

Interim report fourth quarter and full-year 2018

Tomas Carlsson
CEO

Susanne Lithander
CFO

Fredriksberg, Helsinki

Highlights – improved earnings Q4

- Strong orders received
- Healthy cash flow in the quarter
- Higher earnings in the quarter – full year impacted by revaluations
- Four new property development projects started

- Market overall stable
- Long-term improvement process for NCC on track

- The Board proposes a dividend of SEK 4.00 (8.00) per share

Proposed dividend – 4.00 SEK per share

Proposed record dates

2.00 SEK

April 11, 2019

2.00 SEK

November 5, 2019

Action plan to strengthen NCC presented in Q4

Examples of major actions taken during the quarter

- Closing offices and other restructuring measures mainly in Norway (main part of restructuring cost of SEK 152 M)
- Divestment of ViaSafe completed
- Divestment of Stavanger Business Park
- Divestment process of division Road Service according to plan
- Turnaround initiatives ongoing in non-performing units

Q4 2018

Orders received	SEK 17.8 BN (16.2)
Order backlog	SEK 56.8 BN (51.7)
Net sales	SEK 17.8 BN (16.3)
EBIT	SEK 256 M (-43)

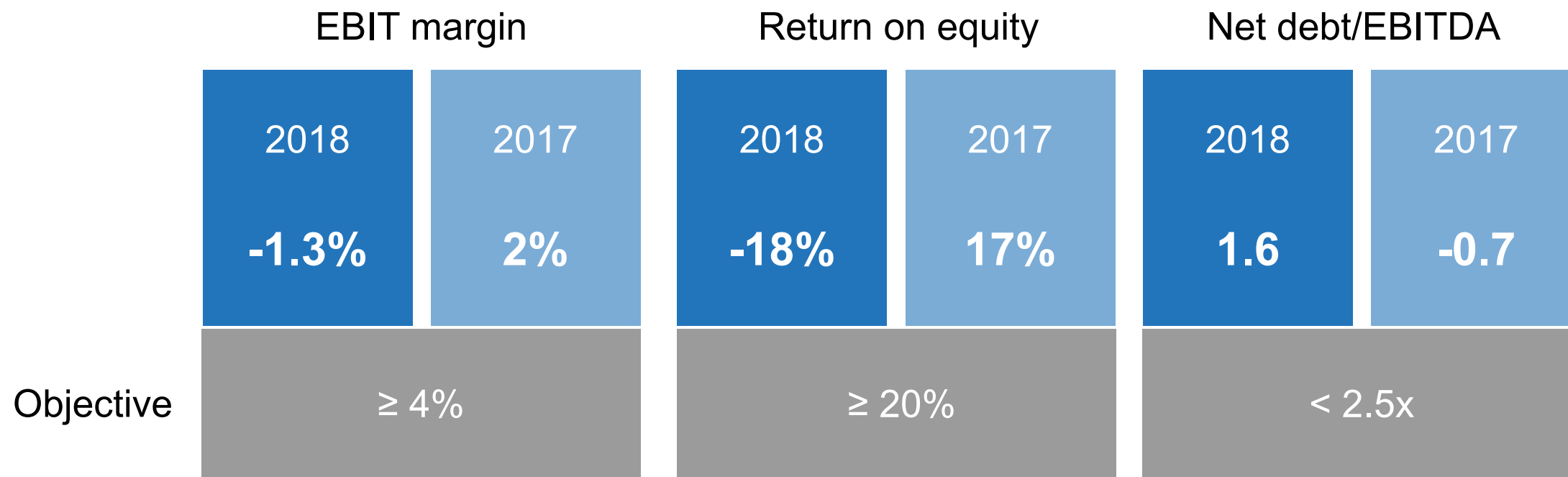
- Healthy orders received
- Earnings impacted by SEK 152 M of restructuring costs of approx. SEK 200 M communicated in Q3
- Operating profit in Building and Infrastructure impacted by revaluations in Q3 and prudent profit recognition
- Improved operating profit in NCC Industry and NCC Property Development

Full Year 2018

Orders received	SEK 61.8 BN (56.8)
Order backlog	SEK 56.8 BN (51.7)
Net sales	SEK 57.3 BN (54.4)
EBIT	SEK -764 M (1,075)

- High order backlog and healthy orders received
- Negative earnings mainly due to provisions for claims and warranties, revaluation of development properties and impairment losses totaling SEK 1,565 M in Q3

