

Quarterly report

JANUARY – MARCH 2022



Platinan
Gothenburg



PEAB
THE NORDIC COMMUNITY BUILDER

Stable start of the year

In this report amounts and comments are based on segment reporting if not otherwise specified. The Group has different accounting principles in segment reporting compared to reporting according to IFRS for our own housing development projects and for IFRS 16 (previously operational leasing contracts). For more information on our accounting principles and the differences between segment reporting and reporting according to IFRS, see note 1 and 3. For information on alternative performance measures, see the section Alternative performance measures and definitions.

Summary according to segment reporting

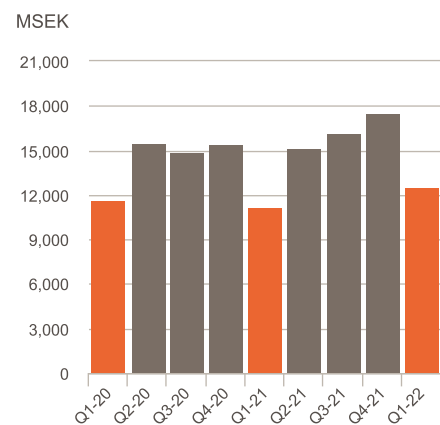
- Net sales SEK 12,544 million (11,216)
- Operating profit SEK 10 million (-73)
- Operating margin 0.1 percent (-0.7)
- Pre-tax profit SEK 8 million (-67)
- Earnings per share SEK 0.04 (-0.19)
- Orders received SEK 15,375 million (14,446)
- Order backlog SEK 49,968 million (47,286)
- Cash flow before financing SEK -323 million (-108)
- Net debt SEK 2,991 million (4,045)
- Net debt/equity ratio 0.2 (0.3)

Group

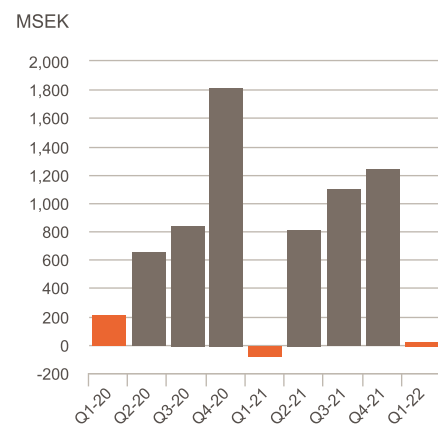
MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Segment reporting				
Net sales	12,544	11,216	61,354	60,026
Operating profit	10	-73	3,181	3,098
Operating margin, %	0.1	-0.7	5.2	5.2
Pre-tax profit	8	-67	3,151	3,076
Profit for the period	13	-55	2,575	2,507
Earnings per share, SEK	0.04	-0.19	8.73	8.50
Return on equity, % ¹⁾	18.5	21.3	18.5	18.5
Return on capital employed, % ¹⁾	15.5	16.2	15.5	15.6
Net debt	2,991	4,045	2,991	2,404
Net debt/equity ratio, multiple	0.2	0.3	0.2	0.2
Equity/assets ratio, %	36.7	37.0	36.7	36.3
Cash flow before financing	-323	-108	2,826	3,041
Average number of employees ¹⁾	15,018	15,761	15,018	15,454
Reporting according to IFRS				
Net sales, IFRS	12,137	11,124	59,936	58,923
Operating profit, IFRS	-20	-114	3,069	2,975
Pre-tax profit, IFRS	-35	-122	2,989	2,902
Profit for the period, IFRS	-28	-99	2,448	2,377
Earnings per share, IFRS, SEK	-0.10	-0.34	8.30	8.06
Net debt, IFRS	11,659	10,296	11,659	10,515
Equity/assets ratio, IFRS, %	29.2	29.9	29.2	29.0
Cash flow before financing, IFRS	-777	-435	710	1,052

¹⁾ Calculated on rolling 12 months

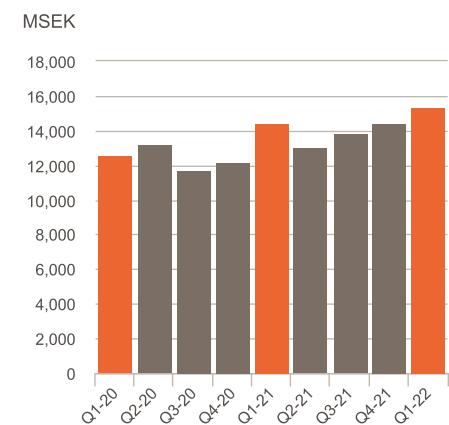
Net sales



Operating profit



Orders received



Comments from the CEO

We started the year by continuing in a positive direction with growth in net sales, profit and orders received. The level of production-starts and sales of our own housing developments was high while we maintained a strong financial position. However, external events have made future prospects uncertain.

Group development

The first quarter entails lower activity for us due to the season and weather, primarily in the business areas Civil Engineering and Industry. Group net sales increased by twelve percent during the first quarter and amounted to SEK 12,544 million (11,216). Operating profit was SEK 10 million (-73) and the operating margin was 0.1 percent (-0.7). Cash flow before financing amounted to SEK -323 million (-108).

Business area development

Net sales in business area Construction increased by nine percent, primarily related to Swedish operations, and amounted to SEK 6,735 million (6,196). Housing continued to generate an increasing portion of net sales. The operating margin was unchanged at 2.4 percent (2.4). Both net sales and the operating margin were unchanged in business area Civil Engineering where the latter was 1.7 percent (1.7). The combined operating margin for both construction contract businesses in the first quarter added up to 2.2 percent (2.2).

Net sales in business area Industry increased by 17 percent amounting to SEK 2,571 million (2,204) and the operating margin was -15.4 percent (-18.0). The negative operating profit is largely due to the fact that the season for paving operations starts in the second quarter.

In Project Development net sales increased by 44 percent and is attributable to Housing Development where a higher number of ongoing housing developments benefits net sales. The operating margin in Housing Development was 10.6 percent (12.1).

Start-ups of our own housing developments during the first quarter amounted to 724 units (662), of which 147 (206) were converted from rental apartments. Production-starts are well spread geographically with Sweden in the majority while sales have continued to be good in all three countries.

Order situation

The level of orders received was strong during the first quarter as well, increasing to SEK 15,375 million (14,446), which is six percent growth. Housing continues to be a large portion of orders received. Order backlog yet to be produced at the end of the period was SEK 49,968 million (47,286). Of the total order backlog 42 percent (38) will be produced after 2022 (2021).

”

”We started the year by continuing in a positive direction with growth in net sales, profit and orders received.”

Outcome of targets after the first quarter

We monitor our business based on nine external targets – both financial and non-financial targets, that at the same time identify our sustainability aspects. We are reporting the outcome for three of them this quarter: serious accidents, operating margin and net debt/equity ratio.

After a contracting trend in serious accidents in 2021 the number of serious accidents at our workplaces has increased in the first quarter 2022 and were per a rolling twelve month period 34 on March 31, 2022 (32 on March 31, 2021). Of these, 14 referred to our own employees and 20 referred to subcontractors. It's regrettable that the trend turned and it shows how important it is to continuously work on our safety culture so as not to lose focus on the risks in our work. Regarding our financial targets, the operating margin calculated on a rolling twelve month period remained at 5.2 percent compared to the entire year 2021. Our target is to over time surpass 6 percent. The net debt/equity ratio was also unchanged compared to the previous quarter, i.e. 0.2, which is lower than the target interval 0.3-0.7.



Market and prospects for the future

In the first quarter of the year our pandemic-dominated existence was replaced by a world where Russia at the end of February had invaded Ukraine.

In addition to the terrible tragedy the war is for the people of Ukraine, future prospects have become more uncertain since the start of 2022 with even more disturbances in the supply chain and higher prices for energy and input goods essential to Peab. Inflation has skyrocketed along with long-term interest rates. The Riksbank, Sweden's central bank, has now begun a more stringent interest policy in order to achieve the inflation target of two percent. Another factor that can create a bumpy market is the uncertainty about long-term access to cement in Sweden.

During 2021 and the first part of 2022 Peab has been able to handle the rise in prices and material shortages well. We continually work to adjust and streamline our operations to curb rising construction costs. Now that the situation has escalated we have to, based on operational and contractual circumstances, systematically deal with delivery problems and price hikes within existing contracts and in new bids we tender. We are doing this through a tight dialogue with our subcontractors, suppliers and customers. Regarding CEMENTA's permit process for Slite we are following developments closely. We also continue to work on our own binder alternatives and securing the supply of cement by importing it ourselves.

What remains to be seen is how all of this will affect demand short-term. The unstable market situation is reflected in the various assessments made by market analysts where access to cement is one vital factor. Our market assessments are based on Navet's Nordic market forecasts that predominantly indicate a horizontal development in 2022 and 2023 in housing investments and other building construction. Regarding investments in civil engineering the forecast indicates a decline from a high level in Sweden, sideways movement in Finland and an upturn in Norway.

I'm convinced that in the long run the need for our products and services on the markets where we are active is substantial. With our competent employees, solid business model with four collaborating business areas and extensive Nordic local presence we are well-equipped to face these uncertain times.

Jesper Göransson
President and CEO

Net sales and profit

January – March 2022

Group net sales during the first quarter 2022 increased by twelve percent and amounted to SEK 12,544 million (11,216). Adjusted for acquired and divested units and exchange rate effects, net sales increased by ten percent. Net sales during the latest rolling 12 month period were SEK 61,354 million compared to SEK 60,026 million for the entire year 2021. The proportion of public sector customers was 41 percent (43) while private customers represented 59 percent (57) of total net sales calculated on a rolling 12 month period.

Net sales in business area Construction increased by nine percent and the increase primarily refers to Swedish operations. The business area Civil Engineering had unchanged net sales in the first quarter. Net sales in business area Industry increased by 17 percent with increases in most of the product areas. In business area Project Development net sales increased by 44 percent and the increase is attributable to Housing Development. The greater number of ongoing housing projects and a high level of home sales has had a positive effect on net sales in Housing Development.

Operating profit for the first quarter 2022 amounted to SEK 10 million (-73) and the operating margin was 0.1 percent (-0.7). There has been a significant rise in the price of materials and energy during 2021 and the first part of 2022. We have handled the price hikes along with supply chain disturbances through adjusting and streamlining operations and so far there has been a limited impact on operating profit.

In business area Construction the operating margin was unchanged at 2.4 percent compared to same period the last year. Even in business area Civil Engineering the operating margin was unchanged at 1.7 percent (1.7). All in all the operating margin for construction contract businesses amounted to 2.2 percent (2.2). Business area Industry has a very clear seasonal pattern where the first quarter is characterized by substantial deficits since the season begins in the second quarter. Operating profit in business area Industry was unchanged and amounted to SEK -396 million (-397) and the operating margin was -15.4 percent (-18.0). Operating profit in business area Project Development improved and the operating margin was 11.7 percent (12.5). Operating profit in Housing Development improved because of more ongoing housing projects and the operating margin was 10.6 percent (12.1). Capital gains from real estate transactions affected Property Development positively by SEK 13 million (0).

Depreciation and write-downs for the first quarter were SEK -320 million (-318).

Elimination and reversal of internal profit in our own projects have affected operating profit during the quarter net by SEK -25 million (-10).

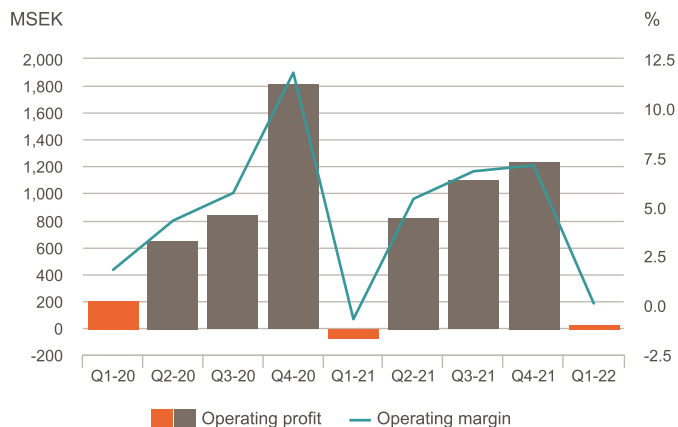
Net financial items amounted to SEK -2 million (6) of which net interest was SEK -12 million (-12). In net financial items exchange rate differences had an effect of SEK 0 million (12).

Pre-tax profit was SEK 8 million (-67). Profit for the period was SEK 13 million (-55).

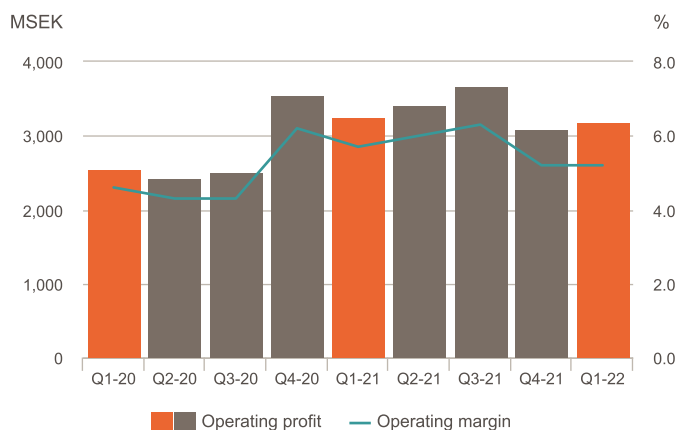
Seasonal variations

Group operations, particularly in Industry and Civil Engineering, are affected by fluctuations that come with the cold weather during the winter half of the year. Normally the first quarter is weaker than the rest of the year. The seasonal pattern has now become even stronger due to the acquisition in April 2020 of the paving and mineral aggregates operations in business area Industry.

