

SKANSKA

Q2 2021

Press release, July 23, 2021, 7:30 a.m. CET

We build for a better society.
Moynihan Train Hall, New York City, USA

Six month report, January–June 2021

Highlights according to segment reporting

- Revenue amounted to SEK 69.8 billion (76.7); adjusted for currency effects revenue decreased 3 percent.
- Operating income amounted to SEK 4.7 billion (3.7); adjusted for currency effects operating income increased 29 percent.
- Earnings per share amounted to SEK 9.27 (7.29).
- Operating cash flow from operations amounted to SEK 0.9 billion (3.3), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 13.9 billion (March 31, 2021: 15.9), according to IFRS.
- Order bookings in Construction amounted to SEK 84.7 billion (78.2); adjusted for currency effects order bookings increased 16 percent. The order backlog amounted to SEK 201.3 billion (March 31, 2021: 193.4).
- Operating income in Construction amounted to SEK 2.2 billion (1.4), representing an operating margin of 3.6 percent (1.9).
- Operating income in Project Development amounted to SEK 2.7 billion (2.7).
- Return on capital employed in Project Development was 12.4 percent (11.9).
- Return on equity was 26.7 percent (20.6).

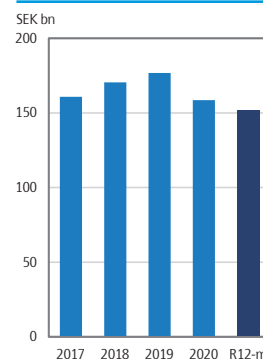
Performance Analysis

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

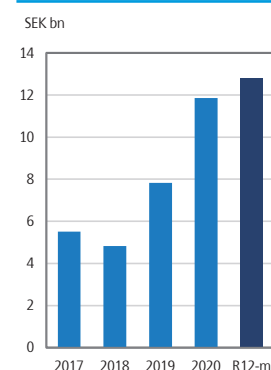
SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Revenue						
Construction	61,716	71,853	-14	32,362	35,914	-10
Residential Development	8,679	4,801	81	4,170	1,402	198
Commercial Property Development	3,848	5,336	-28	1,243	577	115
Central and Eliminations	-4,458	-5,334	-16	-2,381	-2,402	-1
Total	69,785	76,657	-9	35,395	35,491	-0
Operating income						
Construction	2,232	1,366	63	1,510	777	94
Residential Development	1,243	588	111	573	194	196
Commercial Property Development	1,457	2,103	-31	391	-9	-
Central	-189	-242	-22	-85	-121	-30
Eliminations	-78	-69	13	-52	4	-
Operating income	4,664	3,746	25	2,338	845	177
Net financial items	-85	-115	-26	-37	-67	-45
Income after financial items	4,579	3,631	26	2,300	778	196
Taxes	-746	-618	21	-360	-148	143
Profit for the period	3,833	3,013	27	1,940	630	208
Earnings for the period per share, SEK	9.27	7.29	27	4.68	1.51	210
Revenue for the period according to IFRSs	68,854	81,041	-15	36,210	40,701	-11
Operating income for the period according to IFRSs	4,224	4,520	-7	2,780	3,038	-9
Earnings for the period per share according to IFRSs, SEK	8.38	8.86	-5	5.56	5.95	-6
Operating cash flow from operations	865	3,293	-74	-2,399	1,662	-
Interest-bearing net receivables(+)/net debt(-)	8,124	-1,376	-	8,124	-1,376	-
Return on capital employed in Project Development, % ¹	12.4	11.9				
Adjusted interest-bearing net receivables(+)/net debt(-)	13,934	6,754	106			
Return on equity, % ¹	26.7	20.6				

1 Rolling 12 months.

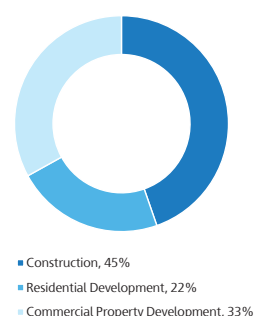
Revenue



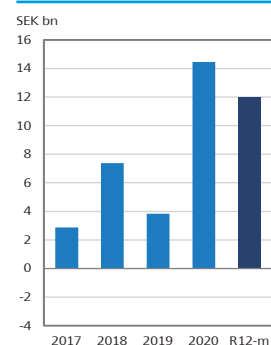
Operating income



Operating income per segment, Jun 30, 2021, R-12



Operating cash flow from operations



Well-positioned with a strategy that pays off



Performance in the second quarter was strong. Construction continues to improve across all business units, Residential Development maintains high activity and profitability levels, and Commercial Property Development delivers strong development gains. We are well-positioned, able to pursue profitable opportunities and stand steady in times of uncertainty. We remain committed to society's sustainable economic recovery, which will generate market opportunities and add value to our shareholders, people, and other stakeholders.

During this quarter, Skanska joined the climate initiative, Leadership Group for Industry Transition, which is comprised of countries and leading companies committed to taking action to achieve the objectives of the Paris Agreement. This will enable us to further accelerate our efforts toward climate neutrality. Since 2015 we have reduced our own carbon footprint by more than 40 percent.

In Construction, our strategy continues to pay off as profitability improves in all our business units. Being selective in our bidding and focusing on commercial management are the key elements driving this progress. The pandemic has impacted revenue negatively, but market activity is now improving, and order bookings and order backlogs are increasing. With our home market approach that uses our local expertise to drive our bidding strategy, we are ensuring high-quality growth.

In Residential Development, activity and profitability remain high thanks to solid project performance. The amount of sold and started homes increased, and the number of homes under production is also growing. Our sales rate is high and due to a shortage of homes in many of our markets, combined with current strong demand, we are focused on starting new projects. The greatest challenges in starting new projects relate to the slow zoning processes in our markets.

Commercial Property Development had a relatively muted quarter in terms of divestments, but the development gains were at attractive levels and the investor appetite remains strong. The leasing market is still negatively impacted by tenant uncertainty due to the pandemic. However, we clearly see an increase in activity and are expecting this trend to continue. We started new developments in both Sweden and the USA during the second quarter. In Seattle we started our largest development ever, an office building targeting the highest environmental standard. This is our sixth development in Seattle and our ambition is to responsibly grow our Commercial Property Development business - especially in the USA.

Overall, market uncertainty is starting to decrease, and activity is picking up in our markets. With higher activity levels, we are noticing bottlenecks and shortages of certain materials in the supply chain, causing price increases and increased price volatility. With our experience, robust organization, proven strategy to strengthen commercial management and be more selective in the bidding process, we are well-positioned to manage these uncertainties. In combination with our strong financial position, we look ahead with confidence in both our Construction and Project Development operations.



Fit for a brighter future and smoother commute Moynihan Train Hall, New York City, USA

The redevelopment of New York City's iconic James A. Farley Post Office Building into the new 21st century Moynihan Train Hall has brought light to the concourse for the first time in more than 50 years. Completed earlier this year, the 225,000-square-foot bright and modern extension of Penn Station has increased the total floor space by up to 50 percent with improved passenger facilities, ticketing and waiting areas, security, and retail spaces. The 650,000 daily commuters now have access to nine platforms and 17 tracks serving the Long Island Rail Road and Amtrak, as well as a direct connection to the Eighth Avenue Subway - and for the first time ever, a new entrance to the station complex on Ninth Avenue. The centerpiece is the 28-meter high barrel-vaulted skylight that traverses the entire space - much like the original Penn Station did in 1910 - restoring its grandeur. A first, significant step in New York Governor Andrew M. Cuomo's vision for the Empire Station Complex, the Moynihan Train Hall has been granted the Lucy G. Moses Preservation Award - one of the highest honors for excellence in the restoration, preservation, or adaptive use of historic buildings, streetscapes, and landscapes.

Market outlook, next 12 months

- Weaker outlook compared to previous quarter. ● Unchanged outlook compared to previous quarter. ● Improved outlook compared to previous quarter.
- ↗ Very strong market coming 12m ↘ Strong market coming 12m → Stable market coming 12m ↙ Weak market coming 12m ↪ Very weak market coming 12m

Construction

The negative impact from the pandemic is still present in our markets but the activity is increasing as uncertainty is starting to decrease. Non-residential construction has been impacted the most but is slightly improving while residential construction is stable. The public spending into social infrastructure and infrastructure is keeping up relatively well, even though some decisions are being postponed. Funding could be a challenge as public budgets are decreasing due to lower tax revenue and being consumed to fight the pandemic and to stimulate the economies. At the same time, ambitious investment plans are under development in many of our markets, but lead-times are expected to be long.

	Building, non-residential	Building, residential	Civil
↗ Nordics			
Sweden	→	→	→
Norway	↗	→	→
Finland	↗	→	→
↗ Europe			
Poland	↘	→	→
Czech Republic ¹	↘	→	→
United Kingdom	→	–	→
↗ USA			
USA	→	–	↗

¹ Including Slovakia.

Residential Development

Low interest rate policies to support a recovery in the economies are improving affordability which strengthens the consumer confidence. The housing market is experiencing a shortage as new developments have slowed significantly, even though increased activity among developers have been noted. The risk of increasing unemployment levels, as a consequence of an economic slowdown due to the pandemic, could potentially impact demand negatively. To some extent, a structural shortage of housing in many of our markets could mitigate that situation.

↗ Nordics	
Sweden	→
Norway	→
Finland	→
↗ Europe	



Scilla, Stockholm, Sweden

Commercial Property Development

The number of transactions and new developments have decreased due to the market uncertainty. The credit market is however stable. Investor appetite for high quality developments is expected to be solid at about current yield levels. Leasing remains slow due to tenant uncertainty, but the activity is starting to pick up and expected to recover.

