

SKANSKA

Q2 2023

Press release, July 21, 2023, 7:30 a.m. CET

We build for a better society.

Nordøyvegen Møre and Romsdal county Norway



Interim report, second quarter 2023

Highlights according to segment reporting

- Revenue for the quarter amounted to SEK 39.9 billion (44.8); adjusted for currency effects, revenue decreased 15 percent, following lower sales volumes in Residential and Commercial Property Development.
- Operating income amounted to SEK 1.3 billion (2.4); adjusted for currency effects, operating income decreased 46 percent, due to lower sales volumes in Residential and Commercial Property Development.
- Earnings per share amounted to SEK 2.96 (4.61).
- Operating cash flow from operations amounted to SEK -1.8 billion (-0.5) according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 4.4 billion (March 31, 2023: 9.5).
- Order bookings in Construction amounted to SEK 63.2 billion (37.3). Adjusted for currency effects, order bookings quarter over quarter increased 68 percent. Rolling 12-month book-to-build ratio was 115 percent (95).
- Operating income in Construction amounted to SEK 1.4 billion (1.4), representing an operating margin of 3.4 percent (3.4).
- Operating income in Project Development amounted to SEK 0.03 billion (1.2).
- Return on capital employed in Project Development was 2.3 percent (10.9).
- Return on equity was 11.1 percent (17.7).

Performance Analysis

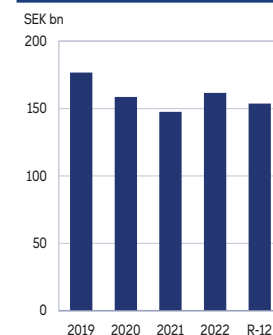
Tables referring to segment reporting are in shaded background. For more information see page 17.

For definitions of non-IFRS financial measures see pages 18-20.

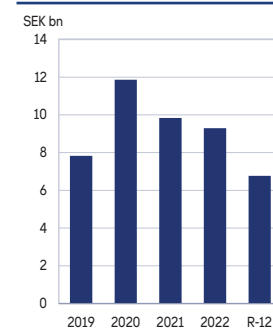
SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue				
Construction	40,584	39,712	161,013	156,004
Residential Development	1,649	2,926	4,487	8,751
Commercial Property Development	857	5,666	4,894	14,276
Investment Properties	45	10	116	40
Central and Eliminations	-3,194	-3,475	-16,740	-17,469
Total	39,940	44,838	153,771	161,602
Operating income				
Construction	1,391	1,360	6,077	5,770
Residential Development	49	332	-152	891
Commercial Property Development	-15	834	1,176	3,023
Investment Properties	6	8	143	140
Central	-73	-155	-280	-339
Eliminations	-27	18	-191	-187
Operating income	1,331	2,397	6,773	9,297
Net financial items	133	11	550	289
Income after financial items	1,464	2,408	7,322	9,586
Income taxes	-234	-494	-1,366	-1,885
Profit for the period	1,229	1,914	5,956	7,702
Earnings for the period per share, SEK	2.96	4.61	14.39	18.62
Revenue for the period according to IFRS	42,292	42,551	164,359	163,174
Operating income for the period according to IFRS	2,194	2,220	9,397	10,021
Earnings for the period per share according to IFRS, SEK	4.72	4.28	19.58	20.04
Operating cash flow from operations	-1,802	-516	-3,069	-2,263
Interest-bearing net receivables(+)/net debt(-)	3,758	7,719		10,306
Return on capital employed in Project Development, % ¹		10.9	2.3	8.1
Return on capital employed in Investment Properties, % ¹		11.7	5.5	13.6
Adjusted interest-bearing net receivables(+)/net debt(-)	4,415	11,102		12,130
Return on equity, % ¹		17.7	11.1	15.8

¹ Rolling 12 months.

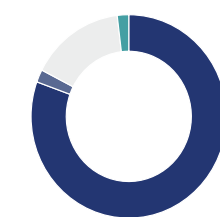
Revenue



Operating income

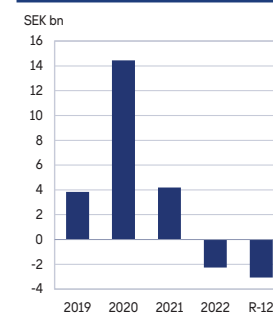


Operating income per segment Jun 30, 2023, R-12



- Construction, 84%
- Residential Development, -2%
- Commercial Property Development, 16%
- Investment Properties, 2%

Operating cash flow from operations



CEO comment

Our construction order backlog reached a new historic high during the second quarter, supported by record strong order intake. Group results for the period benefited from strong performance in Construction while the contribution from Residential and Commercial Development is small due to low market activity. Our financial position is strong and makes us a reliable partner for clients, suppliers and business partners, while also ensuring that we can act on business opportunities that arise in the cyclical property market.

In Construction the selective bidding and strong commercial management strategy continues to render good results. The business stream delivered stable operating income in line with the same quarter last year. Rolling 12-month operating margin stayed well above the long-term Group target. The quarter saw the strongest order intake in an isolated quarter for more than a decade, boosted by large civil contracts in Norway and the USA, bringing the group order backlog to a new historic high.

In the Residential Development stream, the weak market sentiment continued to impact the second quarter results. The number of sold homes increased compared to the previous two quarters, with a strong contribution from the Central European operation. Results for the business stream are, however, negatively impacted by lower-than-normal volumes and the measures taken to adapt our low-cost concept BoKlok to the market environment. For market activity to normalize, households will need to see general economic uncertainty reducing.

During the second quarter, Commercial Property Development completed two smaller sized divestments in Sweden, but transaction volumes are low year to date following a hesitant investor market. However, leasing in the quarter was strong, supported by several large leases signed in the Central European operations. Improved tenant demand together with a limited supply of modern office space in Central Europe for the coming years has sped up tenant decision making, resulting in solid leasing in the quarter. During the quarter we acquired a strategic land plot in Stockholm and secured a large development opportunity in Boston, the latter being in line with our commercial direction and ambition to diversify the portfolio to include multi-family for rent and life science in selected geographies.

The Investment Properties portfolio continued to perform with good tenant interest for the few vacant premises that remain. Sustainable, move-in ready properties offering good tenant amenities and services are in higher demand than less modern stock, which bodes well for our high-quality assets.



Reducing carbon emissions in our operations and supply chain remains a priority. Our scope 1 and 2 emissions declined marginally during the quarter and are 57 percent below our benchmark year of 2015. This quarter and for the second consecutive year, we have been named "Climate Leader in Europe" on the prestigious Financial Times ranking. Existing emissions data and actions for reducing carbon emissions were reviewed from 4,000 companies with only 10 percent of them qualifying for the list. I see this as a testament to our commitment to sustainability and encouragement to continue to improve.

Our strategy and commercial direction continue to drive our performance and long-term value creation. Construction is delivering strong results and despite lower sales activity in the property development streams we continue to selectively invest in existing projects and new strategic land acquisitions. This is a good way to use the strong financial position that we built up in the years with favorable markets, enabling value creation in the longer term.

Anders Danielsson
President and Chief Executive Officer

Skanska target performance (rolling 12 month basis)

Operating margin – Construction

3.8%

Target $\geq 3.5\%$

Return on capital employed –
Project Development

2.3%

Target $\geq 10\%$

Return on capital employed –
Investment Properties

5.5%

Target $\geq 6\%$

Return on equity

11.1%

Target $\geq 18\%$

Adjusted net debt (-)/net cash(+)

+4.4 SEK bn

Limit SEK -10 bn

Climate target (scope 1 and 2)
Reduction CO₂ compared with 2015

-57%

Target -70% (scope 1 and 2) by 2030

Market outlook, next 12 months

Skanska’s market outlook aims to describe the situation on markets that are relevant for our operations, this applies to segments, sectors and geographies.

● 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

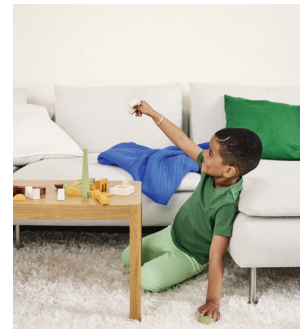
Market outlook is mostly in line with previous expectations. The Swedish building market is expected to weaken over the coming 12 months. USA remains the strongest market, both for civil and building, supported by pent up demand, need for investment in several sectors and access to federal funding. The overall economic situation remains uncertain, but we are well positioned towards sectors that have stayed active, such as civil infrastructure and social infrastructure including education, healthcare, transportation and defense. Material availability and prices have leveled out, but there are still large variations among categories of suppliers, materials, and geographies.

	Building	Civil
Nordics		
Sweden	⚡	➡
Norway	➡	➡
Finland	➡	⚡
Europe		
Central Europe	⚡	➡
United Kingdom	⚡	⚡
USA		
USA	⚡	⚡

Residential Development

Activity remains low in the housing market following high inflation, interest rate hikes and overall economic uncertainty. Customers want to buy and sell in the same market which means that sales activity in new-built projects picks up closer to completion. Poland is expected to remain the strongest geography while the Nordics (incl Sweden) are the weakest. Activity is expected to normalize once the overall economic uncertainty reduces.

Nordics	⚡
of which Sweden	⚡
Europe	➡

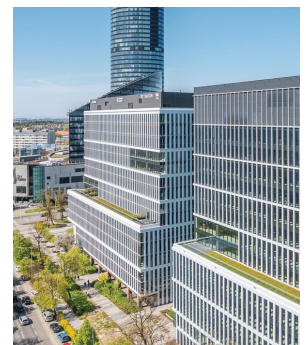


Urbani, Gothenburg, Sweden

Commercial Property Development

Transaction volumes remain low and we expect the hesitant investor behavior to continue for some time. Activity in the leasing market is however slowly recovering, most notably in Central Europe where there is a clear supply gap for new built offices in attractive locations for the coming years. Tenants focus on flexible, sustainable premises in good locations to attract and retain employees.

Nordics	⚡
Europe	⚡
USA	⚡



Centrum Poludnie, Wrocław, Poland

Investment Properties

Occupier demand is polarized with stronger demand for quality space in buildings with high sustainability standards. Tenants prioritize flexibility and move-in ready offices. The market remains competitive but rents are expected to remain mostly stable.

