

SKANSKA

Q2 2022

Press release, July 21, 2022, 7:30 a.m. CET

We build for a better society.

Nowy Rynek - Poznań - Poland



Interim report second quarter 2022

Highlights according to segment reporting

- Revenue amounted to SEK 44.8 billion (35.4); adjusted for currency effects revenue increased 18 percent.
- Operating income amounted to SEK 2.4 billion (2.3); adjusted for currency effects operating income decreased 2 percent. Operating income increased 16 percent adjusted for currency effects and excluding gains from the divestment of UK infrastructure services impacting Q2 2021.
- Earnings per share amounted to SEK 4.61 (4.68).
- Operating cash flow from operations amounted to SEK -0.5 billion (-2.4), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 11.1 billion (March 31, 2022: 15.4), according to IFRS.
- Order bookings in Construction amounted to SEK 37.3 billion (49.8), in line with the five year quarterly average. Adjusted for currency effects order bookings quarter over quarter decreased 30 percent on a tough comparison quarter. Rolling 12-month book-to-build ratio was 95 percent.
- Operating income in Construction amounted to SEK 1.4 billion (1.5), representing an operating margin of 3.4 percent (4.7). Operating margin Q2 2021 excluding gains from the divestment of UK infrastructure services was 3.5 percent.
- Operating income in Project Development amounted to SEK 1.2 billion (1.0).
- Return on capital employed in Project Development was 10.9 percent (12.4).
- Return on equity was 17.7 percent (26.7).

Performance Analysis

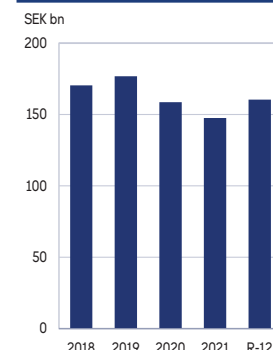
Tables referring to segment reporting are in shaded background. For more information see page 16.

For definitions of non-IFRS financial measures see pages 17-19.

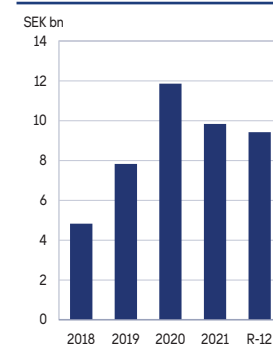
SEKM	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue				
Construction	39,712	32,362	143,969	132,587
Residential Development	2,955	4,170	12,930	14,377
Commercial Property Development	5,637	1,243	17,028	11,102
Investment Properties	10	0	10	0
Central and Eliminations	-3,475	-2,381	-13,495	-10,490
Total	44,838	35,395	160,442	147,576
Operating income				
Construction	1,360	1,510	4,897	5,013
Residential Development	358	573	1,612	1,980
Commercial Property Development	808	391	3,400	3,264
Investment Properties	8	0	33	0
Central	-155	-85	-517	-415
Eliminations	18	-52	-8	-9
Operating income	2,397	2,338	9,417	9,832
Net financial items	11	-37	-68	-172
Income after financial items	2,408	2,300	9,349	9,660
Taxes	-494	-360	-1,584	-1,472
Profit for the period	1,914	1,940	7,764	8,188
Earnings for the period per share, SEK	4.61	4.68	18.76	19.80
Revenue for the period according to IFRSs	42,551	36,210	152,594	143,865
Operating income for the period according to IFRSs	2,220	2,780	7,482	8,293
Earnings for the period per share according to IFRSs, SEK	4.28	5.57	14.88	16.64
Operating cash flow from operations	-516	-2,399	1	4,185
Interest-bearing net receivables(+)/net debt(-)	7,719	8,124		12,598
Return on capital employed in Project Development, % ¹	10.9	12.4		11.8
Return on capital employed in Investments Properties, % ¹	11.7	-		-
Adjusted interest-bearing net receivables(+)/net debt(-)	11,102	13,934		17,719
Return on equity, % ¹	17.7	26.7		20.1

¹ Rolling 12 months.

Revenue



Operating income

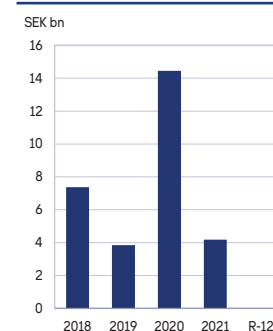


Operating income per segment Jun 30, 2022, R-12



- Construction, 49%
- Residential Development, 16%
- Commercial Property Development, 34%
- Investment Properties, 0%

Operating cash flow from operations



Good profitability and a strong financial position



To summarize the second quarter, we continue to deliver strong results in line with our strategic priorities. Group revenue is growing, all business streams are performing well and maintaining strong profitability, and the construction order backlog stands at a historically high level.

We are maintaining a strong financial position with low exposure to the credit market and continue to navigate the uncertainties and challenges brought on by the pandemic and the war in Ukraine with a clear commercial direction.

In Construction, revenue is growing across all geographies as the strong order backlog is transferred into ongoing projects. Activity is high in the construction industry, but inflation will continue to remain challenging for the market. We continue to focus on selective bidding and commercial management. The healthy margins delivered in the second quarter is a testament to the strength of our strategy.

For Residential Development, market activity has slowed as a consequence of interest rate hikes and general economic uncertainty. By the end of the second quarter, we had 8,230 homes in production, and a good sales rate. Profitability in the residential development stream for the second quarter was strong.

For Commercial Property Development, the leasing market remains relatively soft. Investor appetite for our high-quality sustainable properties is strong and during the quarter we announced three divestments. Two large divestments in Sweden and the sale of the third phase of Nowy Rynek in Poland, which was completed with an attractive gain.

During the second quarter, carbon emissions from our own operations was further reduced and carbon emissions within Scope 1 and 2 are now 51 percent lower than in the benchmark year of 2015. In April we announced that we joined the cross-industry CEO Alliance for Europe's Recovery, Reform and Resilience. The initiative comprises 14 leading European industrial companies and focuses on how industry can make an even greater contribution to the climate transition.

Having a strong financial position is an advantage in these times. It makes us a reliable partner for clients, suppliers, and other business partners. Having a robust financial position with low reliance on the credit market, also enables us to make the most of business opportunities whenever they arise. Taken together, with a clear strategic direction and an exceptional organization, we are in a good position to continue to deliver long-term value for our shareholders.

Anders Danielsson
President and Chief Executive Officer

Skanska target performance (rolling 12 months basis)

Operating margin – Construction

3.4%

Target \geq 3.5%

Return on equity

17.7%

Target \geq 18%

Return on capital employed –
Project Development

10.9%

Target \geq 10%

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

+11.1 SEK bn

Limit SEK -10 bn

Return on capital employed –
Investment Properties

11.7%

Target \geq 6%

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

-51%

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

Market outlook, next 12 months

- Weaker outlook compared to previous quarter.
- Unchanged outlook compared to previous quarter.
- Improved outlook compared to previous quarter.
- ↔ Very strong market coming 12m
- ✖ Strong market coming 12m
- ↔ Stable market coming 12m
- ✖ Weak market coming 12m
- ⬇ Very weak market coming 12m

Construction

Activity in the coming 12 months will be impacted by a combination of factors. On the positive, pent-up demand, EU recovery funding directed to several of our home markets and federal funding starting to see increased number of projects coming to the market in the USA. However, markets are also expected to continue to be negatively influenced by supply chain disruptions causing inflation, shortages of material and postponed projects. Overall, we have seen market develop in accordance with our outlook but going forward we believe the Finnish non-residential building segment will weaken to some extent.

	Building, non-residential	Building, residential	Civil
↔ Nordics			
Sweden	↔	✖	↔
Norway	↔	✖	↔
Finland	✖	✖	✖
↔ Europe			
Poland	✖	↔	↔
Czech Republic ¹	✖	↔	↔
United Kingdom	✖	—	↔
↔ USA			
USA	↔	—	↔

¹Including Slovakia.

Residential Development

For the housing market, activity has developed as expected and we are starting to see the effect of general economic uncertainties, inflation and raised interest rates in some of our markets. Cost escalation and price uncertainty might result in projects being postponed, reducing new built supply from already low levels for the coming years. The unemployment rates are low, and the structural shortage of homes will stabilize the market over time.

↔ Nordics	
Sweden	✖
Norway	✖
Finland	✖
↔ Europe	



Modřanský cukrovar, Prague, Czech Republic

Commercial Property Development

The leasing market remains subdued and a general slowdown in the economy might challenge the recovery. Cost escalation and price uncertainty could lead to some projects being postponed reducing new supply in the market over the coming years. Rising interest rates might start to put some upward pressure on yield requirements in some markets but there is still a solid demand for high-quality low-risk assets.

Investment Properties

Leasing market activity for the three main cities of Sweden is not back to pre-pandemic levels and we expect the market to stay competitive. Flexibility continues to be a priority for tenants.

↔ Nordics	
Sweden	✖
Norway	✖
Finland	✖
Denmark	✖
↔ Europe	
Poland	✖
Czech Republic	✖
Hungary	✖
Romania	✖
↔ USA	

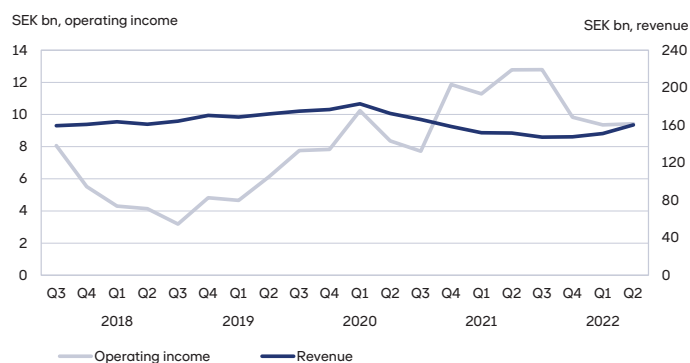


The Eight, Bellevue, WA, USA

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	44,838	35,395	160,442	147,576
Operating income ^{1,2}	2,397	2,338	9,417	9,832
Net financial items	11	-37	-68	-172
Income after financial items	2,408	2,300	9,349	9,660
Taxes	-494	-360	-1,584	-1,472
Profit for the period	1,914	1,940	7,764	8,188
Earnings for the period per share, SEK ³	4.61	4.68	18.76	19.80
Earnings for the period per share according to IFRSs, SEK ³	4.28	5.57	14.88	16.64

1 Central, SEK -155 M (-85).

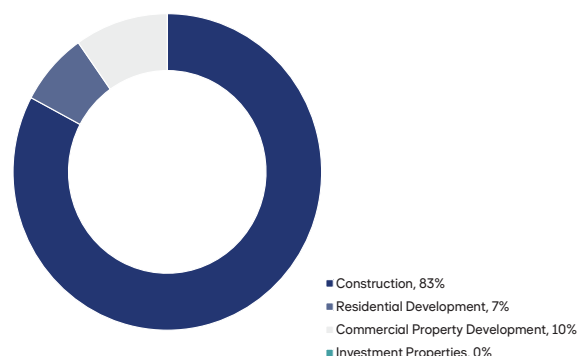
2 Eliminations, SEK 18 M (-52).

