

An orange rounded square containing the white text "Q4".

Q4

January - December 2020

February 4, 2020

GÅRDA VESTA
Gothenburg

MARKET OUTLOOK

Stable market outlook

Total construction and civil engineering investments, new and renovations

Sweden	2020 → (↘)	2021 →	2022 ↗
Norway	2020 ↗ (→)	2021 →	2022 →
Finland	2020 → (↘)	2021 → (↘)	2022 ↗ (→)

Source: Navet Analytics AB

MARKET OUTLOOK

Housing investments on lower level

Started-up housing investments, new and renovations

	2020	2021	2022
Sweden	→ (↓)	↘	↗
Norway	↘	↘	↗
Finland	↘ (↓)	↘	↑ (↗)

Source: Navet Analytics AB

Stable outlook for started-up other building construction

Started-up other building construction investments, new and renovations

Sweden	2020 ↘	2021 ↗ (→)	2022 ↗
Norway	2020 ↑ (↗)	2021 ↘ (→)	2022 →
Finland	2020 ↗ (→)	2021 →	2022 → (↘)

Source: Navet Analytics AB

MARKET OUTLOOK

Civil engineering supported by public spending

Civil engineering investments

Sweden	2020 ↗ (→)	2021 ↗ (→)	2022 -
Norway	2020 ↗	2021 ↑	2022 -
Finland	2020 ↗	2021 ↘	2022 -

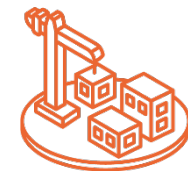
Source: Navet Analytics AB



Business area Construction

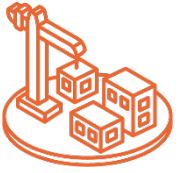
TROMSØBADET
Tromsø

Business area Construction

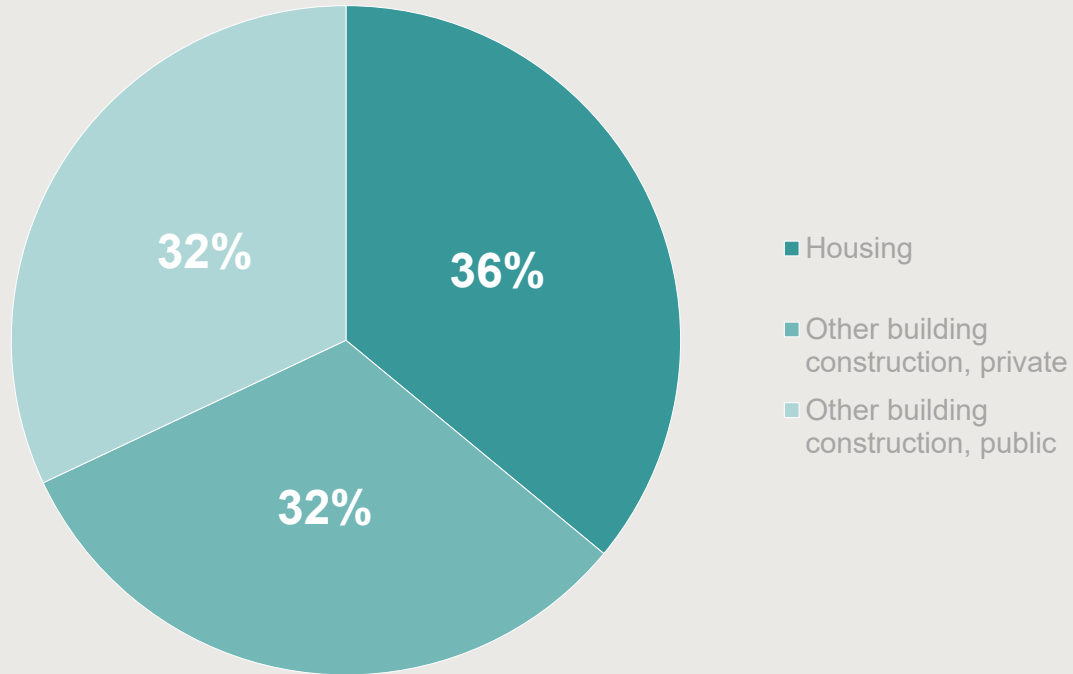


MSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	7,448	8,371	26,989	29,416
Operating profit	197	207	663	711
Operating margin, %	2.6	2.5	2.5	2.4