Nordics	
Sweden	➡

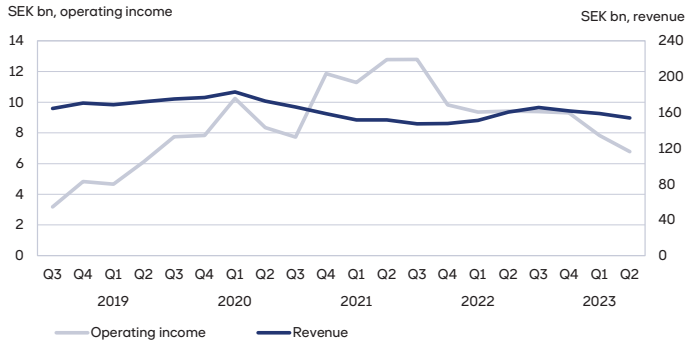


Sthlm01, Stockholm, Sweden

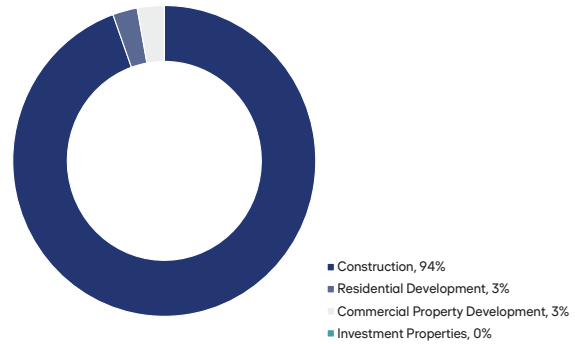
Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue per segment, rolling 12 months



Revenue and earnings

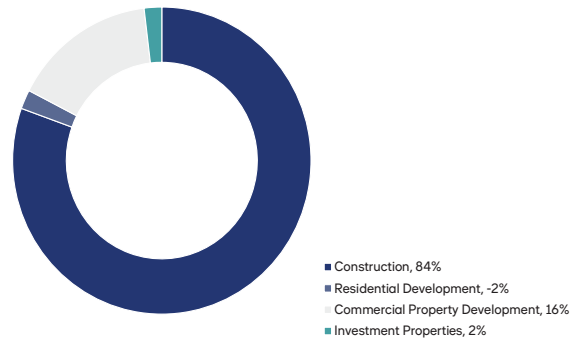
SEKM	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	39,940	44,838	153,771	161,602
Operating income ^{1,2}	1,331	2,397	6,773	9,297
Net financial items	133	11	550	289
Income after financial items	1,464	2,408	7,322	9,586
Income taxes	-234	-494	-1,366	-1,885
Profit for the period	1,229	1,914	5,956	7,702
Earnings for the period per share, SEK ³	2.96	4.61	14.39	18.62
Earnings for the period per share according to IFRS, SEK ³	4.72	4.28	19.58	20.04

1 Central, SEK -73 M (-155).

2 Eliminations, SEK -27 M (18).

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

Operating income per segment, rolling 12 months



Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2023 / Apr-Jun 2022			
Revenue	-11%	-15%	4%
Operating income	-44%	-46%	2%
Rolling 12 months 2023 / Rolling 12 months 2022			
Revenue	-4%	-12%	8%
Operating income	-28%	-33%	5%

Revenue decreased 11 percent and amounted to SEK 39.9 billion (44.8); adjusted for currency effects, revenue decreased 15 percent. Operating income decreased 44 percent and amounted to SEK 1,331 M (2,397); adjusted for currency effects, operating income decreased 46 percent, following a lower contribution from the property development business streams that are impacted by weaker markets.

Central stream totaled SEK -73 M (-155), of which SEK 138 M (37) relate to the PPP portfolio.

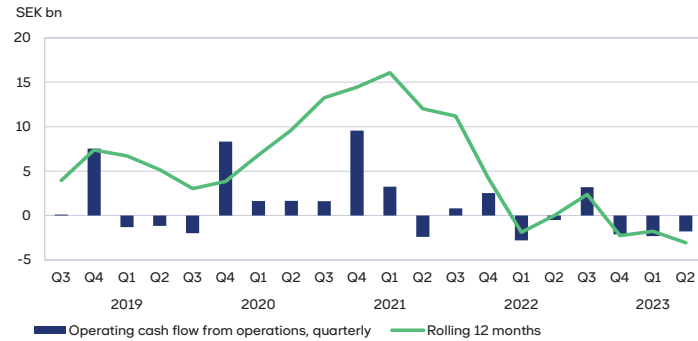
Net financial items amounted to SEK 133 M (11), following increased interest rates on interest-bearing net receivables and increased capitalized interest in ongoing development projects.

Income taxes for the period amounted to SEK -234 M (-494). Effective tax rate of January 1 to June 30 amounts to 17 percent (20).

Cash flow

Group

Operating cash flow from operations



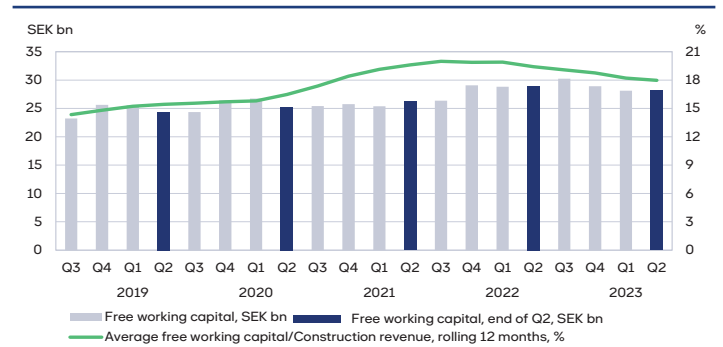
Operating cash flow from operations for the period amounted to SEK -1,802 M (-516), change mainly explained by change in working capital in Construction. Taxes paid in business operations amounted to SEK -706 M (-444) for the period. The dividend that was approved at the AGM in the first quarter, was distributed during the second quarter.

Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 7.9 billion during the years 2023 to 2026, with SEK 2.8 billion during the second half of 2023 and SEK 5.1 billion during 2024-2026.

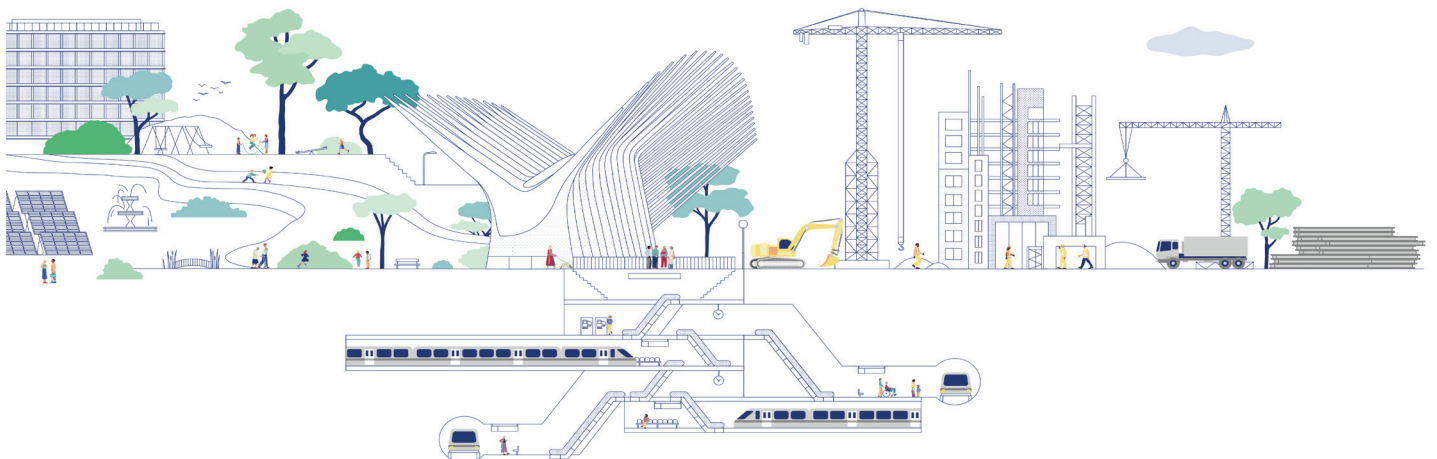
Operating cash flow

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Cash flow from business operations	1,652	1,057	7,247	5,885
Change in working capital	-1,415	-199	-298	-1,520
Net divestments(+)/investments(-)	-1,150	-977	-7,550	-5,030
Cash flow adjustment	-64	238	49	468
Cash flow from business operations before taxes paid	-977	121	-552	-198
Taxes paid in business operations	-706	-444	-2,075	-1,625
Cash flow from financing operations	-118	-193	-442	-441
Operating cash flow from operations	-1,802	-516	-3,069	-2,263
Net strategic divestments(+)/investments(-)	20	15	212	197
Dividend etc.	-3,177	-4,258	-3,655	-4,645
Cash flow before change in interest-bearing receivables and liabilities	-4,959	-4,759	-6,511	-6,711
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,624	1,771	3,503	5,538
Cash flow for the period	-3,335	-2,987	-3,008	-1,173

Free working capital in Construction



Free working capital in Construction amounted to SEK 28.1 billion (28.9). Average free working capital in relation to Construction revenue in the past 12 months was 18.0 percent (19.4). 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 -1,013 M (-858).



Financial position

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



Balance sheet - Summary

SEK bn	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Total assets	157.0	144.5	151.6
Total equity	57.1	47.8	55.3
Interest-bearing net receivables (+)/net debt (-)	3.8	7.7	10.3
Adjusted interest-bearing net receivables(+)/net debt(-)	4.4	11.1	12.1
Capital employed, closing balance	75.3	68.0	72.8
Equity/assets ratio, %	36.4	33.1	36.4

Change in net interest-bearing receivables and liabilities

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Opening balance interest-bearing net receivables(+)/net debt(-)	8,406	11,088	10,306	12,598	12,598
Cash flow for the period	-3,335	-2,987	-3,501	-1,666	-1,173
Less change in interest-bearing receivables and liabilities	-1,624	-1,771	-3,910	-5,945	-5,538
Cash flow before change in interest-bearing receivables and liabilities	-4,959	-4,759	-7,411	-7,611	-6,711
Translation differences, net receivables/net debt	-235	529	-435	881	887
Remeasurements of pension liabilities	425	746	1,089	1,590	3,100
Interest-bearing liabilities acquired/divested	5	0	5	0	-51
Other changes, interest-bearing net receivables/net debt	115	113	204	260	483
Change in interest-bearing net receivables/net debt	-4,648	-3,370	-6,548	-4,879	-2,292
Closing balance interest-bearing net receivables(+)/net debt(-)	3,758	7,719	3,758	7,719	10,306
Restricted cash	-6,296	-6,109	-6,296	-6,109	-5,948
Pension liability, net	-766	2,231	-766	2,231	491
Lease liabilities	7,718	7,262	7,718	7,262	7,281
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	4,415	11,102	4,415	11,102	12,130

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 4.4 billion (March 31, 2023: 9.5). Interest-bearing net receivables amounted to SEK 3.8 billion (March 31, 2023: 8.4) and include SEK 7.7 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 16.0 billion (March 31, 2023: 16.0), of which SEK 13.5 billion (March 31, 2023: 12.5) is available within one week. The Group central loan portfolio amounted to SEK 4.2 billion (March 31, 2023: 3.7) consisting of bilateral loans with an average maturity of 2.4 years. At June 30, the Group's unutilized credit facilities increased to SEK 9.4 billion following procurement of additional revolving credit facilities. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.2 years (March 31, 2023: 3.4).

At the end of the quarter, capital employed amounted to SEK 75.3 billion (March 31, 2023: 70.7).

