

A white 'Q2' logo inside an orange rounded square.

Q2

An orange semi-transparent rectangular overlay containing white text.

January - June 2021

July 16, 2021

A photograph of the Waldemars Tower building in Oslo, featuring a grey brick facade, large windows with gold frames, and several balconies with wooden railings.

WALDEMARS TOWER
Oslo

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 prospects

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 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	↘	→	-

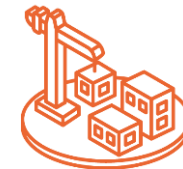
Source: Navet Analytics AB



Business area Construction

THE WATER TOWER
Järna

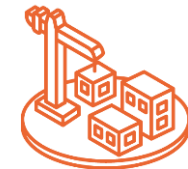
Business area Construction



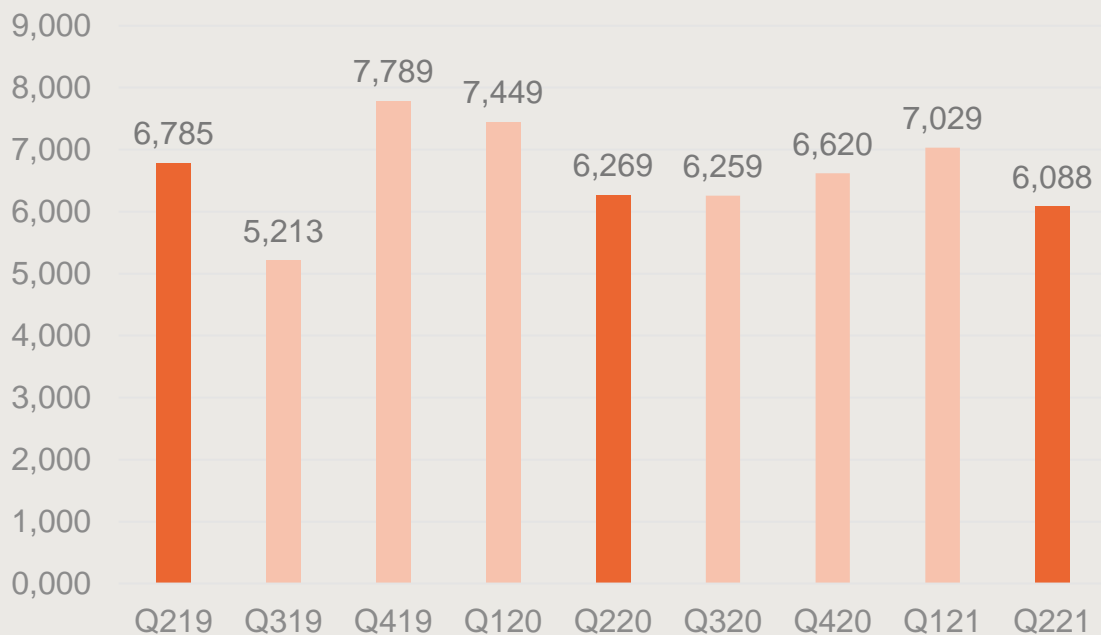
MSEK	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Net sales	6,648	7,123	26,090	26,989
Operating profit	187	183	672	663
Operating margin, %	2.8	2.6	2.6	2.5

BUSINESS AREA CONSTRUCTION

Stable level of orders received



Orders received, MSEK



Order backlog

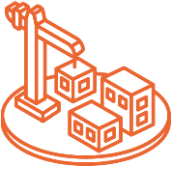
26.4

BSEK (27.0)



LAPPEKÄRSBERGET
Stockholm

Good variation in type of product and geography



New hotel
(190 MNOK)

New swimming pool
facility
(350 MSEK)

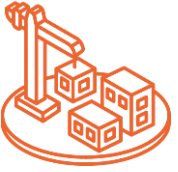
New elementary
school
(207 MNOK)

New homes
(12 MEUR)

