

SKANSKA

# Q4 2021

Press release, February 3, 2022, 7:30 a.m. CET

We build for a better society.

Two Drydock, Boston, USA



# Year-end report, January–December 2021

## Highlights according to segment reporting

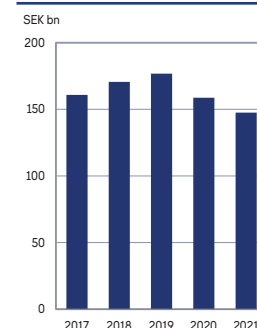
- Revenue amounted to SEK 147.6 billion (158.6); adjusted for currency effects revenue decreased 4 percent.
- Operating income amounted to SEK 9.8 billion (11.9). Operating income excluding activities related to the PPP-portfolio increased 18 percent and amounted to SEK 9.6 billion (8.1).
- Earnings per share amounted to SEK 19.80 (22.46).
- The Board of Directors propose a dividend of SEK 10.00 (9.50) per share, of which SEK 7.00 (6.50) per share as ordinary dividend and SEK 3.00 (3.00) per share as extra dividend.
- Operating cash flow from operations amounted to SEK 4.2 billion (14.5), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 17.7 billion (September 30, 2021: 15.0), according to IFRS.
- Order bookings in Construction amounted to SEK 153.6 billion (149.8); adjusted for currency effects order bookings increased 6 percent. The order backlog amounted to SEK 207.0 billion (September 30, 2021: 197.6).
- Operating income in Construction amounted to SEK 5.0 billion (3.5), representing an operating margin of 3.8 percent (2.5).
- Operating income in Project Development amounted to SEK 5.2 billion (5.4).
- Return on capital employed in Project Development was 11.8 percent (12.2).
- Return on equity was 20.0 percent (26.0).

## Performance Analysis

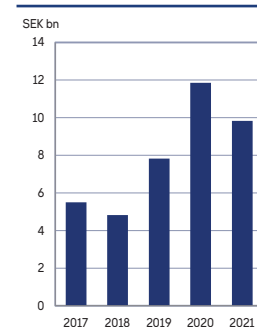
Tables referring to segment reporting are in shaded background. For more information see page 14.  
For definitions of non-IFRS financial measures see pages 15-17.

SEKM	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
<b>Revenue</b>						
Construction	132,587	140,483	-6	37,618	34,189	10
Residential Development	14,377	13,070	10	3,645	3,506	4
Commercial Property Development	11,102	14,983	-26	6,699	8,746	-23
Central and Eliminations	-10,490	-9,931	6	-3,596	-2,441	47
<b>Total</b>	<b>147,576</b>	<b>158,606</b>	<b>-7</b>	<b>44,365</b>	<b>44,000</b>	<b>1</b>
<b>Operating income</b>						
Construction	5,013	3,528	42	1,585	1,113	42
Residential Development	1,980	1,543	28	419	475	-12
Commercial Property Development	3,264	3,897	-16	1,723	1,692	2
Central	-415	2,830	-	-189	3,170	-
Eliminations	-9	62	-	88	138	-36
<b>Operating income</b>	<b>9,832</b>	<b>11,860</b>	<b>-17</b>	<b>3,627</b>	<b>6,588</b>	<b>-45</b>
<b>Net financial items</b>	<b>-172</b>	<b>-236</b>	<b>-27</b>	<b>-64</b>	<b>-59</b>	<b>10</b>
<b>Income after financial items</b>	<b>9,660</b>	<b>11,624</b>	<b>-17</b>	<b>3,562</b>	<b>6,529</b>	<b>-45</b>
Taxes	-1,472	-2,349	-37	-484	-1,428	-66
<b>Profit for the period</b>	<b>8,188</b>	<b>9,274</b>	<b>-12</b>	<b>3,079</b>	<b>5,101</b>	<b>-40</b>
Earnings for the period per share, SEK	19.80	22.46	-12	7.45	12.37	-40
Revenue for the period according to IFRSs	143,865	160,344	-10	41,114	42,625	-4
Operating income for the period according to IFRSs	8,293	12,633	-34	2,612	6,403	-59
Earnings for the period per share according to IFRSs, SEK	16.64	23.97	-31	5.36	11.97	-55
Operating cash flow from operations	4,185	14,450	-71	2,516	9,544	-74
Interest-bearing net receivables(+)/net debt(-)	12,598	7,280	73	12,598	7,280	73
Return on capital employed in Project Development, %	11.8	12.2				
Adjusted interest-bearing net receivables(+)/net debt(-)	17,719	15,962	11			
Return on equity, %	20.0	26.0				

## Revenue



## Operating income

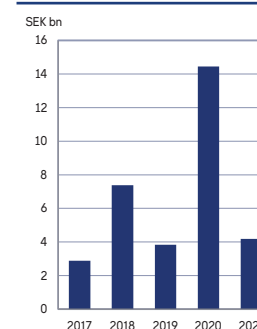


## Operating income per segment Dec 31, 2021



- Construction, 49%
- Residential Development, 19%
- Commercial Property Development, 32%

## Operating cash flow from operations



## Showing strength in times of uncertainty

We ended 2021 with a strong fourth quarter, especially in our Construction and Commercial Property Development operations where profitability was solid. Looking at the full year 2021, all Construction units showed strength, Residential Development increased both volumes and profitability in all our markets, and Commercial Property Development started high-quality developments at record levels and realized attractive gains.

During the fourth quarter, we took additional steps forward on our journey to eliminate carbon emissions across our business and value chain. Our climate target is now scientifically validated by the Science Based Targets Initiative to be in line with the most stringent limits of the Paris Agreement. By 2030, we aim to reduce our own carbon emissions by 70 percent and reach net-zero across our value chain by 2045. To date we have reduced our own carbon footprint by 47 percent since 2015.

In Construction, revenue was negatively impacted by lagging effects from the pandemic. Market activity picked up gradually during the year and order bookings increased. The higher market activity coupled with low material supply and bottlenecks in the supply chain has led to price increases. With our selective approach, strong commercial management and local expertise, we have been successful in managing these challenges. As a result, the profitability continued to improve across our operations.

In Residential Development, our project performance remains solid with strong profitability and increased revenue. In the fourth quarter, the number of started homes increased significantly. This is very welcomed as the demand remains solid, and our sales rate is high in the ongoing production. We continuously develop our landbank to bring even more profitable, sustainable and energy efficient projects to the market.

In Commercial Property Development, divestment volumes and gains were strong in the fourth quarter. The business stream delivered yet another strong year of development gains and a record high level of new development starts. The investor appetite remains strong, especially when it comes to high quality developments with ambitious environmental standards in the right locations. The leasing market is still relatively muted, but leasing activity clearly picked up during the fourth quarter as a result of reduced pandemic restrictions. The reinstatement of restrictions due to the recent increase in virus infection rates has resulted in a slowing of recovery.



During the year, we further developed our strategy and at year-end, we launched a strategic direction that builds on the path we are on. With our strong financial position and clear organizational structure, we will continue to expand our Commercial Property Development operations, be a leading residential developer and further improve profitability with responsible growth in our Construction operations. In 2022, we will introduce a new business stream within the Group, Investment Properties. It will further strengthen our commercial foundation through additional value creation and durable cash flow by building up a portfolio of Swedish office properties over time.

I am proud of everything we have achieved this year amidst a changing landscape. This would not have been possible without the support and contribution of our teams, partners, customers and shareholders. With a solid financial position, stability and clear potential in all our business streams, we have a good platform for consistent growth. This will enable us to continue to provide industry leading shareholder return.

### Anders Danielsson

President and Chief Executive Officer



#### Two Drydock, Boston, USA

Two Drydock is a 13-story, 21,800-square-meter, Class-A, office building developed by Skanska which holds LEED Gold and Fitwel certifications. The office tenants of Two Drydock are a diverse group of pioneering companies. Lord Hobo Brewing Company and Render Coffee have entered into agreements to occupy the ground floor retail space, completing Skanska's vision for a dynamic, open-concept lobby experience, adding value for the surrounding community. Two Drydock, which broke ground in June 2018, represents Skanska's sixth commercial development in Boston and fourth development in the Seaport.

# Market outlook, next 12 months

- 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 negative impact from the pandemic is still present in our markets but the activity is picking up as uncertainty is starting to decrease. Price increases on certain materials and bottlenecks in the supply chain can be seen across our markets. Non-residential construction has been impacted the most by the pandemic but is slightly improving while residential construction is stable. The public spending into social infrastructure and infrastructure is keeping up relatively well, even though some decisions are being postponed. Funding could be a challenge as public budgets are decreasing due to lower tax revenue and being consumed to fight the pandemic and to stimulate the economies. At the same time, ambitious investment plans are under development in many of our markets, but lead-times are expected to be long.

	Building, non-residential	Building, residential	Civil
<b>↕ Nordics</b>			
Sweden	↔	↔	↔
Norway	↔	↔	↔
Finland	↔	↔	↔
<b>↕ Europe</b>			
Poland	↘	↗	↔
Czech Republic <sup>1</sup>	↘	↗	↔
United Kingdom	↔	—	↔
<b>↕ USA</b>			
USA	↔	—	↔

<sup>1</sup>Including Slovakia.

## Residential Development

Low interest rate policies to support a recovery in the economies are improving affordability which strengthens the consumer confidence. The housing market is experiencing a shortage of homes as new developments have been lagging the demand, even though activity among developers is increasing. The risk of higher unemployment and/or interest rate levels could potentially impact demand negatively. To some extent, a structural shortage of housing in many of our markets could mitigate that situation.

<b>↕ Nordics</b>	
Sweden	↔
Norway	↔
Finland	↔
<b>↕ Europe</b>	



Residential development, Helsinki, Finland

## Commercial Property Development

The uncertainty following the pandemic has impacted market activity, pushing some development starts forward and turning investor interest to lower risk investments. Investor appetite for high quality developments is expected to be solid at about current yield levels supported by stable credit market and good availability to capital. The leasing market is still relatively hesitant, but leasing activity picked up as pandemic restrictions was halted. The reinstatement of restrictions due to the recent increase in virus infection rates is however for the time being slowing the recovery somewhat.

<b>↕ Nordics</b>	
Sweden	↘
Norway	↘
Finland	↘
Denmark	↘
<b>↕ Europe</b>	
Poland	↘
Czech Republic	↘
Hungary	↘
Romania	↘
<b>↕ USA</b>	



OZMA, Washington, DC, USA

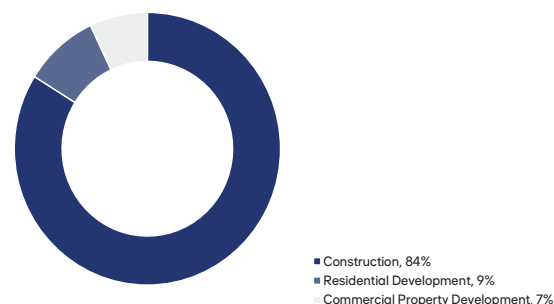
## Performance analysis

### Group

#### Revenue and operating income, rolling 12 months



#### Revenue per segment, January–December 2021



#### Revenue and earnings

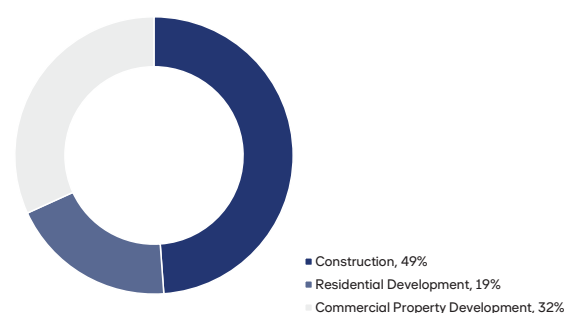
SEK M	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
Revenue	147,576	158,606	-7	44,365	44,000	1
Operating income <sup>1,2</sup>	9,832	11,860	-17	3,627	6,588	-45
Net financial items	-172	-236	-27	-64	-59	10
<b>Income after financial items</b>	<b>9,660</b>	<b>11,624</b>	<b>-17</b>	<b>3,562</b>	<b>6,529</b>	<b>-45</b>
Taxes	-1,472	-2,349	-37	-484	-1,428	-66
<b>Profit for the period</b>	<b>8,188</b>	<b>9,274</b>	<b>-12</b>	<b>3,079</b>	<b>5,101</b>	<b>-40</b>
Earnings for the period per share, SEK <sup>3</sup>	19.80	22.46	-12	7.45	12.37	-40
Earnings for the period per share according to IFRSs, SEK <sup>3</sup>	16.64	23.97	-31	5.36	11.97	-55

1 Central, SEK -415 M (2,830).

2 Eliminations, SEK -9 M (62).

3 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

#### Operating income per segment, January–December 2021



#### Changes and currency rate effects

	Jan-Dec 2021 / Jan-Dec 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-7%	-4%	-3%
Operating income	-17%	-15%	-2%

Revenue decreased 7 percent and amounted to SEK 147.6 billion (158.6); adjusted for currency effects revenue decreased 4 percent. Operating income decreased 17 percent and amounted to SEK 9,832 M (11,860); adjusted for currency effects operating income decreased 15 percent. Operating income includes gain from the divestment of the infrastructure services business in the UK Construction operations during the second quarter. In the comparable period, excluding Central stream, operating income was positively impacted by the divestment of the Solna United project during the first quarter and the 2+U project during the fourth quarter within Commercial Property Development.