Equity

Changes in equity

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Opening balance	53,290	43,837	55,255	45,465	45,465
Dividend to shareholders	0	0	-3,081	-4,124	-4,124
Other changes in equity not included in total comprehensive income for the year	22	-30	0	20	-50
Profit for the period	1,952	1,776	2,548	2,741	8,284
Other comprehensive income					
Translation differences	1,347	1,228	1,284	1,891	2,386
Effects of remeasurements of pensions	440	872	1,039	1,587	3,026
Effects of cash flow hedges	25	104	32	208	267
Closing balance	57,076	47,787	57,076	47,787	55,255

Adjusted equity

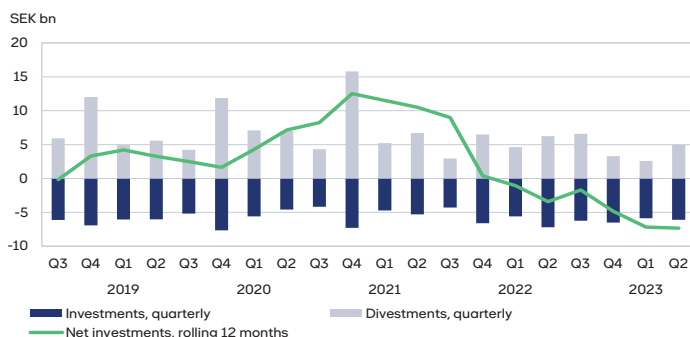
SEK bn	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Equity attributable to equity holders	56.9	47.7	55.1
Unrealized surplus value in Residential Development	4.1	3.6	3.8
Unrealized Commercial Property Development gains	8.1	11.0	9.5
Effect in unrealized equity in PPP-portfolio	1.0	0.5	0.6
Adjusted equity	70.1	62.7	69.0

The Group's equity amounted to SEK 57.1 billion (47.8), resulting in an equity/assets ratio of 36.4 percent (33.1) and a net debt/equity ratio of -0.1 (-0.2). Translation differences for the period amounted to SEK 1,347 M (1,228) due to a weaker Swedish krona. Remeasurements of pensions resulted in an effect of SEK 440 M (872). Both plan assets and pension obligations respectively have decreased due to the remeasurements.

Total adjusted equity amounted to SEK 70.1 billion (62.7), resulting in adjusted equity per share of SEK 170.57 (152.10). Unrealized surplus values in Project Development including the PPP portfolio amounted to SEK 14.6 billion of which SEK 1.6 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 13.1 billion and SEK 1.4 billion. In addition to the unrealized surplus values in adjusted equity, surplus value for homes in production realized according to segment reporting but not yet handed over, amounted to SEK 1.8 billion post standard tax.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK -6,100 M (-7,196), while divestments amounted to SEK 4,970 M (6,235), resulting in net investments of SEK -1,130 M (-961).

In Construction, investments totaled SEK -648 M (-486). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK -544 M (-357). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK -605 M (-590).

In Residential Development, investments totaled SEK -2,270 M (-3,021), of which SEK -192 M (-738) relates to land acquisitions, corresponding to 256 building rights. Divestments amounted to SEK 2,959 M (2,362). Net divestments in Residential Development amounted to SEK 689 M (-659).

In Commercial Property Development, investments totaled SEK -3,175 M (-3,644), of which SEK -503 M (-676) relates to investments in new land, while divestments amounted to SEK 1,649 M (3,755). Net investments in Commercial Property Development amounted to SEK -1,526 M (111).

In Investment Properties, investment totaled SEK -2 M (0) and relates to tenant fit-outs for space that have been leased out.

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

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Investments				
Construction	-648	-486	-2,565	-2,210
Residential Development	-2,270	-3,021	-10,086	-10,615
Commercial Property Development	-3,175	-3,644	-11,948	-12,294
Investment Properties	-2	0	-2,924	-3,668
Other	-4	-45	2,779	3,221
Total	-6,100	-7,196	-24,744	-25,567
Divestments				
Construction	104	130	665	764
Residential Development	2,959	2,362	10,247	9,349
Commercial Property Development	1,649	3,755	8,787	14,389
Investment Properties	0	0	0	0
Other	258	-12	-2,293	-3,767
Total	4,970	6,235	17,406	20,734
Net divestments(+)/investments(-)				
Construction	-544	-357	-1,900	-1,446
Residential Development	689	-659	161	-1,267
Commercial Property Development	-1,526	111	-3,161	2,094
Investment Properties	-2	0	-2,924	-3,668
Other	254	-57	486	-546
Total	-1,130	-961	-7,338	-4,833
Of which strategic	20	15	212	197

Capital employed in Project Development and Investment Properties

SEK M	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Residential Development	16,495	16,091	16,346
Commercial Property Development	45,498	36,854	38,547
Investment Properties	3,694	753	3,733
Total in Project Development and Investment Properties	65,687	53,698	58,626



Investment, Nansenløkka, Bærum, Norway



Divestment, Court Building, Borås, Sweden

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 250.3 billion compared to SEK 217.9 billion at the end of the previous quarter. The order backlog stands at a historic high and corresponds to 18 months of production (March 31, 2023: 16).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2023 / Apr-Jun 2022			
Order bookings	69%	68%	1%
Jun 30, 2023 / Mar 31, 2023			
Order backlog	15%	10%	5%

Order bookings and order backlog in Construction

SEK bn	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Order bookings	63.2	37.3	184.4	162.7
Order backlog ¹	250.3	215.5		229.8

¹ Refers to the end of each period.

Order bookings amounted to SEK 63.2 billion (37.3); adjusted for currency effects, order bookings increased 68 percent, following exceptionally strong order bookings in Norway and USA. On a rolling 12-month basis the book-to-build ratio was 115 percent (March 31, 2023: 99). For more information, see page 29.

Major orders in the quarter

Geography	Contract	Amount SEK M	Client
Nordic	E10/rv. 85 road project	11,400	Norwegian Public Roads
USA	Roadway and transportation center at JFK Airport	9,100	Port Authority of New York and New Jersey
Nordic	Highway	4,600	Norwegian Road Authority (NPRA)
USA	Residence and campus center	3,200	Simmons University
USA	Freeway Interchange improvements	2,800	San Gabriel Valley Council of Governments

Construction revenue from internal Project Development contracts on a rolling 12-month basis amounted to:

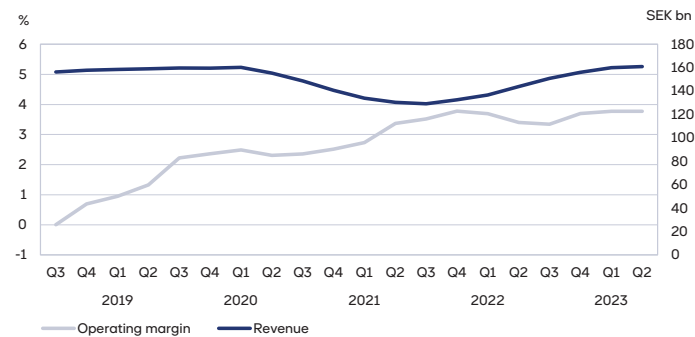
15.3 SEK bn



John F Kennedy International Airport, New York, USA

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	40,584	39,712	161,013	156,004
Gross income	3,051	2,950	12,797	12,268
Selling and administrative expenses	-1,661	-1,596	-6,742	-6,534
Income from joint ventures and associated companies	0	6	22	36
Operating income	1,391	1,360	6,077	5,770
Gross margin, %	7.5	7.4	7.9	7.9
Selling and administrative expenses, %	-4.1	-4.0	-4.2	-4.2
Operating margin, %	3.4	3.4	3.8	3.7
Average number of employees	25,576	26,741		26,892

Changes and currency rate effects

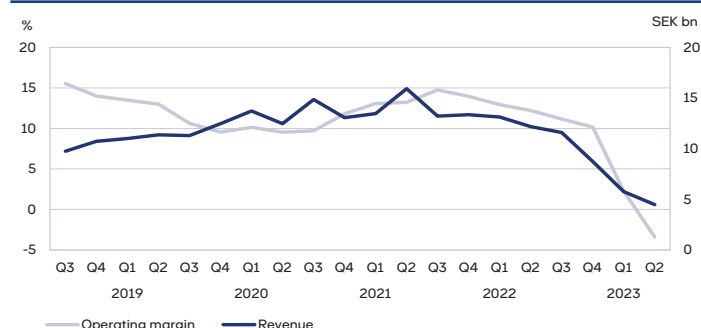
	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2023 / Apr-Jun 2022			
Revenue	2%	-2%	4%
Operating income	2%	-2%	4%
Rolling 12 months 2023 / Rolling 12 months 2022			
Revenue	12%	4%	8%
Operating income	24%	15%	9%

Revenue in the Construction business stream increased 2 percent and amounted to SEK 40.6 billion (39.7); adjusted for currency effects, revenue decreased by 2 percent. Strong performance resulted in an operating margin of 3.4 percent (3.4). Operating income increased 2 percent and amounted to SEK 1,391 M (1,360); adjusted for currency effects, operating income decreased by 2 percent.

The rolling 12-month operating margin was 3.8 percent (March 31, 2023; 3.8), well above the target of 3.5 percent.



E16 Bjørum-Skaret, Norway
Image: Mikkel Walle

Residential Development¹Revenue and operating margin, rolling 12 months¹

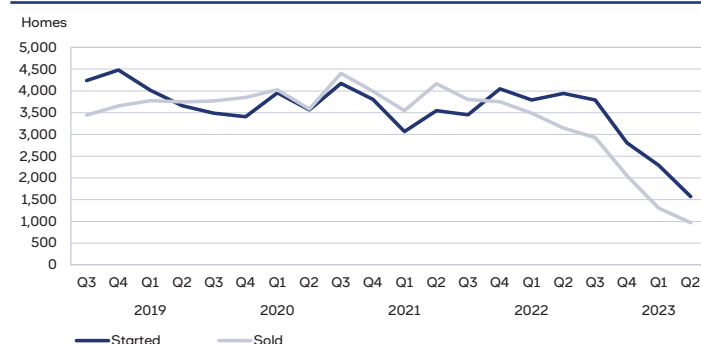
¹ Including residential rentals until Q4 2020.

Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	1,649	2,926	4,487	8,751
Gross income	226	539	653	1,674
Selling and administrative expenses	-178	-207	-805	-783
Operating income	49	332	-152	891
Gross margin, %	13.7	18.4	14.5	19.1
Selling and administrative expenses, %	-10.8	-7.1	-17.9	-9.0
Operating margin, %	2.9	11.3	neg	10.2
Return on capital employed, % ¹		11.0	0.2	6.8

¹ Rolling 12 months. For definition see page 19.

Revenue in the Residential Development business stream amounted to SEK 1,649 M (2,926). Sales volumes have come up from the previous two quarters but remain lower than normal following the subdued market activity. Operating income for the business stream amounted to SEK 49 M (332), including a negative result of SEK -128 M from our low-cost concept BoKlok which is adjusting operations to meet the new market situation. Home buyers in the affordable segment are experiencing the most significant cost-of-living pressure from higher interest rates and inflation. BoKlok impacts all geographical reporting segments. The operating margin in the residential development business stream was 2.9 percent (11.3) in the second quarter.

