

Press release

July 4, 2019 7:30 a.m.

Peab acquires YIT's Nordic paving and mineral aggregates business

Peab acquires YIT's Nordic paving and mineral aggregates business. Through the acquisition Peab will expand its presence in Sweden, Norway and Finland and become established in the paving business in Denmark and this will give Peab a unique and market leading position in this business in the Nordic region. The deal will also increase the importance of industrial operations for the Group as well as reduce sensitivity to fluctuations in the business cycle.

Peab consists of four cooperating business areas - Construction, Civil Engineering, Industry and Project Development. The business model creates cost-efficient products and services for the construction and civil engineering markets in Sweden, Norway and Finland.

Peab made investments early on in what today is called business area Industry and the operations have been a vital factor behind the Group's growth and profit generation over the years. The business area delivers strategic input goods, products and services to construction and civil engineering projects such as paving, mineral aggregates, concrete, transportation, machine and crane rentals as well as construction systems. The business area has also developed a recycling operation in which recycled material is reused in production.

Peab is currently a leading player in manufacturing and paving of asphalt as well as in mineral aggregates operations in Sweden and Norway. Now Peab is expanding its operations through the acquisition of YIT's corresponding operations in Sweden, Norway, Finland and Denmark. The acquisition entails taking over some 200 strategically located quarries along with 63 production asphalt plants in the Nordic region. The acquisition also entails taking over some 1,700 employees. After the acquisition Peab will have a unique and market leading position in the Nordic region in these areas. Greater geographic proliferation in businesses that are normally less sensitive to the business cycle increases stability in the Group. It also provides conditions for further expansion and development in other operations such as Recycling and Concrete.

The transaction is a combination of an asset deal and a share purchase. The purchase price is expected to amount to SEK 2,966 million for a debt-free business and is fully financed.

The acquired business had net sales of SEK 6,005 million with an adjusted EBITDA of SEK 240 million in 2018.

The transaction is conditional on approval from competition authorities as well as the fulfillment of certain contractual conditions.

The takeover is expected to occur on January 1, 2020.

"With this acquisition we take the next step in Peab's development as the Nordic Community Builder. Paving and mineral aggregates operations are closely connected to developing communities in terms of civil engineering and construction products. By expanding in these areas we are creating a platform for continued growth and increased profitability. Greater geographic proliferation in businesses that are normally less sensitive to the business cycle increases stability. With this platform we also move forward in developing new products and methods to meet our customers' needs for sustainable solutions," says Jesper Göransson President and CEO of Peab.

Caption: From left: Jesper Göransson, President and CEO of Peab and Kari Kauniskangas, President and CEO of YIT, signing the agreement.

Photo: Jyri Laitinen



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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 July 4, 2019 at 7:30 a.m. CET.

Peab is a leading Nordic construction and civil engineering company with about 15,000 employees and SEK 52 billion in net sales. The Group has strategically placed offices in Sweden, Norway and Finland. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on NASDAQ Stockholm.