Operating profit and operating margin, per quarter



Operating profit and operating margin, rolling 12 months



Financial position and cash flow

Financial position

Total assets according to segment reporting, per March 31, 2022 were SEK 40,309 million (36,227). Equity amounted to SEK 14,812 million (13,408) which means the equity/assets ratio was 36.7 percent (37.0).

Interest-bearing net debt amounted to SEK 2,991 million (4,045) at the end of March 2022. Net debt includes project financing of the unsold part of our own housing development projects as long as they are in production. The unsold part was SEK 1,573 million (968) and the increase is due to more housing projects in production compared to the same period last year. The average interest rate in the loan portfolio, including derivatives, was 1.5 percent (1.5) on March 31, 2022.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 10,808 million at the end of the period compared to SEK 10,590 million on December 31, 2021.

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 2,912 million at the end of the period compared to SEK 3,229 million on December 31, 2021. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 72 million of contingent liabilities compared to SEK 19 million on December 31, 2021.

Investments and divestments

During the quarter tangible and intangible fixed assets and investment property were net invested for SEK 337 million (481). The investments refer primarily to investments in machines.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 267 million (173) during the quarter.

Cash flow

Cash flow from current operations was SEK -330 million (184), of which cash flow from changes in working capital was SEK -290 million (103). The negative cash flow from changes in working capital referred to higher investments in project and development property in business area Project Development as well as larger stores in business area Industry.

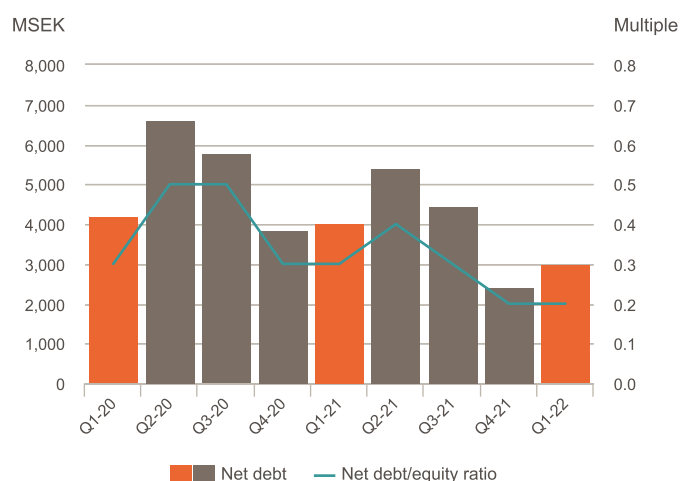
Cash flow from investment activities was SEK 7 million (-292). Investments during the quarter mainly consisted of machine investments in business area Industry along with repayment of loans in business area Project Development.

Cash flow before financing was SEK -323 million (-108).

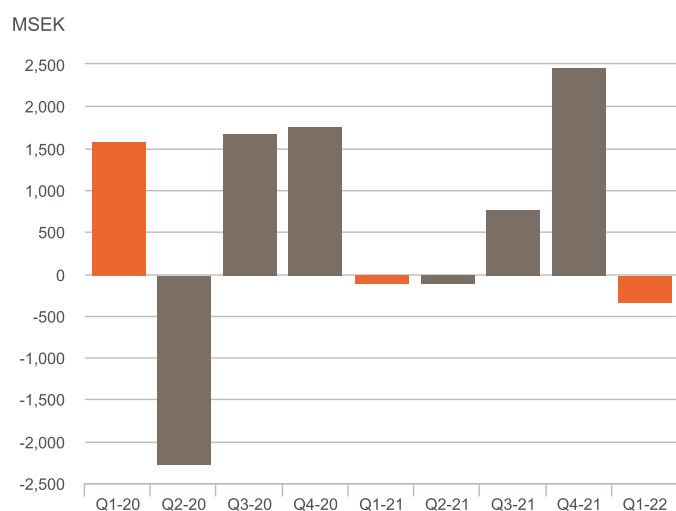
Net debt

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Bank loans	1,325	1,660	1,285
Commercial papers	966	742	1,206
Bonds	2,746	2,248	2,746
Financial leasing liabilities	685	633	699
Project financing, unsold part of housing projects	1,573	968	958
Other interest-bearing liabilities	10	-	11
Interest-bearing receivables	-1,344	-1,373	-1,550
Liquid funds	-2,970	-833	-2,951
Net debt, segment reporting	2,991	4,045	2,404
Additional leasing liabilities according to IFRS 16	1,687	1,771	1,720
Project financing, sold part of housing projects	6,981	4,480	6,391
Net debt, IFRS	11,659	10,296	10,515

Net debt and net debt/equity ratio



Cash flow before financing



Order situation

The level of orders received increased in the first quarter 2022 and amounted to SEK 15,375 million compared to SEK 14,446 million for the same quarter last year. Orders received are well spread both in product areas and geographically.

Orders received were higher in business areas Civil Engineering and Industry compared to the first quarter 2021 while they were lower in business area Construction. Orders received were on par with the level in the first quarter 2021 in business area Project development although the number of production-started homes were higher.

Order backlog yet to be produced at the end of the period amounted to SEK 49,968 million compared to SEK 47,286 million at the end of corresponding period last year. Of the total order backlog, 42 percent (38) will be produced after 2022 (2021). Swedish operations accounted for 75 percent (76) of the order backlog.

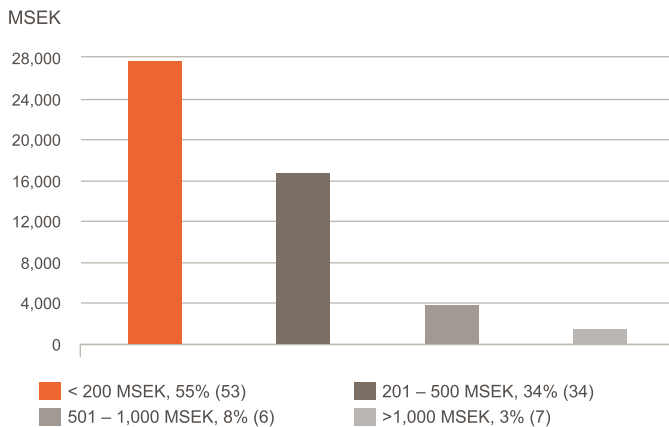
Orders received

MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Construction	5,995	7,029	29,869	30,903
Civil Engineering	4,980	4,608	15,191	14,819
Industry	3,835	3,302	11,101	10,568
Project Development	2,495	2,507	9,969	9,981
Eliminations	-1,930	-3,000	-9,353	-10,423
Group	15,375	14,446	56,777	55,848

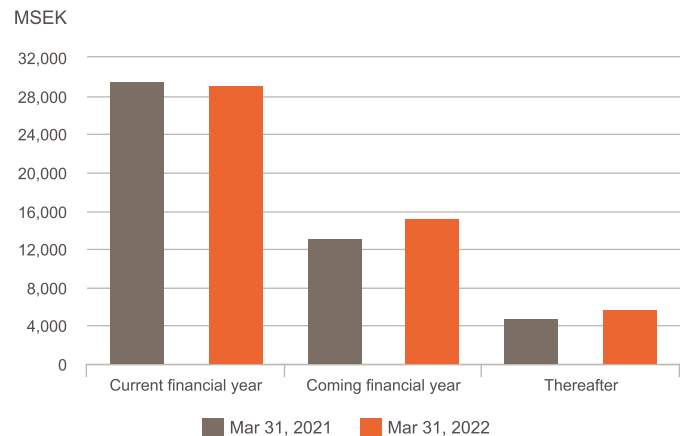
Order backlog

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Construction	29,452	27,385	30,142
Civil Engineering	15,917	14,822	13,955
Industry	7,003	6,497	3,886
Project Development	6,910	6,149	6,555
Eliminations	-9,314	-7,567	-9,220
Group	49,968	47,286	45,318

Project size of order backlog, March 31, 2022



Order backlog allocated over time



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

- + Construction of homes in Tampere. The customer is Y-Säätiön M2-Kodit. The contract is worth EUR 11 million.
- + Rebuilding E22 between Lösen and Jämsjö outside of Karlskrona. The customer is the Swedish Transport Administration. The contract is worth SEK 745 million.
- + Construction of 30 apartments and eight terraced houses in Bekkestua. The customer is Hans Haslums vei Utvikling AS. The contract is worth NOK 150 million.
- + Construction of a new dock in Hargs Hamn in Östhammar Municipality. The customer is Hargs Hamn AB. The contract is worth SEK 125 million.
- + Renovation of rental apartments for Helsingin kaupungin asunnot Oy (HEKA) in Jakomäki in Helsinki. The contract is worth EUR 22 million.
- + Construction of 160 rental apartments in Korsängen in Enköping. The customer is Genova Property Group. The contract is worth SEK 202 million.
- + Construction of a new workshop facility and offices in Bäckebo in Gothenburg. The customer is Volvo Lastvagnar Sverige AB and the contract is worth SEK 248 million.
- + Construction of jail in Berga in Helsingborg. The customer is Specialfastigheter Sverige AB. The contract is worth SEK 243 million.
- + Supplementary order to the civil engineering project at Forsåker in Mölndal. The customer is the City of Mölndal. The total contract is worth SEK 200 million.
- + Rebuild Highway 40 between Nässjö and Eksjö. The customer is the Swedish Transport Administration. The contract is worth SEK 357 million.
- + Eight operation contracts for road maintenance from the Swedish Transport Administration. In total Peab will maintain around 8,500 kilometers of state roads over the next four years with an extension option for another two years. The cumulative worth of the contracts is more than SEK 1.3 billion.

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

- + Brf Skimret in Sollentuna comprising 116 apartments. The project is expected to be completed in October 2024.
- + Brf Fyrskeppet in Malmö comprising 103 apartments. Sustainability is an intrinsic part of the building including a climate improved frame from ECO-Stomme (ECO-Frame) and ECO-Betong (ECO-Concrete), solar panels, sedum roofs, facade greenery and a system to retrieve energy from used warm water as well as reusing material from the old shipyard. The project is expected to be completed in July 2024.
- + Brf Tallgläntan in Borås comprising 60 apartments. The project will be certified according to the Swan environmental certification and is expected to be completed in October 2023.
- + Brf Grönmyntan in Hässelby in Stockholm comprising 98 apartments. The project will be certified according to the Swan environmental certification and is expected to be completed in March 2024.
- + Brf Bergkullen in Alingsås comprising 51 apartments. The project will be certified according to the Swan environmental certification and is expected to be completed in March 2024.
- + Brf Östra Citygården in Partille comprising 50 apartments. The project will be certified according to the Swan environmental certification and is expected to be completed in February 2024.
- + Jyväsjärven Loiste in Jyväskylä comprising 38 apartments. The building is focused on optimizing energy and the project is expected to be completed in April 2023.

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

- + Three-year contract in the Örebro and Karlskoga area worth SEK 85 million. The asphalt volume is in total 48,000 tons.
- + Two-year contract in Gäddede worth SEK 57 million. The asphalt volume is in total 84,000 tons.
- + Three-year contract in the Uddevalla area worth SEK 49 million. The asphalt volume is in total 33,000 tons.
- + One-year contract in Västerbotten worth SEK 41 million. The asphalt volume is in total 16,000 tons.
- + One-year contract in Southwest Finland worth EUR 8.7 million. The asphalt volume is in total 151,000 tons.
- + Two-year contract in Espoo worth EUR 6.3 million. The asphalt volume is in total 76,000 tons.
- + One-year contract in Southern Österbotten worth EUR 3.3 million. The asphalt volume is in total 50,000 tons.
- + One-year contract in Herning Municipality worth DKK 23 million. The asphalt volume is in total 30,000 tons.
- + One-year contract in Region North worth DKK 12 million. The asphalt volume is in total 14,000 tons.
- + One-year contract in Region Middle worth DKK 8 million. The asphalt volume is in total 9,000 tons.

Overview business areas

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments.

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

In addition to the business areas central companies, certain subsidiaries and other holdings are presented as Group functions. The central companies primarily consist of the parent company Peab AB, Peab Finans AB, Peab Support (Shared Service Center) and Peab Utveckling AB.