Financial objectives



All comparative figures for 2017 according to IFRS15

Project examples in Q4



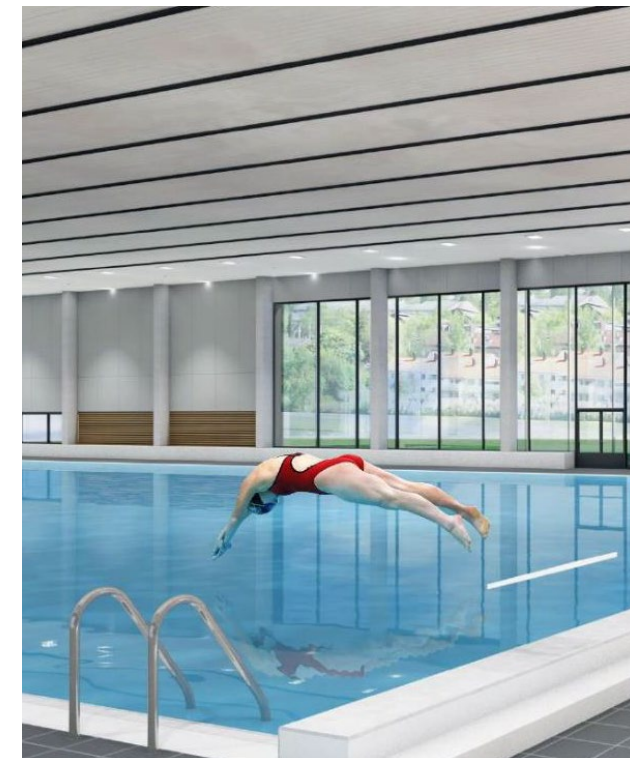
Converting office to hotel at the main railway station in Helsinki, Finland



Second tunnel on the Faroe Islands – the Sandøy Tunnel



New Fornudden school in Tyresö, Sweden



Rud swim center in Bærum, Norway

Project starts Q4

NCC Property Development

Project	Type	Location	Lettable area, sqm.	Letting ratio
Bromma Blocks	Office	Stockholm, Sweden	51,600	31%
Kineum Gårda	Office	Gothenburg, Sweden	21,300	69%
Fredriksberg B	Office	Helsinki, Finland	6,700	0%
Fredriksberg C	Office	Helsinki, Finland	4,300	0%

