

Q3

January - September 2021

October 27, 2021

M house
Seinäjoki

MARKET OUTLOOK

Stable market prospects

Started-up housing investments, new and renovations

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

Source: Navet Analytics AB

MARKET OUTLOOK

Leveling for other building construction

Started-up other building construction investments, new and renovations

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

Source: Navet Analytics AB

MARKET OUTLOOK

Civil engineering investments on a continued high level

Civil engineering investments

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

Source: Navet Analytics AB

MARKET OUTLOOK

Stable outlook

Total construction and civil engineering investments, new and renovations

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

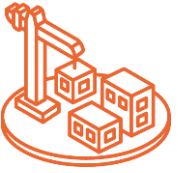
Source: Navet Analytics AB



Business area Construction

THE WATER TOWER
Järna

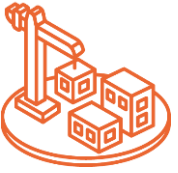
Business area Construction



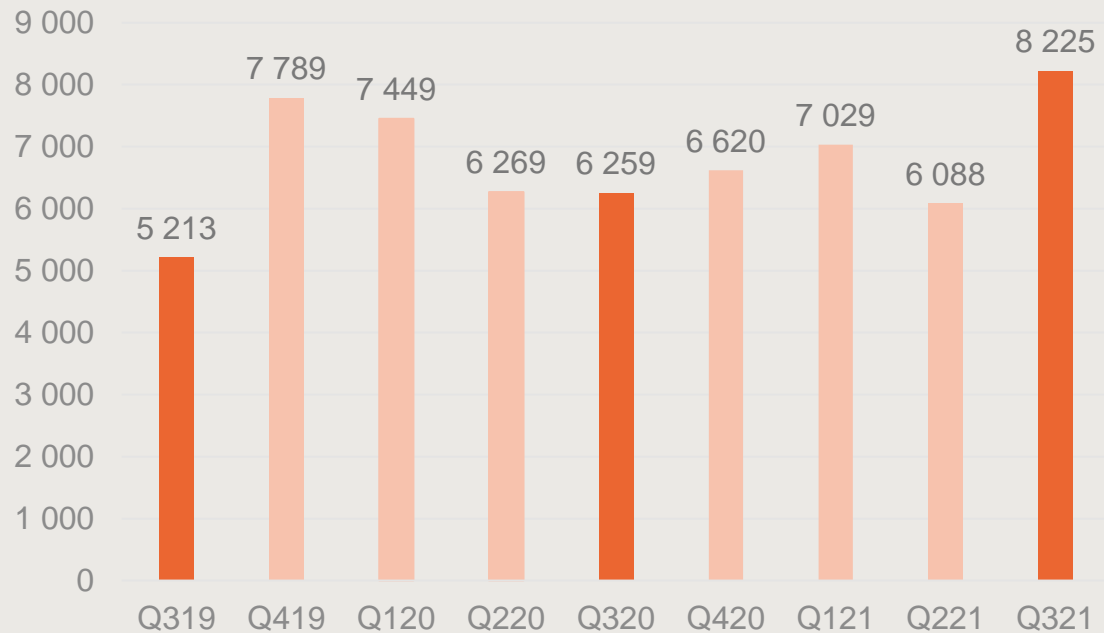
MSEK	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Net sales	5,989	5,798	26,281	26,989
Operating profit	164	137	699	663
Operating margin, %	2.7	2.4	2.7	2.5

BUSINESS AREA CONSTRUCTION

High level of orders received



Orders received, MSEK



Order backlog

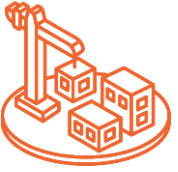
28.7

BSEK (27.5)



TELETERRASSEN
Farsta

Good variation in type of product and geography



New school and rental apartments
(231 MSEK)



New retirement home
(203 MSEK)



Extension of school
(146 MNOK)

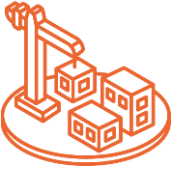


New production facility
(24 MEUR)

