

SKANSKA

# First quarter report 2024

We build for a better society



The Eight Bellevue Washington state USA

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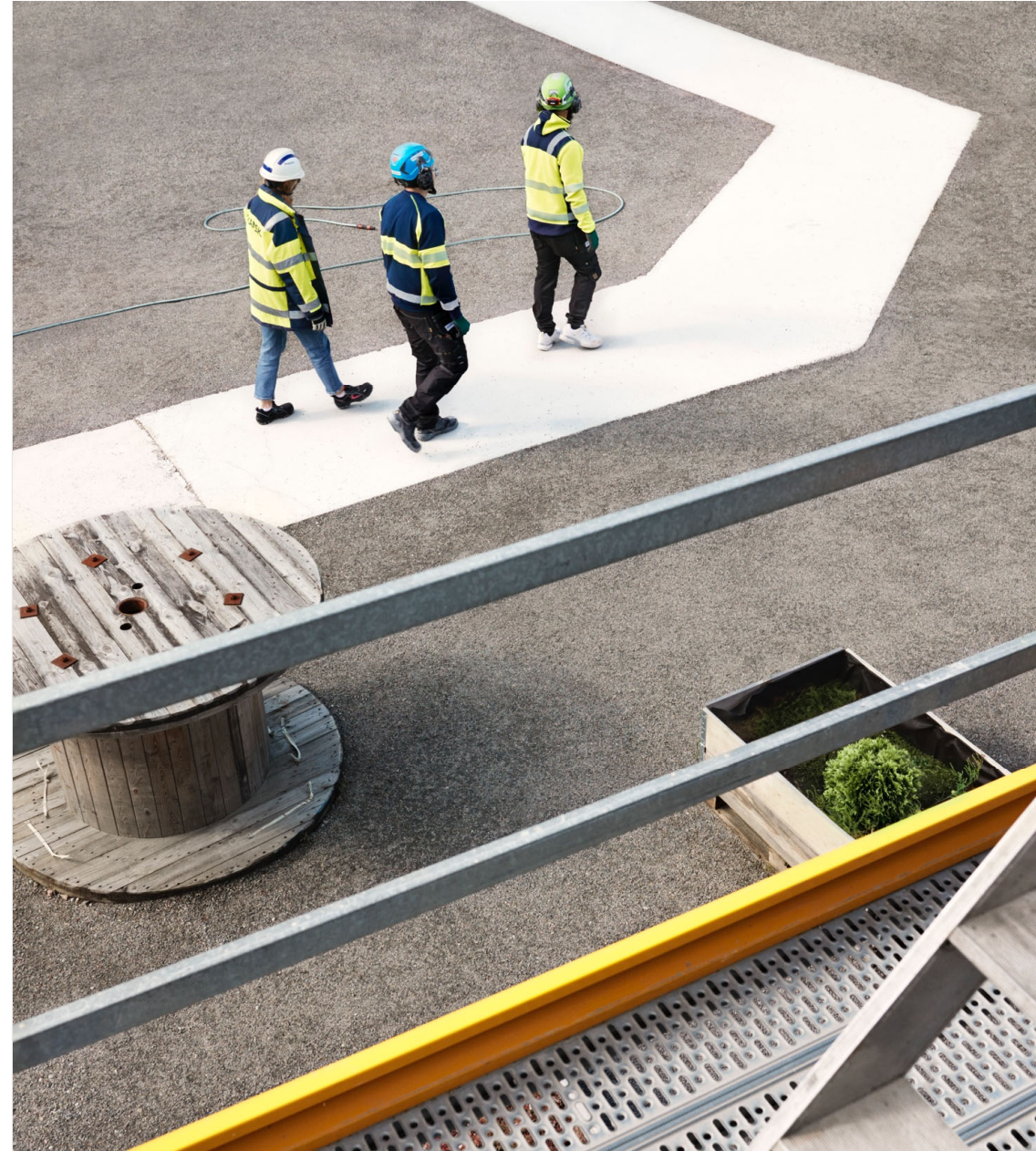
- Mixed performance
  - Construction – Lower result. Strong order intake.
  - Residential Development – Increasing sales volume from low level.
  - Commercial Property Development – No divestment recorded. Improved leasing.
  - Investment Properties – Solid performance.
- Operating margin in Construction 1.8% (2.8)
- ROCE in Project Development -3.1% (4.5), R-12
- ROCE in Investment Properties -1.0% (7.7), R-12
- Return on Equity 5.9% (13.0), R-12
- Robust financial position
- Carbon reduction 58% since 2015





# Construction

- Revenue SEK 36.2 bn (37.5)
- Order bookings SEK 46.9 bn (25.8)
  - Book-to-build 117%
  - Order backlog SEK 251.4 bn (217.9)
- Operating income SEK 669 M (1,033)
  - Operating margin 1.8% (2.8)
- Strong order intake in the USA and Norway
- Order backlog reached a historic high
- Result impacted by costs related to a project won 10 years ago in the UK
- Rolling 12-month operating margin was 3.3 percent





# Residential Development

- Revenue SEK 2.0 bn (0.6)
  - 511 (132) homes sold
  - 459 (288) homes started
- Operating income SEK 23 M (-314)
- ROCE -4.8 (2.0)
- Increased sales volumes, but still lower than normal in all markets except for Central Europe
- BoKlok losses of SEK -146 M.
- Operating margin excl BoKlok 8.9 percent



# Commercial Property Development

- Operating income SEK -166 M (-142)
  - Impairment charges SEK 0.2 bn related to a US project
  - ROCE -2.6% (5.6)
- 21 ongoing projects
  - SEK 27.2 bn total investment
- 22 completed projects
  - SEK 12.1 bn total investment
  - 73% leased
- No divestments or project starts in the quarter
- Leasing activity solid, total 70,000 sq m
- Record lease contract signed in The Eight in USA





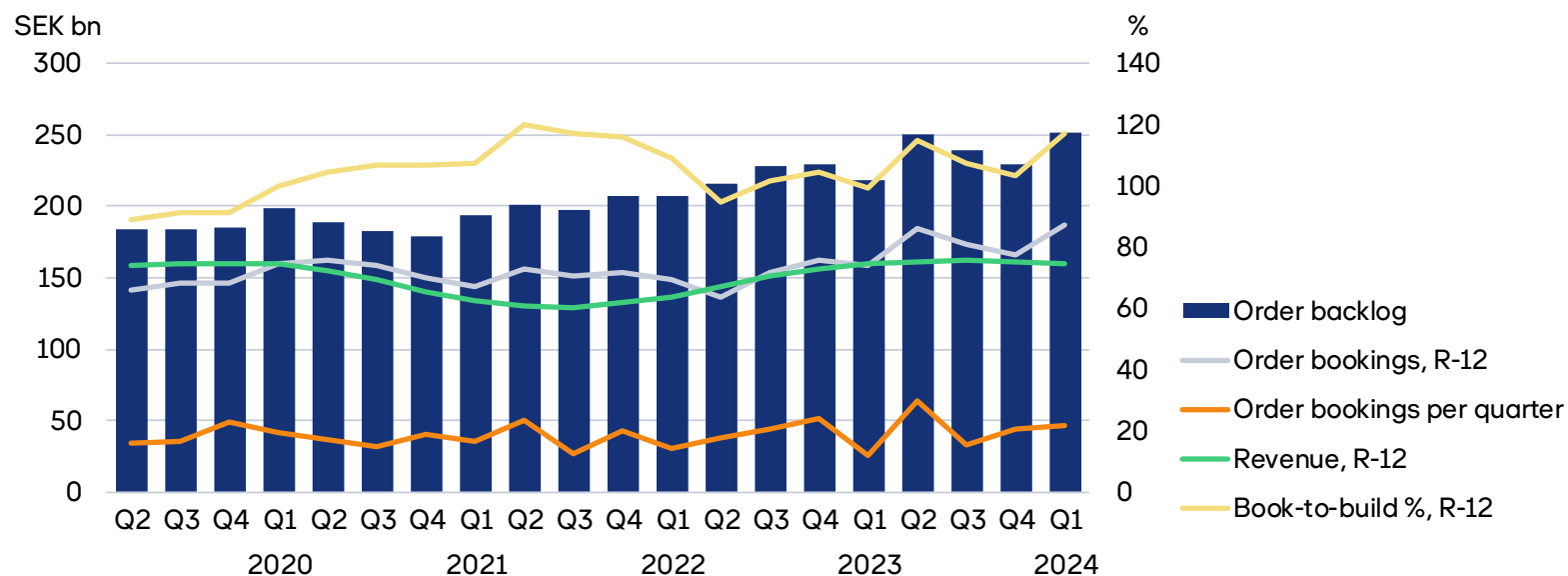
# Investment Properties

- No new investments during the first quarter
- Stable performance with solid operating income of SEK 50 M
- Economic occupancy rate at 91 percent
- Targeting a high quality, sustainable, office portfolio of SEK 12-18 bn, to generate stable cash flow

