



SKANSKA

Q1 2021

Press release, April 29, 2021, 7:30 a.m. CET

We build for a better society.
Epic, Malmö, Sweden

Three month report, January–March 2021

Highlights according to segment reporting

- Revenue amounted to SEK 34.4 billion (41.2); adjusted for currency effects revenue decreased 10 percent.
- Operating income amounted to SEK 2.3 billion (2.9); adjusted for currency effects operating income decreased 17 percent.
- Earnings per share amounted to SEK 4.59 (5.78).
- Operating cash flow from operations amounted to SEK 3.3 billion (1.6), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 15.9 billion (December 31, 2020: 16.0), according to IFRS.
- Order bookings in Construction amounted to SEK 34.9 billion (41.3); adjusted for currency effects order bookings decreased 9 percent. The order backlog amounted to SEK 193.4 billion (December 31, 2020: 178.9).
- Operating income in Construction amounted to SEK 0.7 billion (0.6), representing an operating margin of 2.5 percent (1.6).
- Operating income in Project Development amounted to SEK 1.7 billion (2.5).
- Return on capital employed in Project Development was 10.5 percent (14.8).
- Return on equity was 23.9 percent (27.0).

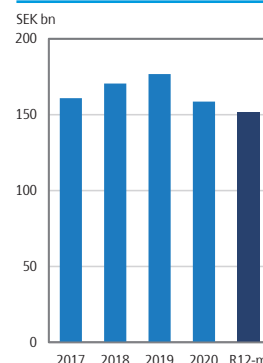
Performance Analysis

Tables referring to segment reporting are in shaded background. For more information see page 14.
For definitions of non-IFRS financial measures see pages 15-17.

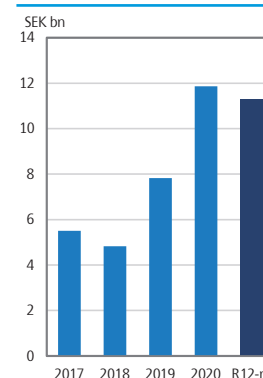
SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Revenue			
Construction	29,354	35,939	-18
Residential Development	4,509	3,400	33
Commercial Property Development	2,605	4,759	-45
Central and Eliminations	-2,078	-2,931	-29
Total	34,390	41,166	-16
Operating income			
Construction	722	589	23
Residential Development	669	394	70
Commercial Property Development	1,066	2,112	-50
Central	-104	-121	-14
Eliminations	-27	-73	-64
Operating income	2,327	2,901	-20
Net financial items	-48	-48	0
Income after financial items	2,278	2,853	-20
Taxes	-386	-469	-18
Profit for the period	1,892	2,383	-21
Earnings for the period per share, SEK	4.59	5.78	-21
Revenue for the period according to IFRSs	32,644	40,340	-19
Operating income for the period according to IFRSs	1,444	1,482	-3
Earnings for the period per share according to IFRSs, SEK	2.82	2.91	-3
Operating cash flow from operations	3,264	1,631	100
Interest-bearing net receivables(+)/net debt(-)	8,793	-3,243	-
Return on capital employed in Project Development, % ¹	10.5	14.8	
Adjusted interest-bearing net receivables(+)/net debt(-)	15,947	5,294	
Return on equity, % ¹	23.9	27.0	

¹ Rolling 12 months.

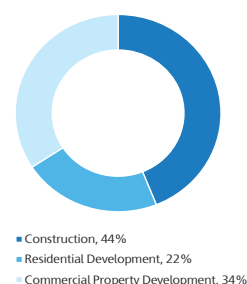
Revenue



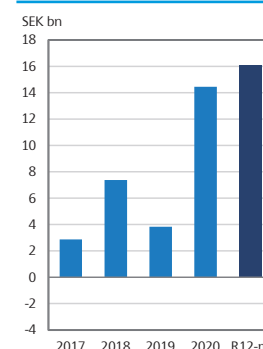
Operating income



Operating income per segment, Mar 31, 2021, R-12



Operating cash flow from operations



Strong performance across our operations



Performance in the first quarter of 2021 reaffirms our strong position, stability in our performance and our ability to deliver in line with our strategic priorities. In our Construction operations, profitability improved across the board. Residential Development continued to show strength and attractive divestment gains were yet again delivered in Commercial Property Development. The pandemic is still present and therefore uncertainty in our markets remains. We are navigating these

uncertainties well, we are taking care of our people, assuring high quality and sustainable deliveries to our customers. At the same time we are seizing new opportunities, ensuring continued long-term value creation for our shareholders.

In our operations, the focus on health and safety and reducing carbon emissions continues. Our business units are developing and executing on plans adapted to each respective market and operation with the long-term ambition of eliminating both accidents and emissions, across the value chain.

In Construction, profitability continues to strengthen in all our business units and we expect additional improvement by sticking to our strategy. Being selective in our bidding and focusing on commercial management are the key elements driving this progress. This has to some extent impacted revenue negatively, but the main reason to the lower revenue is the pandemic which started to delay decisions on new investments by our customers during the second quarter 2020.

In Residential Development, activity is very high, and profitability is improving from already strong levels. The number of sold and started homes increased and the number of homes under production is increasing. With current vigorous demand, our stock of unsold homes is relatively low. We are focusing on meeting this market demand by starting new projects, coming out of our robust land bank and pipeline. Longer term, we have a bit more cautious view of the market as the effects of the pandemic on unemployment and consumer confidence remain to be seen.

In Commercial Property Development, both our Nordic and Central European operations divested developments of high quality and environmental standard, at very attractive levels during the quarter. This, once again, proves that investor demand is strong and that we have an attractive offering. Leasing activity continues to be negatively impacted by tenant uncertainty due to the pandemic. We are in many good discussions, but tenants are still awaiting more clarity on the market situation for their operations and for society to open up again.

We are starting to see early signs of reduced uncertainties and increased activity in our markets, especially among our private customers in Construction. The longer term effects of the pandemic remain to be seen but we are well positioned to manage challenges and grasp opportunities ahead of us. In doing so, we are ensuring that we deliver in line with our strategy to improve profitability in Construction and increase activity in Project Development.



Epic, Malmö, Sweden

Located in the heart of Malmö, Sweden, Epic welcomes you into 12,000 square meters of flexible, smart office and retail space with health and wellbeing as its core. Surrounded by the thriving spirit of Malmö's university, startups, and arts & culture, the two buildings are joined by a flourishing, bright atrium with central stairs inviting you up to any of the six floors overlooking the city's harbor. Recognized by the internationally acclaimed WELL pre-certification, Epic's philosophy of sustainable goes beyond its features. It's a lifestyle. Whether it's the ground floor bike hotel, the activity-based office design that emphasizes wellness and comfort, or the nearby nourishing restaurants and cafés, there's an array of healthier choices for a more productive, sustainable every day. This mindset extends to its construction as well, where the use of upcycling and circular materials have been central in the reduction of carbon emissions. Inspired by 20th century port cities, Epic is designed by the architects at Yellow and is self-developed by Skanska. Construction began in 2017 and was completed in 2020.

Market outlook, next 12 months

● Weaker outlook compared to previous quarter. ● Unchanged outlook compared to previous quarter. ● Improved outlook compared to previous quarter.

➡ Very strong market coming 12m ➡ Strong market coming 12m ➡ Stable market coming 12m ➡ Weak market coming 12m ➡ Very weak market coming 12m

Construction

While the pandemic continues to have a negative impact on demand in commercial office building construction, the outlook for other non-residential and residential construction is improving. The public spending into social infrastructure and infrastructure is keeping up relatively well, even though some decisions are being postponed. Funding could be a challenge as public budgets are decreasing due to lower tax revenue and being consumed to fight the pandemic and to stimulate the economies. At the same time, ambitious investment plans are under development in many of our markets, but lead-times are expected to be long.

	Building, non-residential	Building, residential	Civil
➡ Nordics			
Sweden	➡	➡	➡
Norway	➡	➡	➡
Finland	➡	➡	➡
➡ Europe			
Poland	➡	➡	➡
Czech Republic ¹	➡	➡	➡
United Kingdom	➡	—	➡
➡ USA			
USA	➡	—	➡

1 Including Slovakia.

Residential Development

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

➡ Nordics	
Sweden	➡
Norway	➡
Finland	➡
➡ Europe	



Tigergården - Ensjo Torg, Oslo, Norway

Commercial Property Development

The number of transactions and new developments have decreased due to the market uncertainty. The credit market is however stable. Investor appetite for high quality developments is expected to be solid at about current yield levels. Leasing has slowed significantly, mainly due to tenant uncertainty. The activity is expected to recover but there will likely be a change in demand and behaviors in the office market.

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

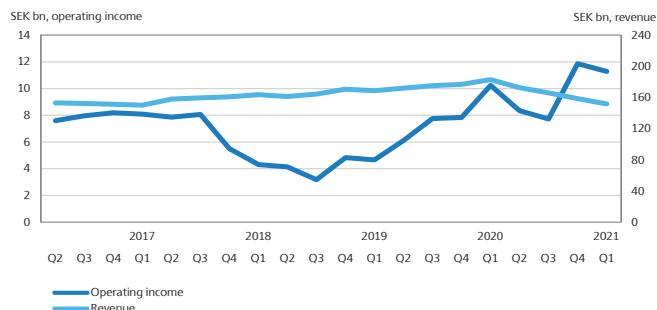


Hyllie Terrass, Malmö, Sweden

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Revenue	34,390	41,166	-16
Operating income ^{1,2}	2,327	2,901	-20
Net financial items	-48	-48	0
Income after financial items	2,278	2,853	-20
Taxes	-386	-469	-18
Profit for the period	1,892	2,383	-21
Earnings for the period per share, SEK ³	4.59	5.78	-21
Earnings for the period per share according to IFRSs, SEK ³	2.82	2.91	-3

1 Central, SEK -104 M (-121).

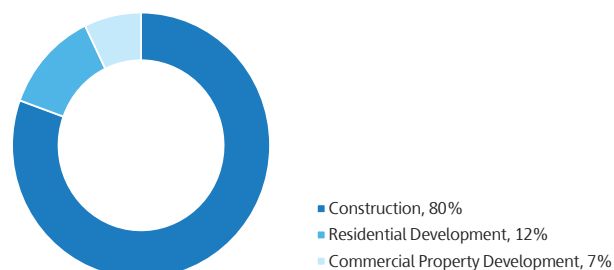
2 Eliminations, SEK -27 M (-73).

