

SKANSKA

Third quarter report 2023

We build for a better society



Third quarter report 2023

- Strong Construction performance and impact of weak property markets
- Result impacted by asset and goodwill impairments of SEK 0.9 billion
- Operating margin in Construction 3.3% (3.4)
- ROCE in Project Development 0.7% (10.0), R-12
- Return on Equity 9.5% (16.9), R-12
- Strong financial position
- Carbon reduction 58% since 2015



Construction

- Revenue SEK 40.9 bn (40.2)
- Order bookings SEK 32.7 bn (43.8)
 - Book-to-build 107%, R-12
 - Order backlog SEK 239.7 bn (227.9)
- Operating income SEK 1,365 M (1,348)
 - Operating margin 3.3% (3.4)
- Robust order intake for several consecutive quarters and an order backlog at historic high
- Rolling 12-month operating margin was 3.8%, well above long-term Group target
- Solid performance continues



Residential Development

- Revenue SEK 0.9 bn (1.5)
 - 277 (339) homes sold
 - 0 (371) homes started
- Operating income SEK -494 M (130)
 - Operating margin neg (8.8)
- ROCE neg (9.5), R-12
- Lower-than-normal sales volumes in all markets except for Central Europe
- Boklok turnaround



Commercial Property Development

- Operating income SEK -277 M (-17)
 - Gain on sale SEK 199 M (166)
- ROCE 2.3% (10.2), R-12
- 29 ongoing projects
 - SEK 31.0 bn total investment
 - 61% completion rate
 - 36% occupancy rate (44% excl. residential rental)
 - No projects started in Q3
- Divesting H2Offices in Budapest in the quarter
- Qualitative portfolio of completed properties

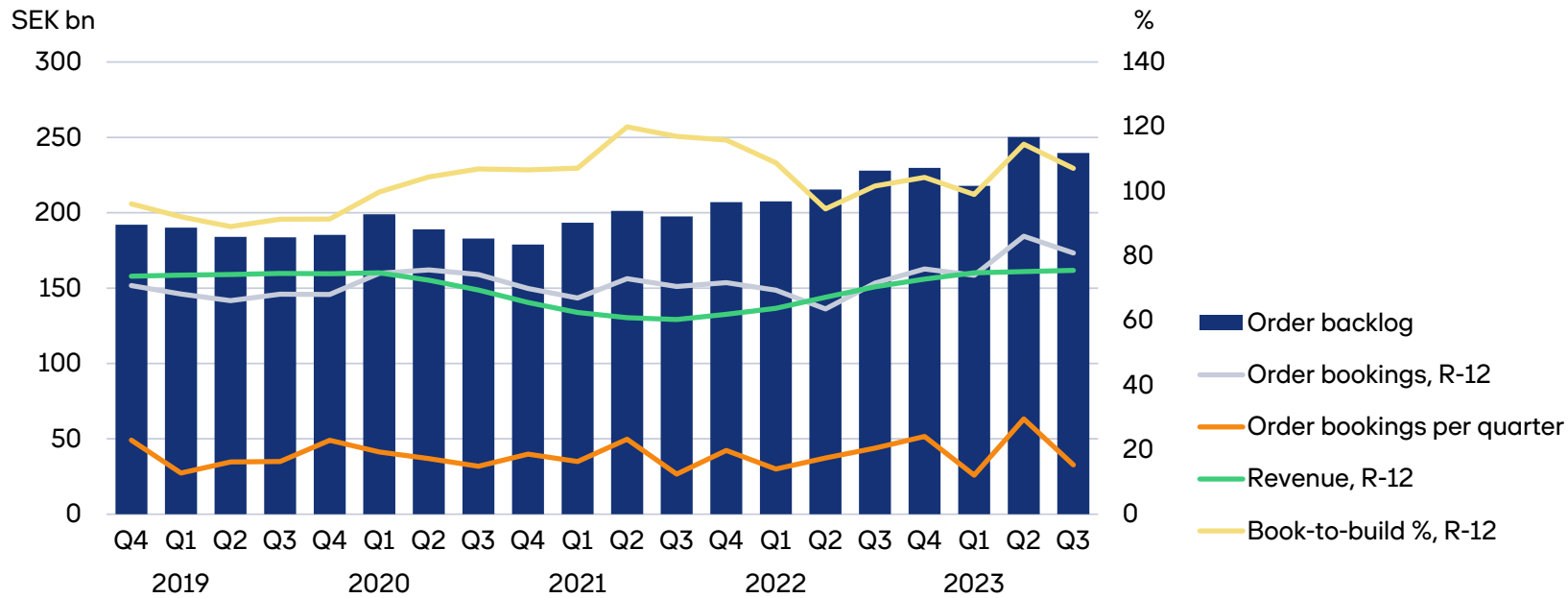


Investment Properties

- Targeting a high quality, sustainable office portfolio of SEK 12-18 bn, to generate stable cash flow
- Stable operational performance
- Economic occupancy rate at 91 percent



Construction Order bookings



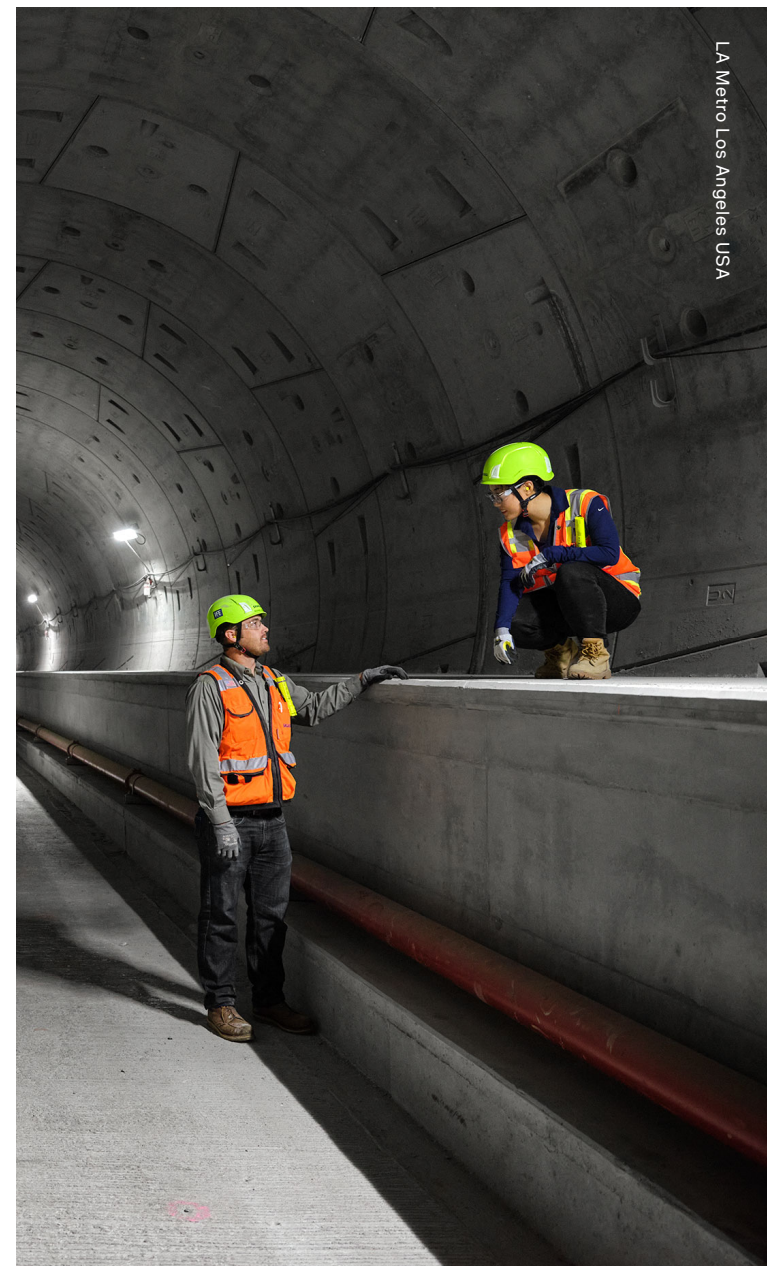
SEK bn	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Revenue	40.9	40.2	161.8	156.0
Order bookings	32.7	43.8	173.3	162.7
Order backlog	239.7	227.9		229.8