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

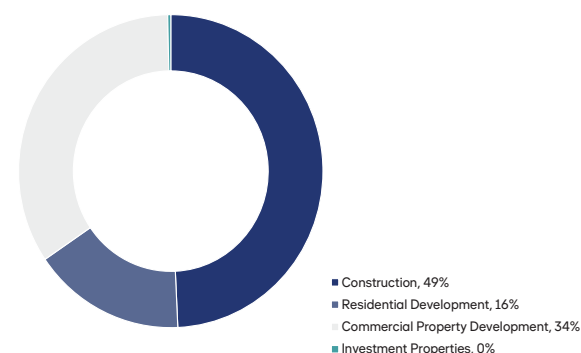
Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2022 / Apr-Jun 2021			
Revenue	27%	18%	8%
Operating income	3%	-2%	5%
Rolling 12 months / Jan-Dec 2021			
Revenue	9%	5%	4%
Operating income	-4%	-6%	2%

Revenue per segment, rolling 12 months



Operating income per segment, rolling 12 months



Revenue increased 27 percent and amounted to SEK 44.8 billion (35.4); adjusted for currency effects revenue increased 18 percent. Operating income increased 3 percent and amounted to SEK 2,397 M (2,338); adjusted for currency effects operating income decreased 2 percent. Operating income in the comparable period includes a gain of SEK 370 M from the divestment of the infrastructure services business in the UK Construction operations.

Central stream totaled SEK -155 M (-85), SEK 37 M (33) relate to the PPP-portfolio.

The elimination of gains in Intra-Group projects amounted to SEK 18 M (-52).

Net financial items amounted to SEK 11 M (-37).

Taxes for the period amounted to SEK -494 M (-360). Effective tax rate of January 1 to June 30, amounts to 20 percent (16).

Cash flow

Group

Operating cash flow from operations

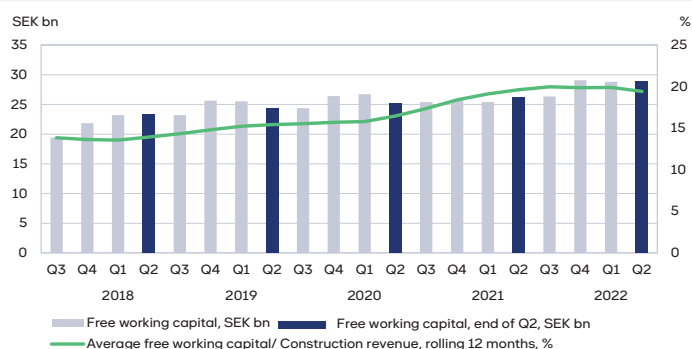


Operating cash flow

SEKM	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from business operations	1,057	1,313	4,874	5,314
Change in working capital	-199	-1,521	765	3,986
Net divestments(+)/investments(-)	-977	675	-3,462	-345
Cash flow adjustment	238	-226	264	-23
Cash flow from business operations before taxes paid	121	241	2,441	8,931
Taxes paid in business operations	-444	-2,482	-1,747	-3,861
Cash flow from financing operations	-193	-158	-693	-885
Operating cash flow from operations	-516	-2,399	1	4,185
Net strategic divestments(+)/investments(-)	15	722	34	732
Dividend etc.	-4,258	-3,976	-4,468	-4,172
Cash flow before change in interest-bearing receivables and liabilities	-4,759	-5,653	-4,433	745
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,771	-918	3,643	-9,729
Cash flow for the period	-2,987	-6,570	-790	-8,984

Operating cash flow from operations amounted to SEK -516 M (-2,399), where taxes paid in business operations is the main reason for the change in cash flow. Taxes paid in business operations amounted to SEK -444 M (-2,482). Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 9.4 billion during the years 2022 to 2026.

Free working capital in Construction



Free working capital in Construction amounted to SEK 28.9 billion (26.2). The average free working capital in relation to Construction revenue in the past 12 months was 19.4 percent. 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 -858 M (1,190).



Financial position

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



Balance sheet - Summary

SEK bn	Jun 30, 2022	Jun 30, 2021 ¹	Dec 31, 2021 ¹
Total assets	144.5	128.1	139.0
Total equity	47.8	40.8	45.5
Interest-bearing net receivables (+)/net debt (-)	7.7	8.1	12.6
Adjusted interest-bearing net receivables(+)/net debt(-)	11.1	13.9	17.7
Capital employed, closing balance	68.0	61.7	66.4
Equity/assets ratio, %	33.1	31.9	32.7

¹ Restated in accordance with what is stated on page 14, Other matters.

Change in net interest-bearing receivables and liabilities

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Opening balance interest-bearing net receivables(+)/net debt(-)	11,088	8,793	12,598	7,280	7,280
Cash flow for the period	-2,987	-6,570	-1,666	-9,860	-8,984
Less change in interest-bearing receivables and liabilities	-1,771	918	-5,945	7,427	9,729
Cash flow before change in interest-bearing receivables and liabilities	-4,759	-5,653	-7,611	-2,433	745
Translation differences, net receivables/net debt	529	-240	881	513	1,340
Remeasurements of pension liabilities	746	790	1,590	2,160	2,274
Interest-bearing liabilities acquired/divested	0	283	0	283	286
Other changes, interest-bearing net receivables/net debt	113	4,150	260	321	673
Change in interest-bearing net receivables/net debt	-3,370	-669	-4,879	844	5,318
Closing balance interest-bearing net receivables(+)/net debt(-)	7,719	8,124	7,719	8,124	12,598
Restricted cash	-6,109	-5,020	-6,109	-5,020	-5,637
Pension liability, net	2,231	3,920	2,231	3,920	3,798
Lease liabilities	7,262	6,910	7,262	6,910	6,960
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	11,102	13,934	11,102	13,934	17,719

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 11.1 billion (March 31, 2022: 15.4). Interest-bearing net receivables amounted to SEK 7.7 billion (March 31, 2022: 11.1) and include SEK 7.3 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 16.4 billion (March 31, 2022: 19.0), of which SEK 13.5 billion (March 31, 2022: 15.6) is available within one week.

The Group central loan portfolio amounted to SEK 3.6 billion (March 31, 2022: 3.4) consisting of SEK 0.5 billion in a Medium-Term Note (MTN) with a maturity of 0.9 years and SEK 3.1 billion in bilateral loans with an average maturity of 2.5 years. At June 30, the Group's unutilized credit facilities totaled SEK 6.9 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 2.0 years (March 31, 2022: 2.3).

At the end of the quarter, capital employed amounted to SEK 68.0 billion (March 31, 2022: 65.1).

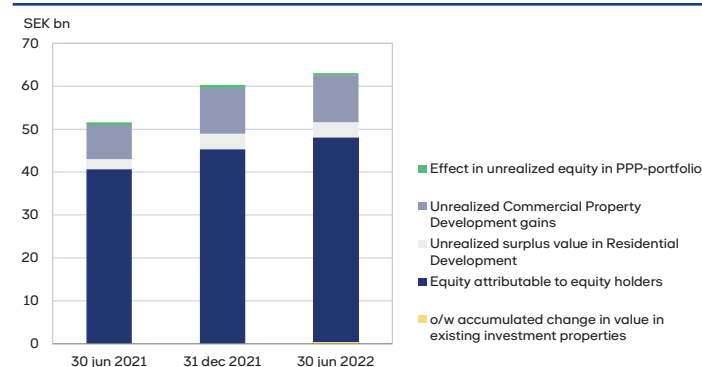
Equity

Changes in equity

SEK M	Apr-Jun 2022	Apr-Jun 2021 ¹	Jan-Jun 2022	Jan-Jun 2021 ¹	Jan-Dec 2021 ¹
Adjusted opening balance	43,837	38,182	45,465	38,385	38,385
Dividend to shareholders	0	0	-4,124	-3,917	-3,917
Other changes in equity not included in total comprehensive income for the year	-30	30	20	65	133
Profit for the period	1,776	2,306	2,741	3,466	6,887
Other comprehensive income					
Translation differences	1,228	-476	1,891	760	1,854
Effects of remeasurements of pensions	872	659	1,587	1,944	2,010
Effects of cash flow hedges	104	108	208	106	112
Closing balance	47,787	40,808	47,787	40,808	45,465

¹ The equity opening balance has been adjusted by SEK -332 M due to a previously incorrectly reported tax position in Q4 2020.

Adjusted equity, less standard tax of 10 percent



The Group's equity amounted to SEK 47.8 billion (40.8), resulting in an equity/assets ratio of 33.1 percent (31.9) and a net debt/equity ratio of -0.2 (-0.2). Total adjusted equity amounted to SEK 62.7 billion (51.9), resulting in an adjusted equity per share of SEK 152.10 (125.14).

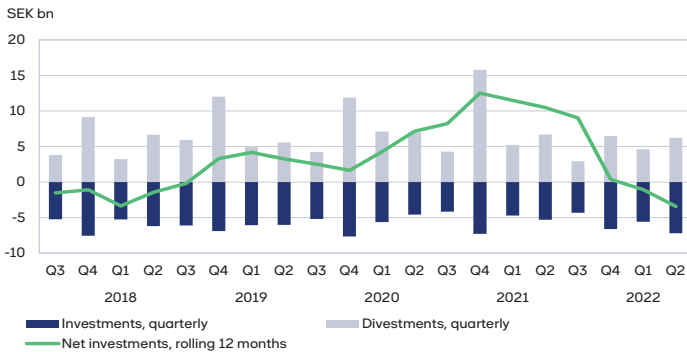
Translation differences amounted to SEK 1,228 M (-476) due to weaker Swedish krona.

The effects of remeasurements of pensions amounted to SEK 872 M (659). This is mainly explained by increased discount rate in Sweden, Norway and the UK. The effects are partly offset by lower return on the plan assets in all three countries.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 16.7 billion of which SEK 2.2 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 15.0 billion and SEK 2.0 billion.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK -7,196 M (-5,303), while divestments amounted to SEK 6,235 M (6,700), resulting in net investments of SEK -961 M (1,397).

In Construction, investments totaled SEK -486 M (-483). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK -357 M (291). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK -590 M (-567).

In Residential Development, investments totaled SEK -3,258 M (-3,290), of which SEK -739 M (-478) relates to land acquisitions, corresponding to 2,228 building rights. Divestments amounted to SEK 3,010 M (2,399). Net investments in Residential Development amounted to SEK -248 M (-892).

In Commercial Property Development, investments totaled SEK -3,407 M (-1,387), of which SEK -676 M (0) relates to investments in new land, while divestments amounted to SEK 3,107 M (3,526). Net investments in Commercial Property Development amounted to SEK -300 M (2,139).