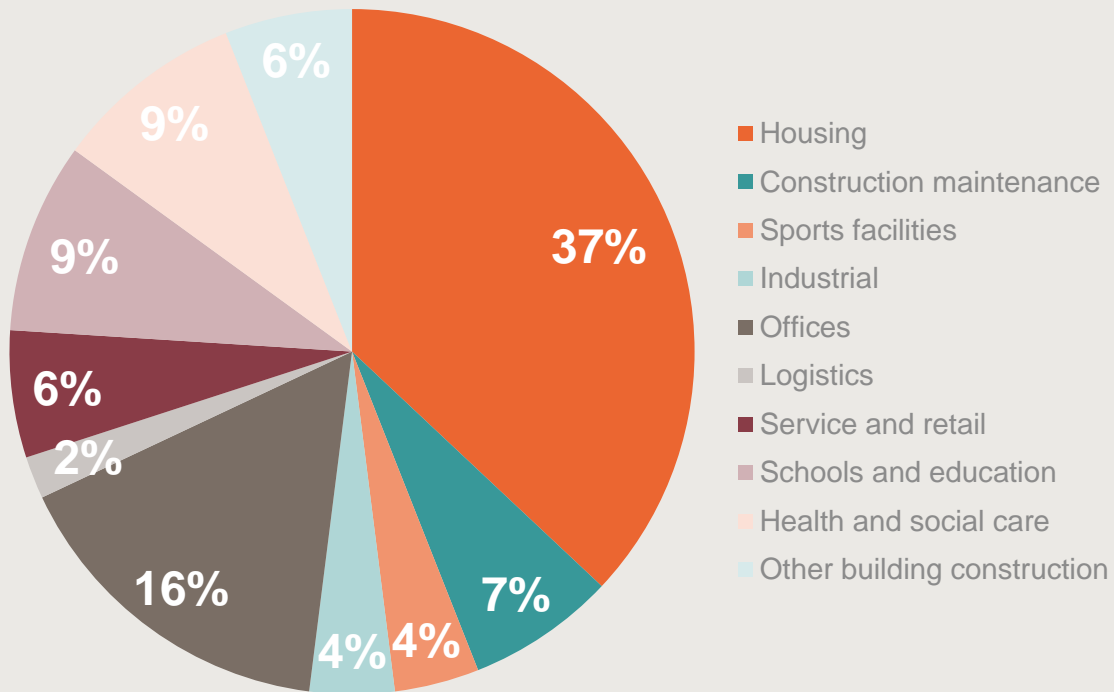


BUSINESS AREA CONSTRUCTION

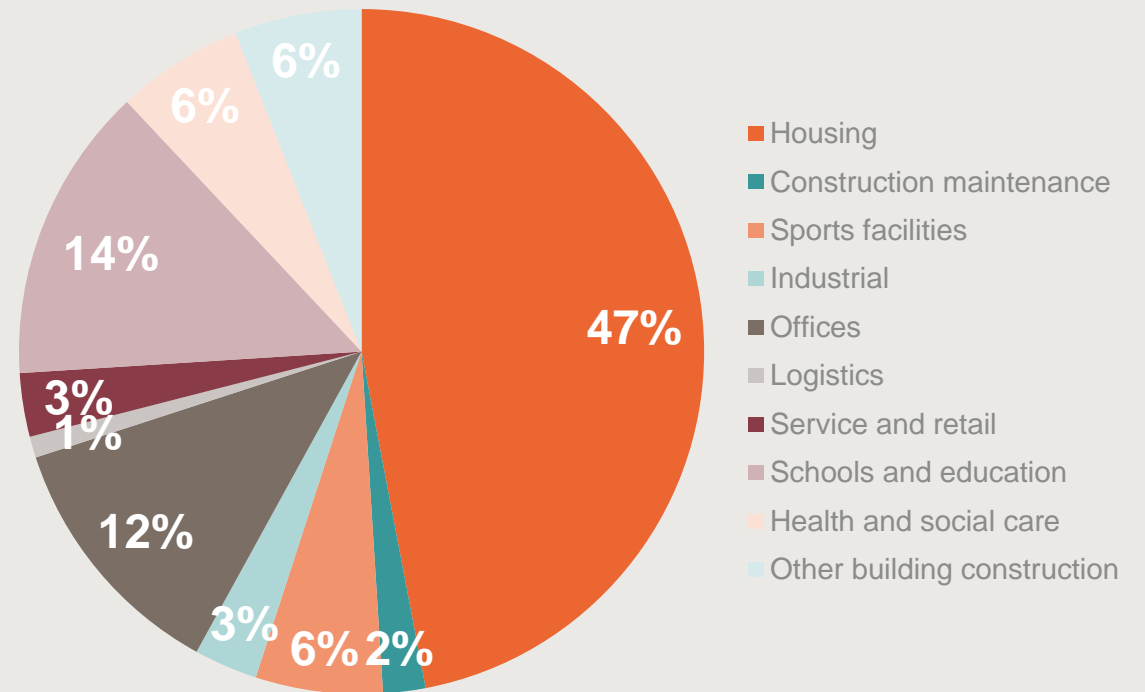
Split into product area



Net sales, rolling 12 months



Order backlog, June 30, 2021





**Business area
Civil Engineering**

E45
Gothenburg

Business area Civil Engineering

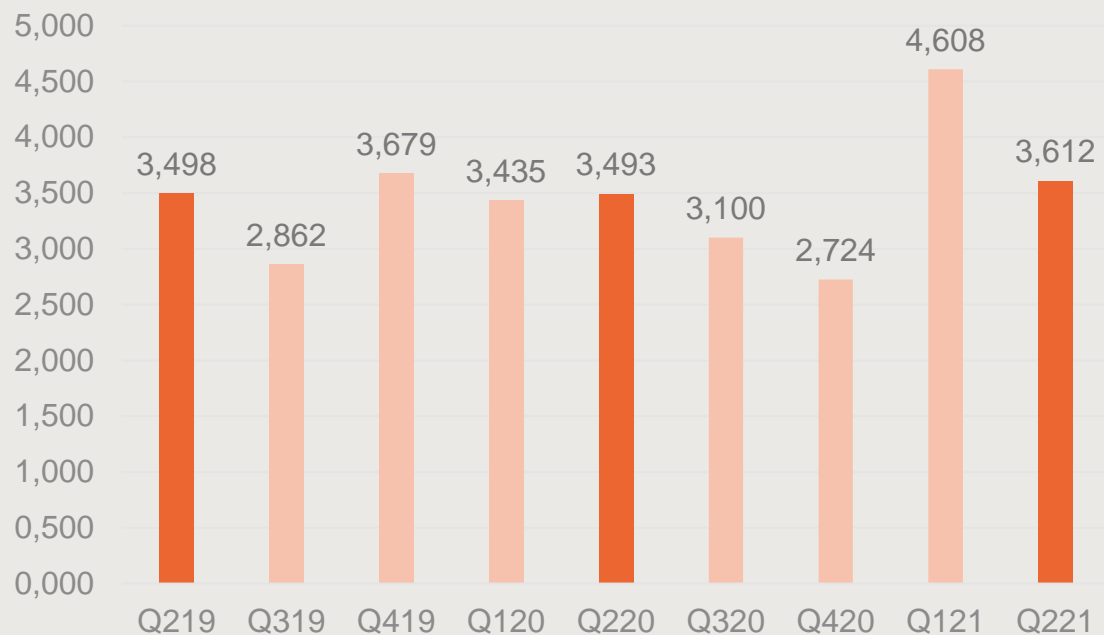


MSEK	Apr-Jun 2021	Apr-Jun 2020	Jul 2020-Jun 2021	Jan-Dec 2020
Net sales	3,743	3,432	13,474	12,843
Operating profit	146	127	421	391
Operating margin, %	3.9	3.7	3.1	3.0

Good level of orders received in the second quarter



Orders received, MSEK



Order backlog

14.7

BSEK (14.2)



MAIN STREET
SKÅRERSLETTA
Lørenskog

Great variation on contracts



Road maintenance
(MSEK 753)



Railway
construction
(MSEK 477)



New container port
(MSEK 249)



Two new bridges
(MSEK 204)

