

W U T I S

**SKANSKA**

## **Skanska AB**

**Equity Research Division**

**Target Price: 271.2 SEK**

**Current Price: 240.5 SEK**

*Upside Potential: 12.7%*

**Recommendation: BUY**

**Investment Horizon: 1 Year**

Vienna, June 10<sup>th</sup> 2021

# Team – Overview

## Equity Research



**Iryna  
Zginnyk**

**Director**

- Task distribution
- Story guideline



**Lukas  
Likar**

**Associate**

- Financial Analysis
- Valuation



**Valeria  
Opre**

**Associate**

- Business Model
- Industry Analysis



**Lucas  
Lemberger**

**Analyst**

- Peer benchmarking
- Valuation



**Jonah  
Bechter**

**Analyst**

- Competitors
- Industry Analysis



**Simon  
Riedl**

**Analyst**

- Business Model
- Industry Analysis



▪ BSc. (WU) – 4<sup>th</sup> Sem.



▪ MSc. (WU) – 2<sup>nd</sup> Sem.



▪ BSc. (WU) – IBWL  
▪ BA (Uni Wien) –  
Political Science



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▪ BSc. (WU) – 4<sup>th</sup> Sem.



▪ BSc. (WU) – 6<sup>th</sup> Sem.

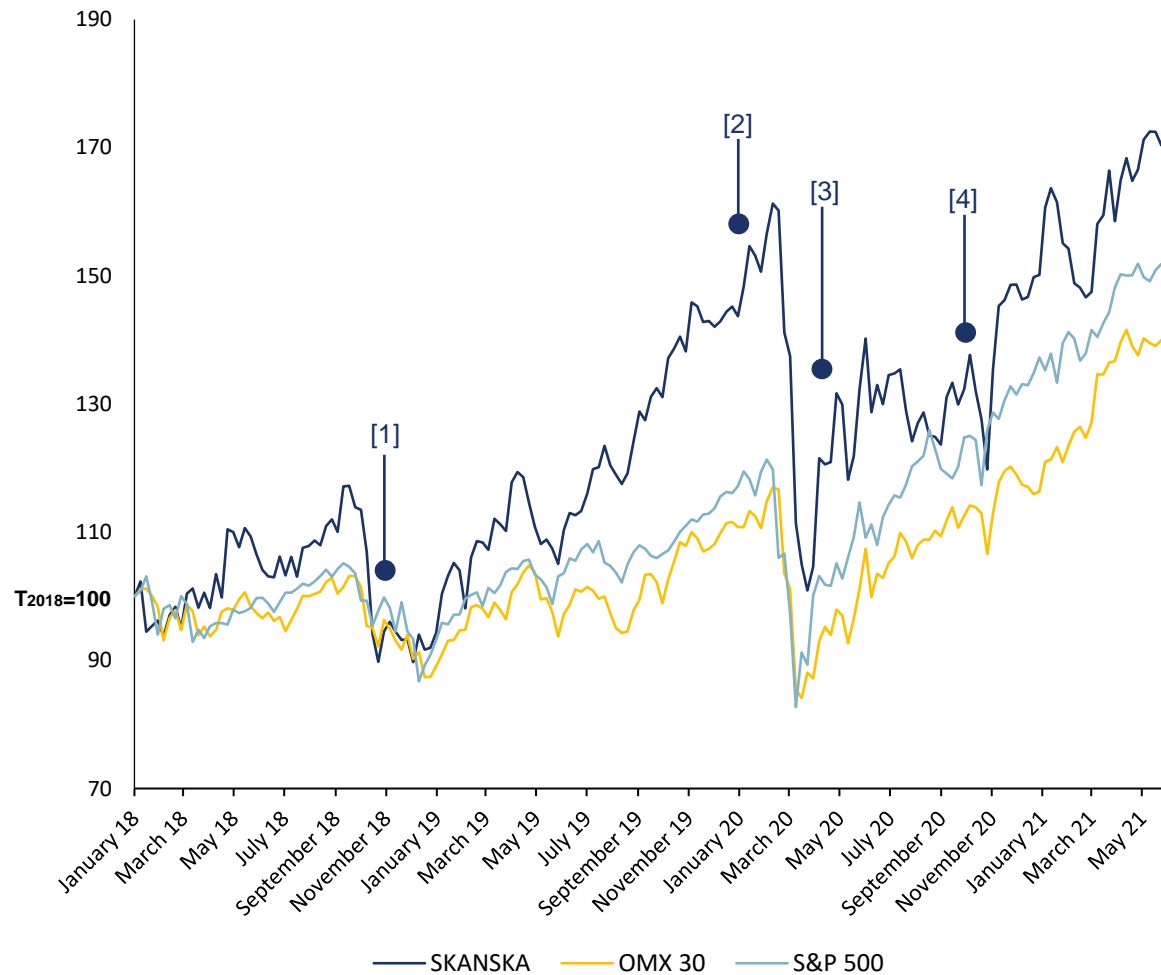


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# Share price performance

## Outperforming market despite economic shocks

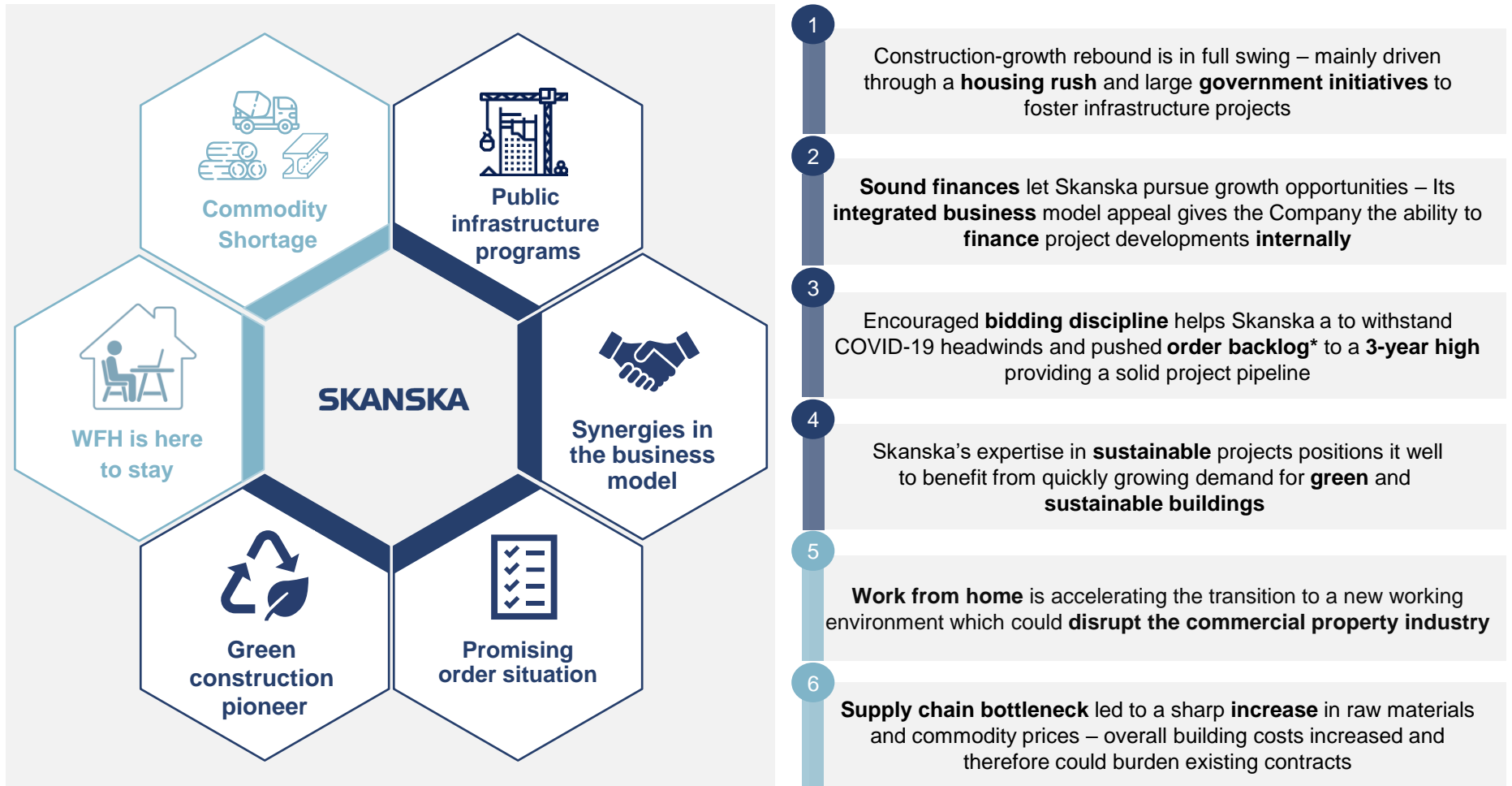


### Share price – Major Events

- [1] November 2018 (+5.5%) – Change of management, election of new CEO - Anders Danielsson
- [2] January 2020 (+6.8%) – Skanska partnership with Volvo Construction Equipment and Dito to develop AI for construction equipment
- [3] March 2020 (-38.4%) – Outbreak of the COVID-19 pandemic caused turmoil on global stock markets
- [4] September 2020 (-11.9%) – Write-down of a huge US civil construction project leads to a drop of the stock price

# Investment thesis

A construction company that even Greta would approve of







**Skanska AB**

**WUTIS - Equity Research**

**Business description**

# Company overview

A Swedish construction firm building the foundation for a more sustainable future

## Business description

- Skanska AB is a **construction** and **project development** company
- Business segments (% of revenue):
  - Construction** (83%)
  - Residential Development** (8%)
  - Commercial Property Development** (9%)
- Founded: 1887
- Headquarters: Stockholm, Sweden
- Employees: 30,944

## Key financial metrics

SEK mn	2016	2017	2018	2019	2020
<b>Revenue</b>	145,365	157,877	171,730	172,846	160,344
% growth	-5.0%	8.6%	8.8%	0.6%	-7.2%
<b>Gross profit</b>	14,246	12,774	14,265	16,306	16,887
% margin	9.8%	8.1%	8.3%	9.4%	10.5%
<b>EBIT</b>	5,094	2,923	4,792	6,837	8,618
% margin	3.5%	1.9%	2.8%	4.0%	5.4%
<b>Net Income</b>	5,722	4,095	4,571	6,031	9,875
% growth	19.7%	-28.4%	11.6%	31.9%	63.7%
<b>Market Capitalization</b>	<b>98,962</b>				

## Management team



**Anders Danielsson**  
President and CEO  
(since 2018)



**Kirsi Mettälä**  
Executive VP, HR  
and sustainability  
Head (since 2018)

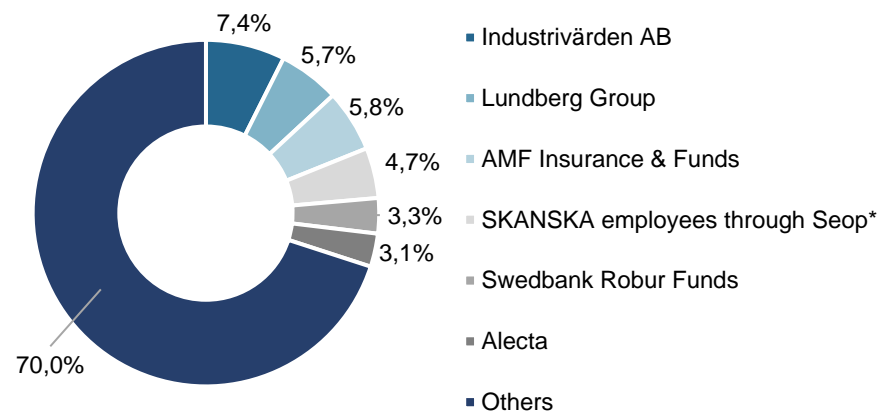


**Claes Larsson**  
Executive VP  
(since 2006)



**Magnus Persson**  
CFO and Executive  
VP (since 2018)

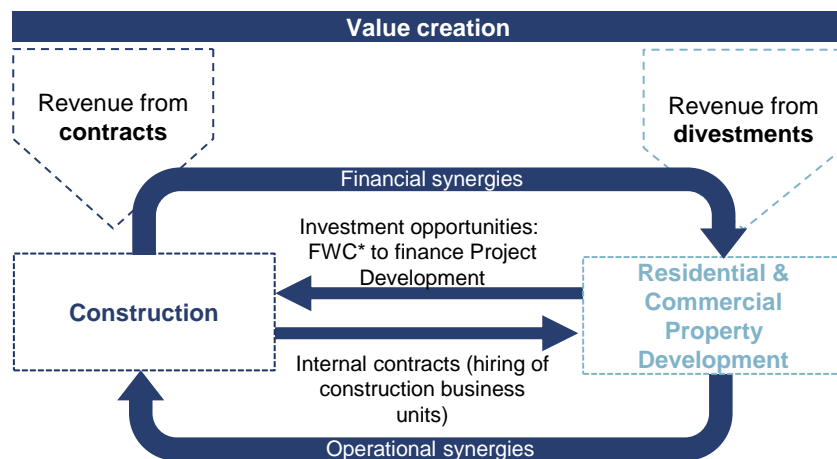
## Shareholder structure



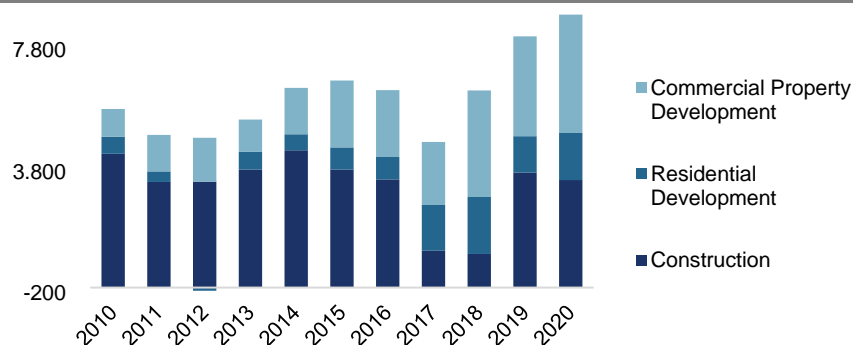
# Business model

Project Development Segment is the major driver for higher margins

## Business model



## Profit breakdown by segment (SEK million)



Negative operating profit of Residential Development Segment in 2012 due to restructuring costs in the Nordic operations and divestment of current assets

## Long term strategy by segment



### Construction

Prioritize **profit over revenue** by pursuing a **more selective bidding strategy for projects**. Reach **higher efficiency** by reducing its exposure in Central Europe, a market characterized by higher fixed costs

**Target : margin up to 3.5%**



### Residential Development

Increase the number of sold and started homes: lower the **sales rate** from a percentage of **77% to 60-70%**. **Backfill the portfolio** with an increased number of started projects

**Target : margin up to 10 %**



### Commercial Property Development

**Enlarge its market share in the US** by backfilling the project development portfolio in a responsible way with the market development

**Target : pursue projects with margins up to 50%**



# Geographies & projects

Skanska is increasing its presence in the US and Eastern Europe

## Major projects

### The Gherkin

London's most distinctive landmark in the financial district  
Completion Date: 2003  
Volume: SEK 1.53bn

### Hyllie Terrace Office Building

Skanska's first climate neutral office building  
Completion Date: 2023  
Volume: SEK 420mn

### Generation Park Warsaw

Divestment: 2020  
Volume: SEK 1bn

### Öresund Bridge

Connecting Denmark & Sweden  
Completion Date: 2000  
Volume: SEK TBD

### MetLife Stadium

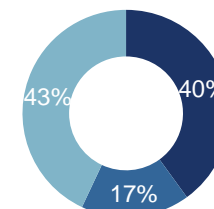
NFL Stadium for 83k spectators  
Completion Date: 2010  
Volume: SEK 14bn

### Underground transit Los Angeles

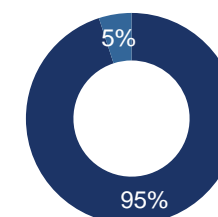
Contributing to fully integratable travel  
Completion Date: 2022  
Volume: SEK TBD\*

