

Interim report

JANUARY – MARCH 2024

PEAB
THE NORDIC COMMUNITY BUILDER

Fire station
Oulu, Finland

Strong level of orders received during the quarter

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

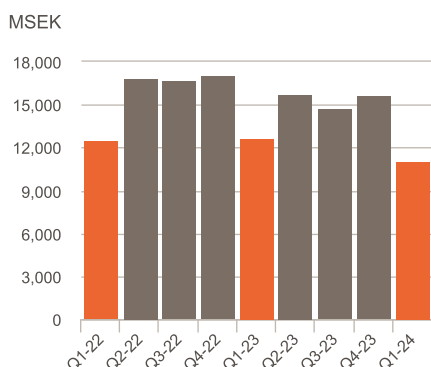
- Net sales SEK 11,141 million (12,690)
- Operating profit SEK -106 million (-156)
- Operating margin -1.0 percent (-1.2)
- Pre-tax profit SEK -182 million (-196)
- Earnings per share SEK -0.45 (-0.54)
- Orders received SEK 17,889 million (11,042)
- Order backlog SEK 47,808 million (44,595)
- Cash flow before financing SEK -218 million (-908)
- Net debt SEK 9,139 million (7,984)
- Net debt/equity ratio 0.6 (0.5)

Group

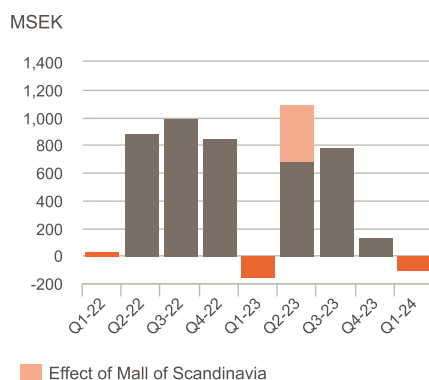
MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Segment reporting				
Net sales	11,141	12,690	57,272	58,821
Operating profit	-106	-156	1,903	1,853
Operating margin, %	-1.0	-1.2	3.3	3.2
Pre-tax profit	-182	-196	1,909	1,895
Profit for the period	-129	-154	1,439	1,414
Earnings per share, SEK	-0.45	-0.54	5.01	4.92
Return on equity, % ¹⁾	9.6	12.9	9.6	9.5
Return on capital employed, % ¹⁾	8.9	11.1	8.9	8.7
Net debt	9,139	7,984	9,139	8,676
Net debt/equity ratio, multiple	0.6	0.5	0.6	0.6
Equity/assets ratio, %	34.1	34.4	34.1	34.0
Cash flow before financing	-218	-908	-627	-1,317
Average number of employees	12,033	13,267	13,471	13,808
Reporting according to IFRS				
Net sales, IFRS	11,450	12,978	60,072	61,600
Operating profit, IFRS	-12	7	2,567	2,586
Pre-tax profit, IFRS	-99	-45	2,532	2,586
Profit for the period, IFRS	-56	-35	1,967	1,988
Earnings per share, IFRS, SEK	-0.20	-0.12	6.84	6.92
Net debt, IFRS	14,929	16,940	14,929	14,537
Equity/assets ratio, IFRS, %	29.6	27.4	29.6	29.4
Cash flow before financing, IFRS	-19	-179	2,815	2,655

¹⁾ Calculated on rolling 12 months

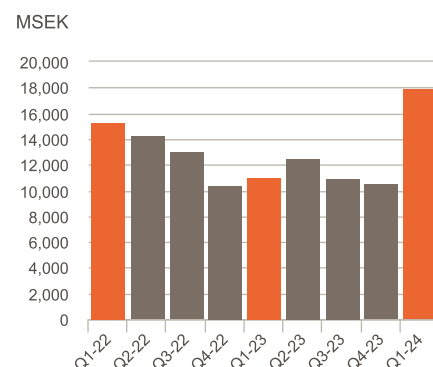
Net sales



Operating profit



Orders received



Comments from the CEO

The level of orders received in the first quarter was high, the highest in Peab's history. Our broad business model enables us to take advantage of the demand currently in civil engineering, paving and other building construction.

Group development

The beginning of 2024 was characterized by continued varied activity on Peab's different markets. Civil engineering and other building construction developed well while the Nordic housing market continued to be weak. Group net sales contracted by twelve percent during the first quarter and amounted to SEK 11,141 million. Operating profit was SEK -106 million (-156). The first quarter is always clearly affected by the season, particularly in business area Industry, since the paving season does not begin until the second quarter. This means that the beginning of the year is characterized by substantial deficits which affect cash flow and net debt. The net debt/equity ratio was 0.6 (0.5) at the end of March.

The level of orders received amounted to SEK 17,889 million during the first quarter compared to SEK 11,042 in the corresponding quarter last year. This is the strongest quarter ever in the history of Peab, and despite the weak demand on the housing market. During the quarter we received some major orders in business area Civil Engineering but we were also entrusted with a wide variety of other projects. This is undeniable proof of the strength of Peab's business model and also means we will now extend our order backlog.

Operations in Construction and Civil Engineering increasingly participate in dialogues early on with customers prior to planned projects and we are therefore experiencing a greater number of preliminary agreements, so-called phase 1 contracts. Through the preliminary agreements Peab is contracted to arrive at, together with the customer, an optimal product with the right quality and also deal with risks and uncertainties. During the first quarter several projects went from phase 1 to phase 2 and therefore Peab received larger orders. At the same time new projects continue to flow into phase 1. Currently the potential worth of the final construction contracts from these preliminary agreements is around SEK 20 billion over the next two years (SEK 19 billion December 31, 2023).

Business area development

There is a greater element of other building construction in business area Construction. Business area Civil Engineering continues to have a high level of production and orders received. In total, the operating margin for the construction contract businesses during the quarter amounted to 1.9 percent (2.1).

In business area Industry paving has been affected by a long winter and the first quarter was filled with preparations for the coming season. During the quarter we received a number of paving orders throughout the Nordic region, particularly in Finland. Both prefab and rental operations have been affected by the weak housing market and activity in them was lower compared to the first quarter 2023.

In business area Project Development the level of sales of our own developed homes continues to be low but on the bright side we are selling them at an even pace and have noted greater interest after the start of the year, above all in Sweden. During the quarter we started up three housing projects; one in Sweden, one in Norway and one in Finland.

During the quarter we completed a strategic investment in which Peab acquired, for future development, all the shares in Sicklaön Bygg Invest AB that owns development rights in Kvarnholmen in Nacka. At the same time we divested our entire ownership in Tornet Bostadsproduktion that owns property in the management stage. The total effect on profit was SEK 220 million.

Target outcome

We are reporting the outcome for three of our nine external targets this quarter: operating margin, net debt/equity ratio and serious accidents. The operating margin was 3.3 percent on a rolling twelve month basis compared to the target of six percent, which is a reflection of the weak housing market. The net debt/equity ratio was 0.6 at the end of the quarter, which is inside the target interval 0.3-0.7.



Our target for serious accidents is a contracting trend and calculated on a rolling twelve month basis the number of serious accidents was 43 per March 31, 2024 (48 per December 31, 2023).

Sustainability

One important development in sustainability related progress during the quarter is that our ECO-Betong (ECO-Concrete) will be the standard concrete in all our Swedish construction contracts going forward. With ECO-Betong carbon emissions are reduced by at least ten percent compared to traditional concrete. We see a rapidly growing demand for our ECO-products which is very positive for Peab's ongoing transition work towards carbon neutrality.

Market and prospects for the future

Prospects for the Nordic construction markets are on the whole the same as they were in our submarkets the previous quarter although we see a slight improvement in Norway already in 2024 where the forecast for private premises has become more positive. The housing markets are expected to continue to decline while civil engineering markets are expected to be stable.

Declining inflation and expectations of lower interest rates improve the conditions for housing production starts, although recovery will take time. We are following inflation and interest rate developments with great interest. Peab has a well-dimensioned development rights portfolio in attractive locations in the Nordic region and in anticipation of market recovery we are further developing and preparing projects for the future.

Peab's business model with four business areas and local roots has served us well in good and hard times alike. Our four collaborating business areas, extensive Nordic local presence and our skilled employees make Peab less vulnerable in the current market situation, which the excellent level of orders received during the quarter demonstrates. We are well-equipped to handle both a continued weak housing market and meet an upswing in the market.

*Jesper Göransson
President and CEO*

Net sales and profit

January – March 2024

Group net sales during the first quarter 2024 decreased by twelve percent and amounted to SEK 11,141 million (12,690). The decrease is due to the weak demand on the housing market. Even after adjustments for divested units and exchange rate effects, net sales decreased by twelve percent. Net sales for the latest rolling 12 month period amounted to SEK 57,272 million compared to SEK 58,821 million for the full year 2023. Of net sales calculated on a rolling 12 month basis, the share of public sector customers continued to increase and accounted for 50 percent (44) and private customers for 50 percent (56).

Net sales in business area Construction decreased by 22 percent compared to the same period last year. The decrease is due to less activity in new housing production which has not been fully compensated for by other types of projects, and has been experienced in all the countries we operate in. Activity in business area Civil Engineering continued to be on a high level during the period and net sales increased by seven percent compared to the corresponding quarter last year. Net sales in business area Industry decreased by 13 percent with decreases in most of the product areas. Net sales in business area Project Development decreased by 43 percent due to the weak demand for housing throughout the Nordic region and this has affected net sales in Housing Development.

Operating profit for the first quarter 2024 amounted to SEK -106 million (-156) and the operating margin was -1.0 percent (-1.2). 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 start until the second quarter.

In business area Construction the operating margin decreased to 1.7 percent (2.2) while the operating margin in business area Civil Engineering increased to 2.2 percent (1.8). Overall, the operating margin for construction contract operations amounted to 1.9 percent (2.1). In business area Industry, which has a clear seasonal pattern primarily in paving operations, operating profit amounted to SEK -479 million (-435) and the operating margin was -19.9 percent (-15.7). The operating profit in paving was on a par with the first quarter 2023 but both prefabricated and rental operations have been affected by the weak housing market with a lower level of activity compared to the first quarter last year. Operating profit in business area Project Development improved to SEK 246 million (127). The improvement is attributable to Property Development where capital gains had a positive effect of SEK 258 million (1), of which the sale of the shares in the partially owned company Tornet Bostadsproduktion contributed by SEK 220 million. Operating profit was lower in Housing Development and the operating margin was -1.5 percent (7.3).

Depreciation and write-downs for the first quarter were SEK -350 million (-343).

Elimination and reversal of internal profit in our own projects affected operating profit during the period by net SEK 7 million (4).

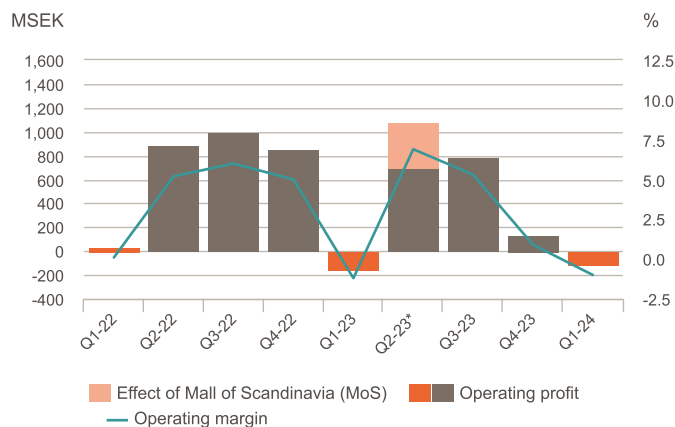
Net financial items amounted to SEK -76 million (-40) of which net interest was SEK -102 million (-68). Higher net debt and interest rates have had a negative impact on net interest during the quarter.