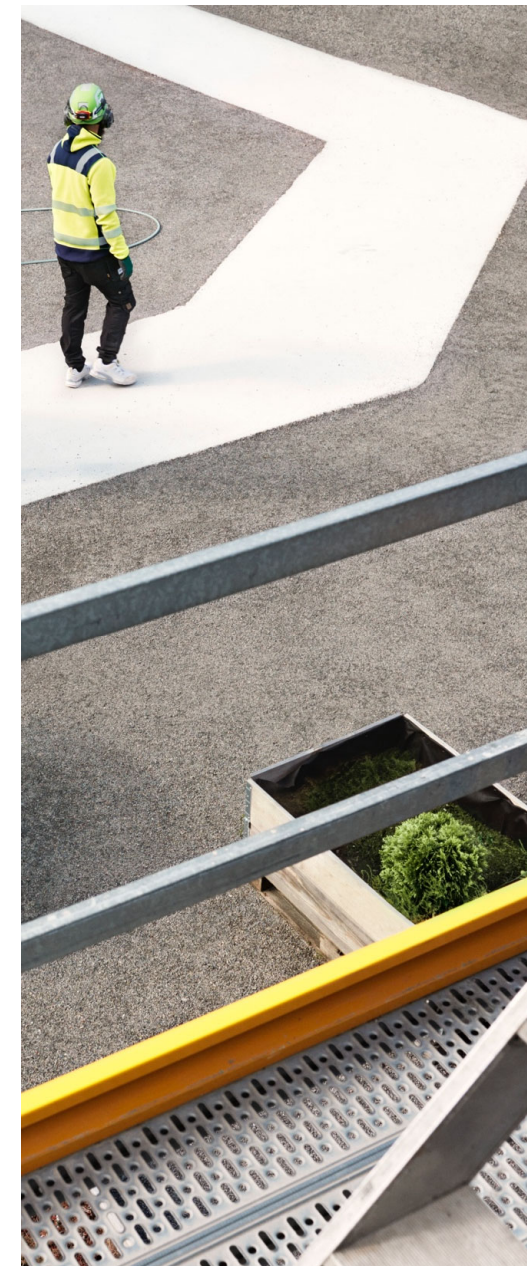


# Construction

## Order bookings



SEK bn	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Jan-Dec 2023
Revenue	36.2	37.5	159.3	160.6
Order bookings	46.9	25.8	186.9	165.8
Order backlog	251.4	217.9		229.6

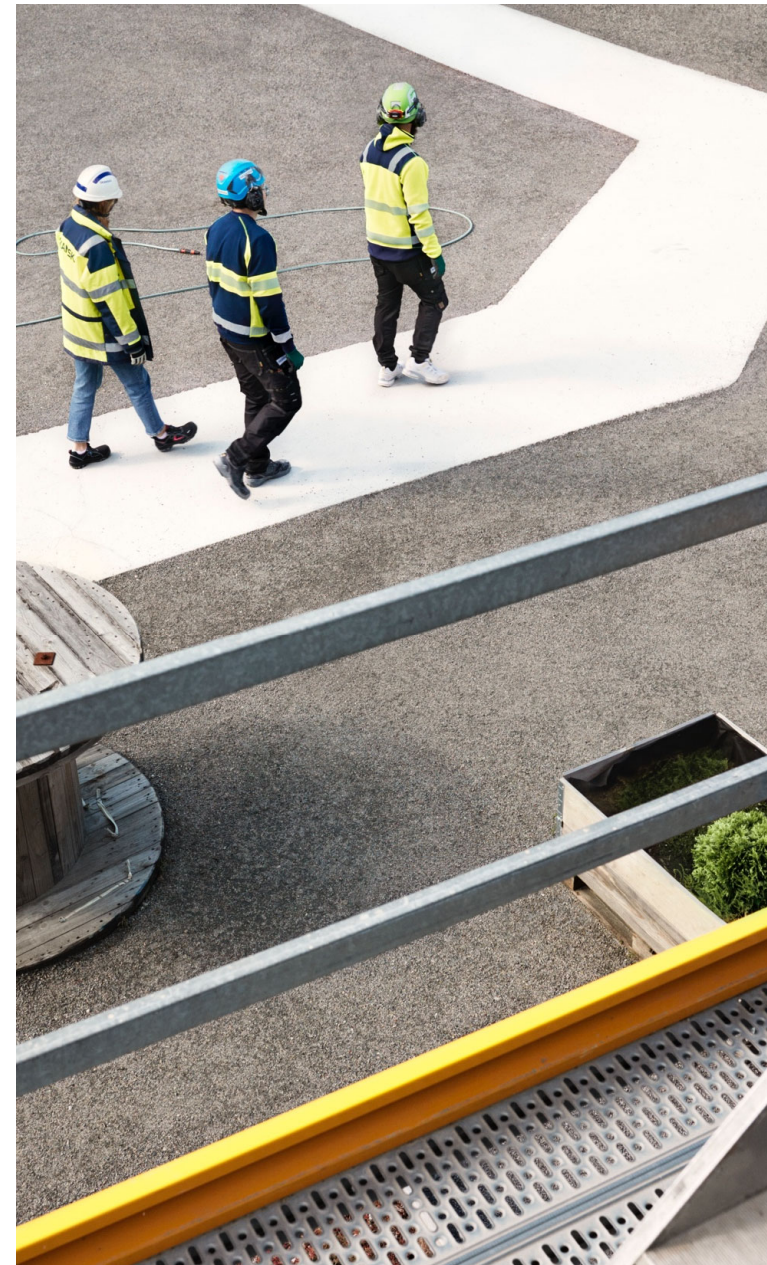




# Construction

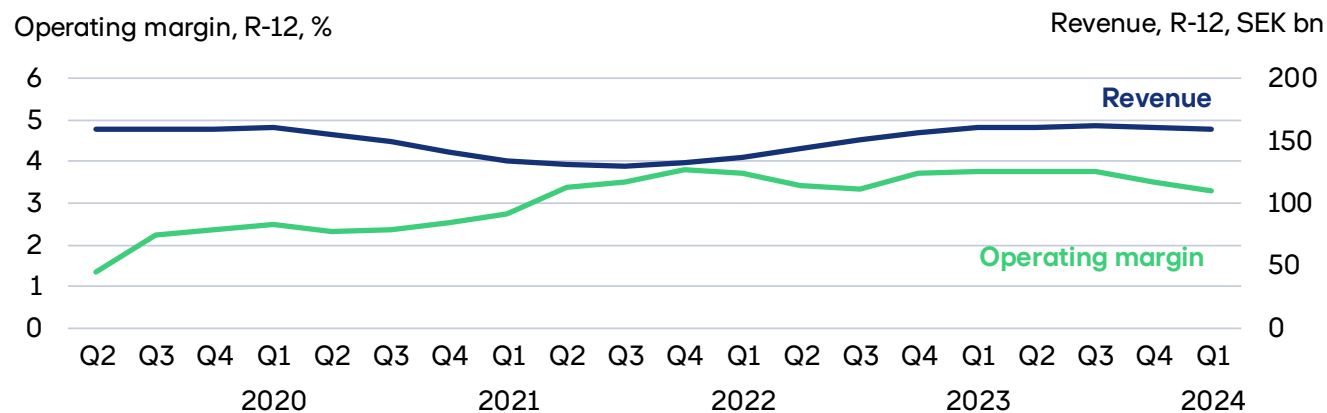
## Order bookings

SEK bn	Jan-Mar 2024	Jan-Mar 2023	Book-to-build, %	Months of production
Nordics	12.9	11.8	113	15
of which Sweden	6.6	7.0	89	11
Europe	3.0	2.6	76	15
USA	31.0	11.4	135	22
<b>Total</b>	<b>46.9</b>	<b>25.8</b>	<b>117</b>	<b>19</b>

