

**SKANSKA**

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Q1 2020

Press release, April 28, 2020, 7:30 a.m. CET



**We build for a better society.**  
Slussen, Stockholm, Sweden



# Three month report, January–March 2020

## Highlights according to segment reporting

- Revenue amounted to SEK 41.2 billion (35.1); adjusted for currency effects revenue increased 14 percent.
- Operating income amounted to SEK 2.9 billion (0.5).
- Earnings per share amounted to SEK 5.78 (0.87).
- Operating cash flow from operations amounted to SEK 1.6 billion (–1.3), according to IFRS.
- Adjusted interest-bearing net receivables (+)/net debt (–) totaled SEK 5.3 billion (December 31, 2019: 3.2), according to IFRS.
- Order bookings in Construction amounted to SEK 41.3 billion (27.3); adjusted for currency effects order bookings increased 48 percent. The order backlog amounted to SEK 199.0 billion (December 31, 2019: 185.4).
- Operating income in Construction amounted to SEK 0.6 billion (0.4).
- Operating income in Project Development amounted to SEK 2.5 billion (0.3).
- Return on capital employed in Project Development was 14.8 percent (9.7).
- Return on equity was 27.0 percent (13.4).

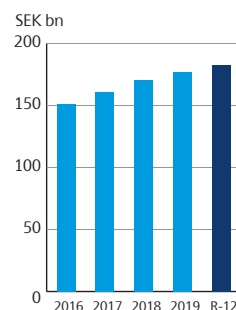
### Performance analysis

Tables referring to segment reporting are in shaded background. For more information see page 14. For definitions of non-IFRS financial measures see pages 15-17.

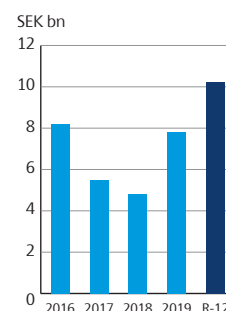
SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
<b>Revenue</b>			
Construction	35,939	35,333	2
Residential Development	3,400	2,141	59
Commercial Property Development	4,759	884	438
Central and eliminations	–2,932	–3,256	–10
<b>Total</b>	<b>41,166</b>	<b>35,102</b>	<b>17</b>
<b>Operating income</b>			
Construction	589	371	59
Residential Development	394	198	99
Commercial Property Development	2,112	84	2,414
Central	–121	–148	–18
Eliminations	–73	–17	329
<b>Operating income</b>	<b>2,901</b>	<b>488</b>	<b>494</b>
<b>Net financial items</b>	<b>–48</b>	<b>–62</b>	<b>–23</b>
<b>Income after financial items</b>	<b>2,853</b>	<b>426</b>	<b>570</b>
Taxes	–470	–71	562
<b>Profit for the period</b>	<b>2,383</b>	<b>355</b>	<b>571</b>
Earnings for the period per share, SEK	5.78	0.87	568
Revenue for the period according to IFRSs	40,340	37,115	9
Operating income for the period according to IFRSs	1,482	1,084	37
Earnings for the period per share according to IFRSs, SEK	2.91	2.11	38
Operating cash flow from operations	1,631	–1,319	–
Interest-bearing net receivables(+)/net debt(–)	–3,244	–7,151	–55
Return on capital employed in Project Development, % <sup>1</sup>	14.8	9.7	
Adjusted interest-bearing net receivables(+)/net debt(–)	5,294	887	497
Return on equity, % <sup>1</sup>	27.0	13.4	

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

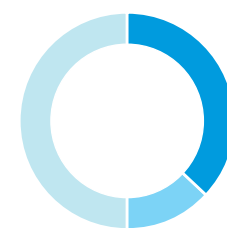
### Revenue



### Operating income

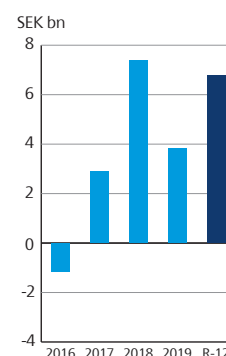


### Operating income per segment, Mar 31, 2020, R-12



- Construction, 37%
- Residential Development, 13%
- Commercial Property Development, 50%

### Operating cash flow from operations



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



Skanska's first quarter result in 2020 was strong in all three business streams. But the prospect of slower future economic growth that I mentioned after delivering solid results in 2019 has quickly turned into a much more negative and severe situation due to the Covid-19 pandemic. Real economies and financial markets are negatively impacted. Currently it is very difficult to tell how severe the crisis will be and exactly how

long it will last. For Skanska, it is of utmost importance to protect our people and the company, as well as support the societies we operate in to fight the spread of the virus. Skanska has, thanks to the strategic initiatives that were initiated in 2018, improved performance, reduced risks and costs and strengthened the balance sheet and governance. In times like these, Skanska is standing strong. To make sure that we maintain that position long-term we are taking actions that will allow us to adjust to a future that will look different after the Covid-19 pandemic.

In Construction, the first quarter yet again proved that we are on the right path as we continue to improve our profitability. The stream was not substantially impacted by the Covid-19 outbreak, as many projects have been able to proceed according to plan. Order bookings have also been strong. However, we currently have some projects being shut down due to government decisions, mainly in the US and UK, and some projects are progressing at a slower pace. This will have a negative impact on volumes and earnings for some time to come. The top priority is to get these projects back in full production as soon as possible and avoid additional shut downs or reductions in execution. Long-term, our strategy remains: Selective bidding, improved commercial focus and increased cost efficiency.

In Residential Development, the volumes were strong, and profitability was maintained at a good level in the first quarter. Looking ahead, a reduction in consumer confidence due to weaker economies and increased unemployment is likely to negatively impact the housing market. Already now we can see that home sales in the beginning of the second quarter are off to a slow start. Adjusting to this new market situation is our primary focus. But with our long-term ambition to be a leading residential developer in our home markets, combined with a solid balance sheet, we expect that we will continue to create profitable opportunities in the future.

In Commercial Property Development, two significant and very profitable divestments were signed during the first quarter and were the main contributors to a very strong start of 2020. Moreover, the current economic uncertainty and the risk aversion in the financial markets is impacting the transaction market negatively. This is expected to impact our divestment activity for some time to come. When this uncertainty lessens, transactions are expected to come back. The pandemic's impact on real economies is also impacting our leasing activities. We have occupancy rates at satisfactory levels in our portfolio of high-quality green developments in attractive locations but the pace of future leasing is expected to slow. We have a very robust and experienced organization to tackle the current market situation. Backed by a strong financial position, our long-term ambition is to continue to grow our Commercial Property Development operations.

The near future is currently very uncertain, and we are following the situation closely. We are planning for various scenarios and are taking precautionary actions in many areas. Caring for our people is of course a top priority and maintaining a strong balance sheet and good liquidity is also of great importance. As communicated earlier, the Board of Directors withdrew the dividend proposal to the Annual General Meeting held in March with the ambition to convene an Extra General Meeting to decide on the dividend in the autumn, if circumstances permit. As I mentioned in the very beginning, Skanska is standing strong. And we are well positioned to come out stronger as the pandemic is contained.



### Slussen, Stockholm, Sweden

Slussen, at the center of Stockholm, is a transportation hub that more than 480,000 people pass through daily. It is also one of Sweden's largest ongoing construction projects. The City of Stockholm is responsible for the major reconstruction of the area of which Skanska manages four of five large contracts, including the engineering and constructing of the new Slussen bridge, a massive steel structure that is 145 meters long. The 3,500-tonne bridge arrived in Stockholm in March 2020, after traveling 20,333 kilometers from China. The entire project, which is targeted for completion in 2025, will better connect Stockholm and will provide the city with a more secure drinking water supply.

# Market outlook, next 12 months

The Covid-19 pandemic is impacting both real economies in Skanska’s home markets and the financial market to a significant extent. Deteriorating real economy is expected, with lower demand in many industries, lower investments, increase in unemployment, and pressure on the national finances for many countries. Currently, it is difficult to say how severe the impact will be and for how long it will last.

- 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

The extensive lockdown measures in countries outside of Sweden are now starting to impact the construction industry. Disruption to the supply chain of equipment, materials and subcontractors are also impacting the industry but to a lesser extent. The industry might face increased downward pressure on demand, especially in the private sector, along with supply chain challenges, if the Covid-19 pandemic continues or intensifies. Slowing economies will need stimulus however, and public investments into infrastructure and social infrastructure are usually considered as an effective way to stimulate the economies by decision makers.

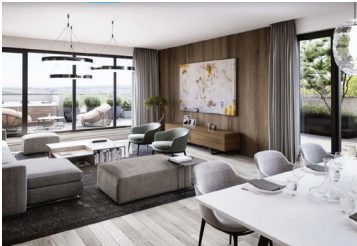
	Building, non-residential	Building, residential	Civil
<b>Nordics</b>			
Sweden	⬇️	⬇️	⬇️
Norway	⬇️	⬇️	⬇️
Finland	⬇️	⬇️	➡️
<b>Europe</b>			
Poland	⬇️	⬇️	➡️
Czech Republic <sup>1</sup>	⬇️	⬇️	➡️
United Kingdom	⬇️	-	⬇️
<b>USA</b>			
USA	⬇️	-	⬇️

1 Including Slovakia.

### Residential Development

Greater economic uncertainty and rising unemployment in many markets will likely impact consumer confidence for buying a home negatively, leading to a lower demand and potentially lower housing prices. Longer term, low interest rate policies to support a recovery in the economies would however improve affordability. This would strengthen the consumer confidence and the housing market which in many areas are experiencing a housing shortage.

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




Čertův vršek, Prague, Czech Republic

### Commercial Property Development

A decline in transaction volumes is expected as the uncertainties in the financial markets will turn property investors more risk-averse. The economic uncertainty will also have a negative impact on the availability of credit. Once the Covid-19 pandemic and its toll on the economies has bottomed out and uncertainties are being reduced the transaction volumes are likely to recover. Deteriorating economies is impacting the leasing market negatively and rent levels are expected to come down. However, several monetary and fiscal stimuli packages to contain the negative economic impact have been launched and could contribute to a recovery.

