

Half-year report

JANUARY – JUNE 2024

PEAB
THE NORDIC COMMUNITY BUILDER

Student Housing
Visby

Continued strong level of orders received during the quarter

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

Summary according to segment reporting

April - June 2024

- Net sales SEK 15,232 million (15,756)
- Operating profit SEK 619 million (1,090)
- Operating margin 4.1 percent (6.9)
- Pre-tax profit SEK 522 million (1,406)
- Earnings per share SEK 1.48 (3.86)
- Orders received SEK 16,434 million (12,505)
- Cash flow before financing SEK -95 million (-2,321)

January - June 2024

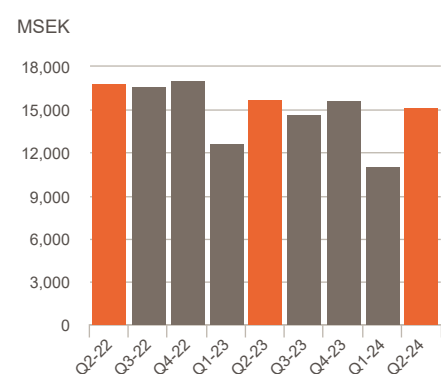
- Net sales SEK 26,373 million (28,446)
- Operating profit SEK 513 million (934)
- Operating margin 1.9 percent (3.3)
- Pre-tax profit SEK 340 million (1,210)
- Earnings per share SEK 1.03 (3.32)
- Orders received SEK 34,323 million (23,547)
- Order backlog SEK 50,578 million (43,638)
- Cash flow before financing SEK -313 million (-3,229)
- Net debt SEK 9,585 million (11,717)
- Net debt/equity ratio 0.6 (0.8)

Group

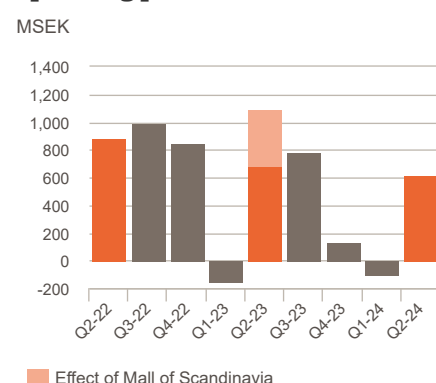
MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Segment reporting						
Net sales	15,232	15,756	26,373	28,446	56,748	58,821
Operating profit	619	1,090	513	934	1,432	1,853
Operating margin, %	4.1	6.9	1.9	3.3	2.5	3.2
Pre-tax profit	522	1,406	340	1,210	1,025	1,895
Profit for the period	427	1,110	298	956	756	1,414
Earnings per share, SEK	1.48	3.86	1.03	3.32	2.63	4.92
Return on equity, % ¹⁾	5.0	15.5	5.0	15.5	5.0	9.5
Return on capital employed, % ¹⁾	5.9	12.7	5.9	12.7	5.9	8.7
Net debt	9,585	11,717	9,585	11,717	9,585	8,676
Net debt/equity ratio, multiple	0.6	0.8	0.6	0.8	0.6	0.6
Equity/assets ratio, %	32.0	31.5	32.0	31.5	32.0	34.0
Cash flow before financing	-95	-2,321	-313	-3,229	1,599	-1,317
Average number of employees	13,073	13,805	12,551	13,538	13,318	13,808
Reporting according to IFRS						
Net sales, IFRS	16,928	16,098	28,378	29,076	60,902	61,600
Operating profit, IFRS	814	1,197	802	1,204	2,184	2,586
Pre-tax profit, IFRS	706	1,503	607	1,458	1,735	2,586
Profit for the period, IFRS	596	1,188	540	1,153	1,375	1,988
Earnings per share, IFRS, SEK	2.08	4.13	1.88	4.01	4.79	6.92
Net debt, IFRS	13,154	19,743	13,154	19,743	13,154	14,537
Equity/assets ratio, IFRS, %	29.1	25.9	29.1	25.9	29.1	29.4
Cash flow before financing, IFRS	2,271	-1,373	2,252	-1,552	6,459	2,655

¹⁾ Calculated on rolling 12 months

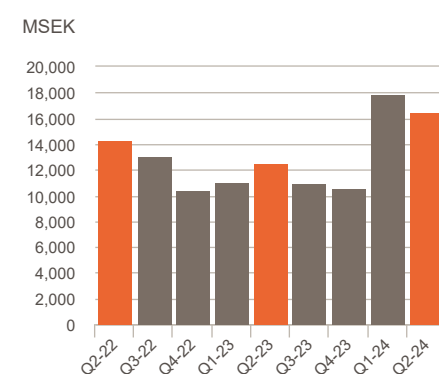
Net sales



Operating profit



Orders received



Comments from the CEO

Our broad business model enables us to take advantage of the demand currently in civil engineering, paving and other building construction. Our operations in civil engineering and paving continue to grow profitably. The level of orders received continued to be high in the second quarter as well and order backlog surpassed SEK 50 billion for the first time in Peab's history.

Group development

The first half of 2024 was characterized by continued varied activity on Peab's different markets. Civil engineering, paving and other building construction developed well while the Nordic housing market continued to be weak. Group net sales contracted by seven percent during the first half-year and amounted to SEK 26,373 million. Operating profit was SEK 513 million (934) and the operating margin was 1.9 percent (3.3). The comparable period included SEK 400 million resulting from a judgement in the Mall of Scandinavia arbitration. The net debt/equity ratio improved to 0.6 (0.8) at the end of June.

The level of orders received amounted to SEK 34,323 million (23,547) during the first half-year. This is the second quarter in row with a high level of orders received, despite the weak demand on the housing market. During the quarter we received several major orders in business area Civil Engineering, among them construction of New Bodø Airport worth NOK 3.3 billion. We were also entrusted with other civil engineering projects such as expanding E20 between Götene and Mariestad as well as construction of roads and railroads in Boden. This means we extend our order backlog which amounted to a record high SEK 50,578 billion (43,638). Another civil engineering project worth mentioning is the section of E6 at Stenungsund hit by a landslide. Reparation of this stretch of road was completed and the highway opened for traffic much earlier than scheduled, a fact I'm very proud of.

As previously stated operations in Construction and Civil Engineering increasingly participate in dialogues early on with customers prior to planned projects and we are therefore experiencing a greater number of preliminary agreements, so-called phase 1 contracts. Through the preliminary agreements Peab is contracted to arrive at, together with the customer, an optimal product with the right quality and also deal with risks and uncertainties. During the second quarter of the year several projects went from phase 1 to phase 2, which means that they shifted into production and Peab has thereby received orders for that. The project in Bodø is one such example. At the same time new projects continue to flow into phase 1 but some also fall away. Currently the potential worth of the final construction contracts from these preliminary agreements is around SEK 15 billion over the next two years (SEK 19 billion December 31, 2023).

Business area development

Net sales have contracted in business area Construction due to the weak housing market but to a certain extent the continued good demand in other building construction has compensated for this, primarily from the public sector. The operating margin has been stable during the period and amounted to 1.8 percent (2.0). The robust level of orders received in business area Civil Engineering generates a high level of production and the operating margin has improved during the period to 3.1 percent (2.9). In total, the operating margin for the construction contract businesses during the first half-year amounted to 2.3 percent (2.3).

The paving season is now in full force in business area Industry. Paving operations are developing well with a significant number of contracts throughout the Nordic region, particularly in Finland. Operations in prefab construction elements and rental operations have been affected by the weak housing market and activity in them was lower compared to the first half-year 2023. The operating margin for the business area increased and amounted to 7.4 percent (6.2) in the quarter.

In business area Project Development the level of sales of our own developed homes continues to be low but on the bright side we are selling them at an even pace and have noted greater interest among buyers, above all in Sweden's major cities. Demand for newly produced homes that will not be ready for occupation for quite some time continues to be low and no new housing projects were started during the second quarter (185). In order for demand to recover interest rates have to come down and prices on the secondhand market go up.

Target outcome

We are reporting the outcome for four of our nine external targets this quarter: operating margin, net debt/equity ratio, attractive employer (eNPS) and serious accidents.



The operating margin was 2.5 percent on a rolling twelve month basis, compared to the target of six percent, and has been impacted by the weak housing market. The net debt/equity ratio was 0.6 at the end of the quarter, which is inside the target interval 0.3-0.7.

In the spring survey the eNPS score increased by a point to 27 from the latest survey which was in the autumn of 2023. This is well over the Nordic benchmark in the segment industry and manufacturing. We are particularly pleased to note that participation was 90 percent. This shows how very engaged our employees are.

Our target for serious accidents is a contracting trend and calculated on a rolling twelve month basis the number of serious accidents was 44 per June 30, 2024 (48 per December 31, 2023). We can never accept workplace accidents and therefore continue our work for safe workplaces with unabated intensity.

Sustainability

An important step forward in our sustainability work is that Peab became the first civil engineering company to use piles produced with SSAB Zero, a material based on recycled scrap steel and produced with fossil free electricity and biogas. This reduces carbon emissions by around 80 percent compared to piles with traditionally produced steel. The piles are part of a new dock Peab is building at the Port of Skellefteå that will contribute to developing the port by enabling it to handle more and larger transportation.

At the end of the quarter we successfully issued green bonds for a total of SEK 1,500 million where SEK 900 million mature in three years and SEK 600 million mature in 4.5 years. The funds will finance green investments that contribute to Peab's efforts to achieve our climate goals.

Market and prospects for the future

Prospects for the Nordic construction markets are on the whole the same as they were in our submarkets the previous quarter. The civil engineering markets are expected to remain stable on a high level. The housing markets are expected to continue to be weak until the effect of lower interest rates is felt. Peab has a well-dimensioned development rights portfolio in attractive locations in the Nordic region and in anticipation of market recovery we are further developing and preparing projects for the future.

Looking back on the first half of 2024 it's apparent once again that Peab's four business areas and local roots close to customers serve us well. We can see how this business model creates stability in our operations, which is particularly evident in the excellent level of orders received in the first half-year. In other words, we are well-equipped to face any market situation.

Jesper Göransson
President and CEO

Net sales and profit

April – June 2024

Group net sales decreased by three percent during the second quarter 2024 and amounted to SEK 15,232 million (15,756).

Net sales in business area Construction decreased by 16 percent compared to the same quarter last year. The decrease is due to less activity in new housing production which has not been fully compensated for by other types of projects, and has been experienced in all the countries we operate in. Activity in business area Civil Engineering continued to be on a high level during the period and net sales increased by ten percent compared to the corresponding quarter last year. Net sales in business area Industry increased by 13 percent due to increased net sales in paving. Net sales in business area Project Development decreased by 54 percent due to the weak demand for housing throughout the Nordic region and this has affected net sales in Housing Development.

Operating profit for the second quarter 2024 amounted to SEK 619 million (1,090) and the operating margin was 4.1 percent (6.9). The comparable period includes a positive effect of SEK 400 million from the outcome of the arbitration decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract Mall of Scandinavia in Solna (MoS). Excluding the effect of MoS, operating profit for the comparable period was SEK 690 million and the operating margin was 4.4 percent. For more information about the arbitration, see the section Risks and uncertainty factors and Annual and Sustainability Report 2023.

In business area Construction the operating margin was unchanged at 1.9 percent (1.9 excl. MoS) and in business area Civil Engineering the operating margin was unchanged at 3.9 percent compared to the second quarter 2023. In total the operating margin for construction contract operations amounted to 2.7 percent (2.6 excl. MoS). In business area Industry, operating profit improved to SEK 449 million (333) and the operating margin was 7.4 percent (6.2). The operating profit in paving improved compared to the second quarter of 2023, while both prefab operations and rental operations were affected by the weak housing market and reported lower operating profit. Operating profit in business area Project Development was SEK -33 million (114). The negative operating profit is related to Housing Development where no production started on our own housing developments during the quarter and where there are only a few ongoing housing projects. In Property Development capital gains had a positive effect of SEK 17 million (7). Our partly owned companies generated less profit contribution in the second quarter of 2024 compared to the corresponding quarter in 2023.

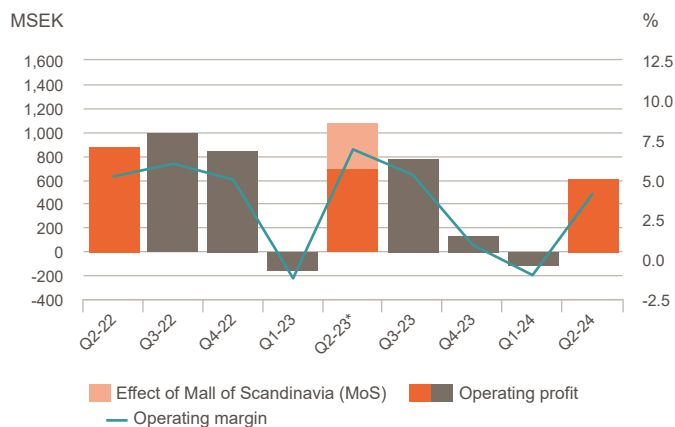
Depreciation and write-downs for the second quarter were SEK -354 million (-349).

Elimination and reversal of internal profit in our own projects affected operating profit during the quarter by net SEK -6 million (-16).

Net financial items amounted to SEK -97 million (316) of which net interest was SEK -109 million (-103 excl. MoS). The comparative quarter included a positive effect of SEK 390 million as a result of the arbitration in MoS.

Pre-tax profit was SEK 522 million (1,406). Profit for the period was SEK 427 million (1,110).

Operating profit and operating margin, per quarter



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



January – June 2024

Group net sales for the first half-year 2024 decreased by seven percent and amounted to SEK 26,373 million (28,446). The decrease is due to the weak demand on the housing market. Even after adjustments for divested units and exchange rate effects, net sales decreased by seven percent. Net sales for the latest rolling 12 month period amounted to SEK 56,748 million compared to SEK 58,821 million for the full year 2023. The portion of public sector customers continued to increase and accounted for 53 percent (46) and private customers for 47 percent (54) of net sales calculated on a rolling 12 month basis.

