

Quarterly report

JANUARY – SEPTEMBER 2022



Råsunda Square
Solna



PEAB
THE NORDIC COMMUNITY BUILDER

Continued high net sales with stable profit

In this report amounts and comments are based on segment reporting if not otherwise specified. The Group has different accounting principles in segment reporting compared to reporting according to IFRS for our own housing development projects and for IFRS 16 (previously operational leasing contracts). For more information on our accounting principles and the differences between segment reporting and reporting according to IFRS, see note 1 and 3. For information on alternative performance measures, see the section Alternative performance measures and definitions.

Summary according to segment reporting

July – September 2022

- Net sales SEK 16,685 million (16,121)
- Operating profit SEK 993 million (1,101)
- Operating margin 6.0 percent (6.8)
- Pre-tax profit SEK 963 million (1,095)
- Earnings per share SEK 2.69 (2.89)
- Orders received SEK 13,095 million (13,865)
- Cash flow before financing SEK 805 million (781)

January – September 2022

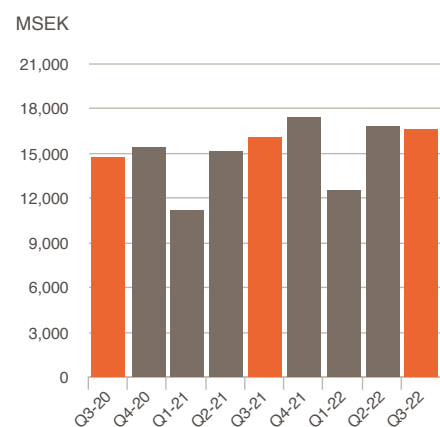
- Net sales SEK 46,087 million (42,506)
- Operating profit SEK 1,888 million (1,852)
- Operating margin 4.1 percent (4.4)
- Pre-tax profit SEK 1,852 million (1,836)
- Earnings per share SEK 5.09 (4.88)
- Orders received SEK 42,804 million (41,405)
- Order backlog SEK 48,762 million (46,280)
- Cash flow before financing SEK -1,058 million (576)
- Net debt SEK 5,886 million (4,461)
- Net debt/equity ratio 0.4 (0.3)

Group

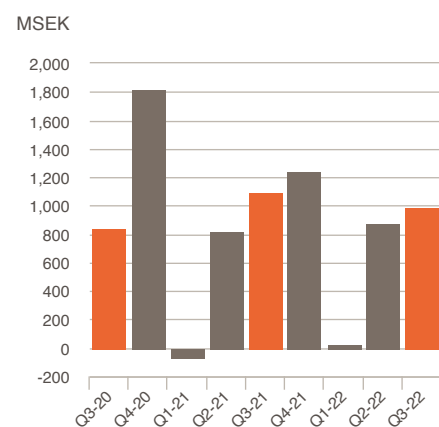
MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Segment reporting						
Net sales	16,685	16,121	46,087	42,506	63,607	60,026
Operating profit	993	1,101	1,888	1,852	3,134	3,098
Operating margin, %	6.0	6.8	4.1	4.4	4.9	5.2
Pre-tax profit	963	1,095	1,852	1,836	3,092	3,076
Profit for the period	788	854	1,495	1,440	2,562	2,507
Earnings per share, SEK	2.69	2.89	5.09	4.88	8.71	8.50
Return on equity, % ¹⁾	17.7	23.4	17.7	23.4	17.7	18.5
Return on capital employed, % ¹⁾	14.3	19.0	14.3	19.0	14.3	15.6
Net debt	5,886	4,461	5,886	4,461	5,886	2,404
Net debt/equity ratio, multiple	0.4	0.3	0.4	0.3	0.4	0.2
Equity/assets ratio, %	33.5	34.4	33.5	34.4	33.5	36.3
Cash flow before financing	805	781	-1,058	576	1,407	3,041
Number of employees ¹⁾	15,519	15,543	15,519	15,543	15,519	15,454
Reporting according to IFRS						
Net sales, IFRS	16,197	15,488	44,792	41,419	62,296	58,923
Operating profit, IFRS	916	1,025	1,671	1,666	2,980	2,975
Pre-tax profit, IFRS	874	1,006	1,600	1,611	2,891	2,902
Profit for the period, IFRS	711	780	1,273	1,256	2,394	2,377
Earnings per share, IFRS, SEK	2.43	2.65	4.34	4.26	8.14	8.06
Net debt, IFRS	15,789	11,666	15,789	11,666	15,789	10,515
Equity/assets ratio, IFRS, %	25.9	27.2	25.9	27.2	25.9	29.0
Cash flow before financing, IFRS	520	577	-2,655	-567	-1,036	1,052

¹⁾ Calculated on rolling 12 months

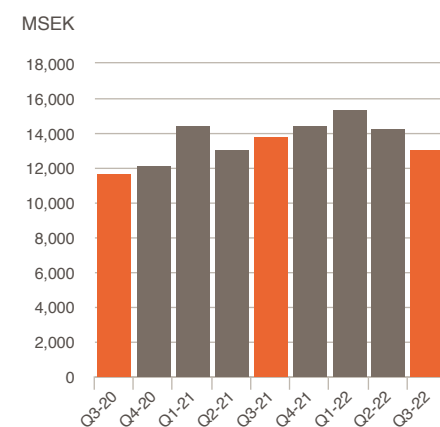
Net sales



Operating profit



Orders received



Comments from the CEO

Peab reported continued growth in net sales after the first nine months of the year. We continue to handle cost increases well although they have not been fully compensated. The level of orders was relatively stable although homes were a smaller portion.

Group development

Group net sales increased by eight percent during the first nine months of the year and amounted to SEK 46,087 million (42,506). High material and energy costs are behind most of the increase in net sales. Operating profit for the period was SEK 1,888 million (1,852) and the operating margin was 4.1 percent (4.4). The higher costs continued to impact the operating margin during the third quarter. Cash flow before financing amounted to SEK -1,058 million (576) and the decrease mainly refers to more tied-up working capital and investments.

Business area development

Net sales in business area Construction increased by ten percent during the first nine months of the year, primarily related to Swedish and Norwegian operations. The operating margin contracted to 2.2 percent (2.7) as a result of not being able to fully compensate for cost increases in projects received before the outbreak of war in Ukraine. Net sales in business area Civil Engineering grew by four percent and the operating margin was unchanged at 3.0 percent (3.0). The combined operating margin for both construction contract businesses for the nine month period amounted to 2.5 percent (2.8).

Net sales in business area Industry, where paving operations were in full swing during the quarter, increased by 16 percent for the first nine months of the year. The operating margin was 2.9 percent (3.8). Higher costs for energy and fuel had a negative effect primarily on paving operations while the other segments of the business area reported unchanged or improved profitability.

In business area Project Development net sales increased by five percent attributable to property divestments in Property Development. Profitability is stable in the business area but the rate of home sales, particularly in Sweden, is dwindling. The operating margin in Housing Development was 10.5 percent (10.9). In Property Development property divestments and profit contributions from our partially owned companies have contributed to higher profitability.

Production-starts of our own housing developments and sales were considerably lower compared to the corresponding quarter last year. Interest rate developments in the Nordic countries have led to a more wary housing market. The dwindling rate of home sales has a negative impact on the conditions for production-starts going forward. The sales rate per September 30, 2022 was 72 percent (77) in ongoing projects.



“Over time there is a great need for our products and services on the markets we deliver to.”

Order situation

The level of orders received was relatively stable in the third quarter, amounting to SEK 13.1 billion (13.9), and is well spread geographically and in product area although the portion of orders for homes diminished. Order backlog yet to be produced at the end of the period increased and was SEK 48.8 billion (46.3). Of the total order backlog 77 percent (74) will be produced after 2022 (2021).

Three targets updated

In this quarter we present the outcome for three of our nine external targets: serious accidents, operating margin and net debt/equity ratio.



The serious accidents has unfortunately remained on a high level in the third quarter and there were 48 per a rolling twelve month period (48 after half the year). In order to heighten our safety culture and turn the tide we have intensified our preventive work on the work environment.

Our target is to over time have an operating margin that surpasses 6 percent and in the latest rolling 12 month period the operating margin was 4.9 percent. The net debt/equity ratio was 0.4, which is in the middle of the target interval 0.3-0.7.

Market and prospects for the future

Long-term interest rates have continued to rise and in Sweden The Riksbank raised the policy interest rate further during the quarter, by 1 point in September. Inflation has tightened its grip on the global economy and several central banks indicate further hikes in interest rates.

Our market assessments are based on Navet's Nordic market forecasts that show Nordic market prospects in construction and civil engineering have been adjusted down slightly for 2022, mainly due to a downward adjustment in civil engineering in Sweden. The collective market prospects for 2023 are declining, decreasing in both housing and other building construction while the forecast for civil engineering is an upturn.

How the market will develop is difficult to predict with so much uncertainty about the cost of energy, input goods and interest rates. Our organization continues to handle these challenges well, although we have seen some impact on the operating margin. We continually adjust and streamline our operations to curb rising construction costs. We deal with possible price hikes within existing contracts and in new bids we tender systematically, based on operational and contractual circumstances in order to handle each unique project and situation. This requires a close dialogue with our subcontractors, suppliers and customers.

Regarding Cementa's permit process for Slite we are following developments closely. We continue to work on our own binder alternatives and securing the supply of cement by importing it ourselves. The continued uncertainty about long-term access to cement in Sweden can, however, make the market even more unstable.

Peab is a stable and financially strong, well consolidated company. We have a solid business model with four collaborating business areas – and thereby a broad offer – which makes us less vulnerable in the current market situation. Over time there is a great need for our products and services on the markets we deliver to. With our engaged employees and their expertise we are well-equipped for today and tomorrow.

*Jesper Göransson
President and CEO*

Net sales and profit

July – September 2022

Group net sales during the third quarter 2022 increased by three percent and amounted to SEK 16,685 million (16,121). Most of the increase is explained by higher material and energy costs which have affected pricing to customers.

Net sales in business area Construction increased by five percent and the increase refers to all countries. Net sales in business area Civil Engineering increased by nine percent due to greater activity in Infrastructure and Operation and maintenance. Net sales in business area Industry increased by 14 percent. The increase is primarily related to Paving, Concrete, Transport & Machines and Construction System. Net sales in business area Project Development decreased. Net sales declined in Housing Development as a result of fewer production starts and a lower rate of homes sold while net sales in Property Development rose due to property divestitures.

Operating profit for the third quarter 2022 amounted to SEK 993 million (1,101) and the operating margin was 6.0 percent (6.8). Higher construction costs and price hikes for energy and certain raw materials have had some negative impact on the operating margin.

In business area Construction the operating margin decreased to 2.0 percent (2.7), while business area Civil Engineering had an unchanged operating margin of 3.3 percent (3.3). All in all the operating margin for construction contract operations amounted to 2.5 percent (2.9). Business area Industry reported a lower operating margin of 7.3 percent (9.3) which was largely related to Paving where hikes in energy and fuel prices had a negative effect. The operating margin in Project Development was unchanged at 11.9 percent compared to the third quarter 2021. In Housing Development the operating margin was 9.0 percent (9.5). The number of production-started homes was lower compared to the corresponding quarter 2021. During the third quarter the market has become more wary with fewer homes sold, particularly in Sweden. Operating profit in Property Development was higher since profit contributions from partially owned companies were better. Property transactions had a positive effect of SEK 61 million (41).

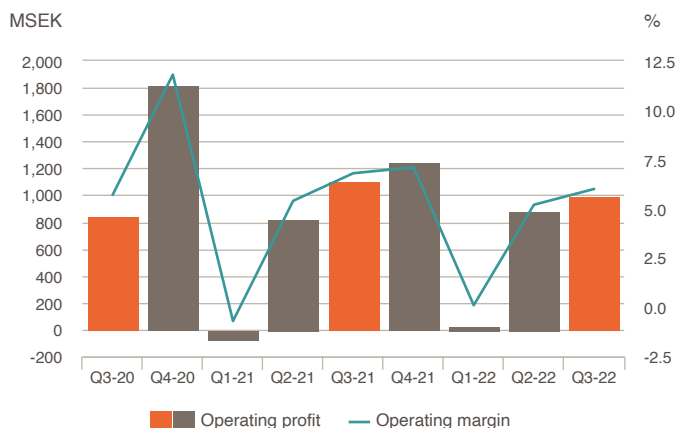
Depreciation and write-downs for the third quarter were SEK -336 million (-360).

Elimination and reversal of internal profit in our own projects have affected operating profit during the quarter net by SEK -8 million (-10).

Net financial items amounted to SEK -30 million (-6) of which net interest was SEK -33 million (-16).

Pre-tax profit was SEK 963 million (1,095). Profit for the period was SEK 788 million (854).

Operating profit and operating margin, per quarter



Harg harbor
Östhammar

January – September 2022

Group net sales for the period January-September 2022 increased by eight percent and amounted to SEK 46,087 million (42,506). After adjustments for acquired and divested units and exchange rate effects net sales increased by seven percent. A large part of the increase is explained by higher material and energy costs which have affected pricing to customers. Of the period's net sales SEK 13,959 million (12,852) were attributable to sales and production outside Sweden. Net sales during the latest rolling 12 month period were SEK 63,607 million compared to SEK 60,026 million for the full year 2021. The proportion of public sector customers was 41 percent (46) while private customers represented 59 percent (54) of total net sales.

Net sales in business area Construction increased by ten percent and the increase was related to the Swedish and Norwegian operations. Net sales in business area Civil Engineering increased by four percent with increases in Infrastructure and Operation and maintenance. Net sales in business area Industry increased by 16 percent with the increase primarily related to Paving, Concrete and Construction System. In business area Project Development net sales increased by five percent where the increase was generated in Property Development due to a positive impact from property sales. In Housing Development net sales decreased slightly, declining in Finland and Norway while increasing somewhat in Sweden.

Operating profit for the period January-September 2022 amounted to SEK 1,888 million (1,852) and the operating margin was 4.1 percent (4.4). In the latest rolling 12 month period the operating margin amounted to 4.9 percent compared to 5.2 percent for the entire year of 2021. During 2021 and 2022 prices for material and energy have risen dramatically. We have for the most part handled price hikes and delivery disruptions through adjustments and streamlining but since we have not been able to fully compensate for cost increases they have had negative impact on the operating margin.

In business area Construction the operating margin was 2.2 percent (2.7) where the effect of rising costs was apparent in all countries. In business area Civil Engineering the operating margin was unchanged at 3.0 percent (3.0). All in all the operating margin for construction contract operations amounted to 2.5 percent (2.8). Operating margin in business area Industry was 2.9 percent (3.8). The operating profit in Paving was lower as a result of higher energy and fuel costs that have not been fully recompensed through higher prices to customers, particularly in Norway, Finland and Denmark. Other product areas in business area Industry reported more or less unchanged or improved profitability. The operating profit in Project Development improved during the period where the increase refers to Property Development and is largely due to higher contributions from partially owned companies. Capital gains from property transactions amounted to SEK 83 million (67).

The operating margin in Housing Development was 10.5 percent (10.9). A greater number of homes in production has had a positive effect during the period even though the number of production-starts has been lower. During the third quarter the market has become more wary, especially in Sweden.