Central stream totaled SEK -415 M (2,830). SEK 230 M (3,734) relate to the PPP-portfolio, where the divestment of the 50 percent ownership stake in the Elizabeth River Crossings in Virginia, USA, had a positive effect in the comparable period.

Excluding activities related to the PPP-portfolio operating income for the Group amounted to SEK 9.6 billion (8.1), an increase by 18 percent.

The elimination of gains in Intra-Group projects amounted to SEK -9 M (62).

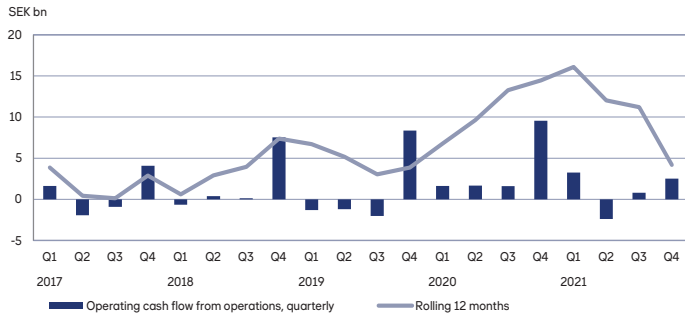
Net financial items amounted to SEK -172 M (-236).

Taxes for the period amounted to SEK -1,472 M (-2,349), corresponding to an effective tax rate of 15 percent (20).

## Cash flow

### Group

#### Operating cash flow from operations



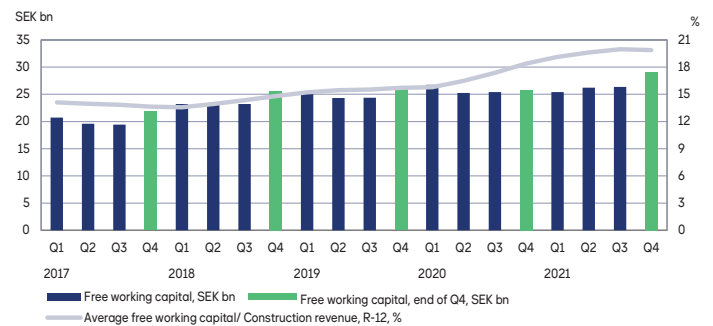
Operating cash flow from operations amounted to SEK 4,185 M (14,450), where lower net divestments in Project Development and taxes paid in business operations are the main reasons for the change in cash flow.

Taxes paid in business operations amounted to SEK –3,861 M (–1,481). The increase is mainly related to taxes paid on divestment gains realized in USA late 2020. Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 6.2 billion during 2022 and 2023.

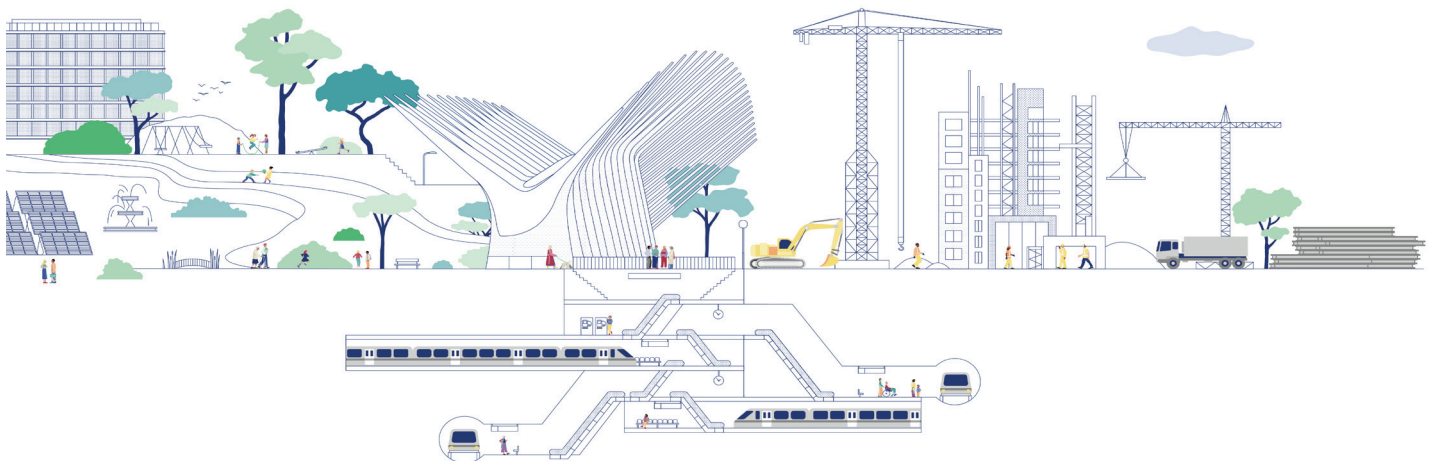
#### Operating cash flow

SEKM	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
Cash flow from business operations	5,314	4,104	29	1,370	520	163
Change in working capital	3,986	607	556	2,712	1,098	147
Net divestments(+)/ investments(-)	-345	12,508	-	-119	8,499	-
Cash flow adjustment	-23	-355	-94	-165	-61	171
<b>Cash flow from business operations before taxes paid</b>	<b>8,931</b>	<b>16,865</b>	<b>-47</b>	<b>3,798</b>	<b>10,056</b>	<b>-62</b>
Taxes paid in business operations	-3,861	-1,481	161	-1,085	-392	177
Cash flow from financing operations	-885	-934	-5	-197	-120	63
<b>Operating cash flow from operations</b>	<b>4,185</b>	<b>14,450</b>	<b>-71</b>	<b>2,516</b>	<b>9,544</b>	<b>-74</b>
Net strategic divestments(+)/ investments(-)	732	0	-	4	0	-
Dividend etc.	-4,172	-1,443	189	-63	-1,374	-95
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>745</b>	<b>13,007</b>	<b>-94</b>	<b>2,458</b>	<b>8,170</b>	<b>-70</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-9,729	-1,335	629	-2,593	-2,782	-7
<b>Cash flow for the period</b>	<b>-8,984</b>	<b>11,672</b>	<b>-</b>	<b>-135</b>	<b>5,388</b>	<b>-</b>

#### Free working capital in Construction



Free working capital in Construction amounted to SEK 29.1 billion (25.7). The average free working capital in relation to Construction revenue in the past 12 months was 19.9 percent, partly driven by lower volumes. Free working capital in Construction remained at a good level due to favorable cash flow profiles in several projects and continued focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK 1,787 M (1,382).



## Financial position

### Adjusted interest-bearing net receivables(+)/net debt(-)



### Balance sheet - Summary

SEK bn	Dec 31, 2021	Dec 31, 2020
Total assets	139.0	125.6
Total equity	45.8	38.7
Interest-bearing net receivables (+)/net debt (-)	12.6	7.3
Adjusted 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

### Change in net interest-bearing receivables and liabilities

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Opening balance interest-bearing net receivables(+)/net debt(-)	7,280	-4,917	8,566	-1,329
Cash flow for the period	-8,984	11,672	-135	5,388
Less change in interest-bearing receivables and liabilities	9,729	1,335	2,593	2,782
Cash flow before change in interest-bearing receivables and liabilities	745	13,007	2,458	8,170
Translation differences, net receivables/net debt	1,340	-1,067	551	-526
Remeasurements of pension liabilities	2,274	-860	799	482
Interest-bearing liabilities acquired/divested	286	0	1	0
Other changes, interest-bearing net receivables/net debt	673	1,118	224	483
Change in interest-bearing net receivables/net debt	5,318	12,197	4,032	8,609
Closing balance interest-bearing net receivables(+)/net debt(-)	12,598	7,280	12,598	7,280
Restricted cash	-5,637	-4,814	-5,637	-4,814
Pension liability, net	3,798	6,263	3,798	6,263
Lease liabilities	6,960	7,233	6,960	7,233
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	17,719	15,962	17,719	15,962

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 17.7 billion (September 30, 2021: 15.0). Interest-bearing net receivables amounted to SEK 12.6 billion (September 30, 2021: 8.6) and include SEK 7.0 billion in interest-bearing lease liabilities according to IFRS 16.

At the end of the quarter, cash, cash equivalents and committed unutilized credit facilities amounted to SEK 17.5 billion (September 30, 2021: 17.5), of which SEK 14.7 billion (September 30, 2021: 13.7) is available within one week. The Group central loan portfolio amounted to SEK 3.3 billion (September 30, 2021: 3.3) consisting of SEK 0.5 billion in a Medium-Term Note (MTN) with a maturity of 1.4 years and SEK 2.8 billion in bilateral loans with an average maturity of 3.0 years. At December 31, the Group's unutilized credit facilities totaled SEK 6.6 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 2.5 years (September 30, 2021: 2.8).

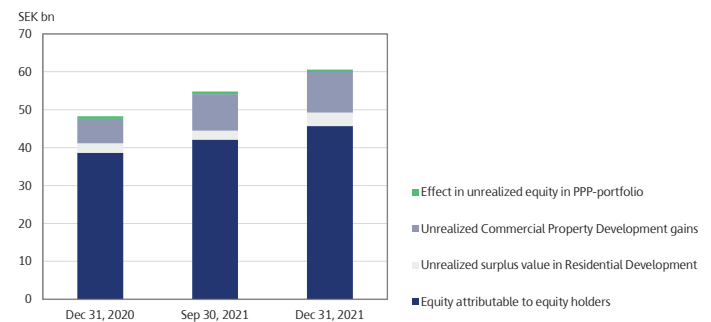
At the end of the quarter, capital employed amounted to SEK 66.7 billion (September 30, 2021: 64.1).

## Equity

### Changes in equity

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Opening balance	38,717	33,021	42,222	35,685
Dividend to shareholders	-3,917	-1,340	0	-1,340
Other changes in equity not included in total comprehensive income for the year	133	197	59	58
Profit for the period	6,887	9,897	2,216	4,935
Other comprehensive income				
Translation differences	1,854	-2,146	633	-1,076
Effects of remeasurements of pensions	2,010	-792	654	429
Effects of cash flow hedges	112	-120	13	26
Closing balance	45,797	38,717	45,797	38,717

### Adjusted equity, less standard tax of 10 percent



The Group's equity amounted to SEK 45.8 billion (38.7), resulting in an equity/assets ratio of 32.9 percent (30.8) and a net debt/equity ratio of -0.3 (-0.2).

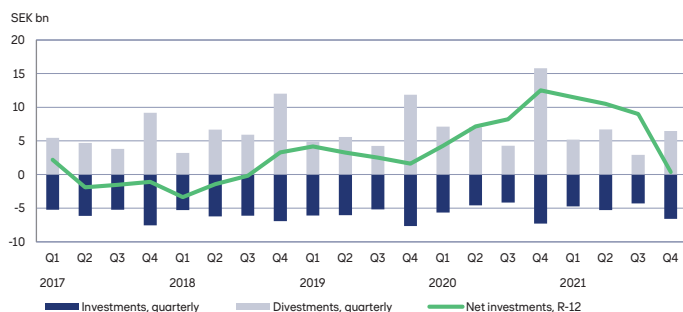
Translation differences amounted to SEK 1,854 M (-2,146) as a result of a weaker Swedish krona.

The effects of remeasurements of pensions amounted to SEK 2,010 M (-792). This is mainly explained by higher return on plan assets in Sweden, Norway and the UK.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 16.5 billion of which SEK 1.4 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 14.9 billion and SEK 1.3 billion.

## Investments and divestments

### Investments and divestments



The Group's investments amounted to SEK –20,945 M (–21,685), while divestments amounted to SEK 21,331 M (34,193), resulting in net divestments of SEK 386 M (12,508).

In Construction, investments totaled SEK –1,850 M (–1,503). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –816 M (–1,188). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK –2,327 M (–2,597).

