

SKANSKA

# Fourth quarter report 2024

We build for a better society





# Fourth quarter report 2024

- Group performance
  - Strong Construction performance. Record high order backlog
  - Gradually recovering transaction markets for Project Development
  - Growing the Investment Properties Portfolio
- Operating margin in Construction in 4.5% (4.4), 3.5% FY 2024
- ROCE in Project Development 2.6% (-2.7), R-12
- ROCE in Investment Properties 4.6% (-1.6), R-12
- Return on Equity 10.0% (5.8), R-12
- Robust financial position maintained
- Proposed dividend of SEK 8.00 (5.50) per share
- Carbon reduction (scope 1 and 2) 61% since 2015



# Construction

- Revenue SEK 47.0 bn (41.6)
- Order bookings SEK 49.6 bn (44.1)
  - Book-to-build 123%, R-12
  - Order backlog SEK 285.0 bn (229.6)
- Operating income SEK 2,126 M (1,843)
  - Operating margin 4.5% (4.4)
- Strong margin delivery in all main markets. Rolling 12-month Group operating margin was 3.5 percent
- Group order backlog on a historic high





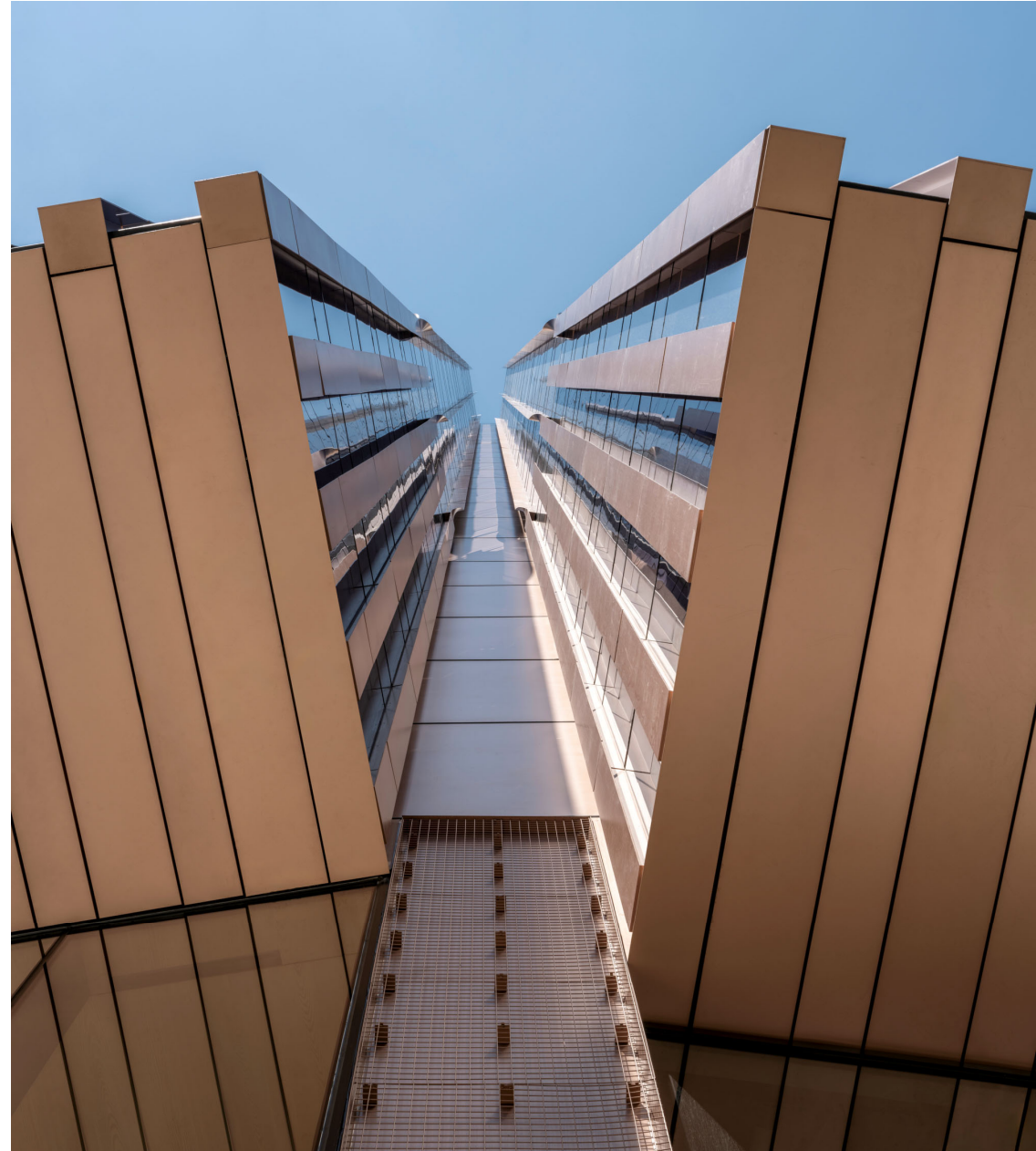
# Residential Development

- Revenue SEK 2.4 bn (1.9)
  - 573 (384) homes sold
  - 620 (339) homes started
- Operating income SEK 196 M (-502)
- ROCE 1.6 (-7.0), R-12
- Stable market in Central Europe and gradually improving in the Nordics
- Starting projects in all home markets
- Operating margin 8.0 percent



# Commercial Property Development

- Operating income SEK 332 M (-932)
  - Gain on sale SEK 561 M (598)
  - ROCE 3.0% (-2.6), R-12
- 15 ongoing projects
  - SEK 20.5 bn total investment
- 24 completed projects
  - SEK 15.6 bn total investment
  - 65% leased
- Five projects divested, one internally to Investment Properties
- Starting three projects, Finland, Sweden and Hungary



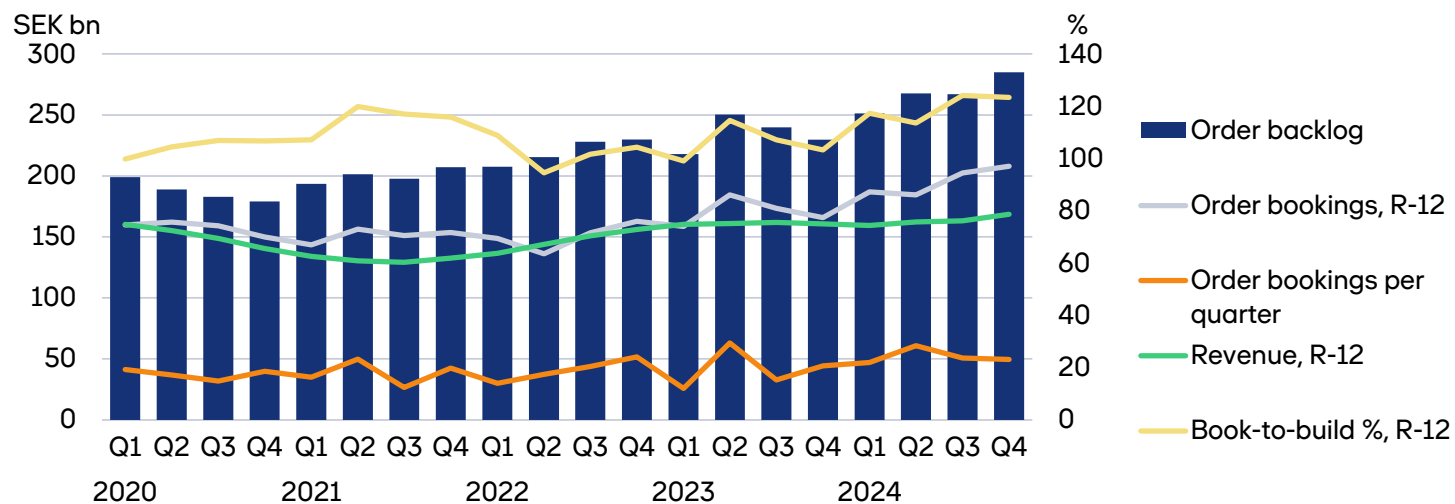


# Investment Properties

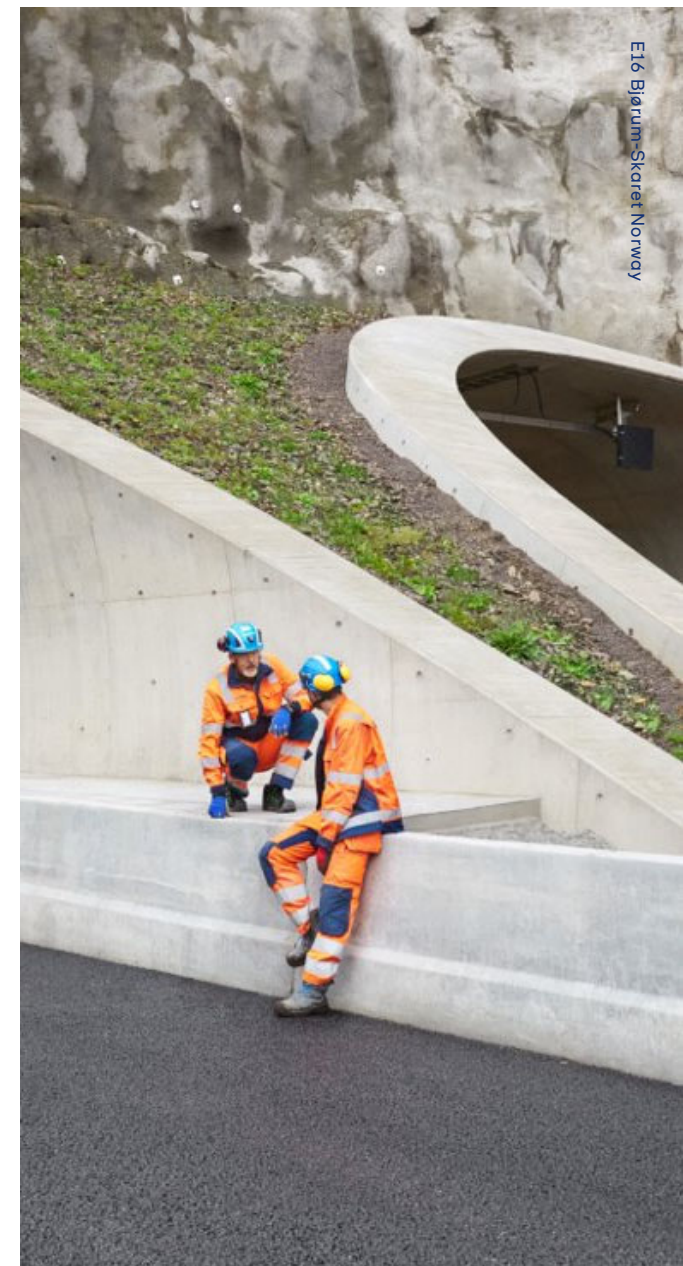
- Operating income of SEK 74 M
- Economic occupancy rate at 87 percent
- Acquiring the high-quality office property Oas in Malmö. Total portfolio property value SEK 8.2 bn



