

Half-year report

JANUARY – JUNE 2017



VÄRTAHAMNEN
Stockholm

Profitable growth and high level of orders received

April – June 2017

- Operative net sales SEK 12,813 million (12,781)
- Operative operating profit SEK 631 million (624)
- Operative operating margin 4.9 percent (4.9)
- Pre-tax profit SEK 623 million (609)
- Earnings per share SEK 1.80 (1.74)
- Orders received SEK 12,156 million (10,165)
- Cash flow before financing SEK -1,105 million (6)

January – June 2017

- Operative net sales SEK 23,909 million (21,473)
- Operative operating profit SEK 947 million (812)
- Operative operating margin 4.0 percent (3.8)
- Pre-tax profit SEK 934 million (755)
- Earnings per share SEK 2.74 (2.16)
- Orders received SEK 23,270 million (22,051)
- Order backlog SEK 37,313 million (33,457)
- Cash flow before financing SEK 683 million (916)
- Net debt SEK 2,707 million (3,154)
- Equity/assets ratio 29.3 percent (27.5)

Comments from the CEO

Peab's order situation has been consistently growing for some time which has contributed to higher net sales and a better result for the first half-year 2017. This high level of orders together with select investments in Project Development and Industry create stable conditions for the future.

MARKET CONDITIONS

After very strong development during 2016 in started-up building construction investments in Sweden construction is expected to even off on a high level in 2017, primarily as a result of capacity limitation on the market. After a strong beginning in Norway all indications point to the same high level of started-up building construction as in 2016. Even in Finland building construction volumes are expected to remain on par with 2016, which is when the Finnish market turned upward. Market conditions in civil engineering in Sweden and Norway are expected to continue well.

ORDER SITUATION

Order volumes continued to grow in the second quarter amounting to orders received for the first half-year 2017 of SEK 23.3 billion (22.1). Order levels are high in all the business areas. Volumes in our own developed housing projects remain on a high level and well spread geographically in Sweden, Norway as well as Finland. Order backlog amounted to SEK 37.3 billion (33.5).

BUSINESS AREA DEVELOPMENT

Net sales in business area Construction increased compared to the first half-year 2016 with higher operating profit. Net sales in business area Civil Engineering increased with an unchanged operating profit. Business area Industry showed an increase in net sales and a better operating profit. Net sales in business area Project Development increased and operating profit rose. The operating margin in Housing Development continued to improve. Capital gains from the divestiture of joint venture companies affected Property Development positively by SEK 75 million during the first quarter. Property Development reported capital gains of SEK 104 million during the second quarter 2016 from the partial sales of a hotel property and development rights in Hyllie.

GROUP DEVELOPMENT

Operative net sales in the first half-year were SEK 23,909 million (21,473), which was an increase by eleven percent. Operative operating profit improved to SEK 947 million (812) and the operative operating margin improved to 4.0 percent (3.8). Cash flow from current operations amounted to SEK 983 million (1,342). We have a general seasonal increase in working capital during the second quarter and, in addition, development rights in Kvarnholmen in Nacka were acquired for around SEK 600 million. Net debt was SEK 2,707 million (3,154), where paid dividends in the second quarter charged with SEK 1,062 million (767).



OUTLOOK FOR THE FUTURE

The outlook is positive for Peab with a solid order backlog, a good project mix, a well-dimensioned development rights portfolio, continued positive market prospects and our 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, increases in costs for subcontractors and rising land prices.

Our four complementary and cooperating business areas create opportunities throughout the entire value chain in a construction project. This provides us with a unique capacity to deliver comprehensive solutions to our customers. Thanks to this business model in combination with our skilled employees and strong financial position I feel confident about Peab's future.

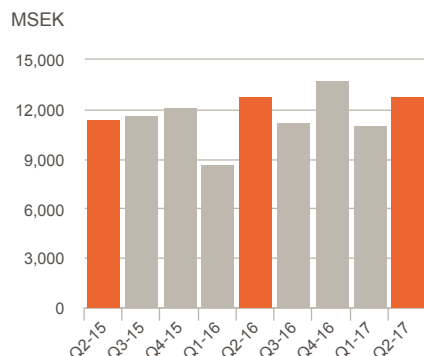
We continue to work on our ambition to be the best company in the industry. We have established three target areas to achieve this:

- Most satisfied customers in the industry
- Best workplace in the industry
- Most profitable company in the industry

Jesper Göransson
CEO and President

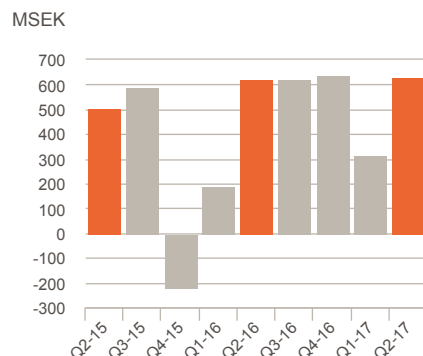
Half-year report January – June 2017

Operative net sales



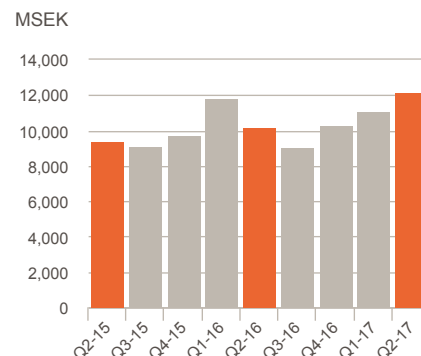
Group operative net sales for the first half-year 2017 amounted to SEK 23,909 million (21,473), which was an increase of eleven percent. Even after adjustments for acquired and divested units net sales increased by eleven percent compared to the same period last year.

Operative operating profit



Operative operating profit for the first half-year 2017 amounted to SEK 947 million compared to SEK 812 million for the same period last year.

Orders received



Orders received for the first half-year 2017 amounted to SEK 23,270 million compared to SEK 22,051 million for the same period last year. Order backlog amounted to SEK 37,313 million compared to SEK 33,572 million at the end of last year.

Group

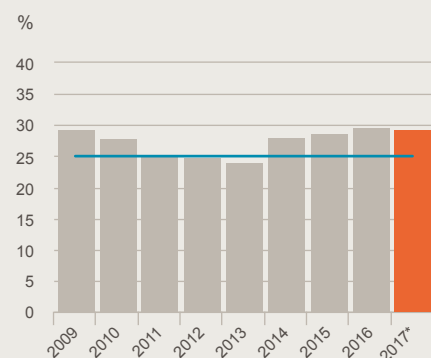
MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Operative net sales ¹⁾	12,813	12,781	23,909	21,473	48,925	46,489
Net sales	12,853	12,571	24,004	21,102	49,239	46,337
Operative operating profit ¹⁾	631	624	947	812	2,210	2,075
Operative operating margin, % ¹⁾	4.9	4.9	4.0	3.8	4.5	4.5
Operating profit	637	628	957	785	2,270	2,098
Operating margin, %	5.0	5.0	4.0	3.7	4.6	4.5
Pre-tax profit	623	609	934	755	2,229	2,050
Profit for the period	530	514	807	637	1,897	1,727
Earnings per share, SEK	1.80	1.74	2.74	2.16	6.43	5.85
Return on equity, %	20.6 ²⁾	11.7 ²⁾	20.6 ²⁾	11.7 ²⁾	20.6	20.1
Net debt	2,707	3,154	2,707	3,154	2,707	1,862
Equity/assets ratio, %	29.3	27.5	29.3	27.5	29.3	29.7
Number of employees	15,076	14,398	15,076	14,398	15,076	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

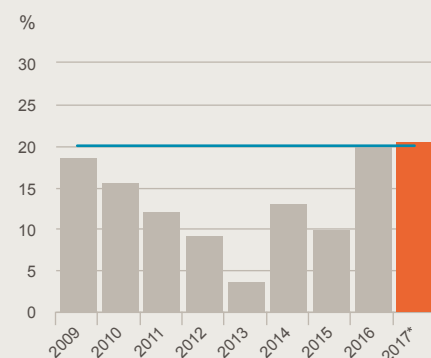


* As of June 30 2017

Goal > 25%

The goal for the equity/assets ratio is at least 25 percent. On 30 June 2017 the equity/assets ratio was 29.3 percent compared to 29.7 percent at the end of last year.

