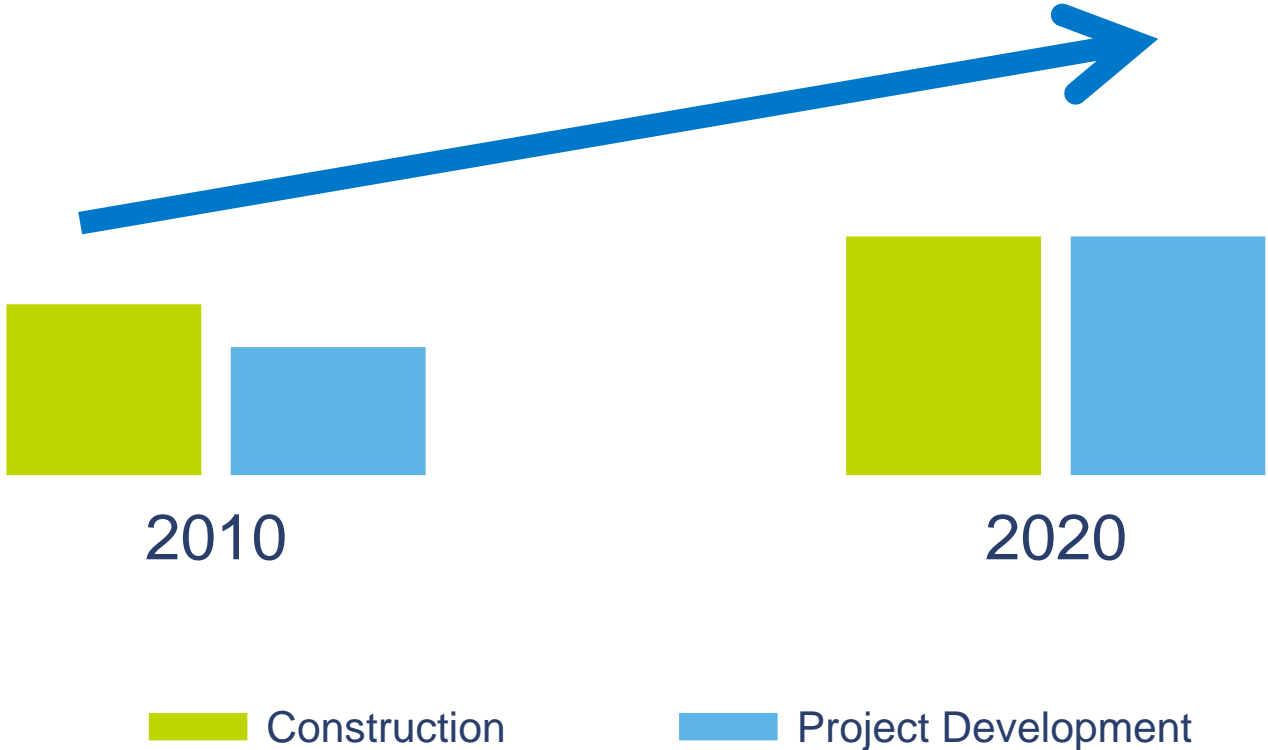


# New Reporting Structure