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

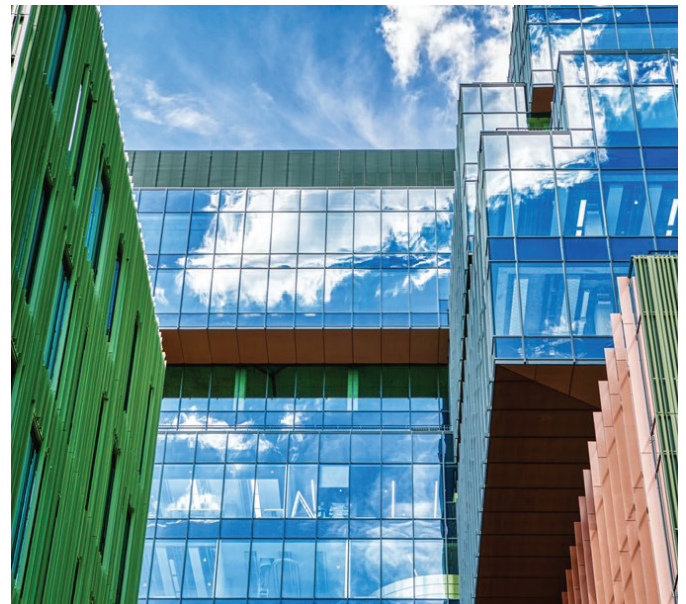
SEK M	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Investments				
Construction	-486	-483	-1,925	-1,850
Residential Development	-3,258	-3,290	-11,379	-11,488
Commercial Property Development	-3,407	-1,387	-9,994	-7,344
Investment Properties	0	0	-748	0
Other	-45	-143	340	-263
Total	-7,196	-5,303	-23,706	-20,945
Divestments				
Construction	130	774	496	1,034
Residential Development	3,010	2,399	11,367	10,766
Commercial Property Development	3,107	3,526	9,823	9,961
Investment Properties	0	0	0	0
Other	-12	2	-1,406	-430
Total	6,235	6,700	20,278	21,331
Net divestments(+)/investments(-)				
Construction	-357	291	-1,429	-816
Residential Development	-248	-892	-13	-722
Commercial Property Development	-300	2,139	-172	2,617
Investment Properties	0	0	-748	0
Other	-57	-141	-1,066	-693
Total	-961	1,397	-3,427	386
Of which strategic	15	722	34	732

Capital employed in Project Development and Investment Properties

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Residential Development	17,373	14,862	14,385
Commercial Property Development	35,578	30,056	32,721
Investment Properties	753	0	0
Total in Project Development and Investment Properties	53,704	44,918	47,106



Investment, Verkstan, Umeå, Sweden



Divestment, Nowy Rynek, Poznań, Poland

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



At the end of the quarter, the order backlog amounted to SEK 215.5 billion compared to SEK 207.6 billion at the end of the previous quarter. The order backlog corresponds to 17 months of production (March 31, 2022: 18).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2022 / Apr-Jun 2021			
Order bookings	-25%	-30%	5%
Jun 30, 2022 / Mar 31, 2022			
Order backlog	4%	-1%	5%

Order bookings and order backlog in Construction

SEK bn	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Order bookings	37.3	49.8	136.1	153.6
Order backlog ¹	215.5	201.3		207.0

¹ Refers to the end of each period.

Order bookings amounted to SEK 37.3 billion (49.8); adjusted for currency effects order bookings decreased 30 percent on a tough comparison quarter. Order bookings in USA for the second quarter 2021 was unusually high with several internal and external large orders. On a rolling 12-month basis the book-to-build ratio was 95 percent (March 31, 2022: 109). For more information, see page 28.

Major orders in the quarter

Geography	Contract	Amount SEK M	Client
Europe	Army vehicle storage facility	3,200	Defence Infrastructure Organisation
Nordic	Highway	3,100	Norwegian Public Roads Administration
Nordic	Tram and bus depot	1,200	Ruskeasuon Varikkokiinteistö Oy
Europe	High-speed railway	970	HS2 Ltd
USA	Data center	760	Existing client

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

14.1 SEK bn

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

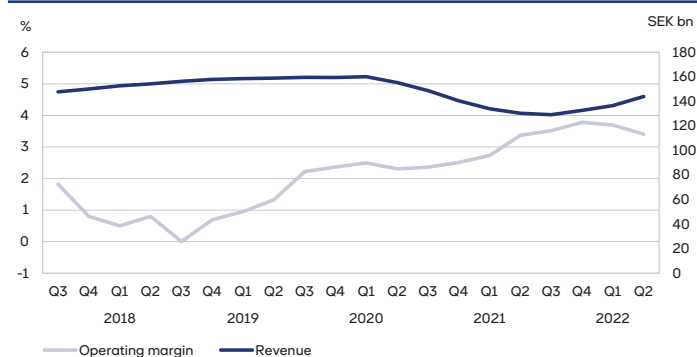
8.6 SEK bn



Saltkajen, Stockholm, Sweden. Illustration: AIX Arkitekter

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	39,712	32,362	143,969	132,587
Gross income	2,950	2,887	10,893	10,687
Selling and administrative expenses	-1,596	-1,380	-6,036	-5,709
Income from joint ventures and associated companies	6	3	41	35
Operating income	1,360	1,510	4,897	5,013
Gross margin, %	7.4	8.9	7.6	8.1
Selling and administrative expenses, %	-4.0	-4.3	-4.2	-4.3
Operating margin, %	3.4	4.7	3.4	3.8
Average number of employees	26,741	29,308		28,557

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Apr-Jun 2022 / Apr-Jun 2021			
Revenue	23%	14%	9%
Operating income	-10%	-17%	7%
Rolling 12 months / Jan-Dec 2021			
Revenue	9%	5%	4%
Operating income	-2%	-5%	3%

Revenue in the Construction business stream increased 23 percent and amounted to SEK 39.7 billion (32,4); adjusted for currency effects revenue increased by 14 percent. The operating margin was 3.4 percent (4.7). Operating income decreased 10 percent and amounted to SEK 1,360 M (1,510); adjusted for currency effects operating income decreased by 17 percent. Operating income in the comparable period includes a gain of SEK 370 M related to the divestment of the infrastructure services business in the UK. Operating margin Q2 2021 excluding gains from the divestment was 3.5 percent.



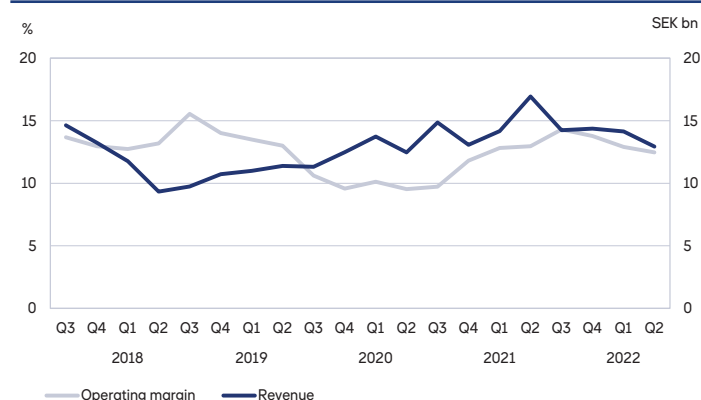
Tram and bus depot, Helsinki, Finland



Undergraduate Science laboratory building, Blacksburg, Virginia, USA

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

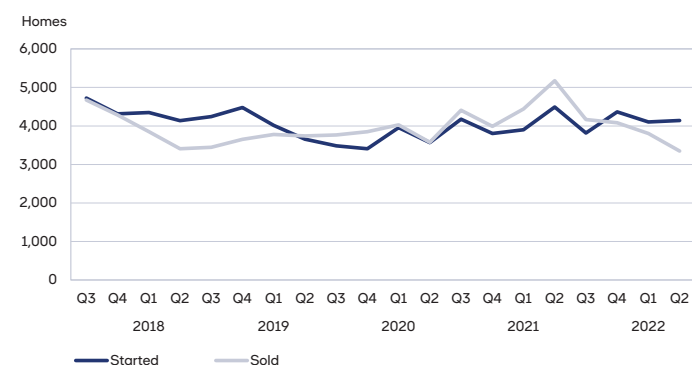
SEK M	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	2,955	4,170	12,930	14,377
Gross income	584	761	2,393	2,707
Selling and administrative expenses	-226	-187	-781	-727
Operating income	358	573	1,612	1,980
Gross margin, %	19.8	18.2	18.5	18.8
Selling and administrative expenses, %	-7.7	-4.5	-6.0	-5.1
Operating margin, %	12.1	13.7	12.5	13.8
Return on capital employed, % ¹	11.0	16.6		14.1

¹ Rolling 12 months. For definition see page 17.

Revenue in the Residential Development business stream amounted to SEK 2,955 M (4,170). The number of homes sold totaled 680 (1,133) and construction started on 957 homes (921). Operating income amounted to SEK 358 M (573). The operating margin was 12.1 percent (13.7).

Return on capital employed was 11.0 percent (16.6).

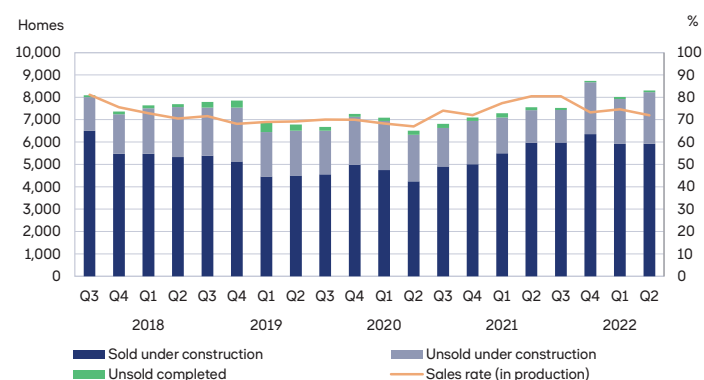
Homes sold and started, rolling 12 months



Homes sold and started

	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Homes sold	680	1,133	3,351	4,084
Homes started	957	921	4,144	4,363

Homes under construction and unsold



Homes under construction and unsold

	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Homes under construction	8,230	7,423	8,673
of which sold, %	72	80	73
Completed unsold, number of homes	72	132	57

At the end of the quarter, 8,230 homes (March 31, 2022: 7,926) were under construction. Of these, 72 percent (March 31, 2022: 75) were sold. The number of completed unsold homes amounted to 72 (March 31, 2022: 89). The number of completed homes amounted to 2,207 (1,506). Our residential development portfolio has a very high sales rate and during the quarter new projects has been started.

Breakdown of carrying amounts

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Completed projects	655	468	314
Ongoing projects	12,151	9,638	10,605
Undeveloped land and development properties	9,433	9,365	9,135
Total	22,239	19,471	20,054

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 12.2 billion (March 31, 2022: 11.4) and undeveloped land and development properties amounted to SEK 9.4 billion (March 31, 2022: 9.2). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 4.0 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,700 homes and 1,600 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,300 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	5,637	1,243	17,028	11,102
of which from divestment of properties	5,485	1,036	16,301	10,289
Gross income	1,037	574	4,150	3,955
Selling and administrative expenses	-232	-185	-844	-784
Income from joint ventures and associated companies	3	2	93	93
Operating income	808	391	3,400	3,264
of which from divestment of properties	1,026	495	4,226	3,928
Return on capital employed, % ¹	10.8	10.6		10.8

¹Rolling 12 months. For definition see page 17.