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

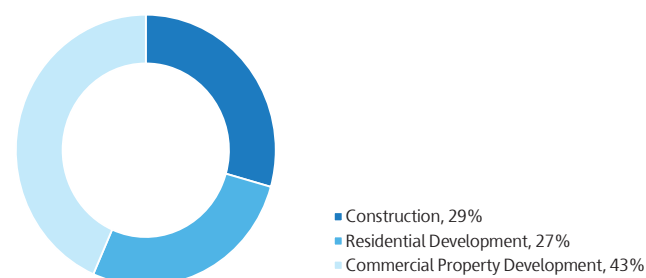
Changes and currency rate effects

	Jan-Mar 2021 / Jan-Mar 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-16%	-10%	-6%
Operating income	-20%	-17%	-3%

Revenue per segment, January–March 2021



Operating income per segment, January–March 2021



Revenue decreased 16 percent and amounted to SEK 34.4 billion (41.2); adjusted for currency effects revenue decreased 10 percent. Operating income decreased 20 percent and amounted to SEK 2,327 M (2,901); adjusted for currency effects operating income decreased 17 percent. In the comparable period, operating income was positively impacted by the divestment of the Solna United project within Commercial Property Development.

Central stream totaled SEK -104 M (-121). SEK 37 M (-5) relate to the PPP-portfolio.

The elimination of gains in Intra-Group projects amounted to SEK -27 M (-73).

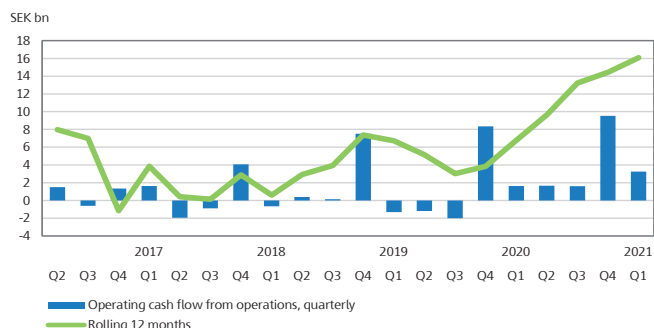
Net financial items amounted to SEK -48 M (-48).

Taxes for the period amounted to SEK -386 M (-469), corresponding to an effective tax rate of 17 percent (16).

Cash flow

Group

Operating cash flow from operations



Operating cash flow

SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Cash flow from business operations	845	746	13
Change in working capital	2,399 ¹	279	761
Net divestments(+)/investments(-)	481	1,478	-67
Cash flow adjustment	342	33	936
Cash flow from business operations before taxes paid	4,068	2,537	60
Taxes paid in business operations	-538	-579	-7
Cash flow from financing operations	-266	-326	-18
Operating cash flow from operations	3,264	1,631	100
Dividend etc.	-45	0	-
Cash flow before change in interest-bearing receivables and liabilities	3,219	1,631	97
Change in interest-bearing receivables and liabilities excluding lease liabilities	-6,510 ²	1,645	-
Cash flow for the period	-3,290	3,276	-

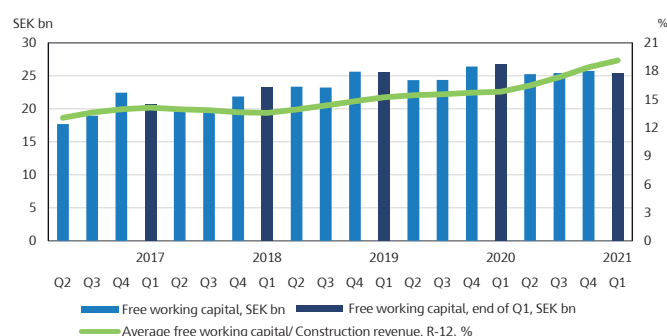
1 Include SEK 3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

2 Include SEK -3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

Operating cash flow from operations amounted to SEK 3,264 M (1,631), where change in Central stream working capital, impacted by the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter, being the main reason for the change in cash flow.

Taxes paid in business operations amounted to SEK -538 M (-579). Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 5.3 billion, of which SEK 3.7 billion will be received during 2021. The remainder will affect cash flow during 2022.

Free working capital in Construction



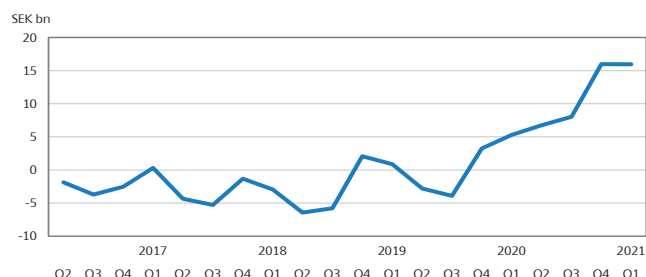
Free working capital in Construction amounted to SEK 25.4 billion (26.7). The average free working capital in relation to Construction revenue in the past 12 months was 19.1 percent, partly driven by lower volumes. Free working capital in Construction remained at a good level due to favorable cash flow profiles in several projects and continued focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK -1,236 M (-693).



Moynihan train hall, New York City, USA

Financial position

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



Balance sheet - Summary

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

Change in net interest-bearing receivables and liabilities

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Opening balance interest-bearing net receivables(+)/net debt(-)	7,280	-4,917	-4,917
Cash flow for the period	-3,290	3,276	11,672
Less change in interest-bearing receivables and liabilities	6,510 ¹	-1,645	1,335
Cash flow before change in interest-bearing receivables and liabilities	3,219	1,631	13,007
Translation differences, net receivables/net debt	753	-133	-1,067
Remeasurements of pension liabilities	1,370	-10	-860
Other changes, interest-bearing net receivables/net debt	-3,829 ²	187	1,118
Change in interest-bearing net receivables/net debt	1,513	1,675	12,197
Closing balance interest-bearing net receivables(+)/net debt(-)	8,793	-3,243	7,280
Restricted cash	-4,948	-5,709	-4,814
Pension liability, net	4,630	5,270	6,263
Lease liabilities	7,472	8,976	7,233
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	15,947	5,294	15,962

1 Include SEK 3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

2 Include SEK -3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 15.9 billion (December 31, 2020: 16.0). Interest-bearing net receivables amounted to SEK 8.8 billion (December 31, 2020: 7.3) and include SEK 7.5 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 23.0 billion (December 31, 2020: 27.0), of which SEK 18.9 billion (December 31, 2020: 22.8) is available within one week. The Group central loan portfolio amounted to SEK 3.8 billion (December 31, 2020: 3.7) consisting of SEK 0.5 billion in Medium-Term Notes (MTN) with an average maturity of 2.1 years and SEK 3.3 billion in bilateral loans with an average maturity of 3.1 years. At March 31, the Group's unutilized credit facilities totaled SEK 6.6 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.1 years (December 31, 2020: 3.1).

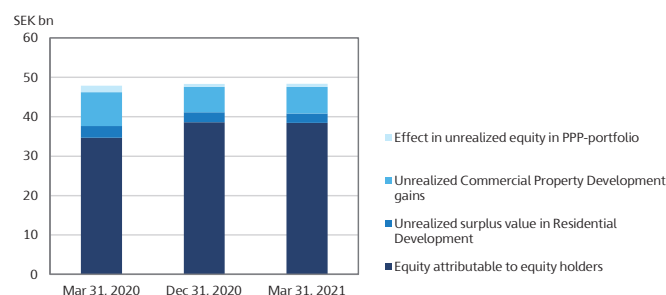
At the end of the quarter, capital employed amounted to SEK 60.6 billion (December 31, 2020: 61.1).

Equity

Changes in equity

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Opening balance	38,717	33,021	33,021
Dividend to shareholders	-3,917	0	-1,340
Other changes in equity not included in total comprehensive income for the year	35	70	197
Profit for the period	1,160	1,199	9,897
Other comprehensive income			
Translation differences	1,236	734	-2,146
Effects of remeasurements of pensions	1,285	-69	-792
Effects of cash flow hedges	-2	-165	-120
Closing balance	38,514	34,790	38,717

Adjusted equity, less standard tax of 10 percent



The Group's equity amounted to SEK 38.5 billion (34.8), resulting in an equity/assets ratio of 29.8 percent (26.5) and a net debt/equity ratio of -0.2 (0.1).

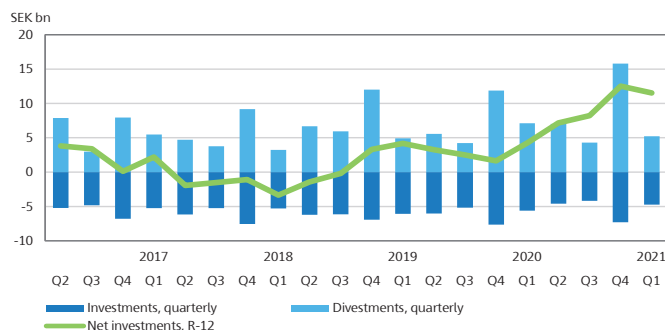
Translation differences amounted to SEK 1,236 M (734) as a result of a weaker Swedish krona.

The effects of remeasurements of pensions amounted to SEK 1,285 M (-69). This is mainly explained by higher discount rate in Sweden, Norway and the UK.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 11.0 billion of which SEK 1.2 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 9.9 billion and SEK 1.1 billion.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK –4,736 M (–5,624), while divestments amounted to SEK 5,217 M (7,102), resulting in net divestments of SEK 481 M (1,478).

