

Q1

January – March 2024

 **PEAB**
THE NORDIC COMMUNITY BUILDER

MARKET OUTLOOK

Housing investments remain at a low level

Started-up housing investments, new and renovations

Sweden	2024 ↓	2025 ↗	2026 ↑(-)
Norway	2024 ↓	2025 ↗	2026 ↑(-)
Finland	2024 ↓	2025 ↗	2026 ↗(-)

Source: Navet

MARKET OUTLOOK

Varying investment levels in other building construction

Started-up other building construction investments, new and renovations

Sweden	2024 ↘	2025 →(↗)	2026 ↗(-)
Norway	2024 →	2025 ↑(→)	2026 ↘(-)
Finland	2024 ↘	2025 →(↗)	2026 ↗(-)

Source: Navet

MARKET OUTLOOK

Stable market for civil engineering investments

Civil engineering investments

Sweden	2024 →	2025 ↗	2026 (-)
Norway	2024 ↗	2025 →	2026 (-)
Finland	2024 ↘	2025 ↗(→)	2026 (-)

Source: Navet

MARKET OUTLOOK

Slightly higher level of investments in the Nordic market

Total construction and civil engineering investments, new and renovations

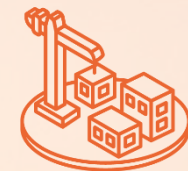
Sweden	2024 ↘	2025 ↗	2026 ↗(-)
Norway	2024 ↗(→)	2025 ↗(→)	2026 →(-)
Finland	2024 ↘	2025 →(↗)	2026 ↗(-)

Source: Navet



Business area Construction

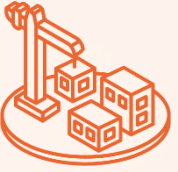
Business area Construction



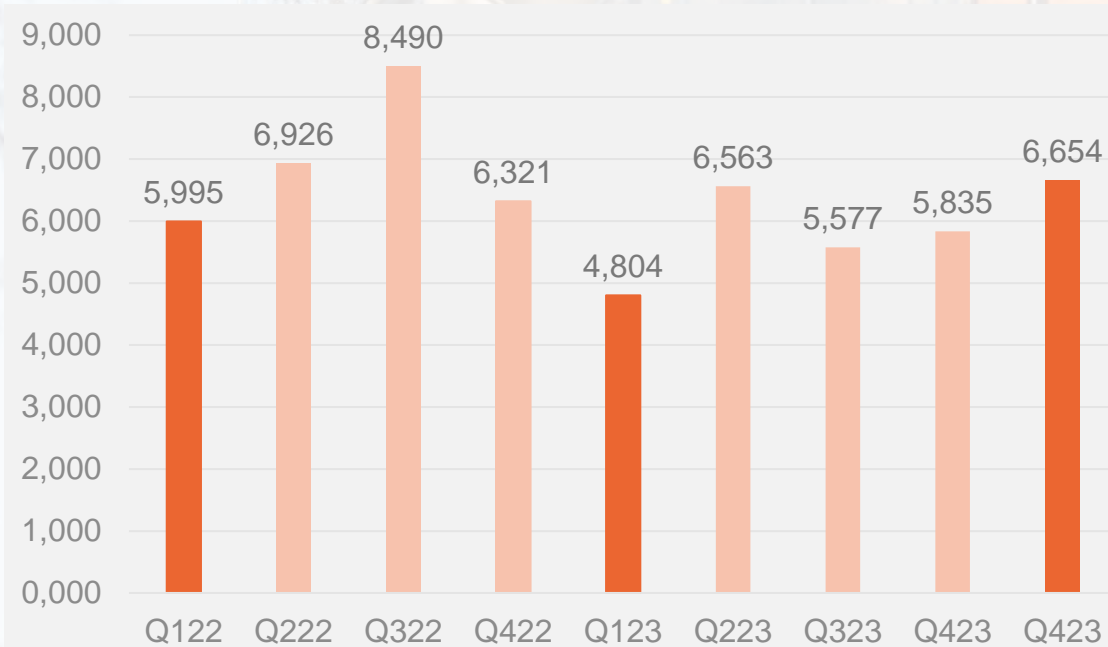
MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	5,788	7,422	26,146	27,780
Operating profit excl. Mall of Scandinavia	101	162	-20	41
Operating margin excl. Mall of Scandinavia, %	1.7	2.2	-0.1	0.1
Operating profit	101	162	380	441
Operating margin, %	1.7	2.2	1.5	1.6

BUSINESS AREA CONSTRUCTION

Increased orders received for other building construction



Orders received, MSEK



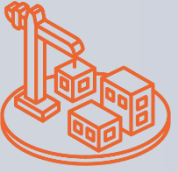
Order backlog

25.5

BSEK (26.6)

BUSINESS AREA CONSTRUCTION

New contracts mainly from public customers



New swimming
pool block
incl. housing
(1,3 BSEK)



Partille

Renovation and
extension of
office building
(160 MSEK)



Oxelösund

Facility for
clean energy
(19 MEUR)



Espoo

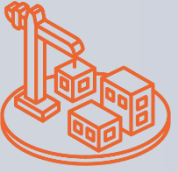
Extension of
high school
(257 MNOK)



