

SKANSKA

Year-end report 2021

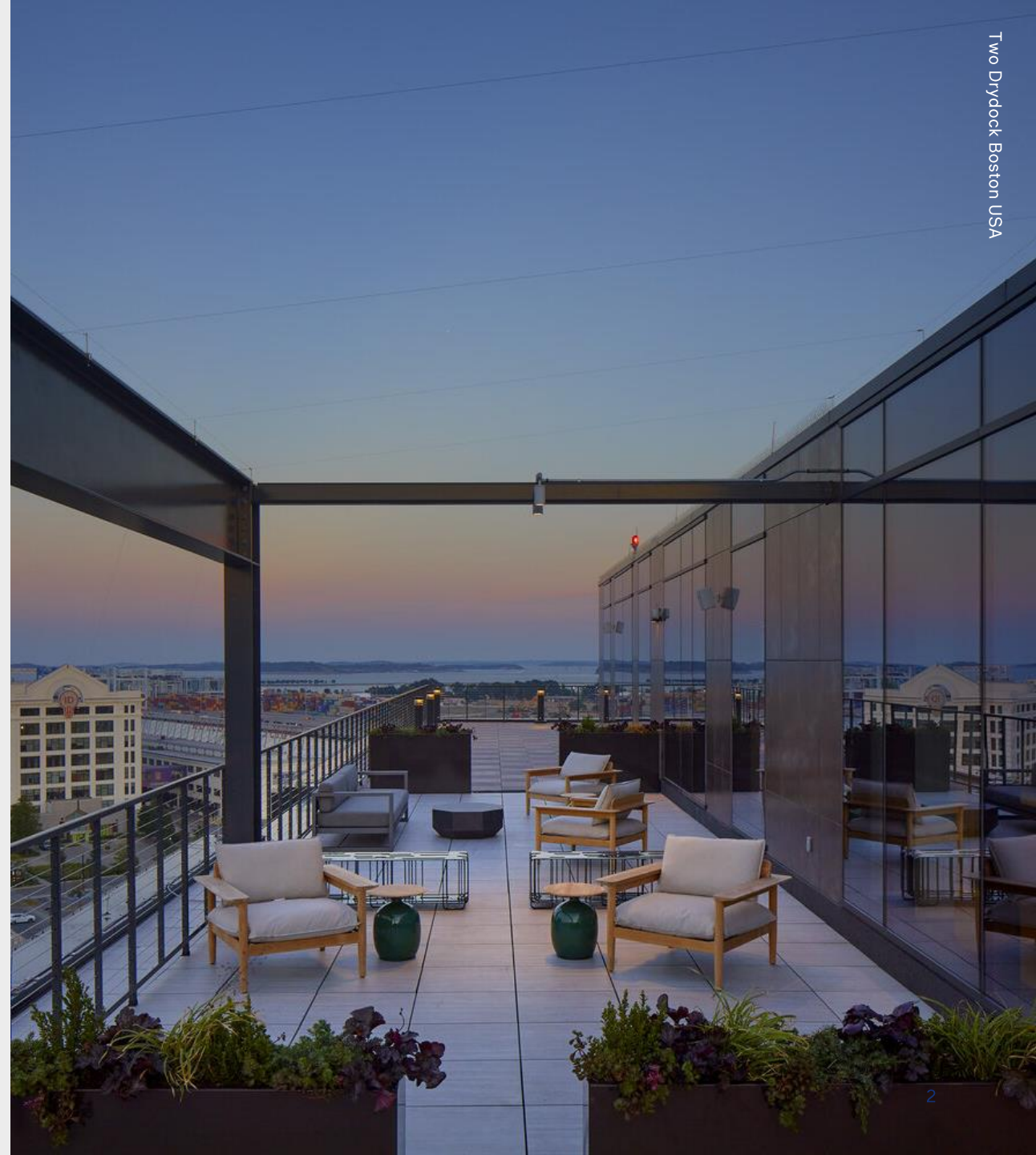
We build for a better society



Two Drydock Boston USA

Year-end report 2021

- Strong performance in 2021
 - Construction – solid performance across
 - Residential Development – strong profitability
 - Commercial Property Development – strong gains and sizeable starts
- Operating margin in Construction 3.8% (2.5)
- ROCE in Project Development 11.8% (12.2)
- Return on Equity 20.0% (26.0)
- Strong financial position
- Proposed dividend of SEK 10.00 (9.50) per share
 - Ordinary dividend SEK 7.00 (6.50) per share
 - Extra dividend SEK 3.00 (3.00) per share
- Carbon reduction 47% since 2015



Construction

- Revenue SEK 132.6 bn (140.5)
- Order bookings SEK 153.6 bn (149.8)
 - Book-to-build 116%
 - Order backlog SEK 207.0 bn (178.9)
- Operating income SEK 5,013 M (3,528)
 - Operating margin 3.8% (2.5)
 - Divestment in the UK and insurance surplus in Sweden impacting positively
- Profitability strong or improving in our business units



Residential Development

- Revenue SEK 14.4 bn (13.1)
 - 4,084 (3,991) homes sold
 - 4,363 (3,807) homes started
- Operating income SEK 1,980 M (1,543)
 - Operating margin 13.8% (11.8)
- ROCE 14.1% (12.8)
- High activity and strong profitability
- Focus on zoning to bring projects to the market
 - Sizeable level of project starts in Q4

