

SKANSKA

# Three months report 2022

We build for a better society



# Three months report 2022

- Solid performance in Q1 2022
  - Construction – returning volumes
  - Residential Development – good performance
  - Commercial Property Development – attractive gains
  - Investment Properties – first acquisition
- Operating margin in Construction 2.3% (2.5)
- ROCE in Project Development 10.8% (10.5), R-12
- Return on Equity 18.3% (23.9), R-12
- Strong financial position
- Carbon reduction 49% since 2015



# Construction

- Revenue SEK 33.4 bn (29.4)
- Order bookings SEK 30.0 bn (34.9)
  - Book-to-build 109%, R-12
  - Order backlog SEK 207.6 bn (193.4)
- Operating income SEK 756 M (722)
  - Operating margin 2.3% (2.5)
- Volumes returning with improved activity
- Supply chain disruptions challenging
- No material impact of the war in Europe in the first quarter



# Residential Development

- Revenue SEK 4.3 bn (4.5)
  - 1,081 (1,362) homes sold
  - 806 (1,061) homes started
- Operating income SEK 517 M (669)
  - Operating margin 12.1% (14.8)
- ROCE 12.8% (14.3), R-12
- Good activity and strong profitability
- Focus on zoning and permitting



# Commercial Property Development

- Operating income SEK 784 M (1,066)
  - Gain on sale SEK 989 M (1,223)
- ROCE 9.8% (9.0), R-12
- 35 ongoing projects
  - SEK 26.0 bn total investment
  - 28% occupancy rate / 42% completion rate
  - 1 project started in 2022
- Solid property investor appetite
- Soft leasing market
  - 13,000 sq m leased in Q1 (32,000)



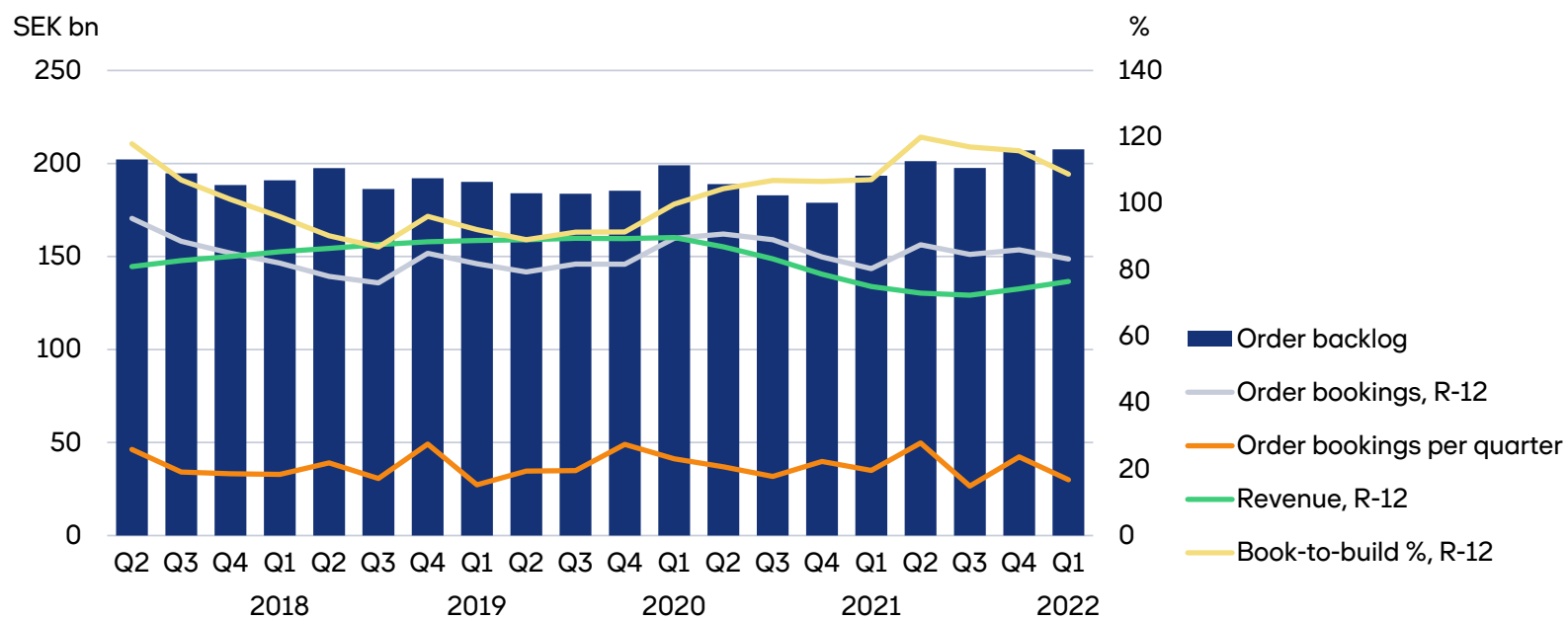
# Investment Properties

- New Business Stream 2022
- Targeting a high quality, sustainable office portfolio of SEK 12-18 bn
  - Strong stable cash flow
  - Value increase potential
- First acquisition SEK 748 M – Epic Building in Malmö
  - Fully let multi-tenant office building
  - Highest sustainability certification
  - Cluster of Skanska developments
  - Attractive part of the city