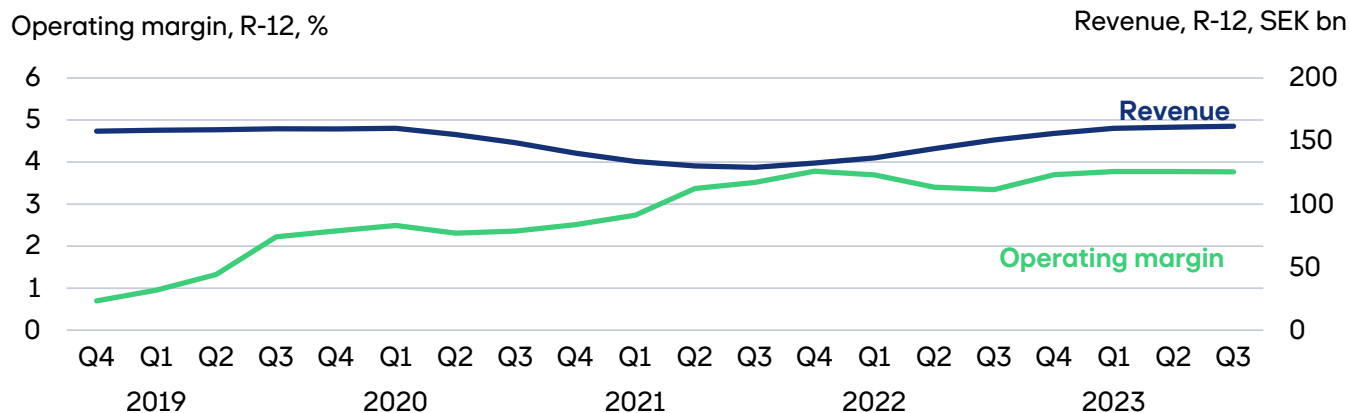
Construction

Order bookings

SEK bn	Jul-Sep 2023	Jul-Sep 2022	Book-to- build, % (R-12 months)	Months of production
Nordics	9.5	11.2	120	16
of which Sweden	5.5	7.9	89	11
Europe	2.9	9.0	62	15
USA	20.3	23.7	114	20
Total	32.7	43.8	107	18



Construction Income statement

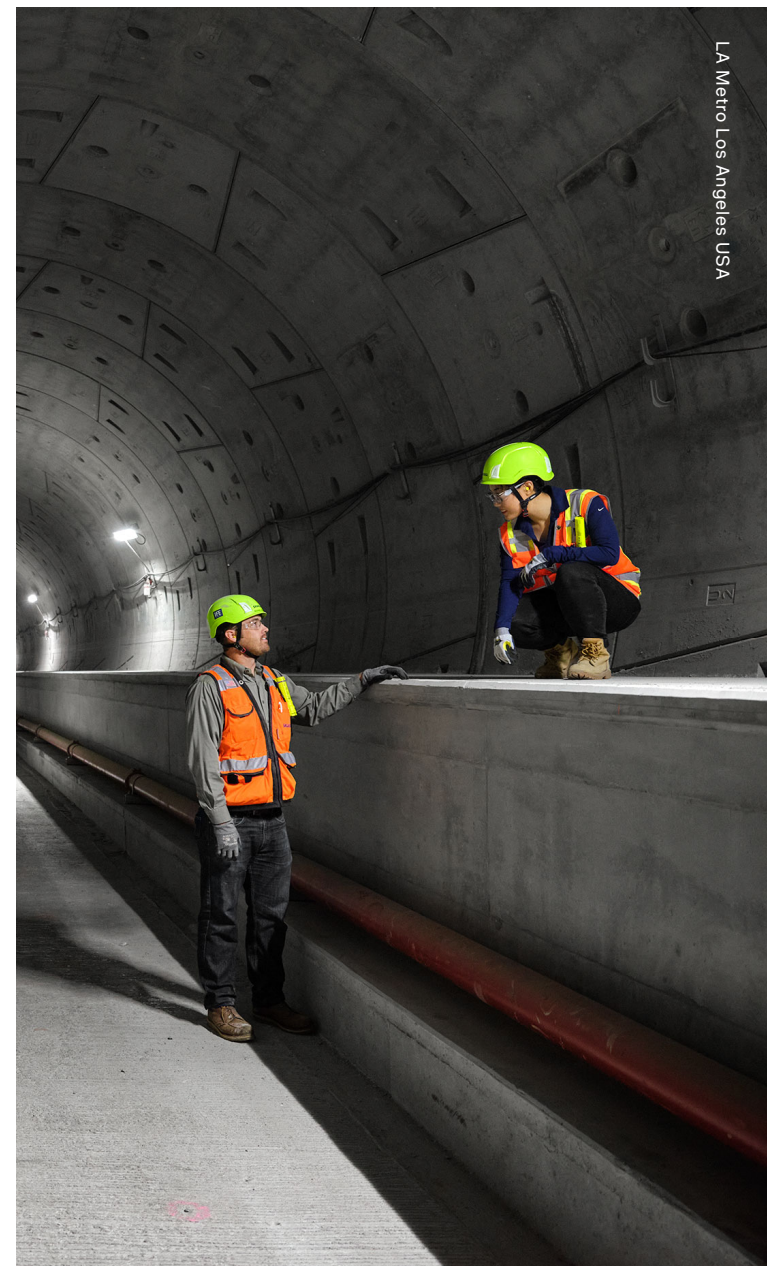


SEK bn	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Revenue	40.9	40.2	161.8	156.0
Gross income	3.0	2.9	12.9	12.3
Selling and administrative expenses	-1.7	-1.5	-6.8	-6.5
Operating income	1.4	1.3	6.1	5.8
Gross margin, %	7.3	7.2	8.0	7.9
Selling and administrative expenses, %	-4.0	-3.9	-4.2	-4.2
Operating margin, %	3.3	3.4	3.8	3.7

