

SKANSKA

Third quarter report 2022

We build for a better society



Harry W. Nice Memorial Bridge, Newburg, Dahlgren, Virginia, USA

Third quarter report 2022

- Solid performance in Q3 2022
 - Strong profitability in construction
 - Historically high order backlog
 - Attractive property development portfolio
 - Robust financial position
- Operating margin in Construction 3.3% (3.5), R-12
- ROCE in Project Development 10.0% (12.1), R-12
- Return on Equity 16.9% (26.1), R-12
- Carbon reduction 54% since 2015



Construction

- Revenue SEK 40.2 bn (33.3)
- Order bookings SEK 43.8 bn (26.6)
 - Book-to-build 102%, R-12
 - Order backlog SEK 227.9 bn (197.6)
- Operating income SEK 1,348 M (1,196)
 - Operating margin 3.4% (3.6)
- Growing revenue
- Strong order intake
- Solid level of profitability



Residential Development

- Revenue SEK 1.5 bn (2.1)
 - 339 (560) homes sold
 - 371 (523) homes started
- Operating income SEK 132 M (318)
 - Operating margin 9.0% (15.5)
- ROCE 9.5% (14.9), R-12

- Revenue impacted by lower market activity
- Sales rate high and few unsold completed homes



Commercial Property Development

- Operating income SEK -19 M (84)
 - Gain on sale SEK 152 M (144)
- ROCE 10.2% (10.8), R-12
- 36 ongoing projects
 - SEK 32.6 bn total investment
 - 32% occupancy rate / 48% completion rate
 - 1 project started in Q3
- Leasing market recovering slowly
 - 44,000 sq m leased in Q3 (31,000)
- Growing demand for multifamily and life science
- Polarization in leasing and investor market

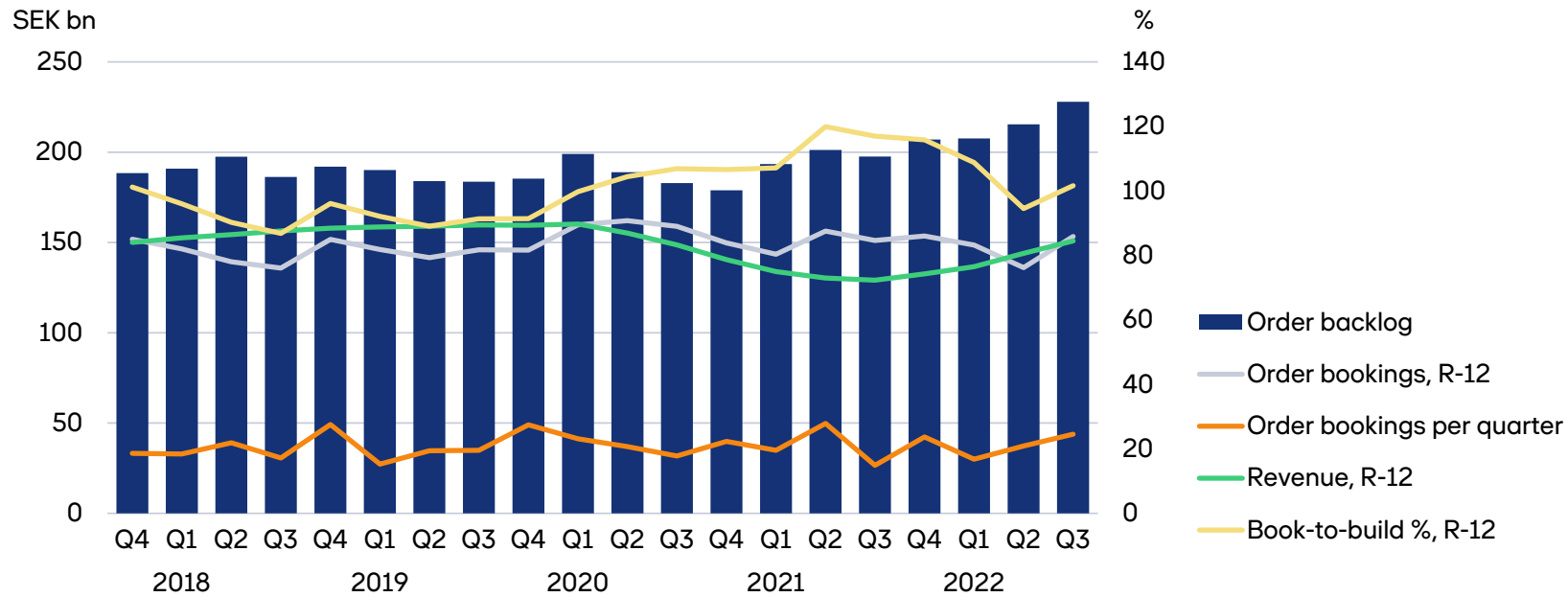


Investment Properties

- New Business Stream 2022
- Targeting a high quality, sustainable office portfolio of SEK 12-18 bn
 - Strong stable cash flow
 - Value increase potential
- First purchase in Q1 2022
 - EPIC building in Malmö
- Preparing for more acquisitions



Construction Order bookings



SEK bn	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Revenue	40.2	33.3	150.9	132.6
Order bookings	43.8	26.6	153.4	153.6
Order backlog	227.9	197.6		207.0



