

Q2

January – June  
2024

 **PEAB**  
THE NORDIC COMMUNITY BUILDER

## MARKET OUTLOOK

# Housing investments remain at a low level

Started-up housing investments, new and renovations

Sweden	2024 ↘	2025 ↗	2026 ↑
Norway	2024 →(↘)	2025 ↗	2026 ↑
Finland	2024 ↘	2025 ↗	2026 ↗

Source: Navet

MARKET OUTLOOK

# Varying investment levels in other building construction

Started-up other building construction investments, new and renovations

Sweden

2024



2025



2026



Norway

2024



2025



2026



Finland

2024



2025



2026



Source: Navet

## MARKET OUTLOOK

# Stable market for civil engineering investments

## Civil engineering investments

Sweden	2024 →	2025 ↗	2026 (-)
Norway	2024 ↗	2025 →	2026 (-)
Finland	2024 ↘	2025 ↗	2026 (-)

Source: Navet

## MARKET OUTLOOK

# Unchanged investment levels in the Nordic market

Total construction and civil engineering investments, new and renovations

Sweden	2024 ↘	2025 ↗	2026 ↗
Norway	2024 ↗	2025 ↗	2026 →
Finland	2024 ↘	2025 →	2026 ↗

Source: Navet



# Business area Construction

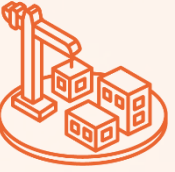
# Business area Construction



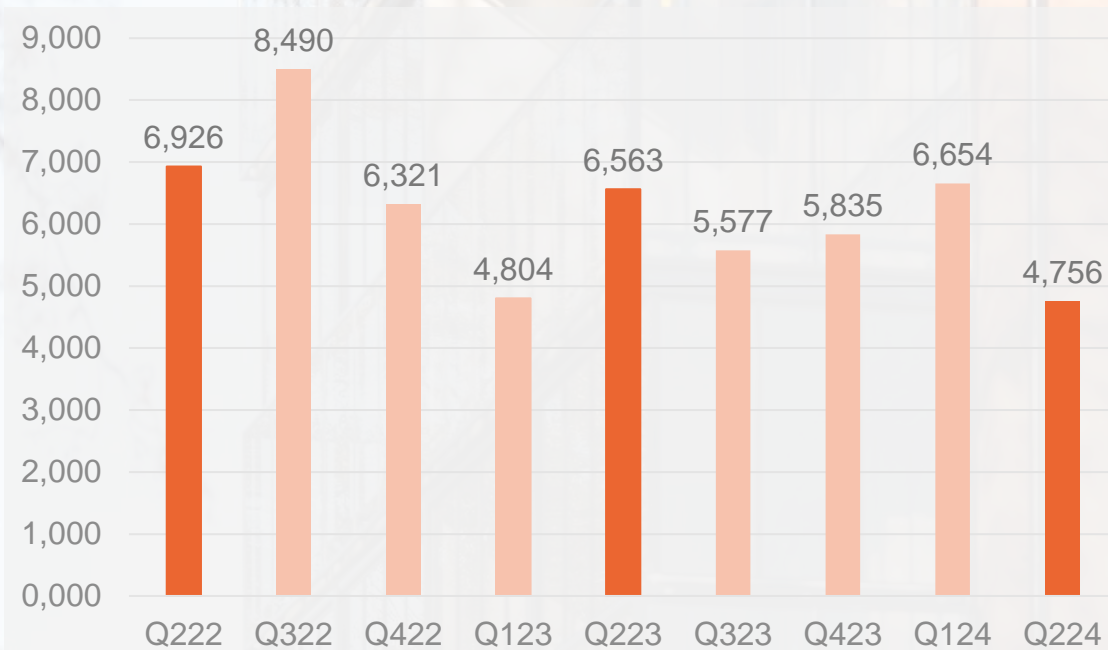
MSEK	Apr-Jun 2024	Apr-Jun 2023	Jul 2023-Jun 2024	Jan-Dec 2023
Net sales	6,358	7,540	24,964	27,780
Operating profit excl. Mall of Scandinavia	123	141	-38	41
Operating margin excl. Mall of Scandinavia, %	1.9	1.9	-0.2	0.1
Operating profit	123	541	-38	441
Operating margin, %	1.9	7.2	-0.2	1.6

## BUSINESS AREA CONSTRUCTION

# Stable level of orders received



### Orders received, MSEK



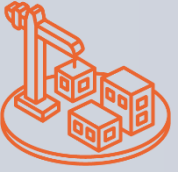
Order backlog

# 23.9

BSEK (25.8)



# New contracts mainly from public customers



New competence center  
(390 MSEK)



Rebuilding of town hall  
(240 MSEK)



New jail  
(499 MSEK)

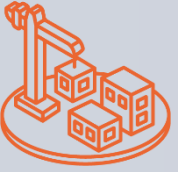


Renovation of swimming pool facility  
(12 MEUR)