Net sales and operating profit per business area

MSEK	Net sales				Operating profit			
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Construction	6,735	6,196	27,519	26,980	160	151	720	711
Civil Engineering	3,083	3,090	14,173	14,180	53	52	472	471
Industry	2,571	2,204	19,154	18,787	-396	-397	939	938
Project Development	2,464	1,710	10,251	9,497	289	213	1,313	1,237
– of which Property Development	59	30	550	521	34	10	255	231
– of which Housing Development	2,405	1,680	9,701	8,976	255	203	1,058	1,006
Group functions	358	301	1,371	1,314	-71	-82	-217	-228
Eliminations	-2,667	-2,285	-11,114	-10,732	-25	-10	-46	-31
Group, segment reporting	12,544	11,216	61,354	60,026	10	-73	3,181	3,098
Adjustment housing to IFRS	-407	-92	-1,418	-1,103	-39	-49	-142	-152
IFRS 16, additional leases	–	–	–	–	9	8	30	29
Group, IFRS	12,137	11,124	59,936	58,923	-20	-114	3,069	2,975
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>9,818</i>	<i>9,286</i>	<i>41,692</i>	<i>41,160</i>	<i>213</i>	<i>203</i>	<i>1,192</i>	<i>1,182</i>

Percent	Operating margin			
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Construction	2.4	2.4	2.6	2.6
Civil Engineering	1.7	1.7	3.3	3.3
Industry	-15.4	-18.0	4.9	5.0
Project Development	11.7	12.5	12.8	13.0
– of which Property Development	57.6	33.3	46.4	44.3
– of which Housing Development	10.6	12.1	10.9	11.2
Group functions				
Eliminations				
Group, segment reporting	0.1	-0.7	5.2	5.2
Adjustment housing to IFRS				
IFRS 16, additional leases				
Group, IFRS	-0.2	-1.0	5.1	5.0
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	<i>2.2</i>	<i>2.2</i>	<i>2.9</i>	<i>2.9</i>

Business area Construction

With local roots close to customers business area Construction does construction work for both external and internal customers. Construction projects include everything from new production of housing, public and commercial premises to renovations and extensions as well as construction maintenance.

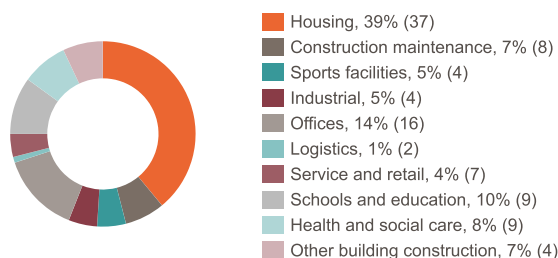
Operations in business area Construction are run via some 150 local offices around the Nordic area, organized in 13 regions in Sweden, three in Norway and two in Finland. There are specialized housing production units in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide region in Sweden focused on the big city areas. Other regions are responsible for all types of construction projects in their geographic area.

Net sales and profit

Net sales for the first quarter 2022 increased by nine percent and amounted to SEK 6,735 million (6,196). The increase is attributable to Swedish and Norwegian operations. Net sales are well spread among different product areas. Housing generated the largest portion of net sales with 39 percent (37) calculated on a rolling 12 months.

Net sales

per product area, rolling 12 months

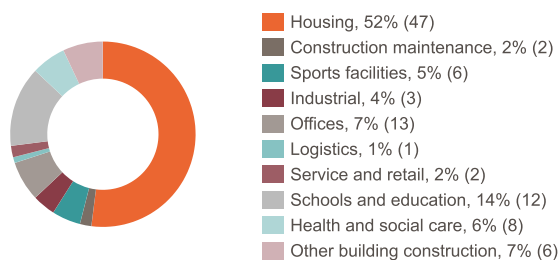


per geographic market, rolling 12 months

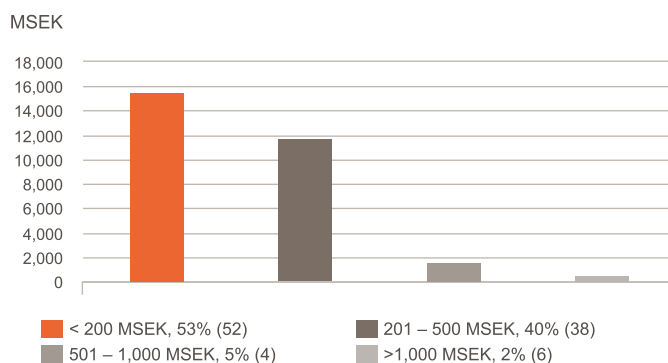


Order backlog, March 31, 2022

per product area



per project size



Key ratios

	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Net sales, MSEK	6,735	6,196	27,519	26,980
Operating profit, MSEK	160	151	720	711
Operating margin, %	2.4	2.4	2.6	2.6
Orders received, MSEK	5,995	7,029	29,869	30,903
Order backlog, MSEK	29,452	27,385	29,452	30,142
Operating cash flow, MSEK	181	528	1,307	1,654
Average number of employees ¹⁾	5,646	5,990	5,646	5,796

¹⁾ Calculated on rolling 12 months

Operating profit for the first quarter increased and amounted to SEK 160 million (151) while the operating margin was unchanged at 2.4 percent (2.4). The operating margin for the latest rolling 12 month period was 2.6 percent which was the same level as for the entire year 2021. Prices for material and energy have risen considerably during 2021 and the first part of 2022. We have handled the price hikes as well as delivery disturbances through adjusting and streamlining operations and so far there has been a limited impact on operating profit in Construction.

Orders received and order backlog

The level of orders received in the first quarter 2022 amounted to SEK 5,995 million (7,029). The orders received are well spread in both products and geographically although a large portion is housing projects.

Order backlog on March 31, 2022 was higher compared to the corresponding quarter last year and amounted to SEK 29,452 million (27,385). There is a higher portion of homes along with schools and educational premises in order backlog compared to the first quarter 2021.

Business area Civil Engineering

Business area Civil Engineering is a leading player in Sweden and has operations in Norway. Civil Engineering works with landscaping and pipelines, builds and maintains roads, railroads, bridges and other infrastructure as well as does foundation work. Operations are organized in geographic regions and the specialized product areas Local market, Infrastructure and heavy construction and Operation and maintenance.

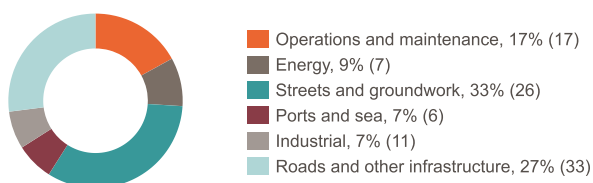
Local market works with landscaping and pipelines, does foundation work and builds different kinds of facilities as well as offers services in power and electricity distribution. Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. Operation and maintenance maintains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

Net sales and profit

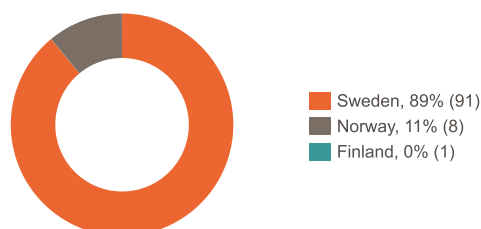
Net sales for the first quarter 2022 amounted to SEK 3,083 million (3,090). Net sales are well spread among different product areas.

Net sales

per product area, rolling 12 months

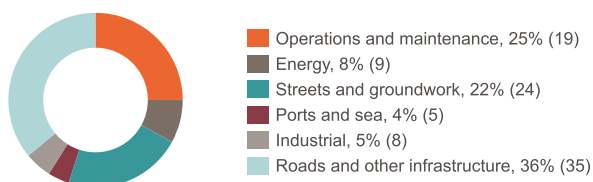


per geographic market, rolling 12 months

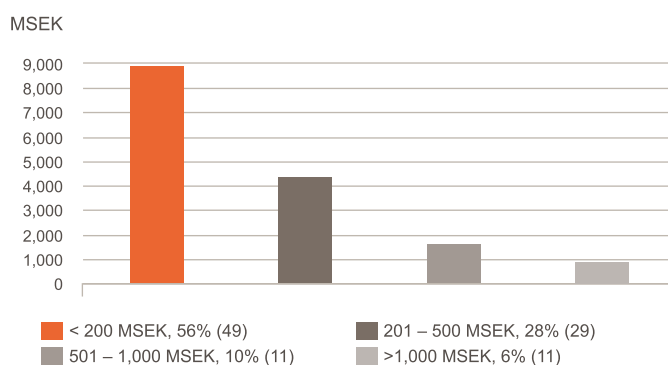


Order backlog, March 31, 2022

per product area



per project size



Key ratios

	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Net sales, MSEK	3,083	3,090	14,173	14,180
Operating profit, MSEK	53	52	472	471
Operating margin, %	1.7	1.7	3.3	3.3
Orders received, MSEK	4,980	4,608	15,191	14,819
Order backlog, MSEK	15,917	14,822	15,917	13,955
Operating cash flow, MSEK	16	378	559	921
Average number of employees ¹⁾	3,544	3,654	3,544	3,634

¹⁾ Calculated on rolling 12 months

Business area Industry

Business area Industry provides the products and services needed to carry out sustainable and cost-efficient construction and civil engineering projects on the Nordic market. With local roots we take on jobs big and small.

Industry offers everything from mineral aggregates, concrete, paving and temporary electricity to prefabricated concrete elements. Business area Industry also assists with crane and machine rental, distribution of binder to the concrete industry, transportation as well as recycles production waste and excavated soil. The business area is run in six product areas: Mineral Aggregates, Paving, Concrete, Transportation and Machines, Rentals and Construction System.

Net sales and profit

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

Net sales for the first quarter 2022 increased by 17 percent and amounted to SEK 2,571 million (2,204). Adjusted for acquired units and exchange rate effects, net sales increased by 15 percent. Net sales increased in most of the product areas in the first quarter compared to the same quarter last year.

Operating profit during first quarter was SEK -396 million (-397) and the operating margin was -15.4 percent (-18.0). The operating margin in the latest rolling 12 month period was 4.9 percent compared to 5.0 percent for the entire year 2021. Prices for material and energy have risen considerably during 2021 and the first part of 2022. We have handled the price hikes as well as delivery disturbances through adjusting and streamlining operations and so far there has been a limited impact on operating profit in Industry. During the first quarter earnings rose in Mineral Aggregates, Concrete and Rentals but were lower in Transportation and Machines and Construction System. There was a drop in production in a unit in Construction System caused by a high level of sick leave due to COVID that affected operating profit negatively by SEK 10 million. Operating profit was lower in Paving due to higher costs for maintenance and staff as a result of expanded operations.

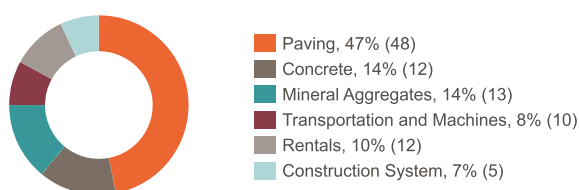
Capital employed at the end of the period was SEK 9,376 million compared to SEK 8,871 million at the end of the same period last year. The increase stems from investments in machines and larger stores.

Orders received and order backlog

The level of orders received during the first quarter 2022 amounted to SEK 3,835 million (3,302). The order backlog on March 31, 2022 amounted to SEK 7,003 million (6,497).

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Jan-Dec 2021
Net sales, MSEK	2,571	2,204	19,154	18,787
Operating profit, MSEK	-396	-397	939	938
Operating margin, %	-15.4	-18.0	4.9	5.0
Orders received, MSEK	3,835	3,302	11,101	10,568
Order backlog, MSEK	7,003	6,497	7,003	3,886
Capital employed at the end of the period, MSEK	9,376	8,871	9,376	9,266
Operating cash flow, MSEK	-442	-526	591	507
Average number of employees ¹⁾	4,891	5,238	4,891	5,110
Concrete, thousands of m ³ ²⁾	276	266	1,389	1,379
Paving, thousands of tons ²⁾	100	86	7,445	7,431
Mineral Aggregates, thousands of tons ²⁾	5,074	5,396	31,440	31,762

¹⁾ Calculated on rolling 12 months

²⁾ Refers to sold volume

Business area Project Development

Business area Project Development, which comprises Housing Development and Property Development, creates sustainable and vibrant urban environments with residential, commercial and public property.

The business area is responsible for the Group's property acquisitions and divestitures as well as project development which generates contract work for the other business areas. Project Development works through wholly owned companies or in collaboration with other partners in joint ventures. Peab's primary ambition is to work with development projects on our own balance sheet. Collaboration with other partners via joint ventures may take place from time to time during a project. The goal is to create capital efficient developments with partners that boost the business and thereby profitability.

Housing Development develops all kinds of homes on the Nordic market such as apartment buildings in tenancy ownership, ownership and rental form as well as single homes.

Property Development processes and develops office buildings, premises and sometimes entire city boroughs in collaboration with municipalities and other partners. Operations are primarily concentrated to the big city areas throughout the Nordic region.

Net sales and profit

Net sales for the first quarter 2022 increased in Project Development by 44 percent and amounted to SEK 2,464 million (1,710). The increase is attributable to Housing Development. Operating profit improved and amounted to SEK 289 million (213) with an operating margin of 11.7 percent (12.5).

Capital employed in Project Development at the end of the period amounted to SEK 13,624 million (12,853). The increase primarily refers to higher investments in project and development property.