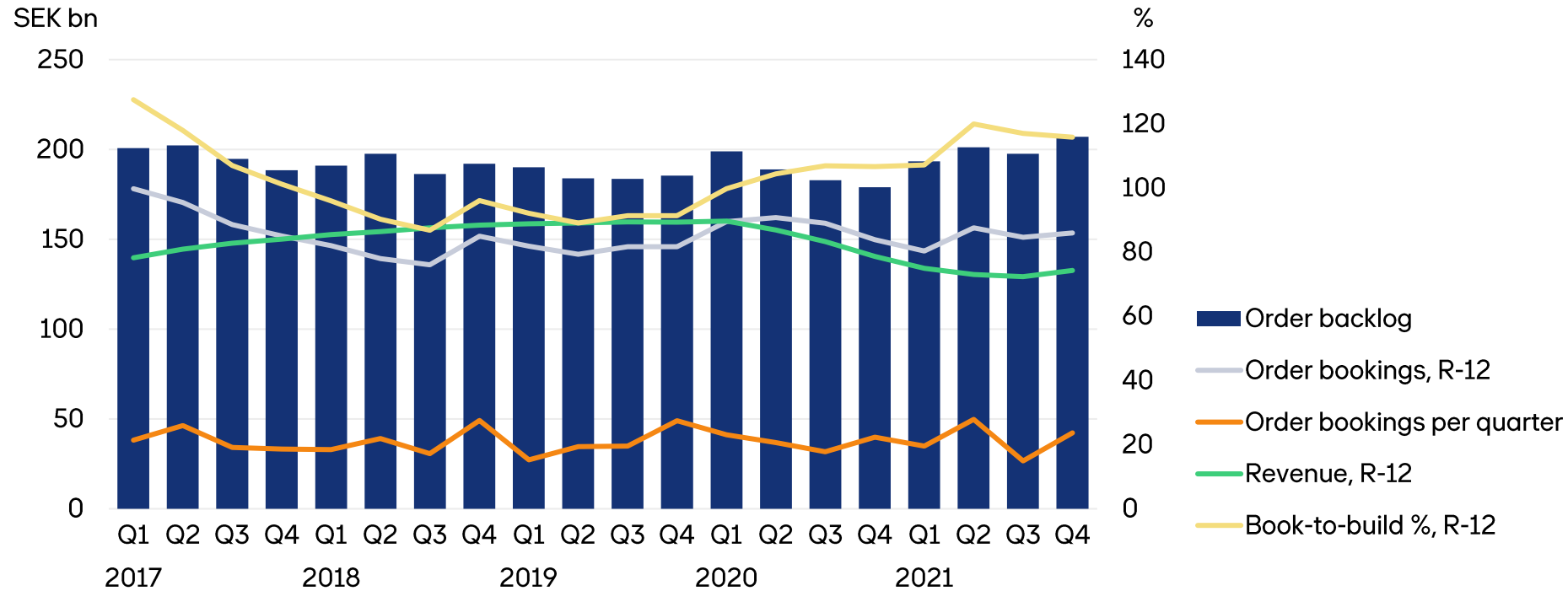


Commercial Property Development

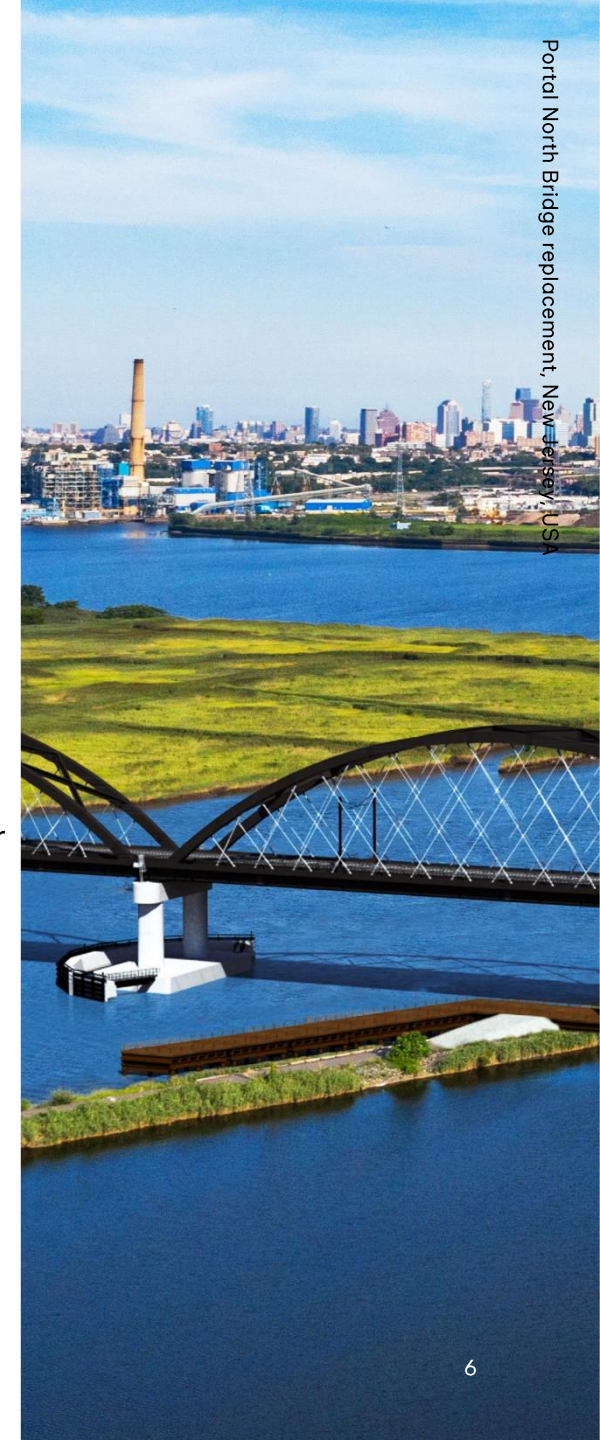
- Operating income SEK 3,264 M (3,897)
 - Gain on sale SEK 3,928 M (4,750)
- ROCE 10.8% (11.9)
 - 36 ongoing projects
 - SEK 26.0 bn total investment
 - 27% occupancy rate / 37% completion rate
- 21 projects started in 2021, total investment SEK 15.8 bn – highest ever
- Slow leasing market, but activity is picking up
 - 196,000 sq m leased (233,000)
- Solid property investor appetite



Construction Order bookings



SEK bn	Jan-Dec 2021	Jan-Dec 2020
Revenue	132.6	140.5
Order bookings	153.6	149.8
Order backlog	207.0	178.9



Construction

Order bookings

SEK bn	Jan-Dec 2021	Jan-Dec 2020	Book-to-build, %	Months of production
Nordics	60.4	59.3	108	15
of which Sweden	32.0	30.5	98	12
Europe	27.3	40.1	124	21
USA	65.9	50.4	120	20
Total	153.6	149.8	116	18

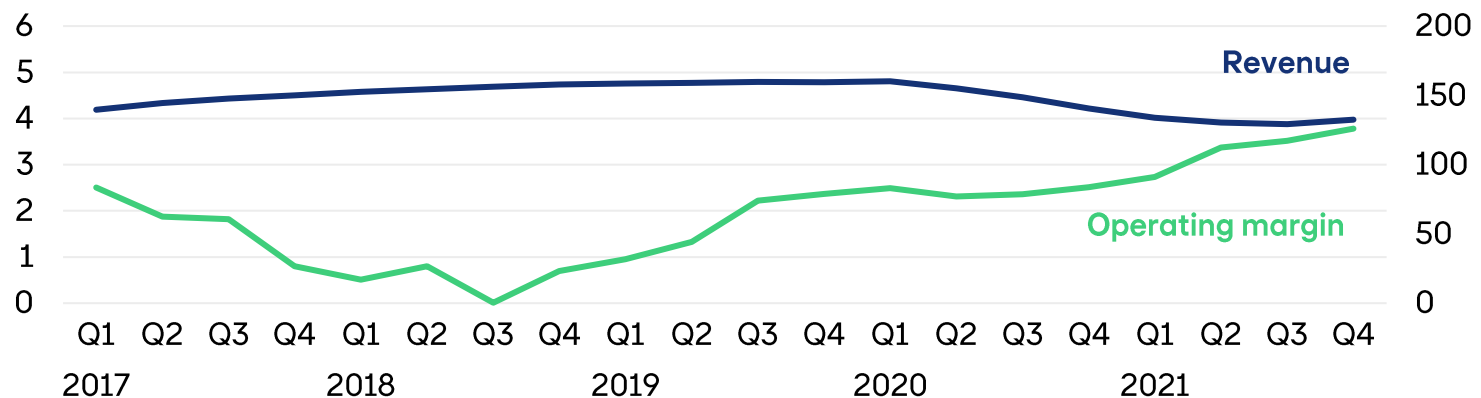


Portal North Bridge replacement, New Jersey, USA

Construction Income statement

Operating margin, R-12, %

Revenue, R-12, SEK bn



SEK bn	Jan-Dec 2021	Jan-Dec 2020
Revenue	132.6	140.5
Gross income	10.7	9.3
Selling and administrative expenses	-5.7	-5.9
Operating income	5.0	3.5
Gross margin, %	8.1	6.7
Selling and administrative expenses, %	-4.3	-4.2
Operating margin, %	3.8	2.5



Construction

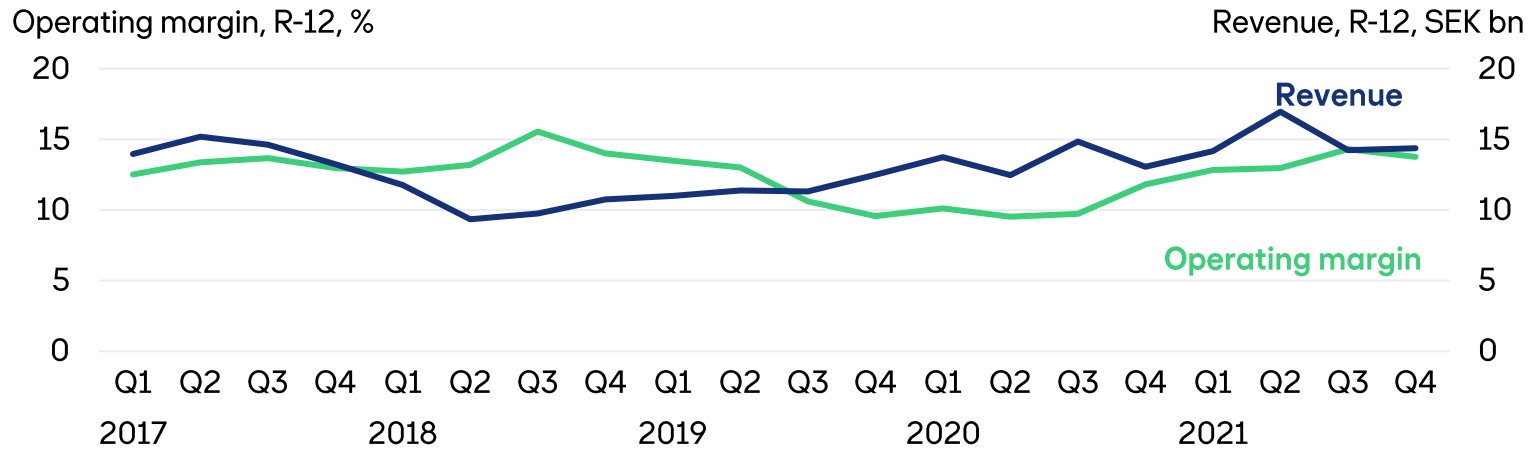
Income statement

	Operating income, SEK M		Operating margin, %	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Nordics	2,250	1,995	4.0	3.6
of which Sweden	1,328	1,072	4.1	3.2
Europe	1,100	314	5.0	1.3
USA	1,663	1,220	3.0	2.0
Total	5,013	3,528	3.8	2.5



Residential Development

Income statement, segment reporting



SEK bn	Jan-Dec 2021	Jan-Dec 2020
Revenue	14,377	13,070
Gross income	2,707	2,178
Selling and administrative expenses	-727	-634
Operating income	1,980	1,543
Gross margin, %	18.8	16.7
Selling and administrative expenses, %	-5.1	-4.9
Operating margin, %	13.8	11.8



