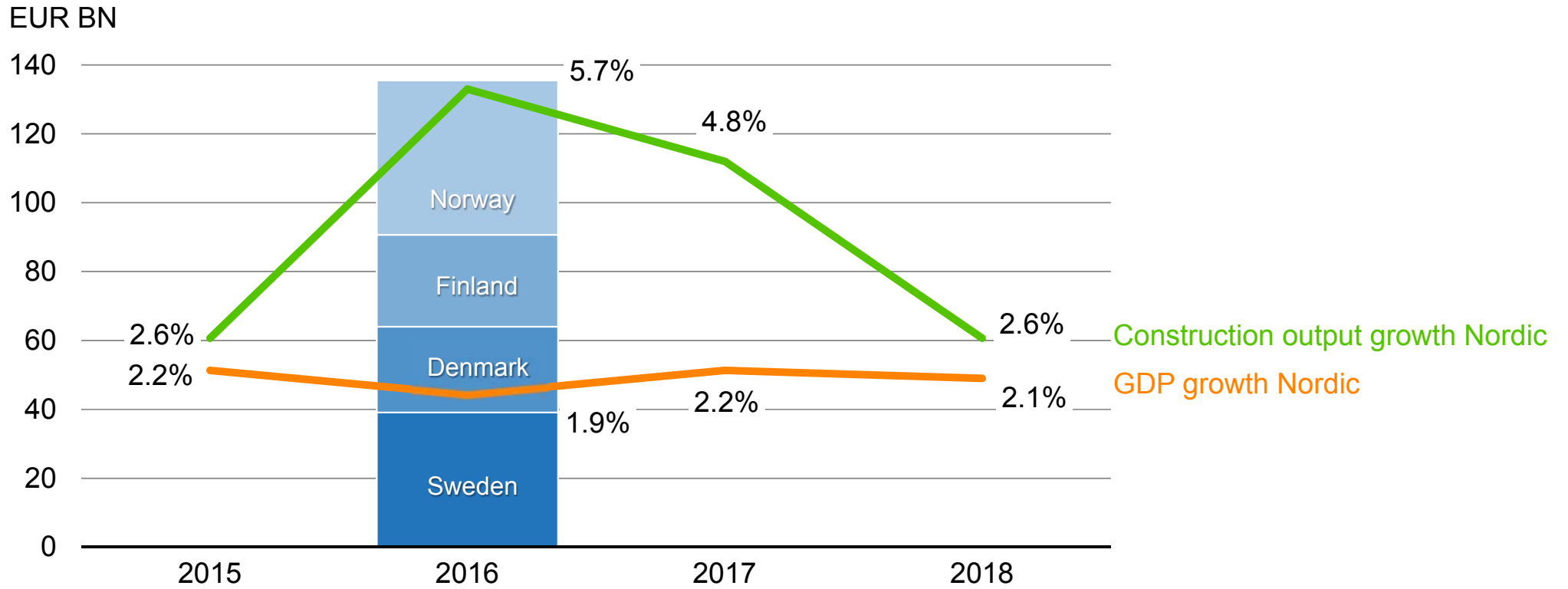
SEK 805 M  
(240)

