

SKANSKA

# Q3 2023

Press release, November 1, 2023, 7:30 a.m. CET

We build for a better society.

# Interim report, third quarter 2023

## Highlights according to segment reporting

- Revenue for the quarter amounted to SEK 40.3 billion (38.6); adjusted for currency effects, revenue increased 1 percent.
- Operating income amounted to SEK 0.5 billion (1.5), including SEK 0.9 billion of asset and goodwill impairment charges related to weak property markets. Adjusted for currency effects, operating income decreased 66 percent.
- Earnings per share amounted to SEK 1.41 (3.10).
- Operating cash flow from operations amounted to SEK 0.3 billion (3.2) according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 4.7 billion (June 30, 2023: 4.4).
- Order bookings in Construction amounted to SEK 32.7 billion (43.8). Adjusted for currency effects, order bookings quarter over quarter decreased 29 percent. Rolling 12-month book-to-build ratio was 107 percent (102).
- Operating income in Construction amounted to SEK 1.4 billion (1.3), representing an operating margin of 3.3 percent (3.4). Rolling 12-month construction margin was 3.8 percent.
- Operating income in Project Development amounted to SEK -0.8 billion (0.1), including asset and goodwill impairment charges of SEK 0.5 billion in Residential Development and SEK 0.3 billion in Commercial Property Development related to weak property markets.
- Return on capital employed in Project Development was 0.7 percent (10.0).
- Return on equity was 9.5 percent (16.9).

## Performance Analysis

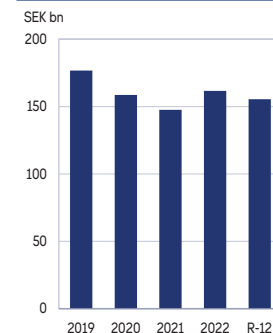
Tables referring to segment reporting are in shaded background. For more information see page 17.

For definitions of non-IFRS financial measures see pages 18-20.

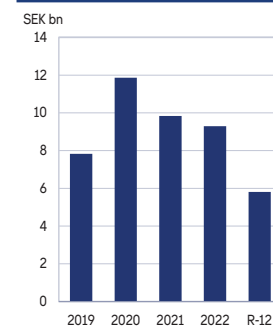
SEK M	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>Revenue</b>				
Construction	40,917	40,174	161,756	156,004
Residential Development	911	1,468	3,930	8,751
Commercial Property Development	1,375	327	5,942	14,276
Investment Properties	44	10	151	40
Central and Eliminations	-2,900	-3,377	-16,263	-17,469
<b>Total</b>	<b>40,348</b>	<b>38,603</b>	<b>155,516</b>	<b>161,602</b>
<b>Operating income</b>				
Construction	1,365	1,348	6,094	5,770
Residential Development	-494	130	-776	891
Commercial Property Development	-277	-17	916	3,023
Investment Properties	31	7	167	140
Central	-85	112	-476	-339
Eliminations	9	-61	-121	-187
<b>Operating income</b>	<b>549</b>	<b>1,518</b>	<b>5,804</b>	<b>9,297</b>
<b>Net financial items</b>	<b>150</b>	<b>69</b>	<b>631</b>	<b>289</b>
<b>Income after financial items</b>	<b>700</b>	<b>1,587</b>	<b>6,435</b>	<b>9,586</b>
Income taxes	-110	-300	-1,176	-1,885
<b>Profit for the period</b>	<b>590</b>	<b>1,287</b>	<b>5,259</b>	<b>7,702</b>
Earnings for the period per share, SEK	1.41	3.10	12.70	18.62
Revenue for the period according to IFRS	42,244	43,229	163,373	163,174
Operating income for the period according to IFRS	820	2,755	7,463	10,021
Earnings for the period per share according to IFRS, SEK	1.97	5.50	16.05	20.04
Operating cash flow from operations	329	3,177	-5,917	-2,263
Interest-bearing net receivables(+)/net debt(-)	5,061	12,769		10,306
Return on capital employed in Project Development, % <sup>1</sup>		10.0	0.7	8.1
Return on capital employed in Investment Properties, % <sup>1</sup>		8.5	5.0	13.6
Adjusted interest-bearing net receivables(+)/net debt(-)	4,653	14,134		12,130
Return on equity, % <sup>1</sup>		16.9	9.5	15.8

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

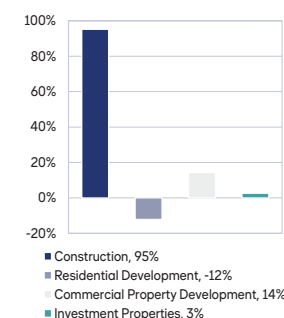
## Revenue



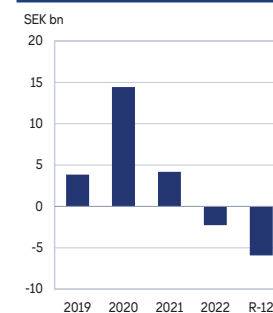
## Operating income



## Operating income per segment Sep 30, 2023, R-12



## Operating cash flow from operations



## CEO comment

Our third-quarter results are a product of sustained strong performance in the construction stream and the impact of weak property markets.

Construction continued to perform strongly in the quarter, with a rolling 12-month construction margin above the long-term target. Order intake in the third quarter was solid with strong contributions from operations in the USA. We are active in a diverse array of sectors and geographies, which provides stability to the Group. Our bidding activity continues to be guided by selecting the right projects to deliver strong and stable results. The order backlog stands at a historically high level, following robust order intake for several consecutive quarters.

Based on recent market developments, we have reassessed the value of assets in our Property Development operations and recognized impairments of some of these, resulting in negative operating income for the business streams in the quarter.

In the Residential Development stream, the weak market sentiment continued with lower-than-normal sales volumes in all markets except for Central Europe, where we maintained good sales volumes and stable performance. We are enhancing sales activities for completed or soon-to-be-completed projects to meet increased customer activity in move-in ready homes. In an uncertain environment homebuyers prefer to buy and sell in the same market phase.

Commercial Property Development divested H2Offices in Budapest and two completed residential rental properties were successfully handed over. Improved leasing over the past 12 months has increased the percentage let in the portfolio of completed projects. As a result, we hold a strong portfolio of properties that will be ready for divestment when liquidity in the investor market improves.

The portfolio of three properties in Investment Properties continues to perform well and the ambition to build up an office portfolio of the highest quality remains.



Our focus on reducing carbon emissions in our own operations and supply chain continues to deliver results. Our scope 1 and 2 emissions declined during the third quarter and are now 58 percent lower than the benchmark year of 2015.

Our strong financial position and clear strategy enable us to make sound long-term decisions in all market environments. Strong and stable results in Construction are a result of our customer offering, selective bidding and strong project execution. For Property Development our high-quality property portfolio ensures long-term demand from tenants and investors, and our robust financial position ensures that we can navigate the current weakened investment markets.

The Group Leadership Team and I are pleased to invite you to our upcoming Capital Markets Day in London on November 21. For more information, please see the separate invitation.

**Anders Danielsson**  
President and Chief Executive Officer

### Skanska target performance (rolling 12-month basis)

Operating margin – Construction

**3.8%**

Target  $\geq 3.5\%$

Return on capital employed –  
Project Development

**0.7%**

Target  $\geq 10\%$

Return on capital employed –  
Investment Properties

**5.0%**

Target  $\geq 6\%$

Return on equity

**9.5%**

Target  $\geq 18\%$

Adjusted net debt (-)/net cash(+)

**+4.7** SEK bn

Limit SEK -10 bn

Climate target (scope 1 and 2)  
Reduction CO<sub>2</sub> compared with 2015

**-58%**

Target -70% (scope 1 and 2) by 2030

# Market outlook, next 12 months

The market outlook aims to describe the situation in markets that are relevant for our operations. This applies to segments, sectors and geographies.

- 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

Market outlook is mostly in line with previous expectations. The Finnish and Norwegian building markets are expected to weaken following reduced activity and increased competition. The USA remains the strongest market for both civil and building, supported by pent up demand, need for investments in several sectors and good access to federal funding. The overall economic situation remains uncertain, but we are well positioned towards sectors that have stayed active, such as civil infrastructure and social infrastructure including education, healthcare, transportation and defense.

	Building	Civil
<b>Nordics</b>		
Sweden	↘	↔
Norway	↘	↔
Finland	↘	↘
<b>Europe</b>		
Central Europe	↘	↔
United Kingdom	↘	↘
<b>USA</b>		
USA	↘	↘

## Residential Development

The higher interest rate environment continues to negatively impact the housing market. The lowest activity is found in Finland and in the affordable segment. Low-cost buyers have experienced the largest reduction of purchasing power as a result of increased interest rates and inflation. The Central European market is stable with good sales volumes. Overall, activity in projects is increasing closer to completion as the trend of buying and selling in the same market phase continues. We expect lower-than-normal activity until the macro-economic environment has stabilized and become more predictable for households.

<b>Nordics</b>	↘
of which Sweden	↘
<b>Europe</b>	↔



Urbani, Gothenburg, Sweden

## Commercial Property Development

Real estate investors are expected to remain hesitant for some time, resulting in substantially lower volumes in the direct commercial property transaction market compared to historic averages. Activity in the leasing market is slowly recovering, most notably in Central Europe where a gap in supply for new built offices in attractive locations are emerging. Tenants are focusing on flexible, sustainable premises in good locations to attract and retain employees.

<b>Nordics</b>	↘
<b>Europe</b>	↘
<b>USA</b>	↘



Hyllie Terrass, Malmö, Sweden

## Investment Properties

Occupier demand is polarized, with stronger demand for quality space in buildings with high sustainability standards. Tenants are prioritizing flexibility and move-in ready offices. The market remains competitive, but rents are expected to remain mostly stable.

<b>Nordics</b>	
Sweden	↔

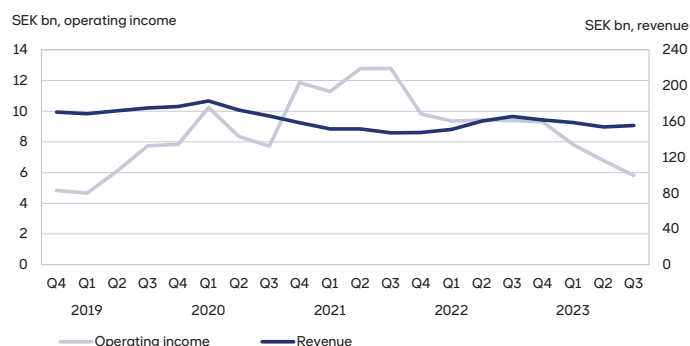


Aqua, Malmö, Sweden

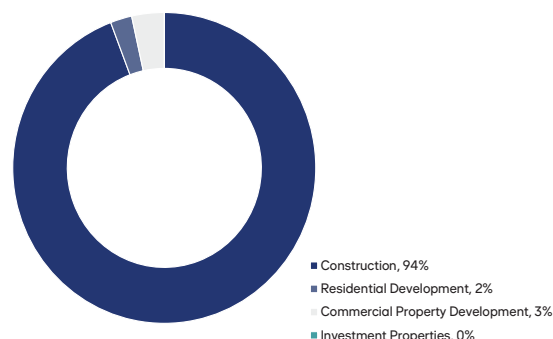
## Performance analysis

### Group

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



#### Revenue per segment, rolling 12 months



#### Revenue and earnings

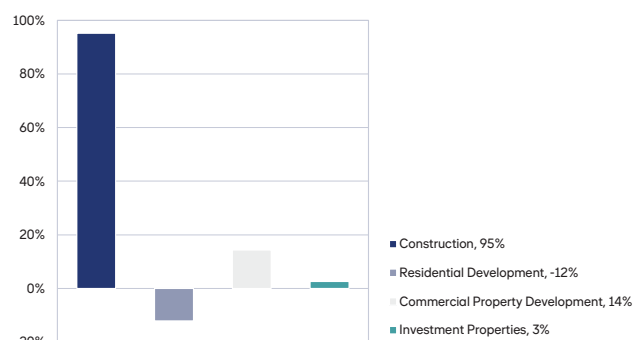
SEKM	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	40,348	38,603	155,516	161,602
Operating income <sup>1,2</sup>	549	1,518	5,804	9,297
Net financial items	150	69	631	289
<b>Income after financial items</b>	<b>700</b>	<b>1,587</b>	<b>6,435</b>	<b>9,586</b>
Income taxes	-110	-300	-1,176	-1,885
<b>Profit for the period</b>	<b>590</b>	<b>1,287</b>	<b>5,259</b>	<b>7,702</b>
Earnings for the period per share, SEK <sup>3</sup>	1.41	3.10	12.70	18.62
Earnings for the period per share according to IFRS, SEK <sup>3</sup>	1.97	5.50	16.05	20.04

1 Central, SEK -85 M (112).

2 Eliminations, SEK 9 M (-61).

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

#### Operating income per segment, rolling 12 months



#### Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jul-Sep 2023 / Jul-Sep 2022			
Revenue	5%	1%	3%
Operating income	-64%	-66%	2%
Rolling 12 months 2023 / Rolling 12 months 2022			
Revenue	-6%	-12%	6%
Operating income	-38%	-41%	3%

Revenue increased 5 percent and amounted to SEK 40.3 billion (38.6); adjusted for currency effects, revenue increased 1 percent. Operating income decreased 64 percent and amounted to SEK 549 M (1,518), impacted by SEK 0.9 billion of asset and goodwill impairment charges related to weak property development markets. These impairments have no cash impact in the quarter. Adjusted for currency effects, operating income decreased 66 percent.