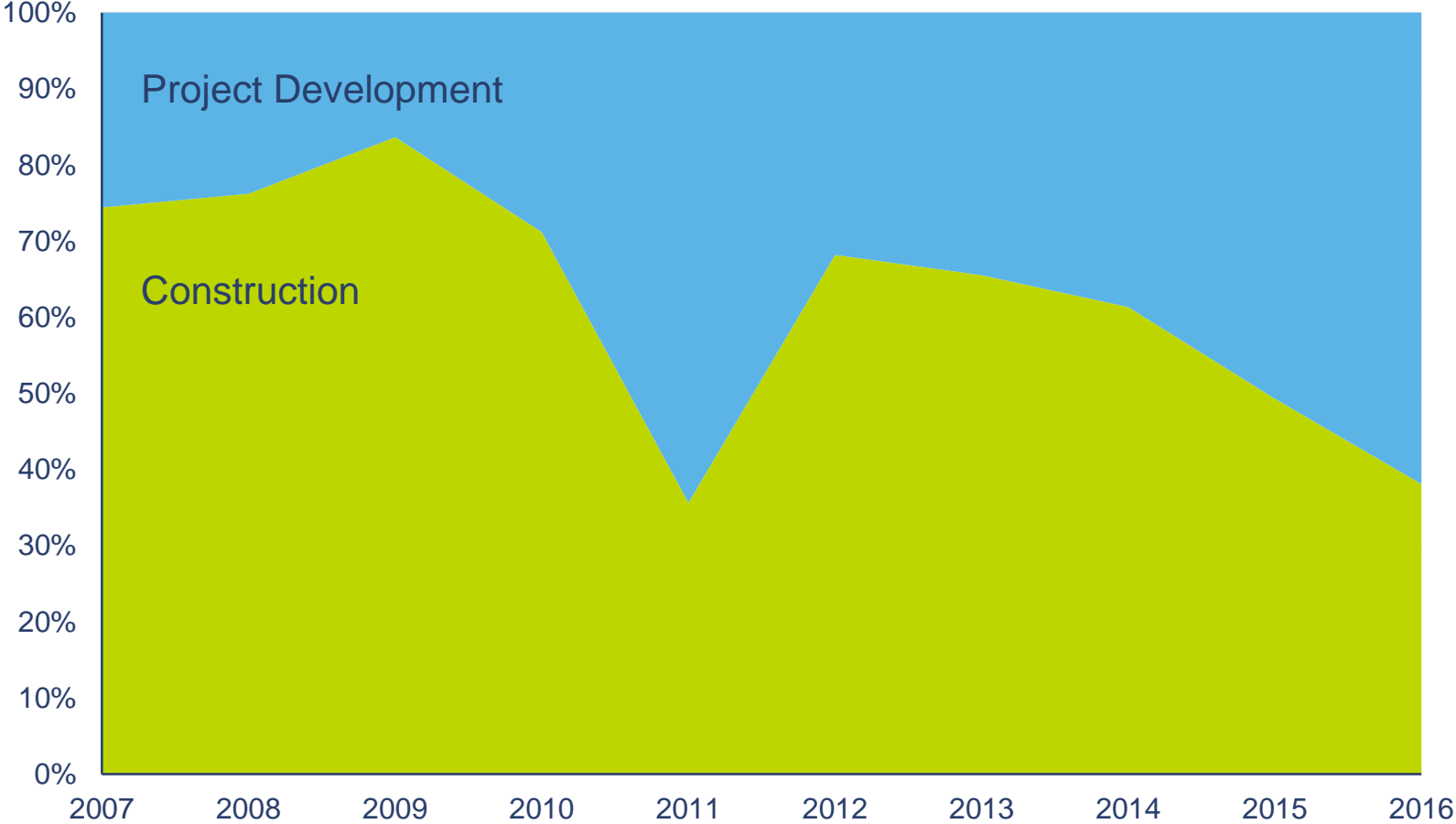
Oculus, World Trade Center, New York, U.S.