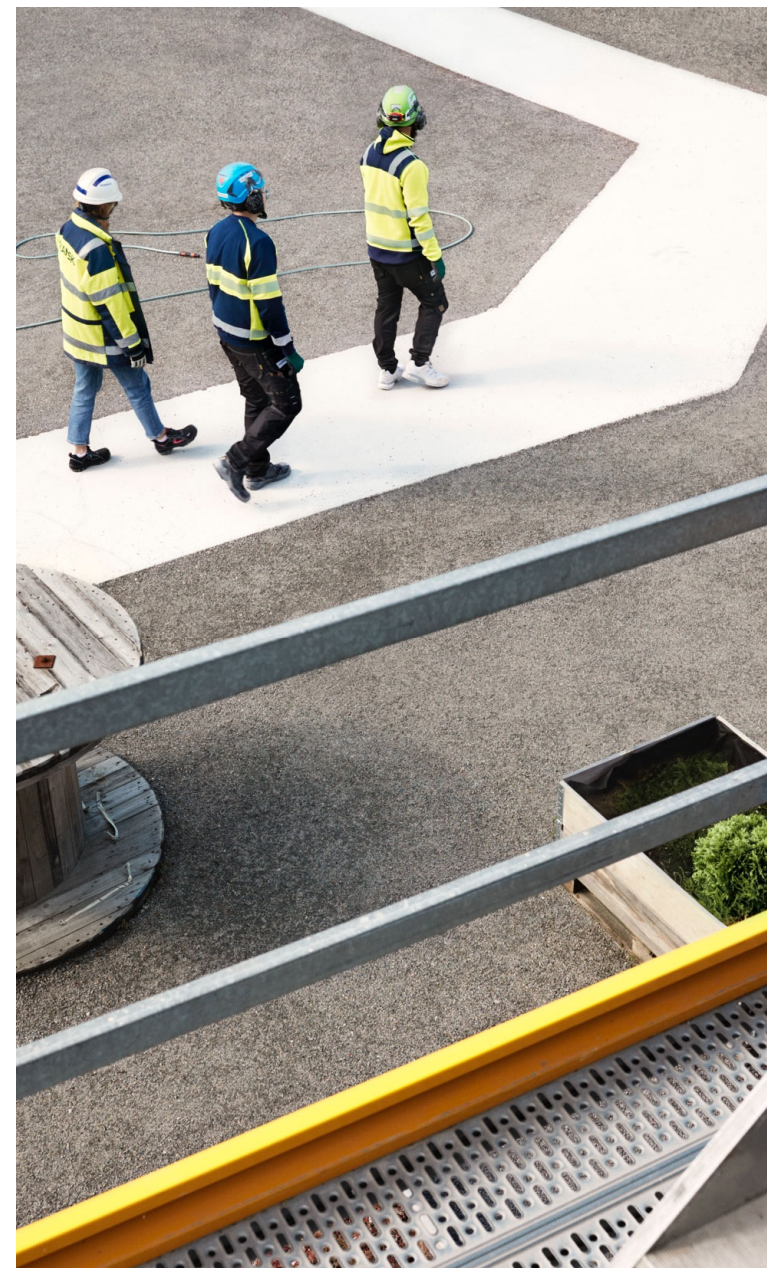




# Construction Income statement



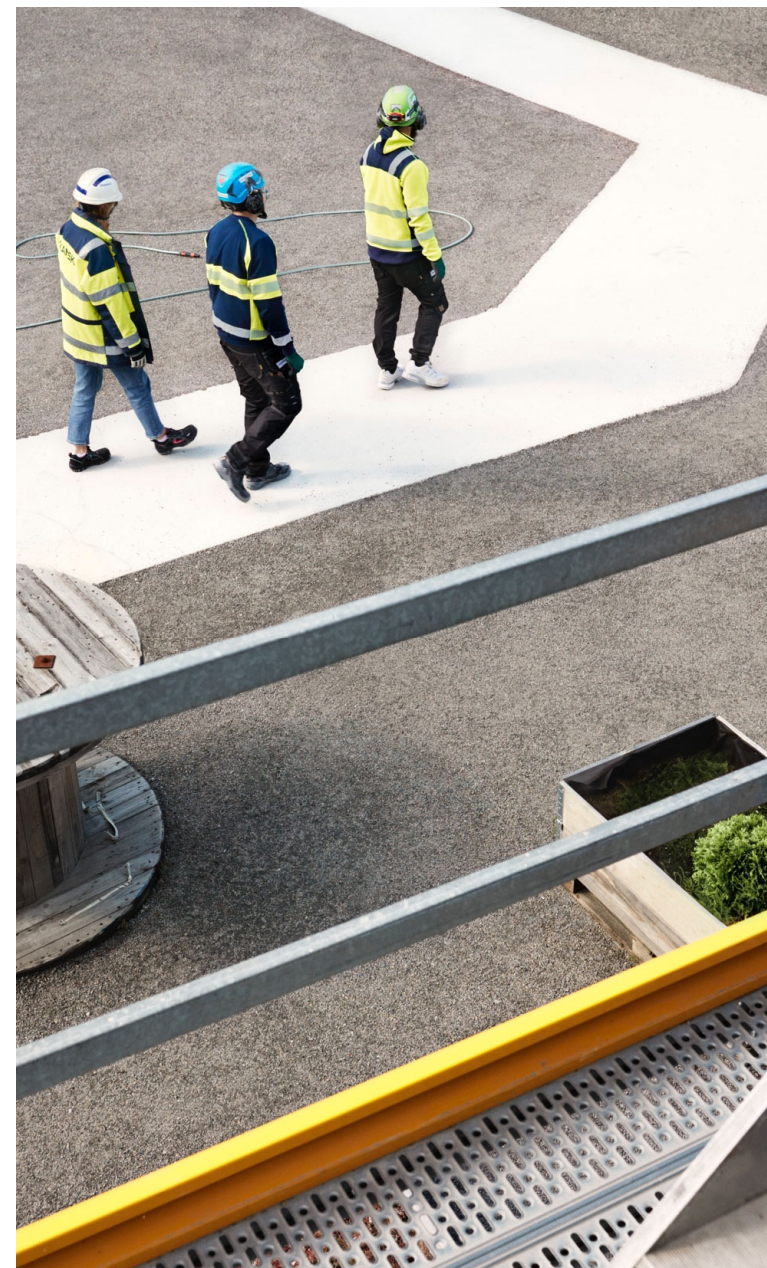
SEK bn	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Jan-Dec 2023
Revenue	36.2	37.5	159.3	160.6
Gross income	2.2	2.7	12.0	12.4
Selling and administrative expenses	-1.5	-1.7	-6.7	-6.8
Operating income	0.7	1.0	5.3	5.6
Gross margin, %	6.2	7.2	7.5	7.7
Selling and administrative expenses, %	-4.3	-4.4	-4.2	-4.2
Operating margin, %	1.8	2.8	3.3	3.5



# Construction

## Income statement

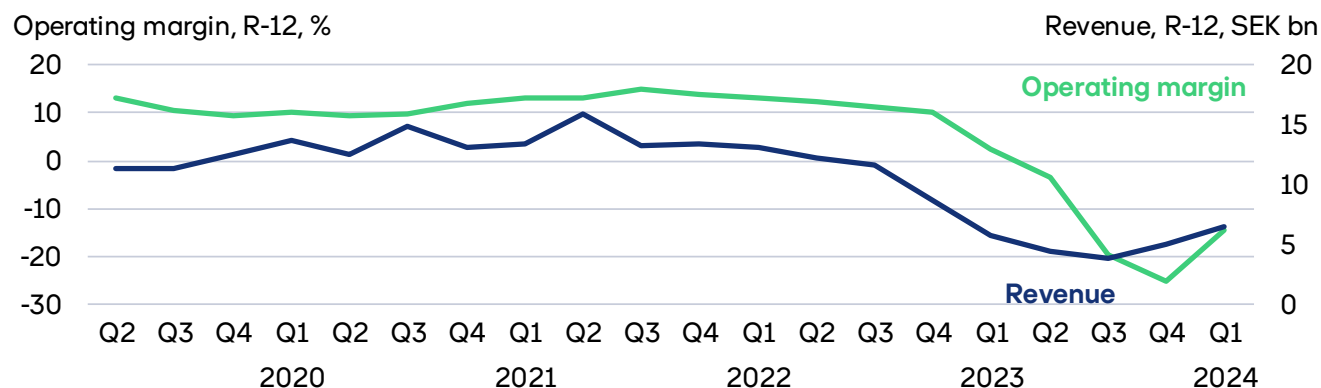
	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023
Nordics	415	399	3.2	2.8
of which Sweden	147	181	2.3	2.3
Europe	-334	-5	-6.6	-0.1
USA	588	638	3.3	3.7
<b>Total</b>	<b>669</b>	<b>1,033</b>	<b>1.8</b>	<b>2.8</b>





# Residential Development

## Income statement, segment reporting



Including residential rentals until Q4 2020

SEK M	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
Revenue	2,027	586	6,454	5,013
Gross income	165	-91	-76	-332
Selling and administrative expenses	-143	-223	-849	-930
Operating income	23	-314	-925	-1,262
Gross margin, %	8.2	-15.5	-1.2	-6.6
Selling and administrative expenses, %	-7.0	-38.1	-13.2	-18.5
Operating margin, %	1.1	-53.6	-14.3	-25.2



# Residential Development

## Income statement

	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023
Nordics	13	-268	0.9	neg
of which Sweden	-30	-281	neg	neg
Europe	9	-46	1.6	neg
<b>Total</b>	<b>23</b>	<b>-314</b>	<b>1.1</b>	<b>neg</b>