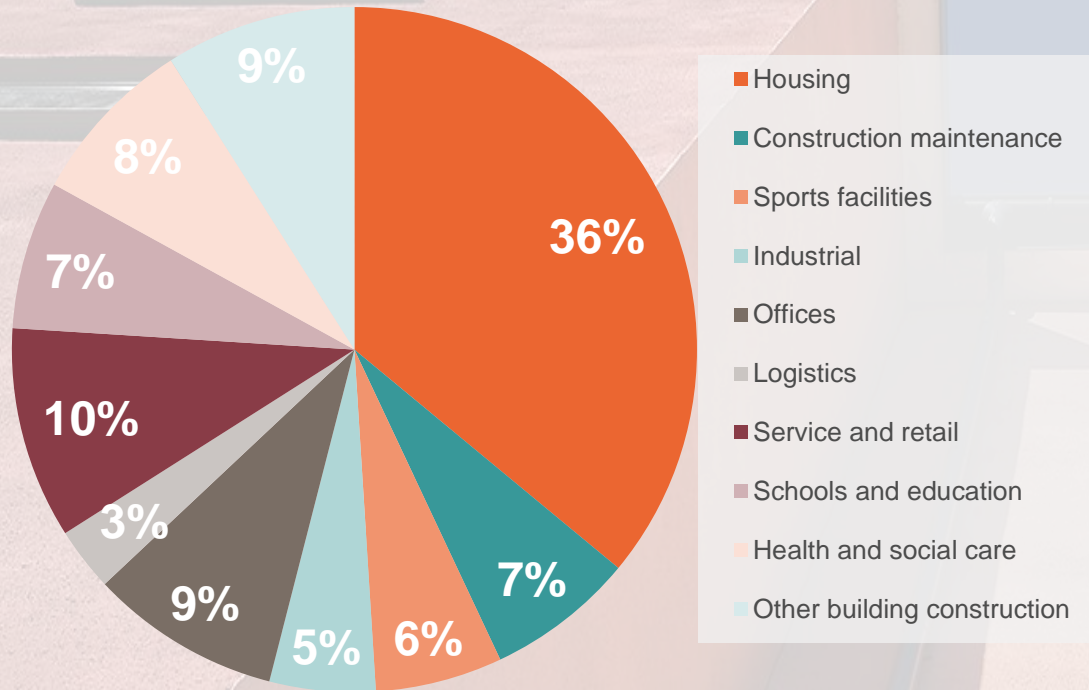
Bergen

BUSINESS AREA CONSTRUCTION

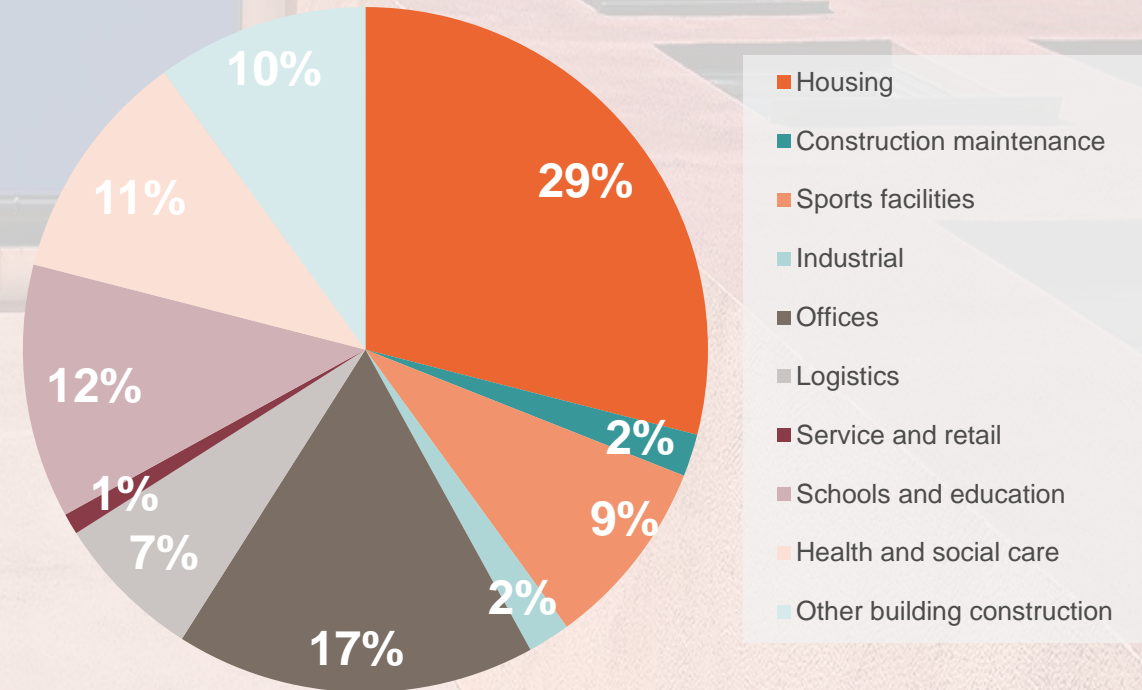
Allocation per product area



Net sales, rolling 12 months



Order backlog per March 31, 2024



Business area Civil Engineering



Business area Civil Engineering

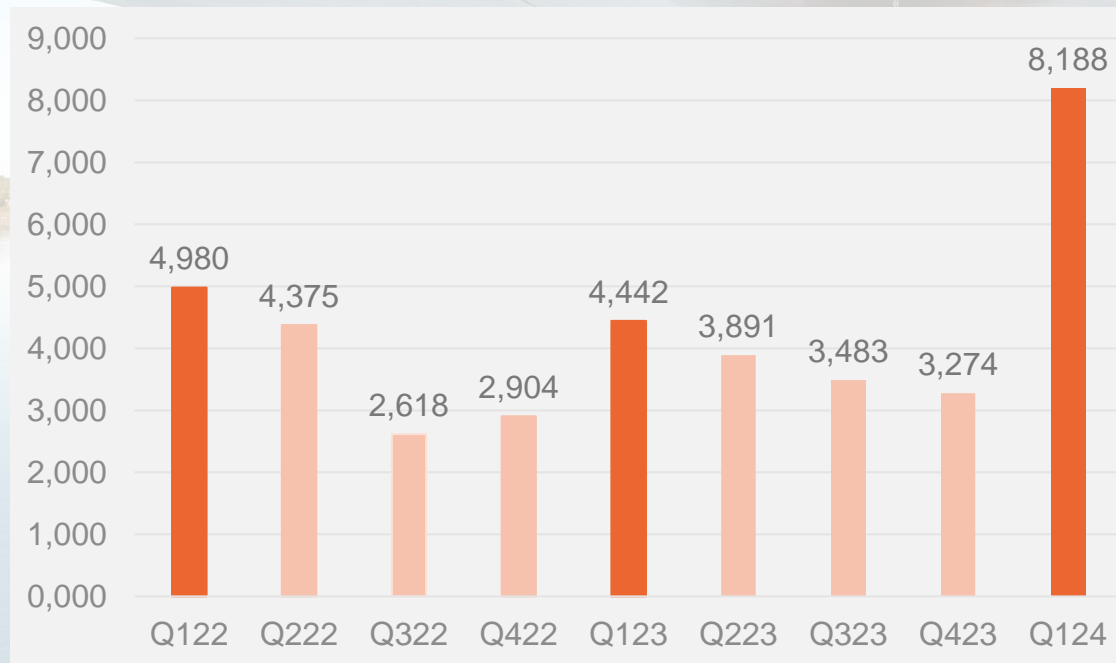


MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	3,558	3,328	15,394	15,164
Operating profit	77	59	519	501
Operating margin, %	2.2	1.8	3.4	3.3

Record high level of orders received and order backlog



Orders received, MSEK



Order backlog

18.6

BSEK (15.1)

New contracts in the first quarter



Construction of
dock (1,132 MSEK)



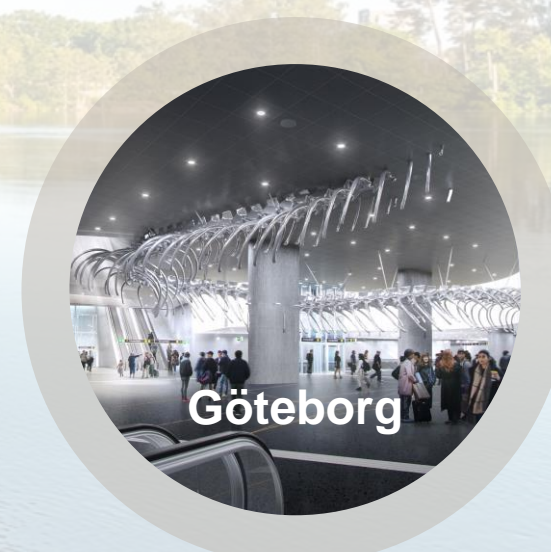
Railway sidings
(392 MSEK)



New bridge
(247 MSEK)



Stage of Västlänken
(1,5 BSEK)