Residential Development

Income statement

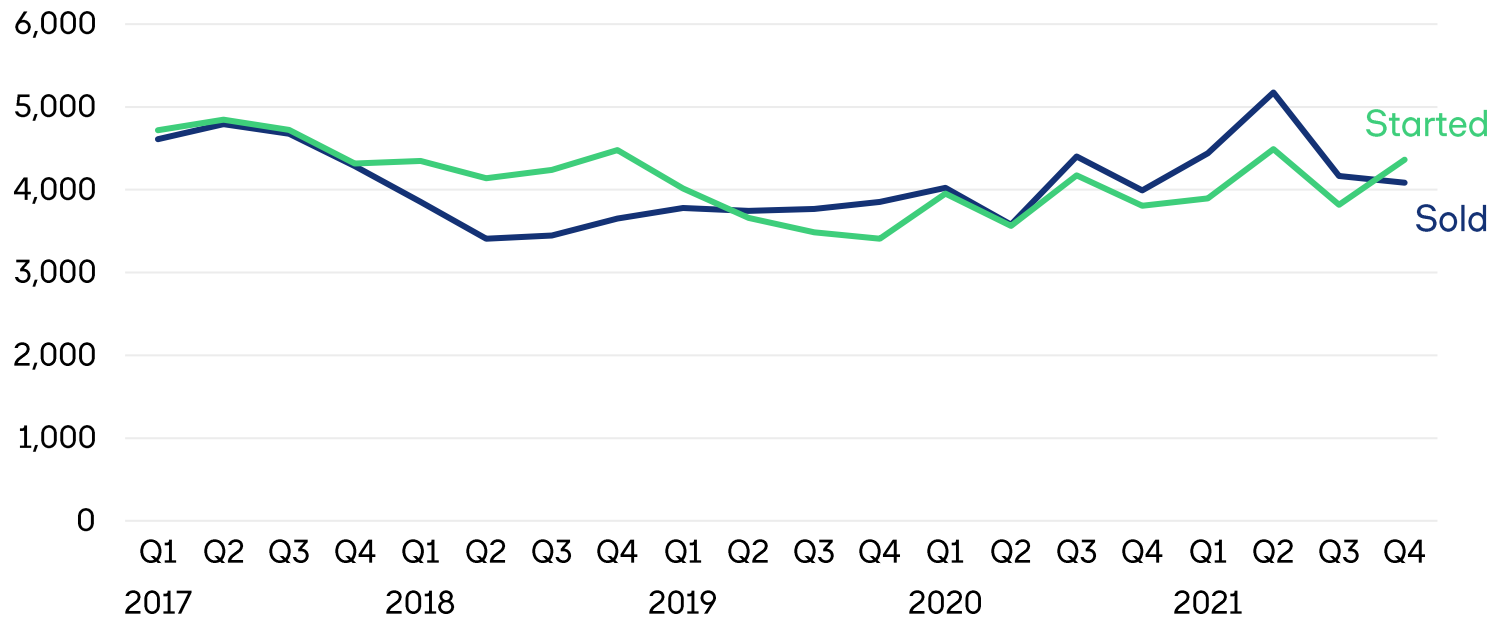
	Operating income, SEK M		Operating margin, %	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Nordics	1,623	1,345	13.0	11.6
of which Sweden	943	797	13.3	11.3
Europe	357	198	19.0	13.5
Total	1,980	1,543	13.8	11.8



Residential Development

Homes started and sold

Homes, R-12



Homes started

Homes sold

Jan-Dec 2021

Jan-Dec 2020

4,363

3,807

Jan-Dec 2021

Jan-Dec 2020

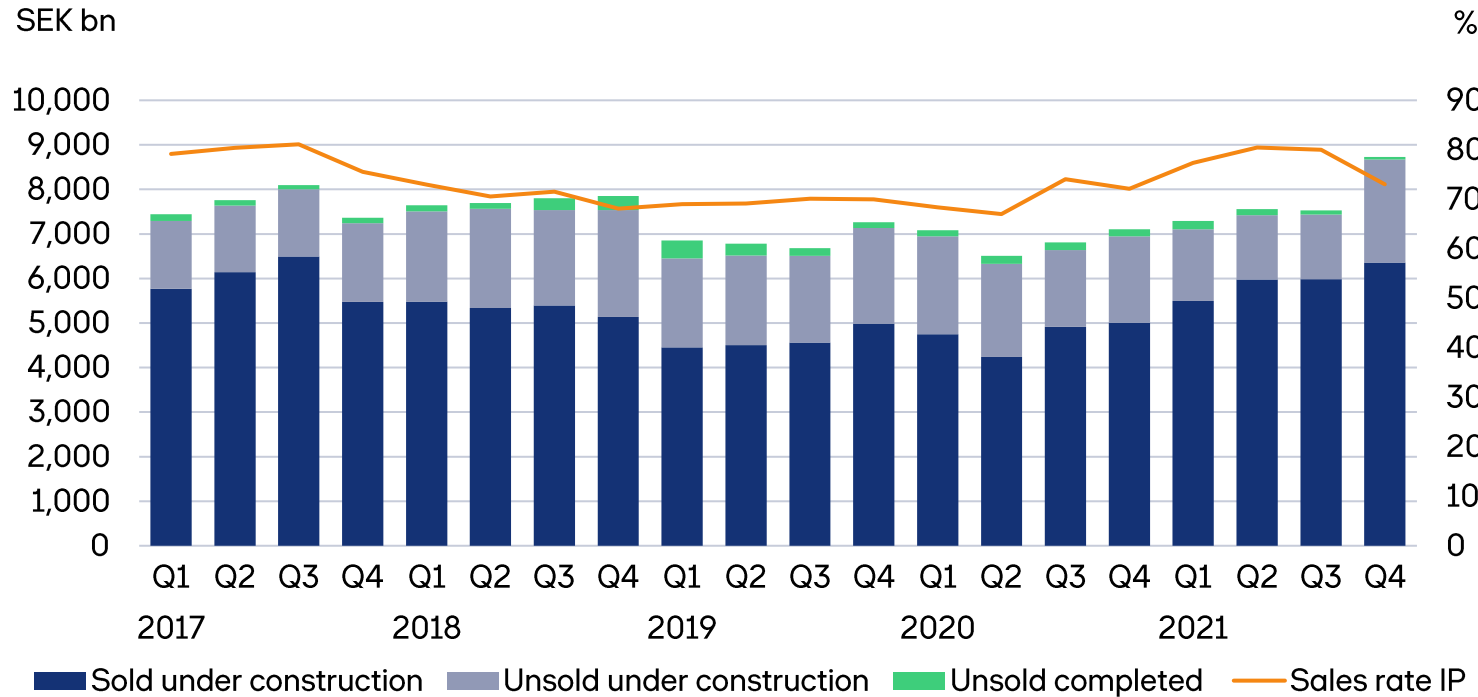
4,084

3,991



Residential Development

Homes in production



Homes in production		Of which sold, %		Unsold complete homes	
Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
8,673	6,948	73	72	57	154



