

Year-end report

JANUARY – DECEMBER 2017



Profitable growth and strong order situation

October – December 2017

- Operative net sales SEK 14,794 million (13,795)
- Operative operating profit SEK 774 million (641)
- Operative operating margin 5.2 percent (4.6)
- Pre-tax profit SEK 814 million (668)
- Earnings per share SEK 2.27 (1.90)
- Orders received SEK 12,060 million (10,367)
- Cash flow before financing SEK 1,508 million (2,024)

January – December 2017

- Operative net sales SEK 50,267 million (46,489)
- Operative operating profit SEK 2,425 million (2,075)
- Operative operating margin 4.8 percent (4.5)
- Pre-tax profit SEK 2,445 million (2,050)
- Earnings per share SEK 6.97 (5.85)
- Orders received SEK 45,247 million (41,445)
- Order backlog SEK 38,491 million (33,572)
- Cash flow before financing SEK 2,295 million (2,651)
- Net debt SEK 1,216 million (1,862)
- Equity/assets ratio 32.1 percent (29.7)
- The Board proposes a dividend of SEK 4.00 (3.60) per share

Comments from the CEO

Our operations have shown definite improvements in 2017. The contract business in Construction and Civil Engineering is generating stable results and Industry and Project Development report significant margin improvements. The stable market prospects, despite a cautious housing market, together with a record high order backlog, and a strong financial position create a good platform for the future.

MARKET CONDITIONS

The Swedish construction market continued to grow in 2017. The housing market is expected to slow in 2018 while private and public premise construction is expected to rise. The construction market in Norway developed well in 2017 while 2018 can be affected by a decline in housing construction. The construction market in Finland has accelerated in 2017, driven by growth in housing construction, and is expected to continue to grow in 2018. Market prospects for the civil engineering market in Sweden and Norway are positive.

ORDER SITUATION

The level of orders received continued to be high in the fourth quarter which resulted in SEK 45.2 billion (41.4) in orders received for the entire year of 2017. The level of orders received has grown in every business area. Our own developed housing projects are well spread geographically in Sweden, Norway and Finland as well. Order backlog amounted to SEK 38.5 billion (33.6). Both the level of orders received and order backlog are record high for Peab.

BUSINESS AREA DEVELOPMENT

Net sales in business area Construction increased in 2017 by eleven percent with a higher operating profit. Net sales in business area Civil Engineering increased by ten percent with a somewhat improved operating profit. Business area Industry showed an increase in net sales of five percent and a better operating profit. Net sales in business area Project Development increased by 13 percent and operating profit improved. The operating margin in Housing Development continued to improve and both production starts and sales were higher compared to 2016.

GROUP DEVELOPMENT

Operative net sales during 2017 amounted to SEK 50,267 million (46,489), which was an increase by eight percent. Operative operating profit improved to SEK 2,425 million (2,075) and the operative operating margin improved to 4.8 percent (4.5). Profitability in Construction and Civil Engineering is on a stable level. This is a result of our decision to choose projects with a lower risk profile, greater diversification and focus on profitability over volume. Then there is the added value the contract projects generate in other sections of the Group. Cash flow before financing amounted to SEK 2,295 million (2,651). Net debt was SEK 1,216 million (1,862).

OUTLOOK FOR THE FUTURE

The outlook for Peab is positive with a solid order backlog, a good project mix, a well-dimensioned development rights portfolio, stable market prospects and a strong financial position. At the same time there are a number of challenges to deal with such as capacity limitations in the form of resource shortages, primarily in big city regions and increases in costs for some subcontractors.



In some partial markets an excess supply of homes in a higher price range has occurred which, together with tougher financing terms for homes, leads to longer sales processes. Peab develops and builds homes throughout Sweden as well as large parts of Norway and Finland. Peab mainly builds homes in the middle-priced segment and we see that there is still a big demand for new housing in this range. During the fourth quarter, which is seasonally a strong quarter, activity has been low in Stockholm while a lot has been going on in other areas of Sweden as well as in Finland.

There is still a strong need for extensive construction in Peab's markets, not only in housing but in all other building construction and civil engineering in Sweden, Norway and Finland.

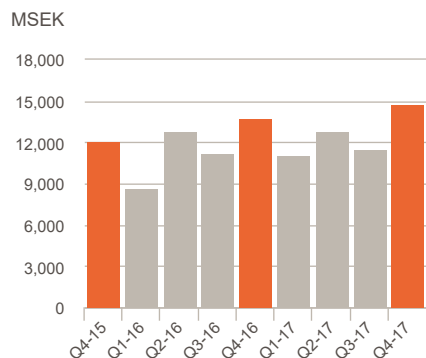
Based on a strong development in profits, our financial position and a balanced investment need, the Board believes there is room to raise the proposed dividend to SEK 4.00 (3.60) per share.

We have a unique position through our four complementary business areas and more than 14,000 employees welded together by a strong company culture. Our business model creates opportunities throughout the entire value chain in a construction project and provides us with a good platform to deliver comprehensive solutions to our customers. From this foundation we will continue to strive towards our strategic goals to have the most satisfied customers, be the best workplace and the most profitable company in the industry.

Jesper Göransson
CEO and President

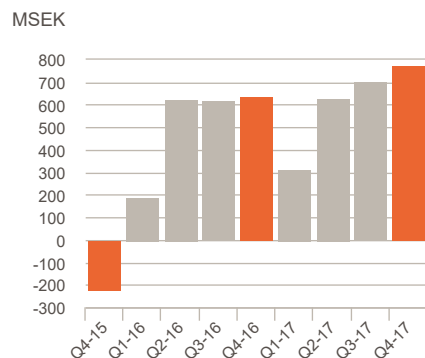
Year-end report January – December 2017

Operative net sales



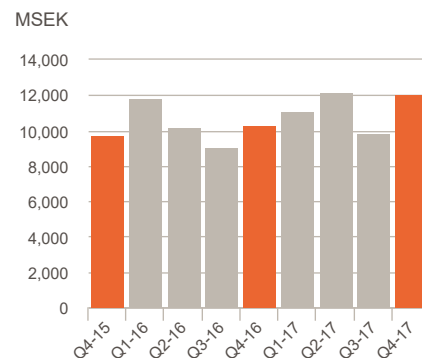
Group operative net sales for 2017 amounted to SEK 50,267 million (46,489), which was an increase of eight percent. After adjustments for acquired and divested units net sales increased by seven percent compared to the last year.

Operative operating profit



Operative operating profit for 2017 amounted to SEK 2,425 million compared to SEK 2,075 million for the last year.

Orders received



Orders received for 2017 amounted to SEK 45,247 million compared to SEK 41,445 million for the last year. Order backlog amounted to SEK 38,491 million compared to SEK 33,572 million at the end of 2016.

Group

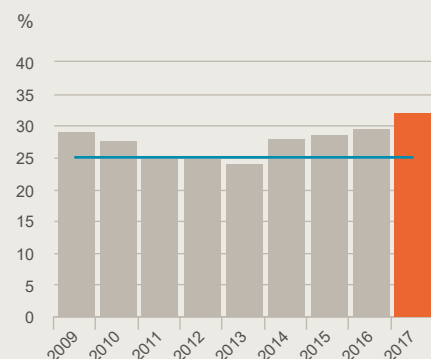
MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operative net sales ¹⁾	14,794	13,795	50,267	46,489
Net sales	14,556	13,879	50,090	46,337
Operative operating profit ¹⁾	774	641	2,425	2,075
Operative operating margin, % ¹⁾	5.2	4.6	4.8	4.5
Operating profit	742	673	2,405	2,098
Operating margin, %	5.1	4.8	4.8	4.5
Pre-tax profit	814	668	2,445	2,050
Profit for the period	671	561	2,057	1,727
Earnings per share, SEK	2.27	1.90	6.97	5.85
Return on equity, %	21.1 ²⁾	20.1 ²⁾	21.1	20.1
Net debt	1,216	1,862	1,216	1,862
Equity/assets ratio, %	32.1	29.7	32.1	29.7
Number of employees at the end of the period	14,344	13,869	14,344	13,869

¹⁾ Operative net sales and operative operating profit are reported according to the percentage of completion method corresponding to segment reporting. Net sales and operating profit are reported according to legal accounting.

²⁾ Calculated on rolling 12 months.

Financial goals

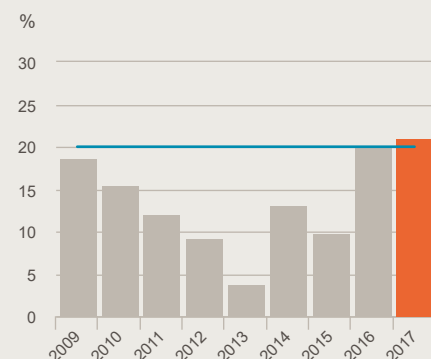
Equity/assets ratio



Goal > 25%

The goal for the equity/assets ratio is at least 25 percent. On 31 December 2017 the equity/assets ratio was 32.1 percent compared to 29.7 percent at the end of last year.

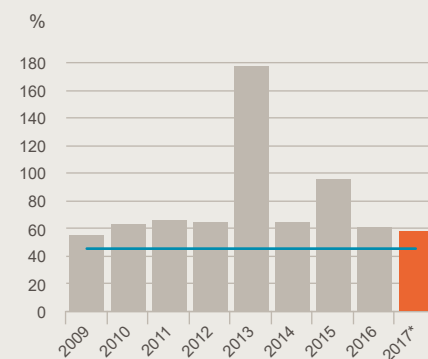
Return on equity



Goal > 20%

The goal for return on equity is at least 20 percent. The return on equity was 21.1 percent (20.1).

Dividends



* Board of Directors' proposal for 2017 to the AGM

Goal > 50%

The goal for dividends is at least 50 percent of profit after tax. The Board's proposal for a dividend in 2017 of SEK 4.00 (3.60) per share corresponds to 58 percent (61) of profit for the year.

Net sales and profit ¹⁾

October – December 2017

Group operative net sales for the fourth quarter 2017 increased by seven percent and amounted to SEK 14,794 million (13,795). Adjustments in housing reporting affected net sales by SEK -238 million (84). Group net sales for the fourth quarter 2017 increased to SEK 14,556 million (13,879).

Net sales have increased in every business area in fourth quarter. Net sales in business area Construction increased by nine percent, in business area Civil Engineering net sales increased by 15 percent and in business area Industry net sales increased by six percent compared to the corresponding quarter the previous year. In business area Project Development net sales increased by five percent, attributable to Housing Development.