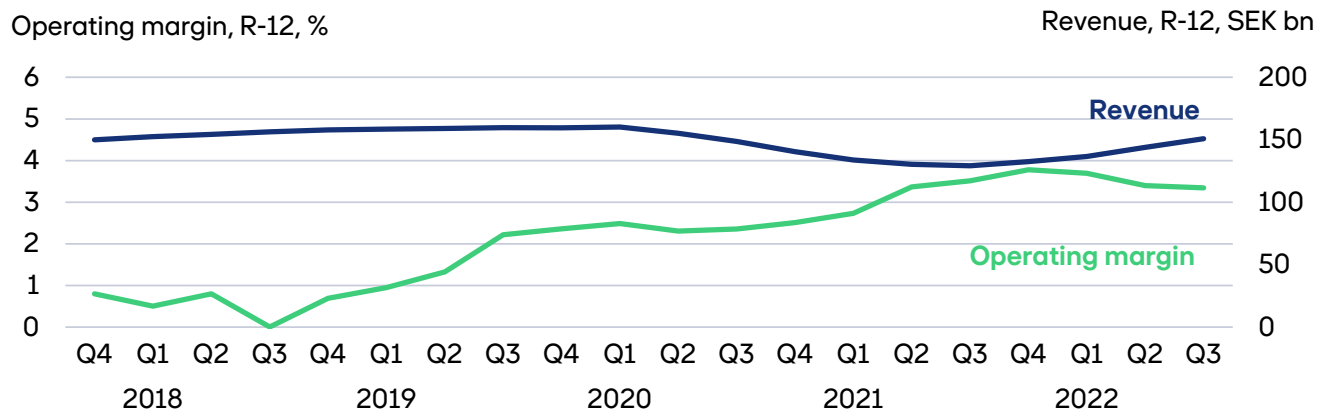
Construction

Order bookings

SEK bn	Jul-Sep 2022	Jul-Sep 2021	Book-to- build, %	Months of production
Nordics	11.2	10.9	95	14
of which Sweden	7.9	6.7	103	12
Europe	9.0	4.2	101	20
USA	23.7	11.4	108	19
Total	43.8	26.6	102	17



Construction Income statement



SEK bn	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Revenue	40.2	33.3	150.9	132.6
Gross income	2.9	2.5	11.2	10.7
Selling and administrative expenses	-1.5	-1.4	-6.2	-5.7
Operating income	1.3	1.2	5.0	5.0
Gross margin, %	7.2	7.6	7.5	8.1
Selling and administrative expenses, %	-3.9	-4.1	-4.1	-4.3
Operating margin, %	3.4	3.6	3.3	3.8

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Construction

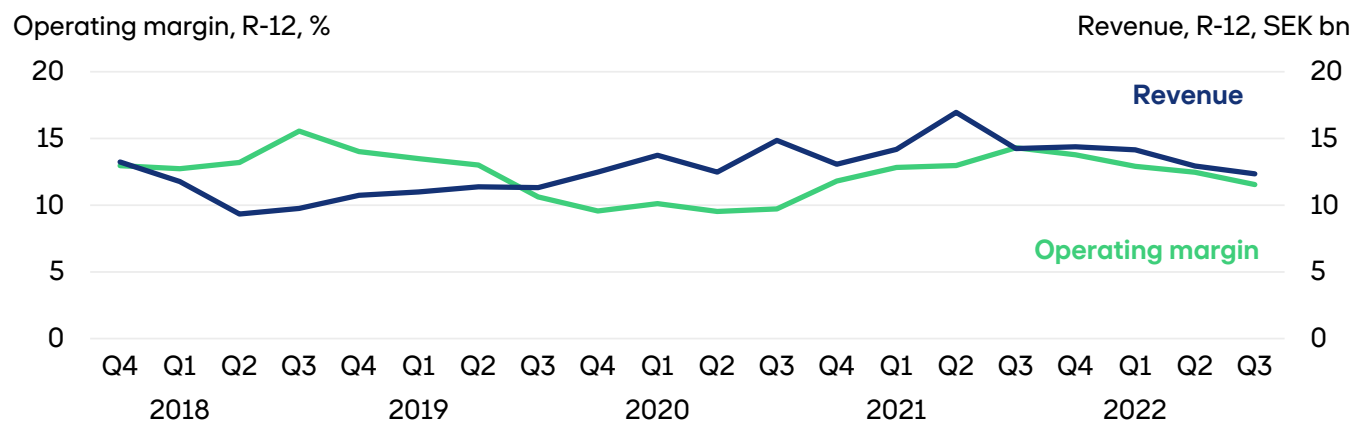
Income statement

	Operating income, SEK M		Operating margin, %	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Nordics	487	536	3.5	4.0
of which Sweden	288	319	3.5	4.1
Europe	239	211	3.2	3.8
USA	623	449	3.3	3.2
Total	1,348	1,196	3.4	3.6



Residential Development

Income statement, segment reporting



SEK M	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Revenue	1,469	2,053	12,346	14,377
Gross income	316	476	2,232	2,707
Selling and administrative expenses	-184	-158	-807	-727
Operating income	132	318	1,425	1,980
Gross margin, %	21.5	23.2	18.1	18.8
Selling and administrative expenses, %	-12.6	-7.7	-6.5	-5.1
Operating margin, %	9.0	15.5	11.5	13.8

