



SKANSKA

Q4 2020

Press release, February 5, 2021, 7:30 a.m. CET

We build for a better society.
2+U, Seattle, USA

Year-end report, January–December 2020

Highlights according to segment reporting

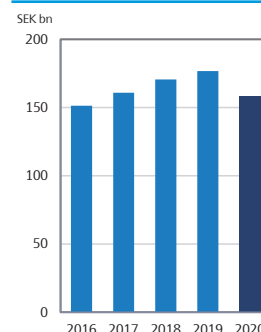
- Revenue decreased 10 percent and amounted to SEK 158.6 billion (176.8); adjusted for currency effects revenue decreased 8 percent.
- Operating income, which includes the divestment of the ownership stake in the Elizabeth River Crossings, increased 52 percent and amounted to SEK 11.9 billion (7.8).
- Earnings per share increased 45 percent and amounted to SEK 22.46 (15.46).
- The Board of Directors propose a dividend of SEK 9.50 (3.25) per share, of which SEK 6.50 (3.25) per share as ordinary dividend and SEK 3.00 (0.00) per share as extra dividend.
- Operating cash flow from operations amounted to SEK 14.5 billion (3.8), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 16.0 billion (September 30, 2020: 8.0), according to IFRS.
- Order bookings in Construction amounted to SEK 149.8 billion (145.8); adjusted for currency effects order bookings increased 6 percent. The order backlog amounted to SEK 178.9 billion (September 30, 2020: 182.9).
- Operating income in Construction amounted to SEK 3.5 billion (3.8), representing an operating margin of 2.5 percent (2.4).
- Operating income in Project Development amounted to SEK 5.4 billion (4.5).
- Return on capital employed in Project Development was 12.2 percent (10.3).
- Return on equity was 26.0 percent (21.4).

Performance Analysis

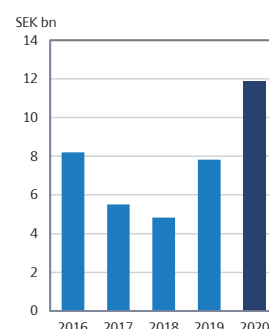
Tables referring to segment reporting are in shaded background. For more information see page 14.
For definitions of non-IFRS financial measures see pages 15-17.

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Revenue						
Construction	140,483	159,579	-12	34,188	42,411	-19
Residential Development	13,070	12,483	5	3,506	5,292	-34
Commercial Property Development	14,983	17,850	-16	8,746	7,063	24
Central and Eliminations	-9,930	-13,130	-24	-2,440	-3,369	-28
Total	158,606	176,782	-10	44,000	51,397	-14
Operating income						
Construction	3,528	3,772	-6	1,112	1,092	2
Residential Development	1,543	1,195	29	475	377	26
Commercial Property Development	3,897	3,287	19	1,693	1,267	34
Central	2,830	-388	-	3,170	-247	-
Eliminations	62	-38	-	138	-36	-
Operating income	11,860	7,828	52	6,588	2,453	169
Net financial items	-236	-103	129	-59	-34	74
Income after financial items	11,624	7,725	50	6,529	2,419	170
Taxes	-2,350	-1,353	74	-1,429	-477	200
Profit for the period	9,274	6,372	46	5,100	1,942	163
Earnings for the period per share, SEK	22.46	15.46	45	12.37	4.71	163
Revenue for the period according to IFRSs	160,344	172,846	-7	42,625	50,691	-16
Operating income for the period according to IFRSs	12,633	7,428	70	6,403	2,767	131
Earnings for the period per share according to IFRSs, SEK	23.97	14.68	63	11.97	5.34	124
Operating cash flow from operations	14,450	3,835	277	9,544	8,339	14
Interest-bearing net receivables(+)/net debt(-)	7,280	-4,917	-	7,280	-4,917	-
Return on capital employed in Project Development, %	12.2	10.3				
Adjusted interest-bearing net receivables(+)/net debt(-)	15,961	3,241	392			
Return on equity, %	26.0	21.4				

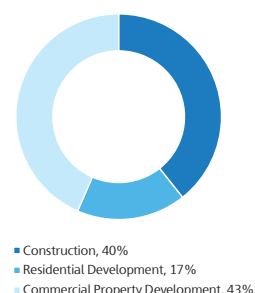
Revenue



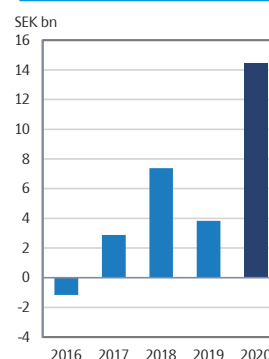
Operating income



Operating income per segment, Dec 31, 2020



Operating cash flow from operations



Skanska delivers record profit



Looking back on 2020, the spread of Covid-19 that negatively impacted societies, economies and financial markets globally defined this year. At Skanska, we acted quickly and decisively to protect our people, the company, and the balance sheet. We navigated these difficult times well, and despite a second wave of the pandemic, the Construction and Residential Development streams remained solid. We also delivered strong divestment gains in Commercial Property Development.

On top of that we have been able to divest our ownership in a toll-road project at attractive levels. Altogether, this has contributed to record profit, strong cash generation and a solid balance sheet, enabling us to exceed our group financial target for 2020. Given this performance and considering the market environment and future investment opportunities the Board of Directors propose a dividend 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 health and safety of our people is of the outmost importance to Skanska. Our ambition is to eliminate all accidents. In 2020 we put additional focus on activities having a higher accident frequency, such as lifting, loading and lowering.

During 2020, we continued to make progress on our journey to net-zero carbon emissions by 2045, including the value chain. The total reduction in our own operations since the base year in 2015 has been more than 30 percent.

In Construction the performance was solid. That said, the Construction stream can further improve profitability and the strategy to do so remains. In the UK, we are focusing our operations. In Central Europe we are adapting to lower volumes. In Sweden we have taken additional measures to address areas where we have struggled with the profitability during the year, and in the US we aim for additional profitability improvements. Being selective in our bidding and focusing on commercial management remain in focus. This is increasingly important in a market such as the US where we see increased competition in the civil infrastructure market and public clients face funding uncertainties.

In Residential Development both the number of sold and started homes increased during the year and profitability remained at a good level. The rental homes segment represented the largest increase in volume. By the end of the year we started our first BoK-lök project in the UK, with the ambition to ramp up over the coming years. We have a strong land bank in our markets and will be able to meet demand. Currently demand is solid, especially in the Nordic countries, but there are uncertainties ahead. The long-term effects of the pandemic, particularly on unemployment and consumer confidence, are still too early to tell.

In Commercial Property Development we delivered yet another record year when it comes to divestment gains. Our developments are in demand and attractive to property investors. The pandemic has had a negative impact on leasing activity in general as many tenants are postponing decisions on what their office needs and criteria will be going forward. We are in close dialogue with potential tenants in all our markets, and we announced some larger leases in Central Europe and USA in the beginning of 2021. Our deep knowledge and strong relations in the tenant market, coupled with our ability to adapt to tenant needs, is a clear strength as we start new developments in a changing office market.

In 2021 the fight against the pandemic remains. We will safeguard our operations, finances, people and support our communities in the challenges we all are facing. There are, however, some factors reducing market uncertainty globally, such as the Covid-19 vaccine, a UK-EU free trade deal in place and a newly inaugurated US president. Reduced uncertainty will likely support the economic recovery, but the pace remains to be seen. Skanska is in a strong position. Our ambition is to generate an industry leading total shareholder return and make use of our strong market position, balance sheet and organizational strength to deliver continued profitability improvement in Construction and increased activity in Project Development.



2+U, Seattle, USA

2+U is comprised of a 65,000-square meter office tower in Seattle's Central Business District and a 2,200 square-meter open-air community hub on the ground floor, known as the Urban Village, with local retail and cultural space. Office tenants include Qualtrics, Indeed.com, Dropbox Inc. and Spaces. 2+U is targeting LEED Platinum, the highest level of certification, demonstrating comprehensive attention to energy and water efficiency, healthy material selection, and waste reduction across the entire building design. The building has been specifically designed to care for the health & well-being of building occupants. Construction of 2+U began in the second quarter of 2017, both exterior and interior elements were completed in the third quarter of 2019. Skanska divested a 95 percent interest in the 2+U office property in Seattle, Washington, USA, for approximately USD 669 M, about SEK 5.5 billion, to South Korean financial group Hana Alternative Asset Management, alongside Hana Financial Group in the fourth quarter of 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

The pandemic has had a negative impact on demand in the construction market, mainly from the private clients and in commercial and residential building construction. 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. This can be seen in the US civil infrastructure market where the competition also is increasing. The inauguration of the US president will likely reduce the market uncertainty and federal infrastructure investments could potentially increase, but lead-times are expected to be long. In the UK, the civil infrastructure market is improving as the free trade deal with the EU is reducing the uncertainty in the public decision making.

	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. 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	



Norra Vitsippan, Salem, Sweden

Commercial Property Development

The number of transactions and new developments have decreased due to the market uncertainty. The credit market has however recovered and remains 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	

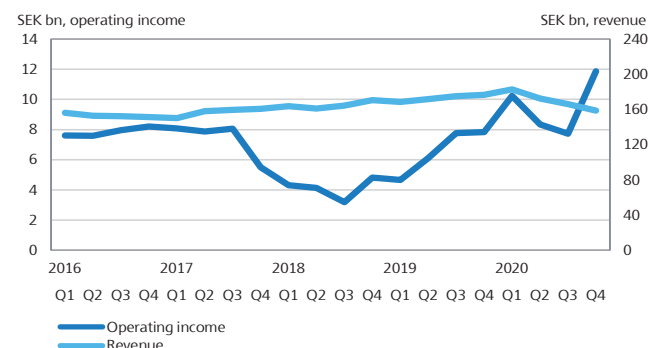


Spark, Warsaw, Poland

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Revenue	158,606	176,782	-10	44,000	51,397	-14
Operating income ^{1,2}	11,860	7,828	52	6,588	2,453	169
Net financial items	-236	-103	129	-59	-34	74
Income after financial items	11,624	7,725	50	6,529	2,419	170
Taxes	-2,350	-1,353	74	-1,429	-477	200
Profit for the period	9,274	6,372	46	5,100	1,942	163
Earnings for the period per share, SEK ³	22.46	15.46	45	12.37	4.71	163
Earnings for the period per share according to IFRSs, SEK ³	23.97	14.68	63	11.97	5.34	124

1 Central, SEK 2,830 M (-388).

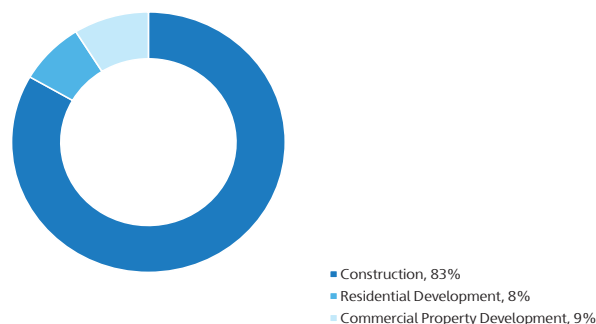
2 Eliminations, SEK 62 M (-38).

