

Quarterly report

JANUARY – MARCH 2023



Halden High School
Halden, Norway



PEAB
THE NORDIC COMMUNITY BUILDER

The divided market trend continues

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

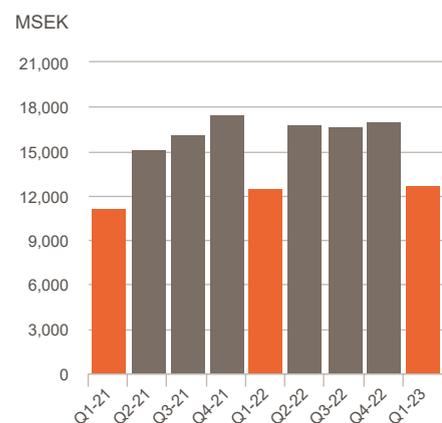
- Net sales SEK 12,690 million (12,544)
- Operating profit SEK -156 million (10)
- Operating margin -1.2 percent (0.1)
- Pre-tax profit SEK -196 million (8)
- Earnings per share SEK -0.54 (0.04)
- Orders received SEK 11,042 million (15,375)
- Order backlog SEK 44,595 million (49,968)
- Cash flow before financing SEK -908 million (-323)
- Net debt SEK 7,984 million (2,991)
- Net debt/equity ratio 0.5 (0.2)

Group

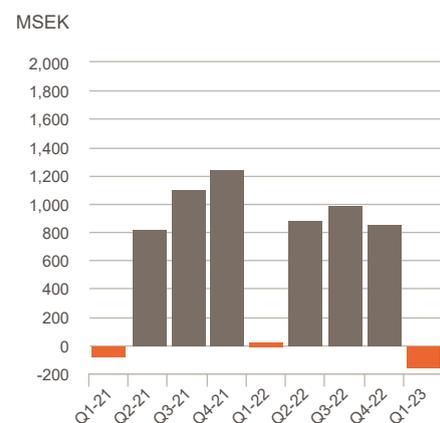
MSEK	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Segment reporting				
Net sales	12,690	12,544	63,281	63,135
Operating profit	-156	10	2,575	2,741
Operating margin, %	-1.2	0.1	4.1	4.3
Pre-tax profit	-196	8	2,466	2,670
Profit for the period	-154	13	1,870	2,037
Earnings per share, SEK	-0.54	0.04	6.40	6.98
Return on equity, % ¹⁾	12.9	18.5	12.9	14.0
Return on capital employed, % ¹⁾	11.1	15.5	11.1	12.2
Net debt	7,984	2,991	7,984	6,899
Net debt/equity ratio, multiple	0.5	0.2	0.5	0.5
Equity/assets ratio, %	34.4	36.7	34.4	34.7
Cash flow before financing	-908	-323	-2,540	-1,955
Average number of employees	13,267	12,950	14,528	14,211
Reporting according to IFRS				
Net sales, IFRS	12,978	12,137	62,774	61,933
Operating profit, IFRS	7	-20	2,584	2,557
Pre-tax profit, IFRS	-45	-35	2,430	2,440
Profit for the period, IFRS	-35	-28	1,824	1,831
Earnings per share, IFRS, SEK	-0.12	-0.10	6.25	6.27
Net debt, IFRS	16,940	11,659	16,940	16,681
Equity/assets ratio, IFRS, %	27.4	29.2	27.4	27.0
Cash flow before financing, IFRS	-179	-777	-2,561	-3,159

¹⁾ Calculated on rolling 12 months

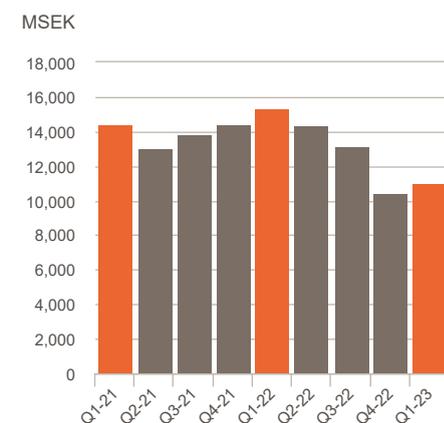
Net sales



Operating profit



Orders received



Comments from the CEO

The trend from the fourth quarter continues with a declining housing market. However, investments connected to the public sector remain on a stable level. The level of orders received was lower than the first quarter last year but the level of order backlog continues to be good.

Group development

Group net sales increased somewhat during the first quarter 2023 and amounted to SEK 12,690 million (12,544). Operating profit was SEK -156 million (10) and the operating margin was -1.2 percent (0.1). The first quarter is clearly affected by the season, particularly in business area Industry, where the beginning of the year is characterized by substantial deficits since the paving season does not begin until the second quarter. In addition, there was less activity during the quarter in Project Development with fewer sold homes and production-starts of new housing projects. Cash flow before financing was affected by strategic investments and more working capital and amounted to SEK -908 million (-323). Net debt increased to SEK 7,984 million (2,991).

Business area development

Net sales in business area Construction and Civil Engineering increased by ten respectively eight percent during the first quarter. A large part of the increase in net sales is due to the continued high cost of material and energy. All in all the operating margin for the construction contract businesses amounted to 2.1 percent (2.2) where we continue to experience dilution of the operating margin as a result of the high cost of material and energy in contracts received before the war broke out in Ukraine.

Net sales in business area Industry increased by eight percent during the first quarter. The increase was most pronounced in Paving and Construction System. The operating margin was -15.7 percent (-15.4) and the negative operating profit refers to Paving where the season does not begin until the second quarter. Operations in Industry have continued to handle the high energy and fuel prices through prices to customers as well as adapting and streamlining operations.

In business area Project Development net sales contracted by 25 percent mainly as a result of the weak demand for homes throughout the Nordic area. Fewer sold homes and production starts of our own housing development projects contributed to the lower operating profit in Housing Development. The operating margin in Housing Development decreased to 7.3 percent (10.6). The market continues to be cautious regarding all kinds of housing as a result of rising interest rates and uncertain economies, which has a negative effects on conditions for production starts going forward.

In total, the number of start-ups of our own developed homes amounted to 298 (724) during the first quarter, of which 217 (-) were homes in rental apartments projects on our own balance sheet and 81 (724) were tenant-owner apartments/condominiums. The portion of sold tenant-owner apartments/condominiums in ongoing production amounted to 68 percent (77) as of March 31, 2023.



“The level of orders received was lower than the first quarter last year but the level of order backlog continues to be good”

Order situation

The level of orders received decreased in the first quarter 2023 and amounted to SEK 11.0 billion (15.4). The decrease is mainly due to the weak demand for housing projects. We have also been more selective about the tenders paving operations in Norway submitted. In the orders received for the first quarter, there is a large proportion of projects for the public sector. Order backlog yet to be produced at the end of the period was SEK 44.6 billion (50.0), and thereby remains on a good level.

Target outcome

We are reporting the outcome for three of our nine external targets this quarter: serious accidents, operating margin and net debt/equity ratio. Unfortunately the level of serious accidents is still far too high and amounted to 54 (34) calculated on a rolling 12-month period per March 31, 2023. Of these, 33 referred to our own employees and 21 referred to subcontractors. It is imperative to continue to work on our safety culture and preventative work environment measures to turn the tide. We do this through a number of measures such as in-depth investigations with resulting remedies and by providing information to all our employees.



One of our financial targets is to over time and in a normal business cycle have an operating margin that surpasses 6 percent. Calculated on rolling 12 months, the operating margin for the first quarter was 4.1 percent. The lower operating margin is clearly the result of high cost inflation and the deteriorated market situation. We continue to streamline and adapt the organization to the demand on the market in different segments and geographies as well as reduce overhead and work on units where profitability is too low.

Our second financial target, the net debt/equity ratio, was 0.5 at the end of the first quarter, which is within the target interval 0.3-0.7. During the year we have continued to invest in, above all, our capital intense operations in Industry and Project Development.

Market and prospects for the future

According to external analysis market prospects for the Nordic region in construction and civil engineering, with the exception of Norway, have during 2023 been further adjusted downward. However, in areas like public building construction, civil engineering and investments connected to green transition demand is expected to continue to be more stable. Higher interest rates and high inflation make it harder to make calculations that come out ahead. Regarding housing, there are fewer projects being started up for any kind of home. This means that for us as major project developers and housing builders in Sweden, Norway and Finland we cannot fully compensate the reduced demand on the housing market with other kinds of projects. Considering the underlying need for housing in the Nordic region, drastically reducing the number of homes being built is not a good development. This raises the question once again about the solution to long-term management of supplying housing, particularly in Sweden. As far as Peab is concerned we have a well-dimensioned development rights portfolio in attractive locations and while we wait for the market to recover we are further developing and preparing projects for the future.

We are now handling the remaining parts of cost increases resulting from Russia invading Ukraine. Considering the tough price pressure on the market it is vital that there is balance between prices and risks in projects we undertake. While waiting for the housing market and other private construction to scale up again we are adapting our business through continued intense focus on costs and caution regarding investments. However, we are still making strategic investments. We have started a number of rental apartment projects on our own balance sheet in Project Development and we have doubled our production capacity of concrete elements in Industry, where we have invested in climate-improved ECO-Prefab in the extensions of the plants in Ucklum and Hallstahammar.

In the long run the conditions for growth in the segments and markets where we are active are good. With our competent employees, solid business model with four collaborating business areas and extensive Nordic local presence we are well-equipped to face even difficult times.

*Jesper Göransson
President and CEO*

Net sales and profit

January – March 2023

Group net sales during the first quarter 2023 increased by one percent and amounted to SEK 12,690 million (12,544). Even adjusted for acquired and divested units and exchange rate effects, net sales increased by one percent. Net sales during the latest rolling 12 month period were SEK 63,281 million compared to SEK 63,135 million for the entire year 2022. The proportion of public sector customers increased in total net sales calculated on a rolling 12 month period and was 44 percent (41) while private customers represented 56 percent (59).

Net sales in business area Construction increased by ten percent with increases in all countries. In business area Civil Engineering net sales increased by eight percent and the increase is related to all three product areas. A large part of the increase in net sales in both business areas Construction and Civil Engineering is due to the continued high cost of material and energy, which has affected pricing to customers. Net sales in business area Industry increased by eight percent in the quarter with growth in most of the product areas. In business area Project Development net sales decreased by 25 percent. The weak demand for housing throughout the Nordic region has affected net sales in Housing Development.

Operating profit for the first quarter 2023 amounted to SEK -156 million (10) and the operating margin was -1.2 percent (0.1). The first quarter is clearly affected by the season, particularly in business area Industry, where the beginning of the year is characterized by substantial deficits since the paving season does not begin until the second quarter.

In business area Construction the operating margin was 2.2 percent compared to 2.4 percent for the same quarter the last year. In business area Civil Engineering the operating margin was 1.8 percent (1.7). All in all the operating margin for construction contract businesses amounted to 2.1 percent (2.2). We continue to experience some dilution of the operating margin as a result of the high cost of material and energy in contracts received before the war broke out in Ukraine. In the business area Industry, which has a very clear seasonal pattern primarily in paving operations, the operating profit amounted to SEK -435 (-396) million and the operating margin to -15.7 percent (-15.4). Operating profit in business area Project Development was lower in both Housing Development and Property Development. The weak demand for housing has led to fewer sold homes and production-started housing projects, which has affected operating profit negatively in Housing Development. The operating margin in Housing Development was 7.3 percent (10.6). In Property Development, profit contributions from partially owned companies was somewhat lower compared to the same quarter last year. Capital gains from real estate transactions affected Property Development positively by SEK 1 million (13).

Depreciation and write-downs for the first quarter were SEK -343 million (-320).