# Construction Order bookings



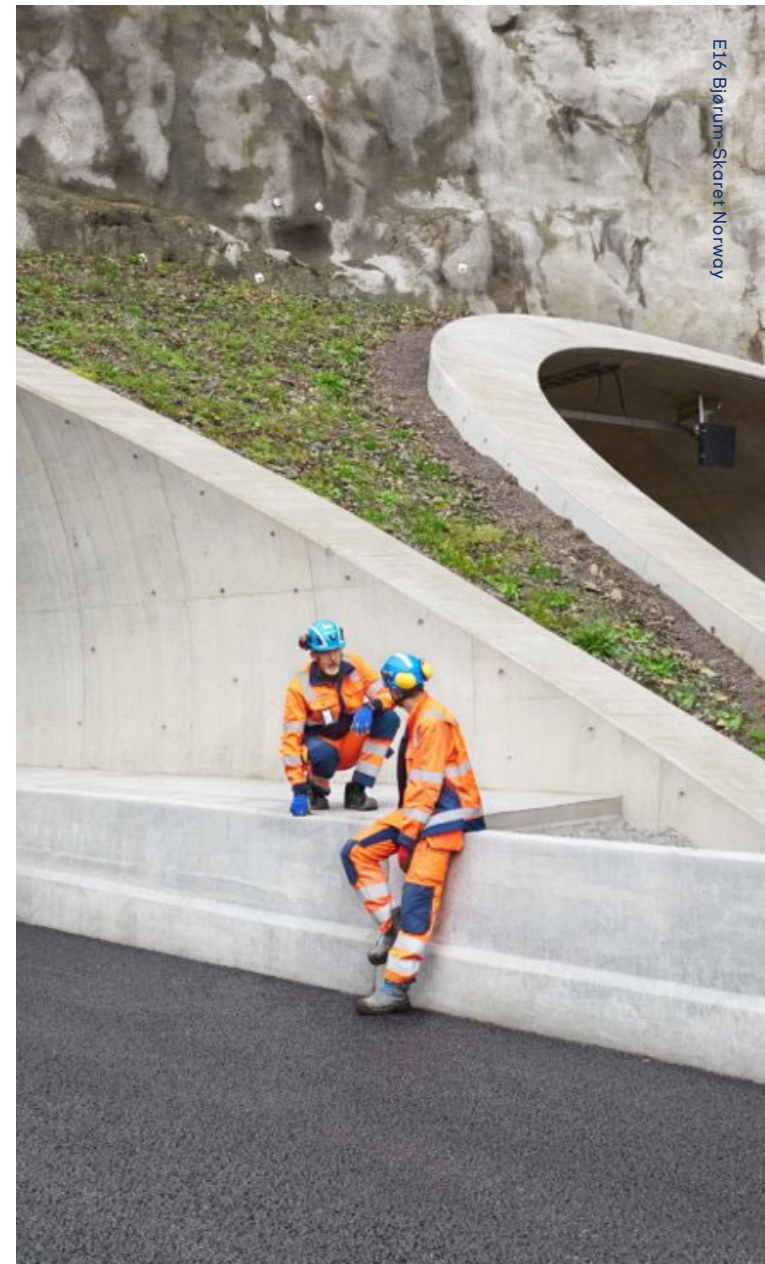
| SEK bn         | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|----------------|--------------|--------------|--------------|--------------|
| Revenue        | 47.0         | 41.6         | 168.6        | 160.6        |
| Order bookings | 49.6         | 44.1         | 207.9        | 165.8        |
| Order backlog  | 285.0        | 229.6        |              | 229.6        |



# Construction

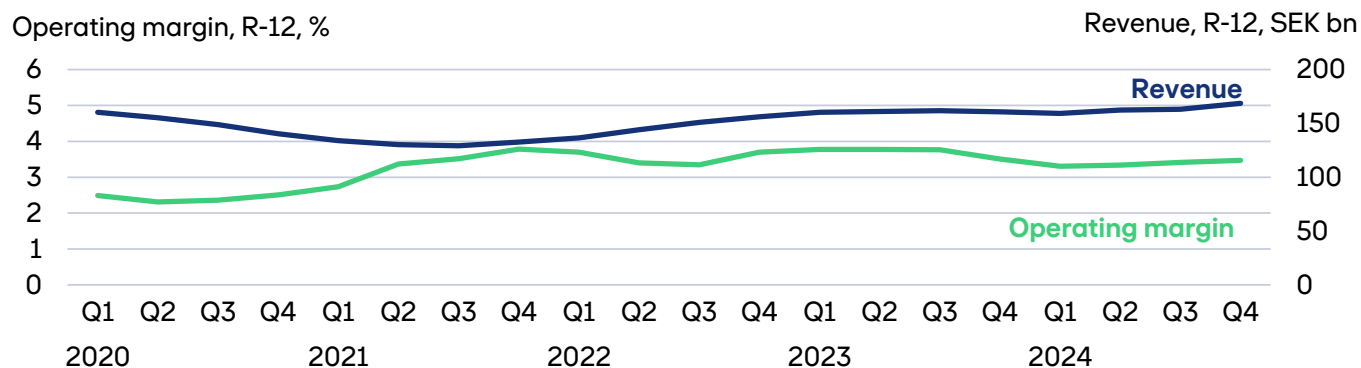
## Order bookings

| SEK bn          | Oct-Dec 2024 | Oct-Dec 2023 | Book-to-build, % | Months of production |
|-----------------|--------------|--------------|------------------|----------------------|
| Nordics         | 16.0         | 10.7         | 93               | 15                   |
| of which Sweden | 8.3          | 6.0          | 103              | 12                   |
| Europe          | 6.5          | 6.4          | 93               | 17                   |
| USA             | 27.0         | 27.0         | 152              | 24                   |
| <b>Total</b>    | <b>49.6</b>  | <b>44.1</b>  | <b>123</b>       | <b>20</b>            |