Commercial Property Development

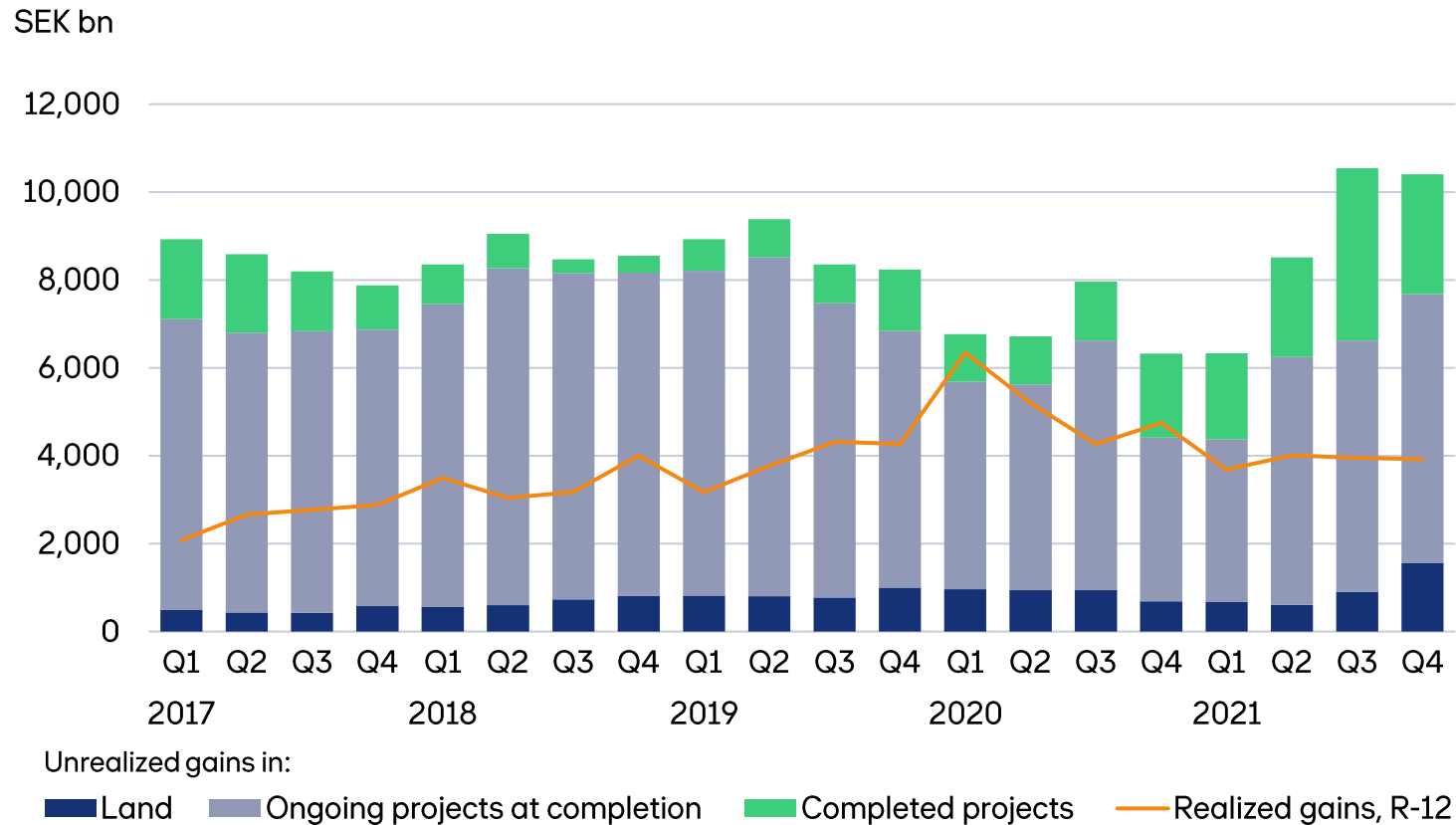
Income statement, segment reporting

SEK bn	Jan-Dec 2021	Jan-Dec 2020
Revenue	11,102	14,983
Gross income	3,955	4,701
Selling and administrative expenses	-784	-797
Income from JV's and associated companies	93	-8
Operating income	3,264	3,897
of which gains from divestments of properties	3,928	4,750
of which write downs/reversal of write downs	-170	-281
1 Additional gain included in eliminations	239	359



