

Q1

January - March 2021

May 6, 2021

STUDENT HALL  
Linköping



## MARKET OUTLOOK

# Stable market prospects

Total construction and civil engineering investments, new and renovations

	2021	2022	2023
Sweden	→	→ (↗)	→
Norway	→	↗ (→)	→
Finland	→	↗	↗

Source: Navet Analytics AB

## MARKET OUTLOOK

# Housing investments – strong outlook ahead

### Started-up housing investments, new and renovations

Sweden	2021 ↘	2022 ↗	2023 ↗
Norway	2021 → (↘)	2022 ↗	2023 ↗
Finland	2021 ↘	2022 ↑	2023 ↗

Source: Navet Analytics AB

## MARKET OUTLOOK

# Stable outlook for started-up other building construction

Started-up other building construction investments, new and renovations

	2021	2022	2023
Sweden	↗	↘ (↗)	→
Norway	↘	→	↘
Finland	→	→	→

Source: Navet Analytics AB



## MARKET OUTLOOK

# Public investments positive for civil engineering

### Civil engineering investments

	2021	2022	2023
Sweden	↗	→	-
Norway	↑	↗	-
Finland	↘	→	-

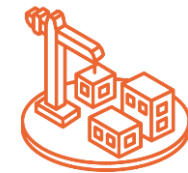
Source: Navet Analytics AB



# Business area Construction

THE WATER TOWER  
Järna

# Business area Construction

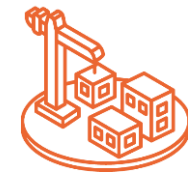


MSEK	Jan-Mar 2021	Jan-Mar 2020	Apr 2020-Mar 2021	Jan-Dec 2020
Net sales	6,196	6,620	26,565	26,989
Operating profit	151	146	668	663
Operating margin, %	2.4	2.2	2.5	2.5

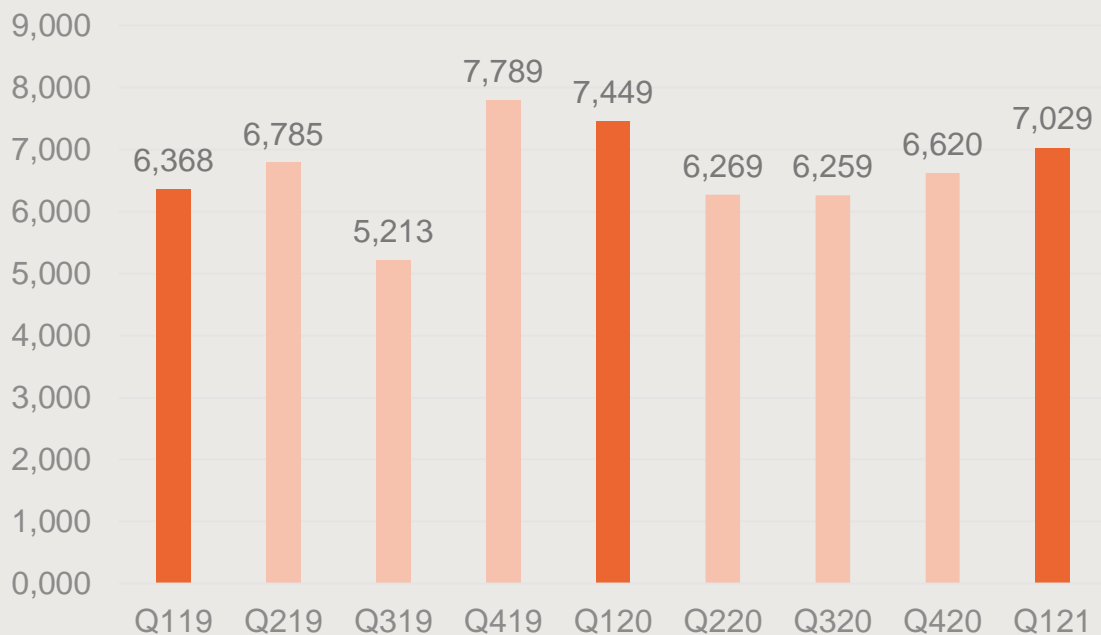


## BUSINESS AREA CONSTRUCTION

# Stable level of orders received



### Orders received, MSEK

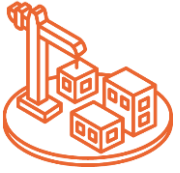


Order backlog  
**27.4**  
BSEK (27.8)



MÄSSINGSRÖRET  
Upplands Väsby

# Good variation in type of product and geography

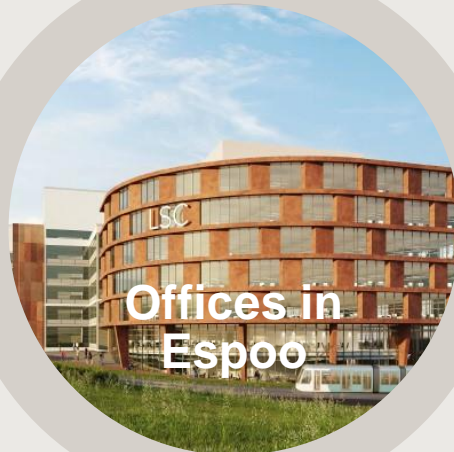


New high school  
(405 MSEK)

New office building  
(20 MEUR)

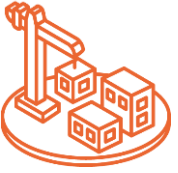
New student  
housing  
(225 MSEK)

New car dealership  
(113 MNOK)

