

Q2

January - June 2023

July 14, 2023

STUDENT HOUSING
Turku

MARKET OUTLOOK

Continued weak market for housing investments

Started-up housing investments, new and renovations

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

Source: Navet

MARKET OUTLOOK

Decline for other building construction, but Norway is up

Started-up other building construction investments, new and renovations

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

Source: Navet

MARKET OUTLOOK

Civil engineering investments on a stable level

Civil engineering investments

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

Source: Navet

MARKET OUTLOOK

Lower investment level in the Nordic market

Total construction and civil engineering investments, new and renovations

Sweden	2023 ↓	2024 →(↗)	2025 ↗
Norway	2023 →(↗)	2024 ↗	2025 ↗
Finland	2023 ↓	2024 →	2025 ↗

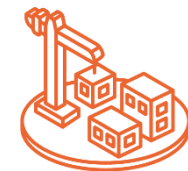
Source: Navet



Business area Construction

SOLNA SWIMMING POOL
Solna

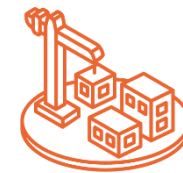
Business area Construction



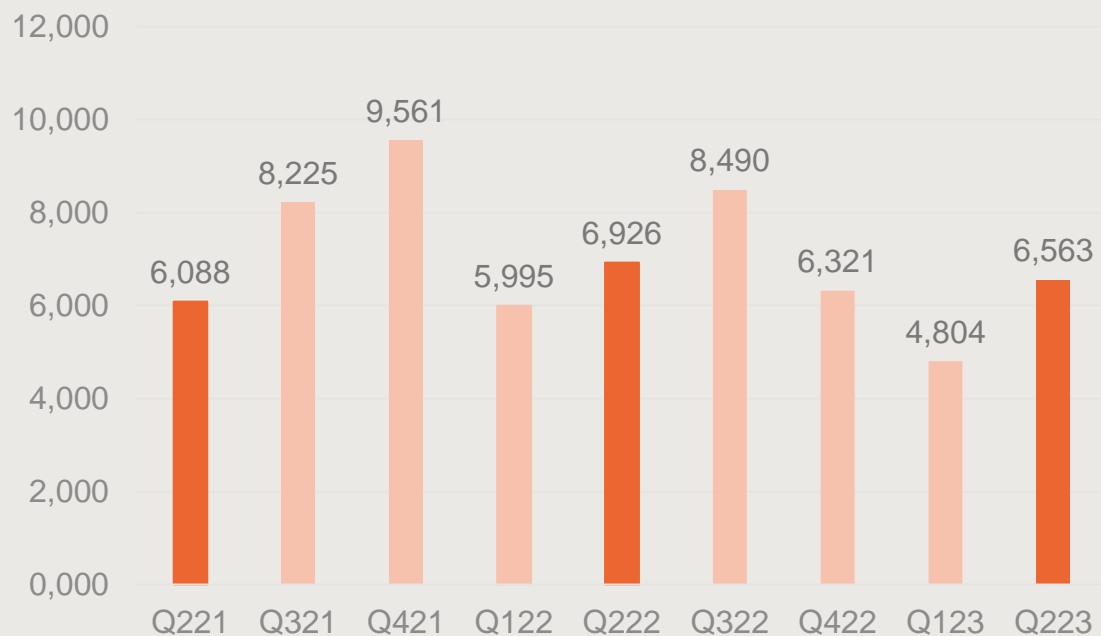
MSEK	Apr-Jun 2023	Apr-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Net sales	7,540	7,628	29,598	28,999
Operating profit excl. Mall of Scandinavia	141	177	595	629
Operating margin excl. Mall of Scandinavia, %	1.9	2.3	2.0	2.2
Operating profit	541	177	995	629
Operating margin, %	7.2	2.3	3.4	2.2

BUSINESS AREA CONSTRUCTION

Lower level of orders received and order backlog



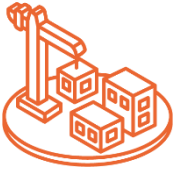
Orders received, MSEK



Order backlog
25.8
BSEK (28.8)

BRF Å-PROMENADEN
Nyköping

New assignments, not least from public customers

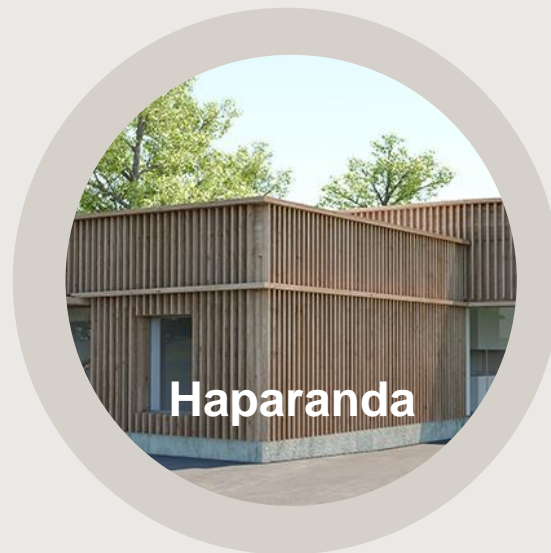
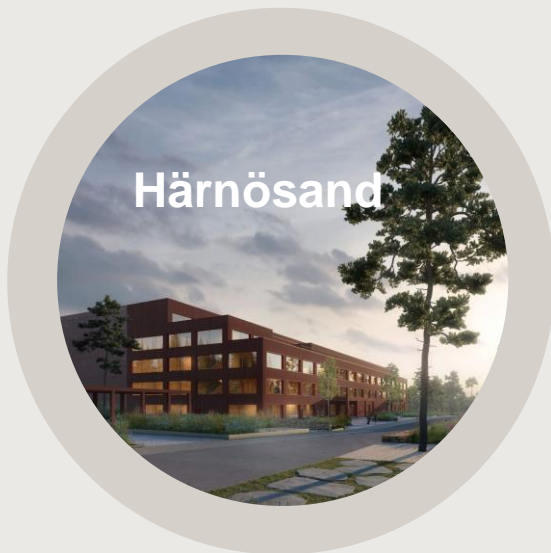


National Archives
(800 MSEK)

Logistics facilities
(700 MSEK)

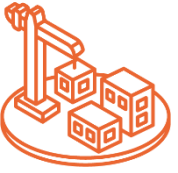
Swimming pool
(209 MSEK)

High school
(18 MEUR)