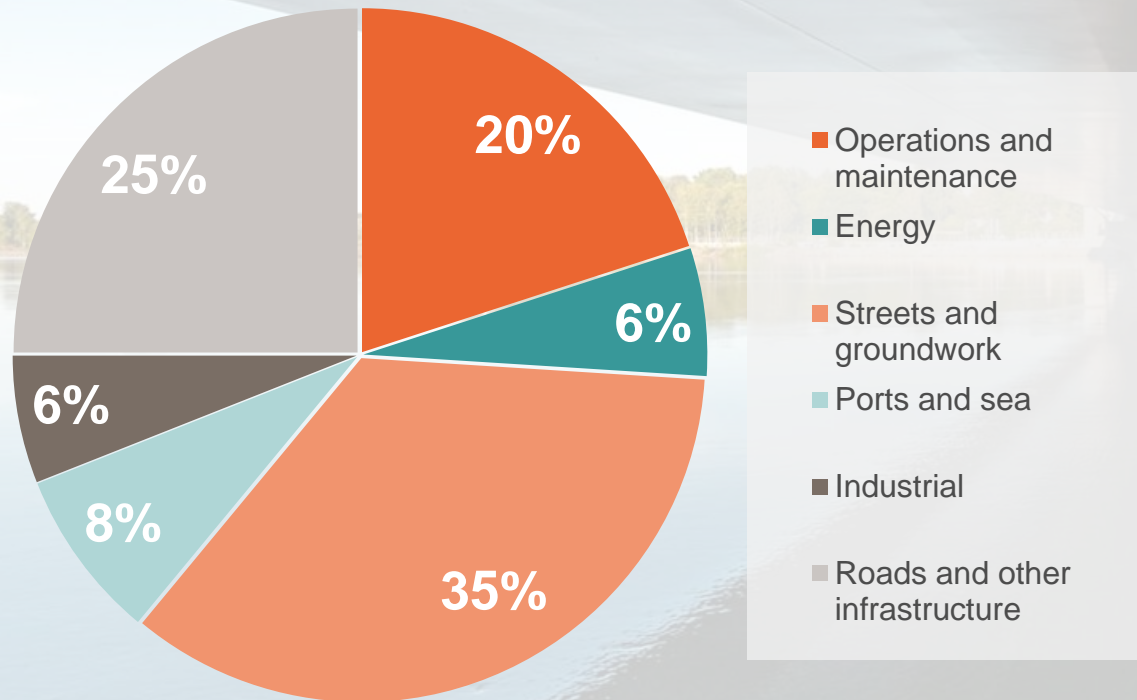


BUSINESS AREA CIVIL ENGINEERING

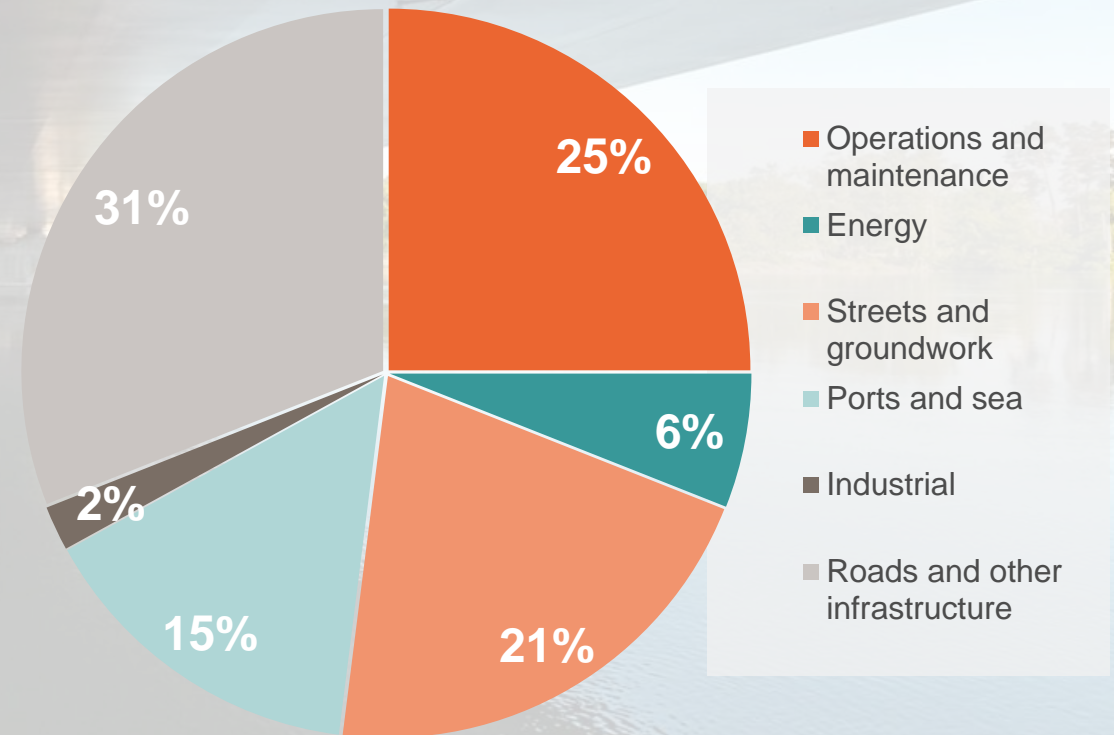
Allocation per product area



Net sales, rolling 12 months



Order backlog per March 31, 2024





Business area Industry

Business area Industry



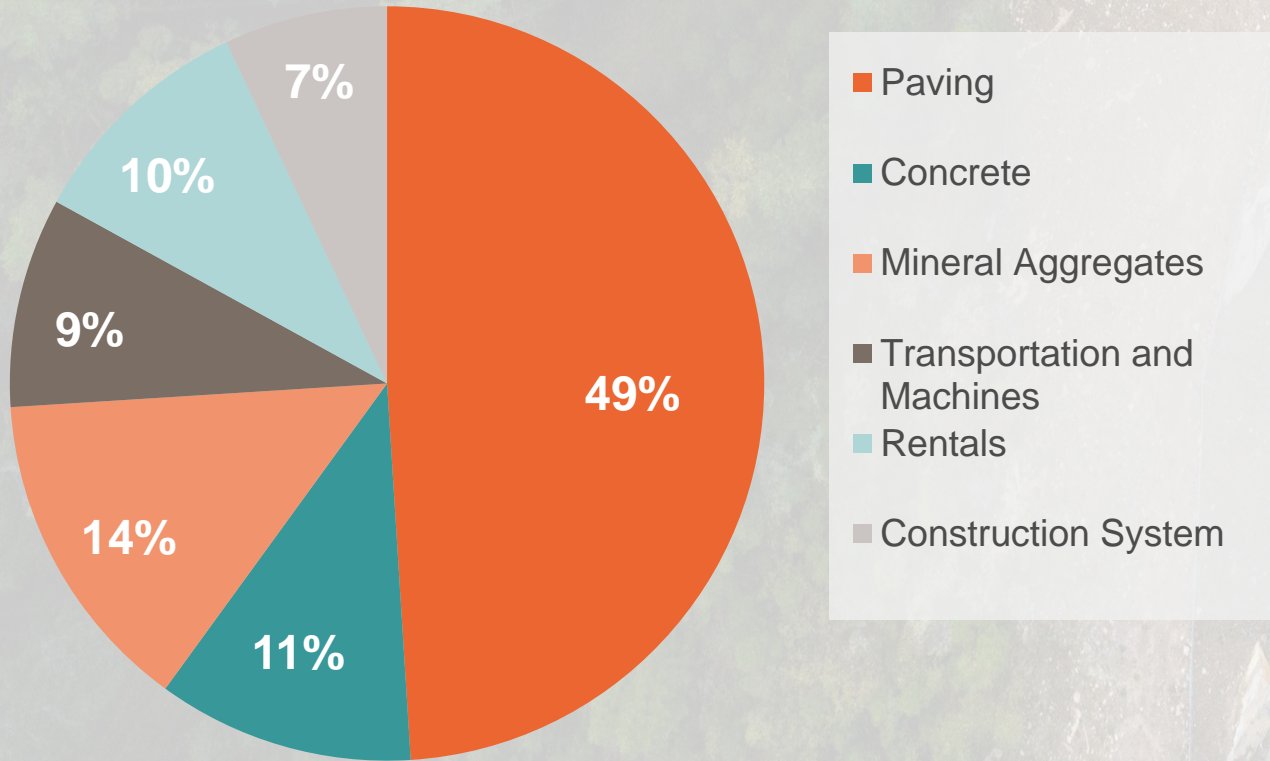
MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	2,411	2,779	19,594	19,962
Operating profit	-479	-435	918	962
Operating margin, %	-19.9	-15.7	4.7	4.8