Pre-tax profit was SEK -182 million (-196). Profit for the period was SEK -129 million (-154).

Seasonal variations

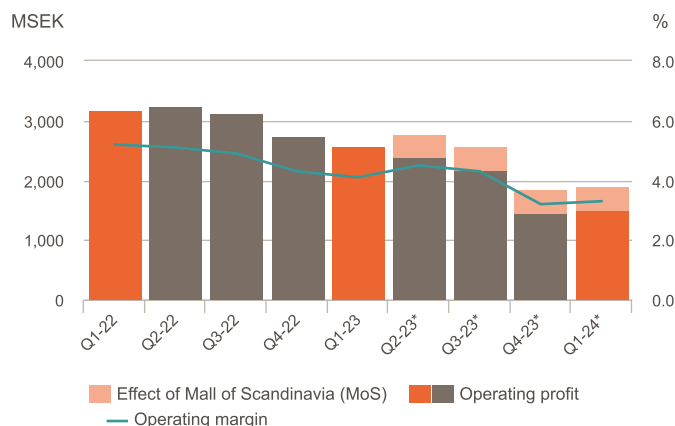
Group operations, particularly in Industry and Civil Engineering, are normally affected by fluctuations that come with the cold weather during the winter half of the year. The first quarter is usually weaker than the rest of the year.

Operating profit and operating margin, per quarter



* Operating margin excluding effect of MoS was 4.4%. For more information on arbitration in Mall of Scandinavia, see the Annual and Sustainability Report 2023

Operating profit and operating margin, rolling 12 months



* Operating margin rolling 12 months excluding effect of MoS was 3.8% as of June 30, 2023, 3.6% as of September 30, 2023, 2.5% as of December 31, 2023 and 2.6% as of March 31, 2024.



Financial position and cash flow

Financial position

Total assets according to segment reporting per March 31, 2024 were SEK 43,949 million (42,713). Equity amounted to SEK 14,976 million (14,687), which means the equity/assets ratio was 34.1 percent (34.4).

Interest-bearing net debt amounted to SEK 9,139 million (7,984) per March 31, 2024. The increase in net debt refers to more tied up working capital mainly in business area Project Development. Net debt includes project financing of the unsold part of our own housing developments while they are in production. The unsold part was SEK 2,649 million (2,612). Interest-bearing receivables amounted to SEK 2,583 million (1,532). The increase is primarily due to a capital claim of SEK 1,067 million on Unibail Rodamco Westfield according to the arbitration decision announced on June 30, 2023. For details regarding the arbitration decision, see Annual and Sustainability Report 2023. The average interest rate in the loan portfolio, including derivatives, was 5.8 percent (4.2) on March 31, 2024.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 5,751 million at the end of the period compared to SEK 6,410 million on December 31, 2023.

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 2,395 million at the end of the period compared to SEK 2,428 million on December 31, 2023. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 335 million of contingent liabilities compared to SEK 328 million on December 31, 2023.

Investments and divestments

During the quarter tangible and intangible fixed assets were net invested for SEK 336 million (390). The investments mainly refer to investments in machines in business area Industry.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 886 million (694) during the quarter. The investments mainly refer to the acquisition of building rights in Nacka through the acquisition of Sickalön Bygg Invest AB.

Cash flow

Cash flow from current operations amounted to SEK -874 million (-701) in the first quarter. Cash flow included higher interest costs. Cash flow from changes in working capital was SEK -388 million (-553) and the negative cash flow was primarily generated in business area Project Development through the acquisition of building rights.

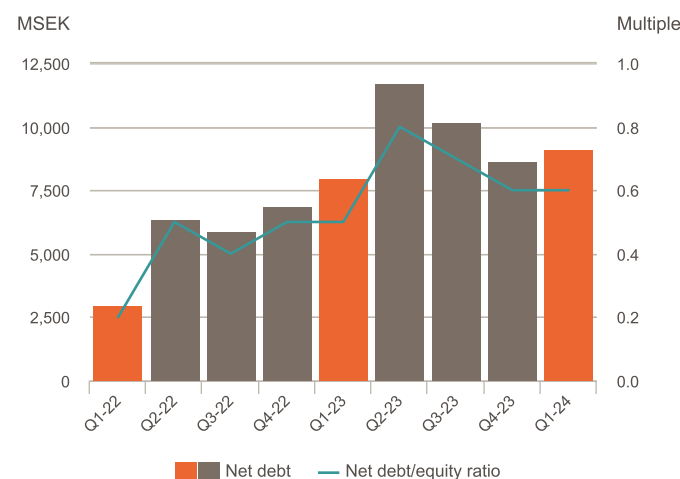
Cash flow from investment activities was SEK 656 million (-207). Cash flow has been positively affected by the sale of the shares in the partly owned company Tornet Bostadsproduktion in business area Project Development. Cash flow has been charged by investments in machines and vehicles in business area Industry.

Cash flow before financing amounted to SEK -218 million (-908).

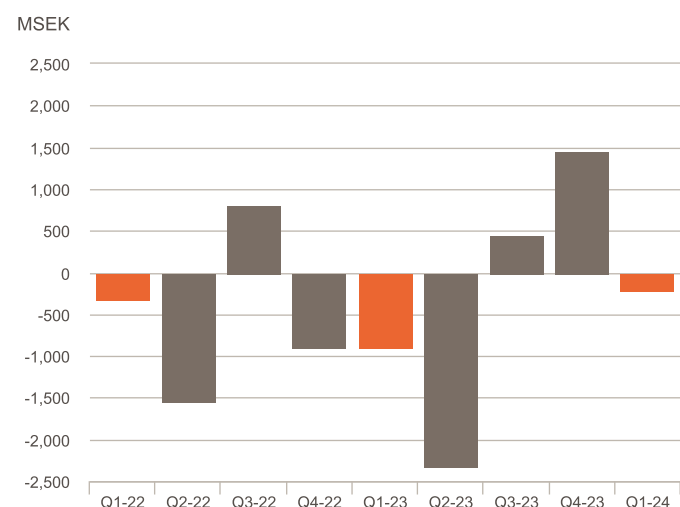
Net debt

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Bank loans	5,775	4,758	5,380
Commercial papers	369	247	523
Bonds	3,067	2,747	3,047
Financial leasing liabilities	820	777	837
Project financing, unsold part of housing projects	2,649	2,612	2,685
Other interest-bearing liabilities	65	82	85
Interest-bearing receivables	-2,583	-1,532	-2,638
Liquid funds	-1,023	-1,707	-1,243
Net debt, segment reporting	9,139	7,984	8,676
Additional leasing liabilities according to IFRS 16	1,458	1,590	1,420
Project financing, sold part of housing projects	4,332	7,366	4,441
Net debt, IFRS	14,929	16,940	14,537

Net debt and net debt/equity ratio



Cash flow before financing



Order situation

January – March 2024

The level of orders received increased dramatically during the first quarter 2024 and amounted to SEK 17,889 million (11,042). The level of orders received increased in all business areas but particularly in business areas Civil Engineering and Construction. Business area Civil Engineering includes a part of Västlänken's Haga-Rosenlund stage in Gothenburg worth about SEK 1.5 billion, a new dock in Skellefteå worth about SEK 1.1 billion and operation and maintenance contracts worth about SEK 1.1 billion. A new swimming pool block in Partille worth about SEK 1.3 billion is included in business area Construction. In business area Industry several paving contracts were received during the quarter, among them in Finland. The level of orders received from public customers continued to be good in the quarter.

Order backlog yet to be produced at the end of the period increased and amounted to SEK 47,808 million compared to SEK 44,595 million at the end of the corresponding period last year. The increase in order backlog primarily concerns production that will be carried out next year and thereafter. Of the total order backlog, 46 percent (42) is expected to be produced after 2024 (2023). Swedish operations accounted for 81 percent (79) of the order backlog.

Preliminary agreements

Operations in Construction and Civil Engineering increasingly participate in dialogues early on with customers prior to planned projects and we are therefore experiencing a greater number of preliminary agreements, so-called phase 1 contracts. Through the preliminary agreements Peab is contracted to arrive at, together with the customer, an optimal product with the right quality and also deal with risks and uncertainties. As of this report we will present the potential value of the final construction contracts generated by these preliminary agreements.

At the start of 2024 the potential value was approximately SEK 19 billion. During the first quarter of the year several projects went from phase 1 to phase 2, which meant that the projects became construction contracts and are included in Peab's orders received. At the same time new projects continue to flow into phase 1. The value of the construction contracts generated from these preliminary agreements was at the end of March around SEK 20 billion, and these orders will potentially be received over the next two years.

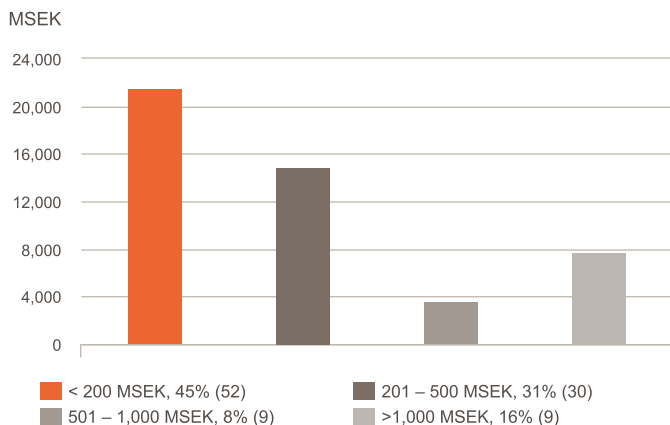
Orders received

MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Construction	6,654	4,804	24,629	22,779
Civil Engineering	8,188	4,442	18,836	15,090
Industry	2,932	2,689	11,429	11,186
Project Development	627	143	620	136
Eliminations	-512	-1,036	-3,559	-4,083
Group	17,889	11,042	51,955	45,108

