

Q4

January - December 2021

February 4, 2022

Arena Billingen
Skövde

MARKET OUTLOOK

Housing investment – leveling out 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

Slight downturn in other building construction

Started-up other building construction investments, new and renovations

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

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 market prospects

Total construction and civil engineering investments, new and renovations

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

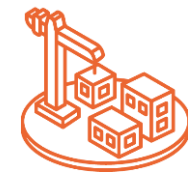
Source: Navet Analytics AB



Business area Construction

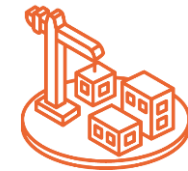
HUNDFJÄLLET
Sälen

Business area Construction

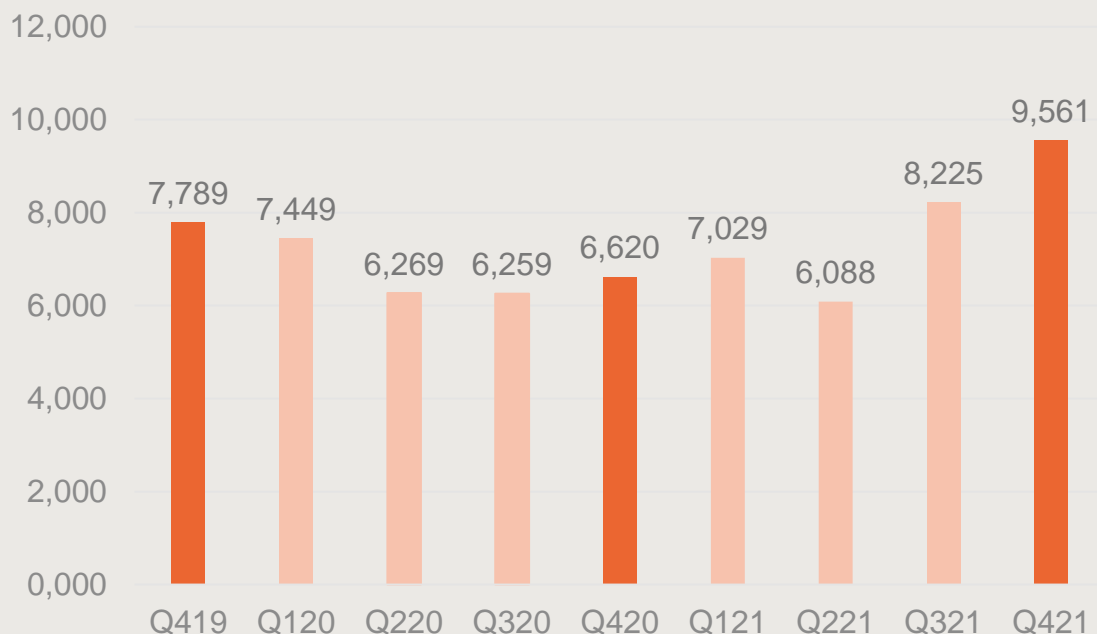


MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	8,147	7,448	26,980	26,989
Operating profit	209	197	711	663
Operating margin, %	2.6	2.6	2.6	2.5

High level of orders received in the fourth quarter



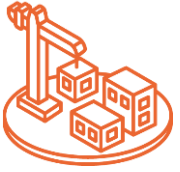
Orders received, MSEK



Order backlog
30.1
BSEK (26.6)



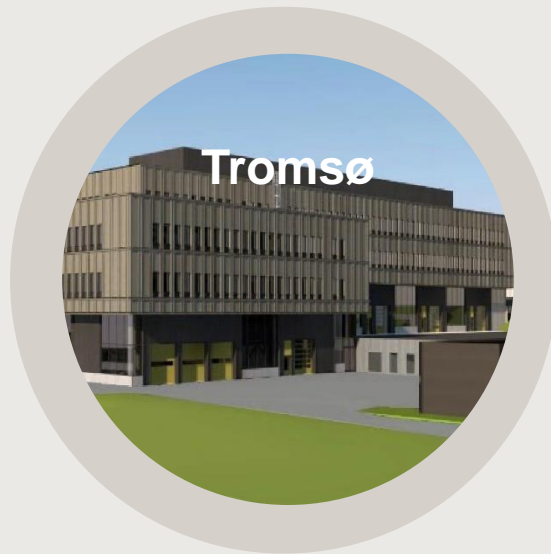
Good variation in type of product and geography



New apartment
(11 MEUR)



New school
(418 MNOK)



New swimming
facility
(155 MSEK)

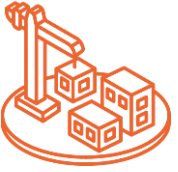


New rental
apartments
(306 MSEK)

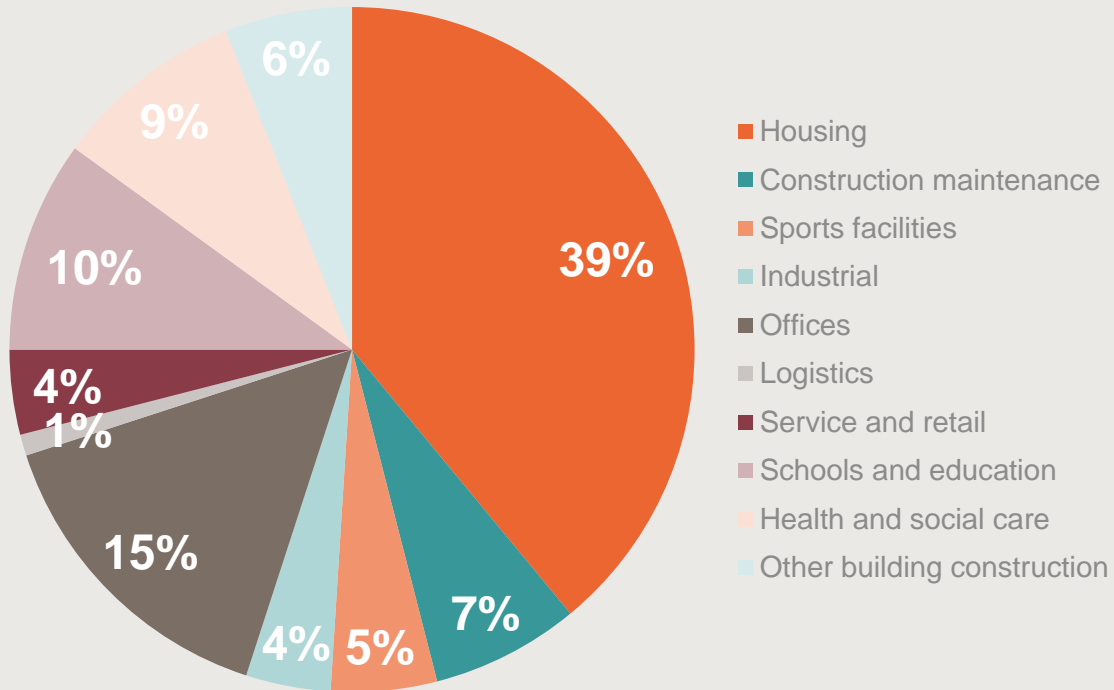


BUSINESS AREA CONSTRUCTION

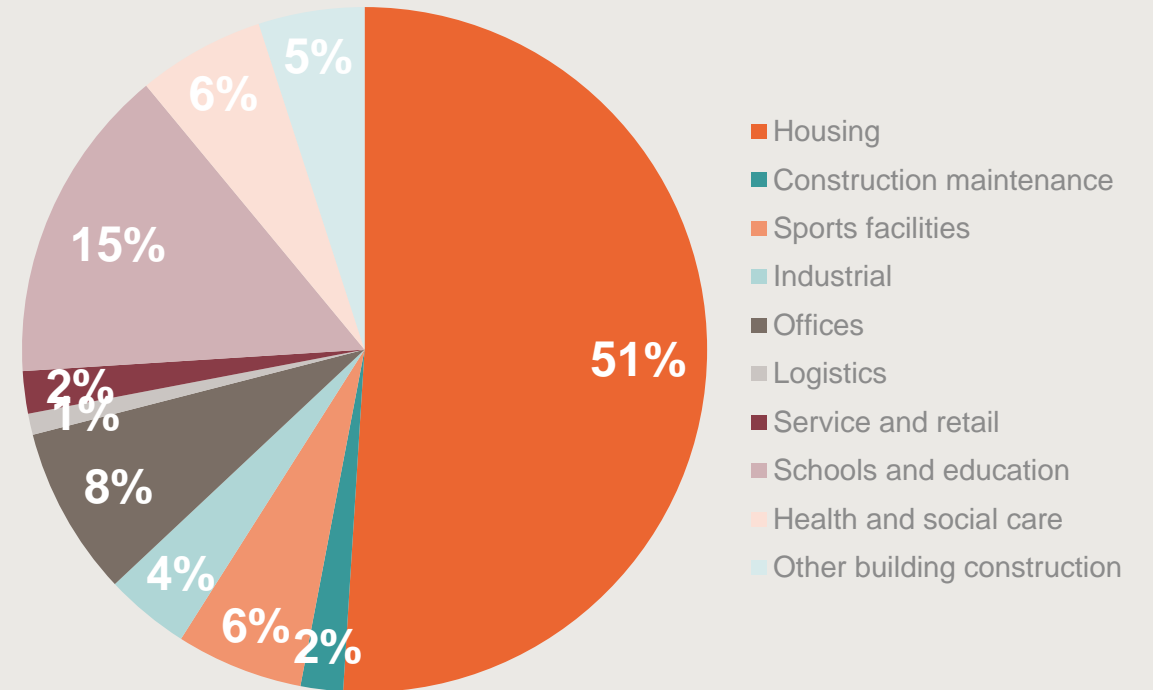
Allocation per product area



Net sales, rolling 12 months



Order backlog, December 31, 2021





**Business area
Civil Engineering**

E45
Gothenburg

Business area Civil Engineering

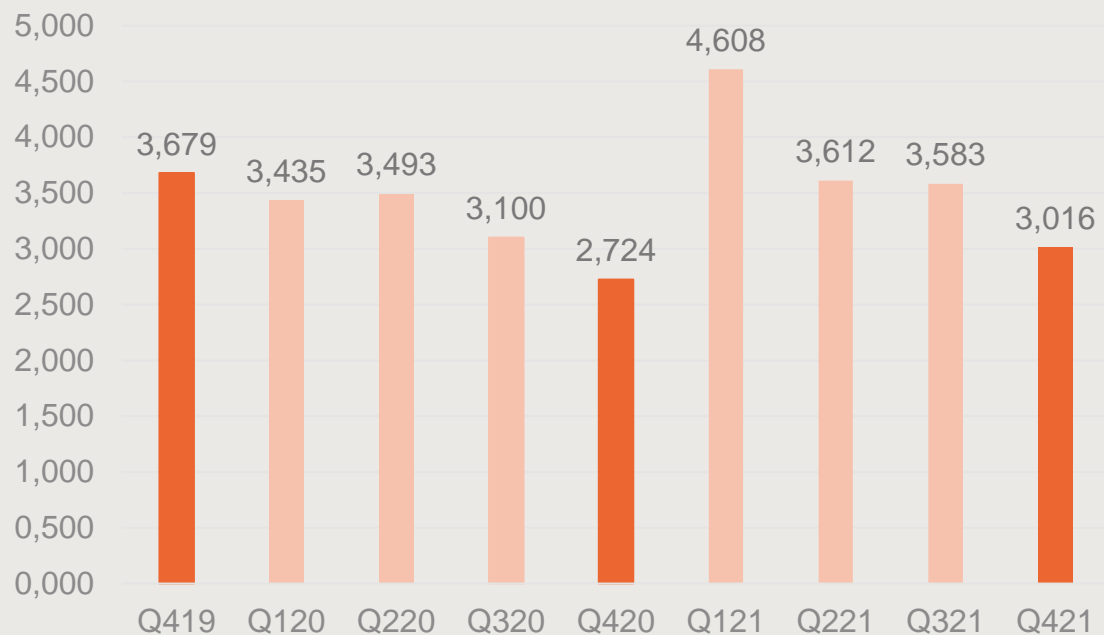


MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	4,062	3,600	14,180	12,843
Operating profit	164	131	471	391
Operating margin, %	4.0	3.6	3.3	3.0