BUSINESS AREA INDUSTRY

Allocation per product area



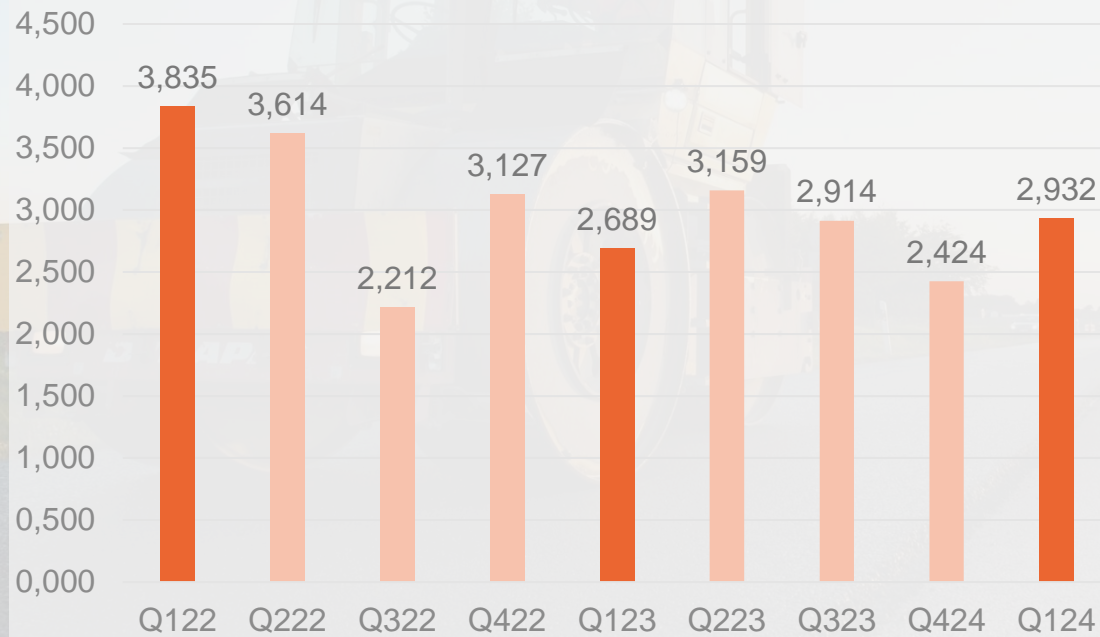
Net sales, rolling 12 months



Stable level of orders received in the first quarter



Orders received, MSEK



Order backlog

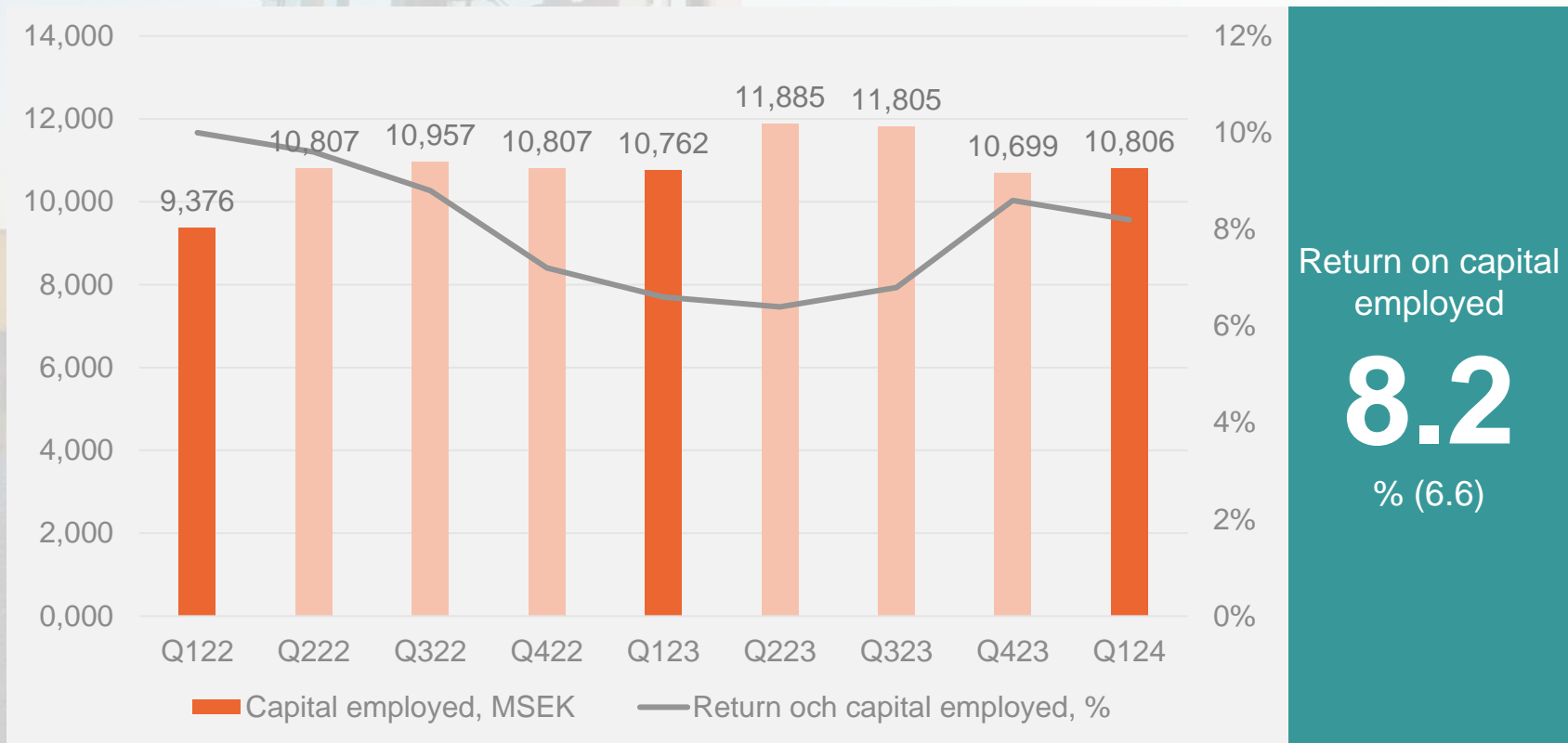
6.2

BSEK (6.1)

Unchanged capital employed but increased return on capital



Capital employed and return on capital employed*



*Based on rolling 12 months.



Business area Project Development

Business area Project Development



MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	1,055	1,841	4,936	5,722
Operating profit	246	127	423	304
Operating margin, %	23.3	6.9	8.6	5.3
<i>of which Housing Development</i>	-1.5	7.3	1.1	3.8

Low level of housing start-ups and sales



MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Total number of housing start-ups	137	288¹	566	727²
<i>of which tenant-owner associations, ownership and residential limited companies</i>	137	81 ¹	177	121 ²
<i>of which in rental apartment projects</i>	-	217	389	606
Total number of sold homes	305	245	994	934
<i>of which tenant-owner associations, ownership and residential limited companies</i>	166	101	607	542
<i>of which in rental apartment projects</i>	139	144	387	392

¹Includes 45 homes that have been converted from rentals

²Includes 85 homes that have been converted from rentals

BUSINESS AREA PROJECT DEVELOPMENT

Own housing development production



Number	Mar 31, 2024	Mar 31, 2023
Total number of homes under production	2,810	5,061
<i>of which tenant-owner associations, ownership and residential limited companies</i>	1,866	3,854
<i>of which in rental apartment projects</i>	944 ¹	1,207 ¹
Share of sold homes under production	45%	66%
<i>of which tenant-owner associations, ownership and residential limited companies</i>	61%	68%
<i>of which in rental apartment projects</i>	12%	60%
Repurchased homes on the balance sheet, tenant-owner apartments/ condominiums	254	238

¹Of which 116 (722), corresponding to 12 percent (60), are under contract to be sold upon completion

Ongoing property projects in Property Development



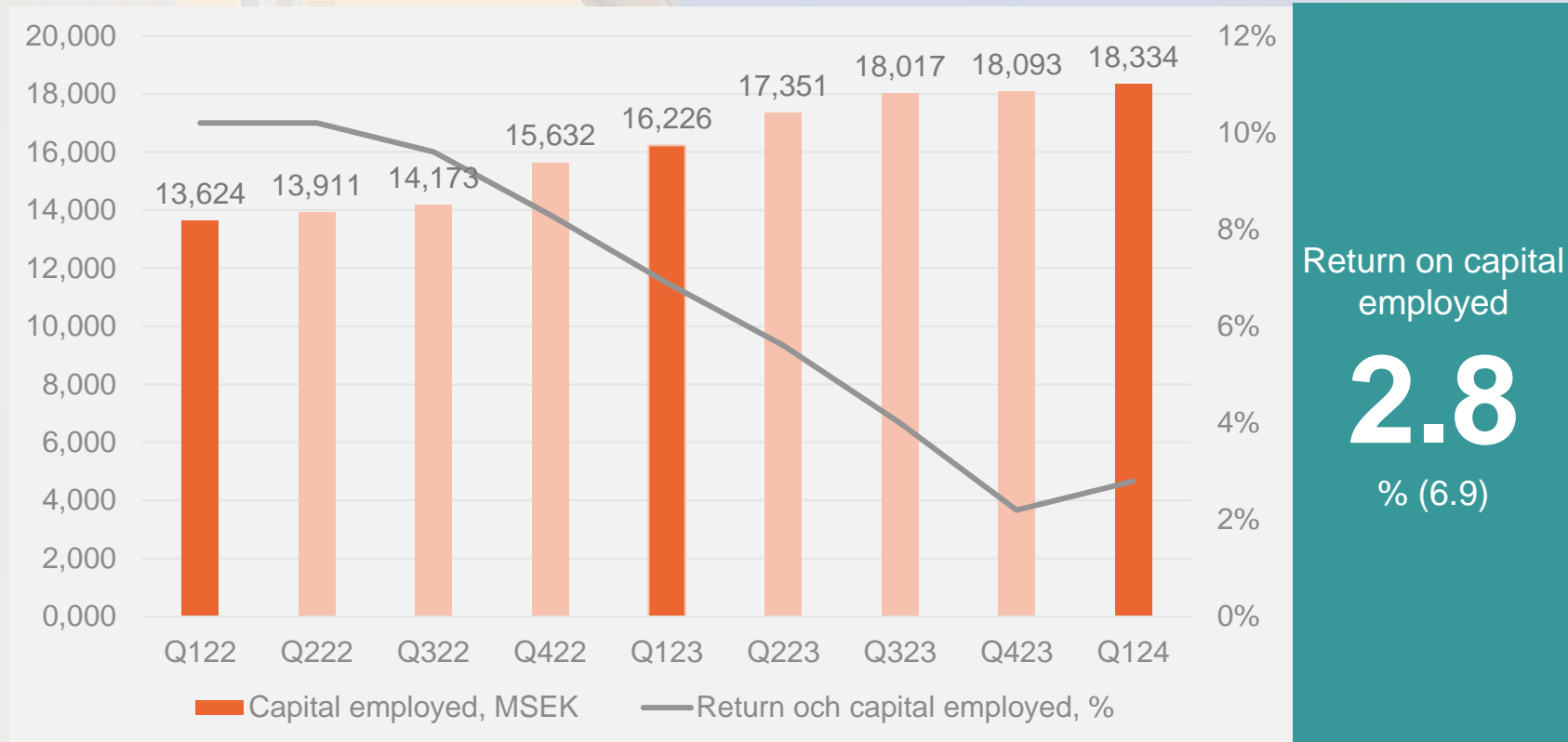
Type of project	Location	Rentable area, m ²	Degree rented, %	Recognized value, MSEK	Adopted investment, MSEK	Completion time point	Completion level, %
Office building	Jönköping	3,200	* 100	104	106	Completed	98
Office building	Gothenburg	12,900	11	451	557	Q3 2024	81
Logistic facility*	Södertälje	23,900	-	157	372	Q4 2024	42

