

Q4

January-December 2023

February 2, 2024

DÄDESJÖ SCHOOL  
Växjö, Sweden

## MARKET OUTLOOK

# Continued weak market for housing investments

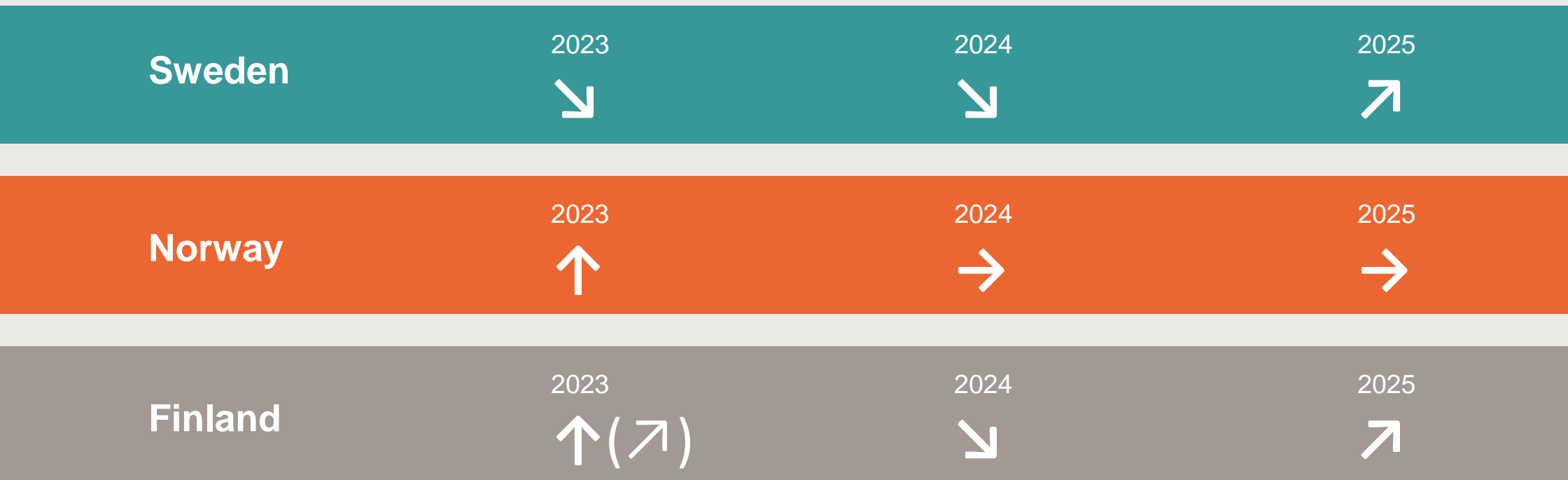
Started-up housing investments, new and renovations

Sweden	2023 ↓	2024 ↘	2025 ↗
Norway	2023 ↓	2024 ↘	2025 ↗
Finland	2023 ↓	2024 ↘	2025 ↗

Source: Navet

# Lower level of investments for other building construction

Started-up other building construction investments, new and renovations



Source: Navet

## MARKET OUTLOOK

# Stable market for civil engineering investments

## Civil engineering investments

Sweden	2023 ↑(↘)	2024 →(↗)	2025 ↗
Norway	2023 ↗	2024 ↗	2025 →
Finland	2023 →	2024 ↘(↗)	2025 →

Source: Navet

## MARKET OUTLOOK

# Lower level of investments in the Nordic market

Total construction and civil engineering investments, new and renovations

Sweden	2023 ↓	2024 ↘	2025 ↗
Norway	2023 →	2024 →	2025 →
Finland	2023 ↘	2024 ↘	2025 ↗

Source: Navet

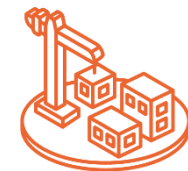




# Business area Construction

SOLNA SWIMMING POOL  
Solna, Sweden

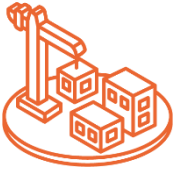
# Business area Construction



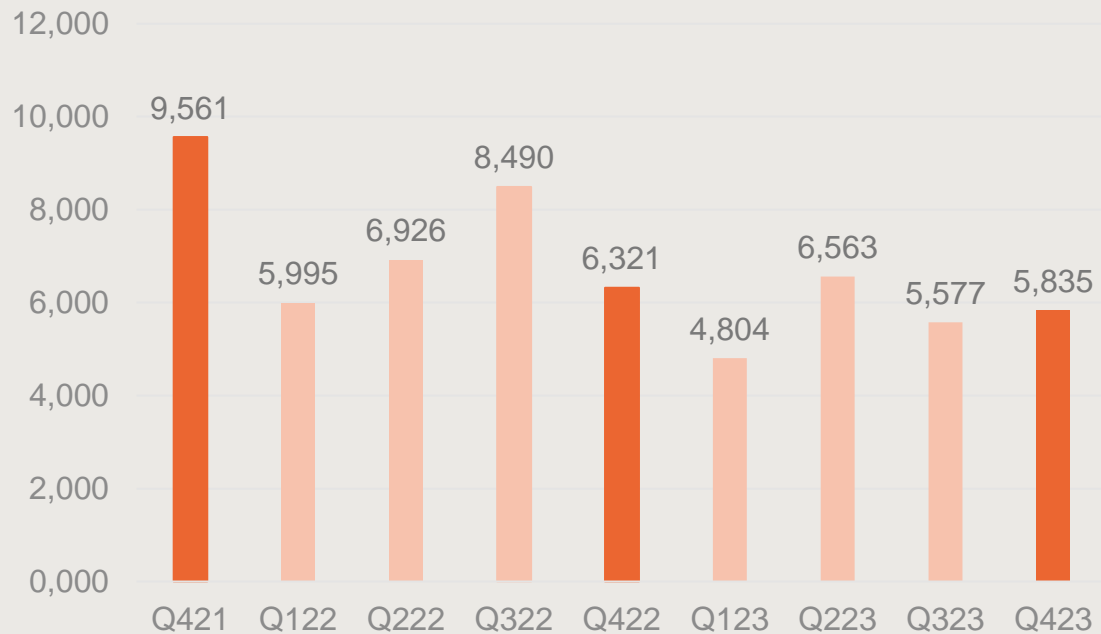
MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	7,029	8,330	27,780	28,999
Operating profit excl. Mall of Scandinavia	-358	166	41	629
Operating margin excl. Mall of Scandinavia, %	-5.1	2.0	0.1	2.2
Operating profit	-358	166	441	629
Operating margin, %	-5.1	2.0	1.6	2.2



# Weak housing market affects level of orders received and order backlog



## Orders received, MSEK



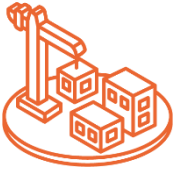
Order backlog  
**24.5**  
BSEK (29.1)



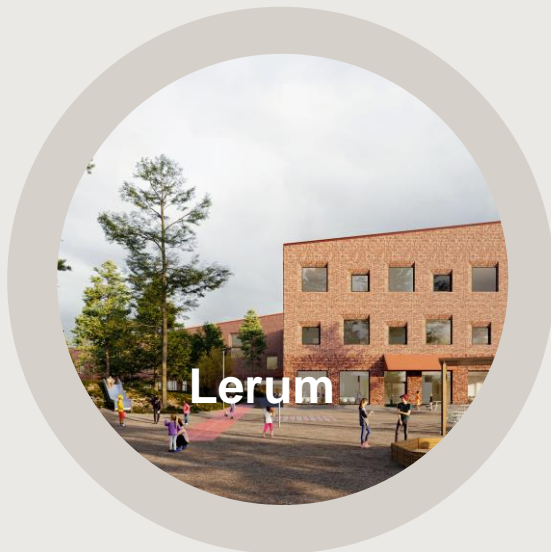
BRF Å-PROMENADEN  
Nyköping, Sweden



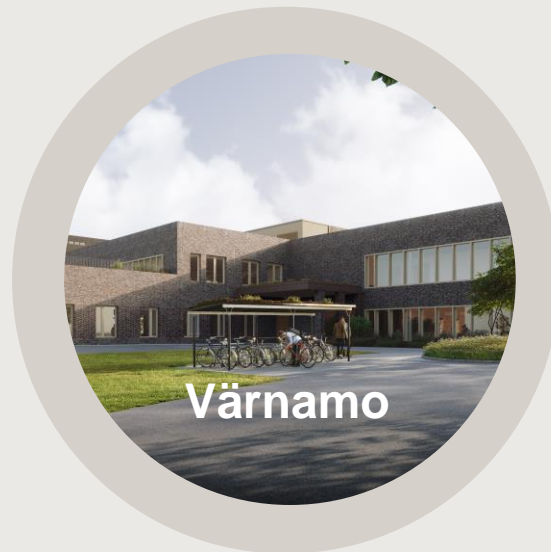
# New contracts mainly from public customers