SKANSKA

11/1/2023

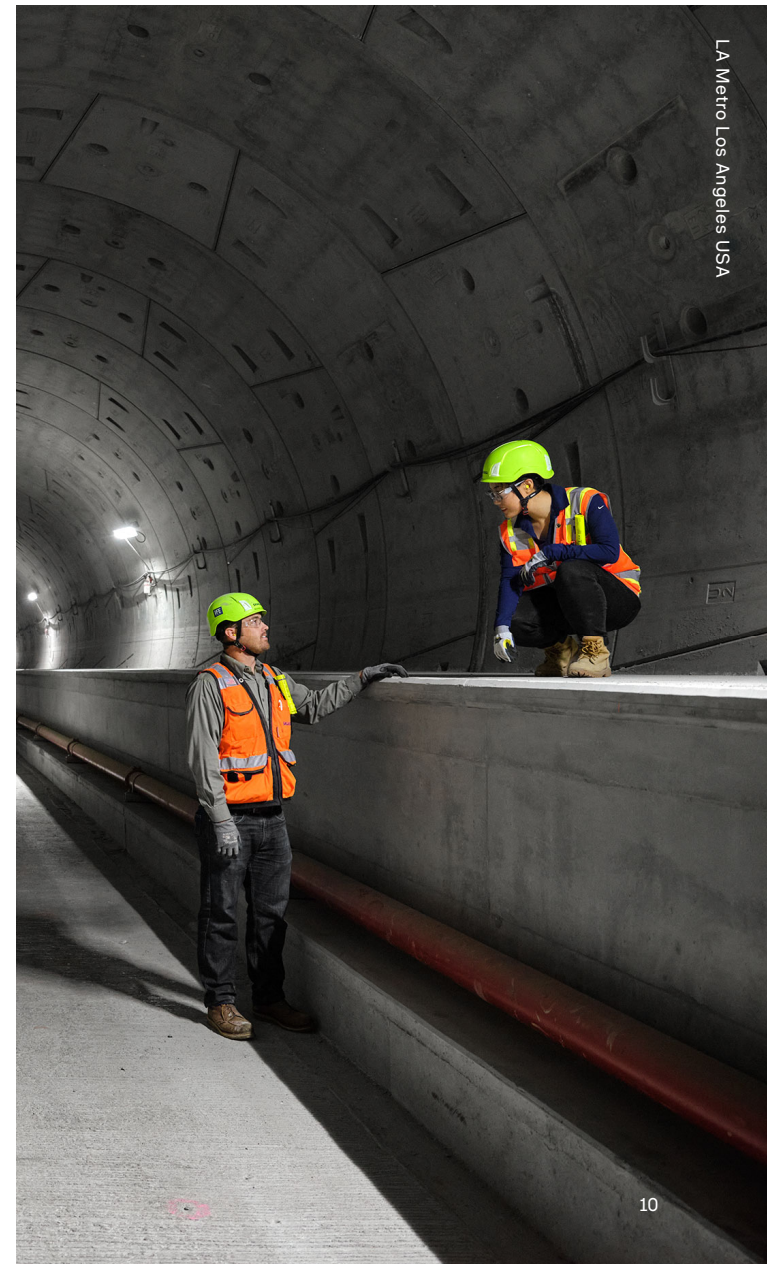
Skanska Q3 report 2023



Construction

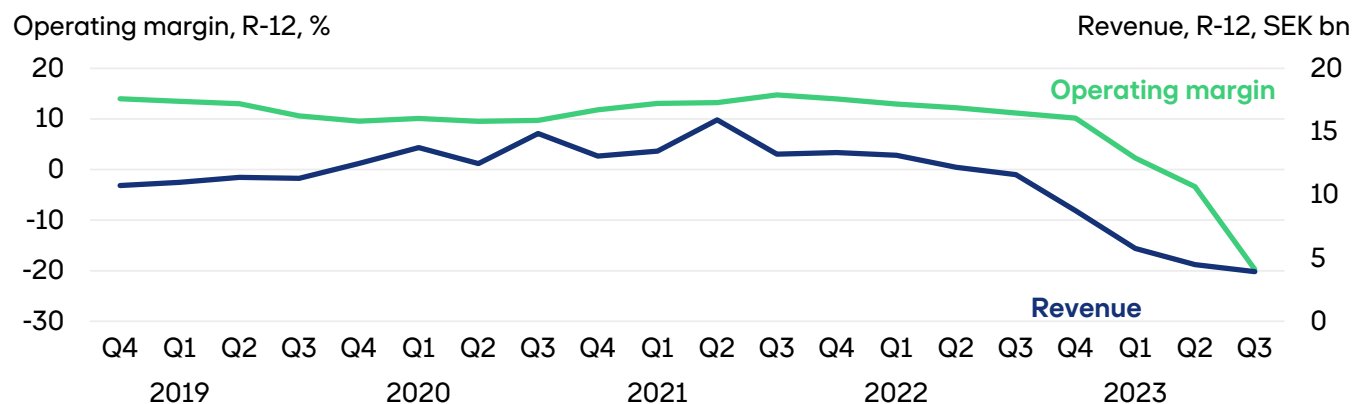
Income statement

	Operating income, SEK M		Operating margin, %	
	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
Nordics	389	487	2.8	3.5
of which Sweden	250	288	3.5	3.5
Europe	200	239	2.9	3.2
USA	775	623	3.9	3.3
Total	1,365	1,348	3.3	3.4



Residential Development

Income statement, segment reporting



Including residential rentals until Q4 2020

SEK M	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Revenue	911	1,468	3,930	8,751
Gross income	-142	304	207	1,674
Selling and administrative expenses	-352	-174	-982	-783
Operating income	-494	130	-776	891
Gross margin, %	neg	20.7	5.3	19.1
Selling and administrative expenses, %	-38.6	-11.9	-25.0	-9.0
Operating margin, %	neg	8.8	neg	10.2