Central stream totaled SEK -85 M (112), of which results in the PPP portfolio amount to SEK 193 M (202). Write-down of the BoKlok production facility impacted the Central stream by SEK -120 M. The comparable period includes gains from the divestment of our equity stake in the Royal Papworth Hospital in the UK amounting to SEK 183 M.

Net financial items amounted to SEK 150 M (69). Income taxes for the period amounted to SEK -110 M (-300). The effective tax rate for January 1 to September 30 amounts to 17 percent (20).

## Cash flow

### Group

#### Operating cash flow from operations



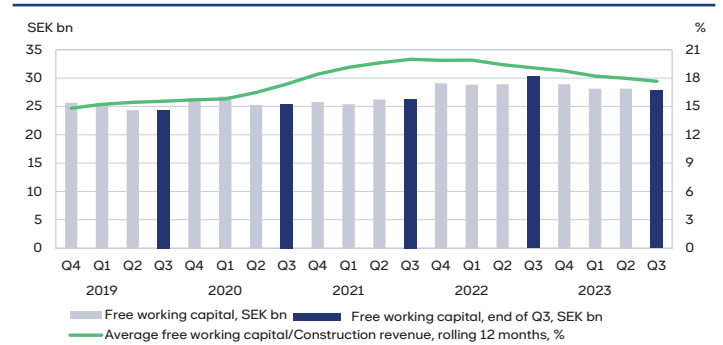
Operating cash flow from operations for the period amounted to SEK 329 M (3,177). Cash flow in the quarter is mainly explained by stable cash flow in Construction and fewer divestments in Commercial Property Development. Taxes paid in business operations amounted to SEK -743 M (-57) for the period.

Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 7.9 billion during the years 2023 to 2026, with SEK 2.7 billion in the fourth quarter of 2023 and SEK 5.2 billion during 2024-2026.

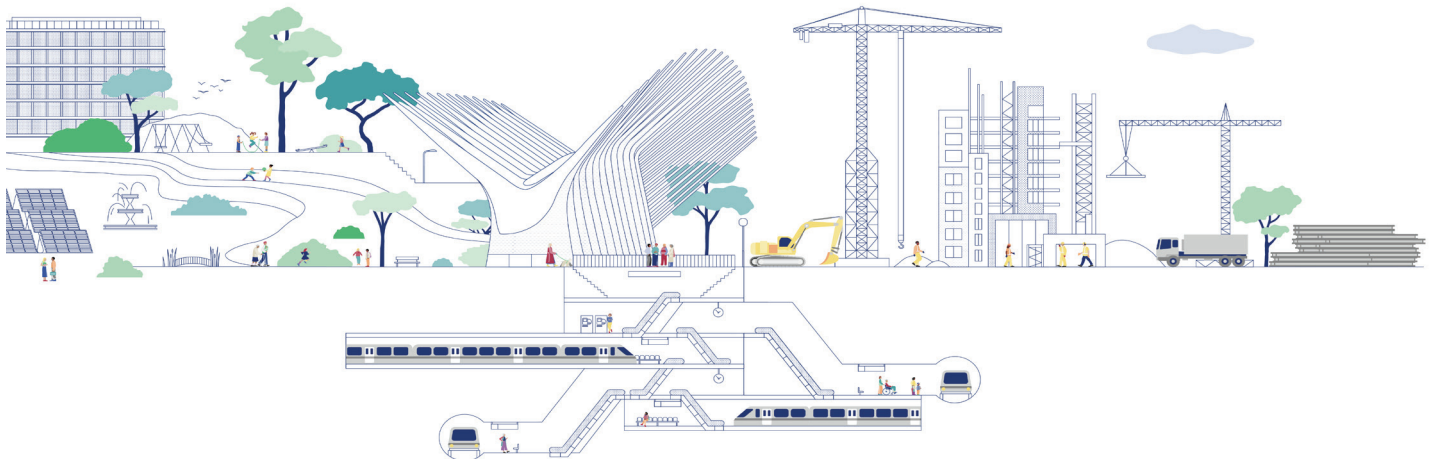
#### Operating cash flow

SEK M	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Cash flow from business operations	1,573	1,777	7,042	5,885
Change in working capital	174	1,238	-1,362	-1,520
Net divestments(+)/investments(-)	-504	297	-8,351	-5,030
Cash flow adjustment	-21	111	-82	468
<b>Cash flow from business operations before taxes paid</b>	<b>1,222</b>	<b>3,423</b>	<b>-2,753</b>	<b>-198</b>
Taxes paid in business operations	-743	-57	-2,761	-1,625
Cash flow from financing operations	-151	-189	-403	-441
<b>Operating cash flow from operations</b>	<b>329</b>	<b>3,177</b>	<b>-5,917</b>	<b>-2,263</b>
Net strategic divestments(+)/investments(-)	-2	44	166	197
Dividend etc.	-182	-173	-3,663	-4,645
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>144</b>	<b>3,047</b>	<b>-9,414</b>	<b>-6,711</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	460	402	3,561	5,538
<b>Cash flow for the period</b>	<b>604</b>	<b>3,449</b>	<b>-5,853</b>	<b>-1,173</b>

#### Free working capital in Construction

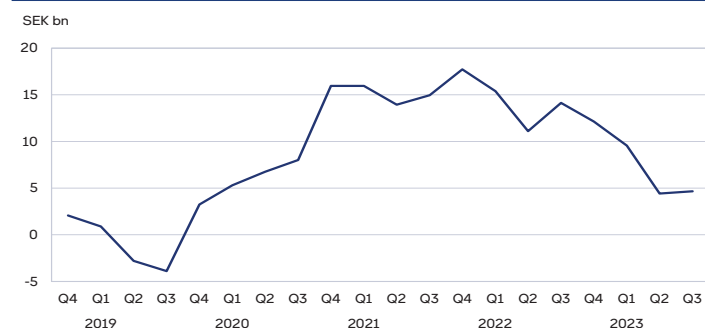


Free working capital in Construction amounted to SEK 27.8 billion (30.3). Average free working capital in relation to Construction revenue in the past 12 months was 17.6 percent (19.1). Free working capital in Construction remained at a good level due to favorable cash flow profiles in several projects and continued focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK -32 M (454).



## Financial position

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



### Balance sheet - Summary

SEK bn	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Total assets	157.7	152.3	151.6
Total equity	57.7	52.4	55.3
Interest-bearing net receivables (+)/net debt (-)	5.1	12.8	10.3
Adjusted 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

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

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Opening balance interest-bearing net receivables(+)/net debt(-)	3,758	7,719	10,306	12,598	12,598
Cash flow for the period	604	3,449	-2,897	1,783	-1,173
Less change in interest-bearing receivables and liabilities	-460	-402	-4,370	-6,347	-5,538
Cash flow before change in interest-bearing receivables and liabilities	144	3,047	-7,267	-4,564	-6,711
Translation differences, net receivables/net debt	326	506	-110	1,388	887
Remeasurements of pension liabilities	295	1,351	1,384	2,941	3,100
Interest-bearing liabilities acquired/divested	15	0	20	0	-51
Other changes, interest-bearing net receivables/net debt	523	146	727	406	483
Change in interest-bearing net receivables/net debt	1,303	5,051	-5,245	172	-2,292
Closing balance interest-bearing net receivables(+)/net debt(-)	5,061	12,769	5,061	12,769	10,306
Restricted cash	-6,783	-7,066	-6,783	-7,066	-5,948
Pension liability, net	-1,059	950	-1,059	950	491
Lease liabilities	7,433	7,481	7,433	7,481	7,281
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	4,653	14,134	4,653	14,134	12,130

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 4.7 billion (June 30, 2023: 4.4). Interest-bearing net receivables amounted to SEK 5.1 billion (June 30, 2023: 3.8) and include SEK 7.4 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 16.0 billion (June 30, 2023: 16.0), of which SEK 15.3 billion (June 30, 2023: 13.5) is available within one week. The Group central loan portfolio amounted to SEK 4.2 billion (June 30, 2023: 4.2) consisting of bilateral loans with an average maturity of 2.4 years. At September 30, the Group's unutilized credit facilities amounted to SEK 8.8 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.0 years (June 30, 2023: 3.2).

At the end of the quarter, capital employed amounted to SEK 74.2 billion (June 30, 2023: 75.3).

## Equity

### Changes in equity

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Opening balance	57,076	47,787	55,255	45,465	45,465
Dividend to shareholders	0	0	-3,081	-4,124	-4,124
Other changes in equity not included in total comprehensive income for the period	-79	-45	-79	-25	-50
Profit for the period	821	2,276	3,369	5,017	8,284
<b>Other comprehensive income</b>					
Translation differences	-462	1,069	822	2,960	2,386
Effects of remeasurements of pensions	328	1,280	1,367	2,867	3,026
Effects of cash flow hedges	-29	21	3	229	267
<b>Closing balance</b>	<b>57,654</b>	<b>52,388</b>	<b>57,654</b>	<b>52,388</b>	<b>55,255</b>

### Adjusted equity

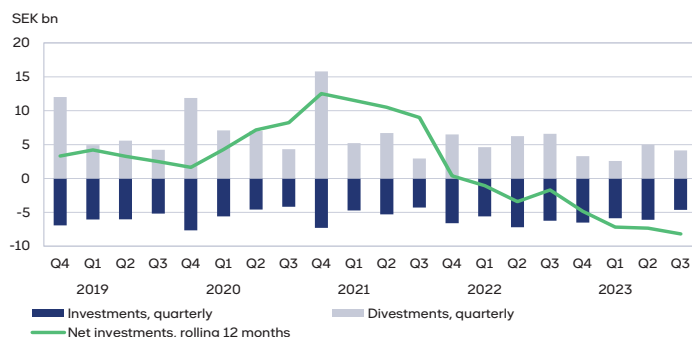
SEK bn	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Equity attributable to equity holders	57.5	52.3	55.1
Unrealized surplus value in Residential Development	3.6	4.0	3.8
Unrealized Commercial Property Development gains	7.0	10.2	9.5
Effect in unrealized equity in PPP-portfolio	1.2	0.6	0.6
<b>Adjusted equity</b>	<b>69.3</b>	<b>67.0</b>	<b>69.0</b>

The Group's equity amounted to SEK 57.7 billion (52.4), resulting in an equity/assets ratio of 36.6 percent (34.4) and a net debt/equity ratio of -0.1 (-0.2). Translation differences for the period amounted to SEK -462 M (1,069). Remeasurements of pensions resulted in an effect of SEK 328 M (1,280). Both plan assets and pension obligations have decreased due to the remeasurements.

Total adjusted equity amounted to SEK 69.3 billion (67.0), resulting in adjusted equity per share of SEK 168.86 (162.83). Unrealized surplus values in Project Development including the PPP portfolio amounted to SEK 13.1 billion of which SEK 1.7 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 11.8 billion and SEK 1.5 billion.

## Investments and divestments

### Investments and divestments



The Group's investments amounted to SEK -4,653 M (-6,238), while divestments amounted to SEK 4,146 M (6,578), resulting in net investments of SEK -507 M (340).

In Construction, investments totaled SEK -571 M (-658). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK -348 M (-466). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK -618 M (-599).

In Residential Development, investments totaled SEK -1,779 M (-2,548), of which SEK -188 M (-423) relates to land acquisitions, corresponding to 312 building rights. Divestments amounted to SEK 2,702 M (2,655). Net divestments in Residential Development amounted to SEK 924 M (107).

In Commercial Property Development, investments totaled SEK -2,299 M (-2,805), of which SEK -159 M (-122) relates to investments in new land, while divestments amounted to SEK 1,218 M (3,615). Net investments in Commercial Property Development amounted to SEK -1,081 M (810).

In Investment Properties, investment totaled SEK -3 M (0) and relates to tenant fit-outs for space that has been leased out.

