

The Danish VALUE ADD's

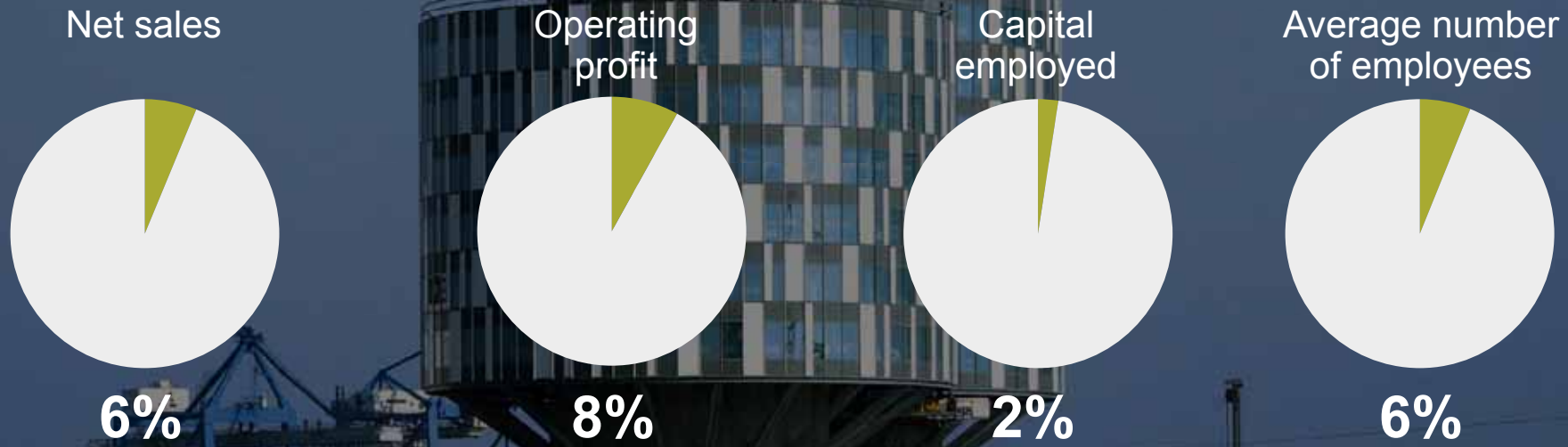


Klaus Kaae
Business Area Manager
NCC Construction Denmark



"Isbjerg" Aarhus Harbour

NCC Construction Denmark



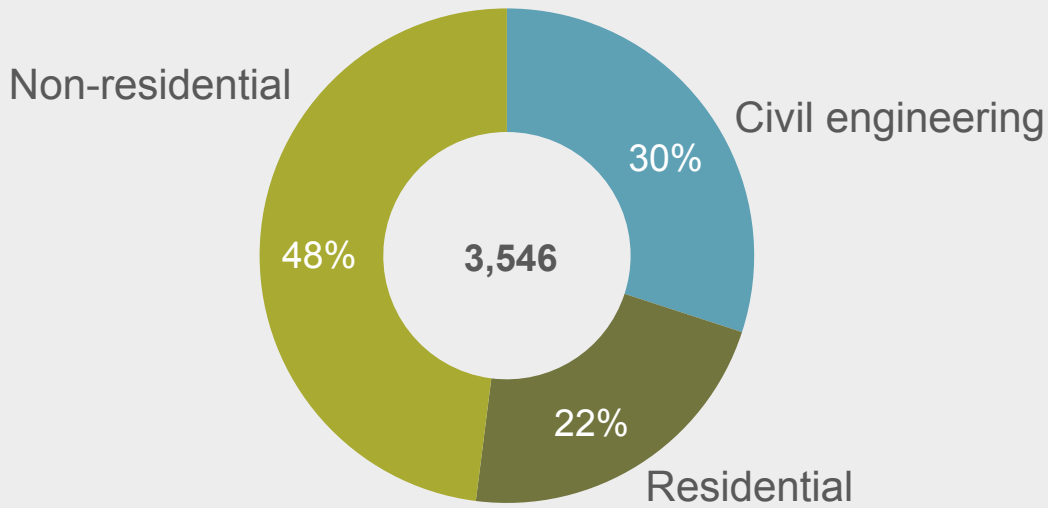
Share of NCC 2013

NCC Construction Denmark – by regions