Growth in public building construction

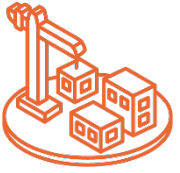


Net sales, rolling 12 months

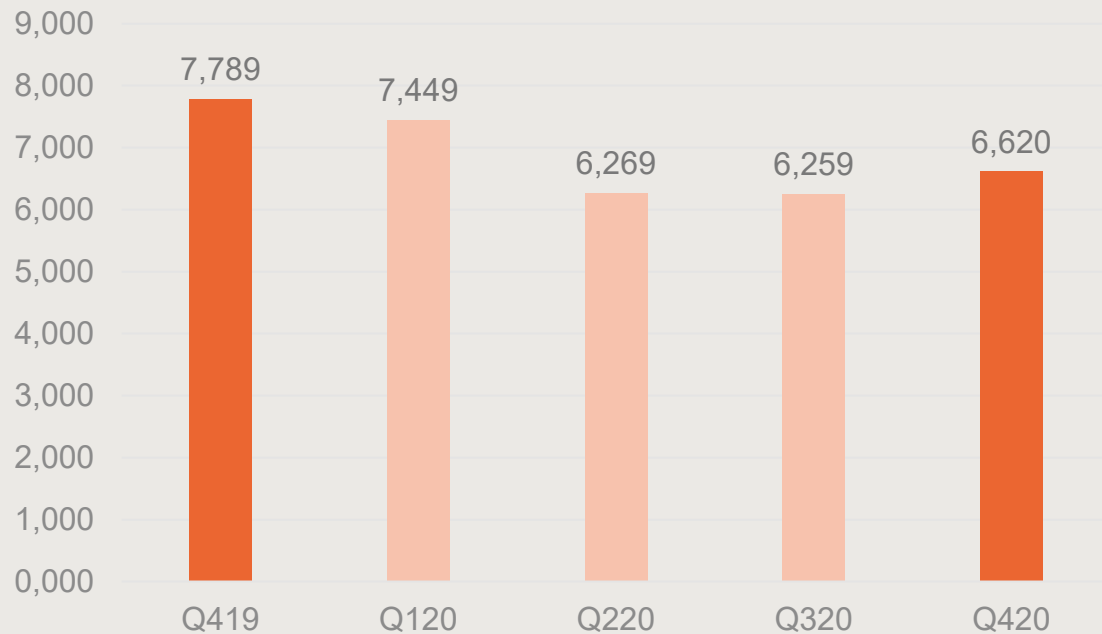


BUSINESS AREA CONSTRUCTION

Stable level of orders received



Orders received, MSEK



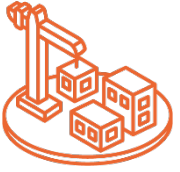
Orders received

6.6
BSEK (7.8)



ÄLVDAL SCHOOL
Älvdalen

Good variation in type of product and geography



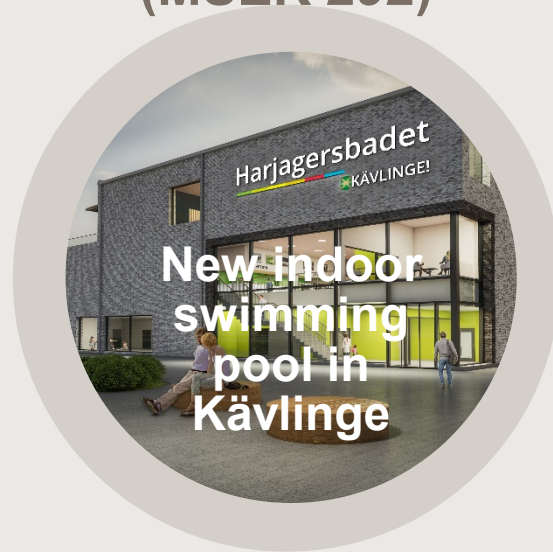
New elementary school
(MSEK 210)



Renovation of rental apartments
(MEUR 17)



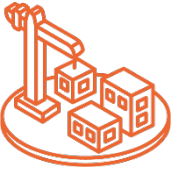
Construction of new indoor swimming pool
(MSEK 292)



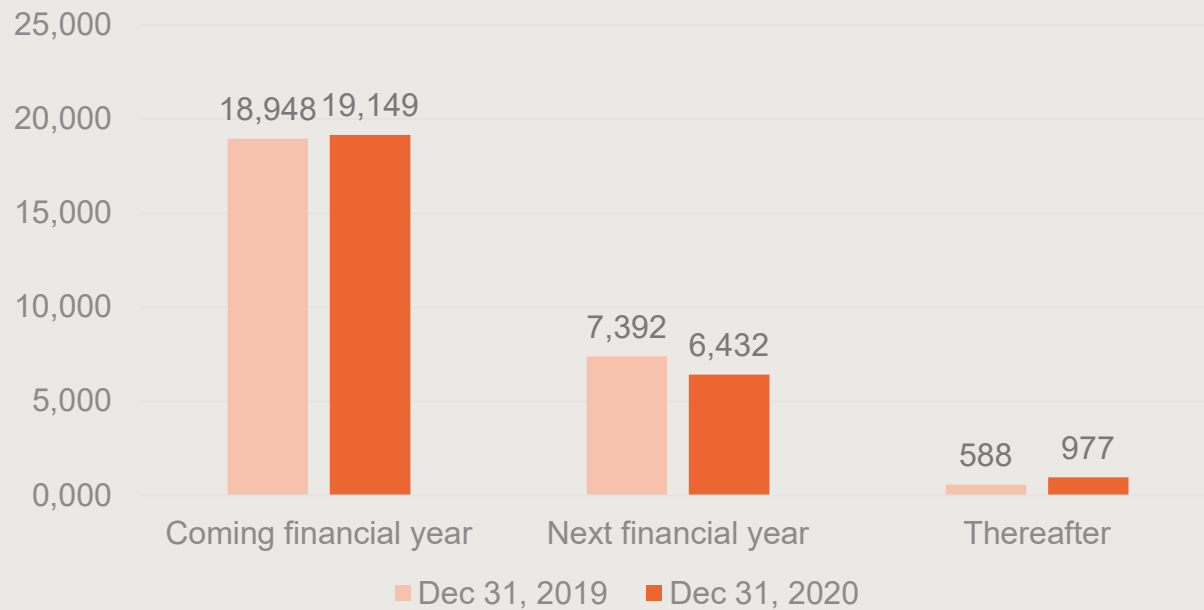
New apartments and shops
(MSEK 106)



Good distribution over time



Order backlog allocated over time, MSEK



28%
after coming
financial year (30)



Business area Civil Engineering

E20
Värgårda-Alingsås

Business area Civil Engineering

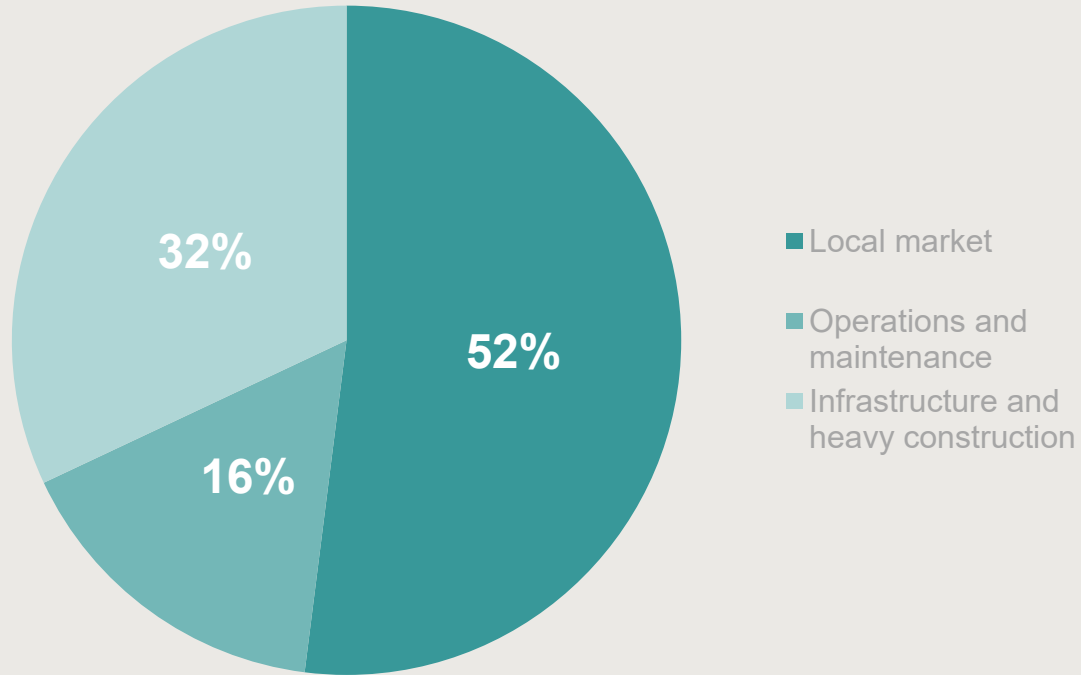


MSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	3,600	3,792	12,843	13,339
Operating profit	131	132	391	367
Operating margin, %	3.6	3.5	3.0	2.8