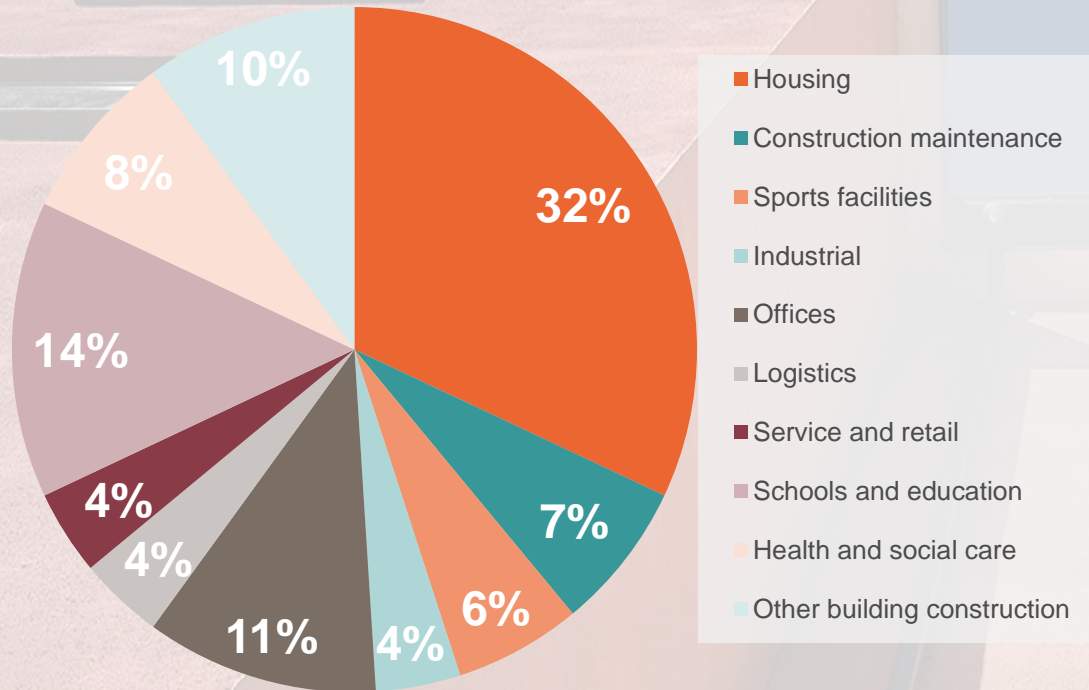


## BUSINESS AREA CONSTRUCTION

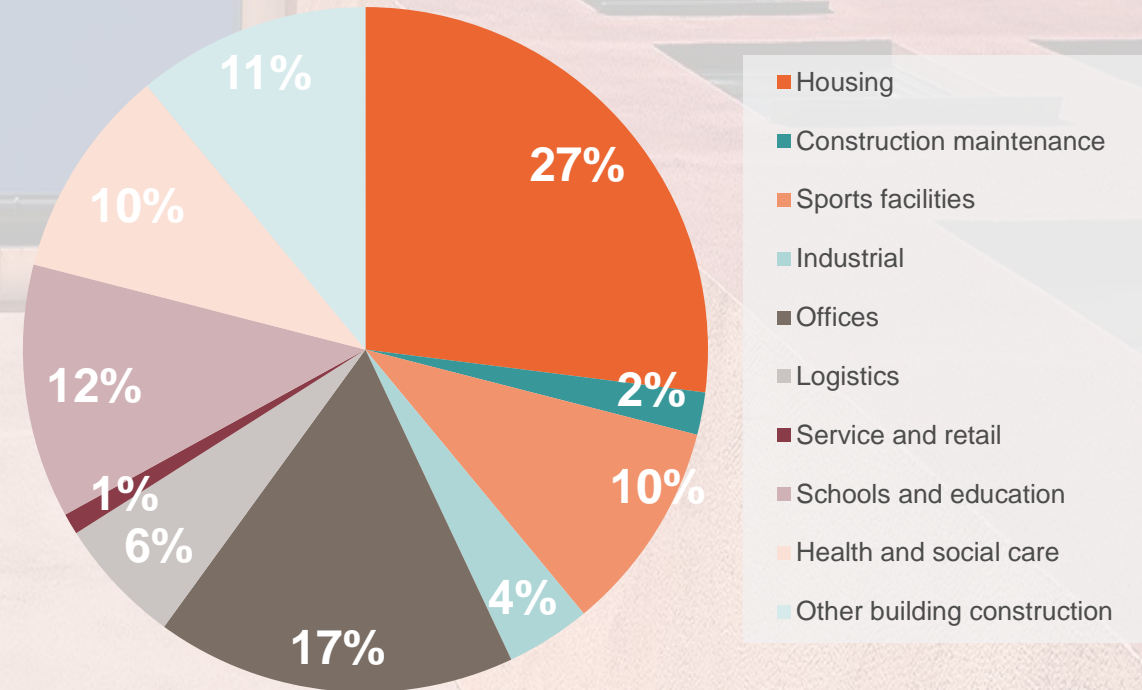
# Allocation per product area



### Net sales, rolling 12 months



### Order backlog per June 30, 2024



# Business area Civil Engineering



# Business area Civil Engineering

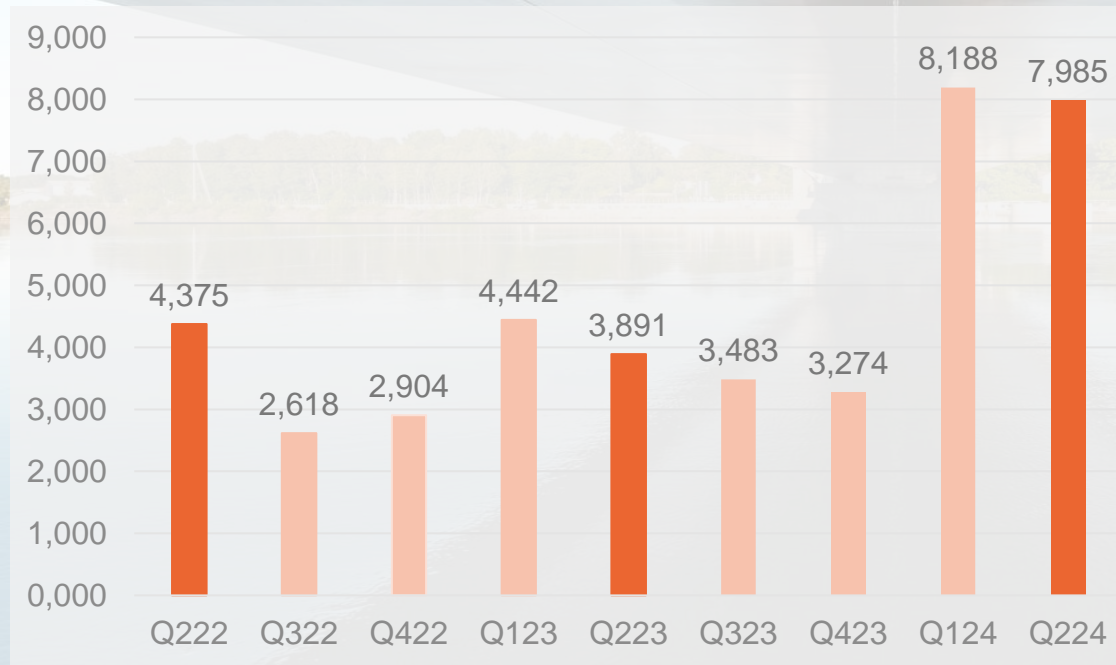


MSEK	Apr-Jun 2024	Apr-Jun 2023	Jul 2023- Jun 2024	Jan-Dec 2023
Net sales	4,278	3,891	15,781	15,164
Operating profit	165	152	532	501
Operating margin, %	3.9	3.9	3.4	3.3

# Record high level of orders received and order backlog



### Orders received, MSEK



Order backlog  
**22.3**  
BSEK (15.1)

# New contracts in the second quarter



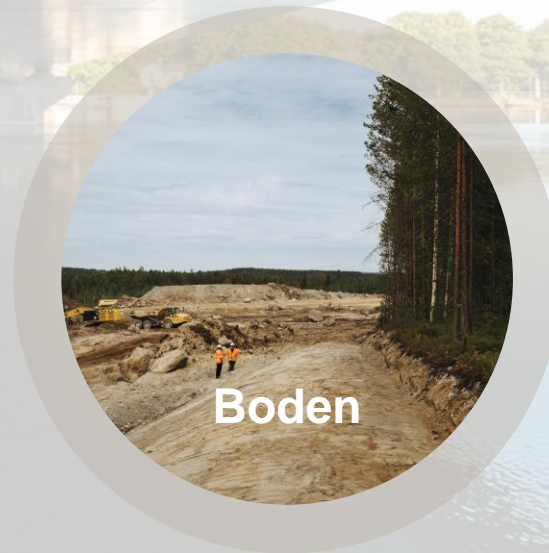
New Bodø Airport  
(3,300 MNOK)



Expansion of E20  
(848 MSEK)



New roads and  
railway  
(812 MSEK)



Water and waste  
water pipelines  
(296 MNOK)