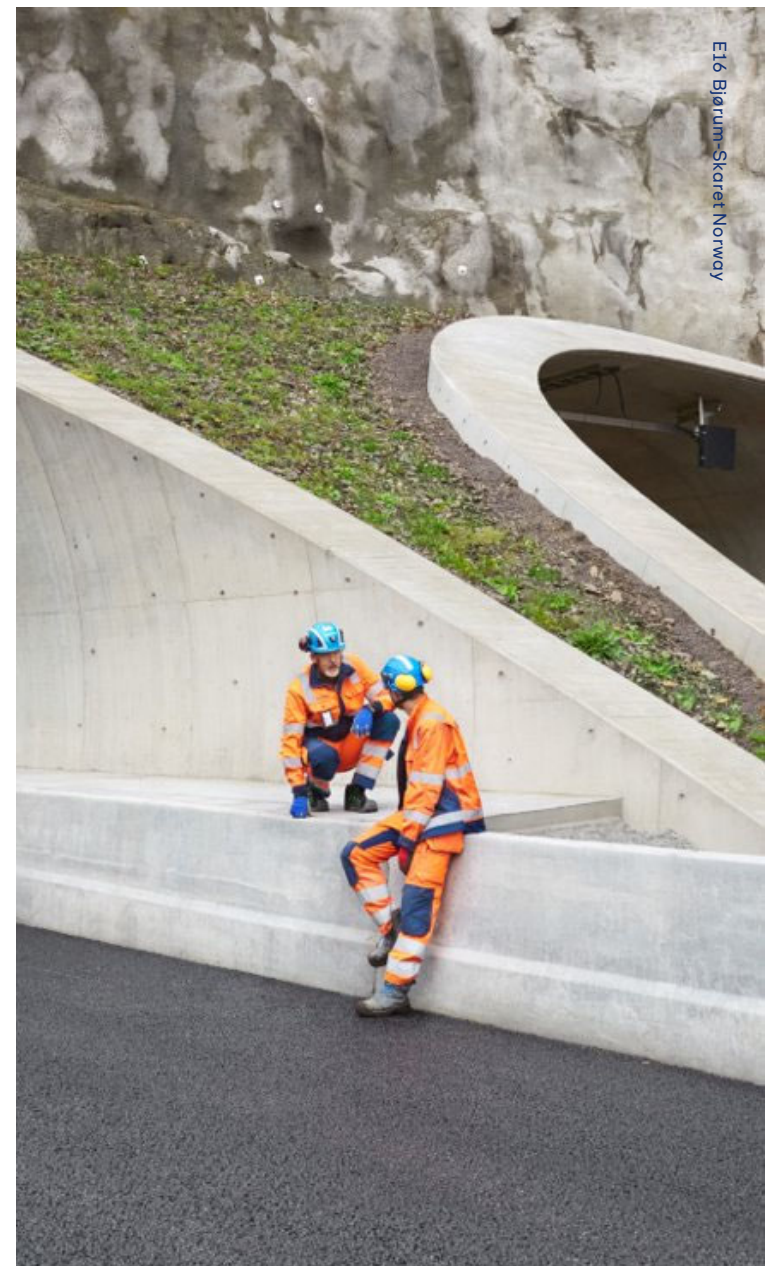




# Construction Income statement



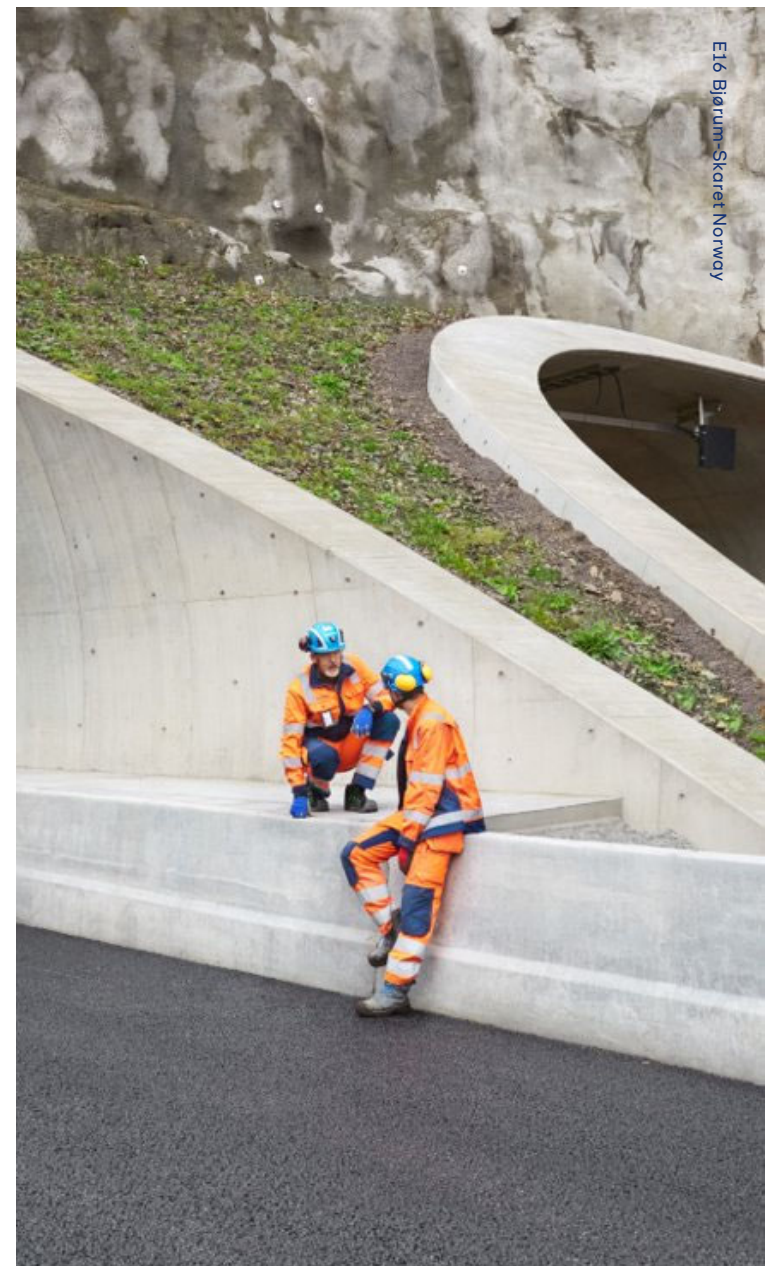
| SEK bn                                 | Oct-Dec<br>2024 | Oct-Dec<br>2023 | Jan-Dec<br>2024 | Jan-Dec<br>2023 |
|--|-----------------|-----------------|-----------------|-----------------|
| Revenue                                | 47.0            | 41.6            | 168.6           | 160.6           |
| <b>Gross income</b>                    | <b>3.8</b>      | <b>3.7</b>      | <b>12.4</b>     | <b>12.4</b>     |
| Selling and administrative expenses    | -1.7            | -1.8            | -6.5            | -6.8            |
| <b>Operating income</b>                | <b>2.1</b>      | <b>1.8</b>      | <b>5.9</b>      | <b>5.6</b>      |
| Gross margin, %                        | 8.2             | 8.8             | 7.3             | 7.7             |
| Selling and administrative expenses, % | -3.7            | -4.4            | -3.9            | -4.2            |
| <b>Operating margin, %</b>             | <b>4.5</b>      | <b>4.4</b>      | <b>3.5</b>      | <b>3.5</b>      |



# Construction

## Income statement

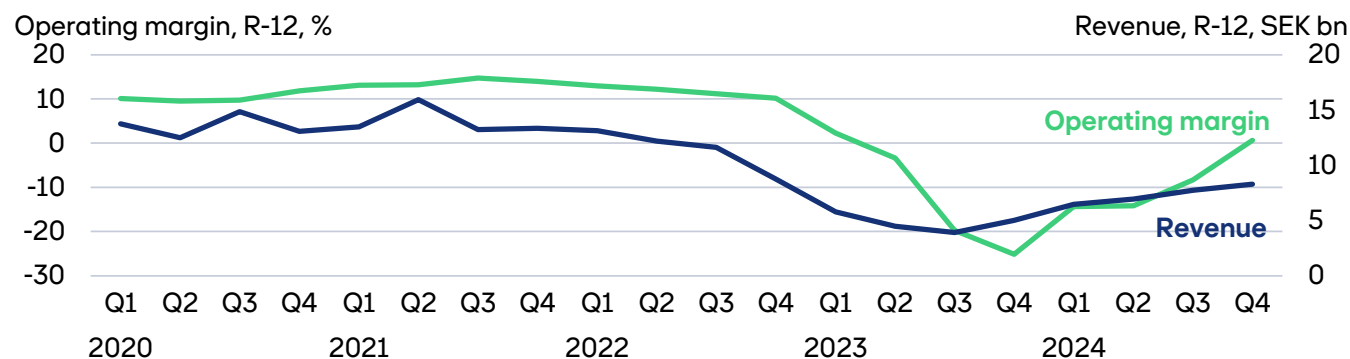
|                 | Operating income, SEK M |              | Operating margin, % |              |
|-----------------|-------------------------|--------------|---------------------|--------------|
|                 | Oct-Dec 2024            | Oct-Dec 2023 | Oct-Dec 2024        | Oct-Dec 2023 |
| Nordics         | 693                     | 692          | 4.4                 | 4.5          |
| of which Sweden | 419                     | 383          | 4.7                 | 4.5          |
| Europe          | 292                     | 77           | 4.2                 | 1.2          |
| USA             | 1,141                   | 1,074        | 4.7                 | 5.5          |
| <b>Total</b>    | <b>2,126</b>            | <b>1,843</b> | <b>4.5</b>          | <b>4.4</b>   |





# Residential Development

## Income statement, segment reporting



Including residential rentals until Q4 2020

| SEK M                                  | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|--|--------------|--------------|--------------|--------------|
| Revenue                                | 2,443        | 1,867        | 8,302        | 5,013        |
| Gross income                           | 334          | -325         | 658          | -332         |
| Selling and administrative expenses    | -138         | -176         | -605         | -930         |
| Operating income                       | 196          | -502         | 53           | -1,262       |
| Gross margin, %                        | 13.7         | -17.4        | 7.9          | -6.6         |
| Selling and administrative expenses, % | -5.7         | -9.4         | -7.3         | -18.5        |
| Operating margin, %                    | 8.0          | -26.9        | 0.6          | -25.2        |



# Residential Development

## Income statement

|                 | Operating income, SEK M |              | Operating margin, % |              |
|-----------------|-------------------------|--------------|---------------------|--------------|
|                 | Oct-Dec 2024            | Oct-Dec 2023 | Oct-Dec 2024        | Oct-Dec 2023 |
| Nordics         | 70                      | -480         | 5.4                 | -41.2        |
| of which Sweden | -6                      | -165         | -0.7                | -27.6        |
| Europe          | 126                     | -21          | 11.0                | -3.0         |
| <b>Total</b>    | <b>196</b>              | <b>-502</b>  | <b>8.0</b>          | <b>-26.9</b> |

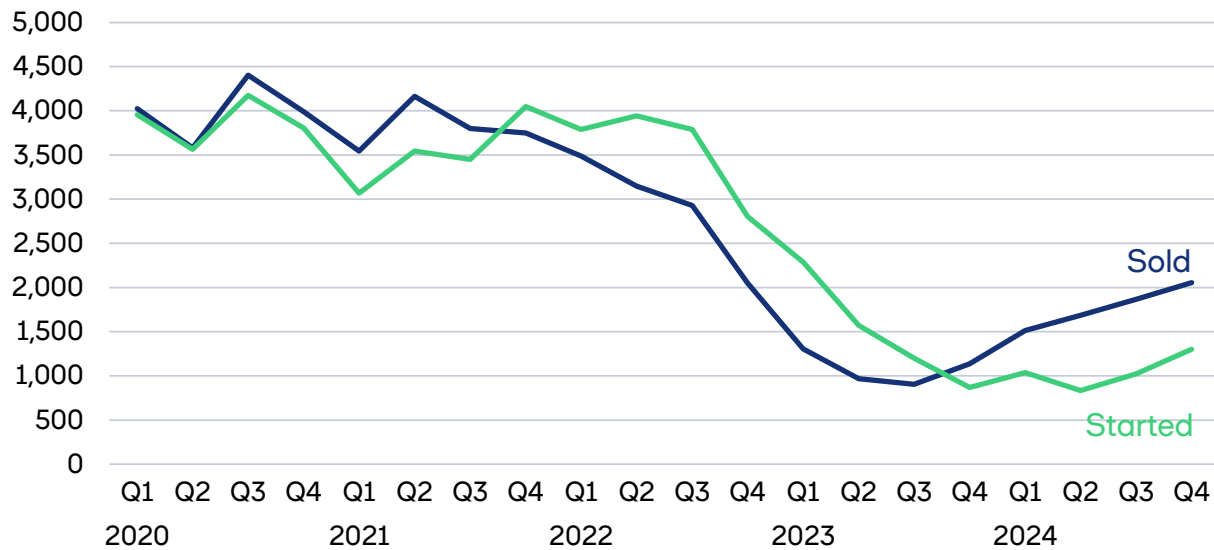




# Residential Development

## Homes started and sold

Homes, R-12



Including residential rentals until Q4 2020

| Homes started |              |              |              | Homes sold   |              |              |              |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Oct-Dec 2024  | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
| 620           | 339          | 1,302        | 868          | 573          | 384          | 2,056        | 1,136        |