Return on equity

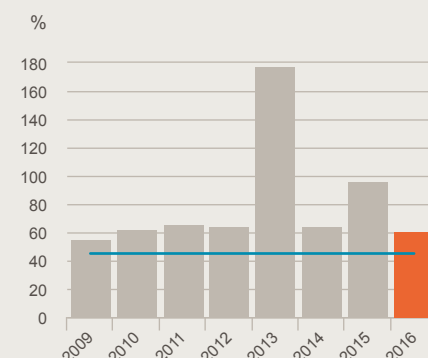


* Rolling 12 months as of June 30 2017

Goal > 20%

The goal for return on equity is at least 20 percent. The return on equity calculated on a rolling 12 month period was 20.6 percent (11.7). For full year 2016 the return on equity amounted to 20.1 percent.

Dividends



Goal > 50%

The goal for dividends is at least 50 percent of profit after tax. Dividend for 2016 of SEK 3.60 (2.60) per share corresponds to 61 percent (96) of profit for the year.

Net sales and profit ¹⁾

April – June 2017

Group operative net sales for the second quarter 2017 amounted to SEK 12,813 million (12,781). Adjustments in housing reporting affected net sales by SEK 40 million (-210). Group net sales for the second quarter 2017 increased to SEK 12,853 million (12,571).

Net sales in business area Construction increased by nine percent in all the business area's regions. Net sales in business area Civil Engineering increased by two percent and stemmed from product areas Operations and maintenance and Infrastructure. Business area Industry also showed an increase in net sales by two percent where the largest increases were generated in product areas Asphalt, Gravel and Rock and Rentals. Net sales in business area Project Development were somewhat lower compared to the second quarter last year due to the fact that Property Development made a partial divestiture in the second quarter 2016 of property in Hyllie, Malmö, for an underlying value of SEK 777 million. However, net sales in Housing Development increased by 43 percent in the second quarter.

Of the quarter's net sales SEK 2,352 million (2,118) were attributable to sales and production outside Sweden.

Operative operating profit for the second quarter 2017 amounted to SEK 631 million (624) and the operative operating margin was unchanged at 4.9 percent. The margin in business area Construction was 2.3 percent (2.4) and in business area Civil Engineering the margin was 3.9 percent (3.8). Business area Industry showed an improved margin of 7.2 percent (6.0). Operating profit was slightly lower in business area Project Development in the second quarter because the transactions in Hyllie in Property Development had a positive effect of SEK 104 million in the second quarter of last year. The margin in Housing Development improved to 8.2 percent (6.9).

Operating profit for the second quarter 2017 was SEK 637 million (628) and the operating margin was unchanged at 5.0 percent.

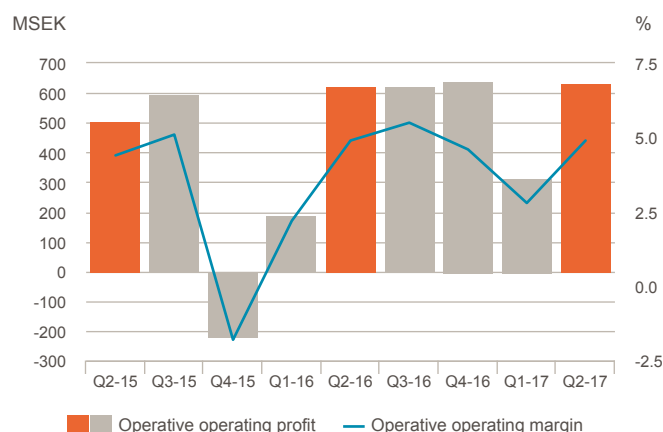
Depreciation and write-downs for the second quarter were SEK -222 million (-239).

Net financial items amounted to SEK -14 million (-19) of which net interest improved to SEK -16 million (-21). Net financial items include dividends from Lemminkäinen Oyj of SEK 13 million (-).

Pre-tax profit was SEK 623 million (609).

Profit for the second quarter improved to SEK 530 million (514).

Operative operating profit and operative operating margin, per quarter



PÄR LAGERKVIST SCHOOL
Bredvik, Växjö

January – June 2017

Group operative net sales for first half-year 2017 amounted to SEK 23,909 million (21,473), which was an increase of eleven percent. Even after adjustments for acquired and divested units net sales increased by eleven percent. Adjustments in housing reporting affected net sales by SEK 95 million (-371). Group net sales for the first half-year 2017 increased to SEK 24,004 million (21,102).

Net sales have increased in every business area largely due to the favorable construction and civil engineering market. Net sales grew by 15 percent in business area Construction in all the business area's regions. Net sales increased by nine percent in business area Civil Engineering generated by greater activity in Infrastructure and Local market. Business area Industry showed an increase in net sales of eight percent, where the largest increases were in the product areas Concrete, Gravel and Rock and Rentals. Net sales in business area Project Development were also higher, with an increase in Housing Development by 31 percent while Property Development had lower net sales. During the first quarter Property Development divested a number of assets in Arenastaden and Ulriksdal in Solna to Fabège, 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 period's net sales SEK 4,305 million (3,388) were attributable to sales and production outside Sweden.

Operative operating profit for the first half-year 2017 amounted to SEK 947 million (812) and the operative operating margin improved to 4.0 percent (3.8). The operative operating margin for the latest rolling 12 month period was unchanged at 4.5 percent compared to the entire year 2016.

The margin in business area Construction was unchanged at 2.3 percent compared to the same period last year. The margin in business area Civil Engineering was 2.9 percent (3.0). Business area Industry showed a slightly higher margin of 3.9 percent (3.6). Operating profit in business area Project Development improved. The margin in Housing Development improved to 8.2 percent (6.3). The result 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 had no net effect on the result 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 capital gains of SEK 104 million from the partial sales of property in Hyllie.

Eliminations and reversal of internal profit in our own projects has affected the result net by SEK -10 million (-4). Elimination is reversed in connection with the external divestment of a project. Adjustments in housing reporting affected operating profit by SEK 10 million (-27). Operating profit for the first half-year 2017 was SEK 957 million (785) and the operating margin amounted to 4.0 percent (3.7).

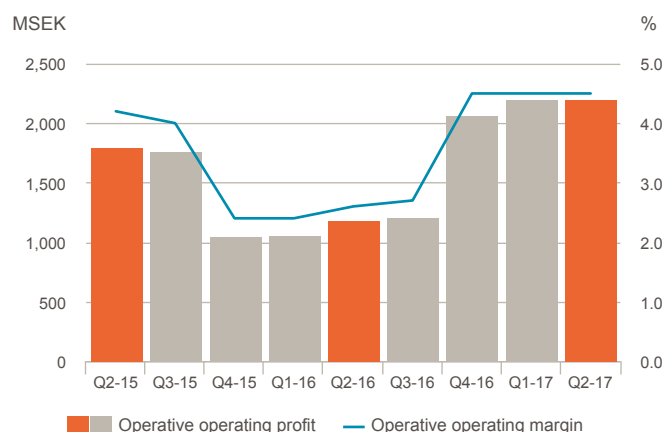
Depreciation and write-downs for the period were SEK -439 million (-438).

Net financial items amounted to SEK -23 million (-30) of which net interest improved to SEK -31 million (-40). Net financial items include dividends from Lemminkäinen Oyj of SEK 13 million (-).

Pre-tax profit was SEK 934 million (755).

Profit for the period improved to SEK 807 million (637).

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 30 June 2017 was 29.3 percent compared to 29.7 percent at year-end. Interest-bearing net debt amounted to SEK 2,707 million compared to SEK 1,862 million at the end of 2016. Net debt has been affected by paid dividends in the second quarter, as well as increased investments in project and development property and machines. The average interest rate in the loan portfolio, including derivatives, was 2.5 percent (2.3) on 30 June 2017.

