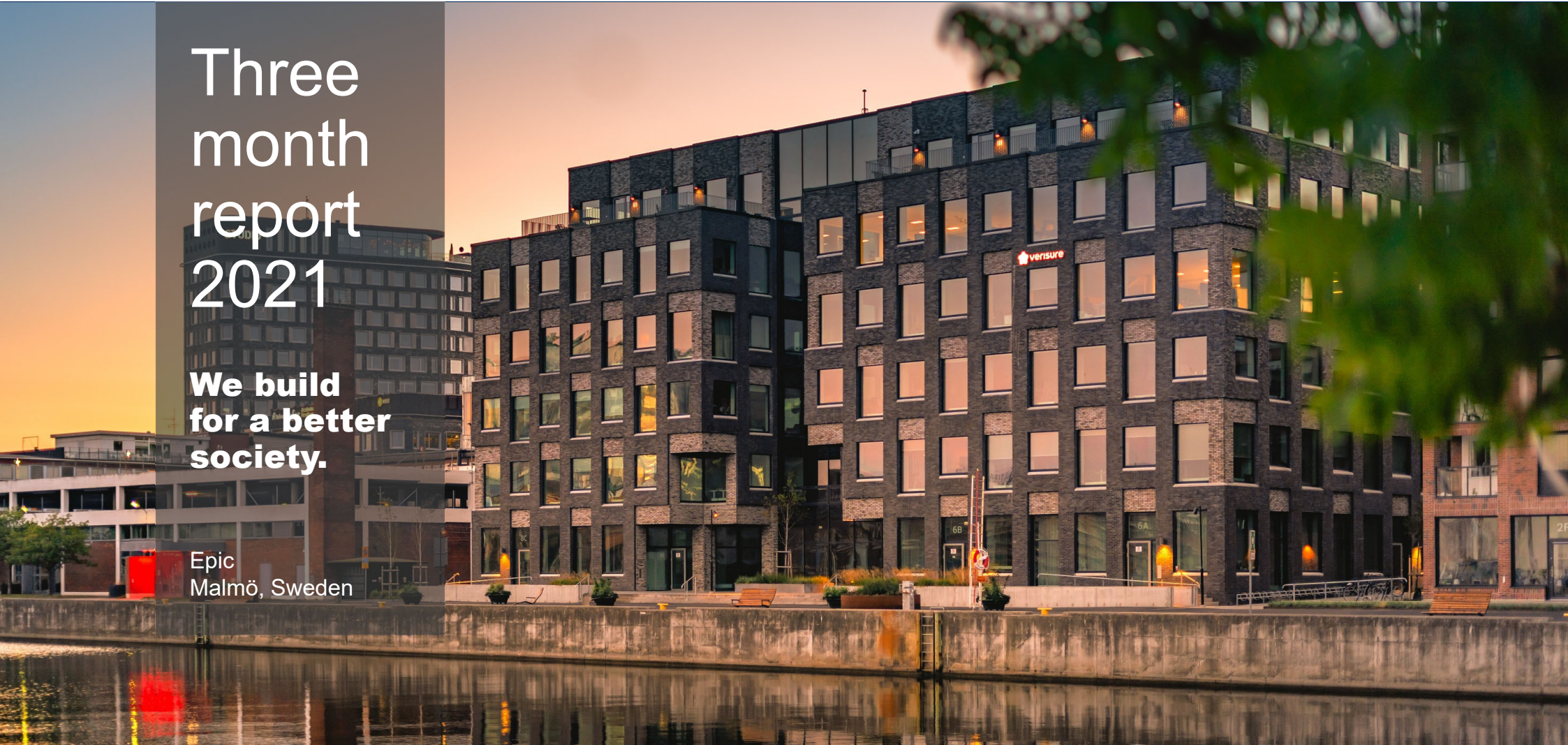


SKANSKA

Three month report 2021

**We build
for a better
society.**

Epic
Malmö, Sweden



Three month report 2021

- Strong performance across our operations
 - Construction - steadily improving
 - Residential Development - volumes and profitability strong
 - Commercial Property Development – divestments at attractive levels
- Operating margin in Construction 2.5% (1.6)
- ROCE in Project Development 10.5% (14.8), R-12
- Return on Equity 23.9% (27.0), R-12
- Strong financial position



Construction

- Revenue SEK 29.4 bn (35.9)
 - C-19 impact, mainly in USA and Europe
- Order bookings SEK 34.9 bn (41.3)
 - Book-to-build 107%
 - Order backlog SEK 193.4 bn (199.0)
- Operating income SEK 722 M (589)
 - Operating margin 2.5% (1.6)
- Profitability improvements across all business units
- Strategy to focus the operations and be more selective in bidding remains in order to further improve profitability



LaGuardia, New York City, USA

Residential Development

- Revenue SEK 4.5 bn (3.4)
 - 1,362 (911) homes sold
 - 1,061 (971) homes started
- Operating income SEK 669 M (394)
 - Operating margin 14.8% (11.6)
- ROCE 14.3% (11.5), R-12
- High activity, and profitability improving from an already strong level
- Solid land bank in our markets to meet the demand
- Longer term, higher unemployment levels a worry, but structural shortage of homes a mitigator