In Construction, investments totaled SEK –311 M (–295). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –247 M (–272). Depreciation of property, plant and equipment and depreciation of property, plant and equipment right-of-use assets amounted to SEK –586 M (–671).

In Residential Development, investments totaled SEK –2,704 M (–2,709), of which SEK –1,215 M (–383) relates to land acquisitions, corresponding to 983 building rights. Divestments amounted to SEK 2,144 M (1,944). Net investments in Residential Development amounted to SEK –560 M (–765).

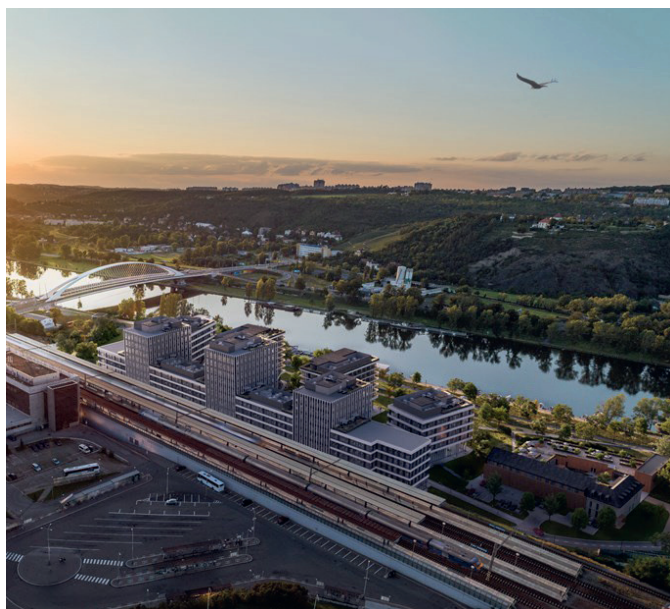
In Commercial Property Development, investments totaled SEK –1,703 M (–2,581), of which SEK –352 M (–355) relates to investments in new land, while divestments amounted to SEK 3,001 M (5,120). Net divestments in Commercial Property Development amounted to SEK 1,298 M (2,539).

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

SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Investments			
Construction	-311	-295	5
Residential Development	-2,704	-2,709	-0
Commercial Property Development	-1,703	-2,581	-34
Other	-18	-39	-54
Total	-4,736	-5,624	-16
Divestments			
Construction	64	23	177
Residential Development	2,144	1,944	10
Commercial Property Development	3,001	5,120	-41
Other	9	16	-44
Total	5,217	7,102	-27
Net divestments(+)/investments(-)			
Construction	-247	-272	-9
Residential Development	-560	-765	-27
Commercial Property Development	1,298	2,539	-49
Other	-9	-23	-61
Total	481	1,478	-67

Capital employed in Project Development

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Residential Development	15,350	13,301	13,608
Commercial Property Development	31,100	34,905	30,906
Total in Project Development	46,450	48,207	44,515



Investment, Port 7, Prague, Czech Republic

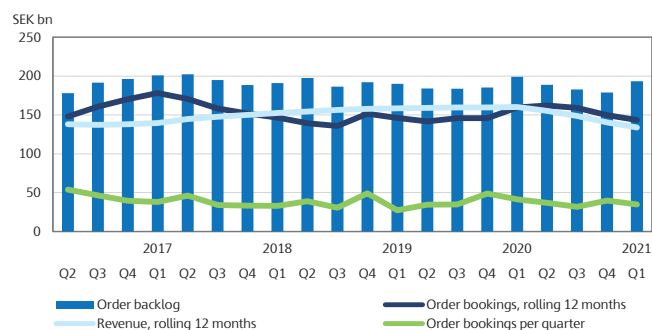


Divestment, CPH Highline, Copenhagen, Denmark

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



At the end of the quarter, the order backlog amounted to SEK 193.4 billion compared to SEK 178.9 billion at the end of the previous quarter. The order backlog corresponds to 17 months of production (December 31, 2020: 16).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jan-Mar 2021 / Jan-Mar 2020			
Order bookings	-15%	-9%	-6%
Mar 31, 2021 / Dec 31, 2020			
Order backlog	8%	3%	5%

Major orders in the quarter

Geography	Contract	Amount SEK M	Client
Europe	Highway	5,800	Highways England
Nordic	Hospital	2,800	Kanta-Häme Hospital District
USA	Office improvements	1,500	Existing client
Europe	Office building	1,500	Quadrant and funds managed by Oaktree Capital Management, L.P.
Europe	Residential and commercial office buildings	950	Royal London Asset Management Ltd

Order bookings and order backlog in Construction

SEK bn	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Order bookings	34.9	41.3	149.8
Order backlog ¹	193.4	199.0	178.9

¹ Refers to the end of each period.

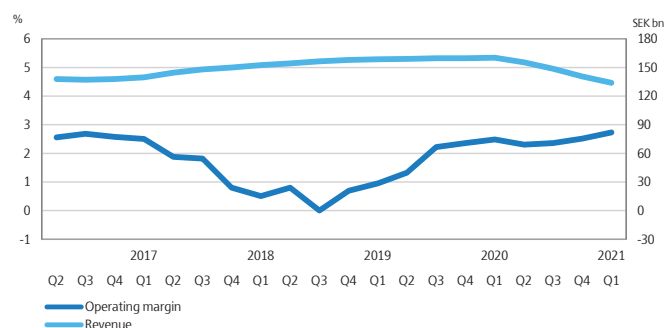
Order bookings amounted to SEK 34.9 billion (41.3); adjusted for currency effects order bookings decreased 9 percent. On a rolling 12-month basis the book-to-build ratio was 107 percent (December 31, 2020: 107). For more information, see page 26.



A428 road, East of England region, UK

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Revenue	29,354	35,939	-18
Gross income	2,126	2,211	-4
Selling and administrative expenses	-1,406	-1,620	-13
Income from joint ventures and associated companies	2	-1	-
Operating income	722	589	23
Gross margin, %	7.2	6.2	
Selling and administrative expenses, %	-4.8	-4.5	
Operating margin, %	2.5	1.6	
Employees	29,644	31,796	

Changes and currency rate effects

	Jan-Mar 2021 / Jan-Mar 2020		
	Change in SEK	Change in local currency	Currency effect
Revenue	-18%	-12%	-6%
Operating income	23%	33%	-10%

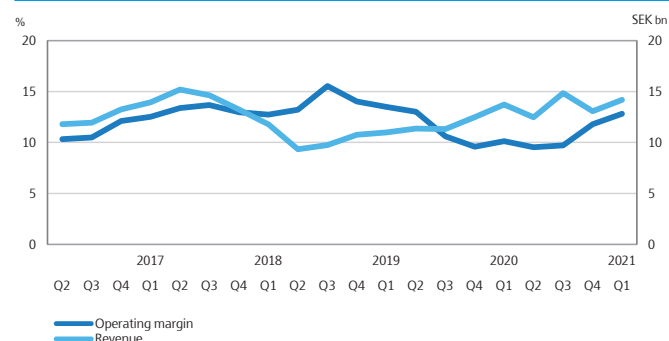
Revenue in the Construction business stream decreased 18 percent and amounted to SEK 29.4 billion (35.9); adjusted for currency effects revenue decreased by 12 percent. This is mainly related to Covid-19 disruptions, especially in Europe and USA, and decisions by clients to postpone ramp-up of new projects. But it is also a remaining impact of the strategic actions to focus the operations and be more selective in bidding in order to improve profitability. The operating margin was 2.5 percent (1.6). Operating income increased 23 percent and amounted to SEK 722 M (589); adjusted for currency effects operating income increased by 33 percent.



LaGuardia Airport, New York City, USA

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

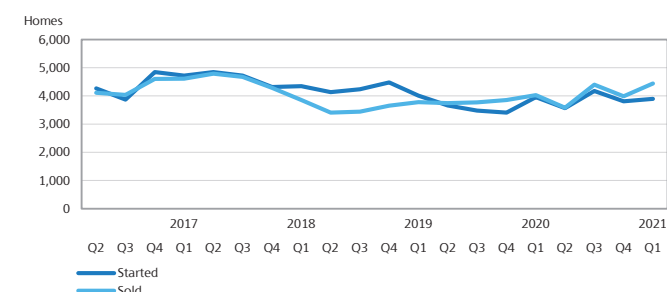
SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Revenue	4,509	3,400	33
Gross income	837	554	51
Selling and administrative expenses	-168	-160	5
Operating income	669	394	70
Gross margin, %	18.6	16.3	
Selling and administrative expenses, %	-3.7	-4.7	
Operating margin, %	14.8	11.6	
Return on capital employed, % ¹	14.3	11.5	

1 Rolling 12 months. For definition see page 16.

Revenue in the Residential Development business stream amounted to SEK 4,509 M (3,400). The number of homes sold totaled 1,362 (911) and construction started on 1,061 homes (971). Operating income amounted to SEK 669 M (394). The operating margin was 14.8 percent (11.6). The quarter include the divestment of an ongoing multifamily housing project of 220 rental apartments in Sweden for SEK 720 M, impacting sold homes.

Return on capital employed was 14.3 percent (11.5).