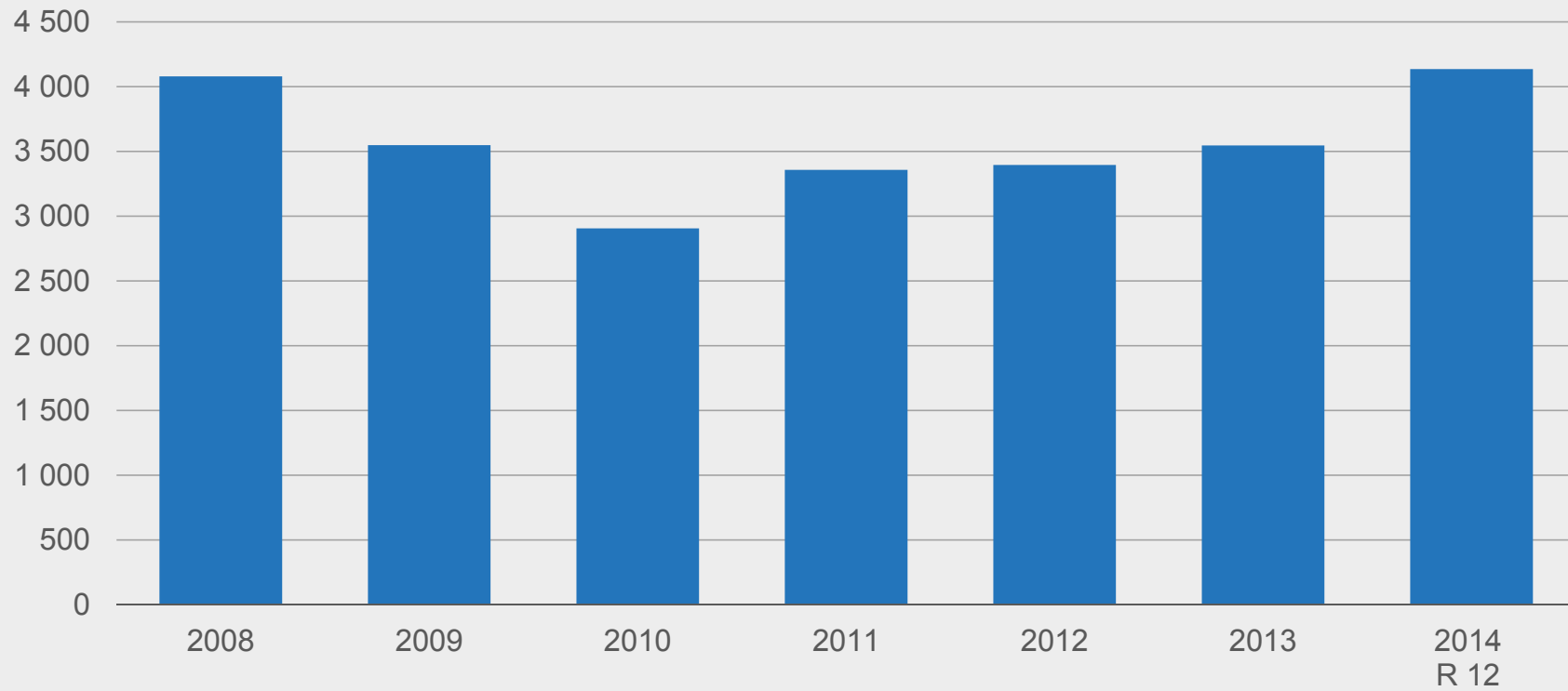
NCC Construction Denmark Product mix

Net sales 2013, MSEK



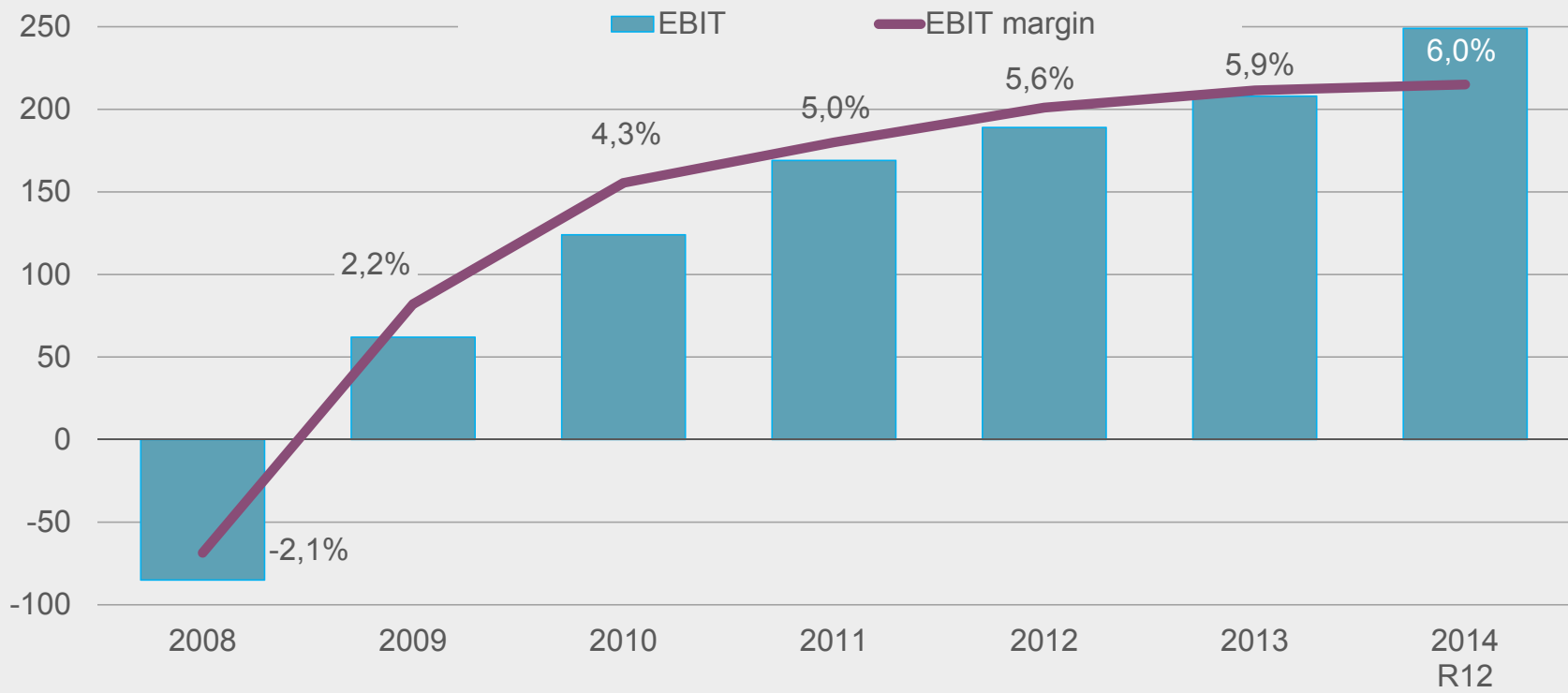
NCC Construction Denmark

Net sales, MSEK




NCC Construction Denmark

Operating profit, MSEK



The Danish construction market 2015