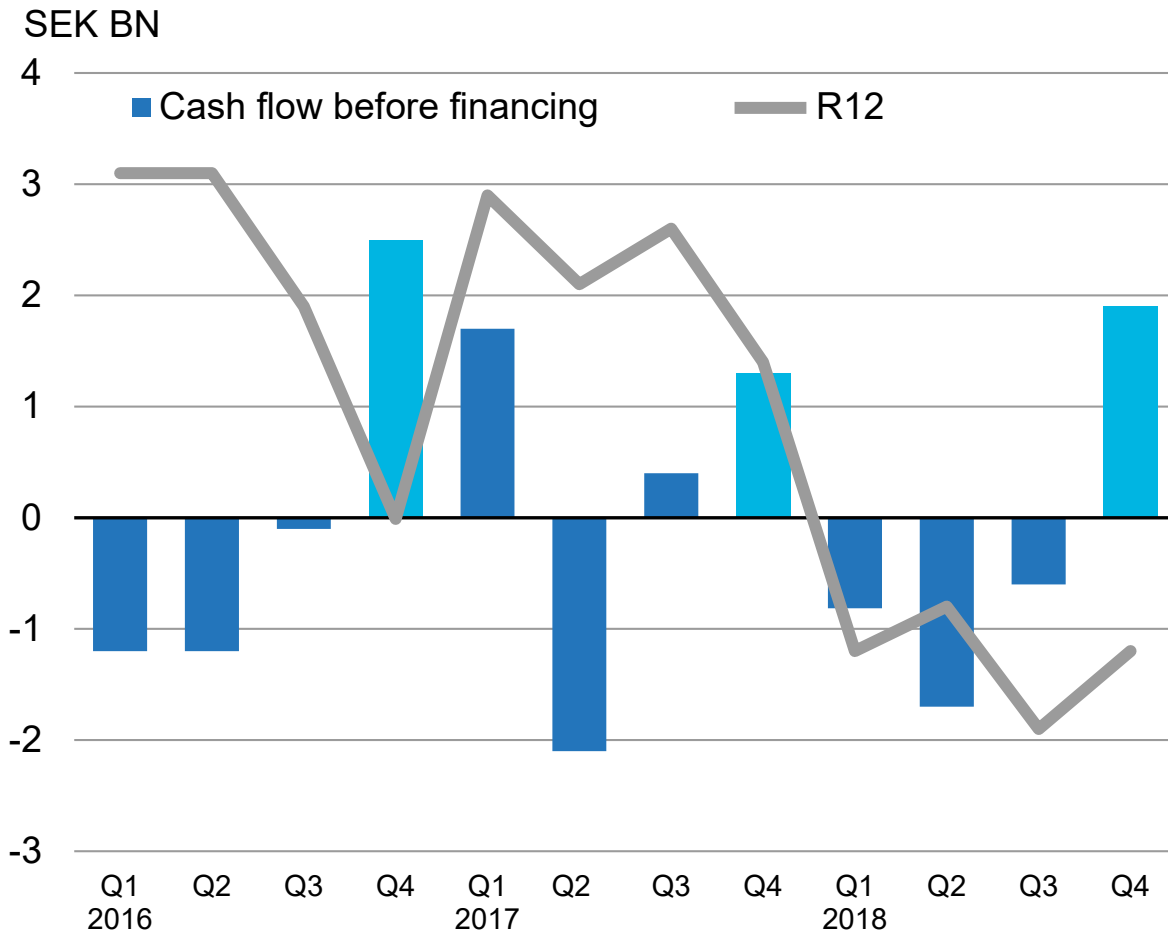


Susanne Lithander
CFO

Income statement

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	17,832	16,273	57,346	54,441
Gross profit	1,047	856	2,140	3,981
Selling and administrative expenses	-799	-916	-2,875	-2,933
Cost ratio	4.5%	5.6%	5.0%	5.4%
Other	8	16	-29	26
EBIT	256	-43	-764	1,075
Financial items	-27	-21	-85	-91
EBT	229	-65	-849	983
Tax	-69	61	99	-106
Profit for the period	160	-4	-750	877

Improved cash flow in Q4



SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
From operating activities	804	276	735	1,664
From property projects	-221	-209	-1,166	478
Other working capital	1,477	1,416	55	17
Investing activities	-119	-238	-782	-797
Cash flow before financing	1,942	1,244	-1,157	1,361

EBIT per business area

SEK M	Oct-Dec 2018	Oct-Dec 2017	SEK M	Okt-dec 2018	Okt-dec 2017
NCC Infrastructure	-144	-64	NCC HQ etc.	31	-89
NCC Building Sweden	109	186	Internal gains	27	-22
NCC Building Nordic	-78	-11	Other Group adjustment	18	-64
NCC Industry	155	142	Other and eliminations	76	-175
NCC Property Development	144	-48			
Non core assets, Road Service	-6	-73			
Other and eliminations	76	-175			
EBIT	256	-43	-764	1,075	

NCC Infrastructure

- Low profitability in projects
- Prudent profit recognition
- Restructuring cost SEK 49 M
- ViaSafe divested
- Division Road Service divestment process under way
- High order backlog

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Orders received	5,796	6,559	21,271	19,278
Order backlog	21,037	16,713	21,037	16,713
Net sales	5,134	5,234	16,936	15,750
EBIT	-144	-64	-698	-122
EBIT margin, %	-2.8	-1.2	-4.1	-0.8
NCC Road Service				
Net sales	858	881	2,855	2,741
EBIT	-6	-73	-296	-76

NCC Building Sweden

- Strong orders received
- Operating profit impacted by revaluation

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Orders received	5,893	3,032	15,075	15,710
Order backlog	18,709	19,340	18,709	19,340
Net sales	4,614	4,473	15,701	14,178
EBIT	109	186	453	489
EBIT margin, %	2.4	4.2	2.9	3.4

NCC Building Nordics

- Restructuring cost SEK 95 M
- Positive earnings in Denmark and Finland
- Extensive turn around activities for Norwegian business under way
- Prudent tendering in Norway

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Orders received	3,477	3,648	11,229	9,251
Order backlog	11,313	10,288	11,313	10,288
Net sales	3,162	3,065	10,753	10,444
EBIT	-78	-11	-227	-79
EBIT margin, %	-2.5	-0.4	-2.1	-0.8