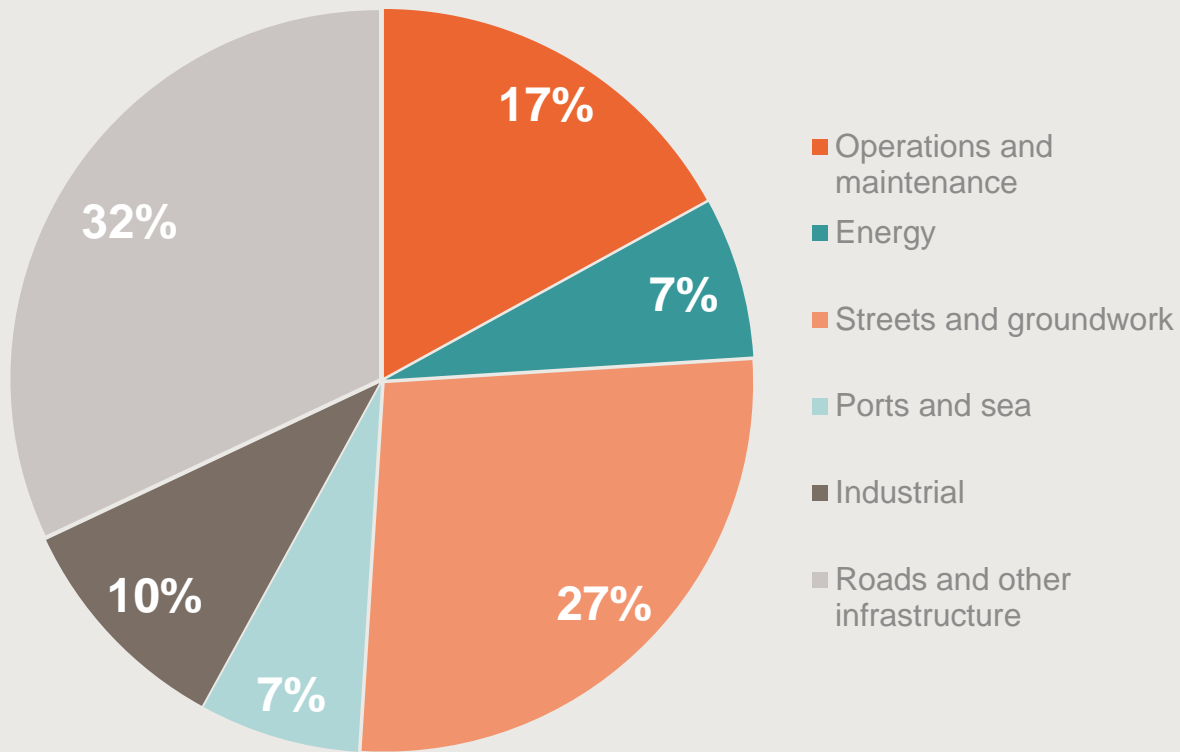


BUSINESS AREA CIVIL ENGINEERING

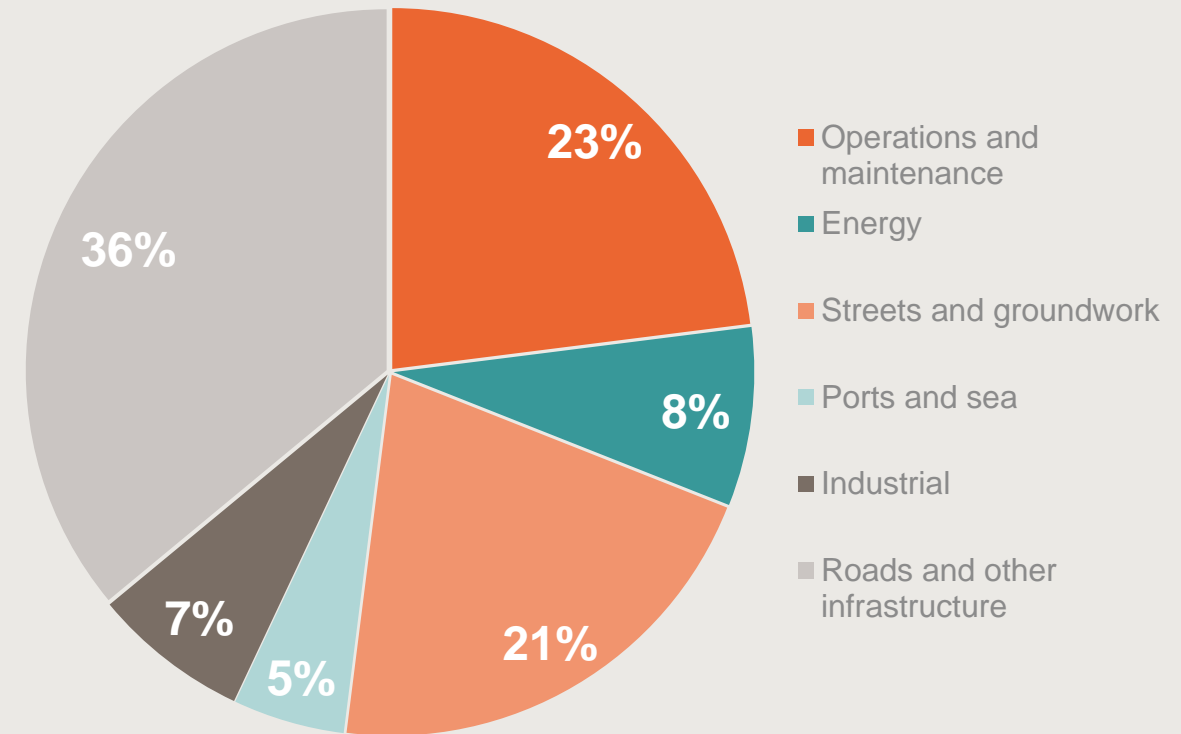
Split into product area



Net sales, rolling 12 months



Order backlog, June 30, 2021





Business area Industry

BYGGELEMENT'S FACTORY
Katrineholm

Business area Industry



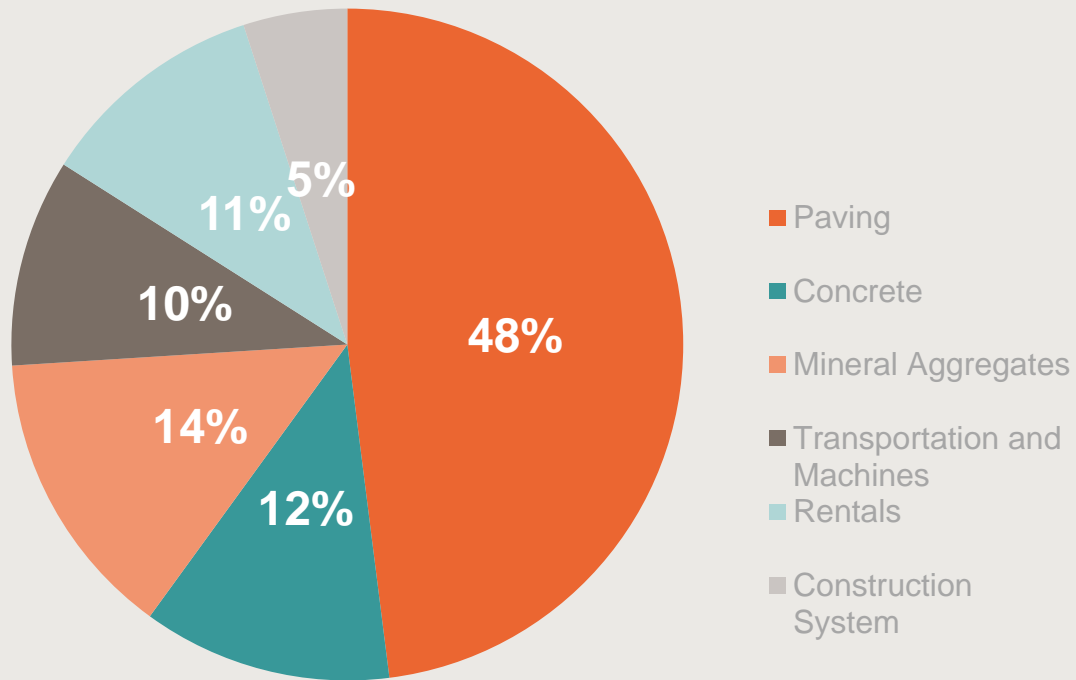
MSEK	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Net sales	5,247	5,343	18,613	18,720
Operating profit	339	303	810	1 105
Operating margin, %	6.5	5.7	4.4	5.9

BUSINESS AREA INDUSTRY

Split into product area



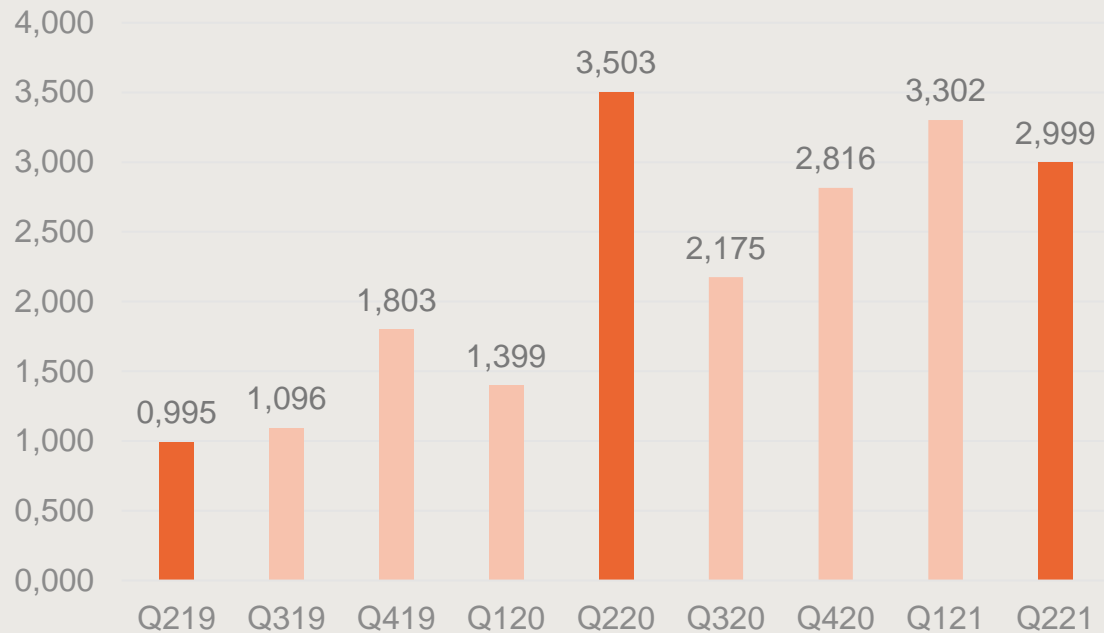
Net sales, rolling 12 months



Good level of orders received in the second quarter



Orders received, MSEK



Order backlog

6.5

BSEK (6.1)

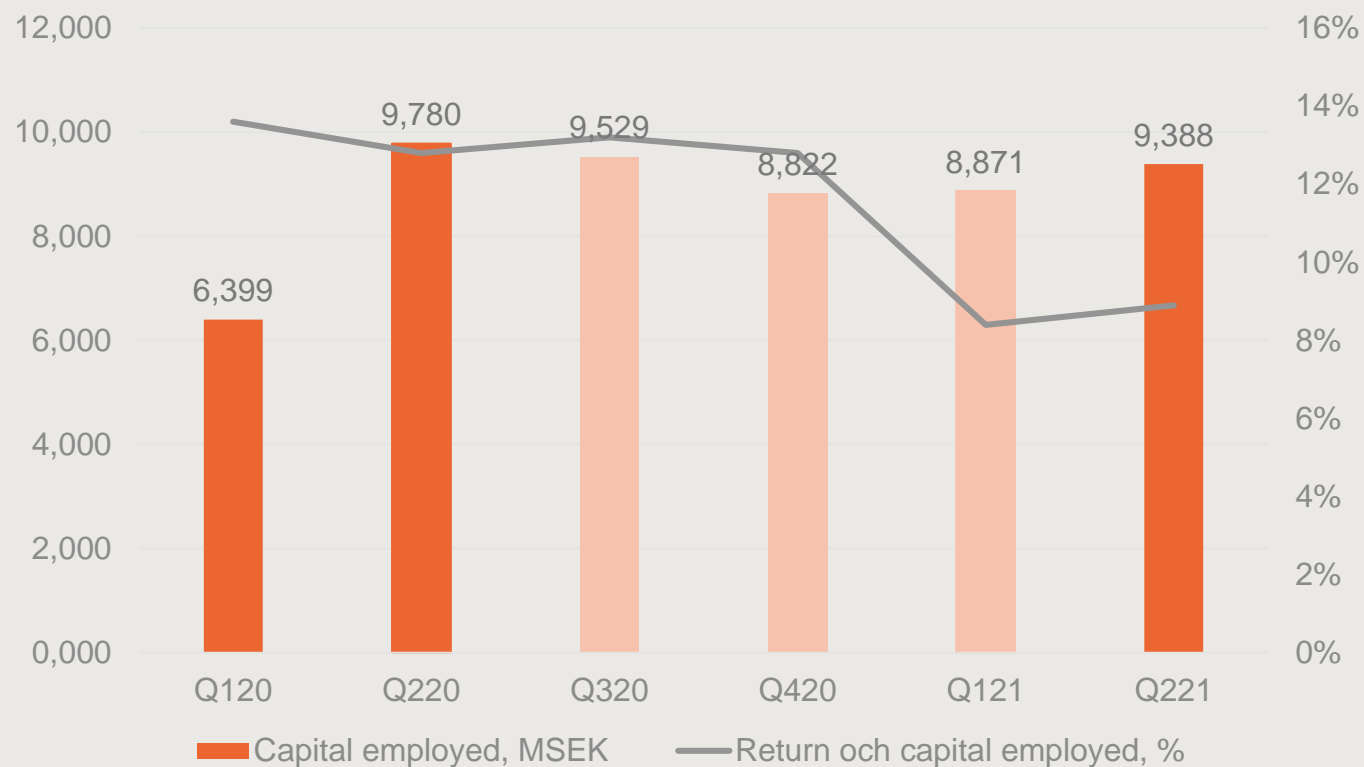


BUSINESS AREA INDUSTRY

Second quarter affected by investments and seasonality



Capital employed and return on capital employed*



Return on capital employed

8.9
% (12.8)

*Based on rolling 12 months.



