

Quarterly report

JANUARY – SEPTEMBER 2024

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WESTERLUNDSKA GYMNASIUM

PEAB
THE NORDIC COMMUNITY BUILDER

Strong profits and improved cash flow

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

July – September 2024

- Net sales SEK 15,539 million (14,736)
- Operating profit SEK 995 million (786)
- Operating margin 6.4 percent (5.3)
- Pre-tax profit SEK 902 million (654)
- Earnings per share SEK 2.59 (1.85)
- Orders received SEK 10,135 million (11,034)
- Cash flow before financing SEK 1,195 million (450)

January – September 2024

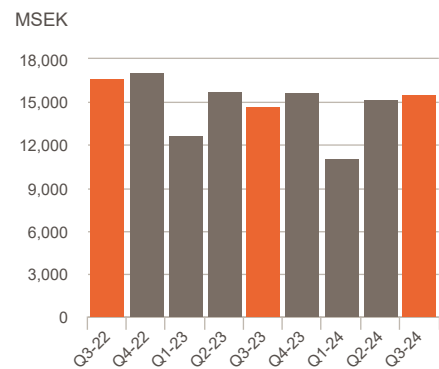
- Net sales SEK 41,912 million (43,182)
- Operating profit SEK 1,508 million (1,720)
- Operating margin 3.6 percent (4.0)
- Pre-tax profit SEK 1,242 million (1,864)
- Earnings per share SEK 3.62 (5.17)
- Orders received SEK 44,458 million (34,581)
- Order backlog SEK 47,026 million (41,669)
- Cash flow before financing SEK 882 million (-2,779)
- Net debt SEK 8,439 million (10,173)
- Net debt/equity ratio 0.5 (0.7)

Group

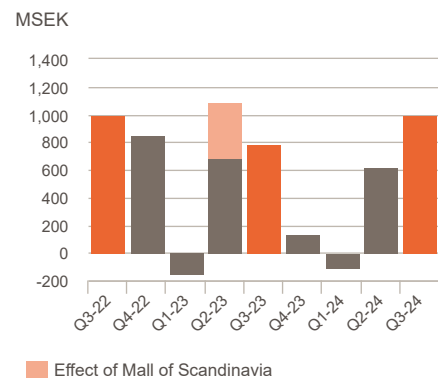
MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Segment reporting						
Net sales	15,539	14,736	41,912	43,182	57,551	58,821
Operating profit	995	786	1,508	1,720	1,641	1,853
Operating margin, %	6.4	5.3	3.6	4.0	2.9	3.2
Pre-tax profit	902	654	1,242	1,864	1,273	1,895
Profit for the period	745	530	1,043	1,486	971	1,414
Earnings per share, SEK	2.59	1.85	3.62	5.17	3.37	4.92
Return on equity, % ¹⁾	6.4	13.6	6.4	13.6	6.4	9.5
Return on capital employed, % ¹⁾	6.8	11.5	6.8	11.5	6.8	8.7
Net debt	8,439	10,173	8,439	10,173	8,439	8,676
Net debt/equity ratio, multiple	0.5	0.7	0.5	0.7	0.5	0.6
Equity/assets ratio, %	34.3	32.5	34.3	32.5	34.3	34.0
Cash flow before financing	1,195	450	882	-2,779	2,344	-1,317
Average number of employees	13,632	14,363	12,872	13,821	13,102	13,808
Reporting according to IFRS						
Net sales, IFRS	15,720	15,159	44,098	44,235	61,463	61,600
Operating profit, IFRS	992	911	1,794	2,115	2,265	2,586
Pre-tax profit, IFRS	888	769	1,495	2,227	1,854	2,586
Profit for the period, IFRS	734	624	1,274	1,777	1,485	1,988
Earnings per share, IFRS, SEK	2.54	2.17	4.42	6.18	5.16	6.92
Net debt, IFRS	11,762	17,740	11,762	17,740	11,762	14,537
Equity/assets ratio, IFRS, %	31.2	27.2	31.2	27.2	31.2	29.4
Cash flow before financing, IFRS	1,446	1,052	3,698	-500	6,853	2,655

¹⁾ Calculated on rolling 12 months

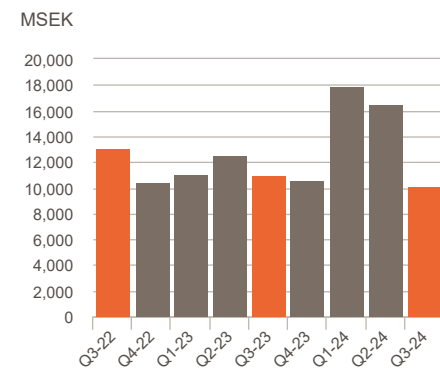
Net sales



Operating profit



Orders received



Comments from the CEO

Peab reports higher net sales, strong profits and improved cash flow for the third quarter. Operations in civil engineering and paving continue to grow with profitability. Once again we give proof of how well our four business areas complement each other and enable us to take advantage of the demand in our markets.

Group development

The period January to September 2024 was characterized by continued varied activity on Peab's different markets. Operations in Civil Engineering and paving developed very well while Construction and Project Development were impacted by the still challenging market for housing and office construction. The recent interest rate cuts are a positive factor, particularly for the housing market, even though it will take time before a turnaround and investments accelerate.

Group net sales contracted by three percent during the period January-September and amounted to SEK 41,912 million. Operating profit amounted to SEK 1,508 million (1,720) and the operating margin was 3.6 percent (4.0). The comparable period included SEK 400 million resulting from a judgement in the Mall of Scandinavia arbitration. Cash flow before financing improved considerably and amounted to SEK 882 million (-2,779) which therefore reduced net debt. At the end of September 2024 the net debt/equity ratio was 0.5 (0.7).

The level of orders received during the quarter was stable after two record quarters. During the third quarter business area Construction was entrusted with building Gothenburg's new station building, an order worth SEK 870 million. The level of orders received for the entire period increased to SEK 44,458 million (34,581). It increased above all in business area Civil Engineering but rose in Industry as well. We have won several projects in business area Civil Engineering as a result of public investments in infrastructure, water and waste water and the ongoing climate transition. The high level of orders received means we have extended our order backlog which at the end of the period amounted to SEK 47,026 million (41,669).

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. Currently the potential worth of the final construction contracts from these preliminary agreements is around SEK 14 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 which other kinds of projects have not been able to fully compensate for. Meanwhile demand in other building construction is good, primarily from the public sector, and contributes to stability in the business area. The operating margin in Construction remained unchanged and amounted to 1.9 percent for the period.

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 (3.0). In total, the operating margin for the construction contract businesses during the period January to September was unchanged at 2.3 percent.

In business area Industry paving operations are in peak production with a significant number of contracts throughout the Nordic region. Paving operations have developed well with good profitability, particularly in Finland. Operations in prefabricated construction elements and rental operations have been affected by the weak housing market and activity in them was lower compared to the corresponding period 2023. The operating margin for the business area increased substantially and amounted to 5.1 percent (3.3) for the period.

In business area Project Development the level of sales in our own developed homes continues to be low but on the bright side we are selling them at an even pace and have noted continued greater interest among buyers, above all in Sweden's major cities. The number of production start-ups continues to be low. During the quarter we started up two new housing projects, one in Finland and one in Norway, for a total of 108 own developed homes. In order for demand to recover interest rates have to come down and the number of completed newly produced homes has to drop.



Target outcome

We are reporting the outcome for three of our nine external targets this quarter: operating margin, net debt/equity ratio and serious accidents.

The operating margin was 2.9 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 0.5 at the end of the third quarter, which is in the middle of the target interval 0.3-0.7.

Our target for serious accidents is a contracting trend. Calculated on a rolling twelve month basis serious accidents continued to contract and were 41 per September 30, 2024 (48 per December 31, 2023).

Sustainability

This fall we started up the second round of the trainee program The Construction Year for women and Peab's trainee program 2024-2025. The initiatives are vital for securing Peab's talent supply and increasing gender equality in the Group. Regarding safety, we carried out our annual work environment week, this year with extra focus on team work. During the quarter we launched another ECO offer, ECO-construction site, which is a concept for construction workplaces. The objective is to reduce the environmental impact of construction sites through instruments for energy, waste and water management as well as through logistics and construction machines.

Market and prospects for the future

Prospects for the Nordic construction markets are on the whole the same as they were in the previous quarter. In 2025 civil engineering markets are expected to remain stable on a high level. The housing markets are expected to make a weak recovery next year as lower interest rates take effect while other building construction will continue to be stable.

Peab's four business areas really complement each other and enable us to take advantage of the demand in our various markets. This is particularly evident in how well Peab has developed during the year.

*Jesper Göransson
President and CEO*

Net sales and profit

July – September 2024

Group net sales increased by five percent during the third quarter 2024 and amounted to SEK 15,539 million (14,736).

Net sales in business area Construction decreased by eleven percent compared to the same quarter last year. The decrease is due to less activity in new housing production that has not been fully compensated for by other types of projects. 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 grew by eleven percent. More public investments in infrastructure have had a positive impact on both business areas Civil Engineering and Industry. The increase in business area Industry is mainly related to paving. Net sales in business area Project Development decreased by eleven percent due to the weak demand for housing throughout the Nordic region.

Operating profit for the third quarter 2024 increased and amounted to SEK 995 million (786). The operating margin improved to 6.4 percent (5.3).

In business area Construction the operating margin was 1.9 percent (1.7) and in business area Civil Engineering the operating margin was 3.1 percent (3.2). All in all the operating margin for construction contract operations improved and amounted to 2.4 percent (2.2). Operating profit improved significantly in business area Industry and the operating margin was 11.3 percent (8.7). The improved operating margin is due to better earnings in paving, above all in Finland. Both crane operations and prefab operations have been impacted by the weak housing market and reported lower operating profit compared to the corresponding quarter in 2023. Operating profit in business area Project Development was SEK -6 million (46). The negative operating profit is related to Housing Development where there were only a few project start-ups during the quarter and still few ongoing housing projects. There were no transactions in Property Development during the quarter. Our joint ventures generated less profit contribution in the third quarter of 2024 compared to the corresponding quarter in 2023.

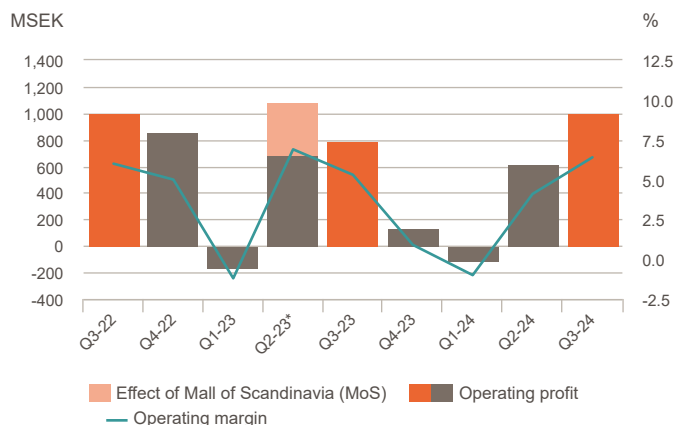
Depreciation and write-downs for the third quarter were SEK -362 million (-358).