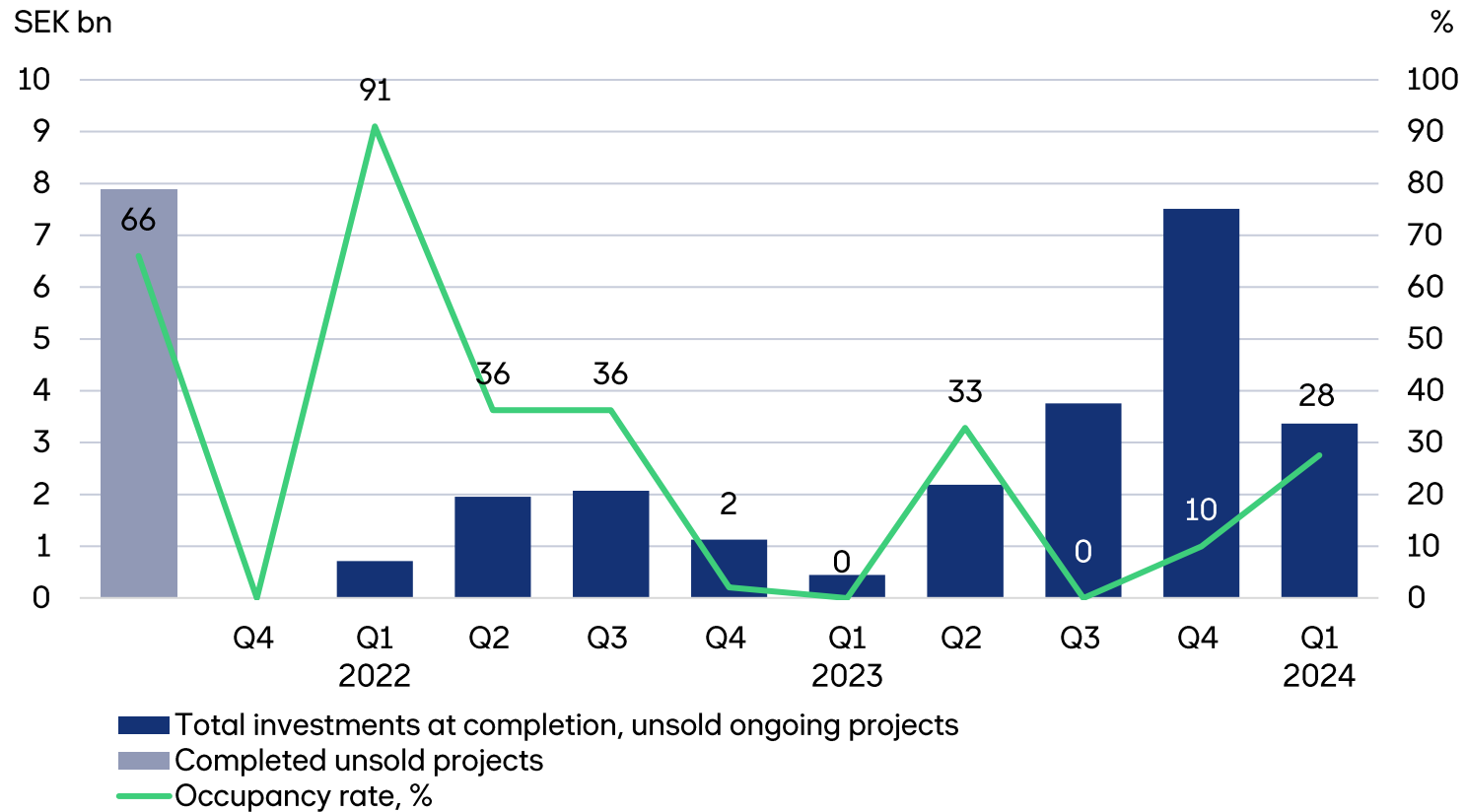
Commercial Property Development

Unrealized and realized gains, segment reporting

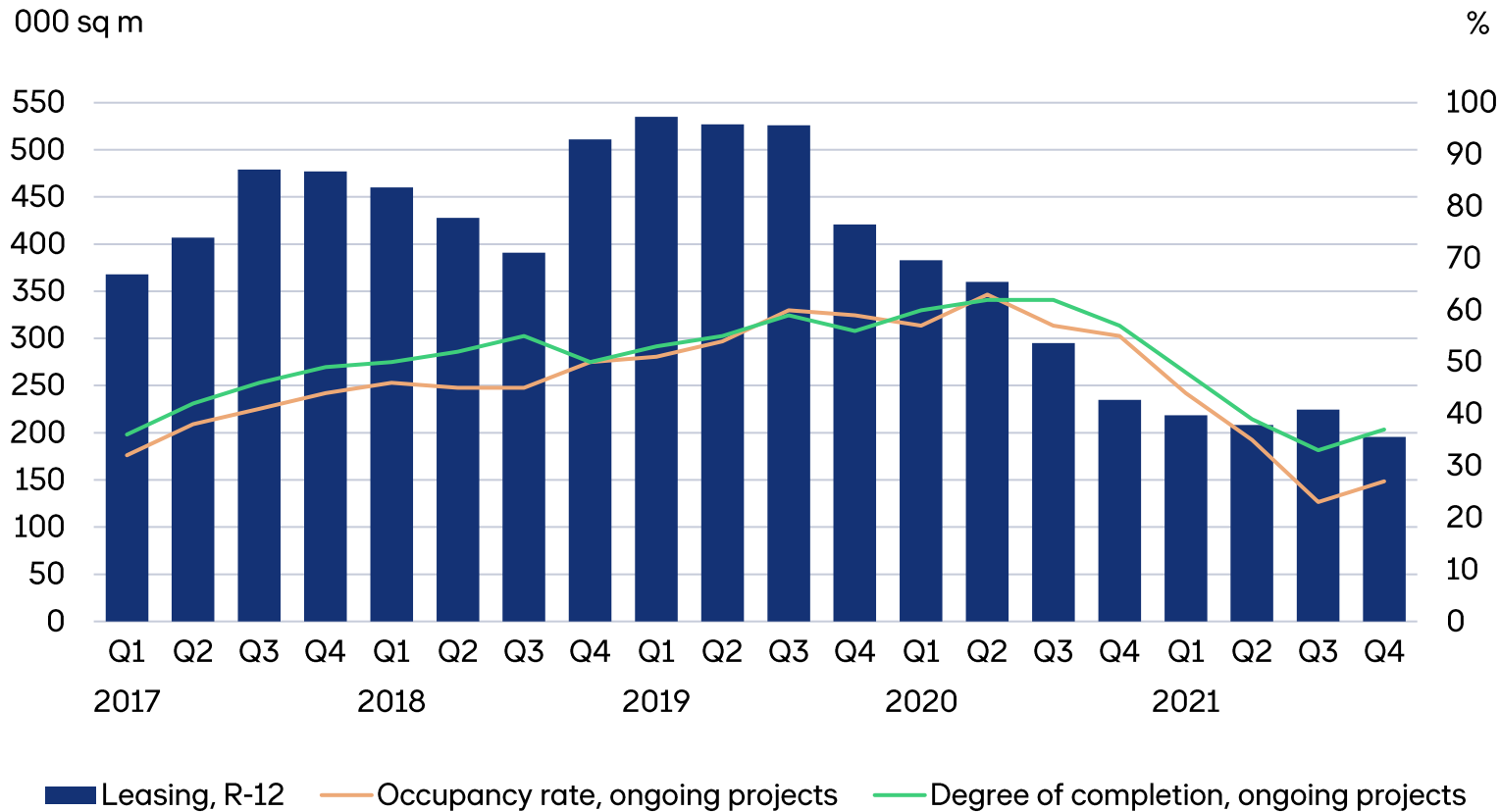


Commercial Property Development

Completion profile, unsold projects

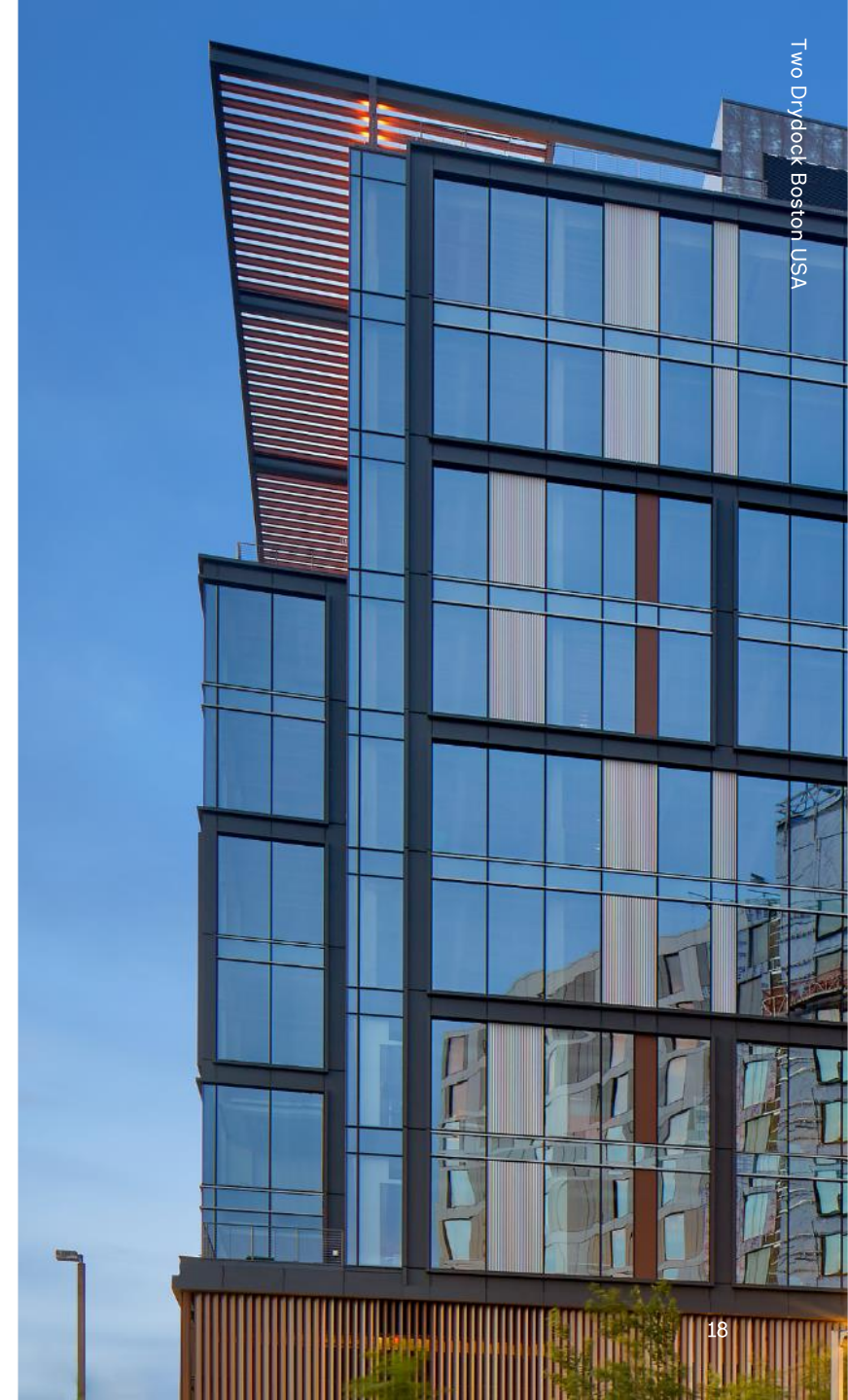


Commercial Property Development Leasing



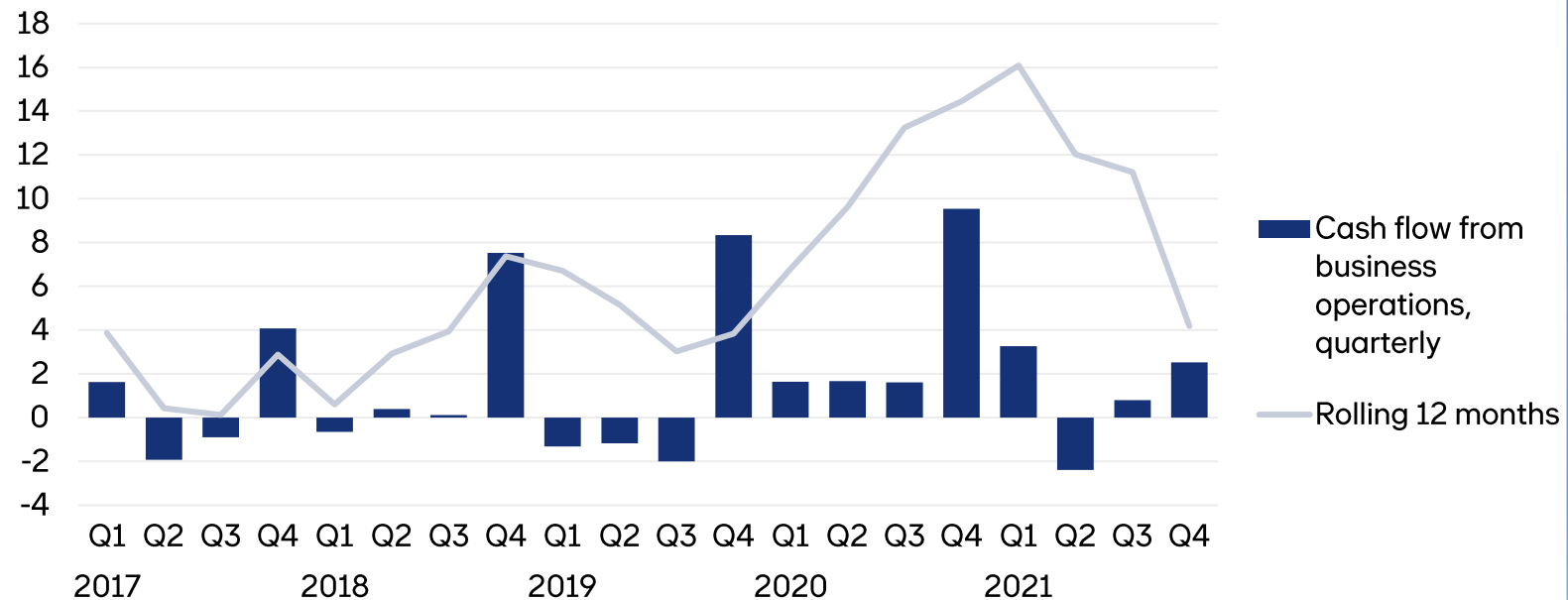
Group Income Statement

SEK m	Jan-Dec 2021	Jan-Dec 2020
Operating income from business streams	10,256	8,968
Central	-415	2,830
Eliminations	2	62
Operating income	9,832	11,860
Net financial items	-172	-236
Income after financial items	9,660	11,624
Taxes	-1,472	-2,349
Profit for the period	8,188	9,274
Earnings per share, SEK	19.80	22.46
Tax rate, %	15	20