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

SEK M	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>Investments</b>				
Construction	-571	-658	-2,479	-2,210
Residential Development	-1,779	-2,548	-9,316	-10,615
Commercial Property Development	-2,299	-2,805	-11,442	-12,294
Investment Properties	-3	0	-2,927	-3,668
Other	-1	-226	3,005	3,221
<b>Total</b>	<b>-4,653</b>	<b>-6,238</b>	<b>-23,159</b>	<b>-25,567</b>
<b>Divestments</b>				
Construction	223	192	696	764
Residential Development	2,702	2,655	10,294	9,349
Commercial Property Development	1,218	3,615	6,390	14,389
Investment Properties	0	0	0	0
Other	3	116	-2,406	-3,767
<b>Total</b>	<b>4,146</b>	<b>6,578</b>	<b>14,974</b>	<b>20,734</b>
<b>Net divestments(+)/investments(-)</b>				
Construction	-348	-466	-1,782	-1,446
Residential Development	924	107	978	-1,267
Commercial Property Development	-1,081	810	-5,052	2,094
Investment Properties	-3	0	-2,927	-3,668
Other	2	-110	598	-546
<b>Total</b>	<b>-507</b>	<b>340</b>	<b>-8,185</b>	<b>-4,833</b>
Of which strategic	-2	44	166	197

### Capital employed in Project Development and Investment Properties

SEK M	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Residential Development	14,591	15,218	16,346
Commercial Property Development	46,040	38,329	38,547
Investment Properties	3,701	755	3,733
<b>Total in Project Development and Investment Properties</b>	<b>64,331</b>	<b>54,301</b>	<b>58,626</b>



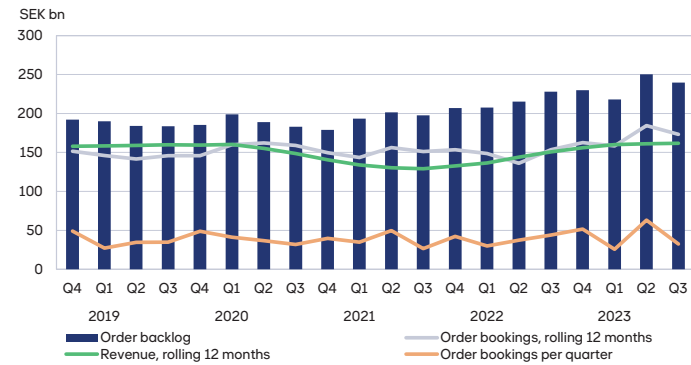
Divestment, H2Offices, Budapest, Hungary



## Performance analysis, business streams

### Construction – Order situation

#### Order backlog, revenue and order bookings



The order backlog remains high. At the end of the quarter, the order backlog amounted to SEK 239.7 billion compared to SEK 250.3 billion at the end of the previous quarter. The order backlog corresponds to 18 months of production (June 30, 2023: 18).

#### Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jul-Sep 2023 / Jul-Sep 2022			
Order bookings	-25%	-29%	4%
Sep 30, 2023 / Jun 30, 2023			
Order backlog	-4%	-3%	-1%

#### Order bookings and order backlog in Construction

SEK bn	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Order bookings	32.7	43.8	173.3	162.7
Order backlog <sup>1</sup>	239.7	227.9		229.8

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

Order bookings amounted to SEK 32.7 billion (43.8); adjusted for currency effects, order bookings decreased 29 percent, on a strong comparable period. On a rolling 12-month basis, order intake has been robust and the book-to-build ratio was 107 percent (June 30, 2023: 115). For more information, see page 29.

#### Major orders in the quarter

Geography	Contract	Amount SEK M	Client
USA	Highway widening	8,800	Washington State Department of Transportation (WSDOT)
USA	Biomanufacturing facility	2,250	Seagen
Europe	Facility	2,000	Defence Infrastructure Organisation
USA	Cancer center	900	RWJBarnabas Health
Nordic	Hospital	740	Region Värmland

Construction revenue from internal Project Development contracts on a rolling 12-month basis amounted to:

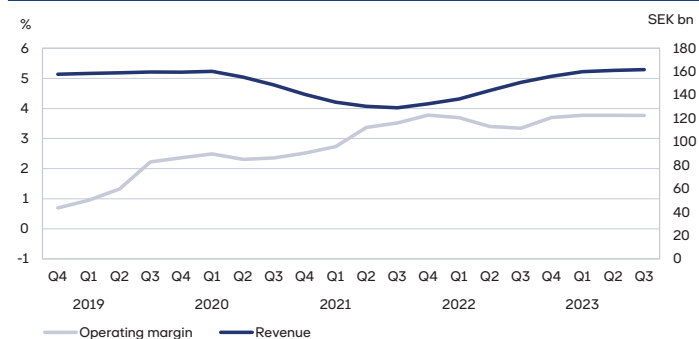
**14.5** SEK bn



RAF Molesworth, Cambridgeshire, UK

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEKM	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	40,917	40,174	161,756	156,004
Gross income	3,005	2,880	12,922	12,268
Selling and administrative expenses	-1,651	-1,549	-6,844	-6,534
Income from joint ventures and associated companies	10	17	15	36
<b>Operating income</b>	<b>1,365</b>	<b>1,348</b>	<b>6,094</b>	<b>5,770</b>
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
Average number of employees	25,710	26,785		26,892

Changes and currency rate effects

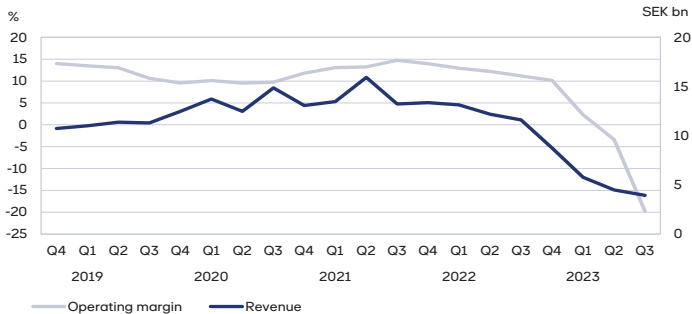
	Change in SEK	Change in local currency	Currency effect
Jul-Sep 2023 / Jul-Sep 2022			
Revenue	2%	-2%	3%
Operating income	1%	-2%	3%
Rolling 12 months 2023 / Rolling 12 months 2022			
Revenue	7%	1%	6%
Operating income	21%	14%	7%

Revenue in the Construction business stream increased by 2 percent and amounted to SEK 40.9 billion (40.2); adjusted for currency effects, revenue decreased by 2 percent. Solid quarterly performance resulted in an operating margin of 3.3 percent (3.4). Operating income increased by 1 percent and amounted to SEK 1,365 M (1,348); adjusted for currency effects, operating income decreased by 2 percent.

The rolling 12-month gross margin stands at 8.0 percent and operating margin at 3.8 percent (June 30, 2023; 3.8), well above the target of 3.5 percent.



LA Metro, Los Angeles, USA

Residential Development<sup>1</sup>Revenue and operating margin, rolling 12 months<sup>2</sup>

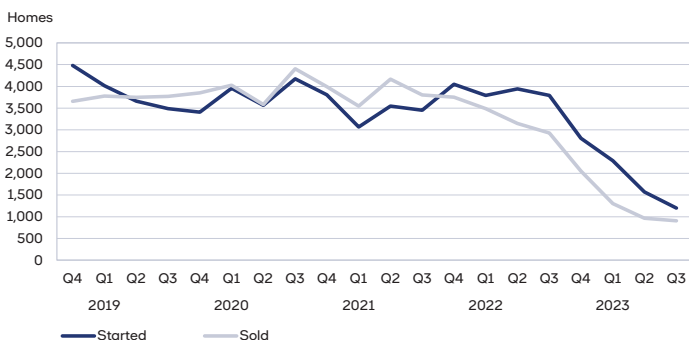
2 Including residential rentals until Q4 2020.

## Revenue and earnings

SEK M	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 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
Return on capital employed, % <sup>3</sup>		9.5	neg	6.8

3 Rolling 12 months. For definition see page 19.

Revenue in the Residential Development business stream amounted to SEK 911 M (1,468). Volumes are lower than normal and homebuyers remain hesitant following interest rate rises and the overall macro-economic uncertainty. Operating income for the business stream amounted to SEK -494 M (130). The main reasons for the weak result are property asset impairments of SEK -319 M and a goodwill impairment in the Norwegian part of the operation of SEK -159 M. In addition, the operating loss in BoKlok was SEK -160 M, which impacts all geographical segments. The operating margin was negative (8.8 percent) in the third quarter.

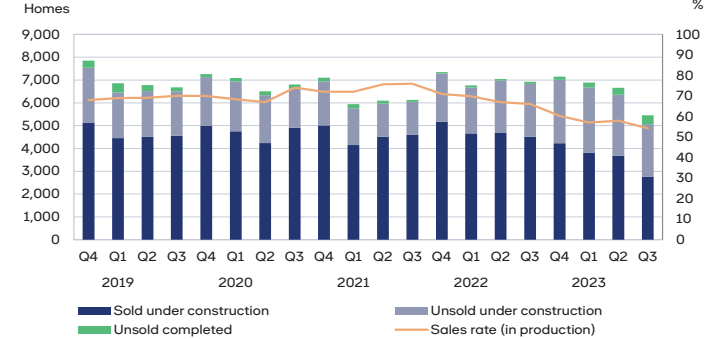
Homes sold and started, rolling 12 months<sup>4</sup>

4 Including residential rentals until Q4 2020.

## Homes sold and started

	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Homes sold <sup>5</sup>	277	339	906	2,052
Homes started	0	371	1,200	2,805

5 Net homes sold, including cancellations.

Homes under construction and unsold<sup>6</sup>

6 Including residential rentals until Q4 2020.

## Homes under construction and unsold

	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Homes under construction	5,060	6,827	7,015
of which sold, %	54	66	60
Completed unsold, number of homes	387	92	130

The number of homes sold was 277 (339) and no new projects were started (371 homes). At the end of the quarter, 5,060 homes (June 30, 2023: 6,354) were under construction. Of these, 54 percent (June 30, 2023: 58) were sold. The number of completed unsold homes increased to 387 (June 30, 2023: 306), of which unsold homes in BoKlok totaled 199. The number of unsold completed homes usually increases in times of elevated market uncertainty. Sales volumes reduce and homebuyers prefer to buy closer to completion in order to sell and buy in the same market phase. During the quarter 1,294 (522) homes were completed.

## Breakdown of carrying amounts

SEK M	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Completed projects	1,435	657	549
Ongoing projects	10,284	11,225	11,986
Undeveloped land and development properties	10,443	9,668	10,126
<b>Total</b>	<b>22,162</b>	<b>21,549</b>	<b>22,660</b>

A breakdown of the carrying amounts for Residential Development is presented in the table above. The estimated unrealized surplus value, pre-tax, in unsold homes in construction and undeveloped land and development properties amounted to SEK 4.0 billion (SEK 3.6 billion post standard tax). Assessed expected market values at completion have been adjusted by SEK 0.5 billion in the quarter, corresponding to 2.2 percent of market values, to reflect the weaker market.

The undeveloped land and development properties correspond to Skanska-owned building rights for 28,500 homes. Additionally Skanska holds 1,900 building rights through joint ventures and subject to certain conditions has the right to purchase 12,300 building rights.

1 Starting this year, all residential rental projects are reported in the Commercial Property Development stream. The comparable period, including rolling 12 months, has been restated to reflect this reallocation.

Commercial Property Development<sup>1</sup>Revenue and operating income from property divestments<sup>2</sup>

<sup>2</sup> Including residential rentals as of Q1 2021.

## Revenue and earnings

SEK M	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	1,375	327	5,942	14,276
of which from divestment of properties	1,128	166	5,081	13,594
Gross income	-56	167	1,798	3,857
Selling and administrative expenses	-220	-185	-1,037	-999
Income from joint ventures and associated companies	0	1	155	165
Operating income	-277	-17	916	3,023
of which from divestment of properties	199	166	1,932	3,839
Return on capital employed, % <sup>3</sup>		10.2	2.3	8.7

<sup>3</sup> Rolling 12 months. For definition see page 19.

In the Commercial Property Development business stream, divestments totaled SEK 1,128 M (166). Total revenue amounted to SEK 1,375 M (327). Operating income was SEK -277 M (-17), impacted by property asset impairments of SEK -315 M. Impairments are mostly concentrated to the US portfolio where we are experiencing the weakest market. For the rolling 12-month period, properties have been divested for a total value of SEK 5,081 M. Return on capital employed was 2.3 percent (10.2).

## Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value <sup>3,4</sup>	Unrealized gains <sup>9</sup>
Ongoing projects <sup>5</sup>	18,490	30,964	35,258	4,294
Completed projects <sup>6,7</sup>	10,588	10,588	13,397	2,809
Undeveloped land and development properties	14,036	14,036	14,753	717
<b>Total</b>	<b>43,114</b>	<b>55,588</b>	<b>63,408</b>	<b>7,820</b>
of which carrying amount <sup>8</sup>	43,114	55,588		
of which completed projects sold according to segment reporting	868	868	1,105	237
of which ongoing projects sold according to segment reporting	3,143	5,362	6,805	1,442

<sup>3</sup> Market value according to appraisal on September 30, 2023.