Tigergården – Ensjø Torg, Oslo, Norway Photo by RIFT

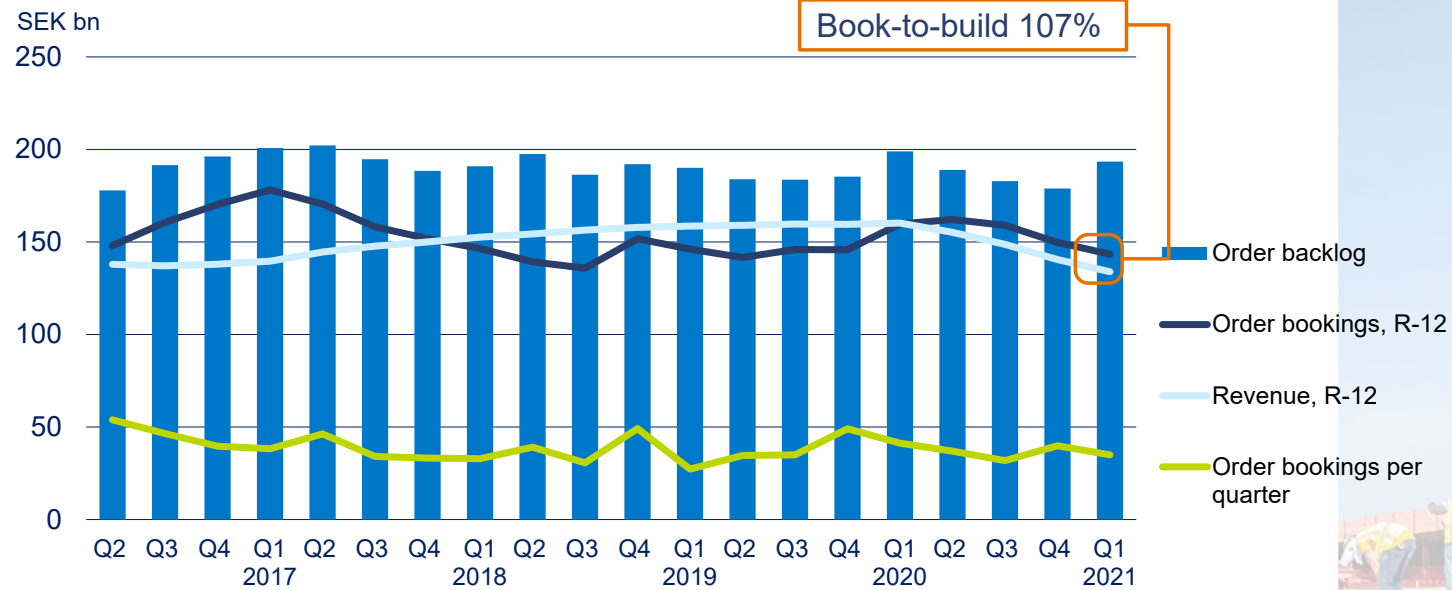
Commercial Property Development

- Operating income SEK 1,066 M (2,112)
 - Gain on sale SEK 1,223 M (2,285)
- ROCE 9.0% (16.0), R-12
- 33 ongoing projects
 - SEK 17.7 bn in investment value upon completion
 - 44% occupancy rate / 48% completion rate
 - 7 projects started during the first quarter
- 32,000 sq m leased (48,000)
- Divestments at very attractive levels during the quarter
- Uncertainty in the leasing market, close dialogue with potential tenants
- Solid property investor appetite, flight to quality

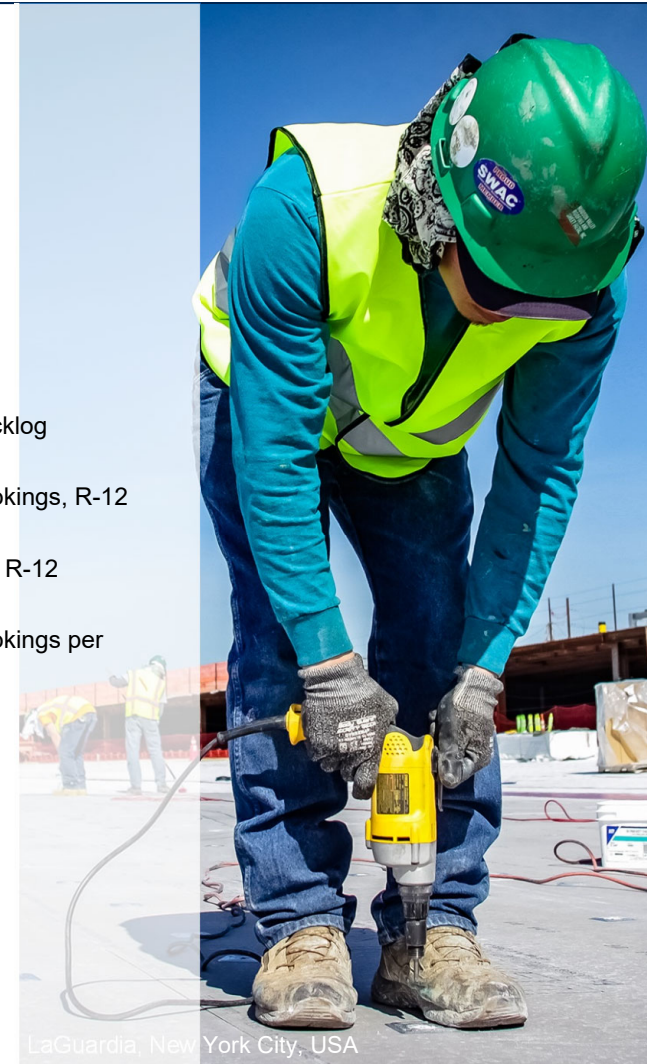


Construction

Order situation



SEK bn	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	29.4	35.9	140.5
Order bookings	34.9	41.3	149.8
Order backlog	193.4	199.0	178.9



Construction

Order bookings

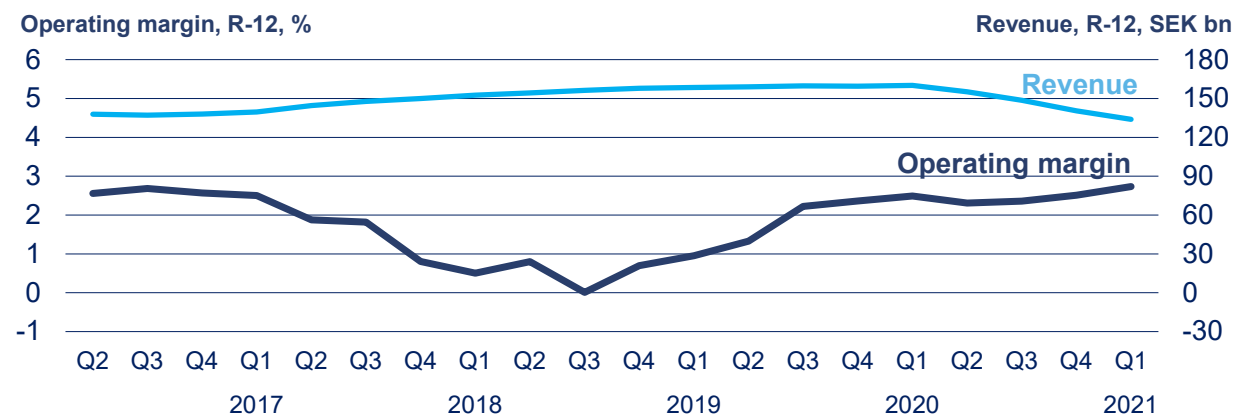
SEK bn	Jan-Mar 2021	Jan-Mar 2020	Book-to- build, %	Months of production
Nordics	13.8	15.8	103	14
of which Sweden	7.5	8.2	89	13
Europe	11.5	11.6	175	24
USA	9.6	13.8	83	17
Total	34.9	41.3	107	17