Elimination and reversal of internal profit in our own projects affected operating profit during the quarter by net SEK 2 million (-21).

Net financial items amounted to SEK -93 million (-132) of which net interest was SEK -104 million (-129).

Pre-tax profit was SEK 902 million (654). Profit for the period was SEK 745 million (530).

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



Apartment building
Helsinki, Finland

January – September 2024

Group net sales for January-September 2024 decreased by three percent and amounted to SEK 41,912 million (43,182). The decrease is due to the weak demand on the housing market. After adjustments for divested units and exchange rate effects, net sales decreased by two percent. Net sales for the latest rolling 12 month period amounted to SEK 57,551 million compared to SEK 58,821 million for the full year 2023. The portion of public sector customers continued to increase and accounted for 54 percent (47) of net sales calculated on a rolling 12 month basis while private customers represented 46 percent (53).

Net sales in business area Construction decreased by 17 percent compared to the same period last year. The decrease is due to less activity in new housing production that 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 seven percent primarily due to higher net sales in paving. Concrete, rental and prefab operations have been affected by the weak housing market and reported a lower level of activity compared to the same period last year. In business area Project Development net sales decreased by 41 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 period January-September 2024 was SEK 1,508 million (1,720) and the operating margin was 3.6 percent (4.0). The comparable period included 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 1,320 million and the operating margin was 3.1 percent. In the latest rolling 12 month period the operating margin was 2.9 percent compared to 3.2 percent for the entire year of 2023 (2.5 percent excl. MoS).

In business area Construction the operating margin was unchanged at 1.9 percent (1.9 excl. MoS). In business area Civil Engineering the operating margin was 3.1 percent (3.0). All in all the operating margin for construction contract operations was unchanged at 2.3 percent (2.3 excl. MoS). Business area Industry reported a higher operating margin of 5.1 percent (3.3) for the period. The improvement is mainly due to increased earnings in paving, above all in Finland. Both rental and prefab operations reported lower operating profit as a result of the weaker housing market. There were only minor changes in profit for the period in Industry's other product areas. Operating profit in business area Project Development contracted and amounted to SEK 207 million (287). Operating profit included positive effects from capital gains in Property Development of SEK 271 million (8), of which the sale of the shares in the partly owned company Tornet Bostadsproduktion contributed SEK 220 million. Operating profit in Housing Development was negative and the operating margin was -3.3 percent (5.8). 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.

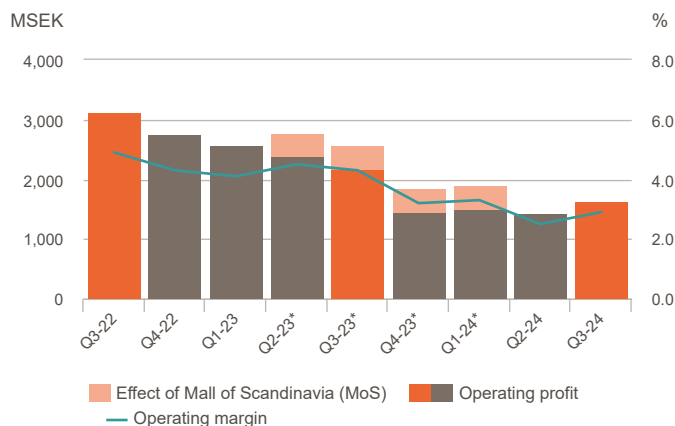
Depreciation and write-downs for the period were SEK -1,066 million (-1,050).

Elimination and reversal of internal profit in our own projects affected operating profit for the period by net SEK 3 million (-33).

Net financial items amounted to SEK -266 million (144) of which net interest was SEK -315 million (-300 excl. MoS). The comparative period included a positive effect of SEK 390 million as a result of the arbitration decision in Mall of Scandinavia.

Pre-tax profit was SEK 1,242 million (1,864). Profit for the period was SEK 1,043 million (1,486).

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.



Tullgarn Bridge
Uppsala

Financial position and cash flow

Financial position

Total assets according to segment reporting per September 30, 2024 were SEK 45,677 million (46,911). Equity amounted to SEK 15,650 million (15,239), which means the equity/assets ratio was 34.3 percent (32.5).

Interest-bearing net debt amounted to SEK 8,439 million (10,173) per September 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 2,042 million (2,918). Interest-bearing receivables amounted to SEK 2,604 million (2,655). The amount includes a capital claim of SEK 1,067 million (1,067) 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 5.6 percent (5.5) on September 30, 2024.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 6,712 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 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 2,459 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 464 million of contingent liabilities compared to SEK 328 million on December 31, 2023.

Investments and divestments

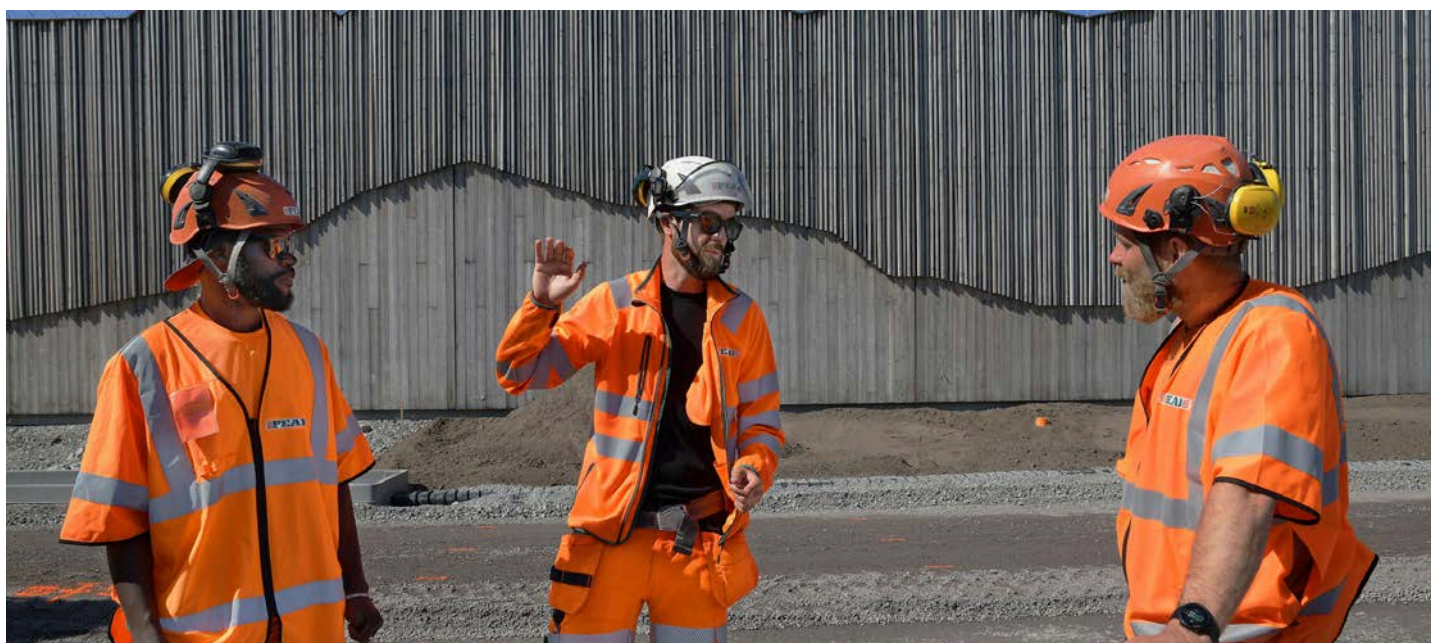
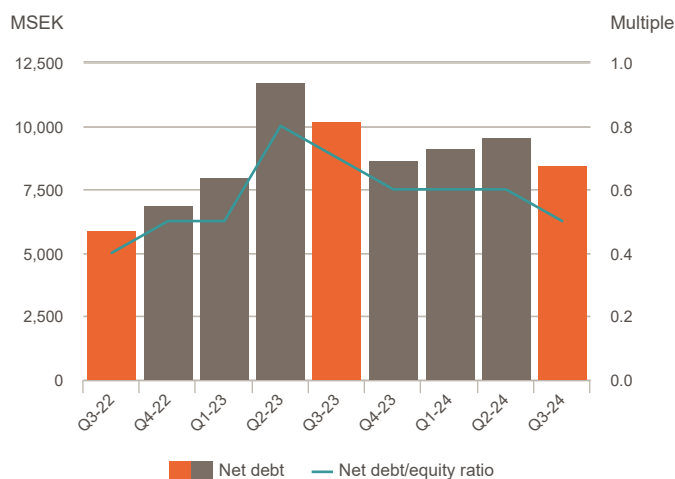
During the quarter tangible and intangible fixed assets were net invested for SEK 78 million (310). During January-September 2024 tangible and intangible fixed assets were net invested for SEK 522 million (1,323). The investments mainly refer to investments in machines in business area Industry. The comparable period also includes investments in construction of production facilities for prefab operations in business area Industry.

Net divestments in project and development properties, which are recognized as inventory items, totaled SEK 227 million (net investments of SEK 545 million) during the quarter. Among other things, two rental apartment projects were divested in the third quarter. Net investments in project and development properties were SEK 704 million (2,028) during the period January-September 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	Sep 30 2024	Sep 30 2023	Dec 31 2023
Bank loans	4,713	6,385	5,380
Commercial papers	623	611	523
Bonds	3,705	3,064	3,047
Financial leasing liabilities	752	808	837
Project financing, unsold part of housing projects	2,042	2,918	2,685
Other interest-bearing liabilities	52	47	85
Interest-bearing receivables	-2,604	-2,655	-2,638
Liquid funds	-844	-1,005	-1,243
Net debt, segment reporting	8,439	10,173	8,676
Additional leasing liabilities according to IFRS 16	1,441	1,517	1,420
Project financing, sold part of housing projects	1,882	6,050	4,441
Net debt, IFRS	11,762	17,740	14,537

Net debt and net debt/equity ratio



Cash flow

July – September 2024

Cash flow from current operations improved and amounted to SEK 1,200 million (678) in the third quarter, of which cash flow from changes in working capital was SEK -347 million (-88). The improved cash flow is mainly related to the business areas Industry and Project Development.