Group liquid funds, including unutilized credit facilities, were SEK 4,033 million at the end of the period compared to SEK 6,062 million on 31 December 2016.

At the end of the period Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 8,356 million (6,286). SEK 6,273 million (3,874) of contingent liabilities was surety given for credit lines for tenant-owned apartments under production.

INVESTMENTS AND DIVESTMENTS

During the second quarter SEK 519 million (435) was net invested in tangible and intangible fixed assets. During the period January-June 2017 SEK 824 million (651) was net invested in tangible and intangible fixed assets.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 658 million (184) during the second quarter and primarily refer to the acquisition of development rights in Kvarnholmen in Nacka. During the second quarter 2016 properties worth SEK 184 million, consisting mainly of partial sales of property in Hyllie, were net divested. Net investments in project and development properties totaled SEK 373 million (net divestments of 10) during the period January-June 2017. During the first quarter property in Ulriksdal, Solna was divested.

CASH FLOW

April – June 2017

Cash flow from current operations during the second quarter was SEK -588 million (480). The negative cash flow was due to capital seasonally tied up in operations as well as the acquisition of development rights in Kvarnholmen, Nacka for about SEK 600 million.

Cash flow from investment activities was SEK -517 million (-474) and refers primarily to investments in machines.

Cash flow before financing during the second quarter amounted to SEK -1,105 million (6). The second quarter 2016 included the partial divestment of property in Hyllie for SEK 508 million.

Cash flow from financing operations during the second quarter amounted to SEK -361 million (-358) of which SEK 1,062 million (767) consisted of paid dividends.

January – June 2017

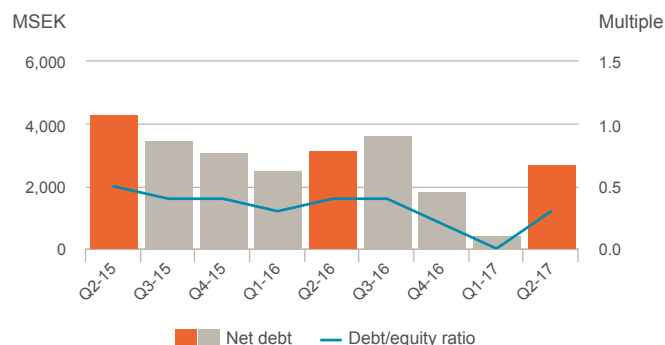
Cash flow from current operations was SEK 983 million (1,342).

Cash flow from investment activities was SEK -300 million (-426).

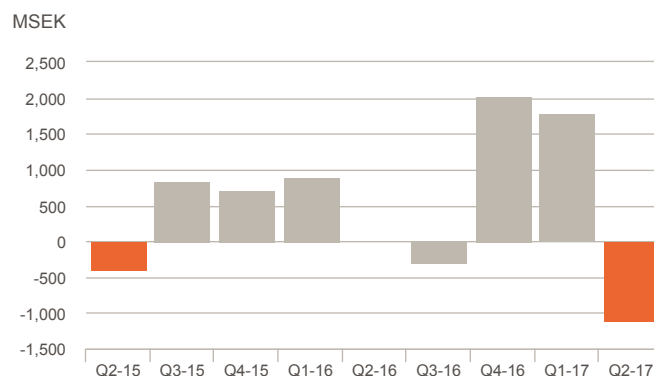
Cash flow before financing amounted to SEK 683 million compared to SEK 916 million for the same period last year. During the first quarter the transactions carried out regarding Arenastaden, Solna had a positive effect of around SEK 835 million. The comparable period included partial sales in Hyllie of SEK 508 million.

Cash flow from financing operations amounted to SEK -1,478 million (-1,670) of which SEK 1,062 million (767) consisted of paid dividends.

Net debt and debt/equity ratio



Cash flow before financing



Order situation

April – June 2017

Orders received for the second quarter 2017 amounted to SEK 12,156 million compared to SEK 10,165 million for the same quarter last year. The level of orders received has contracted in business area Construction but risen in Civil Engineering and Project Development. No orders received or order backlog is given for the business area Industry.

Housing projects, well spread geographically, continue to make up a large part of the orders received in the second quarter 2017. The increase in Civil Engineering refers to a number of operation and maintenance contracts received.

January – June 2017

Orders received for the first half-year 2017 amounted to SEK 23,270 million compared to SEK 22,051 million for the same period last year. The level of orders received has contracted slightly in business area Construction but risen in Project Development.

The level of orders received in business area Civil Engineering was relatively unchanged. Two major road projects, worth around SEK 1 billion each, were included in the comparable period.

There is still a large portion of housing projects with a good geographic spread in orders received in the first half-year 2017.

Order backlog yet to be produced at the end of the period increased to SEK 37,313 million compared to SEK 33,457 million at the end of the same period last year. Of the total order backlog, 57 percent (60) is expected to be produced after 2017 (2016). Swedish operations accounted for 83 percent (83) of the order backlog.

Orders received

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Construction	6,530	7,576	14,395	14,876	27,402	27,883
Civil Engineering	3,951	3,470	7,751	7,691	12,149	12,089
Project Development	3,215	1,238	4,590	3,011	9,824	8,245
Eliminations	-1,540	-2,119	-3,466	-3,527	-6,711	-6,772
Group	12,156	10,165	23,270	22,051	42,664	41,445

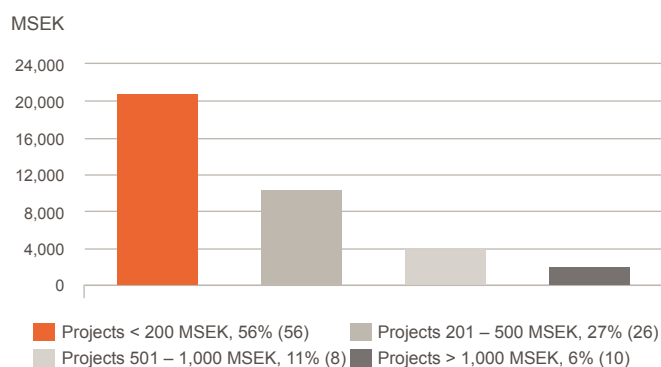
Order backlog

MSEK	30 Jun 2017	30 Jun 2016	31 Dec 2016
Construction	25,285	23,642	24,160
Civil Engineering	10,974	10,203	8,679
Project Development	7,992	4,966	6,853
Eliminations	-6,938	-5,354	-6,120
Group	37,313	33,457	33,572

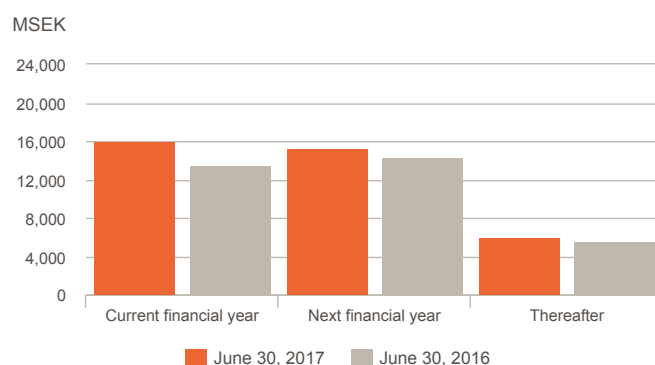
Several major projects and contracts came in during the second quarter, among them:

- Construction of 91 new apartments in the residential area Rosendal in Uppsala. The customer is Rosendal Fastigheter and the contract is worth SEK 217 million.
- Construction of 99 condominium apartments and an underground garage in Limhamn in Malmö. The customer is HSB Projekt in Malmö and the contract is worth SEK 183 million.
- Commission to operate and maintain public roads in the Gothenburg maintenance area. The customer is the Swedish Transport Administration and the value of the contract is SEK 234 million over four years.
- Reconstruction of Sollentuna Hospital to a hospital with modern care facilities and a center for specialist care. The customer is the Stockholm Region County Council through Locum AB and the contract is worth SEK 710 million.
- Construction of an office building in Västerås. The customer is Bostads AB Mimer and the contract is worth SEK 275 million.
- Commission to operate and maintain public roads in Gällivare, Strömsund, Sollefteå, Sundsvall, Gävle, Karlstad and Southern Gotland. The customer is the Swedish Transport Administration and the total value of the contracts for the seven areas is SEK 742 million over four years.
- Construction of the city block Gulspårven in Trollhättan. The customer is AB Eida and the contract is worth SEK 198 million.
- Construction of a new school, a pre-school and a sports center in city district Husie in Malmö. The customer is Malmö City, Stadsfastigheter, and the contract is worth SEK 253 million.
- Commission to renovate 256 apartments in Esbo. The customer is Hoas – the Helsinki region student housing association and the contract is worth EUR 12 million.