# Nordic construction market outlook



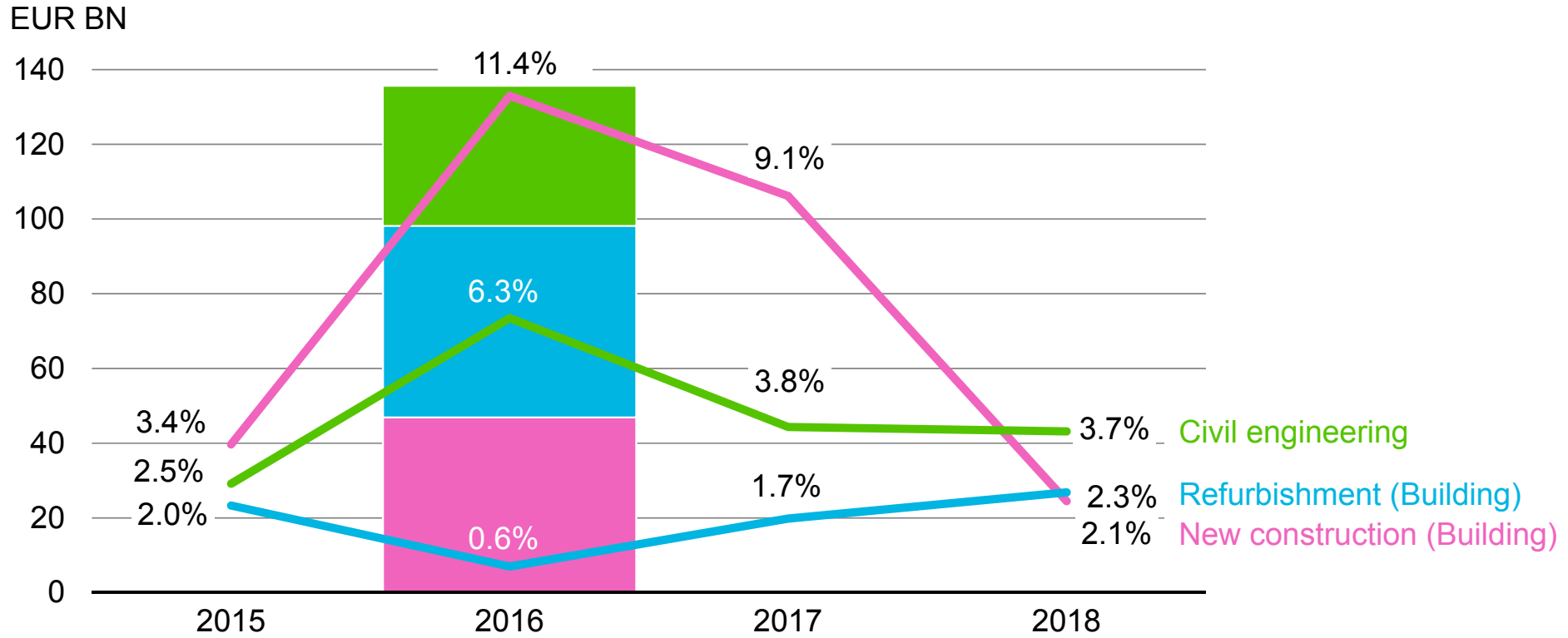
# Nordic construction market outlook

## Higher growth in construction volume than GDP 2017



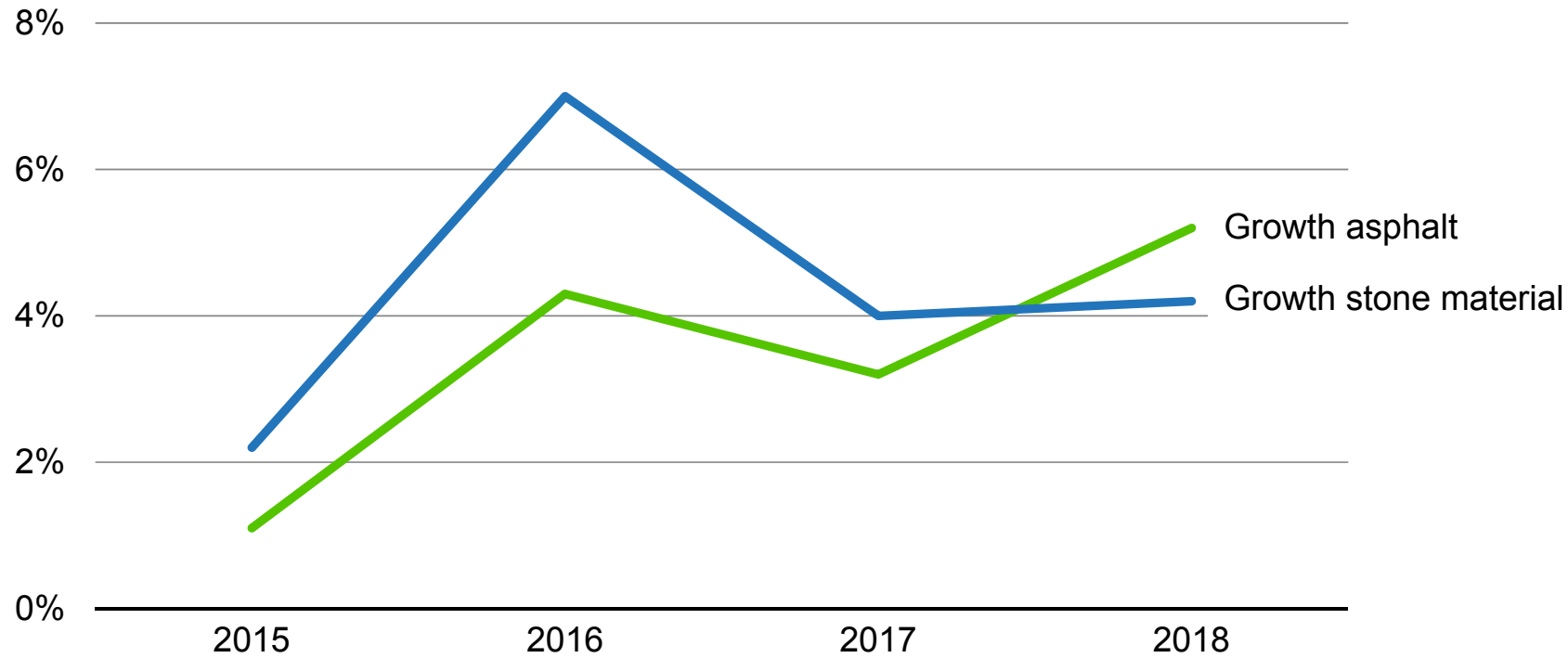
Source: Euroconstruct and NCC

## Construction volume by segment



Source: Euroconstruct and NCC

# Market outlook – asphalt and stone material



Source: Euroconstruct and NCC



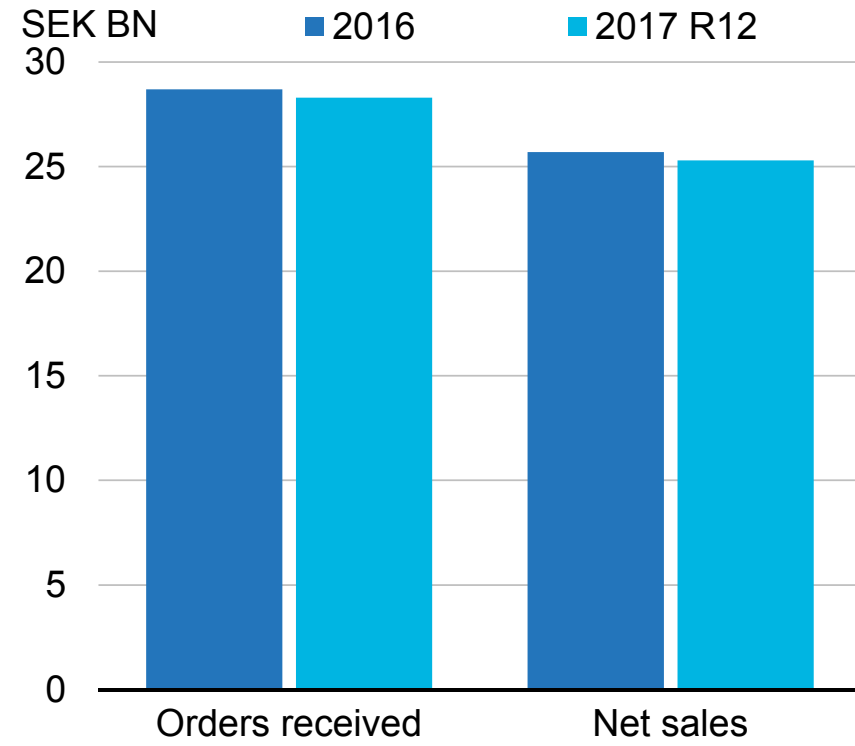
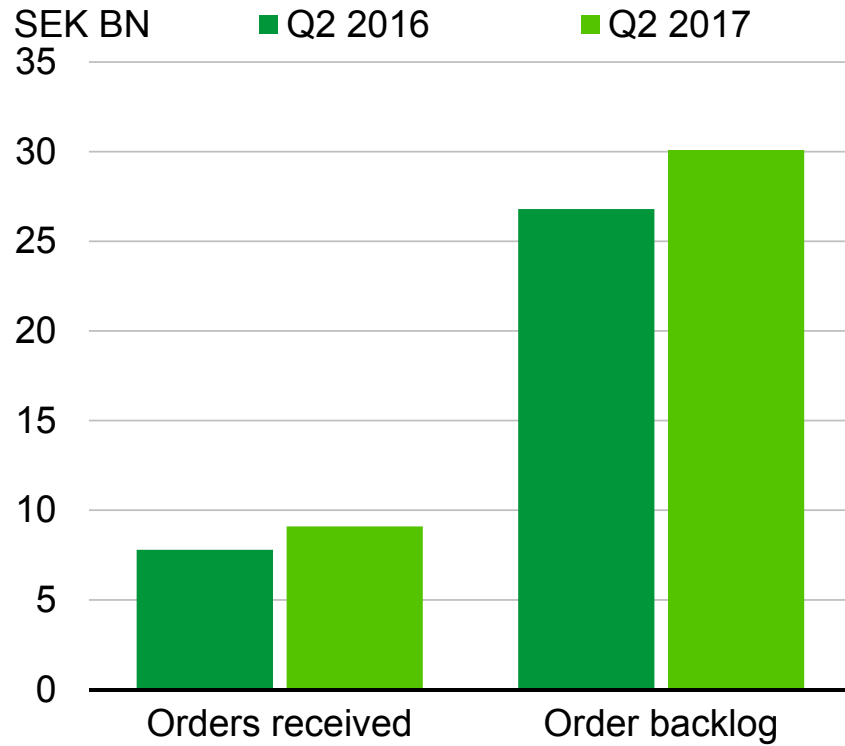
# NCC Building



Novozymes, Denmark

# Higher order backlog

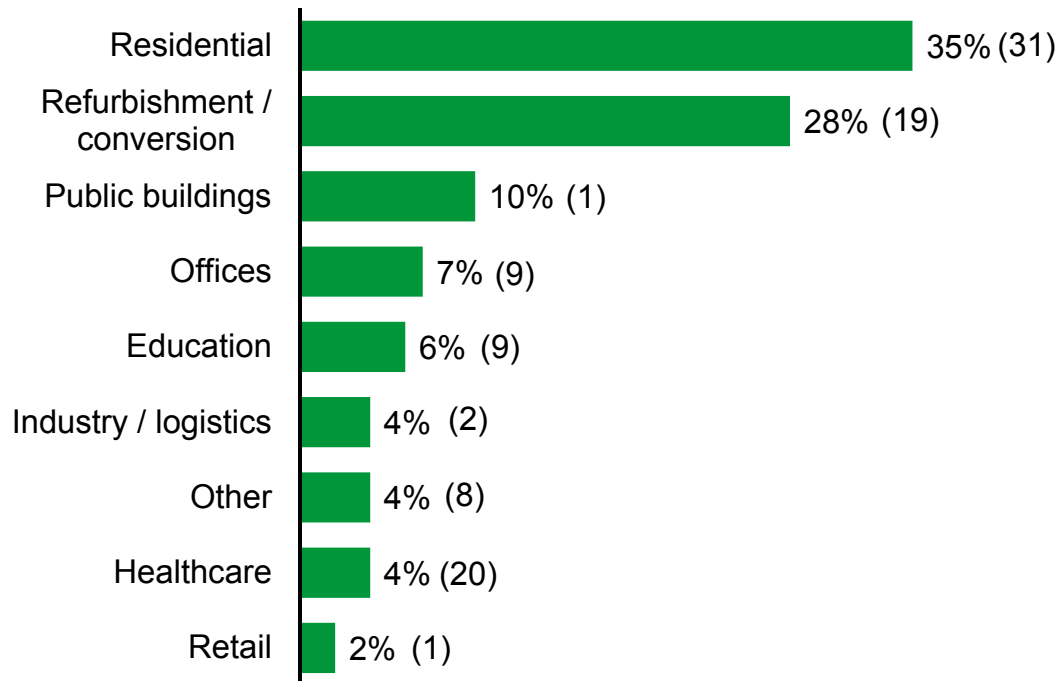
## NCC Building



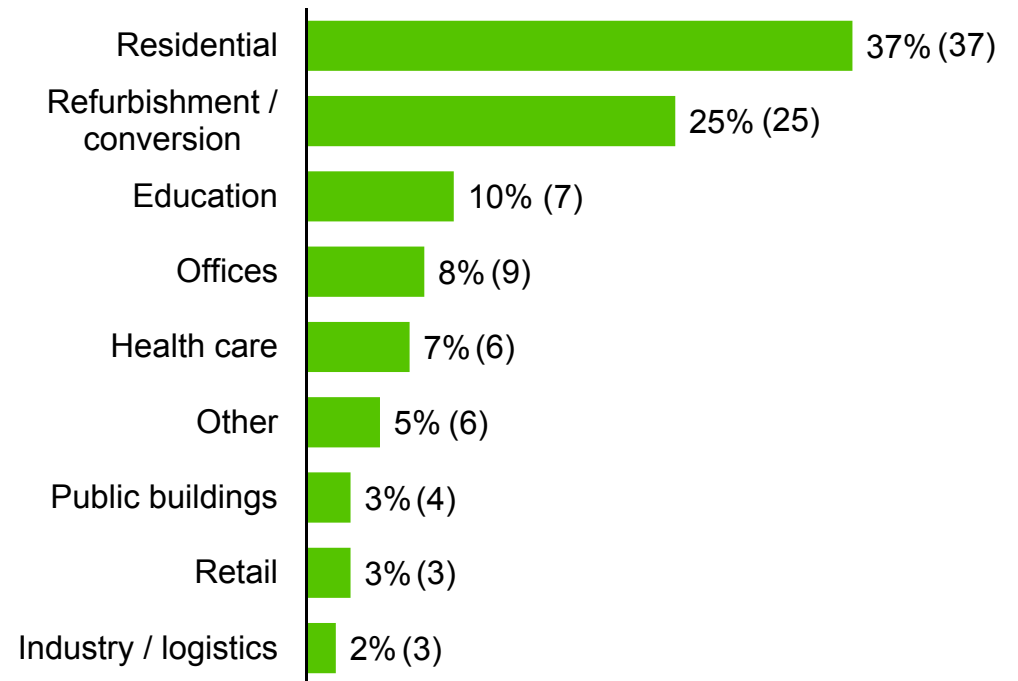
# Product mix Jan. - Jun. 2017

## NCC Building

### Orders received



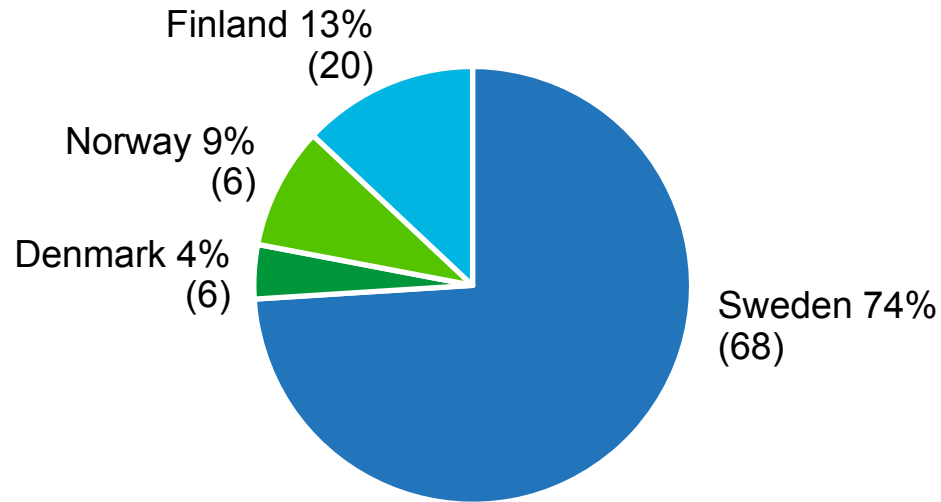
### Net sales



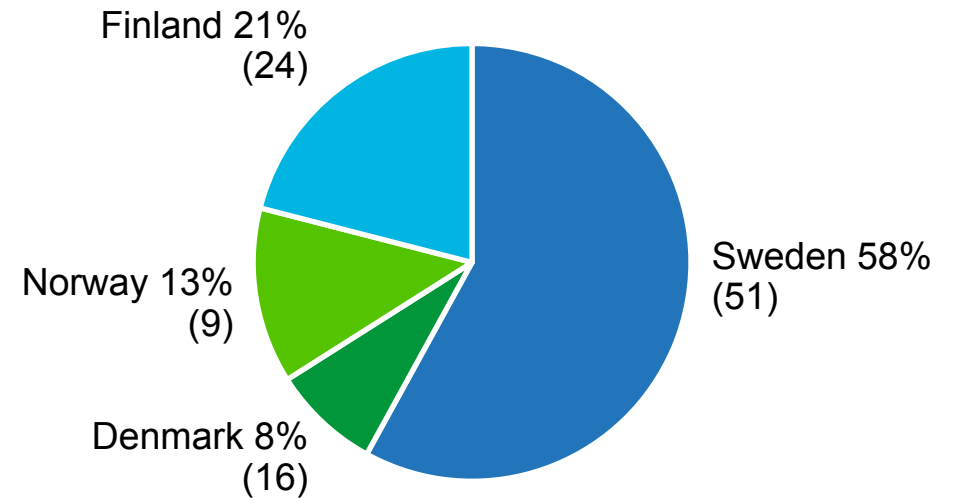
# Geographical distribution Jan. - Jun. 2017

NCC Building

## Orders received



## Net sales



Project example

# Senapsfabriken Uppsala



- 644 apartments in Senapsfabriken, Uppsala
- Customer: Magnolia Bostad
- Order value: SEK 650 million