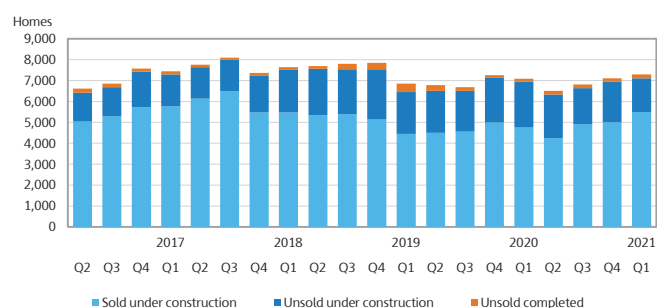
Homes sold and started, rolling 12 months



Homes sold and started

	Jan-Mar 2021	Jan-Mar 2020
Homes sold	1,362	911
Homes started	1,061	971

Homes under construction and unsold



Homes under construction and unsold

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Homes under construction	7,104	6,948	6,948
of which sold, %	77	68	72
Completed unsold, number of homes	186	139	154

At the end of the quarter, 7,104 homes (December 31, 2020: 6,948) were under construction. Of these, 77 percent (December 31, 2020: 72) were sold. The number of completed unsold homes amounted to 186 (December 31, 2020: 154). The number of completed homes amounted to 905 (1,153).

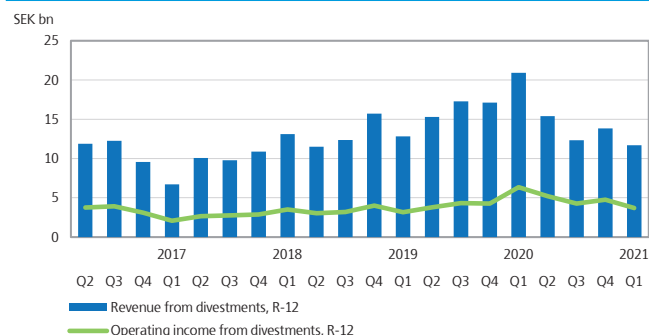
Breakdown of carrying amounts

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Completed projects	629	1,124	648
Ongoing projects	8,860	8,509	7,843
Undeveloped land and development properties	8,759	7,991	8,551
Total	18,247	17,624	17,041

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 8.9 billion (December 31, 2020: 7.8) and undeveloped land and development properties amounted to SEK 8.8 billion (December 31, 2020: 8.6). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 2.6 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,100 homes and 1,400 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 11,400 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Change, %
Revenue	2,605	4,759	-45
of which from divestment of properties	2,413	4,546	-47
Gross income	1,232	2,330	-47
Selling and administrative expenses	-168	-215	-22
Income from joint ventures and associated companies	3	-3	-
Operating income	1,066	2,112	-50
of which from divestment of properties	1,223	2,285	-47
Return on capital employed, % ¹	9.0	16.0	

1 Rolling 12 months. For definition see page 16.

In the Commercial Property Development business stream, divestments worth SEK 2,413 M (4,546) were made in the first quarter of 2021. Operating income amounted to SEK 1,066 M (2,112) and included gains from property divestments totaling SEK 1,223 M (2,285). The comparable period was positively impacted by the divestment of the Solna United project.

Return on capital employed was 9.0 percent (16.0).

Breakdown of investment value and market values

SEK M	Investment value, end of period	Investment value upon completion	Market value ^{1,2}	Occupancy rate, %	Degree of completion, %
Ongoing projects ³	8,363	17,746	22,434	44	48
Completed projects ^{4,5}	9,001	9,001	11,188	63	100
Undeveloped land and development properties	11,933	11,933	12,617		
Total	29,297	38,680	46,239		
of which carrying amount ⁶	28,931	38,314			
of which completed projects sold according to segment reporting	767	767	995		
of which ongoing projects sold according to segment reporting	2,693	3,316	4,309		

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

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

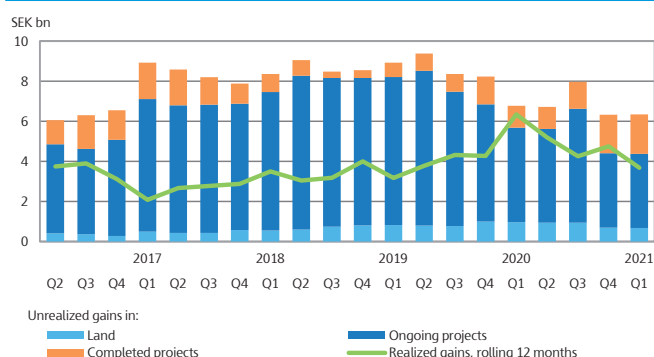
3 Including tenant improvement and leasing commissions in CDUS amounted to SEK 0 M.

4 Including tenant improvement and leasing commissions in CDUS amounted to SEK 688 M.

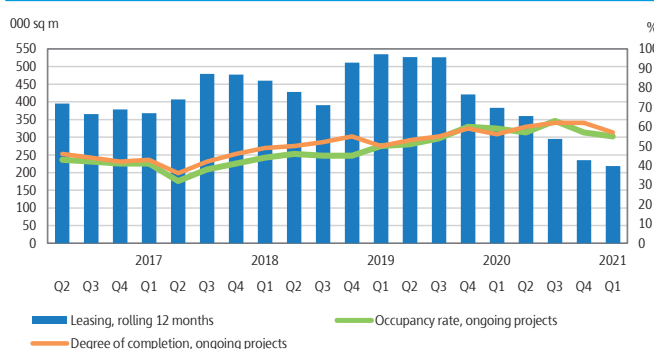
5 Skanska's share of total production cost in JVs is SEK 479 M end of period and upon completion.

6 Includes Skanska's total equity investment in JV of SEK 113 M.

Unrealized and realized gains, segment reporting



Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 33 ongoing projects. During the quarter, seven new project was started, and two were completed. The 33 ongoing projects represent leasable space of about 604,000 sq m with an occupancy rate of 44 percent, measured in rent. The projects' degree of completion was 48 percent. Their investment value upon completion is expected to total SEK 17.7 billion, with an estimated market value of SEK 22.4 billion.

Of the ongoing projects, 11 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 3.3 billion, with a sales value of SEK 4.3 billion. By the end of the quarter the total number of completed projects amounted to 19. The market value of these projects, excluding property divested according to segment reporting, was SEK 10.2 billion. The occupancy rate, measured in rent, totaled 63 percent (December 31, 2020: 62).

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 6.3 billion. These gains related to SEK 3.7 billion in ongoing projects, SEK 2.0 billion in completed projects and SEK 0.6 billion in undeveloped land and development properties.

Accumulated eliminations of Intra-Group project gains amounted to SEK 430 M. These eliminations are released at the Group level as each project is divested. During the first quarter new leases were signed for 32,000 sq m (48,000).

Personnel

During the period, the average number of employees in the Group was 31,196 (33,330). At the end of the quarter, the number of employees totaled 31,420 people (December 31, 2020: 31,517).

Transactions with related parties

During the quarter, Skanska Fastigheter Göteborg AB acquired a block of development properties in Gothenburg, Sweden for about SEK 220 M. The seller is Fastighets AB L E Lundberg. The Parent Company holds, indirectly, 100 percent of the shares in Skanska Fastigheter Göteborg AB. The Lundberg Group is controlled by Fredrik Lundberg, as defined in IAS 24, through his share ownership and percentage of voting power. The transaction was carried out on market terms and conditions.

Material risks and uncertainties

For information about risks and a description of key estimates and judgments, see the Annual and Sustainability Report 2020, pages 51–56, Note 2 and 6, as well as the section above on market outlook. Aside from the uncertainty from Covid-19, no significant changes occurred that affected these reported risks. Covid-19 and its effects on real economies will create uncertainty and risks for some time.

Other matters

Annual General Meeting

The Annual General Meeting (AGM) of Skanska AB (publ) was held on March 30, 2021. Due to the risk of the spread of Covid-19 and the authorities' regulations and advice the Meeting was carried out solely through advance voting (so-called postal voting) pursuant to temporary legislation. In accordance with the Board of Directors' proposal, the Meeting resolved to pay a dividend to the shareholders of SEK 9.50 per share, of which SEK 6.50 per share as ordinary dividend and SEK 3.00 per share as extra dividend. The record date for receiving dividend was set to Thursday April 1, 2021 and the dividend was distributed by Euroclear Sweden AB on Thursday April 8, 2021.

The Meeting elected members of the Board of Directors in accordance with the proposal of the Nomination Committee. Hans Biörck, Pär Boman, Jan Gurander, Fredrik Lundberg, Catherine Marcus, Jayne McGivern and Åsa Söderström Winberg were re-elected as members of the Board of Directors. Hans Biörck was re-elected as Chairman of the Board of Directors. It was noted that the trade unions have appointed Ola Fält, Richard Hörstedt and Yvonne Stenman as employee representatives in the Board of Directors with Hans Reinholdsson and Anders Rättgård as deputies.

Repurchase of shares

At the statutory Board meeting on March 30, 2021, the Board resolved to exercise the authorisation given by the Annual General Meeting on March 30, 2021 to acquire own Series B shares in Skanska on the following terms and conditions to secure delivery of Series B shares to participants in the Skanska employee ownership program resolved by the Annual General Meeting on March 28, 2019 (Seop 5). Acquisitions may be made on one or several occasions, however at the latest until the Annual General Meeting 2022, of no more than 1,200,000 Series B shares in Skanska on Nasdaq Stockholm at a price within the from time to time applicable range of prices (spread) on Nasdaq Stockholm, meaning the interval between the highest purchase price and the lowest selling price. Acquired own Series B shares in Skanska may be transferred to participants in Seop 5 in accordance with the conditions stipulated in the decision by the Annual General Meeting on March 28, 2019. On March 30, 2021 Skanska held 7,559,916 Series B shares in its own custody.

Events after the end of the report period

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

Financial reports for 2021

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

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

July 23, 2021	Six Month Report
October 28, 2021	Nine Month Report
February 3, 2022	Year-end Report

Stockholm April 29, 2021

Anders Danielsson
President and Chief Executive Officer

This interim report has not been subject to a review by the company's auditors.

Accounting Principles

For the Group, this interim report has been prepared in compliance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Securities Market Act. For the Parent Company, the interim report has been prepared in compliance with the Annual Accounts Act, the Securities Market Act, and Swedish Financial Reporting Board's Recommendation RFR 2.