LaGuardia, New York City, USA

Construction

Income statement



SEK bn	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	29.4	35.9	140.5
Gross income	2.1	2.2	9.3
Selling and administrative expenses	-1.4	-1.6	-5.9
Operating income	0.7	0.6	3.5
Gross margin, %	7.2	6.2	6.7
Selling and administrative expenses, %	-4.8	-4.5	-4.2
Operating margin, %	2.5	1.6	2.5



LaGuardia, New York City, USA

Construction

Income statement

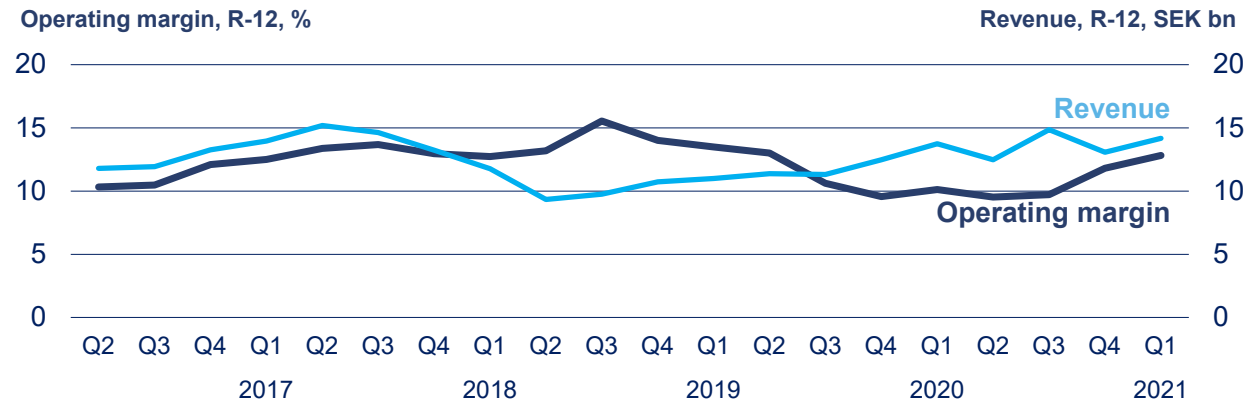
	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020
Nordics	363	280	2.9	2.1
of which Sweden	168	150	2.3	2.0
Europe	48	-4	1.0	neg
USA	311	313	2.6	1.9
Total	722	589	2.5	1.6



LaGuardia, New York City, USA

Residential Development

Income statement, segment reporting



SEK bn	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	4,509	3,400	13,070
Gross income	837	554	2,178
Selling and administrative expenses	-168	-160	-634
Operating income	669	394	1,543
Gross margin, %	18.6	16.3	16.7
Selling and administrative expenses, %	-3.7	-4.7	-4.9
Operating margin, %	14.8	11.6	11.8



Tigergården – Ensjø Torg, Oslo, Norway Photo by RIFT

Residential Development

Income statement

	Operating income, SEK M		Operating margin, %	
	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020
Nordics	581	355	14.2	11.7
of which Sweden	438	198	15.3	13.8
Europe	88	39	20.8	10.6
Total	669	394	14.8	11.6

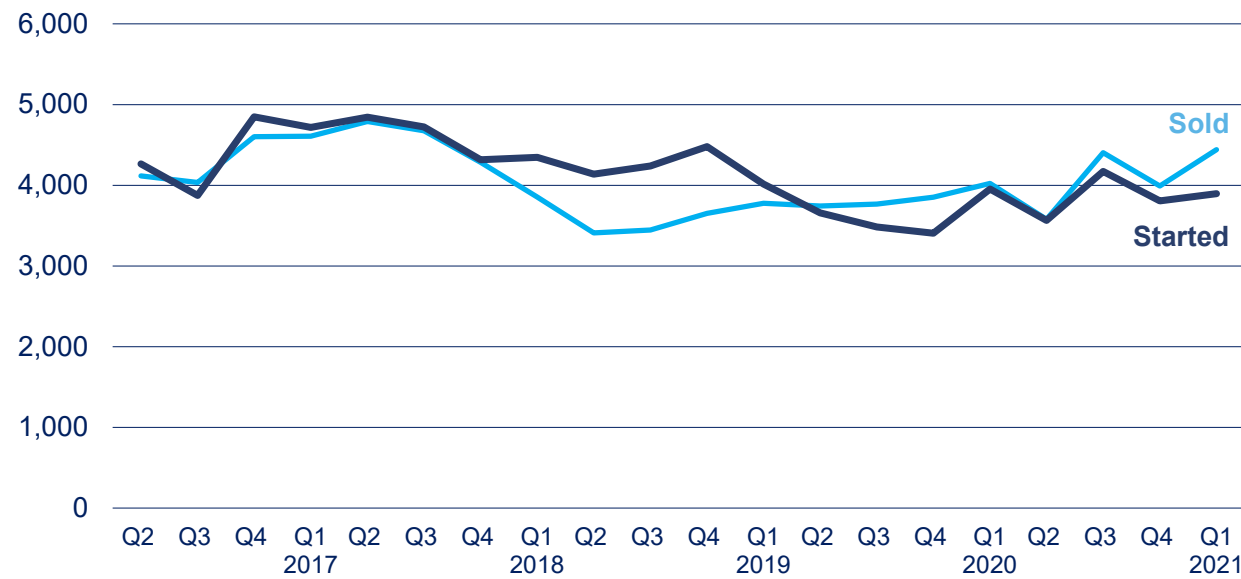


Tigergården – Ensjø Torg, Oslo, Norway Photo by RIFT

Residential Development

Homes started and sold

Homes, R-12



Homes started		
Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
1,061	971	3,807