Business area Project Development

WALDEMARS TOWER
Oslo

Business area Project Development



MSEK	Apr-Jun 2021	Apr-Jun 2020	Jul 2020-Jun 2021	Jan-Dec 2020
Net sales	1,929	1,977	7,193	7,500
Operating profit	252	138	1 822	1,669
Operating margin, %	13.1	7.0	25.3	22.3
<i>of which Housing Development</i>	11.8	8.3	11.6	9.6

Higher level of housing start-ups and continued good sales



Number	Apr-Jun 2021	Apr-Jun 2020	Jul 2020-Jun 2021	Jan-Dec 2020
Housing start-ups	785	518	2,717	2,291
Sold homes	797	501	2,848	2,682
Repurchased homes on the balance sheet at the end of the period	200	267	200	222

Selection of production-started homes

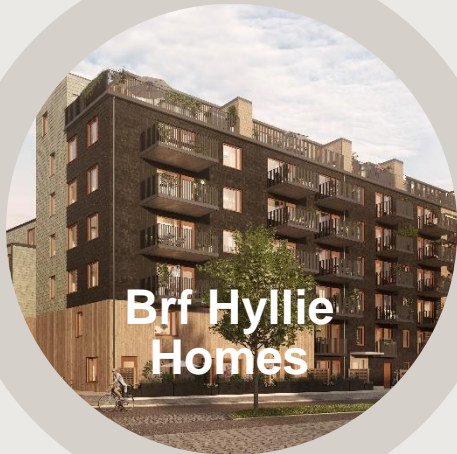


68 homes in
Malmö

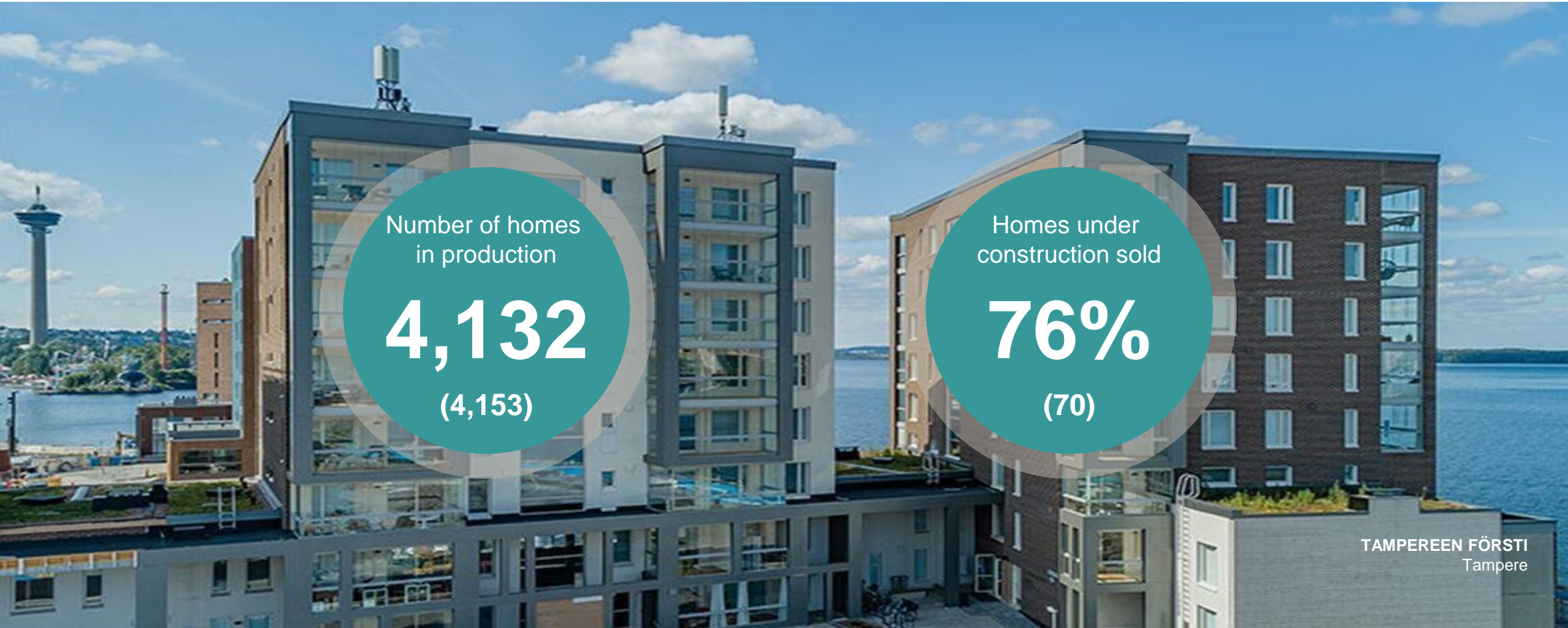
46 homes in
Stenungsund

74 homes in
Tampere

60 homes in
Kuopio



Housing Development after the second quarter



Number of homes
in production

4,132

(4,153)

Homes under
construction sold

76%

(70)

TAMPEREEN FÖRSTI
Tampere

Rentals on own balance sheet



Number of rentals	Apr-Jun 2021	Apr-Jun 2020	Jul 2020-Jun 2021	Jan-Dec 2020
Production-started homes	135	64	751	502
Sold homes	-	-	95	4
Converted to tenant-owner associations	56	187	303	228
Total number of homes in production, at the end of the period	798*	445	798	763

*Of which 528, respectively 66 percent, are under contract to be sold upon completion.

Total number of homes in production



	Number per June 30, 2021 (2020)	of which sold
Tenant-owner associations, ownership and residential limited companies	4,132 (4,153)	76 %
Rentals	798 (445)	66 %
Total number	4,930 (4,598)	74 %

Larger ongoing property projects in Property Development

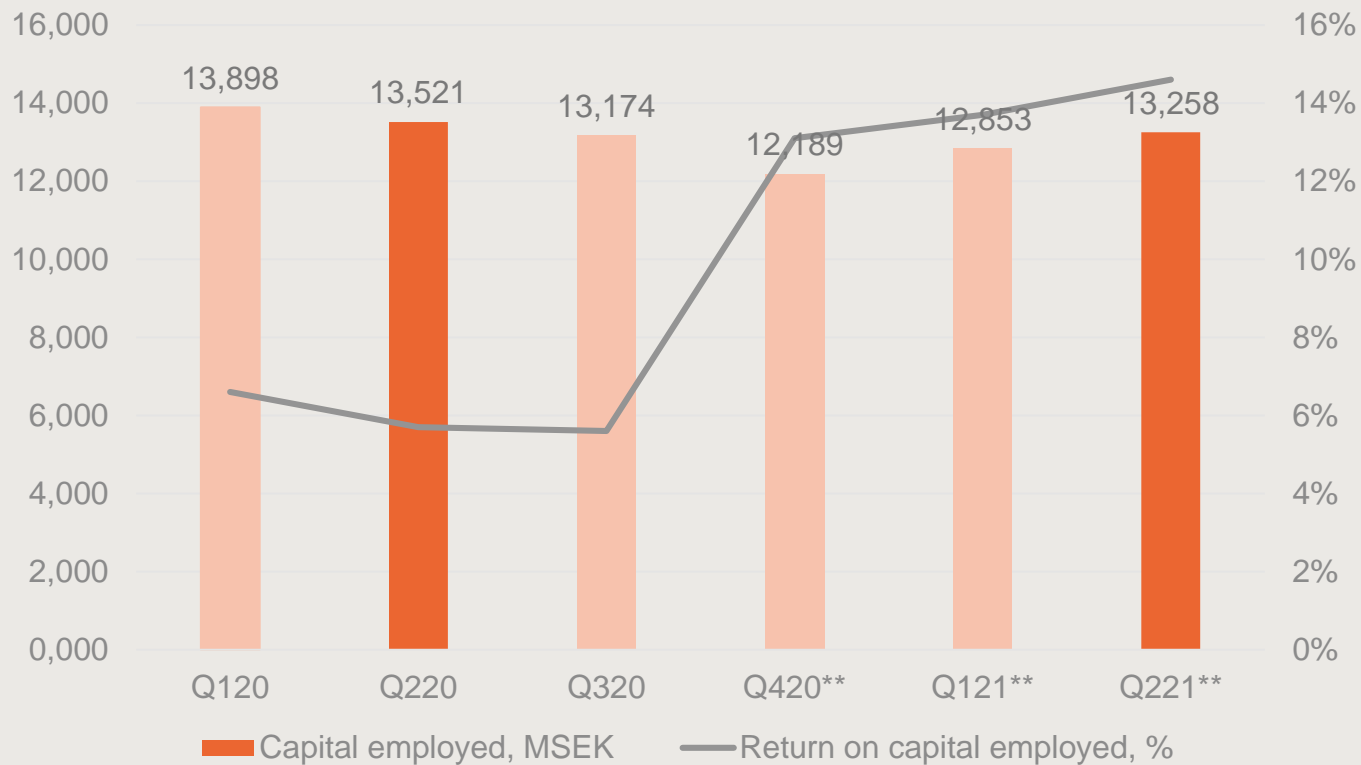


Type of project	Location	Rentable area, m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Office building	Solna	4,300	100	155	194	Q3-2021	80
Sports hall	Sundsvall	14,700	100	147	223	Q2-2022	66
Logistics facility	Södertälje	2,200	100	11	67	Q2-2022	16
Office building	Malmö	7,100	12	51	296	Q1-2023	17

Several production starts of own developed projects in the second quarter



Capital employed and return on capital employed*



Return on capital employed

14.6
% (5.7)

*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.