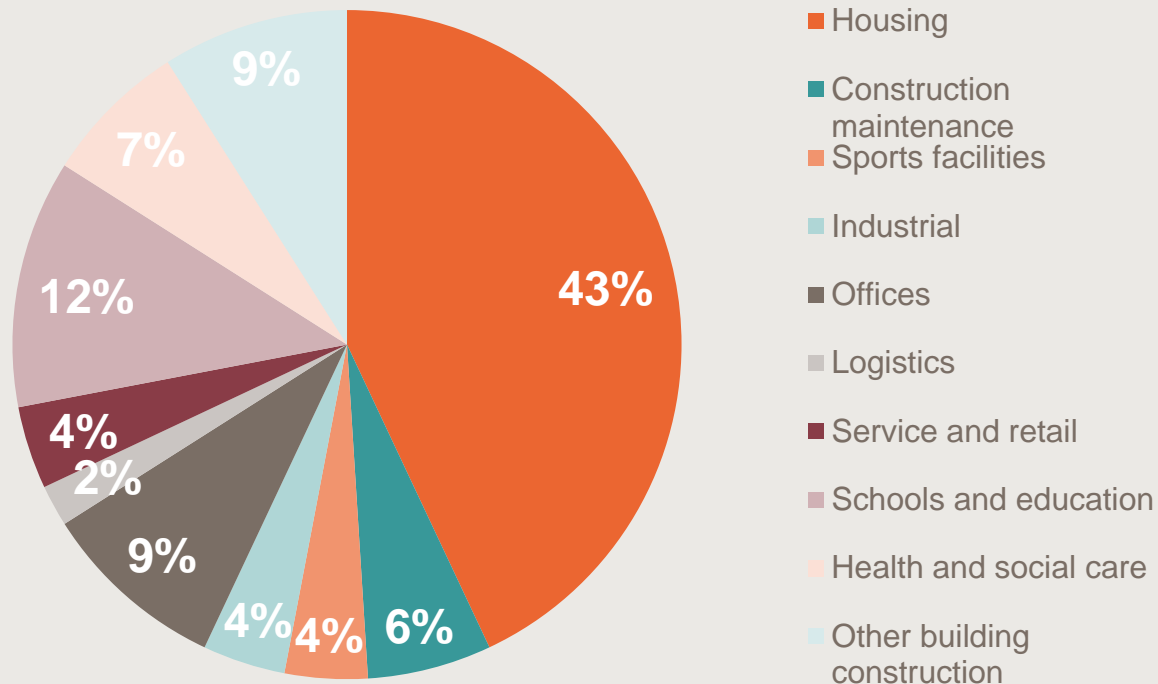


BUSINESS AREA CONSTRUCTION

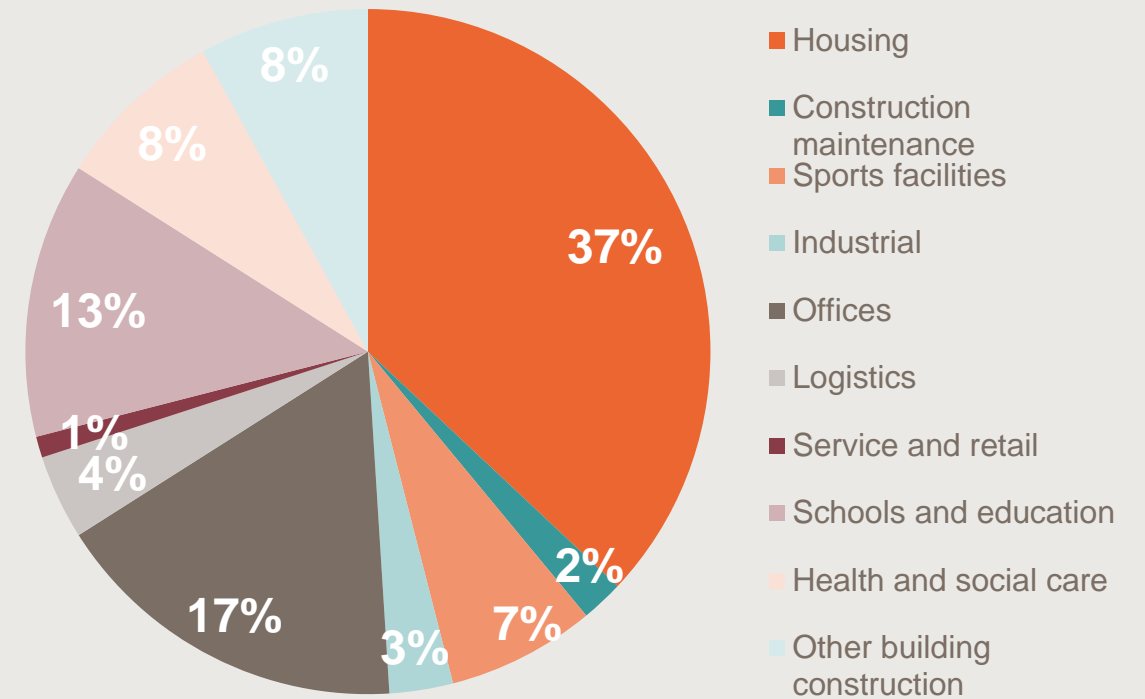
Allocation per product area



Net sales, rolling 12 months



Order backlog, June 30, 2023





Business area Civil Engineering

SUSPENSION BRIDGE
Tyresö

Business area Civil Engineering

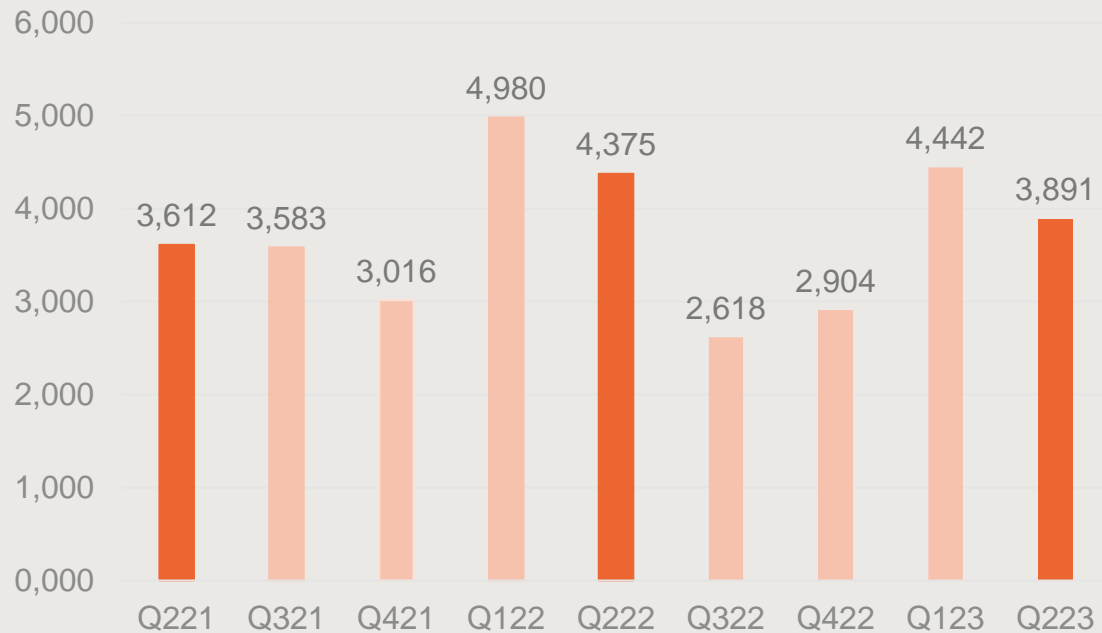


MSEK	Apr-Jun 2023	Apr-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Net sales	3,891	3,893	15,208	14,965
Operating profit	152	148	504	494
Operating margin, %	3.9	3.8	3.3	3.3

Stable level of orders received, good order backlog



Orders received, MSEK



Order backlog

15.1

BSEK (16.4)



PEAB CIVIL ENGINEERING
Bergen

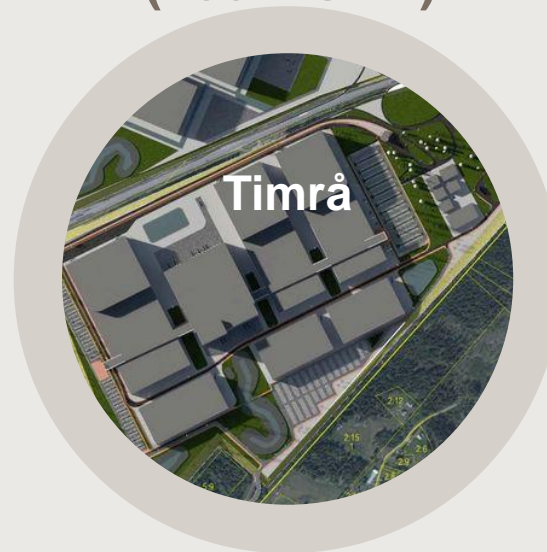
New contracts in the second quarter



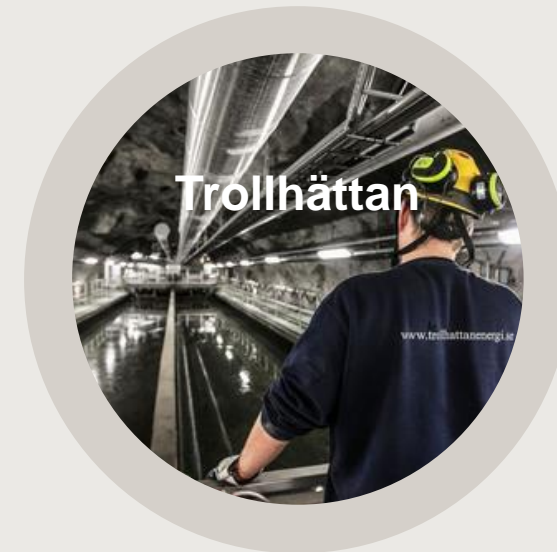
Test track for vehicles
(730 MSEK)



Civil engineering
work for an
industrial area
(400 MSEK)



Extension of waste
water treatment plant
(355 MSEK)