Project example

# Refurbishment, part of Sergelhuset, Stockholm

- 280 hotel rooms and 34 apartments, 16,000 sqm.
- Customer: Vasakronan
- Order value: SEK 550 million

Photo, Vasakronan

# Apartments, Tollare Terrass in Nacka

- 124 tenant-owner apartments across five high-rise buildings
- Customer: Bonava
- Order value: SEK 339 million

# NCC Infrastructure

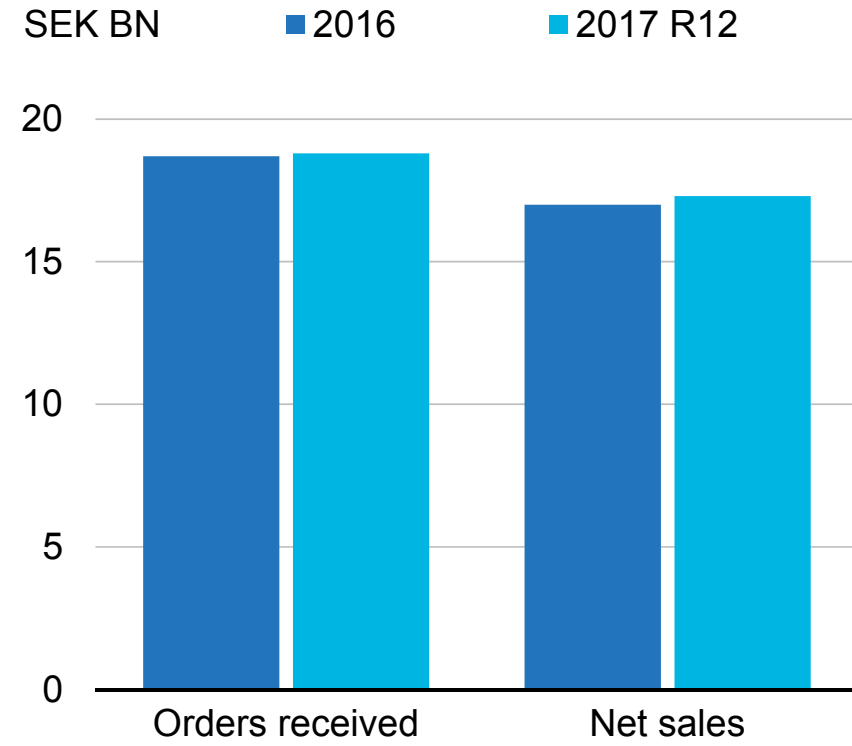
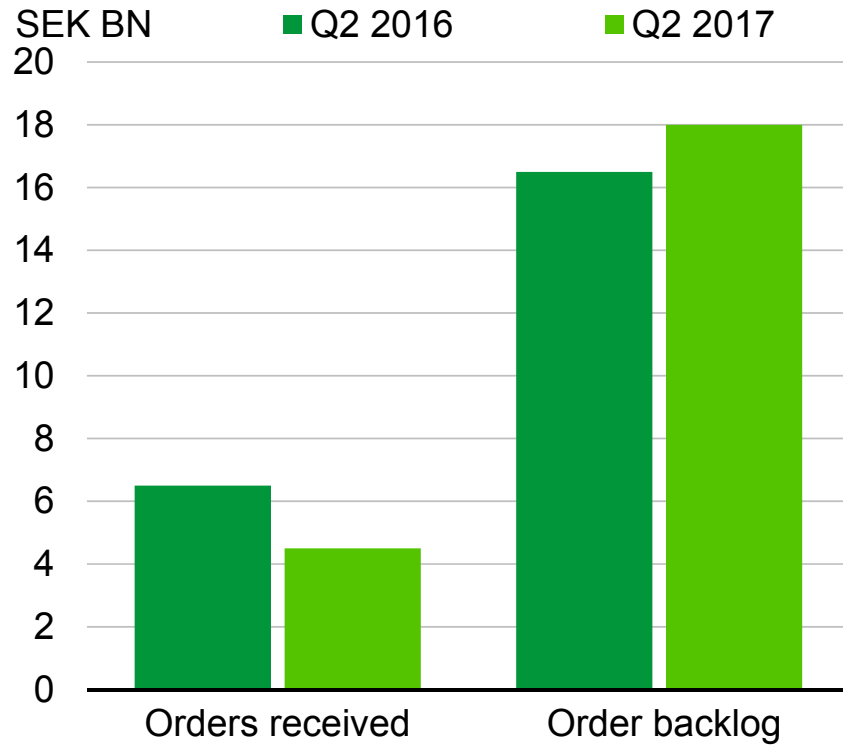


Birkelandskrysset, Bybanen, Bergen



# Higher orders received

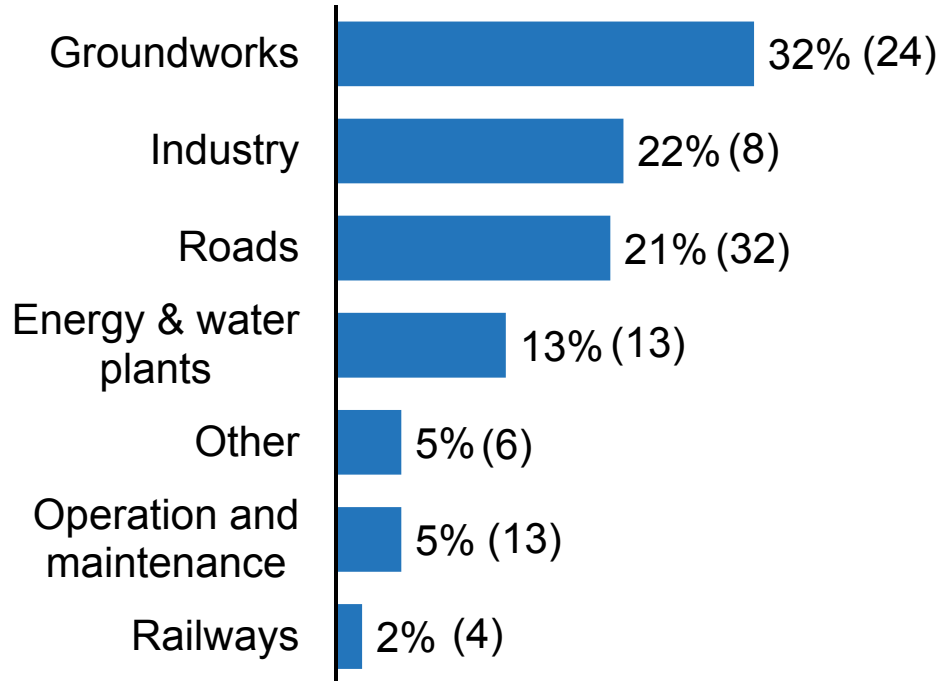
## NCC Infrastructure



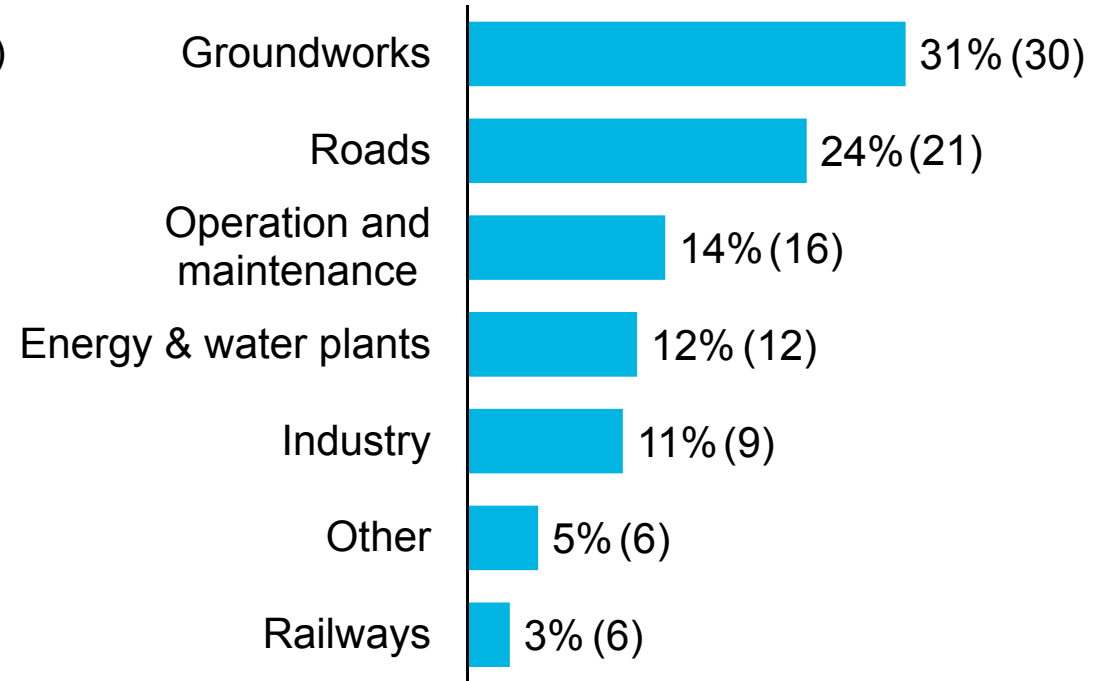
# Product mix Jan. – Jun. 2017

NCC Infrastructure

## Orders received



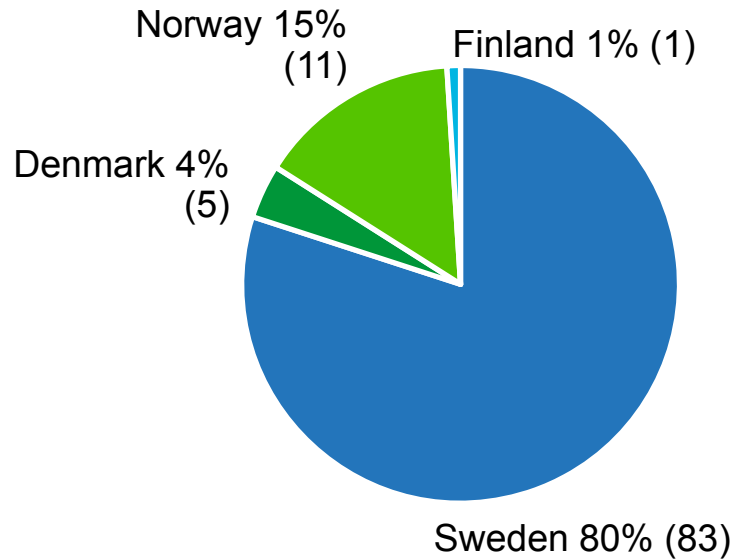
## Net sales



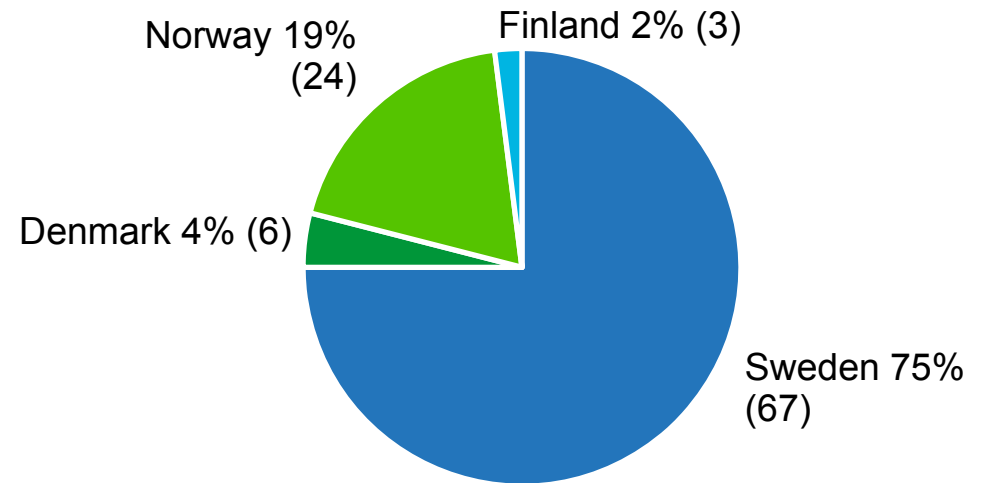
# Geographical distribution Jan. - Jun. 2017

