Honored Chairman, Members of the Board and Shareholders, welcome.

My name is Anders Danielsson and I am the President and CEO of Skanska. I have had the privilege of leading this fantastic company for just over one year. Together with competent and ambitious colleagues, we have started to implement the restructuring we have planned, so that we can focus on the three objectives that the Group Leadership Team have previously communicated:

- Restoring profitability within the Construction stream.
- Maximizing the potential of our successful business streams Commercial Property Development and Residential Development.
- …and creating a Skanska that is more efficient and productive as a whole. A more decentralized organization in which our geographical units have greater profit responsibility and our Group staff activities have been optimized.

We are currently in the middle of taking the leap required to realize these targets. I am convinced that these priorities and the forceful actions we are taking to implement them are right for Skanska. They are well-balanced and emanate from a thorough analysis of the company’s excellent potential to further strengthen its position as one of the world’s leading construction companies and to create increased value for the shareholders.

Before proceeding, I would like to take this opportunity to present my leadership team.

**GLT presentation**

- CFO Magnus Persson
- Richard Kennedy, who is President and CEO of Skanska USA.
- Claes Larsson, who is our EVP for Commercial Property Development and Residential Development.
- Kirsi Mettälä, EVP Human Resources,
- Caroline Fellenius, our EVP General Counsel.
- In addition to my most immediate management team, I also work with an Extended Leadership Team.

**Summary of performance in 2018**

If we are to summarize last year, sales increased to SEK 170 billion. Operating income declined to SEK 4.8 billion. We can note strong earnings for Commercial Property Development, Residential Development and a number of construction units – particularly Skanska Sweden and Skanska Finland. However, their favorable earnings are overshadowed by the poor performance of two projects in the United States, which led to impairment losses, and a major restructuring in Poland. The Board of Directors proposes a dividend of SEK 6 per share. The reason for the reduction compared with 2017 is that we want to increase our investments in project development to be able to capitalize on opportunities in the market. The proposed dividend level supports this ambition and simultaneously makes sure that we can uphold our financial strength.
Financial targets
Although our earnings declined, Skanska continues to stand strong. We can see that:

- Skanska is financially robust.
- The return on capital employed comfortably exceeded the target, reaching 13.0 percent last year. With respect to the return on equity, however, we could not achieve our objective. The objective was at least 18 percent and we achieved 14.1 percent.
- This was due in part to the impairment losses and restructuring costs we incurred in the US and Poland, which were charged against Construction’s profit. Last year, this was barely 1 percent. That is far from the target of in excess of 3.5 percent.

Our objectives for the future
- As of 2019, we have a new objective for our financial strength – that our adjusted net debt should not be below SEK -9 billion. The new objective replaces our previous one, which you saw in the earlier slide.
- The purpose of this objective is to continue to enable increased investments in our project development, which is one of the points in our business plan, at the same time as we uphold our strong financial position.

A strong balance sheet
Let me now reiterate that the return on our investments has been highly favorable. We have also accumulated a portfolio of ongoing projects in which value can be generated moving forward. This creates favorable conditions for the future. A strong balance sheet secures our room to maneuver and gives us resistance in an external environment subject to a certain degree of political and macroeconomic uncertainty.

Our business
As of this year, Skanska’s operations are divided into three streams.

- The largest in terms of sales and the number of employees is Construction. This is where we build on behalf of customers
- We then have two development units, where we develop, invest and build projects for ourselves. These are Residential Development and Commercial Property Development.
- As a feature of our strategic review in 2018, we took the decision that Infrastructure Development should no longer constitute a separate stream. As of 2019, we are focusing on maximizing the value of our existing portfolio and will be very selective when adding new projects. Because of this, Infrastructure Development will be reported centrally and will no longer be included when calculating the objective for the return on capital employed in project development.

Ladies and gentlemen. Let me now delve more deeply into our various operations to give you an impression of their performance in the past year:

Residential Development
This slide shows our attractive BoKlok property block in Bunkeflostrand just outside Malmö. A preschool, comprehensive school, healthcare center and supermarket are in walking distance of the block. Based on the prerequisites of the surroundings, we are
creating an attractive neighborhood that is designed and built in line with the residents' needs and that takes environmental and social considerations into account.