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Residential Development

Income statement

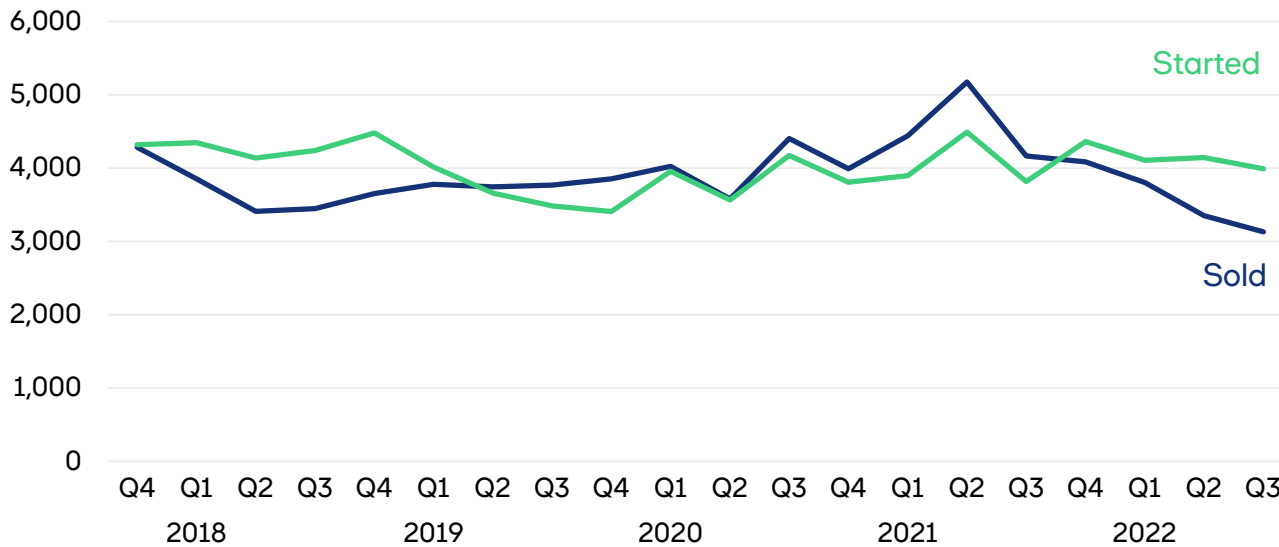
	Operating income, SEK M		Operating margin, %	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Nordics	129	257	11.0	15.3
of which Sweden	44	116	19.8	14.4
Europe	3	62	0.9	16.6
Total	132	318	9.0	15.5



Residential Development

Homes started and sold

Homes, R-12



Homes started				Homes sold			
Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
371	523	3,992	4,363	339	560	3,130	4,084

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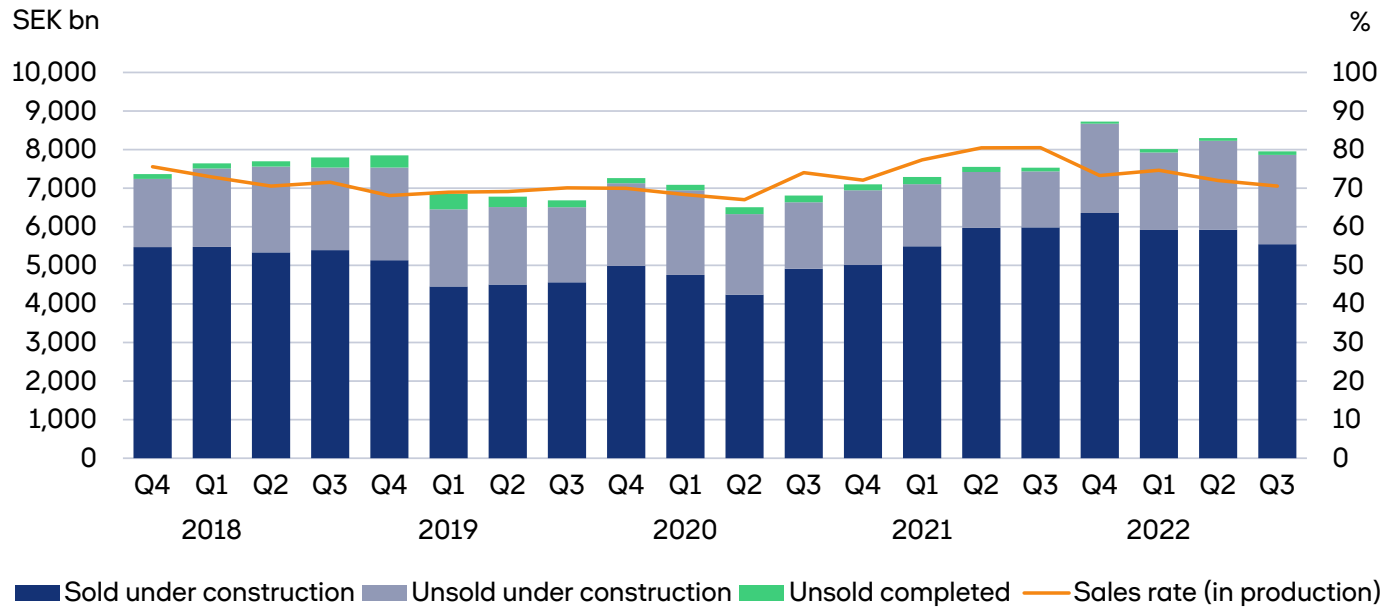
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As Oy Ranta-Tampellan Kallio Tampere Finland