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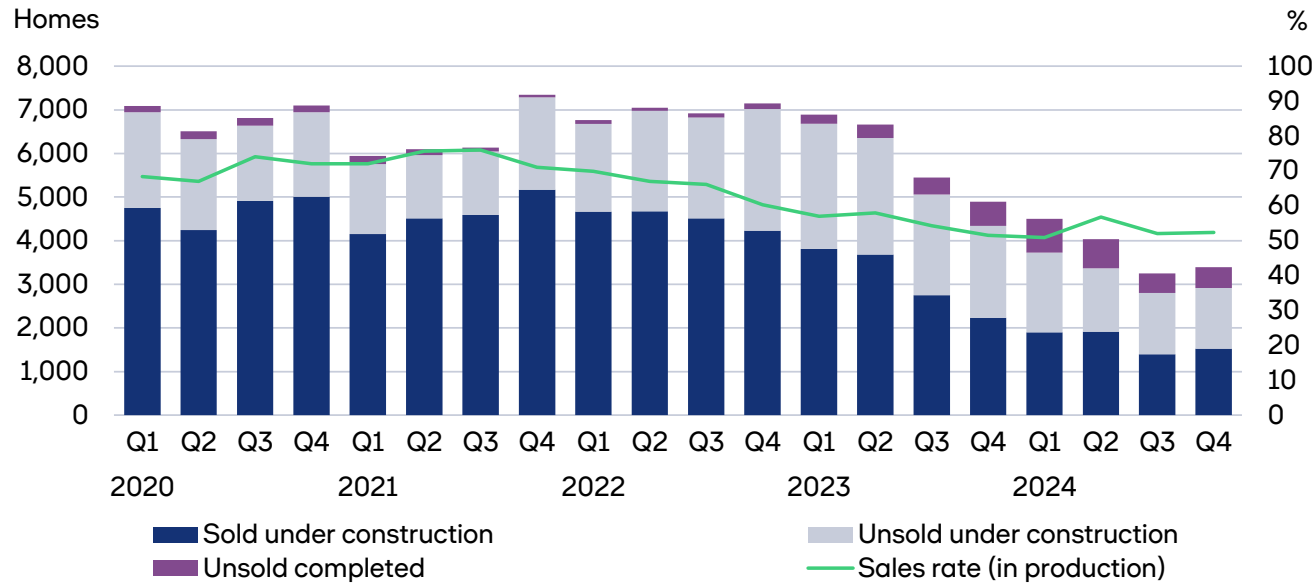
2/7/2025

Skanska Q4 report 2024



# Residential Development

## Homes in production



Including residential rentals until Q4 2020

| Homes in production |              | Of which sold, % |              | Unsold complete homes |              |
|---------------------|--------------|------------------|--------------|-----------------------|--------------|
| Dec 31, 2024        | Dec 31, 2023 | Dec 31, 2024     | Dec 31, 2023 | Dec 31, 2024          | Dec 31, 2023 |
| 2,918               | 4,341        | 52               | 52           | 477                   | 549          |

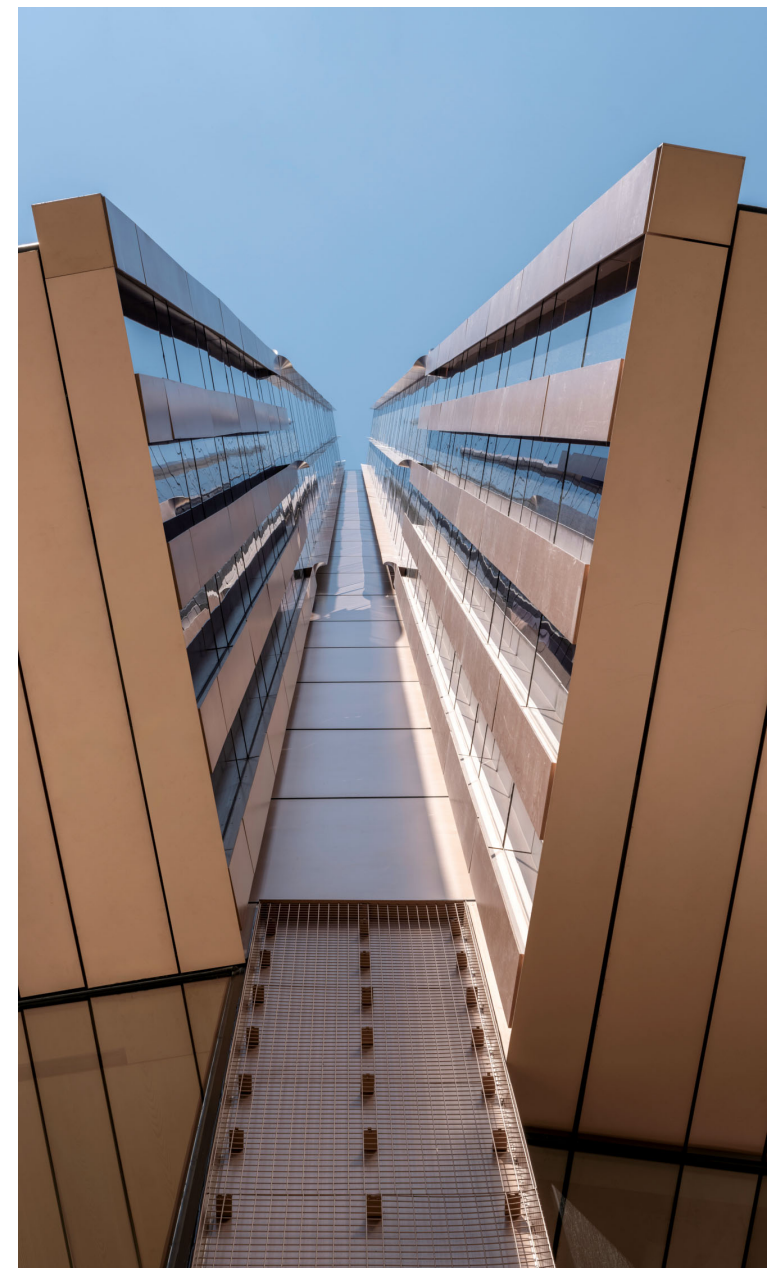




# Commercial Property Development

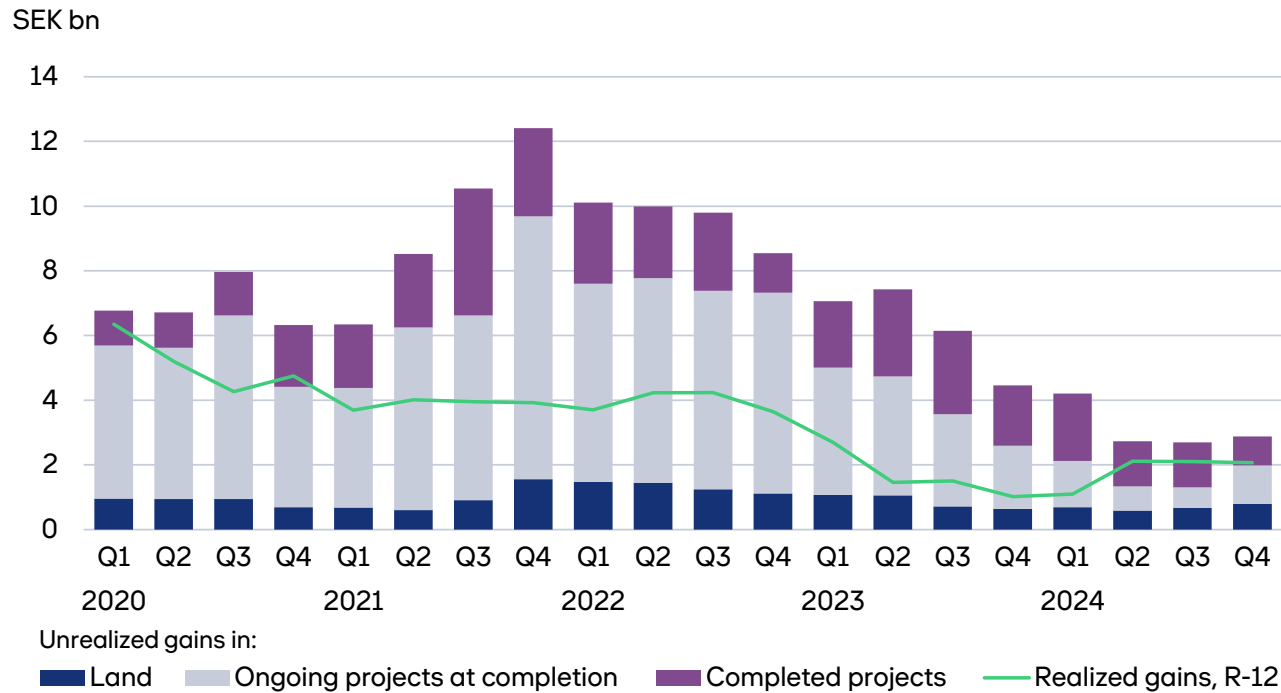
## Income statement, segment reporting

| SEK bn  | Oct-Dec<br>2024 | Oct-Dec<br>2023 | Jan-Dec<br>2024 | Jan-Dec<br>2023 |
|---|-----------------|-----------------|-----------------|-----------------|
| Revenue                                       | 3,576           | 2,832           | 11,225          | 5,331           |
| <b>Gross income</b>                           | <b>559</b>      | <b>-652</b>     | <b>1,959</b>    | <b>-416</b>     |
| Selling and administrative expenses           | -228            | -230            | -836            | -895            |
| Income from JV's and associated companies     | 1               | -50             | -3              | -54             |
| <b>Operating income</b>                       | <b>332</b>      | <b>-932</b>     | <b>1,120</b>    | <b>-1,365</b>   |
| of which gains from divestments of properties | 561             | 598             | 2,064           | 1,014           |
| of which write downs/reversal of write downs  | -1              | -1,314          | -345            | -1,647          |
| 1 Additional gain included in eliminations    | 34              | 23              | 106             | 108             |