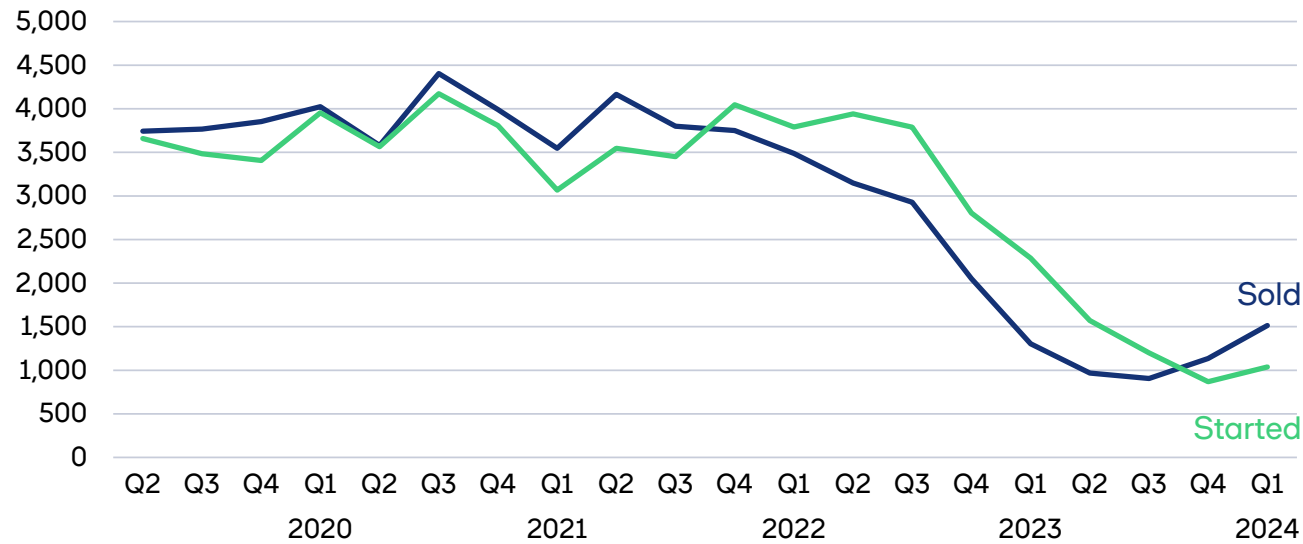




# Residential Development

## Homes started and sold

Homes, R-12



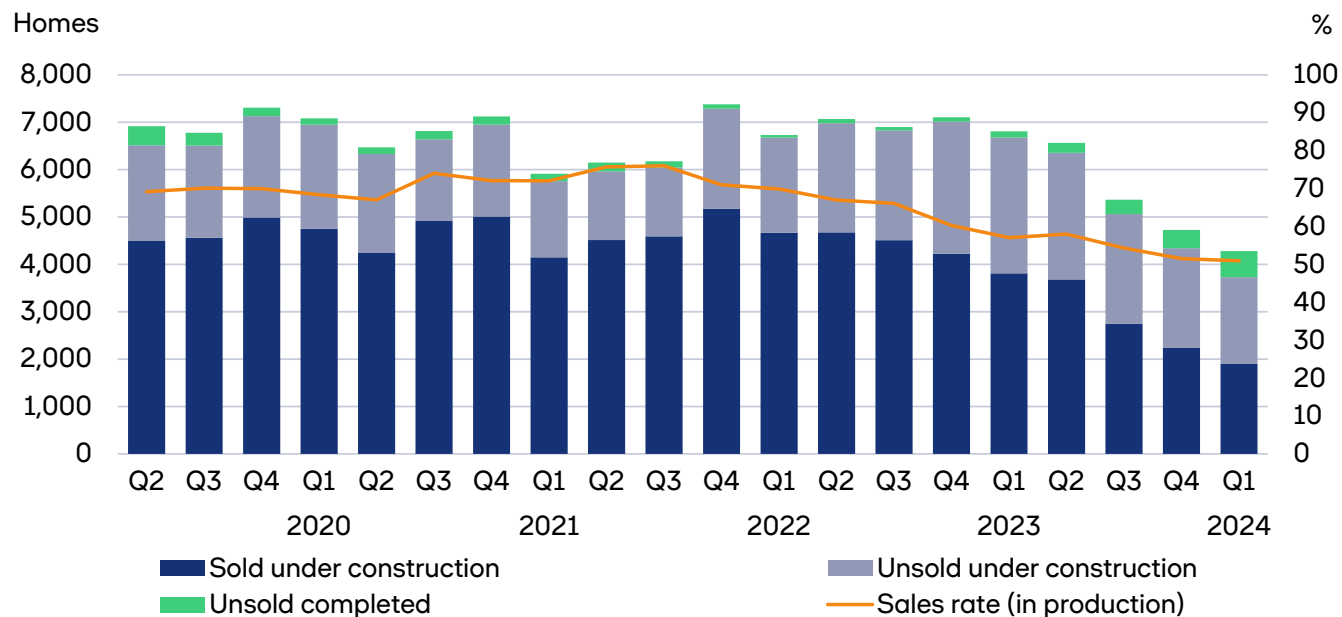
Including residential Rentals until Q4 2020

Homes started				Homes sold			
Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
459	288	1,039	868	511	132	1,515	1,136



# Residential Development

## Homes in production



Including residential Rentals until Q4 2020

Homes in production		Of which sold, %		Unsold complete homes	
Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023
3,731	6,679	51	57	772	210





# Commercial Property Development

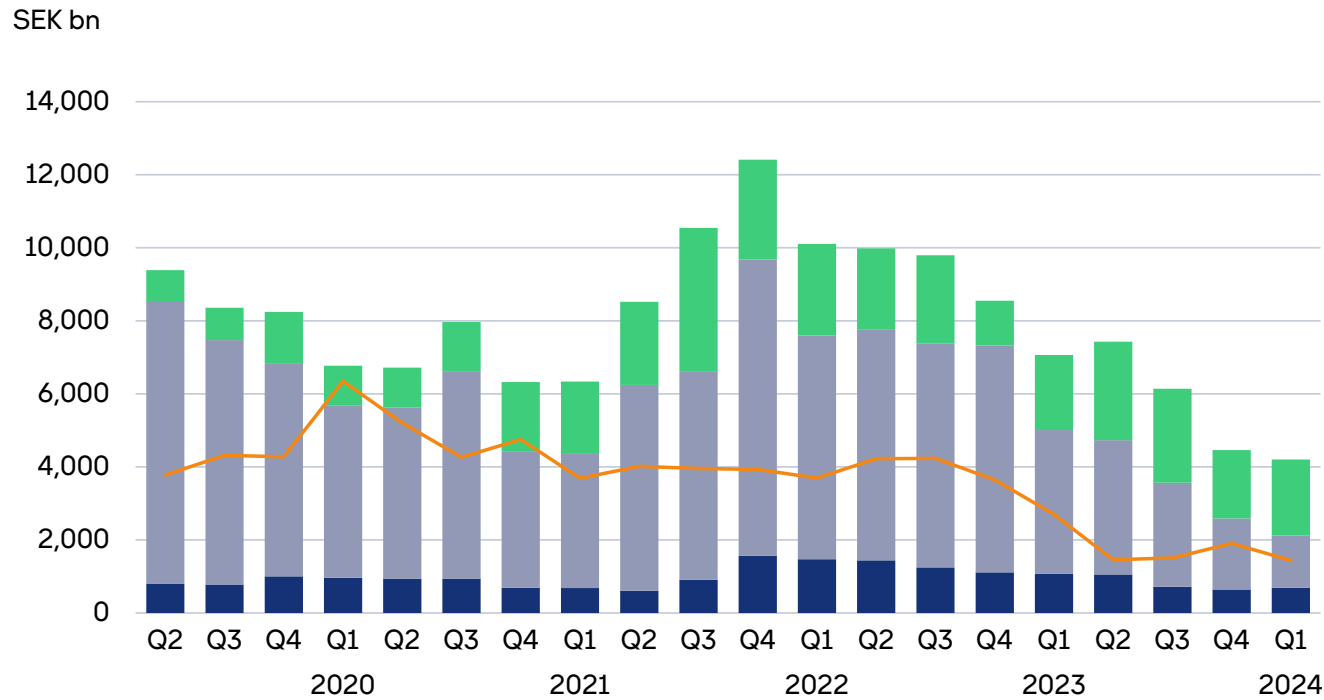
## Income statement, segment reporting

SEK bn	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
Revenue	363	267	5,427	5,331
<b>Gross income</b>	<b>31</b>	<b>59</b>	<b>-444</b>	<b>-416</b>
Selling and administrative expenses	-195	-198	-893	-895
Income from JV's and associated companies	-1	-3	-53	-54
<b>Operating income</b>	<b>-166</b>	<b>-142</b>	<b>-1,389</b>	<b>-1,365</b>
of which gains from divestments of properties	127	46	1,094	1,014
of which write downs/reversal of write downs	-154	-18	-1,783	-1,647
<small>1 Additional gain included in eliminations</small>	9	21	96	108



# Commercial Property Development

## Unrealized and realized gains, segment reporting



Unrealized gains in:

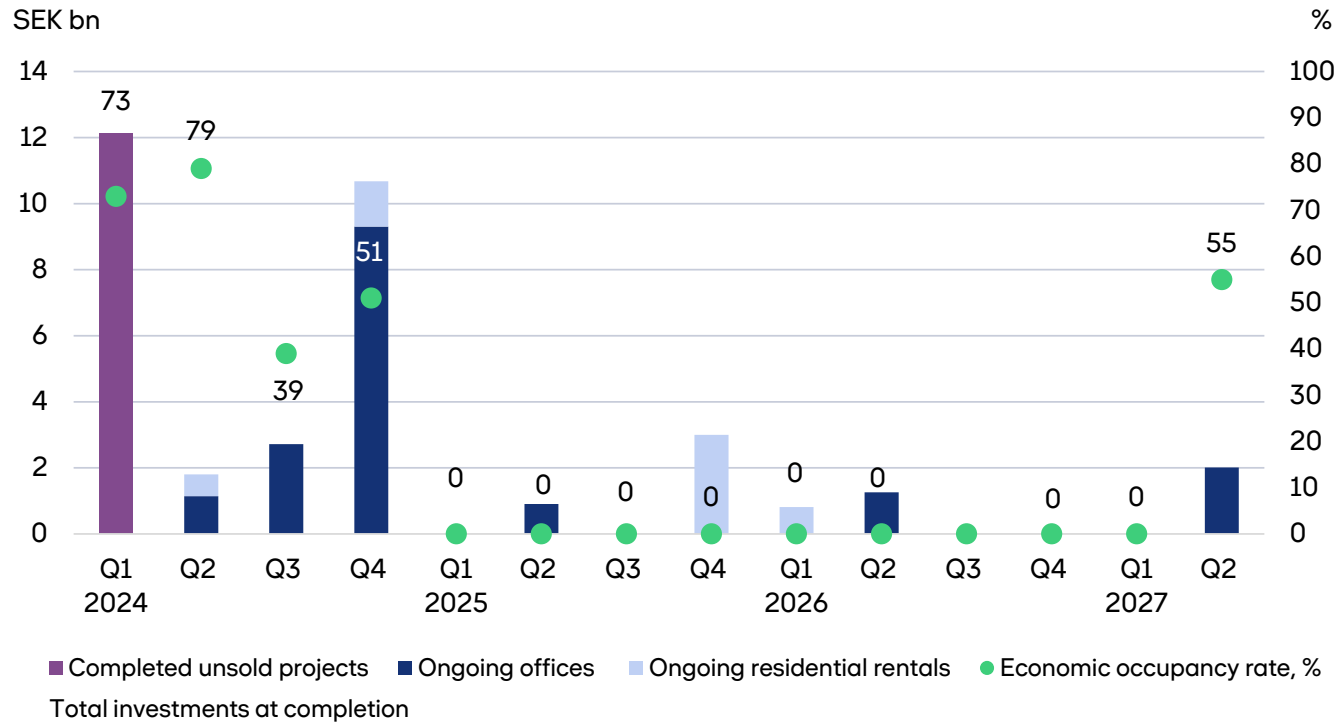
- Land
- Ongoing projects at completion
- Completed projects
- Realized gains, R-12

Including residential rentals as of Q1 2023.



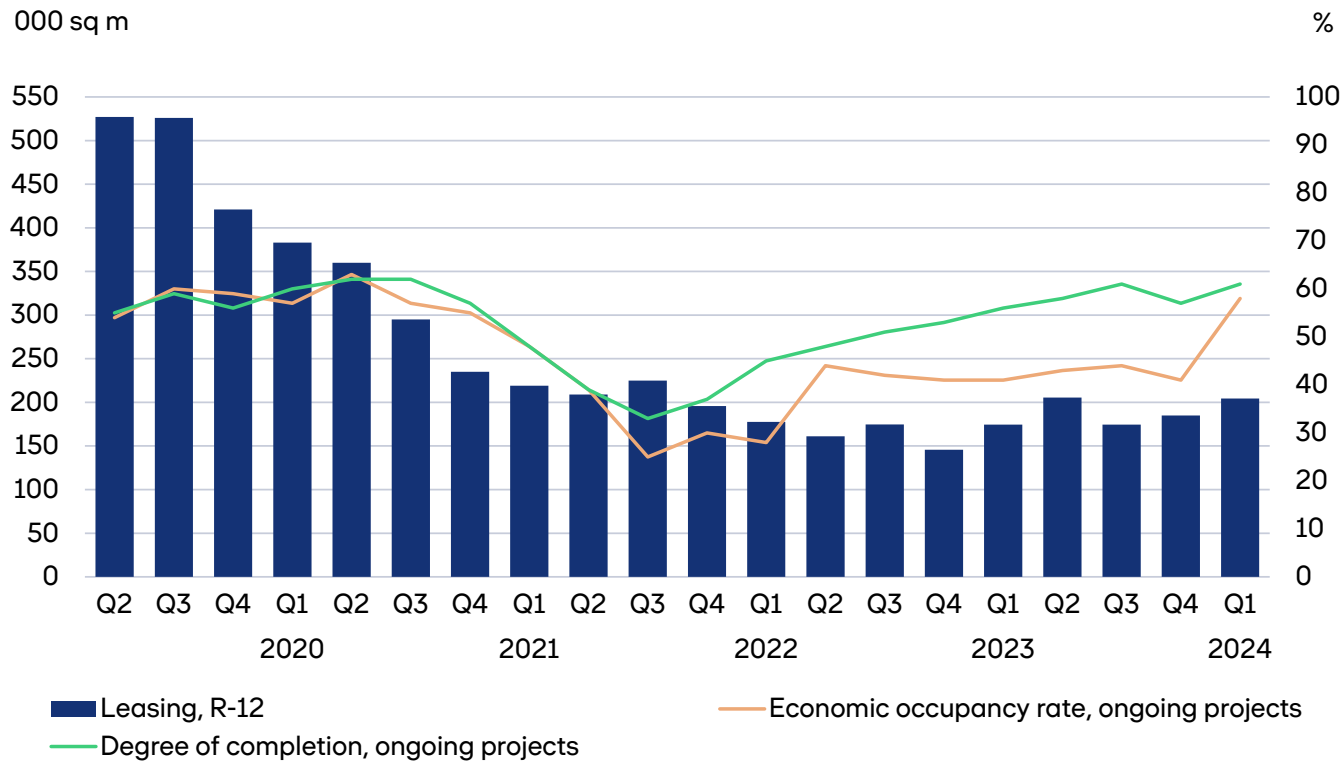


# Commercial Property Development Completion profile and unsold projects



# Commercial Property Development

## Leasing Commercial Properties



Leasing including residential rentals in the USA and Denmark until Q4 2020.





# Investment Properties

## Income statement

SEK M	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
Revenue	70	41	214	186
<b>Operating net</b>	<b>52</b>	<b>31</b>	<b>157</b>	<b>137</b>
Selling and administrative expenses	-2	-1	-9	-9
Change in property value	0	0	-190	-190
<b>Operating income</b>	<b>50</b>	<b>30</b>	<b>-42</b>	<b>-62</b>

Location	Leasable area, sqm	Rental value, SEK M	occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	38,543	142	93	2,207	100
Stockholm	42,962	187	90	2,945	100
<b>Total</b>	<b>81,505</b>	<b>329</b>	<b>91</b>	<b>5,152</b>	<b>100</b>



# Group Income Statement

SEK m	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
Operating income from business streams	576	607	2,912	2,943
Central	-60	-159	390	290
Eliminations	-20	-54	32	-3
<b>Operating income</b>	<b>497</b>	<b>394</b>	<b>3,334</b>	<b>3,231</b>
<b>Net financial items</b>	<b>225</b>	<b>146</b>	<b>680</b>	<b>601</b>
<b>Income after financial items</b>	<b>722</b>	<b>540</b>	<b>4,014</b>	<b>3,832</b>
Taxes	-197	-106	-651	-560
<b>Profit for the period</b>	<b>525</b>	<b>434</b>	<b>3,362</b>	<b>3,272</b>
Earnings per share, SEK	1.28	1.04	8.13	7.89
Tax rate, %	27	20	16	15