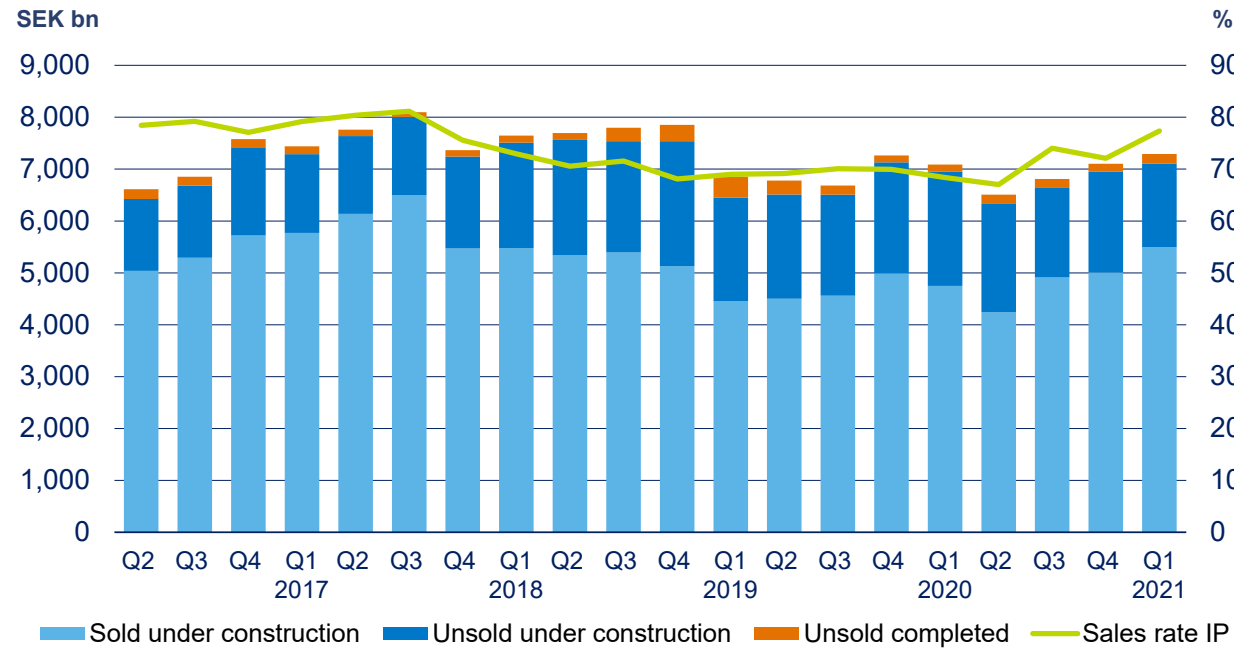
Homes sold		
Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
1,362	911	3,991



Tigergården – Ensjø Torg, Oslo, Norway Photo by RIFT

Residential Development

Homes in production



Homes in production		Of which sold, %		Unsold completed homes	
Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
7,104	6,948	77	68	186	139



Commercial Property Development

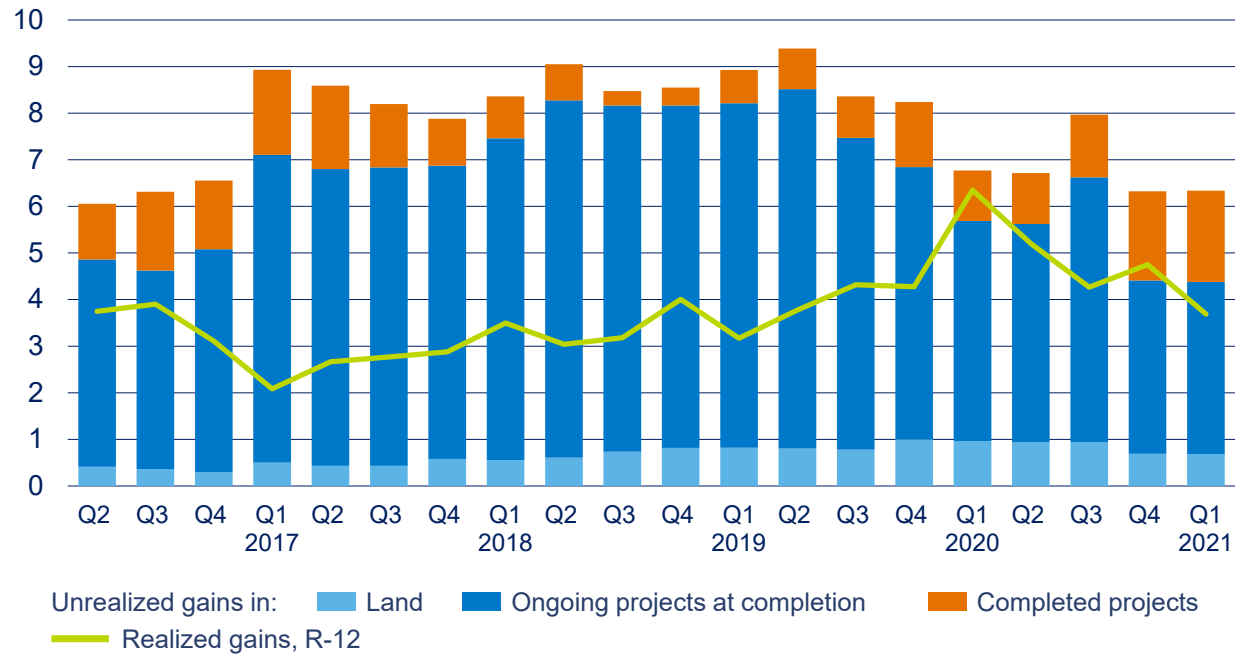
SEK bn	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	2,605	4,759	14,983
Gross income	1,232	2,330	4,701
Selling and administrative expenses	-168	-215	-797
Income from joint ventures and associated companies	3	-3	-8
Operating income	1,066	2,112	3,897
of which gains from divestments of properties	1,223	2,285	4,750
of which write downs/reversal of write downs	0	0	-281
1 Additional gain included in eliminations	34	122	359



