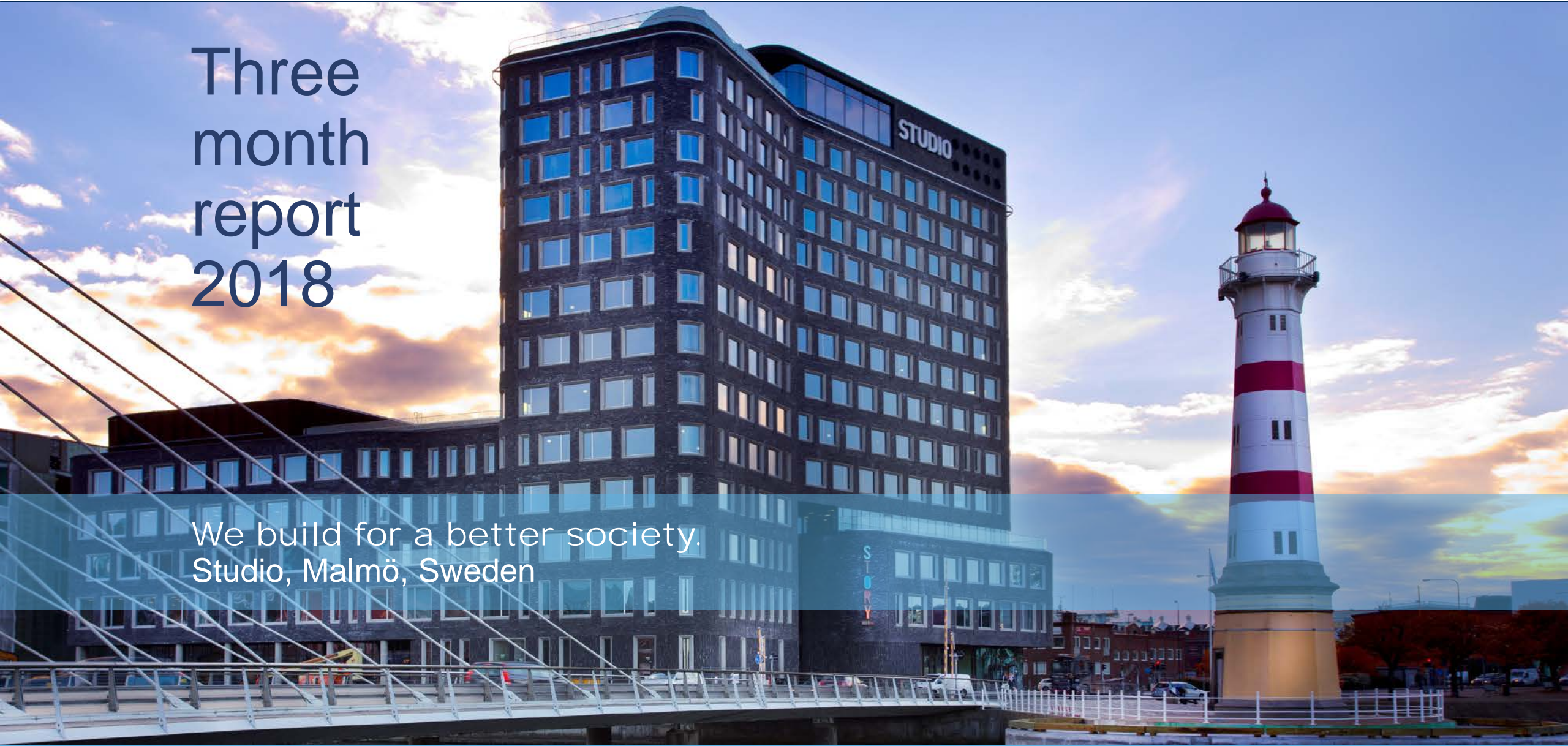


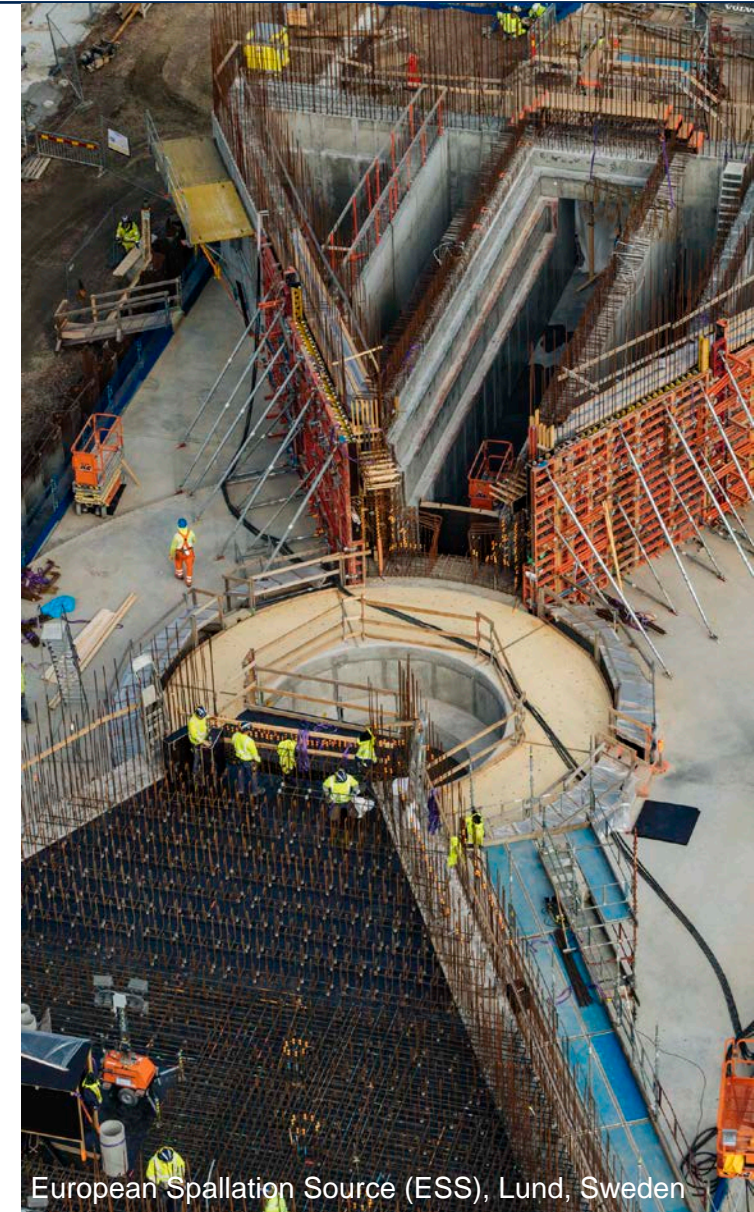
Three month report 2018

We build for a better society.
Studio, Malmö, Sweden



Three month report 2018

- Operating income SEK 652 M (1.8 bn)
- Restructuring charges SEK 670 M
- Write downs in Poland SEK 600 M
- Nordic Construction remains strong and stable
- Positive claims resolutions in the US
- Slower residential market in Sweden and Norway
- Strong start to year in Commercial Development
- Strong financial position



European Spallation Source (ESS), Lund, Sweden

Construction

- Revenue SEK 34.6 bn (32.1)
- Order bookings SEK 32.9 bn (38.2)
 - Book-to-build 96% R-12
 - Order backlog SEK 190.9 bn (200.8)
 - More selective bidding
- Operating income SEK -41 M (392)
 - Nordics strong and stable
 - SEK 430 M in restructuring charges
 - SEK 600 M project write-downs in Poland
 - Claims resolutions of SEK 200 M in the US
 - Pension curtailments of SEK 300 M in the UK



Regional Connector, Los Angeles, USA

Construction

Restructuring on schedule

- Major restructuring in Poland
- Leave the US power sector
- Focus on core business in the UK
- Adapt to more challenging Czech market
- More decentralized way of working



Regional Connector, Los Angeles, USA

Residential Development

- Revenue SEK 1.9 bn (3.4)
 - 615 (1,045) homes sold
 - 888 (858) homes started
- Operating income SEK 220 M (438)
 - Operating margin 11.7% (13.1)
- ROCE 13.0% (17.6)
- Sales pace in Sweden and Norway down from very high levels, long-term demand remains
- Continue to grow the business long-term



Commercial Property Development

- Operating income SEK 860 M (279)
 - Gain on sale SEK 1.1 bn (0.4)
- ROCE 16.5% (10.5)
- 50 ongoing projects
 - SEK 30.8 bn in investment value upon completion
 - 46% occupancy rate
 - 50% completion rate
 - 7 projects started
- 460,000 sq m leased (477,000) R-12
- Continue to grow the business