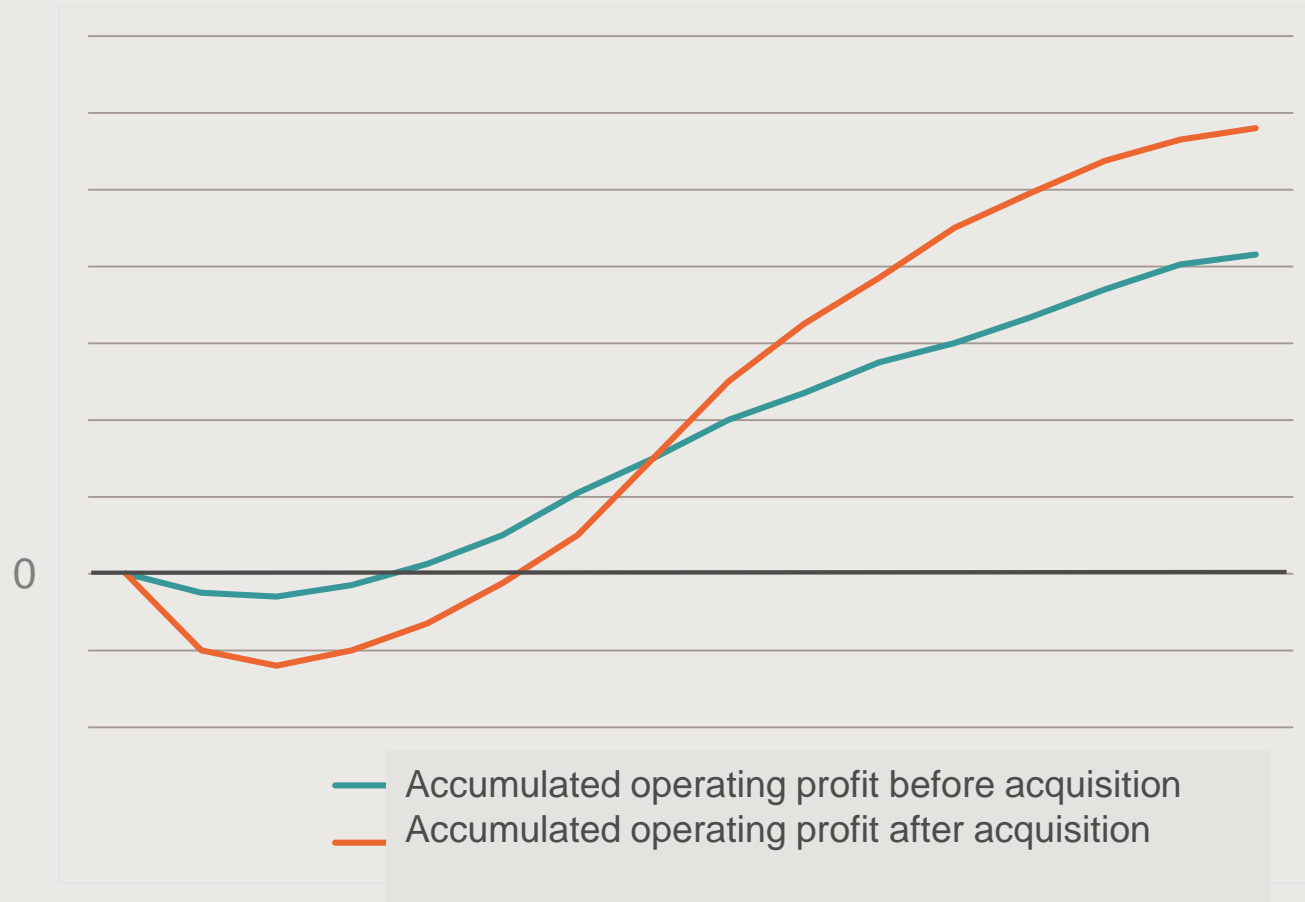


The Peab Group

Segment reporting

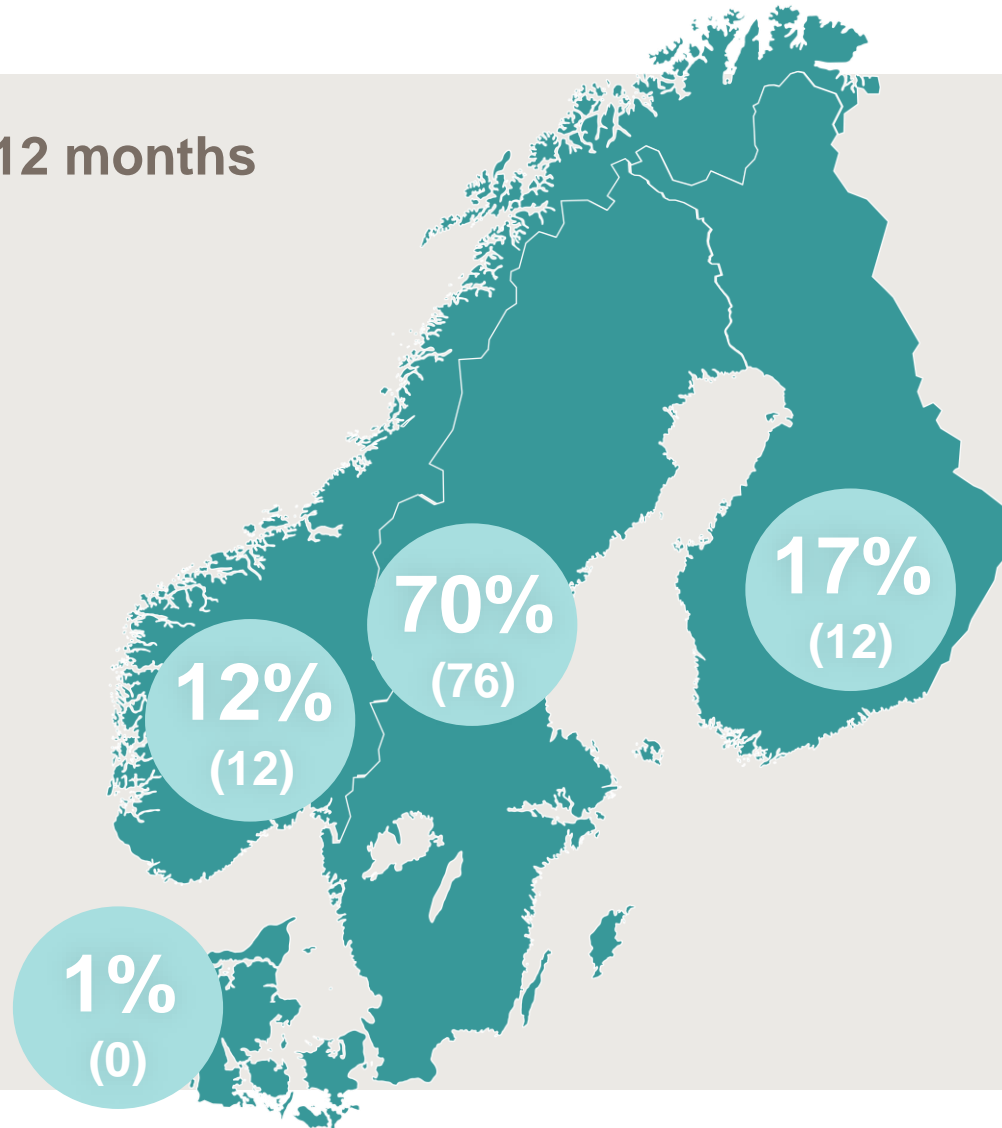
MSEK	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Net sales	15,169	15,518	56,646	57,417
Operating profit	824	661	3,420	3,541
Operating margin, %	5.4	4.3	6.0	6.2

The acquisition of paving and mineral aggregate business increases seasonal variations



