

SKANSKA

Q3 2022

Press release, October 26, 2022, 7:30 a.m. CET

We build for a better society.

Harry W Nice Memorial Bridge Newburg, Dahlgren, Virginia USA



Interim report third quarter 2022

Highlights according to segment reporting

- Revenue amounted to SEK 38.6 billion (33.4); adjusted for currency effects revenue increased 3 percent.
- Operating income amounted to SEK 1.5 billion (1.5); adjusted for currency effects operating income decreased 10 percent.
- Earnings per share amounted to SEK 3.10 (3.07).
- Operating cash flow from operations amounted to SEK 3.2 billion (0.8), according to IFRS.
- Adjusted interest-bearing net receivables(+)/net debt(-) totaled SEK 14.1 billion (June 30, 2022: 11.1).
- Order bookings in Construction amounted to SEK 43.8 billion (26.6). Adjusted for currency effects order bookings quarter over quarter increased 50 percent. Rolling 12-month book-to-build ratio was 102 percent.
- Operating income in Construction amounted to SEK 1.3 billion (1.2), representing an operating margin of 3.4 percent (3.6). Rolling 12-month, operating margin was 3.3 percent.
- Operating income in Project Development amounted to SEK 0.1 billion (0.4).
- Return on capital employed in Project Development was 10.0 percent (12.1).
- Return on equity was 16.9 percent (26.1).

Performance Analysis

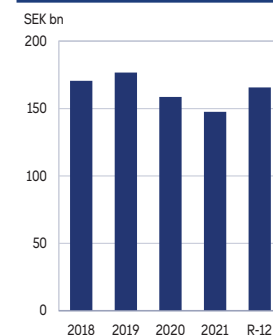
Tables referring to segment reporting are in shaded background. For more information see page 16.

For definitions of non-IFRS financial measures see pages 17-19.

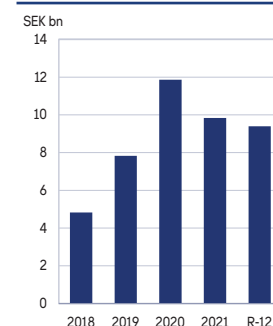
SEKM	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue				
Construction	40,174	33,252	150,891	132,587
Residential Development	1,469	2,053	12,346	14,377
Commercial Property Development	326	556	16,799	11,102
Investment Properties	10	0	20	0
Central and Eliminations	-3,377	-2,435	-14,437	-10,490
Total	38,603	33,427	165,618	147,576
Operating income				
Construction	1,348	1,196	5,050	5,013
Residential Development	132	318	1,425	1,980
Commercial Property Development	-19	84	3,297	3,264
Investment Properties	7	0	40	0
Central	112	-37	-368	-415
Eliminations	-61	-20	-50	-9
Operating income	1,518	1,542	9,393	9,832
Net financial items	69	-23	24	-172
Income after financial items	1,587	1,519	9,417	9,660
Taxes	-300	-242	-1,643	-1,472
Profit for the period	1,287	1,277	7,775	8,188
Earnings for the period per share, SEK	3.10	3.07	18.79	19.80
Revenue for the period according to IFRSs	43,229	33,897	161,926	143,865
Operating income for the period according to IFRSs	2,755	1,457	8,779	8,293
Earnings for the period per share according to IFRSs, SEK	5.50	2.90	17.48	16.64
Operating cash flow from operations	3,177	803	2,374	4,185
Interest-bearing net receivables(+)/net debt(-)	12,769	8,566		12,598
Return on capital employed in Project Development, % ¹	10.0	12.1		11.8
Return on capital employed in Investments Properties, % ¹	8.5	-		-
Adjusted interest-bearing net receivables(+)/net debt(-)	14,134	14,950		17,719
Return on equity, % ¹	16.9	26.1		20.1

¹ Rolling 12 months.

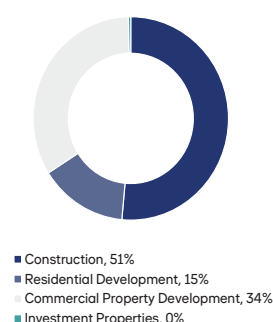
Revenue



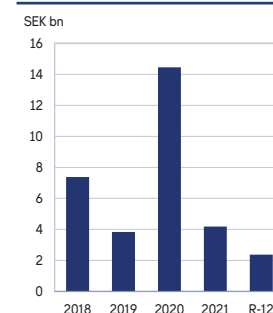
Operating income



Operating income per segment Sep 30, 2022, R-12



Operating cash flow from operations



Diversified business with a strong financial position

We delivered solid results in the third quarter, despite global economic uncertainties and market headwinds. Revenue continued to grow and profitability in the construction stream remained strong.

We maintain a solid financial position. Diversification in our construction business stream provides stability, and we hold a property development portfolio of highly attractive and sustainable properties.

In Construction, we continued to deliver in line with our strategy. Revenue grew for yet another quarter, in line with expectations based on our strong order backlog. Third quarter order intake was good. Even though our markets are being affected by the weakening macroeconomic situation, profitability remains healthy both in the quarter and on a rolling 12-month basis. This is the result of our focused work to reduce risk in the portfolio.

For Residential Development, the rapid increases in inflation and interest rates are putting pressure on households. Market activity has reduced significantly this year and sales have slowed as a result. This impacted revenue for the quarter. The housing market is cyclical but there is a structural shortage of homes that we believe will balance the market over time. We continue to build a solid landbank and develop high-quality and energy-efficient homes that are well aligned with the underlying demand. The sales rate in our portfolio of ongoing projects remains high and we have few unsold completed homes.

Commercial Property Development had a strong first nine months with several large divestments being recorded. The leasing market is competitive, but we are seeing patterns emerging for post-pandemic tenant demand. Companies are highlighting the importance of modern, sustainable and flexible premises with an increased focus on wellness and amenities, to bring employees back to the office. This is a good fit with our portfolio. We are also gradually increasing the portion of multifamily properties for rent in USA and Denmark and life science properties in USA to meet growing demand. This provides further diversification in the portfolio.



Carbon emissions from our own operations continued to decline during the third quarter. Combined Scope 1 and 2 emissions are now 54 percent below the baseline year of 2015. Much of our recent progress in reducing emissions can be attributed to improved energy efficiency. Between 2015 and 2021, energy intensity (energy use/SEK M revenue) declined by 26 percent. This is a result of our climate plans and targets which have included actions to improve operational efficiency.

With a highly skilled organization we stay true to the strategy that has proved resilient in the challenging market circumstances of recent years. A solid financial position and low reliance on the credit market ensures that we can continue to capture good business opportunities also in tougher market conditions. With a strong and diversified business our focus is set on delivering long-term value for our clients, partners, society and shareholders.

Anders Danielsson
President and Chief Executive Officer

Skanska target performance (rolling 12-month basis)

Operating margin – Construction

3.3%

Target $\geq 3.5\%$

Return on equity

16.9%

Target $\geq 18\%$

Return on capital employed –
Project Development

10.0%

Target $\geq 10\%$

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

+14.1 SEK bn

Limit SEK -10 bn

Return on capital employed –
Investment Properties

8.5%

Target $\geq 6\%$

Climate target (scope 1 and 2)
Reduction CO₂ compared with 2015

-54%

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

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

Market outlook remains stable for the civil construction market whereas outlook for the building segment is slightly more cautious in the current global economic situation. Inflation and increased interest rates will put pressure on budgets and our clients' business cases, resulting sometimes in delayed projects. At the same time, pent-up demand, EU recovery funding and federal funding targeting infrastructure in the USA are increasing the number of projects coming to the market. Overall, we have seen the market develop in accordance with our expectations, but the Central European residential building segment faces a weaker outlook corresponding to a weaker housing market.

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

¹ Including Slovakia.

Residential Development

Activity in the housing market has weakened as general economic uncertainties, inflation and raised interest rates impact consumer confidence. Decision making takes longer, and we expect all our markets to remain negatively affected by the current economic uncertainties for some time. Cost escalation and price uncertainty resulted in some projects being postponed in the market. This will reduce new-built supply for the coming years. Unemployment rates remain low, and our belief is that the structural shortage of homes in most home markets will stabilize the market over time.

➡ Nordics	
Sweden	➡
Norway	➡
Finland	➡
➡ Europe	



As. Oy Ranta-Tampellan Kaplan, Tampere, Finland

Commercial Property Development

The market is affected by high inflation and increased interest rates, leading to higher expected yields but also to upward rent adjustments in most markets. Transaction volumes are coming down as fewer deals are being recorded. However, investor interest remains firm for high quality, sustainable commercial properties in attractive locations. The leasing market is recovering slowly, with Nordic countries leading the return to the office. There is a clear focus on flexible, sustainable premises in good locations. We can see polarization between highly attractive office buildings and less modern stock both in the leasing and investor markets.

Investment Properties

The leasing market remains competitive. Prime rents and vacancy rates are expected to remain mostly stable for the three main cities of Sweden. Tenant demand continues to focus on flexibility, sustainability and spaces that are ready to move into without much tenant specific adaptations.

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

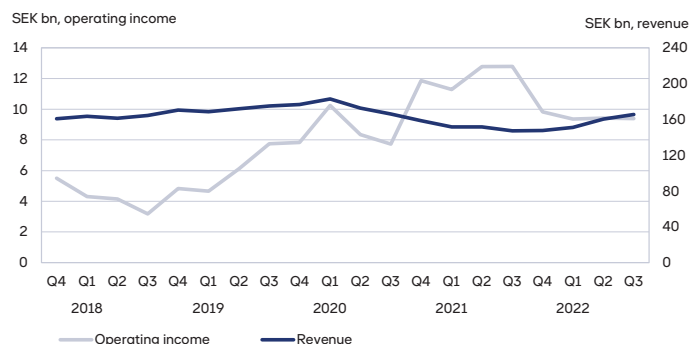


Hyllie Terrass, Malmö, Sweden

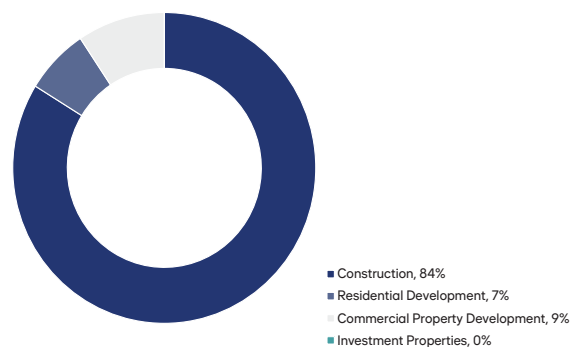
Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue per segment, rolling 12 months



Revenue and earnings

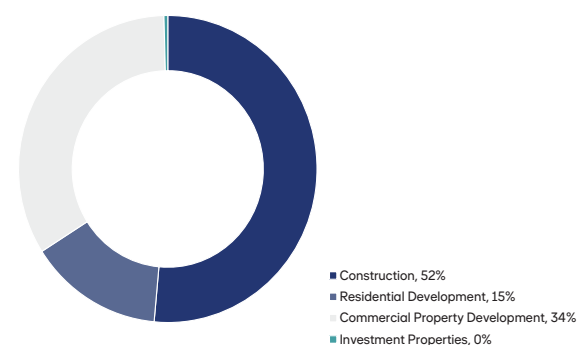
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Operating income ^{1,2}	1,518	1,542	9,393	9,832
Net financial items	69	-23	24	-172
Income after financial items	1,587	1,519	9,417	9,660
Taxes	-300	-242	-1,643	-1,472
Profit for the period	1,287	1,277	7,775	8,188
Earnings for the period per share, SEK ³	3.10	3.07	18.79	19.80
Earnings for the period per share according to IFRSs, SEK ³	5.50	2.90	17.48	16.64

1 Central, SEK 112 M (-37).

2 Eliminations, SEK -61 M (-20).

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

Operating income per segment, rolling 12 months



Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jul-Sep 2022 / Jul-Sep 2021			
Revenue	15%	3%	12%
Operating income	-2%	-10%	8%
Rolling 12 months / Jan-Dec 2021			
Revenue	12%	6%	7%
Operating income	-4%	-8%	3%

Revenue increased 15 percent and amounted to SEK 38.6 billion (33.4); adjusted for currency effects revenue increased 3 percent. Operating income decreased 2 percent and amounted to SEK 1,518 M (1,542); adjusted for currency effects operating income decreased 10 percent.