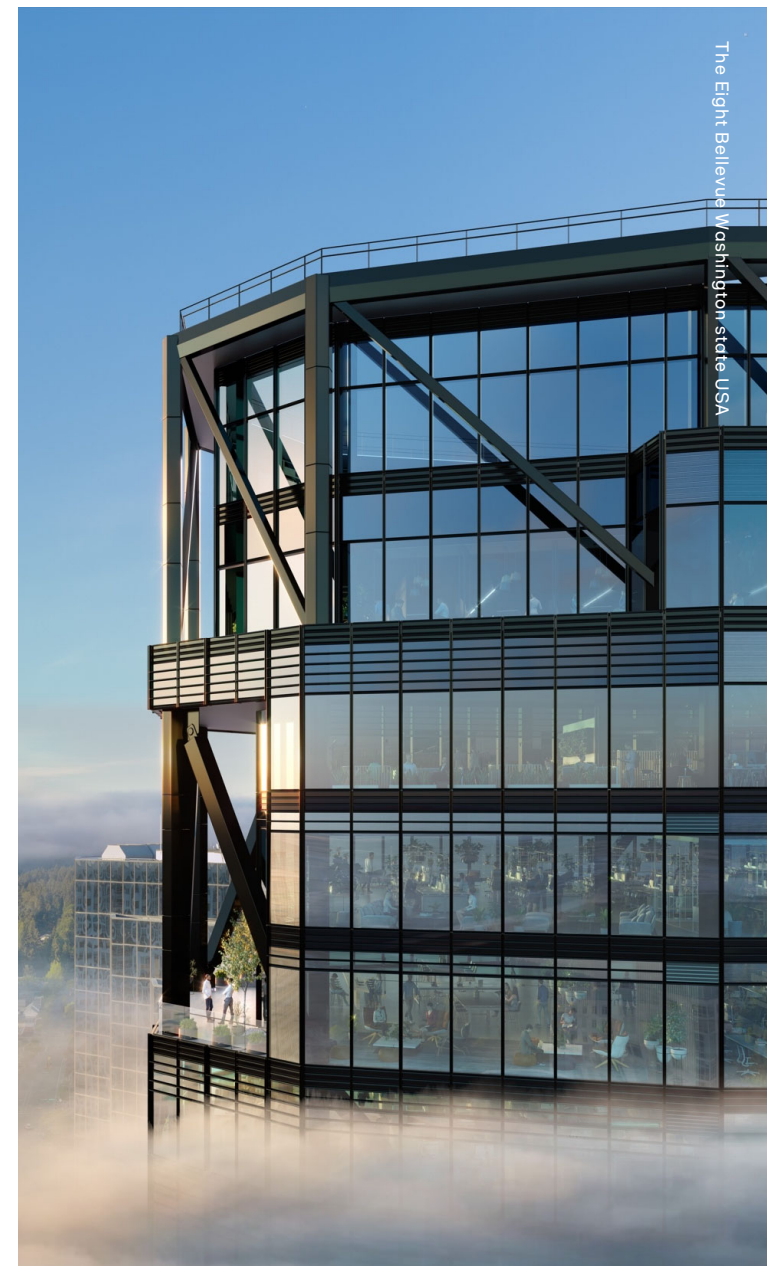




# Group Cash flow

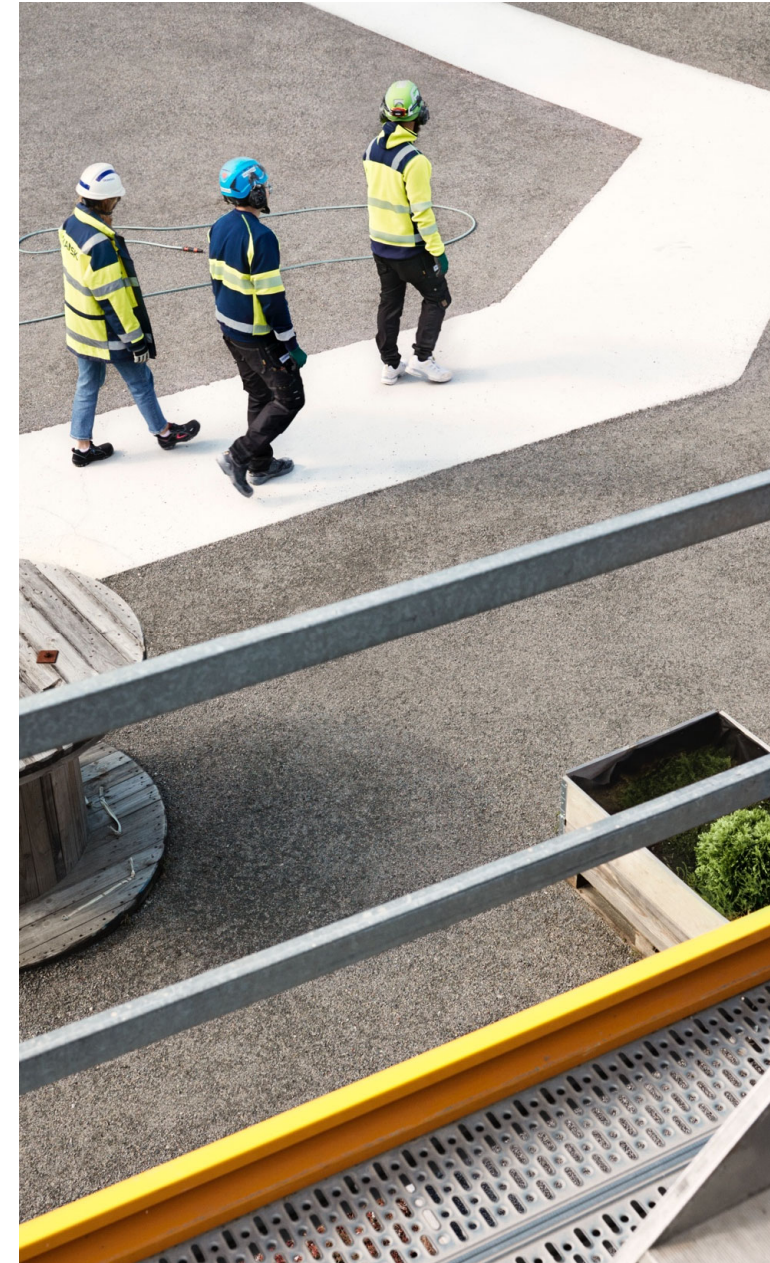
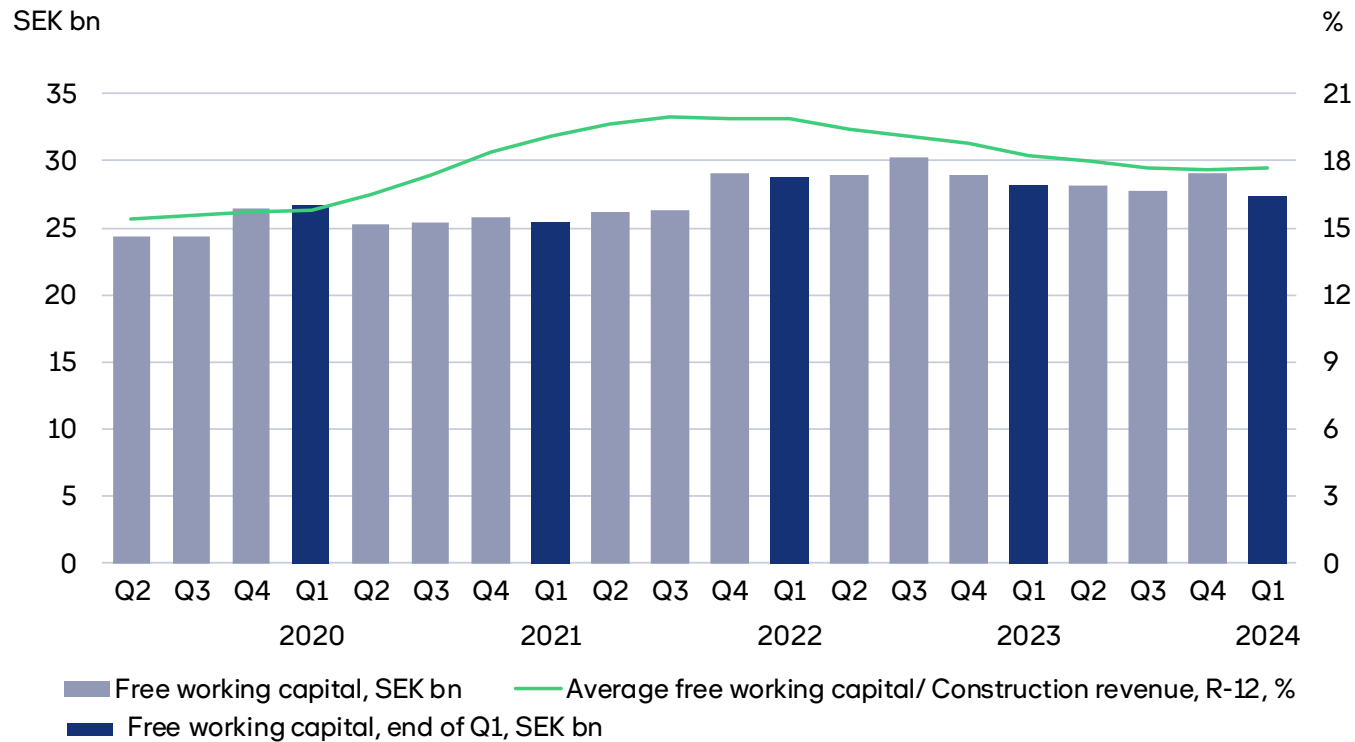


SEK bn	Jan-Mar 2024	Jan-Mar 2023	R12 months	Jan-Dec 2023
Operating cash flow from operations	-4.9	-2.3	-1.4	1.1
Dividend and net strategic divestment	-0.1	-0.2	-3.5	-3.6
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-4.9</b>	<b>-2.5</b>	<b>-4.9</b>	<b>-2.4</b>



