

Interim report January 1 – March 31, 2016

Peter Wågström
President and CEO

Mattias Lundgren
CFO

KMH, Stockholm

NCC Q1 2016

- Profit/loss after tax SEK -156 M (-204)
- Improvement due to
 - higher result from residential development/Bonava
 - improved result from NCC Industry

Spinoff of Bonava – effects on the financial statement

Accounting policy IFRS 5

- Bonava is recognized net on a single line under operations being discontinued in the income statement
- Bonava's sales are not eliminated while inter-company gains are eliminated
- Eliminations from the balance sheet comply with previous reports
- Bonava's assets and liabilities are recognized separately on one line each
- The order backlog and orders received are eliminated in the same manner as in previous reports
- In cash flow, Bonava's profit after net financial items is recognized separately, following which Bonava as a whole is included



Q1 2016

Orders received

SEK 10.1 BN
(11.1)

Net sales

SEK 9.2 BN
(10.3)

Order backlog

SEK 39.1 BN
(38.8)

Profit/loss after financial items

SEK -309 M
(-243)

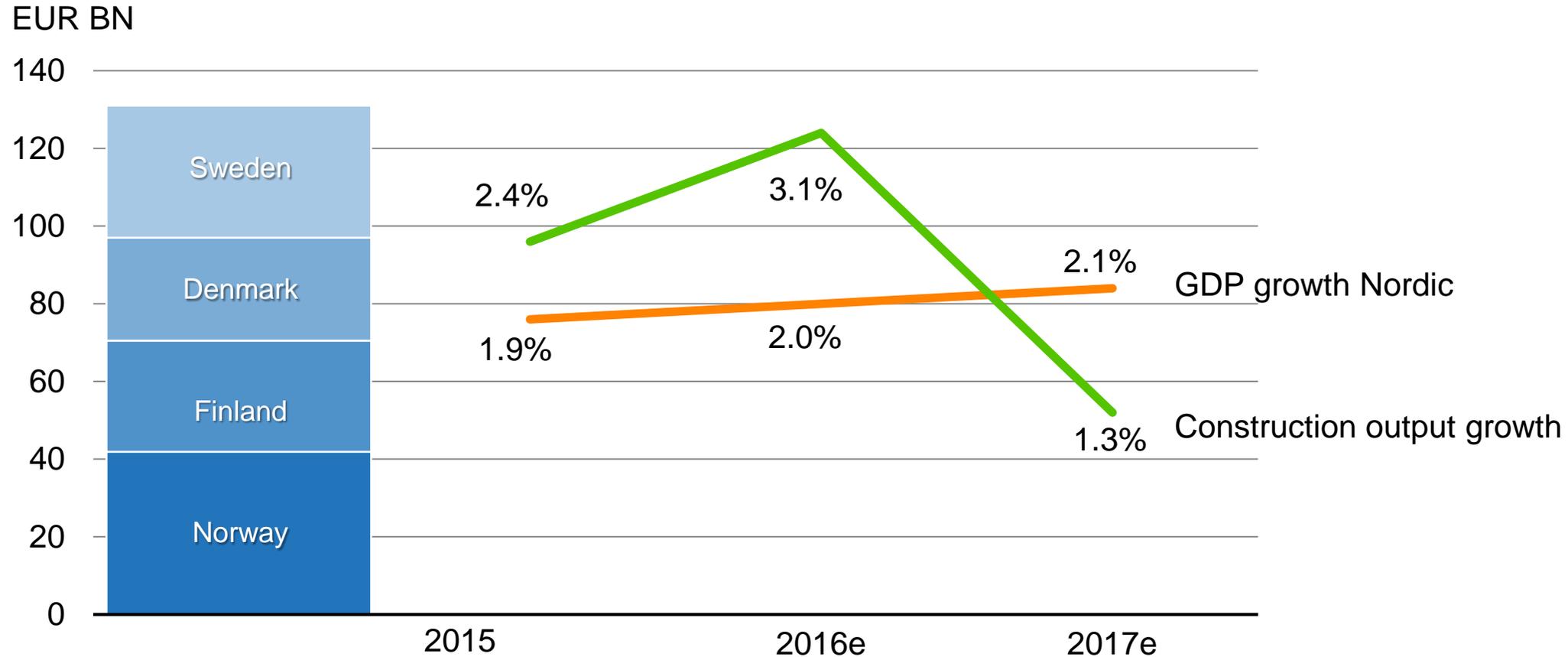
Nordic construction market outlook



Norsborgsdepån, Stockholm

Nordic construction market

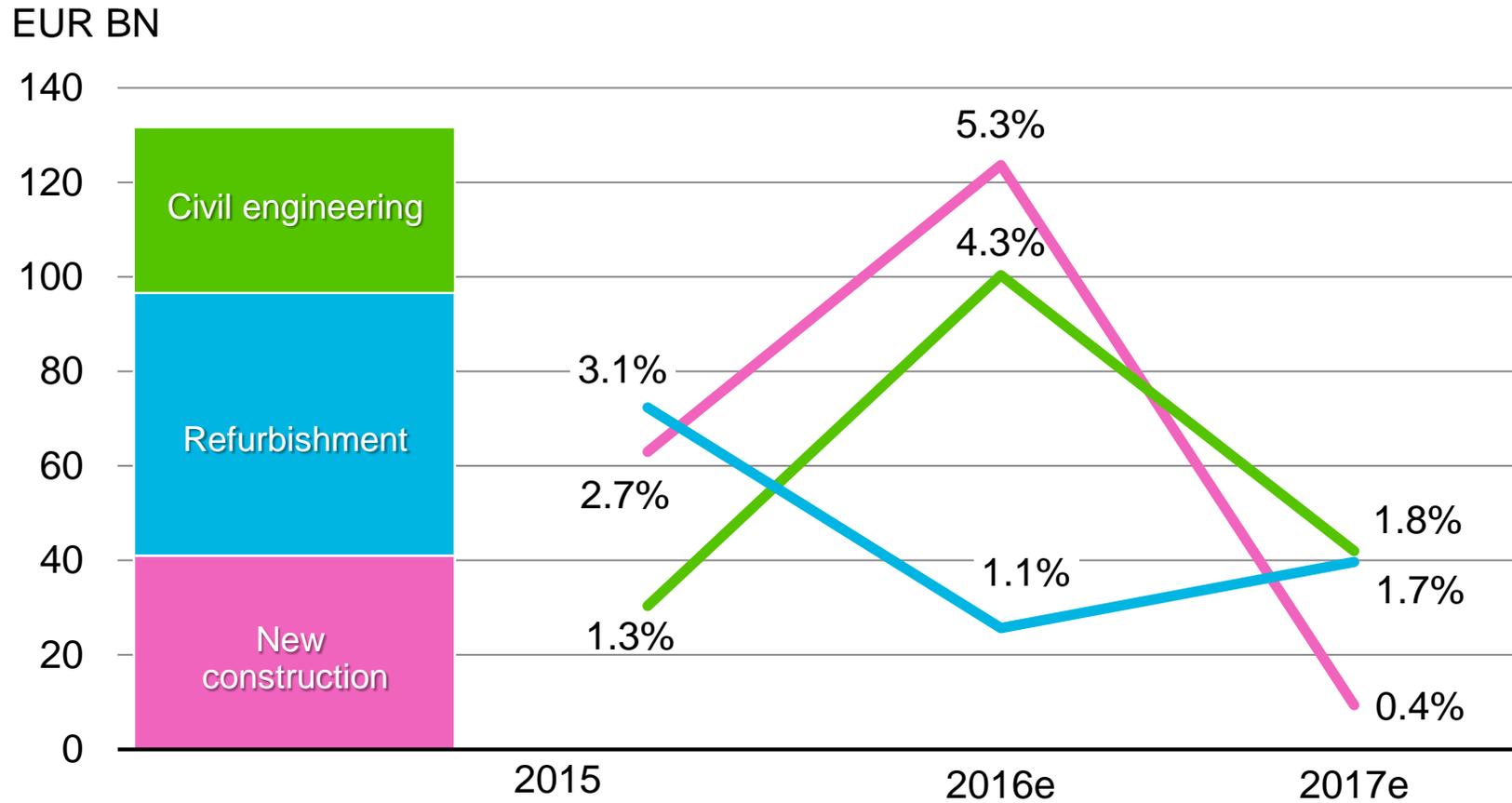
Higher growth in construction volume than GDP 2016