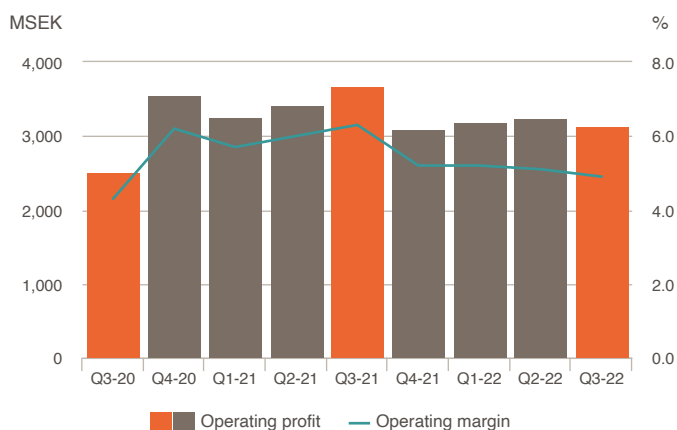
Depreciation and write-downs for the period were SEK -984 million (-1,000).

Elimination and reversal of internal profit in our own projects have affected operating profit during the period net by SEK -31 million (-25).

Net financial items amounted to SEK -36 million (-16) of which net interest was SEK -66 million (-44). In net financial items exchange rate differences had an effect of SEK -4 million (9).

Pre-tax profit was SEK 1,852 million (1,836). Profit for the period was SEK 1,495 million (1,440).

Operating profit and operating margin, rolling 12 months



Seasonal variations

Group operations, particularly in Industry and Civil Engineering, are affected by fluctuations that come with the cold weather during the winter half of the year. Normally the first quarter is weaker than the rest of the year. The seasonal pattern has now become even stronger due to the acquisition in April 2020 of the paving and mineral aggregates operations in business area Industry.



Financial position and cash flow

Financial position

Total assets per September 30, 2022 were SEK 43,191 million (39,358). Equity amounted to SEK 14,469 million (13,556) which means the equity/assets ratio was 33.5 percent compared to 34.4 percent at the end of the corresponding period last year.

Interest-bearing net debt at the end of September 2022 amounted to SEK 5,886 million (4,461). Net debt includes project financing for the unsold part of our own housing development projects as long as they are in production. The unsold part was SEK 1,768 million (947) and the increase is explained by more housing projects in production compared to the same period last year. The net debt has also been affected by the repurchase of own shares with SEK 418 million (-). The average interest rate in the loan portfolio, including derivatives, was 2.4 percent (1.4) on September 30, 2022.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 8,164 million at the end of the period compared to SEK 8,203 million on September 30, 2021.

As a consequence of Peab consolidating Swedish tenant-owner associations per January 1, 2020 according to IFRS, surety for tenant-owner associations under production is not reported. When homebuyers take possession of their apartments and the tenant-owner association is no longer consolidated in Peab's accounts, Peab then reports the part of surety that covers unsold homes. Peab has a guarantee obligation to acquire unsold homes six months after completion. Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 2,749 million at the end of the period compared to SEK 3,229 million on December 31, 2021. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 80 million of contingent liabilities compared to SEK 19 million on December 31, 2021.

Investments and divestments

During the quarter tangible and intangible fixed assets were net invested for SEK 505 million (551). The investments refer primarily to investments in machines. During the period January-September 2022 tangible and intangible fixed assets were net invested for SEK 1,322 million (1,159). The investments refer primarily to investments in machines.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 156 million (net divestments by SEK 300 million) during the quarter. Net investments in project and development properties totaled SEK 845 million (net divestments by SEK 111 million) during the period January-September 2022. Project and development properties include the unsold part of our own ongoing housing development projects.

Net debt

MSEK	Sep 30 2022	Sep 30 2021	Dec 31 2021
Bank loans	3,498	1,347	1,285
Commercial papers	284	1,403	1,206
Bonds	2,747	2,748	2,746
Financial leasing liabilities	713	690	699
Project financing, unsold part of housing projects	1,768	947	958
Other interest-bearing liabilities	67	-	11
Interest-bearing receivables	-1,407	-1,873	-1,550
Liquid funds	-1,784	-801	-2,951
Net debt, segment reporting	5,886	4,461	2,404
Additional leasing liabilities according to IFRS 16	1,591	1,774	1,720
Project financing, sold part of housing projects	8,312	5,431	6,391
Net debt, IFRS	15,789	11,666	10,515

Net debt and net debt/equity ratio



Cash flow

July – September 2022

Cash flow from current operations was SEK 1,188 million (2,115), of which cash flow from changes in working capital was SEK 140 million (831). In the quarter, the lower cash flow is mainly attributable to Project Development.

Cash flow from investment activities was SEK -383 million (-1,334). Investments during the quarter consisted mainly of machines and vehicles in business area Industry. Last year included, in addition to machine investments in Industry, business combinations in Civil Engineering as well as increased engagement in joint ventures in Project Development.

Cash flow before financing was SEK 805 million (781).

Cash flow from financing operations amounted to SEK -338 million (-323), of which repurchase of own shares was SEK -293 million (-).

January – September 2022

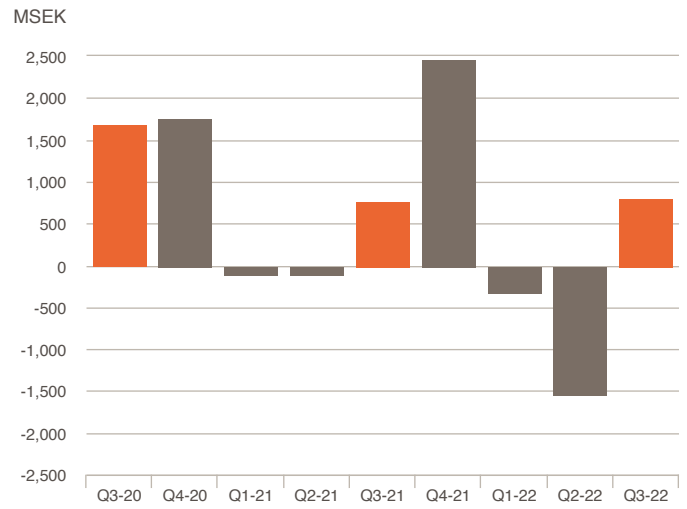
Cash flow from current operations amounted to SEK -331 million (2,355), of which cash flow from changes in working capital was SEK -2,295 million (95). The negative cash flow from changes in working capital refers to business areas Construction, Civil Engineering and Industry while cash flow in business area Project Development was relatively unchanged. Cash flow from current operations included dividends from partially owned companies of SEK 20 million (111).

Cash flow from investment activities was SEK -727 million (-1,779). Investments during the period consisted of machines and vehicles in business area Industry. Cash flow was affected positively by repayment of loan receivables in business area Project Development. Last year included, in addition to machine investments in Industry, business combinations in Civil Engineering as well as increased engagement in joint ventures in Project Development.

Cash flow before financing was SEK -1,058 million (576).

Cash flow from financing operations amounted to SEK -120 million (-764), of which paid dividends were SEK -1,475 million (-1,327) and repurchase of own shares was SEK -418 million (-).

Cash flow before financing



Order situation

July – September 2022

The level of orders received in the third quarter 2022 amounted to SEK 13,095 million compared to SEK 13,865 million for the same quarter last year.

Orders received were higher in business areas Construction and Industry compared to the third quarter 2021. Orders in business area Construction included the renovation and rebuilding of the southern part of Sperlingens Backe neighborhood at Stureplan in central Stockholm worth around SEK 2 billion. Orders received were lower in business area Project Development as a result of fewer production starts of our own housing developments.

January – September 2022

The level of orders received in the period January-September 2022 amounted to SEK 42,804 million compared to SEK 41,405 million for the same period last year.

Orders received in business area Civil Engineering and Industry increased while orders received in business area Project Development contracted due to fewer production started housing projects. The level of orders received in business area Construction was relatively unchanged compared to the corresponding period in 2021.

Order backlog yet to be produced at the end of the period amounted to SEK 48,762 million compared to SEK 46,280 million at the end of the same period last year. Of the total order backlog, 77 percent (74) is expected to be produced after 2022 (2021). Swedish operations accounted for 78 percent (77) of the order backlog.

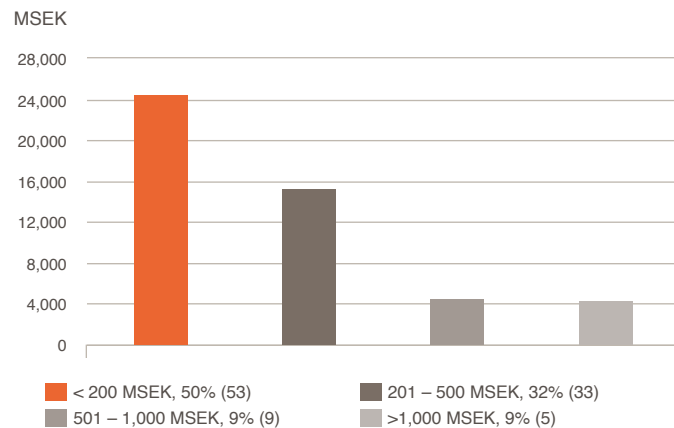
Orders received

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Construction	8,490	8,225	21,411	21,342	30,972	30,903
Civil Engineering	2,618	3,583	11,973	11,803	14,989	14,819
Industry	2,212	2,012	9,661	8,313	11,916	10,568
Project Development	1,541	1,893	5,566	6,896	8,651	9,981
Eliminations	-1,766	-1,848	-5,807	-6,949	-9,281	-10,423
Group	13,095	13,865	42,804	41,405	57,247	55,848

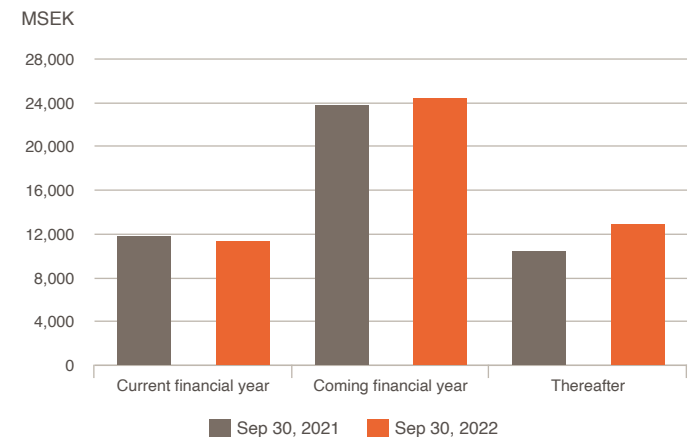
Order backlog

MSEK	30 Sep 2022	30 Sep 2021	Dec 31 2021
Construction	31,052	28,697	30,142
Civil Engineering	15,485	15,066	13,955
Industry	4,325	4,427	3,886
Project Development	6,505	6,045	6,555
Eliminations	-8,605	-7,955	-9,220
Group	48,762	46,280	45,318

Project size of order backlog, September 30, 2022



Order backlog allocated over time



We received a number of major construction projects and contracts in the third quarter, including:

- + Renovation of rental apartments for Helsingin kaupungin asunnot Oy (HEKA) in Pihlajisto in Helsinki. The contract is worth EUR 13 million.
- + Renovation and rebuilding the southern part of Sperlingens Backe neighborhood at Stureplan in central Stockholm. The customer is Sturegallerian AB. The contract amounts to approximately SEK 2 billion.
- + Construction of a long stay hotel with 15 floors in Espoo. The customer is NREP. The contract is worth EUR 46 million.
- + Construction of Haganäs School in Åstorp northeast of Helsingborg. The customer is Björnekulla Fastighets AB. The contract is worth SEK 251 million.
- + Construction of a new elementary school in Meistervik in Balsfjord in Norway. The customer is Balsfjord Municipality. The contract is worth NOK 139 million.
- + Construction of a new swimming pool facility in Malung. The customer is Malung-Sälen Municipality. The contract is worth SEK 216 million.
- + Construction of an office building on Östra Piren in Karlshamn. The customer is Karlshamnsfastigheter AB. The contract is worth SEK 239 million.
- + Rebuilding of Säråla School in Borås into a modern school with room for some 500 students. The customer is Borås City. The contract is worth SEK 240 million.
- + Construction of infrastructure for the new housing tract Näsby in Linköping. The customer is Linköping Municipality and Tekniska verken. The contract is worth SEK 104 million.
- + Construction of 78 apartments in Limhamn in Malmö. The customer is HSB Projekt i Malmö HB. The contract is worth SEK 194 million.
- + Construction of a production plant for pharmaceuticals in Lund. The customer is Wihlborgs Fastigheter AB. The contract is worth SEK 125 million.
- + Commission to take responsibility for construction and concrete work at Vinnelys substation in Nordreisa Municipality. The customer is Statnett SF. The contract is worth NOK 169 million.

A number of our own housing development projects were production-started in the third quarter, including:

- + Brf Parkstråket in Västerås comprising 45 apartments. The property will be certified according to the Swan environmental certification and residents will have electric car chargers in the garage and a car pool will be available. The project is expected to be completed in September 2024.
- + Brf Östra Citygården in Partille comprising 106 apartments. The property will be built in direct connection to mass transit and certified according to the Swan environmental certification. The project is expected to be completed in December 2024.
- + Brf Celcius in Eriksberg comprising 91 apartments. The property will be certified according to the Swan environmental certification and offer space for co-working to reduce traveling. The project is expected to be completed in December 2024.
- + Brf Disponenten in Nacka comprising 91 apartments. The property will be certified according to the Swan environmental certification and offer a bicycle center and car pool. The project is expected to be completed in December 2026.
- + Turun Station East in Turku comprising 65 apartments. The project is expected to be completed in April 2024.

We received a number of federal and regional paving contracts in the third quarter, including:

- + One-year regional contract in Nord-Troms worth NOK 41 million. The asphalt volume is in total 16,000 tons.
- + One-year federal contract in southern Österbotten worth EUR 4.2 million. The asphalt volume is in total 38,000 tons.
- + One-year federal contract in Southwest Finland worth EUR 3.6 million. The asphalt volume is in total 36,000 tons.
- + One-year federal contract in southeast Finland worth EUR 1.8 million. The asphalt volume is in total 16,000 tons.
- + One-year federal contract in central Finland worth EUR 1 million. The asphalt volume is in total 5,000 tons.

Overview business areas

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments.

In addition to the business areas central companies, certain subsidiaries and other holdings are presented as Group functions.

The central companies primarily consist of the parent company Peab AB, Peab Finans AB, Peab Support (Shared Service Center) and Peab Utveckling AB.

For more information regarding the differences between segment reporting and reporting according to IFRS, see note 1 and note 3.