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

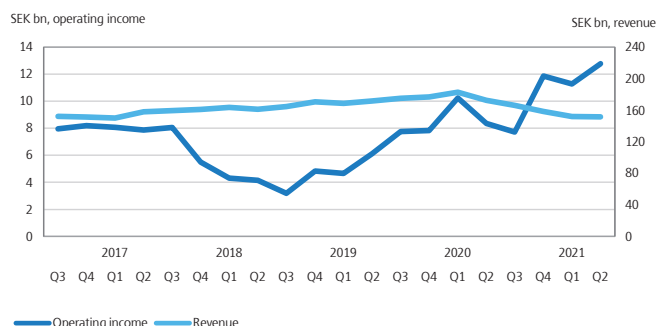


Parkview, Prague, Czech Republic

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Revenue	69,785	76,657	-9	35,395	35,491	-0
Operating income ^{1,2}	4,664	3,746	25	2,338	845	177
Net financial items	-85	-115	-26	-37	-67	-45
Income after financial items	4,579	3,631	26	2,300	778	196
Taxes	-746	-618	21	-360	-148	143
Profit for the period	3,833	3,013	27	1,940	630	208
Earnings for the period per share, SEK ³	9.27	7.29	27	4.68	1.51	210
Earnings for the period per share according to IFRSs, SEK ³	8.38	8.86	-5	5.56	5.95	-6

1 Central, SEK -189 M (-242).

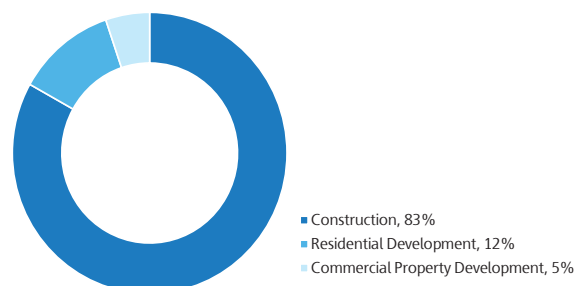
2 Eliminations, SEK -78 M (-69).

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

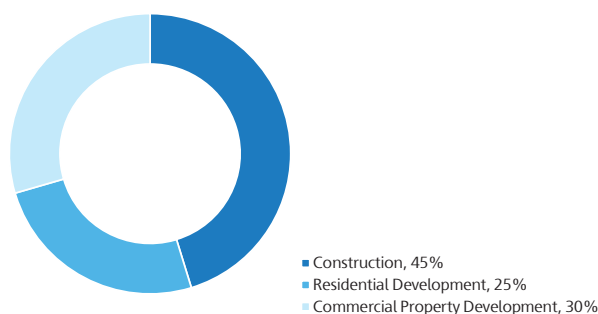
Changes and currency rate effects

	Jan-Jun 2021 / Jan-Jun 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-9%	-3%	-6%
Operating income	25%	29%	-4%

Revenue per segment, January–June 2021



Operating income per segment, January–June 2021



Revenue decreased 9 percent and amounted to SEK 69.8 billion (76.7); adjusted for currency effects revenue decreased 3 percent. Operating income increased 25 percent and amounted to SEK 4,664 M (3,746); adjusted for currency effects operating income increased 29 percent.

Operating income in the second quarter includes gain from the divestment of the infra-structure services business in the UK Construction operations. In the comparable period, operating income was positively impacted by the divestment of the Solna United project within Commercial Property Development during the first quarter.

Central stream totaled SEK -189 M (-242). SEK 70 M (-8) relate to the PPP-portfolio.

The elimination of gains in Intra-Group projects amounted to SEK -78 M (-69).

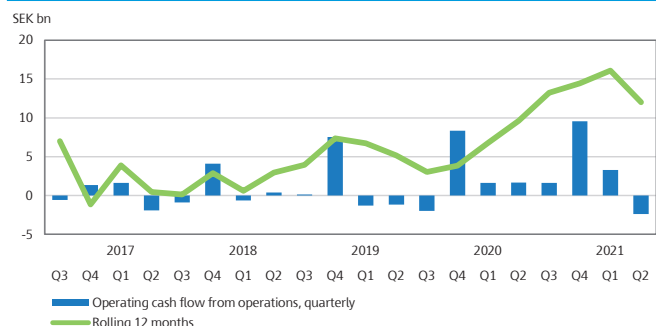
Net financial items amounted to SEK -85 M (-115).

Taxes for the period amounted to SEK -746 M (-618), corresponding to an effective tax rate of 16 percent (17).

Cash flow

Group

Operating cash flow from operations



Operating cash flow

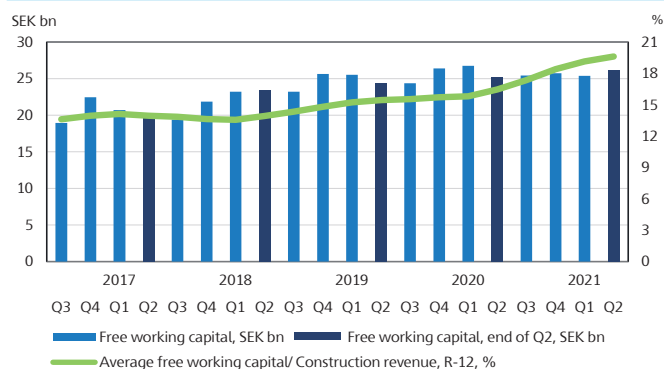
SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Cash flow from business operations	2,158	1,874	15	1,313	1,128	16
Change in working capital	879	-762	-	-1,521	-1,041	46
Net divestments(+)/ investments(-)	1,157	3,895	-70	675	2,417	-72
Cash flow adjustment	116	-206	-	-226	-239	-5
Cash flow from business operations before taxes paid	4,309	4,801	-10	241	2,264	-89
Taxes paid in business operations	-3,019	-949	218	-2,482	-370	571
Cash flow from financing operations	-424	-558	-24	-158	-232	-32
Operating cash flow from operations	865	3,293	-74	-2,399	1,662	-
Net strategic divestments(+)/ investments(-)	722	0	-	722	0	-
Dividend etc.	-4,021	-24	-	-3,976	-24	-
Cash flow before change in interest-bearing receivables and liabilities	-2,433	3,269	-	-5,653	1,638	-
Change in interest-bearing receivables and liabilities excluding lease liabilities	-7,427	1,331	-	-918	-314	192
Cash flow for the period	-9,860	4,600	-	-6,570	1,324	-

Operating cash flow from operations amounted to SEK 865 M (3,293), where taxes paid in business operations and lower net divestments are the main reasons for the change in cash flow.

Taxes paid in business operations amounted to SEK -3,019 M (-949). Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 2.7 billion, of which SEK 0.6 billion will be received during 2021. The remainder will affect cash flow during 2022 and 2023.

The dividend proposal approved at the AGM in the first quarter was distributed during the second quarter.

Free working capital in Construction



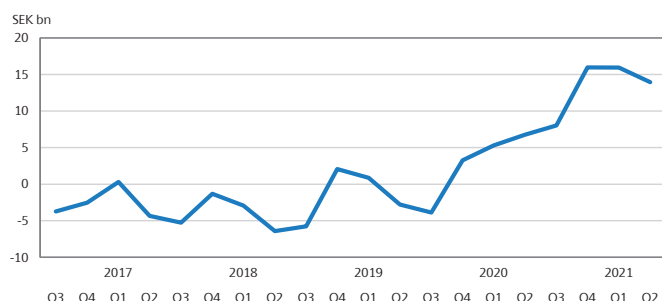
Free working capital in Construction amounted to SEK 26.2 billion (25.2). The average free working capital in relation to Construction revenue in the past 12 months was 19.6 percent, partly driven by lower volumes. Free working capital in Construction remained at a good level due to favorable cash flow 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 -46 M (-902).



LaGuardia Airport, New York City, USA

Financial position

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



Balance sheet - Summary

SEK bn	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Total assets	128.1	127.4	125.6
Total equity	41.1	36.1	38.7
Interest-bearing net receivables (+)/net debt (-)	8.1	-1.4	7.3
Adjusted interest-bearing net receivables(+)/net debt(-)	13.9	6.8	16.0
Capital employed, closing balance	62.0	59.7	61.1
Equity/assets ratio, %	32.1	28.4	30.8

Change in net interest-bearing receivables and liabilities

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Opening balance interest-bearing net receivables(+)/net debt(-)	7,280	-4,917	8,793	-3,243	-4,917
Cash flow for the period	-9,860	4,600	-6,570	1,324	11,672
Less change in interest-bearing receivables and liabilities	7,427	-1,331	918	314	1,335
Cash flow before change in interest-bearing receivables and liabilities	-2,433	3,269	-5,653	1,638	13,007
Translation differences, net receivables/net debt	513	-310	-240	-180	-1,067
Remeasurements of pension liabilities	2,160	181	790	191	-860
Interest-bearing liabilities acquired/divested	283	0	283	0	0
Other changes, interest-bearing net receivables/net debt	321	401	4,150	218	1,118
Change in interest-bearing net receivables/net debt	844	3,541	-669	1,867	12,197
Closing balance interest-bearing net receivables(+)/net debt(-)	8,124	-1,376	8,124	-1,376	7,280
Restricted cash	-5,020	-5,454	-5,020	-5,454	-4,814
Pension liability, net	3,920	5,129	3,920	5,129	6,263
Lease liabilities	6,910	8,454	6,910	8,454	7,233
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	13,934	6,754	13,934	6,754	15,962

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 13.9 billion (March 31, 2021: 15.9). Interest-bearing net receivables amounted to SEK 8.1 billion (March 31, 2021: 8.8) and include SEK 6.9 billion in interest-bearing lease liabilities according to IFRS 16.

At the end of the quarter, cash, cash equivalents and committed unutilized credit facilities amounted to SEK 16.4 billion (March 31, 2021: 23.0), of which SEK 12.1 billion (March 31, 2021: 18.9) is available within one week. The Group central loan portfolio amounted to SEK 3.2 billion (March 31, 2021: 3.8) consisting of SEK 0.5 billion in a Medium-Term Note (MTN) with a maturity of 1.9 years and SEK 2.7 billion in bilateral loans with an average maturity of 3.5 years. At June 30, the Group's unutilized credit facilities totaled SEK 6.5 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.0 years (March 31, 2021: 3.1).

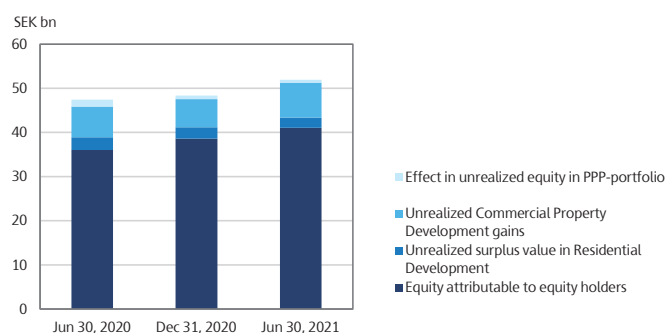
At the end of the quarter, capital employed amounted to SEK 62.0 billion (March 31, 2021: 60.6).

Equity

Changes in equity

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Opening balance	38,717	33,021	38,514	34,790	33,021
Dividend to shareholders	-3,917	0	0	0	-1,340
Other changes in equity not included in total comprehensive income for the year	65	115	30	45	197
Profit for the period	3,466	3,658	2,306	2,459	9,897
Other comprehensive income					
Translation differences	760	-662	-476	-1,396	-2,146
Effects of remeasurements of pensions	1,944	123	659	192	-792
Effects of cash flow hedges	106	-117	107	48	-120
Closing balance	41,140	36,138	41,140	36,138	38,717

Adjusted equity, less standard tax of 10 percent



The Group's equity, after the dividend distribution, amounted to SEK 41.1 billion (36.1), resulting in an equity/assets ratio of 32.1 percent (28.4) and a net debt/equity ratio of -0.2 (0.0).