Source: Euroconstruct and NCC

Nordic construction market

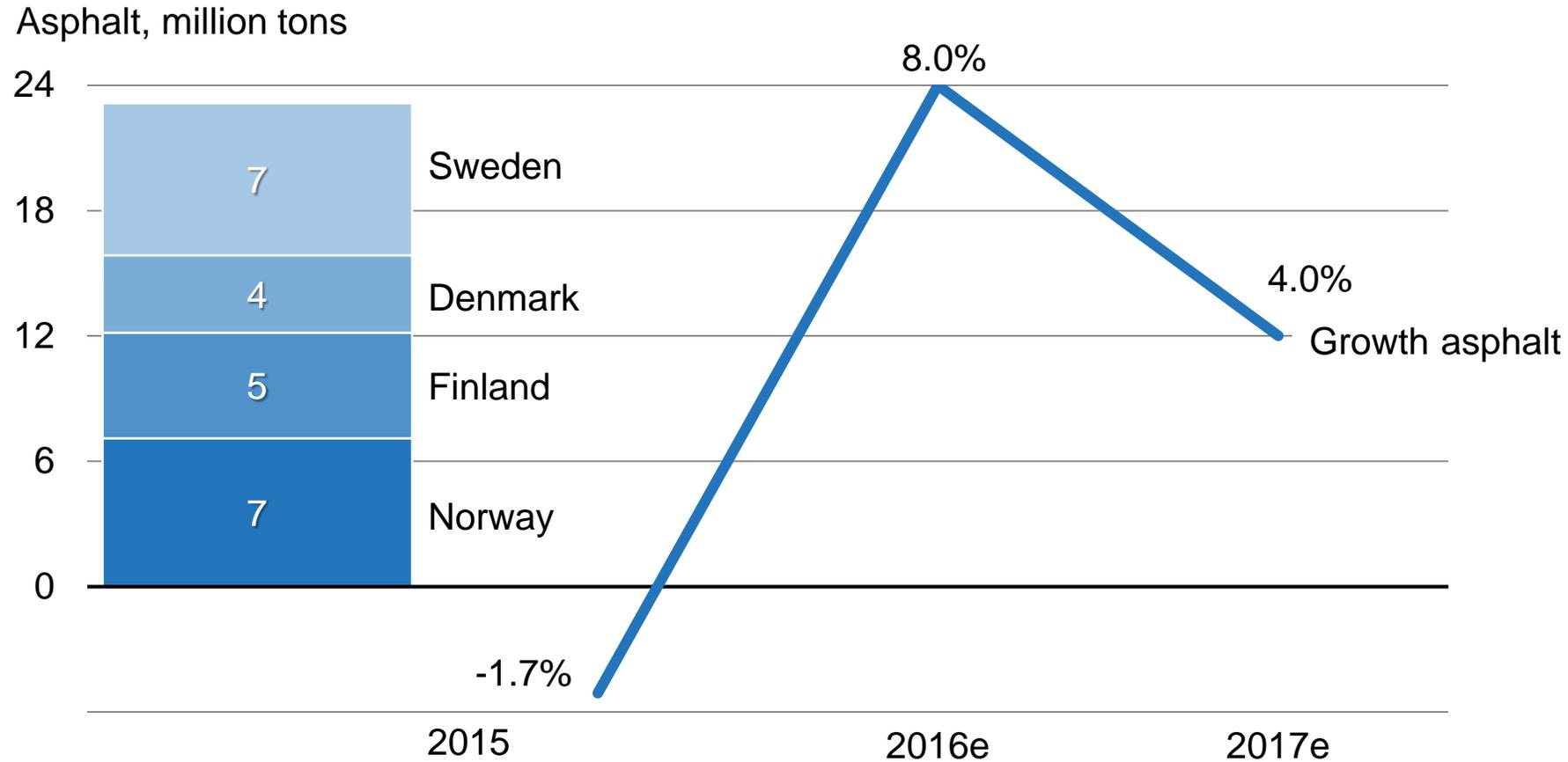
Construction volume by segment



Source: Euroconstruct and NCC

Nordic construction market

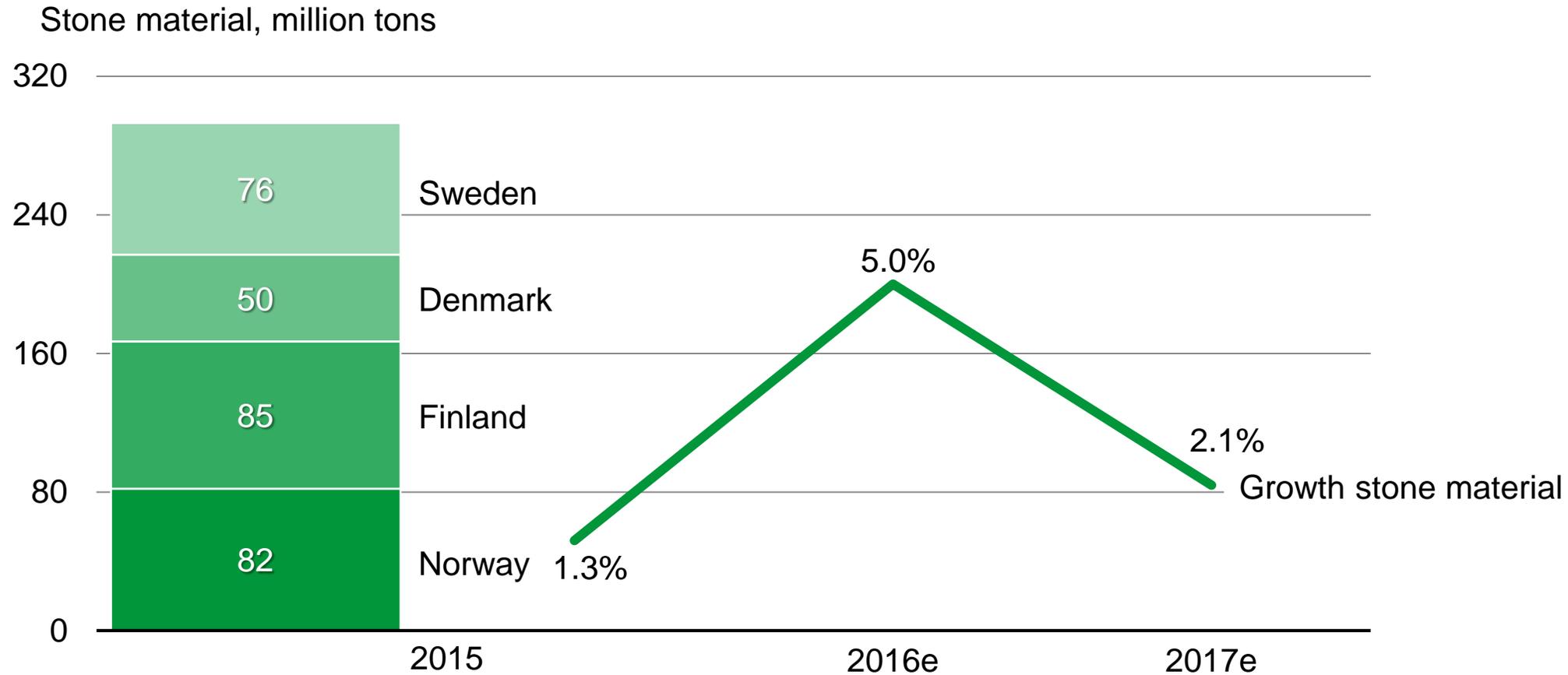
Market outlook – asphalt



Source: Euroconstruct and NCC

Nordic construction market

Market outlook – stone material

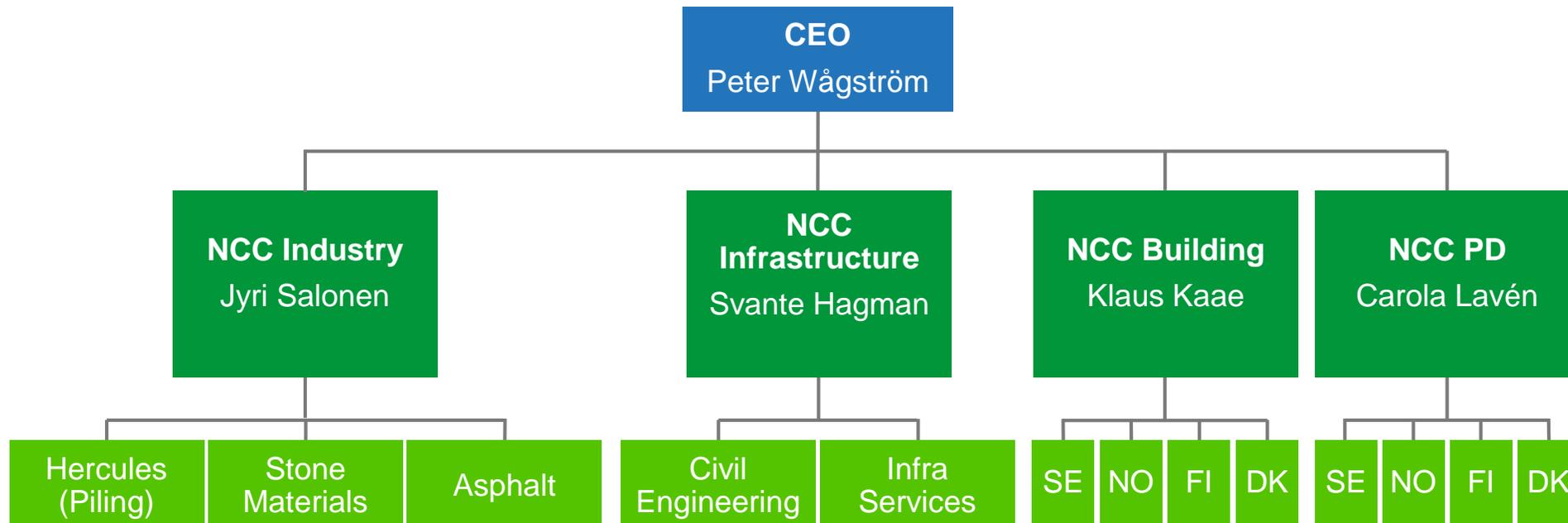


Source: Euroconstruct and NCC

Business Areas Q1 2016

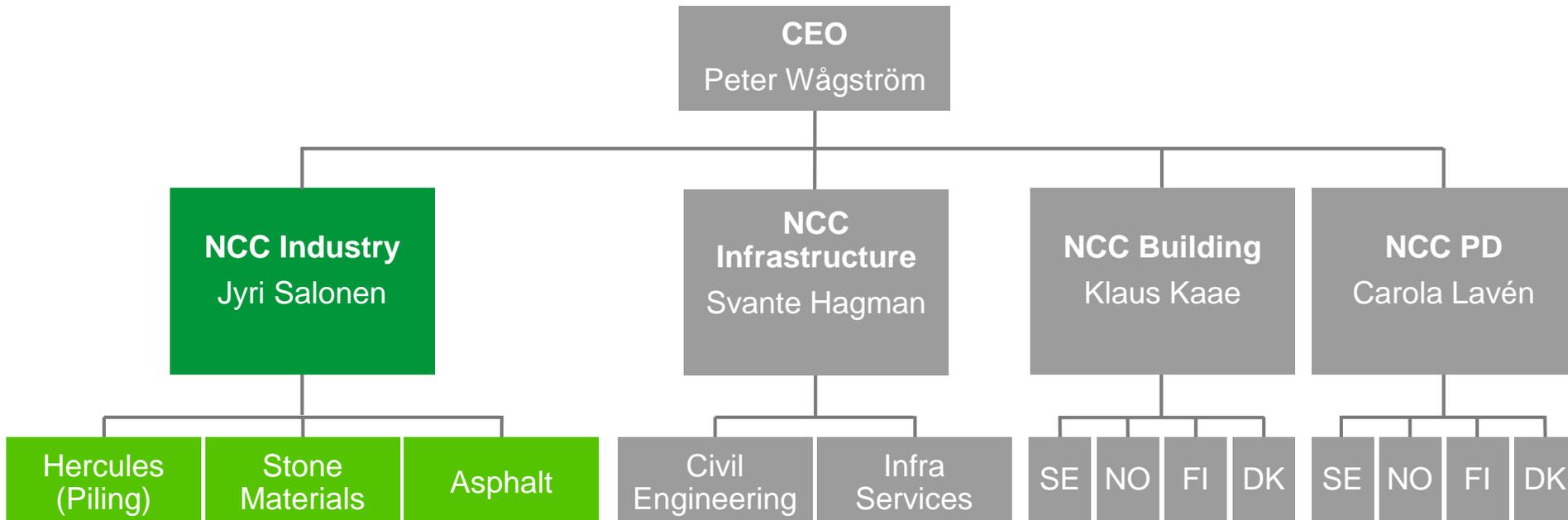


New specialized organization



- New strategy
- Spin-off of Bonava

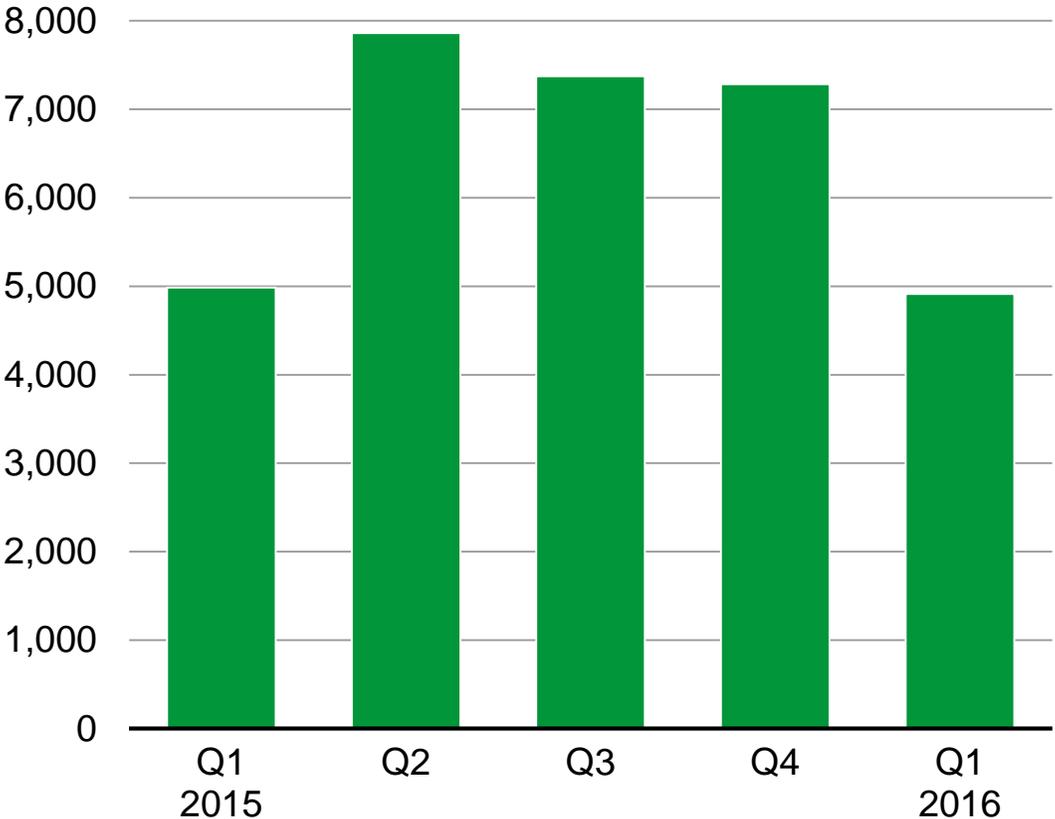
NCC Industry



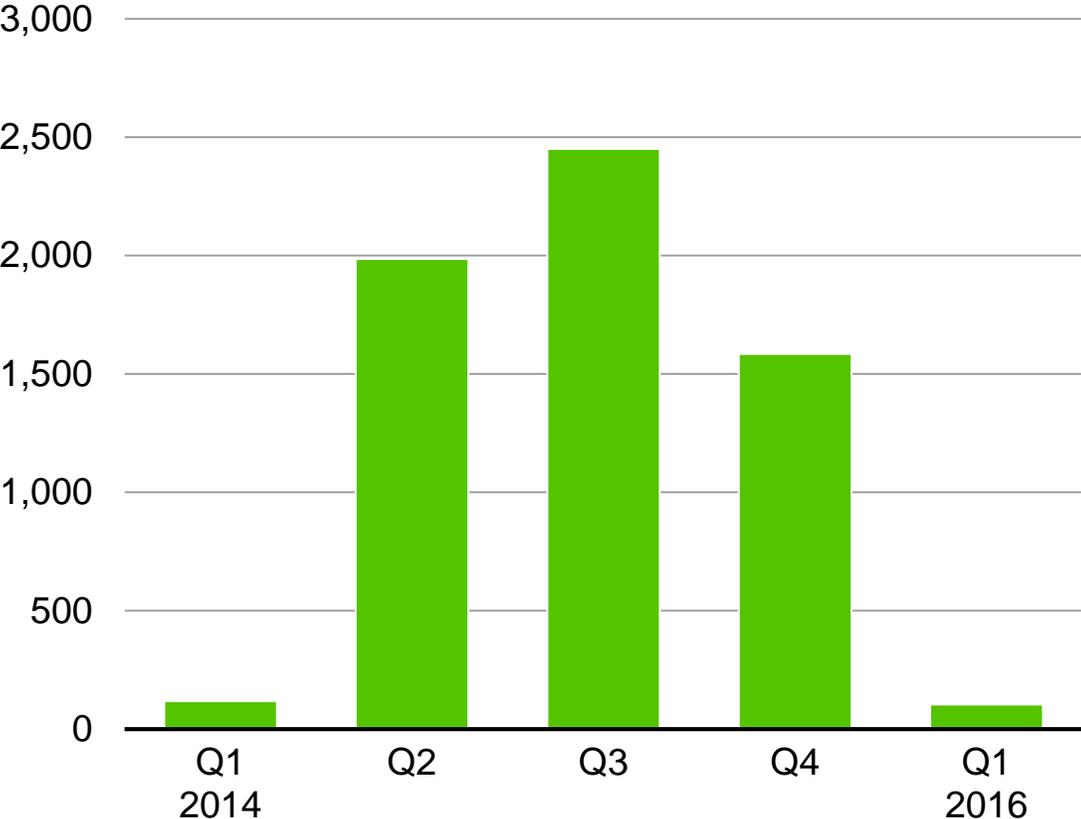
* NCC Housing will be distributed to shareholders in 2016

Slightly lower volumes in Q1

Stone material sold, thousands of tons



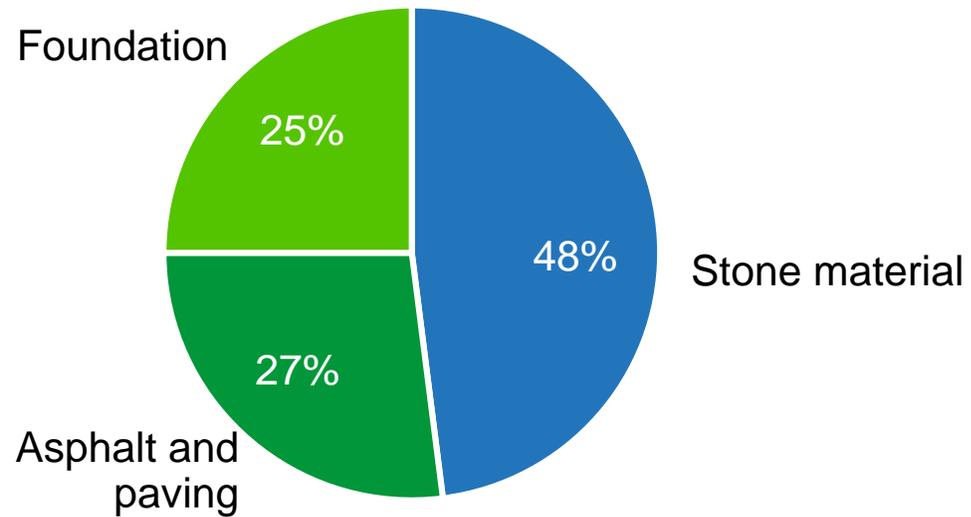
Asphalt sold, thousands of tons



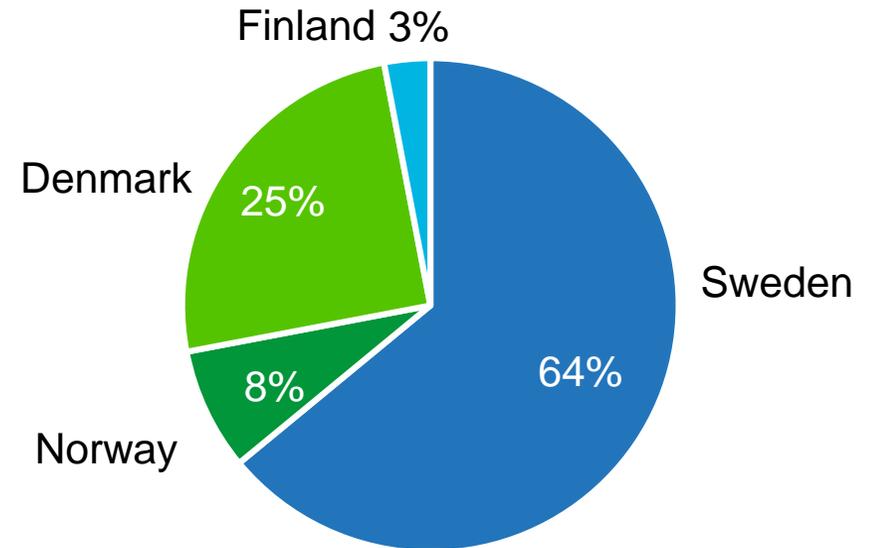
Net sales in Q1

NCC Industry

Product mix



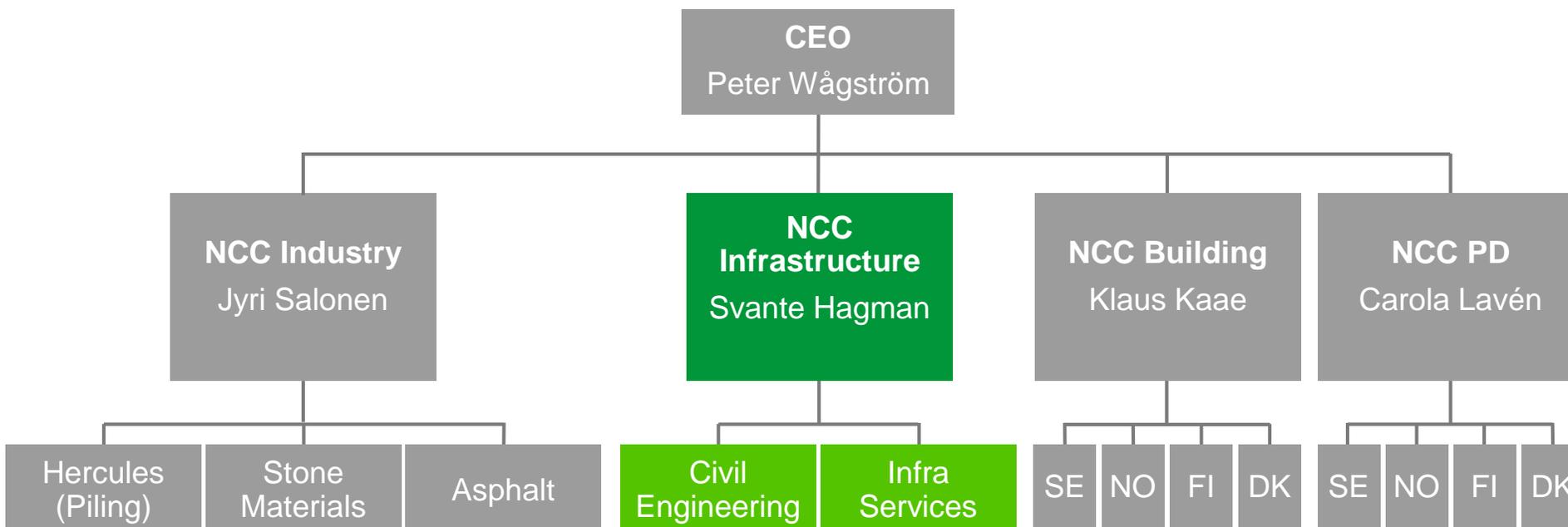
Geographical distribution



NCC Industry – Division Hercules

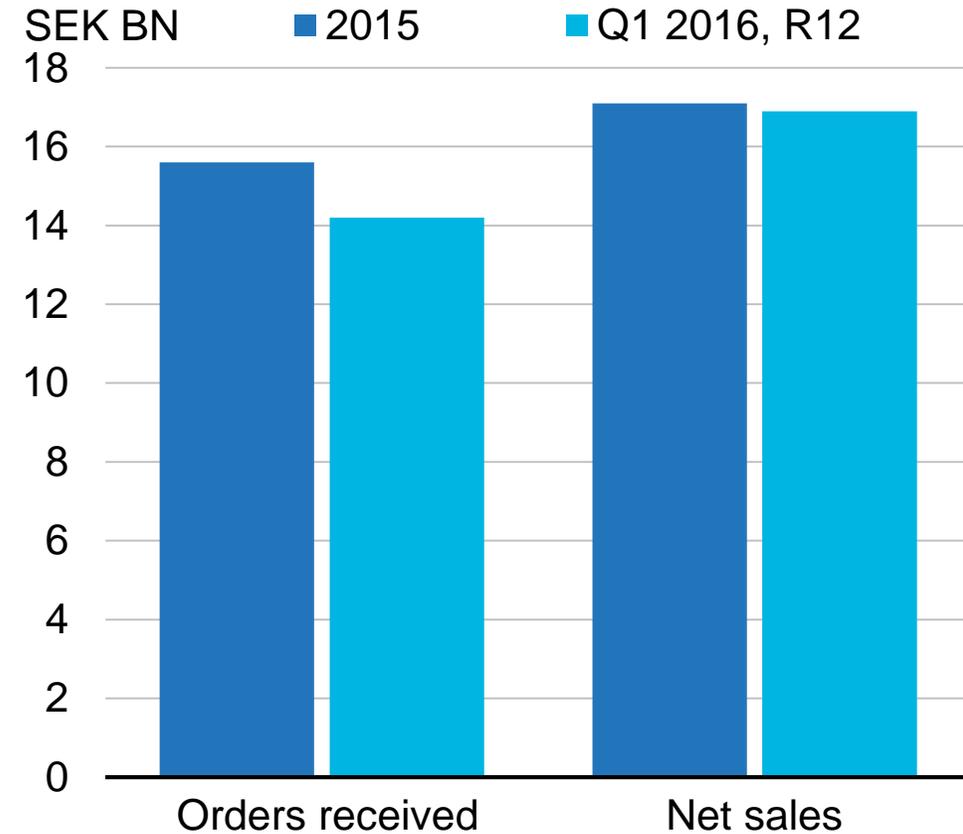
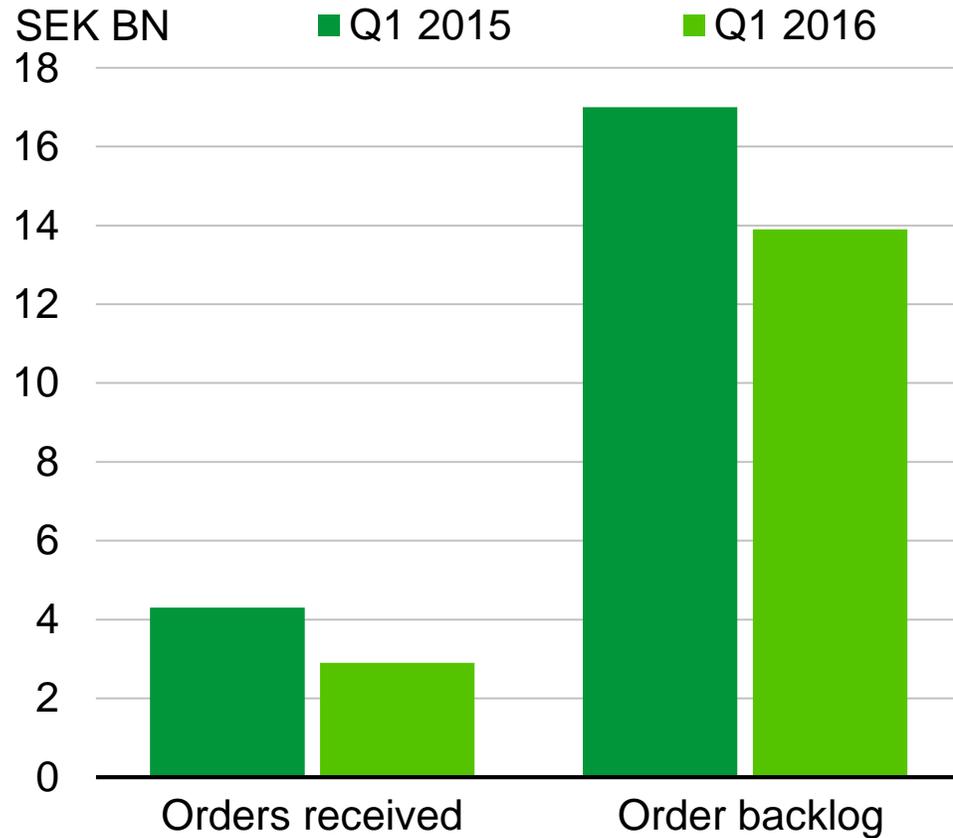
- Piling
- Manufacture concrete piles
- Retaining structures
- Steel terminal
- Steel reinforcement factory
- Jet grouting/bored piles