Skanska develops residential units in the Nordic region, Poland and the Czech Republic. I would also like to take this opportunity to mention the next destination for BoKlok, which is in the United Kingdom, where the need for affordable housing is acute. Our work on establishing BoKlok UK is still at an early phase, but we are delighted to now take the concept outside the Nordic region.

Last year, we started production of about 4,500 apartments, the majority of which in Sweden. It is worth noting that the proportion of rental units and BoKlok homes increased. We are proud to have contributed in this way to reducing the housing shortage in our growth regions.

Within Residential Development, we are still well positioned despite reduced sales in our largest market, Sweden. This is thanks to a shift in our diversified portfolio combined with favorable risk management in our projects. Since we expect a more protracted recovery of the Swedish housing market, we are taking actions to counter this situation. There is a long-term shortage of homes in Skanska’s residential development markets and, with our financial strength, we can plan for new opportunities.

### Residential Development in figures
The profitability of Residential Development remained strong in 2018 despite lower volumes from what I repeat was a weak Swedish housing market. Our diversification in different geographical markets and segments, such as Nya Hem, rental apartments and BoKlok, enables us to change the portfolio mix so that Skanska can take advantage of the opportunities that arise in the different market conditions. However, it should be mentioned that revenues for 2018 were lower than in 2017, due to the more sluggish market conditions in Sweden and Norway.

As we can see in this slide, we reported an operating margin of 14 percent. This means that we comfortably exceeded our objective. Operating profit of SEK 1.5 billion remains at a favorable level. But what does the future hold? Not least with regard to the weaker Swedish housing market?

### Residential Development II – Market outlook
Many factors interact in the housing market: mortgage regulations, repayment requirements, interest rates and much more. But even though we are noticing that it is taking longer to sell objects, the underlying need is very strong. At the same time, buying a home is often the largest investment that we as private individuals make. Since we sell homes, we feel obliged to accompany customers throughout their journey and make sure they safely reach their destination. This also places demands on our politicians to make sure that there are long-term and straightforward rules of play in the housing market.

The Swedish market, particularly Stockholm, is still in decline, since there is now surplus supply that has to be absorbed and the customers’ willingness to buy a home at an early construction phase has diminished.

### Commercial Property Development
In this slide, you see our project Spark, Skanska's second largest office project in Central Europe. Daylight, air quality and other factors that affect health and well-being have been assigned high priority with a view to certification in accordance with the WELL Building standard. Skanska is a market leader in health-promoting buildings and aims to have all of its office development projects in Central Europe, as well as certain projects in the Nordic region and the United Kingdom, certified in accordance with WELL.

2018 was a new record year for Commercial Property Development with record-high capital gains. With continued strong demand from tenants and property investors, our 53 ongoing commercial development projects – which is another record figure – represent a stable portfolio with significant unrealized value.

Since interest rates have been low, many investors have turned to the property market to make long-term stable investments with a favorable yield. Demand for this type of object has created a market with attractive valuations.

**Commercial Property Development: markets**
On this map, we can see the local markets in which Skanska works to develop properties. The three geographical units – the Nordic region, Europe and the U.S. – are currently almost equally large. Interest from investors remains considerable in the Nordic countries, primarily Sweden, the US and Central Europe.

In Sweden, we have a solid, stable operation but the market is mature and the opportunities to expand are limited. The U.S., on the other hand, is an enormous market offering many new opportunities. As we announced to the market last week, we have decided to penetrate a fifth sub-market in the United States, Los Angeles, which is tremendously exciting for us.

**Commercial Property Development: leasing, etc.**
If we look at the figures, we can see that 2018 was a very good year. We invested more but in fewer projects, which is due to a number of really large projects in the portfolio. New leasing has been very positive. We signed leases for more than 500,000 square meters, which is another record. In total, 28 projects were started in 2018, distributed over all home markets. We are delighted with the performance and earnings of Commercial Property Development.

**Commercial Property Development: performance**
This unit set a new record in 2018, with capital gains of SEK 4 billion from 19 projects, including joint ventures. This was an excellent result. As we can see in this slide, revenues and operating profit increased and the return on capital employed continues to be above our objective.