Cash flow from investment activities was SEK -5 million (-228). The improved cash flow is explained by less investment in machines in business area Industry and repayment of interest-bearing receivables in business area Project Development.

Cash flow before financing improved to SEK 1,195 million (450).

Cash flow from financing operations amounted to SEK -1,837 million (-809).

January – September 2024

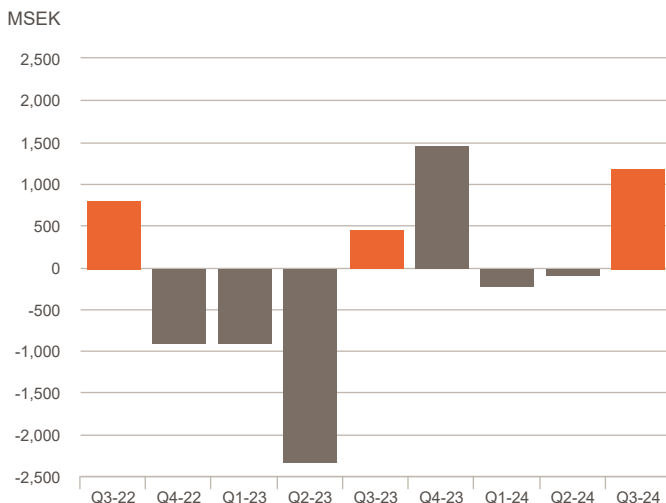
Cash flow from current operations amounted to SEK 388 million (-1,909) during the period, of which cash flow from changes in working capital was SEK -1,467 million (-3,093). The improved cash flow is mainly related to business areas Industry and Project Development.

Cash flow from investment activities was SEK 494 million (-870). Cash flow has been positively affected by the sale of the shares in the partly owned company Tornet Bostadsproduktion in business area Project Development. During the period the level of investment in machines in business area Industry has been lower than compared to the same period last year.

Cash flow before financing amounted to SEK 882 million (-2,779).

Cash flow from financing operations amounted to SEK -1,284 million (2,276). During the period dividends of SEK -431 million (-1,150) were paid to shareholders. Repayment of loans amounted to SEK -855 million. During the corresponding period last year, loans of SEK 3,426 million were taken out.

Cash flow before financing



Order situation

July – September 2024

Orders received during the third quarter 2024 amounted to SEK 10,135 million (11,034). Orders received decreased in both business areas Construction and Civil Engineering while the level of orders received increased in business area Industry and Project Development.

January – September 2024

The level of orders received increased during January-September 2024 and amounted to SEK 44,458 million (34,581). The level of orders received increased primarily in business area Civil Engineering but also in Industry and Project Development. Orders in business area Civil Engineering include developing the 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 around SEK 1.1 billion. Orders increased in paving in business area Industry, above all in Finland. The level of orders received fell in business area Construction during the period. Orders in Construction include a new swimming pool block in Partille worth about SEK 1.3 billion. The level of orders received from the public sector has continued to be good during the period.

Order backlog yet to be produced at the end of the period grew and amounted to SEK 47,026 million (41,669). Order backlog has primarily increased for production in the coming year and thereafter. Of the total order backlog, 77 percent (75) is expected to be produced after 2024 (2023). Swedish operations accounted for 79 percent (81) 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 period January-September 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 September was around SEK 14 billion, and these orders will potentially be received over the next two years.

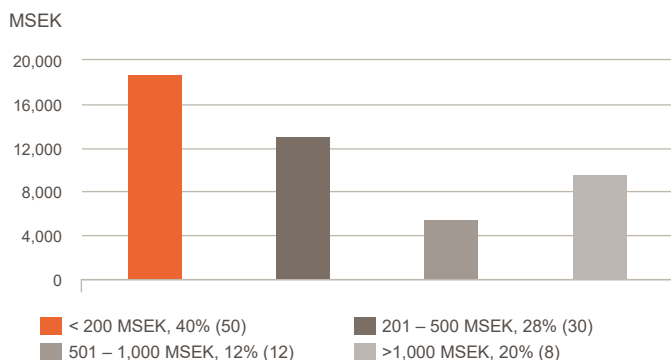
Orders received

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Construction	4,489	5,577	15,899	16,944	21,734	22,779
Civil Engineering	3,051	3,483	19,224	11,816	22,498	15,090
Industry	3,245	2,914	10,672	8,762	13,096	11,186
Project Development	327	84	967	287	816	136
Eliminations	-977	-1,024	-2,304	-3,228	-3,159	-4,083
Group	10,135	11,034	44,458	34,581	54,985	45,108

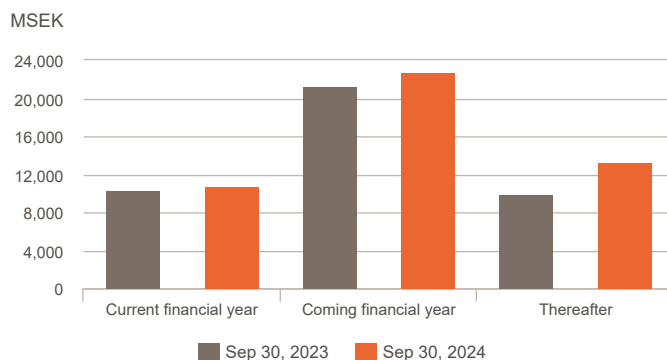
Order backlog

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
Construction	23,154	25,702	24,469
Civil Engineering	21,596	15,118	13,905
Industry	4,460	4,327	3,954
Project Development	1,217	2,362	1,620
Eliminations	-3,401	-5,840	-4,888
Group	47,026	41,669	39,060











Project size of order backlog, September 30, 2024





Order backlog allocated over time



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

-  Construction of a restaurant at the P 18 regiment on Tofta, Gotland. The customer is the Swedish Fortifications Agency. The contract is worth SEK 126 million.
-  Complete renovation of the openable road and railroad bridge North Danvik Bridge in Stockholm. The customers are AB Storstockholms Lokaltrafik and the City of Stockholm's Transport Department. The contract is worth SEK 299 million.
-  Construction of Gothenburg's new station building which will be the largest of three entrances for the West Link station Centralen. The customer is Jernhusen. The contract is worth SEK 870 million.
-  Renovation of 146 apartments in Tromsø. The customer is Rundvannet borettslag. The contract is worth NOK 109 million.
-  Construction of an elementary and middle school in Staffanstorp. The customer is Staffanstorps kommunfastigheter AB. The contract is worth SEK 239 million.
-  Commission to carry out the water and wastewater project Søråsen stage four in Bærum. The customer is Bærum Municipality. The contract is worth NOK 127 million.
-  Renovation and extension of the old welding and boiler workshop "Hall 259" in Varvsstaden in Malmö. The customer is Varvsstaden AB. The contract is worth SEK 454 million.
-  Construction of Djupadal School in Jönköping. The customer is Jönköping Municipality. The contract is worth SEK 160 million.
-  Renewed contract to be the general contractor for electricity grid services to Vattenfall Eldistribution AB in Central Norrland. The contract runs for three years and is worth SEK 105 million.
-  Construction of a new mobility building with parking spaces in Sundsvall. The customer is Urban Hub AB. The contract is worth SEK 109 million.

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

-  Turun Station North in Åbo comprising 64 apartments. The building will be built according to the guidelines in the EU Taxonomy, have energy class A and only green electricity will be used in construction. The project is expected to be completed in the first quarter 2026.
-  Viriktunet in Sandefjord comprising 44 apartments. The project is expected to be completed in the first quarter 2026.

We received a number of paving contracts in the third quarter, including:

-  One-year municipal contract in Gothenburg worth SEK 23 million.
-  One-year federal contract in the Stockholm region worth SEK 20 million.
-  One-year municipal contract in Staffanstorp worth SEK 12 million.
-  One-year municipal contract in Vejle worth DKK 52 million.
-  One-year regional contract close to Ringstedt worth DKK 11 million.
-  One-year federal contract in Southwest Finland worth EUR 8.5 million.
-  One-year federal contract in Central Finland worth EUR 2.0 million.
-  One-year federal contract in Nyland worth EUR 1.7 million.
-  Paving commission from Skanska for the extension of E10 Hålogaland Road between Nordland and Troms worth NOK 256 million.
-  Paving commission from Syltern for the extension of E6 Lille Majavaten between Trøndelag and Majahaugen worth NOK 44 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					
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Construction	5,130	5,789	17,276	20,751	24,305	27,780	96	96	320	399	-38	41
Civil Engineering	3,810	3,491	11,646	10,710	16,100	15,164	117	110	359	321	539	501
Industry	7,528	6,780	15,972	14,906	21,028	19,962	848	588	818	486	1,294	962
Project Development	758	856	2,533	4,266	3,989	5,722	-6	46	207	287	224	304
– of which Property Development	6	7	50	81	503	534	8	21	290	44	353	107
– of which Housing Development	752	849	2,483	4,185	3,486	5,188	-14	25	-83	243	-129	197
Group functions	333	343	1,007	1,110	1,384	1,487	-62	-33	-199	-140	-358	-299
Eliminations	-2,020	-2,523	-6,522	-8,561	-9,255	-11,294	2	-21	3	-33	-20	-56
Group, segment reporting excl. MoS	15,539	14,736	41,912	43,182	57,551	58,821	995	786	1,508	1,320	1,641	1,453
Construction – effect Mall of Scandinavia (MoS)										400		400
Group, segment reporting	15,539	14,736	41,912	43,182	57,551	58,821	995	786	1,508	1,720	1,641	1,853
Adjustment housing to IFRS	181	423	2,186	1,053	3,912	2,779	-14	115	261	366	591	696
IFRS 16, additional leases	–	–	–	–	–	–	11	10	25	29	33	37
Group, IFRS	15,720	15,159	44,098	44,235	61,463	61,600	992	911	1,794	2,115	2,265	2,586
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	<i>8,940</i>	<i>9,280</i>	<i>28,922</i>	<i>31,461</i>	<i>40,405</i>	<i>42,944</i>	<i>213</i>	<i>206</i>	<i>679</i>	<i>720</i>	<i>501</i>	<i>542</i>

Percent	Operating margin					
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Construction	1.9	1.7	1.9	1.9	-0.2	0.1
Civil Engineering	3.1	3.2	3.1	3.0	3.3	3.3
Industry	11.3	8.7	5.1	3.3	6.2	4.8
Project Development	-0.8	5.4	8.2	6.7	5.6	5.3
– of which Property Development	133.3	300.0	580.0	54.3	70.2	20.0
– of which Housing Development	-1.9	2.9	-3.3	5.8	-3.7	3.8
Group functions						
Eliminations						
Group, segment reporting excl. MoS	6.4	5.3	3.6	3.1	2.9	2.5
Group, segment reporting	6.4	5.3	3.6	4.0	2.9	3.2
Adjustment housing to IFRS						
IFRS 16, additional leases						
Group, IFRS	6.3	6.0	4.1	4.8	3.7	4.2
<i>Of which construction contract businesses according to segment reporting excl. MoS (Construction and Civil Engineering)</i>	<i>2.4</i>	<i>2.2</i>	<i>2.3</i>	<i>2.3</i>	<i>1.2</i>	<i>1.3</i>

Business area Construction

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

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

Net sales and profit

July – September 2024

Net sales for the third quarter 2024 decreased by eleven percent and amounted to SEK 5,130 million (5,789). The decrease is due to less activity in new housing production that has not been fully compensated by other types of projects and has been experienced in all the countries we operate in. Operating profit was unchanged compared to the same quarter last year and amounted to SEK 96 million. The operating margin improved and amounted to 1.9 percent (1.7).