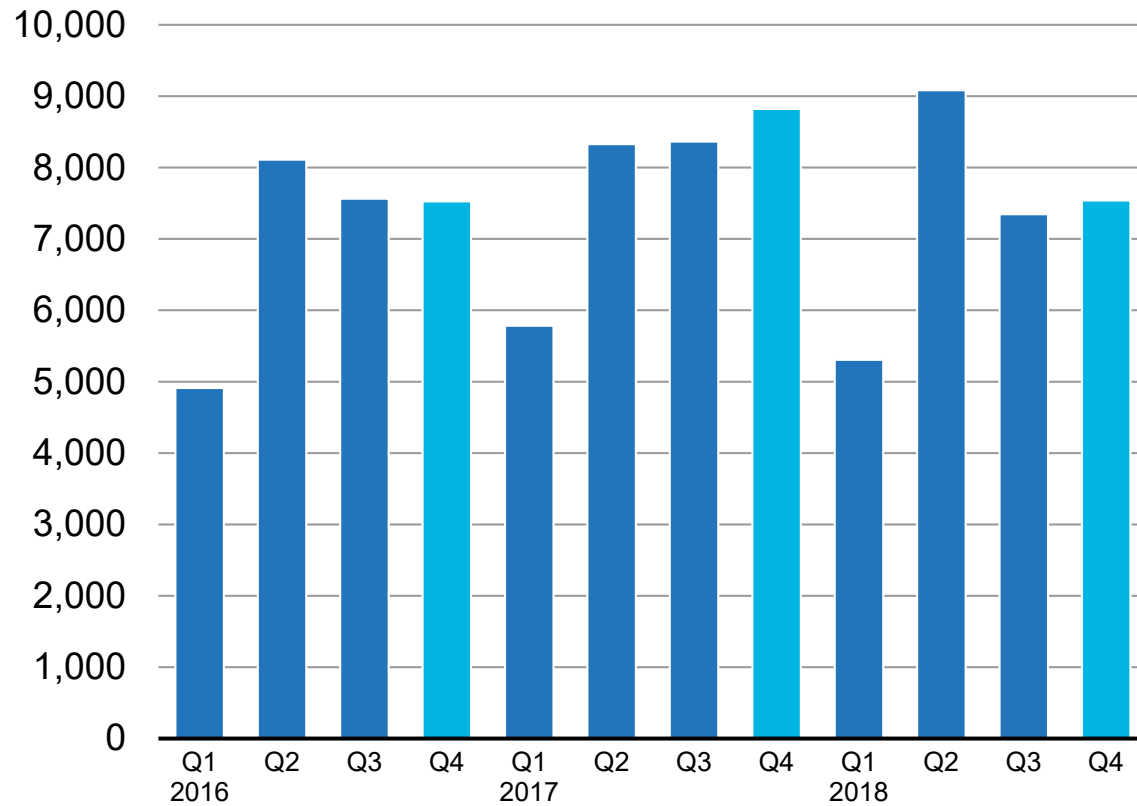
NCC Industry

- Higher operating profit in Q4

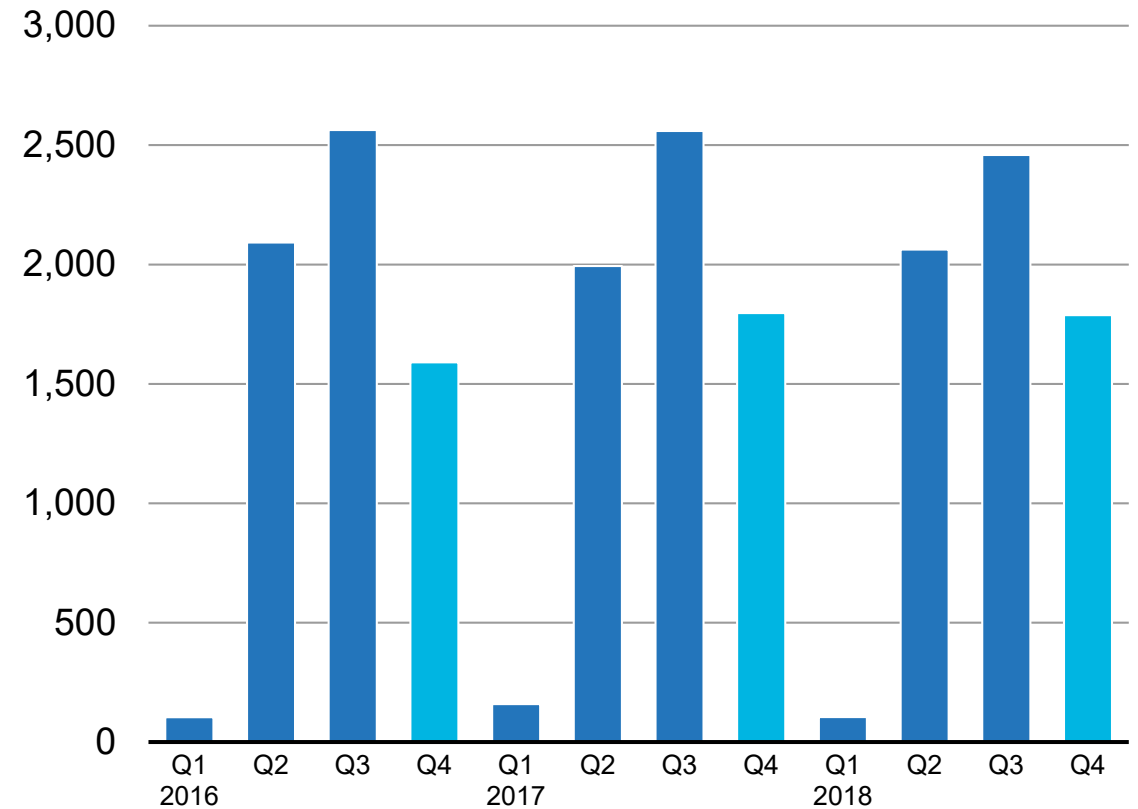
SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	3,876	3,839	12,968	12,393
EBIT	155	142	350	577
EBIT margin, %	4.0	3.7	2.7	4.7
RoCE, %			7.1	13.1