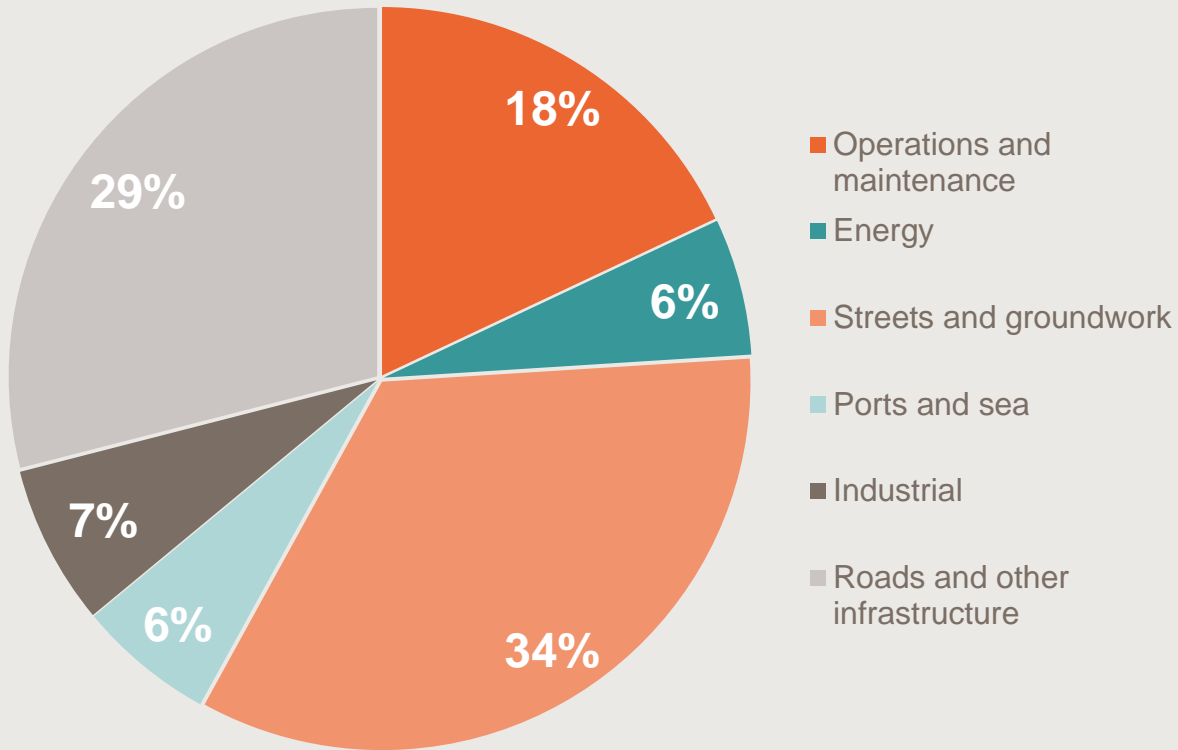


BUSINESS AREA CIVIL ENGINEERING

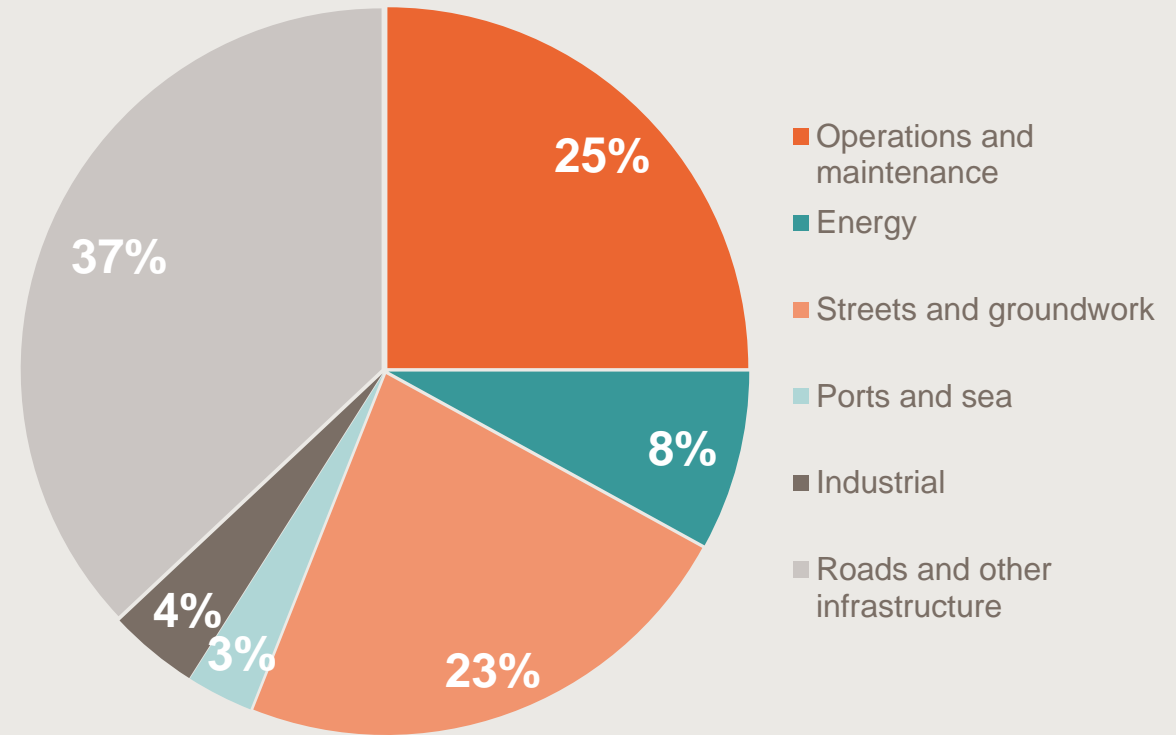
Allocation per product area



Net sales, rolling 12 months



Order backlog, June 30, 2023





Business area Industry

LJUNGBYHED
AIRPORT
Ljungby

Business area Industry

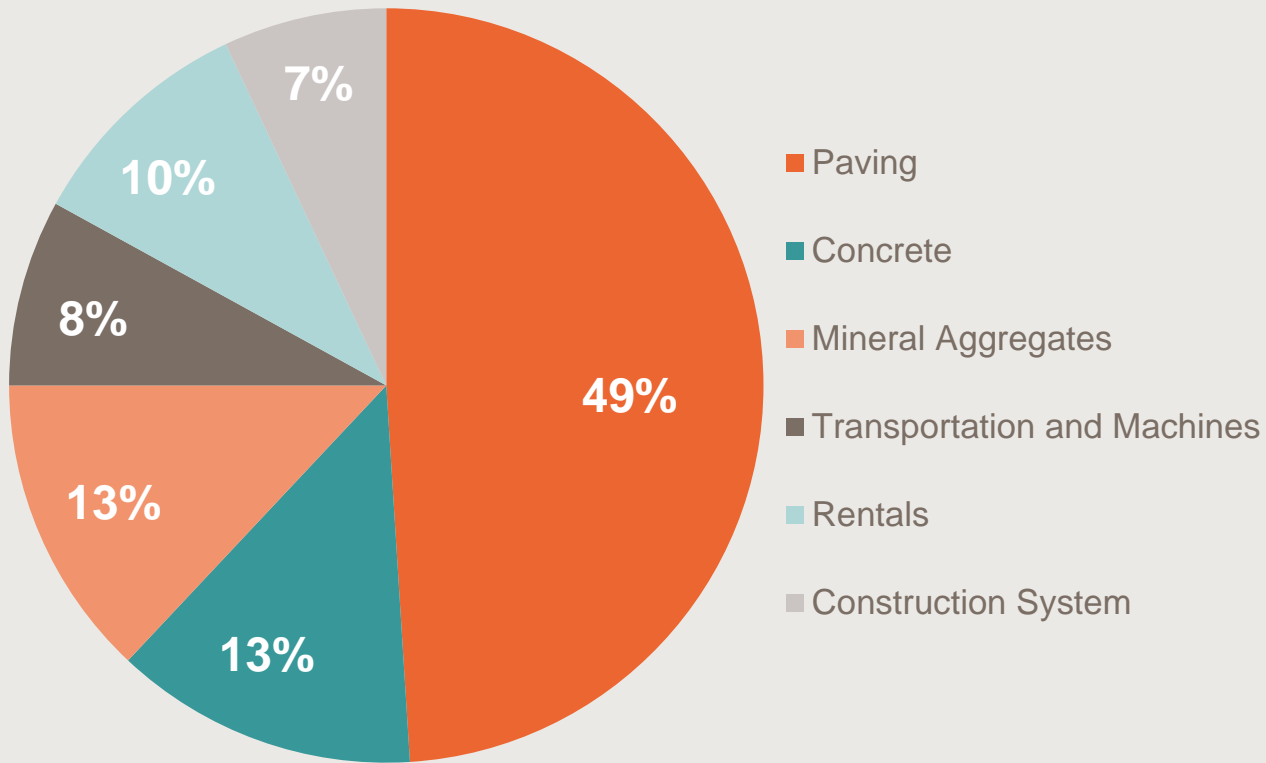


MSEK	Apr-Jun 2023	Apr-Jun 2022	Jul 2022-Jun 2023	Jan-Dec 2022
Net sales	5,347	6,108	20,880	21,433
Operating profit	333	341	700	747
Operating margin, %	6.2	5.6	3.4	3.5