<sup>4</sup> Ongoing projects - estimated market value at completion fully leased.

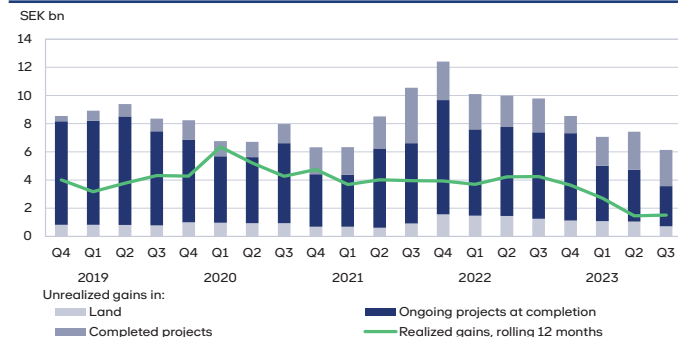
<sup>5</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 142 M.

<sup>6</sup> Including tenant improvement and leasing commissions in CDUS amounted to SEK 356 M.

<sup>7</sup> Skanska's share of total production cost in JVs is SEK 0 M end of period and upon completion.

<sup>8</sup> Includes Skanska's total equity investment in JV of SEK 0 M.

<sup>9</sup> Market value less investment value upon completion.

Unrealized and realized gains, segment reporting<sup>10</sup>

<sup>10</sup> Including residential rentals as of Q1 2021.

Commercial properties leasing and degree of completion<sup>11</sup>

<sup>11</sup> Leasing including residential rentals in the USA and Denmark until Q4 2020.

Estimated market value at completion for the Commercial Property Development portfolio amounted to SEK 63.4 billion at the end of the third quarter, corresponding to an unrealized gain of SEK 6.1 billion. Activity in the transaction market is low with reduced visibility on pricing as a consequence. We have reviewed our assessed market values to reflect our best estimate of the current market situation, reducing surplus values in the third quarter by SEK 1.1 billion. This corresponds to 1.7 percent of the total market value.

During the third quarter, two projects were completed and two were successfully handed over to external buyers resulting in a positive cash flow of SEK 1.2 billion. Projects sold but not yet transferred will have a positive effect on cash flow of SEK 2.7 billion in the fourth quarter of 2023 and SEK 5.2 billion during 2024-2026.

End of the quarter, 29 projects with a total leasable area of 556,000 sq m were ongoing and the degree of completion in the portfolio increased to 61 percent. The percentage let increased to 36 percent, and without the 11 residential rental projects, the portfolio is leased to 44 percent. The portfolio of completed projects amounts to 22 properties with a total leasable area of 445,000 sq m, including 1 residential rental project. The portfolio was 76 percent let by the end of the quarter.

Third-quarter leasing came in at 30,000 sq m (44,000). Over a rolling 12-month period, new lease agreements have been signed for 190,000 sq m (175,000).

Accumulated eliminations of intra-Group Construction profits amounted to SEK -651 M, reducing the carrying amount for current asset properties in Commercial Property Development. These eliminations are released at the Group level as each project is divested.

<sup>1</sup> Starting this year, all residential rental projects are reported in the Commercial Property Development stream. The comparable period, including rolling 12 months, has been restated to reflect this reallocation.

## Investment Properties

### Revenue and earnings

SEKM	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	44	10	151	40
<b>Operating net</b>	<b>31</b>	<b>7</b>	<b>110</b>	<b>30</b>
Selling and administrative expenses	-1	0	-4	-2
Change in property value	0	0	61	112
<b>Operating income</b>	<b>31</b>	<b>7</b>	<b>167</b>	<b>140</b>
Investments	-3	0	-2,927	-3,668
Divestments	0	0	0	0
<b>Net divestments(+)/investments(-)</b>	<b>-3</b>	<b>0</b>	<b>-2,927</b>	<b>-3,668</b>
Capital employed	3,701	755		3,733
Property value	3,739	766		3,758
Return on capital employed, % <sup>1</sup>		8.5	5.0	13.6
Net leasing	1	0	9	0
Economic occupancy rate, %	91	100		86
Surplus ratio, %	71	71	73	75

<sup>1</sup> Rolling 12 months. For definition see page 19.

Revenue in the Investment Properties business stream amounted to SEK 44 M (10). Operating income amounted to SEK 31 M (7).

Net leasing amounted to SEK 1 M for the third quarter. The economic occupancy rate in the portfolio is high at 91 percent.

We will continue to build the Investment Properties asset portfolio with high-quality sustainable properties in attractive locations, targeting a total value of SEK 12-18 billion.



Aqua, Malmö, Sweden

Sustainability information

Climate data

	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Scope 1 and 2 (tonnes CO <sub>2</sub> e)	42,000	46,000	168,000	182,000
Carbon intensity <sup>1</sup>	1.04	1.19	1.08	1.13
Renewable fuels, %	25	15	21	16
Renewable electricity, %	84	85	88	87

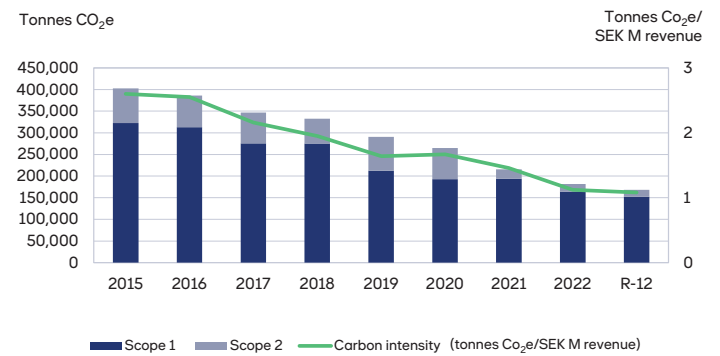
<sup>1</sup> Scope 1 and 2 (market-based)/ SEK M revenue, according to segment reporting.

Combined scope 1 and 2 emissions totaled 42,000 tonnes (46,000) for the third quarter. On a rolling 12-month basis, combined scope 1 and 2 emissions totaled 168,000 tonnes, 58 percent below our 2015 baseline. Our carbon intensity stands at 1.04 (1.19), compared to 2.60 in 2015.

Scope 1 emissions continue to decline as we strive to reduce our use of fossil fuels. Improved efficiency, electrification and an increasing use of biofuels are key factors. In the third quarter, Group-wide adoption of renewable fuels remained stable at 25 percent.

Scope 2 emissions are primarily driven by the use of electricity. Group-wide share of renewable electricity was 84 percent for the quarter, and 88 percent on a rolling 12-month basis.

Skanska's own emissions (scope 1 and 2)



Health and Safety data

	Jul-Sep 2023	Jul-Sep 2022	Rolling 12 months	Jan-Dec 2022
Lost time accident rate (LTAR) <sup>1</sup>	2.4	2.3	2.9	2.9
Executive Site Safety Visits (ESSV) <sup>1</sup>	1,547	1,537	7,804	7,921

<sup>1</sup> For definitions see page 20.

Lost time accident rate (LTAR) is an indicator for monitoring safety performance. On a rolling 12-month basis in the third quarter, LTAR remained at 2.9 (2.9).

Executive Site Safety Visits (ESSV) promote clear and visible leadership for enhanced safety performance. In the third quarter, 1,547 ESSV (1,537) were conducted.

## Personnel

During the period, the average number of employees in the Group was 27,222 (28,258). At the end of the quarter, the number of employees totaled 27,377 people (June 30, 2023: 27,321).

## 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 2022, pages 60-66, Note 2 and 6, as well as the section on market outlook included in this report.

## Events after the end of the report period

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

## Financial reports for 2023

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

The Group's interim report for 2023 will be published on the following date:

February 9, 2024

Year-end report 2023

Stockholm, November 1, 2023

## Anders Danielsson

President and Chief Executive Officer

## Auditors' Review Report concerning this interim report

### Introduction

We have reviewed the condensed interim report for Skanska AB (publ.) as at September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

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

### Conclusion

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

Stockholm, November 1, 2023  
Ernst & Young AB

Rickard Andersson  
Authorized public accountant



## Accounting Principles

For the Group, this interim report has been prepared in compliance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Securities Market Act. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. 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 2022, Note 35.

### Segment and IFRS reporting

Skanska's business streams Construction, Residential Development, Commercial Property Development and Investment Properties 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. Revenue 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, revenue is instead recognized when the buyer takes possession of the home.

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, revenue is instead recognized when the buyer takes possession of the property.

Investment Properties owns properties for the purpose of earning rentals and for capital appreciation. Rental revenue is recognized on a straight-line basis over the lease term. Change in value on investment properties is recognized each quarter both according to segment reporting and IFRS.

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.

### News

As of 2023, residential rental projects in Sweden have been reallocated and included in the multi-family rental portfolio in the Commercial Property Development business stream. Historical financial information from 2021 and 2022 has been restated to reflect this reallocation.

## Definitions

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, and thereby assisting investors and management in analyzing trends and performance in Skanska.

For further definitions, see the Annual and Sustainability Report 2022, Note 44.

Non-IFRS financial measures	Definition	Reason for use														
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 recognized 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.	Measures revenue generated in current market environment.														
Gross income	Revenue minus cost of sales.	Measures profit generated from projects.														
Gross margin, %	Gross income as a percentage of revenue.	Measures profitability in projects.														
Operating net	Rental revenue minus operating costs for investment properties (that is, operating expenses, costs for repair and maintenance, property administration and property tax).	Measures earnings from property management.														
Selling and admin expenses, %	Selling and administrative expenses as a percentage of revenue.	Measures cost efficiency in selling and administrative expenses.														
Operating income	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, and income from joint ventures and associated companies.	Measures profit generated from operations.														
Operating income segment	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, 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.	Measures profit generated from operations in current market environment.														
Operating income rolling 12 months	Revenue minus cost of sales, selling and administrative expenses, change in value of investment properties, and income from joint ventures and associated companies, over a 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, R-12m, %	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>26,557</td> </tr> <tr> <td>- tax assets</td> <td>-397</td> </tr> <tr> <td>- deposits in internal bank</td> <td>-1,386</td> </tr> <tr> <td>- pension receivable</td> <td>-38</td> </tr> <tr> <td>- non-interest-bearing liabilities (excluding tax liabilities)</td> <td>-9,853</td> </tr> <tr> <td>- capitalized interest expense</td> <td>-293</td> </tr> <tr> <td></td> <td><u>14,591</u></td> </tr> </table>	Total assets	26,557	- tax assets	-397	- deposits in internal bank	-1,386	- pension receivable	-38	- non-interest-bearing liabilities (excluding tax liabilities)	-9,853	- capitalized interest expense	-293		<u>14,591</u>	Measure capital usage and efficiency in Residential Development.
Total assets	26,557															
- tax assets	-397															
- deposits in internal bank	-1,386															
- pension receivable	-38															
- non-interest-bearing liabilities (excluding tax liabilities)	-9,853															
- capitalized interest expense	-293															
	<u>14,591</u>															
Capital employed Commercial Property Development (CD) SEK M	<table border="0"> <tr> <td>Total assets</td> <td>50,979</td> </tr> <tr> <td>- tax assets</td> <td>-900</td> </tr> <tr> <td>- deposits in internal bank</td> <td>-183</td> </tr> <tr> <td>- pension receivable</td> <td>0</td> </tr> <tr> <td>- non-interest-bearing liabilities (excluding tax liabilities)</td> <td>-3,213</td> </tr> <tr> <td>- capitalized interest expense</td> <td>-644</td> </tr> <tr> <td></td> <td><u>46,040</u></td> </tr> </table>	Total assets	50,979	- tax assets	-900	- deposits in internal bank	-183	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-3,213	- capitalized interest expense	-644		<u>46,040</u>	Measure capital usage and efficiency in Commercial Property Development.
Total assets	50,979															
- tax assets	-900															
- deposits in internal bank	-183															
- pension receivable	0															
- non-interest-bearing liabilities (excluding tax liabilities)	-3,213															
- capitalized interest expense	-644															
	<u>46,040</u>															

Non-IFRS financial measures	Definition		Reason for use
<b>Capital employed Investment Properties (IP) SEK M</b>	Total assets - tax assets - deposits in internal bank - pension receivable - non-interest-bearing liabilities (excluding tax liabilities)	3,788 -6 0 0 <u>-82</u> 3,701	Measure capital usage and efficiency in Investment Properties.
<b>Capital employed average</b>	Calculated on the basis of five measuring points; see below.		
<b>ROCE in RD segment, rolling 12 months, %</b>	Operating income + capitalized interest expense +/- financial income and other financial items - interest income from internal bank Adjusted profit Capital employed average* ROCE RD  * Capital employed average Q3 2023    14,591    x 0.5    7,295 Q2 2023    16,495                    16,495 Q1 2023    15,633                    15,633 Q4 2022    16,346                    16,346 Q3 2022    15,218    x 0.5 <u>7,609</u> 63,378 / 4	-776 191 23 <u>1</u> -561 15,844 -3.5%          15,844	Measure the performance (profitability and capital efficiency) in RD.
<b>ROCE in CD segment, rolling 12 months, %</b>	Operating income + capitalized interest expense +/- financial income and other financial items - interest income from internal bank Adjusted profit Capital employed average* ROCE CD  * Capital employed average Q3 2023    46,040    x 0.5    23,020 Q2 2023    45,498                    45,498 Q1 2023    41,622                    41,622 Q4 2022    38,547                    38,547 Q3 2022    38,329    x 0.5 <u>19,164</u> 167,850 / 4	916 53 26 <u>-11</u> 984 41,963 2.3%          41,963	Measure the performance (profitability and capital efficiency) in CD.
<b>ROCE in IP segment, rolling 12 months, %</b>	Operating income +/- financial income and other financial items - interest income from internal bank Adjusted profit Capital employed average* ROCE IP  * Capital employed average Q3 2023    3,701    x 0.5    1,850 Q2 2023    3,694                    3,694 Q1 2023    3,714                    3,714 Q4 2022    3,733                    3,733 Q3 2022    755    x 0.5 <u>377</u> 13,368 / 4	167 0 0 <u>167</u> 3,342 5.0%          3,342	Measure the performance (profitability and capital efficiency) in IP.
<b>ROCE in Project Development, segment, rolling 12 months, %</b>	Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD.  Adjusted profit    CE avg    ROCE RD <u>-561</u> 15,844    -3.5% CD <u>984</u> 41,963    2.3% 423    57,807    0.7%		Measure the performance (profitability and capital efficiency) in Project Development.