Asphalt volumes on par – stone materials lower

Stone material sold, thousands of tons



Asphalt sold, thousands of tons



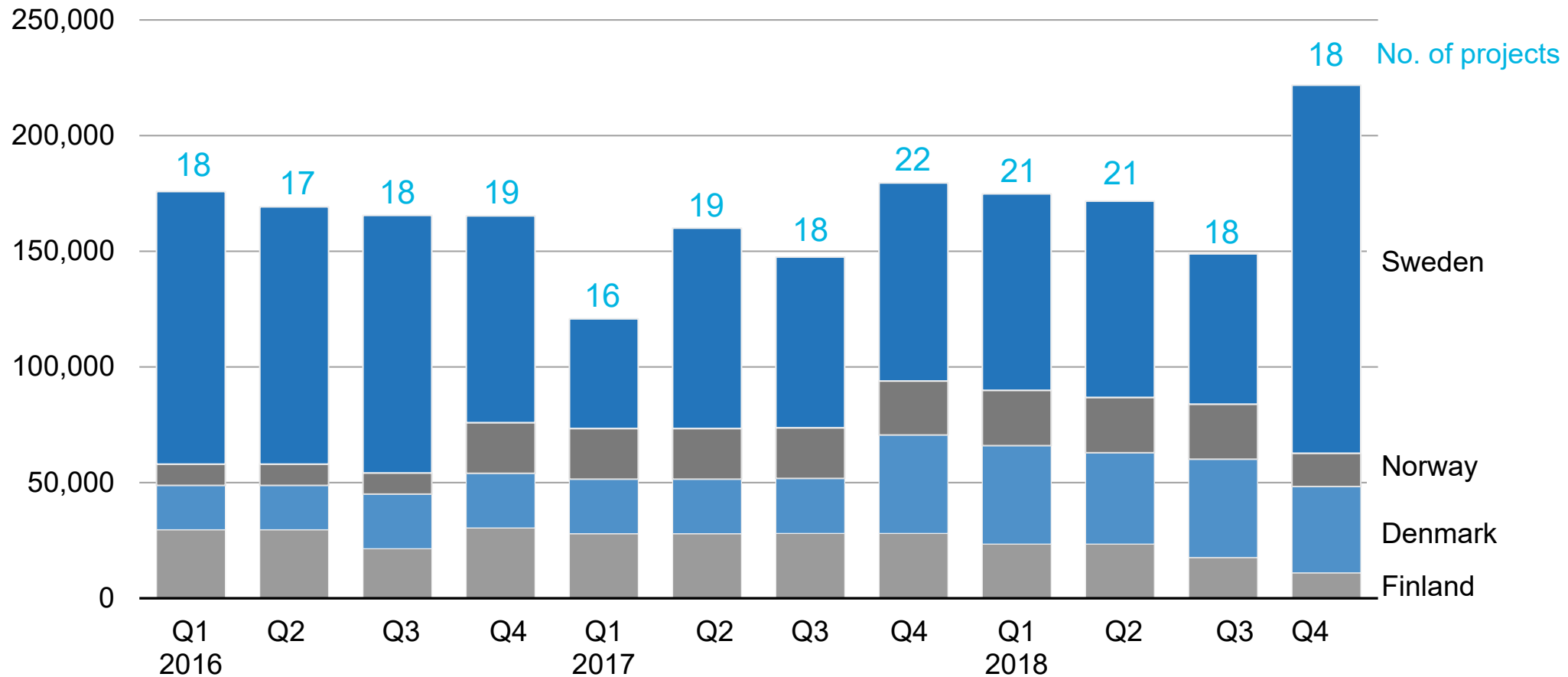
NCC Property Development

- Four projects profit recognized in Q4 and nine in total during 2018
