



Interim report Jan-Sep 2019 & Q3

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CEO

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Tomas Carlsson

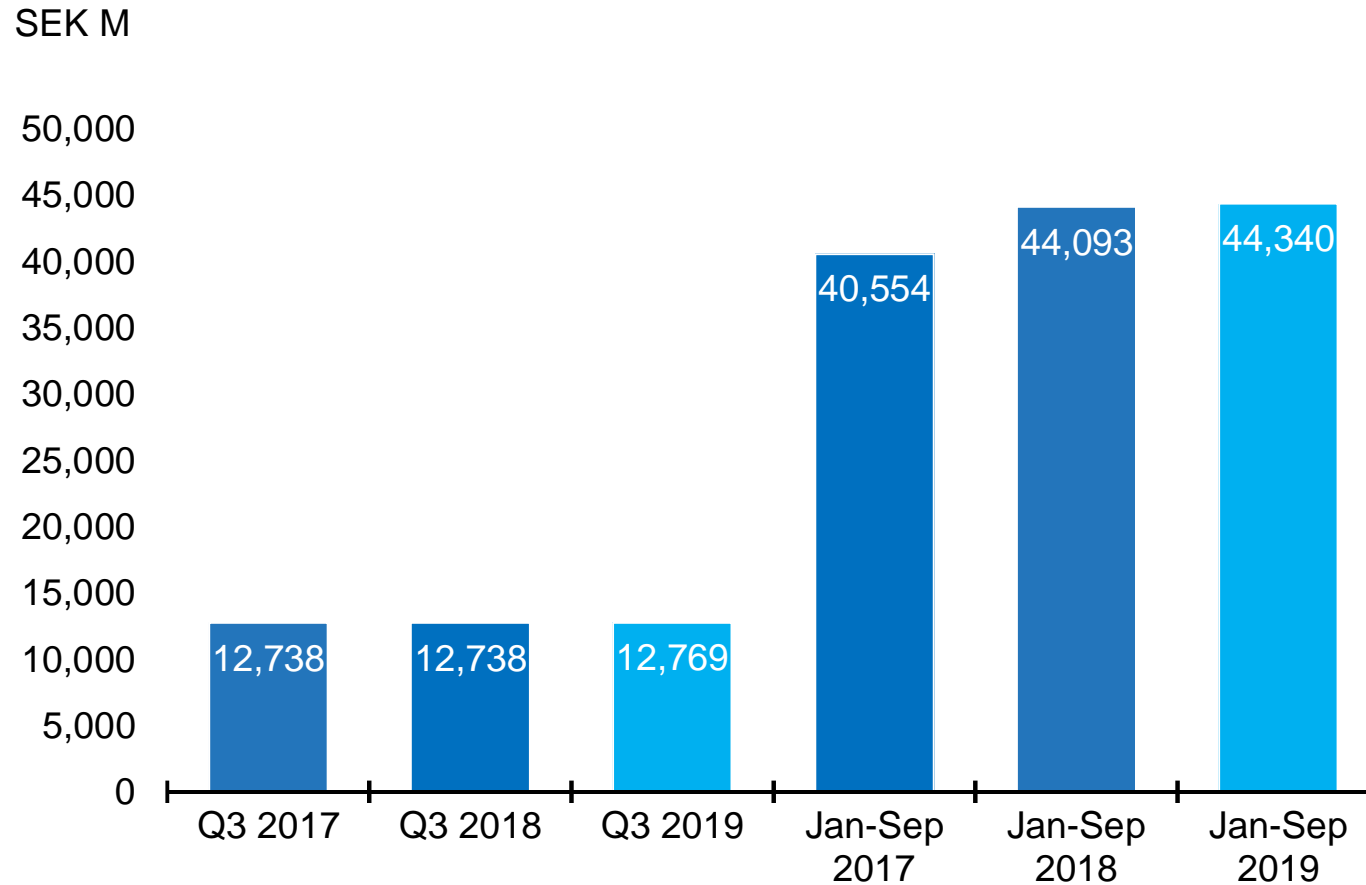
CEO

Q3: Improved earnings from a stable base

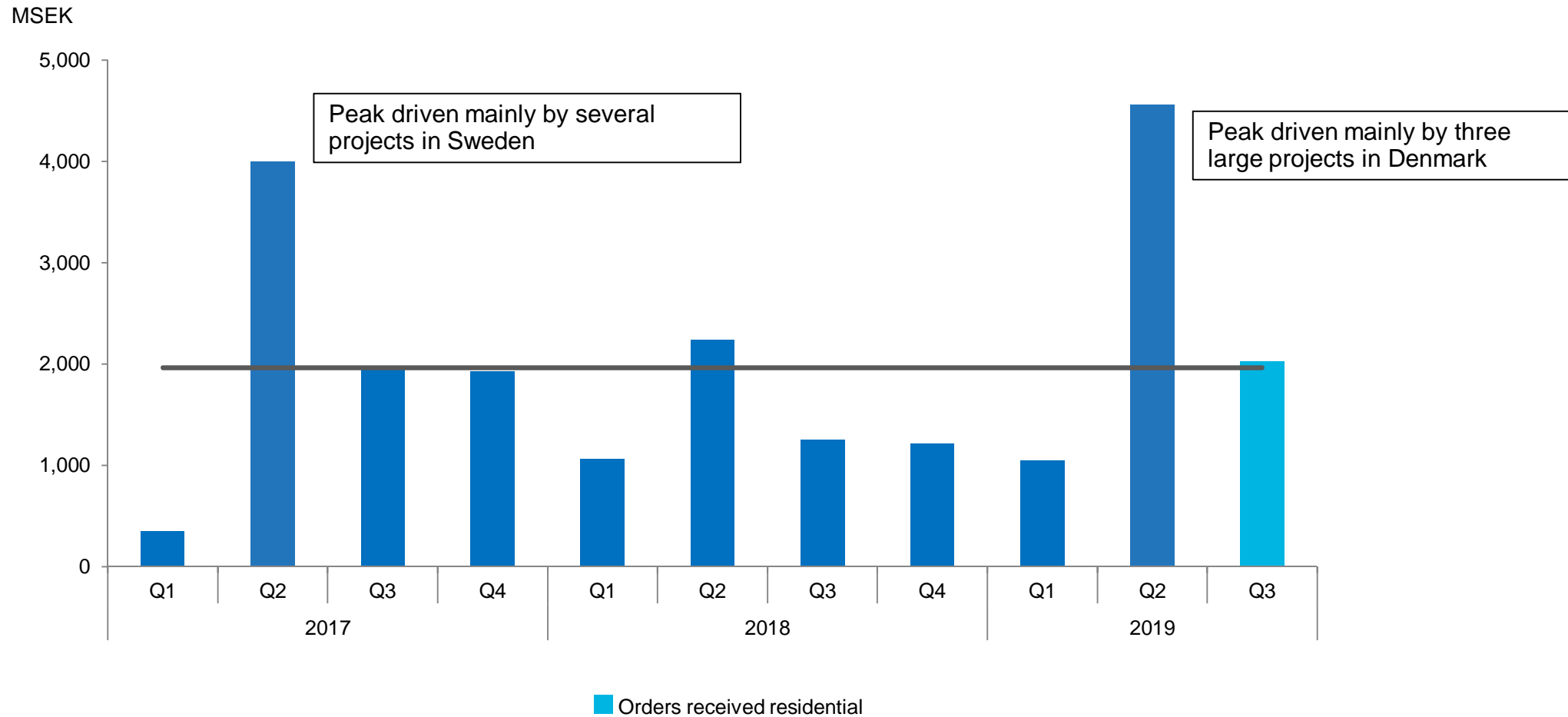
- Earnings improved – up 24% if compared with 2018 adjusted for revaluations
- Market conditions generally favorable
- Orders received on par with previous years
- Order backlog on a high level
- Net sales on a steady level
- Cash flow improved compared to last year