## Non-IFRS financial measures

Non-IFRS financial measures	Definition	Reason for use
Return on equity segment, rolling 12 months, %	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 5,223 / 55,007 = 9.5%	Measure profitability on invested equity.
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. Q3 2023 57,503 x 0.5 28,751 Q2 2023 56,903 56,903 Q1 2023 53,134 53,134 Q4 2022 55,111 55,111 Q3 2022 52,255 x 0.5 26,127 220,026 / 4 55,007	
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 minus 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. Q3 2023 -27,756 x 0.5 -13,878 Q2 2023 -28,126 -28,126 Q1 2023 -28,115 -28,115 Q4 2022 -28,920 -28,920 Q3 2022 -30,254 x 0.5 -15,127 -114,166 / 4 -28,541	Measure the funding stemming from the negative working capital generated in Construction.
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 57.5 Unrealized surplus value in RD 4.0 Unrealized CD gains 7.8 Effect in unrealized equity in PPP-portfolio 1.3 Less standard corporate tax, 10% -1.3 Adjusted equity 69.3	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.
Net leasing	Annual rent including supplements of new lettings minus annual rent including supplements for agreements that has been served a notice of termination.	
Economic occupancy rate, %	Contracted rental income including supplements less discounts for the period divided by total rental value for properties owned at the end of the period. Properties owned at the end of the period are restated as if they have been owned during the whole period, while disposed properties are excluded entirely.	Measures the efficiency of leasing activity.
Surplus ratio, %	Operating net for Investment Properties stream divided by rental revenue.	Measures the efficiency of property management.
Leasable area	Leasable area including garage.	
Rental value	Rental revenue including supplements for the period plus market rent for vacant premises.	Indicates total potential rental income for fully let properties.
Environmental certification, %	Share of Investment Properties' portfolio being certified according to minimum LEED Gold or similar.	Measures the sustainability quality of the property portfolio.
Lost time accident rate (LTAR)	Number of employee and subcontractor lost time accidents multiplied by 1,000,000 hours and divided by total labor hours.	Indicator for monitoring safety performance.
Executive Site Safety Visits (ESSV)	Site Safety visits performed by senior managers.	Promote clear and visible leadership for enhanced safety performance.

## Reconciliation between segment reporting and IFRS

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Construction	109,343 <sup>1</sup>	103,338 <sup>1</sup>	9,681	9,934	119,025	113,273	3,789	3,465
Residential Development	3,147	7,958	0	10	3,147	7,968	-760	906
Commercial Property Development	2,461	9,858	39	975	2,499	10,833	-434	1,674
Investment Properties	127	20	3	0	130	20	67	40
<b>Total operating segments</b>	<b>115,078</b>	<b>121,174</b>	<b>9,723</b>	<b>10,920</b>	<b>124,801</b>	<b>132,093</b>	<b>2,662</b>	<b>6,084</b>
Central	88	79	200	220	288	299	-316	-179
Eliminations	0	0	-9,923	-11,139	-9,923	-11,139	-72	-138
<b>Total Group</b>	<b>115,166</b>	<b>121,253</b>	<b>0</b>	<b>0</b>	<b>115,166</b>	<b>121,253</b>	<b>2,274</b>	<b>5,767</b>
<b>Reconciliation to IFRS<sup>2</sup></b>	<b>5,845</b>	<b>-440</b>	<b>0</b>	<b>0</b>	<b>5,845</b>	<b>-440</b>	<b>1,335</b>	<b>400</b>
<b>Total IFRS</b>	<b>121,011</b>	<b>120,812</b>	<b>0</b>	<b>0</b>	<b>121,011</b>	<b>120,812</b>	<b>3,609</b>	<b>6,167</b>
1 Of which external revenue from joint ventures in PPP-portfolio	733	1,122						
2 Of which effect from joint ventures in Residential Development proportionally	-61	-44					-86	-1
Of which effect of different revenue recognition principles	5,906	-396					1,420	402

## Revenue by geographical area (IFRS)

SEK M	Construction		Residential Development		Commercial Property Development		Investment Properties		Central and Eliminations		Total	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Nordics	43,066	43,251	6,568	5,664	3,198	4,118	130	20	-4,514	-6,040	48,449	47,013
of which Sweden	23,444	24,453	4,876	2,445	3,041	4,011	130	20	-3,063	-4,789	28,428	26,140
Europe	20,181	19,549	1,334	1,285	233	5,716	0	0	-1,865	-2,270	19,884	24,281
USA	55,778	50,473	0	0	161	1,577	0	0	-3,261	-2,531	52,678	49,518
<b>Total operating segments</b>	<b>119,025</b>	<b>113,273</b>	<b>7,903</b>	<b>6,949</b>	<b>3,593</b>	<b>11,411</b>	<b>130</b>	<b>20</b>	<b>-9,640</b>	<b>-10,841</b>	<b>121,011</b>	<b>120,812</b>

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jul-Sep 2023	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2022
<b>Revenue</b>								
Construction	40,917	40,917	40,174	40,174	119,025	119,025	113,273	113,273
Residential Development	911	2,727	1,468	2,646	3,147	7,903	7,968	6,949
Commercial Property Development	1,375	1,463	327	3,776	2,499	3,593	10,833	11,411
Investment Properties	44	44	10	10	130	130	20	20
Central and Eliminations	-2,900	-2,908	-3,377	-3,377	-9,635	-9,640	-10,841	-10,841
<b>Skanska Group</b>	<b>40,348</b>	<b>42,244</b>	<b>38,603</b>	<b>43,229</b>	<b>115,166</b>	<b>121,011</b>	<b>121,253</b>	<b>120,812</b>
<b>Operating income</b>								
Construction	1,365	1,365	1,348	1,348	3,789	3,789	3,465	3,465
Residential Development	-494	-211	130	493	-760	110	906	943
Commercial Property Development <sup>1</sup>	-277	-307	-17	731	-434	-45	1,674	1,957
Investment Properties	31	31	7	7	67	67	40	40
Central	-85	-85	112	112	-316	-316	-179	-179
of which PPP-portfolio	193	193	202	202	403	403	272	272
Eliminations <sup>1</sup>	9	26	-61	63	-72	4	-138	-59
<b>Operating income</b>	<b>549</b>	<b>820</b>	<b>1,518</b>	<b>2,755</b>	<b>2,274</b>	<b>3,609</b>	<b>5,767</b>	<b>6,167</b>
<b>Net financial items</b>	<b>150</b>	<b>152</b>	<b>69</b>	<b>69</b>	<b>429</b>	<b>433</b>	<b>88</b>	<b>88</b>
<b>Income after financial items</b>	<b>700</b>	<b>973</b>	<b>1,587</b>	<b>2,824</b>	<b>2,703</b>	<b>4,042</b>	<b>5,855</b>	<b>6,255</b>
Income taxes	-110	-152	-300	-548	-450	-673	-1,159	-1,238
<b>Profit for the period</b>	<b>590</b>	<b>821</b>	<b>1,287</b>	<b>2,276</b>	<b>2,253</b>	<b>3,369</b>	<b>4,696</b>	<b>5,017</b>
Earnings for the period per share, SEK <sup>2</sup>	1.41		3.10		5.41		11.34	
Earnings for the period per share according to IFRS, SEK <sup>2</sup>		1.97		5.50		8.13		12.12
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	199	169	166	915	416	804	2,323	2,607
Eliminations	45	42	-9	84	85	104	73	149

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

## The Skanska Group

## Summary income statement (IFRS)

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	42,244	43,229	121,011	120,812	163,373	163,174
Cost of sales	-39,284	-38,706	-110,957	-109,071	-148,369	-146,483
<b>Gross income</b>	<b>2,959</b>	<b>4,523</b>	<b>10,054</b>	<b>11,741</b>	<b>15,005</b>	<b>16,692</b>
Selling and administrative expenses	-2,340	-2,003	-6,877	-6,278	-9,597	-8,998
Change in value, investment properties	0	0	-25	365	1,302	1,692
Income from joint ventures and associated companies	201	235	456	339	753	636
<b>Operating income</b>	<b>820</b>	<b>2,755</b>	<b>3,609</b>	<b>6,167</b>	<b>7,463</b>	<b>10,021</b>
Financial income	208	109	533	235	693	395
Financial expenses	-56	-40	-100	-147	-57	-104
<b>Net financial items<sup>1</sup></b>	<b>152</b>	<b>69</b>	<b>433</b>	<b>88</b>	<b>636</b>	<b>290</b>
<b>Income after financial items</b>	<b>973</b>	<b>2,824</b>	<b>4,042</b>	<b>6,255</b>	<b>8,098</b>	<b>10,312</b>
Income taxes	-152	-548	-673	-1,238	-1,462	-2,027
<b>Profit for the period</b>	<b>821</b>	<b>2,276</b>	<b>3,369</b>	<b>5,017</b>	<b>6,636</b>	<b>8,284</b>
1 Of which						
Interest income	210	109	516	197	674	355
Financial net pension costs	-2	-14	-8	-39	-16	-48
Interest expenses	-202	-89	-481	-194	-542	-255
Interest expenses from lease liabilities	-62	-54	-178	-160	-240	-222
Capitalized interest expenses	224	129	619	302	794	477
<b>Net interest items</b>	<b>167</b>	<b>82</b>	<b>468</b>	<b>106</b>	<b>669</b>	<b>307</b>
Change in fair value	-1	4	1	1	3	4
Other net financial items	-13	-16	-36	-19	-37	-20
<b>Net financial items</b>	<b>152</b>	<b>69</b>	<b>433</b>	<b>88</b>	<b>636</b>	<b>290</b>
Profit for the period attributable to:						
Equity holders	808	2,267	3,339	4,995	6,600	8,256
Non-controlling interests	12	9	30	22	36	28
Earnings per share, SEK <sup>2</sup>	1.97	5.50	8.13	12.12	16.05	20.04
Earnings per share after dilution, SEK <sup>3</sup>	1.95	5.47	8.06	12.04	15.92	19.90

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

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

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

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>Profit for the period</b>	<b>821</b>	<b>2,276</b>	<b>3,369</b>	<b>5,017</b>	<b>6,636</b>	<b>8,284</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit and loss for the period</b>						
Remeasurements of defined benefit pension plans	404	1,622	1,720	3,616	1,922	3,818
Tax related to items that will not be reclassified to profit and loss for the period	-76	-342	-353	-749	-396	-792
	<b>328</b>	<b>1,280</b>	<b>1,367</b>	<b>2,867</b>	<b>1,526</b>	<b>3,026</b>
<b>Items that have been or will be reclassified to profit and loss for the period</b>						
Translation differences attributable to equity holders	-447	1,038	803	2,852	242	2,290
Translation differences attributable to non-controlling interests	-9	3	3	10	8	14
Hedging of exchange rate risk in foreign operations	-7	28	16	98	-2	81
Effects of cash flow hedges <sup>1</sup>	-63	3	-35	61	12	108
Share of other comprehensive income of joint ventures and associated companies <sup>2</sup>	18	17	22	177	22	178
Tax related to items that have been or will be reclassified to profit and loss for the period	16	1	17	-9	7	-19
	<b>-491</b>	<b>1,090</b>	<b>825</b>	<b>3,189</b>	<b>289</b>	<b>2,653</b>
<b>Other comprehensive income after tax</b>	<b>-163</b>	<b>2,370</b>	<b>2,192</b>	<b>6,056</b>	<b>1,815</b>	<b>5,679</b>
<b>Total comprehensive income</b>	<b>657</b>	<b>4,646</b>	<b>5,560</b>	<b>11,072</b>	<b>8,451</b>	<b>13,963</b>
Total comprehensive income for the period attributable to						
Equity holders	654	4,634	5,527	11,040	8,407	13,920
Non-controlling interests	4	12	33	32	44	43
1 Of which transferred to income statement	80	-25	44	-25	26	-44
2 Of which transferred to income statement	1	12	11	54	21	64