## Revenue breakdown per segment

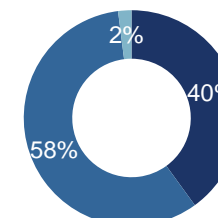
### Construction



### Residential Development



### Commercial Property Development



■ Nordics ■ USA ■ Europe



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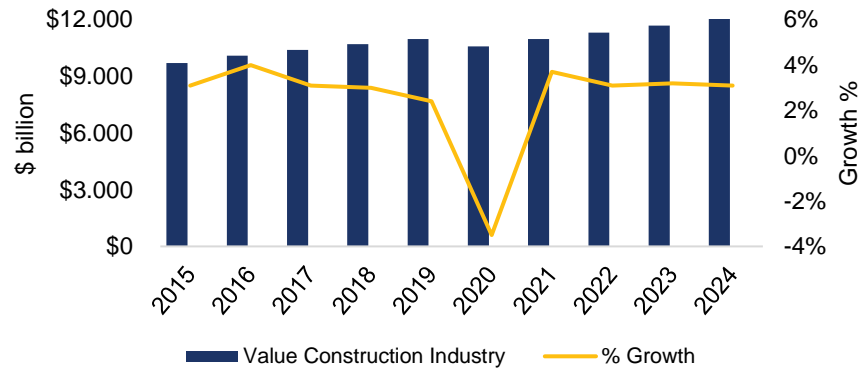
**Industry overview**



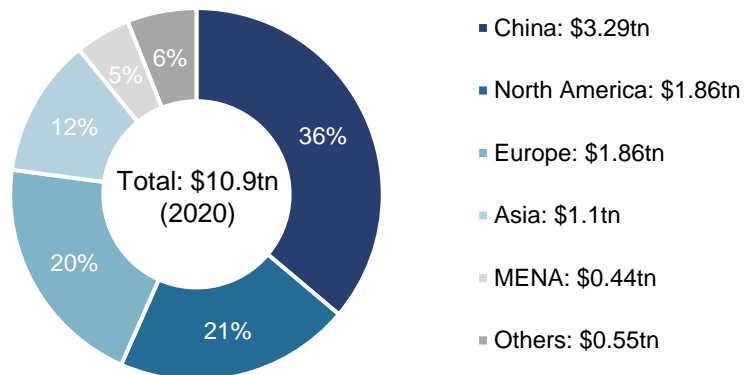
# Industry overview I

Stable growth and high capital barriers characterize the construction market

Global construction industry value (USD, billion), 2015-2024



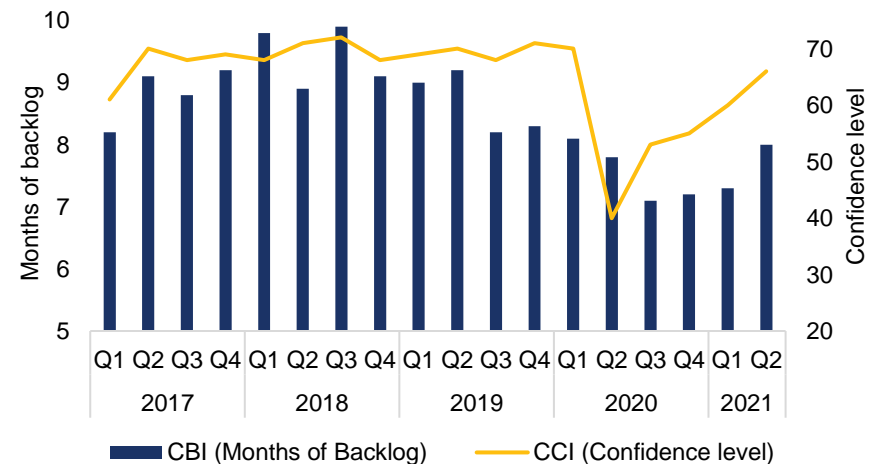
Construction industry revenue breakdown by region



Porter's Five Forces

- High degree of **rivalry** through industry competitors
- Moderate **buyer power** due to oligopsony-like market and their high price sensitivity
- Moderate **supplier power** through **dependency** on key **suppliers**
- Low **threat** of **new entrants** due to high capital requirements and high level of regulations
- Low **threat** of **substitution** facilitated through high switching costs

Construction Backlog Indicator & Construction Confidence Index\*



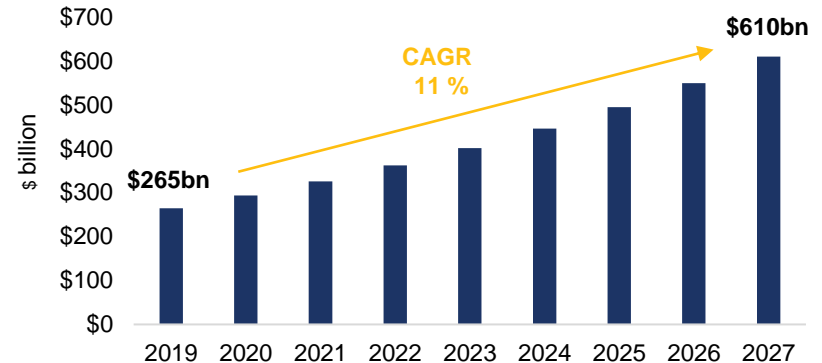
# Industry overview II

Green construction and digitalization are yet to disrupt the industry

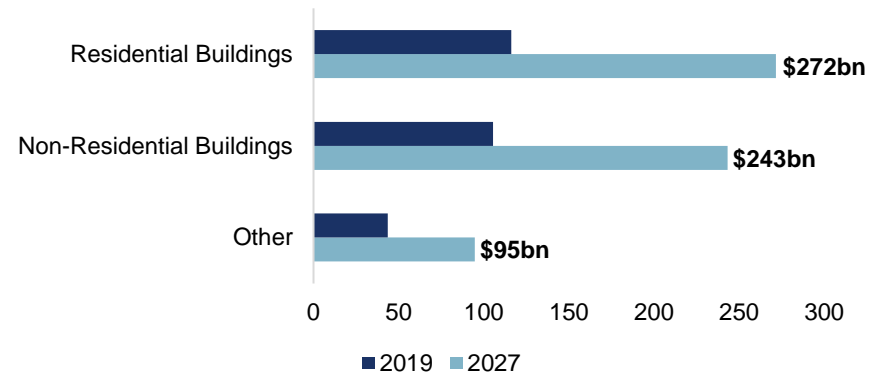
## Market growth drivers



## Global green construction market size and growth rate



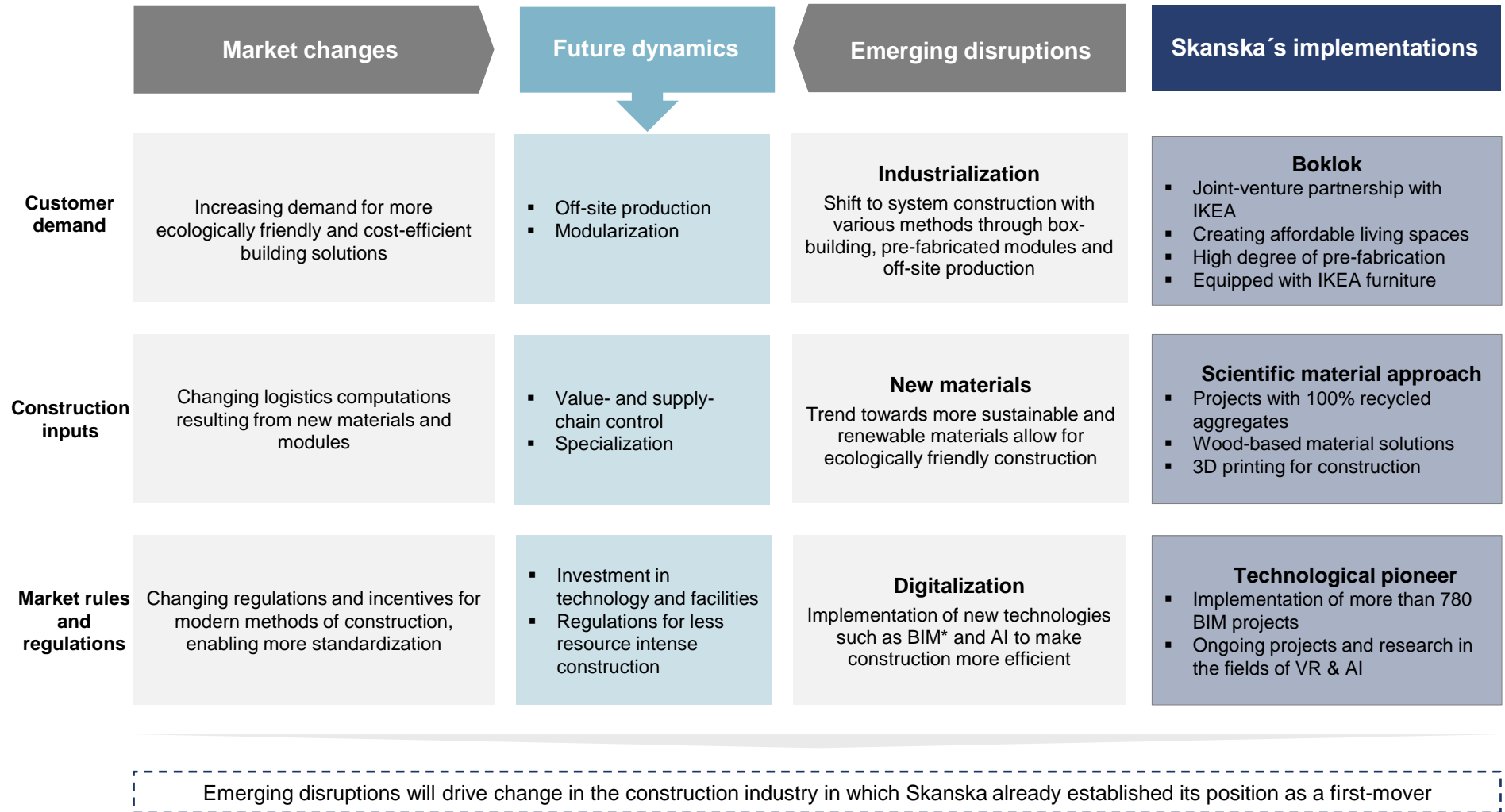
## Global construction industry value (USD billion), 2019 - 2027



➤ The residential building segment will dominate in the green construction market

# Intelligent construction

Building a smart construction business for the 21<sup>st</sup> century







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**Sustainability**

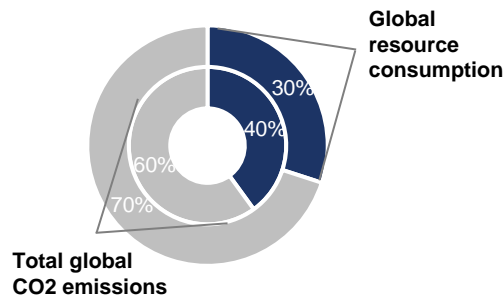
# Shift to sustainable construction

A critical industry with huge potential to tackle climate change and contribute to the SDGs\*

## A carbon intensive industry we cannot afford

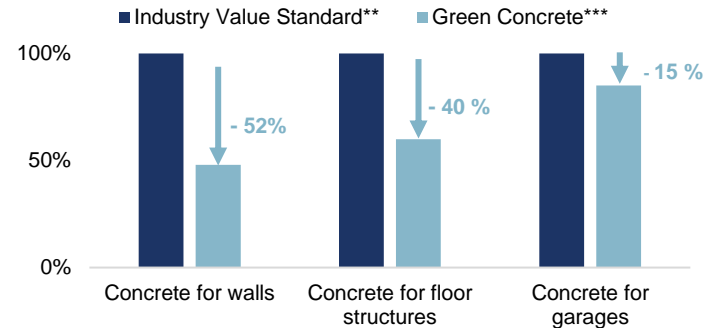
### Challenge

Construction industry and buildings are one of the largest contributors to emissions and energy usage

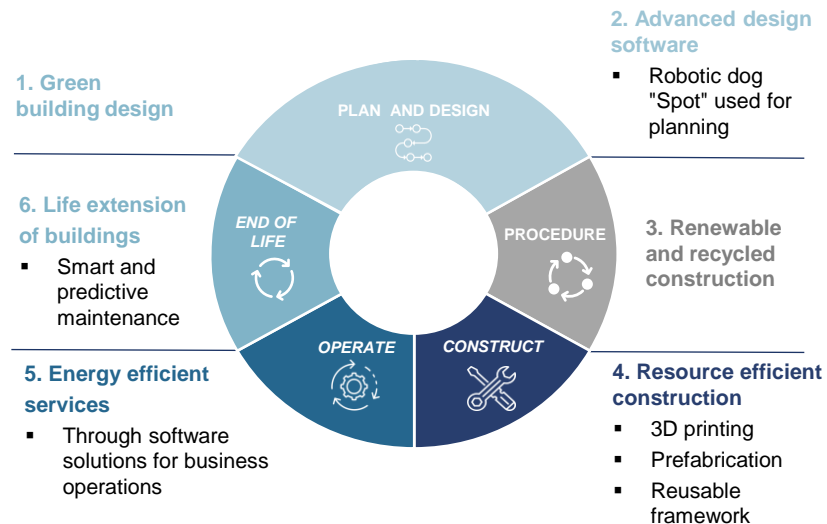


Urgent need to substantially reduce energy demand in the built environment, decarbonize the power sector and implement materials strategies that reduce lifecycle carbon emission

## Green materials



## Circular business model





# Making net-zero emission projects the norm

Offering a sustainable and innovative project portfolio to meet current demand

## Projects

### Construction: New Karolinska Solna, Sweden



Skanska realized one of the world's most sustainable **university hospitals** with a total contract value of 14.5 billion SEK over the time period 2010-2017

## Sustainable impact

### The world's first climate neutral hospital



100%  
renewable  
energy

**Purchased energy:** 40% lower compared to the Swedish building standards

**Water usage:** 20% lower than industry average

### Residential Development: Certův vršek, Czech Republic



The project consists of 39 **modern luxury apartments** comprised of five smaller buildings of 3 to 4 floors

### Pioneering project at the forefront of sustainable development



Concrete made of 100% recycled aggregate

**12% reduction** in carbon emissions, decreased costs

**Innovative heating system:** roof mounted solar panels



Platinum level  
**LEED\*** certification

### Commercial Property Development: Hyllie Terrass, Sweden



An **office building** comprised of twelve floors with an area of 14,000 square meters available for tenants

### Pilot project for net-zero building



Zero-CO2  
Swedish  
certification

**Net-zero climate impact** during its **lifetime** – from material production to dismantling: low carbon concrete, upcycling and innovative energy solutions



**98%** of commercial buildings are **BREEAM\*\*** certified



# Skanska AB

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Benchmarking

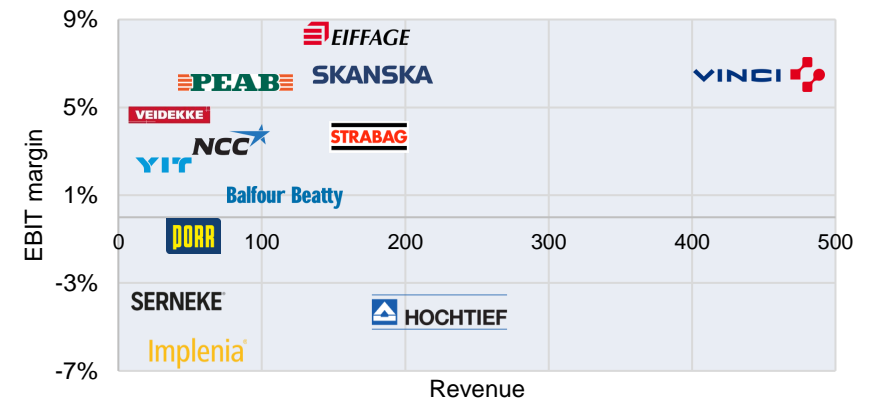
# Comparable benchmarking I

A Scandinavian company with a strong foothold within top-tier construction firms

## Peer group overview



## Total revenue (billion SEK)/ EBIT margin (%)



## Peer group information



### Same business segment concentration

The largest share of revenue of all companies operating in this industry is derived from the construction segment