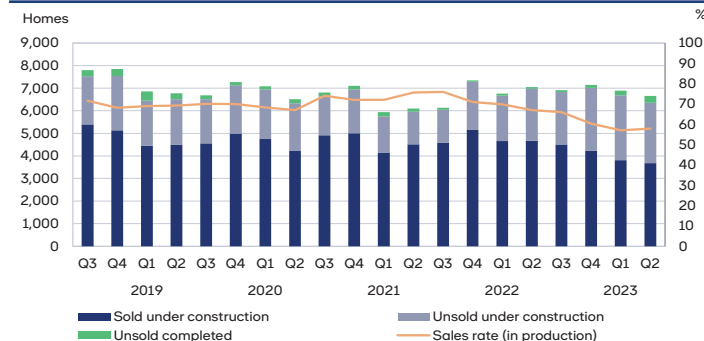
Homes sold and started, rolling 12 months¹

¹ Including residential rentals until Q4 2020.

Homes sold and started

	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Homes sold	343	680	968	2,052
Homes started	241	957	1,571	2,805

¹ Net homes sold, including cancellations.

Homes under construction and unsold¹

¹ Including residential rentals until Q4 2020.

Homes under construction and unsold

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Homes under construction	6,354	6,979	7,015
of which sold, %	58	67	60
Completed unsold, number of homes	306	72	130

The number of homes sold was 343 (680) and construction started on 241 homes (957). At the end of the quarter, 6,354 homes (March 31, 2023: 6,679) were under construction. Of these, 58 percent (March 31, 2023: 57) were sold. The number of completed unsold homes increased to 306 (March 31, 2023: 210), of which unsold homes in BoKlok was 161. The number of unsold completed homes usually increase in times with elevated market uncertainty. Sales volumes reduce and home buyers prefer to buy closer to completion in order to sell and buy in the same market. During the quarter 566 (654) homes were completed.

Breakdown of carrying amounts

SEK M	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Completed projects	1,075	655	549
Ongoing projects	11,545	10,837	11,986
Undeveloped land and development properties	10,722	9,401	10,126
Total	23,342	20,893	22,660

A breakdown of the carrying amounts for Residential Development is presented in the table above. The estimated unrealized surplus value, pre-tax, in unsold homes in construction and undeveloped land and development properties amounted to SEK 4.5 billion. Surplus value, pre-tax, for homes in construction which are sold according to segment reporting amounted to SEK 1.9 billion.

The undeveloped land and development properties correspond to Skanska-owned building rights for 28,100 homes and 1,900 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,100 building rights.

¹ Starting this year, all residential rental projects are reported in the Commercial Property Development stream. The comparable period, including rolling 12 months, has been restated to reflect this reallocation.

Commercial Property Development¹Revenue and operating income from property divestments¹

¹ Including residential rentals as of Q1 2021.

Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	857	5,666	4,894	14,276
of which from divestment of properties	627	5,513	4,119	13,594
Gross income	233	1,082	2,021	3,857
Selling and administrative expenses	-247	-251	-1,001	-999
Income from joint ventures and associated companies	-1	3	156	165
Operating income	-15	834	1,176	3,023
of which from divestment of properties	171	1,084	1,900	3,839
Return on capital employed, % ¹		10.9	3.1	8.7

¹ Rolling 12 months. For definition see page 19.

In the Commercial Property Development business stream two smaller sized projects were divested during the quarter. Total revenue amounted to SEK 857 M (5,666). Operating income was SEK -15 M (834). For the rolling 12-month period, properties have been divested for a total value of SEK 4,119 M. Return on capital employed was 3.1 percent (10.9).

Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value ^{1,2}	Unrealized gains ⁷
Ongoing projects ³	18,676	32,661	37,890	5,229
Completed projects ^{4,5}	9,946	9,946	12,642	2,696
Undeveloped land and development properties	14,108	14,108	15,165	1,057
Total	42,730	56,715	65,697	8,982
of which carrying amount ⁶	42,730	56,715		
of which completed projects sold according to segment reporting	0	0	0	0
of which ongoing projects sold according to segment reporting	3,756	6,380	7,933	1,553

¹ Market value according to appraisal on June 30, 2023.

² Ongoing projects - estimated market value at completion fully leased.

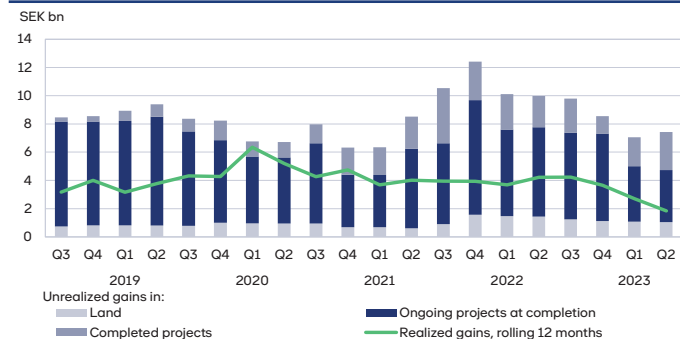
³ Including tenant improvement and leasing commissions in CDUS amounted to SEK 144 M.

⁴ Including tenant improvement and leasing commissions in CDUS amounted to SEK 360 M.

⁵ Skanska's share of total production cost in JVs is SEK 0 M end of period and upon completion.

⁶ Includes Skanska's total equity investment in JV of SEK 0 M.

⁷ Market value less investment value upon completion.

Unrealized and realized gains, segment reporting¹

¹ Including residential rentals as of Q1 2021.

Commercial properties leasing and degree of completion¹

¹ Leasing including residential rentals in the USA and Denmark until Q4 2020.

Estimated market value at completion for the commercial property development portfolio amounted to SEK 65.7 billion at the end of the second quarter, corresponding to an unrealized gain of SEK 7.4 billion. During the quarter two pre-sold projects were started, four were completed and four were successfully handed over to external buyers.

Projects sold but not yet transferred, will have a positive effect on cash flow of SEK 2.8 billion in the second half of 2023 and SEK 5.1 billion during 2024-2026.

End of the quarter 33 projects with a total leaseable area of 632,000 sq m were ongoing and the degree of completion in the portfolio increased to 58 percent. The percentage let increased to 35 percent, and without the 10 residential rental projects, the portfolio is leased to 43 percent. The portfolio of completed projects amounts to 20 properties with a total leaseable area of 379,000 sq m, all being commercial properties. It was 73 percent let by the end of the quarter.

Second quarter leasing came in at 78,000 sq m (47,000), especially driven by strong performance in Central Europe. Over a rolling 12 months period, new lease agreements have been signed for 205,000 sq m (161,000).

Accumulated eliminations of intra-Group Construction profits amounted to SEK -640 M, reducing the carrying amount for current asset properties in Commercial Property Development. These eliminations are released at the Group level as each project is divested.

¹ Starting this year, all residential rental projects are reported in the Commercial Property Development stream. The comparable period, including rolling 12 months, has been restated to reflect this reallocation.

Investment Properties

Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	45	10	116	40
Operating net	32	8	86	30
Selling and administrative expenses	-1	0	-4	-2
Change in property value	-25	0	61	112
Operating income	6	8	143	140
Investments	-2	0	-2,924	-3,668
Divestments	0	0	0	0
Net divestments(+)/investments(-)	-2	0	-2,924	-3,668
Capital employed	3,694	753		3,733
Property value	3,736	766		3,758
Return on capital employed, % ¹		11.7	5.5	13.6
Net leasing SEK M	-2	0	8	0
Economic occupancy rate, %	93	100		86
Surplus ratio, %	71.6	78.8	73.8	75.4

¹ Rolling 12 months. For definition see page 19.

Revenue in the Investment Properties business stream amounted to SEK 45 M (10). Operating income amounted to SEK 6 M (8) impacted by change in property value in the portfolio of SEK -25 M. The average valuation yield for the portfolio has been adjusted approximately 15 basis points during the year, corresponding to approximately SEK 130 M. The effect on property value has been partly offset by increased rents and net leasing.

Net leasing amounted to SEK -2 M for the second quarter. The economic occupancy rate in the portfolio amounted to 93 percent.

We will continue to build the Investment Properties asset portfolio with high-quality sustainable properties in attractive locations, targeting a total value of SEK 12-18 billion.



Sthlm 01, Stockholm, Sweden

Sustainability information

Climate data

	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Scope 1 and 2 (tonnes CO ₂ e)	42,000	45,000	172,000	182,000
Carbon intensity ¹	1.06	1.00	1.12	1.13
Renewable fuels, %	25	19	18	16
Renewable electricity, %	88	86	88	87

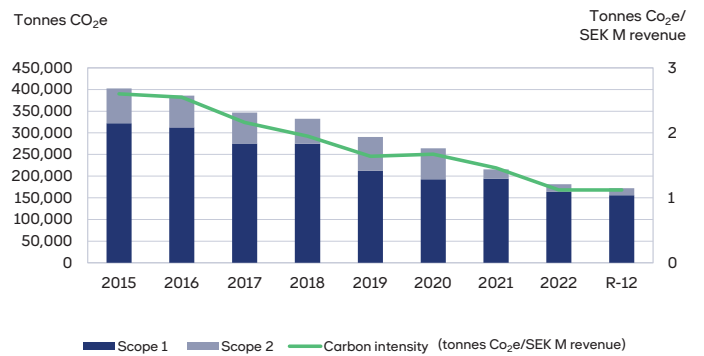
¹ Scope 1 and 2 (market-based)/ SEK M revenue, according to segment reporting.

Combined scope 1 and 2 emissions totaled 42,000 tonnes (45,000) for the second quarter, 7 percent lower compared to last year. On a rolling 12-months basis, combined scope 1 and 2 emissions totaled 172,000 tonnes, 57 percent below our 2015 baseline. Skanska's carbon intensity stands at 1.06 (1.00), compared to 2.60 in 2015.

Scope 1 emissions are driven primarily by the combustion of fossil fuels on site. Scope 1 emissions were 5 percent lower compared to last year, corresponding to approximately 2,000 tonnes. This is mainly driven by improved efficiency and an increasing uptake in the use of biofuels. Group-wide adoption of renewable fuels was 25 percent for the second quarter.

Scope 2 emissions are primarily driven by the use of electricity. Scope 2 emissions were 6 percent lower compared to last year, corresponding to a total reduction of approximately 200 tonnes. Group-wide share of renewable electricity was 88 percent.

Skanska's own emissions (scope 1 and 2)



Health and Safety data

	Apr-Jun 2023	Apr-Jun 2022	Rolling 12 months	Jan-Dec 2022
Lost time accident rate (LTAR) ¹	2.9	3.0	2.9	2.9
Executive Site Safety Visits (ESSV) ¹	2,231	2,574	7,794	7,921

¹ For definitions see page 20.

Lost time accident rate (LTAR), is an indicator for monitoring safety performance. On a rolling 12-months basis in the second quarter, LTAR remains at 2.9 (2.9).

Executive Site Safety Visits (ESSV) promote clear and visible leadership for enhanced safety performance. In the second quarter, 2,231 ESSV (2,574) were conducted.

Personnel

During the period, the average number of employees in the Group was 27,156 (28,239). At the end of the quarter, the number of employees totaled 27,321 people (March 31, 2023: 27,316).

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 2022, pages 60-66, Note 2 and 6, as well as the section on market outlook included in this report.

Events after the end of the report period

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

Financial reports for 2023

Skanska's interim reports and year-end report are available for download on Skanska's website, www.group.skanska.com/investors.