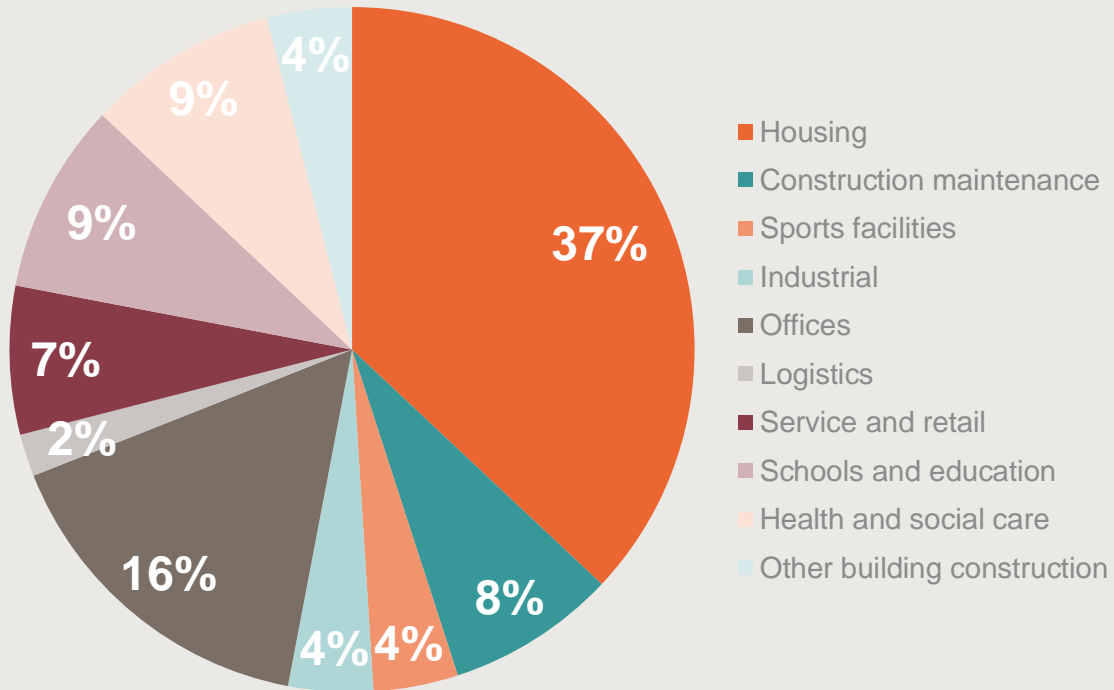


# BUSINESS AREA CONSTRUCTION

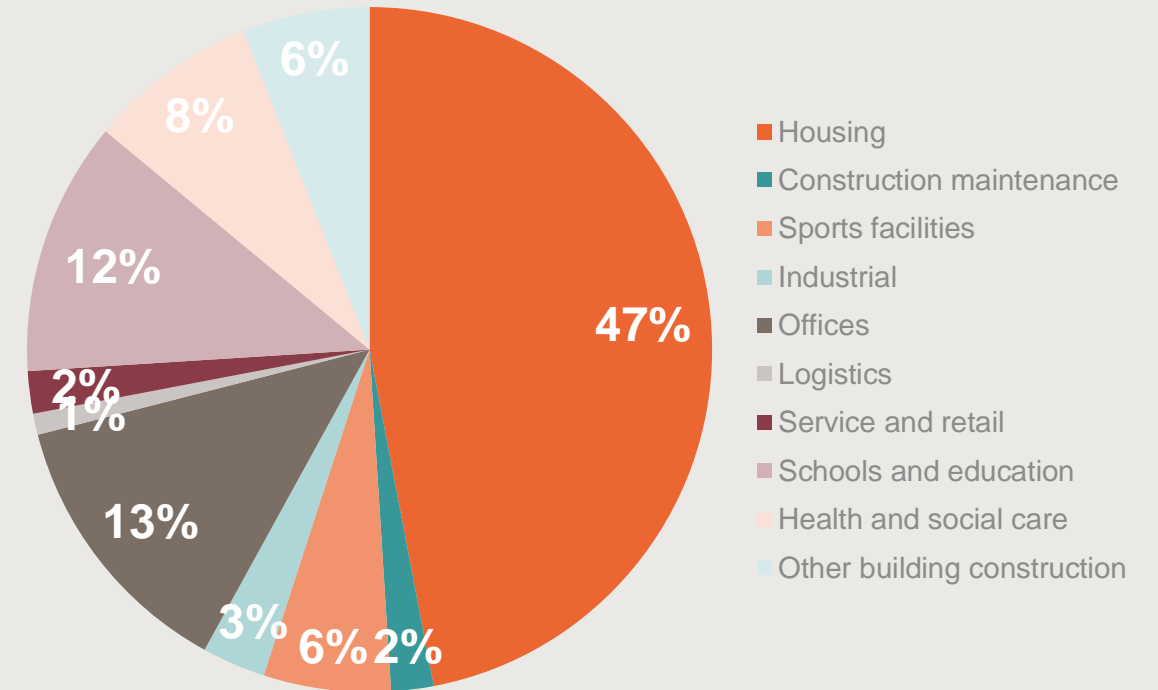
## Split by product area



### Net sales, rolling 12 months



### Order backlog, March 31, 2021





An aerial photograph of a newly constructed highway with two lanes in each direction, curving through a dense forest. The road is flanked by retaining walls and guardrails. The sky is clear and blue.

# Business area Civil Engineering

ROAD E20  
Vårgårda-Alingsås



# Business area Civil Engineering

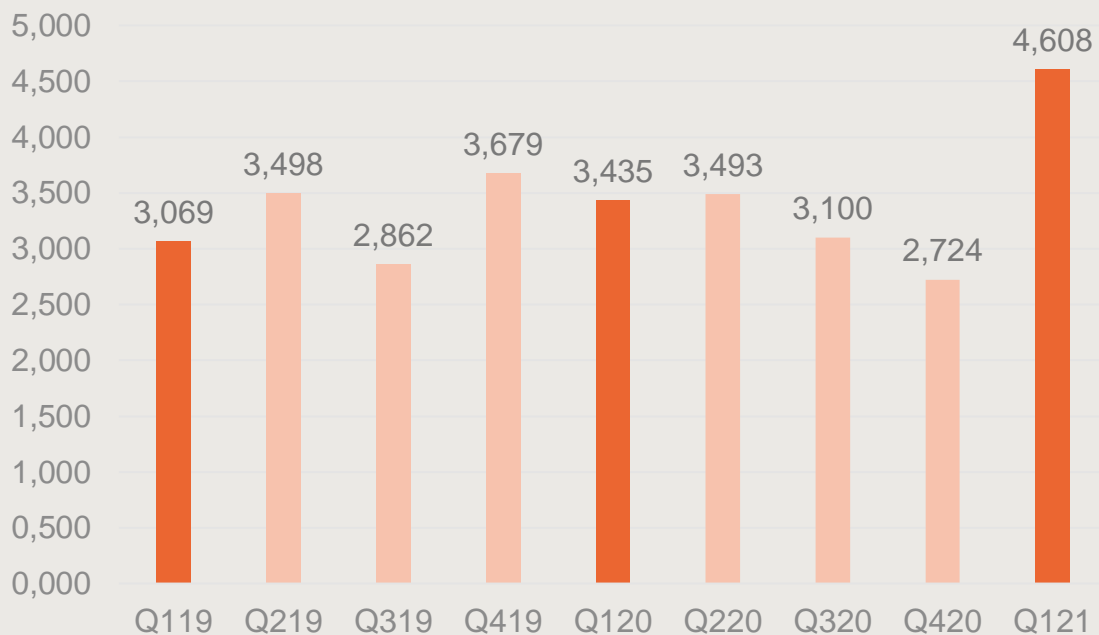


MSEK	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Net sales	<b>3,090</b>	2,770	13,163	12,843
Operating profit	<b>52</b>	41	402	391
Operating margin, %	<b>1.7</b>	1.5	3.1	3.0

# High level of orders received in the first quarter



### Orders received, MSEK



Order backlog

# 14.8

BSEK (14.1)



FISH PASSAGE  
Linköping



# Great variation on contracts



Reconstruction of  
highway 35  
(122 MSEK)



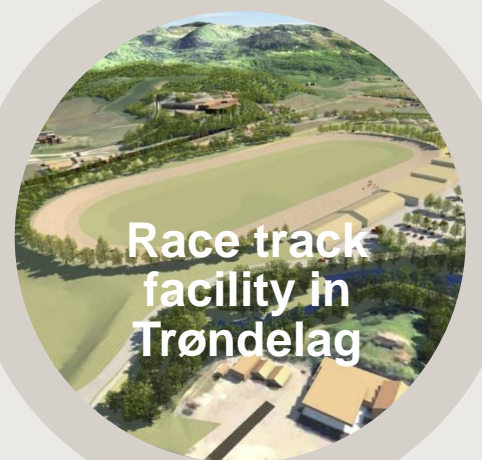
Reconstruction of  
wastewater  
treatment plant  
(254 MSEK)



Electric grid  
services  
(400 MSEK)



New horse racing  
track facility  
(100 MNOK)