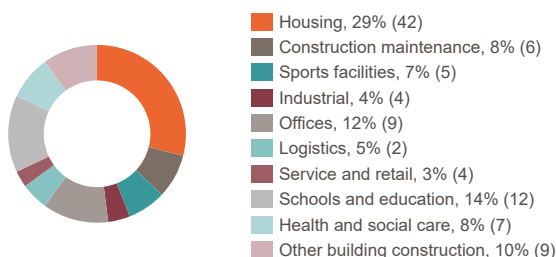
January – September 2024

Net sales for January-September 2024 decreased by 17 percent and amounted to SEK 17,276 million (20,751). The decrease is due to less activity in new housing production that has not been fully compensated by other types of projects and has been experienced in all the countries we operate in.

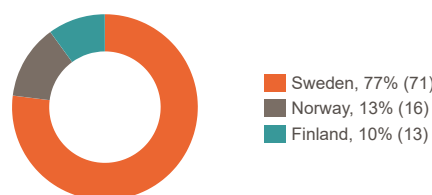
The portion of other building construction, primarily for the public sector, has increased in net sales while the portion of housing has continued to decrease. Calculated on a rolling 12 month period, per September 30, 2024 housing accounted for 29 percent (42) of net sales.

Net sales

per product area, rolling 12 months

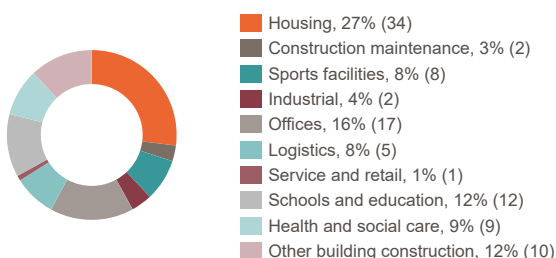


per geographic market, rolling 12 months

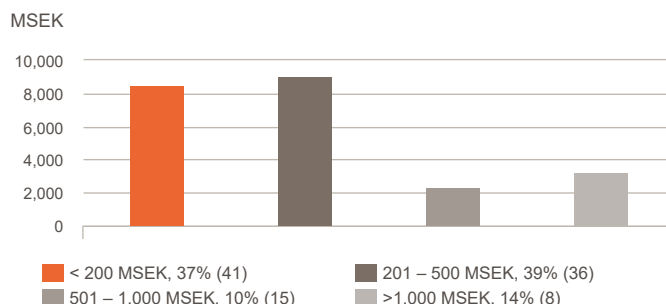


Order backlog, September 30, 2024

per product area



per project size



Key ratios

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales, MSEK	5,130	5,789	17,276	20,751	24,305	27,780
Operating profit excl. MoS, MSEK	96	96	320	399	-38	41
Operating margin excl. MoS, %	1.9	1.7	1.9	1.9	-0.2	0.1
Operating profit, MSEK	96	96	320	799	-38	441
Operating margin, %	1.9	1.7	1.9	3.9	-0.2	1.6
Orders received, MSEK	4,489	5,577	15,899	16,944	21,734	22,779
Order backlog, MSEK	23,154	25,702	23,154	25,702	23,154	24,469
Operating cash flow, MSEK	-74	296	90	60	176	146
Average number of employees	4,476	5,066	4,519	5,121	4,619	5,067

Operating profit amounted to SEK 320 million (399 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 construction contract Mall of Scandinavia in Solna (MoS). Operating profit for the comparable period amounted to SEK 799 million and the operating margin was 3.9 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

July – September 2024

The level of orders received during the third quarter contracted and amounted to SEK 4,489 million (5,577). Orders received for the quarter included a commission for the construction of Gothenburg's new station building worth SEK 870 million.

January – September 2024

The level of orders received during January-September amounted to SEK 15,899 million (16,944). 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 and construction of Gothenburg's new station building for SEK 870 million. In addition, orders received from the public sector for other building construction continued to be good.

Order backlog on September 30, 2024 amounted to SEK 23,154 million (25,702). The portion of other building construction in order backlog has continued to increase while the portion of housing projects has decreased.

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

July – September 2024

Activity in business area Civil Engineering continued to be high during the third quarter and net sales increased by nine percent to SEK 3,810 million (3,491). Operating profit amounted to SEK 117 million (110) and the operating margin was 3.1 percent (3.2).

January – September 2024

Activity was high in business area Civil Engineering during January-September 2024. 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 11,646 million (10,710). Even adjusted for divested operations and exchange rate effects, net sales increased by nine percent.

Operating profit grew to SEK 359 million (321) and the operating margin improved to 3.1 percent (3.0). The operating margin for the latest 12 month period was 3.3 percent which was unchanged compared to the full year 2023.

Orders received and order backlog

July – September 2024

The level of orders received during the third quarter amounted to SEK 3,051 million (3,483).

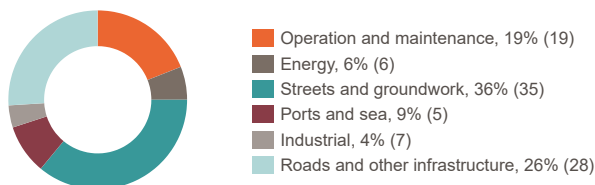
January – September 2024

The level of orders received during January-September 2024 was high and amounted to SEK 19,224 million (11,816). 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.

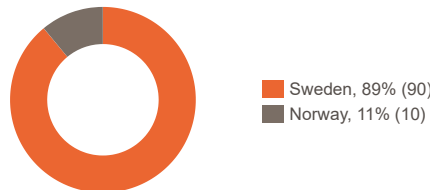
The high order level means that we have extended the duration of the order backlog. Order backlog on September 30, 2024 was SEK 21,596 million (15,118). Roads and other infrastructure make up the largest portion of the order backlog at 45 percent (31).

Net sales

per product, rolling 12 months

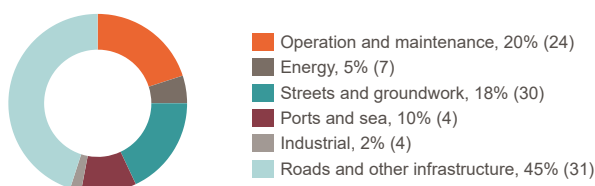


per geographic market, rolling 12 months

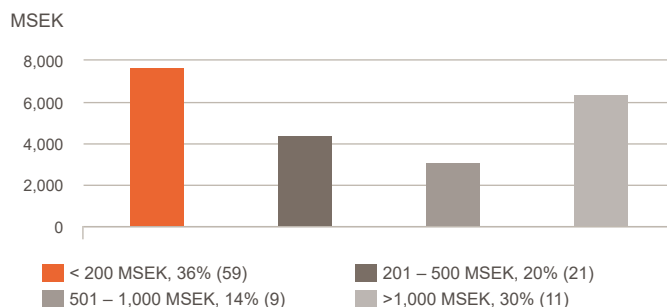


Order backlog, September 30, 2024

per product



per project size



Key ratios

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales, MSEK	3,810	3,491	11,646	10,710	16,100	15,164
Operating profit, MSEK	117	110	359	321	539	501
Operating margin, %	3.1	3.2	3.1	3.0	3.3	3.3
Orders received, MSEK	3,051	3,483	19,224	11,816	22,498	15,090
Order backlog, MSEK	21,596	15,118	21,596	15,118	21,596	13,905
Operating cash flow, MSEK	-48	302	445	359	784	698
Average number of employees	3,291	3,424	3,221	3,348	3,261	3,356

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.

July – September 2024

Net sales during the third quarter 2024 increased by eleven percent and amounted to SEK 7,528 million (6,780). The increase in net sales is primarily due to paving. Operating profit increased and amounted to SEK 848 million (588) and the operating margin improved to 11.3 percent (8.7). The improved operating profit is due to better earnings in paving, above all in Finland.

January – September 2024

Net sales during January-September 2024 increased by seven percent and amounted to SEK 15,972 million (14,906). The increase is primarily due to paving. Concrete, rental and prefab operations have been affected by the weak housing market and reported a lower level of activity compared to the same period the last year.

Operating profit increased and amounted to SEK 818 million (486). The operating margin improved and was 5.1 percent (3.3), which is primarily due to increased earnings in paving, above all in Finland. Operating profit was lower in both rental and prefab operations compared to the same quarter last year. There were minor changes in profit in the business area's other product areas during the period. The operating margin for the latest rolling 12 month period improved to 6.2 percent compared to 4.8 percent for the full year 2023.

Capital employed at the end of the period contracted and was SEK 10,688 million compared to SEK 11,805 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

July – September 2024

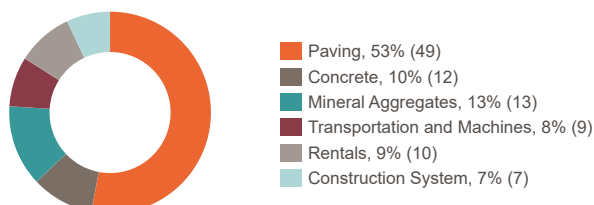
The level of orders received during the third quarter increased and amounted to SEK 3,245 million (2,914). The increase is mainly related to paving contracts, particularly in Finland and Denmark.

January – September 2024

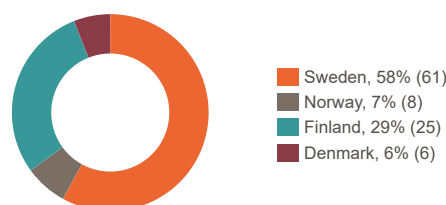
The level of orders received during January-September 2024 increased and amounted to SEK 10,672 million (8,762). The increase is mainly related to paving contracts, particularly in Finland. Order backlog per September 30, 2024 was SEK 4,460 million (4,327).

