

# Year-end report 2012

Peter Wågström  
President and CEO

Ann-Sofie Danielsson  
Chief Financial Officer

## Q4 in brief

- Strong close resulted in successful year
- All business areas on par with or better than the year-earlier period
- Orders received: SEK 15,423 M (14,932)
- Net sales: SEK 19,069 M (18,119)
- Operating profit: SEK 1,334 M (1,140)
- Cash flow before financing: SEK 2,980 M (706)



Helix, psychiatric clinic, Huddinge



## 2012 in summary

- Operating profit at high level: SEK 2,537 M (2,017)
- Return on equity: 23 percent (17)
- Higher sales and profit in construction operations
- Higher profit from development business – 45 percent (31) of operating profit
- Industrial business developed in line with the preceding year



National Highway 50, Motala

# Earnings per share and dividend

*SEK*



# NCC's Construction units

## *Market*

### Q4

- Some recovery in demand for housing and other building contracts
- Stable demand in civil engineering market

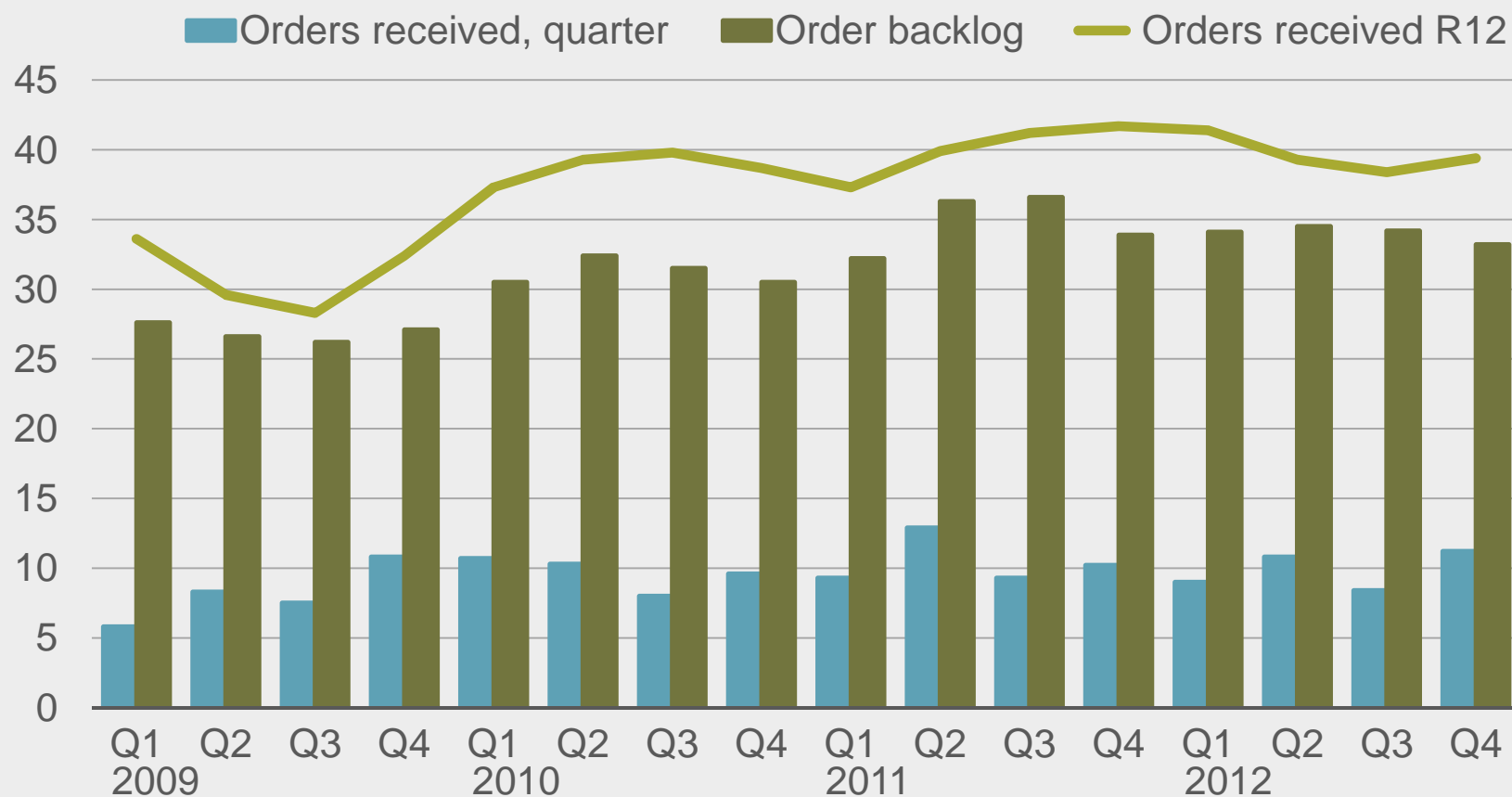
### 2013

- Weak start, full-year in line with 2012
  - Strong construction market in Norway
  - Other markets weaker



# Order backlog – NCC’s Construction units

SEK BN

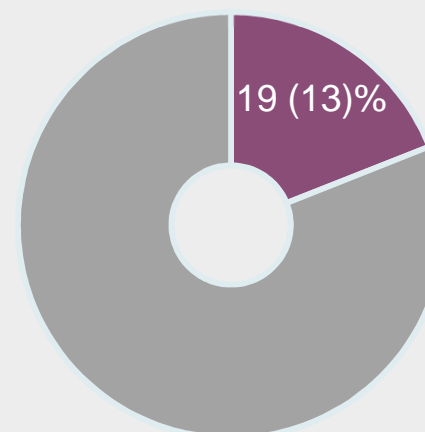


# NCC's Construction units

– major orders in Q4 2012

- Office building in Stockholm City: SEK 1,000 M
- Housing at Busholmen in South Helsinki, Finland: SEK 270 M
- Angered's Local Hospital, Gothenburg, Sweden: SEK 400 M
- 123 foundations and access roads for two wind farms, Sollefteå, Sweden: SEK 460 M

Orders received, share exceeding SEK 250 M



Total SEK 11.2 BN (10.2)



## New office building in Stockholm City

- 35,000 m<sup>2</sup> of office space
- Customer: Pembroke Real Estate
- Tenant: Nordea
- Climate smart – objective to achieve the highest LEED Platinum certification
- Order worth SEK 1 BN



Hästen 22, Stockholm



# NCC Roads

## *Market*

### Q4

- Shorter season – reduction in asphalt volume
- Lower demand for aggregates, primarily in Sweden and Denmark

### 2013

- Market outlook
  - Asphalt on par with 2012
  - Aggregates slightly lower
  - Growth potential in road services



# Strategic investments 2012

- Control and efficiency-enhancing projects
- NCC Recycling
- Capital rationalization in the asphalt operation  
– including more efficient utilization of machinery
- Value-based pricing of aggregates
- Review of road services – Nordic coordination



# NCC Housing *Market*

## Q4

- Demand on par with the preceding year
- House buyers cautious in Sweden and Finland
- Market potential best in St. Petersburg and weakest in the Baltic countries and Denmark

## 2013

- Demand is expected to be stable, with unchanged price levels





# Housing portfolio trend

	For private customers		For investors		Total	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
<b>Number</b>						
In progress	<b>4,391</b>	4,233	<b>1,377</b>	1,130	<b>5,768</b>	5,363
Sales rate, %	<b>43</b>	42	<b>96</b>	89	<b>56</b>	52
Completion rate, %	<b>47</b>	43	<b>40</b>	49	<b>45</b>	45



Vistaberg, Huddinge

# Housing units sold

	Oct-Dec		Jan-Dec	
Number of housing units	2012	2011	2012	2011
Sweden	210	162	702	567
Denmark	63	34	121	70
Finland	251	188	736	815
Baltic countries	33	23	103	98
St. Petersburg	111	39	496	169
Norway	54	38	144	125
Germany	195	201	635	660
<b>Total, private customers</b>	<b>917</b>	<b>685</b>	<b>2,937</b>	<b>2,504</b>
Investment market	651	392	1,395	724
<b>Total</b>	<b>1,568</b>	<b>1,077</b>	<b>4,332</b>	<b>3,228</b>

# Housing sales for investors Q4

## *Major transactions*

City	Housing units	Price SEK M	Recognized in profit
Berlin, Germany	148	315	Q3 2014
Hamburg, Germany	92	185	Q3 2014



