BONAVA

2017-09-07

Joachim Hallengren, CEO
Ann-Sofi Danielsson, CFO

Agenda

1. About us
2. Our market
3. Our operations
4. Financials
5. Financing strategy
6. Commercial paper programme
7. Summary

From Bonava

Joachim Hallengren, CEO

CEO of NCC Housing 2012–2016 and a total of 16 years' experience of a range of positions in the NCC Group, including Business Area Manager of NCC Property Development and member of the senior management of NCC AB (publ).

Shareholding in Bonava AB:
10,000 series A shares
and 46,894 series B shares.

Ann-Sofi Danielsson, CFO

CFO, Financial Director and a total of 13 years' experience as a member of NCC AB's senior management.

Shareholding in Bonava AB:

14,144 series B shares.

About us

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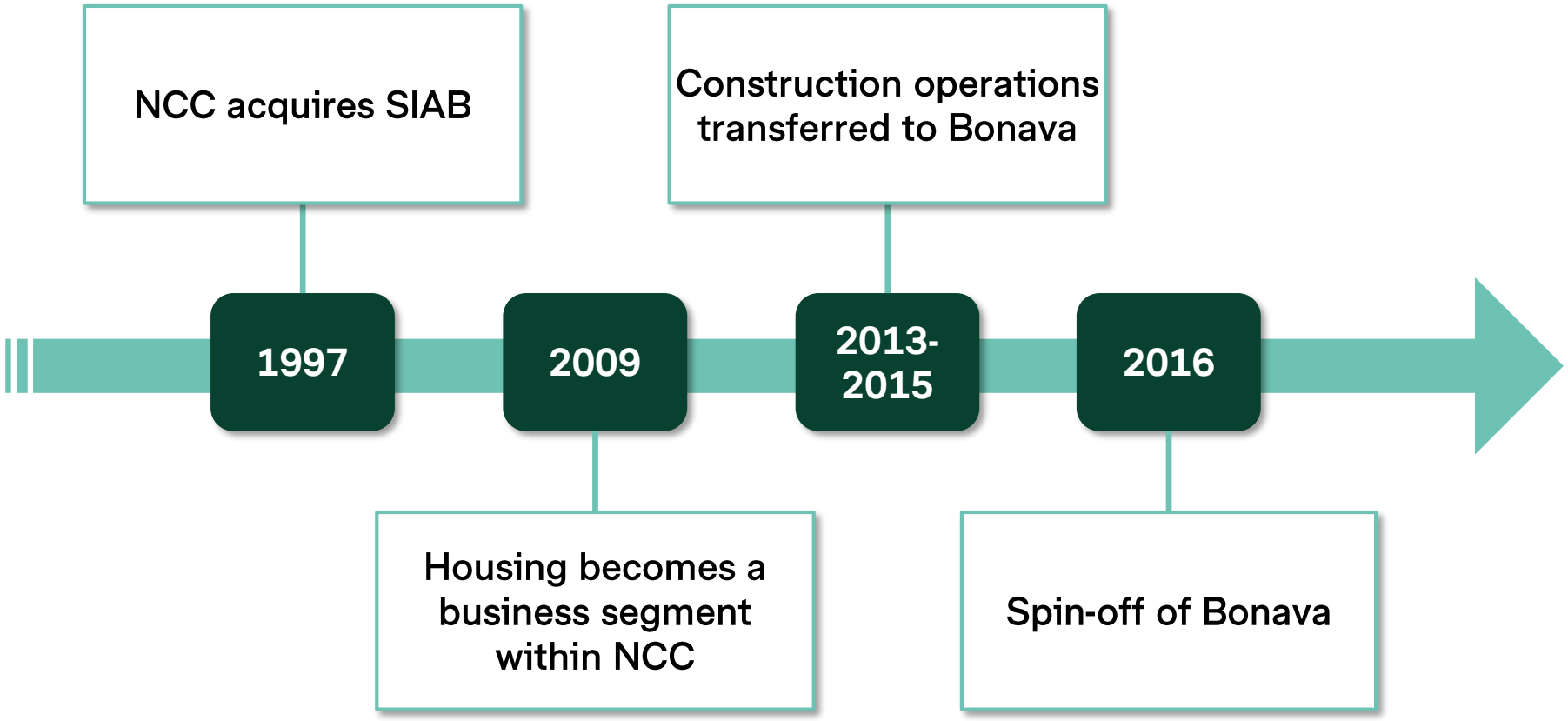
Bonava is a leading housing developer in Northern Europe

- **Develops and sells affordable homes to private customers and investors**
- **Broad geographic presence**
- **Net sales of SEK 13.5 bn and EBIT of SEK 1.5 bn in 2016**
- **Over 1,600 employees**

Key strengths

- Broad geographic presence
- Diversified offering
- Focus on affordable
- Strong market positions
- Strong financial position

Long history of housing development



Strong long-term owners

Ten largest owners	Holding (%)
Nordstjernan	18.7
AMF – Försäkring och fonder	9.7
Swedbank Robur fonder	7.2
SEB Investment Management	4.9
Lannebo	4.9
Fjärde AP-fonden	3.8
Carnegie fonder	2.8
Länsförsäkingar fondförvaltning	2.6
Handelsbanken fonder	2.3
Norges Bank	2.1

- Strong anchor holder (Nordstjernan)
- Ten largest owners combined owns close to 60 per cent of the total outstanding shares

Our market

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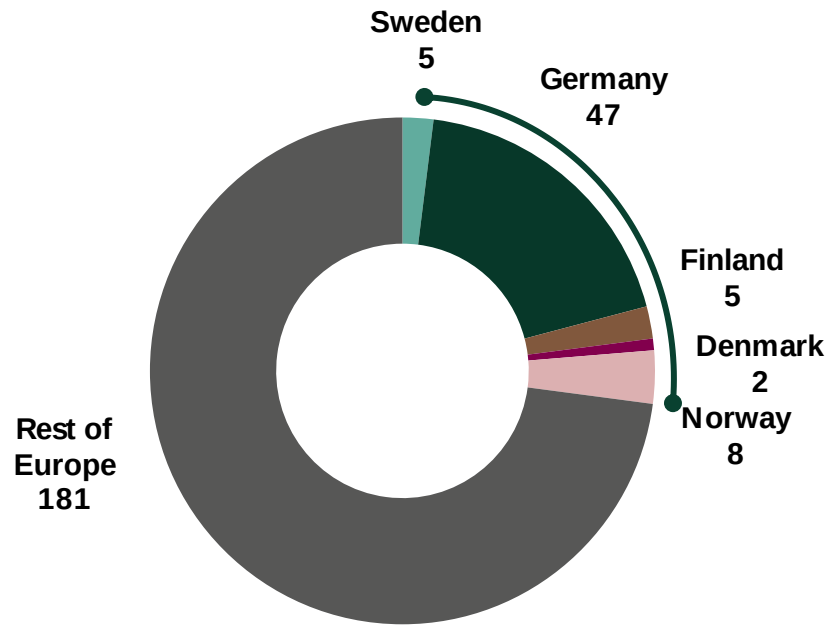
Large and growing European housing market