Stable level of orders received



Orders received, MSEK



Order backlog

14.0

BSEK (13.1)



E45
Gothenburg

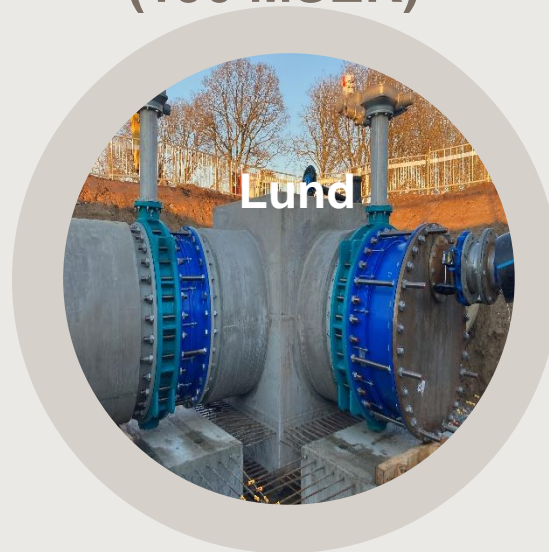
New projects in the fourth quarter



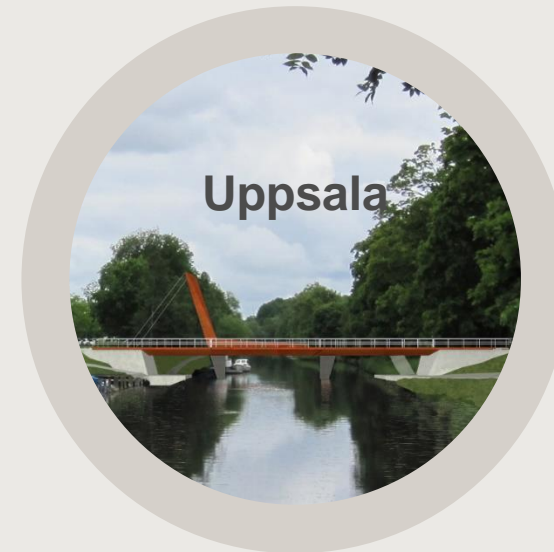
Renovation of the
Tingstad Tunnel
(365 MSEK)



Expansion of
drinking water
pipeline system
(190 MSEK)



New bridge
(157 MSEK)

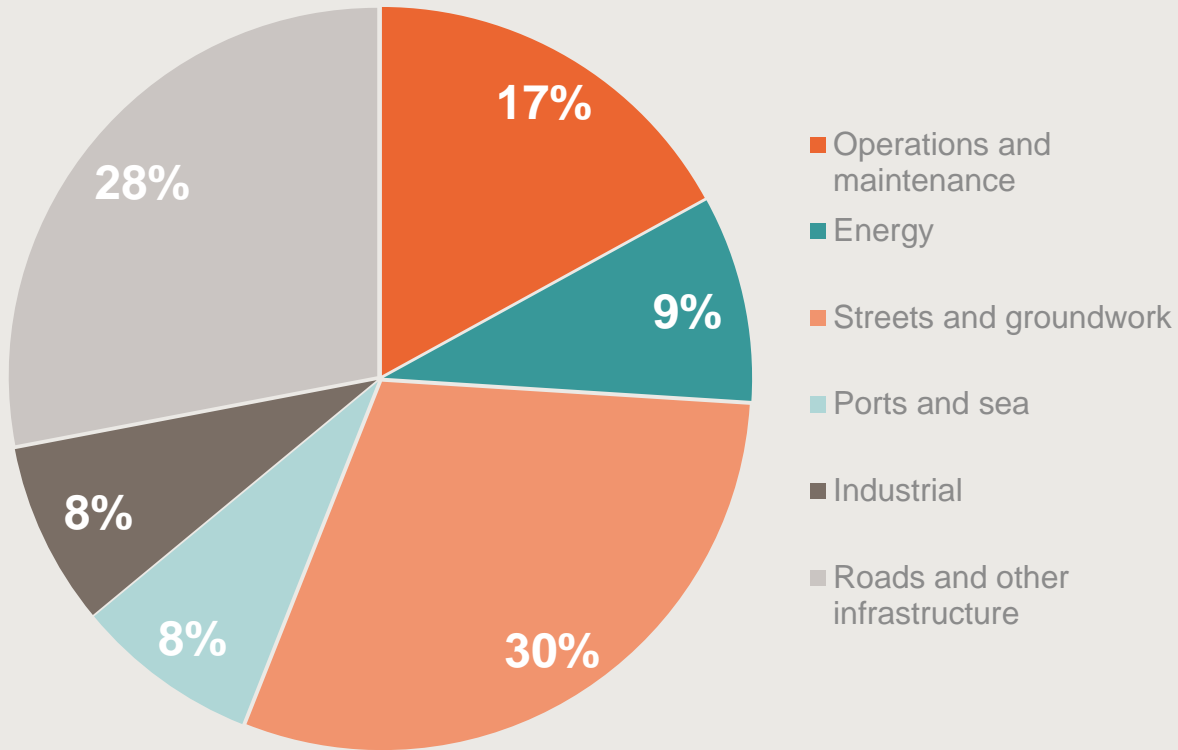


BUSINESS AREA CIVIL ENGINEERING

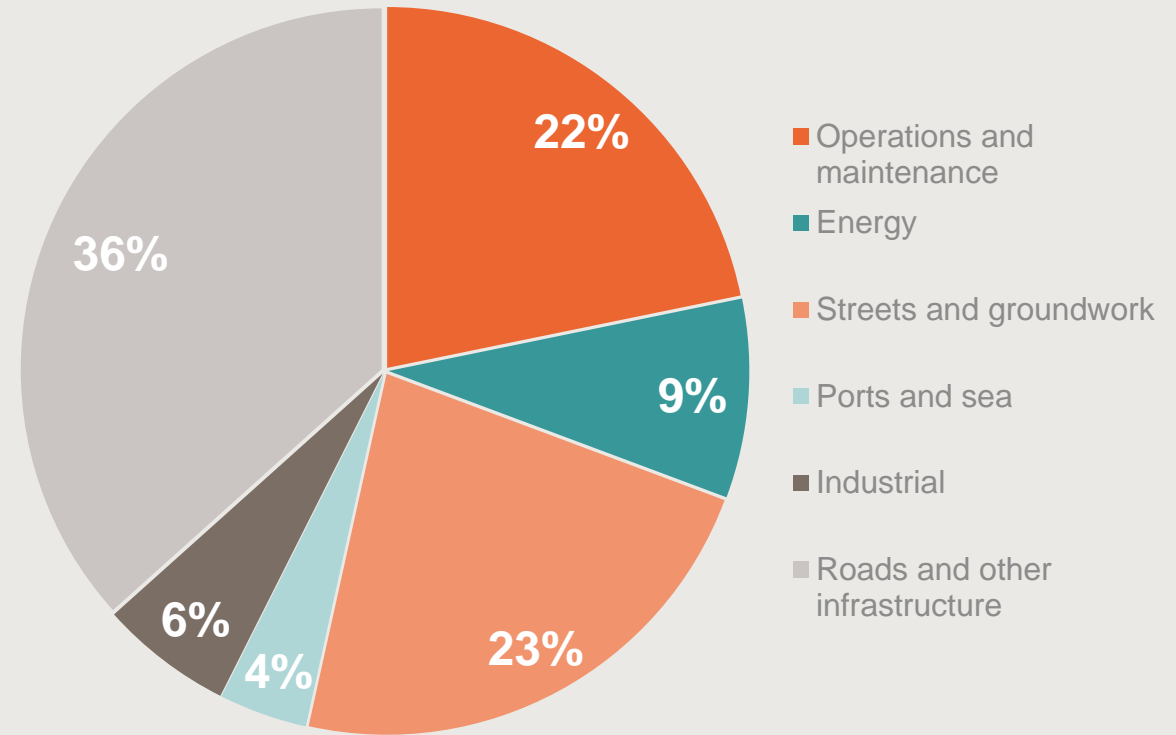
Allocation per product area



Net sales, rolling 12 months



Order backlog, December 31, 2021





Business area Industry

SWECEM'S
SLAG TERMINAL
Oxelösund

Business area Industry

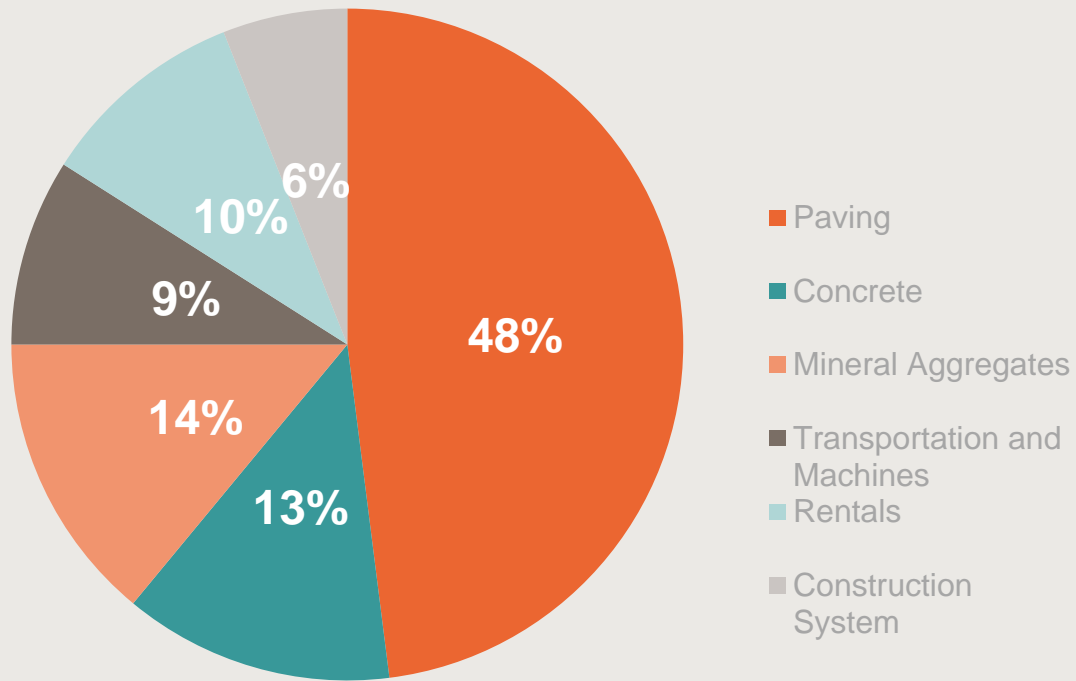


MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	5,138	4,929	18,787	18,720
Operating profit	420	397	938	1,105
Operating margin, %	8.2	8.1	5.0	5.9