Residential Development

Homes in production



Homes in production			Of which sold, %			Unsold complete homes		
30 sep 2022	30 sep 2021	31 dec 2021	30 sep 2022	30 sep 2021	31 dec 2021	30 sep 2022	30 sep 2021	31 dec 2021
7,865	7,437	8,673	71	80	73	92	94	57



Commercial Property Development

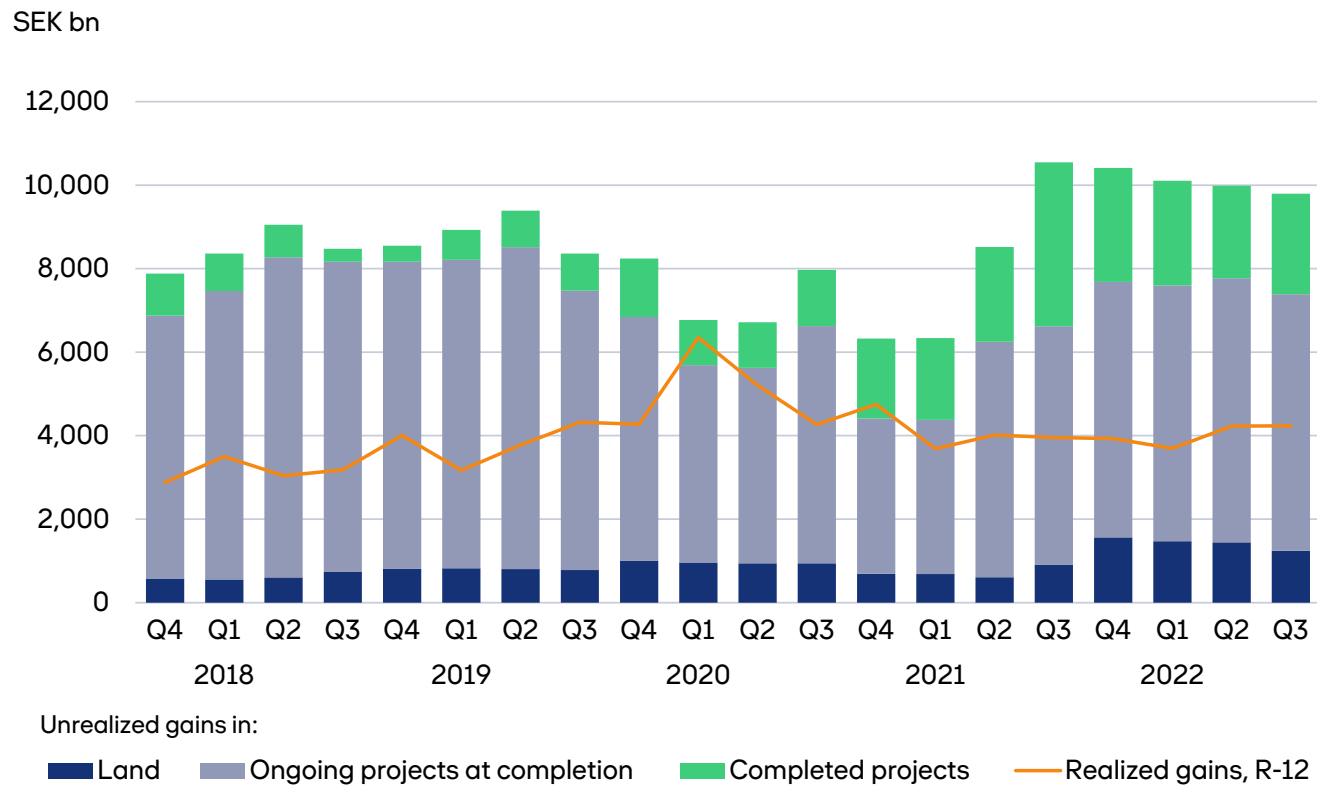
Income statement, segment reporting

SEK bn	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Revenue	326	556	16,799	11,102
Gross income	155	175	4,131	3,955
Selling and administrative expenses	-175	-176	-843	-784
Income from JV's and associated companies	1	85	9	93
Operating income	-19	84	3,297	3,264
of which gains from divestments of properties ¹	152	144	4,235	3,928
of which write downs/reversal of write downs	-17	-44	-173	-170
1 Additional gain included in eliminations	-9	12	216	239