**School  
(390 MSEK)**



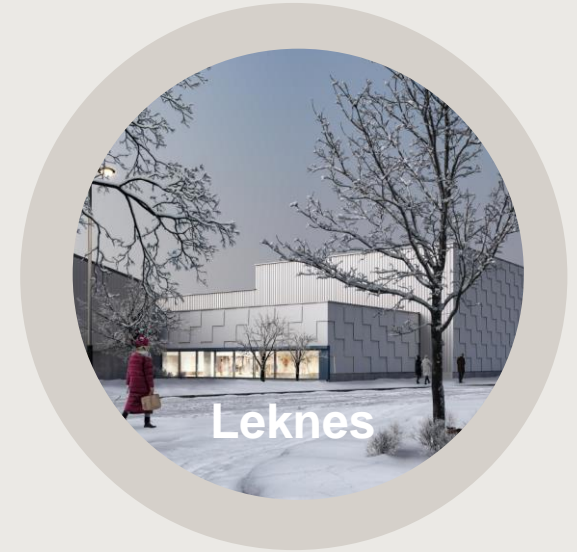
**Hospital  
(214 MSEK)**



**Rental apartments  
(24 MEUR)**

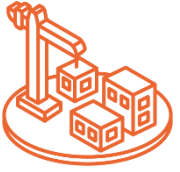


**Swimming pool  
facility  
(262 MNOK)**

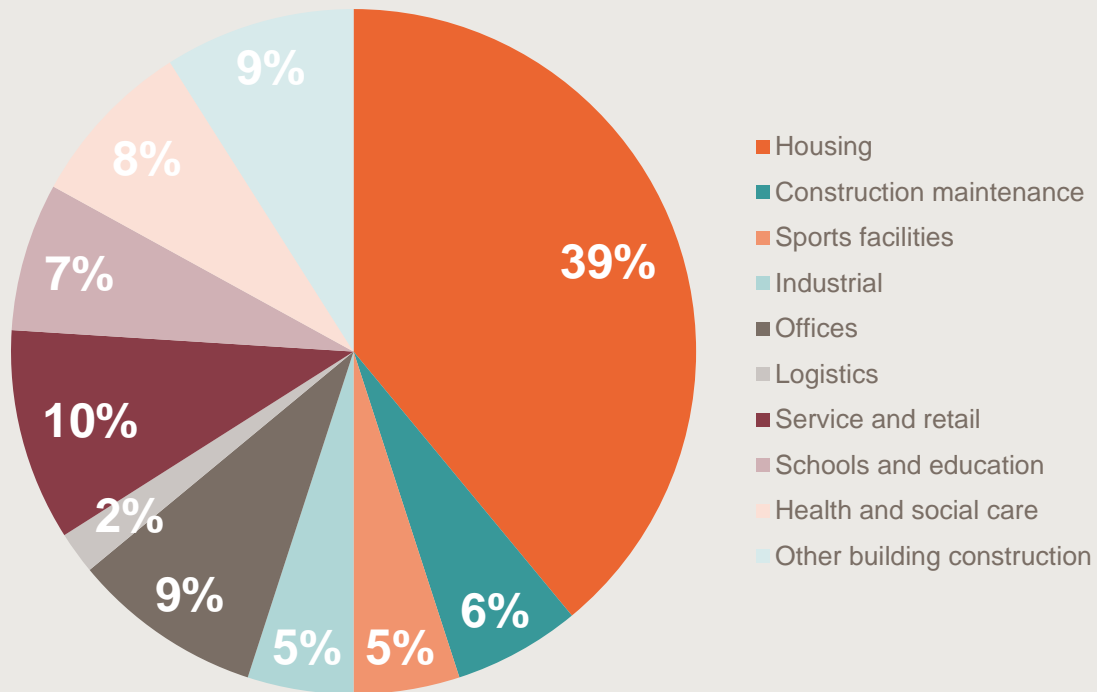


## BUSINESS AREA CONSTRUCTION

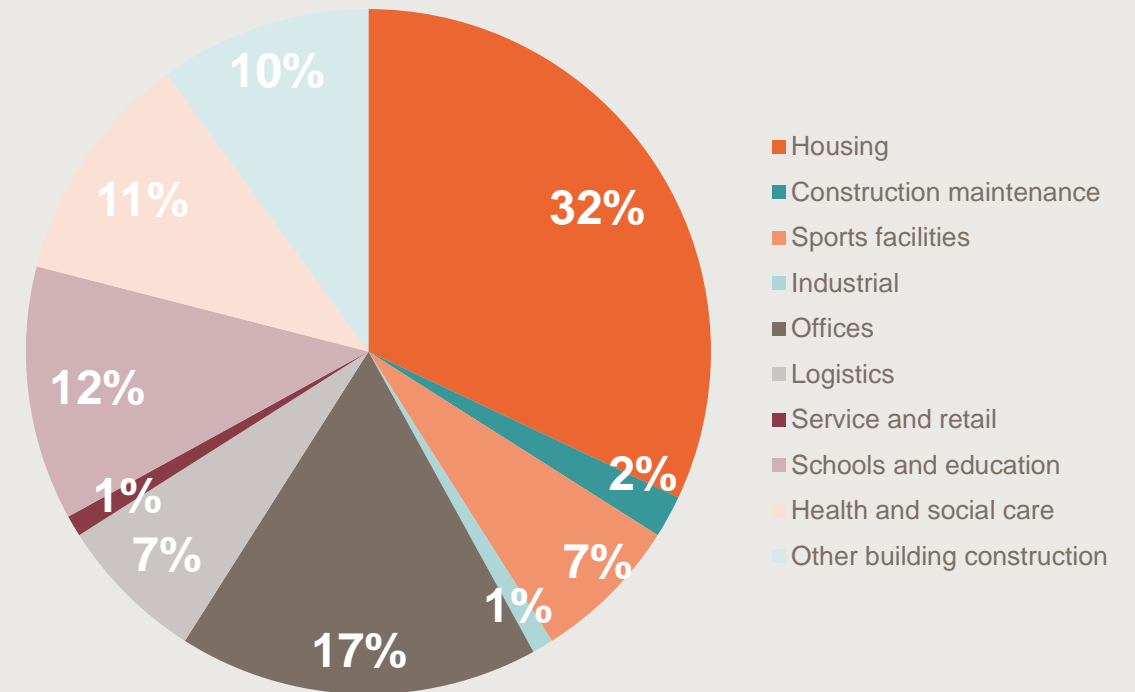
# Allocation per product area



### Net sales, 2023



### Order backlog, December 31, 2023







# Business area Civil Engineering

SUSPENSION BRIDGE  
Tyresö, Sweden



# Business area Civil Engineering

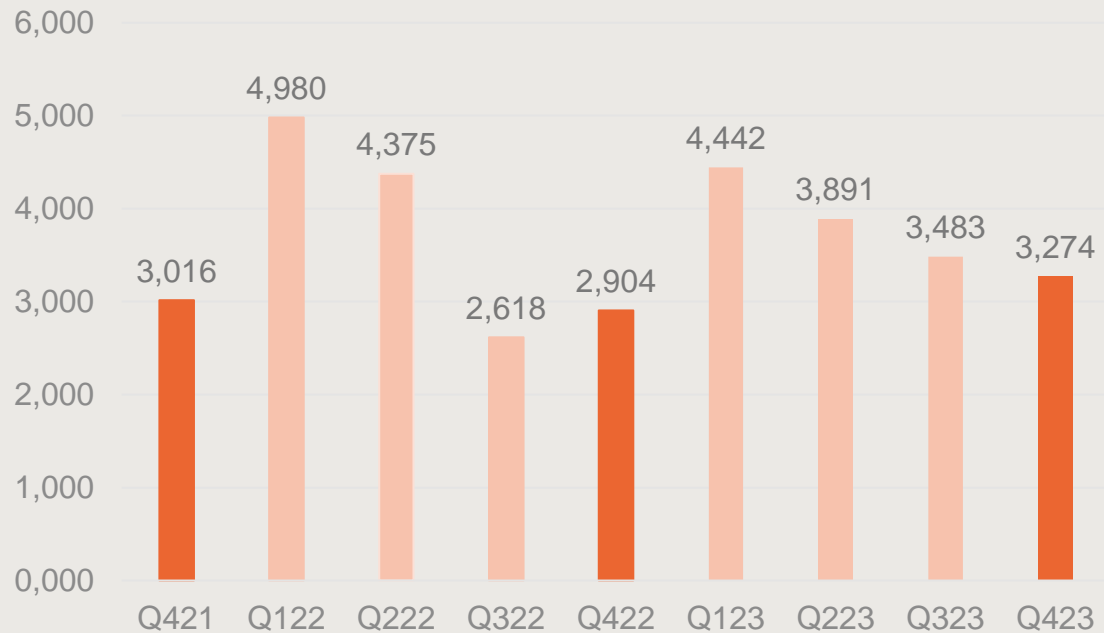


<b>MSEK</b>	<b>Oct-Dec 2023</b>	<b>Oct-Dec 2022</b>	<b>Jan-Dec 2023</b>	<b>Jan-Dec 2022</b>
Net sales	<b>4,454</b>	4,405	15,164	14,965
Operating profit	<b>180</b>	175	501	494
Operating margin, %	<b>4.0</b>	4.0	3.3	3.3

# Stable level of orders received, good order backlog



### Orders received, MSEK



Order backlog

# 13.9

BSEK (13.9)



# New contracts in the fourth quarter



Reconstruction  
of E22  
(533 MSEK)

Reconstruction  
of docks  
(116 MSEK)

Upgrade of  
train station  
(106 MSEK)

New water line  
(144 MNOK)