Allocation per product area



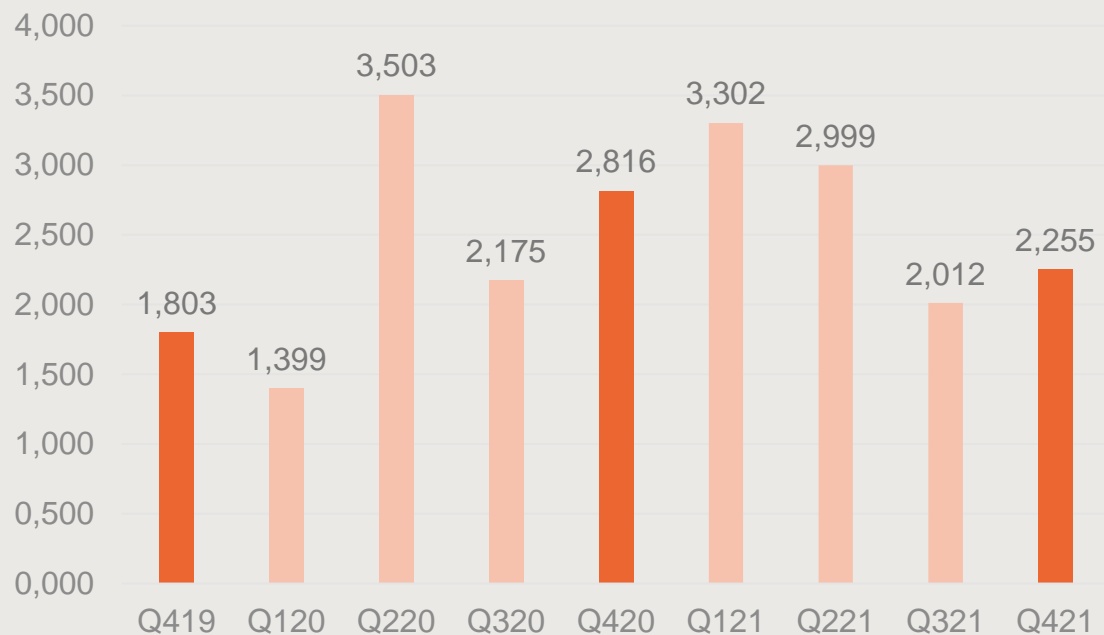
Net sales, rolling 12 months



Stable level of orders received

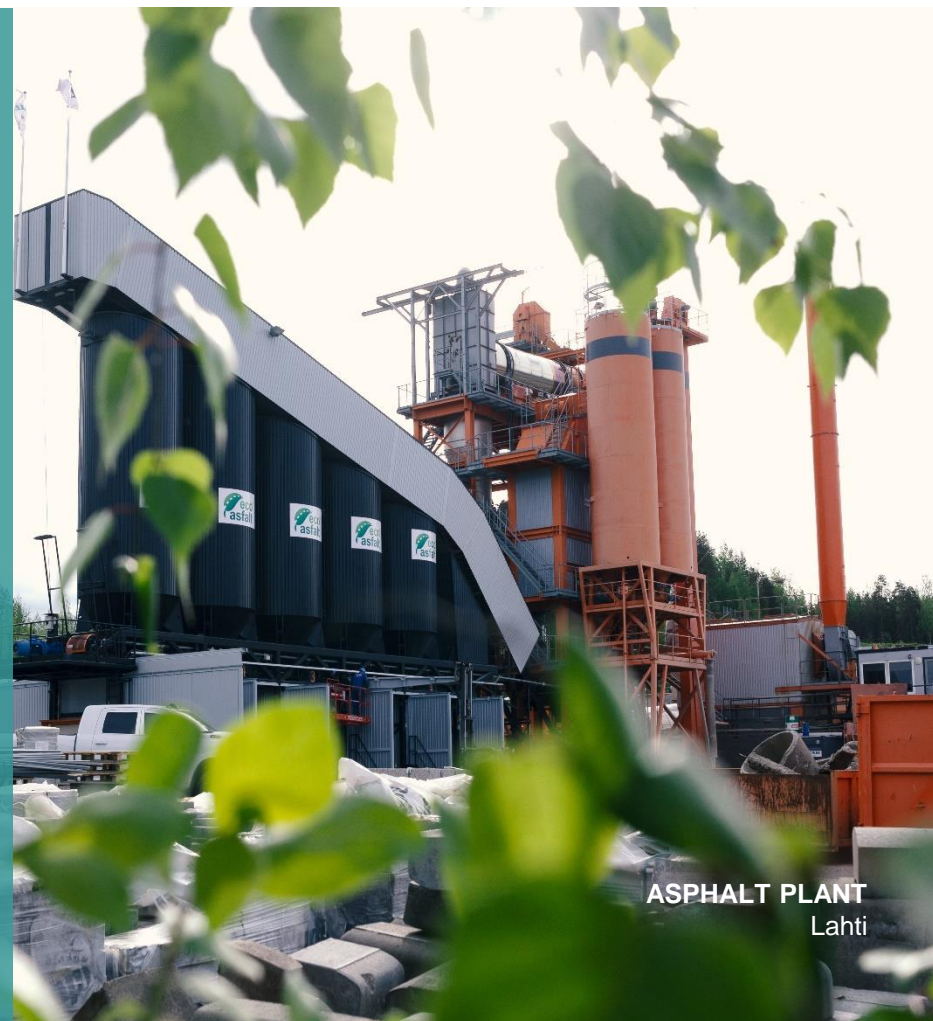


Orders received, MSEK



Order backlog

3.9
BSEK (3.9)

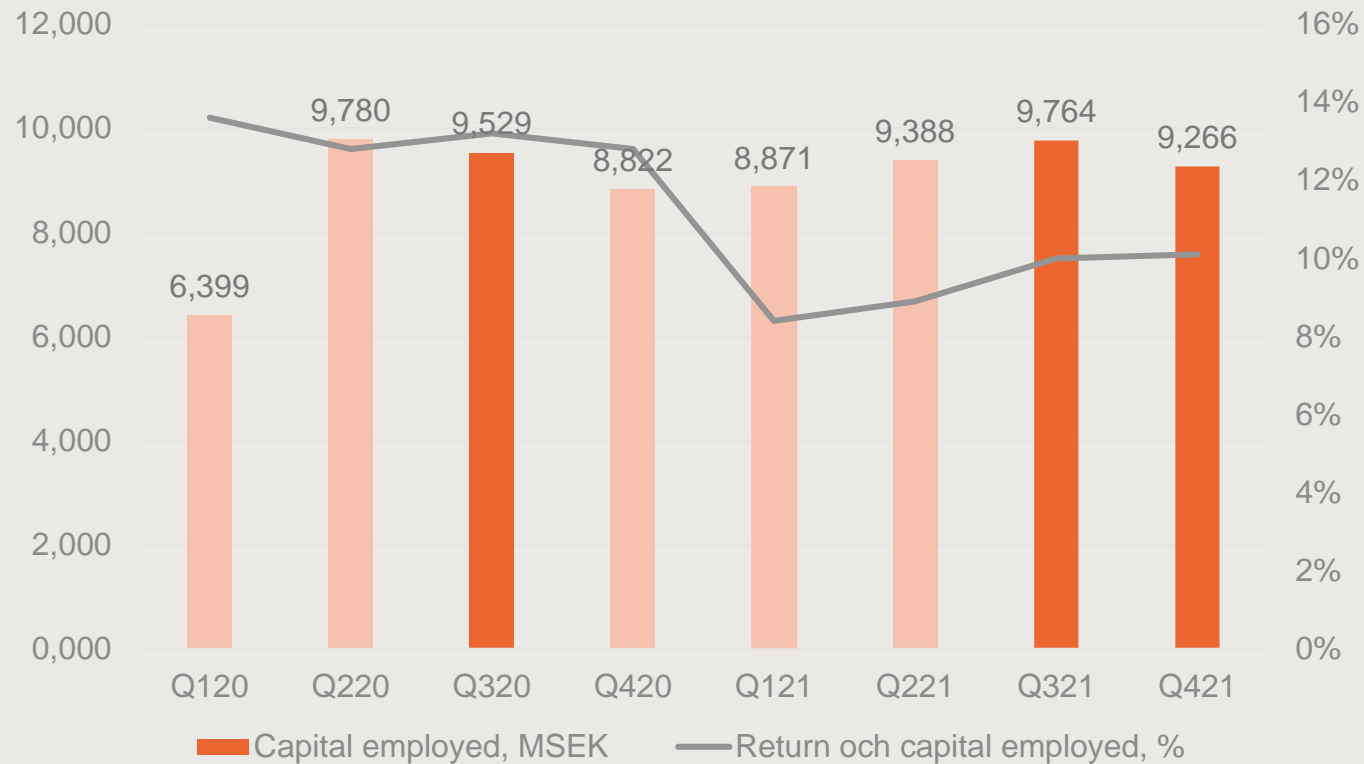


ASPHALT PLANT
Lahti

Continued investments in the fourth quarter



Capital employed and return on capital employed*



Return on capital employed

10.1
% (12.8)

*Based on rolling 12 months.



Business area Project Development

STOCKHOLM LIGHTHOUSE
Nacka

Business area Project Development



MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	3,117	1,804	9,497	7,500
Operating profit	446	1,195	1,237	1,669
Operating margin, %	14.3	66.2	13.0	22.3
<i>of which Housing Development</i>	12.0	13.5	11.2	9.6

High level of housing start-ups and continued good sales



Number	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Housing start-ups	895 ¹	679 ¹	3,020	2,291
Sold homes	846	664	3,047	2,682
Repurchased homes on the balance sheet at the end of the period	144	222	144	222

¹Includes 89 (41) homes that have been converted from rental apartments.