Office project Parallell, Oslo, Norway

Infrastructure Development

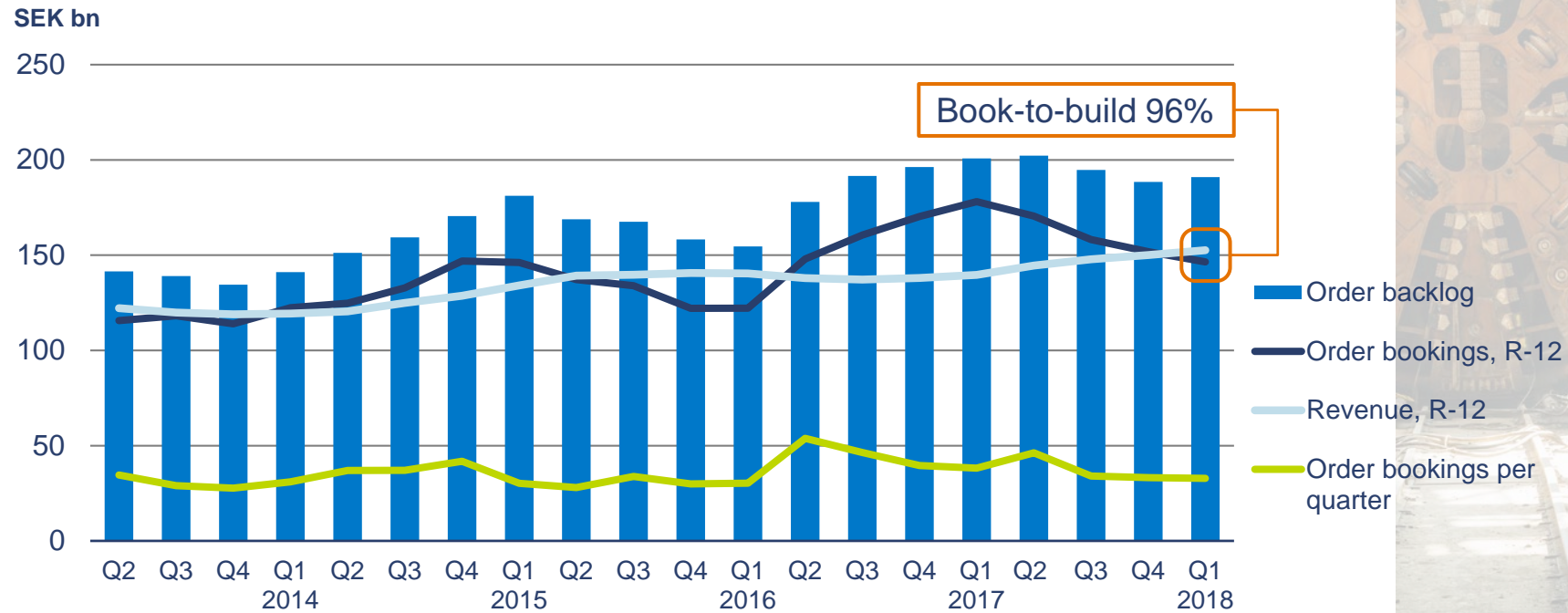
- Operating income SEK -116 M (939)
 - SEK 120 M restructuring charges
 - Comparable period includes SEK 0.9 bn divestment gain from A1 motorway in Poland
- Project portfolio's net present value SEK 3.3 bn (3.2), surplus value 0.8 bn (0.6)
- ROCE 6.9% (38.2)
- Selected as preferred bidder for Rv 3 in Norway
- Focus on the US



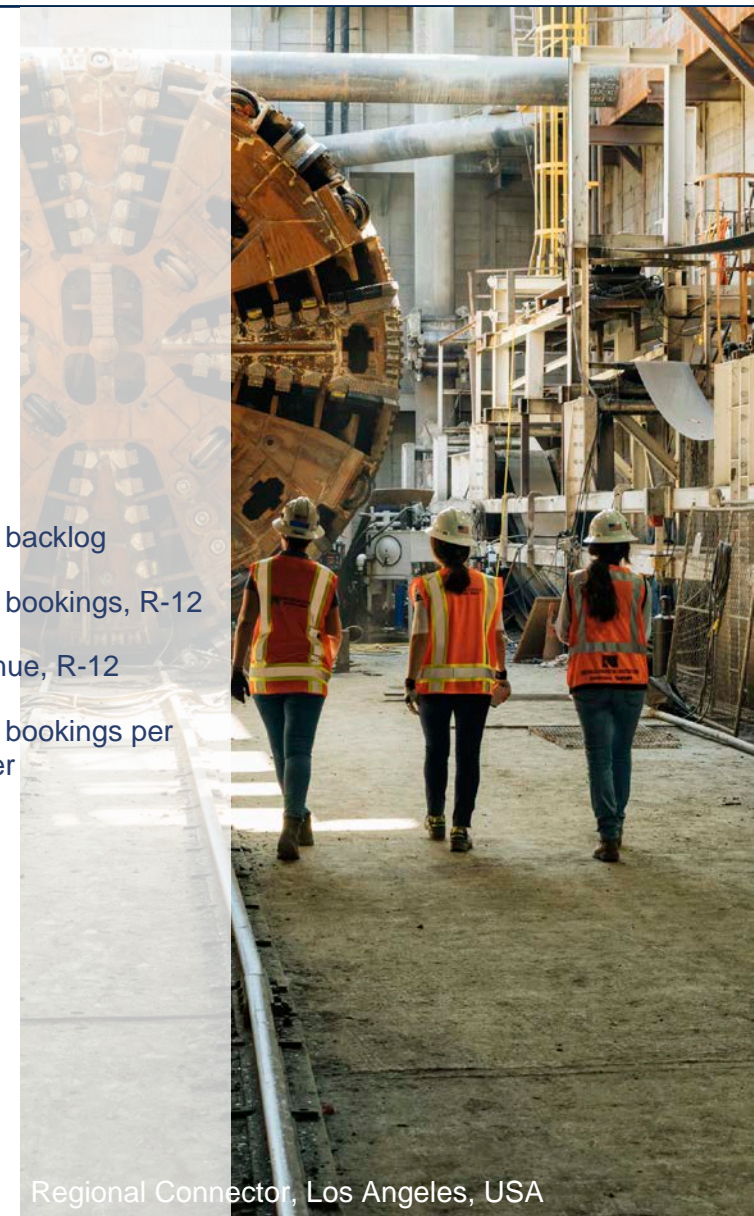
LaGuardia Airport, New York, USA

Construction

Order situation



SEK bn	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	34.6	32.1	150.1
Order bookings	32.9	38.2	151.8
Order backlog	190.9	200.8	188.4



Regional Connector, Los Angeles, USA

Construction

Order bookings

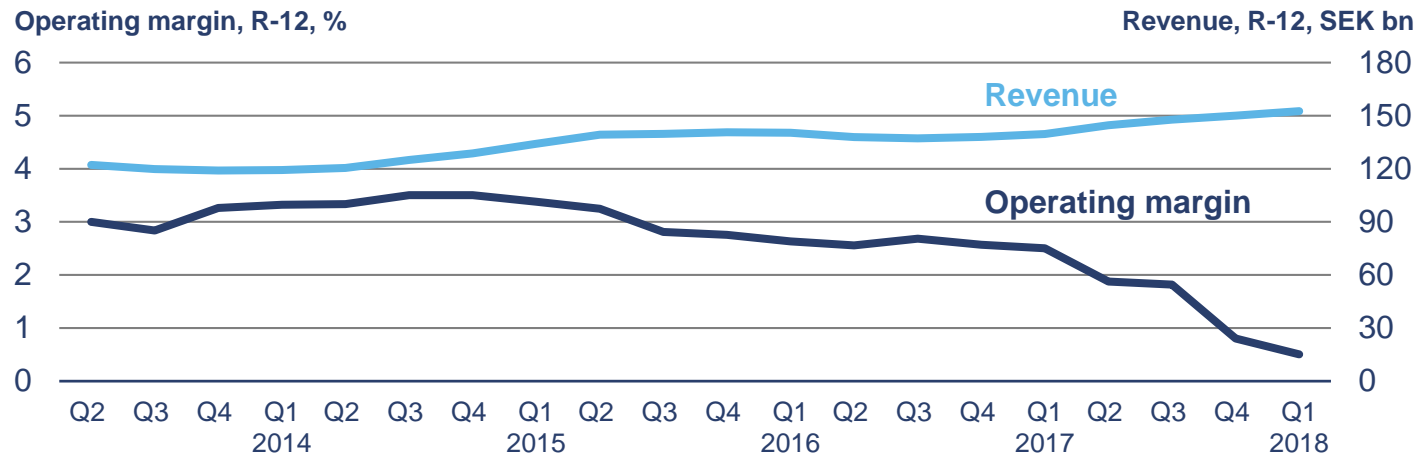
SEK bn	Jan–Mar 2018	Jan–Mar 2017	Book- to-build, R-12, %	Months of production
Nordics	15.7	17.9	95	13
of which Sweden	7.9	9.0	93	12
Europe	6.9	6.7	96	14
USA	10.3	13.6	96	17
Total	32.9	38.2	96	15



Regional Connector, Los Angeles, USA

Construction

Income statement



SEK bn	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Revenue	34.6	32.1	150.1
Gross income	1.6	2.1	8.3
Selling and administrative expenses	-1.7	-1.7	-7.1
Operating income	-0.0	0.4	1.2
Gross margin, %	4.7	6.5	5.5
Selling and administrative expenses, %	-4.8	-5.2	-4.8
Operating margin, %	neg	1.2	0.8



Regional Connector, Los Angeles, USA

Construction

Income statement

	Operating income, SEK M		Operating margin, %	
	Jan–Mar 2018	Jan–Mar 2017	Jan–Mar 2018	Jan–Mar 2017
Nordics	385	358	3.1	3.0
of which Sweden	279	234	3.7	3.4
Europe	-820	-191	neg	neg
USA	394	225	2.6	1.6
Total	-41	392	neg	1.2



Regional Connector, Los Angeles, USA

Construction

Underlying operating income and margin

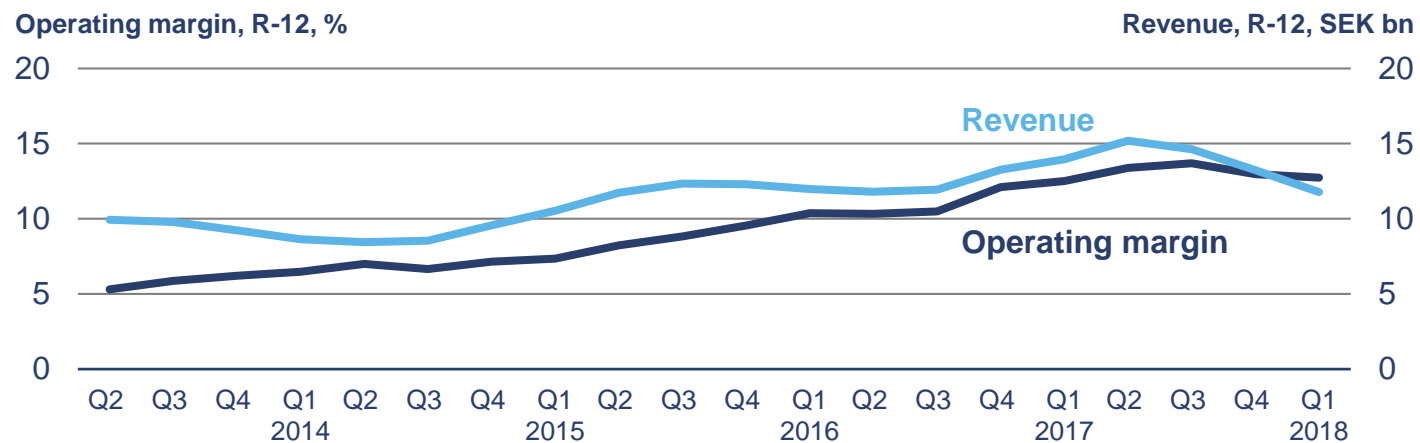
	Operating income, SEK M					Operating margin, %		
	Jan-Mar 2018	Jan-Mar 2018 o/w restruct.	Jan-Mar 2018 o/w one-offs	Jan-Mar 2018 under lying	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2018 under- lying	Jan-Mar 2017
Nordics	385			385	358	3.1	3.1	3.0
Europe	-820	-430	300	-690	-191	neg	neg	neg
USA	394		200	194	225	2.6	1.3	1.6
Total	-41	-430	500	-111	392	neg	neg	1.2



