

# Interim report

January 1-June 30, 2018

## Increased sales and slightly lower earnings for NCC in the second quarter

- Orders received amounted to SEK 13,834 M (16,385) in the second quarter and to SEK 31,355 M (27,816) in the first half of the year
- Net sales amounted to SEK 14,349 M (13,345) in the second quarter and to SEK 25,244 M (25,093) in the first half of the year
- Profit after financial items totaled SEK 427 M (484) in the second quarter and to SEK 55 M (709) in the first half of the year
- Profit after tax amounted to SEK 341 M (405) in the second quarter and SEK 45 M (598) in the first half of the year
- Earnings per share amounted to 3.12 (3.72) in the second quarter and to SEK 0.39 (5.51) in the first half of the year

Group, SEK M	2018	2017	2018	2017	Jul. 17-	2017
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 18	Jan. -Dec.
Orders received	13,834	16,385	31,355	27,816	60,316	56,777
Order backlog	58,741	52,239	58,741	52,239	58,741	51,734
Net sales	14,349	13,345	25,244	25,093	54,592	54,441
Operating profit/loss	452	510	88	754	409	1,075
Profit/loss after financial items	427	484	55	709	330	983
Net profit/loss for the period	341	405	45	598	325	877
Profit/loss per share after dilution, SEK	3.12	3.72	0.39	5.51	2.95	8.07
Cashflow before financing	-1,710	-2,062	-2,525	-326	-838	1,361
Equity/asset ratio, %	15	18	15	18	15	19
Net cash +/-net indebtedness -	-3,084	-1,232	-3,084	-1,232	-3,084	-149

For definitions of key figures, see [www.ncc.group/Investor-relations/Financial-data/Financial-definitions](http://www.ncc.group/Investor-relations/Financial-data/Financial-definitions)

Comparative figures for NCC Building and NCC Infrastructure have been recalculated due to the introduction of new accounting policies according to IFRS 15; also refer to Note 1 Accounting policies.

## CEO Tomas Carlsson comments

The business areas delivered about on a par with the year-earlier period during the second quarter except for NCC Property Development, which had fewer sales transactions to recognize in profit. NCC's profit after financial items totaled SEK 427 M (484) in the second quarter and SEK 55 M (709) in the first half of the year.

### Market and orders received

Following a first quarter in which NCC reported very high orders received, the outcome was lower in the second quarter. Nonetheless, market conditions remain generally favorable and orders received in the first half of the year as a whole were at a healthy level and higher year-on-year.

### High order backlog

NCC's order backlog is at a high level although the average production time has risen since the order backlog contains more large projects. The high order backlog contributed to an increase in net sales in NCC Building, NCC Infrastructure and NCC Industry in the second quarter.

### Lower earnings

Second-quarter earnings were slightly lower year-on-year. Only NCC Building improved its earnings, primarily after reaching an agreement with a customer regarding two projects in Denmark, enabling us to reverse provisions. NCC Infrastructure's earnings continued to be burdened by weak profitability in road-services and in the Norwegian civil engineering operations. Earnings for NCC Industry were in line with the preceding year, while NCC Property Development had fewer sales transactions to recognize in profit in the second quarter.

### First months as CEO

I took office as CEO on May 7 and I spent the second quarter familiarizing myself with the organization and reviewing the business situation. This involved me studying ongoing projects in the order backlog, provisions and accounts receivable, balance sheet items such as properties held for future development and other assets. I am also examining how the tendering and project management processes are being conducted. Two months is too short to draw any conclusions from this work and I expect to complete my analysis and establish the way forward for NCC during the third quarter.

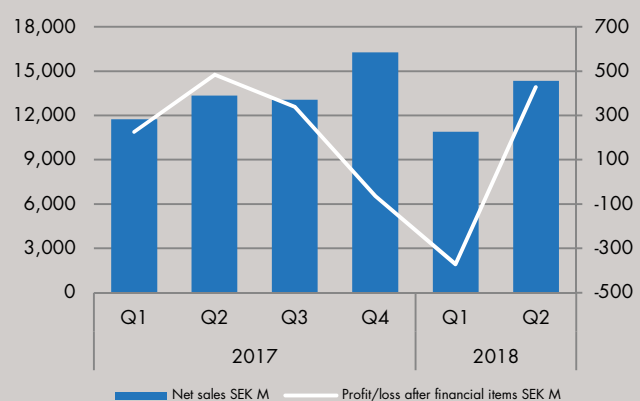


Tomas Carlsson, President and CEO  
Solna, July 18, 2018

### Order backlog



### Net sales and result after financial items



# Group performance

The period January-June 2018

## Orders received and order backlog

Orders received amounted to SEK 13,834 M (16,385) in the second quarter and increased to SEK 31,355 M (27,816) in the first half of the year due to the higher orders received in NCC Infrastructure. Changes in exchange rates increased orders received in the first half of the year by SEK 408 M (302).

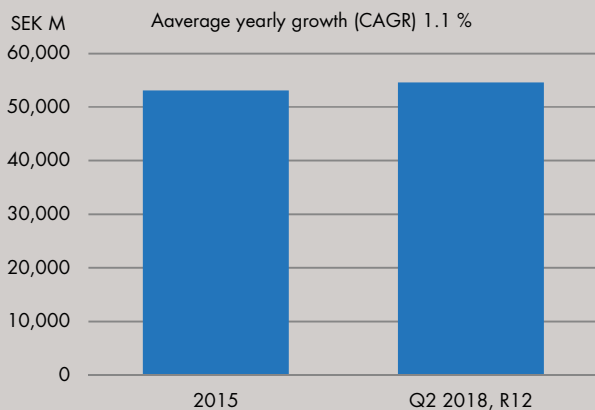
The Group's order backlog amounted to SEK 58,741 (52,239). Changes in exchange rates increased the value of the order backlog by SEK 1,301 M (neg: 202).

## Net sales and earnings

Net sales amounted to SEK 14,349 M (13,345) in the second quarter and to SEK 25,244 M (25,093) in the first half of the year. Net sales in the first half of the year in the Building, Infrastructure and Industry business areas were higher year-on-year, while NCC Property Development reported lower sales since fewer and significantly smaller property projects were recognized in profit this year. Changes in exchange rates increased sales in the first half of the year by SEK 330 M (337).

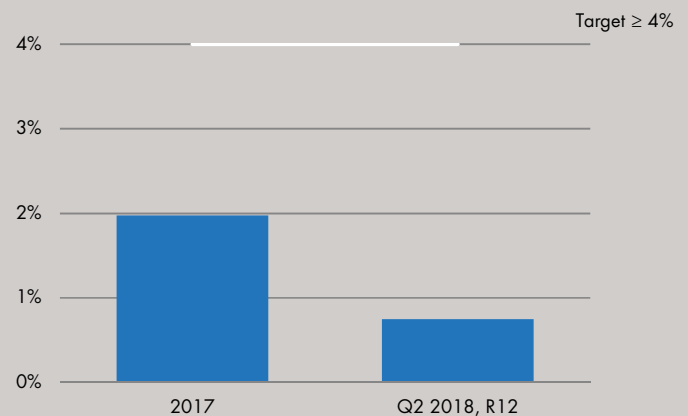
NCC's operating profit amounted to SEK 452 M (510) in the second quarter and to SEK 88 M (754) in the first half of the year. The change compared with the year-earlier period for the first six months of the year is largely due to developments in the first quarter. The lower earnings in the first half of the year were due primarily to NCC Property Development reporting a lower operating profit compared with 2017 as a result of more and larger projects being recognized in profit during the first half of 2017. NCC Building improved its operating profit through higher sales and the reversal of previous provisions. The improvement in NCC Infrastructure's operating profit was primarily driven by higher sales and lower overhead costs. NCC Industry's operating profit was lower mainly as a result of the delayed start to the season in the Danish asphalt operations and lower activity in foundation engineering operations.

Revenue growth (net sales)\*

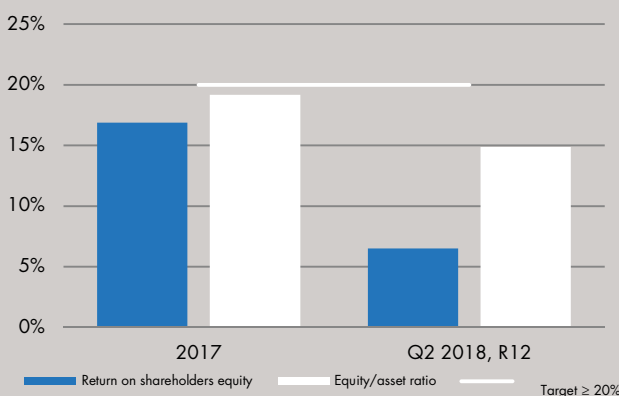


\*Target: 5% average yearly growth.