Orders received on par with previous years

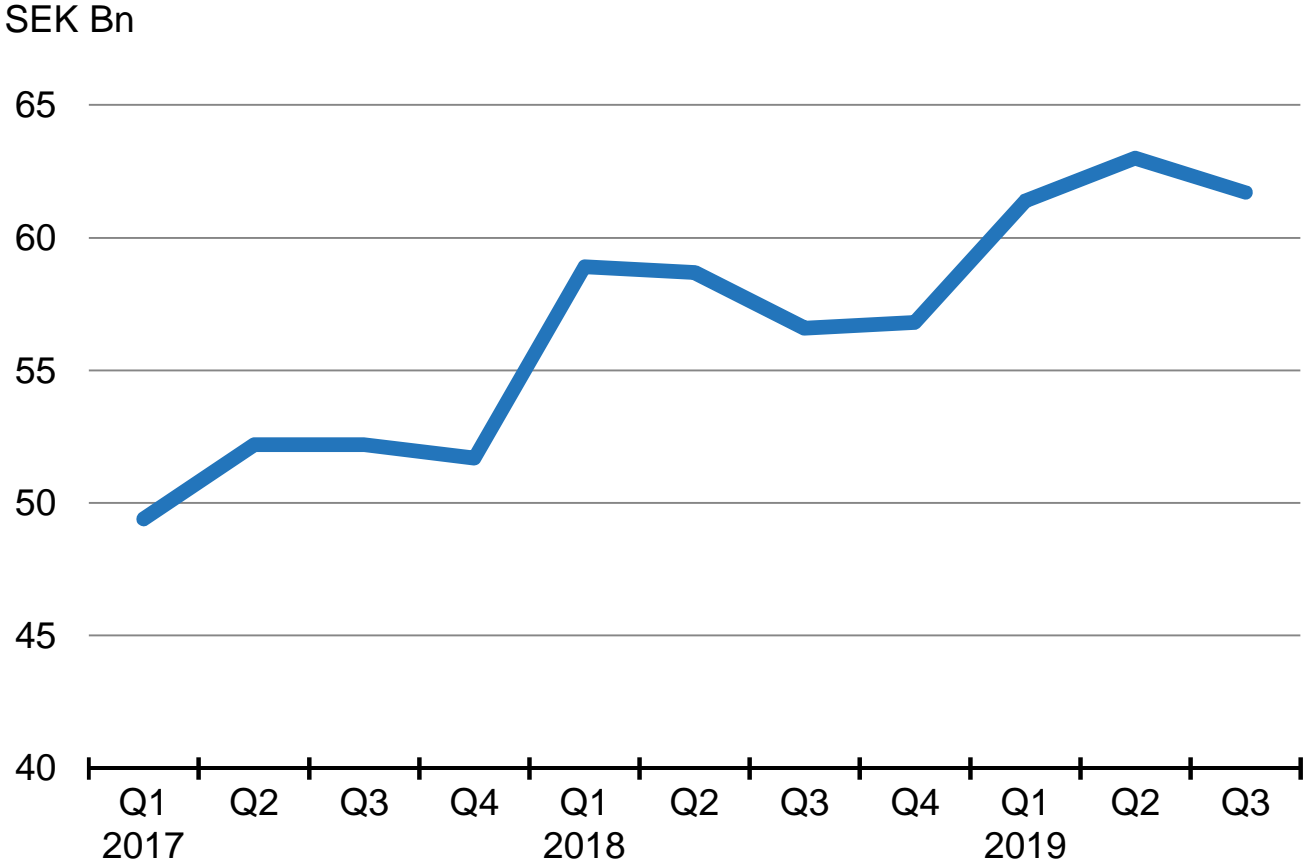
Building Sweden up – Road Services down



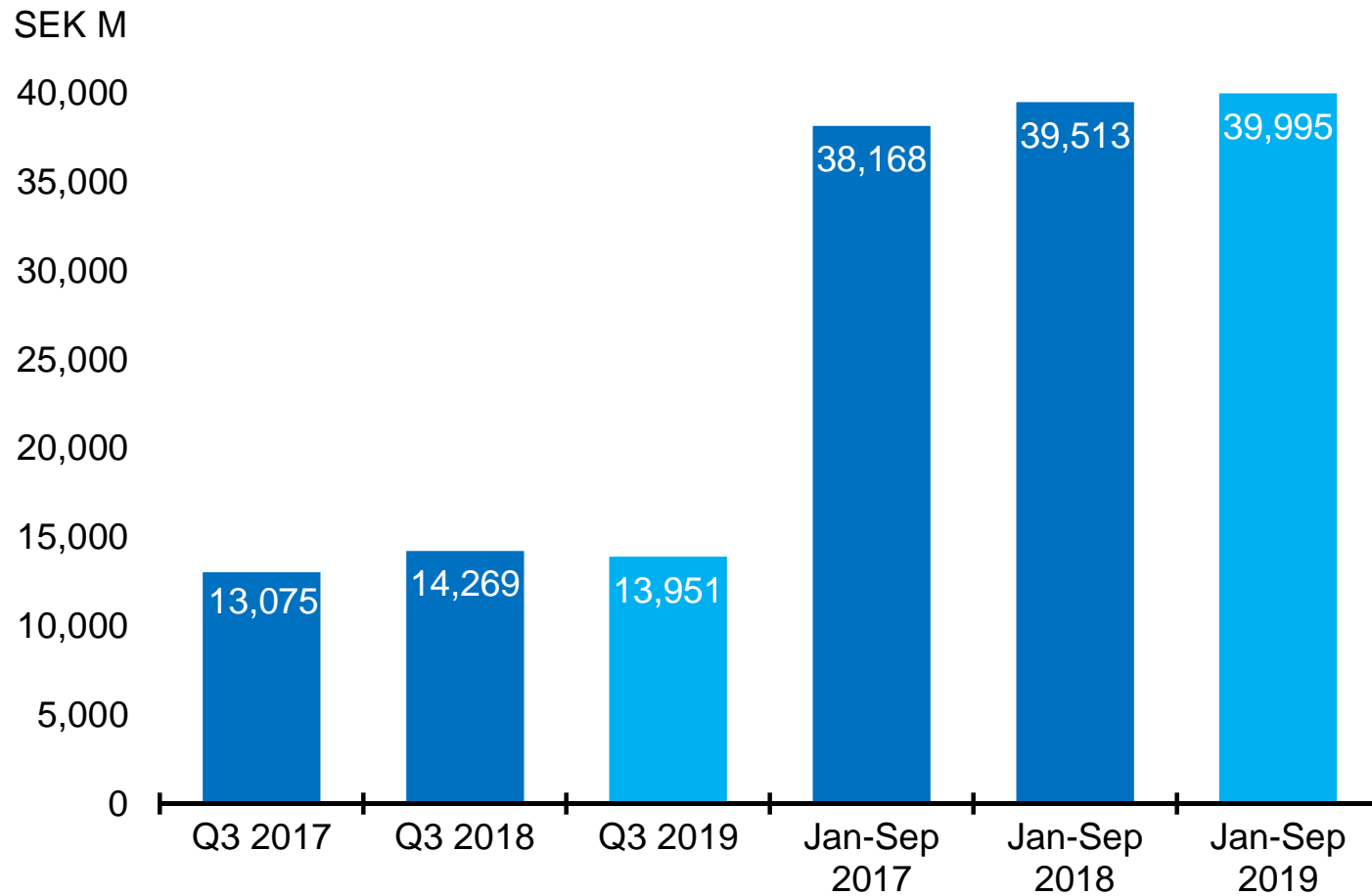