Selection of production-started homes

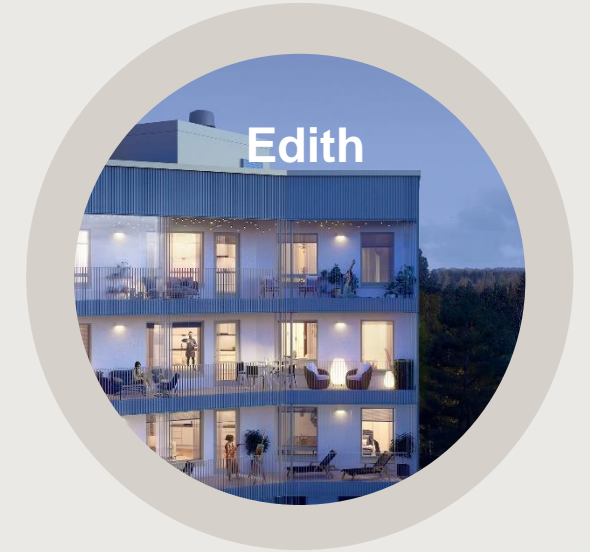
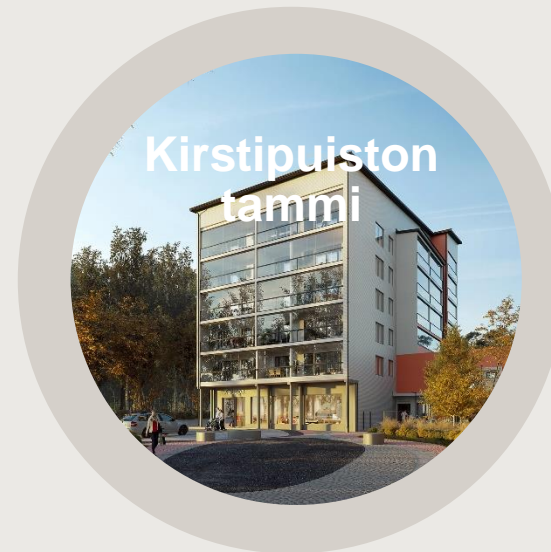
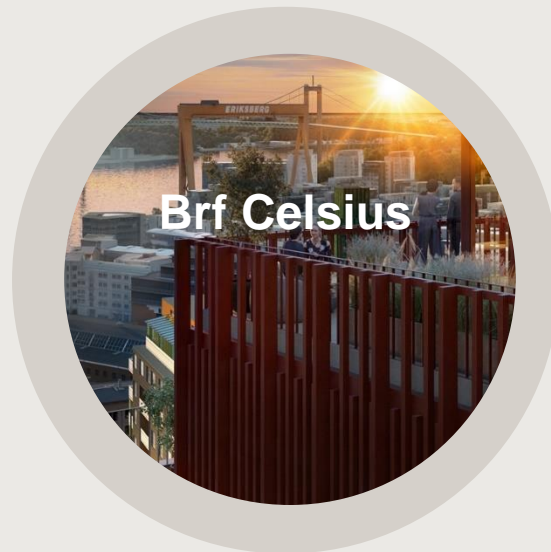


113 apartments in
Lund

91 apartments in
Gothenburg

55 apartments in
Turku

51 apartments in
Espoo



Housing Development after the fourth quarter



Number of homes
in production

4,702

(4,014)

Homes under
construction sold

76%

(73)

MIDTVEIEN
Moss

Rentals on our own balance sheet



Number of rentals	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Production-started homes	288	303	676	502
Sold homes	-	4	91	4
Converted to tenant-owner associations	89	41	426	228
Total number of homes in production, at the end of the period	922 ¹	763	922	763

¹Of which 638, respectively 69 percent, are under contract to be sold upon completion

Total number of homes in production



	Number per December 31, 2021 (2020)	of which sold
Tenant-owner associations, ownership and residential limited companies	4,702 (4,014)	76 %
Rentals	922 (763)	69 %
Total number in production	5,624 (4,777)	75 %

Larger ongoing property projects in Property Development

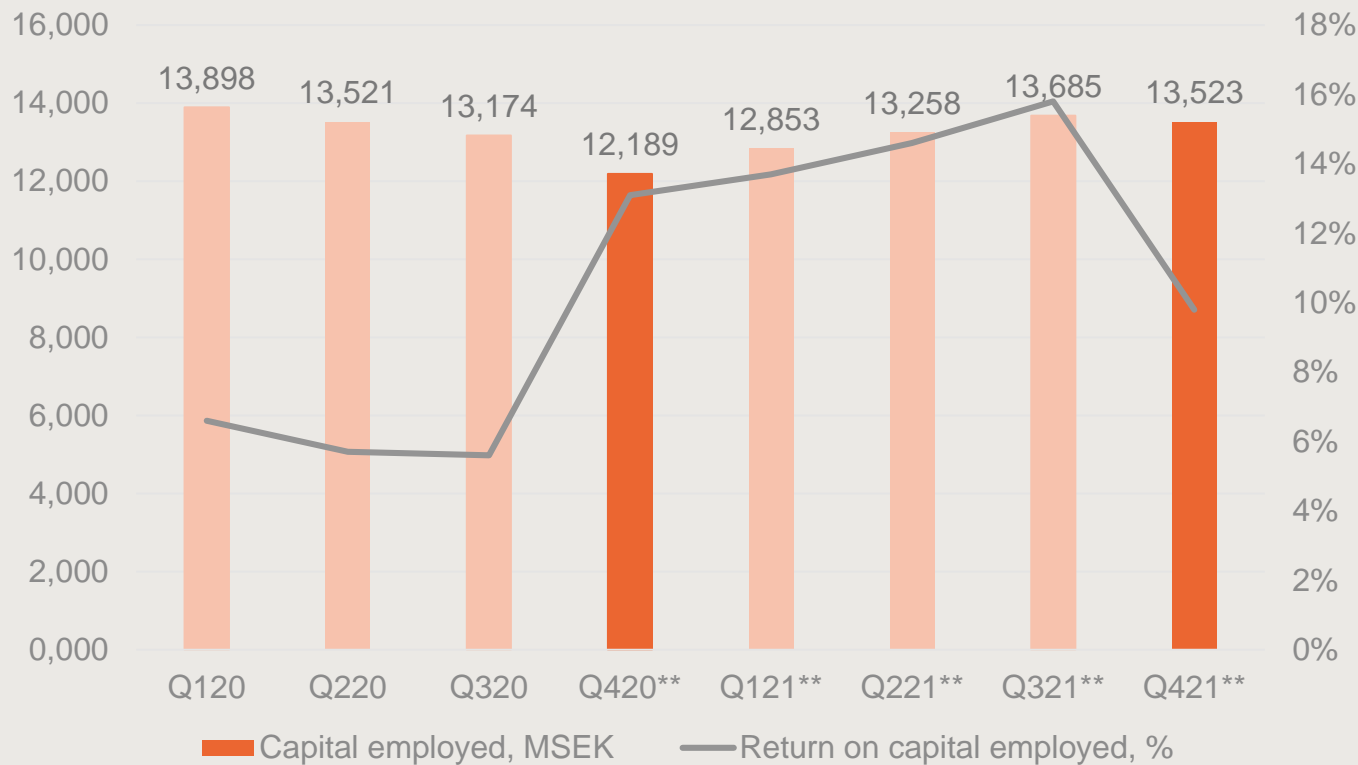


Type of project	Location	Rentable area, m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Sports hall	Sundsvall	14,700	100	195	223	Q2-2022	88
Logistics facility	Södertälje	2,200	100	60	67	Q2-2022	90
Padel hall	Trollhättan	3,900	100	16	52	Q4-2022	31
Office building	Malmö	7,100	28	98	296	Q1-2023	33
Office building	Gothenburg	13,100	25	101	516	Q1-2024	20

Continued strategic investments



Capital employed and return on capital employed*



Return on capital employed

9.8
% (13.1)

*Based on rolling 12 months.

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

The Peab Group

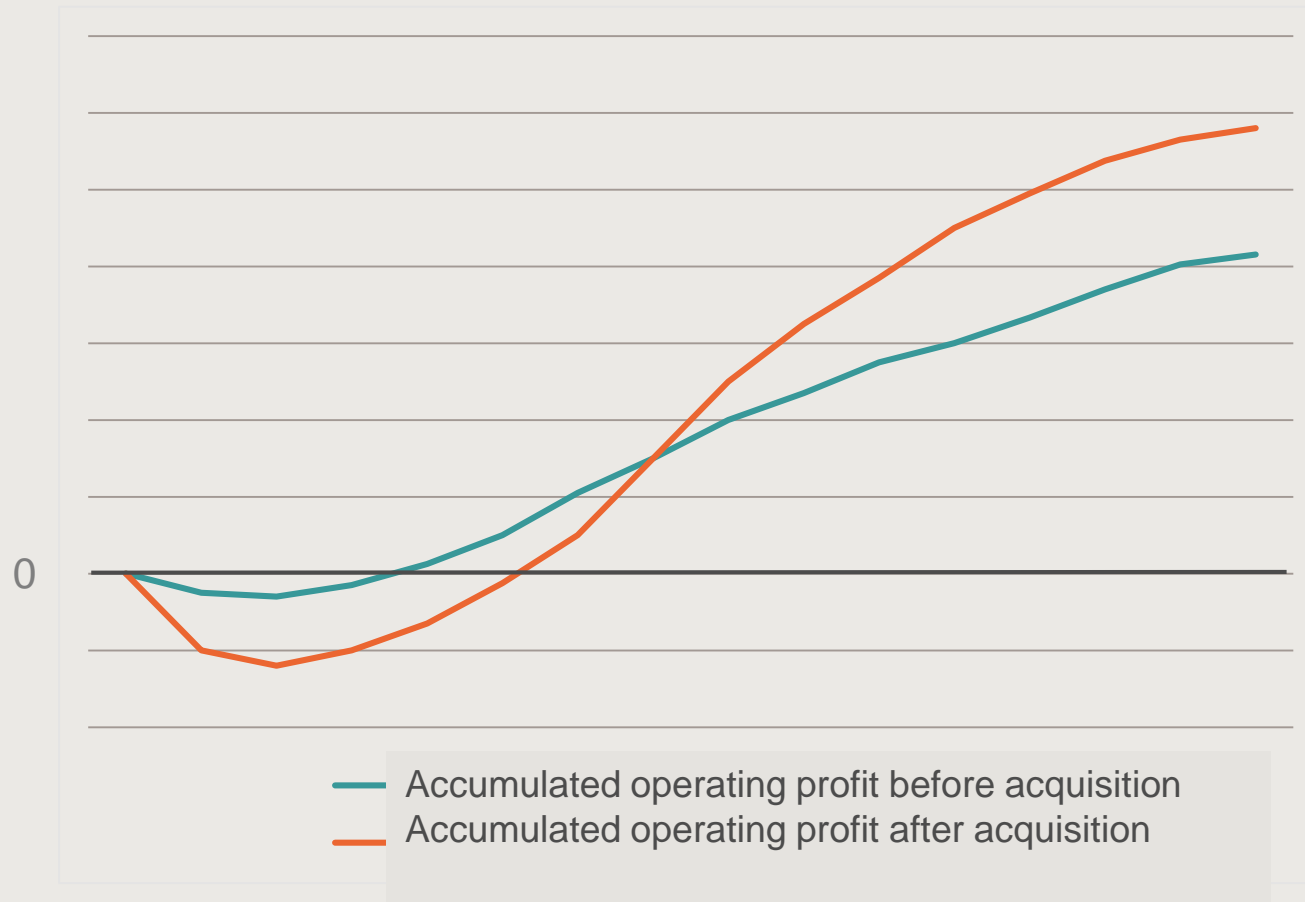


Segment reporting

MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	17,520	15,424	60,026	57,417
Operating profit	1,246	1,825	3,098	3,541
Operating margin, %	7.1	11.8	5.2	6.2