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

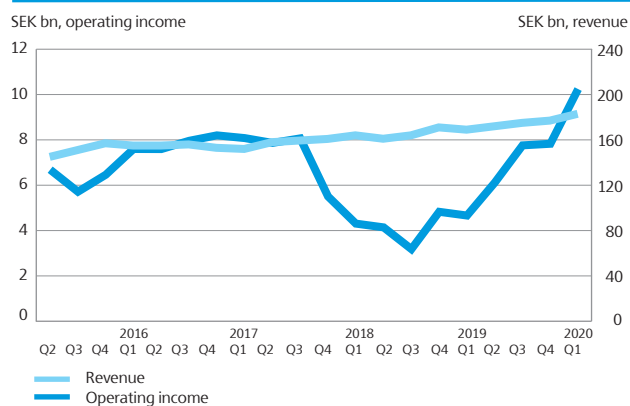


High Five, Krakow, Poland

## Performance analysis

### Group

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



#### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
Revenue	41,166	35,102	17
Operating income <sup>1,2</sup>	2,901	488	494
Net financial items	-48	-62	-23
<b>Income after financial items</b>	<b>2,853</b>	<b>426</b>	<b>570</b>
Taxes	-470	-71	562
<b>Profit for the period</b>	<b>2,383</b>	<b>355</b>	<b>571</b>
Earnings for the period per share, SEK <sup>3</sup>	5.78	0.87	568
Earnings for the period per share according to IFRSs, SEK <sup>3</sup>	2.91	2.11	38

1 Central, SEK -121 M (-148).

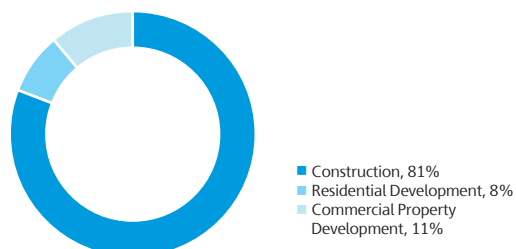
2 Eliminations, SEK -73 M (-17).

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

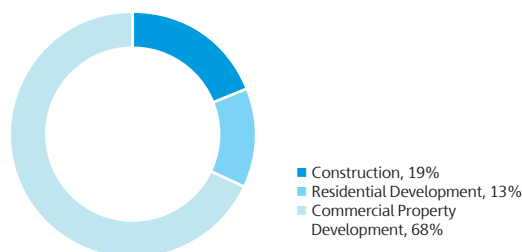
#### Changes and currency rate effects

	Jan-Mar 2020 / Jan-Mar 2019		
	Change in SEK	Change in local currency	Currency effect
Revenue	17%	14%	3%
Operating income	494%	489%	5%

#### Revenue per segment, January–March 2020



#### Operating income per segment, January–March 2020



Revenue increased 17 percent and amounted to SEK 41.2 billion (35.1); adjusted for currency effects revenue increased 14 percent.

Operating income increased 494 percent and amounted to SEK 2,901M (488); adjusted for currency effects operating income increased 489 percent. Operating income was strong in all three business streams. The operating income was positively impacted by two significant divestments within Commercial Property Development.

Central expenses totaled SEK -121 M (-148) of which SEK -5 M (25) relate to the PPP-portfolio. The elimination of gains in Intra-Group projects amounted to SEK -73 M (-17).

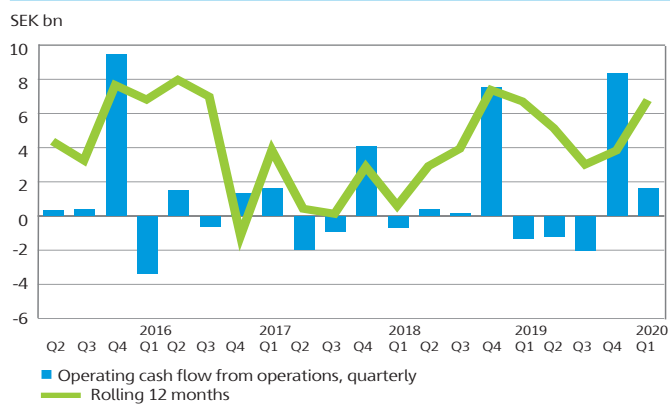
Net financial items amounted to SEK -48 M (-62).

Taxes for the period amounted to SEK -470 M (-71), corresponding to an effective tax rate of 16 percent (17).

## Cash flow

### Group

#### Operating cash flow from operations



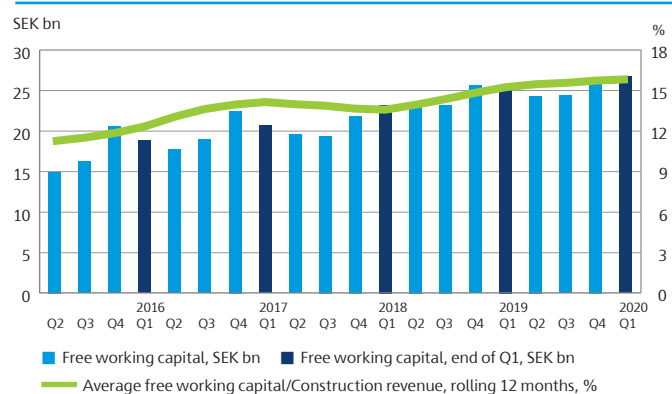
#### Operating cash flow

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
Cash flow from business operations	746	831	-10
Change in working capital	279	-525	-
Net divestments(+)/investments(-)	1,478	-1,160	-
Cash flow adjustment	33	34	-3
<b>Cash flow from business operations before taxes paid</b>	<b>2,536</b>	<b>-820</b>	<b>-</b>
Taxes paid in business operations	-579	-351	65
Cash flow from financing operations	-326	-148	120
<b>Operating cash flow from operations</b>	<b>1,631</b>	<b>-1,319</b>	<b>-</b>
Net strategic divestments(+)/investments(-)	0	-6	-
Dividend etc	0	0	-
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>1,631</b>	<b>-1,325</b>	<b>-</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,645	-1,200	-
<b>Cash flow for the period</b>	<b>3,276</b>	<b>-2,525</b>	<b>-</b>

Operating cash flow from operations amounted to SEK 1,631 M (-1,319), where change in net divestments in Commercial Property Development is the main reason for the change in cash flow.

Taxes paid in business operations amounted to SEK -579 M (-351) and the increase is a result of higher income after financial items. Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 8.9 billion, of which SEK 6.9 billion will be received during 2020. The remainder will affect cash flow during 2021 and 2022.

#### Free working capital in Construction



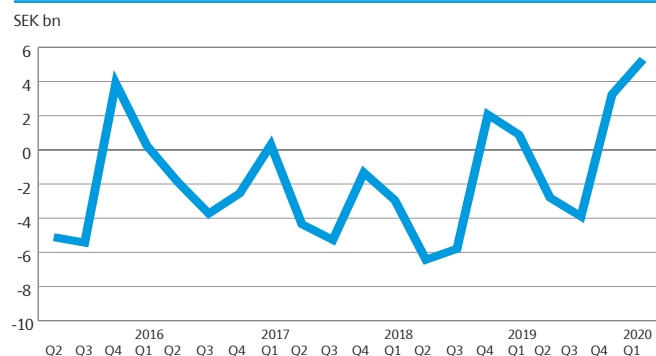
Free working capital in Construction amounted to SEK 26.7 billion (25.5), with average free working capital in relation to Construction revenue in the past 12 months at 15.8 percent. Free working capital in Construction remained at a good level due to favorable cash flow profiles in several projects and continued focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK -693 M (-892).



CityGate, Gothenburg, Sweden

## Financial position

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



### Balance sheet – Summary

SEK bn	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Total assets	131.5	125.6	126.0
Total equity	34.8	28.0	33.0
Interest-bearing net receivables (+)/net debt (-)	-3.2	-7.2	-4.9
Adjusted interest-bearing net receivables(+)/net debt(-)	5.3	0.9	3.2
Capital employed, closing balance	58.8	52.8	55.9
Equity/assets ratio, %	26.5	22.3	26.2

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

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Opening balance interest-bearing net receivables(+)/net debt(-)	-4,917	3,231	3,231
Change in accounting principle <sup>1</sup>	-	-7,469	-7,469
<b>Adjusted opening balance</b>	<b>-4,917</b>	<b>-4,238</b>	<b>-4,238</b>
<b>Cash flow for the period</b>	<b>3,276</b>	<b>-2,525</b>	<b>-2,074</b>
Less change in interest-bearing receivables and liabilities	-1,645	1,200	3,415
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>1,631</b>	<b>-1,325</b>	<b>1,341</b>
Translation differences, net receivables/net debt	-131	120	129
Remeasurements of pension liabilities	-10	-445	-751
Interest-bearing liabilities acquired/divested	0	-615	-505
Other changes, interest-bearing net receivables/net debt	183	-648	-893
<b>Change in interest-bearing net receivables/net debt</b>	<b>1,673</b>	<b>-2,913</b>	<b>-679</b>
<b>Closing balance interest-bearing net receivables(+)/net debt(-)</b>	<b>-3,244</b>	<b>-7,151</b>	<b>-4,917</b>
Restricted cash	-5,709	-6,000	-6,084
Pension liability, net	5,270	4,960	5,321
Lease liabilities	8,977	9,078	8,921
<b>Closing balance adjusted interest-bearing net receivables(+)/net debt(-)</b>	<b>5,294</b>	<b>887</b>	<b>3,241</b>

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

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 5.3 billion (December 31, 2019: 3.2). Interest-bearing net debt amounted to SEK -3.2 billion (December 31, 2019: -4.9) and include SEK 9.0 billion in interest-bearing lease liabilities according to IFRS 16.

At the end of the quarter, cash, cash equivalents and committed unutilized credit facilities amounted to SEK 19.3 billion (December 31, 2019: 17.6), of which SEK 17.0 billion (December 31, 2019: 11.8) is available within one week. The Group central loan portfolio amounted to SEK 3.7 billion (December 31, 2019: 3.5) consisting of SEK 1.0 billion in Medium-Term Note (MTN) program with an average maturity of 1.9 years and SEK 2.7 billion in bilateral loans with an average maturity of 3.0 years. At March 31, the Group's unutilized credit facilities totaled SEK 7.1 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.6 years (December 31, 2019: 3.4). At the end of the quarter, capital employed amounted to SEK 58.8 billion (December 31, 2019: 55.9).