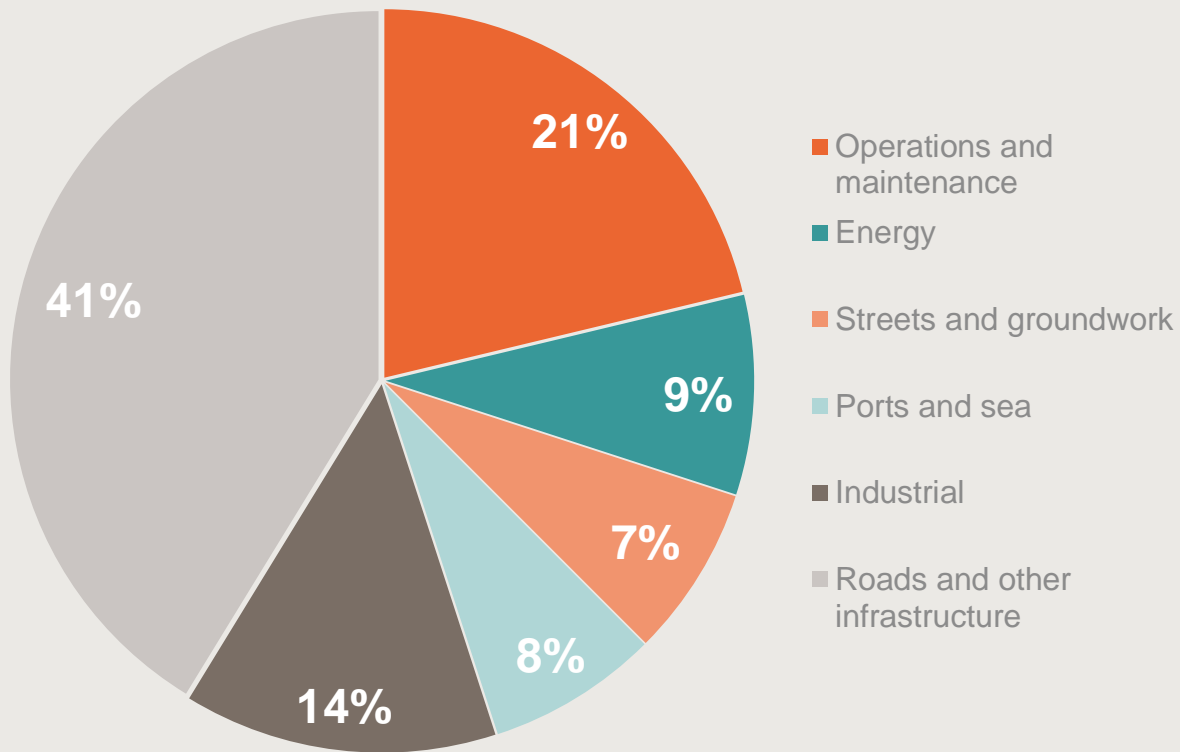


# BUSINESS AREA CIVIL ENGINEERING

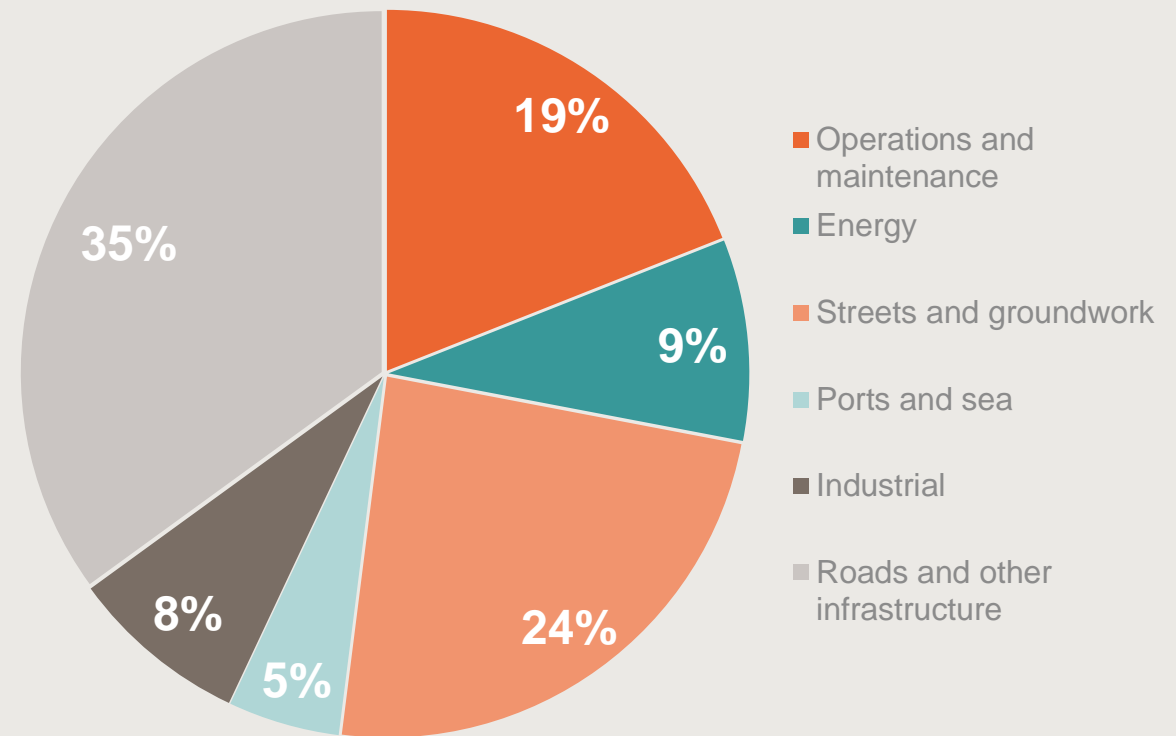
## Split by product area



### Net sales, rolling 12 months



### Order backlog, March 31, 2021







# Business area Industry

C&D RECYCLING WASH PLANT  
Malmö

# Business area Industry



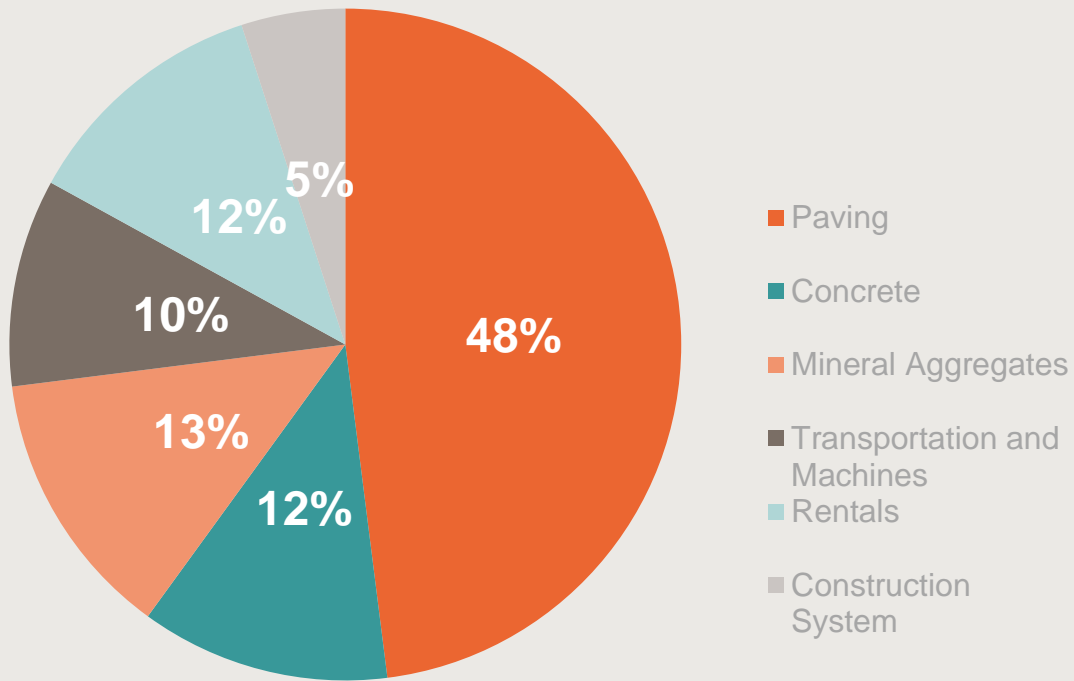
MSEK	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Net sales	2,204	2,215	18,709	18,720
Operating profit	-397	-66	774	1 105
Operating margin, %	-18.0	-3.0	4.1	5.9