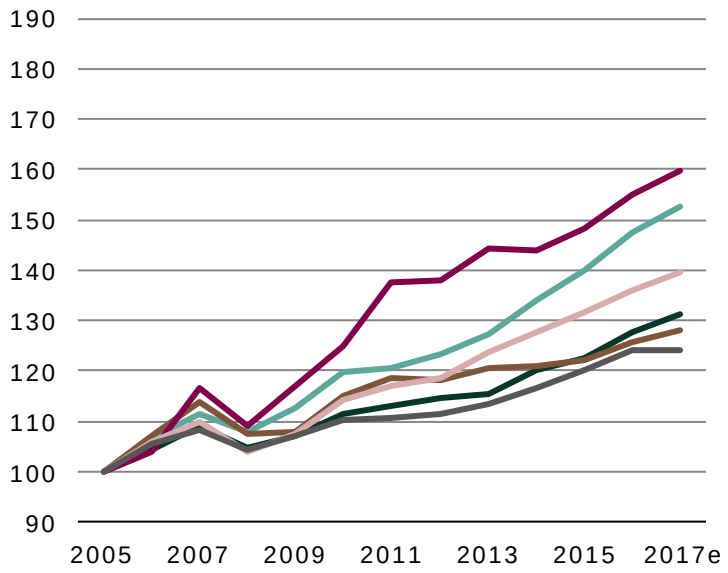
Investments in housing development in Europe 2014 (BNEUR)



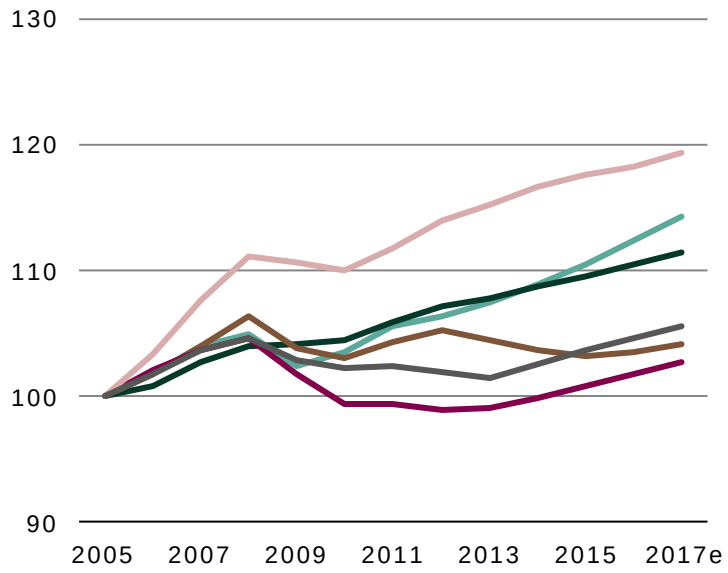
EUR ~67bn market expected to grow with an annual rate of 4% until 2018

Favourable macroeconomic development...

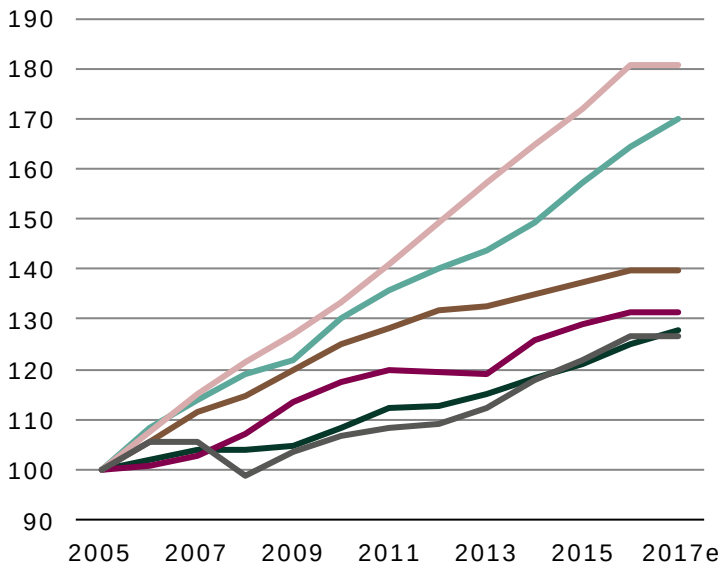
GDP



Employment



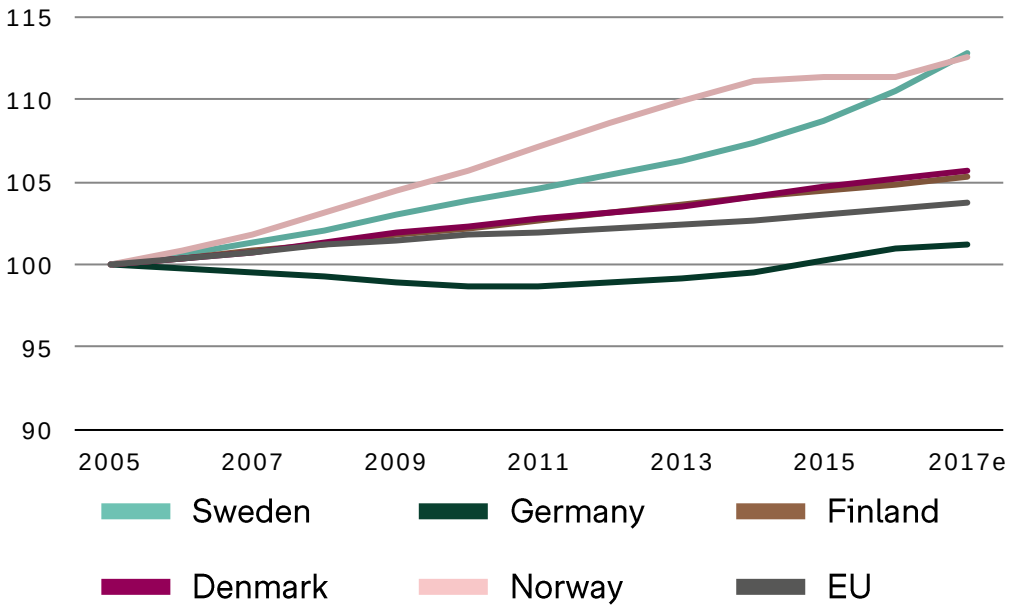
Disposable income



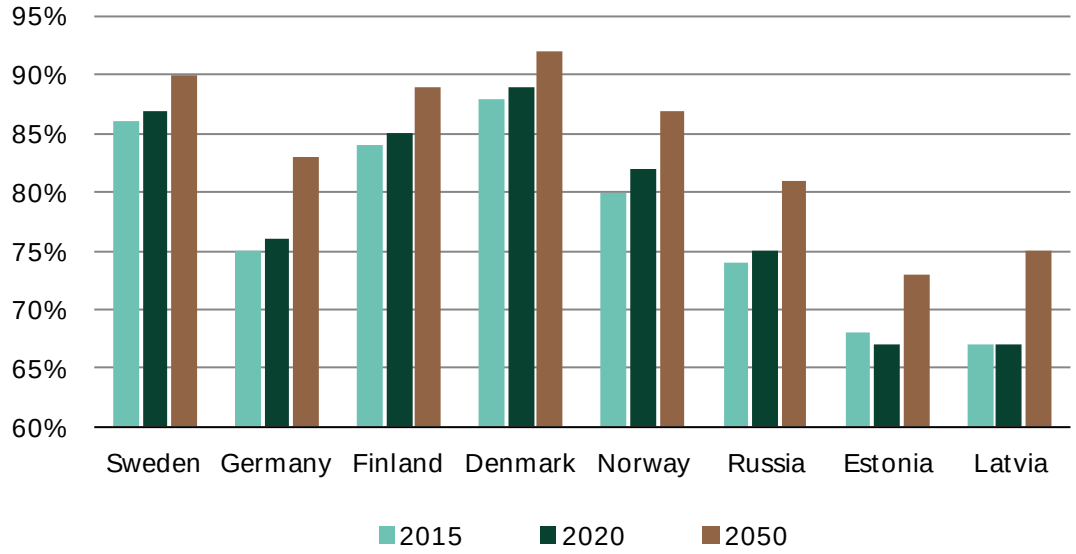
Sweden
Germany
Finland
Denmark
Norway
EU