Hamburg-Mitte, Germany



# Unsold, completed housing units

Number of housing units	2012	2011
Sweden	77	36
Denmark	40	36
Finland	152	50
Baltic countries	75	45
St. Petersburg	11	13
Norway	16	5
Germany	22	13
<b>Total, private customers</b>	<b>393</b>	<b>198</b>
Investment market	0	0
<b>Total</b>	<b>393</b>	<b>198</b>

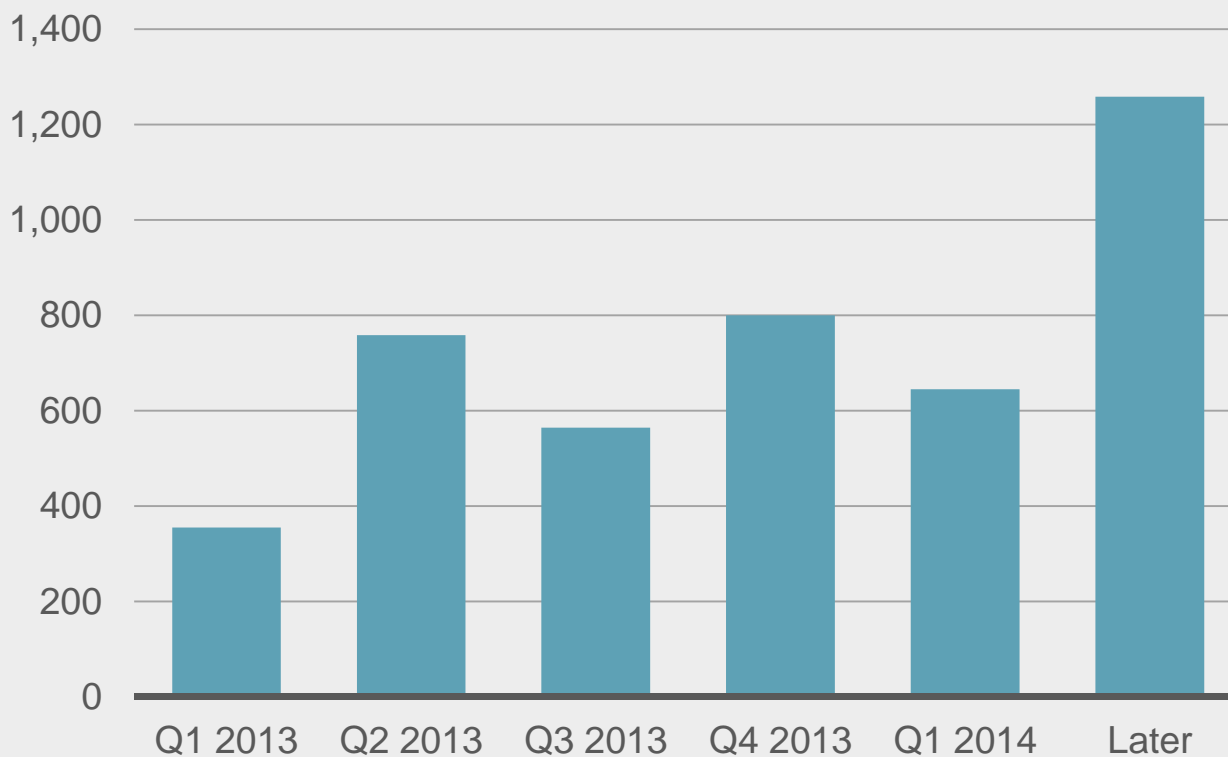
# Housing starts

	Oct-Dec		Jan-Dec	
Number of housing units	2012	2011	2012	2011
Sweden	44	262	690	924
Denmark	105	67	167	110
Finland	346	250	728	924
Baltic countries	45	0	118	149
St. Petersburg	651	136	651	618
Norway	118	45	174	142
Germany	159	133	668	697
<b>Total, private customers</b>	<b>1,468</b>	<b>893</b>	<b>3,196</b>	<b>3,564</b>
Investment market	536	437	1,328	852
<b>Total</b>	<b>2,004</b>	<b>1,330</b>	<b>4,524</b>	<b>4,416</b>

# Housing units for private customers

*Estimated completion*

Number of housing units

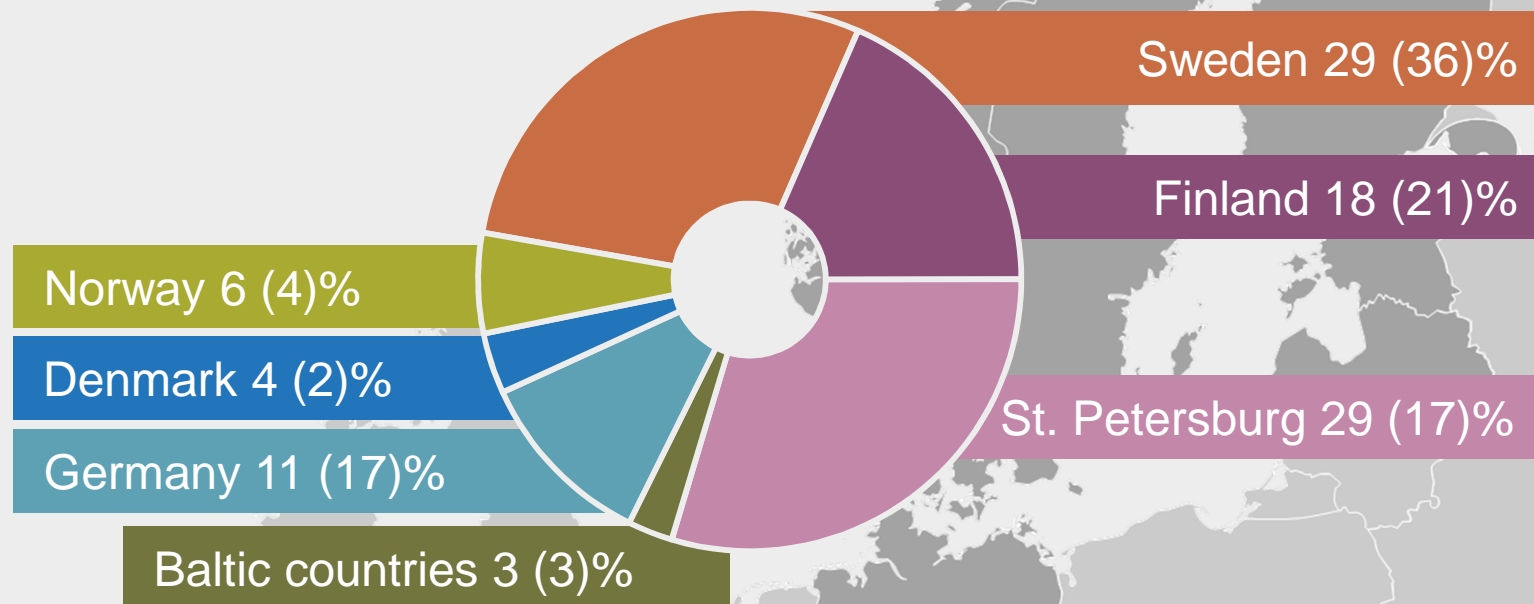




# NCC Housing

*Housing units in progress for private customers*

*December 31, 2012 (September 30, 2012)*



# NCC Property Development *Market*

- Demand for modern and “green” properties in prime locations
- Longer decision-making processes
- Stable rents and vacancies



Lysaker Polaris, Oslo

# Project start Q4

- Company House Zenit 4.1, Aarhus, Denmark, total 20,000 m<sup>2</sup>
- Office space, 3,100 m<sup>2</sup>
- Leasing rate 19 percent
- GreenBuilding, DGNB Silver