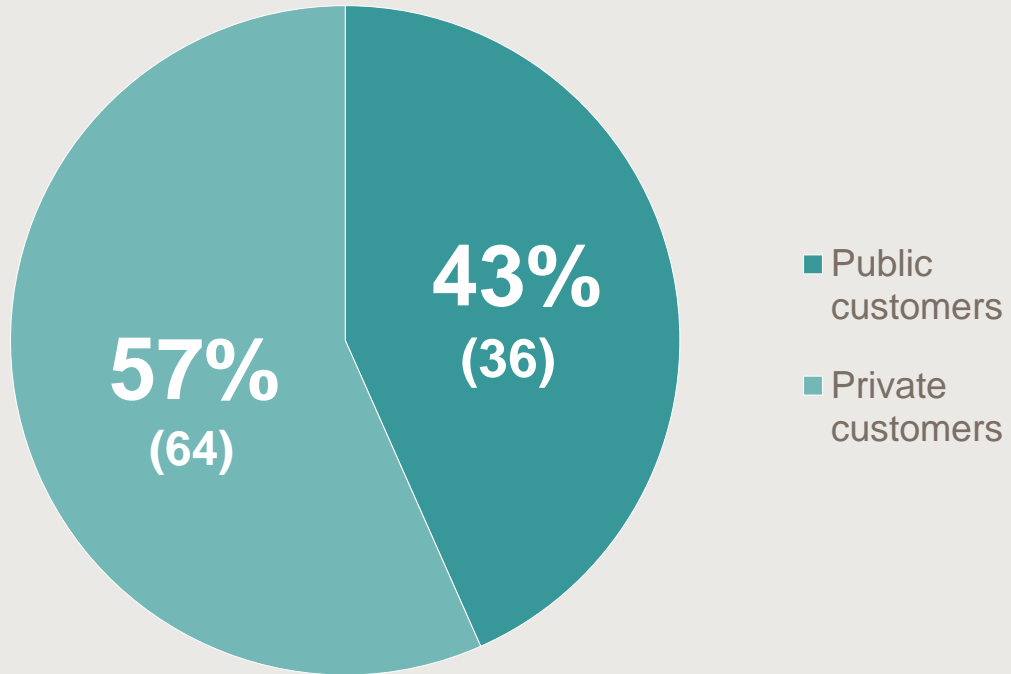
Expanding presence in the Nordic region

Net sales, rolling 12 months



Increased share of public customers

Net sales, rolling 12 months



THE GROUP

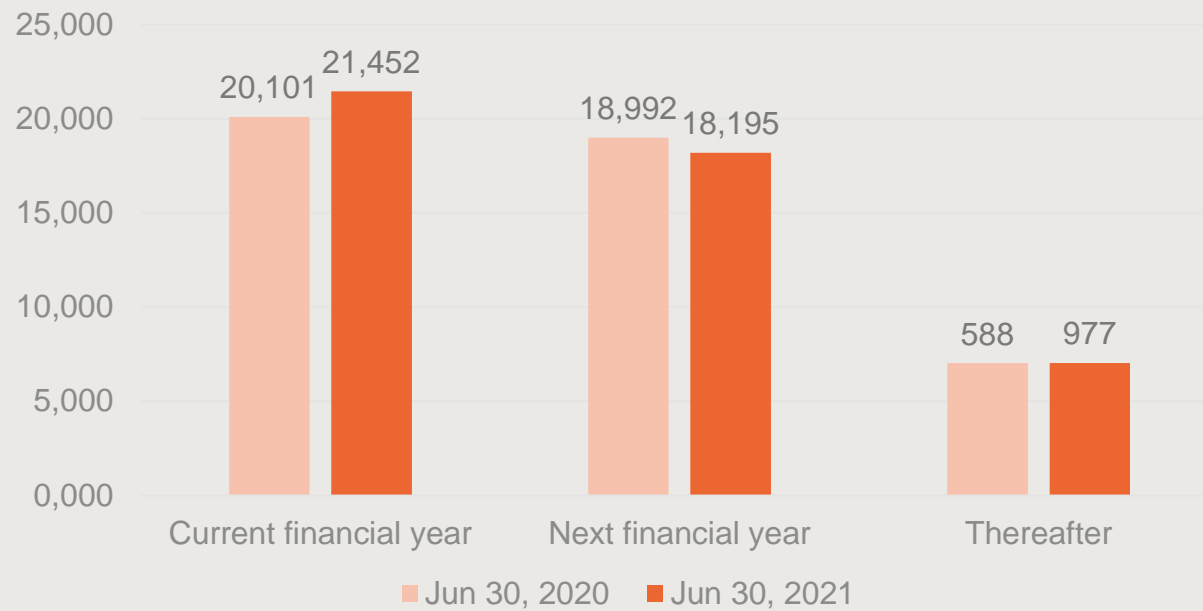
Stable level of orders received and order backlog



EIKELI HIGH SCHOOL
Bærum

Good level of order backlog

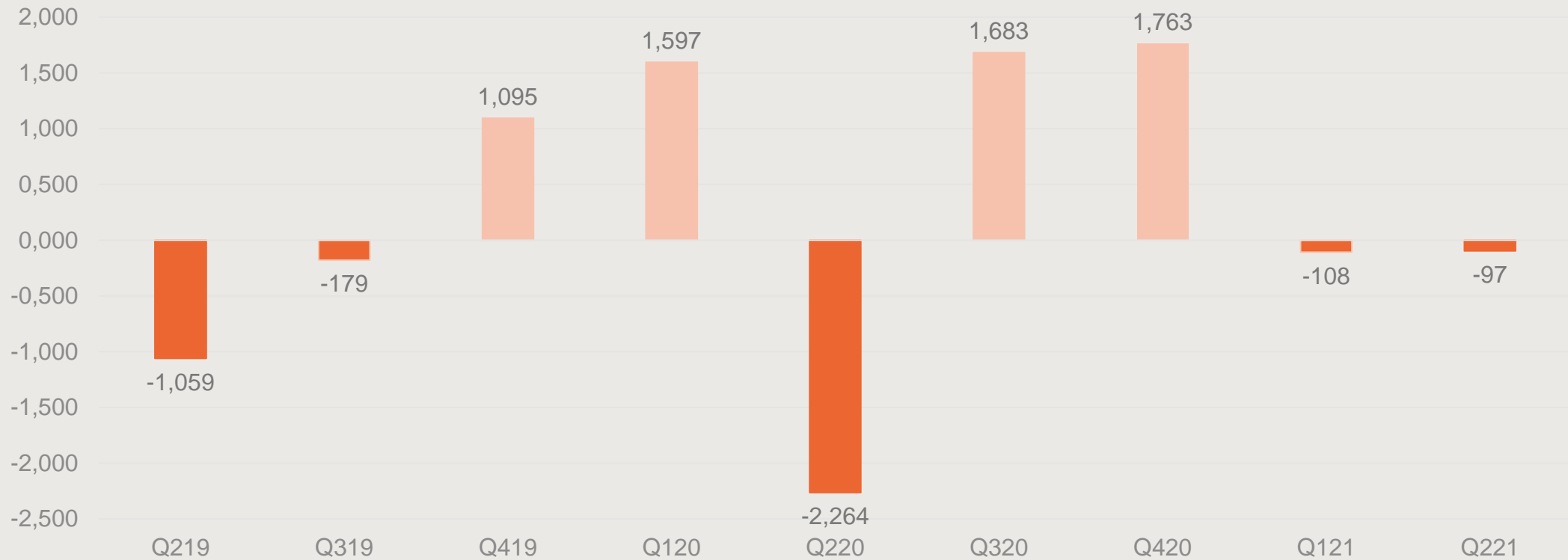
Order backlog allocated over time, MSEK



54%
after current
financial year (56)

Cash flow affected by seasonal variations and start-ups of own developed projects