...coupled with supporting demographic trends

Population



Degree of urbanisation



Our operations

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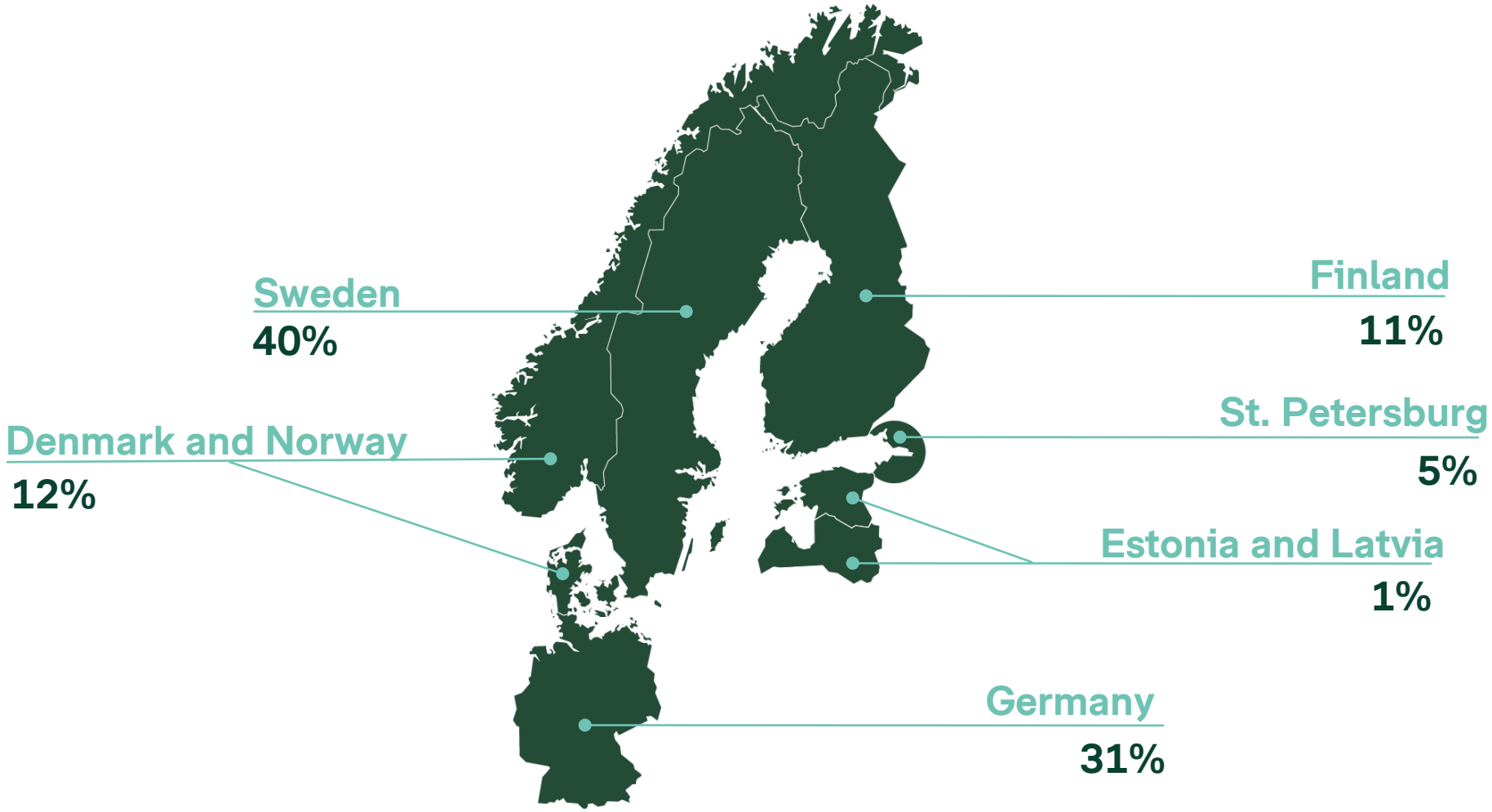
Broad geographic presence



% Share of net sales as of Q2 2017 R12

Happy neighbourhoods for the many

Diversified business model creates value

Customer segments

Consumers (70%)

Investors (30%)

Product types

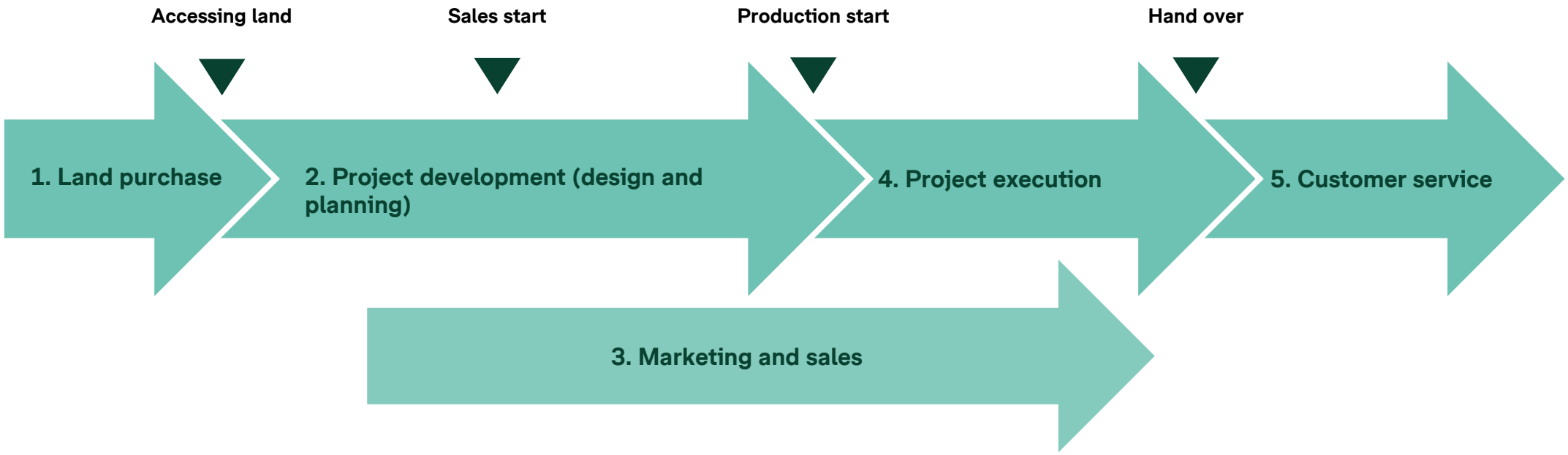
Multi-family houses

Single-family houses

Margins vs. Risk

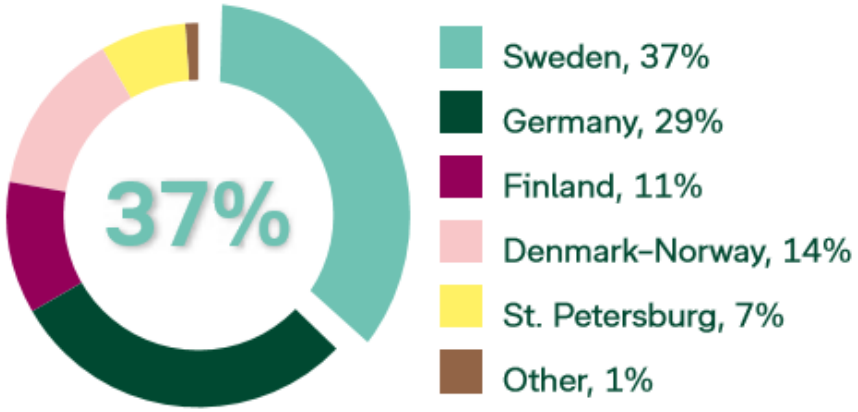
Volume vs. Speed

Bonava is active across the whole value chain



Bonava in Sweden

Net sales per segment, 2016



	2016	2015
Key financial figures		
Net sales, SEK M	5,040	4,639
Operating profit, SEK M	920	706
Operating margin, %	18.3	15.2
Capital employed at period end, SEK M	4,350	4,978
Return on capital employed, %	19.3	13.9
Building rights		
Building rights at period end, number	7,200	7,600
of which off-balance sheet building rights, number	3,300	2,500