# Construction

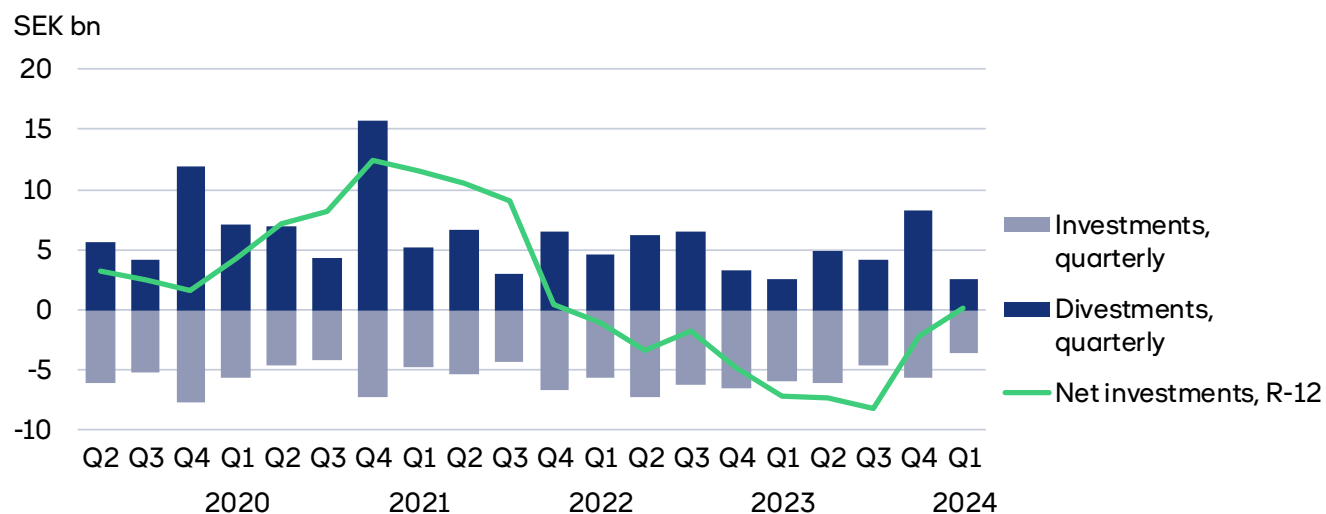
## Free working capital



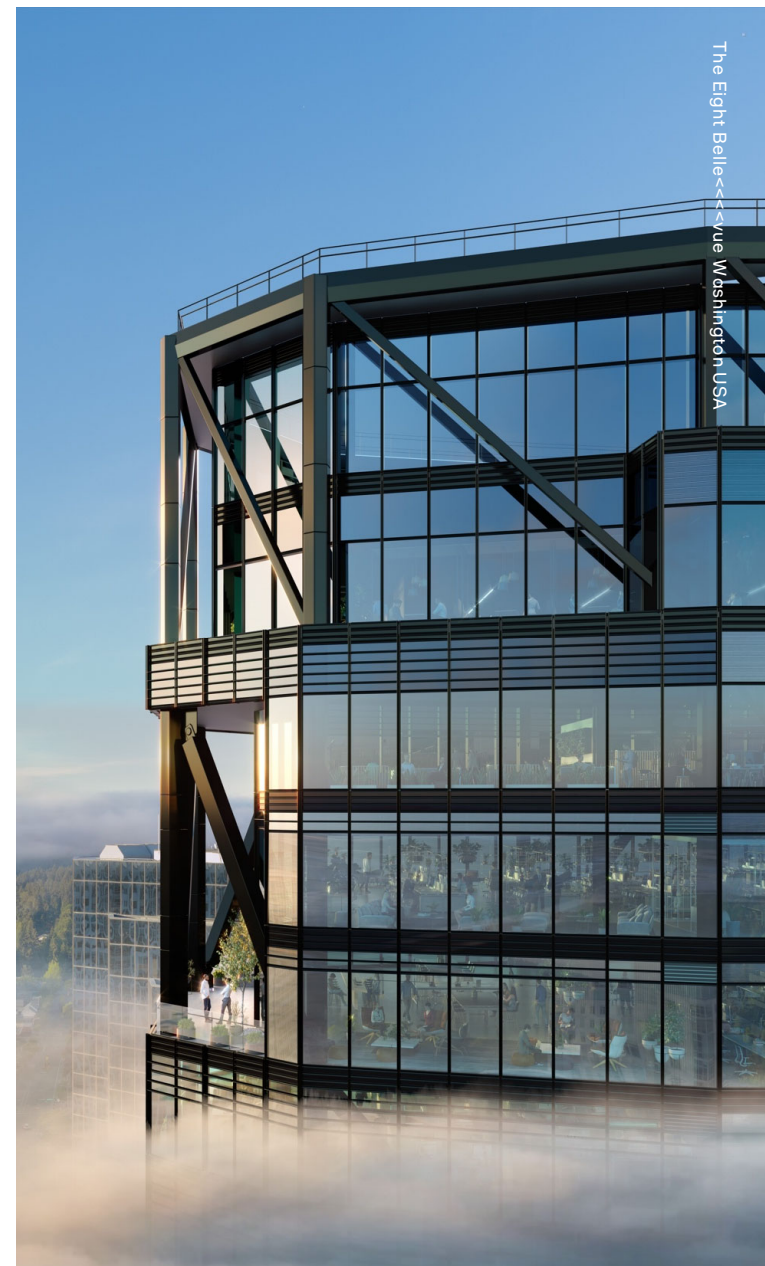


# Group

## Investments, divestments and capital employed

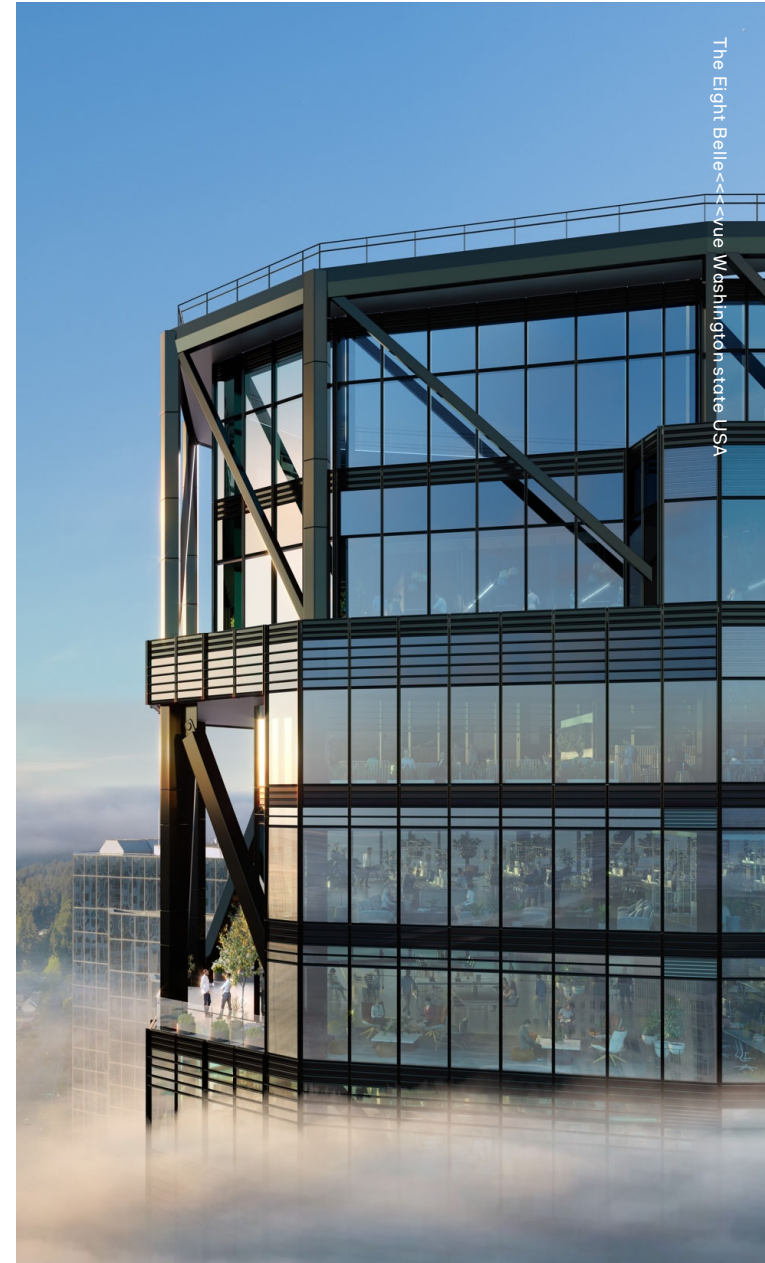
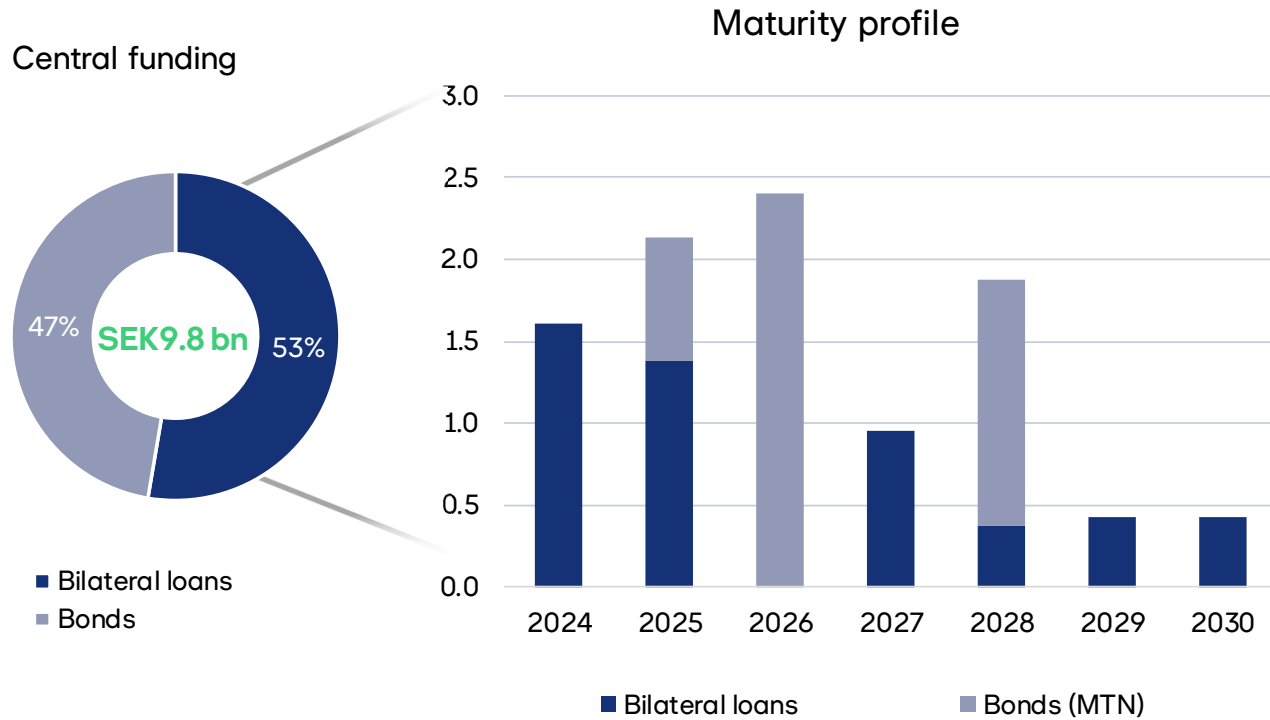