Regional Connector, Los Angeles, USA

Residential Development

Income statement, segment reporting



SEK M	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Revenue	1,884	3,352	13,237
Gross income	396	601	2,382
Selling and administrative expenses	-176	-163	-666
Operating income	220	438	1,716
Gross margin, %	21.0	17.9	18.0
Selling and administrative expenses, %	-9.3	-4.9	-5.0
Operating margin, %	11.7	13.1	13.0



BoKlok Flex Strandallén, Södertälje, Sweden

Residential Development

Income statement

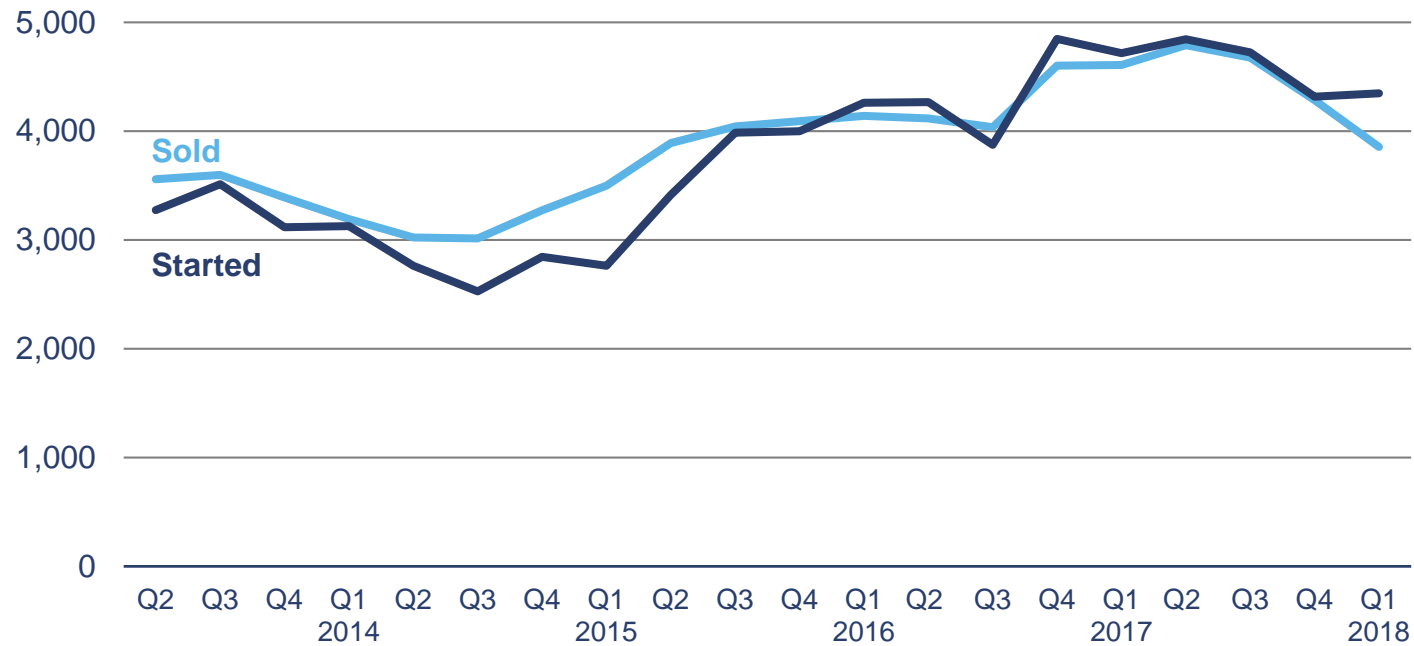
	Operating income, SEK M		Operating margin, %	
	Jan–Mar 2018	Jan–Mar 2017	Jan–Mar 2018	Jan–Mar 2017
Nordics	202	419	12.1	13.3
of which Sweden	82	258	11.6	16.2
Europe	18	19	8.5	8.7
Total	220	438	11.7	13.1



Residential Development

Homes started and sold

Homes, R-12



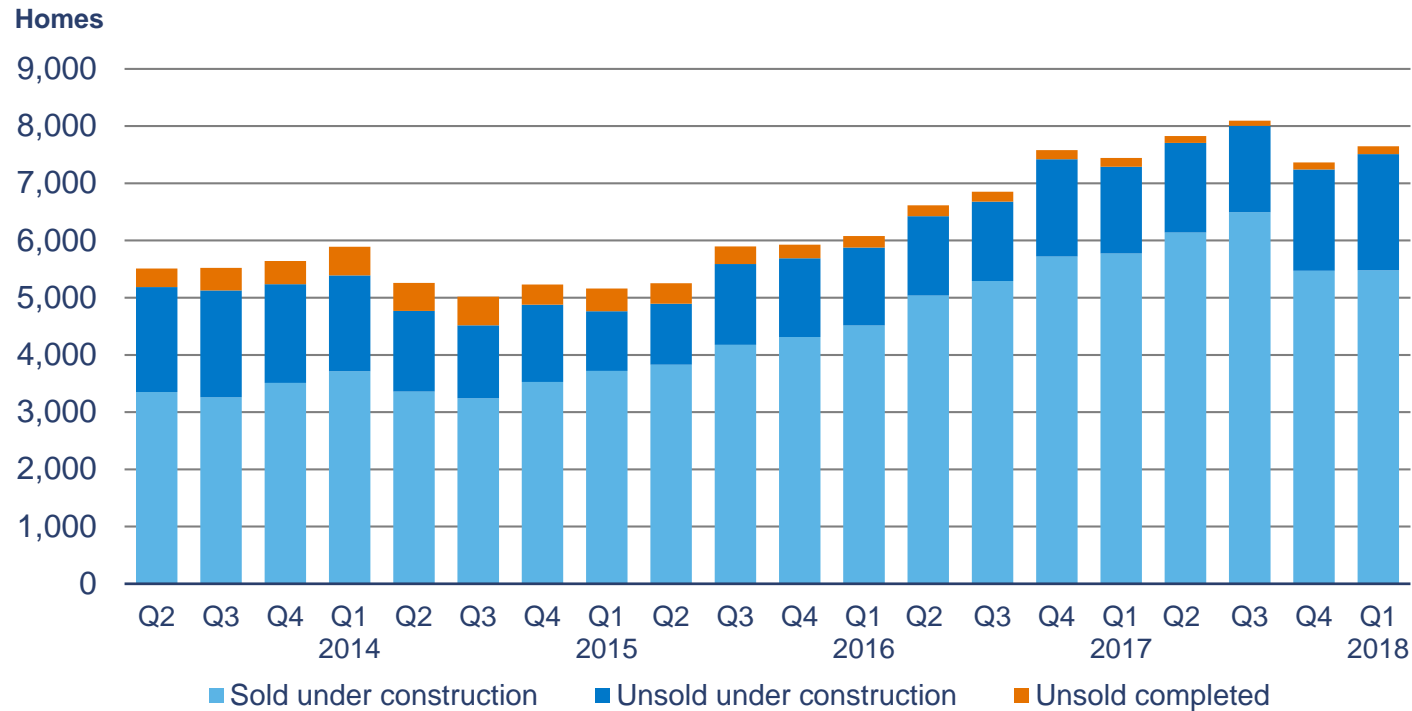
Homes started			Homes sold		
Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
888	858	4,318	615	1,045	4,285