In Residential Development, investments totaled SEK –11,488 M (–10,420), of which SEK –2,715 M (–2,499) relates to land acquisitions, corresponding to 4,368 building rights. Divestments amounted to SEK 10,766 M (11,710). Net investments in Residential Development amounted to SEK –722 M (1,291).

In Commercial Property Development, investments totaled SEK –7,344 M (–9,777), of which SEK –617 M (–2,752) relates to investments in new land, while divestments amounted to SEK 9,961 M (16,988). Net divestments in Commercial Property Development amounted to SEK 2,617 M (7,211).

Divestments in Other for the comparable period relate to the divestment of the ownership stake in the Elizabeth River Crossings in Virginia, USA.



Investment, Port7 office building in Prague, Czech Republic

### Investments, divestments and net divestments(+)/investments(-)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
<b>Investments</b>						
Construction	-1,850	-1,503	23	-690	-504	37
Residential Development	-11,488	-10,420	10	-3,256	-3,333	-2
Commercial Property Development	-7,344	-9,777	-25	-2,676	-3,464	-23
Other	-263	14	-	22	11	-
<b>Total</b>	<b>-20,945</b>	<b>-21,685</b>	<b>-3</b>	<b>-6,599</b>	<b>-7,290</b>	<b>-9</b>
<b>Divestments</b>						
Construction	1,034	314	229	93	130	-28
Residential Development	10,766	11,710	-8	3,868	3,518	10
Commercial Property Development	9,961	16,988	-41	2,973	6,881	-57
Other	-430	5,180	-	-450	5,260	-
<b>Total</b>	<b>21,331</b>	<b>34,193</b>	<b>-38</b>	<b>6,484</b>	<b>15,789</b>	<b>-59</b>
<b>Net divestments(+)/investments(-)</b>						
Construction	-816	-1,188	-31	-597	-375	59
Residential Development	-722	1,291	-	612	186	-
Commercial Property Development	2,617	7,211	-64	298	3,417	-91
Other	-693	5,194	-	-428	5,271	-
<b>Total</b>	<b>386</b>	<b>12,508</b>	<b>-97</b>	<b>-115</b>	<b>8,499</b>	<b>-</b>
Of which strategic	732	0	-	4	0	-

### Capital employed in Project Development

SEK M	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
Residential Development	14,385	14,503	13,608
Commercial Property Development	32,721	31,585	30,906
<b>Total in Project Development</b>	<b>47,106</b>	<b>46,088</b>	<b>44,515</b>



Divestment, Generation Park Y, Warsaw, Poland



## Performance analysis, business streams

### Construction – Order situation

#### Order backlog, revenue and order bookings



At the end of the quarter, the order backlog amounted to SEK 207.0 billion compared to SEK 197.6 billion at the end of the previous quarter. The order backlog corresponds to 18 months of production (September 30, 2021: 18).

#### Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jan-Dec 2021 / Jan-Dec 2020			
Order bookings	3%	6%	-3%
Dec 30, 2021 / Sep 30, 2021			
Order backlog	5%	2%	3%

#### Order bookings and order backlog in Construction

SEK bn	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Order bookings	153.6	149.8	42.3	39.8
Order backlog <sup>1</sup>	207.0	178.9	-	-

<sup>1</sup> Refers to the end of each period.

Order bookings amounted to SEK 153.6 billion (149.8); adjusted for currency effects order bookings increased 6 percent, mainly driven by higher order bookings in USA. Order bookings in the comparable period include the SEK 13.9 billion order booking of the high speed rail in the UK. On a rolling 12-month basis the book-to-build ratio was 116 percent (September 30, 2021: 117). For more information, see page 26.

#### Major orders in the quarter

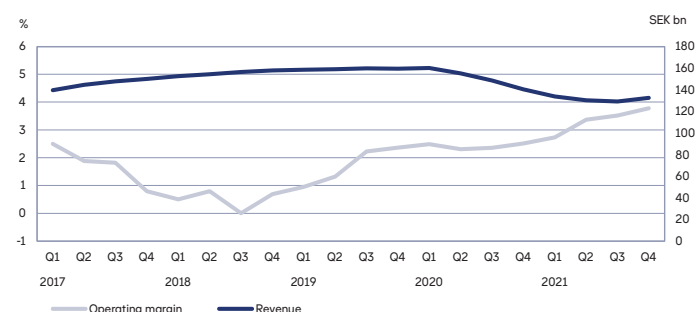
Geography	Contract	Amount SEKM	Client
USA	Bridge	9,400	NJ TRANSIT
USA	Casino	3,100	-
Nordic	Metro	1,200	The Stockholm Regional Council
USA	Pharmaceutical manufacturing facility	1,100	Continuus Pharmaceuticals
Nordic	Mixed-use building	960	Andenæs Eiendom



The Portal North Bridge replacement in New Jersey, USA

## Construction

## Revenue and operating margin, rolling 12 months



## Revenue and earnings

SEKM	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
Revenue	132,587	140,483	-6	37,618	34,189	10
<b>Gross income</b>	<b>10,687</b>	<b>9,344</b>	<b>14</b>	<b>3,146</b>	<b>2,552</b>	<b>23</b>
Selling and administrative expenses	-5,709	-5,852	-2	-1,572	-1,451	8
Income from joint ventures and associated companies	35	37	-4	11	11	1
<b>Operating income</b>	<b>5,013</b>	<b>3,528</b>	<b>42</b>	<b>1,585</b>	<b>1,113</b>	<b>42</b>
Gross margin, %	8.1	6.7		8.4	7.5	
Selling and administrative expenses, %	-4.3	-4.2		-4.2	-4.2	
Operating margin, %	3.8	2.5		4.2	3.3	
Employees	28,557	30,944				

## Changes and currency rate effects

	Jan-Dec 2021 / Jan-Dec 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-6%	-3%	-3%
Operating income	42%	46%	-4%

Revenue in the Construction business stream decreased 6 percent and amounted to SEK 132.6 billion (140.5); adjusted for currency effects revenue decreased by 3 percent. For the fourth quarter isolated, the Construction revenue increased. The lower revenue for the full year is mainly related to Covid-19 disruptions, especially in Europe and USA, and decisions by clients to postpone ramp-up of new projects. But it is also a remaining impact of the strategic actions to focus the operations and be more selective in bidding in order to improve profitability.

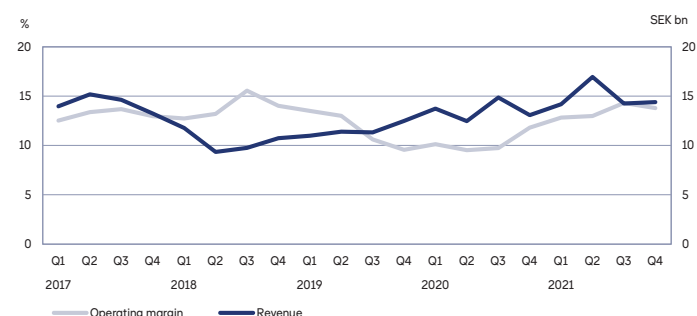
The operating margin was 3.8 percent (2.5). Operating income increased 42 percent and amounted to SEK 5,013 M (3,528); adjusted for currency effects operating income increased by 46 percent. The business units either maintained a strong profitability or improved the profitability. Operating income in Europe includes a gain of SEK 370 M related to the divestment of the infrastructure services business in the UK in the second quarter. Operating income in the Swedish construction operation includes payments of surpluses within the collectively bargained AGS group sickness policy of SEK 160 M during the fourth quarter.



Mixed-use building in Sandvika, Norway

## Residential Development

### Revenue and operating margin, rolling 12 months



### Revenue and earnings

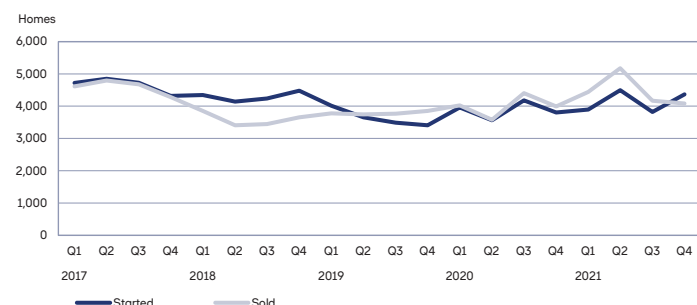
SEK M	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
Revenue	14,377	13,070	10	3,645	3,506	4
Gross income	2,707	2,178	24	633	647	-2
Selling and administrative expenses	-727	-634	15	-214	-173	24
Operating income	1,980	1,543	28	419	475	-12
Gross margin, %	18.8	16.7		17.4	18.5	
Selling and administrative expenses, %	-5.1	-4.9		-5.9	-4.9	
Operating margin, %	13.8	11.8		11.5	13.5	
Return on capital employed, % <sup>1</sup>	14.1	12.8		-	-	

<sup>1</sup> For definition see page 16.

Revenue in the Residential Development business stream amounted to SEK 14,377 M (13,070). The number of homes sold totaled 4,084 (3,991) and construction started on 4,363 homes (3,807). Sales of 334 (675) rental apartments in Sweden totaling about SEK 800 M (1,500), are included. Operating income amounted to SEK 1,980 M (1,543). The operating margin was 13.8 percent (11.8), where all business units had a solid performance.

Return on capital employed was 14.1 percent (12.8).

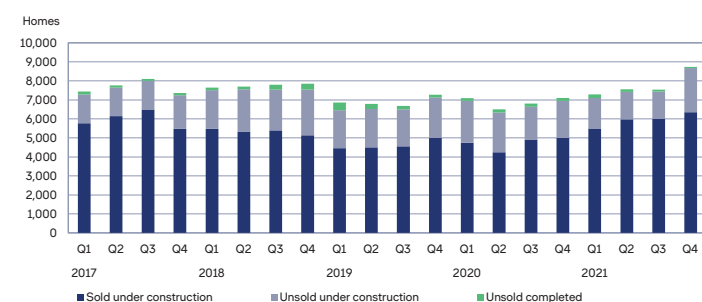
### Homes sold and started, rolling 12 months



### Homes sold and started

	Jan-Dec 2021	Jan-Dec 2020
Homes sold	4,084	3,991
Homes started	4,363	3,807

### Homes under construction and unsold



### Homes under construction and unsold

	Dec 31, 2021	Dec 31, 2020
Homes under construction	8,673	6,948
of which sold, %	73	72
Completed unsold, number of homes	57	154

At the end of the quarter, 8,673 homes (September 30, 2021: 7,437) were under construction. Of these, 73 percent (September 30, 2021: 80) were sold. The number of completed unsold homes amounted to 57 (September 30, 2021: 94). The number of completed homes amounted to 2,636 (3,990).

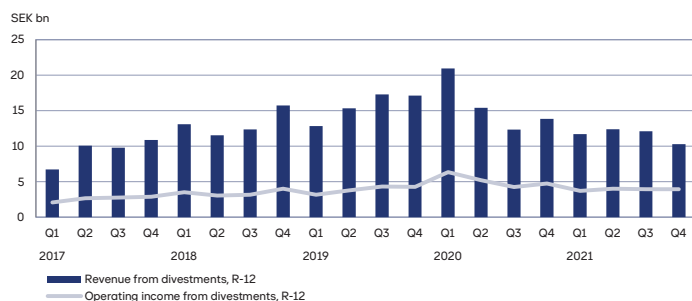
### Breakdown of carrying amounts

SEK M	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
Completed projects	314	418	648
Ongoing projects	10,605	10,120	7,843
Undeveloped land and development properties	9,135	9,318	8,551
<b>Total</b>	<b>20,054</b>	<b>19,855</b>	<b>17,041</b>

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 10.6 billion (September 30, 2021: 10.1) and undeveloped land and development properties amounted to SEK 9.1 billion (September 30, 2021: 9.3). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 4.0 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 25,600 homes and 800 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 11,900 building rights.

## Commercial Property Development

## Revenue and operating income from property divestments



## Revenue and earnings

SEK M	Jan-Dec 2021	Jan-Dec 2020	Change, %	Oct-Dec 2021	Oct-Dec 2020	Change, %
Revenue	11,102	14,983	-26	6,699	8,746	-23
of which from divestment of properties	10,289	13,827	-26	6,482	8,301	-22
Gross income	3,955	4,701	-16	1,974	1,891	4
Selling and administrative expenses	-784	-797	-2	-255	-199	28
Income from joint ventures and associated companies	93	-8	-	4	1	199
Operating income	3,264	3,897	-16	1,723	1,692	2
of which from divestment of properties	3,928	4,750	-17	2,067	2,094	-1
Return on capital employed, % <sup>1</sup>	10.8	11.9				

<sup>1</sup> For definition see page 16.