NCC Infrastructure

## Orders received



## Net sales



# Project examples

## Infrastructure



### Drinking water desalination plant at Gotland

- Sweden's largest desalination plant – 5,000 cubic meters of drinking water per day
- Customer: Region Gotland
- Order value: SEK 170 M



### Culvert in Skjoldnes

- Concrete culvert
- Customer: Skjoldnes Utvikling AS
- Order value: SEK 108 M

# Project examples

## Infrastructure



### Soil Remediation, Rökeriet

- Soil remediation to reduce pollution
- Customer: Sollentuna Municipality
- Order value: SEK 18 M



### Project Urheilulehto

- Renew tram rails, water- and black water pipes etc.
- Customer: City of Helsinki
- Order value: SEK 35 M

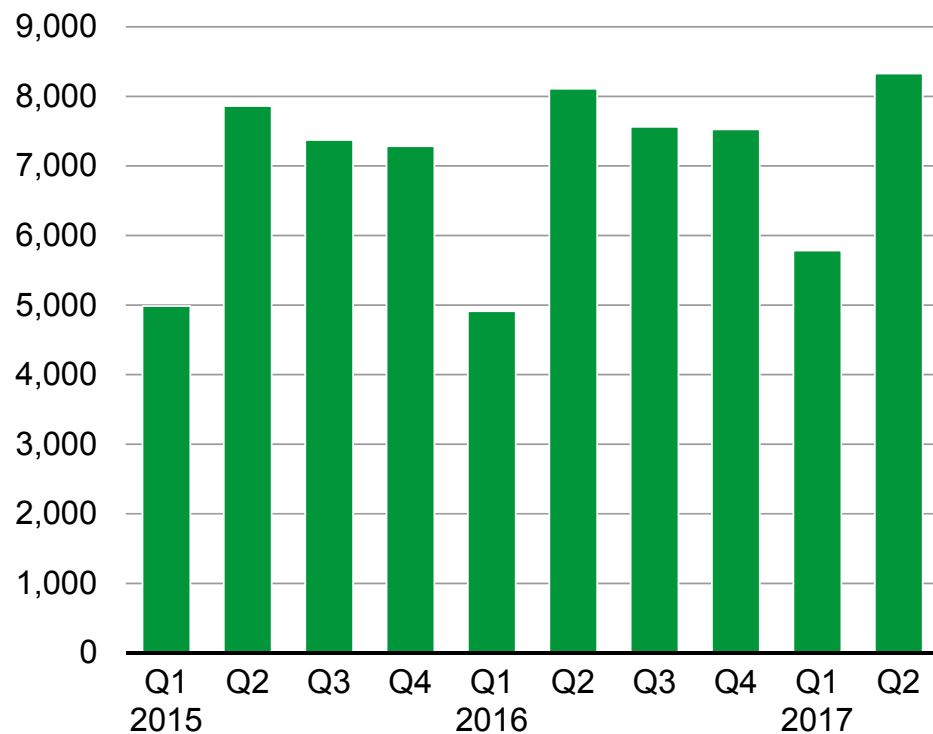
# NCC Industry



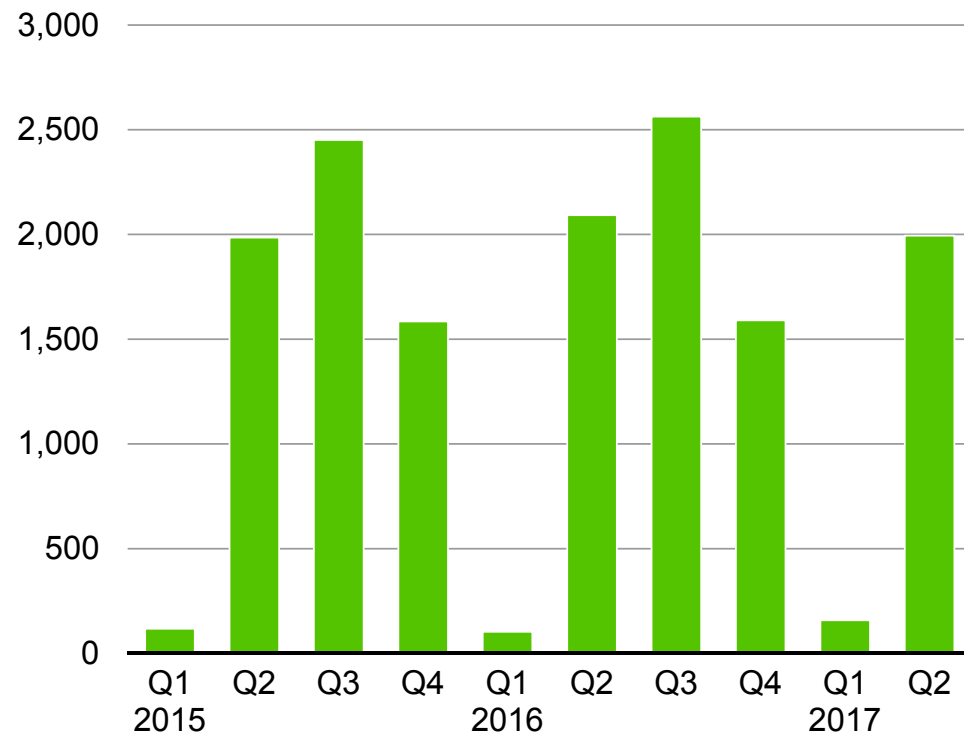
Repaving asphalt, Denmark

# Strong volumes in Q2

Stone material sold, thousands of tons



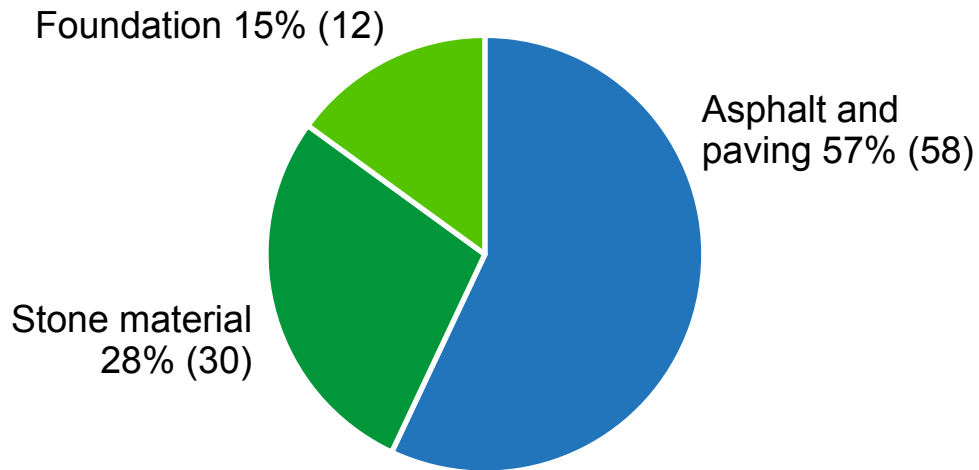
Asphalt sold, thousands of tons



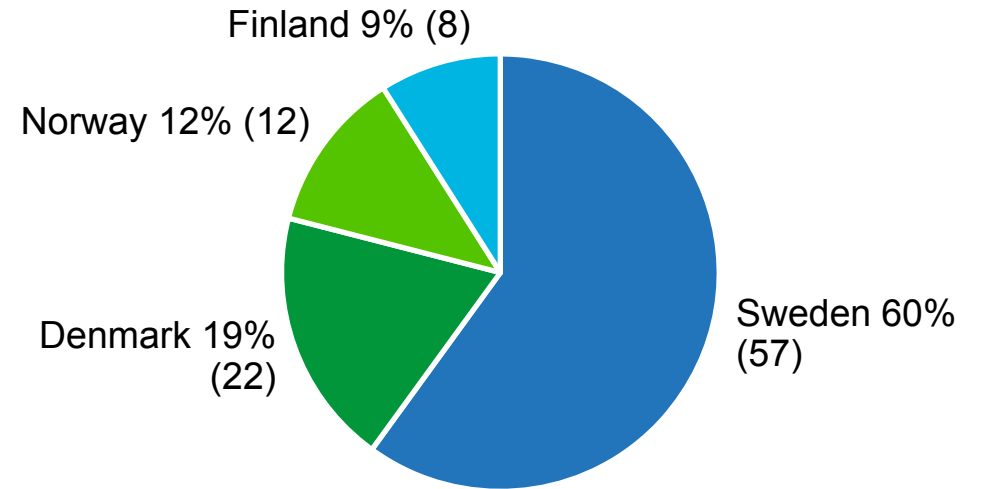
# Net sales Jan. – Jun. 2017

NCC Industry

## Product mix



## Geographical distribution





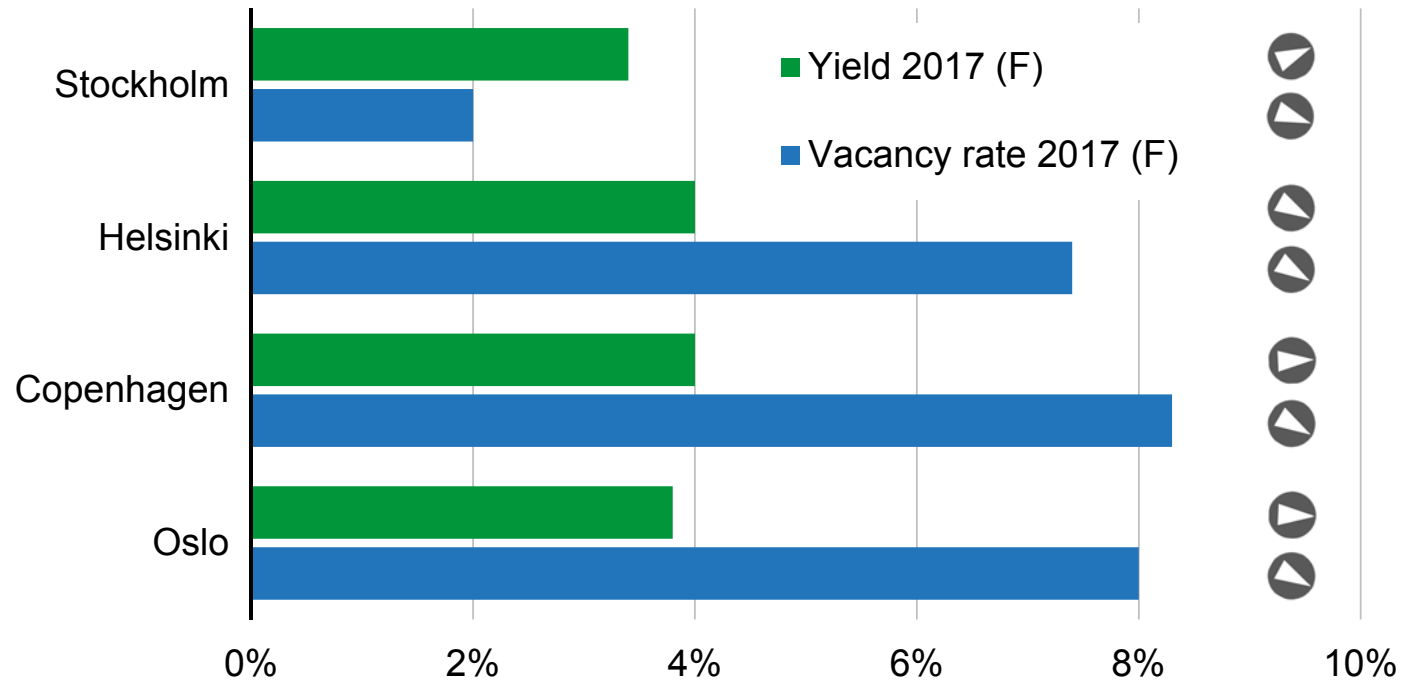
# NCC Property Development



Järva Krog, Stockholm

# Property market outlook – offices

## CBD



Source: Newsec, NCC