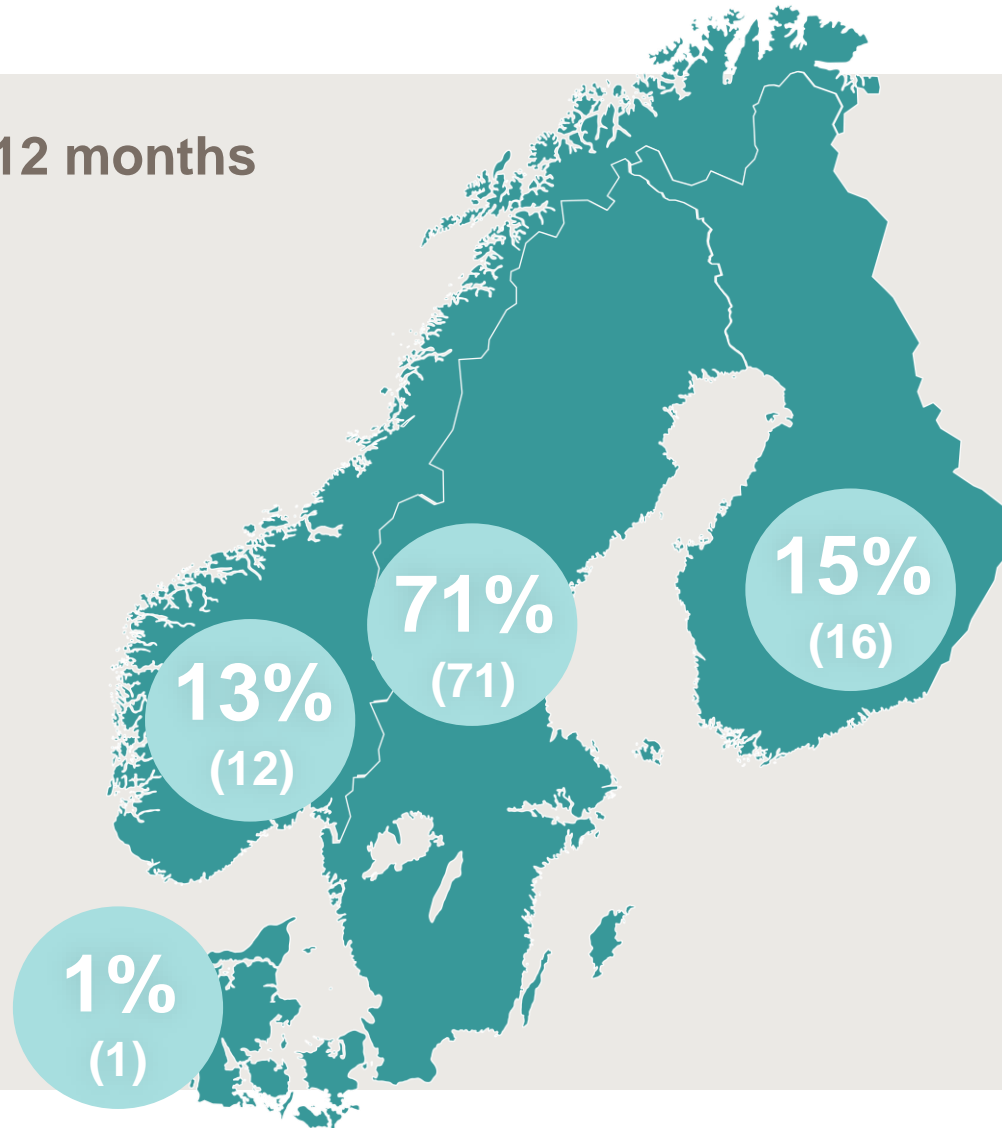
The effect of the distribution of Annehem Fastigheter of MSEK 952 is included in the fourth quarter.

The acquisition of paving and mineral aggregate business increases seasonal variations



Expanding presence in the Nordic region

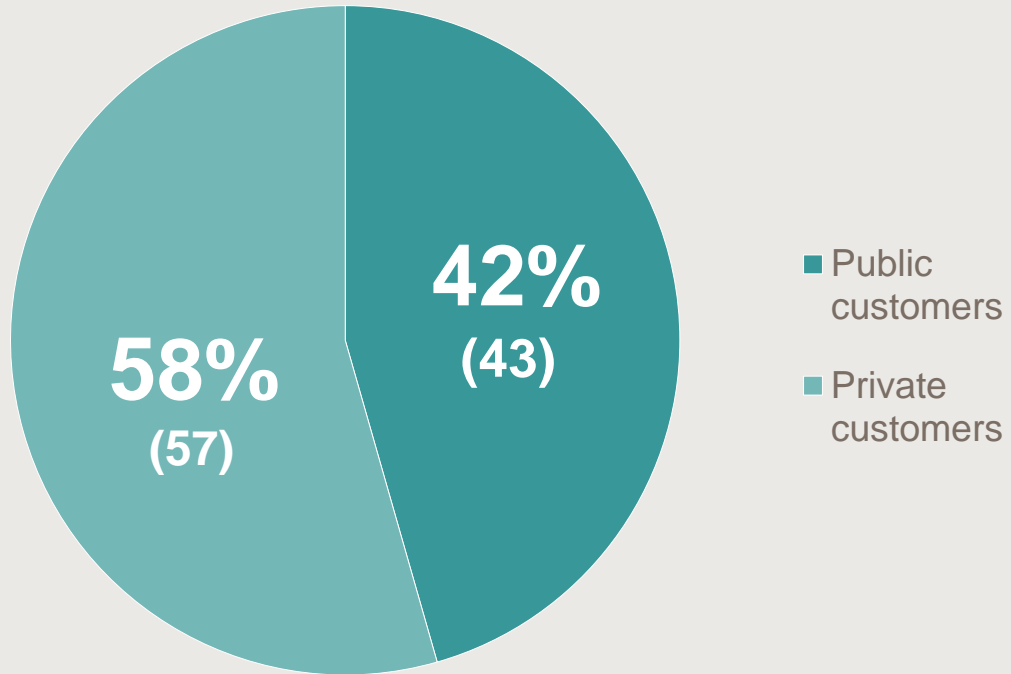
Net sales, rolling 12 months



THE GROUP

Large share of public customers

Net sales, rolling 12 months



THE GROUP

High level of orders received and good risk diversification

Orders received

14.4

BSEK (12.1)

Order backlog

45.3

BSEK (42.7)

Share of projects
under MSEK 500

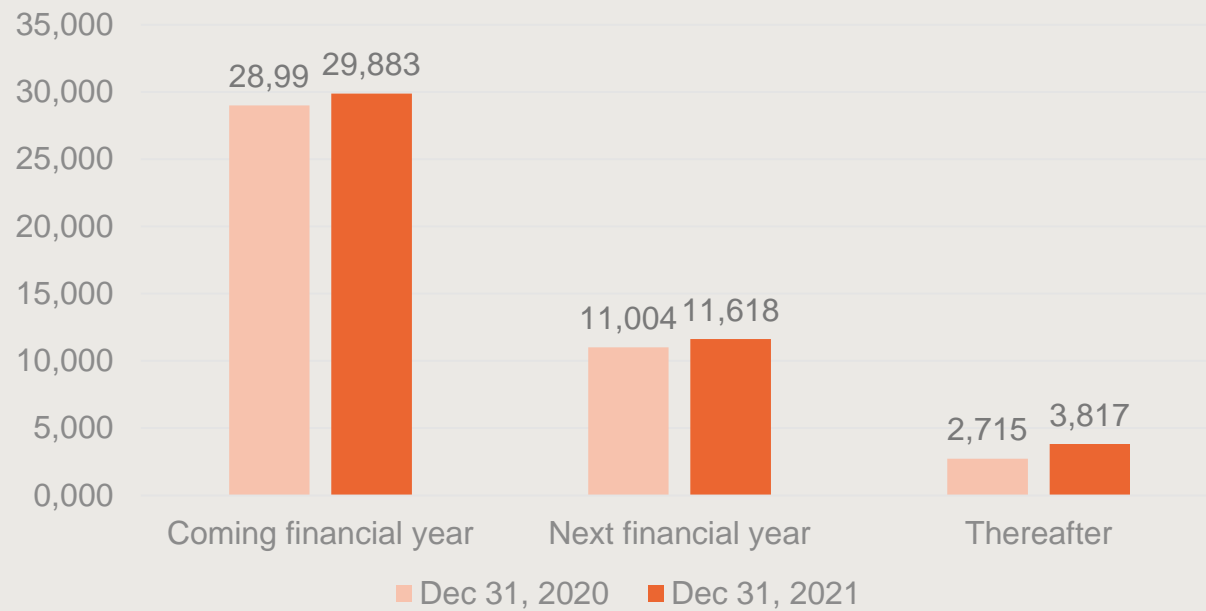
89%

(85)

TOWN HALL
Uppsala

High level of order backlog

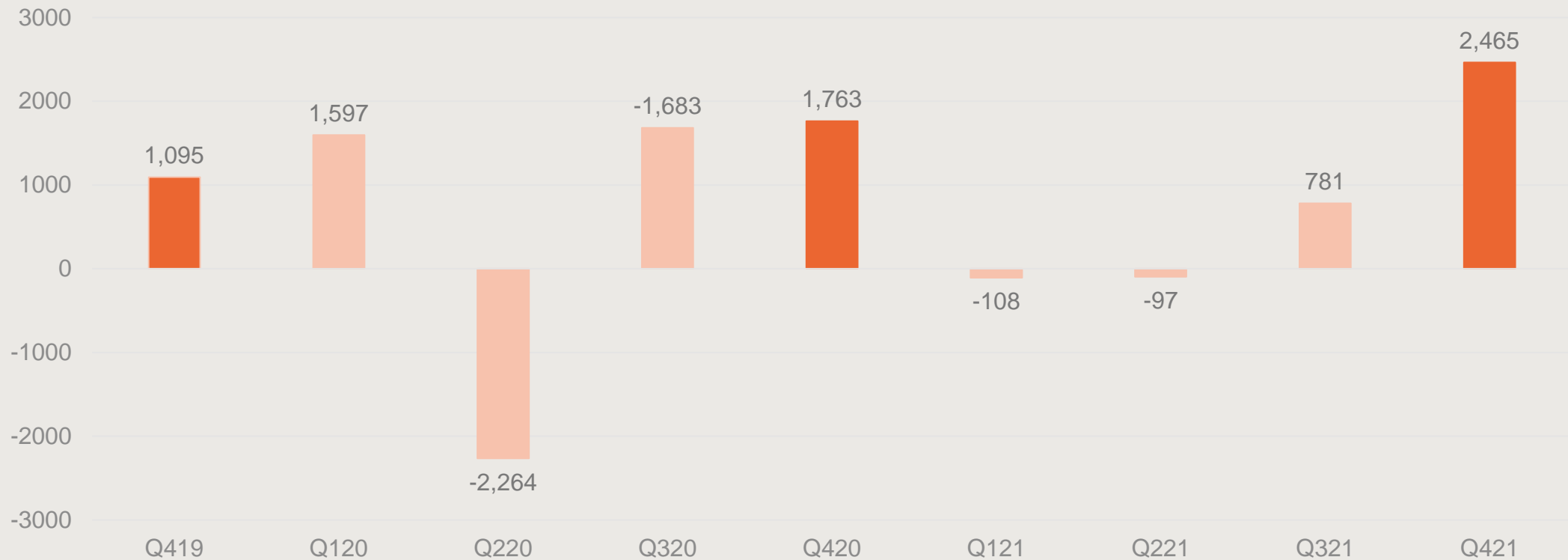
Order backlog allocated over time, MSEK



34%
after coming
financial year (32)