### Common theme

Low Beta, well established companies with a long history of construction operations



### Need to shift towards sustainable construction

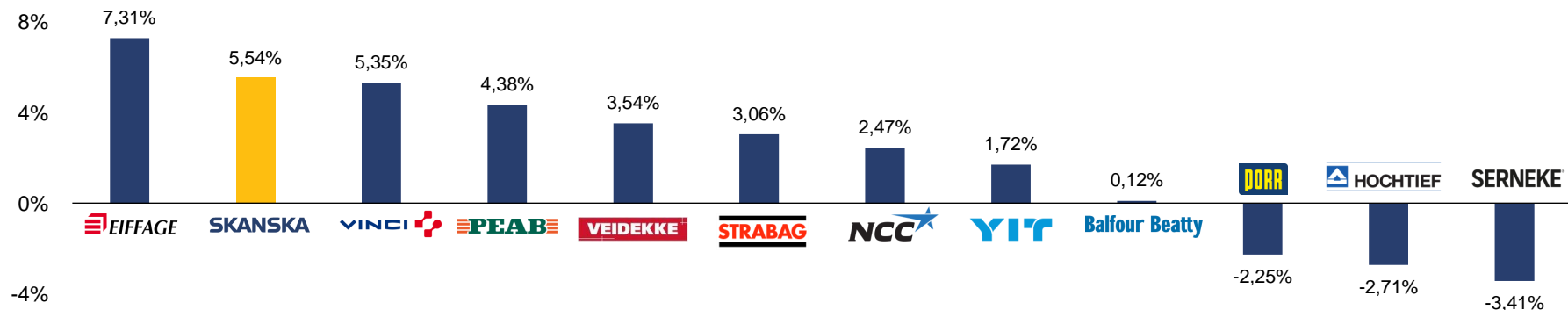
The companies are confronted with the urgent need to adapt their business models to stay competitive



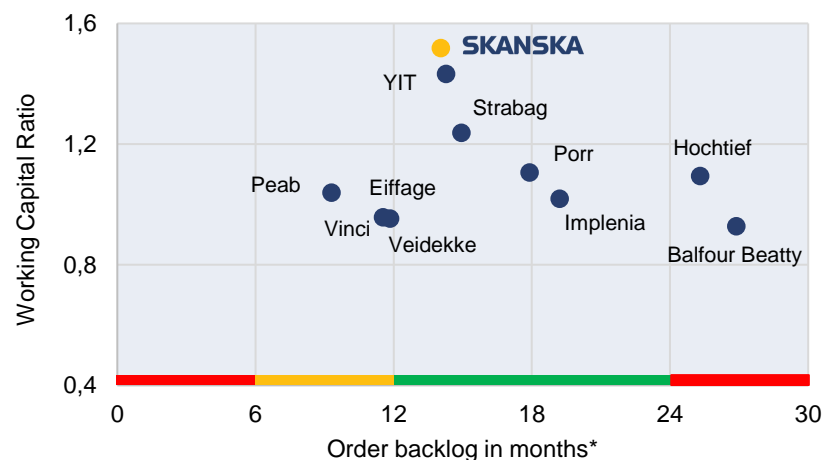
# Comparable benchmarking II

## Solid positioning in a low margin industry

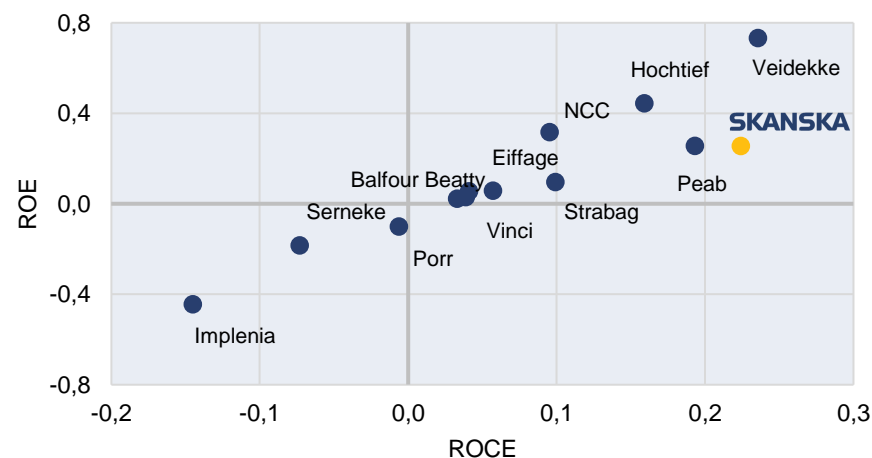
EBIT margin (% , 2020)



Working Capital Ratio/Order backlog in months



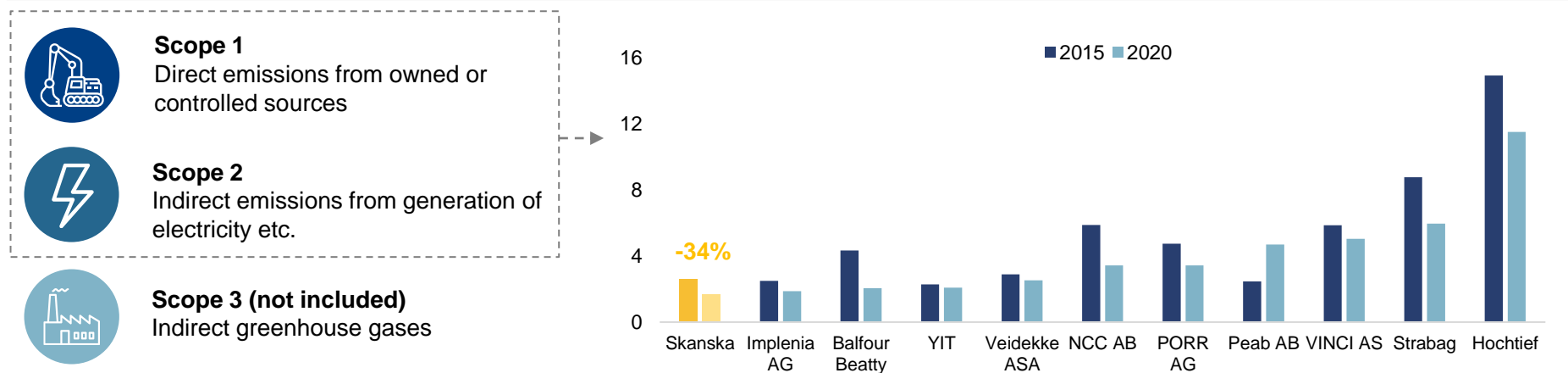
ROE/ROCE



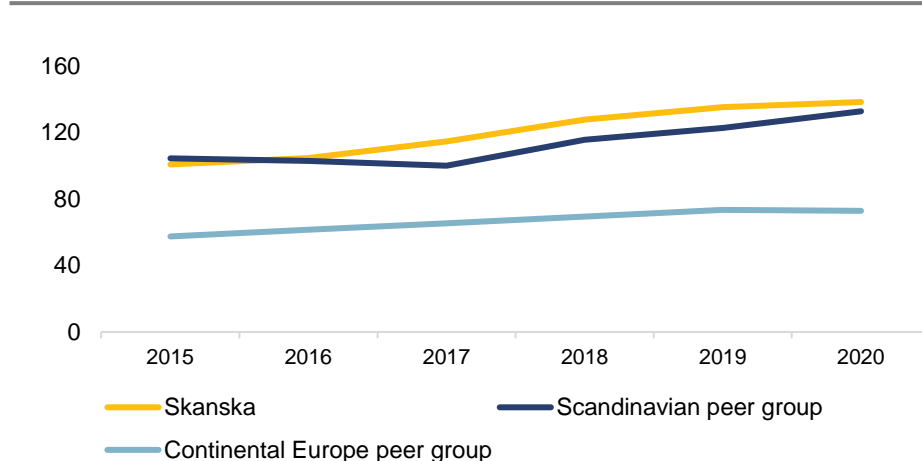
# Sustainability benchmarking

Skanska outperforms its competitors in terms of sustainability

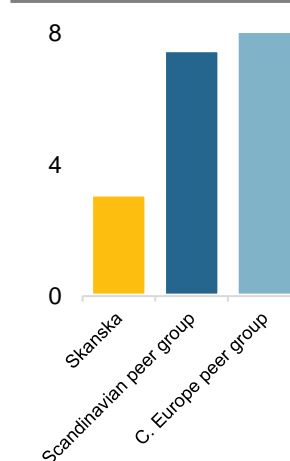
Carbon intensity 2015-2020 (CO2 emissions tonnes/Revenue)



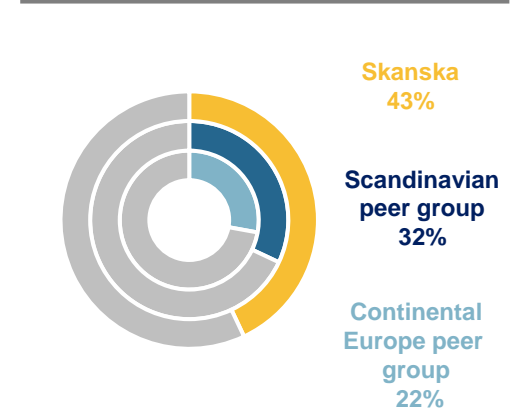
Revenue SEK/MWh, 2015 - 2020



Lost time accident rate\*

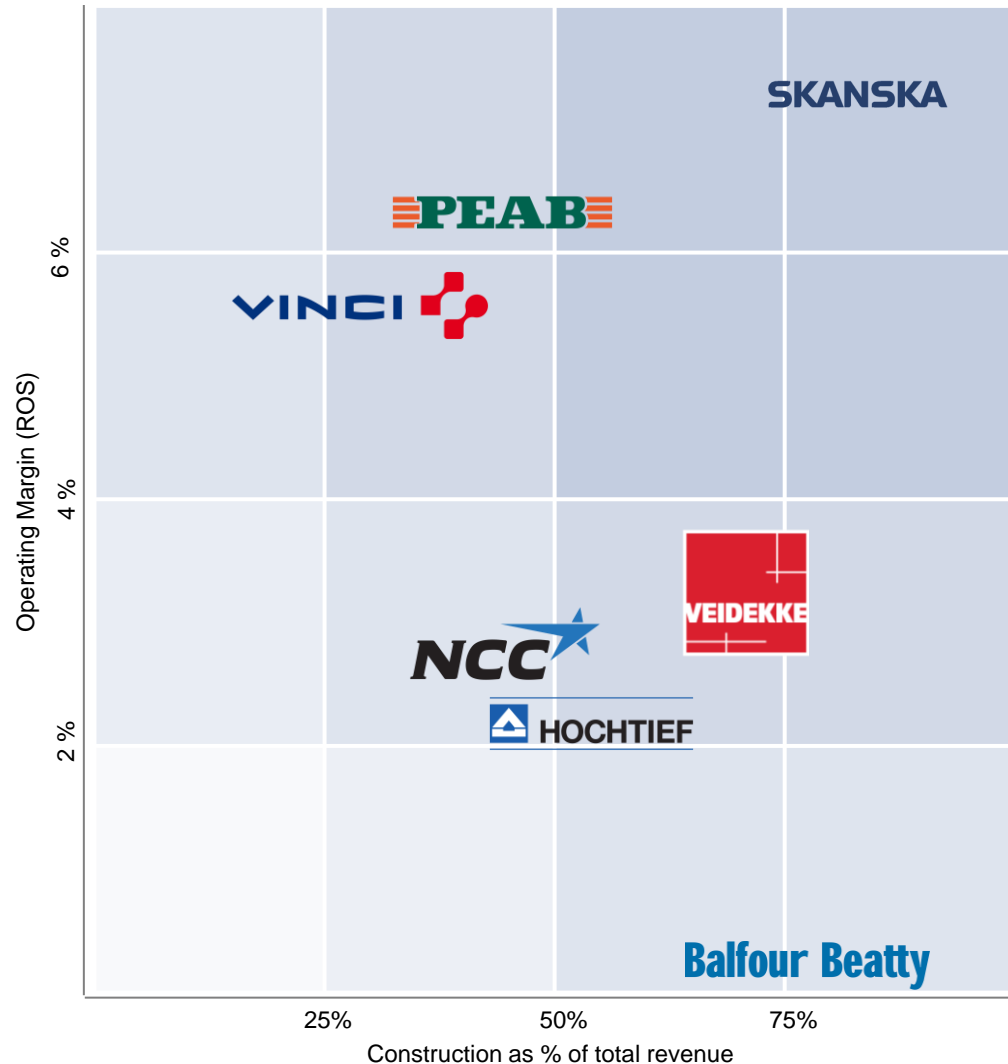


Women in Board of Directors

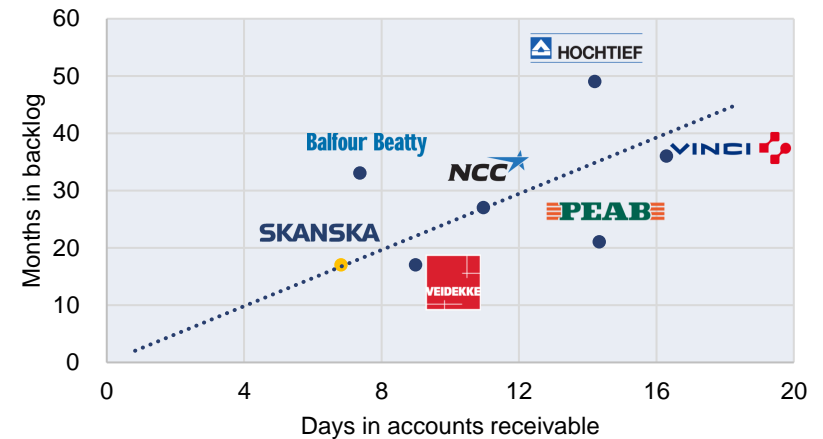


# Competitor's comparison

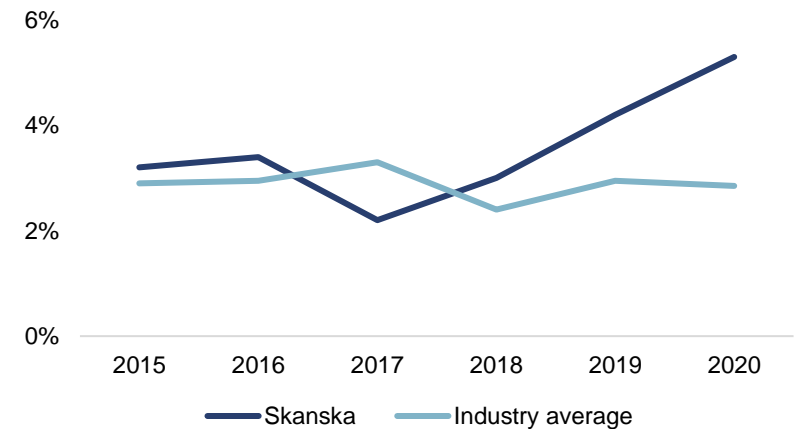
Integrated value creation allows for higher efficiency compared to rivals



Months in backlog/ Days in accounts receivable



EBIT margin (% , 2015-2020)





