

Quarterly Report

JANUARY – MARCH 2018



High level of orders received with greater diversity

- Net sales SEK 11,490 million (11,105)
- Operating profit SEK 290 million (320)
- Operating margin 2.5 percent (2.9)
- Pre-tax profit SEK 256 million (311)
- Earnings per share SEK 0.74 (0.94)
- Orders received SEK 12,906 million (12,429)

As of this report orders received includes part of Industry, which had an effect of SEK 1,546 million (1,760)

- Order backlog SEK 43,055 million (38,149)

As of this report order backlog includes part of Industry, which had an effect of SEK 3,563 million (3,459)

- Cash flow before financing SEK -390 million (1,788)
- Net debt SEK 1,709 million (416)
- Equity/assets ratio 33.4 percent (32.6)

Comments from the CEO

With a record high order backlog Peab presents an increase in net sales and stable profit in the first quarter. The level of orders received continues to develop positively and business area Construction has attained a greater proportion of public buildings.

MARKET CONDITIONS

The housing market in Sweden is expected to slow in 2018 while private and public premise construction is expected to rise. The construction market in Norway can be affected by a decline in housing construction while other building construction is expected to rise. The construction market in Finland is affected by the growth in the economy and all segments are expected to have a good growth rate in 2018. Market prospects for the civil engineering market in Sweden and Norway continue to be good.

ORDER SITUATION

The level of orders received in the first quarter 2018 was SEK 12.9 billion (12.4). The orders received are well spread geographically and there is good product diversity. Some examples of larger projects are the renovation and extension of the town hall in Uppsala, a new stretch of E22 in Skåne and the Senior Housing in Alta in Northern Norway. Order backlog amounted to SEK 43.1 billion (38.1).

BUSINESS AREA DEVELOPMENT

The first quarter is traditionally the weakest of the season, primarily in Civil Engineering and Industry. Net sales in business areas Construction and Civil Engineering increased, however, compared to the first quarter 2017 with unchanged profit levels. Business area Industry showed slightly lower net sales and profit, the stringent winter having affected both net sales and operating profit, mainly in Asphalt and Gravel and Rock. Net sales in business area Project Development was unchanged and operating profit was lower. Net sales in Housing Development increased while the operating margin contracted in the first quarter. A broader geographic spread in ongoing housing projects led to a lower operating margin. Property Development continues to develop well and we see improved profit in our joint venture companies. The comparable figures for Property Development included capital gains from the sales of joint venture companies of SEK 75 million while no property divestitures of significance have occurred in the first quarter 2018.

As of this quarterly report we will present completed and ongoing property projects under business area Project Development. In cases where no divestiture is planned properties can remain in the Group for a considerable length of time in order to garner rent and appreciation revenue. During the first quarter Peab made the decision to gather all the offices in the Öresund region into the new Peab Center in Hyllie in Malmö, and invest around SEK 200 million in the new office building, the first of five planned in the project The Gate.

GROUP DEVELOPMENT

Net sales for the period amounted to SEK 11,490 million (11,105), which was an increase of three percent. Operating profit was SEK 290 million (320) which meant an operating margin of 2.5 percent (2.9). Cash flow before financing was SEK -390 million (1,788). Transactions in Arenastaden were included in the comparable figures by around SEK 835 million. Net debt was SEK 1,709 million compared to SEK 1,216 million at the end of the year.



OUTLOOK FOR THE FUTURE

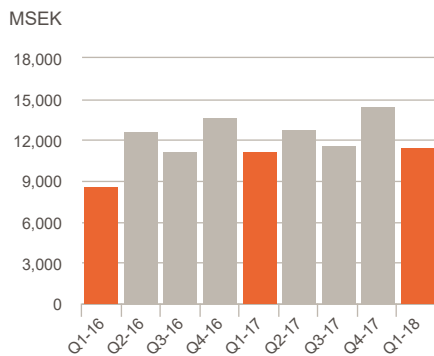
The outlook for Peab is positive with a solid order backlog, a good project mix, a well-dimensioned development rights portfolio and a strong financial position. In some partial markets an excess supply of homes in a higher price range has occurred which, together with tougher financing terms for homes, 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 need for new housing in this range. During the first quarter we experienced a low level of sales in Stockholm while we had a more normal activity in many areas of Sweden, Norway and 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. We have a unique position through our four complementary business areas and all our employees who are 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*

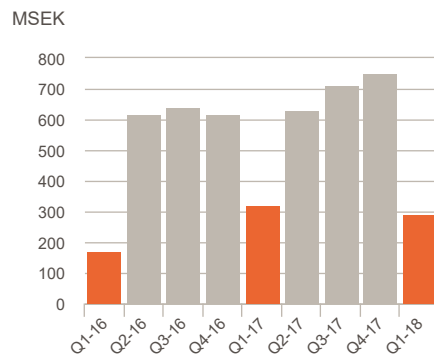
Quarterly report January – March 2018

Net sales ¹⁾



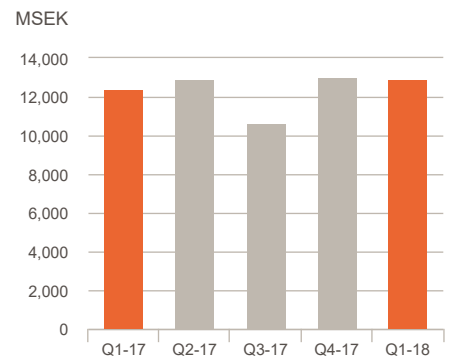
Group net sales for the first quarter 2018 amounted to SEK 11,490 million (11,105), which was an increase of three percent. Even after adjustments for acquired and divested units net sales increased by three percent compared to the same period last year.

Operating profit ¹⁾



Operating profit for the first quarter 2018 amounted to SEK 290 million compared to SEK 320 million for the same period last year.

Orders received ¹⁾



Orders received for the first quarter 2018 amounted to SEK 12,906 million compared to SEK 12,429 million for the same period last year. Order backlog amounted to SEK 43,055 million compared to SEK 40,205 million at the end of last year.

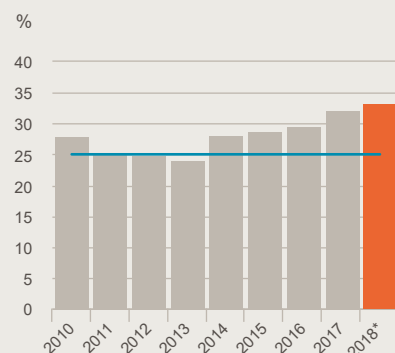
Group ¹⁾

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales	11,490	11,105	50,366	49,981
Operating profit	290	320	2,388	2,418
Operating margin, %	2.5	2.9	4.7	4.8
Pre-tax profit	256	311	2,403	2,458
Profit for the period	218	277	2,008	2,067
Earnings per share, SEK	0.74	0.94	6.81	7.01
Return on equity, %	20.1 ²⁾	20.5 ²⁾	20.1	21.3
Net debt	1,709	416	1,709	1,216
Equity/assets ratio, %	33.4	32.6	33.4	32.2
Cash flow before financing	-390	1,788	117	2,295
Number of employees	14,357	14,100	14,357	14,344

¹⁾ Recalculated taking IFRS 15 into account. ²⁾ Calculated on rolling 12 months.

Financial goals ³⁾

Equity/assets ratio



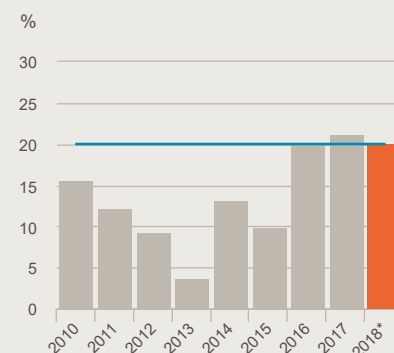
* As of March 31 2018

Goal > 25%

The goal for the equity/assets ratio is at least 25 percent. On 31 March 2018 the equity/assets ratio was 33.4 percent compared to 32.2 percent at the end of last year.

³⁾ Years 2010-2015 have not been recalculated taking IFRS 15 into account.

Return on equity

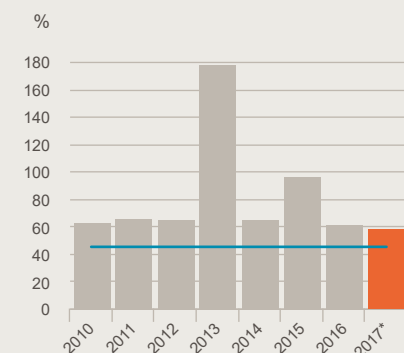


* Rolling 12 months as of March 31 2018

Goal > 20%

The goal for return on equity is a yield of at least 20 percent. The return on equity calculated on a rolling 12 months period was 20.1 percent (20.5). For full year 2017 the return on equity amounted to 21.3 percent.