* The property is sold to external party and will be handed over in Q4 0224

Increased investments and unsold homes tie up capital



Capital employed and return on capital employed*



* Based on rolling 12 months.



The Peab Group

THE GROUP

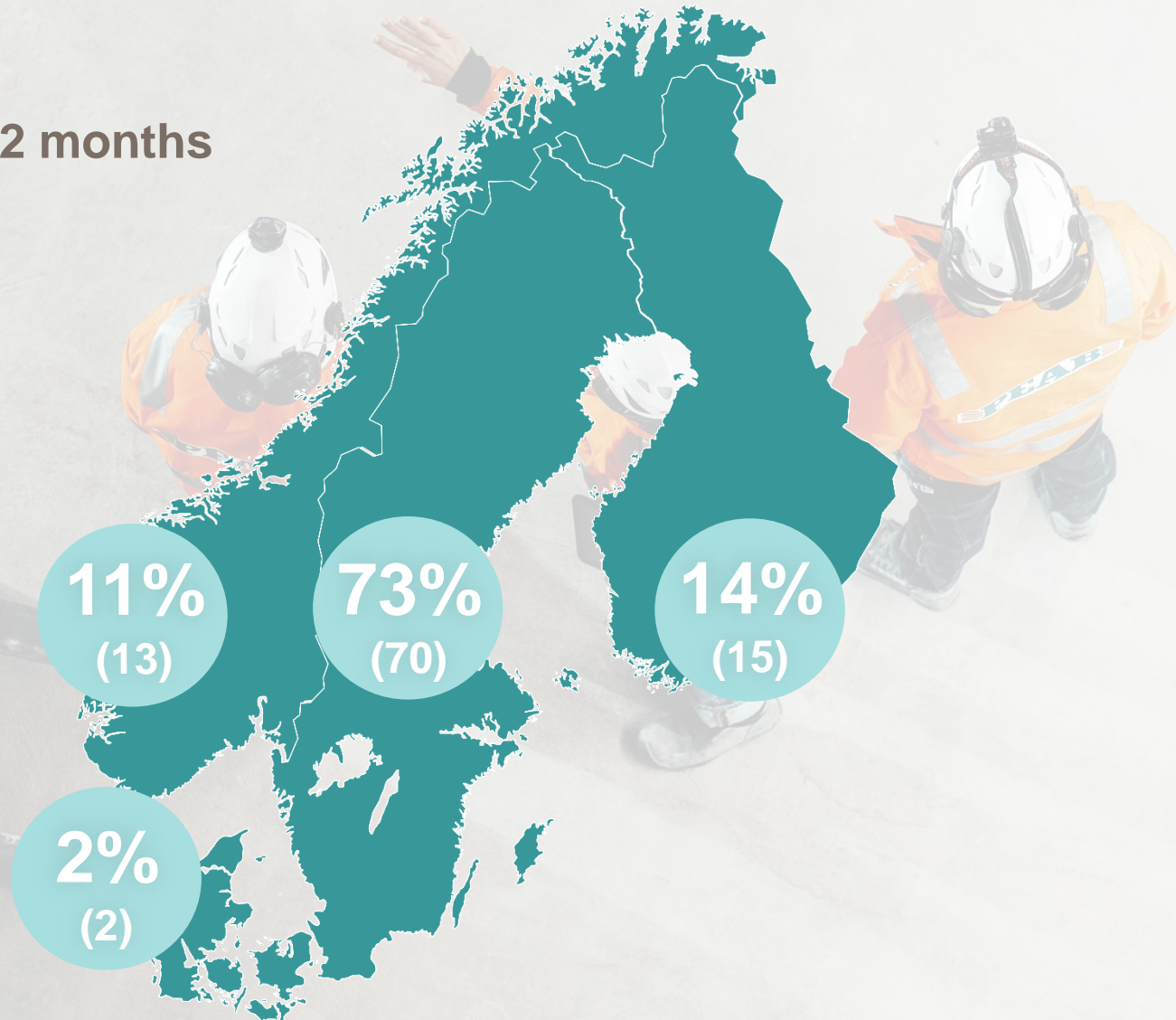
Segment reporting

MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	11,141	12,690	57,272	58,821
Operating profit	-106	-156	1,903	1,853
Operating margin, %	-1.0	-1.2	3.3	3.2

THE GROUP

Geographic spread in the Nordic region

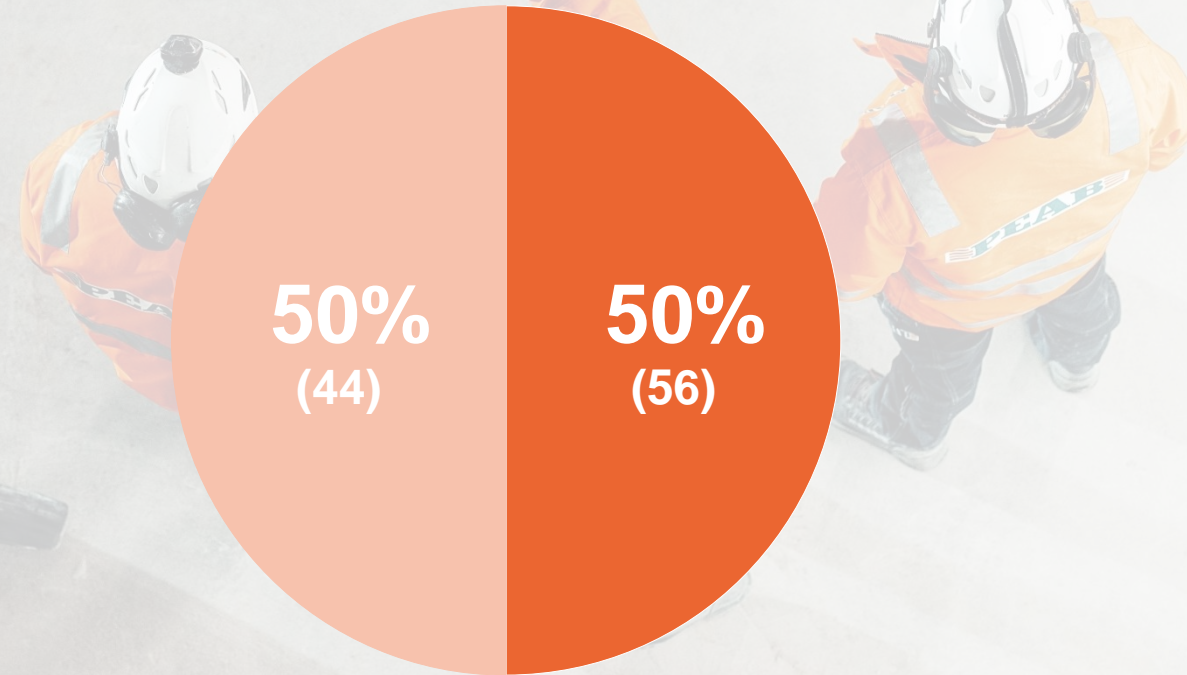
Net sales, rolling 12 months



THE GROUP

Increased share of public customers

Net sales , rolling 12 months



Public customers Private customers

THE GROUP

High order backlog and continued good risk diversification

Orders received

17.9

BSEK (11.0)