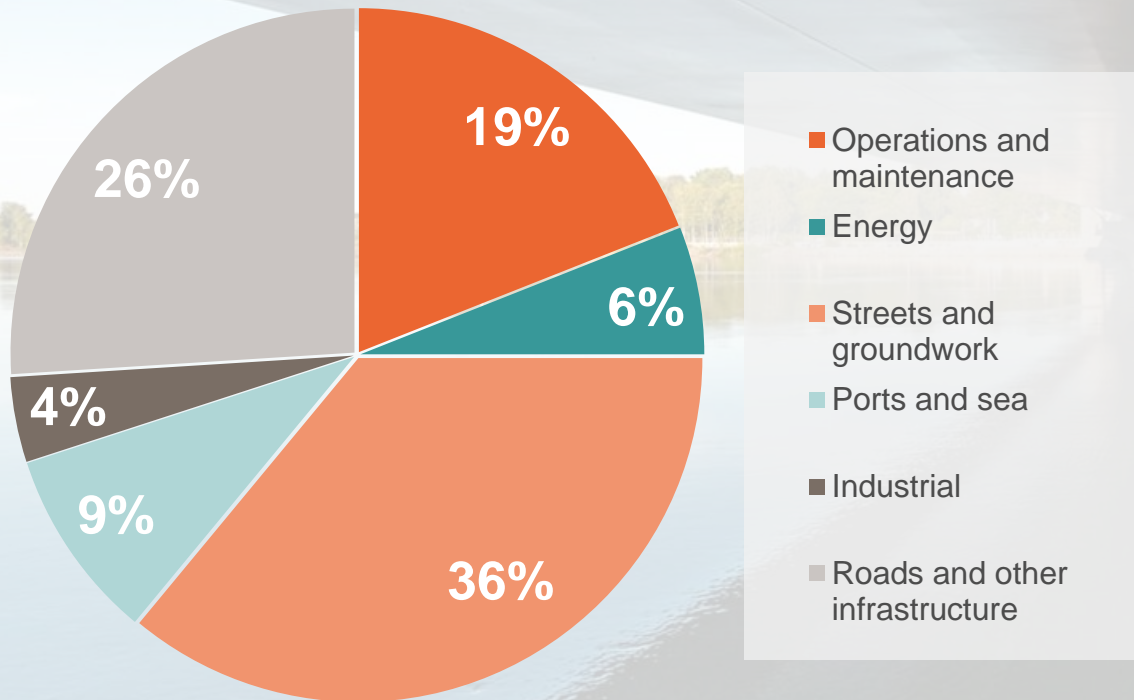


## BUSINESS AREA CIVIL ENGINEERING

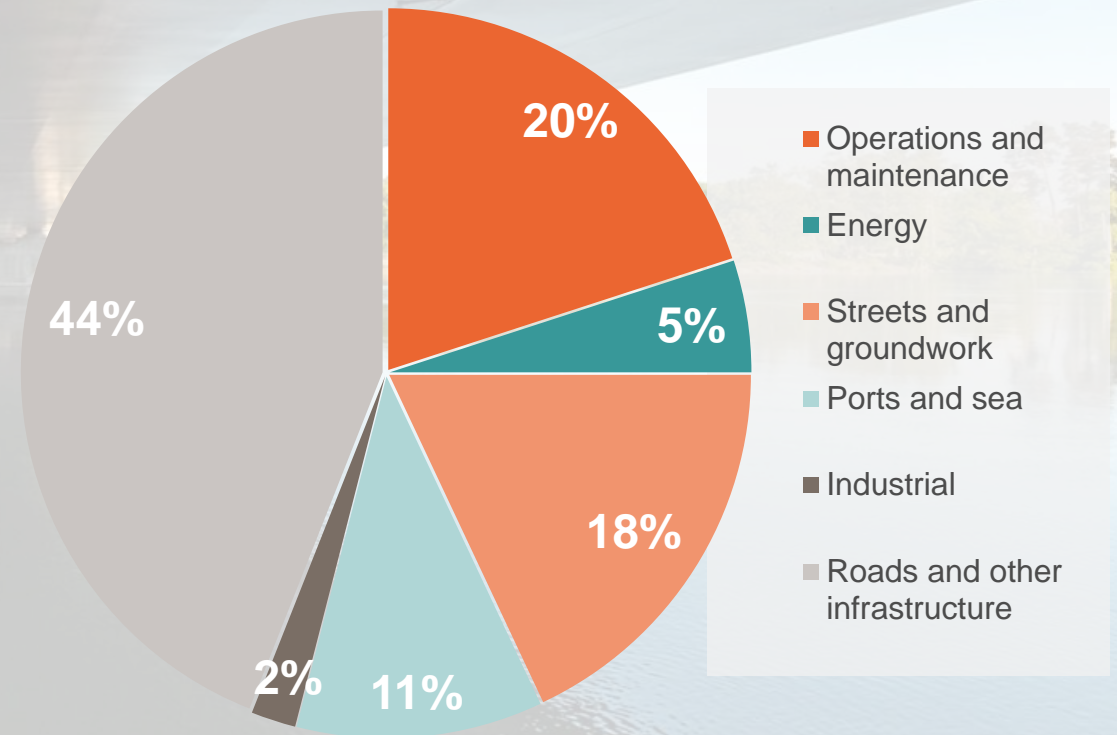
# Allocation per product area



### Net sales, rolling 12 months



### Order backlog per June 30, 2024





# Business area Industry



# Business area Industry



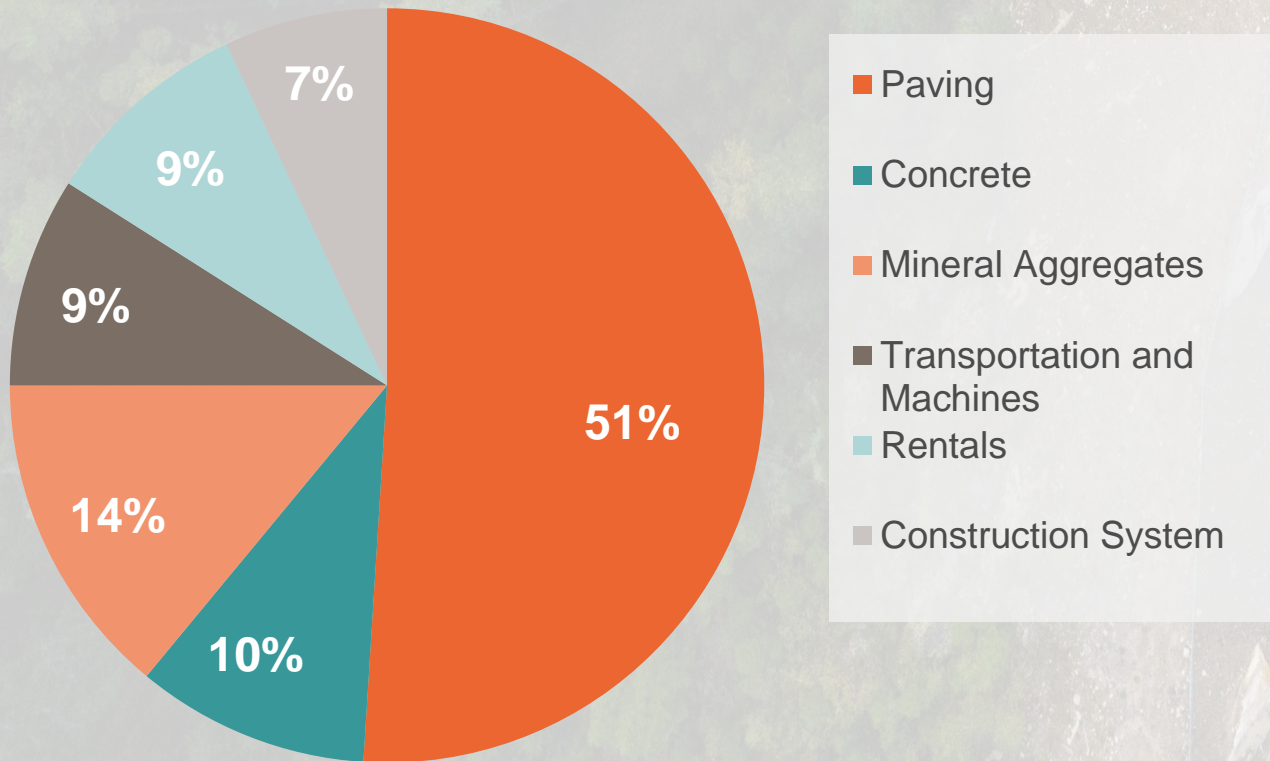
<b>MSEK</b>	<b>Apr-Jun 2024</b>	<b>Apr-Jun 2023</b>	<b>Jul 2023- Jun 2024</b>	<b>Jan-Dec 2023</b>
Net sales	<b>6,033</b>	5,347	20,280	19,962
Operating profit	<b>449</b>	333	1,034	962
Operating margin, %	<b>7.4</b>	6.2	5.1	4.8