SEK bn	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
<b>Capital employed in:</b>			
Residential Development	15.4	15.6	14.4
Commercial Property Development	44.6	41.6	40.8
Investment Properties	5.1	3.7	5.1
<b>Total in Project Development and Investment Properties</b>	<b>65.2</b>	<b>61.0</b>	<b>60.2</b>



# Group

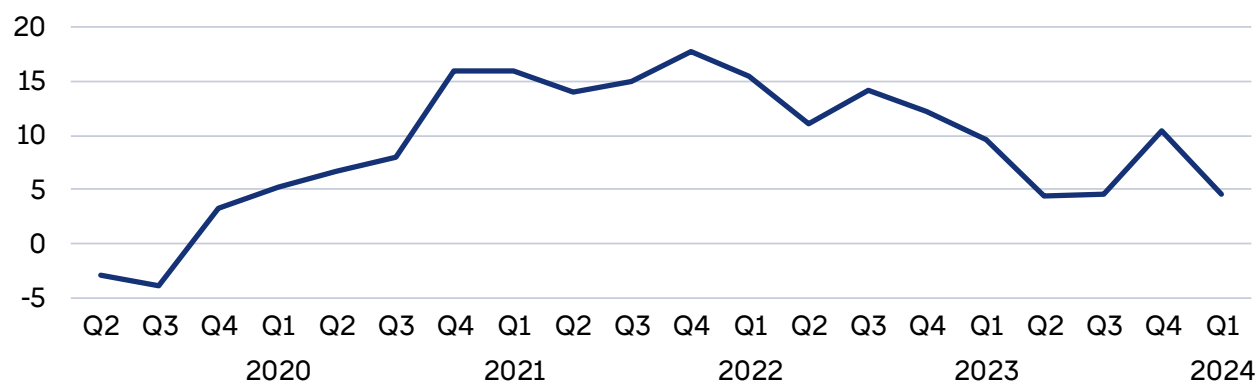
Available funds: SEK 21.5 bn,  
o/w unutilized credit facilities SEK 9.4 bn





# Group Financial position

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



SEK bn	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Total assets	160.3	151.0	155.2
Equity attributable to equity holders	56.7	53.3	56.3
Interest-bearing net receivables (+)/net debt (-)	4.9	8.4	9.0
Adj. interest-bearing net receivables (+)/net debt (-)	4.6	9.5	10.4
Capital employed, closing balance	78.5	70.7	77.4
Equity/assets ratio, %	35.3	35.3	36.3



# Market outlook



## Construction

- Mostly in line with previous outlook.
- Improved outlook for the building market in Central Europe, increased activity in the residential segment and encouraging signals from the industry
- USA remains the strongest market



## Residential Development

- Increasing activity in the housing market from very suppressed level
- Expect recovery to take time
- Cost-of-living pressure, impact on low-cost segment continues



## Commercial Property Development

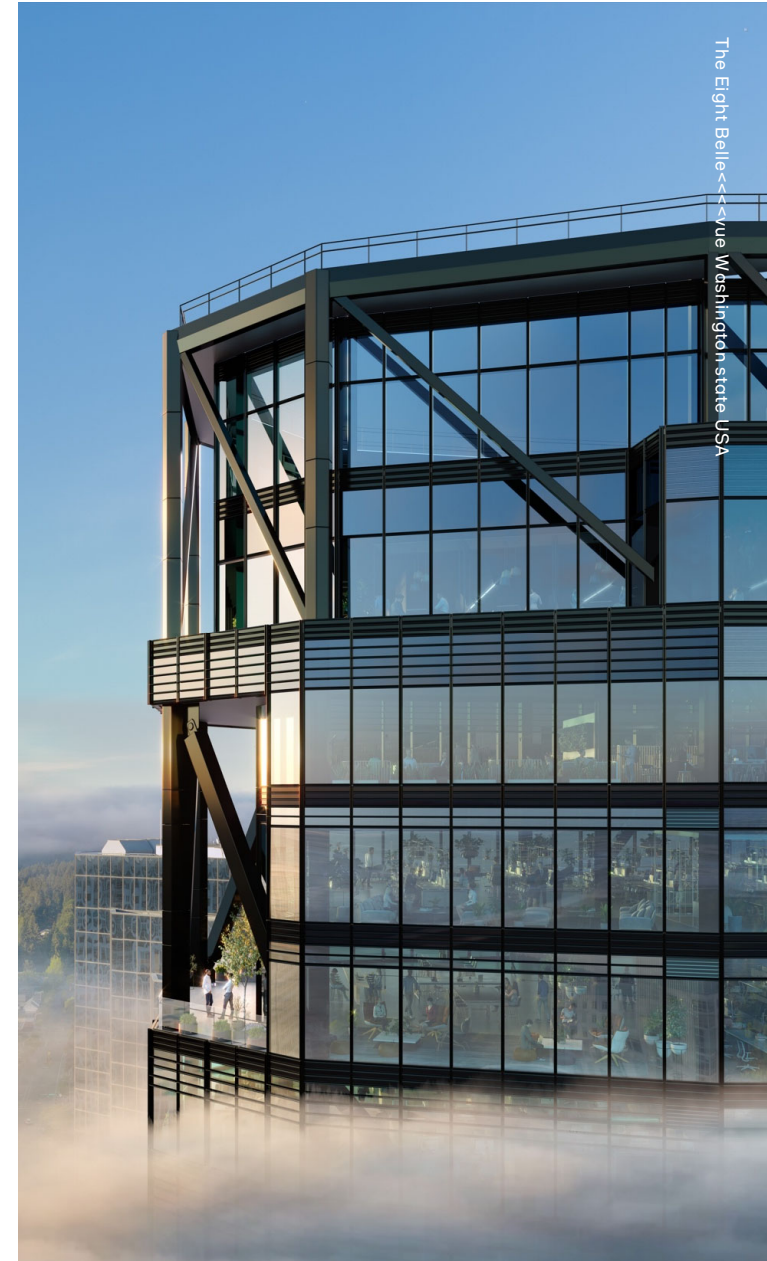
- Low transaction volumes and hesitant investor market.
- Interest-rate cuts and improved access to funding could stimulate the market over the coming 12 months
- Nordic and Central European leasing market mostly stable, US leasing market lagging



## Investment Properties

- Polarization in occupier market. Stronger demand for high quality space
- Rents expected to remain stable

Outlook compared to previous quarter ● Weaker ● Unchanged ● Improved





# Group Summary

- Performance in the first quarter
  - Construction – Lower result. Strong order intake.
  - Residential Development – Increasing sales volume from low level.
  - Commercial Property Development – No divestment recorded. Improved leasing.
  - Investment Properties – Solid performance.
- Maintaining a robust financial position