Central stream totaled SEK 112 M (-37), of which SEK 202 M (85) relate to the PPP-portfolio. Gain from the divestment of Skanska's equity stake in the Royal Papworth Hospital in the UK, accumulated translation differences and accumulated exchange rate differences from currency hedges related to the PPP investment operations in the UK had a positive effect of SEK 183 M. After the divestment Skanska has no further PPP investment operations in the UK.

The elimination of gains in Intra-Group projects amounted to SEK -61 M (-20).

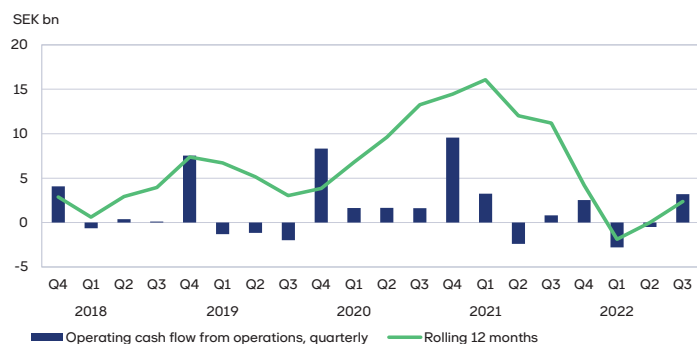
Net financial items amounted to SEK 69 M (-23).

Taxes for the period amounted to SEK -300 M (-242). Effective tax rate of January 1 to September 30, amounts to 20 percent (16).

Cash flow

Group

Operating cash flow from operations

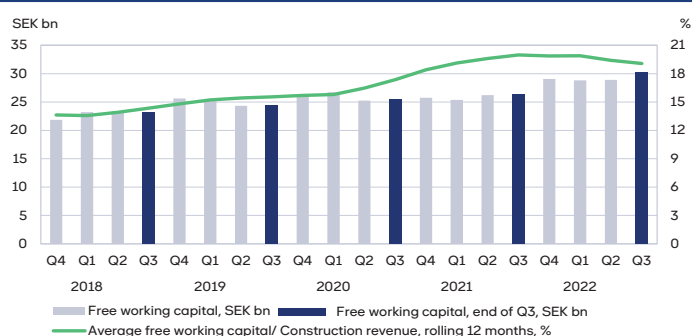


Operating cash flow

SEK M	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from business operations	1,777	1,786	4,865	5,314
Change in working capital	1,238	395	1,609	3,986
Net divestments(+)/investments(-)	297	-1,383	-1,781	-345
Cash flow adjustment	111	26	348	-23
Cash flow from business operations before taxes paid	3,423	824	5,040	8,931
Taxes paid in business operations	-57	244	-2,049	-3,861
Cash flow from financing operations	-189	-265	-618	-885
Operating cash flow from operations	3,177	803	2,374	4,185
Net strategic divestments(+)/investments(-)	44	6	72	732
Dividend etc.	-173	-89	-4,553	-4,172
Cash flow before change in interest-bearing receivables and liabilities	3,047	720	-2,106	745
Change in interest-bearing receivables and liabilities excluding lease liabilities	402	291	3,754	-9,729
Cash flow for the period	3,449	1,011	1,648	-8,984

Operating cash flow from operations amounted to SEK 3,177 M (803), where change in working capital and higher net divestments are the main reasons for the change in cash flow. Taxes paid in business operations amounted to SEK -57 M (244). Commercial Property Development assets sold but not transferred will have a positive effect on cash flow of SEK 6.3 billion during the years 2022 to 2026, of which SEK 2.9 billion during 2022-2023.

Free working capital in Construction



Free working capital in Construction amounted to SEK 30.3 billion (26.3). The average free working capital in relation to Construction revenue in the past 12 months was 19.1 percent. 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 454 M (-302).



Financial position

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



Balance sheet - Summary

SEK bn	Sep 30, 2022	Sep 30, 2021 ¹	Dec 31, 2021 ¹
Total assets	152.3	132.5	139.0
Total equity	52.4	41.9	45.5
Interest-bearing net receivables (+)/net debt (-)	12.8	8.6	12.6
Adjusted interest-bearing net receivables(+)/net debt(-)	14.1	15.0	17.7
Capital employed, closing balance	71.8	63.7	66.4
Equity/assets ratio, %	34.4	31.6	32.7

¹ Restated in accordance with what is stated on page 14, Other matters.

Change in net interest-bearing receivables and liabilities

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Opening balance interest-bearing net receivables(+)/net debt(-)	7,719	8,124	12,598	7,280	7,280
Cash flow for the period	3,449	1,011	1,783	-8,849	-8,984
Less change in interest-bearing receivables and liabilities	-402	-291	-6,347	7,136	9,729
Cash flow before change in interest-bearing receivables and liabilities	3,047	720	-4,564	-1,713	745
Translation differences, net receivables/net debt	506	276	1,388	789	1,340
Remeasurements of pension liabilities	1,351	-685	2,941	1,475	2,274
Interest-bearing liabilities acquired/divested	0	2	0	285	286
Other changes, interest-bearing net receivables/net debt	146	128	406	449	673
Change in interest-bearing net receivables/net debt	5,051	442	172	1,286	5,318
Closing balance interest-bearing net receivables(+)/net debt(-)	12,769	8,566	12,769	8,566	12,598
Restricted cash	-7,066	-5,176	-7,066	-5,176	-5,637
Pension liability, net	950	4,633	950	4,633	3,798
Lease liabilities	7,481	6,928	7,481	6,928	6,960
Closing balance adjusted interest-bearing net receivables(+)/net debt(-)	14,134	14,950	14,134	14,950	17,719

Adjusted interest-bearing net receivables (+)/net debt (-) amounted to SEK 14.1 billion (June 30, 2022: 11.1). Interest-bearing net receivables amounted to SEK 12.8 billion (June 30, 2022: 7.7) 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 20.2 billion (June 30, 2022: 16.4), of which SEK 16.2 billion (June 30, 2022: 13.5) is available within one week.

The Group central loan portfolio amounted to SEK 3.8 billion (June 30, 2022: 3.6) consisting of SEK 0.5 billion in a Medium-Term Note (MTN) with a maturity of 0.6 years and SEK 3.3 billion in bilateral loans with an average maturity of 2.1 years. At September 30, the Group's unutilized credit facilities totaled SEK 7.1 billion. The central loan portfolio, including committed unutilized credit facilities, had an average maturity of 1.8 years (June 30, 2022: 2.0).

At the end of the quarter, capital employed amounted to SEK 71.8 billion (June 30, 2022: 68.0).

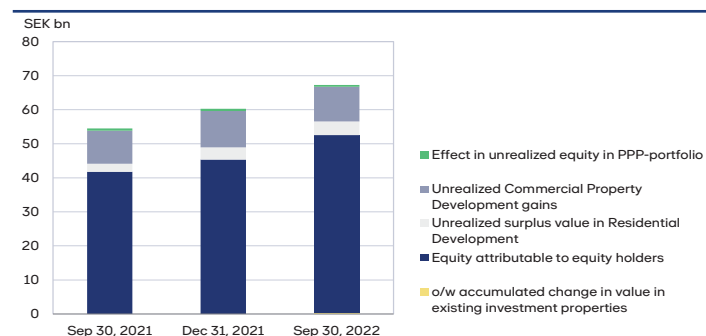
Equity

Changes in equity

SEK M	Jul-Sep 2022	Jul-Sep 2021 ¹	Jan-Sep 2022	Jan-Sep 2021 ¹	Jan-Dec 2021 ¹
Adjusted opening balance	47,787	40,808	45,465	38,385	38,385
Dividend to shareholders	0	0	-4,124	-3,917	-3,917
Other changes in equity not included in total comprehensive income for the year	-45	9	-25	74	133
Profit for the period	2,276	1,206	5,017	4,671	6,887
Other comprehensive income					
Translation differences	1,069	461	2,960	1,221	1,854
Effects of remeasurements of pensions	1,280	-588	2,867	1,356	2,010
Effects of cash flow hedges	21	-7	229	99	112
Closing balance	52,388	41,890	52,388	41,890	45,465

¹ The equity opening balance has been adjusted by SEK -332 M in accordance with what is stated on page 14, Other matters.

Adjusted equity, less standard tax of 10 percent

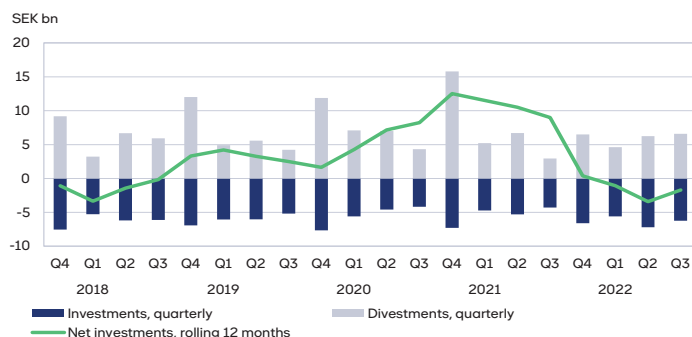


The Group's equity amounted to SEK 52.4 billion (41.9), resulting in an equity/assets ratio of 34.4 percent (31.6) and a net debt/equity ratio of -0.2 (-0.2). Translation differences amounted to SEK 1,069 M (461) due to weaker Swedish krona. The effects of remeasurements of pensions amounted to SEK 1,280 M (-588), which means that the net pension liability has been reduced. This is mainly explained by increased discount rate in Sweden, Norway and the UK. The effects are partly offset by lower return on the plan assets in all three countries.