Positive cash flow despite continued strategic investments

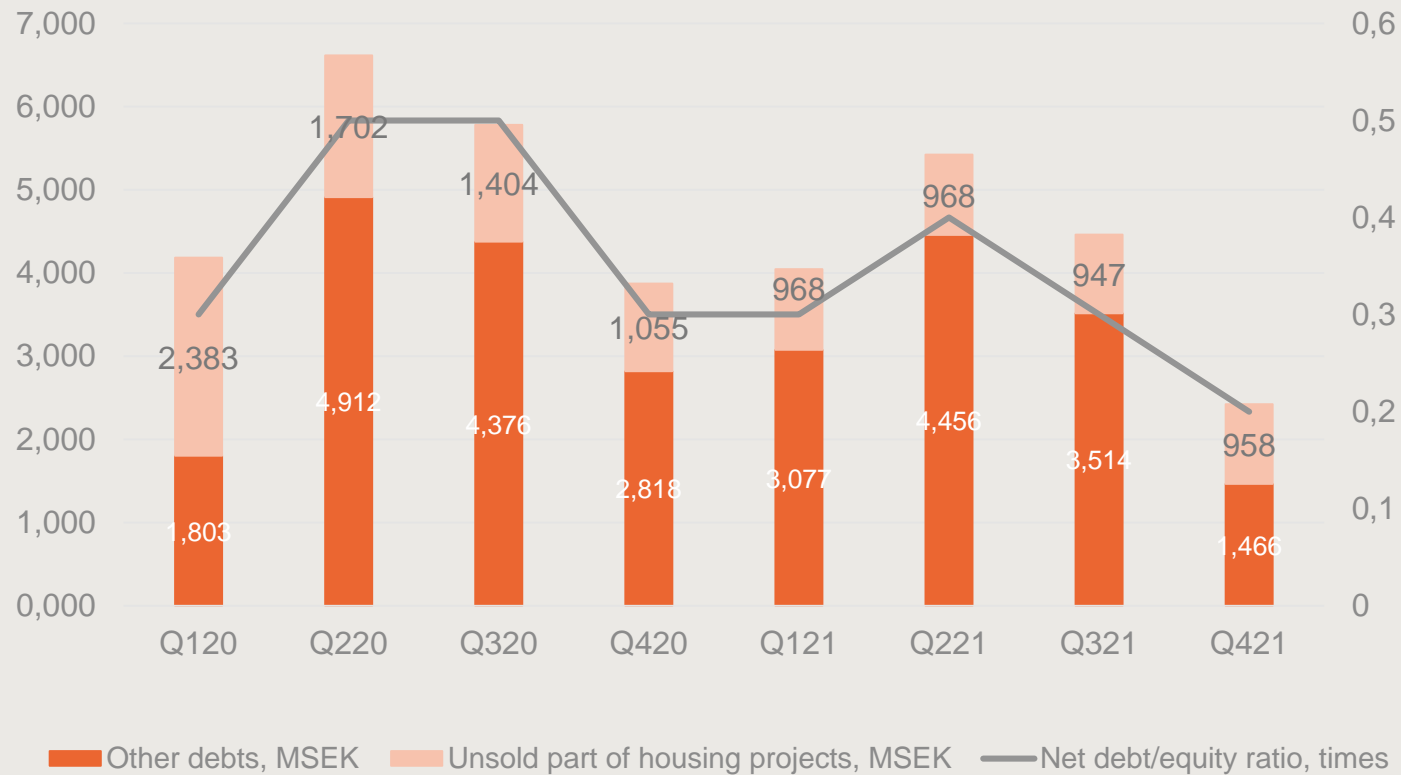
Cash flow before financing, MSEK



THE GROUP

Strong financial position

Net debt and net debt/equity ratio



Net debt

2.4

BSEK (3.9)

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



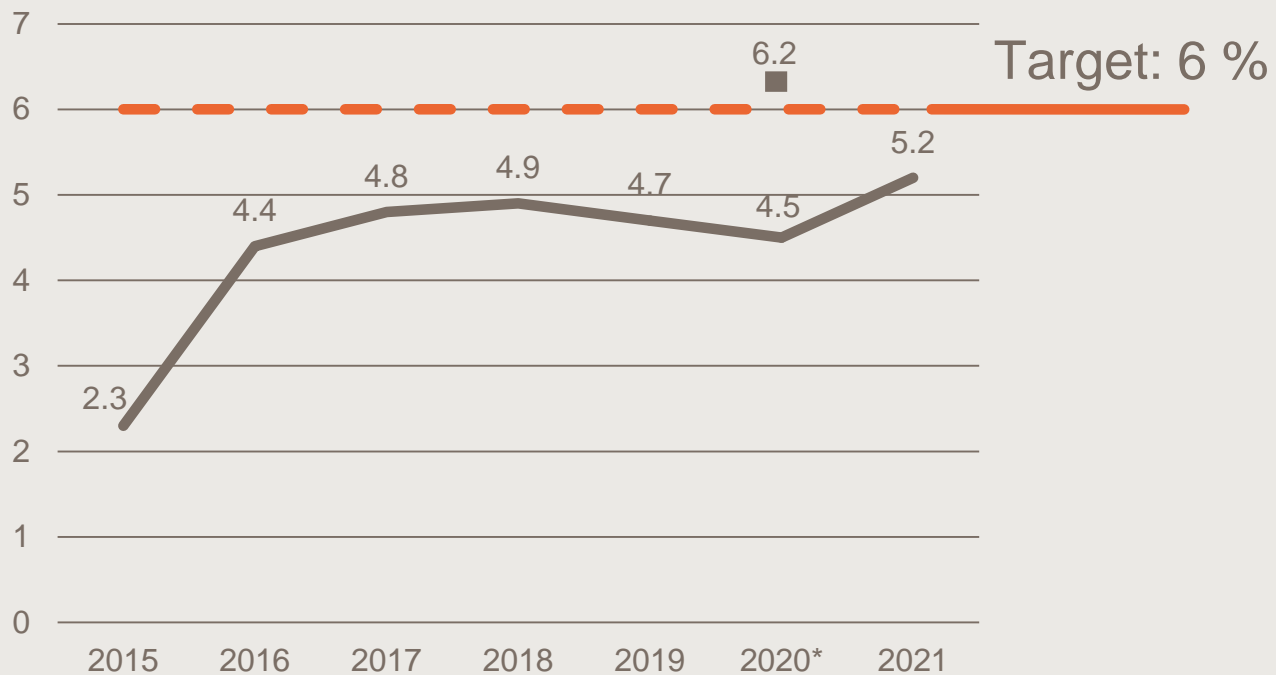
Financial targets

MOST PROFITABLE COMPANY

Operating margin over six percent



Operating margin, Group



*Operating margin exclusive effect of the 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