Elimination and reversal of internal profit in our own projects have affected operating profit during the quarter net by SEK 4 million (-25).

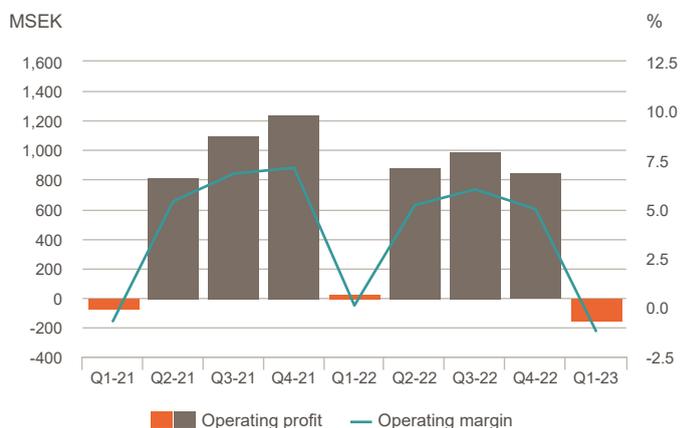
Net financial items amounted to SEK -40 million (-2) of which net interest was SEK -68 million (-12). In net financial items exchange rate differences had an effect of SEK -2 million (0).

Pre-tax profit was SEK -196 million (8). Profit for the period was SEK -154 million (13).

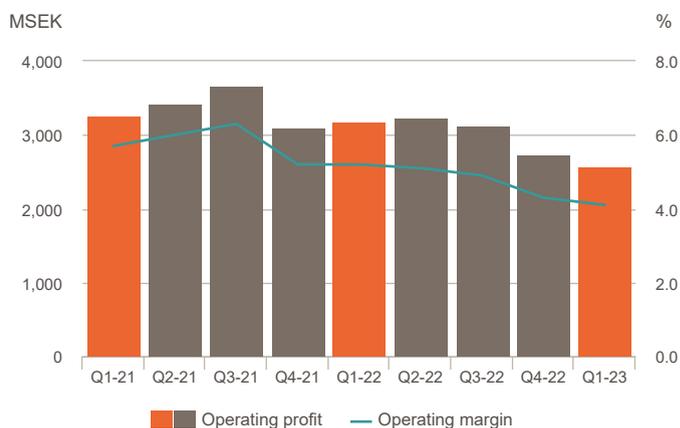
Seasonal variations

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.

Operating profit and operating margin, per quarter



Operating profit and operating margin, rolling 12 months



Financial position and cash flow

Financial position

Total assets according to segment reporting per March 31, 2023 were SEK 42,713 million (40,309). Equity amounted to SEK 14,687 million (14,812), which means the equity/assets ratio was 34.4 percent (36.7).

Interest-bearing net debt amounted to SEK 7,984 million (2,991) at the end of March 2023. The increased net debt is explained by more tied up working capital and increased investments in machines and operations. Net debt includes project financing of the unsold part of our own housing development projects as long as they are in production. The unsold part was SEK 2,612 million (1,573) and the increase is due to lower portion of sold homes in ongoing production compared to the same period last year. The average interest rate in the loan portfolio, including derivatives, was 4.2 percent (1.5) on March 31, 2023.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 7,409 million at the end of the period compared to SEK 7,640 million on December 31, 2022.

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 2,828 million at the end of the period compared to SEK 2,801 million on December 31, 2022. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 147 million of contingent liabilities compared to SEK 97 million on December 31, 2022.

Investments and divestments

During the quarter tangible and intangible fixed assets were net invested for SEK 390 million (337). The investments refer mainly to investments in machines in the business area Industry.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 694 million (267) during the quarter. The investments refer mainly to rental apartment projects under construction and more unsold apartments.

Cash flow

Cash flow from current operations was SEK -701 million (-330), of which cash flow from changes in working capital was SEK -553 million (-290). The negative cash flow from changes in working capital refer mainly to business area Project Development and are due to higher investments in project and development property in the form of rental apartment projects under construction and more unsold apartments.

Cash flow from investment activities was SEK -207 million (7). Investments during the quarter mainly consisted of machine investments in business area Industry.

Cash flow before financing was SEK -908 million (-323).

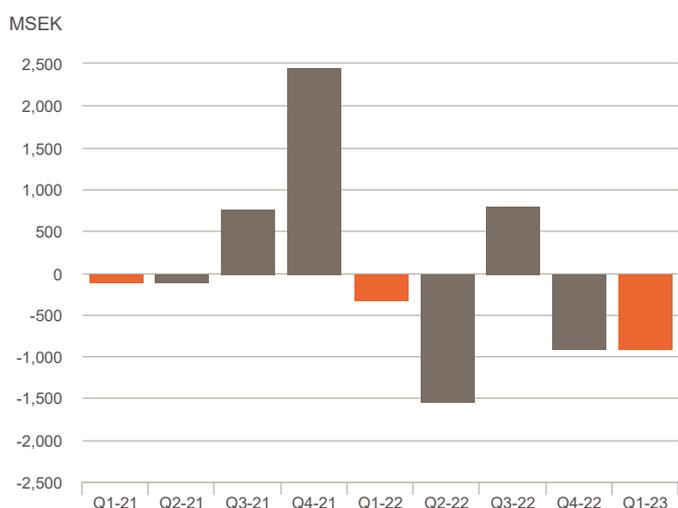
Net debt

MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Bank loans	4,758	1,325	4,075
Commercial papers	247	966	167
Bonds	2,747	2,746	2,747
Financial leasing liabilities	777	685	762
Project financing, unsold part of housing projects	2,612	1,573	2,209
Other interest-bearing liabilities	82	10	62
Interest-bearing receivables	-1,532	-1,344	-1,617
Liquid funds	-1,707	-2,970	-1,506
Net debt, segment reporting	7,984	2,991	6,899
Additional leasing liabilities according to IFRS 16	1,590	1,687	1,749
Project financing, sold part of housing projects	7,366	6,981	8,033
Net debt, IFRS	16,940	11,659	16,681

Net debt and net debt/equity ratio



Cash flow before financing



Order situation

The level of orders received decreased in the first quarter 2023 and amounted to SEK 11,042 million (15,375). All business areas had a lower level of orders received compared to the first quarter 2022. The decrease is mainly due to the weak demand for housing projects. In business area Industry we have also been more selective about tenders submitted within paving operations in Norway. In the orders received for the first quarter, there is a large proportion of projects for the public sector.

Order backlog yet to be produced at the end of the period amounted to SEK 44,595 million compared to SEK 49,968 million at the end of corresponding period last year. Of the total order backlog, 42 percent (42) will be produced after 2023 (2022). Swedish operations accounted for 79 percent (75) of the order backlog.

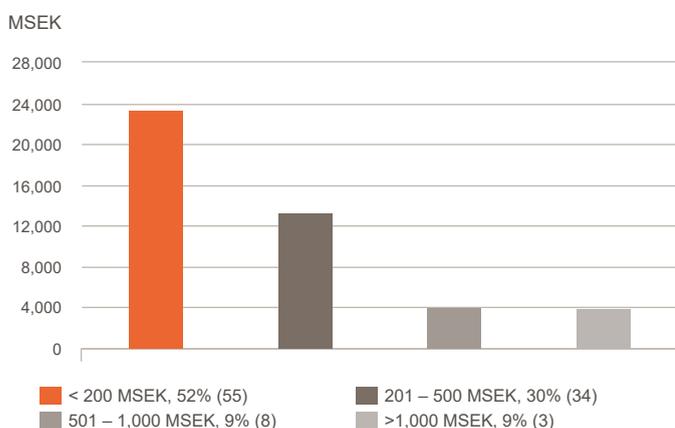
Orders received

MSEK	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Construction	4,804	5,995	26,541	27,732
Civil Engineering	4,442	4,980	14,339	14,877
Industry	2,689	3,835	11,642	12,788
Project Development	143	2,495	3,667	6,019
Eliminations	-1,036	-1,930	-7,263	-8,157
Group	11,042	15,375	48,926	53,259

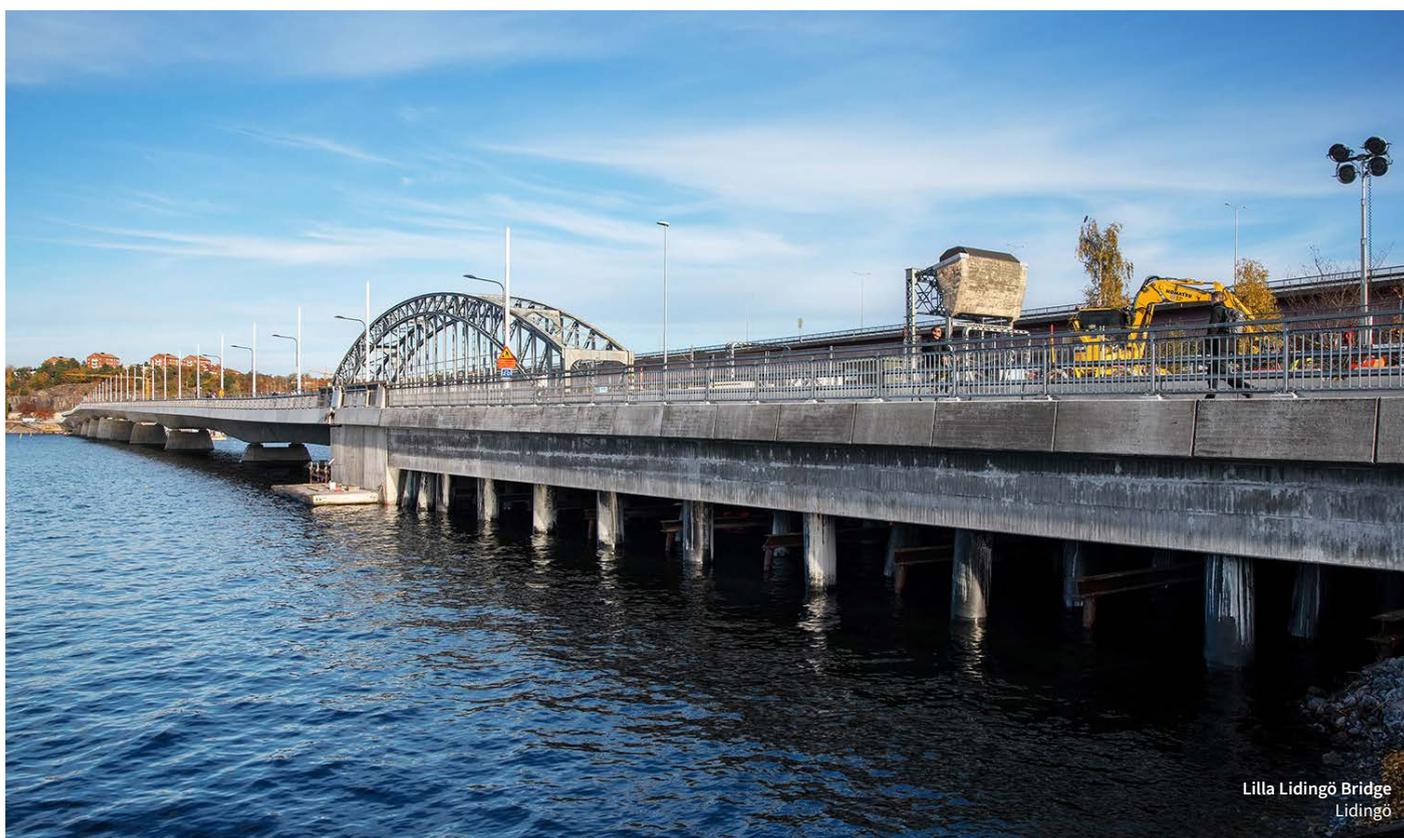
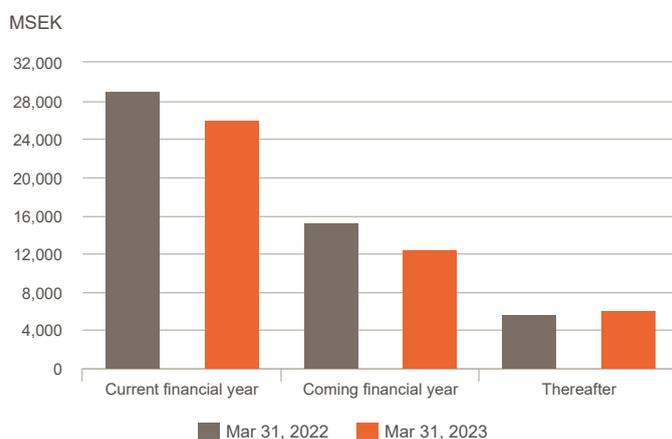
Order backlog

MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Construction	26,577	29,452	29,064
Civil Engineering	15,087	15,917	13,939
Industry	6,092	7,003	4,273
Project Development	4,165	6,910	5,447
Eliminations	-7,326	-9,314	-8,334
Group	44,595	49,968	44,389

Project size of order backlog, March 31, 2023



Order backlog allocated over time



Lilla Lidingö Bridge
Lidingö

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

- Rebuilding and building a new stretch of Highway 27, the road between Backaryd and Hallabro. The customer is the Swedish Transport Administration. The contract is worth SEK 354 million.
- Construction of 397 apartments in the project Ekebäckshöjd in Högsbohöjd. The customer is Stena Fastigheter Göteborg AB. The contract is worth SEK 565 million.
- Construction of a new swimming pool facility in Saltsjöbaden, south of Stockholm. The customer is Nacka Municipality. The contract is worth SEK 265 million.
- Commission to improve the bearing capacity of road 745 between Bjuråker and Nässviken in Hudiksvall Municipality. The customer is the Swedish Transport Administration. The contract is worth SEK 105 million.
- Commission to handle operation and maintenance of the streets and parks in Österåker outside Stockholm. The customer is Österåker Municipality. The contract is worth SEK 100 million.
- Construction of a new ice skating rink, Mälarhöjdens IP, in Fruängen south of Stockholm. The customer is the real estate department of the city of Stockholm. The contract is worth SEK 114 million.
- Construction of 165 rental apartments in the center of Halmstad. The customer is Willhem AB. The contract is worth SEK 146 million.
- Two new operation contracts for road maintenance from the Swedish Transport Administration. In total Peab will maintain around 3,000 kilometers of state roads over the next four years with an extension option for another two years. The cumulative worth of the contracts is SEK 360 million.
- Commission to build a new police station in Malmö. The customer is Specialfastigheter. The contract is worth SEK 448 million.

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

- Skeppsklockan in Vänersborg comprising 45 apartments. The property will be certified according to the Swan environmental certification and is focused on measures to save energy, eco-labeled electricity and sustainable material choices. The project is expected to be completed in the summer of 2024. The project began in October 2022 and was converted from rental apartments to tenant-owner apartments during the quarter.
- Sjöormen, stages 2 and 3, in Västerås comprising a total of 86 apartments. The property will be certified according to the Swan environmental certification and will be built with ECO-Betong (ECO-Concrete). The project is expected to be completed in the fourth quarter 2024. The project is not included in orders received since it is being built on our own balance sheet.
- Kvibergs in Gothenburg comprising 40 apartments. The property will be certified according to the Swan environmental certification and will be built with ECO-Prefab where the reinforcement is made of recycled steel and green electricity is used in production. Occupation of the project is planned for the autumn/winter of 2024. The project is not included in orders received since it is being built on our own balance sheet.
- Västra Vakten in Malmö comprising 91 apartments. The property will be certified according to the Swan environmental certification and will be built with ECO-Betong (ECO-Concrete), reuse, solar panels and sedum roofs. The project is expected to be completed in the fourth quarter 2025. The project is not included in orders received since it is being built on our own balance sheet.

We received a number of federal and municipal paving contracts in the first quarter, including:

- One-year federal contract in Ostrobothnia worth EUR 9.6 million.
- One-year federal contract in Pirkanmaa worth EUR 4.6 million.
- One-year federal contract in Southern Ostrobothnia worth EUR 3.5 million.
- One-year federal contract for Finavia at the Helsinki-Vanda Airport worth EUR 4.4 million.
- One-year municipal contract in Vantaa City worth EUR 2.2 million.
- One-year federal contract in Western Götaland County worth SEK 55 million.
- Two-year federal contract in Uppsala County worth SEK 38 million.
- Six-year municipal contract in Tingsryd Municipality worth in total SEK 41 million.
- Four-year municipal contract in Sjöbo Municipality worth in total SEK 41 million.
- Four-year municipal contract in Östra Göinge Municipality worth in total SEK 28 million.
- One-year municipal contract in Herning Municipality worth in total DKK 29 million.

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.

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

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.

Net sales and operating profit per business area

MSEK	Net sales				Operating profit			
	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Construction	7,422	6,735	29,686	28,999	162	160	631	629
Civil Engineering	3,328	3,083	15,210	14,965	59	53	500	494
Industry	2,779	2,571	21,641	21,433	-435	-396	708	747
Project Development	1,841	2,464	8,038	8,661	127	289	965	1,127
– of which Property Development	9	59	444	494	-6	34	147	187
– of which Housing Development	1,832	2,405	7,594	8,167	133	255	818	940
Group functions	377	358	1,551	1,532	-73	-71	-200	-198
Eliminations	-3,057	-2,667	-12,845	-12,455	4	-25	-29	-58
Group, segment reporting	12,690	12,544	63,281	63,135	-156	10	2,575	2,741
Adjustment housing to IFRS	288	-407	-507	-1,202	153	-39	-27	-219
IFRS 16, additional leases	–	–	–	–	10	9	36	35
Group, IFRS	12,978	12,137	62,774	61,933	7	-20	2,584	2,557
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>10,750</i>	<i>9,818</i>	<i>44,896</i>	<i>43,964</i>	<i>221</i>	<i>213</i>	<i>1,131</i>	<i>1,123</i>

Percent	Operating margin			
	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Construction	2.2	2.4	2.1	2.2
Civil Engineering	1.8	1.7	3.3	3.3
Industry	-15.7	-15.4	3.3	3.5
Project Development	6.9	11.7	12.0	13.0
– of which Property Development	-66.7	57.6	33.1	37.9
– of which Housing Development	7.3	10.6	10.8	11.5
Group functions				
Eliminations				
Group, segment reporting	-1.2	0.1	4.1	4.3
Adjustment housing to IFRS				
IFRS 16, additional leases				
Group, IFRS	0.1	-0.2	4.1	4.1
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>2.1</i>	<i>2.2</i>	<i>2.5</i>	<i>2.6</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.

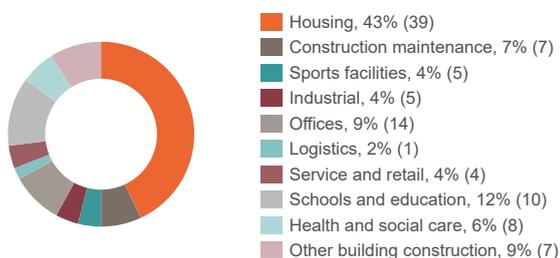
Operations in business area Construction are run via some 150 local offices around the Nordic area, organized in twelve regions in Sweden, three in Norway and two in Finland. There are specialized housing production units in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations 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

Net sales for the first quarter 2023 increased by ten percent and amounted to SEK 7,422 million (6,735). The increase refers to all countries and is largely due to the continued high cost of material and energy, which has affected pricing to customers. Housing generated the largest portion of net sales with 43 percent (39) calculated on rolling 12 months.

Net sales

per product area, rolling 12 months

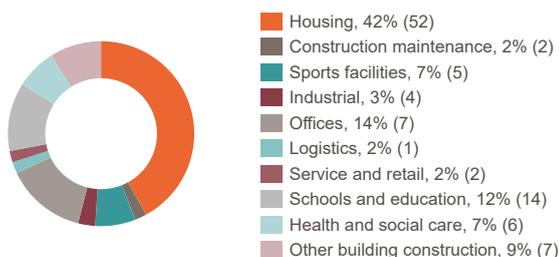


per geographic market, rolling 12 months

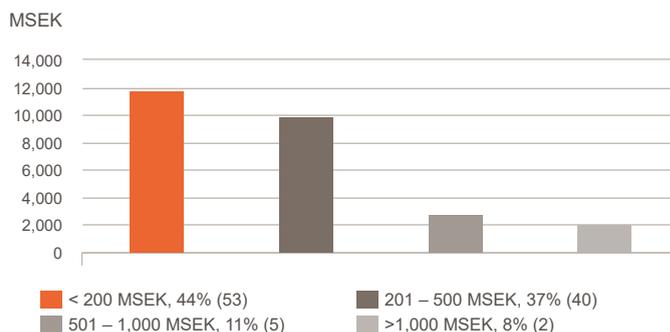


Order backlog, March 31, 2023

per product area



per project size



Key ratios

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Net sales, MSEK	7,422	6,735	29,686	28,999
Operating profit, MSEK	162	160	631	629
Operating margin, %	2.2	2.4	2.1	2.2
Orders received, MSEK	4,804	5,995	26,541	27,732
Order backlog, MSEK	26,577	29,452	26,577	29,064
Operating cash flow, MSEK	225	181	-35	-79
Average number of employees	5,214	5,010	5,431	5,227

Business area Civil Engineering

Business area Civil Engineering is a leading player in Sweden and one of the larger players 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.

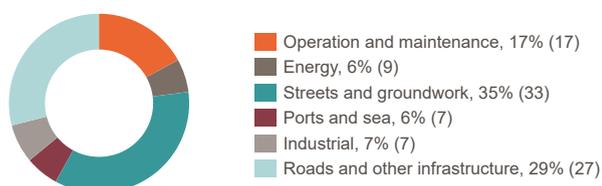
Local market works with landscaping and pipelines, does foundation work and builds different kinds of facilities as well as offers services in power and electricity distribution. Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. Operation and maintenance maintains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

Net sales and profit

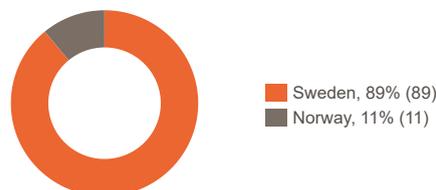
Net sales for the first quarter 2023 increased by eight percent and amounted to SEK 3,328 million (3,083). Adjusted for acquired operations and exchange rate effects net sales increased by six percent. The increase refers to all three product areas and is largely due to the continued high cost of material and energy, which has affected pricing to customers.