Order backlog

47.8

BSEK (44.6)

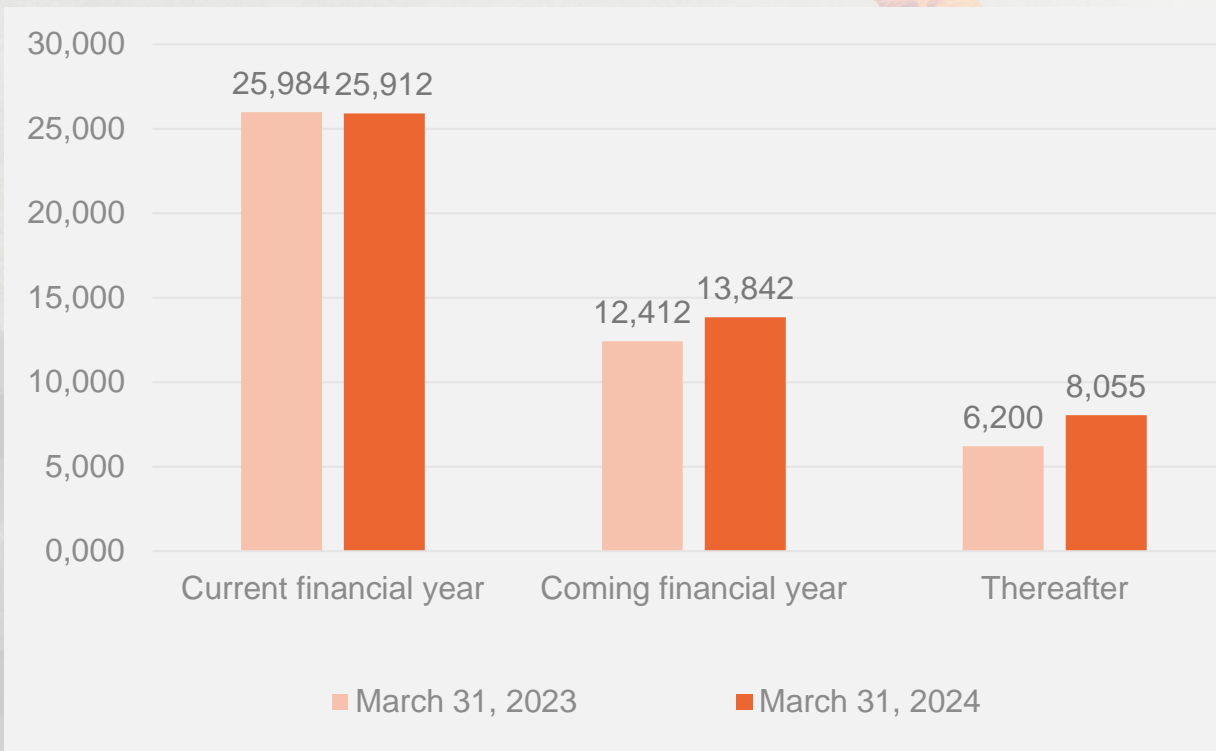
Share of projects
under MSEK 500

76%

(82)

Order backlog extended in time

Order backlog allocated over time, MSEK



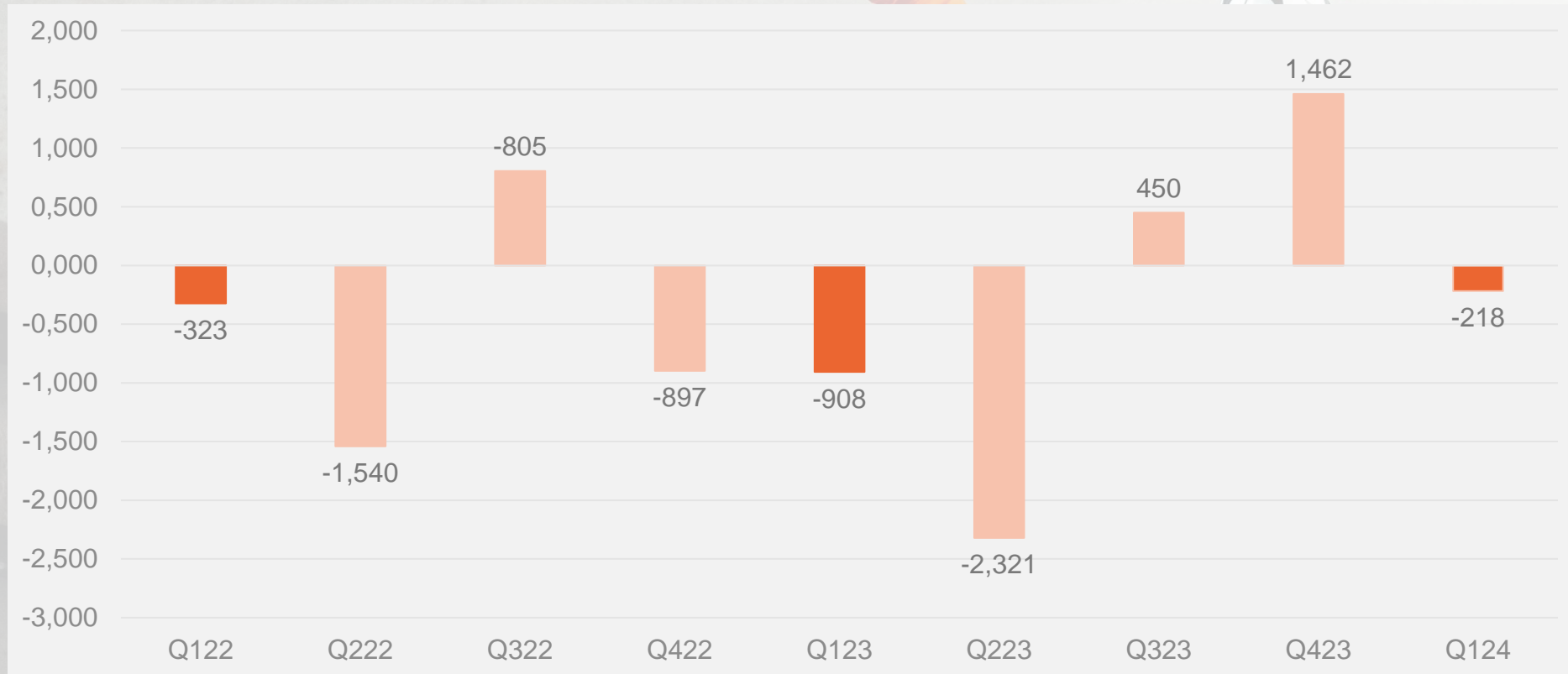
46%
after coming
financial year
(42)

The potential worth of preliminary agreements (phase 1) per March 31, 2024 amounted to app. BSEK 20 (BSEK 19 Dec 31, 2023)