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

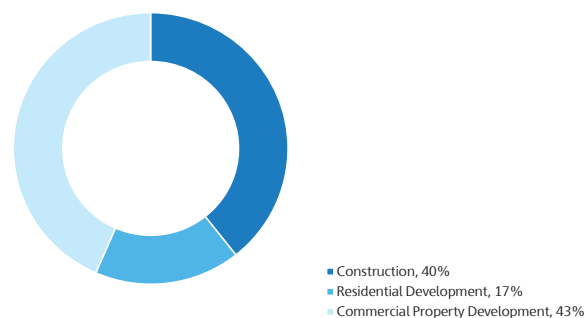
Changes and currency rate effects

	Jan-Dec 2020 / Jan-Dec 2019		
	Change in SEK	Change in local currency	Currency effect
Revenue	-10%	-8%	-2%
Operating income	52%	54%	-2%

Revenue per segment, January–December 2020



Operating income per segment, January–December 2020



Revenue decreased 10 percent and amounted to SEK 158.6 billion (176.8); adjusted for currency effects revenue decreased 8 percent. Operating income increased 52 percent and amounted to SEK 11,860 M (7,828); adjusted for currency effects operating income increased 54 percent.

Central stream totaled SEK 2,830 M (-388). SEK 3,734 M (24) relate to the PPP-portfolio, where the divestment of the 50 percent ownership stake in the Elizabeth River Crossings in Virginia, USA, had a positive effect in the fourth quarter. In the fourth quarter, Central stream was negatively impacted by SEK -700 M, mainly consisting of provisions related to remaining risks in closing down legacy items and the PPP-portfolio. In the comparable period, Central stream was positively affected by a release of a provision totaling SEK 212 M related to the legal case concerning the R4 project in Czech Republic.

The elimination of gains in Intra-Group projects amounted to SEK 62 M (-38).

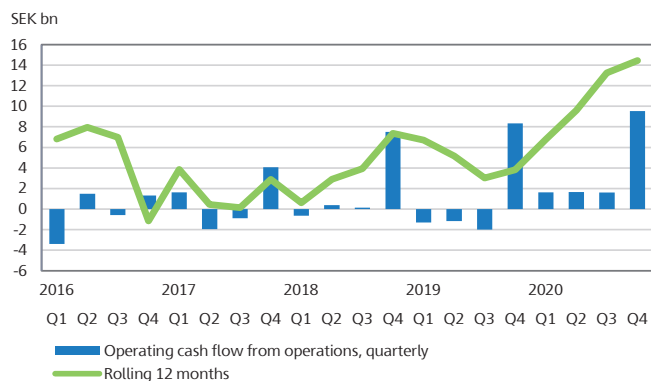
Net financial items amounted to SEK -236 M (-103).

Taxes for the period amounted to SEK -2,350 M (-1,353), corresponding to an effective tax rate of 20 percent (18).

Cash flow

Group

Operating cash flow from operations



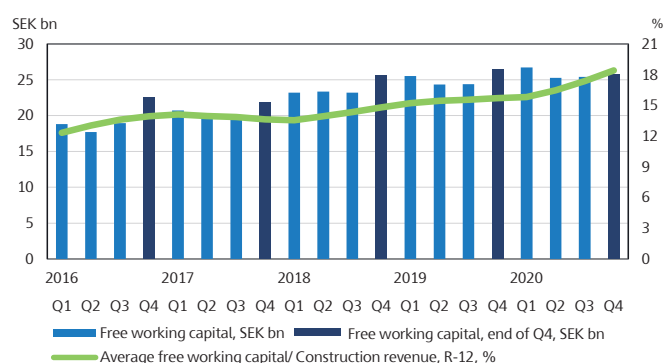
Operating cash flow

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Cash flow from business operations	4,104	4,704	-13	520	1,142	-54
Change in working capital	608	-651	-	1,098	3,237	-66
Net divestments(+)/investments(-)	12,508	1,632	666	8,499	4,213	102
Cash flow adjustment	-355	209	-	-61	-37	65
Cash flow from business operations before taxes paid	16,865	5,894	186	10,056	8,555	18
Taxes paid in business operations	-1,481	-1,371	8	-391	-107	265
Cash flow from financing operations	-934	-688	36	-121	-109	11
Operating cash flow from operations	14,450	3,835	277	9,544	8,339	14
Net strategic divestments(+)/investments(-)	0	-6	-	0	0	-
Dividend etc	-1,443	-2,488	-42	-1,374	-15	9,060
Cash flow before change in interest-bearing receivables and liabilities	13,007	1,341	870	8,170	8,324	-2
Change in interest-bearing receivables and liabilities excluding lease liabilities	-1,336	-3,415	-61	-2,783	-2,716	2
Cash flow for the period	11,671	-2,074	-	5,387	5,608	-4

Operating cash flow from operations amounted to SEK 14,450 M (3,835), where an increase in net divestments in Commercial Property Development is the main reason for the change in cash flow.

Taxes paid in business operations amounted to SEK -1,481 M (-1,371). Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 5.7 billion, of which SEK 4.1 billion will be received during 2021. The remainder will affect cash flow during 2022.

Free working capital in Construction



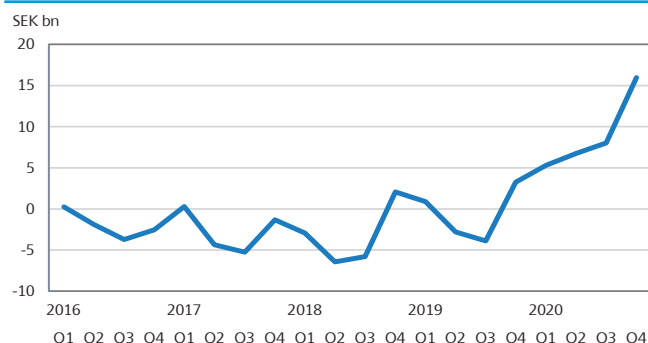
Free working capital in Construction amounted to SEK 25.7 billion (26.4). The average free working capital in relation to Construction revenue in the past 12 months was 18.4 percent, partly driven by lower volumes. Free working capital in Construction remained at a good level due to favorable cash flow 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 1,382 M (-262).



Nordøyvegen, Møre – Romsdal, Norway

Financial position

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



Balance sheet - Summary

SEK bn	Dec 31, 2020	Dec 31, 2019
Total assets	125.6	126.0
Total equity	38.7	33.0
Interest-bearing net receivables (+)/net debt (-)	7.3	-4.9
Adjusted interest-bearing net receivables(+)/net debt(-)	16.0	3.2
Capital employed, closing balance	61.1	55.9
Equity/assets ratio, %	30.8	26.2

Change in net interest-bearing receivables and liabilities

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Opening balance interest-bearing net receivables(+)/net debt(-)	-4,917	3,231	-1,329	-14,446
Change in accounting principle ¹	-	-7,469	-	-
Adjusted opening balance	-4,917	-4,238	-1,329	-14,446
Cash flow for the period	11,671	-2,074	5,387	5,608
Less change in interest-bearing receivables and liabilities	1,336	3,415	2,783	2,716
Cash flow before change in interest-bearing receivables and liabilities	13,007	1,341	8,170	8,324
Translation differences, net receivables/net debt	-1,067	129	-526	32
Remeasurements of pension liabilities	-860	-751	482	1,089
Interest-bearing liabilities acquired/divested	0	-505	0	10
Other changes, interest-bearing net receivables/net debt	1,117	-893	483	74
Change in interest-bearing net receivables/net debt	12,197	-679	8,609	9,529
Closing balance interest-bearing net receivables(+)/net debt(-)	7,280	-4,917	7,280	-4,917
Restricted cash	-4,814	-6,084	-4,814	-6,084
Pension liability, net	6,262	5,321	6,262	5,321
Lease liabilities	7,233	8,921	7,233	8,921
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	15,961	3,241	15,961	3,241

¹ Change in accounting principle is attributable to the implementation 2019 of IFRS 16. For further information see the Annual and Sustainability Report 2019, Note 1.

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 16.0 billion (September 30, 2020: 8.0). Interest-bearing net receivables amounted to SEK 7.3 billion (September 30, 2020: -1.3) and include SEK 7.2 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 27.0 billion (September 30, 2020: 22.7), of which SEK 22.8 billion (September 30, 2020: 16.6) is available within one week. The Group central loan portfolio amounted to SEK 3.7 billion (September 30, 2020: 4.4) consisting of SEK 0.5 billion in Medium-Term Notes (MTN) with an average maturity of 2.4 years and SEK 3.2 billion in bilateral loans with an average maturity of 3.4 years. At December 31, the Group's unutilized credit facilities totaled SEK 7.5 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 3.1 years (September 30, 2020: 3.2).

At the end of the quarter, capital employed amounted to SEK 61.1 billion (September 30, 2020: 59.6).

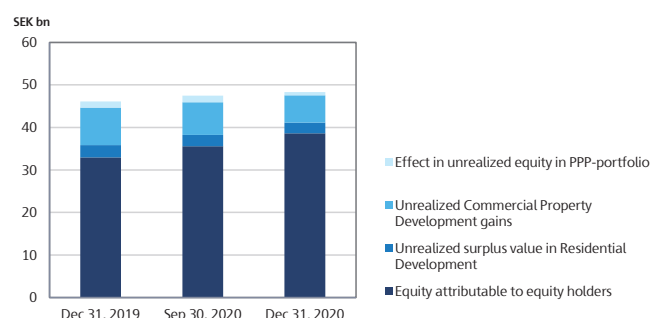
Equity

Changes in equity

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Opening balance	33,021	29,347	35,685	30,311
Change in accounting principle ¹	-	-67	-	-
Adjusted opening balance	33,021	29,280	35,685	30,311
Dividend to shareholders	-1,340	-2,462	-1,340	0
Other changes in equity not included in total comprehensive income for the year	197	219	58	55
Profit for the period	9,897	6,054	4,935	2,202
Other comprehensive income				
Translation differences	-2,146	679	-1,076	-784
Effects of remeasurements of pensions	-792	-729	429	1,055
Effects of cash flow hedges	-120	-20	26	182
Closing balance	38,717	33,021	38,717	33,021

¹ Change in accounting principle is attributable to the implementation 2019 of IFRS 16. For further information see the Annual and Sustainability Report 2019, Note 1.