# Property sales Q4

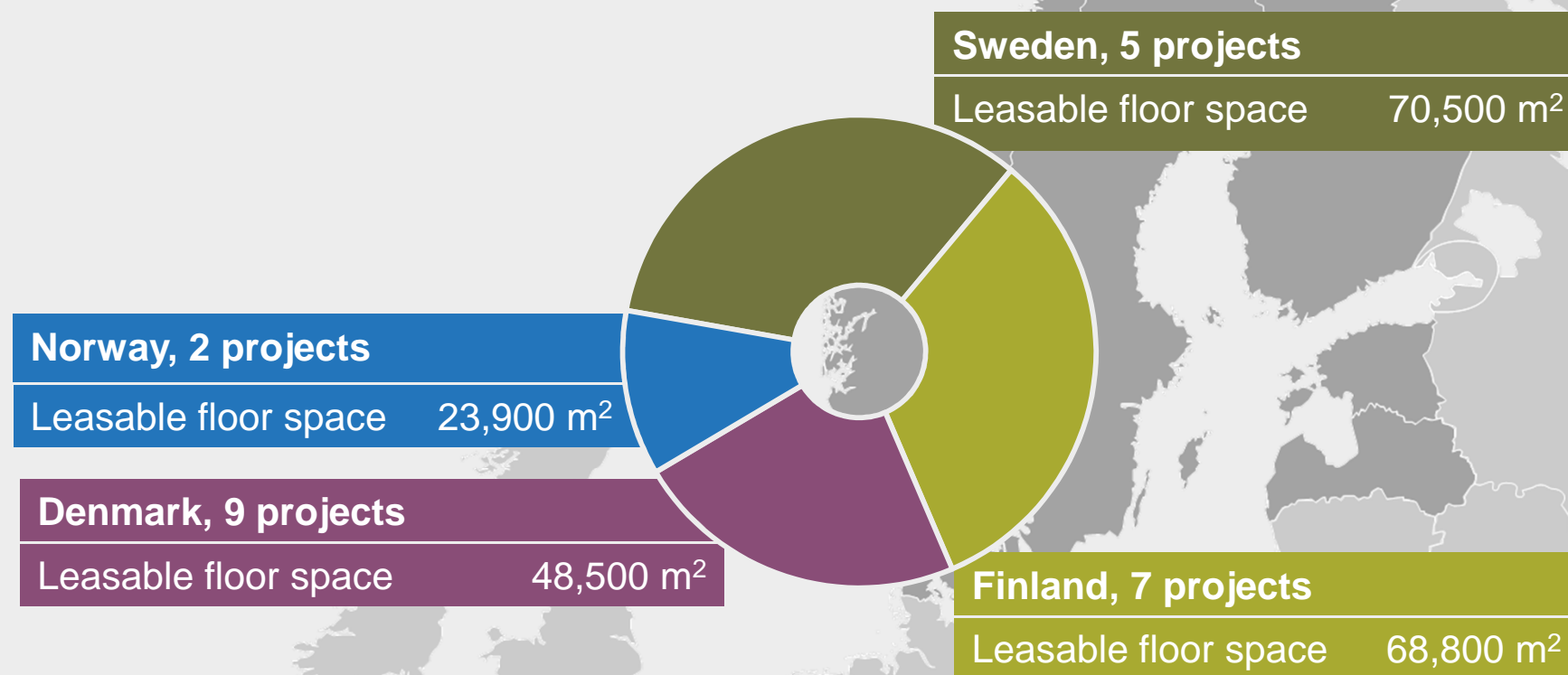
Project	Type	Price SEK M	Recognized in profit
CH Tangen, Aarhus, Denmark	Office	175	Q1 2013
Ullevi Park II, Gothenburg, Sweden	Office	580	Q2 2013
Triangeln, Malmö	Retail and office	1,195	Q4 2013
Lielahiti, Tampere, Finland	Retail	390	Q2 2014