NCC Infrastructure



Lower orders received

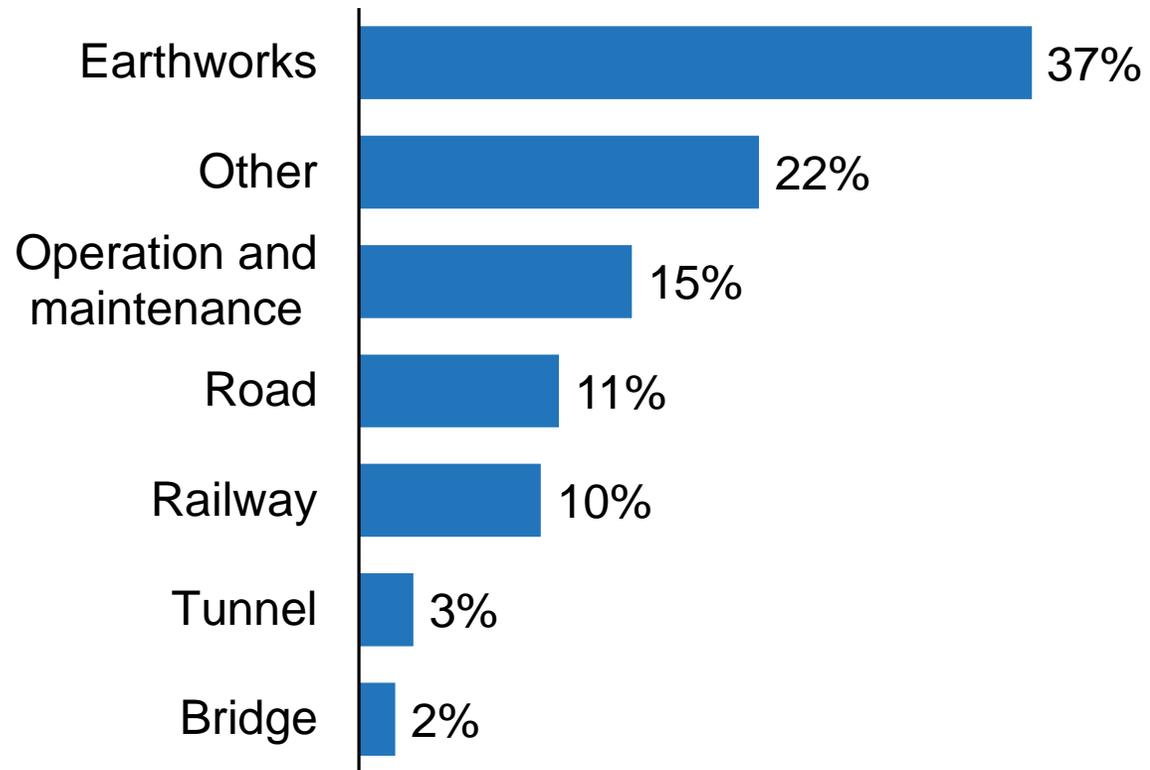
NCC Infrastructure



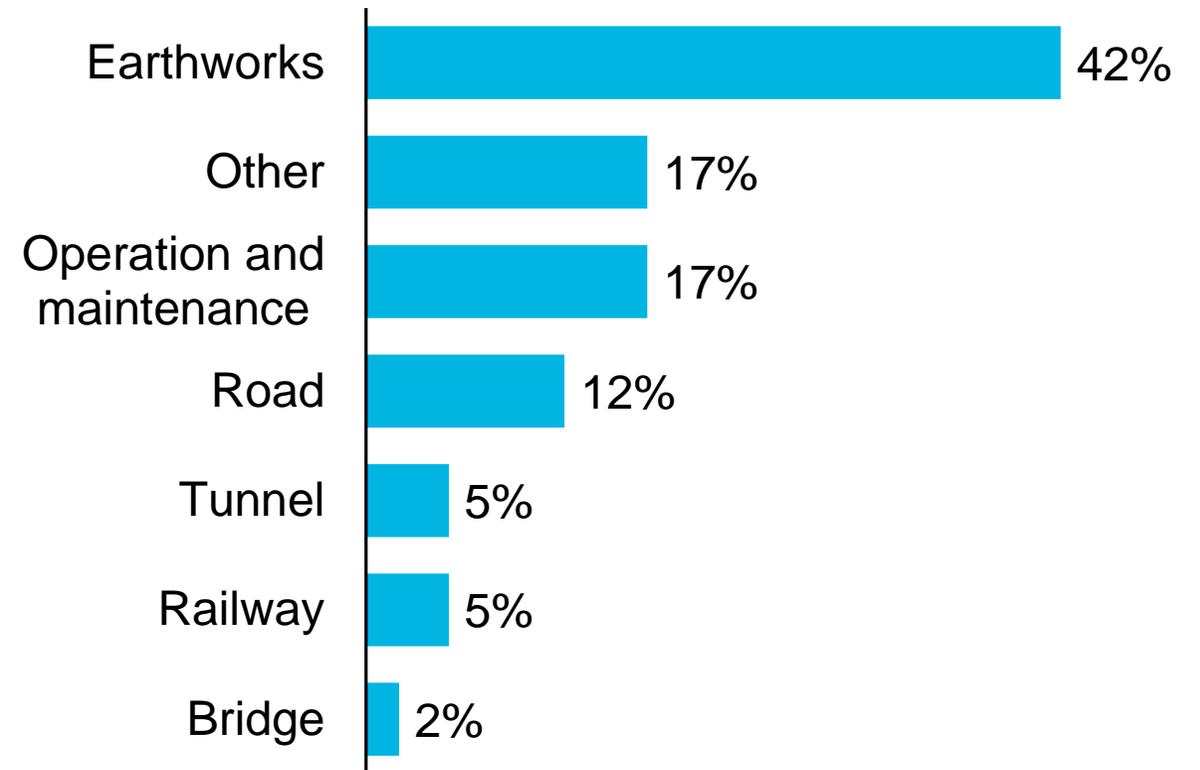
Product mix Q1

NCC Infrastructure

Orders received



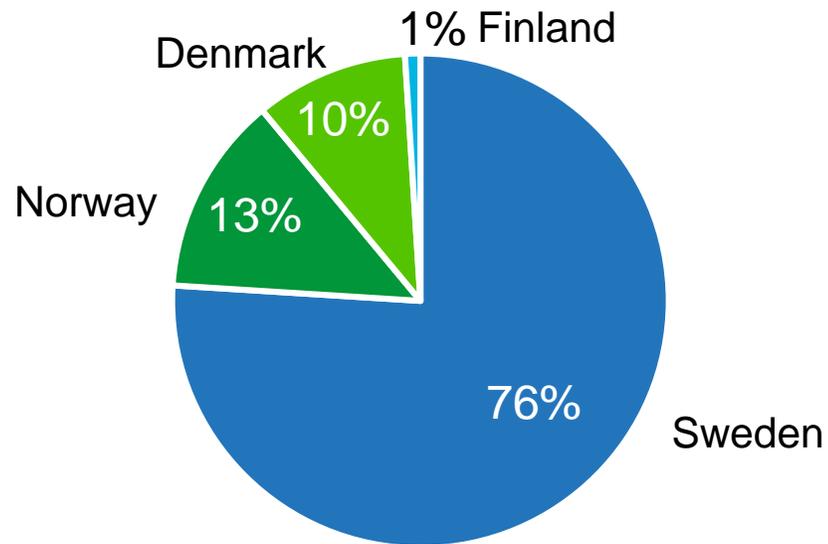
Net sales



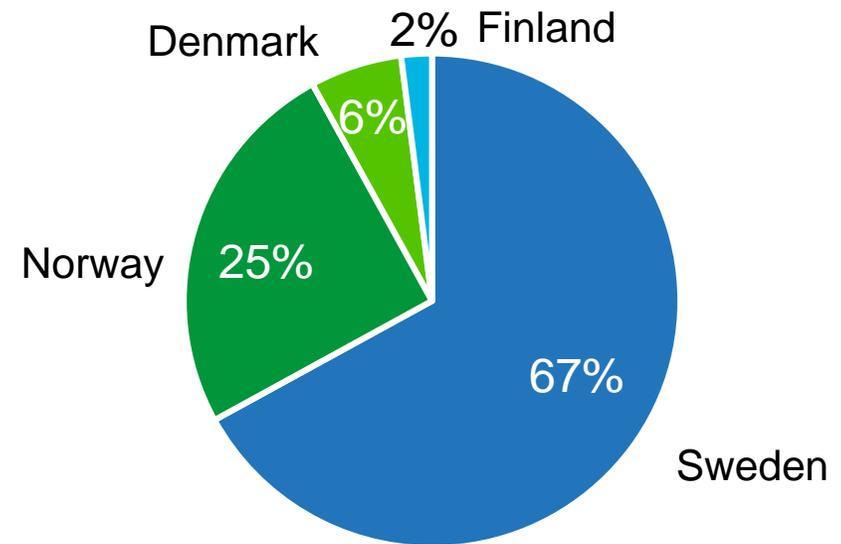
Geographical distribution Q1

NCC Infrastructure

Orders received



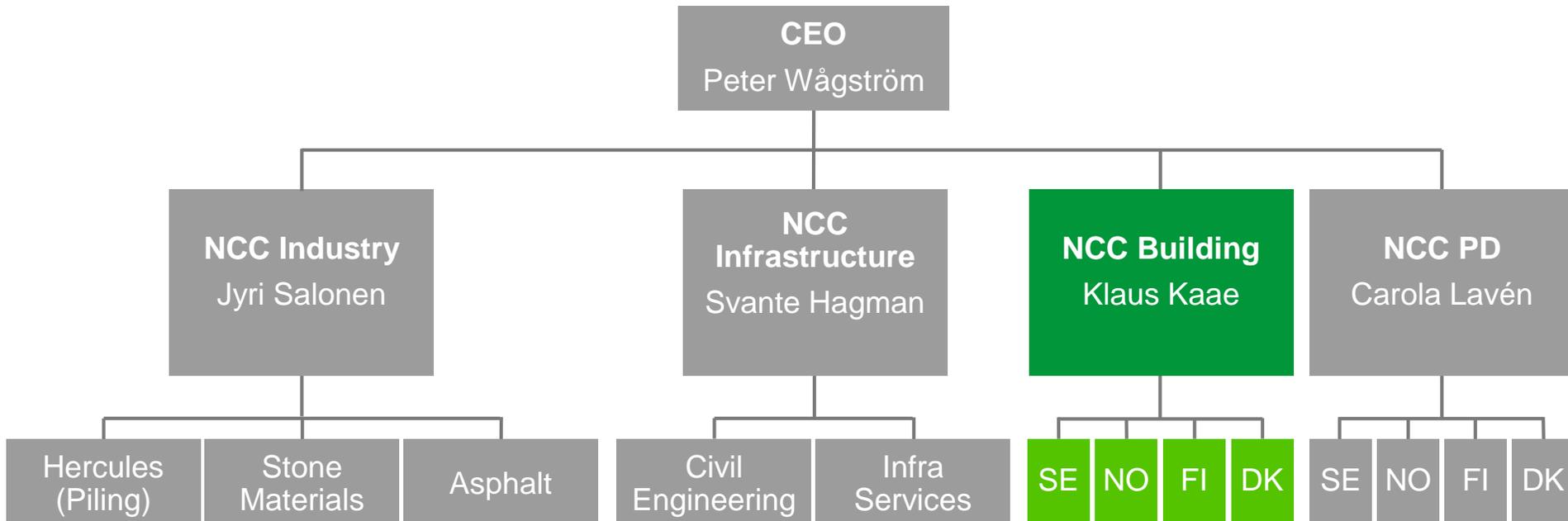
Net sales



Project example
NCC Infrastructure

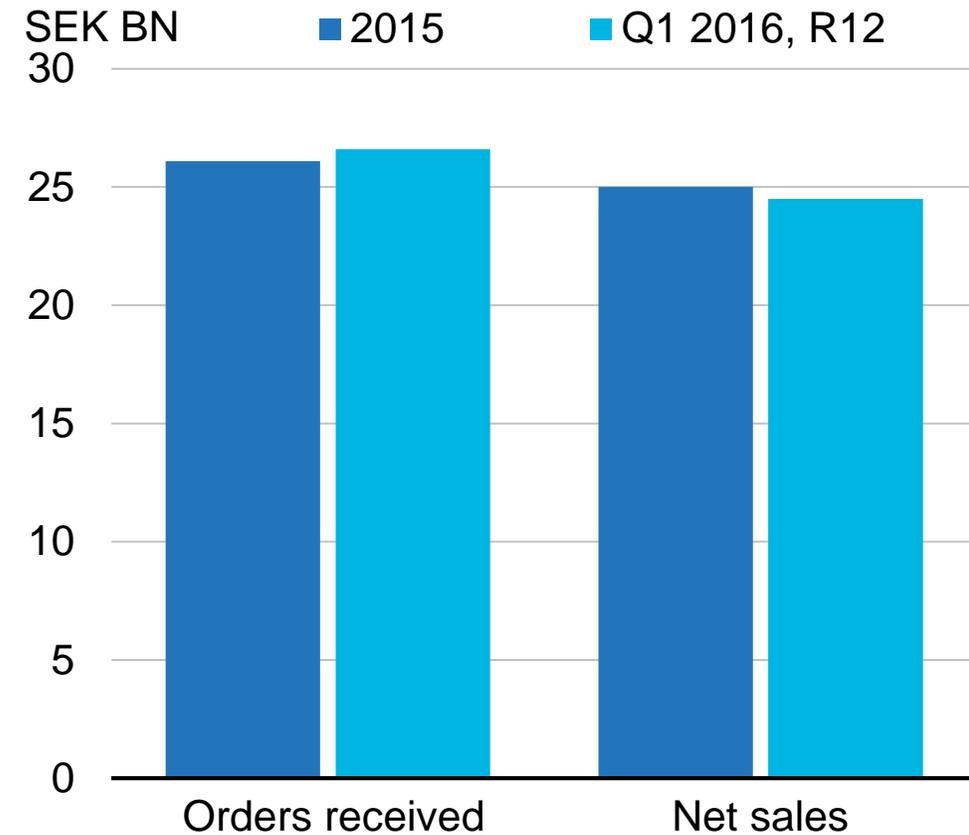
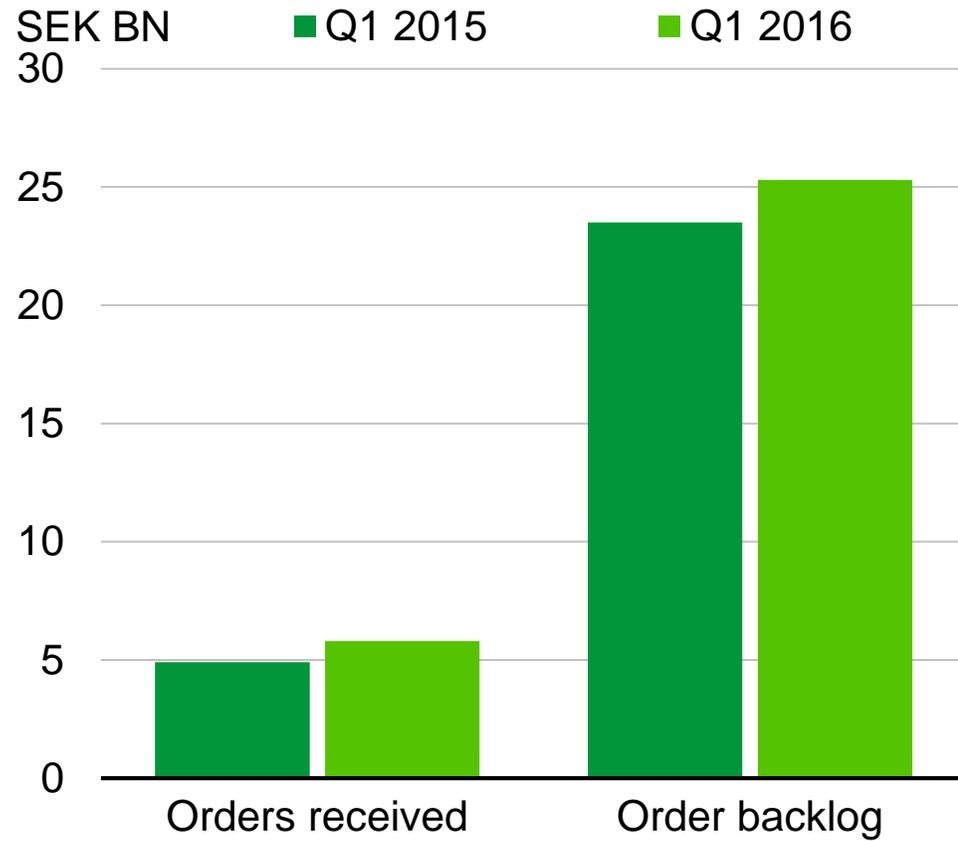
- 60 bus stops, Gävleborg
- Customer: Trafikverket
- Turn key contract, SEK 25 million