# Skanska AB

## WUTIS - Equity Research

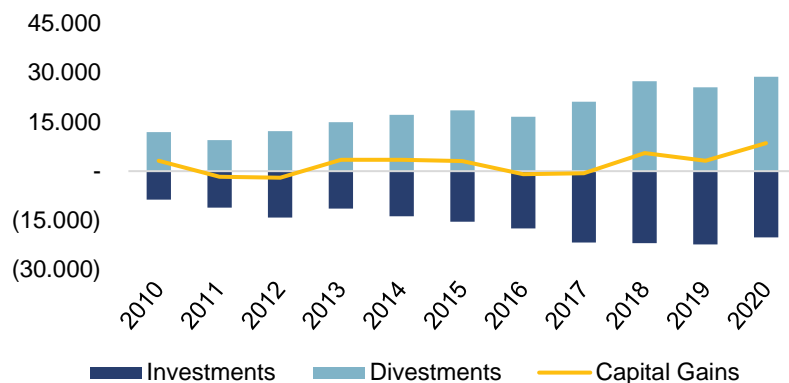
### Financials



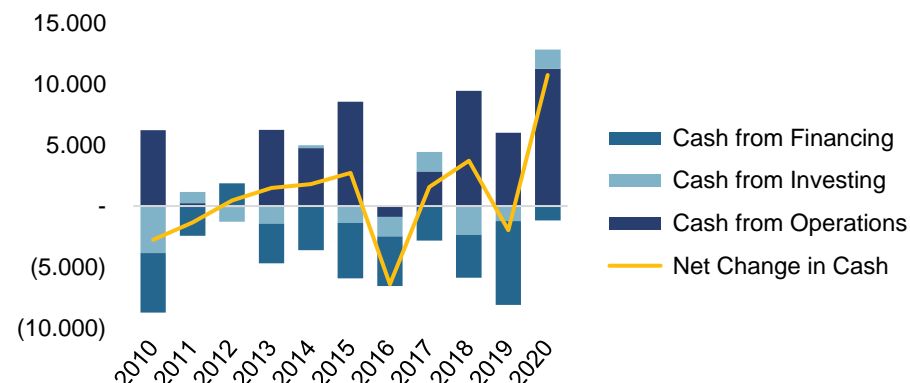
# KPIs & Financial metrics I

## Divestment surplus positively affected Skanska's cash balance

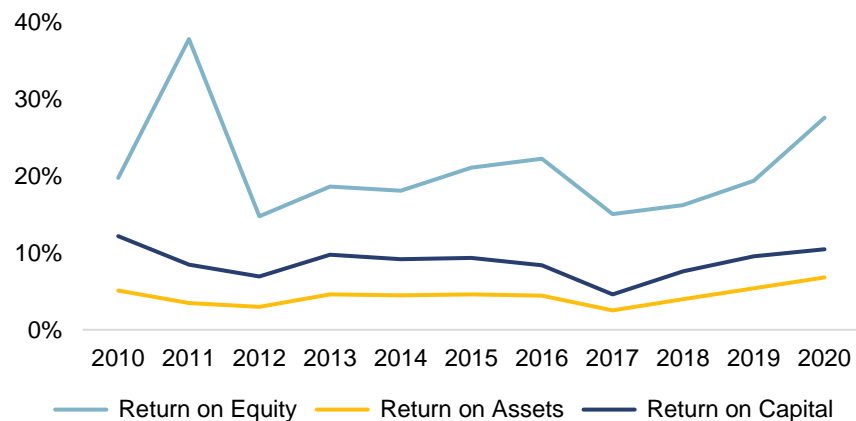
### Capital gains from investments/divestments hit ATH in 2020 –



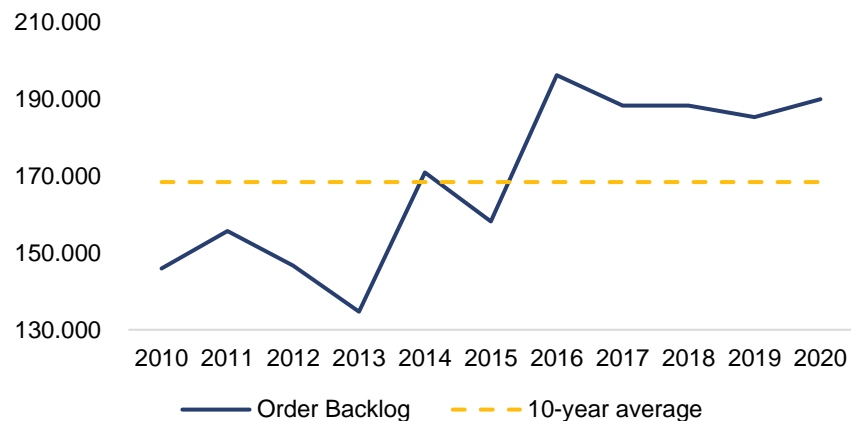
### ...which led to large cash surpluses



### Higher profitability ratios due to restructured operations



### Robust order book is key to withstand COVID-19 disruptions

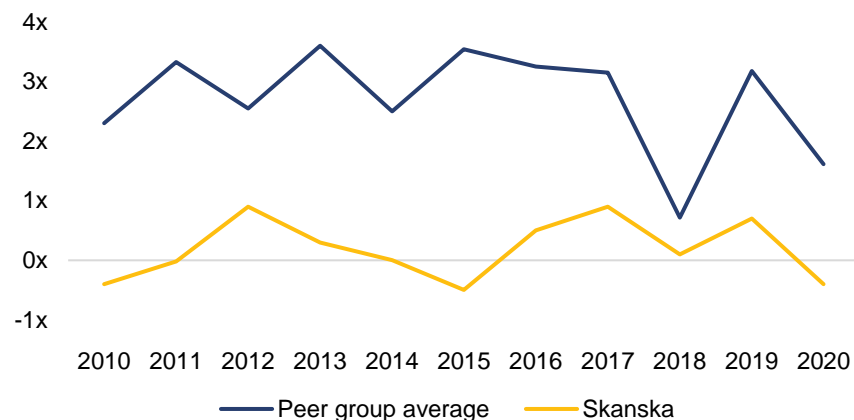




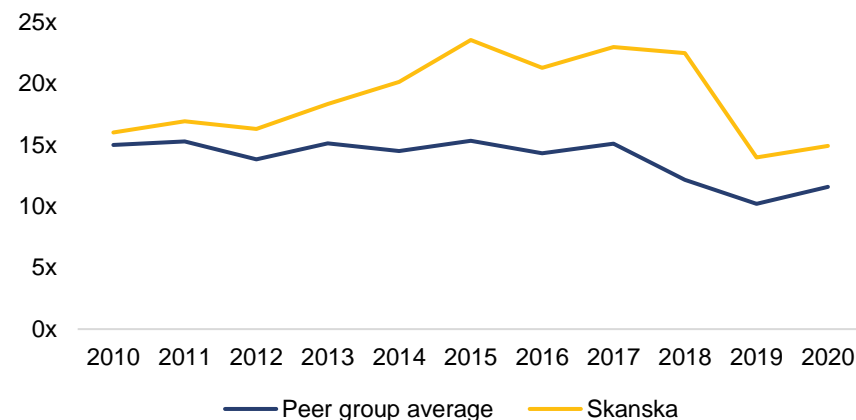
# KPIs & Financial metrics II

Healthy financials give Skanska resilience to economy woes

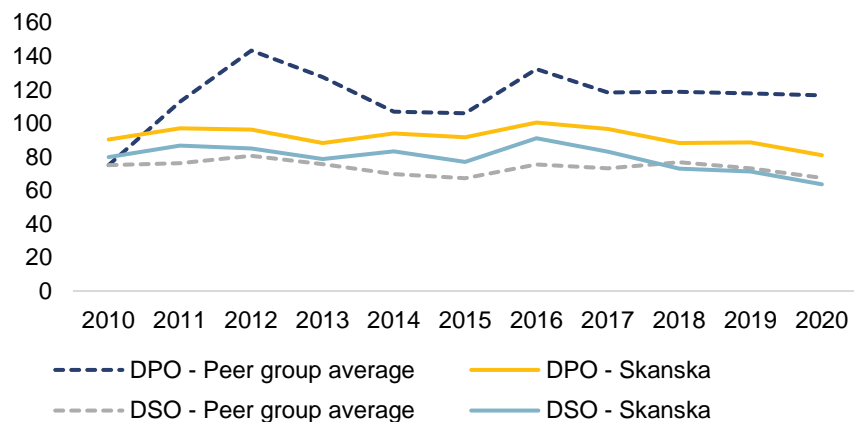
Net Debt/EBITDA - Enough room to raise debt to pursue new projects



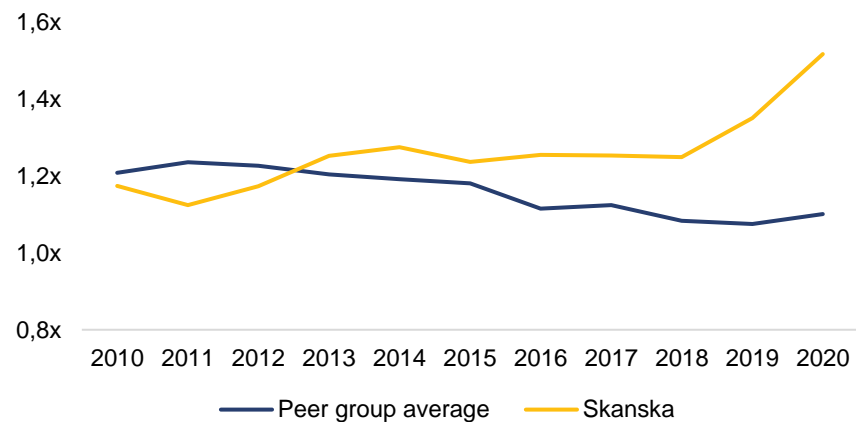
PP&E Turnover\* – Higher efficiency than peers



Working capital ratios (days) – DPO\*\* leaves room for improvement



Current ratio – Current liabilities are well covered





# Skanska AB

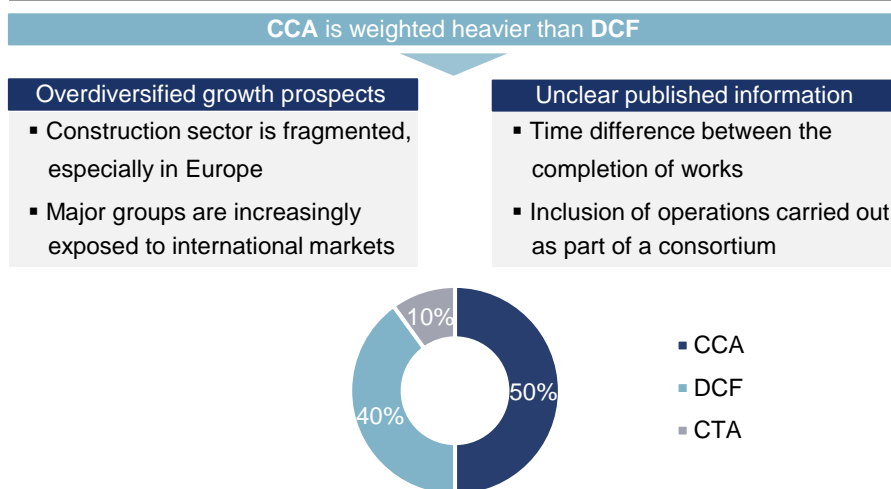
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### Valuation

# Valuation summary

Skanska's intrinsic value is higher despite a conservative valuation approach

## Weighting of valuation method



## DCF – Intrinsic value for different frameworks



+ 23.2 %

The bullish case scenario is mainly driven by factors such as an overall **better economic outlook**, returning **demand for commercial property** and the resolution of the commodity shortage



+ 8.4 %

The base case scenario is based upon the **shift to green construction, government incentives** and short-term risks like the price increases for raw materials



- 10.1 %

The bearish case scenario assumes that the **post-crisis economic turmoil** will stay relevant and demand for office buildings will further decrease as **WFH\* is here to stay**

## Sensitivity analysis

		TV Growth Rate				
		1.1%	1.3%	1.5%	1.7%	1.9%
WACC	8.9%	264.0	267.7	271.7	275.8	280.2
	9.1%	257.4	260.9	264.5	268.4	272.5
	9.3%	251.1	254.4	257.8	261.4	265.3
	9.5%	245.1	248.2	251.4	254.8	258.4
	9.7%	239.4	242.3	245.3	248.5	251.8

## Operating assumptions for base case scenario



### Revenue development

Revenue will grow at a CAGR of 1.5 % over the forecasted period, with a return to pre-Covid levels in 2024



### EBIT margin

The EBIT margin is set to increase, as a rising number of "intelligent construction" measures are smoothing the processes

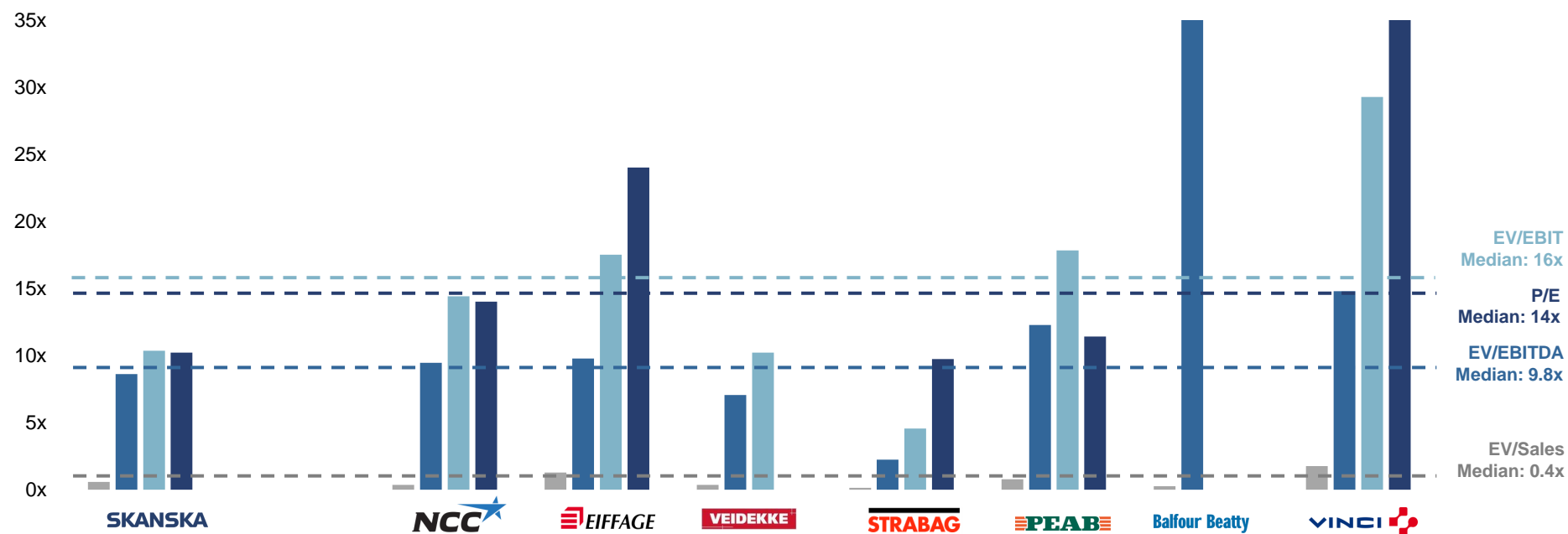


### Revenue streams

The project development segment will be more significant in the future, as higher margins can be pursued

# Comparable Company Analysis

CCA shows that Skanska is undervalued



Comparable companies - overview

	Skanska	NCC	Eiffage	Veidekke	Strabag	Peab	Balfour Beatty	Vinci		
Market Cap (in USD)	12,091	2,072	11,036	1,980	4,686	4,180	2,850	65,641	Median	Mean
EV (in USD million)	10,600	2,252	25,983	1,664	2,511	5,592	2,717	94,255		
EV/Sales	0.6x	0.4x	1.3x	0.4x	0.1x	0.8x	0.3x	1.8x	0.4x	0.7x
EV/EBITDA	8.6x	9.5x	9.8x	7.1x	2.2x	12.3x	44.7x	14.8x	9.8x	14.3x
EV/EBIT	10.4x	14.4x	17.5x	10.2x	4.6x	17.9x	n.a.	29.3x	16.0x	15.6x
P/E	10.2x	14.0x	24.0x	n.a.	9.7x	11.4x	n.a.	42.8x	14.0x	20.4x