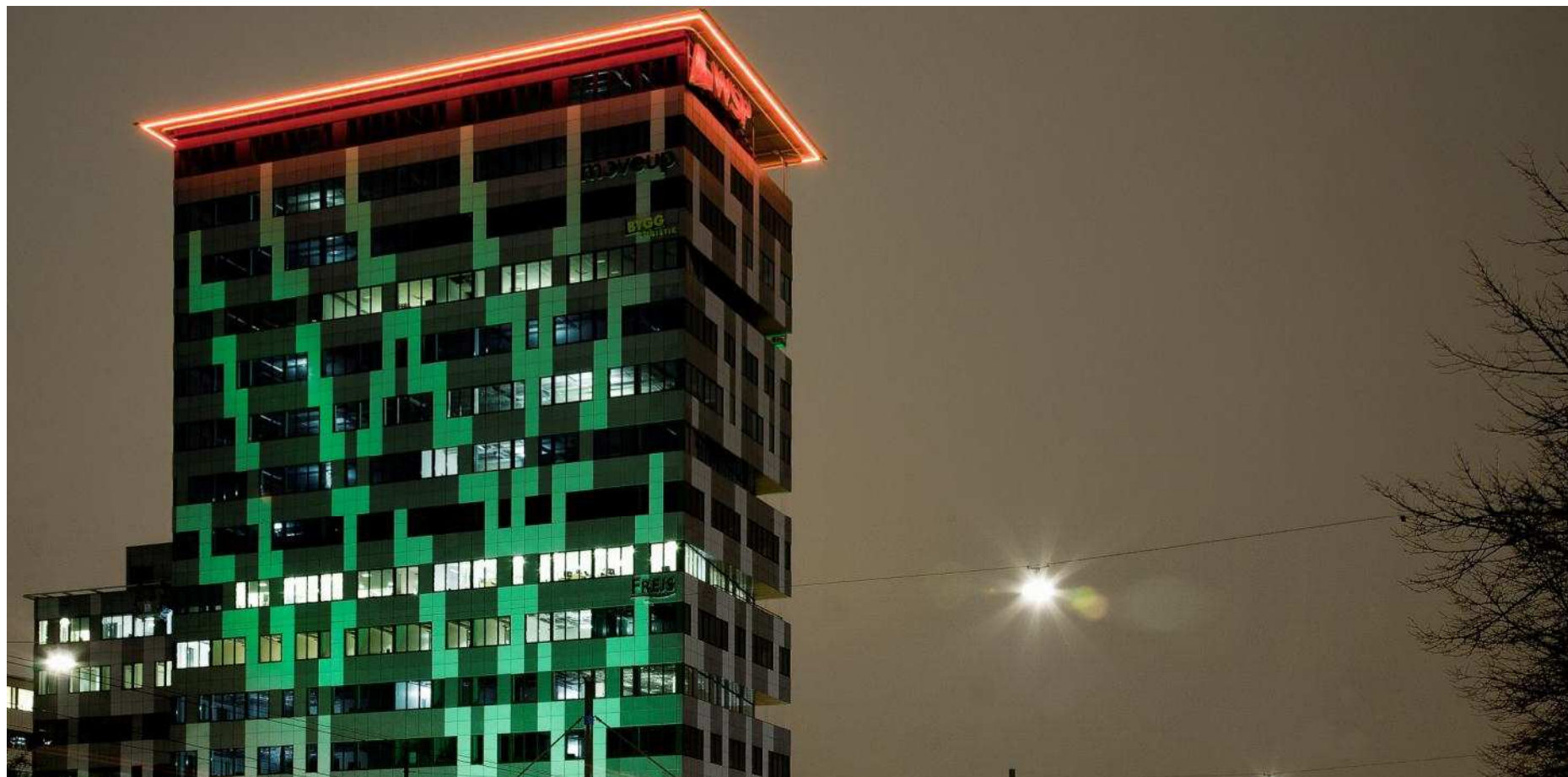




# NCC Property Development

*23 ongoing or completed projects  
(not recognized in profit)*





**Ann-Sofie Danielsson**  
Chief Financial Officer

Ullevigatan, Gothenburg

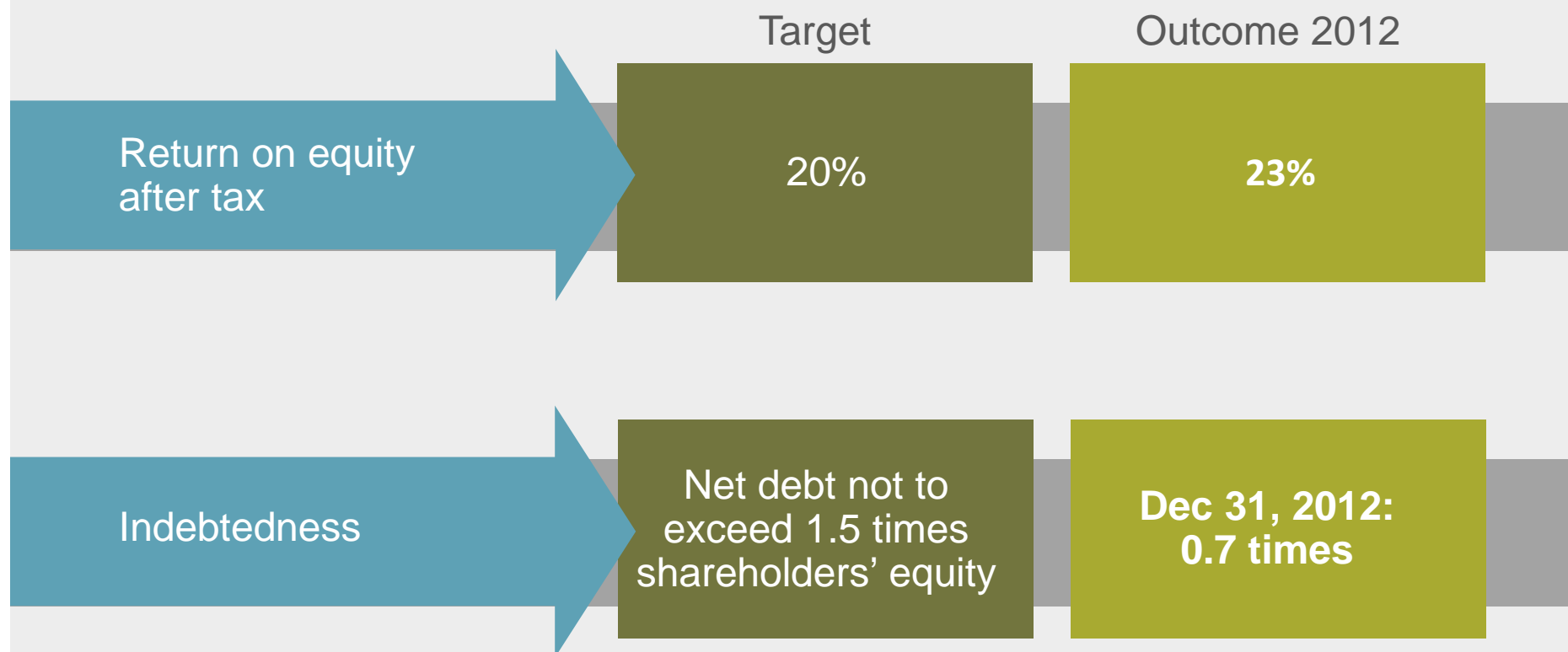
## Q4 in brief

- Profit after tax: SEK 357 M, better than Q4 2011
- Strong cash flow
- Continued investments in property and housing projects



Vallda Heberg, Kungsbacka

# Financial objectives

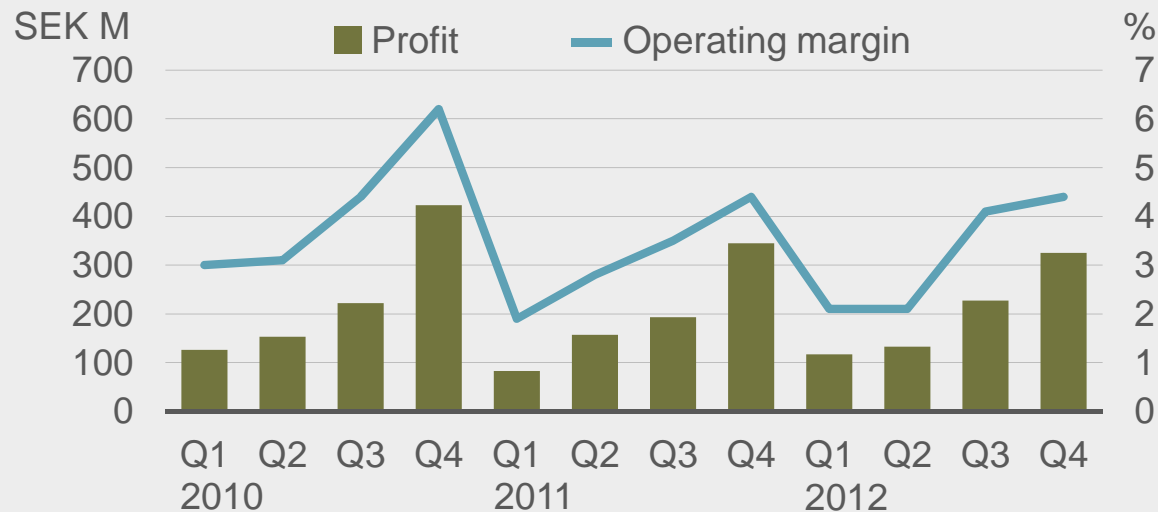
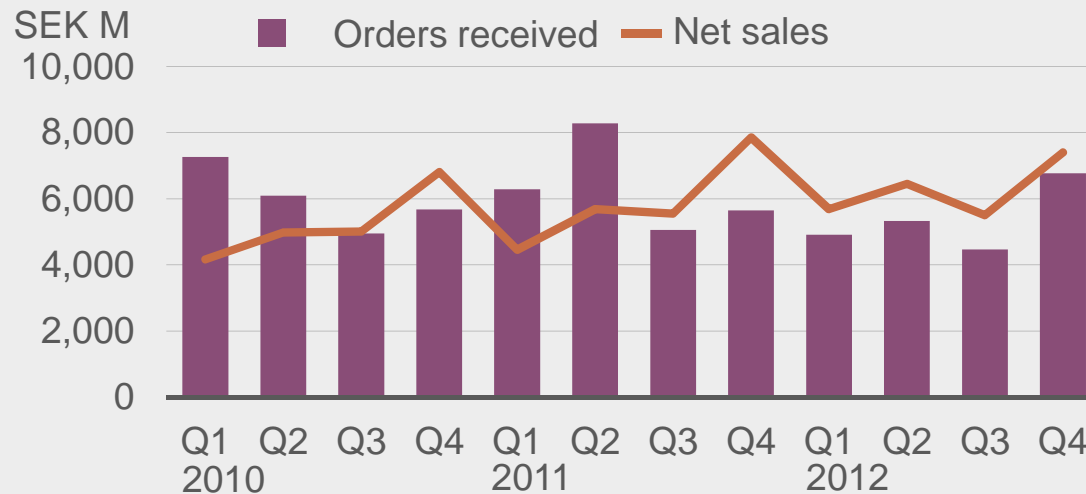




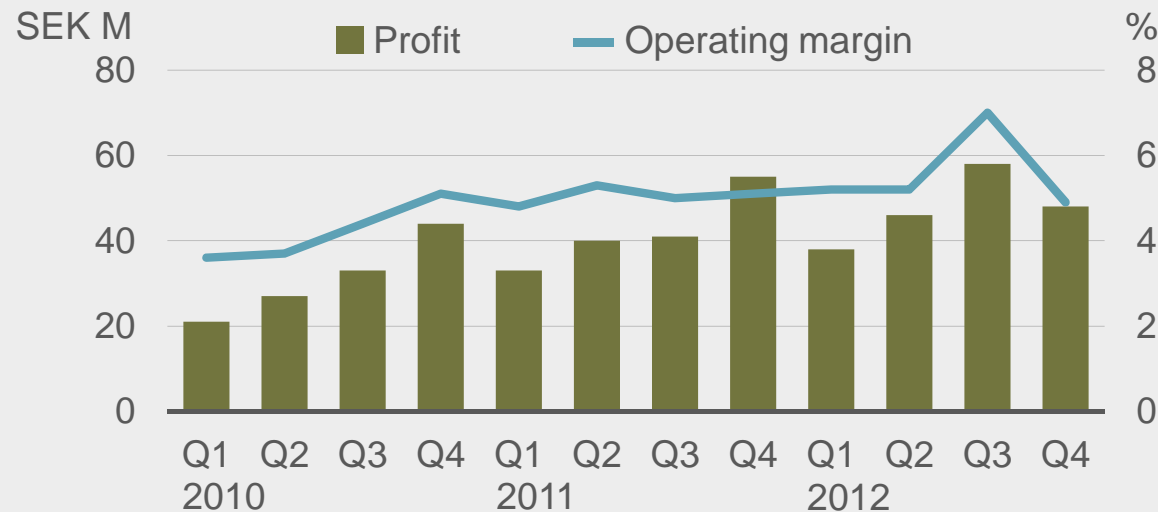
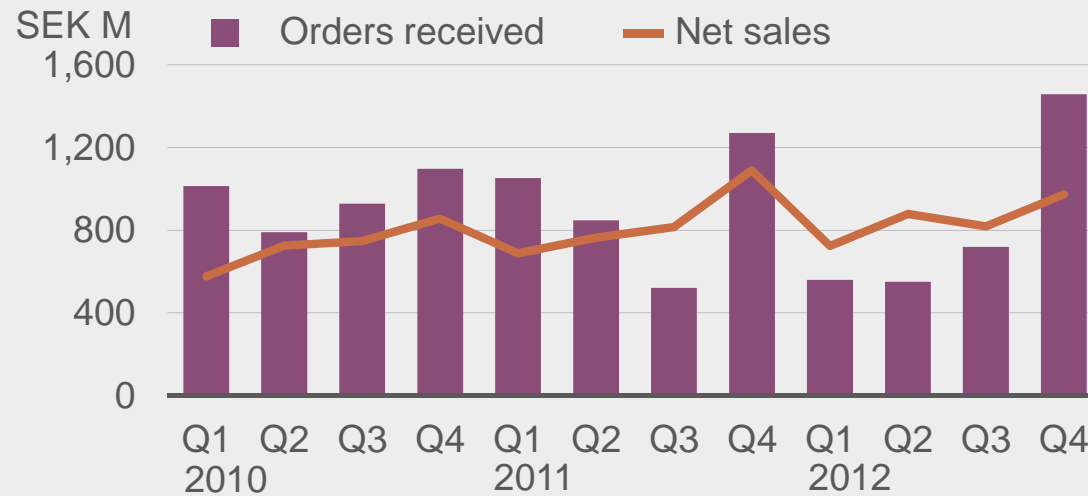
# Income statement