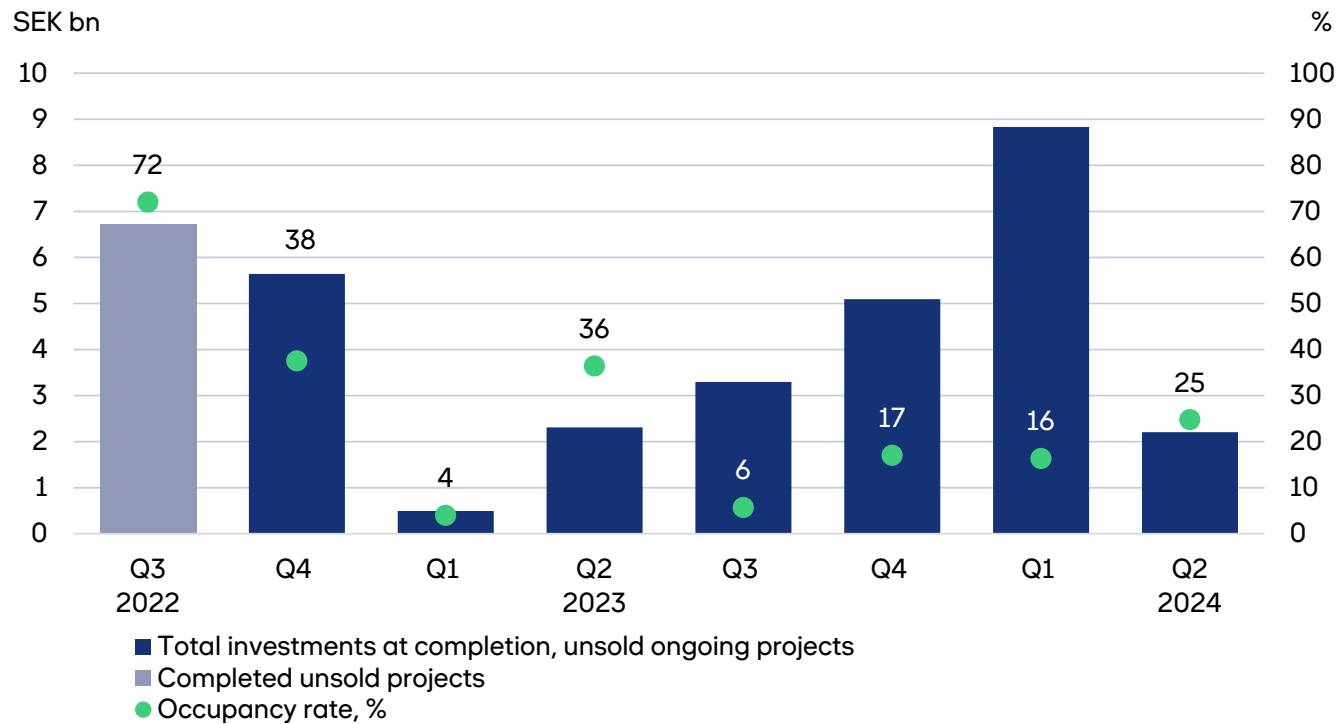
Commercial Property Development

Unrealized and realized gains, segment reporting

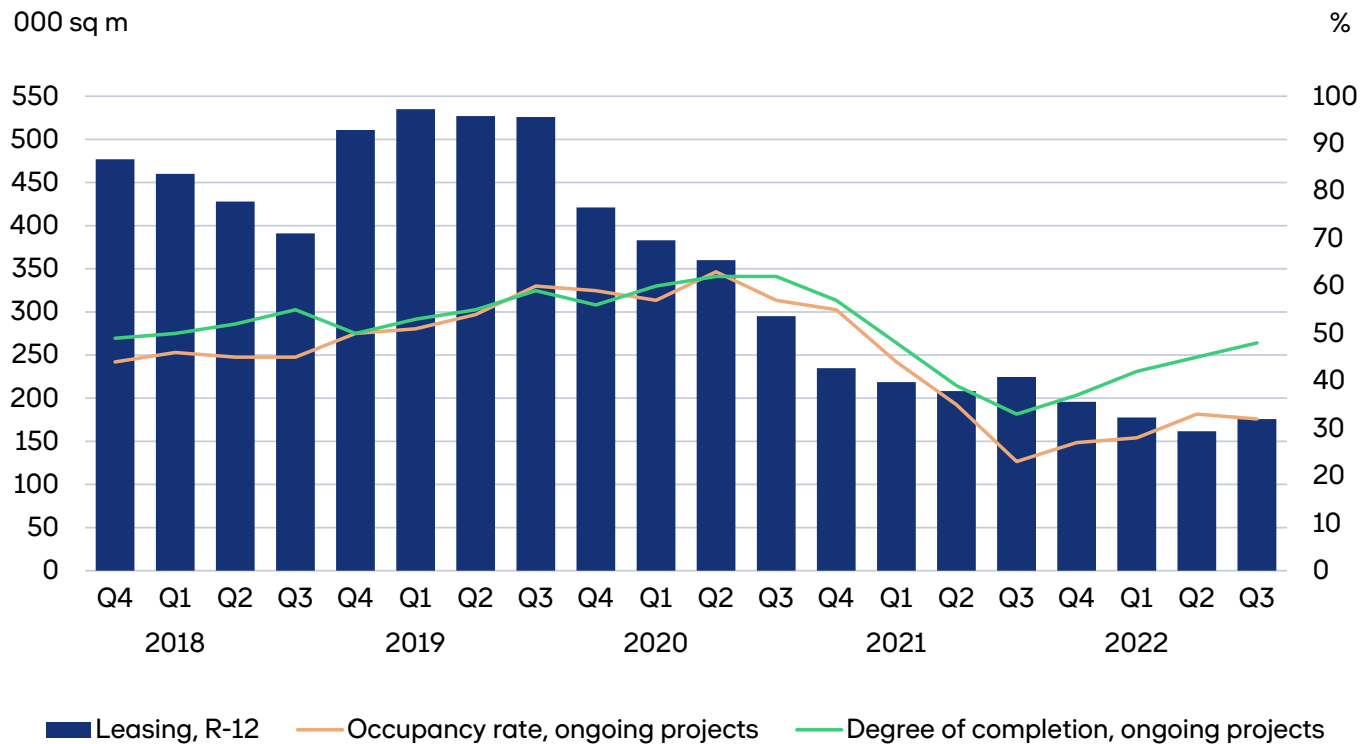


Commercial Property Development

Completion profile, unsold projects



Commercial Property Development Leasing



Investment Properties

Income statement

SEK M	Jul-Sep 2022	Apr-Jun 2021 ¹	R12 months	Jan-Dec 2021 ¹
Revenue	10		20	
Operating net	7		15	
Selling and administrative expenses	0		-1	
Change in property value	0		26	
Income from joint ventures and associated companies	0		0	
Operating income	7		40	

¹ Investment Properties is a new business stream from 2022.