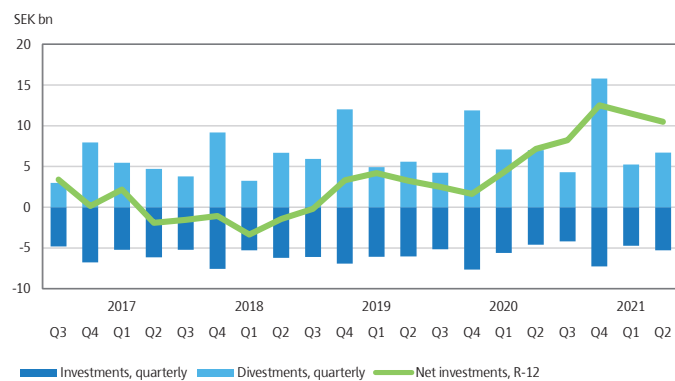
Translation differences amounted to SEK 760 M (-662) as a result of a weaker Swedish krona.

The effects of remeasurements of pensions amounted to SEK 1,944 M (123). This is mainly explained by higher discount rate in Sweden, Norway and the UK but also higher return on plan assets for all three countries.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 12.1 billion of which SEK 0.3 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 10.9 billion and SEK 0.2 billion.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK –10,039 M (–10,215), while divestments amounted to SEK 11,917 M (14,110), resulting in net divestments of SEK 1,879 M (3,895).

In Construction, investments totaled SEK –794 M (–679). These investments mainly relate to property, plant and equipment for the Group's own operations. Net divestments in Construction amounted to SEK 44 M (–546). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK –1,153 M (–1,335).

In Residential Development, investments totaled SEK –5,994 M (–5,181), of which SEK –1,693 M (–684) relates to land acquisitions, corresponding to 2,422 building rights. Divestments amounted to SEK 4,542 M (5,653). Net investments in Residential Development amounted to SEK –1,452 M (472).

In Commercial Property Development, investments totaled SEK –3,090 M (–4,346), of which SEK –352 M (–398) relates to investments in new land, while divestments amounted to SEK 6,527 M (8,384). Net divestments in Commercial Property Development amounted to SEK 3,437 M (4,038).

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

SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Investments						
Construction	-794	-679	17	-483	-384	26
Residential Development	-5,994	-5,181	16	-3,290	-2,473	33
Commercial Property Development	-3,090	-4,346	-29	-1,387	-1,765	-21
Other	-161	-9	-	-143	30	-
Total	-10,039	-10,215	-2	-5,303	-4,591	16
Divestments						
Construction	837	133	529	774	110	602
Residential Development	4,542	5,653	-20	2,399	3,710	-35
Commercial Property Development	6,527	8,384	-22	3,526	3,263	8
Other	11	-60	-	2	-76	-
Total	11,917	14,110	-16	6,700	7,008	-4
Net divestments(+)/investments(-)						
Construction	44	-546	-	291	-274	-
Residential Development	-1,452	472	-	-892	1,237	-
Commercial Property Development	3,437	4,038	-15	2,139	1,499	43
Other	-150	-69	118	-141	-46	209
Total	1,879	3,895	-52	1,397	2,417	-42
Of which strategic	722	0	-	722	0	-

Capital employed in Project Development

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Residential Development	14,862	12,478	13,608
Commercial Property Development	30,056	33,885	30,906
Total in Project Development	44,918	46,363	44,515



Investment, The Eight, Bellevue, USA

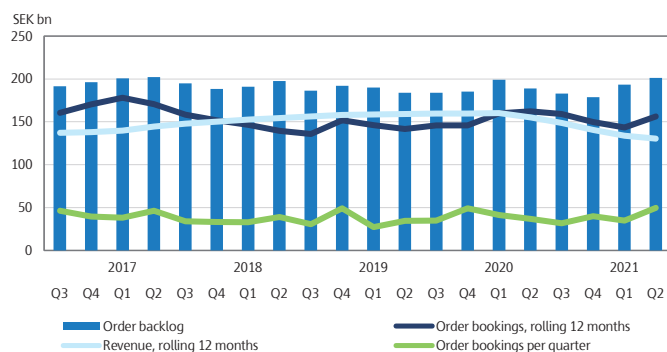


Divestment, Residential project, Malmö, Sweden

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



At the end of the quarter, the order backlog amounted to SEK 201.3 billion compared to SEK 193.4 billion at the end of the previous quarter. The order backlog corresponds to 18 months of production (March 31, 2021: 17).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
	Jan-Jun 2021 / Jan-Jun 2020		
Order bookings	8%	16%	-8%
	Jun 30, 2021 / Mar 31, 2021		
Order backlog	4%	6%	-2%

Major orders in the quarter

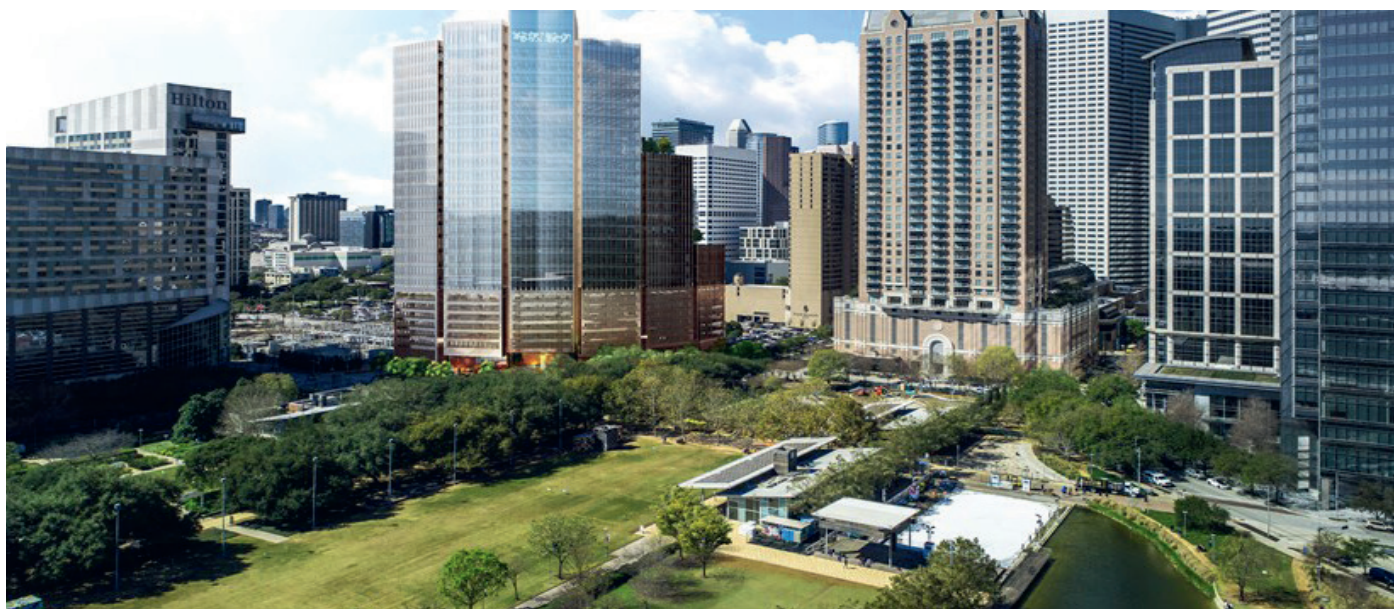
Geography	Contract	Amount SEK M	Client
USA	Health lab	3,800	New York City Economic Development Corporation (NYCEDC)
Nordic	Water tunnel	3,400	Agency for Water and Sewage in Oslo Municipality
Europe	Highway	2,600	National Highway Authority of the Slovak Republic
USA	Office building	2,300	Skanska CD US
USA	Hotel	2,300	Georgia World Congress Center Authority

Order bookings and order backlog in Construction

SEK bn	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020
Order bookings	84.7	78.2	49.8	36.9
Order backlog ¹	201.3	189.0	-	-

¹ Refers to the end of each period.

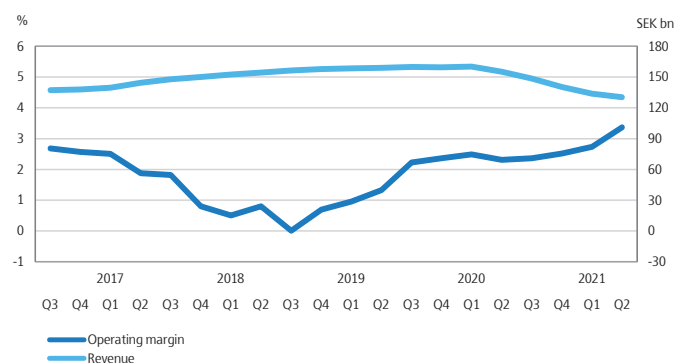
Order bookings amounted to SEK 84.7 billion (78.2); adjusted for currency effects order bookings increased 16 percent, mainly driven by higher order bookings in USA. Order bookings in the comparable period include the SEK 13.9 billion order booking of the high speed rail in the UK. On a rolling 12-month basis the book-to-build ratio was 120 percent (March 31, 2021: 107). For more information, see page 27.