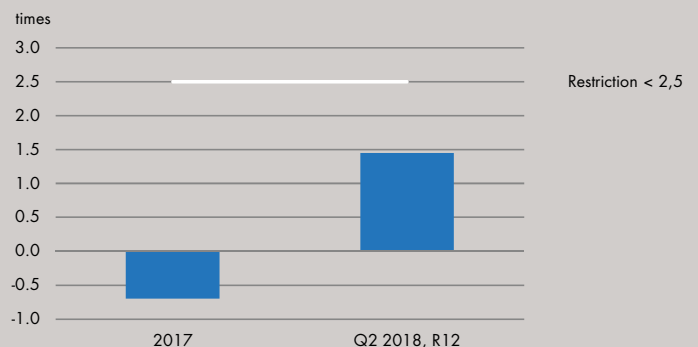
Operating margin



Equity/assets ratio and return on equity



Net indebtedness (excl. pension debt)/EBITDA



Net financial items were an expense of SEK 34 M (expense: 45). Net indebtedness increased year-on-year, which adversely affected net financial items. Lower credit margins, higher capitalization of interest for Property Development and other financial items had a positive impact on net financial items.

## Cash flow

Cash flow from operating activities was a negative SEK 2,014 M (0) in the first half of the year. During the first half of the year, two projects were recognized in NCC Property Development's profit, while investments in property projects had a negative impact on cash flow. Four property projects were recognized in profit in the year-earlier period. During the period, seasonally increased accounts receivable resulted in a negative cash flow from other working capital. Total cash and cash equivalents at the end of the quarter amounted to SEK 752 M (2,237).

The Group's net indebtedness at June 30 amounted to SEK Neg 3,084 (neg: 1,232).

The Group's total assets at June 30 amounted to SEK 30,312 M (26,205).

The average maturity period for interest-bearing liabilities, excluding pension debt according to IAS 19, was 25 months (35) at the end of the quarter. At the same date, NCC's unutilized committed lines of credit totaled SEK 3.6 billion (3.4), with an average remaining maturity of 38 (49) months.

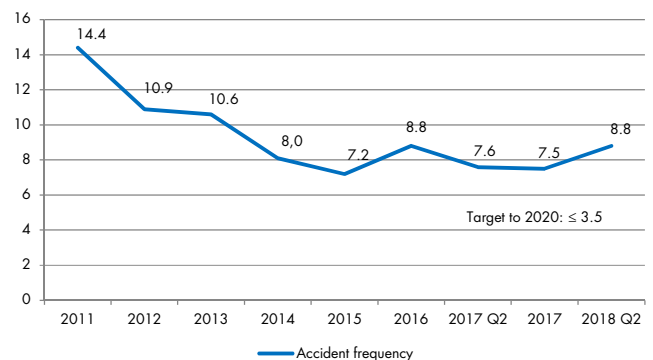
## Capital employed

Capital employed at June 30 amounted to SEK 9,268 M (8,808), with the rise primarily due to increased investments in ongoing projects in NCC Property Development and generally higher accounts receivable in the Group. The return on capital employed was 5 percent (21) in the second quarter.

## Safety

Safety has a high priority and NCC has a zero vision with respect to worksite accidents. The trend in accidents at NCC has pointed downwards since 2011 and the objective is that the accident frequency rate will be reduced to 3.5 in 2020. On a rolling 12-month basis, the accident frequency rate increased during the second quarter of 2018 compared with the corresponding quarter in 2017. Generally, an increase in accidents was noted in Sweden, mainly the number of minor injuries, meaning those leading to one to three days of absence. This was due to the long winter, which among others, resulted in a higher number of weather-related accidents in the first months of the year.

Accident frequency



\* Accident frequency: Worksite accidents resulting in one day or more of absence from work per million worked hours.

	2017 Jan.-Jun.	2016 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
Net indebtedness, SEK M				
Net indebtedness, opening balance	-149	-222	-1,232	-222
- Cash flow from operating activities	-2,014	0	146	2,158
- Cash flow from investing activities	-511	-326	-983	-797
Cash flow before financing	-2,525	-326	-838	1,361
Acquisition/Sale of treasury shares	-11	-4	-11	-4
Change of provisions for pensions	-9	-337	-72	-399
Currency exchange differences in cash and cash equivalents	42	-19	41	-20
Paid dividend	-433	-324	-973	-865
Net cash + /net indebtedness - closing balance	-3,084	-1,232	-3,084	-149
- Whereof provisions for pensions	1,416	1,345	1,416	1,407
- Net indebtedness excluding provisions for pensions	-1,668	113	-1,668	1,258

# NCC Building

The period January-June 2018

## Market

Growth for new production in the Nordic region has declined from high levels. The market for refurbishment was stable. The Swedish market performed favorably. Demand for production of rental units was high but demand for new production of housing co-operatives apartments has fallen sharply in Sweden. Growth in Norway is driven by investments in other buildings. The demand for housing in Finland remains high and investment in the refurbishment segment was stable. The improved economic climate in Denmark is resulting in increased production of housing units and other buildings.

## Orders received and order backlog

Orders received declined to SEK 6,460 M (9,012) in the second quarter and to SEK 12,052 M (12,743) in the first half of the year. The change in the second quarter was primarily attributable to a sharp year-on-year decline in the level of orders received for housing units in Sweden. Orders received for housing units in Sweden were on a par with the average for recent years. In 2017, orders received were significantly higher due to several large housing projects.

The order backlog amounted to SEK 29,923 M (30,127) at the end of the period.

## Net sales and earnings

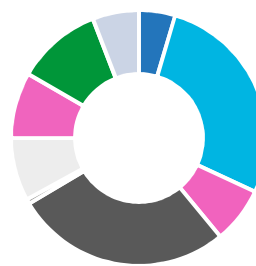
Net sales increased to SEK 6,628 M (6,109) in the second quarter and to SEK 12,576 M (11,766) in the first half of the year. The increase derived from Sweden and Denmark.

In terms of sales, Sweden is the largest market and the Swedish operations have a high order backlog to work up moving forward.

Operating profit amounted to SEK 180 M (106) in the second quarter and to SEK 303 M (145) in the first half of the year. Earnings for the quarter were higher year-on-year primarily due to the reversal of provisions following the conclusion of an agreement with a customer regarding two Danish projects.

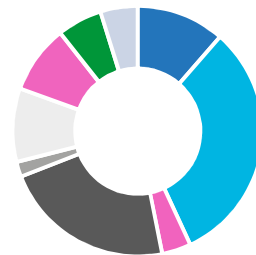
## Product mix

Orders received Jan.-Jun.



- Offices 5 (7)%
- Residential 27 (35)%
- Industry/Logistics 7 (4)%
- Refurbishment/Conversion 27 (28)%
- Retail 1 (2)%
- Health Care 8 (4)%
- Educational 8 (6)%
- Public Buildings 11 (10)%
- Other 6 (4)%

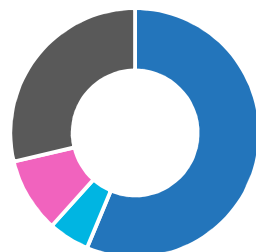
Net sales Jan.-Jun.



- Offices 11 (8)%
- Residential 32 (37)%
- Industry/Logistics 4 (2)%
- Refurbishment/Conversion 22 (25)%
- Retail 2 (3)%
- Health Care 9 (7)%
- Educational 9 (10)%
- Public Buildings 6 (3)%
- Other 5 (5)%

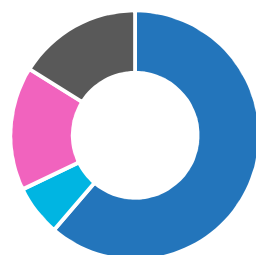
## Geographical breakdown

Orders received Jan.-Jun.



- Sweden 56 (74)%
- Norway 5 (4)%
- Denmark 10 (8)%
- Finland 29 (14)%

Net sales Jan.-Jun.