Residential orders received on normal levels



Order backlog on a high level



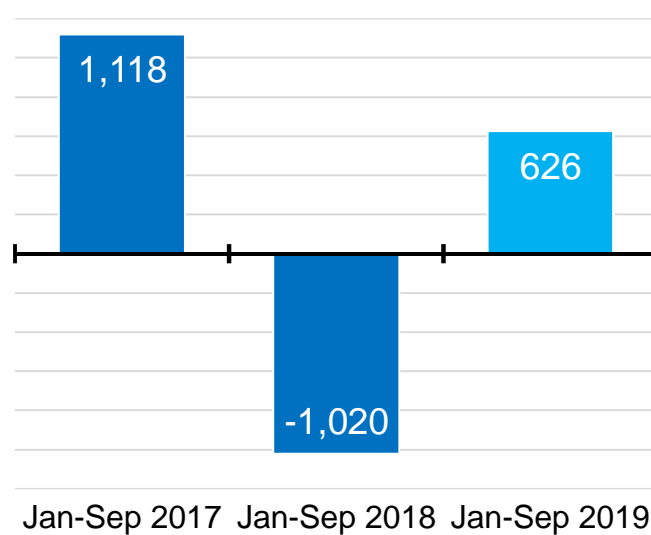
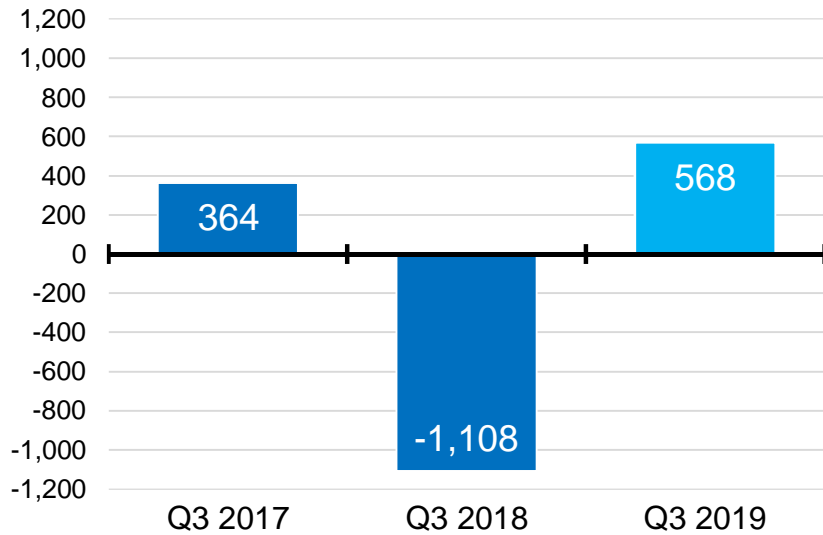
Net sales on a solid level