Office development project 1550 on the Green, Houston, Texas, USA

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Revenue	61,716	71,853	-14	32,362	35,914	-10
Gross income	5,013	4,408	14	2,887	2,197	31
Selling and administrative expenses	-2,786	-3,050	-9	-1,380	-1,430	-3
Income from joint ventures and associated companies	5	8	-45	3	10	-69
Operating income	2,232	1,366	63	1,510	777	94
Gross margin, %	8.1	6.1		8.9	6.1	
Selling and administrative expenses, %	-4.5	-4.2		-4.3	-4.0	
Operating margin, %	3.6	1.9		4.7	2.2	
Employees	29,308	31,419				

Changes and currency rate effects

	Jan-Jun 2021 / Jan-Jun 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-14%	-8%	-6%
Operating income	63%	74%	-11%

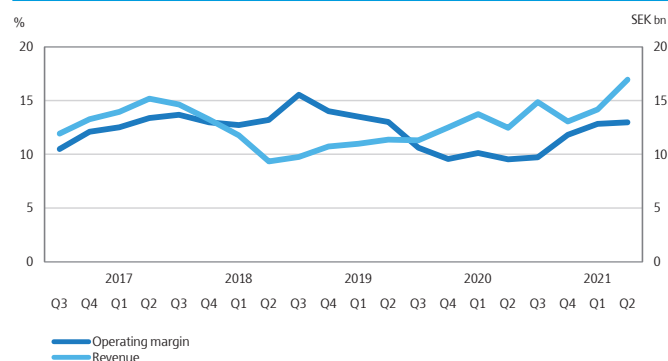
Revenue in the Construction business stream decreased 14 percent and amounted to SEK 61.7 billion (71.9); adjusted for currency effects revenue decreased by 8 percent. This is mainly related to Covid-19 disruptions, especially in Europe and USA, and decisions by clients to postpone ramp-up of new projects. But it is also a remaining impact of the strategic actions to focus the operations and be more selective in bidding in order to improve profitability. The operating margin was 3.6 percent (1.9). Operating income increased 63 percent and amounted to SEK 2,232 M (1,366); adjusted for currency effects operating income increased by 74 percent. All business units improved the profitability. Operating income in Europe includes a gain of SEK 370 M related to the divestment of the infrastructure services business in the UK.



Low-carbon asphalt, Ludvika, Sweden

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

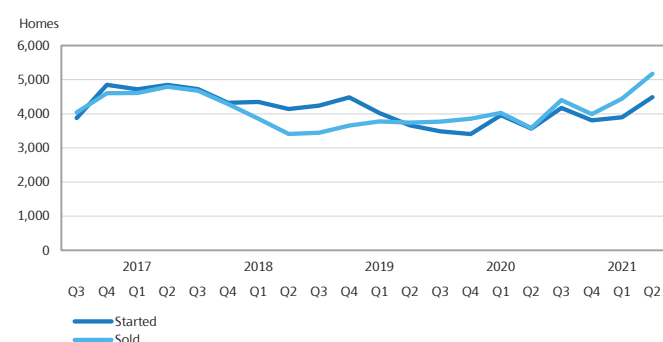
SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Revenue	8,679	4,801	81	4,170	1,402	198
Gross income	1,598	878	82	761	324	134
Selling and administrative expenses	-355	-291	22	-187	-131	44
Operating income	1,243	588	111	573	194	196
Gross margin, %	18.4	18.3		18.2	23.1	
Selling and administrative expenses, %	-4.1	-6.1		-4.5	-9.3	
Operating margin, %	14.3	12.2		13.7	13.8	
Return on capital employed, % ¹	16.6	9.8		-	-	

¹ Rolling 12 months. For definition see page 17.

Revenue in the Residential Development business stream amounted to SEK 8,679 M (4,801). The number of homes sold totaled 2,494 (1,311) and construction started on 1,982 homes (1,298). Divestments of 334 rental apartments in Sweden totaling about SEK 800 M, are included in the first six months. Revenue for the comparable period was negatively impacted by low sales volume due to Covid-19 in the second quarter. Operating income amounted to SEK 1,243 M (588). The operating margin was 14.3 percent (12.2).

Return on capital employed was 16.6 percent (9.8).

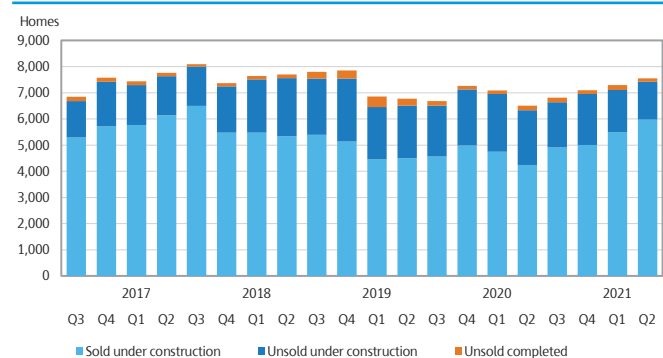
Homes sold and started, rolling 12 months



Homes sold and started

	Jan-Jun 2021	Jan-Jun 2020
Homes sold	2,494	1,311
Homes started	1,982	1,298

Homes under construction and unsold



Homes under construction and unsold

	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Homes under construction	7,423	6,330	6,948
of which sold, %	80	67	72
Completed unsold, number of homes	132	178	154

At the end of the quarter, 7,423 homes (March 31, 2021: 7,104) were under construction. Of these, 80 percent (March 31, 2021: 77) were sold. The number of completed unsold homes amounted to 132 (March 31, 2021: 186). The number of completed homes amounted to 1,506 (2,101).

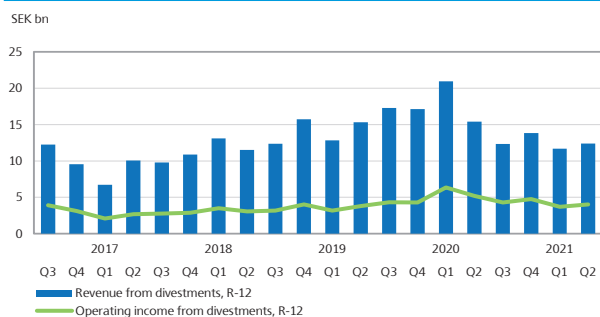
Breakdown of carrying amounts

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Completed projects	468	701	648
Ongoing projects	9,638	8,074	7,843
Undeveloped land and development properties	9,365	8,094	8,551
Total	19,471	16,869	17,041

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 9.6 billion (March 31, 2021: 8.9) and undeveloped land and development properties amounted to SEK 9.4 billion (March 31, 2021: 8.8). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 2.6 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,500 homes and 800 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,000 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Change, %	Apr-Jun 2021	Apr-Jun 2020	Change, %
Revenue	3,848	5,336	-28	1,243	577	115
of which from divestment of properties	3,449	4,880	-29	1,036	335	210
Gross income	1,806	2,527	-29	574	198	190
Selling and administrative expenses	-353	-417	-15	-185	-202	-8
Income from joint ventures and associated companies	4	-8	-	2	-5	-
Operating income	1,457	2,103	-31	391	-9	-
of which from divestment of properties	1,717	2,454	-30	495	169	193
Return on capital employed, % ¹	10.6	12.6				

¹ Rolling 12 months. For definition see page 17.

In the Commercial Property Development business stream, divestments worth SEK 3,449 M (4,880) were made in the first six months of 2021. Operating income amounted to SEK 1,457 M (2,103) and included gains from property divestments totaling SEK 1,717 M (2,454). The comparable period was positively impacted by the divestment of the Solna United project.

Return on capital employed was 10.6 percent (12.6).

Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value ^{1,2}	Occupancy rate, %	Degree of completion, %
Ongoing projects ³	8,812	22,924	28,838	35	39
Completed projects ^{4,5}	8,069	8,069	10,340	59	100
Undeveloped land and development properties	11,311	11,311	11,920		
Total	28,192	42,304	51,098		
of which carrying amount ⁶	27,843	41,955			
of which ongoing projects sold according to segment reporting	1,583	2,383	2,659		

¹ Market value according to appraisal on December 31, 2020.

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

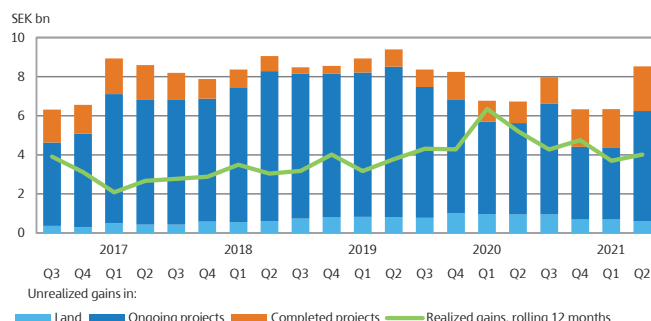
³ Including tenant improvement and leasing commissions in CDUS amounted to SEK 20 M.

⁴ Including tenant improvement and leasing commissions in CDUS amounted to SEK 655 M.

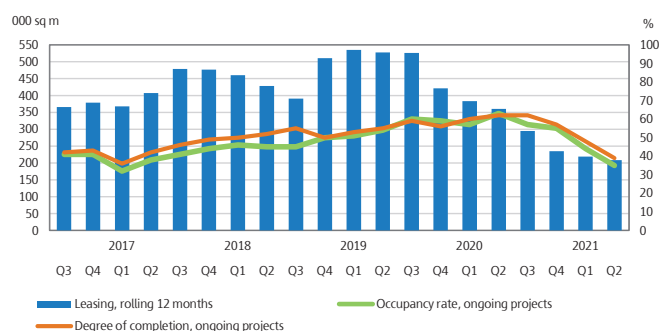
⁵ Skanska's share of total production cost in JVs is SEK 468 M end of period and upon completion.

⁶ Includes Skanska's total equity investment in JV of SEK 119 M.

Unrealized and realized gains, segment reporting



Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 34 ongoing projects. During the quarter, four new project was started, and three were completed. The 34 ongoing projects represent leasable space of about 728,000 sq m with an occupancy rate of 35 percent, measured in rent. The projects' degree of completion was 39 percent. Their investment value upon completion is expected to total SEK 22.9 billion, with an estimated market value of SEK 28.8 billion.

Of the ongoing projects, 11 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 2.4 billion, with a sales value of SEK 2.7 billion. By the end of the quarter the total number of completed projects amounted to 17. The market value of these projects, excluding property divested according to segment reporting, was SEK 10.3 billion. The occupancy rate, measured in rent, totaled 59 percent (March 31, 2021: 63).

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 8.5 billion. These gains related to SEK 5.6 billion in ongoing projects, SEK 2.3 billion in completed projects and SEK 0.6 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK 430 M. These eliminations are released at the Group level as each project is divested. During the six months new leases were signed for 94,000 sq m (120,000).

Personnel

During the period, the average number of employees in the Group was 30,836 (32,959). At the end of the quarter, the number of employees totaled 29,740 people (March 31, 2021: 31,420).

Transactions with related parties

There were no new significant transactions during the quarter.

Material risks and uncertainties

For information about risks and a description of key estimates and judgments, see the Annual and Sustainability Report 2020, pages 51-56, Note 2 and 6, as well as the section above on market outlook. Covid-19 and its effects on real economies will create uncertainty and risks for some time.

The Swedish Mark- och miljööverdomstolen, Land and the Environmental Court of Appeal, has rejected a permission-renewal to quarry limestone for a main supplier of cement to the Swedish construction industry. A halt to the supply would impact the Swedish construction industry negatively. The final outcome and consequences to this rejection is still uncertain and Skanska monitors the situation closely and assesses risks and mitigating actions.