Adjusted equity, less standard tax of 10 percent



The Group's equity amounted to SEK 38.7 billion (33.0), resulting in an equity/assets ratio of 30.8 percent (26.2) and a net debt/equity ratio of -0.2 (0.1).

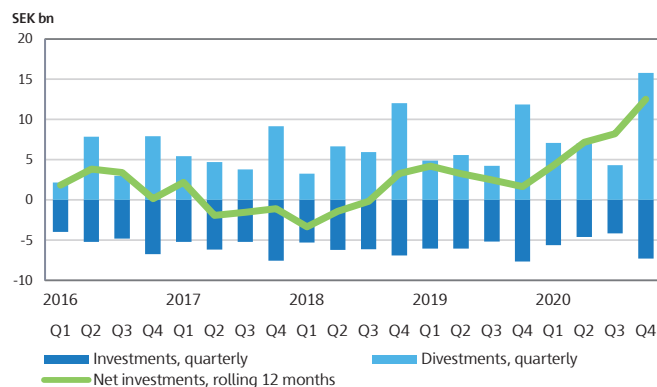
Translation differences amounted to SEK -2,146 M (679) as a result of a stronger Swedish krona.

The effects of remeasurements of pensions amounted to SEK -792 M (-729). This can be explained by lower discount rates in Sweden, Norway and the UK.

Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 10.7 billion of which SEK 0.8 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 9.7 billion and SEK 0.7 billion.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK –21,685 M (–24,969), while divestments amounted to SEK 34,193 M (26,595), resulting in net divestments of SEK 12,508 M (1,626).

In Construction, investments totaled SEK –1,503 M (–2,542). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –1,188 M (–1,503). Depreciation of property, plant and equipment and depreciation of property, plant and equipment right-of-use assets amounted to SEK –2,597 M (–2,682).

In Residential Development, investments totaled SEK –10,419 M (–9,437), of which SEK –2,499 M (–1,744) relates to land acquisitions, corresponding to 4,328 building rights. Divestments amounted to SEK 11,710 M (11,793). Net divestments in Residential Development amounted to SEK 1,291 M (2,356).

In Commercial Property Development, investments totaled SEK –9,777 M (–12,946), of which SEK –2,752 M (–2,498) relates to investments in new land, while divestments amounted to SEK 16,988 M (13,713). Net divestments in Commercial Property Development amounted to SEK 7,211 M (767).

Divestments in Other relate to the divestment of the ownership stake in the Elizabeth River Crossings.

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

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Investments						
Construction	-1,503	-2,542	-41	-504	-875	-42
Residential Development	-10,419	-9,437	10	-3,332	-2,590	29
Commercial Property Development	-9,777	-12,946	-24	-3,464	-4,219	-18
Other	14	-44	-	10	17	-41
Total	-21,685	-24,969	-13	-7,290	-7,667	-5
Divestments						
Construction	315	1,039	-70	130	397	-67
Residential Development	11,710	11,793	-1	3,518	3,482	1
Commercial Property Development	16,988	13,713	24	6,881	7,963	-14
Other	5,180	50	-	5,260	38	-
Total	34,193	26,595	29	15,789	11,880	33
Net divestments(+)/investments(-)						
Construction	-1,188	-1,503	-21	-374	-478	-22
Residential Development	1,291	2,356	-45	186	892	-79
Commercial Property Development	7,211	767	840	3,417	3,744	-9
Other	5,194	6	-	5,270	55	-
Total	12,508	1,626	669	8,499	4,213	102
Of which strategic	0	-6	-	0	0	-

Capital employed in Project Development

SEK M	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Residential Development	13,608	12,810	12,954
Commercial Property Development	30,906	33,951	34,495
Total in Project Development	44,514	46,761	47,449



Investment, Office development, Los Angeles, USA

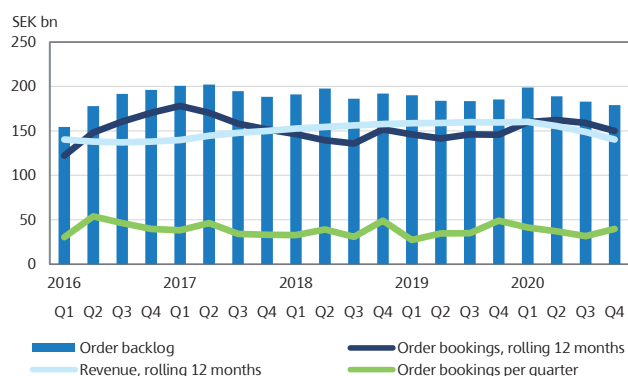


Divestment, Elizabeth River Crossings, Virginia, USA

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



Order bookings and order backlog in Construction

SEK bn	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Order bookings	149.8	145.8	39.8	49.0
Order backlog ¹	178.9	185.4	-	-

¹ Refers to the end of each period.

Order bookings amounted to SEK 149.8 billion (145.8); adjusted for currency effects order bookings increased 6 percent. On a rolling 12-month basis the book-to-build ratio was 107 percent (September 30, 2020: 107). Compared to last year, order bookings are higher in Europe, which includes the SEK 13.9 billion order booking of the high speed rail in the UK, but lower in Sweden and in USA. For more information, see page 26.

At the end of the quarter, the order backlog amounted to SEK 178.9 billion compared to SEK 182.9 billion at the end of the previous quarter. The order backlog corresponds to 16 months of production (September 30, 2020: 15).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jan-Dec 2020 / Jan-Dec 2019			
Order bookings	3%	6%	-3%
Dec 31, 2020 / Sep 30, 2020			
Order backlog	-2%	3%	-5%

Major orders in the quarter

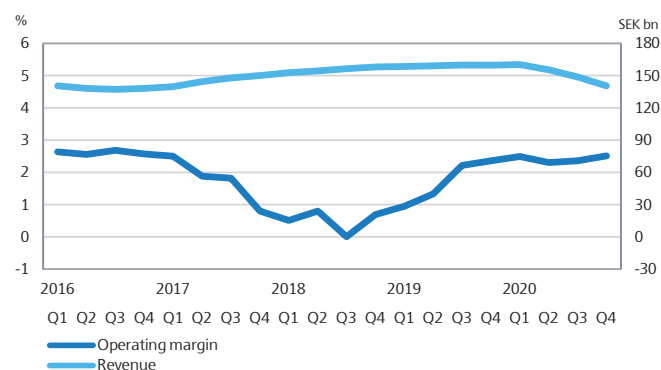
Geography	Contract	Amount SEK M	Client
USA	Rail road concourse renovation	3,200	Penn District Station Developer LLC
Nordic	Highway	2,900	Norwegian Public Roads Administration
USA	Infrastructure	2,900	Los Angeles World Airports (LAWA)
Europe	Office building	2,000	British Land PLC
USA	Office improvements	1,700	Existing client



Apartment buildings, Helsinki, Finland

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Revenue	140,483	159,579	-12	34,188	42,411	-19
Gross income	9,343	10,437	-10	2,552	3,175	-20
Selling and administrative expenses	-5,852	-6,702	-13	-1,452	-2,094	-31
Income from joint ventures and associated companies	37	37	0	12	11	9
Operating income	3,528	3,772	-6	1,112	1,092	2
Gross margin, %	6.7	6.5		7.5	7.5	
Selling and administrative expenses, %	-4.2	-4.2		-4.2	-4.9	
Operating margin, %	2.5	2.4		3.3	2.6	
Employees	30,944	33,225				

Changes and currency rate effects

	Jan-Dec 2020 / Jan-Dec 2019		
	Change in SEK	Change in local currency	Currency effect
Revenue	-12%	-10%	-2%
Operating income	-6%	-4%	-2%

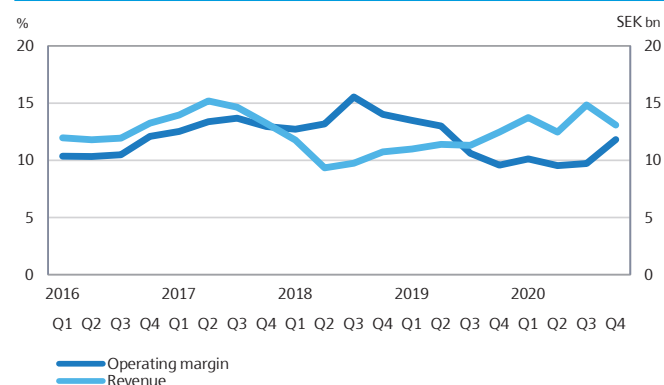
Revenue in the Construction business stream decreased 12 percent and amounted to SEK 140.5 billion (159.6); adjusted for currency effects revenue decreased by 10 percent. This is to some extent related to Covid-19 disruptions, mainly in Europe and USA, and decisions by clients to postpone ramp-up of new projects. But it is also a result 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 (2.4). Operating income decreased 6 percent and amounted to SEK 3,528 M (3,772); adjusted for currency effects operating income decreased by 4 percent. The operating income in Sweden was negatively impacted by weak performance and restructuring costs in the residential construction operations and low volumes in the industry operations. In USA, profitability continued to improve. The operating income in the comparable period was positively impacted by SEK 196 M in the second quarter related to awarded damages in a legal case in Norway and negatively impacted by SEK -367 M goodwill impairment charge in the UK in the fourth quarter.



Digital tools on site, Slussen, Stockholm, Sweden

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

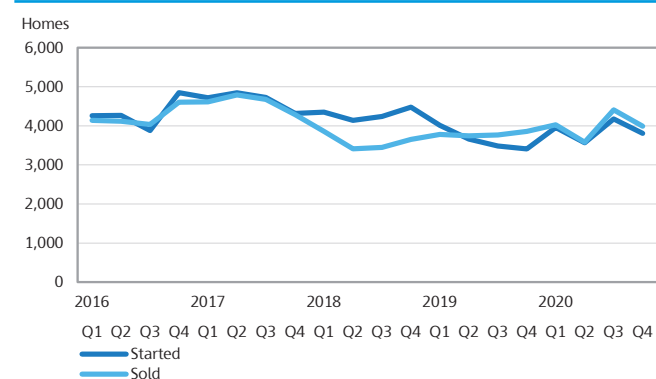
SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Revenue	13,070	12,483	5	3,506	5,292	-34
Gross income	2,178	1,986	10	648	668	-3
Selling and administrative expenses	-635	-791	-20	-173	-291	-41
Operating income	1,543	1,195	29	475	377	26
Gross margin, %	16.7	15.9		18.5	12.6	
Selling and administrative expenses, %	-4.9	-6.3		-4.9	-5.5	
Operating margin, %	11.8	9.6		13.5	7.1	
Return on capital employed, % ¹	12.8	9.8		-	-	

¹ For definition see page 16.