Project allocation of order backlog, 30 June 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 booked 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 booked 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 the result 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

	Net sales						Operating profit					
	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
MSEK												
Construction	6,988	6,420	13,374	11,619	25,876	24,121	162	152	301	268	575	542
Civil Engineering	2,831	2,765	5,219	4,794	11,165	10,740	110	105	149	142	362	355
Industry	3,420	3,356	5,657	5,250	12,568	12,161	246	202	223	190	786	753
Project Development	2,022	2,368	4,225	3,744	8,120	7,639	162	194	380	272	730	622
– of which Property Development	106	1,031	765	1,107	1,043	1,385	5	102	95	106	78	89
– of which Housing Development	1,916	1,337	3,460	2,637	7,077	6,254	157	92	285	166	652	533
Group functions	254	225	489	429	957	897	-49	-29	-96	-56	-162	-122
Eliminations	-2,702	-2,353	-5,055	-4,363	-9,761	-9,069	0	0	-10	-4	-81	-75
Operative ¹⁾	12,813	12,781	23,909	21,473	48,925	46,489	631	624	947	812	2,210	2,075
Adjustment for housing reporting ²⁾	40	-210	95	-371	314	-152	6	4	10	-27	60	23
Legal	12,853	12,571	24,004	21,102	49,239	46,337	637	628	957	785	2,270	2,098

	Operating margin					
	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
%						
Construction	2.3	2.4	2.3	2.3	2.2	2.2
Civil Engineering	3.9	3.8	2.9	3.0	3.2	3.3
Industry	7.2	6.0	3.9	3.6	6.3	6.2
Project Development	8.0	8.2	9.0	7.3	9.0	8.1
– of which Property Development	4.7	9.9	12.4	9.6	7.5	6.4
– of which Housing Development	8.2	6.9	8.2	6.3	9.2	8.5
Group functions						
Eliminations						
Operative ¹⁾	4.9	4.9	4.0	3.8	4.5	4.5
Adjustment for housing reporting ²⁾						
Legal	5.0	5.0	4.0	3.7	4.6	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, two 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

April – June 2017

Net sales for the second quarter 2017 increased by nine percent and amounted to SEK 6,988 million (6,420). The increase is spread over all regions and the housing production portion continues to grow.

Operating profit for the second quarter amounted to SEK 162 million (152) and the operating margin was 2.3 percent (2.4).

January – June 2017

Net sales for the first half-year 2017 increased by 15 percent and amounted to SEK 13,374 million (11,619). The increase is spread over all regions. The housing production portion continues to grow as well as other building construction for the public sector.

Operating profit for the period amounted to SEK 301 million (268) and the operating margin was 2.3 percent (2.3). The operating margin for the latest 12 month rolling period was unchanged at 2.2 percent compared to the entire year of 2016.

ORDERS RECEIVED AND ORDER BACKLOG

April – June 2017

Orders received decreased by 14 percent during the second quarter compared to same quarter last year and amounted to SEK 6,530 million (7,576). Orders received were well diversified in terms of products and geography.

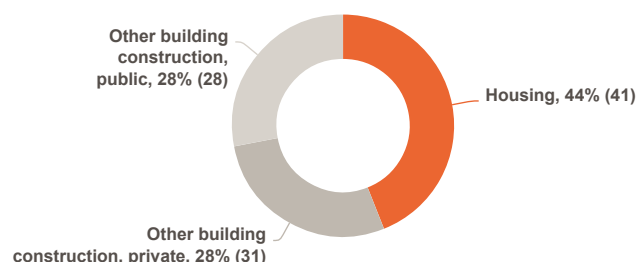
January – June 2017

Orders received decreased slightly during the period compared to same period last year and amounted to SEK 14,395 million (14,876). Orders received were well diversified in terms of products and geography although housing is still a large portion.

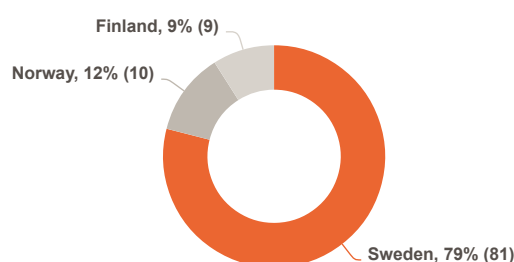
Order backlog 30 June 2017 increased to SEK 25,285 million compared with SEK 23,642 million at the end of June 2016.

Net sales

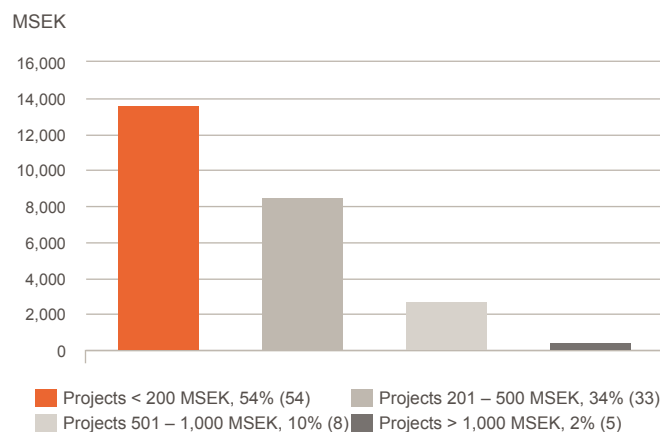
per product area, rolling 12 months



per geographic market, rolling 12 months



Project allocation of order backlog, 30 June 2017



Key ratios

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Net sales, MSEK	6,988	6,420	13,374	11,619	25,876	24,121
Operating profit, MSEK	162	152	301	268	575	542
Operating margin, %	2.3	2.4	2.3	2.3	2.2	2.2
Orders received, MSEK	6,530	7,576	14,395	14,876	27,402	27,883
Order backlog, MSEK	25,285	23,642	25,285	23,642	25,285	24,160
Number of employees	6,978	6,727	6,978	6,727	6,978	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

April – June 2017

Net sales for the second quarter 2017 amounted to SEK 2,831 million (2,765) which was an increase of two percent. The increase during the second quarter stems from product areas Infrastructure and Operations and maintenance.

Operating profit for the second quarter 2017 amounted to SEK 110 million (105) and the operating margin improved to 3.9 percent (3.8).

January- June 2017

Net sales for the first half-year 2017 amounted to SEK 5,219 million (4,794) which was an increase of nine percent. After adjustments for acquired units net sales increased by eight percent. The increase during the first half-year stems from all product areas but above all from Infrastructure.

Operating profit for the first half-year 2017 amounted to SEK 149 million (142) and the operating margin improved to 2.9 percent (3.0). The operating margin for the latest 12 month rolling period was 3.2 percent compared to 3.3 percent for the entire year of 2016.

ORDERS RECEIVED AND ORDER BACKLOG

April – June 2017

Orders received increased by 14 percent during the second quarter 2017 and amounted to SEK 3,951 million (3,470). The increase is primarily due to several operations and maintenance contracts received.

January- June 2017

Orders received during the first half-year 2017 amounted to SEK 7,751 million (7,691). Two major road projects worth SEK 1 billion each were included in the corresponding period last year.

Order backlog on 30 June 2017 amounted to SEK 10,974 million (10,203).