**Commercial Property Development: Market outlook**
There is considerable demand for modern, energy-efficient and environmentally compatible offices. In turn, offices with large, stable tenants are desirable in the investor market, which is creating an attractive valuation. In our assessment, the market outlook is positive in all of our markets, with certain regional exceptions. For example, market conditions in Washington DC and Houston have been somewhat weaker.
In conjunction with this, I would like to underscore that we are noting that sustainability, particularly related to climate impact, is becoming increasingly significant both through regulations and voluntary company initiatives. As a result of this development, we see a variety of opportunities in our markets – not least for Commercial Property Development.

For 2019, our ambition is to maintain high activity in Commercial Property Development by expanding in a controlled manner.

**Infrastructure Development**

In this slide, we see our Elizabeth River Tunnel project in Virginia, USA, which enables motorists to smoothly travel between the cities of Portsmouth and Norfolk. The tunnel will facilitate a considerable increase in capacity along this route and is Skanska’s first public-private partnership in the U.S.

As we could relate in the year-end report for 2018, our focus as of 2019 will be on maximizing the value of our existing infrastructure development portfolio. In the future, we will be very selective when adding new projects. However, we realized during our strategic review that we could not bear the cost of a separate business stream in markets that did not have any pipeline of public-private partnerships, PPP. As a consequence, Infrastructure Development is no longer a separate business stream as of this year. Instead, it will be reported centrally and will no longer be included when calculating the objective for the return on capital employed in project development.

**Infrastructure Development: project portfolio**

Currently, Skanska has six major projects in the portfolio. These are Skanska’s largest projects ever: LaGuardia Airport outside New York, the I-4 Expressway in Florida, the Elizabeth River Tunnels in Virginia, Papworth Hospital in the UK and the New Karolinska Hospital in Solna, Stockholm. The latest contribution to the portfolio is National Highway 3/National Highway 25 in Norway.

According to our model, we make sure our projects are up and running and that they function as planned before we sell on the right to operate them to an investor, usually a pension fund.

The aim moving forward is to maximize the value of the existing portfolio.

**Infrastructure Development: performance**

Skanska’s operating income for 2018 included restructuring costs of SEK 120 million due to the discontinuation of our project development organization within Infrastructure Development. The comparative period includes the capital gain on the sale of the A1, our large-scale highway project in Poland.

**Construction**

In this slide, you can see our Powerhouse partnership in Norway. This is an innovative partnership for constructing energy-positive buildings, meaning buildings that generate more energy than they consume. This is achieved if efficient architecture and technology are combined with renewable energy solutions.
Construction operations are strongly linked to the following three factors: GDP growth, public-sector initiatives and urbanization, which are leading to an increased need for infrastructure expansion and greater demand for Construction’s expertise and products in such areas as roads, bridges, public transport and water-treatment plants. Construction conducts thousands of projects in our various markets. This is Skanska’s foundation and it is here that we generate cash flow that we can use for investments in our development projects.

We noted strong earnings in a number of Construction units – particularly Skanska Sweden and Skanska Finland. However, their favorable earnings are overshadowed by the weak performance of two projects in the U.S., impairment of goodwill in the U.S. and a major restructuring in Poland.

We are now much stricter as regards selecting projects within Construction. We are limiting ourselves to tenders in our core operations and in our geographical home markets and we are assigning profitability precedence ahead of volume. As a result of this, our order bookings and order backlog are on their way down to more reasonable levels. At the same time, we are implementing improved methods for monitoring and controlling projects and managing risks. Step by step, we are thus approaching stable profitability within Construction.

**Construction: order bookings**
As I said earlier, we are focusing on the markets and projects that constitute our core operations and we have introduced a more stringent risk process. On the whole, order bookings were stable compared with the preceding year. For example, we finished the year strongly in terms of order bookings in the Nordic region and the U.S., despite our stricter selection policy. Our order backlog rose slightly, while the book-to-build performance measure was a high 96 percent.

**Construction: performance**
In this slide, we can see that Construction’s operating margin was adversely affected by the impairment losses and restructuring costs I mentioned earlier and that its profitability ended up at 0.7 percent, which is unacceptable, and remained far under our objective of at least 3.5 percent. We aim to achieve the targeted margin through the strategic actions we took in 2018 and we will continue to work hard and focus on doing this. As discussed at our Capital Market Day, however, the trend in our order backlog makes it unlikely that we will reach our targeted margin during 2019 and 2020.