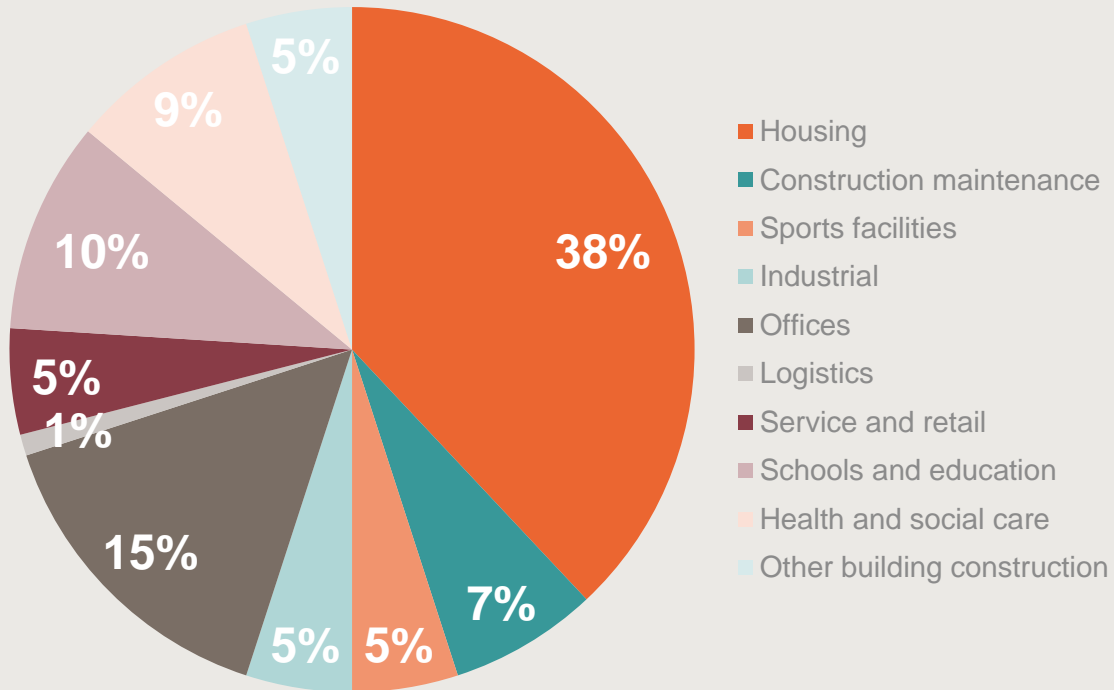


BUSINESS AREA CONSTRUCTION

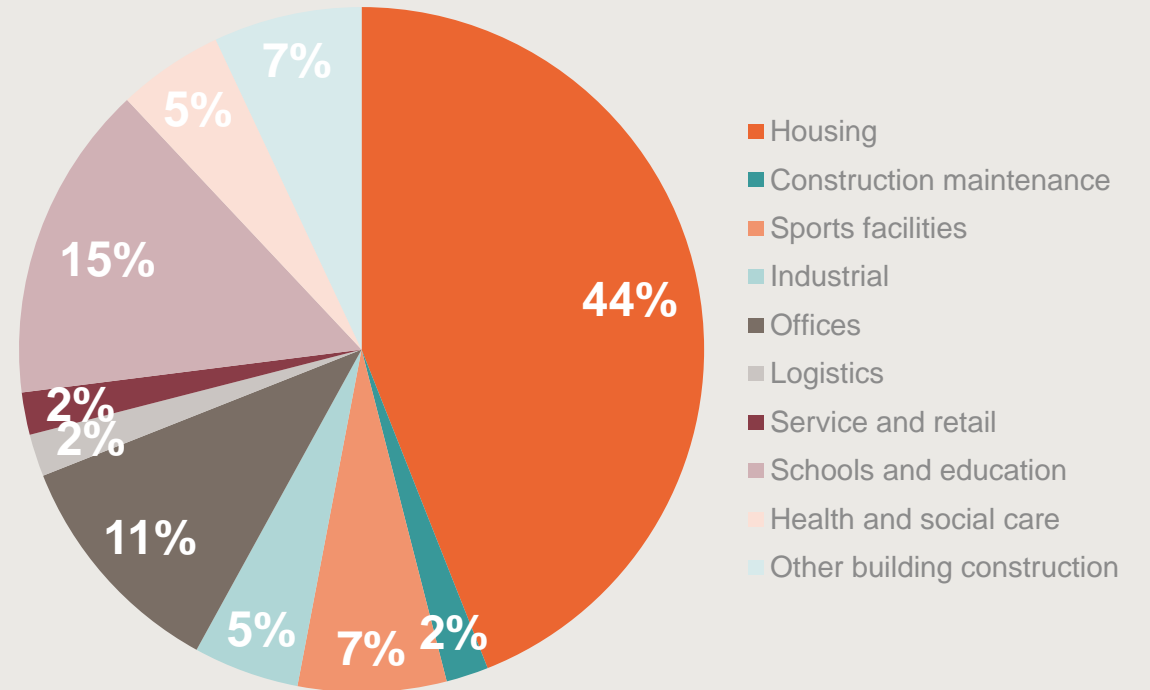
Split into product area



Net sales, rolling 12 months



Order backlog, September 30, 2021





**Business area
Civil Engineering**

E45
Gothenburg

Business area Civil Engineering

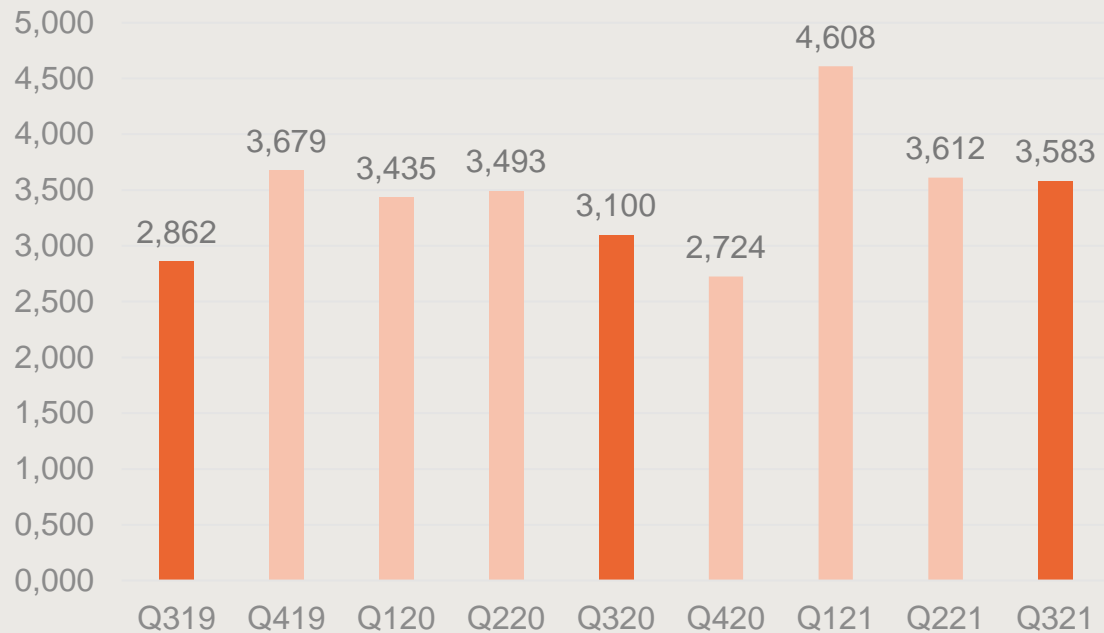


MSEK	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Net sales	3,285	3,041	13,718	12,843
Operating profit	109	92	438	391
Operating margin, %	3.3	3.0	3.2	3.0

Stable level of orders received in the third quarter



Orders received, MSEK



Order backlog

15.1

BSEK (14.1)

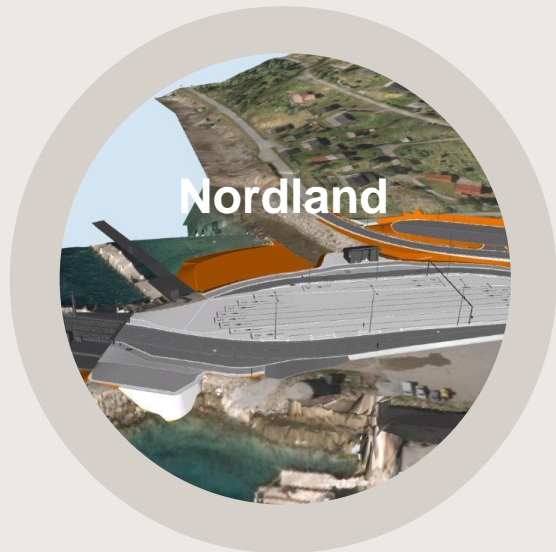


E45
Gothenburg

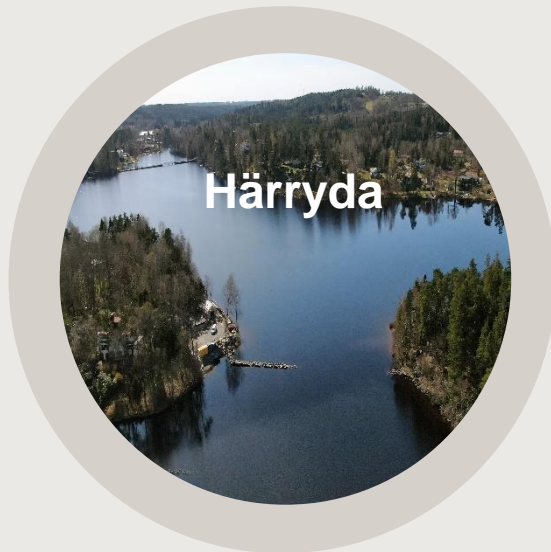
Great variation on contracts



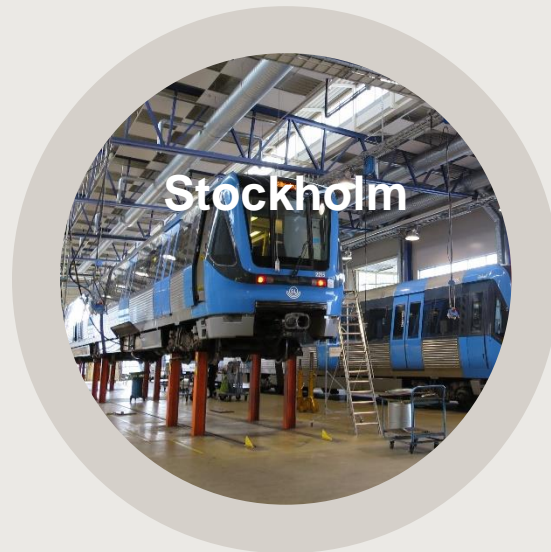
Reconstruction of
ferry berths
(301 MNOK)



Construction of
waterworks
(154 MSEK)



Tunnel to subway
(124 MSEK)



Electricity grid
services – two
renewed
agreements
(390 MSEK)