Of the quarter's net sales SEK 2,377 million (2,273) were generated by sales and production outside Sweden.

Operative operating profit for the fourth quarter 2017 amounted to SEK 774 million (641) and the operative operating margin improved to 5.2 percent (4.6). The margin in business area Construction improved to 2.4 percent (2.1) while business area Civil Engineering has an unchanged margin of 3.6 percent. Business area Industry showed an improved margin of 8.2 percent (6.6). Business area Project Development had a higher operating profit in the fourth quarter and the operating margin was 10.6 percent (10.8), of which the margin in Housing Development amounted to 10.9 percent (10.6).

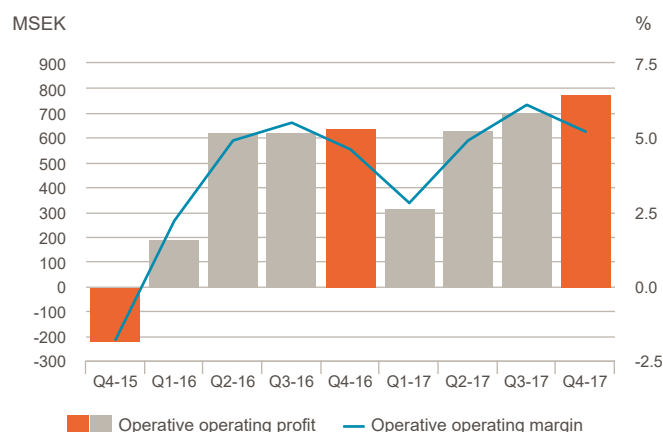
Adjustments in housing reporting amounted to SEK -32 million (32). Operating profit for the fourth quarter 2017 was SEK 742 million (673) and the operating margin improved to 5.1 percent (4.8).

Depreciation and write-downs for the fourth quarter were SEK -257 million (-232).

Net financial items amounted to SEK 72 million (-5) of which net interest improved to SEK 0 million (-11). Net financial items include capital gains of SEK 93 million from the divestiture of 2,458,447 shares in Lemminkäinen Oyj.

Pre-tax profit was SEK 814 million (668). Profit for the fourth quarter improved to SEK 671 million (561).

Operative operating profit and operative operating margin, per quarter



January – December 2017

Group operative net sales for 2017 amounted to SEK 50,267 million (46,489), which was an increase of eight percent. After adjustments for acquired and divested units net sales increased by seven percent. Adjustments in housing reporting affected net sales by SEK -177 million (-152). Group net sales for 2017 increased to SEK 50,090 million (46,337).

Net sales have increased in every business area largely due to the favorable construction and civil engineering market. Net sales grew by eleven percent in business area Construction and have increased in all the business area's regions. Net sales increased by ten percent in business area Civil Engineering generated by greater activity in Local market and Infrastructure. Business area Industry showed an increase in net sales of five percent, with increases in all product areas except Transportation and Machines, which had unchanged sales. Net sales in business area Project Development increased by 13 percent, with an increase in Housing Development by 22 percent while Property Development had lower net sales. During the first quarter 2017 Property Development divested a number of assets in Arenastaden and Ulriksdal in Solna to Fabege, which affected net sales by SEK 577 million. During the second quarter 2016 partial sales of property in Hyllie, Malmö were carried out, worth SEK 777 million.

Of the year's net sales SEK 9,089 million (7,729) were attributable to sales and production outside Sweden.

Operative operating profit for 2017 amounted to SEK 2,425 million (2,075) and the operative operating margin improved to 4.8 percent (4.5).

The margin in business area Construction was 2.3 percent compared to 2.2 percent for the last year. The margin in business area Civil Engineering was 3.2 percent (3.3). Business area Industry showed a higher margin of 6.8 percent (6.2). Operating profit in business area Project Development improved during the year, both in Housing Development and Property Development. The margin in Housing Development improved to 9.4 percent (8.5). Profit in Property Development included capital gains of SEK 75 million from the divestiture in the first quarter of joint venture companies with development properties in Skåne. The transactions regarding Arenastaden and Ulriksdal, which were carried out during the first quarter 2017 had no net effect on profit since the divestitures in Ulriksdal had a positive effect on operating profit by SEK 180 million and the sales of assets in Arenastaden had a negative effect of SEK 180 million. The second quarter 2016 included an effect on operating profit of SEK 104 million from the partial sales of property in Hyllie.

Eliminations and reversal of internal profit in our own projects has affected operating profit net by SEK -1 million (-75). Elimination is reversed in connection with the external divestment of a project. Adjustments in housing reporting affected operating profit by SEK -20 million (23). Operating profit for 2017 was SEK 2,405 million (2,098) and the operating margin amounted to 4.8 percent (4.5).

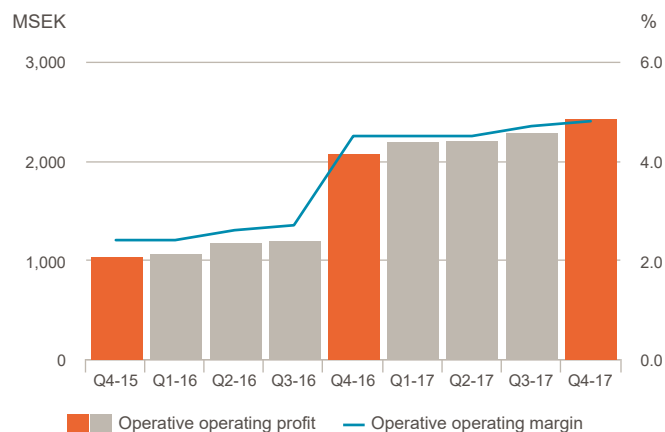
Depreciation and write-downs for the year were SEK -957 million (-862).

Net financial items amounted to SEK 40 million (-48) of which net interest improved to SEK -44 million (-71). Net financial items include dividends from Lemminkäinen Oyj of SEK 16 million (-) and capital gains of SEK 93 million from the divestiture of 2,458,447 shares in Lemminkäinen Oyj.

Pre-tax profit was SEK 2,445 million (2,050). Tax for the year amounted to SEK -388 million (-323), which corresponds to 16 percent (16) in tax. The lower tax amount is mainly due to non-taxable profit from the sale of shares.

Profit for the year improved to SEK 2,057 million (1,727).

Operative operating profit and operative operating margin, rolling 12 months



SEASONAL VARIATIONS

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

1) Peab applies IFRIC 15, Agreements for the Construction of Real Estate, in legal reporting. IAS 18, Revenue, is applied on Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects is first recognized when the home is handed over to the buyer. Segment reporting is based on the percentage of completion method for all our projects since this mirrors how executive management and the Board monitor the business. There is a bridge in segment reporting between operative reporting according to the percentage of completion method and legal reporting. Operative net sales and operative operating profit are reported according to the percentage of completion method. Net sales and operating profit refer to legal reporting.

Financial position and cash flow

RECLASSIFICATION OF PROPERTY

After a revision of Peab's property portfolio it was decided that some property previously reported as project and development property, i.e. inventory properties, will instead be classified as operations property or investment property, in the case where there is no plan to divest the property and it is expected to remain in the Group for the foreseeable future. For this reason, as of 1 January 2017 properties for a total recorded value of SEK 619 million have been reclassified as operations property and properties for a total value of SEK 629 million have been reclassified as investment property. The reclassification of these properties is forward-looking and therefore no comparable figures have been recalculated.

FINANCIAL POSITION

The equity/assets ratio on 31 December 2017 was 32.1 percent compared to 29.7 percent at the previous year-end. Interest-bearing net debt amounted to SEK 1,216 million compared to SEK 1,862 million at the end of 2016. The average interest rate in the loan portfolio, including interest derivatives, was 2.6 percent (2.6) on 31 December 2017.

Group liquid funds, including unutilized credit facilities, were SEK 5,145 million at the end of the year compared to SEK 6,062 million on 31 December 2016.

At the end of the year Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 10,463 million (6,903). SEK 7,740 million (4,498) of contingent liabilities was surety given for credit lines for tenant-owned apartments under production.

INVESTMENTS AND DIVESTMENTS

During the fourth quarter SEK 691 million (288) was net invested in tangible and intangible fixed assets. Investments during the quarter were primarily investments in machines and property. During 2017 SEK 1,912 million (1,449) was net invested in tangible and intangible fixed assets. Included in this amount was SEK 154 million (310) in net investments from acquisitions. Like last year most investments refer to investments in machines and acquisitions in business areas Industry and Civil Engineering. Major investments have been made in business area Industry during the year, both to increase capacity and for replacements.

Net divestments in project and development properties, which are recognized as inventory items, totaled SEK 88 million (91) during the fourth quarter. Net investments in project and development properties totaled SEK 702 million (324) during 2017, of which the acquisition of development rights at Kvarnholmen in Nacka amounted to around SEK 600 million. During the first quarter property in Ulriksdal, Solna was divested. The partial sales of property in Hyllie was carried out in the second quarter 2016.

CASH FLOW

October – December 2017

Cash flow from current operations during the fourth quarter amounted to SEK 1,202 million (2,134), of which cash flow from changes in working capital was SEK 189 million (1,113).

Cash flow from investment activities was SEK 306 million (-110) and consisted of the sales of shares in Lemminkäinen Oyj and in partially owned companies, repayment of loans from partially owned companies and investments in machines.

Cash flow before financing during the fourth quarter amounted to SEK 1,508 million (2,024).

Cash flow from financing operations amounted to SEK -1,177 million (-1,316) and refers to the repayment of loans.

January – December 2017

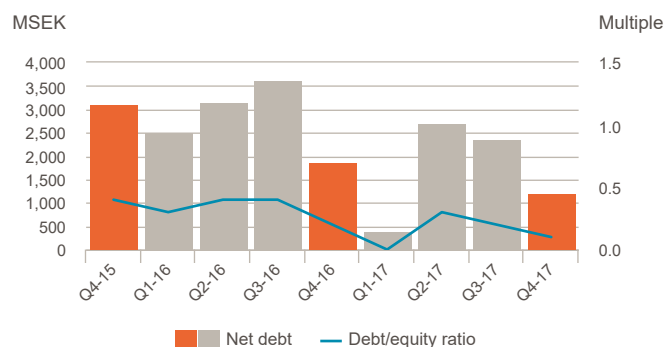
Cash flow from current operations amounted to SEK 2,839 million (3,455), of which paid tax was SEK -651 million (-19). Cash flow from changes in working capital was SEK 57 million (552). Working capital included the acquisition of development rights at Kvarnholmen in Nacka for around SEK -600 million.