Dividends



* Board of Directors proposal for 2017 to the AGM

Goal > 50%

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

Net sales and profit

NEW ACCOUNTING PRINCIPLES FOR INCOME

IFRS 15 Revenue from contracts with customers, replaces as of 2018 previous standards related to revenue recognition such as IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 15 Agreements for the construction of real estate. No material effects have been identified. Up until the end of 2017 there were differences between operative and legal accounting in Project Development. This difference was also reflected in the way executive management and the Board followed up the Group as a whole. The operative and segment accounting was based on the percentage of completion. Swedish tenant-owned housing projects will continue to be recognized as previously through "revenue over time" while our own home developments in Sweden will, as of the implementation of IFRS 15, change over to "revenue over time". IFRS 15 will not lead to any changes in reporting regarding housing projects in Finland and Norway compared to the current application since revenue is first recognized when the home is handed over to the buyer. As of implementation of IFRS 15 segment reporting mirrors legal reporting. The differences between operative and legal reporting therefore no longer exist for either business area Project Development or the Group as a whole. For business area Project Development this has entailed recalculating comparable figures in Housing Development. Peab has chosen to apply IFRS 15 retroactively by recalculating the financial reports for 2017. The recalculations have not had any material effect on either business area Project Development or the Group as a whole. All comparable figures for 2017 and 2016 in subsequent reports are recalculated if not otherwise noted. For more information regarding IFRS 15 and comparable figures please see note 1 or www.peab.com/ifrs.

NET SALES AND OPERATING PROFIT

Group net sales for first quarter 2018 amounted to SEK 11,490 million (11,105), which was an increase of three percent. Even after adjustments for acquired and divested units net sales increased by three percent.

Net sales in business area Construction grew by three percent and the increase is related to Finnish operations. In business area Civil Engineering net sales increased by 18 percent generated in Local market and Operations and maintenance. Net sales in business area Industry contracted slightly due to less activity in Asphalt, Gravel and Rock and Transportation and Machines. In business area Project Development net sales were higher in Housing Development but lower in Property Development. In the first quarter last year net sales in Property Development were affected by SEK 577 million from sales in Arenastaden to Fabege.

Of the period's net sales SEK 2,525 million (1,953) were attributable to sales and production outside Sweden.

Operating profit for the first quarter 2018 amounted to SEK 290 million (320) and the operating margin shrunk to 2.5 percent (2.9). The operating margin for the latest rolling 12 month period was unchanged at 4.7 percent compared to 4.8 percent for the entire year 2017.

The operating margin in business area Construction was unchanged at 2.2 percent compared to the corresponding quarter last year. In business area Civil Engineering the operating margin was 1.5 percent (1.6). Operating profit in business area Industry was slightly lower compared to the corresponding quarter last year as both Asphalt and Gravel and Rock were affected negatively by the stringent winter. Operating profit in business area Project Development was slightly lower than the corresponding period last year. The comparable period contained capital gains of SEK 75 million from the sales of Peab's share of joint venture companies to Catena. The sales in Arenastaden during the comparable period had no net effect on operating profit. The operating margin in Housing Development contracted to 7.1 percent (8.5).

Eliminations and reversal of internal profit in our own projects has affected the result net by SEK -3 million (-10). Elimination is reversed in connection with the external divestment of a project.

Depreciation and write-downs for the period were SEK -238 million (-217).

Net financial items amounted to SEK -34 million (-9). Net interest improved to SEK -3 million (-15).

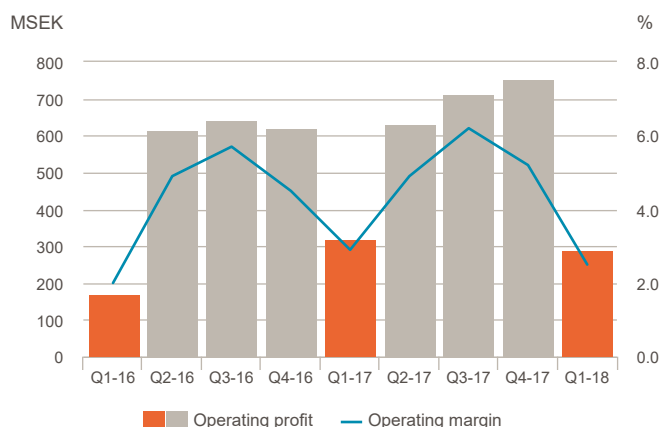
Pre-tax profit was SEK 256 million (311).

Profit for the period was SEK 218 million (277).

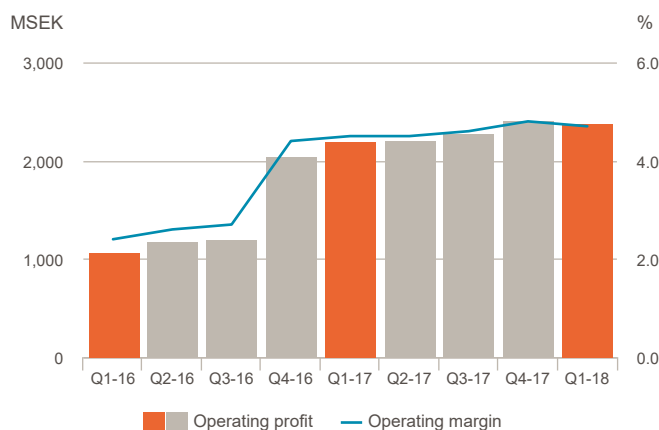
SEASONAL VARIATIONS

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.

Operating profit and operating margin, per quarter



Operating profit and operating margin, rolling 12 months



Financial position and cash flow

FINANCIAL POSITION

The equity/assets ratio on 31 March 2018 was 33.4 percent compared to 32.2 percent at year-end. Interest-bearing net debt amounted to SEK 1,709 million compared to SEK 1,216 million at the end of 2017. The average interest rate in the loan portfolio, including derivatives, was 2.3 percent (3.1) on 31 March 2018.

Group liquid funds, including unutilized credit facilities, were SEK 4,489 million at the end of the period compared to SEK 5,145 million on 31 December 2017.

At the end of the period Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 10,630 million compared to SEK 10,468 million on 31 December 2017. SEK 7,935 million (7,750) of contingent liabilities was surety given for credit lines for tenant-owned apartments under production.

PROJECT AND DEVELOPMENT PROPERTIES

In connection with implementation of IFRS 15 the previous balance item Work-in-progress has been included in the balance item Project and development properties. Recalculation of the financial reports for 2017 is presented on Peab's website www.peab.com/ifrs. As of 1 January 2017 the recalculated reported amount was SEK 1,203 million.

INVESTMENTS AND DIVESTMENTS

During the period SEK 435 million (305) was net invested in tangible and intangible fixed assets and development property.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 97 million (net divestment with SEK 385 million) during the period.

CASH FLOW

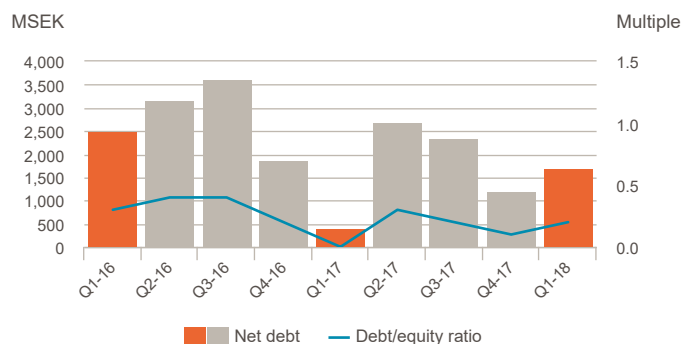
Cash flow from current operations was SEK -246 million (1,571), of which cash flow from changes in working capital was SEK -350 million (1,281). More tied up working capital in Project Development operations had a negative effect on cash flow in the quarter. The corresponding quarter last year included divestments of properties in Arenastaden to Fabege as well as positive effects from a reduction in accounts receivable.

Cash flow from investment activities was SEK -144 million (217). The corresponding quarter last year included divestments of financial fixed assets to Fabege.

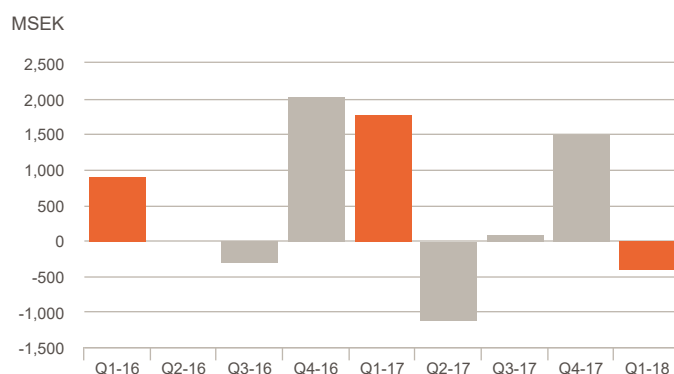
Cash flow before financing amounted to SEK -390 million compared to SEK 1,788 million for the same period last year. The corresponding period last year included transactions in Arenastaden with Fabege for around SEK 835 million.

Cash flow from financing operations, which in the first quarter refers to changes in loans, amounted to SEK 62 million (-1,117).

Net debt and debt/equity ratio



Cash flow before financing



Order situation

Implementation of IFRS 15 Revenue from contracts with customers entails new disclosure demands which will be presented in the Annual Report 2018. One of the disclosure demands refers to remaining performance obligations, more often called order backlog. In quarterly reports Peab has previously chosen to present information on orders received and order backlog in business areas Construction, Civil Engineering and Project Development. As of 2018 Industry will also present orders received and order backlog for product areas Asphalt, Construction System and part of Rentals. In the other product areas in Industry contracts are usually short and therefore orders received and order backlog are not presented for them. Comparable figures regarding orders received and order backlog have been recalculated for 2017.

Orders received for the first quarter 2018 amounted to SEK 12,906 million compared to SEK 12,429 million for the same period last year. The level of orders received has risen in business area Construction and Project Development but contracted in Industry. The level of orders received in business area Civil Engineering was relatively unchanged. The orders received in the first quarter 2018 are well spread geographically and there is good product diversity.