BoKlok Flex Strandallén, Södertälje, Sweden

Residential Development

Homes in production

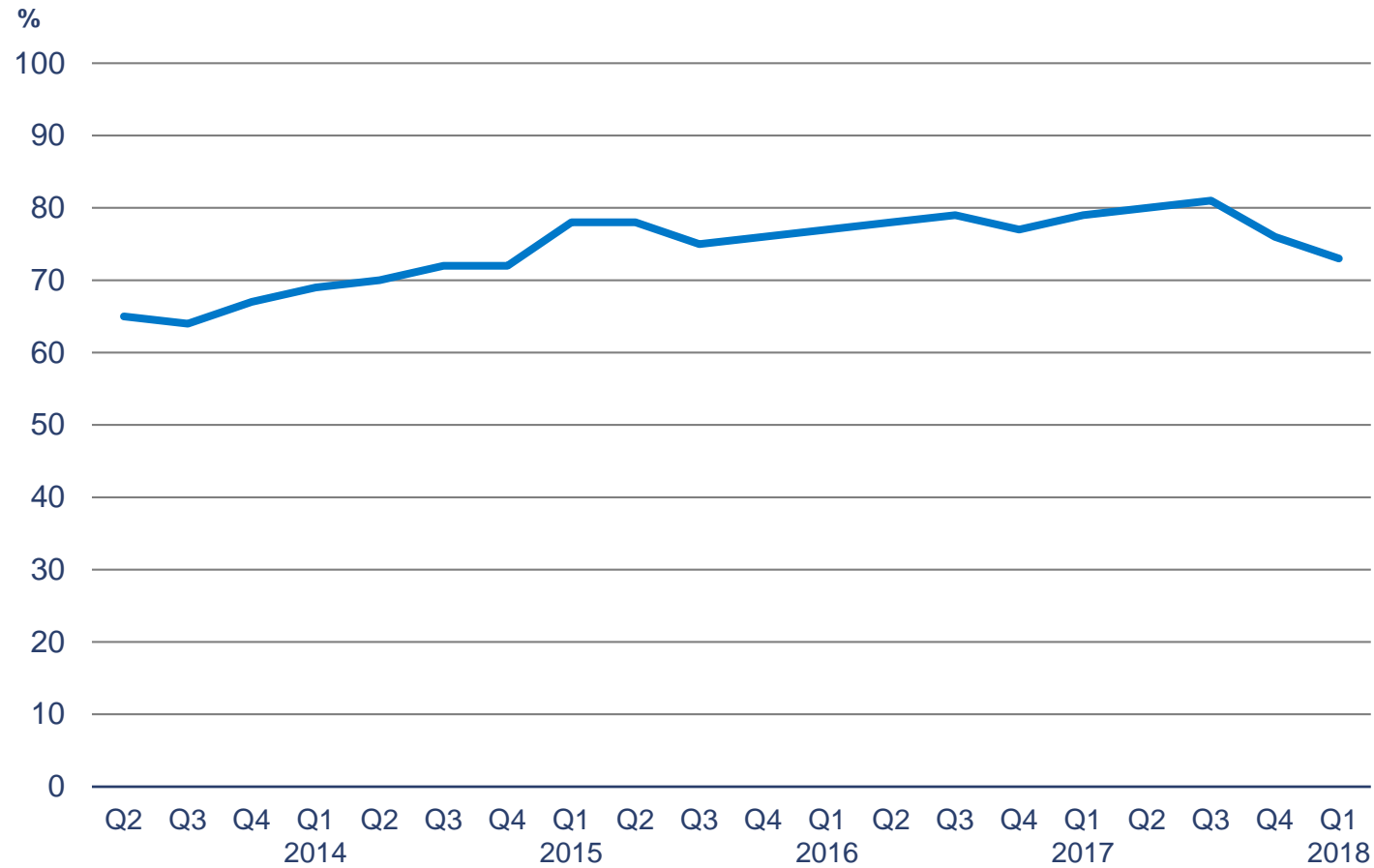


Homes in production		Of which sold, %		Unsold completed homes	
Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
7,511	7,290	73	79	135	152



Residential Development

Homes in production, sales rate



BoKlok Flex Strandallén, Södertälje, Sweden

Commercial Property Development

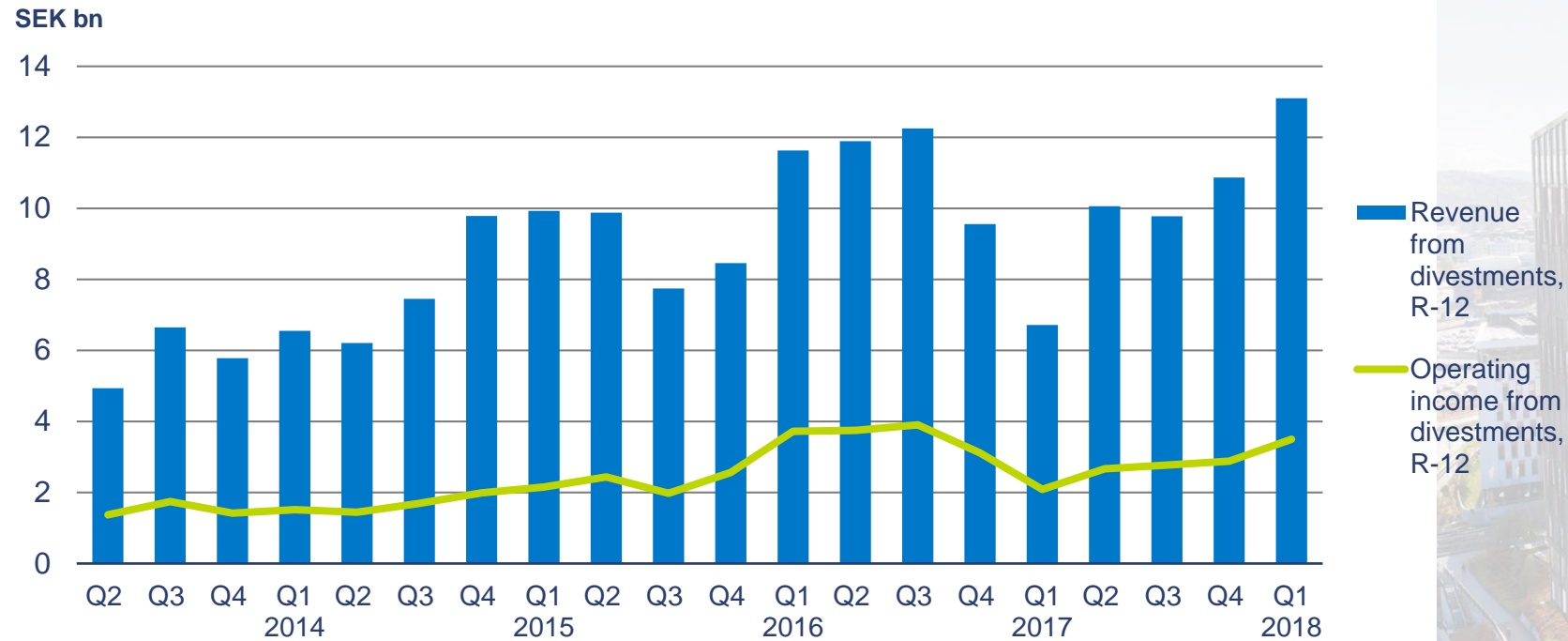
Income statement, segment reporting

SEK M	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Revenue	3,780	1,562	11,440
Gross income	1,083	464	2,989
Selling and administrative expenses	-216	-192	-899
Income from joint ventures and associated companies	-7	7	624
Operating income	860	279	2,714
of which gain from divestments of properties ¹	1,050	431	2,879
of which write downs/reversal of write downs	-1	–	-6
1 Additional gain included in eliminations	80	34	197