Residential Development

Income statement

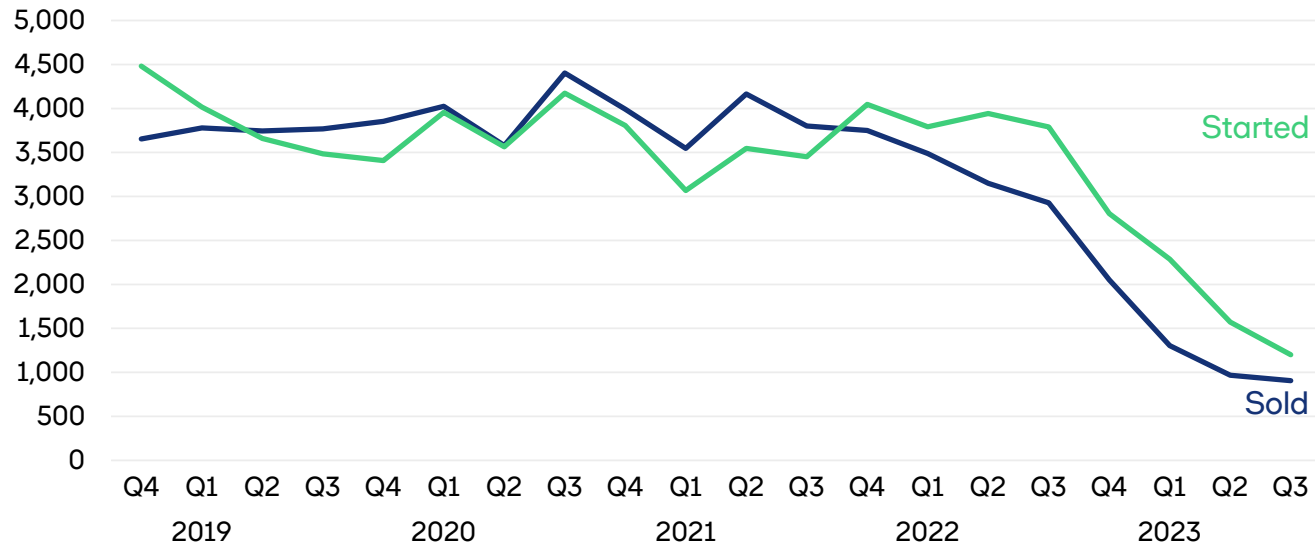
	Operating income, SEK M		Operating margin, %	
	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
Nordics	-441	127	neg	10.8
of which Sweden	-89	42	neg	19.0
Europe	-54	3	neg	0.9
Total	-494	130	neg	8.8



Residential Development

Homes started and sold

Homes, R-12



Including residential Rentals until Q4 2020

Homes started				Homes sold			
Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
0	371	1,200	2,805	277	339	906	2,052

SKANSKA

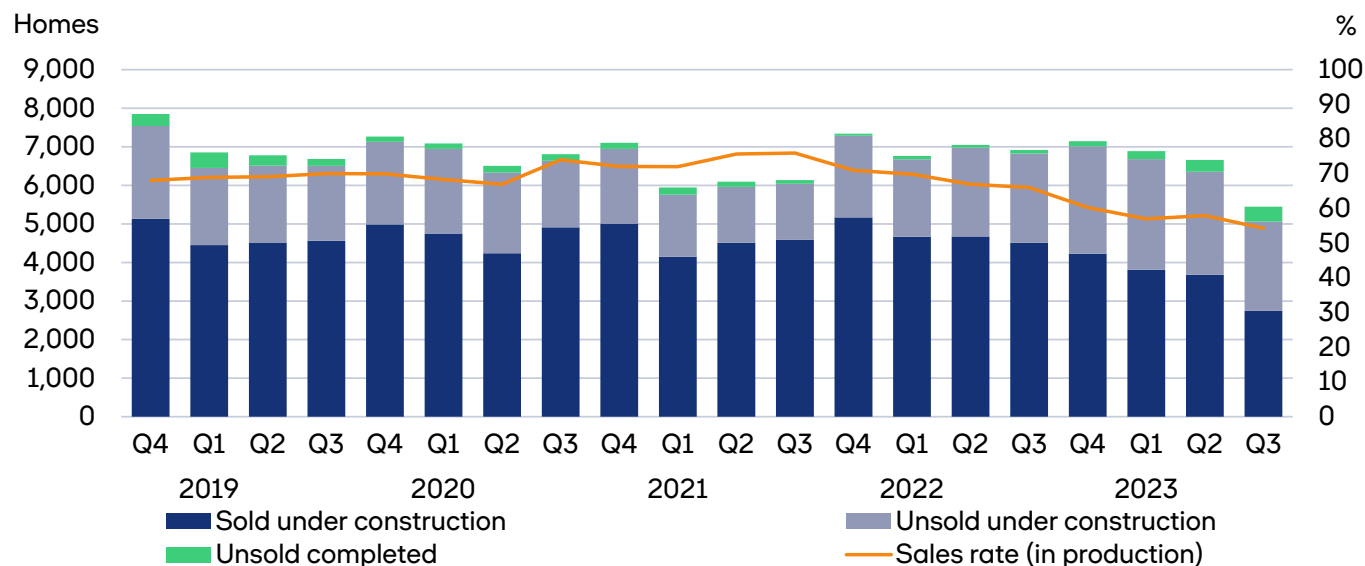
11/1/2023

Skanska Q3 report 2023



Residential Development

Homes in production



Including residential Rentals until Q4 2020

Homes in production		Of which sold, %		Unsold complete homes	
Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
5,060	6,827	54	66	387	92