Location	Leasable area, sqm	Rental value, SEK M	Economic occupancy rate, %	Property value, SEK M	Environmental certification, %
Malmö	11,844	42	100	766	100
Total	11,844	42	100	766	100

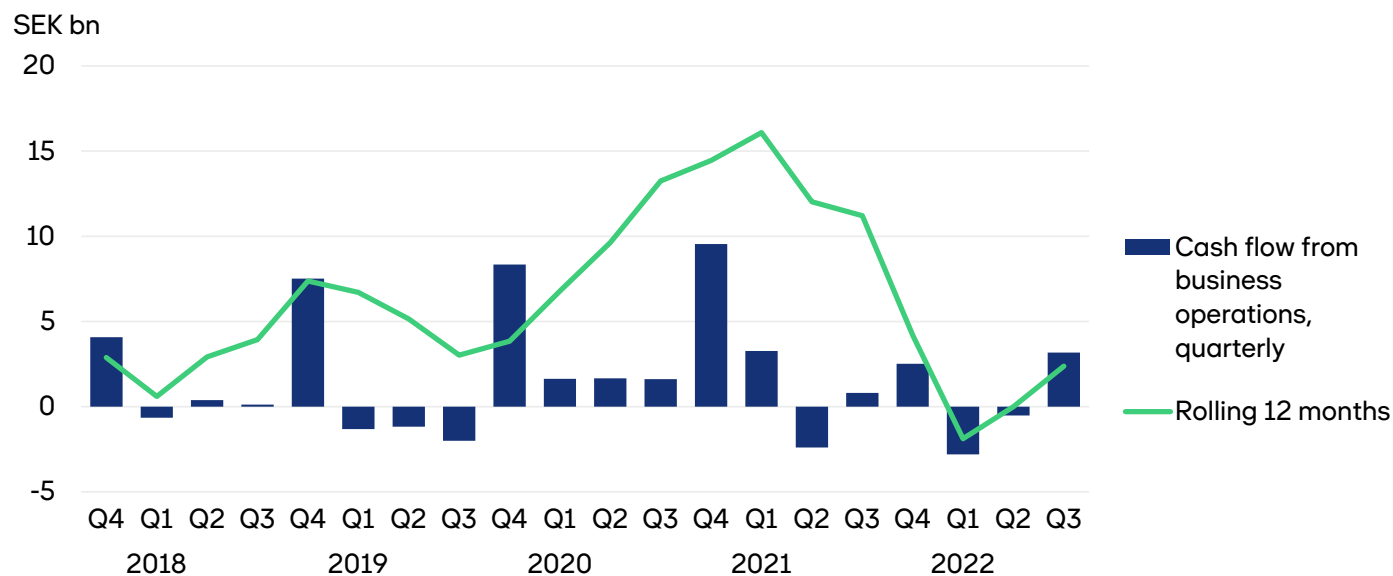


Group Income Statement

SEK m	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Operating income from business streams	1,467	1,598	9,811	10,256
Central	112	-37	-368	-415
Eliminations	-61	-20	-50	-9
Operating income	1,518	1,542	9,393	9,832
Net financial items	69	-23	24	-172
Income after financial items	1,587	1,519	9,417	9,660
Taxes	-300	-242	-1,643	-1,472
Profit for the period	1,287	1,277	7,775	8,188
Earnings per share, SEK	3.10	3.07	18.79	19.80
Tax rate, %	19	16	17	15



