Skanska in short

- Founded 1887 in Sweden
- International business since 1897
- Listed on the Stockholm Stock Exchange
- 2009 revenues: SEK 137 billion
- 51,000 employees
- A Fortune 500 company
- Member of UN Global Compact
Local presence – global strength

Revenue 2009 by geographic areas:
- Sweden, 19%
- Other Nordic countries, 14%
- Other European countries, 29%
- United States, 33%
- Latin America, 5%
Our four Business Streams
Our journey

Rapid expansion
1997–2003

Consolidation
2004–2010

Profitable growth
2011–2015
Construction margin progress

% of revenue for select years from 2004 to 2010.
✓ Consolidation phase successfully completed

✓ Strong financial and operational platform

✓ Common value base and collaborative culture
Our journey

Rapid expansion 1997–2003

Consolidation 2004–2010

Profitable growth 2011–2015

Today
Build on global trends and existing strengths
Strengths and values

- Home markets/local presence
- Decentralized/integrated
- Financial strength and synergies
- Civil and building construction
- Project Development
- Project execution Risk management
- People
- Knowledge
- Brand

Code of Conduct and 5 Zeros
One Skanska

- Home markets/local presence
- Civil and building construction
- People

- Decentralized/integrated
- Project Development
- Knowledge

- Financial strength and synergies
- Project execution
- Brand

Code of Conduct and 5 Zeros
Increasing urbanization
Since 2007, 50% of the world’s population lives in cities

Requires huge investments in

- Mass transit
- Schools
- Health
- Housing
- Water
- Waste
- Sports
- Culture
Increasing urbanization
Majority of growth and consumption in cities

- 90% of population growth
- 75% of all energy consumption
- 60% of waste consumption
Demographic changes

- Ageing and growing population
- Need for healthcare
Global demand for energy and energy efficiency will increase dramatically
### Evaluation Criteria for New Opportunities

**Market Attractiveness**
- Significant market size
- Market growth > GDP growth with long-term stable growth outlook
- Industry profitability above Skanska targets
- Low number of existing players, right type of entry barriers, economies of scale to exploit
- Acceptable complexity

**Feasibility for Skanska**
- Skanska has experience and distinct capabilities to be leading
- Multiple available acquisition candidates
- An attractive growth roadmap possible, with several strategies and actions
- Remain true to Skanska’s commitment to its Five Zeros, Code of Conduct and to Green
Profitable growth

What to do and our targets?

How to do it?
Financial targets and dividend policy

- **Group**
  - ROE 18–20% per annum
  - Dividend pay out 40–70% of Earnings Per Share
  - Net cash position (pension liabilities and construction credits in residential development co-ops excluded)

- **Construction**
  - EBIT margin 3.5–4.0% over a business cycle
  - Grow faster than the market

- **RD, CD and ID**
  - ROCE 10–15% per annum
  - Significantly grow investments
Increase pace of financial synergies

Shareholders

External contracts

Internal contracts

C
RD
CD
ID
Leading position in Construction
Significantly larger in Project Development
Skanska in 2015

Better balance between Construction and Project Development
Skanska in 2015

Leader in
Risk
management
Skanska in 2015

Leader in
People
development
Skanska in 2015

Leader in Safety
Skanska in 2015

Leader in Ethics
Skanska in 2015

Leader in Green
How we will reach our targets
Construction
Profitable growth in Construction

Expand range of services within home markets
Profitable growth in Construction

Geographic expansion within home markets
Profitable growth in Construction

Collaboration in Clusters of Business Units

Operational synergies
Use our knowledge

World Trade Center
USA Building and USA Civil
Use our knowledge

Norra Länken
Skanska Sweden,
Skanska Czech Republic and
Slovakia
Use our knowledge

Alaskan Highway, Seattle

USA Building and USA Civil
Profitable growth in Construction

More Bundled Construction
Profitable growth in Construction

Expand Healthcare business
Use our knowledge

Nya Karolinska Solna Hospital
Skanska Sweden, Skanska UK, Skanska USA
Building and Skanska ID
Profitable growth in Construction

Improve operational efficiency

New Meadowland Stadium, New Jersey, USA
Opportunities in Construction

Green business

Solar panels at Skanska’s Cortez office, Colorado, USA
Commercial market adaptation is moving fast
Green refurbishment

- Large commercial property owners
- USA, UK, Norway, Sweden and Finland
- Fixed price Design Build construction agreement
- Time limited Energy Performance Guarantee
- LEED or BREEAM Guarantee
Residential Development
Expand Residential Development

- Grow Nordics
- Regain volumes in Czech Republic and Slovakia
- Enter UK and Poland
- Grow BoKlok

Skanska presence
New markets
Commercial Property Development
Growth in Commercial Property Development in Europe

- Grow strong business in Sweden
- Grow Finland and Denmark
- Ramp up Norway
- More cities in Poland and Czech Republic
- Evaluate Slovakia and Romania
Ramp-up Commercial Property Development U.S.

- Existing markets
- Enter Seattle
- Potential entry in the governmental sector
- First lease agreement signed in Washington D.C.
Infrastructure Development

Antofagasta highway, Chile
Infrastructure Development strategy

- Growing existing segments
- New segments
  - Waste to energy
  - Wind power
  - High speed rail
  - Hospitals in Americas