In the Commercial Property Development business stream, divestments worth SEK 10,289 M (13,827) were made in 2021. Operating income amounted to SEK 3,264 M (3,897) and included gains from property divestments totaling SEK 3,928 M (4,750). The comparable period was positively impacted by the divestments of the Solna United project in the first quarter and the 2+U project in the fourth quarter.

Return on capital employed was 10.8 percent (11.9).

## Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value <sup>1,2</sup>	Occupancy rate, %	Degree of completion, %
Ongoing projects <sup>3</sup>	9,552	25,952	32,776	27	37
Completed projects <sup>4,5</sup>	9,856	9,856	13,314	70	100
Undeveloped land and development properties	11,084	11,084	12,648		
<b>Total</b>	<b>30,492</b>	<b>46,892</b>	<b>58,738</b>		
of which carrying amount	30,275	46,675			
of which completed projects sold according to segment reporting	1,966	1,966	2,694		
of which ongoing projects sold according to segment reporting	1,726	2,819	3,526		

<sup>1</sup> Market value according to appraisal on December 31, 2021.

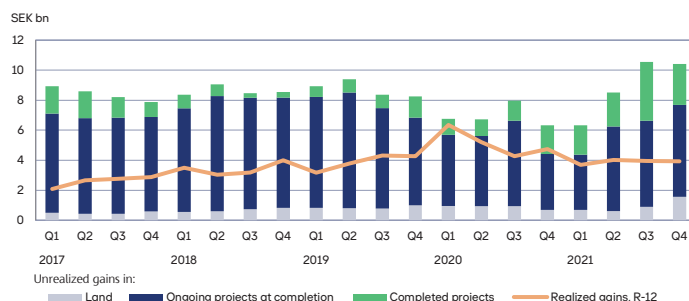
<sup>2</sup> Ongoing projects - estimated market value at completion fully leased.

<sup>3</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 86 M.

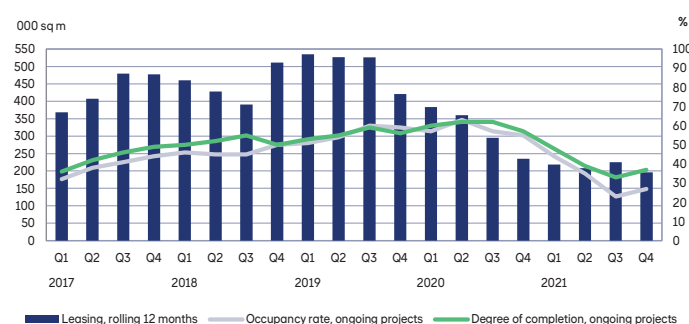
<sup>4</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 498 M.

<sup>5</sup> Skanska's share of total production cost in JVs is SEK 217 M end of period and upon completion.

## Unrealized and realized gains, segment reporting



## Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 36 ongoing projects. During the quarter, five new projects were started, and one was completed. The 36 ongoing projects represent leasable space of about 755,000 sq m with an occupancy rate of 27 percent, measured in rent. The projects' degree of completion was 37 percent. Their investment value upon completion is expected to total SEK 26.0 billion, with an estimated market value of SEK 32.8 billion.

Of the ongoing projects, 11 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 2.8 billion, with a sales value of SEK 3.5 billion. By the end of the quarter the total number of completed projects amounted to 20. The occupancy rate, measured in rent, totaled 70 percent (September 30, 2021: 67). The market value of these projects, excluding property divested according to segment reporting, was SEK 10.6 billion.

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 10.4 billion. These gains related to SEK 6.1 billion in ongoing projects, SEK 2.7 billion in completed projects and SEK 1.6 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK -446 M. These eliminations are released at the Group level as each project is divested. During 2021 new leases were signed for 196,000 sq m (233,000).

## Personnel

During the period, the average number of employees in the Group was 30,051 (32,463). At the end of the quarter, the number of employees totaled 28,699 people (September 30, 2021: 29,584).

## Transactions with related parties

There were no new significant transactions during the quarter.

## Material risks and uncertainties

For information about risks and a description of key estimates and judgments, see the Annual and Sustainability Report 2020, pages 51-56, Note 2 and 6, as well as the section above on market outlook. Aside from the uncertainty and risks related to the effects of Covid-19 on real economies, no significant changes occurred that affected these reported risks.

There are uncertainties in future permission for limestone quarry for a main supplier of cement to the Swedish construction industry. A halt to the supply would impact negatively. Skanska monitors the situation closely and assesses risks and mitigating actions.

## Other matters

### Annual General Meeting

Skanska's Annual General Meeting 2022 ("AGM") will take place on Tuesday March 29, 2022. The notice to attend the AGM will be published no later than four weeks prior to the AGM.

### Dividend

The Board of Directors propose a dividend of SEK 10.00 (9.50) per share, of which SEK 7.00 (6.50) per share as ordinary dividend and SEK 3.00 (3.00) per share as extra dividend. The proposal is equivalent to a dividend pay-out totaling SEK 4,122 M (3,917). The Board of Directors proposes March 31, 2022, as the record date for the dividend. The total dividend amount may change up to the record date, depending on share repurchases and transfers.

## Events after the end of the report period

There were no events after the end of the reporting period.

## Financial reports for 2022

Skanska's interim reports and year-end report are available for download on Skanska's website, [www.skanska.com/investors](http://www.skanska.com/investors). The 2021 Annual and Sustainability Report will be available on Skanska's website in the week commencing March 7, 2022.

The Group's interim reports for 2022 will be published on the following dates:

May 4, 2022	Three Month Report
July 21, 2022	Six Month Report
October 26, 2022	Nine Month Report
Feb 3, 2023	Year-end Report

Stockholm, February 3, 2022

### Anders Danielsson

President and Chief Executive Officer

This Year-end report has not been subject to a review by the company's auditors.

## Accounting Principles

For the Group, this Year-end report has been prepared in compliance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Securities Market Act. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. For the Parent Company, the Year-end report has been prepared in compliance with the Annual Accounts Act, the Securities Market Act, and Swedish Financial Reporting Board's Recommendation RFR 2.

### Relation between consolidated operating cash flow statement and consolidated cash flow statement

The difference between the operating cash flow statement and the summary cash flow statement in compliance with IAS 7 Cash flow Statements, is presented in the Annual and Sustainability Report 2020, Note 35.

### Segment and IFRS reporting

Skanska's business streams Construction, Residential Development and Commercial Property Development represent the group's operating segments. Tables in this report that refer to segment reporting are shown with a shaded background. In certain cases, the segment reporting differs from the consolidated results presented in accordance with International Financial Reporting Standards, IFRS.

Construction includes both building construction and civil construction. Revenues and earnings are reported over time for both segment and IFRS reporting.

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units are responsible for planning and selling the projects. The related construction assignments are performed by Skanska's construction units in the Construction segment in each market. In the segment reporting Residential Development recognizes revenue and earnings when contracts are signed for the sale of homes. In the IFRS reporting revenues are instead recognized when the buyer takes possession of the homes.

Commercial Property Development initiates, develops, leases and divests commercial property projects. In most markets the construction assignments are performed by Skanska's Construction segment. In the segment reporting Commercial Property Development recognizes revenue and earnings when contracts are signed for the sale of the properties. In the IFRS reporting revenues are instead recognized when the buyer takes possession of the property.

Joint ventures are reported under the proportional method in the segment reporting of Residential Development, whereas all other streams/operating segments apply the equity method.

Intra-Group pricing between operating segments occurs on market terms.

The Parent Company in a Swedish Group prepares its accounts in compliance with the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities ("RFR 2"). According to RFR 2, the annual accounts of the legal entity must apply IFRS as far as this is possible within the framework of the Annual Accounts Act and considering the connection between accounting and taxation.

## Definitions

For further definitions, see the Annual and Sustainability Report 2020, Note 43.

### Non-IFRS financial measures

	Definition	Reason for use														
		The following measures are used as they are viewed as the best and most accurate ways to measure Skanska's operations; reflecting its business model and strategy. Thus assisting investors and management in analyzing trends and performance in Skanska.														
<b>Revenue Segment</b>	Revenue segment is the same as revenue IFRS in all streams except for the Residential Development stream and the Commercial Property Development stream, where revenue is recognised for when signing binding agreement for sale of homes and properties. As segment reporting of joint ventures in Residential Development applies the proportional method, revenue segment is affected by this.	Measure revenue generated in current market environment.														
<b>Gross income</b>	Revenue minus cost of sales.	Measure profit generated from projects.														
<b>Gross margin</b>	Gross income as a percentage of revenue.	Measure profitability in projects.														
<b>Selling and admin expenses %</b>	Selling and administrative expenses as a percentage of revenue.	Measure cost efficiency in selling and administrative expenses.														
<b>Operating income</b>	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies.	Measure profit generated from operations.														
<b>Operating income segment</b>	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, according to segment reporting, and where Residential Development applies the proportional method for reporting of joint ventures.	Measure profit generated from operations in current market environment.														
<b>Operating income rolling 12 months</b>	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, rolling 12 months.	Measure profit generated from operations.														
<b>Operating margin</b>	Operating income as a percentage of revenue.	Measure profitability in operations.														
<b>Net financial items</b>	The net of interest income, financial net pension cost, interest expense, capitalized expense, change in fair value and other net financial items.	Measure total net for financial activities.														
<b>Income after financial items</b>	Operating income minus net financial items.	Measure profit generated before taxes.														
<b>Earnings per share, segment</b>	Profit for the period, segment, attributable to equity holders divided by the average number of shares outstanding.	Measure earnings per share, segment.														
<b>Book-to-build, R-12m, %</b>	Order bookings divided by construction revenue, rolling 12 months.	Measures to which extent new orders are replacing work put in place.														
<b>Unrealized gains, Commercial Property Development (CD)</b>	Market value minus investment value upon completion for ongoing projects, completed projects and land. Excluding projects sold according to segment reporting.	Measure potential realization of future gains in Commercial Property Development.														
<b>Capital employed, Group</b>	Total assets minus non-interest-bearing liabilities.	Measure capital usage and efficiency.														
<b>Capital employed, Stream</b>	Total assets less tax assets, deposits in Skanska's treasury unit and pension receivable minus non-interest-bearing liabilities excluding tax liabilities. Capitalized interest expense is removed from total assets for the Residential Development and Commercial Property Development segments.	Measure capital usage and efficiency in a Stream.														
<b>Capital employed Residential Development (RD) SEK M</b>	<table border="0"> <tr> <td>Total assets</td> <td>23,027</td> </tr> <tr> <td>- tax assets</td> <td>-335</td> </tr> <tr> <td>- deposits in internal bank</td> <td>-34</td> </tr> <tr> <td>- pension receivable</td> <td>-28</td> </tr> <tr> <td>- non-interest-bearing liabilities (excluding tax liabilities)</td> <td>-8,151</td> </tr> <tr> <td>- capitalized interest expense</td> <td>-94</td> </tr> <tr> <td></td> <td><u>14,385</u></td> </tr> </table>	Total assets	23,027	- tax assets	-335	- deposits in internal bank	-34	- pension receivable	-28	- non-interest-bearing liabilities (excluding tax liabilities)	-8,151	- capitalized interest expense	-94		<u>14,385</u>	Measure capital usage and efficiency in Residential Development.
Total assets	23,027															
- tax assets	-335															
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- capitalized interest expense	-94															
	<u>14,385</u>															
<b>Capital employed Commercial Property Development (CD) SEK M</b>	<table border="0"> <tr> <td>Total assets</td> <td>36,705</td> </tr> <tr> <td>- tax assets</td> <td>-699</td> </tr> <tr> <td>- deposits in internal bank</td> <td>-110</td> </tr> <tr> <td>- pension receivable</td> <td>0</td> </tr> <tr> <td>- non-interest-bearing liabilities (excluding tax liabilities)</td> <td>-2,895</td> </tr> <tr> <td>- capitalized interest expense</td> <td>-281</td> </tr> <tr> <td></td> <td><u>32,721</u></td> </tr> </table>	Total assets	36,705	- tax assets	-699	- deposits in internal bank	-110	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-2,895	- capitalized interest expense	-281		<u>32,721</u>	Measure capital usage and efficiency in Commercial Property Development.
Total assets	36,705															
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Non-IFRS financial measures	Definition	Reason for use																																																																	
<b>Capital employed average</b>	Calculated on the basis of five measuring points; see below.																																																																		
<b>ROCE in RD segment, rolling 12 months SEK M</b>	<table> <tr> <td>Operating income</td> <td></td> <td></td> <td>1,980</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>83</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>– interest income from internal bank</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>2,063</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>14,678</td> <td></td> </tr> <tr> <td>ROCE RD</td> <td></td> <td></td> <td>14.1%</td> <td></td> </tr> </table> <p>* Capital employed average</p> <table> <tr> <td>Q4 2021</td> <td>14,385</td> <td>x 0.5</td> <td>7,192</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>14,503</td> <td></td> <td>14,503</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>14,862</td> <td></td> <td>14,862</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>15,350</td> <td></td> <td>15,350</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>13,608</td> <td>x 0.5</td> <td>6,804</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>58,711 / 4</td> <td>14,678</td> </tr> </table>	Operating income			1,980		+ capitalized interest expense			83		+/- financial income and other financial items			0		– interest income from internal bank			0		Adjusted profit			2,063		Capital employed average*			14,678		ROCE RD			14.1%		Q4 2021	14,385	x 0.5	7,192		Q3 2021	14,503		14,503		Q2 2021	14,862		14,862		Q1 2021	15,350		15,350		Q4 2020	13,608	x 0.5	6,804					58,711 / 4	14,678	Measure the performance (profitability and capital efficiency) in RD.
Operating income			1,980																																																																
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<b>ROCE in CD segment, rolling 12 months SEK M</b>	<table> <tr> <td>Operating income</td> <td></td> <td></td> <td>3,264</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>71</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>16</td> <td></td> </tr> <tr> <td>– interest income from internal bank</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>3,351</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>31,139</td> <td></td> </tr> <tr> <td>ROCE CD</td> <td></td> <td></td> <td>10.8%</td> <td></td> </tr> </table> <p>* Capital employed average</p> <table> <tr> <td>Q4 2021</td> <td>32,721</td> <td>x 0.5</td> <td>16,360</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>31,585</td> <td></td> <td>31,585</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>30,056</td> <td></td> <td>30,056</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>31,100</td> <td></td> <td>31,100</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>30,906</td> <td>x 0.5</td> <td>15,453</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>124,555 / 4</td> <td>31,139</td> </tr> </table>	Operating income			3,264		+ capitalized interest expense			71		+/- financial income and other financial items			16		– interest income from internal bank			0		Adjusted profit			3,351		Capital employed average*			31,139		ROCE CD			10.8%		Q4 2021	32,721	x 0.5	16,360		Q3 2021	31,585		31,585		Q2 2021	30,056		30,056		Q1 2021	31,100		31,100		Q4 2020	30,906	x 0.5	15,453					124,555 / 4	31,139	Measure the performance (profitability and capital efficiency) in CD.
Operating income			3,264																																																																
+ capitalized interest expense			71																																																																
+/- financial income and other financial items			16																																																																
– interest income from internal bank			0																																																																
Adjusted profit			3,351																																																																
Capital employed average*			31,139																																																																
ROCE CD			10.8%																																																																
Q4 2021	32,721	x 0.5	16,360																																																																
Q3 2021	31,585		31,585																																																																
Q2 2021	30,056		30,056																																																																
Q1 2021	31,100		31,100																																																																
Q4 2020	30,906	x 0.5	15,453																																																																
			124,555 / 4	31,139																																																															
<b>ROCE in Project Development, segment, rolling 12 months SEK M</b>	<p>Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD.</p> <p>The total ROCE from RD and CD.</p> <table> <thead> <tr> <th></th> <th>Adjusted profit</th> <th>CE avg</th> <th>ROCE</th> </tr> </thead> <tbody> <tr> <td>RD</td> <td>2,063</td> <td>14,678</td> <td>14.1%</td> </tr> <tr> <td>CD</td> <td>3,351</td> <td>31,139</td> <td>10.8%</td> </tr> <tr> <td></td> <td>5,414</td> <td>45,817</td> <td>11.8%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	2,063	14,678	14.1%	CD	3,351	31,139	10.8%		5,414	45,817	11.8%	Measure the performance (profitability and capital efficiency) in Project Development.																																																	
	Adjusted profit	CE avg	ROCE																																																																
RD	2,063	14,678	14.1%																																																																
CD	3,351	31,139	10.8%																																																																
	5,414	45,817	11.8%																																																																