- Sweden 61 (58)%
- Norway 7 (8)%
- Denmark 16 (13)%
- Finland 16 (21)%

NCC Building, SEK M	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
Orders received	6,460	9,012	12,052	12,743	24,271	24,961
Order backlog	29,923	30,127	29,923	30,127	29,923	29,628
Net sales	6,628	6,109	12,576	11,766	25,433	24,622
Operating profit/loss	180	106	303	145	567	409
<b>Financial target:</b>						
Operating margin, % <sup>1)</sup>	2.7	1.7	2.4	1.2	2.2	1.7

<sup>1)</sup> Target: operating margin ≥ 3.5%

# NCC Infrastructure

The period January-June 2018

## Market

Public infrastructure initiatives are driving the Nordic market and leading to significant national differences with strong growth in Norway and Sweden.

## Orders received and order backlog

Orders received by NCC Infrastructure fell to SEK 3,740 M (4,483) in the second quarter and rose to SEK 13,237 M (9,480) in the first half of the year. NCC Infrastructure has been divided into the following: division Infra, division Road Service, division Civil Engineering Sweden and division Civil Engineering Norway to intensify focus in each area. Increased orders received in the first half of the year were mainly attributable to division Civil Engineering Sweden securing the Central Station railway project, a stage of the West Link in Gothenburg, with an order value SEK 4.7 billion.

The order backlog increased to SEK 24,118 M (18,019) at the end of the period.

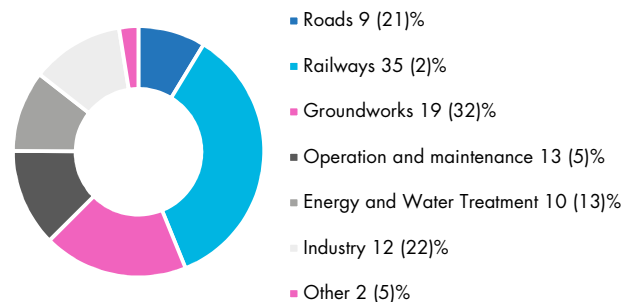
## Net sales and earnings

Net sales amounted to SEK 4,990 M (4,539) in the second quarter and to SEK 9,284 M (7,903) in the first half of the year. The increase in the first half of the year was the result of higher sales in both division Civil Engineering Sweden and division Infra.

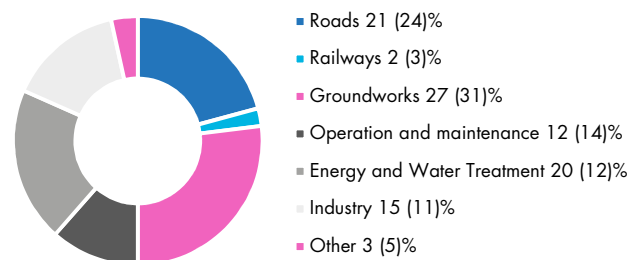
Operating profit amounted to SEK 51 M (70) in the second quarter and to SEK 40 M (4) in the first half of the year. The decline in the quarter was due to the continued weak earnings in the Norwegian civil engineering operations and in division Road Services. The increase in earnings in the first half of the year was due primarily to higher sales and lower overhead costs.

## Product mix

Orders received Jan.-Jun.

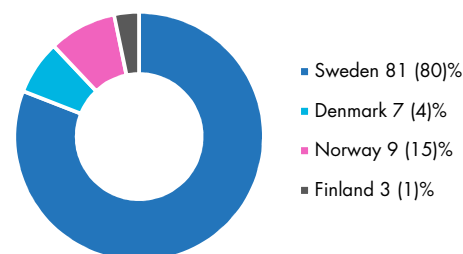


Net sales Jan.-Jun.

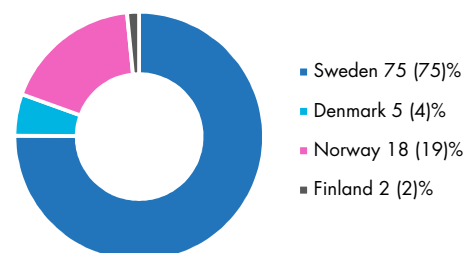


## Geographical breakdown

Orders received Jan.-Jun.



Net sales Jan.-Jun.



NCC Infrastructure, SEK M	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
Orders received	3,740	4,483	13,237	9,480	25,485	21,727
Order backlog	24,118	18,019	24,118	18,019	24,118	19,682
Net sales	4,990	4,539	9,284	7,903	19,871	18,490
Operating profit/loss	51	70	40	4	-162	-198
<b>Financial target:</b>						
Operating margin, % <sup>1)</sup>	1.0	1.5	0.4	0.0	-0.8	-1.1

<sup>1)</sup> Target: operating margin  $\geq$  3.5%

# NCC Industry

The period January-June 2018

## Market

A strong civil engineering market is driving demand for asphalt and stone materials in Norway and Sweden. Sales of stone materials were boosted by high housing production and numerous infrastructure projects. Growth in Denmark and Finland was low or negative. Demand in asphalt for both maintenance and new production was healthy in the Nordic region.

## Net sales and earnings

Sales increased to SEK 3,625 M (3,416) in the second quarter and to SEK 4,791 M (4,503) in the first half of the year. The increase was attributable to sales in the Swedish and Norwegian asphalt operations, in the foundation engineering operations and in the Swedish and Danish stone materials operations.

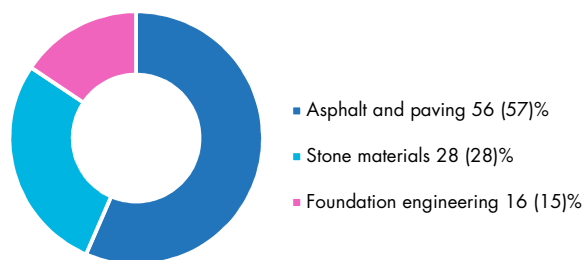
Operating profit amounted to SEK 324 M (336) in the second quarter and a loss of SEK 87 M (profit: 26) in the first half of the year. Second-quarter earnings from the asphalt operations were in line with the preceding year and earnings for the stone materials operations reported a slight improvement, whereas the foundation engineering operations posted lower earnings due to integration costs for the operation acquired in Norway and lower activity in the Swedish operations. The weak start to the year resulted in lower earnings in the first half of the year for all operations.

## Capital employed

Capital employed increased seasonally, and as a result of higher investments, by SEK 1.3 billion since year-end and amounted to SEK 5.7 billion.

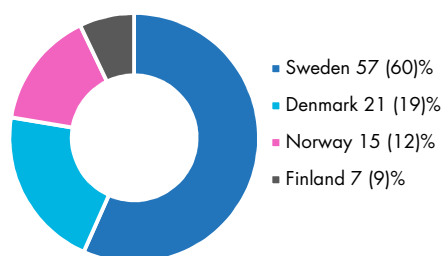
## Product mix

Net sales Jan.-Jun.



## Geographical breakdown

Net sales Jan.-Jun.



NCC Industry, SEK M	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
Orders received	4,106	3,614	6,972	6,862	12,633	12,522
Order backlog	5,380	5,251	5,380	5,251	5,380	3,059
Net sales	3,625	3,416	4,791	4,503	12,681	12,393
Operating profit/loss	324	336	-87	26	464	577
Capital employed	5,733	4,855	5,733	4,855	5,733	4,400
Stone materials, tons <sup>1)</sup>	9,083	8,329	14,389	14,112	31,575	31,298
Asphalt, tons <sup>1)</sup>	2,063	1,994	2,168	2,153	6,525	6,509
<b>Financial targets:</b>						
Operating margin, % <sup>2)</sup>	8.9	9.8	-1.8	0.6	3.7	4.7
Return on capital employed, % <sup>3)</sup>					9.6	13.1

1) Sold volume

2) Target: operating margin  $\geq$  4%

3) Target: return on capital employed  $\geq$  10%

# NCC Property Development

The period January-June 2018

## Market

Transaction volumes in the Nordic region are at a high level. Low yield requirements from investors and high demand for modern and sustainable new premises provide favorable market conditions.

## Net sales and earnings

Net sales amounted to SEK 115 M (185) in the second quarter and to SEK 400 M (2,358) in the first half of the year. A total of two projects were recognized in profit during in the first half of the year, of which Zenit 2 in Denmark in the second quarter. Four property projects and sales of land were recognized in profit in the preceding year.