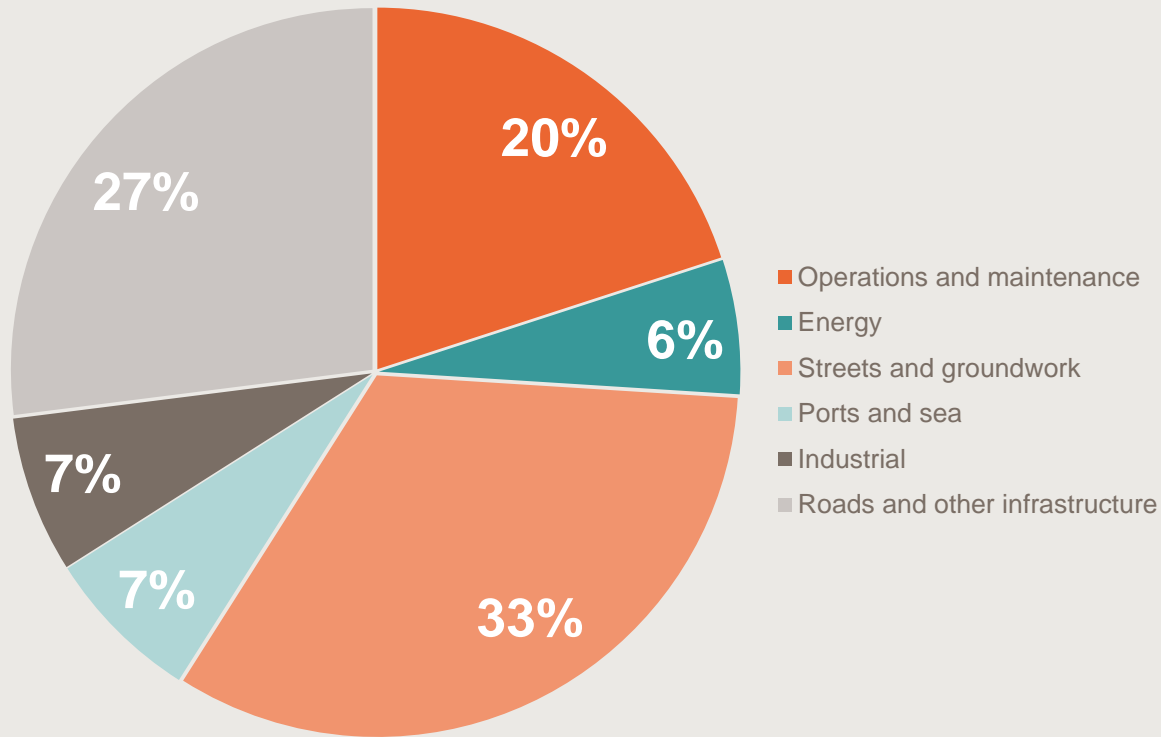


# BUSINESS AREA CIVIL ENGINEERING

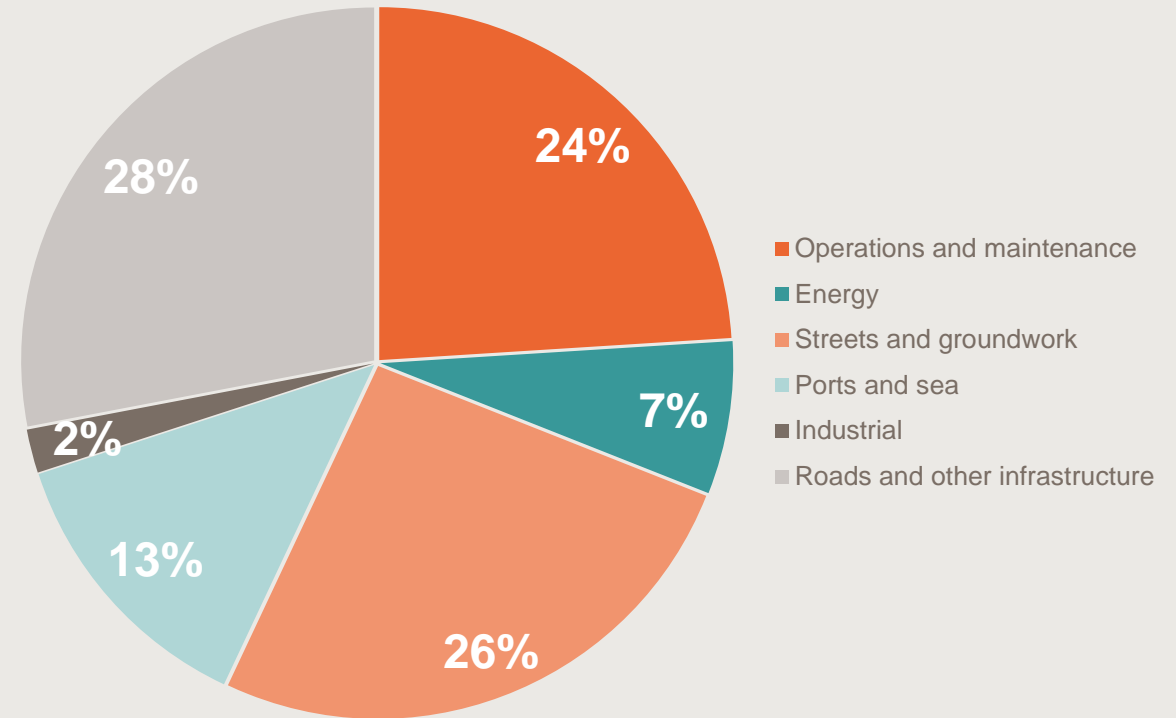
## Allocation per product area



### Net sales, 2023



### Order backlog, December 31, 2023





# Business area Industry

LJUNGBYHED AIRPORT  
Ljungbyhed, Sweden

# Business area Industry



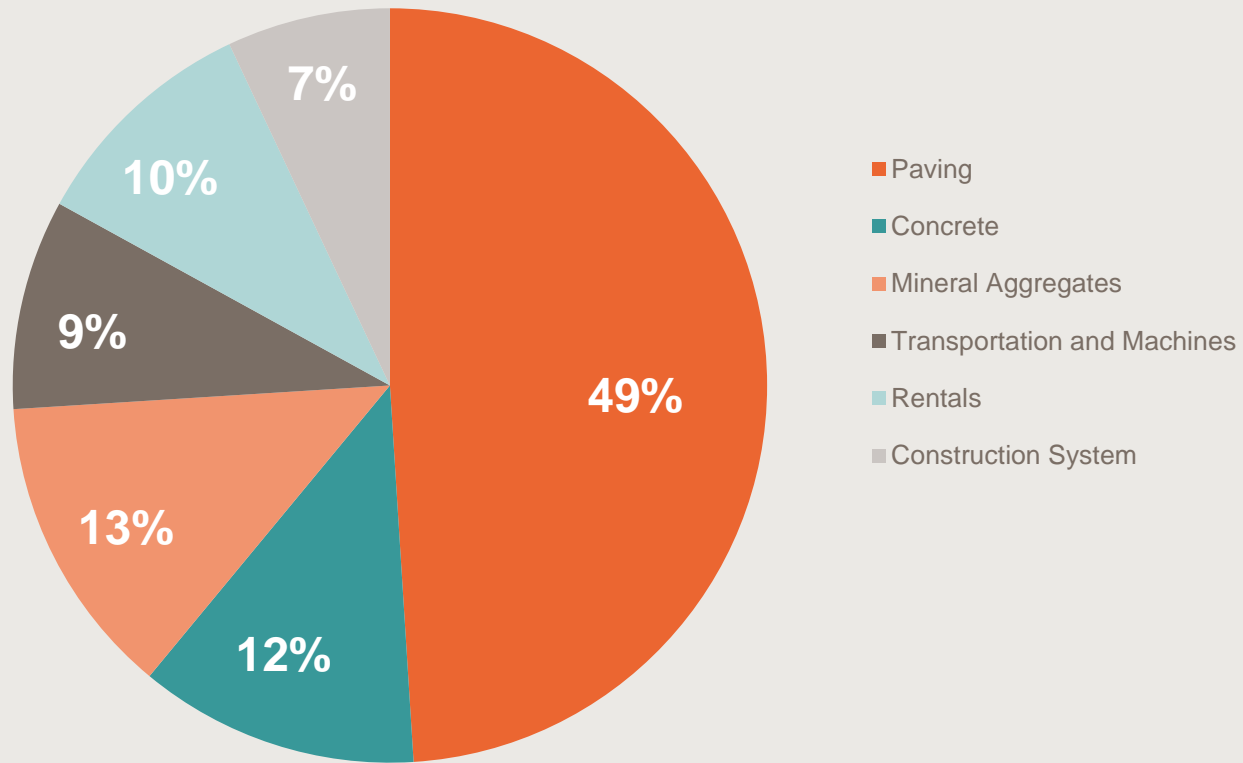
<b>MSEK</b>	<b>Oct-Dec 2023</b>	<b>Oct-Dec 2022</b>	<b>Jan-Dec 2023</b>	<b>Jan-Dec 2022</b>
Net sales	<b>5,056</b>	5,658	19,962	21,433
Operating profit	<b>476</b>	283	962	747
Operating margin, %	<b>9.4</b>	5.0	4.8	3.5



# Allocation per product area



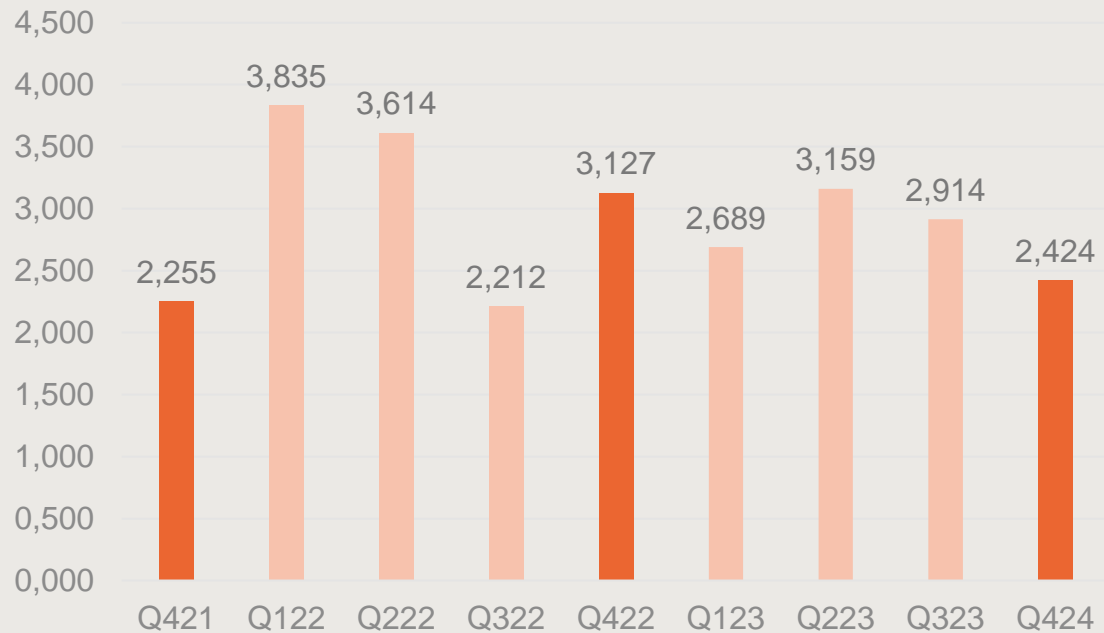
Net sales, 2023



# Stable level of orders received in the fourth quarter



### Orders received, MSEK



Order backlog

# 4.0

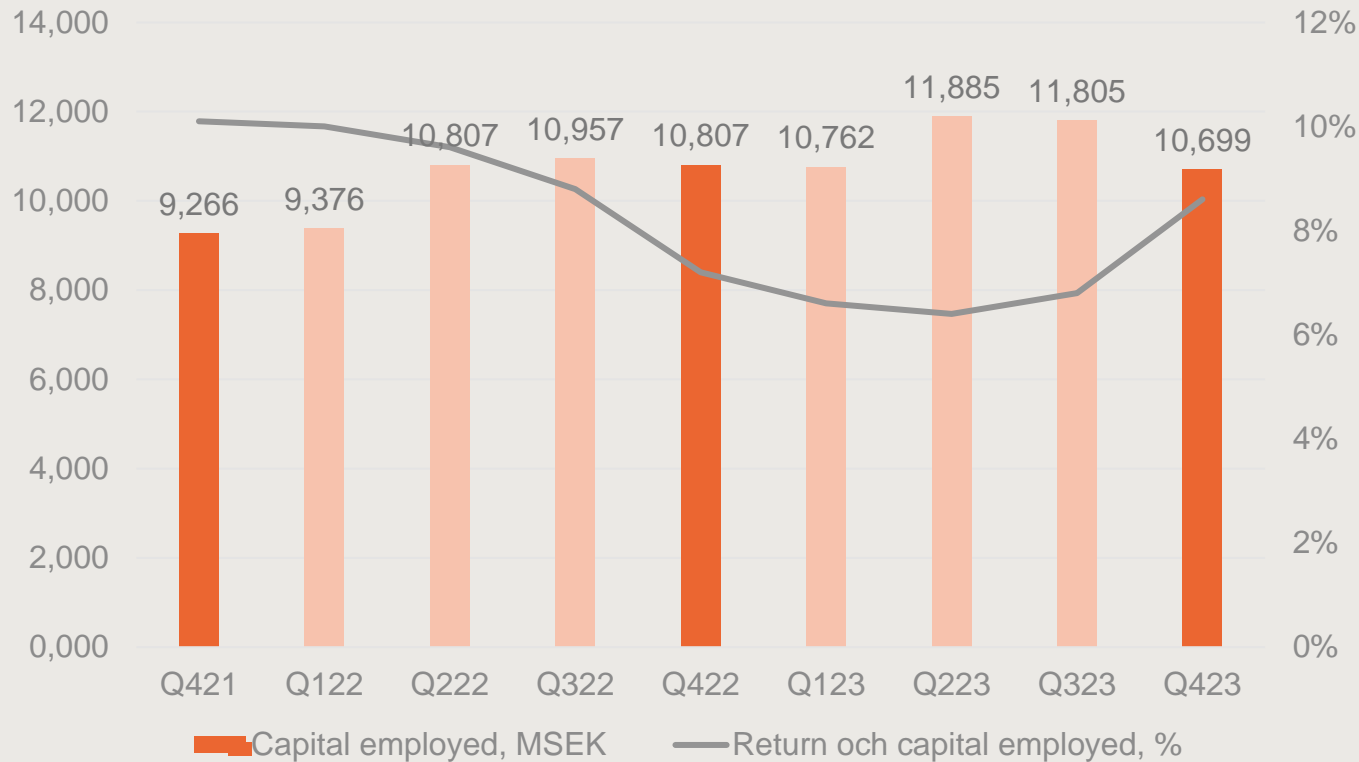
BSEK (4.3)



# Improved working capital and return on capital



### Capital employed and return on capital employed\*



Return on capital employed

**8.6**  
% (7.2)

\*Based on rolling 12 months.