In the Commercial Property Development business stream, divestments worth SEK 5,485 M (1,036) were made in the second quarter of 2022. Operating income amounted to SEK 808 M (391) and included gains from property divestments totaling SEK 1,026 M (495).

Return on capital employed was 10.8 percent (10.6).

Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value ^{1,2}	Occupancy rate, %	Degree of completion, %
Ongoing projects ³	13,217	30,059	37,841	33	45
Completed projects ^{4,5}	8,190	8,190	11,143	73	100
Undeveloped land and development properties	11,993	11,993	13,436		
Total	33,400	50,242	62,420		
of which carrying amount ⁶	33,155	49,997			
of which completed projects sold according to segment reporting	2,027	2,027	2,766		
of which ongoing projects sold according to segment reporting	2,377	5,207	6,660		

¹Market value according to appraisal on December 31, 2021.

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

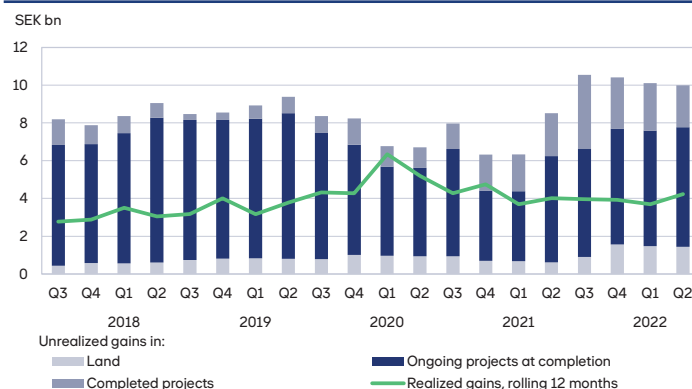
³Including tenant improvement and leasing commissions in CDUS amounted to SEK 101 M.

⁴Including tenant improvement and leasing commissions in CDUS amounted to SEK 379 M.

⁵Skanska's share of total production cost in JVs is SEK 245 M end of period and upon completion.

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

Unrealized and realized gains, segment reporting



Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 37 ongoing projects. During the quarter, seven new projects were started, and five were completed. The 37 ongoing projects represent leasable space of about 797,000 sq m with an occupancy rate of 33 percent, measured in rent. The projects' degree of completion was 45 percent. Their investment value upon completion is expected to total SEK 30.1 billion, with an estimated market value of SEK 37.8 billion.

Of the ongoing projects, 13 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 5.2 billion, with a sales value of SEK 6.7 billion. By the end of the quarter the total number of completed projects amounted to 17. The occupancy rate, measured in rent, totaled 73 percent (March 31, 2022: 75). The market value of these projects, excluding property divested according to segment reporting, was SEK 8.4 billion.

Projects sold but not transferred will have a positive effect on cash flow of SEK 3.5 billion during 2022.

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 9.9 billion. These gains related to SEK 6.3 billion in ongoing projects, SEK 2.2 billion in completed projects and SEK 1.4 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK -547 M. These eliminations are released at the Group level as each project is divested. During second quarter of 2022 the total amount of leased space came in at 47,000 sq m (62,000).

Investment Properties

Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021 ¹	Rolling 12 months	Jan-Dec 2021 ¹
Revenue	10		10	
Operating net	8		8	
Selling and administrative expenses	0		-1	
Change in property value	0		26	
Income from joint ventures and associated companies	0		0	
Operating income	8		33	
Investments	0		-748	
Divestments	0		0	
Net divestments(+)/investments(-)	0		-748	
Capital employed	753		753	
Property value	766		766	
Return on capital employed, % ²	11.7			
Net leasing	0			
Economic occupancy rate, %	100			
Surplus ratio, %	78.8			

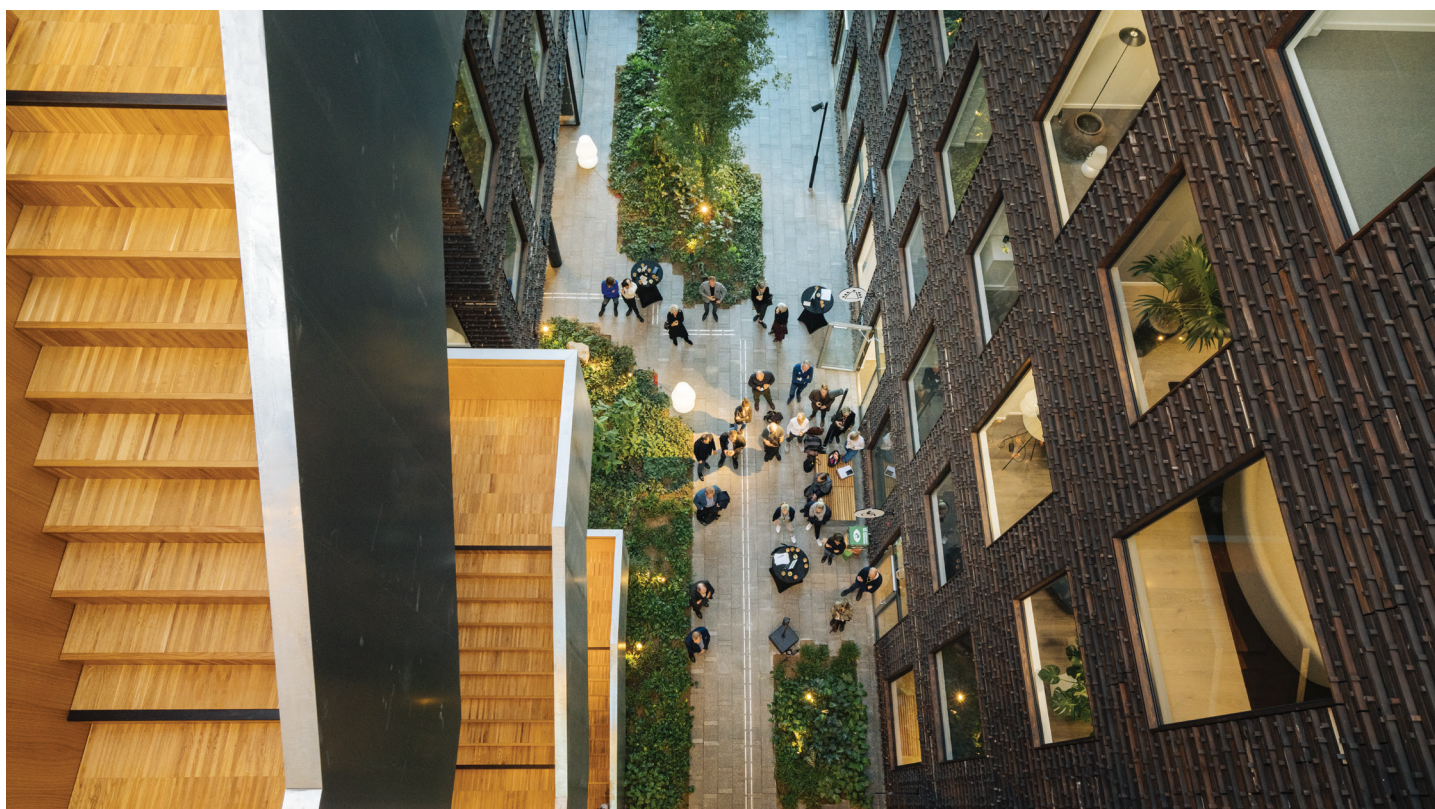
¹ Investment Properties is a new business stream from 2022.

² Rolling 12 months. For definition see page 17.

Revenue in the Investment Properties business stream amounted to SEK 10 M (n.a.). Operating income amounted to SEK 8 M (n.a.).

Investment Properties acquired its first property for SEK 748 M at the end of the first quarter. The property called Epic is a fully-let multitenant office building. It holds the highest sustainability certification, LEED Platinum and is also certified according to WELL, which means the building is designed

to promote and enhance the health and well-being of its tenants. The property is located in a cluster in Malmö, Sweden, where we have developed several properties in the past and have a pipeline of ongoing and future developments. We will continue to build this portfolio of high quality sustainable properties in attractive locations, targeting a total value of SEK 12-18 bn.



Epic, Malmö, Sweden

Personnel

During the period, the average number of employees in the Group was 28,239 (30,836). At the end of the quarter, the number of employees totaled 28,745 people (March 31, 2022: 28,221).

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 2021, pages 59-65, Note 2 and 6, as well as the section on market outlook included in this report.

The war in Ukraine and the related sanctions has brought new uncertainties to the global economy. For our operations the risks are primarily related to supply chain disruptions such as material shortages and inflation, and potentially postponed projects.

Other matters

In the second quarter of 2022, a US subsidiary discovered an accounting error in the tax amount for 2020. An adjustment has been implemented increasing the tax liability by SEK 332 M for Q4 2020 and subsequent quarters. Quarterly earnings for 2021 are all unaffected. Cash flow impact was taken in 2021. Since the correction relates to a reporting period before the earliest prior period presented, opening balance for 2021 equity and tax liabilities have been adjusted. Five year group summary has been corrected accordingly.

Events after the end of the report period

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

Financial reports for 2022

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

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

October 26, 2022
Feb 3, 2023

Interim report third quarter
Year-end Report

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, 2022

Hans Biörck
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.

Skanska has expanded the operating segment with a new business stream, Investment Properties, starting from the 2022 financial year. The new business stream owns and manages properties. Related accounting principles are presented in the Annual and Sustainability Report 2021, Note 1 within IAS 40 Investment Properties and IFRS 16 Leases.

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 2021, 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.

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 2021, Note 43.

