


**SKANSKA**

Q3 2019

Press release, November 7, 2019, 7:30 a.m. CET

A photograph of a modern office building complex with a courtyard. The buildings are multi-story with large glass windows and white frames. In the foreground, there are two blue ping pong tables on a circular concrete pad. To the left, there is a fenced-in area with a white picket fence and some trees. People are visible walking in the courtyard. The sky is blue with some clouds.

We build for a better society.  
Visionary, Prague, Czech Republic



# Nine month report, January–September 2019

## Highlights according to segment reporting

- Revenue amounted to SEK 125.4 billion (120.8); adjusted for currency effects revenue decreased 1 percent.
- Operating income amounted to SEK 5.4 billion (2.4); adjusted for currency effects operating income increased 114 percent.
- Earnings per share increased 112 percent to SEK 10.75 (5.07).
- Operating cash flow from operations amounted to SEK –4.5 billion (–0.1), according to IFRS.
- Adjusted interest-bearing net receivables (+)/net debt (–) totaled SEK –3.9 billion (June 30, 2019: –2.8), according to IFRS.
- Operating income in Construction amounted to SEK 2.7 billion (0.2). The comparable period includes restructuring charges, project write-downs and goodwill impairment charges impacting negatively and claims resolutions and pension curtailments impacting positively. Total net impact of SEK –2.3 billion.
- Order bookings in Construction amounted to SEK 96.8 billion (102.6); adjusted for currency effects order bookings decreased 10 percent. The order backlog amounted to SEK 183.7 billion (June 30, 2019: 184.0).
- Operating income in Project Development amounted to SEK 2.8 billion (2.9); adjusted for currency effects operating income decreased 4 percent.
- Return on capital employed in Project Development was 10.6 percent (11.1).
- Return on equity was 21.6 percent (9.8).

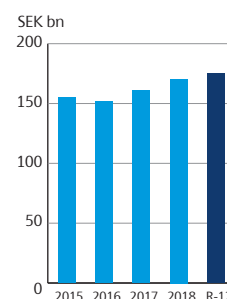
### Performance analysis

Tables referring to segment reporting are in shaded background. For more information see page 15. For definitions of non-IFRS financial measures see pages 16-18.

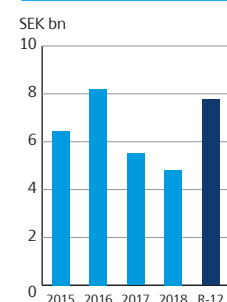
SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
<b>Revenue</b>						
Construction	117,168	115,314	2	40,969	40,261	2
Residential Development	7,191	6,619	9	2,384	2,453	–3
Commercial Property Development	10,787	9,189	17	3,886	1,879	107
Central and eliminations	–9,761	–10,317	–5	–2,725	–3,256	–16
<b>Total</b>	<b>125,385</b>	<b>120,805</b>	<b>4</b>	<b>44,514</b>	<b>41,337</b>	<b>8</b>
<b>Operating income</b>						
Construction	2,680	231	–	1,127	–310	–
Residential Development	818	1,122	–27	224	504	–56
Commercial Property Development	2,020	1,788	13	865	456	90
Central	–141	–639	–78	–81	–110	–26
Eliminations	–2	–58	–97	15	–33	–
<b>Operating income</b>	<b>5,375</b>	<b>2,444</b>	<b>120</b>	<b>2,150</b>	<b>507</b>	<b>324</b>
<b>Net financial items</b>	<b>–69</b>	<b>53</b>	<b>–</b>	<b>31</b>	<b>44</b>	<b>–30</b>
<b>Income after financial items</b>	<b>5,306</b>	<b>2,497</b>	<b>112</b>	<b>2,181</b>	<b>551</b>	<b>296</b>
Taxes	–876	–406	116	–389	–58	571
<b>Profit for the period</b>	<b>4,430</b>	<b>2,091</b>	<b>112</b>	<b>1,792</b>	<b>493</b>	<b>263</b>
Earnings for the period per share, SEK	10.75	5.07	112	4.34	1.18	267
Revenue for the period according to IFRSs	122,155	121,252	1	42,466	43,084	–1
Operating income for the period according to IFRSs	4,661	2,584	80	1,611	916	76
Earnings for the period per share according to IFRSs, SEK	9.34	5.37	74	3.25	2.02	61
Operating cash flow from operations	–4,504	–141	–	–2,007	123	–
Interest-bearing net receivables(+)/net debt(–)	–14,446	–3,717	289	–14,446	–3,717	289
Return on capital employed in Project Development, % <sup>1</sup>	10.6	11.1				
Adjusted interest-bearing net receivables(+)/net debt(–)	–3,895	–5,786	–33			
Return on equity, % <sup>1</sup>	21.6	9.8				

<sup>1</sup> Rolling 12 months.

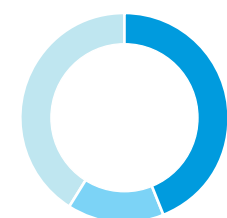
### Revenue



### Operating income

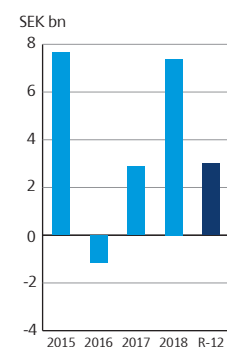


### Operating income per segment, Sep 30, 2019, R-12



- Construction, 44%
- Residential Development, 15%
- Commercial Property Development, 41%

### Operating cash flow from operations



## Comments from Skanska's President and CEO Anders Danielsson



During the quarter, the underlying profitability in Construction improved further while strong performance in Commercial Property Development was maintained, resulting in an overall strong third quarter for Skanska. On a rolling twelve month basis, we are exceeding our return target for both our Project Development operations and return on equity for the Group.

In Construction, the selective bidding continues. The pipeline of projects in many of our markets is strong and we are refilling the order backlog with new attractive projects from a risk/return perspective. With continued focused execution, profitability is now improving and by completing legacy projects with low profitability and adding new and more profitable projects to the backlog, profitability is expected to further improve over time.

In Residential Development, the sales pace was in line with last year and we are noticing some improvement in the Swedish residential new-built market. However, the Swedish market is still quite far from the very strong market experienced until the summer of 2017. Thanks to the strength of our balance sheet, we can adapt to the current market environment in which customers make their purchase decisions closer to project completion. From a profitability perspective, the underlying performance in the Residential Development stream remains steady at around a 10 percent operating margin.

Also in the third quarter, Commercial Property Development continued its very strong execution. During the first six months 2019 we divested properties in the Nordics and USA and in the third quarter we had divestments in Central Europe, demonstrating the geographical spread and strength of our portfolio. Also, despite high divestment activity, we are maintaining a very attractive level of unrealized gains in our portfolio. With current favorable market conditions of strong demand from investors and leasing momentum in our projects, we are in a good position to create future development gains as well.

In our Project Development portfolio, including our PPP-assets, the unrealized gains have since year-end increased at the same time we realized gains of SEK 4.0 billion, according to segment reporting. By the end of the third quarter, unrealized gains amounted to SEK 13.9 billion.

Looking ahead, several macroeconomic indicators point to slowing overall economic growth. Except for the weak UK construction market, we have not yet seen any direct negative impact on the demand in our markets but we are following this development closely. The competition is still fierce in Construction and in Project Development we are challenged by cost escalation in the construction market.

Our priorities remain and we are executing in line with our strategic plan. In Construction, this means profit before volume and in Project Development, creating value in the existing portfolio as well as adding new development projects to be realized in the coming quarters and years.



### Visionary, Prague, Czech Republic

Skanska has developed and built Visionary, a 7-story, 23,000-square-meter office building. Visionary has a strong focus on supporting the health and well-being of building users, and provides, among other things, a rooftop running track along with a ground-level outdoor sports area that welcomes the public. Such features led to Visionary achieving Gold-level certification under the WELL Building Standard, an international rating system that focuses on health and well-being. Additionally, Visionary achieved top-level Platinum accreditation under the LEED green building rating system. In June 2018, Skanska sold Visionary to Austria-based real estate company CA Immo for EUR 68 M, about SEK 690 M.

# Market outlook, next 12 months

## Slightly weaker market outlook since last quarter.

- 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

In Sweden, the civil market and the non-residential market is strong, although the landscape is competitive. The Swedish residential building market is slow. In Norway, the outlook for the civil market remains positive, but with significant competition in new bids. The non-residential market also benefits from increased public investments, while investments in the residential building market are slightly lower. The overall market situation in Finland is stable except for a slowdown in the residential building market.

In the UK the uncertainty related to Brexit is limiting investments in the non-residential building market and civil market. In Central Europe there is a high activity level in general and construction related inflation is high. In Czech Republic the civil market is improving.

In USA the overall market is strong. The civil construction market remains good, although competition is intense, and the building construction market is strong in sectors such as aviation, education, data centers and healthcare.

	Building, non-residential	Building, residential	Civil
<b>Nordics</b>			
Sweden	⬆️	⬇️	⬆️
Norway	➡️	➡️	⬆️
Finland	➡️	⬇️	➡️
<b>Europe</b>			
Poland	➡️	➡️	➡️
Czech Republic <sup>1</sup>	➡️	➡️	●
United Kingdom	⬇️	-	⬇️
<b>USA</b>			
USA	⬆️	-	⬆️

<sup>1</sup> Including Slovakia.

### Residential Development

The Swedish residential market for new developments remains relatively slow. Uncertainty about factors impacting the direction of home prices such as future economic growth, employment, interest rates and credit supply is expected to continue impacting the market negatively going forward. The underlying housing needs should however be supportive long-term. In Norway the market situation is stable, while the Finnish market is slowing down. The Central European market is stable. Common for all markets is the challenge with increasing construction costs.

<b>Nordics</b>	
Sweden	⬇️
Norway	➡️
Finland	⬇️
<b>Europe</b>	



Urbani, Gothenburg, Sweden

### Commercial Property Development

Vacancy rates for office space in most of the Nordic and Central European cities where Skanska has operations are stable. In Sweden vacancy rates are low and rents are high. Demand for office space is strong in Poland and in other parts of Central Europe as well. In USA, demand from tenants is good in Boston and Seattle, while somewhat weaker in Washington, D.C. and Houston's Energy Corridor. Modern properties with high quality tenants are in demand from property investors, resulting in attractive valuations for these properties. Investor appetite remains strong in USA, Central Europe and the Nordics, especially Sweden, but the number of shortlisted investors in transactions are fewer and more selective regarding investment objects. Yield levels in Sweden and in USA have likely bottomed out. Common for all markets is the challenge with increasing construction costs.