# Growth in Paving and Mineral Aggregates



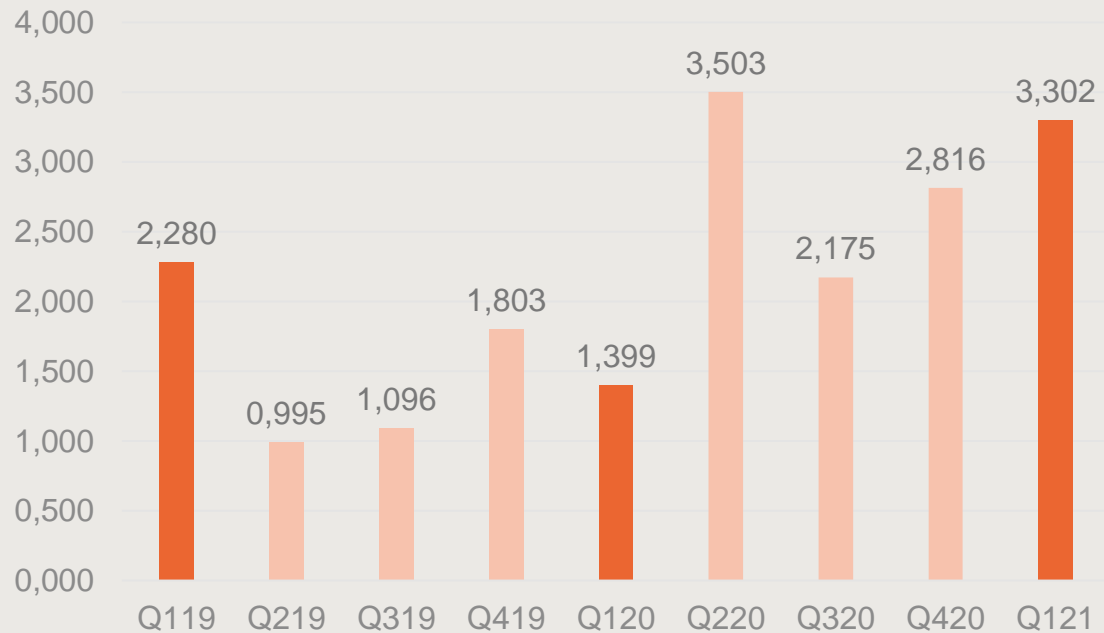
Net sales, rolling 12 months



# Acquisition contributes to higher level of orders received



### Orders received, MSEK



Order backlog

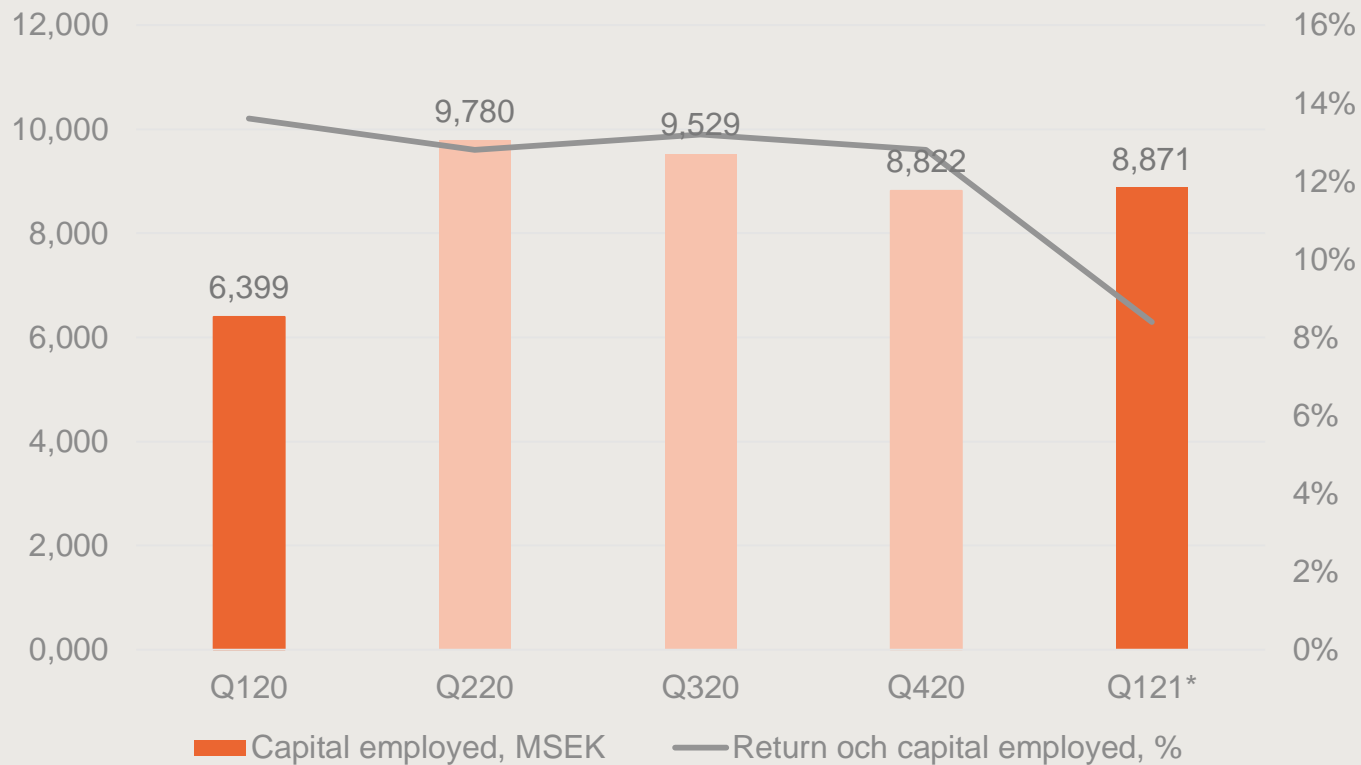
**6.5**  
BSEK (3.4)



# Increased expenditures through acquisitions and investments



## Capital employed and return on capital employed



Return on capital employed

**8.4**  
% (13.6)

\*Based on rolling 12 months.



An aerial photograph of a modern, multi-story brick building complex. The building has a grid-like facade with numerous windows. In the foreground, there is a paved road with a crosswalk and a flagpole. To the right, there are trees with autumn foliage in shades of yellow and orange. The sky is blue with scattered white clouds. An orange semi-transparent banner is overlaid on the left side of the image, containing white text.

# Business area Project Development

SCHEELEVÄGEN  
Lund



# Business area Project development



MSEK	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Net sales	<b>1,710</b>	1,969	7,241	7,500
Operating profit	<b>213</b>	174	1,708	1,669
Operating margin, %	<b>12.5</b>	8.8	23.6	22.3
<i>of which Housing Development</i>	<b>12.1</b>	8.1	10.6	9.6

# Higher level of housing start-ups and continued good sales



Number	Jan-Mar 2021	Jan-Mar 2020	Apr 2020-Mar 2021	Jan-Dec 2020
Housing start-ups	662*	503	2,450	2,291
Sold homes	657	787	2,552	2,682
Repurchased homes on the balance sheet at the end of the period	222	245	222	222

\*Includes 206 homes that have been converted from rentals.



# Selection of production-started homes



60 homes in  
Örebro



116 homes in  
Malmö



56 homes in  
Tampere



69 homes in  
Helsinki



# Housing Development after the first quarter



Number of homes  
in production

**3,821**

(4,538)

Homes under  
construction sold

**74%**

(72)

TAMPEREEN FÖRSTI  
Tampere

# Rentals in own balance sheet



Number of rentals	Jan-Mar 2021	Jan-Mar 2020	Apr 2020-Mar 2021	Jan-Dec 2020
Production-started homes	253	75	680	502
Sold homes	91	-	95	4
Converted to tenant-owner associations	206	-	434	228
Total number of homes in production, at the end of the period	719*	568	719	763

\*Of which 419, respectively 58 percent, are under contract to be sold upon completion.