# Business area Project Development

THE CORNER  
Malmö, Sverige



# Business area Project Development



MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	1,456	1,986	5,722	8,661
Operating profit	17	309	304	1,127
Operating margin, %	1.2	15.6	5.3	13.0
<i>of which Housing Development</i>	<b>-4.6</b>	14.7	3.8	11.5

# Low level of housing start-ups and sales



MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Total number of housing start-ups</b>	<b>79</b>	<b>314</b>	<b>727<sup>1</sup></b>	<b>2,336<sup>1</sup></b>
<i>of which tenant-owner associations, ownership and residential limited companies</i>	-	130	121 <sup>1</sup>	1,810 <sup>1</sup>
<i>of which in rental apartment projects</i>	79	184	606	526
<b>Total number of sold homes</b>	<b>330</b>	<b>207</b>	<b>934</b>	<b>1,709</b>
<i>of which tenant-owner associations, ownership and residential limited companies</i>	201	141	542	1,643
<i>of which in rental apartment projects</i>	129	66	392	66

<sup>1</sup>Includes 85 (203) homes that have been converted from rentals



## BUSINESS AREA PROJECT DEVELOPMENT

# Own housing development production



Number	Dec 31, 2023	Dec 31, 2022
Total number of homes under production	3,694	5,718
<i>of which tenant-owner associations, ownership and residential limited companies</i>	2,392	4,539
<i>of which in rental apartment projects</i>	1,302 <sup>1</sup>	1,179 <sup>1</sup>
Share of sold homes under production	57%	70%
<i>of which tenant-owner associations, ownership and residential limited companies</i>	68%	69%
<i>of which in rental apartment projects</i>	36%	73%
Repurchased homes on the balance sheet, tenant-owner apartments/ condominiums	252	105

<sup>1</sup>Of which 365 (866), corresponding to 28 percent (73), are under contract to be sold upon completion

# Ongoing property projects in Property Development

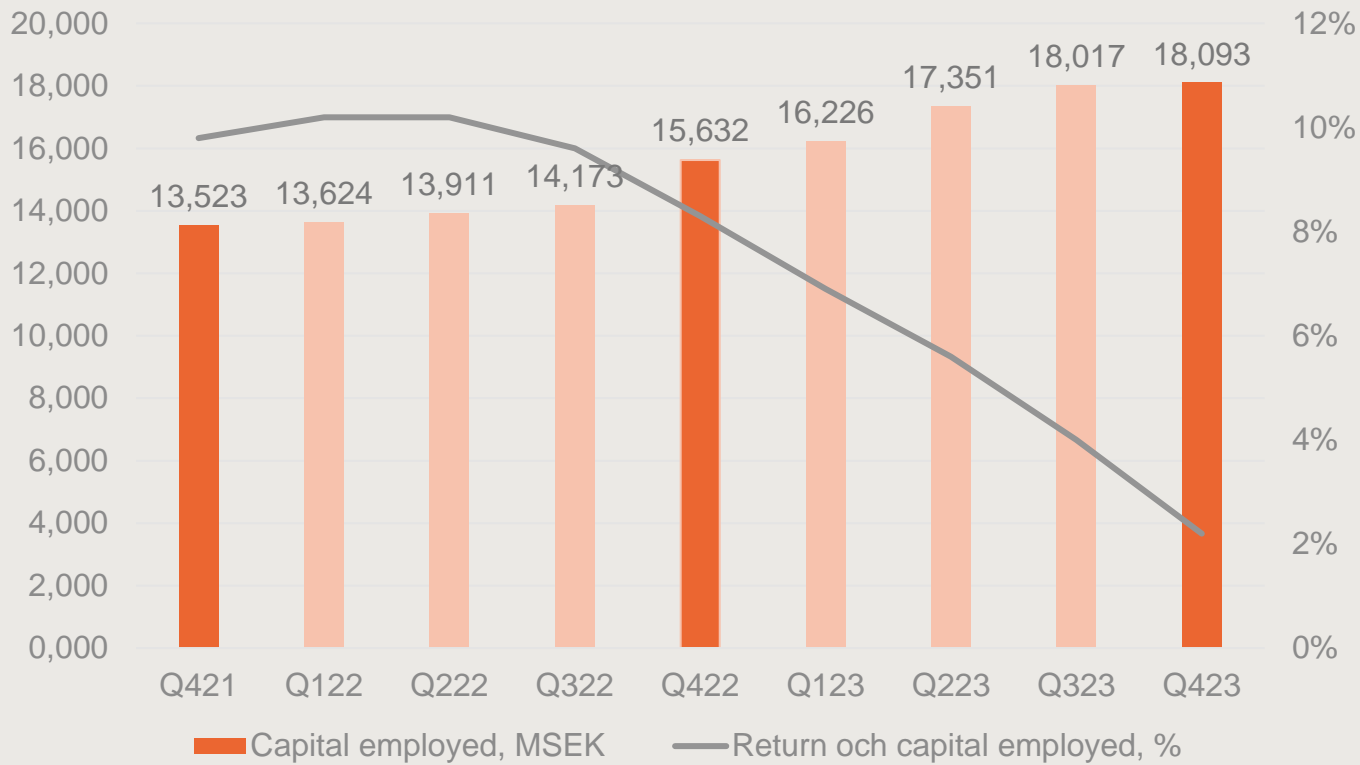


Type of project	Location	Rentable area, m <sup>2</sup>	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Scheduled completion	Level of completion, %
Office building	Jönköping	3,200	100	104	106	Completed	98
Office building	Gothenburg	13,100	11	410	557	Q3-2024	74
Logistic facility	Södertälje	23,900	0	77	372	Q4-2024	21

# Increased investments and unsold homes tie up capital



### Capital employed and return on capital employed\*



Return on capital employed

**2.2**  
% (8.3)

\*Calculated on rolling 12 months.





# The Peab Group

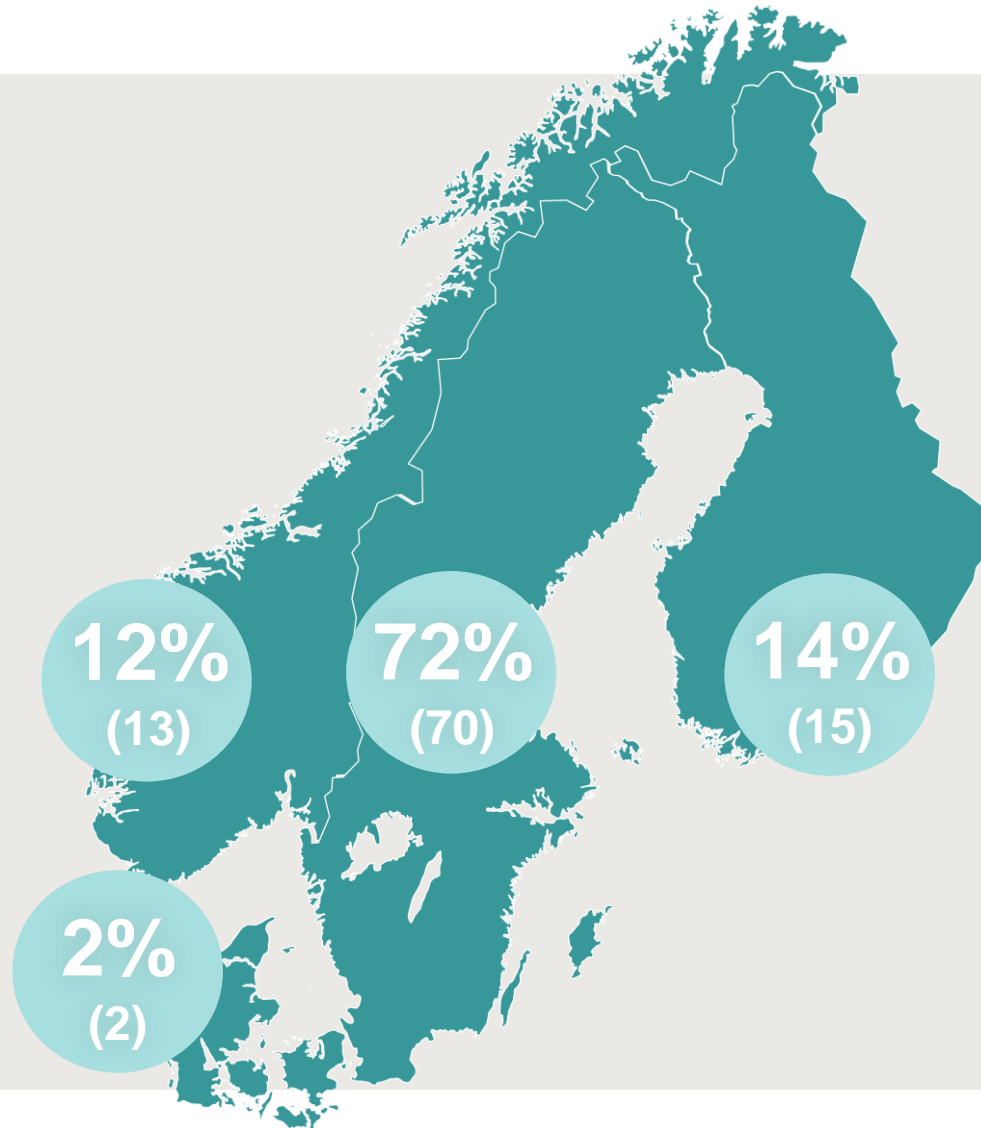
# Segment reporting

MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	<b>15,639</b>	17,048	58,821	63,135
Operating profit	<b>133</b>	853	1,853	2,741
Operating margin, %	<b>0.9</b>	5.0	3.2	4.3

THE GROUP

# Good presence in the Nordic region

Net sales, 2023

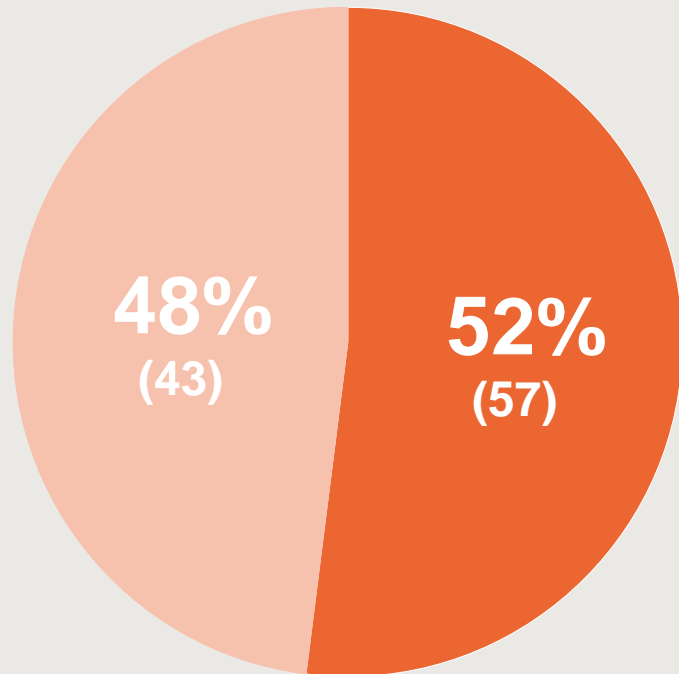




## THE GROUP

# The share of public customers increases

Net sales, 2023



Public customers Private customers



THE GROUP

# Lower order backlog but continued good risk diversification

Orders received

**45.1**

BSEK (53.3)

Order backlog

**39.1**

BSEK (44,4)