Allocation per product area



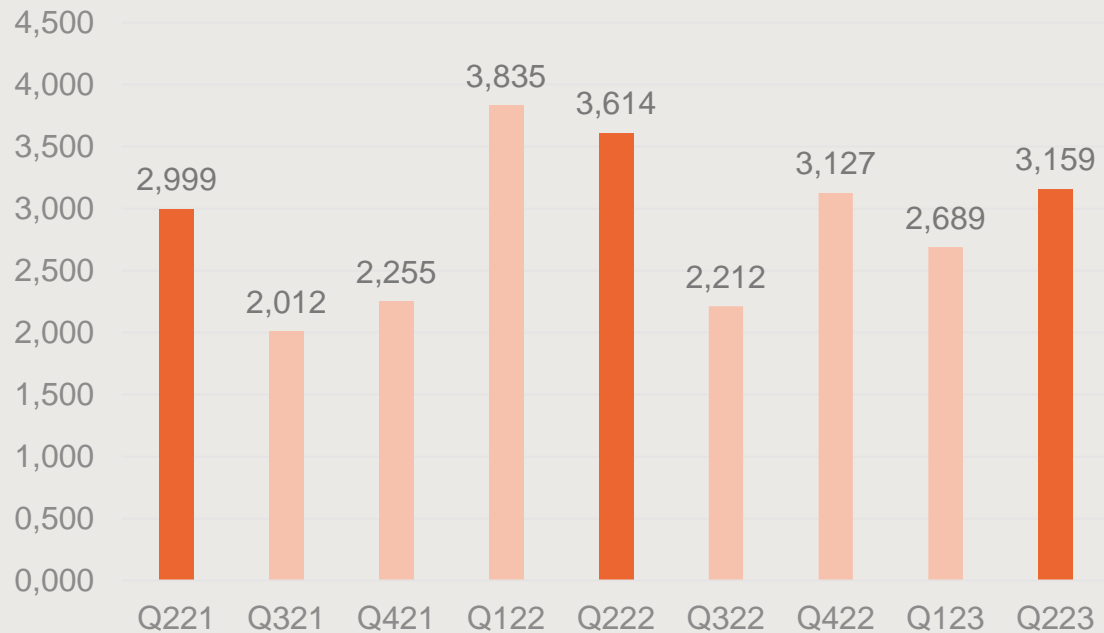
Net sales, rolling 12 months



Lower level of orders received



Orders received, MSEK



Order backlog

6.1

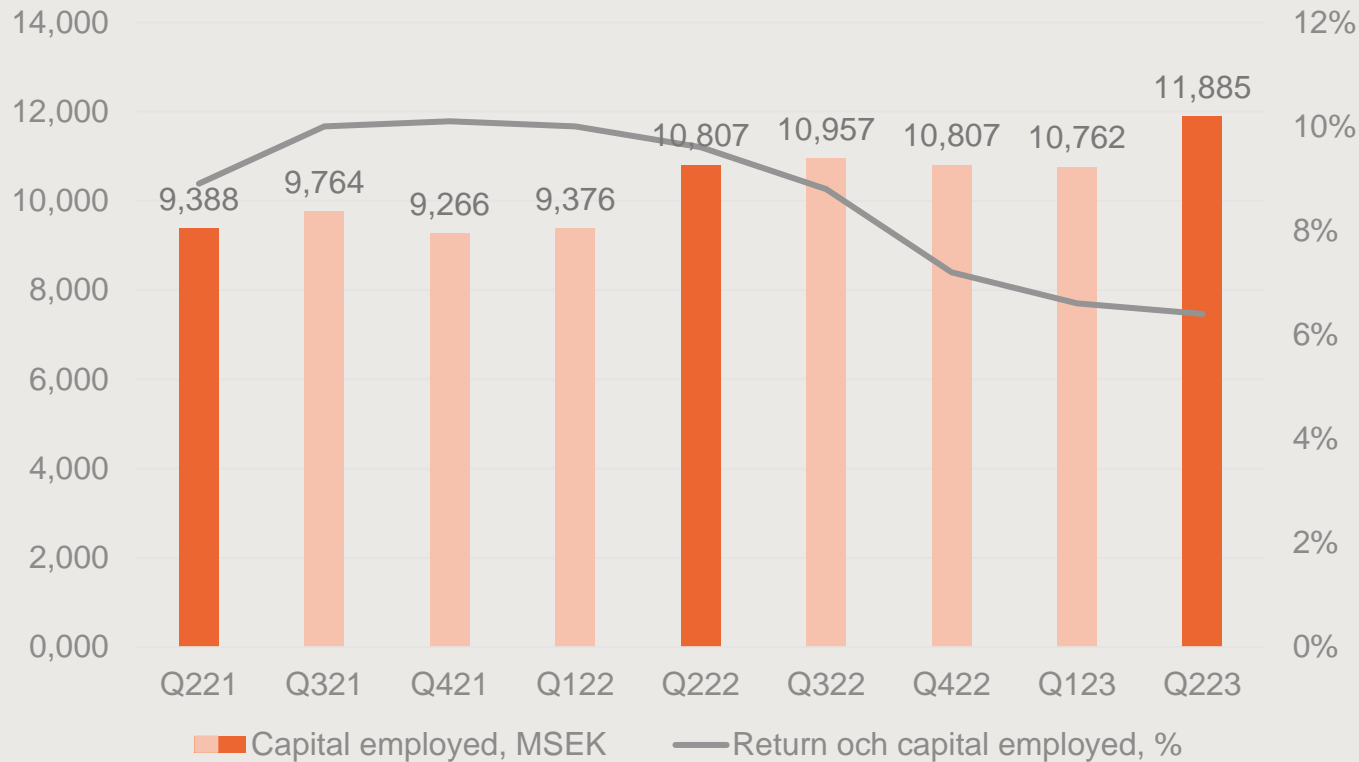
BSEK (7.0)



More capital tied-up in investments and working capital



Capital employed and return on capital employed*



Return on capital employed

6.4
% (9.6)

*Based on rolling 12 months.



Business area Project Development

HAVSBADEN
Ängelholm

Business area Project Development



MSEK	Apr-Jun 2023	Apr-Jun 2022	Jul 2022-Jun 2023	Jan-Dec 2022
Net sales	1,569	1,977	7,630	8,661
Operating profit	114	264	815	1,127
Operating margin, %	7.3	13.4	10.7	13.0
<i>of which Housing Development</i>	5.7	11.9	9.4	11.5

Low level of housing start-ups and sales



Number	Apr-Jun 2023	Apr-Jun 2022	Jul 2022-Jun 2023	Jan-Dec 2022
Total number of housing start-ups	185	828	1,267	2,336
<i>of which tenant-owner associations, ownership and residential limited companies</i>	-	528	639	1,810
<i>of which in rental apartment projects</i>	185	300	628	526
Total number of sold homes	206	445	915	1,709
<i>of which tenant-owner associations, ownership and residential limited companies</i>	87	445	586	1,643
<i>of which in rental apartment projects</i>	119	-	329	66

BUSINESS AREA PROJECT DEVELOPMENT

Own housing development production



Number	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Total number of homes under production	4,665	5,910	5,718
<i>of which tenant-owner associations, ownership and residential limited companies</i>	3,392	4,835	4,539
<i>of which in rental apartment projects</i>	1,273	1,075	1,179
Share of sold homes under production	62%	77%	70%
<i>of which tenant-owner associations, ownership and residential limited companies</i>	67%	75%	69%
<i>of which in rental apartment projects</i>	47%	87%	73%
Repurchased homes on the balance sheet at the end of the period, tenant-owner apartments/condominiums	266	126	105

Ongoing property projects in Property Development

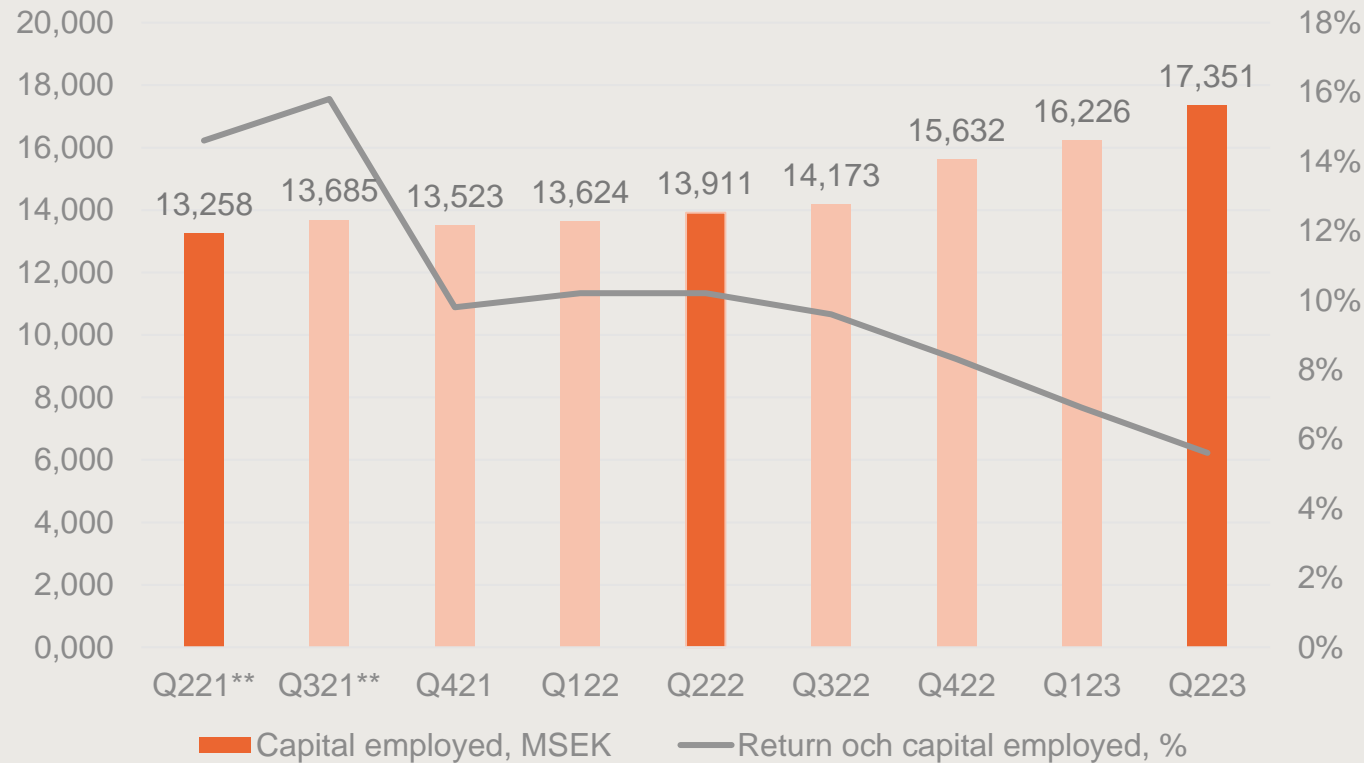


Type of project	Location	Rentable area, m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Scheduled completion	Level of completion, %
Office building	Malmö	7,400	67	277	331	Completed	84
Office building	Jönköping	3,200	100	77	103	Q4-2023	75
Office building	Gothenburg	13,100	11	323	541	Q3-2024	59