Commercial Property Development

Unrealized and realized gains, segment reporting

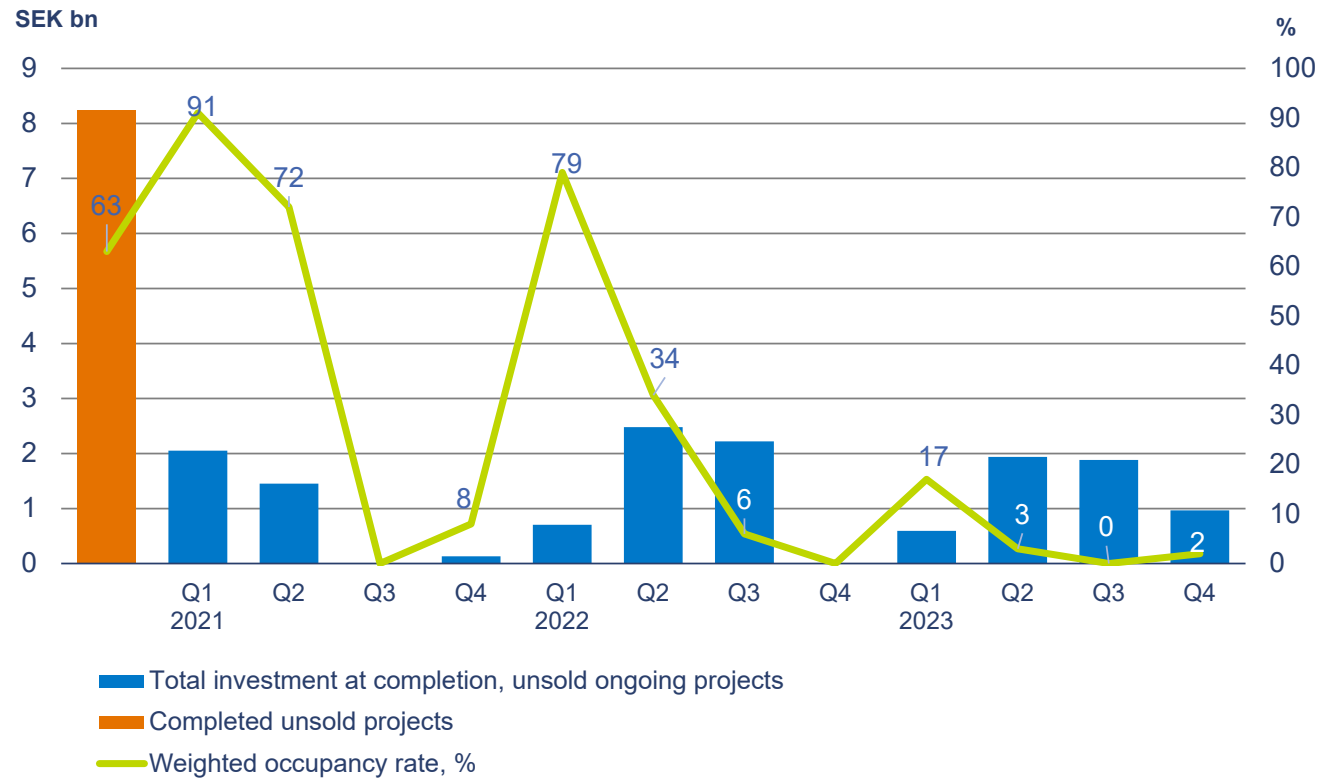
SEK bn



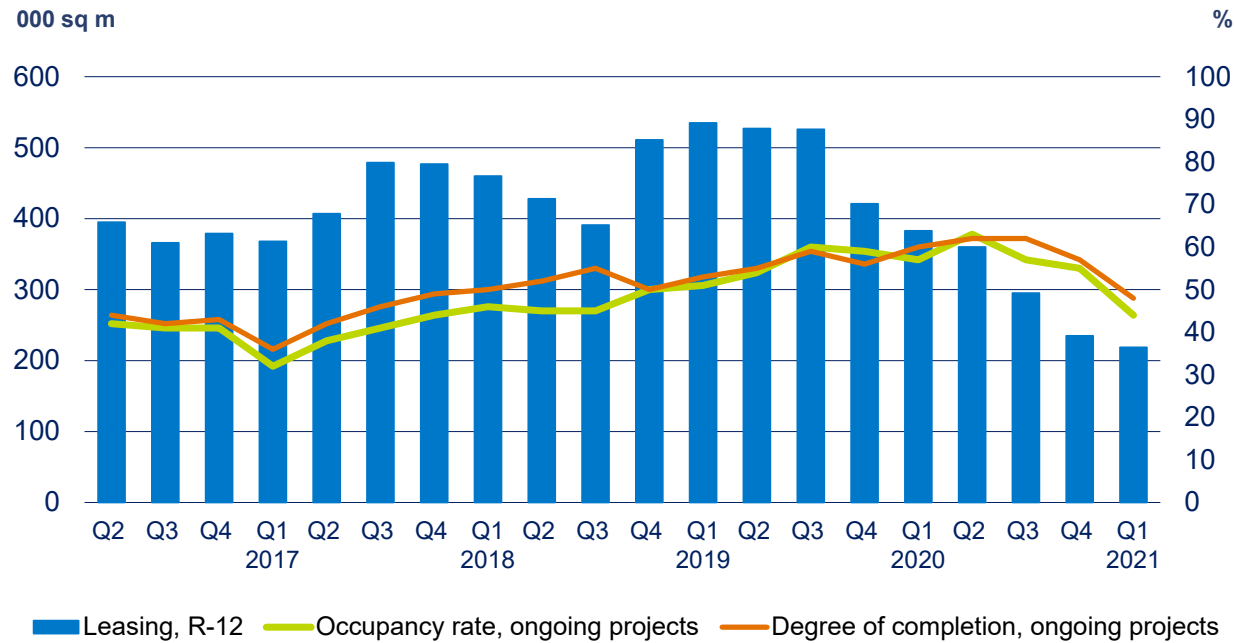
Hyllie Terrass, Malmö, Sweden

Commercial Property Development

Completion profile, unsold projects



Commercial Property Development Leasing



Hyllie Terrass, Malmö, Sweden

Group

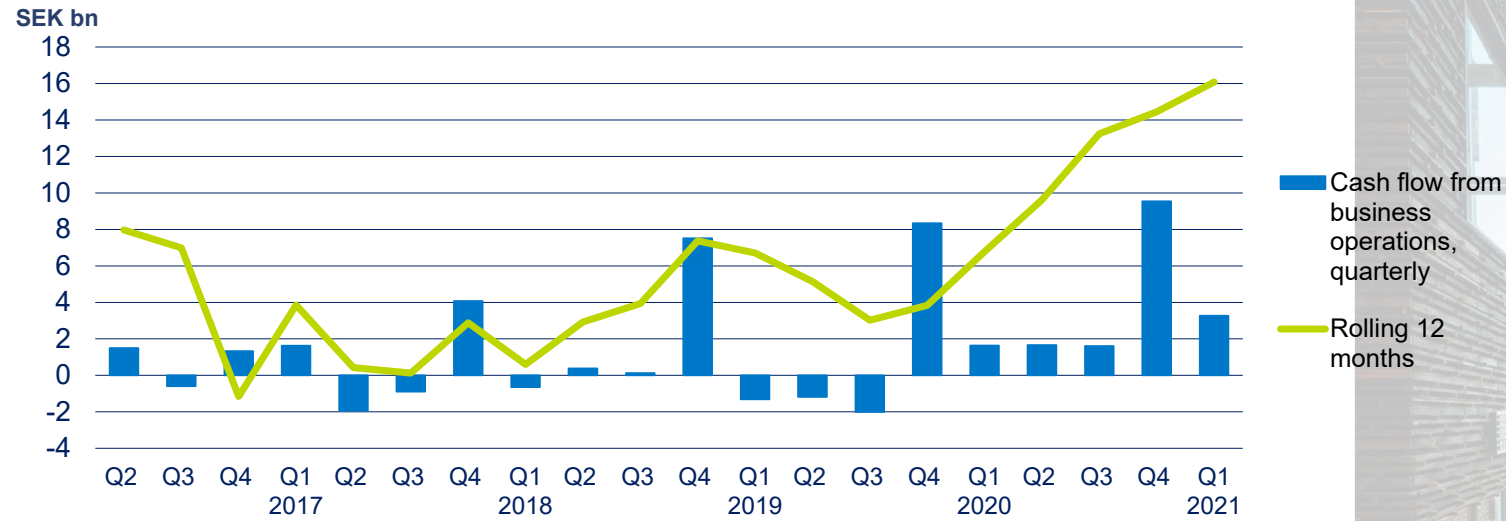
Income statement

SEK M	Jan-mar 2021	Jan-mar 2020	Jan-dec 2020
Operating income from business streams	2,457	3,095	8,968
Central	-104	-121	2,830