SEK M	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Net sales	19,069	18,119	57,227	52,535
<b>Gross profit</b>	<b>2,208</b>	<b>1,965</b>	<b>5,504</b>	<b>4,814</b>
Selling and administrative costs	-879	-798	-2,977	-2,774
<i>Cost ratio</i>			5.2%	5.3%
Other			9	-23
<b>Operating profit</b>	<b>1,229</b>	<b>1,167</b>	<b>2,527</b>	<b>2,017</b>
Financial items			-274	-208
<b>Profit after financial items</b>	<b>1,229</b>	<b>1,167</b>	<b>2,253</b>	<b>1,808</b>
Tax on profit for the period	-127	-311	-364	-496
<i>Tax rate</i>	10.1%	28.8%	16.1%	27.4%
<b>Profit for the period</b>	<b>1,126</b>	<b>769</b>	<b>1 899</b>	<b>1,312</b>

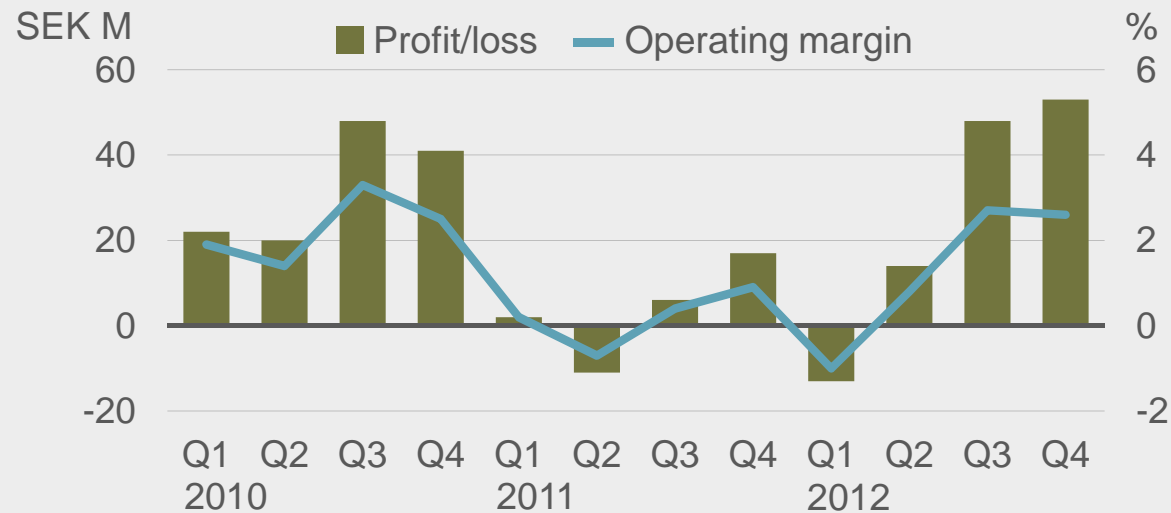
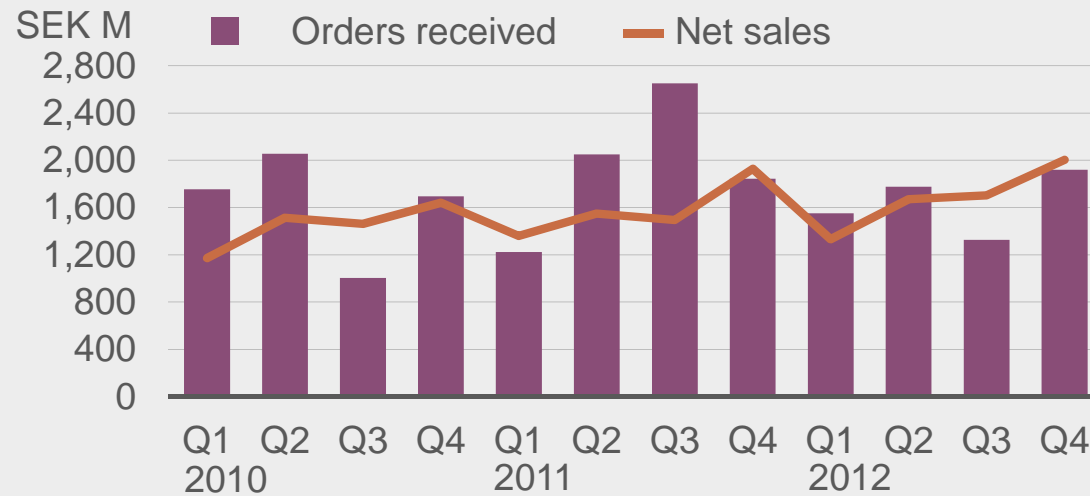
# NCC Construction Sweden



# NCC Construction Denmark



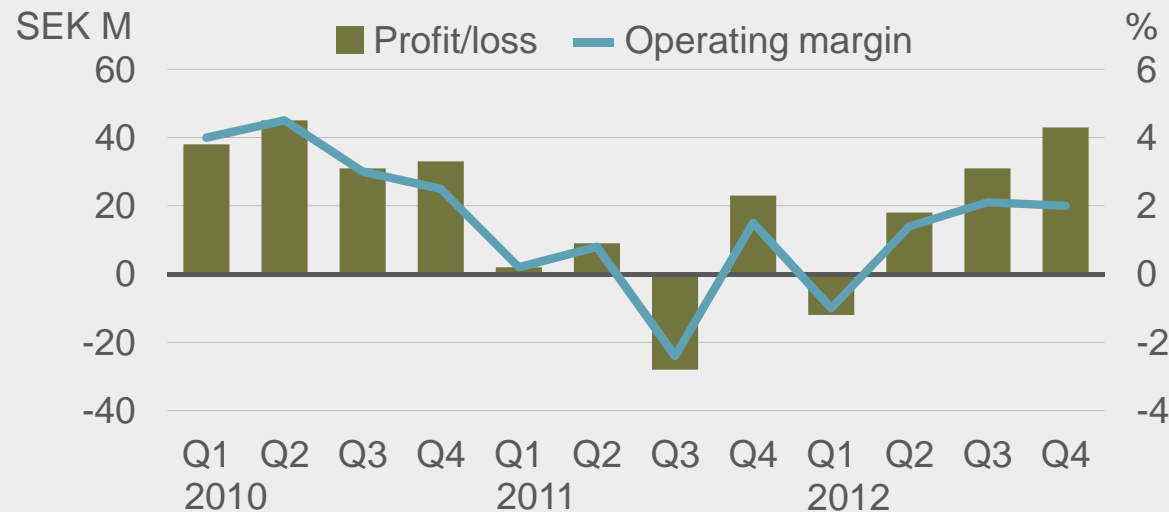
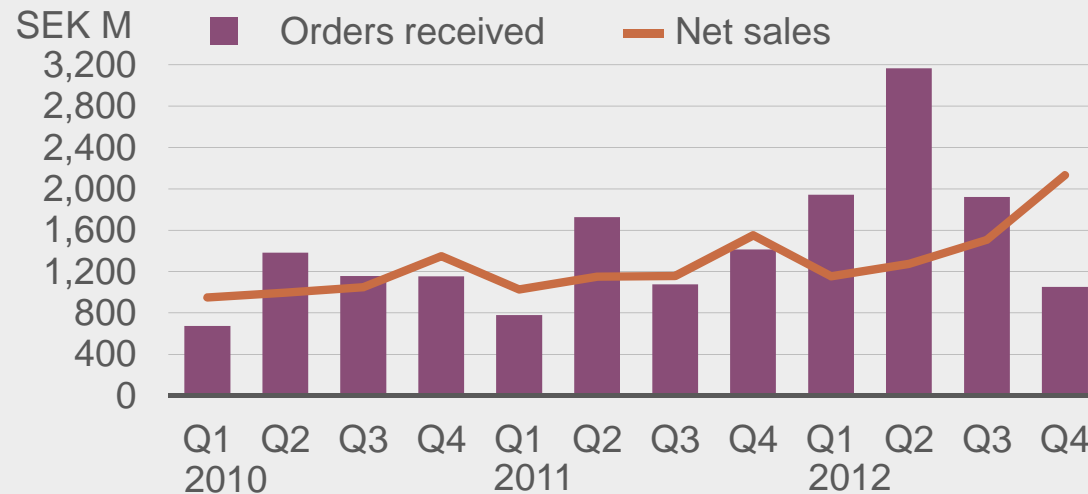
# NCC Construction Finland



