

Definitions

Bonava reports a number of alternative performance measures that are central to monitoring the Group's development and achievement of targets. These measures are used as a complement to the financial statements to assess Bonava's ability to create value, carry out strategic investments, fulfil financial commitments, and evaluate profitability and growth.

Financial key performance indicators

Average fixed-rate term

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

Average interest rate

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

Capital employed

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

Cash flow before financing and tax

EBITDA adjusted for changes in working capital and changes in tangible and intangible fixed assets. The measure is adjusted to exclude currency effects and excludes effects of financing, tax and changes in financial assets.

Central financing

Loans and credit facilities raised by the parent company or the Group's central financing function and used to finance the Group's operations as a whole.

Earnings per share

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

EBITDA

Operating profit before net financial items, tax and depreciation.

EBIT margin

EBIT as a percentage of net sales.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Gross margin

Gross profit as a percentage of net sales.

Gross margin according to segment reporting

Gross profit according to segment reporting as a percentage of net sales according to segment reporting.

Gross profit according to segment reporting

Gross profit based on progress in the project portfolio and actual sales.

Interest coverage ratio

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

Net debt

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

Net debt excluding leasing

Total net debt excluding lease liabilities. Used to calculate the relation to net project assets.

Net debt/equity ratio

Net debt divided by shareholders' equity.

Net project asset value

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

Net sales according to segment reporting

Net sales based on progress in the project portfolio and actual sales. The difference compared with IFRS relates to the timing of revenue recognition. Over a project's life cycle, the total outcome is the same.

Operating margin according to segment reporting

Operating profit according to segment reporting as a percentage of net sales according to segment reporting.

Operating profit according to segment reporting

Operating profit based on progress in the project portfolio and actual sales. The difference compared with IFRS relates to the timing of revenue and expense recognition. Over a project's life cycle, the total outcome is the same.

Production costs

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

Project financing

Loans that directly finance project assets and investment properties, as well as selected land investments where development and construction is close in time.

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.

Return on shareholders' equity

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

Segment reporting

Revenue and expenses are recognised based on project progress. Otherwise consistent with IFRS.

Share of risk-bearing capital

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

Total assets

Total assets or liabilities and shareholders' equity.

Sector-related definitions

Completed housing units

Housing units for which final inspection has taken place but which have not yet been sold, or housing units that have been sold but not yet transferred to the customer.

Completion rate

Recognised costs in relation to estimated total costs in ongoing housing projects.

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 recognised in profit

Number of sold housing units that have been handed over to the purchaser. Upon transfer to the purchaser, the purchase price is recognised as net sales and incurred costs as production costs.

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.

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.

Properties held for future development

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

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.