Other matters

Events after the end of the report period

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

Financial reports for 2021

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

The Group's interim reports for 2021 will be published on the following dates:

October 28, 2021	Nine Month Report
February 3, 2022	Year-end Report

Certification

The Board of Directors and the President and CEO certify that this Six month report provides a true and fair overview of the performance of the business, position and earnings of the Parent Company and the Group and describes the principal risks and uncertainties faced by the Parent Company and the companies in the Skanska Group.

Stockholm, July 22, 2021

Hans Biörck
Chairman

Pär Boman
Board member

Ola Fält
Board member

Jan Gurander
Board member

Richard Hörstedt
Board member

Fredrik Lundberg
Board member

Catherine Marcus
Board member

Jayne McGivern
Board member

Yvonne Stenman
Board member

Åsa Söderström Winberg
Board member

Anders Danielsson
President and Chief Executive Officer

This report has not been subject to review by the Company's auditors.

Accounting Principles

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

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 2020, 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 2020, 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	<table border="0"> <tr><td>Total assets</td><td>22,499</td></tr> <tr><td>- tax assets</td><td>-372</td></tr> <tr><td>- deposits in internal bank</td><td>-204</td></tr> <tr><td>- pension receivable</td><td>-27</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-6,961</td></tr> <tr><td>- capitalized interest expense</td><td>-71</td></tr> <tr><td></td><td><u>14,862</u></td></tr> </table>	Total assets	22,499	- tax assets	-372	- deposits in internal bank	-204	- pension receivable	-27	- non-interest-bearing liabilities (excluding tax liabilities)	-6,961	- capitalized interest expense	-71		<u>14,862</u>	Measure capital usage and efficiency in Residential Development.
Total assets	22,499															
- tax assets	-372															
- deposits in internal bank	-204															
- pension receivable	-27															
- non-interest-bearing liabilities (excluding tax liabilities)	-6,961															
- capitalized interest expense	-71															
	<u>14,862</u>															
Capital employed Commercial Property Development (CD) SEK M	<table border="0"> <tr><td>Total assets</td><td>33,870</td></tr> <tr><td>- tax assets</td><td>-601</td></tr> <tr><td>- deposits in internal bank</td><td>-115</td></tr> <tr><td>- pension receivable</td><td>0</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-2,843</td></tr> <tr><td>- capitalized interest expense</td><td>-253</td></tr> <tr><td></td><td><u>30,056</u></td></tr> </table>	Total assets	33,870	- tax assets	-601	- deposits in internal bank	-115	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-2,843	- capitalized interest expense	-253		<u>30,056</u>	Measure capital usage and efficiency in Commercial Property Development.
Total assets	33,870															
- tax assets	-601															
- deposits in internal bank	-115															
- pension receivable	0															
- non-interest-bearing liabilities (excluding tax liabilities)	-2,843															
- capitalized interest expense	-253															
	<u>30,056</u>															

Non-IFRS financial measures	Definition	Reason for use																																																																						
Capital employed average	Calculated on the basis of five measuring points; see below.																																																																							
ROCE in RD segment, rolling 12 months SEK M	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>2,198</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>105</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>- interest income from internal bank</td> <td></td> <td></td> <td><u>0</u></td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>2,304</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>13,860</td> <td></td> </tr> <tr> <td>ROCE RD</td> <td></td> <td></td> <td>16.6%</td> <td></td> </tr> <tr> <td colspan="5">* Capital employed average</td> </tr> <tr> <td>Q2 2021</td> <td>14,862</td> <td>x 0.5</td> <td>7,431</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>15,350</td> <td></td> <td>15,350</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>13,608</td> <td></td> <td>13,608</td> <td></td> </tr> <tr> <td>Q3 2020</td> <td>12,810</td> <td></td> <td>12,810</td> <td></td> </tr> <tr> <td>Q2 2020</td> <td>12,478</td> <td>x 0.5</td> <td><u>6,239</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>55,438 / 4</td> <td>13,860</td> </tr> </table>	Operating income			2,198		+ capitalized interest expense			105		+/- financial income and other financial items			1		- interest income from internal bank			<u>0</u>		Adjusted profit			2,304		Capital employed average*			13,860		ROCE RD			16.6%		* Capital employed average					Q2 2021	14,862	x 0.5	7,431		Q1 2021	15,350		15,350		Q4 2020	13,608		13,608		Q3 2020	12,810		12,810		Q2 2020	12,478	x 0.5	<u>6,239</u>					55,438 / 4	13,860	Measure the performance (profitability and capital efficiency) in RD.
Operating income			2,198																																																																					
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Operating income			3,251																																																																					
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			127,928 / 4	31,982																																																																				
ROCE in Project Development, segment, rolling 12 months SEK M	<p>Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD.</p> <p>The total ROCE from RD and CD.</p> <table border="0"> <thead> <tr> <th></th> <th>Adjusted profit</th> <th>CE avg</th> <th>ROCE</th> </tr> </thead> <tbody> <tr> <td>RD</td> <td><u>2,304</u></td> <td>13,860</td> <td>16.6%</td> </tr> <tr> <td>CD</td> <td><u>3,383</u></td> <td>31,982</td> <td>10.6%</td> </tr> <tr> <td></td> <td>5,687</td> <td>45,842</td> <td>12.4%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	<u>2,304</u>	13,860	16.6%	CD	<u>3,383</u>	31,982	10.6%		5,687	45,842	12.4%	Measure the performance (profitability and capital efficiency) in Project Development.																																																						
	Adjusted profit	CE avg	ROCE																																																																					
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Non-IFRS financial measures	Definition	Reason for use																														
Return on equity segment, rolling 12 months SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 10,075 / 37,790 =	Measure profitability on invested equity.																														
	26.7%																															
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q2 2021</td> <td style="width: 15%;">41,031</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">20,515</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q1 2021</td> <td>38,416</td> <td></td> <td>38,416</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>38,620</td> <td></td> <td>38,620</td> <td></td> </tr> <tr> <td>Q3 2020</td> <td>35,589</td> <td></td> <td>35,589</td> <td></td> </tr> <tr> <td>Q2 2020</td> <td>36,036</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">18,018</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-bottom: 1px solid black;">151,158 / 4</td> <td style="text-align: right;">37,790</td> </tr> </table>	Q2 2021	41,031	x 0.5	20,515		Q1 2021	38,416		38,416		Q4 2020	38,620		38,620		Q3 2020	35,589		35,589		Q2 2020	36,036	x 0.5	18,018					151,158 / 4	37,790	
Q2 2021	41,031	x 0.5	20,515																													
Q1 2021	38,416		38,416																													
Q4 2020	38,620		38,620																													
Q3 2020	35,589		35,589																													
Q2 2020	36,036	x 0.5	18,018																													
			151,158 / 4	37,790																												
Operating cash flow from operations	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.																														
Net divestments/investment	Total investments minus total divestments.	Measure the balance between investments and divestments.																														
Free working capital	Non-interest-bearing receivables less non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital.																														
Average free working capital in Construction SEK M	Calculated on the basis of five measuring points. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Q2 2021</td> <td style="width: 15%;">-26,215</td> <td style="width: 10%; text-align: center;">x 0.5</td> <td style="width: 15%;">-13,107</td> <td style="width: 45%;"></td> </tr> <tr> <td>Q1 2021</td> <td>-25,388</td> <td></td> <td>-25,388</td> <td></td> </tr> <tr> <td>Q4 2020</td> <td>-25,748</td> <td></td> <td>-25,748</td> <td></td> </tr> <tr> <td>Q3 2020</td> <td>-25,401</td> <td></td> <td>-25,401</td> <td></td> </tr> <tr> <td>Q2 2020</td> <td>-25,245</td> <td style="text-align: center;">x 0.5</td> <td style="border-bottom: 1px solid black;">-12,623</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-bottom: 1px solid black;">-102,266 / 4</td> <td style="text-align: right;">-25,566</td> </tr> </table>	Q2 2021	-26,215	x 0.5	-13,107		Q1 2021	-25,388		-25,388		Q4 2020	-25,748		-25,748		Q3 2020	-25,401		-25,401		Q2 2020	-25,245	x 0.5	-12,623					-102,266 / 4	-25,566	Measure the funding stemming from the negative working capital generated in Construction.
Q2 2021	-26,215	x 0.5	-13,107																													
Q1 2021	-25,388		-25,388																													
Q4 2020	-25,748		-25,748																													
Q3 2020	-25,401		-25,401																													
Q2 2020	-25,245	x 0.5	-12,623																													
			-102,266 / 4	-25,566																												
Interest-bearing net receivables/net debt	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.																														
Adjusted interest-bearing net receivables/net debt	Interest-bearing net receivables/net debt excluding restricted cash, lease liabilities and interest-bearing net pension liabilities.	Measure financial position and investment capacity. The latter is derived by comparing adjusted interest-bearing net receivables/net debt to limits set by the Board of Directors.																														
Equity/assets ratio	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.																														
Net debt/equity ratio	Interest-bearing net debt divided by equity including non-controlling interest.	Measure leverage of financial position.																														
Adjusted equity attributable to equity holders SEK bn	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.																														
		41.0 2.6 8.8 0.7 <u>-1.2</u> 51.9																														

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Construction	57,167 ¹	66,475 ¹	4,549	5,378	61,716	71,853	2,232	1,366
Residential Development	8,679	4,801	0	0	8,679	4,801	1,243	588
Commercial Property Development	3,792	5,260	56	76	3,848	5,336	1,457	2,103
Total operating segments	69,638	76,536	4,605	5,454	74,243	81,990	4,931	4,057
Central	147	120	0	9	147	129	-189	-242
Eliminations	0	0	-4,605	-5,463	-4,605	-5,463	-78	-69
Total Group	69,785	76,657	0	0	69,785	76,657	4,664	3,746
Reconciliation to IFRSs²	-931	4,384	0	0	-931	4,384	-441	774
Total IFRSs	68,854	81,041	0	0	68,854	81,041	4,224	4,520
1 Of which external revenue from joint ventures in PPP-portfolio	1,373	2,920						
2 Of which effect from joint ventures in Residential Development proportionally	-238	-303					-88	-84
Of which effect of different revenue recognitions	-693	4,687					-352	859

Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Central and Eliminations		Total	
	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Nordics	26,359	28,218	3,930	4,619	4,238	5,676	-3,107	-3,489	31,419	35,024
of which Sweden	15,510	16,409	1,896	3,018	1,925	4,103	-2,236	-2,377	17,095	21,152
Europe	10,138	11,719	690	1,051	2,522	1,337	-959	-1,496	12,391	12,611
USA	25,219	31,916	0	0	166	1,827	-342	-337	25,044	33,406
Total operating segments	61,716	71,853	4,620	5,670	6,926	8,839	-4,408	-5,322	68,854	81,041