Net sales

per product area, rolling 12 months



per geographic market, rolling 12 months



Key ratios

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales, MSEK	7,528	6,780	15,972	14,906	21,028	19,962
Operating profit, MSEK	848	588	818	486	1,294	962
Operating margin, %	11.3	8.7	5.1	3.3	6.2	4.8
Orders received, MSEK	3,245	2,914	10,672	8,762	13,096	11,186
Order backlog, MSEK	4,460	4,327	4,460	4,327	4,460	3,954
Capital employed at the end of the period, MSEK	10,688	11,805	10,688	11,805	10,688	10,699
Operating cash flow, MSEK	1,436	557	859	-436	2,307	1,012
Average number of employees	5,148	4,991	4,372	4,438	4,435	4,485
Concrete, thousands of m ³ ¹⁾	225	272	655	849	910	1,104
Paving, thousands of tons ¹⁾	3,058	2,636	5,173	4,362	6,322	5,511
Mineral Aggregates, thousands of tons ¹⁾	7,522	7,463	20,079	18,212	26,651	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

July – September 2024

Net sales in Project Development contracted by eleven percent in the third quarter and amounted to SEK 758 million (856). The decrease is due to the continued weak demand for housing throughout the Nordic region, which has impacted activity in Housing Development. Operating profit amounted to SEK -6 million (46) and the operating margin was -0.8 percent (5.4).

January – September 2024

Net sales in Project Development contracted during January-September 2024 and amounted to SEK 2,533 million (4,266). The decrease is attributable to Housing Development. Operating profit amounted to SEK 207 million (287) and the operating margin was 8.2 percent (6.7).

Capital employed in Project Development at the end of the period amounted to SEK 18,229 million (18,017).

Key ratios

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales, MSEK	758	856	2,533	4,266	3,989	5,722
<i>of which Property Development</i>	6	7	50	81	503	534
<i>of which Housing Development</i>	752	849	2,483	4,185	3,486	5,188
Operating profit, MSEK	-6	46	207	287	224	304
<i>of which Property Development</i>	8	21	290	44	353	107
<i>of which Housing Development</i>	-14	25	-83	243	-129	197
Operating margin, %	-0.8	5.4	8.2	6.7	5.6	5.3
<i>of which Property Development</i>	133.3	300.0	580.0	54.3	70.2	20.0
<i>of which Housing Development</i>	-1.9	2.9	-3.3	5.8	-3.7	3.8
Capital employed at the end of the period, MSEK	18,229	18,017	18,229	18,017	18,229	18,093
Orders received, MSEK	327	84	967	287	816	136
Order backlog, MSEK	1,217	2,362	1,217	2,362	1,217	1,620
Operating cash flow, MSEK	174	-672	218	-2,041	5	-2,254
Average number of employees	142	211	161	230	171	222

Capital employed

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
Operations property	41	149	146
Investment property	36	36	36
Project and development property	15,323	15,068	14,603
<i>of which housing development rights</i>	8,718	7,767	7,981
<i>of which commercial development rights</i>	1,053	902	901
<i>of which unsold part of ongoing housing projects</i>	1,871	2,755	2,461
<i>of which ongoing rental projects</i>	1,032	1,752	1,712
<i>of which ongoing commercial projects</i>	869	393	489
<i>of which completed property</i>	866	409	165
<i>of which other</i>	914	1,090	894
Participation in joint ventures	2,325	2,700	2,820
Loans to joint ventures	1,410	1,519	1,498
Working capital and other	-906	-1,455	-1,010
Total	18,229	18,017	18,093
<i>of which Property Development</i>	4,859	5,188	5,034
<i>of which Housing Development</i>	13,370	12,829	13,059

Housing Development

July – September 2024

Net sales decreased during the quarter and amounted to SEK 752 million (849). Operating profit amounted to SEK -14 million (25) and the operating margin was -1.9 percent (2.9). The negative operating profit is due to few production starts during the quarter and few housing projects in ongoing production. Two rental apartment projects were divested in the quarter with modest capital gains.

Demand for newly produced homes with a long time before occupancy remains low. Production started in the third quarter on two housing projects with a total of 108 (165) own developed homes. The number of sold homes was 300 (153), of which 141 (153) were tenant-owner apartments/condominiums and 159 (-) were rental apartments.

January – September 2024

The continued weak demand on the housing market throughout the Nordic region is clearly noticeable in Housing Development. Net sales decreased to SEK 2,483 million (4,185). Operating profit amounted to SEK -83 million (243) and the operating margin was -3.3 percent (5.8). The operating margin for the latest rolling 12 month period was -3.7 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 during the year, mainly in Sweden's major cities. During the period we started up five housing projects; one in Sweden, two in Norway and two in Finland. The total number of production start-ups of our own developed homes was 245 (648) during the period, all of these were tenant-owned apartments/condominiums. During the corresponding period last year production started on 121 tenant-owner apartments/condominiums and 527 rental apartments on our own balance sheet. The number of sold homes was 741 (604), of which 443 (341) were tenant-owner apartments/condominiums and 298 (263) were rental apartments. The total number of homes in production at the end of the period was 1,754 (4,237), of which 1,051 (2,879) were tenant-owner apartments/condominiums and 703 (1,358) were rental apartments. The portion of sold tenant-owner apartments/condominiums in ongoing production was 55 percent (67). The number of repurchased homes per September 30, 2024 was 226 (301), mainly in Finland.

The need for homes in the Nordic region is believed to be substantial but high interest rates and the high cost of construction make it harder to make sound calculations.

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. In addition, there needs to be fewer newly produced completed homes on the market. 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 13,370 million (12,829). 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.	Sep 30 2024	Sep 30 2023	Dec 31 2023
Development rights on our own balance sheet	22,200	21,700	22,000
Development rights via joint ventures	4,000	4,600	4,700
Development rights via options etc.	6,700	8,200	7,400
Total	32,900	34,500	34,100

Own housing development construction

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Tenant-owner associations, ownership and residential limited companies						
Number of production-started homes during the period	108	40 ¹⁾	245	121 ²⁾	245	121
Number of sold homes during the period	141	153	443	341	644	542
Total number of homes under production, at the end of the period	1,051	2,879	1,051	2,879	1,051	2,392
Portion of sold homes under production, at the end of the period	55%	67%	55%	67%	55%	68%
Number of repurchased homes on our balance sheet, at the end of the period	226	301	226	301	226	252
Rentals						
Number of production-started homes during the period	-	125	-	527	79	606
Number of sold homes during the period	159	-	298	263	427	392
Number converted to tenant-owner associations during the period	-	40	-	85	-	85
Total number of homes under production, at the end of the period	703	1,358 ³⁾	703	1,358 ³⁾	703	1,302
Number of homes completed, at the end of the period	306	-	306	-	306	-

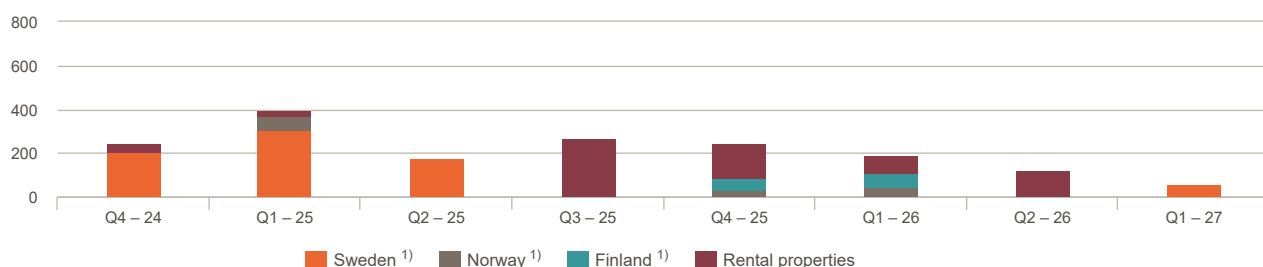
¹⁾ Includes 40 homes that have been converted from rentals

²⁾ Includes 85 homes that have been converted from rentals

³⁾ Of which 603, respectively 44 percent, are under contract to be sold upon completion

Time of completion of our own ongoing housing development projects

Number of homes



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



Lundby School
Gothenburg

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.

July – September 2024

Net sales were SEK 6 million (7) and operating profit was SEK 8 million (21) for the third quarter 2024. There were no property transactions during the quarter, nor during the corresponding quarter last year. Profit contributions from partly owned companies amounted to SEK 22 million compared to SEK 27 million in the same quarter last year.

January – September 2024

Net sales were SEK 50 million (81) and operating profit was SEK 290 million (44) for January-September 2024. Capital gains from property divestitures amounted to SEK 271 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 56 million compared to SEK 70 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	517	568	Q4-2024	91
Logistic facility	Södertälje	23,900	–	322	379	Q4-2024	85
Others				30			
Total				869			

At the end of the third quarter 2024 the capital employed in Property Development was SEK 4,859 million (5,188). 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 September 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 September 30, 2024 ¹⁾: SEK 8,197 million (7,991)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 547 million (613)

Major ongoing projects: Hall 259, 11 000 m² rentable area and 550 parking spaces, Varvsstaden, Malmö

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 September 30, 2024: SEK 1,855 million (1,904)

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 September 30, 2024: SEK 1,352 million (1,388)

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 September 30, 2024 ¹⁾: SEK 2,140 million (2,204)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 53 million (34)

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

Prospects for the economy are looking up and GNP is expected to rise by about one percent this year. The basis for this is the deflating cost pressure that has led the Riksbank to lower interest rates three times so far this year with another anticipated four more during the coming six or so months. Housing construction will most likely continue to contract in 2024 before the trend turns in 2025 as a result of economic recovery, lower financing costs and initiation of previously deferred investments. Both private and public premise construction, including industry's building construction, might very well grow this year despite the weak economy in municipalities and business. Civil engineering construction is expected to move horizontally in 2024 followed by an upturn in 2025.

Norway

Interest rates hikes, high inflation and low international demand are squelching growth in Norway and the economy is expected to only grow by 0.7 percent in 2024. However, inflation is expected to drop and interest rates can begin to come down during the first half-year of 2025. Housing construction is expected to contract this year followed by growth in 2025 supported by lower interest rates and stronger economic growth. Growth in other building construction is expected to be stronger on the whole in 2024 than previously predicted, driven by industry and the public sector while at the same time office/retail construction is expected to contract. Private premise investments are expected to decline in 2025 while it appears the public sector will continue to grow. Civil engineering construction is expected to grow slightly in 2024 and level out in 2025.