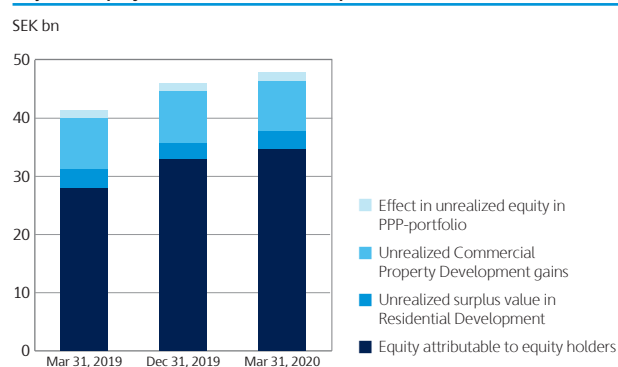
## Equity

### Changes in equity

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Opening balance	33,021	29,347	29,347
Change in accounting principle <sup>1</sup>	-	-67	-67
<b>Adjusted opening balance</b>	<b>33,021</b>	<b>29,280</b>	<b>29,280</b>
Dividend to shareholders	0	-2,462	-2,462
Other changes in equity not included in total comprehensive income for the year	70	60	219
Profit for the period	1,199	864	6,054
<b>Other comprehensive income</b>			
Translation differences	734	705	679
Effects of remeasurements of pensions	-69	-361	-729
Effects of cash flow hedges	-165	-52	-20
<b>Closing balance</b>	<b>34,790</b>	<b>28,034</b>	<b>33,021</b>

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

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

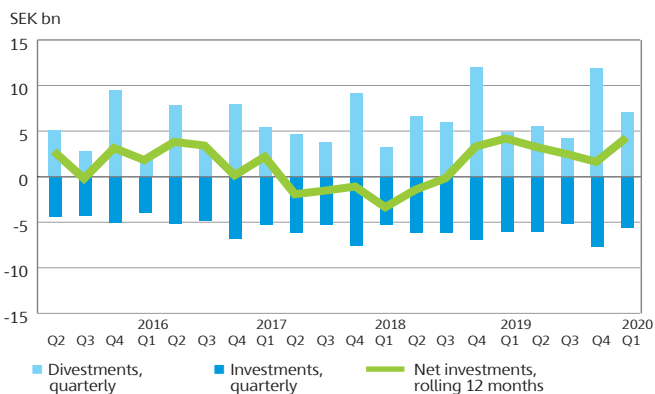


The Group's equity amounted to SEK 34.8 billion (28.0), resulting in an equity/assets ratio of 26.5 percent (22.3) and a net debt/equity ratio of 0.1 (0.3). The strengthening of the equity position relative to the comparable period is related to the absence of a dividend pay-out and higher profit.

Translation differences amounted to SEK 734 M (705) and are due to a weaker Swedish krona. Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 14.6 billion of which SEK 2.3 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 13.2 billion and SEK 2.1 billion respectively.

## Investments and divestments

### Investments and divestments



The Group's investments amounted to SEK –5,624 M (–6,075), while divestments amounted to SEK 7,102 M (4,909), resulting in net divestments of SEK 1,478 M (–1,166).

In Construction, investments totaled SEK –295 M (–859). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –272 M (–735). Depreciation of property, plant and equipment and depreciation of property, plant and equipment right-of-use assets amounted to SEK –671 M (–651).

In Residential Development, investments totaled SEK –2,709 M (–2,222), of which SEK –383 M (–366) relates to land acquisitions, corresponding to 502 building rights. Divestments amounted to SEK 1,944 M (3,403). Net investments in Residential Development amounted to SEK –765 M (1,181).

In Commercial Property Development, investments totaled SEK –2,581 M (–2,976), of which SEK –355 M (–225) relates to investments in new land, while divestments amounted to SEK 5,120 M (1,360). Net divestments in Commercial Property Development amounted to SEK 2,539 M (–1,616).



Investment, Ensjø Torg, Oslo, Norway

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

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
<b>Investments</b>			
Construction	–295	–859	–66
Residential Development	–2,709	–2,222	22
Commercial Property Development	–2,581	–2,976	–13
Other	–39	–18	117
<b>Total</b>	<b>–5,624</b>	<b>–6,075</b>	<b>–7</b>
<b>Divestments</b>			
Construction	23	124	–81
Residential Development	1,944	3,403	–43
Commercial Property Development	5,120	1,360	276
Other	15	22	–32
<b>Total</b>	<b>7,102</b>	<b>4,909</b>	<b>45</b>
<b>Net divestments(+)/investments(-)</b>			
Construction	–272	–735	–63
Residential Development	–765	1,181	–
Commercial Property Development	2,539	–1,616	–
Other	–24	4	–
<b>Total</b>	<b>1,478</b>	<b>–1,166</b>	<b>–</b>
of which strategic	0	–6	–

### Capital employed in Project Development

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Residential Development	13,301	12,873	12,954
Commercial Property Development	34,905	32,828	34,495
<b>Total in Project Development</b>	<b>48,206</b>	<b>45,701</b>	<b>47,449</b>



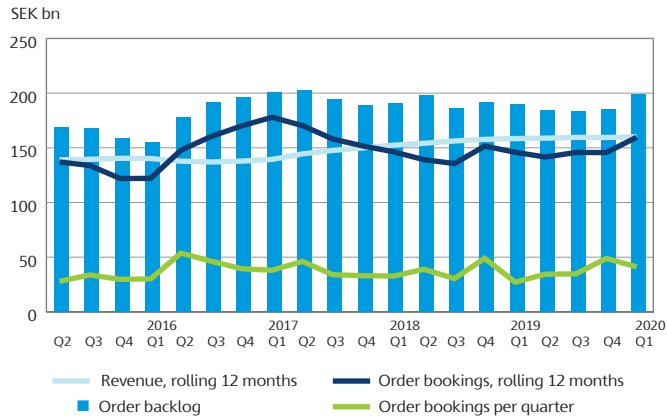
Divestment, Solna United, Stockholm, Sweden



## Performance analysis, business streams

### Construction – Order situation

#### Order backlog, revenue and order bookings



#### Order bookings and order backlog in Construction

SEK bn	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Order bookings	41.3	27.3	145.8
Order backlog <sup>1</sup>	199.0	190.1	185.4

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

Order bookings amounted to SEK 41.3 billion (27.3); adjusted for currency effects order bookings increased 48 percent. On a rolling 12-month basis the book-to-build ratio was 100 percent (December 31, 2019: 91). The order bookings were strong across all markets during the first quarter 2020 compared to the comparable period last year. For more information, see page 26.

At the end of the quarter, the order backlog amounted to SEK 199.0 billion compared to SEK 185.4 billion at the end of the previous quarter. The order backlog corresponds to 15 months of production (December 31, 2019: 14).

#### Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
<b>Jan-Mar 2020 / Jan-Mar 2019</b>			
Order bookings	51%	48%	3%
<b>Mar 31, 2020 / Dec 31, 2019</b>			
Order backlog	7%	3%	4%

#### Major orders in the quarter

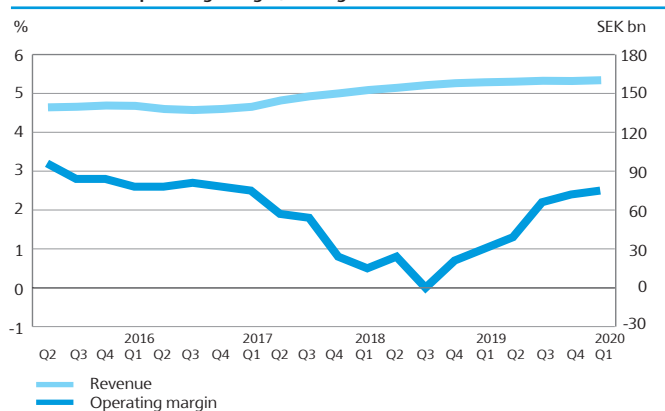
Geography	Contract	Amount SEK M	Client
Europe	Office project	3,000	Great Elm Assets Limited
USA	Bridge	2,900	Maryland Transportation Authority
USA	Additional office improvements	2,400	Existing client
Nordic	Hospital	2,000	Oulu University Hospital
USA	Bridge	1,900	Delaware River Port Authority



Bridge over the Potomac River, Virginia, USA

## Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
Revenue	35,939	35,333	2
<b>Gross income</b>	<b>2,211</b>	<b>1,945</b>	<b>14</b>
Selling and administrative expenses	-1,621	-1,574	3
Income from joint ventures and associated companies	-1	0	-
<b>Operating income</b>	<b>589</b>	<b>371</b>	<b>59</b>
Gross margin, %	6.2	5.5	
Selling and administrative expenses, %	-4.5	-4.5	
Operating margin, %	1.6	1.1	
Employees	31,796	34,351	

Changes and currency rate effects

	Jan-Mar 2020 / Jan-Mar 2019		
	Change in SEK	Change in local currency	Currency effect
Revenue	2%	-1%	3%
Operating income	59%	54%	5%

Revenue in the Construction business stream increased 2 percent and amounted to SEK 35.9 billion (35.3); adjusted for currency effects revenue decreased by 1 percent. Operating income increased 59 percent and amounted to SEK 589 M (371); adjusted for currency effects operating income increased 54 percent. The improvement in profitability is related to enhanced performance in the USA and Europe, while Nordics remains stable.

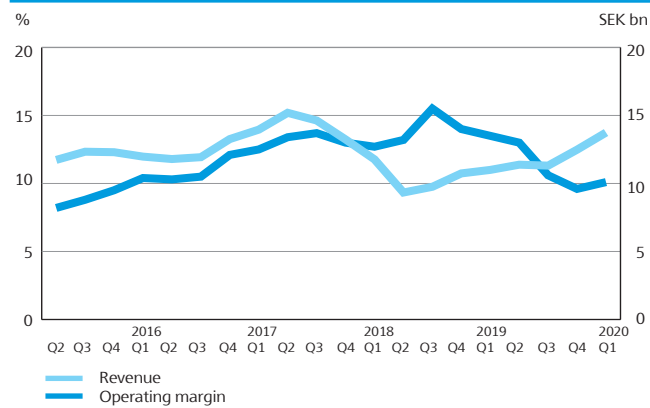


20 Ropemaker Street, London, UK



## Residential Development

### Revenue and operating margin, rolling 12 months



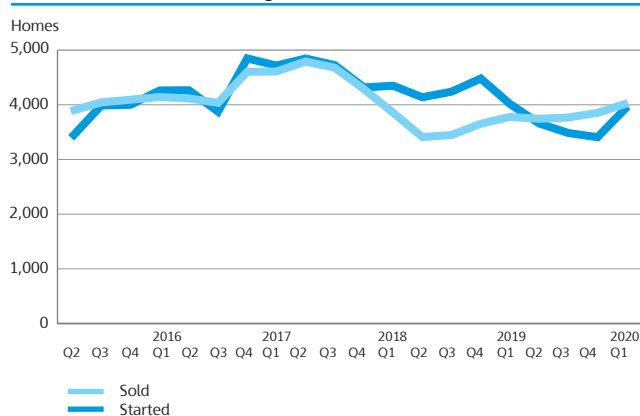
### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
Revenue	3,400	2,141	59
<b>Gross income</b>	<b>554</b>	<b>368</b>	<b>51</b>
Selling and administrative expenses	-160	-170	-6
<b>Operating income</b>	<b>394</b>	<b>198</b>	<b>99</b>
Gross margin, %	16.3	17.2	
Selling and administrative expenses, %	-4.7	-7.9	
Operating margin, %	11.6	9.2	
Return on capital employed, % <sup>1</sup>	11.5	11.3	

<sup>1</sup> For definition see page 16.