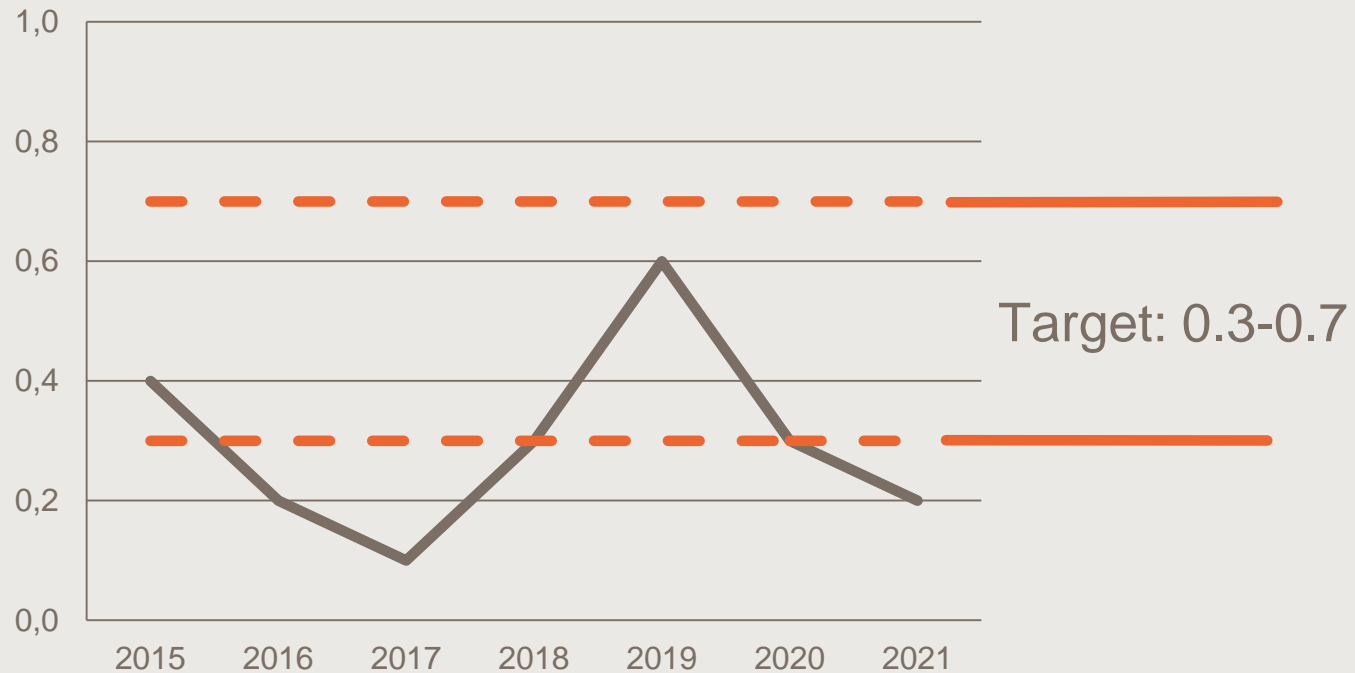


MOST PROFITABLE COMPANY

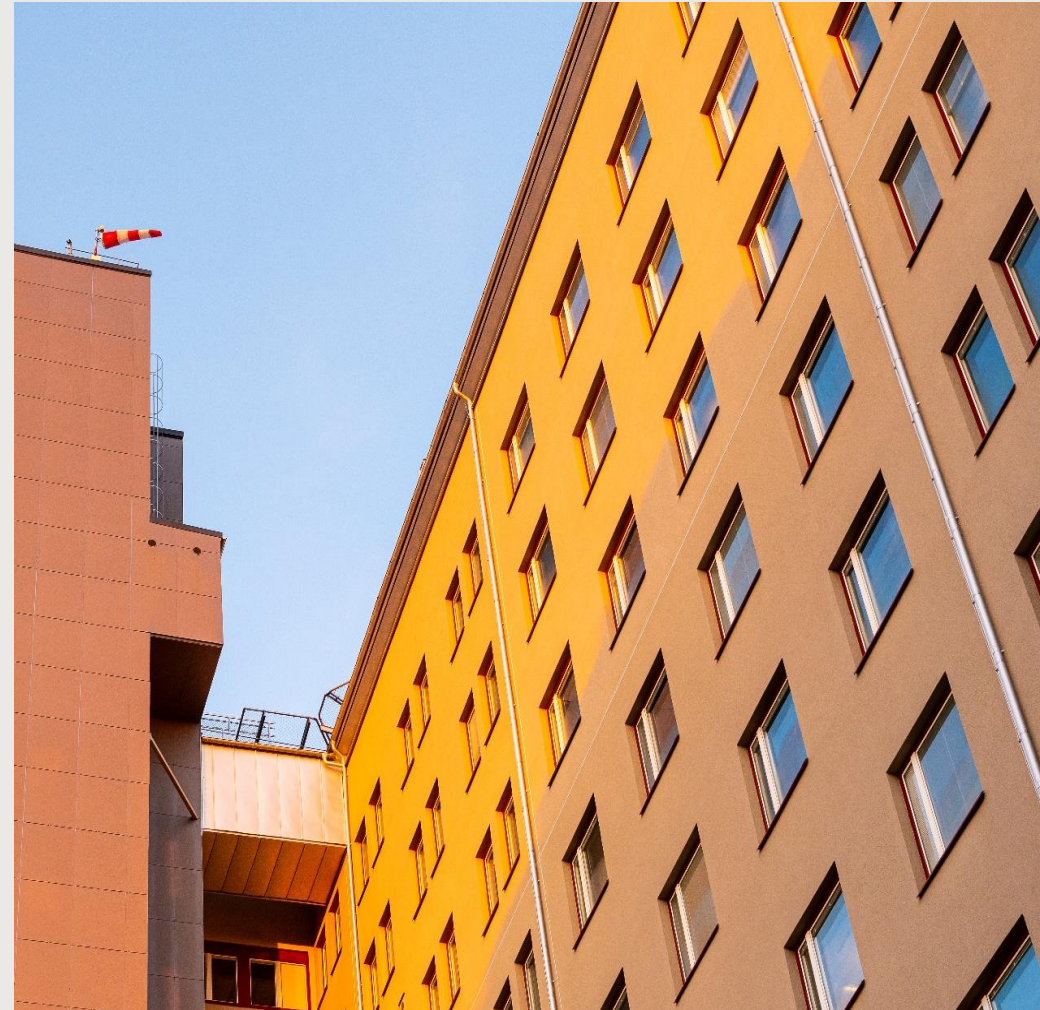
Net debt/equity ratio within interval 0.3-0.7



Net debt/equity ratio, Group



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

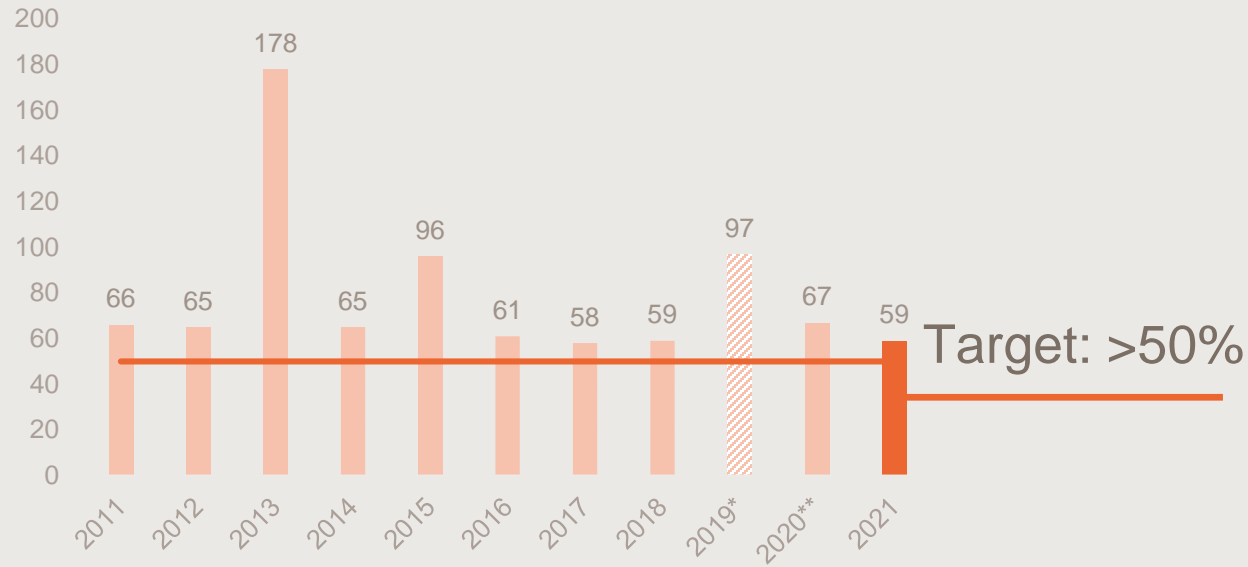


STRATEGIC TARGET

Dividend more than 50 percent of profit for the year



Dividend, % of profit for the year

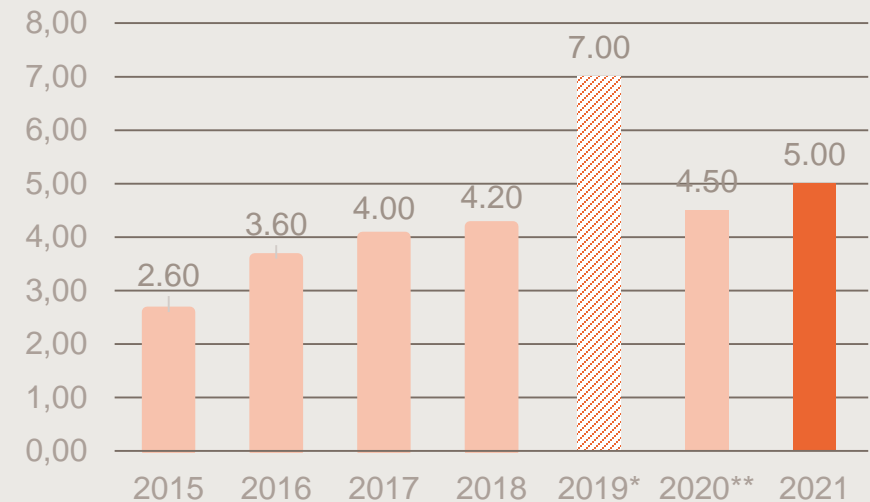


Years 2011-2018 are not translated according to the changed accounting principles for our own developed housing projects

* In 2019 no dividend was distributed. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 was 97 percent of the profit for the year 2019.

** For 2021, the Board's proposal to the AGM.

Dividend, SEK





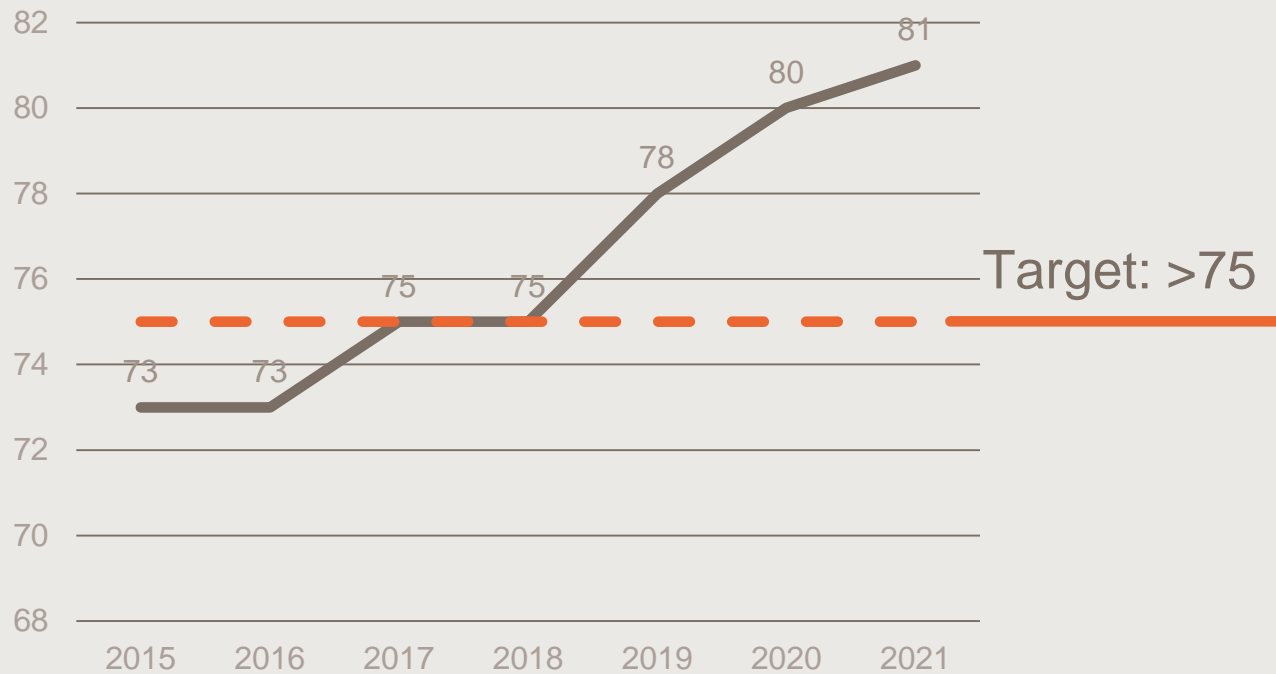
Non-financial targets

MOST SATISFIED CUSTOMERS

Focus on quality in our delivery



Satisfied customer index (SCI)



Three questions:

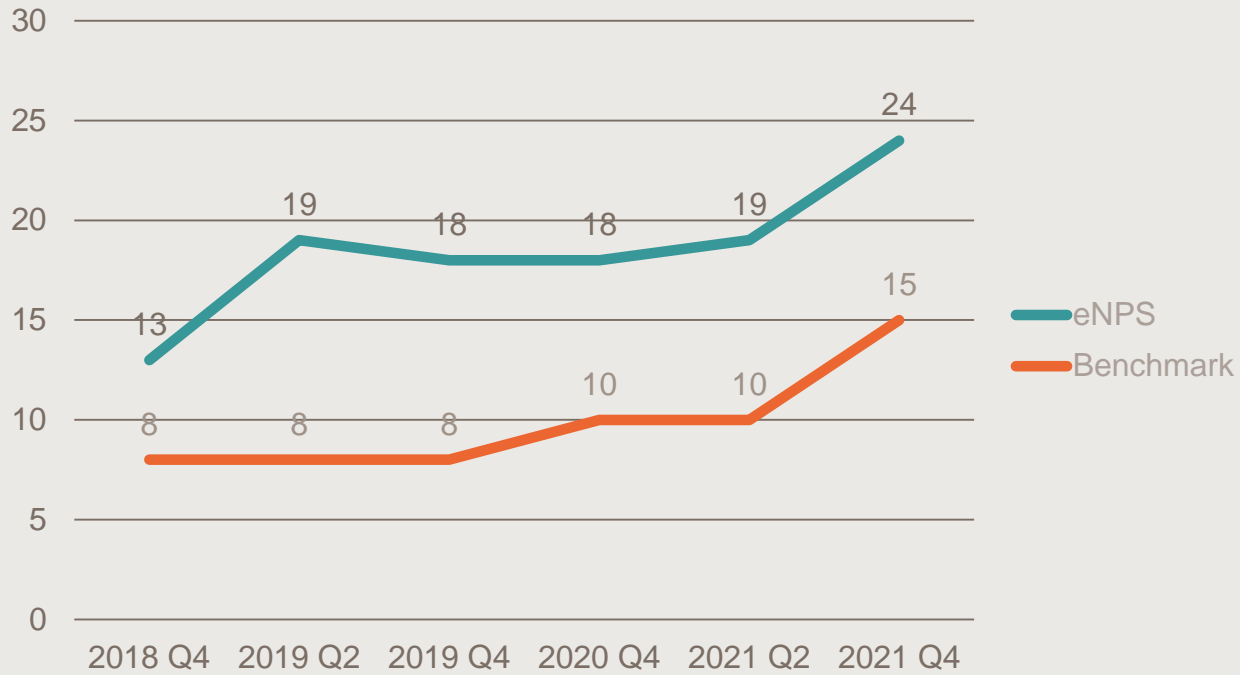
- Total satisfaction
- In relation to expectations
- In relation to an ideal supplier