<b>Nordics</b>	
Sweden	⬆️
Norway	➡️
Finland	➡️
Denmark	⬆️
<b>Europe</b>	
Poland	⬆️
Czech Republic	⬆️
Hungary	⬆️
Romania	➡️
<b>USA</b>	



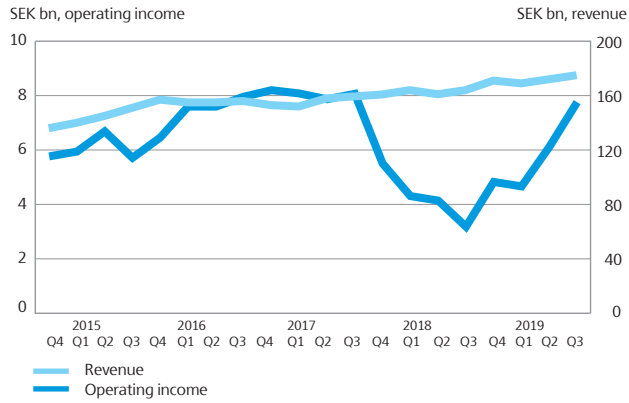
Cph Highline, Copenhagen, Denmark



## Performance analysis

### Group

#### Revenue and operating income, rolling 12 months



#### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
Revenue	125,385	120,805	4	44,514	41,337	8
Operating income <sup>1,2</sup>	5,375	2,444	120	2,150	507	324
Net financial items	-69	53	-	31	44	-30
<b>Income after financial items</b>	<b>5,306</b>	<b>2,497</b>	<b>112</b>	<b>2,181</b>	<b>551</b>	<b>296</b>
Taxes	-876	-406	116	-389	-58	571
<b>Profit for the period</b>	<b>4,430</b>	<b>2,091</b>	<b>112</b>	<b>1,792</b>	<b>493</b>	<b>263</b>
Earnings for the period per share, SEK <sup>3</sup>	10.75	5.07	112	4.34	1.18	267
Earnings for the period per share according to IFRSs, SEK <sup>3</sup>	9.34	5.37	74	3.25	2.02	61

1 Central, SEK -141 M (-639).

2 Eliminations, SEK -2 M (-58).

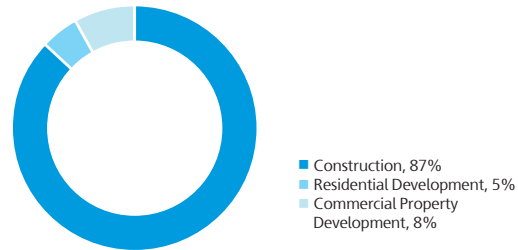
3 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

#### Changes and currency rate effects

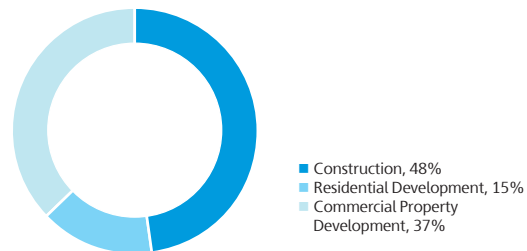
	Jan-Sep 2019 / Jan-Sep 2018		
	Change in SEK	Change in local currency	Currency effect
Revenue	4%	-1%	5%
Operating income	120%	114%	6%

Revenue increased 4 percent and amounted to SEK 125.4 billion (120.8); adjusted for currency effects revenue decreased 1 percent.

#### Revenue per segment, January–September 2019



#### Operating income per segment, January–September 2019



Operating income increased 120 percent and amounted to SEK 5,375 M (2,444); adjusted for currency effects operating income increased 114 percent. Operating income was year to date positively affected by income from legal cases of SEK 408 M. The comparable period includes negative impact from restructuring charges and project write-downs, and positive impact from claims resolutions, effects from pension curtailments and land divestments gains and release of reserves, totaling SEK -2.1 billion, net.

Central expenses totaled SEK -141 M (-639) of which SEK 53 M (-11) relate to the PPP-portfolio. Release of a provision totaling SEK 212 M related to the legal case concerning the R4 project in the Czech Republic had a positive impact year to date. The comparable period includes restructuring charges of SEK -220 M in total, of which SEK -120 M relate to the PPP-portfolio. The elimination of gains in Intra-Group projects amounted to SEK -2 M (-58).

Net financial items amounted to SEK -69 M (53) and include interest expenses from lease liabilities according to IFRS 16 effective from January 1, 2019.

Taxes for the period amounted to SEK -876 M (-406), corresponding to an effective tax rate of 17 percent (16).

## Cash flow

### Group

#### Operating cash flow from operations



#### Operating cash flow

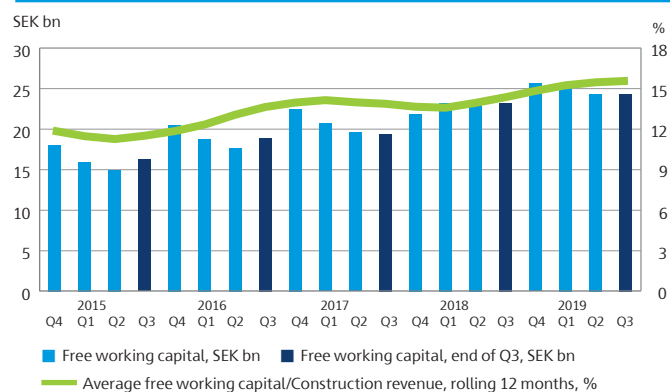
SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
Cash flow from business operations	3,562	806	342	1,177	522	125
Change in working capital	-3,888	1,247	-	-1,516	254	-
Net divestments(+)/investments(-)	-2,581	-1,772	46	-951	-186	411
Cash flow adjustment	246	-285	-	-18	-297	-94
<b>Cash flow from business operations before taxes paid</b>	<b>-2,661</b>	<b>-4</b>	<b>-</b>	<b>-1,308</b>	<b>293</b>	<b>-</b>
Taxes paid in business operations	-1,264	-162	680	-472	-98	382
Cash flow from financing operations	-579	25	-	-227	-72	215
<b>Operating cash flow from operations</b>	<b>-4,504</b>	<b>-141</b>	<b>-</b>	<b>-2,007</b>	<b>123</b>	<b>-</b>
Net strategic divestments(+)/investments(-)	-6	-16	-63	1	-6	-
Dividend etc	-2,473	-3,472	-29	-11	0	-
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-6,983</b>	<b>-3,629</b>	<b>92</b>	<b>-2,017</b>	<b>117</b>	<b>-</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-699	743	-	858	653	31
<b>Cash flow for the period</b>	<b>-7,682</b>	<b>-2,886</b>	<b>166</b>	<b>-1,159</b>	<b>770</b>	<b>-</b>

Operating cash flow from operations amounted to SEK -4,504 M (-141), where change in working capital in Construction is the main reason for the change in cash flow.

Taxes paid in business operations amounted to SEK -1,264 M (-162).

Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 10.3 billion, of which SEK 2.9 billion will be received during 2019. The remainder will affect cash flow during 2020-2021.

#### Free working capital in Construction



Free working capital in Construction amounted to SEK 24.4 billion (23.2), with average free working capital in relation to Construction revenue in the past 12 months at 15.5 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 -3,217 M (125).

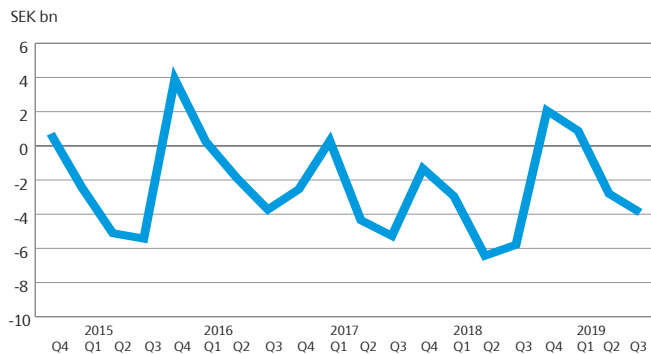


Backåkra, Energy plus homes, Stockholm, Sweden



## Financial position

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



### Balance sheet – Summary

SEK bn	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Total assets	128.4	116.9	116.3
Total equity	30.3	28.0	29.3
Interest-bearing net receivables (+)/net debt (-)	-14.4	-3.7	3.2
Adjusted interest-bearing net receivables(+)/net debt(-)	-3.9	-5.8	2.1
Capital employed, closing balance	55.6	45.6	46.2
Equity/assets ratio, %	23.6	24.0	25.2

### Change in net interest-bearing receivables and liabilities

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Opening balance interest-bearing net receivables(+)/net debt(-)	3,231	-1,126	-11,315	-4,041	-1,126
Change in accounting principle <sup>1</sup>	-7,469	-30	-	-	-30
<b>Adjusted opening balance</b>	<b>-4,238</b>	<b>-1,156</b>	<b>-11,315</b>	<b>-4,041</b>	<b>-1,156</b>
<b>Cash flow for the period</b>	<b>-7,682</b>	<b>-2,886</b>	<b>-1,159</b>	<b>770</b>	<b>3,578</b>
Less change in interest-bearing receivables and liabilities	699	-743	-858	-653	311
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-6,983</b>	<b>-3,629</b>	<b>-2,017</b>	<b>117</b>	<b>3,889</b>
Translation differences, net receivables/net debt	97	243	42	57	282
Remeasurements of pension liabilities	-1,840	622	-1,178	193	-271
Interest-bearing liabilities acquired/divested	-515	-8	-7	-1	-7
Other changes, interest-bearing net receivables/net debt	-967	211	29	-42	494
<b>Change in interest-bearing net receivables/net debt</b>	<b>-10,208</b>	<b>-2,561</b>	<b>-3,131</b>	<b>324</b>	<b>4,387</b>
<b>Closing balance interest-bearing net receivables(+)/net debt(-)</b>	<b>-14,446</b>	<b>-3,717</b>	<b>-14,446</b>	<b>-3,717</b>	<b>3,231</b>
Restricted cash	-5,102	-5,923	-5,102	-5,923	-5,941
Pension liability, net	6,385	3,854	6,385	3,854	4,765
Lease liabilities	9,268	-	9,268	-	-
<b>Closing balance adjusted interest-bearing net receivables(+)/net debt(-)</b>	<b>-3,895</b>	<b>-5,786</b>	<b>-3,895</b>	<b>-5,786</b>	<b>2,055</b>

<sup>1</sup> Change in accounting principle is attributable to the implementation of IFRS 16 (2019) and IFRS 9 (2018). For further information see the Annual and Sustainability Report 2018, Note 1 (on IFRS 16) and Note 3 (on IFRS 9).

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK -3.9 billion (June 30, 2019: -2.8). Interest-bearing net debt amounted to SEK -14.4 billion (June 30, 2019: -11.3) and include SEK 9.3 billion in interest-bearing lease liabilities according to IFRS 16 effective from January 1, 2019.

At the end of the quarter, cash, cash equivalents and committed unutilized credit facilities amounted to SEK 11.7 billion (June 30, 2019: 13.0), of which SEK 9.7 billion (June 30, 2019: 10.6) is available within one week. The Group central loan portfolio amounted to SEK 4.2 billion (June 30, 2019: 4.0) and had an average maturity of 3.6 years (June 30, 2019: 3.8), including committed unutilized credit facilities. Restricted cash totaled SEK 5.1 billion (June 30, 2019: 5.6), net pension liabilities totaled SEK 6.4 billion (June 30, 2019: 5.2) and lease liabilities totaled SEK 9.3 billion (June 30, 2019: 9.0). At the end of the quarter, capital employed amounted to SEK 55.6 billion (June 30, 2019: 53.2).

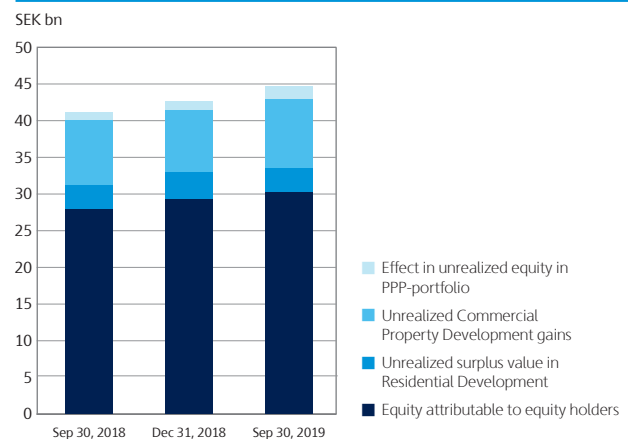
## Equity

### Changes in equity

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Opening balance	29,347	27,185	29,585	27,157	27,185
Change in accounting principle <sup>1</sup>	-67	-140	-	-	-140
<b>Adjusted opening balance</b>	<b>29,280</b>	<b>27,045</b>	<b>29,585</b>	<b>27,157</b>	<b>27,045</b>
Dividend to shareholders	-2,462	-3,373	0	0	-3,373
Other changes in equity not included in total comprehensive income for the year	164	67	46	27	132
Profit for the period	3,852	2,211	1,345	833	4,594
<b>Other comprehensive income</b>					
Translation differences	1,463	1,389	624	-248	1,119
Effects of remeasurements of pensions	-1,784	421	-1,166	183	-419
Effects of cash flow hedges	-202	274	-123	82	249
<b>Closing balance</b>	<b>30,311</b>	<b>28,034</b>	<b>30,311</b>	<b>28,034</b>	<b>29,347</b>

<sup>1</sup> Change in accounting principle is attributable to the implementation of IFRS 16 (2019) and IFRS 9 (2018). For further information see the Annual and Sustainability Report 2018, Note 1 (on IFRS 16) and Note 3 (on IFRS 9).