- Sales of land contributed positively to operating profit in Q4

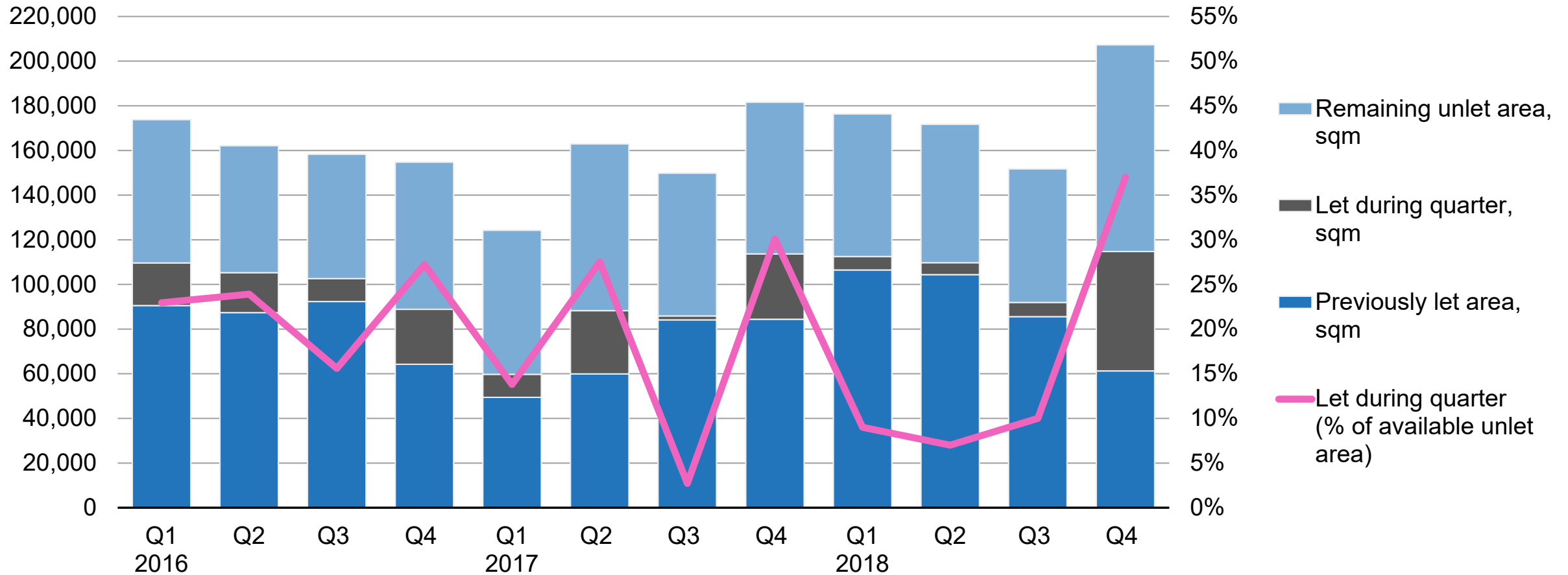
SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	1,361	42	2,157	2,567
EBIT	144	-48	-181	601
EBIT margin, %	10.6	Neg.	-8.4	23.4
RoCE, %			-3.9	15.7