Order backlog yet to be produced at the end of the period increased to SEK 43,055 million compared to SEK 38,149 million at the end of the same period last year. Of the total order backlog, 42 percent (40) is expected to be produced after 2018 (2017). Swedish operations accounted for 84 percent (83) of the order backlog.

Orders received

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Construction	8,144	7,865	29,559	29,280
Civil Engineering	3,859	3,800	14,250	14,191
Industry	1,546	1,760	4,938	5,152
Project Development	2,061	1,375	9,182	8,496
Eliminations	-2,704	-2,371	-8,453	-8,120
Group	12,906	12,429	49,476	48,999

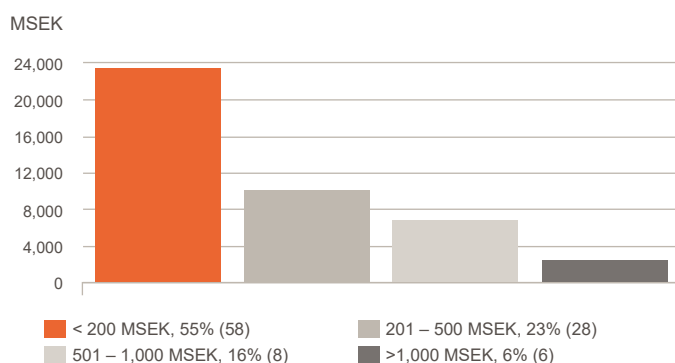
Order backlog

MSEK	31 Mar 2018	31 Mar 2017	31 Dec 2017
Construction	28,428	25,716	26,805
Civil Engineering	11,889	10,052	10,832
Industry	3,563	3,459	2,533
Project Development	8,275	6,705	8,198
Eliminations	-9,100	-7,783	-8,163
Group	43,055	38,149	40,205

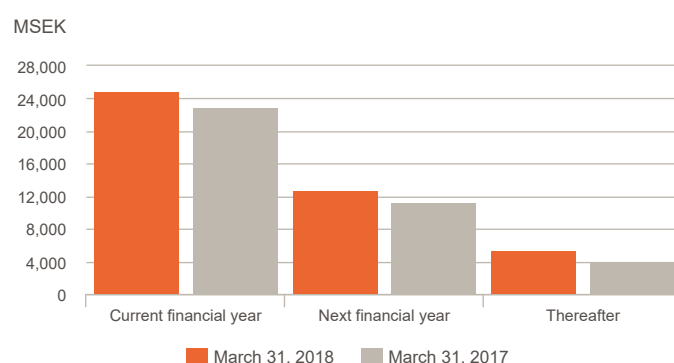
We received several major contracts and agreements during the first quarter, including:

- Construction of 135 apartments in Esbo. The customer is the Kojamo Group Lumo-Kodit Oy, Finland's largest private landlord. The contract is worth around EUR 14 million.
- Construction of an elementary school in Karleby, Finland. The customer is Karleby Municipality and the contract is worth EUR 11 million.
- Construction of a new stretch of E22 between Sätaröd and Vå in the middle of Skåne. The customer is The Swedish Transport Administration and the contract is worth SEK 629 million.
- Peab is developing and building new offices in Malmö and will invest around SEK 200 million in the first stage of a total of five buildings planned for in the project The Gate. Peab's own contract work stands for SEK 122 million in the first stage and is included in orders received for business area Construction. The order has been eliminated on Group level.
- Construction of Björknäs Retirement Home in Boden. The customer is Hemsö Norrbottenfastigheter KB and the contract is worth SEK 198 million.
- Construction of the second stage of Vuorestalo School in Tammerfors. The customer is Tammerfors Municipality and the contract is worth EUR 13 million.
- Construction of a new baggage garage, security control and hotel at Landvetter Airport in Gothenburg. The customer is Swedavia AB and the contract is worth SEK 454 million.
- Renovation and extension of a juvenile detention facility in Hässleholm. The customer is Specialfastigheter Sverige AB and the contract is worth SEK 193 million.
- Renovation of 470 apartments at Munkhöjden in Helsinki. The customer is Asunto Oy Ulvilantie 29 and the contract is worth EUR 16 million.
- Renewed responsibility for the operation and maintenance of federal roads in the operational area Dalsland. The customer is The Swedish Transport Administration and the contract is worth SEK 193 million.
- Construction of Alta Senior Housing in Northern Norway. The customer is Alta Municipality and the contract is worth NOK 591 million.
- Renovation and extension of the town hall in Uppsala. The customer is Uppsala Municipality, Förvaltningsfastigheter AB and the contract is worth SEK 840 million.

Project allocation of order backlog, 31 March 2018



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

Business area Construction reports net sales and profit/loss referring to the contract construction in our own housing projects, in rental projects and other property projects to business area Project Development over time. Business area Project Development reports net sales for both contract construction and the developer part of our own housing projects. The reported profit/loss consists of the profit/loss in the developer part recognized over time.

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			
	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Construction	6,563	6,386	26,903	26,726	143	139	606	602	2.2%	2.2%	2.3%	2.3%
Civil Engineering	2,816	2,388	12,253	11,825	42	39	377	374	1.5%	1.6%	3.1%	3.2%
Industry	2,178	2,237	12,702	12,761	-38	-23	852	867	-1.7%	-1.0%	6.7%	6.8%
Project Development	2,287	2,212	8,418	8,343	201	222	783	804	8.8%	10.0%	9.3%	9.6%
– of which Property Development	156	659	510	1,013	50	90	58	98	32.1%	13.7%	11.4%	9.7%
– of which Housing Development	2,131	1,553	7,908	7,330	151	132	725	706	7.1%	8.5%	9.2%	9.6%
Group functions	259	235	1,017	993	-55	-47	-236	-228				
Eliminations	-2,613	-2,353	-10,927	-10,667	-3	-10	6	-1				
Group	11,490	11,105	50,366	49,981	290	320	2,388	2,418	2.5%	2.9%	4.7%	4.8%

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

Net sales for the first quarter 2018 increased by three percent and amounted to SEK 6,563 million (6,386).

Operating profit for the period amounted to SEK 143 million (139) and the operating margin was unchanged at 2.2 percent. The operating margin for the latest 12 month rolling period was unchanged with 2.3 percent compared to the entire year of 2017.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received increased by four percent during the period and amounted to SEK 8,144 million (7,865). Orders received are well diversified in both products and location. During the first quarter we have obtained a greater proportion of public buildings.

Order backlog 31 March 2018 increased to SEK 28,428 million compared to SEK 25,716 million at the end of March 2017.

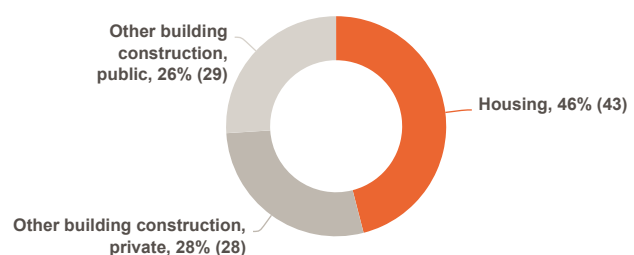


Key ratios

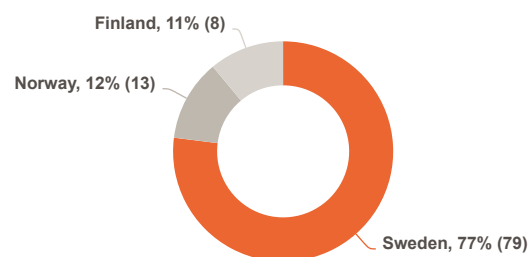
	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales, MSEK	6,563	6,386	26,903	26,726
Operating profit, MSEK	143	139	606	602
Operating margin, %	2.2	2.2	2.3	2.3
Orders received, MSEK	8,144	7,865	29,559	29,280
Order backlog, MSEK	28,428	25,716	28,428	26,805
Number of employees at the end of the period	6,636	6,612	6,636	6,685

Net sales

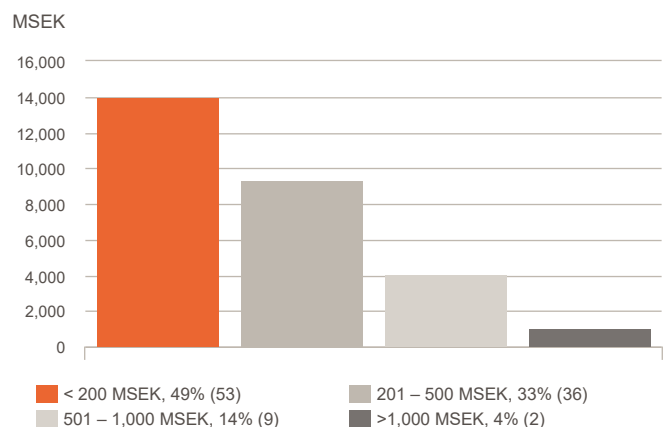
per product area, rolling 12 months



per geographic market, rolling 12 months



Project allocation of order backlog, 31 March 2018



Business area Civil Engineering

Business area Civil Engineering is a leading supplier in Sweden with operations in Norway and Finland as well. The business area works with landscaping and pipelines, builds and maintains roads, railroads, bridges and other infrastructure as well as foundation work. Civil Engineering operations are organized in geographic regions and the specialized product areas: Local market, Infrastructure and Operation and maintenance.

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.

