NCC Industry

Jyri Salonen
Business Area Manager
We are known as... 
...the market leading stone and asphalt company in the Nordics 
...having a strong focus on superior sustainable solutions
Main Offerings

- Asphalt production
- Stone materials and recycling
- Piling production and foundation works
- Paving works
<table>
<thead>
<tr>
<th>Offerings – Variety of concepts and products</th>
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<tbody>
<tr>
<td>NCC Green Asphalt®</td>
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<tr>
<td>NCC Recycling ™</td>
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NCC Green Asphalt®, NCC Green Fuels™, Flooding prevention products, Special Asphalts, NCC Recycling ™, NCC Green Quarry ™, Hercules piling, Kielo biodiversity program.
Geographical markets
Industrial, sales 2014
NCC Industry – net sales 2014

Share of NCC total net sales excl. Housing

NCC Industry
SEK 10.6 BN

19%
NCC Industry – product mix 2014

- Asphalt and Paving: 73%
- Stone material: 22%
- Hercules: 5%
Market position today

- Stone materials  – Nordic market leader
- Asphalt and paving  – Nordic market leader
Customers

Private sector

State/municipalities

Internal sales
NCC Industry – Strategy for profitable growth

- Urbanization
- Sustainability
- War for talent
- New technology

One NCC
Renew our industry and provide superior sustainable solutions

Operational excellence
People
Investment initiatives
Market excellence
### Financial objectives NCC Business Areas 2016-2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Construction and Civil Engineering</th>
<th>Development</th>
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<tbody>
<tr>
<td>NCC Industry</td>
<td>NCC Infrastructure</td>
<td>NCC Property Development</td>
</tr>
<tr>
<td>Average yearly ROCE &gt; 10%</td>
<td>EBIT &gt; 3.5%</td>
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<td>EBIT &gt; 4%</td>
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<td>EBIT &gt; 10%</td>
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Must win battle:
Operational Excellence

Operational excellence

Renew our industry and provide superior sustainable solutions

People

Investment initiatives

Market excellence

One NCC

NCC
Operational Excellence

Production process optimization

- Production planning and steering
- Lean principles in production and paving processes
- Sustainable production process e.g. renewable energy and recycling in asphalt production
- Digital solutions
Example: NCC Green Fuels™

Renewing the industry by alternative energy sources, e.g. wood pellets in asphalt production instead of oil.
Operational Excellence
Digitalization
Operational Excellence
Purchasing

• Energy
• Logistics
• Subcontractors
• Bitumen
Operational Excellence
Nordic way of working

- Common tools, processes and way of working
- Risk management
- Quality focus
- Continuous improvement by a learning organization
Must win battle:
Market Excellence

- Renew our industry and provide superior sustainable solutions
- Operational excellence
- One NCC
- People
- Investment initiatives
Market Excellence

Strong market position with potential for growth

- Strengthen position in Oslo and Stockholm
- Selected other growth markets
- Secure sustainable stone supply
- NCC Recycling
- Large civil engineering projects
Market Excellence

Value delivery with sustainable customer offers

- Sales driven organization
- Digital solutions
- NCC Green Concept®
NCC Green Concept®
NCC Green Asphalt®

Patented production method for hot asphalt produced at lower temperature
NCC Green Road®

Paving for reduced rolling resistance
NCC Viaco™

Paving with an unusually long service life and low maintenance costs
NCC Drænstabil®

Self-draining ballast that prevents flooding
… continuing to meet new environmental challenges
Our success drivers are

People

One NCC
Summary

Starting point

- Strong market position with further growth potential
- Stable earnings development, however plateaued

Strategic activities

- Operational excellence to improve margins
- Market excellence for profitable growth