ACQUISITIONS

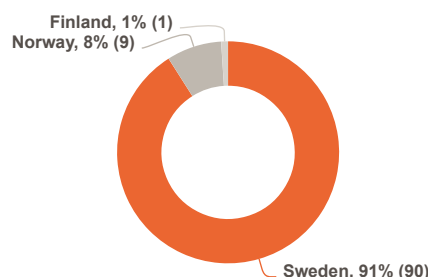
Peab signed a contract during the second quarter for the acquisition of Tranab Markbyggnad AB domiciled in Örebro. The company has civil engineering operations in Mälardalen and Närke. In 2016 net sales in Tranab amounted to SEK 264 million and it had 58 employees. The acquisition requires approval by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

Net sales

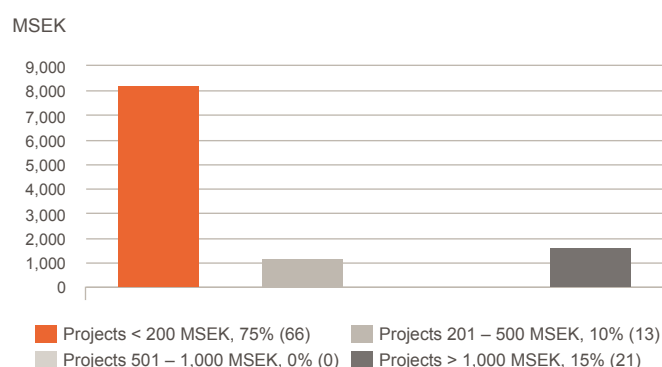
per product area, rolling 12 months



per geographic market, rolling 12 months



Project allocation of order backlog, 30 June 2017



Key ratios

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Net sales, MSEK	2,831	2,765	5,219	4,794	11,165	10,740
Operating profit, MSEK	110	105	149	142	362	355
Operating margin, %	3.9	3.8	2.9	3.0	3.2	3.3
Orders received, MSEK	3,951	3,470	7,751	7,691	12,149	12,089
Order backlog, MSEK	10,974	10,203	10,974	10,203	10,974	8,679
Number of employees	3,532	3,386	3,532	3,386	3,532	3,080

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

April – June 2017

Net sales for the second quarter 2017 increased by two percent and amounted to SEK 3,420 million (3,356).

Operating profit for the second quarter 2017 amounted to SEK 246 million (202) and the operating margin rose to 7.2 percent (6.0).

January – June 2017

Net sales for the first half-year 2017 increased by eight percent and amounted to SEK 5,657 (5,250). After adjustments for acquired units net sales increased by seven percent. The increase during the period stems mainly from product areas Concrete, Gravel and Rock and Rentals.

Operating profit for the first half-year 2017 amounted to SEK 223 million (190). Product areas Concrete, Gravel and Rock, Rentals and Transportation and Machines report a slightly better result in comparison with the corresponding period last year while profit contracted in Construction System. The operating margin rose to 3.9 percent (3.6). The operating margin was 6.3 percent during the latest rolling 12 month period compared to 6.2 percent for the entire year of 2016.

Capital employed in Industry at the end of the period amounted to SEK 5,519 million (5,282).

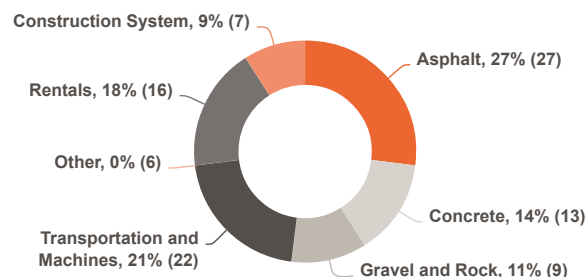
Key ratios

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Net sales, MSEK	3,420	3,356	5,657	5,250	12,568	12,161
Operating profit, MSEK	246	202	223	190	786	753
Operating margin, %	7.2	6.0	3.9	3.6	6.3	6.2
Capital employed at the end of the period, MSEK	5,519	5,282	5,519	5,282	5,519	5,416
Number of employees	3,716	3,501	3,716	3,501	3,716	3,385
Concrete, thousands of m ³ ¹⁾	333	302	591	493	1,199	1,101
Asphalt, thousands of tons ¹⁾	803	854	832	878	2,543	2,589
Gravel and Rock, thousands of tons ¹⁾	3,864	3,568	6,501	5,413	14,197	13,109

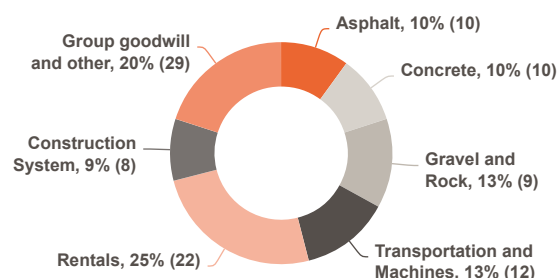
1) Refers to sold volume

Net sales

per product area, rolling 12 months



Capital employed, 30 June 2017



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

April – June 2017

Operative net sales for the second quarter 2017 in business area Project Development amounted to SEK 2,022 million (2,368). Operative operating profit amounted to SEK 162 million (194).

January – June 2017

Operative net sales for the first half-year 2017 in business area Project Development amounted to SEK 4,225 million (3,744). Operative operating profit increased to SEK 380 million (272).

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 period amounted to SEK 9,795 million (10,354).

Capital employed

MSEK	30 Jun 2017	30 Jun 2016	31 Dec 2016
Operations property	923	–	–
Investment property	792	–	–
Project and development property	6,127	6,669	7,007
<i>of which housing development rights</i>	4,786	4,038	4,125
<i>of which commercial development rights</i>	616	547	675
<i>of which projects under construction</i>	317	827	736
<i>of which completed projects</i>	282	1,111	1,246
<i>of which other</i>	126	146	225
Participation in joint ventures	764	771	682
Loans to joint ventures	1,441	1,996	1,694
Working capital and other	-252	918	898
Total	9,795	10,354	10,281

Key ratios

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Operative net sales ¹⁾ , MSEK	2,022	2,368	4,225	3,744	8,120	7,639
<i>of which Property Development</i>	106	1,031	765	1,107	1,043	1,385
<i>of which Housing Development ¹⁾</i>	1,916	1,337	3,460	2,637	7,077	6,254
Operative operating profit ¹⁾ , MSEK	162	194	380	272	730	622
<i>of which Property Development</i>	5	102	95	106	78	89
<i>of which Housing Development ¹⁾</i>	157	92	285	166	652	533
Operative operating margin ¹⁾ , %	8.0	8.2	9.0	7.3	9.0	8.1
<i>of which Property Development</i>	4.7	9.9	12.4	9.6	7.5	6.4
<i>of which Housing Development ¹⁾</i>	8.2	6.9	8.2	6.3	9.2	8.5
Capital employed at the end of the period, MSEK	9,795	10,354	9,795	10,354	9,795	10,281
Orders received, MSEK	3,215	1,238	4,590	3,011	9,824	8,245
Order backlog, MSEK	7,992	4,966	7,992	4,966	7,992	6,853
Number of employees	359	324	359	324	359	321

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

HOUSING DEVELOPMENT

April – June 2017

Continued strong demand on the housing market has had a positive effect on both net sales and operating profit for the second quarter. Operative net sales increased by 43 percent in Housing Development and amounted to SEK 1,916 million (1,337). Operative operating profit increased to SEK 157 million (92) and the operative operating margin improved to 8.2 percent (6.9).

The number of start-ups of our own developed homes has increased during the second quarter and amounted to 968 units (623) with a good geographic spread where most of the production starts are outside of the capital city areas. The number of sold homes was 669 (457).

Development rights at Kvarnholmen in Nacka were acquired in the second quarter for SEK 600 million from the half-owned company Sicklaön Bygg Invest AB. The development rights allow Peab to develop attractive homes in Kvarnholmen in the coming years.