## Summary statement of financial position (IFRS)

SEKM	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	3,739	766	3,758
Property, plant and equipment	8,075	7,760	7,803
Property, plant and equipment right-of-use assets	3,258	3,334	3,256
Goodwill	4,094	4,133	4,160
Other intangible assets	365	574	488
Investments in joint ventures and associated companies	2,493	2,958	2,901
Financial non-current assets <sup>1,3</sup>	6,067	4,556	3,607
Deferred tax assets	1,568	1,101	995
<b>Total non-current assets</b>	<b>29,659</b>	<b>25,183</b>	<b>26,970</b>
<b>Current assets</b>			
Current-asset properties <sup>2</sup>	64,778	57,040	58,474
Current-asset properties right-of-use land	3,830	3,799	3,676
Inventories	1,281	1,175	1,300
Financial current assets <sup>3</sup>	8,723	14,632	14,413
Tax assets	1,849	1,520	1,248
Contract assets	9,520	8,357	7,772
Trade and other receivables	30,908	27,503	27,726
Cash and cash equivalents	7,185	13,115	10,014
<b>Total current assets</b>	<b>128,076</b>	<b>127,141</b>	<b>124,623</b>
<b>TOTAL ASSETS</b>	<b>157,734</b>	<b>152,324</b>	<b>151,593</b>
of which interest-bearing financial non-current assets	6,027	4,518	3,569
of which interest-bearing current assets	15,613	27,629	24,327
<b>Total interest-bearing assets</b>	<b>21,641</b>	<b>32,146</b>	<b>27,896</b>
<b>EQUITY</b>			
Equity attributable to equity holders	57,503	52,255	55,111
Non-controlling interests	152	133	144
<b>Total equity</b>	<b>57,654</b>	<b>52,388</b>	<b>55,255</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial non-current liabilities <sup>3</sup>	2,577	2,817	2,714
Lease liabilities	6,358	6,630	6,328
Pensions	1,930	3,445	2,891
Deferred tax liabilities	2,337	1,945	1,943
<b>Total non-current liabilities</b>	<b>13,201</b>	<b>14,837</b>	<b>13,876</b>
<b>Current liabilities</b>			
Financial current liabilities <sup>3</sup>	4,734	5,770	4,854
Lease liabilities	1,076	851	953
Tax liabilities	140	514	388
Current provisions	9,780	10,367	10,368
Contract liabilities	26,653	24,228	24,059
Trade and other payables	44,497	43,368	41,840
<b>Total current liabilities</b>	<b>86,879</b>	<b>85,099</b>	<b>82,462</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>157,734</b>	<b>152,324</b>	<b>151,593</b>
of which interest-bearing financial liabilities	14,649	15,932	14,699
of which interest-bearing pensions and provisions	1,930	3,445	2,891
<b>Total interest-bearing liabilities</b>	<b>16,579</b>	<b>19,377</b>	<b>17,590</b>
1 Of which shares and participations	39	38	38
2 Current-asset properties			
Commercial Property Development	42,617	35,491	35,814
Residential Development	22,162	21,549	22,660
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	2	0	0
Financial current assets	295	119	99
Financial non-current liabilities	0	0	0
Financial current liabilities	94	136	150

Contingent liabilities, excluding partners' share in joint operations, as at September 30, 2023 amounted to SEK 1.6 bn (Dec 31, 2022: 1.2). Skanska's obligations for partners' share of future performance in joint operations amounted to SEK 25.3 bn (Dec 31, 2022: 31.9). In the event that Skanska takes over part of the performance, Skanska's order backlog will increase accordingly. For more information see Annual and Sustainability Report 2022, Note 20B, 20C and 33.

## Summary statement of changes in equity (IFRS)

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Opening balance	57,076	47,787	55,255	45,465	45,465
of which non-controlling interests	174	134	144	114	114
Dividend to shareholders	0	0	-3,081	-4,124	-4,124
Change in group composition	-5	0	-5	0	0
Dividend to non-controlling interests	-20	-13	-20	-13	-13
Effects of equity-settled share-based payments	108	128	354	341	471
Repurchase of shares	-162	-160	-408	-353	-507
Total comprehensive income for the period attributable to					
Equity holders	654	4,634	5,527	11,040	13,920
Non-controlling interests	4	12	33	32	43
<b>Closing balance</b>	<b>57,654</b>	<b>52,388</b>	<b>57,654</b>	<b>52,388</b>	<b>55,255</b>
of which non-controlling interests	152	133	152	133	144

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

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>Cash flow from operating activities before change in working capital, according to IAS 7</b>	<b>851</b>	<b>1,727</b>	<b>2,589</b>	<b>2,555</b>	<b>4,331</b>	<b>4,297</b>
<b>Cash flow from change in working capital, according to IAS 7</b>	<b>-6</b>	<b>2,206</b>	<b>-4,695</b>	<b>-476</b>	<b>-8,036</b>	<b>-3,816</b>
Net investments in property, plant and equipment and intangible assets (investment properties included)	-344	-560	-1,270	-1,777	-1,759	-2,266
Tax payments on sold property, plant and equipment and intangible assets	-21	-7	-35	-23	-49	-37
<b>Cash flow from business operations including taxes paid according to operating cash flow</b>	<b>479</b>	<b>3,366</b>	<b>-3,412</b>	<b>279</b>	<b>-5,514</b>	<b>-1,823</b>
Less net investments in property, plant and equipment and intangible assets (investment properties included)	344	560	1,270	1,777	1,759	2,266
Less tax payments on sold property, plant and equipment and intangible assets	21	7	35	23	49	37
<b>Cash flow from operating activities, according to IAS 7</b>	<b>845</b>	<b>3,933</b>	<b>-2,106</b>	<b>2,079</b>	<b>-3,705</b>	<b>480</b>
<b>Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow</b>	<b>-2</b>	<b>44</b>	<b>37</b>	<b>68</b>	<b>166</b>	<b>197</b>
Net investments in property, plant and equipment and intangible assets (investment properties included)	-344	-560	-1,270	-1,777	-1,759	-2,266
Increase and decrease in interest-bearing receivables	931	681	4,529	6,343	4,212	6,026
Taxes paid on sold property, plant and equipment and intangible assets	-21	-7	-35	-23	-49	-37
<b>Cash flow from investing activities, according to IAS 7</b>	<b>564</b>	<b>157</b>	<b>3,260</b>	<b>4,611</b>	<b>2,569</b>	<b>3,920</b>
<b>Cash flow from financing operations according to operating cash flow statement</b>	<b>-151</b>	<b>-189</b>	<b>-383</b>	<b>-421</b>	<b>-403</b>	<b>-441</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	460	402	4,370	6,347	3,561	5,538
Increase and decrease in interest-bearing receivables	-931	-681	-4,529	-6,343	-4,212	-6,026
Dividend etc. <sup>1</sup>	-182	-173	-3,509	-4,490	-3,663	-4,645
<b>Cash flow from financing activities, according to IAS 7</b>	<b>-804</b>	<b>-641</b>	<b>-4,051</b>	<b>-4,907</b>	<b>-4,718</b>	<b>-5,574</b>
<b>Cash flow for the period</b>	<b>604</b>	<b>3,449</b>	<b>-2,897</b>	<b>1,783</b>	<b>-5,853</b>	<b>-1,173</b>
1 Of which repurchases of shares	-162	-160	-408	-353	-562	-507



## Operating cash flow (IFRS), supplementary information

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>Construction</b>						
Cash flow from business operations	1,941	1,948	5,550	5,287	8,435	8,172
Change in working capital	-32	454	-1,662	-1,107	-2,212	-1,657
Net divestments(+)/investments(-)	-345	-510	-1,408	-1,104	-1,948	-1,643
<b>Total Construction</b>	<b>1,564</b>	<b>1,893</b>	<b>2,480</b>	<b>3,076</b>	<b>4,275</b>	<b>4,871</b>
<b>Residential Development</b>						
Cash flow from business operations	-260	68	-771	-382	-929	-540
Change in working capital	656	994	1,377	213	1,226	62
Net divestments(+)/investments(-)	924	107	1,261	-983	978	-1,267
Cash flow adjustment	-43	141	-43	141	21	205
<b>Total Residential Development</b>	<b>1,276</b>	<b>1,309</b>	<b>1,824</b>	<b>-1,011</b>	<b>1,296</b>	<b>-1,540</b>
<b>Commercial Property Development</b>						
Cash flow from business operations	-137	-211	-407	-1,165	-470	-1,227
Change in working capital	-342	-209	-579	58	-501	137
Net divestments(+)/investments(-)	-1,081	810	-5,341	1,805	-5,052	2,094
Cash flow adjustment	21	-30	4	372	-105	263
<b>Total Commercial Property Development</b>	<b>-1,539</b>	<b>360</b>	<b>-6,324</b>	<b>1,071</b>	<b>-6,128</b>	<b>1,267</b>
<b>Investment Properties</b>						
Cash flow from business operations	31	7	92	14	107	29
Change in working capital	-6	-1	12	19	40	47
Net divestments(+)/investments(-)	-3	0	-6	-748	-2,927	-3,668
Cash flow adjustment	2	0	2	0	2	0
<b>Total Investment Properties</b>	<b>24</b>	<b>6</b>	<b>100</b>	<b>-715</b>	<b>-2,778</b>	<b>-3,593</b>
<b>Central and Eliminations</b>						
Cash flow from business operations	-3	-35	188	-259	-101	-548
Change in working capital	-102	1	-93	-285	85	-108
Net divestments(+)/investments(-)	2	-110	511	-633	598	-546
of which PPP-portfolio	8	-101	525	-600	578	-547
<b>Total Central and Eliminations</b>	<b>-103</b>	<b>-144</b>	<b>606</b>	<b>-1,178</b>	<b>582</b>	<b>-1,203</b>
Total cash flow from business operations	1,573	1,777	4,652	3,495	7,042	5,885
Total change in working capital	174	1,238	-945	-1,103	-1,362	-1,520
Total net divestments(+)/investments(-)	-504	297	-4,983	-1,663	-8,351	-5,030
Total cash flow adjustment	-21	111	-37	513	-82	468
<b>Cash flow from business operations before taxes paid</b>	<b>1,222</b>	<b>3,423</b>	<b>-1,313</b>	<b>1,242</b>	<b>-2,753</b>	<b>-198</b>
Taxes paid in business operations	-743	-57	-2,099	-963	-2,761	-1,625
<b>Cash flow from business operations including taxes paid</b>	<b>479</b>	<b>3,366</b>	<b>-3,412</b>	<b>279</b>	<b>-5,514</b>	<b>-1,823</b>
Net interest items, other net financial items and amortization of lease liabilities	-193	-242	-492	-540	-517	-565
Taxes paid in financing operations	42	53	108	119	114	124
<b>Cash flow from financing operations</b>	<b>-151</b>	<b>-189</b>	<b>-383</b>	<b>-421</b>	<b>-403</b>	<b>-441</b>
<b>Operating cash flow from operations</b>	<b>329</b>	<b>3,177</b>	<b>-3,795</b>	<b>-142</b>	<b>-5,917</b>	<b>-2,263</b>
Net strategic divestments(+)/investments(-)	-2	44	37	68	166	197
Dividend etc. <sup>1</sup>	-182	-173	-3,509	-4,490	-3,663	-4,645
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>144</b>	<b>3,047</b>	<b>-7,267</b>	<b>-4,564</b>	<b>-9,414</b>	<b>-6,711</b>
Change in interest-bearing receivables and liabilities excluding lease liabilities	460	402	4,370	6,347	3,561	5,538
<b>Cash flow for the period</b>	<b>604</b>	<b>3,449</b>	<b>-2,897</b>	<b>1,783</b>	<b>-5,853</b>	<b>-1,173</b>
Cash and cash equivalents at the beginning of the period	6,610	9,474	10,014	10,947	13,115	10,947
Exchange rate differences in cash and cash equivalents	-29	192	69	385	-77	240
<b>Cash and cash equivalents at the end of the period</b>	<b>7,185</b>	<b>13,115</b>	<b>7,185</b>	<b>13,115</b>	<b>7,185</b>	<b>10,014</b>
1 Of which repurchases of shares	-162	-160	-408	-353	-562	-507