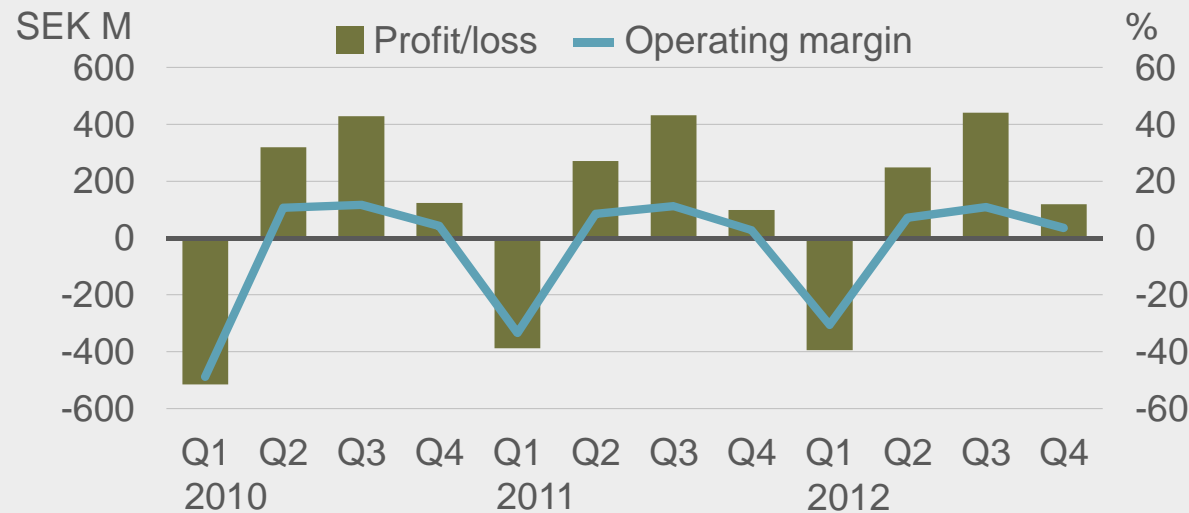
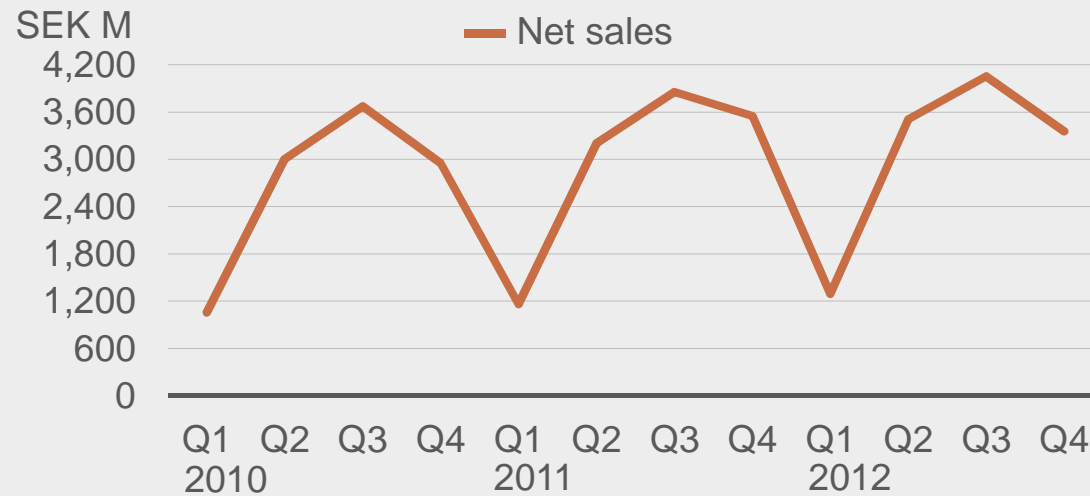
Matinkyla Metrocentre, Espoo, Finland