Higher net sales in Infrastructure



Net sales, rolling 12 months

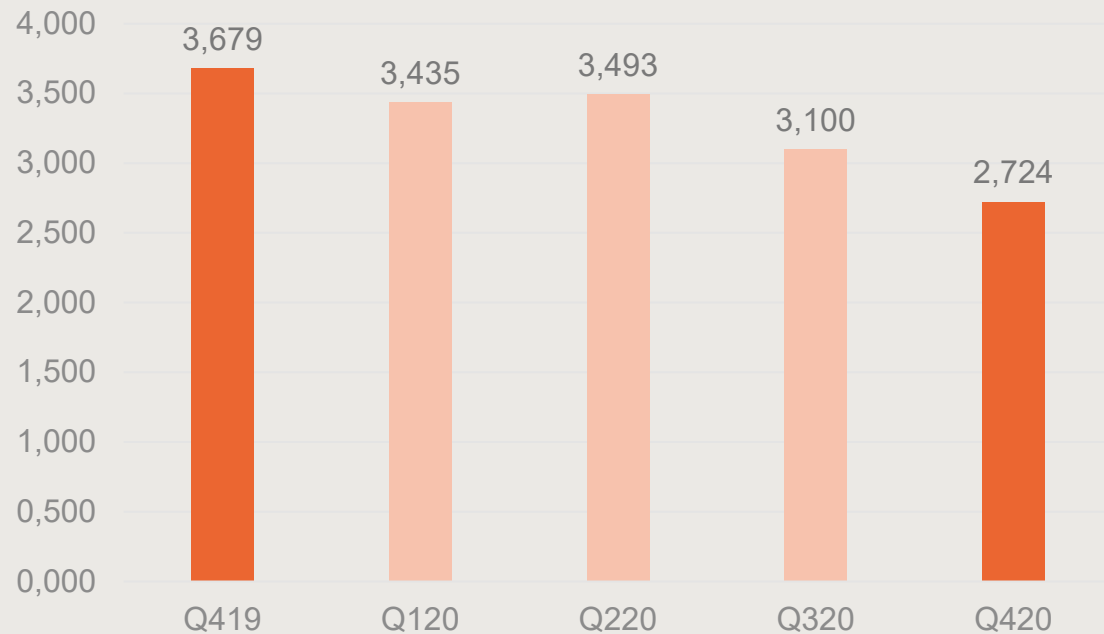


THE LITS BRIDGE,
INDALSÄLVEN
Östersund

Stable level of orders received



Orders received, MSEK



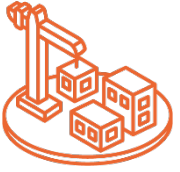
Orders received

2.7
BSEK (3.7)



ROAD E20
Alingsås-Värgårda

Several infrastructure contracts



**Broadening of highway
(MSEK 159)**

**Renovation of dock
(MNOK 120)**

**Decontamination of soil
(MSEK 140)**

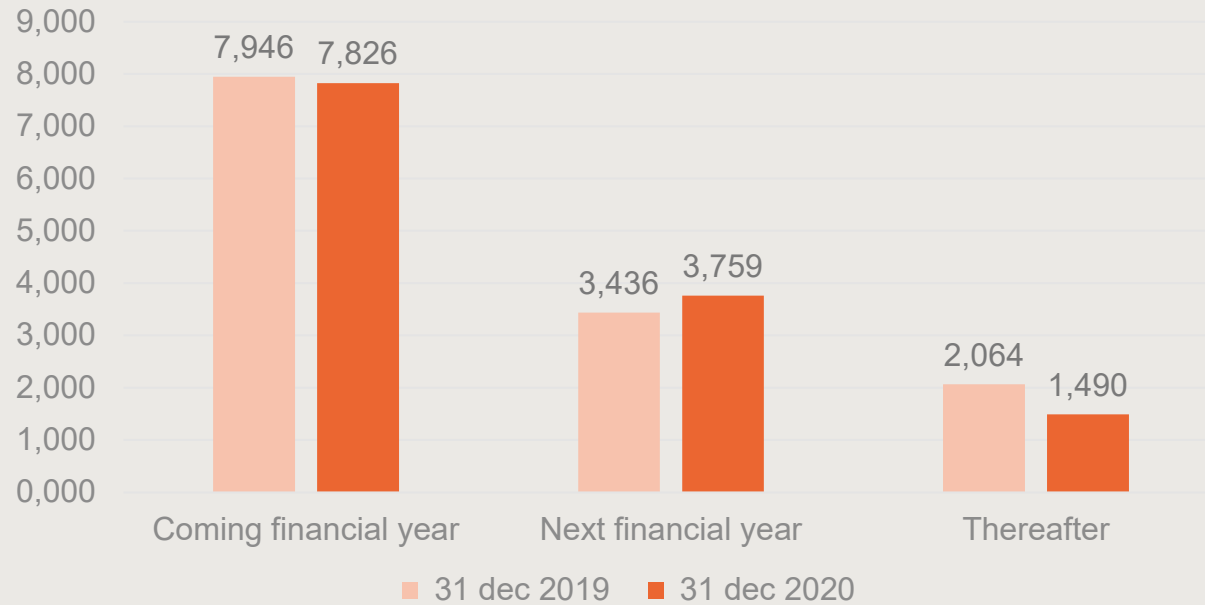
**Constuction of new bridge
(MSEK 329)**



Good distribution over time



Order backlog allocated over time, MSEK



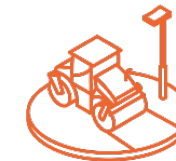
40%
after coming
financial year (41)