Net sales and operating profit per business area

MSEK	Net sales						Operating profit					
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Construction	6,306	5,989	20,669	18,833	28,816	26,980	126	164	463	502	672	711
Civil Engineering	3,584	3,285	10,560	10,118	14,622	14,180	118	109	319	307	483	471
Industry	7,096	6,198	15,775	13,649	20,913	18,787	519	576	464	518	884	938
Project Development	2,234	2,741	6,675	6,380	9,792	9,497	265	326	818	791	1,264	1,237
– of which Property Development	304	33	483	96	908	521	91	70	168	109	290	231
– of which Housing Development	1,930	2,708	6,192	6,284	8,884	8,976	174	256	650	682	974	1,006
Group functions	380	318	1,123	946	1,491	1,314	-27	-64	-145	-241	-132	-228
Eliminations	-2,915	-2,410	-8,715	-7,420	-12,027	-10,732	-8	-10	-31	-25	-37	-31
Group, segment reporting	16,685	16,121	46,087	42,506	63,607	60,026	993	1,101	1,888	1,852	3,134	3,098
Adjustment housing to IFRS	-488	-633	-1,295	-1,087	-1,311	-1,103	-86	-86	-244	-204	-192	-152
IFRS 16, additional leases	-	-	-	-	-	-	9	10	27	18	38	29
Group, IFRS	16,197	15,488	44,792	41,419	62,296	58,923	916	1,025	1,671	1,666	2,980	2,975
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>9,890</i>	<i>9,274</i>	<i>31,229</i>	<i>28,951</i>	<i>43,438</i>	<i>41,160</i>	<i>244</i>	<i>273</i>	<i>782</i>	<i>809</i>	<i>1,155</i>	<i>1,182</i>

Percent	Operating margin					
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Construction	2.0	2.7	2.2	2.7	2.3	2.6
Civil Engineering	3.3	3.3	3.0	3.0	3.3	3.3
Industry	7.3	9.3	2.9	3.8	4.2	5.0
Project Development	11.9	11.9	12.3	12.4	12.9	13.0
– of which Property Development	29.9	212.1	34.8	113.5	31.9	44.3
– of which Housing Development	9.0	9.5	10.5	10.9	11.0	11.2
Group functions						
Eliminations						
Group, segment reporting	6.0	6.8	4.1	4.4	4.9	5.2
Adjustment housing to IFRS						
IFRS 16, additional leases						
Group, IFRS	5.7	6.6	3.7	4.0	4.8	5.0
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>2.5</i>	<i>2.9</i>	<i>2.5</i>	<i>2.8</i>	<i>2.7</i>	<i>2.9</i>

Business area Construction

With local roots close to customers business area Construction does construction work for both external and internal customers. Construction projects include everything from new production of housing, public and commercial premises to renovations and extensions as well as construction maintenance.

Operations in business area Construction are run via some 150 local offices around the Nordic area, organized in twelve regions in Sweden, three in Norway and two in Finland. There are specialized housing production units in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide region in Sweden focused on the big city areas. Other regions are responsible for all types of construction projects in their geographic area.

Net sales and profit

July – September 2022

Net sales for the third quarter 2022 increased by five percent and amounted to SEK 6,306 million (5,989). The increase was generated in all countries and is mainly explained by higher costs for material and energy, which has affected prices to customers.

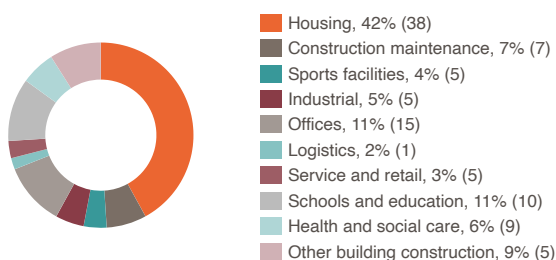
Operating profit for the third quarter decreased to SEK 126 million (164) and the operating margin shrunk to 2.0 percent (2.7). Higher costs for material and energy have for the most part been managed by raising customer prices as well as making adjustments and streamlining but since we have not been able to completely compensate cost increases they have had a negative impact on the operating margin.

January – September 2022

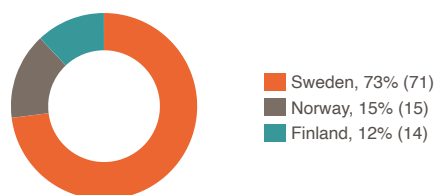
Net sales for the period January-September 2022 increased by ten percent and amounted to SEK 20,669 million (18,833).

Net sales

per product area, rolling 12 months

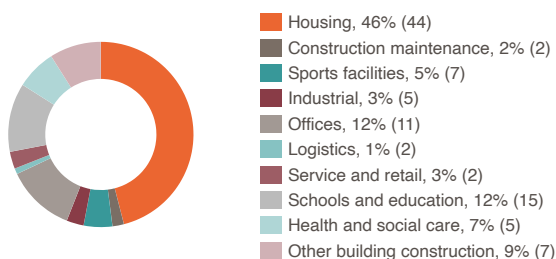


per geographic market, rolling 12 months

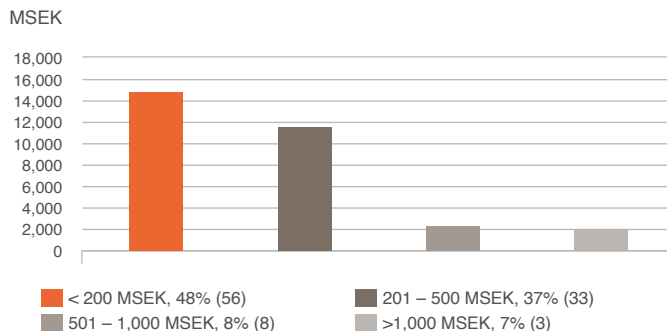


Order backlog, September 30, 2022

per product area



per project size



Key ratios

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales, MSEK	6,306	5,989	20,669	18,833	28,816	26,980
Operating profit, MSEK	126	164	463	502	672	711
Operating margin, %	2.0	2.7	2.2	2.7	2.3	2.6
Orders received, MSEK	8,490	8,225	21,411	21,342	30,972	30,903
Order backlog, MSEK	31,052	28,697	31,052	28,697	31,052	30,142
Operating cash flow, MSEK	102	184	-65	985	604	1,654
Number of employees ¹⁾	5,859	5,841	5,859	5,841	5,859	5,796

¹⁾ Calculated on rolling 12 months

The increase is attributable to Swedish and Norwegian operations and is mainly explained by higher costs for material and energy, which has affected prices to customers.

Operating profit for the period January-September amounted to SEK 463 million (502) and the operating margin was 2.2 percent (2.7). The operating margin was down in both Sweden and Finland. For the latest rolling 12 month period the operating margin was 2.3 percent compared to 2.6 percent for the entire year of 2021. During 2021 and 2022 there have been significant price hikes for material and energy as well as delivery disturbances. Higher costs for material and energy have for the most part been managed by raising customer prices as well as making adjustments and streamlining but since we have not been able to completely compensate cost increases they have had a negative impact on the operating margin.

Orders received and order backlog

July – September 2022

Orders received during the third quarter increased and amounted to SEK 8,490 million (8,225). Orders received are well spread among products and geography although the percentage of housing is lower. During the quarter Peab has been commissioned to renovate and rebuild the southern part of Sperlingens Backe neighborhood at Stureplan in central Stockholm. The customer is Sturegallerian AB and the contract is worth around SEK 2 billion.

January – September 2022

Orders received during the period January-September 2022 were SEK 21,411 million (21,342). Order backlog on September 30, 2022 increased and amounted to SEK 31,052 million compared to SEK 28,697 million at the end of September 2021.

Business area Civil Engineering

Business area Civil Engineering is a leading player in Sweden and has operations in Norway. Civil Engineering works with landscaping and pipelines, builds and maintains roads, railroads, bridges and other infrastructure as well as does foundation work. Operations are organized in geographic regions and the specialized product areas Local market, Infrastructure and heavy construction and Operation and maintenance.

Local market works with landscaping and pipelines, does foundation work and builds different kinds of facilities as well as offers services in power and electricity distribution. Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. Operation and maintenance maintains federal and municipal road and street networks, tends parks and outdoor property as well as maintains water and wastewater networks.

Net sales and profit

July – September 2022

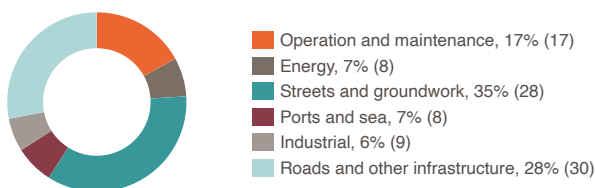
Net sales for the third quarter 2022 increased by nine percent to SEK 3,584 million (3,285). The increase is explained by greater activity in Infrastructure and Operation and maintenance. Operating profit amounted to SEK 118 million (109) and the operating margin was 3.3 percent (3.3). Higher construction and energy costs have in general been compensated by charging higher prices to customers but have had a negative effect on the operating margin.

January – September 2022

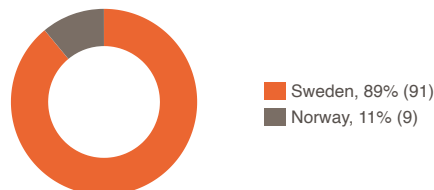
Net sales during the period January-September 2022 increased by four percent and amounted to SEK 10,560 million (10,118).

Net sales

per product area, rolling 12 months

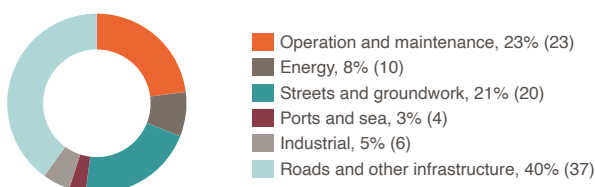


per geographic market, rolling 12 months

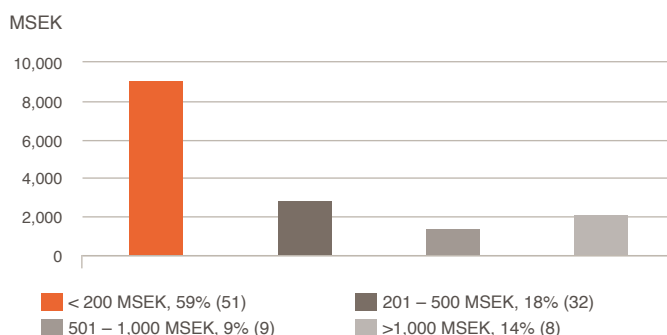


Order backlog, September 30, 2022

per product area



per project size



Key ratios

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales, MSEK	3,584	3,285	10,560	10,118	14,622	14,180
Operating profit, MSEK	118	109	319	307	483	471
Operating margin, %	3.3	3.3	3.0	3.0	3.3	3.3
Orders received, MSEK	2,618	3,583	11,973	11,803	14,989	14,819
Order backlog, MSEK	15,485	15,066	15,485	15,066	15,485	13,955
Operating cash flow, MSEK	241	289	97	701	317	921
Number of employees ¹⁾	3,573	3,658	3,573	3,658	3,573	3,634

¹⁾ Calculated on rolling 12 months

After adjustments for acquired units and exchange rate effects net sales increased by three percent. Net sales are well spread among different product areas.

Operating profit for the period was SEK 319 million (307) and the operating margin was unchanged at 3.0 percent compared to the same period last year. The operating margin for the latest 12 month period was 3.3 percent, which was unchanged compared to the full year 2021. During 2021 and 2022 prices for material and energy rose considerably. We have handled the price hikes as well as delivery disturbances through adjusting and streamlining operations, but since we have not been able to completely compensate cost increases they have had a negative impact on the operating margin.

Orders received and order backlog

July – September 2022

The level of orders received during the third quarter 2022 amounted to SEK 2,618 million (3,583). In orders received there is a good spread in product areas and geography.

January – September 2022

Orders received during the period January-September 2022 increased to SEK 11,973 million (11,803). Order backlog on September 30, 2022 amounted to SEK 15,485 million (15,066). Roads and other infrastructure generated the largest portion of order backlog with 40 percent (37). Orders received included rebuilding the lock canal in Södertälje of SEK 1.5 billion for The Swedish Transport Administration.

Business area Industry

Business area Industry provides the products and services needed to carry out sustainable and cost-efficient construction and civil engineering projects on the Nordic market. With local roots we take on jobs big and small.

Industry offers everything from mineral aggregates, concrete, paving and temporary electricity to prefabricated concrete elements. Business area Industry also assists with crane and machine rental, distribution of binder to the concrete industry, transportation as well as recycles production waste and excavated soil. The business area is run in six product areas: Mineral Aggregates, Paving, Concrete, Transportation and Machines, Rentals and Construction System.

Net sales and profit

July – September 2022

Net sales for the third quarter 2022 increased by 14 percent and amounted to SEK 7,096 million (6,198). The increase was primarily related to Paving, Concrete, Transportation and Machines and Construction system. The higher price for bitumen in Paving as well as higher material and energy costs in other product areas have affected prices to customers. Operating profit was SEK 519 million (576) and the operating margin amounted to 7.3 percent (9.3). The lower operating margin is largely due to Paving where higher energy and fuel costs have had a negative effect.

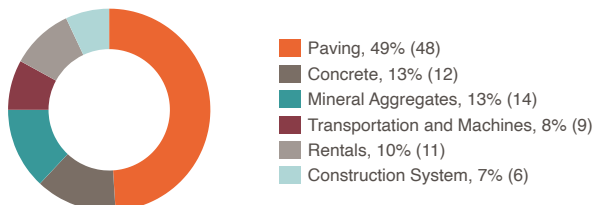
January – September 2022

Net sales for the period increased by 16 percent and amounted to SEK 15,775 million (13,649). Adjusted for acquired and divested units and exchange rate effects, net sales increased by 14 percent. The increase was primarily related to Paving, Concrete and Construction system. The higher price for bitumen in Paving as well as higher material and energy costs in other product areas have affected prices to customers.

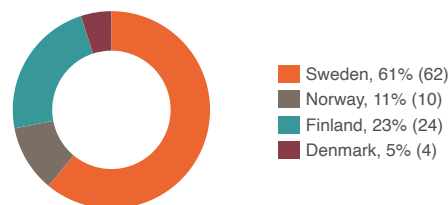
Operating profit amounted to SEK 464 million (518) and the operating margin was 2.9 percent (3.8). The operating profit in Paving was lower as a result of higher energy and fuel costs that have not been fully recompensed through higher prices to customers, particularly in Norway, Finland and Denmark. Other product areas in business area Industry reported more or less unchanged or improved profitability.

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales, MSEK	7,096	6,198	15,775	13,649	20,913	18,787
Operating profit, MSEK	519	576	464	518	884	938
Operating margin, %	7.3	9.3	2.9	3.8	4.2	5.0
Orders received, MSEK	2,212	2,012	9,661	8,313	11,916	10,568
Order backlog, MSEK	4,325	4,427	4,325	4,427	4,325	3,886
Capital employed at the end of the period, MSEK	10,957	9,764	10,957	9,764	10,957	9,266
Operating cash flow, MSEK	452	299	-1,016	-438	-71	507
Number of employees ¹⁾	5,101	5,141	5,101	5,141	5,101	5,110
Concrete, thousands of m ³ ²⁾	385	351	1,008	994	1,393	1,379
Paving, thousands of tons ²⁾	3,283	3,039	5,598	5,384	7,645	7,431
Mineral Aggregates, thousands of tons ²⁾	7,416	8,877	21,452	23,472	29,742	31,762

¹⁾ Calculated on rolling 12 months

²⁾ Refers to sold volume

The operating margin in the latest rolling 12 month period was 4.2 percent compared to 5.0 percent for the entire year 2021.

Capital employed at the end of the period was SEK 10,957 million compared to SEK 9,764 million at the end of the corresponding period last year. The increase is mainly explained by the increase in working capital and machine investments.

Orders received and order backlog

July – September 2022

Orders received during the third quarter 2022 increased and amounted to SEK 2,212 million (2,012).

January – September 2022

Orders received during the period increased and amounted to SEK 9,661 million (8,313). Order backlog on September 30, 2022 was SEK 4,325 million (4,427).

Acquisition of Asfaltti-System Oy

On July 1, 2022 Peab acquired Asfaltti-System Oy, a company in Kouvola in southern Finland that works with manufacturing components and maintenance in the asphalt and concrete industry. The acquisition strengthens Peab Industry's maintenance and service operations. Net sales in the acquired company were EUR 4.4 million in the fiscal year 2021/2022 and the company has 35 employees. Asfaltti-System Oy will provide services to Peab's Nordic operations in both asphalt and factory concrete.