Lower sales result in higher working capital



Capital employed and return on capital employed*



Return on capital employed

5.6
% (10.2)

*Calculated on rolling 12 months.

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



The Peab Group

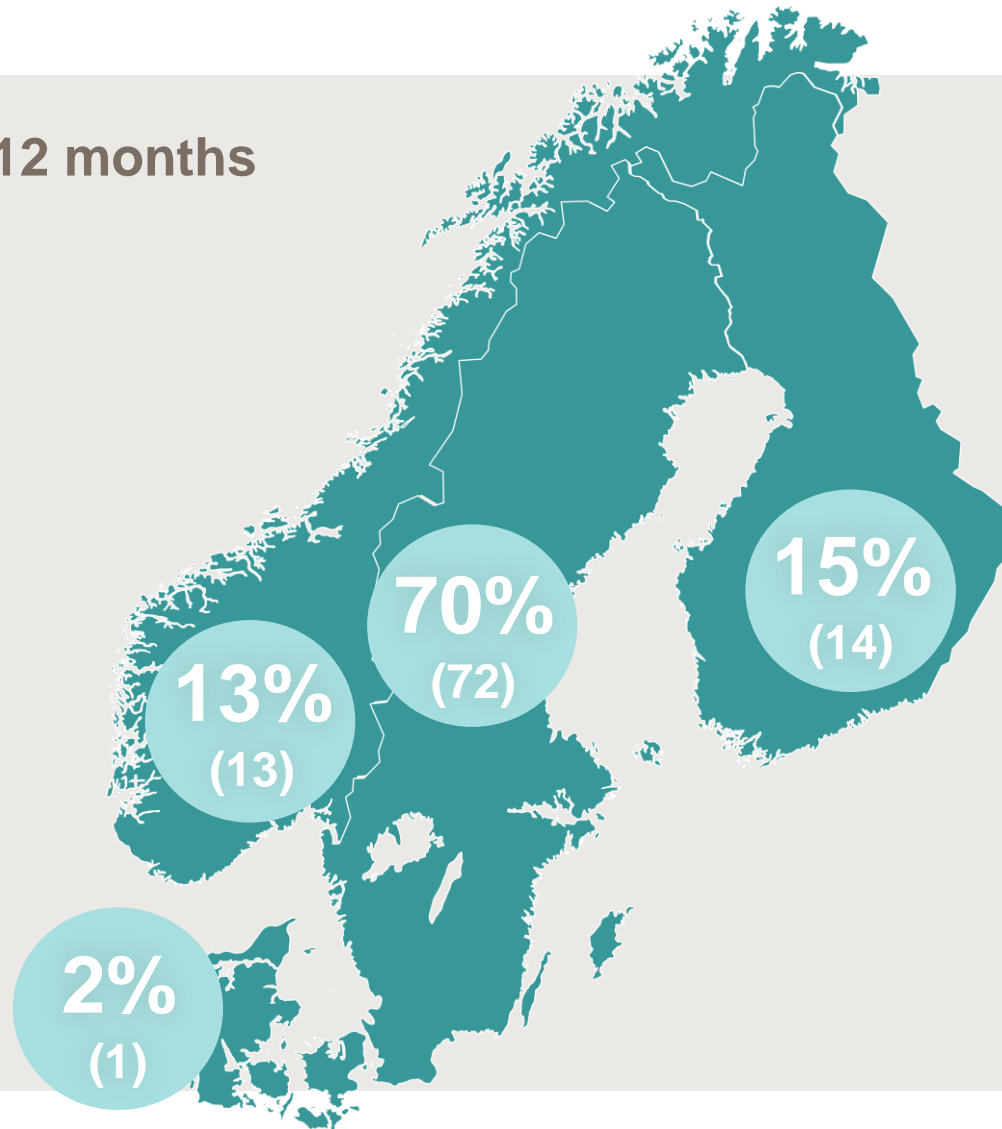
Segment reporting

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Net sales	15,756	16,858	62,179	63,135
Operating profit excl. Mall of Scandinavia	690	885	2,380	2,741
Operating margin excl. Mall of Scandinavia, %	4.4	5.2	3.8	4.3
Operating profit	1,090	885	2,780	2,741
Operating margin, %	6.9	5.2	4.5	4.3

THE GROUP

Good presence in the Nordic region

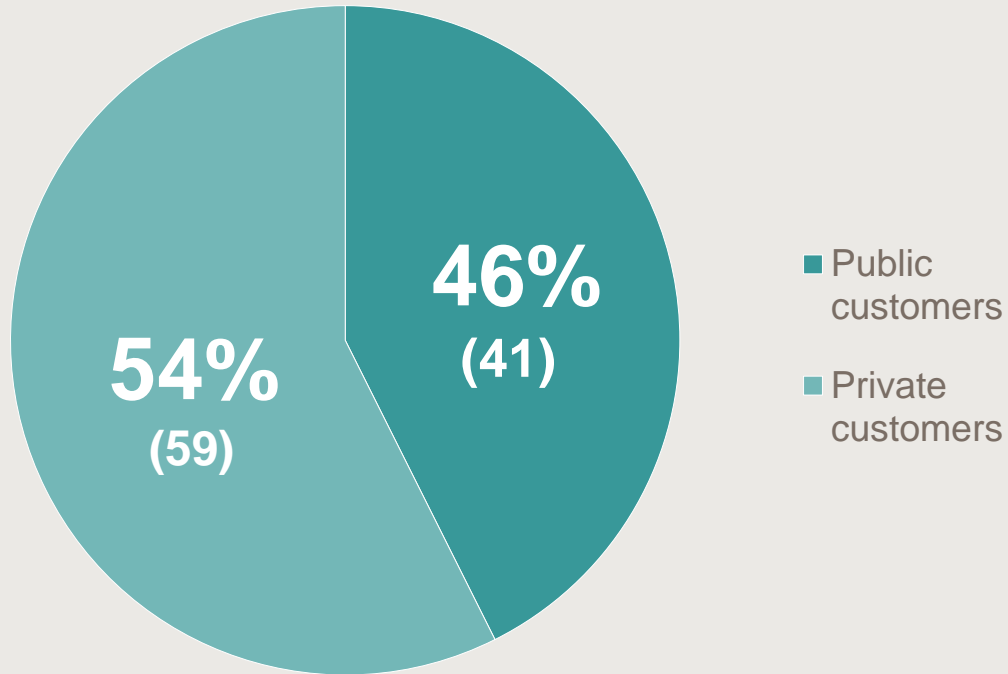
Net sales, rolling 12 months



THE GROUP

The share of public customers increases

Net sales, rolling 12 months



THE GROUP

Order backlog with good risk diversification

Orders received

23.5

BSEK (29.7)

Order backlog

43.6

BSEK (49.9)