Revenue in the Residential Development business stream amounted to SEK 13,070 M (12,483). The number of homes sold totaled 3,991 (3,853) and construction started on 3,807 homes (3,407). Operating income amounted to SEK 1,543 M (1,195). The operating margin was 11.8 per cent (9.6). In the third quarter the divestment of a multifamily housing portfolio of about 600 homes in Sweden for SEK 1.5 billion was included.

Return on capital employed was 12.8 percent (9.8).

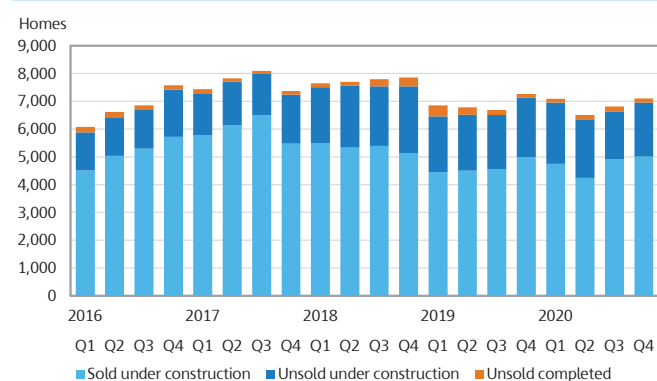
Homes sold and started, rolling 12 months



Homes sold and started

	Jan-Dec 2020	Jan-Dec 2019
Homes sold	3,991	3,853
Homes started	3,807	3,407

Homes under construction and unsold



Homes under construction and unsold

	Dec 31, 2020	Dec 31, 2019
Homes under construction	6,948	7,130
of which sold, %	72	70
Completed unsold, number of homes	154	134

At the end of the quarter, 6,948 homes (September 30, 2020: 6,637) were under construction. Of these, 72 percent (September 30, 2020: 74) were sold. The number of completed unsold homes amounted to 154 (September 30, 2020: 173). The number of completed homes amounted to 3,794 (3,816).

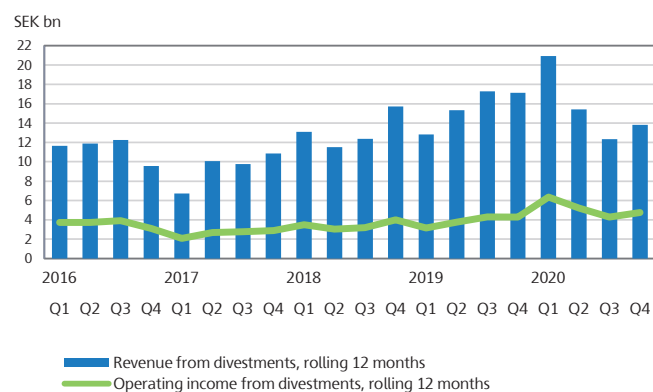
Breakdown of carrying amounts

SEK M	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Completed projects	648	687	567
Ongoing projects	7,843	8,299	7,902
Undeveloped land and development properties	8,550	7,767	8,196
Total	17,041	16,753	16,665

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 7.8 billion (September 30, 2020: 8.3) and undeveloped land and development properties amounted to SEK 8.6 billion (September 30, 2020: 7.8). The estimated unrealized surplus value in unsold homes in construction and undeveloped land and development properties amounted to SEK 2.8 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,300 homes and 1,000 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,200 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Change, %	Oct-Dec 2020	Oct-Dec 2019	Change, %
Revenue	14,983	17,850	-16	8,746	7,063	24
of which from divestment of properties	13,827	17,133	-19	8,301	6,799	22
Gross income	4,701	4,101	15	1,890	1,551	22
Selling and administrative expenses	-796	-960	-17	-198	-287	-31
Income from joint ventures and associated companies	-8	146	-	1	3	-67
Operating income	3,897	3,287	19	1,693	1,267	34
of which from divestment of properties	4,750	4,275	11	2,094	1,610	30
Return on capital employed, % ¹	11.9	10.5				

1 For definition see page 16.

In the Commercial Property Development business stream, divestments worth SEK 13,827 M (17,133) were made in 2020. Operating income amounted to SEK 3,897 M (3,287) and included gains from property divestments totaling SEK 4,750 M (4,275).

Return on capital employed was 11.9 percent (10.5).

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	9,739	17,420	21,759	55	57
Completed projects ^{4,5}	7,683	7,683	9,802	62	100
Undeveloped land and development properties	11,592	11,592	12,283		
Total	29,014	36,695	43,844		
of which carrying amount ⁶	28,667	36,348	0		
of which completed projects sold according to segment reporting	444	444	650		
of which ongoing projects sold according to segment reporting	3,401	4,398	5,016		

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

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

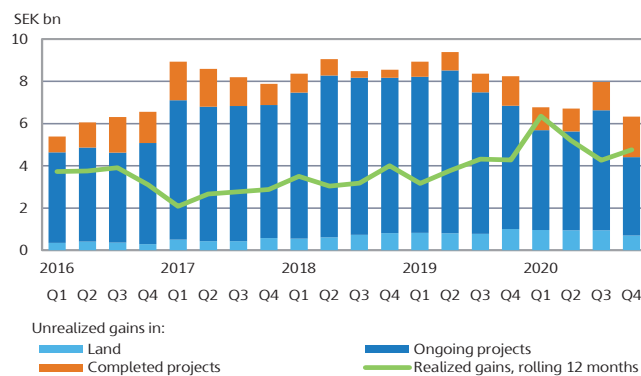
3 Including tenant improvement and leasing commissions in CDUS amounted to SEK 0 M.

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

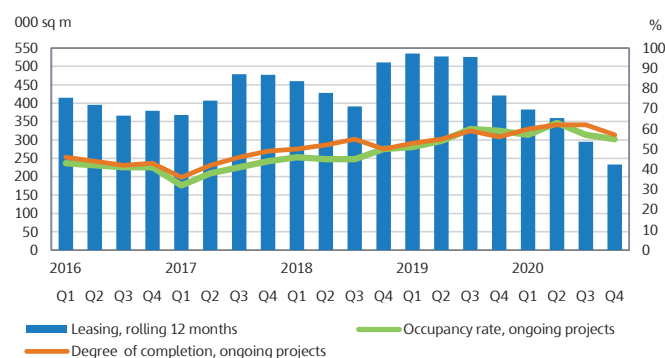
5 Skanska's share of total production cost in JVs is SEK 453 M end of period and upon completion.

6 Includes Skanska's total equity investment in JV of SEK 106 M.

Unrealized and realized gains, segment reporting



Leasing and degree of completion



At the end of the quarter, Commercial Property Development had 31 ongoing projects. During the quarter, one new project was started, and nine were completed. The 31 ongoing projects represent leasable space of about 595,000 sq m with an occupancy rate of 55 percent, measured in rent. The projects' degree of completion was 57 percent. Their investment value upon completion is expected to total SEK 17.4 billion, with an estimated market value of SEK 21.8 billion.

Of the ongoing projects, 13 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 4.4 billion, with a sales value of SEK 5.0 billion. By the end of the year the total number of completed projects amounted to 18. The market value of these projects, excluding property divested according to segment reporting, was SEK 9.2 billion. The occupancy rate, measured in rent, totaled 62 percent (September 30, 2020: 68).

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 1.9 billion in completed projects and SEK 0.7 billion in undeveloped land and development properties.

Accumulated eliminations of intra-Group project gains amounted to SEK 401 M. These eliminations are released at the Group level as each project is divested. During the year new leases were signed for 233,000 sq m (421,000).

Personnel

During 2020, the average number of employees in the Group was 32,463 (34,756). At the end of the quarter, the number of employees totaled 31,517 people (September 30, 2020: 33,282).

Transactions with related parties

For the nature and extent of transactions with related parties, see the Annual and Sustainability Report 2019, Note 39. 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 2019, pages 50–54, 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

Skanska's Annual General Meeting 2021 ("AGM") will take place on Tuesday March 30, 2021. The notice to attend the AGM will be published no later than four weeks prior to the AGM.

Dividend

The Board of Directors propose a dividend of SEK 9.50 (3.25) per share, of which SEK 6.50 (3.25) per share as ordinary dividend and SEK 3.00 (0.00) per share as extra dividend. The proposal is equivalent to a regular dividend payout totaling SEK 3,917 M (1,340). The Board of Directors proposes Thursday April 1, 2021, as the record date for the dividend. The total dividend amount may change up to the record date, depending on share repurchases and transfers.

Events after the end of the report period

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

Financial reports for 2021

Skanska's interim reports and year-end report are available for download on Skanska's website, www.skanska.com/investors. The 2020 Annual and Sustainability Report will be available on Skanska's website in the week commencing March 8, 2021.

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

April 29, 2021	Three Month Report
July 23, 2021	Six Month Report
October 29, 2021	Nine Month Report
February 3, 2022	Year-end Report

Stockholm February 5, 2021

Anders Danielsson

President and Chief Executive Officer

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

Accounting Principles

For the Group, this Year-end 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 Year-end report has been prepared in compliance with the Annual Accounts Act, the Securities Market Act, and Swedish Financial Reporting Board's Recommendation RFR 2.

As of January 1, 2020, the Group applies the amendments to IFRS 9 and IFRS 7 attributable to the Interest Rate Benchmark Reform. In connection with the reform, the amendment provides temporary relief regarding specific requirements when hedge accounting is applied. The relief aims to ensure that hedge accounting does not end in connection with the reform. The change has not had any significant impact on the Group's financial reports.