# Construction

## Order bookings



SEK bn	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
Revenue	33.4	29.4	136.6	132.6
Order bookings	30.0	34.9	148.6	153.6
Order backlog	207.6	193.4	207.0	



# Construction

## Order bookings

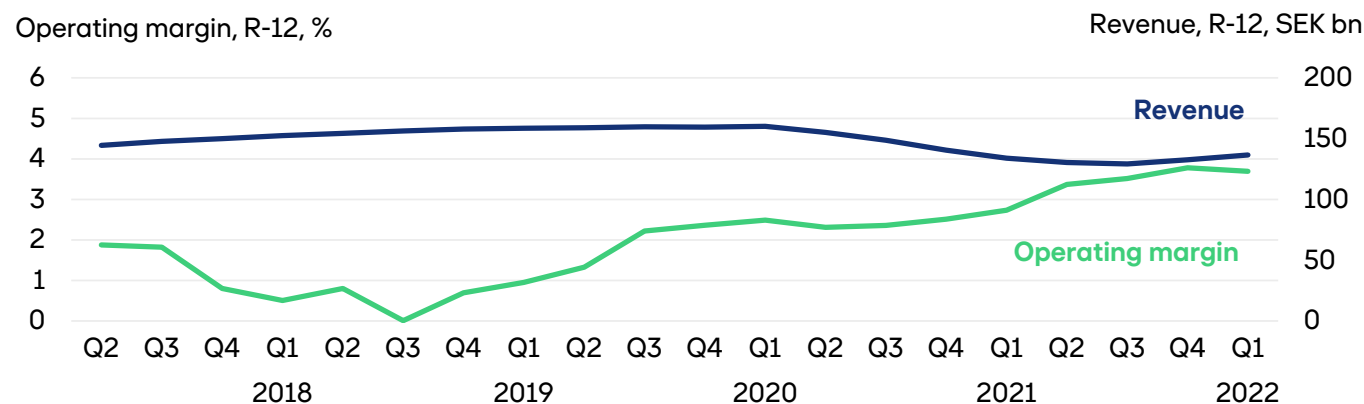
SEK bn	Jan-Mar 2022	Jan-Mar 2021	Book-to- build, %	Months of production
Nordics	<b>11.9</b>	13.8	102	14
of which Sweden	<b>8.6</b>	7.5	101	13
Europe	<b>5.5</b>	11.5	96	22
USA	<b>12.5</b>	9.6	120	21
<b>Total</b>	<b>30.0</b>	<b>34.9</b>	<b>109</b>	<b>18</b>





# Construction

## Income statement



SEK bn	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
Revenue	33.4	29.4	136.6	132.6
Gross income	2.3	2.1	10.8	10.7
Selling and administrative expenses	-1.5	-1.4	-5.8	-5.7
Operating income	0.8	0.7	5.0	5.0
Gross margin, %	6.8	7.2	7.9	8.1
Selling and administrative expenses, %	-4.5	-4.8	-4.3	-4.3
Operating margin, %	2.3	2.5	3.7	3.8

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Skanska Three month report 2022



# Construction

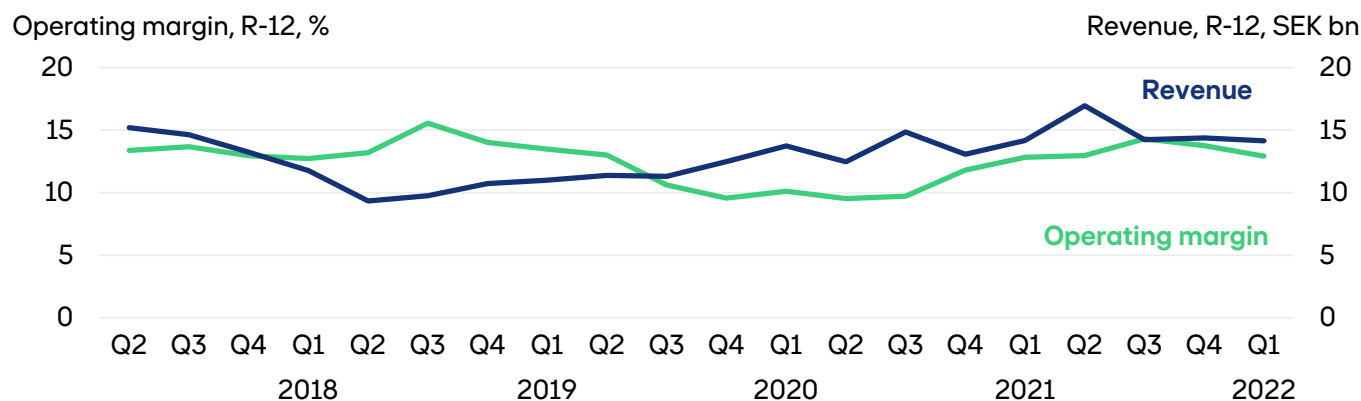
## Income statement

	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Nordics	375	363	2.8	2.9
of which Sweden	172	168	2.3	2.3
Europe	-18	48	neg	1.0
USA	399	311	2.7	2.6
<b>Total</b>	<b>756</b>	<b>722</b>	<b>2.3</b>	<b>2.5</b>