Operating profit improved

Comparisons with last year impacted by revaluations

SEK M



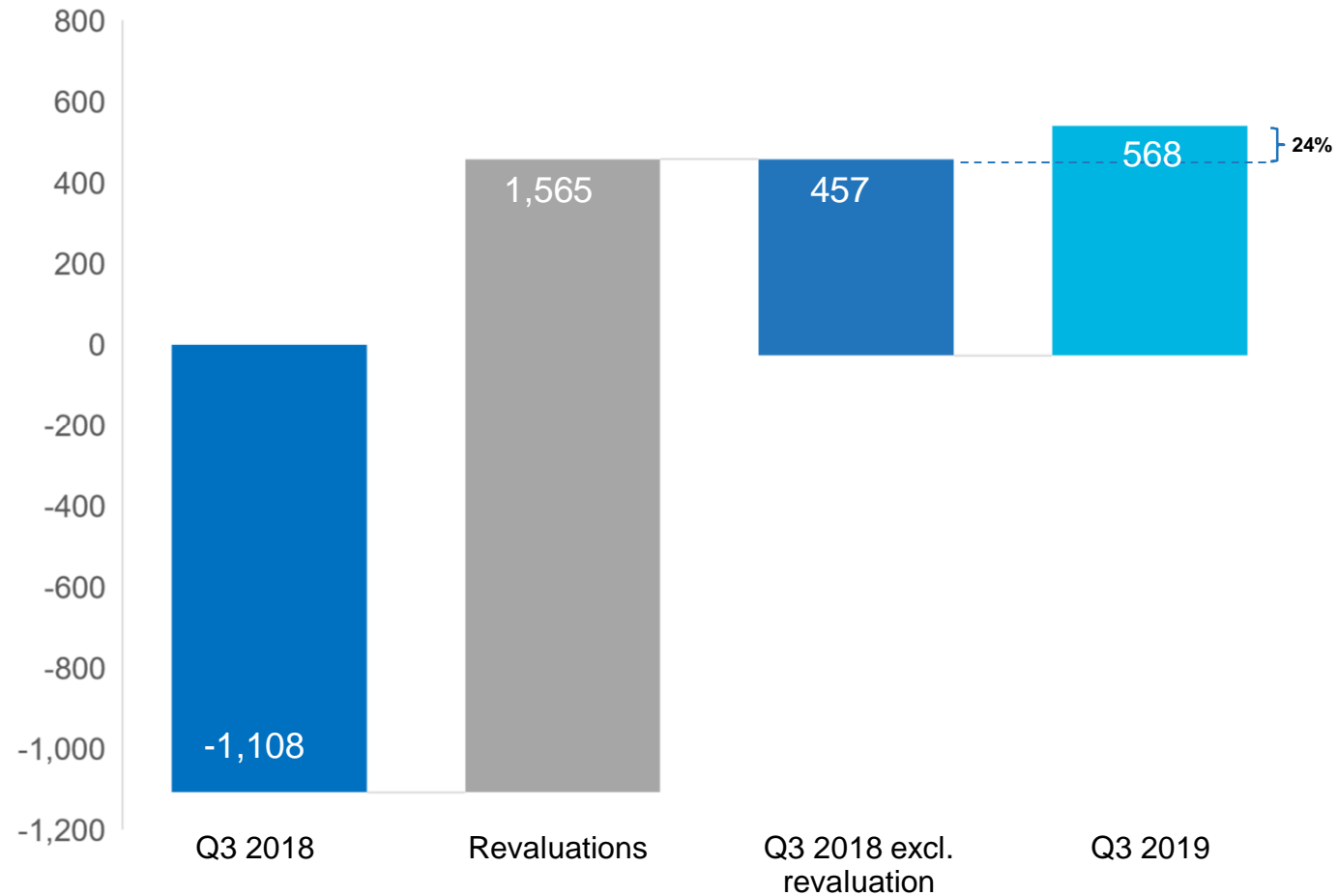
Operating margin

Q3 4.1%

R12 1.5%

2018 -1.3%

Earnings adjusted for revaluations



Susanne Lithander

CFO

NCC Infrastructure

On the right track with improved result

SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 -Sep 2019	Jan-Dec 2018
Orders received	4,466	4,454	18,528	21,271
Order backlog	22,002	20,646	22,002	21,037
Net sales	4,213	3,891	17,186	16,936
EBIT	46	-672	-5	-743
<i>EBIT adj for revaluation of SEK M -727 including Road Service</i>		55		
EBIT margin, %	1.1	-17.3	0.0	-4.4
NCC Road Services				
Orders received	388	969		
Order backlog	3,481	4,277		
Net sales	592	624	2,749	2,855
EBIT	4	-211*	-6	-251

*Result for BA Infrastructure including Road Services impacted by SEK -727 M in revaluations

NCC Building Sweden

Strong orders received – results lower than last year – units still in turnaround

SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 –Sep 2019	Jan-Dec 2018
Orders received	3,687	2,394	14,527	15,075
Order backlog	16,717	17,435	16,717	18,709
Net sales	3,192	3,380	15,201	15,701
EBIT*	75	86	370	453
EBIT margin, %	2.4	2.6	2.4	2.9

*Building Nordics, including Sweden, was impacted by a total of SEK 295 M in revaluations in Q3 2018

NCC Building Nordics

Strong order backlog and positive result in all three divisions

SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 – Sep 2019	Jan-Dec 2018
Orders received	2,683	2,488	16,556	11,229
Order backlog	16,694	11,110	16,694	11,313
Net sales	2,914	2,720	11,446	10,753
EBIT*	53	-193	54	-227
EBIT margin, %	1.8	-7.1	0.5	-2.1

*Building Nordics, including Sweden, was impacted by a total of SEK 295 M in revaluations in Q3 2018