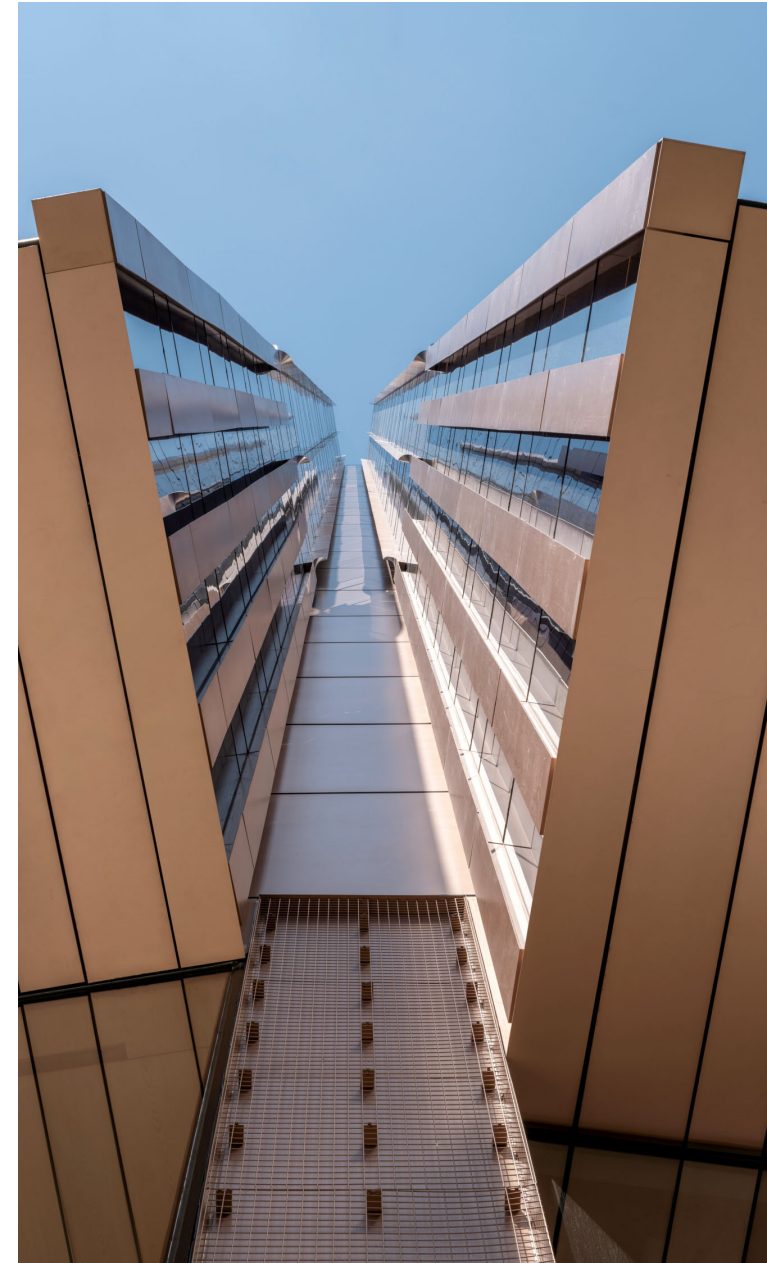


# Commercial Property Development

## Unrealized and realized gains, segment reporting



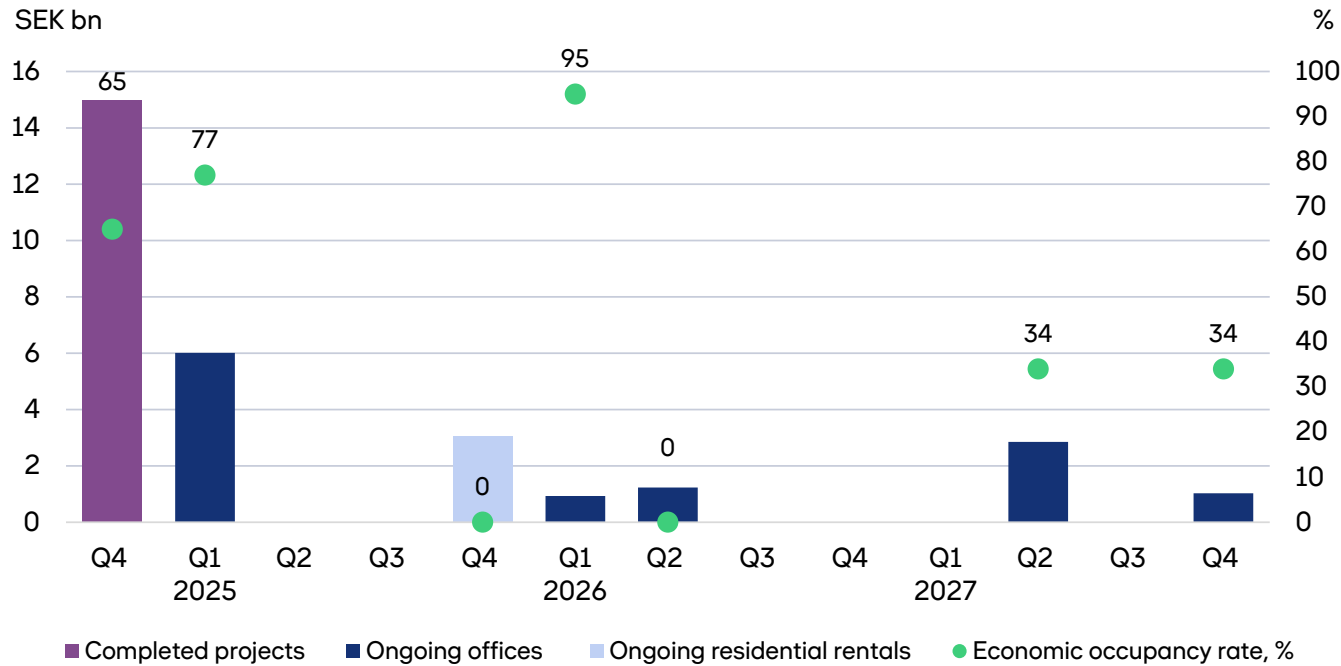
Including residential rentals as of Q1 2023.