Net sales in business area Construction decreased by 19 percent compared to the same period last year. The decrease is due to less activity in new housing production which has not been fully compensated for by other types of projects, and has been experienced in all the countries we operate in. Activity in business area Civil Engineering continued to be on a high level during the period and net sales increased by nine percent. Net sales in business area Industry increased by four percent primarily due to higher net sales in paving. Both prefab operations and rental operations have been affected by the weak housing market and reported a lower level of activity compared to the first half of last year. Net sales in business area Project Development decreased by 48 percent due to the weak demand for housing throughout the Nordic region and this has affected net sales in Housing Development.

Operating profit for the first half-year 2024 amounted to SEK 513 million (934) and the operating margin was 1.9 percent (3.3). The comparable period includes a positive effect of SEK 400 million from the outcome of the arbitration decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract Mall of Scandinavia in Solna (MoS). Excluding the effect of MoS, operating profit for the comparable period amounted to SEK 534 million and the operating margin was 1.9 percent. In the latest rolling 12 month period the operating margin amounted to 2.5 percent compared to 3.2 percent for the entire year of 2023 (2.5 percent excl. MoS).

In business area Construction the operating margin decreased to 1.8 percent (2.0 excl. MoS) while the operating margin in business area Civil Engineering increased to 3.1 percent (2.9). In total the operating margin for construction contract operations amounted to 2.3 percent (2.3 excl. MoS). In business area Industry, which has a significant seasonal pattern primarily in paving operations where the first quarter is characterized by a substantial deficit, operating profit amounted to SEK -30 million (-102) and the operating margin was -0.4 percent (-1.3). Operating profit in paving improved during the period, while both prefab operations and rental operations reported lower operating profit as a result of the weaker housing market. Operating profit in business area Project Development was lower and amounted to SEK 213 million (241). Operating profit included positive effects from capital gains in Property Development of SEK 275 million (8), of which the sale of the shares in the partly owned company Tornet Bostadsproduktion contributed by SEK 220 million. Operating profit in Housing Development was negative and the operating margin was -4.0 percent (6.5). The negative operating profit is due to few production starts of our own housing developments during the period and fewer housing projects in ongoing production.

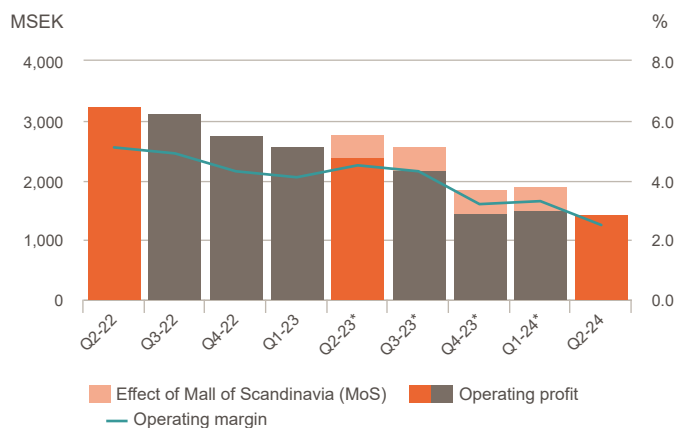
Depreciation and write-downs for the first half-year were SEK -704 million (-692).

Elimination and reversal of internal profit in our own projects affected operating profit during the period by net SEK 1 million (-12).

Net financial items amounted to SEK -173 million (276) of which net interest was SEK -211 million (-171 excl. MoS). The comparative period included a positive effect of SEK 390 million as a result of the arbitration in Mall of Scandinavia.

Pre-tax profit was SEK 340 million (1,210). Profit for the period was SEK 298 million (956).

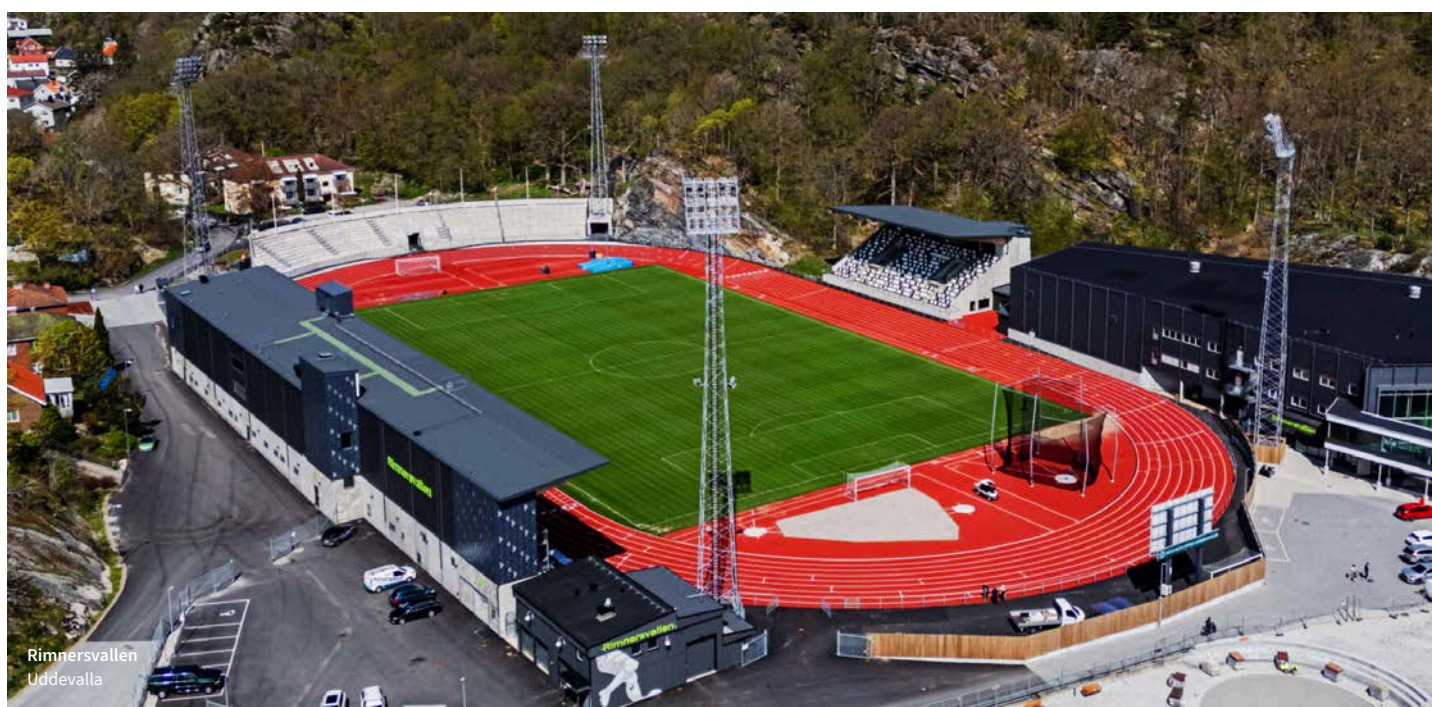
Operating profit and operating margin, rolling 12 months



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

Seasonal variations

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



Rimmersvallen
Uddevalla

Financial position and cash flow

Financial position

Total assets according to segment reporting per June 30, 2024 were SEK 46,840 million (46,886). Equity amounted to SEK 14,992 million (14,770), which means the equity/assets ratio was 32.0 percent (31.5).

Interest-bearing net debt amounted to SEK 9,585 million (11,717) per June 30, 2024. The decrease in net debt is due to less tied up working capital and lower investments in business area Industry. Net debt includes project financing of the unsold part of our own housing developments while they are in production. The unsold part was SEK 2,272 million (2,868). Interest-bearing receivables amounted to SEK 2,652 million (1,552). The increase is primarily due to a capital claim of SEK 1,067 million on Unibail-Rodamco-Westfield according to the arbitration decision announced on June 30, 2023. For details regarding the arbitration decision, see the section Risks and uncertainty factors and Annual and Sustainability Report 2023. The average interest rate in the loan portfolio, including derivatives, was 5.7 percent (5.0) on June 30, 2024.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 6,605 million at the end of the period compared to SEK 6,410 million on December 31, 2023.

As a consequence of Peab consolidating Swedish tenant-owner associations per January 1, 2020 according to IFRS, surety for tenant-owner associations under production is not reported. When homebuyers take possession of their apartments and the tenant-owner association is no longer consolidated in Peab's accounts, Peab then reports the part of surety that covers unsold homes. Peab has a guarantee obligation to acquire unsold homes six months after completion. Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 2,534 million at the end of the period compared to SEK 2,428 million on December 31, 2023. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 518 million of contingent liabilities compared to SEK 328 million on December 31, 2023.

Investments and divestments

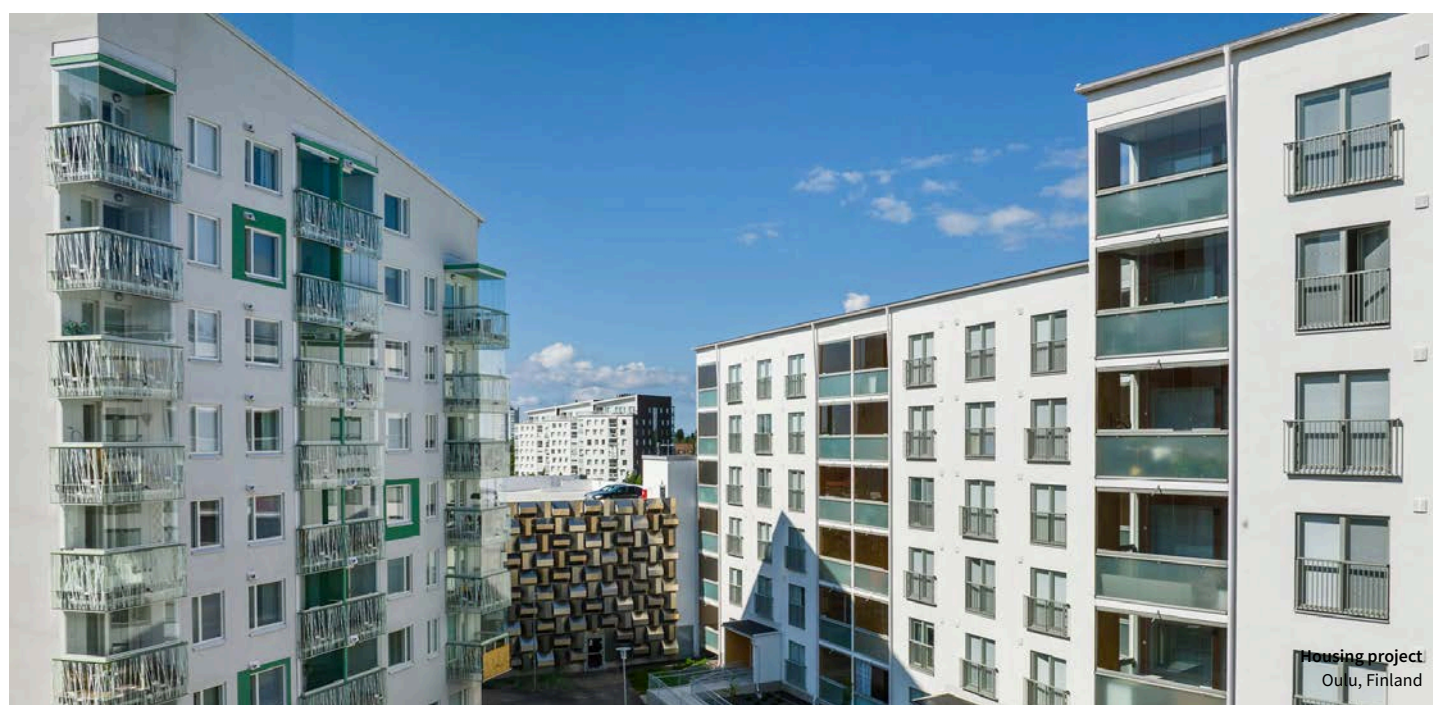
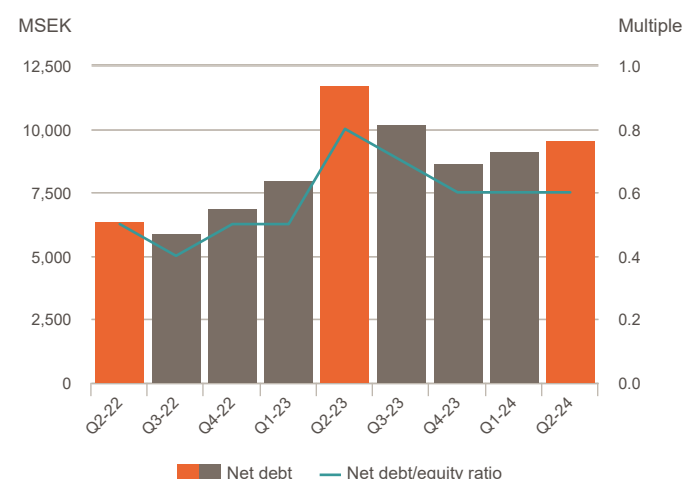
During the quarter tangible and intangible fixed assets were net invested for SEK 108 million (623). During January-June 2024 tangible and intangible fixed assets were net invested for SEK 444 million (1,013). The investments mainly refer to investments in machines in business area Industry. The comparable period also includes investments in construction of production facilities for prefab operations in business area Industry.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 45 million (789) during the quarter. Net investments in project and development properties were SEK 931 million (1,483) during January-June 2024. The investments mainly refer to the acquisition of building rights in Nacka through the acquisition of Sickalön Bygg Invest AB in the first quarter.

Net debt

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Bank loans	5,668	7,474	5,380
Commercial papers	474	202	523
Bonds	4,406	3,277	3,047
Financial leasing liabilities	781	769	837
Project financing, unsold part of housing projects	2,272	2,868	2,685
Other interest-bearing liabilities	126	46	85
Interest-bearing receivables	-2,652	-1,552	-2,638
Liquid funds	-1,490	-1,367	-1,243
Net debt, segment reporting	9,585	11,717	8,676
Additional leasing liabilities according to IFRS 16	1,516	1,482	1,420
Project financing, sold part of housing projects	2,053	6,544	4,441
Net debt, IFRS	13,154	19,743	14,537

Net debt and net debt/equity ratio



Cash flow

April – June 2024

Cash flow from current operations amounted to SEK 62 million (-1,886) in the second quarter. Cash flow from changes in working capital was SEK -732 million (-2,452). The negative cash flow was primarily generated in business area Industry where the paving season started in the second quarter, which entails building up working capital.

