

NCC Property Development

– Supporting growing cities

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Business Area Manager



Our business concept

We create sustainable
business opportunities

Operates in the whole value chain



Future Office[®]



Future Logistics[®]



Future Retail[®]



NCC Property Development

**Nordic
organization**

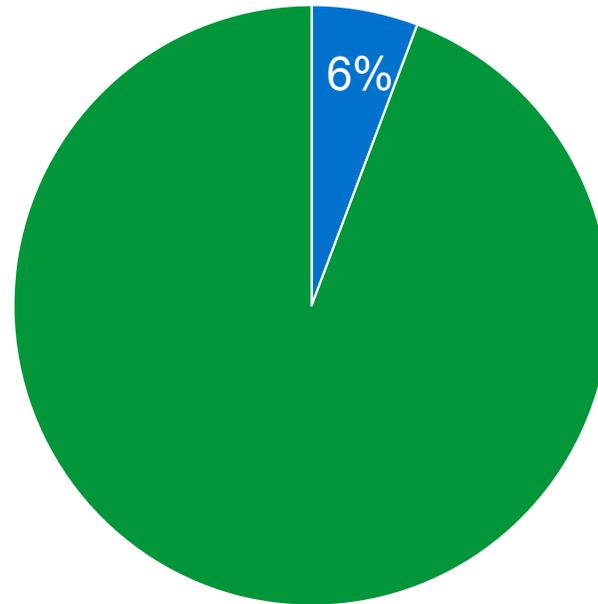
Capital regions
Larger cities

120
employees

14
ongoing
projects



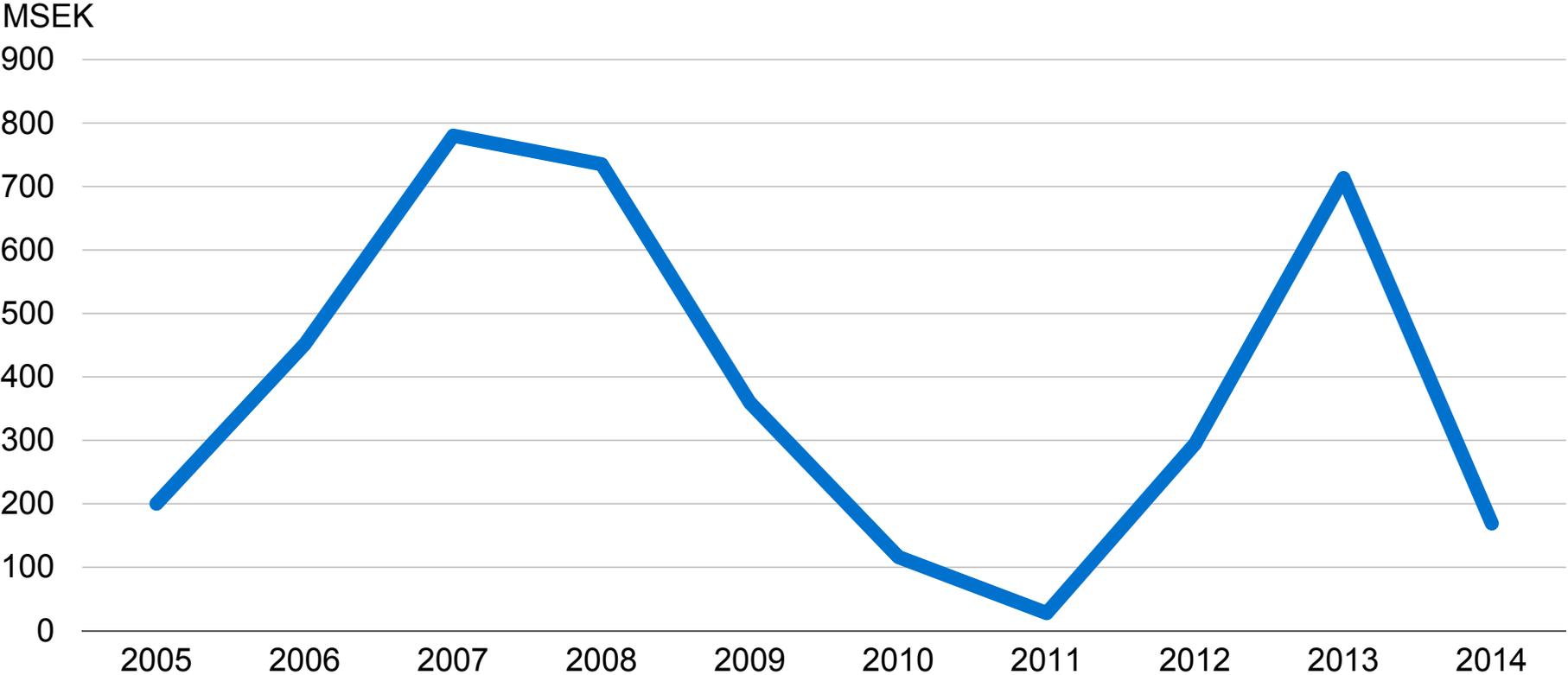
Net sales 2014



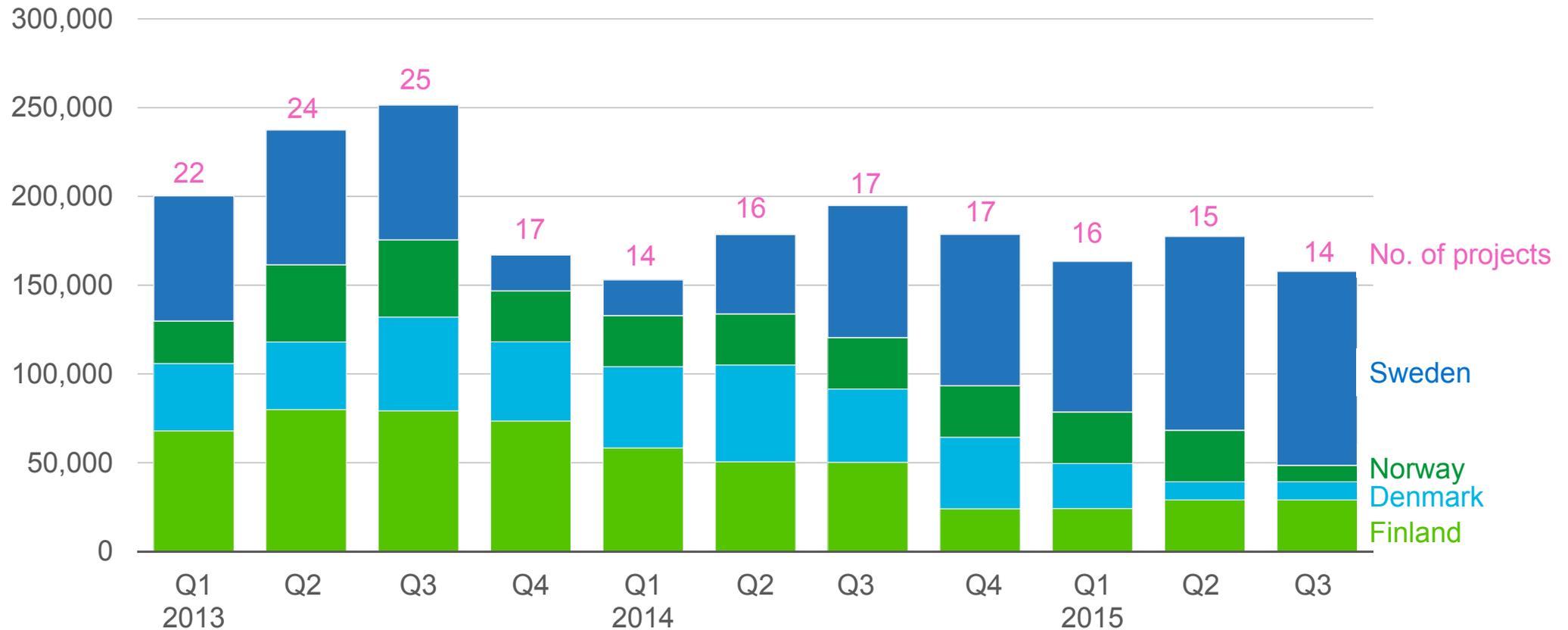
NCC Property Development
SEK 3.1 BN

Share of NCC excl. Housing

Operating profit at project exit



Increase in Sweden and project starts in focus



Project portfolio

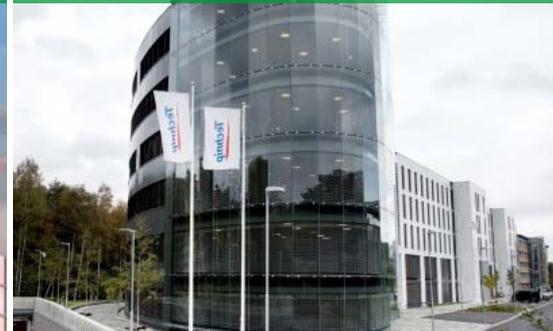
	Ongoing projects	Completed projects
	Sep. 30, 2015	Sep. 30, 2015
Number of projects	10	4
Area, sqm	138,400	19,400
Sales rate	57%	0%
Letting ratio	70%	93%
Completion rate	53%	100%

In addition to these projects NCC also focuses on rental guarantees / additional purchase in 7 previously sold and revenue recognized property projects, a maximum of approx. SEK 100 M.