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jan-Jun 2021	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2021	Apr-Jun 2020	Apr-Jun 2020
Revenue								
Construction	61,716	61,716	71,853	71,853	32,362	32,362	35,914	35,914
Residential Development	8,679	4,620	4,801	5,670	4,170	2,446	1,402	3,744
Commercial Property Development	3,848	6,926	5,336	8,839	1,243	3,733	577	3,506
Central and eliminations	-4,458	-4,408	-5,334	-5,322	-2,381	-2,331	-2,402	-2,463
Skanska Group	69,785	68,854	76,657	81,041	35,395	36,210	35,491	40,701
Operating income								
Construction	2,232	2,232	1,366	1,366	1,510	1,510	777	777
Residential Development	1,243	477	588	762	573	176	194	674
Commercial Property Development ¹	1,457	1,749	2,103	2,650	391	1,203	-9	1,634
Central	-189	-189	-242	-242	-85	-85	-121	-121
of which PPP-portfolio	70	70	-8	-8	33	33	-2	-2
Eliminations ¹	-78	-45	-69	-16	-52	-25	4	74
Operating income	4,664	4,224	3,746	4,520	2,338	2,780	845	3,038
Net financial items	-85	-83	-115	-112	-37	-36	-67	-65
Income after financial items	4,579	4,140	3,631	4,408	2,300	2,743	778	2,973
Taxes	-746	-675	-618	-750	-360	-438	-148	-514
Profit for the period	3,833	3,466	3,013	3,658	1,940	2,306	630	2,460
Earnings for the period per share, SEK ²	9.27		7.29		4.68		1.51	
Earnings for the period per share according to IFRSs, SEK ²		8.38		8.86		5.56		5.95
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	1,717	2,009	2,454	3,001	495	1,308	169	1,812
Eliminations	84	122	164	220	50	83	42	125

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-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Revenue	68,854	81,041	36,210	40,701	160,344
Cost of sales	-60,986	-72,583	-31,561	-35,802	-143,457
Gross income	7,868	8,458	4,650	4,899	16,887
Selling and administrative expenses	-3,805	-4,031	-1,915	-1,895	-8,269
Income from joint ventures and associated companies	161	93	45	35	4,015
Operating income	4,224	4,520	2,780	3,038	12,633
Financial income	57	88	27	-1	120
Financial expenses	-140	-200	-63	-64	-349
Net financial items ¹	-83	-112	-36	-65	-229
Income after financial items	4,140	4,408	2,743	2,973	12,404
Taxes	-675	-750	-438	-514	-2,507
Profit for the period	3,466	3,658	2,306	2,460	9,897
1 Of which					
Interest income	33	88	16	24	118
Financial net pension costs	-29	-28	-15	-14	-61
Interest expenses	-87	-95	-40	-52	-194
Interest expenses from lease liabilities	-104	-130	-52	-61	-244
Capitalized interest expenses	103	105	53	48	195
Net interest items	-85	-60	-37	-55	-186
Change in fair value	1	-3	-0	-2	-3
Other net financial items	1	-49	2	-7	-40
Net financial items	-83	-112	-36	-65	-229
Profit attributable to:					
Equity holders	3,457	3,647	2,296	2,451	9,875
Non-controlling interests	8	11	9	9	22
Earnings per share, SEK ²	8.38	8.86	5.56	5.95	23.97
Earnings per share after dilution, SEK ³	8.33	8.81	5.53	5.92	23.84

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-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Profit for the period	3,466	3,658	2,306	2,459	9,897
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Remeasurements of defined benefit plans	2,442	129	813	250	-1,003
Tax related to items that will not be reclassified to profit and loss	-499	-6	-154	-58	211
	1,944	123	659	192	-792
Items that have been or will be reclassified to profit and loss					
Translation differences attributable to equity holders	745	-689	-466	-1,339	-2,120
Translation differences attributable to non-controlling interests	3	-5	1	-4	-7
Hedging of exchange rate risk in foreign operations	12	32	-12	-53	-19
Effects of cash flow hedges ¹	32	-66	81	31	35
Share of other comprehensive income of joint ventures and associated companies ²	79	-65	42	0	-176
Tax related to items that have been or will be reclassified to profit and loss	-5	14	-15	17	21
	866	-779	-369	-1,348	-2,266
Other comprehensive income after tax	2,809	-656	291	-1,156	-3,058
Total comprehensive income	6,275	3,002	2,596	1,303	6,839
Total comprehensive income attributable to					
Equity holders	6,263	2,996	2,585	1,298	6,824
Non-controlling interests	11	6	11	5	15
1 Of which transferred to income statement	0	0	0	0	-2
2 Of which transferred to income statement	95	70	44	44	157

Summary statement of financial position (IFRS)

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6,893	7,315	6,816
Property, plant and equipment right-of-use assets	3,453	4,243	3,930
Goodwill	3,857	3,839	3,713
Intangible assets	742	772	771
Investments in joint ventures and associated companies	1,633	3,251	1,689
Financial non-current assets ^{1,3}	3,606	2,662	1,931
Deferred tax assets	1,632	1,425	1,803
Total non-current assets	21,816	23,507	20,653
Current assets			
Current-asset properties ²	46,520	46,072	44,948
Current-asset properties right-of-use land	3,149	3,921	2,980
Inventories	997	1,072	1,100
Financial current assets ³	15,599	6,286	8,492
Tax assets	1,739	875	950
Contract assets	5,955	6,581	4,599
Trade and other receivables	22,482	25,753	22,401
Cash	9,859	13,328	19,508
Total current assets	106,300	103,889	104,979
TOTAL ASSETS	128,116	127,396	125,631
of which interest-bearing financial non-current assets	3,562	2,613	1,884
of which interest-bearing current assets	25,429	19,530	27,808
Total interest-bearing assets	28,992	22,143	29,692
EQUITY			
Equity attributable to equity holders	41,031	36,036	38,620
Non-controlling interests	109	103	97
Total equity	41,140	36,138	38,717
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ³	3,269	3,493	3,247
Lease liabilities	6,023	7,385	6,217
Pensions	6,048	6,196	7,360
Deferred tax liabilities	1,154	897	928
Total non-current liabilities	16,493	17,972	17,752
Current liabilities			
Financial current liabilities ³	4,677	5,461	4,663
Lease liabilities	887	1,069	1,016
Tax liabilities	651	423	1,884
Current provisions	10,428	9,192	10,326
Contract liabilities	20,880	21,654	19,462
Trade and other payables	32,960	35,487	31,812
Total current liabilities	70,482	73,286	69,162
TOTAL EQUITY AND LIABILITIES	128,116	127,396	125,631
of which interest-bearing financial liabilities	14,819	17,322	15,052
of which interest-bearing pensions and provisions	6,048	6,196	7,360
Total interest-bearing liabilities	20,868	23,519	22,412
1 Of which shares and participations	42	45	43
2 Current-asset properties			
Commercial Property Development	27,049	29,202	27,906
Residential Development	19,471	16,869	17,041
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	1	4	4
Financial current assets	28	85	193
Financial non-current liabilities	2	4	6
Financial current liabilities	34	82	85

Contingent liabilities amounted to SEK 56.6 bn on 2021-06-30 (2020-12-31: 57.9) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2020 Annual and Sustainability Report, Note 20B, 20C and 33. During the period, contingent liabilities decreased by SEK 1.3 bn.

Summary statement of changes in equity (IFRS)

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Opening balance	38,717	33,021	38,514	34,790	33,021
of which non-controlling interests	97	97	98	98	97
Dividend to shareholders	-3,917	0	0	0	-1,340
Dividend to non-controlling interests	0	0	0	0	-15
Effects of equity-settled share-based payments	169	139	89	69	300
Repurchase of shares	-104	-24	-59	-24	-88
Total comprehensive income attributable to					
Equity holders	6,263	2,996	2,585	1,298	6,824
Non-controlling interests	11	6	11	5	15
Closing balance	41,140	36,138	41,140	36,138	38,717
of which non-controlling interests	109	103	109	103	97

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

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Cash flow from operating activities before change in working capital, according to IAS 7	-855	935	-1,167	764	2,652
Cash flow from change in working capital, according to IAS 7	2,986	3,525	-493	1,467	8,632
Net investments in property, plant and equipment and intangible assets	-835	-598	-580	-330	4,129
Tax payments on sold property, plant and equipment and intangible assets	-7	-10	-2	-6	-29
Cash flow from business operations including taxes paid according to operating cash flow	1,290	3,852	-2,241	1,895	15,384
Less net investments in property, plant and equipment and intangible assets	835	598	580	330	-4,129
Less tax payments on sold property, plant and equipment and intangible assets	7	10	2	6	29
Cash flow from operating activities, according to IAS 7	2,132	4,460	-1,659	2,230	11,284
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow	722	0	722	0	0
Net investments in property, plant and equipment and intangible assets	-835	-598	-580	-330	4,129
Increase and decrease in interest-bearing receivables	-7,863	-449	-1,052	-484	-2,529
Taxes paid on sold property, plant and equipment and intangible assets	-7	-10	-2	-6	-29
Cash flow from investing activities, according to IAS 7	-7,983	-1,057	-912	-820	1,571
Cash flow from financing operations according to operating cash-flow statement	-424	-558	-158	-233	-934
Change in interest-bearing receivables and liabilities excluding lease liabilities	-7,427	1,331	-918	-314	-1,335
Increase and decrease in interest-bearing receivables	7,863	449	1,052	484	2,529
Dividend etc. ¹	-4,021	-24	-3,976	-24	-1,443
Cash flow from financing activities, according to IAS 7	-4,009	1,198	-3,999	-86	-1,183
Cash flow for the period	-9,860	4,600	-6,570	1,324	11,672

¹ Of which repurchases of shares SEK 104 M.