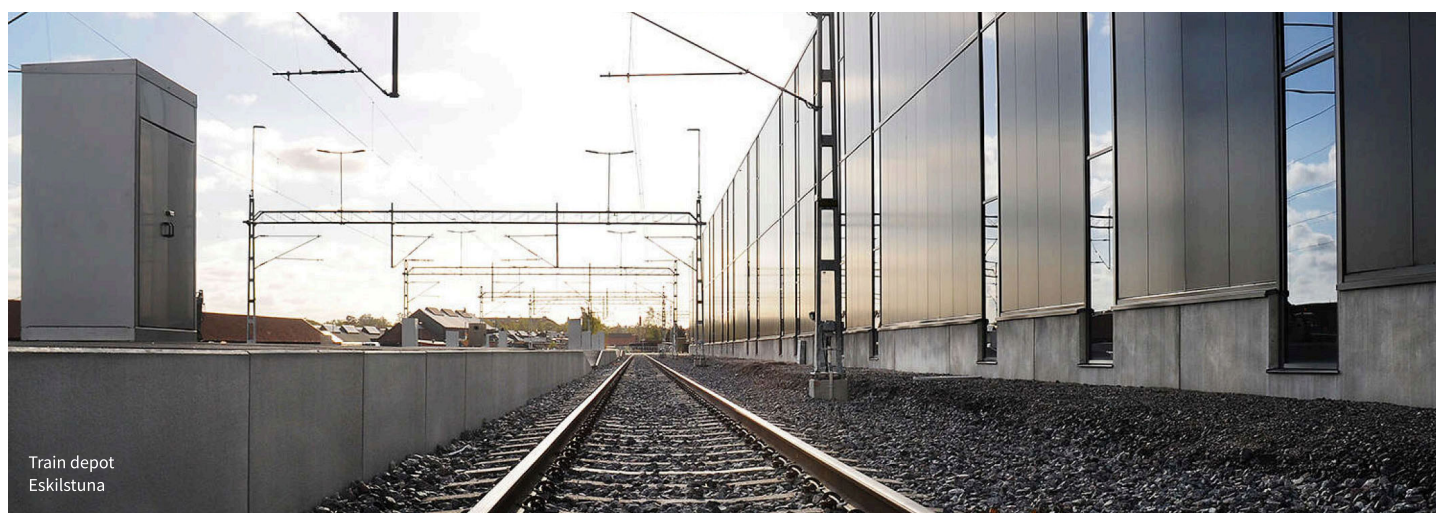
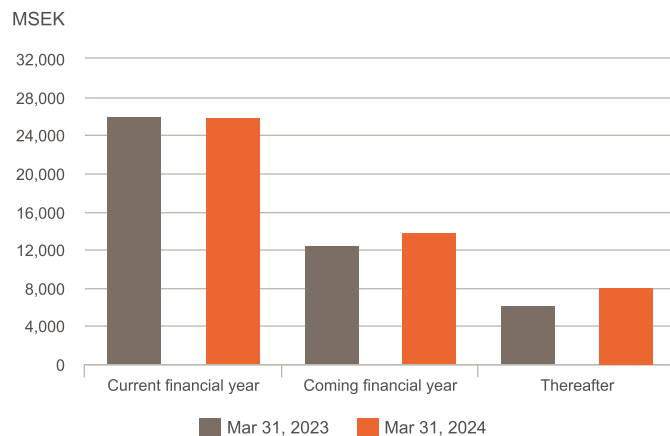
Order backlog

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Construction	25,483	26,577	24,469
Civil Engineering	18,623	15,087	13,905
Industry	6,211	6,092	3,954
Project Development	1,709	4,165	1,620
Eliminations	-4,218	-7,326	-4,888
Group	47,808	44,595	39,060

Project size of order backlog, March 31, 2024



Order backlog allocated over time



Train depot
Eskilstuna

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

- 🇸🇪 Construction of a new dock in Skelleftehamn. The customer is Skellefteå Municipality. The contract is worth SEK 1,132 million.
- ✚ Construction of a new fire station in Kaarina. The customer is the City of Kaarina. The contract is worth EUR 11 million.
- 🇸🇪 Rebuilding Uddebo wastewater treatment plant in Luleå. The customer is Luleå miljöresurs AB (Lumire). The contract is worth SEK 157 million.
- 🇸🇪 Construction of 191 apartments, offices and a garage in Jönköping. The rental apartment customer is Brandtornet AB and the office building customer is Hamhus AB. The total contract amount is SEK 368 million.
- 🇸🇪 Expansion of the municipal water and wastewater net in Borlänge Municipality. The customer is Borlänge Energi. The contract is worth SEK 126 million.
- 🇳🇴 Construction of a new building at Langhaugen High School in Bergen. The customer is Vestland Municipality. The contract is worth NOK 257 million.
- 🇸🇪 Construction of a new swimming pool block in Partille Municipality. The customer is Partillebo. The contract is worth SEK 1.3 billion.
- 🇸🇪 Construction of new railway sidings for local and regional trains in Lärje, north of Gothenburg. The customer is the Swedish Transport Administration. The contract is worth SEK 392 million.
- 🇸🇪 Renovation of a school in Lund. The customer is Lundafastigheter. The contract is worth SEK 139 million.
- ✚ Construction of a pilot platform facility for clean energy in Espoo. The customer is VTT Technical Research Centre of Finland Ltd. The contract is worth EUR 19 million.
- ✚ Construction of an apartment building in Tapanila in Helsinki. The customer is the City of Helsinki. The contract is worth EUR 13 million.
- 🇸🇪 Construction of a new assisted living facility in Åmål. The customer is Åmål Municipality. The contract is worth SEK 220 million.
- 🇸🇪 Construction of another building for inmates at the Sörby Prison, south of Umeå. The customer is Specialfastigheter Sverige AB. The contract is worth SEK 104 million.
- 🇸🇪 Renovation and extension of Stora kontoret for SSAB in Oxelösund. This is a turnkey contract and worth SEK 160 million.
- 🇸🇪 Five new operation contracts for road maintenance from the Swedish Transport Administration. In total Peab will maintain around 6,070 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 1,061 million.
- 🇸🇪 Commission to tear down the existing bridge over Nattviken in central Härnösand and build a new openable bridge in the same place. The customer is Härnösand Municipality. The contract is worth SEK 247 million.
- 🇸🇪 Rebuilding Kristine Hall, Dala Sinfonietta's concert hall, in Falun. The customer is Falun Municipality. The contract is worth SEK 227 million.
- 🇸🇪 Construction of part of Västlänken's Haga-Rosenlund stage in Gothenburg. The customer is the Swedish Transport Administration. The contract's estimated worth is SEK 1.5 billion.
- 🇸🇪 Rebuilding of a school in Malmö. The customer is Revelop. The contract is worth SEK 186 million.

The following own housing developments were production-started in the first quarter:

- 🇸🇪 Brf Havtornet on Tjörn comprising 54 apartments. The project takes the environmental and climate into consideration in both the choice of materials and the construction stage by, for example, using Peab's ECO-products, requiring fossil-free transportation, reuse and rainwater systems as well as a sedum roof on the building. The project is expected to be completed in February 2027.
- ✚ Allegro in Ylöjärvi comprising 50 apartments. The apartment building is being constructed according to EU Taxonomy criteria for environmental sustainability and environmental certification according to BREEAM is planned. Green financing will be applied on the project, which is expected to be completed in October 2025.
- 🇳🇴 Engene hage in the center of Drammen comprising 33 homes. There are green areas next to the property and the shared roof terraces provide opportunities for cultivation. The project is expected to be completed in December 2025.

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

- ✚ One-year federal contract in Nyland worth EUR 12.2 million.
- ✚ One-year federal contract in Southwest Finland worth EUR 9.0 million.
- ✚ One-year federal contract in Southwest Finland worth EUR 7.3 million.
- ✚ One-year federal contract in South Ostrobothnia worth EUR 7.3 million.
- ✚ One-year federal contract in South Ostrobothnia worth EUR 7.0 million.
- ✚ One-year federal contract in Nyland worth EUR 6.5 million.
- ✚ One-year federal contract in Nyland worth 6.4 MEUR.
- 🇸🇪 Two-year federal contract in Norrbotten County worth SEK 65 million.
- 🇸🇪 Two-year federal contract in Gävleborg County worth SEK 58 million.
- 🇸🇪 Two-year federal contract in Västernorrland County worth SEK 58 million.
- 🇸🇪 Two-year federal contract in Värmland County worth SEK 42 million.
- 🇩🇰 One-year federal contract in Randers Municipality worth DKK 26 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 and Peab Finans AB.

Net sales and operating profit per business area

MSEK	Net sales				Operating profit			
	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Construction	5,788	7,422	26,146	27,780	101	162	-20	41
Civil Engineering	3,558	3,328	15,394	15,164	77	59	519	501
Industry	2,411	2,779	19,594	19,962	-479	-435	918	962
Project Development	1,055	1,841	4,936	5,722	246	127	423	304
– of which Property Development	23	9	548	534	261	-6	374	107
– of which Housing Development	1,032	1,832	4,388	5,188	-15	133	49	197
Group functions	329	377	1,439	1,487	-58	-73	-284	-299
Eliminations	-2,000	-3,057	-10,237	-11,294	7	4	-53	-56
Group, segment reporting excl. MoS	11,141	12,690	57,272	58,821	-106	-156	1,503	1,453
Construction – effect Mall of Scandinavia (MoS)							400	400
Group, segment reporting	11,141	12,690	57,272	58,821	-106	-156	1,903	1,853
Adjustment housing to IFRS	309	288	2,800	2,779	85	153	628	696
IFRS 16, additional leases	–	–	–	–	9	10	36	37
Group, IFRS	11,450	12,978	60,072	61,600	-12	7	2,567	2,586
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	<i>9,346</i>	<i>10,750</i>	<i>41,540</i>	<i>42,944</i>	<i>178</i>	<i>221</i>	<i>499</i>	<i>542</i>

Percent	Operating margin			
	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Construction	1.7	2.2	-0.1	0.1
Civil Engineering	2.2	1.8	3.4	3.3
Industry	-19.9	-15.7	4.7	4.8
Project Development	23.3	6.9	8.6	5.3
– of which Property Development	1,134.8	-66.7	68.2	20.0
– of which Housing Development	-1.5	7.3	1.1	3.8
Group functions				
Eliminations				
Group, segment reporting excl. MoS	-1.0	-1.2	2.6	2.5
Group, segment reporting	-1.0	-1.2	3.3	3.2
Adjustment housing to IFRS				
IFRS 16, additional leases				
Group, IFRS	-0.1	0.1	4.3	4.2
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	<i>1.9</i>	<i>2.1</i>	<i>1.2</i>	<i>1.3</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 region, organized in eleven 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 is a nationwide organization in Sweden focused on major cities. Other regions are responsible for all types of construction projects in their geographic area.

Net sales and profit

Net sales for the first quarter 2024 decreased by 22 percent and amounted to SEK 5,788 million (7,422). The reduction is primarily due to a lower demand in new production of housing in all countries. The proportion of other building construction, primarily to the public sector, has increased in net sales while the proportion of housing continues to decrease. Calculated on a rolling 12 month period per March 31, 2024 housing accounted for 36 percent (43) of net sales.

Operating profit contracted during first quarter and amounted to SEK 101 million (162) and the operating margin was 1.7 percent (2.2). The operating margin for the latest rolling 12 month period excluding the Mall of Scandinavia effect was -0.1 percent compared to 0.1 percent for the full year 2023. For more information regarding the Mall of Scandinavia arbitration see the Annual and Sustainability Report 2023. The operating margin was 1.5 percent calculated on a rolling 12 months compared to 1.6 percent for the full year 2023.

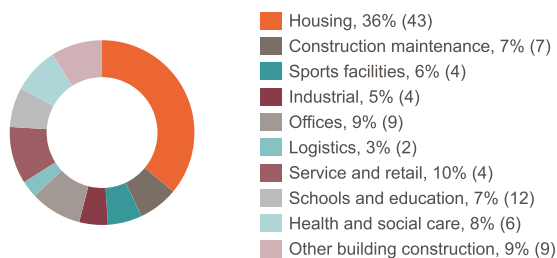
Orders received and order backlog

The level of orders received during the first quarter rose amounting to SEK 6,654 million (4,804). The quarter includes a new swimming pool block with a swimming pool facility, homes, commercial premises and parking space in Partille for a total worth of around SEK 1.3 billion. In addition, orders received from the public sector for other building construction continued to be good during the quarter.

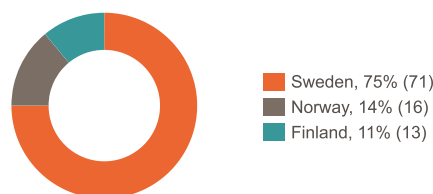
Order backlog on March 31, 2024 amounted to SEK 25,483 million (26,577). The proportion of other building construction has continued to increase in order backlog while the proportion of housing projects has decreased.