Byggelement doubles production capacity of concrete elements

Byggelement, one of Sweden's leading suppliers of complete frame systems in concrete and prefabricated concrete elements, invests in close a half billion Swedish kronas to increase production in its plants in Ucklum and Hallstahammar. The factories will thereby become complete suppliers of highly industrialized products and will be able to produce concrete elements with at least 50 percent alternative binder as standard. The expansion in Ucklum is expected to be finished in the fall of 2023 and in Hallstahammar at the end of 2023 – beginning of 2024.

Business area Project Development

Business area Project Development, which comprises Housing Development and Property Development, creates sustainable and vibrant urban environments with residential, commercial and public property.

The business area is responsible for the Group's property acquisitions and divestitures as well as project development which generates contract work for the other business areas. Project Development works through wholly owned companies or in collaboration with other partners in joint ventures. Peab's primary ambition is to work with development projects on our own balance sheet. Collaboration with other partners via joint ventures may take place from time to time during a project. The goal is to create capital efficient developments with partners that boost the business and thereby profitability.

Housing Development develops all kinds of homes on the Nordic market such as apartment buildings in tenancy ownership, ownership and rental form as well as single homes.

Property Development processes and develops office buildings, premises and sometimes entire city boroughs in collaboration with municipalities and other partners. Operations are primarily concentrated to the big city areas throughout the Nordic region.

Net sales and profit

July – September 2022

Net sales for the third quarter 2022 in Project Development amounted to SEK 2,234 million (2,741). The decrease is related to Housing Development. Operating profit amounted to SEK 265 million (326).

January – September 2022

Net sales for the period January-September 2022 increased by five percent to SEK 6,675 million (6,380). The increase is attributable to Property Development. Operating profit improved to SEK 818 million (791) and the operating margin was 12.3 percent (12.4).

Capital employed in Project Development at the end of the period amounted to SEK 14,173 million (13,685). The increase primarily refers to higher investments in project and development property.

Key ratios

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales, MSEK	2,234	2,741	6,675	6,380	9,792	9,497
<i>of which Property Development</i>	304	33	483	96	908	521
<i>of which Housing Development</i>	1,930	2,708	6,192	6,284	8,884	8,976
Operating profit, MSEK	265	326	818	791	1,264	1,237
<i>of which Property Development</i>	91	70	168	109	290	231
<i>of which Housing Development</i>	174	256	650	682	974	1,006
Operating margin, %	11.9	11.9	12.3	12.4	12.9	13.0
<i>of which Property Development</i>	29.9	212.1	34.8	113.5	31.9	44.3
<i>of which Housing Development</i>	9.0	9.5	10.5	10.9	11.0	11.2
Capital employed at the end of the period, MSEK	14,173	13,685	14,173	13,685	14,173	13,523
Orders received, MSEK	1,541	1,893	5,566	6,896	8,651	9,981
Order backlog, MSEK	6,505	6,045	6,505	6,045	6,505	6,555
Operating cash flow, MSEK	55	-202	397	-479	1,125	249
Number of employees ¹⁾	250	243	250	243	250	242

¹⁾ Calculated on rolling 12 months

Capital employed

MSEK	30 Sep 2022	30 Sep 2021	Dec 31 2021
Operations property	55	65	52
Investment property	36	48	36
Project and development property	11,545	9,513	10,628
<i>of which housing development rights</i>	6,669	5,251	6,629
<i>of which commercial development rights</i>	710	586	613
<i>of which unsold part of ongoing housing projects</i>	1,971	1,660	1,549
<i>of which ongoing rental projects</i>	1,246	628	727
<i>of which ongoing commercial projects</i>	447	533	483
<i>of which completed property</i>	129	307	123
<i>of which other</i>	373	548	504
Participation in joint ventures	2,581	2,401	2,371
Loans to joint ventures	1,285	1,197	1,177
Working capital and other	-1,329	461	-741
Total	14,173	13,685	13,523
<i>of which Property Development</i>	4,415	4,261	4,265
<i>of which Housing Development</i>	9,758	9,424	9,258

Housing Development

July – September 2022

Net sales for the third quarter 2022 amounted to SEK 1,930 million (2,708). Net sales have decreased in all countries. Operating profit amounted to SEK 174 million (256) and the operating margin was 9.0 percent (9.5).

The number of start-ups of our own developed homes during the third quarter were lower and amounted to 428 units (678), of which 56 (75) have been converted from rentals. The production starts are well spread geographically. The number of sold homes was 257 (747), of which approximately half were in Finland. During the third quarter the market has become more wary and fewer homes were sold, particularly in Sweden. In the third quarter production started on 42 (-) homes in rental apartment projects in Sweden.

January – September 2022

Net sales amounted to SEK 6,192 million (6,284). Net sales increased in Sweden but contracted in Norway and Finland. More ongoing housing projects along with a high level of homes sold during the periods has had a positive effect on net sales in Sweden. Operating profit amounted to SEK 650 million (682) and the operating margin was 10.5 percent (10.9). In the latest rolling 12 month period the operating margin amounted to 11.0 percent compared to 11.2 percent for the entire year of 2021.

The number of start-ups of our own developed homes amounted to 1,680 units (2,125), of which 203 (337) have been converted from rentals. The number of sold homes was 1,502 (2,201). At the beginning of the year sales were relatively good in all three countries but during the second and third quarters the market has become more wary and fewer homes were sold, particularly in Sweden. The number of own developed homes in production at the end of the period was 5,046 (4,487). The level of sold homes in production was 72 percent (77). The number of repurchased homes per September 30, 2022 was 103 (170) and most of them were in Finland. Production started on 342 homes (388) in rental apartment projects on our own balance sheet during the period. No homes in rental apartment projects have been sold and settled during the period (91). The number of homes in rental apartment projects in production was 1,061 (723) at the end of the period. Of these 932 are under contract to be sold upon completion.

The underlying need for housing is still considered good but higher construction costs and hikes in interest rates make it difficult to assess future developments. The dwindling rate of homes being sold is having a negative impact on the conditions for production-starts.

Capital employed has increased slightly at the end of the period and amounted to SEK 9,758 million (9,424).

Own housing development construction

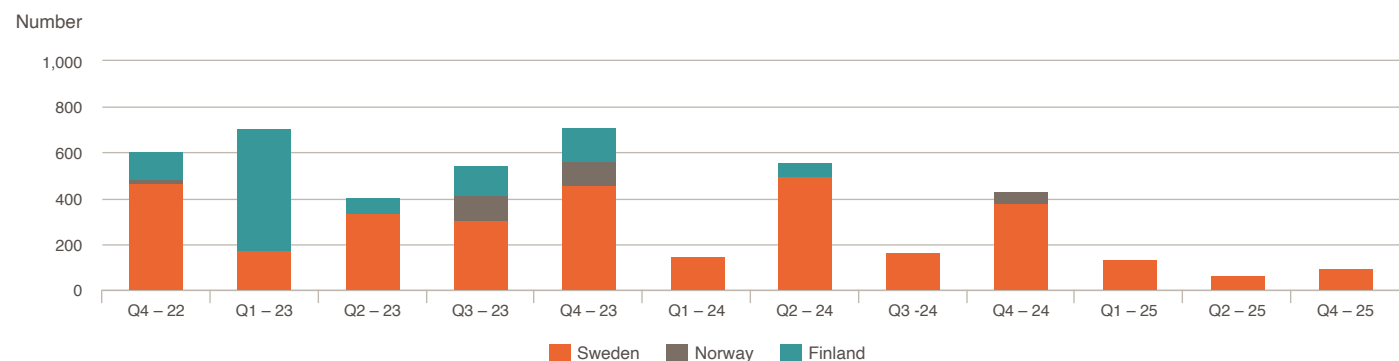
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Tenant-owner associations, ownership and residential limited companies						
Number of production-started homes during the period	428 ¹⁾	678 ¹⁾	1,680 ²⁾	2,125 ²⁾	2,575	3,020
Number of sold homes during the period	257	747	1,502	2,201	2,348	3,047
Total number of homes under production, at the end of the period	5,046	4,487	5,046	4,487	5,046	4,702
Portion of sold homes under production, at the end of the period	72%	77%	72%	77%	72%	76%
Number of repurchased homes on our balance sheet, at the end of the period	103	170	103	170	103	144
Rentals						
Number of production-started homes during the period	42	-	342	388	630	676
Number of sold homes during the period	-	-	-	91	-	91
Number converted to tenant-owner associations during the period	56	75	203	337	292	426
Total number of homes in production, at the end of the period	1,061	723	1,061 ³⁾	723 ³⁾	1,061	922

¹⁾ Includes 56 (75) homes that have been converted from rentals

²⁾ Includes 203 (337) homes that have been converted from rentals

³⁾ Of which 932 (528), respectively 88 percent (73), are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects ¹⁾



¹⁾ Refers to Swedish tenant-owner associations and single homes, Norwegian condominiums and share housing and Finnish residential limited companies

Joint venture established for housing properties in Finland

Peab has established a joint venture with Slättö to develop and manage newly produced green housing developments in Finland. The partners share an ambition to develop the portfolio focusing on big cities in Finland. The initial acquisition consists of two housing projects in Vantaa and Turku with a total of 178 apartments and 705 m² commercial space in locations with good communications. All the properties will be environmentally certified. Peab will build the properties on its own balance sheet until completion at the end of 2023 when they will be divested to the joint venture.

Net sales

per geographic market, rolling 12 months



Development rights for housing

Number, approx.	Sep 30 2022	Sep 30 2021	Dec 31 2021
Development rights on our own balance sheet	21,400	19,600	19,500
Development rights via joint ventures	4,500	4,800	4,600
Development rights via options etc.	9,000	9,800	10,500
Total	34,900	34,200	34,600



Property development

Net sales and operating profit from operations are derived from acquisitions, development, running and managing wholly owned property, shares in the result from partly owned companies as well as capital gains/losses from the divestiture of completed property and shares in partly owned companies.

July – September 2022

During the third quarter 2022 net sales were SEK 304 million (33) and operating profit was SEK 91 million (70). Capital gains from property divestitures amounted to SEK 61 million (41). Profit contributions from partially owned companies amounted to SEK 38 million during the quarter compared to SEK 30 million in the same quarter last year.

January – September 2022

During the period January-September 2022 net sales were SEK 483 million (96) and operating profit was SEK 168 million (109). Capital gains from property divestitures amounted to SEK 83 million (67). The period included divestment of a logistic facility in Södertälje to Annehem Fastigheter and a sports arena was sold to Balder. Profit contributions from partially owned companies amounted to SEK 109 million compared to SEK 61 million in the same period last year.

Capital employed in Property Development was SEK 4,415 million (4,261) at the end of the third quarter 2022. A large part of the capital employed is shares in partially owned companies and loans to partially owned companies.

The table below presents the ongoing property projects per September 30, 2022. The property in Trollhättan is under contract to be sold to an external party during the fourth quarter 2022. During the period Peab made the decision to invest SEK 101 million in a new office in Jönköping. The project is expected to be completed during the fourth quarter 2023.

Ongoing property projects

Type of project	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Warehouse building	Trollhättan	3,900	100	47	51	Q4-2022	92
Office building	Malmö	7,100	43	187	313	Q1-2023	60
Office building	Jönköping	3,200	100	10	101	Q4-2023	10
Office building	Gothenburg	13,100	0	185	533	Q3-2024	35
Other ongoing projects				18			
Total				447			

Significant joint ventures

Peab's significant joint venture companies Fastighets AB Centur, Fastighets AB ML4, Point Hyllie Holding AB, Skiab Invest AB and Tornet Bostadsproduktion AB are developing well and via them Peab has built up considerable indirect holdings in investment property and development property for both commercial and residential purposes. Regular returns are in the form of shares in the profit from joint ventures recognized in operating profit and interest income on lending. Changes in market values that affect booked values in the joint venture companies are not included in Peab's accounts.

Fastighets AB Centur

Own, manage and develop commercial property and housing.

Peab's share: 50 percent

Partner: Balder

Location: Stockholm, the Mälardalen region, Gothenburg and the Öresund region

Recognized value on properties September 30, 2022 ¹⁾: SEK 7,866 million (7,343)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 656 million (474)

Major ongoing projects: Varvsstaden, Malmö, renovation of Gjuteriet of around 4,600 m² (tenant Oatly) and renovation of Snick-eriet of around 2,500 m² (tenant Lindahls)

Fastighets AB ML4

Own and manage the research facility Max IV. The facility is rented to Lund University.

Peab's share: 50 percent

Partner: Wihlborgs

Location: Lund

Recognized value on properties September 30, 2022: SEK 1,952 million (1,979)

Major ongoing projects: No major ongoing projects

Point Hyllie Holding AB

Develop, own and manage the office property The Point as well as own and manage the hotel property Vårdshuset 5 (Operator Quality Hotel View).

Peab's share: 50 percent

Partner: Volito

Location: Hyllie, Malmö

Recognized value on properties September 30, 2022: SEK 1,397 million (1,369)

Major ongoing projects: No major ongoing projects

Skiab Invest AB

Develop, own and manage commercial property and housing in the Scandinavian mountains.

Peab's share: 50 percent

Partner: SkiStar

Location: Scandinavian mountains

Recognized value on properties September 30, 2022 ¹⁾: SEK 2,494 million (2,028)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 50 million (12)

Major ongoing projects: Sadelbyn 7 with 42 tenant-owner apartments in Åre and 20 tenant-owner apartments in Timmerbyn, Lindvallen in Sälen

Tornet Bostadsproduktion AB

Develop, own and manage attractive and environmentally friendly rentals in larger cities in Sweden.

Peab's share: 33 percent

Partner: Folksam and Balder

Location: Stockholm, the Mälardalen region, Gothenburg and the Öresund region

Recognized value on properties September 30, 2022 ¹⁾: SEK 6,142 million (5,358)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 432 million (375)

Major ongoing projects: LP Parken, Gothenburg 11,200 m² rentable area, Tallbohov, Järfälla 10,500 m² rentable area, Tamarinden, Örebro 11,000 m² rentable area and other apartment building projects in Helsingborg, Lund and Umeå

¹⁾ Valued at market price in joint venture companies. The market prices on properties that affect the recognized values in the joint venture companies are not included in Peab's accounts.

Construction market

The market forecasts below have been prepared by Navet. Considering the particularly uncertain market and geopolitical situation the forecasts are based on the following assumptions:

- Although the war in Ukraine is contained geographically it affects the market through significantly higher prices for energy and construction material, weaker growth and a cooler investment climate, cautious households and falling housing prices.
- Heavy inflation in 2022 that will diminish in 2023, which drives up interest rates during the period.
- The supply of cement in Sweden will be manageable during the forecast period but the market may be guarded in 2023.

Sweden

The war in Ukraine has led to broad and high inflation in the Swedish economy. Riksbanken has therefore dramatically raised the policy rate and made upward adjustments in the interest rate path. Rising prices and interest rates squeeze household purchasing power and increase costs for companies all the while demand is dwindling. The forecast for GNP growth in 2022 has been adjusted down to 2.4 percent and will approach zero in 2023. The total volume of production-started building construction investments is expected to contract by four percent in 2022. The downturn is primarily in apartment and industrial building construction investments while investments in offices, retail space and hotels are still growing. Both housing investments and other building construction are expected to decline in 2023. Civil engineering investments are predicted to remain on the same level in 2022 as in 2021 and then grow in 2023, partly because major investments are needed in green infrastructure and required to safeguard energy supplies.

Norway

The Norwegian economy recovered during the first half-year from the pandemic but now growth is slowing. This is because private consumption is expected to decrease due to rising prices for energy, food and goods. On top of that Norges Bank has raised the policy rate to 2.25 percent with more increases to come. Norwegian building construction investments developed well during the first half-year and are expected to be stable throughout 2022. Industrial construction investments are predicted to grow substantially while investments in single homes are expected to diminish by eight percent. All in all other building construction is expected to grow in 2022 and then contract in 2023. For 2023 a downturn is expected in both housing and other building construction. Investments in civil engineering are predicted to grow in 2022 and then level out and remain on the same level in coming years.