Cash flow from investment activities was SEK -157 million (-435). The investments consisted of machines and vehicles in business area Industry.

Cash flow before financing amounted to SEK -95 million (-2,321).

Cash flow from financing operations amounted to SEK 556 million (1,974). During the quarter dividends of SEK -431 million (-1,150) were paid to shareholders.

January – June 2024

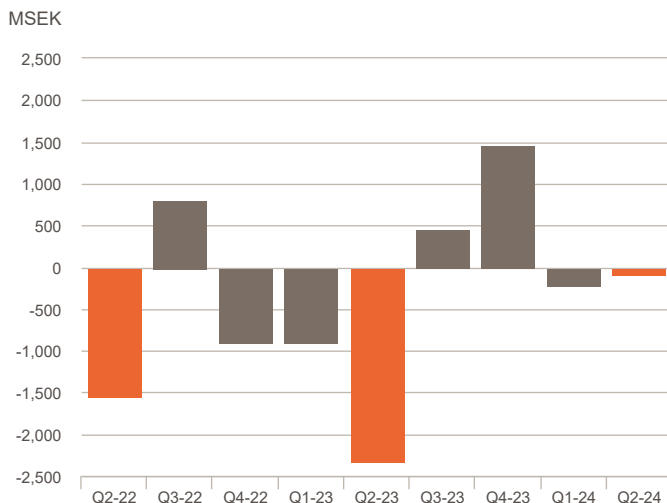
Cash flow from current operations amounted to SEK -812 million (-2,587) during the period. Cash flow from changes in working capital was SEK -1,120 million (-3,005). The negative cash flow mainly refers to the acquisition of development rights in business area Project Development and building up working capital in business area Industry where the paving season started in the second quarter.

Cash flow from investment activities was SEK 499 million (-642). Cash flow has been positively affected by the sale of the shares in the partly owned company Tornet Bostadsproduktion in business area Project Development. Cash flow has been charged by investments in machines and vehicles in business area Industry.

Cash flow before financing amounted to SEK -313 million (-3,229).

Cash flow from financing operations amounted to SEK 553 million (3,085). During the second quarter dividends of SEK -431 million (-1,150) were paid to shareholders. Loans taken out amounted to SEK 982 million (4,235).

Cash flow before financing



Tingstad Tunnel
Gothenburg

Order situation

April – June 2024

The level of orders received was high during the second quarter 2024 and amounted to SEK 16,434 million (12,505). The level of orders received increased in business areas Civil Engineering and Industry. Business area Civil Engineering includes a construction contract for New Bodø Airport in Norway now that the project has shifted from the development phase to the implementation phase. The customer is Avinor and the contract is worth NOK 3.3 billion. The number of paving contracts has grown in orders received in business area Industry, particularly in Finland.

January – June 2024

The level of orders received increased during the first half-year 2024 and amounted to SEK 34,323 million (23,547). The level of orders received increased in all business areas but particularly in business areas Civil Engineering and Industry. Business area Civil Engineering includes a construction contract for New Bodø Airport in Norway for NOK 3.3 billion, Västlänken's Haga-Rosenlund stage in Gothenburg worth about SEK 1.5 billion, a new dock in Skellefteå for about SEK 1.1 billion and operation and maintenance contracts worth about SEK 1.1 billion. A new swimming pool block in Partille worth about SEK 1.3 billion is included in business area Construction. The number of paving contracts has grown in orders received in business area Industry, particularly in Finland. The level of orders received from the public sector continued to be good during the period.

Orders received

MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Construction	4,756	6,563	11,410	11,367	22,822	22,779
Civil Engineering	7,985	3,891	16,173	8,333	22,930	15,090
Industry	4,495	3,159	7,427	5,848	12,765	11,186
Project Development	13	60	640	203	573	136
Eliminations	-815	-1,168	-1,327	-2,204	-3,206	-4,083
Group	16,434	12,505	34,323	23,547	55,884	45,108

Order backlog yet to be produced at the end of the period increased and amounted to SEK 50,578 million compared to SEK 43,638 million at the end of the same period last year. Order backlog has primarily grown for production that will be carried out next year and thereafter. Of the total order backlog, 60 percent (56) is expected to be produced after 2024 (2023). Swedish operations accounted for 75 percent (79) of the order backlog.

Preliminary agreements

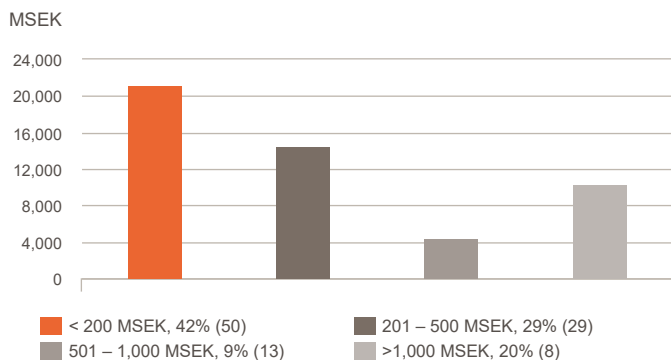
Operations in Construction and Civil Engineering increasingly participate in dialogues early on with customers in preparation for planned projects and we are therefore experiencing a greater number of preliminary agreements, so-called phase 1 contracts. Through the preliminary agreements Peab is contracted to arrive at, together with the customer, an optimal product with the right quality and also deal with risks and uncertainties. As of 2024, we present the potential value of the final construction contracts generated by these preliminary agreements.

At the start of 2024 the potential value was approximately SEK 19 billion. During the first half of the year several projects went from phase 1 to phase 2, which meant that the projects became construction contracts and are included in Peab's orders received. At the same time new projects continue to flow into phase 1 but there are others that fall away. The value of the construction contracts generated from these preliminary agreements at the end of June was around SEK 15 billion, and these orders will potentially be received over the next two years.

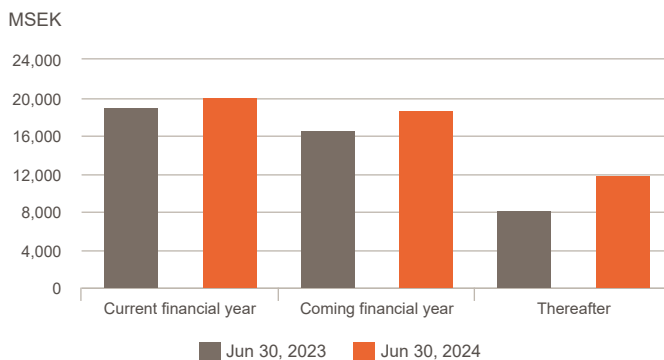
Order backlog

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Construction	23,870	25,848	24,469
Civil Engineering	22,296	15,075	13,905
Industry	6,798	6,077	3,954
Project Development	1,213	3,080	1,620
Eliminations	-3,599	-6,442	-4,888
Group	50,578	43,638	39,060

Project size of order backlog, June 30, 2024



Order backlog allocated over time



Styрман Bridge
Malmö

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

- Construction of a new drinking water reservoir in Lund Municipality in western Skåne. The customer is Sydvatten and the contract is worth SEK 136 million.
- Construction of new main water and wastewater pipelines in Nittedal. The customer is Nittedal Municipality and the contract is worth NOK 296 million.
- Construction of a new transformer station in Kanstadbotn in Lødingen Municipality. The customer is Statnett and the contract is worth NOK 127 million.
- Rebuilding and extension of the Lucerna wastewater treatment plant in Västervik. The customer is Västervik Miljö och Energi AB and the contract is worth SEK 248 million.
- Development of New Bodø Airport as the project shifts from the development to implementation phase. The customer is Avinor and the contract is worth NOK 3,300 million.
- Construction of an industrial building in Malmö. The customer is Wahlborgs Fastigheter and the contract is worth SEK 166 million.
- Rebuilding the town hall in Strängnäs. The customer is Strängnäs Fastighets AB and the contract is worth SEK 240 million.
- Rebuilding E20 at Mariestad with a central barrier. The customer is the Swedish Transport Administration and the contract is worth SEK 848 million.
- Renovation of Finland's oldest swimming pool facility in Helsinki. The customer is the City of Helsinki and the contract is worth EUR 12 million.
- Construction of roads and a railroad to Boden Industrial Park in Boden. The customer is Polar Structure AB and Boden Municipality and the contract is worth SEK 812 million.
- Construction of the Arctic Center of Energy (ACE) in Skellefteå. The customer is Skellefteå Municipality and the contract is worth SEK 390 million.
- Construction connected to the ongoing infrastructure project in Nittedal where a completely new wastewater pipeline is under construction and the main pipeline is being upgraded. The customer is Nittedal Municipality and the contract is worth NOK 106 million.
- Construction of three apartment buildings, a parking garage and courtyards in Espoo. The customer is Espoon Asunnot Oy and the contract is worth EUR 19 million.
- Construction of a K-6 school in Burlöv. The customer is Burlöv Municipality and the contract is worth SEK 374 million.
- Construction of a new technical building in Hagfors. The customer is Hagfors Municipality and the contract is worth SEK 199 million.
- Construction of the new jail in Borås. The customer is Specialfastigheter and the contract is worth SEK 499 million.

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

No own housing developments were started in the second quarter.

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

- One-year federal contract in North Ostrobothnia worth EUR 15.5 million.
- One-year federal contract in Kainuu worth EUR 9.8 million.
- One-year federal contract in Kainuu and North Karelia worth EUR 8.9 million.
- One-year federal contract in North Ostrobothnia worth EUR 8.9 million.
- One-year federal contract in North Ostrobothnia worth EUR 7.3 million.
- One-year regional contract in Gudbrandsdalen/Valdres worth NOK 65 million.
- One-year regional contract in Innlandet County worth NOK 53 million.
- One-year regional contract in Mjøsa Lake region worth NOK 50 million.
- One-year regional contract in Tromsø worth NOK 44 million.
- Two-year municipal contract in Ronneby worth SEK 40 million.
- One-year federal contract in Hjøllerup worth DKK 21 million.

Overview business areas

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

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

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

Net sales and operating profit per business area

MSEK	Net sales						Operating profit					
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Construction	6,358	7,540	12,146	14,962	24,964	27,780	123	141	224	303	-38	41
Civil Engineering	4,278	3,891	7,836	7,219	15,781	15,164	165	152	242	211	532	501
Industry	6,033	5,347	8,444	8,126	20,280	19,962	449	333	-30	-102	1,034	962
Project Development	720	1,569	1,775	3,410	4,087	5,722	-33	114	213	241	276	304
– of which Property Development	21	65	44	74	504	534	21	29	282	23	366	107
– of which Housing Development	699	1,504	1,731	3,336	3,583	5,188	-54	85	-69	218	-90	197
Group functions	345	390	674	767	1,394	1,487	-79	-34	-137	-107	-329	-299
Eliminations	-2,502	-2,981	-4,502	-6,038	-9,758	-11,294	-6	-16	1	-12	-43	-56
Group, segment reporting excl. MoS	15,232	15,756	26,373	28,446	56,748	58,821	619	690	513	534	1,432	1,453
Construction – effect Mall of Scandinavia (MoS)								400		400		400
Group, segment reporting	15,232	15,756	26,373	28,446	56,748	58,821	619	1,090	513	934	1,432	1,853
Adjustment housing to IFRS	1,696	342	2,005	630	4,154	2,779	190	98	275	251	720	696
IFRS 16, additional leases	–	–	–	–	–	–	5	9	14	19	32	37
Group, IFRS	16,928	16,098	28,378	29,076	60,902	61,600	814	1,197	802	1,204	2,184	2,586
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	10,636	11,431	19,982	22,181	40,745	42,944	288	293	466	514	494	542

Percent	Operating margin					
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Construction	1.9	1.9	1.8	2.0	-0.2	0.1
Civil Engineering	3.9	3.9	3.1	2.9	3.4	3.3
Industry	7.4	6.2	-0.4	-1.3	5.1	4.8
Project Development	-4.6	7.3	12.0	7.1	6.8	5.3
– of which Property Development	100.0	44.6	640.9	31.1	72.6	20.0
– of which Housing Development	-7.7	5.7	-4.0	6.5	-2.5	3.8
Group functions						
Eliminations						
Group, segment reporting excl. MoS	4.1	4.4	1.9	1.9	2.5	2.5
Group, segment reporting	4.1	6.9	1.9	3.3	2.5	3.2
Adjustment housing to IFRS						
IFRS 16, additional leases						
Group, IFRS	4.8	7.4	2.8	4.1	3.6	4.2
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	2.7	2.6	2.3	2.3	1.2	1.3

Business area Construction

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

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

Net sales and profit

April – June 2024

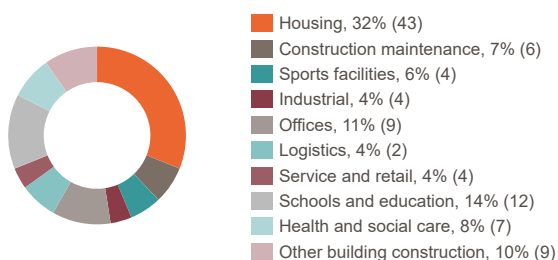
Net sales for the second quarter 2024 decreased by 16 percent and amounted to SEK 6,358 million (7,540). The decrease is due to less activity in new housing production which has not been fully compensated by other types of projects and has been experienced in all the countries we operate in. Operating profit amounted to SEK 123 million (141 excl. MoS) and the operating margin was 1.9 percent (1.9 excl. MoS). The comparable period includes a positive effect of SEK 400 million from the outcome of the arbitration decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract Mall of Scandinavia in Solna (MoS). Operating profit for the comparable period amounted to SEK 541 million and the operating margin was 7.2 percent. For more information on the outcome of arbitration, see the section Risks and uncertainty factors and Annual and Sustainability Report 2023.