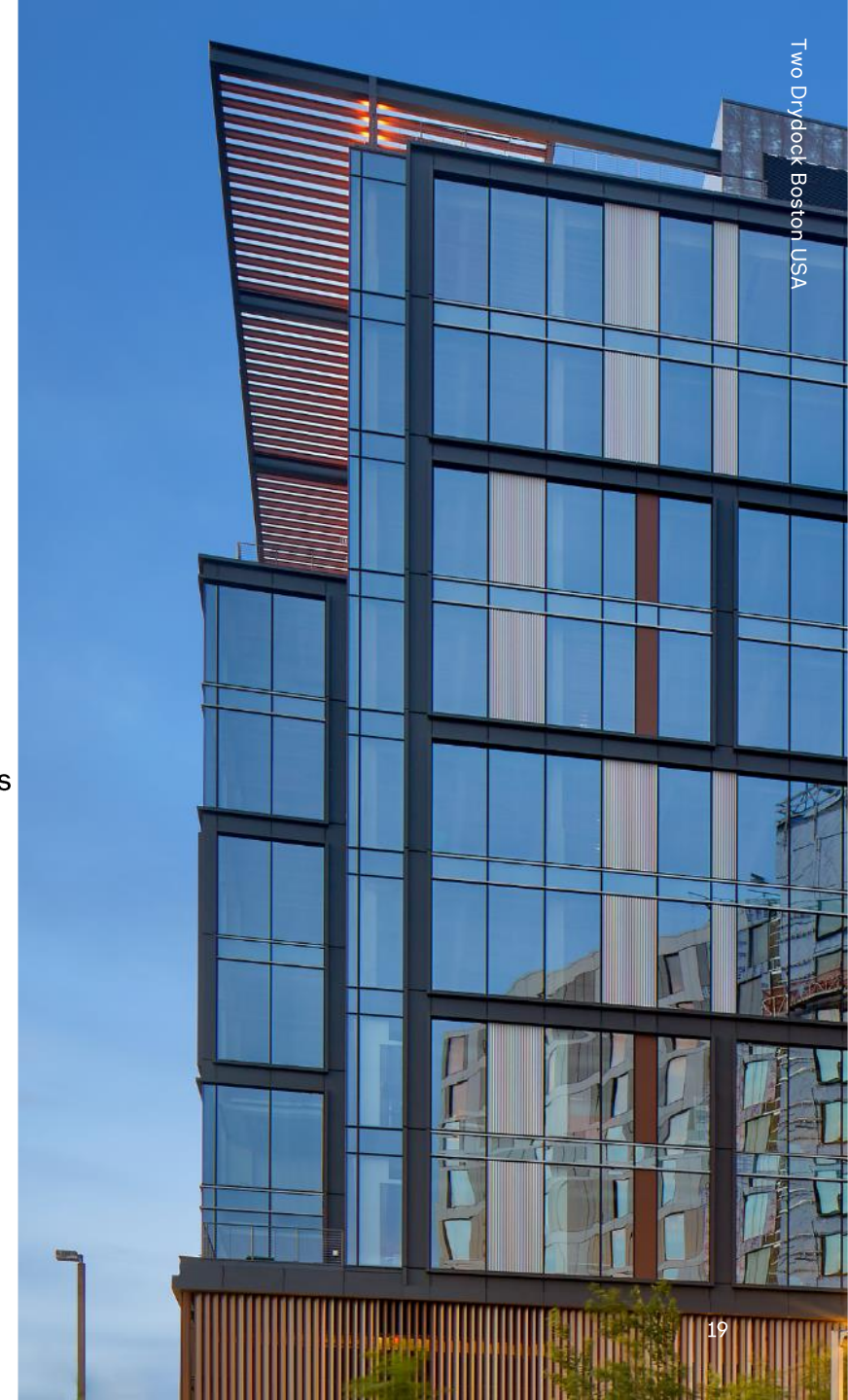


Group Cash flow

SEK bn

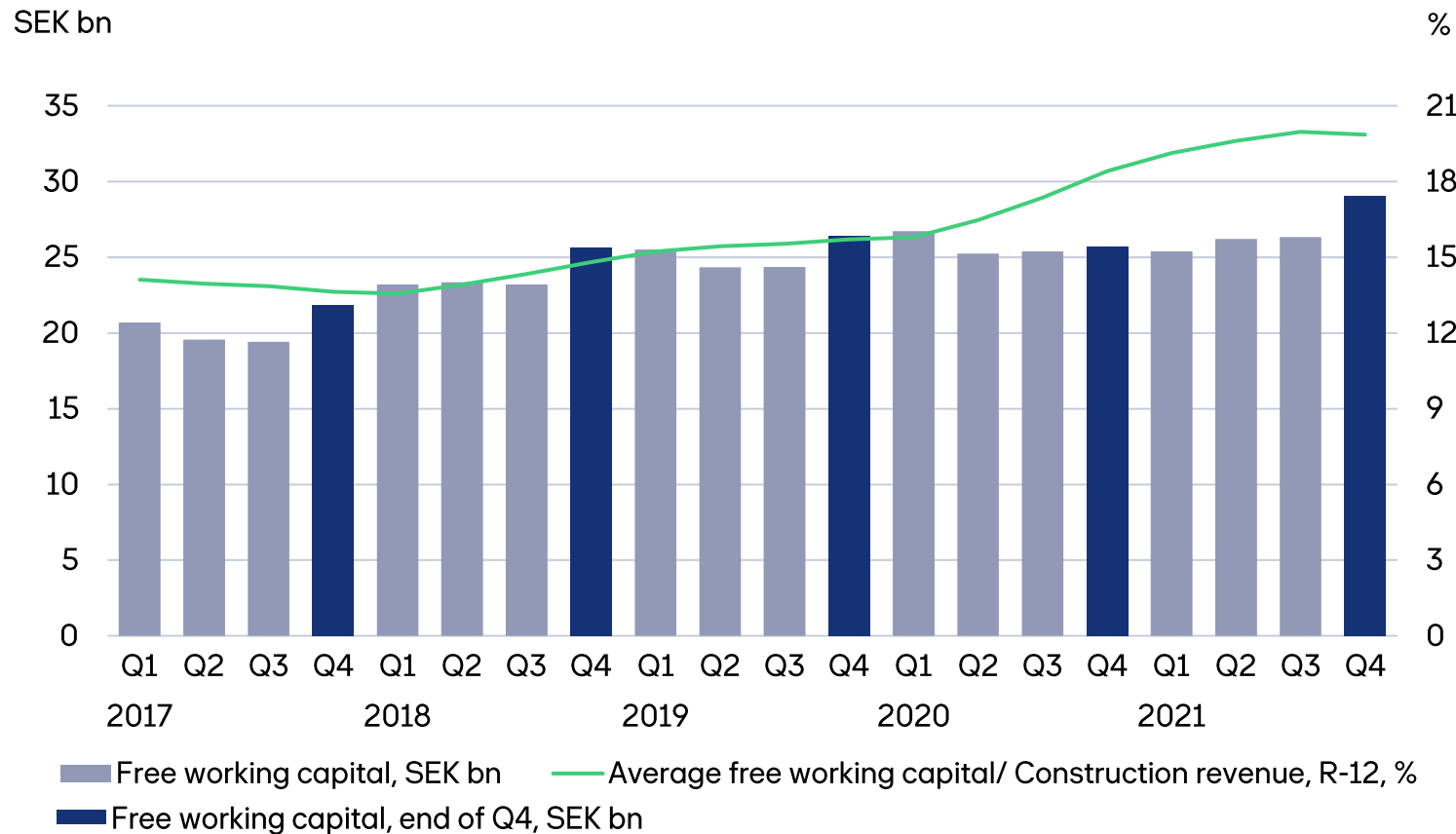


SEK bn	Jan-Dec 2021	Jan-Dec 2020
Operating cash flow from operations	4.2	14.4
Dividend and net strategic divestment	-3.4	-1.4
Cash flow before change in interest-bearing receivables and liabilities	0.7	13.0