**Skanska AB**

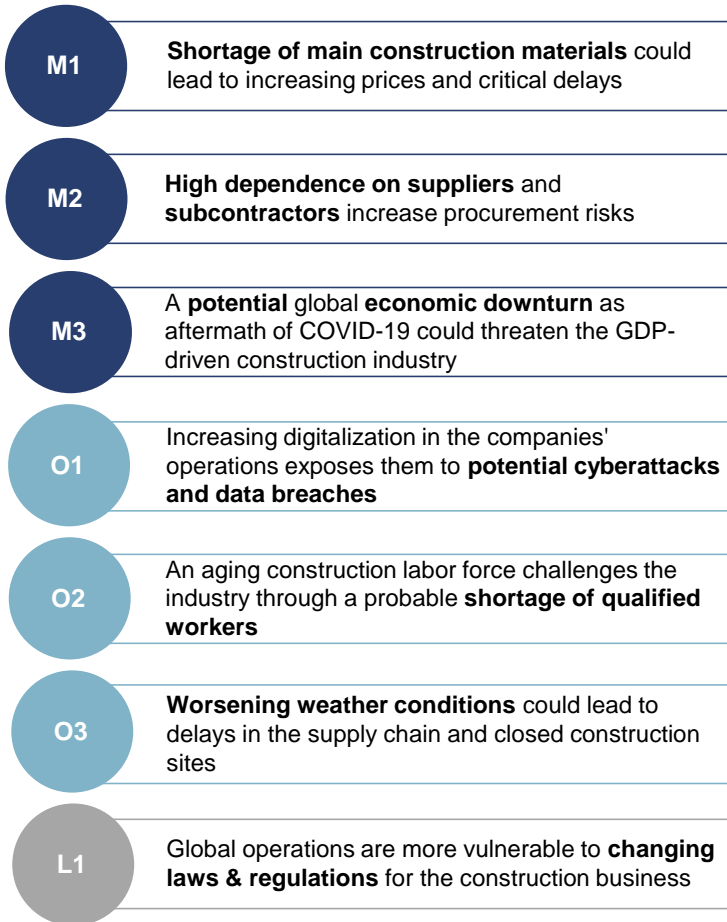
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**Risks and catalysts**



# Company specific risks






Market risks could strongly hinder Skanska's operations



Market (M) – Operations (O) – Legislation (L)

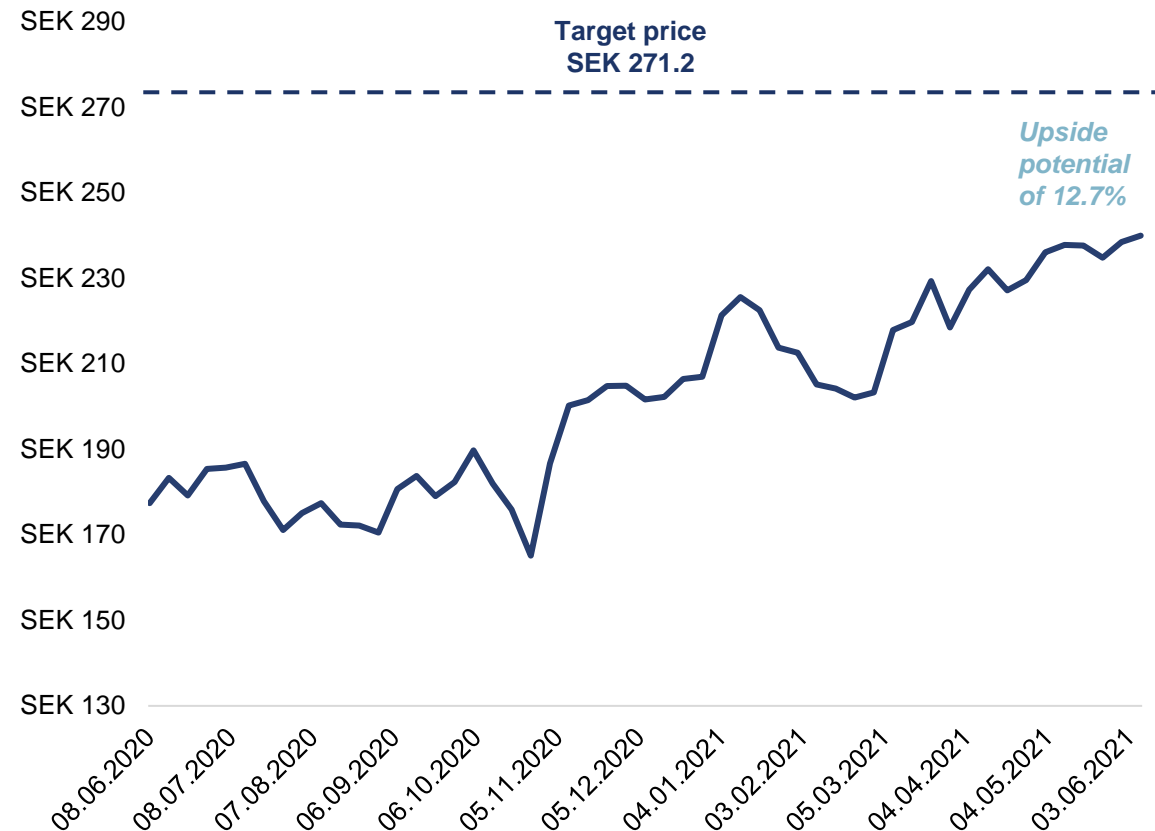
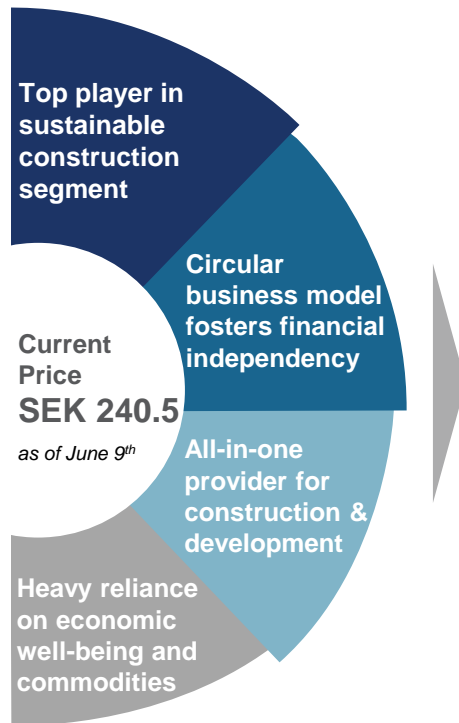
# Catalysts

Major incidents and environmental scandals trigger change in company's share price

Catalyst	Type	Influenced factor	Estimated impact on share price
July 2021 – Second Quarter 2021 Results – meeting internal guidelines	Hard	<ul style="list-style-type: none"> <li>Investor's trust</li> </ul>	<ul style="list-style-type: none"> <li>Strong – The Company meeting its guidelines in Q2 would proof to investors that their segments have recovered from the construction downfall caused by COVID-19</li> </ul> 
Environmental scandal: falsification of sustainable metrics e.g.	Soft	<ul style="list-style-type: none"> <li>Cost of capital</li> <li>Reputation</li> <li>Investor's trust</li> </ul>	<ul style="list-style-type: none"> <li>Medium – As the Company misses its sustainable targets, cost of capital will increase and investor's trust on its sustainable strategy decrease</li> </ul> 
Major incident caused by the Company	Hard	<ul style="list-style-type: none"> <li>Costs</li> <li>Margins</li> </ul>	<ul style="list-style-type: none"> <li>Medium – A news-covered incident like major malfunction (bridge falling e.g.) would rise doubts about the Company's ability to deliver quality projects</li> </ul> 
New acquisitions or joint ventures partnerships	Hard	<ul style="list-style-type: none"> <li>Revenue</li> <li>Reputation</li> </ul>	<ul style="list-style-type: none"> <li>Medium – New acquisitions as well as the establishment of new partnerships will strongly impact future performance by diversifying the company's portfolio</li> </ul> 
New governmental guidelines and regulations	Soft	<ul style="list-style-type: none"> <li>Profitability</li> <li>Projects</li> </ul>	<ul style="list-style-type: none"> <li>Strong – The introduction of stricter environmental guidelines could lead to competitors being restricted from operating in the Company's geographies</li> </ul> 

# Conclusion

Skanska is undervalued with an upside potential of 12.7%



A dramatic sunset or sunrise over a city skyline. The sky is filled with dark, textured clouds, with a bright orange and yellow glow from the sun low on the horizon. A large construction crane stands prominently in the center, its arm reaching towards the sky. In the background, several city buildings are visible, including a tall, modern skyscraper. The overall mood is industrial and atmospheric.

# Skanska AB

## WUTIS - Equity Research

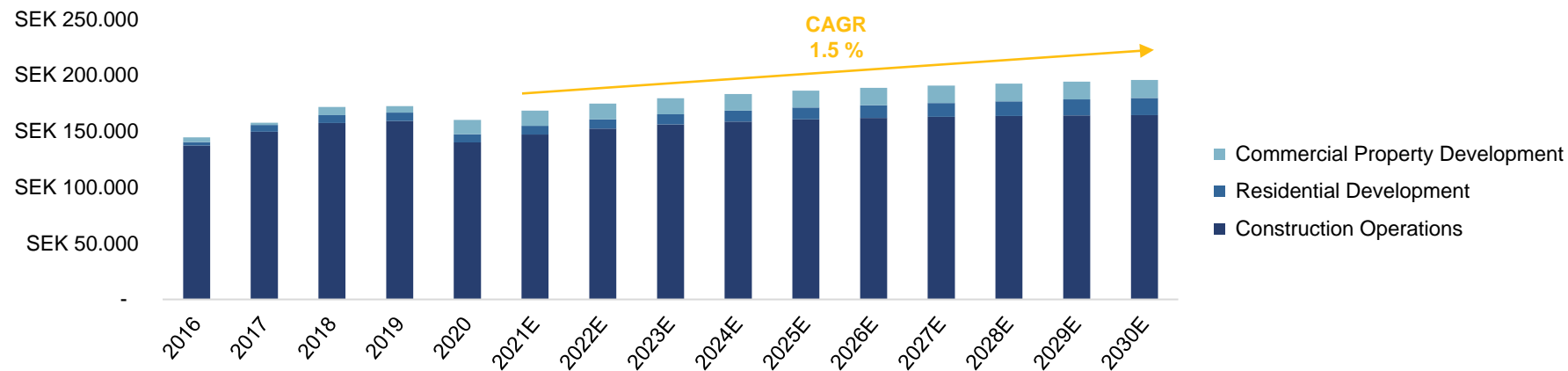
### Appendix



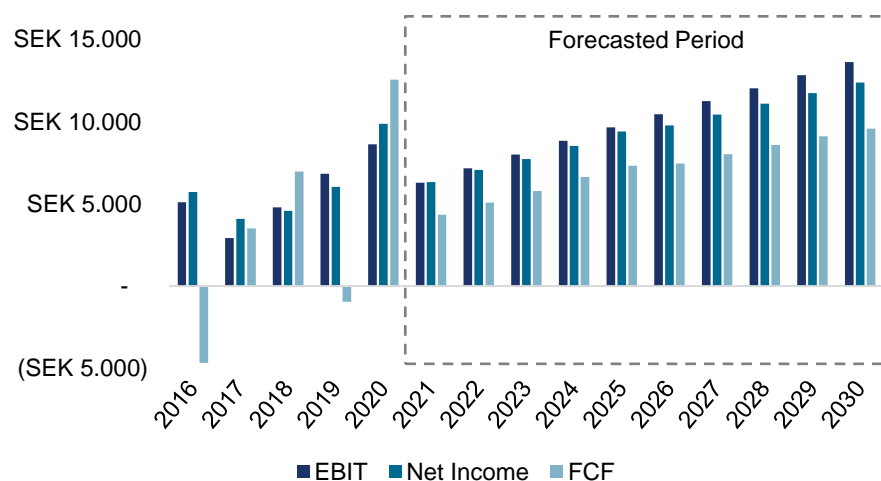
# Appendix: DCF Analysis

Revenue is expected to bounce back to pre-crisis levels within the next years

Forecast operating financials (million SEK)



Forecasted operating financials (million SEK)



Key metrics

**9.18% WACC**  
Market value approach is used –  
CoD: 1.85, CoE: 10.41, Tax Rate: 20.2%

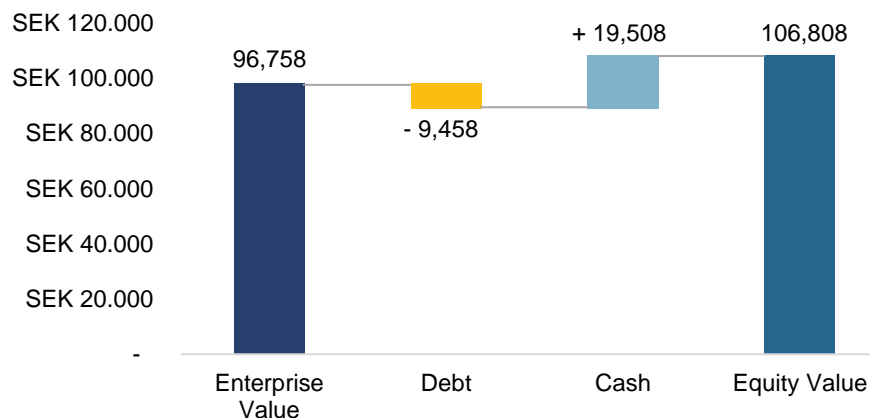
**1.50% Terminal Value**  
Terminal Value is calculated according to a perpetual growth rate of 1.5 % - in line with industry EV/EBITDA exit multiple

**1.12 Beta**  
According to CAPM, the Company's Beta is 1.12

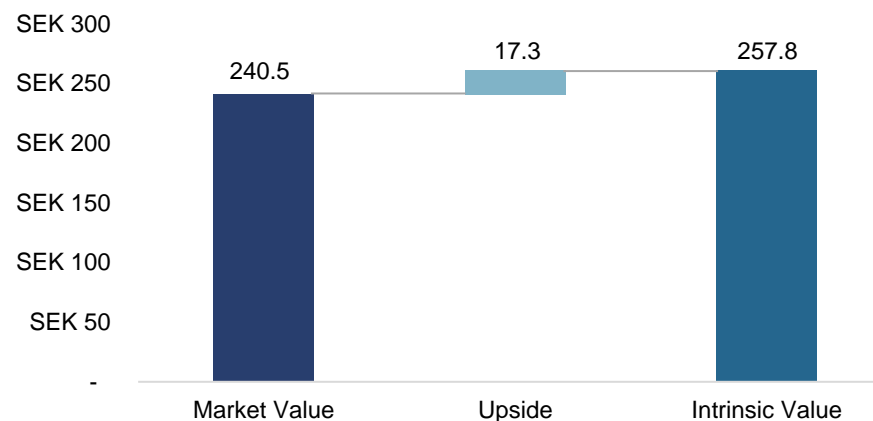
# Appendix: DCF

## Valuation I

Equity bridge (SEK million)



Market Value vs. Intrinsic Value – base case scenario (SEK)