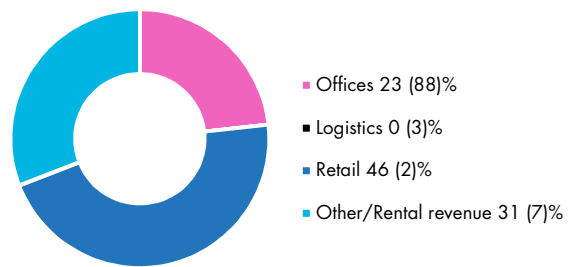
Operating loss amounted to SEK 16 M (profit: 65) in the second quarter and to SEK 0 M (profit: 658) in the first half of the year. Earnings for the first half of the year were lower year-on-year since fewer and significantly smaller property projects were recognized in profit this year. The sales result in the second quarter derived from the Zenit 2 office project. Earnings in the year-earlier period comprised sales of land and results from previous projects recognized in profit.

## Property projects

Three projects, Zenit 2 in Denmark, Alberga E in Finland and Lysaker PP11 in Norway were sold in the second quarter. Zenit 2 was recognized in profit in the second quarter and for the date on which other sales are expected to be recognized in profit, refer to the table on page 9. NCC also came to an agreement with Citycon regarding the terms for its acquisition of Mölndal Galleria shopping mall. The sale was recognized as sale of a participation in a company and therefore does not give rise to any net sales. Construction on one project, CH Vallensbæk 4.2 in Denmark, started in the second quarter. Leasing in the first half of the year amounted to 11,400 square meters (38,700), including 5,300 (28,300) in the second quarter.

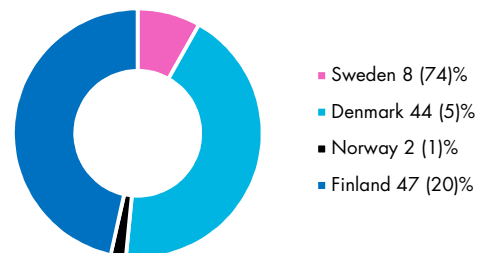
## Product mix

Net sales Jan.-Jun.



## Geographical breakdown

Net sales Jan.-Jun.



At the end of the second quarter, 21 projects (19) were either ongoing or completed but not yet recognized in profit. The costs incurred in all projects totaled SEK 2.9 billion (1.8), corresponding to a completion rate of 61 (39) percent. The leasing rate was 61 (51) percent. The operating net amounted to SEK 23 M (28) in the first half of the year and to SEK 12 M (12) in the second quarter.

## Capital employed

Investments in ongoing projects increased capital employed, which rose to SEK 5.0 billion at the end of the second quarter.

NCC Property Development, SEK M	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
Net sales	115	185	400	2,358	609	2,567
Operating profit/loss	-16	65	0	658	-57	601
Capital employed	4,985	3,727	4,985	3,727	4,985	4,086
<b>Financial targets:</b>						
Operating margin, % <sup>1)</sup>	neg	35.2	0.0	27.9	neg	23.4
Return on capital employed, % <sup>2)</sup>					neg	15.7

1) Target: operating margin  $\geq$  10%

2) Target: return on capital employed  $\geq$  10%



# NCC Property Development

Property development projects as of 2018-06-30<sup>1)</sup>

## Ongoing Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
CH Vallensbæk 4.2	Office	Vallensbæk		8	4,500	0
Flintholm 2	Office	Copenhagen		32	9,300	100
Frederiks Plads 1	Office	Århus		83	5,200	35
Skejby CH Alpha	Office	Århus	Q1 2019	44	6,300	36
Zleep Hotel	Other	Århus	Q2 2019	20	3,200	100
<b>Total Denmark</b>				<b>40</b>	<b>28,500</b>	<b>60</b>
Fredriksberg 1	Office	Helsinki		76	9,000	54
Laajasalo	Retail	Helsinki	Q4 2018	72	8,600	89
<b>Total Finland</b>				<b>74</b>	<b>17,600</b>	<b>72</b>
Lysaker PP11	Office	Bærum	Q1 2019	60	6,700	78
Valle 1	Office	Oslo		63	8,000	5
<b>Total Norway</b>				<b>62</b>	<b>14,700</b>	<b>40</b>
K11	Office	Solna		33	12,000	27
K12	Office	Solna		47	21,700	94
Arendal 3	Logistics	Gothenburg	Q3 2018	92	6,800	100
Brunna 4	Logistics	Upplands Bro		61	11,600	41
Multihuset	Other	Malmö		43	19,700	59
Mölnadal Galleria	Retail	Mölnadal	<sup>2)</sup> Q3 2018	95	13,100	76
<b>Total Sweden</b>				<b>55</b>	<b>84,900</b>	<b>68</b>
<b>Total</b>				<b>56</b>	<b>145,700</b>	<b>64</b>

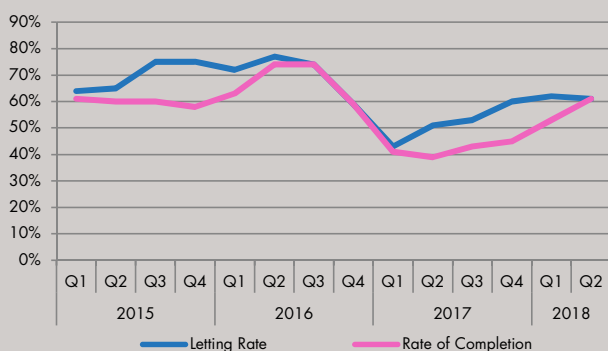
## Completed Property development projects

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
CH Vallensbæk 4.1	Office	Vallensbæk		6,100	14
Kolding Retailpark	Retail	Kolding		4,000	74
Roskildevej	Retail	Taastrup		4,000	100
Viborg Retail II+III	Retail	Viborg		900	0
<b>Total Denmark</b>				<b>11,000</b>	<b>46</b>
Alberga E	Office	Espoo	Q3 2018	5,800	51
<b>Total Finland</b>				<b>5,800</b>	<b>51</b>
Stavanger Business Park 1	Office	Stavanger		9,200	31
<b>Total Norway</b>				<b>9,200</b>	<b>31</b>
<b>Total</b>				<b>26,000</b>	<b>42</b>

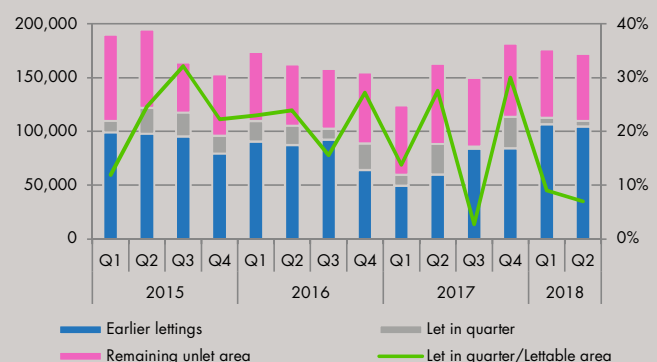
1) The table refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees / additional purchase) in five previously sold and revenue recognized property projects, a maximum of approximately 20 MSEK.

2) The project covers approximately 25,000 square meters of leasable area and is implemented together with Citycon, a Finnish listed real estate company, in a jointly owned company. The data in the table refer to NCC's share of the project.

## Property projects



## Leasing



## Other

### Significant risks and uncertainties

An account of the risks to which NCC may be exposed is presented in the 2017 Annual Report (pages 46–47). This description remains relevant.

### Related-party transactions

Related parties are the Nordstjernan Group (including the associated company Bonava), NCC's subsidiaries, associated companies and joint arrangements. Related-party transactions were of a production nature. Related-party sales during the second quarter amounted to SEK 518 M (823) and purchases to SEK 9 M (1). Related-party sales in the first half of the year amounted to SEK 1,049 M (1,690) and purchases to SEK 13 M (156).

### Seasonal effects

NCC Industry's operations and certain operations in NCC Building and NCC Infrastructure are impacted by seasonal variations due to cold weather. Earnings in the first quarter are normally weaker than the rest of the year.

### Repurchase of shares

During the second quarter, 20,343 Series B shares were transferred to participants of LTI 2015, 31,952 Series B shares were sold and 101,022 Series B shares were bought back. Following these transactions, NCC AB holds 402,050 Series B treasury shares to meet its obligations pursuant to long-term incentive programs.

### New accounting policies

NCC is applying IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments effective January 1, 2018. Read more on page 15.

### Dividend

The 2018 Annual General Meeting resolved to approve a dividend of SEK 8.00 per share, divided into two payments. The first payment of SEK 4.00 per share took place in April. The second payment of SEK 4.00 per share will take place in November with the record date set as November 5, 2018.