January – June 2024

Net sales for the first half-year 2024 decreased by 19 percent and amounted to SEK 12,146 million (14,962). The decrease is due to less activity in new housing production which has not been fully compensated by other types of projects and has been experienced in all the countries we operate in.

Net sales

per product area, rolling 12 months



The portion of other building construction, primarily for the public sector, has increased in net sales while the portion of housing has continued to decrease. Calculated on a rolling 12 month period, per June 30, 2024 housing accounted for 32 percent (43) of net sales.

Operating profit amounted to SEK 224 million (303 excl. MoS) and the operating margin was 1.8 percent (2.0 excl. MoS). The comparable period includes a positive effect of SEK 400 million from the outcome of the arbitration decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract Mall of Scandinavia in Solna (MoS). Operating profit for the comparable period amounted to SEK 703 million and the operating margin was 4.7 percent. The operating margin for the latest rolling 12 month period was -0.2 percent compared to 0.1 percent excluding the effect of MoS for the full year 2023.

Orders received and order backlog

April – June 2024

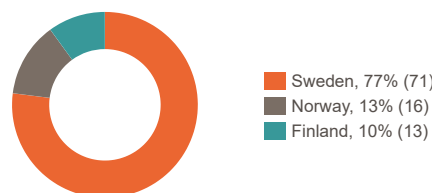
The level of orders received during the second quarter contracted and amounted to SEK 4,756 million (6,563). Orders received from the public sector for other building construction continued to be good during the quarter.

January – June 2024

The level of orders received during the first half-year amounted to SEK 11,410 million (11,367). The period includes a new swimming pool block with a swimming pool facility, homes, commercial premises and parking space in Partille for a total worth of around SEK 1.3 billion. In addition, orders received from the public sector for other building construction continued to be good.

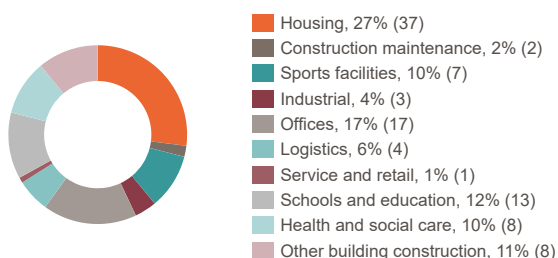
Order backlog on June 30, 2024 amounted to SEK 23,870 million (25,848). The portion of other building construction has continued to increase in order backlog while the portion of housing projects has decreased.

per geographic market, rolling 12 months

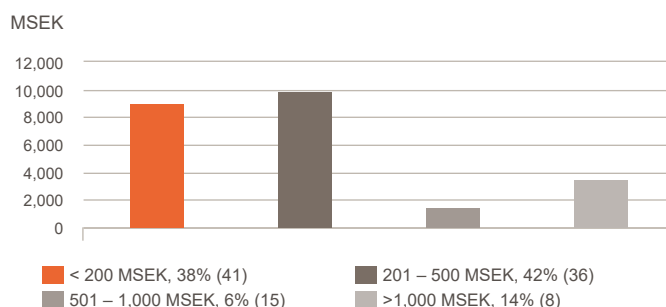


Order backlog, June 30, 2024

per product area



per project size



Key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2024	Jan-Dec 2023
Net sales, MSEK	6,358	7,540	12,146	14,962	24,964	27,780
Operating profit excl. MoS, MSEK	123	141	224	303	-38	41
Operating margin excl. MoS, %	1.9	1.9	1.8	2.0	-0.2	0.1
Operating profit, MSEK	123	541	224	703	-38	441
Operating margin, %	1.9	7.2	1.8	4.7	-0.2	1.6
Orders received, MSEK	4,756	6,563	11,410	11,367	22,822	22,779
Order backlog, MSEK	23,870	25,848	23,870	25,848	23,870	24,469
Operating cash flow, MSEK	2	-461	164	-236	546	146
Average number of employees	4,585	5,087	4,568	5,150	4,767	5,067

Business area Civil Engineering

Business area Civil Engineering is a leading actor in Sweden and one of the larger players in Norway. Civil Engineering works with landscaping and pipelines, builds and maintains roads, railroads, bridges and other infrastructure as well as does foundation work. Operations are organized in seven geographic regions, one region for foundations, and one nationwide region in Sweden for operation and maintenance.

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

Net sales and profit

April – June 2024

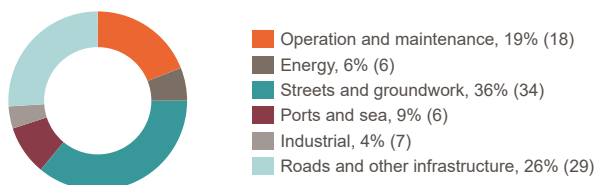
Activity in business area Civil Engineering continued to be high during the second quarter and net sales increased by ten percent to SEK 4,278 million (3,891). Operating profit increased and amounted to SEK 165 million (152) and the operating margin was unchanged at 3.9 percent (3.9).

January – June 2024

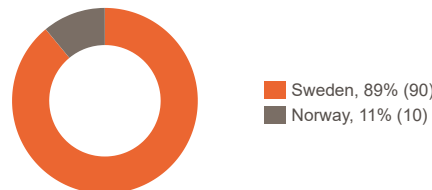
Activity was high in business area Civil Engineering during the first half-year. Public investments in the form of investments in infrastructure and wastewater facilities, as well as the ongoing climate transition, have had a positive impact. Net sales increased by nine percent to SEK 7,836 million (7,219). Even adjusted for divested operations and exchange rate effects, net sales increased by nine percent.

Net sales

per product, rolling 12 months

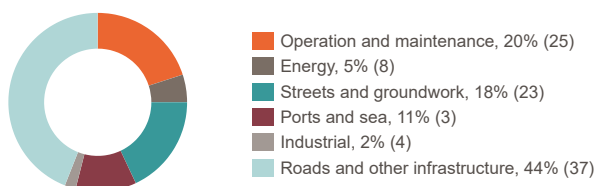


per geographic market, rolling 12 months

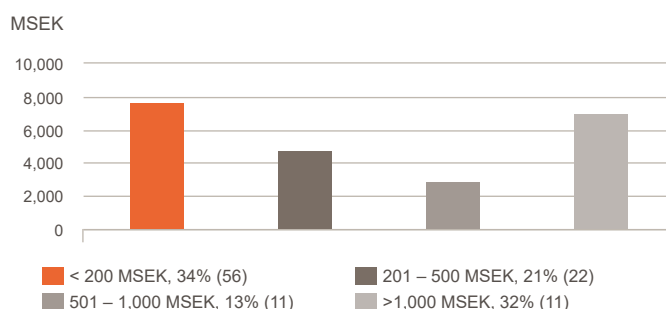


Order backlog, June 30, 2024

per product



per project size



Key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Net sales, MSEK	4,278	3,891	7,836	7,219	15,781	15,164
Operating profit, MSEK	165	152	242	211	532	501
Operating margin, %	3.9	3.9	3.1	2.9	3.4	3.3
Orders received, MSEK	7,985	3,891	16,173	8,333	22,930	15,090
Order backlog, MSEK	22,296	15,075	22,296	15,075	22,296	13,905
Operating cash flow, MSEK	194	-83	493	57	1,134	698
Average number of employees	3,301	3,322	3,208	3,308	3,295	3,356

Operating profit increased and amounted to SEK 242 million (211) and the operating margin improved to 3.1 percent (2.9). The operating margin for the latest 12 month period was 3.4 percent compared to 3.3 percent for the full year 2023.

Orders received and order backlog

April – June 2024

The level of orders received during the second quarter was high and amounted to SEK 7,985 million (3,891). The quarter included a construction contract for New Bodø Airport in Norway now that the project has shifted from the development phase to the implementation phase. The customer is Avinor and the contract is worth NOK 3.3 billion.

January – June 2024

The level of orders received during the first half-year was high and amounted to SEK 16,173 million (8,333). The period included Västlänken's Haga-Rosenlund stage in Gothenburg worth around SEK 1.5 billion, a new dock in Skellefteå worth about SEK 1.1 billion, operation and maintenance contracts for about SEK 1.1 billion and New Bodø Airport worth NOK 3.3 billion.

Order backlog on June 30, 2024 increased and amounted to SEK 22,296 million (15,075). Roads and other infrastructure make up the largest portion of the order backlog with 44 percent (37).

Business area Industry

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

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

Net sales and profit

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

April – June 2024

Net sales during the second quarter 2024 increased by 13 percent and amounted to SEK 6,033 million (5,347). The increase in net sales is primarily due to paving. Operating profit increased and amounted to SEK 449 million (333) and the operating margin improved to 7.4 percent (6.2). The operating profit in paving improved compared to the second quarter of 2023 while both prefab operations and rental operations were affected by the weak housing market and reported lower operating profit.

January – June 2024

Net sales during the first half-year 2024 increased by four percent and amounted to SEK 8,444 million (8,126). The increase is primarily due to paving. Both prefab operations and rental operations have been affected by the weak housing market and reported a lower level of activity compared to the first half of last year.

Operating profit improved and amounted to SEK -30 million (-102). The operating margin was -0.4 percent (-1.3). Operating profit improved in paving, which has a clear seasonal pattern where the season starts in the second quarter, while both prefab operations and rental operations reported lower operating profit as a result of the weaker housing market. The operating margin for the latest rolling 12 month period improved to 5.1 percent compared to 4.8 percent for the full year 2023.

Capital employed at the end of the period contracted and was SEK 11,339 million compared to SEK 11,885 million at the end of same period last year. The decrease is due to a lower investment rate and an improvement in working capital.

Orders received and order backlog

April – June 2024

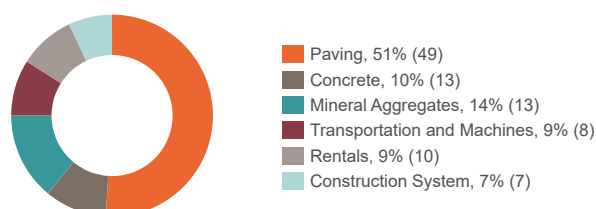
The level of orders received during the second quarter increased and amounted to SEK 4,495 million (3,159). The increase is mainly related to paving contracts, particularly in Finland.

January – June 2024

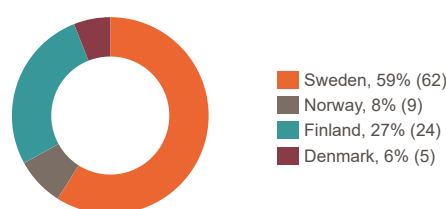
The level of orders received during the first half-year increased and amounted to SEK 7,427 million (5,848). The increase is mainly related to paving contracts, particularly in Finland. Order backlog per June 30, 2024 was SEK 6,798 million (6,077).

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Net sales, MSEK	6,033	5,347	8,444	8,126	20,280	19,962
Operating profit, MSEK	449	333	-30	-102	1,034	962
Operating margin, %	7.4	6.2	-0.4	-1.3	5.1	4.8
Orders received, MSEK	4,495	3,159	7,427	5,848	12,765	11,186
Order backlog, MSEK	6,798	6,077	6,798	6,077	6,798	3,954
Capital employed at the end of the period, MSEK	11,339	11,885	11,339	11,885	11,339	10,699
Operating cash flow, MSEK	-41	-603	-577	-993	1,428	1,012
Average number of employees	4,411	4,480	3,987	4,149	4,424	4,485
Concrete, thousands of m ³ ¹⁾	243	314	430	577	957	1,104
Paving, thousands of tons ¹⁾	2,004	1,606	2,115	1,726	5,900	5,511
Mineral Aggregates, thousands of tons ¹⁾	8,131	6,519	12,557	10,749	26,592	24,784

¹⁾ Refers to sold volume

Business area Project Development

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

The business area is responsible for the Group's property acquisitions and divestitures as well as project development which generates contract work for the other business areas. Project Development works through wholly owned companies or in collaboration with other partners in joint ventures.

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

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

Net sales and profit

April – June 2024

Net sales in Project Development contracted by 54 percent in the second quarter and amounted to SEK 720 million (1,569). The decrease is due to the continued weak demand for housing throughout the Nordic region, which has affected activity in Housing Development. Operating profit amounted to SEK -33 million (114) with an operating margin of -4.6 percent (7.3).

January – June 2024

Net sales in Project Development contracted during the first half-year and amounted to SEK 1,775 million (3,410). The decrease is attributable to Housing Development. Operating profit amounted to SEK 213 million (241) with an operating margin of 12.0 percent (7.1).

Capital employed in Project Development at the end of the period amounted to SEK 18,408 million (17,351). The increase is primarily due to investments in housing development rights.

Key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Net sales, MSEK	720	1,569	1,775	3,410	4,087	5,722
<i>of which Property Development</i>	21	65	44	74	504	534
<i>of which Housing Development</i>	699	1,504	1,731	3,336	3,583	5,188
Operating profit, MSEK	-33	114	213	241	276	304
<i>of which Property Development</i>	21	29	282	23	366	107
<i>of which Housing Development</i>	-54	85	-69	218	-90	197
Operating margin, %	-4.6	7.3	12.0	7.1	6.8	5.3
<i>of which Property Development</i>	100.0	44.6	640.9	31.1	72.6	20.0
<i>of which Housing Development</i>	-7.7	5.7	-4.0	6.5	-2.5	3.8
Capital employed at the end of the period, MSEK	18,408	17,351	18,408	17,351	18,408	18,093
Orders received, MSEK	13	60	640	203	573	136
Order backlog, MSEK	1,213	3,080	1,213	3,080	1,213	1,620
Operating cash flow, MSEK	-107	-861	44	-1,369	-841	-2,254
Average number of employees	161	232	171	240	189	222

Capital employed

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Operations property	41	138	146
Investment property	36	36	36
Project and development property	15,524	14,499	14,603
<i>of which housing development rights</i>	8,714	7,642	7,981
<i>of which commercial development rights</i>	1,011	830	901
<i>of which unsold part of ongoing housing projects</i>	2,003	2,758	2,461
<i>of which ongoing rental projects</i>	1,066	1,502	1,712
<i>of which ongoing commercial projects</i>	761	323	489
<i>of which completed property</i>	869	399	165
<i>of which other</i>	1,100	1,045	894
Participation in joint ventures	2,407	2,660	2,820
Loans to joint ventures	1,433	1,484	1,498
Working capital and other	-1,033	-1,466	-1,010
Total	18,408	17,351	18,093
<i>of which Property Development</i>	4,703	4,952	5,034
<i>of which Housing Development</i>	13,705	12,399	13,059

Housing Development

April – June 2024

Net sales decreased during the quarter and amounted to SEK 699 million (1,504). The decline is evident in all the countries we operate in. Operating profit amounted to SEK -54 million (85) and the operating margin was -7.7 percent (5.7). The negative operating profit is due to the fact that there have been no production starts during the quarter and that there are few housing projects in ongoing production.