NCC Building



Higher orderbacklog

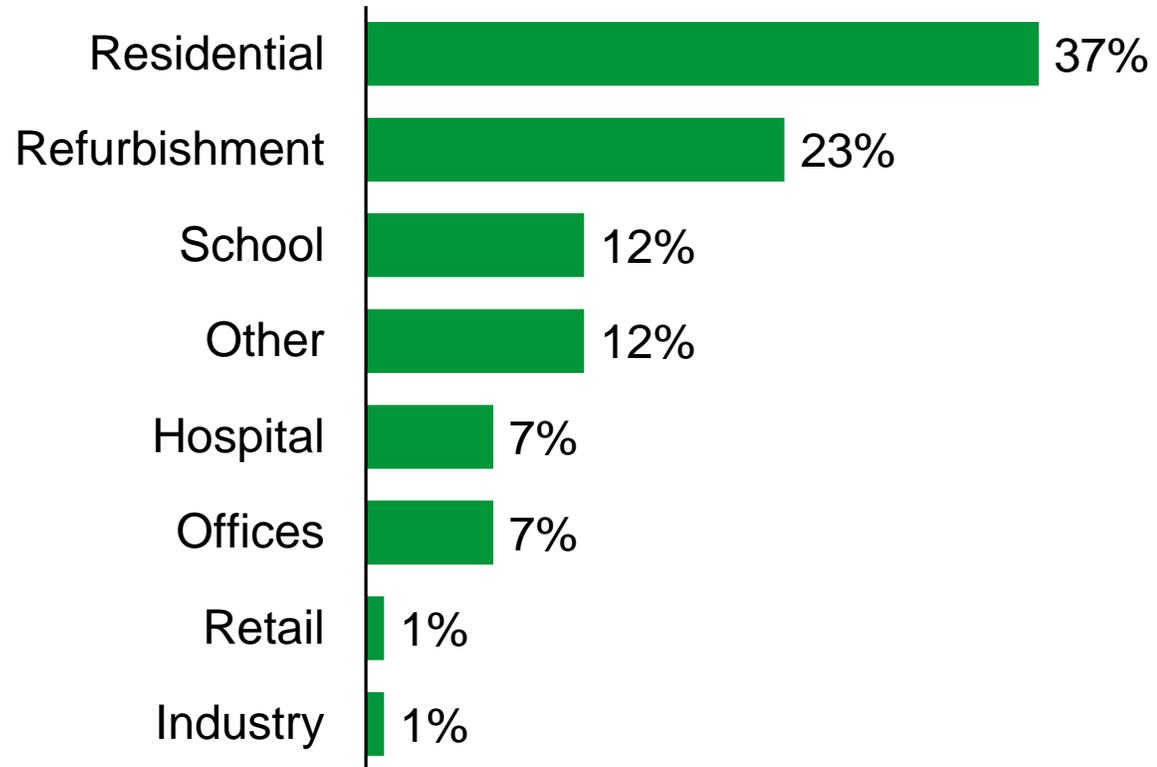
NCC Building



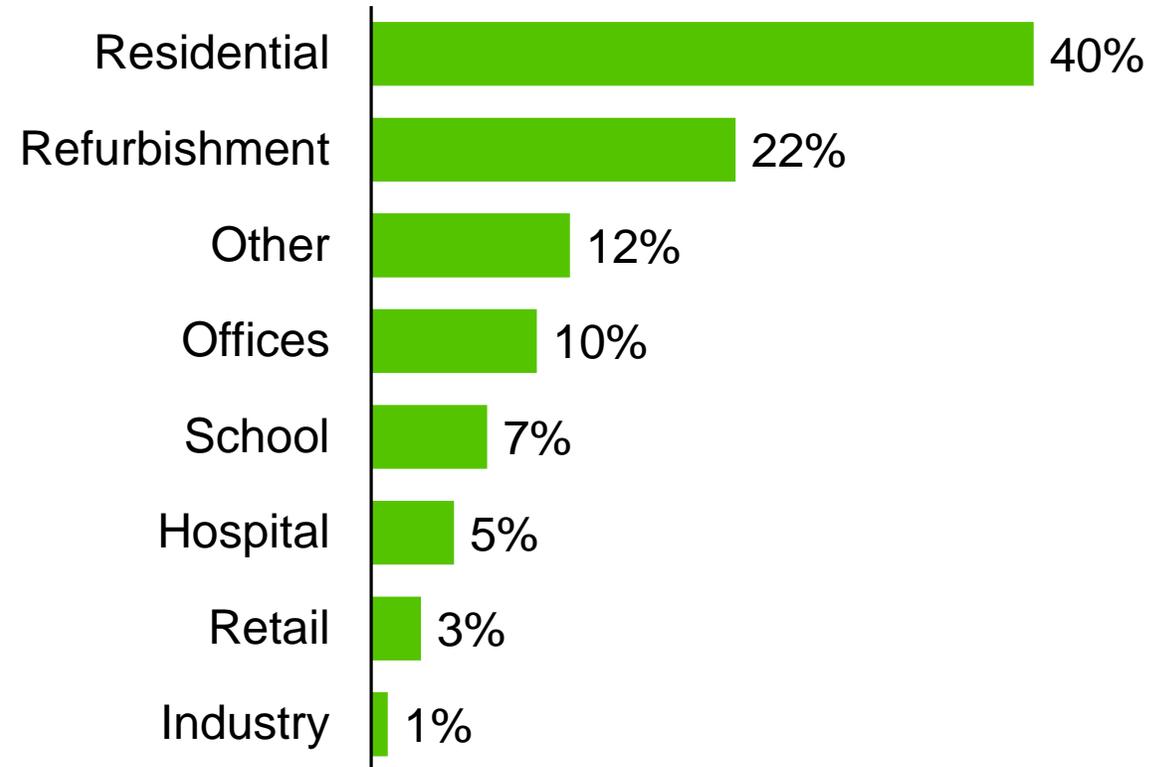
Product mix Q1

NCC Building

Orders received



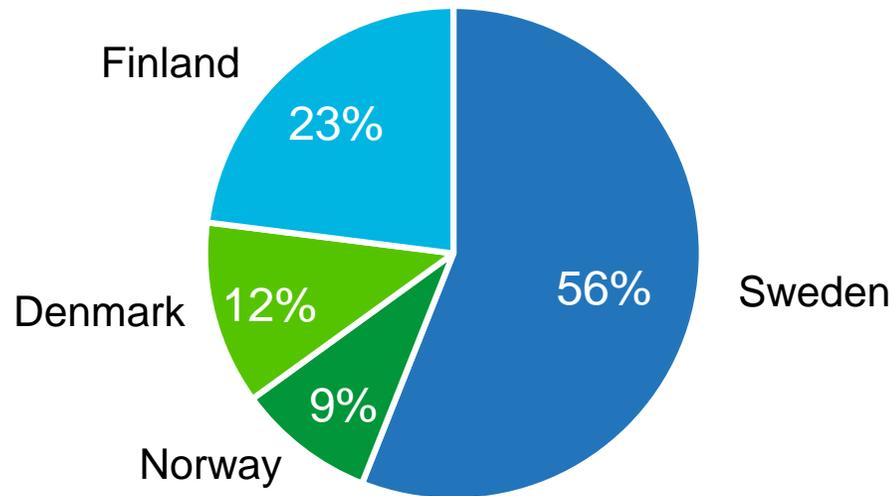
Net sales



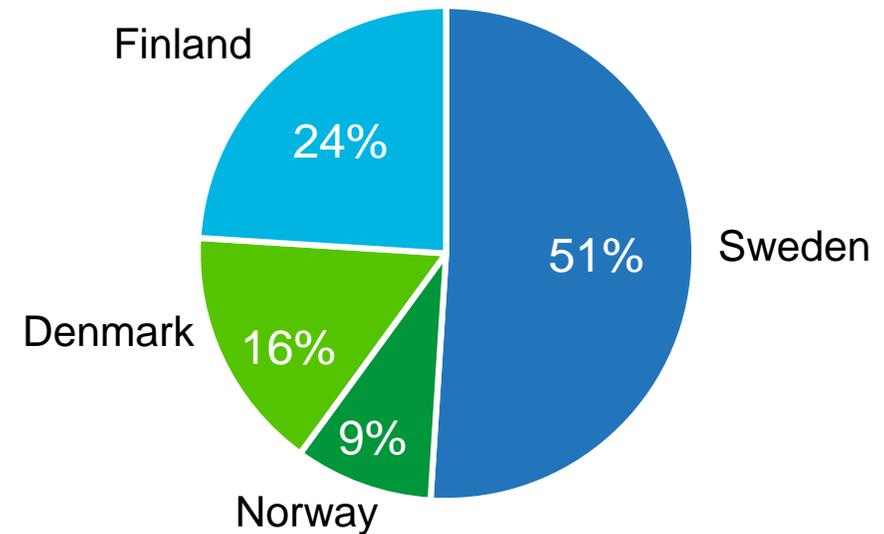
Geographical distribution Q1

NCC Building

Orders received

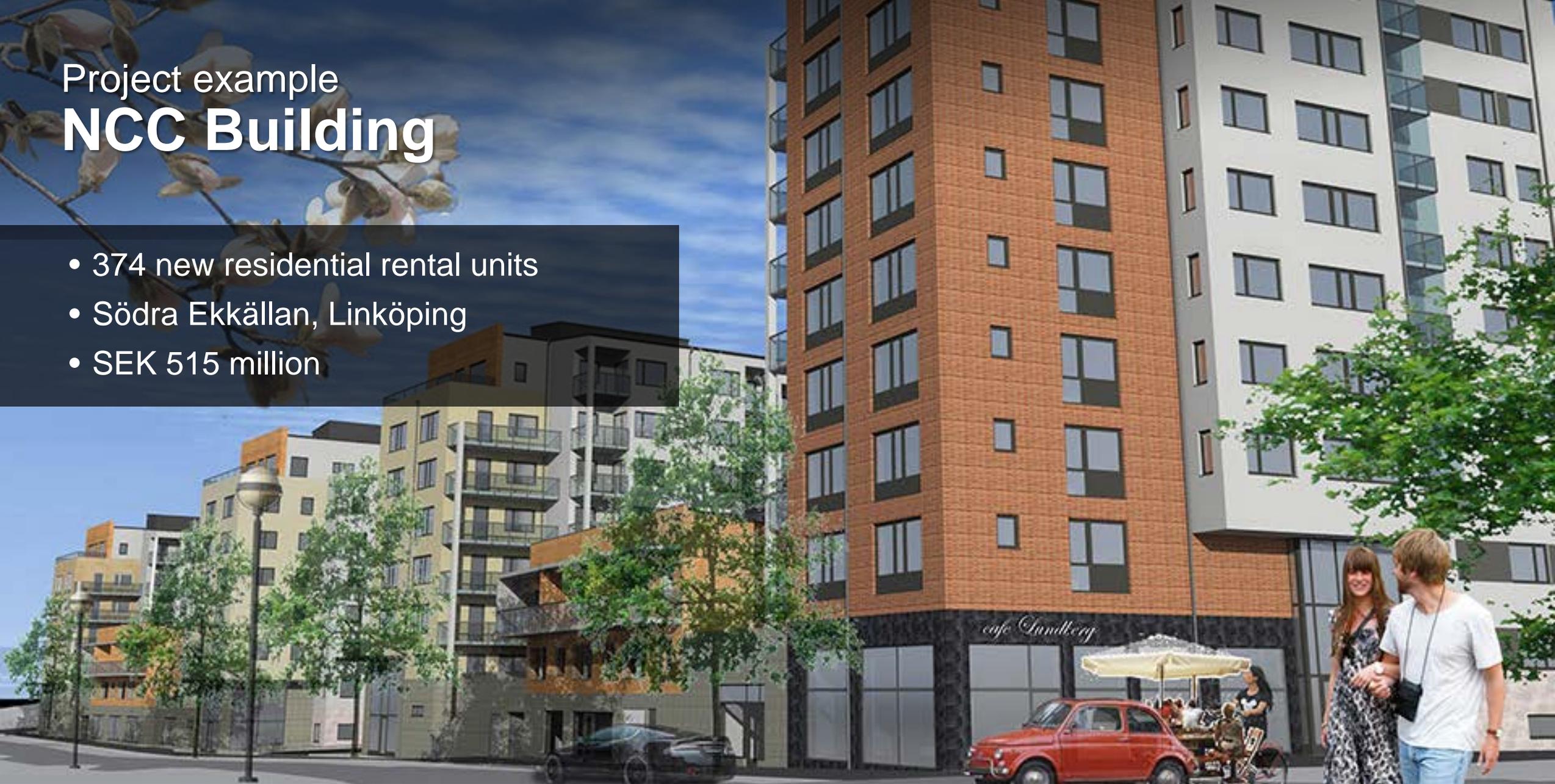


Net sales

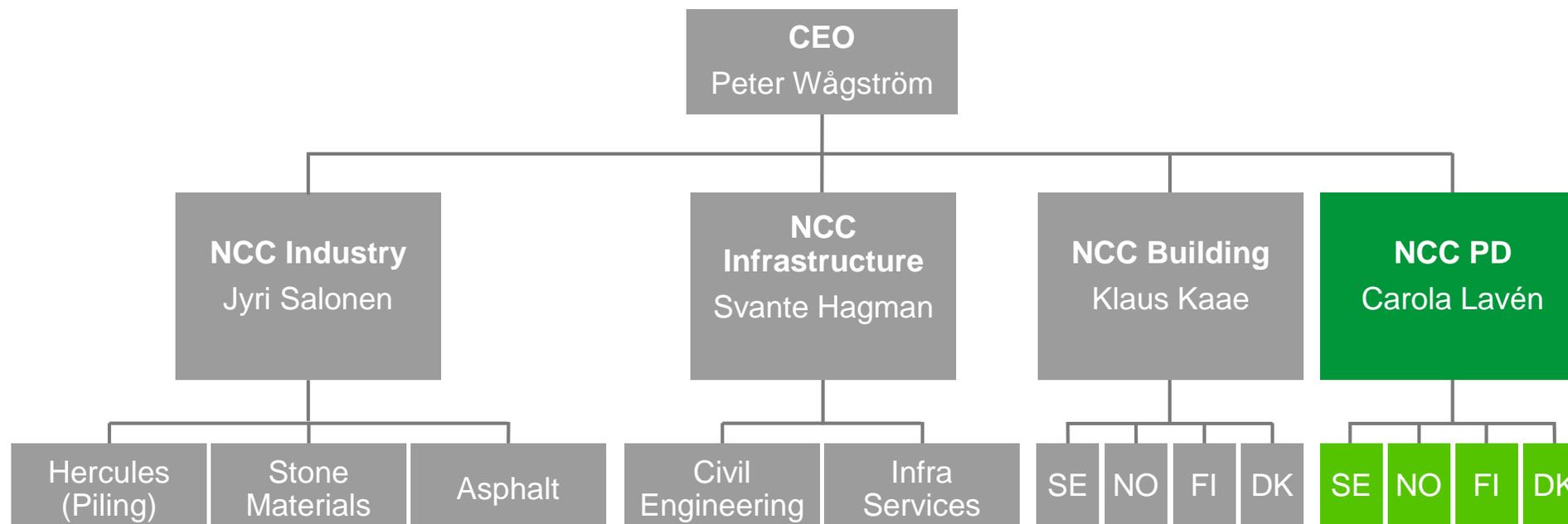


Project example NCC Building

- 374 new residential rental units
- Södra Ekkällan, Linköping
- SEK 515 million

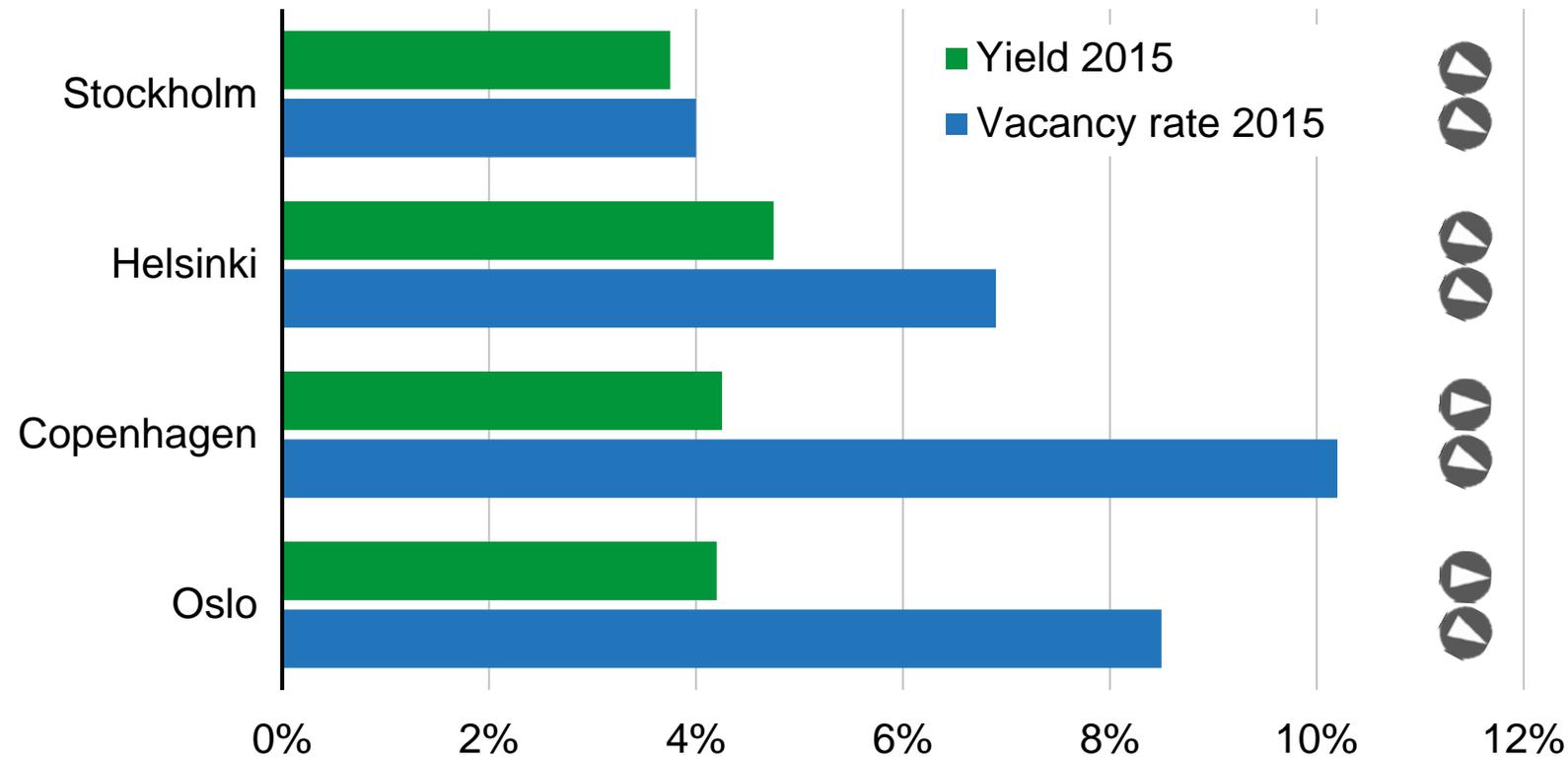


NCC Property Development



Property market outlook – offices

CBD



Source: Newsec, NCC

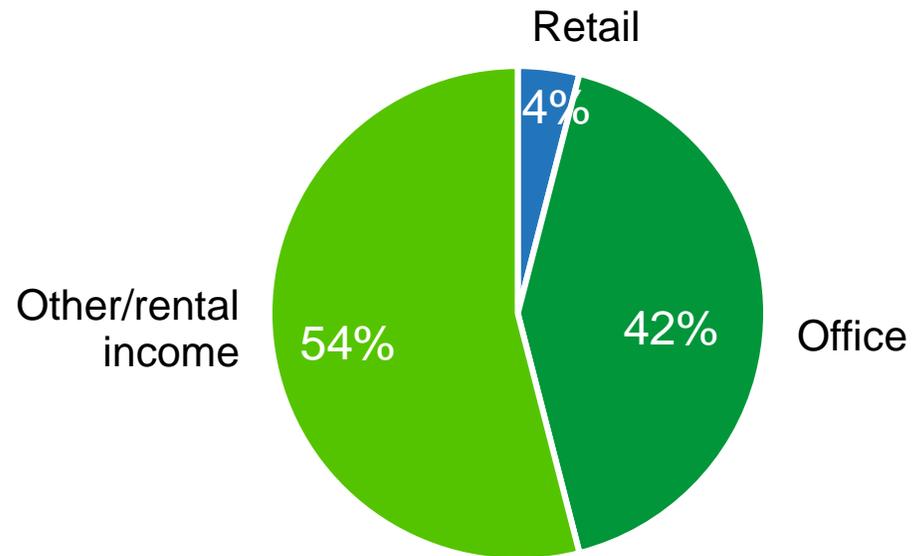


Vallensbæk Company House

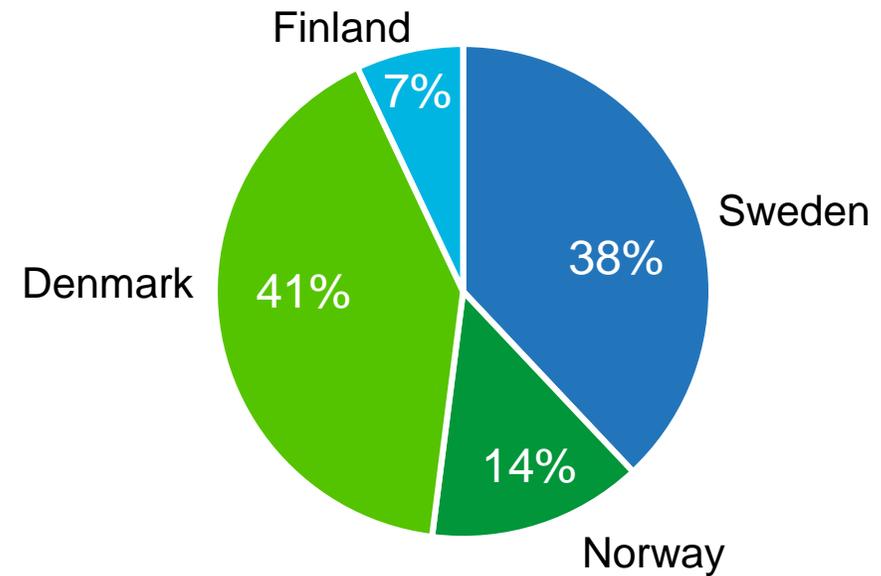
Net sales Q1

NCC Property Development

Product mix



Geographical distribution

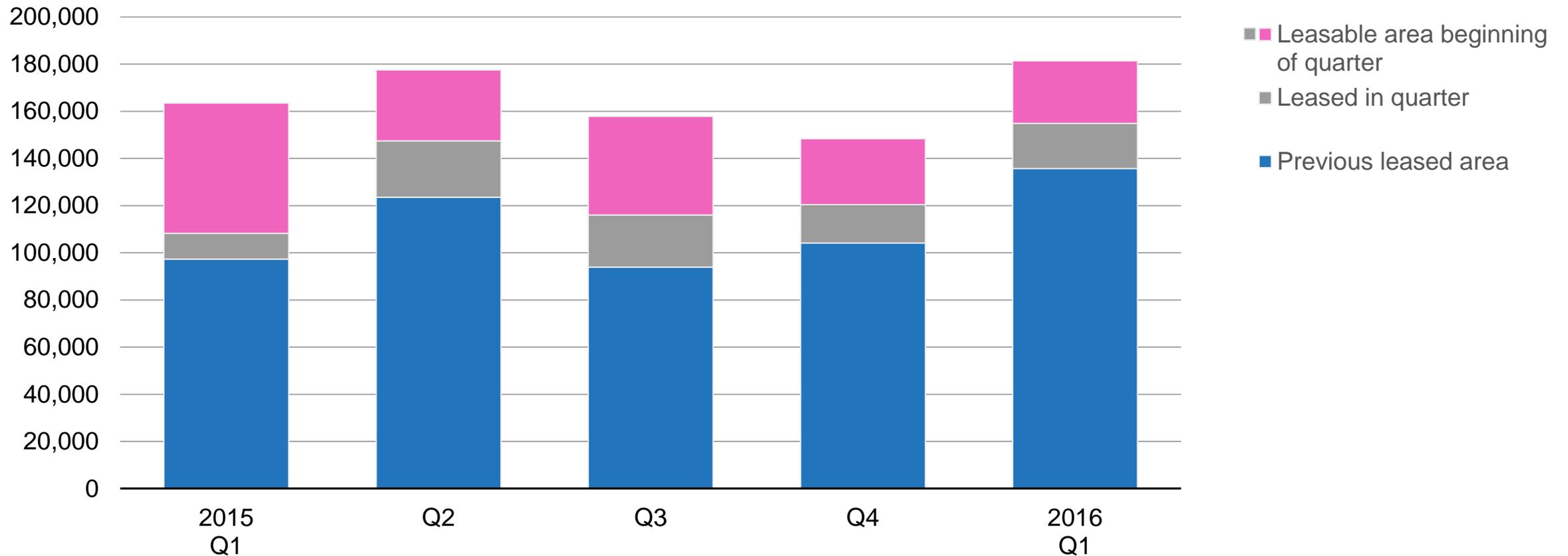


Project starts in Q1

Project	Type	Location	Lettable area, sqm	Letting ratio
CH Vallensbæk 4.1	Office	Denmark	6,100	0%
Alberga E	Office	Helsinki, Finland	5,800	0%
Arendal 2	Logistics	Gothenburg, Sweden	9,700	33%
Vattenbrunnen	Logistics	Upplands-Bro, Sweden	5,900	100%

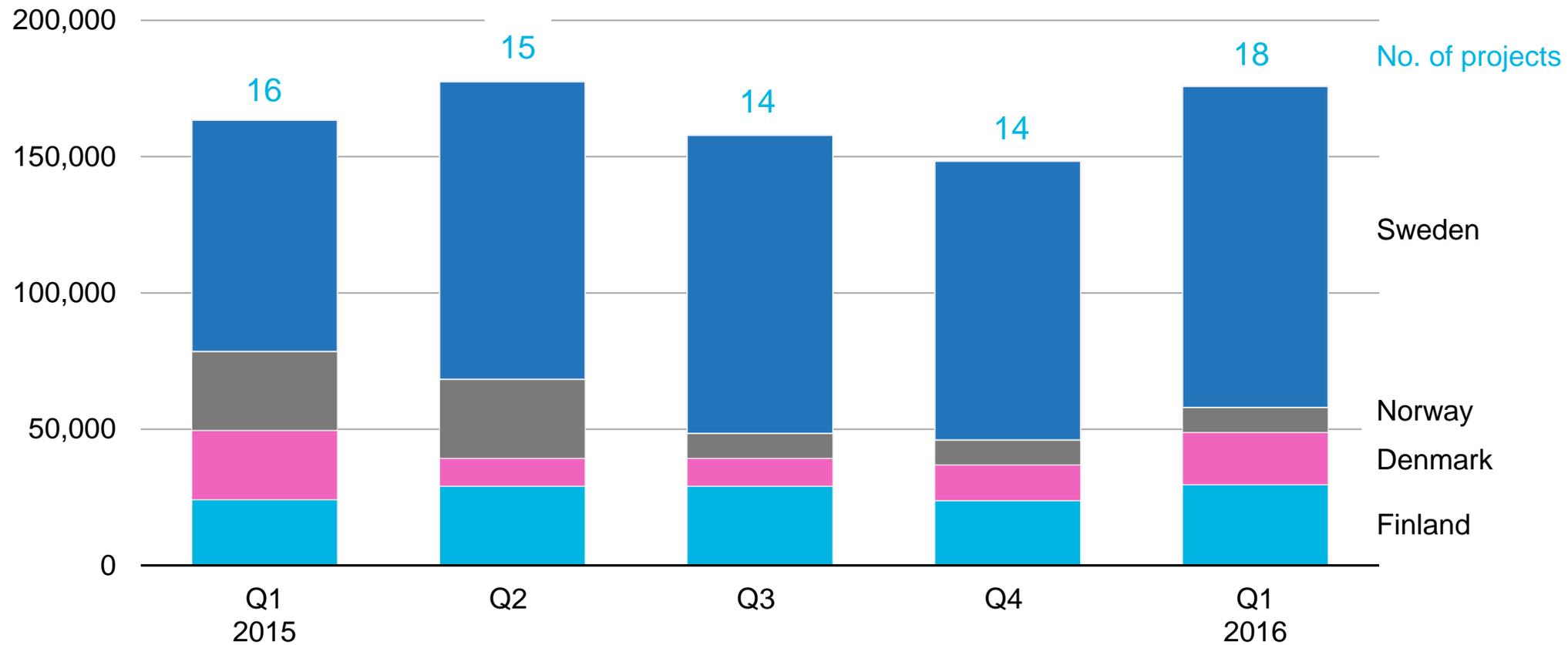
Good lease in the quarter – 19,100 sqm

Leased floor space, sqm



Property portfolio

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





Mattias Lundgren
CFO