Non-IFRS financial measures	Definition	Reason for use																														
<b>Return on equity segment, rolling 12 months</b> SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. $8,165 / 40,928 =$	Measure profitability on invested equity.																														
	20.0%																															
<b>Equity average attributable to equity holders</b> SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q4 2021</td> <td style="width: 15%;">45,682</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">22,841</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q3 2021</td> <td>42,116</td> <td></td> <td>42,116</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>41,031</td> <td></td> <td>41,031</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>38,416</td> <td></td> <td>38,416</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>38,620</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">19,310</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">163,714 / 4</td> <td style="text-align: right;">40,928</td> </tr> </table>	Q4 2021	45,682	x 0.5	22,841		Q3 2021	42,116		42,116		Q2 2021	41,031		41,031		Q1 2021	38,416		38,416		Q4 2020	38,620	x 0.5	19,310					163,714 / 4	40,928	
Q4 2021	45,682	x 0.5	22,841																													
Q3 2021	42,116		42,116																													
Q2 2021	41,031		41,031																													
Q1 2021	38,416		38,416																													
Q4 2020	38,620	x 0.5	19,310																													
			163,714 / 4	40,928																												
<b>Operating cash flow from operations</b>	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.																														
<b>Net divestments/investment</b>	Total investments minus total divestments.	Measure the balance between investments and divestments.																														
<b>Free working capital</b>	Non-interest-bearing receivables less non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital.																														
<b>Average free working capital in Construction</b> SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q4 2021</td> <td style="width: 15%;">-29,086</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">-14,543</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q3 2021</td> <td>-26,337</td> <td></td> <td>-26,337</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>-26,215</td> <td></td> <td>-26,215</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>-25,388</td> <td></td> <td>-25,388</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>-25,748</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">-12,874</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">-105,357 / 4</td> <td style="text-align: right;">-26,339</td> </tr> </table>	Q4 2021	-29,086	x 0.5	-14,543		Q3 2021	-26,337		-26,337		Q2 2021	-26,215		-26,215		Q1 2021	-25,388		-25,388		Q4 2020	-25,748	x 0.5	-12,874					-105,357 / 4	-26,339	Measure the funding stemming from the negative working capital generated in Construction.
Q4 2021	-29,086	x 0.5	-14,543																													
Q3 2021	-26,337		-26,337																													
Q2 2021	-26,215		-26,215																													
Q1 2021	-25,388		-25,388																													
Q4 2020	-25,748	x 0.5	-12,874																													
			-105,357 / 4	-26,339																												
<b>Interest-bearing net receivables/net debt</b>	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.																														
<b>Adjusted interest-bearing net receivables/net debt</b>	Interest-bearing net receivables/net debt excluding restricted cash, lease liabilities and interest-bearing net pension liabilities.	Measure financial position and investment capacity. The latter is derived by comparing adjusted interest-bearing net receivables/net debt to limits set by the Board of Directors.																														
<b>Equity/assets ratio</b>	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.																														
<b>Net debt/equity ratio</b>	Interest-bearing net debt divided by equity including non-controlling interest.	Measure leverage of financial position.																														
<b>Adjusted equity attributable to equity holders</b> SEK bn	Equity attributable to equity holders Unrealized surplus value in RD Unrealized CD gains Effect in unrealized equity in PPP-portfolio Less standard corporate tax, 10% Adjusted equity	Measure financial position adjusted for surplus values in Project Development net of taxes. The standard corporate tax represents an approximation of the average corporate income tax within the Group.																														
		45.7 4.0 11.8 0.7 <u>-1.6</u> 60.6																														

## Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Construction	122,355 <sup>1</sup>	130,302 <sup>1</sup>	10,232	10,182	132,587	140,483	5,013	3,528
Residential Development	14,377	13,057	0	13	14,377	13,070	1,980	1,543
Commercial Property Development	10,631	14,900	471	83	11,102	14,983	3,264	3,897
<b>Total operating segments</b>	<b>147,363</b>	<b>158,259</b>	<b>10,703</b>	<b>10,278</b>	<b>158,066</b>	<b>168,537</b>	<b>10,256</b>	<b>8,968</b>
Central	213	347	395	22	608	369	-415	2,830
Eliminations	0	0	-11,097	-10,300	-11,097	-10,300	-9	62
<b>Total Group</b>	<b>147,576</b>	<b>158,606</b>	<b>0</b>	<b>0</b>	<b>147,576</b>	<b>158,606</b>	<b>9,832</b>	<b>11,860</b>
<b>Reconciliation to IFRSs 2</b>	<b>-3,712</b>	<b>1,738</b>	<b>0</b>	<b>0</b>	<b>-3,712</b>	<b>1,738</b>	<b>-1,539</b>	<b>773</b>
<b>Total IFRSs</b>	<b>143,865</b>	<b>160,344</b>	<b>0</b>	<b>0</b>	<b>143,865</b>	<b>160,344</b>	<b>8,293</b>	<b>12,633</b>
1 Of which external revenue from joint ventures in PPP-portfolio	2,536	4,643						
2 Of which effect from joint ventures in Residential Development proportionally	-247	-594					-89	-233
Of which effect of different revenue recognition principles	-3,464	2,332					-1,450	1,006

## Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Central and Eliminations		Total	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Nordics	56,207	56,515	10,040	9,883	5,803	7,069	-7,102	-6,890	64,947	66,577
of which Sweden	32,169	32,816	5,240	5,977	3,071	5,255	-5,040	-4,604	35,440	39,444
Europe	21,707	23,769	955	1,778	2,611	2,838	-2,189	-2,585	23,085	25,800
USA	54,673	60,199	0	0	2,359	8,231	-1,199	-463	55,833	67,967
<b>Total operating segments</b>	<b>132,587</b>	<b>140,483</b>	<b>10,995</b>	<b>11,661</b>	<b>10,772</b>	<b>18,138</b>	<b>-10,490</b>	<b>-9,938</b>	<b>143,865</b>	<b>160,344</b>

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2021	Oct-Dec 2020	Oct-Dec 2020
<b>Revenue</b>								
Construction	132,587	132,587	140,483	140,483	37,618	37,618	34,189	34,189
Residential Development	14,377	10,995	13,070	11,661	3,645	3,953	3,506	3,555
Commercial Property Development	11,102	10,772	14,983	18,138	6,699	3,189	8,746	7,319
Central and eliminations	-10,490	-10,490	-9,931	-9,938	-3,596	-3,646	-2,441	-2,437
<b>Skanska Group</b>	<b>147,576</b>	<b>143,865</b>	<b>158,606</b>	<b>160,344</b>	<b>44,365</b>	<b>41,114</b>	<b>44,000</b>	<b>42,625</b>
<b>Operating income</b>								
Construction	5,013	5,013	3,528	3,528	1,585	1,585	1,113	1,113
Residential Development	1,980	1,135	1,543	1,514	419	444	475	486
Commercial Property Development <sup>1</sup>	3,264	2,635	3,897	4,678	1,723	772	1,692	1,535
Central	-415	-415	2,830	2,830	-189	-189	3,170	3,170
of which PPP-portfolio	230	230	3,734	3,734	75	75	3,741	3,741
Eliminations <sup>1</sup>	-9	-75	62	82	88	-0	138	100
<b>Operating income</b>	<b>9,832</b>	<b>8,293</b>	<b>11,860</b>	<b>12,633</b>	<b>3,627</b>	<b>2,612</b>	<b>6,588</b>	<b>6,403</b>
<b>Net financial items</b>	<b>-172</b>	<b>-168</b>	<b>-236</b>	<b>-229</b>	<b>-64</b>	<b>-62</b>	<b>-59</b>	<b>-56</b>
<b>Income after financial items</b>	<b>9,660</b>	<b>8,125</b>	<b>11,624</b>	<b>12,404</b>	<b>3,562</b>	<b>2,550</b>	<b>6,529</b>	<b>6,348</b>
Taxes	-1,472	-1,238	-2,349	-2,507	-484	-335	-1,428	-1,412
<b>Profit for the period</b>	<b>8,188</b>	<b>6,887</b>	<b>9,274</b>	<b>9,897</b>	<b>3,079</b>	<b>2,216</b>	<b>5,101</b>	<b>4,935</b>
Earnings for the period per share, SEK <sup>2</sup>	19.80		22.46		7.45		12.37	
Earnings for the period per share according to IFRSs, SEK <sup>2</sup>		16.64		23.97		5.36		11.97
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	3,928	3,300	4,750	5,583	2,067	1,116	2,094	1,988
Eliminations	239	206	359	394	143	76	166	127