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

The first quarter is seasonally the weakest quarter in Civil Engineering. A strong influx of orders received in 2017 contributed to an increase in net sales by 18 percent during the first quarter 2018, amounting to SEK 2,816 million (2,388). After adjustments for acquired units net sales increased by 15 percent. The increase during the first quarter stems from product areas Local market and Operations and maintenance.

Operating profit for the first quarter 2018 amounted to SEK 42 million (39) and the operating margin shrunk to 1.5 percent (1.6). Higher costs due to the winter weather had a negative effect in the first quarter. The operating margin for the latest 12 month rolling period was 3.1 percent compared to 3.2 percent for the entire year of 2017.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received increased by two percent during the first quarter 2018 and amounted to SEK 3,859 million (3,800).

Order backlog on 31 March 2018 amounted to SEK 11,889 million (10,052).

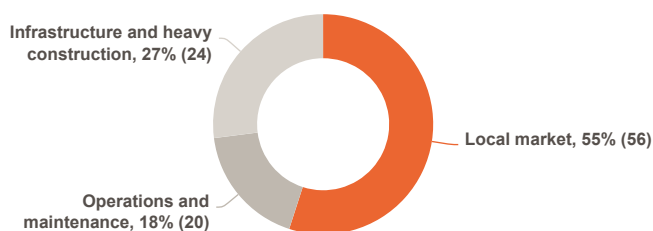


Key ratios

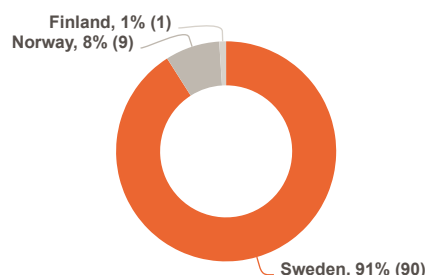
	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales, MSEK	2,816	2,388	12,253	11,825
Operating profit, MSEK	42	39	377	374
Operating margin, %	1.5	1.6	3.1	3.2
Orders received, MSEK	3,859	3,800	14,250	14,191
Order backlog, MSEK	11,889	10,052	11,889	10,832
Number of employees at the end of the period	3,429	3,229	3,429	3,344

Net sales

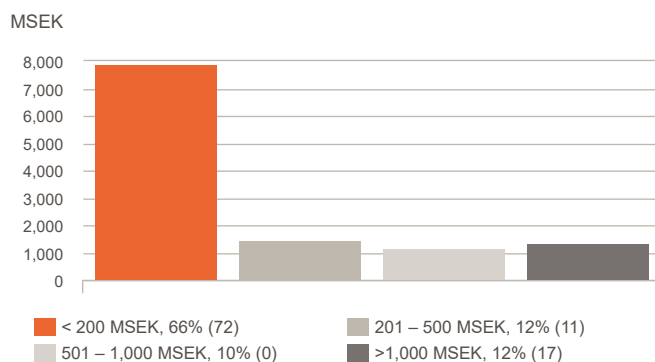
per product area, rolling 12 months



per geographic market, rolling 12 months



Project allocation of order backlog, 31 March 2018



Business area Industry

Business area Industry is a complete supplier of all the products and services needed to carry out a sustainable and cost-effective construction and civil engineering project. Industry offers everything from gravel, sand, concrete, asphalt and temporary electricity to prefabricated concrete elements. Business area Industry also rents out cranes, machines and transportation as well as handles production waste.

Business area Industry is run in six product areas: Asphalt, Concrete, Gravel and Rock, Transportation and Machines, Rentals and Construction System. All the segments operate on the Nordic construction and civil engineering market.

NET SALES AND PROFIT

The first quarter is seasonally the weakest in Industry due to the winter weather. Net sales for the first quarter 2018 contracted by three percent and amounted to SEK 2,178 million (2,237). Adjusted for acquisitions net sales fell by four percent. The reduction during the quarter is primarily due to product areas Asphalt, Gravel and Rock and Transportation and Machines.

Operating profit for the first quarter 2018 dropped to SEK -38 million (-23). The lower operating profit stems mainly from Asphalt and Gravel and Rock, which as a result of seasonal variations suffered a loss in the first quarter. Result in both Asphalt and Gravel and Rock was lower compared to last year due to a more stringent winter this year. In Rentals profit improved compared to the corresponding period last year. The operating margin for the business area contracted to -1.7 percent (-1.0). The operating margin for the latest rolling 12 month period was 6.7 percent compared to 6.8 percent for the entire year 2017.

Capital employed in Industry was at the end of the period SEK 5,674 million compared to SEK 5,068 million at the end of the corresponding period last year. The increase is primarily attributable to investments in machines.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received during the first quarter 2018 decreased by 12 percent and amounted to SEK 1,546 million (1,760). Order backlog on 31 March 2018 amounted to SEK 3,563 million (3,459).



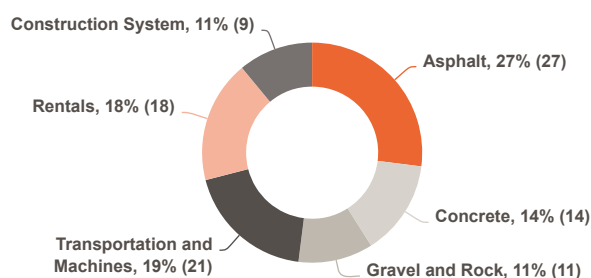
Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales, MSEK	2,178	2,237	12,702	12,761
Operating profit, MSEK	-38	-23	852	867
Operating margin, %	-1.7	-1.0	6.7	6.8
Orders received, MSEK	1,546	1,760	4,938	5,152
Order backlog, MSEK	3,563	3,459	3,563	2,533
Capital employed at the end of the period, MSEK	5,674	5,068	5,674	5,781
Number of employees at the end of the period	3,417	3,416	3,417	3,452
Concrete, thousands of m ³ ¹⁾	197	258	1,160	1,221
Asphalt, thousands of tons ¹⁾	11	29	2,601	2,619
Gravel and Rock, thousands of tons ¹⁾	2,407	2,637	14,569	14,799

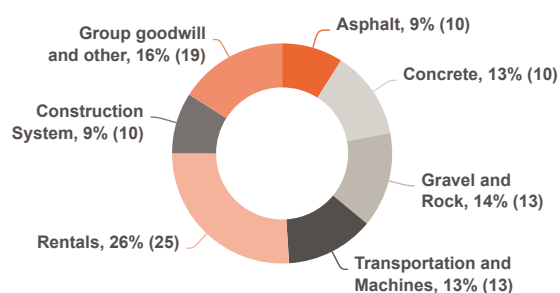
¹⁾ Refers to sold volume

Net sales

per product area, rolling 12 months



Capital employed, 31 March 2018



Business area Project Development

Business area Project Development, which contains Housing Development and Property Development, creates sustainable and vibrant urban environments with residential and commercial property. The business area is responsible for the Group's acquisition, management and divestment of property as well as project developments that generate contract work for the other business areas. Project development takes place in wholly owned companies or in cooperation with other partners via joint ventures.

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. In cases where no divestment is planned property may remain in the Group for a long period of time in order to generate rental and appreciation revenues or a combination of both.

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

Net sales for the first quarter 2018 in business area Project Development amounted to SEK 2,287 million (2,212). Operating profit was SEK 201 million (222).

Capital employed in Project Development at the end of the period amounted to SEK 10,867 million (8,731).



Capital employed

MSEK	31 Mar 2018	31 Mar 2017	31 Dec 2017
Operations property	1,050	933	1,036
Investment property	988	703	871
Project and development property	7,708	6,285	7,612
<i>of which housing development rights</i>	5,266	4,241	5,116
<i>of which commercial development rights</i>	604	504	627
<i>of which on going housing projects</i>	1,035	813	1,173
<i>of which on going commercial projects</i>	497	249	383
<i>of which completed projects</i>	132	321	170
<i>of which other</i>	174	157	143
Participation in joint ventures	913	697	912
Loans to joint ventures	1,387	1,483	1,383
Working capital and other	-1,179	-1,370	-1,828
Total	10,867	8,731	9,986

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales, MSEK	2,287	2,212	8,418	8,343
<i>of which Property Development</i>	156	659	510	1,013
<i>of which Housing Development</i>	2,131	1,553	7,908	7,330
Operating profit, MSEK	201	222	783	804
<i>of which Property Development</i>	50	90	58	98
<i>of which Housing Development</i>	151	132	725	706
Operating margin, %	8.8	10.0	9.3	9.6
<i>of which Property Development</i>	32.1	13.7	11.4	9.7
<i>of which Housing Development</i>	7.1	8.5	9.2	9.6
Capital employed at the end of the period, MSEK	10,867	8,731	10,867	9,986
Orders received, MSEK	2,061	1,375	9,182	8,496
Order backlog, MSEK	8,275	6,705	8,275	8,198
Number of employees at the end of the period	367	349	367	361

HOUSING DEVELOPMENT

Net sales in Housing Development increased to SEK 2,131 million (1,553). Operating profit increased to SEK 151 million (132) but the operating margin contracted to 7.1 percent (8.5). A broader geographic spread in ongoing housing projects has affected the operating margin. In the latest rolling 12 month period the operating margin amounted to 9.2 percent compared to 9.6 percent for the entire year of 2017.