ViaSafe

Spinoff of Bonava – effects on the financial statement

Accounting policy IFRS 5

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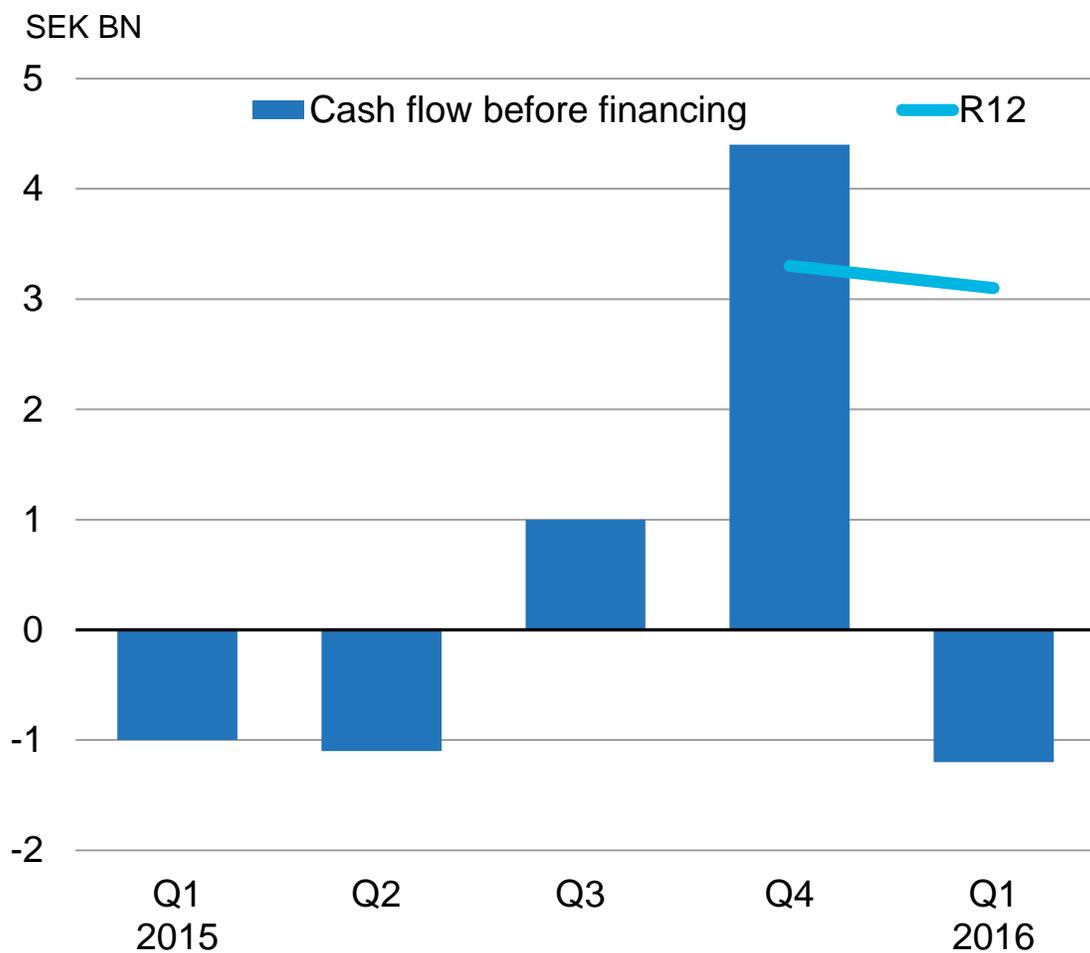
Income statement

SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15 – Mar. 16
Remaining operations			
Net sales	9,197	10,311	52,002
Gross profit	426	434	4,425
Selling and administrative expenses	-708	-669	-2,804
Cost ratio	7.7%	6.5%	5.4%
Other	-1	1	-8
Operating profit/loss	-284	-235	1,613
Financial items	-25	-8	-56
Profit/loss after financial items	-309	-243	1,557
Tax	65	48	-285
Profit/loss for the period	-243	-195	1,273
Profit from discontinued operations	88	-9	895
Profit/loss from remaining and discontinued operations	-156	-204	2,168



KMH, Stockholm

Cash flow



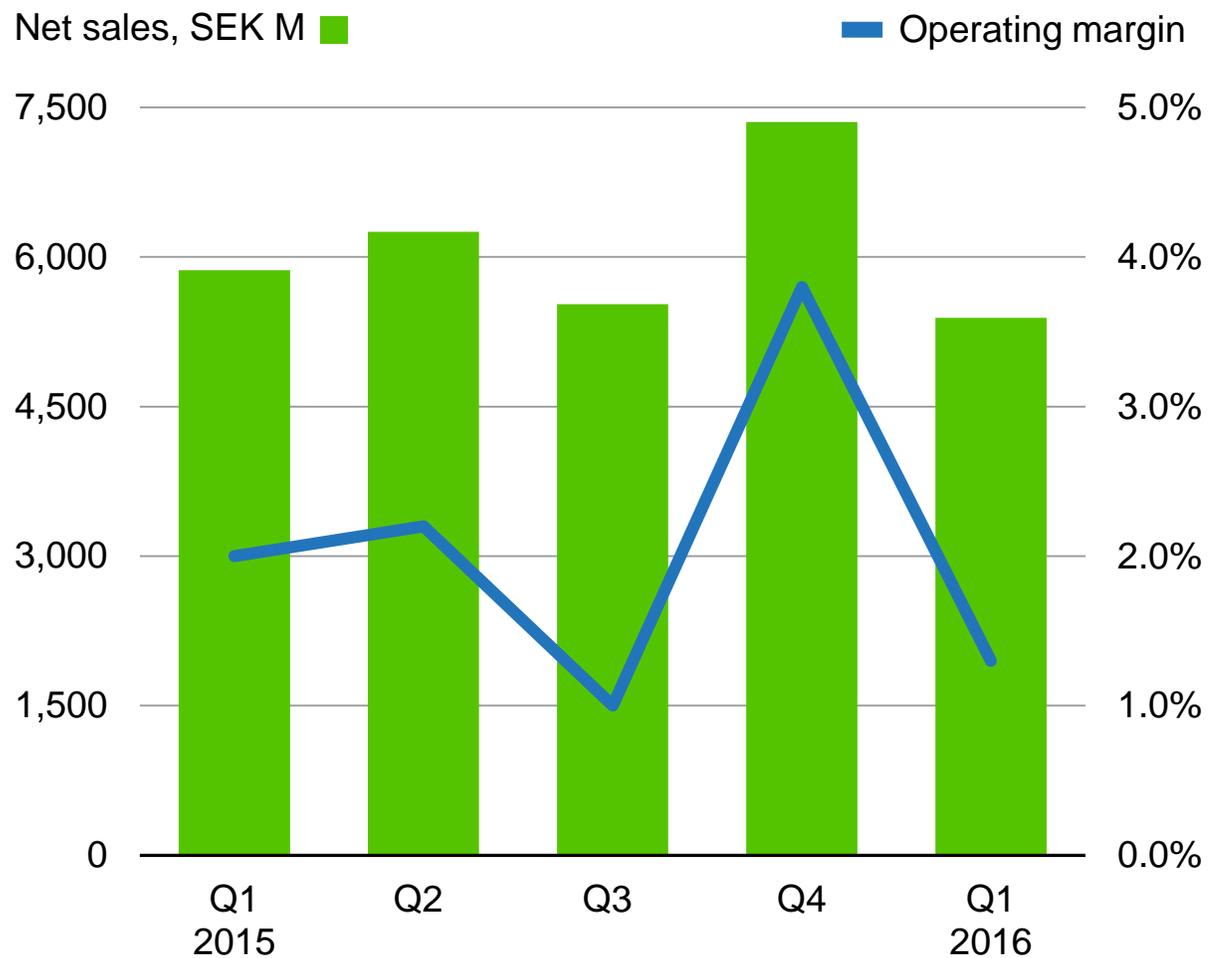
SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15-Mar. 16
From operating activities	-73	-128	3,491
From property projects	-371	-130	430
From housing projects	-877	-441	-261
Other working capital	311	-129	218
Investing activities	-204	-170	-763
Cash flow before financing	-1,213	-998	3,116

Operating profit/loss per business area

SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15 – Mar. 16
NCC Building	70	119	
NCC Infrastructure	-11	28	
NCC Industry	-324	-386	
NCC Property Development	22		
Other and eliminations	-40	-23	
Operating profit/loss excl. Bonava (Housing)	-283	-236	