Cash flow from investment activities was SEK -544 million (-804). Cash flow from investment activities included the sales of fixed assets of SEK 1,577 million (865) which consisted of amortization of loans from partially owned companies, the sales of shares in Lemminkäinen Oyj and the sales of shares in partially owned companies. The cash flow was primarily used for investments in machines.

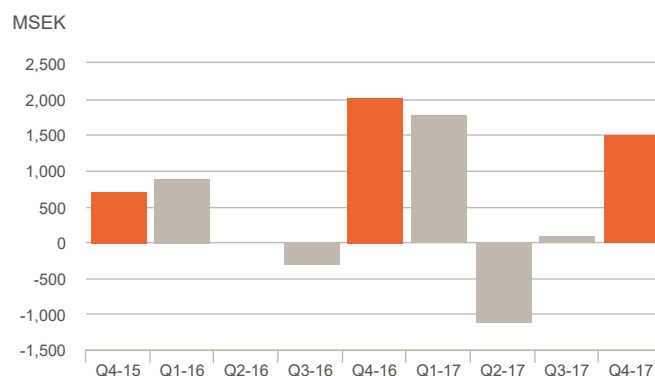
Cash flow before financing amounted to SEK 2,295 million compared to SEK 2,651 million for the last year. During the first quarter the transactions carried out regarding Arenastaden, Solna had a positive effect of around SEK 835 million. The comparable period included partial sales of property in Hyllie of SEK 508 million.

Cash flow from financing operations amounted to SEK -2,750 million (-2,613) of which SEK -1,062 million (-767) was paid dividends and SEK -1,688 million (-1,846) was amortization of loans.

Net debt and debt/equity ratio



Cash flow before financing



Order situation

October – December 2017

Orders received for the fourth quarter 2017 amounted to SEK 12,060 million compared to SEK 10,367 million for the same quarter last year. The level of orders received has risen in business area Construction and Civil Engineering but contracted in Project Development. No orders received or order backlog is given for the business area Industry.

The construction and civil engineering projects in the orders received in the fourth quarter 2017 are well spread geographically.

January – December 2017

Orders received for 2017 amounted to SEK 45,247 million compared to SEK 41,445 million for the same period last year. The level of orders received has risen in all business areas.

Orders received

MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Construction	7,775	7,083	29,280	27,883
Civil Engineering	3,393	1,648	14,191	12,089
Project Development	2,941	3,661	8,496	8,245
Eliminations	-2,049	-2,025	-6,720	-6,772
Group	12,060	10,367	45,247	41,445

There is still a large portion of housing projects spread well geographically in orders received in 2017. Two major road projects, worth around SEK 1 billion each, were included in the comparable period in business area Civil Engineering.

Order backlog yet to be produced at the end of the year increased to SEK 38,491 million compared to SEK 33,572 million at the end of the last year. Of the total order backlog, 34 percent (34) is expected to be produced after 2018 (2017). There is a good balance between small, middle-sized and large projects in orders received. Swedish operations accounted for 86 percent (84) of the order backlog.

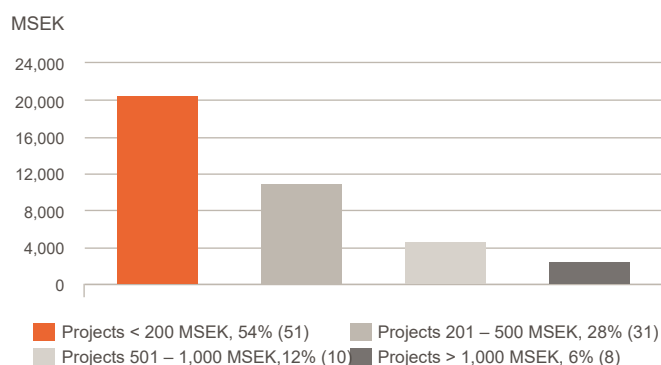
Order backlog

MSEK	31 Dec 2017	31 Dec 2016
Construction	26,805	24,160
Civil Engineering	10,832	8,679
Project Development	8,198	6,853
Eliminations	-7,344	-6,120
Group	38,491	33,572

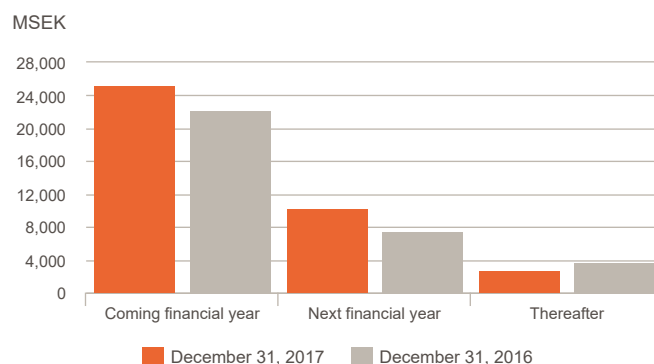
Several major projects and contracts came in during the fourth quarter, among them:

- Construction of an office building in the Medicon Village area in Lund. The customer is Medicon Village AB and the contract is worth SEK 350 million.
- Construction of phase 1 of the Scandinavian Mountains Airport in Sälen. This includes construction of runways, taxiways, standing surface and accompanying service areas. The customer is Scandinavian Mountains Airport AB and the contract is worth around SEK 280 million.
- Construction of 57 apartments in Trysil, Norway on the other side of the border from Sälen. The developer is The Lodge Trysil AS and the contract is worth NOK 121 million.
- Construction of an office building in Hyllie in Malmö. The customer is Midroc Projects AB and the contract is worth SEK 221 million.
- Renovation and extension of Södra Älvsborg Hospital. In total the contract is worth SEK 1,025 million and the entire project is expected to be completed in 2021.
- Construction of a new link of E20 between Alingsås and Vårgårda. The customer is the Swedish Transport Administration and the contract is worth SEK 539 million.
- Renewed contract for operations and maintenance in Helsingborg, operational areas Center and Shore. The customer is the city of Helsingborg and the contract is worth around SEK 300 million, divided into six years with an option for another three years.
- Construction of 94 apartments in the new city district Drotten in the Kålgård area of central Jönköping. The customer for the project is Wood & Hill and the contract is worth SEK 152 million.
- Construction of 106 new apartments and 8 commercial premises in Mölndal's inner city. The customer is Mölndalsbostäder and the contract is worth SEK 222 million.
- Renovation of Medborgarhuset in Södermalm, Stockholm. The customer is Stockholms Stad, Property Department and the contract is worth SEK 617 million.

Project allocation of order backlog, 31 Dec 2017



Order backlog allocated over time



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.

RECOGNITION OF INTERNAL PROJECTS BETWEEN BUSINESS AREAS CONSTRUCTION AND PROJECT DEVELOPMENT

The net sales and result in business area Construction presented refer to the contract construction in our own housing projects, in rental projects and other projects for business area Project Development. The percentage of completion method is used in the reporting. Net sales for both contract construction and the developer part of our own housing projects are reported in business area Project Development. The reported result consists of the result in the developer part using the percentage of completion method.

PRESENTATION OF PROPERTY PROJECTS ON OUR OWN BALANCE SHEET

The underlying sales value of property projects on our own balance sheet, reported as project and development property, that are sold in the form of a company via shares is recognized as net sales and the reported value on the balance sheet is recognized as an expense. When property projects reported as operations property or investment property are divested the net effect on profit/loss is recognized as other operating income or other operating cost.

GROUP FUNCTIONS

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

Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Construction	7,631	6,992	26,726	24,121	180	147	602	542	2.4%	2.1%	2.3%	2.2%
Civil Engineering	3,787	3,292	11,825	10,740	136	120	374	355	3.6%	3.6%	3.2%	3.3%
Industry	3,684	3,462	12,761	12,161	302	227	867	753	8.2%	6.6%	6.8%	6.2%
Project Development	2,509	2,385	8,629	7,639	267	257	811	622	10.6%	10.8%	9.4%	8.1%
– of which Property Development	117	148	1,013	1,385	6	20	98	89	5.1%	13.5%	9.7%	6.4%
– of which Housing Development	2,392	2,237	7,616	6,254	261	237	713	533	10.9%	10.6%	9.4%	8.5%
Group functions	262	242	993	897	-128	-60	-228	-122				
Eliminations	-3,079	-2,578	-10,667	-9,069	17	-50	-1	-75				
Operative ¹⁾	14,794	13,795	50,267	46,489	774	641	2,425	2,075	5.2%	4.6%	4.8%	4.5%
Adjustment for housing reporting ²⁾	-238	84	-177	-152	-32	32	-20	23				
Legal	14,556	13,879	50,090	46,337	742	673	2,405	2,098	5.1%	4.8%	4.8%	4.5%

1) According to the percentage of completion method (IAS 11)

2) Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

Business area Construction

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

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

NET SALES AND PROFIT

October – December 2017

Net sales for the fourth quarter 2017 increased by nine percent and amounted to SEK 7,631 million (6,992). The portion represented by housing production continues to be high.

Operating profit for the fourth quarter amounted to SEK 180 million (147) and the operating margin improved to 2.4 percent (2.1).

January – December 2017

Net sales for 2017 increased by eleven percent and amounted to SEK 26,726 million (24,121). The increase is spread over all regions. The portion represented by housing production continues to grow.

Operating profit for the year amounted to SEK 602 million (542) and the operating margin was 2.3 percent (2.2).

ORDERS RECEIVED AND ORDER BACKLOG

October – December 2017

Orders received increased by ten percent during the fourth quarter compared to same quarter last year and amounted to SEK 7,775 million (7,083). Orders received include around SEK 1 billion for the renovation and extension of Södra Älvsborg Hospital and around SEK 600 million for the renovation of Medborgarhuset at Södermalm in Stockholm. Otherwise, there is still a large portion of housing well spread geographically in orders received.

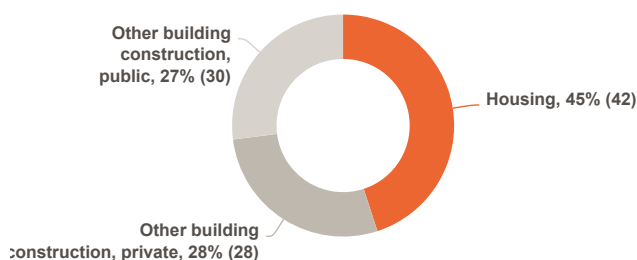
January – December 2017

Orders received increased during year compared to last year and amounted to SEK 29,280 million (27,883). Orders received were well diversified in terms of products and geography although housing is still a large portion.