# Project starts in Q2

Project	Type	Location	Lettable area, sqm	Letting ratio
Arendal 3	Logistics	Gothenburg, Sweden	6,800	76 %
K11 (Järva Krog)	Office	Solna, Sweden	11,900	0%
K12 (Järva Krog)	Office	Solna, Sweden	20,000	99%



Arendal, Gothenburg

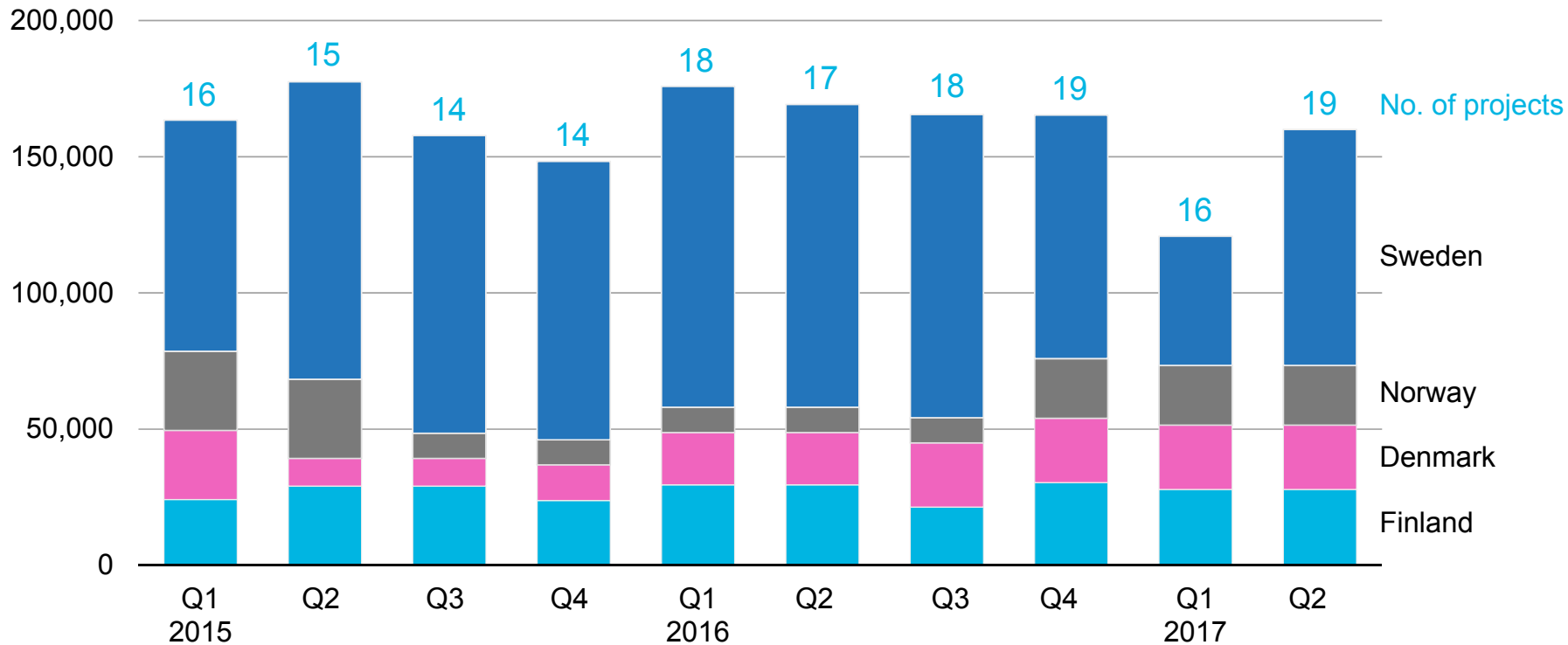
# Development at Järva Krog, Solna



90,000 square meters, half of which is earmarked for offices and half for housing

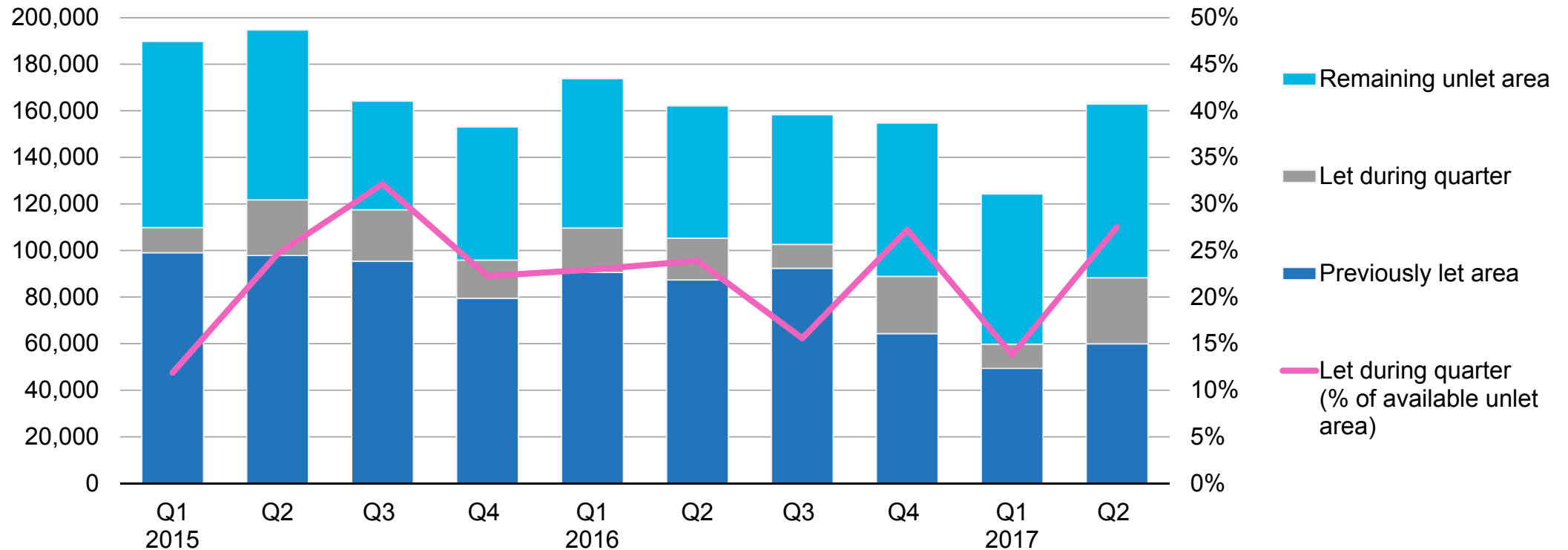
# Property portfolio

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



# 28,300 sqm leased in the quarter

Leased floor space, sqm\*





Mattias Lundgren  
CFO

Gårda, Gothenburg

# Income statement

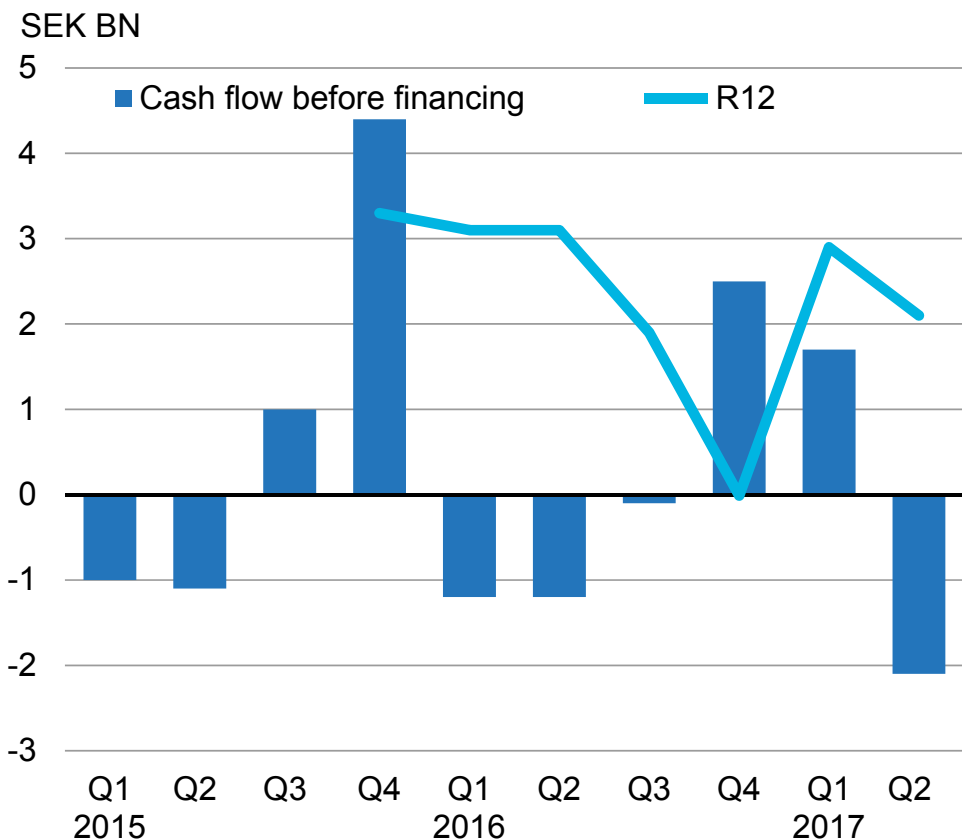
SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jul. 16- Jun. 17	Jan.-Dec. 2016
Net sales	13,382	13,646	55,279	52,934
<b>Gross profit</b>	<b>1,290</b>	<b>1,511</b>	<b>4,825</b>	<b>4,450</b>
Selling and administrative expenses	-751	-838	-2,832	-2,912
Cost ratio	5.6%	6.1%	5.1%	5.5%
Other	9	-100	22	-85
<b>Operating profit</b>	<b>548</b>	<b>572</b>	<b>2,014</b>	<b>1,453</b>
Financial items	-26	-24	-108	-112
<b>Profit after financial items</b>	<b>522</b>	<b>548</b>	<b>1,906</b>	<b>1,341</b>
Tax	-87	-108	-315	-225
<b>Profit for the period</b>	<b>435</b>	<b>441</b>	<b>1,591</b>	<b>1,116</b>