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 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 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 and income from joint ventures and associated companies, 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 border="0"> <tr><td>Total assets</td><td>25,718</td></tr> <tr><td>- tax assets</td><td>-407</td></tr> <tr><td>- deposits in internal bank</td><td>-230</td></tr> <tr><td>- pension receivable</td><td>-46</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-7,548</td></tr> <tr><td>- capitalized interest expense</td><td>-114</td></tr> <tr><td></td><td><u>17,373</u></td></tr> </table>	Total assets	25,718	- tax assets	-407	- deposits in internal bank	-230	- pension receivable	-46	- non-interest-bearing liabilities (excluding tax liabilities)	-7,548	- capitalized interest expense	-114		<u>17,373</u>	Measure capital usage and efficiency in Residential Development.
Total assets	25,718															
- tax assets	-407															
- deposits in internal bank	-230															
- pension receivable	-46															
- non-interest-bearing liabilities (excluding tax liabilities)	-7,548															
- capitalized interest expense	-114															
	<u>17,373</u>															
Capital employed Commercial Property Development (CD) SEK M	<table border="0"> <tr><td>Total assets</td><td>40,305</td></tr> <tr><td>- tax assets</td><td>-635</td></tr> <tr><td>- deposits in internal bank</td><td>-266</td></tr> <tr><td>- pension receivable</td><td>0</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-3,527</td></tr> <tr><td>- capitalized interest expense</td><td>-299</td></tr> <tr><td></td><td><u>35,578</u></td></tr> </table>	Total assets	40,305	- tax assets	-635	- deposits in internal bank	-266	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-3,527	- capitalized interest expense	-299		<u>35,578</u>	Measure capital usage and efficiency in Commercial Property Development.
Total assets	40,305															
- tax assets	-635															
- deposits in internal bank	-266															
- pension receivable	0															
- non-interest-bearing liabilities (excluding tax liabilities)	-3,527															
- capitalized interest expense	-299															
	<u>35,578</u>															
Capital employed Investment Properties (IP) SEK M	<table border="0"> <tr><td>Total assets</td><td>781</td></tr> <tr><td>- tax assets</td><td>-3</td></tr> <tr><td>- deposits in internal bank</td><td>0</td></tr> <tr><td>- pension receivable</td><td>0</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-24</td></tr> <tr><td>- capitalized interest expense</td><td>0</td></tr> <tr><td></td><td><u>753</u></td></tr> </table>	Total assets	781	- tax assets	-3	- deposits in internal bank	0	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-24	- capitalized interest expense	0		<u>753</u>	Measure capital usage and efficiency in Investment Properties.
Total assets	781															
- tax assets	-3															
- deposits in internal bank	0															
- pension receivable	0															
- non-interest-bearing liabilities (excluding tax liabilities)	-24															
- capitalized interest expense	0															
	<u>753</u>															

Non-IFRS financial measures

Non-IFRS financial measures	Definition	Reason for use																																																																						
Capital employed average	Calculated on the basis of five measuring points; see below.																																																																							
ROCE in RD segment, rolling 12 months SEK M	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>1,612</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>88</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>2</td> <td></td> </tr> <tr> <td>- interest income from internal bank</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>1,701</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>15,394</td> <td></td> </tr> <tr> <td>ROCE RD</td> <td></td> <td></td> <td>11.0%</td> <td></td> </tr> <tr> <td colspan="5">* Capital employed average</td> </tr> <tr> <td>Q2 2022</td> <td>17,373</td> <td>x 0.5</td> <td>8,686</td> <td></td> </tr> <tr> <td>Q1 2022</td> <td>16,570</td> <td></td> <td>16,570</td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>14,385</td> <td></td> <td>14,385</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>14,503</td> <td></td> <td>14,503</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>14,862</td> <td>x 0.5</td> <td>7,431</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>61,575 / 4</td> <td>15,394</td> </tr> </table>	Operating income			1,612		+ capitalized interest expense			88		+/- financial income and other financial items			2		- interest income from internal bank			0		Adjusted profit			1,701		Capital employed average*			15,394		ROCE RD			11.0%		* Capital employed average					Q2 2022	17,373	x 0.5	8,686		Q1 2022	16,570		16,570		Q4 2021	14,385		14,385		Q3 2021	14,503		14,503		Q2 2021	14,862	x 0.5	7,431					61,575 / 4	15,394	Measure the performance (profitability and capital efficiency) in RD.
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ROCE in IP segment, rolling 12 months SEK M	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>33</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>- interest income from internal bank</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>33</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>281</td> <td></td> </tr> <tr> <td>ROCE IP</td> <td></td> <td></td> <td>11.7%</td> <td></td> </tr> <tr> <td colspan="5">* Capital employed average</td> </tr> <tr> <td>Q2 2022</td> <td>753</td> <td>x 0.5</td> <td>377</td> <td></td> </tr> <tr> <td>Q1 2022</td> <td>749</td> <td></td> <td>749</td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>0</td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>0</td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>0</td> <td>x 0.5</td> <td>0</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>1,126 / 4</td> <td>281</td> </tr> </table>	Operating income			33		+ capitalized interest expense			0		+/- financial income and other financial items			0		- interest income from internal bank			0		Adjusted profit			33		Capital employed average*			281		ROCE IP			11.7%		* Capital employed average					Q2 2022	753	x 0.5	377		Q1 2022	749		749		Q4 2021	0		0		Q3 2021	0		0		Q2 2021	0	x 0.5	0					1,126 / 4	281	Measure the performance (profitability and capital efficiency) in IP.
Operating income			33																																																																					
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			1,126 / 4	281																																																																				
ROCE in Project Development, segment, rolling 12 months SEK M	<p>Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD.</p> <table border="0"> <thead> <tr> <th></th> <th>Adjusted profit</th> <th>CE avg</th> <th>ROCE</th> </tr> </thead> <tbody> <tr> <td>RD</td> <td>1,701</td> <td>15,394</td> <td>11.0%</td> </tr> <tr> <td>CD</td> <td>3,525</td> <td>32,551</td> <td>10.8%</td> </tr> <tr> <td></td> <td>5,226</td> <td>47,945</td> <td>10.9%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	1,701	15,394	11.0%	CD	3,525	32,551	10.8%		5,226	47,945	10.9%	Measure the performance (profitability and capital efficiency) in Project Development.																																																						
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Non-IFRS financial measures	Definition	Reason for use																														
Return on equity segment, rolling 12 months SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. $7,737 / 43,757 =$ 17.7%	Measure profitability on invested equity.																														
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q2 2022</td> <td style="width: 15%;">47,653</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">23,827</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q1 2022</td> <td>43,717</td> <td></td> <td>43,717</td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>45,351</td> <td></td> <td>45,351</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>41,784</td> <td></td> <td>41,784</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>40,699</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">20,350</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">175,028</td> <td style="text-align: right;">/ 4 43,757</td> </tr> </table>	Q2 2022	47,653	x 0.5	23,827		Q1 2022	43,717		43,717		Q4 2021	45,351		45,351		Q3 2021	41,784		41,784		Q2 2021	40,699	x 0.5	20,350					175,028	/ 4 43,757	
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			175,028	/ 4 43,757																												
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 less 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. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q2 2022</td> <td style="width: 15%;">-28,922</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">-14,461</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q1 2022</td> <td>-28,821</td> <td></td> <td>-28,821</td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>-29,086</td> <td></td> <td>-29,086</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>-26,337</td> <td></td> <td>-26,337</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>-26,215</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">-13,107</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">-111,813</td> <td style="text-align: right;">/ 4 -27,953</td> </tr> </table>	Q2 2022	-28,922	x 0.5	-14,461		Q1 2022	-28,821		-28,821		Q4 2021	-29,086		-29,086		Q3 2021	-26,337		-26,337		Q2 2021	-26,215	x 0.5	-13,107					-111,813	/ 4 -27,953	Measure the funding stemming from the negative working capital generated in Construction.
Q2 2022	-28,922	x 0.5	-14,461																													
Q1 2022	-28,821		-28,821																													
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			-111,813	/ 4 -27,953																												
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	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equity attributable to equity holders</td> <td style="width: 10%; text-align: right;">47.7</td> <td style="width: 10%;"></td> </tr> <tr> <td>Unrealized surplus value in RD</td> <td style="text-align: right;">4.0</td> <td></td> </tr> <tr> <td>Unrealized CD gains</td> <td style="text-align: right;">12.2</td> <td></td> </tr> <tr> <td>Effect in unrealized equity in PPP-portfolio</td> <td style="text-align: right;">0.5</td> <td></td> </tr> <tr> <td>Less standard corporate tax, 10%</td> <td style="text-align: right; border-bottom: 1px solid black;">-1.7</td> <td></td> </tr> <tr> <td>Adjusted equity</td> <td style="text-align: right; border-top: 1px solid black;">62.7</td> <td></td> </tr> </table>	Equity attributable to equity holders	47.7		Unrealized surplus value in RD	4.0		Unrealized CD gains	12.2		Effect in unrealized equity in PPP-portfolio	0.5		Less standard corporate tax, 10%	-1.7		Adjusted equity	62.7		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.												
Equity attributable to equity holders	47.7																															
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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	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.																														

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Construction	66,544 ¹	57,168 ¹	6,554	4,549	73,099	61,716	2,116	2,232
Residential Development	7,210	8,679	22	0	7,232	8,679	875	1,243
Commercial Property Development	8,816	3,792	958	56	9,773	3,848	1,592	1,457
Investment Properties	10	0	0	0	10	0	33	0
Total operating segments	82,580	69,638	7,534	4,605	90,114	74,243	4,617	4,931
Central	70	146	149	0	219	147	-291	-189
Eliminations	0	0	-7,682	-4,605	-7,682	-4,605	-77	-78
Total Group	82,650	69,785	0	0	82,650	69,785	4,249	4,664
Reconciliation to IFRSs²	-5,067	-931	0	0	-5,067	-931	-836	-441
Total IFRSs	77,583	68,854	0	0	77,583	68,854	3,412	4,224
1 Of which external revenue from joint ventures in PPP-portfolio	804	1,373						
2 Of which effect from joint ventures in Residential Development proportionally	-47	-238					-5	-88
Of which effect of different revenue recognition principles	-5,020	-693					-831	-352

Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Investment Properties		Central and Eliminations		Total	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Nordics	29,505	26,359	4,666	3,930	2,360	4,238	10	0	-4,393	-3,107	32,148	31,419
of which Sweden	16,543	15,510	2,752	1,896	2,278	1,925	10	0	-3,525	-2,236	18,058	17,095
Europe	12,133	10,138	572	690	2,856	2,522	0	0	-1,573	-959	13,988	12,391
USA	31,461	25,219	0	0	1,483	166	0	0	-1,498	-342	31,447	25,044
Total operating segments	73,099	61,716	5,238	4,620	6,700	6,926	10	0	-7,464	-4,408	77,583	68,854

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Apr-Jun 2022	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2021
Revenue								
Construction	39,712	39,712	32,362	32,362	73,099	73,099	61,716	61,716
Residential Development	2,955	3,045	4,170	2,446	7,232	5,238	8,679	4,620
Commercial Property Development	5,637	3,259	1,243	3,733	9,773	6,700	3,848	6,926
Investment Properties	10	10	0	0	10	10	0	0
Central and Eliminations	-3,475	-3,475	-2,381	-2,331	-7,464	-7,464	-4,458	-4,408
Skanska Group	44,838	42,551	35,395	36,210	82,650	77,583	69,785	68,854
Operating income								
Construction	1,360	1,360	1,510	1,510	2,116	2,116	2,232	2,232
Residential Development	358	414	573	176	875	580	1,243	477
Commercial Property Development ¹	808	576	391	1,203	1,592	1,096	1,457	1,749
Investment Properties	8	8	0	0	33	33	0	0
Central	-155	-155	-85	-85	-291	-291	-189	-189
of which PPP-portfolio	37	37	33	33	70	70	70	70
Eliminations ¹	18	17	-52	-25	-77	-122	-78	-45
Operating income	2,397	2,220	2,338	2,780	4,249	3,412	4,664	4,224
Net financial items	11	11	-37	-36	19	19	-85	-83
Income after financial items	2,408	2,231	2,300	2,743	4,268	3,431	4,579	4,140
Taxes	-494	-455	-360	-438	-859	-690	-746	-675
Profit for the period	1,914	1,776	1,940	2,306	3,409	2,741	3,833	3,466
Earnings for the period per share, SEK ²	4.61		4.68		8.24		9.27	
Earnings for the period per share according to IFRSs, SEK ²		4.28		5.57		6.61		8.38
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	1,026	795	495	1,308	2,016	1,519	1,717	2,009
Eliminations	19	23	50	83	82	65	84	122