Group Cash flow

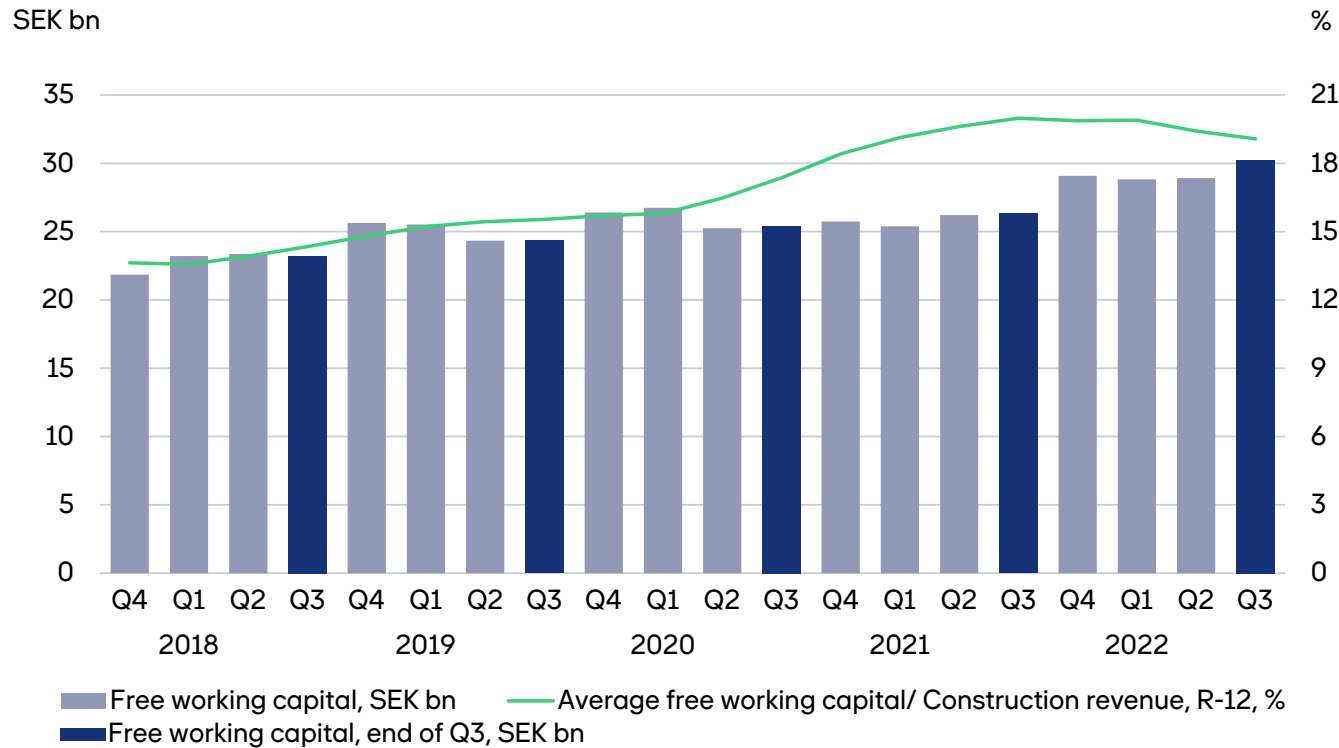


SEK bn	Jul-Sep 2022	Jul-Sep 2021	R12 months	Jan-Dec 2021
Operating cash flow from operations	3.2	0.8	2.4	4.2
Dividend and net strategic divestment	0.0	0.0	-4.5	-3.4
Cash flow before change in interest-bearing receivables and liabilities	3.1	0.8	-2.1	0.7



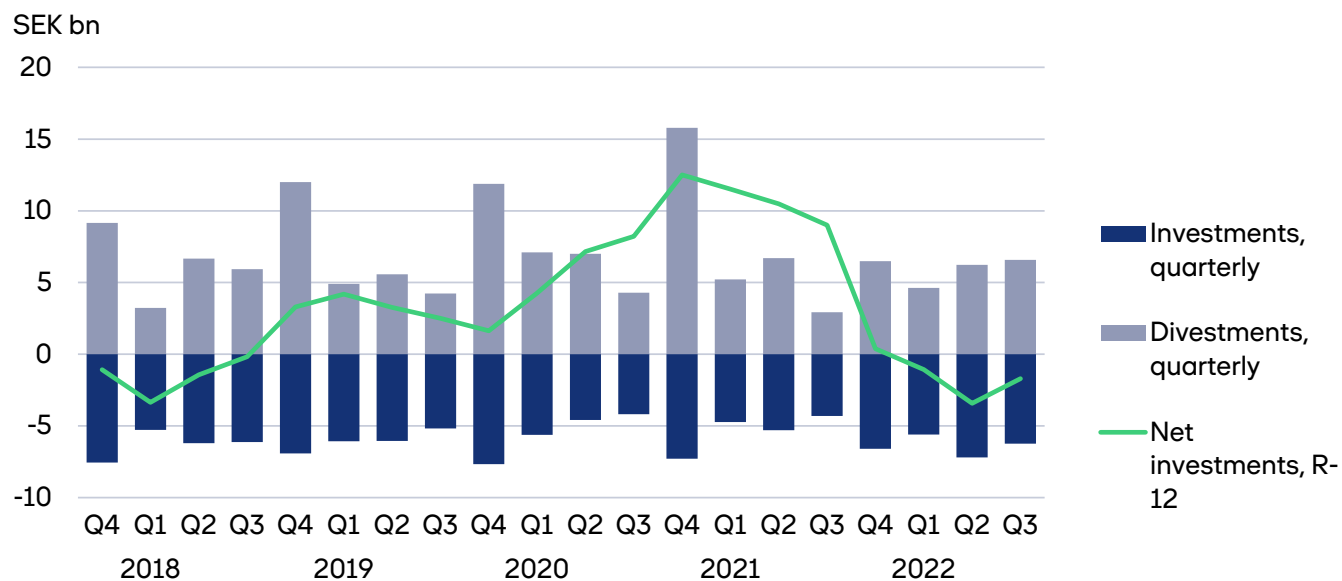
Construction

Free working capital



Group

Investments, divestments and capital employed



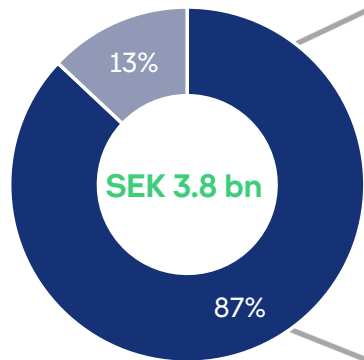
SEK bn	30 sep 2022	30 sep 2021	31 dec 2021
Capital employed in:			
Residential Development	16.5	14.5	14.4
Commercial Property Development	37.1	31.6	32.7
Investment Properties	0.8	0.0	0.0
Total in in Project Development and Investment Properties	54.3	46.1	47.1