<sup>2</sup> Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

## The Skanska Group

## Summary income statement (IFRS)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Revenue	143,865	160,344	41,114	42,625
Cost of sales	-128,156	-143,457	-36,337	-37,659
<b>Gross income</b>	<b>15,709</b>	<b>16,887</b>	<b>4,777</b>	<b>4,966</b>
Selling and administrative expenses	-7,865	-8,269	-2,263	-2,414
Income from joint ventures and associated companies	449	4,015	99	3,851
<b>Operating income</b>	<b>8,293</b>	<b>12,633</b>	<b>2,612</b>	<b>6,403</b>
Financial income	105	120	18	13
Financial expenses	-273	-349	-80	-69
<b>Net financial items<sup>1</sup></b>	<b>-168</b>	<b>-229</b>	<b>-62</b>	<b>-55</b>
<b>Income after financial items</b>	<b>8,125</b>	<b>12,404</b>	<b>2,550</b>	<b>6,348</b>
Income taxes	-1,238	-2,507	-335	-1,412
<b>Profit for the period</b>	<b>6,887</b>	<b>9,897</b>	<b>2,216</b>	<b>4,935</b>
1 Of which				
Interest income	68	118	21	11
Financial net pension costs	-70	-61	-25	-17
Interest expenses	-178	-194	-57	-43
Interest expenses from lease liabilities	-209	-244	-53	-58
Capitalized interest expenses	234	195	75	47
<b>Net interest items</b>	<b>-155</b>	<b>-186</b>	<b>-40</b>	<b>-60</b>
Change in fair value	-2	-3	-2	1
Other net financial items	-12	-40	-20	4
<b>Net financial items</b>	<b>-168</b>	<b>-229</b>	<b>-62</b>	<b>-56</b>
Profit attributable to:				
Equity holders	6,864	9,875	2,210	4,933
Non-controlling interests	23	22	6	2
Earnings per share, SEK <sup>2</sup>	16.64	23.97	5.36	11.97
Earnings per share after dilution, SEK <sup>3</sup>	16.52	23.84	5.32	11.91

<sup>2</sup> Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

<sup>3</sup> Earnings for the period attributable to equity holders divided by the average number of shares outstanding after dilution.

## Statement of profit or loss and other comprehensive income (IFRS)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
<b>Profit for the period</b>	<b>6,887</b>	<b>9,897</b>	<b>2,216</b>	<b>4,935</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit and loss</b>				
Remeasurements of defined benefit plans	2,585	-1,003	856	549
Tax related to items that will not be reclassified to profit and loss	-575	211	-202	-120
	<b>2,010</b>	<b>-792</b>	<b>654</b>	<b>429</b>
<b>Items that have been or will be reclassified to profit and loss</b>				
Translation differences attributable to equity holders	1,808	-2,120	616	-1,036
Translation differences attributable to non-controlling interests	7	-7	3	-2
Hedging of exchange rate risk in foreign operations	40	-19	14	-38
Effects of cash flow hedges <sup>1</sup>	2	35	11	164
Share of other comprehensive income of joint ventures and associated companies <sup>2</sup>	113	-176	8	-136
Tax related to items that have been or will be reclassified to profit and loss	-3	21	-6	-2
	<b>1,966</b>	<b>-2,266</b>	<b>646</b>	<b>-1,050</b>
<b>Other comprehensive income after tax</b>	<b>3,977</b>	<b>-3,058</b>	<b>1,300</b>	<b>-621</b>
<b>Total comprehensive income</b>	<b>10,863</b>	<b>6,839</b>	<b>3,516</b>	<b>4,314</b>
Total comprehensive income attributable to				
Equity holders	10,834	6,824	3,507	4,313
Non-controlling interests	30	15	9	1
1 Of which transferred to income statement	-1	-2	-1	1
2 Of which transferred to income statement	153	157	21	38

## Summary statement of financial position (IFRS)

SEKM	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,279	6,816
Property, plant and equipment right-of-use assets	3,314	3,930
Goodwill	3,934	3,713
Intangible assets	676	771
Investments in joint ventures and associated companies	2,185	1,689
Financial non-current assets <sup>1,3</sup>	3,875	1,931
Deferred tax assets	1,984	1,803
<b>Total non-current assets</b>	<b>23,247</b>	<b>20,653</b>
<b>Current assets</b>		
Current-asset properties <sup>2</sup>	49,745	44,948
Current-asset properties right-of-use land	3,289	2,980
Inventories	1,090	1,100
Financial current assets <sup>3</sup>	18,810	8,492
Tax assets	1,247	950
Contract assets	5,451	4,599
Trade and other receivables	25,212	22,401
Cash	10,947	19,508
<b>Total current assets</b>	<b>115,791</b>	<b>104,979</b>
<b>TOTAL ASSETS</b>	<b>139,039</b>	<b>125,631</b>
of which interest-bearing financial non-current assets	3,838	1,884
of which interest-bearing current assets	29,694	27,808
<b>Total interest-bearing assets</b>	<b>33,531</b>	<b>29,692</b>
<b>EQUITY</b>		
Equity attributable to equity holders	45,682	38,620
Non-controlling interests	114	97
<b>Total equity</b>	<b>45,797</b>	<b>38,717</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial non-current liabilities <sup>3</sup>	3,389	3,247
Lease liabilities	6,040	6,217
Pensions	5,936	7,360
Deferred tax liabilities	1,215	928
<b>Total non-current liabilities</b>	<b>16,580</b>	<b>17,752</b>
<b>Current liabilities</b>		
Financial current liabilities <sup>3</sup>	4,780	4,663
Lease liabilities	920	1,016
Tax liabilities	417	1,884
Current provisions	11,239	10,326
Contract liabilities	22,664	19,462
Trade and other payables	36,642	31,812
<b>Total current liabilities</b>	<b>76,662</b>	<b>69,162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>139,039</b>	<b>125,631</b>
of which interest-bearing financial liabilities	14,997	15,052
of which interest-bearing pensions and provisions	5,936	7,360
<b>Total interest-bearing liabilities</b>	<b>20,933</b>	<b>22,412</b>
1 Of which shares and participations	37	43
2 Current-asset properties		
Commercial Property Development	29,691	27,906
Residential Development	20,054	17,041
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:		
Financial non-current assets	0	4
Financial current assets	63	193
Financial non-current liabilities	0	6
Financial current liabilities	131	85

Contingent liabilities, excluding partners' share in joint operations, as at December 31, 2021 amounted to SEK 1.3 bn (1.3). Skanska's obligations for partners' share of future performance in joint operations amounted to SEK 55.9 bn (56.6). In the event that Skanska takes over part of the performance, Skanska's order backlog will increase accordingly. For more information see 2020 Annual and Sustainability Report, Note 20B, 20C and 33.

## Summary statement of changes in equity (IFRS)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Opening balance	38,717	33,021	42,222	35,685
of which non-controlling interests	97	97	106	96
Dividend to shareholders	-3,917	-1,340	0	-1,340
Dividend to non-controlling interests	-13	-15	-1	0
Effects of equity-settled share-based payments	388	300	122	92
Repurchase of shares	-242	-88	-62	-34
Total comprehensive income attributable to				
Equity holders	10,834	6,824	3,507	4,313
Non-controlling interests	30	15	9	1
<b>Closing balance</b>	<b>45,797</b>	<b>38,717</b>	<b>45,797</b>	<b>38,717</b>
of which non-controlling interests	114	97	114	97

## Summary consolidated cash flow statement (IAS 7) (IFRS)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
<b>Cash flow from operating activities before change in working capital, according to IAS 7</b>	<b>1,483</b>	<b>2,652</b>	<b>298</b>	<b>143</b>
<b>Cash flow from change in working capital, according to IAS 7</b>	<b>5,953</b>	<b>8,632</b>	<b>3,521</b>	<b>4,642</b>
Net investments in property, plant and equipment and intangible assets	-2,336	4,129	-1,092	4,893
Tax payments on sold property, plant and equipment and intangible assets	-30	-29	-13	-14
<b>Cash flow from business operations including taxes paid according to operating cash flow</b>	<b>5,070</b>	<b>15,384</b>	<b>2,713</b>	<b>9,664</b>
Less net investments in property, plant and equipment and intangible assets	2,336	-4,129	1,092	-4,893
Less tax payments on sold property, plant and equipment and intangible assets	30	29	13	14
<b>Cash flow from operating activities, according to IAS 7</b>	<b>7,436</b>	<b>11,284</b>	<b>3,818</b>	<b>4,786</b>
<b>Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow</b>	<b>732</b>	<b>0</b>	<b>4</b>	<b>0</b>
Net investments in property, plant and equipment and intangible assets	-2,336	4,129	-1,092	4,893
Increase and decrease in interest-bearing receivables	-9,734	-2,529	-2,048	-3,083
Taxes paid on sold property, plant and equipment and intangible assets	-30	-29	-13	-14
<b>Cash flow from investing activities, according to IAS 7</b>	<b>-11,368</b>	<b>1,571</b>	<b>-3,149</b>	<b>1,796</b>
<b>Cash flow from financing operations according to operating cash-flow statement</b>	<b>-885</b>	<b>-934</b>	<b>-197</b>	<b>-120</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-9,729	-1,335	-2,593	-2,782
Increase and decrease in interest-bearing receivables	9,734	2,529	2,048	3,083
Dividend etc. <sup>1</sup>	-4,172	-1,443	-63	-1,374
<b>Cash flow from financing activities, according to IAS 7</b>	<b>-5,053</b>	<b>-1,183</b>	<b>-804</b>	<b>-1,194</b>
<b>Cash flow for the period</b>	<b>-8,984</b>	<b>11,672</b>	<b>-135</b>	<b>5,388</b>

<sup>1</sup> Of which repurchases of shares SEK 242 M.

## Operating cash flow (IFRS), supplementary information

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
<b>Construction</b>				
Cash flow from business operations	6,783	6,258	2,167	1,814
Change in working capital	1,787	1,382	2,136	1,704
Net divestments(+)/investments(-)	-1,548	-1,188	-601	-375
<b>Total Construction</b>	<b>7,022</b>	<b>6,451</b>	<b>3,702</b>	<b>3,143</b>
<b>Residential Development</b>				
Cash flow from business operations	-599	-434	-294	-221
Change in working capital	2,039	-693	265	-386
Net divestments(+)/investments(-)	-722	1,291	612	186
<b>Total Residential Development</b>	<b>718</b>	<b>164</b>	<b>584</b>	<b>-421</b>
<b>Commercial Property Development</b>				
Cash flow from business operations	-462	-1,088	-253	-472
Change in working capital	37	-487	299	-273
Net divestments(+)/investments(-)	2,617	7,211	298	3,417
Cash flow adjustment	-23	-355	-165	-61
<b>Total Commercial Property Development</b>	<b>2,168</b>	<b>5,281</b>	<b>178</b>	<b>2,611</b>
<b>Central and Eliminations</b>				
Cash flow from business operations	-407	-631	-250	-600
Change in working capital	122	406	12	53
Net divestments(+)/investments(-)	-693	5,194	-428	5,271
of which PPP-portfolio	-623	5,296	-426	5,272
<b>Total Central and Eliminations</b>	<b>-978</b>	<b>4,969</b>	<b>-666</b>	<b>4,723</b>
Total cash flow from business operations	5,314	4,104	1,370	520
Total change in working capital	3,986	607	2,712	1,098
Total net divestments(+)/investments(-)	-345	12,508	-119	8,499
Total cash flow adjustment	-23	-355	-165	-61
<b>Cash flow from business operations before taxes paid</b>	<b>8,931</b>	<b>16,865</b>	<b>3,798</b>	<b>10,056</b>
Taxes paid in business operations	-3,861	-1,481	-1,085	-392
<b>Cash flow from business operations including taxes paid</b>	<b>5,070</b>	<b>15,384</b>	<b>2,713</b>	<b>9,664</b>
Net interest items, other net financial items and amortization of lease liabilities	-1,150	-1,334	-255	-172
Taxes paid in financing operations	264	400	59	52
<b>Cash flow from financing operations</b>	<b>-885</b>	<b>-934</b>	<b>-197</b>	<b>-120</b>
<b>Operating cash flow from operations</b>	<b>4,185</b>	<b>14,450</b>	<b>2,516</b>	<b>9,544</b>
Net strategic divestments(+)/investments(-)	732	0	4	0
Dividend etc. <sup>1</sup>	-4,172	-1,443	-63	-1,374
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>745</b>	<b>13,007</b>	<b>2,458</b>	<b>8,170</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-9,729	-1,335	-2,593	-2,782
<b>Cash flow for the period</b>	<b>-8,984</b>	<b>11,672</b>	<b>-135</b>	<b>5,388</b>
Cash and cash equivalents at the beginning of the period	19,508	8,745	10,975	14,922
Exchange rate differences in cash and cash equivalents	423	-909	107	-802
<b>Cash and cash equivalents at the end of the period</b>	<b>10,947</b>	<b>19,508</b>	<b>10,947</b>	<b>19,508</b>

<sup>1</sup> Of which repurchases of shares SEK 242 M.