Net sales

per product area, rolling 12 months

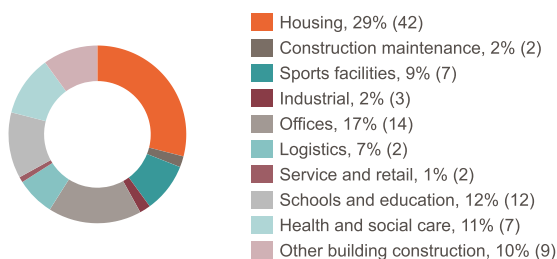


per geographic market, rolling 12 months

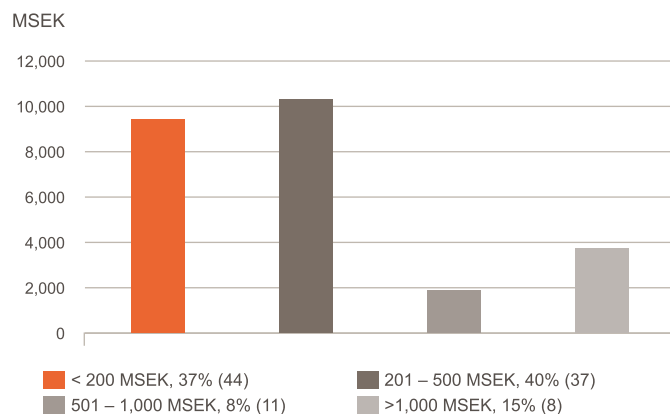


Order backlog, March 31, 2024

per product area



per project size



Key ratios

	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Net sales, MSEK	5,788	7,422	26,146	27,780
Operating profit excl. MoS, MSEK	101	162	-20	41
Operating margin excl. MoS, %	1.7	2.2	-0.1	0.1
Operating profit, MSEK	101	162	380	441
Operating margin, %	1.7	2.2	1.5	1.6
Orders received, MSEK	6,654	4,804	24,629	22,779
Order backlog, MSEK	25,483	26,577	25,483	24,469
Operating cash flow, MSEK	162	225	83	146
Average number of employees	4,554	5,214	4,886	5,067

Business area Civil Engineering

Business area Civil Engineering is a leading actor 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 seven geographic regions, one region for foundations, and one nationwide region in Sweden for operation and maintenance.

Local market, which represents more than half of net sales in business area Civil Engineering, works with landscaping, streets, pipelines, foundation work as well as construction of different kinds of facilities and water and pipeline systems. Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. Operation and maintenance handles national and municipal highways and street networks, tends parks and outdoor property as well as operates water and wastewater networks.

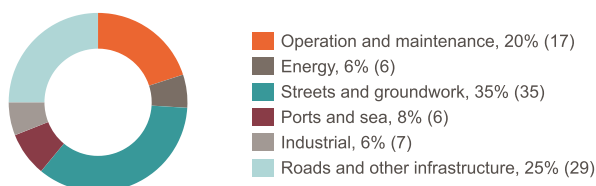
Net sales and profit

Activity was high in business area Civil Engineering during the first quarter and net sales increased by seven percent to SEK 3,558 million (3,328). Even adjusted for divested operations and exchange rate effects, net sales increased by seven percent. The increase is related to all product areas.

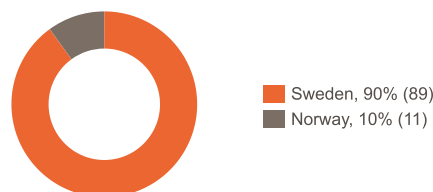
Operating profit increased and amounted to SEK 77 million (59) and the operating margin improved to 2.2 percent (1.8). The operating margin for the latest 12 month period was 3.4 percent compared to 3.3 percent for the full year 2023.

Net sales

per product, rolling 12 months

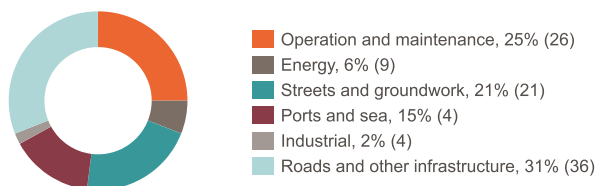


per geographic market, rolling 12 months

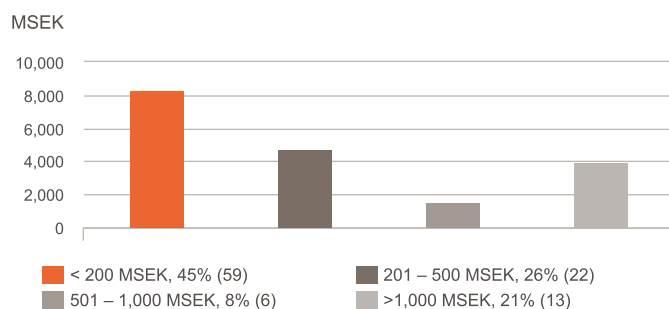


Order backlog, March 31, 2024

per product



per project size



Key ratios

	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Net sales, MSEK	3,558	3,328	15,394	15,164
Operating profit, MSEK	77	59	519	501
Operating margin, %	2.2	1.8	3.4	3.3
Orders received, MSEK	8,188	4,442	18,836	15,090
Order backlog, MSEK	18,623	15,087	18,623	13,905
Operating cash flow, MSEK	299	140	857	698
Average number of employees	3,120	3,294	3,299	3,356

Orders received and order backlog

The level of orders received during the first quarter was high and amounted to SEK 8,188 million (4,442). The quarter included part of Västlänken's Haga-Rosenlund stage in Gothenburg worth around SEK 1.5 billion, a new dock in Skellefteå worth about SEK 1.1 billion and operation and maintenance contracts worth about SEK 1.1 billion.

Order backlog on March 31, 2024 increased and amounted to SEK 18,623 million (15,087).

Orders received after the reporting period

Peab has been commissioned to develop New Bodø Airport as the project moves from the development phase to the implementation phase. The customer is Avinor and the contract is worth NOK 3.3 billion. The construction contract consists of a development phase and an implementation phase. The first phase is a so-called phase 1 contract in which the customer Avinor and Peab, together with subcontractors and consultants, have developed and optimized solutions and set a target price for the project. The project is now entering phase 2 which is the implementation phase. The project comprises the construction of a new runway, taxiways and parking spaces for aircraft. Construction will begin immediately and the project is expected to be completed in June 2028. The project will be order registered in the second quarter of 2024.

Business area Industry

Business area Industry provides the products and services needed to carry out more sustainable and cost-efficient construction and civil engineering projects on the Nordic market. With local roots we work with both external and internal customers.

Business area Industry offers everything from mineral aggregates, concrete, paving and temporary electricity to prefabricated concrete elements and frame assembly. Industry also assists with crane and machine rental, distribution of binder to the concrete industry, transportation as well as recycles residue from the construction and civil engineering industry. The business area is run in six product areas; mineral aggregates, paving, concrete, transportation and machines, rentals and construction system.

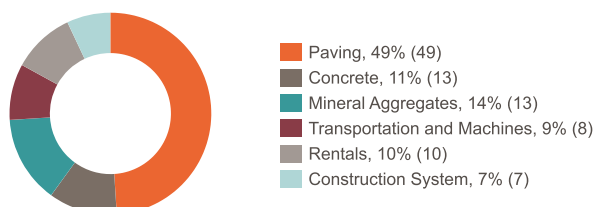
Net sales and profit

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.

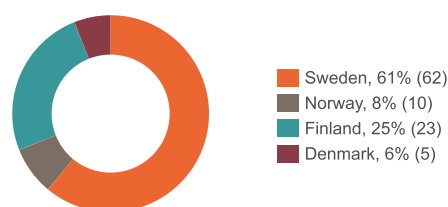
Net sales during the first quarter 2024 decreased by 13 percent and amounted to SEK 2,411 million (2,779). The reduction is related to most product areas.

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Net sales, MSEK	2,411	2,779	19,594	19,962
Operating profit, MSEK	-479	-435	918	962
Operating margin, %	-19.9	-15.7	4.7	4.8
Orders received, MSEK	2,932	2,689	11,429	11,186
Order backlog, MSEK	6,211	6,092	6,211	3,954
Capital employed at the end of the period, MSEK	10,806	10,762	10,806	10,699
Operating cash flow, MSEK	-536	-390	866	1,012
Average number of employees	3,560	3,814	4,421	4,485
Concrete, thousands of m ³ ¹⁾	187	263	1,028	1,104
Paving, thousands of tons ¹⁾	111	120	5,502	5,511
Mineral Aggregates, thousands of tons ¹⁾	4,426	4,230	24,980	24,784

¹⁾ Refers to sold volume

Operating profit decreased to SEK -479 million (-435) and the operating margin was -19.9 percent (-15.7). The first quarter in paving entails preparing for the coming season but the long winter delayed starting up. Both prefab and rental operations have been affected by the weak housing market with a lower level of activity compared to the first quarter 2023. The operating margin for the latest rolling 12 month period was 4.7 percent compared to 4.8 percent for the full year 2023.

Capital employed at the end of the period was SEK 10,806 million compared to SEK 10,762 million at the end of same period last year.

Orders received and order backlog

The level of orders received during the first quarter amounted to SEK 2,932 million (2,689). The increase is mainly related to paving contracts, particularly in Finland. Order backlog per March 31, 2024 was SEK 6,211 million (6,092).

Business area Project Development

Business area Project Development, which comprises Housing Development and Property Development, develops 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.

Housing Development offers a broad range of housing forms including apartment buildings with tenant-owner apartments, condominiums and apartments for rent.

Property Development 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 in Project Development contracted in the first quarter and amounted to SEK 1,055 million (1,841). The decrease is attributable to Housing Development. Operating profit amounted to SEK 246 million (127) with an operating margin of 23.3 percent (6.9).

Capital employed in Project Development at the end of the period amounted to SEK 18,334 million (16,226). The increase is primarily due to investments in housing development rights.

Capital employed

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Operations property	145	116	146
Investment property	36	36	36
Project and development property	15,496	13,662	14,603
<i>of which housing development rights</i>	8,793	7,293	7,981
<i>of which commercial development rights</i>	960	770	901
<i>of which unsold part of ongoing housing projects</i>	2,337	2,532	2,461
<i>of which ongoing rental projects</i>	1,077	1,469	1,712
<i>of which ongoing commercial projects</i>	614	544	489
<i>of which completed property</i>	646	178	165
<i>of which other</i>	1,069	876	894
Participation in joint ventures	2,362	2,543	2,820
Loans to joint ventures	1,434	1,452	1,498
Working capital and other	-1,139	-1,583	-1,010
Total	18,334	16,226	18,093
<i>of which Property Development</i>	4,590	4,712	5,034
<i>of which Housing Development</i>	13,744	11,514	13,059

Key ratios

	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales, MSEK	1,055	1,841	4,936	5,722
<i>of which Property Development</i>	23	9	548	534
<i>of which Housing Development</i>	1,032	1,832	4,388	5,188
Operating profit, MSEK	246	127	423	304
<i>of which Property Development</i>	261	-6	374	107
<i>of which Housing Development</i>	-15	133	49	197
Operating margin, %	23.3	6.9	8.6	5.3
<i>of which Property Development</i>	1,134.8	-66.7	68.2	20.0
<i>of which Housing Development</i>	-1.5	7.3	1.1	3.8
Capital employed at the end of the period, MSEK	18,334	16,226	18,334	18,093
Orders received, MSEK	627	143	620	136
Order backlog, MSEK	1,709	4,165	1,709	1,620
Operating cash flow, MSEK	151	-508	-1,595	-2,254
Average number of employees	182	249	206	222

Housing Development

The continued weak demand on the housing market throughout the Nordic region is evident in Housing Development. Net sales decreased during the quarter and amounted to SEK 1,032 million (1,832). Operating profit amounted to SEK -15 million (133) and the operating margin was -1.5 percent (7.3). The operating margin for the latest rolling 12 month period was 1.1 percent compared to 3.8 percent for the full year 2023. Less activity in our own ongoing housing developments contributed to the lower net sales and operating profit. During the quarter, two rental properties were divested, one in Partille to Annehem Fastigheter and one in Finland.