Share of projects  
under MSEK 500

**80%**

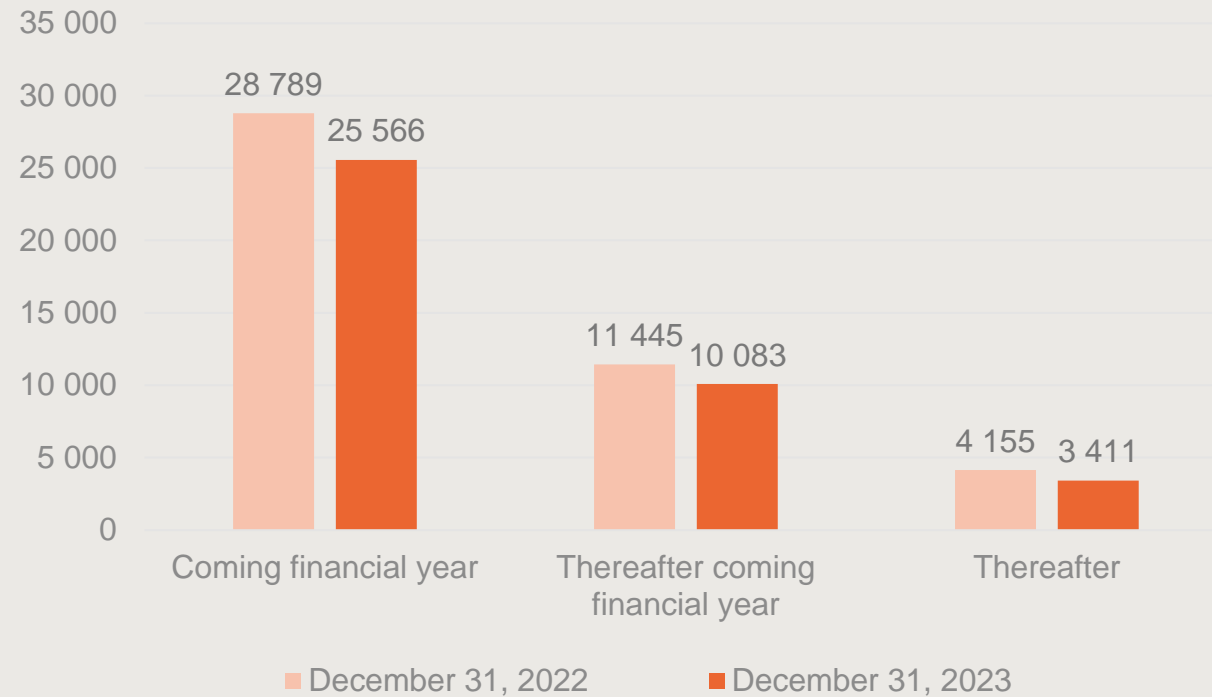
(81)

FILFABRIKEN  
Trollhättan, Sweden

## THE GROUP

# Lower level of order backlog

### Order backlog allocated over time, MSEK



**35%**

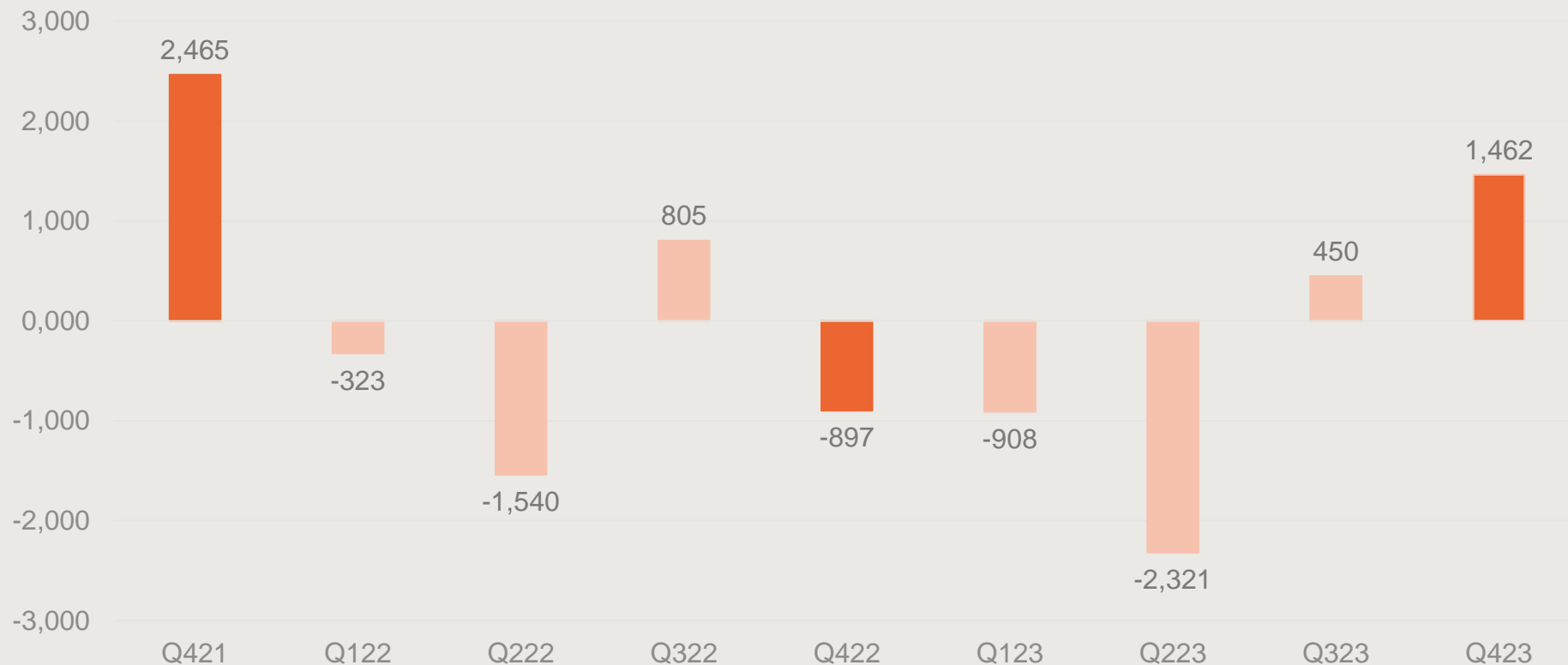
after coming  
financial year  
(35)



## THE GROUP

# Improved working capital affected positively in the fourth quarter

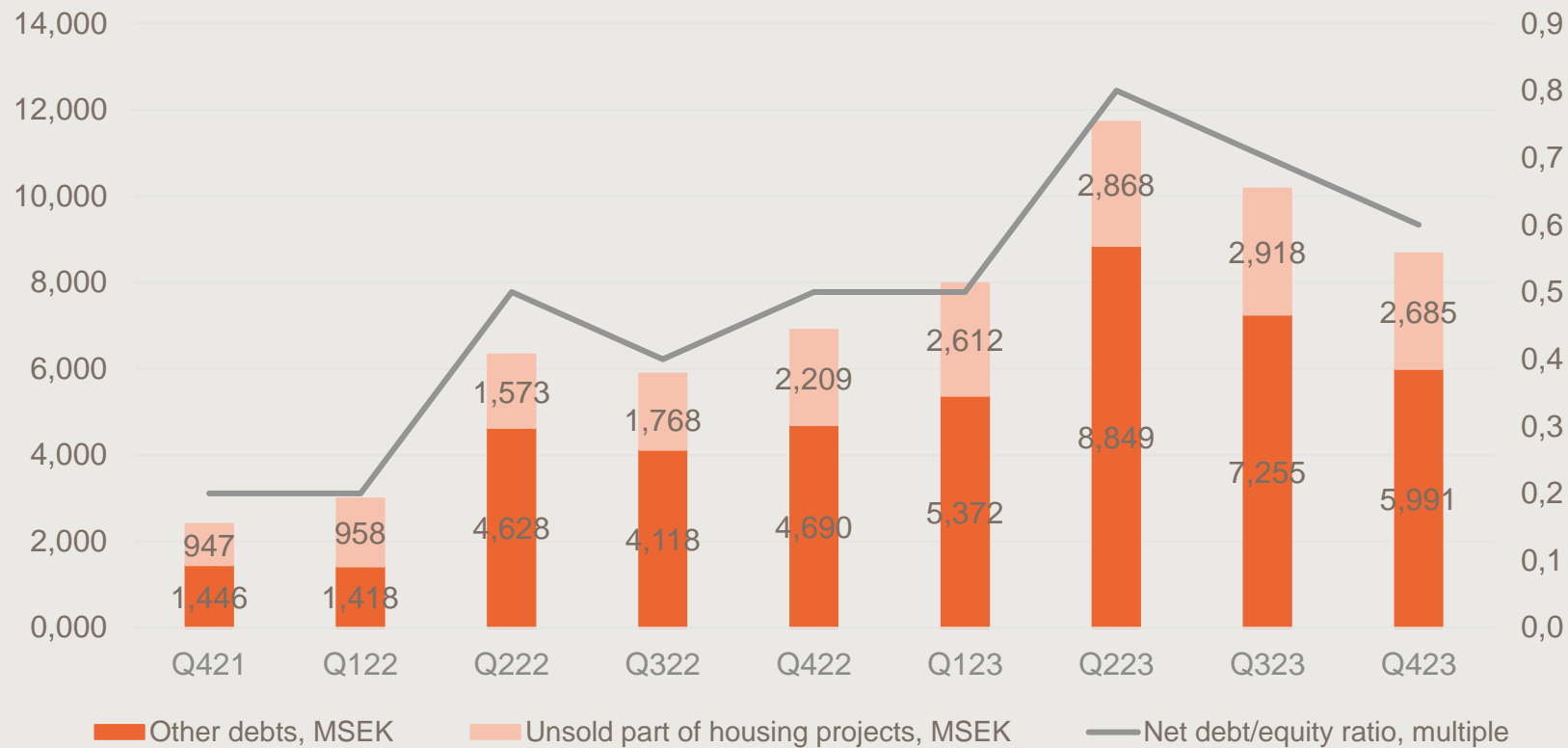
### Cash flow before financing, MSEK



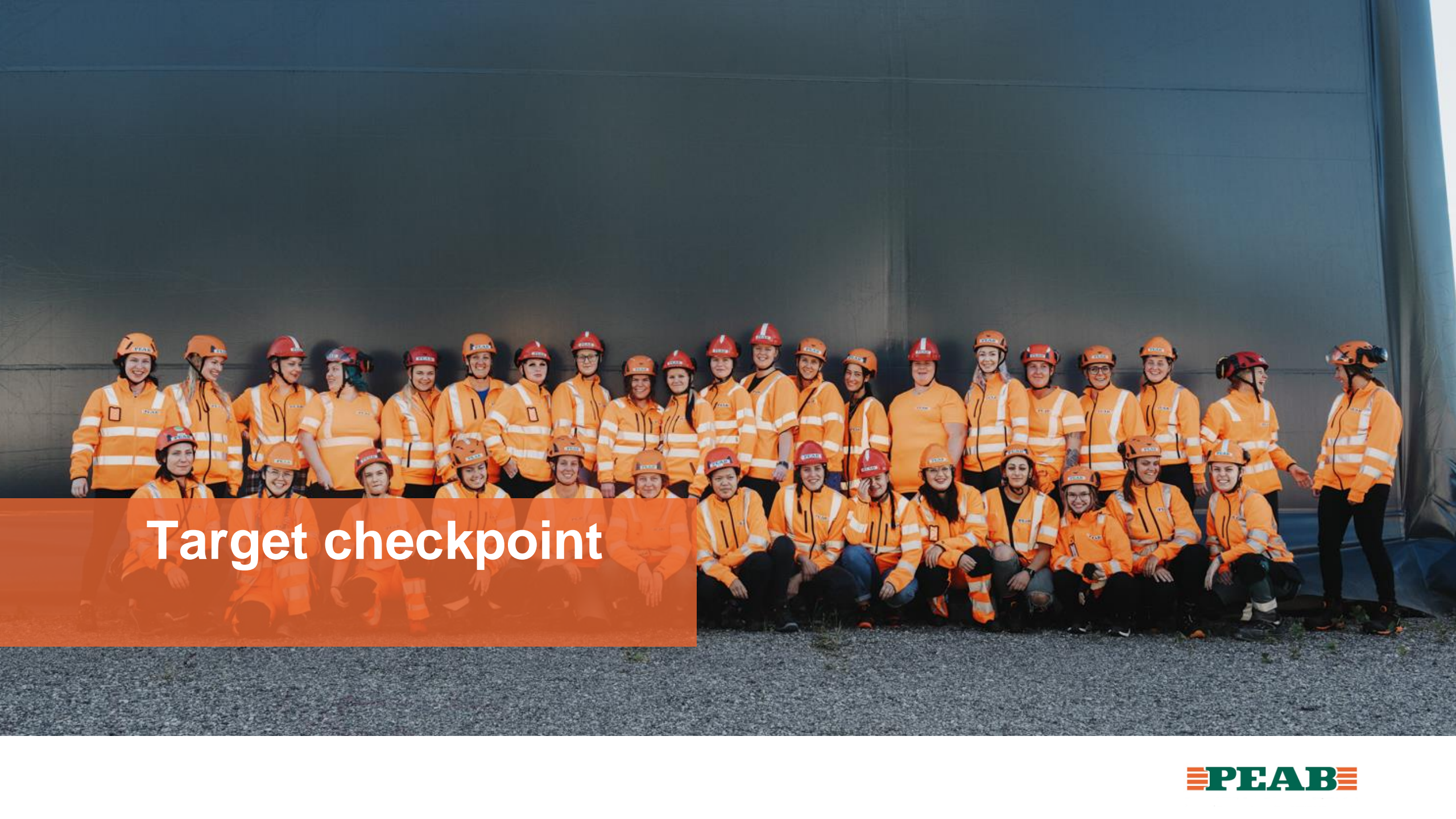
THE GROUP

# Improved net debt and net debt/equity ratio

Net debt and net debt/equity ratio



Net debt  
**8.7**  
 BSEK (6.9)