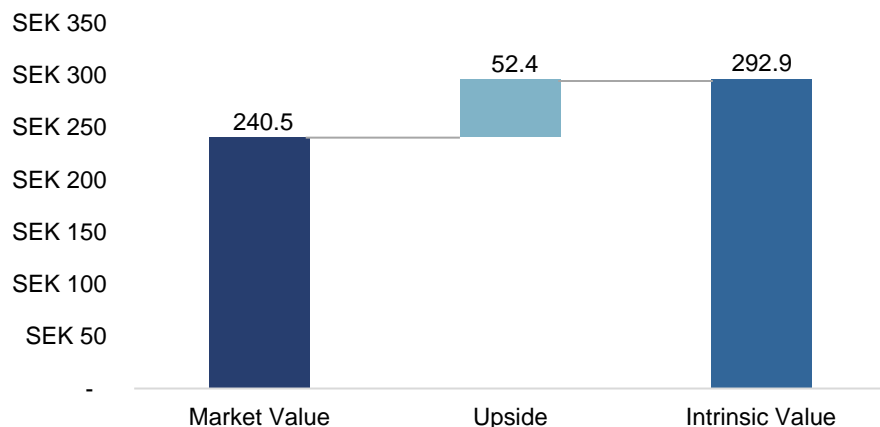



DISCOUNTED CASHFLOW	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Income Statement</b>															
Construction Operations	137.485	149.733	157.445	159.326	140.231	147.243	152.396	156.130	158.807	160.714	162.064	163.018	163.689	164.161	164.492
Residential Development	2.893	6.006	6.986	7.504	7.150	7.722	8.340	9.007	9.727	10.506	11.346	12.254	13.234	14.293	15.436
Commercial Property Development	4.285	1.913	7.299	5.664	12.858	13.501	14.041	14.490	14.861	15.166	15.414	15.616	15.780	15.912	16.019
Other Income	702	225	-	352	105	-	-	-	-	-	-	-	-	-	-
Total Revenue	145.365	157.877	171.730	172.846	160.344	168.465	174.777	179.627	183.396	186.385	188.825	190.888	192.703	194.366	195.947
COGS	131.119	145.103	157.465	156.540	143.457	152.912	158.006	161.741	164.474	166.486	167.990	169.147	170.072	170.854	171.555
Gross Profit	14.246	12.774	14.265	16.306	16.887	15.554	16.771	17.886	18.922	19.899	20.834	21.741	22.631	23.512	24.393
gross profit margin %	9,8%	8,1%	8,3%	9,4%	10,5%	9,2%	9,6%	10,0%	10,3%	10,7%	11,0%	11,4%	11,7%	12,1%	12,4%
SG&A	9.152	9.851	9.473	9.469	8.269	9.266	9.613	9.879	10.087	10.251	10.385	10.499	10.599	10.690	10.777
% of revenue	6,3%	6,2%	5,5%	5,5%	5,2%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%
EBIT	5.094	2.923	4.792	6.837	8.618	6.288	7.158	8.007	8.835	9.648	10.449	11.242	12.032	12.822	13.615
% of revenue	3,7%	2,0%	3,0%	4,3%	6,1%	4,3%	4,7%	5,1%	5,6%	6,0%	6,4%	6,9%	7,4%	7,8%	8,3%
Other Income	2.126	1.655	855	591	4.015	1.848	1.793	1.820	2.014	2.298	1.955	1.976	2.013	2.051	2.058
% of revenue	1,5%	1,0%	0,5%	0,3%	2,5%	1,1%	1,0%	1,0%	1,1%	1,2%	1,0%	1,0%	1,0%	1,1%	1,1%
Interest	(132)	29	16	(111)	(251)	(200)	(103)	(130)	(159)	(169)	(152)	(143)	(150)	(155)	(154)
Taxes	(1.366)	(512)	(1.092)	(1.286)	(2.507)	(1.604)	(1.788)	(1.960)	(2.161)	(2.380)	(2.476)	(2.643)	(2.808)	(2.975)	(3.137)
tax rate %	19,2%	11,1%	19,2%	17,5%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%	20,2%
Net Income	5.722	4.095	4.571	6.031	9.875	6.333	7.060	7.737	8.529	9.397	9.775	10.433	11.086	11.744	12.383
% of revenue	3,9%	2,6%	2,7%	3,5%	6,2%	3,8%	4,0%	4,3%	4,7%	5,0%	5,2%	5,5%	5,8%	6,0%	6,3%

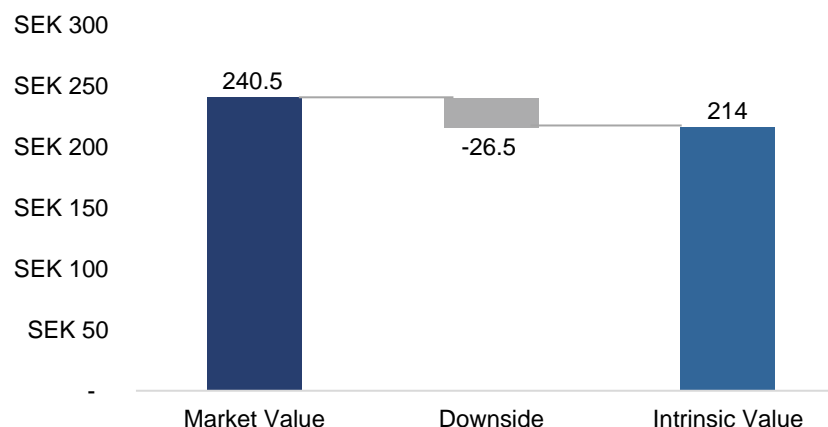
# Appendix: DCF

## Valuation II

Market Value vs. Intrinsic Value – bull case scenario (SEK) 



Market Value vs. Intrinsic Value – bear case scenario (SEK) 



### Exit multiple approach

Revenue Split in 2030		EV/EBITDA (Damodaran)
83,9%	Engineering & Construction	10.85x
16,1%	Real Estate Development	47.57x
EV/EBITDA Exit 2030		16.7x
TV absolute (SEK mn)		116,699
Market Value of Equity (SEK mn)		126,749
Estimated Share Price (SEK)		305.93

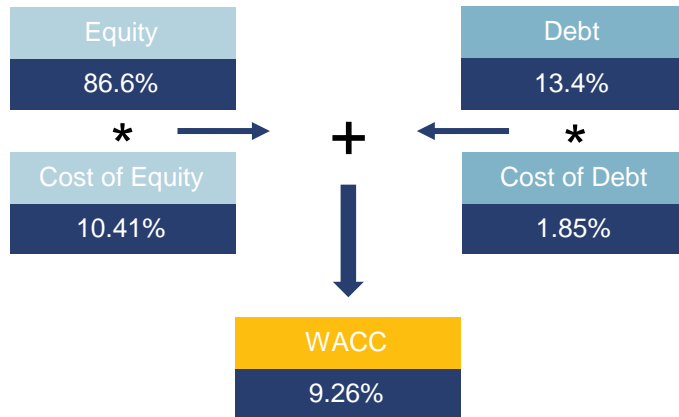
### Sensitivity analysis – Exit multiple

		Exit Multiple				
		12.74x	14.74x	16.74x	18.74x	20.74x
WACC	8.9%	246.5	281.3	316.2	351.1	385.9
	9.1%	242.5	276.8	311.0	345.3	379.5
	9.3%	238.6	272.3	305.9	339.6	373.2
	9.5%	234.9	267.9	301.0	334.0	367.1
	9.7%	231.1	263.6	296.1	328.5	361.0

# Appendix: DCF

## Valuation III – WACC

### WACC tree



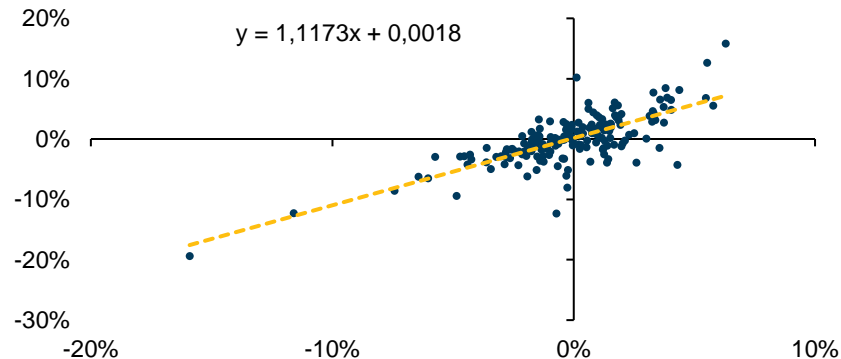
### Cost of Debt

Interest Expense:	349
ST Debt:	5,594
LT Debt:	9,458
Cost of Debt:	2.32% (pre-tax)
Effective Tax Rate:	20.21%

**Cost of Debt: 1.85% (after-tax)**

### Historic Beta – 3Y, weekly

**Unlevered Beta: 1.12**



### Cost of Equity – CAPM

**Risk-free Rate: 0.41**

**10Y Annualized Return OMX Index: 9.36%**

**Cost of Equity (CAPM):**

$$rf + \beta * (Market\ Return - rf) =$$

$$0.41 + 1.12 * (9.36 - 0.41) = 10.41$$

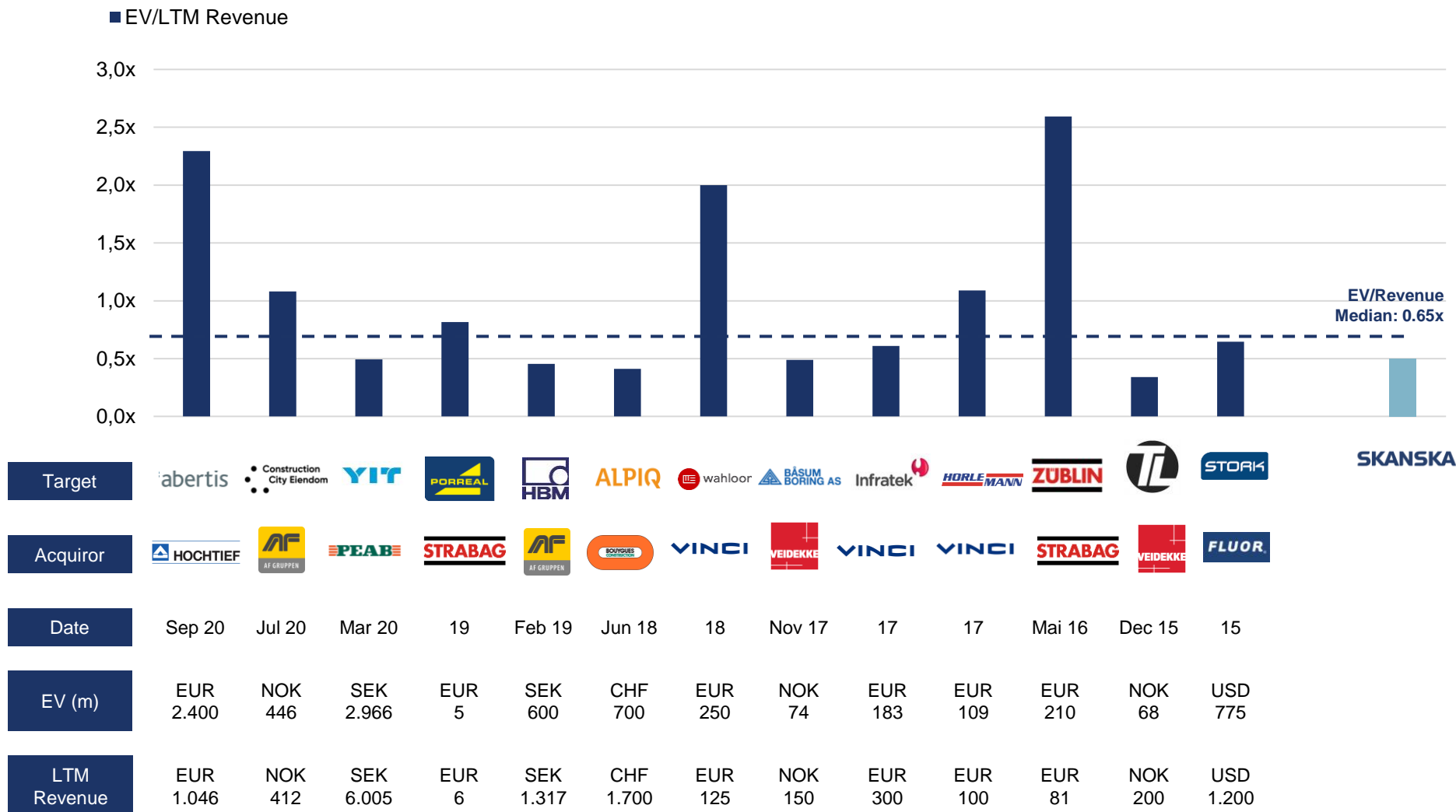
Residual Maturity	Yield		
	Last	Chg 1M	Chg 6M
10 years	0.405%	+2.0 bp	+35.5 bp

worldgovernmentbonds.com



# Appendix: Comparable Transaction Analysis

Currently valued in line with the historic transaction pricing mean



# Appendix: Valuation summary

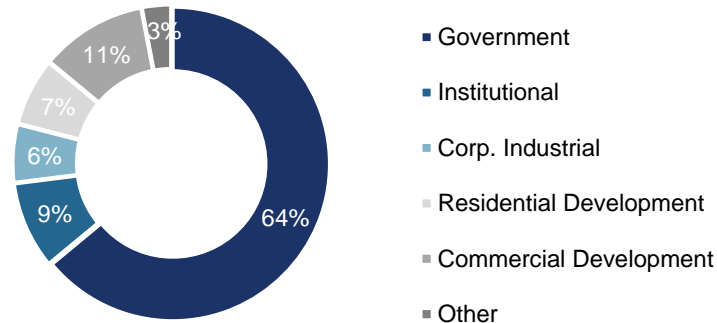
## Football field chart



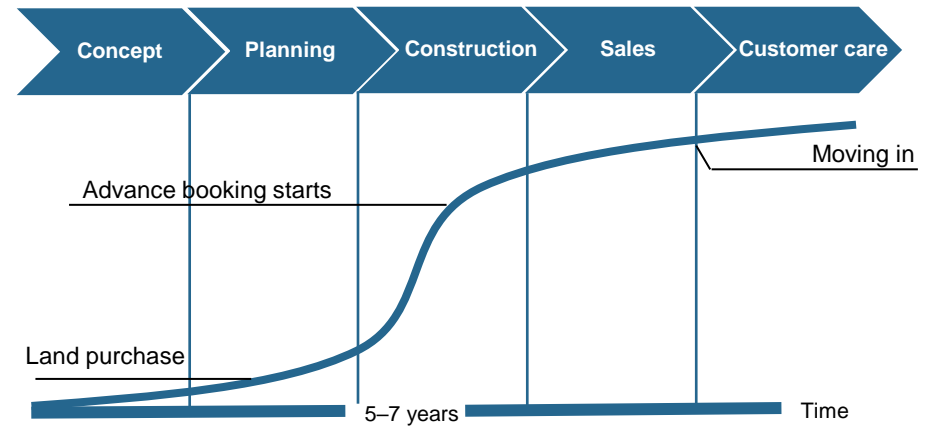
# Appendix: Business model II

An established construction group moving towards a more profitable and diversified business

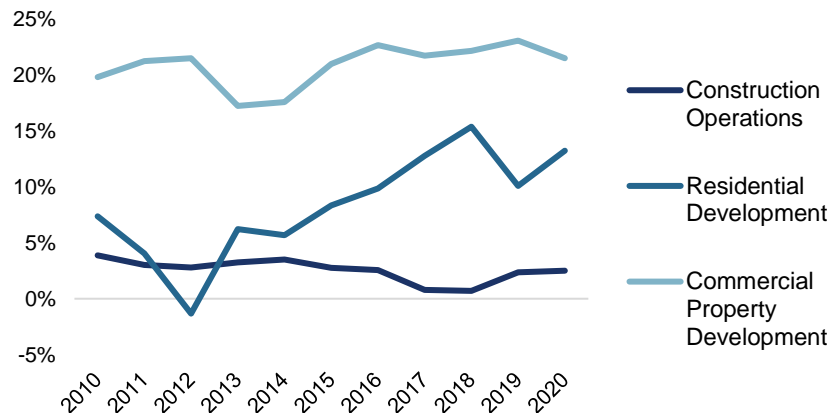
Construction segment customer structure (%)



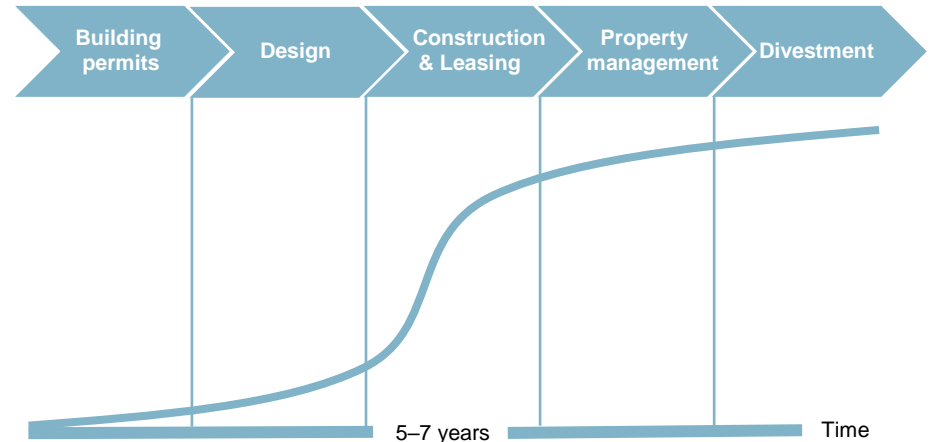
Value creation of residential development