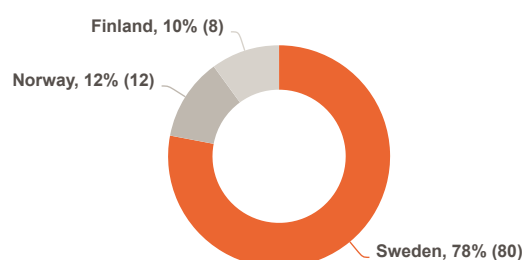
Order backlog 31 December 2017 increased to SEK 26,805 million compared with SEK 24,160 million at the end of 2016.

Net sales

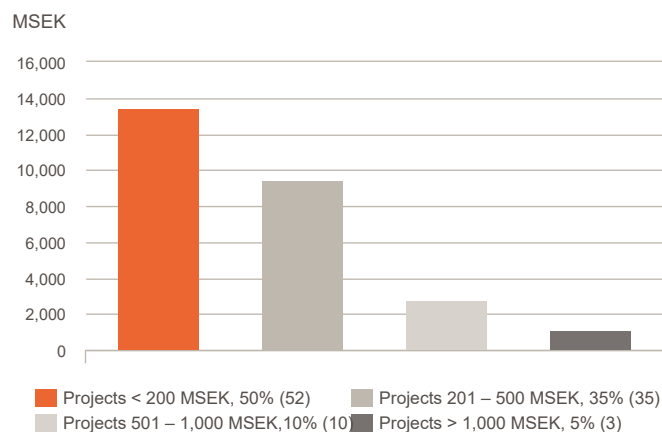
per product area, 2017



per geographic market, 2017



Project allocation of order backlog, 31 Dec 2017



Key ratios

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales, MSEK	7,631	6,992	26,726	24,121
Operating profit, MSEK	180	147	602	542
Operating margin, %	2.4	2.1	2.3	2.2
Orders received, MSEK	7,775	7,083	29,280	27,883
Order backlog, MSEK	26,805	24,160	26,805	24,160
Number of employees at the end of the period	6,685	6,600	6,685	6,600

Business area Civil Engineering

Business area Civil Engineering is a leading civil engineering supplier in Sweden with operations in Norway and Finland as well. The business area builds and maintains roads, railroads, bridges and other infrastructure. Peab's civil engineering operations are primarily directed at the local market and are organized in geographic regions and specialized product areas. As of 1 January 2017 Foundation Work has been moved to Civil Engineering from business area Industry.

Local market works with landscaping and pipelines, foundation work and builds different kinds of facilities.

Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. It also builds heavier facilities for industry and the public sector.

Operation and maintenance provides just that for national and municipal highway and street networks as well as care of parks and outdoor property. It also operates sewage and water supply networks.

NET SALES AND PROFIT

October – December 2017

Net sales for the fourth quarter 2017 amounted to SEK 3,787 million (3,292) which was an increase of 15 percent. The increase during the quarter stems from product areas Local market and Infrastructure.

Operating profit for the fourth quarter 2017 amounted to SEK 136 million (120) and the operating margin amounted to 3.6 percent (3.6).

January- December 2017

Net sales for 2017 amounted to SEK 11,825 million (10,740) which was an increase of ten percent. After adjustments for acquired units net sales increased by eight percent. The increase during the year stems from product areas Local market and Infrastructure.

Operating profit for 2017 amounted to SEK 374 million (355) and the operating margin was 3.2 percent (3.3).

ORDERS RECEIVED AND ORDER BACKLOG

October – December 2017

Orders received increased by 106 percent during the fourth quarter 2017 and amounted to SEK 3,393 million (1,648). Construction of a new stage of E20 between Alingsås and Vårdgård for the Swedish Transport Administration for SEK 539 million was included in orders received.

January- December 2017

Orders received during 2017 amounted to SEK 14,191 million (12,089). Two major road projects worth SEK 1 billion each were included last year.

Order backlog on 31 December 2017 amounted to SEK 10,832 million (8,679).

Key ratios

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales, MSEK	3,787	3,292	11,825	10,740
Operating profit, MSEK	136	120	374	355
Operating margin, %	3.6	3.6	3.2	3.3
Orders received, MSEK	3,393	1,648	14,191	12,089
Order backlog, MSEK	10,832	8,679	10,832	8,679
Number of employees at the end of the period	3,344	3,080	3,344	3,080

ACQUISITIONS

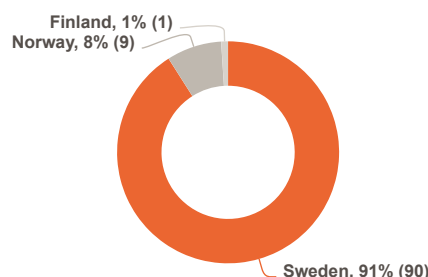
Peab signed a contract during the second quarter for the acquisition of Tranab Markbyggnad AB domiciled in Örebro. The company has civil engineering operations in Mälardalen and Närke. In 2016 net sales in Tranab amounted to SEK 264 million and it had 58 employees. The acquisition required approval by the Swedish Competition Authority and takeover took place in the third quarter 2017.

Net sales

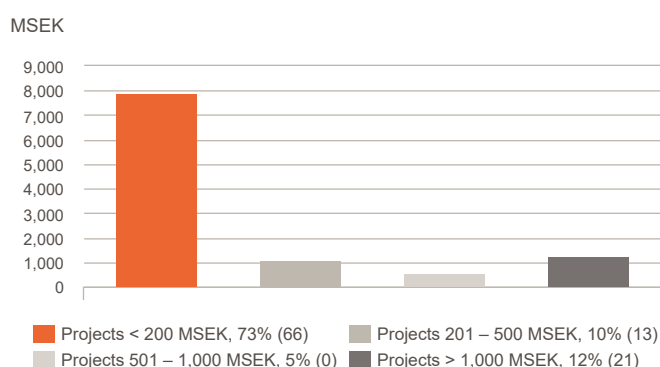
per product area, 2017



per geographic market, 2017



Project allocation of order backlog, 31 Dec 2017



Business area Industry

Business area Industry is a complete supplier of products and services needed in order to carry out construction and civil engineering projects sustainably and cost efficiently.

Business area Industry is run in six product areas; Asphalt, Concrete, Gravel and Rock, Transportation and Machines, Rentals and Construction System. As of 1 January 2017 Foundation Work has been moved to Civil Engineering. All of the product areas work on the Nordic construction and civil engineering markets.

NET SALES AND PROFIT

October – December 2017

Net sales for the fourth quarter 2017 increased by six percent and amounted to SEK 3,684 million (3,462).

Operating profit for the fourth quarter 2017 amounted to SEK 302 million (227) and the operating margin rose to 8.2 percent (6.6).

January – December 2017

Net sales for 2017 increased by five percent and amounted to SEK 12,761 million (12,161). After adjustments for acquired and divested units net sales increased by four percent. The increase comes from all the product areas except Transportation and Machines, where net sales were the same as the last year.

Operating profit for 2017 amounted to SEK 867 million (753). Profit in all the product areas has improved except in Transportation and Machines where it remains unchanged. The operating margin rose to 6.8 percent (6.2).

Capital employed in Industry at the end of the year amounted to SEK 5,781 million (5,416).

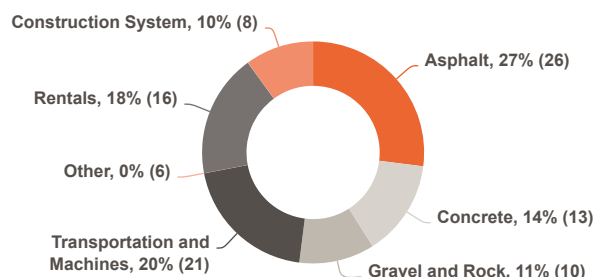
ACQUISITIONS AND DISPOSAL

Peab has acquired 60 percent of the shares in AB Smidmek Eslöv with the option to acquire the remaining 40 percent. The acquisition complements business area Industry's existing offer in steel and concrete frames. The company had net sales of SEK 249 million and 29 employees during the financial year 2016/2017. Takeover took place in October 2017.

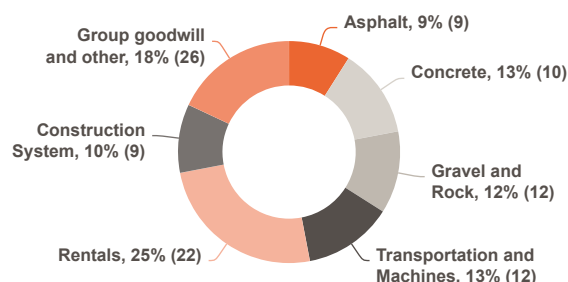
Peab divested to NCC the foundation operations in Norway which are run under the company Nordisk Fundamentering AS. The business had net sales of NOK 252 million and 102 employees during 2016. Takeover took place in October 2017.

Net sales

per product area, 2017



Capital employed, 31 December 2017



Key ratios

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales, MSEK	3,684	3,462	12,761	12,161
Operating profit, MSEK	302	227	867	753
Operating margin, %	8.2	6.6	6.8	6.2
Capital employed at the end of the period, MSEK	5,781	5,416	5,781	5,416
Number of employees at the end of the period	3,452	3,385	3,452	3,385
Concrete, thousands of m ³ ¹⁾	331	307	1,221	1,101
Asphalt, thousands of tons ¹⁾	735	671	2,619	2,589
Gravel and Rock, thousands of tons ¹⁾	4,342	3,936	14,799	13,109

1) Refers to sold volume

Business area Project Development

Business area Project Development is responsible for the Group's acquisition, development, maintenance and management as well as divestment of housing and commercial property. The ability to understand and predict society's and customers' needs and demands regarding location and design is what makes it successful when it comes to developing attractive and sustainable housing and property.

Project Development takes place in wholly owned projects or in cooperation with other partners through joint ventures. The business area is run in two segments – Housing Development and Property Development.

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

Operations in Property Development revolve around the acquisition, development, maintenance and management as well as the divestiture of commercial property.

Peab's primary ambition is to work with development projects on our own balance sheet. Collaboration with other partners via joint ventures may take place from time to time during a project. The goal is to create capital efficient developments with partners that bolster business and profit generation.

NET SALES AND PROFIT

October – December 2017

Operative net sales for the fourth quarter 2017 in business area Project Development amounted to SEK 2,509 million (2,385). Operative operating profit amounted to SEK 267 million (257).

January – December 2017

Operative net sales for 2017 in business area Project Development amounted to SEK 8,629 million (7,639). Operative operating profit increased to SEK 811 million (622).