Business area Industry

ROAD 109
Ekeby

Business area Industry

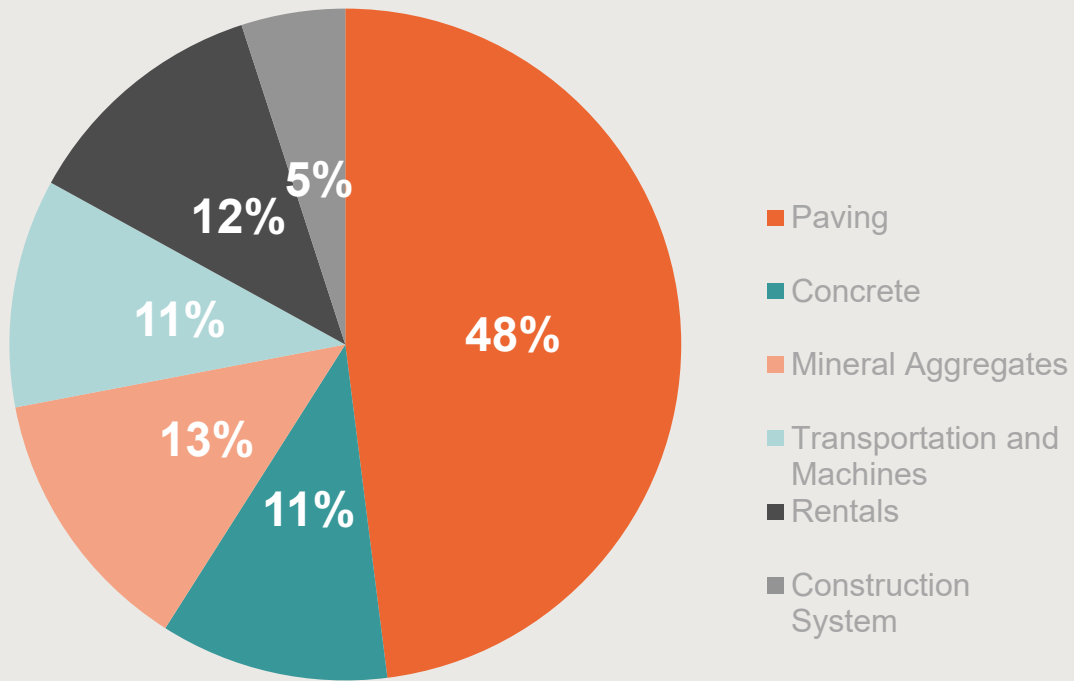


MSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	4,929	3,592	18,720	13,339
Operating profit	397	363	1,105	937
Operating margin, %	8.1	10.1	5.9	7.0