BUSINESS AREA INDUSTRY

# Allocation per product area



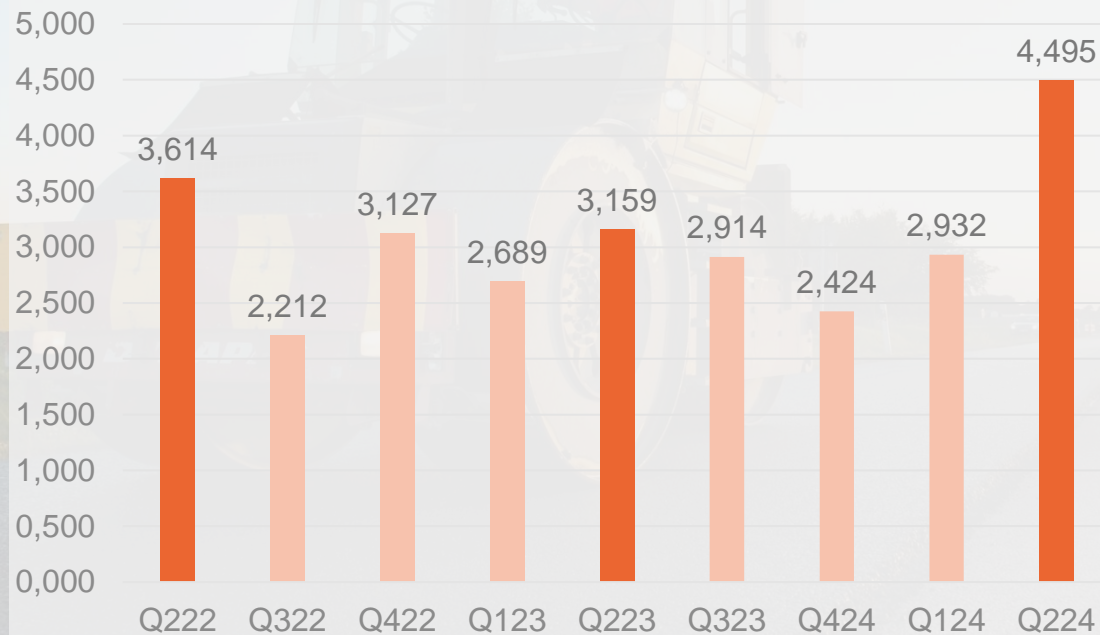
Net sales, rolling 12 months



# High level of orders received in the second quarter



Orders received, MSEK



Order backlog

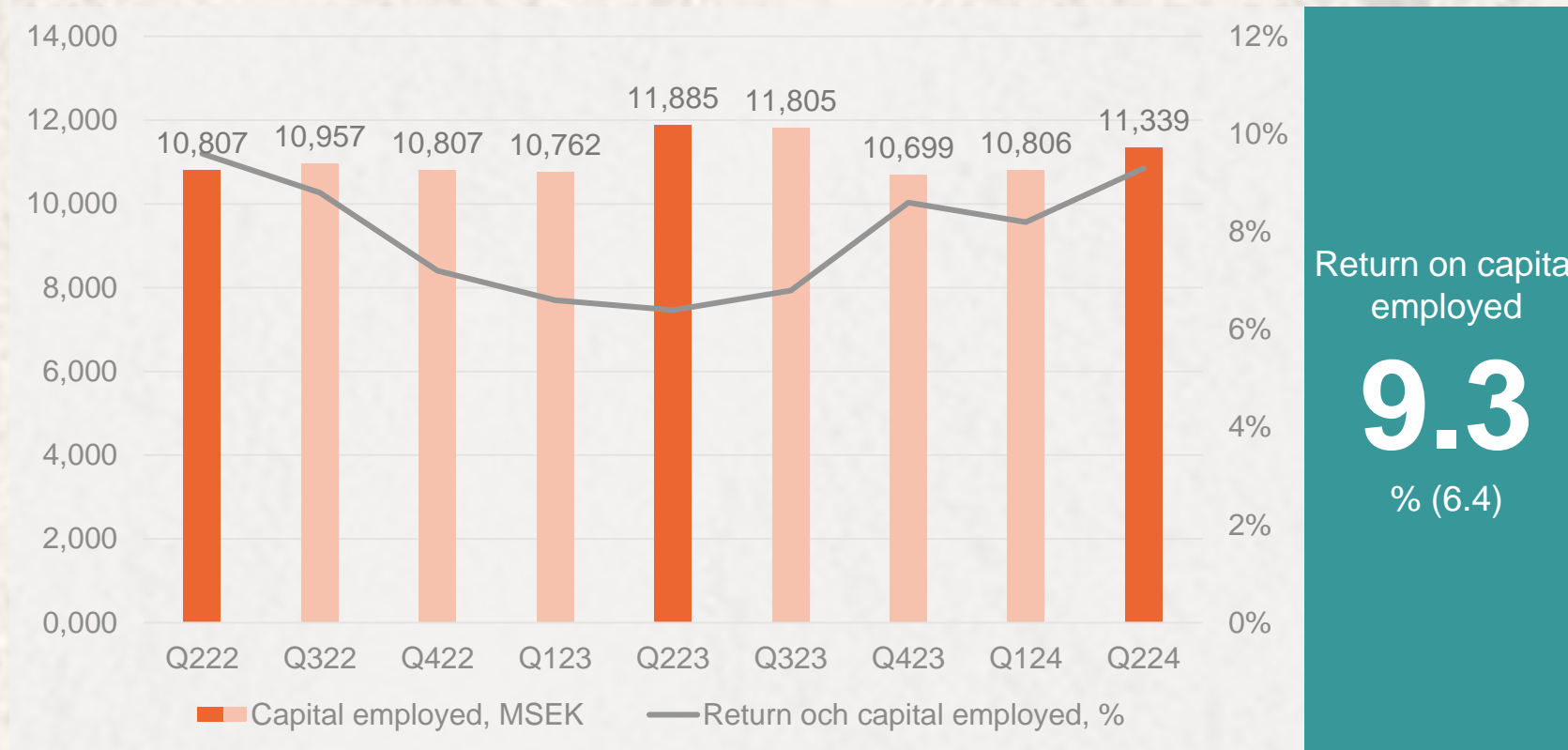
**6.8**

BSEK (6.1)

# Lower level of capital employed and improved return on capital



## Capital employed and return on capital employed\*



\*Based on rolling 12 months.



# Business area Project Development

# Business area Project Development



<b>MSEK</b>	<b>Apr-Jun 2024</b>	<b>Apr-Jun 2023</b>	<b>Jul 2023- Jun 2024</b>	<b>Jan-Dec 2023</b>
Net sales	<b>720</b>	1,569	4,087	5,722
Operating profit	<b>-33</b>	114	276	304
Operating margin, %	<b>-4.6</b>	7.3	6.8	5.3
<i>of which Housing Development</i>	<b>-7.7</b>	5.7	-2.5	3.8

## BUSINESS AREA PROJECT DEVELOPMENT

# Continued low demand for housing



MSEK	Apr-Jun 2024	Apr-Jun 2023	Jul 2023- Jun 2024	Jan-Dec 2023
<b>Total number of housing start-ups</b>	–	<b>185</b>	<b>381<sup>1</sup></b>	<b>727<sup>2</sup></b>
<i>of which tenant-owner associations, ownership and residential limited companies</i>	–	–	177 <sup>1</sup>	121 <sup>2</sup>
<i>of which in rental apartment projects</i>	–	185	204	606
<b>Total number of sold homes</b>	<b>136</b>	<b>206</b>	<b>924</b>	<b>934</b>
<i>of which tenant-owner associations, ownership and residential limited companies</i>	136	87	656	542
<i>of which in rental apartment projects</i>	–	119	268	392

<sup>1</sup>Includes 40 homes that have been converted from rentals

<sup>2</sup>Includes 85 homes that have been converted from rentals

## BUSINESS AREA PROJECT DEVELOPMENT

# Own housing development production



Number	Jun 30, 2024	Jun 30, 2023
Total number of homes under production	2,366	4,665
<i>of which tenant-owner associations, ownership and residential limited companies</i>	1,504	3,392
<i>of which in rental apartment projects</i>	862	1,273
<b>Share of sold homes under production</b>	<b>44 %</b>	<b>62 %</b>
<i>of which tenant-owner associations, ownership and residential limited companies</i>	61 %	67 %
<i>of which in rental apartment projects</i>	13 %	47 %
Repurchased homes on the balance sheet, tenant-owner apartments/ condominiums	266	266
Number of homes in rental apartment projects under management	306	-



# Ongoing property projects in Property Development



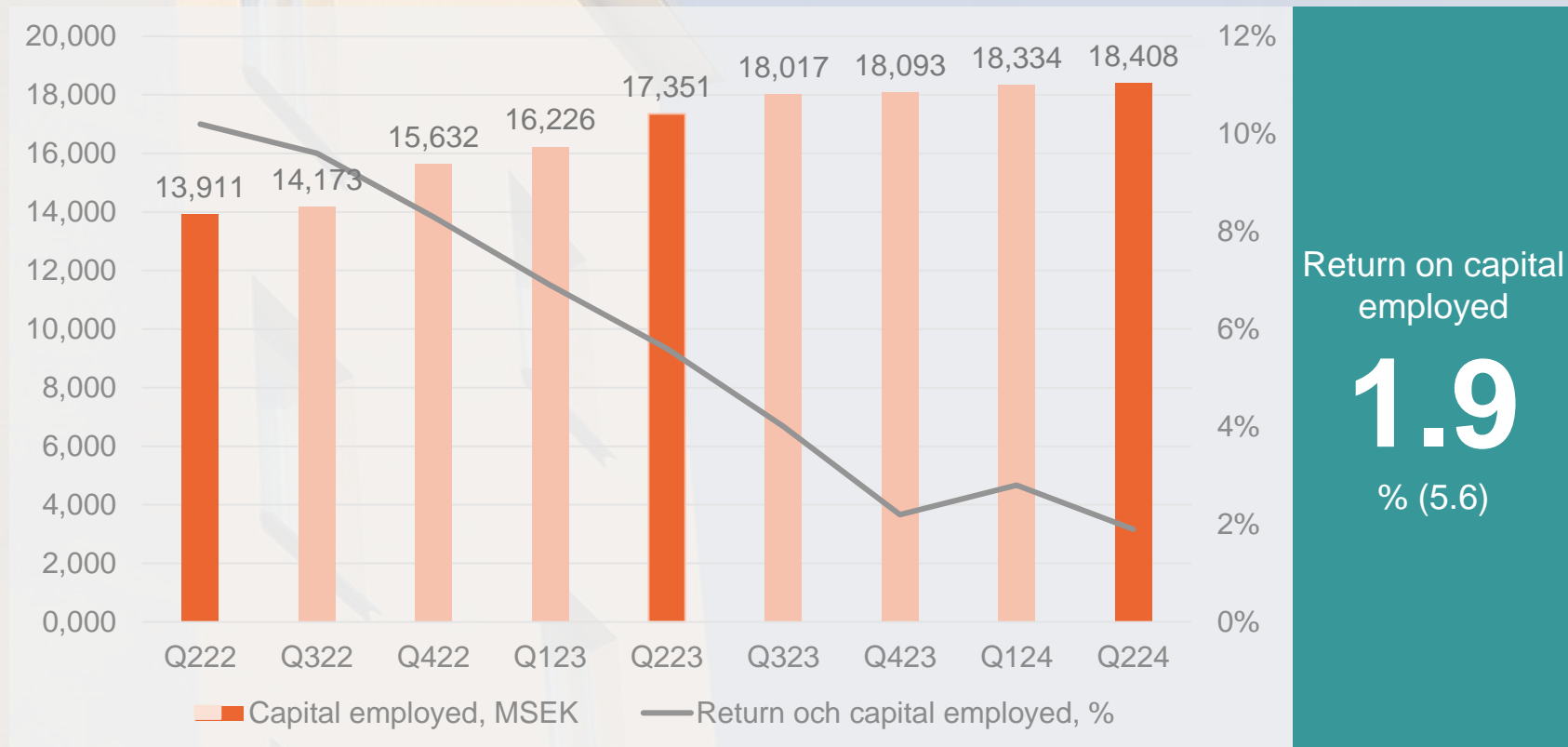
Type of project	Location	Rentable area, m <sup>2</sup>	Degree rented, %	Recognized value, MSEK	Adopted investment, MSEK	Completion time point	Completion level, %
Office building	Gothenburg	12,900	23	489	568	Q3-2024	86
Logistic facility*	Södertälje	23,900	-	253	379	Q4-2024	67