The Group's interim reports for 2023 will be published on the following dates:

November 1, 2023	Interim report third quarter 2023
February 9, 2024	Year-end report 2023

Certification

The Board of Directors and the President and CEO certify that this Six month report provides a true and fair overview of the performance of the business, position and earnings of the Parent Company and the Group and describes the principal risks and uncertainties faced by the Parent Company and the companies in the Skanska Group.

Stockholm, July 21, 2023

Hans Björck
Chairman

Pär Boman
Board member

Ola Fält
Board member

Jan Gurander
Board member

Mats Hederos
Board member

Richard Hörstedt
Board member

Fredrik Lundberg
Board member

Catherine Marcus
Board member

Ann E. Massey
Board member

Yvonne Stenman
Board member

Åsa Söderström Winberg
Board member

Anders Danielsson
President and Chief Executive Officer

This report has not been subject to review by the Company's auditors.

Accounting Principles

For the Group, this Interim 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 Interim 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 2022, Note 35.

Segment and IFRS reporting

Skanska's business streams Construction, Residential Development, Commercial Property Development and Investment Properties 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.

Investment Properties owns properties for the purpose of earning rentals and for capital appreciation. Rental revenues are recognized on a straight-line basis over the lease term. Change in value on investment properties is recognized each quarter both according to segment reporting and IFRS.

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.

News

As of 2023, residential rental projects in Sweden will be reallocated and included in the multi-family rental portfolio in the Commercial Property Development business stream. Historical financial information from 2021 and 2022 has been restated to reflect this reallocation.

Definitions

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. For further definitions, see the Annual and Sustainability Report 2022, Note 44.

Non-IFRS financial measures	Definition	Reason for use														
Revenue segment	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.														
Gross income	Revenue minus cost of sales.	Measure profit generated from projects.														
Gross margin, %	Gross income as a percentage of revenue.	Measure profitability in projects.														
Operating net	Rental revenue minus operating costs for investment properties (that is, operating expenses, costs for repair and maintenance, property administration and property tax).	Measures earnings from property management.														
Selling and admin expenses, %	Selling and administrative expenses as a percentage of revenue.	Measure cost efficiency in selling and administrative expenses.														
Operating income	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, and income from joint ventures and associated companies.	Measure profit generated from operations.														
Operating income segment	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, 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.														
Operating income rolling 12 months	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, and income from joint ventures and associated companies, over a rolling 12 months.	Measure profit generated from operations.														
Operating margin, %	Operating income as a percentage of revenue.	Measure profitability in operations.														
Net financial items	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.														
Income after financial items	Operating income minus net financial items.	Measure profit generated before taxes.														
Earnings per share, segment	Profit for the period, segment, attributable to equity holders divided by the average number of shares outstanding.	Measure earnings per share, segment.														
Book-to-build, R-12m, %	Order bookings divided by construction revenue, rolling 12 months.	Measures to which extent new orders are replacing work put in place.														
Unrealized gains, Commercial Property Development (CD)	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.														
Capital employed, Group	Total assets minus non-interest-bearing liabilities.	Measure capital usage and efficiency.														
Capital employed, Stream	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.														
Capital employed Residential Development (RD) SEK M	<table> <tr><td>Total assets</td><td>28,240</td></tr> <tr><td>- tax assets</td><td>-398</td></tr> <tr><td>- deposits in internal bank</td><td>-1,342</td></tr> <tr><td>- pension receivable</td><td>-38</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-9,691</td></tr> <tr><td>- capitalized interest expense</td><td>-275</td></tr> <tr><td></td><td><u>16,495</u></td></tr> </table>	Total assets	28,240	- tax assets	-398	- deposits in internal bank	-1,342	- pension receivable	-38	- non-interest-bearing liabilities (excluding tax liabilities)	-9,691	- capitalized interest expense	-275		<u>16,495</u>	Measure capital usage and efficiency in Residential Development.
Total assets	28,240															
- tax assets	-398															
- deposits in internal bank	-1,342															
- pension receivable	-38															
- non-interest-bearing liabilities (excluding tax liabilities)	-9,691															
- capitalized interest expense	-275															
	<u>16,495</u>															
Capital employed Commercial Property Development (CD) SEK M	<table> <tr><td>Total assets</td><td>50,356</td></tr> <tr><td>- tax assets</td><td>-701</td></tr> <tr><td>- deposits in internal bank</td><td>-177</td></tr> <tr><td>- pension receivable</td><td>0</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-3,439</td></tr> <tr><td>- capitalized interest expense</td><td>-542</td></tr> <tr><td></td><td><u>45,498</u></td></tr> </table>	Total assets	50,356	- tax assets	-701	- deposits in internal bank	-177	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-3,439	- capitalized interest expense	-542		<u>45,498</u>	Measure capital usage and efficiency in Commercial Property Development.
Total assets	50,356															
- tax assets	-701															
- deposits in internal bank	-177															
- pension receivable	0															
- non-interest-bearing liabilities (excluding tax liabilities)	-3,439															
- capitalized interest expense	-542															
	<u>45,498</u>															

Non-IFRS financial measures

Non-IFRS financial measures	Definition	Reason for use
Return on equity segment, rolling 12 months, %	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 5,923 / 53,194 = 11.1%	Measure profitability on invested equity.
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. Q2 2023 56,903 x 0.5 28,451 Q1 2023 53,134 53,134 Q4 2022 55,111 55,111 Q3 2022 52,255 52,255 Q2 2022 47,653 x 0.5 23,827 212,778 / 4 53,194	
Operating cash flow from operations	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.
Net divestments/investment	Total investments minus total divestments.	Measure the balance between investments and divestments.
Free working capital	Non-interest-bearing receivables minus non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital.
Average free working capital in Construction SEK M	Calculated on the basis of five measuring points. Q2 2023 -28,126 x 0.5 -14,063 Q1 2023 -28,115 -28,115 Q4 2022 -28,920 -28,920 Q3 2022 -30,254 -30,254 Q2 2022 -28,922 x 0.5 -14,461 -115,813 / 4 -28,953	Measure the funding stemming from the negative working capital generated in Construction.
Interest-bearing net receivables/net debt	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.
Adjusted interest-bearing net receivables/net debt	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.
Equity/assets ratio, %	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.
Net debt/equity ratio	Interest-bearing net debt divided by equity including non-controlling interest.	Measure leverage of financial position.
Adjusted equity attributable to equity holders SEK bn	Equity attributable to equity holders 56.9 Unrealized surplus value in RD 4.5 Unrealized CD gains 9.0 Effect in unrealized equity in PPP-portfolio 1.1 Less standard corporate tax, 10% -1.5 Adjusted equity 70.1	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.
Net leasing	Annual rent including supplements of new lettings minus annual rent including supplements for agreements that has been served a notice of termination.	
Economic occupancy rate, %	Contracted rental income including supplements less discounts for the period divided by total rental value for properties owned at the end of the period. Properties owned at the end of the period are restated as if they have been owned during the whole period, while disposed properties are excluded entirely.	Measures the efficiency of leasing activity.
Surplus ratio, %	Operating net for Investment Properties stream divided by rental revenue.	Measures the efficiency of property management.
Leasable area	Leasable area including garage.	
Rental value	Rental revenue including supplements for the period plus market rent for vacant premises.	Indicates total potential rental income for fully let properties.
Environmental certification, %	Share of Investment Properties' portfolio being certified according to minimum LEED Gold or similar.	Measures the sustainability quality of the property portfolio.
Lost time accident rate (LTAR)	Number of employee and subcontractor lost time accidents multiplied by 1,000,000 hours and divided by total labor hours.	Indicator for monitoring safety performance.
Executive Site Safety Visits (ESSV)	Site Safety visits performed by senior managers.	Promote clear and visible leadership for enhanced safety performance.

Reconciliation between segment reporting and IFRS

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Construction	71,317 ¹	66,544 ¹	6,791	6,554	78,107	73,099	2,424	2,116
Residential Development	2,235	6,490	0	10	2,235	6,500	-266	777
Commercial Property Development	1,096	9,536	28	970	1,124	10,505	-157	1,690
Investment Properties	84	10	2	0	86	10	36	33
Total operating segments	74,732	82,580	6,821	7,534	81,553	90,114	2,037	4,617
Central	87	70	186	149	273	219	-232	-291
Eliminations	0	0	-7,007	-7,682	-7,007	-7,682	-81	-77
Total Group	74,819	82,650	0	0	74,819	82,650	1,725	4,249
Reconciliation to IFRS²	3,949	-5,067	0	0	3,949	-5,067	1,064	-836
Total IFRS	78,767	77,583	0	0	78,767	77,583	2,788	3,412
1 Of which external revenue from joint ventures in PPP-portfolio	695	804						
2 Of which effect from joint ventures in Residential Development proportionally	-58	-47					-82	-5
Of which effect of different revenue recognition principles	4,007	-5,020					1,147	-831

Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Investment Properties		Central and Eliminations		Total	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Nordics	28,980	29,505	4,428	3,731	1,875	3,295	86	10	-3,156	-4,393	32,212	32,148
of which Sweden	16,314	16,543	3,668	1,817	1,777	3,213	86	10	-2,354	-3,525	19,492	18,058
Europe	13,162	12,133	747	572	156	2,856	0	0	-1,244	-1,573	12,821	13,988
USA	35,965	31,461	0	0	100	1,483	0	0	-2,331	-1,498	33,734	31,447
Total operating segments	78,107	73,099	5,176	4,303	2,130	7,635	86	10	-6,732	-7,464	78,767	77,583

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Apr-Jun 2023	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2022
Revenue								
Construction	40,584	40,584	39,712	39,712	78,107	78,107	73,099	73,099
Residential Development	1,649	2,974	2,926	2,396	2,235	5,176	6,500	4,303
Commercial Property Development	857	1,881	5,666	3,908	1,124	2,130	10,505	7,635
Investment Properties	45	45	10	10	86	86	10	10
Central and Eliminations	-3,194	-3,191	-3,475	-3,475	-6,734	-6,732	-7,464	-7,464
Skanska Group	39,940	42,292	44,838	42,551	74,819	78,767	82,650	77,583
Operating income								
Construction	1,391	1,391	1,360	1,360	2,424	2,424	2,116	2,116
Residential Development	49	402	332	310	-266	321	777	450
Commercial Property Development ¹	-15	406	834	680	-157	262	1,690	1,226
Investment Properties	6	6	8	8	36	36	33	33
Central	-73	-73	-155	-155	-232	-232	-291	-291
of which PPP-portfolio	138	138	37	37	210	210	70	70
Eliminations ¹	-27	63	18	17	-81	-22	-77	-122
Operating income	1,331	2,194	2,397	2,220	1,725	2,788	4,249	3,412
Net financial items	133	134	11	11	279	281	19	19
Income after financial items	1,464	2,328	2,408	2,231	2,003	3,069	4,268	3,431
Income taxes	-234	-376	-494	-455	-340	-521	-859	-690
Profit for the period	1,229	1,952	1,914	1,776	1,663	2,548	3,409	2,741
Earnings for the period per share, SEK ²	2.96		4.61		4.00		8.24	
Earnings for the period per share according to IFRS, SEK ²		4.72		4.28		6.16		6.61
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	171	591	1,084	931	217	636	2,157	1,692
Eliminations	19	61	19	23	40	62	82	65