The level of sales of our own developed homes continues to be low but on the bright side we are selling them at an even pace and have noted greater interest after the start of the year, above all in Sweden. During the quarter we started up three housing projects; one in Sweden, one in Norway and one in Finland. The total number of production start-ups of our own developed homes was 137 (298) in the first quarter. All of these 137 (81) were tenant-owned apartments/condominiums. During the corresponding quarter last year there were also production start-ups of 217 homes in rental apartment projects on our own balance sheet. The total number of sold homes were 305 (245), of which 166 (101) were tenant-owner apartments/condominiums and 139 (144) were homes in rental apartments projects. The total number of homes in production was 2,810 (5,061).

There is a substantial underlying need for homes throughout the Nordic region but higher interest rates and the high cost of construction make it harder to make sound calculations. We see continued interest in our own housing developments but 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. Falling inflation and expectations of lower interest rate levels in the future create better conditions for production starts of homes, even though recovery will take time. 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.

Capital employed increased at the end of the period and amounted to SEK 13,744 million (11,514). The increase is mainly due to investments in development rights.

Own housing development construction

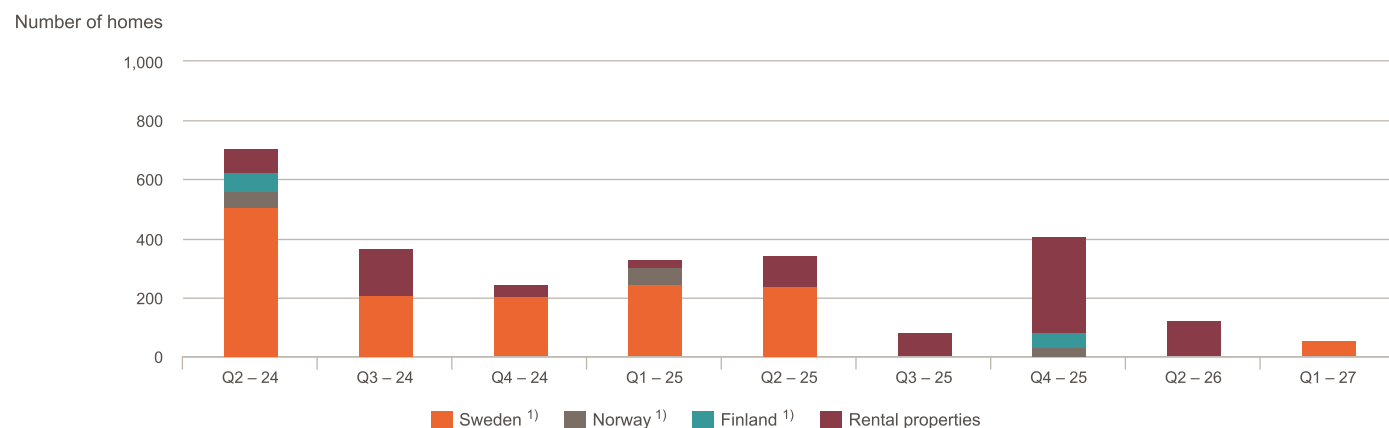
	Jan-Mar 2024	Jan-Mar 2023	Apr 2023-Mar 2024	Jan-Dec 2023
Tenant-owner associations, ownership and residential limited companies				
Number of production-started homes during the period	137	81 ¹⁾	177	121 ²⁾
Number of sold homes during the period	166	101	607	542
Total number of homes under production, at the end of the period	1,866	3,854	1,866	2,392
Portion of sold homes under production, at the end of the period	61%	68%	61%	68%
Number of repurchased homes on our balance sheet, at the end of the period	254	238	254	252
Rentals				
Number of production-started homes during the period	-	217	389	606
Number of sold homes during the period	139	144	387	392
Number converted to tenant-owner associations during the period	-	45	40	85
Total number of homes under production, at the end of the period	944 ³⁾	1,207 ³⁾	944	1,302
Number of homes completed, at the end of the period	225	-	225	-

¹⁾ Includes 45 homes that have been converted from rentals

²⁾ Includes 85 homes that have been converted from rentals

³⁾ Of which 116 (722), respectively 12 percent (60), are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects



In December 2023 Peab signed a contract to acquire Folksam's shares in Sicklaön Bygg Invest AB that partly and wholly owns development rights in Kvarnholmen in Nacka. The acquisition was concluded in January 2024 and Peab thereby increased its ownership from 50 to 100 percent. Peab has developed homes on Kvarnholmen since 2013. Sicklaön Bygg Invest AB has more than 270 zoning approved, wholly owned development rights for a gross area of 26,000 m². In addition, the company owns 50 percent of the shares in Kvarnholmen Utveckling AB that has an ongoing zoning process for more than 120,000 m² housing development rights. Half of them will be turned over to Peab.

Net sales

per geographic market, rolling 12 months



Development rights for housing

Number, approx.	Mar 31 2024	Mar 31 2023	Dec 31 2023
Development rights on our own balance sheet	22,800	21,500	22,000
Development rights via joint ventures	3,700	4,700	4,700
Development rights via options etc.	7,200	8,600	7,400
Total	33,700	34,800	34,100



Brf Panorama
Hudiksvall

Property development

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

During the first quarter 2024 net sales were SEK 23 million (9) and operating profit was SEK 261 million (-6). Capital gains from property divestitures amounted to SEK 258 million (1) in total, of which the divestiture of the shares in Tornet Bostadsproduktion contributed by SEK 220 million. Profit contributions from partly owned companies amounted to SEK 19 million compared to SEK 10 million in the same quarter last year.

Capital employed in Property Development was SEK 4,590 million (4,712). A large part of the capital employed is shares in partly owned companies and loans to partly owned companies.

Current property projects

Type of project	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK	Adopted investment, MSEK	Completion time point	Completion level, %
Office building	Jönköping	3,200	100	104	106	Completed	98
Office building	Gothenburg	12,900	11	451	557	Q3-2024	81
Logistic facility	Södertälje	23,900	-	157	372	Q4-2024	42
Others				6			
Total				718			

In December 2023 Peab signed a contract to divest its 33.3 percent ownership in Tornet Bostadsproduktion to the two other owners, Folksam and Fastighets AB Balder. Peab has been a part owner in Tornet Bostadsproduktion since 2009. The company owns and manages around 2,200 rental apartments and has some 650 rental apartments in production in a number of cities in Sweden. The deal was closed in January 2024, entailing capital gains of SEK 220 million.

The table below presents current property projects per March 31, 2024. The logistics property in Södertälje has been divested to an external party and is expected to be handed over during the fourth quarter 2024.

Significant joint ventures

Peab's significant joint venture companies Fastighets AB Centur, Fastighets AB ML4, Point Hyllie Holding AB and Skiab Invest 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

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

Recognized value on properties March 31, 2024 ¹⁾: SEK 8,006 million (7,908)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 521 million (629)

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

Geography: Lund

Recognized value on properties March 31, 2024: SEK 1,878 million (1,929)

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

Geography: Hyllie, Malmö

Recognized value on properties March 31, 2024: SEK 1,370 million (1,399)

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

Geography: Scandinavian mountains

Recognized value on properties March 31, 2024 ¹⁾: SEK 2,154 million (2,491)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 46 million (63)

Major ongoing projects: No major ongoing projects

¹⁾ Valued at market price in joint venture companies. The point in time when market valuations take place can differ between the companies. Market prices on properties that affect the recognized values in the joint venture companies are not included in Peab's accounts.

Construction market

Sweden

Inflation continued to deflate at the end of 2023 and it is believed that interest levels have peaked. The market is counting on several reductions in interest rates in 2024 and according to Riksbanken the first one may be announced in May or June. Sweden's GNP contracted marginally in 2023, weighed down by shrinking consumption and investments. Growing unemployment, weak demand and continued high prices are having a detrimental effect on the economy in 2024 as well. Housing construction was almost halved in 2023 due to high costs and interest rates and households' diminishing disposable income. This negative development is expected to continue in 2024 although at a considerably slower rate. Premise construction in the private and public sectors was also affected negatively by the higher costs and deteriorated economy in 2023 but the downturn was not as dramatic as the one in housing construction. Industry's building construction investments developed horizontally. A broad decline in building construction investments is expected in 2024 followed by an upturn in 2025. Civil engineering construction is believed to have increased in 2023 due to wide ranging expansion in both the private and public sectors. Growth is expected to level out in 2024 followed by an upturn in 2025.

Norway

Weak domestic demand as well as lower consumption and investments led to marginal growth of about one percent in Norwegian mainland economy in 2023. Norway's exports have been negatively affected by the modest economic growth in many of its trading partners. High interest rates and rising unemployment will most likely limit economic growth in 2024 as well. New production of housing construction is expected to contract in 2024, primarily in apartment buildings, and housing construction is expected to continue to contract in 2024. Regarding other building construction, industrial building construction investments increased while both private and public premise investments contracted. The total volume in building construction investments indicates zero growth in 2024 and a broad recovery in 2025. Civil engineering construction increased in 2023 and is expected to grow in 2024 but then level out in 2025.

Finland

The Finnish GNP contracted by a half percent in 2023 according to calculations. Household consumption diminished due to rising interest rates, continued relatively high inflation and increasing unemployment. The total investment volume shrank and exports dropped. In 2024 GNP is expected to continue to contract slightly as a result of lower consumption and investments. Housing construction of both single homes and apartment buildings decreased dramatically in 2023 and this development is expected to continue in 2024. Developments in other building construction were divergent, with more activity in the industrial and public sectors while office buildings and retail space declined. It looks like there will be a wide spread decline in total building construction volumes in 2024 due to high prices and a lack of economic growth. Weak recovery is expected in 2025. According to calculations there was a slight downturn in civil engineering in 2023 and this is expected to continue in 2024 followed by an upswing in 2025.

Housing

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

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

Other building construction

	2024	2025	2026
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

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

Forecast for civil engineering investments
Source: Navet

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



Non-financial targets and sustainability

Every day Peab contributes to sustainable social development and works to improve everyday life for people in their local communities. 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 material sustainable aspects. These are found in the strategic targets Best workplace and Leader in social responsibility. We report the targets quarterly, semi-annually or annually. Our two financial targets regarding the operating margin and net debt ratio are presented in this report together with the target for the outcome of serious accidents.

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) score for 2023 remained at 80 (80), which is a continued good result and higher than our target of 75. Customers' perception of Peab's price worthiness and planning ability were the areas where scores increased the most. Regarding our business areas, Construction and Civil Engineering increased their CSI scores.

The next target update will take place after the fourth quarter in connection with the presentation of the year-end report 2024.

Best workplace

Peab's business is founded on a strong corporate culture. We are located in large and small towns all over the Nordic region. Employees can make a difference by building the local community in the places where they live and work. Every employee has a great deal of personal responsibility, and should be met by both good working conditions and development opportunities as well as safe and inclusive workplaces.

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. Peab therefore has a vision of zero workplace accidents. To prevent accidents and incidents at our workplaces, we develop quality-assured work methods and train our employees. The focus is on preventive work and remediation of reported incidents and risk observations. This involves planning and risk assessment in the projects, learning from reported risk observations and from investigations of incidents and accidents.