Group

Available funds: SEK 20.2 bn,
o/w unutilized credit facilities SEK 7.1 bn

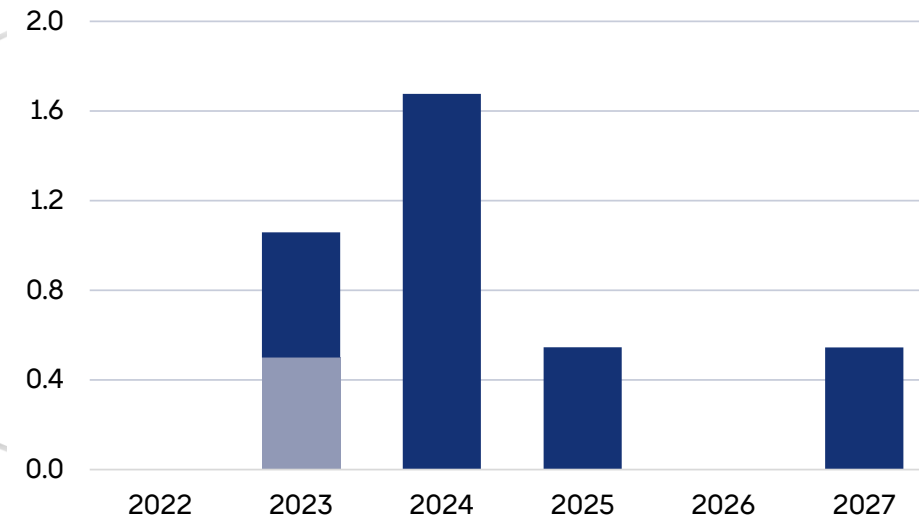
Central funding



- Green bilateral loan
- Green bonds

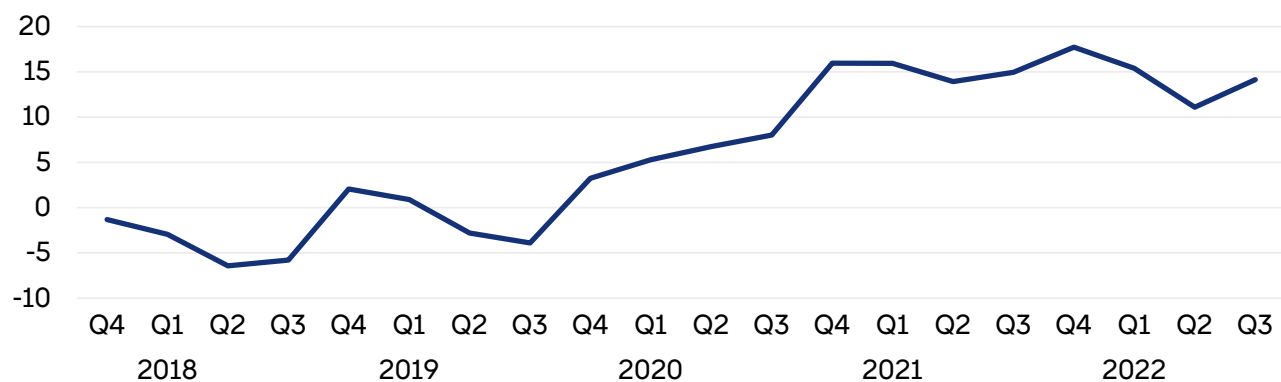
SEK bn

Maturity profile



Group Financial position

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



SEK bn	30 sep 2022	30 sep 2021	31 dec 2021
Total assets	152.3	132.5	139.0
Equity attributable to equity holders	52.4	41.9	45.5
Interest-bearing net receivables (+)/net debt (-)	12.8	8.6	12.6
Adj. interest-bearing net receivables (+)/net debt (-)	14.1	15.0	17.7
Capital employed, closing balance	71.8	63.7	66.4
Equity/assets ratio, %	34.4	31.6	32.7



Market outlook

→ Construction

- Pent-up demand, EU funds, federal funding in the USA
- Impact of inflation and increased interest rates
- Market outlook more cautious for building but stable for civil

↘ Residential Development

- Lower activity in the housing market
- Weaker outlook for residential development in Europe
- Low unemployment levels and structural shortage will stabilize over time

↘ Commercial Property Development

- Leasing market recovering slowly
- Polarization in the leasing and investor market



Group Summary

- Solid performance in the third quarter
 - Strong profitability in construction
 - Historically high order backlog
 - Attractive property development portfolio
- Robust financial position
- Strategic direction:
 - Improve profitability and grow responsibly in Construction
 - Leading residential developer
 - Grow Commercial Property Development
 - Build up Investment Properties portfolio