Revenue in the Residential Development business stream amounted to SEK 3,400 M (2,141). The number of homes sold totaled 911 (740) and construction started on 971 homes (423). Operating income amounted to SEK 394 M (198). The operating margin amounted to 11.6 percent (9.2).

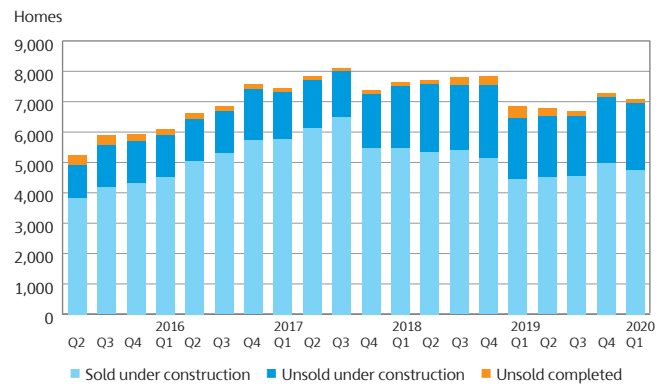
### Homes sold and started, rolling 12 months



### Homes sold and started

	Jan-Mar 2020	Jan-Mar 2019
Homes sold	911	740
Homes started	971	423

### Homes under construction and unsold



### Homes under construction and unsold

	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Homes under construction	6,948	6,454	7,130
of which sold, %	68	69	70
Completed unsold, number of homes	139	403	134

Return on capital employed was 11.5 percent (11.3). At the end of the quarter, 6,948 homes (December 31, 2019: 7,130) were under construction. Of these, 68 percent (December 31, 2019: 70) were sold. The number of completed unsold homes amounted to 139 (December 31, 2019: 134). The number of completed homes amounted to 1,153 (1,508) in the first quarter of 2020.

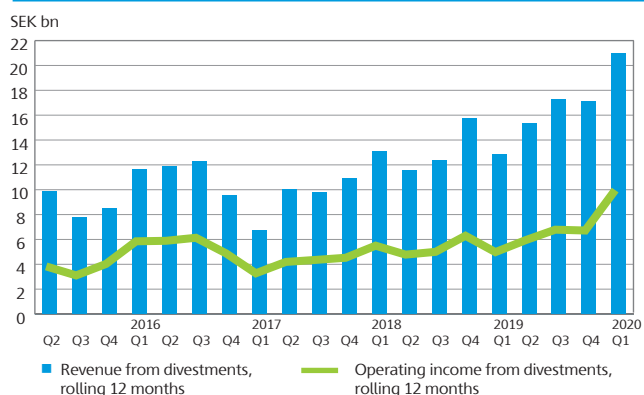
### Breakdown of carrying amounts

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Completed projects	1,124	1,164	567
Ongoing projects	8,509	7,240	7,902
Undeveloped land and development properties	7,991	7,823	8,196
<b>Total</b>	<b>17,624</b>	<b>16,227</b>	<b>16,665</b>

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 8.5 billion (December 31, 2019: 7.9) and undeveloped land and development properties amounted to SEK 8.0 billion (December 31, 2019: 8.2). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 3.3 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 25,700 homes and 1,300 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 13,000 building rights.

## Commercial Property Development

### Revenue and operating income from property divestments



### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Change, %
Revenue	4,759	884	438
of which from divestment of properties	4,546	747	509
<b>Gross income</b>	<b>2,330</b>	<b>182</b>	<b>1,180</b>
Selling and administrative expenses	-215	-229	-6
Income from joint ventures and associated companies	-3	131	-
<b>Operating income</b>	<b>2,112</b>	<b>84</b>	<b>2,414</b>
of which from divestment of properties	2,285	214	968
Return on capital employed, % <sup>1</sup>	16.0	8.9	

1 For definition see page 16.

In the Commercial Property Development business stream, divestments worth SEK 4,546 M (747) were made in the first quarter of 2020. Operating income amounted to SEK 2,112 M (84) and included gains from property divestments totaling SEK 2,285 M (214) as well as income from joint ventures totaling SEK -3 M (131).

Return on capital employed was 16.0 percent (8.9).

### 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>	15,063	25,876	32,938	57	60
Completed projects <sup>4,5</sup>	5,929	5,929	7,426	68	100
Undeveloped land and development properties	10,721	10,721	11,684		
<b>Total</b>	<b>31,713</b>	<b>42,526</b>	<b>52,048</b>		
of which carrying amount <sup>6</sup>	31,538	42,351			
of which completed projects sold according to segment reporting	589	589	1,005		
of which ongoing projects sold according to segment reporting	3,733	5,561	7,898		

1 Market value according to appraisal on December 31, 2019.

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

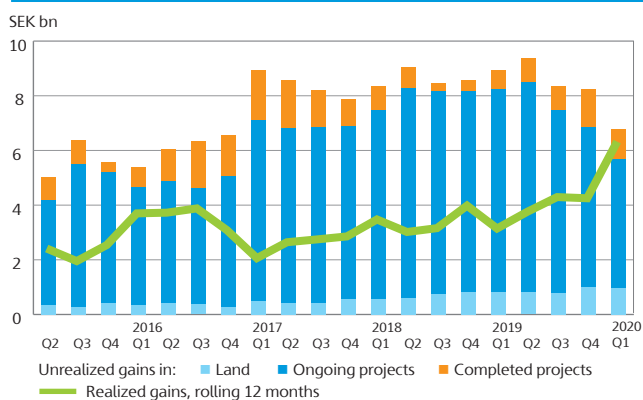
3 Including tenant improvement and leasing commissions in CDUS amounted to SEK 485 M.

4 Including tenant improvement and leasing commissions in CDUS amounted to SEK 618 M.

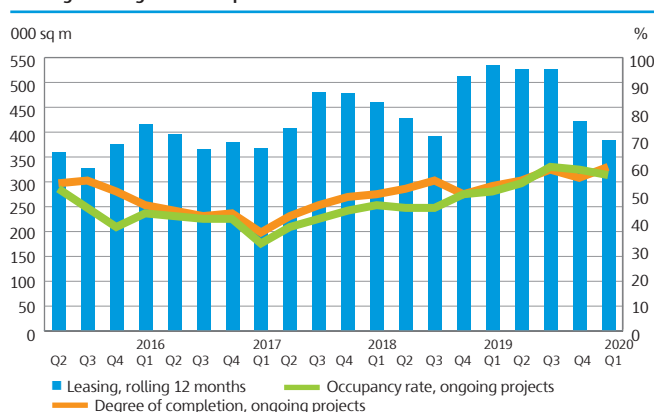
5 Skanska's share of total production cost in JVs is SEK 317 M end of period and upon completion.

6 Includes Skanska's total equity investment in JV of SEK 142 M.

### Unrealized and realized gains, segment reporting



### Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 37 ongoing projects. During the first quarter, one new project was started and six were completed. The 37 ongoing projects represent leasable space of about 793,000 sq m with an occupancy rate of 57 percent, measured in rent. The projects' degree of completion was 60 percent. Their investment value upon completion is expected to total SEK 25.9 billion, with an estimated market value of SEK 32.9 billion.

Of the ongoing projects, 14 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 5.6 billion, with a sales value of SEK 7.9 billion. By the end of the first quarter the total number of completed projects amounted to 12. The market value of these projects, excluding property divested according to segment reporting, was SEK 6.4 billion. The occupancy rate, measured in rent, totaled 68 percent (December 31, 2019: 65).

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 6.8 billion. These gains related to SEK 4.7 billion in ongoing projects, SEK 1.1 billion in completed projects and SEK 1.0 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK 620 M. These eliminations are released at the Group level as each project is divested. During first quarter new leases were signed for 48,000 sq m (86,000).

## Personnel

During the period, the average number of employees in the Group was 33,330 (35,924). At the end of the quarter, the number of employees totaled 33,535 people (December 31, 2019: 33,585).

## Transactions with related parties

For the nature and extent of transactions with related parties, see the Annual and Sustainability Report 2019, 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 2019, pages 50-54, Note 2 and 6, as well as the section above on market outlook.

## Other matters

### Annual General Meeting

Due to the prevailing uncertainty caused by Covid-19, the Board of Directors decided to withdraw the dividend proposal to the Annual General Meeting on March 26, 2020. The Annual General Meeting resolved that no dividend shall be paid, in accordance with the Board's proposal. The Board of Directors has the ambition, if the circumstances permit, to convene an Extra General Meeting in the autumn to decide on the dividend. The meeting re-elected Hans Biörck, Pär Boman, Jan Gurander, Fredrik Lundberg, Catherine Marcus, Jayne McGivern and elected Åsa Söderström Winberg as Board members. Hans Biörck was re-elected as Chairman of the Board.

### Repurchase of shares

At the statutory Board meeting on March 26, 2020, the Board resolved to exercise the authorization given by the Annual General Meeting on March 26, 2020 to acquire own Series B shares in Skanska on the following terms and conditions to secure delivery of Series B shares to participants in the Skanska employee ownership program adopted by the Annual General Meeting on March 28, 2019 (Seop 5). Acquisitions may be made on one or several occasions, however at the latest until the 2021 Annual General Meeting, of no more than 1,200,000 Series B shares in Skanska on Nasdaq Stockholm at a price within the from time to time applicable range of prices (spread) on Nasdaq Stockholm, meaning the interval between the highest purchase price and the lowest selling price. Acquired own Series B shares in Skanska may be transferred to participants in Seop 5 in accordance with the conditions stipulated in the decision by the Annual General Meeting on March 28, 2019. On March 26, 2020 Skanska held 8,107,126 Series B shares in its own custody.