THE GROUP

First quarter affected by season

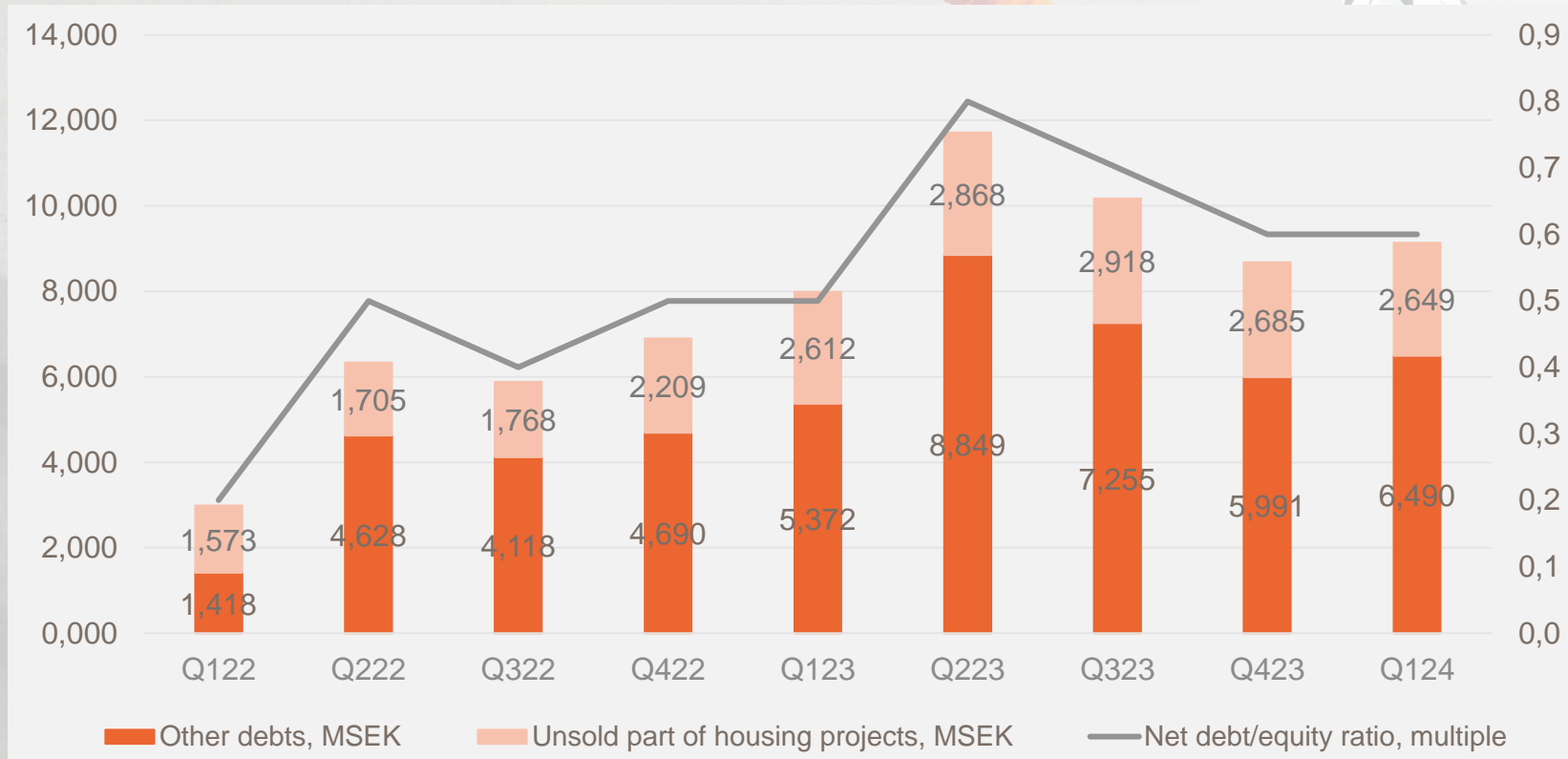
Cash flow before financing, MSEK



THE GROUP

Increased net debt and net debt/equity ratio

Net debt and net debt/equity ratio



Net debt
9.1
BSEK (8.0)



Target checkpoint

Four target areas, nine external targets

Most satisfied customers



CSI

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 %

of profit for the year

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:

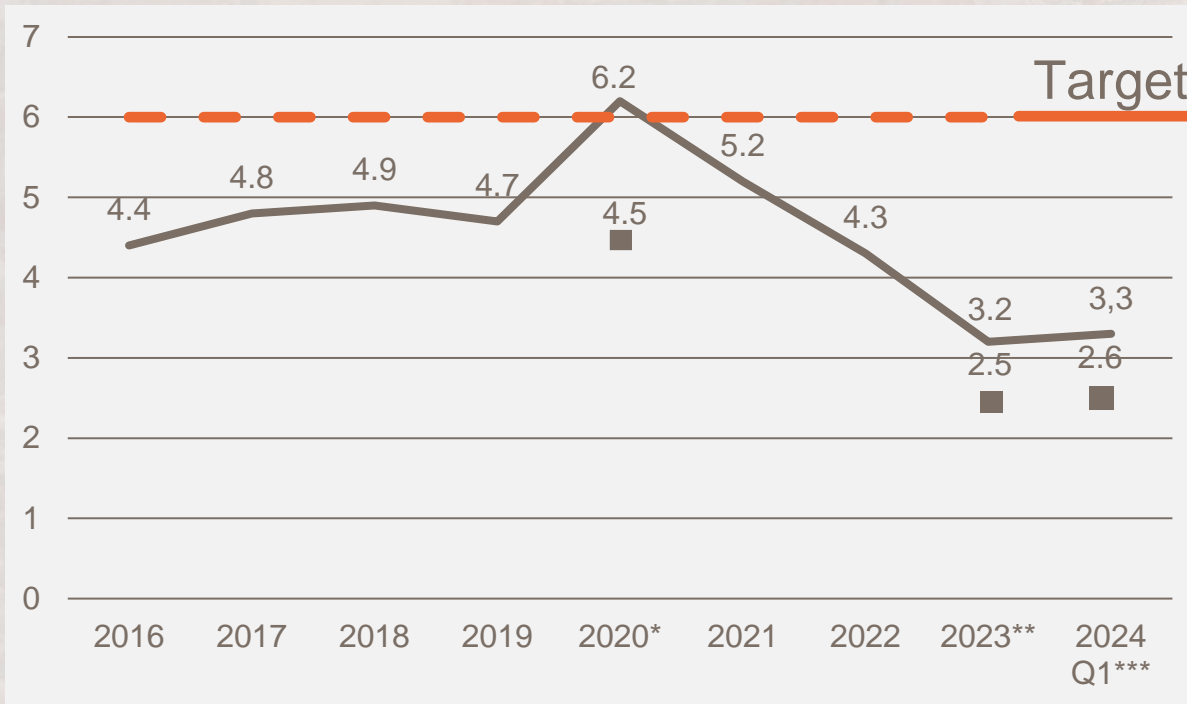
Number of women
always over
education market



MOST PROFITABLE COMPANY

Target: Operating margin over 6 percent

Operating margin, Group



*Operating margin 4.5% excl. effect of the distribution of Annehem Fastigheter of MSEK 952.

**Operating margin 2.5 % excl. effect of Mall of Scandinavia of MSEK 400.

***Based on rolling 12 months. Operating margin 2.6% excl. effect of Mall of Scandinavia of MSEK 400.

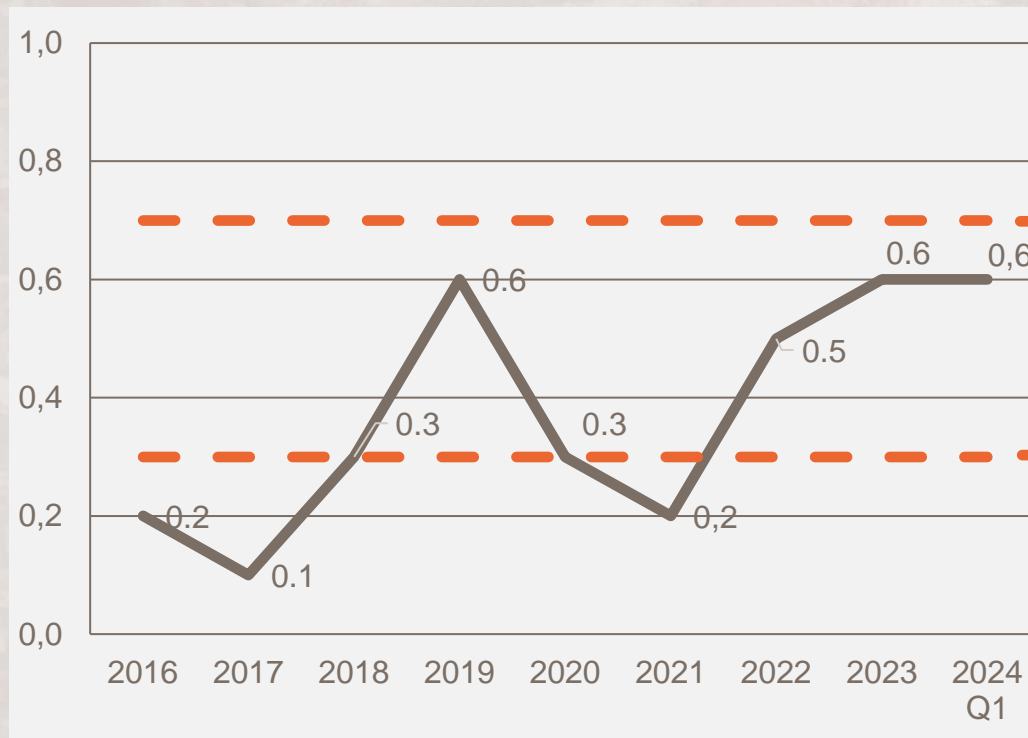
Years 2016-2018 are not translated according to the changed accounting principles for our own housing development projects.