January – June 2017

Continued strong demand on the housing market has had a positive effect on both net sales and operating profit for the first half-year. Operative net sales increased by 31 percent in Housing Development and amounted to SEK 3,460 million (2,637). Operative operating profit increased to SEK 285 million (166) and the operative operating margin improved to 8.2 percent (6.3). The operative operating margin improved to 9.2 percent during the latest rolling 12 month period compared to 8.5 percent for the entire year of 2016.

The number of start-ups of our own developed homes has increased during the first half-year and amounted to 1,517 units (1,165) with a good geographic spread. The number of sold homes during the first half-year 2017 was 1,184 (953). The number of own developed homes in production at the end of the period was 5,169 (4,000). The level of sold homes in production was 70 percent compared to 69 percent at year-end 2016. The number of repurchased homes per 30 June 2017 was 37 (61).

Own housing development construction

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Number of housing starts during the period	968	623	1,517	1,165	3,003	2,651
Number of sold homes during the period	669	457	1,184	953	2,275	2,044
Total number of homes under construction, at the end of the period	5,169	4,000	5,169	4,000	5,169	4,381
Share of sold homes under construction, at the end of the period	70%	76%	70%	76%	70%	69%
Number of repurchased homes in the balance sheet, at the end of the period	37	61	37	61	37	50



Development rights for housing

Number, approx.	30 Jun 2017	30 Jun 2016	31 Dec 2016
Development rights on our own balance sheet	17,800	17,300	17,300
Development rights via joint ventures	3,500	4,400	3,900
Development rights via options etc.	7,200	6,300	7,200
Total	28,500	28,000	28,400

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.

April – June 2017

During the second quarter 2017 net sales were SEK 106 million (1,031) and operating profit was SEK 5 million (102). No major property transactions have occurred during the quarter. Partial sales of properties in Hyllie, Malmö for an underlying property value of SEK 777 million and capital gains of SEK 104 million were included in the second quarter 2016.

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

January – June 2017

During the first half-year 2017 net sales were SEK 765 million (1,107) and operating profit was SEK 95 million (106).

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 and capital gains of SEK 104 million.

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

In capital employed in Property Development operations property for a booked value of SEK 923 million are included and consist in part of an office building in Helsinki, Finland and office buildings in a business park in Ängelholm. Investment property amounts to SEK 792 million and consists primarily of a hotel in Västerås under construction, 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. The office building will be ready to move into in the fourth quarter of 2019.

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 that effect booked values in joint venture companies are not reported 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 30 June 2017: SEK 4,831 million (4,539)

TORNET BOSTADS-PRODUKTION AB

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

Peab's share: 31 percent

Partner: Riksbyggen, Folksam and Balder

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

Book value on properties 30 June 2017: SEK 2,473 million (2,030)

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 30 June 2017: SEK 1,855 million (1,873)

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 Fastigheter AB

Geography: Hyllie, Malmö

Book value on properties 30 June 2017: SEK 719 million (717)

The construction market

SWEDEN

Although Swedish growth is expected to slow this year economic development will still be positive, primarily due to global recovery. Domestic demand continues to be high due to low interest rates, more jobs and less unemployment. Despite risks and warnings for a possible real estate bubble and the high level of household loans housing construction will probably remain strong. First and foremost apartment construction is on the rise, which will most likely lead to a reduction in started-up construction of new homes next year. Total building construction investments are, however, expected to develop sideways this year and next due in part to the high volumes last year and in part to because of capacity limitations in labor and material supplies. Private and public premise construction is forecasted to take a dip this year after the upturn in previous years. Civil engineering construction is expected to land at around the same levels but will accelerate in 2018, driven mainly by investments in road and railway networks as well as the start of construction on the subway extension in Stockholm.

NORWAY

Growth was weak in the Norwegian economy in 2016, but is now expected to accelerate. The GNP will probably increase to more than 1.7 percent this year and close to 2.0 in 2018. This brighter picture has led to a positive adjustment in the forecast for single home construction. However, developments in apartment building construction appear to take a more negative direction. Zero growth is expected for building construction investments on the whole for the period 2017-2018. Civil engineering construction is expected to have a better development and is favored by political stimulus aimed at countering growing unemployment. The forecast for 2018 has been positively adjusted.

FINLAND

The situation for the Finnish economy continues to be cautiously positive. With households as the locomotive, higher exports and rising investments are expected to increase the GNP by around 1.5 percent this year and next. Started-up building construction investments took a major step forward last year due to a rise in private and public premise construction. The upturn last year will likely be followed by a levelling out this year and next. In a comparison between the sectors single home construction and apartment building renovation are those expected to come out on top. This development has led to an adjustment upwards of the total forecast for new and refurbished housing. Civil engineering construction is expected to grow slightly this year and level out in 2018.

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



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. 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 the first half-year 2017.

THE PEAB SHARE

Peab's B share is listed on the Nasdaq Stockholm, Large Cap list. As of 17 August 2017, the price of the Peab share was SEK 95.75, an increase of 32 percent during 2017. During the same period, the Swedish stock market increased by four 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.



Report on the Group income statement in summary

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Net sales	12,853	12,571	24,004	21,102	49,239	46,337
Production costs	-11,515	-11,305	-21,794	-19,133	-44,609	-41,948
Gross profit	1,338	1,266	2,210	1,969	4,630	4,389
Sales and administrative expenses	-737	-675	-1,394	-1,239	-2,583	-2,428
Other operating income	38	37	156	60	245	149
Other operating costs	-2	0	-15	-5	-22	-12
Operating profit	637	628	957	785	2,270	2,098
Financial income	36	40	56	105	146	195
Financial expenses	-50	-59	-79	-135	-187	-243
Net finance	-14	-19	-23	-30	-41	-48
Pre-tax profit	623	609	934	755	2,229	2,050
Tax	-93	-95	-127	-118	-332	-323
Profit for the period	530	514	807	637	1,897	1,727
Profit for the period, attributable to:						
Shareholders in parent company	530	514	807	637	1,897	1,727
Non-controlling interests	–	0	–	0	0	0
Profit for the period	530	514	807	637	1,897	1,727
Key ratios						
Earnings per share before and after dilution, SEK	1.80	1.74	2.74	2.16	6.43	5.85
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0
Return on capital employed, %			17.0 ¹⁾	9.6 ¹⁾	17.0	16.2
Return on equity, %			20.6 ¹⁾	11.7 ¹⁾	20.6	20.1

1) Calculated on rolling 12 months

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

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Profit for the period	530	514	807	637	1,897	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	-35	49	-54	91	21	166
Translation differences transferred to profit for the period	0	0	-2	0	-3	-1
Changes for the period in fair value of available-for-sale financial assets	175	-23	128	-22	303	153
Changes in fair value of cash flow hedges for the period	13	14	28	9	50	31
Shares in joint ventures' other comprehensive income	0	0	0	0	1	1
Tax referring to items that can be reclassified or have been reclassified to income for the period	-5	1	-10	5	-14	1
	148	41	90	83	358	351
Items that cannot be reclassified to income for the period						
Revaluation of defined benefit pension plans	–	0	–	0	0	0
Tax referring to items that cannot be reclassified to income for the period	–	0	–	0	0	0
	–	0	–	0	0	0
Other comprehensive income for the period	148	41	90	83	358	351
Total comprehensive income for the period	678	555	897	720	2,255	2,078
Total comprehensive income for the period, attributable to:						
Shareholders in parent company	678	555	897	720	2,255	2,078
Non-controlling interests	–	0	–	0	0	0
Total comprehensive income for the period	678	555	897	720	2,255	2,078