Net sales

per product, rolling 12 months

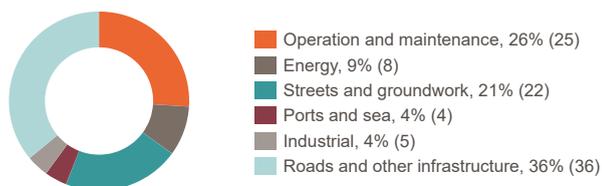


per geographic market, rolling 12 months

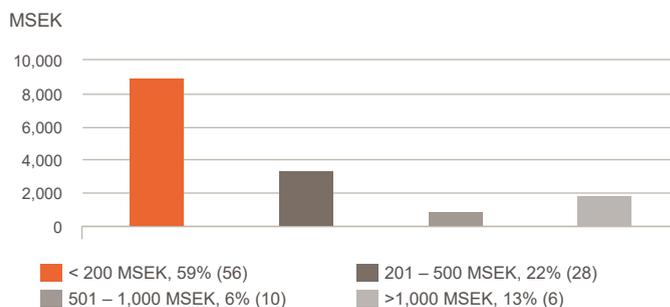


Order backlog, March 31, 2023

per product



per project size



Key ratios

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Net sales, MSEK	3,328	3,083	15,210	14,965
Operating profit, MSEK	59	53	500	494
Operating margin, %	1.8	1.7	3.3	3.3
Orders received, MSEK	4,442	4,980	14,339	14,877
Order backlog, MSEK	15,087	15,917	15,087	13,939
Operating cash flow, MSEK	140	16	10	-114
Average number of employees	3,294	3,179	3,411	3,296

Operating profit amounted to SEK 59 million (53) and the operating margin was 1.8 percent (1.7). The operating margin for the latest 12 month period was 3.3 percent which was unchanged compared to full year of 2022. The high cost of material and energy in contracts received before the war broke out in Ukraine has to a certain extent resulted in dilution of the operating margin.

Orders received and order backlog

The level of orders received decreased during the first quarter 2023 and amounted to SEK 4,442 million (4,980). Orders received in the comparable period included a number of operation contracts regarding road maintenance for the Swedish Transport Administration totaling SEK 1.3 billion. Order backlog on March 31, 2023 amounted to SEK 15,087 million (15,917).

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.

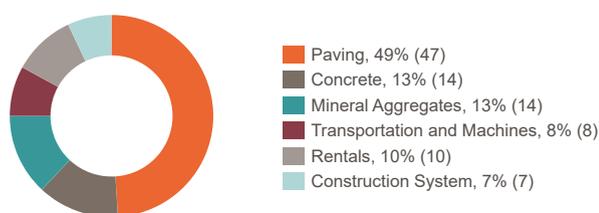
Net sales and profit

Business area Industry has a very clear seasonal pattern where the first quarter is characterized by substantial deficits since the paving season begins in the second quarter.

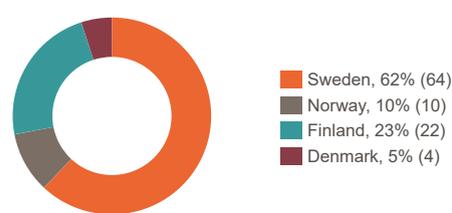
Net sales for the first quarter 2023 increased by eight percent and amounted to SEK 2,779 million (2,571). Even adjusted for acquired and divested operations and exchange rate effects, net sales increased by eight percent. Net sales increased in most of the product areas in the first quarter compared to the same quarter last year.

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Net sales, MSEK	2,779	2,571	21,641	21,433
Operating profit, MSEK	-435	-396	708	747
Operating margin, %	-15.7	-15.4	3.3	3.5
Orders received, MSEK	2,689	3,835	11,642	12,788
Order backlog, MSEK	6,092	7,003	6,092	4,273
Capital employed at the end of the period, MSEK	10,762	9,376	10,762	10,807
Operating cash flow, MSEK	-390	-442	-466	-518
Average number of employees	3,814	3,881	4,694	4,761
Concrete, thousands of m ³ ¹⁾	263	276	1,336	1,349
Paving, thousands of tons ¹⁾	120	100	7,205	7,185
Mineral Aggregates, thousands of tons ¹⁾	4,230	5,074	28,103	28,947

¹⁾ Refers to sold volume

Operating profit during first quarter was SEK -435 million (-396) and the operating margin was -15.7 percent (-15.4). The negative operating profit refers to Paving where operations during the first quarter are primarily preparations for the season through maintenance on machines and asphalt plants. The continued high energy and fuel prices have been handled through higher prices to customers as well as adapting and streamlining operations. The operating margin in the latest rolling 12 month period was 3.3 percent compared to 3.5 percent for the entire year 2022.

Capital employed at the end of the period was SEK 10,762 million compared to SEK 9,376 million at the end of the same period last year. The increase stems from investments in machines and production facilities along with more working capital.

Orders received and order backlog

The level of orders was lower primarily due to Peab being more selective about the tenders Paving in Norway submitted, and amounted to SEK 2,689 million (3,835). The order backlog on March 31, 2023 amounted to SEK 6,092 million (7,003).

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

Net sales for the first quarter 2023 decreased in Project Development and amounted to SEK 1,841 million (2,464). The decrease is mostly attributable to Housing Development. Operating profit amounted to SEK 127 million (289) with an operating margin of 6.9 percent (11.7).

Capital employed in Project Development at the end of the period amounted to SEK 16,226 million (13,624). The increase primarily refers to higher investments in project and development property.

Key ratios

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Net sales, MSEK	1,841	2,464	8,038	8,661
<i>of which Property Development</i>	9	59	444	494
<i>of which Housing Development</i>	1,832	2,405	7,594	8,167
Operating profit, MSEK	127	289	965	1,127
<i>of which Property Development</i>	-6	34	147	187
<i>of which Housing Development</i>	133	255	818	940
Operating margin, %	6.9	11.7	12.0	13.0
<i>of which Property Development</i>	-66.7	57.6	33.1	37.9
<i>of which Housing Development</i>	7.3	10.6	10.8	11.5
Capital employed at the end of the period, MSEK	16,226	13,624	16,226	15,632
Orders received, MSEK	143	2,495	3,667	6,019
Order backlog, MSEK	4,165	6,910	4,165	5,447
Operating cash flow, MSEK	-508	342	-1,540	-690
Average number of employees	249	236	256	243

Capital employed

MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Operations property	116	53	83
Investment property	36	36	36
Project and development property	13,662	10,919	12,943
<i>of which housing development rights</i>	7,293	6,489	7,246
<i>of which commercial development rights</i>	770	558	739
<i>of which unsold part of ongoing housing projects</i>	2,532	1,954	2,493
<i>of which ongoing rental projects</i>	1,469	794	1,422
<i>of which ongoing commercial projects</i>	544	575	462
<i>of which completed property</i>	178	124	173
<i>of which other</i>	876	425	408
Participation in joint ventures	2,543	2,442	2,573
Loans to joint ventures	1,452	1,193	1,494
Working capital and other	-1,583	-1,019	-1,497
Total	16,226	13,624	15,632
<i>of which Property Development</i>	4,712	4,312	4,585
<i>of which Housing Development</i>	11,514	9,312	11,047



Brf Traversen
Trollhattan

Housing Development

The weak demand for homes throughout the Nordic area contributed to fewer sold homes and production starts of our own housing developments during the first quarter 2023. Net sales decreased and amounted to SEK 1,832 million (2,405) and the decrease is related to all countries. Operating profit amounted to SEK 133 million (255) and the operating margin was 7.3 percent (10.6). The operating margin for the latest 12 month period was 10.8 percent compared to 11.5 percent for the entire year 2022.

The market continues to be cautious regarding all kinds of housing as a result of rising interest rates and uncertain economies, which negatively affects the conditions for production starts. We have noted a definite decline in Finland during the quarter. In total, the number of start-ups of our own developed homes amounted to 298 (724) during the first quarter, of which 81 (724) were tenant-owner apartments/condominiums, where 36 (577) were new production and 45 (147) were conversions from previously started-up rental apartments, and 217 (-) were homes in rental apartments projects on our own balance sheet. The number of sold homes was 245 (800), of which 101 (800) were tenant-owner apartments/condominiums and 144 (-) were homes in rental apartments projects. Included in the homes sold in rental apartments projects was a project with 60 homes in Malmö that was divested to Annehem Fastigheter.

The total number of own developed homes in production at the end of the period was 5,061 (5,606), of which 3,854 (4,831) were tenant-owner apartments/condominiums and 1,207 (775) were homes in rental apartments projects. The portion of sold tenant-owner apartments/condominiums in ongoing production amounted to 68 percent (77). The number of repurchased homes per March 31, 2023 was 238 (134) and they were mainly in Finland.

There is a substantial underlying need for homes throughout the Nordic area but higher interest rates and inflation make it harder to make ends meet in calculations. We see continued interest in our own developed homes but the high cost of construction, interest rate hikes and concern about the economy in general make it difficult to assess future developments, especially in projects with a long time before occupancy. As far as Peab is concerned, we have a well-dimensioned development rights portfolio in attractive locations and while we wait for the market to recover we are further developing and preparing projects for the future.

Own housing development construction

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Tenant-owner associations, ownership and residential limited companies				
Number of production-started homes during the period	81 ¹⁾	724 ¹⁾	1,167	1,810 ²⁾
Number of sold homes during the period	101	800	944	1,643
Total number of homes under production, at the end of the period	3,854	4,831	3,854	4,539
Portion of sold homes under production, at the end of the period	68%	77%	68%	69%
Number of repurchased homes on our balance sheet, at the end of the period	238	134	238	105
Rentals				
Number of production-started homes during the period	217	-	743	526
Number of sold homes during the period	144	-	210	66
Number converted to tenant-owner associations during the period	45	147	101	203
Total number of homes under production, at the end of the period	1,207 ³⁾	775 ³⁾	1,207	1,179

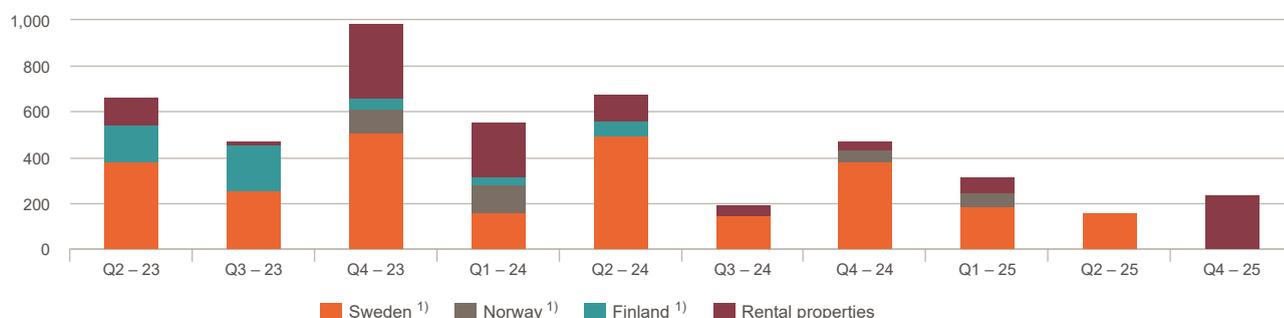
¹⁾ Includes 45 (147) homes that have been converted from rentals

²⁾ Includes 203 homes that have been converted from rentals

³⁾ Of which 722 (638), respectively 60 percent (82), are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects

Number of homes



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

Capital employed increased at the end of the period and amounted to SEK 11,514 million (9,312). The increase is primarily due to more rental apartment projects on our own balance sheet and a higher portion of unsold homes in ongoing housing projects compared to end of the same period 2022.

Net sales

per geographic market, rolling 12 months



Development rights for housing

Number, approx.	Mar 31 2023	Mar 31 2022	Dec 31 2022
Development rights on our own balance sheet	21,500	20,100	21,800
Development rights via joint ventures	4,700	4,600	4,700
Development rights via options etc.	8,600	9,900	8,900
Total	34,800	34,600	35,400



Berggård
Halmstad

Property development

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

During the first quarter 2023 net sales were SEK 9 million (59) and operating profit was SEK -6 million (34). Capital gains from property sales amounted to SEK 1 million (13). Profit contributions from partially owned companies was lower com-

pared to the same quarter last year and amounted to SEK 10 million (33).

Capital employed in Property Development was SEK 4,712 million (4,312). Most of the capital employed consists of shares in partially owned companies and loans to partially owned companies.