Bonava in Sweden

Consumers

- Consumer operations focused on Stockholm, Gothenburg, Linköping, Uppsala and Umeå

Investors

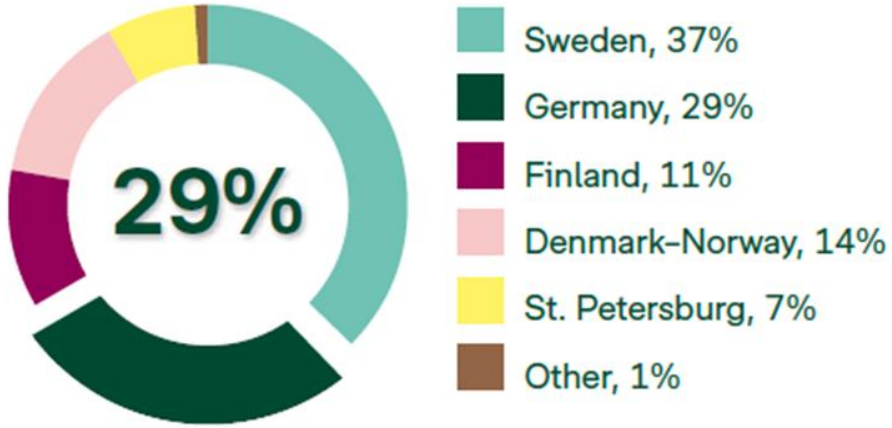
- ~15 cities identified

Offering

- Both multi-family and single-family houses

Bonava in Germany

Net sales per segment, 2016



	2016	2015
Key financial figures		
Net sales, SEK M	3,907	3,471
Operating profit, SEK M	477	422
Operating margin, %	12.2	12.1
Capital employed at period end, SEK M	2,163	1,361
Return on capital employed, %	25.4	30.7
Building rights		
Building rights at period end, number	6,400	5,700
of which off-balance sheet building rights, number	2,700	3,600