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

The Skanska Group

Summary income statement (IFRS)

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	42,292	42,551	78,767	77,583	164,359	163,174
Cost of sales	-37,964	-38,149	-71,673	-70,365	-147,790	-146,483
Gross income	4,328	4,402	7,095	7,218	16,568	16,692
Selling and administrative expenses	-2,274	-2,244	-4,537	-4,275	-9,260	-8,998
Change in value, investment properties	-25	8	-25	365	1,302	1,692
Income from joint ventures and associated companies	166	53	255	104	787	636
Operating income	2,194	2,220	2,788	3,412	9,397	10,021
Financial income	158	55	325	126	594	395
Financial expenses	-24	-44	-44	-107	-42	-104
Net financial items¹	134	11	281	19	553	290
Income after financial items	2,328	2,231	3,069	3,431	9,950	10,312
Income taxes	-376	-455	-521	-690	-1,858	-2,027
Profit for the period	1,952	1,776	2,548	2,741	8,092	8,284
1 Of which						
Interest income	148	54	307	88	573	355
Financial net pension costs	-3	-12	-6	-25	-28	-48
Interest expenses	-156	-57	-278	-106	-428	-255
Interest expenses from lease liabilities	-58	-52	-116	-106	-232	-222
Capitalized interest expenses	214	100	395	173	699	477
Net interest items	145	32	301	24	584	307
Change in fair value	1	-4	2	-2	8	4
Other net financial items	-12	-17	-22	-3	-40	-20
Net financial items	134	11	281	19	553	290
Profit attributable to:						
Equity holders	1,941	1,765	2,530	2,728	8,058	8,256
Non-controlling interests	11	11	18	13	33	28
Earnings per share, SEK ²	4.72	4.28	6.16	6.61	19.58	20.04
Earnings per share after dilution, SEK ³	4.69	4.25	6.11	6.57	19.44	19.90

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

3 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)

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Profit for the period	1,952	1,776	2,548	2,741	8,092	8,284
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurements of defined benefit plans	549	1,066	1,316	1,994	3,140	3,818
Tax related to items that will not be reclassified to profit and loss	-109	-194	-277	-407	-661	-792
	440	872	1,039	1,587	2,478	3,026
Items that have been or will be reclassified to profit and loss						
Translation differences attributable to equity holders	1,316	1,173	1,249	1,814	1,726	2,290
Translation differences attributable to non-controlling interests	6	3	12	7	20	14
Hedging of exchange rate risk in foreign operations	25	53	22	70	33	81
Effects of cash flow hedges ¹	11	41	27	58	78	108
Share of other comprehensive income of joint ventures and associated companies ²	14	72	4	161	21	178
Tax related to items that have been or will be reclassified to profit and loss	0	-9	1	-10	-8	-19
	1,372	1,332	1,316	2,099	1,870	2,653
Other comprehensive income after tax	1,813	2,204	2,355	3,686	4,348	5,679
Total comprehensive income	3,764	3,980	4,903	6,426	12,440	13,963
Total comprehensive income attributable to						
Equity holders	3,747	3,966	4,873	6,407	12,387	13,920
Non-controlling interests	18	14	30	20	53	43
1 Of which transferred to income statement	-21	1	-35	0	-79	-44
2 Of which transferred to income statement	3	18	9	42	31	64

Summary statement of financial position (IFRS)

SEKM	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Non-current assets			
Investment properties	3,736	766	3,758
Property, plant and equipment	8,268	7,504	7,803
Property, plant and equipment right-of-use assets	3,452	3,351	3,256
Goodwill	4,341	4,076	4,160
Other intangible assets	413	611	488
Investments in joint ventures and associated companies	2,574	2,940	2,901
Financial non-current assets ^{1,3}	5,852	3,327	3,607
Deferred tax assets	1,217	1,255	995
Total non-current assets	29,853	23,830	26,970
Current assets			
Current-asset properties ²	65,569	54,915	58,474
Current-asset properties right-of-use land	3,886	3,565	3,676
Inventories	1,270	1,171	1,300
Financial current assets ³	9,659	15,298	14,413
Tax assets	1,954	1,731	1,248
Contract assets	7,917	7,519	7,772
Trade and other receivables	30,254	26,957	27,726
Cash and cash equivalents	6,610	9,474	10,014
Total current assets	127,121	120,628	124,623
TOTAL ASSETS	156,973	144,459	151,593
of which interest-bearing financial non-current assets	5,811	3,289	3,569
of which interest-bearing current assets	16,144	24,593	24,327
Total interest-bearing assets	21,955	27,882	27,896
EQUITY			
Equity attributable to equity holders	56,903	47,653	55,111
Non-controlling interests	174	134	144
Total equity	57,076	47,787	55,255
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ³	2,594	2,661	2,714
Lease liabilities	6,794	6,408	6,328
Pensions	2,245	4,377	2,891
Deferred tax liabilities	2,432	1,636	1,943
Total non-current liabilities	14,065	15,083	13,876
Current liabilities			
Financial current liabilities ³	5,897	6,000	4,854
Lease liabilities	924	854	953
Tax liabilities	262	334	388
Current provisions	10,145	10,625	10,368
Contract liabilities	27,183	23,109	24,059
Trade and other payables	41,420	40,668	41,840
Total current liabilities	85,832	81,589	82,462
TOTAL EQUITY AND LIABILITIES	156,973	144,459	151,593
of which interest-bearing financial liabilities	15,951	15,786	14,699
of which interest-bearing pensions and provisions	2,245	4,377	2,891
Total interest-bearing liabilities	18,197	20,163	17,590
1 Of which shares and participations	39	38	38
2 Current-asset properties			
Commercial Property Development	42,227	34,021	35,814
Residential Development	23,342	20,893	22,660
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	2	0	0
Financial current assets	126	179	99
Financial non-current liabilities	0	0	0
Financial current liabilities	259	137	150

Contingent liabilities, excluding partners' share in joint operations, as at June 30, 2023 amounted to SEK 1.5 bn (Dec 31, 2022: 1.2). Skanska's obligations for partners' share of future performance in joint operations amounted to SEK 32.1 bn (Dec 31, 2022: 31.9). In the event that Skanska takes over part of the performance, Skanska's order backlog will increase accordingly. For more information see Annual and Sustainability Report 2022, Note 20B, 20C and 33.

Summary statement of changes in equity (IFRS)

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Opening balance	53,290	43,837	55,255	45,465	45,465
of which non-controlling interests	156	120	144	114	114
Dividend to shareholders	0	0	-3,081	-4,124	-4,124
Dividend to non-controlling interests	0	0	0	0	-13
Effects of equity-settled share-based payments	118	104	246	213	471
Repurchase of shares	-96	-134	-246	-193	-507
Total comprehensive income attributable to					
Equity holders	3,747	3,966	4,873	6,407	13,920
Non-controlling interests	18	14	30	20	43
Closing balance	57,076	47,787	57,076	47,787	55,255
of which non-controlling interests	174	134	174	134	144

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

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Cash flow from operating activities before change in working capital, according to IAS 7	955	623	1,738	828	5,206	4,297
Cash flow from change in working capital, according to IAS 7	-1,972	-495	-4,689	-2,682	-5,824	-3,816
Net investments in property, plant and equipment and intangible assets (investment properties included)	-657	-442	-926	-1,217	-1,975	-2,266
Tax payments on sold property, plant and equipment and intangible assets	-9	-9	-14	-16	-35	-37
Cash flow from business operations including taxes paid according to operating cash flow	-1,683	-323	-3,891	-3,087	-2,627	-1,823
Less net investments in property, plant and equipment and intangible assets (investment properties included)	657	442	926	1,217	1,975	2,266
Less tax payments on sold property, plant and equipment and intangible assets	9	9	14	16	35	37
Cash flow from operating activities, according to IAS 7	-1,017	128	-2,951	-1,854	-617	480
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow	20	15	40	25	212	197
Net investments in property, plant and equipment and intangible assets (investment properties included)	-657	-442	-926	-1,217	-1,975	-2,266
Increase and decrease in interest-bearing receivables	1,410	-1,753	3,597	5,662	3,961	6,026
Taxes paid on sold property, plant and equipment and intangible assets	-9	-9	-14	-16	-35	-37
Cash flow from investing activities, according to IAS 7	764	-2,189	2,697	4,454	2,163	3,920
Cash flow from financing operations according to operating cash-flow statement	-118	-193	-233	-232	-442	-441
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,624	1,771	3,910	5,945	3,503	5,538
Increase and decrease in interest-bearing receivables	-1,410	1,753	-3,597	-5,662	-3,961	-6,026
Dividend etc. ¹	-3,177	-4,258	-3,327	-4,317	-3,655	-4,645
Cash flow from financing activities, according to IAS 7	-3,082	-926	-3,247	-4,266	-4,554	-5,574
Cash flow for the period	-3,335	-2,987	-3,501	-1,666	-3,008	-1,173
1 Of which repurchases of shares	-96	-134	-246	-193	-560	-507

Operating cash flow (IFRS), supplementary information

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Construction						
Cash flow from business operations	1,977	1,977	3,609	3,339	8,442	8,172
Change in working capital	-1,013	-858	-1,630	-1,562	-1,725	-1,657
Net divestments(+)/investments(-)	-564	-372	-1,063	-594	-2,112	-1,643
Total Construction	400	747	917	1,183	4,605	4,871
Residential Development						
Cash flow from business operations	-254	-235	-510	-449	-601	-540
Change in working capital	-292	347	721	-781	1,564	62
Net divestments(+)/investments(-)	689	-659	337	-1,090	161	-1,267
Cash flow adjustment	0	0	0	0	205	205
Total Residential Development	143	-546	548	-2,320	1,329	-1,540
Commercial Property Development						
Cash flow from business operations	-142	-509	-271	-954	-544	-1,227
Change in working capital	-73	369	-237	268	-368	137
Net divestments(+)/investments(-)	-1,526	111	-4,260	995	-3,161	2,094
Cash flow adjustment	-64	238	-17	402	-156	263
Total Commercial Property Development	-1,804	210	-4,785	711	-4,229	1,267
Investment Properties						
Cash flow from business operations	31	8	61	7	82	29
Change in working capital	-4	-5	18	20	44	47
Net divestments(+)/investments(-)	-2	0	-3	-748	-2,924	-3,668
Total Investment Properties	25	3	75	-720	-2,797	-3,593
Central and Eliminations						
Cash flow from business operations	39	-183	191	-224	-133	-548
Change in working capital	-33	-53	9	-287	187	-108
Net divestments(+)/investments(-)	254	-57	510	-523	486	-546
of which PPP-portfolio	258	-47	518	-499	470	-547
Total Central and Eliminations	260	-293	709	-1,034	540	-1,203
Total cash flow from business operations	1,652	1,057	3,080	1,718	7,247	5,885
Total change in working capital	-1,415	-199	-1,119	-2,342	-298	-1,520
Total net divestments(+)/investments(-)	-1,150	-977	-4,479	-1,960	-7,550	-5,030
Total cash flow adjustment	-64	238	-17	402	49	468
Cash flow from business operations before taxes paid	-977	121	-2,535	-2,181	-552	-198
Taxes paid in business operations	-706	-444	-1,356	-906	-2,075	-1,625
Cash flow from business operations including taxes paid	-1,683	-323	-3,891	-3,087	-2,627	-1,823
Net interest items, other net financial items and amortization of lease liabilities	-152	-247	-298	-297	-566	-565
Taxes paid in financing operations	33	54	66	65	125	124
Cash flow from financing operations	-118	-193	-233	-232	-442	-441
Operating cash flow from operations	-1,802	-516	-4,124	-3,319	-3,069	-2,263
Net strategic divestments(+)/investments(-)	20	15	40	25	212	197
Dividend etc. ¹	-3,177	-4,258	-3,327	-4,317	-3,655	-4,645
Cash flow before change in interest-bearing receivables and liabilities	-4,959	-4,759	-7,411	-7,611	-6,511	-6,711
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,624	1,771	3,910	5,945	3,503	5,538
Cash flow for the period	-3,335	-2,987	-3,501	-1,666	-3,008	-1,173
Cash and cash equivalents at the beginning of the period	9,839	12,323	10,014	10,947	9,474	10,947
Exchange rate differences in cash and cash equivalents	106	138	97	193	144	240
Cash and cash equivalents at the end of the period	6,610	9,474	6,610	9,474	6,610	10,014
1 Of which repurchases of shares	-96	-134	-246	-193	-560	-507