The number of start-ups of our own developed homes during the first quarter was 557 units (549) with a good geographic spread in both Sweden, Norway and Finland. The number of sold homes was 372 (515). 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 mid-priced segment and we see that there is still a big need for new housing in this range. During the first quarter we experienced a low level of sales in Stockholm while we had a more normal activity in many areas of Sweden, Norway and Finland. The number of own developed homes in production at the end of the period was 6,265 (4,486). The level of sold homes in production was 68 percent (69). The number of repurchased homes per 31 March 2018 was 50 (44).

Development rights for housing

Number, approx.	31 Mar 2018	31 Mar 2017	31 Dec 2017
Development rights on our own balance sheet	20,300	17,000	20,700
Development rights via joint ventures	5,400	4,200	4,800
Development rights via options etc.	7,700	7,600	7,100
Total	33,400	28,800	32,600

Own housing development construction

	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Number of housing starts during the period	557	549	3,056	3,048
Number of sold homes during the period	372	515	2,591	2,734
Total number of homes under construction, at the end of the period	6,265	4,486	6,265	6,333
Share of sold homes under construction, at the end of the period	68%	69%	68%	72%
Number of repurchased homes in the balance sheet, at the end of the period	50	44	50	33



HUVUDSTA STRAND
Solna

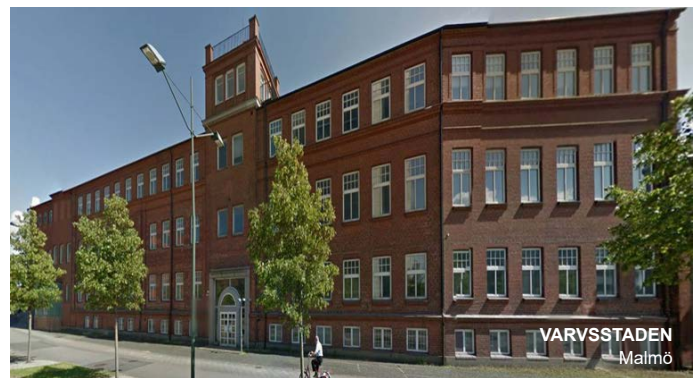
PROPERTY DEVELOPMENT

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.

During the first quarter 2018 net sales in Property Development were SEK 156 million (659) and operating profit was SEK 50 million (90). The first quarter last year included divestitures of assets in Arenastaden to Fabège, which affected net sales by SEK 577 million but had no effect on operating profit. The first quarter last year also included a capital gains effect of SEK 75 million attributable to the divestiture of joint venture companies to Catena.

Our partially owned companies continue to develop well and profit in the first quarter from partially owned companies amounted to SEK 35 million (28).

In cases where no divestiture is planned properties can remain in the Group for a considerable length of time in order to garner rent and appreciation revenue or a combination of both. Included in the capital employed in Property Development are operations property for a reported value of SEK 1,050 million and investment property at SEK 988 million. During the first quarter Peab made the decision to gather all the offices in the Öresund region into the new Peab Center in Hyllie in Malmö, and invest around SEK 200 million in the new office building, the first of five planned in the project The Gate. All major development projects are presented in the table below.



PROPERTY PROJECTS

Completed projects	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK
Hotel	Västerås	14,500	100	515
Business park	Ängelholm	60,800	90	242
Business park	Ljungbyhed	76,100	61	73
Offices	Helsinki, Finland	9,300	100	281
Offices	Sigtuna	3,600	78	67
Apartments for rent	Sigtuna	3,300	100	97
Other completed projects				346
Total				1,621
<i>of which operations property</i>				876
<i>of which investment property</i>				745

Ongoing projects	Location	Rentable area in m ²	Degree rented, %	Recognized value, MSEK	Total investment at completion, MSEK	Timepoint of completion	Level of completion, %
Offices	Solna	12,400	100	148	453	Q4-2019	33
Offices	Malmö	4,900	69	26	185	Q1-2020	14
Offices	Helsingborg	4,500	100	35	117	Q1-2020	30
Offices and parking	Helsinki, Finland	7,600	27	117	342	Q1-2019	27
Other ongoing projects				91			
Total				417			
<i>of which operations property</i>				174			
<i>of which investment property</i>				243			

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.

Significant joint ventures

FASTIGHETS AB CENTUR

Own, manage and develop commercial property and housing.

Peab's share: 50 percent

Partner: Balder

Location: Stockholm, Gothenburg and the Öresund region

Recognized value on properties 31 March 2018 ¹⁾:

SEK 5,085 million (4,809)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 328 million (275)

Major ongoing projects: Hotel Stay-at Varvsstaden, Malmö
Rentable area 3,900 m², Lyckholms, Gothenburg Rentable area 6,400 m²

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

Location: Lund

Recognized value on properties 31 March 2018: SEK 1,848 million (1,865)

TORNET BOSTADSPRODUKTION AB

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

Peab's share: 31 percent

Partner: Riksbyggen, Folksam and Balder

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

Recognized value on properties 31 March 2018 ¹⁾: SEK 2,959 million (2,363)

Peab's portion of unrecognized fair value exclusive tax ¹⁾: SEK 167 million (131)

Major ongoing projects: Munkebäck, Gothenburg Rentable area 14,800 m², Kungsängen, Upplandsbro Rentable area 7,900 m² and several apartment building projects in Västerås, Helsingborg, Malmö and Örebro.

POINT HYLLIE HOLDING AB

Develop, own and manage the office property The Point as well as own and manage the hotel property Vårdshuset 5 (Operator Quality Hotel View)

Peab's share: 50 percent

Partner: Volito

Location: Hyllie, Malmö

Recognized value of properties 31 March 2018: SEK 843 million (706)

Major ongoing projects: 29 floor office building, The Point, Rentable area 20,000 m²

¹⁾ Valued at fair value in joint venture companies. The market prices on properties that affect the recognized values in joint venture companies are not recognized in Peab's profit

The construction market

SWEDEN

Building construction investments continued to grow in 2017, but the rate slowed and the result was only a marginal increase. Mainly growth in new production of single homes and apartment buildings leveled out but even investments in apartment building renovations developed poorly. Although growth in the economy could affect the housing market positively, due to the higher demands on amortization and reports about over production and difficulties in renting out apartments in newly built housing, initiated housing investments are expected to shrink. After a strong start last year, construction of premises slowed and all in all investments rose along the same level as housing construction. Public investments developed horizontally while private investments rose due to a lift in industrial construction. In 2018 and 2019 building construction is expected to contract slightly as the housing market settles down. Civil engineering investments were unchanged in 2017 compared to the previous year, but it looks like they could grow at a relatively good rate during 2018 and 2019.

NORWAY

The Norwegian construction market developed positively in 2017. The increase had a broad base with both housing and premise construction contributing. Nonetheless, as a result of settling price developments, housing construction is expected to contract in 2018. However, other building construction investments with private premises in the lead are expected to rise in 2018, driven by good development of private consumption and employment growth. All in all few changes are expected in total construction investments in 2018 and 2019. Civil engineering investments showed strong growth in 2017 and it looks like this good development will continue in 2018 and 2019, stimulated by the growing economy and political programs.

FINLAND

Growth in Finland's economy is the highest it has been for years and confidence is strong in both households and business. After a dramatic increase in building construction investments in 2016 there was a slight turnaround in 2017. A decrease in premise construction was behind this decline which was, however, softened by a continued increase in housing investments. All in all, building construction volumes are expected to grow at a relatively good rate in both 2018 and 2019. This positive development will most likely touch all the sectors. Civil engineering investments rose marginally in 2017 and the forecast indicates an increase in 2018 followed by leveling out in 2019.

Housing

	2018	2019	2020
Sweden	↘	↘	↘
Norway	↘	→	↗
Finland	↗	↗	→

Forecast for started-up housing investments, new and renovations

Source: Industrifakta

Other building construction

	2018	2019	2020
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

	2018	2019	2020
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



BREVERUDTUNET
Alta, Norway

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.

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 2017 Annual Report.

HOLDINGS OF OWN SHARES

At the beginning of 2018 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 quarter 2018.

THE PEAB SHARE

Peab's B share is listed on the Nasdaq Stockholm, Large Cap list. As of 4 May 2018, the price of the Peab share was SEK 73.70, an increase of four percent during 2018. During the same period, the Swedish stock market increased by 1.5 percent according to the general index in the business magazine "Affärsvärlden". During 2018 the Peab share has been quoted at a maximum of SEK 82.30 and a minimum of SEK 62.60.