NCC Industry

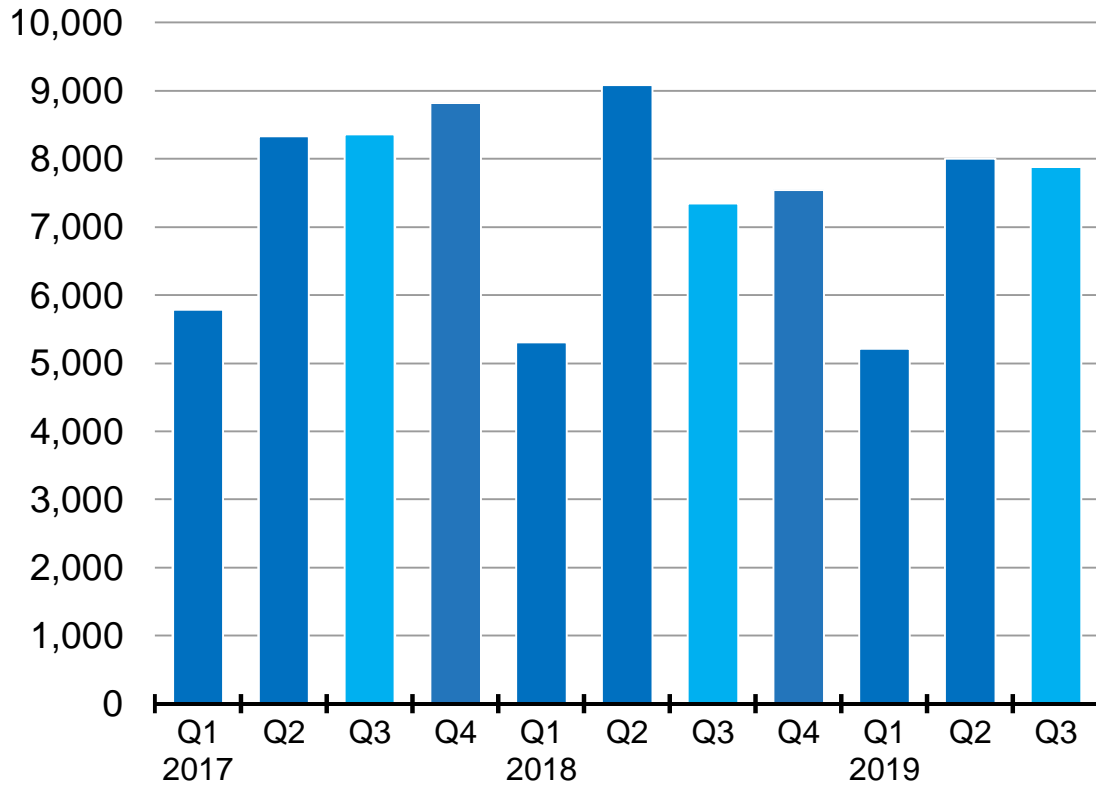
Delivering on par with previous years

SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 – Sep 2019	Jan-Dec 2018
Net sales	4,311	4,301	13,172	12,968
EBIT	387	283	478	350
EBIT adjusted for revaluation		398		
EBIT margin, %	9.0	6.6	3.6	2.7
RoCE, %			8.4	7.1