Relation between consolidated operating cash flow statement and consolidated cash flow statement

The difference between the operating cash flow statement and the summary cash flow statement in compliance with IAS 7 Cash flow Statements, is presented in the Annual and Sustainability Report 2020, Note 35.

Segment and IFRS reporting

Skanska's business streams Construction, Residential Development and Commercial Property Development represent the group's operating segments. Tables in this report that refer to segment reporting are shown with a [shaded background](#). In certain cases, the segment reporting differs from the consolidated results presented in accordance with International Financial Reporting Standards, IFRS.

Construction includes both building construction and civil construction. Revenues and earnings are reported over time for both segment and IFRS reporting.

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units are responsible for planning and selling the projects. The related construction assignments are performed by Skanska's construction units in the Construction segment in each market. In the segment reporting Residential Development recognizes revenue and earnings when contracts are signed for the sale of homes. In the IFRS reporting revenues are instead recognized when the buyer takes possession of the homes.

Commercial Property Development initiates, develops, leases and divests commercial property projects. In most markets the construction assignments are performed by Skanska's Construction segment. In the segment reporting Commercial Property Development recognizes revenue and earnings when contracts are signed for the sale of the properties. In the IFRS reporting revenues are instead recognized when the buyer takes possession of the property.

Joint ventures are reported under the proportional method in the segment reporting of Residential Development, whereas all other streams/operating segments apply the equity method.

Intra-Group pricing between operating segments occurs on market terms.

The Parent Company in a Swedish Group prepares its accounts in compliance with the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities ("RFR 2"). According to RFR 2, the annual accounts of the legal entity must apply IFRS as far as this is possible within the framework of the Annual Accounts Act and considering the connection between accounting and taxation.

Definitions

For further definitions, see the Annual and Sustainability Report 2020, Note 43.

Non-IFRS financial measures	Definition	Reason for use
		The following measures are used as they are viewed as the best and most accurate ways to measure Skanska's operations; reflecting its business model and strategy. Thus assisting investors and management in analyzing trends and performance in Skanska.
Revenue Segment	Revenue segment is the same as revenue IFRS in all streams except for the Residential Development stream and the Commercial Property Development stream, where revenue is recognised for when signing binding agreement for sale of homes and properties. As segment reporting of joint ventures in Residential Development applies the proportional method, revenue segment is affected by this.	Measure revenue generated in current market environment.
Gross income	Revenue minus cost of sales.	Measure profit generated from projects.
Gross margin	Gross income as a percentage of revenue.	Measure profitability in projects.
Selling and admin expenses %	Selling and administrative expenses as a percentage of revenue.	Measure cost efficiency in selling and administrative expenses.
Operating income	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies.	Measure profit generated from operations.
Operating income segment	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, according to segment reporting, and where Residential Development applies the proportional method for reporting of joint ventures.	Measure profit generated from operations in current market environment.
Operating income rolling 12 months	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, rolling 12 months.	Measure profit generated from operations.
Operating margin	Operating income as a percentage of revenue.	Measure profitability in operations.
Net financial items	The net of interest income, financial net pension cost, interest expense, capitalized expense, change in fair value and other net financial items.	Measure total net for financial activities.
Income after financial items	Operating income minus net financial items.	Measure profit generated before taxes.
Earnings per share, segment	Profit for the period, segment, attributable to equity holders divided by the average number of shares outstanding.	Measure earnings per share, segment.
Book-to-build, rolling 12 months	Order bookings divided by construction revenue, rolling 12 months.	Measures to which extent new orders are replacing work put in place.
Unrealized gains, Commercial Property Development (CD)	Market value minus investment value upon completion for ongoing projects, completed projects and land. Excluding projects sold according to segment reporting.	Measure potential realization of future gains in Commercial Property Development.
Capital employed, Group	Total assets minus non-interest-bearing liabilities.	Measure capital usage and efficiency.
Capital employed, Stream	Total assets less tax assets, deposits in Skanska's treasury unit and pension receivable minus non-interest-bearing liabilities excluding tax liabilities. Capitalized interest expense is removed from total assets for the Residential Development and Commercial Property Development segments.	Measure capital usage and efficiency in a Stream.
Capital employed Residential Development (RD) SEK M	Total assets 21,690 - tax assets -290 - deposits in internal bank -194 - pension receivable -28 - non-interest-bearing liabilities (excluding tax liabilities) -5,752 - capitalized interest expense -76 15,350	Measure capital usage and efficiency in Residential Development.
Capital employed Commercial Property Development (CD) SEK M	Total assets 35,257 - tax assets -423 - deposits in internal bank -128 - pension receivable 0 - non-interest-bearing liabilities (excluding tax liabilities) -3,364 - capitalized interest expense -242 31,100	Measure capital usage and efficiency in Commercial Property Development.

Non-IFRS financial measures

measures	Definition	Reason for use																																																																						
Capital employed average	Calculated on the basis of five measuring points; see below.																																																																							
ROCE in RD segment, rolling 12 months SEK M	<table><tr><td>Operating income</td><td></td><td></td><td></td><td>1,819</td></tr><tr><td>+ capitalized interest expense</td><td></td><td></td><td></td><td>84</td></tr><tr><td>+/- financial income and other financial items</td><td></td><td></td><td></td><td>0</td></tr><tr><td>- interest income from internal bank</td><td></td><td></td><td></td><td>0</td></tr><tr><td>Adjusted profit</td><td></td><td></td><td></td><td>1,903</td></tr><tr><td>Capital employed average*</td><td></td><td></td><td></td><td>13,305</td></tr><tr><td>ROCE RD</td><td></td><td></td><td></td><td>14.3%</td></tr><tr><td colspan="5">* Capital employed average</td></tr><tr><td>Q1 2021</td><td>15,350</td><td>x 0.5</td><td>7,675</td><td></td></tr><tr><td>Q4 2020</td><td>13,608</td><td></td><td>13,608</td><td></td></tr><tr><td>Q3 2020</td><td>12,810</td><td></td><td>12,810</td><td></td></tr><tr><td>Q2 2020</td><td>12,478</td><td></td><td>12,478</td><td></td></tr><tr><td>Q1 2020</td><td>13,301</td><td>x 0.5</td><td>6,651</td><td></td></tr><tr><td></td><td></td><td></td><td>53,222 / 4</td><td>13,305</td></tr></table>	Operating income				1,819	+ capitalized interest expense				84	+/- financial income and other financial items				0	- interest income from internal bank				0	Adjusted profit				1,903	Capital employed average*				13,305	ROCE RD				14.3%	* Capital employed average					Q1 2021	15,350	x 0.5	7,675		Q4 2020	13,608		13,608		Q3 2020	12,810		12,810		Q2 2020	12,478		12,478		Q1 2020	13,301	x 0.5	6,651					53,222 / 4	13,305	Measure the performance (profitability and capital efficiency) in RD.
Operating income				1,819																																																																				
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			53,222 / 4	13,305																																																																				
ROCE in CD segment, rolling 12 months SEK M	<table><tr><td>Operating income</td><td></td><td></td><td></td><td>2,851</td></tr><tr><td>+ capitalized interest expense</td><td></td><td></td><td></td><td>114</td></tr><tr><td>+/- financial income and other financial items</td><td></td><td></td><td></td><td>2</td></tr><tr><td>- interest income from internal bank</td><td></td><td></td><td></td><td>0</td></tr><tr><td>Adjusted profit</td><td></td><td></td><td></td><td>2,967</td></tr><tr><td>Capital employed average*</td><td></td><td></td><td></td><td>32,936</td></tr><tr><td>ROCE CD</td><td></td><td></td><td></td><td>9.0%</td></tr><tr><td colspan="5">* Capital employed average</td></tr><tr><td>Q1 2021</td><td>31,100</td><td>x 0.5</td><td>15,550</td><td></td></tr><tr><td>Q4 2020</td><td>30,906</td><td></td><td>30,906</td><td></td></tr><tr><td>Q3 2020</td><td>33,951</td><td></td><td>33,951</td><td></td></tr><tr><td>Q2 2020</td><td>33,885</td><td></td><td>33,885</td><td></td></tr><tr><td>Q1 2020</td><td>34,905</td><td>x 0.5</td><td>17,453</td><td></td></tr><tr><td></td><td></td><td></td><td>131,746 / 4</td><td>32,936</td></tr></table>	Operating income				2,851	+ capitalized interest expense				114	+/- financial income and other financial items				2	- interest income from internal bank				0	Adjusted profit				2,967	Capital employed average*				32,936	ROCE CD				9.0%	* Capital employed average					Q1 2021	31,100	x 0.5	15,550		Q4 2020	30,906		30,906		Q3 2020	33,951		33,951		Q2 2020	33,885		33,885		Q1 2020	34,905	x 0.5	17,453					131,746 / 4	32,936	Measure the performance (profitability and capital efficiency) in CD.
Operating income				2,851																																																																				
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			131,746 / 4	32,936																																																																				
ROCE in Project Development, segment, rolling 12 months SEK M	Is calculated as the summarized adjusted profit for RD and CD divided by the summarized capital employed average for RD and CD. The total ROCE from RD and CD. <table><tr><td></td><td>Adjusted profit</td><td>CE avg</td><td>ROCE</td></tr><tr><td>RD</td><td>1,903</td><td>13,305</td><td>14.3%</td></tr><tr><td>CD</td><td>2,967</td><td>32,936</td><td>9.0%</td></tr><tr><td></td><td>4,871</td><td>46,241</td><td>10.5%</td></tr></table>		Adjusted profit	CE avg	ROCE	RD	1,903	13,305	14.3%	CD	2,967	32,936	9.0%		4,871	46,241	10.5%	Measure the performance (profitability and capital efficiency) in Project Development.																																																						
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Non-IFRS financial measures	Definition	Reason for use
Return on equity segment, rolling 12 months SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 8,766 / 36,700 = 23.9%	Measure profitability on invested equity.
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. Q1 202138,416x 0.519,208 Q4 202038,62038,620 Q3 202035,58935,589 Q2 202036,03636,036 Q1 202034,692x 0.517,346	