In order to approach our vision of zero workplace accidents, we have a target of a decreasing trend in serious accidents* that includes everyone at our workplaces. During the first quarter of the year there were 13 serious accidents, of which 8 involved our own employees and 5 involved subcontractors. Calculated on a rolling 12 month basis, the number was 43 per March 31, 2024 (48 per December 31, 2023), of which 24 pertained to own personnel and 19 to subcontractors. It is positive that the level of accidents is decreasing and we continue to focus unabated on preventive work environment work to ensure that the trend continues.

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. During the first quarter of the year the number of LT14 was 32 (39 fourth quarter 2023) and the LTIF4 frequency rate on a rolling 12 month basis was 5.4 (5.9 after the fourth quarter 2023), which is also an improvement.

Attractive employers (eNPS)

We should be the best workplace in the industry and thereby the obvious choice of employer. 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). In the autumn survey the eNPS score fell slightly from 27 to 26 but the results are about the same as in the spring survey 2023, despite a

tougher market situation. The Nordic benchmark has dropped from 21 to 19. Notable in the survey was that satisfaction among female skilled workers rose considerably as in business area Civil Engineering which has not been hit as hard by the current difficult market situation. Participation in the autumn survey was 87.3 percent, which is the highest ever.

The next target update will take place after the second quarter in connection with the presentation of the half-year report 2024.

The total number of employees per March 31, 2024 was 13,902 (15,134). The average number of employees on a rolling 12 month basis amounted to 13,472 compared to 13,808 for the full year 2023. 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 see section *Alternative performance measures and definitions*.

Leader in social responsibility

Climate target for carbon dioxide intensity

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 our suppliers and customers have. 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 our value chain. We have an advantage in that we can supply our construction contract operations and the projects we develop ourselves with input goods and raw material through business area Industry, which augments our ability to 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 2023 revealed that developments are going in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 49 percent compared to base year 2015 and by 9 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 of our measurements of carbon dioxide intensity, which is particularly demanding in Scope 3 reporting.

The next target update will take place after the fourth quarter in connection with the presentation of the year-end report 2024.

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 2023 the percentage of women in new recruitments was 14.2 percent in production and processing compared to our target of more than 5.0 percent. For 2024 we have raised our target to 6.0 percent. New recruitment in production management and production support dropped to 18.8 percent whereas our target is at least 30.0 percent. The reason behind the reduction was the few recruitments during the year because of the current market situation.

The next target update will take place after the fourth quarter in connection with the presentation of the year-end report 2024.

Activities during the first quarter

- ECO-Betong (ECO-Concrete) is now the standard concrete in Peab's Swedish operations. This is a substantial contribution to the environment by reducing carbon emissions by at least ten percent compared to traditional concrete. Every gram that can be replaced with alternative binders like Merit makes a difference.
- Peab has signed an agreement with Benders to open a new terminal in Uddevalla to store the alternative binder Merit that reduces concrete's carbon footprint. Peab ordered 2,500 tons of rebar from Spain that have a climate impact of a mere 182 kg CO₂e per ton, which is the lowest on the European market. The European average is almost four times higher for the same type of rebar. The substantial reduction in CO₂e comes from the fact that the steel has been produced entirely with solar power. In addition, the rebar was shipped to Sweden on a vessel powered by biofuel.
- Peab is the first company in Sweden to meet the Nordic Swan Ecolabel requirements for renovating an existing house. It is an apartment building in Ronneby from the 1950s that was originally going to be demolished but has now been preserved with an environmental certification.
- A new cohort of female trainees will soon start practicing at Peab's construction and civil engineering projects in Sweden when the second round of the Construction Year starts. The application process began during the quarter and is now in full swing. The program is an initiative that strives to create greater equality in the construction industry.



Summary external targets

In order to further promote value creation Peab updated its targets as of 2021 – everything from our mission, business concept and strategic target areas to internal and external financial and non-financial targets. We report the performance of our business by monitoring nine external 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. At the beginning of 2024, Peab communicated that all nine targets will remain unchanged for the period 2024 – 2026.

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.



Most satisfied customers

We are close to our customers and meet their needs with sustainable offers. Quality permeates our work methods and end results. The right expertise in the right place is key to success.

>75
CSI always over 75



Best workplace

We are a safe, secure and inclusive workplace rooted in a strong company culture. Leadership takes responsibility and is close to operations. Employees have value-creating and developing work assignments that they complete together.

eNPS always over benchmark

Zero Vision
serious accidents
Through a contracting trend



Most profitable company

We take on the right projects and have the right business mix. Employees work according to quality-ensured work methods that are efficient in every aspect. Through our own resources and internal collaboration we maintain a high degree of value creation. We take advantage of our size and experience.

>6% Operating margin

0.3–0.7 Net debt/equity ratio

Dividend >50% of profit for the year



Leader in social responsibility

As the Nordic Community Builder we drive developments in our industry in matters concerning the climate and environment, ethics, and equal opportunity and inclusion. We work well together with stakeholders in the world around us and stride every day towards a sustainable value chain. With our extensive local presence we are also an important actor in the local community.

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

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

Equal opportunity recruitment
Share of women recruited always over the education market

Target and target fulfilment

Most profitable company

Operating margin

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

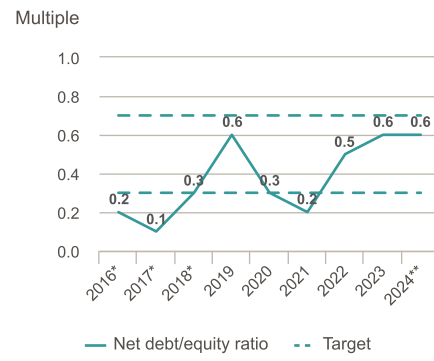


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin 4.5 % excl. the effect of the distribution of Annehem Fastigheter (SEK 952 million). *** Operating margin 2.5 % excl. Mall of Scandinavia (SEK 400 million). **** Year 2024 calculated on rolling 12 months per March 31, 2024. Operating margin 2.6 % excl. Mall of Scandinavia.

Most profitable company

Net debt/equity ratio

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

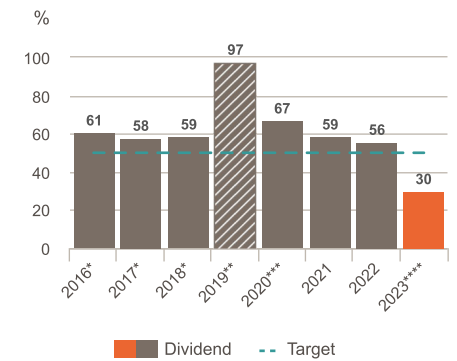


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Per March 31, 2024.

Most profitable company

Dividend

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

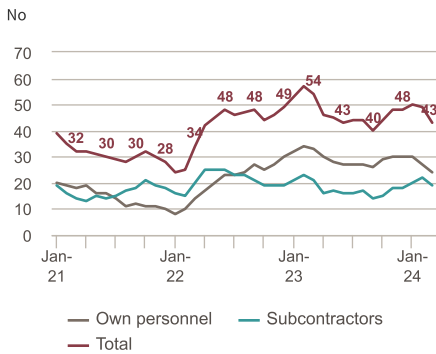


* Years 2016-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is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

Best workplace

Serious accidents

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

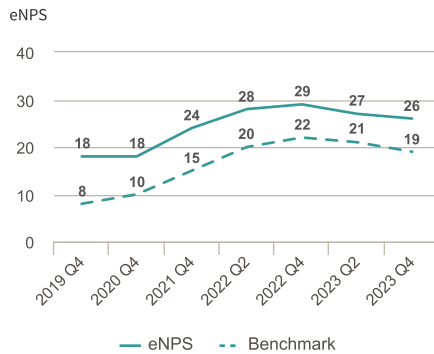


Own personnel, Subcontractors, Total

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)

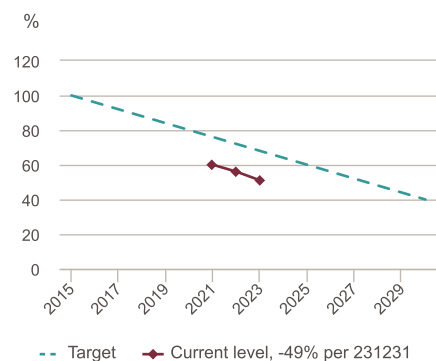


CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100.

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% until 2030 (reported annually)

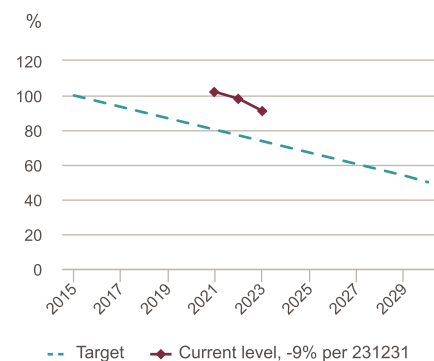


* Direct and indirect emissions as a result of using fuel and energy in our own production.

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% until 2030 (reported annually)

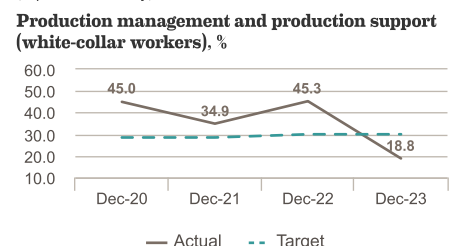


* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

Equal opportunity recruitment

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



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.

A decision in the case between Peab and Unibail Rodamco Westfield regarding the contract for Mall of Scandinavia in Solna was handed down in Peab's favor on June 30, 2023. In August Unibail Rodamco Westfield petitioned the Swedish Court of Appeal to set aside the judgment in its entirety in a so-called protest action. After a thorough legal trial through arbitration lasting nearly seven years Peab cannot see any grounds for a protest action. In the further process Peab will counter the protest action. During the process the arbitration judgement is suspended and thereby unenforceable, which defers the time of payment. For details see the Annual and Sustainability Report 2023.

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.

In recent years there has been a significant rise in the price of materials and energy. However, during the past year we have noticed that material prices have stagnated and there has even been a slight decline in prices, mainly regarding energy. We follow developments carefully and continually work to adapt and streamline production all the while expecting continued high construction costs. High construction costs and interest rates make it harder for calculations to come out ahead, which dampens demand on the construction market throughout the Nordic region.

Interest rates have continued to rise and central banks have raised policy interest rates several times during the last year. 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 and continued high material and energy prices. 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.

For further information about risks and uncertainty factors, see the Annual and Sustainability Report 2023.



Hotel Noli Otaniemi
Espoo, Finland

Other information

Significant events during the period

Peab reiterated its external targets at Capital Markets Day

In connection with Peab's Capital Markets Day in February 2024 Peab communicated that the nine external targets adopted in 2021 are still relevant and therefore remain unchanged. The targets are both financial and non-financial and are categorized under the strategic targets; Most satisfied customers in the industry, Most profitable company in the industry, Best workplace in the industry and Leader in social responsibility in the industry. Peab's President and CEO Jesper Göransson and the rest of Peab's executive management presented an update on Peab's business situation and strategic focus going forward. At the same time Peab also reported a potential level of orders received of about SEK 19 billion in total over the next two years due to more preliminary agreements, so-called phase 1 contracts, in construction contract operations.

Significant events after the period

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

Holdings of own shares

At the beginning of 2024 Peab's holding of its own shares was 8,597,984 B shares which corresponds to 2.9 percent of the total number of shares. No changes have occurred during the first quarter 2024.

Related parties

The character and extent of transactions with related parties is presented in the Annual and Sustainable Report 2023, 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 2024.



Report on the Group income statement, IFRS

Group net sales according to IFRS amounted during the first quarter 2024 to SEK 11,450 million (12,978). After adjustments for divested units and exchange rate effects net sales decreased by eleven percent. The adjustment of our own housing development projects to the completion method affected net sales by SEK 309 million (288).