Report on financial position for the Group in summary

MSEK	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets			
Intangible assets	2,025	2,004	2,036
Tangible assets	5,929	3,922	4,277
Interest-bearing long-term receivables	1,670	2,190	1,762
Other financial fixed assets	1,663	1,393	1,757
Deferred tax recoverables	61	97	69
Total fixed assets	11,348	9,606	9,901
Project and development properties	6,127	6,669	7,007
Inventories	420	399	364
Work-in-progress	1,152	1,397	1,203
Interest-bearing current receivables	84	183	336
Other current receivables	12,092	10,799	11,736
Liquid funds	243	152	1,062
Total current assets	20,118	19,599	21,708
Total assets	31,466	29,205	31,609
Equity and liabilities			
Equity	9,215	8,021	9,380
Liabilities			
Interest-bearing long-term liabilities	2,743	1,996	2,728
Deferred tax liabilities	268	414	372
Other long-term liabilities	762	728	776
Total long-term liabilities	3,773	3,138	3,876
Interest-bearing current liabilities	1,961	3,683	2,294
Other current liabilities	16,517	14,363	16,059
Total current liabilities	18,478	18,046	18,353
Total liabilities	22,251	21,184	22,229
Total equity and liabilities	31,466	29,205	31,609
Key ratios			
Capital employed	13,919	13,700	14,402
Equity/assets ratio, %	29.3	27.5	29.7
Net debt	2,707	3,154	1,862
Equity per share, SEK	31.24	27.19	31.80
Number of outstanding shares at the end of the period, million	295.0	295.0	295.0

Report on changes in Group's equity in summary

MSEK	30 Jun 2017	30 Jun 2016	31 Dec 2016
Equity attributable to shareholders in parent company			
Opening equity on 1 January	9,380	8,076	8,076
Profit for the period	807	637	1,727
Other comprehensive income for the period	90	83	351
Comprehensive income for the period	897	720	2,078
Cash dividend	-1,062	-767	-767
Acquisition of non-controlling interests, previous controlling interests	–	-8	-7
Closing equity	9,215	8,021	9,380
Non-controlling interests			
Opening equity on 1 January	0	0	0
Comprehensive income for the period	–	0	0
Disposal of partially owned subsidiaries, end of controlling interest	–	0	0
Closing equity	0	0	0
Total closing equity	9,215	8,021	9,380

Report on Group cash flow in summary

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Cash flow from current operations before changes in working capital	706	699	995	1,110	2,788	2,903
Increase (-) / Decrease (+) of project and development properties	-660	322	-379	160	-685	-146
Increase (-) / Decrease (+) of inventories	-118	-242	-1	-395	236	-158
Increase (-) / Decrease (+) of current receivables / current liabilities	-516	-299	368	467	757	856
Cash flow from changes in working capital	-1,294	-219	-12	232	308	552
Cash flow from current operations	-588	480	983	1,342	3,096	3,455
Acquisition of subsidiaries / businesses, net effect on liquid funds	–	-42	-8	-73	-72	-137
Sales of subsidiaries / businesses, net effect on liquid funds	–	0	–	6	-1	5
Acquisition of fixed assets	-589	-546	-885	-789	-1,633	-1,537
Sales of fixed assets	72	114	593	430	1,028	865
Cash flow from investment operations	-517	-474	-300	-426	-678	-804
Cash flow before financing	-1,105	6	683	916	2,418	2,651
Cash flow from financing operations	-361	-358	-1,478	-1,670	-2,421	-2,613
Cash flow for the period	-1,466	-352	-795	-754	-3	38
Cash at the beginning of the period	1,725	481	1,062	873	152	873
Exchange rate differences in cash	-16	23	-24	33	94	151
Cash at the end of the period	243	152	243	152	243	1,062

Parent company

The parent company Peab AB's net sales for the first half-year 2017 amounted to SEK 129 million (120) and mainly consisted of internal Group services. Profit after tax amounted to SEK -97 million (-125).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,805 million (11,776) and shares in Lemminkäinen Oyj worth SEK 611 million (301). The assets have been financed from equity of SEK 5,496 million (5,000) and long-term liabilities amounting to SEK 6,528 million (7,143).

The parent company is indirectly affected by the risks described in the section Risks and Uncertainty Factors.

Report on the parent company income statement in summary

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Net sales	71	66	129	120	251	242
Administrative expenses	-109	-122	-207	-210	-401	-404
Operating profit	-38	-56	-78	-90	-150	-162
Result from financial investments						
Profit from participation in Group companies	—	—	—	—	0	0
Other financial items	-17	-32	-50	-66	-122	-138
Result after financial items	-55	-88	-128	-156	-272	-300
Appropriations	—	—	—	—	1,855	1,855
Pre-tax profit	-55	-88	-128	-156	1,583	1,555
Tax	16	18	31	31	-334	-334
Profit for the period	-39	-70	-97	-125	1,249	1,221

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

MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Profit for the period	-39	-70	-97	-125	1,249	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	179	-17	131	-9	310	170
Total comprehensive income for the period	140	-87	34	-134	1,559	1,391

Report on financial position for the parent company in summary

MSEK	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets			
Machinery and equipment	1	1	1
Participation in Group companies	11,805	11,776	11,811
Other securities held as fixed assets	611	301	480
Deferred tax recoverables	98	88	99
Total fixed assets	12,515	12,166	12,391
Accounts receivable	0	0	1
Receivables from Group companies	64	39	2,444
Tax assets	83	39	–
Other current receivables	1	1	4
Prepaid expenses and accrued income	13	15	10
Liquid funds	0	0	0
Total current assets	161	94	2,459
Total assets	12,676	12,260	14,850
Equity and liabilities			
Equity	5,496	5,000	6,524
Untaxed reserves	522	0	522
Other provisions	31	26	28
Total provisions	31	26	28
Liabilities to Group companies	6,528	7,143	7,281
Total long-term liabilities	6,528	7,143	7,281
Accounts payable	18	22	28
Liabilities to Group companies	7	6	58
Tax liabilities	–	–	339
Other liabilities	15	3	7
Accrued expenses and deferred income	59	60	63
Total current liabilities	99	91	495
Total liabilities	6,627	7,234	7,776
Total equity and liabilities	12,676	12,260	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 otherwise 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. Individual properties are reclassified forwardly from the point in time the purpose of the holding changes.

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.

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.

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 does not intend to prematurely apply IFRS 15 and is currently in the final phase of analyzing its effects. At this point in time no material effects have been identified but the analysis must be completed before any possible final effects can be quantified.

IFRS 9 Financial instruments, will replace IAS 39 Financial instruments: Recognition and measurement, as of 2018. Peab is working on an analysis of the consequences IFRS 9 will have on the Group's result and position. The standard will have some effect on the recognition of credit losses since it requires loss reserves for anticipated credit losses. Peab does not plan to prematurely apply IFRS 9.

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 through activating contracts that are currently classified as operational. Peab 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 effect of new IFRS standards on the Group's result and position is found in the Annual Report 2016.

Note 2 – Operating segment

Group Jan-Jun 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	11,173	4,488	4,002	4,197	49	0	23,909	95	24,004
Internal sales	2,201	731	1,655	28	440	-5,055	–		–
Total income	13,374	5,219	5,657	4,225	489	-5,055	23,909	95	24,004
Operating profit	301	149	223	380	-96	-10	947	10	957
Operating margin, %	2.3	2.9	3.9	9.0			4.0		4.0

Net finance									-23
Pre-tax profit									934
Tax									-127
Profit for the period									807
Capital employed (closing balance)			5,519	9,795					

Group Jan-Jun 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	9,800	4,190	3,716	3,727	40	0	21,473	-371	21,102
Internal sales	1,819	604	1,534	17	389	-4,363	–		–
Total income	11,619	4,794	5,250	3,744	429	-4,363	21,473	-371	21,102
Operating profit	268	142	190	272	-56	-4	812	-27	785
Operating margin, %	2.3	3.0	3.6	7.3			3.8		3.7

Net finance									-30
Pre-tax profit									755
Tax									-118
Profit for the period									637
Capital employed (closing balance)			5,282	10,354					