The Danish market 2015

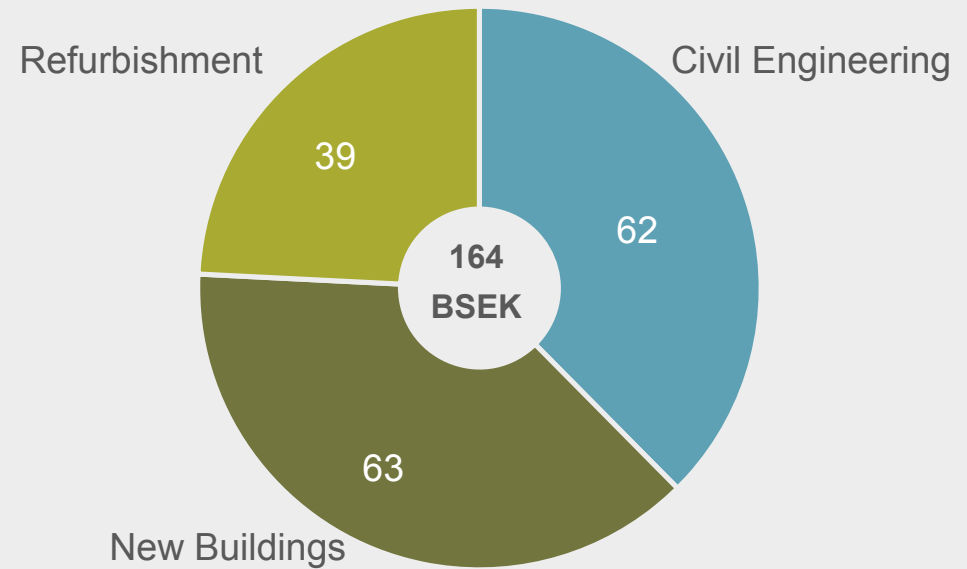
	New Building	Refurbishment	Civil
Business to Consumers	 Housing projects CPH + Aarhus	\div	\div
Business to Business	 Commercial spaces / Domicile	 Maintain value	
Business to Public	 Hospitals + Institutions	 Energy