## Group net divestments(+)/investments(-) (IFRS)

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
<b>OPERATIONS - INVESTMENTS</b>				
Intangible assets	-103	-133	-11	-76
Property, plant and equipment	-1,834	-1,487	-684	-436
Shares and participations	-731	-18	-495	-5
Current-asset properties	-18,277	-20,047	-5,409	-6,772
of which Residential Development	-11,013	-10,299	-2,788	-3,314
of which Commercial Property Development	-7,264	-9,748	-2,621	-3,458
<b>Investments in operations</b>	<b>-20,945</b>	<b>-21,685</b>	<b>-6,599</b>	<b>-7,290</b>
<b>Total Investments</b>	<b>-20,945</b>	<b>-21,685</b>	<b>-6,599</b>	<b>-7,290</b>
<b>OPERATIONS - DIVESTMENTS</b>				
Intangible assets	5	8	2	8
Property, plant and equipment	307	289	95	117
Shares and participations	20	5,470	0	5,287
Current-asset properties	20,268	28,426	6,383	10,377
of which Residential Development	10,766	11,548	3,868	3,503
of which Commercial Property Development	9,502	16,878	2,515	6,874
<b>Divestments in operation</b>	<b>20,600</b>	<b>34,193</b>	<b>6,480</b>	<b>15,789</b>
<b>STRATEGIC DIVESTMENTS</b>				
Businesses	732	0	4	0
<b>Strategic divestments</b>	<b>732</b>	<b>0</b>	<b>4</b>	<b>0</b>
<b>Total divestments</b>	<b>21,331</b>	<b>34,193</b>	<b>6,484</b>	<b>15,789</b>
<b>TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)</b>	<b>386</b>	<b>12,508</b>	<b>-115</b>	<b>8,499</b>
Depreciation, non-current assets	-2,669	-2,945	-655	-702

## Capital employed in Project Development (IFRS)

SEK M	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
Residential Development	14,385	14,503	13,608
Commercial Property Development	32,721	31,585	30,906
<b>Total in Project Development</b>	<b>47,106</b>	<b>46,088</b>	<b>44,515</b>

## Parent Company<sup>1</sup>

The parent company's revenue consists mainly of amounts billed to Group companies. The balance sheet consists mainly of shares in Group companies, intra-Group receivables and equity. The parent company does not report any significant events during the period.

### Summary income statement (IFRS)

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Revenue	636	675	210	188
Selling and administrative expenses	-543	-523	-133	-121
<b>Operating income</b>	<b>93</b>	<b>152</b>	<b>77</b>	<b>67</b>
Net financial items <sup>3</sup>	10,308	2,829	331	-150
<b>Income after financial items</b>	<b>10,401</b>	<b>2,981</b>	<b>408</b>	<b>-83</b>
Taxes	-1	-5	-1	10
<b>Profit for the period</b>	<b>10,400</b>	<b>2,976</b>	<b>407</b>	<b>-73</b>
<b>Total comprehensive income</b>	<b>10,400</b>	<b>2,976</b>	<b>407</b>	<b>-73</b>

### Summary balance sheet (IFRS)

SEKM	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
Intangible non-current assets	3	8
Property, plant and equipment	0	0
Financial non-current assets <sup>2</sup>	17,627	12,031
<b>Total non-current assets</b>	<b>17,630</b>	<b>12,039</b>
Current receivables	186	164
<b>Total current assets</b>	<b>186</b>	<b>164</b>
<b>TOTAL ASSETS</b>	<b>17,816</b>	<b>12,203</b>
<b>EQUITY AND LIABILITIES</b>		
Equity <sup>3</sup>	17,326	10,652
Provisions	251	240
Non-current interest-bearing liabilities <sup>2</sup>	134	1,211
Current liabilities	105	100
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,816</b>	<b>12,203</b>

<sup>1</sup> As a parent company in an IFRS-group, Skanska AB applies RFR2 in its accounting.

<sup>2</sup> Of which SEK 11,783 M (11,477) were shares in Group companies, SEK 5,669 M (384) intra-Group receivables and SEK 134 M (1,211) intra-Group liabilities.

<sup>3</sup> During the year SEK 10,400 M in dividend has been received from Group companies.

The Parent Company's contingent liabilities totaled SEK 172.8 bn on December 31, 2021 (160.6), of which SEK 127.3 bn (118.1) were related to obligations on behalf of Group companies. Other obligations, SEK 45.5 bn (42.5), were related to commitments to outside parties of which SEK 37.2 bn (36.3) relates to partners' future performance in the Group's joint operations.



## Share data

	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Earnings per share according to segment reporting, SEK <sup>1</sup>	19.80	22.46	7.45	12.37
Earnings per share, SEK <sup>1</sup>	16.64	23.97	5.36	11.97
Earnings per share after dilution, SEK <sup>2</sup>	16.52	23.84	5.32	11.91
Equity per share, SEK <sup>3</sup>	110.81	93.67		
Adjusted equity per share, SEK <sup>4</sup>	147.60	117.22		
Average number of shares outstanding	412,387,142	411,993,869		
Average number of shares outstanding after dilution	415,491,861	414,304,017		
Average dilution, %	0.75	0.56		
Number of shares, at balance sheet date	419,903,072	419,903,072		
Average price, repurchased shares, SEK	141.85	138.45		
Number of Series B shares repurchased	28,396,728	27,348,228		
of which repurchased during the year	1,048,500	460,000	279,500	164,000
Number of shares in Skanska's own custody	7,655,488	7,616,674		
Number of shares outstanding	412,247,584	412,286,398		

1 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after dilution.

3 Equity attributable to equity holders divided by the number of shares outstanding.

4 Adjusted equity divided by the number of shares outstanding.

## Five-year Group financial summary

SEK M	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017
Revenue	147,576	158,606	176,782	170,494	160,823
Operating income	9,832	11,860	7,828	4,827	5,504
Profit for the period	8,188	9,274	6,372	3,929	4,934
Earnings per share, SEK	19.80	22.46	15.46	9.55	12.01
Return on capital employed, %	15.9	20.2	15.1	11.2	13.3
Return on equity, %	20.0	26.0	21.4	14.1	18.6
Operating margin, %	6.7	7.5	4.4	2.8	3.4
Return on capital employed according to IFRSs, %	13.4	21.5	14.3	13.0	11.1
Cash flow per share according to IFRSs, SEK <sup>1</sup>	1.81	31.57	3.28	9.51	-2.44

1 Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding.

## Exchange rates for the most important currencies

SEK	Average exchange rates		Exchange rates on the closing day	
	Jan-Dec 2021	Jan-Dec 2020	Dec 31, 2021	Dec 31, 2020
US dollar	8.58	9.21	9.06	8.19
British pound	11.80	11.81	12.19	11.15
Norwegian krone	1.00	0.98	1.03	0.96
Euro	10.15	10.49	10.24	10.05
Czech koruna	0.40	0.40	0.41	0.38
Polish zloty	2.22	2.36	2.23	2.22

## Construction

### Revenue and earnings

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Revenue	132,587	140,483	37,618	34,189
<b>Gross income</b>	<b>10,687</b>	<b>9,344</b>	<b>3,146</b>	<b>2,552</b>
Selling and administrative expenses	-5,709	-5,852	-1,572	-1,451
Income from joint ventures and associated companies	35	37	11	11
<b>Operating income</b>	<b>5,013</b>	<b>3,528</b>	<b>1,585</b>	<b>1,113</b>
Investments	-1,850	-1,503	-690	-504
Divestments	1,034	314	93	130
<b>Net divestments(+)/investments(-)</b>	<b>-816</b>	<b>-1,188</b>	<b>-597</b>	<b>-375</b>
Gross margin, %	8.1	6.7	8.4	7.5
Selling and administrative expenses, %	-4.3	-4.2	-4.2	-4.2
Operating margin %	3.8	2.5	4.2	3.3
Order bookings, SEK bn	153.6	149.8	42.3	39.8
Order backlog, SEK bn	207.0	178.9	-	-
Employees	28,557	30,944	-	-

### Revenue

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	55,918	56,130	16,229	14,469
of which Sweden	32,775	33,689	9,460	8,977
Europe	21,996	24,154	6,153	5,879
USA	54,673	60,199	15,237	13,841
<b>Total</b>	<b>132,587</b>	<b>140,483</b>	<b>37,618</b>	<b>34,189</b>

### Operating income

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	2,250	1,995	789	588
of which Sweden	1,328	1,072	533	294
Europe	1,100	314	263	149
USA	1,663	1,220	534	376
<b>Total</b>	<b>5,013</b>	<b>3,528</b>	<b>1,585</b>	<b>1,113</b>

### Operating margin, %

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	4.0	3.6	4.9	4.1
of which Sweden	4.1	3.2	5.6	3.3
Europe	5.0	1.3	4.3	2.5
USA	3.0	2.0	3.5	2.7
<b>Total</b>	<b>3.8</b>	<b>2.5</b>	<b>4.2</b>	<b>3.3</b>

### Order backlog

SEKM	Dec 31, 2021	Dec 31, 2020
Nordics	69,711	63,514
of which Sweden	33,756	34,558
Europe	39,630	37,680
USA	97,690	77,729
<b>Total</b>	<b>207,031</b>	<b>178,924</b>

### Order bookings

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	60,439	59,254	17,106	16,516
of which Sweden	31,966	30,502	9,370	6,464
Europe	27,290	40,147	3,597	6,183
USA	65,860	50,401	21,611	17,140
<b>Total</b>	<b>153,590</b>	<b>149,802</b>	<b>42,314</b>	<b>39,840</b>

### Book-to build, R-12m, %

SEKM	Dec 31, 2021	Dec 31, 2020
Nordics	108	106
of which Sweden	98	91
Europe	124	166
USA	120	84
<b>Total</b>	<b>116</b>	<b>107</b>

## Residential Development

### Revenue and earnings

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Revenue	14 377	13 070	3 645	3 506
<b>Gross income</b>	<b>2 707</b>	<b>2 178</b>	<b>633</b>	<b>647</b>
Selling and administrative expenses	- 727	- 634	- 214	- 173
<b>Operating income</b>	<b>1 980</b>	<b>1 543</b>	<b>419</b>	<b>475</b>
Operating margin, %	13.8	11.8	11.5	13.5
Investments	-11 488	-10 420	-3 256	-3 333
Divestments	10 766	11 710	3 868	3 518
<b>Net divestments(+)/investments(-)</b>	<b>- 722</b>	<b>1 291</b>	<b>612</b>	<b>186</b>
Capital employed, SEK bn	14.4	13.6	-	-
Return on capital employed, %	14.1	12.8	-	-
Employees	582	571	-	-

### Revenue

SEKM	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	12,497	11,597	2,970	2,911
of which Sweden	7,109	7,042	1,332	1,725
Europe	1,879	1,473	674	595
<b>Total</b>	<b>14,377</b>	<b>13,070</b>	<b>3,645</b>	<b>3,506</b>

### Operating income<sup>1</sup>

	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	1,623	1,345	300	414
of which Sweden	943	797	123	235
Europe	357	198	119	60
<b>Total</b>	<b>1,980</b>	<b>1,543</b>	<b>419</b>	<b>475</b>

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

### Operating margin, %<sup>1</sup>

	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	13.0	11.6	10.1	14.2
of which Sweden	13.3	11.3	9.2	13.6
Europe	19.0	13.5	17.6	10.2
<b>Total</b>	<b>13.8</b>	<b>11.8</b>	<b>11.5</b>	<b>13.5</b>

### Homes started

	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	3,509	2,937	1,333	851
of which Sweden	2,525	2,124	912	816
Europe	854	870	525	461
<b>Total</b>	<b>4,363</b>	<b>3,807</b>	<b>1,858</b>	<b>1,312</b>

### Homes sold

	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	3,131	3,352	705	778
of which Sweden	2,136	2,341	401	539
Europe	953	639	325	335
<b>Total</b>	<b>4,084</b>	<b>3,991</b>	<b>1,030</b>	<b>1,113</b>

### Homes under construction

	Dec 31, 2021	Dec 31, 2020
Nordics	6,825	5,518
of which Sweden	5,175	3,901
Europe	1,848	1,430
<b>Total</b>	<b>8,673</b>	<b>6,948</b>