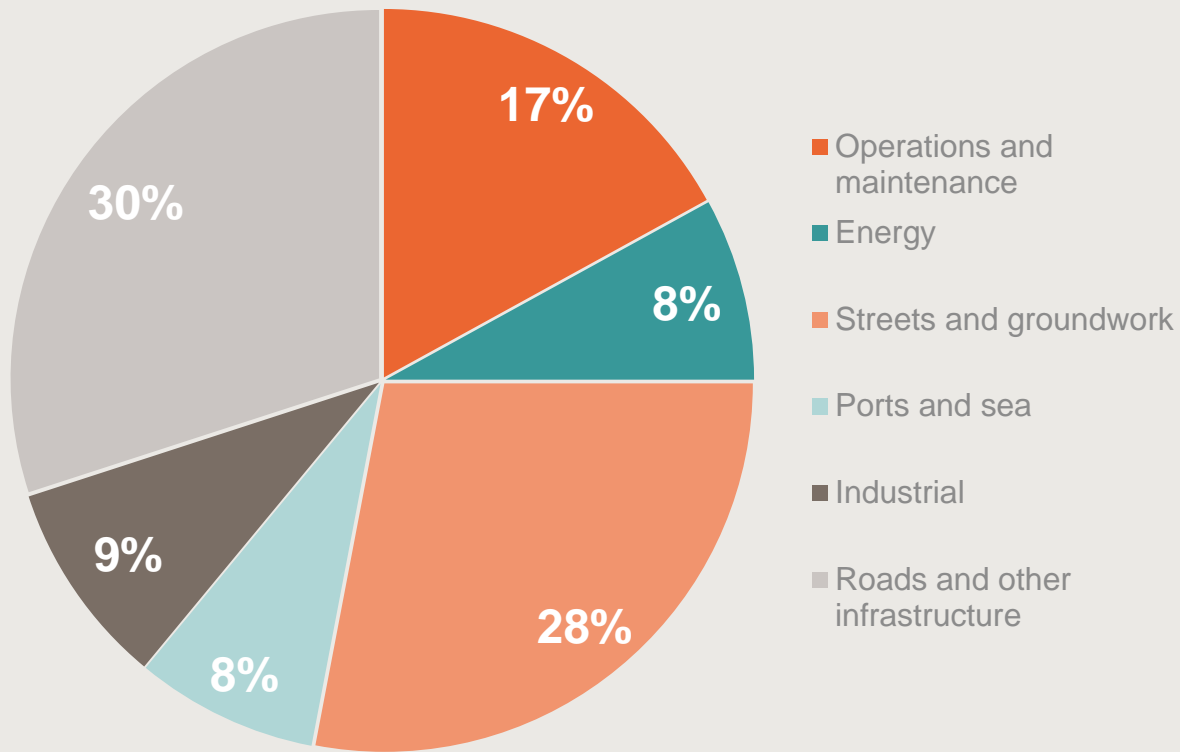


BUSINESS AREA CIVIL ENGINEERING

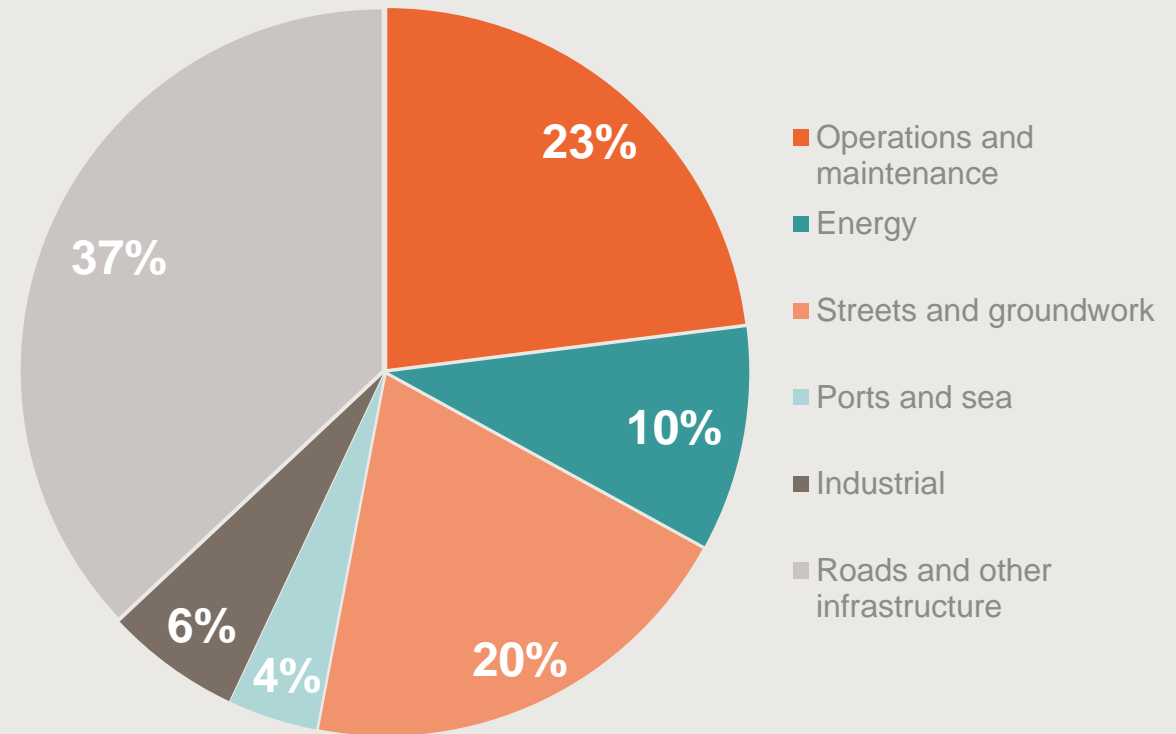
Split into product area



Net sales, rolling 12 months



Order backlog, September 30, 2021





Business area Industry

SWECEM'S
SLAG TERMINAL
Oxelösund

Business area Industry



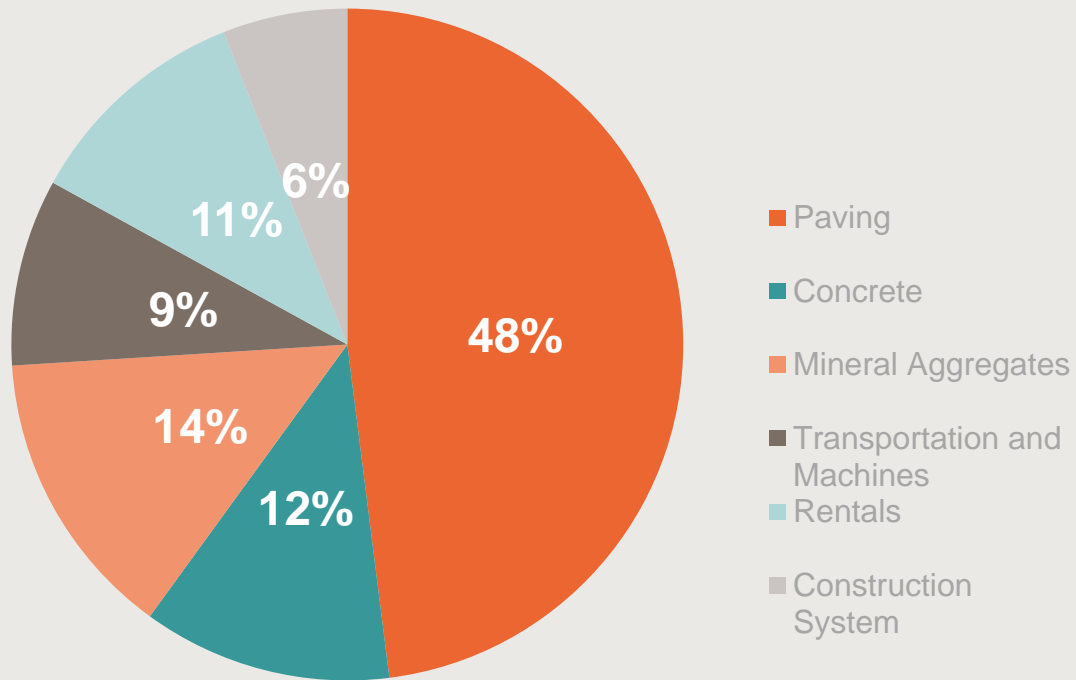
MSEK	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Net sales	6,198	6,233	18,578	18,720
Operating profit	576	471	915	1,105
Operating margin, %	9.3	7.6	4.9	5.9

BUSINESS AREA INDUSTRY

Split into product area



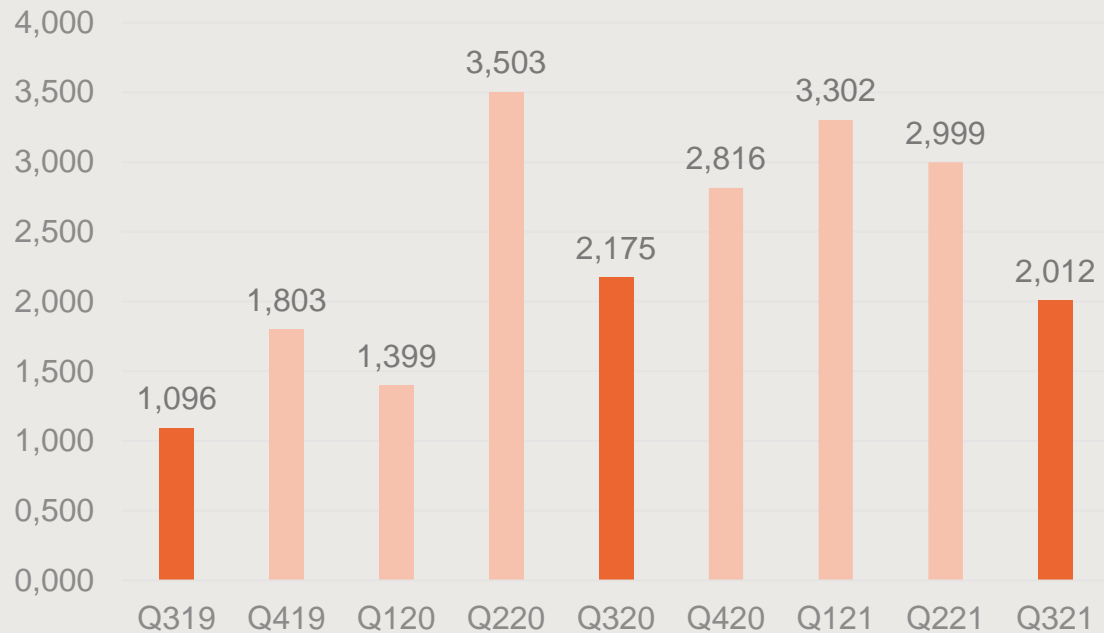
Net sales, rolling 12 months



Good level of orders received in the third quarter



Orders received, MSEK



Order backlog

4.4

BSEK (4.1)