The table below presents the ongoing property projects per March 31, 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, %
Office building	Malmö	7,400	55	257	331	Q2-2023	78
Office building	Jönköping	3,200	100	50	103	Q4-2023	49
Office building	Gothenburg	13,100	4	287	535	Q3-2024	54
Total				594			

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 March 31, 2023¹⁾: SEK 7,908 million (7,612)

Peab's portion of unrecognized fair value exclusive tax¹⁾: SEK 629 million (591)

Major ongoing projects: Varvsstaden, Malmö, renovation of Snickeriet 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 March 31, 2023: SEK 1,929 million (1,964)

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 March 31, 2023: SEK 1,399 million (1,388)

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 March 31, 2023¹⁾: SEK 2,491 million (2,249)

Peab's portion of unrecognized fair value exclusive tax¹⁾: SEK 63 million (27)

Major ongoing projects: Sadelbyn 7 with 42 tenant-owner apartments in Åre and 20 tenant-owner apartments in Timmerby, 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 March 31, 2023¹⁾: SEK 5,883 million (5,850)

Peab's portion of unrecognized fair value exclusive tax¹⁾: SEK 371 million (420)

Major ongoing projects: LP Parken, Gothenburg 6,500 m² rentable area, Tallbohov, Järfälla 5,700 m² rentable area, Tamarinden, Örebro 11,000 m² rentable area, Rödängs Trädgårdar, Umeå 12,600 m² rentable area and other apartment building projects in Helsingborg and Lund

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

Sweden

Preliminarily Sweden's GNP increased by 2.7 percent. In 2023 the economy is expected to contract due to the ever rising interest rates, lower consumption and declining investments. New housing production dropped in 2022 and the forecast for 2023 has been adjusted downward significantly. Demand is severely affected by the pressure households are under combined with falling sales prices for homes and rising interest rates. Apartment building construction will likely be hit the hardest in 2023. Other building construction for the private sector increased marginally in 2022, driven by investments in retail space and offices, but a slight decline in building construction volumes is expected in 2023. There was a downturn in public sector investments in 2022 and the economy in 2023 will draw down development but probably only fractionally. Civil engineering investments in 2022 are believed to have been on the same level as 2021. Development was splintered with lower volumes in roads and railroads but substantially higher investments in the energy sector. This year the higher interest rates and prices for materials put a damper on developments and investment volumes are expected to drop slightly.

Norway

The Norwegian economy grew preliminarily by 3.7 percent in 2022 thanks to strong private consumption, a drop in unemployment and rising gross investments. In 2023 GNP is expected to have zero growth, a slight rise in unemployment and no change in gross investments. New housing production was basically unchanged in 2022 but it was uneven, with an increase in apartment building construction and a decrease in single home investments. Both sectors are expected to contract in 2023. Other building construction for the private sector declined in 2022 due to less activity in retail space and offices. However, the forecast points upwards for 2023. Public sector construction dropped dramatically in 2022 but is expected to recover in 2023. Civil engineering is believed to have grown substantially in 2022 and growth may continue in 2023, although to a lesser degree.

Finland

The Finnish economy is expected to have grown by close to 2.0 percent in 2022 but will probably go into a mild recession in 2023. Both private consumption and gross investments are expected to have nearly zero growth. Single home and apartment building construction decreased in 2022 and the negative development will most likely continue in 2023 as a result of rising interest rates and a weak economy. Private and public investments in other building construction dropped significantly. However, retail space and offices in the private sector were the exception and they increased while industrial building construction declined. A downturn is expected across the board for both the private and public sectors in 2023. Civil engineering is expected to have developed sideways in 2022 and the trend will most likely continue in 2023.

Housing

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

Forecast for production-started housing investments, new production and renovations

Source: Navet

Other building construction

	2023	2024	2025
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

	2023	2024	2025
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



Paving Ljungbyhed Airport
Ljungbyhed

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 primarily 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 – 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 to customers. A satisfied customer is a customer that comes back and is vital to marketing our company. This is why our annual customer survey is an important 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) for 2022 added up to 80 (81), which is a continued good result and higher than our target of 75. Customers' perception of Peab's employees, offer and ethics are three areas that have developed substantially in the latest index and regarding our business areas, Construction is notable for how its CSI has improved compared to last year.

At the beginning of 2023 Prognoscentret presented its annual customer survey regarding customer satisfaction among homebuyers in Sweden. Peab Bostad received the highest ranking in customer satisfaction two years after having moved into a home, known as the guarantee phase. The customer survey also showed Peab Bostad is rated far above the benchmark for the industry within the quality factor reliability. In Finland EPSI Ratings presented its construction industry customer survey on customer satisfaction regarding newly built apartments. For the fifth time Peab received the highest rating from customers and stands head and shoulders over competitors in the criteria reliability and social responsibility. Customers in Finland also feel they have been treated well from the time they show an interest to moving in.

The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2023.

Best workplace

Peab's employees work locally, close to our customers throughout the Nordic region. The total number of employees per March 31, 2023 was 15,134 (15,077). The average number of employees per rolling 12 months was 14,528 compared to 14,211 for the full year 2022. The calculation of average number of employees has changed as of January 1, 2023 and is based on the sum of hours worked. For a definition of the calculation please see Alternative performance measures and definitions.

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, taking safety measures and learning from reported risk observations, incidents and accidents.

Our target of a contracting trend in serious accidents* comprises everyone at our workplaces. During the first quarter there were 18 serious accidents, of which 11 referred to our own employees and 7 referred to subcontractors. Calculated for a rolling twelve month period the number was 54 per March 31, 2023 (34 per March 31, 2022). Of these, 33 referred to our own employees and 21 referred to subcontractors.

It's regrettable that the trend in accidents is developing in the wrong direction and it shows how important it is to continuously work on our safety culture. In order to turn the tide we have intensified our preventive work concerning the work environment and we work with in-depth investigations and take measures to prevent similar accidents from happening again. We also continue 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 first quarter this year there were 44 (40 fourth quarter 2022) and the LTIF4 frequency rate for a rolling twelve month period was 5.8 (5.8 after the fourth quarter 2022).

Every remedied risk is one less potential accident, which is why we are highly focused on working preventively and monitoring remedies for reported incidents. During the first quarter 2023 the organization reported around 16,700 risk observations*.

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

Attractive employers (eNPS)

We should be the obvious choice for anyone who wants to work in the industry. Everyone should 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 and should be above the benchmark for the industry (industry and manufacturing). The eNPS score for the Group rose in the latest survey by one point to 29 compared to 28 in the spring survey. This is clearly above the Nordic benchmark which is currently 22. In principle all areas are developing well and our employees continue to be satisfied at work, despite the tougher market situation. Worth noting is that the eNPS score is on the rise among skilled workers in almost all of the organization, and the most positive changes can be seen in Norway.

The next target update will be provided after the second quarter in connection with the presentation of the half-year report 2023.

Leader in social responsibility

Climate target for carbon dioxide intensity

In recent years Peab's climate and environmental work has increased in scope and our targets and metrics have become more stringent. 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 impacts the environment and the climate through our own operations and the impact created by partners such as suppliers and customers. Our operations primarily cause emissions of greenhouse gases by using various materials in production like concrete, steel and asphalt. Two other major sources of carbon emissions in production are energy consumption and transportation. Therefore our prioritized, emission reduction activities can be found within the framework of these areas. As community builders we also have a comprehensive perspective on our climate work and strive to contribute to a sustainable society on the whole by building, for example, solar power plants and railroads or by building in such a way that people can live more sustainably. We have a life cycle perspective in our operations and take responsibility for both making and meeting demands in the value chain in relation to our customers and suppliers. We also 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 actively steer towards 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 2022 reveals that developments are going in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 43 percent compared to base year 2015 and by two 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. We work actively to increase the completeness in our measurements of carbon dioxide intensity, which is particularly demanding in Scope 3 reporting.

The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2023.

Equal opportunity

Only about five percent of those that graduate with, for Peab, degrees in relevant, practical education 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 have a responsibility to 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). At the end of 2022 the percentage of women in new recruitments was 7.9 percent in production and processing compared to our target of more than 5.0 percent and 45.3 percent in production management and production support whereas our target was more than 30 percent.

The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2023.

Activities during the first quarter

- Peab launched The Construction Year in Sweden which is a one-year paid internship where women can experience what it is like to work as a craftsman. The program stretches from Kiruna in the north to Malmö in the south and there are around 50 internships in total at 18 locations nationwide. The first group will start in September 2023.
- Peab's equal treatment plan, with an action plan against discrimination and victimization, has been updated for 2023. This update includes a more profound stance regarding zero tolerance and clarification on what equal treatment work at Peab should ensure.
- At the end of last year and during the first quarter we worked on a number of measures to reduce electricity consumption in operations. We implemented a campaign aimed at raising awareness about how we can lower energy consumption – everything from tips to simple instructions.
- As part of an ongoing project to develop management of environmental data we launched an energy application in Sweden that enables operations to follow their use of electricity and district heat all the way down to project level, in the form of kWh and CO₂e. The app helps to see trends in consumption and adjust operations to reduce both environmental impacts and costs.
- Peab Asphalt has won a number of procurements and received both new commissions and extensions of existing contracts, among them in Linköping and Eskilstuna municipalities. ECO-Asfalt is used for these contracts, which reduces climate impact. Peab Asphalt received a climate bonus for its maintenance paving using ECO-Asfalt and more than 30 percent reclaimed asphalt pavement in Årjäng's Municipality.
- Byggelement has through tests proven that hollow core slabs with recycled concrete have the same quality as those from traditional production. In successful test castings ten percent of the mineral aggregates were replaced with crushed concrete recycled from waste in production.
- Byggelement has also launched a Sandwich Wall ECO 60/30 that has an EPD. The inner layer of this outer wall is cast with more than 60 percent slag in the mixture and the outer layer with 30 percent slag in the mixture. The result is a wall that far surpasses the industry's lowest reference value for a climate improved product.
- Business areas Construction and Civil Engineering in Norway have decided that all electricity will be purchased with a source of origin guarantee to ensure that the electricity is produced through renewable production. Peab has a framework agreement with Fjordkraft for the supply of electricity.



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 and Leader in social responsibility. All targets relate to the industry. For a more detailed description of each target please see www.peab.com/targets.

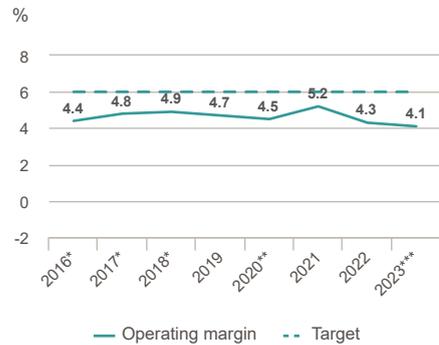
 <p>Most satisfied customers We will be a complete community builder that offers total solutions. We create value for our customers through expert and engaged employees.</p>	<p>>75 CSI always over 75</p>
 <p>Best workplace We will be the obvious choice for anyone who wants to work in the industry. Everyone will be part of safe and including workplaces with good work conditions and opportunities to develop at Peab.</p>	<p>eNPS always over benchmark</p> <p>ZERO VISION serious accidents Through a contracting trend</p>
 <p>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.</p>	<p>>6% Operating margin</p> <p>0.3–0.7 Net debt/equity ratio</p> <p>>50 % of profit for the year Dividend</p>
 <p>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.</p>	<p>-60% Carbon dioxide intensity Reduction of emissions from our own production by 2030 (Scope 1+2).</p> <p>-50% Carbon dioxide intensity Reduction of emissions from input goods and purchased services by 2030 (Scope 3).</p> <p>EQUAL OPPORTUNITY RECRUITMENT Share of women recruited always over the education market</p>

Target and target fulfilment

Most profitable company

Operating margin

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

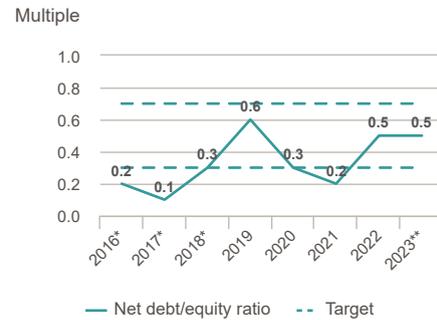


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin excluding the effect of the distribution of Annehem Fastigheter (SEK 952 million). *** Calculated on a rolling 12 months per March 31, 2023.