Total adjusted equity amounted to SEK 67.0 billion (54.5), resulting in an adjusted equity per share of SEK 162.83 (132.13). Unrealized surplus values in Project Development including the PPP-portfolio amounted to SEK 16.4 billion of which SEK 1.6 billion was realized according to segment reporting. Corresponding amounts less standard tax were SEK 14.8 billion and SEK 1.4 billion. In addition to the unrealized surplus values in adjusted equity, surplus value for homes in construction realized according to segment reporting but not yet handed over, amounted to SEK 2.5 billion post standard tax.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK -6,238 M (-4,307), while divestments amounted to SEK 6,578 M (2,930), resulting in net divestments of SEK 340 M (-1,378).

In Construction, investments totaled SEK -658 M (-367). These investments mainly relate to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK -466 M (-263). Depreciation of property, plant and equipment including right-of-use assets amounted to SEK -599 M (-592).

In Residential Development, investments totaled SEK -2,714 M (-2,238), of which SEK -423 M (-192) relates to land acquisitions, corresponding to 431 building rights. Divestments amounted to SEK 2,911 M (2,356). Net divestments in Residential Development amounted to SEK 197 M (118).

In Commercial Property Development, investments totaled SEK -2,639 M (-1,578), of which SEK -211 M (-1) relates to investments in new land, while divestments amounted to SEK 3,359 M (461). Net divestments in Commercial Property Development amounted to SEK 720 M (-1,117).

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

SEK M	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Investments				
Construction	-658	-367	-2,216	-1,850
Residential Development	-2,714	-2,238	-11,856	-11,488
Commercial Property Development	-2,639	-1,578	-11,055	-7,344
Investment Properties	0	0	-748	0
Other	-226	-124	238	-263
Total	-6,238	-4,307	-25,636	-20,945
Divestments				
Construction	192	103	584	1,034
Residential Development	2,911	2,356	11,921	10,766
Commercial Property Development	3,359	461	12,721	9,961
Investment Properties	0	0	0	0
Other	116	9	-1,299	-430
Total	6,578	2,930	23,927	21,331
Net divestments(+)/investments(-)				
Construction	-466	-263	-1,632	-816
Residential Development	197	118	66	-722
Commercial Property Development	720	-1,117	1,666	2,617
Investment Properties	0	0	-748	0
Other	-110	-115	-1,061	-693
Total	340	-1,378	-1,709	386
Of which strategic	44	6	72	732

Capital employed in Project Development and Investment Properties

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Residential Development	16,466	14,503	14,385
Commercial Property Development	37,080	31,585	32,721
Investment Properties	755	0	0
Total in Project Development and Investment Properties	54,300	46,088	47,106



Investment, CPH Pulse, Copenhagen, Denmark

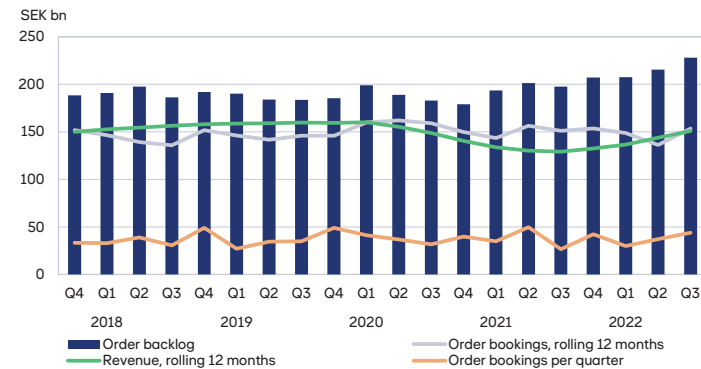


Divestment, Royal Papworth Hospital, Cambridgeshire, United Kingdom

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



Order bookings and order backlog in Construction

SEK bn	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Order bookings	43.8	26.6	153.4	153.6
Order backlog ¹	227.9	197.6		207.0

¹ Refers to the end of each period.

Order bookings amounted to SEK 43.8 billion (26.6); adjusted for currency effects order bookings increased 50 percent, mainly driven by higher order bookings in USA and UK. On a rolling 12-month basis the book-to-build ratio was 102 percent (June 30, 2022: 95). For more information, see page 28.

At the end of the quarter, the order backlog amounted to SEK 227.9 billion compared to SEK 215.5 billion at the end of the previous quarter. The order backlog corresponds to 17 months of production (June 30, 2022: 17).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
	Jul-Sep 2022 / Jul-Sep 2021		
Order bookings	65%	50%	15%
	Sep 30, 2022 / Jun 30, 2022		
Order backlog	6%	1%	5%

Major orders in the quarter

Geography	Contract	Amount SEK M	Client
Europe	Highway	4,300	National Highways
USA	Airport expansion	4,100	Port of Portland
USA	Offshore wind staging port	2,300	Virginia Port Authority
USA	Bridge	1,500	New York City Department of Transportation
USA	Subway stations	1,500	Metropolitan Transport Authority

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

14.7 SEK bn

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

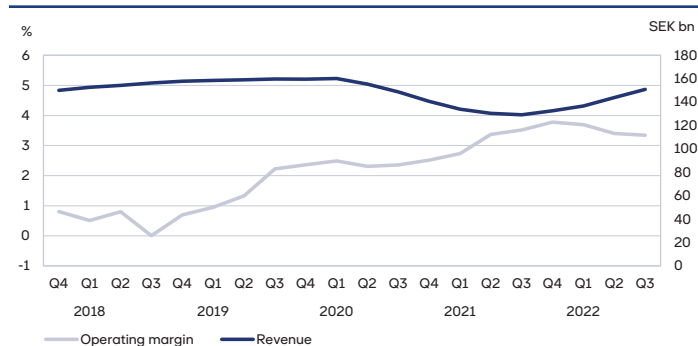
7.0 SEK bn



Portsmouth Marine Terminal, Portsmouth, USA

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	40,174	33,252	150,891	132,587
Gross income	2,880	2,527	11,246	10,687
Selling and administrative expenses	-1,549	-1,350	-6,234	-5,709
Income from joint ventures and associated companies	17	19	38	35
Operating income	1,348	1,196	5,050	5,013
Gross margin, %	7.2	7.6	7.5	8.1
Selling and administrative expenses, %	-3.9	-4.1	-4.1	-4.3
Operating margin, %	3.4	3.6	3.3	3.8
Average number of employees	26,785	28,865		28,557

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jul-Sep 2022 / Jul-Sep 2021			
Revenue	21%	9%	12%
Operating income	13%	2%	11%
Rolling 12 months / Jan-Dec 2021			
Revenue	14%	7%	7%
Operating income	1%	-5%	6%

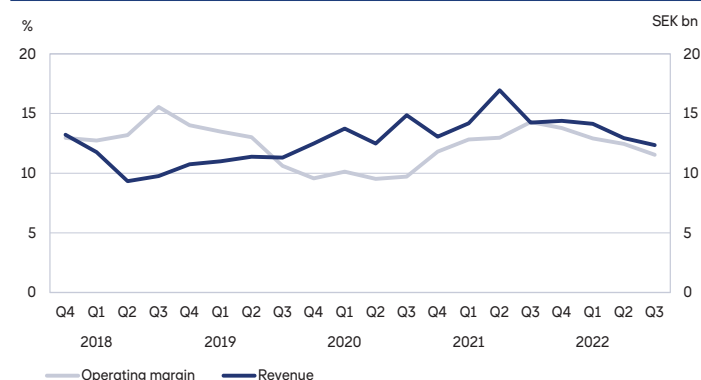
Revenue in the Construction business stream increased 21 percent and amounted to SEK 40.2 billion (33.3); adjusted for currency effects revenue increased by 9 percent. The operating margin was 3.4 percent (3.6). Operating income increased 13 percent and amounted to SEK 1,348 M (1,196); adjusted for currency effects operating income increased by 2 percent.



High Speed 2, Central Victoria Road, London, United Kingdom

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

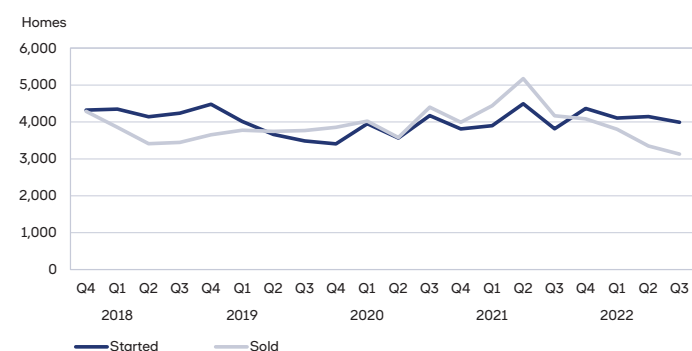
SEK M	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	1,469	2,053	12,346	14,377
Gross income	316	476	2,232	2,707
Selling and administrative expenses	-184	-158	-807	-727
Operating income	132	318	1,425	1,980
Gross margin, %	21.5	23.2	18.1	18.8
Selling and administrative expenses, %	-12.6	-7.7	-6.5	-5.1
Operating margin, %	9.0	15.5	11.5	13.8
Return on capital employed, % ¹	9.5	14.9		14.1

¹ Rolling 12 months. For definition see page 17.

Revenue in the Residential Development business stream amounted to SEK 1,469 M (2,053). The number of homes sold totaled 339 (560) and construction started on 371 homes (523). Operating income amounted to SEK 132 M (318). The operating margin was 9.0 percent (15.5). Release of provisions related to completed projects and a settled claim in Sweden had a positive effect on operating income. The quarter was negatively impacted by start-up issues in the BoKlok operations in the UK. Residential Development in Central Europe maintained a strong profitability.

Return on capital employed was 9.5 percent (14.9).

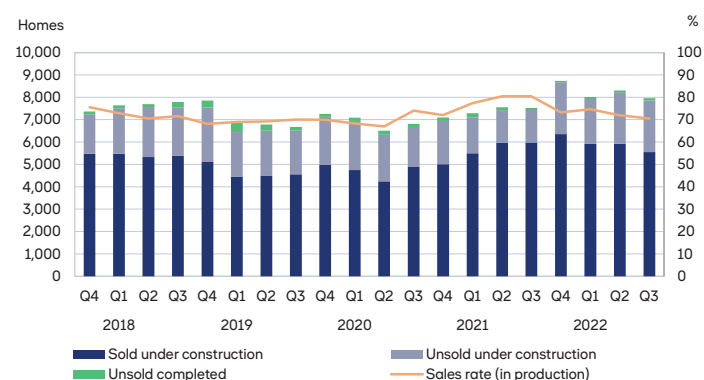
Homes sold and started, rolling 12 months



Homes sold and started

	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Homes sold	339	560	3,130	4,084
Homes started	371	523	3,992	4,363

Homes under construction and unsold



Homes under construction and unsold

	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Homes under construction	7,865	7,437	8,673
of which sold, %	71	80	73
Completed unsold, number of homes	92	94	57

At the end of the quarter, 7,865 homes (June 30, 2022: 8,230) were under construction. Of these, 71 percent (June 30, 2022: 72) were sold. The number of completed unsold homes amounted to 92 (June 30, 2022: 72). During the quarter 735 (509) homes were completed.