Reconciliation between segment reporting and IFRSs

	External revenue		Intra-Group revenue		Total revenue		Operating income	
SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020
Construction	27,180 ¹	33,047 ¹	2,174	2,892	29,354	35,939	722	589
Residential Development	4,509	3,400	0	0	4,509	3,400	669	394
Commercial Property Development	2,602	4,686	3	73	2,605	4,759	1,066	2,112
Total operating segments	34,291	41,133	2,177	2,965	36,468	44,098	2,457	3,095
Central	100	34	3	94	103	128	-104	-121
Eliminations	-0	-0	-2,180	-3,059	-2,180	-3,059	-27	-73
Total Group	34,390	41,166	0	0	34,390	41,166	2,327	2,901
Reconciliation to IFRSs²	-1,746	-826	0	0	-1,746	-826	-883	-1,419
Total IFRSs	32,644	40,340	0	0	32,644	40,340	1,444	1,482

1 Of which external revenue from joint ventures in PPP-portfolio

717 1,740

2 Of which effect from joint ventures in Residential Development proportionally

-159 -192 -78 -58

Of which effect of different revenue recognitions -1,587 -634 -804 -1,361

Revenue by geographical area (IFRS)

	Construction		Residential Development		Commercial Property Development		Central and Eliminations		Total	
SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020
Nordics	12,459	13,145	1,730	1,854	1,622	2,341	-1,517	-1,834	14,294	15,506
of which Sweden	7,281	7,644	596	1,164	649	782	-1,052	-1,246	7,474	8,344
Europe	4,944	6,245	444	72	1,489	1,296	-427	-799	6,450	6,814
USA	11,951	16,549	0	0	81	1,696	-134	-225	11,899	18,020
Total operating segments	29,354	35,939	2,174	1,926	3,193	5,333	-2,078	-2,858	32,644	40,340

	Segment Jan-Mar 2021	IFRS Jan-Mar 2021	Segment Jan-Mar 2020	IFRS Jan-Mar 2020
SEK M				
Revenue				
Construction	29,354	29,354	35,939	35,939
Residential Development	4,509	2,174	3,400	1,926
Commercial Property Development	2,605	3,193	4,759	5,333
Central and eliminations	-2,078	-2,078	-2,931	-2,858
Skanska Group	34,390	32,644	41,166	40,340
Operating income				
Construction	722	722	589	589
Residential Development	669	302	394	87
Commercial Property Development ¹	1,066	545	2,112	1,016
Central	-104	-104	-121	-121
of which PPP-portfolio	37	37	-5	-5
Eliminations ¹	-27	-21	-73	-90
Operating income	2,327	1,444	2,901	1,482
Net financial items	-48	-47	-48	-47
Income after financial items	2,278	1,397	2,853	1,435
Taxes	-386	-237	-469	-236
Profit for the period	1,892	1,160	2,383	1,199
Earnings for the period per share, SEK ²	4.59		5.78	
Earnings for the period per share according to IFRSs, SEK ²		2.82		2.91
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	1,223	702	2,285	1,189
Eliminations	34	39	122	95

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

The Skanska Group

Summary income statement (IFRS)

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	32,644	40,340	160,344
Cost of sales	-29,425	-36,781	-143,457
Gross income	3,219	3,559	16,887
Selling and administrative expenses	-1,890	-2,136	-8,269
Income from joint ventures and associated companies	116	59	4,015
Operating income	1,444	1,482	12,633
Financial income	30	88	120
Financial expenses	-77	-135	-349
Net financial items¹	-47	-47	-229
Income after financial items	1,397	1,435	12,404
Taxes	-237	-236	-2,507
Profit for the period	1,160	1,199	9,897
1 Of which			
Interest income	17	64	118
Financial net pension costs	-15	-14	-61
Interest expenses	-48	-43	-194
Interest expenses from lease liabilities	-51	-69	-244
Capitalized interest expenses	50	57	195
Net interest items	-47	-5	-186
Change in fair value	1	-1	-3
Other net financial items	-1	-41	-40
Net financial items	-47	-47	-229
Profit attributable to:			
Equity holders	1,161	1,196	9,875
Non-controlling interests	-1	2	22
Earnings per share, SEK ²	2.82	2.91	23.97
Earnings per share after dilution, SEK ³	2.80	2.89	23.84

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

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

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

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Profit for the period	1,160	1,199	9,897
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans	1,629	-121	-1,003
Tax related to items that will not be reclassified to profit and loss	-344	52	211
	1,285	-69	-792
Items that have been or will be reclassified to profit and loss			
Translation differences attributable to equity holders	1,210	650	-2,120
Translation differences attributable to non-controlling interests	2	-1	-7
Hedging of exchange rate risk in foreign operations	24	85	-19
Effects of cash flow hedges ¹	-49	-97	35
Share of other comprehensive income of joint ventures and associated companies ²	37	-65	-176
Tax related to items that have been or will be reclassified to profit and loss	10	-3	21
	1,234	569	-2,266
Other comprehensive income after tax	2,519	500	-3,058
Total comprehensive income	3,679	1,699	6,839
Total comprehensive income attributable to			
Equity holders	3,678	1,698	6,824
Non-controlling interests	1	1	15
1 Of which transferred to income statement	0	0	-2
2 Of which transferred to income statement	50	26	157

Summary statement of financial position (IFRS)

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6,963	7,656	6,816
Property, plant and equipment right-of-use assets	3,917	4,493	3,930
Goodwill	3,922	4,030	3,713
Intangible assets	775	846	771
Investments in joint ventures and associated companies	1,809	3,356	1,689
Financial non-current assets ^{1,3}	2,959	3,119	1,931
Deferred tax assets	1,712	1,670	1,803
Total non-current assets	22,057	25,170	20,653
Current assets			
Current-asset properties ²	46,376	47,917	44,948
Current-asset properties right-of-use land	3,230	4,175	2,980
Inventories	1,104	1,139	1,100
Financial current assets ³	11,607	5,676	8,492
Tax assets	932	753	950
Contract assets	5,765	7,254	4,599
Trade and other receivables	21,779	27,255	22,401
Cash	16,453	12,161	19,508
Total current assets	107,245	106,328	104,979
TOTAL ASSETS	129,302	131,499	125,631
of which interest-bearing financial non-current assets	2,915	3,072	1,884
of which interest-bearing current assets	27,952	17,717	27,808
Total interest-bearing assets	30,867	20,789	29,692
EQUITY			
Equity attributable to equity holders	38,416	34,692	38,620
Non-controlling interests	98	98	97
Total equity	38,514	34,790	38,717
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ³	3,327	2,615	3,247
Lease liabilities	6,462	7,898	6,217
Pensions	6,547	6,320	7,360
Deferred tax liabilities	1,227	923	928
Total non-current liabilities	17,563	17,756	17,752
Current liabilities			
Financial current liabilities ³	4,790	6,320	4,663
Lease liabilities	1,010	1,077	1,016
Tax liabilities	1,757	320	1,884
Current provisions	10,534	9,754	10,326
Contract liabilities	19,568	21,747	19,462
Trade and other payables	35,566	39,733	31,812
Total current liabilities	73,225	78,953	69,162
TOTAL EQUITY AND LIABILITIES	129,302	131,499	125,631
of which interest-bearing financial liabilities	15,526	17,712	15,052
of which interest-bearing pensions and provisions	6,547	6,320	7,360
Total interest-bearing liabilities	22,074	24,032	22,412
1 Of which shares and participations	43	46	43
2 Current-asset properties			
Commercial Property Development	28,130	30,293	27,906
Residential Development	18,247	17,624	17,041
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	1	1	4
Financial current assets	108	119	193
Financial non-current liabilities	5	2	6
Financial current liabilities	58	196	85

Contingent liabilities amounted to SEK 60.0 bn on March 31, 2021 (Dec 31, 2020: 57.9) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2020 Annual and Sustainability Report, Note 20B, 20C and 33. During the period, contingent liabilities increased by SEK 2.1 bn.

Summary statement of changes in equity (IFRS)

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Opening balance	38,717	33,021	33,021
of which non-controlling interests	97	97	97
Dividend to shareholders	-3,917	0	-1,340
Dividend to non-controlling interests	0	0	-15
Effects of equity-settled share-based payments	80	70	300
Repurchase of shares	-45	0	-88
Total comprehensive income attributable to			
Equity holders	3,678	1,698	6,824
Non-controlling interests	1	1	15
Closing balance	38,514	34,790	38,717
of which non-controlling interests	98	98	97

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

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Cash flow from operating activities before change in working capital, according to IAS 7	313	171	2,652
Cash flow from change in working capital, according to IAS 7	3,479	2,058	8,632
Net investments in property, plant and equipment and intangible assets	-255	-268	4,129
Tax payments on sold property, plant and equipment and intangible assets	-5	-4	-29
Cash flow from business operations including taxes paid according to operating cash flow	3,531	1,957	15,384
Less net investments in property, plant and equipment and intangible assets	255	268	-4,129
Less tax payments on sold property, plant and equipment and intangible assets	5	4	29
Cash flow from operating activities, according to IAS 7	3,791	2,229	11,284
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow			
Net investments in property, plant and equipment and intangible assets	-255	-268	4,129
Increase and decrease in interest-bearing receivables	-6,811	35	-2,529
Taxes paid on sold property, plant and equipment and intangible assets	-5	-4	-29
Cash flow from investing activities, according to IAS 7	-7,071	-237	1,571
Cash flow from financing operations according to operating cash-flow statement	-266	-326	-934
Change in interest-bearing receivables and liabilities excluding lease liabilities	-6,510	1,645	-1,335
Increase and decrease in interest-bearing receivables	6,811	-35	2,529
Dividend etc. ¹	-45	0	-1,443
Cash flow from financing activities, according to IAS 7	-10	1,284	-1,183
Cash flow for the period	-3,290	3,276	11,672

¹ Of which repurchases of shares SEK 45 M.