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

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
OPERATIONS - INVESTMENTS						
Investment properties	-2	0	-3	0	-4	-1
Intangible assets	-3	-7	-8	-12	-20	-24
Property, plant and equipment	-677	-495	-1,274	-887	-2,625	-2,238
Shares and participations	-317	-56	-320	-521	-495	-696
Current-asset properties	-5,101	-6,640	-10,371	-11,379	-21,600	-22,609
of which Residential Development	-1,965	-3,017	-4,462	-5,078	-9,759	-10,375
of which Commercial Property Development	-3,136	-3,623	-5,909	-6,301	-11,841	-12,233
Investments in operations	-6,100	-7,196	-11,976	-12,799	-24,744	-25,567
Total Investments	-6,100	-7,196	-11,976	-12,799	-24,744	-25,567
OPERATIONS - DIVESTMENTS						
Intangible assets	1	0	1	0	17	15
Property, plant and equipment	83	115	160	193	443	476
Shares and participations	258	0	518	9	709	201
Current-asset properties	4,608	6,105	6,818	10,637	16,026	19,844
of which Residential Development	2,959	2,350	5,106	4,186	10,177	9,257
of which Commercial Property Development	1,649	3,755	1,712	6,451	5,849	10,587
Divestments in operation	4,950	6,220	7,497	10,840	17,194	20,537
STRATEGIC DIVESTMENTS						
Businesses	20	15	40	25	212	197
Strategic divestments	20	15	40	25	212	197
Total divestments	4,970	6,235	7,537	10,865	17,406	20,734
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	-1,130	-961	-4,439	-1,935	-7,338	-4,833
Depreciation, non-current assets	-690	-673	-1,353	-1,355	-2,712	-2,714

Capital employed in Project Development and Investment Properties (IFRS)

SEKM	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Residential Development	16,495	16,091	16,346
Commercial Property Development	45,498	36,854	38,547
Investment Properties	3,694	753	3,733
Total in Project Development and Investment Properties	65,687	53,698	58,626

Parent company¹

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 (RFR2)

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Revenue	373	212	514	346
Selling and administrative expenses	-323	-186	-501	-338
Operating income	50	26	13	8
Net financial items	10,320	10,004	10,397	10,005
Income after financial items	10,370	10,030	10,410	10,013
Income taxes	-24	-7	-33	-4
Profit for the period	10,346	10,023	10,377	10,009
Total comprehensive income	10,346	10,023	10,377	10,009

Summary balance sheet (RFR2)

SEKM	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Intangible non-current assets	2	2	1
Property, plant and equipment	22	0	0
Financial non-current assets ²	30,466	23,268	23,627
Total non-current assets	30,490	23,270	23,628
Current receivables	265	149	164
Total current assets	265	149	164
TOTAL ASSETS	30,755	23,419	23,792
EQUITY AND LIABILITIES			
Equity ³	30,261	23,034	23,195
Provisions	178	226	213
Non-current interest-bearing liabilities ²	64	64	276
Current liabilities	252	95	108
TOTAL EQUITY AND LIABILITIES	30,755	23,419	23,792

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

² Of which SEK 11,942 M (Dec 31, 2022: 12,045) were shares in Group companies, SEK 18,364 M (Dec 31, 2022: 11,422) intra-Group receivables and SEK 64 M (Dec 31, 2022: 276) intra-Group liabilities.

³ During the year SEK 10 250 M (Dec 31, 22: 10,000) in dividend has been received from Group companies.

The Parent Company's contingent liabilities totaled SEK 153.7 bn on June 30, 2023 (Dec 31, 2022: 142.8), of which SEK 129.0 bn (Dec 31, 2022: 122.3) were related to obligations on behalf of Group companies. Other obligations, SEK 24.7 bn (Dec 31, 2022: 20.5), were related to commitments to outside parties of which SEK 15.2 bn (Dec 31, 2022: 11.9) relates to partners' future performance in the Group's joint operations.

Share data

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Earnings per share according to segment reporting, SEK ¹	2.96	4.61	4.00	8.24	18.62
Earnings per share, SEK ¹	4.72	4.28	6.16	6.61	20.04
Earnings per share after dilution, SEK ²	4.69	4.25	6.11	6.57	19.90
Equity per share, SEK ³	138.53	115.63			134.05
Adjusted equity per share, SEK ⁴	170.57	152.10			167.77
Average number of shares outstanding	410,998,216	412,352,689			412,037,581
Average number of shares outstanding after dilution	414,077,670	415,143,684			414,922,620
Average dilution, %	0.74	0.67			0.70
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
Average price, repurchased shares, SEK	145.85	143.41			144.79
Number of Class B shares repurchased	32,780,728	29,433,728			31,320,728
of which repurchased during the year	640,000	777,000	1,460,000	1,037,000	2,924,000
Number of shares in Skanska's own custody	9,141,570	7,788,654			8,771,931
Number of shares outstanding	410,761,502	412,114,418			411,131,141

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	Rolling 12 months	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019
Revenue	153,771	161,602	147,576	158,606	176,782
Operating income	6,773	9,297	9,832	11,860	7,828
Profit for the period	5,956	7,702	8,188	8,942	6,372
Earnings per share, SEK	14.39	18.62	19.80	21.65	15.46
Return on capital employed, %	10.3	14.1	15.9	20.3	15.1
Return on equity, %	11.1	15.8	20.1	25.1	21.4
Operating margin, %	4.4	5.8	6.7	7.5	4.4
Return on capital employed according to IFRS, %	13.9	15.2	13.5	21.5	14.3
Cash flow per share according to IFRS, SEK ¹	-15.86	-16.29	1.81	31.57	3.28

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		
	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
US dollar	10.49	9.59	10.12
British pound	12.93	12.44	12.46
Norwegian krone	1.00	1.05	1.05
Euro	11.33	10.47	10.63
Czech koruna	0.48	0.42	0.43
Polish zloty	2.45	2.26	2.27

	Exchange rates on the closing day		
	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
US dollar	10.90	10.26	10.37
British pound	13.75	12.45	12.49
Norwegian krone	1.01	1.03	1.05
Euro	11.81	10.71	11.08
Czech koruna	0.50	0.43	0.46
Polish zloty	2.65	2.29	2.36

Construction

Revenue and earnings

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	40,584	39,712	78,107	73,099	161,013	156,004
Gross income	3,051	2,950	5,748	5,219	12,797	12,268
Selling and administrative expenses	-1,661	-1,596	-3,321	-3,113	-6,742	-6,534
Income from joint ventures and associated companies	0	6	-4	10	22	36
Operating income	1,391	1,360	2,424	2,116	6,077	5,770
Investments	-648	-486	-1,224	-868	-2,565	-2,210
Divestments	104	130	201	299	665	764
Net divestments(+)/investments(-)	-544	-357	-1,023	-569	-1,900	-1,446
Gross margin, %	7.5	7.4	7.4	7.1	7.9	7.9
Selling and administrative expenses, %	-4.1	-4.0	-4.3	-4.3	-4.2	-4.2
Operating margin %	3.4	3.4	3.1	2.9	3.8	3.7
Order bookings, SEK bn	63.2	37.3	89.0	67.2	184.4	162.7
Order backlog, SEK bn	250.3	215.5	250.3	215.5		229.8
Average number of employees	25,576	26,741	25,576	26,741		26,892

Revenue

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	14,727	15,911	28,978	29,490	58,956	59,468
of which Sweden	8,407	9,243	16,214	16,590	34,073	34,450
Europe	7,219	6,897	13,164	12,147	28,014	26,997
USA	18,637	16,904	35,965	31,461	74,043	69,539
Total	40,584	39,712	78,107	73,099	161,013	156,004

Operating income

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	549	549	948	924	2,400	2,377
of which Sweden	251	310	432	481	1,373	1,423
Europe	189	256	184	238	709	762
USA	654	555	1,292	954	2,968	2,630
Total	1,391	1,360	2,424	2,116	6,077	5,770

Operating margin, %

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	3.7	3.5	3.3	3.1	4.1	4.0
of which Sweden	3.0	3.3	2.7	2.9	4.0	4.1
Europe	2.6	3.7	1.4	2.0	2.5	2.8
USA	3.5	3.3	3.6	3.0	4.0	3.8
Total	3.4	3.4	3.1	2.9	3.8	3.7

Order backlog

SEKM	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Nordics	83,772	69,297	69,496
of which Sweden	32,770	35,121	33,085
Europe	41,500	41,921	40,624
USA	125,030	104,234	119,651
Total	250,303	215,452	229,771

Order bookings

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	31,651	16,528	43,458	28,437	72,854	57,832
of which Sweden	8,942	9,500	15,895	18,100	31,755	33,960
Europe	7,557	7,720	10,179	13,269	23,199	26,289
USA	23,944	13,022	35,362	25,531	88,375	78,544
Total	63,152	37,270	88,999	67,237	184,427	162,665

Book-to build, R12-m, %

SEKM	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Nordics	124	95	97
of which Sweden	93	101	99
Europe	83	88	97
USA	119	96	113
Total	115	95	104

Residential Development

Revenue and earnings

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	1,649	2,926	2,235	6,500	4,487	8,751
Gross income	226	539	135	1,156	653	1,674
Selling and administrative expenses	-178	-207	-401	-380	-805	-783
Operating income	49	332	-266	777	-152	891
Operating margin, %	2.9	11.3	neg	11.9	neg	10.2
Investments	-2,270	-3,021	-4,769	-5,298	-10,086	-10,615
Divestments	2,959	2,362	5,106	4,208	10,247	9,349
Net divestments(+)/investments(-)	689	-659	337	-1,090	161	-1,267
Capital employed, SEK bn	16.5	16.1	16.5	16.1		16.3
Return on capital employed, % ¹		11.0		11.0	0.2	6.8
Average number of employees	540	576	540	576		565

¹ Rolling 12 months. For definition see page 19.