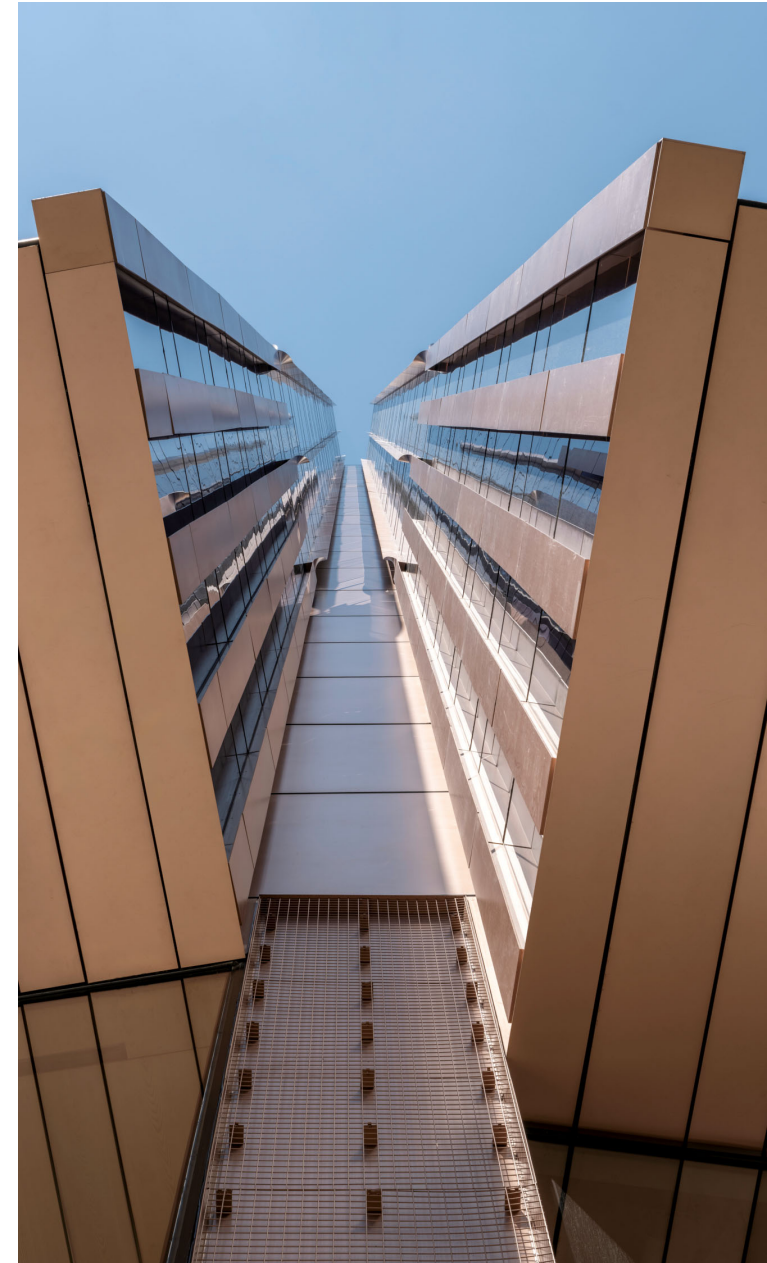


# Commercial Property Development

## Completion profile and unsold projects

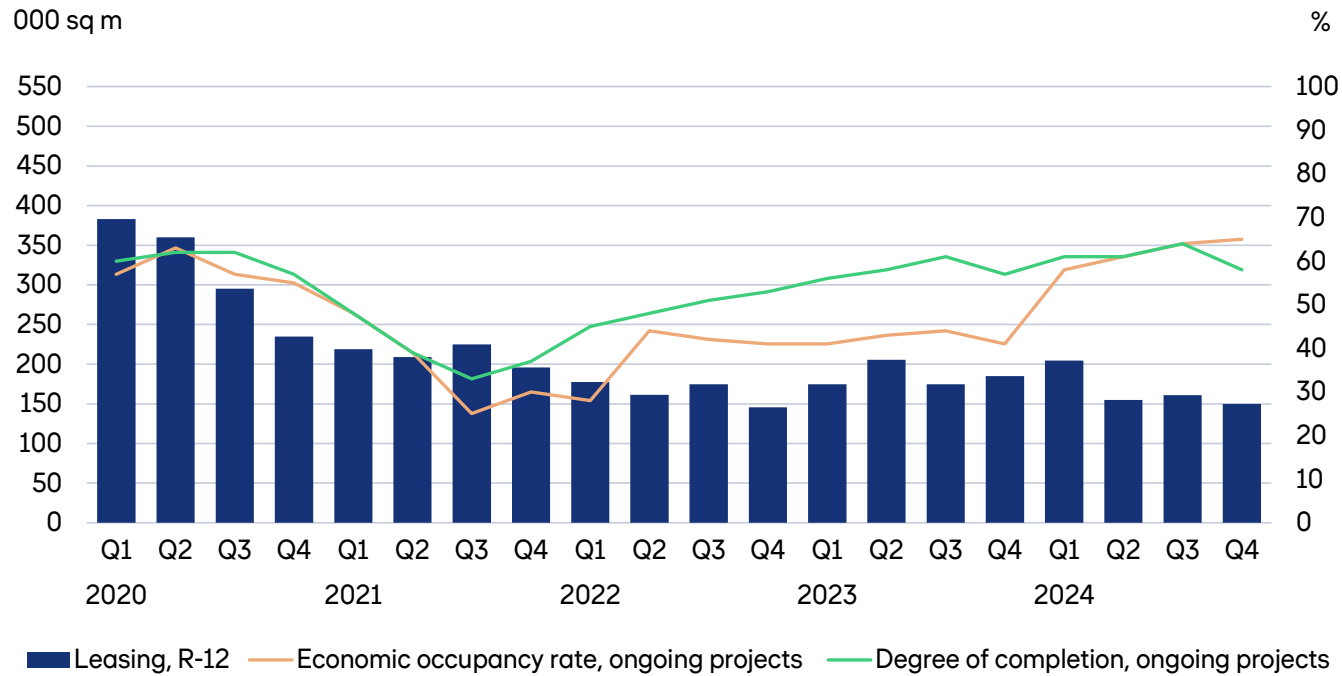


Total investments at completion

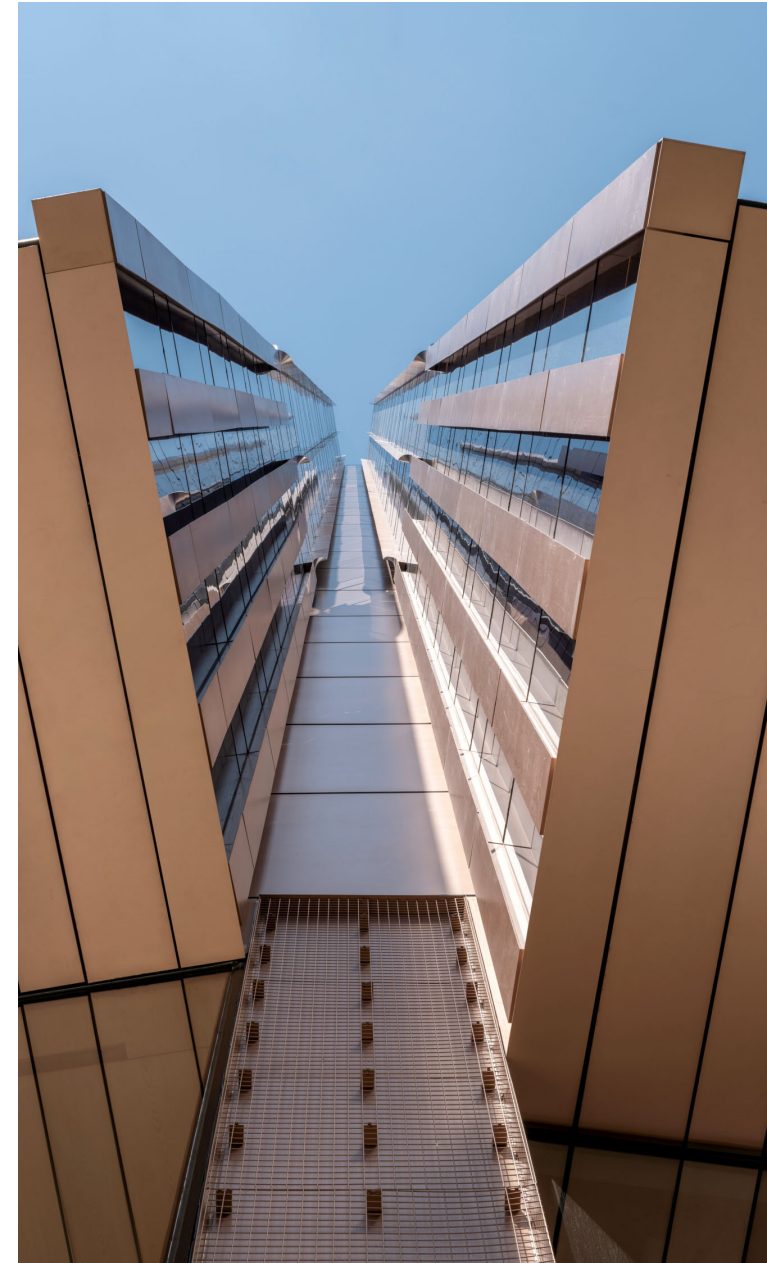


# Commercial Property Development

## Leasing Commercial Properties



Leasing including residential rentals in the USA and Denmark until Q4 2020.



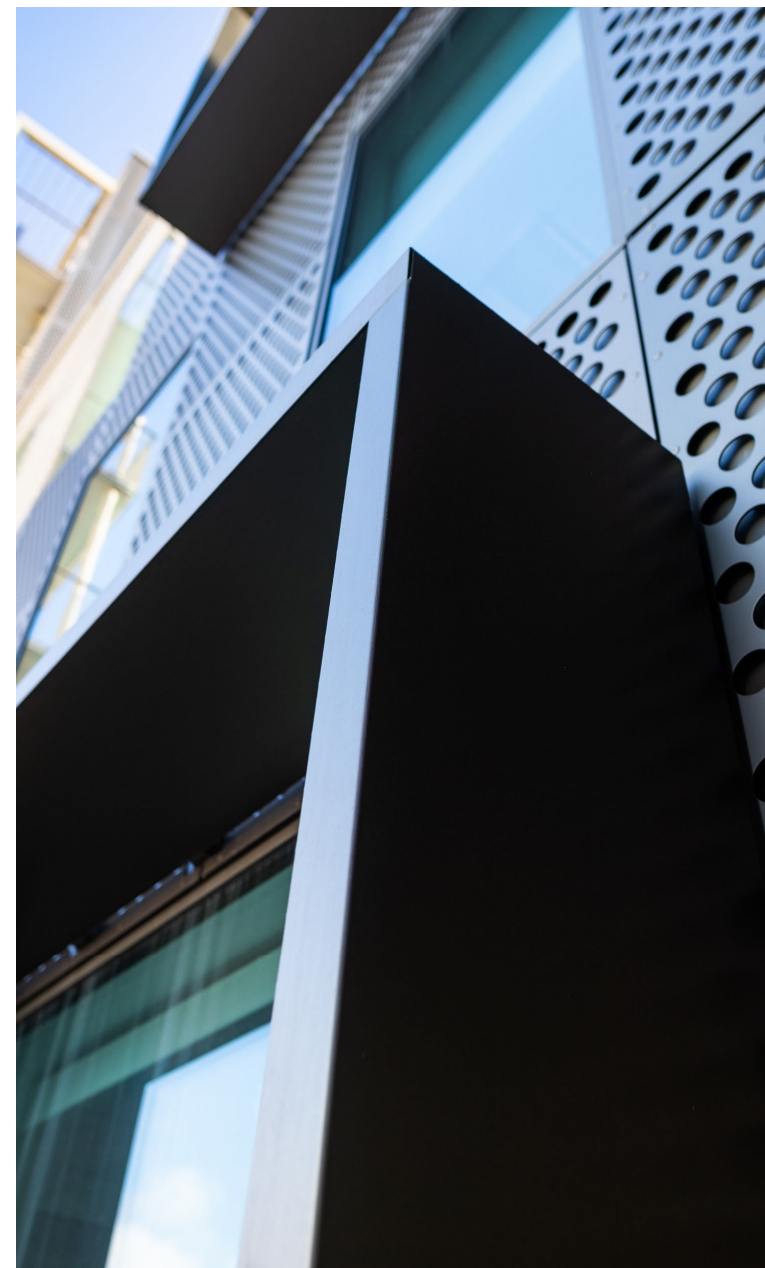


# Investment Properties

## Income statement

| SEK M                               | Oct-Dec<br>2024 | Oct-Dec<br>2023 | Jan-Dec<br>2024 | Jan-Dec<br>2023 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Revenue                             | 114             | 56              | 363             | 186             |
| <b>Operating net</b>                | <b>77</b>       | <b>42</b>       | <b>264</b>      | <b>137</b>      |
| Selling and administrative expenses | -6              | -6              | -14             | -9              |
| Change in property value            | 4               | -165            | 61              | -190            |
| <b>Operating income</b>             | <b>74</b>       | <b>-129</b>     | <b>311</b>      | <b>-62</b>      |

| Location     | Leasable<br>area, sqm | Rental value,<br>SEK M | Economic<br>occupancy<br>rate, % | Property<br>value, SEK M | Environmental<br>certification, % |
|--------------|-----------------------|------------------------|----------------------------------|--------------------------|-----------------------------------|
| Malmö        | 47,009                | 170                    | 92                               | 2,493                    | 100                               |
| Stockholm    | 42,962                | 188                    | 89                               | 3,067                    | 100                               |
| Gothenburg   | 50,291                | 186                    | 80                               | 2,594                    | 100                               |
| <b>Total</b> | <b>140,262</b>        | <b>544</b>             | <b>87</b>                        | <b>8,154</b>             | <b>100</b>                        |