Finland

The Finnish GNP is expected to contract by 0.5 in 2024. Gross investments appear to severely decline for the second year in a row and household consumption remains basically on the same level as in 2023. However, inflation is expected to drop and interest rates are expected to come down next year which will support an anticipated growth of around 1.7 percent. Activity in ongoing housing construction is looking somewhat better this year than previously predicted, although from a very low level. Growth, in part stemming from lower inflation and unemployment, is forecast for next year. Development in other building construction is splintered with higher public investments, zero growth in industry and contracting office and retail construction. Next year private investments are expected to decline and the public sector increase slightly. Civil engineering is expected to decrease in 2024 followed by a slight 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



Asphalt paving
Fredrikshamn, Finland

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 report on our two financial targets for the operating margin and net debt ratio as well as the target for the outcome of serious accidents.

Most satisfied customers

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

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

Best workplace

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

Serious accidents

A safe work environment is the foundation of our business. Everyone at our workplaces should be able to be there under safe and secure conditions, despite the fact that there are risks involved in the work we do. Peab 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 and promoting continuous learning. We can also improve safety by investigating incidents and accidents. The objective is to steadily develop a strong safety culture.

In order to reach our vision of zero workplace accidents, we have a target of a contracting trend in serious accidents* that includes everyone at our workplaces. During the third quarter of the year there were 6 serious accidents, all of them involving our own employees. Calculated on a rolling 12 month basis, the number of serious accidents was 41 per September 30, 2024 (44 per June 30, 2024), of which 26 pertained to own personnel and 15 to subcontractors. 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 third quarter of the year the number of LT14 was 34 (33 second quarter 2024) and the LTIF4 frequency rate on a rolling 12 month basis was 5.9 (5.7 after the second 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 September 30, 2024 was 13,993 (14,932). The average number of employees* on a rolling 12 month basis amounted to 13,102 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 recruitment

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 third quarter

- The section of E6 in Stenungsund that was hit by a landslide opened again for traffic in July, which was earlier than expected. All in all around 90,000 tons of excavated soil and 8,000 tons of asphalt were transported from the area. It took three months of landslide protection work before the 400 meter long, new and critical infrastructure road could be reconstructed.
- Peab's new concept for construction workplaces – ECO-construction site – was launched during the quarter. The objective is to reduce the environmental impact of construction sites through instruments and guidelines for energy, waste and water management as well as through logistics and construction machines. ECO-construction site is an optional service that can be worked into all of Peab's construction and civil engineering projects in the planning stage.
- At its factory in Malmö Swerock produced the first casting of ready-mixed concrete with almost zero carbon emissions aided by Cemvision's circular binder from residual products. The casting in Malmö was preceded by a long period of laboratory tests to find the right concrete recipe that, among other things, ensures the concrete's fresh properties and durability growth over time. Peab is a part owner of Cemvision.
- Swerock has developed ten new, third-party EPDs, (Environmental Product Declaration) for its mineral aggregates operations that provide open reporting on the products' environmental performance from a life cycle perspective.
- Peab carried out its work environment week throughout the Group. This year's theme spotlighted team work through a discussion exercise on how we work together and cooperate in our work teams. Each project and workplace also organized, based on their operations, their own training connected to health and safety such as rescue exercises on water, fire drills, controls of defibrillators and stretching.
- The trainee program The Construction Year started up its second round when 19 new trainees gathered together in Stockholm for an introduction to Peab and the construction industry.
- 22 college engineers and civil engineers began Peab's trainee program for 2024-2025. The trainees, who are spread out all over the country, will learn more about management, participate in a comprehensive leadership course and receive field experience at different workplaces in the Group.



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)

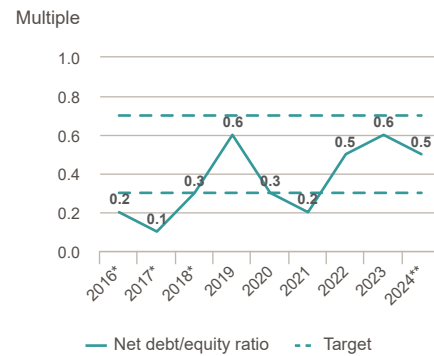


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Operating margin 4.5 % excl. the effect of the distribution of Annehem Fastigheter (SEK 952 million). *** Operating margin 2.5 % excl. Mall of Scandinavia (SEK 400 million). **** Calculated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

Most profitable company

Net debt/equity ratio

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

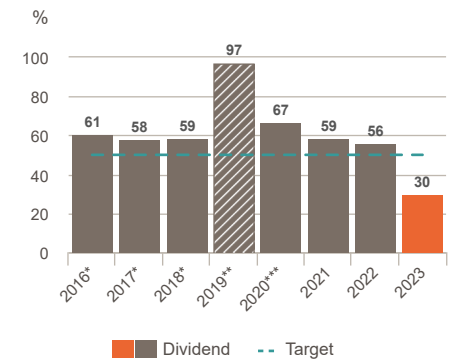


* Years 2016-2018 not translated according to changed accounting principles for own housing development projects. ** Per September 30, 2024.

Most profitable company

Dividend

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

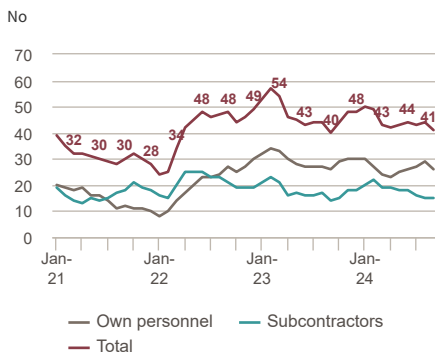


* Years 2016-2018 not translated according to changed accounting principles. ** For 2019, no cash dividend has been paid. The value of the distribution of Annehem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019. *** The proportion is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

Best workplace

Serious accidents

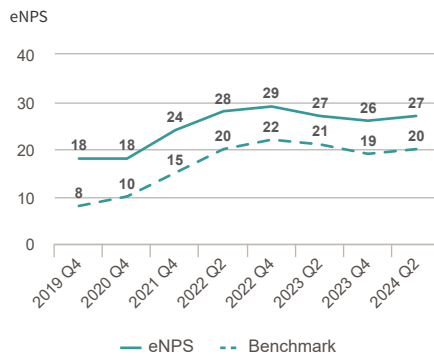
Target: Zero fatal accidents and contracting trend, rolling 12 months, serious accidents classification 4 (reported quarterly)



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)

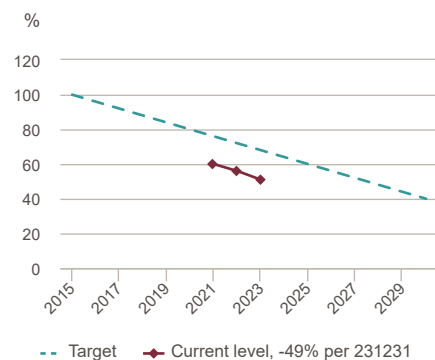


CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100.

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)

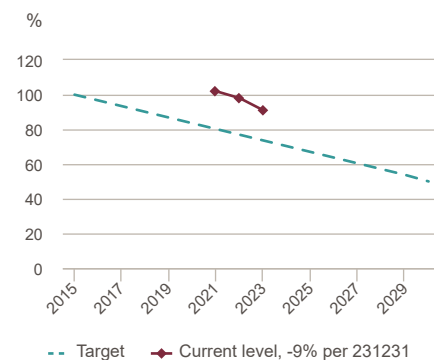


* Direct and indirect emissions as a result of using fuel and energy in our own production.

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)



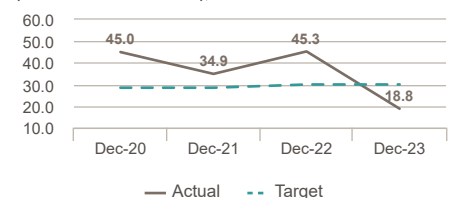
* Includes concrete/cement, asphalt/bitumen, transportation and machine services, steel, waste and business trips.

Leader in social responsibility

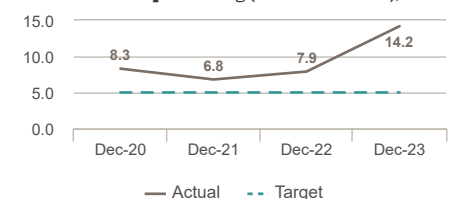
Equal opportunity recruitment

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

Production management and production support (white-collar workers), %



Production and processing (skilled workers), %



Risks and uncertainty factors

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

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

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.



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 period January-September 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 period January-September 2024.



Homes, Per Gynt Toppen
Moss, Norway

Report on the Group income statement, IFRS

Group net sales according to IFRS amounted during the period January-September 2024 to SEK 44,098 million (44,235). The adjustment of our own housing development projects to the completion method affected net sales by SEK 2,186 million (1,053).

Operating profit according to IFRS for January-September 2024 amounted to SEK 1,794 million (2,115) and the operating margin was 4.1 percent (4.8). The adjustment of our own housing development projects to the completion method affected operating profit by SEK 261 million (366).

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales	15,720	15,159	44,098	44,235	61,463	61,600
Production costs	-14,174	-13,765	-40,463	-40,044	-56,602	-56,183
Gross profit	1,546	1,394	3,635	4,191	4,861	5,417
Sales and administrative expenses	-613	-600	-2,257	-2,321	-3,100	-3,164
Other operating income	46	100	435	266	526	357
Other operating costs	13	17	-19	-21	-22	-24
Operating profit	992	911	1,794	2,115	2,265	2,586
Financial income	66	56	193	523	254	584
Financial expenses	-170	-198	-492	-411	-665	-584
Net finance	-104	-142	-299	112	-411	0
Pre-tax profit	888	769	1,495	2,227	1,854	2,586
Tax	-154	-145	-221	-450	-369	-598
Profit for the period	734	624	1,274	1,777	1,485	1,988
Profit for the period, attributable to:						
Shareholders in parent company	732	623	1,271	1,777	1,482	1,988
Non-controlling interests	2	1	3	0	3	0
Profit for the period	734	624	1,274	1,777	1,485	1,988
Key ratios, IFRS						
Earnings per share before and after dilution, SEK	2.54	2.17	4.42	6.18	5.16	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⁾	7.8	10.2	7.8	10.2	7.8	9.1
Return on equity, % ¹⁾	10.1	16.8	10.1	16.8	10.1	14.1

¹⁾ Calculated on rolling 12 months

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

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Profit for the period	734	624	1,274	1,777	1,485	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	-74	-6	-12	-22	-135	-145
Changes in fair value of cash flow hedges for the period	-16	22	-2	28	-12	18
Shares in joint ventures' other comprehensive income	-6	4	-7	3	-14	-4
Tax referring to items that can be reclassified or have been reclassified to profit for the period	3	-5	0	-6	2	-4
Other comprehensive income for the period	-93	15	-21	3	-159	-135
Total comprehensive income for the period	641	639	1,253	1,780	1,326	1,853
Total comprehensive income for the period, attributable to:						
Shareholders in parent company	639	638	1,250	1,780	1,324	1,854
Non-controlling interests	2	1	3	0	2	-1
Total comprehensive income for the period	641	639	1,253	1,780	1,326	1,853

Report on financial position for the Group in summary, IFRS

Total assets on September 30, 2024 were SEK 49,129 million (52,916). Equity amounted to SEK 15,316 million (14,405), which generated an equity/assets ratio of 31.2 percent (27.2). During the second quarter, a dividend of SEK 431 million (1,150) was paid to the shareholders.