Operating profit according to IFRS for the first quarter 2024 amounted to SEK -12 million (7) and the operating margin was -0.1 percent (0.1). The adjustment of our own housing development projects to the completion method affected operating profit by SEK 85 million (153).

MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	11,450	12,978	60,072	61,600
Production costs	-11,008	-12,138	-55,053	-56,183
Gross profit	442	840	5,019	5,417
Sales and administrative expenses	-759	-854	-3,069	-3,164
Other operating income	329	42	644	357
Other operating costs	-24	-21	-27	-24
Operating profit	-12	7	2,567	2,586
Financial income	68	36	616	584
Financial expenses	-155	-88	-651	-584
Net finance	-87	-52	-35	0
Pre-tax profit	-99	-45	2,532	2,586
Tax	43	10	-565	-598
Profit for the period	-56	-35	1,967	1,988
Profit for the period, attributable to:				
Shareholders in parent company	-57	-35	1,966	1,988
Non-controlling interests	1	0	1	0
Profit for the period	-56	-35	1,967	1,988
Key ratios, IFRS				
Earnings per share before and after dilution, SEK	-0.20	-0.12	6.84	6.92
Average number of outstanding shares, million	287.5	287.5	287.5	287.5
Return on capital employed, % ¹⁾	9.2	8.2	9.2	9.1
Return on equity, % ¹⁾	13.8	13.7	13.8	14.1

¹⁾ Calculated on rolling 12 months

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

MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Profit for the period	-56	-35	1,967	1,988
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	54	-98	7	-145
Changes in fair value of cash flow hedges for the period	13	-3	34	18
Shares in joint ventures' other comprehensive income	0	2	-6	-4
Tax referring to items that can be reclassified or have been reclassified to profit for the period	-3	0	-7	-4
Other comprehensive income for the period	64	-99	28	-135
Total comprehensive income for the period	8	-134	1,995	1,853
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	7	-133	1,994	1,854
Non-controlling interests	1	-1	1	-1
Total comprehensive income for the period	8	-134	1,995	1,853

Report on financial position for the Group in summary, IFRS

Total assets on March 31, 2024 were SEK 48,890 million (49,782). Equity amounted to SEK 14,481 million (13,652), which generated an equity/assets ratio of 29.6 percent (27.4).

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Assets			
Intangible assets	3,830	3,968	3,789
Tangible assets	8,266	8,271	8,333
Investment property	59	59	61
Interest-bearing long-term receivables	1,457	1,226	1,293
Other financial fixed assets	2,272	2,532	2,857
Deferred tax recoverables	95	189	97
Total fixed assets	15,979	16,245	16,430
Project and development properties	19,087	19,217	18,061
Inventories	2,227	2,009	1,705
Interest-bearing current receivables	1,126	306	1,345
Other current receivables	9,448	10,298	10,392
Liquid funds	1,023	1,707	1,243
Total current assets	32,911	33,537	32,746
Total assets	48,890	49,782	49,176
Equity and liabilities			
Equity	14,481	13,652	14,470
Liabilities			
Interest-bearing long-term liabilities	6,738	7,505	7,046
Interest-bearing long-term liabilities, project financing	170	27	193
Deferred tax liabilities	618	485	623
Other long-term liabilities	1,704	1,377	2,005
Total long-term liabilities	9,230	9,394	9,867
Interest-bearing current liabilities	4,816	2,696	4,246
Interest-bearing current liabilities, project financing	6,811	9,951	6,933
Other current liabilities	13,552	14,089	13,660
Total current liabilities	25,179	26,736	24,839
Total liabilities	34,409	36,130	34,706
Total equity and liabilities	48,890	49,782	49,176
Key ratios, IFRS			
Capital employed	33,016	33,831	32,888
Equity/assets ratio, %	29.6	27.4	29.4
Net debt	14,929	16,940	14,537
Equity per share, SEK	50.31	47.43	50.28
Number of outstanding shares at the end of the period, million	287.5	287.5	287.5

Report on changes in Group equity in summary, IFRS

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Equity attributable to shareholders in parent company			
Opening equity on January 1	14,453	13,768	13,768
Profit for the period	-57	-35	1,988
Other comprehensive income for the period	64	-98	-134
Total comprehensive income for the period	7	-133	1,854
Cash flow hedge transferred to cost of inventory	1	-	-24
Tax on cash flow hedge	-	-	5
Cash dividend	-	-	-1,150
Closing equity	14,461	13,635	14,453
Non-controlling interests			
Opening equity on January 1	17	18	18
Comprehensive income for the period	1	-1	-1
Shareholder contribution	2	-	-
Closing equity	20	17	17
Total closing equity	14,481	13,652	14,470

Report on Group cash flow in summary, IFRS

MSEK	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Cash flow from current operations before changes in working capital	-318	85	2,882	3,285
Increase (-) / Decrease (+) of project and development properties	-758	-174	278	862
Increase (-) / Decrease (+) of inventories	-468	-472	-148	-152
Increase (-) / Decrease (+) of current receivables / current liabilities	869	589	201	-79
Cash flow from changes in working capital	-357	-57	331	631
Cash flow from current operations	-675	28	3,213	3,916
Sale of subsidiaries / businesses, net effect on liquid funds	28	-	78	50
Acquisition of fixed assets	-331	-356	-1,695	-1,720
Sale of fixed assets	959	149	1,219	409
Cash flow from investment operations	656	-207	-398	-1,261
Cash flow before financing	-19	-179	2,815	2,655
Shareholder contribution non-controlling interests	2	-	2	-
Increase (+) / Decrease (-) of interest-bearing liabilities	-38	625	675	1,338
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	-166	-243	-3,032	-3,109
Cash dividend	-	-	-1,150	-1,150
Cash flow from financing operations	-202	382	-3,505	-2,921
Cash flow for the period	-221	203	-690	-266
Cash at the beginning of the period	1,243	1,506	1,707	1,506
Exchange rate differences in cash	1	-2	6	3
Cash at the end of the period	1,023	1,707	1,023	1,243

Parent company

The parent company Peab AB's net sales for the first quarter 2024 amounted to SEK 179 million (72) and mainly consisted of internal Group services. Profit for the period amounted to SEK -5 million (-59).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 10,433 million (11,749). The assets have been financed from equity of SEK 11,804 million (8,693). In the previous year there were long-term liabilities to Group companies amounting to SEK 1,500 million.

As of February 1, 2024 Peab's Swedish support functions are run in Peab AB. The change has been implemented through a so-called business transition, which means that all employees in Peab Support AB (Shared Service Centre) and Peab Utveckling AB have been offered a transfer of employment to Peab AB.

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 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Jan-Dec 2023
Net sales	179	72	374	267
Administrative expenses	-229	-129	-594	-494
Other operating income	1	1	3	3
Operating profit	-49	-56	-217	-224
Result from financial investments				
Profit from participation in Group companies	-	-	3,310	3,310
Other financial items	43	-19	85	23
Result after financial items	-6	-75	3,178	3,109
Appropriations	-	-	1,367	1,367
Pre-tax profit	-6	-75	4,545	4,476
Tax	1	16	-284	-269
Profit for the period ¹⁾	-5	-59	4,261	4,207

¹⁾ Profit/loss for the period corresponds to comprehensive profit/loss for the period and therefore only one income statement is presented and no separate one for comprehensive profit/loss

Report on financial position for the parent company in summary

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Assets			
Fixed assets			
Intangible assets	351	3	2
Tangible assets	36	2	2
Financial assets			
Participation in Group companies	10,433	11,749	10,433
Deferred tax recoverables	85	95	83
Total financial assets	10,518	11,844	10,516
Total fixed assets	10,905	11,849	10,520
Current assets			
Current receivables			
Accounts receivables	0	0	0
Receivables from Group companies	3,846	1,722	4,940
Current tax assets	-	17	-
Other receivables	117	33	57
Prepaid expenses and accrued income	102	12	13
Total current receivables	4,065	1,784	5,010
Cash and bank	0	0	0
Total current assets	4,065	1,784	5,010
Total assets	14,970	13,633	15,530
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	9,920	6,809	9,925
Total equity	11,804	8,693	11,809
Untaxed reserves	2,919	3,292	2,919
Provisions			
Other provisions	44	44	43
Total provisions	44	44	43
Long-term liabilities			
Liabilities to Group companies	-	1,500	-
Total long-term liabilities	-	1,500	-
Current liabilities			
Accounts payable	45	15	19
Liabilities to Group companies	8	16	645
Current tax liabilities	-	-	21
Other liabilities	26	8	8
Accrued expenses and deferred income	124	65	66
Total current liabilities	203	104	759
Total liabilities	203	1,604	759
Total equity and liabilities	14,970	13,633	15,530

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 and Sustainability 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 monitor 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 and Peab Finans 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 2024 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	5,087	3,340	1,650	1,049	15		11,141	309	11,450
Internal sales	701	218	761	6	314	-2,000	-		-
Total	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450
Allocation per country									
Sweden	4,580	3,217	1,921	739	266	-1,806	8,917	-19	8,898
Norway	686	341	102	106	30	-127	1,138	315	1,453
Finland	522		249	210	33	-67	947	13	960
Denmark			137				137		137
Other			2				2		2
Total	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450
Allocation per type of customer									
Public sector	2,858	2,579	257	3	12		5,709	-2	5,707
Private customers	2,229	761	1,393	1,046	3		5,432	311	5,743
Internal customers	701	218	761	6	314	-2,000	-		-
Total	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450
Allocation per point in time									
At one point in time	17	5	1,179	513	14	-239	1,489	890	2,379
Over time	5,767	3,549	724	513	257	-1,362	9,448	-581	8,867
Rent revenue ²⁾	4	4	508	29	58	-399	204		204
Total	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450
Allocation per type of revenue									
Construction contracts	5,767	3,549	724	513	10	-1,115	9,448	-581	8,867
Sales of goods			896			-169	727		727
Sales of property projects				510			510	890	1,400
Transportation services			249			-61	188		188
Administrative services					247	-247	-		-
Rent revenue ²⁾	4	4	508	29	58	-399	204		204
Other	17	5	34	3	14	-9	64		64
Total	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450

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 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-Dec 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	23,195	13,786	16,086	5,695	59		58,821	2,779	61,600
Internal sales	4,585	1,378	3,876	27	1,428	-11,294	-		-
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per country									
Sweden	20,250	13,692	12,272	4,331	1,169	-9,633	42,081	857	42,938
Norway	4,236	1,472	1,588	357	159	-749	7,063	261	7,324
Finland	3,294		4,934	1,034	158	-910	8,510	1,661	10,171
Denmark			1,145		1	-2	1,144		1,144
Other			23				23		23
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per type of customer									
Public sector	12,047	10,847	5,475	47	47		28,463	-32	28,431
Private customers	11,148	2,939	10,611	5,648	12		30,358	2,811	33,169
Internal customers	4,585	1,378	3,876	27	1,428	-11,294	-		-
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per point in time									
At one point in time	51	20	6,387	1,785	84	-1,129	7,198	6,807	14,005
Over time	27,717	15,131	11,392	3,820	1,193	-8,490	50,763	-4,028	46,735
Rent revenue ²⁾	12	13	2,183	117	210	-1,675	860		860
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per type of revenue									
Construction contracts	27,717	15,131	11,392	3,820	77	-7,374	50,763	-4,028	46,735
Sales of goods			5,036			-790	4,246		4,246
Sales of property projects				1,743			1,743	6,807	8,550
Transportation services			1,205			-273	932		932
Administrative services					1,116	-1,116	-		-
Rent revenue ²⁾	12	13	2,183	117	210	-1,675	860		860
Other	51	20	146	42	84	-66	277		277
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600

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 2024 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	5,087	3,340	1,650	1,049	15		11,141	309	11,450
Internal sales	701	218	761	6	314	-2,000	-		-
Total revenue	5,788	3,558	2,411	1,055	329	-2,000	11,141	309	11,450
Operating profit	101	77	-479	246	-58	7	-106	94	-12
Operating margin, %	1.7	2.2	-19.9	23.3			-1.0		-0.1
Financial income							68		68
Financial expenses							-145	-10 ²⁾	-155
Net finance							-77	-10	-87
Pre-tax profit							-182	83	-99
Tax							53	-10	43
Profit for the period							-129	73	-56
Capital employed (closing balance)	-986	-394	10,806	18,334		-39 ³⁾	27,721	5,295	33,016
Total assets							43,949	4,941 ⁴⁾	48,890
Equity							14,976	-495	14,481
Equity/assets ratio, %							34.1		29.6
Net debt							9,139	5,790	14,929
Cashflow before financing	162 ⁵⁾	299 ⁵⁾	-536 ⁵⁾	151 ⁵⁾		-294 ⁶⁾	-218	199	-19

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 -10 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,424 million and housing projects SEK 3,517 million.