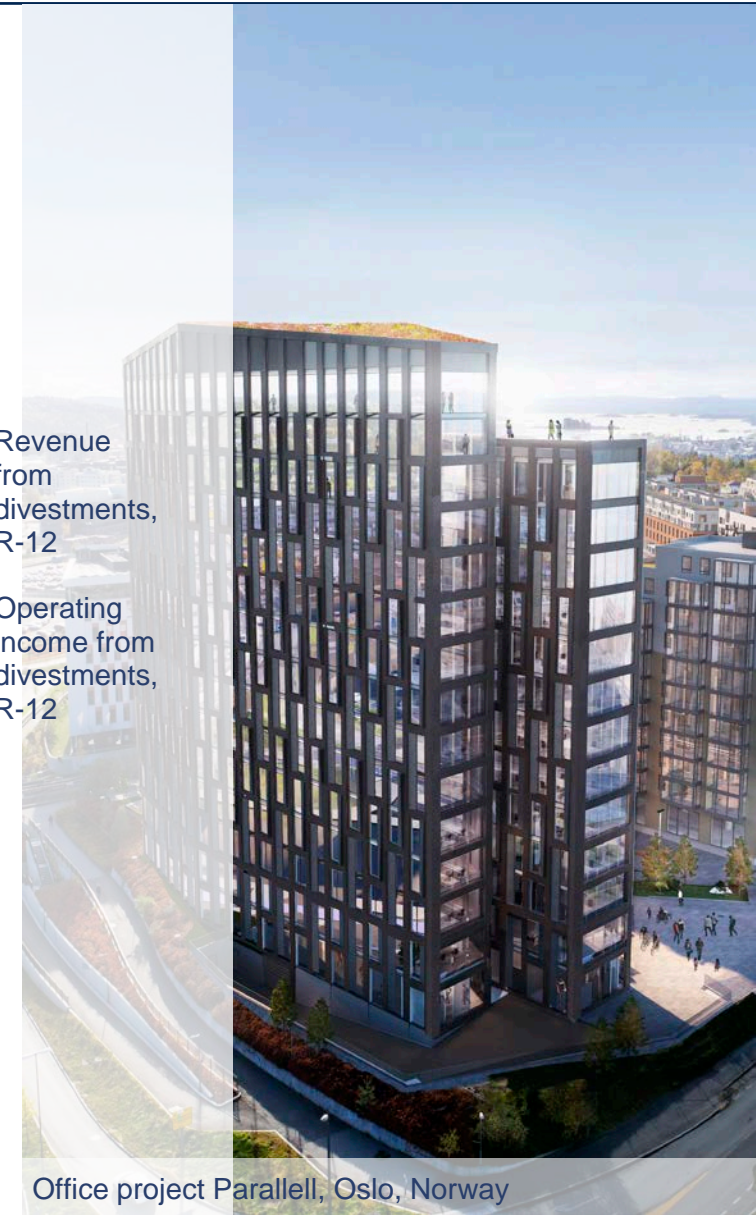
Commercial Property Development

Divestments, segment reporting



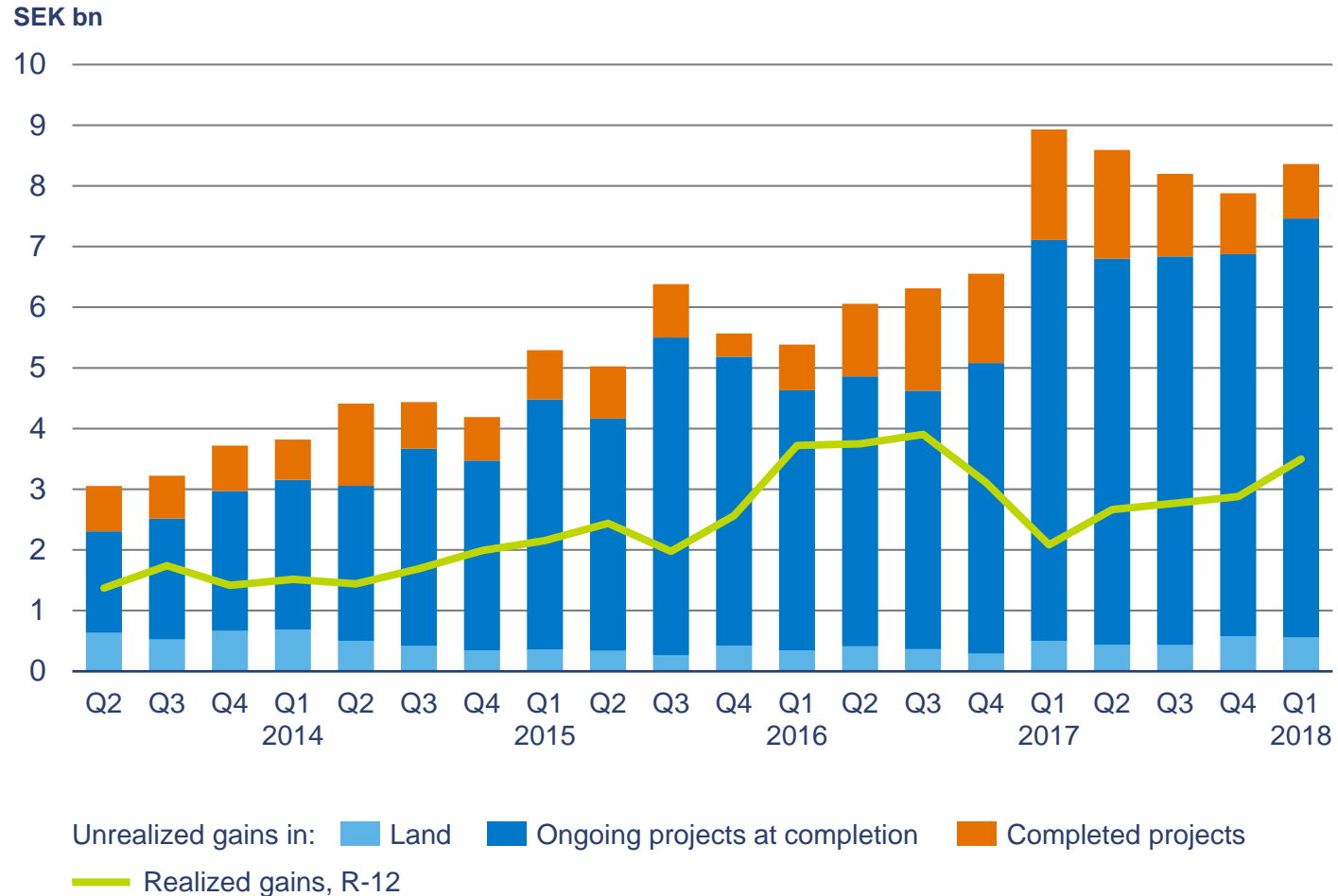
Sale of commercial properties

SEK M	Sales price	Capital gain
Year-to-date	3,638	1,050



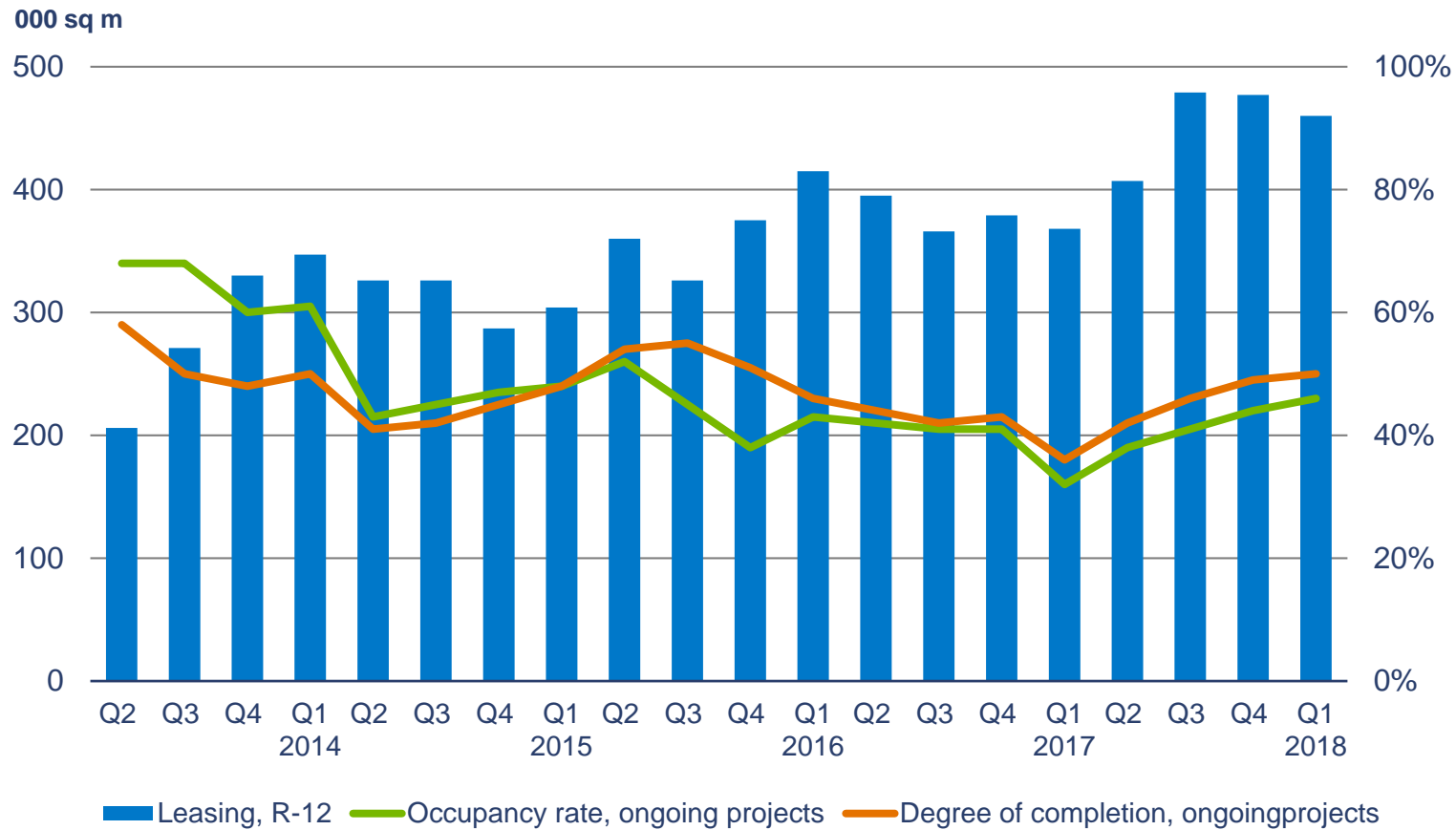
Commercial Property Development

Unrealized and realized gains, segment reporting



Office project Parallell, Oslo, Norway

Commercial Property Development Leasing



Office project Parallell, Oslo, Norway

Infrastructure Development

Income statement

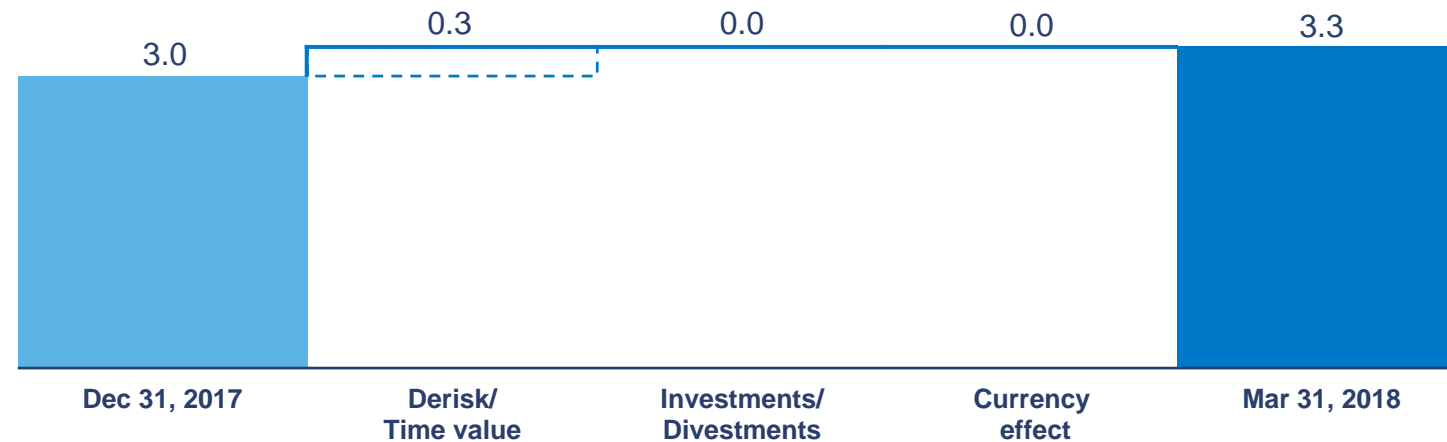
SEK M	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Revenue	16	21	81
Gross income	-32	-28	-96
Selling and administrative expenses	-119	-35	-121
Income from joint ventures	35	1,002	1,142
Operating income	-116	939	925
of which gains from divestments of shares in projects	–	913	985



LaGuardia Airport, New York, USA

Infrastructure Development Project portfolio

Net present value of projects, SEK bn



SEK bn	Mar 31, 2018	Mar 31, 2017
Present value of cash flow from projects	4.1	4.0
Net present value of projects	3.3	3.2
Carrying amount	-2.5	-2.6
Unrealized development gain	0.8	0.6
Cash flow hedge	0.5	0.6
Effect in unrealized Equity	1.3	1.2