Torsplan, Stockholm



Lysaker, Oslo



Hyllie, Malmö



SCA, Mölndal



Alberga Business Centre, Esbo



Vallensbaeck, Copenhagen



Brunna, Kungsängen



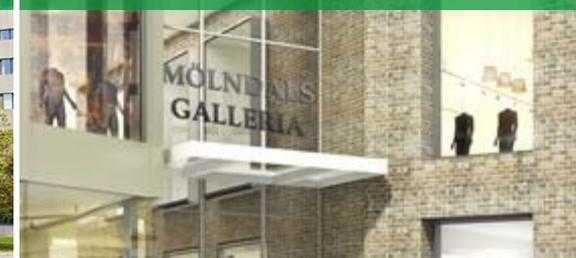
Aito Business Park, Helsinki



Gladsaxe, Copenhagen



Mölndal Mall, Gothenburg



Trends and drivers in our business environment



Urbanization



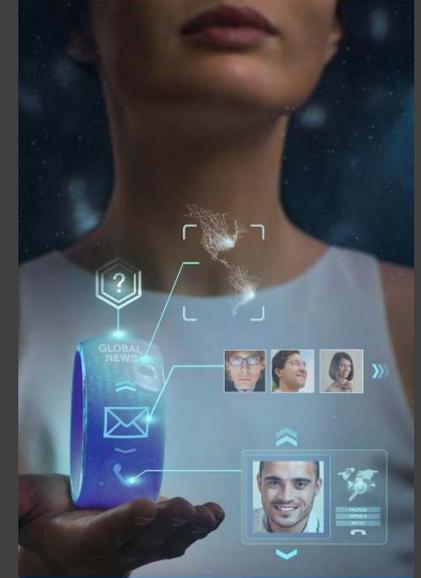
Sustainability



Globalization



War for talent



New technology

NCC Property Development – Strategy for profitable growth



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%



NCC Building

Development



NCC Property Development

Average yearly
ROCE >10%
EBIT >10%

Our ability to reach the financial objectives 2016-2020

ROCE average, 2011-2014, 8.2%

EBIT average, 2011-2014, 9.9%

Development



**NCC Property
Development**
Average yearly
ROCE >10%
EBIT >10%

Must win battle:

Operational Excellence



Operational Excellence

Nordic way of working

- Common tools and way of working to leverage knowledge and market leadership
- Common sales process
- Platform and product development in focus
- Risk management
- Continuous learning and clear people agenda
- Close co-operation with Building



Ex: Developer program and Platforms



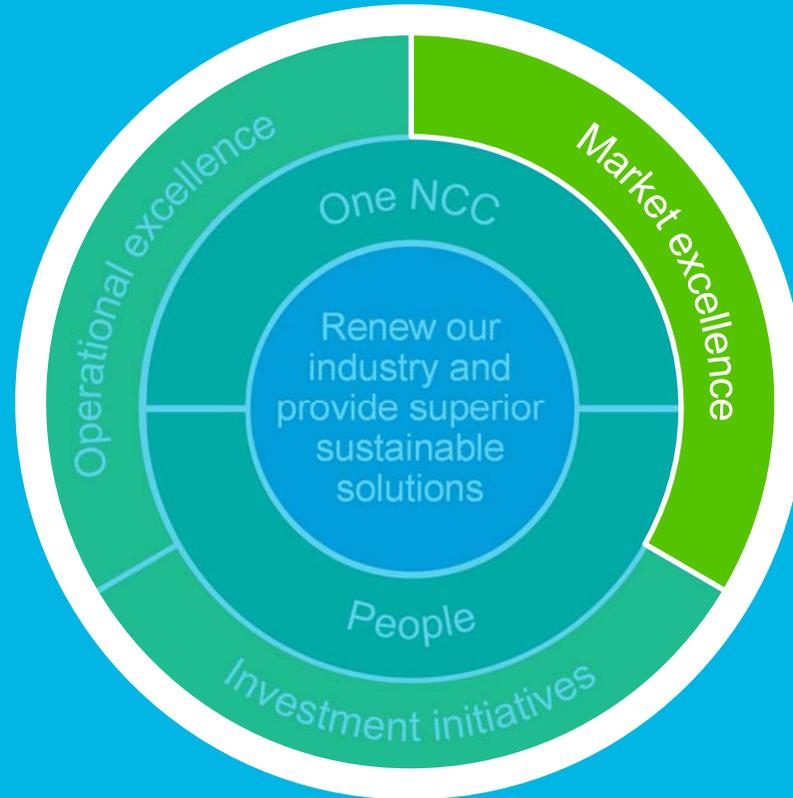
Training in value creation through the whole value chain



Platform and product development in focus

Must win battle:

Market Excellence



Market Excellence

Strong market position

- Focus on the larger growth cities
- Focus on segment Office and Logistic
- Strong local presence to get the right business opportunities
- Competence to support growing cities and customers
- Competence in early phases, development and transactions

Market Excellence

Value delivery with sustainable customer offers

- Customer knowledge in depth
- Common proactive sales process
- Long term sustainable guiding star

Ex: SCA and the Future Office journey



Market outlook

- High population growth
- General positive GDP outlook
- Continued low interest rates drive capital into the property sector
- High transaction volumes
- Continued low yields

- Increased competition
- High interest from international investors in the Nordic market
- Domestic investors are still dominant
- Rental market varies between the Nordic countries

Valle, Oslo



Fredriksplads, Århus



Ulriksdal, Solna



Värtan, Stockholm



Frihamnen, Gothenburg



Projects in pipeline

Brunna, Kungsängen



Fredriksberg, Helsinki



Kristineberg, Stockholm



Summary



- Strong market position
- Potential in urbanization and urban development
- Good project pipeline
- Focus in markets and segments
- Sales and customer driven organization
- Focus on platforms and products
- Capital efficiency and project starts