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	30 Jun 2017				30 Jun 2016				31 Dec 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Other securities held as fixed assets	611		58	669	301		32	333	480		54	534
<i>Whereof shareholding in listed company</i>	611			611	301			301	480			480
<i>Whereof investment in an unlisted fund</i>			58	58			32	32			54	54
Other current receivables		7		7		1		1		12		12
<i>Whereof currency swaps</i>		7		7		1		1		12		12
Total assets	611	7	58	676	301	1	32	334	480	12	54	546
Liabilities												
Other long-term liabilities		66	26	92		135		135		95	23	118
<i>Whereof commodity hedging with futures</i>				–		1		1				–
<i>Whereof interest rate swaps</i>		66		66		134		134		95		95
<i>Whereof contingent consideration</i>			26	26				–			23	23
Other current liabilities		0		0		2		2		0		0
<i>Whereof currency swaps</i>		0		0		2		2		0		0
Total liabilities	–	66	26	92	–	137	–	137	–	95	23	118

Parent company MSEK	30 Jun 2017				30 Jun 2016				31 Dec 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Other securities held as fixed assets	611			611	301			301	480			480
<i>Whereof shareholding in listed company</i>	611			611	301			301	480			480
Total assets	611	–	–	611	301	–	–	301	480	–	–	480

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

Group MSEK	Other securities held as fixed asset		
	30 Jun 2017	30 Jun 2016	31 Dec 2016
Opening balance	54	49	49
Investments during the period	4	2	38
Dividends received	0	-37	-51
Reported in profit for the period *	0	22	22
Reported in other comprehensive income	0	-4	-4
Closing balance	58	32	54

* Reported in net financial items

Group MSEK	Contingent consideration		
	30 Jun 2017	30 Jun 2016	31 Dec 2016
Opening balance	23	–	–
Acquisitions for the period	3		24
Reported in profit for the period			
Other operating income	–		-1
Interest expense (discount) *	0		0
Closing balance	26	–	23

The contingent consideration will amount to at least SEK 0 million and at most SEK 30 million.

* Reported in net financial items

Future financial information

- Quarterly report January-September 2017 9 November 2017
 - Year-end Report 2017 13 February 2018
 - Annual and Sustainability Report 2017 April 2018
-

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

Förslöv, 18 August 2017

Göran Grosskopf
Chairman

Mats Paulsson
Vice chairman

Karl-Axel Granlund
Board member

Fredrik Paulsson
Board member

Lars Sköld
Board member

Nina Udnes Tronstad
Board member

Kerstin Lindell
Board member

Malin Persson
Board member

Kim Thomsen
Board member

Patrik Svensson
Board member

Egon Waldemarsson
Board member

Jesper Göransson
CEO and President

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

Quarterly data

Group

MSEK	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015	Apr-Jun 2015
Net sales	12,853	11,151	13,879	11,356	12,571	8,531	12,224	11,708	11,568
Production costs	-11,515	-10,279	-12,552	-10,263	-11,305	-7,828	-11,793	-10,697	-10,458
Gross profit	1,338	872	1,327	1,093	1,266	703	431	1,011	1,110
Sales and administrative expenses	-737	-657	-709	-480	-675	-564	-674	-450	-625
Other operating income	38	118	59	30	37	23	39	21	22
Other operating costs	-2	-13	-4	-3	0	-5	-13	-2	-1
Operating profit	637	320	673	640	628	157	-217	580	506
Financial income	36	20	66	24	40	65	60	24	40
Financial expenses	-50	-29	-71	-37	-59	-76	-67	-60	-66
Net finance	-14	-9	-5	-13	-19	-11	-7	-36	-26
Pre-tax profit	623	311	668	627	609	146	-224	544	480
Tax	-93	-34	-107	-98	-95	-23	88	-95	-83
Profit for the period	530	277	561	529	514	123	-136	449	397
Profit for the period, attributable to:									
Shareholders in parent company	530	277	561	529	514	123	-136	449	397
Non-controlling interests	–	–	0	0	0	0	0	0	0
Profit for the period	530	277	561	529	514	123	-136	449	397
Key ratios									
Earnings per share, SEK	1.80	0.94	1.90	1.79	1.74	0.42	-0.46	1.53	1.35
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)	13,919	13,541	14,402	15,002	13,700	13,406	14,476	14,169	14,666
Equity (closing balance)	9,215	9,599	9,380	8,695	8,021	8,241	8,076	8,217	7,848

Business areas

MSEK	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015	Apr-Jun 2015
Net sales									
Construction	6,988	6,386	6,992	5,510	6,420	5,199	6,978	5,436	6,548
Civil Engineering	2,831	2,388	3,292	2,654	2,765	2,029	2,992	2,676	2,670
Industry	3,420	2,237	3,462	3,449	3,356	1,894	2,948	3,111	2,896
Project Development	2,022	2,203	2,385	1,510	2,368	1,376	2,275	2,359	1,555
– of which Property Development	106	659	148	130	1,031	76	308	1,047	202
– of which Housing Development	1,916	1,544	2,237	1,380	1,337	1,300	1,967	1,312	1,353
Group functions	254	235	242	226	225	204	209	211	214
Eliminations	-2,702	-2,353	-2,578	-2,128	-2,353	-2,010	-2,474	-2,121	-2,432
Operative excluding write-down ¹⁾	12,813	11,096	13,795	11,221	12,781	8,692	12,928	11,672	11,451
Construction – write-down of project Mall of Scandinavia	–	–	–	–	–	–	-800	–	–
Operative ¹⁾	12,813	11,096	13,795	11,221	12,781	8,692	12,128	11,672	11,451
Adjustment for housing reporting ²⁾	40	55	84	135	-210	-161	96	36	117
Legal	12,853	11,151	13,879	11,356	12,571	8,531	12,224	11,708	11,568
Operating profit									
Construction	162	139	147	127	152	116	145	135	175
Civil Engineering	110	39	120	93	105	37	126	96	127
Industry	246	-23	227	336	202	-12	178	296	172
Project Development	162	218	257	93	194	78	193	84	74
– of which Property Development	5	90	20	-37	102	4	25	5	-9
– of which Housing Development	157	128	237	130	92	74	168	79	83
Group functions	-49	-47	-60	-6	-29	-27	-46	-26	-14
Eliminations	0	-10	-50	-21	0	-4	-16	9	-27
Operative excluding write-down ¹⁾	631	316	641	622	624	188	580	594	507
Construction – write-down of project Mall of Scandinavia	–	–	–	–	–	–	-800	–	–
Operative ¹⁾	631	316	641	622	624	188	-220	594	507
Adjustment for housing reporting ²⁾	6	4	32	18	4	-31	3	-14	-1
Legal	637	320	673	640	628	157	-217	580	506
Operating margin, %									
Construction	2.3	2.2	2.1	2.3	2.4	2.2	2.1	2.5	2.7
Civil Engineering	3.9	1.6	3.6	3.5	3.8	1.8	4.2	3.6	4.8
Industry	7.2	-1.0	6.6	9.7	6.0	-0.6	6.0	9.5	5.9
Project Development	8.0	9.9	10.8	6.2	8.2	5.7	8.5	3.6	4.8
– of which Property Development	4.7	13.7	13.5	-28.5	9.9	5.3	8.1	0.5	-4.5
– of which Housing Development	8.2	8.3	10.6	9.4	6.9	5.7	8.5	6.0	6.1
Group functions									
Eliminations									
Operative excluding write-down ¹⁾	4.9	2.8	4.6	5.5	4.9	2.2	4.5	5.1	4.4
Construction – write-down of project Mall of Scandinavia									
Operative ¹⁾	4.9	2.8	4.6	5.5	4.9	2.2	-1.8	5.1	4.4
Adjustment for housing reporting ²⁾									
Legal	5.0	2.9	4.8	5.6	5.0	1.8	-1.8	5.0	4.4
Order situation, MSEK									
Orders received	12,156	11,114	10,367	9,027	10,165	11,886	9,704	9,135	9,414
Order backlog at the end of the period	37,313	35,679	33,572	34,248	33,457	31,550	26,991	28,050	27,162

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 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.

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

The 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 percentage of completion method corresponding 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 sum of orders received during the period.

Return on capital employed

The pre-tax profit of 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

The profit of the rolling 12 month period attributable to shareholders of shares in the parent company divided by the average (last four quarters) equity attributable to shareholders of shares in the parent company. The measurement is used to create efficient business and 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 49 billion

Employees

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.