Construction

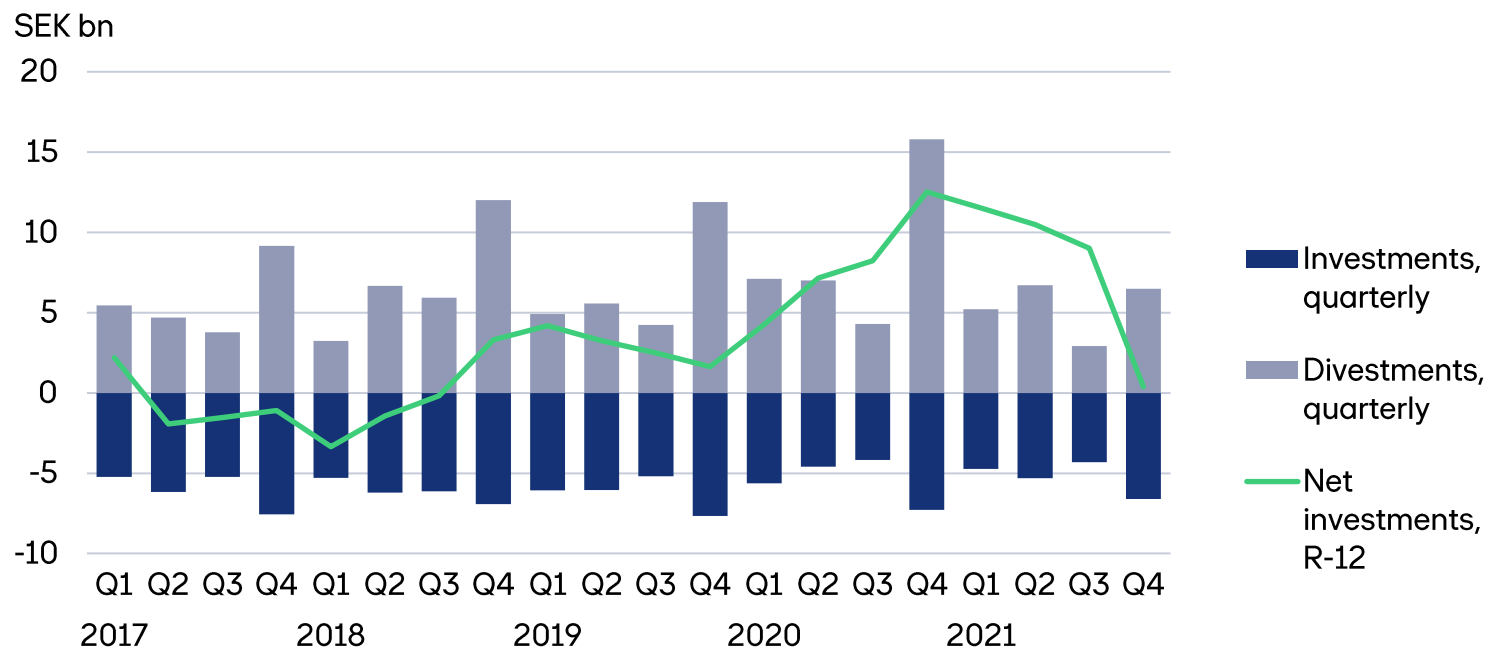
Free working capital



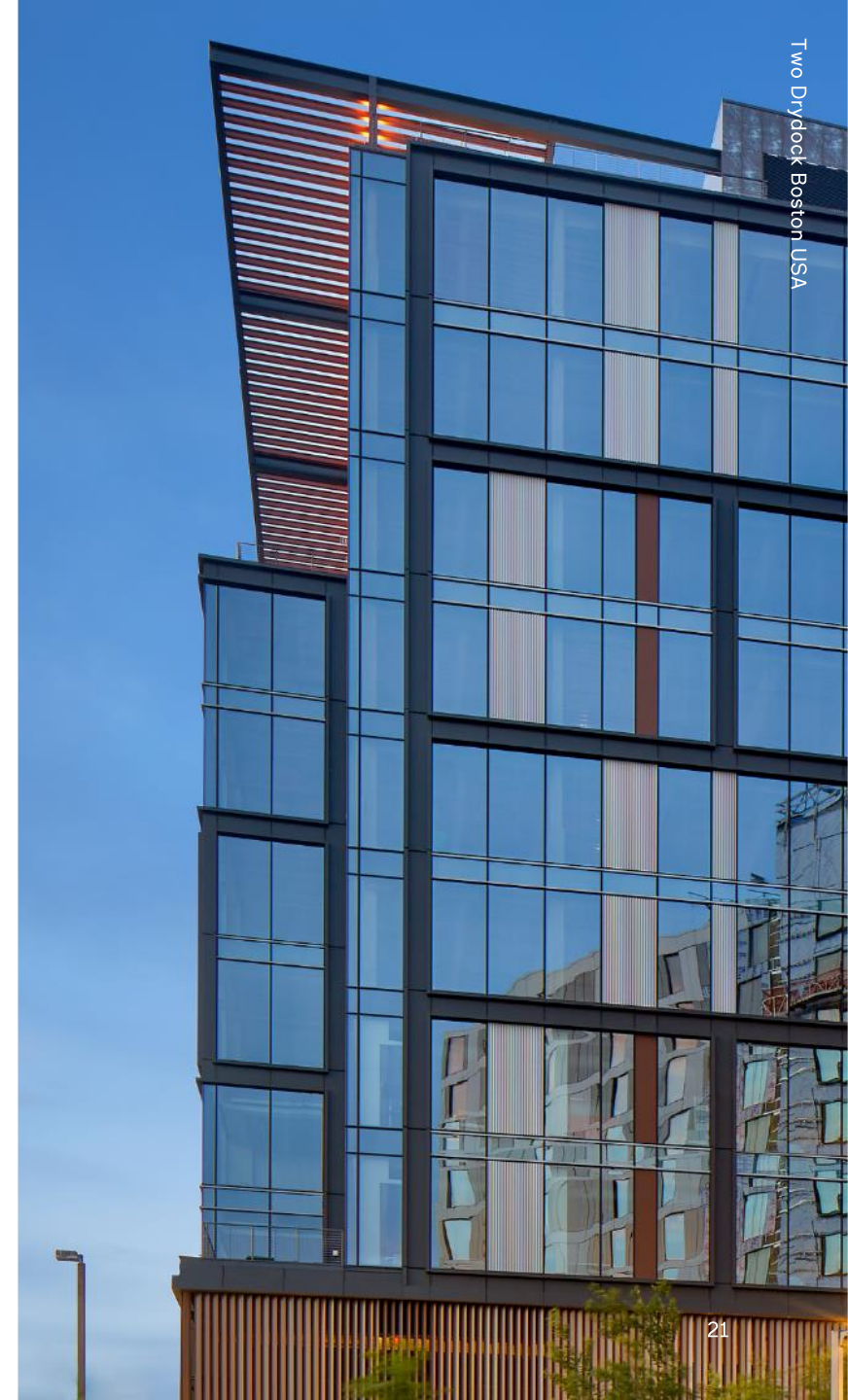
Portal North Bridge replacement, New Jersey, USA

Group

Investments, divestments and capital employed



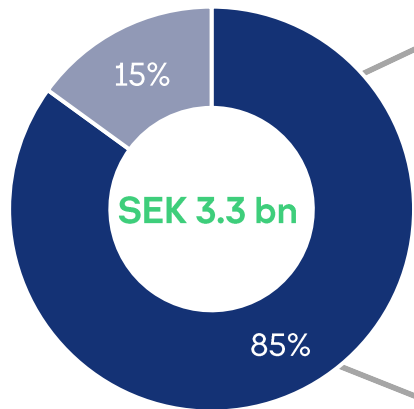
SEK bn	Jan-Dec 2021	Jan-Dec 2020
Capital employed in:		
Residential Development	14.4	13.6
Commercial Property Development	32.7	30.9
Total in Project Development	47.1	44.5



Group

Available funds: SEK 17.5 bn,
o/w unutilized credit facilities SEK 6.6 bn

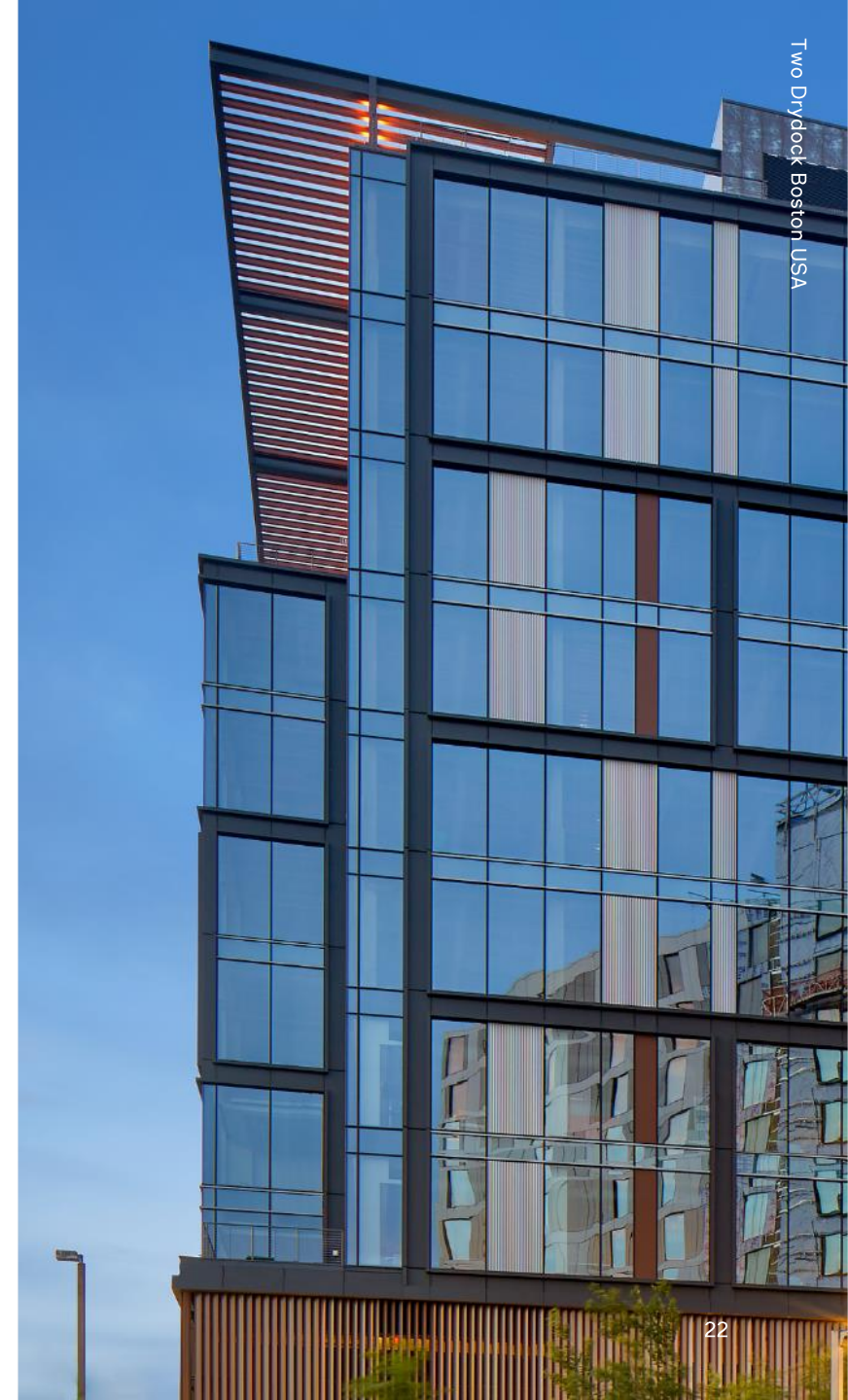
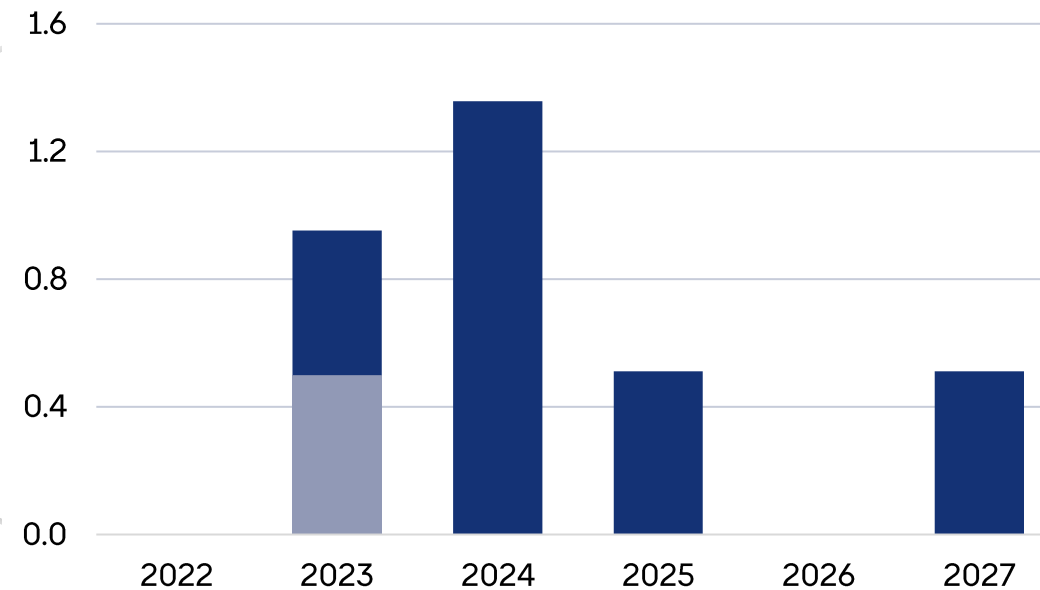
Central funding