### Adjusted equity, less standard tax of 10 percent



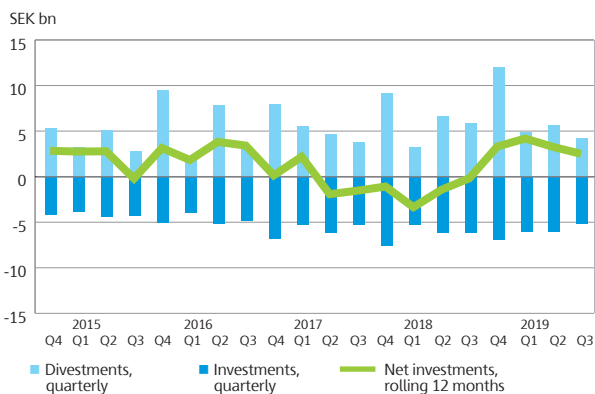
The Group's equity amounted to SEK 30.3 billion (28.0), resulting in an equity/assets ratio of 23.6 percent (24.0) and a net debt/equity ratio of 0.5 (0.1).

The effects of remeasurements of pensions amounted to SEK -1,784 M (421). This can be explained by lower discount rates in Sweden, Norway and the UK. The effect is partly offset by higher actual return on plan assets than estimated. Translation differences amounted to SEK 1,463 M (1,389) and are due to a weaker Swedish krona.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 16.0 billion of which SEK 2.1 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 14.5 billion and SEK 1.9 billion respectively.

## Investments and divestments

### Investments and divestments



The Group's investments amounted to SEK –17,302 M (–17,619), while divestments amounted to SEK 14,715 M (15,831), resulting in net investments of SEK –2,587 M (–1,788).

In Construction, investments totaled SEK –1,667 M (–1,822). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –1,025 M (–1,637). Depreciation of property, plant and equipment amounted to SEK –1,281 M (–1,099).

In Residential Development, investments totaled SEK –6,847 M (–7,516), of which SEK –1,294 M (–1,077) relates to land acquisitions, corresponding to 2,992 building rights. Divestments amounted to SEK 8,311 M (7,584). Net divestments in Residential Development amounted to SEK 1,464 M (68).

In Commercial Property Development, investments totaled SEK –8,727 M (–8,203), of which SEK –836 M (–582) relates to investments in new land, while divestments amounted to SEK 5,750 M (7,997). Net investments in Commercial Property Development amounted to SEK –2,977 M (–206).



Investment, Two Drydock, Boston, USA

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

SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
<b>Investments</b>						
Construction	-1,667	-1,822	-9	-304	-606	-50
Residential Development	-6,847	-7,516	-9	-2,294	-2,595	-12
Commercial Property Development	-8,727	-8,203	6	-2,571	-2,908	-12
Other	-61	-78	-22	-12	-19	-37
<b>Total</b>	<b>-17,302</b>	<b>-17,619</b>	<b>-2</b>	<b>-5,181</b>	<b>-6,128</b>	<b>-15</b>
<b>Divestments</b>						
Construction	642	185	247	164	27	507
Residential Development	8,311	7,584	10	1,877	2,620	-28
Commercial Property Development	5,750	7,997	-28	2,207	3,247	-32
Other	12	65	-82	-17	42	-
<b>Total</b>	<b>14,715</b>	<b>15,831</b>	<b>-7</b>	<b>4,231</b>	<b>5,936</b>	<b>-29</b>
<b>Net divestments(+)/investments(-)</b>						
Construction	-1,025	-1,637	-37	-140	-579	-76
Residential Development	1,464	68	-	-417	25	-
Commercial Property Development	-2,977	-206	-	-364	339	-
Other	-49	-13	277	-29	23	-
<b>Total</b>	<b>-2,587</b>	<b>-1,788</b>	<b>45</b>	<b>-950</b>	<b>-192</b>	<b>395</b>
of which strategic	-6	-16	-63	1	-6	-

### Capital employed in Project Development

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Residential Development	13,444	14,693	13,636
Commercial Property Development	36,744	27,116	26,672
<b>Total in Project Development</b>	<b>50,188</b>	<b>41,809</b>	<b>40,308</b>



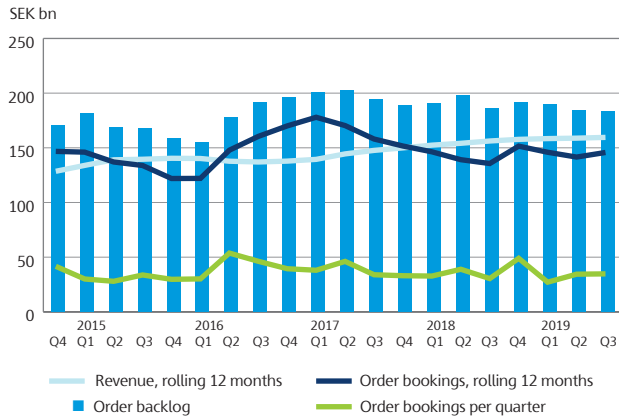
Divestment, Nordic Light Trio, Budapest, Hungary



## Performance analysis, business streams

### Construction – Order situation

#### Order backlog, revenue and order bookings



#### Order bookings and order backlog in Construction

SEK bn	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018
Order bookings	96.8	102.6	34.9	30.6
Order backlog <sup>1</sup>	183.7	186.3	-	-

<sup>1</sup> Refers to the end of each period.

Order bookings amounted to SEK 96.8 billion (102.6); adjusted for currency effects order bookings decreased 10 percent. On a rolling 12-month basis the book-to-build ratio was 91 percent (June 30, 2019: 89). The lower order bookings are mainly a result of the strategic initiatives to focus the operations in certain markets and reduce risks in the

Construction stream. Order bookings are higher in the Nordics, while the bidding process is even more selective in Europe and the US. For more information, see page 27.

At the end of the quarter, the order backlog amounted to SEK 183.7 billion compared to SEK 184.0 billion at the end of the previous quarter. The order backlog corresponds to 13 months of production (June 30, 2019: 14).

#### Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
<b>Jan-Sep 2019 / Jan-Sep 2018</b>			
Order bookings	-6%	-10%	4%
<b>Sep 30, 2019 / Jun 30, 2019</b>			
Order backlog	0%	-3%	3%

#### Major orders in the quarter

Geography	Contract	Amount SEK M	Client
Nordic	Healthcare building	4,200	Region Skåne
USA	Office project	3,300	Confidential client
USA	Hospital	1,700	Children's Hospital of Philadelphia
Nordic	Freight railway expansion	1,300	The Swedish Transport Administration
USA	High school	1,100	Highline Public Schools

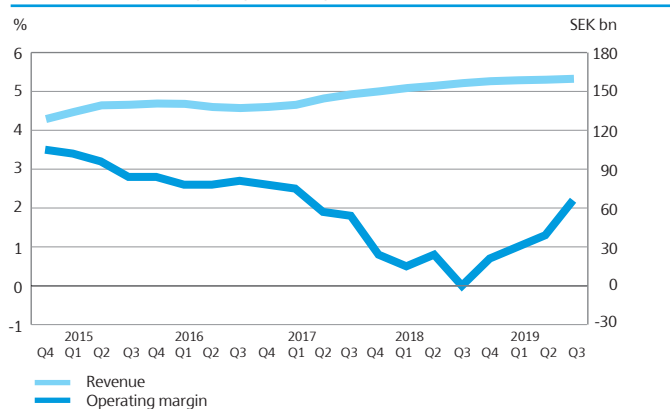


Healthcare building, Malmö, Sweden



## Construction

### Revenue and operating margin, rolling 12 months



### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
Revenue	117,168	115,314	2	40,969	40,261	2
Gross income	7,262	5,440	33	2,530	1,553	63
Selling and administrative expenses	-4,608	-5,234	-12	-1,414	-1,876	-25
Income from joint ventures and associated companies	26	25	4	11	13	-15
<b>Operating income</b>	<b>2,680</b>	<b>231</b>	<b>-</b>	<b>1,127</b>	<b>-310</b>	<b>-</b>
Gross margin, %	6.2	4.7		6.2	3.9	
Selling and administrative expenses, %	-3.9	-4.5		-3.5	-4.7	
Operating margin, %	2.3	0.2		2.8	neg	
Employees	33,454	37,556				

### Changes and currency rate effects

	Jan-Sep 2019 / Jan-Sep 2018		
	Change in SEK	Change in local currency	Currency effect
Revenue	2%	-3%	5%
Operating income	-	-	36%

Revenue in the Construction business stream increased 2 percent and amounted to SEK 117.2 billion (115.3); adjusted for currency effects revenue decreased 3 percent. Operating income amounted to SEK 2,680 M (231). The operating income year to date include proceeds of SEK 196 M related to awarded damages by the Court of Appeal in the legal case Follo EPC Oslo S. The operating income in Sweden was in relation to the comparable period negatively impacted by fewer project completions with high profitability and in the third quarter by weak performance in the residential construction operations in Stockholm and in the asphalt operations. The comparable period includes restructuring charges and project write-downs in Poland and USA, goodwill impairment charge in the USA, but also positive claims resolutions in the USA and effects from pension curtailments in the UK affected operating income. Total net impact of SEK -2.3 billion.

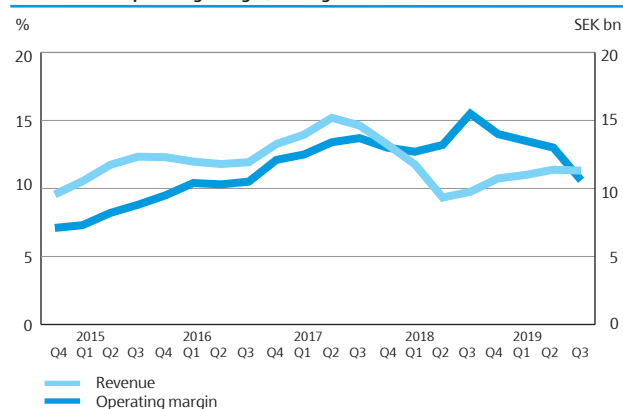


E16 Bagn-Bjørge, Norway



## Residential Development

### Revenue and operating margin, rolling 12 months



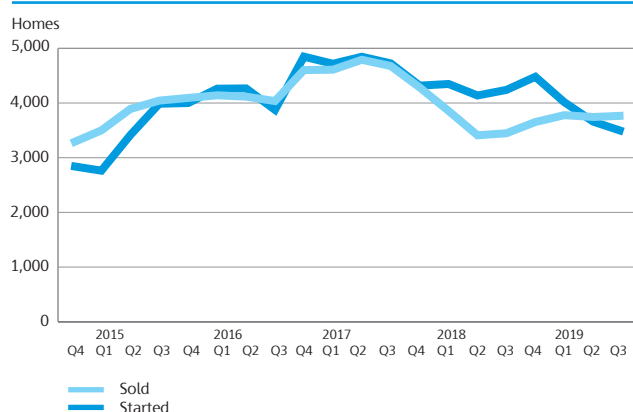
### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
Revenue	7,191	6,619	9	2,384	2,453	-3
<b>Gross income</b>	<b>1,318</b>	<b>1,619</b>	<b>-19</b>	<b>382</b>	<b>651</b>	<b>-41</b>
Selling and administrative expenses	-500	-497	1	-158	-147	7
<b>Operating income</b>	<b>818</b>	<b>1,122</b>	<b>-27</b>	<b>224</b>	<b>504</b>	<b>-56</b>
Gross margin, %	18.3	24.5		16.0	26.5	
Selling and administrative expenses, %	-7.0	-7.5		-6.6	-6.0	
Operating margin, %	11.4	17.0		9.4	20.5	
Return on capital employed, % <sup>1</sup>	9.5	11.9		-	-	

1 Rolling 12 months. For definition see page 17.

Revenue in the Residential Development business stream amounted to SEK 7,191 M (6,619). The number of homes sold totaled 2,328 (2,214) and construction started on 1,729 homes (2,725). Operating income amounted to SEK 818 M (1,122). The operating margin amounted to 11.4 percent (17.0) where the comparable period includes a larger positive effect from land divestment gains and release of provisions related to completion of projects in the Nordics. In Europe, similar release of provisions impacts the reporting period positively. And with relatively low volumes the impact on the margin becomes more pronounced. This is also the case for the selling and administrative expenses in relation to revenue on a business stream level.