RECLASSIFICATION OF PROPERTY

After a revision of Peab's property portfolio it was decided that some property previously reported as project and development property, i.e. inventory properties, will instead be classified as operations property or investment property, in the case where there is no plan to divest the property and it is expected to remain in the Group for the foreseeable future. The properties are owned for the purpose of income from rent or appreciation or a combination of both. For this reason, as of 1 January 2017 properties for a total recorded value of SEK 619 million have been reclassified as operations property and properties for a total value of SEK 629 million have been reclassified as investment property.

Capital employed in Project Development at the end of the year amounted to SEK 10,024 million (10,281).

Capital employed

MSEK	31 Dec 2017	31 Dec 2016
Operations property	1,036	–
Investment property	871	–
Project and development property	6,439	7,007
<i>of which housing development rights</i>	5,116	4,125
<i>of which commercial development rights</i>	627	675
<i>of which projects under construction</i>	383	736
<i>of which completed projects</i>	170	1,246
<i>of which other</i>	143	225
Participation in joint ventures	912	682
Loans to joint ventures	1,383	1,694
Working capital and other	-617	898
Total	10,024	10,281

Key ratios

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operative net sales ¹⁾ , MSEK	2,509	2,385	8,629	7,639
<i>of which Property Development</i>	117	148	1,013	1,385
<i>of which Housing Development ¹⁾</i>	2,392	2,237	7,616	6,254
Operative operating profit ¹⁾ , MSEK	267	257	811	622
<i>of which Property Development</i>	6	20	98	89
<i>of which Housing Development ¹⁾</i>	261	237	713	533
Operative operating margin ¹⁾ , %	10.6	10.8	9.4	8.1
<i>of which Property Development</i>	5.1	13.5	9.7	6.4
<i>of which Housing Development ¹⁾</i>	10.9	10.6	9.4	8.5
Capital employed at the end of the period, MSEK	10,024	10,281	10,024	10,281
Orders received, MSEK	2,941	3,661	8,496	8,245
Order backlog, MSEK	8,198	6,853	8,198	6,853
Number of employees at the end of the period	361	321	361	321

1) According to the percentage of completion method (IAS11).

HOUSING DEVELOPMENT

October – December 2017

Continued strong demand on the housing market has had a positive effect on both net sales and operating profit for the fourth quarter. Operative net sales increased by seven percent and amounted to SEK 2,392 million (2,237). Operative operating profit increased to SEK 261 million (237) and the operative operating margin improved to 10.9 percent (10.6).

The number of start-ups of our own developed homes during the fourth quarter amounted to 1,068 units (1,003) with a good geographic spread. The number of sold homes was 937 (575). During the fourth quarter, which is seasonally a strong quarter, activity has been low in Stockholm while a lot has been going on in other areas of Sweden as well as in Finland.

January – December 2017

Continued strong demand on the housing market has had a positive effect on both net sales and operating profit in 2017. Operative net sales amounted to SEK 7,616 million (6,254), an increase of 22 percent. Operative operating profit increased to SEK 713 million (533) and the operative operating margin improved to 9.4 percent (8.5).

The number of start-ups of our own developed homes has increased during the year and amounted to 3,048 units (2,651) with a good geographic spread. The number of sold homes during the year was 2,734 (2,044). The number of own developed homes in production at the end of the year was 6,333 (4,381). The level of sold homes in production was 72 percent compared to 69 percent at year-end 2016. The number of repurchased homes per 31 December 2017 was 33 (50).

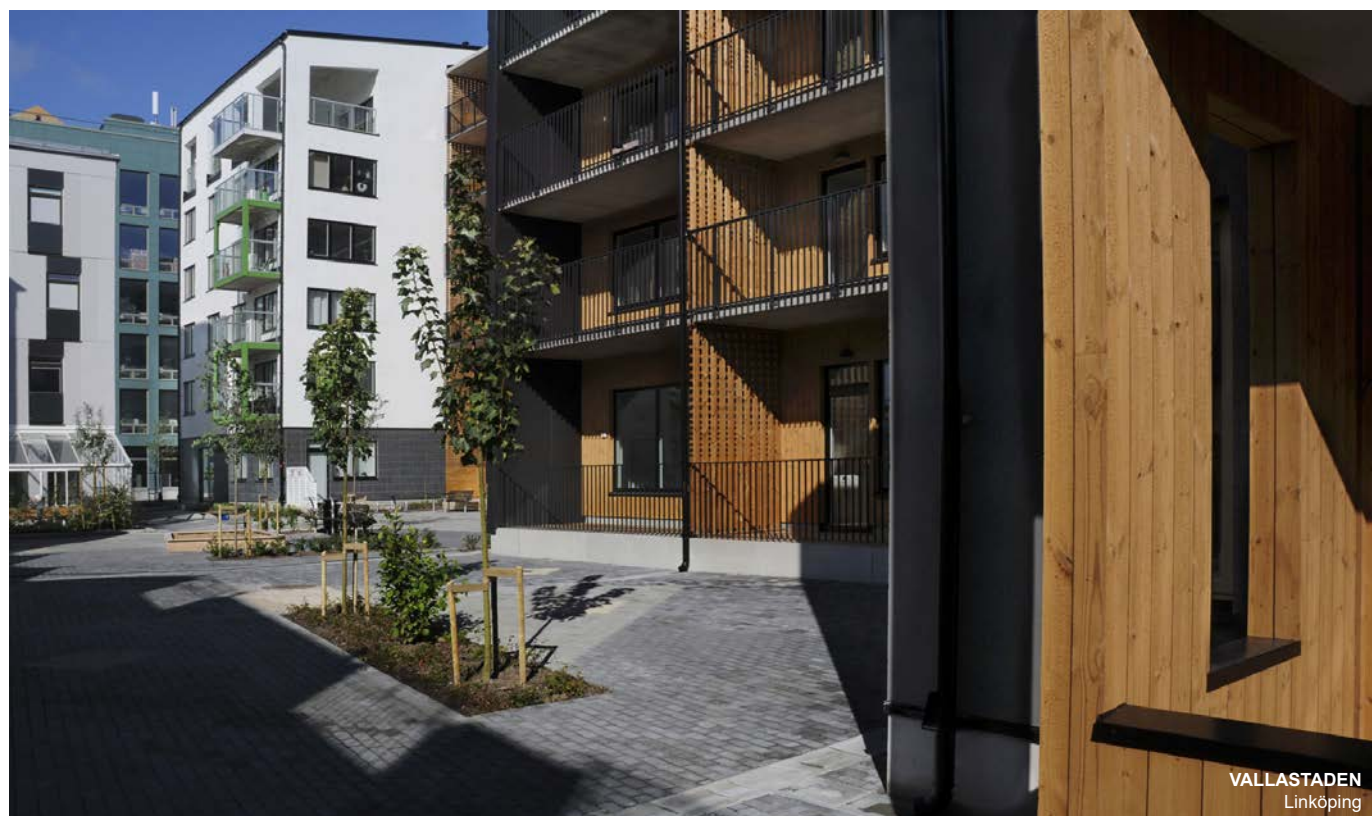
Peab develops and builds homes throughout Sweden as well as in most parts of Norway and Finland. Peab mainly builds homes in the middle-priced segment and we see that there is still great needs for new housing in this range. In some areas there is an excess supply of newly produced, more expensive homes. This, together with tougher financing terms and greater uncertainty, has meant it currently takes longer to sell homes than before, primarily in some parts of the Stockholm region. There has been a high level of production starts and sales during the fourth quarter. While activity has been low in Stockholm there is a lot going on in other areas of Sweden as well as in Finland.

Development rights for housing

Number, approx.	31 Dec 2017	31 Dec 2016
Development rights on our own balance sheet	20,700	17,300
Development rights via joint ventures	4,800	3,900
Development rights via options etc.	7,100	7,200
Total	32,600	28,400

Own housing development construction

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Number of housing starts during the period	1,068	1,003	3,048	2,651
Number of sold homes during the period	937	575	2,734	2,044
Total number of homes under construction, at the end of the period	6,333	4,381	6,333	4,381
Share of sold homes under construction, at the end of the period	72%	69%	72%	69%
Number of repurchased homes in the balance sheet, at the end of the period	33	50	33	50



VALLASTADEN
Linköping

PROPERTY DEVELOPMENT

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

October – December 2017

During the fourth quarter 2017 net sales were SEK 117 million (148) and operating profit was SEK 6 million (20). No major property transactions have occurred during the quarter.

January – December 2017

During the year net sales were SEK 1,013 million (1,385) and operating profit was SEK 98 million (89).

Operating profit included capital gains of SEK 75 million from the divestment of Peab's participation in joint venture companies to Catena. Peab and Catena have for a long time collaborated on four development properties in Skåne owned as 50/50 companies, which were divested during the first quarter. In December 2016 Peab and Fabege agreed that Peab would in January 2017 sell a number of assets in Arenastaden and Ulriksdal in Solna. The transactions took place on 12 January 2017 and the divestments in Ulriksdal affected net sales during the first quarter by SEK 577 million. The transactions had no net effect on profit since the divestitures in Ulriksdal had a positive effect of SEK 180 million on profits while the divestitures of the assets in Arenastaden had a negative effect of SEK 180 million. The second quarter 2016 included the partial sales of properties in Hyllie, Malmö with an underlying property value of SEK 777 million which affected operating profit by SEK 104 million. The total effect on profit of divestitures of property and joint venture companies in 2017 amounted to SEK 94 million compared to SEK 136 million in 2016.

Profit from partially owned companies has improved compared to the corresponding period last year.

The capital employed in Property Development includes real estate for a reported value of SEK 1,036 million which consists in part of an office building in Helsinki, Finland, office buildings in a business park in Ängelholm as well as an office building in Solna under construction. Investment property amounts to SEK 840 million and consists primarily of a hotel in Västerås, commercial premises in Sigtuna and Märsta as well as a business park in Ljungbyhed.

Peab has decided to invest SEK 453 million in a new office building in Ulriksdal in Solna. The office building will be nine stories tall with around 12,500 m2 office space and is the first of five to be built in Ulriksdal. Peab will gather all its operations in Stockholm in this office building. The office building will be ready to move into in the fourth quarter of 2019.

Peab is investing EUR 30 million in the second office building in Sockenbacka Business Park in Helsinki. Peab completed Ultimes Business Garden I in 2016 and it is fully occupied with several different renters in addition to Peab, which has its headquarters in Finland there. The second office building, Ultimes Business Garden II, is a seven story high office building with about 7,900 m2 office space for rent and 150 parking spaces. Construction has begun and the building will be ready in the beginning of 2019. Peab intends to develop a total of six office buildings in the area over time, comprising some 50,000 m2.

