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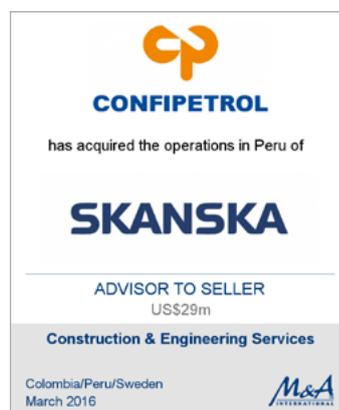
CONSTRUCTION & ENGINEERING SERVICES

Deal flash, May 2016

Swedish Construction Group Divests its Remaining Latin American Operations

Deal snapshot

- The shareholders of Skanska AB have divested 100% of Skanska Peru, the last part of former Skanska Latin America AB, to Confipetrol S.A.S. for approximately US\$29 million.
- Headquartered in Sweden, Skanska AB is one of the world's leading project development and construction groups, operating primarily in selected home markets in the Nordic region, other European countries and North America.
- Skanska Peru offers operation and maintenance (O&M) as well as engineering and construction (E&C) services mainly to the mining, oil & gas, and energy sectors.
- Confipetrol is a leading regional provider of asset-integrity and O&M services focusing on the oil & gas, mining, power and industrial sectors, with a presence in Colombia, Peru and Bolivia.



Client comments



Johan Karlström, President and CEO, Skanska AB, Sweden

“We have decided to exit the Latin American market [...]. We are finishing ongoing projects, but will not take on any new ones. We are also divesting our operation and maintenance business in the region to focus on markets where we have a greater presence.”

Our role in the transaction

- M&A International Inc.'s Peruvian team acted as lead corporate advisor to the shareholders of Skanska AB on the sale of Skanska Peru to Confipetrol.
- The team set up an international competitive process using their global relationships with strategic competitors in the industry.

Market trends and deal drivers

- **Leading economy in LatAm:** Peru is leading Latin America's economic growth, with solid macroeconomic fundamentals.
- **Sectors with strong potential:** The sectors served by Skanska Peru have shown strong growth rates in the last few years. Economic analysts covering these sectors support a solid growth perspective for the foreseeable future.
- **Opportunity for new projects:** A modest recovery in the mining and oil & gas sectors is expected in the short term. This will be driven by the execution of large projects in both sectors.
- **Successful track record:** During the last few years, O&M and E&C projects have shown solid operating margins with excellent safety and quality indicators.

M&A valuation aspects

- Skanska Peru has solid growth rates in both business units, O&M and E&C, growing at 23% annually over the last eight years. M&A International's valuation and multiple analyses took these facts into account.
- In 2014, Skanska AB decided to start a divestment process leading to the sale of Skanska Latin America's operations to different buyers. At the time of the sale, Skanska Peru had a limited number of E&C projects on backlog. The valuation rationale considered only the O&M part of the business while reflecting a reduced backlog of the E&C business.

Industry expertise within M&A International Inc.



Eduardo Campos, Partner, M&A International Inc., Peru

Eduardo has more than 20 years of experience in finance. In the last eight years, he has completed more than 30 transactions in the consumer and retail, healthcare, construction and engineering, and financial sectors, as well as in many other industries in Peru and other Latin American countries.

M&A International's teams have closed 144 deals in Construction & Engineering Services in the last 5 years



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