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 2019, 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 2019, 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.														
Gross income	Revenue minus cost of sales.														
Gross margin	Gross income as a percentage of revenue.														
Selling and admin expenses %	Selling and administrative expenses as a percentage of revenue.														
Operating income	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies.														
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.														
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.														
Operating margin	Operating income as a percentage of revenue.														
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.														
Income after financial items	Operating income minus net financial items.														
Earnings per share, segment	Profit for the period, segment, attributable to equity holders divided by the average number of shares outstanding.														
Book-to-build, rolling 12 months	Order bookings divided by construction revenue, rolling 12 months.														
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.														
Capital employed, Group	Total assets minus non-interest-bearing liabilities.														
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.														
Capital employed Residential Development (RD) SEK M	<table> <tr><td>Total assets</td><td>20,058</td></tr> <tr><td>- tax assets</td><td>-260</td></tr> <tr><td>- deposits in internal bank</td><td>-102</td></tr> <tr><td>- pension receivable</td><td>-33</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-5,986</td></tr> <tr><td>- capitalized interest expense</td><td>-69</td></tr> <tr><td></td><td>13,608</td></tr> </table>	Total assets	20,058	- tax assets	-260	- deposits in internal bank	-102	- pension receivable	-33	- non-interest-bearing liabilities (excluding tax liabilities)	-5,986	- capitalized interest expense	-69		13,608
Total assets	20,058														
- tax assets	-260														
- deposits in internal bank	-102														
- pension receivable	-33														
- non-interest-bearing liabilities (excluding tax liabilities)	-5,986														
- capitalized interest expense	-69														
	13,608														
Capital employed Commercial Property Development (CD) SEK M	<table> <tr><td>Total assets</td><td>34,631</td></tr> <tr><td>- tax assets</td><td>-414</td></tr> <tr><td>- deposits in internal bank</td><td>-157</td></tr> <tr><td>- pension receivable</td><td>0</td></tr> <tr><td>- non-interest-bearing liabilities (excluding tax liabilities)</td><td>-2,914</td></tr> <tr><td>- capitalized interest expense</td><td>-240</td></tr> <tr><td></td><td>30,906</td></tr> </table>	Total assets	34,631	- tax assets	-414	- deposits in internal bank	-157	- pension receivable	0	- non-interest-bearing liabilities (excluding tax liabilities)	-2,914	- capitalized interest expense	-240		30,906
Total assets	34,631														
- tax assets	-414														
- deposits in internal bank	-157														
- pension receivable	0														
- non-interest-bearing liabilities (excluding tax liabilities)	-2,914														
- capitalized interest expense	-240														
	30,906														

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>1,543</td></tr><tr><td>+ capitalized interest expense</td><td></td><td></td><td>109</td></tr><tr><td>+/- financial income and other financial items</td><td></td><td></td><td>2</td></tr><tr><td>– interest income from internal bank</td><td></td><td></td><td>0</td></tr><tr><td>Adjusted profit</td><td></td><td></td><td>1,654</td></tr><tr><td>Capital employed average*</td><td></td><td></td><td>12,968</td></tr><tr><td>ROCE RD</td><td></td><td></td><td>12.8%</td></tr><tr><td colspan="4">* Capital employed average</td></tr><tr><td>Q4 2020</td><td>13,608</td><td>0.5</td><td>6,804</td></tr><tr><td>Q3 2020</td><td>12,810</td><td></td><td>12,810</td></tr><tr><td>Q2 2020</td><td>12,478</td><td></td><td>12,478</td></tr><tr><td>Q1 2020</td><td>13,301</td><td></td><td>13,301</td></tr><tr><td>Q4 2019</td><td>12,954</td><td>0.5</td><td>6,477</td></tr><tr><td></td><td></td><td></td><td> 51,870 / 4</td></tr><tr><td></td><td></td><td></td><td>12,968</td></tr></table>	Operating income			1,543	+ capitalized interest expense			109	+/- financial income and other financial items			2	– interest income from internal bank			0	Adjusted profit			1,654	Capital employed average*			12,968	ROCE RD			12.8%	* Capital employed average				Q4 2020	13,608	0.5	6,804	Q3 2020	12,810		12,810	Q2 2020	12,478		12,478	Q1 2020	13,301		13,301	Q4 2019	12,954	0.5	6,477				51,870 / 4				12,968	Measure the performance (profitability and capital efficiency) in RD.
Operating income			1,543																																																											
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ROCE in CD segment, rolling 12 months SEK M	<table><tr><td>Operating income</td><td></td><td></td><td>3,897</td></tr><tr><td>+ capitalized interest expense</td><td></td><td></td><td>135</td></tr><tr><td>+/- financial income and other financial items</td><td></td><td></td><td>10</td></tr><tr><td>– interest income from internal bank</td><td></td><td></td><td>0</td></tr><tr><td>Adjusted profit</td><td></td><td></td><td>4,042</td></tr><tr><td>Capital employed average*</td><td></td><td></td><td>33,860</td></tr><tr><td>ROCE CD</td><td></td><td></td><td>11.9%</td></tr><tr><td colspan="4">* Capital employed average</td></tr><tr><td>Q4 2020</td><td>30,906</td><td>0.5</td><td>15,453</td></tr><tr><td>Q3 2020</td><td>33,951</td><td></td><td>33,951</td></tr><tr><td>Q2 2020</td><td>33,885</td><td></td><td>33,885</td></tr><tr><td>Q1 2020</td><td>34,905</td><td></td><td>34,905</td></tr><tr><td>Q4 2019</td><td>34,495</td><td>0.5</td><td>17,247</td></tr><tr><td></td><td></td><td></td><td> 135,441 / 4</td></tr><tr><td></td><td></td><td></td><td>33,860</td></tr></table>	Operating income			3,897	+ capitalized interest expense			135	+/- financial income and other financial items			10	– interest income from internal bank			0	Adjusted profit			4,042	Capital employed average*			33,860	ROCE CD			11.9%	* Capital employed average				Q4 2020	30,906	0.5	15,453	Q3 2020	33,951		33,951	Q2 2020	33,885		33,885	Q1 2020	34,905		34,905	Q4 2019	34,495	0.5	17,247				135,441 / 4				33,860	Measure the performance (profitability and capital efficiency) in CD.
Operating income			3,897																																																											
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			135,441 / 4																																																											
			33,860																																																											
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> 1,654</td><td>12,968</td><td>12.8%</td></tr><tr><td>CD</td><td> 4,042</td><td>33,860</td><td>11.9%</td></tr><tr><td></td><td> 5,696</td><td>46,828</td><td>12.2%</td></tr></table>		Adjusted profit	CE avg	ROCE	RD	1,654	12,968	12.8%	CD	4,042	33,860	11.9%		5,696	46,828	12.2%	Measure the performance (profitability and capital efficiency) in Project Development.																																												
	Adjusted profit	CE avg	ROCE																																																											
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Non-IFRS financial measures	Definition	Reason for use																								
Return on equity segment, rolling 12 months SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 9,252 / 35,522 = 26.0%	Measure profitability on invested equity.																								
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. <table><tr><td>Q4 2020</td><td>38,620</td><td>0.5</td><td>19,310</td></tr><tr><td>Q3 2020</td><td>35,589</td><td></td><td>35,589</td></tr><tr><td>Q2 2020</td><td>36,035</td><td></td><td>36,035</td></tr><tr><td>Q1 2020</td><td>34,692</td><td></td><td>34,692</td></tr><tr><td>Q4 2019</td><td>32,924</td><td>0.5</td><td>16,462</td></tr><tr><td></td><td></td><td></td><td> 142,088 / 4 </td></tr></table> 35,522	Q4 2020	38,620	0.5	19,310	Q3 2020	35,589		35,589	Q2 2020	36,035		36,035	Q1 2020	34,692		34,692	Q4 2019	32,924	0.5	16,462				142,088 / 4	
Q4 2020	38,620	0.5	19,310																							
Q3 2020	35,589		35,589																							
Q2 2020	36,035		36,035																							
Q1 2020	34,692		34,692																							
Q4 2019	32,924	0.5	16,462																							
			142,088 / 4																							
Operating cash flow from operations	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.																								
Net divestments/investment	Total investments minus total divestments.	Measure the balance between investments and divestments.																								
Free working capital	Non-interest-bearing receivables less non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital.																								
Average free working capital in Construction SEK M	Calculated on the basis of five measuring points. <table><tr><td>Q4 2020</td><td>-25,748</td><td>0.5</td><td>-12,874</td></tr><tr><td>Q3 2020</td><td>-25,401</td><td></td><td>-25,401</td></tr><tr><td>Q2 2020</td><td>-25,245</td><td></td><td>-25,245</td></tr><tr><td>Q1 2020</td><td>-26,740</td><td></td><td>-26,740</td></tr><tr><td>Q4 2019</td><td>-26,401</td><td>0.5</td><td>-13,201</td></tr><tr><td></td><td></td><td></td><td> -103,461 / 4 </td></tr></table> -25,865	Q4 2020	-25,748	0.5	-12,874	Q3 2020	-25,401		-25,401	Q2 2020	-25,245		-25,245	Q1 2020	-26,740		-26,740	Q4 2019	-26,401	0.5	-13,201				-103,461 / 4	Measure the funding stemming from the negative working capital generated in Construction.
Q4 2020	-25,748	0.5	-12,874																							
Q3 2020	-25,401		-25,401																							
Q2 2020	-25,245		-25,245																							
Q1 2020	-26,740		-26,740																							
Q4 2019	-26,401	0.5	-13,201																							
			-103,461 / 4																							
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	<table><tr><td>Equity attributable to equity holders</td><td>38.6</td></tr><tr><td>Unrealized surplus value in RD</td><td>2.8</td></tr><tr><td>Unrealized CD gains</td><td>7.1</td></tr><tr><td>Effect in unrealized equity in PPP-portfolio</td><td>0.8</td></tr><tr><td>Less standard corporate tax, 10%</td><td> -1.0 </td></tr><tr><td>Adjusted equity</td><td> 48.3 </td></tr></table>	Equity attributable to equity holders	38.6	Unrealized surplus value in RD	2.8	Unrealized CD gains	7.1	Effect in unrealized equity in PPP-portfolio	0.8	Less standard corporate tax, 10%	-1.0	Adjusted equity	48.3	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.												
Equity attributable to equity holders	38.6																									
Unrealized surplus value in RD	2.8																									
Unrealized CD gains	7.1																									
Effect in unrealized equity in PPP-portfolio	0.8																									
Less standard corporate tax, 10%	-1.0																									
Adjusted equity	48.3																									

Reconciliation between segment reporting and IFRSs

	External revenue		Intra-Group revenue		Total revenue		Operating income	
SEK M	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Construction	130,301 ¹	146,000 ¹	10,182	13,579	140,483	159,579	3,528	3,772
Residential Development	13,057	12,431	13	52	13,070	12,483	1,543	1,195
Commercial Property Development	14,900	17,773	83	77	14,983	17,850	3,897	3,287
Total operating segments	158,258	176,204	10,278	13,708	168,536	189,912	8,968	8,254
Central	348	578	22	362	370	940	2,830	-388
Eliminations	0	0	-10,300	-14,070	-10,300	-14,070	62	-38
Total Group	158,606	176,782	0	0	158,606	176,782	11,860	7,828
Reconciliation to IFRSs²	1,738	-3,936	0	0	1,738	-3,936	773	-400
Total IFRSs	160,344	172,846	0	0	160,344	172,846	12,633	7,428