## Events after the end of the report period

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

## Financial reports for 2020

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

The Group's remaining interim reports for 2020 will be published on the following dates:

July 23, 2020	Six Month Report
November 5, 2020	Nine Month Report
February 5, 2021	Year-end Report

Stockholm April 28, 2020

### Anders Danielsson

President and Chief Executive Officer

This interim report has not been subject to a review by the company's auditors.

## Accounting principles

For the Group, this interim report has been prepared in compliance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Securities Market Act. 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.

As of January 1, 2020, the Group applies the amendments to IFRS 9 and IFRS 7 attributable to the Interest Rate Benchmark Reform. In connection with the reform, the amendment provides temporary relief regarding specific requirements when hedge accounting is applied. The relief aims to ensure that hedge accounting does not end in connection with the reform. The change has not had any significant impact on the Group's financial reports.

## 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 2019, 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 2019, Note 43.

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 22,055 - tax assets -281 - deposits in internal bank -582 - pension receivable -33 - non-interest-bearing liabilities (excluding tax liabilities) -7,783 - capitalized interest expense -75 13,301	Measure capital usage and efficiency in Residential Development.
Capital employed Commercial Property Development (CD) SEK M	Total assets 39,752 - tax assets -344 - deposits in internal bank 0 - pension receivable 0 - non-interest-bearing liabilities (excluding tax liabilities) -4,165 - capitalized interest expense -338 34,905	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> <tr><td>Operating income</td><td></td><td></td><td></td><td>1,391</td></tr> <tr><td>+ capitalized interest expense</td><td></td><td></td><td></td><td>110</td></tr> <tr><td>+/- financial income and other financial items</td><td></td><td></td><td></td><td>7</td></tr> <tr><td>– interest income from internal bank</td><td></td><td></td><td></td><td><u>–6</u></td></tr> <tr><td>Adjusted profit</td><td></td><td></td><td></td><td>1,502</td></tr> <tr><td>Capital employed average*</td><td></td><td></td><td></td><td>13,085</td></tr> <tr><td>ROCE RD</td><td></td><td></td><td></td><td>11.5%</td></tr> </table> <p>* Capital employed average</p> <table> <tr><td>Q1 2020</td><td>13,301</td><td>x</td><td>0.5</td><td>6,651</td></tr> <tr><td>Q4 2019</td><td>12,954</td><td></td><td></td><td>12,954</td></tr> <tr><td>Q3 2019</td><td>13,444</td><td></td><td></td><td>13,444</td></tr> <tr><td>Q2 2019</td><td>12,854</td><td></td><td></td><td>12,854</td></tr> <tr><td>Q1 2019</td><td>12,873</td><td>x</td><td>0.5</td><td><u>6,437</u></td></tr> <tr><td></td><td></td><td></td><td></td><td>52,340 / 4</td></tr> </table>	Operating income				1,391	+ capitalized interest expense				110	+/- financial income and other financial items				7	– interest income from internal bank				<u>–6</u>	Adjusted profit				1,502	Capital employed average*				13,085	ROCE RD				11.5%	Q1 2020	13,301	x	0.5	6,651	Q4 2019	12,954			12,954	Q3 2019	13,444			13,444	Q2 2019	12,854			12,854	Q1 2019	12,873	x	0.5	<u>6,437</u>					52,340 / 4	Measure the performance (profitability and capital efficiency) in RD.
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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> <thead> <tr> <th></th> <th>Adjusted profit</th> <th>CE avg</th> <th>ROCE</th> </tr> </thead> <tbody> <tr> <td>RD</td> <td>1,502</td> <td>13,085</td> <td>11.5%</td> </tr> <tr> <td>CD</td> <td>5,594</td> <td>34,927</td> <td>16.0%</td> </tr> <tr> <td></td> <td><u>7,096</u></td> <td><u>48,012</u></td> <td><u>14.8%</u></td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	1,502	13,085	11.5%	CD	5,594	34,927	16.0%		<u>7,096</u>	<u>48,012</u>	<u>14.8%</u>	Measure the performance (profitability and capital efficiency) in Project Development.																																																	
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<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. $8,375 / 30,979 =$	Measure profitability on invested equity.																																										
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<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%;">Q1 2020</td> <td style="width: 15%;">34,692</td> <td style="width: 5%;"></td> <td style="width: 5%;">x</td> <td style="width: 5%;">0.5</td> <td style="width: 15%;">17,346</td> <td style="width: 15%;"></td> </tr> <tr> <td>Q4 2019</td> <td>32,924</td> <td></td> <td></td> <td></td> <td>32,924</td> <td></td> </tr> <tr> <td>Q3 2019</td> <td>30,204</td> <td></td> <td></td> <td></td> <td>30,204</td> <td></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>x</td> <td>0.5</td> <td>13,968</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">123,916 / 4</td> <td style="border-top: 1px solid black;">30,979</td> </tr> </table>	Q1 2020	34,692		x	0.5	17,346		Q4 2019	32,924				32,924		Q3 2019	30,204				30,204		Q2 2019	29,474				29,474		Q1 2019	27,935		x	0.5	13,968							123,916 / 4	30,979	
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Q3 2019	30,204				30,204																																							
Q2 2019	29,474				29,474																																							
Q1 2019	27,935		x	0.5	13,968																																							
					123,916 / 4	30,979																																						
<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%;">Q1 2020</td> <td style="width: 15%;">-26,740</td> <td style="width: 5%;"></td> <td style="width: 5%;">x</td> <td style="width: 5%;">0.5</td> <td style="width: 15%;">-13,370</td> <td style="width: 15%;"></td> </tr> <tr> <td>Q4 2019</td> <td>-26,401</td> <td></td> <td></td> <td></td> <td>-26,401</td> <td></td> </tr> <tr> <td>Q3 2019</td> <td>-24,371</td> <td></td> <td></td> <td></td> <td>-24,371</td> <td></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>x</td> <td>0.5</td> <td>-12,763</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">-101,237 / 4</td> <td style="border-top: 1px solid black;">-25,309</td> </tr> </table>	Q1 2020	-26,740		x	0.5	-13,370		Q4 2019	-26,401				-26,401		Q3 2019	-24,371				-24,371		Q2 2019	-24,332				-24,332		Q1 2019	-25,526		x	0.5	-12,763							-101,237 / 4	-25,309	Measure the funding stemming from the negative working capital generated in Construction.
Q1 2020	-26,740		x	0.5	-13,370																																							
Q4 2019	-26,401				-26,401																																							
Q3 2019	-24,371				-24,371																																							
Q2 2019	-24,332				-24,332																																							
Q1 2019	-25,526		x	0.5	-12,763																																							
					-101,237 / 4	-25,309																																						
<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.																																										
		34.7 3.3 9.5 1.8 <u>-1.4</u> 47.9																																										

## Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019
Construction	33,047 <sup>1</sup>	31,916 <sup>1</sup>	2,892	3,417	35,939	35,333	589	371
Residential Development	3,400	2,140	0	1	3,400	2,141	394	198
Commercial Property Development	4,686	882	73	2	4,759	884	2,112	84
<b>Total operating segments</b>	<b>41,133</b>	<b>34,938</b>	<b>2,965</b>	<b>3,420</b>	<b>44,098</b>	<b>38,358</b>	<b>3,095</b>	<b>653</b>
Central	33	164	94	4	127	168	-121	-148
Eliminations	0	0	-3,059	-3,424	-3,059	-3,424	-73	-17
<b>Total Group</b>	<b>41,166</b>	<b>35,102</b>	<b>0</b>	<b>0</b>	<b>41,166</b>	<b>35,102</b>	<b>2,901</b>	<b>488</b>
Reconciliation to IFRSs <sup>2</sup>	-826	2,013	0	0	-826	2,013	-1,419	596
<b>Total IFRSs</b>	<b>40,340</b>	<b>37,115</b>	<b>0</b>	<b>0</b>	<b>40,340</b>	<b>37,115</b>	<b>1,482</b>	<b>1,084</b>

1 Of which external revenue from joint ventures in PPP-portfolio, SEK 1,740 M (1,587).

2 Of which effect from joint ventures in

Residential Development proportionally	-192	-59					-58	-20
Of which effect of different revenue recognitions	-634	2,072					-1,361	616

## Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Central and eliminations		Total	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019
Nordics	13,145	13,258	1,854	3,257	2,341	1,413	-1,834	-1,688	15,506	16,240
of which Sweden	7,644	7,697	1,164	1,690	782	1,389	-1,246	-1,135	8,344	9,641
Europe	6,245	6,815	72	159	1,296	21	-799	-856	6,814	6,139
USA	16,549	15,260	0	0	1,696	65	-225	-589	18,020	14,736
<b>Total operating segments</b>	<b>35,939</b>	<b>35,333</b>	<b>1,926</b>	<b>3,416</b>	<b>5,333</b>	<b>1,499</b>	<b>-2,858</b>	<b>-3,133</b>	<b>40,340</b>	<b>37,115</b>

SEK M	Segment Jan-Mar 2020	IFRS Jan-Mar 2020	Segment Jan-Mar 2019	IFRS Jan-Mar 2019
<b>Revenue</b>				
Construction	35,939	35,939	35,333	35,333
Residential Development	3,400	1,926	2,141	3,416
Commercial Property Development	4,759	5,333	884	1,499
Central and eliminations	-2,932	-2,858	-3,256	-3,133
<b>Skanska Group</b>	<b>41,166</b>	<b>40,340</b>	<b>35,102</b>	<b>37,115</b>
<b>Operating income</b>				
Construction	589	589	371	371
Residential Development	394	87	198	475
Commercial Property Development <sup>1</sup>	2,112	1,016	84	406
Central	-121	-121	-148	-148
of which PPP-portfolio	-5	-5	25	25
Eliminations <sup>1</sup>	-73	-89	-17	-20
<b>Operating income</b>	<b>2,901</b>	<b>1,482</b>	<b>488</b>	<b>1,084</b>
<b>Net financial items</b>	<b>-48</b>	<b>-47</b>	<b>-62</b>	<b>-47</b>
<b>Income after financial items</b>	<b>2,853</b>	<b>1,435</b>	<b>426</b>	<b>1,037</b>
Taxes	-470	-236	-71	-173
<b>Profit for the period</b>	<b>2,383</b>	<b>1,199</b>	<b>355</b>	<b>864</b>
Earnings for the period per share, SEK <sup>2</sup>	5.78		0.87	
Earnings for the period per share according to IFRSs, SEK <sup>2</sup>		2.91		2.11
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	2,285	1,189	214	536
Eliminations	122	95	22	42