Revenue

SEKM	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	1,176	2,422	1,604	5,651	3,279	7,326
of which Sweden	377	1,236	474	3,308	640	3,474
Europe	473	504	631	849	1,208	1,425
Total	1,649	2,926	2,235	6,500	4,487	8,751

Operating income¹

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	4	258	-264	655	-205	715
of which Sweden	-3	119	-284	391	-332	343
Europe	45	74	-1	121	53	176
Total	49	332	-266	777	-152	891

¹ Development gain only. Construction margin reported under Construction.

Operating margin, %¹

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
	0.3	10.7	neg	11.6	neg	9.8
	neg	9.6	neg	11.8	neg	9.9
	9.4	14.6	neg	14.3	4.4	12.3
Total	2.9	11.3	neg	11.9	neg	10.2

Homes started

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	241	601	529	1,305	1,178	1,954
of which Sweden	135	453	377	1,025	449	1,097
Europe	0	356	0	458	393	851
Total	241	957	529	1,763	1,571	2,805

Homes sold

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
	164	493	227	1,229	492	1,494
	61	371	86	922	95	931
	179	187	248	330	476	558
Total	343	680	475	1,559	968	2,052

Homes under construction

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Nordics	4,669	5,074	5,146
of which Sweden	3,063	3,551	3,327
Europe	1,685	1,905	1,869
Total	6,354	6,979	7,015

Completed unsold, number of homes

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
	292	52	108
	175	25	53
	14	20	22
Total	306	72	130

Homes under construction of which sold, %

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
	55	68	62
	53	65	62
	65	65	56
Total	58	67	60

Commercial Property Development

Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	857	5,666	1,124	10,505	4,894	14,276
of which from divestment of properties	627	5,513	717	10,192	4,119	13,594
Gross income	233	1,082	292	2,128	2,021	3,857
Selling and administrative expenses	-247	-251	-445	-442	-1,001	-999
Income from joint ventures and associated companies	-1	3	-4	5	156	165
Operating income	-15	834	-157	1,690	1,176	3,023
of which from divestment of properties ¹	171	1,084	217	2,157	1,900	3,839
of which writedowns/reversal of writedowns	0	0	-18	-30	-31	-43
¹ Additional gains included in Eliminations	19	19	40	82	70	112
Investments	-3,175	-3,644	-5,981	-6,327	-11,948	-12,294
Divestments	1,649	3,755	1,721	7,322	8,787	14,389
Net divestments(+)/investments(-)	-1,526	111	-4,260	995	-3,161	2,094
Capital employed, SEK bn	45.5	36.9	45.5	36.9		38.5
Return on capital employed, % ²		10.9		10.9	3.1	8.7
Average number of employees	432	445	432	445		437

² Rolling 12 months. For definition see page 19.

Revenue

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	742	4,262	869	6,166	4,323	9,620
Europe	65	1,324	156	2,856	299	2,999
USA	49	79	100	1,483	272	1,656
Total	857	5,666	1,124	10,505	4,894	14,276

of which from divestments

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
	626	4,200	673	6,028	3,947	9,302
	0	1,276	43	2,754	94	2,805
	0	36	0	1,410	78	1,487
Total	627	5,513	717	10,192	4,119	13,594

Operating income

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	116	612	83	1,117	1,492	2,526
Europe	-70	274	-122	615	-137	599
USA	-61	-52	-118	-41	-178	-101
Total	-15	834	-157	1,690	1,176	3,023

of which from divestments

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
	169	743	191	1,344	1,690	2,843
	1	339	26	724	205	903
	0	2	0	88	5	93
Total	171	1,084	217	2,157	1,900	3,839

Homes for rent started

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Nordics	0	0	0	0	264	264
USA	0	0	0	0	324	324
Total	0	0	0	0	588	588

Homes for rent sold

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
	0	0	0	0	202	202
	0	0	0	0	0	0
Total	0	0	0	0	202	202

Homes for rent under construction

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Nordics	1,322	1,194	1,348
USA	1,009	685	1,009
Total	2 331	1 879	2 357

Capital employed

SEK M	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Nordics	15,643	13,972	13,992
Europe	10,884	9,896	9,087
USA	18,971	12,985	15,467
Total	45,498	36,854	38,547

Investment Properties

Revenue and earnings

SEK M	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	45	10	86	10	116	40
Operating net	32	8	63	8	86	30
Selling and administrative expenses	-1	0	-3	-1	-4	-2
Change in property value	-25	0	-25	26	61	112
Operating income	6	8	36	33	143	140
Investments	-2	0	-3	-748	-2,924	-3,668
Divestments	0	0	0	0	0	0
Net divestments(+)/investments(-)	-2	0	-3	-748	-2,924	-3,668
Capital employed	3,694	753	3,694	753		3,733
Property value	3,736	766	3,736	766		3,758
Return on capital employed, % ¹		11.7		11.7	5.5	13.6
Economic occupancy rate, %	93	100	93	100		86
Average valuation yield, %	4.1	4.0	4.1	4.0		3.9

¹ Rolling 12 months. For definition see page 19.

Properties

Location	Leasable area, sqm	Annual rental value, SEK M	Economic occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	23,110	82	98	1,353	100
Stockholm	28,992	122	90	2,383	100
Total	52,102	205	93	3,736	100

PPP-portfolio value

Unrealized development gain in PPP-portfolio

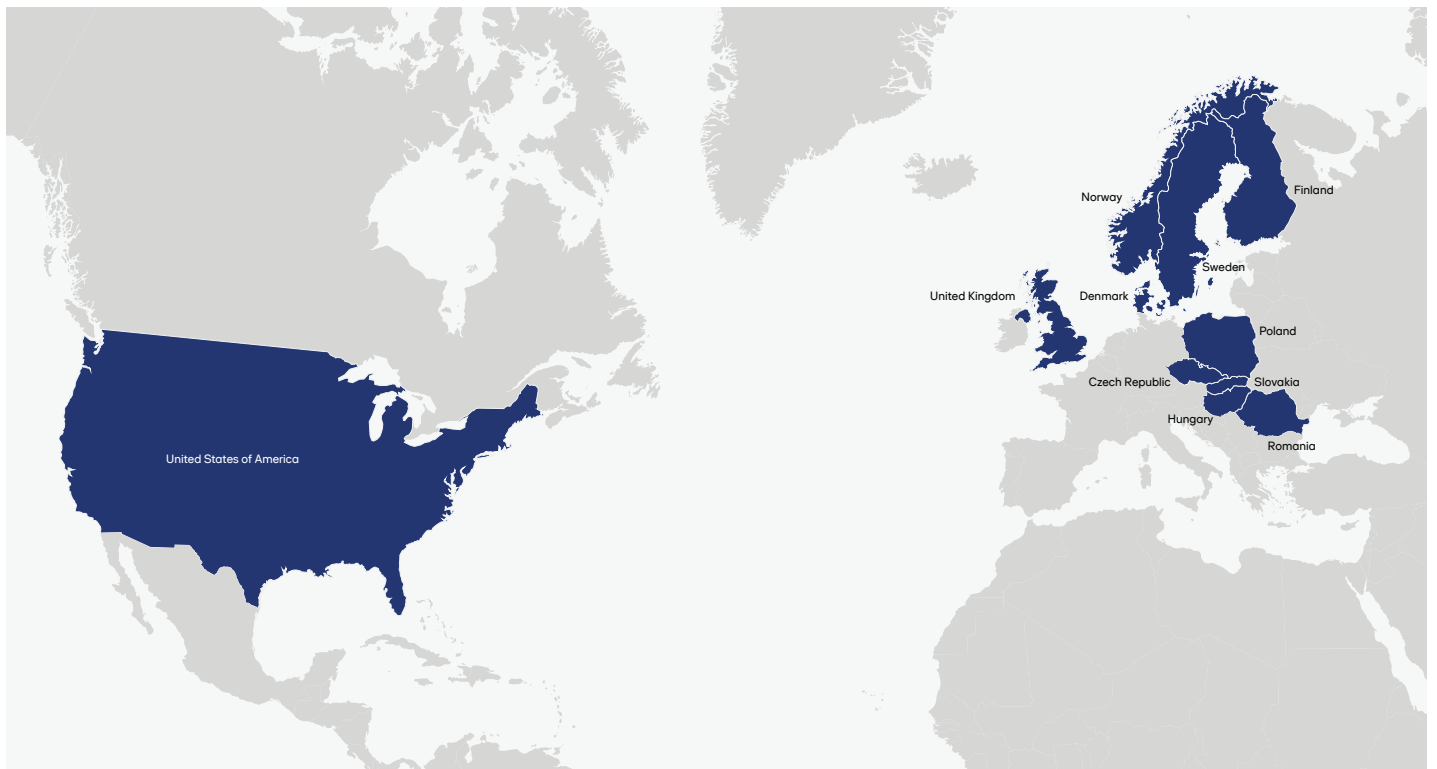
SEK bn	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Present value of cash flow from projects	2.4	2.6	2.7
Present value of remaining investments	0.0	-0.2	0.0
Net present value of projects	2.4	2.4	2.7
Carrying amount before Cash flow hedge / Carrying amount	-1.4	-2.0	-2.2
Unrealized development gain	1.0	0.4	0.5
Cash flow hedge	0.1	0.1	0.1
Effect in unrealized equity ¹	1.1	0.5	0.6

¹ Tax effects not included.

About Skanska

Over 135 years in the making, we are one of the world's largest project development and construction companies. We operate across select markets in the Nordics, Europe and the USA. Together with our customers and the collective expertise of our 28,000 employees, we create innovative and sustainable solutions that support healthy living beyond our lifetime.

Skanska's home markets



Nordøyvegen, Møre and Romsdal county, Norway

FV 659 Nordøyvegen, a complex road, bridge and tunnel project connecting the northern islands of Ålesund to the Norwegian mainland, has been described as Norway's most spectacular construction project. The contract was signed with Norwegian Public Road Authority (NPRA) in 2018 and construction started in 2019. Three tunnels were built simultaneously. Bridges had to be constructed in challenging weather conditions. Yet parts of the project were in use up to 18 months ahead of schedule. In total, 13 kilometers of road under the sea, divided into three tunnels, as well as 8 kilometers of road with three bridges were built. The most important impact is the positive effect on the local community: by connecting the islands and to the mainland, Nordøyvegen opens up opportunities for housing and jobs for the islanders and their neighbors. Underlining the fact that every decision impacts, the project team made many choices that reduced the environmental impact. These included reusing and choosing more sustainable materials, sourced from local suppliers; co-operating closely with local NGOs to collect plastic waste, which resulted in zero waste spillage. The project was certified with BREEAM Infrastructure, level Very Good. The project was completed and handed over in 2022.

Skanska AB

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This report will also be presented via a telephone conference and a audiocast at 10:00 CEST on July 21, 2023.

The telephone conference will be webcasted live at www.skanska.com/investors, where a recording of the conference will also be available later.

To participate in the telephone conference, please dial +46 (0)8 5051 00 31, or +44 (0)207 107 06 13, or +1 (1) 631 570 56 13.

This and previous releases can also be found at www.group.skanska.com/investors.

This is information that Skanska AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act.

The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out above, at 07:30 CEST on July 21, 2023.

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.