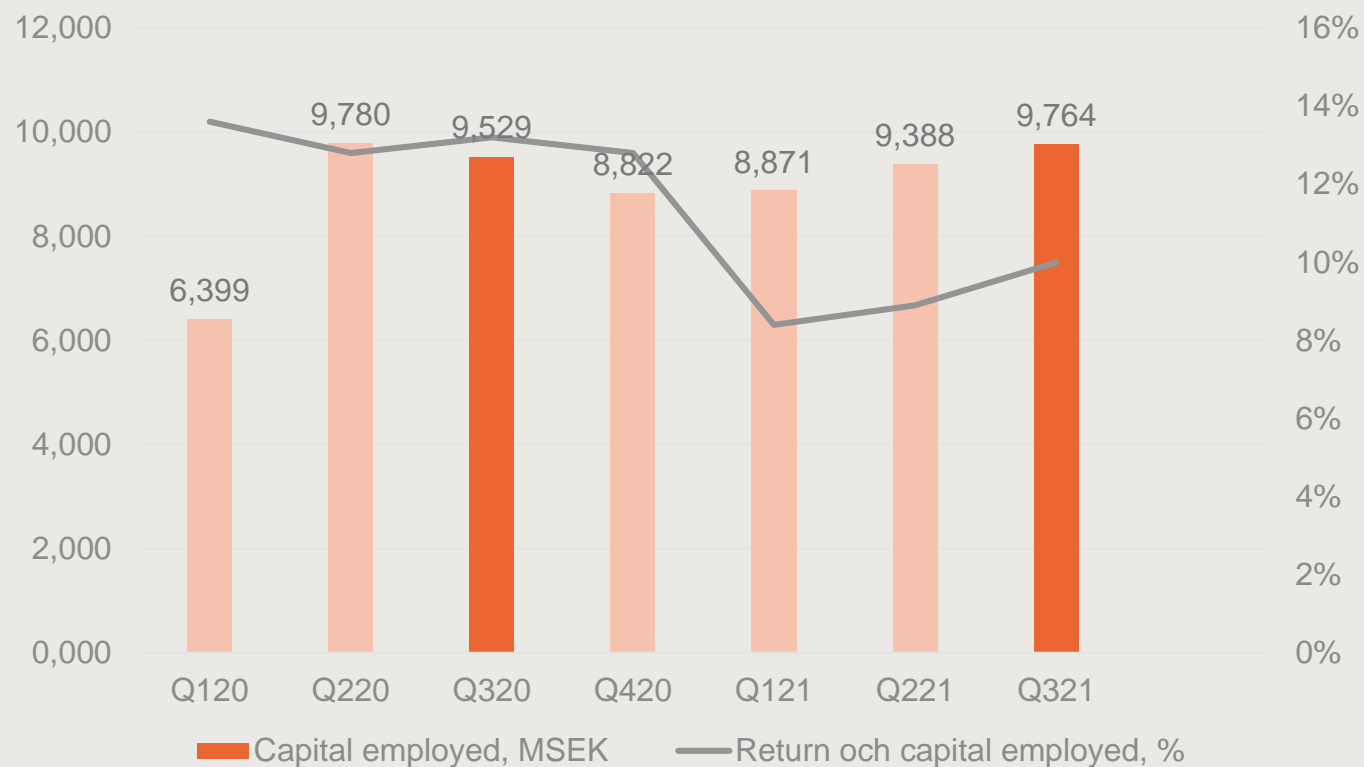
ASPHALT PLANT
Lahti

BUSINESS AREA INDUSTRY

Third quarter affected by investments and seasonality



Capital employed and return on capital employed*



Return on capital employed

10.0
% (13.2)

*Based on rolling 12 months.



Business area Project Development

LIGHTHOUSE
Naaka

Business area Project Development



MSEK	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Net sales	2,741	1,750	8,184	7,500
Operating profit	326	162	1,986	1,669
Operating margin, %	11.9	9.3	24.3	22.3
<i>of which Housing Development</i>	9.5	8.9	11.4	9.6

Higher level of housing start-ups and continued good sales



Number	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Housing start-ups	678 ¹	591 ¹	2,804	2,291
Sold homes	747	730	2,865	2,682
Repurchased homes on the balance sheet at the end of the period	170	195	170	222

¹Includes 75 (-) homes that have been converted from rental apartments.

Selection of production-started homes

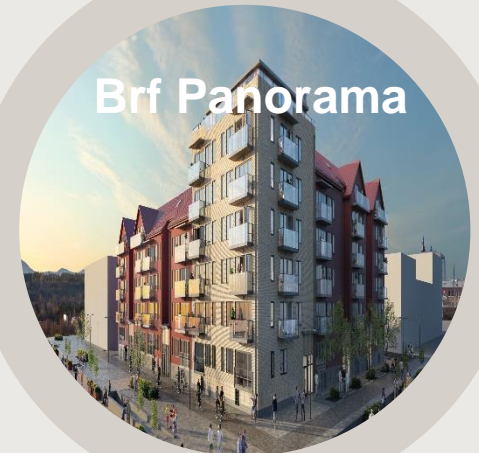
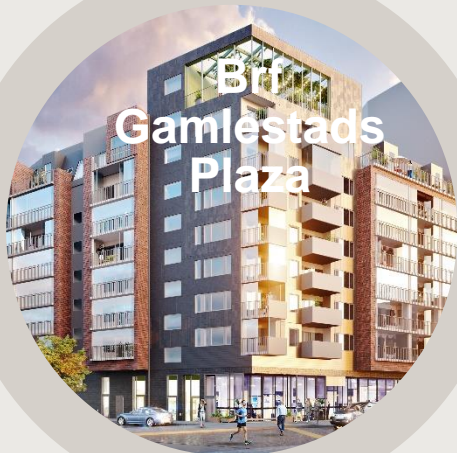


75 homes in
Gothenburg

111 homes in
Tromsø

39 homes in
Tampere

63 homes in
Hudiksvall



Housing Development after the third quarter



Number of homes
in production

4,487
(4,056)

Homes under
construction sold

77%
(72)

KAJUTAN ÖSTER
MÄLARSTRAND
Västerås

Rentals on own balance sheet



Number of rentals	Jul-Sep 2021	Jul-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
Production-started homes	-	60	691	502
Sold homes	-	-	95	4
Converted to tenant-owner associations	75	-	378	228
Total number of homes in production, at the end of the period	723¹	505	723	763

¹Of which 528, respectively 73 percent, are under contract to be sold upon completion.