Profit margins by segment (%)



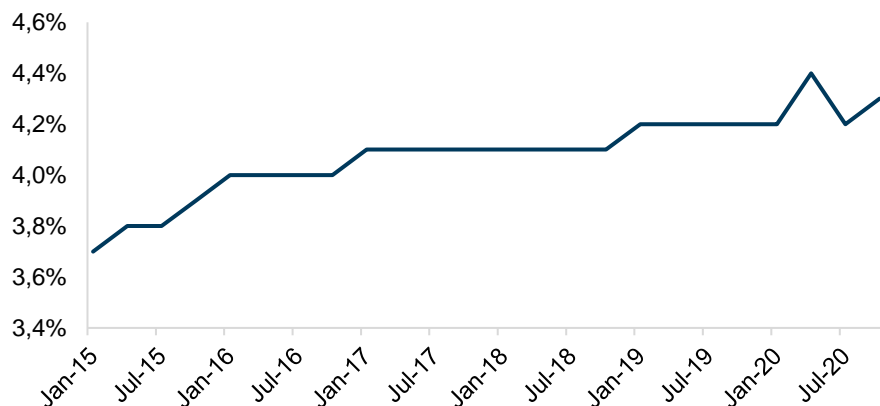
Value creation of commercial development



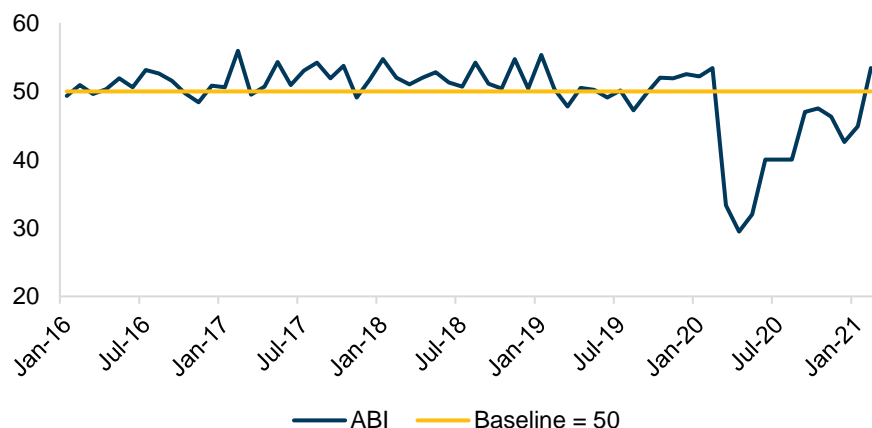
# Appendix: Building indicators

COVID-19 caused downturn for office buildings but strengthened residential construction

Value added to US-GDP by construction industry



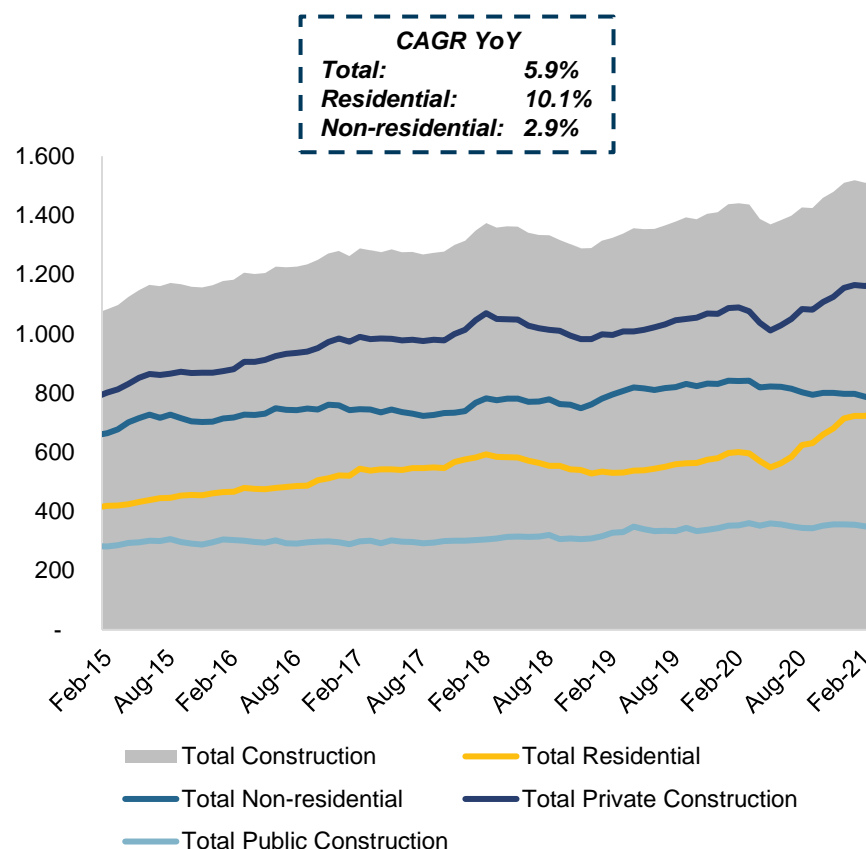
Architecture Billings Index\*



US construction spending (billion USD)

*FED's incentives held construction spending on track during pandemic*

*Biden's Infrastructure plan will further boost spending by 2.4 trillion USD*

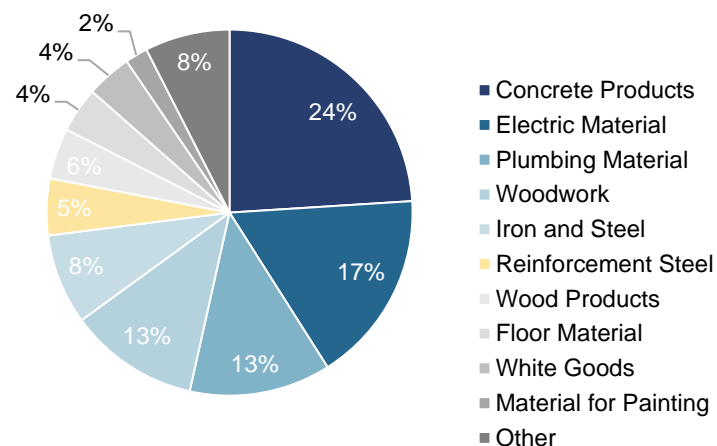




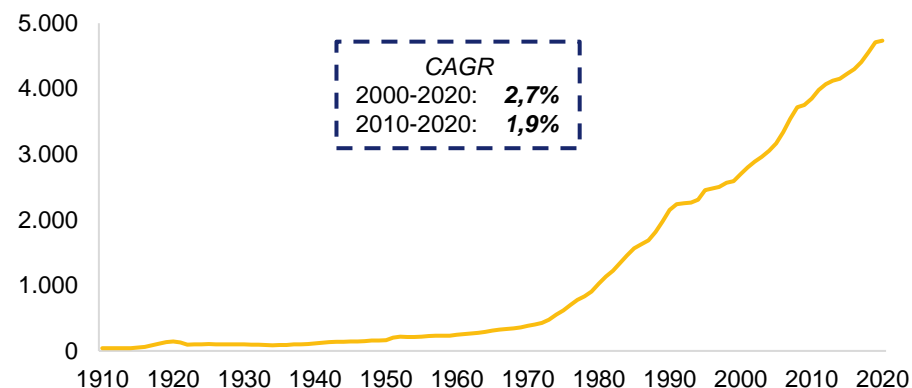
# Appendix: Construction material

Sharp price increases due to global shortage of material

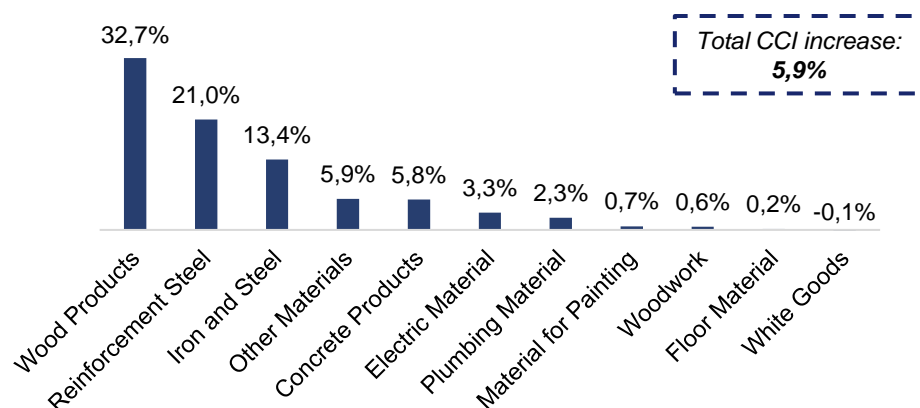
Average material used for a Multi-Dwelling Building (CCI Basket)



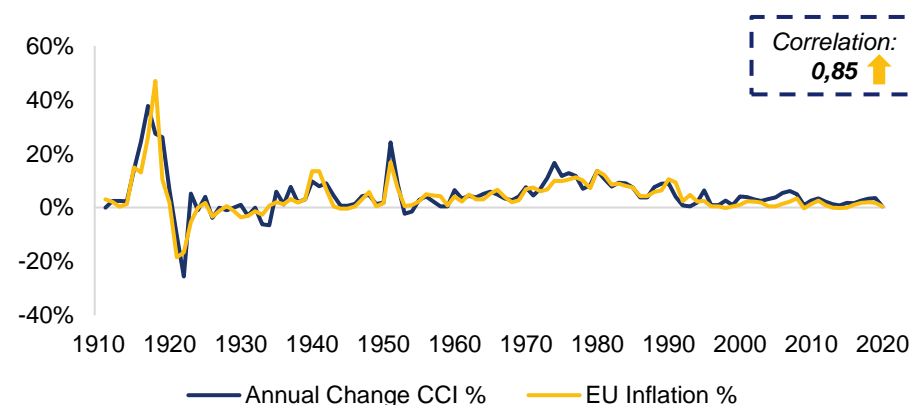
Construction Cost Index – Based on basket of material



Construction material price change April 2020 – April 2021



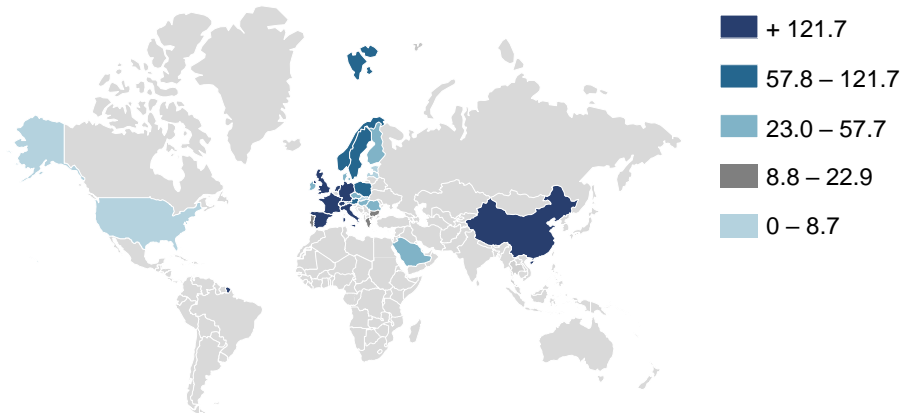
Annual change CCI\* vs. inflation rate



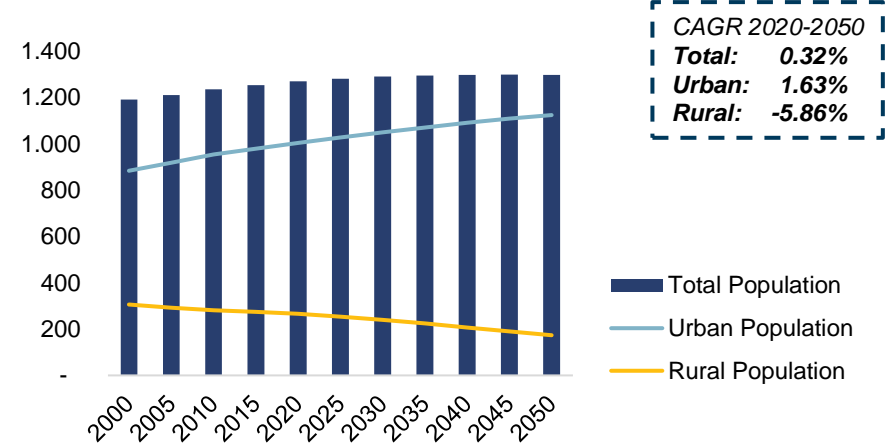
# Appendix: Market drivers

Development of the construction industry is heavily tied to macro-economic factors

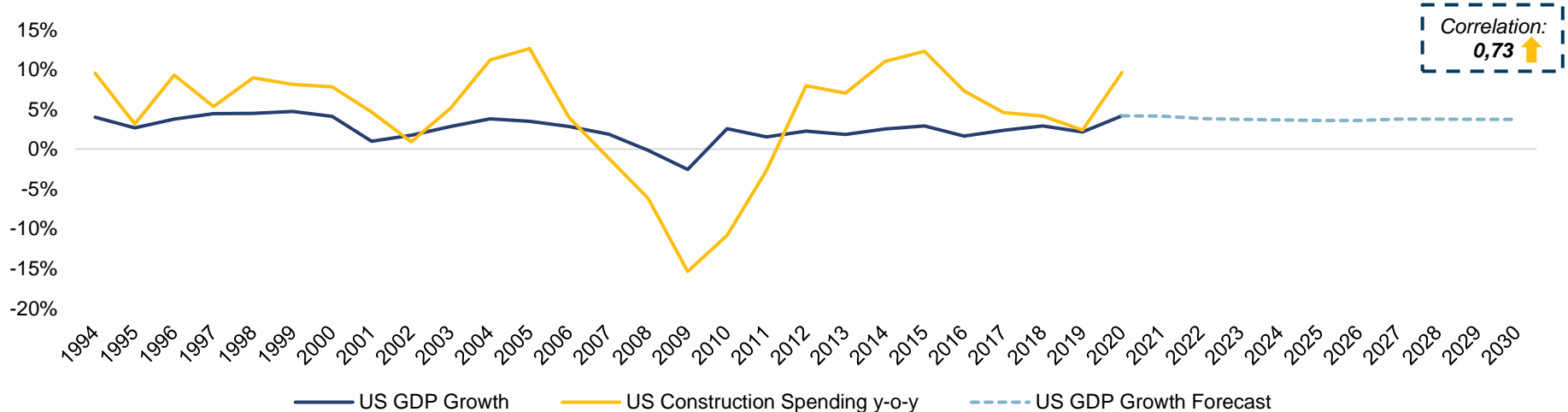
Revenue (billion USD, 2020)



Total shift in population (developed regions, million)



US GDP growth + forecast & construction spending growth (%)



# Appendix: SWOT

Strengths and opportunities outweigh weaknesses and threats

## STRENGTHS

- Strong global **market position**
- Geographic **revenue spread** reduces business risks
- Very **robust clients** including Fortune 500 companies and governments
- A lot of research and projects related to digitalization and sustainable construction
- Strong **partnerships** e.g. with IKEA (Boklok)

## OPPORTUNITIES

- Increasing demand for **sustainable solutions** – already a pioneer in certain fields
- **Digitalization** for more efficiency and higher margins
- Skanska is aiming to **expand** through various **strategic investments**
- Various **new contracts** and **high order backlog** ensures incremental revenues

SKANSKA

- **Lawsuits and litigations** are harming SKANSKA's **reputation**
- **Failure to establish** in developing markets