Key ratios

	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Net sales, MSEK	2,464	1,710	10,251	9,497
<i>of which Property Development</i>	59	30	550	521
<i>of which Housing Development</i>	2,405	1,680	9,701	8,976
Operating profit, MSEK	289	213	1,313	1,237
<i>of which Property Development</i>	34	10	255	231
<i>of which Housing Development</i>	255	203	1,058	1,006
Operating margin, %	11.7	12.5	12.8	13.0
<i>of which Property Development</i>	57.6	33.3	46.4	44.3
<i>of which Housing Development</i>	10.6	12.1	10.9	11.2
Capital employed at the end of the period, MSEK	13,624	12,853	13,624	13,523
Orders received, MSEK	2,495	2,507	9,969	9,981
Order backlog, MSEK	6,910	6,149	6,910	6,555
Operating cash flow, MSEK	342	-268	859	249
Average number of employees ¹⁾	245	264	245	242

¹⁾ Calculated on rolling 12 months

Capital employed

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Operations property	53	176	52
Investment property	36	112	36
Project and development property	10,919	9,656	10,628
<i>of which housing development rights</i>	6,489	5,303	6,629
<i>of which commercial development rights</i>	558	601	613
<i>of which unsold part of ongoing housing projects</i>	1,954	2,214	1,549
<i>of which ongoing rental projects in Sweden</i>	794	597	727
<i>of which ongoing commercial projects</i>	575	293	483
<i>of which completed property</i>	124	304	123
<i>of which other</i>	425	344	504
Participation in joint ventures	2,442	1,830	2,371
Loans to joint ventures	1,193	1,240	1,177
Working capital and other	-1,019	-161	-741
Total	13,624	12,853	13,523
<i>of which Property Development</i>	4,312	3,795	4,265
<i>of which Housing Development</i>	9,312	9,058	9,258



Brf Hamnutsikten
Hammarö

Housing Development

Net sales increased by 43 percent and amounted to SEK 2,405 million (1,680). The increase is related to the Swedish operations. More ongoing housing projects and a high level of home sales has had a positive effect on net sales. Operating profit improved to SEK 255 million (203) and the operating margin was 10.6 percent (12.1). The operating margin for the latest 12 month period was 10.9 percent compared to 11.2 percent for the entire year 2021.

The number of start-ups of our own housing developments was high during the first quarter and amounted to 724 units (662). Production-starts primarily refer to Sweden but are well spread geographically throughout the country. Of these production-starts 147 (206) have been converted from rental projects. The number of sold homes was 800 (657), most of which were in Sweden.

Our own housing developments in production at the end of the period increased to 4,831 (3,821). The level of sold homes in production was 77 percent (74). The number of repurchased homes per March 31, 2022 was 134 (222) and they were mainly in Sweden and Finland.

No apartments in rental development projects have been production started or sold during the first quarter. During the same quarter last year 253 apartments in rental development projects were production started and 91 were sold. The number of apartments in rental development projects in production was 775 (719) at the end of the period. Of these 638 (419) have been sold to investors and will be recognized in profit/loss when they are turned over.

The need for housing is still considered good and we see a continuing interest in our own housing developments. Higher construction costs and possible hikes in interest rates make it difficult to assess future developments.

Capital employed increased at the end of the period and amounted to SEK 9,312 million (9,058).

Own housing development construction

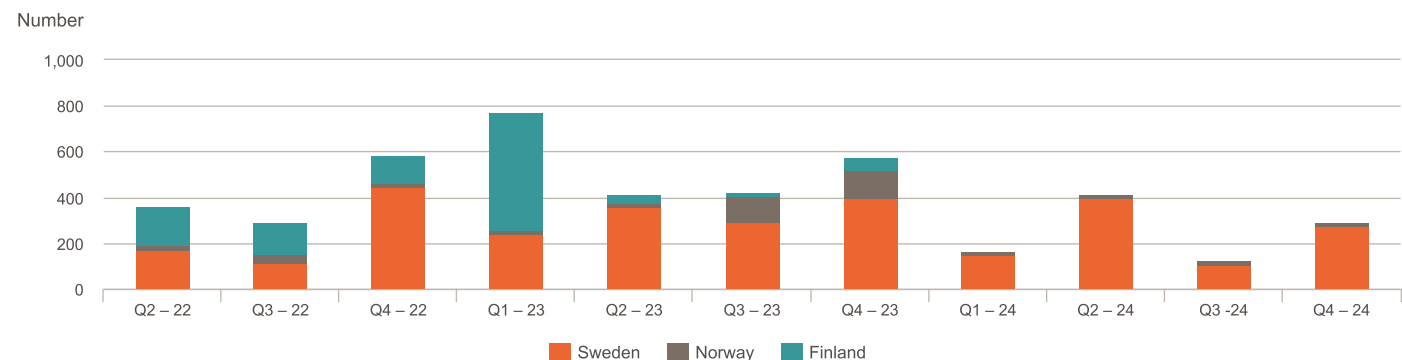
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Tenant-owner associations, ownership and residential limited companies				
Number of production-started homes during the period	724 ¹⁾	662 ¹⁾	3,082	3,020 ²⁾
Number of sold homes during the period	800	657	3,190	3,047
Total number of homes under production, at the end of the period	4,831	3,821	4,831	4,702
Portion of sold homes under production, at the end of the period	77%	74%	77%	76%
Number of repurchased homes on our balance sheet, at the end of the period	134	222	134	144
Rentals				
Number of production-started homes during the period	–	253	423	676
Number of sold homes during the period	–	91	–	91
Number converted to tenant-owner associations during the period	147	206	367	426
Total number of homes in production, at the end of the period	775 ³⁾	719	775	922

¹⁾ Includes 147 (206) homes that have been converted from rentals

²⁾ Includes 426 (228) homes that have been converted from rentals

³⁾ Of which 638 (419), respectively 82 percent (58), are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects ¹⁾



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

Net sales

per geographic market, rolling 12 months



Development rights for housing

Number, approx.	Mar 31 2022	Mar 31 2021	Dec 31 2021
Development rights on our own balance sheet	20,100	18,800	19,500
Development rights via joint ventures	4,600	4,400	4,600
Development rights via options etc.	9,900	9,800	10,500
Total	34,600	33,000	34,600



Property development

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

During the first quarter 2022 net sales increased to SEK 59 million (30) and operating profit improved to SEK 34 million (10). Capital gains from property sales amounted to SEK 13 million (-). Profit contributions from partially owned companies amounted to SEK 33 million during the first quarter compared to SEK 15 million in the same quarter last year.

Capital employed in Property Development was SEK 4,312 million (3,795). Most of the capital employed consists of shares in partially owned companies and loans to partially owned companies.

The table below presents the ongoing property projects per March 31, 2022. The sports arena in Sundsvall and the paddle hall in Trollhättan are under contract to be sold to external parties during the second, respectively fourth quarter 2022.

The logistics facility in Södertälje is under contract to be sold to Annehem Fastigheter during the second quarter 2022.

Ongoing property projects

Type of project	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Sports hall	Sundsvall	14,700	100	212	225	Q2-2022	94
Logistic facility	Södertälje	2,200	100	68	77	Q2-2022	89
Padel hall	Trollhättan	3,900	100	25	52	Q4-2022	48
Office building	Malmö	7,100	35	128	296	Q1-2023	43
Office building	Gothenburg	13,100	25	127	526	Q3-2024	24
Other ongoing projects				15			
Total				575			

Significant joint ventures

Peab's significant joint venture companies Fastighets AB Centur, Fastighets AB ML4, Point Hyllie Holding AB, Skiab Invest AB and Tornet Bostadsproduktion AB are developing well and via them Peab has built up considerable indirect holdings in investment property and development property for both commercial and residential purposes. Regular returns are in the form of shares in the profit from joint ventures recognized in operating profit and interest income on lending. Changes in market values that affect booked values in the joint venture companies are not included in Peab's accounts.

Fastighets AB Centur

Own, manage and develop commercial property and housing.

Peab's share: 50 percent

Partner: Balder

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

Recognized value on properties March 31, 2022 ¹⁾: SEK 7,612 million (7,197)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 591 million (435)

Major ongoing projects: Gjuteriet Varvsstaden, Malmö, renovation of around 4,600 m² (tenant Oatly)

Fastighets AB ML4

Own and manage the research facility Max IV. The facility is rented to Lund University.

Peab's share: 50 percent

Partner: Wihlborgs

Location: Lund

Recognized value on properties March 31, 2022: SEK 1,964 million (1,970)

Major ongoing projects: No major ongoing projects

Point Hyllie Holding AB

Develop, own and manage the office property The Point as well as own and manage the hotel property Vårdshuset 5 (Operator Quality Hotel View).

Peab's share: 50 percent

Partner: Volito

Location: Hyllie, Malmö

Recognized value on properties March 31, 2022: SEK 1,388 million (1,354)

Major ongoing projects: No major ongoing projects

Skiab Invest AB

Develop, own and manage commercial property and housing in the Scandinavian mountains.

Peab's share: 50 percent

Partner: SkiStar

Location: Scandinavian mountains

Recognized value on properties March 31, 2022 ¹⁾: SEK 2,249 million (41)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 27 million (-)

Major ongoing projects: Sadelbyn 7 with 42 tenant-owner apartments in Åre, Concept Store with 2,500 m² in Lindvallen, Sälen which is rented out to Skistar and tenant-owner apartments in Timmerbyn, Lindvallen in Sälen with 20 apartments

Tornet Bostadsproduktion AB

Develop, own and manage attractive and environmentally friendly rentals in larger cities in Sweden.

Peab's share: 33 percent

Partner: Folksam and Balder

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

Recognized value on properties March 31, 2022 ¹⁾: SEK 5,850 million (5,103)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 420 million (360)

Major ongoing projects: LP Parken, Gothenburg 15,000 m² rentable area, Tallbohov, Järfälla 10,500 m² rentable area, Tamarinden, Örebro 11,000 m² rentable area and other apartment building projects in Helsingborg, Lund and Umeå

¹⁾ Valued at market price in joint venture companies. The market prices on properties that affect the recognized values in the joint venture companies are not included in Peab's accounts.

Construction market

The market forecasts below have been prepared by Navet. Considering the particularly uncertain market and geopolitical situation the forecasts are based on the following assumptions:

- The war in Ukraine can be contained geographically and the most acute phase will end during the year. Purely financial effects of the war are expected to be, among other things, significantly higher prices for energy and construction material, weaker growth and a cooler investment climate, cautious households and housing prices leveling off.
- The supply of cement will be, through various temporary solutions, manageable during the forecast period.
- A cautious increase in interest rates in Sweden, continued increases in Norway and unchanged interest rates in Finland.

Sweden

The financial situation in Sweden continued to develop positively in 2021. In total the GNP is calculated to have grown by close to five percent in 2021, driven by private and public consumption and gross investments. However, as a result of the war in Ukraine the positive trend has tailed off leaving its wake rising inflation and less inclination to take risks. The forecast for the GNP in 2022 has been adjusted down to slightly more than three percent. Total building construction investments in 2021 rose by slightly more than four percent driven by a robust increase in industrial building construction. Zero growth is expected in 2022 but developments are difficult to predict due to the risk of a long drawn-out and escalating conflict, rising interest rates and uncertain access to cement. Housing investments are expected to develop sideways this year and then turn up in 2023 while other building construction is expected to remain on the same level in both 2022 and 2023. After having grown at a good rate in 2021 civil engineering investments are expected to back down from a high level in 2022.

Norway

The Norwegian economy continued to recover well in the latter part of 2021 and GNP is calculated to have grown by around four percent. Growth was largely due to positive developments for household consumption which benefited from a decrease in the unemployment rate and continued low interest rates. Growth is expected to continue at the same rate in 2022, despite rising interest rates and the effects of the war in Ukraine. A rapid drop in the unemployment rate is expected and household consumption will stay strong. It appears the total volume of building construction investments increased in 2021 due to the construction of single homes and more private premises. However, public building construction went against the tide and contracted last year. Zero growth in the total building construction volume is expected in 2022 and it seems the same is true for investments in housing and other building construction in 2022 and 2023. Investments in civil engineering are calculated to have increased considerably in 2021 and the forecast indicates even stronger growth in 2022.

Finland

The Finnish economy is calculated to have grown by about 3.5 percent in 2021, primarily driven by private and public consumption along with an increase in exports. The forecast indicates that financial growth can be around three percent in 2022, primarily driven by gross investments, exports and private consumption. The unstable situation in the world can, however, have a negative impact on exports. There is also a risk of rising energy prices and delivery disturbances in the wake of the war in Ukraine. The increase in building construction was more than ten percent in 2021 due to dramatic growth in industrial investments and new production of apartment buildings. The upturn in both housing investments and other building construction last year is expected to be followed by a downturn in 2022 and then level off in 2023. Civil engineering construction is calculated to have grown marginally in 2021 and the forecast indicates horizontal development for 2022.