Commercial Property Development

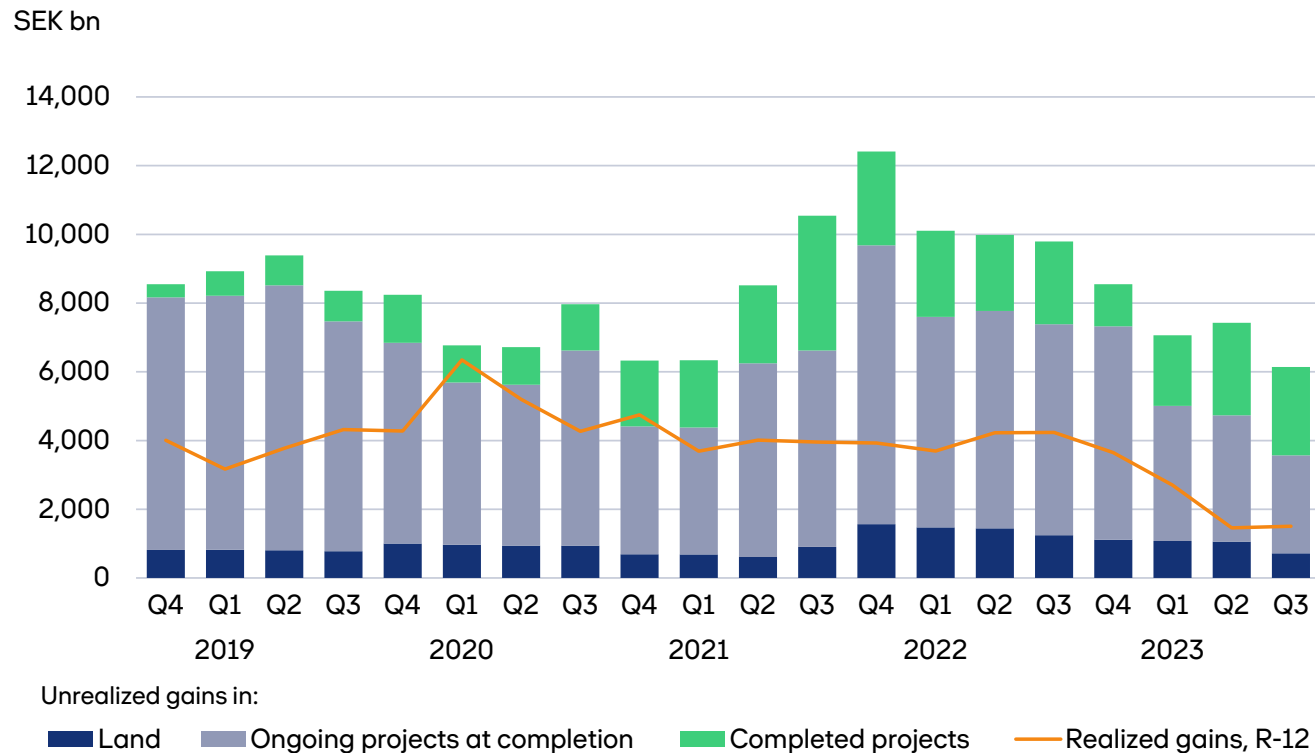
Income statement, segment reporting

SEK M	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Revenue	1,375	327	5,942	14,276
Gross income	-56	167	1,798	3,857
Selling and administrative expenses	-220	-185	-1,037	-999
Income from JV's and associated companies	0	1	155	165
Operating income	-277	-17	916	3,023
of which gains from divestments of properties ¹	199	166	1,932	3,839
of which write downs/reversal of write downs	-315	-17	-329	-43
1 Additional gain included in eliminations	45	-9	124	112



Commercial Property Development

Unrealized and realized gains, segment reporting

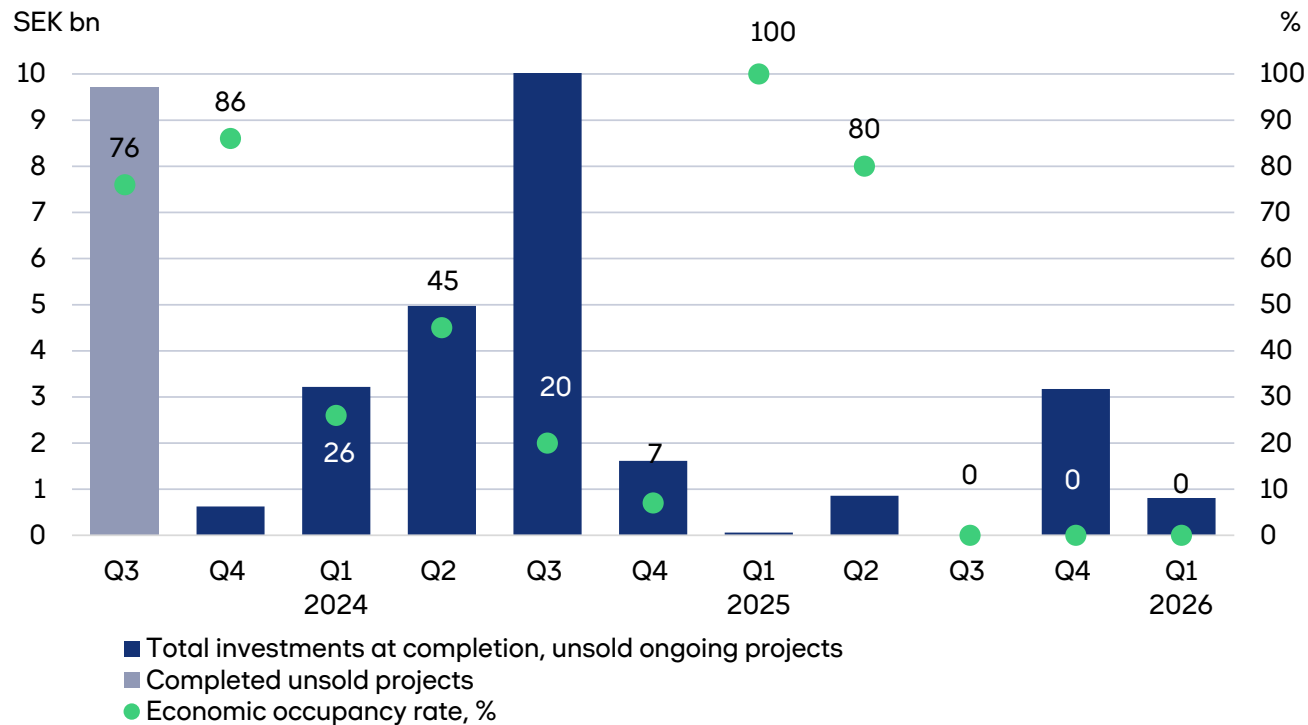


Including residential rentals as of Q1 2023.