Eliminations	-27	-73	62
Operating income	2,327	2,901	11,860
Net financial items	-48	-48	-236
Income after financial items	2,278	2,853	11,624
Taxes	-386	-469	-2,349
Profit for the period	1,892	2,383	9,274



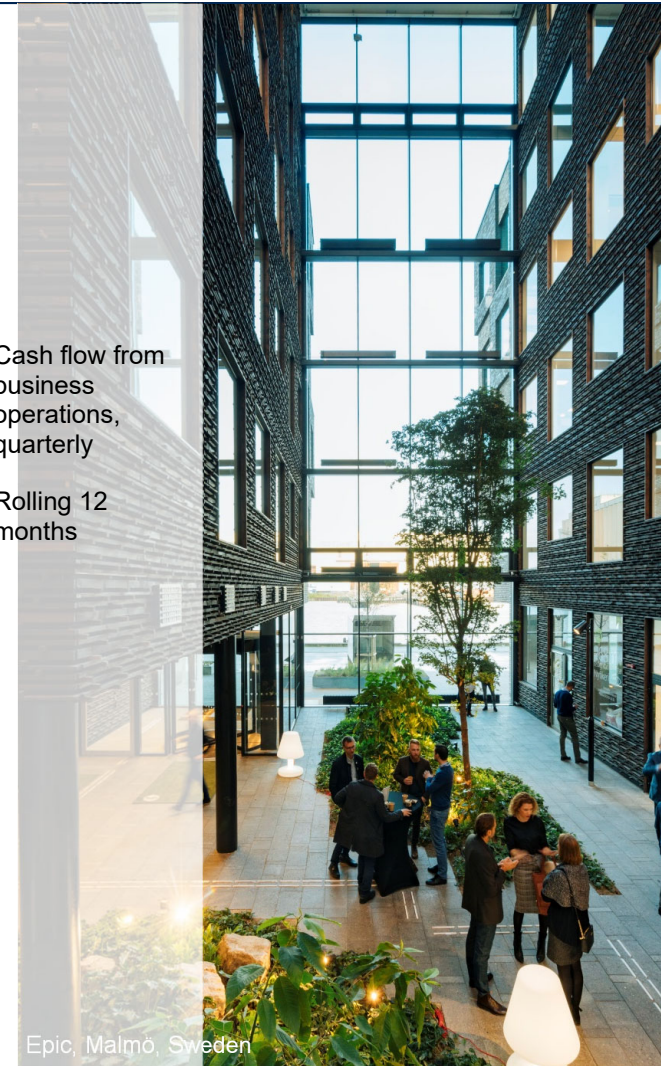
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Group Cash flow



SEK bn	Jan-mar 2021	Jan-mar 2020	Jan-dec 2020
Operating cash flow from operations	3.3 ¹	1.6	14.4
Dividend etc	0.0	0.0	-1.4
Cash flow before change in interest-bearing receivables and liabilities	3.2	1.6	13.0