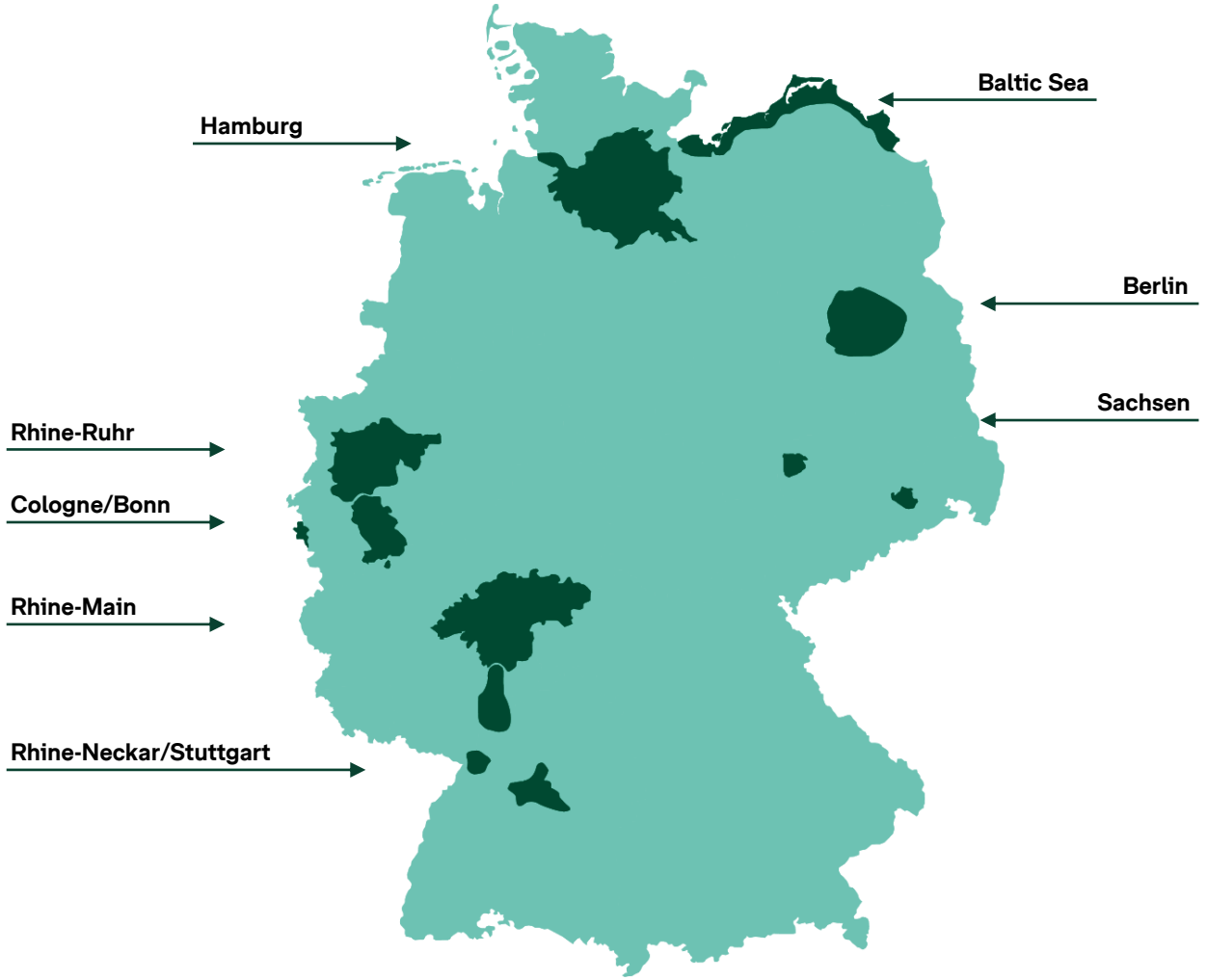
Bonava in Germany

Customers

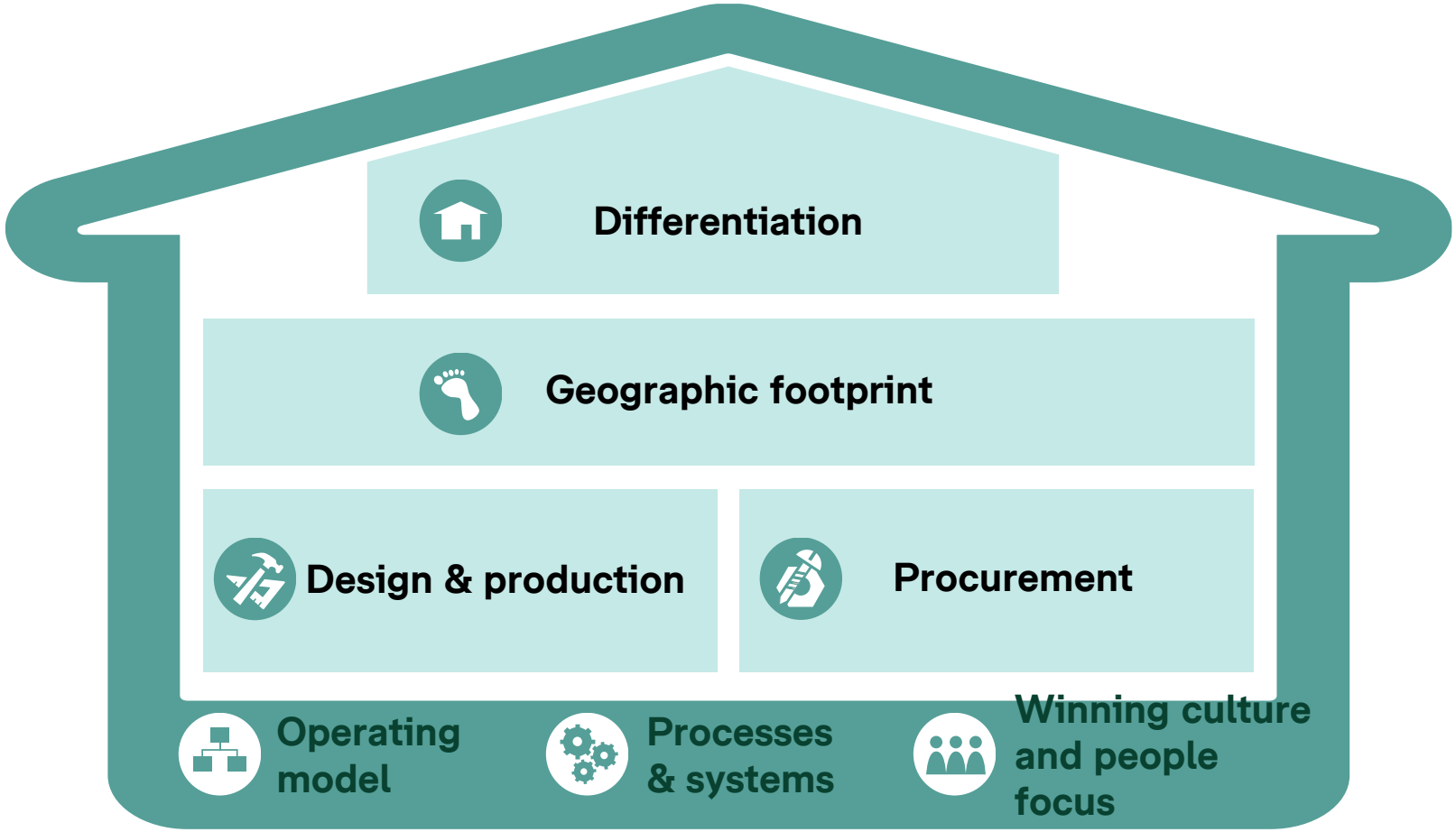
- Consumers and investors in 8 regions

Offering

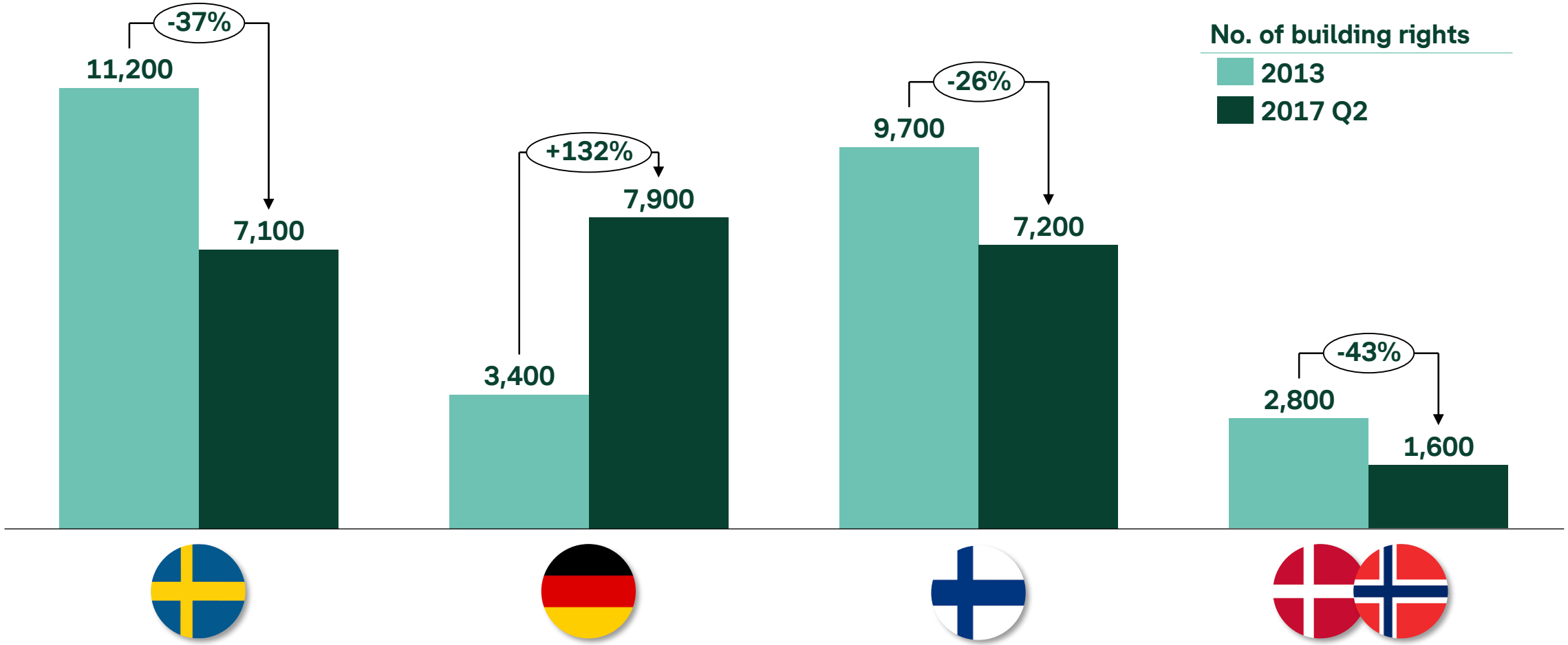
- Both multi-family and single-family houses