\* The property has been divested to an external party and will be handed over Q4 2024

# High but unchanging level of capital employed



### Capital employed and return on capital employed\*



\* Based on rolling 12 months.



# The Peab Group

THE GROUP

# Segment reporting

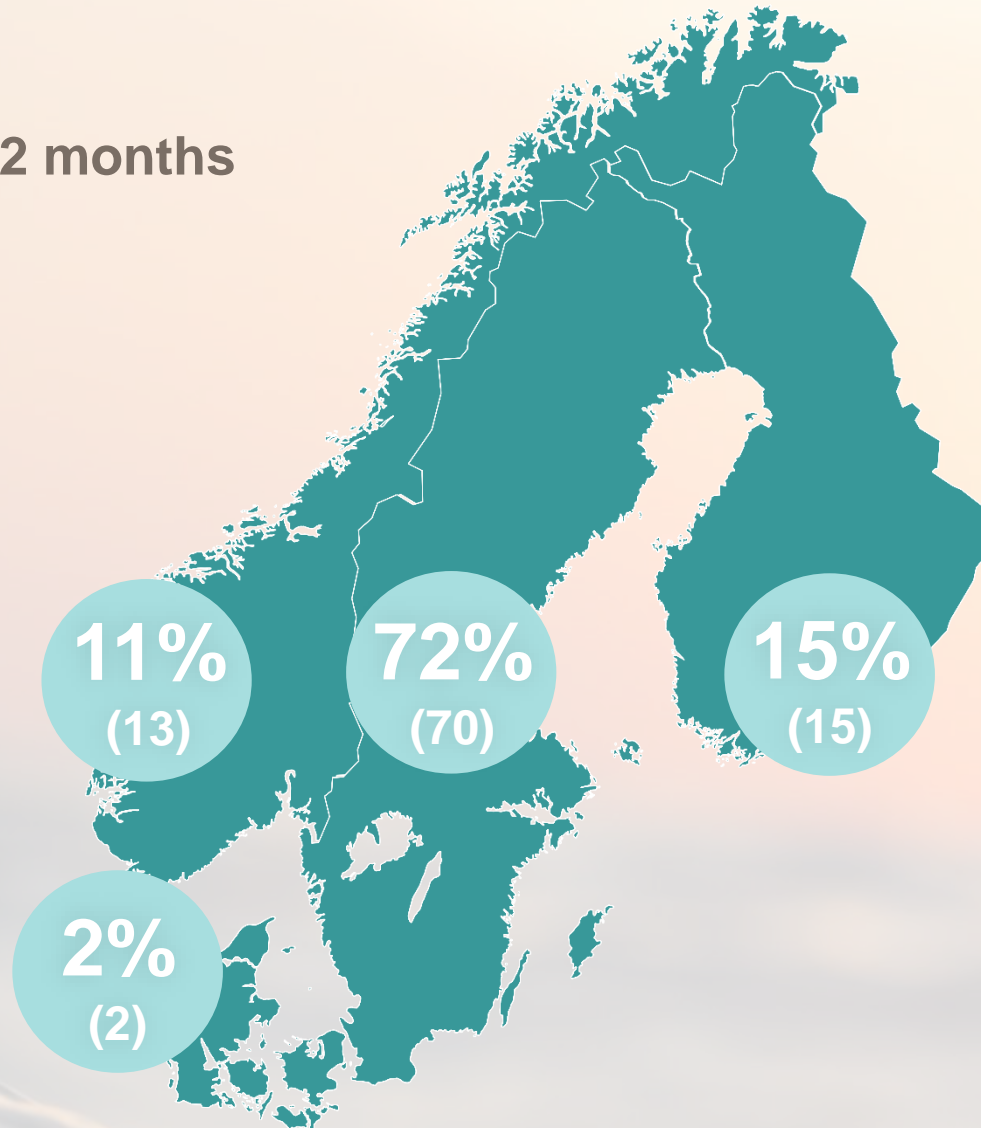
MSEK	Apr-Jun 2024	Apr-Jun 2023	Jul 2023- Jun 2024	Jan-Dec 2023
Net sales	15,232	15,756	56,748	58,821
Operating profit	619	1,090*	1,432	1,853*
Operating margin, %	4.1	6.9	2.5	3.2

\* Includes effect of MSEK 400 from arbitration in Mall of Scandinavia

THE GROUP

# Geographic spread in the Nordic region

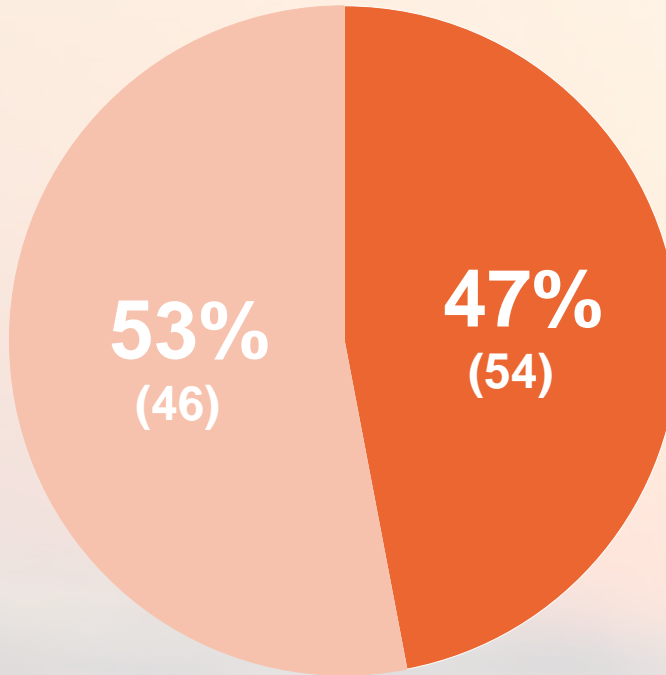
Net sales, rolling 12 months



THE GROUP

# Increased share of public customers

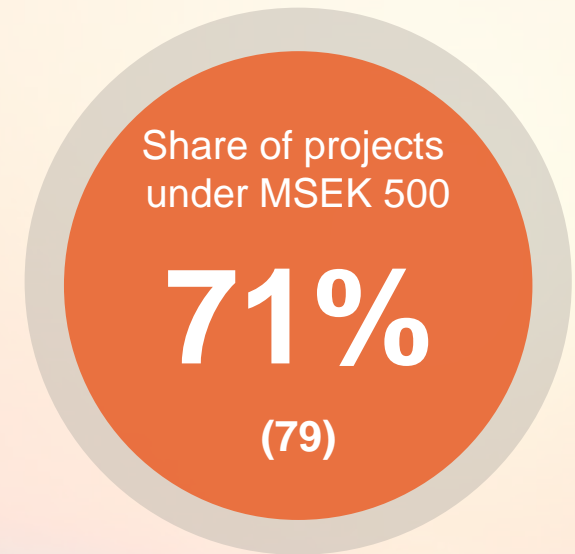
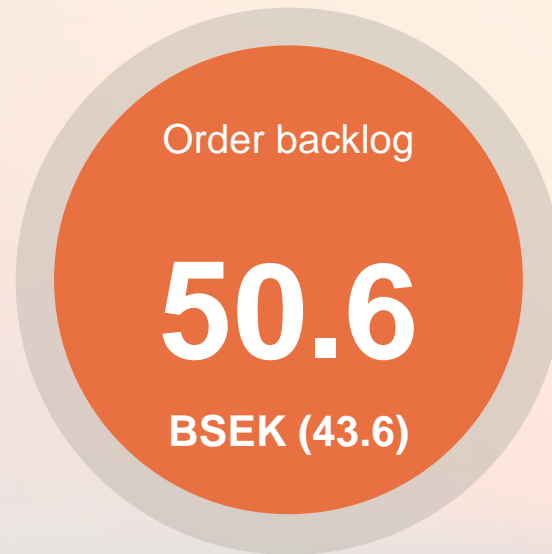
Net sales , rolling 12 months