SIGNIFICANT JOINT VENTURES

Peab's significant joint venture companies Fastighets AB Centur, Tornet Bostadsproduktion AB, Fastighets AB ML4 and Point Hyllie Holding 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. Ongoing 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 of property that effect reported values in joint venture companies are not recognized in Peab's profit.

Point Hyllie Holding AB has decided to build The Point, a 29 story office building in city district Hyllie in Malmö. The Point will have 20,000 m2 in office space and the ground floor will contain shops, a lobby and lounge. Construction began in April 2017 and the building will be ready to move into at the end of 2019.

Significant joint ventures

FASTIGHETS AB CENTUR

Own, manage and develop commercial property and housing.

Peab's share: 50 percent

Partner: Balder

Geography: Stockholm, Gothenburg and the Öresund region

Book value on properties 31 Dec 2017 ¹⁾: SEK 4,978 million (4,682)

TORNET BOSTADS-PRODUKTION AB

Build and manage attractive and environmentally friendly rentals in larger cities in Sweden.

Peab's share: 31 percent

Partner: Riksborgen, Folksam and Balder

Geography: Stockholm, the Mälardalen region, Gothenburg and the Öresund region
Book value on properties 31 Dec 2017 ¹⁾: SEK 2,830 million (2,234)

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

Book value on properties 31

Dec 2017: SEK 1,854 million (1,870)

POINT HYLLIE HOLDING AB

Develop, own and manage the office property The Point and own and manage the hotel property Vårdshuset 5.

Peab's share: 50 percent

Partner: Volito

Geography: Hyllie, Malmö

Book value on properties 31 Dec 2017: SEK 818 million (709)

1) Valued at fair value in joint ventures. Changes in market values of property that effect reported values in joint venture companies are not recognized in Peab's profit.

The construction market

SWEDEN

Growth in building construction investments has continued during 2017. The rate of growth has, however, slowed since housing construction, and in particular single homes, is leveling out. Unease on the housing market increased during the autumn, partially because of the new regulation requiring higher amortization. Reports about over production and problems renting out newly built homes, along with more objects for sale have no doubt contributed to the drop in prices during the year. At the same time there are still a number of factors in favor of housing construction such as low interest rates, strong external growth, an expanding population and lower unemployment. Although housing construction may be losing speed, activity is running high in private and public premise construction. Industrial construction has especially accelerated after the past few years of weak growth. Zero growth is expected in building construction investments in 2018 in total, and it appears housing construction will be the source of negative developments. Civil engineering investments rose in 2017 and are predicted to grow in 2018 as well.

NORWAY

The Norwegian construction market has developed positively in 2017, primarily driven by greater activity in private and public premise construction. Housing construction is expected to have developed sideways since weaker prospects in single home construction are expected to be balanced by stronger development in apartment buildings. A turndown is expected in 2018 as price developments settle down before housing construction landing in zero growth again in 2019. Zero growth is also anticipated in other building construction during the forecast period 2018-2019. Civil engineering construction, however, is expected to develop strongly, stimulated by good financial development and stronger government finances.

FINLAND

Finland is favored by a general rise in the world's economy. Consumer confidence is high and industry reports higher levels of orders received and in production. Housing construction has accelerated and is expected to grow for another couple of years. Private premise construction is growing due to a need for more offices and retail space. At the same time both industrial construction and public building construction are declining, which has slowed growth in total building construction in 2017. All in all, building construction volumes are expected to grow weakly during 2018 and 2019. The forecast for civil engineering investments indicates a leveling out in 2018, following the weak growth in 2017.

Housing

	2017	2018	2019
Sweden	↗	↘	↘
Norway	→	↘	→
Finland	↑	↗	→

Forecast for started-up housing investments, new and renovations

Source: Industrifakta

Other building construction

	2017	2018	2019
Sweden	↗	↗	↘
Norway	↗	→	→
Finland	↘	→	↗

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

Source: Industrifakta

Civil engineering

	2017	2018	2019
Sweden	↗	↗	—
Norway	↗	↑	—
Finland	↗	→	—

Forecast for civil engineering investments

Source: Industrifakta

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



FINDUS PROMENADEN
Hammerfest

Other information

RISKS AND UNCERTAINTY FACTORS

Peab's business is exposed to operational and financial risks. The impact of these risks on Peab's result and position depends on how well the day-to-day business is handled in the company. In addition, Peab faces circumstantial risks such as developments in the economy and altered conditions like changes in laws and regulations and other political decisions.

Handling operational risks is a constant ongoing process since there are always a large number of projects that are beginning, up and running and ending. Operational risks are taken care of in the line organization in each business area. Peab's business is to a large extent project related. Grey areas concerning contract terms can lead to borderline issues followed by negotiations with customers. Negotiations concerning the project Mall of Scandinavia have not yet reached a final settlement. Peab's assessment of the financial result has not changed from what we have previously communicated.

The financial risks are connected to tying up capital and the need for capital, primarily in the form of interest rate risk and refinancing risk. Financial risks are dealt with on Group level. For further information on risks and uncertainty factors, see the 2016 Annual Report.

HOLDINGS OF OWN SHARES

At the beginning of 2017 Peab's own B shareholding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. No changes have taken place during 2017.

THE PEAB SHARE

Peab's B share is listed on the Nasdaq Stockholm, Large Cap list. As of 31 December 2017, the price of the Peab share was SEK 70.60, a decrease of two percent during 2017. During the same period, the Swedish stock market increased by six percent according to the general index in the business magazine "Affärsvärlden". During 2017 the Peab share has been quoted at a maximum of SEK 109.50 and a minimum of SEK 70.60.

IMPORTANT EVENTS DURING THE REPORT PERIOD

In October Peab divested all its 2,458,447 shares in Lemminkäinen Oyj. The divestment generated a positive cash effect of around SEK 575 million. The transaction was reported in the fourth quarter and has affected net financial items positively by SEK 93 million.



Report on the Group income statement in summary

MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	14,556	13,879	50,090	46,337
Production costs	-13,175	-12,552	-45,345	-41,948
Gross profit	1,381	1,327	4,745	4,389
Sales and administrative expenses	-700	-709	-2,620	-2,428
Other operating income	71	59	305	149
Other operating costs	-10	-4	-25	-12
Operating profit	742	673	2,405	2,098
Financial income	118	66	191	195
Financial expenses	-46	-71	-151	-243
Net finance	72	-5	40	-48
Pre-tax profit	814	668	2,445	2,050
Tax	-143	-107	-388	-323
Profit for the period	671	561	2,057	1,727
Profit for the period, attributable to:				
Shareholders in parent company	671	561	2,057	1,727
Non-controlling interests	0	0	0	0
Profit for the period	671	561	2,057	1,727
Key ratios				
Earnings per share before and after dilution, SEK	2.27	1.90	6.97	5.85
Average number of outstanding shares, million	295.0	295.0	295.0	295.0
Return on capital employed, %			18.5	16.2
Return on equity, %			21.1	20.1

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

MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Profit for the period	671	561	2,057	1,727
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Translation differences for the period from translation of foreign operations	-4	-17	-53	166
Translation differences transferred to profit for the period	0	-1	-2	-1
Changes for the period in fair value of available-for-sale financial assets	-167	142	-55	153
Changes in fair value of cash flow hedges for the period	71	5	112	31
Shares in joint ventures' other comprehensive income	0	1	0	1
Tax referring to items that can be reclassified or have been reclassified to income for the period	-4	-7	-16	1
	-104	123	-14	351
Items that cannot be reclassified to income for the period				
Revaluation of defined benefit pension plans	-	0	-	0
Tax referring to items that cannot be reclassified to income for the period	-	0	-	0
	-	0	-	0
Other comprehensive income for the period	-104	123	-14	351
Total comprehensive income for the period	567	684	2,043	2,078
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	567	684	2,043	2,078
Non-controlling interests	0	0	0	0
Total comprehensive income for the period	567	684	2,043	2,078

Report on the Group financial position in summary

MSEK	31 Dec 2017	31 Dec 2016
Assets		
Intangible assets	2,167	2,036
Tangible assets	6,379	4,277
Interest-bearing long-term receivables	1,520	1,762
Other financial fixed assets	1,147	1,757
Deferred tax recoverables	15	69
Total fixed assets	11,228	9,901
Project and development properties	6,439	7,007
Inventories	399	364
Work-in-progress	1,349	1,203
Interest-bearing current receivables	411	336
Other current receivables	11,855	11,736
Liquid funds	595	1,062
Total current assets	21,048	21,708
Total assets	32,276	31,609
Equity and liabilities		
Equity	10,362	9,380
Liabilities		
Interest-bearing long-term liabilities	2,573	2,728
Deferred tax liabilities	211	372
Other long-term liabilities	840	776
Total long-term liabilities	3,624	3,876
Interest-bearing current liabilities	1,169	2,294
Other current liabilities	17,121	16,059
Total current liabilities	18,290	18,353
Total liabilities	21,914	22,229
Total equity and liabilities	32,276	31,609
Key ratios		
Capital employed	14,104	14,402
Equity/assets ratio, %	32.1	29.7
Net debt	1,216	1,862
Equity per share, SEK	35.13	31.80
Number of outstanding shares at the end of the period, million	295.0	295.0

Report on changes in Group's equity in summary

MSEK	31 Dec 2017	31 Dec 2016
Equity attributable to shareholders in parent company		
Opening equity on 1 January	9,380	8,076
Profit for the period	2,057	1,727
Other comprehensive income for the period	-14	351
Comprehensive income for the period	2,043	2,078
Cash dividend	-1,062	-767
Acquisition of non-controlling interests, previous controlling interests	0	-7
Closing equity	10,361	9,380
Non-controlling interests		
Opening equity on 1 January	0	0
Comprehensive income for the period	0	0
Acquisition of partially owned subsidiaries, non-controlling interests already	1	-
Closing equity	1	0
Total closing equity	10,362	9,380

Report on Group cash flow in summary

MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Cash flow from current operations before changes in working capital	1,013	1,021	2,782	2,903
Increase (-) / Decrease (+) of project and development properties	181	81	-425	-146
Increase (-) / Decrease (+) of inventories	-132	71	-174	-158
Increase (-) / Decrease (+) of current receivables / current liabilities	140	961	656	856
Cash flow from changes in working capital	189	1,113	57	552
Cash flow from current operations	1,202	2,134	2,839	3,455
Acquisition of subsidiaries / businesses, net effect on liquid funds	-22	-1	-160	-137
Disposal of subsidiaries / businesses, net effect on liquid funds	4	—	4	5
Acquisition of fixed assets	-623	-478	-1,965	-1,537
Sales of fixed assets	947	369	1,577	865
Cash flow from investment operations	306	-110	-544	-804
Cash flow before financing	1,508	2,024	2,295	2,651
Cash flow from financing operations	-1,177	-1,316	-2,750	-2,613
Cash flow for the period	331	708	-455	38
Cash at the beginning of the period	255	270	1,062	873
Exchange rate differences in cash	9	84	-12	151
Cash at the end of the period	595	1,062	595	1,062

Parent company

The parent company Peab AB's net sales for 2017 amounted to SEK 262 million (242) and mainly consisted of internal Group services. Profit for the year amounted to SEK 2,017 million (1,221).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 12,116 million (11,811). In the comparable period holdings of shares in Lemminkäinen Oyj worth SEK 480 million was included. The assets have been financed from equity of SEK 7,404 million (6,524) and long-term liabilities amounting to SEK 6,326 million (7,281). For further information regarding the shares in Lemminkäinen Oyj, see Important events during the report period.