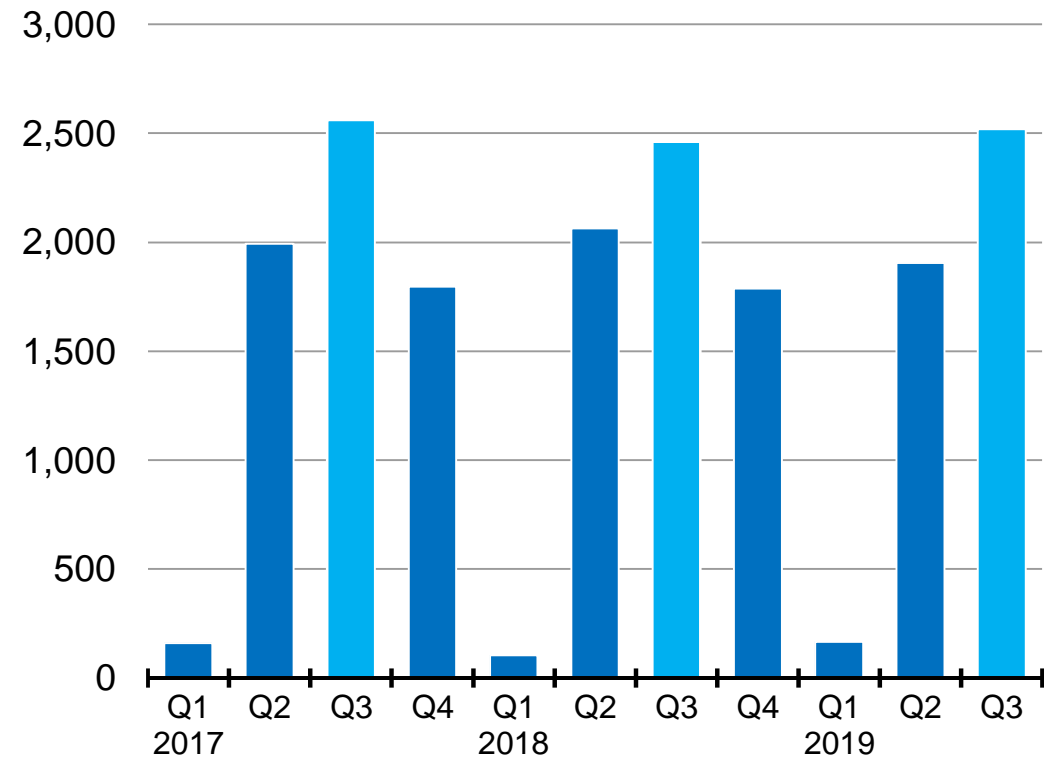
NCC Industry: Stone and asphalt volumes

Steady volumes for both asphalt and stone materials

Stone material sold, thousands of tons



Asphalt sold, thousands of tons



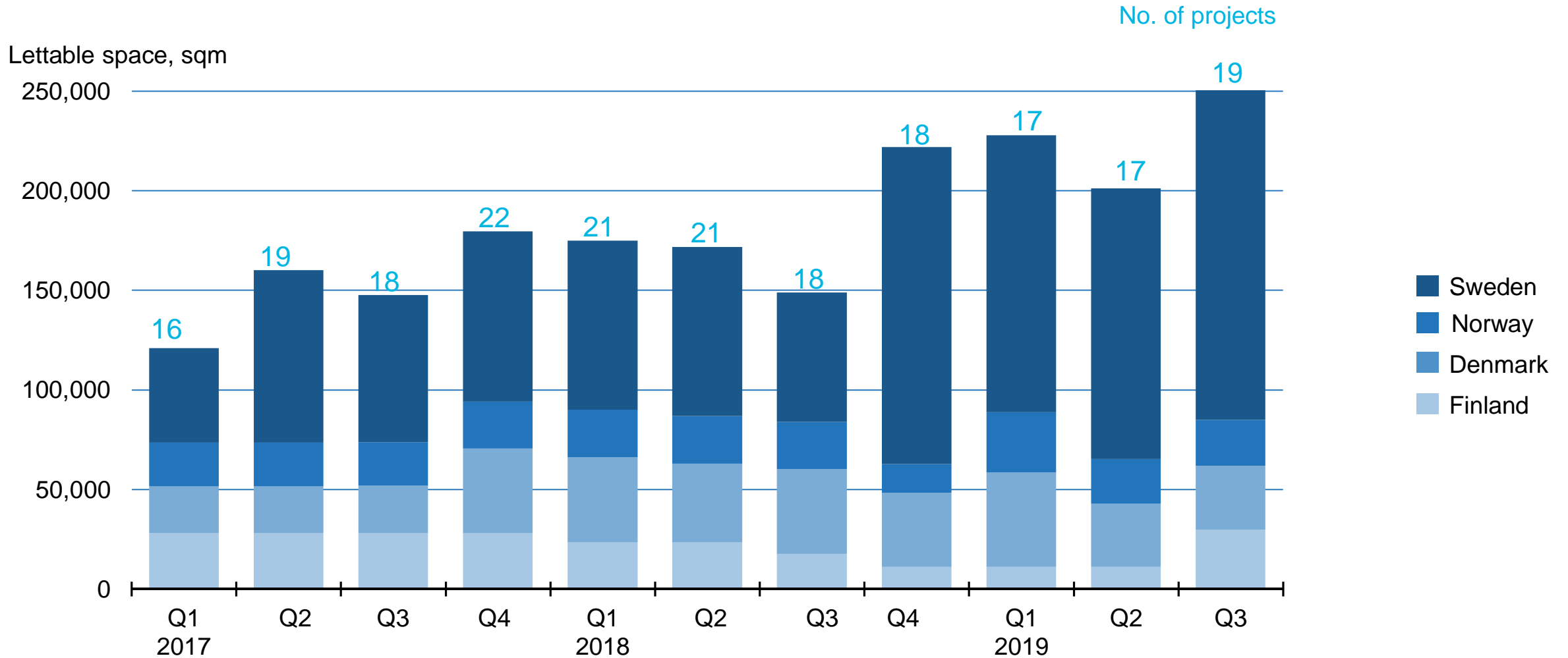
NCC Property Development

Generally high activity – two projects in earnings

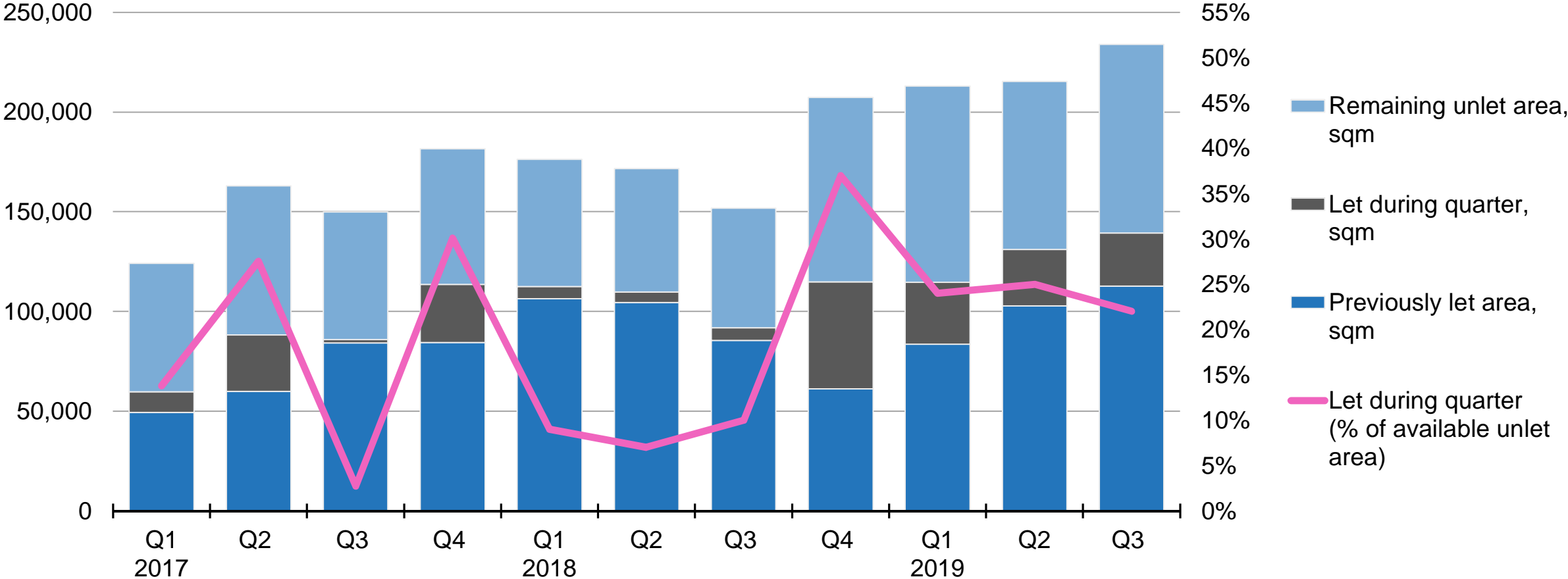
SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 – Sep 2019	Jan-Dec 2018
Net sales	335	397	2,428	2,157
EBIT	19	-326	184	-181
EBIT adjusted for revaluation		38		
EBIT margin, %	5.6	-82.1	7.6	-8.4
Capital employed	6,107	4,383	6,107	4,314
RoCE, %			8.1	-3.9