# Skanska's journey



# Skanska's journey

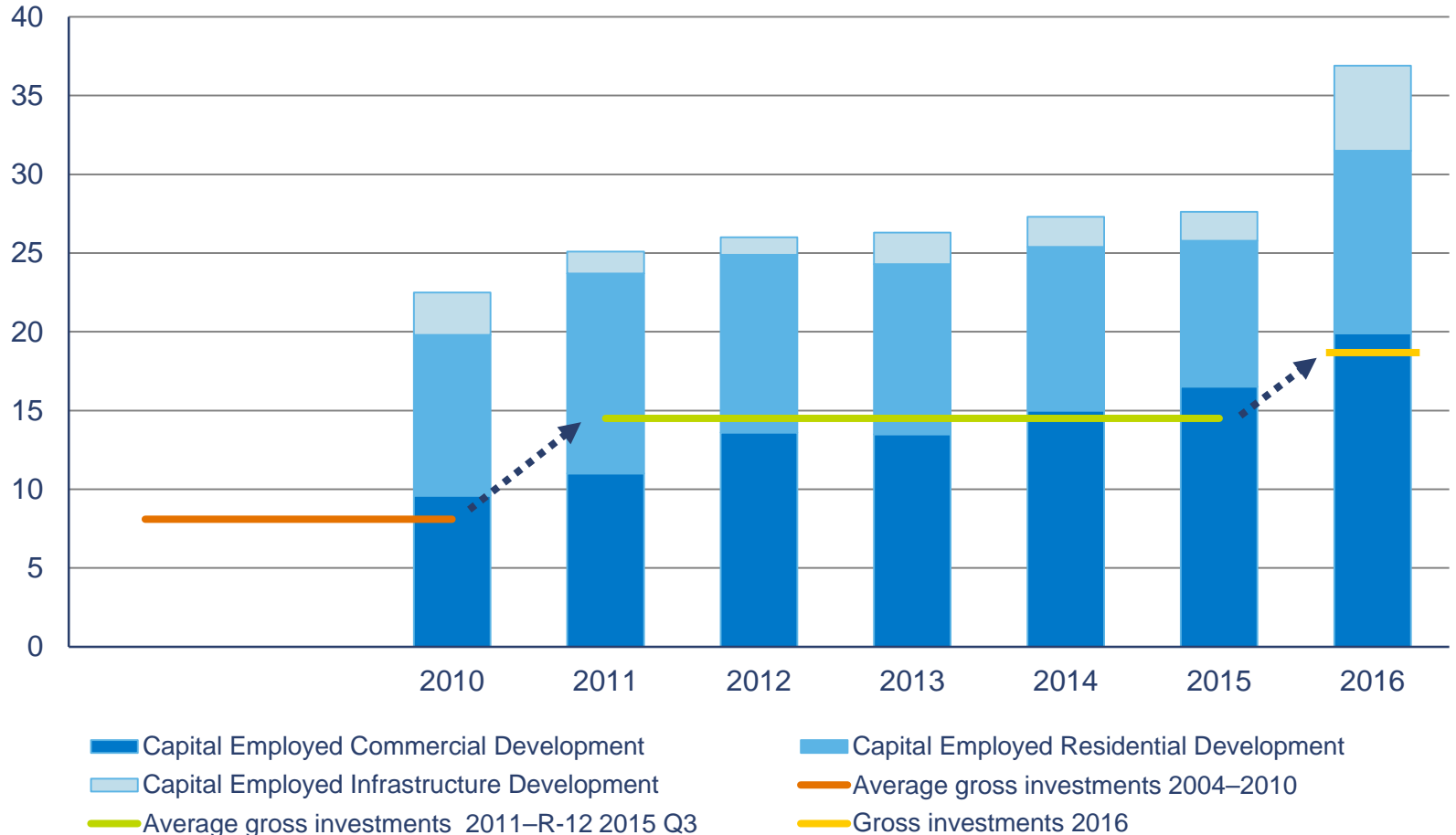
Percent of Group Operating Income