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

⁶⁾ Unallocated cash flow.

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-Dec 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	23,195	13,786	16,086	5,695	59		58,821	2,779	61,600
Internal sales	4,585	1,378	3,876	27	1,428	-11,294	-		-
Total revenue	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Operating profit	441	501	962	304	-299	-56	1,853	733	2,586
Operating margin, %	1.6	3.3	4.8	5.3			3.2		4.2
Financial income							584		584
Financial expenses							-542	-42 ²⁾	-584
Net finance							42	-42	0
Pre-tax profit							1,895	691	2,586
Tax							-481	-117	-598
Profit for the year							1,414	574	1,988
Capital employed (closing balance)	-985	-173	10,699	18,093	5 ³⁾		27,639	5,249	32,888
Total assets							44,295	4,881 ⁴⁾	49,176
Equity							15,082	-612	14,470
Equity/assets ratio, %							34.0		29.4
Net debt							8,676	5,861	14,537
Cash flow before financing	146 ⁵⁾	698 ⁵⁾	1,012 ⁵⁾	-2,254 ⁵⁾		-919 ⁶⁾	-1,317	3,972	2,655

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

²⁾ Refers to IFRS 16, additional leases SEK -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 2023, 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, 2024			Mar 31, 2023			Dec 31, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total	Level 2	Level 3	Total
MSEK									
Financial assets									
Securities held as fixed assets		45	45		57	57		46	46
<i>Of which unlisted funds</i>		4	4		16	16		5	5
<i>Of which unlisted shareholdings and participations</i>		41	41		41	41		41	41
Other current receivables	18		18	17		17	10		10
<i>Of which commodity hedging with futures</i>	16		16	9		9	9		9
<i>Of which currency derivatives</i>	2		2	8		8	1		1
Total financial assets	18	45	63	17	57	74	10	46	56
Financial liabilities									
Other long-term liabilities			-		18	18			-
<i>Of which contingent consideration</i>			-		18	18			-
Other current liabilities	40		40	30	1	31	16	6	22
<i>Of which currency derivatives</i>	1		1	1		1	3		3
<i>Of which commodity hedging with futures</i>	39		39	29		29	13		13
<i>Of which contingent consideration</i>			-		1	1		6	6
Total financial liabilities	40	-	40	30	19	49	16	6	22

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, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
MSEK						
Opening balance	5	26	26	41	41	41
Investments		2	5			
Sales						-1
Dividends received	-1					
Reported in profit/loss for the period						
Other operating costs (+)/other operating income (-)						1
Net finance		-12	-26			
Closing balance	4	16	5	41	41	41

Group	Contingent consideration		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
MSEK			
Opening balance	6	20	20
Payments during the period	-6		
Reported in profit/loss for the period			
Other operating costs (+)/other operating income (-)			-13
Reported in other comprehensive income		-1	-1
Closing balance	-	19	6

Future financial information

- | | |
|---|------------------|
| • Interim report January – June 2024 | July 16, 2024 |
| • Interim report January – September 2024 | October 25, 2024 |
| • Year-end report January – December 2024 | February 6, 2025 |
| • Annual and Sustainability Report 2024 | April, 2025 |

Förslöv, May 6, 2024

*Jesper Göransson
CEO and President*

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

Presentation of the interim report

This interim report will be presented digitally and on a phone conference Monday, May 6, 2024 at 2:00 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-report-2024>

Participate via telephone conference:

<https://conference.financialhearings.com/teleconference/?id=50048728>

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 6, 2024, 1:00 p.m. CET.

Quarterly data

Group, IFRS

MSEK	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022
Net sales	11,450	17,365	15,159	16,098	12,978	17,141	16,197	16,458	12,137
Production costs	-11,008	-16,139	-13,765	-14,141	-12,138	-15,466	-14,730	-14,845	-11,304
Gross profit	442	1,226	1,394	1,957	840	1,675	1,467	1,613	833
Sales and administrative expenses	-759	-843	-600	-867	-854	-851	-640	-929	-866
Other operating income	329	91	100	124	42	72	81	94	32
Other operating costs	-24	-3	17	-17	-21	-10	8	-3	-19
Operating profit	-12	471	911	1,197	7	886	916	775	-20
Financial income	68	61	56	431	36	39	18	22	24
Financial expenses	-155	-173	-198	-125	-88	-85	-60	-36	-39
Net finance	-87	-112	-142	306	-52	-46	-42	-14	-15
Pre-tax profit	-99	359	769	1,503	-45	840	874	761	-35
Tax	43	-148	-145	-315	10	-282	-163	-171	7
Profit for the period	-56	211	624	1,188	-35	558	711	590	-28
Profit for the period, attributable to:									
Shareholders in parent company	-57	211	623	1,189	-35	559	711	590	-28
Non-controlling interests	1	0	1	-1	0	-1	0	0	0
Profit for the period	-56	211	624	1,188	-35	558	711	590	-28
Key ratios, IFRS									
Earnings per share, SEK	-0.20	0.74	2.17	4.13	-0.12	1.93	2.43	2.01	-0.10
Average number of outstanding shares, million	287.5	287.5	287.5	287.5	287.5	288.0	291.3	294.4	295.0
Capital employed (closing balance)	33,016	32,888	35,805	36,442	33,831	33,590	32,230	31,232	29,765
Equity (closing balance)	14,481	14,470	14,405	13,780	13,652	13,786	13,250	12,736	13,792

Business areas

	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022
MSEK									
Net sales									
Construction	5,788	7,029	5,789	7,540	7,422	8,330	6,306	7,628	6,735
Civil Engineering	3,558	4,454	3,491	3,891	3,328	4,405	3,584	3,893	3,083
Industry	2,411	5,056	6,780	5,347	2,779	5,658	7,096	6,108	2,571
Project Development	1,055	1,456	856	1,569	1,841	1,986	2,234	1,977	2,464
– of which Property Development	23	453	7	65	9	11	304	120	59
– of which Housing Development	1,032	1,003	849	1,504	1,832	1,975	1,930	1,857	2,405
Group functions	329	377	343	390	377	409	380	385	358
Eliminations	-2,000	-2,733	-2,523	-2,981	-3,057	-3,740	-2,915	-3,133	-2,667
Group, segment reporting	11,141	15,639	14,736	15,756	12,690	17,048	16,685	16,858	12,544
Adjustment of housing to IFRS	309	1,726	423	342	288	93	-488	-400	-407
IFRS 16, additional leases									
Group, IFRS	11,450	17,365	15,159	16,098	12,978	17,141	16,197	16,458	12,137
Operating profit									
Construction	101	-358	96	141	162	166	126	177	160
Civil Engineering	77	180	110	152	59	175	118	148	53
Industry	-479	476	588	333	-435	283	519	341	-396
Project Development	246	17	46	114	127	309	265	264	289
– of which Property Development	261	63	21	29	-6	19	91	43	34
– of which Housing Development	-15	-46	25	85	133	290	174	221	255
Group functions	-58	-159	-33	-34	-73	-53	-27	-47	-71
Eliminations	7	-23	-21	-16	4	-27	-8	2	-25
Group, segment reporting excl. MoS	-106	133	786	690	-156	853	993	885	10
Construction – effect MoS				400					
Group, segment reporting	-106	133	786	1,090	-156	853	993	885	10
Adjustment of housing to IFRS	85	330	115	98	153	25	-86	-119	-39
IFRS 16, additional leases	9	8	10	9	10	8	9	9	9
Group, IFRS	-12	471	911	1,197	7	886	916	775	-20
Operating margin, %									
Construction	1.7	-5.1	1.7	1.9	2.2	2.0	2.0	2.3	2.4
Civil Engineering	2.2	4.0	3.2	3.9	1.8	4.0	3.3	3.8	1.7
Industry	-19.9	9.4	8.7	6.2	-15.7	5.0	7.3	5.6	-15.4
Project Development	23.3	1.2	5.4	7.3	6.9	15.6	11.9	13.4	11.7
– of which Property Development	1,134.8	13.9	300.0	44.6	-66.7	172.7	29.9	35.8	57.6
– of which Housing Development	-1.5	-4.6	2.9	5.7	7.3	14.7	9.0	11.9	10.6
Group functions									
Eliminations									
Group, segment reporting excl. MoS	-1.0	0.9	5.3	4.4	-1.2	5.0	6.0	5.2	0.1
Group, segment reporting	-1.0	0.9	5.3	6.9	-1.2	5.0	6.0	5.2	0.1
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Group, IFRS	-0.1	2.7	6.0	7.4	0.1	5.2	5.7	4.7	-0.2
Key ratios, segment reporting, MSEK									
Earnings per share excl. MoS, SEK	-0.45	-0.25	1.85	1.68	-0.54	1.89	2.69	2.36	0.04
Earnings per share, SEK	-0.45	-0.25	1.85	3.86	-0.54	1.89	2.69	2.36	0.04
Capital employed (closing balance)	27,721	27,639	29,072	29,406	25,910	25,000	23,546	22,828	22,117
Equity (closing balance)	14,976	15,082	15,239	14,770	14,687	14,978	14,469	13,868	14,812
Orders received	17,889	10,527	11,034	12,505	11,042	10,455	13,095	14,334	15,375
Order backlog at the end of the period	47,808	39,060	41,669	43,638	44,595	44,389	48,762	49,899	49,968

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/Earnings per share excl. MoS

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. Earnings per share excl. MoS are calculated excluding the effect of arbitration decision concerning Mall of Scandinavia. For details, see Annual and Sustainability Report 2023.

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 liabilities concerning 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 margin excl. MoS

Operating profit as a percentage of net sales. Shows profitability in the business. Operating margin excl. MoS is calculated excluding the effect of arbitration decision concerning Mall of Scandinavia. For details, see Annual and Sustainability Report 2023.

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



Local and close to our customers

Peab works locally where our customers are and where people live their lives. Every day our 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 57 billion

Employees, appr.

14,000



Business area Construction



Business area Civil Engineering



Business area Industry



Business area Project Development

Peab is the Nordic Community Builder with some 14,000 employees and net sales of approximately SEK 57 billion. The Group has strategically located offices in Sweden, Norway, Finland and Denmark. Group headquarters are in Förslöv on the Bjäre Peninsula in Skåne. The share is listed on Nasdaq Stockholm.

Contact

Peab AB (publ)
Margretetorpsvägen 84
SE-269 73 Förslöv
Phone +46 431-890 00

peab.com