# Residential Development

## Income statement, segment reporting



SEK M	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
Revenue	4,276	4,509	14,144	14,377
Gross income	699	837	2,569	2,707
Selling and administrative expenses	-183	-168	-742	-727
Operating income	517	669	1,827	1,980
Gross margin, %	16.3	18.6	18.2	18.8
Selling and administrative expenses, %	-4.3	-3.7	-5.2	-5.1
Operating margin, %	12.1	14.8	12.9	13.8



# Residential Development

## Income statement

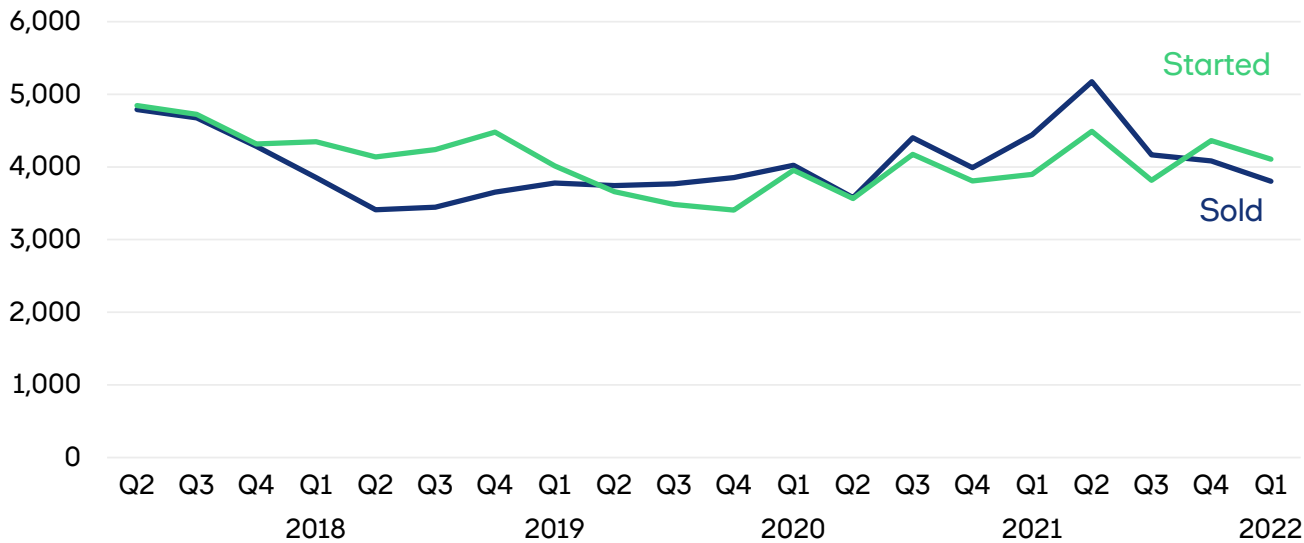
	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Nordics	469	581	11.9	14.2
of which Sweden	344	438	12.4	15.3
Europe	48	88	13.9	20.8
<b>Total</b>	<b>517</b>	<b>669</b>	<b>12.1</b>	<b>14.8</b>



# Residential Development

## Homes started and sold

Homes, R-12

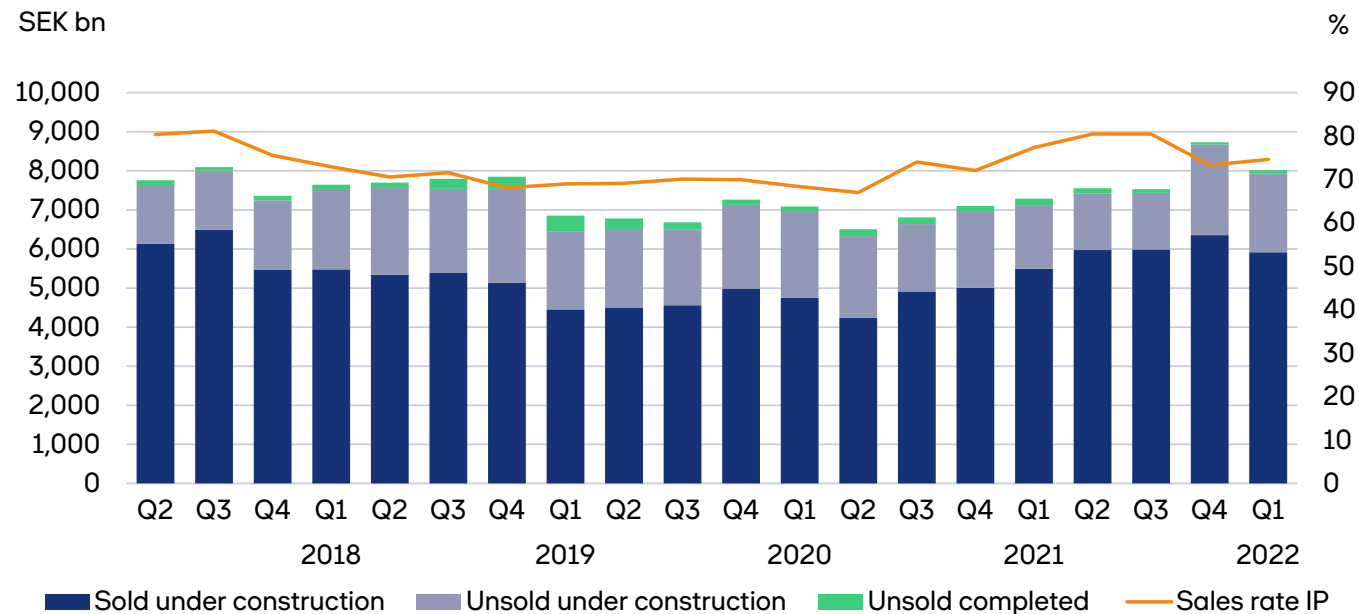


Homes started				Homes sold			
Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
806	1,061	4,108	4,363	1,081	1,362	3,804	4,084