Housing

	2022	2023	2024
Sweden	→	↗	→
Norway	↘	→	↗
Finland	↘	→	↗

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

Source: Navet

Other building construction

	2022	2023	2024
Sweden	→	→	↗
Norway	→	→	→
Finland	↘	→	→

Forecast for production-started other building construction investments, new production and renovations (Industry, office/retail etc. and public premises)

Source: Navet

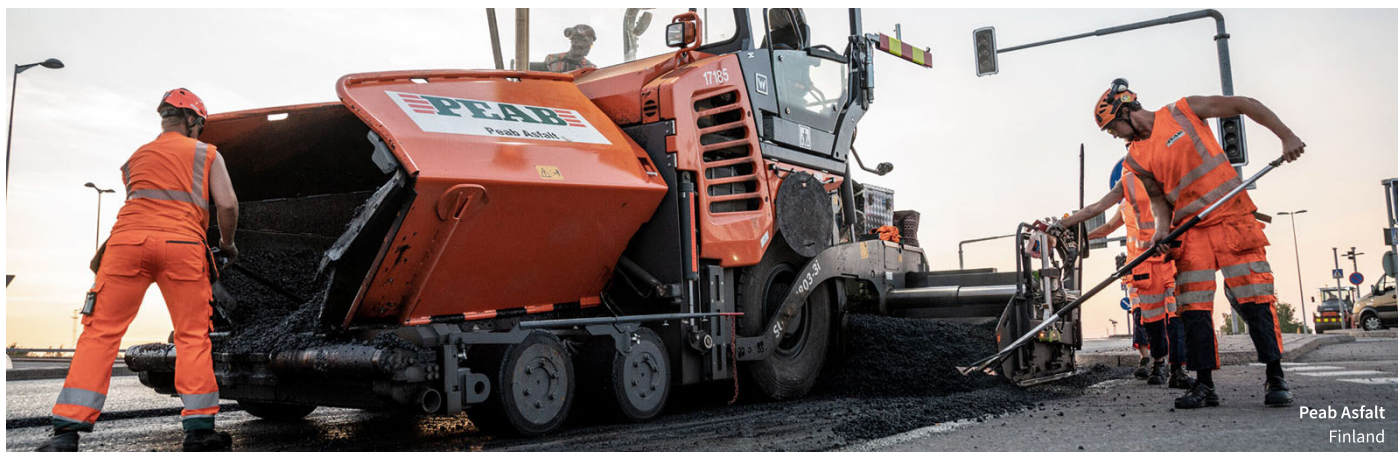
Civil engineering

	2022	2023	2024
Sweden	↘	→	-
Norway	↗	→	-
Finland	→	→	-

Forecast for civil engineering investments

Source: Navet

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



Peab Asphalt
Finland

Non-financial targets and sustainability

For more than 60 years Peab has contributed to sustainable social development and worked to improve everyday life for people in the local community. We do this by building everything from homes, schools and hospitals to bridges, roads and other infrastructure. Working sustainably is a strategic matter for Peab that always 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 targets – that also identify our prioritized sustainable aspects (Best workplace and Leader in social responsibility). We monitor our targets quarterly, semiannually or annually. In connection with the year-end report we present the outcome of all nine targets.

Most satisfied customers

It is imperative for a long-term, sustainable relationship that Peab deliver on its obligations. A satisfied customer is a customer that comes back and is fundamental to us. This is why our annual customer survey is a measure of how well we are meeting our customers' expectations while also indicating where there is room for improvement. Our latest Satisfied Customer Index (SCI), carried out in 2021, added up to 81 (80), which is a continued good result and higher than our target of 75. Customers' perception of Peab as priceworthy has developed in a particularly positive direction and regarding our business areas Project Development is notable for its strong development. At the beginning of 2022 we received yet another accolade in Prognoscentret's customer survey which showed Peab Bostad had the most satisfied homebuyers in Sweden. Peab Bostad particularly raised its ranking in the areas personnel and reliability. At the same time it was announced that our project Hamnutsikten (View of the Harbor) had the most satisfied customers of any single project in Sweden in 2021. See a picture of Hamnutsikten in the Project Development section.

The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Best workplace

Serious accidents

A safe work environment is the foundation of our business. Everyone at our workplaces should be able to be there under safe and secure conditions, despite the fact that there are risks involved in the work we do. In order to prevent incidents and accidents at our workplaces we develop quality-ensured work methods and train our employees. Our focus is on planning and risk assessment in projects as well as learning from reported risk observations, incidents and accidents. Peab employs a high portion of our own skilled workers compared to other actors in the construction and civil engineering industry, in addition to our many subcontractors. At the end of March 2022 Peab had 15,077 employees, of which 8,064 were skilled workers.

Our target of a contracting trend of serious accidents* comprises both our own employees and everyone at our workplaces. After a downward trend in 2021 the number of serious accidents at our workplaces increased in the first quarter and amounted to 13. Calculated for a rolling twelve month period the number was 34 per March 31, 2022 (32 per March 31, 2021). Of these, 14 referred to our own employees and 20 referred to subcontractors. It's regrettable that the trend turned and it shows how important it is to continuously work on our safety culture so as not to lose focus on the risks in our work.

We also monitor the number of workplace accidents with more than four days absence, excluding the day of injury (LT14), and workplace accidents according to the same definition per one million hours worked (LTIF4) for our own employees. In the first quarter of the year the number amounted to 42 (53 fourth quarter 2021) and the LTIF4 frequency rate for a rolling twelve month period was 6.8 (6.3 after the fourth quarter 2021).

Every remedied risk is one less potential accident, which is why we are highly focused on reporting and remedying risk observations*. During the first quarter 2022 the organization reported 14,200 risk observations.

During 2022 we will continue to strive for a contracting trend in serious accidents and incidents, above all by thorough investigations and taking measures to keep similar accidents from happening again.

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

Attractive employers (eNPS)

We will be the obvious choice for anyone who wants to work in the industry. Everyone will be part of safe and including workplaces with good work conditions and opportunities to develop at Peab. 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.

Participation in the autumn survey of 2021 was 84 percent in the Group, accompanied by many suggestions for improvement. This shows the great interest our employees have in contributing to developing their teams and our business.

Within the strategic target Best workplace the eNPS (recommend Peab) value should be above the benchmark for the industry (industry and manufacturing). The eNPS value for the Group rose in the autumn survey by five points compared to the previous evaluation and was 24 compared to 19 in the spring survey. This is clearly above the Nordic benchmark which is 15 compared to 10 in the previous evaluation. The increase is primarily in Swedish operations while the value in Norway dipped slightly from a high level. The eNPS value rose particularly for female employees but was also slightly higher for skilled workers. The next target update will be provided after the second quarter in connection with the presentation of the half-year report 2022.

Leader in social responsibility

Climate target for carbon dioxide intensity

In recent years Peab's climate and environmental work has increased in scope and we have honed our targets and metrics. 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's operations primarily cause emissions through production of the material we use, the use of the products we deliver – such as buildings – and the use of fossil fuel in our machines and vehicles. We are working on a number of initiatives to improve the climate that reduce emissions and get us closer to our climate targets. We have an advantage in that we can supply our construction contract businesses and the projects we develop ourselves with input goods and raw material through business area Industry, which augments our ability to aim for 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 2021 reveals that carbon dioxide intensity is developing in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 40 percent compared to base year 2015 and by three 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. The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Equal opportunity

Only about five percent of those that apply to Peab for relevant, practical training 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 want to challenge ourselves and thereby 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). After the end of 2021 the percentage of women in new recruitments was 6.8 percent in production and processing compared to our target of 5.0 percent and 34.9 percent in production management and production support whereas our target was 28.5 percent. Our target for 2022 regarding equal opportunity in production and processing is continuing to surpass 5.0 percent while our target for production management and production support has been raised to surpass 30.0 percent. The next target update will be provided after the fourth quarter in connection with the presentation of the year-end report 2022.

Activities during the first quarter


- As the first construction and civil engineering company in Sweden Peab signed a contract for the purchase of circular and locally produced salt, which contributes to more climate-adapted summer and winter road maintenance on the country's network of roads. As of autumn 2022 Peab will buy recycled sodium chloride for anti-skid road surfacing in the winter and calcium chloride to bind dust on roads in the summer. The circular salts are extracted through a new method where by-products from waste sent to incineration are converted into salt. By transitioning to circular salt for road maintenance Peab will reduce its carbon emissions by 10,000 tons annually.
- Peab's subsidiary Swerock launched ECO-Betong, concrete that has a lower climate impact, on the Finnish market. Replacing part of the cement with slag, a by-product from the steel industry, reduces carbon emissions in manufacturing and the extraction of virgin limestone.
- Peab became a member of the network Diversity Charter Sweden which is a non-profit organization that promotes diversity in the workplace. The organization offers opportunities for networking and exchanging experiences for all working actively with diversity and an inclusive approach in their own organization.
- In order to reduce energy consumption and climate impact a new industry standard for energy classification of construction barracks and barrack establishment has been launched.
- The project Platinan Sprout School, in which around 200 high school students in Gothenburg drew up a proposal for how the design of the area Lilla Bommen, was completed. The project was a partnership between Vasakronan, Peab and the City of Gothenburg and comprised a school project and summer jobs that ran parallel with construction of Vasakronan's office building project Platinan.
- Peab's Equal Treatment Policy with an action plan for combatting discrimination and victimization was updated for 2022. It now includes a course in equal treatment in the educational package for new employees, and all employees must take the course at specified intervals.
- Peab appointed a head of equality, diversity and inclusion, which is a new position in the Group.
- Peab's construction project Tallgläntan Block in Västerås was nominated to receive Maintain Zero's work environment award which spotlights and spreads good examples within the construction and civil engineering industry. The project was nominated for its work on clearly explaining expectations at start meetings and registration, and thereby increasing comprehension of, and engagement in, the work environment and the environment among co-workers in the project.



Summary external targets

In order to further promote value creation we have updated everything from our mission, business concept and strategic target areas to internal and external financial and non-financial targets. As of 2021 Peab externally reports the performance of our business by monitoring nine targets, of which three are financial and based on segment reporting and six are non-financial targets. We consider the external targets particularly important and they are a subset of our internal targets and action plans.

Both the internal and external financial and non-financial targets are categorized under the strategic targets; Most satisfied customers, Best workplace, Most profitable company as well as the new, fourth strategic target, 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 will be a complete community builder that offers total solutions. We create value for our customers through expert and engaged employees.

>75
SCI always over 75




Best workplace

We will be the obvious choice for anyone who wants to work in the industry. Everyone will be part of safe and including workplaces with good work conditions and opportunities to develop at Peab.

eNPS
always over benchmark

ZERO VISION
serious accidents
Through a contracting trend



Most profitable company

With our engaged employees we ensure productivity and quality. Through our local presence, and the advantage of our size and mix of operations, we will become the most profitable company.

>6%
Operating margin

0.3–0.7
Net debt/equity ratio

>50 % of profit for the year
Dividend



Leader in social responsibility

As the Nordic Community Builder with a local presence we take responsibility through innovations and making demands concerning the climate and environment, order and correctness in the industry and equal opportunity. Active social engagement in the community and focus on young people's education are part of our fundamental values.

-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).

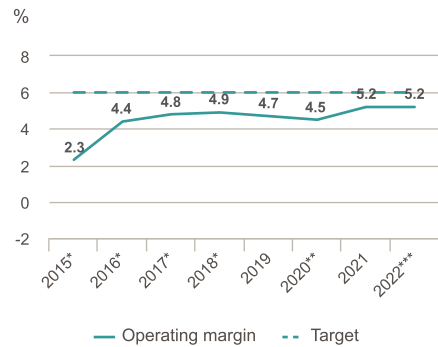
EQUAL OPPORTUNITY RECRUITMENT
Share of women recruited always over the education market

Target and target fulfilment

Most profitable company

Operating margin

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

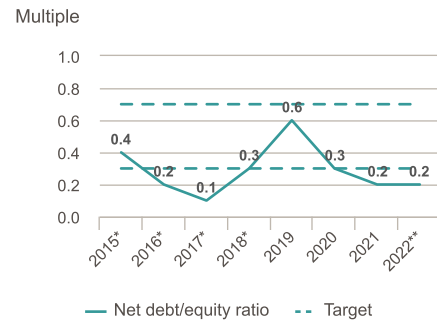


* Years 2015-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin excluding the effect of the distribution of Annhem Fastigheter (SEK 952 million) *** Calculated on a rolling 12 months per March 31, 2022.

Most profitable company

Net debt/equity ratio

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

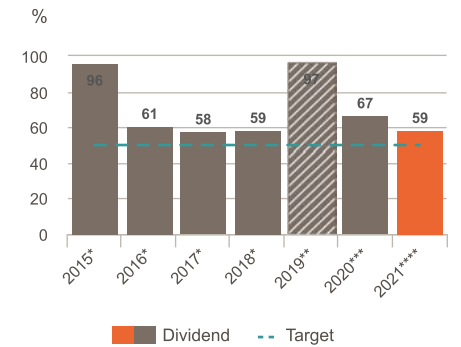


* Years 2015-2018 not translated according to changed accounting principles for own housing development projects. ** Per March 31, 2022.

Most profitable company

Dividend

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

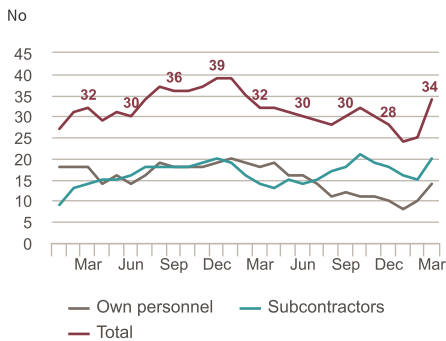


* Years 2015-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annhem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is calculated without the effect of SEK 952 million on profit due to the distribution of Annhem 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)

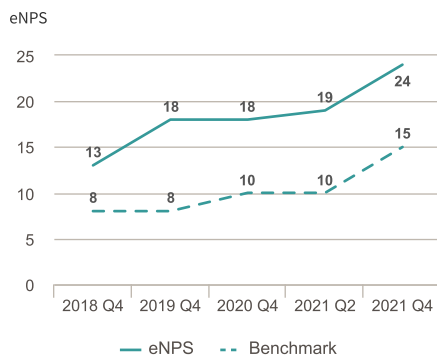


Refers to the period January 2020 – March 2022

Best workplace

eNPS

Target: > over benchmark (reported semiannually)



eNPS stands for employee Net Promoter Score and measures employee engagement. The result can vary between -100 and 100.