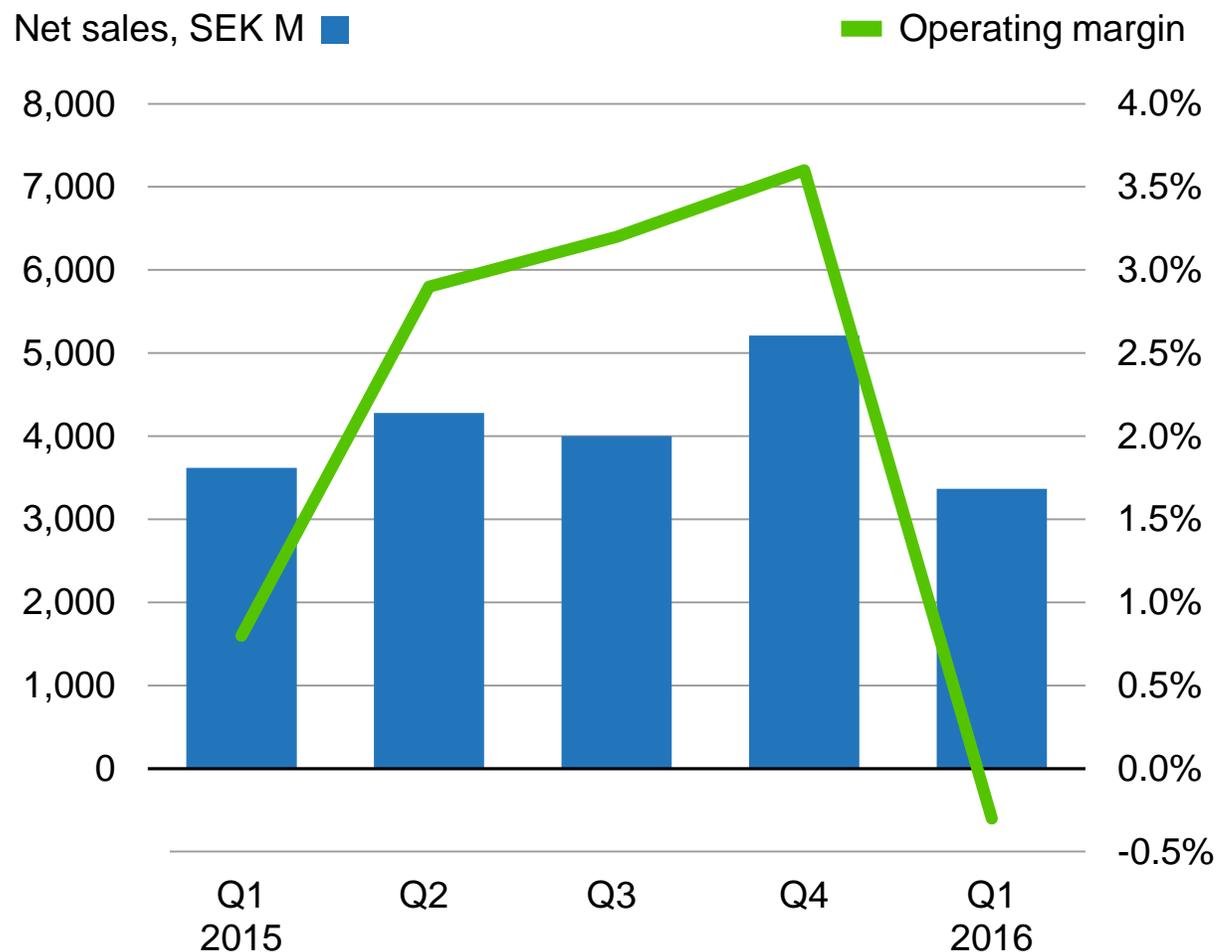
SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015
NCC HQ	-25	-24
Internal gains	-27	-11
Group adjustments	12	10
Other and eliminations	-40	-23

NCC Building



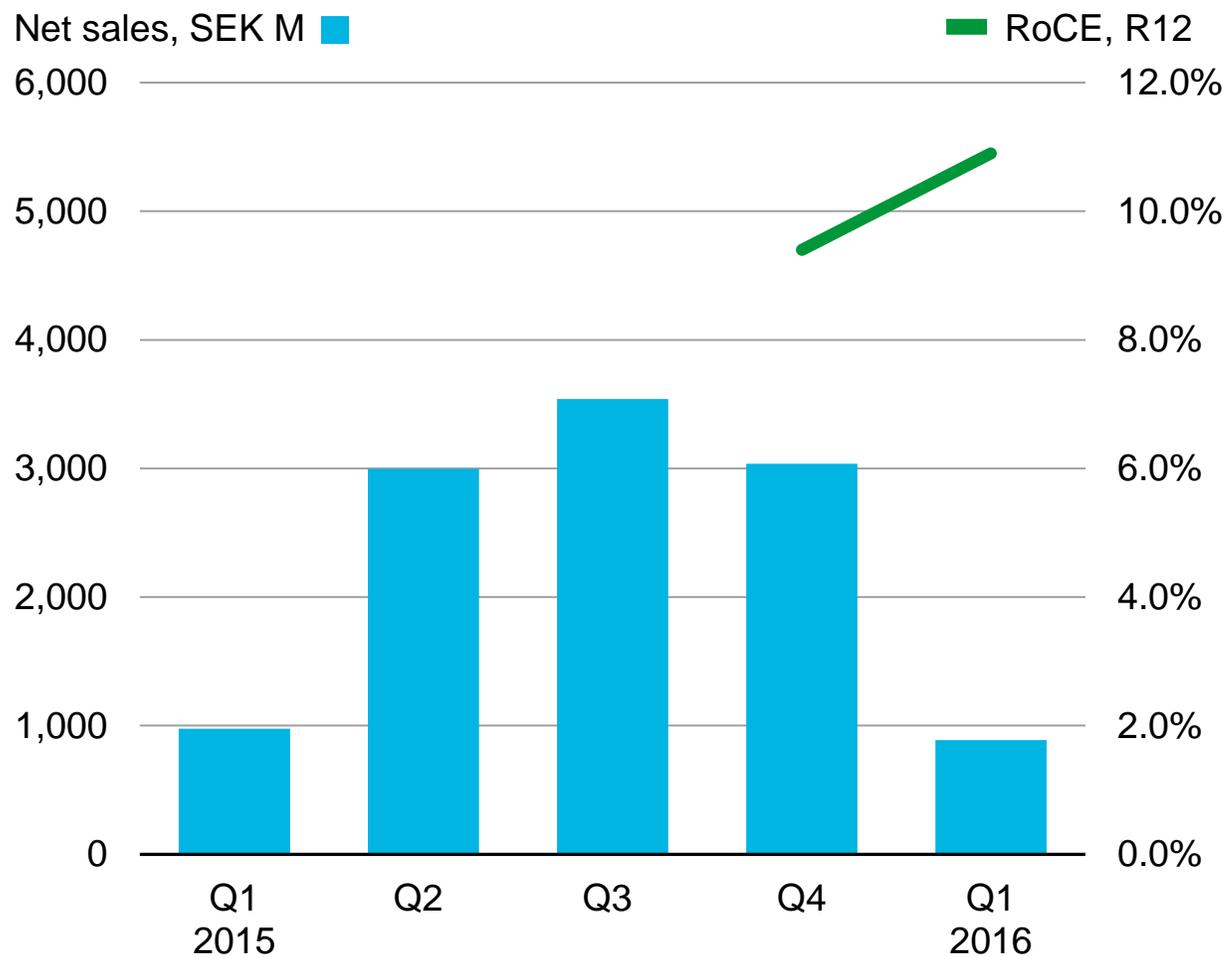
SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15-Mar. 16
Net sales	5,389	5,868	24,523
Operating profit	70	119	554
Operating margin, %	1.3	2.0	2.3

NCC Infrastructure



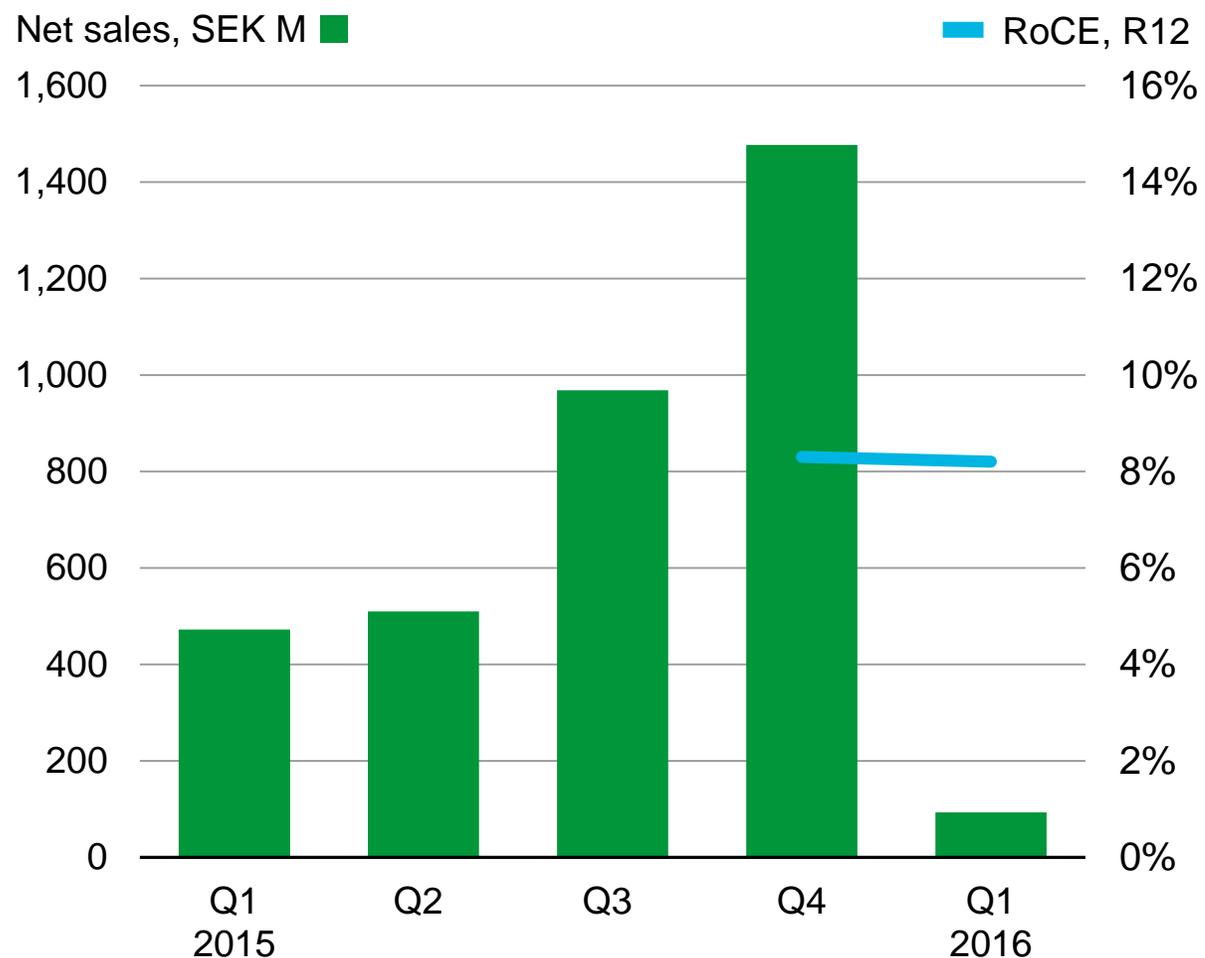
SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15-Mar. 16
Net sales	3,365	3,618	16,852
Operating profit/loss	-11	28	430
Operating margin, %	-0.3	0.8	2.6

NCC Industry



SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15-Mar. 16
Net sales	888	977	10,482
Operating profit	-324	-386	435
Operating margin, %	-36.5	-39.5	4.2
RoCE, %			10.9

NCC Property Development



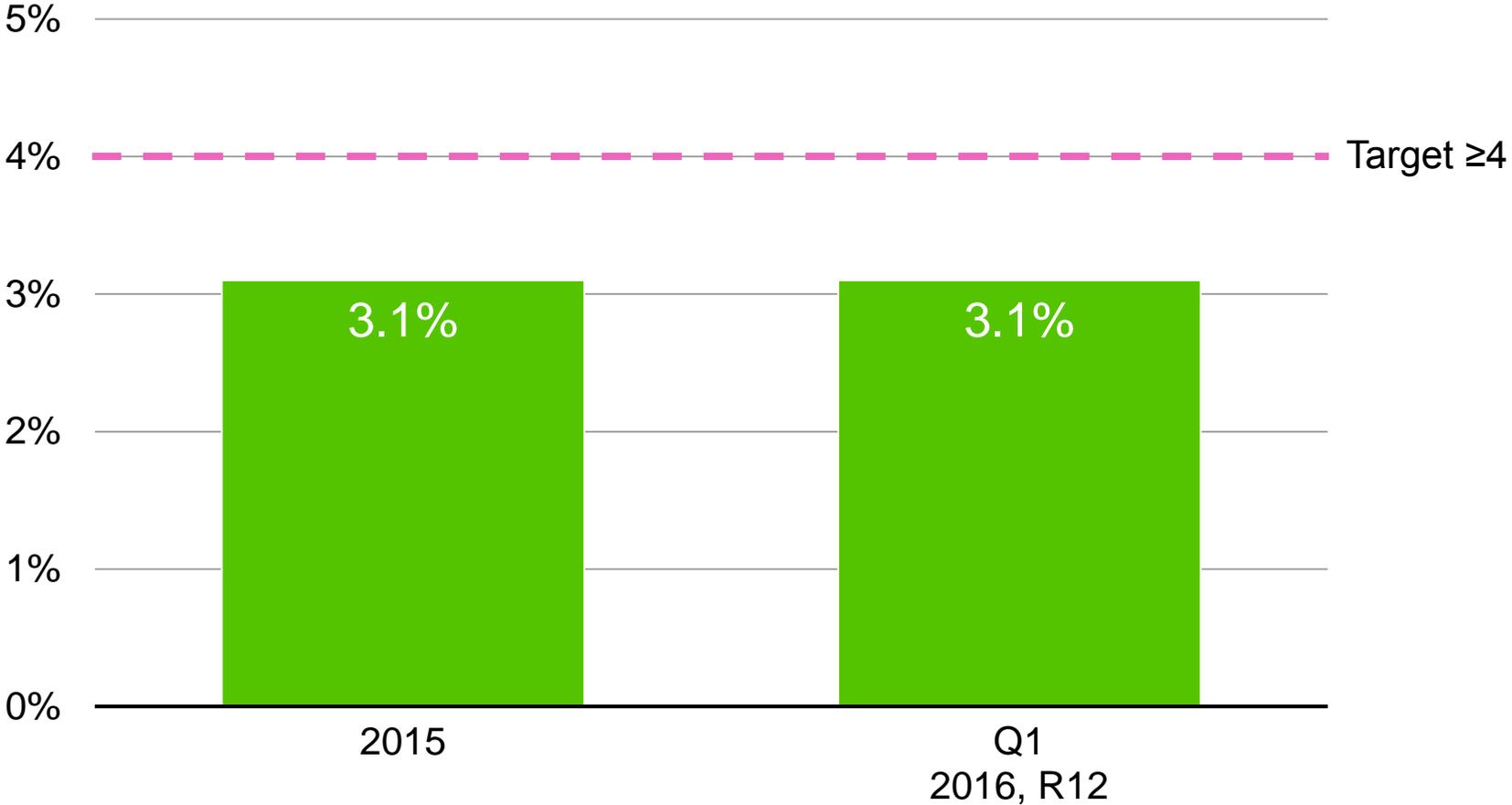
SEK M	Jan.-Mar. 2016	Jan.-Mar. 2015	Apr. 15-Mar. 16
Net sales	93	472	3,049
Operating profit	22	26	413
Operating margin, %	23.7	5.6	13.5
RoCE, %			8.2