# Skanska's journey

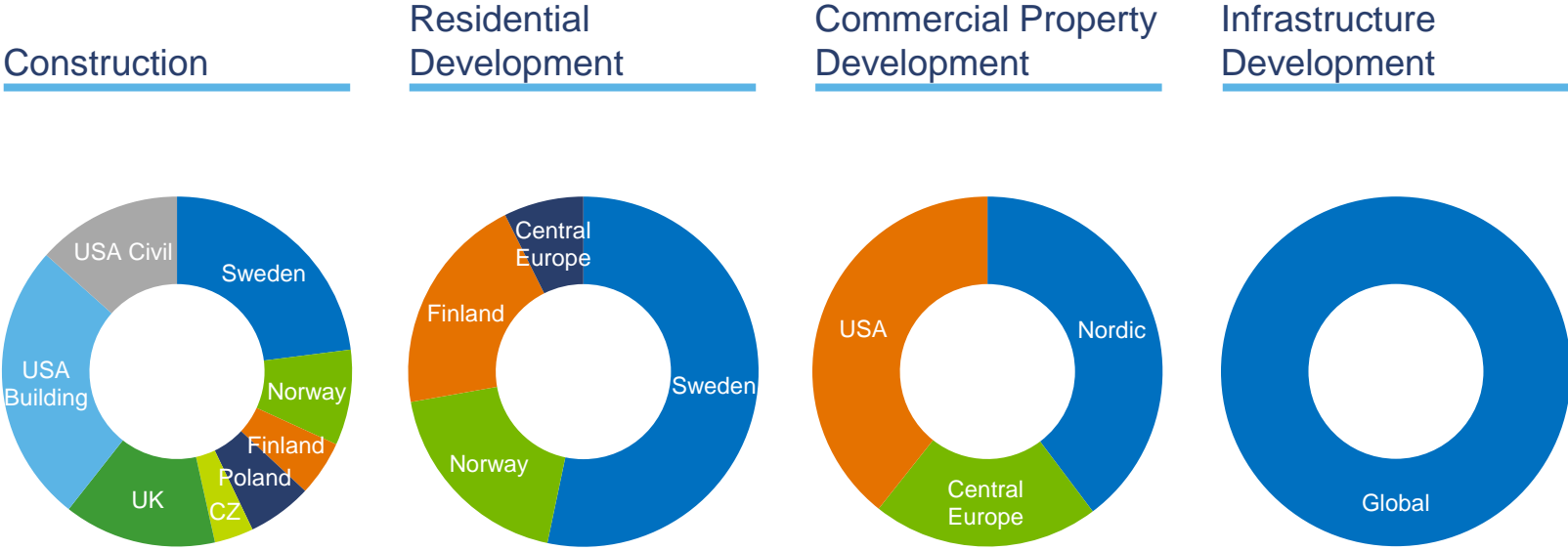
## Capital Employed and Investments in Project Development