Refurbishment	 Metro + Femern + Letbane Adaptation to climate changes

The total construction market

NCC Construction Denmark

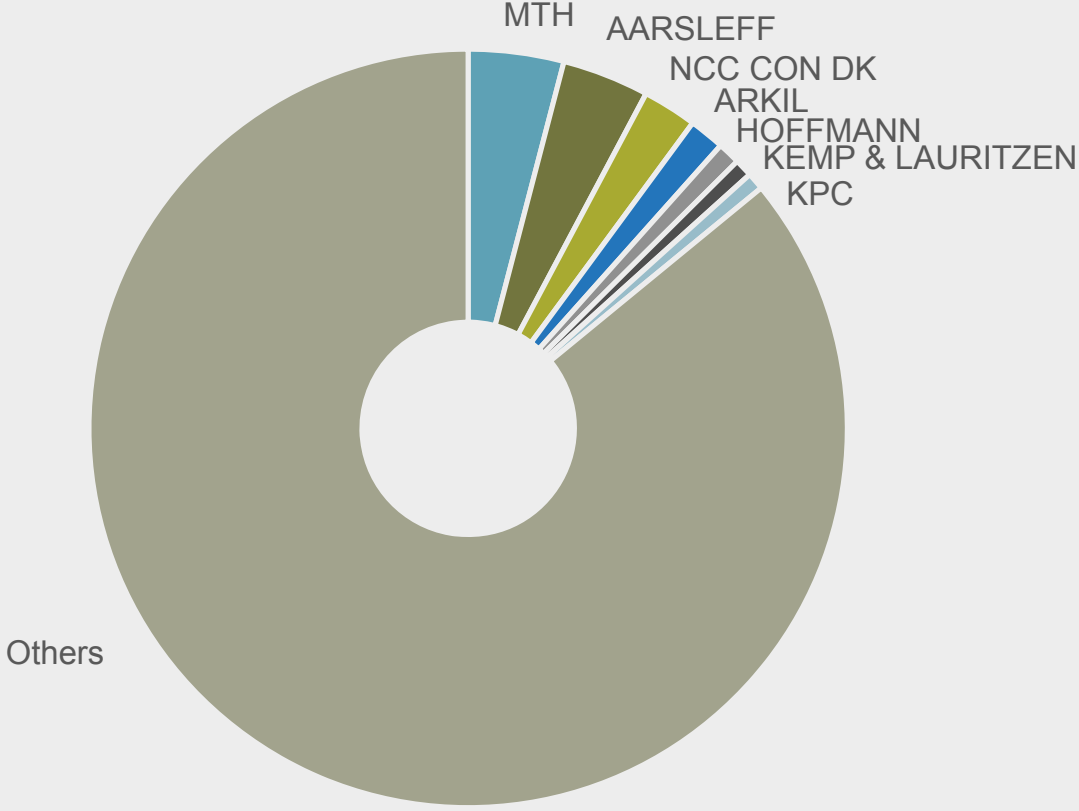
Total market SEK 164 billion 2013*

Total market 2013



*Source: Dansk Byggeri, Production values (October 2014)