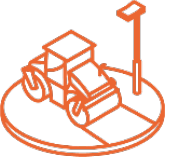
Growth in Paving and Mineral Aggregates



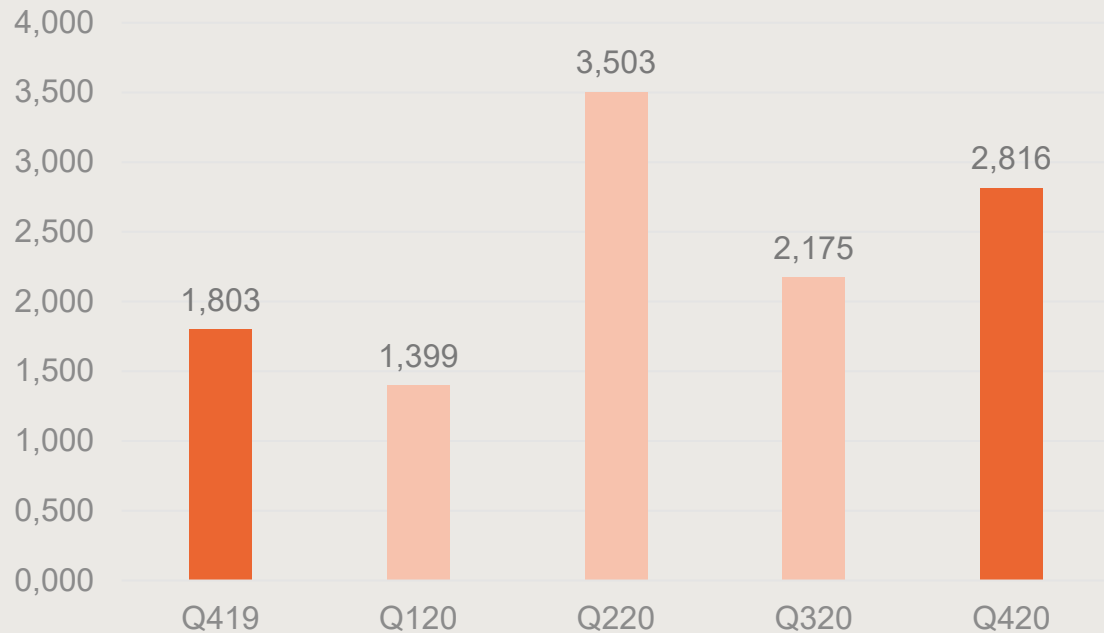
Net sales, rolling 12 months



Acquisition contributes to higher level of orders received



Orders received, MSEK



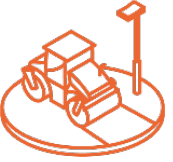
Orders received

2.8

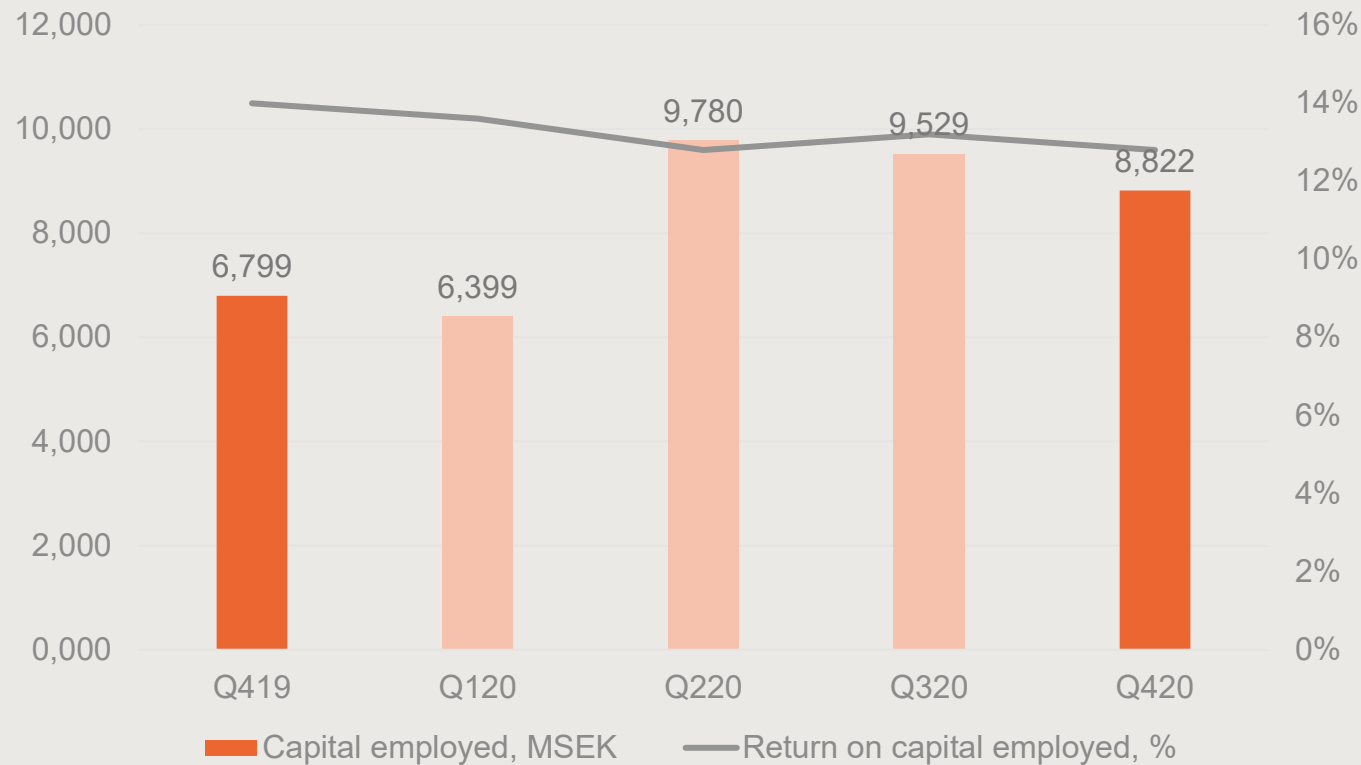
BSEK (1.8)



Increased expenditures through acquisitions and investments



Capital employed and return on capital employed



Return on capital employed

12.8
% (14.0)



Business area Project Development

CARL BERNER
SQUARE
Oslo

Business area Project Development



MSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	1,804	2,684	7,500	9,125
Operating profit	1,195	278	1,669	1,015
Operating margin, %	66.2	10.4	22.3	11.1
<i>of which Housing Development</i>	13.5	10.0	9.6	8.6

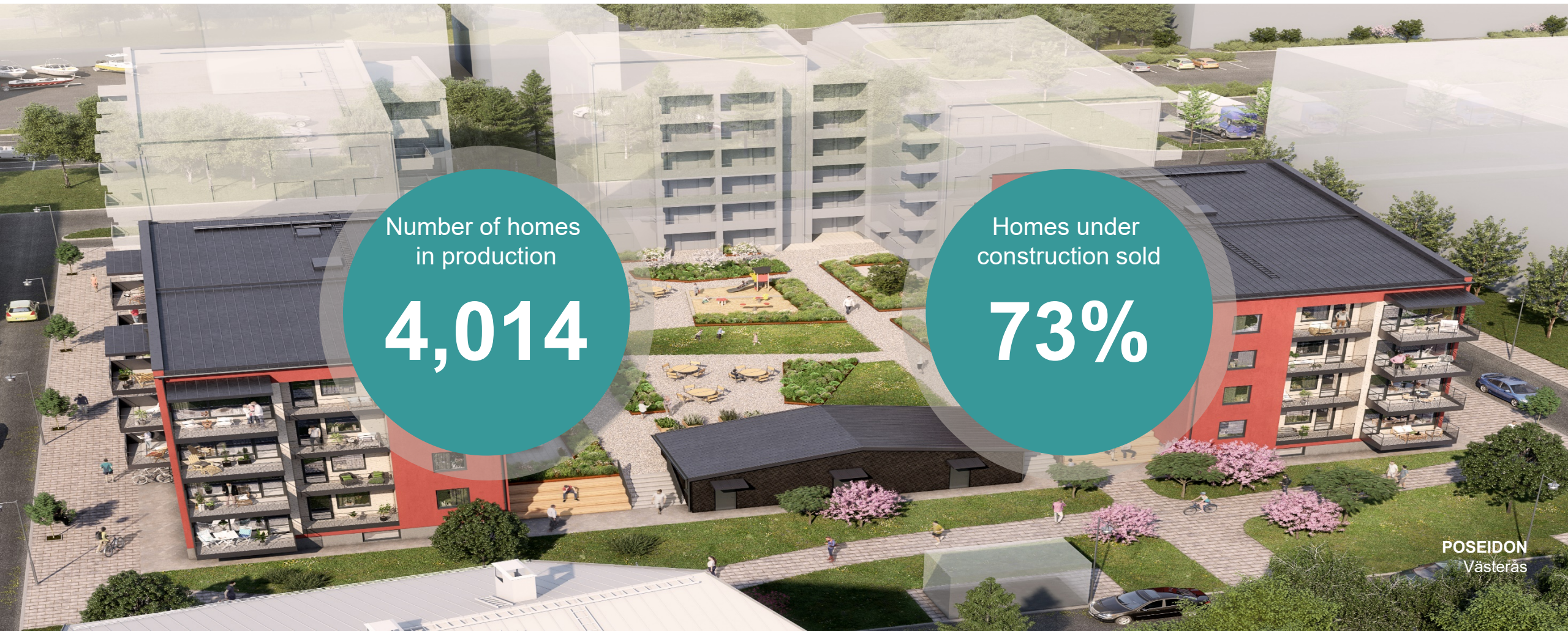
The fourth quarter of 2020 includes an effect of the distribution of Annehem Fastigheter by MSEK 896

Even level of housing start-ups and continued good sales



Number	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Housing start-ups	679	538	2,291	2,067
Sold homes	664	755	2,682	2,709
Repurchased homes on the balance sheet at the end of the period	222	253	222	253