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

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
<b>OPERATIONS - INVESTMENTS</b>						
Investment properties	-3	0	-6	0	-7	-1
Intangible assets	0	-3	-8	-15	-17	-24
Property, plant and equipment	-576	-661	-1,851	-1,548	-2,541	-2,238
Shares and participations	3	-226	-317	-747	-265	-696
Current-asset properties	-4,076	-5,348	-14,447	-16,727	-20,329	-22,609
of which Residential Development	-1,782	-2,543	-6,244	-7,621	-8,999	-10,375
of which Commercial Property Development	-2,293	-2,805	-8,202	-9,106	-11,330	-12,233
<b>Investments in operations</b>	<b>-4,653</b>	<b>-6,238</b>	<b>-16,629</b>	<b>-19,037</b>	<b>-23,159</b>	<b>-25,567</b>
<b>Total Investments</b>	<b>-4,653</b>	<b>-6,238</b>	<b>-16,629</b>	<b>-19,037</b>	<b>-23,159</b>	<b>-25,567</b>
<b>OPERATIONS - DIVESTMENTS</b>						
Intangible assets	0	0	1	0	17	15
Property, plant and equipment	226	139	386	332	529	476
Shares and participations	7	192	525	201	525	201
Current-asset properties	3,915	6,204	10,734	16,841	13,737	19,844
of which Residential Development	2,697	2,590	7,803	6,776	10,284	9,257
of which Commercial Property Development	1,218	3,614	2,930	10,065	3,453	10,587
<b>Divestments in operation</b>	<b>4,148</b>	<b>6,535</b>	<b>11,646</b>	<b>17,375</b>	<b>14,808</b>	<b>20,537</b>
<b>STRATEGIC DIVESTMENTS</b>						
Businesses	-2	44	37	68	166	197
<b>Strategic divestments</b>	<b>-2</b>	<b>44</b>	<b>37</b>	<b>68</b>	<b>166</b>	<b>197</b>
<b>Total divestments</b>	<b>4,146</b>	<b>6,578</b>	<b>11,683</b>	<b>17,443</b>	<b>14,974</b>	<b>20,734</b>
<b>TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)</b>	<b>-507</b>	<b>340</b>	<b>-4,946</b>	<b>-1,594</b>	<b>-8,185</b>	<b>-4,833</b>
Depreciation, non-current assets	-706	-687	-2,059	-2,042	-2,730	-2,714

## Capital employed in Project Development and Investment Properties (IFRS)

SEKM	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Residential Development	14,591	15,218	16,346
Commercial Property Development	46,040	38,329	38,547
Investment Properties	3,701	755	3,733
<b>Total in Project Development and Investment Properties</b>	<b>64,331</b>	<b>54,301</b>	<b>58,626</b>

## Parent company<sup>1</sup>

The parent company's revenue consists mainly of amounts billed to Group companies. The balance sheet consists mainly of shares in Group companies, intra-Group receivables and equity. The parent company does not report any significant events during the period.

### Summary income statement (RFR2)

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Revenue	320	210	834	556
Selling and administrative expenses	-268	-156	-769	-494
<b>Operating income</b>	<b>52</b>	<b>54</b>	<b>65</b>	<b>62</b>
Net financial items	184	28	10,581	10,033
<b>Income after financial items</b>	<b>236</b>	<b>82</b>	<b>10,646</b>	<b>10,095</b>
Income taxes	-49	-17	-82	-21
<b>Profit for the period</b>	<b>187</b>	<b>65</b>	<b>10,564</b>	<b>10,074</b>
<b>Total comprehensive income</b>	<b>187</b>	<b>65</b>	<b>10,564</b>	<b>10,074</b>

### Summary balance sheet (RFR2)

SEK M	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
Intangible non-current assets	1	2	1
Property, plant and equipment	20	0	0
Financial non-current assets <sup>2</sup>	30,507	23,233	23,627
<b>Total non-current assets</b>	<b>30,528</b>	<b>23,235</b>	<b>23,628</b>
Current receivables	263	105	164
<b>Total current assets</b>	<b>263</b>	<b>105</b>	<b>164</b>
<b>TOTAL ASSETS</b>	<b>30,791</b>	<b>23,340</b>	<b>23,792</b>
<b>EQUITY AND LIABILITIES</b>			
Equity <sup>3</sup>	30,293	22,949	23,195
Provisions	177	239	213
Non-current interest-bearing liabilities <sup>2</sup>	64	64	276
Current liabilities	257	88	108
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,791</b>	<b>23,340</b>	<b>23,792</b>

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

<sup>2</sup> Of which SEK 11,942 M (Dec 31, 2022: 12,045) were shares in Group companies, SEK 18,405 M (Dec 31, 2022: 11,422) intra-Group receivables and SEK 64 M (Dec 31, 2022: 276) intra-Group liabilities.

<sup>3</sup> During the year SEK 10,250 M (Dec 31, 2022: 10,000) in dividend has been received from Group companies.

The parent company's contingent liabilities totaled SEK 157.0 bn on September 30, 2023 (Dec 31, 2022: 142.8), of which SEK 137.8 bn (Dec 31, 2022: 122.3) were related to obligations on behalf of Group companies. Other obligations, SEK 19.3 bn (Dec 31, 2022: 20.5), were related to commitments to outside parties of which SEK 10.4 bn (Dec 31, 2022: 11.9) relates to partners' future performance in the Group's joint operations.

## Share data

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Earnings per share according to segment reporting, SEK <sup>1</sup>	1.41	3.10	5.41	11.34	18.62
Earnings per share, SEK <sup>1</sup>	1.97	5.50	8.13	12.12	20.04
Earnings per share after dilution, SEK <sup>2</sup>	1.95	5.47	8.06	12.04	19.90
Equity per share, SEK <sup>3</sup>	140.14	126.97	140.14	126.97	134.05
Adjusted equity per share, SEK <sup>4</sup>	168.86	162.83	168.86	162.83	167.77
Average number of shares outstanding	410,685,622	411,951,228	410,894,018	412,218,868	412,037,581
Average number of shares outstanding after dilution	413,814,746	413,814,746	414,023,142	414,847,056	414,922,620
Average dilution, %	0.02	-0.04	0.76	0.63	0.70
Number of shares, at balance sheet date	419,903,072	419,903,072	419,903,072	419,903,072	419,903,072
Average price, repurchased shares, SEK	165.33	162.01	146.41	144.01	144.79
Number of Class B shares repurchased	33,760,728	30,420,728	33,760,728	30,420,728	31,320,728
of which repurchased during the period	980,000	987,000	2,440,000	2,024,000	2,924,000
Number of shares in Skanska's own custody	9,579,040	8,339,398	9,579,040	8,339,398	8,771,931
Number of shares outstanding	410,324,032	411,563,674	410,324,032	411,563,674	411,131,141

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	Rolling 12 months	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019
Revenue	155,516	161,602	147,576	158,606	176,782
Operating income	5,804	9,297	9,832	11,860	7,828
Profit for the period	5,259	7,702	8,188	8,942	6,372
Earnings per share, SEK	12.70	18.62	19.80	21.65	15.46
Return on capital employed, %	8.9	14.1	15.9	20.3	15.1
Return on equity, %	9.5	15.8	20.1	25.1	21.4
Operating margin, %	3.7	5.8	6.7	7.5	4.4
Return on capital employed according to IFRS, %	11.2	15.2	13.5	21.5	14.3
Cash flow per share according to IFRS, SEK <sup>1</sup>	-22.90	-16.29	1.81	31.57	3.28

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		
	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
US dollar	10.60	9.91	10.12
British pound	13.19	12.43	12.46
Norwegian krone	1.01	1.05	1.05
Euro	11.48	10.52	10.63
Czech koruna	0.48	0.43	0.43
Polish zloty	2.51	2.25	2.27

	Exchange rates on the closing day		
	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
US dollar	10.82	11.18	10.37
British pound	13.27	12.37	12.49
Norwegian krone	1.02	1.04	1.05
Euro	11.48	10.91	11.08
Czech koruna	0.47	0.44	0.46
Polish zloty	2.48	2.24	2.36

## Construction

### Revenue and earnings

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	40,917	40,174	119,025	113,273	161,756	156,004
<b>Gross income</b>	<b>3,005</b>	<b>2,880</b>	<b>8,754</b>	<b>8,099</b>	<b>12,922</b>	<b>12,268</b>
Selling and administrative expenses	-1,651	-1,549	-4,971	-4,662	-6,844	-6,534
Income from joint ventures and associated companies	10	17	6	27	15	36
<b>Operating income</b>	<b>1,365</b>	<b>1,348</b>	<b>3,789</b>	<b>3,465</b>	<b>6,094</b>	<b>5,770</b>
Investments	-571	-658	-1,795	-1,526	-2,479	-2,210
Divestments	223	192	424	491	696	764
<b>Net divestments(+)/investments(-)</b>	<b>-348</b>	<b>-466</b>	<b>-1,371</b>	<b>-1,035</b>	<b>-1,782</b>	<b>-1,446</b>
Gross margin, %	7.3	7.2	7.4	7.2	8.0	7.9
Selling and administrative expenses, %	-4.0	-3.9	-4.2	-4.1	-4.2	-4.2
Operating margin %	3.3	3.4	3.2	3.1	3.8	3.7
Order bookings, SEK bn	32.7	43.8	121.7	111.1	173.3	162.7
Order backlog, SEK bn	239.7	227.9	239.7	227.9		229.8
Average number of employees	25,710	26,785	25,710	26,785		26,892

### Revenue

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	14,081	13,743	43,059	43,233	59,294	59,468
of which Sweden	7,073	8,106	23,286	24,696	33,040	34,450
Europe	7,023	7,420	20,188	19,567	27,618	26,997
USA	19,813	19,011	55,778	50,473	74,844	69,539
<b>Total</b>	<b>40,917</b>	<b>40,174</b>	<b>119,025</b>	<b>113,273</b>	<b>161,756</b>	<b>156,004</b>

### Operating income

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	389	487	1,337	1,411	2,303	2,377
of which Sweden	250	288	682	769	1,336	1,423
Europe	200	239	385	477	670	762
USA	775	623	2,067	1,577	3,121	2,630
<b>Total</b>	<b>1,365</b>	<b>1,348</b>	<b>3,789</b>	<b>3,465</b>	<b>6,094</b>	<b>5,770</b>

### Operating margin, %

Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
2.8	3.5	3.1	3.3	3.9	4.0
3.5	3.5	2.9	3.1	4.0	4.1
2.9	3.2	1.9	2.4	2.4	2.8
3.9	3.3	3.7	3.1	4.2	3.8
<b>3.3</b>	<b>3.4</b>	<b>3.2</b>	<b>3.1</b>	<b>3.8</b>	<b>3.7</b>

### Order backlog

SEKM	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Nordics	79,172	66,982	69,496
of which Sweden	31,224	34,875	33,085
Europe	35,853	43,404	40,624
USA	124,638	117,548	119,651
<b>Total</b>	<b>239,663</b>	<b>227,935</b>	<b>229,771</b>

### Order bookings

Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
9,477	11,182	52,936	39,619	71,148	57,832
5,525	7,859	21,419	25,959	29,421	33,960
2,929	8,988	13,108	22,257	17,140	26,289
20,252	23,650	55,615	49,181	84,977	78,544
<b>32,659</b>	<b>43,821</b>	<b>121,658</b>	<b>111,057</b>	<b>173,266</b>	<b>162,665</b>

### Book-to build, R12-m, %

Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
120	95	97
89	103	99
62	101	97
114	108	113
<b>107</b>	<b>102</b>	<b>104</b>

## Residential Development

### Revenue and earnings

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	911	1,468	3,147	7,968	3,930	8,751
<b>Gross income</b>	<b>-142</b>	<b>304</b>	<b>-7</b>	<b>1,461</b>	<b>207</b>	<b>1,674</b>
Selling and administrative expenses	-352	-174	-753	-554	-982	-783
<b>Operating income</b>	<b>-494</b>	<b>130</b>	<b>-760</b>	<b>906</b>	<b>-776</b>	<b>891</b>
Operating margin, %	neg	8.8	neg	11.4	neg	10.2
Investments	-1,779	-2,548	-6,547	-7,847	-9,316	-10,615
Divestments	2,702	2,655	7,808	6,863	10,294	9,349
<b>Net divestments(+)/investments(-)</b>	<b>924</b>	<b>107</b>	<b>1,261</b>	<b>-983</b>	<b>978</b>	<b>-1,267</b>
Capital employed, SEK bn	14.6	15.2	14.6	15.2		16.3
Return on capital employed, % <sup>1</sup>		9.5		9.5	neg	6.8
Average number of employees	524	578	524	578		565

<sup>1</sup> Rolling 12 months. For definition see page 19.