Competition – Denmark



Market outlook

- The public market will continue to be strong
- Increased focus on Energy Refurbishment, Climate Adaption and Infrastructure
- The residential market will grow in the big cities – especially in Copenhagen and Aarhus
- The market for efficient and sustainable offices is expected to grow
- The public market will be more politically influenced



Islands Brygge Copenhagen

Strategy – Value ADD

Change the
mindset

Select the
best projects

Understand,
calculate and
minimize the
costs

Risk
management

Improve
performance

Secure the
competences



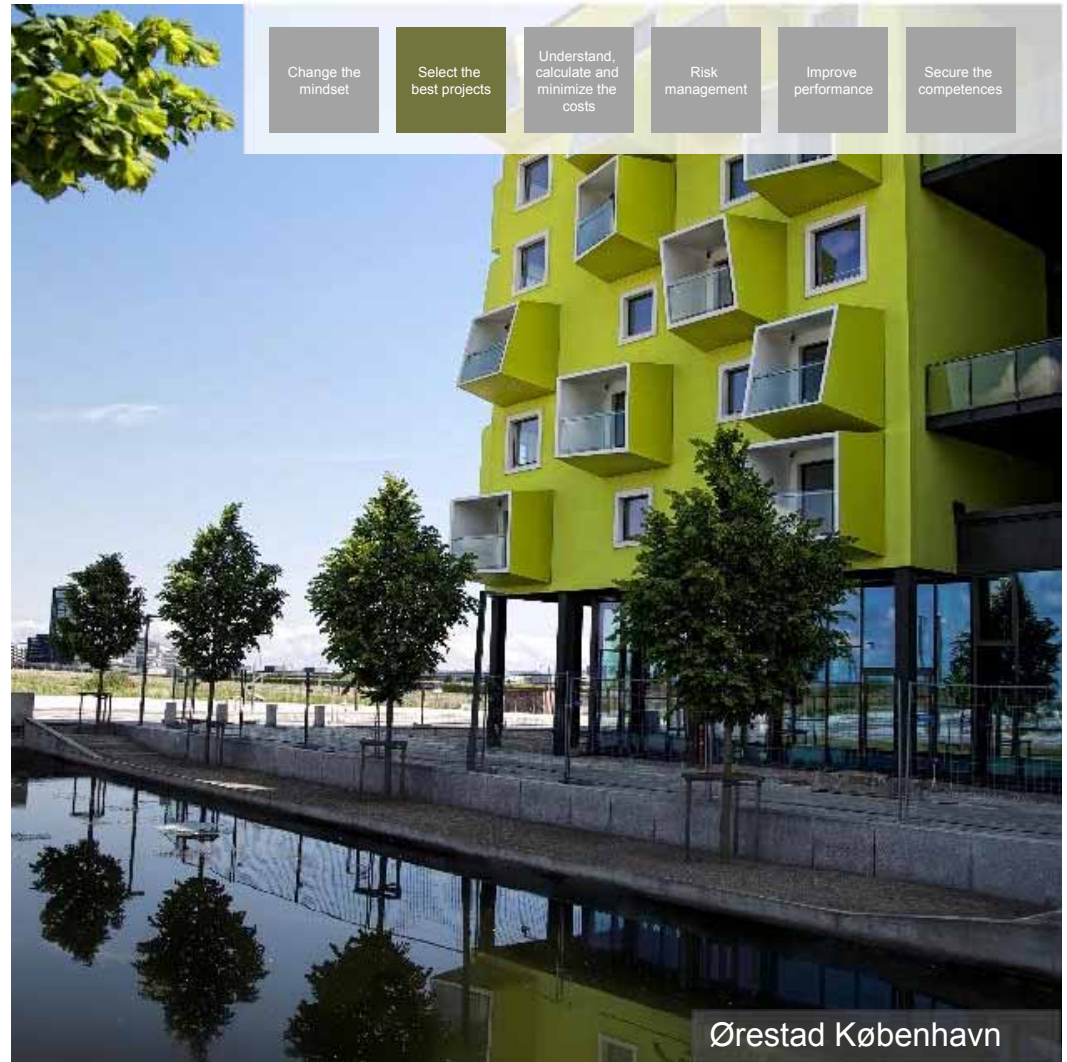
Change the mindset

- Change the mindset
- Select the best projects
- Understand, calculate and minimize the costs
- Risk management
- Improve performance
- Secure the competences



Select the best projects!