Strategy 2020



Increased building rights in Germany



Financials

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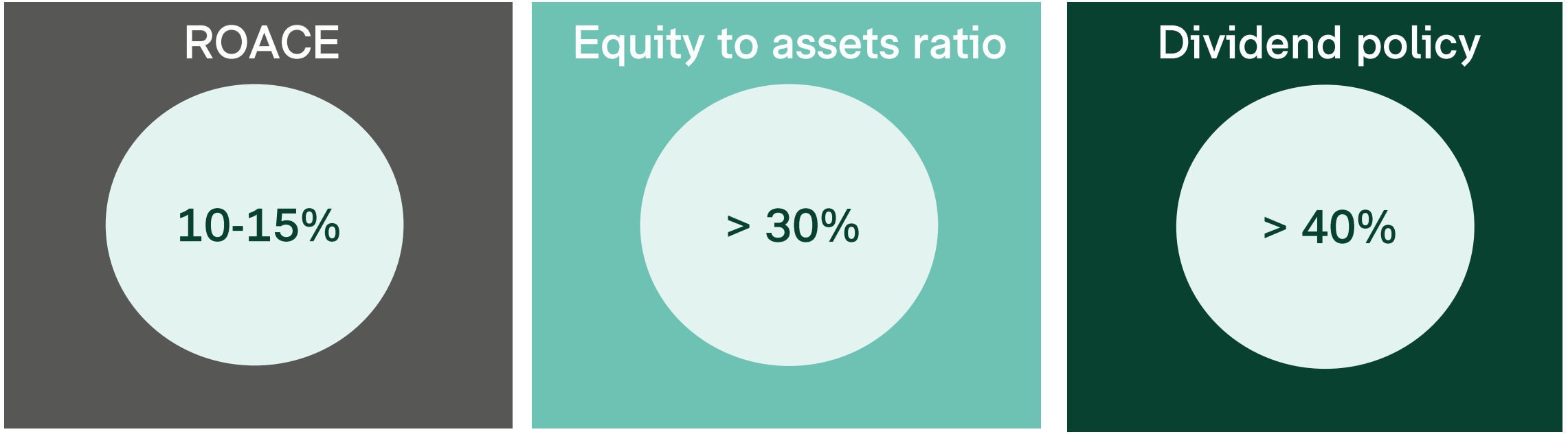
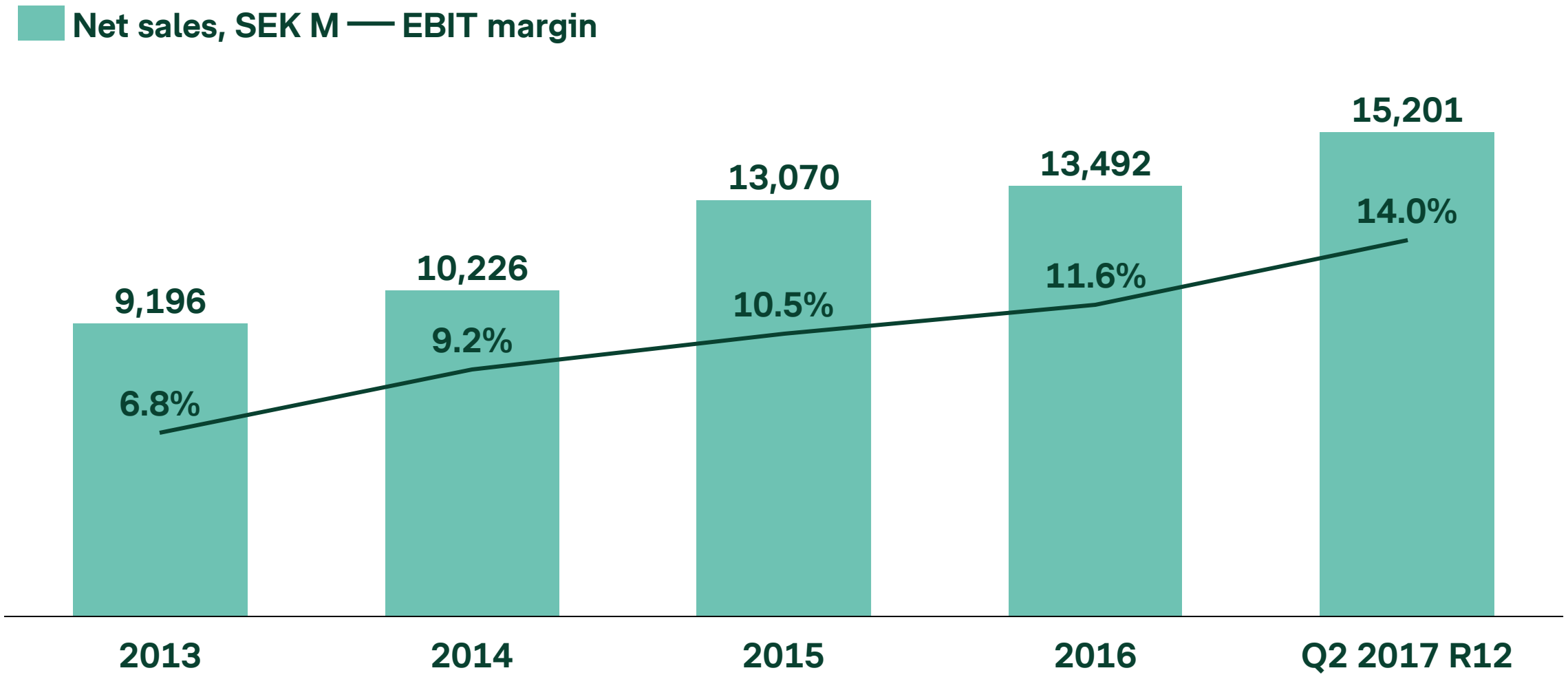
Outcome financial objectives and dividend policy Q2