# Residential Development

## Homes in production



Homes in production			Of which sold, %			Unsold complete homes		
Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
7,926	7,104	8,673	75	77	73	89	186	57



# Commercial Property Development

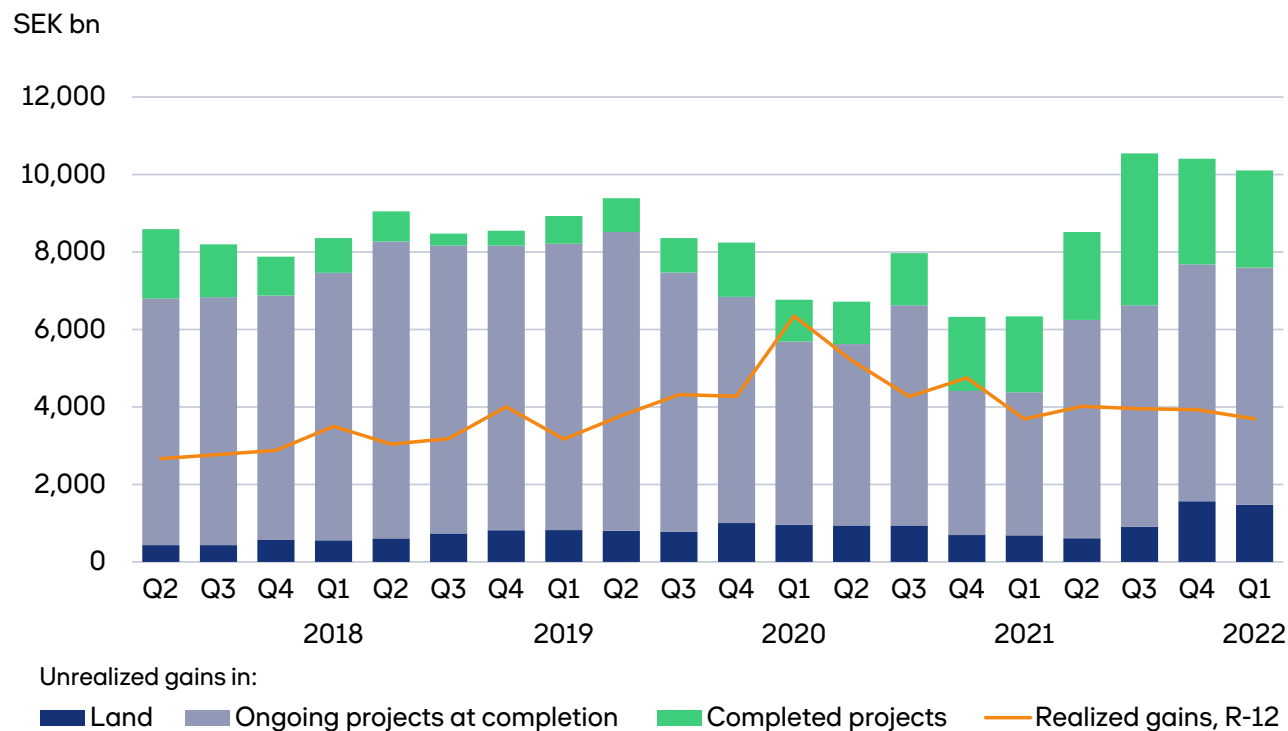
## Income statement, segment reporting

SEK bn	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
Revenue	4,137	2,605	12,634	11,102
<b>Gross income</b>	<b>964</b>	<b>1,232</b>	<b>3,687</b>	<b>3,955</b>
Selling and administrative expenses	-181	-168	-797	-784
Income from JV's and associated companies	2	3	92	93
<b>Operating income</b>	<b>784</b>	<b>1,066</b>	<b>2,982</b>	<b>3,264</b>
of which gains from divestments of properties <sup>1</sup>	989	1,223	3,695	3,928
of which write downs/reversal of write downs	-30	0	-200	-170
1 Additional gain included in eliminations	63	34	268	239