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

The Skanska Group

Summary income statement (IFRS)

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	42,551	36,210	77,583	68,854	152,594	143,865
Cost of sales	-38,149	-31,561	-70,365	-60,986	-137,535	-128,156
Gross income	4,402	4,650	7,218	7,868	15,059	15,709
Selling and administrative expenses	-2,244	-1,915	-4,275	-3,805	-8,335	-7,865
Change in value, investment properties	8	0	365	0	365	0
Income from joint ventures and associated companies	53	45	104	161	392	449
Operating income	2,220	2,780	3,412	4,224	7,482	8,293
Financial income	55	27	126	57	174	105
Financial expenses	-44	-63	-107	-140	-240	-273
Net financial items¹	11	-36	19	-83	-66	-168
Income after financial items	2,231	2,743	3,431	4,140	7,416	8,125
Taxes	-455	-438	-690	-675	-1,253	-1,238
Profit for the period	1,776	2,306	2,741	3,466	6,162	6,887
1 Of which						
Interest income	54	16	88	33	123	68
Financial net pension costs	-12	-15	-25	-29	-66	-70
Interest expenses	-57	-40	-106	-87	-197	-178
Interest expenses from lease liabilities	-52	-52	-106	-104	-211	-209
Capitalized interest expenses	100	53	173	103	304	234
Net interest items	32	-37	24	-85	-46	-155
Change in fair value	-4	0	-2	1	-5	-2
Other net financial items	-17	2	-3	1	-15	-12
Net financial items	11	-36	19	-83	-66	-168
Profit attributable to:						
Equity holders	1,765	2,296	2,728	3,457	6,134	6,864
Non-controlling interests	11	9	13	8	28	23
Earnings per share, SEK ²	4.28	5.57	6.61	8.38	14.88	16.64
Earnings per share after dilution, SEK ³	4.25	5.53	6.57	8.33	14.76	16.52

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)

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Profit for the period	1,776	2,306	2,741	3,466	6,162	6,887
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurements of defined benefit plans	1,066	813	1,994	2,442	2,138	2,585
Tax related to items that will not be reclassified to profit and loss	-194	-154	-407	-499	-484	-575
	872	659	1,587	1,944	1,653	2,010
Items that have been or will be reclassified to profit and loss						
Translation differences attributable to equity holders	1,173	-466	1,814	745	2,877	1,808
Translation differences attributable to non-controlling interests	3	1	7	3	10	7
Hedging of exchange rate risk in foreign operations	53	-12	70	12	98	40
Effects of cash flow hedges ¹	41	81	58	32	28	2
Share of other comprehensive income of joint ventures and associated companies ²	72	42	161	79	194	113
Tax related to items that have been or will be reclassified to profit and loss	-9	-15	-10	-5	-8	-3
	1,332	-368	2,099	866	3,199	1,966
Other comprehensive income after tax	2,204	291	3,686	2,809	4,853	3,977
Total comprehensive income	3,980	2,596	6,426	6,275	11,015	10,863
Total comprehensive income attributable to						
Equity holders	3,966	2,586	6,407	6,264	10,977	10,834
Non-controlling interests	14	11	20	11	38	30
1 Of which transferred to income statement	1	0	0	0	-1	-1
2 Of which transferred to income statement	18	44	42	95	100	153

Summary statement of financial position (IFRS)

SEKM	Jun 30, 2022	Jun 30, 2021 ¹	Dec 31, 2021 ¹
ASSETS			
Non-current assets			
Investment properties	766	0	0
Property, plant and equipment	7,504	6,893	7,279
Property, plant and equipment right-of-use assets	3,351	3,453	3,314
Goodwill	4,076	3,857	3,934
Intangible assets	611	742	676
Investments in joint ventures and associated companies	2,940	1,633	2,185
Financial non-current assets ^{2,4}	3,327	3,606	3,875
Deferred tax assets	1,255	1,632	1,984
Total non-current assets	23,830	21,816	23,247
Current assets			
Current-asset properties ³	54,915	46,520	49,745
Current-asset properties right-of-use land	3,565	3,149	3,289
Inventories	1,171	997	1,090
Financial current assets ⁴	15,298	15,599	18,810
Tax assets	1,731	1,739	1,247
Contract assets	7,519	5,955	5,451
Trade and other receivables	26,957	22,482	25,212
Cash	9,474	9,859	10,947
Total current assets	120,628	106,300	115,791
TOTAL ASSETS	144,459	128,116	139,039
of which interest-bearing financial non-current assets	3,289	3,562	3,838
of which interest-bearing current assets	24,593	25,429	29,694
Total interest-bearing assets	27,882	28,992	33,531
EQUITY			
Equity attributable to equity holders	47,653	40,699	45,351
Non-controlling interests	134	109	114
Total equity	47,787	40,808	45,465
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ⁴	2,661	3,269	3,389
Lease liabilities	6,408	6,023	6,040
Pensions	4,377	6,048	5,936
Deferred tax liabilities	1,636	1,193	1,254
Total non-current liabilities	15,083	16,533	16,619
Current liabilities			
Financial current liabilities ⁴	6,000	4,677	4,780
Lease liabilities	854	887	920
Tax liabilities	334	943	710
Current provisions	10,625	10,428	11,239
Contract liabilities	23,109	20,880	22,664
Trade and other payables	40,668	32,960	36,642
Total current liabilities	81,589	70,775	76,955
TOTAL EQUITY AND LIABILITIES	144,459	128,116	139,039
of which interest-bearing financial liabilities	15,786	14,819	14,997
of which interest-bearing pensions and provisions	4,377	6,048	5,936
Total interest-bearing liabilities	20,163	20,868	20,933
¹ Restated in accordance with what is stated on page 14, Other matters.			
² Of which shares and participations	38	42	37
³ Current-asset properties			
Commercial Property Development	32,675	27,049	29,691
Residential Development	22,239	19,471	20,054
⁴ Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	0	1	0
Financial current assets	179	28	63
Financial non-current liabilities	0	2	0
Financial current liabilities	137	34	131

Contingent liabilities, excluding partners' share in joint operations, as at June 30, 2022 amounted to SEK 1.1 bn (Dec 31, 2021: 1.3). Skanska's obligations for partners' share of future performance in joint operations amounted to SEK 48.4 bn (Dec 31, 2021: 55.9). In the event that Skanska takes over part of the performance, Skanska's order backlog will increase accordingly. For more information see 2021 Annual and Sustainability Report, Note 20B, 20C and 33.

Summary statement of changes in equity (IFRS)

SEK M	Apr-Jun 2022	Apr-Jun 2021 ¹	Jan-Jun 2022	Jan-Jun 2021 ¹	Jan-Dec 2021 ¹
Adjusted opening balance	43,837	38,182	45,465	38,385	38,385
of which non-controlling interests	120	98	114	97	97
Dividend to shareholders	0	0	-4,124	-3,917	-3,917
Dividend to non-controlling interests	0	0	0	0	-13
Effects of equity-settled share-based payments	104	89	213	169	388
Repurchase of shares	-134	-59	-193	-104	-242
Total comprehensive income attributable to					
Equity holders	3,966	2,586	6,407	6,264	10,834
Non-controlling interests	14	11	20	11	30
Closing balance	47,787	40,808	47,787	40,808	45,465
of which non-controlling interests	134	109	134	109	114

¹ The equity opening balance has been adjusted by SEK -332 M due to a previously incorrectly reported tax position in Q4 2020.

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

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from operating activities before change in working capital, according to IAS 7	623	-1,167	828	-855	3,166	1,483
Cash flow from change in working capital, according to IAS 7	-495	-493	-2,682	2,986	286	5,953
Net investments in property, plant and equipment and intangible assets	-442	-579	-1,217	-835	-2,719	-2,336
Tax payments on sold property, plant and equipment and intangible assets	-9	-2	-16	-7	-39	-30
Cash flow from business operations including taxes paid according to operating cash flow	-323	-2,241	-3,087	1,290	694	5,070
Less net investments in property, plant and equipment and intangible assets	442	579	1,217	835	2,719	2,336
Less tax payments on sold property, plant and equipment and intangible assets	9	2	16	7	39	30
Cash flow from operating activities, according to IAS 7	128	-1,660	-1,854	2,131	3,452	7,436
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow	15	722	25	722	34	732
Net investments in property, plant and equipment and intangible assets	-442	-579	-1,217	-835	-2,719	-2,336
Increase and decrease in interest-bearing receivables	-1,753	-1,052	5,662	-7,863	3,792	-9,734
Taxes paid on sold property, plant and equipment and intangible assets	-9	-2	-16	-7	-39	-30
Cash flow from investing activities, according to IAS 7	-2,189	-911	4,454	-7,982	1,068	-11,368
Cash flow from financing operations according to operating cash-flow statement	-193	-158	-232	-424	-693	-885
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,771	-918	5,945	-7,427	3,643	-9,729
Increase and decrease in interest-bearing receivables	1,753	1,052	-5,662	7,863	-3,792	9,734
Dividend etc.	-4,258	-3,976	-4,317	-4,021	-4,468	-4,172
of which repurchases of shares	-134	-59	-193	-104	-331	-242
Cash flow from financing activities, according to IAS 7	-926	-3,999	-4,266	-4,009	-5,310	-5,053
Cash flow for the period	-2,987	-6,570	-1,666	-9,860	-790	-8,984