Demand for newly produced homes with a long time before occupancy remains low and we did not start any new housing projects during the second quarter. Production started on 185 homes in rental apartment projects on our own balance sheet in the corresponding quarter last year. The number of sold homes was 136 (206), all of which were tenant-owner apartments/condominiums. Of a total of 206 homes sold in the second quarter 2023, 87 were tenant-owner apartments/condominiums and 119 were homes in rental apartment projects.

January – June 2024

The continued weak demand on the housing market throughout the Nordic region is clearly noticeable in Housing Development. Net sales decreased and amounted to SEK 1,731 million (3,336). Operating profit amounted to SEK -69 million (218) and the operating margin was -4.0 percent (6.5). The operating margin for the latest rolling 12 month period was -2.5 percent compared to 3.8 percent for the full year 2023.

Sales of our own housing developments remain at low levels but on a positive note we are selling at a steady pace and have noted some increased interest at the beginning of the year, mainly in Sweden's major cities. During the period we started up three housing projects; one in Sweden, one in Norway and one in Finland. The total number of production start-ups of our own developed homes was 137 (483) during the period. All of these 137 (81) were tenant-owned apartments/condominiums. During the corresponding period last year there were also production start-ups of 402 homes in rental apartment projects on our own balance sheet. The total number of sold homes was 441 (451), of which 302 (188) were tenant-owner apartments/condominiums and 139 (263) were homes in rental apartments projects. The total number of homes in production was 2,366 (4,665), of which 1,504 (3,392) were tenant-owner apartments/condominiums and 862 (1,273) were homes in rental apartment projects. The portion of sold tenant-owner apartments/condominiums in ongoing production was 61 percent (67). The number of repurchased homes per June 30, 2024 was 266 (266) and they were mainly in Finland. There is a substantial underlying need for homes throughout the Nordic region but higher interest rates and the high cost of construction make it harder to make sound calculations. We see continued interest in our own housing developments but interest rate hikes and concern about the economy in general make it difficult to assess future developments, especially in projects with a long time before occupancy.

Own housing development construction

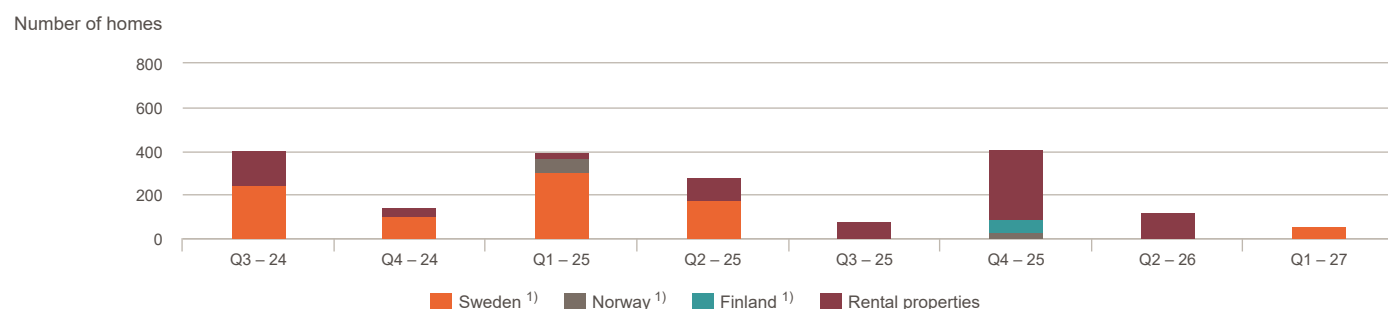
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Tenant-owner associations, ownership and residential limited companies						
Number of production-started homes during the period	–	–	137	81 ¹⁾	177	121 ²⁾
Number of sold homes during the period	136	87	302	188	656	542
Total number of homes under production, at the end of the period	1,504	3,392	1,504	3,392	1,504	2,392
Portion of sold homes under production, at the end of the period	61%	67%	61%	67%	61%	68%
Number of repurchased homes on our balance sheet, at the end of the period	266	266	266	266	266	252
Rentals						
Number of production-started homes during the period	–	185	–	402	204	606
Number of sold homes during the period	–	119	139	263	268	392
Number converted to tenant-owner associations during the period	–	–	–	45	40	85
Total number of homes under production, at the end of the period	862	1,273	862 ³⁾	1,273 ³⁾	862	1,302
Number of homes completed, at the end of the period	306	–	306	–	306	–

¹⁾ Includes 45 homes that have been converted from rentals

²⁾ Includes 85 homes that have been converted from rentals

³⁾ Of which 116 (603), respectively 13 percent (47), are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects



Falling inflation and expectations of lower interest rate levels in the future create better conditions for production starts of homes, even though recovery will take time. As far as Peab is concerned, we have a well-dimensioned development rights portfolio in attractive locations and while we wait for the market to recover we are further developing and preparing projects for the future.

Capital employed increased at the end of the period and amounted to SEK 13,705 million (12,399). The increase is mainly due to investments in development rights.

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

Net sales

per geographic market, rolling 12 months



Development rights for housing

Number, approx.	Jun 30 2024	Jun 30 2023	Dec 31 2023
Development rights on our own balance sheet	21,800	21,700	22,000
Development rights via joint ventures	4,000	4,600	4,700
Development rights via options etc.	6,900	8,500	7,400
Total	32,700	34,800	34,100



Groundbreaking ceremony, Brf Havtornet
Tjörn

Property development

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

April – June 2024

During the second quarter 2024 net sales were SEK 21 million (65) and operating profit was SEK 21 million (29). Capital gains from property divestitures amounted to SEK 17 million (7) in total. Among other things, an office building in Jönköping was divested in the quarter. Profit contributions from partly owned companies amounted to SEK 15 million compared to SEK 33 million in the same quarter last year.

January – June 2024

During the first half-year 2024 net sales were SEK 44 million (74) and operating profit was SEK 282 million (23). Capital gains from property divestitures amounted to SEK 275 million (8) in total, of which the divestiture of the shares in Tornet Bostadsproduktion contributed by SEK 220 million. Profit contributions from partly owned companies amounted to SEK 34 million compared to SEK 43 million in the same period last year.

Current property projects

Type of project	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK	Adopted investment, MSEK	Completion time point	Completion level, %
Office building	Gothenburg	12,900	23	489	568	Q3-2024	86
Logistic facility	Södertälje	23,900	–	253	379	Q4-2024	67
Others				19			
Total				761			

At the end of the second quarter 2024 the capital employed in Property Development was SEK 4,703 million (4,952). A large part of the capital employed is shares in partly owned companies and loans to partly owned companies.

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

The table below presents current property projects per June 30, 2024. The logistics property in Södertälje has been divested to an external party and is expected to be handed over during the fourth quarter 2024.

Significant joint ventures

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

Fastighets AB Centur

Own, manage and develop commercial property and housing.

Peab's share: 50 percent

Partner: Balder

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

Recognized value on properties June 30, 2024 ¹⁾: SEK 8,148 million (7,957)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 555 million (626)

Major ongoing projects: No major ongoing projects

Fastighets AB ML4

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

Peab's share: 50 percent

Partner: Wihlborgs

Geography: Lund

Recognized value on properties June 30, 2024: SEK 1,868 million (1,918)

Major ongoing projects: No major ongoing projects

Point Hyllie Holding AB

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

Peab's share: 50 percent

Partner: Volito

Geography: Hyllie, Malmö

Recognized value on properties June 30, 2024: SEK 1,361 million (1,396)

Major ongoing projects: No major ongoing projects

Skiab Invest AB

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

Peab's share: 50 percent

Partner: SkiStar

Geography: Scandinavian mountains

Recognized value on properties June 30, 2024 ¹⁾: SEK 2,184 million (2,304)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 52 million (69)

Major ongoing projects: No major ongoing projects

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

Construction market

Sweden

Growth is expected to be limited to 0.5 percent in 2024. The cost of living is high and unemployment is expected to increase significantly this year, which will curb consumption. Housing construction, halved in 2023, will most likely continue to contract in 2024 before the trend turns in 2025. The tempo of interest rate cuts has a serious impact on developments in housing investments. Both private and public premise construction will probably diminish this year as well due to the challenges facing government budgets and weak investment signals from the service sector and commerce. The downturn is expected to level off in 2025. Industry's building construction investments are expected to grow by a few percent per year in 2024 and 2025. Civil engineering construction, which increased in 2023, is expected to level out in 2024 followed by an upturn in 2025.

Norway

Growth in the mainland economy is expected to land just under one percent in 2024, followed by an upturn in 2025. Inflation and high interest rates are having a negative impact. However, a relatively weak Norwegian krone is contributing to a positive trade balance. Domestic consumption is under pressure from the negative development in real wages and higher home loan costs. Housing construction, which dropped dramatically in 2023, is expected to contract slightly this year followed by growth in 2025. Growth is expected in other building construction in 2024, driven by industry and the public sector and that trend appears to continue into 2025. The total volume in building construction investments indicates growth in 2024 and 2025. Civil engineering construction is believed to have increased in 2023 and it looks like this positive development will continue in 2024 but then level out in 2025.

Finland

Finnish economy is expected to grow by a half percent in 2024. Growth is challenged by the continuing decline in housing construction and a service sector suffering from households on restricted budgets. Activity is held back by rising unemployment and high interest rates. Growth in the economy will probably come in 2025 and land at just over 1.5 percent. Housing construction declined dramatically in 2023 and this negative trend is expected to continue in 2024 before it turns in 2025. Other building construction is expected to develop negatively during 2024 regarding both industry as well as investments in premises by the private and public sectors. The trend is somewhat more positive in 2025 when the decline is expected to level out. Civil engineering is expected to decrease in 2024 followed by an upswing in 2025.

Housing

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

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

Other building construction

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

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

Civil engineering

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

Forecast for civil engineering investments
Source: Navet

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



Paving shared private road
Ytterby

Non-financial targets and sustainability

Every day Peab contributes to sustainable social development and works to improve everyday life for people in their local communities. We do this by building everything from homes, schools and hospitals to bridges, roads and other infrastructure. Working sustainably is a strategic matter for Peab that primarily takes place locally, connected to everyday life based on our core values, business concept, mission, strategic targets and Code of Conduct.

We monitor our business based on nine external targets – both financial and non-financial – that also identify our material sustainable aspects. These are found in the strategic targets Best workplace and Leader in social responsibility. We report the targets quarterly, semi-annually or annually. In this report we present our two financial targets for the operating margin and net debt ratio as well as the target for the outcome of serious accidents and attractive employer (eNPS).

Most satisfied customers

It is imperative for a long-term, sustainable relationship that Peab deliver on its obligations to customers. A satisfied customer is a customer that comes back and is vital to marketing our company. This is why our annual customer survey is an important measure of how well we are meeting our customers' expectations while also indicating where there is room for improvement. Our latest Customer Satisfaction Index (CSI) score for 2023 remained at 80 (80), which is a continued good result and higher than our target of 75. Customers' perception of Peab's price worthiness and planning ability were the areas where scores increased the most. Regarding our business areas, Construction and Civil Engineering increased their CSI scores.

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

Best workplace

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

Serious accidents

A safe work environment is the foundation of our business. Everyone at our workplaces should be able to be there under safe and secure conditions, despite the fact that there are risks involved in the work we do. Peab therefore has a vision of zero workplace accidents. To prevent accidents and incidents at our workplaces, we develop quality-assured work methods and train our employees. The focus is on preventive work and remediation of reported incidents and risk observations. This involves planning and risk assessment in the projects, learning from reported risk observations and from investigations of incidents and accidents.

In order to approach our vision of zero workplace accidents, we have a target of a decreasing trend in serious accidents* that includes everyone at our workplaces. During the second quarter of the year there were 8 serious accidents, of which 6 involved our own employees and 2 involved subcontractors. Calculated on a rolling 12 month basis, the number was 44 per June 30, 2024 (48 per December, 2023), of which 26 pertained to own personnel and 18 to subcontractors. We note a slight increase in the number of serious accidents among our own employees compared to the previous quarter. We continue with unabated intensity to focus on preventive work environment to reduce the number of accidents.

We also monitor the number of workplace accidents with more than four days absence, excluding the day of injury (LT14), and workplace accidents according to the same definition per one million hours worked (LTIF4) for our own employees. During the second quarter of the year the number of LT14 was 33 (32 first quarter 2024) and the LTIF4 frequency rate on a rolling 12 month basis was 5.7 (5.4 after the first quarter 2024).

Attractive employers (eNPS)

We should be the best workplace in the industry and thereby the obvious choice of employer. Twice a year we hold our personnel survey The Handshake so that we can continuously develop and improve as co-workers and teams. The questions in The Handshake mainly concern productivity, the team's sustainability and if employees are willing to recommend Peab as an employer to friends and acquaintances (eNPS). The latter is also one of our nine external targets that we report twice a year and should be above the benchmark for the industry (industry and manufacturing).

In the spring survey the eNPS score increased by a point to 27 from the autumn survey which was 26. This is well over the Nordic benchmark in the segment industry and manufacturing, which is 20 (19 in the autumn survey). The most significant positive change was among skilled workers in our Finnish operations. Participation in the spring survey was the highest ever at 89.9 percent (87.3 percent in the autumn survey). This shows how very engaged our employees are.

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

The total number of employees per June 30, 2024 was 14,068 (15,490). The average number of employees* on a rolling 12 month basis amounted to 13,318 compared to 13,808 for the full year 2023.