Share of projects
under MSEK 500

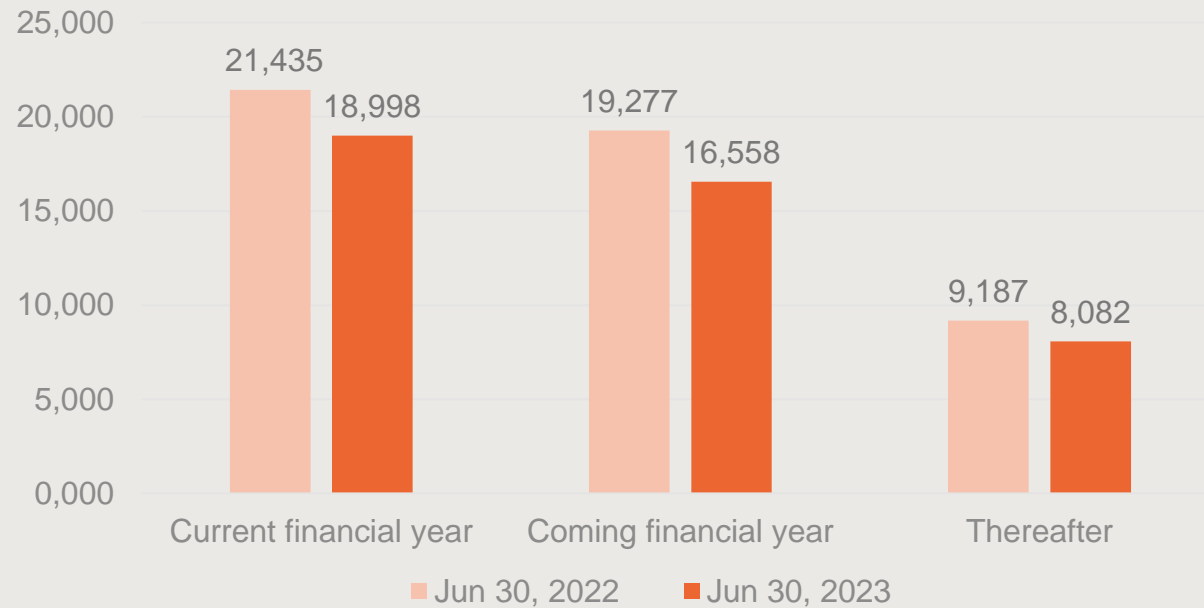
79%

(86)

THE GROUP

Low level of order backlog

Order backlog allocated over time, MSEK

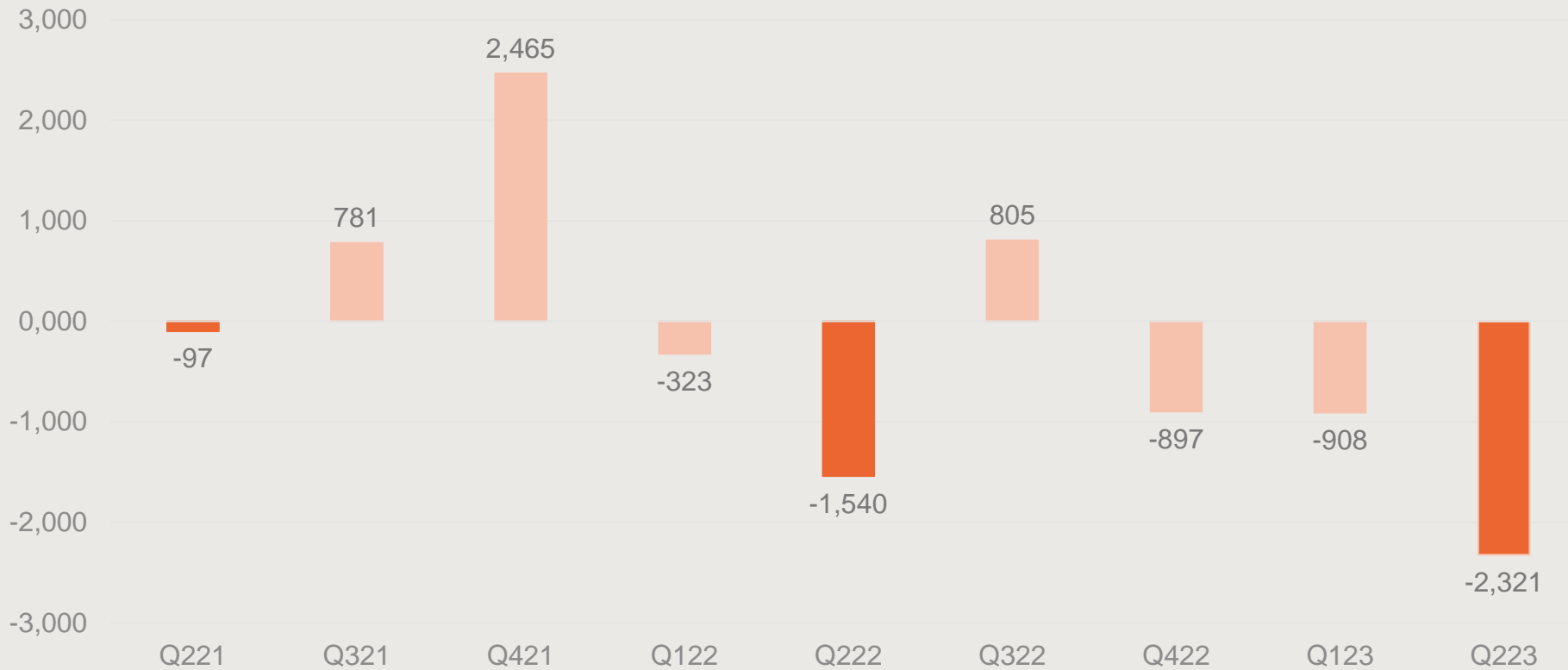


56%

after current
financial year
(57)

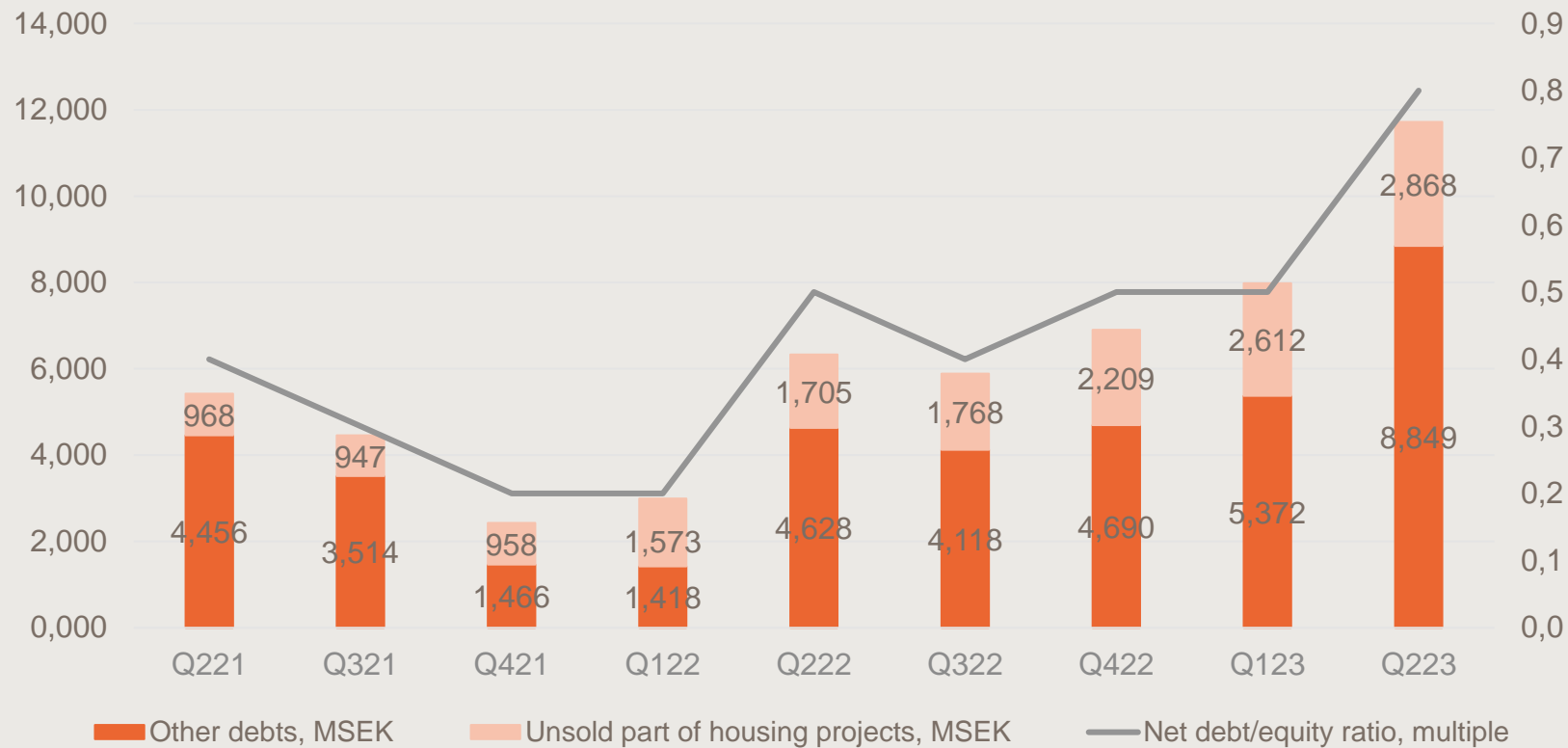
Working capital and investments charge cash flow

Cash flow before financing, MSEK



Net debt affected by investments, working capital and paid dividend

Net debt and net debt/equity ratio



Net debt
11.7
 BSEK (6.3)