Breakdown of carrying amounts

SEKM	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Completed projects	657	418	314
Ongoing projects	12,482	10,120	10,605
Undeveloped land and development properties	9,701	9,318	9,135
Total	22,839	19,855	20,054

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 12.5 billion (June 30, 2022: 12.2) and undeveloped land and development properties amounted to SEK 9.7 billion (June 30, 2022: 9.4). The estimated unrealized surplus value, pre-tax, in unsold homes in construction and undeveloped land and development properties amounted to SEK 4.4 billion. Surplus value, pre-tax, for homes in construction which are sold according to segment reporting amounted to SEK 2.7 billion.

The undeveloped land and development properties correspond to Skanska-owned building rights for 27,000 homes and 1,600 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,300 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	326	556	16,799	11,102
of which from divestment of properties	166	358	16,109	10,289
Gross income	155	175	4,131	3,955
Selling and administrative expenses	-175	-176	-843	-784
Income from joint ventures and associated companies	1	85	9	93
Operating income	-19	84	3,297	3,264
of which from divestment of properties	152	144	4,235	3,928
Return on capital employed, % ¹	10.2	10.8		10.8

¹ Rolling 12 months. For definition see page 17.

In the Commercial Property Development business stream, divestments worth SEK 166 M (358) were made in the third quarter of 2022. Operating income amounted to SEK -19 M (84) and included gains from property divestments totaling SEK 152 M (144).

Accumulated eliminations of Intra-Group project gains amounted to SEK -524 M. These eliminations are released at the Group level as each project is divested.

Return on capital employed was 10.2 percent (10.8).

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	15,398	32,599	40,299	32	48
Completed projects ^{4,5}	6,721	6,721	9,129	72	100
Undeveloped land and development properties	12,870	12,870	14,116		
Total	34,989	52,190	63,544		
of which carrying amount ⁶	34,721	51,921			
of which completed projects sold according to segment reporting	0	0	0		
of which ongoing projects sold according to segment reporting	2,156	4,721	6,281		

¹ Market value according to appraisal on September 30, 2022.

² Ongoing projects - estimated market value at completion.

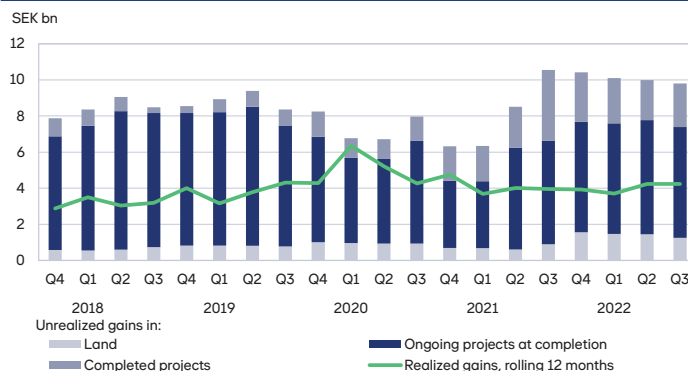
³ Including tenant improvement and leasing commissions in CDUS amounted to SEK 106 M.

⁴ Including tenant improvement and leasing commissions in CDUS amounted to SEK 414 M.

⁵ Skanska's share of total production cost in JVs is SEK 268 M end of period and upon completion.

⁶ Includes Skanska's total equity investment in JV of SEK 0 M.

Unrealized and realized gains, segment reporting



Leasing and degree of completion



At the end of the quarter, 36 projects were ongoing. During the quarter, one new project was started, and two were completed. The 36 ongoing projects represent leasable space of about 801,000 sq m with an occupancy rate of 32 percent, measured in rent. The projects' degree of completion was 48 percent. Their investment value upon completion is expected to total SEK 32.6 billion, with an estimated market value upon completion of SEK 40.3 billion. Market value of the portfolio is based on assumed market yields upon completion. In the third quarter the total market value of the portfolio is also impacted by achieved rent levels in signed leases and projects started and handed over. Of the ongoing projects, 11 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 4.7 billion, with a sales value of SEK 6.3 billion. For the remaining ongoing projects about 14 percent are multifamily properties for rent in USA and Denmark. This market segment has gradually increased its share of the total portfolio and we also have a solid pipeline. Providing further diversification to the portfolio.

By the end of the quarter the total number of completed projects amounted to 16. The occupancy rate, measured in rent, totaled 72 percent (June 30, 2022: 73). The market value of these projects, excluding property divested according to segment reporting, was SEK 9.1 billion. Projects sold but not transferred will have a positive effect on cash flow of SEK 0.3 billion during 2022 and SEK 2.6 billion during 2023.

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting totaled SEK 9.8 billion. These gains related to SEK 6.1 billion in ongoing projects, SEK 2.4 billion in completed projects and SEK 1.3 billion in undeveloped land and development properties.

During the third quarter of 2022 the total amount of leased space came in at 44,000 sq m (31,000).

Investment Properties

Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021 ¹	Rolling 12 months ¹	Jan-Dec 2021 ¹
Revenue	10		20	
Operating net	7		15	
Selling and administrative expenses	0		-1	
Change in property value	0		26	
Operating income	7		40	
Investments	0		-748	
Divestments	0		0	
Net divestments(+)/investments(-)	0		-748	
Capital employed	755		755	
Property value	766		766	
Return on capital employed, % ²	8.5			
Net leasing	0			
Economic occupancy rate, %	100			
Surplus ratio, %	71.4			

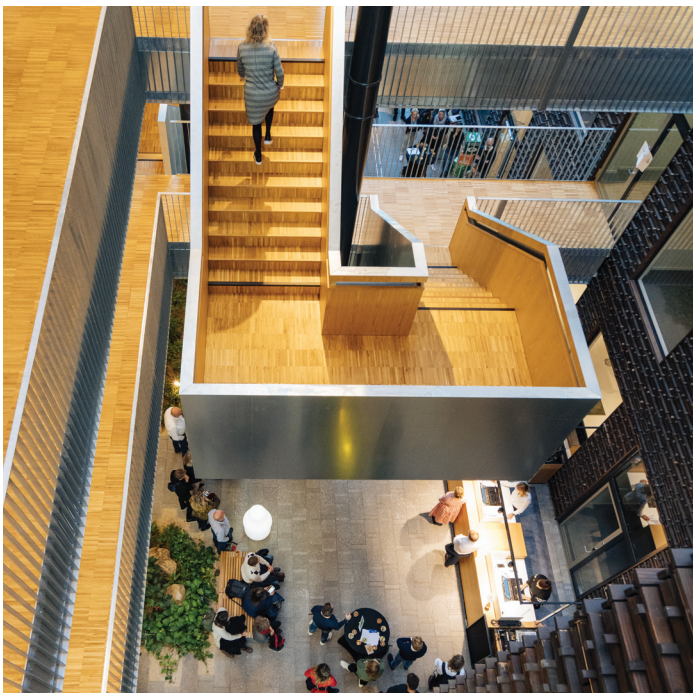
¹ Investment Properties is a new business stream from 2022.

² Rolling 12 months. For definition see page 17.

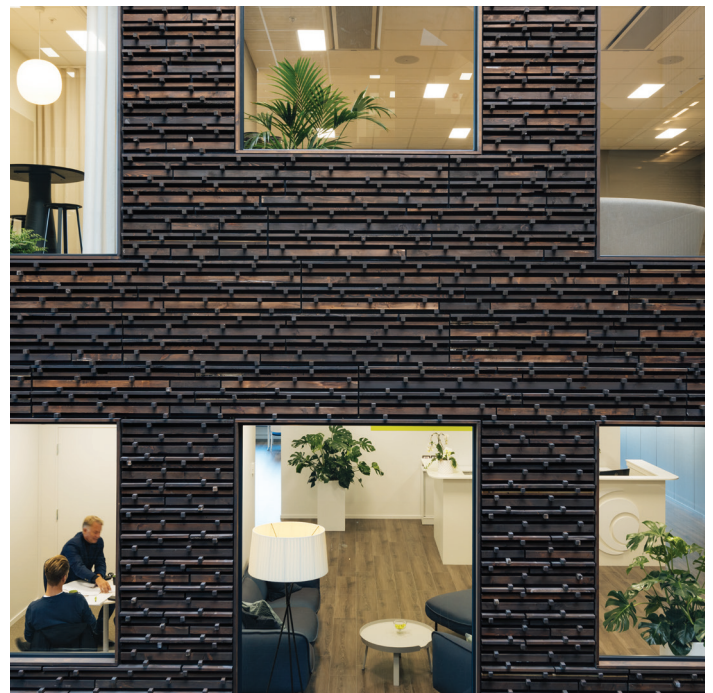
Revenue in the Investment Properties business stream amounted to SEK 10 M (n.a.). Operating income amounted to SEK 7 M (n.a.).

Investment Properties acquired its first property for SEK 748 M at the end of the first quarter. The property called Epic is a fully-let multitenant office building. It holds the highest sustainability certification, LEED Platinum and is also certified according to WELL, which means the building is designed

to promote and enhance the health and well-being of its tenants. The property is located in a cluster in Malmö, Sweden, where we have developed several properties in the past and have a pipeline of ongoing and future developments. We will continue to build this portfolio of high quality sustainable properties in attractive locations, targeting a total value of SEK 12-18 bn.



Epic, Malmö, Sweden



Personnel

During the period, the average number of employees in the Group was 28,258 (30,379). At the end of the quarter, the number of employees totaled 27,891 people (June 30, 2022: 28,745).

Transactions with related parties

There were no new significant transactions during the quarter.

Material risks and uncertainties

For information about risks and a description of key estimates and judgments, see the Annual and Sustainability Report 2021, pages 59-65, Note 2 and 6, as well as the section on market outlook included in this report.

Other matters

In the second quarter of 2022, a US subsidiary discovered an accounting error in the tax amount for 2020. An adjustment has been implemented increasing the tax liability by SEK 332 M for Q4 2020 and subsequent quarters. Quarterly earnings for 2021 are all unaffected. Cash flow impact was taken in 2021. Since the correction relates to a reporting period before the earliest prior period presented, opening balance for 2021 equity and tax liabilities have been adjusted. Five year group summary has been corrected accordingly.

Events after the end of the report period

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

Financial reports for 2022

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

The Group's interim reports for 2022 will be published on the following dates:

Feb 3, 2023	Year-end Report
-------------	-----------------

Stockholm, October 26, 2022

Anders Danielsson

President and Chief Executive Officer

Auditors' Review Report concerning this interim report

Introduction

We have reviewed the condensed interim report for Skanska AB (publ.) as at September 30, 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Stockholm, October 26, 2022
Ernst & Young AB

Hamish Mabon
Authorized public accountant

Anders Kriström
Authorized public accountant

Accounting Principles

For the Group, this interim report has been prepared in compliance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Securities Market Act. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. For the Parent Company, the interim report has been prepared in compliance with the Annual Accounts Act, the Securities Market Act, and Swedish Financial Reporting Board's Recommendation RFR 2.

Skanska has expanded the operating segment with a new business stream, Investment Properties, starting from the 2022 financial year. The new business stream owns and manages properties. Related accounting principles are presented in the Annual and Sustainability Report 2021, Note 1 within IAS 40 Investment Properties and IFRS 16 Leases.