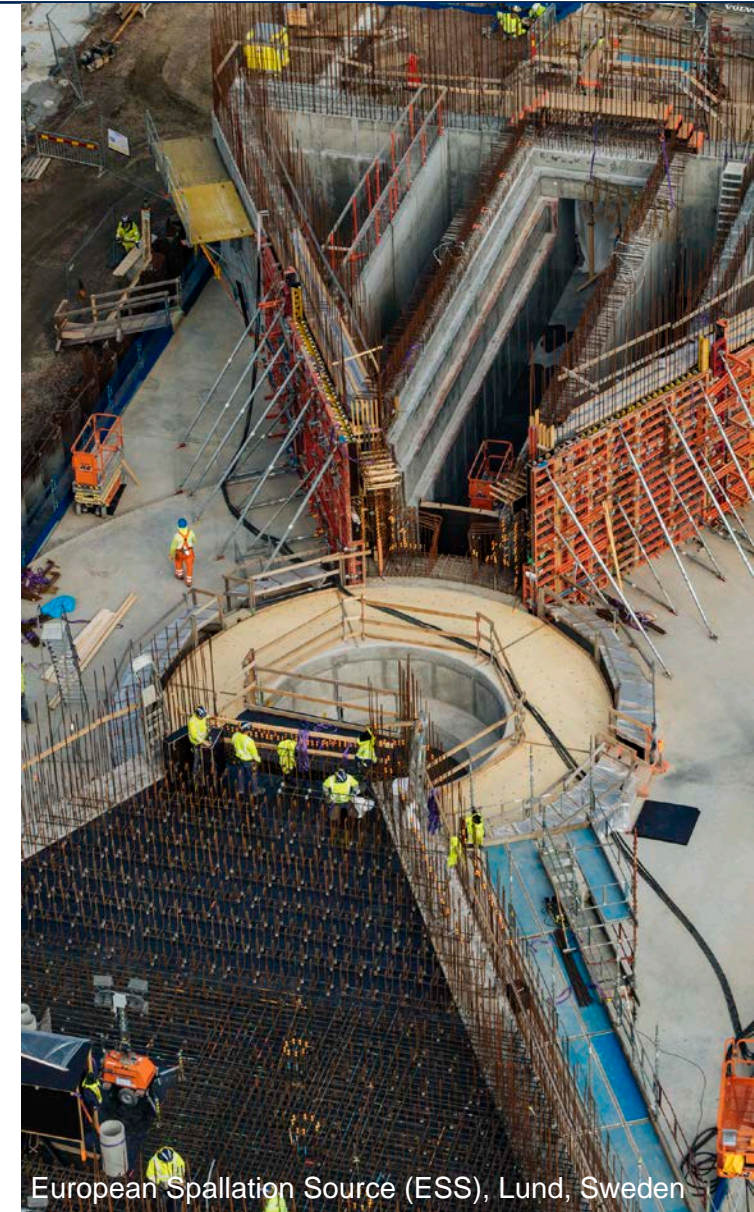
LaGuardia Airport, New York, USA

Group

Income statement

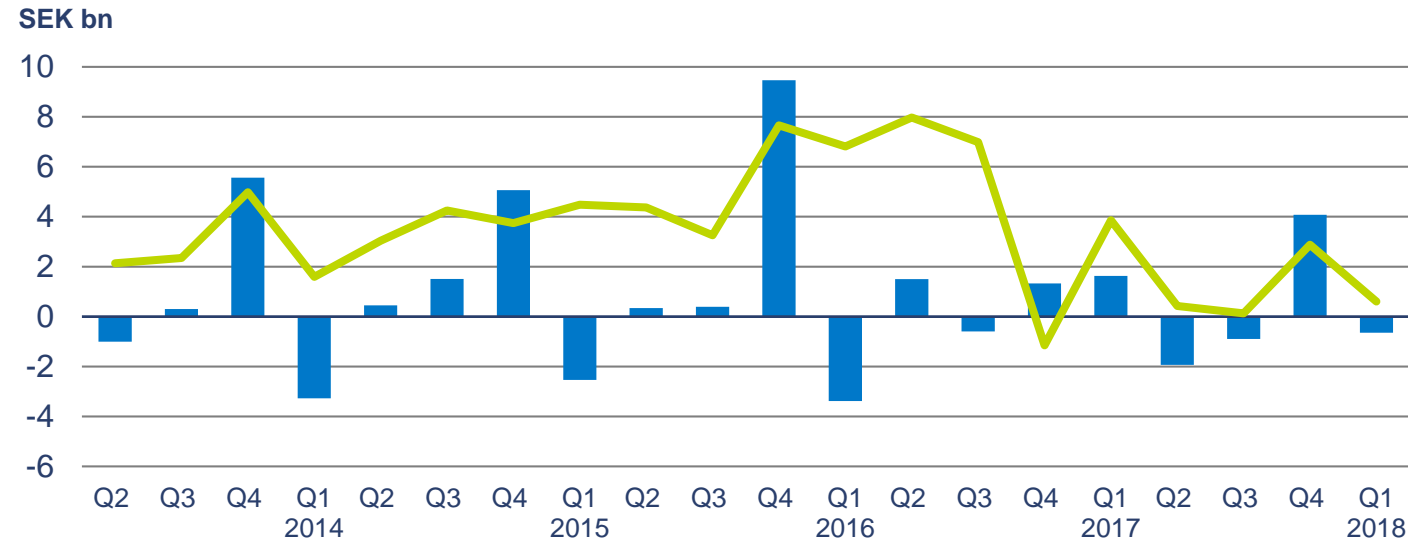
SEK M	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Operating income from business streams	923	2,048	6,560
Central ¹	-299	-182	-944
Eliminations	28	-17	-112
Operating income	652	1,849	5,504
Net financial items	-13	7	45
Income after financial items	639	1,856	5,549
Taxes	-129	-260	-615
Profit for the period	510	1,596	4,934
Earnings per share, SEK	1.25	3.90	12.01
Tax rate, %	20	14	11

¹ Jan–Mar 2018 includes SEK 120 M in restructuring charges



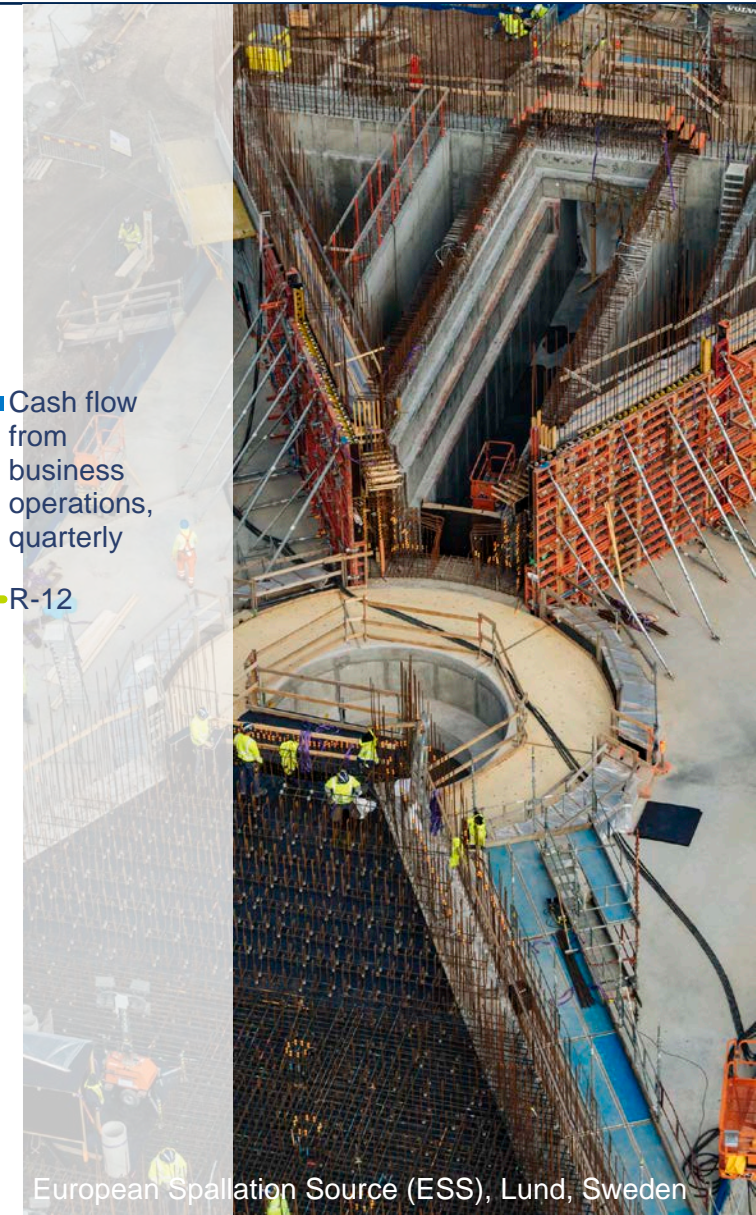
European Spallation Source (ESS), Lund, Sweden