Target
checkpoint

Four target areas, nine external targets

Most satisfied customers



CSI

always over

75

Best workplace



eNPS

always over benchmark

Zero vision

Serious accidents
Through a contracting trend

Most profitable company



Operating margin

>6 %

Net debt/equity ratio

0.3-0.7

Dividend

>50 %

of profit for the year

Leader in social responsibility



Carbon dioxide intensity
Own production

-60 %

Reduction by 2030

Carbon dioxide intensity
Input goods & purchased services

-50 %

Reduction by 2030

Equal opportunity recruitment:

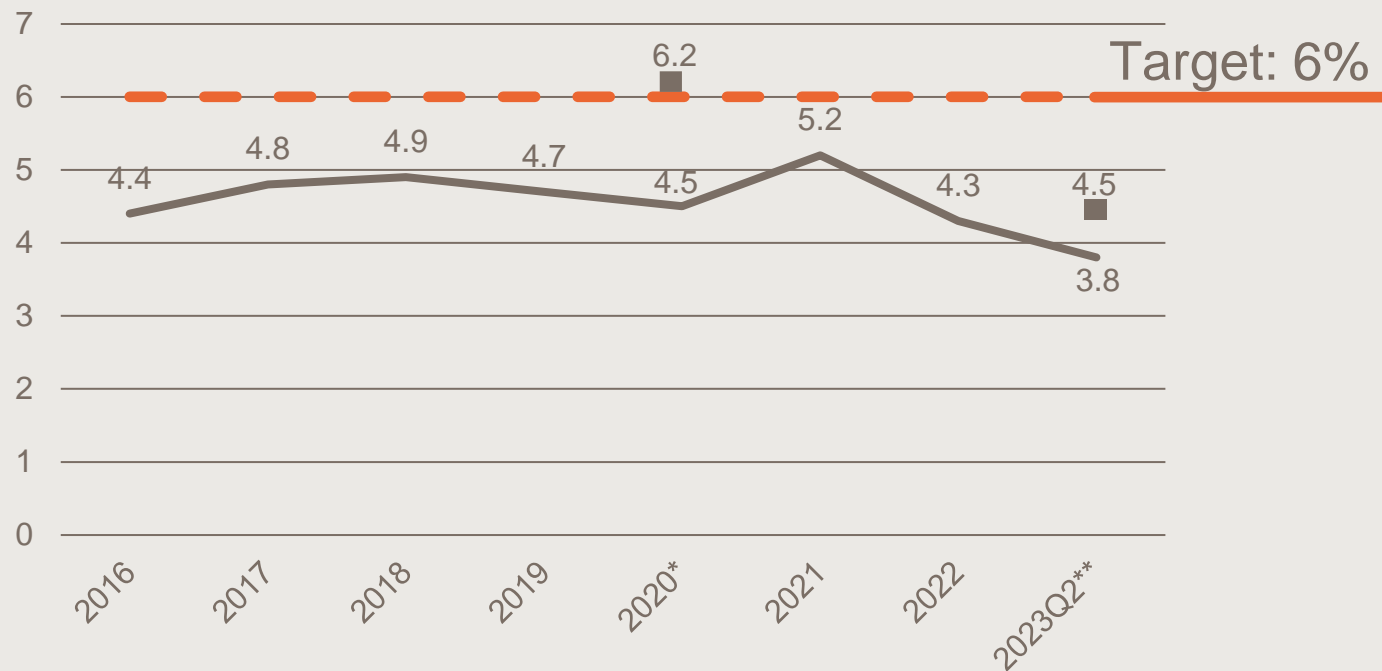
Number of women
always over
education market

MOST PROFITABLE COMPANY

Operating margin over 6 percent



Operating margin, Group



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

** Operating margin exclusive effect of mall of Scandinavia of MSEK 400.

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



MOST PROFITABLE COMPANY

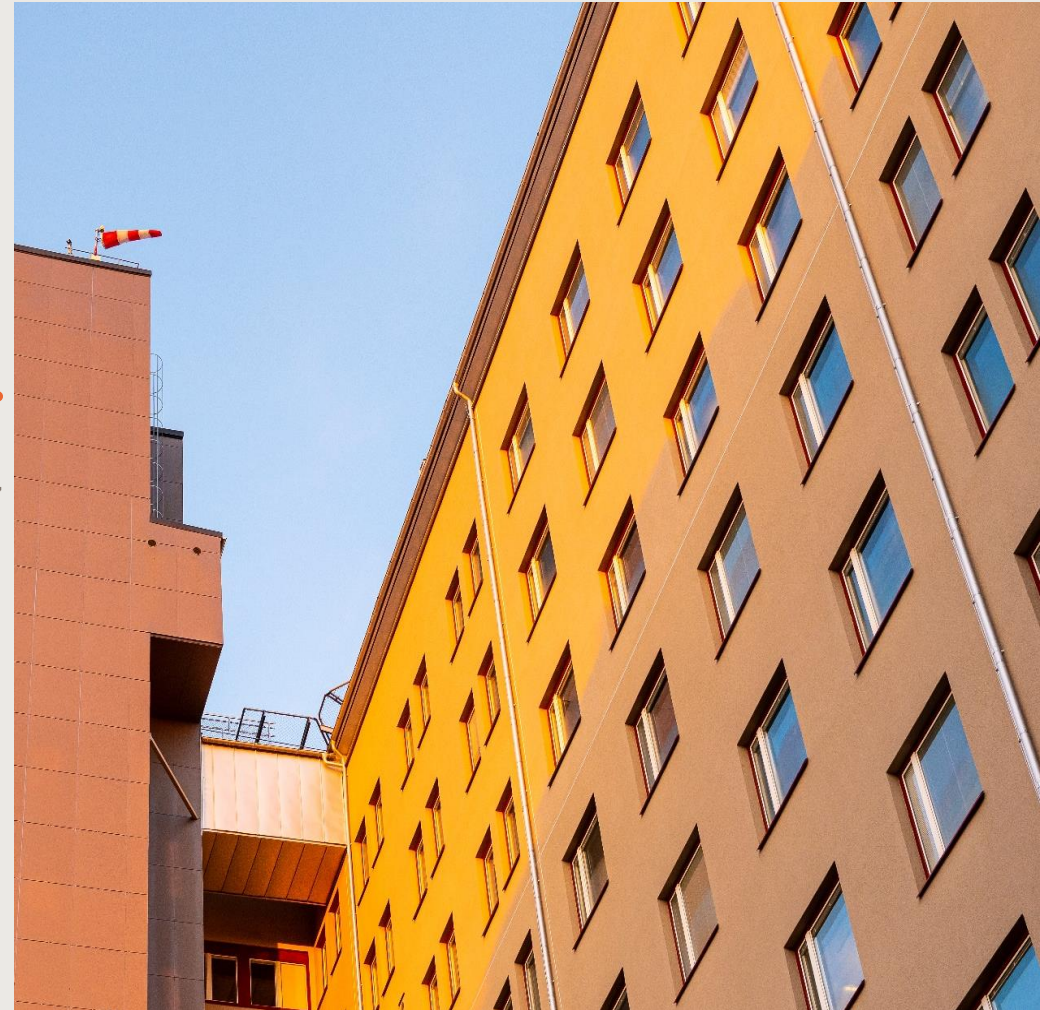
Net debt/equity ratio within interval 0.3-0.7



Net debt/equity ratio, Group



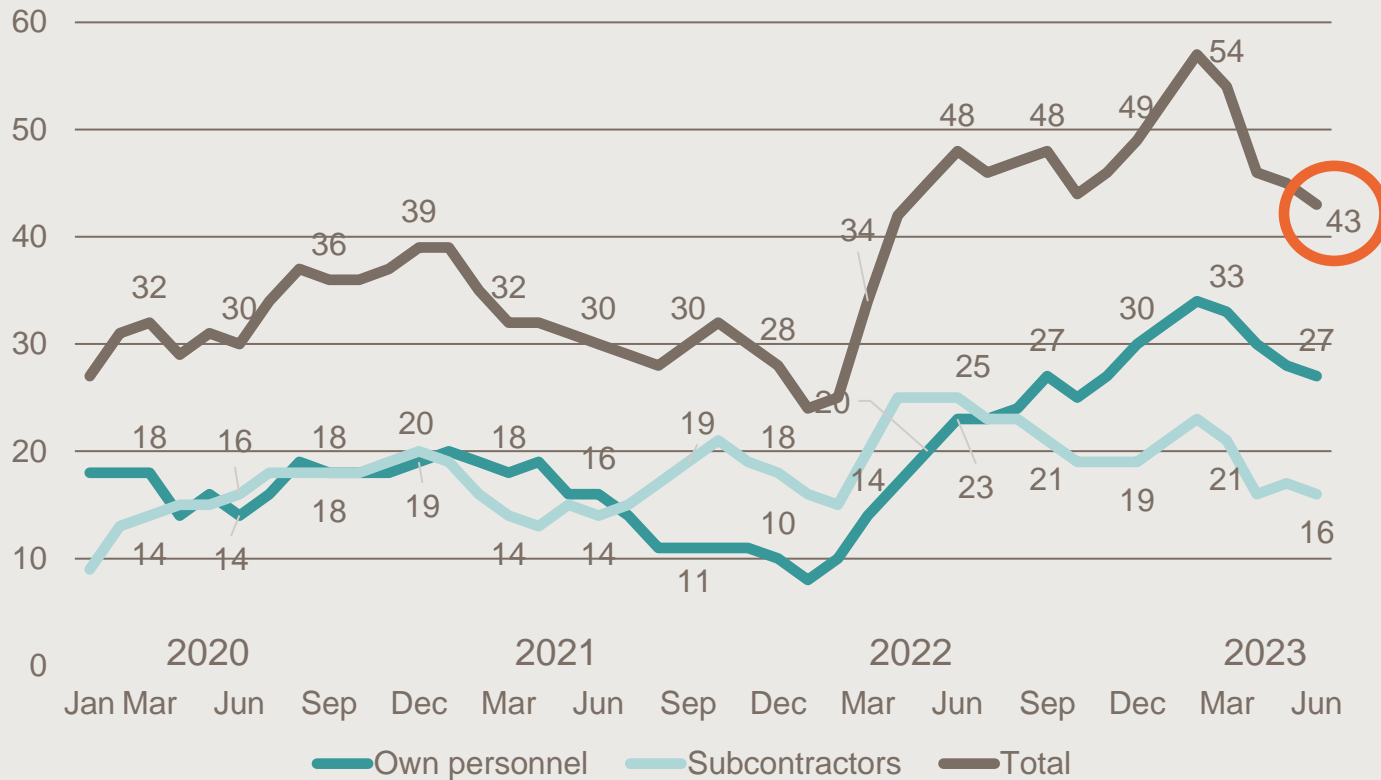
Years 2016-2018 are not translated according to the changed accounting principles for our own housing development projects.