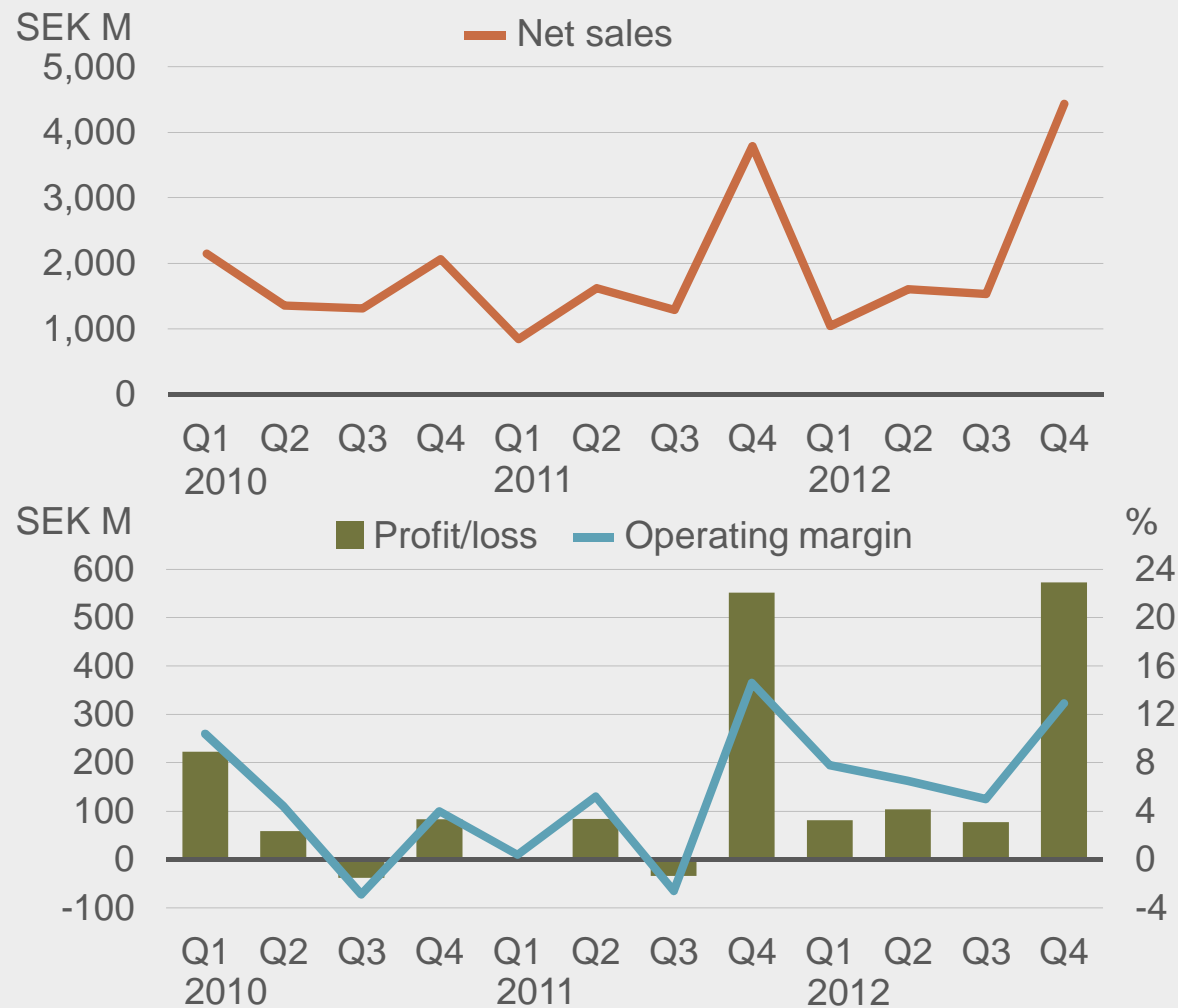
# NCC Construction Norway



# NCC Roads



# NCC Housing



# Housing units recognized in profit

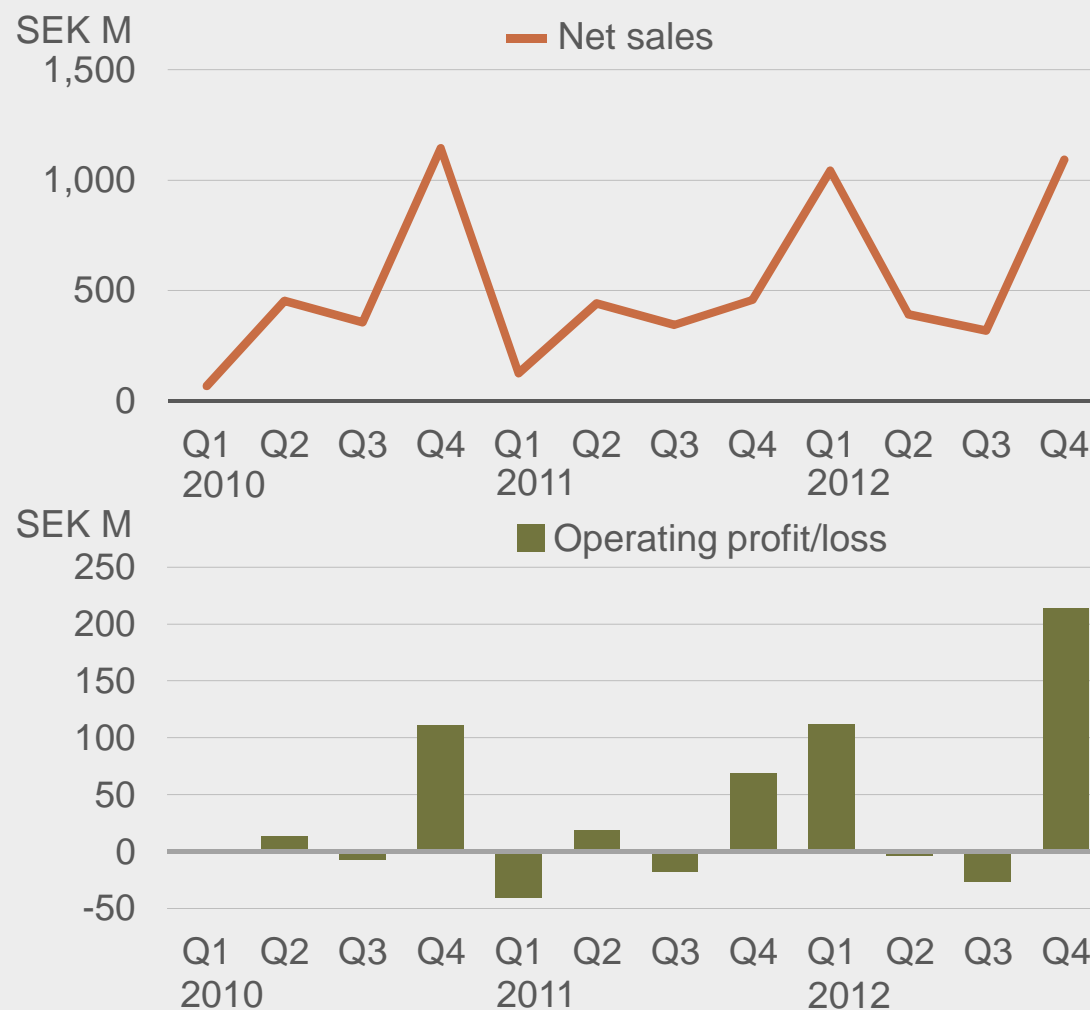
Number of housing units	Oct-Dec 2012	Oct-Dec 2011
Sweden	364	261
Denmark	56	67
Finland	401	399
Baltic countries	18	33
St. Petersburg	88	115
Norway	30	0
Germany	430	412
<b>Total, private customers</b>	<b>1,387</b>	<b>1,287</b>
Investor market	683	403
<b>Total</b>	<b>2,070</b>	<b>1,690</b>



P303, Plutonbrigaden, Örebro



# NCC Property Development



## Operating profit per business area

<b>SEK M</b>	<b>Oct-Dec 2012</b>	Oct-Dec 2011	<b>Jan-Dec 2012</b>	Jan-Dec 2011
NCC Construction Sweden	325	345	801	777
NCC Construction Denmark	48	55	189	169
NCC Construction Finland	53	17	101	14
NCC Construction Norway	43	23	81	6
NCC Roads	119	99	413	414
NCC Housing	573	552	835	606
NCC Property Development	214	69	295	28
Other and eliminations	-39	-18	-177	4
<b>Operating profit</b>	<b>1,334</b>	<b>1,140</b>	<b>2,537</b>	<b>2,017</b>

# Balance sheet

SEK BN	Dec 31, 2012	Dec 31, 2011
Goodwill	1.8	1.6
Property projects	5.3	4.5
Housing projects	11.7	9.9
Accounts receivable and prepayments		
Other		
<b>Total</b>		

SEK BN	Dec 31, 2012	Dec 31, 2011
Development properties	2.2	2.3
Ongoing property projects	2.7	1.6
Completed property projects	0.5	0.5
<b>Total property projects</b>	<b>5.3</b>	<b>4.5</b>



Lysaker Polaris, Oslo

# Balance sheet

SEK BN	Dec 31, 2012	Dec 31, 2011
Goodwill	1.8	1.6
Property projects	5.3	4.5
Housing projects	11.7	9.9
Accounts receivable and receivables from property sales	8.2	

SEK BN	Dec 31, 2012	Dec 31, 2011
Development properties	5.5	4.8
Development costs	1.3	0.9
Ongoing housing projects	4.2	3.7
Completed housing units	0.8	0.4
<b>Total housing projects</b>	<b>11.7</b>	<b>9.9</b>



# Cash flow

SEK M	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
From operating activities	1,476	1,351	2,458	1,456
From property projects	11	-825	-928	-1,472
From housing projects	926	683	-2,046	-1,265
Other working capital	836	-256	489	-266
Investments	-267		-906	-857
<b>Cash flow</b>				<b>-2,404</b>