Report on the Group income statement

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales	11,490	11,105	50,366	49,981
Production costs	-10,482	-10,234	-45,477	-45,229
Gross profit	1,008	871	4,889	4,752
Sales and administrative expenses	-737	-656	-2,695	-2,614
Other operating income	25	118	212	305
Other operating costs	-6	-13	-18	-25
Operating profit	290	320	2,388	2,418
Financial income	27	20	198	191
Financial expenses	-61	-29	-183	-151
Net financial items	-34	-9	15	40
Pre-tax profit	256	311	2,403	2,458
Tax	-38	-34	-395	-391
Profit for the period	218	277	2,008	2,067
Profit for the period, attributable to:				
Shareholders in parent company	218	277	2,008	2,067
Non-controlling interests	0	–	0	0
Profit for the period	218	277	2,008	2,067
Key ratios				
Earnings per share before and after dilution, SEK	0.74	0.94	6.81	7.01
Average number of outstanding shares, million	295.0	295.0	295.0	295.0
Return on capital employed, %	18.1 ¹⁾	16.6 ¹⁾	18.1	18.7
Return on equity, %	20.1 ¹⁾	20.5 ¹⁾	20.1	21.3

1) Calculated on rolling 12 months

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

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Profit for the period	218	277	2,008	2,067
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Translation differences from translation of foreign operations for the period	130	-19	96	-53
Translation differences transferred to profit for the period	–	-2	0	-2
Changes for the period in fair value of available-for-sale financial assets	–	-47	-8	-55
Changes in fair value of cash flow hedges for the period	8	15	105	112
Shares in joint ventures' other comprehensive income	1	0	1	0
Tax referring to items that can be reclassified or have been reclassified to income for the period	6	-5	-5	-16
Other comprehensive income for the period	145	-58	189	-14
Total comprehensive income for the period	363	219	2,197	2,053
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	363	219	2,197	2,053
Non-controlling interests	0	–	0	0
Total comprehensive income for the period	363	219	2,197	2,053

Report on financial position for the Group in summary

MSEK	31 Mar 2018	31 Mar 2017	31 Dec 2017
Assets			
Intangible assets	2,205	2,038	2,167
Tangible assets	5,549	4,912	5,508
Investment property	988	704	871
Interest-bearing long-term receivables	1,382	1,724	1,520
Other financial fixed assets	1,187	1,412	1,147
Deferred tax recoverables	10	63	13
Total fixed assets	11,321	10,853	11,226
Project and development properties	7,708	6,285	7,612
Inventories	461	390	399
Interest-bearing current receivables	563	77	411
Other current receivables	11,666	9,948	11,882
Liquid funds	289	1,725	595
Total current assets	20,687	18,425	20,899
Total assets	32,008	29,278	32,125
Equity and liabilities			
Equity	10,688	9,559	10,332
Liabilities			
Interest-bearing long-term liabilities	2,358	2,570	2,573
Deferred tax liabilities	142	327	201
Other long-term liabilities	849	755	840
Total long-term liabilities	3,349	3,652	3,614
Interest-bearing current liabilities	1,585	1,372	1,169
Other current liabilities	16,386	14,695	17,010
Total current liabilities	17,971	16,067	18,179
Total liabilities	21,320	19,719	21,793
Total equity and liabilities	32,008	29,278	32,125
Key ratios			
Capital employed	14,631	13,501	14,074
Equity/assets ratio, %	33.4	32.6	32.2
Net debt	1,709	416	1,216
Equity per share, SEK	36.23	32.41	35.02
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	31 Mar 2018	31 Mar 2017	31 Dec 2017
Equity attributable to shareholders in parent company			
Opening equity on 1 January	10,331	9,380	9,380
Adjustment for retroactive application of IFRS 9 per 1 January 2018	-7	–	–
Adjustment for retroactive application of IFRS 15 per 1 January 2017	–	-40	-40
Adjusted equity on 1 January	10,324	9,340	9,340
Profit for the period	218	277	2,067
Other comprehensive income for the period	145	-58	-14
Total comprehensive income for the period	363	219	2,053
Cash dividends	–	–	-1,062
Acquisition of non-controlling interests, previous controlling interests	–	–	0
Closing equity	10,687	9,559	10,331
Non-controlling interests			
Opening equity on 1 January	1	0	0
Total comprehensive income for the period	0	–	0
Acquisition of partially owned subsidiaries, non-controlling interests already	–	–	1
Closing equity	1	0	1
Total closing equity	10,688	9,559	10,332

Report on Group cash flow in summary

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Cash flow from current operations before changes in working capital	104	290	2,610	2,796
Increase (-) / Decrease (+) of project and development properties	-79	379	-1,145	-687
Increase (-) / Decrease (+) of inventories	-59	-27	-60	-28
Increase (-) / Decrease (+) of current receivables/current liabilities	-212	929	-383	758
Cash flow from changes in working capital	-350	1,281	-1,588	43
Cash flow from current operations	-246	1,571	1,022	2,839
Acquisition of subsidiaries / businesses, net effect on liquid funds	-15	-8	-167	-160
Disposal of subsidiaries / businesses, net effect on liquid funds	–	–	4	4
Acquisition of fixed assets	-235	-296	-1,904	-1,965
Sales of fixed assets	106	521	1,162	1,577
Cash flow from investment operations	-144	217	-905	-544
Cash flow before financing	-390	1,788	117	2,295
Increase (+) / Decrease (-) of interest-bearing liabilities	62	-1,117	-509	-1,688
Dividend distributed to shareholders in parent company	–	–	-1,062	-1,062
Cash flow from financing operations	62	-1,117	-1,571	-2,750
Cash flow for the period	-328	671	-1,454	-455
Cash at the beginning of the period	595	1,062	1,725	1,062
Exchange rate differences in cash	22	-8	18	-12
Cash at the end of the period	289	1,725	289	595

Parent company

The parent company Peab AB's net sales for the first quarter 2018 amounted to SEK 75 million (58) and mainly consisted of internal Group services. Profit for the period amounted to SEK -49 million (-58).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 12,116 million (11,805). In the comparable period holdings of shares in Lemminkäinen Oyj worth SEK 432 million was included. The assets have been financed from equity of SEK 7,355 million (6,418) and long-term liabilities amounting to SEK 3,696 million (5,430).

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	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Net sales	75	58	279	262
Administrative expenses	-109	-98	-423	-412
Operating profit	-34	-40	-144	-150
Result from financial investments				
Profit from participation in Group companies	—	—	0	0
Other financial items	-29	-33	54	50
Result after financial items	-63	-73	-90	-100
Appropriations	—	—	2,626	2,626
Pre-tax profit	-63	-73	2,536	2,526
Tax	14	15	-510	-509
Profit for the period	-49	-58	2,026	2,017

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

MSEK	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/2018	Jan-Dec 2017
Profit for the period	-49	-58	2,026	2,017
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	—	-48	-27	-75
Total comprehensive income for the period	-49	-106	1,999	1,942

Report on financial position for the parent company in summary

MSEK	31 Mar 2018	31 Mar 2017	31 Dec 2017
Assets			
Fixed assets			
Intangible fixed assets	43	–	38
Tangible fixed assets	1	1	1
Financial fixed assets			
Participation in Group companies	12,116	11,805	12,116
Other securities held as fixed assets	0	432	0
Deferred tax recoverables	110	98	110
Total financial fixed assets	12,226	12,335	12,226
Total fixed assets	12,270	12,336	12,265
Current assets			
Current receivables			
Accounts receivable	4	1	1
Receivables from Group companies	68	70	3,472
Current tax assets	92	25	–
Other receivables	61	44	4
Prepaid expenses and accrued income	14	12	15
Total current receivables	239	152	3,492
Liquid funds	0	0	0
Total current assets	239	152	3,492
Total assets	12,509	12,488	15,757
Equity and liabilities			
Equity			
Restricted equity	1,904	1,884	1,901
Non-restricted equity	5,451	4,534	5,503
Total equity	7,355	6,418	7,404
Untaxed reserves	1,315	522	1,315
Provisions			
Other provisions	33	29	32
Total provisions	33	29	32
Long-term liabilities			
Liabilities to Group companies	3,696	5,430	6,326
Total long-term liabilities	3,696	5,430	6,326
Current liabilities			
Accounts payable	22	19	25
Liabilities to Group companies	14	6	347
Current tax liabilities	–	–	225
Other liabilities	8	5	7
Accrued expenses and deferred income	66	59	76
Total current liabilities	110	89	680
Total liabilities	3,806	5,519	7,006
Total equity and liabilities	12,509	12,488	15,757

Note 1 – Accounting principles

The quarterly report has been prepared according to the IFRS standards that have been adopted by EU as well as the interpretations of the valid standards adopted by EU, IFRICs. This report for the Group has been prepared according to IAS 34, Interim financial reporting as well as applicable regulations in the Annual Accounts Act. The parent company quarterly report has been prepared according to chapter 9 in the Annual Accounts Act, Quarterly reports and RFR 2, Accounting rules for legal entities. The quarterly report has been prepared for the Group and parent company according to the same accounting principles and conditions applied in the latest Annual Report, except for the amended accounting principles described below.

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.

In 2018 the Group began to apply IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers. The effects of the changeover to IFRS 9 and IFRS 15 are described below.

EFFECT OF THE CHANGEOVER TO IFRS 9 AND IFRS 15

Peab applies IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers as of 1 January 2018. Changes in the accounting principles subsequent to the implementation of IFRS 9 have been applied retroactively and the total effect has been recognized in equity per 1 January 2018. The Group has applied the exemption of not recalculating comparable information for previous periods.

Peab has chosen to apply IFRS 15 retroactively by recalculating the financial reports for 2017.

The effect on Group equity at the changeover to IFRS 9 and IFRS 15 is presented in the table below.

In the Annual Report 2017 Peab communicated that all housing in Norway would be recognized over time. This assessment was made before IFRS IC presented its interpretation in Agenda Paper 2C. Norway and IFRS IC have been holding discussions for a long time which is why there has been a great deal of uncertainty concerning whether or not the criteria for revenue over time (IFRS 15.35c) were considered met. As a consequence of IFRIC update March 2018 income will be recognized, as previously, at one point in time, and therefore the effects presented in the Annual Report 2017 concerning Norway will not occur.

As a result of the changed interpretation of IFRS 15 the effect of the changeover to IFRS 15 as well as the recalculated income statements and balance sheets presented in the Annual Report 2017 have been changed. New recalculated income statements and balance sheets for 2017 can be found on Peab's website, www.peab.com/ifrs. Recalculated figures per quarter and segment are also presented there. The recalculations have not had any material effect on either business area Project Development or the Group as a whole.