Operating cash flow (IFRS), supplementary information

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Construction			
Cash flow from business operations	1,324	1,218	6,258
Change in working capital	-1,236	-693	1,382
Net divestments(+)/investments(-)	-247	-272	-1,188
Total Construction	-160	252	6,451
Residential Development			
Cash flow from business operations	-194	-231	-434
Change in working capital	-409	516	-693
Net divestments(+)/investments(-)	-560	-765	1,291
Total Residential Development	-1,163	-479	164
Commercial Property Development			
Cash flow from business operations	-269	-320	-1,088
Change in working capital	-59	176	-487
Net divestments(+)/investments(-)	1,298	2,539	7,211
Cash flow adjustment	342	33	-355
Total Commercial Property Development	1,313	2,428	5,281
Central and Eliminations			
Cash flow from business operations	-16	80	-631
Change in working capital	4,103 ²	280	406
Net divestments(+)/investments(-)	-9	-23	5,194
of which PPP-portfolio	9	16	5,296
Total Central and Eliminations	4,078	336	4,969
Total cash flow from business operations	845	746	4,104
Total change in working capital	2,399	279	607
Total net divestments(+)/investments(-)	481	1,478	12,508
Total cash flow adjustment	342	33	-355
Cash flow from business operations before taxes paid	4,068	2,537	16,865
Taxes paid in business operations	-538	-579	-1,481
Cash flow from business operations including taxes paid	3,531	1,957	15,384
Net interest items, other net financial items and amortization of lease liabilities	-380	-466	-1,334
Taxes paid in financing operations	114	140	400
Cash flow from financing operations	-266	-326	-934
Operating cash flow from operations	3,264	1,631	14,450
Dividend etc. ¹	-45	0	-1,443
Cash flow before change in interest-bearing receivables and liabilities	3,219	1,631	13,007
Change in interest-bearing receivables and liabilities excluding lease liabilities	-6,510 ³	1,645	-1,335
Cash flow for the period	-3,290	3,276	11,672
Cash and cash equivalents at the beginning of the period	19,508	8,745	8,745
Exchange rate differences in cash and cash equivalents	235	140	-909
Cash and cash equivalents at the end of the period	16,453	12,161	19,508

1 Of which repurchases of shares SEK 45 M.

2 Include SEK 3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

3 Include SEK -3.9 bn related to the approval of dividend proposal at the AGM during the first quarter and distributed during the second quarter.

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

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
OPERATIONS - INVESTMENTS			
Intangible assets	-36	-12	-133
Property, plant and equipment	-293	-322	-1,487
Shares and participations	0	-4	-18
Current-asset properties	-4,408	-5,286	-20,047
of which Residential Development	-2,704	-2,705	-10,299
of which Commercial Property Development	-1,704	-2,580	-9,748
Investments in operations	-4,736	-5,624	-21,685
Total Investments	-4,736	-5,624	-21,685
OPERATIONS - DIVESTMENTS			
Intangible assets	0	0	8
Property, plant and equipment	64	23	289
Shares and participations	9	47	5,470
Current-asset properties	5,145	7,033	28,426
of which Residential Development	2,144	1,913	11,548
of which Commercial Property Development	3,001	5,120	16,878
Divestments in operation	5,217	7,102	34,193
Total divestments	5,217	7,102	34,193
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	481	1,478	12,508
Depreciation, non-current assets	-672	-758	-2,945

Capital employed in Project Development (IFRS)

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Residential Development	15,350	13,301	13,608
Commercial Property Development	31,100	34,905	30,906
Total in Project Development	46,450	48,207	44,515

Parent Company¹

The parent company's revenue consists mainly of amounts billed to Group companies. The balance sheet consists of financial instruments almost exclusively in the form of intra-Group receivables and liabilities. The parent company does not report any significant events during the period.

Summary income statement (IFRS)

SEK M	Jan-Mar 2021	Jan-Mar 2020
Revenue	114	160
Selling and administrative expenses	-132	-147
Operating income	-18	13
Net financial items	-8	-7
Income after financial items	-26	6
Taxes	5	-1
Profit for the period	-21	5
Total comprehensive income	-21	5

Summary balance sheet (IFRS)

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Intangible non-current assets	7	10	8
Property, plant and equipment	0	0	0
Financial non-current assets ²	12,029	11,947	12,031
Total non-current assets	12,036	11,957	12,039
Current receivables	98	82	164
Total current assets	98	82	164
TOTAL ASSETS	12,134	12,039	12,203
EQUITY AND LIABILITIES			
Equity	6,674	8,796	10,652
Provisions	247	258	240
Non-current interest-bearing liabilities ²	1,180	2,866	1,211
Current liabilities	4,033	119	100
TOTAL EQUITY AND LIABILITIES	12,134	12,039	12,203

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

² Of these amounts, SEK 445 M (Dec 31, 2020: 384) were intra-Group receivables and SEK 1,180 M (Dec 31, 2020: 1,211) intra-Group liabilities.

The Parent Company's contingent liabilities totaled SEK 169.6 bn on March 31, 2021 (Dec 31, 2020: 160.6), of which SEK 125.3 bn (Dec 31, 2020: 118.1) were related to obligations on behalf of Group companies. Other obligations, SEK 44.3 bn on March 31, 2021 (Dec 31 2020: 42.5), were related to commitments to outside parties.

Share data

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Earnings per share according to segment reporting, SEK ¹	4.59	5.78	22.46
Earnings per share, SEK ¹	2.82	2.91	23.97
Earnings per share after dilution, SEK ²	2.80	2.89	23.84
Equity per share, SEK ³	93.17	84.25	93.67
Adjusted equity per share, SEK ⁴	117.26	116.25	117.22
Average number of shares outstanding	412,380,001	411,684,388	411,993,869
Average number of shares outstanding after dilution	415,016,700	413,905,491	414,304,017
Average dilution, %	0.64	0.54	0.56
Number of shares, at balance sheet date	419,903,072	419,903,072	419,903,072
Average price, repurchased shares, SEK	139.03	137.54	138.45
Number of Series B shares repurchased	27,558,228	26,888,228	27,348,228
of which repurchased during the year	210,000	0	460,000
Number of shares in Skanska's own custody	7,559,916	8,107,126	7,616,674
Number of shares outstanding	412,343,156	411,795,946	412,286,398

¹ Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after dilution.

³ Equity attributable to equity holders divided by the number of shares outstanding.

⁴ Adjusted equity divided by the number of shares outstanding.

Five-year Group financial summary

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017
Revenue	34,390	41,166	35,102	36,950	34,182
Operating income	2,327	2,901	488	652	1,849
Profit for the period	1,892	2,383	355	510	1,596
Earnings per share, SEK	4.59	5.78	0.86	1.25	3.90
Return on capital employed, %	18.9	19.0	10.5	10.4	20.8
Return on equity, %	23.9	27.0	13.4	14.6	27.4
Operating margin, %	6.8	7.0	1.4	1.8	5.4
Return on capital employed according to IFRSs, %	21.1	14.6	14.4	7.9	21.9
Cash flow per share according to IFRSs, SEK ¹	7.81	3.96	-3.23	-1.76	3.95

¹ Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding.

Exchange rates for the most important currencies

SEK	Average exchange rates			Exchange rates on the closing day		
	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
US dollar	8.40	9.67	9.21	8.71	10.13	8.19
British pound	11.57	12.39	11.81	12.00	12.52	11.15
Norwegian krone	0.99	1.02	0.98	1.02	0.97	0.96
Euro	10.12	10.66	10.49	10.23	11.09	10.05
Czech koruna	0.39	0.42	0.40	0.39	0.41	0.38
Polish zloty	2.23	2.47	2.36	2.19	2.44	2.22

Construction

Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	29,354	35,939	140,483
Gross income	2,126	2,211	9,344
Selling and administrative expenses	-1,406	-1,620	-5,852
Income from joint ventures and associated companies	2	-1	37
Operating income	722	589	3,528
Investments	-311	-295	-1,503
Divestments	64	23	314
Net divestments(+)/investments(-)	-247	-272	-1,188
Gross margin, %	7.2	6.2	6.7
Selling and administrative expenses, %	-4.8	-4.5	-4.2
Operating margin %	2.5	1.6	2.5
Order bookings, SEK bn	34.9	41.3	149.8
Order backlog, SEK bn	193.4	199.0	178.9
Employees	29,644	31,796	30,944

Revenue

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	12,371	13,030	56,130
of which Sweden	7,228	7,588	33,689
Europe	5,032	6,360	24,154
USA	11,951	16,549	60,199
Total	29,354	35,939	140,483

Operating income

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	363	280	1,995
of which Sweden	168	150	1,072
Europe	48	-4	314
USA	311	313	1,220
Total	722	589	3,528

Operating margin, %

Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
2.9	2.1	3.6
2.3	2.0	3.2
1.0	neg	1.3
2.6	1.9	2.0
2.5	1.6	2.5

Order backlog

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nordics	66,457	64,655	63,514
of which Sweden	34,797	38,474	34,558
Europe	46,814	30,387	37,680
USA	80,171	103,978	77,729
Total	193,443	199,020	178,924

Order bookings

Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
13,835	15,828	59,254
7,462	8,239	30,502
11,508	11,627	40,147
9,592	13,819	50,401
34,935	41,274	149,802

Book-to build, R-12m

Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
103	105	106
89	106	91
175	87	166
83	101	84
107	100	107

Residential Development

Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	4,509	3,400	13,070
Gross income	837	554	2,178
Selling and administrative expenses	-168	-160	-634
Operating income	669	394	1,543
Operating margin, %	14.8	11.6	11.8
Investments	-2,704	-2,709	-10,420
Divestments	2,144	1,944	11,710
Net divestments(+)/investments(-)	-560	-765	1,291
Capital employed, SEK bn	15.4	13.3	13.6
Return on capital employed, % ¹	14.3	11.5	12.8
Employees	572	516	571

¹ Rolling 12 months.

