



# Press release

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## **Peab invests further in business area Industry - acquires remaining shares in Smidmek**

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

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

In 2017 Peab signed a contract to acquire 60 percent of the shares in AB Smidmek in Eslöv. Smidmek, which has been part of Construction System in business area Industry ever since, delivers complete solutions for prefabricated concrete and steel frames as well as sheet metal structures to the construction and other industries.

As an internal supplier the company has been thoroughly integrated into Peab while maintaining a large external customer base. The company has grown intensely and had a very positive development since acquisition.

In connection with the acquisition an agreement was made to acquire the remaining 40 percent of the shares within a fixed period of time. Due to this the company has been completely consolidated into Peab.

The price of the remaining shares is based on the company's development and earning capacity. Since the development of the company has been better than expected the remaining shares have fetched a higher price. Due to Peab's chosen accounting method for this kind of acquisition the effect of the purchase will be recognized via the income statement. This means profit in business area Industry will be charged by SEK -47 million in the fourth quarter 2019.

"Thanks to an experienced organization the acquisition has provided Peab with important know-how in frames and we are happy to now be able to carry out the final stage in the deal. The operations are thoroughly integrated and have developed very well, actually beyond our expectations, and at the same time we have expanded the business with new establishments," says Johan Dagertun, Business Area Industry Assistant Manager.

The new MD for Smidmek will be Victor Hallberg who was previously the Vice MD of the company. He will take on the position of MD as of January 1, 2020.

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Peab is a leading Nordic construction and civil engineering company with about 15,000 employees and SEK 54 billion in net sales. The Group has strategically placed offices in Sweden, Norway and Finland. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on NASDAQ Stockholm.