- Green bilateral loan
- Green bonds

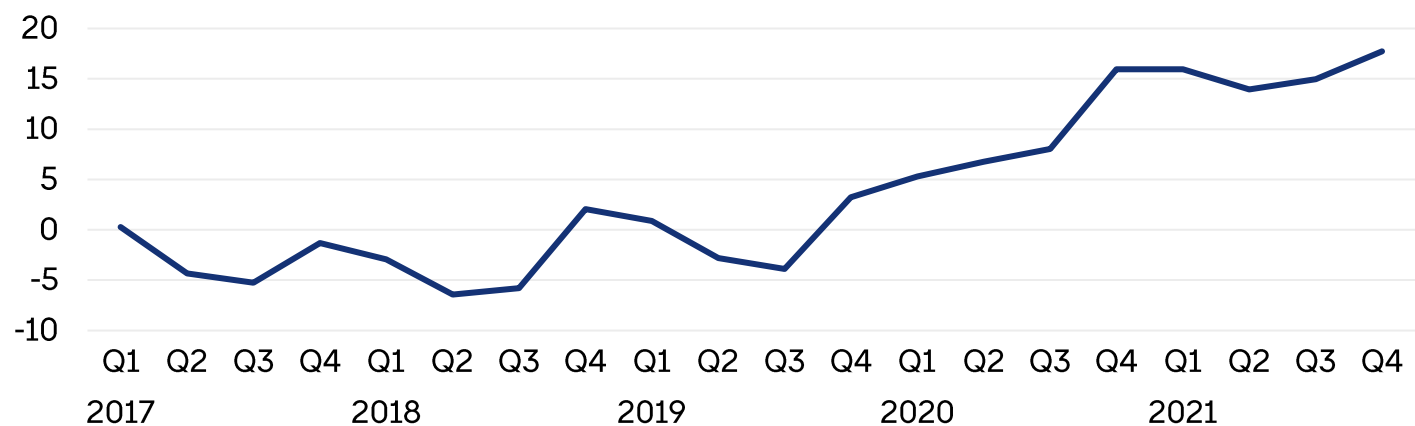
SEK bn

Maturity profile



Group Financial position

Adjusted interest-bearing net receivables (+)/net debt (-), SEK bn



SEK bn	Jan-Dec 2021	Jan-Dec 2020
Total assets	139.0	125.6
Equity attributable to equity holders	45.8	38.7
Interest-bearing net receivables (+)/net debt (-)	12.6	7.3
Adj. interest-bearing net receivables (+)/net debt (-)	17.7	16.0
Capital employed, closing balance	66.7	61.1
Equity/assets ratio, %	32.9	30.8

Market outlook



Construction

- Pandemic impact still present, activity is increasing in our markets
- Price increases on certain materials and bottlenecks in the supply chain
- Ambitious investment plans under development in many of our markets, but lead-times are expected to be long



Residential Development

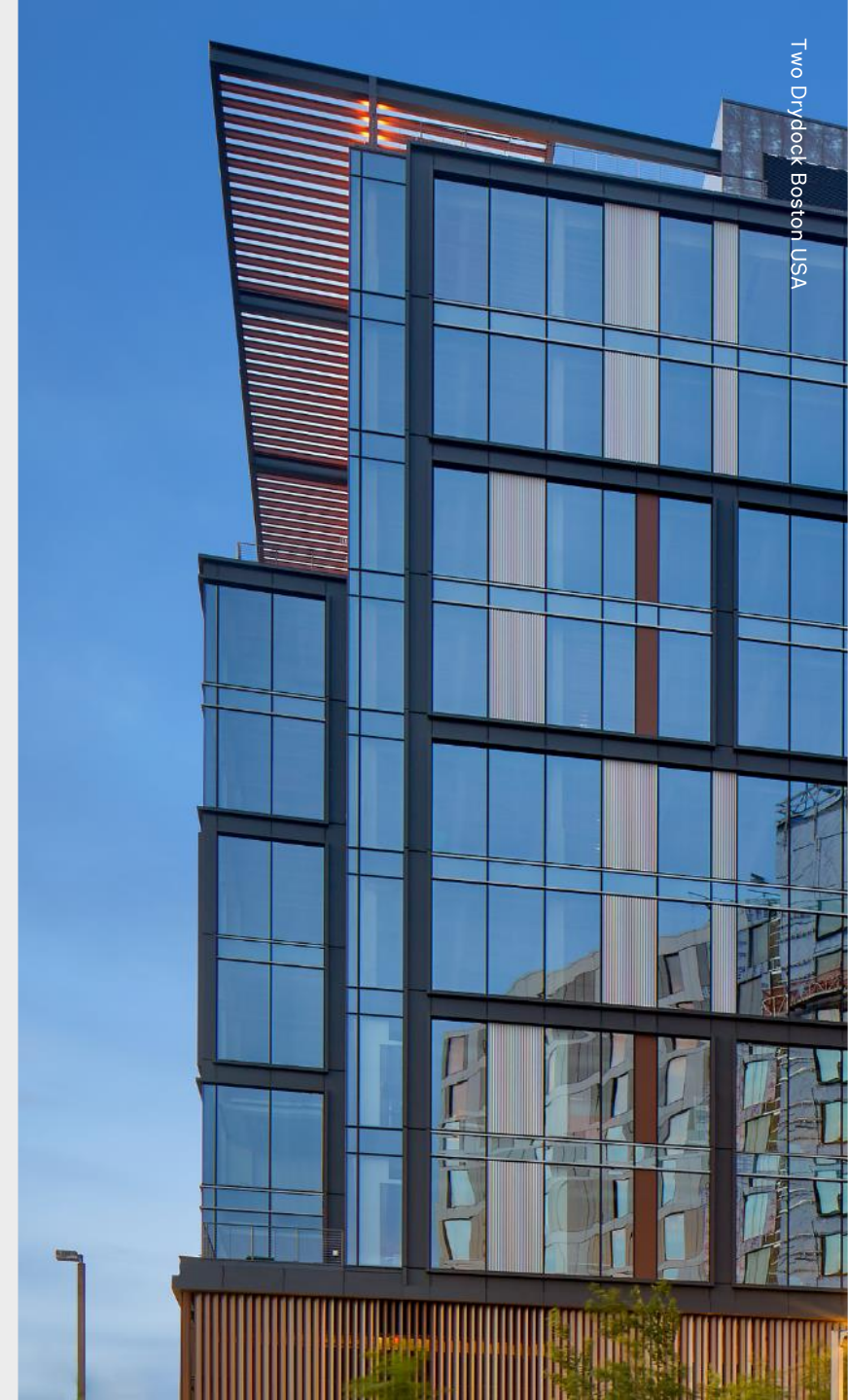
- Shortage of homes in the housing market - activity increasing
- Risk of rising unemployment levels and/or interest rate levels could impact demand negatively



Commercial Property Development

- Investor appetite solid
- Tenants still hesitant - activity picking up

Outlook compared to previous quarter ● Weaker ● Unchanged ● Improved



Group Summary

- Strong fourth quarter and robust full year performance
 - Construction – solid performance across our operations
 - Residential Development – strong profitability
 - Commercial Property Development – strong gains and starts
- Robust financial position
- Strategic direction:
 - Improve profitability and grow responsibly in Construction
 - Leading residential developer
 - Grow Commercial Property Development
 - Build up Investment Properties portfolio