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
Assets			
Intangible assets	3,754	3,998	3,789
Tangible assets	7,783	8,460	8,333
Investment property	59	62	61
Interest-bearing long-term receivables	1,448	1,286	1,293
Other financial fixed assets	2,265	2,735	2,857
Deferred tax recoverables	78	136	97
Total fixed assets	15,387	16,677	16,430
Project and development properties	17,342	19,521	18,061
Inventories	1,845	1,925	1,705
Interest-bearing current receivables	1,156	1,369	1,345
Other current receivables	12,555	12,419	10,392
Liquid funds	844	1,005	1,243
Total current assets	33,742	36,239	32,746
Total assets	49,129	52,916	49,176
Equity and liabilities			
Equity	15,316	14,405	14,470
Liabilities			
Interest-bearing long-term liabilities	7,685	7,298	7,046
Interest-bearing long-term liabilities, project financing	15	126	193
Deferred tax liabilities	576	740	623
Other long-term liabilities	1,983	1,335	2,005
Total long-term liabilities	10,259	9,499	9,867
Interest-bearing current liabilities	3,601	5,134	4,246
Interest-bearing current liabilities, project financing	3,909	8,842	6,933
Other current liabilities	16,044	15,036	13,660
Total current liabilities	23,554	29,012	24,839
Total liabilities	33,813	38,511	34,706
Total equity and liabilities	49,129	52,916	49,176
Key ratios, IFRS			
Capital employed	30,526	35,805	32,888
Equity/assets ratio, %	31.2	27.2	29.4
Net debt	11,762	17,740	14,537
Equity per share, SEK	53.18	50.05	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	Sep 30 2024	Sep 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	1,271	1,777	1,988
Other comprehensive income for the period	-21	3	-134
Total comprehensive income for the period	1,250	1,780	1,854
Cash flow hedge transferred to cost of inventory	-1	-13	-24
Tax on cash flow hedge	1	2	5
Share-based payments settled with equity instruments	15	-	-
Cash dividend	-431	-1,150	-1,150
Closing equity	15,287	14,387	14,453
Non-controlling interests			
Opening equity on January 1	17	18	18
Comprehensive income for the period	3	0	-1
New issues	9	-	-
Closing equity	29	18	17
Total closing equity	15,316	14,405	14,470

Report on Group cash flow in summary, IFRS

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Cash flow from current operations before changes in working capital	1,623	961	2,362	1,782	3,865	3,285
Increase (-) / Decrease (+) of project and development properties	201	-187	921	-417	2,200	862
Increase (-) / Decrease (+) of inventories	220	129	-134	-341	55	-152
Increase (-) / Decrease (+) of current receivables / current liabilities	-593	377	55	-654	630	-79
Cash flow from changes in working capital	-172	319	842	-1,412	2,885	631
Cash flow from current operations	1,451	1,280	3,204	370	6,750	3,916
Sale of subsidiaries / businesses, net effect on liquid funds	-	50	28	50	28	50
Acquisition of fixed assets	-90	-333	-758	-1,227	-1,251	-1,720
Sale of fixed assets	85	55	1,224	307	1,326	409
Cash flow from investment operations	-5	-228	494	-870	103	-1,261
Cash flow before financing	1,446	1,052	3,698	-500	6,853	2,655
Shareholder contribution non-controlling interests	-	-	2	-	2	-
Increase (+) / Decrease (-) of interest-bearing liabilities	-1,697	-986	-462	2,453	-1,577	1,338
Increase (+) / Decrease (-) of interest-bearing liabilities, project financing	-391	-424	-3,209	-1,306	-5,012	-3,109
Cash dividend	-	-	-431	-1,150	-431	-1,150
Cash flow from financing operations	-2,088	-1,410	-4,100	-3	-7,018	-2,921
Cash flow for the period	-642	-358	-402	-503	-165	-266
Cash at the beginning of the period	1,490	1,367	1,243	1,506	1,005	1,506
Exchange rate differences in cash	-4	-4	3	2	4	3
Cash at the end of the period	844	1,005	844	1,005	844	1,243

Parent company

The parent company Peab AB's net sales for January-September 2024 amounted to SEK 666 million (203) and mainly consisted of internal Group services. Profit for the period amounted to SEK 990 million (3,028). 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 12,383 million (10,630). During the second quarter, a dividend of SEK 431 million (1,150) was paid to the shareholders. During the period, the parent company reported share-based payments of SEK 15 million in equity. 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	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/2024	Jan-Dec 2023
Net sales	238	59	666	203	730	267
Administrative expenses	-259	-107	-802	-366	-930	-494
Other operating income	0	0	1	1	3	3
Operating profit	-21	-48	-135	-162	-197	-224
Result from financial investments						
Profit from participation in Group companies	-	-	990	3,165	1,135	3,310
Other financial items	50	16	137	-10	170	23
Result after financial items	29	-32	992	2,993	1,108	3,109
Appropriations	-	-	-	-	1,367	1,367
Pre-tax profit	29	-32	992	2,993	2,475	4,476
Tax	-7	7	-2	35	-306	-269
Profit for the period ¹⁾	22	-25	990	3,028	2,169	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	Sep 30 2024	Sep 30 2023	Dec 31 2023
Assets			
Fixed assets			
Intangible assets	328	3	2
Tangible assets	37	2	2
Financial assets			
Participation in Group companies	10,433	11,749	10,433
Receivables from Group companies	14	1,800	-
Deferred tax recoverables	86	96	83
Total financial assets	10,533	13,645	10,516
Total fixed assets	10,898	13,650	10,520
Current assets			
Current receivables			
Accounts receivables	1	0	0
Receivables from Group companies	4,420	137	4,940
Current tax assets	146	204	-
Other receivables	2	56	57
Prepaid expenses and accrued income	70	7	13
Total current receivables	4,639	404	5,010
Cash and bank	0	0	0
Total current assets	4,639	404	5,010
Total assets	15,537	14,054	15,530
Equity and liabilities			
Equity			
Restricted equity	1,884	1,884	1,884
Non-restricted equity	10,499	8,746	9,925
Total equity	12,383	10,630	11,809
Untaxed reserves	2,919	3,292	2,919
Provisions			
Other provisions	46	44	43
Total provisions	46	44	43
Current liabilities			
Accounts payable	44	10	19
Liabilities to Group companies	3	5	645
Current tax liabilities	-	-	21
Other liabilities	26	10	8
Accrued expenses and deferred income	116	63	66
Total current liabilities	189	88	759
Total liabilities	189	88	759
Total equity and liabilities	15,537	14,054	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-Sep 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	15,330	10,801	13,226	2,513	42		41,912	2,186	44,098
Internal sales	1,946	845	2,746	20	965	-6,522	-		-
Total	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098
Allocation per country									
Sweden	13,354	10,322	8,770	1,869	804	-5,911	29,208	1,621	30,829
Norway	2,104	1,324	1,173	336	97	-396	4,638	378	5,016
Finland	1,818		5,040	328	106	-214	7,078	187	7,265
Denmark			985			-1	984		984
Other			4				4		4
Total	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098
Allocation per type of customer									
Public sector	9,116	8,618	5,488	9	34		23,266		23,266
Private customers	6,214	2,183	7,738	2,504	8		18,646	2,186	20,832
Internal customers	1,946	845	2,746	20	965	-6,522	-		-
Total	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098
Allocation per point in time									
At one point in time	38	15	4,419	1,043	41	-802	4,754	3,733	8,487
Over time	17,227	11,620	10,061	1,412	796	-4,565	36,551	-1,547	35,004
Rent revenue ²⁾	11	11	1,492	78	170	-1,155	607		607
Total	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098
Allocation per type of revenue									
Construction contracts	17,227	11,620	10,061	1,412	29	-3,799	36,550	-1,547	35,003
Sales of goods			3,471			-577	2,894		2,894
Sales of property projects				1,024			1,024	3,733	4,757
Transportation services			865			-203	662		662
Administrative services					767	-766	1		1
Rent revenue ²⁾	11	11	1,492	78	170	-1,155	607		607
Other	38	15	83	19	41	-22	174		174
Total	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098

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-Sep 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	17,114	9,741	12,035	4,248	44		43,182	1,053	44,235
Internal sales	3,637	969	2,871	18	1,066	-8,561	-		-
Total	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235
Allocation per country									
Sweden	14,793	9,678	8,914	3,161	865	-7,192	30,219	288	30,507
Norway	3,318	1,031	1,178	464	120	-586	5,525	-221	5,304
Finland	2,640	1	3,964	641	124	-781	6,589	986	7,575
Denmark			836		1	-2	835		835
Other			14				14		14
Total	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235
Allocation per type of customer									
Public sector	8,625	7,688	4,052	36	33		20,434	-27	20,407
Private customers	8,489	2,053	7,983	4,212	11		22,748	1,080	23,828
Internal customers	3,637	969	2,871	18	1,066	-8,561	-		-
Total	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235
Allocation per point in time									
At one point in time	33	10	4,730	822	59	-830	4,824	4,509	9,333
Over time	20,709	10,690	8,575	3,356	894	-6,509	37,715	-3,456	34,259
Rent revenue ²⁾	9	10	1,601	88	157	-1,222	643		643
Total	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235
Allocation per type of revenue									
Construction contracts	20,709	10,690	8,575	3,356	59	-5,677	37,712	-3,456	34,256
Sales of goods			3,741			-591	3,150		3,150
Sales of property projects				817			817	4,509	5,326
Transportation services			877			-191	686		686
Administrative services					835	-832	3		3
Rent revenue ²⁾	9	10	1,601	88	157	-1,222	643		643
Other	33	10	112	5	59	-48	171		171
Total	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235

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-Sep 2024 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	15,330	10,801	13,226	2,513	42		41,912	2,186	44,098
Internal sales	1,946	845	2,746	20	965	-6,522	-		-
Total revenue	17,276	11,646	15,972	2,533	1,007	-6,522	41,912	2,186	44,098
Operating profit	320	359	818	207	-199	3	1,508	286	1,794
Operating margin, %	1.9	3.1	5.1	8.2			3.6		4.1
Financial income							193		193
Financial expenses							-459	-33 ²⁾	-492
Net finance							-266	-33	-299
Pre-tax profit							1,242	-253	1,495
Tax							-199	-22	-221
Profit for the period							1,043	231	1,274
Capital employed (CB)	-498	-263	10,688	18,229	-619 ³⁾		27,537	2,989	30,526
Total assets							45,677	3,452 ⁴⁾	49,129
Equity							15,650	-334	15,316
Equity/assets ratio, %							34.3		31.2
Net debt							8,439	3,323	11,762
Cashflow before financing	90 ⁵⁾	445 ⁵⁾	859 ⁵⁾	218 ⁵⁾	-730 ⁶⁾		882	2,816	3,698

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 -33 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,399 million and housing projects SEK 2,053 million.