### Revenue

SEKM	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	496	1,170	2,100	6,821	2,605	7,326
of which Sweden	438	221	912	3,529	857	3,474
Europe	416	298	1,047	1,147	1,325	1,425
<b>Total</b>	<b>911</b>	<b>1,468</b>	<b>3,147</b>	<b>7,968</b>	<b>3,930</b>	<b>8,751</b>

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

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	-441	127	-705	782	-772	715
of which Sweden	-89	42	-373	433	-463	343
Europe	-54	3	-55	124	-3	176
<b>Total</b>	<b>-494</b>	<b>130</b>	<b>-760</b>	<b>906</b>	<b>-776</b>	<b>891</b>

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

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

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
	neg	10.8	neg	11.5	neg	9.8
	neg	19.0	neg	12.3	neg	9.9
	neg	0.9	neg	10.8	neg	12.3
<b>Total</b>	<b>neg</b>	<b>8.8</b>	<b>neg</b>	<b>11.4</b>	<b>neg</b>	<b>10.2</b>

### Homes started

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	0	275	529	1,580	903	1,954
of which Sweden	0	35	377	1,060	414	1,097
Europe	0	96	0	554	297	851
<b>Total</b>	<b>0</b>	<b>371</b>	<b>529</b>	<b>2,134</b>	<b>1,200</b>	<b>2,805</b>

### Homes sold

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
	127	216	354	1,445	403	1,494
	121	62	207	984	154	931
	150	123	398	453	503	558
<b>Total</b>	<b>277</b>	<b>339</b>	<b>752</b>	<b>1,898</b>	<b>906</b>	<b>2,052</b>

### Homes under construction

	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Nordics	3,655	4,958	5,146
of which Sweden	2,282	3,354	3,327
Europe	1,405	1,869	1,869
<b>Total</b>	<b>5,060</b>	<b>6,827</b>	<b>7,015</b>

### Completed unsold, number of homes

	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
	368	78	108
	216	50	53
	19	14	22
<b>Total</b>	<b>387</b>	<b>92</b>	<b>130</b>

### Homes under construction of which sold, %

	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
	48	66	62
	44	65	62
	70	66	56
<b>Total</b>	<b>54</b>	<b>66</b>	<b>60</b>

## Commercial Property Development

### Revenue and earnings

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	1,375	327	2,499	10,833	5,942	14,276
of which from divestment of properties	1,128	166	1,845	10,358	5,081	13,594
<b>Gross income</b>	<b>-56</b>	<b>167</b>	<b>236</b>	<b>2,295</b>	<b>1,798</b>	<b>3,857</b>
Selling and administrative expenses	-220	-185	-665	-628	-1,037	-999
Income from joint ventures and associated companies	0	1	-4	6	155	165
<b>Operating income</b>	<b>-277</b>	<b>-17</b>	<b>-434</b>	<b>1,674</b>	<b>916</b>	<b>3,023</b>
of which from divestment of properties <sup>1</sup>	199	166	416	2,323	1,932	3,839
of which writedowns/reversal of writedowns	-315	-17	-333	-47	-329	-43
<sup>1</sup> Additional gains included in Eliminations	45	-9	85	73	124	112
Investments	-2,299	-2,805	-8,280	-9,132	-11,442	-12,294
Divestments	1,218	3,615	2,938	10,937	6,390	14,389
<b>Net divestments(+)/investments(-)</b>	<b>-1,081</b>	<b>810</b>	<b>-5,341</b>	<b>1,805</b>	<b>-5,052</b>	<b>2,094</b>
Capital employed, SEK bn	46.0	38.3	46.0	38.3		38.5
Return on capital employed, % <sup>2</sup>		10.2		10.2	2.3	8.7
Average number of employees	410	444	410	444		437

<sup>2</sup> Rolling 12 months. For definition see page 19.

### Revenue

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	132	167	1,001	6,333	4,289	9,620
Europe	1,182	68	1,337	2,924	1,413	2,999
USA	61	93	161	1,577	240	1,656
<b>Total</b>	<b>1,375</b>	<b>327</b>	<b>2,499</b>	<b>10,833</b>	<b>5,942</b>	<b>14,276</b>

### of which from divestments

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
	24	98	697	6,126	3,873	9,302
	1,105	21	1,148	2,775	1,178	2,805
	0	47	0	1,457	30	1,487
<b>Total</b>	<b>1,128</b>	<b>166</b>	<b>1,845</b>	<b>10,358</b>	<b>5,081</b>	<b>13,594</b>

### Operating income

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	16	-6	99	1,111	1,513	2,526
Europe	37	35	-84	649	-135	599
USA	-330	-46	-448	-87	-462	-101
<b>Total</b>	<b>-277</b>	<b>-17</b>	<b>-434</b>	<b>1,674</b>	<b>916</b>	<b>3,023</b>

### of which from divestments

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
	35	40	226	1,384	1,685	2,843
	164	124	190	848	246	903
	0	3	0	91	2	93
<b>Total</b>	<b>199</b>	<b>166</b>	<b>416</b>	<b>2,323</b>	<b>1,932</b>	<b>3,839</b>

### Homes for rent started

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Nordics	0	0	0	0	264	264
USA	0	0	0	0	324	324
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>588</b>	<b>588</b>

### Homes for rent sold

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
	0	0	0	202	0	202
	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>202</b>	<b>0</b>	<b>202</b>

### Homes for rent under construction

	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Nordics	842	1,058	1,348
USA	1,009	685	1,009
<b>Total</b>	<b>1,851</b>	<b>1,743</b>	<b>2,357</b>

### Capital employed

SEK M	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Nordics	15,305	14,233	13,992
Europe	10,909	8,544	9,087
USA	19,825	15,552	15,467
<b>Total</b>	<b>46,040</b>	<b>38,329</b>	<b>38,547</b>

## Investment Properties

### Revenue and earnings

SEK M	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 months	Jan-Dec 2022
Revenue	44	10	130	20	151	40
<b>Operating net</b>	<b>31</b>	<b>7</b>	<b>95</b>	<b>15</b>	<b>110</b>	<b>30</b>
Selling and administrative expenses	-1	0	-3	-1	-4	-2
Change in property value	0	0	-25	26	61	112
<b>Operating income</b>	<b>31</b>	<b>7</b>	<b>67</b>	<b>40</b>	<b>167</b>	<b>140</b>
Investments	-3	0	-6	-748	-2,927	-3,668
Divestments	0	0	0	0	0	0
<b>Net divestments(+)/investments(-)</b>	<b>-3</b>	<b>0</b>	<b>-6</b>	<b>-748</b>	<b>-2,927</b>	<b>-3,668</b>
Capital employed	3,701	755	3,701	755		3,733
Property value	3,739	766	3,739	766		3,758
Return on capital employed, % <sup>1</sup>		8.5		8.5	5.0	13.6
Economic occupancy rate, %	91	100	91	100		86
Average valuation yield, %	4.1	4.0	4.1	4.0		3.9

<sup>1</sup> Rolling 12 months. For definition see page 19.

### Properties

Location	Leasable area, sqm	Annual 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
<b>Total</b>	<b>52,102</b>	<b>213</b>	<b>91</b>	<b>3,739</b>	<b>100</b>

## PPP-portfolio value

### Unrealized development gain in PPP-portfolio

SEK bn	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Present value of cash flow from projects	2.6	2.7	2.7
Present value of remaining investments	0.0	0.0	0.0
<b>Net present value of projects</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>
Carrying amount before Cash flow hedge / Carrying amount	-1.4	-2.2	-2.2
<b>Unrealized development gain</b>	<b>1.2</b>	<b>0.5</b>	<b>0.5</b>
Cash flow hedge	0.1	0.1	0.1
Effect in unrealized equity <sup>1</sup>	1.3	0.6	0.6

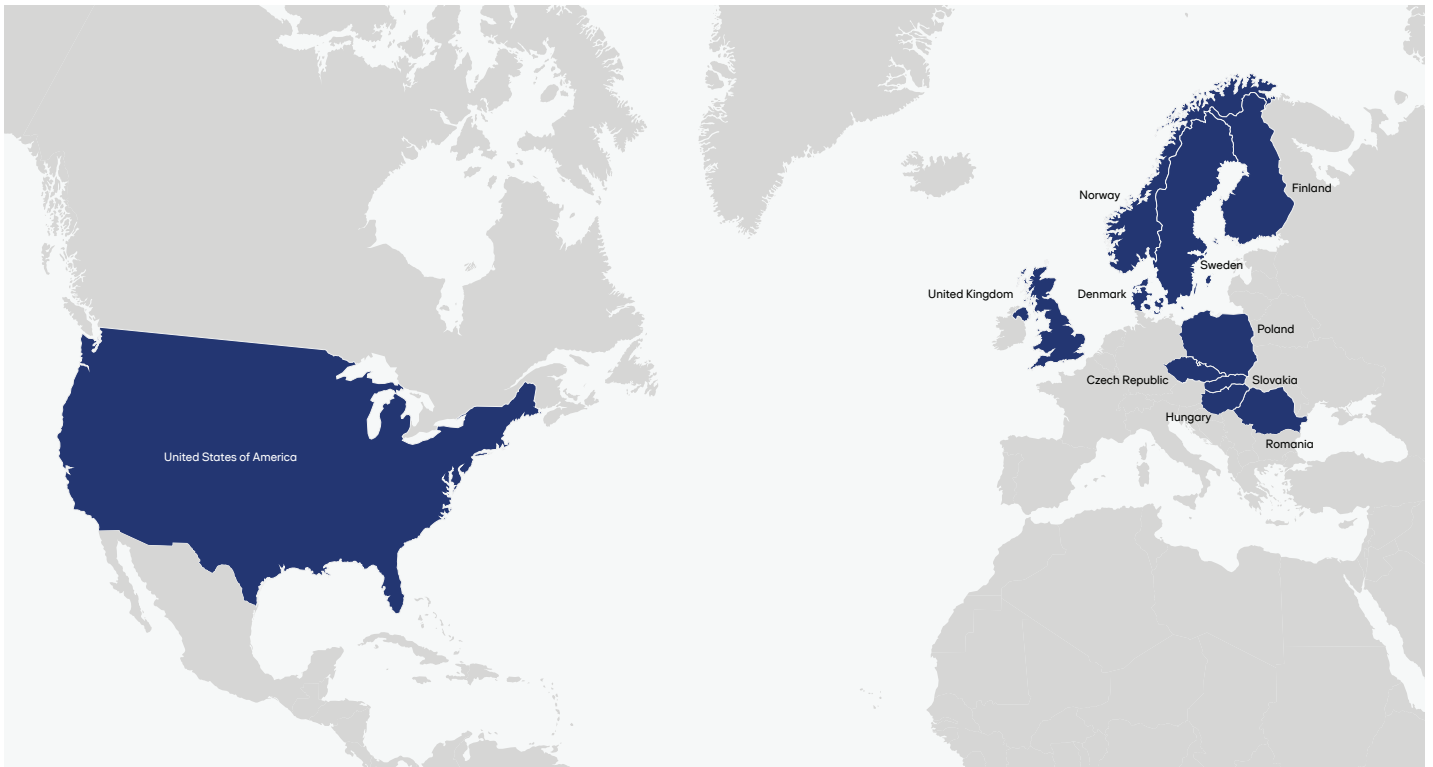
<sup>1</sup> Tax effects not included.



# About Skanska

Over 135 years in the making, we are one of the world's largest project development and construction companies. We operate across select markets in the Nordics, Europe and the USA. Together with our customers and the collective expertise of our 28,000 employees, we create innovative and sustainable solutions that support healthy living beyond our lifetime.

## Skanska's home markets



### H2Offices, Budapest, Hungary

H2Offices is a mixed-use project, located in Budapest's Váci Office Corridor, one of the top business locations in Budapest. We divested the first phase to ERSTE Open-Ended Real Estate Investment Fund, represented by ERSTE Alapkezelő Zrt in September 2023 for around EUR 100 M, about SEK 1.2 billion. The first phase offers a total leasable area of around 27,000 square meters, of which 74 percent of the office and retail space has been leased to Hungary-domiciled and international tenants. The construction of the first phase was completed in 2022. Once fully completed, H2Offices will offer approximately 67,000 square meters of modern office space in total. The building has received LEED Core and Shell Platinum certifications and aims to get WELL v2 Core & Shell and WELL Health & Safety certifications. It has also undergone Access4You Gold certification process, focusing on accessibility.

Skanska AB

[www.group.skanska.com/investors](http://www.group.skanska.com/investors)

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This report will also be presented at a press and audio conference at 10:00 CET on November 1, 2023.

The press conference will be webcast live at [www.skanska.com/investors](http://www.skanska.com/investors), where a recording of the conference will also be available later.

Participate in the audio conference, with the possibility to ask questions. Preferred connection (web link), for best audio quality, please join the call from your phone via the HD Audio web link here: [HD Audio link](#). If you need to call in via telephone line please dial +46 (0) 8 5051 0031; +44 (0)207 107 06 13 or +1 (1) 631 570 56 13.

This and previous releases can also be found at [www.group.skanska.com/investors](http://www.group.skanska.com/investors).

This is information that Skanska AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.

The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out above, at 07:30 CET on November 1, 2023.

Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.