

# Press release

April 7, 2020 2:00 p.m.

## Peab withdraws proposal for ordinary dividend in its entirety

**Peab's Board has today decided to withdraw the proposal to the Annual General Meeting concerning an ordinary dividend of SEK 4.20 per share in its entirety.**

In connection with the year-end report Peab's Board decided to propose to the Annual General Meeting an unchanged ordinary dividend of SEK 4.20 per share and extra distribution of all the shares in a newly formed real estate company (Annehem Fastigheter).

At the point in time the decision was made the global spread of coronavirus had not begun. After that it has developed into a pandemic, which has created a great deal of uncertainty concerning economic developments in the world.

The construction business is characterized by long lead times between orders received and completed projects. So far the coronavirus has had relatively little effect on Peab since most of production is still running. The long-term effects of the coronavirus are, however, much more difficult to predict and will be steered in part by developments in orders received and sales of our own developed housing and projects. These will be affected, in turn, by the depth as well as the length of the economic downturn in the countries where Peab has operations.

On March 24<sup>th</sup> Peab's Board decided to reconsider the extra distribution of all the shares in Annehem Fastigheter. The strategy to create a company, distribute and then list it has not changed. However, the distribution and listing was postponed until a time when there is less uncertainty and conditions are more favorable. At the same time Peab communicated that the Board intended to use the time until April 8<sup>th</sup> to monitor developments and consider whether or not the proposed ordinary dividend can remain as is or if it needs to change.

Today, April 7<sup>th</sup>, the Board and executive management have reviewed the situation, focusing on identifying measures that would need to be implemented in different scenarios on the Nordic construction market. The main purpose is to create a platform for handling overhead in a shrinking business while ensuring long-term production capacity. Some examples are short-term layoffs and training programs. The measures will be implemented successively based on how the market develops.

"Peab's financial position continues to be strong and the business operates on markets with long-term good conditions for growth. Under current circumstances and considering the increase in costs due to future measures the Board believes it is prudent to withdraw the proposal for an ordinary dividend in its entirety," says Jesper Göransson, President and CEO of Peab.

It is the Board's ambition to regularly evaluate the dividend capacity and depending on developments make a decision concerning the ordinary dividend and the time for the distribution of all the shares in Annehem Fastigheter.

### **For further information please contact**

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*Peab AB discloses the information provided herein pursuant to the EU Market Abuse Regulation. The information was submitted, through the contact persons above, for publication on April 7, 2020 at 2:00 p.m. CET.*



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Peab is a leading Nordic construction and civil engineering company with about 14,000 employees and SEK 54 billion in net sales. The Group has strategically placed offices in Sweden, Norway and Finland. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on NASDAQ Stockholm.