# Ongoing property projects

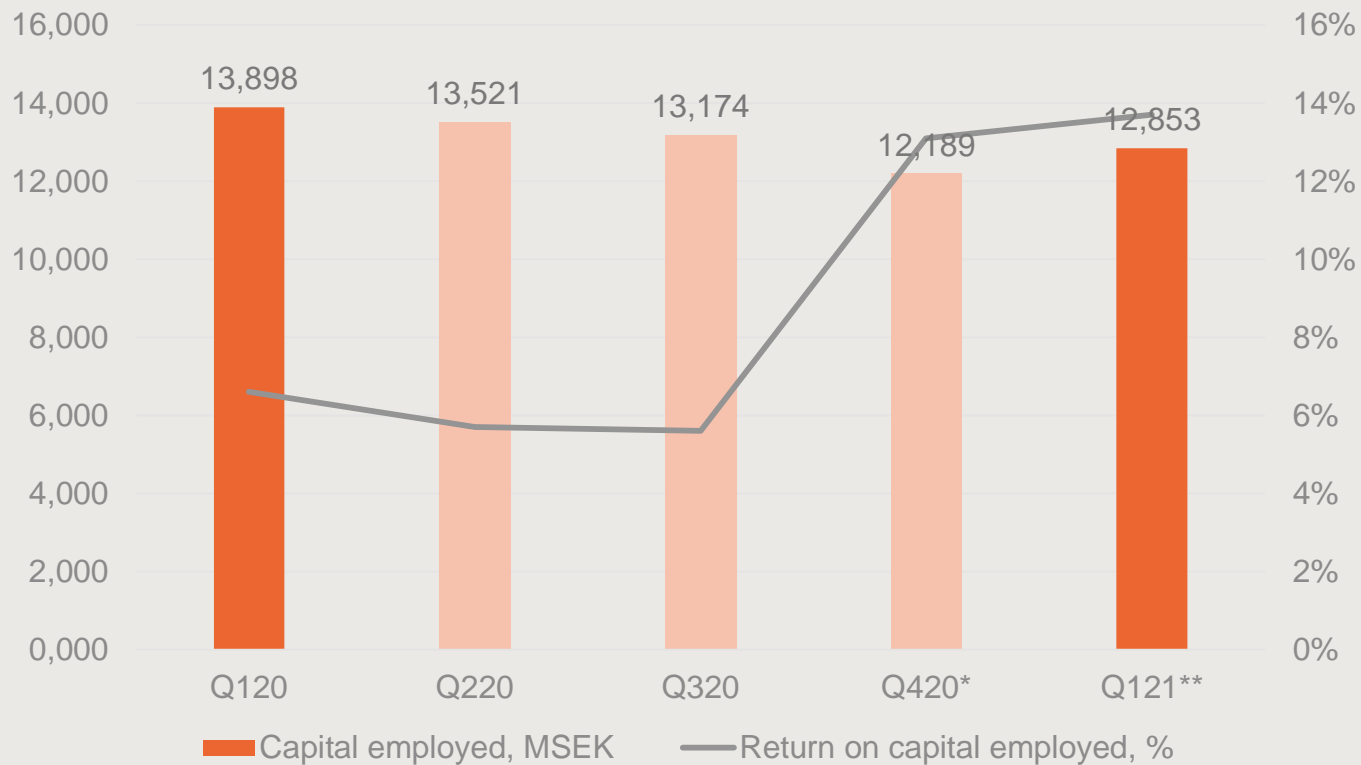


Type of project	Location	Rentable area, m <sup>2</sup>	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Office building	Helsingborg	2,900	88	104	106	Q2-2021	98
Office building	Solna	4,300	100	135	194	Q3-2021	70
Sports hall	Sundsvall	14,700	100	116	223	Q2-2022	52

# Somewhat lower capital employed



### Capital employed and return on capital employed



Return on capital employed

**13.7**  
% (6.6)

\*The distribution of Annehem Fastigheter of MSEK 896 is included in the return on capital employed.

\*\*Based on rolling 12 months. The distribution of Annehem Fastigheter of MSEK 896 is included in the return on capital employed.