Total number of homes in production



	Number per September 30, 2021 (2020)	of which sold
Tenant-owner associations, ownership and residential limited companies	4 487 (4 056)	77 %
Rentals	723 (505)	73 %
Total number	5 210 (4 561)	77 %

Larger ongoing property projects in Property Development

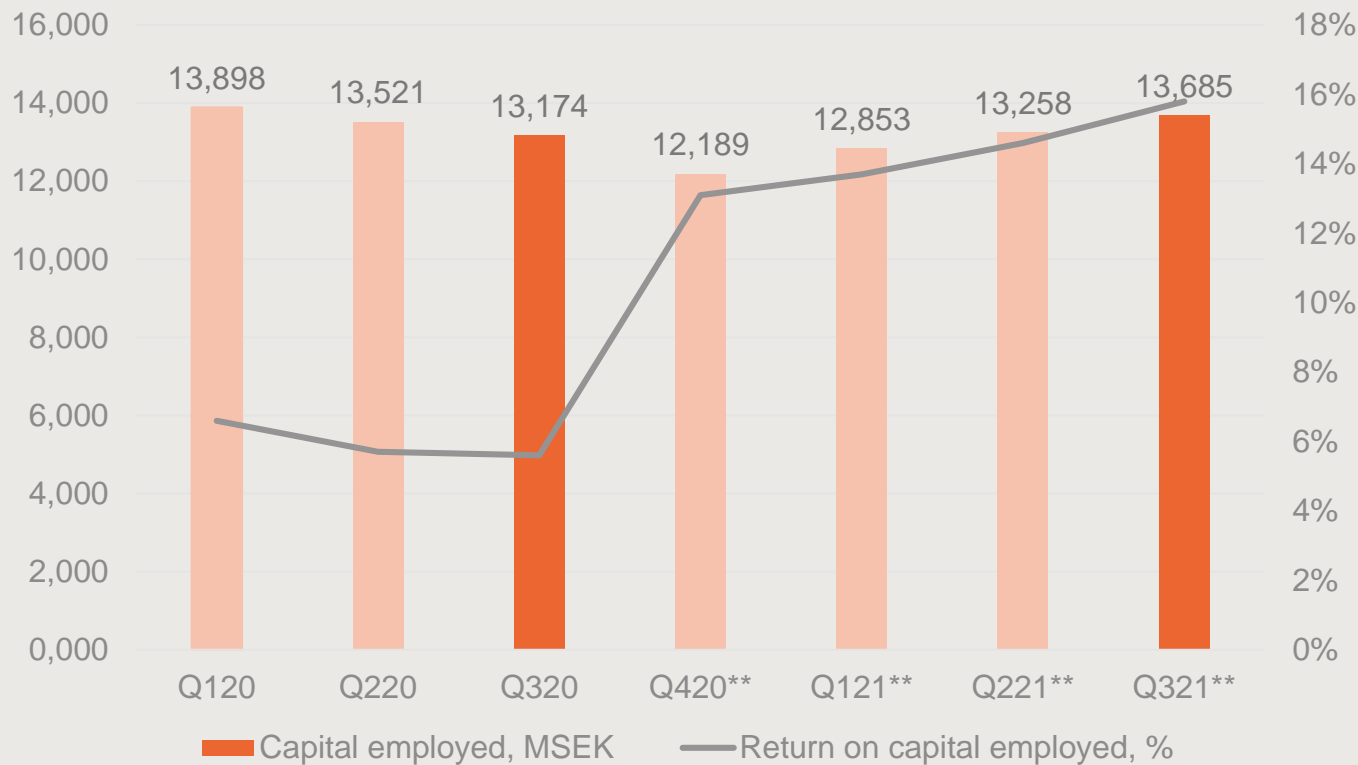


Type of project	Location	Rentable area, m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Office building	Solna	4,300	100	170	194	Q4-2021	88
Sports hall	Sundsvall	14,700	100	167	223	Q2-2022	75
Logistics facility	Södertälje	2,200	100	21	67	Q2-2022	31
Office building	Malmö	7,100	28	66	296	Q1-2023	22
Office building	Gothenburg	13,100	0	62	516	Q1-2024	12

Continued strategic investments



Capital employed and return on capital employed*



Return on capital employed

15.8
% (5.6)

*Based on rolling 12 months.