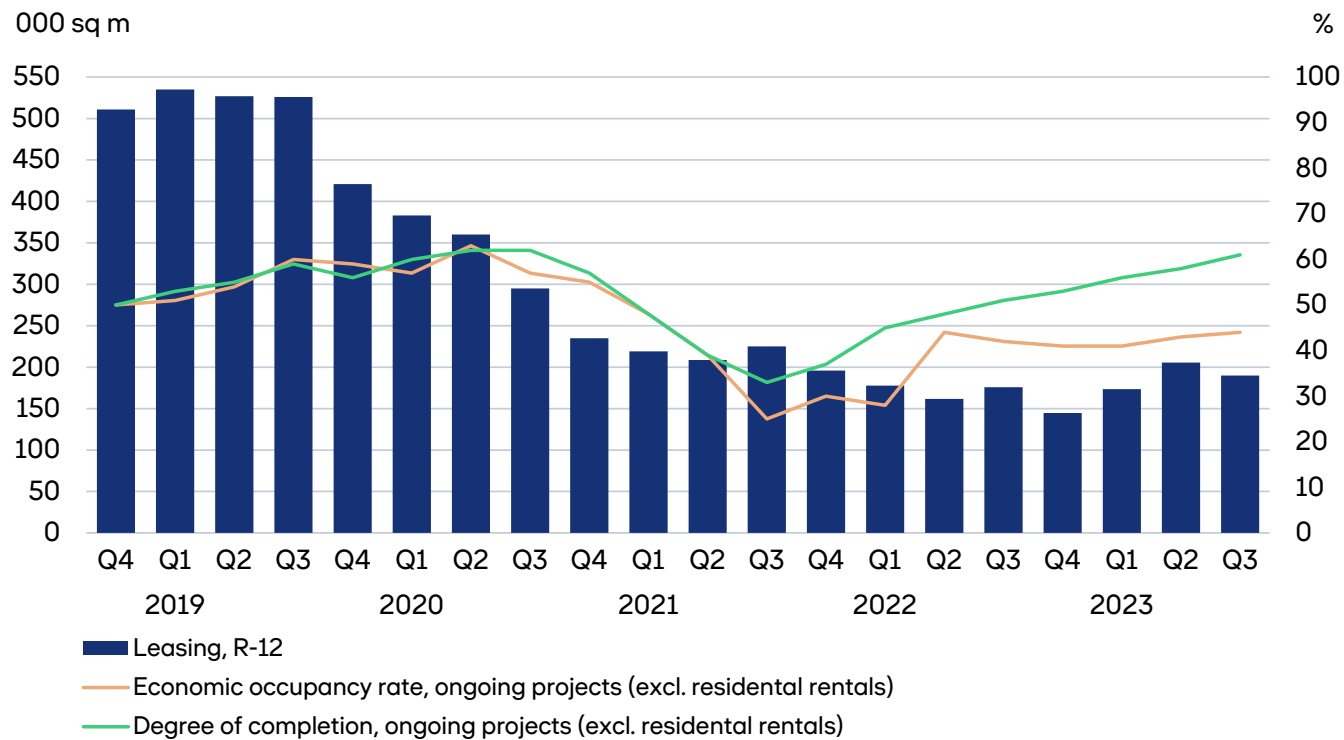


Commercial Property Development

Completion profile, unsold projects



Commercial Property Development Leasing



Leasing including residential rentals in the USA and Denmark until Q4 2020.



Investment Properties

Income statement

SEK M	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Revenue	44	10	151	40
Operating net	31	7	110	30
Selling and administrative expenses	-1	0	-4	-2
Change in property value	0	0	61	112
Income from joint ventures and associated companies	0	0	0	0
Operating income	31	7	167	140

1 Investment Properties is a new business stream from 2022.

Location	Leasable area, sqm	Rental value, SEK M	Economic occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	23,110	82	98	1,353	100
Stockholm	28,992	131	88	2,386	100
Total	52,102	213	91	3,739	100

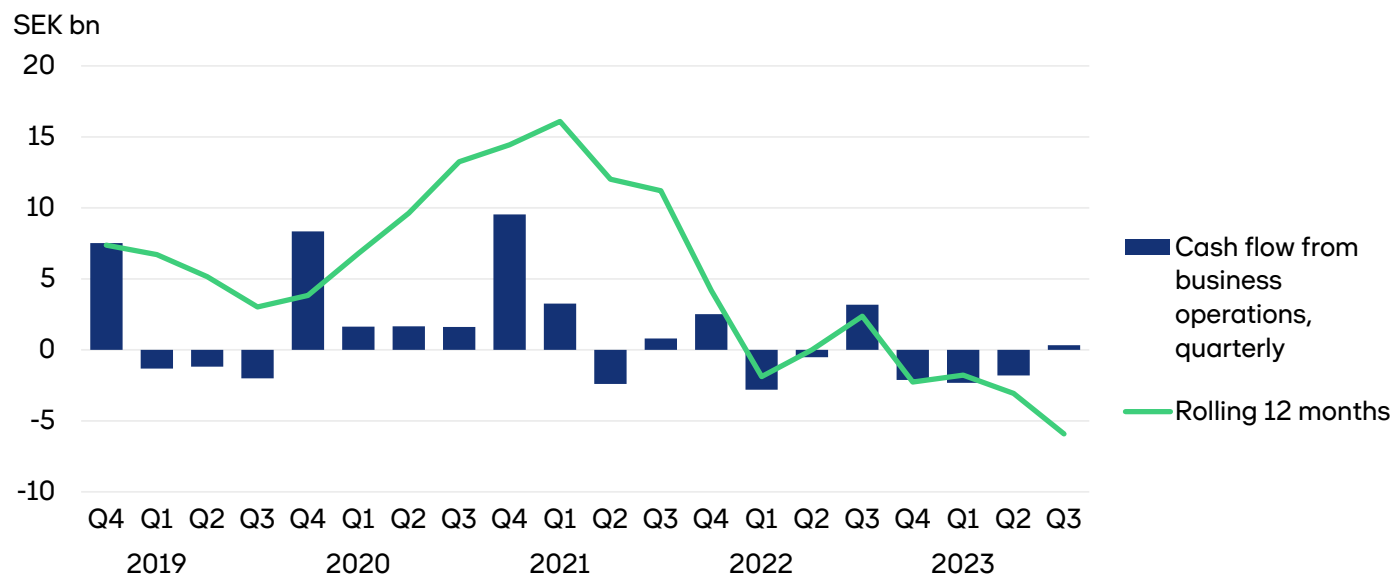


Group Income Statement

SEK M	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Operating income from business streams	625	1,468	6,401	9,824
Central	-85	112	-476	-339
Eliminations	9	-61	-121	-187
Operating income	549	1,518	5,804	9,297
Net financial items	150	69	631	289
Income after financial items	700	1,587	6,435	9,586
Taxes	-110	-300	-1,176	-1,885
Profit for the period	590	1,287	5,259	7,702
Earnings per share, SEK	1.41	3.10	12.70	18.62
Tax rate, %	17	20	18	20