Group Cash flow



■ Cash flow from business operations, quarterly
— R-12

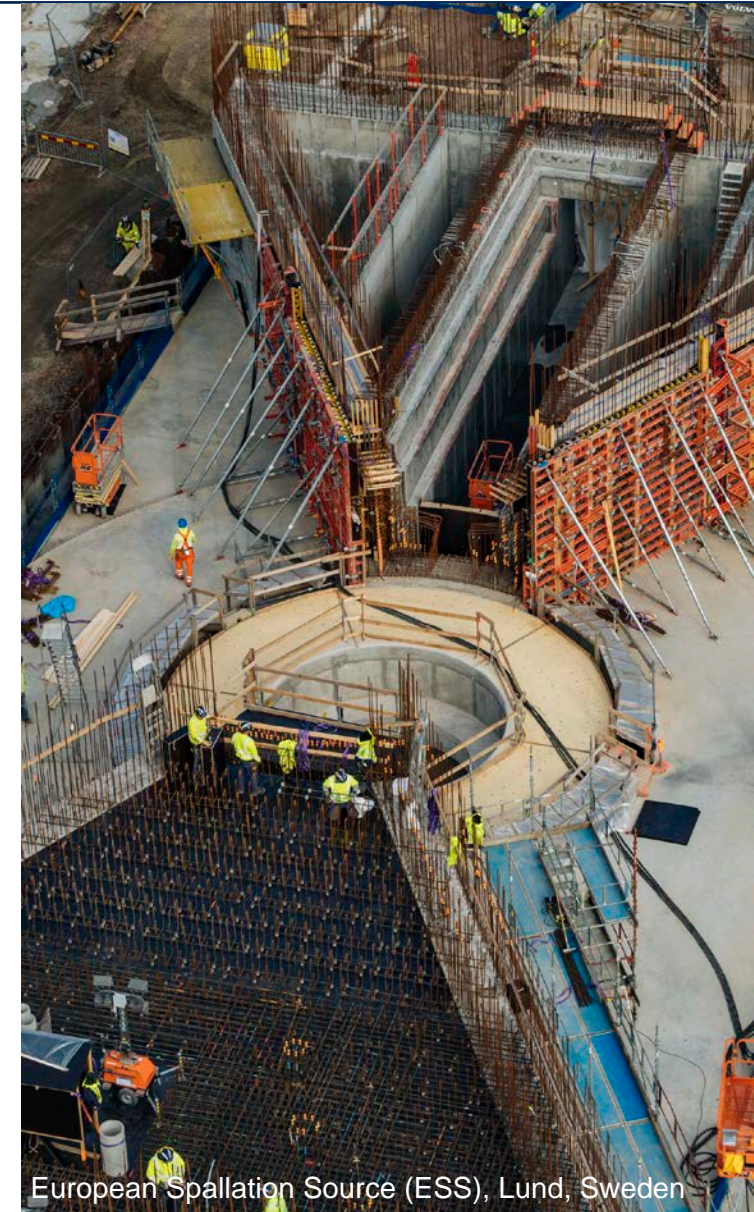
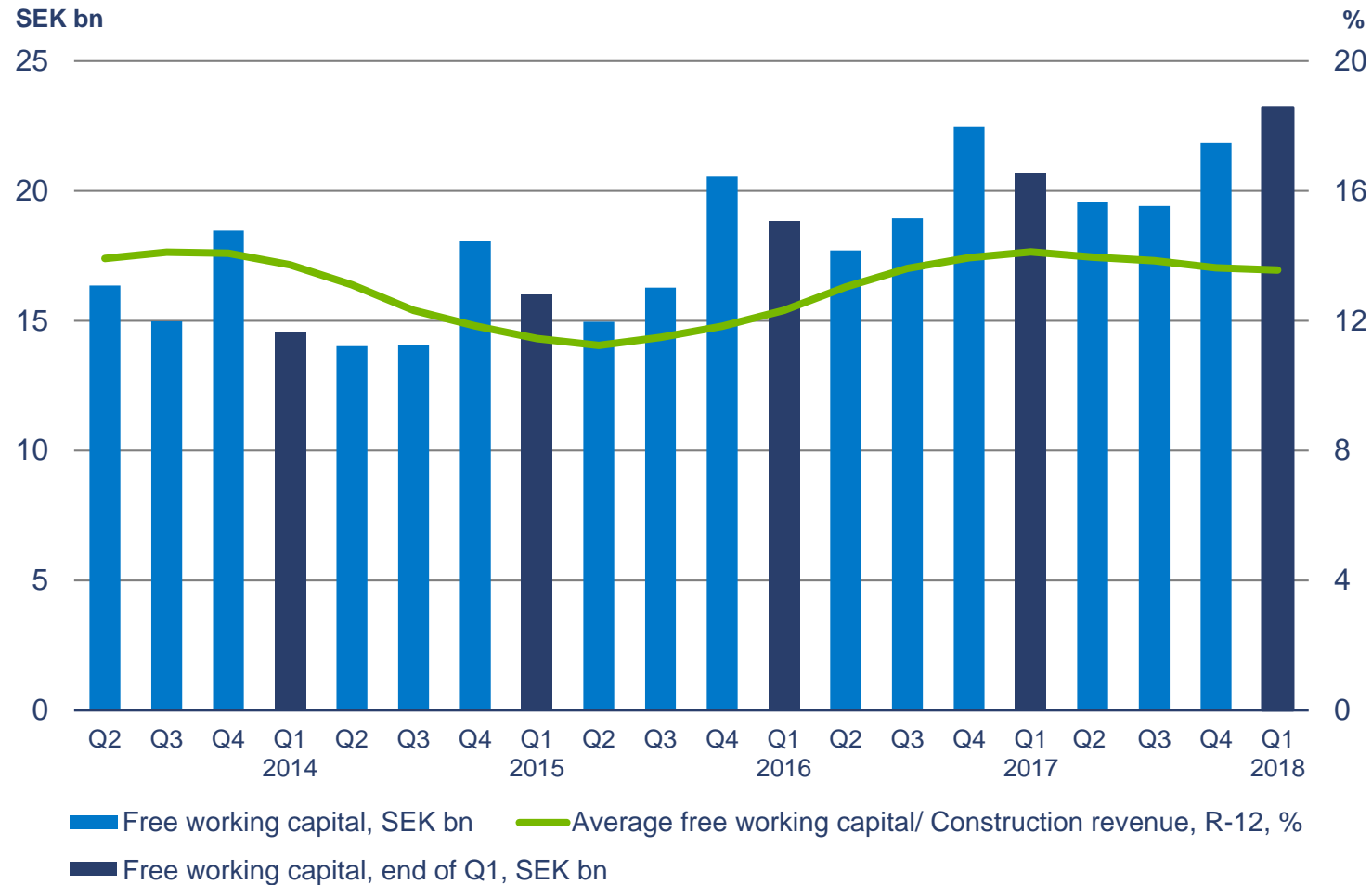
SEK bn	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Cash flow from operations	-0.6	1.6	2.9
Net strategic investments	0.0	–	–
Dividend etc.	-0.1	0.0	-3.9
Cash flow before change in interest-bearing receivables and liabilities	-0.7	1.6	-1.0



European Spallation Source (ESS), Lund, Sweden

Construction

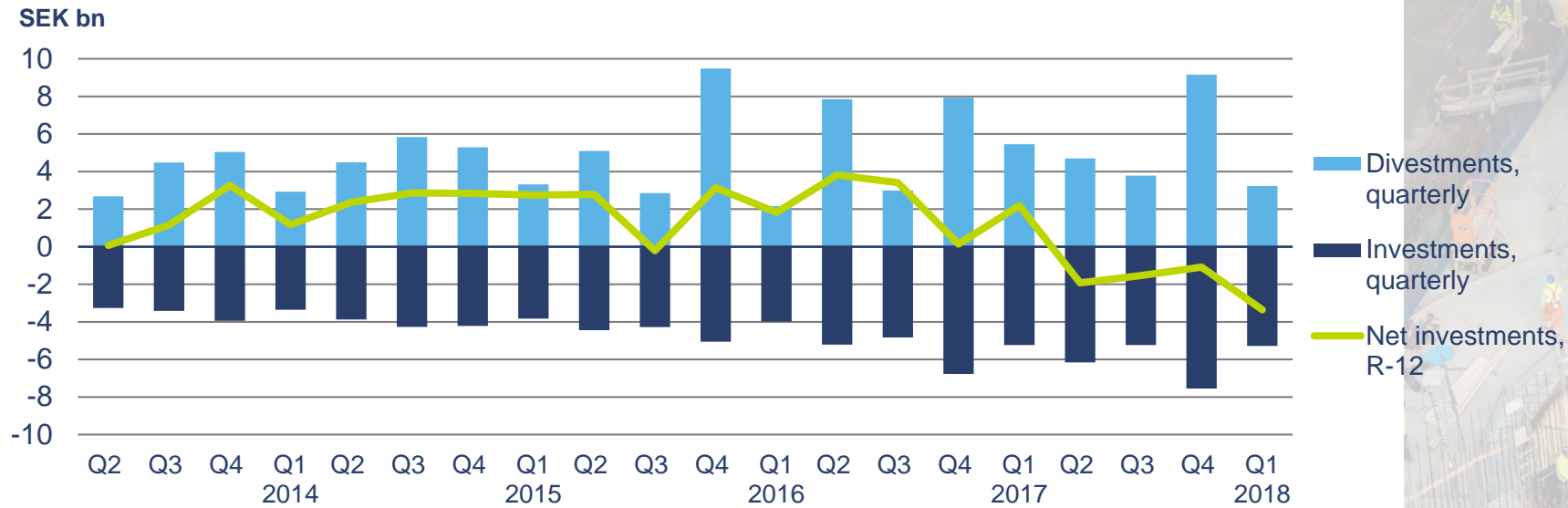
Free working capital



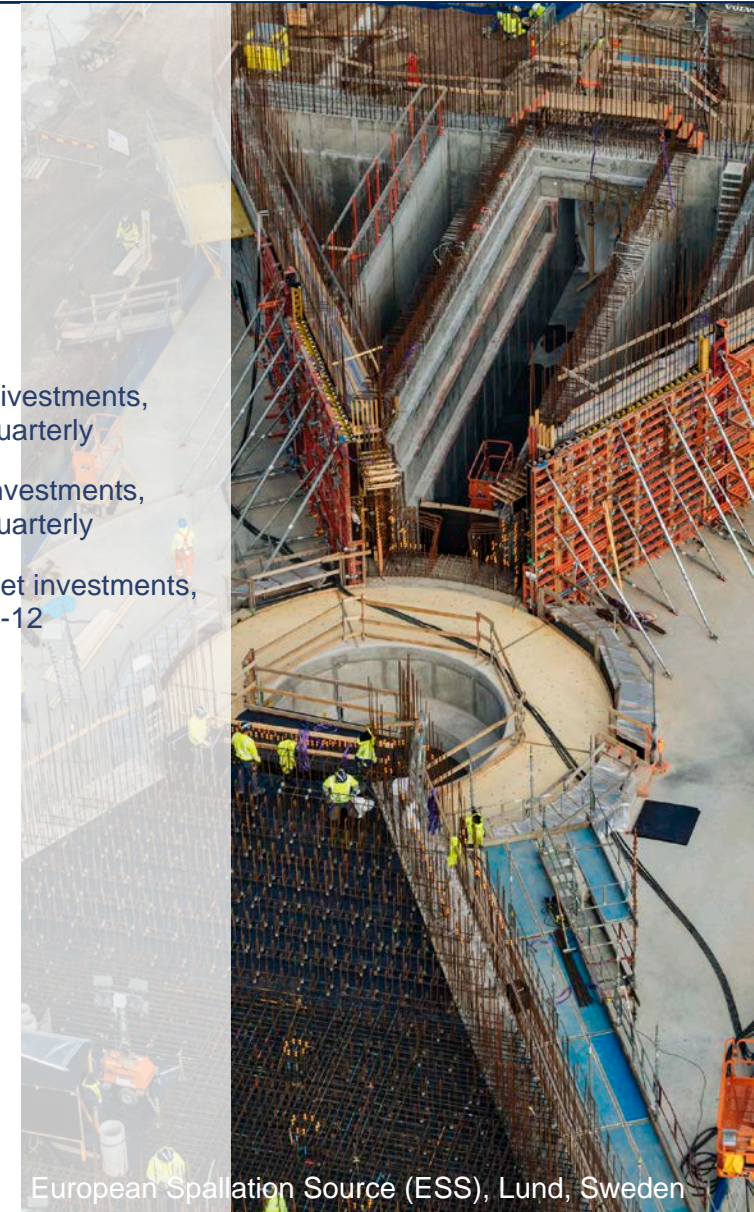
European Spallation Source (ESS), Lund, Sweden