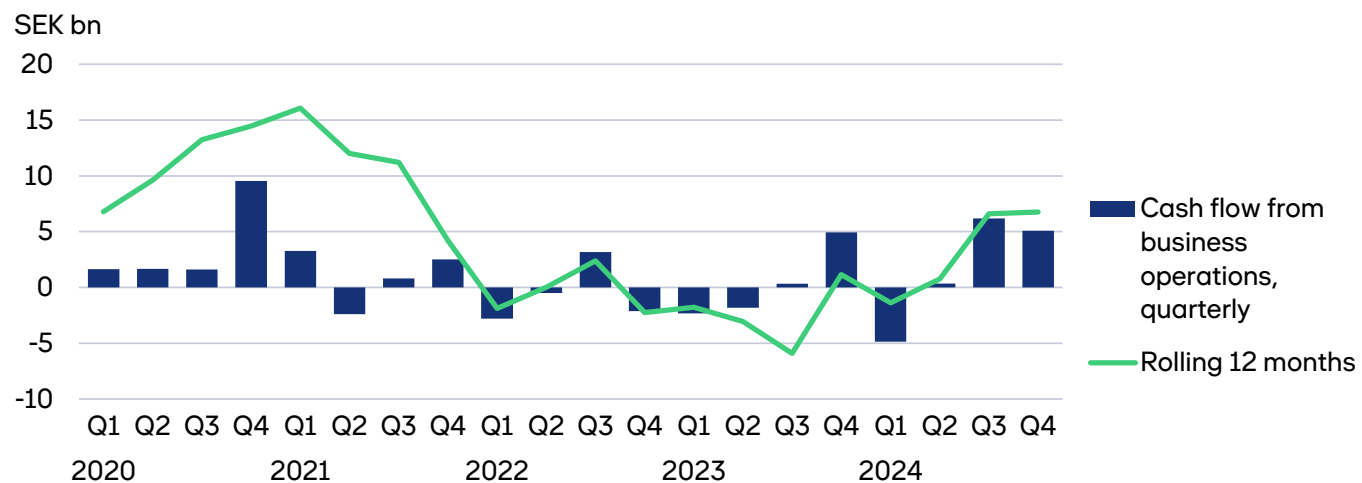
# Group Income Statement

| SEK m                                  | Oct-Dec<br>2024 | Oct-Dec<br>2023 | Jan-Dec<br>2024 | Jan-Dec<br>2023 |
|--|-----------------|-----------------|-----------------|-----------------|
| Operating income from business streams | <b>2,728</b>    | 281             | 7,338           | 2,943           |
| Central                                | <b>-127</b>     | 607             | -440            | 290             |
| Eliminations                           | <b>149</b>      | 69              | 188             | -3              |
| <b>Operating income</b>                | <b>2,750</b>    | 957             | 7,087           | 3,231           |
| <b>Net financial items</b>             | <b>177</b>      | 171             | 661             | 601             |
| <b>Income after financial items</b>    | <b>2,926</b>    | 1,128           | 7,748           | 3,832           |
| Taxes                                  | <b>-647</b>     | -110            | -1,913          | -560            |
| <b>Profit for the period</b>           | <b>2,279</b>    | 1,019           | 5,835           | 3,272           |
| Earnings per share, SEK                | <b>5.54</b>     | 2.48            | 14.12           | 7.89            |
| Tax rate, %                            | <b>22</b>       | 10              | 25              | 15              |





# Group Cash flow

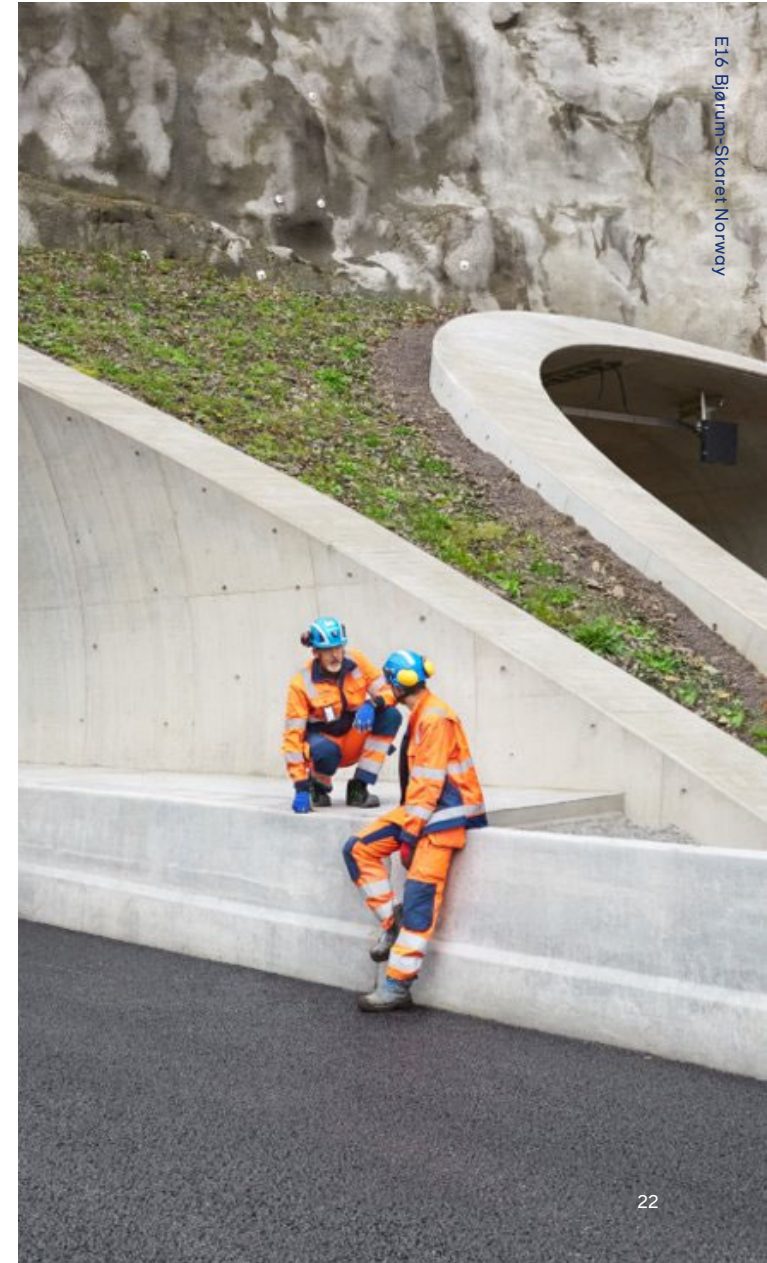
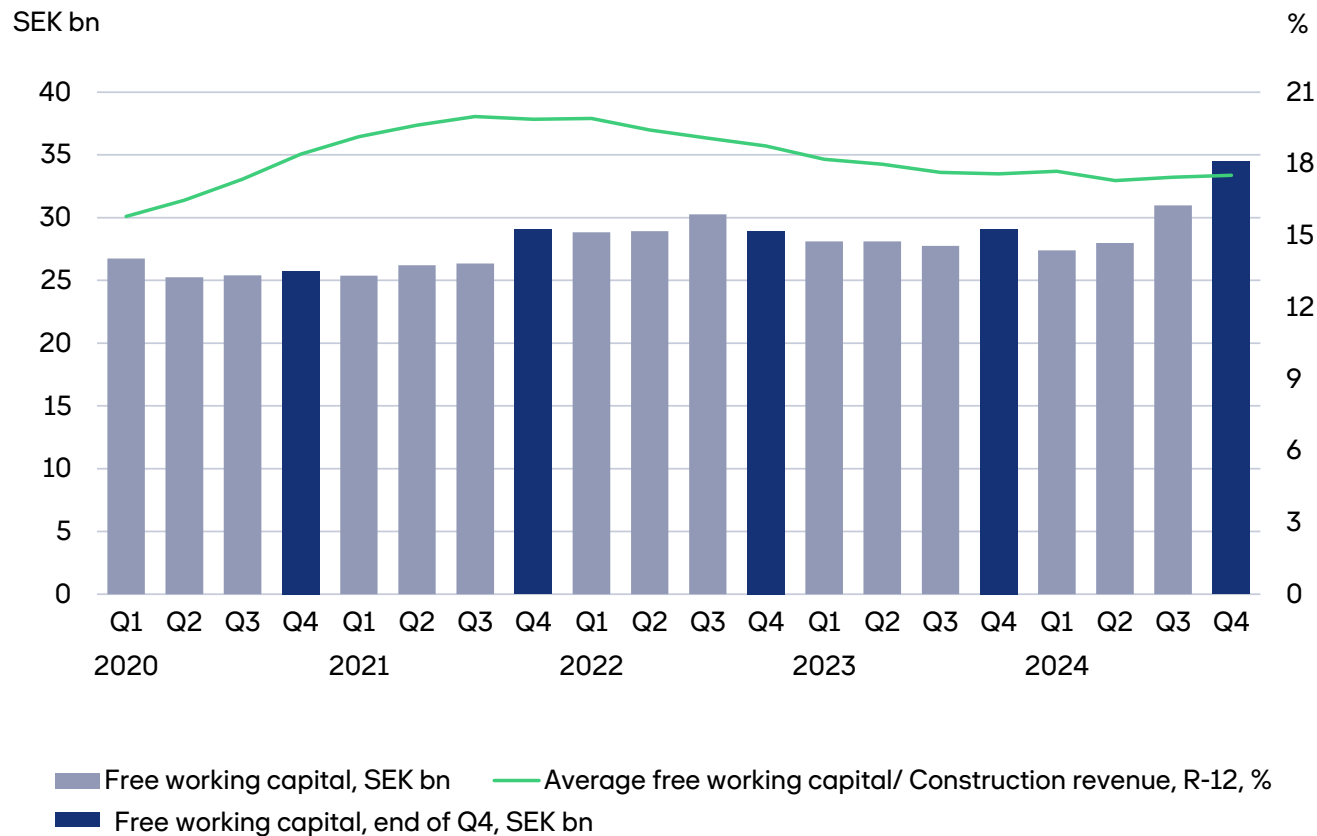


| SEK bn   | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|--|--------------|--------------|--------------|--------------|
| Operating cash flow from operations  | 5.1          | 4.9          | 6.7          | 1.1          |
| Dividend and net strategic divestment  | -0.1         | -0.2         | -2.6         | -3.6         |
| <b>Cash flow before change in interest-bearing receivables and liabilities</b> | <b>5.0</b>   | <b>4.8</b>   | <b>4.2</b>   | <b>-2.4</b>  |