### Other significant events

Kenneth Nilsson took over as the new Head of the NCC Infrastructure on April 3, 2018 and Tomas Carlsson took office as President and CEO on May 7, 2018. For more information about their backgrounds and experience, visit [ncc.se](http://ncc.se)

### Reporting occasions

Interim report, Jan-Sep 2018	October 25, 2018
Year-end report 2018	January 2019

## Condensed consolidated income statement

SEK M	Note	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul 17 - Jun. 18	2017 Jan.-Dec.
Net sales	Note 1	14,349	13,345	25,244	25,093	54,592	54,441
Production costs	Note 2	-13,196	-12,092	-23,749	-22,876	-51,332	-50,460
<b>Gross profit</b>		<b>1,153</b>	<b>1,255</b>	<b>1,495</b>	<b>2,217</b>	<b>3,260</b>	<b>3,981</b>
Selling and administrative expenses	Note 2	-712	-751	-1,415	-1,467	-2,882	-2,933
Other operating income/expenses		12	8	9	6	29	26
<b>Operating profit/loss</b>		<b>452</b>	<b>510</b>	<b>88</b>	<b>754</b>	<b>409</b>	<b>1,075</b>
Financial income		8	6	32	23	47	39
Financial expense <sup>1)</sup>		-33	-33	-65	-68	-127	-130
<b>Net financial items</b>		<b>-25</b>	<b>-26</b>	<b>-34</b>	<b>-45</b>	<b>-80</b>	<b>-91</b>
<b>Profit/loss after financial items</b>		<b>427</b>	<b>484</b>	<b>55</b>	<b>709</b>	<b>330</b>	<b>983</b>
Tax		-86	-78	-10	-112	-5	-106
<b>Net profit/ loss</b>		<b>341</b>	<b>405</b>	<b>45</b>	<b>598</b>	<b>325</b>	<b>877</b>
<b>Attributable to:</b>							
NCC's shareholders		337	402	43	596	319	872
Non-controlling interests		4	4	2	2	5	5
<b>Net profit/loss for the period</b>		<b>341</b>	<b>405</b>	<b>45</b>	<b>598</b>	<b>325</b>	<b>877</b>
<b>Earnings per share</b>							
Before and after dilution							
Net profit/loss for the period, SEK		3.12	3.72	0.39	5.51	2.95	8.07
<b>Number of shares, millions</b>							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		108.1	108.1	108.1	108.1	108.1	108.1
Number of shares outstanding at the end of the period		108.0	108.1	108.0	108.1	108.0	108.1

<sup>1)</sup> Whereof interest expenses for the period Jul.17 -Jun.18, amounting to SEK 107 M and for the period Jan.- Dec. 2017 amounting to SEK 107 M.

## Consolidated statement of comprehensive income

SEK M	Note	2018 Apr.-Jun.	2017 Apr.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.	Jul 17 - Jun. 18	2017 Jan.-Dec.
<b>Net profit/loss for the period</b>	Note 1	<b>341</b>	<b>405</b>	<b>45</b>	<b>598</b>	<b>325</b>	<b>877</b>
<b>Items that have been recycled or should be recycled to net profit/loss for the period</b>							
Exchange differences on translating foreign operations		41	7	137	-3	168	27
Change in hedging/fair value reserve		-9	-4	-36		-43	-7
Cash flow hedges		43	-20	35	-41	73	-3
Income tax relating to items that have been or should be recycled to net profit/loss for the period		-8	5		9	-8	2
		<b>67</b>	<b>-12</b>	<b>137</b>	<b>-35</b>	<b>191</b>	<b>19</b>
<b>Items that cannot be recycled to net profit/loss for the period</b>							
Revaluation of defined benefit pension plans		62	-340	34	-304	88	-250
Income tax relating to items that cannot be recycled to net profit/loss for the period		-14	75	-8	67	-19	55
		<b>49</b>	<b>-265</b>	<b>27</b>	<b>-237</b>	<b>69</b>	<b>-195</b>
<b>Other comprehensive income</b>		<b>116</b>	<b>-278</b>	<b>164</b>	<b>-272</b>	<b>259</b>	<b>-176</b>
<b>Total comprehensive income</b>		<b>457</b>	<b>128</b>	<b>208</b>	<b>326</b>	<b>583</b>	<b>701</b>
<b>Attributable to:</b>							
NCC's shareholders		453	124	206	324	579	696
Non-controlling interests		4	4	2	2	5	5
<b>Total comprehensive income</b>		<b>457</b>	<b>128</b>	<b>208</b>	<b>326</b>	<b>583</b>	<b>701</b>

## Condensed consolidated balance sheet

SEK M	Note 1	2018 Jun. 30	2017 Jun. 30	2017 Dec. 31
<b>ASSETS</b>				
Fixed assets				
Goodwill		1,947	1,837	1,848
Other intangible assets		408	269	335
Owner-occupied properties		878	799	880
Machinery and equipment		3,119	2,665	2,712
Long-term holdings of securities		120	127	129
Long-term interest-bearing receivables		713	429	575
Other long-term receivables		29	65	26
Deferred tax assets		288	192	338
<b>Total fixed assets</b>		<b>7,501</b>	<b>6,383</b>	<b>6,843</b>
Current assets				
Properties held for future development		1,927	1,649	1,696
Ongoing property projects		2,034	986	1,039
Completed property projects		727	435	870
Materials and inventories		878	816	764
Tax receivables		735	288	241
Accounts receivable		10,271	8,955	8,882
Worked-up, non-invoiced revenues		2,961	2,442	1,554
Prepaid expenses and accrued income		1,786	1,133	1,170
Current interest-bearing receivables		204	106	167
Other receivables		534	775	687
Short-term investments <sup>1)</sup>		10	91	41
Cash and cash equivalents		742	2,146	3,063
<b>Total current assets</b>		<b>22,811</b>	<b>19,822</b>	<b>20,174</b>
<b>Total assets</b>		<b>30,312</b>	<b>26,205</b>	<b>27,018</b>
<b>EQUITY</b>				
Share capital		867	867	867
Other capital contributions		1,844	1,844	1,844
Reserves		24	-164	-113
Profit/loss brought forward, including current-year profit/loss		1,764	2,242	2,571
<b>Shareholders' equity</b>		<b>4,499</b>	<b>4,789</b>	<b>5,168</b>
Non-controlling interests		14	15	12
<b>Total shareholders' equity</b>		<b>4,513</b>	<b>4,804</b>	<b>5,179</b>
<b>LIABILITIES</b>				
Long-term liabilities				
Long-term interest-bearing liabilities		1,529	2,168	1,669
Other long-term liabilities		25	34	54
Provisions for pensions and similar obligations		1,416	1,345	1,407
Deferred tax liabilities		623	574	438
Other provisions		1,832	1,693	1,889
<b>Total long-term liabilities</b>		<b>5,424</b>	<b>5,815</b>	<b>5,456</b>
Current liabilities				
Current interest-bearing liabilities		1,810	490	919
Accounts payable		5,537	4,255	5,179
Tax liabilities		110	25	95
Invoiced revenues not worked-up		7,371	6,332	5,905
Accrued expenses and prepaid income		3,127	2,810	3,207
Provisions		23	7	24
Other current liabilities		2,397	1,666	1,052
<b>Total current liabilities</b>		<b>20,375</b>	<b>15,586</b>	<b>16,382</b>
<b>Total liabilities</b>		<b>25,799</b>	<b>21,401</b>	<b>21,838</b>
<b>Total shareholders' equity and liabilities</b>		<b>30,312</b>	<b>26,205</b>	<b>27,018</b>

<sup>1)</sup> Includes short-term investments with maturities exceeding three months, see also cash-flow statement.

## Condensed changes in shareholders' equity, Group

SEK M	Jun. 30, 2018			Jun. 30, 2017		
	Shareholders' equity	Non-controlling interests	Total shareholders' equity	Shareholders' equity	Non-controlling interests	Total shareholders' equity
<b>Opening balance, January 1<sup>st</sup></b>	<b>5,167</b>	<b>12</b>	<b>5,179</b>	<b>5,553</b>	<b>13</b>	<b>5,566</b>
Adjustment for changed accounting principle: IFRS 15 Income from agreements with customers				-220		-220
<b>Adjusted opening balance, January 1<sup>st</sup></b>	<b>5,167</b>	<b>12</b>	<b>5,179</b>	<b>5,333</b>	<b>13</b>	<b>5,346</b>
Total comprehensive income	206	2	208	324	2	326
Dividend	-865		-865	-864		-864
Sale/Acquisition of treasury shares	-11		-11	-4		-4
Performance based incentive program	1		1	-1		-1
<b>Closing balance</b>	<b>4,499</b>	<b>14</b>	<b>4,513</b>	<b>4,789</b>	<b>15</b>	<b>4,804</b>

If the principles for accounting for pensions, IAS19, applied before 1 January 2013, had been used, the equity would have been SEK 2,176 M higher and net indebtedness SEK 1,416 M lower at June 30 2018.