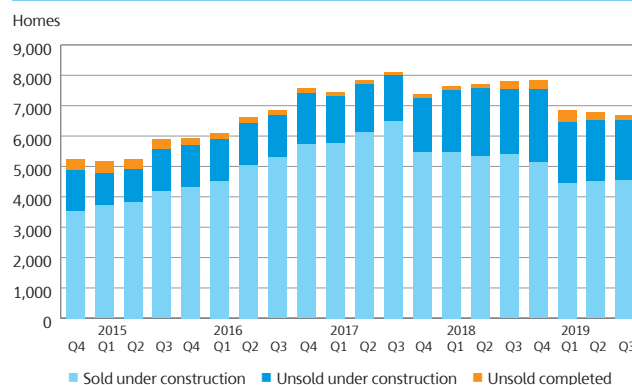
### Homes sold and started, rolling 12 months



### Homes sold and started

	Jan-Sep 2019	Jan-Sep 2018
Homes sold	2,328	2,214
Homes started	1,729	2,725

### Homes under construction and unsold



### Homes under construction and unsold

	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Homes under construction	6,508	7,538	7,539
of which sold, %	70	72	68
Completed unsold, number of homes	176	261	314

Return on capital employed decreased to 9.5 percent (11.9) mainly as a result of lower operating income. At the end of the quarter, 6,508 homes (June 30, 2019: 6,512) were under construction. Of these, 70 percent (June 30, 2019: 69) were sold. The number of completed unsold homes totaled 176 (June 30, 2019: 269). The number of completed homes amounted to 2,760 (2,512) for the first nine months.

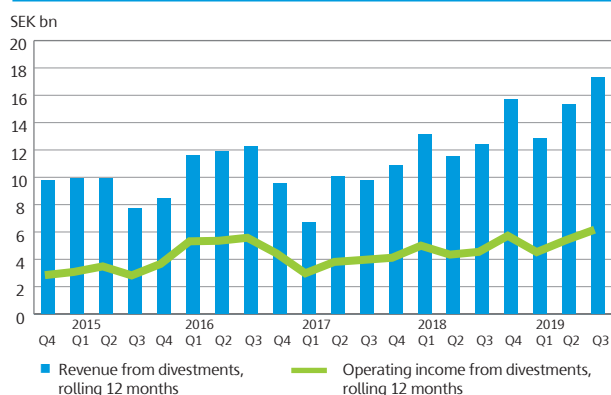
### Breakdown of carrying amounts

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Completed projects	558	592	903
Ongoing projects	8,204	9,152	8,213
Undeveloped land and development properties	8,455	7,649	7,446
<b>Total</b>	<b>17,217</b>	<b>17,393</b>	<b>16,562</b>

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 8.2 billion (June 30, 2019: 7.6) and undeveloped land and development properties amounted to SEK 8.5 billion (June 30, 2019: 8.0). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 3.7 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,800 homes and 1,300 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,800 building rights.

## Commercial Property Development

### Revenue and operating income from property divestments



### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jul-Sep 2019	Jul-Sep 2018	Change, %
Revenue	10,787	9,189	17	3,886	1,879	107
of which from divestment of properties	10,334	8,777	18	3,720	1,757	112
<b>Gross income</b>	<b>2,550</b>	<b>2,377</b>	<b>7</b>	<b>1,087</b>	<b>575</b>	<b>89</b>
Selling and administrative expenses	-673	-630	7	-232	-209	11
Income from joint ventures and associated companies	143	41	249	10	90	-89
<b>Operating income</b>	<b>2,020</b>	<b>1,788</b>	<b>13</b>	<b>865</b>	<b>456</b>	<b>90</b>
of which from divestment of properties	2,665	2,352	13	1,137	595	91
Return on capital employed, % <sup>1</sup>	11.1	10.6				

<sup>1</sup> Rolling 12 months. For definition see page 17.

In the Commercial Property Development business stream, divestments worth SEK 10,334 M (8,777) were made in the first nine months of 2019. Operating income amounted to SEK 2,020 M (1,788) and included gains from property divestments totaling SEK 2,665 M (2,352) as well as income from joint ventures totaling SEK 143 M (41).

### Breakdown of investment value and market value

SEK M	Investment value, end of period	Investment value upon completion	Market value <sup>1,2</sup>	Occupancy rate, %	Degree of completion, %
Ongoing projects <sup>3</sup>	18,282	31,488	39,838	60	59
Completed projects <sup>4</sup>	5,950	5,950	7,324	68	100
Undeveloped land and development properties	8,776	8,776	9,556		
<b>Total</b>	<b>33,008</b>	<b>46,214</b>	<b>56,718</b>		
of which carrying amount	33,008	46,214			
of which completed projects sold according to segment reporting	996	996	1,481		
of which ongoing projects sold according to segment reporting	3,932	7,169	8,828		

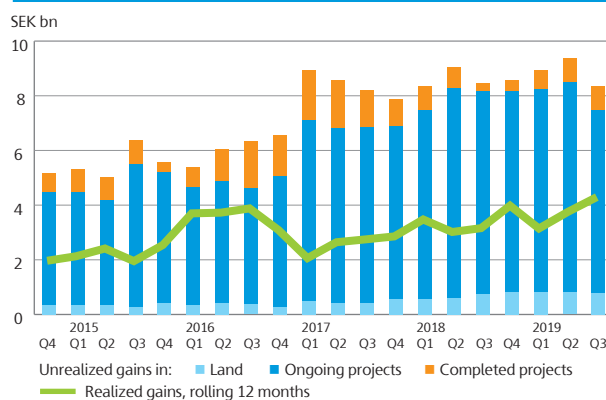
<sup>1</sup> Market value according to appraisal on December 31, 2018.

<sup>2</sup> Ongoing projects - estimated market value at completion fully leased.

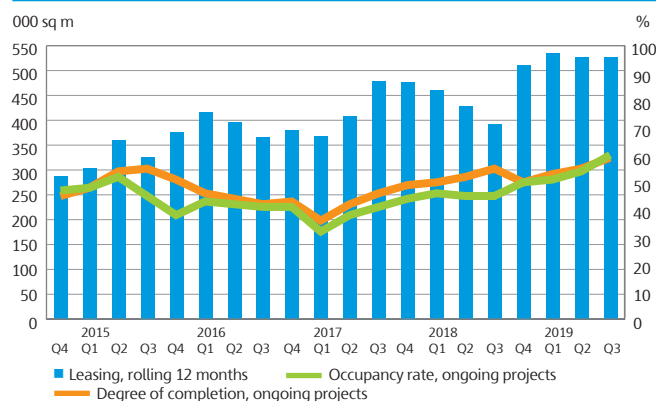
<sup>3</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 469 M.

<sup>4</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 755 M.

### Unrealized and realized gains, segment reporting



### Leasing and degree of completion



Return on capital employed increased to 11.1 percent (10.6) as a result of higher operating income.

At the end of the quarter, Commercial Property Development had 46 ongoing projects. During the quarter, two new projects were started and four were completed. The 46 ongoing projects represent leasable space of about 1,071,000 sq m with an occupancy rate of 60 percent, measured in rent. The projects' degree of completion was 59 percent. Their investment value upon completion is expected to total SEK 31.5 billion, with an estimated market value of SEK 39.8 billion.

Of the ongoing projects, 19 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 7.2 billion, with a sales value of SEK 8.8 billion.

By the end of the third quarter the total number of completed projects amounted to 15. The market value of these projects, excluding four properties divested according to segment reporting, was SEK 5.8 billion. The occupancy rate, measured in rent, totaled 68 percent (June 30, 2019: 72).

During the third quarter, unrealized gains, excluding properties divested according to segment reporting, decreased by SEK 1.0 billion and totaled SEK 8.4 billion. These gains related to SEK 6.7 billion in ongoing projects, SEK 0.9 billion in completed projects and SEK 0.8 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK 613 M. These eliminations are released at the Group level as each project is divested. During the first nine months new leases were signed for 261,000 sq m (246,000).



**Personnel**

During the period, the average number of employees in the Group was 34,969 (39,217). At the end of the quarter, the number of employees totaled 34,730 people (June 30, 2019: 35,883).

**Transactions with related parties**

For the nature and extent of transactions with related parties, see the Annual and Sustainability Report 2018, Note 39. 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 2018, pages 20-24, Note 2 and 6, as well as the section above on market outlook.

**Events after the end of the report period**

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

**Financial reports for 2019**

Skanska's interim reports and year-end reports are available for download on Skanska's website, [www.skanska.com/investors](http://www.skanska.com/investors).

The Group's remaining interim reports for 2019 will be published on the following dates:

February 7, 2020      Year-end Report

Stockholm November 7, 2019

Anders Danielsson  
President and Chief Executive Officer

## Auditors' Review Report concerning this interim report

### Introduction

We have reviewed the condensed interim report for Skanska AB (publ.) as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 7, 2019  
Ernst & Young AB

Hamish Mabon  
Authorized public accountant

Jonas Svensson  
Authorized public accountant



## 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. 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.

The new standard IFRS 16 Leases apply from January 1, 2019. Skanska has implemented the standard retroactively with cumulative effect, i.e., without restating the comparison periods. Rows are added to the balance sheet for property, plant and equipment right-of-use assets, current-asset properties right-of-use assets as well as interest-bearing lease liabilities. Right-of-use assets are depreciated over the term of the lease, except for current-asset properties right-of-use assets, which are recognized in the same way as current-asset properties. The lease payments are divided into an interest portion and an amortization portion. Operating income increases, and financial items decrease. Cash flow from operating activities increases and cash flow from financing activities decreases. The effects of IFRS 16 are described in Note 1 in the Annual and Sustainability Report 2018.

## 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 2018, Note 35.

## Segment and IFRS reporting

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

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

For further definitions, see the Annual and Sustainability Report 2018, Note 44.

Non-IFRS financial measures	Definition	Reason for use
		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.
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.
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, rolling 12 months	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	Total assets 21,042 - tax assets -239 - deposits in internal bank -477 - pension receivable -30 - non-interest-bearing liabilities (excluding tax liabilities) -6,756 - capitalized interest expense -96 13,444	Measure capital usage and efficiency in Residential Development.
Capital employed Commercial Property Development (CD) SEK M	Total assets 41,271 - tax assets -653 - deposits in internal bank 0 - pension receivable 0 - non-interest-bearing liabilities (excluding tax liabilities) -3,431 - capitalized interest expense -443 36,744	Measure capital usage and efficiency in Commercial Property Development.