1 Of which external revenue from joint ventures in PPP-portfolio, SEK 4,643 M (7,223).

2 Of which effect from joint ventures in Residential Development proportionally

	-594	-532					-233	-144
Of which effect of different revenue recognitions	2,332	-3,404					1,006	-256

Revenue by geographical area (IFRS)

	Construction		Residential Development		Commercial Property Development		Central and Eliminations		Total	
SEK M	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Nordics	56,515	60,113	9,883	10,897	7,069	5,691	-6,890	-7,456	66,577	69,245
of which Sweden	32,816	34,535	5,977	5,777	5,255	3,225	-4,604	-5,172	39,444	38,365
Europe	23,769	30,861	1,778	972	2,838	3,330	-2,585	-4,084	25,800	31,079
USA	60,199	68,605	0	0	8,231	5,245	-463	-1,328	67,967	72,522
Total operating segments	140,483	159,579	11,661	11,869	18,138	14,266	-9,938	-12,868	160,344	172,846

	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
SEK M	Jan-Dec 2020	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2019
Revenue								
Construction	140,483	140,483	159,579	159,579	34,188	34,188	42,411	42,411
Residential Development	13,070	11,661	12,483	11,869	3,506	3,555	5,292	3,489
Commercial Property Development	14,983	18,138	17,850	14,266	8,746	7,320	7,063	8,069
Central and Eliminations	-9,930	-9,938	-13,130	-12,868	-2,440	-2,438	-3,369	-3,278
Skanska Group	158,606	160,344	176,782	172,846	44,000	42,625	51,397	50,691
Operating income								
Construction	3,528	3,528	3,772	3,772	1,112	1,112	1,092	1,092
Residential Development	1,543	1,514	1,195	1,435	475	486	377	192
Commercial Property Development ¹	3,897	4,678	3,287	2,677	1,693	1,534	1,267	1,712
Central	2,830	2,830	-388	-388	3,170	3,170	-247	-247
of which PPP-portfolio	3,734	3,734	24	24	3,741	3,741	-29	-29
Eliminations ¹	62	83	-38	-68	138	101	-36	18
Operating income	11,860	12,633	7,828	7,428	6,588	6,403	2,453	2,767
Net financial items	-236	-229	-103	-88	-59	-55	-34	-40
Income after financial items	11,624	12,404	7,725	7,340	6,529	6,348	2,419	2,727
Taxes	-2,350	-2,507	-1,353	-1,286	-1,429	-1,413	-477	-525
Profit for the period	9,274	9,897	6,372	6,054	5,100	4,935	1,942	2,202
Earnings for the period per share, SEK ²	22.46		15.46		12.37		4.71	
Earnings for the period per share according to IFRSs, SEK ²		23.97		14.68		11.97		5.34
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	4,750	5,583	4,275	3,634	2,094	1,987	1,610	2,024
Eliminations	359	394	240	204	166	127	132	127

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-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Revenue	160,344	172,846	42,625	50,691
Cost of sales	-143,457	-156,540	-37,659	-44,780
Gross income	16,887	16,306	4,966	5,911
Selling and administrative expenses	-8,269	-9,469	-2,414	-3,206
Income from joint ventures and associated companies	4,015	591	3,851	62
Operating income	12,633	7,428	6,403	2,767
Financial income	120	188	13	30
Financial expenses	-349	-276	-68	-70
Net financial items ¹	-229	-88	-55	-40
Income after financial items	12,404	7,340	6,348	2,727
Taxes	-2,507	-1,286	-1,413	-525
Profit for the period	9,897	6,054	4,935	2,202
1 Of which				
Interest income	118	152	11	32
Financial net pension costs	-61	-84	-17	-25
Interest expenses	-194	-209	-42	-39
Interest expenses from lease liabilities	-244	-272	-58	-73
Capitalized interest expenses	195	307	47	60
Net interest items	-186	-106	-59	-45
Change in fair value	-3	4	1	6
Other net financial items	-40	14	3	-1
Net financial items	-229	-88	-55	-40
Profit attributable to:				
Equity holders	9,875	6,031	4,932	2,195
Non-controlling interests	22	23	3	7
Earnings per share, SEK ²	23.97	14.68	11.97	5.34
Earnings per share after dilution, SEK ³	23.84	14.62	11.90	5.32

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-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Profit for the period	9,897	6,054	4,935	2,202
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurements of defined benefit plans	-1,003	-895	549	1,360
Tax related to items that will not be reclassified to profit and loss	211	166	-120	-305
	-792	-729	429	1,055
Items that have been or will be reclassified to profit and loss				
Translation differences attributable to equity holders	-2,120	672	-1,036	-739
Translation differences attributable to non-controlling interests	-7	3	-2	-2
Hedging of exchange rate risk in foreign operations	-19	4	-38	-43
Effects of cash flow hedges ¹	35	31	164	79
Share of other comprehensive income of joint ventures and associated companies ²	-176	-41	-136	116
Tax related to items that have been or will be reclassified to profit and loss	21	-10	-2	-13
	-2,266	659	-1,050	-602
Other comprehensive income after tax	-3,058	-70	-621	453
Total comprehensive income	6,839	5,984	4,314	2,655
Total comprehensive income attributable to				
Equity holders	6,824	5,958	4,313	2,650
Non-controlling interests	15	26	1	5
1 Of which transferred to income statement	-2	2	1	6
2 Of which transferred to income statement	157	148	38	225

Summary statement of financial position (IFRS)

SEK M	Dec 31, 2020	Dec 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	6,816	7,742
Property, plant and equipment right-of-use assets	3,930	4,616
Goodwill	3,713	4,057
Intangible assets	771	865
Investments in joint ventures and associated companies	1,689	3,442
Financial non-current assets ^{1,3}	1,931	2,528
Deferred tax assets	1,803	1,862
Total non-current assets	20,653	25,112
Current assets		
Current-asset properties ²	44,947	46,373
Current-asset properties right-of-use land	2,980	3,980
Inventories	1,100	1,128
Financial current assets ³	8,492	6,899
Tax assets	950	670
Contract assets	4,599	5,898
Trade and other receivables	22,402	27,213
Cash	19,508	8,745
Total current assets	104,978	100,906
TOTAL ASSETS	125,631	126,018
of which interest-bearing financial non-current assets	1,884	2,483
of which interest-bearing current assets	27,808	15,517
Total interest-bearing assets	29,692	18,000
EQUITY		
Equity attributable to equity holders	38,620	32,924
Non-controlling interests	97	97
Total equity	38,717	33,021
LIABILITIES		
Non-current liabilities		
Financial non-current liabilities ³	3,247	2,565
Lease liabilities	6,217	7,843
Pensions	7,360	6,866
Deferred tax liabilities	928	1,045
Total non-current liabilities	17,752	18,319
Current liabilities		
Financial current liabilities ³	4,663	4,617
Lease liabilities	1,016	1,078
Tax liabilities	1,883	564
Current provisions	10,326	10,021
Contract liabilities	19,462	20,419
Trade and other payables	31,812	37,979
Total current liabilities	69,162	74,678
TOTAL EQUITY AND LIABILITIES	125,631	126,018
of which interest-bearing financial liabilities	15,052	16,051
of which interest-bearing pensions and provisions	7,360	6,866
Total interest-bearing liabilities	22,412	22,917
1 Of which shares and participations	43	44
2 Current-asset properties		
Commercial Property Development	27,906	29,708
Residential Development	17,041	16,665
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:		
Financial non-current assets	4	1
Financial current assets	192	127
Financial non-current liabilities	6	2
Financial current liabilities	85	50

Note: Contingent liabilities amounted to SEK 57.9 bn on December 31, 2020 (Dec 31, 2019: 38.8) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2019 Annual and Sustainability Report, Note 20B, 20C and 33. During the period, contingent liabilities increased by SEK 19.1 bn.

Summary statement of changes in equity (IFRS)

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Opening balance	33,021	29,347	35,685	30,311
of which non-controlling interests	97	97	96	107
Change in accounting principle ¹	-	-67	-	-
Adjusted opening balance	33,021	29,280	35,685	30,311
of which non-controlling interests	97	97	96	107
Dividend to shareholders	-1,340	-2,462	-1,340	0
Dividend to non-controlling interests	-15	-26	0	-15
Effects of equity-settled share-based payments	300	245	92	70
Repurchase of shares	-88	0	-34	0
Total comprehensive income attributable to				
Equity holders	6,824	5,958	4,313	2,650
Non-controlling interests	15	26	1	5
Closing balance	38,717	33,021	38,717	33,021
of which non-controlling interests	97	97	97	97

1 Change in accounting principle is attributable to the implementation 2019 of IFRS 16. For further information see the Annual and Sustainability Report 2019, Note 1.

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

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Cash flow from operating activities before change in working capital, according to IAS 7	2,652	3,395	143	1,044
Cash flow from change in working capital, according to IAS 7	8,632	2,643	4,643	7,685
Net investments in property, plant and equipment and intangible assets	4,129	-1,453	4,893	-272
Tax payments on sold property, plant and equipment and intangible assets	-29	-62	-14	-9
Cash flow from business operations including taxes paid according to operating cash flow	15,384	4,523	9,665	8,448
Less net investments in property, plant and equipment and intangible assets	-4,129	1,453	-4,893	272
Less tax payments on sold property, plant and equipment and intangible assets	29	62	14	9
Cash flow from operating activities, according to IAS 7	11,284	6,038	4,786	8,729
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow	0	-6	0	0
Net investments in property, plant and equipment and intangible assets	4,129	-1,453	4,893	-272
Increase and decrease in interest-bearing receivables	-2,529	307	-3,083	-821
Taxes paid on sold property, plant and equipment and intangible assets	-29	-62	-14	-9
Cash flow from investing activities, according to IAS 7	1,571	-1,214	1,796	-1,102
Cash flow from financing operations according to operating cash-flow statement	-934	-688	-121	-109
Change in interest-bearing receivables and liabilities excluding lease liabilities	-1,336	-3,415	-2,783	-2,716
Increase and decrease in interest-bearing receivables	2,529	-307	3,083	821
Dividend etc ¹	-1,443	-2,488	-1,374	-15
Cash flow from financing activities, according to IAS 7	-1,184	-6,898	-1,195	-2,019
Cash flow for the period	11,671	-2,074	5,387	5,608