KMH, Stockholm



# Cash flow



SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jan.-Dec. 2016
From operating activities	369	410	1,506
From property projects	-245	-233	506
From housing projects	0	238	-606
Other working capital	-1,993	-959	-237
Investing activities	-194	-670	-1,181
<b>Cash flow before financing</b>	<b>-2,064</b>	<b>-1,215</b>	<b>-11</b>

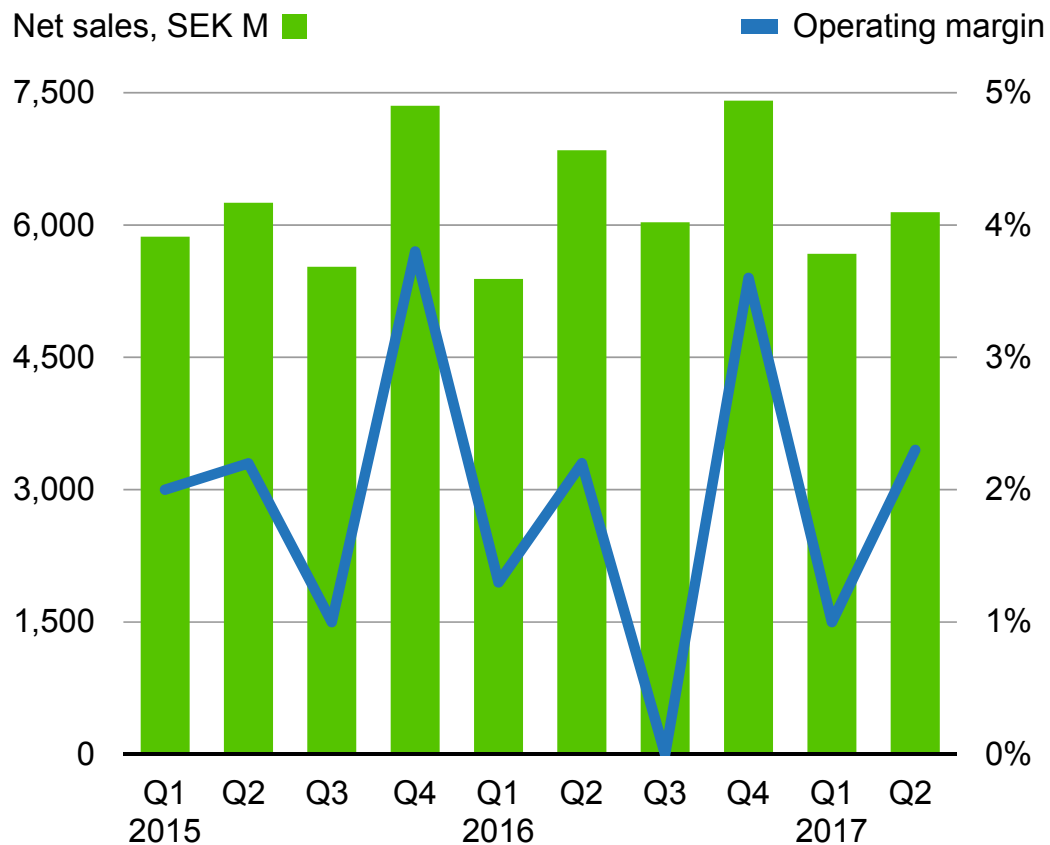
# Operating profit/loss per business area

SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jan.-Dec. 2016
NCC Building	144	150	
NCC Infrastructure	70	93	
NCC Industry	336	290	
NCC Property Development	65	71	
Other and eliminations	-67		
<b>Operating profit excl. Bonava (Housing)</b>	<b>548</b>	<b>572</b>	

SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016
NCC HQ and International proj.	-42	-171
Internal gains	1	128
Other Group adjustment	-26	12
<b>Other and eliminations</b>	<b>-67</b>	<b>-32</b>

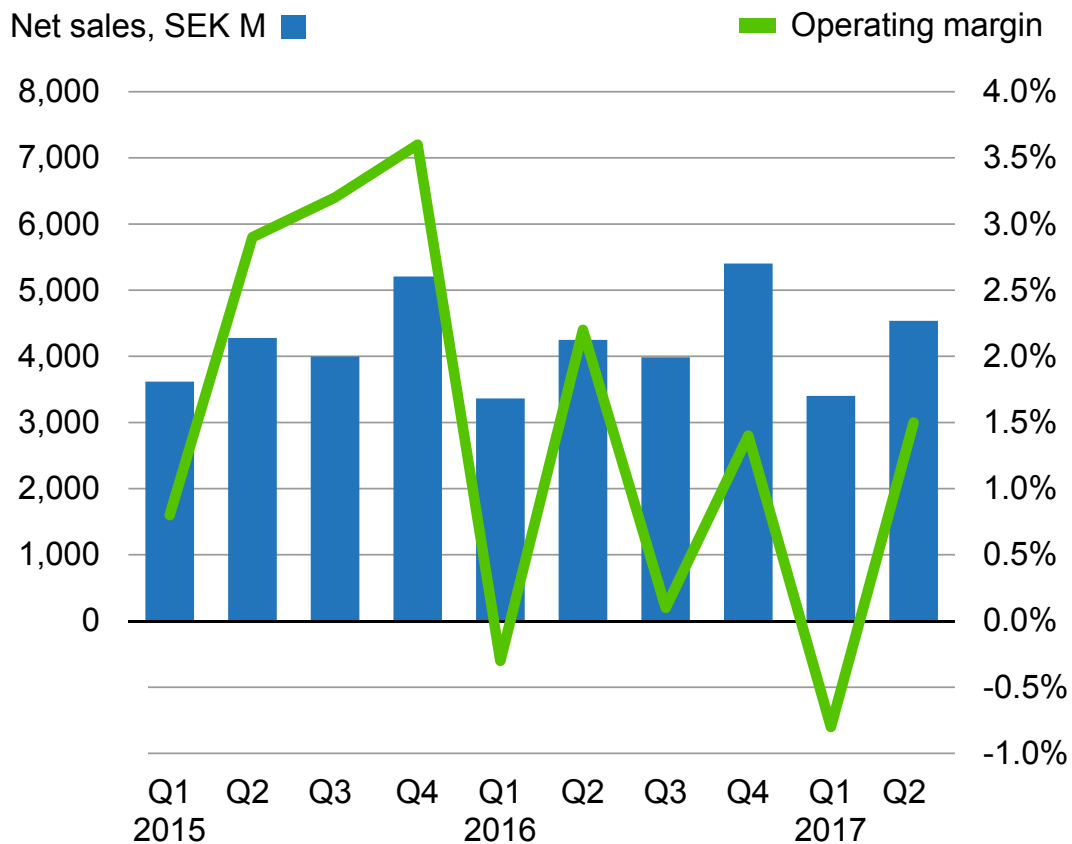
Tibberuparken, Denmark

# NCC Building



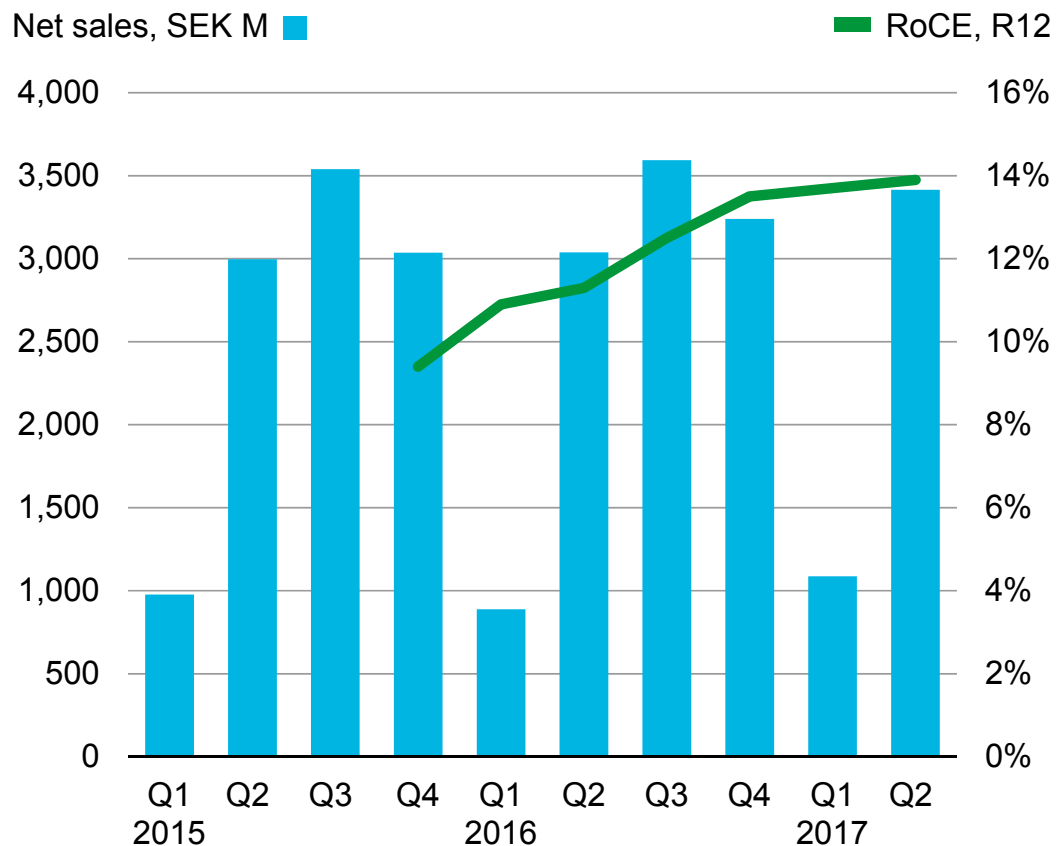
SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jul. 16-Jun. 17	Jan.-Dec. 2016
Net sales	6,147	6,849	25,264	25,681
Operating profit	144	150	469	489
Operating margin, %	2.3	2.2	1.9	1.9