Operating cash flow (IFRS), supplementary information

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Construction					
Cash flow from business operations	2,817	2,746	1,494	1,528	6,258
Change in working capital	-46	-902	1,190	-209	1,382
Net divestments(+)/investments(-)	-678	-546	-431	-274	-1,188
Total Construction	2,093	1,298	2,252	1,046	6,451
Residential Development					
Cash flow from business operations	-126	-362	68	-132	-434
Change in working capital	1,004	674	1,412	157	-693
Net divestments(+)/investments(-)	-1,452	472	-892	1,237	1,291
Cash flow adjustment	1	0	1	0	0
Total Residential Development	-574	783	590	1,263	164
Commercial Property Development					
Cash flow from business operations	-412	-485	-144	-165	-1,088
Change in working capital	-55	-616	3	-792	-487
Net divestments(+)/investments(-)	3,437	4,038	2,139	1,499	7,211
Cash flow adjustment	115	-206	-228	-239	-355
Total Commercial Property Development	3,083	2,730	1,770	303	5,281
Central and Eliminations					
Cash flow from business operations	-121	-24	-106	-103	-631
Change in working capital	-23	82	-4,126	-198	406
Net divestments(+)/investments(-)	-150	-69	-141	-46	5,194
of which PPP-portfolio	-100	16	-108	0	5,296
Total Central and Eliminations	-294	-11	-4,372	-347	4,969
Total cash flow from business operations	2,158	1,874	1,313	1,128	4,104
Total change in working capital	879	-762	-1,521	-1,041	607
Total net divestments(+)/investments(-)	1,157	3,895	675	2,417	12,508
Total cash flow adjustment	116	-206	-226	-239	-355
Cash flow from business operations before taxes paid	4,309	4,801	241	2,265	16,865
Taxes paid in business operations	-3,019	-949	-2,482	-370	-1,481
Cash flow from business operations including taxes paid	1,290	3,852	-2,241	1,895	15,384
Net interest items, other net financial items and amortization of lease liabilities	-606	-798	-226	-332	-1,334
Taxes paid in financing operations	182	239	68	100	400
Cash flow from financing operations	-424	-558	-158	-233	-934
Operating cash flow from operations	865	3,293	-2,399	1,662	14,450
Net strategic divestments(+)/investments(-)	722	0	722	0	0
Dividend etc. ¹	-4,021	-24	-3,976	-24	-1,443
Cash flow before change in interest-bearing receivables and liabilities	-2,433	3,269	-5,653	1,638	13,007
Change in interest-bearing receivables and liabilities excluding lease liabilities	-7,427	1,331	-918	-314	-1,335
Cash flow for the period	-9,860	4,600	-6,570	1,324	11,672
Cash and cash equivalents at the beginning of the period	19,508	8,745	16,453	12,161	8,745
Exchange rate differences in cash and cash equivalents	211	-17	-24	-157	-909
Cash and cash equivalents at the end of the period	9,859	13,328	9,859	13,328	19,508

¹ Of which repurchases of shares SEK 104 M.

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

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
OPERATIONS - INVESTMENTS					
Intangible assets	-75	-17	-39	-5	-133
Property, plant and equipment	-770	-748	-477	-426	-1,487
Shares and participations	-117	-13	-117	-9	-18
Current-asset properties	-9,078	-9,436	-4,670	-4,151	-20,047
of which Residential Development	-5,990	-5,166	-3,286	-2,460	-10,299
of which Commercial Property Development	-3,088	-4,271	-1,384	-1,690	-9,748
Investments in operations	-10,039	-10,215	-5,303	-4,591	-21,685
Total Investments	-10,039	-10,215	-5,303	-4,591	-21,685
OPERATIONS - DIVESTMENTS					
Intangible assets	0	0	0	0	8
Property, plant and equipment	116	121	53	98	289
Shares and participations	11	59	2	12	5,470
Current-asset properties	11,069	13,930	5,924	6,897	28,426
of which Residential Development	4,542	5,622	2,398	3,710	11,548
of which Commercial Property Development	6,527	8,308	3,526	3,188	16,878
Divestments in operation	11,195	14,110	5,978	7,008	34,193
STRATEGIC DIVESTMENTS					
Businesses	722	0	722	0	0
Strategic divestments	722	0	722	0	0
Total divestments	11,917	14,110	6,700	7,008	34,193
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	1,879	3,895	1,397	2,417	12,508
Depreciation, non-current assets	-1,327	-1,515	-654	-758	-2,945

Capital employed in Project Development (IFRS)

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Residential Development	14,862	12,478	13,608
Commercial Property Development	30,056	33,885	30,906
Total in Project Development	44,918	46,363	44,515

Parent Company¹

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-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020
Revenue	282	353	168	193
Selling and administrative expenses	-282	-279	-150	-132
Operating income	0	74	18	61
Net financial items	9,984	2,987	9,992	2,994
Income after financial items	9,984	3,061	10,010	3,055
Taxes	2	-14	-3	-13
Profit for the period	9,986	3,047	10,007	3,042
Total comprehensive income	9,986	3,047	10,007	3,042

Summary balance sheet (IFRS)

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Intangible non-current assets	6	9	8
Property, plant and equipment	0	0	0
Financial non-current assets 2	17,114	12,326	12,031
Total non-current assets	17,120	12,335	12,039
Current receivables	140	124	164
Total current assets	140	124	164
TOTAL ASSETS	17,260	12,459	12,203
EQUITY AND LIABILITIES			
Equity	16,630	11,817	10,652
Provisions	219	211	240
Non-current interest-bearing liabilities 2	305	319	1,211
Current liabilities	106	112	100
TOTAL EQUITY AND LIABILITIES	17,260	12,459	12,203

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

2 Of these amounts, SEK 5,530 M (Dec 31, 2020: 384) were intra-Group receivables and SEK 305 M (Dec 31, 2020: 1,211) intra-Group liabilities.

The Parent Company's contingent liabilities totaled SEK 164.5 bn on June 30, 2021 (Dec 31, 2020: 160.6), of which SEK 120.8 bn (Dec 31, 2020: 118.1) were related to obligations on behalf of Group companies. Other obligations, SEK 43.7 bn on June 30, 2021 (Dec 31 2020: 42.5), were related to commitments to outside parties.

Share data

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Earnings per share according to segment reporting, SEK ¹	9.27	7.29	4.68	1.51	22.46
Earnings per share, SEK ¹	8.38	8.86	5.56	5.95	23.97
Earnings per share after dilution, SEK ²	8.33	8.81	5.53	5.92	23.84
Equity per share, SEK ³	99.50	87.46			93.67
Adjusted equity per share, SEK ⁴	125.94	115.14			117.22
Average number of shares outstanding	412,401,184	411,796,519			411,993,869
Average number of shares outstanding after dilution	414,928,648	414,048,842			414,304,017
Average dilution, %	0.61	0.54			0.56
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
Average price, repurchased shares, SEK	139.90	137.78			138.45
Number of Series B shares repurchased	27,805,228	27,020,228			27,348,228
of which repurchased during the year	457,000	132,000	247,000	132,000	460,000
Number of shares in Skanska's own custody	7,516,203	7,901,280			7,616,674
Number of shares outstanding	412,386,869	412,001,792			412,286,398

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-Jun 2021	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017
Revenue	69,785	76,657	80,871	79,468	79,118
Operating income	4,664	3,746	3,225	1,937	3,300
Profit for the period	3,833	3,013	2,638	1,598	3,017
Earnings per share, SEK	9.27	7.29	6.41	3.89	7.35
Return on capital employed, %	21.2	15.1	13.1	9.8	19.7
Return on equity, %	26.7	20.6	17.4	13.2	26.7
Operating margin, %	6.7	4.9	4.0	2.4	4.2
Return on capital employed according to IFRSs, %	20.5	16.0	14.9	10.0	14.9
Cash flow per share according to IFRSs, SEK ¹	-5.90	7.94	-12.10	-9.16	-9.39

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-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
US dollar	8.41	9.68	9.21	8.51	9.37	8.19
British pound	11.67	12.21	11.81	11.78	11.50	11.15
Norwegian krone	1.00	1.00	0.98	0.99	0.96	0.96
Euro	10.13	10.66	10.49	10.12	10.50	10.05
Czech koruna	0.39	0.40	0.40	0.40	0.39	0.38
Polish zloty	2.23	2.42	2.36	2.24	2.35	2.22

Construction

Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Revenue	61,716	71,853	32,362	35,914	140,483
Gross income	5,013	4,408	2,887	2,197	9,344
Selling and administrative expenses	-2,786	-3,050	-1,380	-1,430	-5,852
Income from joint ventures and associated companies	5	8	3	10	37
Operating income	2,232	1,366	1,510	777	3,528
Investments	-794	-679	-483	-384	-1,503
Divestments	837	133	774	110	314
Net divestments(+)/investments(-)	44	-546	291	-274	-1,188
Gross margin, %	8.1	6.1	8.9	6.1	6.7
Selling and administrative expenses, %	-4.5	-4.2	-4.3	-4.0	-4.2
Operating margin %	3.6	1.9	4.7	2.2	2.5
Order bookings, SEK bn	84.7	78.2	49.8	36.9	149.8
Order backlog, SEK bn	201.3	189.0	-	-	178.9
Employees	29,308	31,419	-	-	30,944

Revenue

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	26,219	28,020	13,848	14,991	56,130
of which Sweden	15,568	16,549	8,340	8,961	33,689
Europe	10,278	11,917	5,246	5,556	24,154
USA	25,219	31,916	13,268	15,367	60,199
Total	61,716	71,853	32,362	35,914	140,483

Operating income

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	925	816	563	536	1,995
of which Sweden	476	422	308	272	1,072
Europe	626	23	578	27	314
USA	680	528	369	214	1,220
Total	2,232	1,366	1,510	777	3,528

Operating margin, %

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	3.5	2.9	4.1	3.6	3.6
of which Sweden	3.1	2.6	3.7	3.0	3.2
Europe	6.1	0.2	11.0	0.5	1.3
USA	2.7	1.7	2.8	1.4	2.0
Total	3.6	1.9	4.7	2.2	2.5

Order backlog

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	70,490	61,136	63,514
of which Sweden	34,889	37,685	34,558
Europe	42,387	37,719	37,680
USA	88,402	90,114	77,729
Total	201,279	188,969	178,924

Order bookings

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	32,407	28,088	18,572	12,260	59,254
of which Sweden	15,897	16,500	8,435	8,261	30,502
Europe	19,447	27,210	7,939	15,583	40,147
USA	32,841	22,883	23,249	9,064	50,401
Total	84,695	78,181	49,760	36,908	149,802

Book-to build, R-12m

	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	117	101	106
of which Sweden	91	106	91
Europe	144	131	166
USA	113	96	84
Total	120	104	107

Residential Development

Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Revenue	8,679	4,801	4,170	1,402	13,070
Gross income	1,598	878	761	324	2,178
Selling and administrative expenses	-355	-291	-187	-131	-634
Operating income	1,243	588	573	194	1,543
Operating margin, %	14.3	12.2	13.7	13.8	11.8
Investments	-5,994	-5,181	-3,290	-2,473	-10,420
Divestments	4,542	5,653	2,399	3,710	11,710
Net divestments(+)/investments(-)	-1,452	472	-892	1,237	1,291
Capital employed, SEK bn	14.9	12.5	-	-	13.6
Return on capital employed, % ¹	16.6	9.8	-	-	12.8
Employees	599	565	-	-	571

¹ Rolling 12 months.