Housing Development after the fourth quarter



Number of homes
in production

4,014

Homes under
construction sold

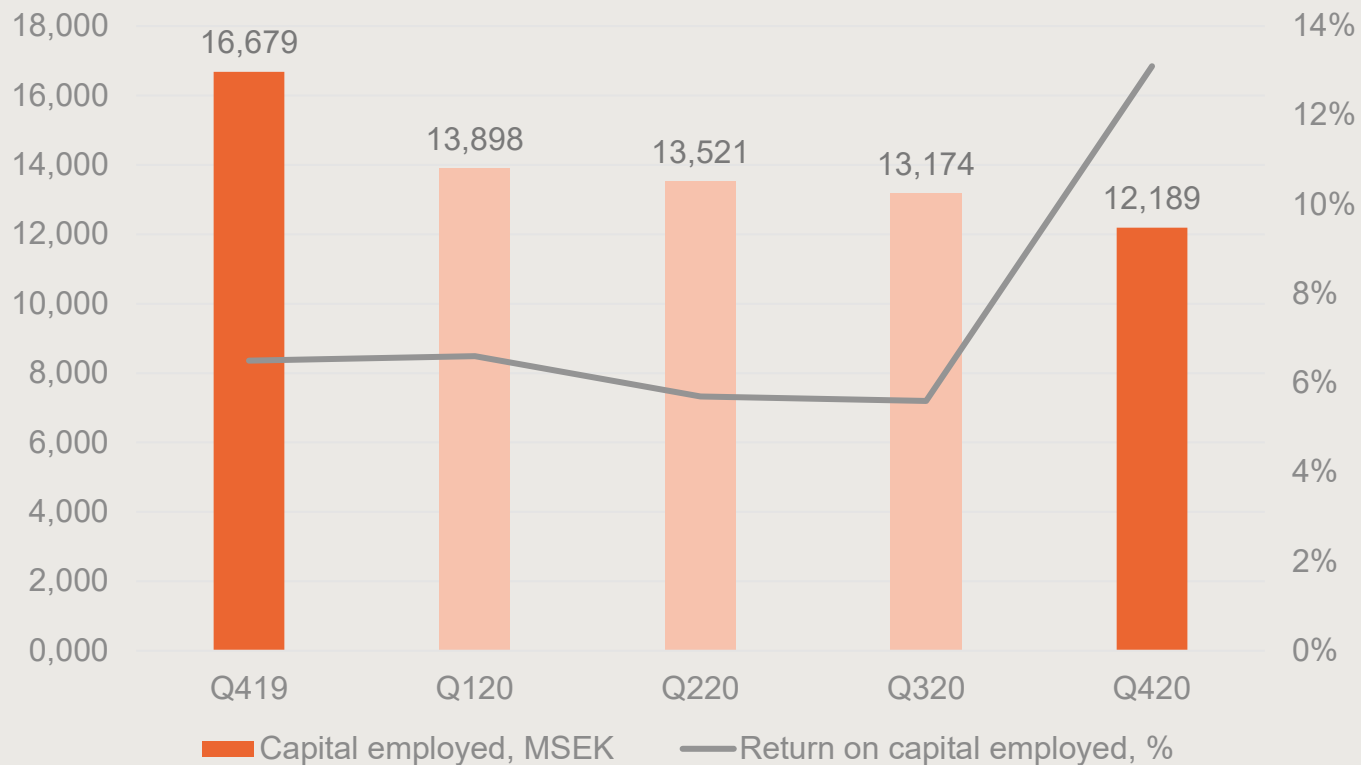
73%

POSEIDON
Västerås

Capital employed affected by distribution of Annehem Fastigheter and high level of sales



Capital employed and return on capital employed



Return on capital employed

13.1

% (6.5)



The Peab Group

Segment reporting

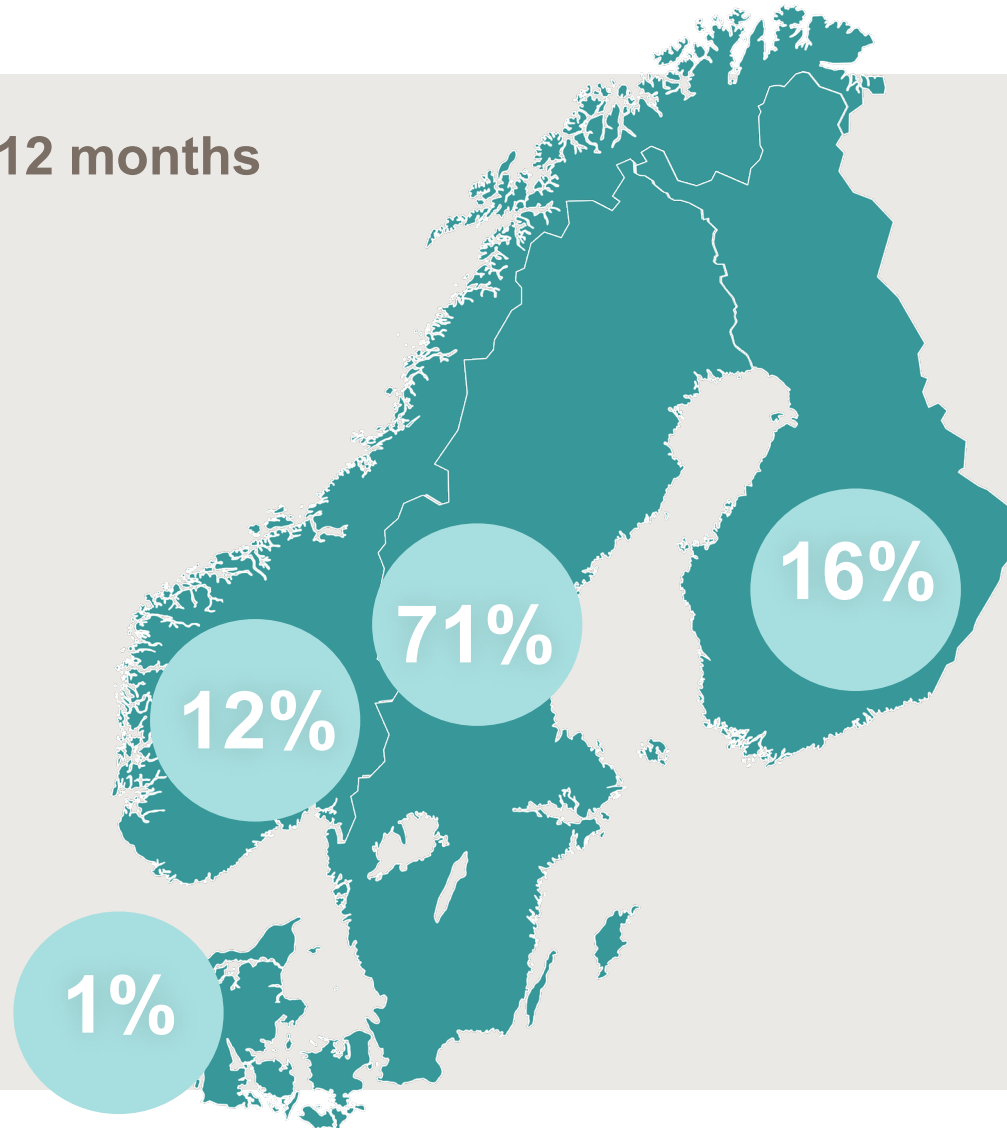
MSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	15,424	15,858	57,417	55,349
Operating profit	1,825	797	3,541	2,610
Operating margin, %	11.8	5.0	6.2*	4.7

*The fourth quarter of 2020 includes an effect from the distribution of Annehem Fastigheter by MSEK 952. Excluding the effect of the distribution of Annehem Fastigheter operating margin was 4.5 percent.