Non-IFRS financial measures	Definition	Reason for use																																																																							
<b>Capital employed average</b>	Calculated on the basis of five measuring points; see below.																																																																								
<b>ROCE in RD segment, rolling 12 months SEK M</b>	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>1,201</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>68</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>5</td> <td></td> </tr> <tr> <td>– interest income from internal bank</td> <td></td> <td></td> <td><u>–2</u></td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>1,272</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>13,358</td> <td></td> </tr> <tr> <td>ROCE RD</td> <td></td> <td></td> <td></td> <td>9.5%</td> </tr> </table> <p>* Capital employed average</p> <table border="0"> <tr> <td>Q3 2019</td> <td>13,444</td> <td>x</td> <td>0.5</td> <td>6,722</td> <td></td> </tr> <tr> <td>Q2 2019</td> <td>12,854</td> <td></td> <td></td> <td>12,854</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td>12,873</td> <td></td> <td></td> <td>12,873</td> <td></td> </tr> <tr> <td>Q4 2018</td> <td>13,636</td> <td></td> <td></td> <td>13,636</td> <td></td> </tr> <tr> <td>Q3 2018</td> <td>14,693</td> <td>x</td> <td>0.5</td> <td><u>7,347</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>53,432 / 4</td> <td>13,358</td> </tr> </table>	Operating income			1,201		+ capitalized interest expense			68		+/- financial income and other financial items			5		– interest income from internal bank			<u>–2</u>		Adjusted profit			1,272		Capital employed average*			13,358		ROCE RD				9.5%	Q3 2019	13,444	x	0.5	6,722		Q2 2019	12,854			12,854		Q1 2019	12,873			12,873		Q4 2018	13,636			13,636		Q3 2018	14,693	x	0.5	<u>7,347</u>						53,432 / 4	13,358	Measure the performance (profitability and capital efficiency) in RD.
Operating income			1,201																																																																						
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<b>ROCE in CD segment, rolling 12 months SEK M</b>	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>3,301</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>188</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>10</td> <td></td> </tr> <tr> <td>– interest income from internal bank</td> <td></td> <td></td> <td><u>–3</u></td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>3,496</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>31,508</td> <td></td> </tr> <tr> <td>ROCE CD</td> <td></td> <td></td> <td></td> <td>11.1%</td> </tr> </table> <p>* Capital employed average</p> <table border="0"> <tr> <td>Q3 2019</td> <td>36,744</td> <td>x</td> <td>0.5</td> <td>18,372</td> <td></td> </tr> <tr> <td>Q2 2019</td> <td>34,600</td> <td></td> <td></td> <td>34,600</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td>32,828</td> <td></td> <td></td> <td>32,828</td> <td></td> </tr> <tr> <td>Q4 2018</td> <td>26,672</td> <td></td> <td></td> <td>26,672</td> <td></td> </tr> <tr> <td>Q3 2018</td> <td>27,116</td> <td>x</td> <td>0.5</td> <td><u>13,558</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>126,030 / 4</td> <td>31,508</td> </tr> </table>	Operating income			3,301		+ capitalized interest expense			188		+/- financial income and other financial items			10		– interest income from internal bank			<u>–3</u>		Adjusted profit			3,496		Capital employed average*			31,508		ROCE CD				11.1%	Q3 2019	36,744	x	0.5	18,372		Q2 2019	34,600			34,600		Q1 2019	32,828			32,828		Q4 2018	26,672			26,672		Q3 2018	27,116	x	0.5	<u>13,558</u>						126,030 / 4	31,508	Measure the performance (profitability and capital efficiency) in CD.
Operating income			3,301																																																																						
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<b>ROCE in Project Development, segment SEK M</b>	<p>Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD.</p> <p>The total ROCE from 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>1,272</td> <td>13,358</td> <td>9.5%</td> </tr> <tr> <td>CD</td> <td>3,496</td> <td>31,508</td> <td>11.1%</td> </tr> <tr> <td></td> <td><u>4,768</u></td> <td><u>44,866</u></td> <td>10.6%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	1,272	13,358	9.5%	CD	3,496	31,508	11.1%		<u>4,768</u>	<u>44,866</u>	10.6%	Measure the performance (profitability and capital efficiency) in Project Development.																																																							
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Non-IFRS financial measures	Definition	Reason for use																																										
<b>Return on equity segment, rolling 12 months</b> SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. $6,245 / 28,933 =$	Measure profitability on invested equity.																																										
	21.6%																																											
<b>Equity average attributable to equity holders</b> SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q3 2019</td> <td style="width: 15%;">30,204</td> <td style="width: 5%;"></td> <td style="width: 5%;">x</td> <td style="width: 5%;">0.5</td> <td style="width: 15%;">15,102</td> <td style="width: 40%;"></td> </tr> <tr> <td>Q2 2019</td> <td>29,474</td> <td></td> <td></td> <td></td> <td>29,474</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td>27,935</td> <td></td> <td></td> <td></td> <td>27,935</td> <td></td> </tr> <tr> <td>Q4 2018</td> <td>29,250</td> <td></td> <td></td> <td></td> <td>29,250</td> <td></td> </tr> <tr> <td>Q3 2018</td> <td>27,943</td> <td></td> <td>x</td> <td>0.5</td> <td>13,972</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">115,733 / 4</td> <td style="text-align: right;">28,933</td> </tr> </table>	Q3 2019	30,204		x	0.5	15,102		Q2 2019	29,474				29,474		Q1 2019	27,935				27,935		Q4 2018	29,250				29,250		Q3 2018	27,943		x	0.5	13,972							115,733 / 4	28,933	
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<b>Operating cash flow from operations</b>	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.																																										
<b>Net divestments/investment</b>	Total investments minus total divestments.	Measure the balance between investments and divestments.																																										
<b>Free working capital</b>	Non-interest-bearing receivables less non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital.																																										
<b>Average free working capital in Construction</b> SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q3 2019</td> <td style="width: 15%;">-24,371</td> <td style="width: 5%;"></td> <td style="width: 5%;">x</td> <td style="width: 5%;">0.5</td> <td style="width: 15%;">-12,186</td> <td style="width: 40%;"></td> </tr> <tr> <td>Q2 2019</td> <td>-24,332</td> <td></td> <td></td> <td></td> <td>-24,332</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td>-25,526</td> <td></td> <td></td> <td></td> <td>-25,526</td> <td></td> </tr> <tr> <td>Q4 2018</td> <td>-25,641</td> <td></td> <td></td> <td></td> <td>-25,641</td> <td></td> </tr> <tr> <td>Q3 2018</td> <td>-23,209</td> <td></td> <td>x</td> <td>0.5</td> <td>-11,605</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">-99,290 / 4</td> <td style="text-align: right;">-24,823</td> </tr> </table>	Q3 2019	-24,371		x	0.5	-12,186		Q2 2019	-24,332				-24,332		Q1 2019	-25,526				-25,526		Q4 2018	-25,641				-25,641		Q3 2018	-23,209		x	0.5	-11,605							-99,290 / 4	-24,823	Measure the funding stemming from the negative working capital generated in Construction.
Q3 2019	-24,371		x	0.5	-12,186																																							
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<b>Interest-bearing net receivables/net debt</b>	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.																																										
<b>Adjusted interest-bearing net receivables/net debt</b>	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.																																										
<b>Equity/assets ratio</b>	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.																																										
<b>Net debt/equity ratio</b>	Interest-bearing net debt divided by equity including non-controlling interest.	Measure leverage of financial position.																																										
<b>Adjusted equity attributable to equity holders</b> SEK bn	Equity attributable to equity holders Unrealized surplus value in RD Unrealized CD gains Effect in unrealized equity in PPP-portfolio Less standard corporate tax, 10% Adjusted equity	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.																																										
		30.2 3.7 10.5 1.8 <u>-1.5</u> 44.7																																										



## Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Construction	107,196 <sup>1</sup>	104,819 <sup>1</sup>	9,972	10,495	117,168	115,314	2,680	231
Residential Development	7,166	6,619	25	0	7,191	6,619	818	1,122
Commercial Property Development	10,781	9,182	6	7	10,787	9,189	2,020	1,788
<b>Total operating segments</b>	<b>125,143</b>	<b>120,620</b>	<b>10,003</b>	<b>10,502</b>	<b>135,146</b>	<b>131,122</b>	<b>5,518</b>	<b>3,141</b>
Central	242	185	301	309	543	494	-141	-639
Eliminations	0	0	-10,304	-10,811	-10,304	-10,811	-2	-58
<b>Total Group</b>	<b>125,385</b>	<b>120,805</b>	<b>0</b>	<b>0</b>	<b>125,385</b>	<b>120,805</b>	<b>5,375</b>	<b>2,444</b>
Reconciliation to IFRSs <sup>2</sup>	-3,230	447	0	0	-3,230	447	-714	140
<b>Total IFRSs</b>	<b>122,155</b>	<b>121,252</b>	<b>0</b>	<b>0</b>	<b>122,155</b>	<b>121,252</b>	<b>4,661</b>	<b>2,584</b>

1 Of which external revenue from joint ventures in PPP-portfolio, SEK 5,293 M (5,558).

2 Of which effect from joint ventures in Residential Development proportionally	301	-74					92	-81
Of which effect of different revenue recognitions	-3,531	521					-806	221

## Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Central and eliminations		Total	
	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Nordics	43,260	41,554	7,686	7,067	3,849	4,298	-5,263	-5,321	49,532	47,598
of which Sweden	24,689	24,367	4,424	4,422	1,815	2,642	-3,610	-3,320	27,318	28,111
Europe	22,827	25,298	694	559	789	3,809	-2,980	-2,462	21,330	27,204
USA	51,081	48,462	0	0	1,559	294	-1,347	-2,306	51,293	46,450
<b>Total operating segments</b>	<b>117,168</b>	<b>115,314</b>	<b>8,380</b>	<b>7,626</b>	<b>6,197</b>	<b>8,401</b>	<b>-9,590</b>	<b>-10,089</b>	<b>122,155</b>	<b>121,252</b>

SEK M	Segment Jan-Sep 2019	IFRS Jan-Sep 2019	Segment Jan-Sep 2018	IFRS Jan-Sep 2018	Segment Jul-Sep 2019	IFRS Jul-Sep 2019	Segment Jul-Sep 2018	IFRS Jul-Sep 2018
<b>Revenue</b>								
Construction	117,168	117,168	115,314	115,314	40,969	40,969	40,261	40,261
Residential Development	7,191	8,380	6,619	7,626	2,384	1,901	2,453	2,632
Commercial Property Development	10,787	6,197	9,189	8,401	3,886	2,369	1,879	3,370
Central and eliminations	-9,761	-9,590	-10,317	-10,089	-2,725	-2,773	-3,256	-3,179
<b>Skanska Group</b>	<b>125,385</b>	<b>122,155</b>	<b>120,805</b>	<b>121,252</b>	<b>44,514</b>	<b>42,466</b>	<b>41,337</b>	<b>43,084</b>
<b>Operating income</b>								
Construction	2,680	2,680	231	231	1,127	1,127	-310	-310
Residential Development	818	1,243	1,122	1,180	224	239	504	509
Commercial Property Development <sup>1</sup>	2,020	965	1,788	1,864	865	380	456	782
Central	-141	-141	-639	-639	-81	-81	-110	-109
of which PPP-portfolio	53	53	-11	-11	19	19	64	64
Eliminations <sup>1</sup>	-2	-86	-58	-52	15	-54	-33	44
<b>Operating income</b>	<b>5,375</b>	<b>4,661</b>	<b>2,444</b>	<b>2,584</b>	<b>2,150</b>	<b>1,611</b>	<b>507</b>	<b>916</b>
<b>Net financial items</b>	<b>-69</b>	<b>-48</b>	<b>53</b>	<b>55</b>	<b>31</b>	<b>32</b>	<b>44</b>	<b>45</b>
<b>Income after financial items</b>	<b>5,306</b>	<b>4,613</b>	<b>2,497</b>	<b>2,639</b>	<b>2,181</b>	<b>1,643</b>	<b>551</b>	<b>961</b>
Taxes	-876	-761	-406	-428	-389	-298	-58	-128
<b>Profit for the period</b>	<b>4,430</b>	<b>3,852</b>	<b>2,091</b>	<b>2,211</b>	<b>1,792</b>	<b>1,345</b>	<b>493</b>	<b>833</b>
Earnings for the period per share, SEK <sup>2</sup>	10.75		5.07		4.34		1.18	
Earnings for the period per share according to IFRSs, SEK <sup>2</sup>		9.34		5.37		3.25		2.02
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	2,665	1,610	2,352	2,089	1,137	652	595	919
Eliminations	108	77	184	193	51	9	51	130

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	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Revenue	122,155	121,252	42,466	43,084	171,730
Cost of sales	-111,760	-112,319	-39,069	-40,028	-157,465
<b>Gross income</b>	<b>10,395</b>	<b>8,933</b>	<b>3,397</b>	<b>3,056</b>	<b>14,265</b>
Selling and administrative expenses	-6,263	-7,027	-1,924	-2,358	-9,473
Income from joint ventures and associated companies	529	678	138	218	855
<b>Operating income</b>	<b>4,661</b>	<b>2,584</b>	<b>1,611</b>	<b>916</b>	<b>5,647</b>
Financial income	158	153	74	77	192
Financial expenses	-206	-98	-42	-32	-153
<b>Net financial items<sup>1</sup></b>	<b>-48</b>	<b>55</b>	<b>32</b>	<b>45</b>	<b>39</b>
<b>Income after financial items</b>	<b>4,613</b>	<b>2,639</b>	<b>1,643</b>	<b>961</b>	<b>5,686</b>
Taxes	-761	-428	-298	-128	-1,092
<b>Profit for the period</b>	<b>3,852</b>	<b>2,211</b>	<b>1,345</b>	<b>833</b>	<b>4,594</b>
1 Of which					
Interest income	120	101	44	44	144
Financial net pension costs	-59	-79	-19	-27	-103
Interest expenses	-170	-224	-38	-84	-335
Interest expenses from lease liabilities	-199	-	-61	-	-
Capitalized interest expenses	247	224	78	87	325
<b>Net interest items</b>	<b>-61</b>	<b>22</b>	<b>4</b>	<b>20</b>	<b>31</b>
Change in fair value	-2	11	1	4	11
Other net financial items	15	22	27	21	-3
<b>Net financial items</b>	<b>-48</b>	<b>55</b>	<b>32</b>	<b>45</b>	<b>39</b>
Profit attributable to:					
Equity holders	3,836	2,195	1,338	824	4,571
Non-controlling interests	16	16	7	9	23
Earnings per share, SEK <sup>2</sup>	9.34	5.37	3.25	2.02	11.17
Earnings per share after dilution, SEK <sup>3</sup>	9.30	5.34	3.24	2.00	11.11