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

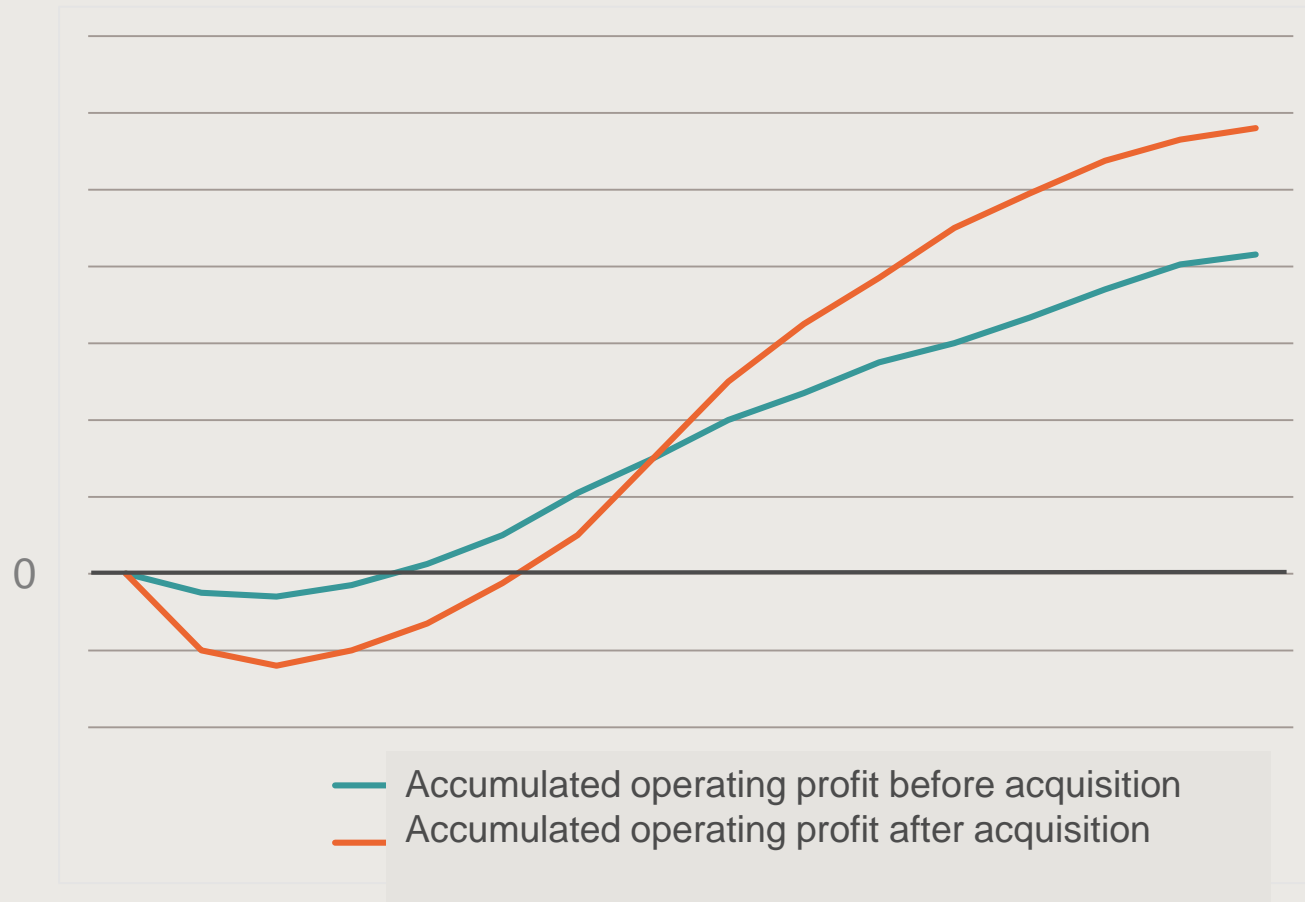
The Peab Group



Segment reporting

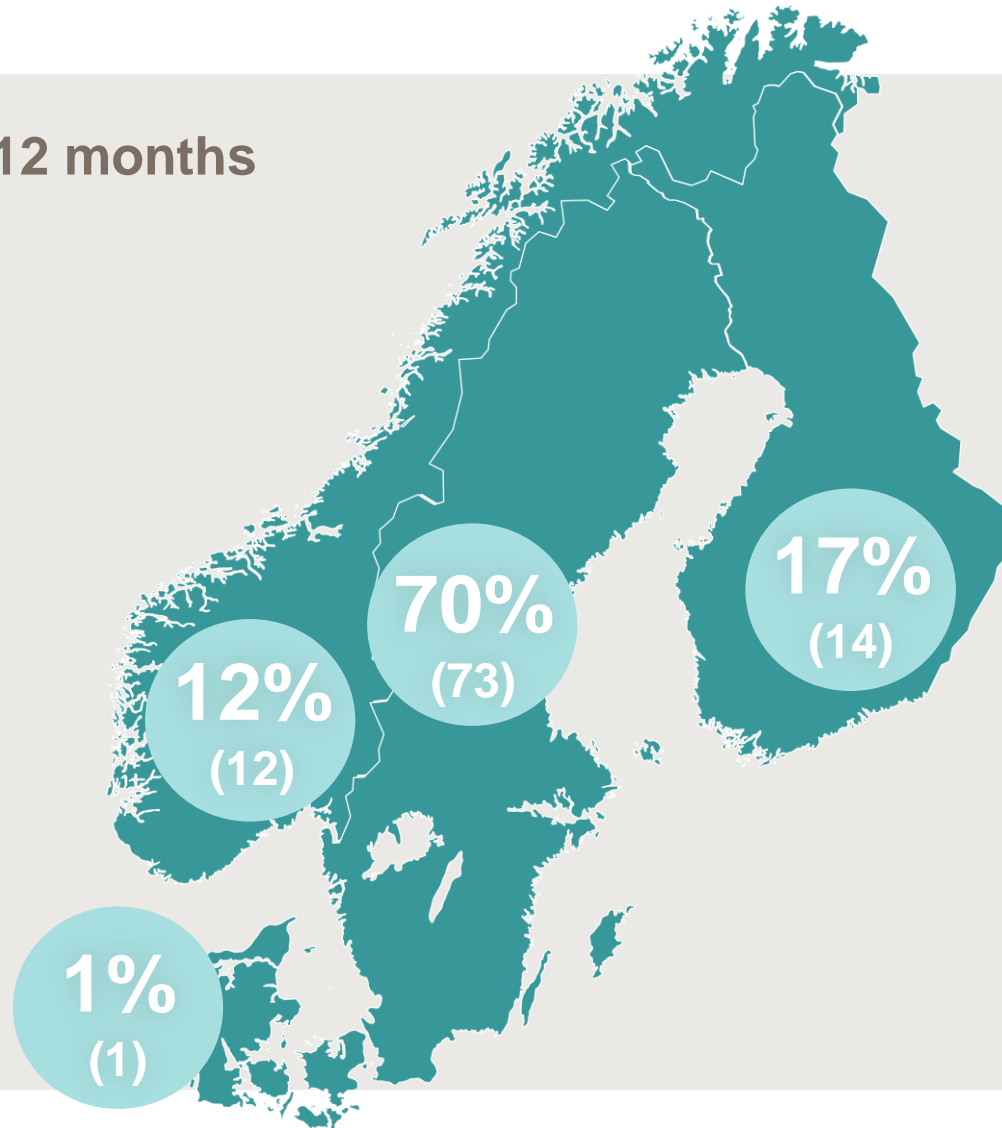
MSEK	Jul-Sep 2021	Jul-Sep 2020	Oct 2020- Sep 2021	Jan-Dec 2020
Net sales	16,121	14,837	57,930	57,417
Operating profit	1,101	844	3,677	3,541
Operating margin, %	6.8	5.7	6.3	6.2

The acquisition of paving and mineral aggregate business increases seasonal variations



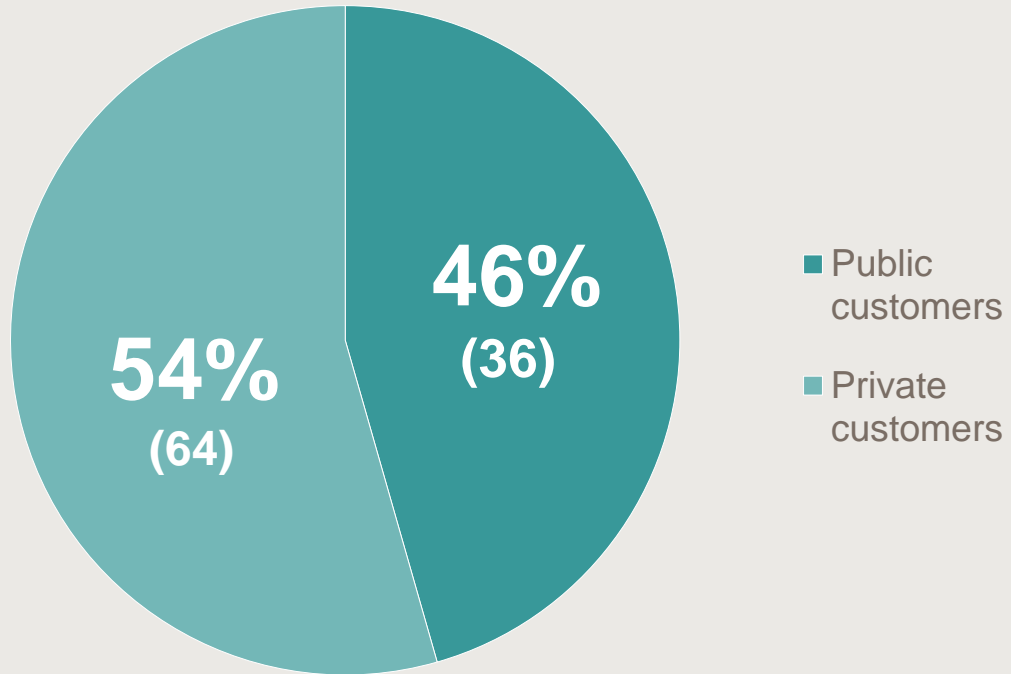
Expanding presence in the Nordic region

Net sales, rolling 12 months



Increased share of public customers

Net sales, rolling 12 months



THE GROUP

Stable level of orders received and order backlog

Orders received

13.9

MSEK (11.7)

Order backlog

46.3

Mdkr (44.7)

Share of projects
under MSEK 500

86%

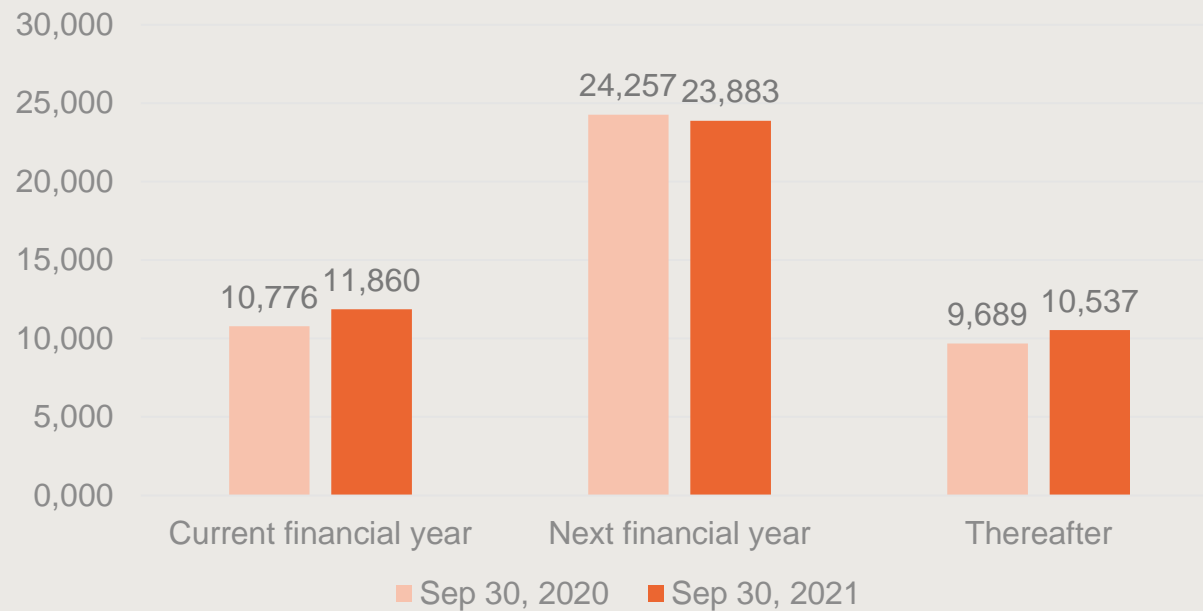
(82)