Group

Investments, divestments and capital employed



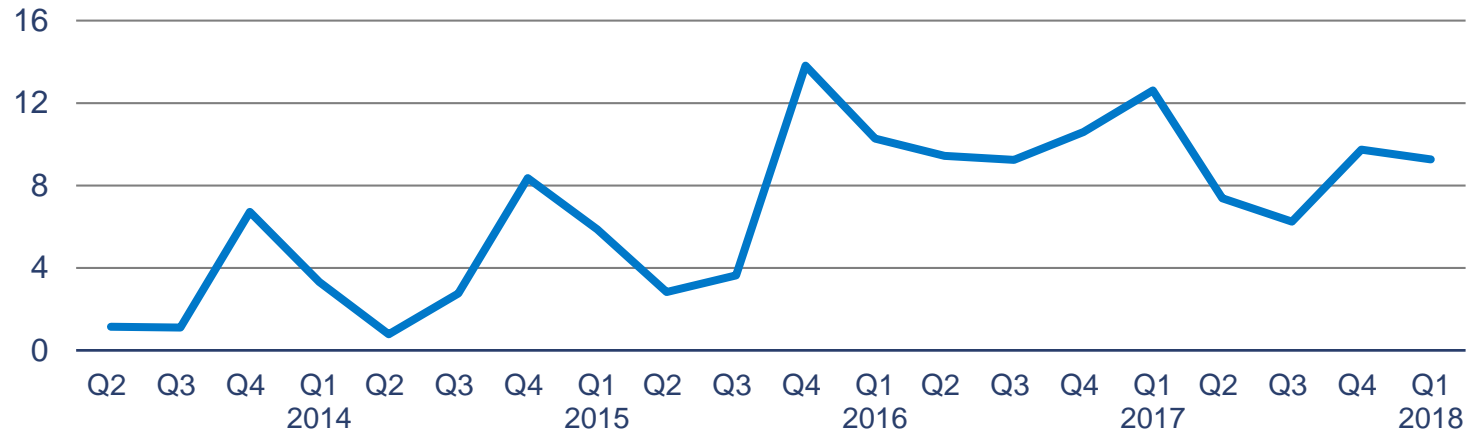
SEK bn	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Capital employed in:			
Residential Development	13.9	12.0	12.7
Commercial Property Development	26.0	20.7	24.5
Infrastructure Development	1.8	2.1	1.8
Total in Project Development	41.7	34.8	38.9



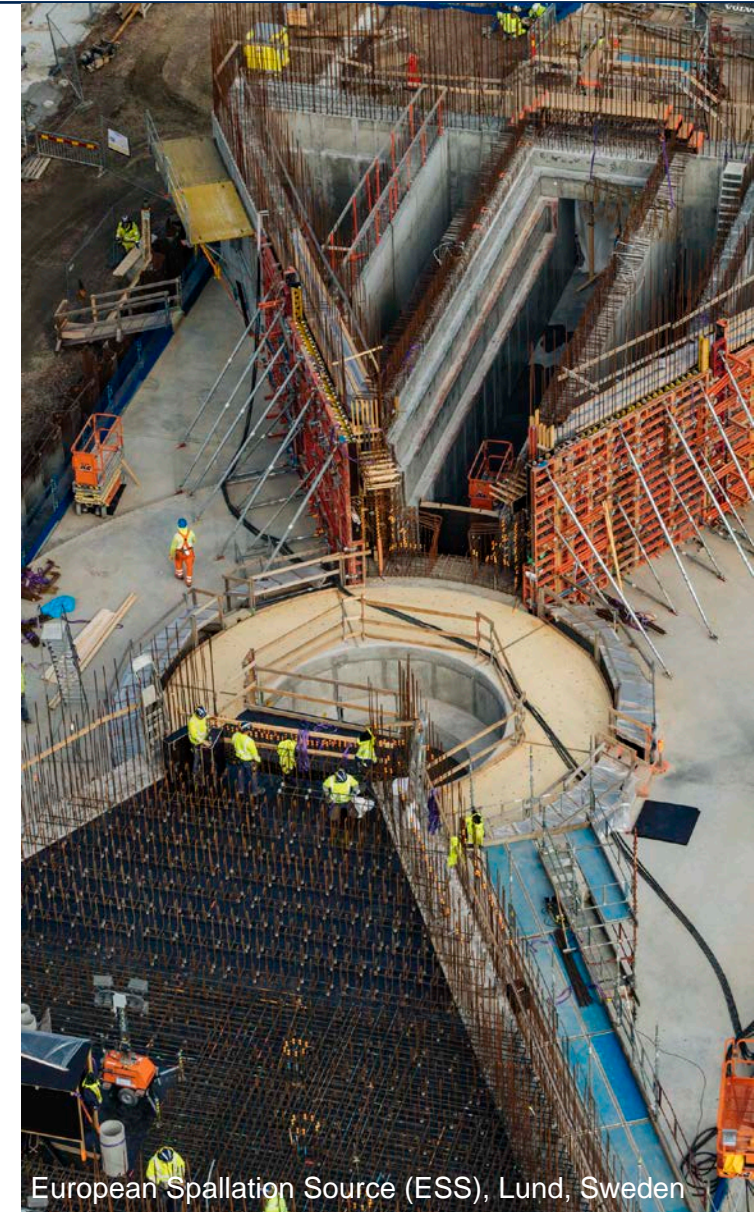
European Spallation Source (ESS), Lund, Sweden

Group Financial position

Operating net financial assets/liabilities, SEK bn



SEK bn	Mar 31 2018	Mar 31 2017	Dec 31 2017
Total assets	110.5	105.0	109.4
Equity attributable to equity holders	28.1	29.0	27.2
Interest-bearing net receivables (+)/net debt (-)	-1.6	2.9	-1.1
Operating net financial assets/liabilities	9.3	12.6	9.7
Capital employed, closing balance	44.2	42.8	44.1
Equity/assets ratio, %	25.5	27.6	24.8



European Spallation Source (ESS), Lund, Sweden

Market outlook

Construction



Nordics

- Mixed building market in Sweden
- Stable building market in Norway and Finland
- Very strong civil market in Sweden and strong market in Norway but with fierce competition; Finland stable



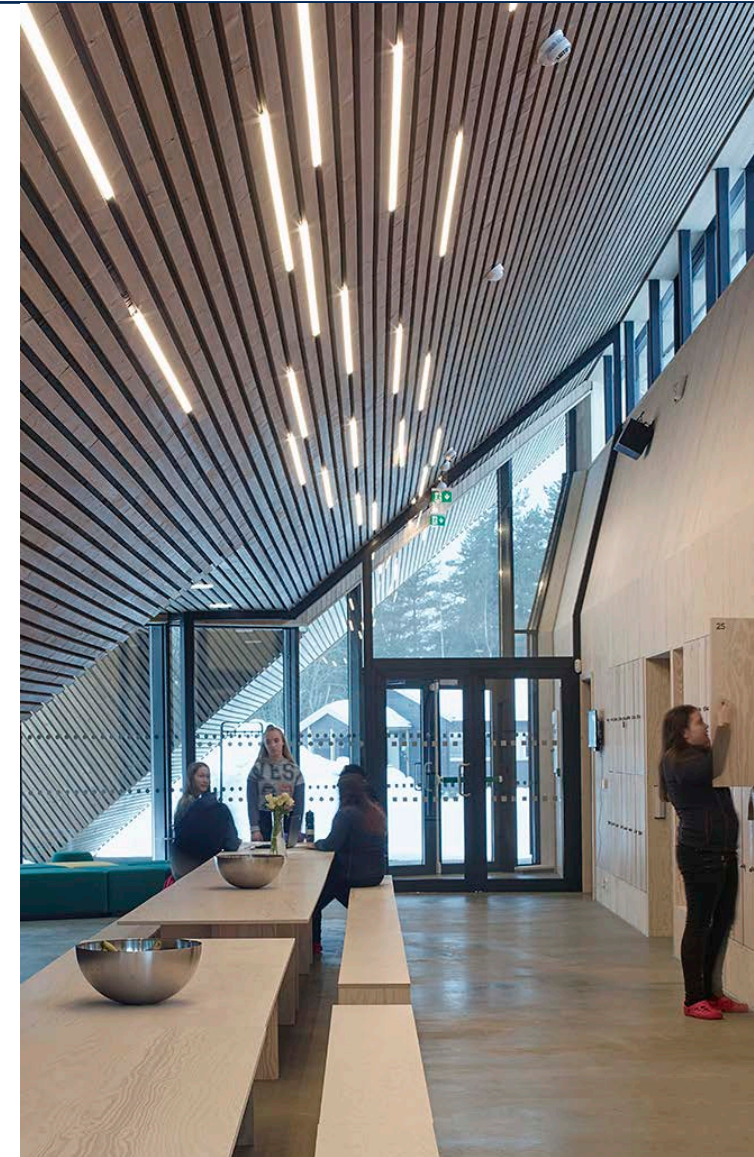
Europe

- Poland building market stable
- Brexit continues to impact the UK non-residential market
- Stable civil market in the UK and Poland, weak in Czech Republic
- Rapid cost escalation in Poland and Czech Republic



USA

- The US continues to be a good market, but with fierce competition



Powerhouse Dröbak near Oslo, Norway

Market outlook

Residential Development

- ➔ Nordics
 - Continued uncertainty in Sweden and Norway
 - Slow sales pace in Stockholm
 - Finland steadily improving
- ➔ Europe
 - Robust market in Central Europe



Market outlook

Commercial Property Development

General

- Tenants and investors:
Strong demand, vacancy rates low



Nordics

- High interest from investors and low vacancy rates in Sweden especially
- Finland improving



Europe

- Strong demand in Poland and improving in other parts of Central Europe



USA

- Strong investor appetite and good tenant demand



The Urban Environment House, Helsinki, Finland

Market outlook

Infrastructure Development

- ➔ All countries
 - Good market for PPPs in the US, but competition is considerable
 - Thin pipeline in the other markets



Elizabeth River Tunnel, Virginia, USA