- Pick the right customers
- Create favorable tender opportunities
- Secure or create reasonable conditions
- The tender must be a package deal (price, product, process, sustainability, consultancy, competences)



Understand, calculate and minimize the cost

- Change the mindset
- Select the best projects
- Understand, calculate and minimize the costs
- Risk management
- Improve performance
- Secure the competences

Commercial focus



Risk management

Must be the red thread throughout the project's lifetime

- Select project and customer
- Use fixed gross profit and risk allocation
- Tender and contract board
- Buildable design
- Steering committee



Risiko / mulighed
 Dato: 20.04.2014 (opg. nr.: 05.04.2014) Sags: NORDSLO
 I.K.

Beskrivelse af risiko / mulighed (særligt udfordringer med et marked med pt)		Risiko- belastning (L&F)	Mulighed betalt (L&F)	Sand- syns- lighed (%)	Vægtet betalt (L&F)	Handling	Ansvar (ans.)	Identifi- ceret (dato)
BUM RISIKO set i forhold til PDS 95.A.14								
X	Måskeproben, mulighed for, at begynde	300	0	0	0	Måske begynde omst. Forventes = SLUT	FGP	01.04.14
X	Særlig præsentation til stilling		-300	100	-300	NDG, krav med SOC, an. mulighed	Bl. J	01.04.14
X	Installation af elektriske udstyr i forbindelse med bygning af	500	75	375	187,5	PT, elektriske fra UK, pga. OTV og fra UK pga. pumper	FGP	01.04.14
X	Skævværet særlig brandtryk		300	50	150	PD for ikke accepteret tilgangskrav. Bør betale for slibringspumper ca. 300.000,-	FGP	01.04.14
X	Krav fra NCC til pga. OTV m.v.	1.000		75	750		FGP	01.04.14
X	Myndighedskrav i forbindelse med den afsluttende fase	300		0	0	Ulyghedsrisiko gennemføres og evt. "krav" pålægges	FGP	01.04.14
X	Investor og leverør i den afsluttende fase	300		0	0	Sørge for, at investoren / leverøren betales af FG	FGP	01.04.14
X	Investor og leverør i den afsluttende fase	300		0	0	Være sikkerhed i den afsluttende fase	FGP	01.04.14
X	Logistik i forbindelse med lever. betalt	300		0	0	Udfordringer fra leverandør m.v.	MRI	01.04.14
X	Overensretninger på byggeplads	500		75	375	Overensretninger væsentlig skævværet	MRI	01.04.14
X	Den afsluttende fase går bedre end forventet, muligheder der pt. ligger i PDS'en		-300	75	-225	Dele indløb på restbudget er begæret, Kalk. Tal er i underskudet.	Alle	01.04.14
X	Rådgruppen NCC, Tevrik	500		75	375	Tevrik har krav med NYBYG som er afslut. Særlig krav ca. 500.000,-	FGP	01.04.14
X	PD indgår på afslutte ydelser og ikke afslutte ydelser		-500	75	-375	Heldt fast overfor PD. Fokus på ekstra krav og afslutte	FGP	01.04.14
X	Koordinering af udførelsesplan med By & Havn styrekomite	300		50	150	Har ikke støtte CON noget, men vi kommer til at bruge ressourcer	FGP	01.04.14
X	Overensretninger skal sættes på indførelse	300		50	150	Der skal følges op på disse	FGP	01.04.14
X	Væsentlige projektfærdigheder	300		50	150	Manglende læsning har kostet rigtig mange penge. Forventer nu, at der ikke kommer væsentlig mere men noget.	FGP	01.04.14

[Example from the PORTLAND TOWERS]

Improve performance

- Change the mindset
- Select the best projects
- Understand, calculate and minimize the costs
- Risk management
- Improve performance**
- Secure the competences