Group Cash flow

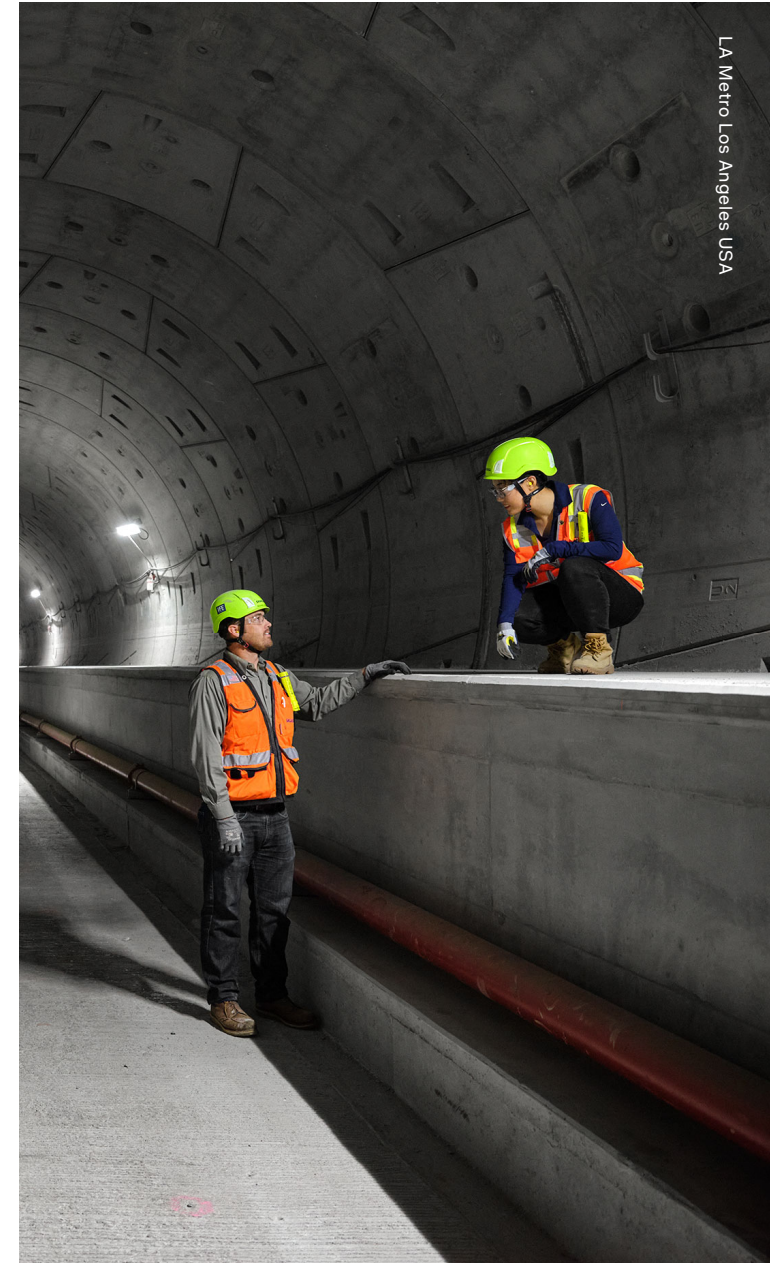
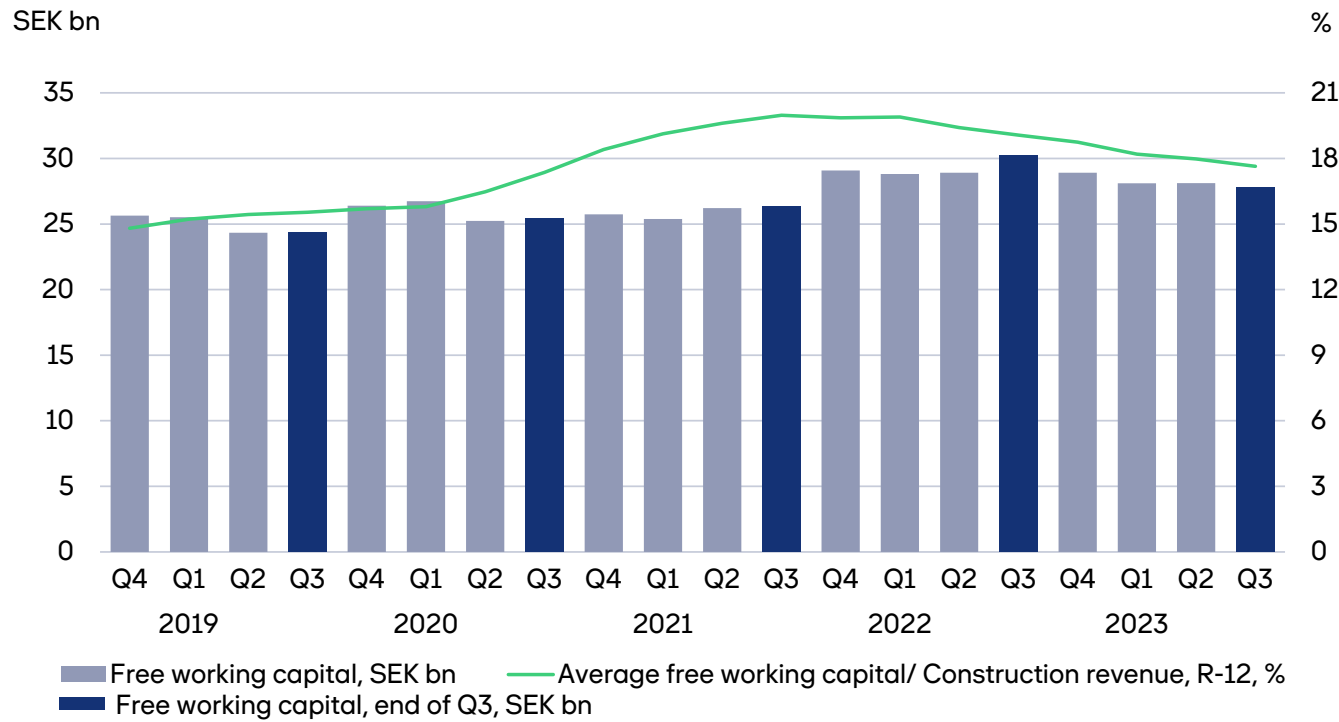


SEK bn	Jul-Sep 2023	Jul-Sep 2022	R12 months	Jan-Dec 2022
Operating cash flow from operations	0.3	3.2	-5.9	-2.3
Dividend and net strategic divestment	-0.2	-0.1	-3.5	-4.4
Cash flow before change in interest-bearing receivables and liabilities	0.1	3.0	-9.4	-6.7