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 2021, Note 35.

Segment and IFRS reporting

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

Construction includes both building construction and civil construction. 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.

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

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

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

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

Definitions

The following measures are used as they are viewed as the best and most accurate ways to measure Skanska's operations; reflecting its business model and strategy. Thus assisting investors and management in analyzing trends and performance in Skanska. For further definitions, see the Annual and Sustainability Report 2021, Note 43.

Non-IFRS financial measures

	Definition	Reason for use
Revenue Segment	Revenue segment is the same as revenue IFRS in all streams except for the Residential Development stream and the Commercial Property Development stream, where revenue is 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.
Operating net	Rental revenue minus operating costs for investment properties (that is, operating expenses, costs for repair and maintenance, property administration and property tax).	Measures earnings from property management.
Selling and admin expenses, %	Selling and administrative expenses as a percentage of revenue.	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, R-12m, %	Order bookings divided by construction revenue, rolling 12 months.	Measures to which extent new orders are replacing work put in place.
Unrealized gains, Commercial Property Development (CD)	Market value minus investment value upon completion for ongoing projects, completed projects and land. Excluding projects sold according to segment reporting.	Measure potential realization of future gains in Commercial Property Development.
Capital employed, Group	Total assets minus non-interest-bearing liabilities.	Measure capital usage and efficiency.
Capital employed, Stream	Total assets less tax assets, deposits in Skanska's treasury unit and pension receivable minus non-interest-bearing liabilities excluding tax liabilities. Capitalized interest expense is removed from total assets for the Residential Development and Commercial Property Development segments.	Measure capital usage and efficiency in a Stream.
Capital employed Residential Development (RD) SEK M	Total assets 26,240 - tax assets -396 - deposits in internal bank -452 - pension receivable -46 - non-interest-bearing liabilities (excluding tax liabilities) -8,737 - capitalized interest expense -143 16,466	Measure capital usage and efficiency in Residential Development.
Capital employed Commercial Property Development (CD) SEK M	Total assets 41,611 - tax assets -571 - deposits in internal bank -222 - pension receivable 0 - non-interest-bearing liabilities (excluding tax liabilities) -3,358 - capitalized interest expense -380 37,080	Measure capital usage and efficiency in Commercial Property Development.
Capital employed Investment Properties (IP) SEK M	Total assets 779 - tax assets -3 - deposits in internal bank 0 - pension receivable 0 - non-interest-bearing liabilities (excluding tax liabilities) -21 755	Measure capital usage and efficiency in Investment Properties.

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>1,425</td></tr><tr><td>+ capitalized interest expense</td><td></td><td></td><td></td><td>89</td></tr><tr><td>+/- financial income and other financial items</td><td></td><td></td><td></td><td>9</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>1,522</td></tr><tr><td>Capital employed average*</td><td></td><td></td><td></td><td>15,953</td></tr><tr><td>ROCE RD</td><td></td><td></td><td></td><td>9.5%</td></tr><tr><td colspan="5">* Capital employed average</td></tr><tr><td>Q3 2022</td><td>16,466</td><td>x 0.5</td><td>8,233</td><td></td></tr><tr><td>Q2 2022</td><td>17,373</td><td></td><td>17,373</td><td></td></tr><tr><td>Q1 2022</td><td>16,570</td><td></td><td>16,570</td><td></td></tr><tr><td>Q4 2021</td><td>14,385</td><td></td><td>14,385</td><td></td></tr><tr><td>Q3 2021</td><td>14,503</td><td>x 0.5</td><td>7,251</td><td></td></tr><tr><td></td><td></td><td></td><td>63,812 / 4</td><td>15,953</td></tr></table>	Operating income				1,425	+ capitalized interest expense				89	+/- financial income and other financial items				9	- interest income from internal bank				0	Adjusted profit				1,522	Capital employed average*				15,953	ROCE RD				9.5%	* Capital employed average					Q3 2022	16,466	x 0.5	8,233		Q2 2022	17,373		17,373		Q1 2022	16,570		16,570		Q4 2021	14,385		14,385		Q3 2021	14,503	x 0.5	7,251					63,812 / 4	15,953	Measure the performance (profitability and capital efficiency) in RD.
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Q4 2021	0		0																																																																					
Q3 2021	0	x 0.5	0																																																																					
			1,879 / 4	470																																																																				
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. <table><tr><td></td><td>Adjusted profit</td><td>CE avg</td><td>ROCE</td></tr><tr><td>RD</td><td>1,522</td><td>15,953</td><td>9.5%</td></tr><tr><td>CD</td><td>3,454</td><td>33,928</td><td>10.2%</td></tr><tr><td></td><td>4,976</td><td>49,881</td><td>10.0%</td></tr></table>		Adjusted profit	CE avg	ROCE	RD	1,522	15,953	9.5%	CD	3,454	33,928	10.2%		4,976	49,881	10.0%	Measure the performance (profitability and capital efficiency) in Project Development.																																																						
	Adjusted profit	CE avg	ROCE																																																																					
RD	1,522	15,953	9.5%																																																																					
CD	3,454	33,928	10.2%																																																																					
	4,976	49,881	10.0%																																																																					

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. 7,746 / 45,935 = 16.9%	Measure profitability on invested equity.
Equity average attributable to equity holders SEK M	Calculated on the basis of five measuring points. Q3 2022 52,255 x 0.5 26,127 Q2 2022 47,653 47,653 Q1 2022 43,717 43,717 Q4 2021 45,351 45,351 Q3 2021 41,784 x 0.5 20,892 183,739 / 4 45,935	
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. Q3 2022 -30,254 x 0.5 -15,127 Q2 2022 -28,922 -28,922 Q1 2022 -28,821 -28,821 Q4 2021 -29,086 -29,086 Q3 2021 -26,337 x 0.5 -13,169 -115,125 / 4 -28,781	Measure the funding stemming from the negative working capital generated in Construction.
Interest-bearing net receivables/net debt	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.
Adjusted interest-bearing net receivables/net debt	Interest-bearing net receivables/net debt excluding restricted cash, lease liabilities and interest-bearing net pension liabilities.	Measure financial position and investment capacity. The latter is derived by comparing adjusted interest-bearing net receivables/net debt to limits set by the Board of Directors.
Equity/assets ratio	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.
Net debt/equity ratio	Interest-bearing net debt divided by equity including non-controlling interest.	Measure leverage of financial position.
Adjusted equity attributable to equity holders SEK bn	Equity attributable to equity holders 52.3 Unrealized surplus value in RD 4.4 Unrealized CD gains 11.4 Effect in unrealized equity in PPP-portfolio 0.6 Less standard corporate tax, 10% -1.6 Adjusted equity 67.0	Measure financial position adjusted for surplus values in Project Development net of taxes. The standard corporate tax represents an approximation of the average corporate income tax within the Group.
Net leasing	Annual rent including supplements of new lettings minus annual rent including supplements for agreements that has been served a notice of termination.	
Economic occupancy rate	Rental income including supplements less discounts for the period divided by total rental value for properties owned at the end of the period. Properties owned at the end of the period are restated as if they have been owned during the whole period, while disposed properties are excluded entirely.	Measures the efficiency of leasing activity.
Surplus ratio	Operating net for Investment Properties stream divided by rental revenue.	Measures the efficiency of property management.
Leasable area	Leasable area including garage.	
Rental value	Rental revenue including supplements for the period plus market rent for vacant premises.	Indicates total potential rental income for fully let properties.
Environmental certification	Share of Investment Properties' portfolio being certified according to minimum LEED Gold or similar.	Measures the sustainability quality of the property portfolio.

Reconciliation between segment reporting and IFRSs

	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
SEK M								
Construction	103,338 ¹	87,963 ¹	9,934	7,006	113,273	94,969	3,465	3,428
Residential Development	8,679	10,732	22	0	8,701	10,732	1,006	1,561
Commercial Property Development	9,137	4,328	963	76	10,100	4,404	1,574	1,541
Investment Properties	20	0	0	0	20	0	40	0
Total operating segments	121,174	103,022	10,920	7,082	132,093	110,104	6,084	6,529
Central	79	189	220	18	299	207	-179	-226
Eliminations	0	0	-11,139	-7,100	-11,139	-7,100	-138	-98
Total Group	121,253	103,211	0	0	121,253	103,211	5,767	6,206
Reconciliation to IFRSs ²	-440	-460	0	0	-440	-460	400	-525
Total IFRSs	120,812	102,751	0	0	120,812	102,751	6,167	5,681
1 Of which external revenue from joint ventures in PPP-portfolio	1,122	1,987						
2 Of which effect from joint ventures in Residential Development proportionally	-44	-251					-1	-88
Of which effect of different revenue recognition principles	-396	-209					402	-437

Revenue by geographical area (IFRS)

	Construction		Residential Development		Commercial Property Development		Investment Properties		Central and Eliminations		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
SEK M												
Nordics	43,251	39,873	6,856	6,240	2,926	4,758	20	0	-6,040	-4,627	47,013	46,243
of which Sweden	24,453	22,868	3,637	3,376	2,819	2,196	20	0	-4,789	-3,328	26,140	25,112
Europe	19,549	15,660	1,285	802	5,716	2,569	0	0	-2,270	-1,510	24,281	17,520
USA	50,473	39,436	0	0	1,577	256	0	0	-2,531	-706	49,518	38,987
Total operating segments	113,273	94,969	8,141	7,042	10,219	7,584	20	0	-10,841	-6,843	120,812	102,751

	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jul-Sep 2022	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2021
SEK M								
Revenue								
Construction	40,174	40,174	33,252	33,252	113,273	113,273	94,969	94,969
Residential Development	1,469	2,903	2,053	2,422	8,701	8,141	10,732	7,042
Commercial Property Development	326	3,519	556	657	10,100	10,219	4,404	7,584
Investment Properties	10	10	0	0	20	20	0	0
Central and Eliminations	-3,377	-3,377	-2,435	-2,435	-10,841	-10,841	-6,893	-6,843
Skanska Group	38,603	43,229	33,427	33,897	121,253	120,812	103,211	102,751
Operating income								
Construction	1,348	1,348	1,196	1,196	3,465	3,465	3,428	3,428
Residential Development	132	508	318	214	1,006	1,088	1,561	691
Commercial Property Development ¹	-19	716	84	114	1,574	1,812	1,541	1,863
Investment Properties	7	7	0	0	40	40	0	0
Central	112	112	-37	-37	-179	-179	-226	-226
of which PPP-portfolio	202	202	85	85	272	272	155	155
Eliminations ¹	-61	63	-20	-30	-138	-59	-98	-75
Operating income	1,518	2,755	1,542	1,457	5,767	6,167	6,206	5,681
Net financial items	69	69	-23	-23	88	88	-108	-106
Income after financial items	1,587	2,824	1,519	1,434	5,855	6,255	6,098	5,575
Taxes	-300	-548	-242	-229	-1,159	-1,238	-988	-903
Profit for the period	1,287	2,276	1,277	1,206	4,696	5,017	5,109	4,671
Earnings for the period per share, SEK ²	3.10		3.07		11.34		12.35	
Earnings for the period per share according to IFRSs, SEK ²		5.50		2.90		12.12		11.29
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	152	888	144	174	2,168	2,407	1,861	2,183
Eliminations	-9	84	12	8	73	149	96	130