Product

- Buildable design
- Technical support
- VDC
- Use of standard details

Administration

- Optimize processes
- Digitalize systems
- Digitalize documentation

The greatest challenge right now

- Change the mindset
- Select the best projects
- Understand, calculate and minimize the costs
- Risk management
- Improve performance
- Secure the competences

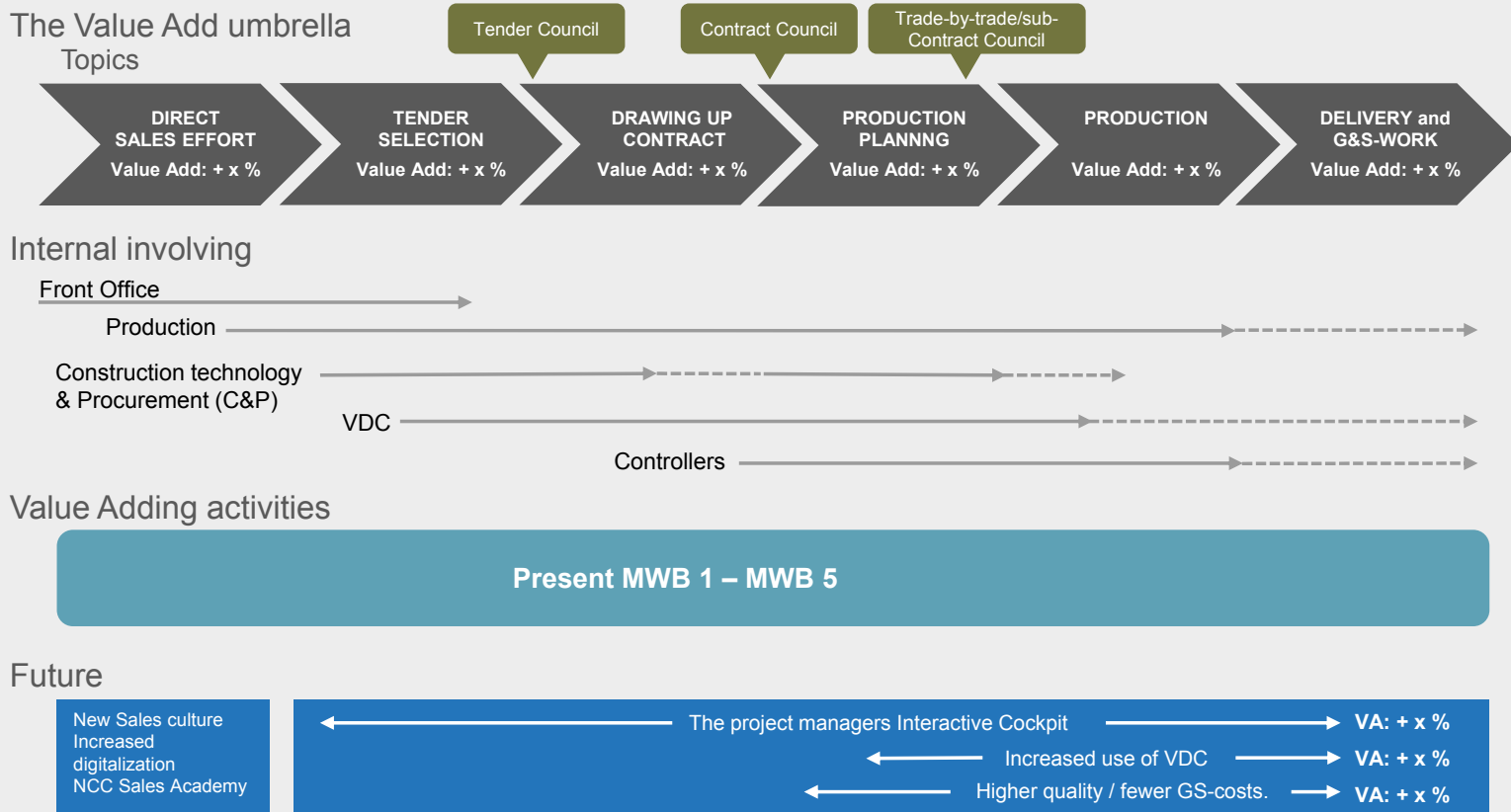
Secure the competences *before* growth