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	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	73	66	262	242
Administrative expenses	-122	-116	-412	-404
Operating profit	-49	-50	-150	-162
Result from financial investments				
Profit from participation in Group companies	0	0	0	0
Other financial items	134	-35	50	-138
Result after financial items	85	-85	-100	-300
Appropriations	2,626	1,855	2,626	1,855
Pre-tax profit	2,711	1,770	2,526	1,555
Tax	-553	-378	-509	-334
Profit for the period	2,158	1,392	2,017	1,221

Report on the parent company income statement and other comprehensive income in summary

MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Profit for the period	2,158	1,392	2,017	1,221
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Changes for the period in fair value of available-for-sale financial assets	-180	138	-75	170
Total comprehensive income for the period	1,978	1,530	1,942	1,391

Report on the parent company financial position in summary

MSEK	31 Dec 2017	31 Dec 2016
Assets		
Fixed assets		
Intangible fixed assets	38	–
Tangible fixed assets	1	1
Financial assets		
Participation in Group companies	12,116	11,811
Other securities held as fixed assets	0	480
Deferred tax recoverables	110	99
Total financial assets	12,226	12,390
Total fixed assets	12,265	12,391
Current asset		
Current receivables		
Accounts receivable	1	1
Receivables from Group companies	3,472	2,444
Other current receivables	4	4
Prepaid expenses and accrued income	15	10
Total current receivables	3,492	2,459
Liquid funds	0	0
Total current assets	3,492	2,459
Total assets	15,757	14,850
Equity and liabilities		
Equity		
Restricted equity	1,901	1,884
Non-restricted equity	5,503	4,640
Total equity	7,404	6,524
Untaxed reserves	1,315	522
Provisions		
Other provisions	32	28
Total provisions	32	28
Long-term liabilities		
Liabilities to Group companies	6,326	7,281
Total long-term liabilities	6,326	7,281
Current liabilities		
Accounts payable	25	28
Liabilities to Group companies	347	58
Current tax liabilities	225	339
Other liabilities	7	7
Accrued expenses and deferred income	76	63
Total current liabilities	680	495
Total liabilities	7,006	7,776
Total equity and liabilities	15,757	14,850

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 has been prepared according to IAS 34, Interim financial reporting. 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. New standards and interpretations have not had any material effect on Group accounting.

The parent company reports have been prepared according to the Swedish Company Accounts Act and RFR 2, Accounting rules for legal entities.

The quarterly report has been prepared according to the same accounting principles and conditions described in the Annual Report 2016 except the new additional consolidated accounting principles for Investment property which are described below.

ADDITIONAL ACCOUNTING PRINCIPLES

Investment property

Property is classified as project and development property, operations property and investment property. Investment properties are properties owned for the purpose of income from rent or appreciation or a combination of both. After a revision of Peab's property portfolio it was decided that some property previously reported as project and development property, i.e. inventory properties, will instead be classified as operations property or investment property, in the case where there is no plan to divest the property and it is expected to remain in the Group for the foreseeable future. Property reclassification was carried out on 1 January 2017 and only affected the balance sheet.

Investment property, like operations property, is recognized in consolidated accounts at acquisition value minus accumulated depreciation and any write-downs. The acquisition value includes the purchase price and costs directly attributable to putting the asset in place in the condition required for utilization. Borrowing costs are included in the acquisition value of internally produced investment property.

Income from rent of investment property is recognized linearly in profit/loss for the year based on the terms in the leasing contract. Income from divestiture of investment property is normally recognized on the date of taking possession unless the risks and benefits have been taken over by the purchaser at an earlier date.

When investment property is divested the net effect on profit/loss is recognized as other operating income or other operating cost.

Depreciation principles

Depreciation is made linearly over the estimated useful life of the asset. The Group applies component depreciation, which means that depreciation is calculated on the estimated useful life of components. Components are primarily divided into buildings and land. The component land is not depreciated since its useful life is considered endless. Buildings, however, consist of several components that have useful lives which vary between 20 – 100 years.

Disclosure of fair value

The fair value of investment properties is disclosed in the Annual Report. The valuation is based on an internal valuation model. Annual external market valuations for a number of objects are also obtained as a complement to this valuation. External market valuations are to be performed every third year.

NEW IFRSS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

IFRS 15 Revenue from contracts with customers, will as of 2018 replace current standards related to revenue recognition. Peab has chosen not to prematurely apply IFRS 15. Peab has recalculated the effects of IFRS 15 and no material changes have been identified. The recalculation on both 1 January 2017 and 31 December 2017 affected equity by SEK -1 million, why the effect on total comprehensive income for the year is SEK 0 million. There has been some effect on profit and equity in the individual quarters during 2017.

There are differences between operative and legal reporting in business area Project Development. Peab applies IFRIC 15, Agreements for the construction of real estate, in legal reporting. This principle requires applying IAS 18, Revenue, for housing projects in Finland and Norway as well as our own home developments in Sweden, which means revenue from projects is first recognized when the home is handed over. Operative and segment reporting is based on the percentage of completion. When IFRS 15 is implemented our own home developments in Sweden and all homes in Norway will be recognized according to so-called "revenue over time". IFRS 15 will not lead to any changes in reporting regarding housing projects in Finland compared to the current application since revenue is first recognized when the home is handed over to the buyer. After implementation of IFRS 15 segment reporting will mirror legal reporting. The differences between operative and legal reporting will therefore no longer exist after implementation of IFRS 15.

IFRS 9 Financial instruments, will replace IAS 39 Financial instruments: Recognition and measurement, as of 2018. Peab has chosen not to prematurely apply IFRS 9. There are no material effects on the recognition of credit losses and classification of financial assets.

IFRS 9 requires loss reserves for anticipated credit losses. This differs from current regulations that only require loss reserves if something occurs that leads Peab to believe a customer may not be able to pay the entire balance due. Historically Peab has only had small credit losses in current operations. Reserves for anticipated credit losses according to IFRS 9 will increase by SEK 10 million, resulting in less equity per 1 January 2018 by net SEK 7 million.

Peab classifies holdings of an unlisted fund as Financial assets available-for-sale and the fund is valued at fair value via other comprehensive income. The holdings do not meet the criteria for IFRS 9 regarding equity instruments and therefore the fund will be recognized at fair value via the income statement. The only result of the change is a reallocation in equity per 1 January 2018.

IFRS 16 Leases, will replace IAS 17 as of 1 January 2019. Peab does not plan to prematurely apply the standard. Peab's balance sheet total is expected to increase by activating assets representing rights of use according to operational leasing contracts and by entering as a liability obligations to pay future leasing fees. Peab currently estimates that the balance sheet total will increase by around two to five percent but the analysis must be completed before any possible final effects can be quantified.

Further information on the consequences of new IFRS standards application is found in the Annual Report 2016.

Note 2 – Operating segment

Group Jan-Dec 2017 MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Total operative for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	22,073	10,319	9,206	8,568	101	0	50,267	-177	50,090
Internal sales	4,653	1,506	3,555	61	892	-10,667	–		–
Total income	26,726	11,825	12,761	8,629	993	-10,667	50,267	-177	50,090
Operating profit	602	374	867	811	-228	-1	2,425	-20	2,405
Operating margin, %	2.3	3.2	6.8	9.4			4.8		4.8
Net finance									40
Pre-tax profit									2,445
Tax									-388
Profit for the year									2,057
Capital employed (closing balance)			5,781	10,024					

Group Jan-Dec 2016 MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Total operative for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	20,459	9,461	8,876	7,589	104	0	46,489	-152	46,337
Internal sales	3,662	1,279	3,285	50	793	-9,069	–		–
Total income	24,121	10,740	12,161	7,639	897	-9,069	46,489	-152	46,337
Operating profit	542	355	753	622	-122	-75	2,075	23	2,098
Operating margin, %	2.2	3.3	6.2	8.1			4.5		4.5
Net finance									-48
Pre-tax profit									2,050
Tax									-323
Profit for the year									1,727
Capital employed (closing balance)			5,416	10,281					

1) According to the percentage of completion method (IAS 11)

2) Adjustment in accounting to the completed contract method (IAS 18) for own single homes in Sweden as well as housing in Finland and Norway

Note 3 – 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 Report 2016, note 34. The fair value of financial assets and liabilities is estimated to be, in principle, the same as their booked values.

Group MSEK	31 Dec 2017				31 Dec 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other securities held as fixed assets			59	59	480		54	534
<i>Whereof shareholding in listed company</i>				–	480			480
<i>Whereof investment in unlisted funds</i>			59	59			54	54
Other long-term receivables		2		2				–
<i>Whereof commodity hedging with futures</i>		2		2				–
Other current receivables		4		4		12		12
<i>Whereof currency swaps</i>		4		4		12		12
Total assets	–	6	59	65	480	12	54	546
Liabilities								
Other long-term liabilities		44	23	67		95	23	118
<i>Whereof interest rate swaps</i>		44		44		95		95
<i>Whereof contingent consideration</i>			23	23			23	23
Other current liabilities		2	11	13		0		0
<i>Whereof currency swaps</i>		2		2		0		0
<i>Whereof contingent consideration</i>			11	11				–
Total liabilities	–	46	34	80	–	95	23	118

Parent company MSEK	31 Dec 2017				31 Dec 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other securities held as fixed assets				–	480			480
<i>Whereof shareholding in listed company</i>				–	480			480
Total assets	–	–	–	–	480	–	–	480

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

Group MSEK	Other securities held as fixed asset	
	31 Dec 2017	31 Dec 2016
Opening balance	54	49
Investments during the year	17	38
Repayments during the year	-14	–
Dividends received	-1	-51
Reported in profit for the year *	-2	22
Reported in other comprehensive income	5	-4
Closing balance	59	54

* Reported in net financial items

Group MSEK	Contingent consideration	
	31 Dec 2017	31 Dec 2016
Opening balance	23	–
Acquisitions for the year	11	24
Reported in profit for the year		
Other operating income	–	-1
Interest expense (discount) *	0	0
Closing balance	34	23

The contingent consideration will amount to at least SEK 3 million and at most SEK 38 million.