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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	43,229	33,897	120,812	102,751	161,926	143,865
Cost of sales	-38,706	-30,833	-109,071	-91,818	-145,408	-128,156
Gross income	4,523	3,064	11,741	10,932	16,518	15,709
Selling and administrative expenses	-2,003	-1,796	-6,278	-5,601	-8,542	-7,865
Change in value, investment properties	0	0	365	0	365	0
Income from joint ventures and associated companies	235	189	339	350	438	449
Operating income	2,755	1,457	6,167	5,681	8,779	8,293
Financial income	109	30	235	87	253	105
Financial expenses	-40	-53	-147	-193	-227	-273
Net financial items ¹	69	-23	88	-106	26	-168
Income after financial items	2,824	1,434	6,255	5,575	8,805	8,125
Taxes	-548	-229	-1,238	-903	-1,573	-1,238
Profit for the period	2,276	1,206	5,017	4,671	7,233	6,887
1 Of which						
Interest income	109	14	197	47	217	68
Financial net pension costs	-14	-16	-39	-45	-64	-70
Interest expenses	-89	-33	-194	-121	-252	-178
Interest expenses from lease liabilities	-54	-52	-160	-156	-212	-209
Capitalized interest expenses	129	57	302	159	377	234
Net interest items	82	-30	106	-115	66	-155
Change in fair value	4	0	1	1	-1	-2
Other net financial items	-16	8	-19	8	-39	-12
Net financial items	69	-23	88	-106	26	-168
Profit attributable to:						
Equity holders	2,267	1,197	4,995	4,654	7,204	6,864
Non-controlling interests	9	9	22	17	28	23
Earnings per share, SEK ²	5.50	2.90	12.12	11.29	17.48	16.64
Earnings per share after dilution, SEK ³	5.47	2.88	12.04	11.21	17.35	16.52

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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Profit for the period	2,276	1,206	5,017	4,671	7,233	6,887
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurements of defined benefit plans	1,622	-713	3,616	1,730	4,472	2,585
Tax related to items that will not be reclassified to profit and loss	-342	125	-749	-374	-951	-575
	1,280	-588	2,867	1,356	3,521	2,010
Items that have been or will be reclassified to profit and loss						
Translation differences attributable to equity holders	1,038	446	2,852	1,191	3,468	1,808
Translation differences attributable to non-controlling interests	3	1	10	4	13	7
Hedging of exchange rate risk in foreign operations	28	14	98	26	112	40
Effects of cash flow hedges ¹	3	-41	61	-9	72	2
Share of other comprehensive income of joint ventures and associated companies ²	17	26	177	105	185	113
Tax related to items that have been or will be reclassified to profit and loss	1	8	-9	3	-15	-3
	1,090	455	3,189	1,320	3,835	1,966
Other comprehensive income after tax	2,370	-133	6,056	2,676	7,356	3,977
Total comprehensive income	4,646	1,073	11,072	7,348	14,588	10,863
Total comprehensive income attributable to						
Equity holders	4,634	1,063	11,040	7,327	14,548	10,834
Non-controlling interests	12	9	32	21	41	30
1 Of which transferred to income statement	-25	1	-25	1	-26	-1
2 Of which transferred to income statement	12	37	54	132	75	153

Summary statement of financial position (IFRS)

SEKM	Sep 30, 2022	Sep 30, 2021 ¹	Dec 31, 2021 ¹
ASSETS			
Non-current assets			
Investment properties	766	0	0
Property, plant and equipment	7,760	6,897	7,279
Property, plant and equipment right-of-use assets	3,334	3,389	3,314
Goodwill	4,133	3,887	3,934
Other intangible assets	574	706	676
Investments in joint ventures and associated companies	2,958	1,638	2,185
Financial non-current assets ^{2,4}	4,556	3,653	3,875
Deferred tax assets	1,101	1,681	1,984
Total non-current assets	25,183	21,850	23,247
Current assets			
Current-asset properties ³	57,040	48,253	49,745
Current-asset properties right-of-use land	3,799	3,238	3,289
Inventories	1,175	1,025	1,090
Financial current assets ⁴	14,632	15,855	18,810
Tax assets	1,520	1,353	1,247
Contract assets	8,357	6,265	5,451
Trade and other receivables	27,503	23,711	25,212
Cash	13,115	10,975	10,947
Total current assets	127,141	110,676	115,791
TOTAL ASSETS	152,324	132,526	139,039
of which interest-bearing financial non-current assets	4,518	3,610	3,838
of which interest-bearing current assets	27,629	26,794	29,694
Total interest-bearing assets	32,146	30,404	33,531
EQUITY			
Equity attributable to equity holders	52,255	41,784	45,351
Non-controlling interests	133	106	114
Total equity	52,388	41,890	45,465
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ⁴	2,817	3,335	3,389
Lease liabilities	6,630	6,051	6,040
Pensions	3,445	6,253	5,936
Deferred tax liabilities	1,945	1,189	1,254
Total non-current liabilities	14,837	16,828	16,619
Current liabilities			
Financial current liabilities ⁴	5,770	5,357	4,780
Lease liabilities	851	877	920
Tax liabilities	514	971	710
Current provisions	10,367	10,566	11,239
Contract liabilities	24,228	21,803	22,664
Trade and other payables	43,368	34,234	36,642
Total current liabilities	85,099	73,809	76,955
TOTAL EQUITY AND LIABILITIES	152,324	132,526	139,039
of which interest-bearing financial liabilities	15,932	15,585	14,997
of which interest-bearing pensions and provisions	3,445	6,253	5,936
Total interest-bearing liabilities	19,377	21,838	20,933
¹ Restated in accordance with what is stated on page 14, Other matters.			
² Of which shares and participations	38	42	37
³ Current-asset properties			
Commercial Property Development	34,201	28,398	29,691
Residential Development	22,839	19,855	20,054
⁴ Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	0	1	0
Financial current assets	119	37	63
Financial non-current liabilities	0	6	0
Financial current liabilities	136	29	131

Contingent liabilities, excluding partners' share in joint operations, as at September 30, 2022 amounted to SEK 1.2 bn (Dec 31, 2021: 1.3). Skanska's obligations for partners' share of future performance in joint operations amounted to SEK 54.8 bn (Dec 31, 2021: 55.9). In the event that Skanska takes over part of the performance, Skanska's order backlog will increase accordingly. For more information see 2021 Annual and Sustainability Report, Note 20B, 20C and 33.

Summary statement of changes in equity (IFRS)

SEK M	Jul-Sep 2022	Jul-Sep 2021 ¹	Jan-Sep 2022	Jan-Sep 2021 ¹	Jan-Dec 2021 ¹
Adjusted opening balance	47,787	40,808	45,465	38,385	38,385
of which non-controlling interests	134	109	114	97	97
Dividend to shareholders	0	0	-4,124	-3,917	-3,917
Dividend to non-controlling interests	-13	-12	-13	-12	-13
Effects of equity-settled share-based payments	128	97	341	266	388
Repurchase of shares	-160	-76	-353	-180	-242
Total comprehensive income attributable to					
Equity holders	4,634	1,063	11,040	7,327	10,834
Non-controlling interests	12	9	32	21	30
Closing balance	52,388	41,890	52,388	41,890	45,465
of which non-controlling interests	133	106	133	106	114

¹ The equity opening balance has been adjusted by SEK -332 M in accordance with what is stated on page 14, Other matters.

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

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from operating activities before change in working capital, according to IAS 7	1,727	2,040	2,555	1,186	2,852	1,483
Cash flow from change in working capital, according to IAS 7	2,206	-553	-476	2,433	3,045	5,953
Net investments in property, plant and equipment and intangible assets	-560	-409	-1,777	-1,244	-2,870	-2,336
Tax payments on sold property, plant and equipment and intangible assets	-7	-10	-23	-17	-36	-30
Cash flow from business operations including taxes paid according to operating cash flow	3,366	1,068	279	2,358	2,992	5,070
Less net investments in property, plant and equipment and intangible assets	560	409	1,777	1,244	2,870	2,336
Less tax payments on sold property, plant and equipment and intangible assets	7	10	23	17	36	30
Cash flow from operating activities, according to IAS 7	3,933	1,487	2,079	3,618	5,897	7,436
Cash flow from net strategic divestments(+)/ investments(-) according to operating cash flow	44	6	68	728	72	732
Net investments in property, plant and equipment and intangible assets	-560	-409	-1,777	-1,244	-2,870	-2,336
Increase and decrease in interest-bearing receivables	681	177	6,343	-7,686	4,295	-9,734
Taxes paid on sold property, plant and equipment and intangible assets	-7	-10	-23	-17	-36	-30
Cash flow from investing activities, according to IAS 7	157	-236	4,611	-8,218	1,461	-11,368
Cash flow from financing operations according to operating cash-flow statement	-189	-265	-421	-689	-618	-885
Change in interest-bearing receivables and liabilities excluding lease liabilities	402	291	6,347	-7,136	3,754	-9,729
Increase and decrease in interest-bearing receivables	-681	-177	-6,343	7,686	-4,295	9,734
Dividend etc. ¹	-173	-89	-4,490	-4,109	-4,553	-4,172
Cash flow from financing activities, according to IAS 7	-641	-240	-4,907	-4,249	-5,711	-5,053
Cash flow for the period	3,449	1,011	1,783	-8,849	1,648	-8,984

