

Press release, 15 November 2023

Bonava's Q3 interim report for 2023: Continued measures to improve cash flow and reduce costs

Third quarter, July – September*:

- Net sales amounted to SEK 2,765 (2,604) M
- The gross margin was 7.4 per cent (10.2) and was impacted by risk provisions as well as losses totalling SEK 68 (167) M from the divestment of assets
- Operating profit before items affecting comparability amounted to 32 (76) M and the operating margin was 1.2 per cent (2.9). Operating loss after items affecting comparability amounted to SEK -1,213 (Profit: 76) M
- Items affecting comparability totalling SEK -1,243 M were included in the third quarter. Of this amount SEK -686 M pertains to impairment of properties held for future development (of which -80 M in impairment of capitalized project development costs). -123 M refers to impairment of a B2M project, SEK -434 M to in restructuring charges; refer also to Notes 2 and 3. After the impairment of properties an excess value above book value remains of 1.2 Bn SEK.
- During the third quarter, Bonava announced that additional cost-savings programmes had been started in Germany, Sweden and Finland. Together with previously announced measures, these are expected to result in annual savings of SEK 1 Bn starting from 1 January 2025. Restructuring costs totalling SEK 434 M were recognised as items affecting comparability.
- Bonava is evaluating strategic options regarding long-term capital structure and is in active dialogue with its creditors and largest shareholders.
- Earnings per share amounted to SEK -12.85 (0.26)

Year-to-date, January – September*:

- Net sales amounted to SEK 8,281 M (8,322).
- The gross margin was 9.0 per cent (13.3) and was impacted by impairment, risk provisions and losses totalling SEK 130 M (161) from the divestment of assets.
- Operating profit before items affecting comparability was SEK 197 M (507) and the operating margin was 2.4 per cent (6.1). Operating loss after items affecting comparability amounted to SEK -1,046 M (507).
- Earnings per share amounted to SEK -13.36 (2.64).

Significant events after the end of the period:

- On 18 October, Bonava signed an agreement for the divestment of its operations in St. Petersburg for EUR 50 M (SEK 578 M SEK) and received payment at the same time. Final approval from the relevant authorities was received 2 November and the divestment has now been completed. Net assets as of 30 September were measured at the transaction price less selling costs, 564 MSEK, which corresponds to the fair value and increases equity with a corresponding amount. The purchase price, which was received 18 October will decrease the net debt during the fourth quarter.



*Recognised revenue and profit pertain to continuing operations, excluding St. Petersburg and Norway. St. Petersburg is reported as discontinued operations starting the third quarter 2022. Norway is reported as discontinued operations starting the second quarter of 2023.

President and CEO Peter Wallin comments:

"The market remained challenging in the third quarter. Germany and the Baltics had higher levels of activity than the Nordic markets, and we had 388 housing unit production starts and increased sales compared with the preceding quarters in 2023. We are planning for a market that will remain challenging in 2024, and our main focus is on increasing flexibility by controlling the factors we can influence: reducing costs and strengthening the cash flow."

Presentation of the report today at 9.00 a.m. CET

The report will be presented in a webcast teleconference in English today at 9.00 a.m. CET, by President and CEO Peter Wallin and CFO Lars Granlöf.

Follow the webcast at:

<https://bonava.videosync.fi/2023-11-15-q3>

To participate in the telephone conference, please register at:

<https://events.inderes.se/teleconference/?id=100379>

After registration you will be provided with a phone number and a conference ID to access the conference.

To ask questions, please follow the webcast and post your questions in the chat or call in and dial *5 on your phone.

The presentation materials and a recorded version of the conference will be available for download from bonava.com.

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Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 1,600 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Estonia, Latvia and Lithuania, with net sales of approximately SEK 14 Bn in 2022. Bonava's shares and green bond are listed on Nasdaq Stockholm.

For more information about us, visit: bonava.com