# 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



# Financial targets

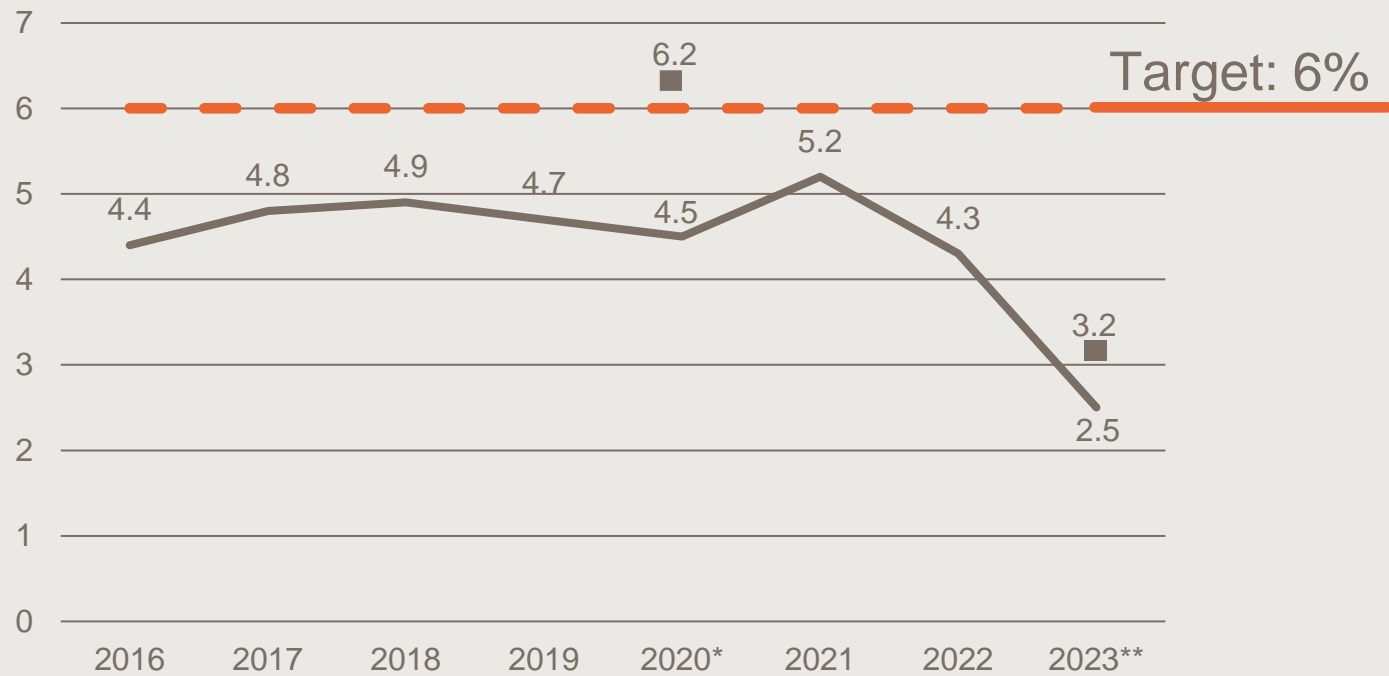


## MOST PROFITABLE COMPANY

# Target: Operating margin over 6 percent



### Operating margin, Group



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

\*\* Operating margin exclusive 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.



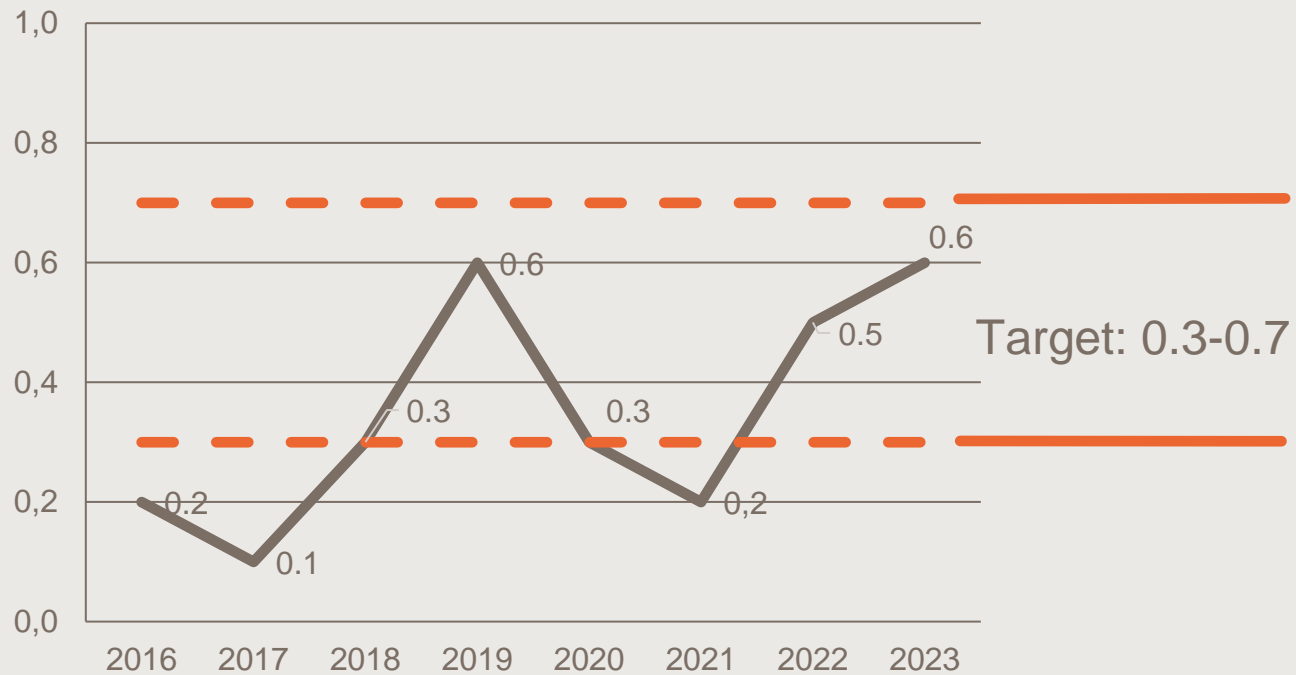


## MOST PROFITABLE COMPANY

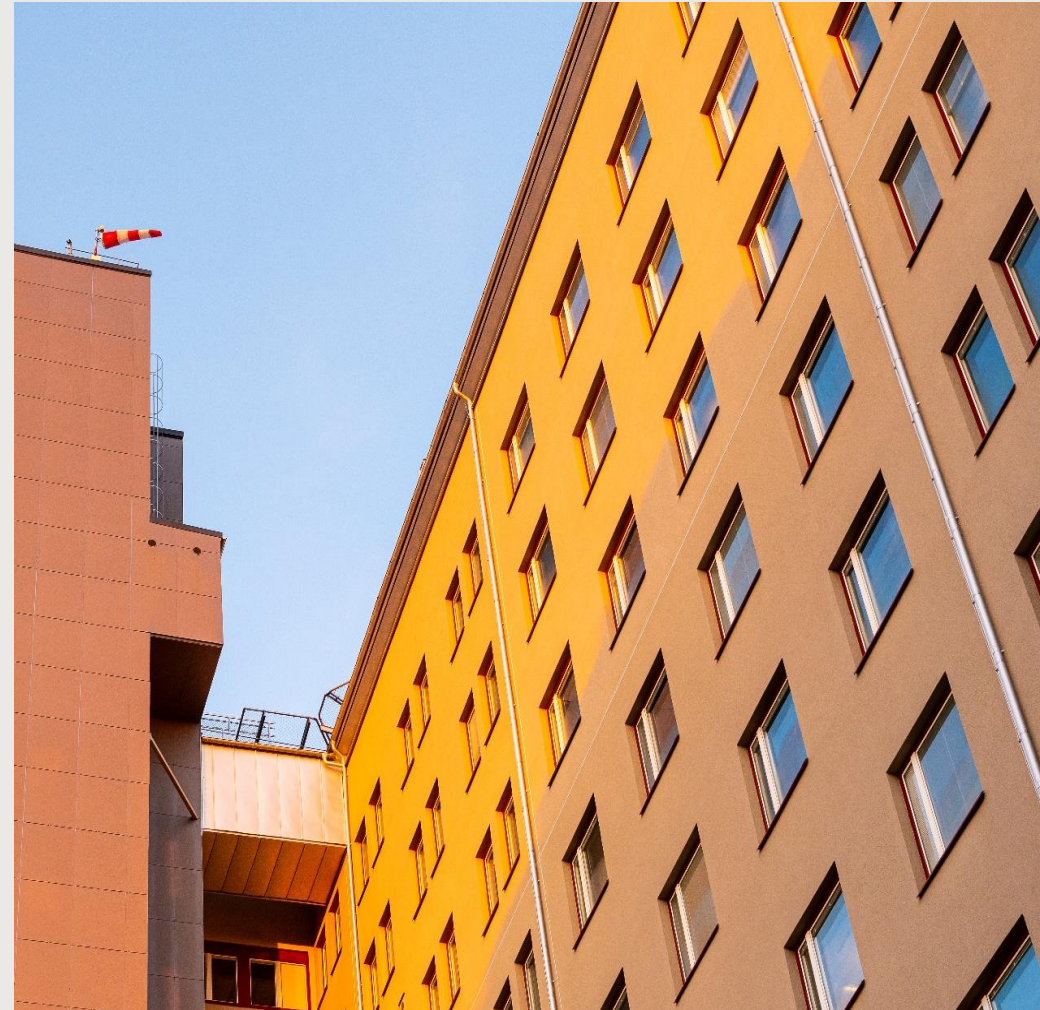
# Target: Net debt/equity ratio within interval 0.3-0.7