Most profitable company

Net debt/equity ratio

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

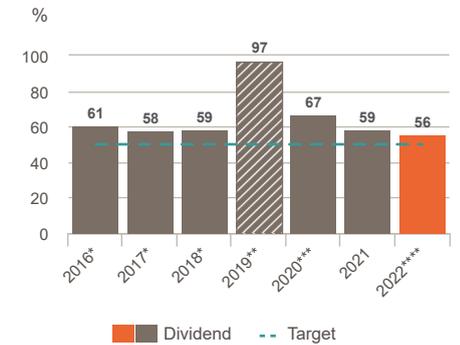


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Per March 31, 2023.

Most profitable company

Dividend

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

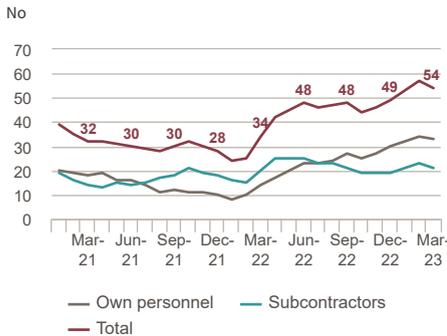


* Years 2016-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is calculated without the effect of SEK 952 million on profit due to the distribution of Annehem Fastigheter. **** Board of Directors' proposal to the AGM. Based on number of outstanding shares.

Best workplace

Serious accidents

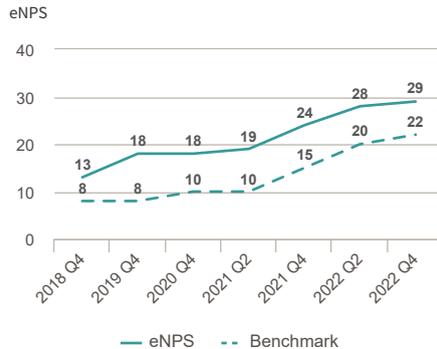
Target: Zero fatal accidents and contracting trend, rolling 12 months, serious accidents classification 4 (reported quarterly)



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)

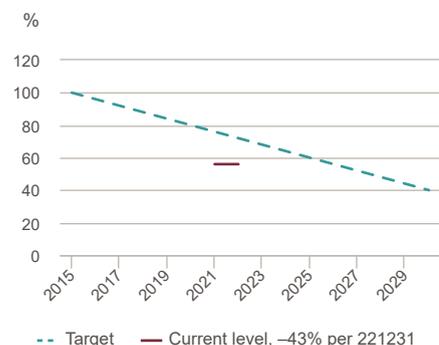


CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100.

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)

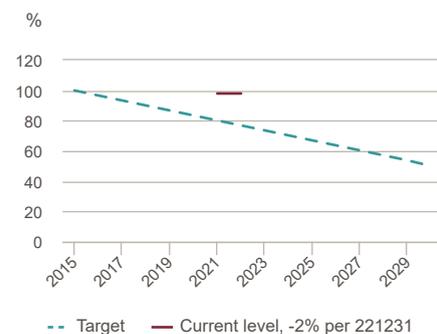


* Direct and indirect emissions as a result of using fuel and energy in our own production.

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)



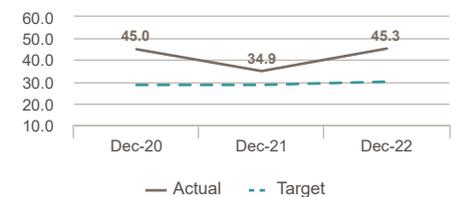
* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

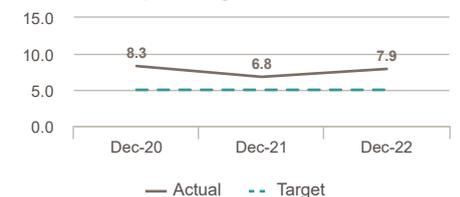
Equal opportunity recruitment

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 2022.

In recent years there has been a significant rise in the price of materials and energy. We continually work to adapt and streamline production all the while expecting continued high construction costs if the trend in material and energy prices does not turn. High construction costs and interest rates make it harder to make calculations that come out ahead, which dampens demand on the construction market throughout the Nordic region.

Interest rates have continued to rise and in Sweden The Riksbank raised the policy interest rate several times during the last year. 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.

Since Russia invaded Ukraine in February 2022 the global situation has changed dramatically. In addition to the terrible tragedy for the people the war touches, the situation risks further hampering macroeconomic growth in the world. The construction industry is affected through greater uncertainty and cautiousness concerning investments, continued high material and energy prices and material shortages and delivery problems. Peab is not 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.



Stridsbergs Bridge
Trollhättan

Other information

Significant events during the period

No significant events occurred during the reporting period.

Significant events after the period

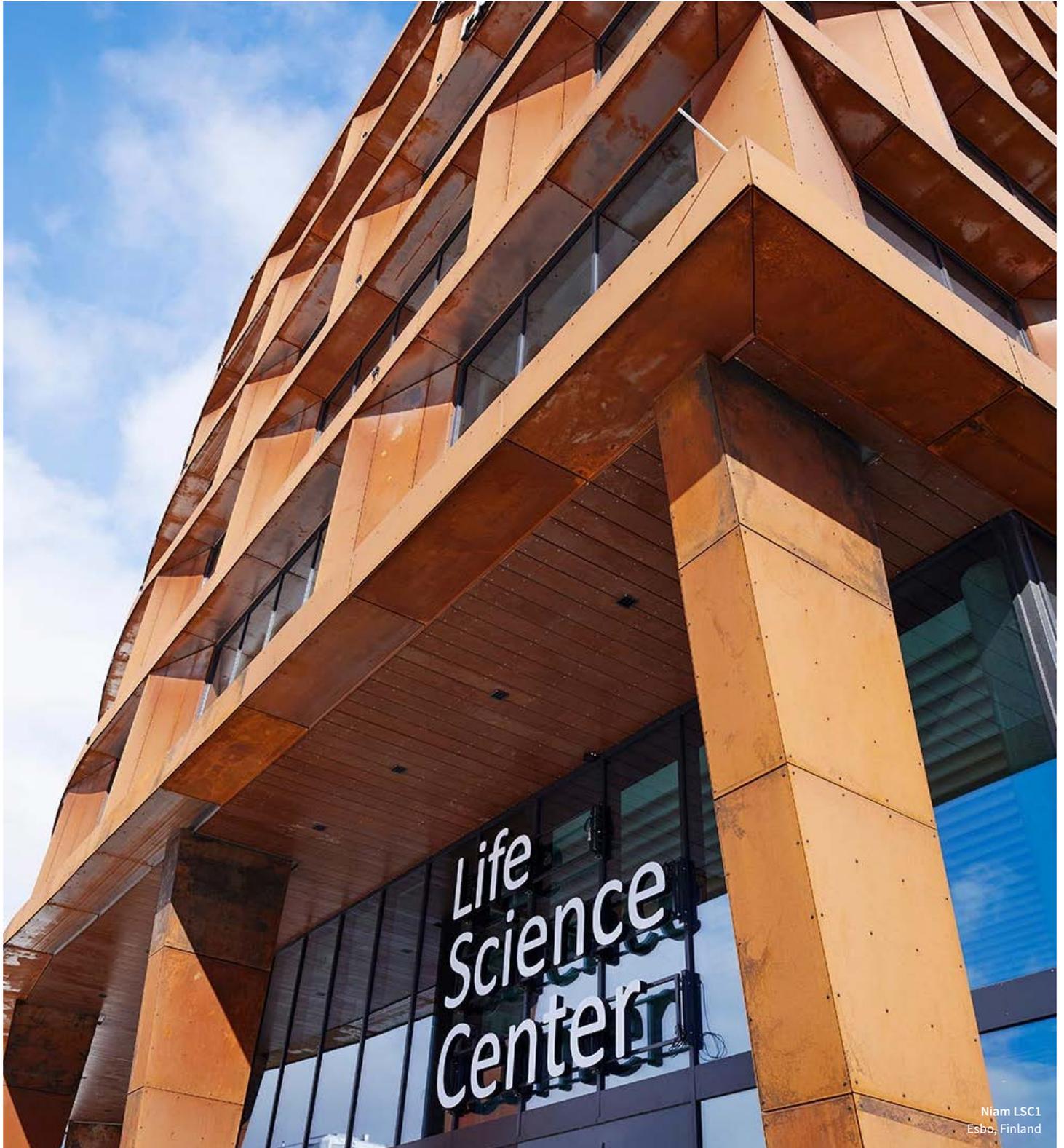
No significant events occurred after the end of the reporting period.

Holdings of own shares

At the beginning of 2023 Peab's own B shareholding was 8,597,984 which corresponds to 2.9 percent of the total number of shares. No changes have taken place during the first quarter 2023.

Related parties

The character and extent of transactions with related parties is presented in the Annual and Sustainable Report 2022, note 41. For more information about transactions with related parties during the period see business area Project Development. No other new significant transactions have occurred during the first quarter 2023.



Report on the Group income statement, IFRS

Group net sales according to IFRS increased by seven percent and amounted during January-March 2023 to SEK 12,978 million (12,137). After adjustments 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 288 million (-407).

Operating profit according to IFRS for January-March 2023 amounted to SEK 7 million (-20) and the operating margin was 0.1 percent (-0.2). The adjustment of our own housing development projects to the completion method affected operating profit by SEK 153 million (-39).

MSEK	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Net sales	12,978	12,137	62,774	61,933
Production costs	-12,138	-11,304	-57,179	-56,345
Gross profit	840	833	5,595	5,588
Sales and administrative expenses	-854	-866	-3,274	-3,286
Other operating income	42	32	289	279
Other operating costs	-21	-19	-26	-24
Operating profit	7	-20	2,584	2,557
Financial income	36	24	115	103
Financial expenses	-88	-39	-269	-220
Net finance	-52	-15	-154	-117
Pre-tax profit	-45	-35	2,430	2,440
Tax	10	7	-606	-609
Profit for the period	-35	-28	1,824	1,831
Profit for the period, attributable to:				
Shareholders in parent company	-35	-28	1,825	1,832
Non-controlling interests	0	0	-1	-1
Profit for the period	-35	-28	1,824	1,831
Key ratios, IFRS				
Earnings per share before and after dilution, SEK	-0.12	-0.10	6.25	6.27
Average number of outstanding shares, million	287.5	295.0	290.3	292.2
Return on capital employed, % ¹⁾	8.2 ¹⁾	11.4 ¹⁾	8.2	8.4
Return on equity, % ¹⁾	13.7 ¹⁾	18.9 ¹⁾	13.7	13.7

¹⁾ Calculated on rolling 12 months

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

MSEK	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Profit for the period	-35	-28	1,824	1,831
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	-98	137	-25	210
Changes in fair value of cash flow hedges for the period	-3	2	-3	2
Shares in joint ventures' other comprehensive income	2	-	21	19
Tax referring to items that can be reclassified or have been reclassified to profit for the period	0	-1	0	-1
Other comprehensive income for the period	-99	138	-7	230
Total comprehensive income for the period	-134	110	1,817	2,061
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	-133	110	1,819	2,062
Non-controlling interests	-1	0	-2	-1
Total comprehensive income for the period	-134	110	1,817	2,061

Report on financial position for the Group in summary, IFRS

Total assets on March 31, 2023 were SEK 49,782 million (47,313). Equity amounted to SEK 13,652 million (13,792), which generated an equity/assets ratio of 27.4 percent (29.2).

MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Assets			
Intangible assets	3,968	3,787	3,976
Tangible assets	8,271	7,635	8,310
Investment property	59	55	57
Interest-bearing long-term receivables	1,226	1,213	1,233
Other financial fixed assets	2,532	2,547	2,599
Deferred tax recoverables	189	215	180
Total fixed assets	16,245	15,452	16,355
Project and development properties	19,217	16,670	19,178
Inventories	2,009	1,704	1,541
Interest-bearing current receivables	306	131	384
Other current receivables	10,298	10,386	12,047
Liquid funds	1,707	2,970	1,506
Total current assets	33,537	31,861	34,656
Total assets	49,782	47,313	51,011
Equity and liabilities			
Equity	13,652	13,792	13,786
Liabilities			
Interest-bearing long-term liabilities	7,505	4,968	7,665
Interest-bearing long-term liabilities, project financing	27	469	440
Deferred tax liabilities	485	275	487
Other long-term liabilities	1,377	1,575	1,503
Total long-term liabilities	9,394	7,287	10,095
Interest-bearing current liabilities	2,696	2,451	1,897
Interest-bearing current liabilities, project financing	9,951	8,085	9,802
Other current liabilities	14,089	15,698	15,431
Total current liabilities	26,736	26,234	27,130
Total liabilities	36,130	33,521	37,225
Total equity and liabilities	49,782	47,313	51,011
Key ratios, IFRS			
Capital employed	33,831	29,765	33,590
Equity/assets ratio, %	27.4	29.2	27.0
Net debt	16,940	11,659	16,681
Equity per share, SEK	47.43	46.76	47.90
Number of outstanding shares at the end of the period, million	287.5	295.0	287.5

Report on changes in Group equity in summary, IFRS

MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Equity attributable to shareholders in parent company			
Opening equity on January 1	13,768	13,681	13,681
Profit for the period	-35	-28	1,832
Other comprehensive income for the period	-98	138	230
Total comprehensive income for the period	-133	110	2,062
Cash dividend	-	-	-1,475
Repurchase of own shares	-	-	-500
Closing equity	13,635	13,791	13,768
Non-controlling interests			
Opening equity on January 1	18	1	1
Comprehensive income for the period	-1	0	-1
Acquisition of partially owned companies, non-controlling interests as previously	-	-	18
Closing equity	17	1	18
Total closing equity	13,652	13,792	13,786

Report on Group cash flow in summary, IFRS

MSEK	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Cash flow from current operations before changes in working capital	85	17	3,432	3,364
Increase (-) / Decrease (+) of project and development properties	-174	-289	-2,469	-2,584
Increase (-) / Decrease (+) of inventories	-472	-372	-263	-163
Increase (-) / Decrease (+) of current receivables / current liabilities	589	-140	-1,444	-2,173
Cash flow from changes in working capital	-57	-801	-4,176	-4,920
Cash flow from current operations	28	-784	-744	-1,556
Acquisition of subsidiaries / businesses, net effect on liquid funds	-	-	-132	-132
Sale of subsidiaries / businesses, net effect on liquid funds	-	-	46	46
Acquisition of fixed assets	-356	-263	-2,163	-2,070
Sale of fixed assets	149	270	432	553
Cash flow from investment operations	-207	7	-1,817	-1,603
Cash flow before financing	-179	-777	-2,561	-3,159
Increase (+) / Decrease (-) of interest-bearing liabilities	625	-397	1,937	915
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	-243	1,158	1,346	2,747
Cash dividend	-	-	-1,475	-1,475
Repurchase of own shares	-	-	-500	-500
Cash flow from financing operations	382	761	1,308	1,687
Cash flow for the period	203	-16	-1,253	-1,472
Cash at the beginning of the period	1,506	2,951	2,970	2,951
Exchange rate differences in cash	-2	35	-10	27
Cash at the end of the period	1,707	2,970	1,707	1,506

Parent company

The parent company Peab AB's net sales for the first quarter 2023 amounted to SEK 72 million (75) and mainly consisted of internal Group services. Profit for the period amounted to SEK -59 million (-46).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,749 million (11,728). The assets have been financed from equity of SEK 8,693 million (8,207) and long-term liabilities to Group companies amounting to SEK 1,500 million (1,000).

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	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Jan-Dec 2022
Net sales	72	75	301	304
Administrative expenses	-129	-125	-524	-520
Other operating income	1	1	1	1
Operating profit	-56	-49	-222	-215
Result from financial investments				
Profit from participation in Group companies	-	-	1,024	1,024
Other financial items	-19	-9	-50	-40
Result after financial items	-75	-58	752	769
Appropriations	-	-	2,138	2,138
Pre-tax profit	-75	-58	2,890	2,907
Tax	16	12	-430	-434
Profit for the period ¹⁾	-59	-46	2,460	2,473

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	Mar 31 2023	Mar 31 2022	Dec 31 2022
Assets			
Fixed assets			
Intangible assets	3	4	3
Tangible assets	2	1	2
Financial assets			
Participation in Group companies	11,749	11,728	11,749
Deferred tax recoverables	95	140	94
Total financial assets	11,844	11,868	11,843
Total fixed assets	11,849	11,873	11,848
Current assets			
Current receivables			
Accounts receivables	0	1	1
Receivables from Group companies	1,722	532	2,274
Current tax assets	17	92	-
Other receivables	33	51	3
Prepaid expenses and accrued income	12	10	11
Total current receivables	1,784	686	2,289
Cash and bank	0	0	0
Total current assets	1,784	686	2,289
Total assets	13,633	12,559	14,137
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	6,809	6,323	6,868
Total equity	8,693	8,207	8,752
Untaxed reserves	3,292	3,190	3,292
Provisions			
Other provisions	44	46	43
Total provisions	44	46	43
Long-term liabilities			
Liabilities to Group companies	1,500	1,000	1,500
Total long-term liabilities	1,500	1,000	1,500
Current liabilities			
Accounts payable	15	14	20
Liabilities to Group companies	16	2	375
Current tax liabilities	-	-	81
Other liabilities	8	7	8
Accrued expenses and deferred income	65	93	66
Total current liabilities	104	116	550
Total liabilities	1,604	1,116	2,050
Total equity and liabilities	13,633	12,559	14,137

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.

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-Mar 2023 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	5,956	3,022	1,864	1,835	13		12,690	288	12,978
Internal sales	1,466	306	915	6	364	-3,057	-		-
Total	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978
Allocation per country									
Sweden	5,146	3,005	2,218	1,365	290	-2,490	9,534	-158	9,376
Norway	1,239	322	106	139	44	-178	1,672	-133	1,539
Finland	1,037	1	319	337	43	-388	1,349	579	1,928
Denmark			135			-1	134		134
Other			1				1		1
Total	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978
Allocation per type of customer									
Public sector	2,679	2,372	236	13	10		5,310	-11	5,299
Private customers	3,277	650	1,628	1,822	3		7,380	299	7,679
Internal customers	1,466	306	915	6	364	-3,057	-		-
Total	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978
Allocation per point in time									
At one point in time	1	3	1,376	403	18	-290	1,511	1,687	3,198
Over time	7,419	3,322	830	1,410	308	-2,329	10,960	-1,399	9,561
Rent revenue ²⁾	2	3	573	28	51	-438	219		219
Total	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978
Allocation per type of revenue									
Construction contracts	7,419	3,322	830	1,410	21	-2,043	10,959	-1,399	9,560
Sales of goods			1,058			-213	845		845
Sales of property projects				400			400	1,687	2,087
Transportation services			274			-65	209		209
Administrative services					286	-286	-		-
Rent revenue ²⁾	2	3	573	28	51	-438	219		219
Other	1	3	44	3	19	-12	58		58
Total	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978

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-Mar 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	5,468	2,780	1,819	2,459	18		12,544	-407	12,137
Internal sales	1,267	303	752	5	340	-2,667	-		-
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per country									
Sweden	4,908	2,772	2,015	1,744	287	-2,139	9,587	-578	9,009
Norway	1,072	311	148	189	36	-184	1,572	233	1,805
Finland	755		313	531	35	-344	1,290	-62	1,228
Denmark			93				93		93
Other			2				2		2
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per type of customer									
Public sector	2,307	2,045	197	1	11		4,561		4,561
Private customers	3,161	735	1,622	2,458	7		7,983	-407	7,576
Internal customers	1,267	303	752	5	340	-2,667	-		-
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per point in time									
At one point in time	3	1	1,313	302	13	-258	1,374	1,597	2,971
Over time	6,728	3,080	741	2,141	299	-2,018	10,971	-2,004	8,967
Rent revenue ²⁾	4	2	517	21	46	-391	199		199
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per type of revenue									
Construction contracts	6,728	3,080	741	2,141	20	-1,740	10,970	-2,004	8,966
Sales of goods			994			-188	806		806
Sales of property projects				291			291	1,597	1,888
Transportation services			270			-62	208		208
Administrative services					279	-278	1		1
Rent revenue ²⁾	4	2	517	21	46	-391	199		199
Other	3	1	49	11	13	-8	69		69
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137

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 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	23,435	13,536	17,465	8,638	61		63,135	-1,202	61,933
Internal sales	5,564	1,429	3,968	23	1,471	-12,455	-		-
Total	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933
Allocation per country									
Sweden	20,846	13,309	13,099	5,924	1,204	-10,139	44,243	-1,297	42,946
Norway	4,545	1,656	2,262	739	173	-802	8,573	392	8,965
Finland	3,608		5,042	1,998	154	-1,512	9,290	-297	8,993
Denmark			1,015		1	-2	1,014		1,014
Other			15				15		15
Total	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933
Allocation per type of customer									
Public sector	10,102	10,363	6,377	17	46		26,905		26,905
Private customers	13,333	3,173	11,088	8,621	15		36,230	-1,202	35,028
Internal customers	5,564	1,429	3,968	23	1,471	-12,455	-		-
Total	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933
Allocation per point in time									
At one point in time	26	15	6,915	1,373	70	-1,221	7,178	5,566	12,744
Over time	28,957	14,940	12,338	7,195	1,277	-9,580	55,127	-6,768	48,359
Rent revenue ²⁾	16	10	2,180	93	185	-1,654	830		830
Total	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933
Allocation per type of revenue									
Construction contracts	28,957	14,940	12,338	7,195	97	-8,400	55,127	-6,768	48,359
Sales of goods			5,393			-873	4,520		4,520
Sales of property projects	5			1,343			1,348	5,566	6,914
Transportation services			1,327			-281	1,046		1,046
Administrative services					1,180	-1,180	-		-
Rent revenue ²⁾	16	10	2,180	93	185	-1,654	830		830
Other	21	15	195	30	70	-67	264		264
Total	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933

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-Mar 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	5,956	3,022	1,864	1,835	13		12,690	288	12,978
Internal sales	1,466	306	915	6	364	-3,057	-		-
Total revenue	7,422	3,328	2,779	1,841	377	-3,057	12,690	288	12,978
Operating profit	162	59	-435	127	-73	4	-156	163	7
Operating margin, %	2.2	1.8	-15.7	6.9			-1.2		0.1
Financial income							36		36
Financial expenses							-76	-12 ²⁾	-88
Net finance							-40	-12	-52
Pre-tax profit							-196	151	-45
Tax							42	-32	10
Profit for the period							-154	119	-35
Capital employed (closing balance)	-1,820	-56	10,762	16,226		798 ³⁾	25,910	7,921	33,831
Total assets							42,713	7,069 ⁴⁾	49,782
Equity							14,687	-1,035	13,652
Equity/assets ratio, %							34.4		27.4
Net debt							7,984	8,956	16,940
Cashflow before financing	225 ⁵⁾	140 ⁵⁾	-390 ⁵⁾	-508 ⁵⁾		-375 ⁶⁾	-908	729	-179

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 -12 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,559 million and housing projects SEK 5,510 million.