Our way of working – Must Win Battles

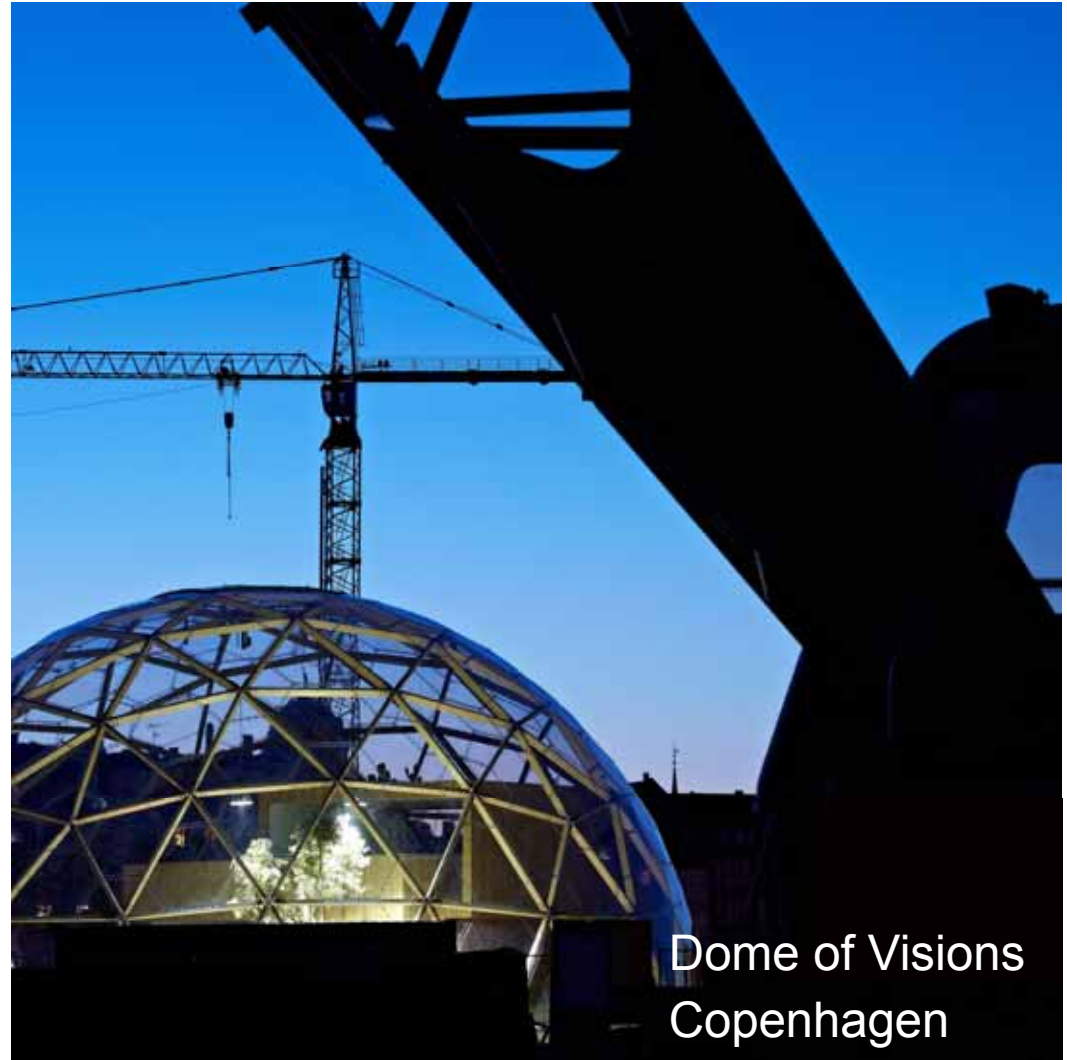


The Danish Value ADD model



Summary

- We have made a turn-around
- We still have a lot to do!
- We have a lot of opportunities in the Market
- Our goal is to renew the business and be a sustainable unit in NCC
- And we will keep our ambition high!



Dome of Visions
Copenhagen

The Danish movie



2014-11-25

NCC AB

Carlsbergbyen Copenhagen