MOST PROFITABLE COMPANY

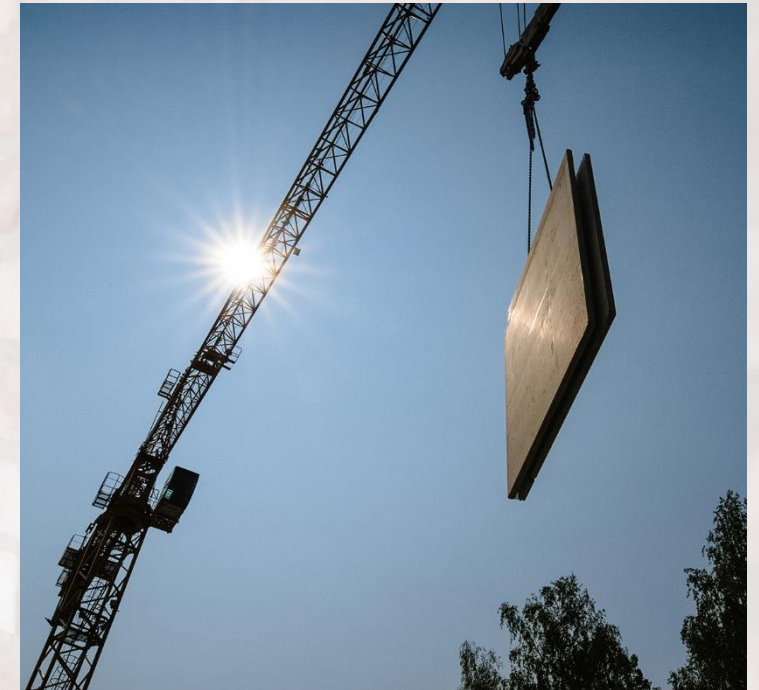
Target: Net debt/equity ratio within interval 0.3-0.7



Net debt/equity ratio, Group



Target interval:
0.3-0.7



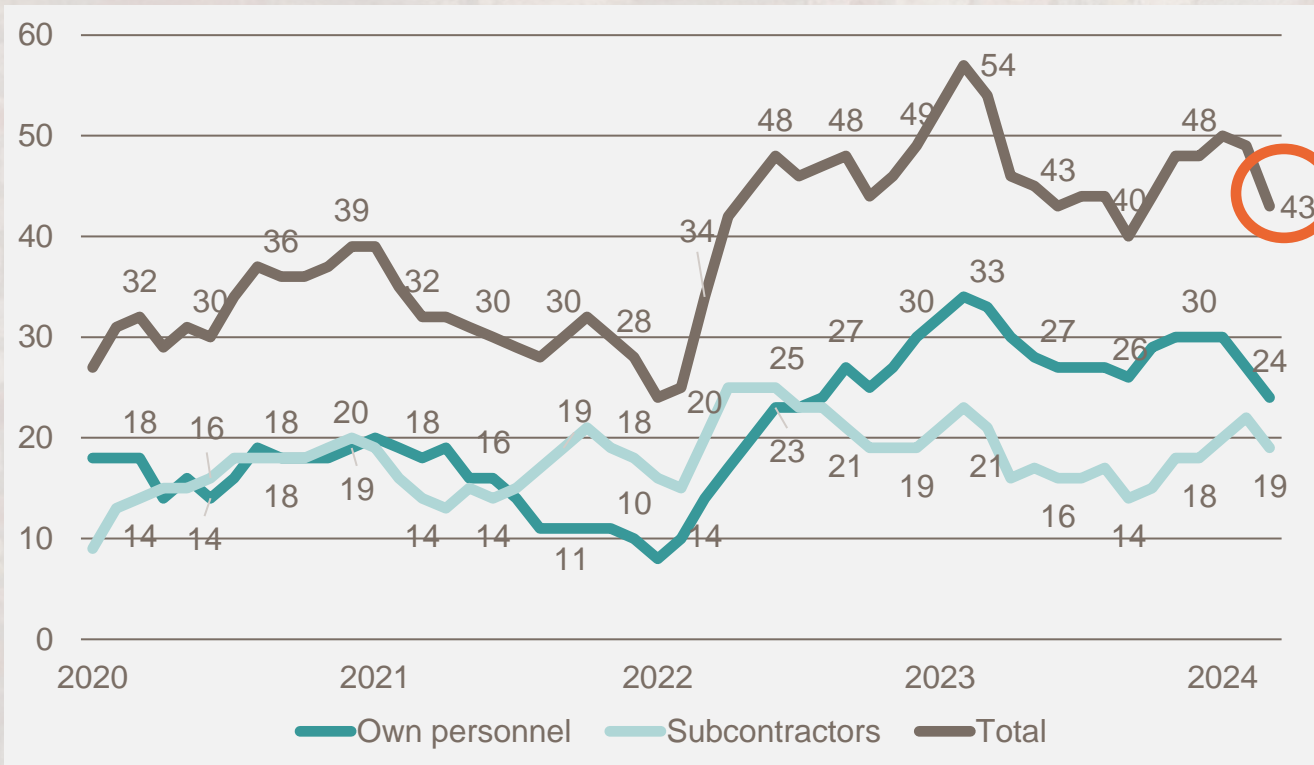
Years 2016-2018 are not translated according to the changed accounting principles for our own housing development projects.

BEST WORKPLACE

Zero vision for workplace accidents



Serious accidents, rolling 12 months, category 4

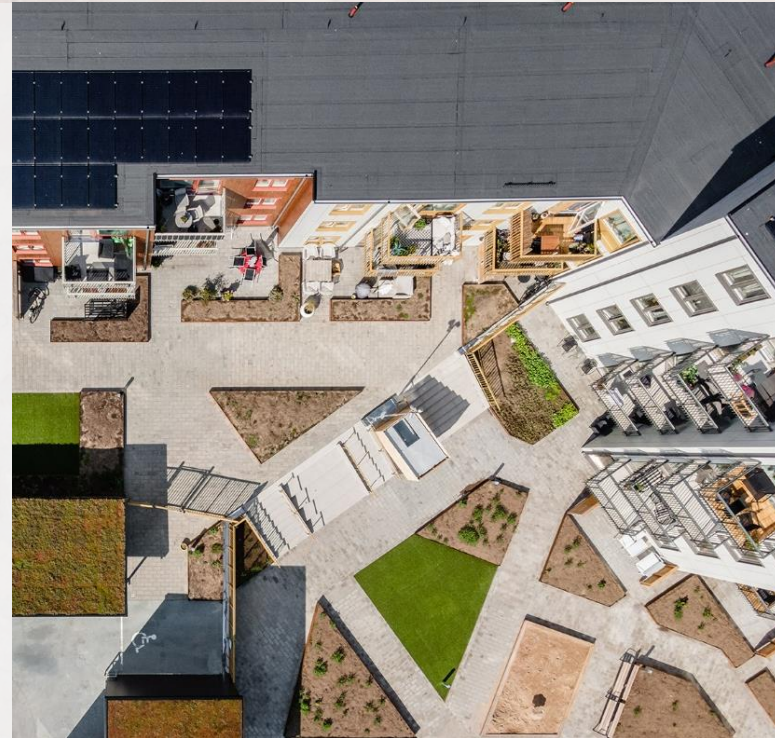


Target:
Contracting trend

JAN-MAR 2024

Strong level of orders received during the quarter

- Varied market activity in the Nordics where civil engineering, paving and other building construction show good demand while the housing market is still weak
- High level of orders received during the quarter extends the order backlog
- Operating profit clearly affected by season as paving operations start in the second quarter
- Our broad business model with four business areas and local roots serves us well in both good and hard times





Q&A



Next report:
Second quarter 2024
July 16, 2024

Thank you!