Four new projects started this quarter

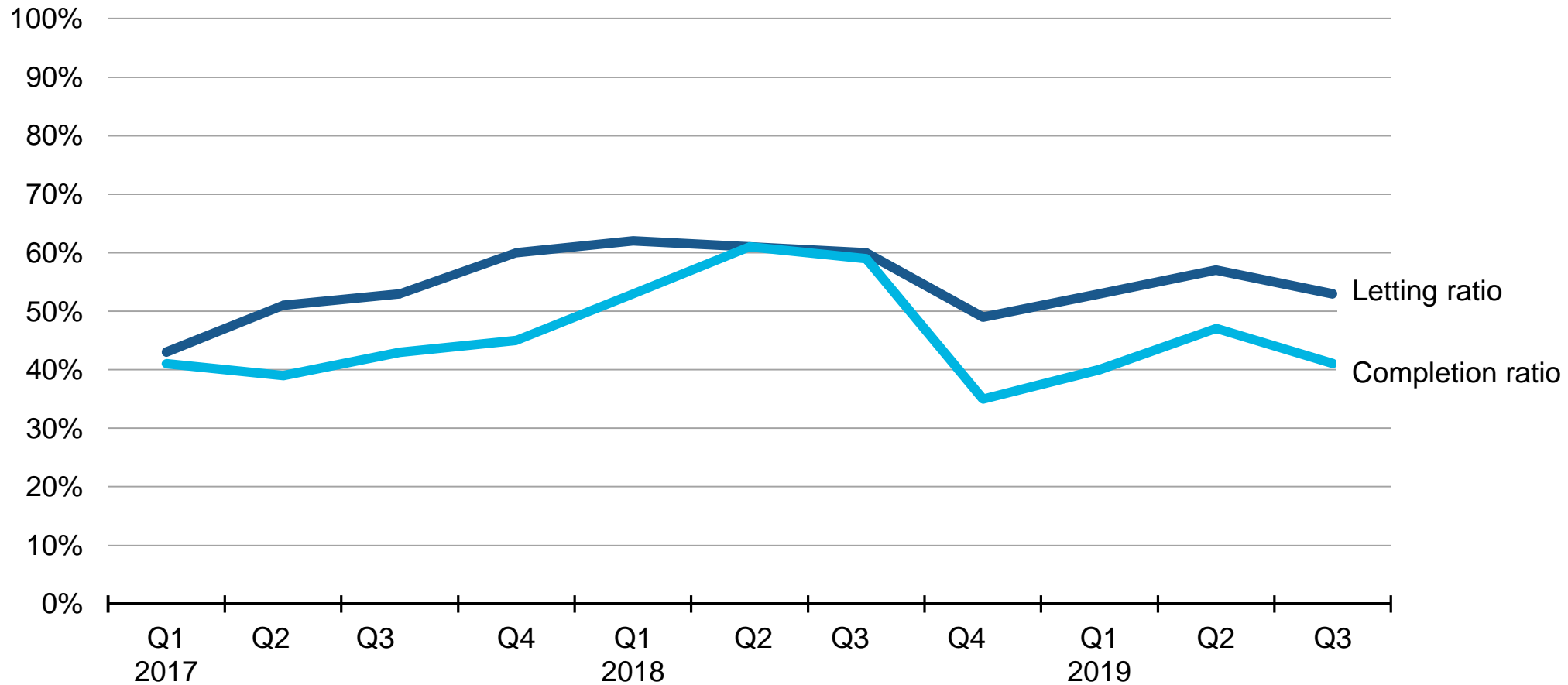
Three office projects and one school



Good letting during 2019



Letting and completion status in the property portfolio



Other and eliminations

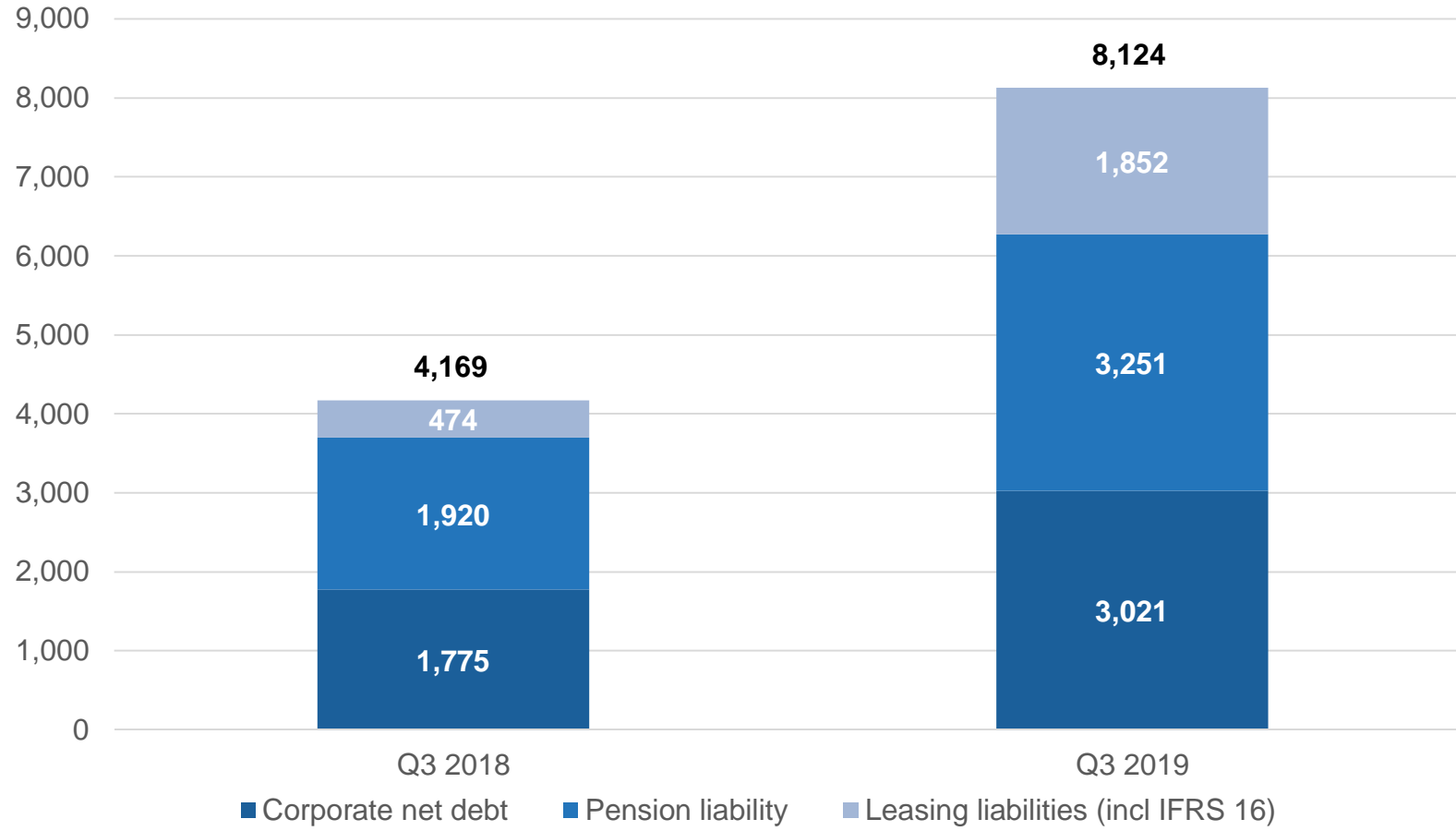
SEK M	Jul-Sep 2019	Jul-Sep 2018
NCC Infrastructure	46	-672
NCC Building Sweden	75	86
NCC Building Nordics	53	-193
NCC Industry	387	283
NCC Property Development	19	-326
Non core assets, Road Service	4	-211
Other and eliminations	-15	-75
EBIT	568	-1,108

