

Press release

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Leadership change at NCC

The Board of Directors of NCC has decided to replace the Group's CEO in order to increase focus on the construction and civil engineering operations. Recruitment of a new CEO will commence immediately. Håkan Broman, who has served as General Counsel at NCC for many years, will assume the position of acting CEO as of October 30 until such time as a new CEO is in place.

"Many parts of NCC are performing and developing well, for example the Swedish operations of the Building and Infrastructure business areas, as well as NCC Industry and NCC Property Development. But the entire Group has not performed as it should. The Board believes that NCC needs a new driving force to reverse the trend in the construction and civil engineering operations," says Tomas Billing, Chairman of the Board of NCC.

The Board of Directors has thus decided to relieve Peter Wågström of his duties as CEO. Until such time as a new permanent CEO has taken office, Håkan Broman, currently General Counsel and member of the Executive Management Team, will serve as acting CEO. Håkan Broman has worked at NCC for 18 years and has been the company's General Counsel for the past nine years. Håkan has solid experience of the construction and civil engineering businesses from his previous positions at NCC in many markets.

Tomas Billing, the company's Chairman of the Board for the past 16 years, will take up a half-time position at NCC to support the Executive Management Team.

"Although the circumstances are unfortunate, I am looking forward to taking up the duties as acting CEO. I know that we at NCC can achieve so much more than we have shown in recent times. I will be fully focused on the business and work to increase profitability," says Håkan Broman, acting CEO at NCC.

"The other members of the Board and I are very pleased and grateful to have someone like Håkan Broman. Håkan always maintains a strong focus on the business, knows NCC inside out and has very good judgment," says Tomas Billing.

One and half years ago, NCC conducted a demerger and Bonava was distributed to NCC's shareholders. The listing of Bonava on the stock exchange was successful. Unfortunately, NCC's construction and civil engineering operations have not performed in line with the expectations of the Board in recent years. Profitability is weak mainly in NCC Infrastructure, but also in parts of NCC Building.

Over the past few years, NCC has reported major impairment losses on projects in these operations. Moreover, sales have not increased despite a highly favorable level of orders received. The operating margin for the construction and civil engineering operations on a rolling 12-month basis is only 1.5 percent.

The Board believes that while the work currently ongoing in the Infrastructure and Building business areas is a step in the right direction, additional focus is required.

“Peter Wågström has been CEO of NCC for six years. During this period, the performance of the NCC share has been among the best in the sector. For a number of years, Peter was responsible for building up the Housing business area, which was subsequently renamed Bonava and distributed to shareholders a year and a half ago. The distribution of Bonava was a success. I would like to thank Peter Wågström for his years at NCC and wish him the very best in his future endeavors,” says Tomas Billing.

“I have had 13 fantastic years at NCC, initially in the property development business and then in the residential development business Housing, and most recently as CEO. I am disappointed by the Board’s decision but of course I respect it. And I am naturally disappointed with NCC’s earnings performance in parts of the construction and civil engineering operations in recent years,” says Peter Wågström.

A teleconference will be held today, Monday, October 30 at 9:30 a.m. CET. NCC’s Chairman of the Board Tomas Billing, acting President and CEO Håkan Broman, and CFO Mattias Lundgren will respond to questions. To participate in this teleconference, call +46 8 519 993 55 (SE), +44 203 194 05 50 (UK), +1 855 269 26 05 (US) or +49 211 971 900 86 (DE).

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This is the type of information that NCC could be obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on October 30, 2017 at 08:00 a.m. CET.

About NCC. Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in construction, infrastructure and property development in the Nordic region, with sales of SEK 53 billion and 17,000 employees in 2016. The NCC share is listed on Nasdaq Stockholm.