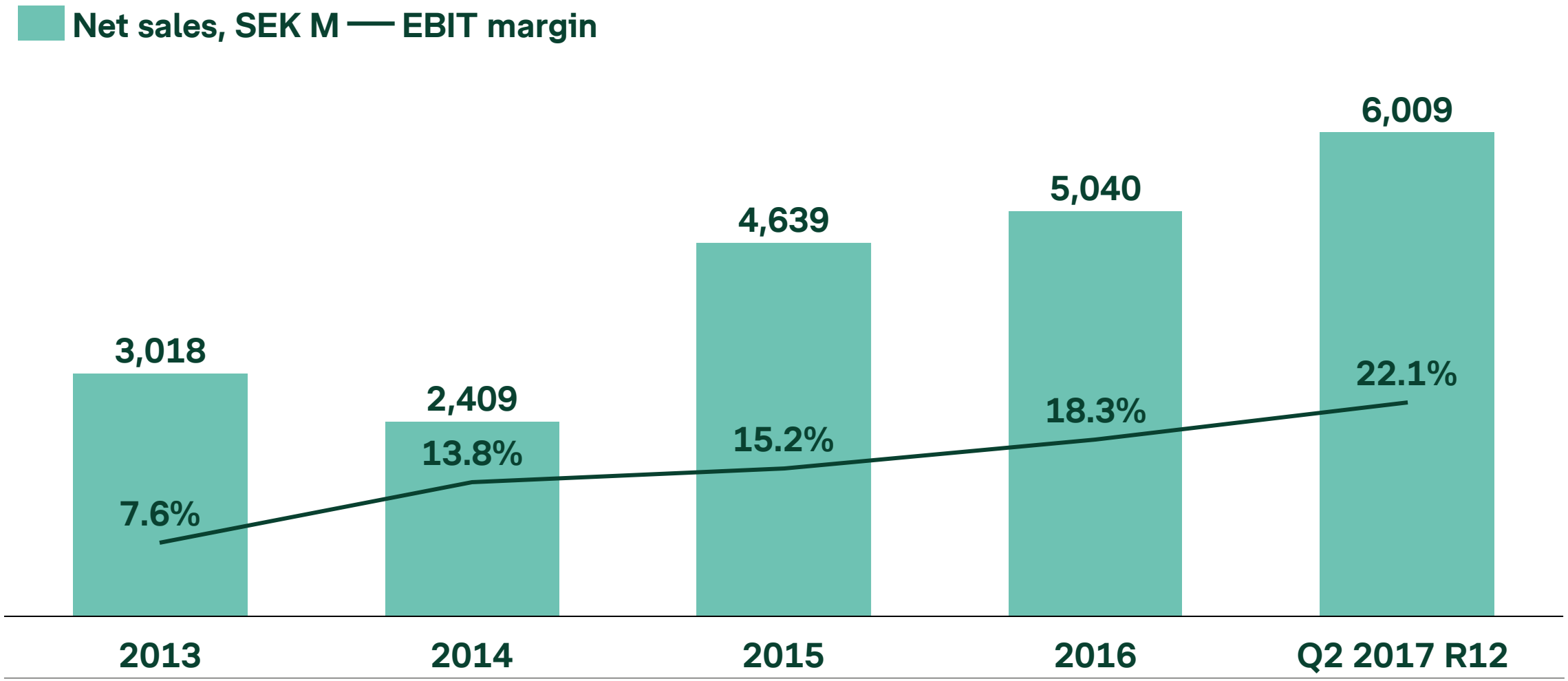


18.7%	31.9%	R12 EPS 13.51 SEK

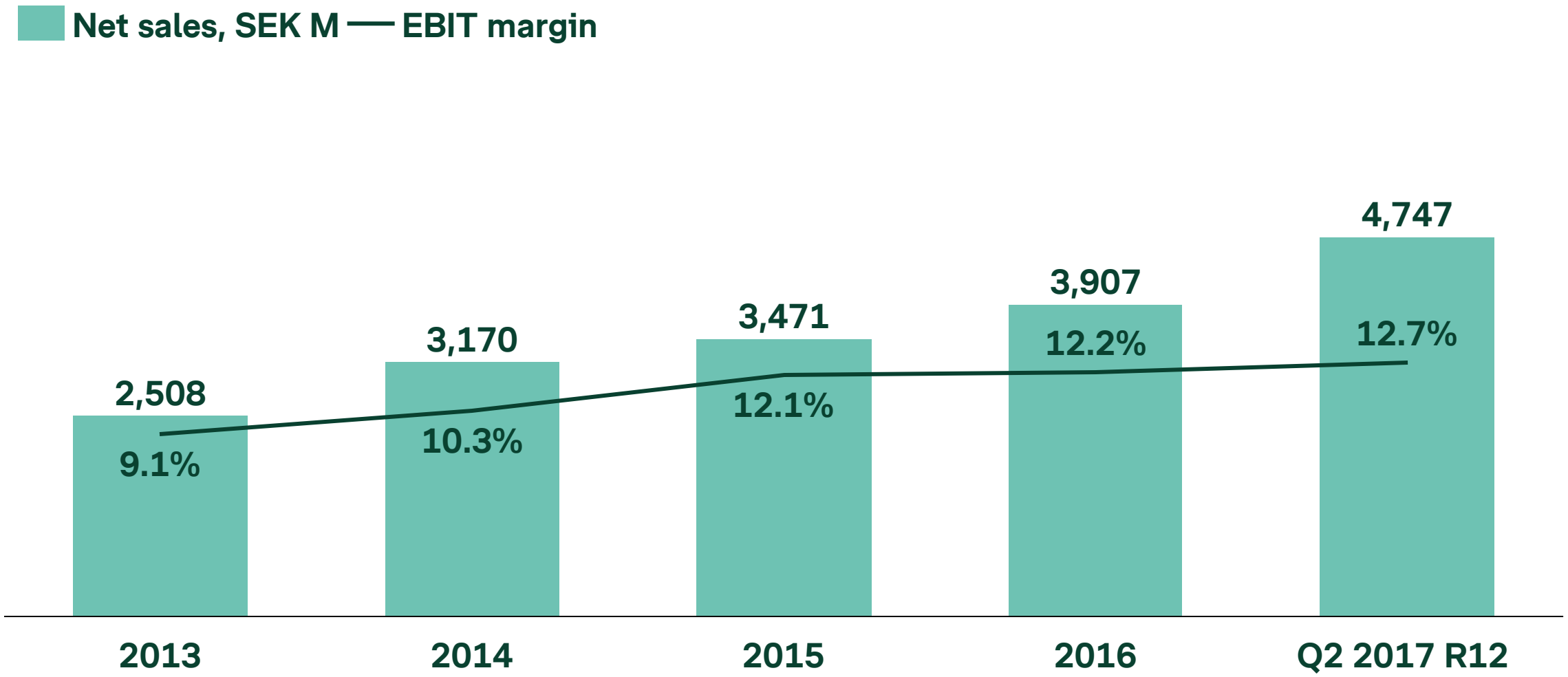
Strong net sales and profit development



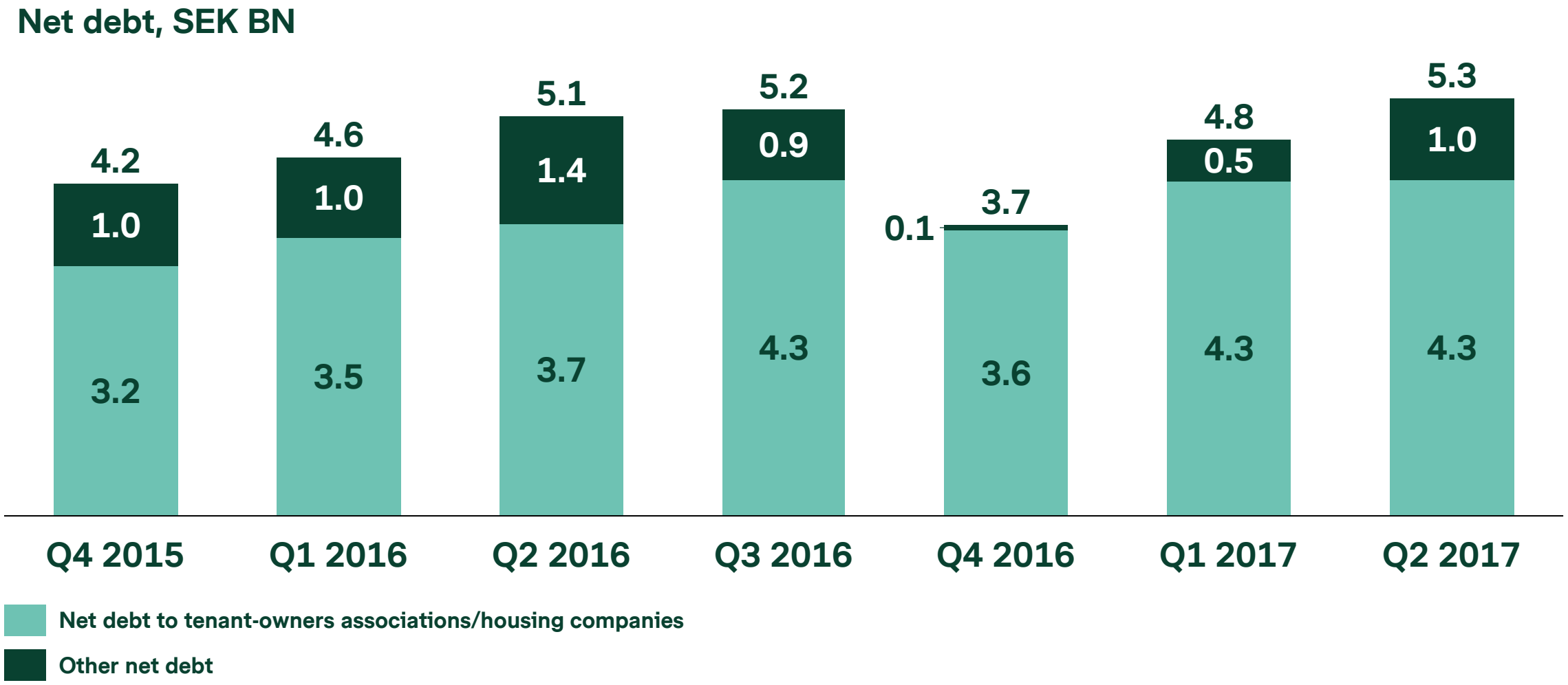
Bonava Sweden
Strong net sales and margin