# NCC Infrastructure



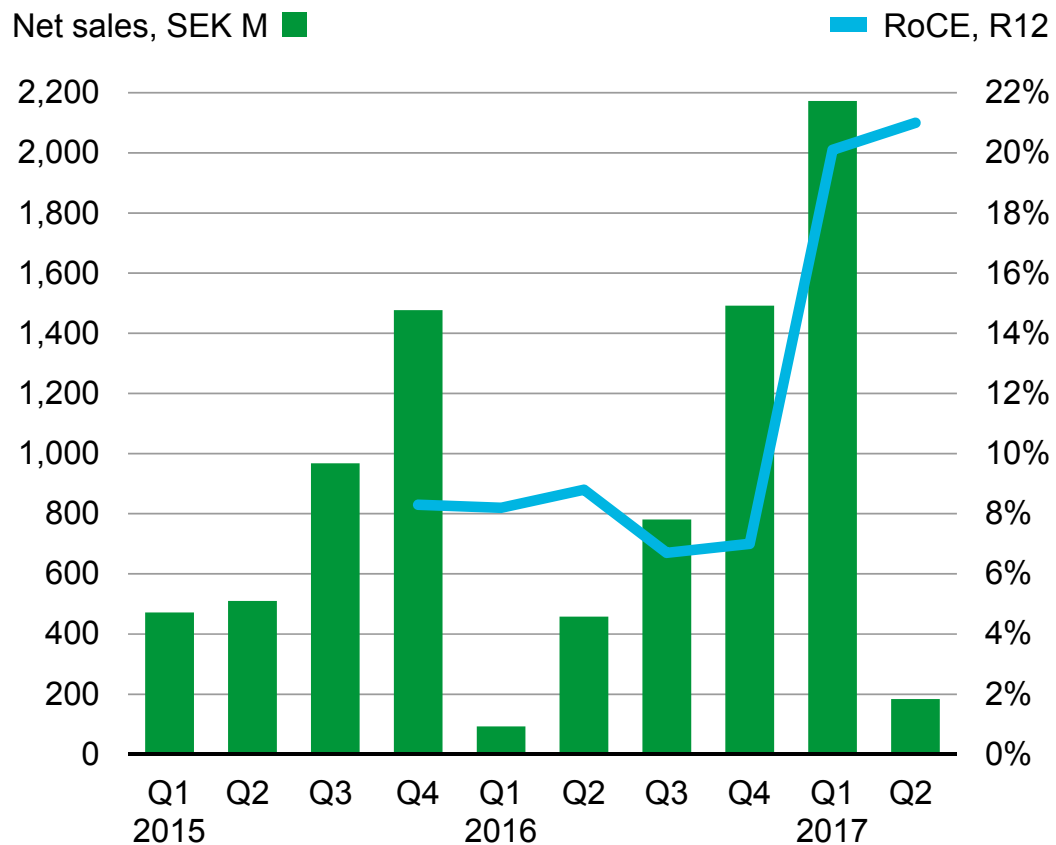
SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jul.16-Jun. 17	Jan.-Dec. 2016
Net sales	4,539	4,250	17,335	17,007
Operating profit	70	93	123	162
Operating margin, %	1.5	2.2	0.7	1.0

# NCC Industry



SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jul. 16-Jun. 17	Jan.-Dec. 2016
Net sales	3,416	3,039	11,336	10,760
Operating profit	336	290	594	533
Operating margin, %	9.8	9.6	5.2	4.9
RoCE, %			13.9	13.5

# NCC Property Development

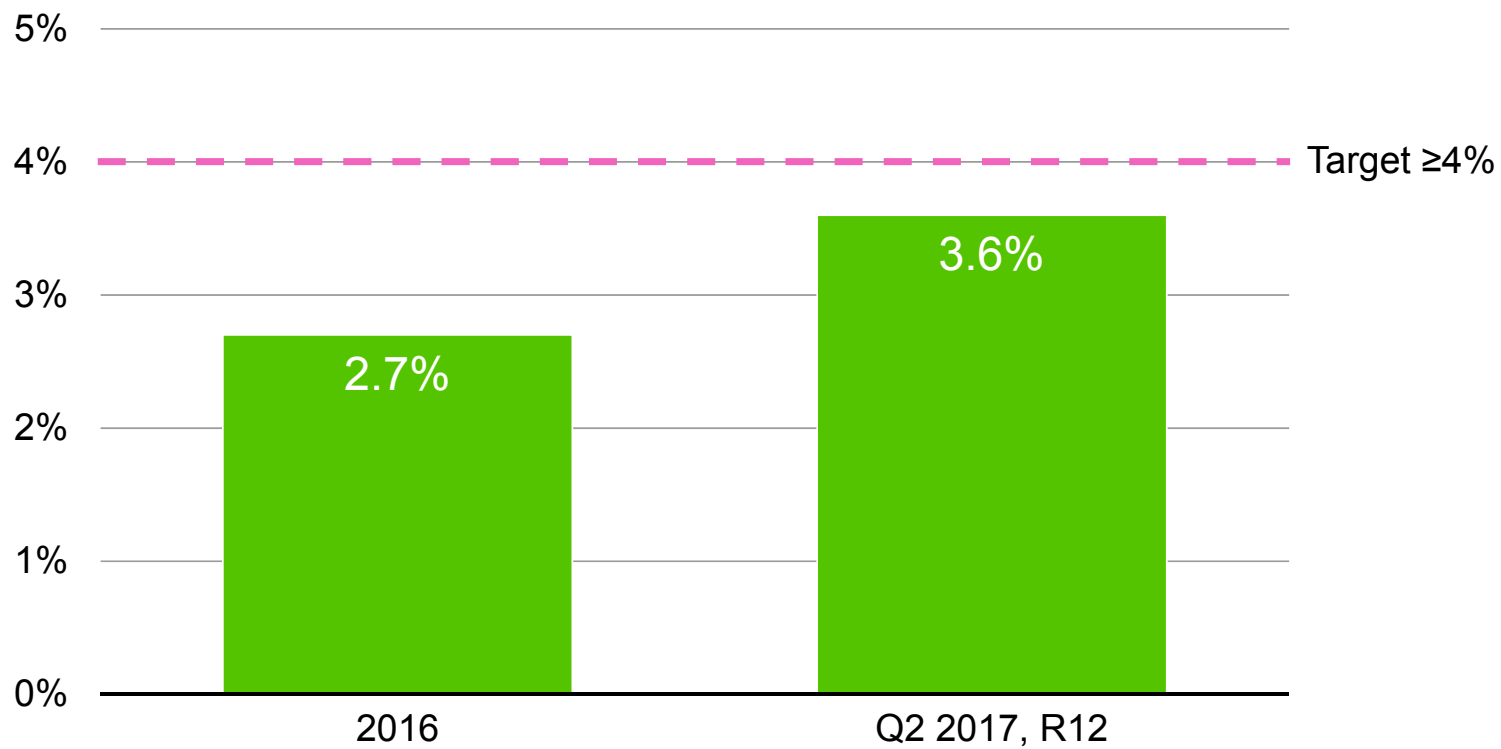


SEK M	Apr.-Jun. 2017	Apr.-Jun. 2016	Jul. 16-Jun. 17	Jan.-Dec. 2016
Net sales	184	458	4,630	2,823
Operating profit	65	71	892	327
Operating margin, %	35.4	15.5	19.3	11.6
RoCE, %			21.0	7.0