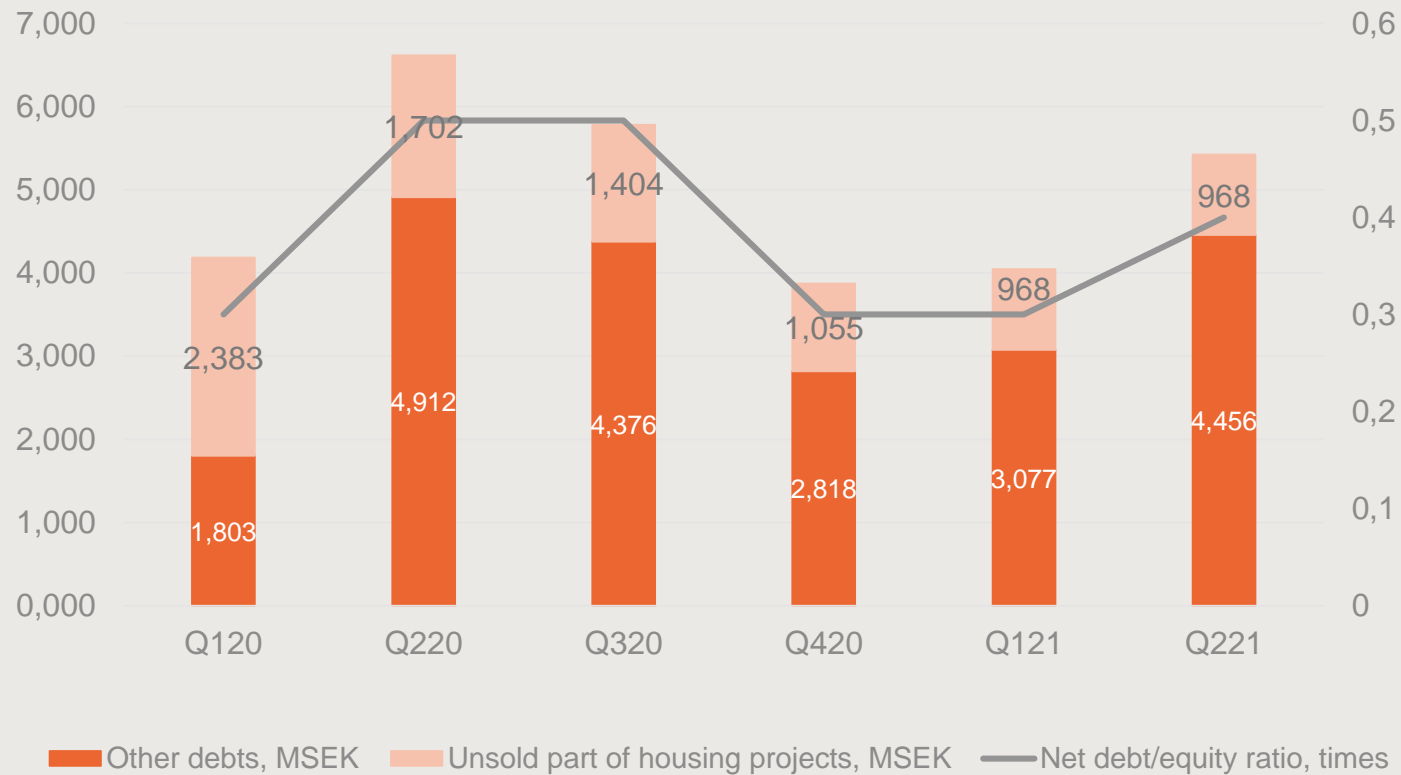
Cash flow before financing, MSEK



THE GROUP

Strong financial position

Net debt and net debt/equity ratio



Net debt

5.4

BSEK (6.6)

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:

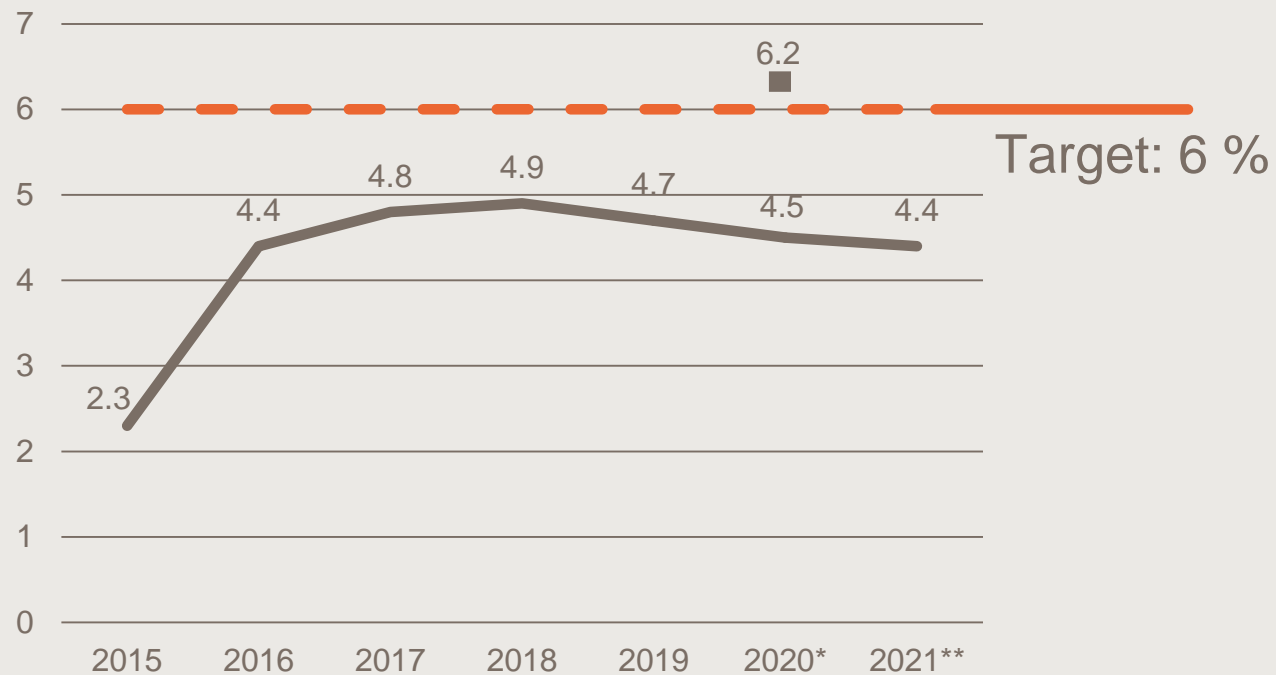
Number of women
always over
education market

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 June 30, 2021. Excluding effect of distribution of Annehem Fastigheter of MSEK 952.

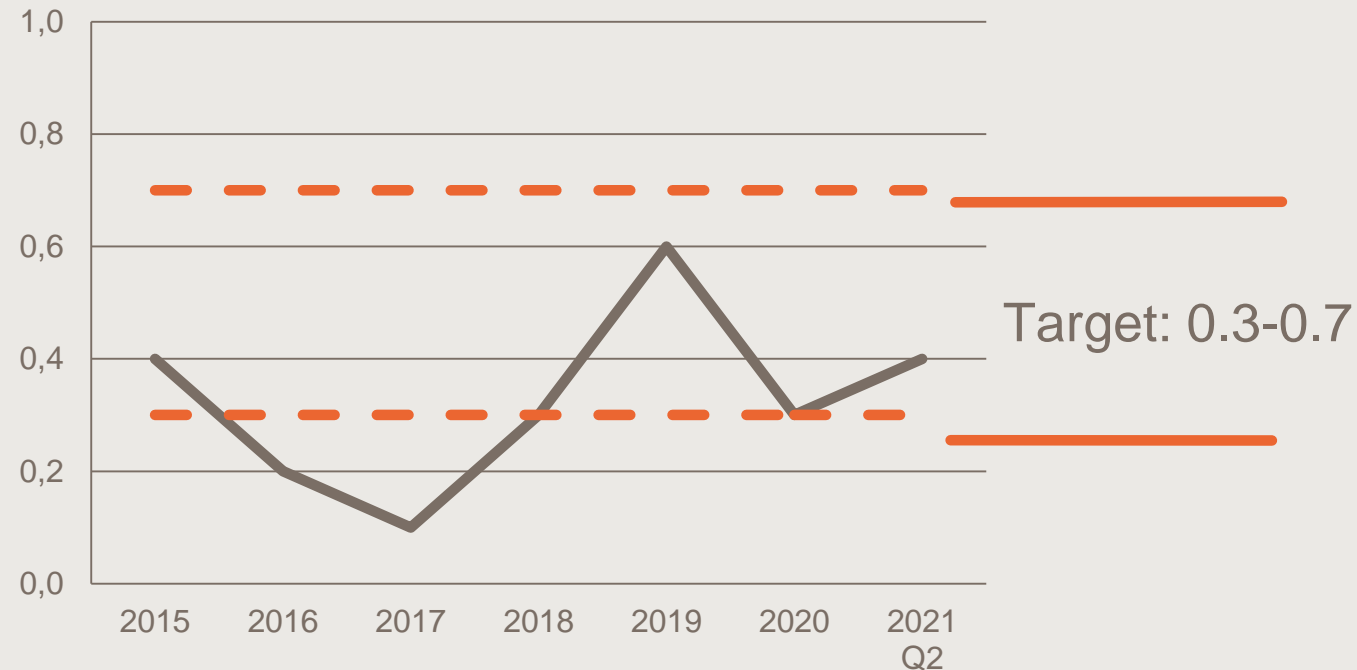
Years 2015-2018 are not translated according to the changed accounting principles for our own housing development projects