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

<sup>3</sup> 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	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
<b>Profit for the period</b>	<b>3,852</b>	<b>2,211</b>	<b>1,345</b>	<b>833</b>	<b>4,594</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit and loss</b>					
Remeasurements of defined benefit plans	-2,255	580	-1,480	217	-478
Tax related to items that will not be reclassified to profit and loss	471	-159	314	-34	59
	<b>-1,784</b>	<b>421</b>	<b>-1,166</b>	<b>183</b>	<b>-419</b>
<b>Items that have been or will be reclassified to profit and loss</b>					
Translation differences attributable to equity holders	1,411	1,574	588	-292	1,299
Translation differences attributable to non-controlling interests	5	4	0	-3	3
Hedging of exchange rate risk in foreign operations	47	-189	36	47	-183
Effects of cash flow hedges <sup>1</sup>	-48	-58	-78	62	-30
Share of other comprehensive income of joint ventures and associated companies <sup>2</sup>	-157	322	-58	32	272
Tax related to items that have been or will be reclassified to profit and loss	3	10	13	-12	7
	<b>1,261</b>	<b>1,663</b>	<b>501</b>	<b>-166</b>	<b>1,368</b>
<b>Other comprehensive income after tax</b>	<b>-523</b>	<b>2,084</b>	<b>-665</b>	<b>17</b>	<b>949</b>
<b>Total comprehensive income</b>	<b>3,329</b>	<b>4,295</b>	<b>680</b>	<b>850</b>	<b>5,543</b>
Total comprehensive income attributable to:					
Equity holders	3,308	4,275	673	844	5,517
Non-controlling interests	21	20	7	6	26
1 Of which transferred to income statement	-4	0	-4	0	0
2 Of which transferred to income statement	-77	121	-126	28	154



## Summary statement of financial position (IFRS)

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,791	7,723	7,645
Property, plant and equipment right-of-use assets	4,793	–	–
Goodwill	4,576	4,444	4,324
Intangible assets	949	1,026	975
Investments in joint ventures and associated companies	3,241	3,308	3,288
Financial non-current assets <sup>1,3</sup>	1,940	2,716	2,345
Deferred tax assets	2,749	1,685	1,933
<b>Total non-current assets</b>	<b>26,039</b>	<b>20,902</b>	<b>20,510</b>
<b>Current assets</b>			
Current-asset properties <sup>2</sup>	49,001	44,547	42,391
Current-asset properties right-of-use land	4,198	–	–
Inventories	1,143	1,215	1,256
Financial current assets <sup>3</sup>	5,701	7,024	7,117
Tax assets	629	963	396
Contract assets	8,013	8,975	6,661
Trade and other receivables	30,474	29,026	27,243
Cash	3,245	4,262	10,722
<b>Total current assets</b>	<b>102,404</b>	<b>96,012</b>	<b>95,786</b>
<b>TOTAL ASSETS</b>	<b>128,443</b>	<b>116,914</b>	<b>116,296</b>
of which interest-bearing financial non-current assets	1,894	2,674	2,302
of which interest-bearing current assets	8,903	11,166	17,769
<b>Total interest-bearing assets</b>	<b>10,797</b>	<b>13,840</b>	<b>20,071</b>
<b>EQUITY</b>			
Equity attributable to equity holders	30,204	27,943	29,250
Non-controlling interests	107	91	97
<b>Total equity</b>	<b>30,311</b>	<b>28,034</b>	<b>29,347</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial non-current liabilities <sup>3</sup>	3,187	3,941	3,912
Lease liabilities	8,218	–	–
Pensions	7,086	4,988	5,669
Deferred tax liabilities	908	926	711
<b>Total non-current liabilities</b>	<b>19,399</b>	<b>9,855</b>	<b>10,292</b>
<b>Current liabilities</b>			
Financial current liabilities <sup>3</sup>	5,752	8,672	7,310
Lease liabilities	1,050	–	–
Tax liabilities	796	626	615
Current provisions	9,345	8,452	9,922
Contract liabilities	20,897	18,295	20,738
Trade and other payables	40,893	42,980	38,072
<b>Total current liabilities</b>	<b>78,733</b>	<b>79,025</b>	<b>76,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>128,443</b>	<b>116,914</b>	<b>116,296</b>
of which interest-bearing financial liabilities	18,157	12,569	11,171
of which interest-bearing pensions and provisions	7,086	4,988	5,669
<b>Total interest-bearing liabilities</b>	<b>25,243</b>	<b>17,557</b>	<b>16,840</b>
1 Of which shares	45	41	41
2 Current-asset properties			
Commercial Property Development	31,784	27,154	25,829
Residential Development	17,217	17,393	16,562
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	1	1	2
Financial current assets	43	120	70
Financial non-current liabilities	7	2	3
Financial current liabilities	43	42	48

Note: Contingent liabilities amounted to SEK 42.4 bn on September 30, 2019 (Dec 31, 2018: 47.6) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2018 Annual and Sustainability Report, Note 20B, 20C and 33. During the period, contingent liabilities decreased by SEK 5.2 bn.

**Summary statement of changes in equity (IFRS)**

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Opening balance	29,347	27,185	29,585	27,157	27,185
of which non-controlling interests	97	121	111	108	121
Change in accounting principle <sup>1</sup>	-67	-140	-	-	-140
<b>Adjusted opening balance</b>	<b>29,280</b>	<b>27,045</b>	<b>29,585</b>	<b>27,157</b>	<b>27,045</b>
of which non-controlling interests	97	121	111	108	121
Dividend to shareholders	-2,462	-3,373	0	0	-3,373
Change in group composition	0	-23	0	-23	-23
Dividend to non-controlling interests	-11	-27	-11	0	-27
Effects of equity-settled share-based payments	175	189	57	50	254
Repurchase of shares	0	-72	0	0	-72
Total comprehensive income attributable to					
Equity holders	3,308	4,275	673	844	5,517
Non-controlling interests	21	20	7	6	26
<b>Closing balance</b>	<b>30,311</b>	<b>28,034</b>	<b>30,311</b>	<b>28,034</b>	<b>29,347</b>
of which non-controlling interests	107	91	107	91	97

<sup>1</sup> Change in accounting principle is attributable to the implementation of IFRS 16 (2019) and IFRS 9 (2018). For further information see the Annual and Sustainability Report 2018, Note 1 (on IFRS 16) and Note 3 (on IFRS 9).

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

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
<b>Cash flow from operating activities before change in working capital, according to IAS 7</b>	<b>2,351</b>	<b>658</b>	<b>732</b>	<b>424</b>	<b>-20</b>
<b>Cash flow from change in working capital, according to IAS 7</b>	<b>-5,042</b>	<b>885</b>	<b>-2,335</b>	<b>324</b>	<b>9,474</b>
Net investments in property, plant and equipment and intangible assets	-1,181	-1,695	-150	-553	-2,157
Tax payments on sold property, plant and equipment and intangible assets	-53	-14	-27	0	-29
<b>Cash flow from business operations including taxes paid according to operating cash flow</b>	<b>-3,925</b>	<b>-166</b>	<b>-1,780</b>	<b>195</b>	<b>7,268</b>
Less net investments in property, plant and equipment and intangible assets	1,181	1,695	150	553	2,157
Less tax payments on sold property, plant and equipment and intangible assets	53	14	27	0	29
<b>Cash flow from operating activities, according to IAS 7</b>	<b>-2,691</b>	<b>1,543</b>	<b>-1,603</b>	<b>748</b>	<b>9,454</b>
<b>Cash flow from strategic investments according to operating cash flow</b>	<b>-6</b>	<b>-16</b>	<b>1</b>	<b>-6</b>	<b>-16</b>
Net investments in property, plant and equipment and intangible assets	-1,181	-1,695	-150	-553	-2,157
Increase and decrease in interest-bearing receivables	1,128	-74	332	196	-165
Taxes paid on sold property, plant and equipment and intangible assets	-53	-14	-27	0	-29
<b>Cash flow from investing activities, according to IAS 7</b>	<b>-112</b>	<b>-1,799</b>	<b>156</b>	<b>-363</b>	<b>-2,367</b>
<b>Cash flow from financing operations according to operating cash-flow statement</b>	<b>-579</b>	<b>25</b>	<b>-227</b>	<b>-72</b>	<b>109</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-699	743	858	653	-311
Increase and decrease in interest-bearing receivables	-1,128	74	-332	-196	165
Dividend etc <sup>1</sup>	-2,473	-3,472	-11	0	-3,472
<b>Cash flow from financing activities, according to IAS 7</b>	<b>-4,879</b>	<b>-2,630</b>	<b>288</b>	<b>385</b>	<b>-3,509</b>
<b>Cash flow for the period</b>	<b>-7,682</b>	<b>-2,886</b>	<b>-1,159</b>	<b>770</b>	<b>3,578</b>

<sup>1</sup> Of which repurchases of shares SEK 0 M.

## Operating cash flow (IFRS), supplementary information

### Operating cash flow

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
<b>Construction</b>					
Cash flow from business operations	4,378	1,602	1,641	548	2,755
Change in working capital	-3,217	125	-924	-95	2,600
Net divestments(+)/investments(-)	-1,025	-1,621	-140	-573	-2,080
<b>Total Construction</b>	<b>136</b>	<b>106</b>	<b>577</b>	<b>-120</b>	<b>3,275</b>
<b>Residential Development</b>					
Cash flow from business operations	-442	-303	-136	26	-476
Change in working capital	960	-233	84	-232	30
Net divestments(+)/investments(-)	1,462	68	-417	25	1,604
Cash flow adjustment	0	8	0	6	0
<b>Total Residential Development</b>	<b>1,980</b>	<b>-460</b>	<b>-469</b>	<b>-175</b>	<b>1,158</b>
<b>Commercial Property Development</b>					
Cash flow from business operations	-305	39	-240	16	-1,193
Change in working capital	-1,200	1,113	-728	351	1,393
Net divestments(+)/investments(-)	-2,969	-206	-365	339	3,823
Cash flow adjustment	247	-293	-17	-303	-39
<b>Total Commercial Property Development</b>	<b>-4,227</b>	<b>653</b>	<b>-1,350</b>	<b>403</b>	<b>3,984</b>
<b>Central and eliminations</b>					
Cash flow from business operations	-69	-532	-88	-68	-692
Change in working capital	-431	242	52	230	17
Net divestments(+)/investments(-)	-49	-13	-29	23	-31
of which PPP-portfolio	37	0	7	42	17
Cash flow adjustment	-1	0	-1	0	0
<b>Total central and eliminations</b>	<b>-550</b>	<b>-303</b>	<b>-66</b>	<b>185</b>	<b>-706</b>
Total cash flow from business operations	3,562	806	1,177	522	394
Total change in working capital	-3,888	1,247	-1,516	254	4,040
Total net divestments(+)/investments(-)	-2,581	-1,772	-951	-186	3,316
Total cash flow adjustment	246	-285	-18	-297	-39
<b>Cash flow from business operations before taxes paid</b>	<b>-2,661</b>	<b>-4</b>	<b>-1,308</b>	<b>293</b>	<b>7,711</b>
Taxes paid in business operations	-1,264	-162	-472	-98	-443
<b>Cash flow from business operations including taxes paid</b>	<b>-3,925</b>	<b>-166</b>	<b>-1,780</b>	<b>195</b>	<b>7,268</b>
Net interest items, other net financial items and amortization of lease liabilities	-827	36	-324	-103	156
Taxes paid in financing operations	248	-11	97	31	-47
<b>Cash flow from financing operations</b>	<b>-579</b>	<b>25</b>	<b>-227</b>	<b>-72</b>	<b>109</b>
<b>Operating cash flow from operations</b>	<b>-4,504</b>	<b>-141</b>	<b>-2,007</b>	<b>123</b>	<b>7,377</b>
Net strategic divestments(+)/investments(-)	-6	-16	1	-6	-16
Dividend etc <sup>1</sup>	-2,473	-3,472	-11	0	-3,472
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-6,983</b>	<b>-3,629</b>	<b>-2,017</b>	<b>117</b>	<b>3,889</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	-699	743	858	653	-311
<b>Cash flow for the period</b>	<b>-7,682</b>	<b>-2,886</b>	<b>-1,159</b>	<b>770</b>	<b>3,578</b>
Cash and cash equivalents at the beginning of the period	10,722	6,998	4,302	3,484	6,998
Exchange rate differences in cash and cash equivalents	205	150	102	8	146
<b>Cash and cash equivalents at the end of the period</b>	<b>3,245</b>	<b>4,262</b>	<b>3,245</b>	<b>4,262</b>	<b>10,722</b>

