

Definitions

Bonava uses measurements including the following alternative key performance indicators: return on capital employed, net debt and equity/assets ratio. The Group considers that these key performance indicators provide complementary information to readers of its financial reports that contributes to assessing the Group's capacity to pay dividends, make strategic investments, meet its financial commitments and to evaluate its profitability.

Financial key performance indicators

Share of risk-bearing capital

Total shareholders' equity and deferred tax liabilities as a percentage of total assets.

Return on shareholders' equity

Profit after tax as a percentage of average shareholders' equity.

Return on capital employed

Profit after financial items on a rolling 12-month basis following the reversal of interest expense as a percentage of average capital employed.

Total assets

Total assets or liabilities and shareholders' equity.

Gross margin

Gross profit as a percentage of net sales.

Dividend yield

The dividend as a percentage of the market price at period-end.

EBITDA

EBIT before net financial items, tax and depreciation.

Average interest rate

Interest rate weighted by interest-bearing liabilities outstanding on the balance sheet date.

Average fixed-rate term

The remaining fixed-rate term weighted by interest-bearing liabilities outstanding.

Average shareholders' equity

Average reported shareholders' equity as of the last five quarters.

Average capital employed

Average capital employed as of the five last quarters.

Capital turnover rate

Net sales on a rolling 12-month basis divided by average capital employed.

Production costs

Costs of land, development expenses for architects and other contractor-related costs, utility connection fees and building construction.

Net project asset value

The carrying amount of ongoing housing projects, completed housing units and investment properties less advances from customers.

Net project asset value in relation to Net debt

Current period relation between Net project asset value versus Net debt excluding leasing.

Net debt

Interest-bearing liabilities and provisions less interest-bearing assets including cash and cash equivalents.

Net debt/equity ratio

Net debt divided by shareholders' equity.

Operating gross profit and operating EBIT

Gross profit and EBIT according to segment reporting.

Operating gross margin and operating EBIT margin

Operating gross profit and operating EBIT as a percentage of net sales according to segment reporting.

Operating cash flow

EBITDA adjusted for net investments in fixed assets, properties held for future development, ongoing housing projects and completed housing units as well as changes in working capital, excluding corrections for non-cash items.

Project financing

Loans raised in Swedish tenant-owner associations and Finnish housing companies, as well as debt that directly finances investment properties.

Earnings per share

Net profit/loss for the period divided by the weighted average number of shares in the period.

Interest-bearing liabilities/total assets

Interest-bearing liabilities divided by total assets.

Interest coverage ratio

Profit/loss after net financial items divided by financial expenses. Calculated on a rolling 12-month basis.

EBIT margin

EBIT as a percentage of net sales.

Segment reporting

Reporting in accordance with IFRS, adjusted to the percentage of completion method and with operating adjustments.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Capital employed

Total assets less non-interest bearing liabilities including deferred tax liabilities.

Total return

Total of the change in the share price during the period and paid dividends in relation to the share price at the beginning of the period.

Sector-related definitions

Housing units in ongoing production

Refers to the period from production start to completion of a building. A housing unit is considered complete upon approved final inspection.

Housing units for sale

Refers to the number of units, in ongoing production or completed, that are available for sale.

Properties held for future development

Refers to Bonava's holdings of land and building rights for future residential development and capitalised property development costs.

Completed housing units

Refers to housing units for which inspection documents have been received, but the unit has not yet been sold, or units that have been sold but not handed over to the customer.

Completion rate

Recognised expenses in relation to the calculated total costs of ongoing housing projects.

Sales rate for ongoing production

Number of housing units sold in production in relation to the total number of housing units in production, excluding investment properties.

Sales value of housing units sold

Sales value of housing units sold for which binding sales agreements have been signed with the customer and production of the housing unit has commenced.

Production start

The time at which Bonava starts production of a building. At this time, capitalised expenditure for land and development expenses is transferred to ongoing housing projects.

Housing units recognised in profit

Number of housing units sold that have been occupied by the purchaser. Once the purchaser has taken over occupancy, the purchase consideration is recognised as net sales, and expenses incurred for the housing unit are recognised as production costs.

Reservation rate

Number of reserved housing units in production in relation to the total number of housing units in production.

Housing units sold

Number of housing units for which binding sales agreements have been signed with the customer and production of the housing unit has started.