Public customers Private customers

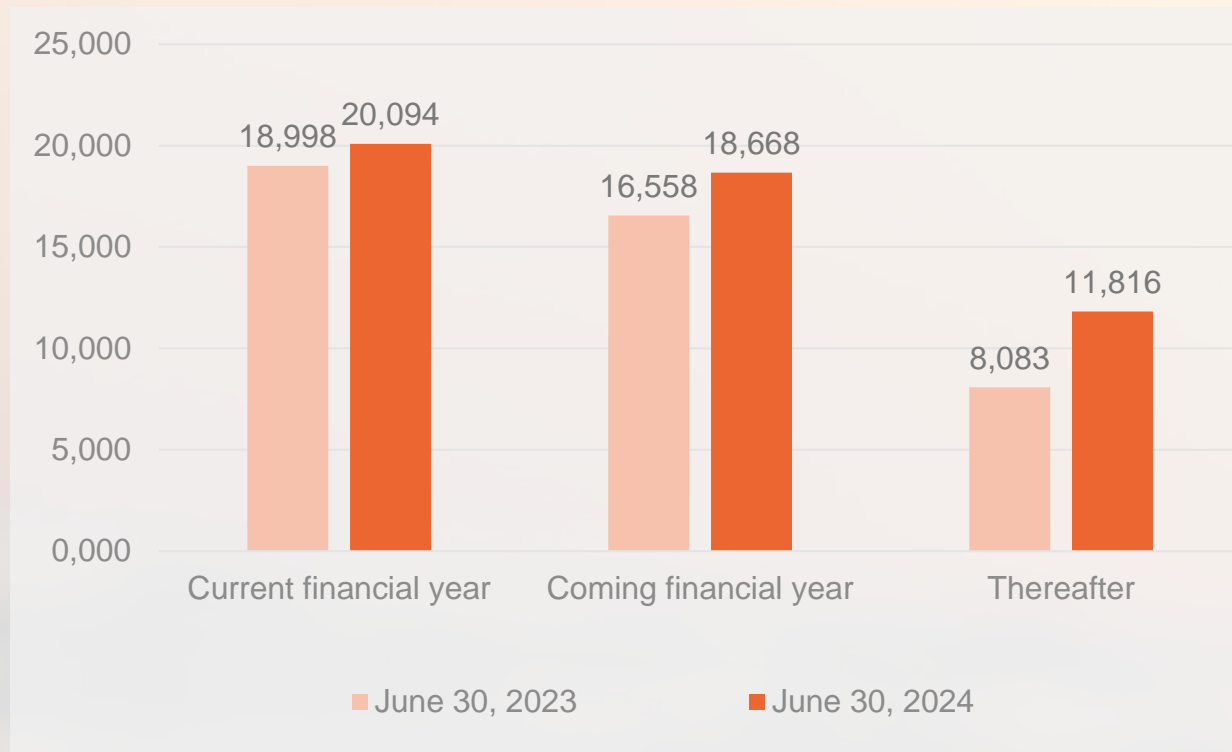
THE GROUP

# High order backlog and continued good risk diversification



# Order backlog extended in time

## Order backlog allocated over time, MSEK



**60%**

after current  
financial year  
(56)

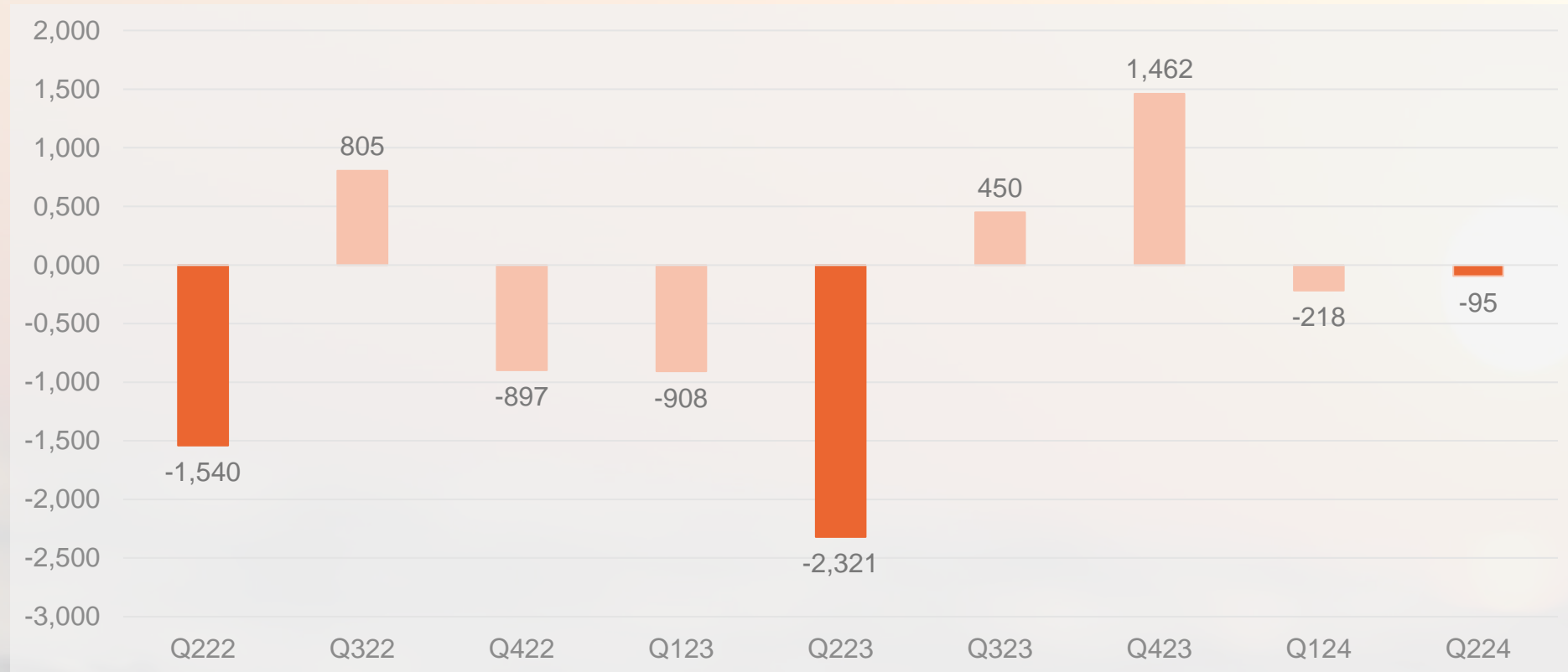
The potential worth of preliminary agreements (phase 1) per June 30, 2024 amounted to app. BSEK 15 (BSEK 19 per December 31, 2023)