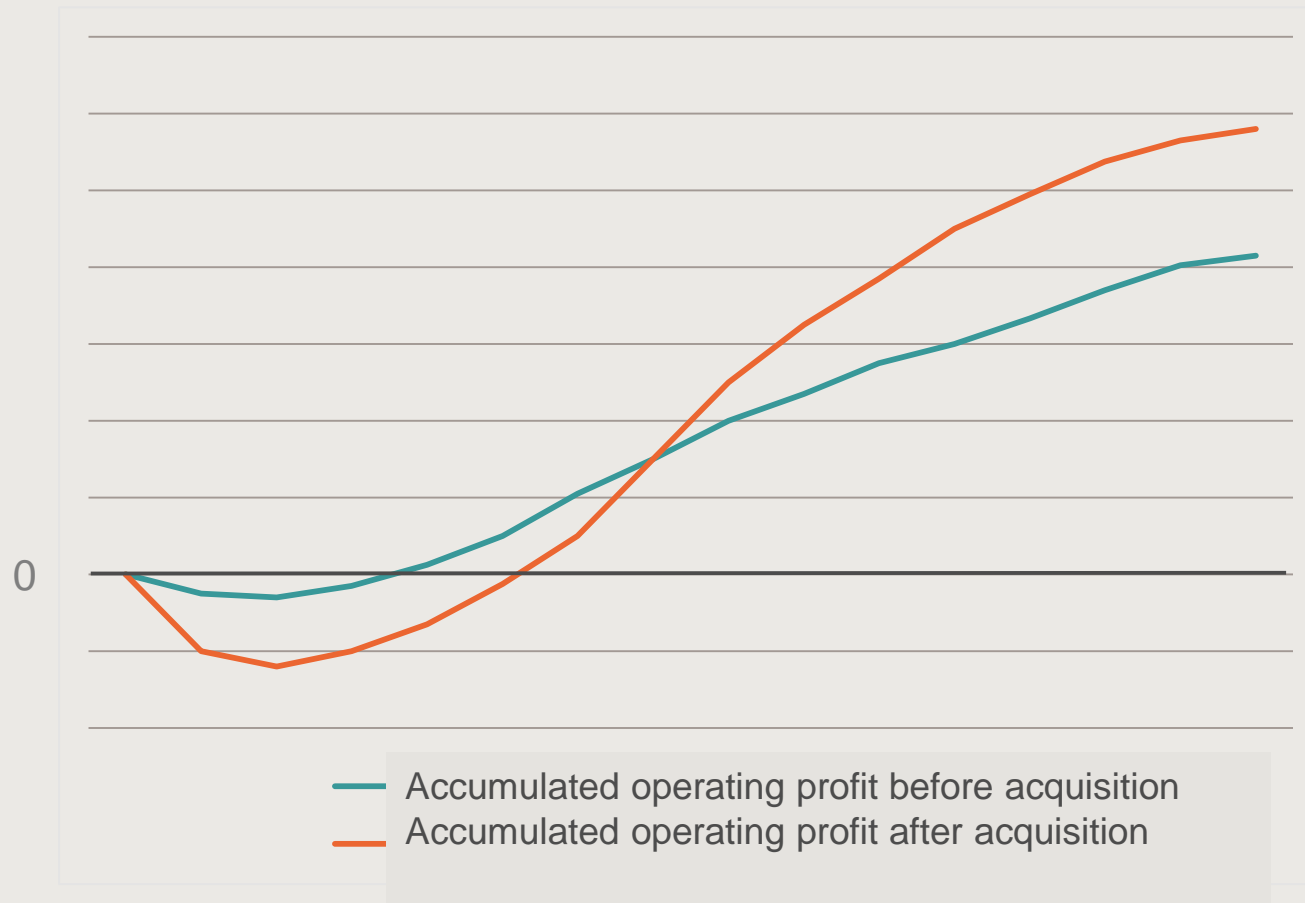
# The Peab Group



# Segment reporting

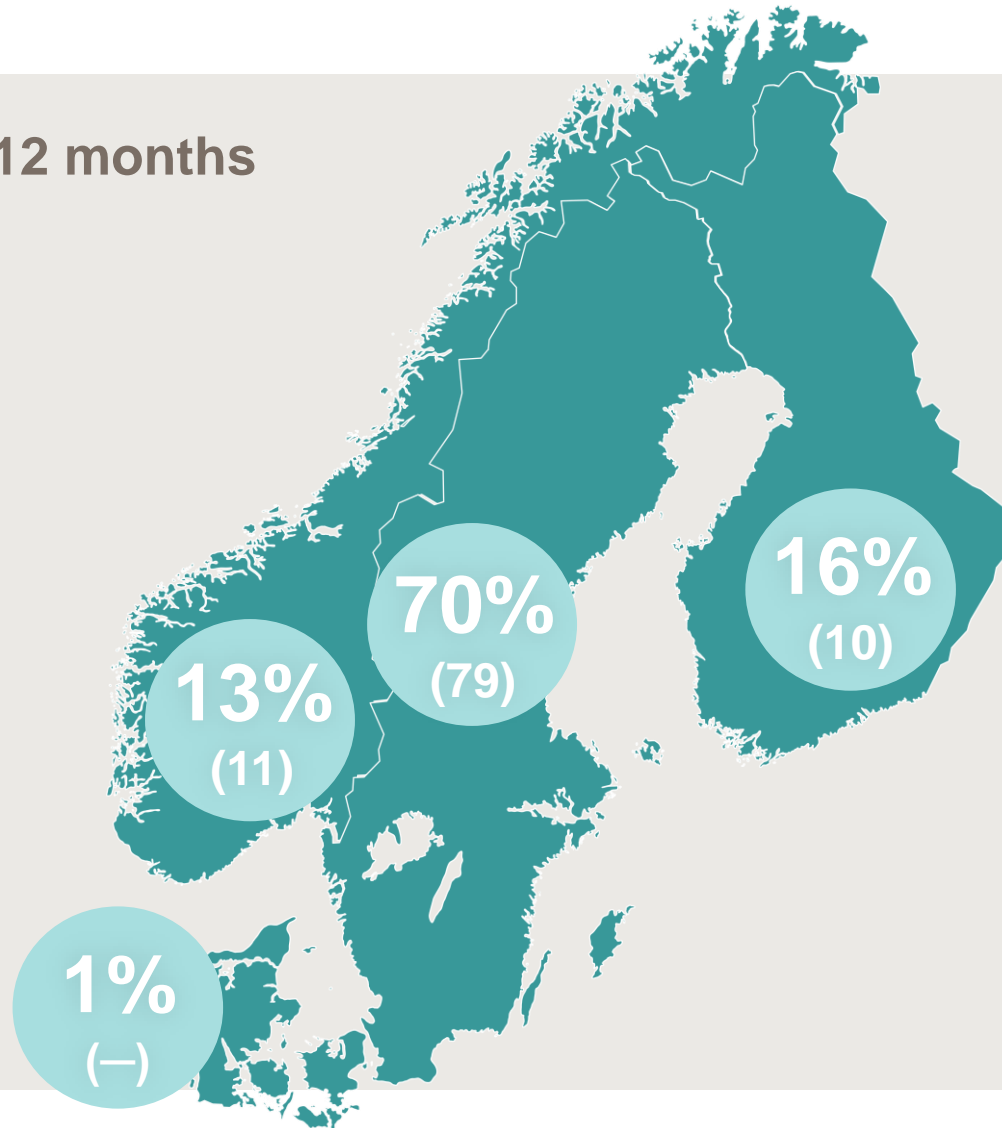
MSEK	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Net sales	11,216	11,638	56,995	57,417
Operating profit	-73	211	3,257	3,541
Operating margin, %	-0.7	1.8	5.7	6.2

# The acquisition of paving and mineral aggregate business increases seasonal variations



# Expanding presence in the Nordic region

Net sales, rolling 12 months

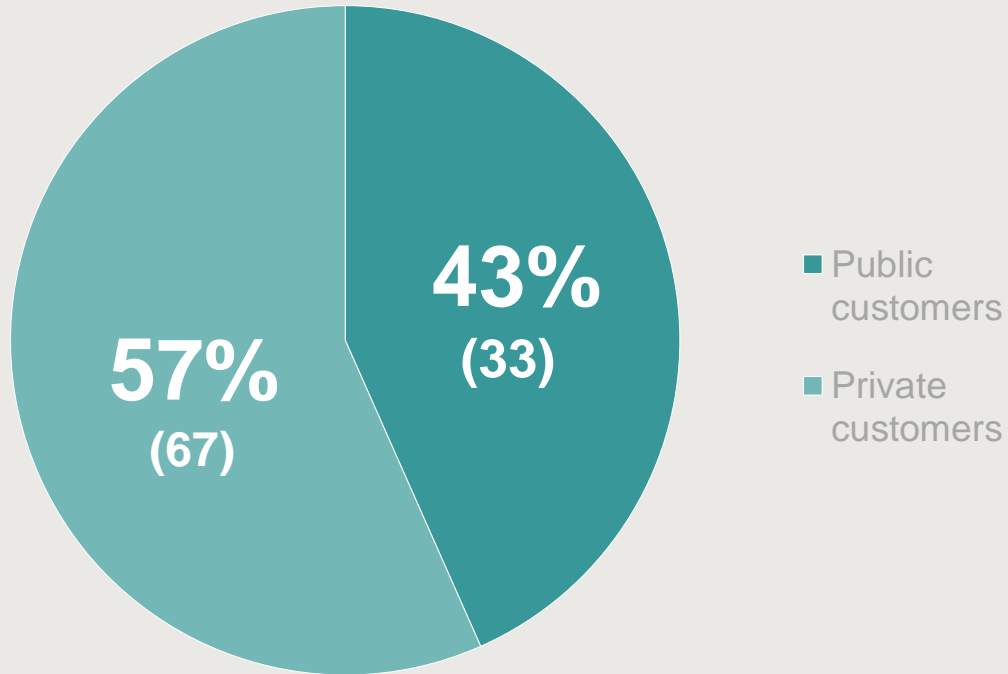




## THE GROUP

# Increased share of public customers

Net sales, rolling 12 months





THE GROUP

# Stable orders received and order backlog

Orders received

**14.4**

BSEK (12.6)

Order backlog

**47.3**

BSEK (44.2)

Share of projects  
below MSEK 500

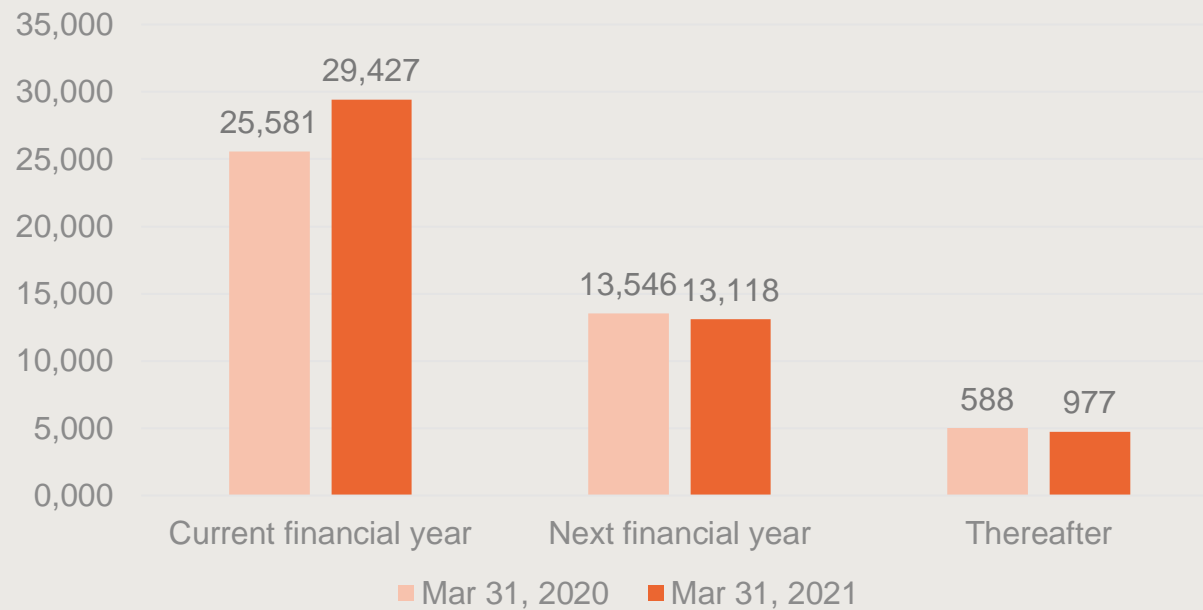
**87%**

(78)