1 Of which repurchases of shares SEK 0 M.



## Group net divestments/investments (IFRS)

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
<b>OPERATIONS – INVESTMENTS</b>					
Intangible assets	-108	-159	-25	-53	-225
Property, plant and equipment	-1,651	-1,692	-319	-568	-2,351
Shares and participations	-108	-102	0	0	-99
Current-asset properties	-15,429	-15,650	-4,838	-5,501	-21,849
of which Residential Development	-6,755	-7,512	-2,294	-2,593	-10,449
of which Commercial Property Development	-8,674	-8,138	-2,544	-2,908	-11,400
<b>Investments in operations</b>	<b>-17,296</b>	<b>-17,603</b>	<b>-5,182</b>	<b>-6,122</b>	<b>-24,524</b>
<b>STRATEGIC INVESTMENTS</b>					
Businesses	-6	-16	1	-6	-16
<b>Strategic investments</b>	<b>-6</b>	<b>-16</b>	<b>1</b>	<b>-6</b>	<b>-16</b>
<b>Total Investments</b>	<b>-17,302</b>	<b>-17,619</b>	<b>-5,181</b>	<b>-6,128</b>	<b>-24,540</b>
<b>OPERATIONS – DIVESTMENTS</b>					
Intangible assets	5	0	0	0	6
Property, plant and equipment	642	181	183	26	428
Shares and participations	39	77	11	42	84
Current-asset properties	14,029	15,573	4,037	5,868	27,322
of which Residential Development	8,285	7,585	1,852	2,621	12,068
of which Commercial Property Development	5,744	7,988	2,185	3,247	15,254
<b>Divestments in operations</b>	<b>14,715</b>	<b>15,831</b>	<b>4,231</b>	<b>5,936</b>	<b>27,840</b>
<b>Total divestments</b>	<b>14,715</b>	<b>15,831</b>	<b>4,231</b>	<b>5,936</b>	<b>27,840</b>
<b>TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)</b>	<b>-2,587</b>	<b>-1,788</b>	<b>-950</b>	<b>-192</b>	<b>3,300</b>
Depreciation, non-current assets	-2,267	-1,270	-735	-457	-1,780

## Capital employed in Project Development (IFRS)

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Residential Development	13,444	14,693	13,636
Commercial Property Development	36,744	27,116	26,672
<b>Total in Project Development</b>	<b>50,188</b>	<b>41,809</b>	<b>40,308</b>

## Parent Company<sup>1</sup>

The parent company's revenue consists mainly of amounts billed to Group companies. The balance sheet consists of financial instruments almost exclusively in the form of Intra-Group receivables and liabilities. The parent company does not report any significant events during the period.

### Summary income statement (IFRS)

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018
Revenue	472	478	162	124
Selling and administrative expenses	-366	-560	-105	-130
<b>Operating income</b>	<b>106</b>	<b>-82</b>	<b>57</b>	<b>-6</b>
Net financial items	2,974	3,960	-6	-10
<b>Income after financial items</b>	<b>3,080</b>	<b>3,878</b>	<b>51</b>	<b>-16</b>
Taxes	-18	26	-11	3
<b>Profit for the period</b>	<b>3,062</b>	<b>3,904</b>	<b>40</b>	<b>-13</b>
<b>Total comprehensive income</b>	<b>3,062</b>	<b>3,904</b>	<b>40</b>	<b>-13</b>

### Summary balance sheet (IFRS)

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
Intangible non-current assets	11	14	13
Property, plant and equipment	0	1	1
Financial non-current assets <sup>2</sup>	12,095	11,958	11,768
<b>Total non-current assets</b>	<b>12,106</b>	<b>11,973</b>	<b>11,782</b>
Current receivables	63	97	149
<b>Total current assets</b>	<b>63</b>	<b>97</b>	<b>149</b>
<b>TOTAL ASSETS</b>	<b>12,169</b>	<b>12,070</b>	<b>11,931</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	8,606	7,694	7,996
Provisions	257	329	315
Non-current interest-bearing liabilities <sup>2</sup>	3,203	3,922	3,500
Current liabilities	103	125	120
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,169</b>	<b>12,070</b>	<b>11,931</b>

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

<sup>2</sup> Of these amounts, SEK 733 M (Dec 31, 2018: 301) were intra-Group receivables and SEK 3,203 M (Dec 31, 2018: 3,500) intra-Group liabilities.

Note: The Parent Company's contingent liabilities totaled SEK 170.5 bn on September 30, 2019 (Dec 31, 2018: 167.8), of which SEK 151.1 bn (Dec 31, 2018: 144.0) was related to obligations on behalf of Group companies. Other obligations, SEK 19.4 bn on September 30, 2019 (Dec 31 2018: 23.8), were related to commitments to outside parties.

## Share data

	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Earnings per share according to segment reporting, SEK <sup>1</sup>	10.75	5.07	4.34	1.18	9.55
Earnings per share, SEK <sup>1</sup>	9.34	5.37	3.25	2.02	11.17
Earnings per share after dilution, SEK <sup>2</sup>	9.30	5.34	3.24	2.00	11.11
Equity per share, SEK <sup>3</sup>	73.46	68.26			71.40
Adjusted equity per share, SEK <sup>4</sup>	108.55	100.56			103.99
Average number of shares outstanding	410,514,015	408,999,442			409,130,770
Average number of shares outstanding after dilution	412,381,185	411,237,349			411,415,278
Average dilution, %	0.45	0.54			0.56
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
Average price of total repurchased shares, SEK	137.54	137.54			137.54
Number of total Series B shares repurchased	26,888,228	26,888,228			26,888,228
of which repurchased during the year	0	435,000	0	0	435,000
Number of shares in Skanska's own custody	8,758,302	10,563,560			10,224,634
Number of shares outstanding	411,144,770	409,339,512			409,678,438

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	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2015
Revenue	125,385	120,805	117,204	109,070	111,688
Operating income	5,375	2,444	4,766	4,899	3,401
Profit for the period	4,430	2,091	4,346	3,823	2,395
Earnings per share, SEK	10.75	5.07	10.58	9.30	5.81
Return on capital employed, %	15.7	7.6	19.6	21.6	15.9
Return on equity, %	21.6	9.8	27.1	28.1	19.1
Operating margin, %	4.3	2.0	4.1	4.5	3.0
Return on capital employed according to IFRSs, %	15.6	9.4	14.8	20.4	13.6
Cash flow per share according to IFRSs, SEK <sup>1</sup>	-17.01	-8.87	-12.12	-14.34	-11.10

1 Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding.

## Exchange rates for the most important currencies

SEK	Average exchange rates			Exchange rates on the closing day		
	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
US dollar	9.41	8.58	8.70	9.81	8.89	8.94
British pound	11.97	11.59	11.60	12.07	11.60	11.35
Norwegian krone	1.08	1.07	1.07	1.08	1.09	1.03
Euro	10.57	10.24	10.26	10.71	10.30	10.25
Czech koruna	0.41	0.40	0.40	0.42	0.40	0.40
Polish zloty	2.46	2.41	2.41	2.45	2.41	2.38



## Construction

### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Revenue	117,168	115,314	40,969	40,261	157,894
<b>Gross income</b>	<b>7,262</b>	<b>5,440</b>	<b>2,530</b>	<b>1,553</b>	<b>8,045</b>
Selling and administrative expenses	-4,608	-5,234	-1,414	-1,876	-6,998
Income from joint ventures and associated companies	26	25	11	13	52
<b>Operating income</b>	<b>2,680</b>	<b>231</b>	<b>1,127</b>	<b>-310</b>	<b>1,099</b>
Investments	-1,667	-1,822	-304	-606	-2,526
Divestments	642	185	164	27	430
<b>Net divestments(+)/investments(-)</b>	<b>-1,025</b>	<b>-1,637</b>	<b>-140</b>	<b>-579</b>	<b>-2,096</b>
Gross margin, %	6.2	4.7	6.2	3.9	5.1
Selling and administrative expenses, %	-3.9	-4.5	-3.5	-4.7	-4.4
Operating margin, %	2.3	0.2	2.8	neg	0.7
Order bookings, SEK bn	96.8	102.6	34.9	30.6	151.7
Order backlog, SEK bn	183.7	186.3	-	-	192.0
Employees	33,454	37,556	-	-	37,006

### Revenue by business/reporting unit

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	42,864	41,099	14,564	14,307	57,819
of which Sweden	25,155	24,847	8,360	8,677	35,490
Europe	23,215	25,455	8,005	9,572	34,735
USA	51,089	48,760	18,400	16,382	65,340
<b>Total</b>	<b>117,168</b>	<b>115,314</b>	<b>40,969</b>	<b>40,261</b>	<b>157,894</b>

### Operating income

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	1,576	1,577	565	543	2,177
of which Sweden	846	1,192	344	453	1,617
Europe	455	-564	301	151	-421
USA	649	-782	261	-1,004	-657
<b>Total</b>	<b>2,680</b>	<b>231</b>	<b>1,127</b>	<b>-310</b>	<b>1,099</b>

### Operating margin, %

	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	3.7	3.8	3.9	3.8	3.8
of which Sweden	3.4	4.8	4.1	5.2	4.6
Europe	2.0	neg	3.8	1.6	neg
USA	1.3	neg	1.4	neg	neg
<b>Total</b>	<b>2.3</b>	<b>0.2</b>	<b>2.8</b>	<b>neg</b>	<b>0.7</b>

### Order backlog

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Nordics	63,759	59,977	61,639
of which Sweden	39,702	34,693	35,388
Europe	26,259	36,462	34,941
USA	93,691	89,889	95,462
<b>Total</b>	<b>183,709</b>	<b>186,328</b>	<b>192,042</b>

### Order bookings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	43,640	45,837	16,308	13,021	65,239
of which Sweden	29,443	24,550	12,591	8,580	35,922
Europe	12,660	22,155	3,193	5,837	30,557
USA	40,490	34,580	15,402	11,770	55,923
<b>Total</b>	<b>96,790</b>	<b>102,572</b>	<b>34,903</b>	<b>30,628</b>	<b>151,719</b>

### Book-to build, R-12m

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Nordics	106	100	113
of which Sweden	114	93	101
Europe	65	86	88
USA	91	75	86
<b>Total</b>	<b>91</b>	<b>87</b>	<b>96</b>

## Residential Development

### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Revenue	7,191	6,619	2,384	2,453	10,739
<b>Gross income</b>	<b>1,318</b>	<b>1,619</b>	<b>382</b>	<b>651</b>	<b>2,181</b>
Selling and administrative expenses	-500	-497	-158	-147	-676
<b>Operating income</b>	<b>818</b>	<b>1,122</b>	<b>224</b>	<b>504</b>	<b>1,505</b>
Operating margin, %	11.4	17.0	9.4	20.5	14.0
Investments	-6,847	-7,516	-2,294	-2,595	-10,542
Divestments	8,311	7,584	1,877	2,620	12,146
<b>Net divestments(+)/investments(-)</b>	<b>1,464</b>	<b>68</b>	<b>-417</b>	<b>25</b>	<b>1,604</b>
Capital employed, SEK bn	13.4	14.7	-	-	13.6
Return on capital employed, % <sup>1</sup>	9.5	11.9	-	-	11.4
Employees	544	557	-	-	542

<sup>1</sup> Rolling 12 months.