# Commercial Property Development

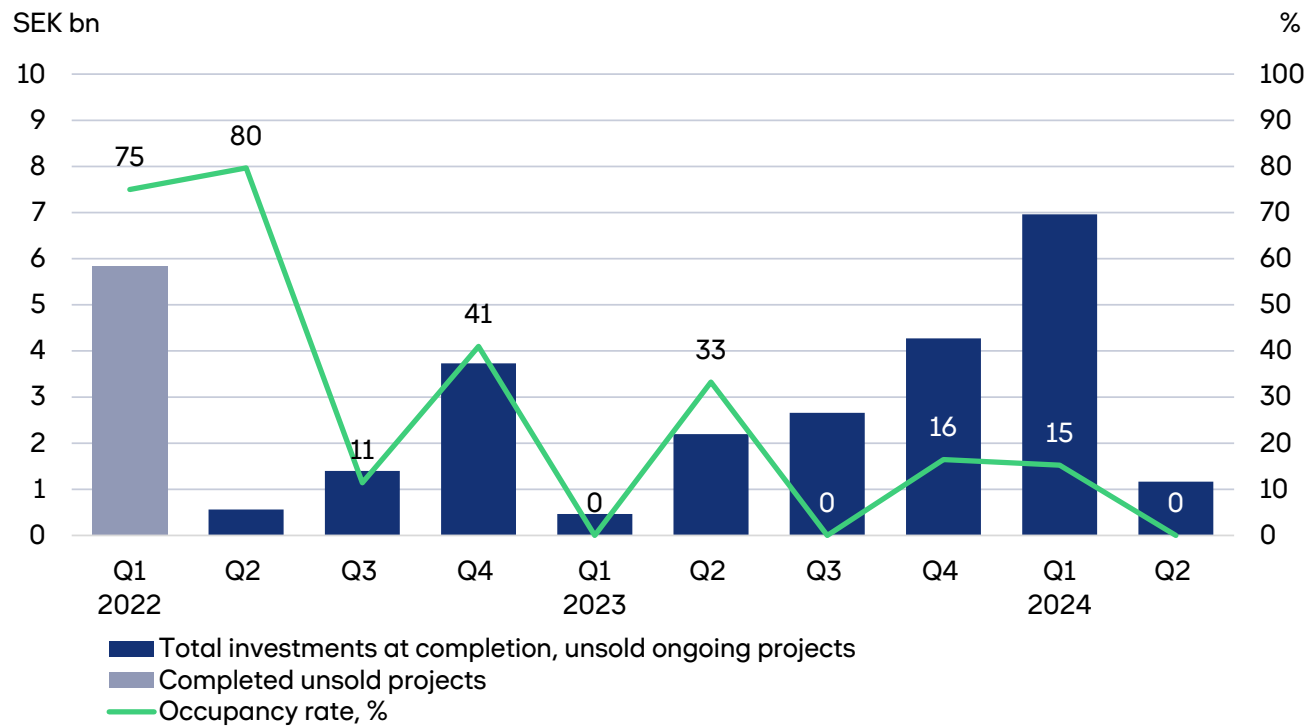
## Unrealized and realized gains, segment reporting



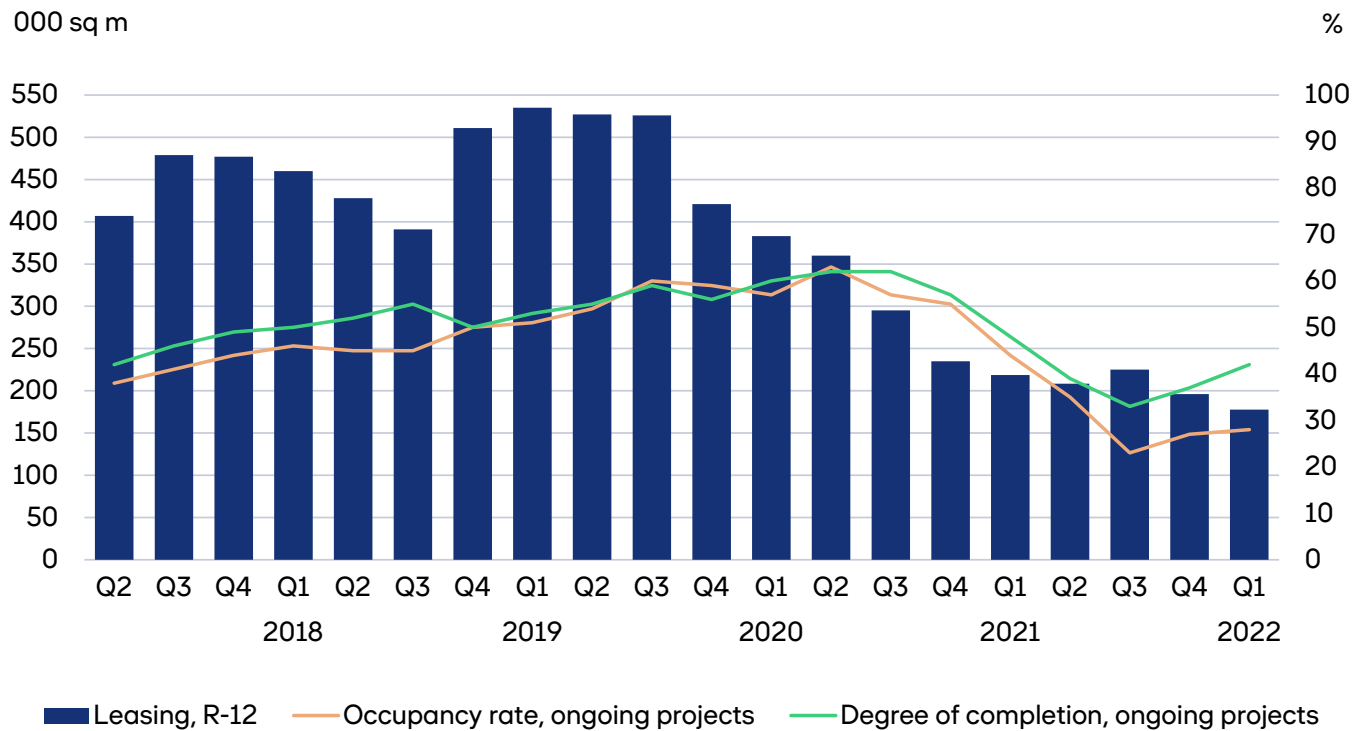


# Commercial Property Development

## Completion profile, unsold projects



# Commercial Property Development Leasing



# Investment Properties

## Income statement

SEK M	Jan-Mar 2022	Jan-Mar 2021 <sup>1</sup>	R12 months	Jan-Dec 2021 <sup>1</sup>
Revenue	0		0	
<b>Operating net</b>	<b>0</b>		<b>0</b>	
Selling and administrative expenses	-1		-1	
Change in property value	26		26	
Income from joint ventures and associated companies	0		0	
<b>Operating income</b>	<b>25</b>		<b>25</b>	