Zero vision for workplace accidents



Serious accidents, rolling 12 months, category 4



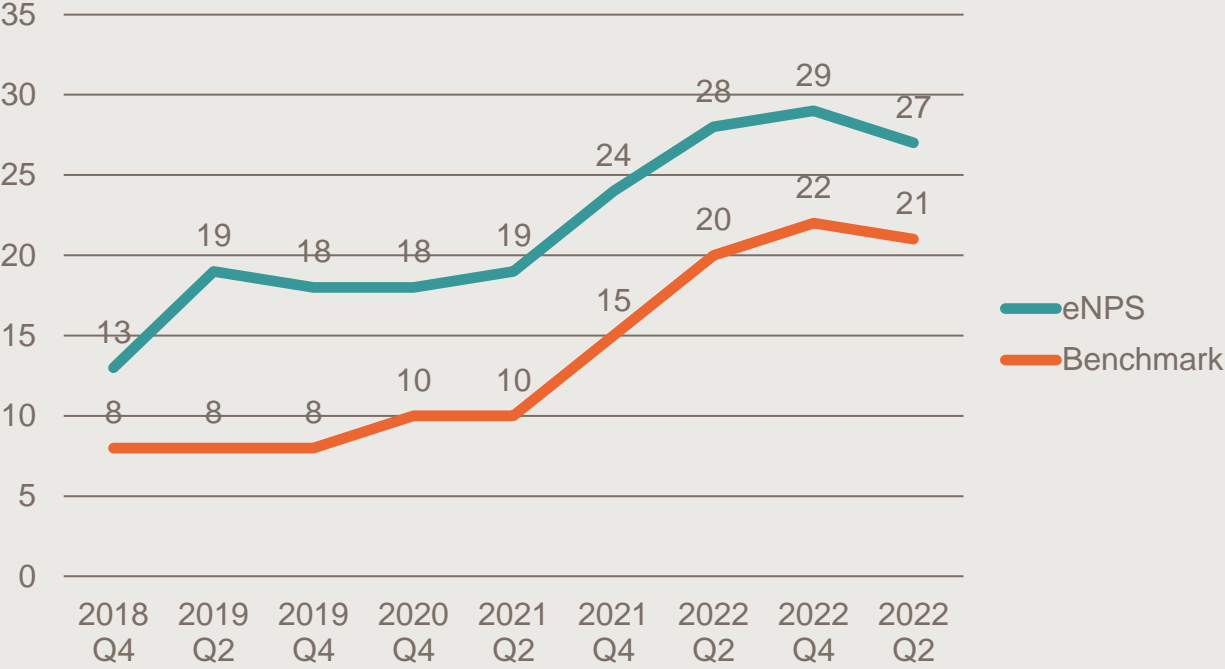
**Target:
Contracting
trend**



BEST WORKPLACE

First choice for jobseekers

eNPS, recommend Peab

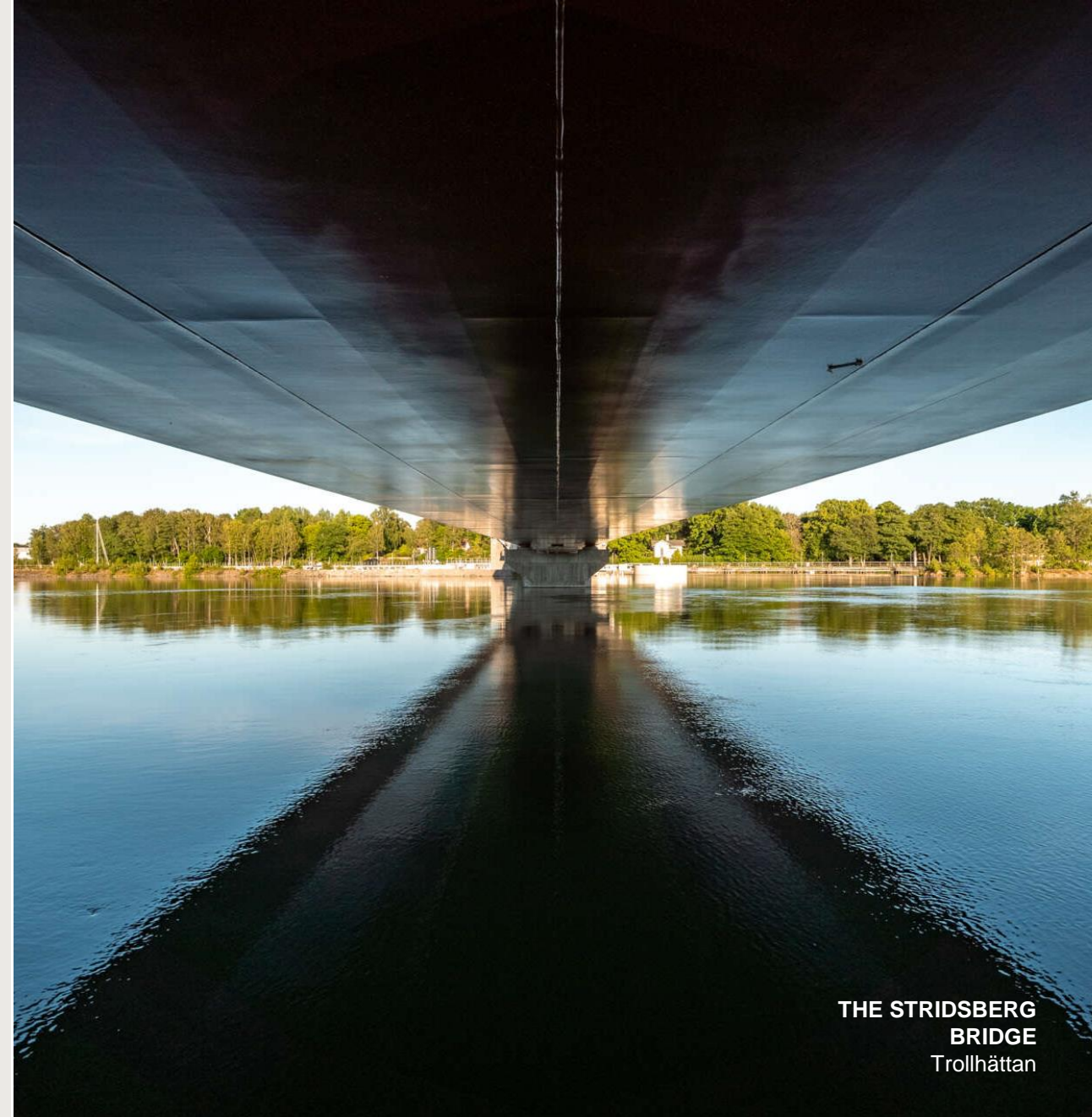


**Target:
Over
industry
benchmark**

JAN-JUN 2023

The divided market trend continues

- The trend with a weak housing market continues. Investments connected to the public sector on a stable level
- Lower level of orders received and order backlog
- Fewer home sales and production-starts affects both our ability to generate profits and our indebtedness
- New credit facilities completed.
- The arbitration of Mall of Scandinavia settled with a positive effect for Peab in the second quarter
- We continue to make strategic investments and streamline and adapt the organization
- In the long run the conditions for growth are good in the segments and markets we operate in



THE STRIDSBERG
BRIDGE
Trollhättan



Q3

Next report:
Third quarter 2023
October 27, 2023

Thank you!