### Revenue

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	6,422	5,862	2,173	2,178	9,574
of which Sweden	3,517	3,144	1,161	1,234	4,863
Europe	769	757	211	275	1,165
<b>Total</b>	<b>7,191</b>	<b>6,619</b>	<b>2,384</b>	<b>2,453</b>	<b>10,739</b>

### Operating income<sup>1</sup>

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	684	1,003	163	455	1,358
of which Sweden	353	536	73	196	752
Europe	134	119	61	49	147
<b>Total</b>	<b>818</b>	<b>1,122</b>	<b>224</b>	<b>504</b>	<b>1,505</b>

### Operating margin, %<sup>1</sup>

Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
10.7	17.1	7.5	20.9	14.2
10.0	17.0	6.3	15.9	15.5
17.4	15.7	28.9	17.8	12.6
<b>11.4</b>	<b>17.0</b>	<b>9.4</b>	<b>20.5</b>	<b>14.0</b>

<sup>1</sup> Development gain only. Construction margin reported under Construction.

### Homes started

	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	1,519	1,889	589	554	3,512
of which Sweden	1,213	1,348	469	403	2,183
Europe	210	836	0	210	968
<b>Total</b>	<b>1,729</b>	<b>2,725</b>	<b>589</b>	<b>764</b>	<b>4,480</b>

### Homes sold

Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
1,853	1,768	621	552	2,968
1,116	1,105	347	365	1,861
475	446	122	168	685
<b>2,328</b>	<b>2,214</b>	<b>743</b>	<b>720</b>	<b>3,653</b>

### Homes under construction

	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Nordics	5,030	6,100	5,969
of which Sweden	3,370	4,061	3,725
Europe	1,478	1,438	1,570
<b>Total</b>	<b>6,508</b>	<b>7,538</b>	<b>7,539</b>

### Completed unsold, number of homes

Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
171	233	301
105	135	187
5	28	13
<b>176</b>	<b>261</b>	<b>314</b>

### Homes under construction of which sold, %

Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
66	75	68
63	75	72
84	59	68
<b>70</b>	<b>72</b>	<b>68</b>

## Commercial Property Development

### Revenue and earnings

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Revenue	10,787	9,189	3,886	1,879	16,271
of which from divestment of properties	10,334	8,777	3,720	1,757	15,720
<b>Gross income</b>	<b>2,550</b>	<b>2,377</b>	<b>1,087</b>	<b>575</b>	<b>3,936</b>
Selling and administrative expenses	-673	-630	-232	-209	-928
Income from joint ventures and associated companies	143	41	10	90	61
<b>Operating income</b>	<b>2,020</b>	<b>1,788</b>	<b>865</b>	<b>456</b>	<b>3,069</b>
of which gain from divestment of properties <sup>1</sup>	2,665	2,352	1,137	595	4,005
of which write-downs/reversal of write-downs	-70	-3	-1	0	-107
1 Additional gains included in eliminations	108	184	51	51	321
Investments	-8,727	-8,203	-2,571	-2,908	-11,452
Divestments	5,750	7,997	2,207	3,247	15,275
<b>Net divestments(+)/investments(-)</b>	<b>-2,977</b>	<b>-206</b>	<b>-364</b>	<b>339</b>	<b>3,823</b>
Capital employed, SEK bn	36.7	27.1	-	-	26.7
Return on capital employed, % <sup>2</sup>	11.1	10.6	-	-	12.3
Employees	432	412	-	-	414

2 Rolling 12 months.

### Revenue

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	5,654	5,103	278	320	7,549
Europe	3,573	3,792	3,503	1,513	4,421
USA	1,560	294	105	46	4,301
<b>Total</b>	<b>10,787</b>	<b>9,189</b>	<b>3,886</b>	<b>1,879</b>	<b>16,271</b>

### of which from divestments

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	5,490	4,909	222	271	7,278
Europe	3,512	3,676	3,484	1,482	4,291
USA	1,332	192	14	4	4,151
<b>Total</b>	<b>10,334</b>	<b>8,777</b>	<b>3,720</b>	<b>1,757</b>	<b>15,720</b>

### Operating income

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	1,054	1,099	-5	91	1,306
Europe	778	742	935	293	704
USA	188	-53	-65	72	1,059
<b>Total</b>	<b>2,020</b>	<b>1,788</b>	<b>865</b>	<b>456</b>	<b>3,069</b>

### of which from divestments

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018
Nordics	1,337	1,343	86	154	1,628
Europe	1,064	1,006	1,037	440	1,113
USA	264	3	14	1	1,264
<b>Total</b>	<b>2,665</b>	<b>2,352</b>	<b>1,137</b>	<b>595</b>	<b>4,005</b>

### Capital employed

SEK M	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Nordics	11,206	9,182	9,584
Europe	10,598	6,810	7,135
USA	14,940	11,124	9,953
<b>Total</b>	<b>36,744</b>	<b>27,116</b>	<b>26,672</b>

## PPP–Portfolio value

### Unrealized development gain in PPP-portfolio

SEK bn	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Present value of cash flow from projects	5.0	4.5	4.7
Present value of remaining investments	-1.1	-1.0	-1.1
<b>Net present value of projects</b>	<b>3.9</b>	<b>3.5</b>	<b>3.6</b>
Carrying amount before Cash flow hedge / Carrying amount	-2.6	-2.5	-2.5
<b>Unrealized development gain</b>	<b>1.3</b>	<b>1.0</b>	<b>1.1</b>
Cash flow hedge	0.5	0.2	0.3
<b>Effect in unrealized equity<sup>1</sup></b>	<b>1.8</b>	<b>1.2</b>	<b>1.4</b>

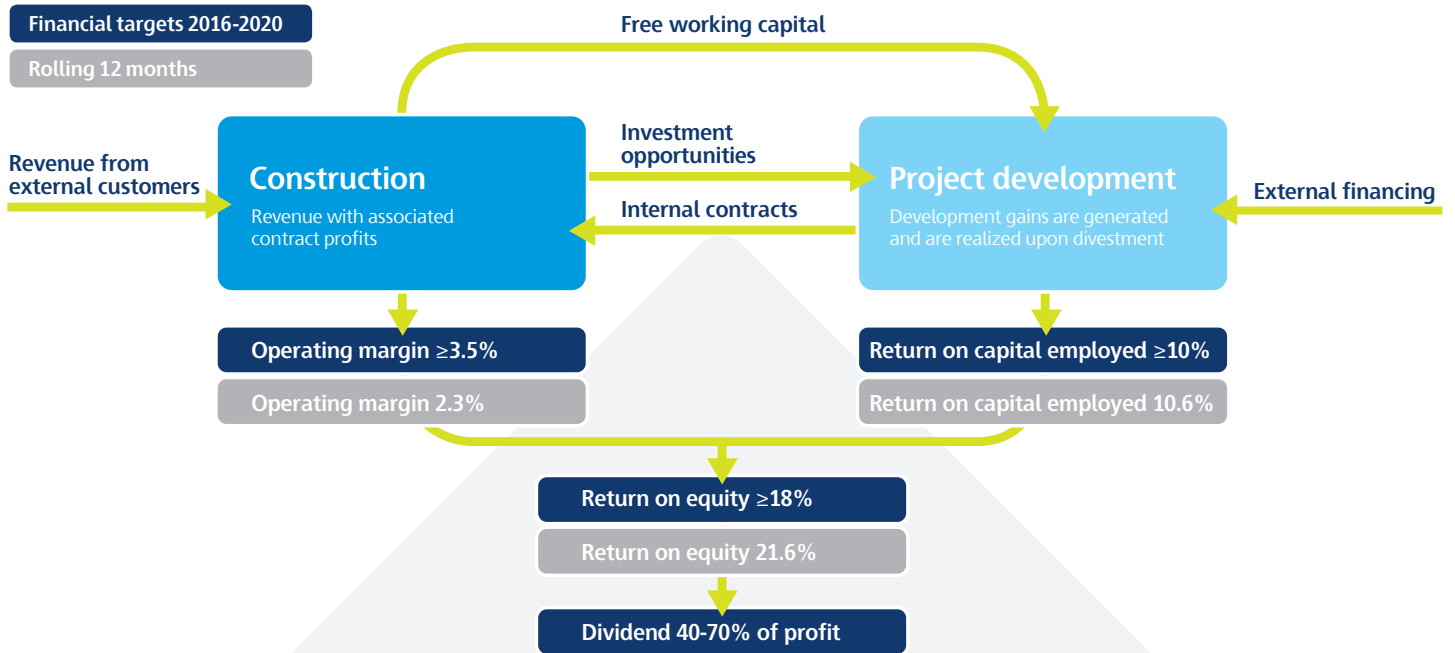
1 Tax effects not included.



# About Skanska

Skanska is one of the world’s leading construction and project development companies, focused on selected home markets in the Nordics, Europe and USA. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities.

## Skanska’s business model



## Internal contracts and cooperation

Operational and financial synergies are, amongst other things, achieved through investments in Project Development, generating internal contracts for Skanska’s Construction stream, as well as through the collaboration between Business Units from different markets. Currently, SEK 19.6 billion of Skanska’s total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 21.5 billion.

Construction revenue from internal Project Development contracts amounted to:



### Visionary, Prague, Czech Republic

Skanska has developed and built Visionary, a 7-story, 23,000 square-meter office building. Visionary is the first building in Central and Eastern Europe to achieve Gold-level of WELL certification, an international rating system focused on health and well-being. Visionary was sold to Austria-based real estate company CA Immo in June 2018.

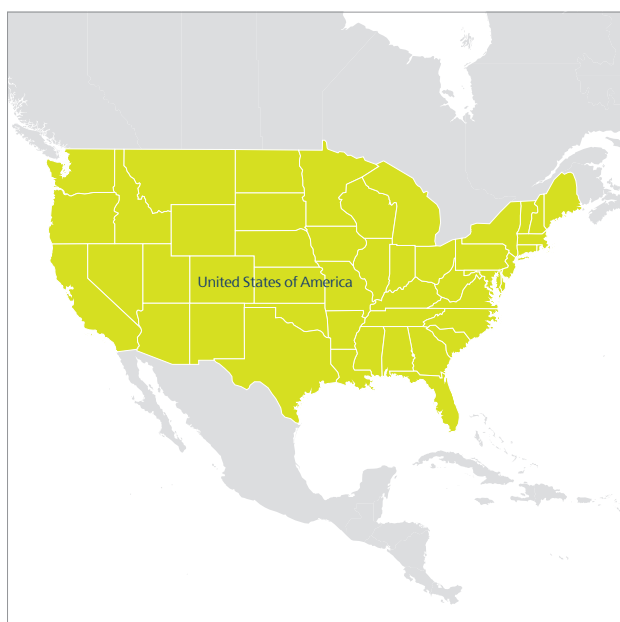
Value of orders in backlog generated through cooperation between Business Units:



### LaGuardia Airport, New York City, USA

Skanska USA Building and Skanska USA Civil are leading the design-build joint venture for LaGuardia’s new Terminal B. The project achieved top-level Platinum certification under Envision, an infrastructure rating system that assesses social, environmental and economic sustainability.

## Skanska's home markets



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This report will also be presented via a telephone conference and a webcast at 10:00 a.m. (CET) on November 7, 2019. The telephone conference will be webcasted live at [www.skanska.com/investors](http://www.skanska.com/investors), where a recording of the conference will also be available later. To participate in the telephone conference, please dial +46 8 566 426 51, or +44 333 300 0804, or +1 631 913 1422. PIN code 53855192#. This and previous releases can also be found at [www.skanska.com/investors](http://www.skanska.com/investors).

The information provided herein is such as Skanska AB is obligated to disclose pursuant to the EU market securities act (EU) no. 596/2014.