## Condensed consolidated cash flow statement

SEK M	Note	2018 Apr.-Jun.	2017 Apr.-Jun.	2017 Jan.-Jun.	2017 Jan.-Jun.	Jul. 17- Jun. 18	2017 Jan.-Dec.
<b>OPERATING ACTIVITIES</b>							
Profit / loss after financial items		427	484	55	709	330	983
Adjustments for items not included in cash flow		-126	-65	-7	435	671	1,112
Taxes paid		-118	-87	-259	-233	-458	-432
<b>Cash flow from operating activities before changes in working capital</b>		<b>183</b>	<b>332</b>	<b>-211</b>	<b>911</b>	<b>543</b>	<b>1,664</b>
Divestment of property projects		69	71	259	1,461	429	1,630
Gross investments in property projects		-603	-316	-1,149	-505	-1,796	-1,152
Other changes in working capital		-1,080	-1,955	-914	-1,867	970	17
<b>Cash flow from changes in working capital</b>		<b>-1,614</b>	<b>-2,201</b>	<b>-1,803</b>	<b>-912</b>	<b>-397</b>	<b>494</b>
<b>Cash flow from operating activities</b>		<b>-1,430</b>	<b>-1,868</b>	<b>-2,014</b>	<b>0</b>	<b>146</b>	<b>2,158</b>
<b>INVESTING ACTIVITIES</b>							
Acquisition/Sale of subsidiaries and other holdings	Note 3	-25		-11	-4	-102	-95
Acquisition/Sale of tangible fixed assets		-240	-179	-472	-292	-825	-645
Acquisition/Sale of other fixed assets		-14	-15	-28	-30	-56	-58
<b>Cash flow from investing activities</b>		<b>-280</b>	<b>-194</b>	<b>-511</b>	<b>-326</b>	<b>-983</b>	<b>-797</b>
<b>Cash flow before financing</b>		<b>-1,710</b>	<b>-2,062</b>	<b>-2,525</b>	<b>-326</b>	<b>-838</b>	<b>1,361</b>
<b>FINANCING ACTIVITIES</b>							
<b>Cash flow from financing activities<sup>1)</sup></b>		<b>-261</b>	<b>-235</b>	<b>163</b>	<b>-602</b>	<b>-626</b>	<b>-1,392</b>
<b>Cash flow during the period</b>		<b>-1,971</b>	<b>-2,298</b>	<b>-2,362</b>	<b>-928</b>	<b>-1,465</b>	<b>-31</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>2,675</b>	<b>4,447</b>	<b>3,063</b>	<b>3,093</b>	<b>2,146</b>	<b>3,093</b>
Effects of exchange rate changes on cash and cash equivalents		39	-2	42	-19	61	1
<b>Cash and cash equivalents at end of period</b>		<b>742</b>	<b>2,146</b>	<b>742</b>	<b>2,146</b>	<b>742</b>	<b>3,063</b>
Short-term investments due later than three months		10	91	10	91	10	41
<b>Total liquid assets at end of period</b>		<b>752</b>	<b>2,237</b>	<b>752</b>	<b>2,237</b>	<b>752</b>	<b>3,104</b>

<sup>1)</sup> Of the total determined dividend SEK 865 M, SEK 433 M has been paid in April 2018 and SEK 432 M to be paid in November 2018.

## Parent Company condensed income statement

SEK M	Note 1	2018	2017	2018	2017	Jul. 17-	2017
		Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 18	Jan.-Dec.
Net sales		41	40	81	77	192	188
Selling and administrative expenses		-81	-89	-158	-169	-391	-403
<b>Operating profit</b>		<b>-40</b>	<b>-50</b>	<b>-76</b>	<b>-92</b>	<b>-199</b>	<b>-215</b>
Result from financial investment							
Result from participations in Group companies		435	618	435	618	447	629
Result from financial current assets			11	12	12	12	12
Result from other financial fixed assets				1	4	1	4
Interest expense and similar items		-5	-6	-10	-11	-19	-19
<b>Result after financial items</b>		<b>390</b>	<b>573</b>	<b>361</b>	<b>530</b>	<b>242</b>	<b>411</b>
Appropriations					527	55	582
Tax		9	15	-5	-92	-3	-90
<b>Net profit/loss for the period</b>		<b>399</b>	<b>589</b>	<b>356</b>	<b>965</b>	<b>294</b>	<b>903</b>

The Parent Company consists primarily of head office functions plus a branch in Norway. Net sales pertain to charges to Group companies. The average number of employees was 52 (65).

It was resolved that dividends to the shareholders would total SEK 865 M, of which SEK 433 M was paid in April. The remainder of SEK 432 M, will be paid in November 2018.

## Parent Company condensed balance sheet

SEK M	Note 1	2018	2017	2017
		Jun. 30	Jun. 30	Dec. 31
<b>ASSETS</b>				
Fixed assets				
Intangible fixed assets		38	37	38
Tangible fixed assets		12	4	8
Financial fixed assets		4,751	4,428	4,729
<b>Total fixed assets</b>		<b>4,801</b>	<b>4,470</b>	<b>4,774</b>
Current assets				
Current receivables		407	246	402
Cash and bank balances			700	1,100
Treasury balances in NCC Treasury AB		630	1,893	863
<b>Total current assets</b>		<b>1,037</b>	<b>2,839</b>	<b>2,365</b>
<b>Total assets</b>		<b>5,838</b>	<b>7,309</b>	<b>7,139</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		3,251	3,771	3,768
Untaxed reserves				
Provisions		9	9	9
Long term liabilities		2,046	2,057	2,049
Current liabilities		531	1,471	1,313
<b>Total shareholders' equity and liabilities</b>		<b>5,838</b>	<b>7,309</b>	<b>7,139</b>

# Noter

## Note 1. Accounting policies

### Group

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting. The interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of prevailing accounting standards issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the EU.

The interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2017 Annual Report (Note 1, pages 58–67), apart from in respect of IFRS 15 and IFRS 9, which are being applied as of January 1, 2018 and which have the following impact on the financial statements (for a more detailed description, also refer to the descriptions in the notes mentioned above).

### *IFRS 15 Revenue from Contracts with Customers*

NCC has identified two revenue streams where IFRS 15 has or could have a material impact on NCC's financial statements.

The first revenue stream concerns the Building and Infrastructure business areas and relates to contract modifications covering alterations and supplementary work, compensation for shortcomings in tender specifications and similar items. The requirement to report revenue in the aforementioned situations is higher under IFRS 15 than under IAS 11, in terms of both the documented right to, and probability of, payment from the customer.

The second revenue stream concerns the development of commercial properties in the Property Development business area and whether revenue is to be recognized over time (percentage of completion) or as previously at a specific time (when the property has been completed and

handed over to the customer). NCC's analysis has now been completed and NCC believes that revenue is normally to be recognized as before, meaning when the property is handed over to the customer. IFRS 15 is not deemed to have any material impact on prior years' revenue or in the first half of 2018.

The impact 2017 of the transition to IFRS 15 for the Infrastructure and Building business areas is shown in the tables on the next page.

### *IFRS 9 Financial instruments*

IFRS 9 has introduced new rules governing areas including the recognition and measurement of financial instruments, impairment of financial instruments and hedge accounting.

NCC's analysis of the effects of IFRS 9 shows that the new rules do not impact the Group's financial position because IFRS 9 does not significantly impact measurement. Nor does IFRS 9 entail any significant effect on NCC's hedge accounting or – based on IFRS 9's methodology and NCC's history – on NCC's provisions for credit losses.

### Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for the Parent Company has been prepared in accordance with the same accounting policies and methods of calculation as the 2017 Annual Report (Note 1, pages 58–67), apart from IFRS 15 and the amendments of RFR 2 in terms of the application of the measurement of financial instruments using cost as the point of departure as of January 1, 2018. The application of these has had no impact on the financial statements.