Finland

Growth of the Finnish economy has been impacted by the breakdown in trade with Russia, rising inflation and the unruly economic development in the world. Despite these challenges GDP is expected to grow by 2.1 percent in 2022 followed by zero growth in 2023. Household consumption is expected to decline and export companies need to find new markets to replace exports no longer going to Russia. The total volume of production-started building construction investments is predicted to fall by seven percent in 2022 with a downturn in both housing and other building construction. The exceptions are offices, retail space and hotels where an upturn is expected after the decline last year and the low level of investments during the pandemic. In 2023 investment levels are expected to stabilize. It is possible that civil engineering will remain on the same level as in 2021 during the next two years.

Housing

	2022	2023	2024
Sweden	↘	↘	→
Norway	→	↘	→
Finland	↘	→	↗

Forecast for production-started housing investments, new production and renovations
Source: Navet

Other building construction

	2022	2023	2024
Sweden	→	↘	↗
Norway	↗	↘	→
Finland	↘	→	↗

Forecast for production-started other building construction investments, new production and renovations (Industry, office/retail etc. and public premises)
Source: Navet

Civil engineering

	2022	2023	2024
Sweden	→	↗	→
Norway	↑	→	→
Finland	→	→	→

Forecast for civil engineering investments
Source: Navet

- Worse forecast compared to the previous quarterly report
- Better forecast compared to the previous quarterly report
- Same forecast compared to the previous quarterly report



Non-financial targets and sustainability

For more than 60 years Peab has contributed to sustainable social development and worked to improve everyday life for people in the local community. We do this by building everything from homes, schools and hospitals to bridges, roads and other infrastructure. Working sustainably is a strategic matter for Peab that always takes place locally, connected to everyday life based on our core values, business concept, mission, strategic targets and Code of Conduct.

We monitor our business based on nine external targets – both financial and non-financial targets – that also identify our prioritized sustainable aspects (Best workplace and Leader in social responsibility). We monitor our targets quarterly, semiannually or annually. In connection with the year-end report we present the outcome of all nine targets.

Most satisfied customers

It is imperative for a long-term, sustainable relationship that Peab deliver on its obligations. A satisfied customer is a customer that comes back and is fundamental to us. This is why our annual customer survey is a measure of how well we are meeting our customers' expectations while also indicating where there is room for improvement. Our latest Customer Satisfaction Index (CSI), carried out in 2021, added up to 81 (80), which is a continued good result and higher than our target of 75. Customers' perception of Peab as priceworthy has developed in a particularly positive direction and regarding our business areas Project Development stands out for its strong development. At the beginning of 2022 we received yet another accolade in Prognoscentret's customer survey which showed Peab Bostad had the most satisfied homebuyers in Sweden. Peab Bostad particularly raised its ranking in the areas personnel and reliability. At the same time it was announced that our project Hamnutsikten (View of the Harbor) on Hammarö had the most satisfied customers of any single project in Sweden in 2021. The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Best workplace

Serious accidents

A safe work environment is the foundation of our business. Everyone at our workplaces should be able to be there under safe and secure conditions, despite the fact that there are risks involved in the work we do. In order to prevent incidents and accidents at our workplaces we develop quality-ensured work methods and train our employees. Our focus is on planning and risk assessment in projects as well as learning from reported risk observations, incidents and accidents.

Our target of a contracting trend in serious accidents* comprises everyone at our workplaces. After a downward trend in 2021 the trend turned in March and serious accidents rose. During the third quarter there were twelve. The accidents occurred primarily in construction contract operations in Sweden and were mostly accidents from falling or connected to handling machines. Calculated for a rolling twelve month period there were 48 per September 30, 2022 (30 per September 30, 2021). Of these, 27 referred to our own employees and 21 referred to subcontractors.

It's regrettable that the trend in accidents is developing in the wrong direction, showing how important it is to continuously work on our safety culture so as not to lose focus on the risks in our work. In order to turn the tide we have intensified our preventive work concerning the work environment. We have identified regions in need of special support and operations managers and site managers on all our construction projects have together studied the work environment. In addition, we are convinced that the investment in the construction industry's safety park in Sweden will create long-term competence in, among other things, safety culture. We are also continuing to provide our information series to all our employees where we share good examples, advice concerning the work environment and safety as well as information on the latest in the industry.

We also monitor the number of workplace accidents with more than four days absence, excluding the day of injury (LT14), and workplace accidents according to the same definition per one million hours worked (LTIF4) for our own employees. In the third quarter this year there were 28 (39 second quarter 2022) and the LTIF4 frequency rate for a rolling twelve month period was 6.2 (6.5 after the second quarter 2022).

Every remedied risk is one less potential accident, which is why we are highly focused on reporting and remedying risk observations*. During the first nine months of the year the organization reported around 43,000 risk observations. Peab has implemented a new system for reporting and managing risk observations, incidents and accidents in Swedish operations. The system has a number of advantages such as an even greater focus on seeing that planned measures are carried out. Operations in our other countries will implement the system during 2023.

* For a definition see section *Alternative performance measures and definitions*.

Attractive employers (eNPS)

We will be the obvious choice for anyone who wants to work in the industry. Everyone will be part of safe and including workplaces with good work conditions and opportunities to develop at Peab. Twice a year we hold our personnel survey The Handshake so that we can continuously develop and improve as co-workers and teams. The questions in The Handshake mainly concern productivity, the team's sustainability and if employees are willing to recommend Peab as an employer to friends and acquaintances (eNPS). The latter is also one of our nine external targets that we report twice a year.

The response frequency in the spring survey was 84 percent (84) in the Group, accompanied by many suggestions for improvement. This shows the great interest our employees have in contributing to developing their own teams and all operations.

Within the strategic target Best workplace the eNPS (recommend Peab) score should be above the benchmark for the industry (industry and manufacturing). The eNPS score for the Group rose in the spring survey by four points and was 28 compared to 24 in the previous survey. This is clearly above the Nordic benchmark which is 20 compared to 15 in the previous survey. In principle all areas are "pointing upwards" and our employees continue to be satisfied at work. Worth noting is that the eNPS score is on the rise among women in general at Peab, where the number of female Peab employees that are satisfied at work is increasing at a faster rate than the industry benchmark. The next update will take place after the fourth quarter in connection with the year-end report 2022.

Leader in social responsibility

Climate target for carbon dioxide intensity

In recent years Peab's climate and environmental work has increased in scope and we have honed our targets and metrics. As the Nordic Community Builder we have a big responsibility for reducing the considerable climate impact of the construction and civil engineering industry at the rate required by the Paris Agreement.

Peab's operations primarily cause emissions through production of the material we use, the use of fossil fuel in our machines and vehicles and the use of the products we deliver such as buildings. We are working on a number of initiatives for climate improvement that reduce emissions and get us closer to our climate targets. We have an advantage in that we can supply our construction contract operations and the projects we develop ourselves with input goods and raw material through business area Industry, which augments our ability to aim for lower carbon emissions.

In 2045 Peab will be climate neutral. Our targets by 2030 are to reduce carbon dioxide intensity by at least 60 percent in our own operations (Scope 1 and 2) and for input goods and purchased services (Scope 3) by at least 50 percent compared to base year 2015. The outcome after 2021 reveals that carbon dioxide intensity is developing in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 40 percent compared to base year 2015 and by three percent for input goods and purchased services. This means that we are well on the road to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. It is therefore vital that we continue to make explicit and stringent demands as well as point out choices that are better for the climate in order to reduce emissions. The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Equal opportunity

Only about five percent of those that apply to Peab for relevant, practical training are women. This means that the construction and civil engineering industry has a major role to play in taking advantage of all the competence society has to offer. As one of the largest Nordic community builders we want to challenge ourselves and thereby nudge the entire industry forward. Our target initially is therefore to strive for the percentage of women recruited to Peab for our core skills to always be higher than the percentage of women who have graduated with, for us, relevant degrees on the education markets. We are focused on core skills in production (skilled workers) as well as in production management and production support (white-collar workers). After the end of 2021 the percentage of women in new recruitments was 6.8 percent in production and processing compared to our target of more than 5.0 percent and 34.9 percent in production management and production support whereas our target was more than 28.5 percent. Our target for 2022 regarding equal opportunity in production and processing is continuing to surpass 5.0 percent while our target for production management and production support has been raised to surpass an outcome of 30.0 percent. The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Activities during the third quarter

- Peab ended its half-time reconciliation of the business plan 2021-2023 through five leadership conferences held in Gothenburg, Stockholm, Malmö, Oslo and Helsinki. The leadership conferences are vital to Peab's regional collaboration and work on our company culture.
 - This year's work environment week was in August and focus was on social and organizational factors for health and safety at our workplaces and the mental and physical strain work can sometimes create. One of the many activities carried out was a pilot project in Arvika which worked with Behavior Based Safety that focuses on how to identify and reinforce safe behavior in everyday work.
 - Peab participated in the Maintain Zero safety push in September, which is a manifestation for safe and injury free workplaces. Maintain Zero is an organization with over 80 members from the construction and real estate industries that has produced work environment standards and guides and a general contractor course.
 - Byggelement made the decision to invest close to half a billion Swedish kronas to double its production capacity. The investment comprises a technological leap from manual labor to automation through robotics and smart machines as well as production of concrete elements with at least 50 percent alternative binder as standard to increase climate improved prefab production.
 - Byggelement continues to develop its range of ECO-Prefab and during the quarter launched the product solid wall with 50 percent alternative binder.
- Just as with all other ECO-products a third party audited EPD is provided that declares the product's environmental impact.
- Swerock changed the definition of ECO-Ballast (ECO-Mineral Aggregates) to mineral aggregates products made of 100 percent circular raw material from the previous definition of "at least 50 percent". After nearly two years of production we have come to the point where completely circular end products meet all technical and environmental requirements.
 - Work on test paving lignin-based asphalt has continued, this time through collaboration between Peab Asphalt and Stora Enso, where the whole area for the Sunila Mill in Finnish Kotka have now been paved with lignin-based asphalt.
 - Peab works continuously in various industry forums to drive sustainable issues that are vital to us. In the third quarter for instance, together with Sweden Green Building Council, a member-owned organization for sustainable community building, we organized a membership meeting in Gothenburg to spread the word about ECO-Betong (ECO-Concrete). In the same spirit we participated in the annual seminar Construction Forum to contribute to our industry's cooperation on EU Taxonomy.
 - Our local organization in Växjö participated in one of Peab's community building projects for youths, Peab Life, together with the municipal real estate company and the foundation Friends to make children's school environment safer. We accomplished this through several different activities working together with students and faculty in connection with the newly constructed school in Dädesjö outside Växjö where focus was on designing restrooms for higher safety.



Asphalt coating
Örebro

Summary external targets

In order to further promote value creation we have updated everything from our mission, business concept and strategic target areas to internal and external financial and non-financial targets. As of 2021 Peab externally reports the performance of our business by monitoring nine targets, of which three are financial and based on segment reporting and six are non-financial targets. We consider the external targets particularly important and they are a subset of our internal targets and action plans.

Both the internal and external financial and non-financial targets are categorized under the strategic targets; Most satisfied customers, Best workplace, Most profitable company as well as the new, fourth strategic target, Leader in social responsibility. All targets relate to the industry. For a more detailed description of each target please see www.peab.com/targets.



Most satisfied customers

We will be a complete community builder that offers total solutions. We create value for our customers through expert and engaged employees.

>75

CSI always over 75



Best workplace

We will be the obvious choice for anyone who wants to work in the industry. Everyone will be part of safe and including workplaces with good work conditions and opportunities to develop at Peab.

eNPS
always over benchmark

ZERO VISION
serious accidents

Through a contracting trend



Most profitable company

With our engaged employees we ensure productivity and quality. Through our local presence, and the advantage of our size and mix of operations, we will become the most profitable company.

>6%
Operating margin

0.3–0.7
Net debt/equity ratio

>50 % of profit for the year
Dividend



Leader in social responsibility

As the Nordic Community Builder with a local presence we take responsibility through innovations and making demands concerning the climate and environment, order and correctness in the industry and equal opportunity. Active social engagement in the community and focus on young people's education are part of our fundamental values.

-60%
Carbon dioxide intensity
Reduction of emissions from our own production by 2030 (Scope 1+2).

-50%
Carbon dioxide intensity
Reduction of emissions from input goods and purchased services by 2030 (Scope 3).

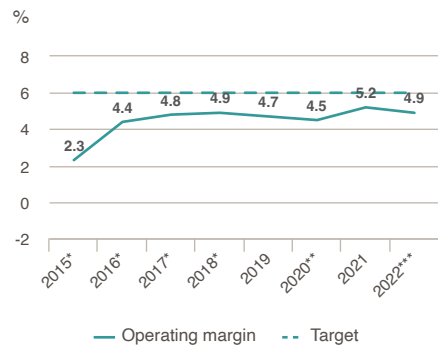
EQUAL OPPORTUNITY RECRUITMENT
Share of women recruited always over the education market

Target and target fulfilment

Most profitable company

Operating margin

Target: >6% according to segment reporting (reported quarterly)

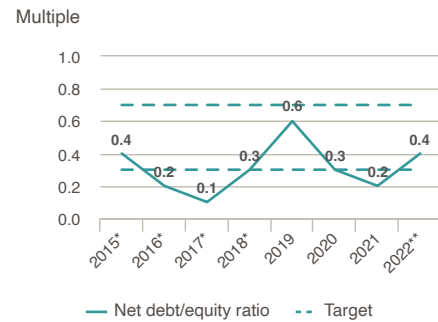


* Years 2015-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin excluding the effect of the distribution of Annhem Fastigheter (SEK 952 million) *** Calculated on a rolling 12 months per September 30, 2022.

Most profitable company

Net debt/equity ratio

Target: 0.3-0.7 according to segment reporting (reported quarterly)

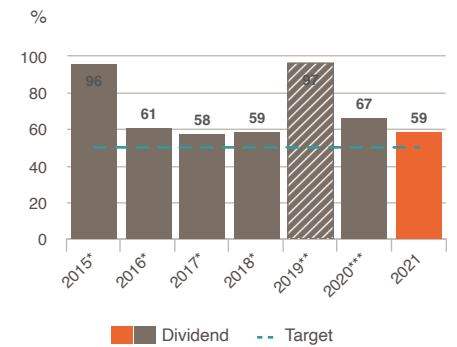


* Years 2015-2018 not translated according to changed accounting principles for own housing development projects. ** Per September 30, 2022.

Most profitable company

Dividend

Target: >50% of profit for the year according to segment reporting (reported annually)

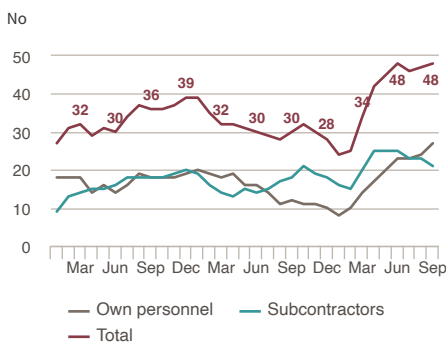


* Years 2015-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annhem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is calculated without the effect of SEK 952 million on profit due to the distribution of Annhem Fastigheter.