### Net debt/equity ratio, Group



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

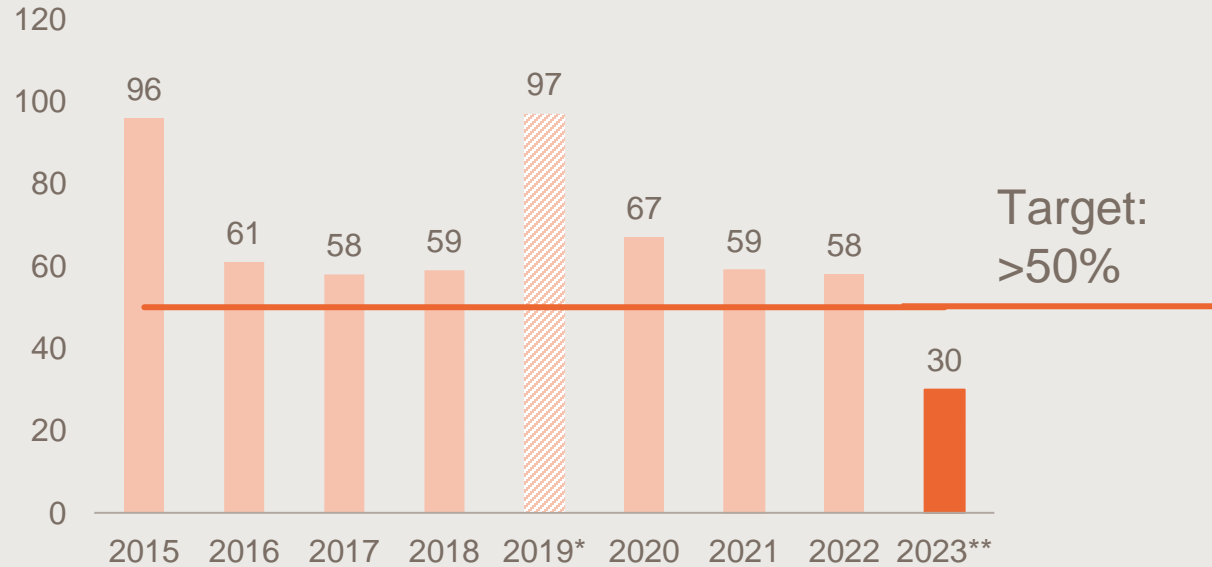


## STRATEGIC TARGET

# Target: Dividend more than 50 percent of profit for the year



### Dividend, % of profit for the year

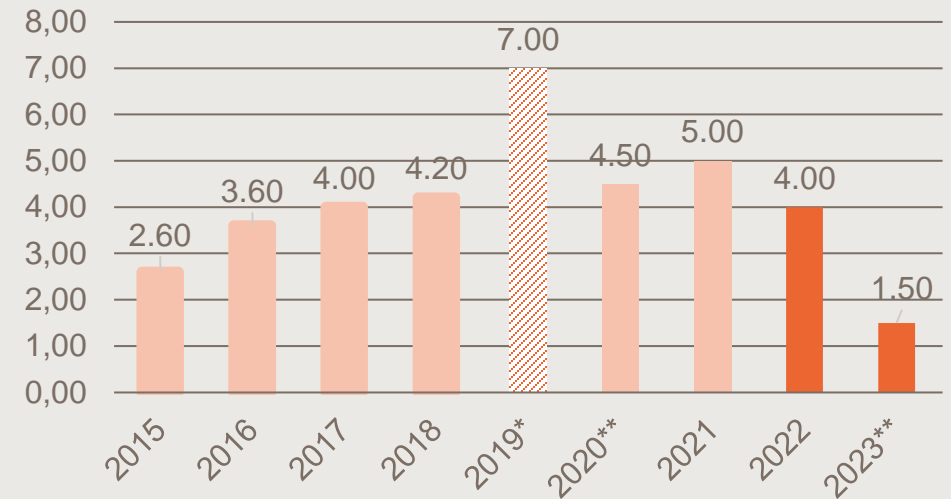


\* In 2019 no dividend was distributed. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 was 97 percent of the profit for the year 2019.

\*\* For 2023, the Board's proposal to the AGM.