MSEK	Equity
Closing balance 31 December 2016 before changeover to IFRS 15 and IFRS 9	9,380
Adjustments at changeover to IFRS 15	-40
Adjusted opening balance 1 January 2017	9,340
Closing balance 31 December 2017 before changeover to IFRS 15 and IFRS 9	10,362
Adjustments at changeover to IFRS 15	-30
Adjusted closing balance 31 December 2017 before changeover to IFRS 9	10,332
Adjustments at changeover to IFRS 9	-7
Adjusted opening balance 1 January 2018	10,325

Effects of the recalculation of the income statement for 2017 at the changeover to IFRS 15 are presented below.

MSEK	Jan-Mar 2017			Jan-Dec 2017		
	Reported	Adjustment IFRS 15	Recalculated	Reported	Adjustment IFRS 15	Recalculated
Net sales	11,151	-46	11,105	50,090	-109	49,981
Operating profit	320	0	320	2,405	13	2,418
Profit for the period	277	0	277	2,057	10	2,067
Total comprehensive income for the period	219	0	219	2,043	10	2,053

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 entails changes foremost regarding classification and valuation of financial assets and financial liabilities, write-downs of financial assets and hedging accounting. The standard replaces IAS 39 Financial instruments: Recognition and measurement.

IFRS 9 requires loss reserves for anticipated credit losses. This differs from IAS 39 that only requires loss reserves if something occurs that leads Peab to believe a customer may not be able to pay the entire balance due.

For further information on IFRS 9 please see Peab's website www.peab.com/ifrs.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 Revenue from contracts with customers, replaces IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 15 Agreements for the construction of real estate.

For business area Project Development implementing IFRS 15 means our own home (villas) developments in Sweden are reported according to so-called "income over time". Swedish tenant-owned housing projects will continue to be recognized as previously through "income over time". IFRS 15 has not led to any changes in reporting regarding housing projects in Finland and Norway since income is first recognized when the home is turned over to the buyer.

After implementation of IFRS 15 segment reporting mirrors legal reporting. The differences between operative and legal reporting no longer exist after implementation of IFRS 15. In regards to Peab's construction contract operations in business area Construction and Civil Engineering, IFRS 15 does not entail any material change in when income is recognized or for what amount. The changeover to IFRS 15 does not entail any material change for business area Industry either.

For further information on IFRS 15 please see Peab's website www.peab.com/ifrs.

IFRS 16 LEASES

IFRS 16 Leases will replace IAS 17 Leases as of 1 January 2019. Peab does not plan to prematurely apply the standard. IFRS 16 will require Peab as a lessee to report all leasing contracts as assets and liabilities on the balance sheet, representing the right to use the leased asset respectively the obligation to pay leasing fees. Regarding leasing contracts, depreciation of the leasing asset and interest costs on the leasing liability are recognized in the income statement. Peab is running a special project to implement, and determine the effect of, IFRS 16 on the Group's profit and position as well as additional disclosures. Peab's balance sheet total is expected to increase through activating contracts that are currently classified as operational, the operating profit is expected to improve while financial costs are expected to grow. Peab estimates that the balance sheet total will increase by around two-five percent but the analysis must be completed before any possible final effects can be quantified. Furthermore, the effects will be influenced by which of the available changeover methods Peab chooses to use for the changeover to IFRS 16, a choice Peab has not yet made.

PARENT COMPANY

IFRS 15 Revenue from contracts with customers will have no effect on parent company revenue accounting. IFRS 9 Financial instruments, entails new rules for writing down receivables based on anticipated credit losses. The parent company's current receivables from Group companies fall within the area of application for impairment rules in IFRS 9. The receivables are overwhelmingly Group contributions that are settled shortly after the balance sheet date. On material grounds no reserve is reported for anticipated credit losses regarding these receivables. Otherwise IFRS 9 had no effect on accounting on 1 January 2018. The new standard IFRS 16 Leasing does not affect the parent company since the standard is exempt from application in legal entities and leasing in the parent company is insignificant.

Note 2 – Income allocation

Group Jan-Mar 2018 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
Allocation per external/internal customer							
External sales	5,312	2,488	1,394	2,272	24	0	11,490
Internal sales	1,251	328	784	15	235	-2,613	–
Total	6,563	2,816	2,178	2,287	259	-2,613	11,490
Allocation per country							
Sweden	5,072	2,479	1,970	1,503	222	-2,281	8,965
Norway	752	309	100	178	22	-118	1,243
Finland	738	28	106	606	15	-213	1,280
Other	1		2			-1	2
Total	6,563	2,816	2,178	2,287	259	-2,613	11,490
Allocation per type of customer							
Public sector	2,398	1,754	166	3	12		4,333
Private customers	2,914	734	1,228	2,269	12		7,157
Internal customers	1,251	328	784	15	235	-2,613	–
Total	6,563	2,816	2,178	2,287	259	-2,613	11,490
Allocation per point in time							
At one point in time	9	12	1,261	809	27	-441	1,677
Over time	6,554	2,802	436	1,428	212	-1,864	9,568
Income from rent ¹⁾		2	481	50	20	-308	245
Total	6,563	2,816	2,178	2,287	259	-2,613	11,490
<small>1) Income from rent is recognized according to IAS 17</small>							
Allocation per type of income							
Contract work	6,552	2,802	436	1,428		-1,650	9,568
Sales of products	1		831			-284	548
Sales of property projects				777		-3	774
Transportation services etc.			408			-140	268
Administrative services	2				212	-214	–
Income from rent		2	481	50	20	-308	245
Other	8	12	22	32	27	-14	87
Total	6,563	2,816	2,178	2,287	259	-2,613	11,490

Group Jan-Mar 2017 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
Allocation per external/internal customer							
External sales	5,351	2,068	1,464	2,200	22	0	11,105
Internal sales	1,035	320	773	12	213	-2,353	–
Total	6,386	2,388	2,237	2,212	235	-2,353	11,105
Allocation per country							
Sweden	5,045	2,087	1,997	1,895	208	-2,080	9,152
Norway	816	271	149	181	17	-77	1,357
Finland	524	30	88	136	10	-195	593
Other	1		3			-1	3
Total	6,386	2,388	2,237	2,212	235	-2,353	11,105
Allocation per type of customer							
Public sector	2,471	1,455	309	4	13		4,252
Private customers	2,880	613	1,155	2,196	9		6,853
Internal customers	1,035	320	773	12	213	-2,353	–
Total	6,386	2,388	2,237	2,212	235	-2,353	11,105
Allocation per point in time							
At one point in time	18	10	1,353	882	25	-440	1,848
Over time	6,368	2,378	531	1,281	199	-1,675	9,082
Income from rent ¹⁾			353	49	11	-238	175
Total	6,386	2,388	2,237	2,212	235	-2,353	11,105
1) Income from rent is recognized according to IAS 17							
Allocation per type of income							
Contract work	6,367	2,378	530	1,281		-1,474	9,082
Sales of products	1		834			-269	566
Sales of property projects				850			850
Transportation services etc.			481			-152	329
Administrative services	1		1		199	-201	–
Income from rent			353	49	11	-238	175
Other	17	10	38	32	25	-19	103
Total	6,386	2,388	2,237	2,212	235	-2,353	11,105

Group Jan-Dec 2017 MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
Allocation per external/internal customer							
External sales	22,073	10,319	9,206	8,282	101		49,981
Internal sales	4,653	1,506	3,555	61	892	-10,667	–
Total	26,726	11,825	12,761	8,343	993	-10,667	49,981
Allocation per country							
Sweden	20,694	10,470	11,226	6,969	862	-9,329	40,892
Norway	3,304	1,237	1,075	434	84	-391	5,743
Finland	2,722	118	446	940	47	-942	3,331
Other	6		14			-5	15
Total	26,726	11,825	12,761	8,343	993	-10,667	49,981
Allocation per type of customer							
Public sector	8,712	7,388	2,685	19	92		18,896
Private customers	13,361	2,931	6,521	8,263	9		31,085
Internal customers	4,653	1,506	3,555	61	892	-10,667	–
Total	26,726	11,825	12,761	8,343	993	-10,667	49,981
Allocation per point in time							
At one point in time	96	51	6,251	3,015	119	-2,107	7,425
Over time	26,625	11,771	4,914	5,161	832	-7,589	41,714
Income from rent ¹⁾	5	3	1,596	167	42	-971	842
Total	26,726	11,825	12,761	8,343	993	-10,667	49,981
1) Income from rent is recognized according to IAS 17							
Allocation per type of income							
Contract work	26,619	11,771	4,911	5,159		-6,750	41,710
Sales of products	6		3,847			-1,238	2,615
Sales of property projects				2,802		-26	2,776
Transportation services etc.		2	2,186			-728	1,460
Administrative services	6		3	2	832	-839	4
Income from rent	5	3	1,596	167	42	-971	842
Other	90	49	218	213	119	-115	574
Total	26,726	11,825	12,761	8,343	993	-10,667	49,981

Note 3 – Operating segment

Group Jan-Mar 2018 MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
External sales	5,312	2,488	1,394	2,272	24	0	11,490
Internal sales	1,251	328	784	15	235	-2,613	–
Total income	6,563	2,816	2,178	2,287	259	-2,613	11,490
Operating profit	143	42	-38	201	-55	-3	290
Operating margin, %	2.2	1.5	-1.7	8.8			2.5
Net finance							-34
Pre-tax profit							256
Tax							-38
Profit for the period							218
Capital employed (closing balance)			5,674	10,867			

Group Jan-Mar 2017 MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
External sales	5,351	2,068	1,464	2,200	22	0	11,105
Internal sales	1,035	320	773	12	213	-2,353	–
Total income	6,386	2,388	2,237	2,212	235	-2,353	11,105
Operating profit	139	39	-23	222	-47	-10	320
Operating margin, %	2.2	1.6	-1.0	10.0			2.9
Net finance							-9
Pre-tax profit							311
Tax							-34
Profit for the period							277
Capital employed (closing balance)			5,068	8,731			

Group Jan-Dec 2017 MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group
External sales	22,073	10,319	9,206	8,282	101	0	49,981
Internal sales	4,653	1,506	3,555	61	892	-10,667	–
Total income	26,726	11,825	12,761	8,343	993	-10,667	49,981
Operating profit	602	374	867	804	-228	-1	2,418
Operating margin, %	2.3	3.2	6.8	9.6			4.8
Net finance							40
Pre-tax profit							2,458
Tax							-391
Profit for the year							2,067
Capital employed (closing balance)			5,781	9,986			

Note 4 – Financial assets and liabilities valued at fair value

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet. Measurement of fair value is based on a three level hierarchy;

Level 1: prices that reflect quoted prices on an active market for identical assets.