Most satisfied customers

Satisfied customer index (SCI)

Target: > 75 (reported annually)

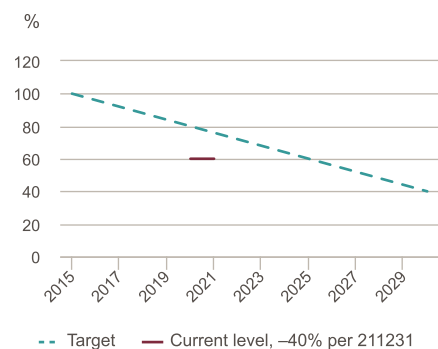


SCI stands for Satisfied Customer Index and measures how satisfied Peab's customers are. SCI is a weighted measurement between 0 and 100.

Leader in social responsibility

Carbon dioxide intensity: Climate targets for our own production

Target: Reduced emissions of GHG Scope 1+2* (tons CO₂e/MSEK) by 60% (reported annually)

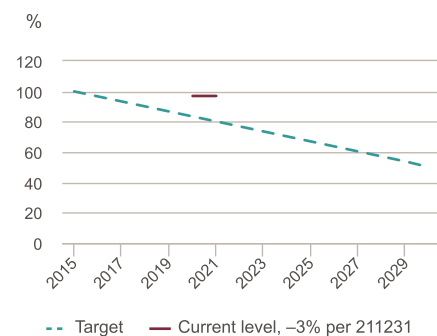


* Direct and indirect emissions as a result of using fuel and energy in our own production.

Leader in social responsibility

Carbon dioxide intensity: Climate targets for input goods and purchased services

Target: Reduced emissions of GHG Scope 3* (tons CO₂e/MSEK) by 50% (reported annually)

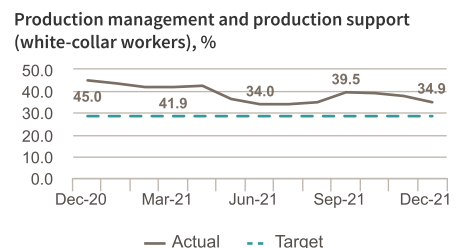


* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

Equal opportunity recruitment

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



Production and processing (skilled workers), %



Risks and uncertainty factors

Peab's business is exposed both to operative and financial risks as well as compliance risks and external and market risks. How much risks affect Peab's profits and position depends on how well the company handles daily operations. External and market risks are events that are out of Peab's control but which affect the business environment. These are, for example, developments in the economy, customer behavior, climate impact and political decisions.

Managing operative risks is a continuous process considering the large number of projects the Group is always starting up, carrying out and completing. Operative risks are managed in the line organization in the business areas through established procedures, processes and control systems. Peab's business is largely project-related. There are a number of different contract forms where risk levels vary depending on the type of contract. However, with any type of contract ambiguities can arise concerning the terms, which can lead to delimitation issues that create a dispute with the customer.

Financial risks are primarily associated with the company's need for capital, tied up capital and access to financing. Financial risks are managed on Group level. For further information about risks and uncertainty factors, see the Annual and Sustainability Report 2021.

In the beginning of 2020 the coronavirus spread out over the world and the pandemic has raged ever since, although a stage was reached in the beginning of 2022 where countries and companies more or less opened up. During the pandemic governments and central banks introduced different forms of crisis packages to reduce its financial effects. The effects of the corona pandemic on Peab's operations have been limited but we continue to follow developments to assess any further effects.

An uncertainty that can still upset the market is access to cement. In 2021 the Supreme Land and Environment Court dismissed Cementa's application for a renewed permit to continue to quarry limestone in Slite on Gotland. The government granted Cementa a time-limited license until December 31, 2022 but this has been appealed to the Supreme Administrative Court and the issue of a long-term solution remains unresolved. On April 18, 2022 Cementa submitted a new application to quarry limestone for four more years in Slite. In order to secure delivery reliability during ongoing court proceedings and a possible appeal Cementa has also applied for a so-called inhibition. A substantial shortage of cement would impact the entire construction and civil engineering market in Sweden. As a significant actor Peab would therefore also be affected by the situation. Peab has already begun working with our own alternative binder and certain degree of cement importation to handle the risk of lower or no cement deliveries.

There has been a significant rise in the price of materials and energy during 2021 and the first part of 2022. We have handled the price hikes along with supply chain disturbances through adjusting and streamlining operations and so far there has been a limited impact on operating profit. We continually work to streamline production all the while expecting a gradual increase in construction costs if the trend in material and energy prices does not turn.

The recent dramatic developments in Ukraine have a key impact on the world around us. In addition to the terrible tragedy for the people the war touches, the situation risks hampering macroeconomic growth in the world. For Peab this can affect the construction industry through greater uncertainty and cautiousness concerning investments, continued high material and energy prices and material shortages and delivery problems. We are not ourselves 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.



Halden Hall
Halden, Norway

Other information

Important events during the period

The recent dramatic developments in Ukraine have a key impact on the world around us. In addition to the terrible tragedy for the people the war touches, the situation risks hampering macroeconomic growth in the world. In Sweden this can affect the construction industry through greater uncertainty and cautiousness concerning investments, continued high material and energy prices and material shortages and delivery problems. We follow developments carefully to continually assess any effects on Peab.

Important events after the period

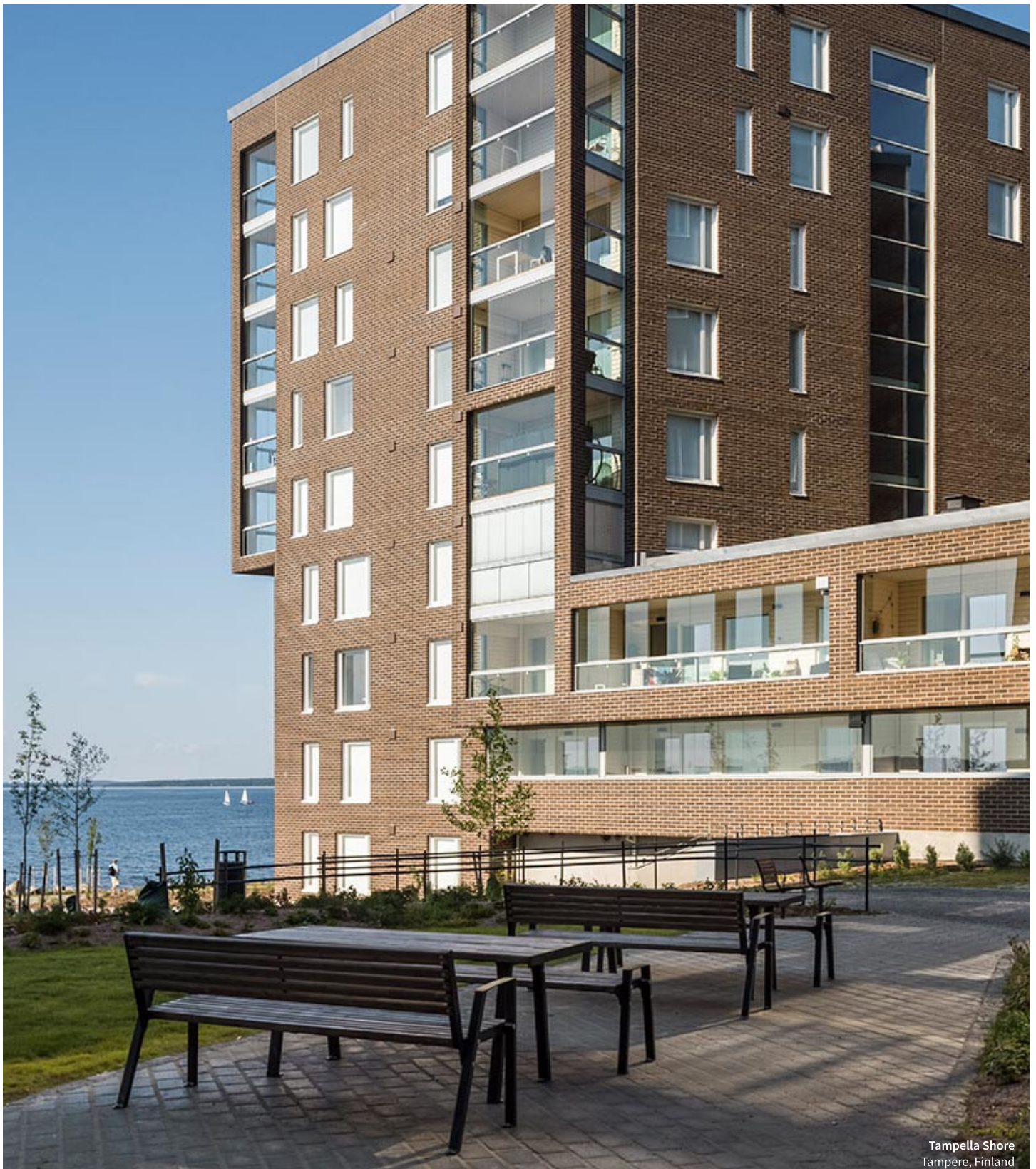
No significant events occurred after the end of the reporting period.

Holdings of own shares

At the beginning of 2022 Peab's own B shareholding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. No changes have taken place during the first quarter 2022.

Related parties

The character and extent of transactions with related parties is presented in the Annual and Sustainable Report 2021, note 40. For more information about transactions with related parties during the period see business area Project Development, section Property Development. No other new significant transactions have occurred during the first quarter 2022.



Report on the Group income statement, IFRS

Group net sales according to IFRS increased by nine percent and amounted during January-March 2022 to SEK 12,137 million (11,124). Adjusted for acquired and divested units and exchange rate effects net sales increased by seven percent. The adjustment of our own housing development projects to the completion method affected net sales by SEK -407 million (-92).

Operating profit according to IFRS for the period January-March 2022 amounted to SEK -20 million (-114) and the operating margin was -0.2 percent (-1.0). The adjustment of our own housing development projects to the completion method affected operating profit by SEK -39 million (-49).

MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Net sales	12,137	11,124	59,936	58,923
Production costs	-11,304	-10,440	-53,886	-53,022
Gross profit	833	684	6,050	5,901
Sales and administrative expenses	-866	-820	-3,346	-3,300
Other operating income	32	38	385	391
Other operating costs	-19	-16	-20	-17
Operating profit	-20	-114	3,069	2,975
Financial income	24	30	88	94
Financial expenses	-39	-38	-168	-167
Net finance	-15	-8	-80	-73
Pre-tax profit	-35	-122	2,989	2,902
Tax	7	23	-541	-525
Profit for the period	-28	-99	2,448	2,377
Profit for the period, attributable to:				
Shareholders in parent company	-28	-99	2,448	2,377
Non-controlling interests	0	0	0	0
Profit for the period	-28	-99	2,448	2,377
Key ratios, IFRS				
Earnings per share before and after dilution, SEK	-0.10	-0.34	8.30	8.06
Average number of outstanding shares, million	295.0	295.0	295.0	295.0
Return on capital employed, %	11.4 ¹⁾	14.1 ¹⁾	11.4	11.5
Return on equity, %	18.9 ¹⁾	24.2 ¹⁾	18.9	18.9

¹⁾ Calculated on rolling 12 months

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

MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Profit for the period	-28	-99	2,448	2,377
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	137	171	150	184
Changes in fair value of cash flow hedges for the period	2	3	5	6
Tax referring to items that can be reclassified or have been reclassified to profit for the period	-1	-1	-1	-1
Other comprehensive income for the period	138	173	154	189
Total comprehensive income for the period	110	74	2,602	2,566
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	110	74	2,602	2,566
Non-controlling interests	0	0	0	0
Total comprehensive income for the period	110	74	2,602	2,566

Report on financial position for the Group in summary, IFRS

Total assets on March 31, 2022 was SEK 47,313 million (41,852). Equity amounted to SEK 13,792 million (12,517), which generated an equity/assets ratio of 29.2 percent (29.9).