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

### Dividend, SEK

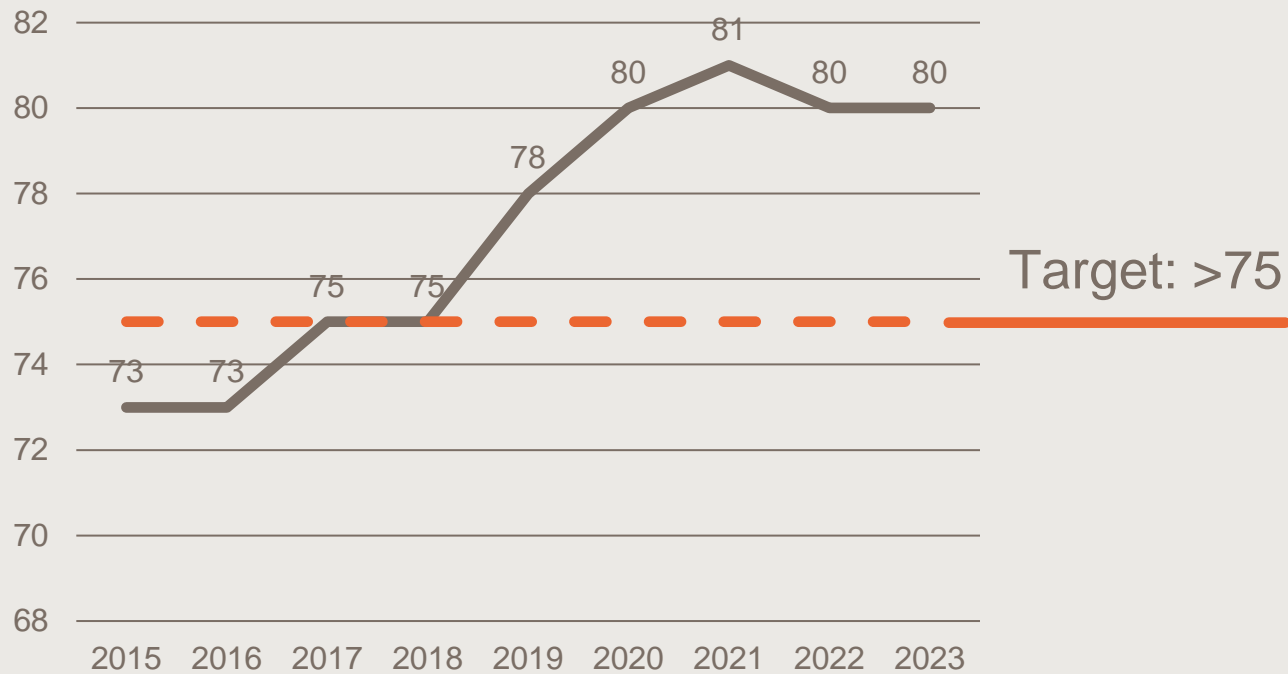


## MOST SATISFIED CUSTOMERS

# Focus on quality in our delivery



### Customer Satisfied index (CSI)



#### Three questions:

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

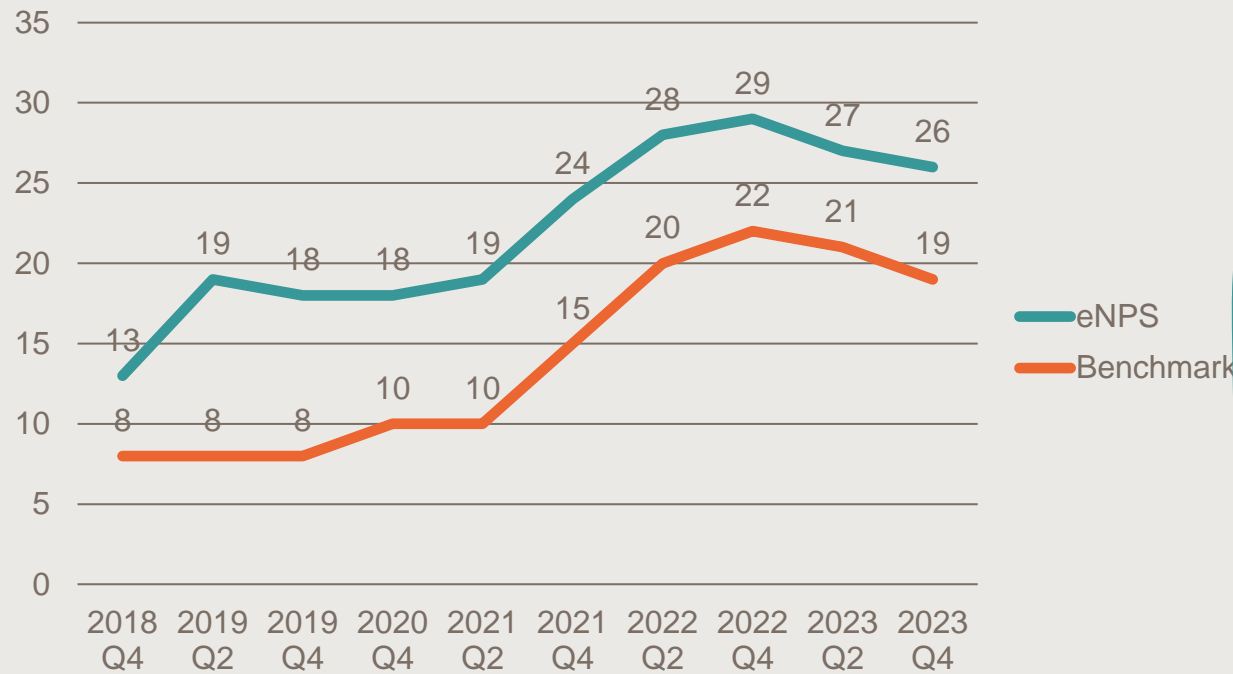


BEST WORKPLACE

# First choice for jobseekers



### eNPS, recommend Peab

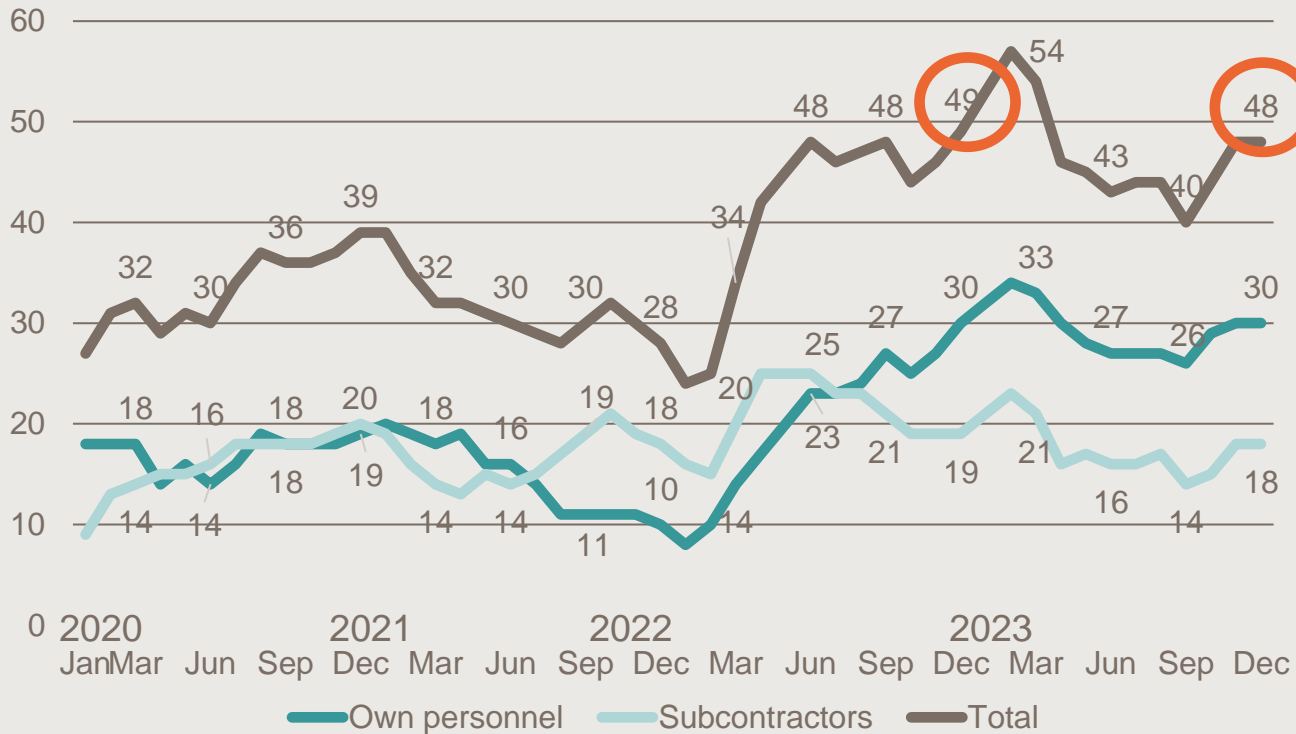


Target:  
Over  
industry  
benchmark

# Zero vision for workplace accidents



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

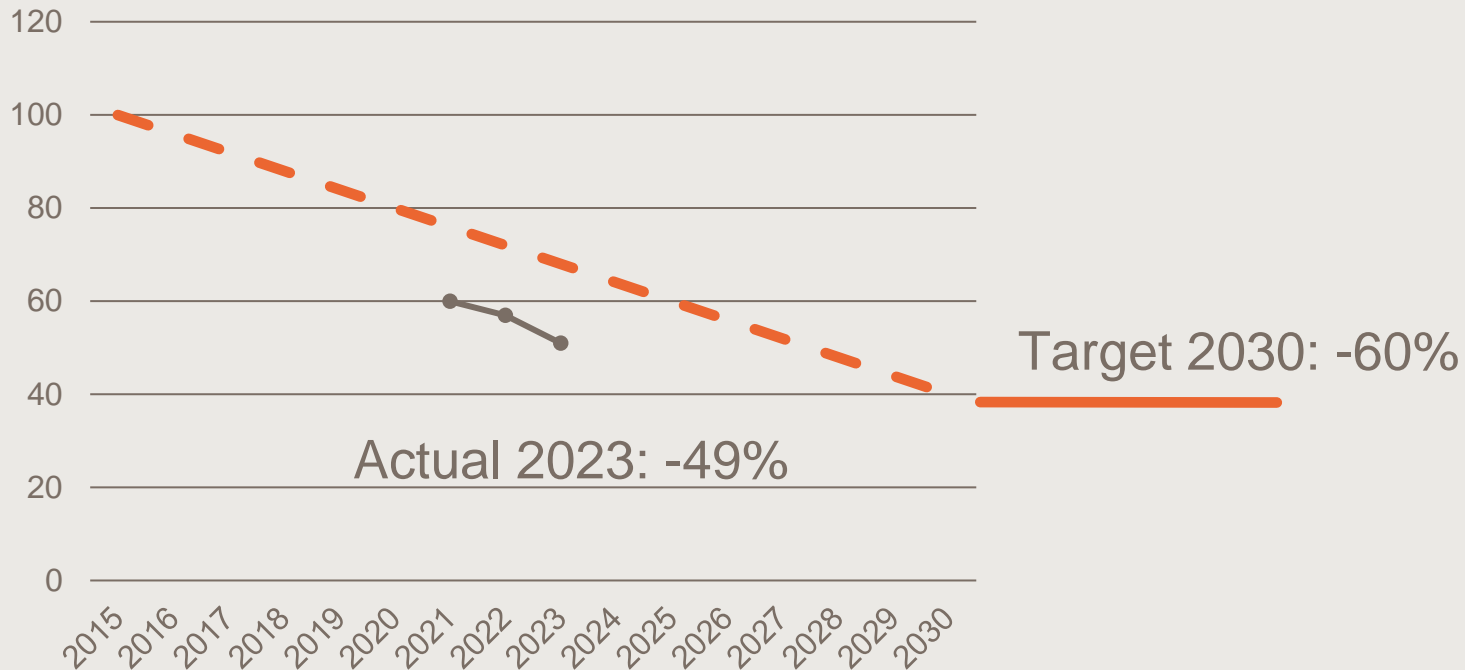


**Target:  
Contracting  
trend**

# Climate targets for our own production



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



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

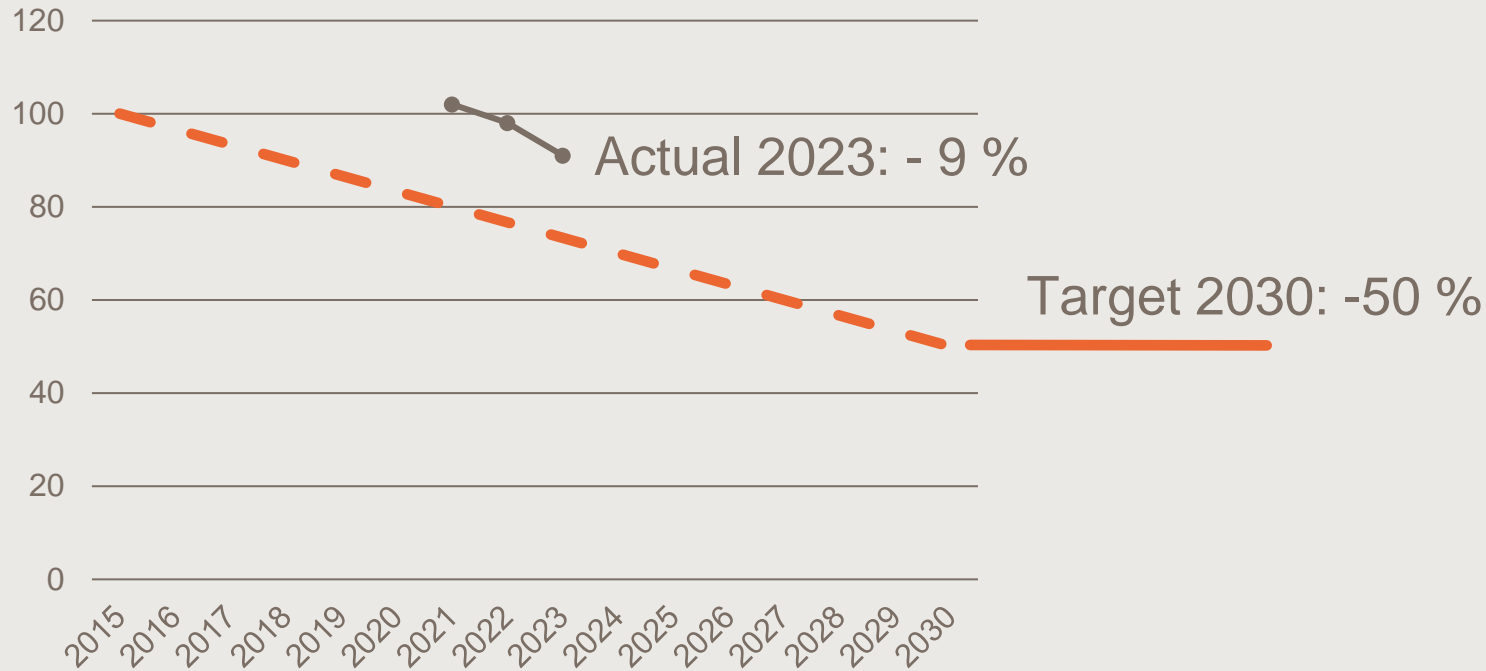
\* Direct and indirect emissions as a result of using fuel and energy in our own production



# 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/MSEK)

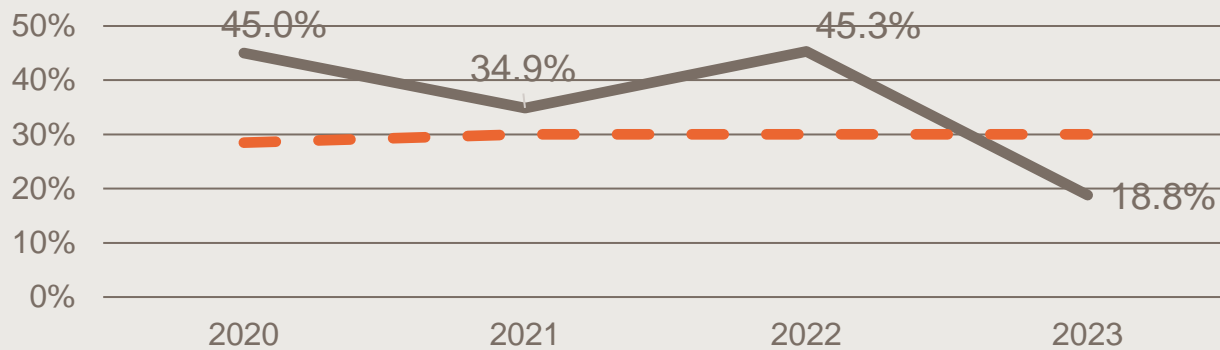
\* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips

LEADER IN SOCIAL RESPONSIBILITY

# Equal opportunity recruitment: Number of women always over education market



## Production and processing\* (SW), %

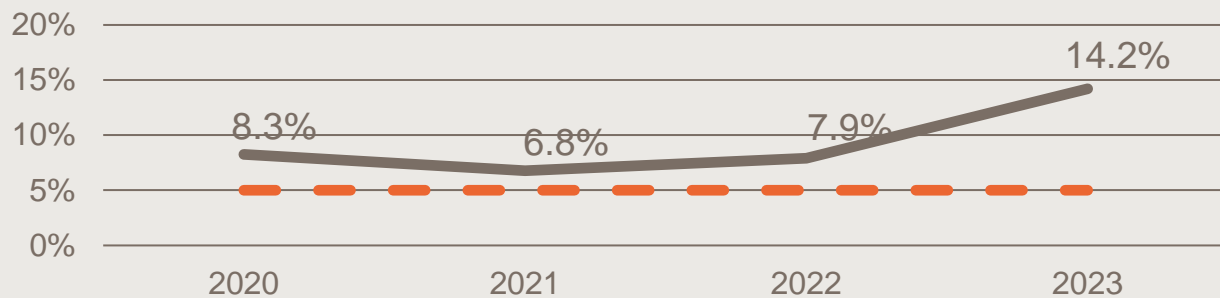


Target 2023: >30%

Target 2024: >30%

\*27 years or younger

## Production management and production support\* (W-CW), %



Target 2023: >5,0%

Target 2024: >6,0%

\*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

JAN-DEC 2023

# The market continues to be divided

- The trend with a weak Nordic housing market is expected to continue, while the market for civil engineering is expected to be stable
- Lower level of orders received and order backlog due to low demand on housing projects
- Construction and Project Development have had a challenging year
- In order to handle the diminished housing market we are adjusting operations and taking costs for provisions, write-downs and restructuring for a total of SEK 525 million in the fourth quarter
- Civil Engineering and och Industry show improvements in results
- In the long run the conditions for growth are good in the segments and markets we operate in
- The Board proposes a dividend of SEK 1.50 per share







# Q&A



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Q1

# Capital Markets Day in Stockholm

February 13, 2024

**Next report:**

**First quarter 2024**

May 6, 2024

# Thank you!