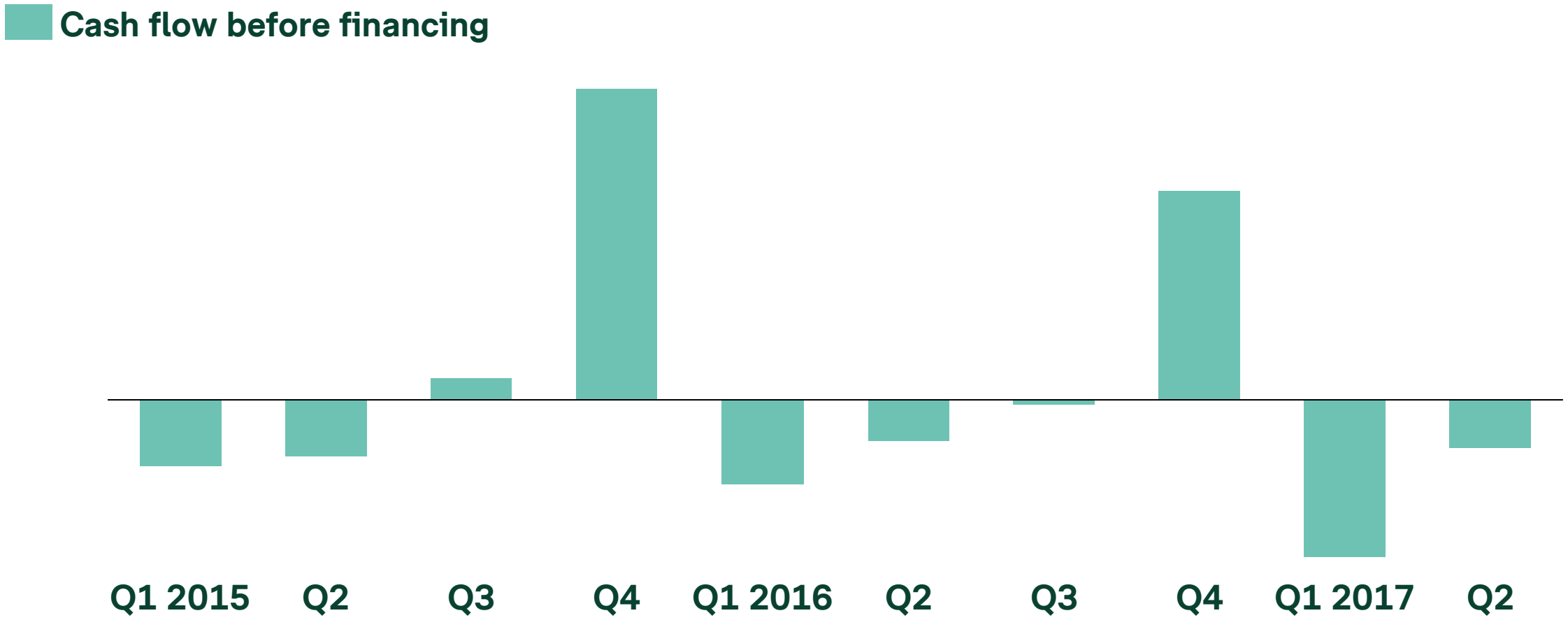
Bonava Germany
High net sales and good margin



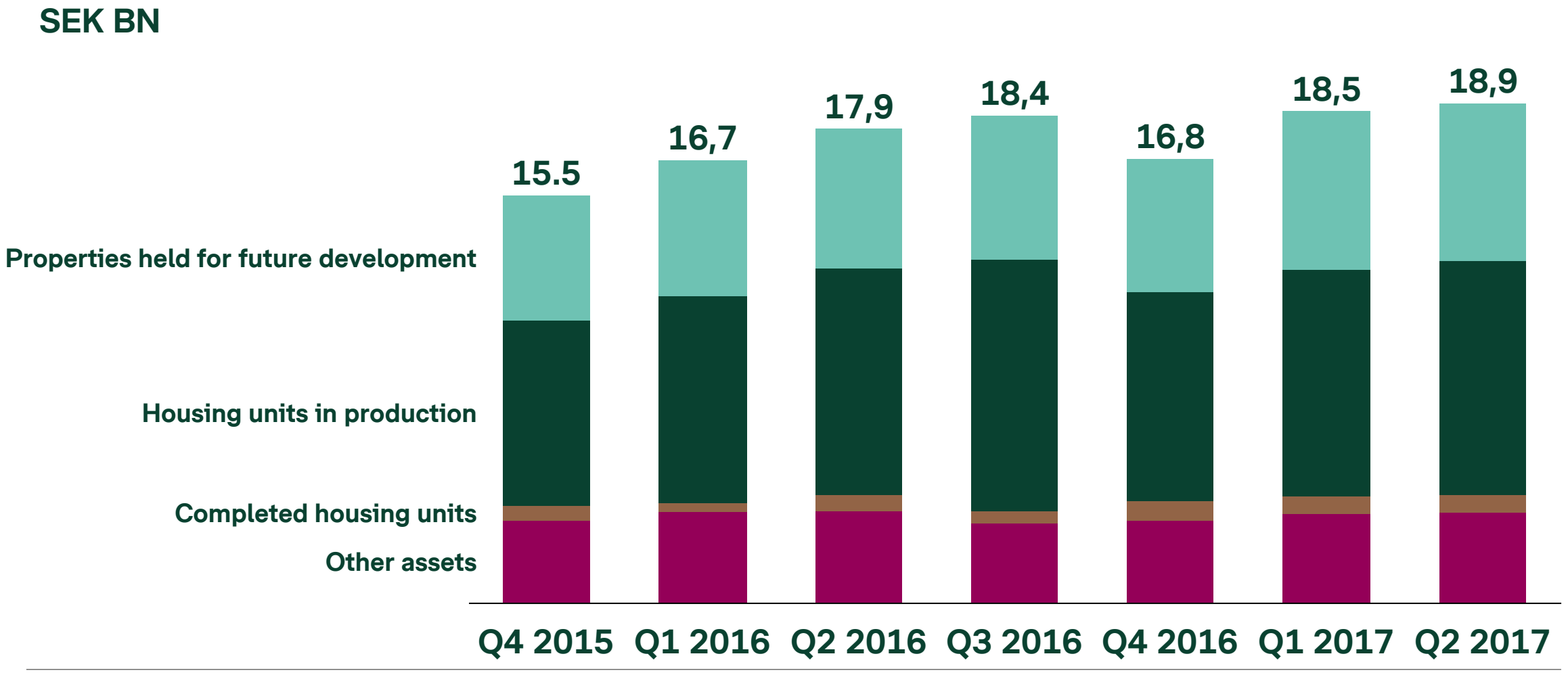
Majority of debt raised by tenant-owners associations



Lower need of loan in Q4 due to seasonality in cash flow



Capital tied up to units in production



Financing strategy

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Financing strategy

- More than 30 percent of the business to be financed by equity

- Diversification of funding sources
  - Term loans from Svensk Exportkredit, 30+30 MEUR
  - Project loans from banks, SEK 4.4 bn as of 30 June 2017
  - Revolving credit facility of SEK 2.7 bn, to be used as back-up facility for CP programme
  - Capital market financing through CP will replace part of other debt

- Floating interest rates, that may be hedged with interest rate swaps

Overview of debt as of 30 June 2017

Type of loan	Amount	Maturity date	Interest base	Utilized amount	Unused amount
Term loan	MEUR 30	2020-06-09	Floating	MEUR 30	-
Revolving Credit Facility	MSEK 2,700	2021-04-28	Floating	MSEK 538	MSEK 2,162
Term loan	MEUR 30	2021-06-09	Floating	MEUR 30	-
Project financing	**Amount**	**Average tenor**	**Interest base**	**Utilized amount**	**Unused amount**
Brf/BAB*)	n/a	20 months	Floating	MSEK 4,410	n/a

*Debt related to Finnish housing companies and Swedish tenant-owner association

Bonava commercial paper programme

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Bonava CP programme

Issuer	**Bonava AB**
Amount	**2.0 bn SEK**
Arranger	**SEB**
IPA	**Handelsbanken**
Issuing banks	**Danske Bank, Handelsbanken, SEB and Swedbank**
Terms	
Yield level	**Tbd**
First issuance	**October 2017**
Tenor	**1-9 months**
Seasonal pattern	**CP issuance likely to be lower in the end of Q4 due to strong cash flows, and increased issuance during Q1 – Q3**

Summary

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Summary

- Broad geographic presence
- Diversified offering
- Focus on affordable
- Strong financial position