<sup>1</sup> Investment Properties is a new business stream from 2022.

Location	Leasable area, sqm	Rental value, SEK M	Economic occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	11,844	41	100	766	100
<b>Total</b>	<b>11,844</b>	<b>41</b>	<b>100</b>	<b>766</b>	<b>100</b>

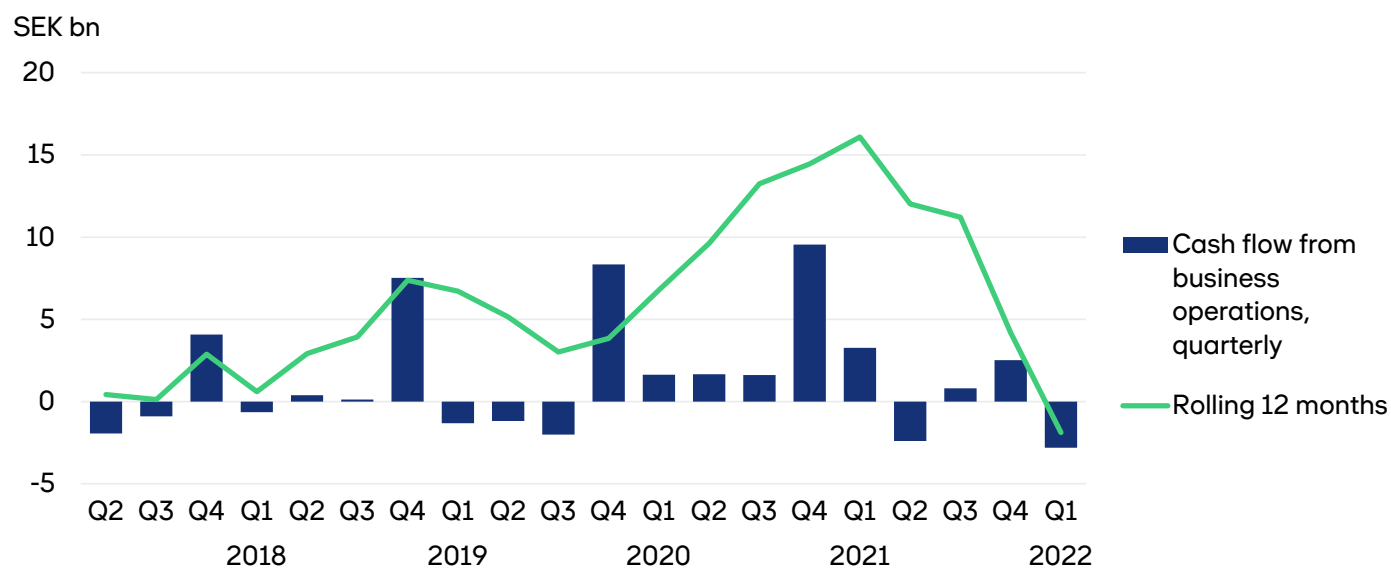


# Group Income Statement

SEK m	Jan-Mar 2022	Jan-Mar 2021	R12 months	Jan-Dec 2021
Operating income from business streams	<b>2,083</b>	2,457	9,882	10,256
Central	<b>-135</b>	-104	-446	-415
Eliminations	<b>-95</b>	-27	-78	-9
<b>Operating income</b>	<b>1,852</b>	2,327	9,358	9,832
<b>Net financial items</b>	<b>8</b>	-48	-116	-172
<b>Income after financial items</b>	<b>1,860</b>	2,278	9,241	9,660
Taxes	<b>-365</b>	-386	-1,450	-1,472
<b>Profit for the period</b>	<b>1,495</b>	1,892	7,791	8,188
Earnings per share, SEK	<b>3.62</b>	4.59	18.83	19.80
Tax rate, %	<b>20</b>	17	16	15