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-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Revenue	40,340	37,115	172,846
Cost of sales	-36,781	-34,128	-156,540
<b>Gross income</b>	<b>3,559</b>	<b>2,987</b>	<b>16,306</b>
Selling and administrative expenses	-2,136	-2,156	-9,469
Income from joint ventures and associated companies	59	253	591
<b>Operating income</b>	<b>1,482</b>	<b>1,084</b>	<b>7,428</b>
Financial income	89	35	188
Financial expenses	-136	-82	-276
<b>Net financial items<sup>1</sup></b>	<b>-47</b>	<b>-47</b>	<b>-88</b>
<b>Income after financial items</b>	<b>1,435</b>	<b>1,037</b>	<b>7,340</b>
Taxes	-236	-173	-1,286
<b>Profit for the period</b>	<b>1,199</b>	<b>864</b>	<b>6,054</b>
1 Of which			
Interest income	64	32	152
Financial net pension costs	-14	-19	-84
Interest expenses	-43	-69	-209
Interest expenses from lease liabilities	-69	-71	-272
Capitalized interest expenses	57	92	307
<b>Net interest items</b>	<b>-5</b>	<b>-35</b>	<b>-106</b>
Change in fair value	-1	0	4
Other net financial items	-41	-12	14
<b>Net financial items</b>	<b>-47</b>	<b>-47</b>	<b>-88</b>
Profit attributable to:			
Equity holders	1,197	864	6,031
Non-controlling interests	2	0	23
Earnings per share, SEK <sup>2</sup>	2.91	2.11	14.68
Earnings per share after dilution, SEK <sup>3</sup>	2.89	2.10	14.62

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

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

### Statement of profit or loss and other comprehensive income (IFRS)

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<b>Profit for the period</b>	<b>1,199</b>	<b>864</b>	<b>6,054</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of defined benefit plans	-121	-431	-895
Tax related to items that will not be reclassified to profit and loss	52	70	166
	<b>-69</b>	<b>-361</b>	<b>-729</b>
<b>Items that have been or will be reclassified to profit and loss</b>			
Translation differences attributable to equity holders	650	685	672
Translation differences attributable to non-controlling interests	-1	2	3
Hedging of exchange rate risk in foreign operations	85	18	4
Effects of cash flow hedges <sup>1</sup>	-97	-2	31
Share of other comprehensive income of joint ventures and associated companies <sup>2</sup>	-65	-46	-41
Tax related to items that have been or will be reclassified to profit and loss	-3	-4	-10
	<b>569</b>	<b>653</b>	<b>659</b>
<b>Other comprehensive income after tax</b>	<b>500</b>	<b>292</b>	<b>-70</b>
<b>Total comprehensive income</b>	<b>1,699</b>	<b>1,156</b>	<b>5,984</b>
Total comprehensive income attributable to			
Equity holders	1,698	1,154	5,958
Non-controlling interests	1	2	26
1 Of which transferred to income statement	0	0	2
2 Of which transferred to income statement	26	28	148

## Summary statement of financial position (IFRS)

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,656	7,970	7,742
Property, plant and equipment right-of-use assets	4,493	4,645	4,616
Goodwill	4,030	4,521	4,057
Intangible assets	847	989	865
Investments in joint ventures and associated companies	3,355	3,238	3,442
Financial non-current assets <sup>1,3</sup>	3,118	2,760	2,528
Deferred tax assets	1,670	2,250	1,862
<b>Total non-current assets</b>	<b>25,169</b>	<b>26,373</b>	<b>25,112</b>
<b>Current assets</b>			
Current-asset properties <sup>2</sup>	47,917	44,734	46,373
Current-asset properties right-of-use land	4,175	4,154	3,980
Inventories	1,139	1,334	1,128
Financial current assets <sup>3</sup>	5,676	6,827	6,899
Tax assets	753	321	670
Contract assets	7,254	7,541	5,898
Trade and other receivables	27,255	26,043	27,213
Cash	12,161	8,281	8,745
<b>Total current assets</b>	<b>106,330</b>	<b>99,235</b>	<b>100,906</b>
<b>TOTAL ASSETS</b>	<b>131,499</b>	<b>125,608</b>	<b>126,018</b>
of which interest-bearing financial non-current assets	3,071	2,719	2,483
of which interest-bearing current assets	17,718	14,945	15,517
<b>Total interest-bearing assets</b>	<b>20,789</b>	<b>17,664</b>	<b>18,000</b>
<b>EQUITY</b>			
Equity attributable to equity holders	34,692	27,935	32,924
Non-controlling interests	98	99	97
<b>Total equity</b>	<b>34,790</b>	<b>28,034</b>	<b>33,021</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial non-current liabilities <sup>3</sup>	2,614	3,742	2,565
Lease liabilities	7,900	8,126	7,843
Pensions	6,320	6,061	6,866
Deferred tax liabilities	923	808	1,045
<b>Total non-current liabilities</b>	<b>17,757</b>	<b>18,737</b>	<b>18,319</b>
<b>Current liabilities</b>			
Financial current liabilities <sup>3</sup>	6,320	5,958	4,617
Lease liabilities	1,077	952	1,078
Tax liabilities	320	598	564
Current provisions	9,754	9,851	10,021
Contract liabilities	21,747	21,601	20,419
Trade and other payables	39,734	39,877	37,979
<b>Total current liabilities</b>	<b>78,952</b>	<b>78,837</b>	<b>74,678</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>131,499</b>	<b>125,608</b>	<b>126,018</b>
of which interest-bearing financial liabilities	17,713	18,754	16,051
of which interest-bearing pensions and provisions	6,320	6,061	6,866
<b>Total interest-bearing liabilities</b>	<b>24,033</b>	<b>24,815</b>	<b>22,917</b>
1 Of which shares	46	40	44
2 Current-asset properties			
Commercial Property Development	30,293	28,507	29,708
Residential Development	17,624	16,227	16,665
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	1	1	1
Financial current assets	119	163	127
Financial non-current liabilities	2	4	2
Financial current liabilities	196	20	50

Note: Contingent liabilities amounted to SEK 41.4 bn on March 31, 2020 (Dec 31, 2019: 38.8) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2019 Annual and Sustainability Report, Note 20B, 20C and 33. During the period, contingent liabilities increased by SEK 2.6 bn.

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

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Opening balance	33,021	29,347	29,347
of which non-controlling interests	97	97	97
Change in accounting principle <sup>1</sup>	-	-67	-67
<b>Adjusted opening balance</b>	<b>33,021</b>	<b>29,280</b>	<b>29,280</b>
of which non-controlling interests	97	97	97
Dividend to shareholders	0	-2,462	-2,462
Dividend to non-controlling interests	0	0	-26
Effects of equity-settled share-based payments	70	60	245
Total comprehensive income attributable to			
Equity holders	1,698	1,154	5,958
Non-controlling interests	1	2	26
<b>Closing balance</b>	<b>34,790</b>	<b>28,034</b>	<b>33,021</b>
of which non-controlling interests	98	99	97

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

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

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<b>Cash flow from operating activities before change in working capital, according to IAS 7</b>	<b>171</b>	<b>486</b>	<b>3,395</b>
<b>Cash flow from change in working capital, according to IAS 7</b>	<b>2,058</b>	<b>-806</b>	<b>2,643</b>
Net investments in property, plant and equipment and intangible assets	-268	-845	-1,453
Tax payments on sold property, plant and equipment and intangible assets	-4	-6	-62
<b>Cash flow from business operations including taxes paid according to operating cash flow</b>	<b>1,957</b>	<b>-1,171</b>	<b>4,523</b>
Less net investments in property, plant and equipment and intangible assets	268	845	1,453
Less tax payments on sold property, plant and equipment and intangible assets	4	6	62
<b>Cash flow from operating activities, according to IAS 7</b>	<b>2,229</b>	<b>-320</b>	<b>6,038</b>
<b>Cash flow from strategic investments according to operating cash flow</b>	<b>0</b>	<b>-6</b>	<b>-6</b>
Net investments in property, plant and equipment and intangible assets	-268	-845	-1,453
Increase and decrease in interest-bearing receivables	35	266	307
Taxes paid on sold property, plant and equipment and intangible assets	-4	-6	-62
<b>Cash flow from investing activities, according to IAS 7</b>	<b>-237</b>	<b>-591</b>	<b>-1,214</b>
<b>Cash flow from financing operations according to operating cash-flow statement</b>	<b>-326</b>	<b>-148</b>	<b>-688</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,645	-1,200	-3,415
Increase and decrease in interest-bearing receivables	-35	-266	-307
Dividend etc <sup>1</sup>	0	0	-2,488
<b>Cash flow from financing activities, according to IAS 7</b>	<b>1,284</b>	<b>-1,614</b>	<b>-6,898</b>
<b>Cash flow for the period</b>	<b>3,276</b>	<b>-2,525</b>	<b>-2,074</b>