* Reported in net financial items

Future financial information

PROPOSED DIVIDEND

A dividend of SEK 4.00 (3.60) per share is proposed for 2017. Excluding the 1,086,984 shares owned by Peab AB per 12 February 2018, which are not entitled to dividends, the proposed dividend is equivalent to a total dividend distribution of SEK 1,180 million (1,062). Calculated as a share of the Group's reported profit for the year, the proposed dividend amounts to 57 percent (61). The proposed dividend is equivalent to a direct return of 5.9 percent based on the closing price on 12 February 2018.

ANNUAL GENERAL MEETING

The Annual General Meeting of Peab will be held on 7 May 2018 at Grevieparken in Grevie.

NOMINATION COMMITTEE

At the Annual General Meeting held on 10 May 2017, Göran Grosskopf, Malte Åkerström, Mats Rasmussen and Ulf Liljedahl were appointed to the Peab Nomination Committee and Ulf Liljedahl was named its Chairman.

FUTURE INFORMATION

• Annual and Sustainability Report 2017	Week 14, April 2018
• Quarterly report January-March 2018 and Annual General Meeting	7 May 2018
• Quarterly report January-June 2018	17 August 2018
• Quarterly report January-September 2018	9 November 2018
• Year-end report 2018	8 February 2019

Förslöv, 13 February 2018

Jesper Göransson
CEO and President

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

Quarterly data

Group

MSEK	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Net sales	14,556	11,530	12,853	11,151	13,879	11,356	12,571	8,531	12,224
Production costs	-13,175	-10,376	-11,515	-10,279	-12,552	-10,263	-11,305	-7,828	-11,793
Gross profit	1,381	1,154	1,338	872	1,327	1,093	1,266	703	431
Sales and administrative expenses	-700	-526	-737	-657	-709	-480	-675	-564	-674
Other operating income	71	78	38	118	59	30	37	23	39
Other operating costs	-10	0	-2	-13	-4	-3	0	-5	-13
Operating profit	742	706	637	320	673	640	628	157	-217
Financial income	118	17	36	20	66	24	40	65	60
Financial expenses	-46	-26	-50	-29	-71	-37	-59	-76	-67
Net finance	72	-9	-14	-9	-5	-13	-19	-11	-7
Pre-tax profit	814	697	623	311	668	627	609	146	-224
Tax	-143	-118	-93	-34	-107	-98	-95	-23	88
Profit for the period	671	579	530	277	561	529	514	123	-136
Profit for the period, attributable to:									
Shareholders in parent company	671	579	530	277	561	529	514	123	-136
Non-controlling interests	0	—	—	—	0	0	0	0	0
Profit for the period	671	579	530	277	561	529	514	123	-136
Key ratios									
Earnings per share, SEK	2.27	1.96	1.80	0.94	1.90	1.79	1.74	0.42	-0.46
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0
Capital employed (closing balance)	14,104	14,477	13,919	13,541	14,402	15,002	13,700	13,406	14,476
Equity (closing balance)	10,362	9,796	9,215	9,599	9,380	8,695	8,021	8,241	8,076

Business areas

MSEK	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Net sales									
Construction	7,631	5,721	6,988	6,386	6,992	5,510	6,420	5,199	6,978
Civil Engineering	3,787	2,819	2,831	2,388	3,292	2,654	2,765	2,029	2,992
Industry	3,684	3,420	3,420	2,237	3,462	3,449	3,356	1,894	2,948
Project Development	2,509	1,895	2,022	2,203	2,385	1,510	2,368	1,376	2,275
– of which Property Development	117	131	106	659	148	130	1,031	76	308
– of which Housing Development	2,392	1,764	1,916	1,544	2,237	1,380	1,337	1,300	1,967
Group functions	262	242	254	235	242	226	225	204	209
Eliminations	-3,079	-2,533	-2,702	-2,353	-2,578	-2,128	-2,353	-2,010	-2,474
Operative excluding write-down ¹⁾	14,794	11,564	12,813	11,096	13,795	11,221	12,781	8,692	12,928
Construction – write-down of project Mall of Scandinavia	–	–	–	–	–	–	–	–	-800
Operative ¹⁾	14,794	11,564	12,813	11,096	13,795	11,221	12,781	8,692	12,128
Adjustment for housing reporting ²⁾	-238	-34	40	55	84	135	-210	-161	96
Legal	14,556	11,530	12,853	11,151	13,879	11,356	12,571	8,531	12,224
Operating profit									
Construction	180	121	162	139	147	127	152	116	145
Civil Engineering	136	89	110	39	120	93	105	37	126
Industry	302	342	246	-23	227	336	202	-12	178
Project Development	267	164	162	218	257	93	194	78	193
– of which Property Development	6	-3	5	90	20	-37	102	4	25
– of which Housing Development	261	167	157	128	237	130	92	74	168
Group functions	-128	-4	-49	-47	-60	-6	-29	-27	-46
Eliminations	17	-8	0	-10	-50	-21	0	-4	-16
Operative excluding write-down ¹⁾	774	704	631	316	641	622	624	188	580
Construction – write-down of project Mall of Scandinavia	–	–	–	–	–	–	–	–	-800
Operative ¹⁾	774	704	631	316	641	622	624	188	-220
Adjustment for housing reporting ²⁾	-32	2	6	4	32	18	4	-31	3
Legal	742	706	637	320	673	640	628	157	-217
Operating margin, %									
Construction	2.4	2.1	2.3	2.2	2.1	2.3	2.4	2.2	2.1
Civil Engineering	3.6	3.2	3.9	1.6	3.6	3.5	3.8	1.8	4.2
Industry	8.2	10.0	7.2	-1.0	6.6	9.7	6.0	-0.6	6.0
Project Development	10.6	8.7	8.0	9.9	10.8	6.2	8.2	5.7	8.5
– of which Property Development	5.1	-2.3	4.7	13.7	13.5	-28.5	9.9	5.3	8.1
– of which Housing Development	10.9	9.5	8.2	8.3	10.6	9.4	6.9	5.7	8.5
Group functions									
Eliminations									
Operative excluding write-down ¹⁾	5.2	6.1	4.9	2.8	4.6	5.5	4.9	2.2	4.5
Construction – write-down of project Mall of Scandinavia									
Operative ¹⁾	5.2	6.1	4.9	2.8	4.6	5.5	4.9	2.2	-1.8
Adjustment for housing reporting ²⁾									
Legal	5.1	6.1	5.0	2.9	4.8	5.6	5.0	1.8	-1.8
Order situation, MSEK									
Orders received	12,060	9,917	12,156	11,114	10,367	9,027	10,165	11,886	9,704
Order backlog at the end of the period	38,491	38,445	37,313	35,679	33,572	34,248	33,457	31,550	26,991

1) According to the percentage of completion method (IAS 11)

2) Adjustment in accounting to the completed contract method (IAS 18) for own single homes in Sweden as well as housing in Finland and Norway

Alternative performance measures and financial 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 the 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. For more information see www.peab.com/alternative-performance-measures.

Available liquidity

Liquid funds and short-term investments along with unutilized credit facilities.

Capital employed for the business areas

Total assets in the business areas 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, provisions and deferred tax liabilities.

Capital employed for the Group

Total assets at the end of the period less non-interest-bearing operating liabilities and provisions.

Earnings per share

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

Equity/assets ratio

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

Equity per share

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

Net debt

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

Net debt/equity ratio

Interest-bearing net debt in relation to equity.

Net investments

Change in the period of the reported value of current assets (CB-OB) plus depreciation and write-downs.

Operating margin

Operating profit as a percentage of net sales.

Operative net sales and operative operating profit

Operative net sales and operative operating profit are reported according to the percentage of completion method corresponding to segment reporting. For more information see foot note under section Net sales and profit.

Order backlog

The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced.

Orders received

The number of orders received during the period.

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.

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 make business efficient and form a rational capital structure.



Peab is one of the leading construction and civil engineering companies in the Nordic area with operations in Sweden, Norway and Finland.

Peab affects society and the environment for the people who now and in the future will live with what we develop, build and construct. Peab is also a big employer with local roots and has consequently a considerable responsibility.

Peab participates in developing a more sustainable society. This means Peab meets the demands and expectations from our surroundings and at the same time strives to create new business opportunities.

Peab's business contributes to society by developing and building new homes and offices, public functions like schools, libraries, hospitals and infrastructure in the form of bridges and roads. We make a difference in daily life in both small and large places.

Long-term relationships with customers and suppliers result in better financial, social, and environmental projects that are good for society on the whole. Stable profitability generates the funds necessary to develop our business and returns for our shareholders.



Net sales

SEK 50 billion

Employees ¹⁾

15,000



Peab is a lasting and secure employer that prioritizes health and a safe work environment. Peab offers personal development opportunities in a company culture based on respect for equal rights and characterized by our core values **Down-to-earth, Developing, Personal** and **Reliable**.

Organization

Peab is characterized by a decentralized and cost-efficient organization with four cooperating business areas whose operations are based on local entrepreneurship close to the customer. The business areas have a regional structure that works together with central resources and they profit from support functions on business area and Group levels in sharpening their competitive edge.



Business area Construction works with everything from new construction of homes, public and commercial premises to renovations and extensions as well as offering construction services.



Business area Civil Engineering builds and maintains highways, railroads and bridges both on the local civil engineering market as well as in larger Nordic infrastructure projects. It also manages and maintains streets and roads.



Business area Industry delivers, among other things, ballast, concrete, asphalt, electricity and prefabricated concrete elements to external customers and the other business areas in Peab. The business area also provides equipment and transportation and takes care of production waste.



Business area Project Development handles Group acquisitions as well as development, management and divestment of housing and commercial property. Housing Development is mainly geared towards private consumers while Property Development is aimed at real estate investors.

¹⁾ Average number of employees.