SEK bn



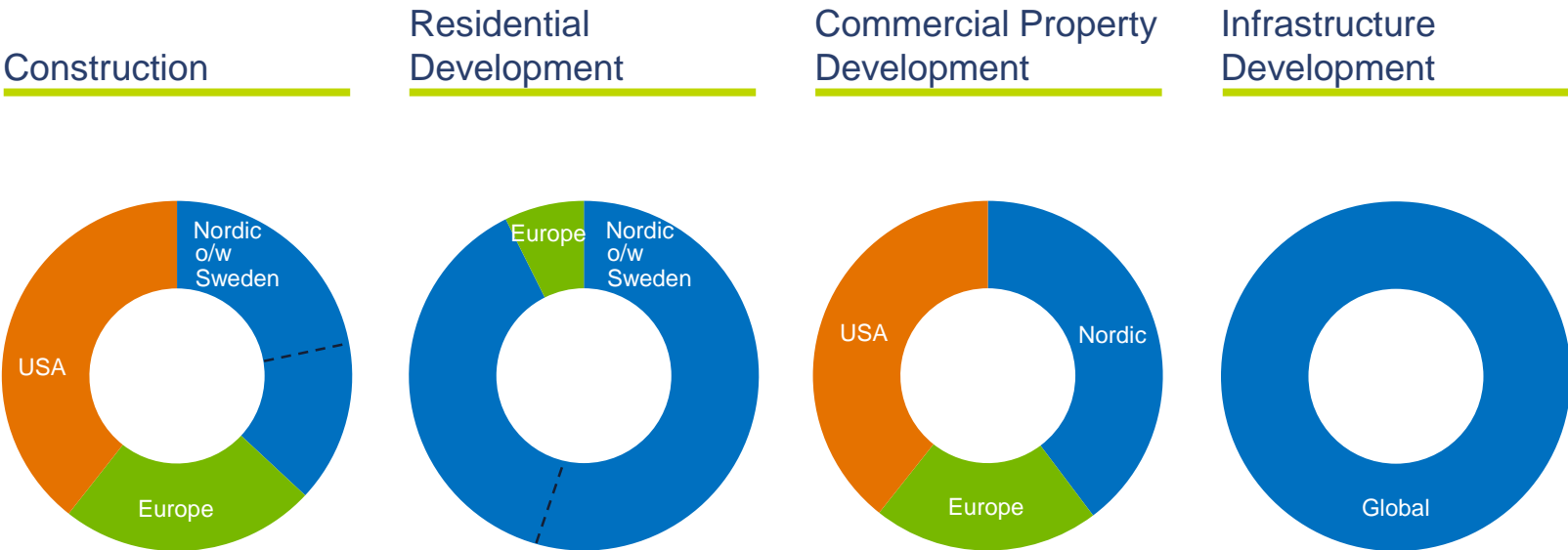
# Current Reporting Structure

Revenue 2016



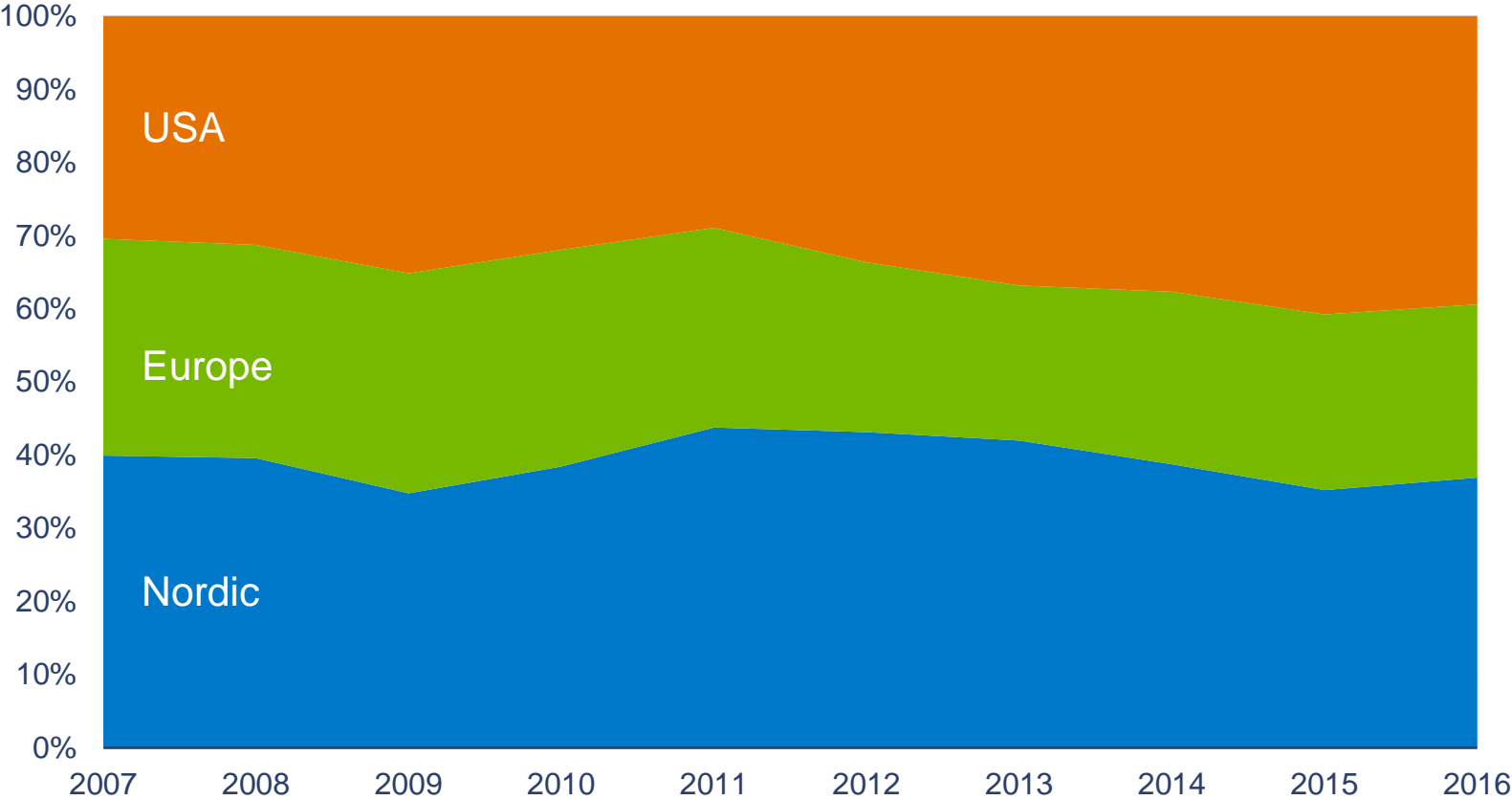
# New Reporting Structure

Revenue 2016



# New Reporting Structure Construction

Revenue



# New Reporting Structure Construction

## Revenue

SEK M	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Nordics	50,973	49,555	15,076	13,778
of which Sweden	31,736	31,303	9,539	9,157
Europe	32,664	33,753	9,328	10,088
USA	54,364	57,340	14,423	14,113
<b>Total</b>	<b>138,001</b>	<b>140,648</b>	<b>38,827</b>	<b>37,979</b>

## Operating income

SEK M	Operating income				Operating margin, %			
	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Nordics	2,130	2,048	752	560	4.2	4.1	5.0	4.1
of which Sweden	1,482	1,425	558	363	4.7	4.6	5.8	4.0
Europe	247	1,036	146	414	0.8	3.1	1.6	4.1
USA	1,169	790	366	424	2.2	1.4	2.5	3.0
<b>Total</b>	<b>3,546</b>	<b>3,874</b>	<b>1,264</b>	<b>1,398</b>	<b>2.6</b>	<b>2.8</b>	<b>3.3</b>	<b>3.7</b>

## Order backlog

SEK M	Order backlog		Order bookings				Book-to build	
	Dec 31, 2016	Dec 31, 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Dec 31, 2016	Dec 31, 2015