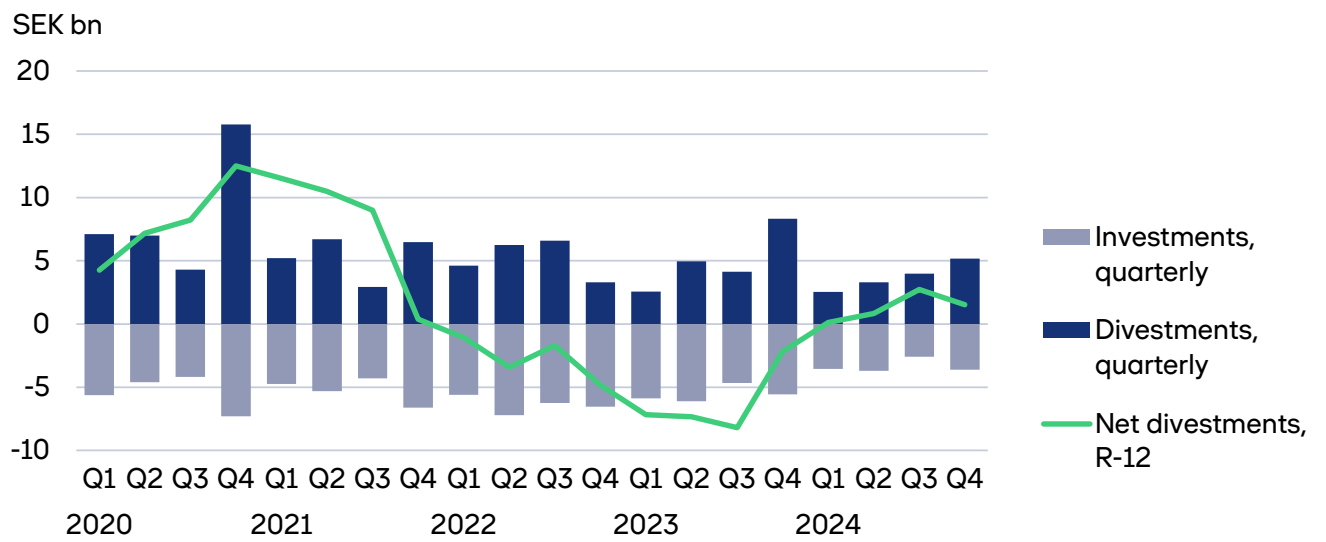
# Construction

## Free working capital



# Group

## Investments, divestments and capital employed



| SEK bn                          | Dec 31, 2024 | Dec 31, 2023 |
|---------------------------------|--------------|--------------|
| <b>Capital employed in:</b>     |              |              |
| Residential Development         | 13.6         | 14.4         |
| Commercial Property Development | 44.1         | 40.8         |
| Investment Properties           | 8.4          | 5.1          |
| <b>Total</b>                    | <b>66.0</b>  | <b>60.2</b>  |

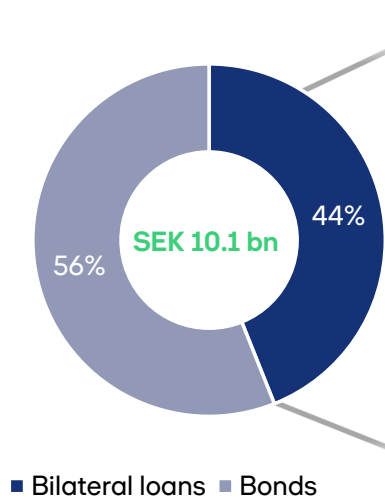




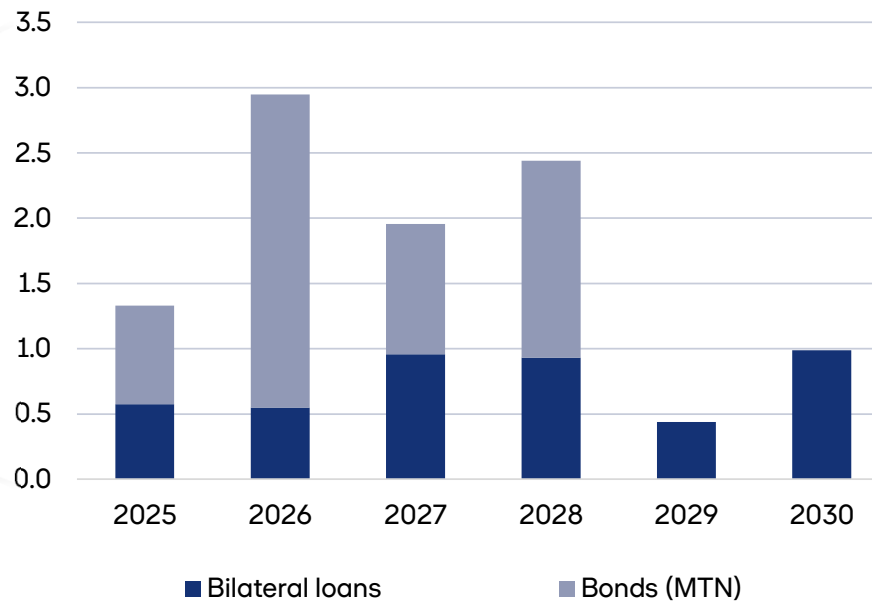
# Group

Available funds: SEK 28.6 bn,  
o/w unutilized credit facilities SEK 10.1 bn

Central funding

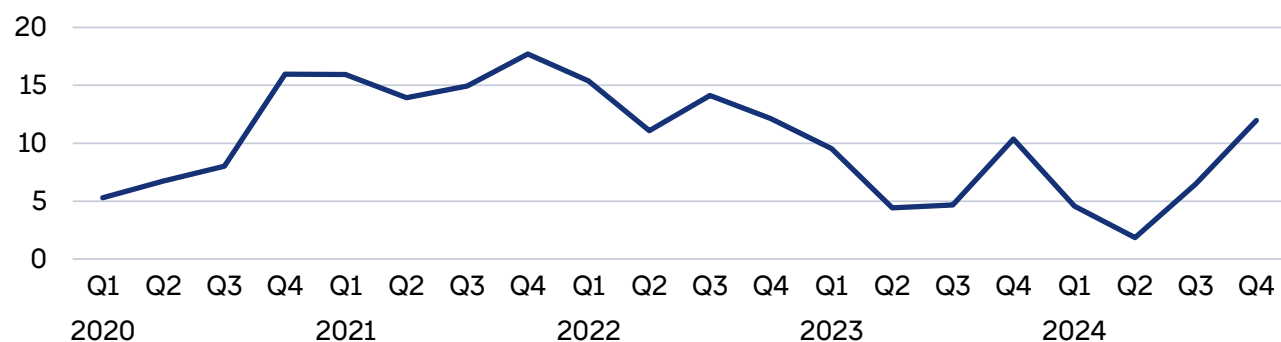


Maturity profile



# Group Financial position

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



| SEK bn   | Dec 31,<br>2024 | Dec 31,<br>2023 |
|--|-----------------|-----------------|
| Total assets   | 171.2           | 155.2           |
| Equity attributable to equity holders                  | 62.6            | 56.3            |
| Interest-bearing net receivables (+)/net debt (-)      | 15.4            | 9.0             |
| Adj. interest-bearing net receivables (+)/net debt (-) | 12.0            | 10.4            |
| Capital employed, closing balance                      | 84.4            | 77.4            |
| Equity/assets ratio, %                                 | 36.6            | 36.3            |



# Market outlook



## Construction

- Strong US market for building and civil infrastructure
- Weakening Norwegian and strengthening Finish civil market
- The European outlook remains cautious for the building segment and stable for civil



## Residential Development

- Good level of activity in the Central European housing market. A gradual recovery expected in the Nordics.
- Interest rate cuts and reduced uncertainty stimulates a market recovery
- Restrictive bank lending, increased secondhand supply and high construction costs have a dampening effect on the new-built segment



## Commercial Property Development

- Transaction market activity returning to Europe but lagging in the USA
- Occupier market stable in Europe and improving for grade-A space in the USA
- Clear flight to quality trend



## Investment Properties

- Stronger demand for high quality space. Polarized occupier market
- Rents expected to remain stable

Outlook compared to previous quarter   ● Weaker   ● Unchanged   ● Improved





# Group Summary

- Group performance in the fourth quarter
  - Strong Construction performance. Record high order backlog
  - Gradually recovering transaction markets for Project Development
  - Growing the Investment Properties Portfolio
- Maintaining a robust financial position
- Proposed dividend of SEK 8.00 (5.50) per share