Best workplace

Serious accidents

Target: Zero fatal accidents and contracting trend, rolling 12 months, serious accidents classification 4 (reported quarterly)

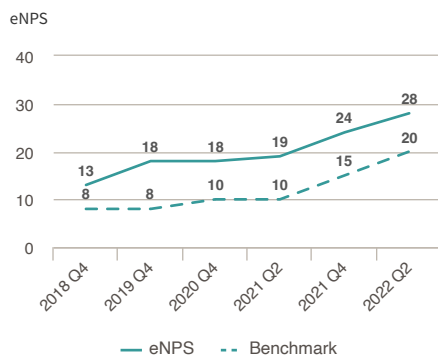


Refers to the period January 2020 - September 2022

Best workplace

eNPS

Target: > over benchmark (reported semiannually)

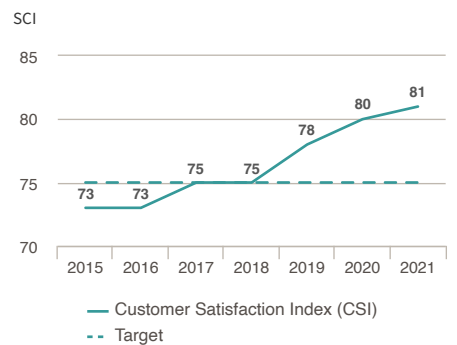


eNPS stands for employee Net Promoter Score and measures employee engagement. The score can vary between -100 and 100.

Most satisfied customers

Customer Satisfaction Index (CSI)

Target: > 75 (reported annually)

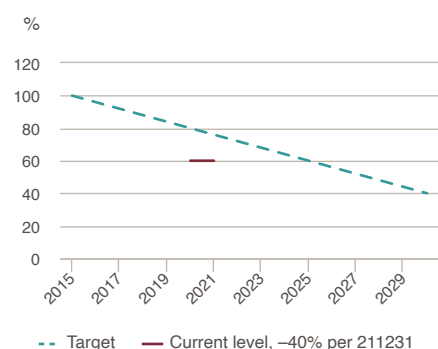


CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100.

Leader in social responsibility

Carbon dioxide intensity: Climate targets for our own production

Target: Reduced emissions of GHG Scope 1+2* (tons CO₂e/MSEK) by 60% (reported annually)

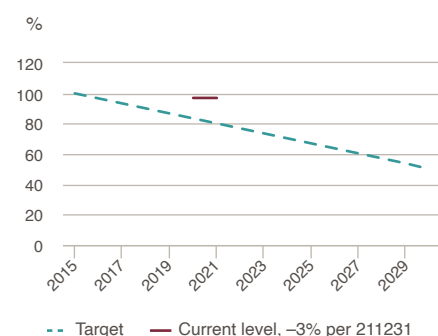


* Direct and indirect emissions as a result of using fuel and energy in our own production.

Leader in social responsibility

Carbon dioxide intensity: Climate targets for input goods and purchased services

Target: Reduced emissions of GHG Scope 3* (tons CO₂e/MSEK) by 50% (reported annually)



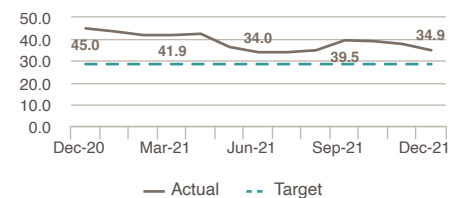
* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

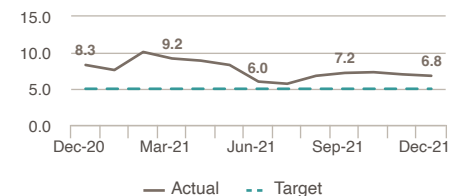
Equal opportunity recruitment

Target: Share of women recruited > the education market (reported annually)

Production management and production support (white-collar workers), %



Production and processing (skilled workers), %



Risks and uncertainty factors

Peab's business is exposed both to operative and financial risks as well as compliance risks and external and market risks. How much risks affect Peab's profits and position depends on how well the company handles daily operations. External and market risks are events that are out of Peab's control but which affect the business environment. These are, for example, developments in the economy, customer behavior, climate impact and political decisions.

Managing operative risks is a continuous process considering the large number of projects the Group is always starting up, carrying out and completing. Operative risks are managed in the line organization in the business areas through established procedures, processes and control systems. Peab's business is largely project-related. There are a number of different contract forms where risk levels vary depending on the type of contract. However, with any type of contract ambiguities can arise concerning the terms, which can lead to delimitation issues that create a dispute with the customer.

Financial risks are primarily associated with the company's need for capital, tied up capital and access to financing. Financial risks are managed on Group level. For further information about risks and uncertainty factors, see the Annual and Sustainability Report 2021.

In the beginning of 2020 the coronavirus spread out over the world and the pandemic has raged ever since, although a stage was reached in the beginning of 2022 where countries and companies more or less opened up. During the pandemic governments and central banks introduced different forms of crisis packages to reduce its financial effects. The effects of the corona pandemic on Peab's operations have been limited but we continue to follow developments to assess any further effects.

An uncertainty that can still upset the market is access to cement. In 2021 the Supreme Land and Environment Court dismissed Cementa's application for a renewed permit to continue to quarry limestone in Slite on Gotland. The govern-

ment granted Cementa a time-limited license until December 31, 2022 but this has been appealed to the Supreme Administrative Court and the issue of a long-term solution remains unresolved. On April 18, 2022 Cementa submitted a new application to quarry limestone for four more years in Slite. A substantial shortage of cement would impact the entire construction and civil engineering market in Sweden. As a significant actor Peab would therefore also be affected by the situation. Peab has already begun working with our own alternative binder and certain degree of cement importation to handle the risk of lower or no cement deliveries.

There has been a significant rise in the price of materials and energy during 2021 and 2022. We have handled cost increases along with supply chain disturbances through adjusting and streamlining operations as well as in pricing to customers although the cost increases have not been fully compensated, which has affected the operating margin. We continually work to streamline production all the while expecting a gradual increase in construction costs if the trend in material and energy prices does not turn.

Long-term interest rates have continued to rise and in Sweden The Riksbank raised the policy interest rate further during the quarter, by 1 percentage point in September. Inflation has tightened its grip on the global economy and several central banks indicate further hikes in interest rates. Higher interest rates are expected to stymie investment appetite and diminish demand.

The recent dramatic developments in Ukraine have a key impact on the world around us. In addition to the terrible tragedy for the people the war touches, the situation risks hampering macroeconomic growth in the world. For Peab this can affect the construction industry through greater uncertainty and cautiousness concerning investments, continued high material and energy prices and material shortages and delivery problems. We are not ourselves directly exposed to Russia, Ukraine or Belarus but may be indirectly affected through material suppliers. We follow developments carefully to continually assess any effects on Peab.



Other information

Important events during the period

The recent dramatic developments in Ukraine have a key impact on the world around us. In addition to the terrible tragedy for the people the war touches, the situation risks hampering macroeconomic growth in the world. In Sweden this can affect the construction industry through greater uncertainty and cautiousness concerning investments, continued high material and energy prices and material shortages and delivery problems. We follow developments carefully to continually assess any effects on Peab.

Important events after the period

No significant events occurred after the end of the reporting period.

Holdings and repurchase of own shares

At the beginning of 2022 Peab's own B shareholding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. The Board of Directors of Peab AB has, through the authorization given by the Annual General Meeting on May 5, 2022, decided to repurchase its own shares. The shares will be repurchased, on several occasions, until the AGM 2023. The aim of the repurchasing is

to improve the company's capital structure. The shares will be repurchased on Nasdaq Stockholm according to the Nordic Main Market Rulebook for Issuers of Shares – Nasdaq Stockholm (Supplement D) and EU Parliament's and Council's EU regulation nr. 596/2014 on market abuse (MAR). According to the Board's decision shares may be repurchased during the period for a maximum of SEK 500 million and a number of shares so that the company's holding of its own shares after the repurchasing does not exceed one tenth of all shares in the company. The shares may only be repurchased at a price per share within the price interval registered at any given time on Nasdaq Stockholm, meaning the interval between the current highest buy price and the lowest sell price published by Nasdaq Stockholm. During the period up to September 30, 2022 6,150,170 shares were repurchased for a total of SEK 418 million. After the repurchase Peab holds 7,237,154 own B shares corresponding to 2.4 percent of the total shares.

Related parties

The character and extent of transactions with related parties is presented in the Annual and Sustainable Report 2021, note 40. For more information about transactions with related parties during the period see business area Project Development, section Property Development. No other new significant transactions have occurred during the period January-September 2022.



Report on the Group income statement, IFRS

Group net sales according to IFRS increased by eight percent and amounted during January-September 2022 to SEK 44,792 million (41,419). After adjusted for acquired and divested units and exchange rate effects net sales increased by six percent. The adjustment of our own housing development projects to the completion method affected net sales by SEK -1,295 million (-1,087).

Operating profit according to IFRS for the period January-September 2022 amounted to SEK 1,671 million (1,666) and the operating margin was 3.7 percent (4.0). The adjustment of our own housing development projects to the completion method affected operating profit by SEK -244 million (-204).

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales	16,197	15,488	44,792	41,419	62,296	58,923
Production costs	-14,730	-13,868	-40,879	-37,527	-56,374	-53,022
Gross profit	1,467	1,620	3,913	3,892	5,922	5,901
Sales and administrative expenses	-640	-673	-2,435	-2,377	-3,358	-3,300
Other operating income	81	67	207	156	442	391
Other operating costs	8	11	-14	-5	-26	-17
Operating profit	916	1,025	1,671	1,666	2,980	2,975
Financial income	18	29	64	74	84	94
Financial expenses	-60	-48	-135	-129	-173	-167
Net finance	-42	-19	-71	-55	-89	-73
Pre-tax profit	874	1,006	1,600	1,611	2,891	2,902
Tax	-163	-226	-327	-355	-497	-525
Profit for the period	711	780	1,273	1,256	2,394	2,377
Profit for the period, attributable to:						
Shareholders in parent company	711	780	1,273	1,256	2,394	2,377
Non-controlling interests	0	0	0	0	0	0
Profit for the period	711	780	1,273	1,256	2,394	2,377
Key ratios, IFRS						
Earnings per share before and after dilution, SEK	2.43	2.65	4.34	4.26	8.14	8.06
Average number of outstanding shares, million	291.3	295.0	293.5	295.0	293.9	295.0
Return on capital employed, % ¹⁾	10.1	14.5	10.1	14.5	10.1	11.5
Return on equity, % ¹⁾	17.9	24.3	17.9	24.3	17.9	18.9

¹⁾ Calculated on rolling 12 months

Report on the Group income statement and other comprehensive income in summary, IFRS

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Profit for the period	711	780	1,273	1,256	2,394	2,377
Other comprehensive income						
Items that can be reclassified or have been reclassified to profit for the period						
Translation differences for the period from translation of foreign operations	69	25	160	124	220	184
Changes in fair value of cash flow hedges for the period	-	1	2	5	3	6
Shares in joint ventures' other comprehensive income	18	-	18	-	18	-
Tax referring to items that can be reclassified or have been reclassified to profit for the period	-	0	-1	-1	-1	-1
Other comprehensive income for the period	87	26	179	128	240	189
Total comprehensive income for the period	798	806	1,452	1,384	2,634	2,566
Total comprehensive income for the period, attributable to:						
Shareholders in parent company	798	806	1,452	1,384	2,634	2,566
Non-controlling interests	0	0	0	0	0	0
Total comprehensive income for the period	798	806	1,452	1,384	2,634	2,566

Report on financial position for the Group in summary, IFRS

Total assets on September 30, 2022 was SEK 51,186 million (45,919). Equity amounted to SEK 13,250 million (12,500), which generated an equity/assets ratio of 25.9 per cent (27.2). During 2022, a dividend of SEK 1,475 million (1,327) was paid to shareholders and repurchases of own shares have been made by SEK 418 million (-).

MSEK	Sep 30 2022	Sep 30 2021	Dec 31 2021
Assets			
Intangible assets	3,863	3,768	3,769
Tangible assets	7,788	7,666	7,674
Investment property	56	67	55
Interest-bearing long-term receivables	1,268	1,221	1,208
Other financial fixed assets	2,646	2,473	2,491
Deferred tax recoverables	243	183	174
Total fixed assets	15,864	15,378	15,371
Project and development properties	18,240	14,941	16,258
Inventories	1,591	1,380	1,318
Interest-bearing current receivables	139	652	342
Other current receivables	13,568	12,767	10,930
Liquid funds	1,784	801	2,951
Total current assets	35,322	30,541	31,799
Total assets	51,186	45,919	47,170
Equity and liabilities			
Equity	13,250	12,500	13,682
Liabilities			
Interest-bearing long-term liabilities	6,754	5,313	5,281
Interest-bearing long-term liabilities, project financing	537	183	346
Deferred tax liabilities	317	177	321
Other long-term liabilities	1,553	1,403	1,585
Total long-term liabilities	9,161	7,076	7,533
Interest-bearing current liabilities	2,146	2,649	2,386
Interest-bearing current liabilities, project financing	9,543	6,195	7,003
Other current liabilities	17,086	17,499	16,566
Total current liabilities	28,775	26,343	25,955
Total liabilities	37,936	33,419	33,488
Total equity and liabilities	51,186	45,919	47,170
Key ratios, IFRS			
Capital employed	32,230	26,840	28,698
Equity/assets ratio, %	25.9	27.2	29.0
Net debt	15,789	11,666	10,515
Equity per share, SEK	45.84	42.37	46.38
Number of outstanding shares at the end of the period, million	288.8	295.0	295.0

Report on changes in Group equity in summary, IFRS

MSEK	Sep 30 2022	Sep 30 2021	Dec 31 2021
Equity attributable to shareholders in parent company			
Opening equity on January 1	13,681	12,442	12,442
Profit for the period	1,273	1,256	2,377
Other comprehensive income for the period	179	128	189
Total comprehensive income for the period	1,452	1,384	2,566
Cash dividend	-1,475	-1,327	-1,327
Repurchase of own shares	-418	-	-
Closing equity	13,240	12,499	13,681
Non-controlling interests			
Opening equity on January 1	1	1	1
Comprehensive income for the period	0	0	0
Acquisition of partially owned companies, non-controlling interests as previously	9	-	-
Closing equity	10	1	1
Total closing equity	13,250	12,500	13,682

Report on Group cash flow in summary, IFRS

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Cash flow from current operations before changes in working capital	1,065	1,247	2,035	2,319	3,809	4,093
Increase (-) / Decrease (+) of project and development properties	-374	32	-1,717	-706	-2,729	-1,718
Increase (-) / Decrease (+) of inventories	188	71	-226	-55	-158	13
Increase (-) / Decrease (+) of current receivables / current liabilities	24	561	-2,020	-346	-1,244	430
Cash flow from changes in working capital	-162	664	-3,963	-1,107	-4,131	-1,275
Cash flow from current operations	903	1,911	-1,928	1,212	-322	2,818
Acquisition of subsidiaries / businesses, net effect on liquid funds	-30	-125	-30	-201	-31	-202
Sale of subsidiaries / businesses, net effect on liquid funds	-	-	43	-	43	-
Acquisition of fixed assets	-441	-1,680	-1,214	-2,350	-1,832	-2,968
Sale of fixed assets	88	471	474	772	1,106	1,404
Cash flow from investment operations	-383	-1,334	-727	-1,779	-714	-1,766
Cash flow before financing	520	577	-2,655	-567	-1,036	1,052
Increase (+) / Decrease (-) of interest-bearing liabilities	-178	-367	740	435	315	10
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	418	248	2,630	1,271	3,583	2,224
Cash dividend	-	-	-1,475	-1,327	-1,475	-1,327
Repurchase of own shares	-293	-	-418	-	-418	-
Cash flow from financing operations	-53	-119	1,477	379	2,005	907
Cash flow for the period	467	458	-1,178	-188	969	1,959
Cash at the beginning of the period	1,319	336	2,951	968	801	968
Exchange rate differences in cash	-2	7	11	21	14	24
Cash at the end of the period	1,784	801	1,784	801	1,784	2,951

Parent company

The parent company Peab AB's net sales for the period January-September 2022 amounted to SEK 227 million (210) and mainly consisted of internal Group services. Profit for the period amounted to SEK 890 million (-26). Profit for the period included dividends from subsidiaries of SEK 1,024 million (-).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,728 million (11,623). The assets have been financed from equity of SEK 7,251 million (6,985) and long-term liabilities to Group companies amounting to SEK 1,500 million (2,160). During 2022, a dividend of SEK 1,475 million (1,327) was paid to shareholders and repurchases of own shares have been made by SEK 418 million (-).