¹ Of which repurchases of shares -160 -76 -353 -180 -415 -242

Operating cash flow (IFRS), supplementary information

SEKM	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Construction						
Cash flow from business operations	1,948	1,798	5,287	4,616	7,454	6,783
Change in working capital	454	-302	-1,107	-348	1,028	1,787
Net divestments(+)/investments(-)	-510	-269	-1,104	-947	-1,704	-1,548
Total Construction	1,893	1,227	3,076	3,320	6,778	7,022
Residential Development						
Cash flow from business operations	52	-180	-452	-306	-745	-599
Change in working capital	967	770	161	1,774	426	2,039
Net divestments(+)/investments(-)	197	118	-546	-1,334	66	-722
Cash flow adjustment	141	-1	141	0	141	0
Total Residential Development	1,356	708	-696	134	-113	718
Commercial Property Development						
Cash flow from business operations	-195	203	-1,095	-209	-1,348	-462
Change in working capital	-182	-207	110	-262	409	37
Net divestments(+)/investments(-)	720	-1,117	1,368	2,319	1,666	2,617
Cash flow adjustment	-30	27	372	142	207	-23
Total Commercial Property Development	313	-1,094	756	1,990	934	2,168
Investment Properties						
Cash flow from business operations	7	0	14	0	14	0
Change in working capital	-1	0	19	0	19	0
Net divestments(+)/investments(-)	0	0	-748	0	-748	0
Total Investment Properties	6	0	-715	0	-715	0
Central and Eliminations						
Cash flow from business operations	-35	-36	-259	-157	-509	-407
Change in working capital	1	133	-285	110	-274	122
Net divestments(+)/investments(-)	-110	-115	-633	-265	-1,061	-693
of which PPP-portfolio	-101	-98	-600	-197	-1,026	-623
Total Central and Eliminations	-144	-18	-1,178	-312	-1,844	-978
Total cash flow from business operations	1,777	1,786	3,495	3,944	4,865	5,314
Total change in working capital	1,238	395	-1,103	1,274	1,609	3,986
Total net divestments(+)/investments(-)	297	-1,383	-1,663	-227	-1,781	-345
Total cash flow adjustment	111	26	513	142	348	-23
Cash flow from business operations before taxes paid	3,423	824	1,242	5,133	5,040	8,931
Taxes paid in business operations	-57	244	-963	-2,775	-2,049	-3,861
Cash flow from business operations including taxes paid	3,366	1,068	279	2,358	2,992	5,070
Net interest items, other net financial items and amortization of lease liabilities	-242	-288	-540	-894	-795	-1,150
Taxes paid in financing operations	53	24	119	206	177	264
Cash flow from financing operations	-189	-265	-421	-689	-618	-885
Operating cash flow from operations	3,177	803	-142	1,669	2,374	4,185
Net strategic divestments(+)/investments(-)	44	6	68	728	72	732
Dividend etc. ¹	-173	-89	-4,490	-4,109	-4,553	-4,172
Cash flow before change in interest-bearing receivables and liabilities	3,047	720	-4,564	-1,713	-2,106	745
Change in interest-bearing receivables and liabilities excluding lease liabilities	402	291	6,347	-7,136	3,754	-9,729
Cash flow for the period	3,449	1,011	1,783	-8,849	1,648	-8,984
Cash and cash equivalents at the beginning of the period	9,474	9,859	10,947	19,508	10,975	19,508
Exchange rate differences in cash and cash equivalents	192	105	385	316	493	423
Cash and cash equivalents at the end of the period	13,115	10,975	13,115	10,975	13,115	10,947

1 Of which repurchases of shares

-160

-76

-353

-180

-415

-242

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

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
OPERATIONS - INVESTMENTS						
Intangible assets	-3	-18	-15	-93	-26	-103
Property, plant and equipment	-661	-380	-1,548	-1,149	-2,233	-1,834
Shares and participations	-226	-119	-747	-236	-1,242	-731
Current-asset properties	-5,348	-3,790	-16,727	-12,868	-22,136	-18,277
of which Residential Development	-2,707	-2,235	-8,359	-8,225	-11,147	-11,013
of which Commercial Property Development	-2,641	-1,555	-8,368	-4,643	-10,989	-7,264
Investments in operations	-6,238	-4,307	-19,037	-14,346	-25,636	-20,945
Total Investments	-6,238	-4,307	-19,037	-14,346	-25,636	-20,945
OPERATIONS - DIVESTMENTS						
Intangible assets	0	3	0	3	2	5
Property, plant and equipment	139	95	332	212	428	307
Shares and participations	192	9	201	20	201	20
Current-asset properties	6,204	2,816	16,841	13,885	23,224	20,268
of which Residential Development	2,846	2,356	7,966	6,898	11,834	10,766
of which Commercial Property Development	3,358	460	8,875	6,987	11,390	9,502
Divestments in operation	6,535	2,924	17,375	14,119	23,855	20,600
STRATEGIC DIVESTMENTS						
Businesses	44	6	68	728	72	732
Strategic divestments	44	6	68	728	72	732
Total divestments	6,578	2,930	17,443	14,847	23,927	21,331
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	340	-1,378	-1,594	501	-1,709	386
Depreciation, non-current assets	-687	-687	-2,042	-2,013	-2,697	-2,669

Capital employed in Project Development and Investment Properties (IFRS)

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Residential Development	16,466	14,503	14,385
Commercial Property Development	37,080	31,585	32,721
Investment Properties	755	0	0
Total in Project Development and Investment Properties	54,300	46,088	47,106

Parent company¹

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

Summary income statement (RFR2)

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Revenue	210	144	556	426
Selling and administrative expenses	-156	-128	-494	-410
Operating income	54	16	62	16
Net financial items	28	-7	10,033	9,977
Income after financial items	82	9	10,095	9,993
Taxes	-17	-2	-21	0
Profit for the period	65	7	10,074	9,993
Total comprehensive income	65	7	10,074	9,993

Summary balance sheet (RFR2)

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS			
Intangible non-current assets	2	5	3
Property, plant and equipment	0	0	0
Financial non-current assets ²	23,233	16,815	17,627
Total non-current assets	23,235	16,820	17,630
Current receivables	105	163	186
Total current assets	105	163	186
TOTAL ASSETS	23,340	16,983	17,816
EQUITY AND LIABILITIES			
Equity ³	22,949	16,569	17,326
Provisions	239	229	251
Non-current interest-bearing liabilities ²	64	65	134
Current liabilities	88	120	105
TOTAL EQUITY AND LIABILITIES	23,340	16,983	17,816

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

² Of which SEK 11,705 M (Dec 31, 2021: 11,783) were shares in Group companies, SEK 11,354 M (Dec 31, 2021: 5,669) intra-Group receivables and SEK 64 M (Dec 31, 2021: 134) intra-Group liabilities.

³ During the year SEK 10 000 M (Dec 31, 21: 10,400) in dividend has been received from Group company.

The Parent Company's contingent liabilities totaled SEK 186.9 bn on September 30, 2022 (Dec 31, 2021: 172.8), of which SEK 145.4 bn (Dec 31, 2021: 127.3) were related to obligations on behalf of Group companies. Other obligations, SEK 41.5 bn (Dec 31, 2021: 45.5), were related to commitments to outside parties of which SEK 32.9 bn (Dec 31, 2021: 37.2) relates to partners' future performance in the Group's joint operations.

Share data

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Earnings per share according to segment reporting, SEK ¹	3.10	3.07	11.34	12.35	19.80
Earnings per share, SEK ¹	5.50	2.90	12.12	11.29	16.64
Earnings per share after dilution, SEK ²	5.47	2.88	12.04	11.21	16.52
Equity per share, SEK ³	126.97	101.34			110.01
Adjusted equity per share, SEK ⁴	162.83	132.13			146.20
Average number of shares outstanding	412,218,868	412,406,458			412,387,142
Average number of shares outstanding after dilution	414,847,056	415,211,959			415,491,861
Average dilution, %	0.63	0.68			0.75
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
Average price, repurchased shares, SEK	144.01	141.06			141.85
Number of Series B shares repurchased	30,420,728	28,117,228			28,396,728
of which repurchased during the year	987,000	312,000	2,024,000	769,000	1,048,500
Number of shares in Skanska's own custody	8,339,398	7,594,629			7,655,488
Number of shares outstanding	411,563,674	412,308,443			412,247,584

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

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

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

4 Adjusted equity divided by the number of shares outstanding.

Five-year Group financial summary

SEK M	Rolling 12 months	Jan-Dec 2021 ¹	Jan-Dec 2020 ¹	Jan-Dec 2019	Jan-Dec 2018
Revenue	165,618	147,576	158,606	176,782	170,494
Operating income	9,393	9,832	11,860	7,828	4,827
Profit for the period	7,775	8,188	8,942	6,372	3,929
Earnings per share, SEK	18.79	19.80	21.65	15.46	9.55
Return on capital employed, %	14.4	15.9	20.3	15.1	11.2
Return on equity, %	16.9	20.1	25.1	21.4	14.1
Operating margin, %	5.7	6.7	7.5	4.4	2.8
Return on capital employed according to IFRSs, %	13.5	13.5	21.5	14.3	13.0
Cash flow per share according to IFRSs, SEK ²	-5.11	1.81	31.57	3.28	9.51

1 Restated in accordance with what is stated on page 14, Other matters.

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

Exchange rates for the most important currencies

SEK	Average exchange rates		
	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
US dollar	9.91	8.49	8.58
British pound	12.43	11.75	11.80
Norwegian krone	1.05	0.99	1.00
Euro	10.52	10.15	10.15
Czech koruna	0.43	0.39	0.40
Polish zloty	2.25	2.23	2.22

Exchange rates on the closing day		
Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
11.18	8.80	9.06
12.37	11.82	12.19
1.04	1.00	1.03
10.91	10.18	10.24
0.44	0.40	0.41
2.24	2.19	2.23

Construction

Revenue and earnings

SEKM	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	40,174	33,252	113,273	94,969	150,891	132,587
Gross income	2,880	2,527	8,099	7,540	11,246	10,687
Selling and administrative expenses	-1,549	-1,350	-4,662	-4,136	-6,234	-5,709
Income from joint ventures and associated companies	17	19	27	24	38	35
Operating income	1,348	1,196	3,465	3,428	5,050	5,013
Investments	-658	-367	-1,526	-1,160	-2,216	-1,850
Divestments	192	103	491	941	584	1,034
Net divestments(+)/investments(-)	-466	-263	-1,035	-219	-1,632	-816
Gross margin, %	7.2	7.6	7.2	7.9	7.5	8.1
Selling and administrative expenses, %	-3.9	-4.1	-4.1	-4.4	-4.1	-4.3
Operating margin %	3.4	3.6	3.1	3.6	3.3	3.8
Order bookings, SEK bn	43.8	26.6	111.1	111.3	153.4	153.6
Order backlog, SEK bn	227.9	197.6	227.9	197.6		207.0
Average number of employees	26,785	28,865	26,785	28,865		28,557

Revenue

SEKM	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	13,743	13,471	43,233	39,690	59,462	55,918
of which Sweden	8,106	7,747	24,696	23,315	34,156	32,775
Europe	7,420	5,565	19,567	15,843	25,720	21,996
USA	19,011	14,217	50,473	39,436	65,710	54,673
Total	40,174	33,252	113,273	94,969	150,891	132,587

Operating income

SEKM	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	487	536	1,411	1,461	2,200	2,250
of which Sweden	288	319	769	794	1,302	1,328
Europe	239	211	477	837	739	1,100
USA	623	449	1,577	1,129	2,111	1,663
Total	1,348	1,196	3,465	3,428	5,050	5,013

Operating margin, %

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	3.5	4.0	3.3	3.7	3.7	4.0
	3.5	4.1	3.1	3.4	3.8	4.1
	3.2	3.8	2.4	5.3	2.9	5.0
	3.3	3.2	3.1	2.9	3.2	3.0
	3.4	3.6	3.1	3.6	3.3	3.8

Order backlog

SEKM	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Nordics	66,982	68,150	69,711
of which Sweden	34,875	33,842	33,756
Europe	43,404	41,079	39,630
USA	117,548	88,394	97,690
Total	227,935	197,623	207,031

Order bookings

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	11,182	10,927	39,619	43,333	56,725	60,439
	7,859	6,698	25,959	22,596	35,329	31,966
	8,988	4,246	22,257	23,693	25,855	27,290
	23,650	11,409	49,181	44,249	70,792	65,860
	43,821	26,581	111,057	111,276	153,372	153,590

Book-to build, R-12m, %

	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
	95	111	108
	103	90	98
	101	138	124
	108	115	120
	102	117	116

Residential Development

Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	1,469	2,053	8,701	10,732	12,346	14,377
Gross income	316	476	1,600	2,074	2,232	2,707
Selling and administrative expenses	-184	-158	-593	-513	-807	-727
Operating income	132	318	1,006	1,561	1,425	1,980
Operating margin, %	9.0	15.5	11.6	14.5	11.5	13.8
Investments	-2,714	-2,238	-8,600	-8,232	-11,856	-11,488
Divestments	2,911	2,356	8,053	6,898	11,921	10,766
Net divestments(+)/investments(-)	197	118	-546	-1,334	66	-722
Capital employed, SEK bn	16.5	14.5	16.5	14.5		14.4
Return on capital employed, % ¹	9.5	14.9	9.5	14.9		14.1
Average number of employees	593	585	593	585		582

¹ Rolling 12 months.