Operating cash flow (IFRS), supplementary information

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Construction						
Cash flow from business operations	1,977	1,494	3,339	2,817	7,304	6,783
Change in working capital	-858	1,190	-1,562	-46	272	1,787
Net divestments(+)/investments(-)	-372	-431	-594	-678	-1,463	-1,548
Total Construction	747	2,252	1,183	2,093	6,112	7,022
Residential Development						
Cash flow from business operations	-278	68	-503	-126	-976	-599
Change in working capital	287	1,412	-806	1,004	230	2,039
Net divestments(+)/investments(-)	-248	-892	-743	-1,452	-13	-722
Cash flow adjustment	0	1	0	1	-1	0
Total Residential Development	-238	590	-2,052	-574	-760	718
Commercial Property Development						
Cash flow from business operations	-466	-144	-900	-412	-950	-462
Change in working capital	429	3	293	-55	385	37
Net divestments(+)/investments(-)	-300	2,139	648	3,437	-172	2,617
Cash flow adjustment	238	-228	402	115	265	-23
Total Commercial Property Development	-98	1,770	443	3,083	-472	2,168
Investment Properties						
Cash flow from business operations	8	0	7	0	7	0
Change in working capital	-5	0	20	0	20	0
Net divestments(+)/investments(-)	0	0	-748	0	-748	0
Total Investment Properties	3	0	-720	0	-720	0
Central and Eliminations						
Cash flow from business operations	-183	-106	-224	-121	-510	-407
Change in working capital	-53	-4,126	-287	-23	-142	122
Net divestments(+)/investments(-)	-57	-141	-523	-150	-1,066	-693
of which PPP-portfolio	-47	-108	-499	-100	-1,023	-623
Total Central and Eliminations	-293	-4,372	-1,034	-294	-1,718	-978
Total cash flow from business operations	1,057	1,313	1,718	2,158	4,874	5,314
Total change in working capital	-199	-1,521	-2,342	879	765	3,986
Total net divestments(+)/investments(-)	-977	675	-1,960	1,157	-3,462	-345
Total cash flow adjustment	238	-226	402	116	264	-23
Cash flow from business operations before taxes paid	121	241	-2,181	4,309	2,441	8,931
Taxes paid in business operations	-444	-2,482	-906	-3,019	-1,747	-3,861
Cash flow from business operations including taxes paid	-323	-2,241	-3,087	1,290	694	5,070
Net interest items, other net financial items and amortization of lease liabilities	-247	-226	-297	-606	-841	-1,150
Taxes paid in financing operations	54	68	65	182	148	264
Cash flow from financing operations	-193	-158	-232	-424	-693	-885
Operating cash flow from operations	-516	-2,399	-3,319	865	1	4,185
Net strategic divestments(+)/investments(-)	15	722	25	722	34	732
Dividend etc.	-4,258	-3,976	-4,317	-4,021	-4,468	-4,172
of which repurchases of shares	-134	-59	-193	-104	-331	-242
Cash flow before change in interest-bearing receivables and liabilities	-4,759	-5,653	-7,611	-2,433	-4,433	745
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,771	-918	5,945	-7,427	3,643	-9,729
Cash flow for the period	-2,987	-6,570	-1,666	-9,860	-790	-8,984
Cash and cash equivalents at the beginning of the period	12,323	16,453	10,947	19,508	9,859	19,508
Exchange rate differences in cash and cash equivalents	138	-24	193	211	405	423
Cash and cash equivalents at the end of the period	9,474	9,859	9,474	9,859	9,474	10,947

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

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
OPERATIONS - INVESTMENTS						
Intangible assets	-7	-39	-12	-75	-40	-103
Property, plant and equipment	-495	-477	-887	-770	-1,952	-1,834
Shares and participations	-56	-117	-521	-117	-1,135	-731
Current-asset properties	-6,640	-4,670	-11,379	-9,078	-20,579	-18,277
of which Residential Development	-3,242	-3,286	-5,652	-5,990	-10,675	-11,013
of which Commercial Property Development	-3,398	-1,384	-5,727	-3,088	-9,904	-7,264
Investments in operations	-7,196	-5,303	-12,799	-10,039	-23,706	-20,945
Total Investments	-7,196	-5,303	-12,799	-10,039	-23,706	-20,945
OPERATIONS - DIVESTMENTS						
Intangible assets	0	0	0	0	5	5
Property, plant and equipment	115	53	193	116	384	307
Shares and participations	0	2	9	11	18	20
Current-asset properties	6,105	5,924	10,637	11,069	19,836	20,268
of which Residential Development	2,998	2,398	5,120	4,542	11,344	10,766
of which Commercial Property Development	3,107	3,526	5,517	6,527	8,492	9,502
Divestments in operation	6,220	5,978	10,840	11,195	20,244	20,600
STRATEGIC DIVESTMENTS						
Businesses	15	722	25	722	34	732
Strategic divestments	15	722	25	722	34	732
Total divestments	6,235	6,700	10,865	11,917	20,278	21,331
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	-961	1,397	-1,935	1,879	-3,427	386
Depreciation, non-current assets	-673	-654	-1,355	-1,327	-2,697	-2,669

Capital employed in Project Development and Investment Properties (IFRS)

SEKM	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Residential Development	17,373	14,862	14,385
Commercial Property Development	35,578	30,056	32,721
Investment Properties	753	0	0
Total in Project Development and Investment Properties	53,704	44,918	47,106

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 (IFRS)

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Revenue	212	168	346	282
Selling and administrative expenses	-186	-150	-338	-282
Operating income	26	18	8	0
Net financial items	10,004	9,992	10,005	9,984
Income after financial items	10,030	10,010	10,013	9,984
Taxes	-7	-3	-4	2
Profit for the period	10,023	10,007	10,009	9,986
Total comprehensive income	10,023	10,007	10,009	9,986

Summary balance sheet (IFRS)

SEKM	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
Intangible non-current assets	2	6	3
Property, plant and equipment	0	0	0
Financial non-current assets ²	23,268	17,114	17,627
Total non-current assets	23,270	17,120	17,630
Current receivables	149	140	186
Total current assets	149	140	186
TOTAL ASSETS	23,419	17,260	17,816
EQUITY AND LIABILITIES			
Equity ³	23,034	16,630	17,326
Provisions	226	219	251
Non-current interest-bearing liabilities ²	64	305	134
Current liabilities	95	106	105
TOTAL EQUITY AND LIABILITIES	23,419	17,260	17,816

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

² Of which SEK 11,705 M (Dec 31, 2021: 11,783) were shares in Group companies, SEK 11,389 M (Dec 31, 2021: 5,669) intra-Group receivables and SEK 64 M (Dec 31, 2021: 134) intra-Group liabilities.

³ During the year SEK 10,000 M (Dec 31, 21: 10,400) in dividend has been received from Group company.

The Parent Company's contingent liabilities totaled SEK 164.3 bn on June 30, 2022 (Dec 31, 2021: 172.8), of which SEK 125.1 bn (Dec 31, 2021: 127.3) were related to obligations on behalf of Group companies. Other obligations, SEK 39.2 bn (Dec 31, 2021: 45.5), were related to commitments to outside parties of which SEK 30.9 bn (Dec 31, 2021: 37.2) relates to partners' future performance in the Group's joint operations.

Share data

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Earnings per share according to segment reporting, SEK ¹	4.61	4.68	8.24	9.27	19.80
Earnings per share, SEK ¹	4.28	5.57	6.61	8.38	16.64
Earnings per share after dilution, SEK ²	4.25	5.53	6.57	8.33	16.52
Equity per share, SEK ³	115.63	98.69			110.01
Adjusted equity per share, SEK ⁴	152.10	125.14			146.20
Average number of shares outstanding	412,352,689	412,401,184			412,387,142
Average number of shares outstanding after dilution	415,143,684	414,928,648			415,491,861
Average dilution, %	0.67	0.61			0.75
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
Average price, repurchased shares, SEK	143.41	139.90			141.85
Number of Series B shares repurchased	29,433,728	27,805,228			28,396,728
of which repurchased during the year	777,000	247,000	1,037,000	457,000	1,048,500
Number of shares in Skanska's own custody	7,788,654	7,516,203			7,655,488
Number of shares outstanding	412,114,418	412,386,869			412,247,584

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 2021 ¹	Jan-Dec 2020 ¹	Jan-Dec 2019	Jan-Dec 2018
Revenue	160,442	147,576	158,606	176,782	170,494
Operating income	9,417	9,832	11,860	7,828	4,827
Profit for the period	7,764	8,188	8,942	6,372	3,929
Earnings per share, SEK	18.76	19.80	21.65	15.46	9.55
Return on capital employed, %	14.7	15.9	20.3	15.1	11.2
Return on equity, %	17.7	20.1	25.1	21.4	14.1
Operating margin, %	5.9	6.7	7.5	4.4	2.8
Return on capital employed according to IFRSs, %	11.8	13.5	21.6	14.3	13.0
Cash flow per share according to IFRSs, SEK ²	-10.75	1.81	31.57	3.28	9.51

1 Restated in accordance with what is stated on page 14, Other matters.

2 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 2022	Jan-Jun 2021	Jan-Dec 2021
US dollar	9.59	8.41	8.58
British pound	12.44	11.67	11.80
Norwegian krone	1.05	1.00	1.00
Euro	10.47	10.13	10.15
Czech koruna	0.42	0.39	0.40
Polish zloty	2.26	2.23	2.22

	Exchange rates on the closing day		
	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
	10.26	8.51	9.06
	12.45	11.78	12.19
	1.03	0.99	1.03
	10.71	10.12	10.24
	0.43	0.40	0.41
	2.29	2.24	2.23

Construction

Revenue and earnings

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	39,712	32,362	73,099	61,716	143,969	132,587
Gross income	2,950	2,887	5,219	5,013	10,893	10,687
Selling and administrative expenses	-1,596	-1,380	-3,113	-2,786	-6,036	-5,709
Income from joint ventures and associated companies	6	3	10	5	41	35
Operating income	1,360	1,510	2,116	2,232	4,897	5,013
Investments	-486	-483	-868	-794	-1,925	-1,850
Divestments	130	774	299	837	496	1,034
Net divestments(+)/investments(-)	-357	291	-569	44	-1,429	-816
Gross margin, %	7.4	8.9	7.1	8.1	7.6	8.1
Selling and administrative expenses, %	-4.0	-4.3	-4.3	-4.5	-4.2	-4.3
Operating margin %	3.4	4.7	2.9	3.6	3.4	3.8
Order bookings, SEK bn	37.3	49.8	67.2	84.7	136.1	153.6
Order backlog, SEK bn	215.5	201.3	215.5	201.3		207.0
Average number of employees	26,741	29,308	26,741	29,308		28,557

Revenue

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	15,911	13,848	29,490	26,219	59,189	55,918
of which Sweden	9,243	8,340	16,590	15,568	33,798	32,775
Europe	6,897	5,246	12,147	10,278	23,865	21,996
USA	16,904	13,268	31,461	25,219	60,915	54,673
Total	39,712	32,362	73,099	61,716	143,969	132,587

Operating income

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	549	563	924	925	2,249	2,250
of which Sweden	310	308	481	476	1,333	1,328
Europe	256	578	238	626	712	1,100
USA	555	369	954	680	1,937	1,663
Total	1,360	1,510	2,116	2,232	4,897	5,013

Operating margin, %

Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
3.5	4.1	3.1	3.5	3.8	4.0
3.3	3.7	2.9	3.1	3.9	4.1
3.7	11.0	2.0	6.1	3.0	5.0
3.3	2.8	3.0	2.7	3.2	3.0
3.4	4.7	2.9	3.6	3.4	3.8

Order backlog

SEKM	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Nordics	69,297	70,490	69,711
of which Sweden	35,121	34,889	33,756
Europe	41,921	42,387	39,630
USA	104,234	88,402	97,690
Total	215,452	201,279	207,031

Order bookings

Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
16,528	18,572	28,437	32,407	56,469	60,439
9,500	8,435	18,100	15,897	34,168	31,966
7,720	7,939	13,269	19,447	21,112	27,290
13,022	23,249	25,531	32,841	58,551	65,860
37,270	49,760	67,237	84,695	136,132	153,590

Book-to build, R-12m, %

Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
95	117	108
101	91	98
88	144	124
96	113	120
95	120	116

Residential Development

Revenue and earnings

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	2,955	4,170	7,232	8,679	12,930	14,377
Gross income	584	761	1,283	1,598	2,393	2,707
Selling and administrative expenses	-226	-187	-409	-355	-781	-727
Operating income	358	573	875	1,243	1,612	1,980
Operating margin, %	12.1	13.7	12.1	14.3	12.5	13.8
Investments	-3,258	-3,290	-5,885	-5,994	-11,379	-11,488
Divestments	3,010	2,399	5,142	4,542	11,367	10,766
Net divestments(+)/investments(-)	-248	-892	-743	-1,452	-13	-722
Capital employed, SEK bn	17.4	14.9	17.4	14.9		14.4
Return on capital employed, % ¹	11.0	16.6	11.0	16.6		14.1
Average number of employees	591	599	591	599		582

¹ Rolling 12 months.