1 Of which repurchases of shares SEK -88 M.

Operating cash flow (IFRS), supplementary information

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Construction				
Cash flow from business operations	6,257	6,614	1,813	2,236
Change in working capital	1,382	-262	1,703	2,955
Net divestments(+)/investments(-)	-1,188	-1,503	-374	-478
Total Construction	6,451	4,849	3,142	4,713
Residential Development				
Cash flow from business operations	-434	-707	-221	-265
Change in working capital	-693	1,055	-386	95
Net divestments(+)/investments(-)	1,291	2,354	186	892
Total Residential Development	164	2,702	-421	722
Commercial Property Development				
Cash flow from business operations	-1,088	-917	-472	-612
Change in working capital	-487	-1,130	-273	70
Net divestments(+)/investments(-)	7,211	775	3,417	3,744
Cash flow adjustment	-355	209	-61	-38
Total Commercial Property Development	5,281	-1,063	2,611	3,164
Central and eliminations				
Cash flow from business operations	-631	-286	-600	-217
Change in working capital	406	-314	54	117
Net divestments(+)/investments(-)	5,194	6	5,270	55
of which PPP-portfolio	5,296	124	5,272	87
Cash flow adjustment	0	0	0	1
Total central and eliminations	4,969	-594	4,724	-44
Total cash flow from business operations	4,104	4,704	520	1,142
Total change in working capital	608	-651	1,098	3,237
Total net divestments(+)/investments(-)	12,508	1,632	8,499	4,213
Total cash flow adjustment	-355	209	-61	-37
Cash flow from business operations before taxes paid	16,865	5,894	10,056	8,555
Taxes paid in business operations	-1,481	-1,371	-391	-107
Cash flow from business operations including taxes paid	15,384	4,523	9,665	8,448
Net interest items, other net financial items and amortization of lease liabilities	-1,334	-983	-172	-156
Taxes paid in financing operations	400	295	51	47
Cash flow from financing operations	-934	-688	-121	-109
Operating cash flow from operations	14,450	3,835	9,544	8,339
Net strategic divestments(+)/investments(-)	0	-6	0	0
Dividend etc. ¹	-1,443	-2,488	-1,374	-15
Cash flow before change in interest-bearing receivables and liabilities	13,007	1,341	8,170	8,324
Change in interest-bearing receivables and liabilities excluding lease liabilities	-1,336	-3,415	-2,783	-2,716
Cash flow for the period	11,671	-2,074	5,387	5,608
Cash and cash equivalents at the beginning of the period	8,745	10,722	14,922	3,245
Exchange rate differences in cash and cash equivalents	-908	97	-801	-108
Cash and cash equivalents at the end of the period	19,508	8,745	19,508	8,745

1 Of which repurchases of shares SEK -88 M.

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

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
OPERATIONS - INVESTMENTS				
Intangible assets	-132	-116	-76	-8
Property, plant and equipment	-1,487	-2,566	-436	-915
Shares and participations	-19	-108	-6	0
Current-asset properties	-20,047	-22,173	-6,772	-6,744
of which Residential Development	-10,299	-9,308	-3,315	-2,553
of which Commercial Property Development	-9,748	-12,865	-3,457	-4,191
Investments in operations	-21,685	-24,963	-7,290	-7,667
STRATEGIC INVESTMENTS				
Businesses	0	-6	0	0
Strategic investments	0	-6	0	0
Total Investments	-21,685	-24,969	-7,290	-7,667
OPERATIONS - DIVESTMENTS				
Intangible assets	8	25	8	20
Property, plant and equipment	289	1,028	116	386
Shares and participations	5,470	284	5,287	245
Current-asset properties	28,426	25,258	10,378	11,229
of which Residential Development	11,548	11,740	3,503	3,455
of which Commercial Property Development	16,878	13,518	6,875	7,774
Divestments in operation	34,193	26,595	15,789	11,880
Total divestments	34,193	26,595	15,789	11,880
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	12,508	1,626	8,499	4,213
Depreciation, non-current assets	-2,945	-3,043	-702	-776

Capital employed in Project Development (IFRS)

SEK M	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Residential Development	13,608	12,810	12,954
Commercial Property Development	30,906	33,951	34,495
Total in Project Development	44,514	46,761	47,449

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-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Revenue	675	729	188	257
Selling and administrative expenses	-523	-533	-121	-167
Operating income	152	196	67	90
Net financial items	2,829	2,863	-150	-111
Income after financial items	2,981	3,059	-83	-21
Taxes	-5	-21	10	-3
Profit for the period	2,976	3,038	-73	-24
Total comprehensive income	2,976	3,038	-73	-24

Summary balance sheet (IFRS)

SEK M	Dec 31, 2020	Dec 31, 2019
ASSETS		
Intangible non-current assets	8	11
Property, plant and equipment	0	0
Financial non-current assets ²	12,031	11,810
Total non-current assets	12,039	11,821
Current receivables	164	157
Total current assets	164	157
TOTAL ASSETS	12,203	11,978
EQUITY AND LIABILITIES		
Equity	10,652	8,788
Provisions	240	254
Non-current interest-bearing liabilities ²	1,211	2,816
Current liabilities	100	120
TOTAL EQUITY AND LIABILITIES	12,203	11,978

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

² Of these amounts, SEK 384 M (Dec 31, 2019: 318) were intra-Group receivables and SEK 1,211 M (Dec 31, 2019: 2,816) intra-Group liabilities.

Note: The Parent Company's contingent liabilities totaled SEK 160.6 bn on December 31, 2020 (Dec 31, 2019: 173.5), of which SEK 118.1 bn (Dec 31, 2019: 155.0) were related to obligations on behalf of Group Companies. Other obligations, SEK 42.5 bn on December 31, 2020 (Dec 31, 2019: 18.5), were related to commitments to outside parties.

Share data

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Earnings per share according to segment reporting, SEK ¹	22.46	15.46	12.37	4.71
Earnings per share, SEK ¹	23.97	14.68	11.97	5.34
Earnings per share after dilution, SEK ²	23.84	14.62	11.90	5.32
Equity per share, SEK ³	93.67	80.01		
Adjusted equity per share, SEK ⁴	117.22	112.04		
Average number of shares outstanding	411,993,869	410,720,937		
Average number of shares outstanding after dilution	414,304,017	412,585,074		
Average dilution, %	0.56	0.45		
Number of shares, at balance sheet date	419,903,072	419,903,072		
Average price, repurchased shares, SEK	138.45	137.54		
Number of Series B shares repurchased	27,348,228	26,888,228		
of which repurchased during the year	460,000	0	164,000	0
Number of shares in Skanska's own custody	7,616,674	8,394,479		
Number of shares outstanding	412,286,398	411,508,593		

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-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
Revenue	158,606	176,782	170,494	160,823	151,307
Operating income	11,860	7,828	4,827	5,504	8,199
Profit for the period	9,274	6,372	3,929	4,934	6,526
Earnings per share, SEK	22.46	15.46	9.55	12.01	15.89
Return on capital employed, %	20.2	15.1	11.2	13.3	21.8
Return on equity, %	26.0	21.4	14.1	18.6	28.3
Operating margin, %	7.5	4.4	2.8	3.4	5.4
Return on capital employed according to IFRSs, %	21.5	14.3	13.0	11.1	19.2
Cash flow per share according to IFRSs, SEK ¹	31.57	3.26	9.51	-2.44	-10.16

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

	Average exchange rates		Exchange rates on the closing day	
	Jan-Dec 2020	Jan-Dec 2019	Dec 31, 2020	Dec 31, 2019
SEK				
US dollar	9.21	9.46	8.19	9.33
British pound	11.81	12.07	11.15	12.24
Norwegian krone	0.98	1.07	0.96	1.06
Euro	10.49	10.58	10.05	10.45
Czech koruna	0.40	0.41	0.38	0.41
Polish zloty	2.36	2.46	2.22	2.45

Construction

Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Revenue	140,483	159,579	34,188	42,411
Gross income	9,343	10,437	2,552	3,175
Selling and administrative expenses	-5,852	-6,702	-1,452	-2,094
Income from joint ventures and associated companies	37	37	12	11
Operating income	3,528	3,772	1,112	1,092
Investments	-1,503	-2,542	-504	-875
Divestments	315	1,039	130	397
Net divestments(+)/investments(-)	-1,188	-1,503	-374	-478
Gross margin, %	6.7	6.5	7.5	7.5
Selling and administrative expenses, %	-4.2	-4.2	-4.2	-4.9
Operating margin %	2.5	2.4	3.3	2.6
Order bookings, SEK bn	149.8	145.8	39.8	49.0
Order backlog, SEK bn	178.9	185.4	-	-
Employees	30,944	33,225	-	-

Revenue

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	56,131	59,600	14,469	16,736
of which Sweden	33,690	35,233	8,978	10,078
Europe	24,153	31,366	5,877	8,151
USA	60,199	68,613	13,842	17,524
Total	140,483	159,579	34,188	42,411

Operating income

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	1,995	2,299	587	723
of which Sweden	1,072	1,330	294	484
Europe	314	473	149	18
USA	1,219	1,000	376	351
Total	3,528	3,772	1,112	1,092

Operating margin, %

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	3.6	3.9	4.1	4.3
of which Sweden	3.2	3.8	3.3	4.8
Europe	1.3	1.5	2.5	0.2
USA	2.0	1.5	2.7	2.0
Total	2.5	2.4	3.3	2.6

Order backlog

SEK M	Dec 31, 2020	Dec 31, 2019
Nordics	63,514	62,244
of which Sweden	34,558	37,771
Europe	37,681	24,699
USA	77,729	98,427
Total	178,924	185,370

Order bookings

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	59,253	59,437	16,516	15,797
of which Sweden	30,502	37,596	6,464	8,153
Europe	40,147	18,953	6,184	6,293
USA	50,402	67,428	17,140	26,938
Total	149,802	145,818	39,840	49,028

Book-to build, R-12m

	Dec 31, 2020	Dec 31, 2019
Nordics	106	100
of which Sweden	91	107
Europe	166	60
USA	84	98
Total	107	91

Residential Development

Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Revenue	13,070	12,483	3,506	5,292
Gross income	2,178	1,986	648	668
Selling and administrative expenses	-635	-791	-173	-291
Operating income	1,543	1,195	475	377
Operating margin, %	11.8	9.6	13.5	7.1
Investments	-10,419	-9,437	-3,332	-2,590
Divestments	11,710	11,793	3,518	3,482
Net divestments(+)/investments(-)	1,291	2,356	186	892
Capital employed, SEK bn	13.6	13.0	-	-
Return on capital employed, %	12.8	9.8	-	-
Employees	571	551	-	-

Revenue

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	11,598	11,296	2,912	4,874
of which Sweden	7,042	6,569	1,726	3,052
Europe	1,472	1,187	594	418
Total	13,070	12,483	3,506	5,292

Operating income¹

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	1,345	1,034	414	350
of which Sweden	797	675	235	322
Europe	198	161	61	27
Total	1,543	1,195	475	377

¹ Development gain only. Construction margin reported under Construction.