Increased focus on Sweden in the portfolio

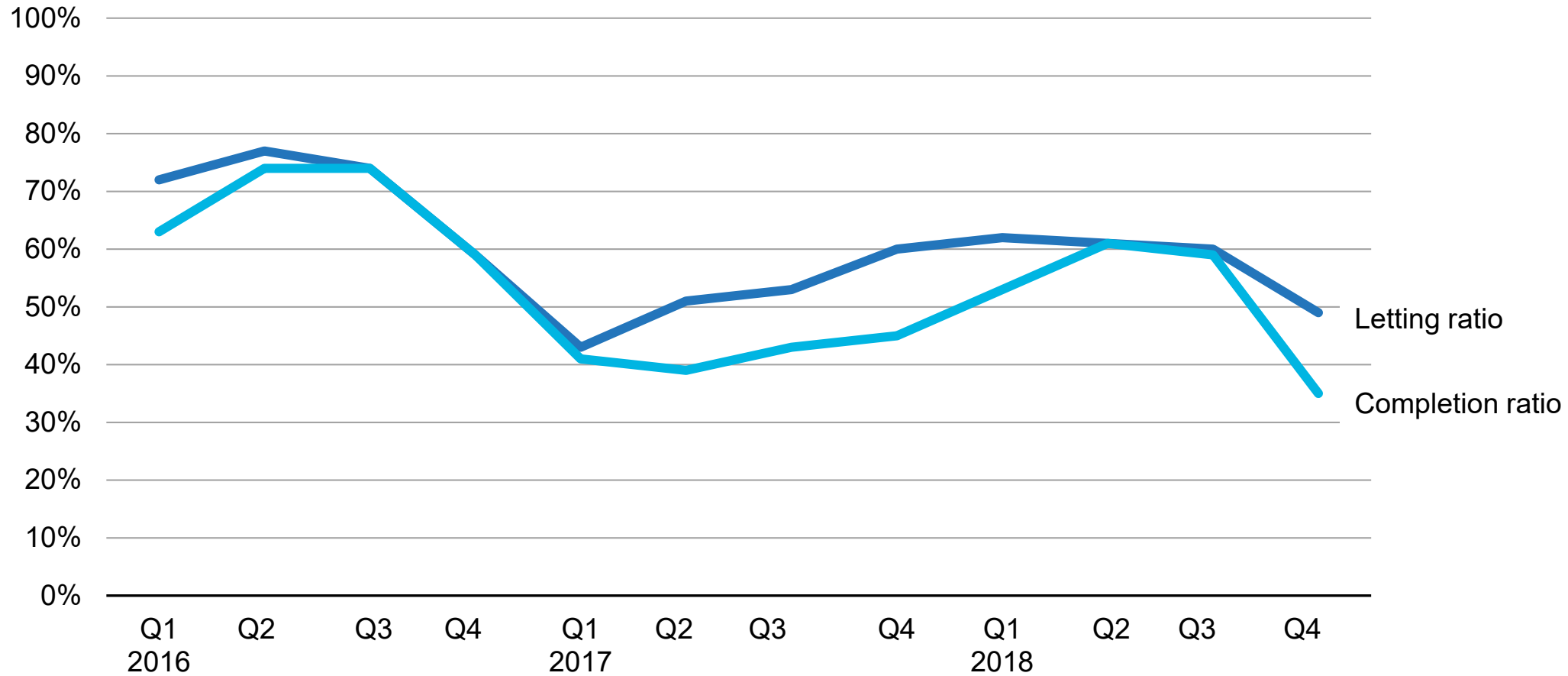
Lettable space, sqm



Healthy leasing in the quarter – 53,500 sqm



Letting and completion status in property portfolio



Summary and questions

Tomas Carlsson
CEO

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Contact information and calendar

IR Manager

Johan Bergman

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

johan.bergman@ncc.se

Chief Financial Officer

Susanne Lithander

Tel: +46 (0) 73-037 08 74

susanne.lithander@ncc.se

Financial Calendar 2019

Week 11, 2019

Annual Report 2018

April 9, 2019

Annual General Meeting

April 29, 2019

Interim report Jan-Mar

July 19, 2019

Interim report Jan-Jun

October 28, 2019

Interim report Jan-Sep