Group financial objectives

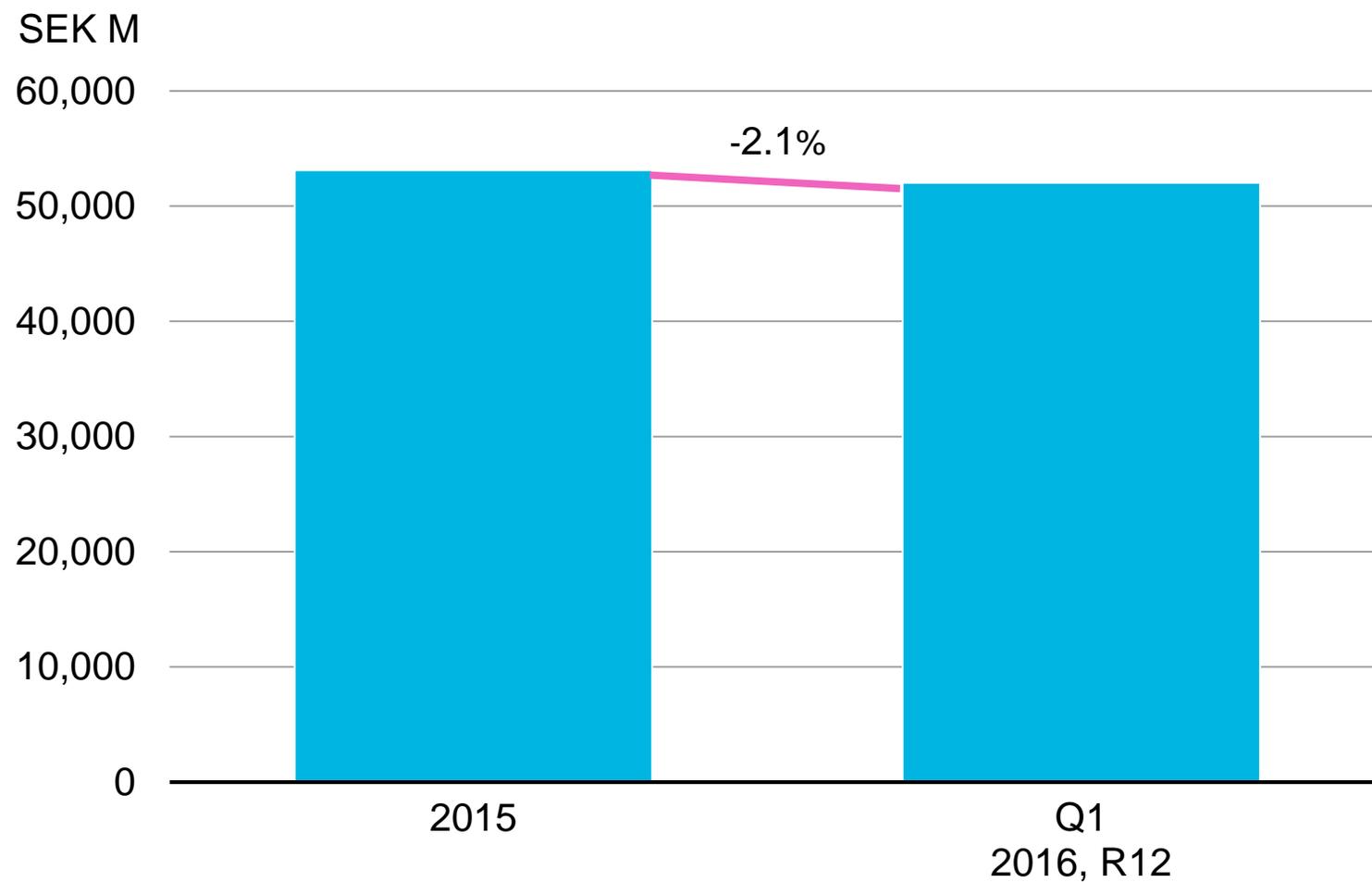


Logistics, Brunn

Operating margin

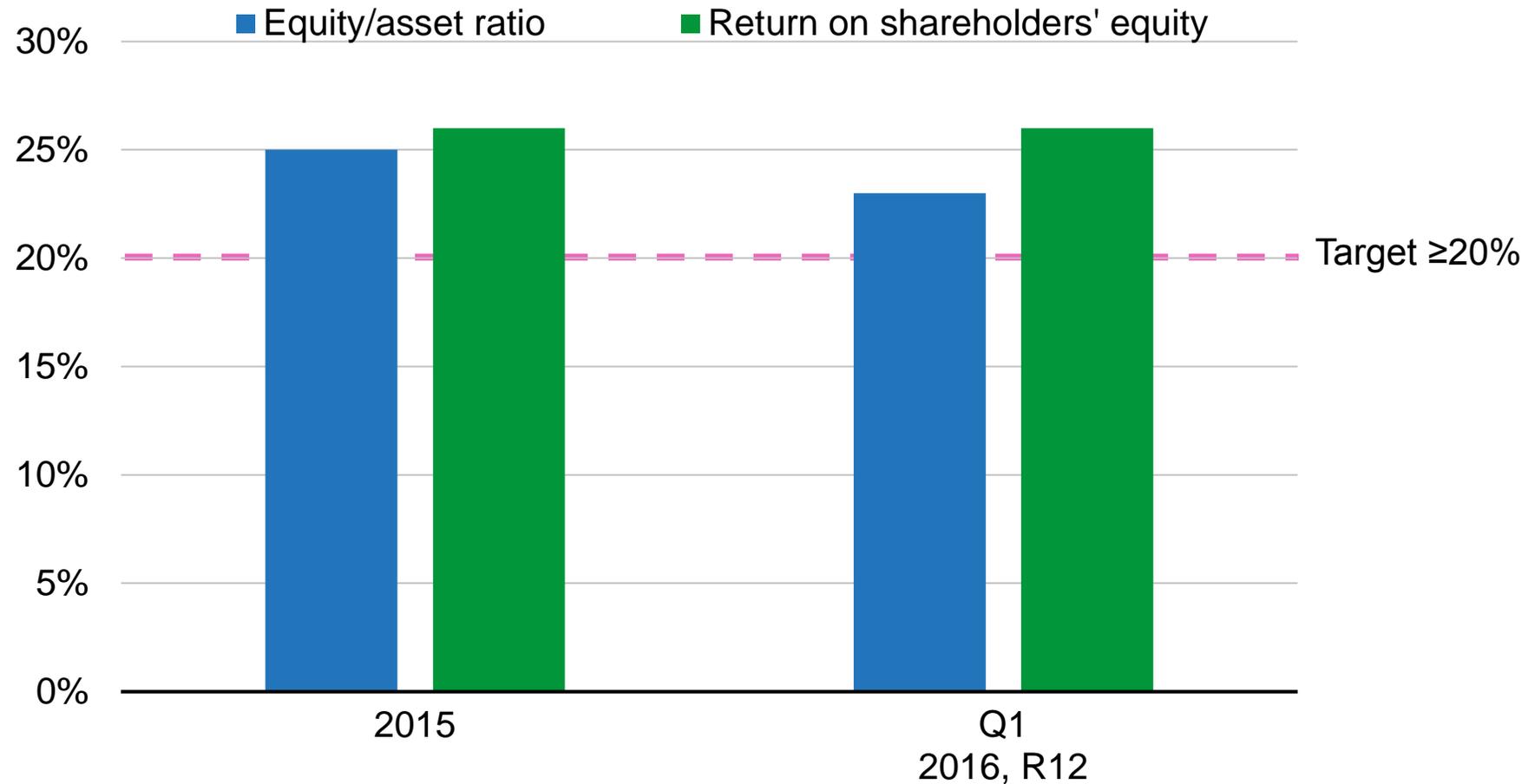


Revenue growth

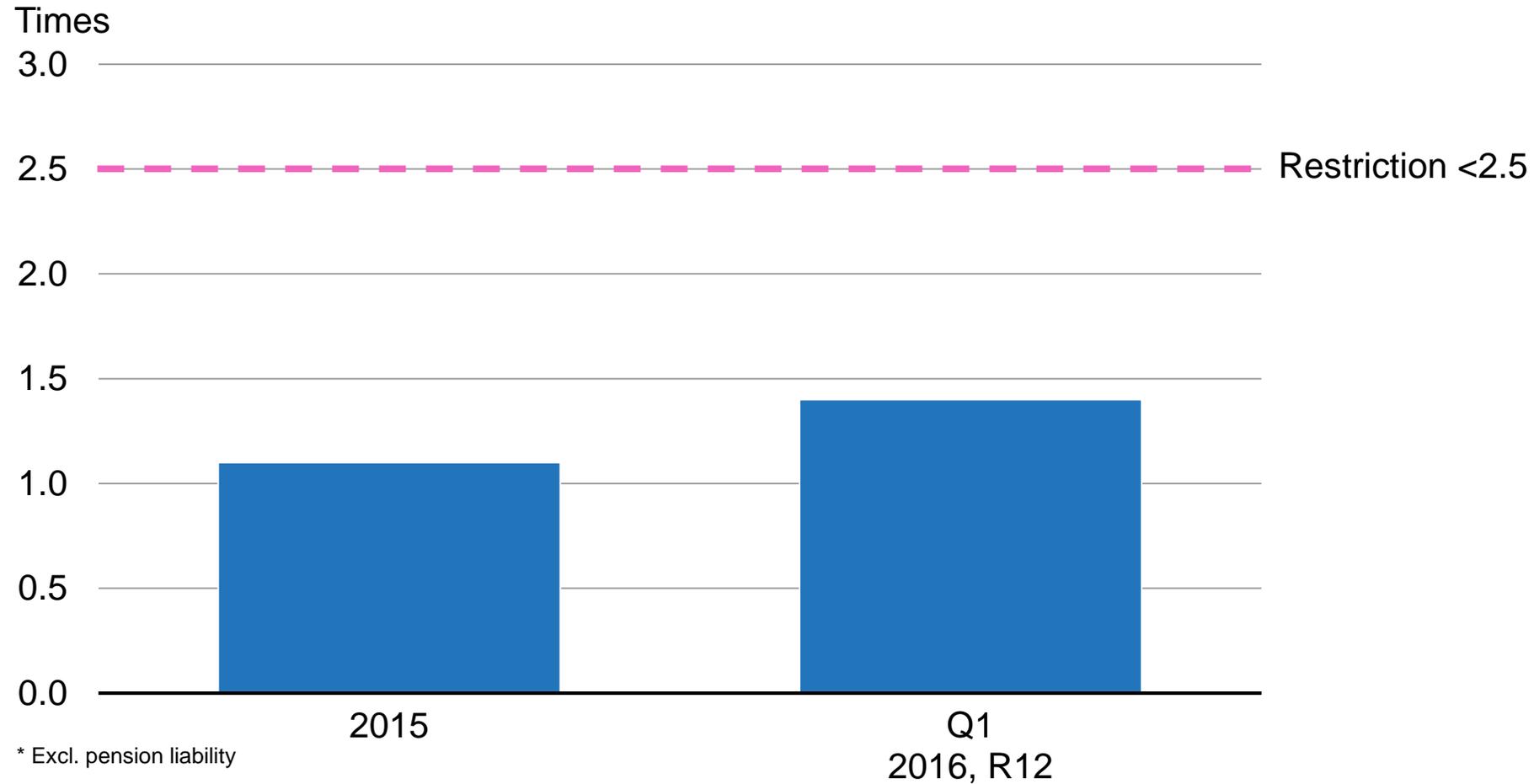


Objective:
5% average annual
revenue growth

Equity/asset ratio and return on shareholders' equity



Net indebtedness* / EBITDA





Q1 2016

Joachim Hallengren, CEO

Ann-Sofi Danielsson, CFO

Q1 in short

Market

- Continued strong markets in Sweden and Germany
- Tough market in Finland, although recovering

Financials

- Net sales SEK 1,877 M (1,764)
- EBIT SEK 184 M (74)
- ROACE 14% (8)
- Sold units 788 (1,142)
- 8,976 units in production

Listing process

- Decision to spin-off of Bonava on AGM April 12, 2016

Our main markets remain strong

Consumers

- Overall stable markets
- Swedish and German market remain strong
- Finland slow recovery
- St. Petersburg slowing down