HYKS SYÖPÄTAUTIEN KLINIKKA
HUS KLINIKEN FÖR CANCERSJUKDOMAR
COMPREHENSIVE CANCER CENTRE

HELSINGIN SEUDUN
YLIOPSTOLLINEN
KESKUSSAIRAALA
Helsinki

Good level of order backlog

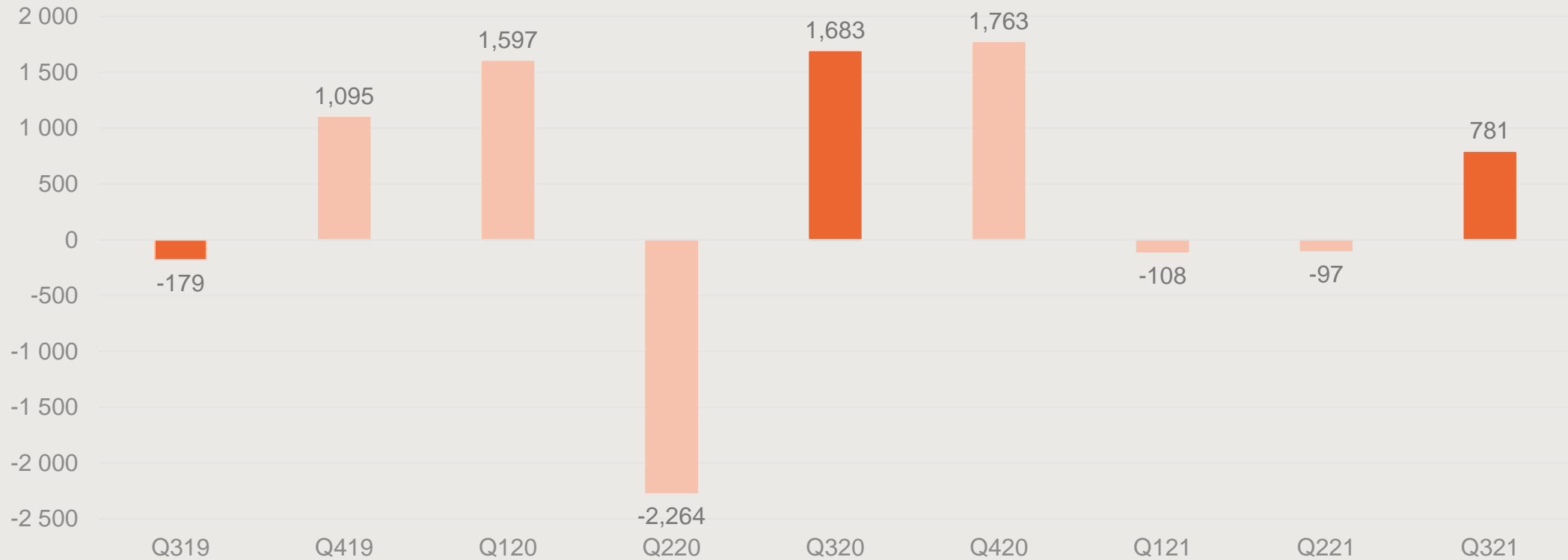
Order backlog allocated over time, MSEK



74%
after current
financial year (76)

Positive cash flow in spite of strategic investments

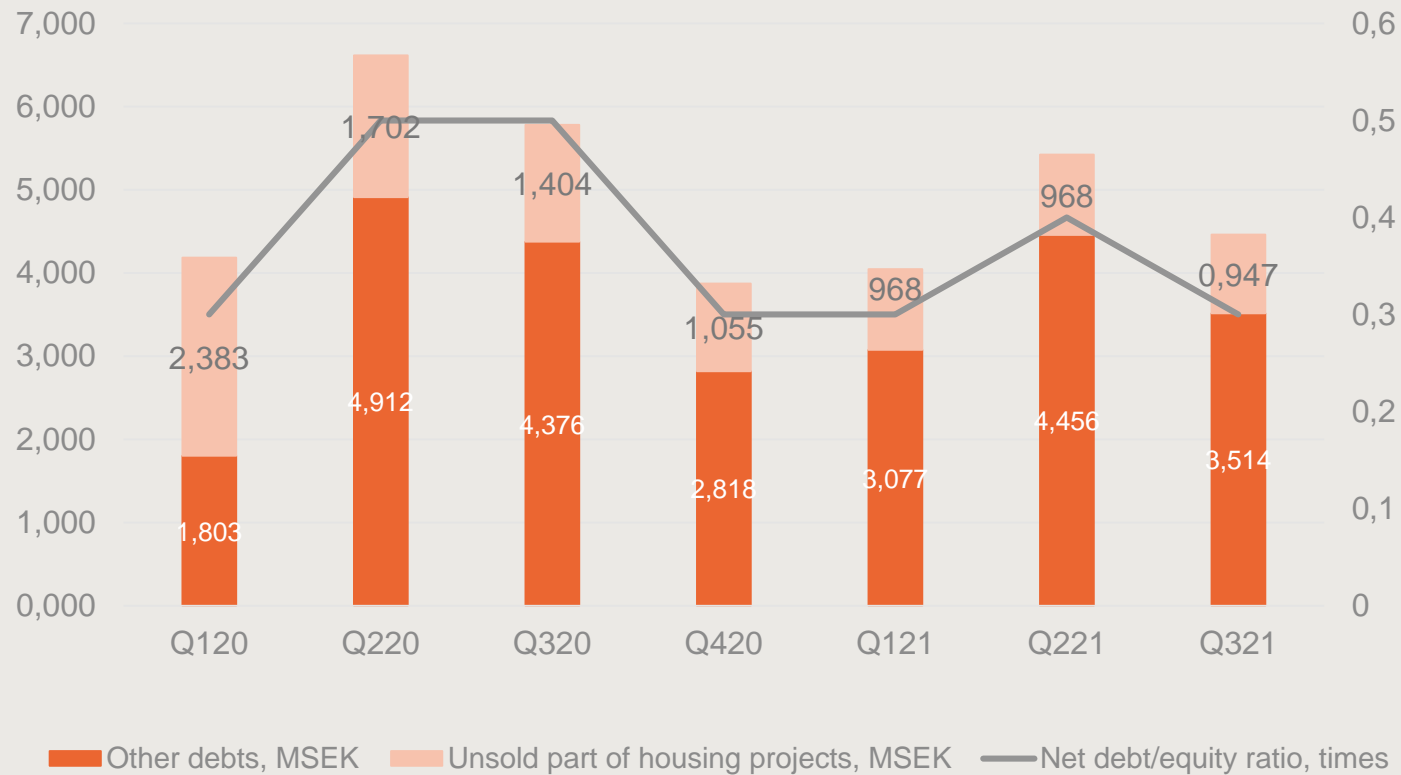
Cash flow before financing, MSEK



THE GROUP

Strong financial position

Net debt and net debt/equity ratio



Net debt

4.5

BSEK (5.8)

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:

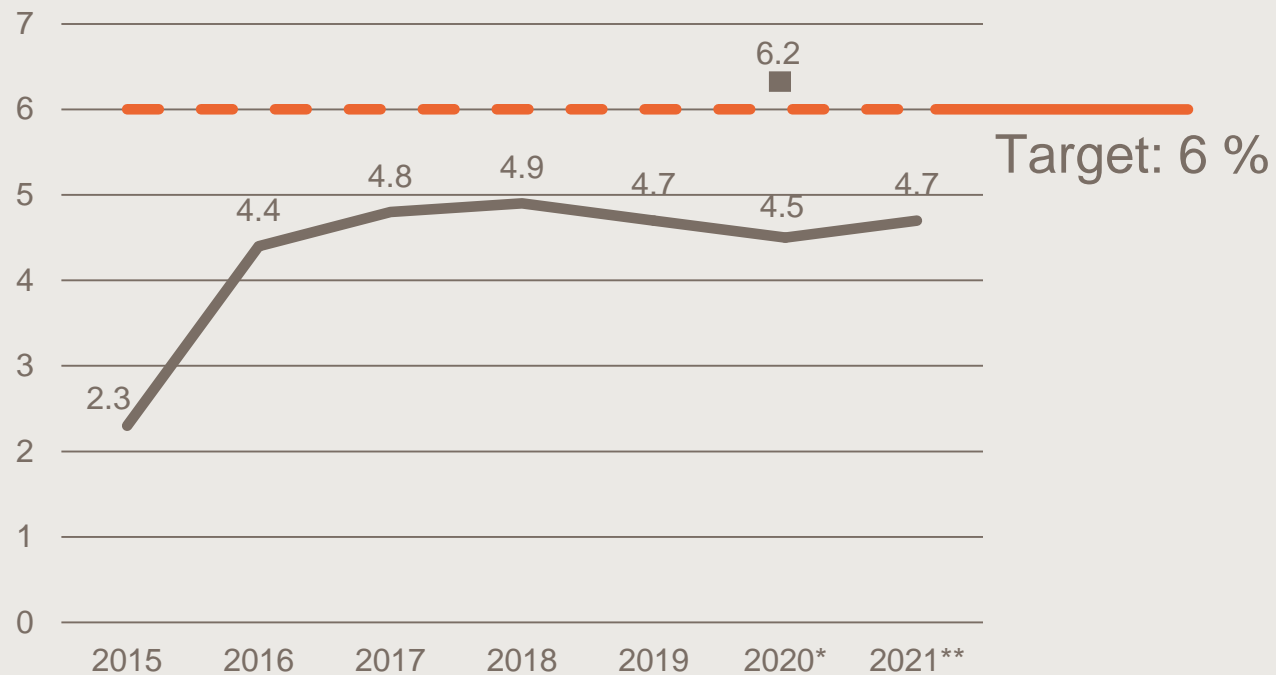
Number of women
always over
education market