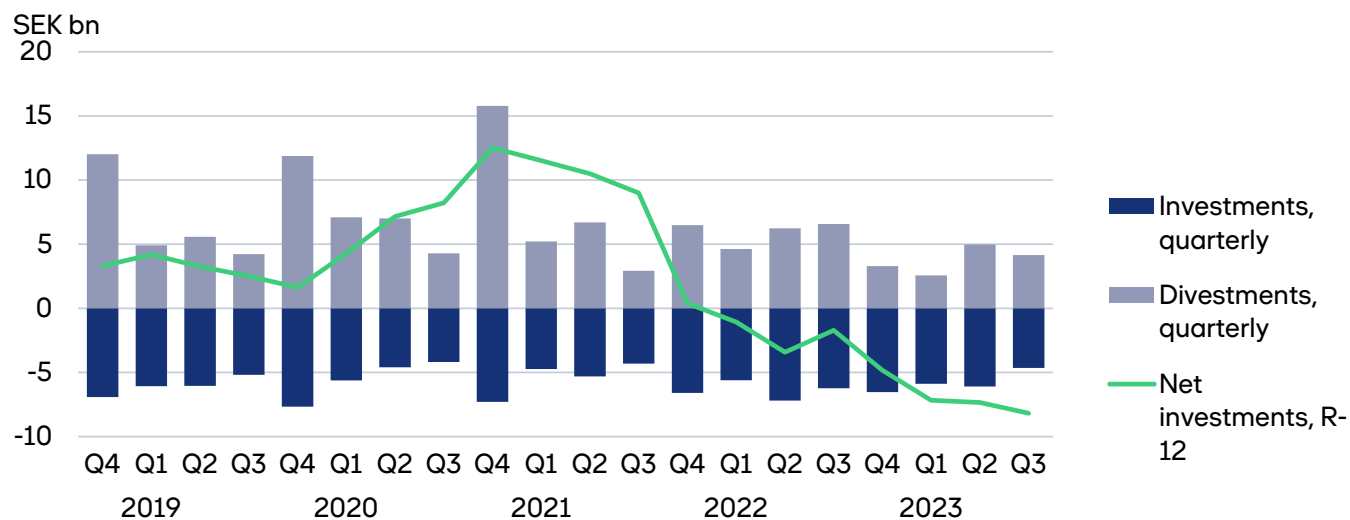
Construction

Free working capital



Group

Investments, divestments and capital employed



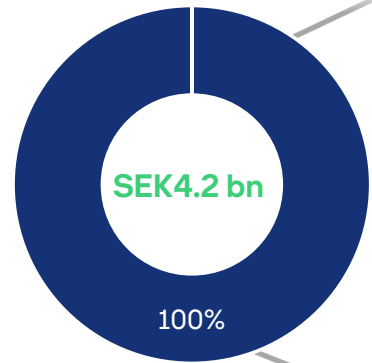
SEK bn	Sep 30, 2023	Sep 30, 2022	31 dec 2022
Capital employed in:			
Residential Development	14.6	15.2	16.3
Commercial Property Development	46.0	38.3	38.5
Investment Properties	3.7	0.8	3.7
Total in Project Development and Investment Properties	64.3	54.3	58.6



Group

Available funds: SEK 16.0 bn,
o/w unutilized credit facilities SEK 8.8 bn

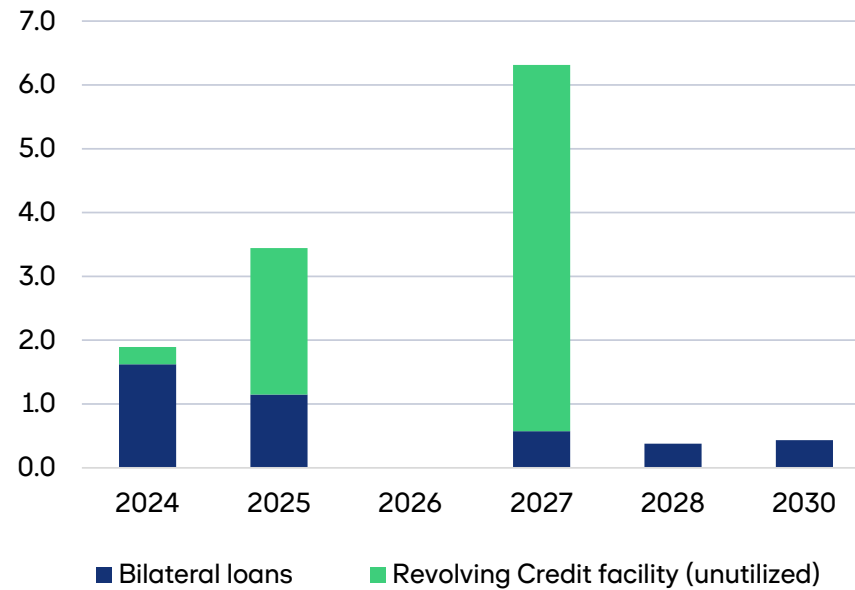
Central funding



■ Bilateral loans

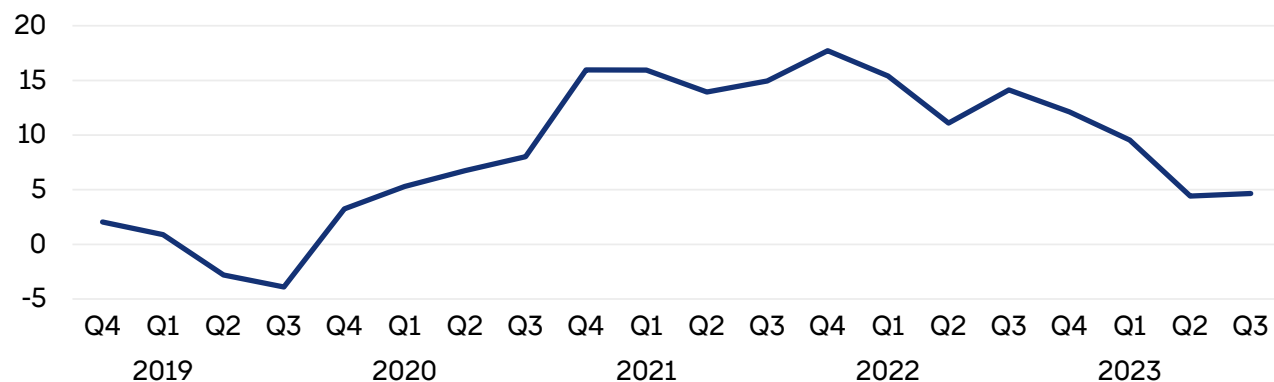
SEK bn

Maturity profile



Group Financial position

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



SEK bn	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Total assets	157.7	152.3	151.6
Equity attributable to equity holders	57.7	52.4	55.3
Interest-bearing net receivables (+)/net debt (-)	5.1	12.8	10.3
Adj. interest-bearing net receivables (+)/net debt (-)	4.7	14.1	12.1
Capital employed, closing balance	74.2	71.8	72.8
Equity/assets ratio, %	36.6	34.4	36.4



Market outlook



Construction

- Mostly in line with previous expectations. Finnish and Norwegian building market expected to weaken due to reduced public sector activity
- USA remains the strongest market
- Active sectors: civil infrastructure and social infrastructure



Residential Development

- Low activity in the housing market
- Cost-of-living pressure, impact on low-cost segment continues
- Expects lower-than-normal activity to remain until the macro-economic environment has become more predictable for households



Commercial Property Development

- Low transaction volumes and hesitant investor market remains
- Leasing market gradually improving, especially in Central Europe



Investment Properties

- Polarization in occupier and investor market
- Stronger demand for high quality space in buildings with high sustainability standards

Outlook compared to previous quarter ● Weaker ● Unchanged ● Improved



Group Summary

- Performance in the third quarter
 - Construction – delivering strong results
 - Residential Development – low sales volumes
 - Commercial Property Development – divestment of H2Offices
 - Investment Properties – solid operational performance
- Asset and goodwill impairment charges related to weak property markets
- Maintaining a strong financial position
- We invite you to our Capital Markets Day in London November 21



