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Bonava winds down operations in Denmark

Bonava has decided to wind down its operations in Copenhagen and exit the Danish market in order to increase efficiency and profitability in the Group. The decision is the first step in the company's strategic review. Costs of approximately SEK 120 million will be reported as items affecting comparability in the second quarter. The plan is to divest the remaining land bank during the second half of 2021.

For the past two to three years, Bonava has focused intently on improving the efficiency and profitability of its operations in the fragmented Copenhagen region. However, investments in new land have been limited and thus significant capital would be required for the business to achieve a profitable size by the end of the decade. Therefore, the company has decided that no further investments will be made in the Copenhagen Region and that operations will be gradually wound down in a responsible manner. Ongoing construction projects will be completed and handed over to customers, but no new projects will be started. The Danish operations are expected to be fully wound down in about two years, while warranty commitments will remain valid for a ten-year period.

"We highly value the tremendous work of our Danish organisation in recent years. However, growing the Danish business to a sustainable and stable size would require significant investments in terms of time, capital and resources. By allocating our capital to other markets where we already hold a strong position, we can secure a higher long-term return for the Bonava Group as a whole," says Peter Wallin, President and CEO of Bonava.

Costs related to the wind down of approximately SEK 120 million will be reported as items affecting comparability in the second quarter of 2021. The plan is to divest the remaining land bank during the second half of 2021. Denmark's share of the Group's net sales in 2020 was 6 per cent and amounted to SEK 935 million and EBIT was SEK -80 million. In the first quarter 2021, net sales amounted to SEK 54 million, EBIT was SEK -17 million and the number of full-time employees was 58. Denmark is included in the Nordic segment.

Further information will be presented in connection with the interim report for the second quarter to be published on 20 July 2021.

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Bonava is a leading residential developer in Northern Europe that creates homes and neighbourhoods where people have the highest quality of life. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 2,100 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Denmark, Norway, St. Petersburg, Estonia, Latvia and Lithuania, with net sales of approximately SEK 17 Bn in 2020. Bonava's shares and green bond are listed on Nasdaq Stockholm.

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