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

Leader in social responsibility

Climate target for carbon dioxide intensity

As the Nordic Community Builder we have a big responsibility for reducing the considerable climate impact of the construction and civil engineering industry at the rate required by the Paris Agreement. Peab impacts the environment and the climate through our own operations and the impact our suppliers and customers have. Operations primarily cause emissions of greenhouse gases by using various materials in production like concrete, steel and asphalt. Two other major sources of carbon emissions in production are energy consumption and transportation. Therefore our prioritized, emission reduction activities can be found within the framework of these areas. As community builders we also have a comprehensive perspective on our climate work and strive to contribute to a sustainable society on the whole by building, for example, solar power plants and railroads or by building in such a way that people can live more sustainably. We have a life cycle perspective in our operations and take responsibility for both making and meeting demands in our value chain. We have an advantage in that we can supply our construction contract operations and the projects we develop ourselves with input goods and raw material through business area Industry, which augments our ability to actively steer towards lower carbon emissions.

In 2045 Peab will be climate neutral. Our targets by 2030 are to reduce carbon dioxide intensity by at least 60 percent in our own operations (Scope 1 and 2) and for input goods and purchased services (Scope 3) by at least 50 percent compared to base year 2015. The outcome after 2023 revealed that developments are going in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 49 percent compared to base year 2015 and by 9 percent for input goods and purchased services. This means that we are well on the road to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. It is therefore vital that we continue to make explicit and stringent demands as well as point out choices that are better for the climate in order to reduce emissions. We work actively to increase the completeness of our measurements of carbon dioxide intensity, which is particularly demanding in Scope 3 reporting.

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

Equal opportunity

Only about five percent of those that graduate with, for Peab, degrees in relevant, practical education are women. This means that the construction and civil engineering industry has a major role to play in taking advantage of all the competence society has to offer. As one of the largest Nordic community builders we have a responsibility to nudge the entire industry forward. Our target initially is therefore to strive for the percentage of women recruited to Peab for our core skills to always be higher than the percentage of women who have graduated with, for us, relevant degrees on the education markets. We are focused on core skills in production (skilled workers) as well as in production management and production support (white-collar workers).

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

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

Activities during the second quarter

- Peab became the first civil engineering company to use piles produced with SSAB Zero, a material based on recycled scrap steel and produced with fossil free electricity and biogas. This choice of material reduces carbon emissions by around 80 percent compared to the same piles manufactured with traditional steel. The piles are part of the construction of a new dock Peab is building at the Port of Skellefteå that will contribute to developing the port by enabling it to handle more and larger transportation.
- Byggelement's new prefab factory in Hallstahammar was inaugurated. Here cost-efficient and large scale, climate improved production of slabs and walls with at least 50 percent less cement takes place. Products in ECO 50, i.e. ECO-Prefab with at least 50 percent alternative binder, are standard in this factory.
- Byggelement continued development of more climate improved elements by launching solid walls in ECO 60. Solid walls are one of the products Byggelement sells the most of, and now their carbon emission have been significantly reduced.
- Residents in Borås moved into Peab's 50th Swan ecolabelled own developed apartment building. Peab began Swan ecolabelling its own developed apartment buildings in 2017 to provide customers with a third party certification that their home and the building they move into meets stringent environmental demands on everything from the building material to lower energy consumption in the building.
- Swerock took another step in electrification of its fleet of vehicles by adding two new electric trucks to its operations in Gothenburg and Skåne. This reduces noise levels and greenhouse gas emissions. The trucks will transport rental lifts and be charged at night but can also be fast charged as needed during the day.
- Lambertsson Kran invested in a 50 ton mobile crane where the crane is run on electricity. It is the first of its kind in Sweden and yet another step in electrifying the company's fleet of vehicles. The motor used to move the crane runs on HVO and the hydraulic system uses bio oil.
- Peab completed the comprehensive mapping of its impact on biodiversity and presented the basis for a road map to identify and prioritize systematic measures to protect and strengthen biodiversity.
- The Peab Group carried out its annual Safety Day with the theme "Team Above All". This is a shared work environment activity aimed at getting all employees to think about how they can contribute to health and safety in the workplace.



Asphalt pump truck
Markaryd

Summary external targets

In order to further promote value creation Peab updated its targets as of 2021 – everything from our mission, business concept and strategic target areas to internal and external financial and non-financial targets. We report the performance of our business by monitoring nine external targets, of which three are financial and based on segment reporting and six are non-financial targets. We consider the external targets particularly important and they are a subset of our internal targets and action plans. At the beginning of 2024, Peab communicated that all nine targets will remain unchanged for the period 2024 – 2026.

Both the internal and external financial and non-financial targets are categorized under the strategic targets: Most satisfied customers, Best workplace, Most profitable company and Leader in social responsibility. All targets relate to the industry. For a more detailed description of each target please see www.peab.com/targets.



Most satisfied customers

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

>75
CSI always over 75



Best workplace

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

eNPS always over benchmark

Zero Vision
serious accidents
Through a contracting trend



Most profitable company

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

>6% Operating margin

0.3–0.7 Net debt/equity ratio

Dividend >50% of profit for the year



Leader in social responsibility

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

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

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

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

Target and target fulfilment

Most profitable company

Operating margin

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

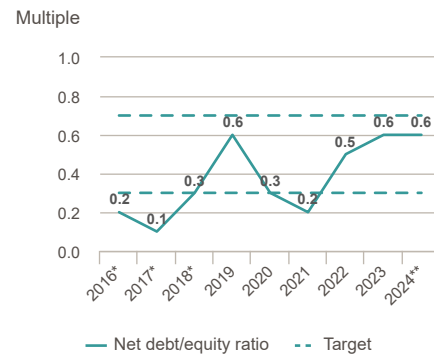


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin 4.5 % excl. the effect of the distribution of Annehem Fastigheter (SEK 952 million). *** Operating margin 2.5 % excl. Mall of Scandinavia (SEK 400 million). **** Calculated on rolling 12 months per June 30, 2024.

Most profitable company

Net debt/equity ratio

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

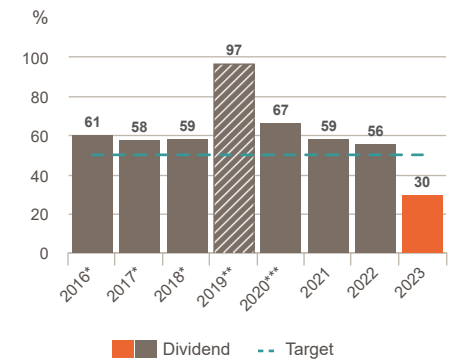


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Per June 30, 2024.

Most profitable company

Dividend

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

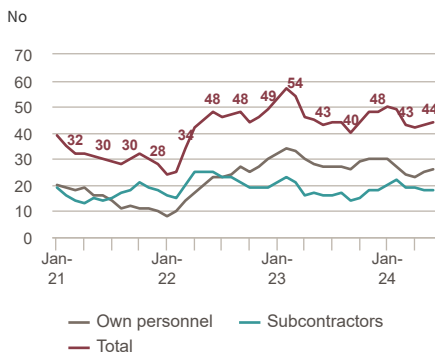


* Years 2016-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is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

Best workplace

Serious accidents

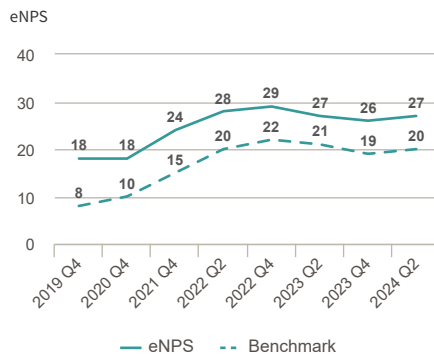
Target: Zero fatal accidents and contracting trend, rolling 12 months, serious accidents classification 4 (reported quarterly)



Best workplace

eNPS

Target: > over benchmark (reported semiannually)



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

Most satisfied customers

Customer Satisfaction Index (CSI)

Target: > 75 (reported annually)

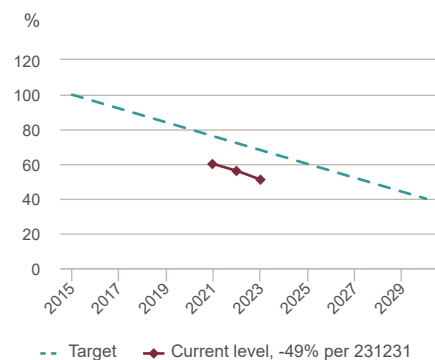


CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100.

Leader in social responsibility

Carbon dioxide intensity: Climate targets for our own production

Target: Reduced emissions of GHG Scope 1+2* (tons CO₂e/MSEK) by 60% until 2030 (reported annually)

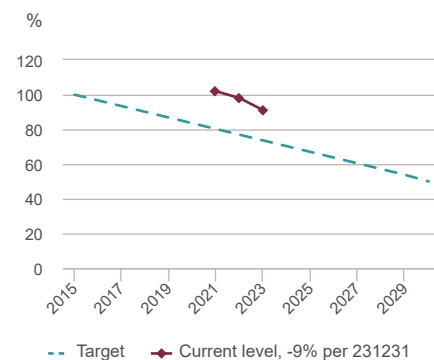


* Direct and indirect emissions as a result of using fuel and energy in our own production.

Leader in social responsibility

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

Target: Reduced emissions of GHG Scope 3* (tons CO₂e/MSEK) by 50% until 2030 (reported annually)

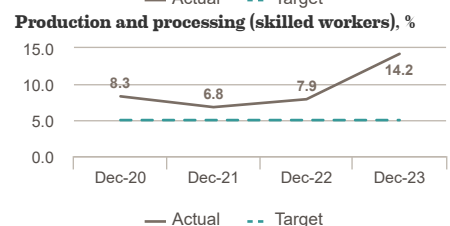
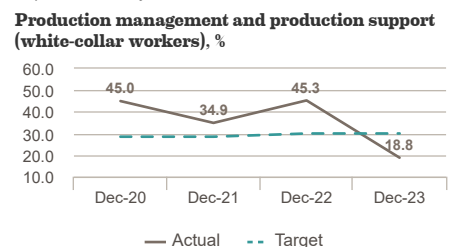


* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

Equal opportunity recruitment

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



Risks and uncertainty factors

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

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

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

Financial risks are primarily associated with the company's need for capital, tied-up capital and access to financing. Financial risks are managed on Group level.

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

Central banks have raised their policy rates several times over the last years and interest rates are expected to remain high, even though interest rates have begun to come down. Continued high interest rates can reduce investment appetite and diminish demand.

Since Russia invaded Ukraine in February 2022 the global situation has changed dramatically. In addition to the terrible tragedy for the people the war touches, the situation risks further hampering macroeconomic growth in the world. The construction industry is affected through greater uncertainty and cautiousness concerning investments and continued high material and energy prices. Peab is not directly exposed to Russia, Ukraine or Belarus but may be indirectly affected through material suppliers. We follow developments carefully to continually assess any effects on Peab.

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



Port of Skellefteå
Skellefteå

Other information

Significant events during the period

Peab reiterated its external targets at Capital Markets Day

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

Performance share program and transfer of own shares

The AGM on May 6, 2024 resolved to approve the Board's proposal of Performance Share Program 2024 and transfer of a maximum of 2,785,324 B shares. The purpose of the Performance Share Program is to tie key employees' rewards closer to the company's long-term earnings and value development.

Green bond issue

On June 13, 2024 Peab issued bonds for a total value of SEK 1,500 million. The bonds mature in 3 respectively 4.5 years. With a maturity of 3 years SEK 900 million were issued with a variable interest rate of 3 months Stibor (the Stockholm

Interbank Offered Rate) plus 2.30 percentage points. With a maturity of 4.5 years SEK 600 million were issued with a variable interest rate of 3 months Stibor plus 2.70 percentage points. Funds from the issue will be used to finance investments in green buildings, energy ECO efficient and circular products and production processes, clean transportation as well as water and pollution management. The green bonds were issued within the framework of Peab's Swedish MTN program and the newly updated Green Finance Framework.

Significant events after the period

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

Holdings of own shares

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

Related parties

The character and extent of transactions with related parties is presented in the Annual and Sustainable Report 2023, note 41. For more information about transactions with related parties during the period see business area Project Development. No other new significant transactions have occurred during the first half-year 2024.



Report on the Group income statement, IFRS

Group net sales according to IFRS amounted during the first half-year 2024 to SEK 28,378 million (29,076). After adjustments for divested units and exchange rate effects net sales decreased by two percent. The adjustment of our own housing development projects to the completion method affected net sales by SEK 2,005 million (630).

Operating profit according to IFRS for the first half-year 2024 amounted to SEK 802 million (1,204) and the operating margin was 2.8 percent (4.1). The adjustment of our own housing development projects to the completion method affected operating profit by SEK 275 million (251).

MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Net sales	16,928	16,098	28,378	29,076	60,902	61,600
Production costs	-15,281	-14,141	-26,289	-26,279	-56,193	-56,183
Gross profit	1,647	1,957	2,089	2,797	4,709	5,417
Sales and administrative expenses	-885	-867	-1,644	-1,721	-3,087	-3,164
Other operating income	60	124	389	166	580	357
Other operating costs	-8	-17	-32	-38	-18	-24
Operating profit	814	1,197	802	1,204	2,184	2,586
Financial income	59	431	127	467	244	584
Financial expenses	-167	-125	-322	-213	-693	-584
Net finance	-108	306	-195	254	-449	0
Pre-tax profit	706	1,503	607	1,458	1,735	2,586
Tax	-110	-315	-67	-305	-360	-598
Profit for the period	596	1,188	540	1,153	1,375	1,988
Profit for the period, attributable to:						
Shareholders in parent company	596	1,189	539	1,154	1,373	1,988
Non-controlling interests	0	-1	1	-1	2	0
Profit for the period	596	1,188	540	1,153	1,375	1,988
Key ratios, IFRS						
Earnings per share before and after dilution, SEK	2.08	4.13	1.88	4.01	4.79	6.92
Average number of outstanding shares, million	287.5	287.5	287.5	287.5	287.5	287.5
Return on capital employed, % ¹⁾	7.3	10.4	7.3	10.4	7.3	9.1
Return on equity, % ¹⁾	9.5	17.8	9.5	17.8	9.5	14.1

¹⁾ Calculated on rolling 12 months

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

MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Profit for the period	596	1,188	540	1,153	1,375	1,988
Other comprehensive income						
Items that can be reclassified or have been reclassified to profit for the period						
Translation differences for the period from translation of foreign operations	8	82	62	-16	-67	-145
Changes in fair value of cash flow hedges for the period	1	9	14	6	26	18
Shares in joint ventures' other comprehensive income	-1	-3	-1	-1	-4	-4
Tax referring to items that can be reclassified or have been reclassified to profit for the period	0	-1	-3	-1	-6	-4
Other comprehensive income for the period	8	87	72	-12	-51	-135
Total comprehensive income for the period	604	1,275	612	1,141	1,324	1,853
Total comprehensive income for the period, attributable to:						
Shareholders in parent company	604	1,275	611	1,142	1,323	1,854
Non-controlling interests	0	0	1	-1	1	-1
Total comprehensive income for the period	604	1,275	612	1,141	1,324	1,853

Report on financial position for the Group in summary, IFRS

Total assets on June 30, 2024 were SEK 50,372 million (53,297). Equity amounted to SEK 14,666 million (13,780), which generated an equity/assets ratio of 29.1 percent (25.9). During the second quarter, a dividend of SEK 431 million (1,150) was paid to the shareholders.