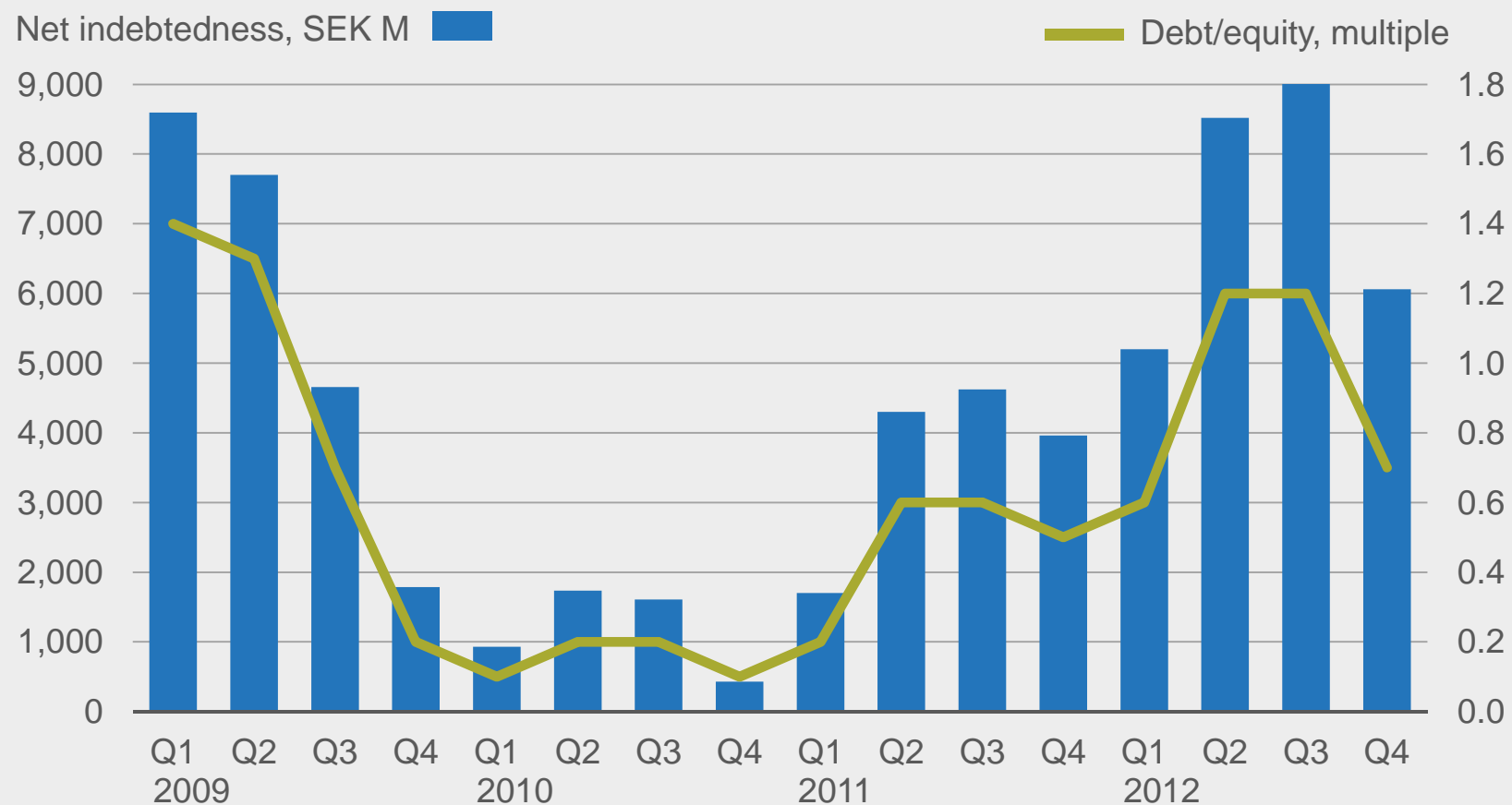
SEK M	Oct-Dec 2012	Oct-Dec 2011
Sales	3,601	3,065
Investments	- 2,675	-2,382
<b>From housing projects</b>	<b>926</b>	<b>683</b>



Operatunnel, Oslo



# Net indebtedness



# IAS 19 – new accounting standard for pensions 2013

- Amendment to recognition of pensions
  - discontinuation of corridor method
- Effect
  - No impact on earnings for 2012
  - Shareholders' equity down by over SEK 1 BN







# Strategy 2012-2015

Profitable growth

Customer focus

Market-leading

Costs

One NCC

Housing

Sustainability

Industry



≥ 2 times GDP growth

Construction and civil engineering



≥ 2 times GDP growth

Development



≥ 7,000 housing units

## Expansion in Norway

- Sales rose 22 percent to SEK 8,590 M
- Operating profit up to SEK 147 M
- Number of employees rose 18 percent to slightly more than 300
- Orders received increased 43 percent
- Order backlog grew 47 percent to SEK 8,397 M



Lysaker Polaris, Oslo



# Establishment of civil engineering operation in Finland

- Organic growth in 2012, up to 60 employees
- A number of new earthwork contracts
- Building up expertise to be able to submit tenders for more complex projects in future, such as infrastructure projects



# Growth in housing development transactions

- 400 more housing units – 5,800 in production
- Housing starts for private customers restricted by market climate, primarily in Sweden and Finland
- Increase in starts for investor market
- Favorable sales of housing
- Broadening of the product range, standardization
- Rental apartments



# Growth target for the period 2012-2015

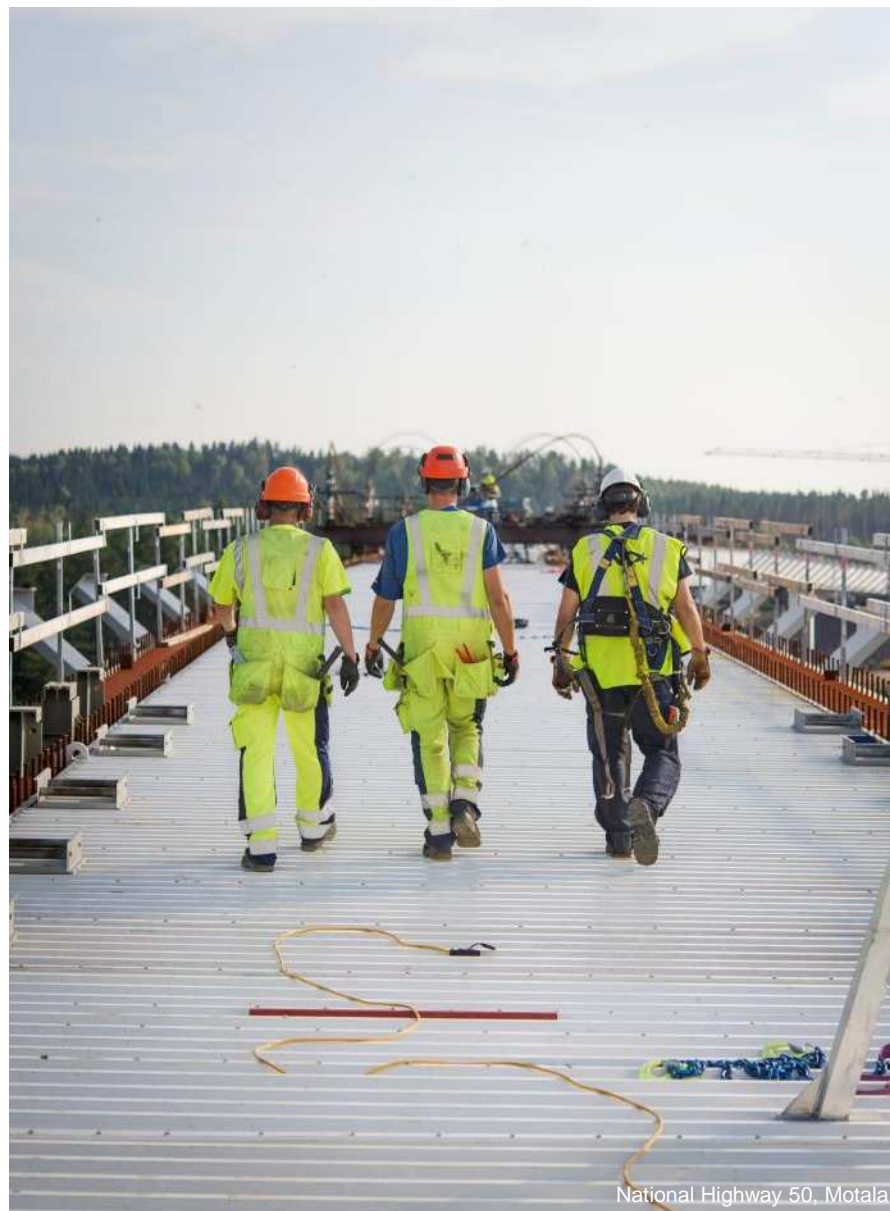
Target 2012-2015	Reconciliation 2012
Construction operation 2 times GDP	8 percent (GDP 0.5%)
Industry 2 times GDP	3.8 percent (GDP 0.5%)
At least 7,000 housing units in progress	5,768 (rose by more than 400)



# Summary 2012

# Summary

- Profitable growth in 2012
- Sales up 9 percent
- Operating profit up 26 percent
- Orders received at a favorable level
- Order backlog slightly lower than in the preceding year
- Healthy cash flow
- Return on equity: 23 percent







## Contact information

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