THE GROUP

Local presence in all the Nordic countries

Net sales, rolling 12 months



Stable level of orders received and order backlog

Orders received

12.2

BSEK (12.1)

Order backlog

42.7

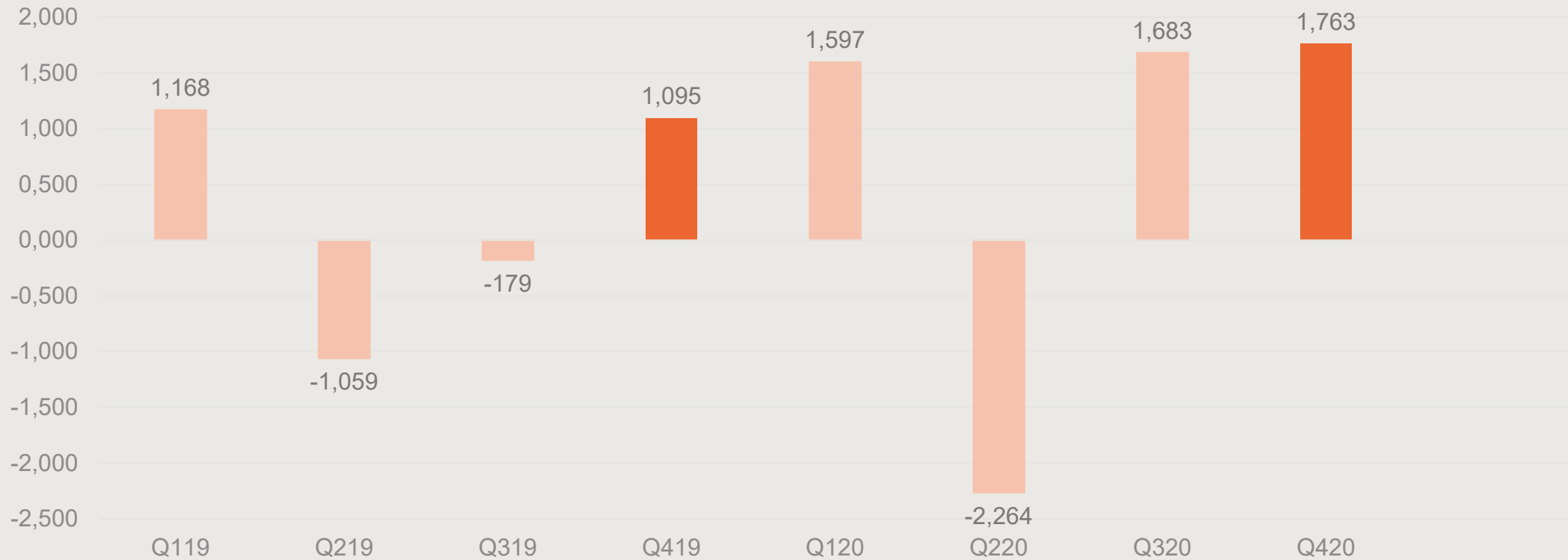
BSEK (42.5)