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Assets			
Intangible assets	3,787	3,730	3,769
Tangible assets	7,635	7,641	7,674
Investment property	55	131	55
Interest-bearing long-term receivables	1,213	1,283	1,208
Other financial fixed assets	2,547	1,946	2,491
Deferred tax recoverables	215	204	174
Total fixed assets	15,452	14,935	15,371
Project and development properties	16,670	14,440	16,258
Inventories	1,704	1,468	1,318
Interest-bearing current receivables	131	90	342
Other current receivables	10,386	10,086	10,930
Liquid funds	2,970	833	2,951
Total current assets	31,861	26,917	31,799
Total assets	47,313	41,852	47,170
Equity and liabilities			
Equity	13,792	12,517	13,682
Liabilities			
Interest-bearing long-term liabilities	4,968	4,248	5,281
Interest-bearing long-term liabilities, project financing	469	175	346
Deferred tax liabilities	275	85	321
Other long-term liabilities	1,575	1,597	1,585
Total long-term liabilities	7,287	6,105	7,533
Interest-bearing current liabilities	2,451	2,806	2,386
Interest-bearing current liabilities, project financing	8,085	5,273	7,003
Other current liabilities	15,698	15,151	16,566
Total current liabilities	26,234	23,230	25,955
Total liabilities	33,521	29,335	33,488
Total equity and liabilities	47,313	41,852	47,170
Key ratios, IFRS			
Capital employed	29,765	25,019	28,698
Equity/assets ratio, %	29.2	29.9	29.0
Net debt	11,659	10,296	10,515
Equity per share, SEK	46.76	42.43	46.38
Number of outstanding shares at the end of the period, million	295.0	295.0	295.0

Report on changes in Group equity in summary, IFRS

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Equity attributable to shareholders in parent company			
Opening equity on January 1	13,681	12,442	12,442
Profit for the period	-28	-99	2,377
Other comprehensive income for the period	138	173	189
Total comprehensive income for the period	110	74	2,566
Cash dividend	-	-	-1,327
Closing equity	13,791	12,516	13,681
Non-controlling interests			
Opening equity on January 1	1	1	1
Comprehensive income for the period	0	0	0
Closing equity	1	1	1
Total closing equity	13,792	12,517	13,682

Report on Group cash flow in summary, IFRS

MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Cash flow from current operations before changes in working capital	17	148	3,962	4,093
Increase (-) / Decrease (+) of project and development properties	-289	-181	-1,826	-1,718
Increase (-) / Decrease (+) of inventories	-372	-172	-187	13
Increase (-) / Decrease (+) of current receivables / current liabilities	-140	62	228	430
Cash flow from changes in working capital	-801	-291	-1,785	-1,275
Cash flow from current operations	-784	-143	2,177	2,818
Acquisition of subsidiaries / businesses, net effect on liquid funds	-	-76	-126	-202
Acquisition of fixed assets	-263	-275	-2,956	-2,968
Sale of fixed assets	270	59	1,615	1,404
Cash flow from investment operations	7	-292	-1,467	-1,766
Cash flow before financing	-777	-435	710	1,052
Increase (+) / Decrease (-) of interest-bearing liabilities	-397	-34	-353	10
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	1,158	318	3,064	2,224
Cash dividend	-	-	-1,327	-1,327
Cash flow from financing operations	761	284	1,384	907
Cash flow for the period	-16	-151	2,094	1,959
Cash at the beginning of the period	2,951	968	833	968
Exchange rate differences in cash	35	16	43	24
Cash at the end of the period	2,970	833	2,970	2,951

Parent company

The parent company Peab AB's net sales for the first quarter 2022 amounted to SEK 75 million (74) and mainly consisted of internal Group services. Profit for the period amounted to SEK -46 million (30).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,728 million (11,650). The assets have been financed from equity of SEK 8,207 million (8,368) and long-term liabilities to Group companies amounting to SEK 1,000 million (779).

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 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Net sales	75	74	294	293
Administrative expenses	-125	-104	-446	-425
Other operating income	1	1	1	1
Operating profit	-49	-29	-151	-131
Result from financial investments				
Profit from participation in Group companies	-	62	1	63
Other financial items	-9	-12	-45	-48
Result after financial items	-58	21	-195	-116
Appropriations	-	-	1,638	1,638
Pre-tax profit	-58	21	1,443	1,522
Tax	12	9	-276	-279
Profit for the period ¹⁾	-46	30	1,167	1,243

¹⁾ Profit/loss for the period corresponds to comprehensive profit/loss for the period and therefore only one income statement is presented without a separate one for comprehensive profit/loss

Report on financial position for the parent company in summary

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Assets			
Fixed assets			
Intangible assets	4	5	4
Tangible assets	1	1	1
Financial assets			
Participation in Group companies	11,728	11,650	11,728
Deferred tax recoverables	140	124	140
Total financial assets	11,868	11,774	11,868
Total fixed assets	11,873	11,780	11,873
Current assets			
Current receivables			
Accounts receivables	1	0	0
Receivables from Group companies	532	9	2,271
Current tax assets	92	176	12
Other receivables	51	45	2
Prepaid expenses and accrued income	10	9	9
Total current receivables	686	239	2,294
Cash and bank	0	0	0
Total current assets	686	239	2,294
Total assets	12,559	12,019	14,167
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	6,323	6,484	6,370
Total equity	8,207	8,368	8,254
Untaxed reserves	3,190	2,724	3,190
Provisions			
Other provisions	46	44	45
Total provisions	46	44	45
Long-term liabilities			
Liabilities to Group companies	1,000	779	2,281
Total long-term liabilities	1,000	779	2,281
Current liabilities			
Accounts payable	14	12	20
Liabilities to Group companies	2	2	269
Other liabilities	7	11	9
Accrued expenses and deferred income	93	79	99
Total current liabilities	116	104	397
Total liabilities	1,116	883	2,678
Total equity and liabilities	12,559	12,019	14,167

Note 1 – Accounting principles

The quarterly report has been prepared according to the IFRS standards that have been adopted by EU as well as the interpretations of the valid standards adopted by EU, IFRICs. This report for the Group has been prepared according to IAS 34, Interim financial reporting as well as applicable regulations in the Annual Accounts Act. The parent company quarterly report has been prepared according to chapter 9 in the Annual Accounts Act, Quarterly reports and RFR 2, Accounting rules for legal entities. The Group and parent company have applied the same accounting principles and conditions as in the latest Annual Report.

As of January 1, 2022 changes in IAS 37 Provisions, contingent liabilities, and contingent assets are applied regarding valuation of loss contracts. The changes are described in the Annual and Sustainability Report 2021 and have not had any material impact on the Group.

In addition to the financial reports and their accompanying notes further information according to IAS 34.16A can be found in other sections of the quarterly report.

Differences in segment reporting and reporting according to IFRS

The Group is reported in the four business areas Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments. Segment reporting is the model Peab believes best describes Peab's business regarding both internal steering and risk profile, and it is also how the Board and executive management follow operations.

For Peab's construction contract businesses, Construction and Civil Engineering, revenue and profit are recognized over time in both segment reporting and reporting according to IFRS. For business area Industry revenue and profit are recognized both over time and at a certain point in time, and reporting is the same in both segment reporting and reporting according to IFRS. For business area Project Development in segment reporting within the unit Housing Development revenue and expenses are recognized over time as the projects are successively completed. This applies to Swedish tenant-owner associations and own single homes, Norwegian condominiums and share housing and Finnish residential limited companies. In reporting according to IFRS, housing projects are recognized when the final homebuyers take possession of their apartments. In business area Project Development and the unit Property Development revenue and profit are recognized at a certain point in time in both segment reporting and reporting according to IFRS.

Group functions are reported in addition to the business areas and consist of central companies, certain subsidiaries and other holdings. Central companies consist primarily of the parent company Peab AB, Peab Finans AB, Peab Support (Shared Service Center) and Peab Utveckling AB. There is no difference in segment reporting and reporting according to IFRS regarding Group functions.

In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leasing contracts that by the counterparty (lessor) are classified as operational leasing contracts. IFRS 16 Leases is applied in the consolidated accounts according to IFRS which entails that the lessee recognizes depreciation and interest attributable to leasing assets respectively leasing liabilities. Leasing contracts that by the counterparty (lessor) are classified as financial leasing contracts are recognized in Peab's segment accounting according to the principles that correspond with those for the lessee according to IFRS 16.

Reporting on internal projects between business areas Construction and Project Development

Business area Construction recognizes revenue and profit referring to the construction contract part of our own housing developments, rental project developments and other property development projects for business area Project Development. Recognition takes place over time as the projects are completed. Business area Project Development recognizes revenue for both the construction contract and developer part of our own housing development projects. Recognized profit consists of the profit in the developer part over time. Internal net sales between business area Construction and business area Project Development regarding the construction cost of our own housing development projects are eliminated in consolidated reporting. Internal profit is returned when the project is divested.

Reporting on property projects on our own balance sheet

The underlying sales value of property projects on our own balance sheet, recognized as project and development property, that are sold in the form of a company via shares, is recognized as revenue and the book value on the balance sheet is recognized as an expense. When property projects recognized as operations property or investment property are divested the net effect on profit is recognized as other operating income or other operating cost. Recognition of property projects is the same in both segment reporting and reporting according to IFRS.

Financial key ratios in segment reporting

Financial key ratios such as capital employed, total assets, equity, equity/assets ratio, net debt, net debt/equity ratio, cashflow before financing and earnings per share are presented in segment reporting with consideration taken to the above prerequisites. Net debt in segment reporting includes project financing for the unsold portion of ongoing own housing development projects. This is because Peab has a guarantee obligation to acquire unsold homes six months after completion.

Note 2 – Revenue allocation

Group Jan-Mar 2022 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	5,468	2,780	1,819	2,459	18		12,544	-407	12,137
Internal sales	1,267	303	752	5	340	-2,667	-		-
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per country									
Sweden	4,908	2,772	2,015	1,744	287	-2,139	9,587	-578	9,009
Norway	1,072	311	148	189	36	-184	1,572	233	1,805
Finland	755		313	531	35	-344	1,290	-62	1,228
Denmark			93				93		93
Other			2				2		2
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per type of customer									
Public sector	2,307	2,045	197	1	11		4,561		4,561
Private customers	3,161	735	1,622	2,458	7		7,983	-407	7,576
Internal customers	1,267	303	752	5	340	-2,667	-		-
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per point in time									
At one point in time	3	1	1,313	302	13	-258	1,374	1,597	2,971
Over time	6,728	3,080	741	2,141	299	-2,018	10,971	-2,004	8,967
Rent revenue ²⁾	4	2	517	21	46	-391	199		199
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137
Allocation per type of revenue									
Construction contracts	6,728	3,080	741	2,141	20	-1,740	10,970	-2,004	8,966
Sales of goods			994			-188	806		806
Sales of property projects				291			291	1,597	1,888
Transportation services			270			-62	208		208
Administrative services					279	-278	1		1
Rent revenue ²⁾	4	2	517	21	46	-391	199		199
Other	3	1	49	11	13	-8	69		69
Total	6,735	3,083	2,571	2,464	358	-2,667	12,544	-407	12,137

¹⁾ Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

²⁾ Rent revenue is recognized according to IFRS 16.

Group Jan-Mar 2021 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	5,205	2,807	1,485	1,707	12		11,216	-92	11,124
Internal sales	991	283	719	3	289	-2,285	-		-
Total	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124
Allocation per country									
Sweden	4,411	2,833	1,816	982	241	-1,756	8,527	-61	8,466
Norway	950	252	99	200	34	-212	1,323	-192	1,131
Finland	835	5	232	528	26	-317	1,309	161	1,470
Denmark			53				53		53
Other			4				4		4
Total	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124
Allocation per type of customer									
Public sector	2,157	2,026	158	46	10		4,397		4,397
Private customers	3,048	781	1,327	1,661	2		6,819	-92	6,727
Internal customers	991	283	719	3	289	-2,285	-		-
Total	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124
Allocation per point in time									
At one point in time	3	3	1,210	46	12	-258	1,016	1,297	2,313
Over time	6,190	3,085	517	1,641	245	-1,670	10,008	-1,389	8,619
Rent revenue ²⁾	3	2	477	23	44	-357	192		192
Total	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124
Allocation per type of revenue									
Construction contracts	6,190	3,085	517	1,641	9	-1,434	10,008	-1,389	8,619
Sales of goods			892			-169	723		723
Sales of property projects				44			44	1,297	1,341
Transportation services			270			-75	195		195
Administrative services					236	-236	-		-
Rent revenue ²⁾	3	2	477	23	44	-357	192		192
Other	3	3	48	2	12	-14	54		54
Total	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124

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 2021 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	22,555	12,866	15,075	9,471	59		60,026	-1,103	58,923
Internal sales	4,425	1,314	3,712	26	1,255	-10,732			-
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per country									
Sweden	19,513	12,664	11,704	6,262	1,070	-8,485	42,728	-1,270	41,458
Norway	3,963	1,501	1,905	913	142	-926	7,498	100	7,598
Finland	3,504	15	4,364	2,322	101	-1,318	8,988	67	9,055
Denmark			792		1	-3	790		790
Other			22				22		22
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per type of customer									
Public sector	10,480	9,604	5,123	8	45		25,260		25,260
Private customers	12,075	3,262	9,952	9,463	14		34,766	-1,103	33,663
Internal customers	4,425	1,314	3,712	26	1,255	-10,732			-
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per point in time									
At one point in time	11	6	6,404	1,814	56	-1,319	6,972	5,759	12,731
Over time	26,959	14,166	10,448	7,602	1,083	-7,930	52,328	-6,862	45,466
Rent revenue ²⁾	10	8	1,935	81	175	-1,483	726		726
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Allocation per type of revenue									
Construction contracts	26,959	14,166	10,448	7,602	68	-6,919	52,324	-6,862	45,462
Sales of goods		1	4,975			-902	4,074		4,074
Sales of property projects				1,750		-16	1,734	5,759	7,493
Transportation services			1,241			-308	933		933
Administrative services					1,015	-1,011	4		4
Rent revenue ²⁾	10	8	1,935	81	175	-1,483	726		726
Other	11	5	188	64	56	-93	231		231
Total	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923

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

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

²⁾ Refers to IFRS 16, additional leases SEK -13 million.

³⁾ Unallocated capital employed.

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

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

⁶⁾ Unallocated cash flow.

Group Jan-Mar 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	5,205	2,807	1,485	1,707	12		11,216	-92	11,124
Internal sales	991	283	719	3	289	-2,285			-
Total revenue	6,196	3,090	2,204	1,710	301	-2,285	11,216	-92	11,124
Operating profit	151	52	-397	213	-82	-10	-73	-41	-114
Operating margin, %	2.4	1.7	-18.0	12.5			-0.7		-1.0
Financial income							30		30
Financial expenses							-24	-14 ²⁾	-38
Net finance							6	-14	-8
Pre-tax profit							-67	-55	-122
Tax							12	11	23
Profit for the period							-55	-44	-99
Capital employed (closing balance)	-1,115	-562	8,871	12,853		-388 ³⁾	19,659	5,360	25,019
Total assets							36,227	5,625 ⁴⁾	41,852
Equity							13,408	-891	12,517
Equity/assets ratio, %							37.0		29.9
Net debt							4,045	6,251	10,296
Cashflow before financing	528 ⁵⁾	378 ⁵⁾	-526 ⁵⁾	-268 ⁵⁾		-220 ⁶⁾	-108	-327	-435

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 -14 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,764 million and housing projects SEK 3,861 million.