# Group Cash flow

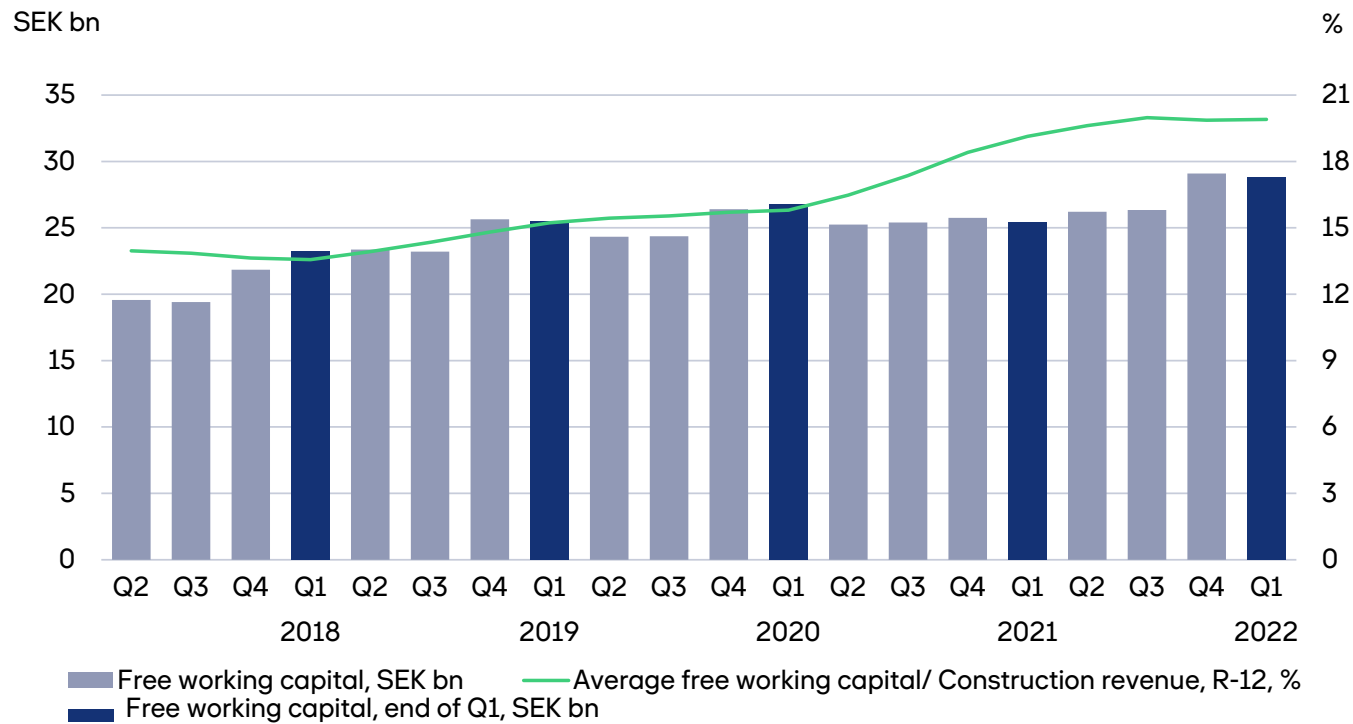


SEK bn	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating cash flow from operations	-2.8	3.3	4.2
Dividend and net strategic divestment	-0.0	-0.0	-3.4
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-2.9</b>	<b>3.2</b>	<b>0.7</b>



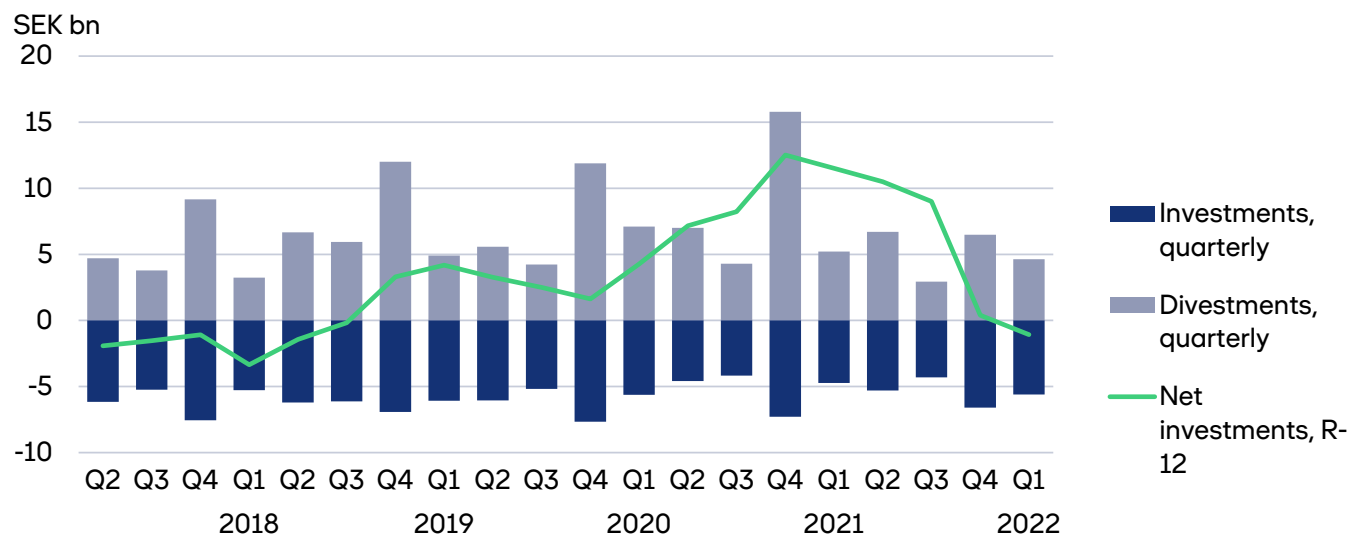
# Construction

## Free working capital



# Group

## Investments, divestments and capital employed



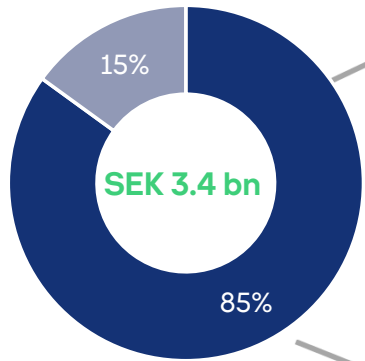
SEK bn	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>Capital employed in:</b>			
Residential Development	16.6	15.4	14.4
Commercial Property Development	33.1	31.1	32.7
Investment Properties	0.7	0.0	0.0
<b>Total in in Project Development and Investment Properties</b>	<b>50.4</b>	<b>46.5</b>	<b>47.1</b>