Revenue

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	7,845	4,349	3,761	1,314	11,597
of which Sweden	4,974	2,243	2,110	808	7,042
Europe	834	452	409	88	1,473
Total	8,679	4,801	4,170	1,402	13,070

Operating income¹

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	1,066	492	485	137	1,345
of which Sweden	704	273	266	75	797
Europe	176	95	88	57	198
Total	1,243	588	573	194	1,543

Operating margin, %¹

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	13.6	11.3	12.9	10.5	11.6
of which Sweden	14.2	12.2	12.6	9.3	11.3
Europe	21.1	21.1	21.5	64.4	13.5
Total	14.3	12.2	13.7	13.8	11.8

¹ Development gain only. Construction margin reported under Construction.

Homes started

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	1,791	889	816	327	2,937
of which Sweden	1,429	436	634	279	2,124
Europe	191	409	105	0	870
Total	1,982	1,298	921	327	3,807

Homes sold

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	2,025	1,098	916	364	3,352
of which Sweden	1,520	643	650	267	2,341
Europe	469	213	217	36	639
Total	2,494	1,311	1,133	400	3,991

Homes under construction

	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	6,144	4,940	5,518
of which Sweden	4,614	3,177	3,901
Europe	1,279	1,390	1,430
Total	7,423	6,330	6,948

Completed unsold, number of homes

	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	107	166	141
of which Sweden	37	102	68
Europe	25	12	13
Total	132	178	154

Homes under construction of which sold, %

	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	82	70	76
of which Sweden	82	72	77
Europe	73	56	55
Total	80	67	72

Commercial Property Development

Revenue and earnings

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Revenue	3,848	5,336	1,243	577	14,983
of which from divestment of properties	3,449	4,880	1,036	335	13,827
Gross income	1,806	2,527	574	198	4,701
Selling and administrative expenses	-353	-417	-185	-202	-797
Income from joint ventures and associated companies	4	-8	2	-5	-8
Operating income	1,457	2,103	391	-9	3,897
of which gain from divestments of properties ¹	1,717	2,454	495	169	4,750
of which writedowns/reversal of writedowns	0	-32	0	-32	-281
1 Additional gains included in eliminations	84	164	50	42	359
Investments	-3,090	-4,346	-1,387	-1,765	-9,777
Divestments	6,527	8,384	3,526	3,263	16,988
Net divestments(+)/investments(-)	3,437	4,038	2,139	1,499	7,211
Capital employed, SEK bn	30.1	33.9	-	-	30.9
Return on capital employed, % ²	10.6	12.6	-	-	11.9
Employees	437	471	-	-	445

2 Rolling 12 months.

Revenue

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	2,847	4,082	1,112	410	5,420
Europe	835	1,006	46	39	2,835
USA	166	248	85	129	6,728
Total	3,848	5,336	1,243	577	14,983

of which from divestments

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	2,716	3,958	1,040	336	5,003
Europe	733	923	-4	-2	2,664
USA	0	-1	0	-0	6,160
Total	3,449	4,880	1,036	335	13,827

Operating income

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	1,306	1,768	423	2	1,870
Europe	198	378	-18	12	661
USA	-47	-44	-14	-23	1,366
Total	1,457	2,103	391	-9	3,897

of which from divestments

SEK M	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Nordics	1,443	1,977	480	129	2,189
Europe	274	462	15	43	865
USA	0	15	0	-3	1,696
Total	1,717	2,454	495	169	4,750

Capital employed

SEK M	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Nordics	10,633	10,851	11,618
Europe	8,923	10,371	9,744
USA	10,500	12,663	9,544
Total	30,056	33,885	30,906

PPP-portfolio value

Unrealized development gain in PPP-portfolio

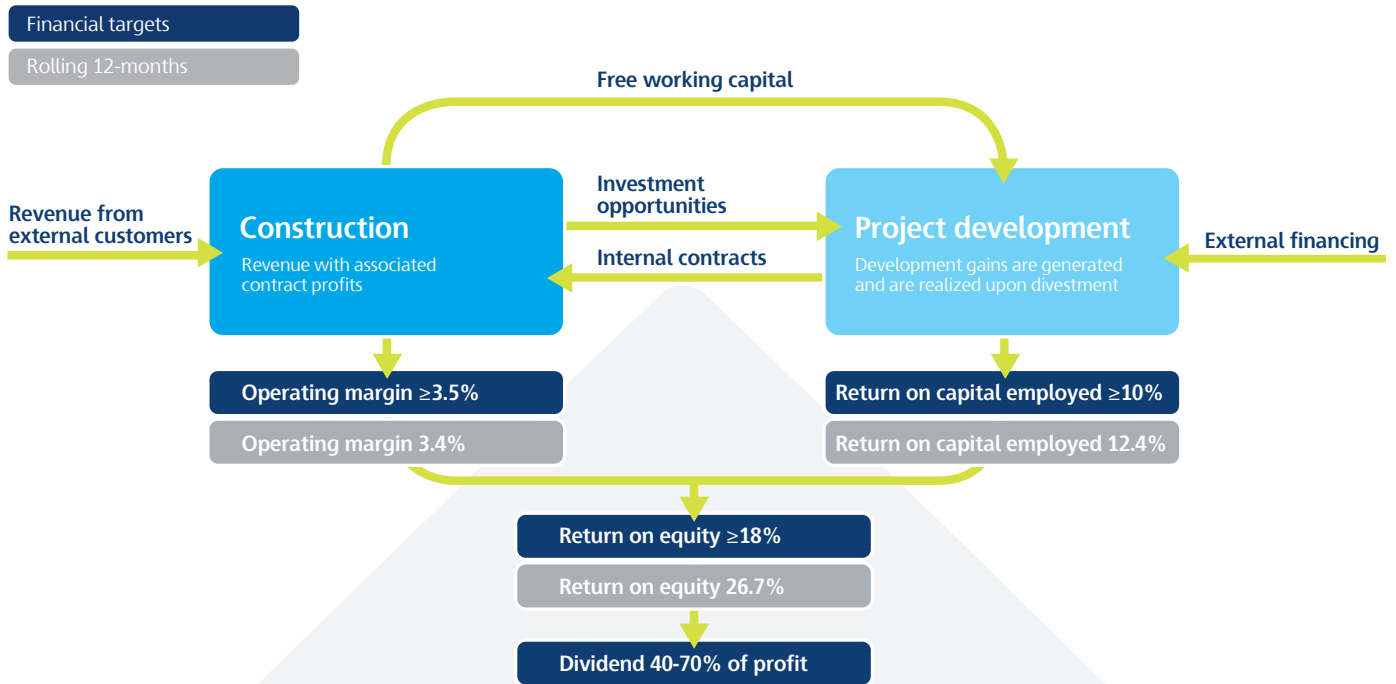
SEK bn	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Present value of cash flow from projects	2.2	4.6	2.2
Present value of remaining investments	-1.0	-0.9	-1.0
Net present value of projects	1.2	3.7	1.2
Carrying amount before Cash flow hedge / Carrying amount	-0.8	-2.3	-0.7
Unrealized development gain	0.4	1.4	0.5
Cash flow hedge	0.3	0.3	0.3
Effect in unrealized equity ¹	0.7	1.7	0.8

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 12.0 billion of Skanska’s total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 12.2 billion.

Construction revenue from internal Project Development contracts amounted to:



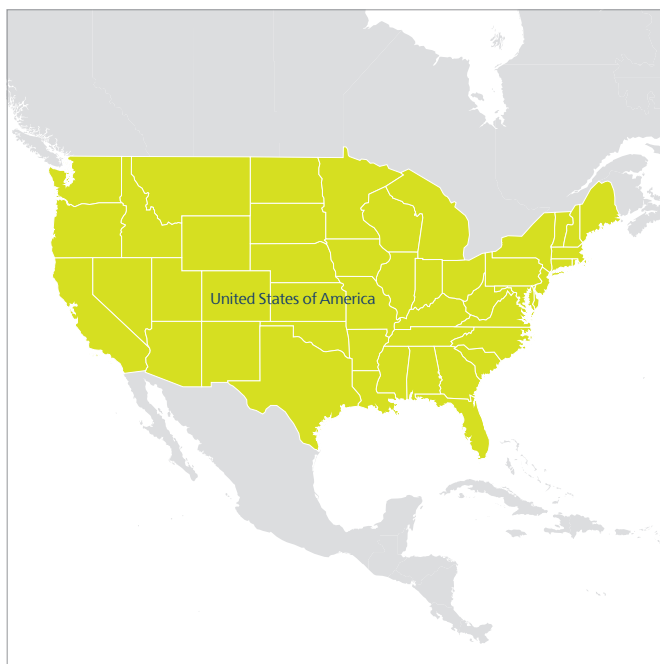
Skanska has invested in the first phase of Port 7, a mix-use project located in Prague, Czech Republic. The full Port 7 complex will offer about 35,000 square meters of A-class office and retail premises in three buildings will retail stores, restaurants and cafés. It also includes a large public space for relaxation, walks and meetings. Port 7 is expected to receive both LEED Platinum and WELL certifications. The project is scheduled for completion in 2023.

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



In Lund, Sweden, Skanska is building what will be a world-leading, multi-disciplinary research facility, based on the world’s most powerful neutron source, and with ground-breaking circular thinking. Thorough environmental assessment of building materials is carried out and aims to facilitate future reuse or recycling of building materials. Energy efficiency is another aspect of the circular approach. ESS is also built without generating any waste for landfill by preventive measures and sorting for recycling.

Skanska's home markets



For further information, please contact:

Magnus Persson, Executive Vice President and CFO, Skanska AB, tel +46 10 448 8900
André Löfgren, Senior Vice President, Investor Relations, Skanska AB, tel +46 10 448 1363
Karolina Cederhage, Senior Vice President, Communications, Skanska AB, tel +46 10 448 0880
Jacob Birkeland, Head of Media Relations and Public Affairs, Skanska AB, tel +46 10 449 1957

This report will also be presented via a telephone conference and a webcast at 10:00 CET on July 23, 2021.
The telephone conference will be webcasted live at www.skanska.com/investors, where a recording of the conference will also be available later.
To participate in the telephone conference, please dial +46 8 505 583 58, or +44 333 300 9035, or +1 646 722 4903.
This and previous releases can also be found at www.skanska.com/investors.

This is information that Skanska AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act.
The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out above, at 07:30 CET on July 23, 2021.