The parent company is indirectly affected by the risks described in the section Risks and uncertainty Factors.

Report on the parent company income statement in summary

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/2022	Jan-Dec 2021
Net sales	75	66	227	210	310	293
Administrative expenses	-104	-77	-371	-288	-508	-425
Other operating income	0	0	1	1	1	1
Operating profit	-29	-11	-143	-77	-197	-131
Result from financial investments						
Profit from participation in Group companies	-	-	1,024	63	1,024	63
Other financial items	-9	-14	-25	-35	-38	-48
Result after financial items	-38	-25	856	-49	789	-116
Appropriations	-	-	-	-	1,638	1,638
Pre-tax profit	-38	-25	856	-49	2,427	1,522
Tax	8	6	34	23	-268	-279
Profit for the period ¹⁾	-30	-19	890	-26	2,159	1,243

¹⁾ Profit/loss for the period corresponds to comprehensive profit/loss for the period and therefore only one income statement is presented without a separate one for comprehensive profit/loss

Report on financial position for the parent company in summary

MSEK	Sep 30 2022	Sep 30 2021	Dec 31 2021
Assets			
Fixed assets			
Intangible assets	4	5	4
Tangible assets	1	1	1
Financial assets			
Participation in Group companies	11,728	11,623	11,728
Deferred tax recoverables	134	117	140
Total financial assets	11,862	11,740	11,868
Total fixed assets	11,867	11,746	11,873
Current assets			
Current receivables			
Accounts receivables	0	0	0
Receivables from Group companies	0	0	2,271
Current tax assets	288	273	12
Other receivables	1	0	2
Prepaid expenses and accrued income	8	7	9
Total current receivables	297	280	2,294
Cash and bank	0	0	0
Total current assets	297	280	2,294
Total assets	12,164	12,026	14,167
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	5,367	5,101	6,370
Total equity	7,251	6,985	8,254
Untaxed reserves	3,190	2,724	3,190
Provisions			
Other provisions	55	57	45
Total provisions	55	57	45
Long-term liabilities			
Liabilities to Group companies	1,500	2,160	2,281
Total long-term liabilities	1,500	2,160	2,281
Current liabilities			
Accounts payable	15	10	20
Liabilities to Group companies	66	1	269
Other liabilities	18	24	9
Accrued expenses and deferred income	69	65	99
Total current liabilities	168	100	397
Total liabilities	1,668	2,260	2,678
Total equity and liabilities	12,164	12,026	14,167

Note 1 – Accounting principles

The quarterly report has been prepared according to the IFRS standards that have been adopted by EU as well as the interpretations of the valid standards adopted by EU, IFRICs. This report for the Group has been prepared according to IAS 34, Interim financial reporting as well as applicable regulations in the Annual Accounts Act. The parent company quarterly report has been prepared according to chapter 9 in the Annual Accounts Act, Quarterly reports and RFR 2, Accounting rules for legal entities. The Group and parent company have applied the same accounting principles and conditions as in the latest Annual Report.

As of January 1, 2022 changes in IAS 37 Provisions, contingent liabilities, and contingent assets are applied regarding valuation of loss contracts. The changes are described in the Annual and Sustainability Report 2021 and have not had any material impact on the Group.

In addition to the financial reports and their accompanying notes further information according to IAS 34.16A can be found in other sections of the quarterly report.

Differences in segment reporting and reporting according to IFRS

The Group is reported in the four business areas Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments. Segment reporting is the model Peab believes best describes Peab's business regarding both internal steering and risk profile, and it is also how the Board and executive management follow operations.

For Peab's construction contract businesses, Construction and Civil Engineering, revenue and profit are recognized over time in both segment reporting and reporting according to IFRS. For business area Industry revenue and profit are recognized both over time and at a certain point in time, and reporting is the same in both segment reporting and reporting according to IFRS. For business area Project Development in segment reporting within the unit Housing Development revenue and expenses are recognized over time as the projects are successively completed. This applies to Swedish tenant-owner associations and own single homes, Norwegian condominiums and share housing and Finnish residential limited companies. In reporting according to IFRS, housing projects are recognized when the final homebuyers take possession of their apartments. In business area Project Development and the unit Property Development revenue and profit are recognized at a certain point in time in both segment reporting and reporting according to IFRS.

Group functions are reported in addition to the business areas and consist of central companies, certain subsidiaries and other holdings. Central companies consist primarily of the parent company Peab AB, Peab Finans AB, Peab Support (Shared Service Center) and Peab Utveckling AB. There is no difference in segment reporting and reporting according to IFRS regarding Group functions.

In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leasing contracts that by the counterparty (lessor) are classified as operational leasing contracts. IFRS 16 Leases is applied in the consolidated accounts according to IFRS which entails that the lessee recognizes depreciation and interest attributable to leasing assets respectively leasing liabilities. Leasing contracts that by the counterparty (lessor) are classified as financial leasing contracts are recognized in Peab's segment accounting according to the principles that correspond with those for the lessee according to IFRS 16.

Reporting on internal projects between business areas Construction and Project Development

Business area Construction recognizes revenue and profit referring to the construction contract part of our own housing developments, rental project developments and other property development projects for business area Project Development. Recognition takes place over time as the projects are completed. Business area Project Development recognizes revenue for both the construction contract and developer part of our own housing development projects. Recognized profit consists of the profit in the developer part over time. Internal net sales between business area Construction and business area Project Development regarding the construction cost of our own housing development projects are eliminated in consolidated reporting. Internal profit is returned when the project is divested.

Reporting on property projects on our own balance sheet

The underlying sales value of property projects on our own balance sheet, recognized as project and development property, that are sold in the form of a company via shares, is recognized as revenue and the book value on the balance sheet is recognized as an expense. When property projects recognized as operations property or investment property are divested the net effect on profit is recognized as other operating income or other operating cost. Recognition of property projects is the same in both segment reporting and reporting according to IFRS.

Financial key ratios in segment reporting

Financial key ratios such as capital employed, total assets, equity, equity/assets ratio, net debt, net debt/equity ratio, cashflow before financing and earnings per share are presented in segment reporting with consideration taken to the above prerequisites. Net debt in segment reporting includes project financing for the unsold portion of ongoing own housing development projects. This is because Peab has an obligation to acquire unsold homes six months after completion.

Note 2 – Revenue allocation

Group Jan-Sep 2022 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	16,784	9,578	13,020	6,658	47		46,087	-1,295	44,792
Internal sales	3,885	982	2,755	17	1,076	-8,715	-		-
Total	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792
Allocation per country									
Sweden	14,936	9,371	9,412	4,493	883	-6,967	32,128	-1,595	30,533
Norway	3,238	1,189	1,737	562	123	-592	6,257	491	6,748
Finland	2,495		3,881	1,620	116	-1,155	6,957	-191	6,766
Denmark			732		1	-1	732		732
Other			13				13		13
Total	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792
Allocation per type of customer									
Public sector	7,140	7,243	4,564	4	33		18,984		18,984
Private customers	9,644	2,335	8,456	6,654	14		27,103	-1,295	25,808
Internal customers	3,885	982	2,755	17	1,076	-8,715	-		-
Total	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792
Allocation per point in time									
At one point in time	17	8	4,989	985	49	-847	5,201	4,126	9,327
Over time	20,640	10,546	9,230	5,622	936	-6,695	40,279	-5,421	34,858
Rent revenue ²⁾	12	6	1,556	68	138	-1,173	607		607
Total	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792
Allocation per type of revenue									
Construction contracts	20,640	10,546	9,230	5,622	66	-5,825	40,279	-5,421	34,858
Sales of goods			3,873			-596	3,277		3,277
Sales of property projects	5			969			974	4,126	5,100
Transportation services			967			-204	763		763
Administrative services					870	-870	-		-
Rent revenue ²⁾	12	6	1,556	68	138	-1,173	607		607
Other	12	8	149	16	49	-47	187		187
Total	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792

¹⁾ Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

²⁾ Rent revenue is recognized according to IFRS 16.

Group Jan-Sep 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	15,767	9,226	11,107	6,360	46		42,506	-1,087	41,419
Internal sales	3,066	892	2,542	20	900	-7,420	-		-
Total	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419
Allocation per country									
Sweden	13,471	9,082	8,298	3,830	758	-5,785	29,654	-703	28,951
Norway	2,774	1,022	1,379	712	108	-662	5,333	-62	5,271
Finland	2,588	14	3,387	1,838	79	-971	6,935	-322	6,613
Denmark			570		1	-2	569		569
Other			15				15		15
Total	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419
Allocation per type of customer									
Public sector	7,469	6,610	3,846	4	33		17,962		17,962
Private customers	8,298	2,616	7,261	6,356	13		24,544	-1,087	23,457
Internal customers	3,066	892	2,542	20	900	-7,420	-		-
Total	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419
Allocation per point in time									
At one point in time	11	6	4,645	140	38	-896	3,944	3,013	6,957
Over time	18,814	10,106	7,613	6,174	777	-5,459	38,025	-4,100	33,925
Rent revenue ²⁾	8	6	1,391	66	131	-1,065	537		537
Total	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419
Allocation per type of revenue									
Construction contracts	18,814	10,106	7,613	6,174	45	-4,730	38,022	-4,100	33,922
Sales of goods			3,624			-648	2,976		2,976
Sales of property projects				130			130	3,013	3,143
Transportation services			885			-210	675		675
Administrative services					732	-729	3		3
Rent revenue ²⁾	8	6	1,391	66	131	-1,065	537		537
Other	11	6	136	10	38	-38	163		163
Total	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419

¹⁾ Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

²⁾ Rent revenue is recognized according to IFRS 16.

Group Jan-Dec 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	22,555	12,866	15,075	9,471	59		60,026	-1,103	58,923
Internal sales	4,425	1,314	3,712	26	1,255	-10,732	-		-
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per country									
Sweden	19,513	12,664	11,704	6,262	1,070	-8,485	42,728	-1,270	41,458
Norway	3,963	1,501	1,905	913	142	-926	7,498	100	7,598
Finland	3,504	15	4,364	2,322	101	-1,318	8,988	67	9,055
Denmark			792		1	-3	790		790
Other			22				22		22
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per type of customer									
Public sector	10,480	9,604	5,123	8	45		25,260		25,260
Private customers	12,075	3,262	9,952	9,463	14		34,766	-1,103	33,663
Internal customers	4,425	1,314	3,712	26	1,255	-10,732	-		-
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per point in time									
At one point in time	11	6	6,404	1,814	56	-1,319	6,972	5,759	12,731
Over time	26,959	14,166	10,448	7,602	1,083	-7,930	52,328	-6,862	45,466
Rent revenue ²⁾	10	8	1,935	81	175	-1,483	726		726
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per type of revenue									
Construction contracts	26,959	14,166	10,448	7,602	68	-6,919	52,324	-6,862	45,462
Sales of goods		1	4,975			-902	4,074		4,074
Sales of property projects				1,750		-16	1,734	5,759	7,493
Transportation services			1,241			-308	933		933
Administrative services					1,015	-1,011	4		4
Rent revenue ²⁾	10	8	1,935	81	175	-1,483	726		726
Other	11	5	188	64	56	-93	231		231
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923

¹⁾ Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

²⁾ Rent revenue is recognized according to IFRS 16.

Note 3 – Operating segment and reconciliation between segment reporting and reporting according to IFRS

Group Jan-Sep 2022 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	16,784	9,578	13,020	6,658	47		46,087	-1,295	44,792
Internal sales	3,885	982	2,755	17	1,076	-8,715	-		-
Total revenue	20,669	10,560	15,775	6,675	1,123	-8,715	46,087	-1,295	44,792
Operating profit	463	319	464	818	-145	-31	1,888	-217	1,671
Operating margin, %	2.2	3.0	2.9	12.3			4.1		3.7
Financial income							64		64
Financial expenses							-100	-35 ²⁾	-135
Net finance							-36	-35	-71
Pre-tax profit							1,852	-252	1,600
Tax							-357	30	-327
Profit for the period							1,495	-222	1,273
Capital employed (closing balance)	-1,891	-420	10,957	14,173		727 ³⁾	23,546	8,684	32,230
Total assets							43,191	7,995 ⁴⁾	51,186
Equity							14,469	-1,219	13,250
Equity/assets ratio, %							33.5		25.9
Net debt							5,886	9,903	15,789
Cashflow before financing	-65 ⁵⁾	97 ⁵⁾	-1,016 ⁵⁾	397 ⁵⁾		-471 ⁶⁾	-1,058	-1,597	-2,655

¹⁾ For more information about the allocation of revenue and profit items see note 2 and the section Overview business areas.

²⁾ Refers to IFRS 16, additional leases SEK -35 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,563 million and housing projects SEK 6,432 million.

⁵⁾ Refers to operating cash flow. For definition, see section Alternative performance measures and definitions.

⁶⁾ Unallocated cash flow.

Group Jan-Sep 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	15,767	9,226	11,107	6,360	46		42,506	-1,087	41,419
Internal sales	3,066	892	2,542	20	900	-7,420	-		-
Total revenue	18,833	10,118	13,649	6,380	946	-7,420	42,506	-1,087	41,419
Operating profit	502	307	518	791	-241	-25	1,852	-186	1,666
Operating margin, %	2.7	3.0	3.8	12.4			4.4		4.0
Financial income							74		74
Financial expenses							-90	-39 ²⁾	-129
Net finance							-16	-39	-55
Pre-tax profit							1,836	-225	1,611
Tax							-396	41	-355
Profit for the period							1,440	-184	1,256
Capital employed (closing balance)	-1,948	-556	9,764	13,685		-254 ³⁾	20,691	6,149	26,840
Total assets							39,358	6,561 ⁴⁾	45,919
Equity							13,556	-1,056	12,500
Equity/assets ratio, %							34.4		27.2
Net debt							4,461	7,205	11,666
Cashflow before financing	985 ⁵⁾	701 ⁵⁾	-438 ⁵⁾	-479 ⁵⁾		-193 ⁶⁾	576	-1,143	-567

¹⁾ For more information about the allocation of revenue and profit items see note 2 and the section Overview business areas.

²⁾ Refers to IFRS 16, additional leases SEK -39 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,754 million and housing projects SEK 4,807 million.

⁵⁾ Refers to operating cash flow. For definition, see section Alternative performance measures and definitions.

⁶⁾ Unallocated cash flow.