UNIVERSITY HOSPITAL OF UMEÅ  
Umeå

# Good level of the order backlog

### Order backlog allocated over time, MSEK

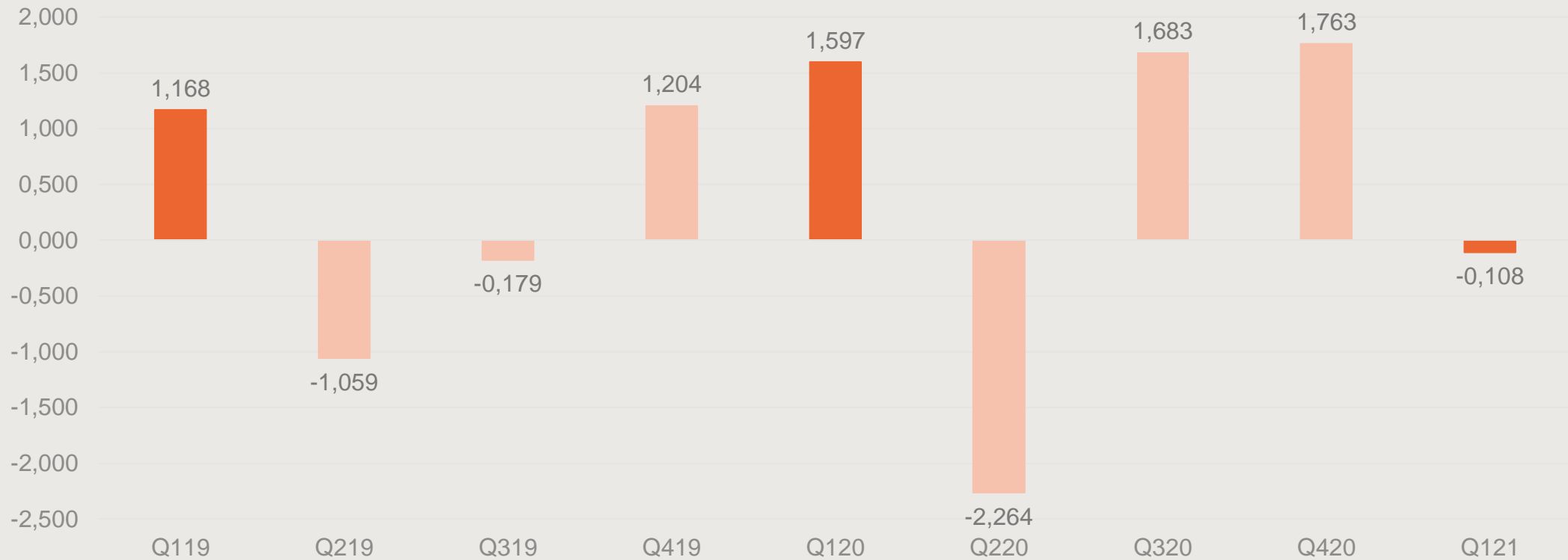


**40%**  
after current  
financial year (42)



# Cash flow affected by seasonal variations

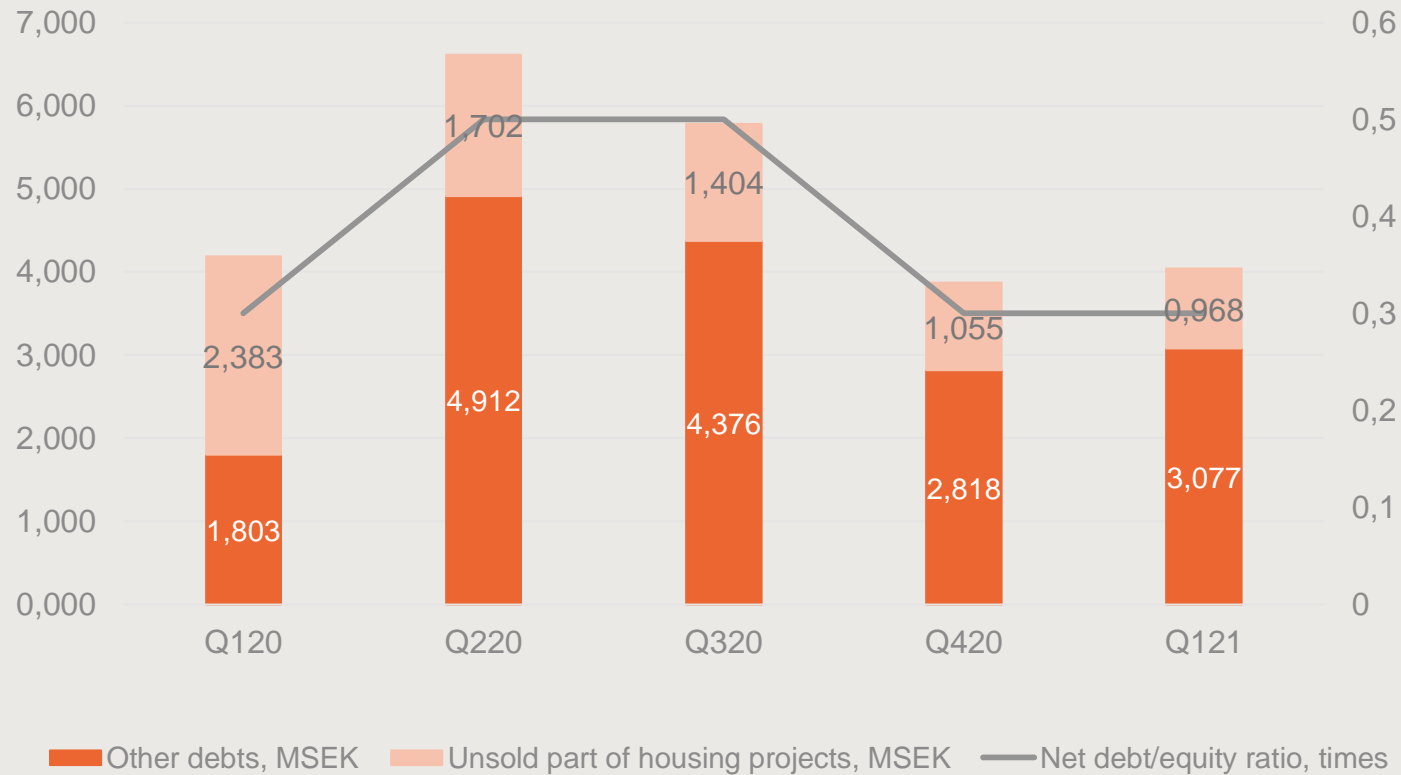
## Cash flow before financing, MSEK



## THE GROUP

# Strong financial position

### Net debt and net debt/equity ratio



Net debt

**4.0**

BSEK (4.2)

# New targets as of 2021

Most satisfied customers



**SCI**

always over

**75**

Best workplace



**eNPS**

always over benchmark

**Zero vision**

Serious accidents  
Through a contracting trend

Most profitable company



Operating margin

**>6 %**

Net debt/equity ratio

**0.3-0.7**

Dividend

**>50 %**

Leader in social responsibility



Carbon dioxide intensity  
Own production

**60 %**

Reduction by 2030

Carbon dioxide intensity  
Input goods & purchased services

**50 %**

Reduction by 2030

Equal opportunity recruitment:

Number of women  
**always over**  
education market

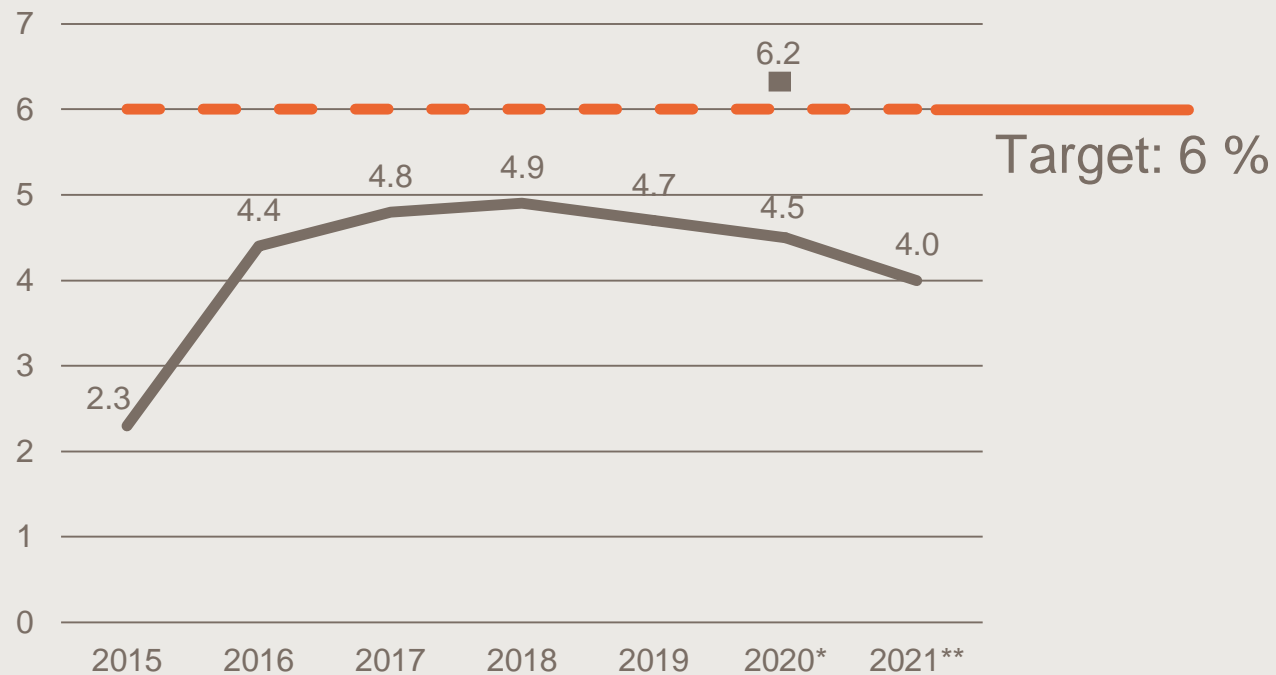


## MOST PROFITABLE COMPANY

# Operating margin over six percent



### Operating margin, Group



\*Operating margin exclusive effect of distribution of Annehem Fastigheter of MSEK 952.