# Group financial objectives

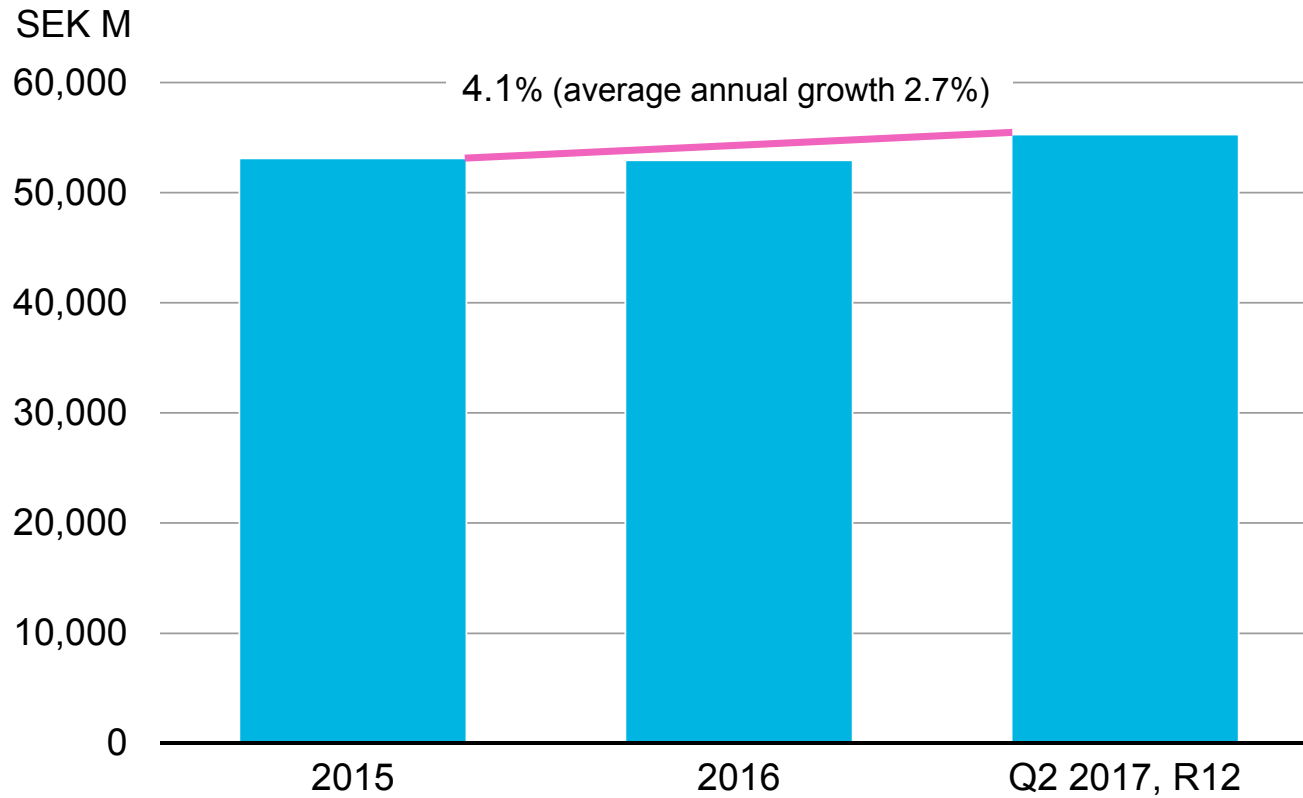


# Operating margin



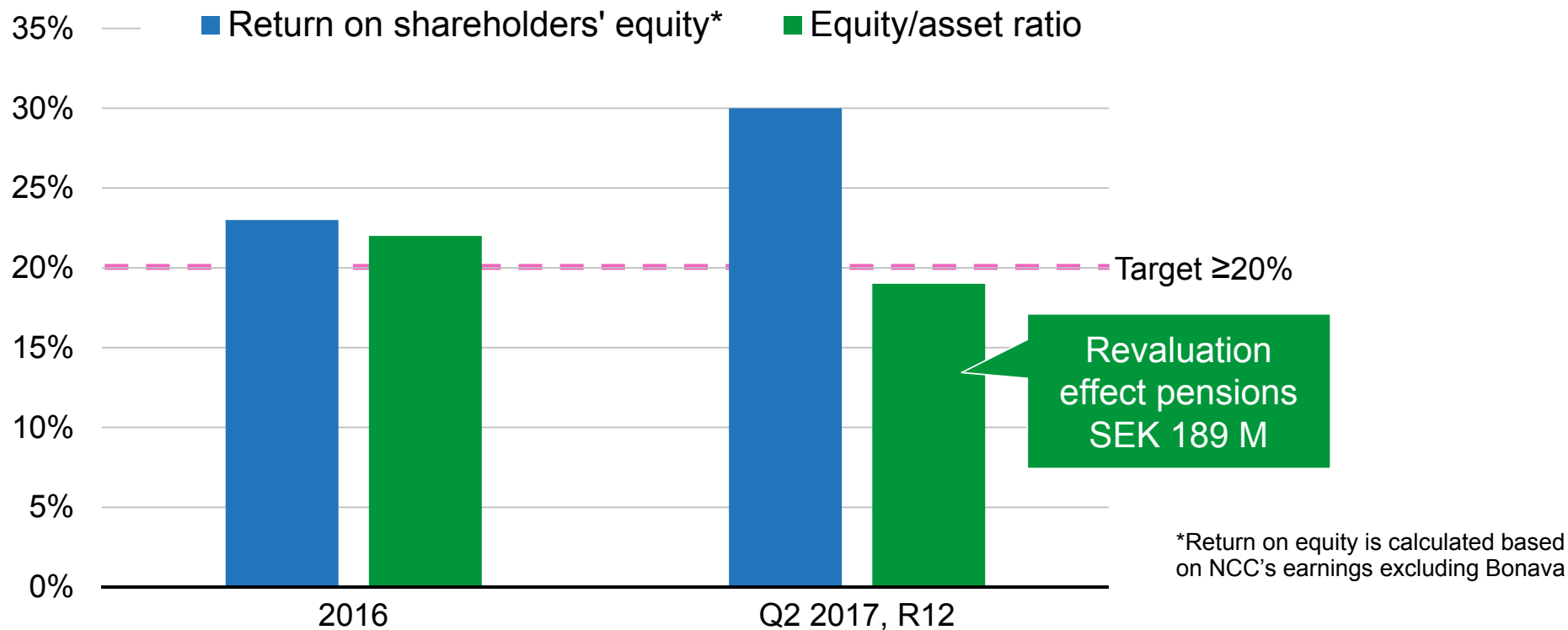


# Revenue development

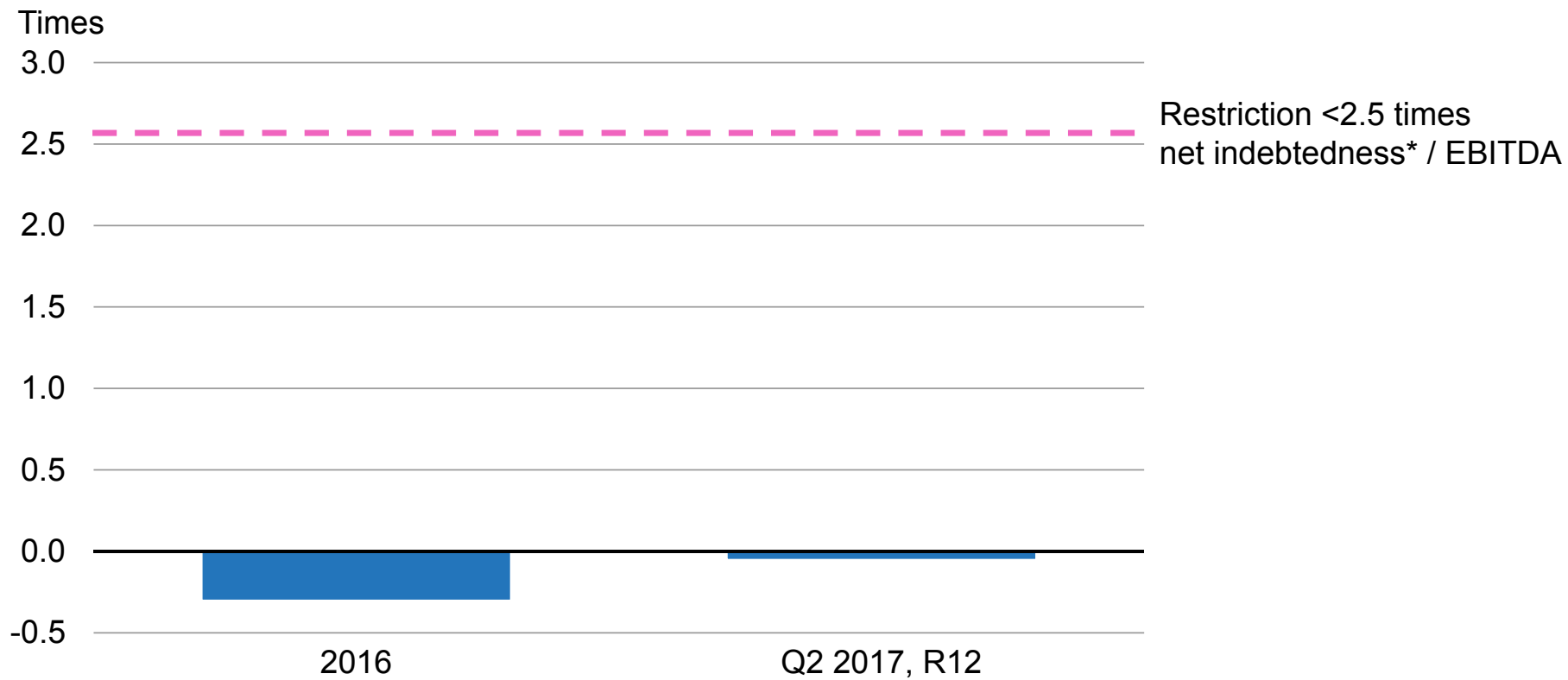


**Objective:**  
5% average annual  
revenue growth

# Equity/asset ratio and return on shareholders' equity



# Net indebttness



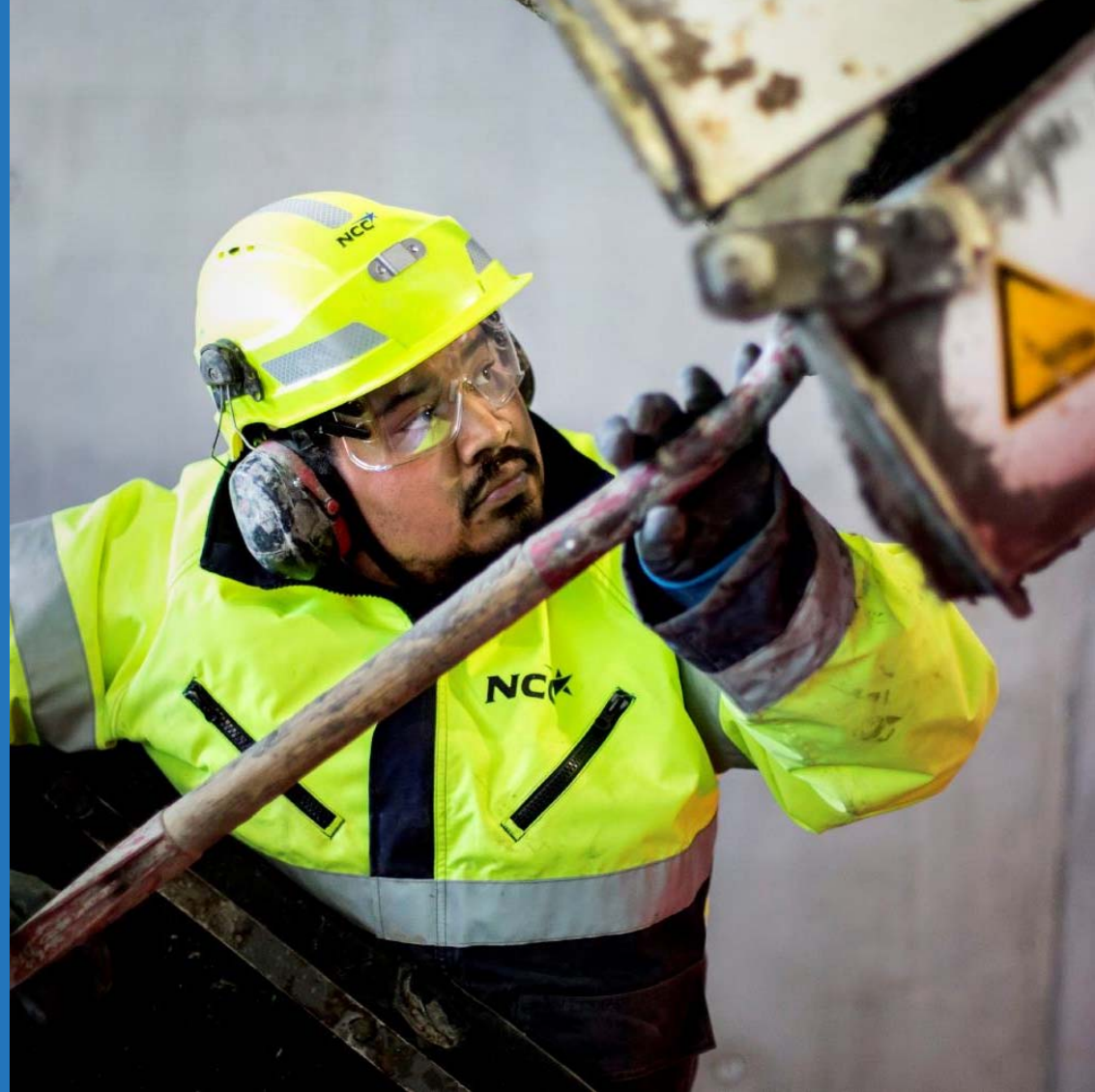
\* Excl. pension liability



Stora Sjöfallet, Stockholm

# Summary Q2 2017

- Project starts in NCC Property Development
- Good result for NCC Industry
- Weak result in NCC Infrastructure
- Lower net sales in NCC Building
- Higher order backlog
- Favorable market outlook
- Increasing margins, cost and capacity in focus





# Contact information

IR Manager

**Johan Bergman**

Tel: +46 (0)70-354 80 35

[johan.bergman@ncc.se](mailto:johan.bergman@ncc.se)

Chief Financial Officer

**Mattias Lundgren**

Tel: +46 (0)70-228 88 81

[mattias.l.lundgren@ncc.se](mailto:mattias.l.lundgren@ncc.se)