## Note 1. Accounting policies (cont.)

INCOME STATEMENT SEK M	2017	Change	IFRS15	2017	Change	IFRS 15			
	Jan.-Jun.		Jan.-Jun. 2017	Jan.-Dec.		Jan.-Dec. 2017	2017	Change	IFRS 15
Net sales	25,188	-95	25,093	54,608	-167	54,441			
Operating profit	850	-95	754	1,242	-167	1,075			
Tax	-133	21	-112	-141	35	-106			
<b>STATEMENT OF COMPREHENSIVE INCOME</b>									
Exchange differences on translating foreign operations	-7	4	-3	25	2	27			
Earnings per share before & after dilution	6.2	-0.69	5.51	9.29	-1.22	8.07			
<b>BALANCE SHEET</b>									
SEK M	2017	Change	IFRS15	2017	Change	IFRS 15	2017	Change	IFRS 15
	Jun.		Jun. 2017	Dec.		Dec. 2017	1 Jan.		1 Jan. 2017
<b>ASSETS</b>									
Deferred tax assets	106	86	192	239	99	338	97	66	163
Worked-up, non-invoiced revenues	2,534	-92	2,442	1,671	-117	1,554	1,737	-33	1,704
<b>Total assets</b>	<b>26,212</b>	<b>-7</b>	<b>26,205</b>	<b>27,035</b>	<b>-17</b>	<b>27,018</b>	<b>25,315</b>	<b>33</b>	<b>25,348</b>
<b>EQUITY</b>									
Shareholders' equity	5,078	-289	4,789	5,516	-349	5,168	5,553	-220	5,334
<b>Total shareholders' equity</b>	<b>5,093</b>	<b>-289</b>	<b>4,804</b>	<b>5,528</b>	<b>-349</b>	<b>5,179</b>	<b>5,566</b>	<b>-220</b>	<b>5,346</b>
<b>LIABILITIES</b>									
Invoiced revenues not worked-up	6,050	282	6,332	5,574	331	5,905	4,355	253	4,608
<b>Total shareholders' equity and liabilities</b>	<b>26,212</b>	<b>-7</b>	<b>26,205</b>	<b>27,035</b>	<b>-17</b>	<b>27,018</b>	<b>25,315</b>	<b>33</b>	<b>25,348</b>

## Note 2. Depreciation/amortization

SEK M	2018	2017	2018	2017	Jul 17 -	2017
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 18	Jan.-Dec.
Other intangible assets	-15	-17	-30	-33	-63	-65
Owner-occupied properties	-10	-7	-18	-13	-36	-31
Machinery and equipment	-173	-163	-338	-317	-642	-621
<b>Total depreciation <sup>1)</sup></b>	<b>-198</b>	<b>-187</b>	<b>-386</b>	<b>-363</b>	<b>-740</b>	<b>-718</b>

<sup>1)</sup> Excluding impairments. Impairments for the period Jun. -17 - Jul. -18 amounts to SEK 4 M and for the period Jan. - Dec. 2017 to SEK 7 M.

## Note 3. Acquisition of operations

The Building business area acquired the construction company Jakobsen & Blindkilde via NCC A/S on April 1, 2018 and thereby gained a stronger position in Jutland but also in the rest of Denmark. The company has 75 employees and annual sales of about SEK 460 M.

The acquisition is not deemed to have any material impact on earnings or financial position for the second quarter.



## Note 4. Segment reporting

SEK M

	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations <sup>1)</sup>	Group
<b>April - June 2018</b>							
Net sales, external	6,177	4,894	3,176	103	14,349		14,349
Net sales, internal	451	97	449	12	1,010	-1,010	
Net sales, total	6,628	4,990	3,625	115	15,358	-1,010	14,349
Operating profit	180	51	324	-16	540	-87	452
Net financial items							-25
Profit/loss after financial items							427

	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations <sup>1)</sup>	Group
<b>April - June 2017</b>							
Net sales, external	5,896	4,402	2,876	166	13,341	4	13,345
Net sales, internal	213	137	539	18	908	-908	
Net sales, total	6,109	4,539	3,416	185	14,249	-904	13,345
Operating profit	106	70	336	65	579	-67	512
Net financial items							-26
Profit/loss after financial items							484

SEK M

	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations <sup>2)</sup>	Group
<b>January -December 2018</b>							
Net sales, external	11,729	9,071	4,067	375	25,242	2	25,244
Net sales, internal	848	213	724	25	1,809	-1,809	
Net sales, total	12,576	9,284	4,791	400	27,051	-1,807	25,244
Operating profit	303	40	-87		255	-167	89
Net financial items							-34
Profit/loss after financial items							55

	NCC Building	NCC Infrastructure	NCC Industry	NCC Property Development	Total segments	Other and eliminations <sup>2)</sup>	Group
<b>January -June 2017</b>							
Net sales, external	11,373	7,660	3,734	2,323	25,089	4	25,093
Net sales, internal	393	244	769	35	1,441	-1,441	
Net sales, total	11,766	7,903	4,503	2,358	26,530	-1,437	25,093
Operating profit	145	4	26	658	832	-77	756
Net financial items							-45
Profit/loss after financial items							709

<sup>1)</sup> The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling an expense of SEK 46 M (expense: 42). Further, the figures for the quarter includes eliminations of internal profits amounting to an expense of SEK 27 M (income: 1) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) and a provision for restructuring amounting to an expense of SEK 14 M (expense: 26).

<sup>2)</sup> The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling an expense of SEK 107 M (expense:70). Further, the figures includes eliminations of internal profits amounting to an expense of SEK 29 M (income: 42) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) and a provision for restructuring amounting to an expense of SEK 31M (expense: 49).

## Geographical areas

SEK M	Net sales		Orders received	
	2018 Jan.-Jun.	2017 Jan.-Jun.	2018 Jan.-Jun.	2017 Jan.-Jun.
Sweden	16,183	16,059	20,619	19,581
Denmark	3,447	2,719	3,275	2,359
Finland	2,531	3,385	4,430	2,778
Norway	3,083	2,919	3,030	3,086
Sum	25,244	25,093	31,355	27,816

## Note 5. Fair value of financial instruments

In the table below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with the prices quoted on an active market for the same instruments. Derivatives in level 2 comprise currency forward contracts, interest-

rate swaps, oil forward contracts, as well as electricity forward contracts used for hedging purposes. The measurement to fair value of currency forward contracts, oil forward contracts as well as electricity forward contracts is based on accepted models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest-rate swaps is based on forward interest rates based on observable yield curves. In level 3, measurement is based on input data that is not observable in the market.

SEK M	Jun. 30, 2018				Jun. 30, 2017				Dec. 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit and loss												
Securities held for trading					10			10	10			10
Short-term investments	10			10								
Derivative instruments			1	1		76		76		43		43
Derivative instruments used in hedge accounting		96		96	10			10		45		45
Available-for-sale financial assets							94	94			91	91
Financial assets measured at fair value through other comprehensive income												
Equity instruments			82	82								
<b>Total assets</b>	<b>10</b>	<b>97</b>	<b>82</b>	<b>189</b>	<b>10</b>	<b>86</b>	<b>94</b>	<b>190</b>	<b>10</b>	<b>88</b>	<b>91</b>	<b>189</b>
Financial liabilities measured at fair value through profit and loss												
Derivative instruments		133		133		4		4		3		3
Derivative instruments used in hedge accounting		74		74		59		59		55		55
<b>Total liabilities</b>	<b>0</b>	<b>207</b>	<b>0</b>	<b>207</b>	<b>0</b>	<b>63</b>	<b>0</b>	<b>63</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>58</b>

In the table below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

SEK M	Jun. 30, 2018		Jun. 30, 2017		Dec. 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables held to maturity			73	73	131	131
Long-term interest-bearing receivables - amortized cost*	713	714				
Short-term investments held to maturity			81	81	30	30
Short-term investments - amortized cost						
Long-term interest-bearing liabilities	1,529	1,532	2,168	2,187	1,669	1,676
Current interest-bearing liabilities	1,810	1,814	490	493	919	925

\* June 30 2018 also includes other long-term interest bearing receivables with previous classification "accounts and loan receivables".

For other financial instruments recognized at amortized cost - accounts receivables, current interest-bearing receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities - the fair value does not materially deviate from the carrying amount.