\*\*Calculated on rolling 12 months per March 31, 2021. Excluding effect of distribution of Annehem Fastigheter of MSEK 952.

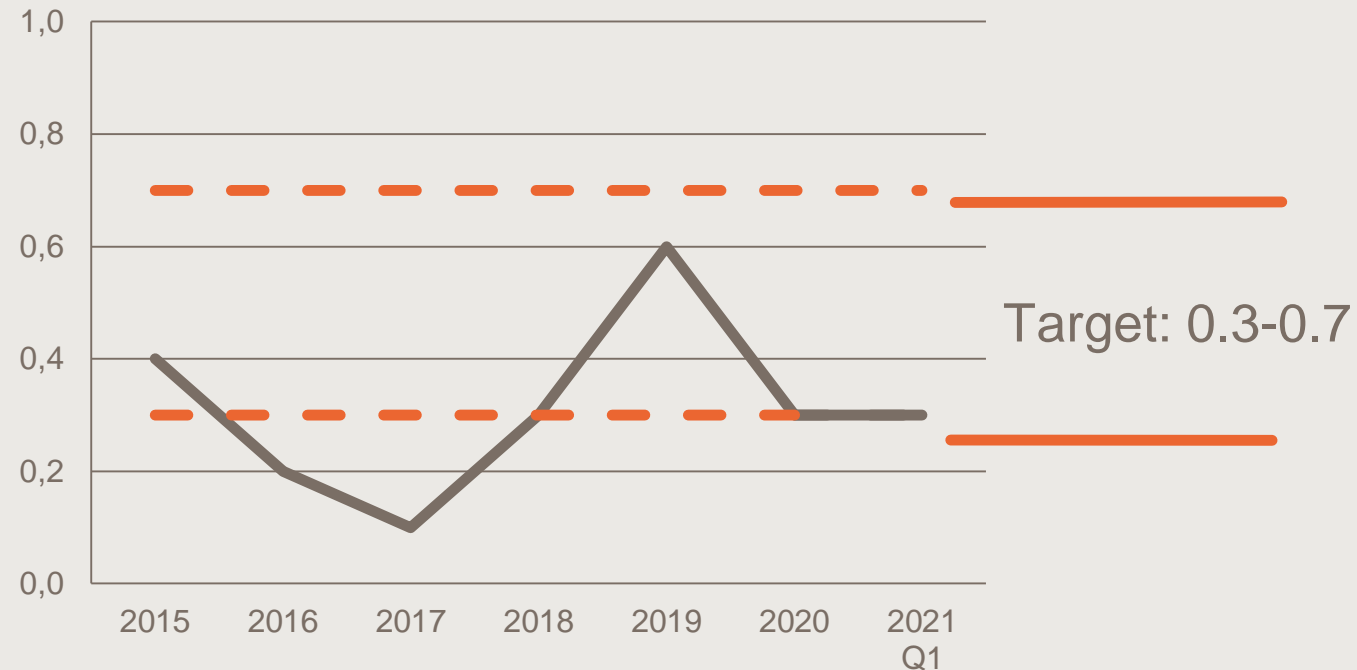
Years 2011-2018 are not translated according to the changed accounting principles for our own developed housing projects

MOST PROFITABLE COMPANY

# Net debt/equity ratio within interval 0.3-0.7



### Net debt/equity ratio, Group



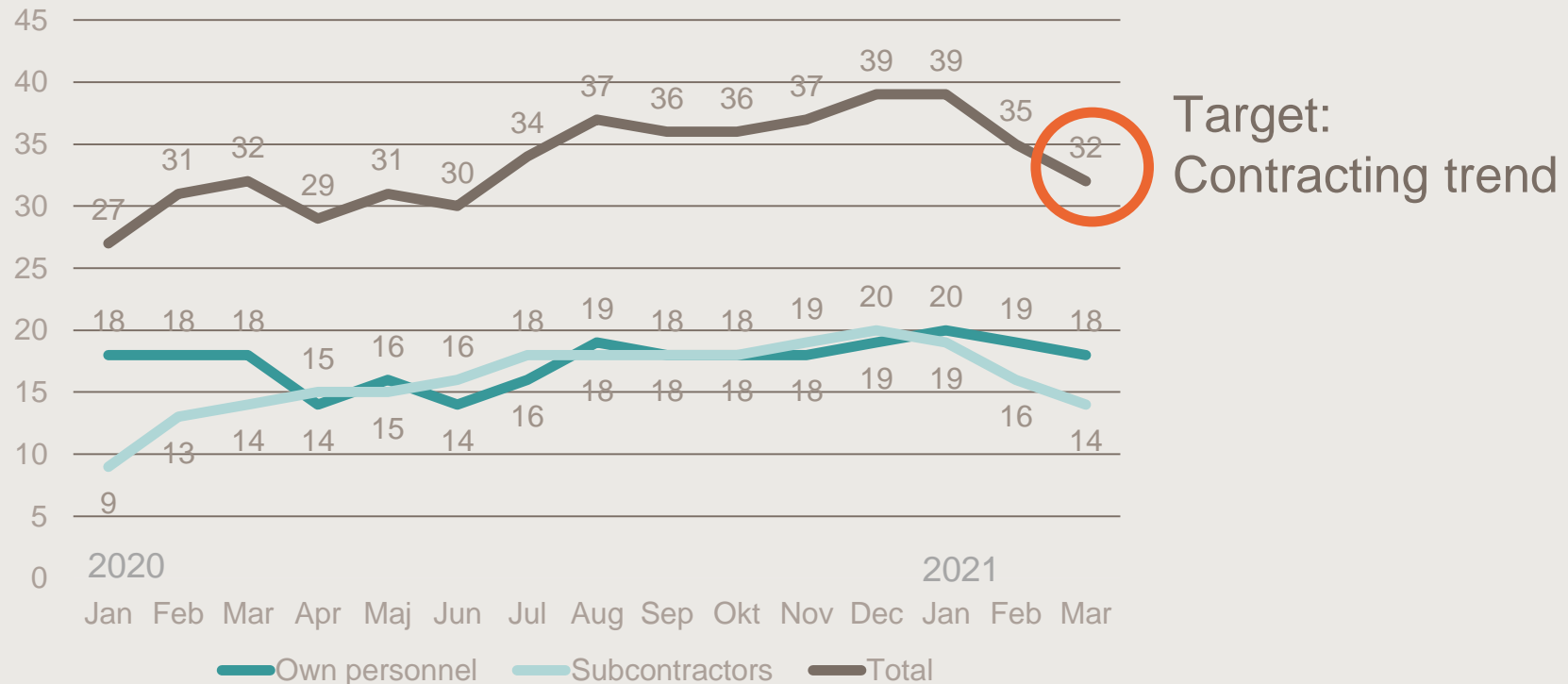
Years 2011-2018 are not translated according to the changed accounting principles for our own housing development projects

# BEST WORKPLACE

## Zero vision accidents



### Serious accidents – rolling 12 months, category 4





JAN-MAR 2021

# Continued good level of orders received and stable market prospects

- Continued stable market outlook
- Good level of orders received and order backlog
- Lower activity as a result of the season and weather
- Improved margins in construction contract operations and housing development
- Strong financial position
- First quarter reporting on our nine new external targets, of which six are non-financial







Q2

**Next quarterly report:**  
July 16, 2021

# Thank you!