Revenue

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	4,084	3,035	11,597
of which Sweden	2,864	1,435	7,042
Europe	424	364	1,473
Total	4,509	3,400	13,070

Operating income¹

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	581	355	1,345
of which Sweden	438	198	797
Europe	88	39	198
Total	669	394	1,543

¹ Development gain only. Construction margin reported under Construction.

Operating margin, %¹

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	14.2	11.7	11.6
of which Sweden	15.3	13.8	11.3
Europe	20.8	10.6	13.5
Total	14.8	11.6	11.8

Homes started

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	975	562	2,937
of which Sweden	795	157	2,124
Europe	86	409	870
Total	1,061	971	3,807

Homes sold

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	1,110	734	3,352
of which Sweden	870	376	2,341
Europe	252	177	639
Total	1,362	911	3,991

Homes under construction

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nordics	5,588	5,407	5,518
of which Sweden	4,140	3,386	3,901
Europe	1,516	1,541	1,430
Total	7,104	6,948	6,948

Completed unsold, number of homes

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nordics	173	130	141
of which Sweden	63	65	68
Europe	13	9	13
Total	186	139	154

Homes under construction of which sold, %

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nordics	80	71	76
of which Sweden	80	73	77
Europe	69	58	55
Total	77	68	72

Commercial Property Development

Revenue and earnings

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue	2,605	4,759	14,983
of which from divestment of properties	2,413	4,546	13,827
Gross income	1,232	2,330	4,701
Selling and administrative expenses	-168	-215	-797
Income from joint ventures and associated companies	3	-3	-8
Operating income	1,066	2,112	3,897
of which gain from divestments of properties ¹	1,223	2,285	4,750
of which writedowns/reversal of writedowns	0	0	-281
¹ Additional gains included in eliminations	34	122	359
Investments	-1,703	-2,581	-9,777
Divestments	3,001	5,120	16,988
Net divestments(+)/investments(-)	1,298	2,539	7,211
Capital employed, SEK bn	31.1	34.9	30.9
Return on capital employed, % ²	9.0	16.0	11.9
Employees	447	481	445

² Rolling 12 months.

Revenue

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	1,735	3,672	5,420
Europe	788	968	2,835
USA	81	119	6,728
Total	2,605	4,759	14,983

of which from divestments

Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
1,676	3,622	5,003
737	925	2,664
0	0	6,160
2,413	4,546	13,827

Operating income

SEK M	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Nordics	883	1,766	1,870
Europe	216	367	661
USA	-33	-20	1,366
Total	1,066	2,112	3,897

of which from divestments

Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
963	1,848	2,189
259	419	865
0	18	1,696
1,223	2,285	4,750

Capital employed

SEK M	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nordics	11,451	11,381	11,618
Europe	9,273	10,037	9,744
USA	10,376	13,487	9,544
Total	31,100	34,905	30,906

PPP-portfolio value

Unrealized development gain in PPP-portfolio

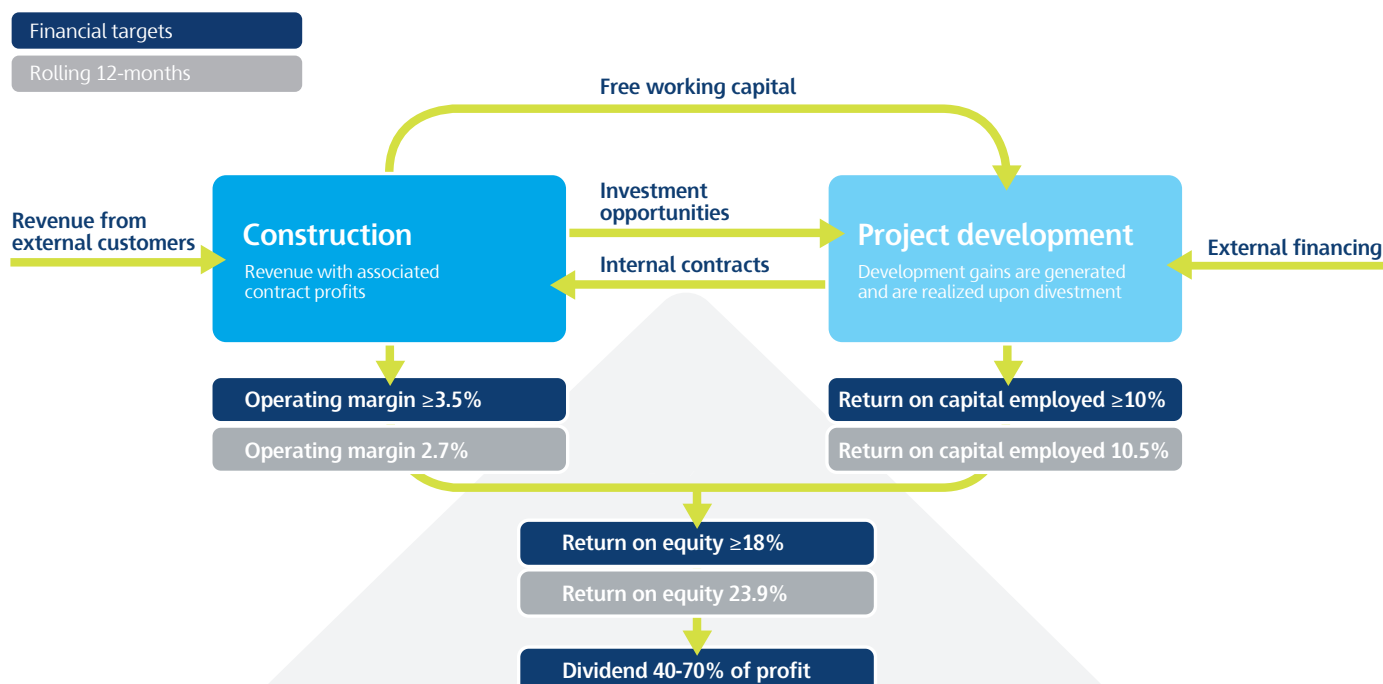
SEK bn	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Present value of cash flow from projects	2.1	4.9	2.2
Present value of remaining investments	-1.0	-1.0	-1.0
Net present value of projects	1.1	3.9	1.2
Carrying amount before Cash flow hedge / Carrying amount	-0.6	-2.4	-0.7
Unrealized development gain	0.5	1.5	0.5
Cash flow hedge	0.3	0.3	0.3
Effect in unrealized equity ¹	0.8	1.8	0.8

¹ Tax effects not included.

About Skanska

Skanska is one of the world's leading construction and project development companies, focused on selected home markets in the Nordics, Europe and USA. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities.

Skanska's business model



Internal contracts and cooperation

Operational and financial synergies are, amongst other things, achieved through investments in Project Development, generating internal contracts for Skanska's Construction stream, as well as through the collaboration between Business Units from different markets. Currently, SEK 13.9 billion of Skanska's total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 12.8 billion.

Construction revenue from internal Project Development contracts amounted to:

SEK 12.8 billion

Equilibrium, Bucharest, Romania

During the quarter, Skanska has invested in the second phase of the Equilibrium office project in Bucharest, Romania. The second building will have a total leasable area of 19,900 square meters. The project is LEED Gold pre-certified. At its completion, the entire two-building Equilibrium complex will offer 40,800 square meters of leasable area. The project is scheduled for completion in 2023.

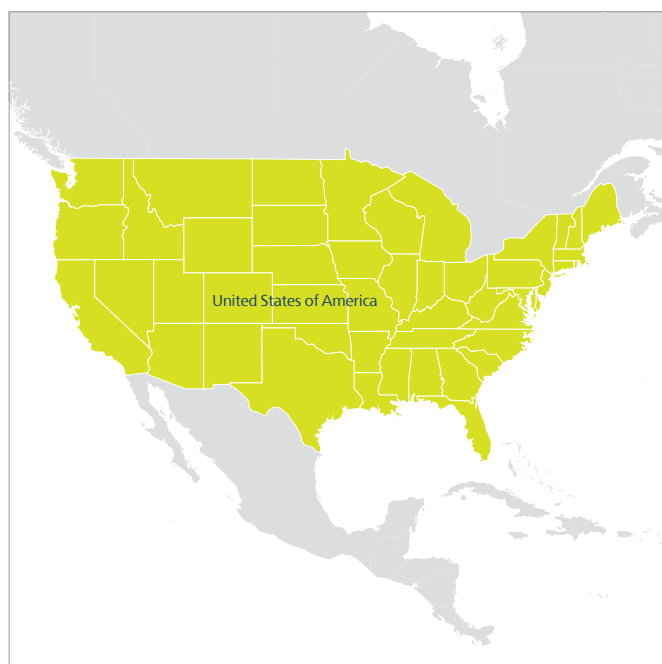
Value of orders in backlog generated through cooperation between Business Units:

SEK 13.9 billion

LaGuardia Airport, New York City, USA

Skanska USA Building and Skanska USA Civil are leading the design-build joint venture for LaGuardia's new Terminal B. The redevelopment at LaGuardia, one of the busiest airports in USA, began in 2016 and is slated for completion by the fall of 2022. It is one of the most complex, and the largest, project ever undertaken by Skanska.

Skanska's home markets



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This report will also be presented via a telephone conference and a webcast at 10:00 a.m. (CET) on April 29, 2021.
The telephone conference will be webcasted live at www.group.skanska.com/investors, where a recording of the conference will also be available later.
To participate in the telephone conference, please dial +46 8 505 583 51, or +44 333 300 9271, or +1 844 625 1570.
This and previous releases can also be found at www.skanska.com/investors.

This information is such that Skanska AB is obliged to make public in accordance with the EU Market Abuse Regulation.
The information was submitted for publication, through the agency of the contact persons set out above, at 07.30 a.m. (CET) on April 29, 2021.

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.