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Assets			
Intangible assets	3,792	4,035	3,789
Tangible assets	8,090	8,457	8,333
Investment property	59	61	61
Interest-bearing long-term receivables	1,467	1,255	1,293
Other financial fixed assets	2,328	2,654	2,857
Deferred tax recoverables	80	160	97
Total fixed assets	15,816	16,622	16,430
Project and development properties	17,616	19,375	18,061
Inventories	2,086	2,073	1,705
Interest-bearing current receivables	1,185	297	1,345
Other current receivables	12,179	13,563	10,392
Liquid funds	1,490	1,367	1,243
Total current assets	34,556	36,675	32,746
Total assets	50,372	53,297	49,176
Equity and liabilities			
Equity	14,666	13,780	14,470
Liabilities			
Interest-bearing long-term liabilities	8,227	8,573	7,046
Interest-bearing long-term liabilities, project financing	14	71	193
Deferred tax liabilities	631	668	623
Other long-term liabilities	1,751	1,343	2,005
Total long-term liabilities	10,623	10,655	9,867
Interest-bearing current liabilities	4,744	4,677	4,246
Interest-bearing current liabilities, project financing	4,311	9,341	6,933
Other current liabilities	16,028	14,844	13,660
Total current liabilities	25,083	28,862	24,839
Total liabilities	35,706	39,517	34,706
Total equity and liabilities	50,372	53,297	49,176
Key ratios, IFRS			
Capital employed	31,962	36,442	32,888
Equity/assets ratio, %	29.1	25.9	29.4
Net debt	13,154	19,743	14,537
Equity per share, SEK	50.93	47.88	50.28
Number of outstanding shares at the end of the period, million	287.5	287.5	287.5

Report on changes in Group equity in summary, IFRS

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Equity attributable to shareholders in parent company			
Opening equity on January 1	14,453	13,768	13,768
Profit for the period	539	1,154	1,988
Other comprehensive income for the period	72	-12	-134
Total comprehensive income for the period	611	1,142	1,854
Cash flow hedge transferred to cost of inventory	0	4	-24
Tax on cash flow hedge	0	-1	5
Share-based payments settled with equity instruments	6	-	-
Cash dividend	-431	-1,150	-1,150
Closing equity	14,639	13,763	14,453
Non-controlling interests			
Opening equity on January 1	17	18	18
Comprehensive income for the period	1	-1	-1
New issues	9	-	-
Closing equity	27	17	17
Total closing equity	14,666	13,780	14,470

Report on Group cash flow in summary, IFRS

MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Cash flow from current operations before changes in working capital	1,057	736	739	821	3,203	3,285
Increase (-) / Decrease (+) of project and development properties	1,478	-56	720	-230	1,812	862
Increase (-) / Decrease (+) of inventories	114	2	-354	-470	-36	-152
Increase (-) / Decrease (+) of current receivables / current liabilities	-221	-1,620	648	-1,031	1,600	-79
Cash flow from changes in working capital	1,371	-1,674	1,014	-1,731	3,376	631
Cash flow from current operations	2,428	-938	1,753	-910	6,579	3,916
Sale of subsidiaries / businesses, net effect on liquid funds	-	-	28	-	78	50
Acquisition of fixed assets	-337	-538	-668	-894	-1,494	-1,720
Sale of fixed assets	180	103	1,139	252	1,296	409
Cash flow from investment operations	-157	-435	499	-642	-120	-1,261
Cash flow before financing	2,271	-1,373	2,252	-1,552	6,459	2,655
Shareholder contribution non-controlling interests	-	-	2	-	2	-
Increase (+) / Decrease (-) of interest-bearing liabilities	1,273	2,814	1,235	3,439	-866	1,338
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	-2,652	-639	-2,818	-882	-5,045	-3,109
Cash dividend	-431	-1,150	-431	-1,150	-431	-1,150
Cash flow from financing operations	-1,810	1,025	-2,012	1,407	-6,340	-2,921
Cash flow for the period	461	-348	240	-145	119	-266
Cash at the beginning of the period	1,023	1,707	1,243	1,506	1,367	1,506
Exchange rate differences in cash	6	8	7	6	4	3
Cash at the end of the period	1,490	1,367	1,490	1,367	1,490	1,243

Parent company

The parent company Peab AB's net sales for the first half-year 2024 amounted to SEK 428 million (144) and mainly consisted of internal Group services. Profit for the period amounted to SEK 968 million (3,053). The period's results included dividends from subsidiaries of SEK 990 million (3,165).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 10,433 million (11,749). The assets have been financed from equity of SEK 12,352 million (10,655). In the previous year there were long-term liabilities to Group companies amounting to SEK 1,100 million. During the second quarter, a dividend of SEK 431 million (1,150) was paid to the shareholders. During the second quarter, the parent company reported share-based payments of SEK 6 million. For further information on share-based payments, see Significant events during the reporting period.

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

The parent company is indirectly affected by the risks described in the section Risks and uncertainty factors.

Report on the parent company income statement in summary

MSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul-Jun 2023/2024	Jan-Dec 2023
Net sales	249	72	428	144	551	267
Administrative expenses	-314	-130	-543	-259	-778	-494
Other operating income	0	0	1	1	3	3
Operating profit	-65	-58	-114	-114	-224	-224
Result from financial investments						
Profit from participation in Group companies	990	3,165	990	3,165	1,135	3,310
Other financial items	44	-7	87	-26	136	23
Result after financial items	969	3,100	963	3,025	1,047	3,109
Appropriations	-	-	-	-	1,367	1,367
Pre-tax profit	969	3,100	963	3,025	2,414	4,476
Tax	4	12	5	28	-292	-269
Profit for the period ¹⁾	973	3,112	968	3,053	2,122	4,207

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

Report on financial position for the parent company in summary

MSEK	Jun 30 2024	Jun 30 2023	Dec 31 2023
Assets			
Fixed assets			
Intangible assets	344	3	2
Tangible assets	40	2	2
Financial assets			
Participation in Group companies	10,433	11,749	10,433
Receivables from Group companies	6	-	-
Deferred tax recoverables	86	96	83
Total financial assets	10,525	11,845	10,516
Total fixed assets	10,909	11,850	10,520
Current assets			
Current receivables			
Accounts receivables	1	-	0
Receivables from Group companies	4,430	3,159	4,940
Current tax assets	102	112	-
Other receivables	2	56	57
Prepaid expenses and accrued income	92	8	13
Total current receivables	4,627	3,335	5,010
Cash and bank	0	0	0
Total current assets	4,627	3,335	5,010
Total assets	15,536	15,185	15,530
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	10,468	8,771	9,925
Total equity	12,352	10,655	11,809
Untaxed reserves	2,919	3,292	2,919
Provisions			
Other provisions	45	44	43
Total provisions	45	44	43
Long-term liabilities			
Liabilities to Group companies	-	1,100	-
Total long-term liabilities	-	1,100	-
Current liabilities			
Accounts payable	55	10	19
Liabilities to Group companies	3	2	645
Current tax liabilities	-	-	21
Other liabilities	31	14	8
Accrued expenses and deferred income	131	68	66
Total current liabilities	220	94	759
Total liabilities	220	1,194	759
Total equity and liabilities	15,536	15,185	15,530

Note 1 – Accounting principles

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

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

Differences in segment reporting and reporting according to IFRS

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

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

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

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

Reporting on internal projects between business areas Construction and Project Development

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

Reporting on property projects on our own balance sheet

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

Financial key ratios in segment reporting

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

Note 2 – Revenue allocation

Group Jan-Jun 2024 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	10,706	7,270	6,610	1,760	27		26,373	2,005	28,378
Internal sales	1,440	566	1,834	15	647	-4,502	-		-
Total	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378
Allocation per country									
Sweden	9,548	7,006	5,326	1,305	539	-4,101	19,623	1,390	21,013
Norway	1,458	830	533	200	66	-263	2,824	450	3,274
Finland	1,140		2,016	270	69	-138	3,357	165	3,522
Denmark			566				566		566
Other			3				3		3
Total	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378
Allocation per type of customer									
Public sector	6,255	5,781	2,364	5	22		14,427		14,427
Private customers	4,451	1,489	4,246	1,755	5		11,946	2,005	13,951
Internal customers	1,440	566	1,834	15	647	-4,502	-		-
Total	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378
Allocation per point in time									
At one point in time	29	7	2,856	665	27	-541	3,043	3,172	6,215
Over time	12,109	7,821	4,573	1,052	534	-3,163	22,926	-1,167	21,759
Rent revenue ²⁾	8	8	1,015	58	113	-798	404		404
Total	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378
Allocation per type of revenue									
Construction contracts	12,109	7,821	4,573	1,052	20	-2,650	22,925	-1,167	21,758
Sales of goods			2,224			-384	1,840		1,840
Sales of property projects				652			652	3,172	3,824
Transportation services			573			-137	436		436
Administrative services					514	-513	1		1
Rent revenue ²⁾	8	8	1,015	58	113	-798	404		404
Other	29	7	59	13	27	-20	115		115
Total	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378

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-Jun 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	12,251	6,556	6,211	3,397	31		28,446	630	29,076
Internal sales	2,711	663	1,915	13	736	-6,038	-		-
Total	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076
Allocation per country									
Sweden	10,645	6,607	5,564	2,557	596	-5,050	20,919	124	21,043
Norway	2,370	611	504	311	84	-365	3,515	-169	3,346
Finland	1,947	1	1,568	542	86	-622	3,522	675	4,197
Denmark			485		1	-1	485		485
Other			5				5		5
Total	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076
Allocation per type of customer									
Public sector	5,912	5,225	1,647	23	23		12,830	-17	12,813
Private customers	6,339	1,331	4,564	3,374	8		15,616	647	16,263
Internal customers	2,711	663	1,915	13	736	-6,038	-		-
Total	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076
Allocation per point in time									
At one point in time	23	4	3,096	790	38	-590	3,361	3,243	6,604
Over time	14,933	7,209	3,906	2,566	624	-4,582	24,656	-2,613	22,043
Rent revenue ²⁾	6	6	1,124	54	105	-866	429		429
Total	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076
Allocation per type of revenue									
Construction contracts	14,933	7,209	3,906	2,566	45	-4,004	24,655	-2,613	22,042
Sales of goods			2,427			-425	2,002		2,002
Sales of property projects				782			782	3,243	4,025
Transportation services			591			-134	457		457
Administrative services					579	-578	1		1
Rent revenue ²⁾	6	6	1,124	54	105	-866	429		429
Other	23	4	78	8	38	-31	120		120
Total	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076

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

²⁾ Rent revenue is recognized according to IFRS 16.

Group Jan-Dec 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
Allocation per external/internal									
External sales	23,195	13,786	16,086	5,695	59		58,821	2,779	61,600
Internal sales	4,585	1,378	3,876	27	1,428	-11,294	-		-
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per country									
Sweden	20,250	13,692	12,272	4,331	1,169	-9,633	42,081	857	42,938
Norway	4,236	1,472	1,588	357	159	-749	7,063	261	7,324
Finland	3,294		4,934	1,034	158	-910	8,510	1,661	10,171
Denmark			1,145		1	-2	1,144		1,144
Other			23				23		23
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per type of customer									
Public sector	12,047	10,847	5,475	47	47		28,463	-32	28,431
Private customers	11,148	2,939	10,611	5,648	12		30,358	2,811	33,169
Internal customers	4,585	1,378	3,876	27	1,428	-11,294	-		-
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per point in time									
At one point in time	51	20	6,387	1,785	84	-1,129	7,198	6,807	14,005
Over time	27,717	15,131	11,392	3,820	1,193	-8,490	50,763	-4,028	46,735
Rent revenue ²⁾	12	13	2,183	117	210	-1,675	860		860
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600
Allocation per type of revenue									
Construction contracts	27,717	15,131	11,392	3,820	77	-7,374	50,763	-4,028	46,735
Sales of goods			5,036			-790	4,246		4,246
Sales of property projects				1,743			1,743	6,807	8,550
Transportation services			1,205			-273	932		932
Administrative services					1,116	-1,116	-		-
Rent revenue ²⁾	12	13	2,183	117	210	-1,675	860		860
Other	51	20	146	42	84	-66	277		277
Total	27,780	15,164	19,962	5,722	1,487	-11,294	58,821	2,779	61,600

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

²⁾ Rent revenue is recognized according to IFRS 16.