Nordics	54,107	48,007	55,984	53,404	16,393	13,137	110	108
of which Sweden	35,416	31,398	36,041	32,989	11,174	7,983	114	105
Europe	38,398	37,272	36,324	34,283	10,824	5,947	111	102
USA	103,749	72,969	77,936	34,417	12,398	10,857	143	60
<b>Total</b>	<b>196,254</b>	<b>158,248</b>	<b>170,244</b>	<b>122,104</b>	<b>39,615</b>	<b>29,941</b>	<b>123</b>	<b>87</b>



# New Reporting Structure

## Residential Development

**Revenue**

SEK M	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Nordics	12,287	11,488	4,239	2,902
of which Sweden	7,069	7,406	2,533	1,930
Europe	977	810	290	295
<b>Total</b>	<b>13,264</b>	<b>12,298</b>	<b>4,529</b>	<b>3,197</b>

**Operating income<sup>1</sup>**

SEK M	Operating income <sup>1</sup>				Operating margin, % <sup>1</sup>			
	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Nordics	1,509	1,064	641	270	12.3	9.3	15.1	9.3
of which Sweden	1,060	799	484	206	15.0	10.8	19.1	10.7
Europe	96	110	39	56	9.8	13.6	13.4	19.0
<b>Total</b>	<b>1,605</b>	<b>1,174</b>	<b>680</b>	<b>326</b>	<b>12.1</b>	<b>9.5</b>	<b>15.0</b>	<b>10.2</b>

<sup>1</sup> Development gain only. Construction margin reported under Construction.