## Note 6. Pledged assets, contingent liabilities and guarantee obligations

SEK M	2017		2017		2017	
	Group	Jun. 30	Jun. 30	Jun. 30	Dec. 31	Dec. 31
Assets pledged		467		443		429
Contingent liabilities and guarantee obligations <sup>1)</sup>		602		748		510
<b>Parent company</b>						
Contingent liabilities and guarantee obligations <sup>1)</sup>		18,999		20,381		19,280

1) Among these, NCC AB has sureties which are indemnified by Bonava AB based on the Master Separation Agreement. Bonava is working on formally replacing these sureties with other forms of collateral in a gradual process, which means that this item will decline further over time. In addition, NCC AB has received guarantees from credit insurance companies for the remaining outstanding commitments on behalf of now wholly owned Bonava companies.

## Summary of key figures

	2018	2017 <sup>3)</sup>	Jul. 17-	2017 <sup>3)</sup>	2017	2016	2015	2014	2013
	Apr.-Jun.	Apr.-Jun.	Jun. 18	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
<b>Profitability ratios</b>									
Return on shareholders equity, % excl profit from dividend of Bonava <sup>1)</sup>	7	31	7	17	18	19	26	22	26
Return on shareholders equity, % incl profit from dividend of Bonava <sup>1)5)</sup>	7	30	7	17	18	118	26	22	26
Return on capital employed, % excl profit from dividend of Bonava <sup>1)</sup>	5	21	5	12	13	13	17	14	15
Return on capital employed, % incl profit from dividend of Bonava <sup>1)5)</sup>	5	21	5	12	13	63	17	14	15
<b>Financial ratios at period-end</b>									
EBITDA % excl profit from dividend of Bonava	4.5	5.2	2.1	3.3	3.6	4.7	6.2	5.8	5.9
EBITDA % incl profit from dividend of Bonava <sup>5)</sup>	4.5	5.2	2.1	3.3	3.6	17.0	6.2	5.8	5.9
Interest-coverage ratio, times excl profit from dividend of Bonava <sup>1)</sup>	3.6	14.3	3.6	8.5	9.8	6.6	7.1	6.4	7.8
Interest-coverage ratio, times incl profit from dividend of Bonava <sup>1)5)</sup>	3.6	14.1	3.6	8.5	9.8	31.1	7.1	6.4	7.8
Equity / asset ratio, %	15	18	15	19	20	22	25	23	22
Interest bearing liabilities/total assets, %	16	15	16	15	15	16	24	26	25
Net cash +/- net debt -, SEK M	-3,084	-1,232	-3,084	-149	-149	-222	-4,552	-6,836	-5,656
Debt / equity ratio, times	0.7	0.3	0.7	0.0	0.0	0.0	0.5	0.8	0.7
Capital employed at period end, SEK M	9,268	8,808	9,268	9,174	9,523	9,585	19,093	18,935	18,345
Capital employed, average	9,187	9,333	9,187	9,138	9,418	13,474	18,672	18,531	18,005
Capital turnover rate, times <sup>1)</sup>	5.9	5.8	5.9	6.0	5.8	4.1	3.3	3.1	3.2
Share of risk-bearing capital, %	17	21	17	21	22	24	25	23	23
Closing interest rate, %	1.5	2.2	1.5	2.0	2.0	2.6	2.8	2.8	3.3
Average period of fixed interest, years	0.3	0.6	0.3	0.6	0.6	0.9	0.9	1.1	1.2
<b>Per share data</b>									
Profit/loss after tax, before and after dilution, SEK excl profit from dividend Bonava	3.12	3.72	2.95	8.07	9.29	11.61	19.59	17.01	18.40
Profit/loss after tax, before and after dilution, SEK incl profit from dividend Bonava <sup>5)</sup>	3.12	3.72	2.95	8.07	9.29	73.81	19.59	17.01	18.40
Cash flow from operating activities, before and after dilution, SEK	-13.24	-17.29	1.33	19.97	19.97	10.88	37.65	12.47	23.46
Cash flow before financing, before and after dilution, SEK	-15.83	-19.09	-7.76	12.59	12.59	-0.05	30.88	5.32	15.40
P / E ratio excl profit from dividend Bonava <sup>1)</sup>	51	16	51	19	17	19	13	15	11
P / E ratio incl profit from dividend Bonava <sup>1)5)</sup>	51	16	51	19	17	3	13	15	11
Dividend, ordinary, SEK				8.00	8.00	8.00	3.00	12.00	12.00
Dividend yield, %				5.1	5.1	3.5	1.1	4.9	5.7
Shareholders' equity before dilution, SEK	41.64	44.31	41.64	47.81	51.04	51.39	89.85	82.04	80.24
Shareholders' equity after dilution, SEK	41.64	44.31	41.64	47.81	51.04	51.39	89.85	82.04	80.24
Share price / shareholders' equity, %	358	536	358	329	308	439	293	301	262
Share price at period-end, NCC B, SEK	148.95	237.30	148.95	157.30	157.30	225.40	263.00	246.80	209.90
<b>Number of shares, millions</b>									
Total number of issued shares <sup>2)</sup>	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.6
Total number of shares outstanding at period-end before dilution	108.0	108.1	108	108.1	108.1	108.1	107.9	107.8	107.8
Average number of shares outstanding before dilution during the period	108.1	108.1	108.1	108.1	108.1	108.1	107.9	107.8	107.9
Market capitalization before dilution, SEK M <sup>4)</sup>	16,086	25,652	16,086	16,997	16,997	24,325	28,369	26,574	22,625
<b>Personnel</b>									
Average number of employees	16,610	16,204	16,610	17,762	17,762	16,793	17,872	17,669	18,360

<sup>1)</sup> Calculations are based on the rolling 12 month period.

<sup>2)</sup> All shares issued by NCC are common shares.

<sup>3)</sup> The amounts are adjusted for change in accounting policy regarding IFRS 15, except to rolling 12 months in the period Apr.-Jun. 2017.

<sup>4)</sup> Market value December 2016 excludes NCC's residential business, Bonava. Including Bonava the market value amounts to SEK 39 563 M.

<sup>5)</sup> The profit arising from the dividend of Bonava was SEK -31M and SEK 6,724 M in the quarter and full year 2016 and 2017.

For definitions of key figures, see [www.ncc.group/investor-relations/financial-data/financial-definitions](http://www.ncc.group/investor-relations/financial-data/financial-definitions).

## Signatures

The Board of Directors and the CEO provide their assurance that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Solna, July 18, 2018

Tomas Billing  
*Chairman of the Board*

Viveca Ax:son Johnson  
*Board member*

Birgit Nørgaard  
*Board member*

Ulla Litzén  
*Board member*

Mats Jönsson  
*Board member*

Geir Magne Aarstad  
*Board member*

Carina Edblad  
*Board member*

Angela Langemar Olsson  
*Board member*

Karl-Johan Andersson  
*Board member*  
*Employee representative*

Karl G Sivertsson  
*Board member*  
*Employee representative*

Harald Stjernström  
*Board member*  
*Employee representative*

Tomas Carlsson  
*President and CEO*

This report is unaudited.

## NCC in brief

NCC is one of the leading Nordic construction and property development companies. With the Nordic region as its home market, NCC is active throughout the value chain – developing and building commercial properties and constructing housing, offices, industrial facilities and public buildings, roads, civil engineering structures and other types of infrastructure. NCC also offers input materials used in construction and accounts for paving and road services. NCC creates future environments for working, living and communication based on responsible construction operations that result in sustainable interaction between people and the environment.

### Vision

We will renew our industry providing superior sustainable solutions.

### Business concept – responsible enterprise

NCC develops and builds future environments for working, living and communication. Supported by its values, NCC and its customers jointly identify needs-based, cost-effective and high-quality solutions that generate added value for all of NCC's stakeholders and contribute to sustainable social development.

### Core values

The company's values and Code of Conduct function as the backbone for the way NCC works and operates. They also jointly serve as a compass for how employees are to conduct themselves and act in everyday situations, and provide guidance when decisions have to be made.

- HONESTY
- RESPECT
- TRUST
- PIONEERING SPIRIT

### Organization

NCC conducts integrated construction and development operations in the Nordic region. The company has three businesses – Industrial, Construction and civil engineering and Development – and is organized in four business areas



NCC Building



NCC Infrastructure



NCC Industry



NCC Property  
Development

## Contact information

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### Information meeting

An information meeting with an integrated Internet and telephone conference will be held on July 18 at 10:00 a.m. at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm. The presentation will be held in English. To participate in this teleconference, call +46 (0) 8 519 993 55 (SE), +44 203 194 05 50 (UK) or +1 855 269 26 05 (US), five minutes prior to the start of the conference. State "NCC."

This is the type of information that NCC is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out above on July 18, 2018, at 7:10 a.m. (CEST).



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