BEST WORKPLACE

First choice for jobseekers



eNPS, recommend Peab



Target:
Over
industry
benchmark

Zero vision for workplace accidents



Serious accidents, rolling 12 months, category 4



Target: Contracting trend

Target 2021: <39

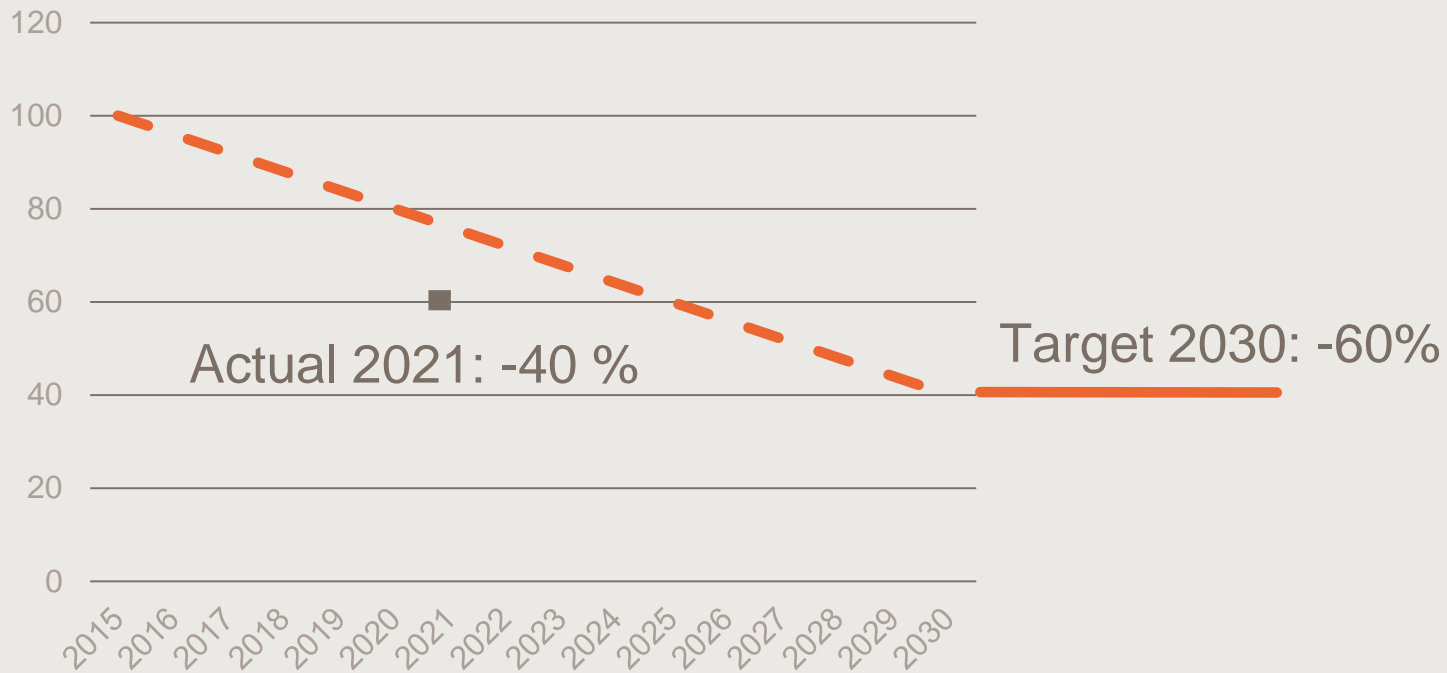
Actual 2021: 28

Target 2022: <28

Climate targets for our own production



Carbon dioxide intensity, own production (Scope 1 + 2)



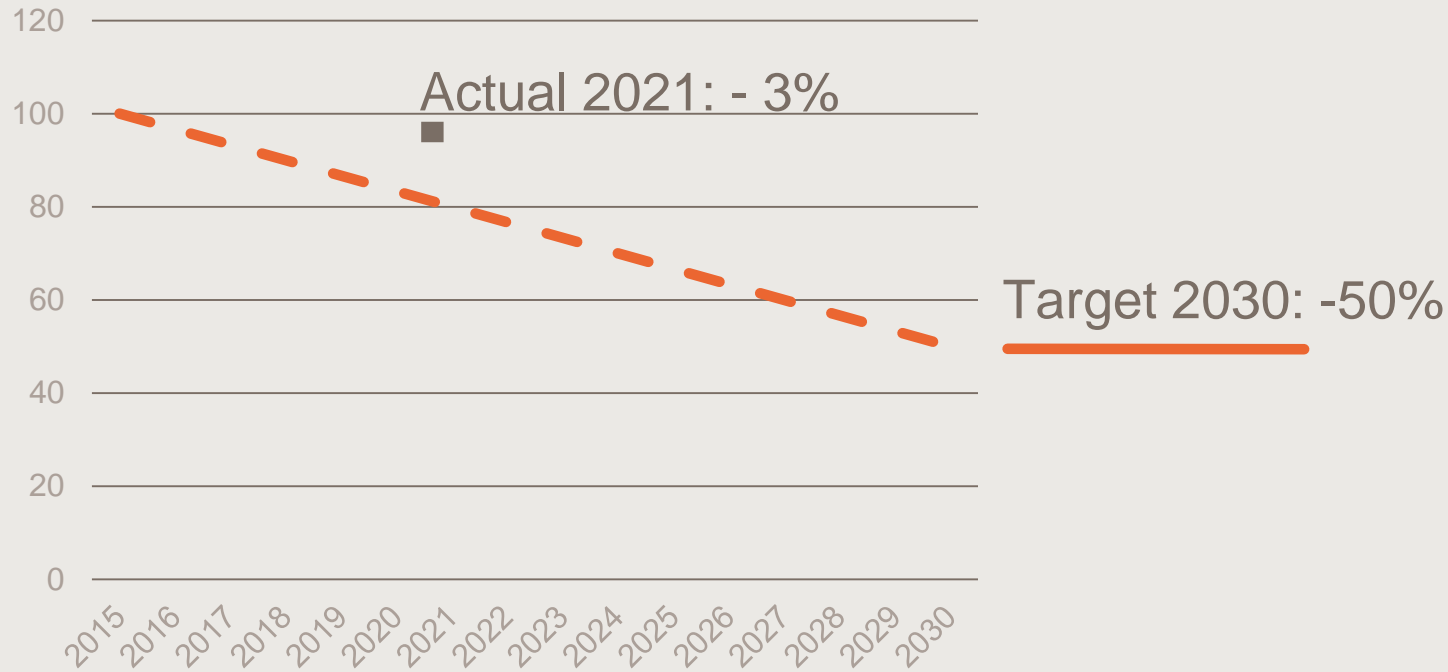
Reduced emissions of GHG Scope 1+2* (CO2e/MT)

* Direct and indirect emissions as a result of using fuel and energy in our own production

Climate targets for input goods and purchased services



Carbon dioxide intensity, input goods and purchased services (Scope 3)



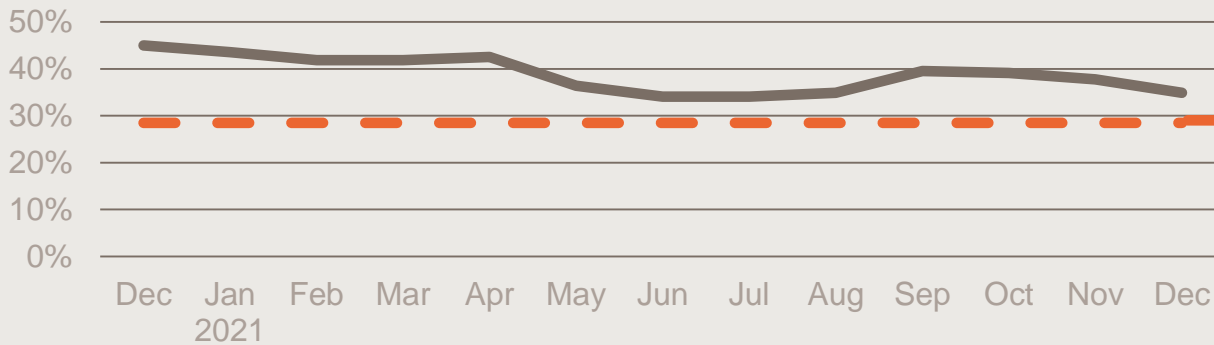
Reduced emissions of GHG Scope 3* (CO2e/MT)

* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips

Equal opportunity recruitment: Number of women always over education market



Production and processing* (SW), %



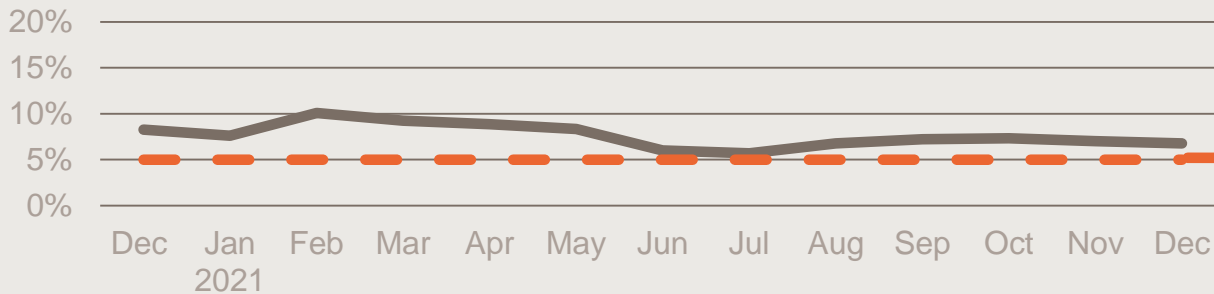
Target 2021: >28,5%

Actual 2021: 34,9%

Target 2022: >30%

*27 years or younger

Production management and production support' (W-CW), %



Target 2021: >5,0%

Actual 2021: 6,8%

Target 2022: >5,0%

*25 years or younger

Number of women in new recruitment for core skills > number of women with degrees in relevant education markets

Core skills comprise both skilled workers and white-collar workers in positions close to production

OCT-DEC 2021

Strong end of the year and broadly met targets

- Increased level of orders received and order backlog
- Profitable growth with improved margins in construction contract businesses and housing development
- Strong financial position
- Stable market outlook
- Continued uncertainty regarding material and energy prices, as well as long-term access to cement
- The board proposes a dividend of SEK 5,00 (4,50) per share



VARV BRIDGE
Helsingborg

Q1

Next interim report:

May 5, 2022

Thank you!