Level 2: based on direct or indirect inputs observable to the market not included in level 1.

Level 3: based on inputs unobservable to the market.

For a description of how fair value has been calculated see the Annual Report 2017, note 35. The fair value of financial assets and liabilities is estimated to be, in principle, the same as their recognized values.

Group	31 Mar 2018				31 Mar 2017				31 Dec 2017			
MSEK	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			71	71	432		55	487			59	59
<i>Whereof shareholding in listed company</i>				–	432			432				–
<i>Whereof investment in unlisted funds</i>			71	71			55	55			59	59
Other long-term receivables		2		2				–		2		2
<i>Whereof commodity hedging with futures</i>		2		2				–		2		2
Other current receivables		1		1		1		1		4		4
<i>Whereof currency swaps</i>		1		1		1		1		4		4
Total assets	–	3	71	74	432	1	55	488	–	6	59	65
Liabilities												
Other long-term liabilities		36	23	59		80	26	106		44	23	67
<i>Whereof interest rate swaps</i>		36		36		80		80		44		44
<i>Whereof contingent consideration</i>			23	23			26	26			23	23
Other current liabilities		10	11	21		3		3		2	11	13
<i>Whereof currency swaps</i>		10		10		3		3		2		2
<i>Whereof contingent consideration</i>			11	11				–			11	11
Total liabilities	–	46	34	80	–	83	26	109	–	46	34	80

Parent company	31 Mar 2018				31 Mar 2017				31 Dec 2017			
MSEK	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				–	432			432				–
<i>Whereof shareholding in listed company</i>				–	432			432				–
Total assets	–	–	–	–	432	–	–	432	–	–	–	–

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

Group	Other securities held as fixed asset		
MSEK	31 mar 2018	31 mar 2017	31 dec 2017
Opening balance	59	54	54
Investments during the period	5	1	17
Repayments during the period	–	–	-14
Dividends received	–	–	-1
Reported in profit for the period *	7	–	-2
Reported in other comprehensive income	–	–	5
Closing balance	71	55	59

* Reported in net financial items

Group	Contingent consideration		
MSEK	31 mar 2018	31 mar 2017	31 dec 2017
Opening balance	34	23	23
Acquisitions during the period	–	3	11
Reported in profit for the period			
Interest expense (discount) *	0	0	0
Closing balance	34	26	34

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

- | | |
|---|-----------------|
| • Quarterly report January-June 2018 | 17 August 2018 |
| • Quarterly report January-September 2018 | 9 November 2018 |
| • Year-end Report 2018 | 8 February 2019 |
| • Annual and Sustainability Report 2018 | April 2019 |

Förslöv, 7 May 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	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016
Net sales	11,490	14,490	11,595	12,791	11,105	13,673	11,197	12,600	8,584
Production costs	-10,482	-13,103	-10,431	-11,461	-10,234	-12,409	-10,107	-11,323	-7,869
Gross profit	1,008	1,387	1,164	1,330	871	1,264	1,090	1,277	715
Sales and administrative expenses	-737	-695	-528	-735	-656	-700	-478	-697	-564
Other operating income	25	71	78	38	118	59	30	37	23
Other operating costs	-6	-10	0	-2	-13	-4	-3	0	-5
Operating profit	290	753	714	631	320	619	639	617	169
Financial income	27	118	17	36	20	66	24	40	65
Financial expenses	-61	-46	-26	-50	-29	-71	-37	-59	-76
Net finance	-34	72	-9	-14	-9	-5	-13	-19	-11
Pre-tax profit	256	825	705	617	311	614	626	598	158
Tax	-38	-145	-120	-92	-34	-96	-96	-94	-25
Profit for the period	218	680	585	525	277	518	530	504	133
Profit for the period, attributable to:									
Shareholders in parent company	218	680	585	525	277	518	530	504	133
Non-controlling interests	0	0	–	–	–	0	0	0	0
Profit for the period	218	680	585	525	277	518	530	504	133
Key ratios									
Earnings per share, SEK	0.74	2.31	1.98	1.78	0.94	1.76	1.80	1.71	0.45
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)	14,631	14,074	14,438	13,874	13,501	14,362	15,005	13,702	13,418
Equity (closing balance)	10,688	10,332	9,757	9,170	9,559	9,340	8,698	8,023	8,253

Business areas

MSEK	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016
Net sales									
Construction	6,563	7,631	5,721	6,988	6,386	6,992	5,510	6,420	5,199
Civil Engineering	2,816	3,787	2,819	2,831	2,388	3,292	2,654	2,765	2,029
Industry	2,178	3,684	3,420	3,420	2,237	3,462	3,449	3,356	1,894
Project Development	2,287	2,205	1,926	2,000	2,212	2,263	1,486	2,187	1,268
– of which Property Development	156	117	131	106	659	148	130	1,031	76
– of which Housing Development	2,131	2,088	1,795	1,894	1,553	2,115	1,356	1,156	1,192
Group functions	259	262	242	254	235	242	226	225	204
Eliminations	-2,613	-3,079	-2,533	-2,702	-2,353	-2,578	-2,128	-2,353	-2,010
Group	11,490	14,490	11,595	12,791	11,105	13,673	11,197	12,600	8,584
Operating profit									
Construction	143	180	121	162	139	147	127	152	116
Civil Engineering	42	136	89	110	39	120	93	105	37
Industry	-38	302	342	246	-23	227	336	202	-12
Project Development	201	246	174	162	222	235	110	187	59
– of which Property Development	50	6	-3	5	90	20	-37	102	4
– of which Housing Development	151	240	177	157	132	215	147	85	55
Group functions	-55	-128	-4	-49	-47	-60	-6	-29	-27
Eliminations	-3	17	-8	0	-10	-50	-21	0	-4
Group	290	753	714	631	320	619	639	617	169
Operating profit, %									
Construction	2.2	2.4	2.1	2.3	2.2	2.1	2.3	2.4	2.2
Civil Engineering	1.5	3.6	3.2	3.9	1.6	3.6	3.5	3.8	1.8
Industry	-1.7	8.2	10.0	7.2	-1.0	6.6	9.7	6.0	-0.6
Project Development	8.8	11.2	9.0	8.1	10.0	10.4	7.4	8.6	4.7
– of which Property Development	32.1	5.1	-2.3	4.7	13.7	13.5	-28.5	9.9	5.3
– of which Housing Development	7.1	11.5	9.9	8.3	8.5	10.2	10.8	7.4	4.6
Group functions									
Eliminations									
Group	2.5	5.2	6.2	4.9	2.9	4.5	5.7	4.9	2.0
Order situation, MSEK									
Orders received	12,906	13,039	10,651	12,880	12,429				
Order backlog at the end of the period	43,055	40,205	40,211	39,470	38,149				

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. For more information see www.peab.com/alternative-performance-measures.

Available liquidity

Liquid funds and short-term investments along with unutilized credit facilities. Shows the Group's available liquidity.

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. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.

Capital employed for the Group

Total assets at the end of the period less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.

Earnings per share

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. Shows financial position.

Equity per share

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

Net debt

Interest-bearing liabilities less liquid funds and interest-bearing assets.

Net debt/equity ratio

Interest-bearing net debt in relation to equity. Shows financial position.

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.

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. Measures how new orders replace produced work.

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 that Peab strives to meet the demands and expectations from our surroundings and at the same time 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. In other words we make a difference in daily life in both small and large places.

Long-term relationships with customers and suppliers result in better social, environmental and economic conditions. Stable profitability generates the funds necessary to develop our business and returns for our shareholders.

Net sales

SEK 50 billion

Employees, appr.

15 000

Business model

Peab is characterized by a decentralized and cost-efficient organization with four cooperating business areas whose operations are based on local entrepreneurship close to customers. Our business model with four business areas creates opportunities throughout the value chain in a construction project.



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 is active on the local civil engineering market as well as in larger Nordic infrastructure projects like highways, railroads and bridges. It also operates and maintains streets and roads.



Business area Industry delivers, among other things, ballast, concrete, asphalt, temporary electricity and prefabricated concrete elements to external customers and the other business areas in Peab. The business area also provides cranes, machines and transportation as well as handling production waste.



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



Four collaborating business areas create added value