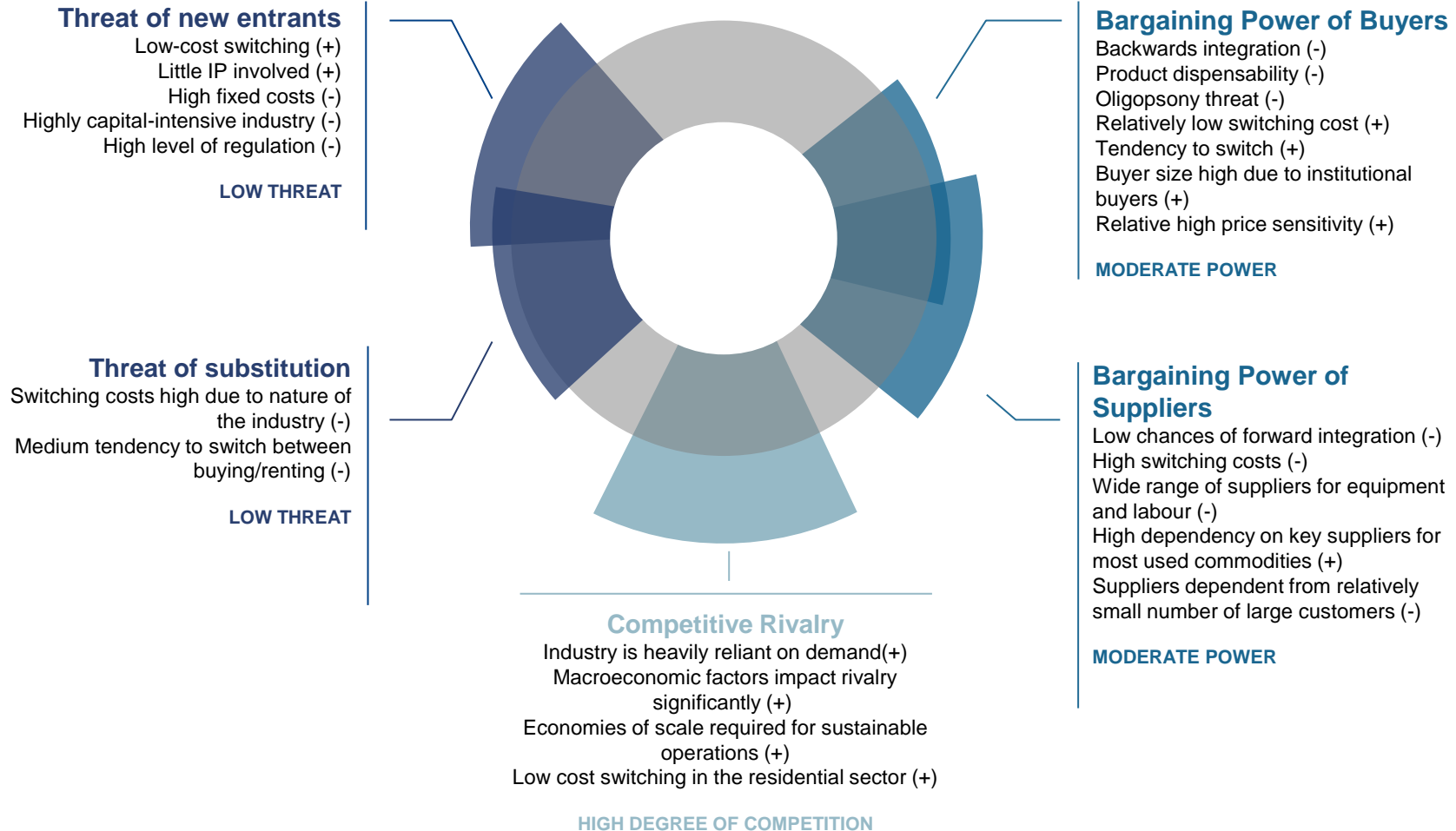
## WEAKNESSES

- **Shortage** of construction materials (sand, steel etc.) which would lead to **higher costs** and **lower margins**
- Much **competition** especially for small and medium sized projects
- Unforeseeable **economic conditions** post-crisis
- Potential **currency risks** tied to Skanska's reporting in SEK

## THREATS

# Appendix: Porter's Five Forces

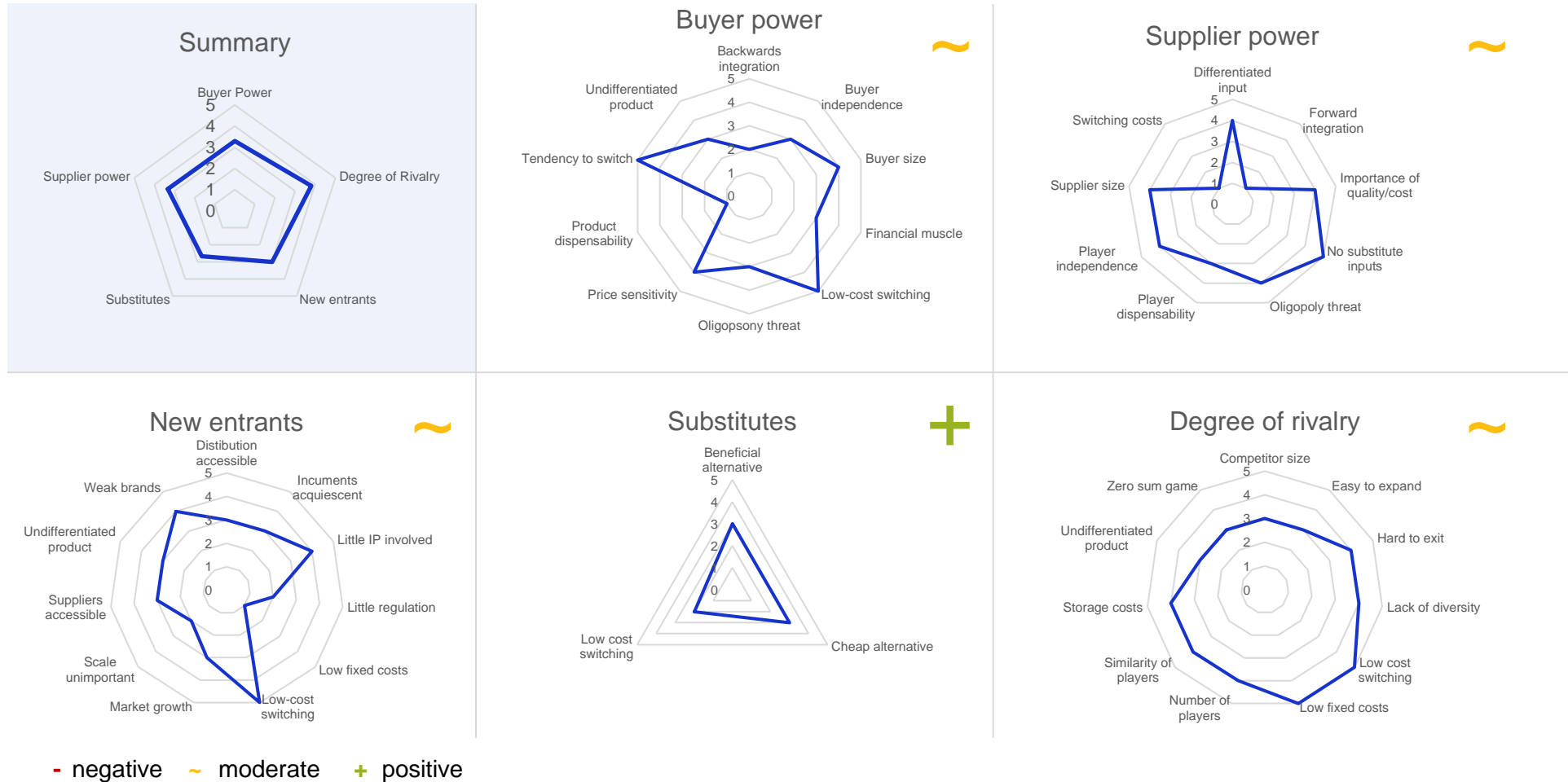
Competitive industry with high entry barriers





# Appendix: Porter's Five Forces

Detailed look into the different forces



# Appendix: Historical Development

Growth largely fueled by acquisitions

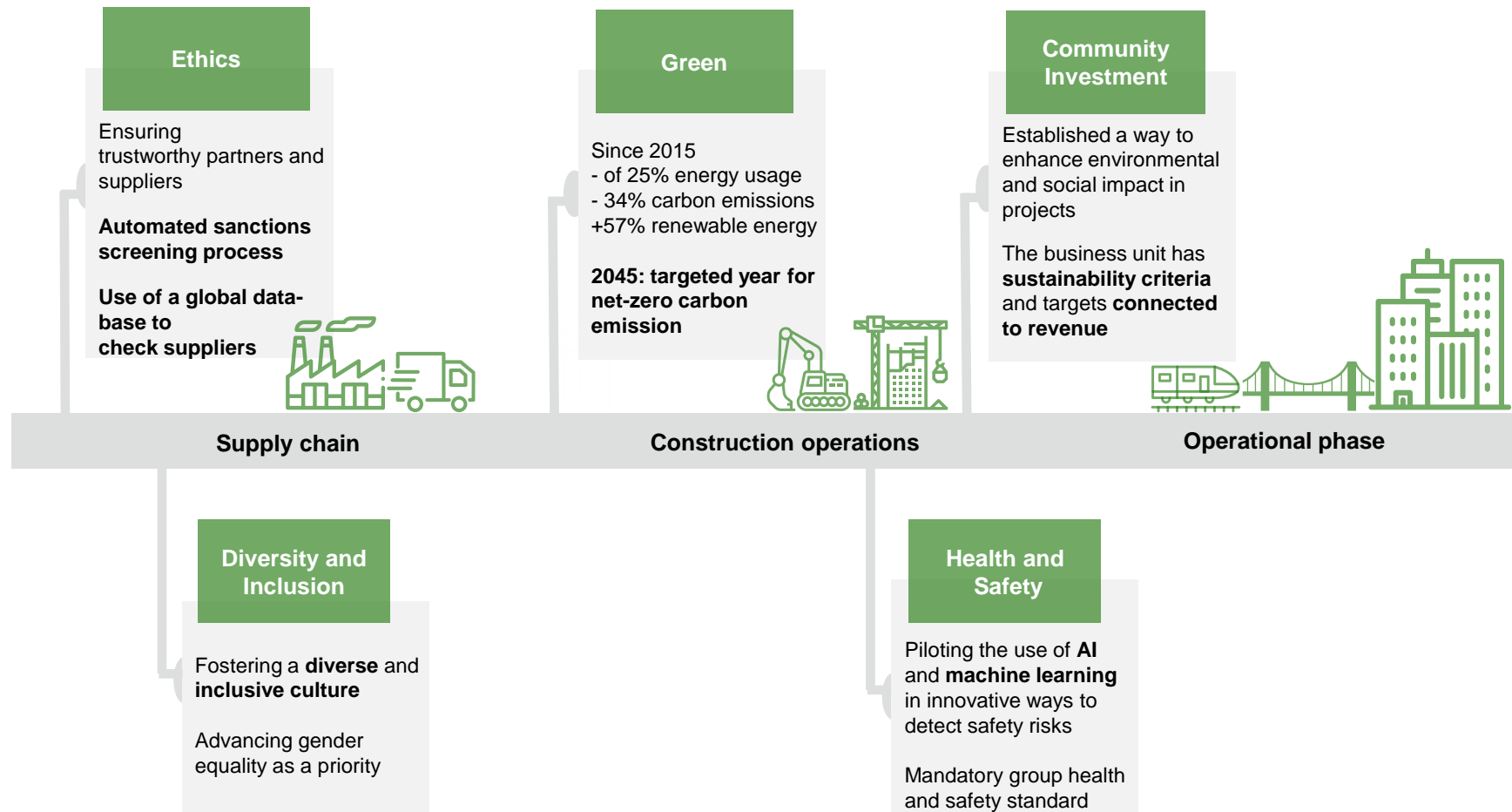


Key acquisitions						
	Skanska USA Civil: Tidewave	Skanska USA Civil: Yeager, California	Skanska UK: McNicholas Holding plc	Skanska USA Civil: Industrial Contractors Inc.	Skanska UK: Atkins Highway Services Division	Skanska Sweden: La Pukk AS
	Skanska USA Building: Beacon	Skanska Poland: Exbud	Skanska Czech: IPS	Skanska Finland: Soraset Yhtiot Oy + 5 acquisitions		
		Skanska : Ericsson Real Estate & Services				Skanska Finland: Sipooranta Oy
				Skanska Sweden: TKI Invest AB		Skanska Poland: Business Link
						

# Appendix: A promising sustainable strategy

...that focuses on each segment of the value chain increasing margins and efficiency

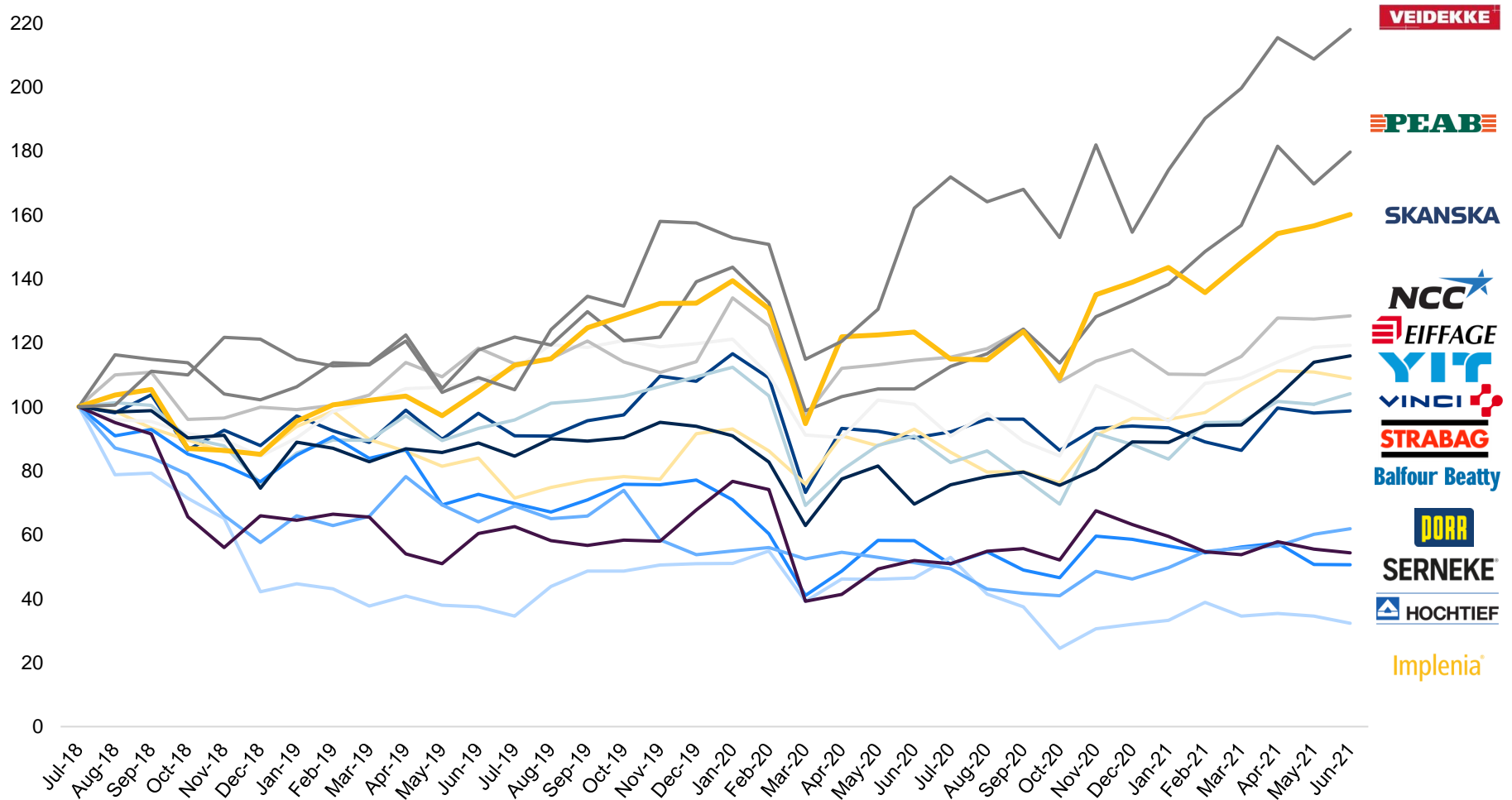
## Ensuring a sustainable supply chain



# Appendix: Comparable benchmarking

Skanska is among the top players in terms of return

## Total Shareholder Returns





# Disclaimer



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