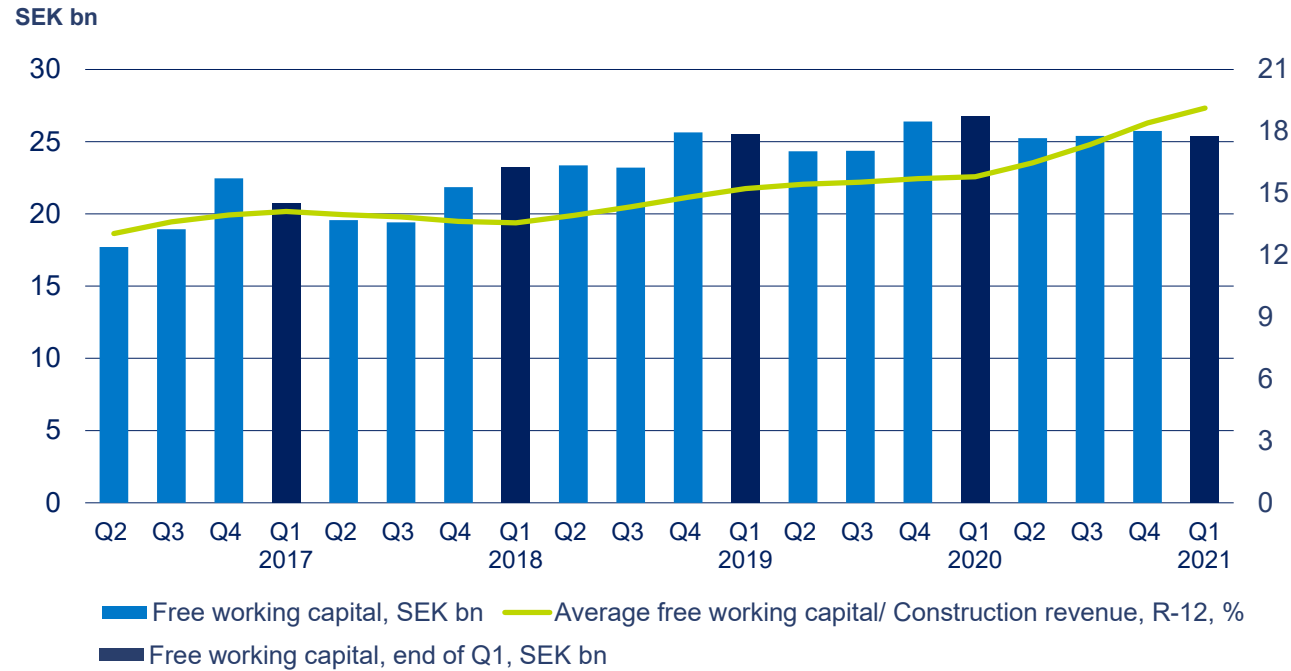
¹ Include SEK 3.9 bn related to approved dividend proposal by the AGM during the first quarter but distributed during the second quarter.



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Construction

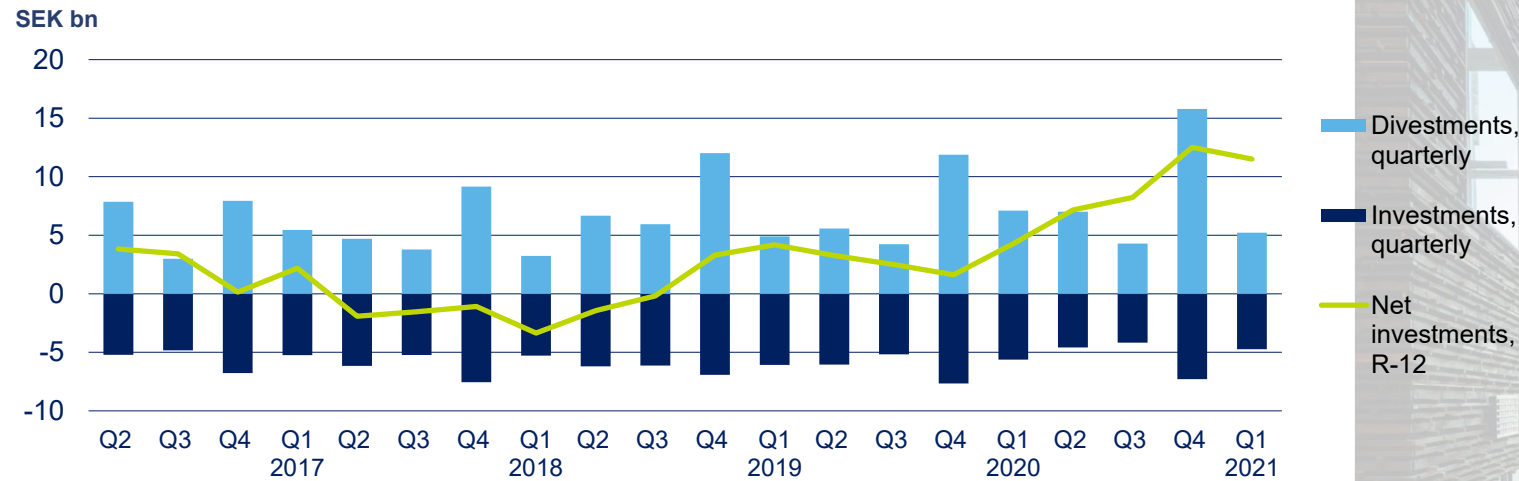
Free working capital



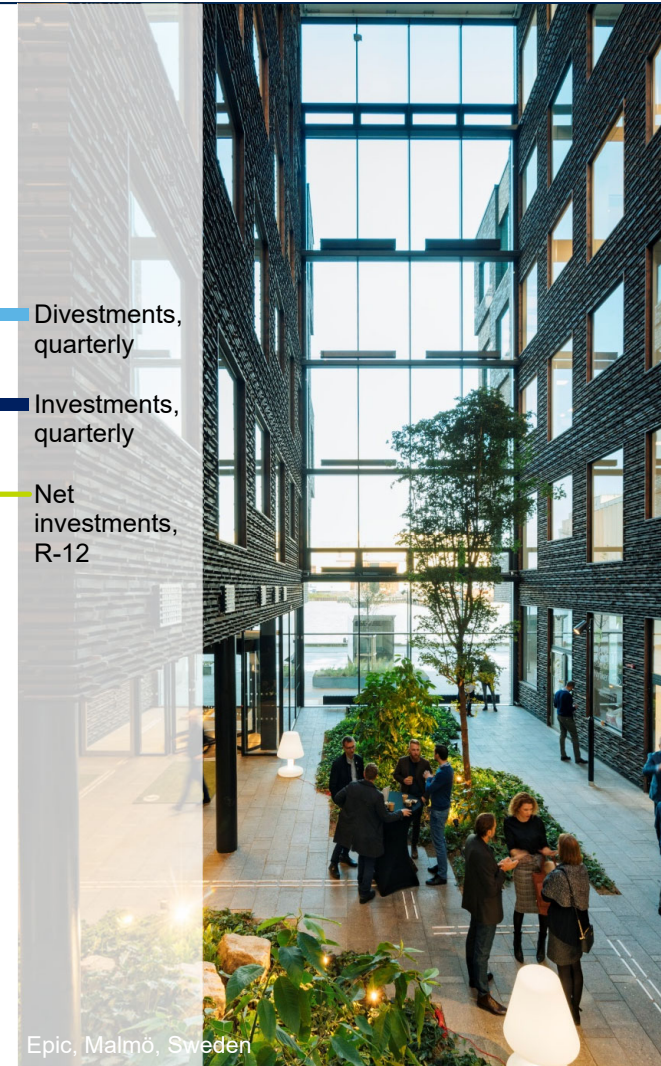
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Group