Share of projects
under MSEK 500

85%

Strong cash flow in fourth quarter

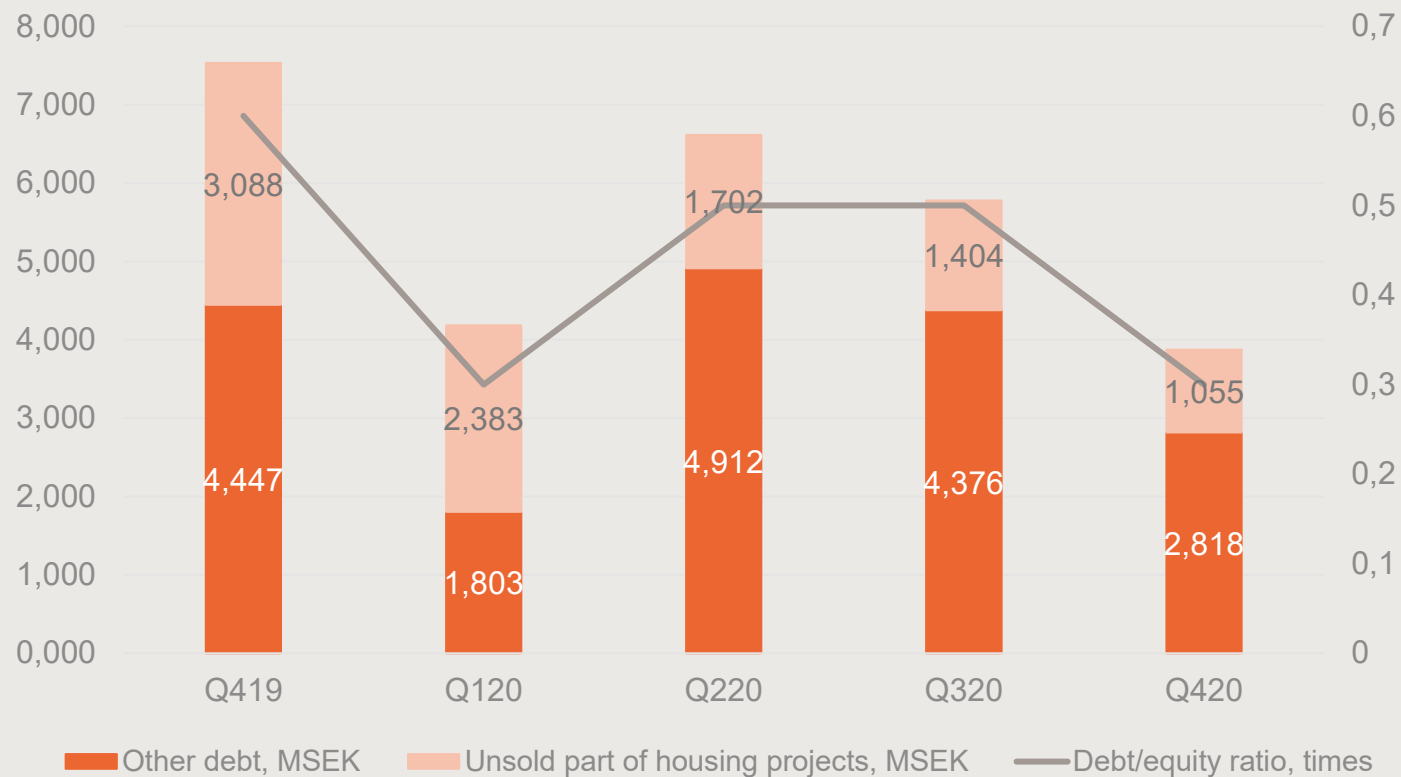
Cash flow before financing, MSEK



THE GROUP

Improved financial position

Net debt and debt/equity ratio



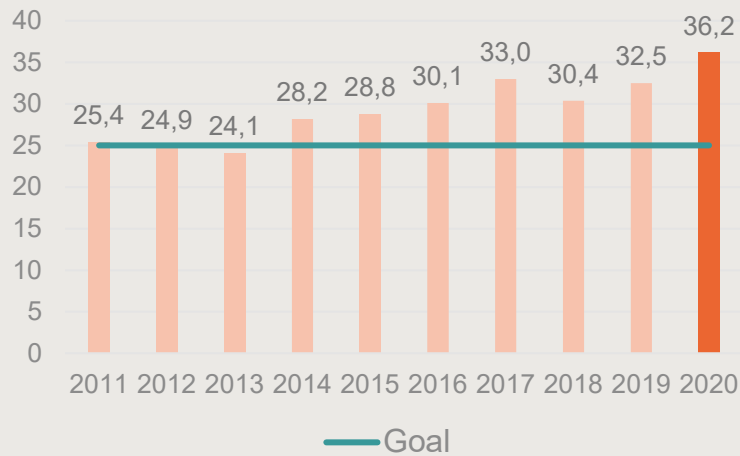
Net debt

3.9

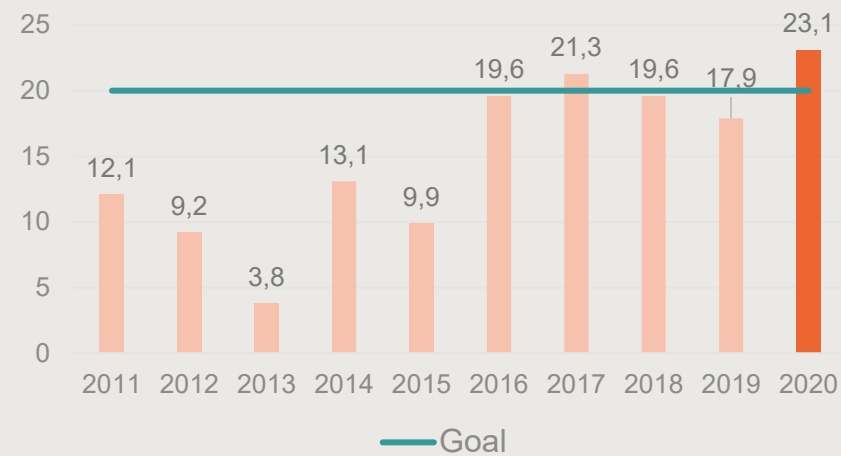
BSEK (7.5)

Our financial goals and goal fulfilment in 2020

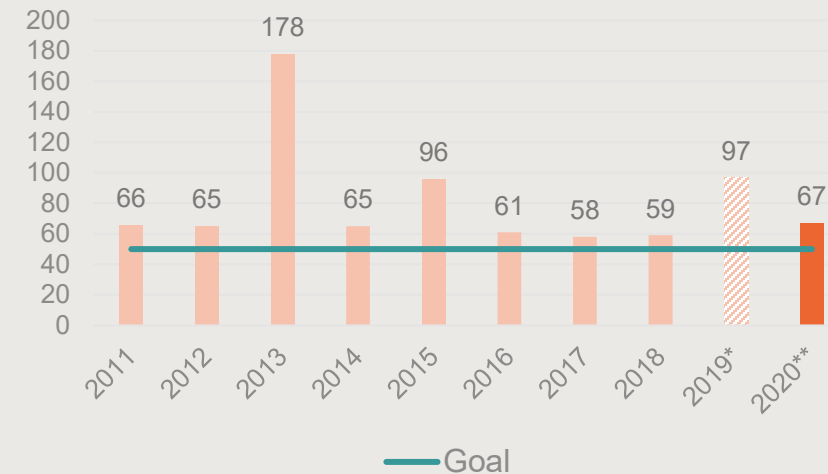
Equity/assets ratio, %



Return on equity, %



Dividend, %



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

* No dividend was distributed for 2019. The value of the distribution of Annhem Fastigheter was at the time of distribution in December 2020 97 percent of profit for the year 2019. ** For 2020, the Board's proposal to the AGM. The proportion is calculated without the effect on profit of MSEK 952 due to the distribution of Annhem Fastigheter.

New targets as of 2021

Most satisfied customers



SCI

always over

75

Best workplace



eNPS

always over benchmark

Zero vision

Serious accidents
Through a continuously contracting trend

Most profitable company



Operating margin

>6 %

Net debt/equity ratio

0.3-0.7

Dividend

>50 %

Leader in social responsibility



Carbon dioxide intensity
Own production

60 %

Reduction by 2030

Carbon dioxide intensity
Input goods & purchased services

50 %

Reduction by 2030

Equal opportunity recruitment:

Number of women
always over
education market


JAN-DEC 2020

Strong financial position and new financial targets

- Stable level of orders received, strong cash flow and lower net debt
- Very good profit with a positive effect from the distribution of Annehem Fastigheter
- Integration of our acquired units is progressing and the operations are developing according to plan
- Stable market outlook
- The Board proposes a dividend of SEK 4.50 per share (-)
- New financial and non-financial targets adopted
- Capital Market Day about Peab's journey forward on February 10, 2021

Ready for
the next phase





**CMD
+Q1**

Capital market day:

February 10, 2021

Next quarterly report:

May 6, 2021

GOLDFINGER
Helsinki

Thank you!