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

⁶⁾ Unallocated cash flow.

Group Jan-Sep 2023 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles ¹⁾	Group IFRS
External sales	17,114	9,741	12,035	4,248	44		43,182	1,053	44,235
Internal sales	3,637	969	2,871	18	1,066	-8,561	-		-
Total revenue	20,751	10,710	14,906	4,266	1,110	-8,561	43,182	1,053	44,235
Operating profit	799	321	486	287	-140	-33	1,720	395	2,115
Operating margin, %	3.9	3.0	3.3	6.7			4.0		4.8
Financial income							523		523
Financial expenses							-379	-32 ²⁾	-411
Net finance							144	-32	112
Pre-tax profit							1,864	363	2,227
Tax							-378	-72	-450
Profit for the period							1,486	291	1,777
Capital employed (CB)	-586	-7	11,805	18,017	-157 ³⁾		29,072	6,733	35,805
Total assets							46,911	6,005 ⁴⁾	52,916
Equity							15,239	-834	14,405
Equity/assets ratio, %							32.5		27.2
Net debt							10,173	7,567	17,740
Cashflow before financing	60 ⁵⁾	359 ⁵⁾	-436 ⁵⁾	-2,041 ⁵⁾	-721 ⁶⁾		-2,779	2,279	-500

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 -32 million.

³⁾ Unallocated capital employed.

⁴⁾ Divided between IFRS 16, additional leases SEK 1,484 million and housing projects SEK 4,521 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 1,386 million and housing projects SEK 3,495 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	Sep 30, 2024			Sep 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		54	54		46	46
<i>Of which unlisted funds</i>		4	4		13	13		5	5
<i>Of which unlisted shareholdings and participations</i>		41	41		41	41		41	41
Other current receivables	1		1	30		30	10		10
<i>Of which commodity hedging with futures</i>	1		1	26		26	9		9
<i>Of which currency derivatives</i>			-	4		4	1		1
Total financial assets	1	45	46	30	54	84	10	46	56
Financial liabilities									
Other long-term liabilities			-		18	18			-
<i>Of which contingent consideration</i>			-		18	18			-
Other current liabilities	17		17	7		7	16	6	22
<i>Of which currency derivatives</i>	1		1	1		1	3		3
<i>Of which commodity hedging with futures</i>	16		16	6		6	13		13
<i>Of which contingent consideration</i>			-			-		6	6
Total financial liabilities	17	-	17	7	18	25	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		
	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
MSEK						
Opening balance	5	26	26	41	41	41
Investments		5	5			
Sales					-1	-1
Dividends received	-1					
Reported in profit/loss for the period						
Other operating costs (+)/other operating income (-)					1	1
Net finance		-18	-26			
Closing balance	4	13	5	41	41	41

Group	Contingent consideration		
	Sep 30, 2024	Sep 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

- | | |
|--|------------------|
| • Year-end report January – December 2024 | February 6, 2025 |
| • Annual and Sustainability Report 2024 | April, 2025 |
| • Quarterly report January – March 2025 and Annual General Meeting | May 6, 2025 |
| • Quarterly report January – June 2025 | July 15, 2025 |
| • Quarterly report January – September 2025 | October 24, 2025 |

Förlöv, October 25, 2024

Jesper Göransson
CEO and President

Presentation of the interim report

This interim report will be presented digitally and on a phone conference Friday October 25, 2024 at 9:30 a.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-q3-report-2024>

Participate via telephone conference:

<https://conference.financialhearings.com/teleconference/?id=50048730>

For further information, please contact:

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

This information is information that Peab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at October 25, 2024, 08:00 a.m. CET.

Review report

We have reviewed the condensed interim financial information (interim report) for Peab AB (publ) as of September 30, 2024 and for the nine month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Förlöv, October 25, 2024
Ernst & Young AB

Jonas Svensson
Authorized Public Accountant

Quarterly data

Group, IFRS

MSEK	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022
Net sales	15,720	16,928	11,450	17,365	15,159	16,098	12,978	17,141	16,197
Production costs	-14,174	-15,281	-11,008	-16,139	-13,765	-14,141	-12,138	-15,466	-14,730
Gross profit	1,546	1,647	442	1,226	1,394	1,957	840	1,675	1,467
Sales and administrative expenses	-613	-885	-759	-843	-600	-867	-854	-851	-640
Other operating income	46	60	329	91	100	124	42	72	81
Other operating costs	13	-8	-24	-3	17	-17	-21	-10	8
Operating profit	992	814	-12	471	911	1,197	7	886	916
Financial income	66	59	68	61	56	431	36	39	18
Financial expenses	-170	-167	-155	-173	-198	-125	-88	-85	-60
Net finance	-104	-108	-87	-112	-142	306	-52	-46	-42
Pre-tax profit	888	706	-99	359	769	1,503	-45	840	874
Tax	-154	-110	43	-148	-145	-315	10	-282	-163
Profit for the period	734	596	-56	211	624	1,188	-35	558	711
Profit for the period, attributable to:									
Shareholders in parent company	732	596	-57	211	623	1,189	-35	559	711
Non-controlling interests	2	0	1	0	1	-1	0	-1	0
Profit for the period	734	596	-56	211	624	1,188	-35	558	711
Key ratios, IFRS									
Earnings per share, SEK	2.54	2.08	-0.20	0.74	2.17	4.13	-0.12	1.93	2.43
Average number of outstanding shares, million	287.5	287.5	287.5	287.5	287.5	287.5	287.5	288.0	291.3
Capital employed (CB)	30,526	31,962	33,016	32,888	35,805	36,442	33,831	33,590	32,230
Equity (CB)	15,316	14,666	14,481	14,470	14,405	13,780	13,652	13,786	13,250

Business areas

MSEK	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022
Net sales									
Construction	5,130	6,358	5,788	7,029	5,789	7,540	7,422	8,330	6,306
Civil Engineering	3,810	4,278	3,558	4,454	3,491	3,891	3,328	4,405	3,584
Industry	7,528	6,033	2,411	5,056	6,780	5,347	2,779	5,658	7,096
Project Development	758	720	1,055	1,456	856	1,569	1,841	1,986	2,234
– of which Property Development	6	21	23	453	7	65	9	11	304
– of which Housing Development	752	699	1,032	1,003	849	1,504	1,832	1,975	1,930
Group functions	333	345	329	377	343	390	377	409	380
Eliminations	-2,020	-2,502	-2,000	-2,733	-2,523	-2,981	-3,057	-3,740	-2,915
Group, segment reporting	15,539	15,232	11,141	15,639	14,736	15,756	12,690	17,048	16,685
Adjustment of housing to IFRS	181	1,696	309	1,726	423	342	288	93	-488
IFRS 16, additional leases									
Group, IFRS	15,720	16,928	11,450	17,365	15,159	16,098	12,978	17,141	16,197
Operating profit									
Construction	96	123	101	-358	96	141	162	166	126
Civil Engineering	117	165	77	180	110	152	59	175	118
Industry	848	449	-479	476	588	333	-435	283	519
Project Development	-6	-33	246	17	46	114	127	309	265
– of which Property Development	8	21	261	63	21	29	-6	19	91
– of which Housing Development	-14	-54	-15	-46	25	85	133	290	174
Group functions	-62	-79	-58	-159	-33	-34	-73	-53	-27
Eliminations	2	-6	7	-23	-21	-16	4	-27	-8
Group, segment reporting excl. MoS	995	619	-106	133	786	690	-156	853	993
Construction – effect MoS						400			
Group, segment reporting	995	619	-106	133	786	1,090	-156	853	993
Adjustment of housing to IFRS	-14	190	85	330	115	98	153	25	-86
IFRS 16, additional leases	11	5	9	8	10	9	10	8	9
Group, IFRS	992	814	-12	471	911	1,197	7	886	916
Operating margin, %									
Construction	1.9	1.9	1.7	-5.1	1.7	1.9	2.2	2.0	2.0
Civil Engineering	3.1	3.9	2.2	4.0	3.2	3.9	1.8	4.0	3.3
Industry	11.3	7.4	-19.9	9.4	8.7	6.2	-15.7	5.0	7.3
Project Development	-0.8	-4.6	23.3	1.2	5.4	7.3	6.9	15.6	11.9
– of which Property Development	133.3	100.0	1,134.8	13.9	300.0	44.6	-66.7	172.7	29.9
– of which Housing Development	-1.9	-7.7	-1.5	-4.6	2.9	5.7	7.3	14.7	9.0
Group functions									
Eliminations									
Group, segment reporting excl. MoS	6.4	4.1	-1.0	0.9	5.3	4.4	-1.2	5.0	6.0
Group, segment reporting	6.4	4.1	-1.0	0.9	5.3	6.9	-1.2	5.0	6.0
Adjustment of housing to IFRS									
IFRS 16, additional leases									
Group, IFRS	6.3	4.8	-0.1	2.7	6.0	7.4	0.1	5.2	5.7
Key ratios, segment reporting, MSEK									
Earnings per share excl. MoS, SEK	2.59	1.48	-0.45	-0.25	1.85	1.68	-0.54	1.89	2.69
Earnings per share, SEK	2.59	1.48	-0.45	-0.25	1.85	3.86	-0.54	1.89	2.69
Capital employed (CB)	27,537	28,719	27,721	27,639	29,072	29,406	25,910	25,000	23,546
Equity (CB)	15,650	14,992	14,976	15,082	15,239	14,770	14,687	14,978	14,469
Orders received	10,135	16,434	17,889	10,527	11,034	12,505	11,042	10,455	13,095
Order backlog at the end of the period	47,026	50,578	47,808	39,060	41,669	43,638	44,595	44,389	48,762

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 58 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 58 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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Peab takes work environment matters very seriously and works systematically to create safe workplaces. The kind of safety equipment used varies depending on national regulations and the type of operations. A risk analysis is always performed for each workplace before any exception is made. The people pictured in this publication are wearing personal safety equipment required by regulations valid for the operations and country they are in.