THE GROUP

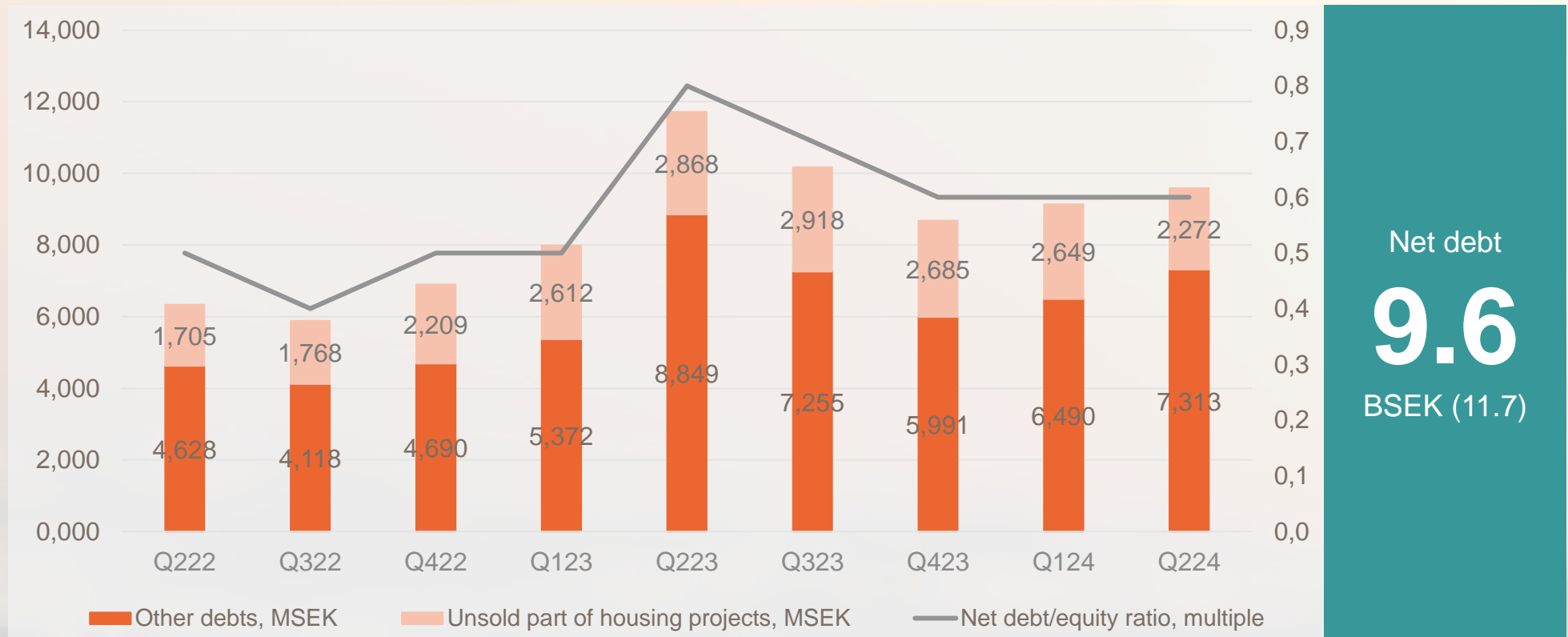
# Improved cash flow in the quarter

Cash flow before financing, MSEK



# Lower net debt and net debt/equity ratio

Net debt and net debt/equity ratio





**Target checkpoint**

# Four target areas, nine external targets

Most satisfied customers



**CSI**

always over

**75**

Best workplace



**eNPS**

always over benchmark

**Zero vision**

Serious accidents  
Through a contracting trend

Most profitable company



Operating margin

**>6 %**

Net debt/equity ratio

**0.3-0.7**

Dividend

**>50 %**

of profit for the year

Leader in social responsibility



Carbon dioxide intensity  
Own production

**-60 %**

Reduction by 2030

Carbon dioxide intensity  
Input goods & purchased services

**-50 %**

Reduction by 2030

**Equal opportunity recruitment:**

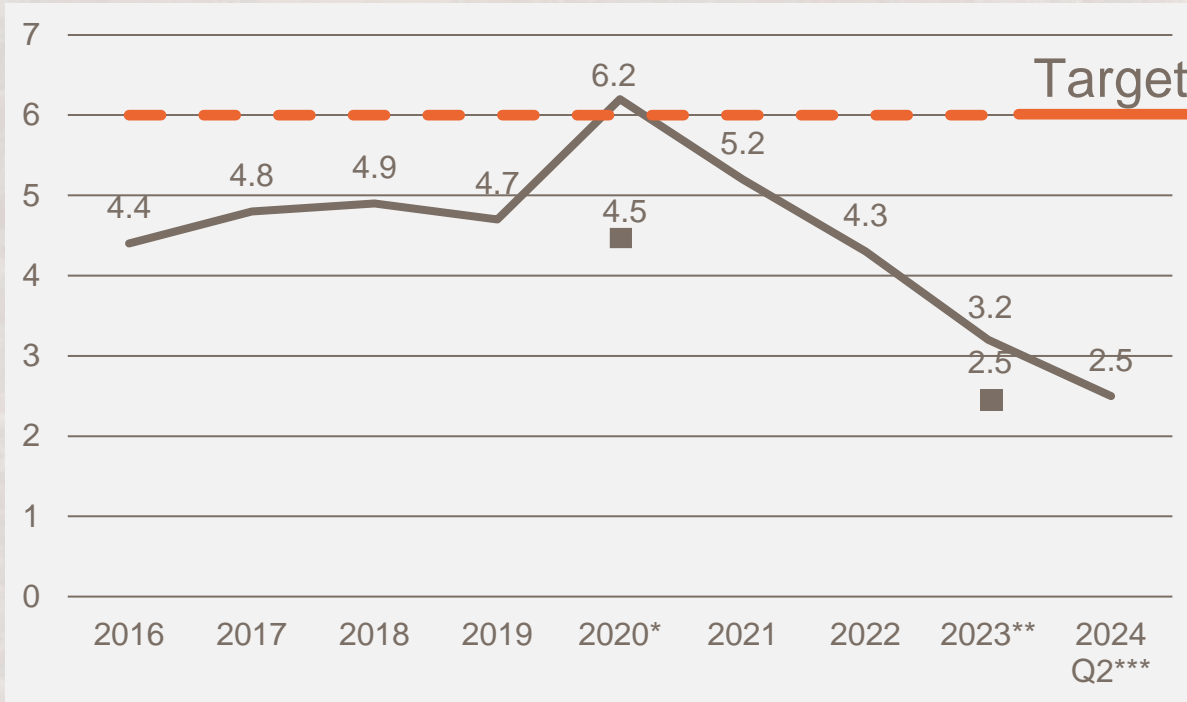
Number of women  
always over  
education market



## MOST PROFITABLE COMPANY

# Target: Operating margin over 6 percent

### Operating margin, Group



\*Operating margin 4.5% excl. effect of the distribution of Annhem Fastigheter of MSEK 952.

\*\*Operating margin 2.5 % excl. effect of Mall of Scandinavia of MSEK 400.

\*\*\*Based on rolling 12 months per June 30, 2024.

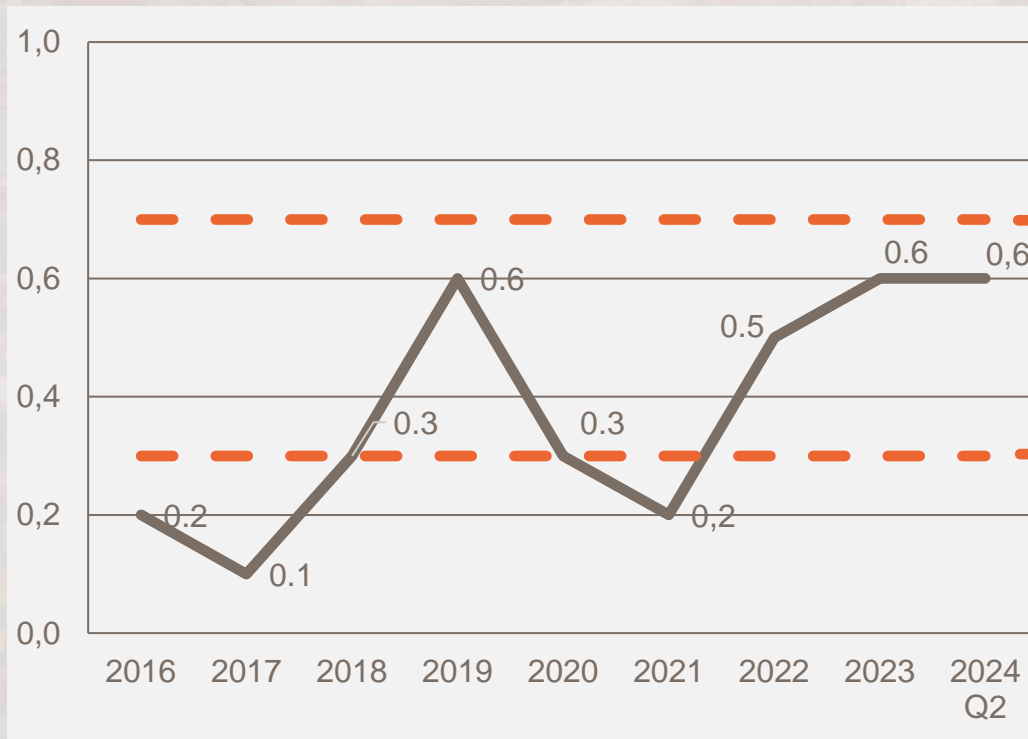
Years 2016-2018 are not translated according to the changed accounting principles for our own housing development projects.