**Homes started**

	Homes started				Homes sold			
	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Nordics	4,379	3,455	1,663	815	4,106	3,420	1,512	850
of which Sweden	2,861	2,257	1,097	594	2,562	2,191	991	514
Europe	469	545	259	134	497	673	113	208
<b>Total</b>	<b>4,848</b>	<b>4,000</b>	<b>1,922</b>	<b>949</b>	<b>4,603</b>	<b>4,093</b>	<b>1,625</b>	<b>1,058</b>

**Homes under construction**

	Homes under construction		Completed unsold, number of homes		Homes under construction of which sold, %	
	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015
Nordics	6,480	4,871	151	227	78	79
of which Sweden	4,305	3,441	12	10	82	86
Europe	941	818	7	10	68	60
<b>Total</b>	<b>7,421</b>	<b>5,689</b>	<b>158</b>	<b>237</b>	<b>77</b>	<b>76</b>

# New Reporting Structure

## Current structure

“In our Construction business stream we continue to see a strong performance in Sweden, Finland and Norway, as well as in USA Building. The profitability in the business stream was negatively impacted by weak performance in certain projects in Poland where we also see a shift in the market from small and medium sized projects to large projects.”

## New structure

“In our Construction business stream we continue to see a strong performance in the Nordics. The profitability in Europe was negatively impacted by weak performance in certain projects in Poland, where we also see a shift in the market from small and medium sized projects to large projects.”

# New Reporting Structure

## Market outlook, next 12 months

Slightly improving market conditions during the quarter.

- Weaker outlook compared to previous quarter. ● Unchanged outlook compared to previous quarter. ● Improved outlook compared to previous quarter.
- ↕ Very strong market coming 12m ↕ Strong market coming 12m ↕ Stable market coming 12m ↕ Weak market coming 12m ↕ Very weak market coming 12m

### Construction

The overall construction market outlook continues to be positive.

The non-residential and civil markets in Sweden are very strong, although the landscape is competitive. The residential building market continues to be strong. In Norway, the outlook for the civil market remains positive, but with significant and increasing competition in new bids. The non-residential market also benefits from increased public investments, while the residential building market is stable with the exception of certain regions that are dependent on the energy sector. The overall market situation in Finland remains relatively weak, but the non-residential building market is improving.

The civil market remains strong in the UK, whilst the uncertainty in the non-residential building market post Brexit continues. The civil market in Poland and Czech Republic are still impacted by delays in the allocation of designated EU funds.

In the U.S. the market is strong and the new U.S. President is over time expected to increase investments into infrastructure even further. The market for large and complex civil construction projects remains good, although competition is intense. The building construction market is strong in the aviation, education, data center, life science and healthcare sectors.

	Building, non-residential	Building, residential	Civil
<b>Nordic countries</b>			
Sweden	●	↕	●
Norway	↕	↕	↕
Finland	●	↕	↕
<b>Other European countries</b>			
Poland	↕	↕	↕
Czech Republic <sup>1</sup>	↕	↕	↕
United Kingdom	↕	-	↕
<b>North America</b>			
USA	↕	-	↕

<sup>1</sup> Including Slovakia.

### Residential Development

The Swedish residential market is still strong and the new amortization requirements have led to a more balanced market. The Norwegian market is stable but is being negatively affected by low oil prices in certain regions that are dependent on the energy sector. There are signs of improvement in the Finnish market.

In Central Europe the market is solid, with high transaction volumes and stability in sales prices.

Common to all home markets, except for Finland, is the challenge to acquire and develop land due to increasing prices and long permitting processes.

<b>Nordic countries</b>	
Sweden	↕
Norway	↕
Finland	↕
<b>Central Europe</b>	



The view, Nacka Strand, Sweden.

# Skanska's journey continues