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

## Operating cash flow (IFRS), supplementary information

### Operating cash flow

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<b>Construction</b>			
Cash flow from business operations	1,217	980	6,614
Change in working capital	-693	-892	-262
Net divestments(+)/investments(-)	-272	-735	-1,503
<b>Total Construction</b>	<b>252</b>	<b>-647</b>	<b>4,849</b>
<b>Residential Development</b>			
Cash flow from business operations	-230	-220	-707
Change in working capital	516	744	1,055
Net divestments(+)/investments(-)	-765	1,179	2,354
<b>Total Residential Development</b>	<b>-479</b>	<b>1,703</b>	<b>2,702</b>
<b>Commercial Property Development</b>			
Cash flow from business operations	-320	197	-917
Change in working capital	176	-278	-1,130
Net divestments(+)/investments(-)	2,539	-1,609	775
Cash flow adjustment	33	34	209
<b>Total Commercial Property Development</b>	<b>2,428</b>	<b>-1,656</b>	<b>-1,063</b>
<b>Central and eliminations</b>			
Cash flow from business operations	79	-126	-286
Change in working capital	280	-99	-314
Net divestments(+)/investments(-)	-24	5	6
of which PPP-portfolio	16	22	124
<b>Total central and eliminations</b>	<b>335</b>	<b>-220</b>	<b>-594</b>
Total cash flow from business operations	746	831	4,704
Total change in working capital	279	-525	-651
Total net divestments(+)/investments(-)	1,478	-1,160	1,632
Total cash flow adjustment	33	34	209
<b>Cash flow from business operations before taxes paid</b>	<b>2,536</b>	<b>-820</b>	<b>5,894</b>
Taxes paid in business operations	-579	-351	-1,371
<b>Cash flow from business operations including taxes paid</b>	<b>1,957</b>	<b>-1,171</b>	<b>4,523</b>
Net interest items, other net financial items and amortization of lease liabilities	-466	-211	-983
Taxes paid in financing operations	140	63	295
<b>Cash flow from financing operations</b>	<b>-326</b>	<b>-148</b>	<b>-688</b>
<b>Operating cash flow from operations</b>	<b>1,631</b>	<b>-1,319</b>	<b>3,835</b>
Net strategic divestments(+)/investments(-)	0	-6	-6
Dividend etc <sup>1</sup>	0	0	-2,488
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>1,631</b>	<b>-1,325</b>	<b>1,341</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	1,645	-1,200	-3,415
<b>Cash flow for the period</b>	<b>3,276</b>	<b>-2,525</b>	<b>-2,074</b>
Cash and cash equivalents at the beginning of the period	8,745	10,722	10,722
Exchange rate differences in cash and cash equivalents	140	84	97
<b>Cash and cash equivalents at the end of the period</b>	<b>12,161</b>	<b>8,281</b>	<b>8,745</b>

1 Of which repurchases of shares SEK 0 M.

## Group net divestments/investments (IFRS)

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<b>OPERATIONS – INVESTMENTS</b>			
Intangible assets	-12	-50	-116
Property, plant and equipment	-322	-830	-2,566
Shares and participations	-4	-93	-108
Current-asset properties	-5,286	-5,096	-22,173
of which Residential Development	-2,706	-2,131	-9,308
of which Commercial Property Development	-2,580	-2,965	-12,865
<b>Investments in operations</b>	<b>-5,624</b>	<b>-6,069</b>	<b>-24,963</b>
<b>STRATEGIC INVESTMENTS</b>			
Businesses	0	-6	-6
<b>Strategic investments</b>	<b>0</b>	<b>-6</b>	<b>-6</b>
<b>Total Investments</b>	<b>-5,624</b>	<b>-6,075</b>	<b>-24,969</b>
<b>OPERATIONS – DIVESTMENTS</b>			
Intangible assets	0	0	25
Property, plant and equipment	23	108	1,028
Shares and participations	47	20	284
Current-asset properties	7,032	4,781	25,258
of which Residential Development	1,913	3,401	11,740
of which Commercial Property Development	5,119	1,380	13,518
<b>Divestments in operations</b>	<b>7,102</b>	<b>4,909</b>	<b>26,595</b>
<b>Total divestments</b>	<b>7,102</b>	<b>4,909</b>	<b>26,595</b>
<b>TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)</b>	<b>1,478</b>	<b>-1,166</b>	<b>1,626</b>
Depreciation, non-current assets	-758	-733	-3,043

## Capital employed in Project Development (IFRS)

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Residential Development	13,301	12,873	12,954
Commercial Property Development	34,905	32,828	34,495
<b>Total in Project Development</b>	<b>48,206</b>	<b>45,701</b>	<b>47,449</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-Mar 2020	Jan-Mar 2019
Revenue	160	129
Selling and administrative expenses	-147	-141
<b>Operating income</b>	<b>13</b>	<b>-12</b>
Net financial items	-7	-7
<b>Income after financial items</b>	<b>6</b>	<b>-19</b>
Taxes	-1	4
<b>Profit for the period</b>	<b>5</b>	<b>-15</b>
<b>Total comprehensive income</b>	<b>5</b>	<b>-15</b>

### Summary balance sheet (IFRS)

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
<b>ASSETS</b>			
Intangible non-current assets	10	13	11
Property, plant and equipment	0	1	0
Financial non-current assets <sup>2</sup>	11,947	11,798	11,810
<b>Total non-current assets</b>	<b>11,957</b>	<b>11,812</b>	<b>11,821</b>
Current receivables	82	66	157
<b>Total current assets</b>	<b>82</b>	<b>66</b>	<b>157</b>
<b>TOTAL ASSETS</b>	<b>12,039</b>	<b>11,878</b>	<b>11,978</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	8,796	5,523	8,788
Provisions	258	302	254
Non-current interest-bearing liabilities <sup>2</sup>	2,866	3,470	2,816
Current liabilities	119	2,583	120
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,039</b>	<b>11,878</b>	<b>11,978</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 536 M (Dec 31, 2019: 318) were intra-Group receivables and SEK 2,866 M (Dec 31, 2019: 2,816) intra-Group liabilities.

Note: The Parent Company's contingent liabilities totaled SEK 172.1 bn on March 31, 2020 (Dec 31, 2019: 173.5), of which SEK 153.8 bn (Dec 31, 2019: 155.0) were related to obligations on behalf of Group companies. Other obligations, SEK 18.3 bn on March 31, 2020 (Dec 31 2019: 18.5), were related to commitments to outside parties.



## Share data

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Earnings per share according to segment reporting, SEK <sup>1</sup>	5.78	0.87	15.46
Earnings per share, SEK <sup>1</sup>	2.91	2.11	14.68
Earnings per share after dilution, SEK <sup>2</sup>	2.89	2.10	14.62
Equity per share, SEK <sup>3</sup>	84.25	68.09	80.01
Adjusted equity per share, SEK <sup>4</sup>	116.25	101.00	112.04
Average number of shares outstanding	411,684,388	410,035,632	410,720,937
Average number of shares outstanding after dilution	413,905,491	412,146,787	412,585,074
Average dilution, %	0.54	0.51	0.45
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
Number of shares in Skanska's own custody	8,107,126	9,637,666	8,394,479
Number of shares outstanding	411,795,946	410,265,406	411,508,593

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-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2016
Revenue	41,166	35,102	36,950	34,182	35,297
Operating income	2,901	488	652	1,849	1,969
Profit for the period	2,383	355	510	1,596	1,519
Earnings per share, SEK	5.78	0.87	1.25	3.90	3.69
Return on capital employed, %	19.0	10.5	10.4	20.8	20.8
Return on equity, %	27.0	13.4	14.6	27.4	26.5
Operating margin, %	7.0	1.4	1.8	5.4	5.6
Return on capital employed according to IFRSs, %	14.6	14.4	7.9	21.9	15.9
Cash flow per share according to IFRSs, SEK <sup>1</sup>	3.96	-3.23	-1.76	3.95	-8.57

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-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
US dollar	9.67	9.18	9.46	10.13	9.26	9.33
British pound	12.39	11.95	12.07	12.52	12.14	12.24
Norwegian krone	1.02	1.07	1.07	0.97	1.07	1.06
Euro	10.66	10.42	10.58	11.09	10.40	10.45
Czech koruna	0.42	0.41	0.41	0.41	0.40	0.41
Polish zloty	2.47	2.42	2.46	2.44	2.42	2.45

## Construction

### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Revenue	35,939	35,333	159,579
<b>Gross income</b>	<b>2,211</b>	<b>1,945</b>	<b>10,437</b>
Selling and administrative expenses	-1,621	-1,574	-6,702
Income from joint ventures and associated companies	-1	0	37
<b>Operating income</b>	<b>589</b>	<b>371</b>	<b>3,772</b>
Investments	-295	-859	-2,542
Divestments	23	124	1,039
<b>Net divestments(+)/investments(-)</b>	<b>-272</b>	<b>-735</b>	<b>-1,503</b>
Gross margin, %	6.2	5.5	6.5
Selling and administrative expenses, %	-4.5	-4.5	-4.2
Operating margin, %	1.6	1.1	2.4
Order bookings, SEK bn	41.3	27.3	145.8
Order backlog, SEK bn	199.0	190.1	185.4
Employees	31,796	34,351	33,225

### Revenue by business/reporting unit

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	13,029	13,133	59,600
of which Sweden	7,588	7,627	35,233
Europe	6,361	6,932	31,366
USA	16,549	15,268	68,613
<b>Total</b>	<b>35,939</b>	<b>35,333</b>	<b>159,579</b>

### Operating income

SEK M	Jan-Mar 2020			Jan-Mar 2019			Jan-Dec 2019		
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	280	270	2,299	2.1	2.1	3.9	2.1	2.1	3.9
of which Sweden	150	149	1,330	2.0	2.0	3.8	2.0	2.0	3.8
Europe	-4	-94	473	neg	neg	1.5	neg	neg	1.5
USA	313	195	1,000	1.9	1.3	1.5	1.9	1.3	1.5
<b>Total</b>	<b>589</b>	<b>371</b>	<b>3,772</b>	<b>1.6</b>	<b>1.1</b>	<b>2.4</b>	<b>1.6</b>	<b>1.1</b>	<b>2.4</b>

### Order backlog

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Nordics	64,655	61,958	62,244
of which Sweden	38,473	36,148	37,771
Europe	30,387	33,740	24,699
USA	103,978	94,435	98,427
<b>Total</b>	<b>199,020</b>	<b>190,133</b>	<b>185,370</b>

### Order bookings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	15,828	12,505	59,437
of which Sweden	8,239	8,369	37,596
Europe	11,627	3,900	18,953
USA	13,819	10,861	67,428
<b>Total</b>	<b>41,274</b>	<b>27,266</b>	<b>145,818</b>

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

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Nordics	105	106	100
of which Sweden	106	102	107
Europe	87	79	60
USA	101	87	98
<b>Total</b>	<b>100</b>	<b>92</b>	<b>91</b>

## Residential Development

### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Revenue	3,400	2,141	12,483
<b>Gross income</b>	<b>554</b>	<b>368</b>	<b>1,986</b>
Selling and administrative expenses	-160	-170	-791
<b>Operating income</b>	<b>394</b>	<b>198</b>	<b>1,195</b>
Operating margin, %	11.6	9.2	9.6
Investments	-2,709	-2,222	-9,437
Divestments	1,944	3,403	11,793
<b>Net divestments(+)/investments(-)</b>	<b>-765</b>	<b>1,181</b>	<b>2,356</b>
Capital employed, SEK bn	13.3	12.9	13.0
Return on capital employed, % <sup>1</sup>	11.5	11.3	9.8
Employees	516	571	551