Note 3 – Operating segment and reconciliation between segment reporting and reporting according to IFRS

Group Jan-Jun 2024 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	10,706	7,270	6,610	1,760	27		26,373	2,005	28,378
Internal sales	1,440	566	1,834	15	647	-4,502	-		-
Total revenue	12,146	7,836	8,444	1,775	674	-4,502	26,373	2,005	28,378
Operating profit	224	242	-30	213	-137	1	513	289	802
Operating margin, %	1.8	3.1	-0.4	12.0			1.9		2.8
Financial income							127		127
Financial expenses							-300	-22 ²⁾	-322
Net finance							-173	-22	-195
Pre-tax profit							340	267	607
Tax							-42	-25	-67
Profit for the period							298	242	540
Capital employed (CB)	-897	-420	11,339	18,408	289 ³⁾		28,719	3,243	31,962
Total assets							46,840	3,532 ⁴⁾	50,372
Equity							14,992	-326	14,666
Equity/assets ratio, %							32.0		29.1
Net debt							9,585	3,569	13,154
Cashflow before financing	164 ⁵⁾	493 ⁵⁾	-577 ⁵⁾	44 ⁵⁾	-437 ⁶⁾		-313	2,565	2,252

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 -22 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,476 million and housing projects SEK 2,056 million.

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

⁶⁾ Unallocated cash flow.

Group Jan-Jun 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	12,251	6,556	6,211	3,397	31		28,446	630	29,076
Internal sales	2,711	663	1,915	13	736	-6,038	-		-
Total revenue	14,962	7,219	8,126	3,410	767	-6,038	28,446	630	29,076
Operating profit	703	211	-102	241	-107	-12	934	270	1,204
Operating margin, %	4.7	2.9	-1.3	7.1			3.3		4.1
Financial income							467		467
Financial expenses							-191	-22 ²⁾	-213
Net finance							276	-22	254
Pre-tax profit							1,210	248	1,458
Tax							-254	-51	-305
Profit for the period							956	197	1,153
Capital employed (CB)	-429	184	11,885	17,351	415 ³⁾		29,406	7,036	36,442
Total assets							46,886	6,411 ⁴⁾	53,297
Equity							14,770	-990	13,780
Equity/assets ratio, %							31.5		25.9
Net debt							11,717	8,026	19,743
Cashflow before financing	-236 ⁵⁾	57 ⁵⁾	-993 ⁵⁾	-1,369 ⁵⁾	-688 ⁶⁾		-3,229	1,677	-1,552

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 -22 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,450 million and housing projects SEK 4,961 million.

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

⁶⁾ Unallocated cash flow.

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

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

²⁾ Refers to IFRS 16, additional leases SEK -42 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,719 million and housing projects SEK 6,072 million.

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

⁶⁾ Unallocated cash flow.

Note 4 – Financial assets and liabilities valued at fair value

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet. Measurement of fair value is based on a three level hierarchy;

Level 1: prices that reflect quoted prices on an active market for identical assets.

Level 2: based on direct or indirect inputs observable to the market not included in level 1.

Level 3: based on inputs unobservable to the market.

For a description of how fair value has been calculated see the Annual and Sustainability Report 2023, note 35. The fair value of financial assets and liabilities recognized as their amortized cost is estimated to be, in principle, the same as their recognized values.

Group	Jun 30, 2024			Jun 30, 2023			Dec 31, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total	Level 2	Level 3	Total
MSEK									
Financial assets									
Securities held as fixed assets		45	45		58	58		46	46
<i>Of which unlisted funds</i>		4	4		17	17		5	5
<i>Of which unlisted shareholdings and participations</i>		41	41		41	41		41	41
Other current receivables	20		20	27		27	10		10
<i>Of which commodity hedging with futures</i>	19		19	15		15	9		9
<i>Of which currency derivatives</i>	1		1	12		12	1		1
Total financial assets	20	45	65	27	58	85	10	46	56
Financial liabilities									
Other long-term liabilities			-		18	18			-
<i>Of which contingent consideration</i>			-		18	18			-
Other current liabilities	17		17	25		25	16	6	22
<i>Of which currency derivatives</i>	1		1			-	3		3
<i>Of which commodity hedging with futures</i>	16		16	25		25	13		13
<i>Of which contingent consideration</i>			-			-		6	6
Total financial liabilities	17	-	17	25	18	43	16	6	22

The tables below are a reconciliation between the opening and closing balance for assets and liabilities included in level 3.

Group	Securities held as fixed asset					
	Unlisted funds			Unlisted shares and participations		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
MSEK						
Opening balance	5	26	26	41	41	41
Investments		2	5			
Sales					-1	-1
Dividends received	-1					
Reported in profit/loss for the period						
Other operating costs (+)/other operating income (-)					1	1
Net finance		-11	-26			
Closing balance	4	17	5	41	41	41

Group	Contingent consideration		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
MSEK			
Opening balance	6	20	20
Payments during the period	-6		
Reported in profit/loss for the period			
Other operating costs (+)/other operating income (-)		-1	-13
Reported in other comprehensive income		-1	-1
Closing balance	-	18	6

Future financial information

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

Presentation of the interim report

This interim report will be presented digitally and on a phone conference Tuesday, July 16, 2024 at 1:00 p.m. by the President and CEO Jesper Göransson and CFO Niclas Winkvist. The presentation will be held in Swedish and is available via <https://www.peab.com/financial-info/>.

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

Participate in the web broadcast:

<https://ir.financialhearings.com/peab-q2-report-2024>

Participate via telephone conference:

<https://conference.financialhearings.com/teleconference/?id=50048729>

For further information, please contact:

Jesper Göransson, President and CEO of Peab, is reached through Juha Hartomaa, Head of Investor Relations Peab, +46 725 33 31 45

This information is information that Peab AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at July 16, 2024, 11:00 p.m. CET.

The Board of directors and the CEO pledge that the half-year report provides a fair and true overview of the parent company's and the Group's business, position and results as well as describes the significant risks and uncertainty factors faced by the parent company and the companies included in the Group.

Förslöv July 16, 2024

Anders Runevad
Chairman

Karl-Axel Granlund
Board member

Fredrik Paulsson
Board member

Kerstin Lindell
Board member

Lars Sköld
Board member

Liselott Kilaas
Board member

Malin Persson
Board member

Magdalena Gerger
Board member

Kim Thomsen
Board member

Patrik Svensson
Board member

Maria Doberck
Board member

Jesper Göransson
CEO and President

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

Quarterly data

Group, IFRS

MSEK	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022
Net sales	16,928	11,450	17,365	15,159	16,098	12,978	17,141	16,197	16,458
Production costs	-15,281	-11,008	-16,139	-13,765	-14,141	-12,138	-15,466	-14,730	-14,845
Gross profit	1,647	442	1,226	1,394	1,957	840	1,675	1,467	1,613
Sales and administrative expenses	-885	-759	-843	-600	-867	-854	-851	-640	-929
Other operating income	60	329	91	100	124	42	72	81	94
Other operating costs	-8	-24	-3	17	-17	-21	-10	8	-3
Operating profit	814	-12	471	911	1,197	7	886	916	775
Financial income	59	68	61	56	431	36	39	18	22
Financial expenses	-167	-155	-173	-198	-125	-88	-85	-60	-36
Net finance	-108	-87	-112	-142	306	-52	-46	-42	-14
Pre-tax profit	706	-99	359	769	1,503	-45	840	874	761
Tax	-110	43	-148	-145	-315	10	-282	-163	-171
Profit for the period	596	-56	211	624	1,188	-35	558	711	590
Profit for the period, attributable to:									
Shareholders in parent company	596	-57	211	623	1,189	-35	559	711	590
Non-controlling interests	0	1	0	1	-1	0	-1	0	0
Profit for the period	596	-56	211	624	1,188	-35	558	711	590
Key ratios, IFRS									
Earnings per share, SEK	2.08	-0.20	0.74	2.17	4.13	-0.12	1.93	2.43	2.01
Average number of outstanding shares, million	287.5	287.5	287.5	287.5	287.5	287.5	288.0	291.3	294.4
Capital employed (CB)	31,962	33,016	32,888	35,805	36,442	33,831	33,590	32,230	31,232
Equity (CB)	14,666	14,481	14,470	14,405	13,780	13,652	13,786	13,250	12,736

Business areas

	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022
MSEK									
Net sales									
Construction	6,358	5,788	7,029	5,789	7,540	7,422	8,330	6,306	7,628
Civil Engineering	4,278	3,558	4,454	3,491	3,891	3,328	4,405	3,584	3,893
Industry	6,033	2,411	5,056	6,780	5,347	2,779	5,658	7,096	6,108
Project Development	720	1,055	1,456	856	1,569	1,841	1,986	2,234	1,977
– of which Property Development	21	23	453	7	65	9	11	304	120
– of which Housing Development	699	1,032	1,003	849	1,504	1,832	1,975	1,930	1,857
Group functions	345	329	377	343	390	377	409	380	385
Eliminations	-2,502	-2,000	-2,733	-2,523	-2,981	-3,057	-3,740	-2,915	-3,133
Group, segment reporting	15,232	11,141	15,639	14,736	15,756	12,690	17,048	16,685	16,858
Adjustment of housing to IFRS	1,696	309	1,726	423	342	288	93	-488	-400
IFRS 16, additional leases									
Group, IFRS	16,928	11,450	17,365	15,159	16,098	12,978	17,141	16,197	16,458
Operating profit									
Construction	123	101	-358	96	141	162	166	126	177
Civil Engineering	165	77	180	110	152	59	175	118	148
Industry	449	-479	476	588	333	-435	283	519	341
Project Development	-33	246	17	46	114	127	309	265	264
– of which Property Development	21	261	63	21	29	-6	19	91	43
– of which Housing Development	-54	-15	-46	25	85	133	290	174	221
Group functions	-79	-58	-159	-33	-34	-73	-53	-27	-47
Eliminations	-6	7	-23	-21	-16	4	-27	-8	2
Group, segment reporting excl. MoS	619	-106	133	786	690	-156	853	993	885
Construction – effect MoS					400				
Group, segment reporting	619	-106	133	786	1,090	-156	853	993	885
Adjustment of housing to IFRS	190	85	330	115	98	153	25	-86	-119
IFRS 16, additional leases	5	9	8	10	9	10	8	9	9
Group, IFRS	814	-12	471	911	1,197	7	886	916	775
Operating margin, %									
Construction	1.9	1.7	-5.1	1.7	1.9	2.2	2.0	2.0	2.3
Civil Engineering	3.9	2.2	4.0	3.2	3.9	1.8	4.0	3.3	3.8
Industry	7.4	-19.9	9.4	8.7	6.2	-15.7	5.0	7.3	5.6
Project Development	-4.6	23.3	1.2	5.4	7.3	6.9	15.6	11.9	13.4
– of which Property Development	100.0	1,134.8	13.9	300.0	44.6	-66.7	172.7	29.9	35.8
– of which Housing Development	-7.7	-1.5	-4.6	2.9	5.7	7.3	14.7	9.0	11.9
Group functions									
Eliminations									
Group, segment reporting excl. MoS	4.1	-1.0	0.9	5.3	4.4	-1.2	5.0	6.0	5.2
Group, segment reporting	4.1	-1.0	0.9	5.3	6.9	-1.2	5.0	6.0	5.2
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Group, IFRS	4.8	-0.1	2.7	6.0	7.4	0.1	5.2	5.7	4.7
Key ratios, segment reporting, MSEK									
Earnings per share excl. MoS, SEK	1.48	-0.45	-0.25	1.85	1.68	-0.54	1.89	2.69	2.36
Earnings per share, SEK	1.48	-0.45	-0.25	1.85	3.86	-0.54	1.89	2.69	2.36
Capital employed (CB)	28,719	27,721	27,639	29,072	29,406	25,910	25,000	23,546	22,828
Equity (CB)	14,992	14,976	15,082	15,239	14,770	14,687	14,978	14,469	13,868
Orders received	16,434	17,889	10,527	11,034	12,505	11,042	10,455	13,095	14,334
Order backlog at the end of the period	50,578	47,808	39,060	41,669	43,638	44,595	44,389	48,762	49,899

Alternative performance measures and definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

The difference between segment reporting and reporting according to IFRS is described in more detail in note 1. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in

time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS. For more information and calculations, see Peab's website

www.peab.com/alternative-keyratios.

Financial definitions

Available liquidity

Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized credit facilities for project financing. Shows the Group's available liquidity.

Capital employed for the business areas

Total assets in the business area at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.

Capital employed for the Group

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

Earnings per share/Earnings per share excl. MoS

Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows earnings per share. Earnings per share excl. MoS are calculated excluding the effect of arbitration decision concerning Mall of Scandinavia. For details, see Annual and Sustainability Report 2023.

Equity/assets ratio

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

Equity per share

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

Net debt

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

Net debt, segment reporting

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

Non-financial definitions

Average number of employees

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

CSI

CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100 and is based on three questions: 1) Total satisfaction, 2) In relation to expectations 3) In relation to ideal supplier.

eNPS

eNPS stands for employee Net Promoter Score and measures employee engagement. The score can vary between -100 and 100 and is based on the question to employees: "How probable is it that you would recommend your employer to a friend or acquaintance?"

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.

Net debt/equity ratio

Interest-bearing net debt in relation to equity. Shows financial position.

Net investments

The change in the period of the recognized value of current assets (CB-OB) plus depreciation and write-downs. Shows the size of net investments made.

Operating margin/Operating margin excl. MoS

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

Operative cash flow

Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.

Order backlog

The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.

Orders received

The sum of orders received during the period. Measures how new orders replace produced work. Regarding our own housing development projects, tenant-owner associations and housing companies are considered external customers.

Return on capital employed

Pre-tax profit for the rolling 12 month period with the addition of financial expenses in percent of the average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.

Return on equity

Profit for the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create efficient business and a rational capital structure and show how the Group has multiplied shareholders' equity.

Project and development property

Holdings of undeveloped land and decontamination property for future development, property with buildings for project development, processing and thereafter divestiture within Peab's normal business cycle.

Risk observations

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

Serious accidents

Peab uses the Swedish Work Environment Authority's definition of a serious accident as an accident where one or more persons are injured at a workplace or a place they have visited for work. Serious accidents can be injuries such as bone fractures, effusive bleeding or nerve, muscle or tendon damage, injuries to inner organs or second or third degree burns. Serious accidents that occur in our other Nordic countries are categorized by the same definition.



The Nordic Community Builder



Local and close to our customers

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

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

Net sales, appr.

SEK 57 billion

Employees, appr.

14,000



Business area Construction



Business area Civil Engineering



Business area Industry



Business area Project Development

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

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