MOST PROFITABLE COMPANY

Net debt/equity ratio within interval 0.3-0.7



Net debt/equity ratio, Group



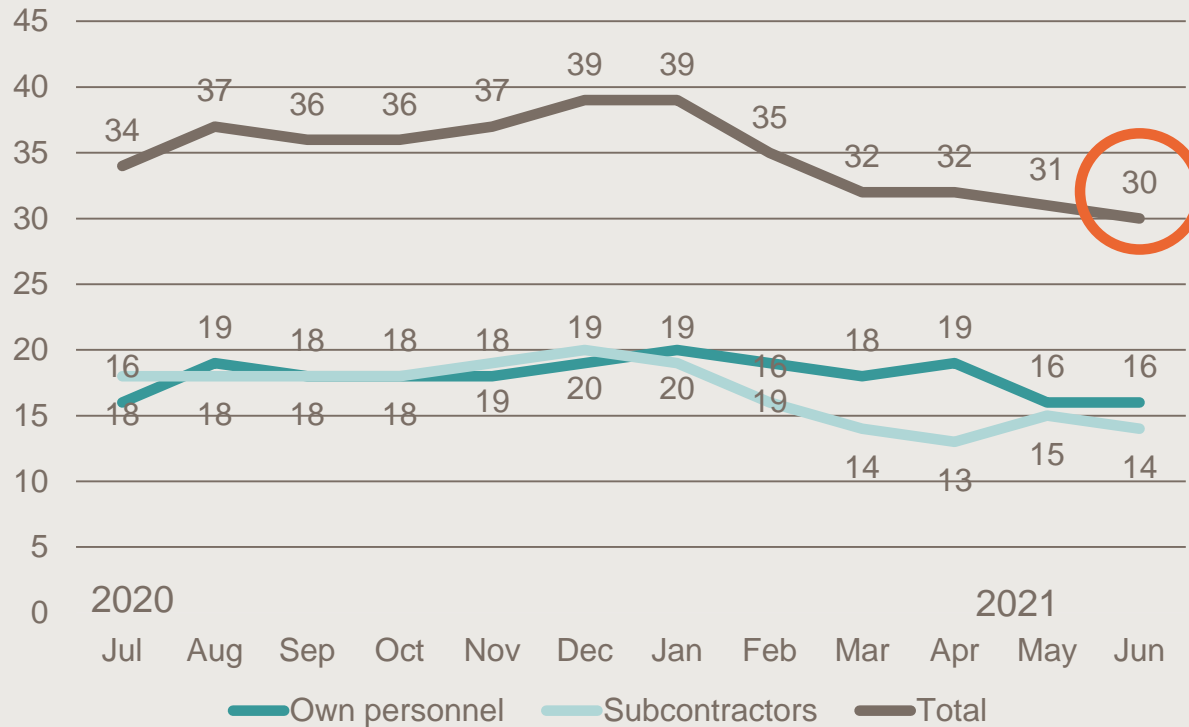
Years 2015-2018 are not translated according to the changed accounting principles for our own housing development projects

BEST WORKPLACE

Zero vision accidents



Serious accidents – rolling 12 months, category 4

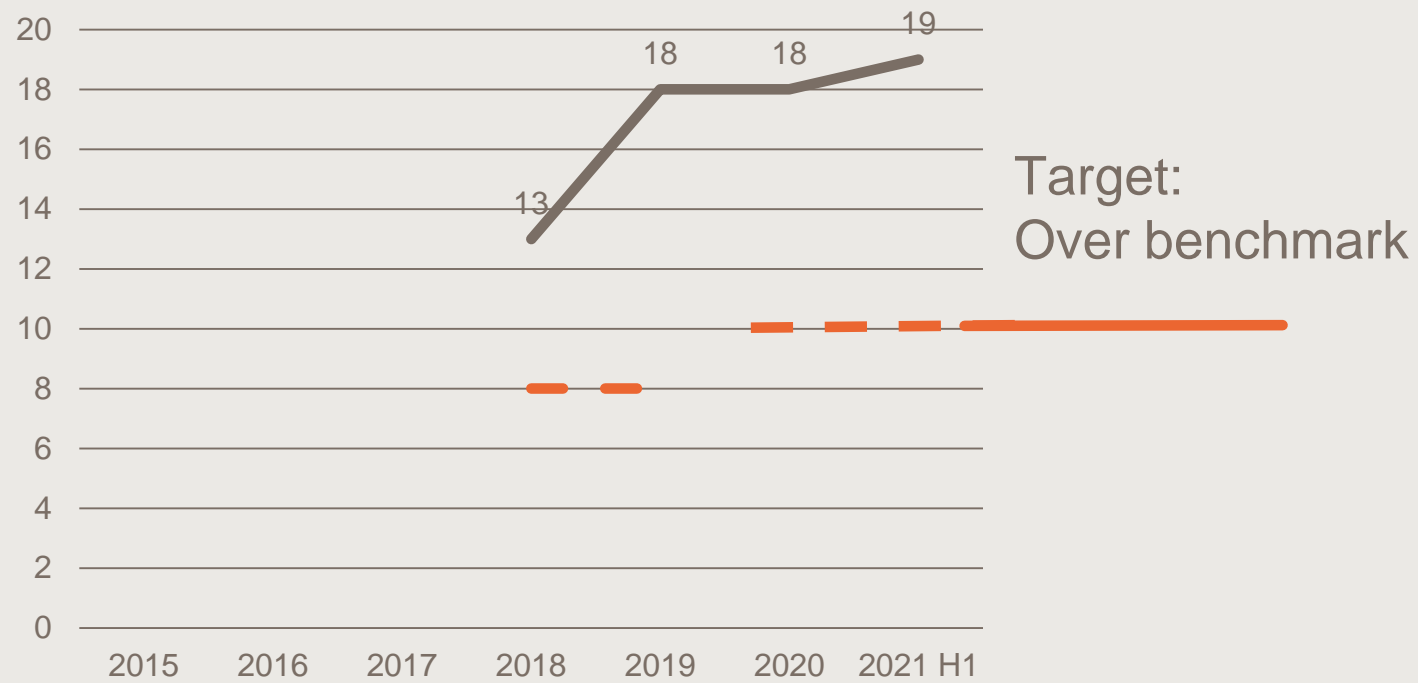


Target:
Contracting trend

BEST WORKPLACE First choice for jobseekers



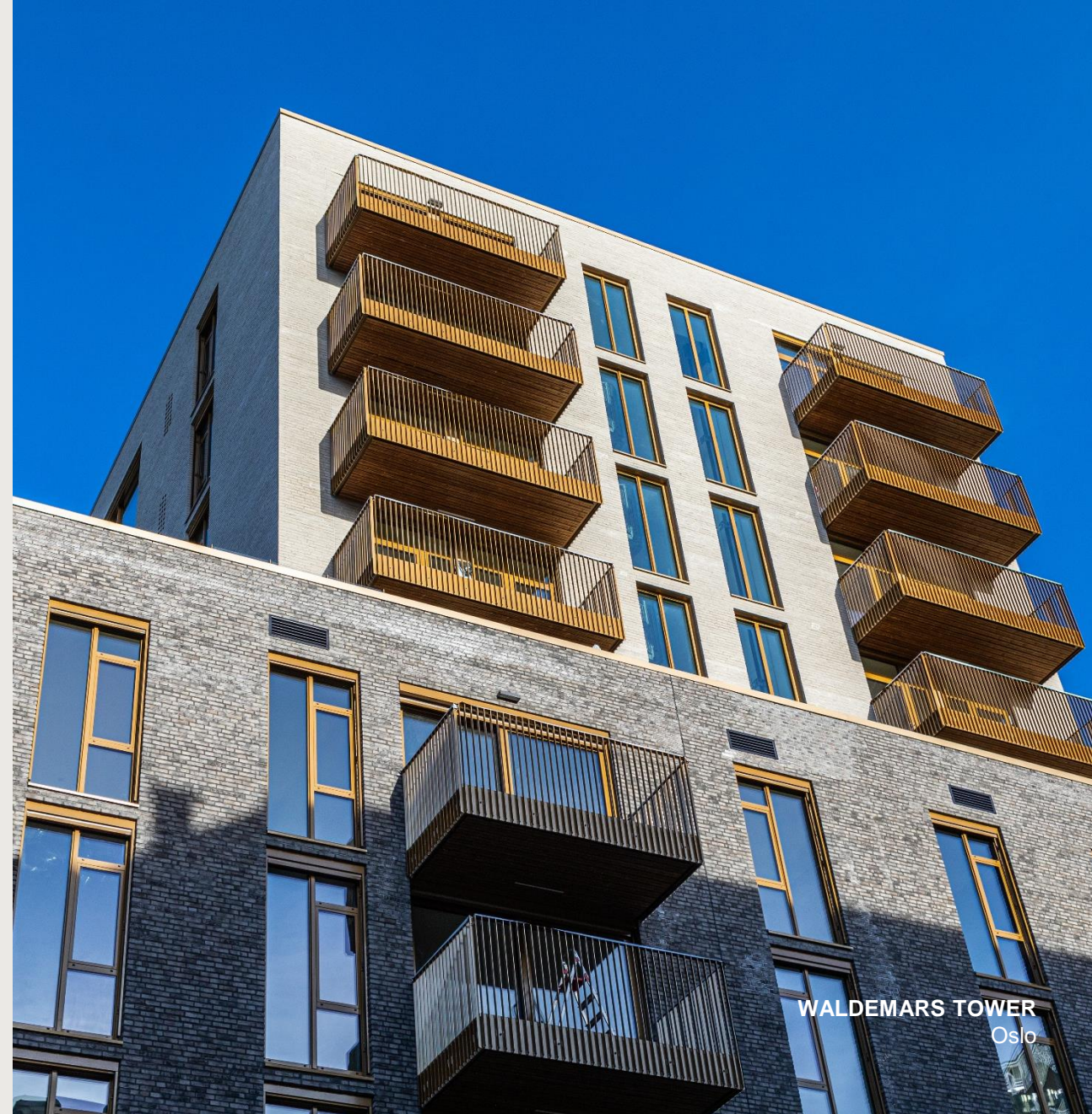
eNPS, Group



JAN-JUN 2021

Improved operating margin and good order situation

- Stable market outlook
- Good 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



WALDEMARS TOWER
Oslo

Q3

Next quarterly report:

October 27, 2021

Thank you!