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

⁶⁾ Unallocated cash flow.

Group Jan-Dec 2021 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	22,555	12,866	15,075	9,471	59		60,026	-1,103	58,923
Internal sales	4,425	1,314	3,712	26	1,255	-10,732			-
Total revenue	26,980	14,180	18,787	9,497	1,314	-10,732	60,026	-1,103	58,923
Operating profit	711	471	938	1,237	-228	-31	3,098	-123	2,975
Operating margin, %	2.6	3.3	5.0	13.0			5.2		5.0
Financial income							94		94
Financial expenses							-116	-51 ²⁾	-167
Net finance							-22	-51	-73
Pre-tax profit							3,076	-174	2,902
Tax							-569	44	-525
Profit for the year							2,507	-130	2,377
Capital employed (closing balance)	-2,463	-615	9,266	13,523		1,850 ³⁾	21,561	7,137	28,698
Total assets							40,330	6,840 ⁴⁾	47,170
Equity							14,656	-974	13,682
Equity/assets ratio, %							36.3		29.0
Net debt							2,404	8,111	10,515
Cashflow before financing	1,654 ⁵⁾	921 ⁵⁾	507 ⁵⁾	249 ⁵⁾		-290 ⁶⁾	3,041	-1,989	1,052

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 -51 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,699 million and housing projects SEK 5,141 million.

⁵⁾ Refers to operating cash flow. For definition, see section Alternative key figures 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 2021, note 34. 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, 2022			Mar 31, 2021			Dec 31, 2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total	Level 2	Level 3	Total
MSEK									
Financial assets									
Securities held as fixed assets		58	58		62	62		55	55
<i>Of which unlisted funds</i>		35	35		39	39		32	32
<i>Of which unlisted shareholdings and participations</i>		23	23		23	23		23	23
Other long-term receivables	3		3						
<i>Of which commodity hedging with futures</i>	3		3						
Other current receivables	25		25	17		17	8		8
<i>Of which commodity hedging with futures</i>	23		23	17		17	7		7
<i>Of which currency swaps</i>	2		2				1		1
Total financial assets	28	58	86	17	62	79	8	55	63
Financial liabilities									
Other long-term liabilities				6		6			
<i>Of which interest rate swaps</i>				6		6			
Other current liabilities	41		41				6		6
<i>Of which interest rate swaps</i>				27		27	2		2
<i>Of which currency swaps</i>	2		2	1		1	1		1
<i>Of which commodity hedging with futures</i>	37		37	26		26	1		1
<i>Of which contingent consideration</i>	2		2				2		2
Total financial liabilities	41	-	41	33	-	33	6	-	6

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		
MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Opening balance	32	37	37	23	23	23
Investments	1	2	4			
Dividends received		-1	-12			
Reported in profit/loss for the period						
Net finance	2	1	3			
Closing balance	35	39	32	23	23	23

Group	Contingent consideration		
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Opening balance	2	-	-
Aquisitions during the period			2
Closing balance	2	-	2

The contingent consideration will amount from SEK 0 million to maximum of SEK 6 million.

Future financial information

- | | |
|---|------------------|
| • Quarterly Report January – June 2022 | July 15, 2022 |
| • Quarterly Report January – September 2022 | October 28, 2022 |
| • Year-end Report January – December 2022 | February 3, 2023 |
| • Annual and Sustainability Report 2022 | April, 2023 |

Förslöv, May 5, 2022

*Jesper Göransson
CEO and President*

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

Presentation of the quarterly report

This quarterly report will be presented digitally and on a phone conference Thursday May 5, 2022 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/>.

Call one of the following telephone numbers to participate:

- From Sweden: +46 8 5055 83 73
- From Great Britain: +44 3333 00 92 68

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 5, 2022, 1:00 p.m. CET.

Quarterly data

Group, IFRS

MSEK	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020
Net sales	12,137	17,504	15,488	14,807	11,124	15,989	16,204	15,789	11,870
Production costs	-11,304	-15,495	-13,868	-13,219	-10,440	-14,159	-14,463	-14,127	-10,962
Gross profit	833	2,009	1,620	1,588	684	1,830	1,741	1,662	908
Sales and administrative expenses	-866	-923	-673	-884	-820	-914	-717	-962	-766
Distribution of Annehem Fastigheter	-	-	-	-	-	952	-	-	-
Other operating income	32	235	67	51	38	84	72	36	37
Other operating costs	-19	-12	11	0	-16	-10	-9	-13	-9
Operating profit	-20	1,309	1,025	755	-114	1,942	1,087	723	170
Financial income	24	20	29	15	30	23	18	15	40
Financial expenses	-39	-38	-48	-43	-38	-55	-55	-34	-129
Net finance	-15	-18	-19	-28	-8	-32	-37	-19	-89
Pre-tax profit	-35	1,291	1,006	727	-122	1,910	1,050	704	81
Tax	7	-170	-226	-152	23	-181	-210	-160	-13
Profit for the period	-28	1,121	780	575	-99	1,729	840	544	68
Profit for the period, attributable to:									
Shareholders in parent company	-28	1,121	780	575	-99	1,730	840	543	69
Non-controlling interests	0	0	0	0	0	-1	0	1	-1
Profit for the period	-28	1,121	780	575	-99	1,729	840	544	68
Key ratios, IFRS									
Earnings per share, SEK	-0.10	3.80	2.65	1.95	-0.34	5.87	2.85	1.84	0.23
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0
Capital employed (closing balance)	29,765	28,698	26,840	25,849	25,019	24,435	27,729	28,829	25,830
Equity (closing balance)	13,792	13,682	12,500	11,694	12,517	12,443	12,874	12,043	11,560

Business areas

MSEK	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020
Net sales									
Construction	6,735	8,147	5,989	6,648	6,196	7,448	5,798	7,123	6,620
Civil Engineering	3,083	4,062	3,285	3,743	3,090	3,600	3,041	3,432	2,770
Industry	2,571	5,138	6,198	5,247	2,204	4,929	6,233	5,343	2,215
Project Development	2,464	3,117	2,741	1,929	1,710	1,804	1,750	1,977	1,969
– of which Property Development	59	425	33	33	30	71	71	111	122
– of which Housing Development	2,405	2,692	2,708	1,896	1,680	1,733	1,679	1,866	1,847
Group functions	358	368	318	327	301	317	298	308	283
Eliminations	-2,667	-3,312	-2,410	-2,725	-2,285	-2,674	-2,283	-2,665	-2,219
Group, segment reporting	12,544	17,520	16,121	15,169	11,216	15,424	14,837	15,518	11,638
Adjustment of housing to IFRS	-407	-16	-633	-362	-92	560	1,384	295	252
IFRS 16, additional leases						36 ¹⁾	47	48	40
Annehem Fastigheter						-31	-64	-72	-60
Eliminations									
Group, IFRS	12,137	17,504	15,488	14,807	11,124	15,989	16,204	15,789	11,870
Operating profit									
Construction	160	209	164	187	151	197	137	183	146
Civil Engineering	53	164	109	146	52	131	92	127	41
Industry	-396	420	576	339	-397	397	471	303	-66
Project Development	289	446	326	252	213	1,195	162	138	174
– of which Property Development	34	122	70	29	10	961	13	-17	25
– of which Housing Development	255	324	256	223	203	234	149	155	149
Group functions	-71	13	-64	-95	-82	-132	-14	-81	-83
Eliminations	-25	-6	-10	-5	-10	37	-4	-9	-1
Group, segment reporting	10	1,246	1,101	824	-73	1,825	844	661	211
Adjustment of housing to IFRS	-39	52	-86	-69	-49	95	226	57	-47
IFRS 16, additional leases	9	11	10	0	8	12	12	6	4
Annehem Fastigheter						13 ¹⁾	5	6	6
Eliminations						-3	0	-7	-4
Group, IFRS	-20	1,309	1,025	755	-114	1,942	1,087	723	170
Operating margin, %									
Construction	2.4	2.6	2.7	2.8	2.4	2.6	2.4	2.6	2.2
Civil Engineering	1.7	4.0	3.3	3.9	1.7	3.6	3.0	3.7	1.5
Industry	-15.4	8.2	9.3	6.5	-18.0	8.1	7.6	5.7	-3.0
Project Development	11.7	14.3	11.9	13.1	12.5	66.2	9.3	7.0	8.8
– of which Property Development	57.6	28.7	212.1	87.9	33.3	1,353.5	18.3	-15.3	20.5
– of which Housing Development	10.6	12.0	9.5	11.8	12.1	13.5	8.9	8.3	8.1
Group functions									
Eliminations									
Group, segment reporting	0.1	7.1	6.8	5.4	-0.7	11.8	5.7	4.3	1.8
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Annehem Fastigheter						36.1 ¹⁾	10.6	12.5	15.0
Eliminations									
Group, IFRS	-0.2	7.5	6.6	5.1	-1.0	12.1	6.7	4.6	1.4
Key ratios, segment reporting, MSEK									
Earnings per share, SEK	0.04	3.62	2.89	2.18	-0.19	5.62	2.25	1.72	0.41
Capital employed (closing balance)	22,117	21,561	20,691	19,867	19,659	19,434	21,086	22,390	19,927
Equity (closing balance)	14,812	14,656	13,556	12,654	13,408	13,251	12,637	12,852	12,349
Orders received	15,375	14,443	13,865	13,094	14,446	12,189	11,718	13,220	12,608
Order backlog at the end of the period	49,968	45,318	46,280	46,684	47,286	42,709	44,722	46,123	44,151

¹⁾ Refers to October-November 2020

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. Shows the Group's available liquidity.

Capital employed for the business areas

Total assets in the business area at the end of the year 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 year less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.

Earnings per share

Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows earnings per share.

Equity/assets ratio

Equity as a percentage of total assets at the end of the year. Shows financial position.

Equity per share

Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.

Net debt

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.

Net debt, segment reporting

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. As of January 1, 2019 unsold part of ongoing own housing development projects is included in net debt. Shows financial position for segment.

Other non-financial definitions

eNPS

eNPS stands for employee Net Promoter Score and measures employee engagement. The result 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?"

LT14 and LTIF4

LT14 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.

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.

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 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. Operating cash flow is only calculated for the business areas. Shows the cash flow generated per business area.

Operating margin

Operating profit as a percentage of net sales. Shows profitability in the business.

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.

Risk observations

A risk observation means at a workplace noticing behavior, risks or shortcomings that could lead to an incident or accident.

SCI

SCI stands for Satisfied Customer Index and measures how satisfied Peab's customers are. SCI 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.

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.



Peab is the Nordic community builder

About Peab

Peab works locally where our customers are and where people live their lives. Every day our 15,000 employees contribute through four collaborating business areas to community building in Sweden, Norway, Finland and Denmark. Together we build homes, schools, retirement homes, hospitals, swimming pool facilities, museums, offices, airports and ports. We build and maintain roads, railroads, bridges, parks and much, much more.

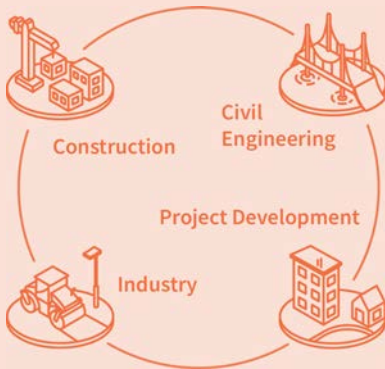
Peab has contributed to locally produced community building for more than 60 years. Now the journey continues. Long-lastingly and responsibly we are forging ahead, and improving everyday life where it's lived.

Net sales, appr.

SEK 61 billion

Employees, appr.

15,000



Business model

Value through collaborating business areas

Our business is founded on four business areas Construction, Civil Engineering, Industry and Project Development. Each of them is independent with its own customer base. But the strength in our business model – and thereby our ability to achieve our targets – is multiplied when they work together in the processing chain. This is the core of our business model and what makes us unique. This is locally produced community building throughout the entire Nordic region.

Strategic targets

- Most satisfied customers
- Best workplace
- Most profitable company
- Leader in social responsibility

Each of these four targets are important on their own but they are linked together as a unit too. "Leader in social responsibility" is new as of 2021. All the targets refer to our industry.



Local and close to our customers

Our 15,000 employees work close to our customers in the community and use wherever possible local resources in the form of our own personnel, input goods and subcontractors. Together with our social engagement in the community and integrated climate and environmental work this forms the foundation of what we call locally produced community building.

Photographers: Amanda Hugoson, Andreas Kjellmann, Annika Persson, Kuvatoimisto Kuvio Oy, Markus Esselmark, Panu Suurnäkki, Patrick Benabou, Ulf Celander and Ørjan Marakatt Bertelsen. Peab takes work environment matters very seriously and works systematically to create safe workplaces. The kind of safety equipment used varies depending on national regulations and the type of operations. A risk analysis is always performed for each workplace before any exception is made. The people pictured in this publication are wearing personal safety equipment required by regulations valid for the operations and country they are in.