Group Jan-Dec 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	22,555	12,866	15,075	9,471	59		60,026	-1,103	58,923
Internal sales	4,425	1,314	3,712	26	1,255	-10,732	-		-
Total revenue	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Operating profit	711	471	938	1,237	-228	-31	3,098	-123	2,975
Operating margin, %	2.6	3.3	5.0	13.0			5.2		5.0
Financial income							94		94
Financial expenses							-116	-51 ²⁾	-167
Net finance							-22	-51	-73
Pre-tax profit							3,076	-174	2,902
Tax							-569	44	-525
Profit for the year							2,507	-130	2,377
Capital employed (closing balance)	-2,463	-615	9,266	13,523		1,850 ³⁾	21,561	7,137	28,698
Total assets							40,330	6,840 ⁴⁾	47,170
Equity							14,656	-974	13,682
Equity/assets ratio, %							36.3		29.0
Net debt							2,404	8,111	10,515
Cashflow before financing	1,654 ⁵⁾	921 ⁵⁾	507 ⁵⁾	249 ⁵⁾		-290 ⁶⁾	3,041	-1,989	1,052

¹⁾ For more information about the allocation of revenue and profit items see note 2 and the section Overview business areas.

²⁾ Refers to IFRS 16, additional leases SEK -51 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,699 million and housing projects SEK 5,141 million.

⁵⁾ Refers to operating cash flow. For definition, see section Alternative performance measures and definitions.

⁶⁾ Unallocated cash flow.

Note 4 – Financial assets and liabilities valued at fair value

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet. Measurement of fair value is based on a three level hierarchy;

Level 1: prices that reflect quoted prices on an active market for identical assets.

Level 2: based on direct or indirect inputs observable to the market not included in level 1.

Level 3: based on inputs unobservable to the market.

For a description of how fair value has been calculated see the Annual and Sustainability Report 2021, note 34. The fair value of financial assets and liabilities recognized as their amortized cost is estimated to be, in principle, the same as their recognized values.

Group	Sep 30, 2022			Sep 30, 2021			Dec 31, 2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets									
Securities held as fixed assets		76	76		55	55		55	55
<i>Of which unlisted funds</i>		35	35		32	32		32	32
<i>Of which unlisted shareholdings and participations</i>		41	41		23	23		23	23
Other long-term receivables	1		1						
<i>Of which commodity hedging with futures</i>	1		1						
Other current receivables	12		12	10		10	8		8
<i>Of which commodity hedging with futures</i>	7		7	9		9	7		7
<i>Of which currency swaps</i>	5		5	1		1	1		1
Total financial assets	13	76	89	10	55	65	8	55	63
Financial liabilities									
Other long-term liabilities			-	3		3			-
<i>Of which interest rate swaps</i>			-	3		3			-
Other current liabilities	16		16	4		4	6		6
<i>Of which interest rate swaps</i>			-			-	2		2
<i>Of which currency swaps</i>	1		1	2		2	1		1
<i>Of which commodity hedging with futures</i>	14		14			-	1		1
<i>Of which contingent consideration</i>	1		1	2		2	2		2
Total financial liabilities	16	-	16	7	-	7	6	-	6

The tables below are a reconciliation between the opening and closing balance for assets and liabilities included in level 3.

Group	Securities held as fixed asset					
	Unlisted funds			Unlisted shares and participations		
	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
MSEK						
Opening balance	32	37	37	23	23	23
Investments	2	4	4	18		
Dividends received		-12	-12			
Reported in profit/loss for the period						
Net finance	1	3	3			
Closing balance	35	32	32	41	23	23

Group	Contingent consideration		
	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
MSEK			
Opening balance	2	-	-
Aquisitions during the period		2	2
Payments during the period	-1		
Closing balance	1	2	2

The contingent consideration will amount from SEK 0 million to maximum of SEK 1 million.

Future financial information

- | | |
|--|------------------|
| • Year-end report January – December 2022 | February 3, 2023 |
| • Annual and Sustainability report 2022 | April, 2023 |
| • Quarterly report January – March 2023 and Annual General Meeting | May 4, 2023 |
| • Quarterly report January – June 2023 | July 14, 2023 |
| • Quarterly report January – September 2023 | October 27, 2023 |

Förslöv, October 28, 2022

*Jesper Göransson
CEO and President*

Presentation of the quarterly report

This quarterly report will be presented digitally and on a phone conference Friday October 28, 2022 at 09:00 a.m. by the President and CEO Jesper Göransson and CFO Niclas Winkvist. The presentation will be held in Swedish and is available via <https://www.peab.com/financial-info/>.

Call one of the following telephone numbers to participate:

- From Sweden: +46 8 5055 83 75
- From Great Britain: +44 3333 00 92 65

For further information, please contact:

Jesper Göransson, President and CEO of Peab, is reached through Juha Hartomaa, Head of Investor Relations Peab, +46 725 33 31 45

This information is information that Peab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at October 28, 2022, 08:00 a.m. CET.

Review report

We have reviewed the condensed interim financial information (interim report) for Peab AB (publ) as of September 30, 2022 and for the nine month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

*Förslöv, October 28, 2022
Ernst & Young AB*

*Jonas Svensson
Authorized Public Accountant*

Quarterly data

Group, IFRS

MSEK	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020
Net sales	16,197	16,458	12,137	17,504	15,488	14,807	11,124	15,989	16,204
Production costs	-14,730	-14,845	-11,304	-15,495	-13,868	-13,219	-10,440	-14,159	-14,463
Gross profit	1,467	1,613	833	2,009	1,620	1,588	684	1,830	1,741
Sales and administrative expenses	-640	-929	-866	-923	-673	-884	-820	-914	-717
Distribution of Annehem Fastigheter	-	-	-	-	-	-	-	952	-
Other operating income	81	94	32	235	67	51	38	84	72
Other operating costs	8	-3	-19	-12	11	0	-16	-10	-9
Operating profit	916	775	-20	1,309	1,025	755	-114	1,942	1,087
Financial income	18	22	24	20	29	15	30	23	18
Financial expenses	-60	-36	-39	-38	-48	-43	-38	-55	-55
Net finance	-42	-14	-15	-18	-19	-28	-8	-32	-37
Pre-tax profit	874	761	-35	1,291	1,006	727	-122	1,910	1,050
Tax	-163	-171	7	-170	-226	-152	23	-181	-210
Profit for the period	711	590	-28	1,121	780	575	-99	1,729	840
Profit for the period, attributable to:									
Shareholders in parent company	711	590	-28	1,121	780	575	-99	1,730	840
Non-controlling interests	0	0	0	0	0	0	0	-1	0
Profit for the period	711	590	-28	1,121	780	575	-99	1,729	840
Key ratios, IFRS									
Earnings per share, SEK	2.43	2.01	-0.10	3.80	2.65	1.95	-0.34	5.87	2.85
Average number of outstanding shares, million	291.3	294.4	295.0	295.0	295.0	295.0	295.0	295.0	295.0
Capital employed (closing balance)	32,230	31,232	29,765	28,698	26,840	25,849	25,019	24,435	27,729
Equity (closing balance)	13,250	12,736	13,792	13,682	12,500	11,694	12,517	12,443	12,874

Business areas

MSEK	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020
Net sales									
Construction	6,306	7,628	6,735	8,147	5,989	6,648	6,196	7,448	5,798
Civil Engineering	3,584	3,893	3,083	4,062	3,285	3,743	3,090	3,600	3,041
Industry	7,096	6,108	2,571	5,138	6,198	5,247	2,204	4,929	6,233
Project Development	2,234	1,977	2,464	3,117	2,741	1,929	1,710	1,804	1,750
– of which Property Development	304	120	59	425	33	33	30	71	71
– of which Housing Development	1,930	1,857	2,405	2,692	2,708	1,896	1,680	1,733	1,679
Group functions	380	385	358	368	318	327	301	317	298
Eliminations	-2,915	-3,133	-2,667	-3,312	-2,410	-2,725	-2,285	-2,674	-2,283
Group, segment reporting	16,685	16,858	12,544	17,520	16,121	15,169	11,216	15,424	14,837
Adjustment of housing to IFRS	-488	-400	-407	-16	-633	-362	-92	560	1,384
IFRS 16, additional leases									
Annehem Fastigheter								36 ¹⁾	47
Eliminations								-31	-64
Group, IFRS	16,197	16,458	12,137	17,504	15,488	14,807	11,124	15,989	16,204
Operating profit									
Construction	126	177	160	209	164	187	151	197	137
Civil Engineering	118	148	53	164	109	146	52	131	92
Industry	519	341	-396	420	576	339	-397	397	471
Project Development	265	264	289	446	326	252	213	1,195	162
– of which Property Development	91	43	34	122	70	29	10	961	13
– of which Housing Development	174	221	255	324	256	223	203	234	149
Group functions	-27	-47	-71	13	-64	-95	-82	-132	-14
Eliminations	-8	2	-25	-6	-10	-5	-10	37	-4
Group, segment reporting	993	885	10	1,246	1,101	824	-73	1,825	844
Adjustment of housing to IFRS	-86	-119	-39	52	-86	-69	-49	95	226
IFRS 16, additional leases	9	9	9	11	10	0	8	12	12
Annehem Fastigheter								13 ¹⁾	5
Eliminations								-3	0
Group, IFRS	916	775	-20	1,309	1,025	755	-114	1,942	1,087
Operating margin, %									
Construction	2.0	2.3	2.4	2.6	2.7	2.8	2.4	2.6	2.4
Civil Engineering	3.3	3.8	1.7	4.0	3.3	3.9	1.7	3.6	3.0
Industry	7.3	5.6	-15.4	8.2	9.3	6.5	-18.0	8.1	7.6
Project Development	11.9	13.4	11.7	14.3	11.9	13.1	12.5	66.2	9.3
– of which Property Development	29.9	35.8	57.6	28.7	212.1	87.9	33.3	1,353.5	18.3
– of which Housing Development	9.0	11.9	10.6	12.0	9.5	11.8	12.1	13.5	8.9
Group functions									
Eliminations									
Group, segment reporting	6.0	5.2	0.1	7.1	6.8	5.4	-0.7	11.8	5.7
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Annehem Fastigheter								36.1 ¹⁾	10.6
Eliminations									
Group, IFRS	5.7	4.7	-0.2	7.5	6.6	5.1	-1.0	12.1	6.7
Key ratios, segment reporting, MSEK									
Earnings per share, SEK	2.69	2.36	0.04	3.62	2.89	2.18	-0.19	5.62	2.25
Capital employed (closing balance)	23,546	22,828	22,117	21,561	20,691	19,867	19,659	19,434	21,086
Equity (closing balance)	14,469	13,868	14,812	14,656	13,556	12,654	13,408	13,251	12,637
Orders received	13,095	14,334	15,375	14,443	13,865	13,094	14,446	12,189	11,718
Order backlog at the end of the period	48,762	49,899	49,968	45,318	46,280	46,684	47,286	42,709	44,722

¹⁾ Refers to October-November 2020

Alternative performance measures and definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

The difference between segment reporting and reporting according to IFRS is described in more detail in note 1. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in

time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS. For more information and calculations, see Peab's website

www.peab.com/alternative-keyratios.

Financial definitions

Available liquidity

Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized credit facilities for project financing. Shows the Group's available liquidity.

Capital employed for the business areas

Total assets in the business area at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.

Capital employed for the Group

Total assets at the end of the period less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.

Earnings per share

Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows earnings per share.

Equity/assets ratio

Equity as a percentage of total assets at the end of the period. Shows financial position.

Equity per share

Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.

Net debt

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.

Net debt, segment reporting

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. As of January 1, 2019 unsold part of ongoing own housing development projects is included in net debt. Shows financial position for segment.

Non-financial definitions

CSI

CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100 and is based on three questions: 1) Total satisfaction, 2) In relation to expectations 3) In relation to ideal supplier.

eNPS

eNPS stands for employee Net Promoter Score and measures employee engagement. The score can vary between -100 and 100 and is based on the question to employees: "How probable is it that you would recommend your employer to a friend or acquaintance?"

LT14 and LTIF4

LT14 refers to the number of workplace accidents with more than four days absence, excluding the day of injury, and LTIF4 refers to the frequency rate per one million hours worked according to the same definition. LTI stands for Lost Time Injury.

Net debt/equity ratio

Interest-bearing net debt in relation to equity. Shows financial position.

Net investments

The change in the period of the recognized value of current assets (CB-OB) plus depreciation and write-downs. Shows the size of net investments made.

Operating margin

Operating profit as a percentage of net sales. Shows profitability in the business.

Operative cash flow

Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.

Order backlog

The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.

Orders received

The sum of orders received during the period. Measures how new orders replace produced work. Regarding our own housing development projects, tenant-owner associations and housing companies are considered external customers.

Return on capital employed

Pre-tax profit for the rolling 12 month period with the addition of financial expenses in percent of the average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.

Return on equity

Profit for the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create efficient business and a rational capital structure and show how the Group has multiplied shareholders' equity.

Project and development property

Holdings of undeveloped land and decontamination property for future development, property with buildings for project development, processing and thereafter divestiture within Peab's normal business cycle.

Risk observations

A risk observation means at a workplace noticing behavior, risks or shortcomings that could lead to an incident or accident.

Serious accidents

Peab uses the Swedish Work Environment Authority's definition of a serious accident as an accident where one or more persons are injured at a workplace or a place they have visited for work. Serious accidents can be injuries such as bone fractures, effusive bleeding or nerve, muscle or tendon damage, injuries to inner organs or second or third degree burns. Serious accidents that occur in our other Nordic countries are categorized by the same definition.



Peab is The Nordic Community Builder

About Peab

Peab works locally where our customers are and where people live their lives. Every day our 16,000 employees contribute through four collaborating business areas to community building in Sweden, Norway, Finland and Denmark. Together we build homes, schools, retirement homes, hospitals, swimming pool facilities, museums, offices, airports and ports. We build and maintain roads, railroads, bridges, parks and much, much more.

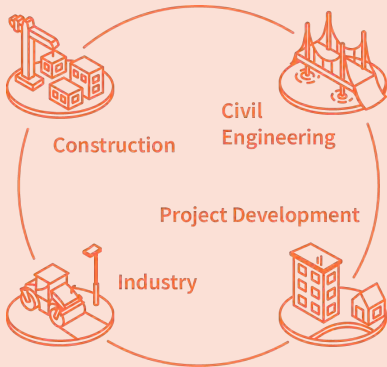
Peab has contributed to locally produced community building for more than 60 years. Now the journey continues. Long-lastingly and responsibly we are forging ahead, and improving everyday life where it's lived.

Net sales, appr.

SEK 64 billion

Employees, appr.

16,000



Business model

Value through collaborating business areas

Our business is founded on four business areas Construction, Civil Engineering, Industry and Project Development. Each of them is independent with its own customer base. But the strength in our business model – and thereby our ability to achieve our targets – is multiplied when they work together in the processing chain. This is the core of our business model and what makes us unique. This is locally produced community building throughout the entire Nordic region.

Strategic targets

- Most satisfied customers
- Best workplace
- Most profitable company
- Leader in social responsibility

Each of these four targets are important on their own but they are linked together as a unit too. "Leader in social responsibility" is new as of 2021. All the targets refer to our industry.



Local and close to our customers

Our 16,000 employees work close to our customers in the community and use wherever possible local resources in the form of our own personnel, input goods and subcontractors. Together with our social engagement in the community and integrated climate and environmental work this forms the foundation of what we call locally produced community building.

Photographers: Andreas Hylthén, Björn Forsberg, Johan Marklund, Markus Esselmark, Mats Bakken, Peter Steen, P-O Möller, Studio Kuivo, Ulf Celandar and Ørjan Marakatt Bertelsen.

Peab takes work environment matters very seriously and works systematically to create safe workplaces. The kind of safety equipment used varies depending on national regulations and the type of operations. A risk analysis is always performed for each workplace before any exception is made. The people pictured in this publication are wearing personal safety equipment required by regulations valid for the operations and country they are in.