### Completed unsold, number of homes

	Dec 31, 2021	Dec 31, 2020
Nordics	48	141
of which Sweden	17	68
Europe	9	13
<b>Total</b>	<b>57</b>	<b>154</b>

### Homes under construction of which sold, %

	Dec 31, 2021	Dec 31, 2020
Nordics	74	76
of which Sweden	74	77
Europe	71	55
<b>Total</b>	<b>73</b>	<b>72</b>

## Commercial Property Development

### Revenue and earnings

SEK M	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Revenue	11,102	14,983	6,699	8,746
of which from divestment of properties	10,289	13,827	6,482	8,301
<b>Gross income</b>	<b>3,955</b>	<b>4,701</b>	<b>1,974</b>	<b>1,891</b>
Selling and administrative expenses	-784	-797	-255	-199
Income from joint ventures and associated companies	93	-8	4	1
<b>Operating income</b>	<b>3,264</b>	<b>3,897</b>	<b>1,723</b>	<b>1,692</b>
of which gain from divestments of properties <sup>1</sup>	3,928	4,750	2,067	2,094
of which writedowns/reversal of writedowns	-170	-281	-126	-250
1 Additional gains included in eliminations	239	359	143	166
Investments	-7,344	-9,777	-2,676	-3,464
Divestments	9,961	16,988	2,973	6,881
<b>Net divestments(+)/Investments(-)</b>	<b>2,617</b>	<b>7,211</b>	<b>298</b>	<b>3,417</b>
Capital employed, SEK bn	32.7	30.9	-	-
Return on capital employed, %	10.8	11.9	-	-
Employees	431	445	-	-

SEK M	Revenue				of which from divestments			
	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	5,130	5,420	1,861	659	4,849	5,003	1,778	400
Europe	3,614	2,835	2,735	1,787	3,428	2,664	2,692	1,740
USA	2,359	6,728	2,102	6,300	2,012	6,160	2,012	6,161
<b>Total</b>	<b>11,102</b>	<b>14,983</b>	<b>6,699</b>	<b>8,746</b>	<b>10,289</b>	<b>13,827</b>	<b>6,482</b>	<b>8,301</b>

SEK M	Operating income				of which from divestments			
	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Nordics	1,783	1,870	446	-9	2,047	2,189	501	35
Europe	770	661	608	307	1,023	865	708	377
USA	711	1,366	669	1,394	858	1,696	858	1,682
<b>Total</b>	<b>3,264</b>	<b>3,897</b>	<b>1,723</b>	<b>1,692</b>	<b>3,928</b>	<b>4,750</b>	<b>2,067</b>	<b>2,094</b>

### Capital employed

SEK M	Dec 31, 2021	Dec 31, 2020
Nordics	11,750	11,618
Europe	10,050	9,744
USA	10,920	9,544
<b>Total</b>	<b>32,721</b>	<b>30,906</b>

## PPP-portfolio value

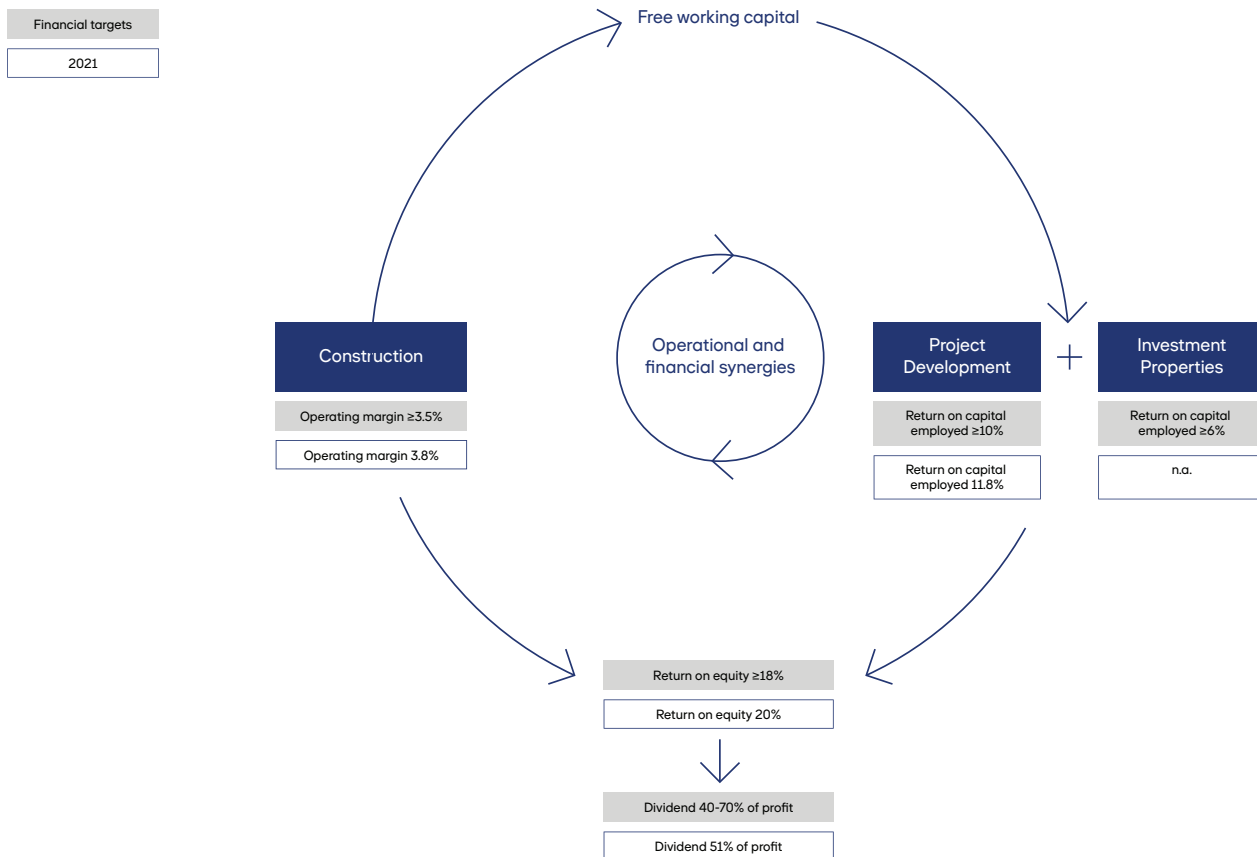
### Unrealized development gain in PPP-portfolio

SEK bn	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
Present value of cash flow from projects	2.5	2.4	2.2
Present value of remaining investments	-0.6	-1.0	-1.0
<b>Net present value of projects</b>	<b>1.9</b>	<b>1.4</b>	<b>1.2</b>
Carrying amount before Cash flow hedge / Carrying amount	-1.4	-0.9	-0.7
<b>Unrealized development gain</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
Cash flow hedge	0.2	0.2	0.3
<b>Effect in unrealized equity<sup>1</sup></b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>

<sup>1</sup> Tax effects not included.

# About Skanska

Skanska is one of the world’s leading construction and project development companies, focused on selected home markets in the Nordics, Europe and USA. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities.



## Internal contracts and cooperation

Operational and financial synergies are, amongst other things, achieved through investments in Project Development, generating internal contracts for Skanska’s Construction stream, as well as through the collaboration between Business Units from different markets. Currently, SEK 9.8 billion of Skanska’s total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 12.7 billion.

Construction revenue from internal Project Development contracts amounted to:

**12.7** SEK bn

Value of orders in backlog generated through cooperation between Business Units:

**9.8** SEK bn

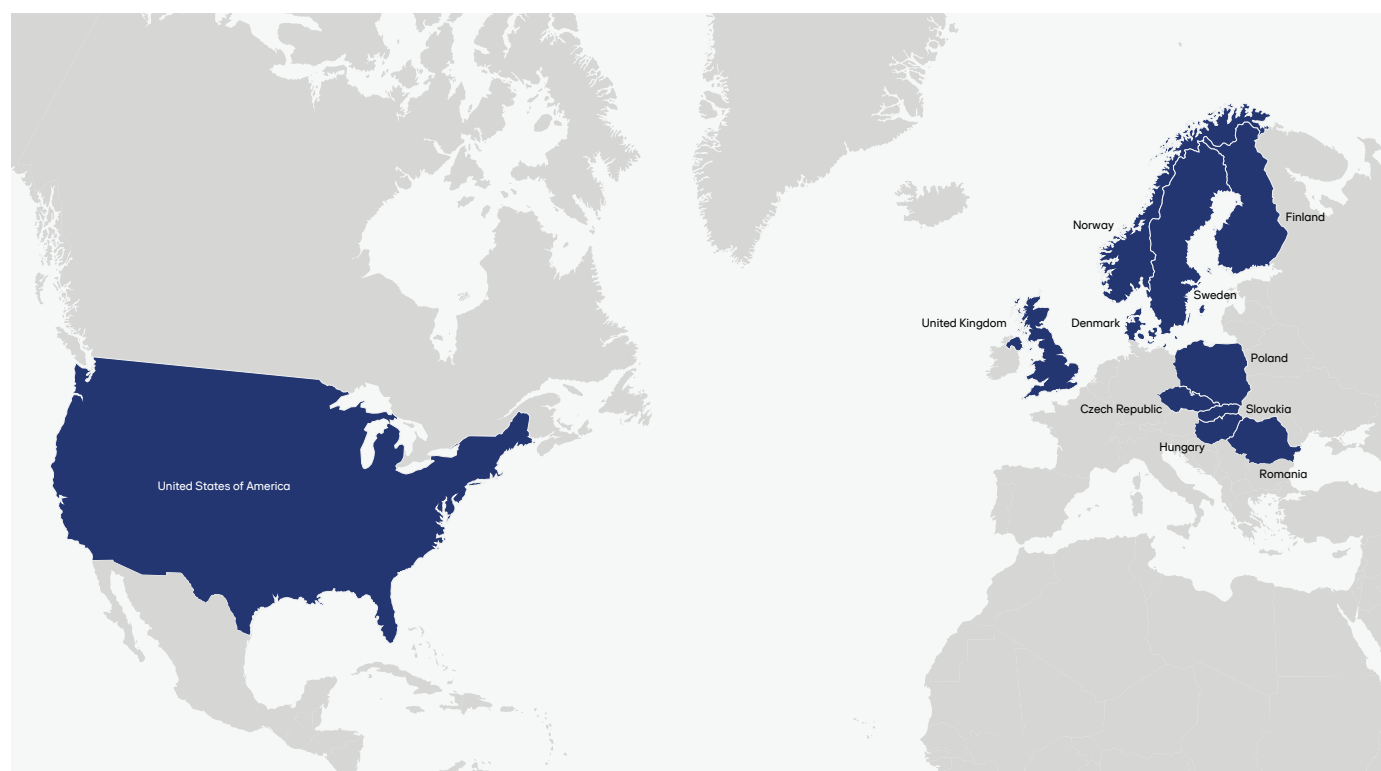


**Port7 office building in Prague, Czech Republic**  
 Skanska has invested in the second phase of Port7. The project consists of two office buildings with a total leasable area of about 7,900 square meters. The full Port7 complex will offer about 35,000 square meters of A-class office and retail premises in three buildings. Port7 is expected to receive both LEED Platinum and WELL Platinum certifications. Comfort and microbiological safety in Port7 will be guaranteed by Skanska’s Care for Life Office Concept and sealed by WELL Health & Safety Rating. The second phase is scheduled for completion in 2023.



**LaGuardia Airport, New York, USA**  
 In 2020, Skanska completed and opened the new LaGuardia Airport Terminal B Arrivals and Departures Hall (Headhouse) in New York, USA. In 2021, Terminal B won the UNESCO Prix Versailles architecture award for the world’s best new air travel facility. Skanska USA Building and Skanska USA Civil are leading the design-build joint venture for LaGuardia’s new Terminal B. The redevelopment at LaGuardia, began in 2016 and is slated for completion by the fall of 2022. It is one of the most complex, and the largest, project ever undertaken by Skanska.

## Skanska's home markets



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This report will also be presented via a telephone conference and a webcast at 10:00 CET on February 3, 2022.  
The telephone conference will be webcasted live at [www.skanska.com/investors](http://www.skanska.com/investors), where a recording of the conference will also be available later.  
To participate in the telephone conference, please dial +46 8 505 583 66 (direct), or +44 333 300 90 35 (direct), or +1 6319131422 and PIN: 71138252#.  
This and previous releases can also be found at [www.group.skanska.com/investors](http://www.group.skanska.com/investors).

This is information that Skanska AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.  
The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out above, at 07:30 CET on February 3, 2022.

Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.