NCC Infrastructure
The start of a major infrastructure player in the Nordic region

Svante Hagman
Business Area Manager
NCC Infrastructure
We will be...

…the main civil engineering company in the Nordic region...

…with strong and profitable local operations
Offerings – Projects

Roads

Railways

Trams and Subways

Industry
Civil Engineering Division – business logic

LOCAL
• Mainly public sector customers and investments
• Local presence and local competition

LARGE
• Specialization required
• Shared central expertise
• International competition
Offerings – concepts and services

- Groundworks
- Landscaping
- Road and Railway Services
- Piping & Relining
- Environmental Treatment
- Industrial Services
- Sustainable Day Water
- Protection and Safety
Infraservices Division
– business logic

Infraservices
• Small and medium-sized projects
• Groundworks, products and services
• High degree of repetition
• Substantial customer diversity
• Shorter business cycle
• Long-term service contracts
• Local expertise and presence
A full-range infrastructure provider

Design

Production

Service
Desired future position

Degree of civil engineering specialization vs. Degree of local presence

Non-Nordic competitors

Nordic competitors

Source: NCC
NCC Infrastructure – net sales 2014

Share of NCC’s total net sales excl. Housing

NCC Infrastructure
SEK 15.4 BN

29%
Product mix 2014 – share of net sales

- Infrastructure: 41%
- Groundworks: 24%
- Road services: 15%
- Industrial projects: 20%
Net sales by country

- Strong positions in Sweden and Norway
- Base position in Denmark
- Start position in Finland

Size of country flag relative to net sales
Financial objectives – NCC Business Areas 2016-2020

**Industry**
- NCC Industry
  - Average yearly ROCE > 10%
  - EBIT > 4%

**Construction and Civil Engineering**
- NCC Infrastructure
  - EBIT > 3.5%

**Development**
- NCC Property Development
  - Average yearly ROCE > 10%
  - EBIT > 10%
NCC Infrastructure – Strategy for profitable growth
Must win battle: Operational Excellence

- Engineering capability
- Coordinated purchasing
- Learn and share
- Digitalization/VDC
- Standardize

Renew our industry and provide superior sustainable solutions

Operational excellence

One NCC

Investment initiatives

People

Market excellence

NCC
Example:
Operational Excellence

NCC drone capability

- Ability to build 3D models from aerial images
- Visualization
- Planning

- Design
- Inspection
- Terrain modeling
Example:
Operational Excellence

Project Portal

- Digitalized support
- Reuse of information
- Transparent, standardized and efficient
Example:
Operational Excellence

Engineering capability

- Design and build contracts including BEST
- In-house design
- Cost-efficient production
- Environment and safety in focus
Must win battle: **Market Excellence**

- Value Delivery
- Sustainability
- Customer collaboration
Example:

Market Excellence

Via Safe

Package of services for designing and establishing safety precautions for roadwork projects
Example:
**Market Excellence**

**Smart Execution Rotebro**
- New bridge used as a temporary bypass
- Financial, time and environmental impact
- Constant traffic flow
Must win battle: 
Market Excellence

Customer collaboration
• Strategic partnering
• Performance-based contracts
• ECI
The core:
It’s all about People

- Developing skills in the existing organization
- Recruiting the right people
- Diversity and mobility for better delivery

Talents’ first choice
Market potential
National plan for transportation systems Sweden
2014-2025, SEK BN

Railway
– service and maintenance
86

Roads
– service and maintenance
155

Transportation systems
– new investments
281

Total 2014-2025
522

Negotiations in Sweden
– infrastructure, residential and public transport
500

NCC
National plan for transportation systems Norway
2014-2023, NOK BN

Railway
- service and maintenance

Roads
- service and maintenance

Transportation systems
- new investments

Total 2014-2023

75
95
228
398
Shift in customer behavior

- More design and build contracts
- Larger projects
- Long-term involvement with customers
- Multi-discipline projects
Competitive advantages

- Nordic mindset and local presence
- Full-range provider – customer offers across the entire value chain
- Wide range of sustainable solutions
- Customer collaboration
- Engineering capability
Svante’s agenda

6 months

- Customer focus
- Organize tender activity
- Risk assessment and control
Desired status in 2020

- The main infrastructure player in the Nordic region
- Customers’ first choice
- The leader in sustainable solutions
- Talents’ first choice
We're on our way!