Operating margin, %¹

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	11.6	9.2	14.2	7.2
of which Sweden	11.3	10.3	13.6	10.6
Europe	13.5	13.6	10.3	6.5
Total	11.8	9.6	13.5	7.1

Homes started

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	2,937	2,847	851	1,328
of which Sweden	2,124	2,003	816	790
Europe	870	560	461	350
Total	3,807	3,407	1,312	1,678

Homes sold

	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	3,352	3,203	777	1,350
of which Sweden	2,341	2,057	538	941
Europe	639	650	335	175
Total	3,991	3,853	1,112	1,525

Homes under construction

	Dec 31, 2020	Dec 31, 2019
Nordics	5,518	5,672
of which Sweden	3,901	3,789
Europe	1,430	1,458
Total	6,948	7,130

Completed unsold, number of homes

	Dec 31, 2020	Dec 31, 2019
Nordics	141	121
of which Sweden	68	56
Europe	13	13
Total	154	134

Homes under construction of which sold, %

	Dec 31, 2020	Dec 31, 2019
Nordics	77	69
of which Sweden	77	70
Europe	55	72
Total	72	70

Commercial Property Development

Revenue and earnings

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Revenue	14,983	17,850	8,746	7,063
of which from divestment of properties	13,827	17,133	8,301	6,799
Gross income	4,701	4,101	1,890	1,551
Selling and administrative expenses	-796	-960	-198	-287
Income from joint ventures and associated companies	-8	146	1	3
Operating income	3,897	3,287	1,693	1,267
of which gain from divestments of properties ¹	4,750	4,275	2,094	1,610
of which writedowns/reversal of writedowns	-282	-89	-250	-19
¹ Additional gains included in eliminations	359	240	166	132
Investments	-9,777	-12,946	-3,464	-4,219
Divestments	16,988	13,713	6,881	7,963
Net divestments(+)/investments(-)	7,211	767	3,417	3,744
Capital employed, SEK bn	30.9	34.5	-	-
Return on capital employed, %	11.9	10.5	-	-
Employees	445	427	-	-

Revenue

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	5,420	6,665	659	1,011
Europe	2,835	4,398	1,787	825
USA	6,728	6,787	6,300	5,227
Total	14,983	17,850	8,746	7,063

of which from divestments

Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
5,003	6,435	400	945
2,664	4,283	1,740	771
6,160	6,415	6,161	5,083
13,827	17,133	8,301	6,799

Operating income

SEK M	Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
Nordics	1,870	1,323	-8	269
Europe	661	695	307	-83
USA	1,366	1,269	1,394	1,081
Total	3,897	3,287	1,693	1,267

of which from divestments

Jan-Dec 2020	Jan-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
2,189	1,702	35	365
865	1,155	377	91
1,696	1,418	1,682	1,154
4,750	4,275	2,094	1,610

Capital employed

SEK M	Dec 31, 2020	Dec 31, 2019
Nordics	11,618	11,595
Europe	9,744	9,803
USA	9,544	13,097
Total	30,906	34,495

PPP-portfolio value

Unrealized development gain in PPP-portfolio

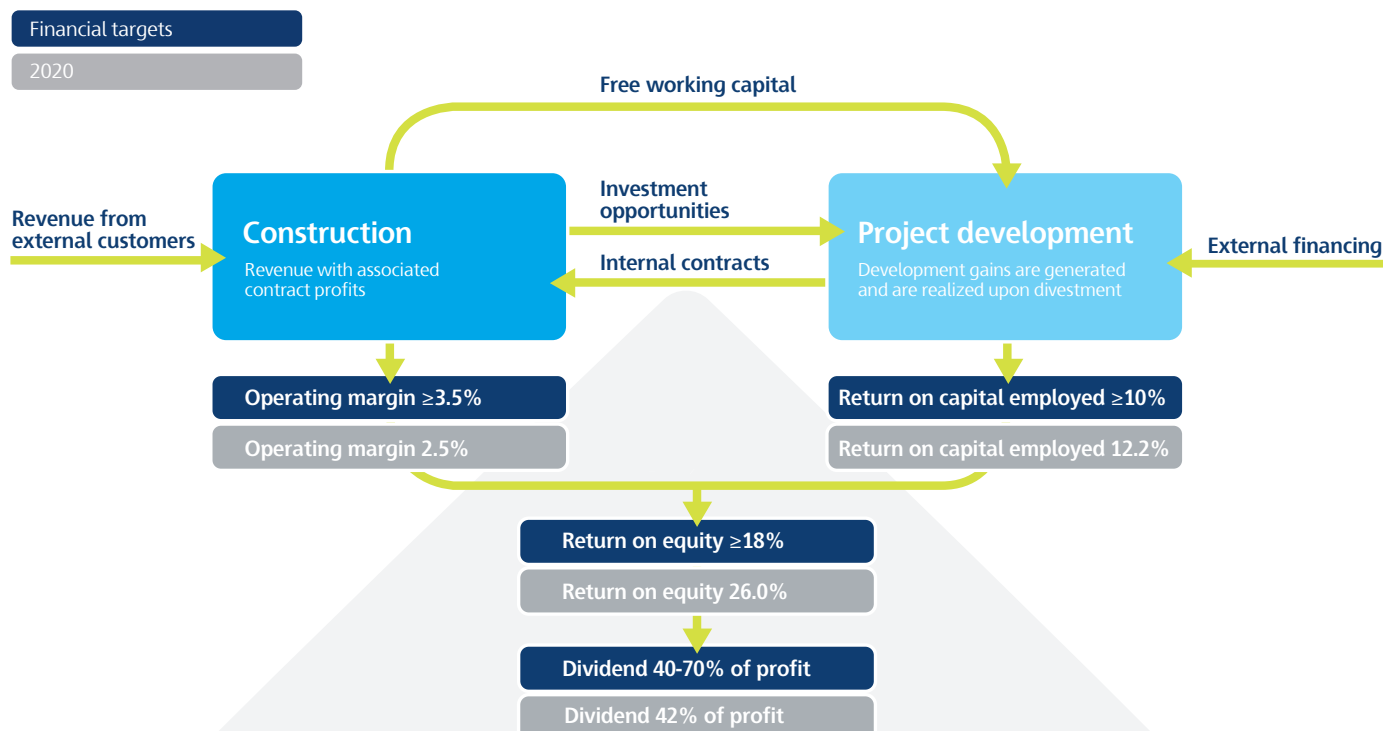
SEK bn	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Present value of cash flow from projects	2.2	4.4	4.9
Present value of remaining investments	-1.0	-0.9	-1.1
Net present value of projects	1.2	3.5	3.8
Carrying amount before Cash flow hedge / Carrying amount	-0.7	-2.1	-2.5
Unrealized development gain	0.5	1.4	1.3
Cash flow hedge	0.3	0.3	0.3
Effect in unrealized equity ¹	0.8	1.7	1.6

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.

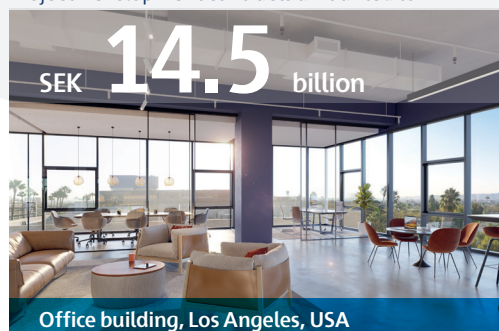
Skanska's business model



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 15.7 billion of Skanska's total order backlog are contracts involving more than one Business Unit, with revenue from internal contracts amounting to SEK 14.5 billion.

Construction revenue from internal Project Development contracts amounted to:



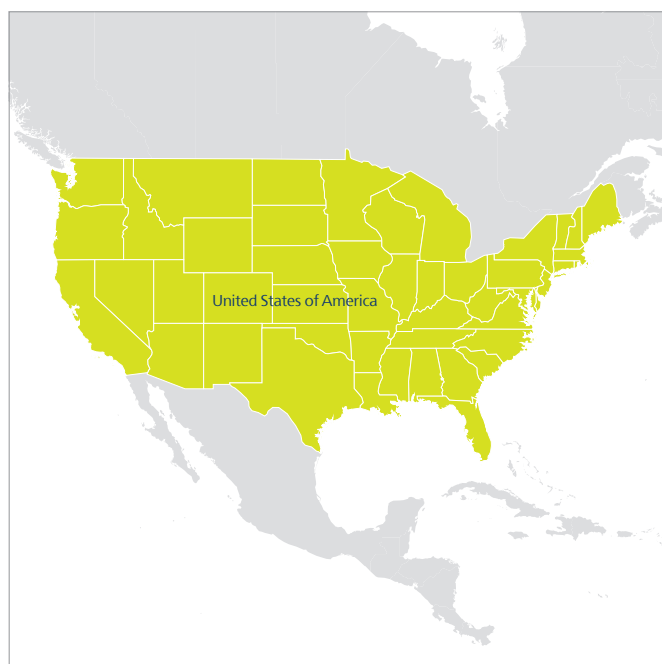
Skanska has invested in its first Los Angeles office development project located in Beverly Hills, USA. Located at 9000 Wilshire Boulevard in Beverly Hills, California, Skanska plans to develop and build a four-story, 4,270 square meter office building with roof top terrace and four below grade parking levels. The project will target LEED Platinum certification. The project is scheduled to be completed in 2022.

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



In Lund, Sweden, Skanska is building what will be a world-leading, multi-disciplinary research facility, based on the world's most powerful neutron source, and with ground-breaking circular thinking. Skanska is responsible for constructing the facility's 23 buildings and infrastructure. The work is being carried out under a collaboration agreement, whereby Skanska and ESS work together on the project applying an open and integrated approach.

Skanska's home markets



For further information, please contact:

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

This report will also be presented via a telephone conference and a webcast at 10:00 a.m. (CET) on February 5, 2021.
The telephone conference will be webcasted live at www.skanska.com/investors, where a recording of the conference will also be available later.
To participate in the telephone conference, please dial +46 8 566 426 51, or +44 333 300 0804, or +1 631 913 1422. PIN code 25299857#.
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 February 5, 2021.