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

⁶⁾ Unallocated cash flow.

Group Jan-Mar 2022 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	5,468	2,780	1,819	2,459	18		12,544	-407	12,137
Internal sales	1,267	303	752	5	340	-2,667	-		-
Total revenue	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Operating profit	160	53	-396	289	-71	-25	10	-30	-20
Operating margin, %	2.4	1.7	-15.4	11.7			0.1		-0.2
Financial income							24		24
Financial expenses							-26	-13 ²⁾	-39
Net finance							-2	-13	-15
Pre-tax profit							8	-43	-35
Tax							5	2	7
Profit for the period							13	-41	-28
Capital employed (closing balance)	-2,475	-604	9,376	13,624		2,196 ³⁾	22,117	7,648	29,765
Total assets							40,309	7,004 ⁴⁾	47,313
Equity							14,812	-1,020	13,792
Equity/assets ratio, %							36.7		29.2
Net debt							2,991	8,668	11,659
Cashflow before financing	181 ⁵⁾	16 ⁵⁾	-442 ⁵⁾	342 ⁵⁾		-420 ⁶⁾	-323	-454	-777

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 -13 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,663 million and housing projects SEK 5,341 million.

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

⁶⁾ Unallocated cash flow.

Group Jan-Dec 2022 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	23,435	13,536	17,465	8,638	61		63,135	-1,202	61,933
Internal sales	5,564	1,429	3,968	23	1,471	-12,455	-		-
Total revenue	28,999	14,965	21,433	8,661	1,532	-12,455	63,135	-1,202	61,933
Operating profit	629	494	747	1,127	-198	-58	2,741	-184	2,557
Operating margin, %	2.2	3.3	3.5	13.0			4.3		4.1
Financial income							103		103
Financial expenses							-174	-46 ²⁾	-220
Net finance							-71	-46	-117
Pre-tax profit							2,670	-230	2,440
Tax							-633	24	-609
Profit for the year							2,037	-206	1,831
Capital employed (closing balance)	-1,746	54	10,807	15,632		253 ³⁾	25,000	8,590	33,590
Total assets							43,220	7,791 ⁴⁾	51,011
Equity							14,978	-1,192	13,786
Equity/assets ratio, %							34.7		27.0
Net debt							6,899	9,782	16,681
Cash flow before financing	-79 ⁵⁾	-114 ⁵⁾	-518 ⁵⁾	-690 ⁵⁾		-554 ⁶⁾	-1,955	-1,204	-3,159

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 -46 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,719 million and housing projects SEK 6,072 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 2022, note 35. 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	Mar 31, 2023			Mar 31, 2022			Dec 31, 2022		
	Level 2	Level 3	Total	Level 2	Level 3	Total	Level 2	Level 3	Total
MSEK									
Financial assets									
Securities held as fixed assets		57	57		58	58		67	67
<i>Of which unlisted funds</i>		16	16		35	35		26	26
<i>Of which unlisted shareholdings and participations</i>		41	41		23	23		41	41
Other long-term receivables			–	3		3	1		1
<i>Of which commodity hedging with futures</i>			–	3		3	1		1
Other current receivables	17		17	25		25	13		13
<i>Of which commodity hedging with futures</i>	9		9	23		23	4		4
<i>Of which currency derivatives</i>	8		8	2		2	9		9
Total financial assets	17	57	74	28	58	86	14	67	81
Financial liabilities									
Other long-term liabilities		18	18			–		19	19
<i>Of which contingent consideration</i>		18	18			–		19	19
Other current liabilities	30	1	31	39	2	41	6	1	7
<i>Of which currency derivatives</i>	1		1	2		2			–
<i>Of which commodity hedging with futures</i>	29		29	37		37	6		6
<i>Of which contingent consideration</i>		1	1		2	2		1	1
Total financial liabilities	30	19	49	39	2	41	6	20	26

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		
	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
MSEK						
Opening balance	26	32	32	41	23	23
Investments	2	2	2			18
Dividends received			–10			
Reported in profit/loss for the period						
Net finance	–12	1	2			
Closing balance	16	35	26	41	23	41

Group	Contingent consideration		
	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
MSEK			
Opening balance	20	2	2
Aquisitions during the period			19
Payments during the period			–1
Reported in other comprehensive income	–1		
Closing balance	19	2	20

Contingent consideration will be paid to the previous owner based on the a share of the profit as well as the outcome of certain specified projects. The contingent consideration is estimated at around SEK 19 million.

Future financial information

- Quarterly report January – June 2023 July 14, 2023
- Quarterly report January – September 2023 October 27, 2023
- Year-end report January – December 2023 February 2, 2024
- Annual and Sustainability report 2023 April, 2024

Förlöv, May 4, 2023

*Jesper Göransson
CEO and President*

The information in this interim report has not been reviewed separately by the company's auditors.

Presentation of the quarterly report

This quarterly report will be presented digitally and on a phone conference Thursday May 4, 2023 at 02:00 p.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/>.

Click on one of the links to participate in the presentation.

Participate in the web broadcast:

<https://ir.financialhearings.com/peab-q1-2023>

Participate via telephone conference:

<https://conference.financialhearings.com/teleconference/?id=200727>

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 May 4, 2023, 01:00 p.m. CET.

Quarterly data

Group, IFRS

MSEK	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021
Net sales	12,978	17,141	16,197	16,458	12,137	17,504	15,488	14,807	11,124
Production costs	-12,138	-15,466	-14,730	-14,845	-11,304	-15,495	-13,868	-13,219	-10,440
Gross profit	840	1,675	1,467	1,613	833	2,009	1,620	1,588	684
Sales and administrative expenses	-854	-851	-640	-929	-866	-923	-673	-884	-820
Other operating income	42	72	81	94	32	235	67	51	38
Other operating costs	-21	-10	8	-3	-19	-12	11	0	-16
Operating profit	7	886	916	775	-20	1,309	1,025	755	-114
Financial income	36	39	18	22	24	20	29	15	30
Financial expenses	-88	-85	-60	-36	-39	-38	-48	-43	-38
Net finance	-52	-46	-42	-14	-15	-18	-19	-28	-8
Pre-tax profit	-45	840	874	761	-35	1,291	1,006	727	-122
Tax	10	-282	-163	-171	7	-170	-226	-152	23
Profit for the period	-35	558	711	590	-28	1,121	780	575	-99
Profit for the period, attributable to:									
Shareholders in parent company	-35	559	711	590	-28	1,121	780	575	-99
Non-controlling interests	0	-1	0	0	0	0	0	0	0
Profit for the period	-35	558	711	590	-28	1,121	780	575	-99
Key ratios, IFRS									
Earnings per share, SEK	-0.12	1.93	2.43	2.01	-0.10	3.80	2.65	1.95	-0.34
Average number of outstanding shares, million	287.5	288.0	291.3	294.4	295.0	295.0	295.0	295.0	295.0
Capital employed (closing balance)	33,831	33,590	32,230	31,232	29,765	28,698	26,840	25,849	25,019
Equity (closing balance)	13,652	13,786	13,250	12,736	13,792	13,682	12,500	11,694	12,517

Business areas

	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021
MSEK									
Net sales									
Construction	7,422	8,330	6,306	7,628	6,735	8,147	5,989	6,648	6,196
Civil Engineering	3,328	4,405	3,584	3,893	3,083	4,062	3,285	3,743	3,090
Industry	2,779	5,658	7,096	6,108	2,571	5,138	6,198	5,247	2,204
Project Development	1,841	1,986	2,234	1,977	2,464	3,117	2,741	1,929	1,710
– of which Property Development	9	11	304	120	59	425	33	33	30
– of which Housing Development	1,832	1,975	1,930	1,857	2,405	2,692	2,708	1,896	1,680
Group functions	377	409	380	385	358	368	318	327	301
Eliminations	-3,057	-3,740	-2,915	-3,133	-2,667	-3,312	-2,410	-2,725	-2,285
Group, segment reporting	12,690	17,048	16,685	16,858	12,544	17,520	16,121	15,169	11,216
Adjustment of housing to IFRS	288	93	-488	-400	-407	-16	-633	-362	-92
IFRS 16, additional leases									
Group, IFRS	12,978	17,141	16,197	16,458	12,137	17,504	15,488	14,807	11,244
Operating profit									
Construction	162	166	126	177	160	209	164	187	151
Civil Engineering	59	175	118	148	53	164	109	146	52
Industry	-435	283	519	341	-396	420	576	339	-397
Project Development	127	309	265	264	289	446	326	252	213
– of which Property Development	-6	19	91	43	34	122	70	29	10
– of which Housing Development	133	290	174	221	255	324	256	223	203
Group functions	-73	-53	-27	-47	-71	13	-64	-95	-82
Eliminations	4	-27	-8	2	-25	-6	-10	-5	-10
Group, segment reporting	-156	853	993	885	10	1,246	1,101	824	-73
Adjustment of housing to IFRS	153	25	-86	-119	-39	52	-86	-69	-49
IFRS 16, additional leases	10	8	9	9	9	11	10	0	8
Group, IFRS	7	886	916	775	-20	1,309	1,025	755	-114
Operating margin, %									
Construction	2.2	2.0	2.0	2.3	2.4	2.6	2.7	2.8	2.4
Civil Engineering	1.8	4.0	3.3	3.8	1.7	4.0	3.3	3.9	1.7
Industry	-15.7	5.0	7.3	5.6	-15.4	8.2	9.3	6.5	-18.0
Project Development	6.9	15.6	11.9	13.4	11.7	14.3	11.9	13.1	12.5
– of which Property Development	-66.7	172.7	29.9	35.8	57.6	28.7	212.1	87.9	33.3
– of which Housing Development	7.3	14.7	9.0	11.9	10.6	12.0	9.5	11.8	12.1
Group functions									
Eliminations									
Group, segment reporting	-1.2	5.0	6.0	5.2	0.1	7.1	6.8	5.4	-0.7
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Group, IFRS	0.1	5.2	5.7	4.7	-0.2	7.5	6.6	5.1	-1.0
Key ratios, segment reporting, MSEK									
Earnings per share, SEK	-0.54	1.89	2.69	2.36	0.04	3.62	2.89	2.18	-0.19
Capital employed (closing balance)	25,910	25,000	23,546	22,828	22,117	21,561	20,691	19,867	19,659
Equity (closing balance)	14,687	14,978	14,469	13,868	14,812	14,656	13,556	12,654	13,408
Orders received	11,042	10,455	13,095	14,334	15,375	14,443	13,865	13,094	14,446
Order backlog at the end of the period	44,595	44,389	48,762	49,899	49,968	45,318	46,280	46,684	47,286

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

Average number of employees

The sum of the number of hours Peab has paid for, divided by the annual working time.

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?"

LTI4 and LTIF4

LTI4 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.



The Nordic Community Builder

About Peab

Peab works locally where our customers are and where people live their lives. Every day our 15,000 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 63 billion

Employees, appr.

15,000



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.

Peab's four business areas



Most satisfied customers



Best workplace



Most profitable company



Leader in social responsibility



Local and close to our customers

Our 15,000 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 Svensson, Annika Persson, Henrik Nordell, Johanna Myllymäki, Koppar communication, Magnus Paulsson, Mats Bakken, Peter Steen, Samuel Unéus and Sebastian Lamotte.

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.