## MOST PROFITABLE COMPANY

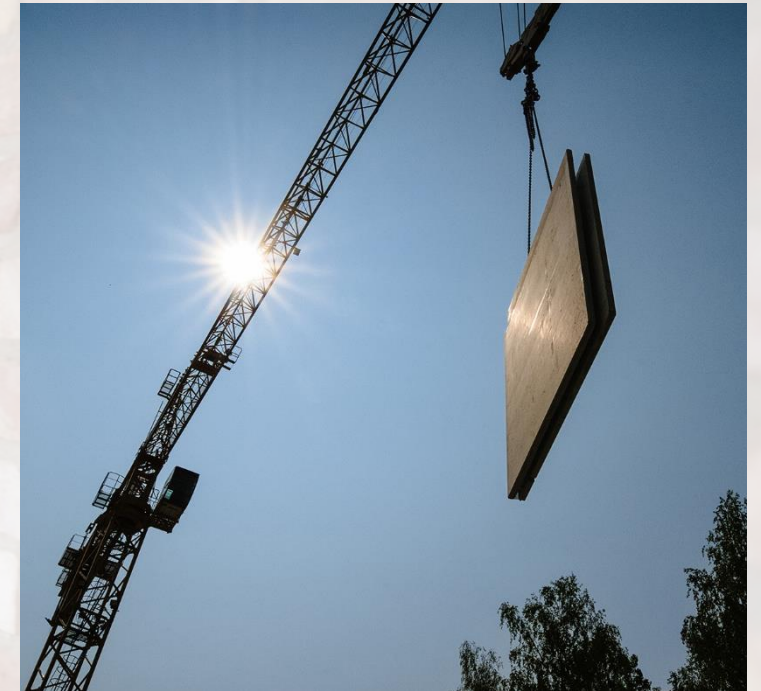
# Target: Net debt/equity ratio within interval 0.3-0.7



### Net debt/equity ratio, Group



Target interval:  
0.3-0.7



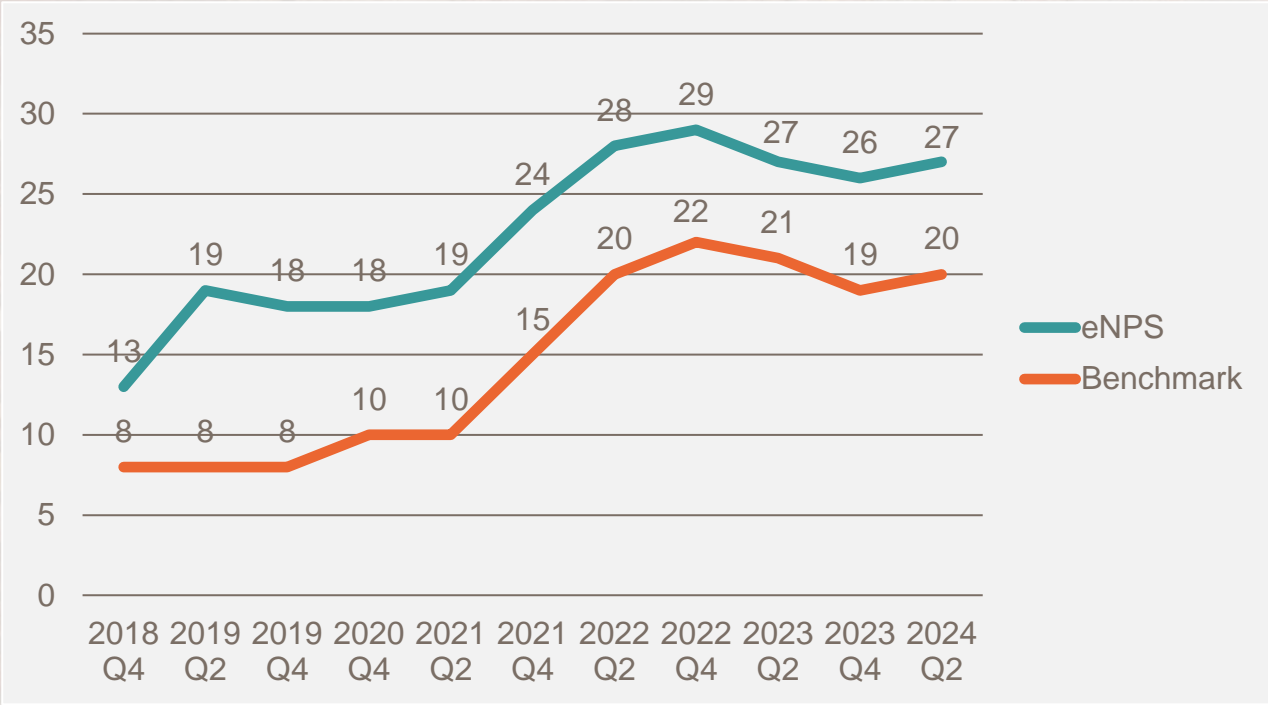
Years 2016-2018 are not translated according to the changed accounting principles for our own housing development projects.



BEST WORKPLACE

# First choice for jobseekers

### eNPS, recommend Peab

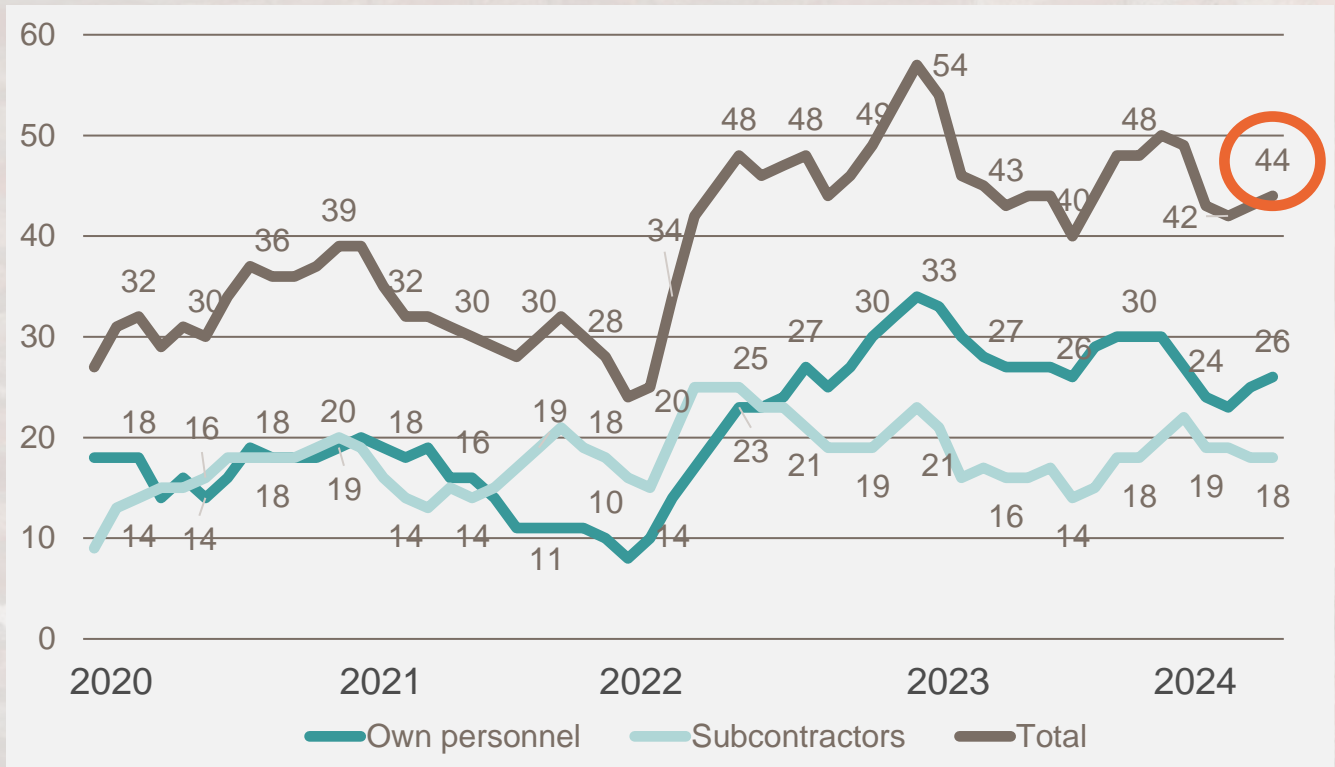


Target:  
Over  
industry  
benchmark

# Zero vision for workplace accidents



### Serious accidents, rolling 12 months, category 4



**Target:**  
**Contracting trend**



JAN-JUN 2024

# Continued strong level of orders received during the quarter

- Markets for civil engineering, paving and other building construction show good demand while the housing market is still weak
- Continued high level of orders received during the quarter and order backlog for the first time above BSEK 50
- Stable quarter with improved cash flow
- Civil engineering and paving operations grow with profitability
- Our broad business model with four business areas and local roots serve us well in any market situation





# Q&A



**Next report:**  
**Third quarter 2024**  
October 25, 2024

**Thank you!**