Investments, divestments and capital employed



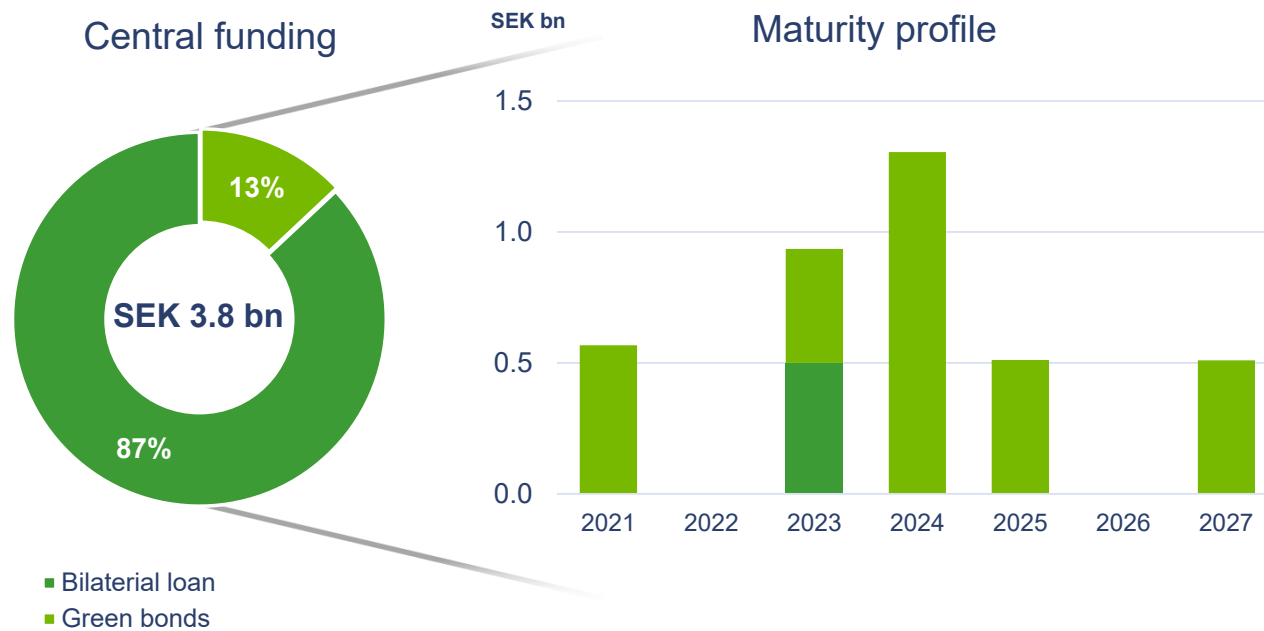
SEK bn	31 mar 2021	31 mar 2020	31 dec 2020
Capital employed in:			
Residential Development	15.4	13.3	13.6
Commercial Property Development	31.1	34.9	30.9
Total in Project Development	46.5	48.2	44.5



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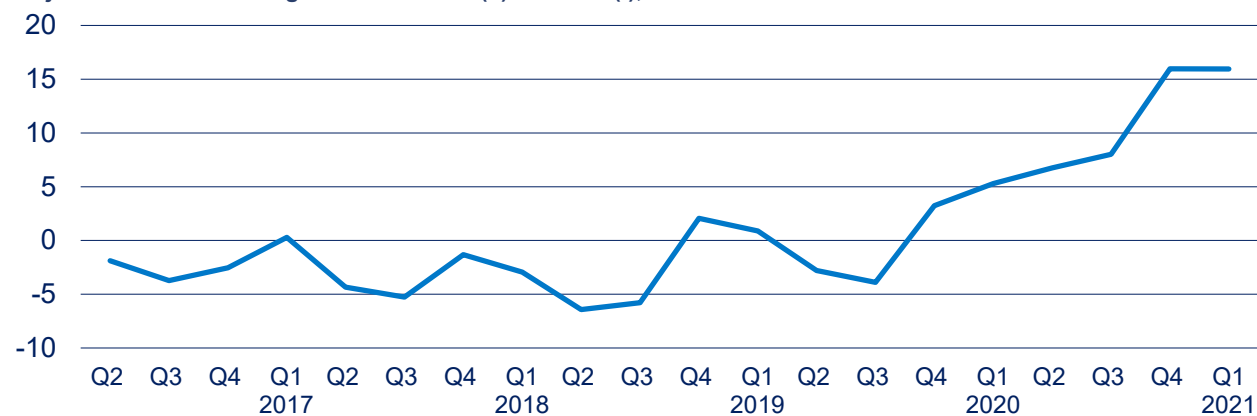
Group

Available funds: SEK 23.0 bn,
o/w unutilized credit facilities SEK 6.6 bn



Group Financial position

Adjusted interest-bearing net receivables (+)/net debt (-), SEK bn



SEK bn	31 mar 2021	31 mar 2020	31 dec 2020
Total assets	129.3	131.5	125.6
Equity attributable to equity holders	38.5	34.8	38.7
Interest-bearing net receivables (+)/net debt (-)	8.8	-3.2	7.3
Adj. interest-bearing net receivables (+)/net debt (-)	15.9	5.3	16.0
Capital employed, closing balance	60.6	58.8	61.1
Equity/assets ratio, %	29.8	26.5	30.8



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Market outlook



Construction

- Weak demand in commercial office building construction
- Outlook improvements for other non-residential and residential construction
- Ambitious infrastructure investment plans under development in many of our markets, but lead-times are expected to be long



Residential Development

- Limited number of new developments, but activity increasing
- Longer term, a balance between:
 - Rising unemployment levels and economic uncertainty
 - Low interest rate policies
 - Structural shortage of homes



Commercial Property Development

- Investor appetite solid, low interest rates and stable credit markets
- Tenants hesitant

Outlook compared to previous quarter ● Weaker ● Unchanged ● Improved



Group Summary

- Strong performance across our operations
- Strong financial position
- Gradual construction market outlook improvement
- Long term focus remains:
 - Improve profitability in Construction
 - Grow Project Development
 - Leading Residential Developer in our home markets
 - Responsible expansion of Commercial Property Development
 - Focus on health and safety
 - Reducing carbon emissions



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SKANSKA



April 29, 2021

Skanska Three month report 2021