# Group

Available funds: SEK 19.0 bn,  
o/w unutilized credit facilities SEK 6.7 bn

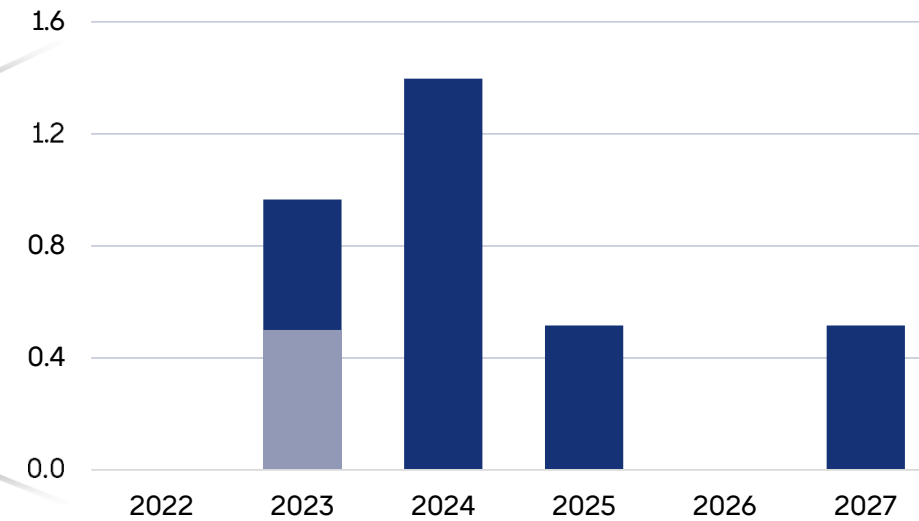
Central funding



- Green bilateral loan
- Green bonds

SEK bn

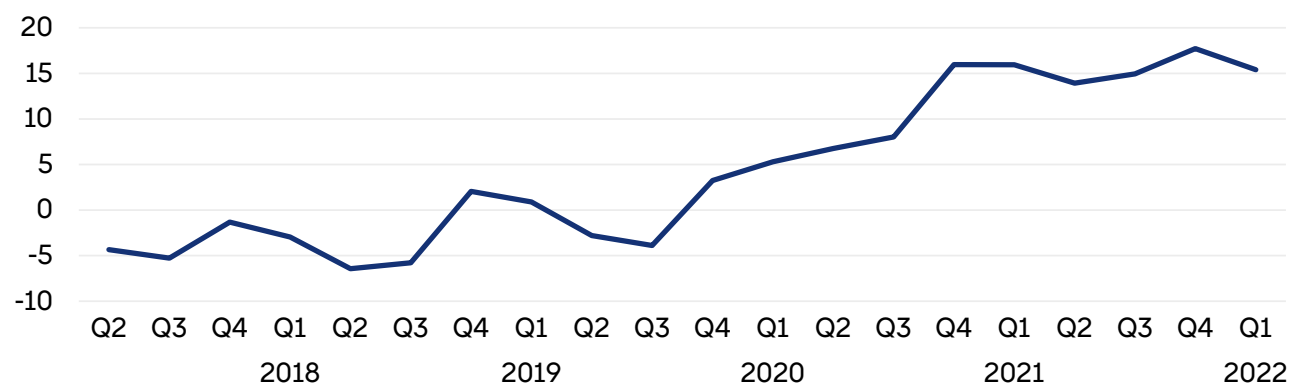
Maturity profile





# Group Financial position

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



SEK bn	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Total assets	140.5	129.3	139.0
Equity attributable to equity holders	44.2	38.5	45.8
Interest-bearing net receivables (+)/net debt (-)	11.1	8.8	12.6
Adj. interest-bearing net receivables (+)/net debt (-)	15.4	15.9	17.7
Capital employed, closing balance	65.1	60.6	66.7
Equity/assets ratio, %	31.4	29.8	32.9



# Market outlook

## → Construction

- Supply chain disruptions
- Market activity weakening for building but mostly stable for civil
- Federal funding in the USA market

## ↘ Residential Development

- Activity is likely to stabilize or slow down
- Cost escalation and price uncertainty might lead to projects being postponed

## ↘ Commercial Property Development

- The investor market remains strong
- Leasing volumes still not back to pre-pandemic levels
- Cost escalation and price uncertainty might lead to postponed projects



# Group Summary

- Solid first quarter
  - Construction – returning volumes
  - Residential Development – good performance
  - Commercial Property Development – attractive gains
  - Investment Properties – first acquisition
- Robust financial position
- Strategic direction:
  - Improve profitability and grow responsibly in Construction
  - Leading residential developer
  - Grow Commercial Property Development
  - Build up Investment Properties portfolio