**Strategic initiatives**
In 2018, we launched our strategic initiatives to reduce risks and restore profitability within Construction. We have already started to see the effects of these initiatives. We have introduced a stricter tendering strategy, as well as cost controls and a more decentralized work method. In addition, the need to manage requirements and risks will increase additionally in the future, as will skills development. At the same time, we will maximize the potential of our successful development operations and create a more efficient and productive Skanska.

**Prioritized areas**
We continue to work as One Skanska. Through high-performing teams, we optimize cooperation between our units and business areas. In concrete terms, our focus in 2019 will include the following:

- Continue to improve the profitability and reduce the risks in Construction.
- Achieve controlled growth in Commercial Property Development.
- Align Residential Development to the market situation.
- Focus Infrastructure Development on the management of existing assets.

Construction: Market outlook
Market activity is generally high within Construction but is expected to level off. If we start in the Nordic region, the market for building construction and civil engineering projects is very strong in Sweden, while the market for residential construction has slowed down from high levels. We see a similar picture in our neighboring country Norway. In Finland, the overall market is stable, with the exception of slightly lower activity in residential construction.

In the United Kingdom, investments in commercial building construction are limited due to the uncertainty surrounding Brexit. The market for civil engineering projects is stable. In Central Europe, the picture is generally positive but construction-related inflation is high. In the U.S., market conditions are generally strong. The civil engineering market remains favorable and airports, educational facilities, data centers and healthcare continue to be strong markets for building construction.

It is worth noting that we also see that the market for “green projects” is growing and, in 2018, such projects accounted for 46 percent of Construction’s total sales. We welcome the increase in green requirements from our customers. Our already intensive work in the area provides us with an edge in relation to the generally tough competition prevailing in our markets.

Our focus areas
Our values and focus areas stand firm and constitute the lynchpin for our business plan – Profit with value. Employees, customers and operational efficiency constitute the platform and, together with our values, will create a continued strong Skanska.

Our employees are our most important asset. Just like we have to develop our business, this is an area where we must always stay at the top and be attractive when we recruit. Here, we see that our corporate values are a key factor when young people have to choose an employer.

Our industry is complex by nature and we work continuously to improve procedures and to optimize our business – in order to be competitive in an increasingly tough construction market. We are continuing to focus on operational excellence. This could entail reviewing tendering and how we prioritize sectors and geographies. But it could also entail working to digitalize work flows and assimilating other new technology to remain at the cutting edge of development.
We are also developing efforts to come even closer to our customers to better understand their needs. By doing this, we naturally increase our chances of winning tenders but also to complete efficient, cost-effective green projects that surpass the customers’ expectations.

We are Skanska
Skanska is a company that is full of fantastic people. We need dedicated employees with the right skill sets and who share and live the Group’s values; people who thrive in a culture characterized by openness, trust, values and high-performing team work; people who want challenges to learn and grow. In the final analysis, it is also our employees who generate value for us as shareholders. They are also the company’s soul.

One recurring question that we hear from applicants at employment interviews is what sort of sustainability work we do. When we get that question, we can feel secure and proud in answering that we are working extremely actively with such issues as diversity, sustainability, business ethics and the work environment. The young people of today have the option of choosing where they want to work. And today being attractive in the labor market is a great deal about capitalizing on the employees and working with value-related questions of this type.

2018 and thereafter
To summarize, Skanska stands strong. We have a strong corporate culture with clear values, and the results of the strategic actions we took in 2018 started to become noticeable as early as the first year. We will continue this work in 2019 to achieve the greatest possible value for the shareholders. Improving the profitability of Construction and continuing to create value in Project Development – while living up to Skanska’s values – are the company’s priorities for 2019. I feel sure and convinced that we have a distinct plan that will enable us to further strengthen our position by the time we meet again next year.

Finally, I am proud to show you a slide from the 121 Seaport project in Boston, USA. Throughout the development and construction process, Skanska took on the challenges and opportunities in an innovative way. The result is not just an iconic, green and flexible office building, but also the Group’s largest sale ever of an individual commercial property project. Our cooperation with the customer was also exceptional.

Thanks to our strong balance sheet, we were able – just after the 2008 financial crisis – to acquire an attractive site and commence the 121 Seaport journey.

This project has generated a gain of SEK 1 billion. Efficient risk management, excellent planning and Skanska’s fantastic personnel made this possible. A result of a well-oiled Skanska at its very best.

Thank you!