MOST PROFITABLE COMPANY

Operating margin over six percent



Operating margin, Group



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

**Calculated on rolling 12 months per September 30, 2021. Excluding effect of distribution of Annehem Fastigheter of MSEK 952.

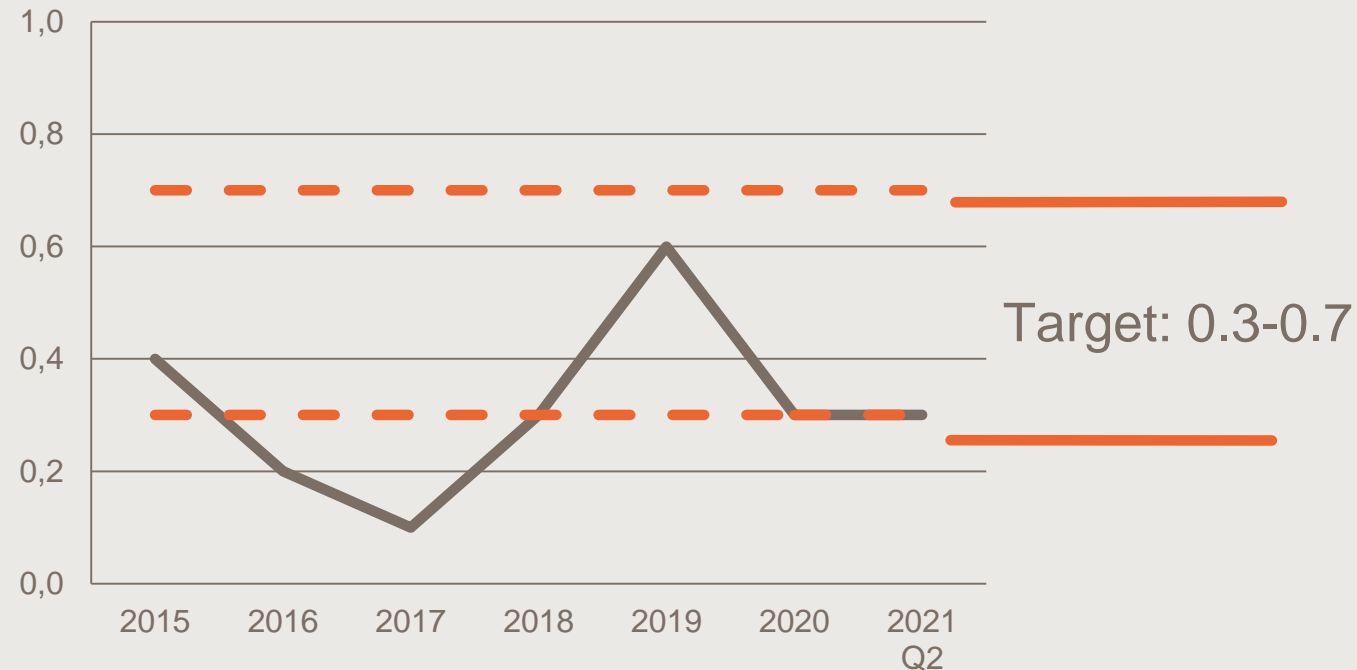
Years 2015-2018 are not translated according to the changed accounting principles for our own housing development projects

MOST PROFITABLE COMPANY

Net debt/equity ratio within interval 0.3-0.7



Net debt/equity ratio, Group



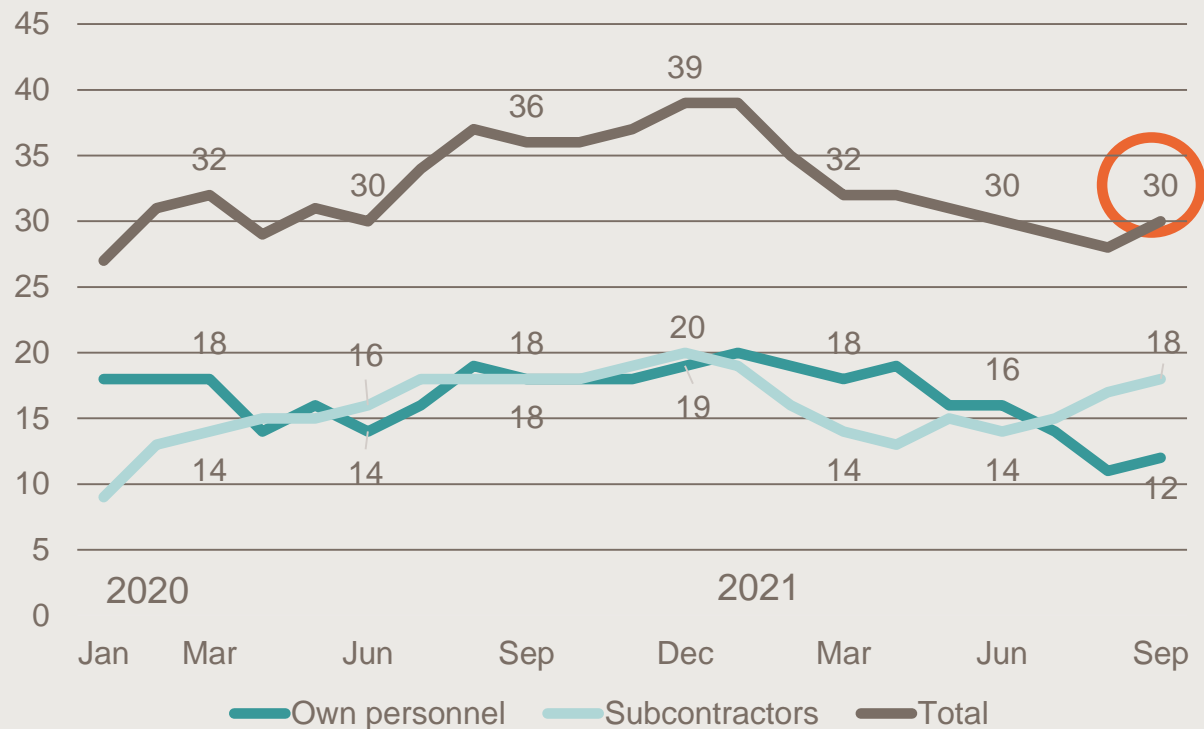
Years 2015-2018 are not translated according to the changed accounting principles for our own housing development projects

BEST WORKPLACE

Zero vision accidents



Serious accidents – rolling 12 months, category 4



Target:
Contracting trend



Allvarliga olyckor - rullande 12 mån, kategori 4

Mål:
Minskande trend



2020

2021

JUL-SEP 2021

Profitable growth and high level of orders received

- High level of orders received and order backlog
- Improved margins in construction contract operations and housing development
- Continued investments in business areas Industry and Project Development
- Strong financial position
- Stable market outlook
- Insecurity regarding material and energy prices
- Effects on construction industry and the society if access to cement is affected



VARVSRON
Helsingborg

Q4

Year-end report

4 februari 2022

Thank you!