Revenue

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	1,171	1,682	7,554	9,527	10,524	12,497
of which Sweden	222	803	4,262	5,777	5,594	7,109
Europe	298	371	1,147	1,205	1,822	1,879
Total	1,469	2,053	8,701	10,732	12,346	14,377

Operating income¹

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	129	257	882	1,323	1,182	1,623
of which Sweden	44	116	533	820	656	943
Europe	3	62	124	238	243	357
Total	132	318	1,006	1,561	1,425	1,980

¹ Development gain only. Construction margin reported under Construction.

Operating margin, %¹

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	11.0	15.3	11.7	13.9	11.2	13.0
	19.8	14.4	12.5	14.2	11.7	13.3
	0.9	16.6	10.8	19.7	13.3	19.0
	9.0	15.5	11.6	14.5	11.5	13.8

Homes started

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	275	385	1,580	2,176	2,913	3,509
of which Sweden	35	184	1,060	1,613	1,972	2,525
Europe	96	138	554	329	1,079	854
Total	371	523	2,134	2,505	3,992	4,363

Homes sold

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	216	401	1,647	2,426	2,352	3,131
	62	215	1,186	1,735	1,587	2,136
	123	159	453	628	778	953
	339	560	2,100	3,054	3,130	4,084

Homes under construction

	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Nordics	5,996	6,020	6,825
of which Sweden	4,392	4,586	5,175
Europe	1,869	1,417	1,848
Total	7,865	7,437	8,673

Completed unsold, number of homes

	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
	78	79	48
	50	23	17
	14	15	9
	92	94	57

Homes under construction of which sold, %

	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
	72	82	74
	73	82	74
	66	76	71
	71	80	73

Commercial Property Development

Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Revenue	326	556	10,100	4,404	16,799	11,102
of which from divestment of properties	166	358	9,627	3,807	16,109	10,289
Gross income	155	175	2,156	1,981	4,131	3,955
Selling and administrative expenses	-175	-176	-589	-529	-843	-784
Income from joint ventures and associated companies	1	85	6	89	9	93
Operating income	-19	84	1,574	1,541	3,297	3,264
of which from divestment of properties ¹	152	144	2,168	1,861	4,235	3,928
of which writedowns/reversal of writedowns	-17	-44	-47	-44	-173	-170
¹ Additional gains included in Eliminations	-9	12	73	96	216	239
Investments	-2,639	-1,578	-8,379	-4,669	-11,055	-7,344
Divestments	3,359	461	9,747	6,988	12,721	9,961
Net divestments(+)/investments(-)	720	-1,117	1,368	2,319	1,666	2,617
Capital employed, SEK bn	37.1	31.6	37.1	31.6		32.7
Return on capital employed, % ²	10.2	10.8	10.2	10.8		10.8
Average number of employees	429	439	429	439		431

² Rolling 12 months.

Revenue

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	166	422	5,600	3,269	7,460	5,130
Europe	68	44	2,924	878	5,659	3,614
USA	93	90	1,577	256	3,679	2,359
Total	326	556	10,100	4,404	16,799	11,102

of which from divestments

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	98	355	5,395	3,071	7,173	4,849
	21	4	2,775	736	5,468	3,428
	47	0	1,457	0	3,469	2,012
	166	358	9,627	3,807	16,109	10,289

Operating income

SEK M	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Nordics	-8	31	1,011	1,337	1,457	1,783
Europe	35	-37	649	161	1,258	770
USA	-46	90	-87	42	582	711
Total	-19	84	1,574	1,541	3,297	3,264

of which from divestments

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
	26	103	1,229	1,547	1,730	2,047
	124	40	848	315	1,556	1,023
	3	0	91	0	949	858
	152	144	2,168	1,861	4,235	3,928

Capital employed

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Nordics	12,984	10,939	11,750
Europe	8,544	9,455	10,050
USA	15,552	11,191	10,920
Total	37,080	31,585	32,721

Investment Properties

Revenue and earnings

SEK M	Jul-Sep 2022	Jul-Sep 2021 ¹	Jan-Sep 2022	Jan-Sep 2021 ¹	Rolling 12 months ¹	Jan-Dec 2021 ¹
Revenue	10		20		20	
Operating net	7		15		15	
Selling and administrative expenses	0		-1		-1	
Change in property value	0		26		26	
Operating income	7		40		40	
Investments	0		- 748		- 748	
Divestments	0		0		0	
Net divestments(+)/investments(-)	0		- 748		- 748	
Capital employed	755		755			
Property value	766		766			
Return on capital employed, % ²	8.5		8.5			
Net leasing	0					
Economic occupancy rate, %	100		100			
Average valuation yield, %	4.0		4.0			

¹ Investment Properties is a new business stream from 2022.

² Rolling 12 months. For definition see page 17.

Properties

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

PPP-portfolio value

Unrealized development gain in PPP-portfolio

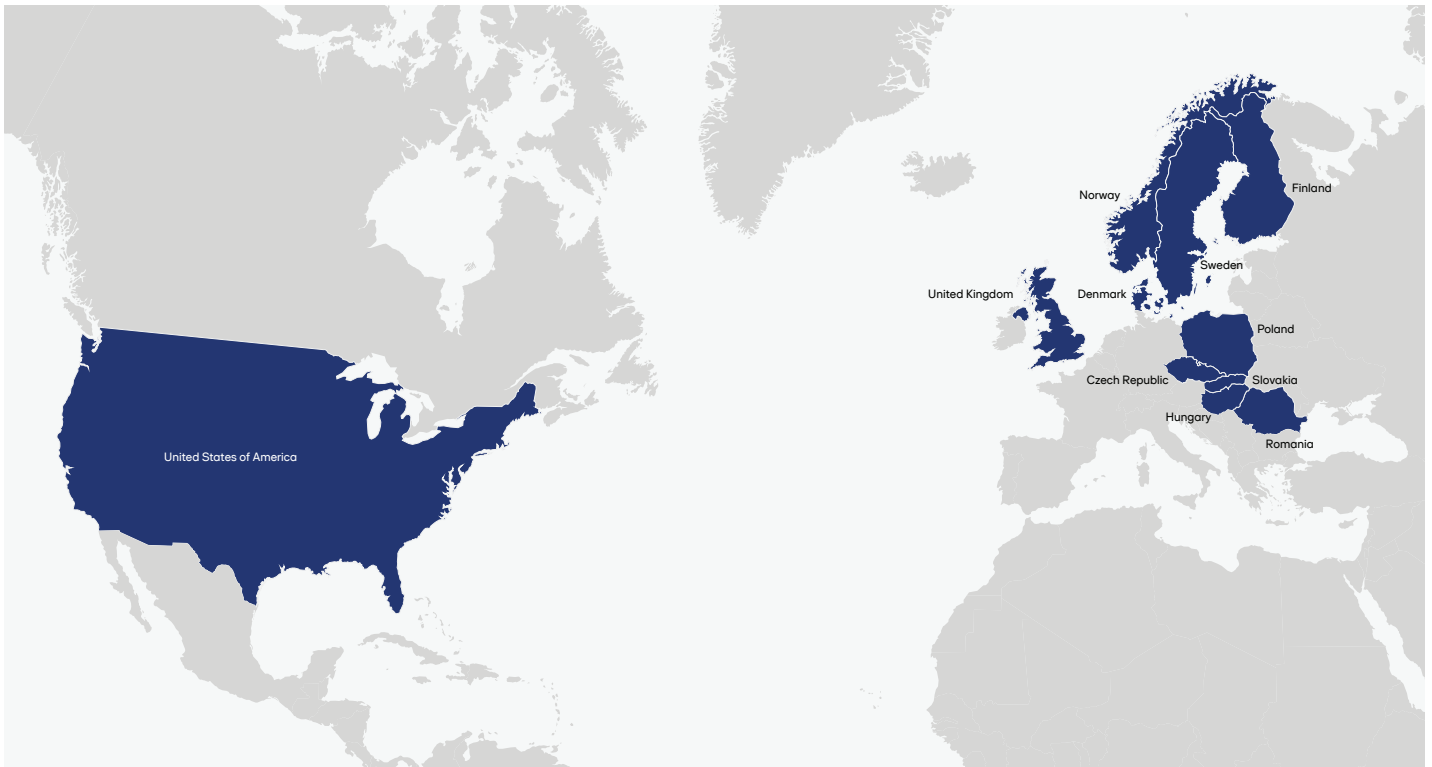
SEK bn	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Present value of cash flow from projects	2.7	2.4	2.5
Present value of remaining investments	0.0	-1.0	-0.6
Net present value of projects	2.7	1.4	1.9
Carrying amount before Cash flow hedge / Carrying amount	-2.2	-0.9	-1.4
Unrealized development gain	0.5	0.5	0.5
Cash flow hedge	0.1	0.2	0.2
Effect in unrealized equity ¹	0.6	0.7	0.7

¹ Tax effects not included.

About Skanska

Over 135 years in the making, we are one of the world's largest project development and construction companies. We operate across select markets in the Nordics, Europe and USA. Together with our customers and the collective expertise of our 30,000 teammates, we create innovative and sustainable solutions that support healthy living beyond our lifetime.

Skanska's home markets



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

Skanska, as part of a joint venture with Corman Kokosing Construction Company and McLean Contracting Company signed a contract in 2020 with Maryland Department of Transportation - Maryland Transportation Authority to design and build the new Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton Bridge over the Potomac River, USA. The existing two-lane bridge which connects Newburg, Maryland and Dahlgren, Virginia, will be replaced with a new about 3 kilometers (1.9 mile), four-lane structure. Once the new bridge and roadway construction is complete the existing bridge will be demolished and used to create artificial reefs in the Chesapeake Bay watershed. Construction started in March 2020, and the new bridge opened in October 2022. Project completion is scheduled for 2024.

Skanska AB

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This report will also be presented via a telephone conference and a audiocast at 10:00 CET on October 26, 2022.

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 (0)8 5051 00 31, or +44 (0)207 107 06 13, or +1 (1) 631 570 56 13.

This and previous releases can also be found at www.group.skanska.com/investors.

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

The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out above, at 07:30 CET on October 26, 2022.

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.