SEK M	Jul-Sep 2019	Jul-Sep 2018
NCC HQ and other group adjustments	-31	-88
Internal gains	16	13
Other and eliminations	-15	-75

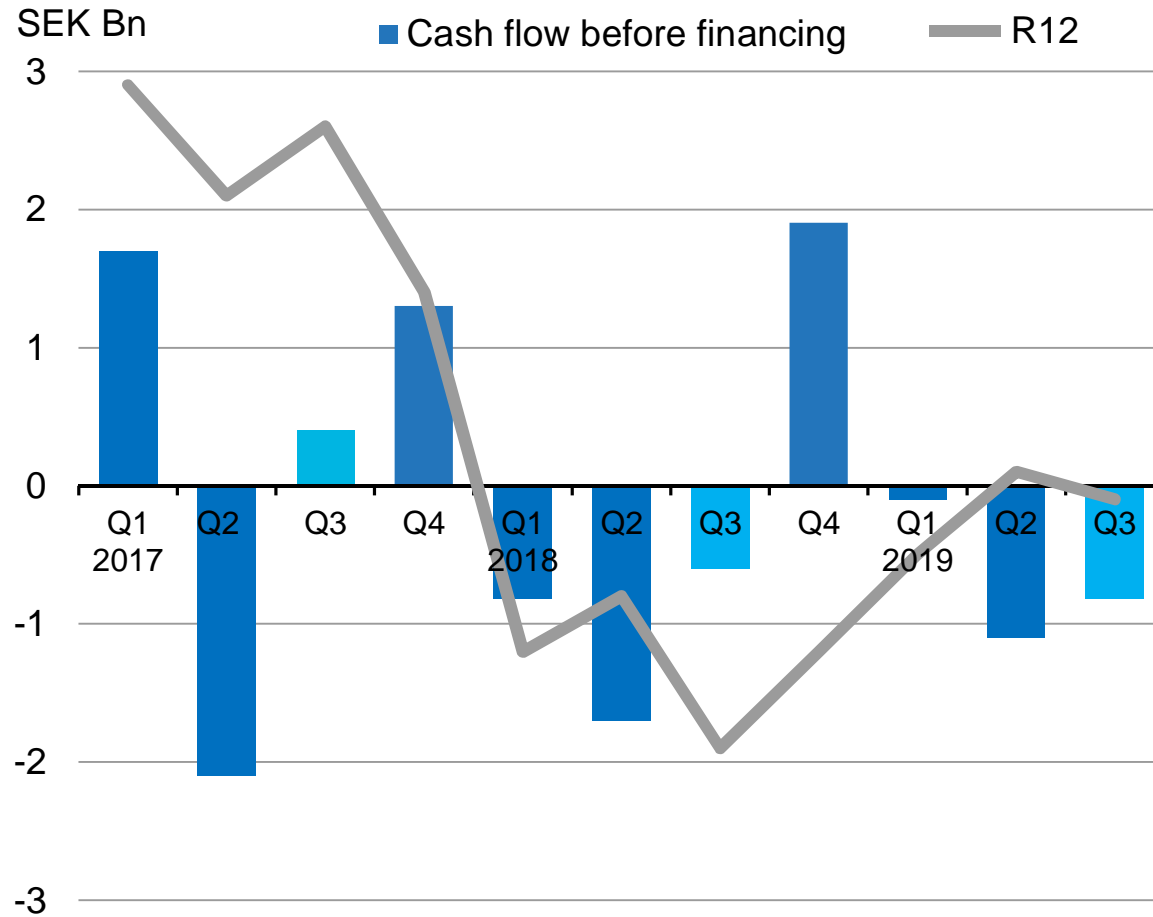
Income statement

SEK M	Jul-Sep 2019	Jul-Sep 2018	R12 Oct 2018 - Sep 2019	Jan-Dec 2018
Net sales	13,951	14,269	57,827	57,346
Gross profit	1,120	-402	3,651	2,140
Selling and administrative expenses	-558	-661	-2,780	-2,875
Cost ratio	4.0%	4.6%	4.8%	5.0%
Other	6	-46	11	-29
EBIT	568	-1,108	883	-764
Financial items	-32	-24	-108	-85
EBT	536	-1,133	774	-849
Tax	-77	179	-147	99
Profit for the period	459	-955	627	-750

Net debt



Cashflow improvement



SEK M	Jul-Sep 2019	Jul-Sep 2018	Oct 2018 – Sep 2019	Jan-Dec 2018
From operating activities	32	-367	2,279	790
From property projects	-714	-55	-1,735	-1,166
Investing activities	-132	-152	-665	-782
Cash flow before financing	-814	-574	-121	-1,157

Tomas Carlsson

CEO

Our message in October 2018: A new baseline

- Build on our strong and healthy core
 - Focus on projects, customers and geographies where NCC can deliver value
 - Lower risk profile in the projects – not less ambitious in our business
 - Clear main objectives: Restore profitability and better consistency
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- Considerable revaluations – action plan launched
 - Sustainable change will take time

Action plan starting to deliver results

1	Organisation and team	A clearer structure - New appointments
2	Exit or divest non-performing business	Divestment of Road Services in progress Most other identified assets sold or closed
3	Turn-around plans	Structured turnaround work
4	Improved processes and training	Internal processes strengthened NCC Project Academy launched and active

Summary

- Market conditions remains generally favorable
- Order intake on par with previous year – order backlog on a high level
- Underlying base stabilized
- Action plan is starting to deliver results
- Full effect will take time
- Turnaround work still intense in some units
- Q3 earnings improved



Contact information and calendar

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Financial Calendar

January 30, 2020

Interim report Jan-Dec 2019

April 1, 2020

NCC AGM

April 28, 2020

Interim report Jan-Mar