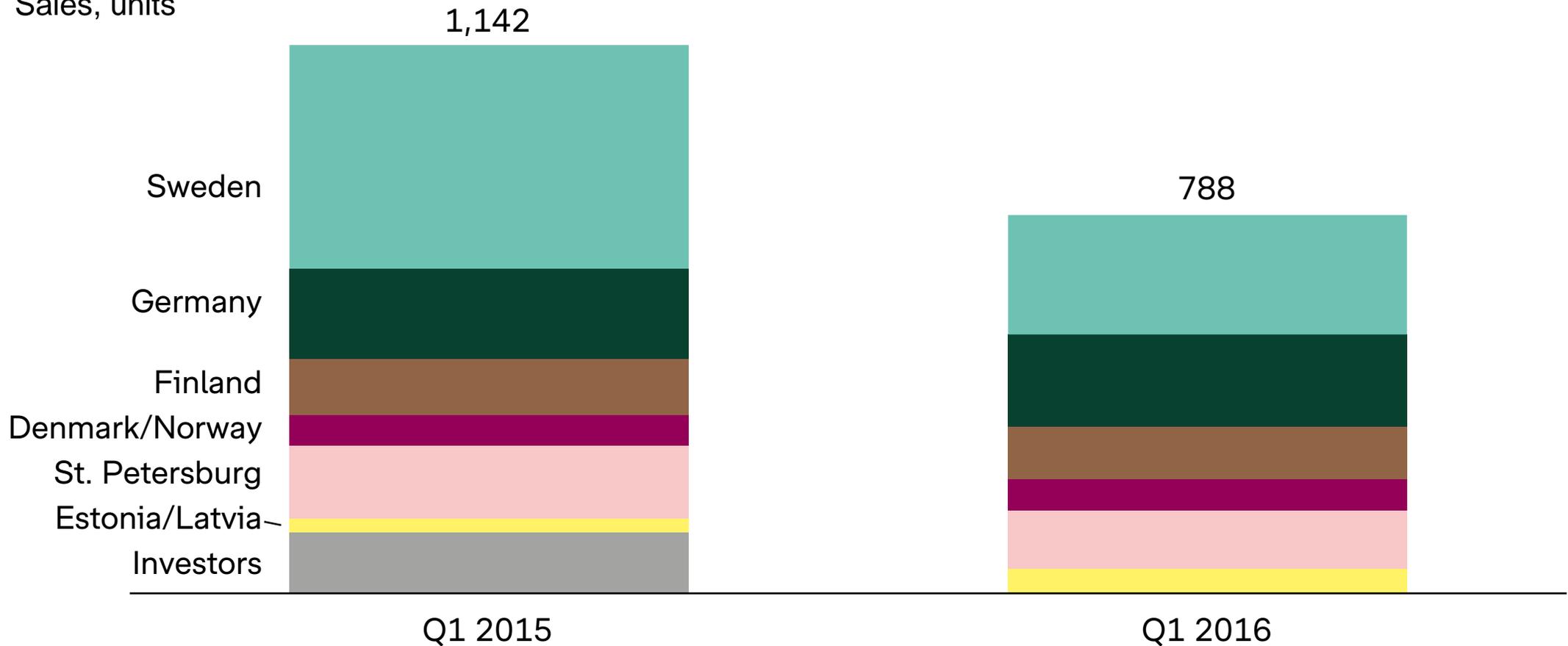
Investors

- Good investor markets in Germany, Finland and Sweden

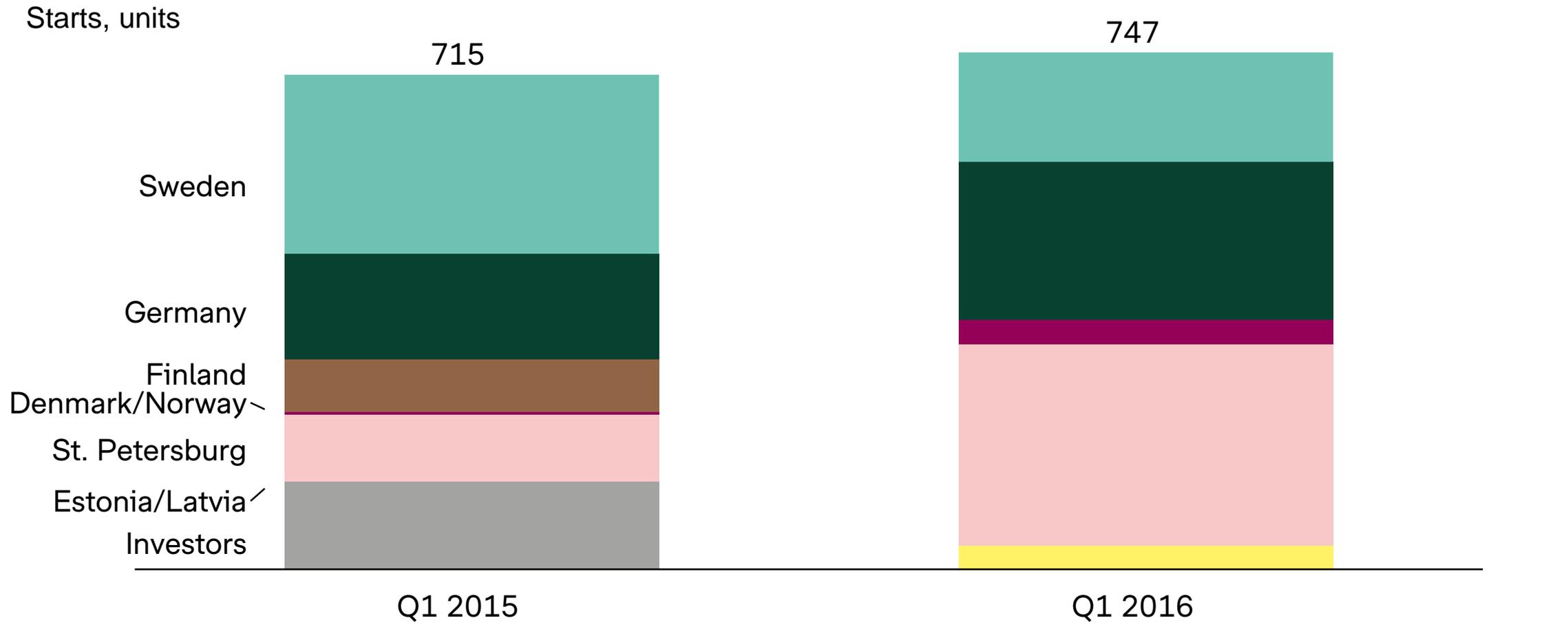


Less sales in the beginning of the year

Sales, units



High sales rate in ongoing production gives opportunity for more starts

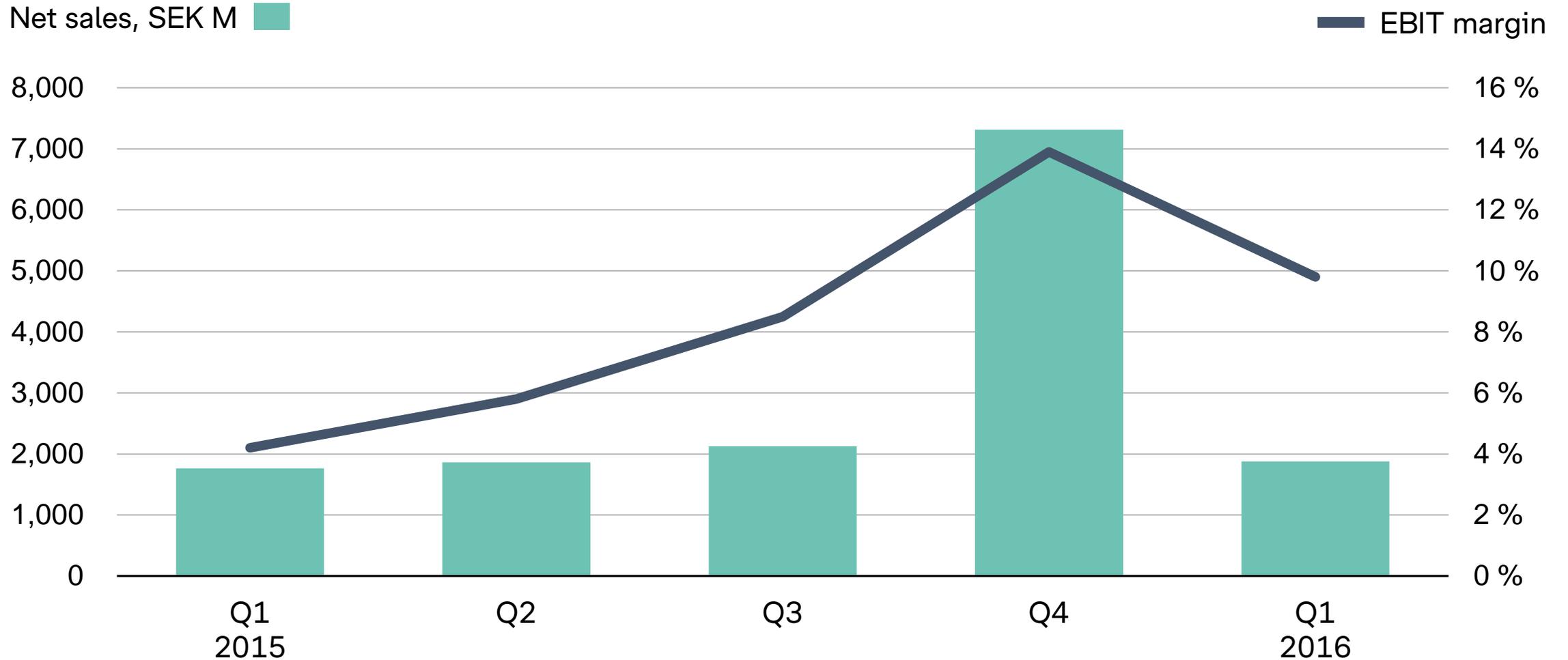




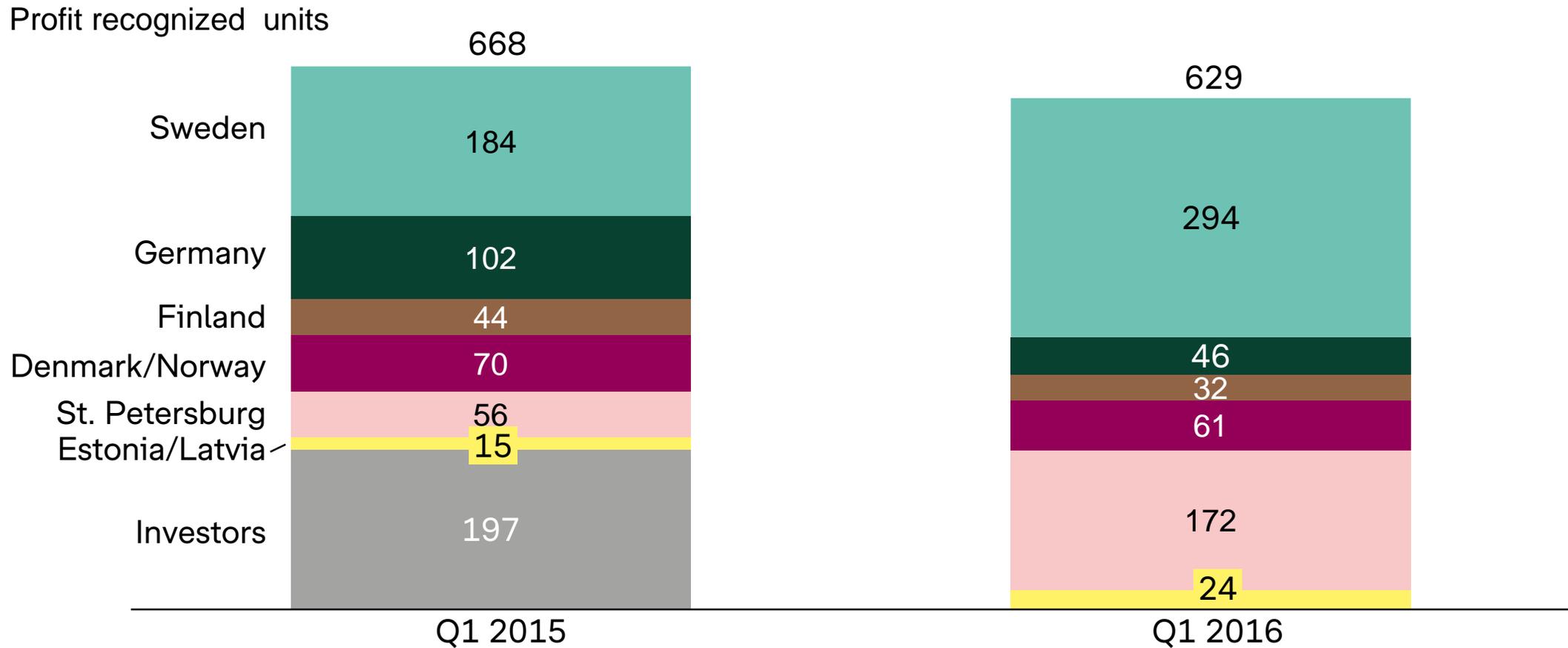
Q1 2016

Ann-Sofi Danielsson, CFO

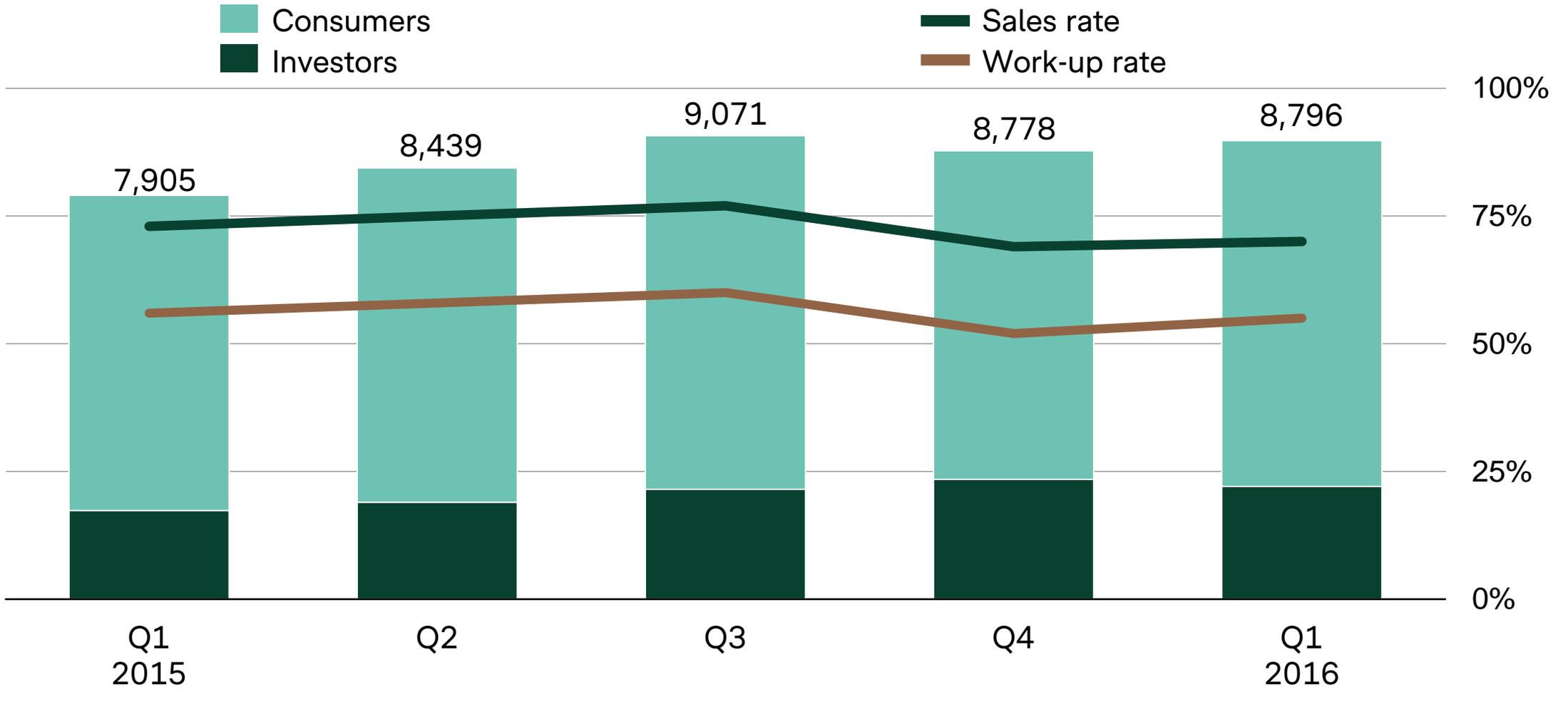
Higher net sales and healthy EBIT-margins



Sweden has the highest number of profit recognized units



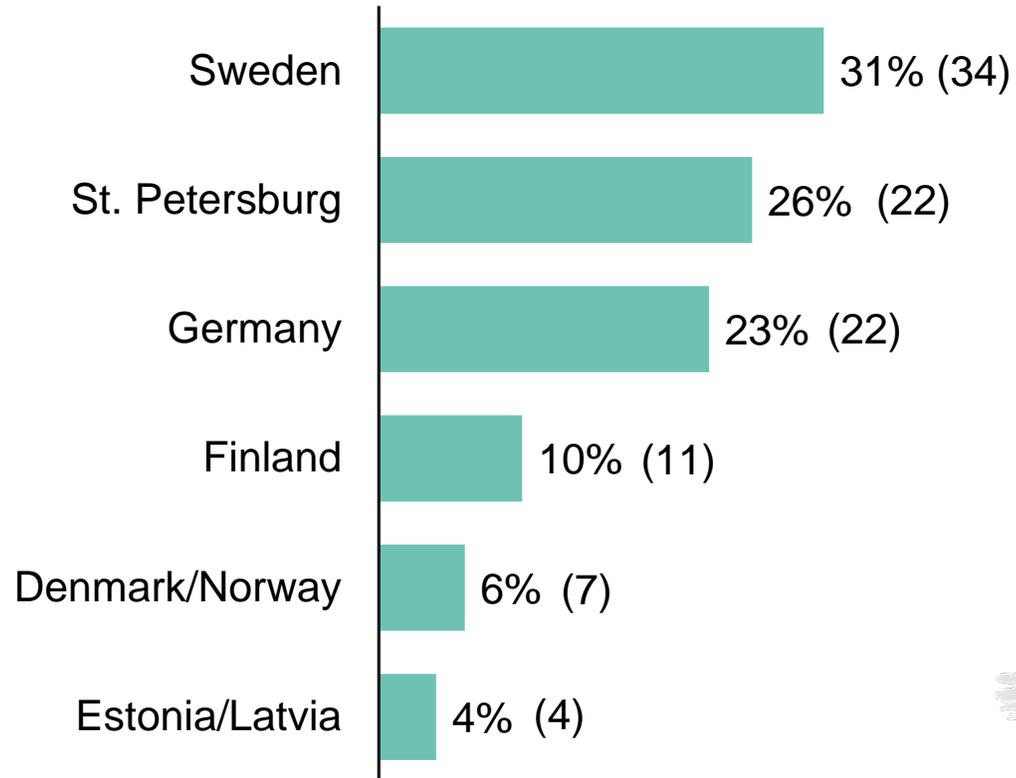
8,976 units in production with a good risk profile



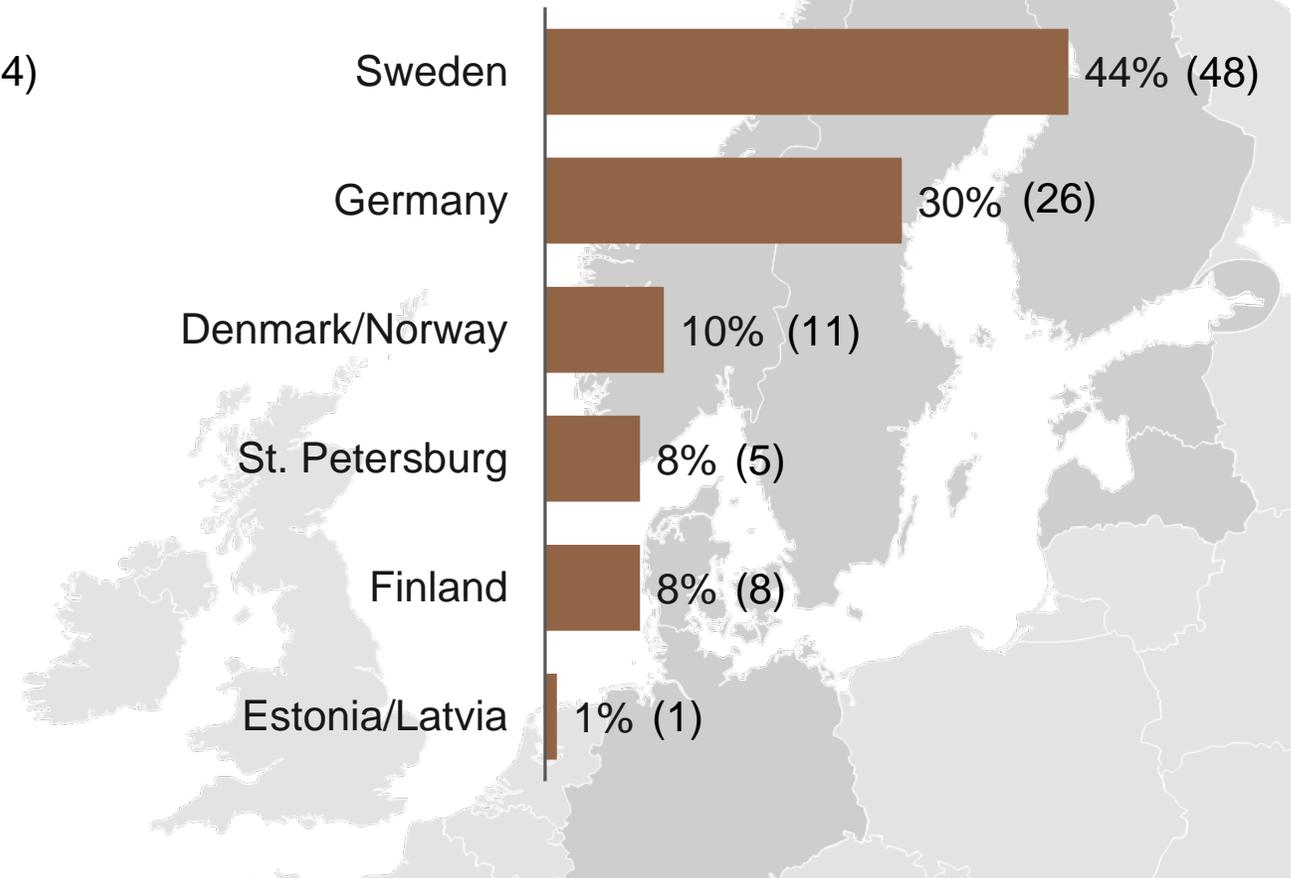
Ongoing production to consumers concentrated to Sweden and Germany

Mar. 31 2016 (Dec. 31 2015)

Units

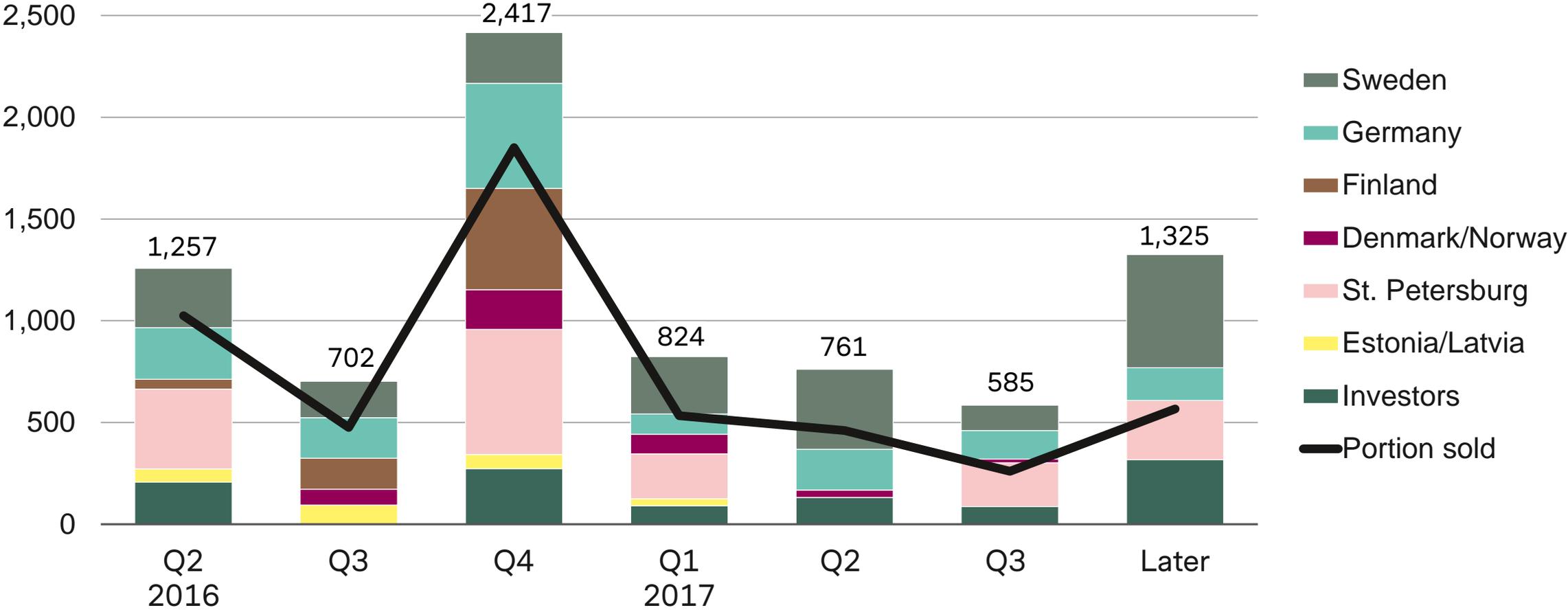


Sales value in ongoing production



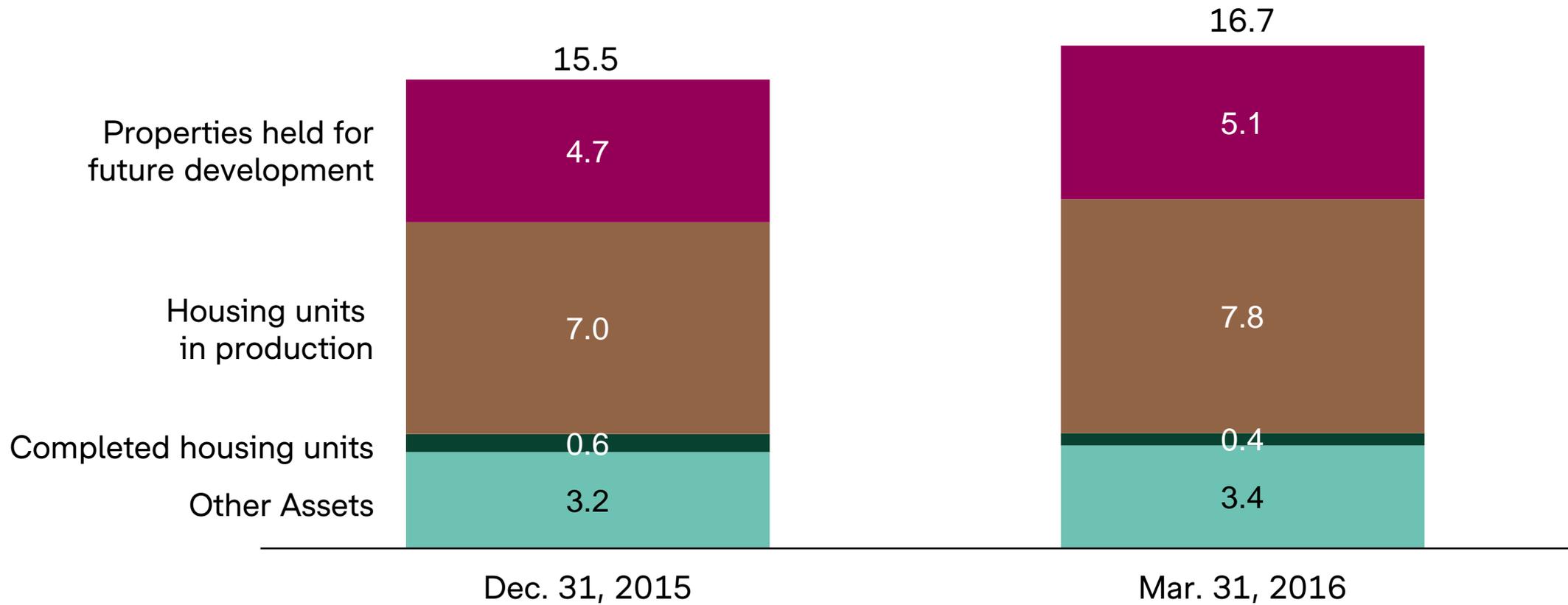
Many completions with high sales ratio for the rest of 2016

Estimated completions of ongoing production, units



Good balance for the future

SEK BN





Some started projects in Q1 2016

Golf Residence II & III, Farum, Denmark
18 + 18 units



Sinimäe, Tallinn, Estonia
34 units (initial phase)



Kungsträdgårdarna 4, Drottning Kristina, Uppsala, Sweden
74 units



Vimans Trädgård, Linköping, Sweden
29 units



Good start of the year

- The AGM decided on April 12, 2016 to spin-off Bonava during 2016
- Spin-off preparation ongoing
- New brand launched on April 12, 2016



BONAVA



Malmvägen, Kiruna

Summary Q1 2016

- Improved result – Bonava (Housing) and NCC Industry
- Good markets outlook
- NCC Building – increasing order backlog
- NCC Infrastructure – high tendering activity
- Four new property projects
- Focus on both growth and profitability





Contact information

IR Manager

Johan Bergman

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

johan.bergman@ncc.se

Chief Financial Officer

Mattias Lundgren

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

mattias.l.lundgren@ncc.se