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

### Revenue

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	3,035	1,836	11,296
of which Sweden	1,435	908	6,569
Europe	365	305	1,187
<b>Total</b>	<b>3,400</b>	<b>2,141</b>	<b>12,483</b>

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

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	355	164	1,034
of which Sweden	198	44	675
Europe	39	34	161
<b>Total</b>	<b>394</b>	<b>198</b>	<b>1,195</b>

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

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

Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
11.7	8.9	9.2
13.8	4.8	10.3
10.7	11.1	13.6
<b>11.6</b>	<b>9.2</b>	<b>9.6</b>

### Homes started

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	562	423	2,847
of which Sweden	157	314	2,003
Europe	409	0	560
<b>Total</b>	<b>971</b>	<b>423</b>	<b>3,407</b>

### Homes sold

Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
734	539	3,203
376	303	2,057
177	201	650
<b>911</b>	<b>740</b>	<b>3,853</b>

### Homes under construction

	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Nordics	5,407	5,186	5,672
of which Sweden	3,386	3,436	3,789
Europe	1,541	1,268	1,458
<b>Total</b>	<b>6,948</b>	<b>6,454</b>	<b>7,130</b>

### Completed unsold, number of homes

Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
130	385	121
65	207	56
9	18	13
<b>139</b>	<b>403</b>	<b>134</b>

### Homes under construction of which sold, %

Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
71	67	69
73	70	70
58	77	72
<b>68</b>	<b>69</b>	<b>70</b>

## Commercial Property Development

### Revenue and earnings

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Revenue	4,759	884	17,850
of which from divestment of properties	4,546	747	17,133
<b>Gross income</b>	<b>2,330</b>	<b>182</b>	<b>4,101</b>
Selling and administrative expenses	-215	-229	-960
Income from joint ventures and associated companies	-3	131	146
<b>Operating income</b>	<b>2,112</b>	<b>84</b>	<b>3,287</b>
of which gain from divestment of properties <sup>1</sup>	2,285	214	4,275
of which write-downs/reversal of write-downs	0	-69	-89
1 Additional gains included in eliminations	122	22	240
Investments	-2,581	-2,976	-12,946
Divestments	5,120	1,360	13,713
<b>Net divestments(+)/investments(-)</b>	<b>2,539</b>	<b>-1,616</b>	<b>767</b>
Capital employed, SEK bn	34.9	32.8	34.5
Return on capital employed, % <sup>2</sup>	16.0	8.9	10.5
Employees	481	428	427

2 Rolling 12 months.

### Revenue

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	3,672	783	6,665
Europe	968	36	4,398
USA	119	65	6,787
<b>Total</b>	<b>4,759</b>	<b>884</b>	<b>17,850</b>

### of which from divestments

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	3,622	731	6,435
Europe	925	16	4,283
USA	-1	0	6,415
<b>Total</b>	<b>4,546</b>	<b>747</b>	<b>17,133</b>

### Operating income

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	1,766	115	1,323
Europe	366	-81	695
USA	-20	50	1,269
<b>Total</b>	<b>2,112</b>	<b>84</b>	<b>3,287</b>

### of which from divestments

SEK M	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Nordics	1,848	203	1,702
Europe	419	11	1,155
USA	18	0	1,418
<b>Total</b>	<b>2,285</b>	<b>214</b>	<b>4,275</b>

### Capital employed

SEK M	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Nordics	11,381	10,597	11,595
Europe	10,037	8,500	9,803
USA	13,487	13,731	13,097
<b>Total</b>	<b>34,905</b>	<b>32,828</b>	<b>34,495</b>

## PPP–Portfolio value

### Unrealized development gain in PPP-portfolio

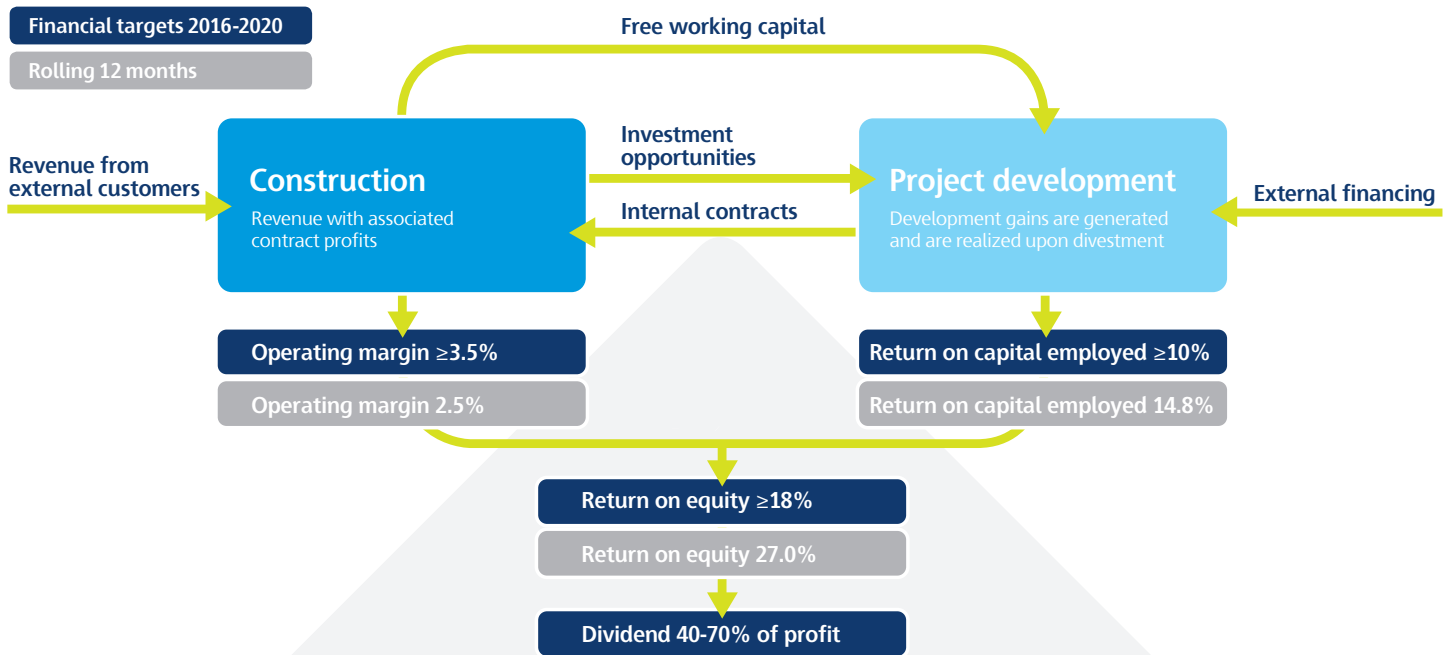
SEK bn	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Present value of cash flow from projects	4.9	4.8	4.9
Present value of remaining investments	-1.0	-1.0	-1.1
<b>Net present value of projects</b>	<b>3.9</b>	<b>3.8</b>	<b>3.8</b>
Carrying amount before Cash flow hedge / Carrying amount	-2.4	-2.5	-2.5
<b>Unrealized development gain</b>	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>
Cash flow hedge	0.3	0.3	0.3
<b>Effect in unrealized equity<sup>1</sup></b>	<b>1.8</b>	<b>1.6</b>	<b>1.6</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 22.4 billion of Skanska’s total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 20.1 billion.

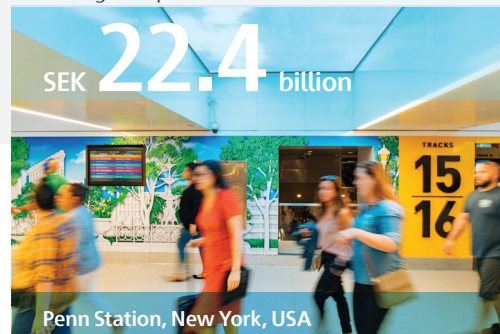
Construction revenue from internal Project Development contracts amounted to:



Ensjo Torg, Oslo, Norway

Skanska has invested in the sixth phase of the residential project Ensjo Torg in Oslo, Norway. The sixth phase, called Tigergården, consists of 161 apartments and includes several green areas on the rooftops and on the ground and is developed to make it easier to live an environmentally friendly lifestyle. Tigergården aims to be environmentally certified as BREEAM-NOR level Very Good and will be completed in 2022.

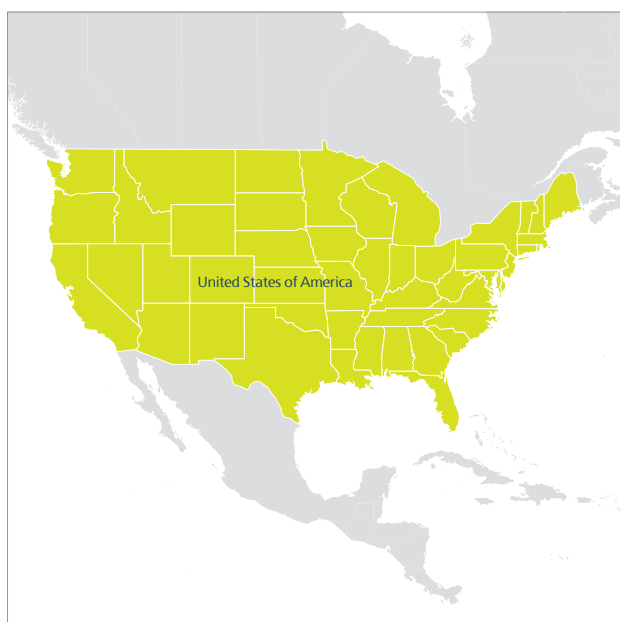
Value of orders in backlog generated through cooperation between Business Units:



Penn Station, New York, USA

Skanska’s ongoing project to transform the landmark James A. Farley Post Office Building into The Moynihan Train Hall, a new portal for accessing trains serving the adjacent Penn Station, will expand Penn Station’s total floor space by more than 50 percent. Both USA Civil and USA Building are teaming up to deliver the most attractive solution to the customer.

## 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 April 28, 2020.  
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 46870318#.  
This and previous releases can also be found at [www.skanska.com/investors](http://www.skanska.com/investors).

This information is such that Skanska AB is obliged to make public in accordance with the EU Market Abuse Regulation.  
The information was submitted for publication, through the agency of the contact persons set out above, at 07.30 a.m. (CET) on April 28, 2020.