Revenue

SEKM	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	2,451	3,761	6,383	7,845	11,035	12,497
of which Sweden	1,265	2,110	4,040	4,974	6,175	7,109
Europe	504	409	849	834	1,895	1,879
Total	2,955	4,170	7,232	8,679	12,930	14,377

Operating income¹

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	284	485	753	1,066	1,310	1,623
of which Sweden	145	266	489	704	728	943
Europe	74	88	121	176	302	357
Total	358	573	875	1,243	1,612	1,980

¹ Development gain only. Construction margin reported under Construction.

Operating margin, %¹

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
	11.6	12.9	11.8	13.6	11.9	13.0
	11.5	12.6	12.1	14.2	11.8	13.3
	14.6	21.5	14.3	21.1	15.9	19.0
Total	12.1	13.7	12.1	14.3	12.5	13.8

Homes started

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	601	816	1,305	1,791	3,023	3,509
of which Sweden	453	634	1,025	1,429	2,121	2,525
Europe	356	105	458	191	1,121	854
Total	957	921	1,763	1,982	4,144	4,363

Homes sold

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
	493	916	1,431	2,025	2,537	3,131
	371	650	1,124	1,520	1,740	2,136
	187	217	330	469	814	953
Total	680	1,133	1,761	2,494	3,351	4,084

Homes under construction

	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Nordics	6,325	6,144	6,825
of which Sweden	4,802	4,614	5,175
Europe	1,905	1,279	1,848
Total	8,230	7,423	8,673

Completed unsold, number of homes

	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
	52	107	48
	25	37	17
	20	25	9
Total	72	132	57

Homes under construction of which sold, %

	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
	74	82	74
	74	82	74
	65	73	71
Total	72	80	73

Commercial Property Development

Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Revenue	5,637	1,243	9,773	3,848	17,028	11,102
of which from divestment of properties	5,485	1,036	9,461	3,449	16,301	10,289
Gross income	1,037	574	2,001	1,806	4,150	3,955
Selling and administrative expenses	-232	-185	-413	-353	-844	-784
Income from joint ventures and associated companies	3	2	5	4	93	93
Operating income	808	391	1,592	1,457	3,400	3,264
of which from divestment of properties ¹	1,026	495	2,016	1,717	4,226	3,928
of which writedowns/reversal of writedowns	0	0	-30	0	-200	-170
¹ Additional gains included in Eliminations	19	50	82	84	237	239
Investments	-3,407	-1,387	-5,740	-3,090	-9,994	-7,344
Divestments	3,107	3,526	6,388	6,527	9,823	9,961
Net divestments(+)/Investments(-)	-300	2,139	648	3,437	-172	2,617
Capital employed, SEK bn	35.6	30.1	35.6	30.1		32.7
Return on capital employed, % ²	10.8	10.6	10.8	10.6		10.8
Average number of employees	430	437	430	437		431

² Rolling 12 months.

Revenue

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	4,233	1,112	5,434	2,847	7,717	5,130
Europe	1,324	46	2,856	835	5,635	3,614
USA	79	85	1,483	166	3,676	2,359
Total	5,637	1,243	9,773	3,848	17,028	11,102

of which from divestments

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
	4,172	1,040	5,297	2,716	7,981	4,849
	1,276	-4	2,754	733	5,450	3,428
	36	0	1,410	0	3,422	2,012
Total	5,485	1,036	9,461	3,449	16,853	10,289

Operating income

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
Nordics	586	423	1,019	1,306	1,497	1,783
Europe	274	-18	615	198	1,186	770
USA	-52	-14	-41	-47	717	711
Total	808	391	1,592	1,457	3,400	3,264

of which from divestments

SEK M	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
	685	480	1,203	1,443	1,808	2,047
	339	15	724	274	1,472	1,023
	2	0	88	0	946	858
Total	1,026	495	2,016	1,717	4,226	3,928

Capital employed

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Nordics	12,696	10,633	11,750
Europe	9,896	8,923	10,050
USA	12,985	10,500	10,920
Total	35,578	30,056	32,721

Investment Properties

Revenue and earnings

SEK M	Apr-Jun 2022	Apr-Jun 2021 ¹	Jan-Jun 2022	Jan-Jun 2021 ¹	Rolling 12 months	Jan-Dec 2021 ¹
Revenue	10		10		10	
Operating net	8		8		8	
Selling and administrative expenses	0		-1		-1	
Change in property value	0		26		26	
Income from joint ventures and associated companies	0		0		0	
Operating income	8		33		33	
Investments	0		-748		-748	
Divestments	0		0		0	
Net divestments(+)/investments(-)	0		-748		-748	
Capital employed	753		753			
Property value	766		766			
Return on capital employed, % ²	11.7		11.7			
Economic occupancy rate, %	100		100			
Average valuation yield, %	4.0		4.0			

1 Investment Properties is a new business stream from 2022.

2 Rolling 12 months. For definition see page 17.

Properties

Location	Leasable area, sqm	Annual rental value, SEK M	Economic occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	11,844	41	100	766	100
Total	11,844	41	100	766	100

PPP-portfolio value

Unrealized development gain in PPP-portfolio

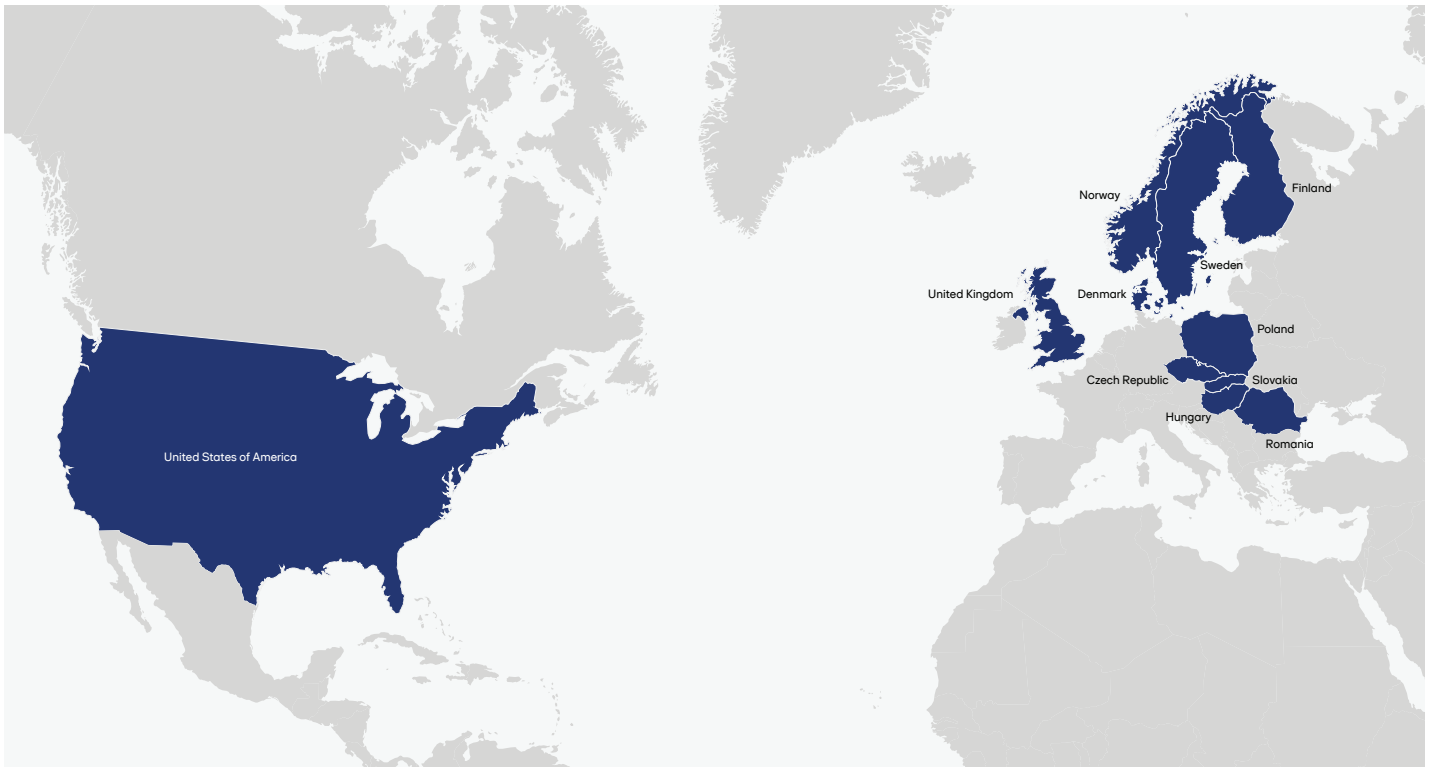
SEK bn	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Present value of cash flow from projects	2.6	2.2	2.5
Present value of remaining investments	-0.2	-1.0	-0.6
Net present value of projects	2.4	1.2	1.9
Carrying amount before Cash flow hedge / Carrying amount	-2.0	-0.8	-1.4
Unrealized development gain	0.4	0.4	0.5
Cash flow hedge	0.1	0.3	0.2
Effect in unrealized equity ¹	0.5	0.7	0.7

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 USA. Together with our customers and the collective expertise of our 30,000 teammates, we create innovative and sustainable solutions that support healthy living beyond our lifetime.

Skanska's home markets



Nowy Rynek D, Poznan, Poland

During the second quarter, Skanska divested the office building Nowy Rynek D for EUR 121 M (SEK 1.3 billion) to Eastnine. The D building is part of Skanska's Nowy Rynek office complex and has a leasable area of around 39,000 square meters, of which 96 percent of the office and retail space is leased. The anchor tenant is Allegro, the largest e-commerce platform of European origin. Office space have also been leased, among others, by tenants with strong, global brands like Rockwool and Arvato. The building has received the WELL Health & Safety and Building without Barriers certifications and is the first investment in Poznan applying for a WELL Core & Shell certificate. It is also expected to obtain a LEED Core & Shell certificate. Nowy Rynek is a mixed-use project located in the central business district in Poznan. Once fully completed, it will offer approximately 100,000 square meters of useable space in five buildings.

Skanska AB

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This report will also be presented via a telephone conference and a audiocast at 10:00 CET on July 21, 2022.

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 CET on July 21, 2022.

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