
Paulshöfe, Düsseldorf, Germany

January–September 2024

Peter Wallin, CEO and
Lars Ingman, CFO
24 October 2024

Interest rate cuts boost consumer confidence and increase demand

Market highlights Q3

- Continued improvement in market
- Strong B2C market compared to last year
- The B2B market is on the rise. Two investor deals signed in Germany and Finland during July-October. More to come
- Sales and reservations is increasing with 31 per cent during the year

Increase in sold units and production starts

Q3 figures in brief

- As expected, low volume in quarter - net sales of SEK 1.4 Bn (2.8)
- Increase in operating gross margin of 10.0 per cent (7.4)
- Cost reductions according to plan but under-absorption of OPEX (S&A and indirect costs) impacts gross profit and EBIT
- R12 Operating EBIT margin of 4.6 per cent (3.9)
- Strong cash flow reducing net debt significantly to SEK 3.5 Bn (6.3)
- Valuation of building rights portfolio carried out in Q3 – excess value SEK 4.6 Bn (3.7)

Examples of neighbourhoods started in the third quarter

Paulshöfe – Düsseldorf, Germany
89 housing units sold to an investor

Lönnen – Linköping, Sweden
23 housing units for consumers

Tuike – Tampere, Finland
29 housing units for consumers

All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Neighbourhoods started in the beginning of the fourth quarter

Selene – Turku, Finland
99 units sold to an investor

Hartmana Kvartals – Riga, Latvia
72 housing units to consumers

Aiandi – Tallin, Estonia
66 housing units to consumers

Fjärilshusen – Stockholm, Sverige
16 housing units for consumers

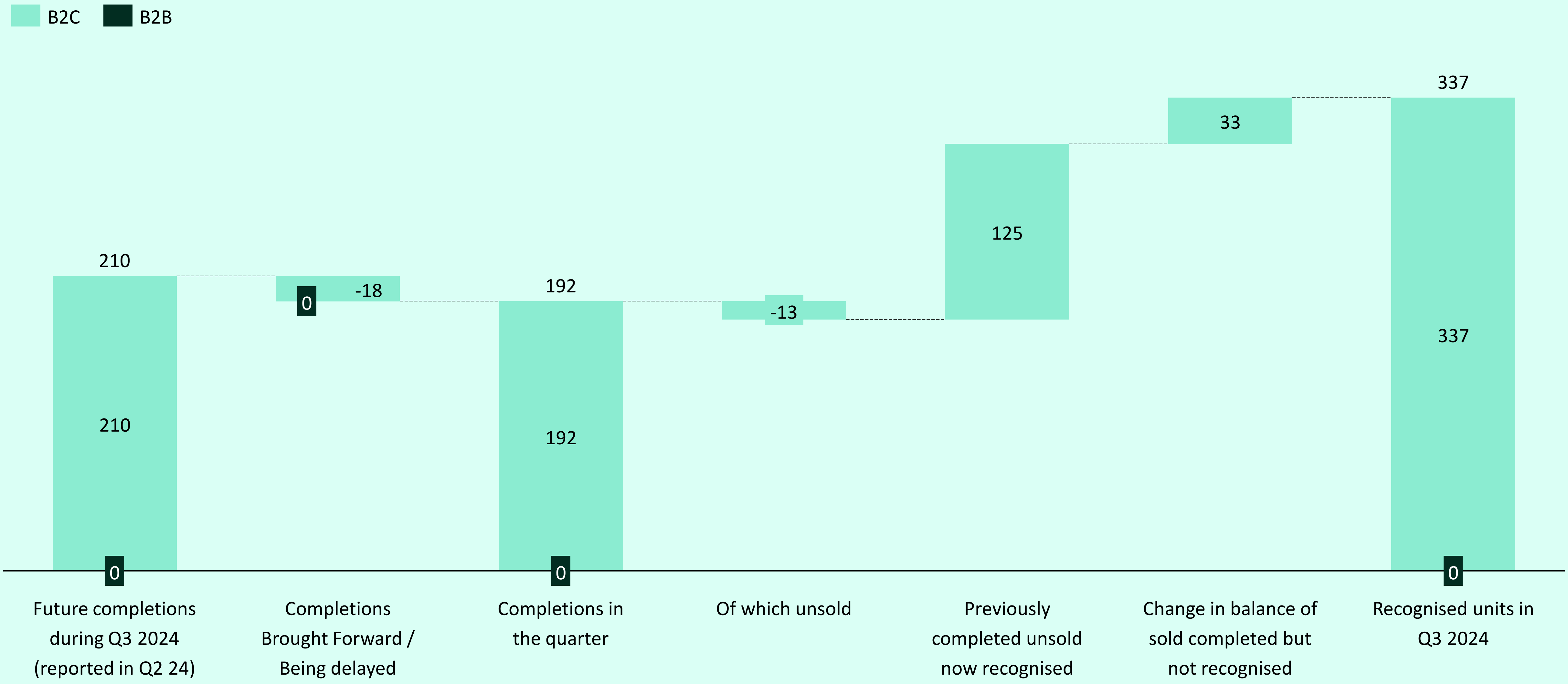
For more information: bonava.com/en/media/press-releases

Financial development

Lars Ingman, CFO

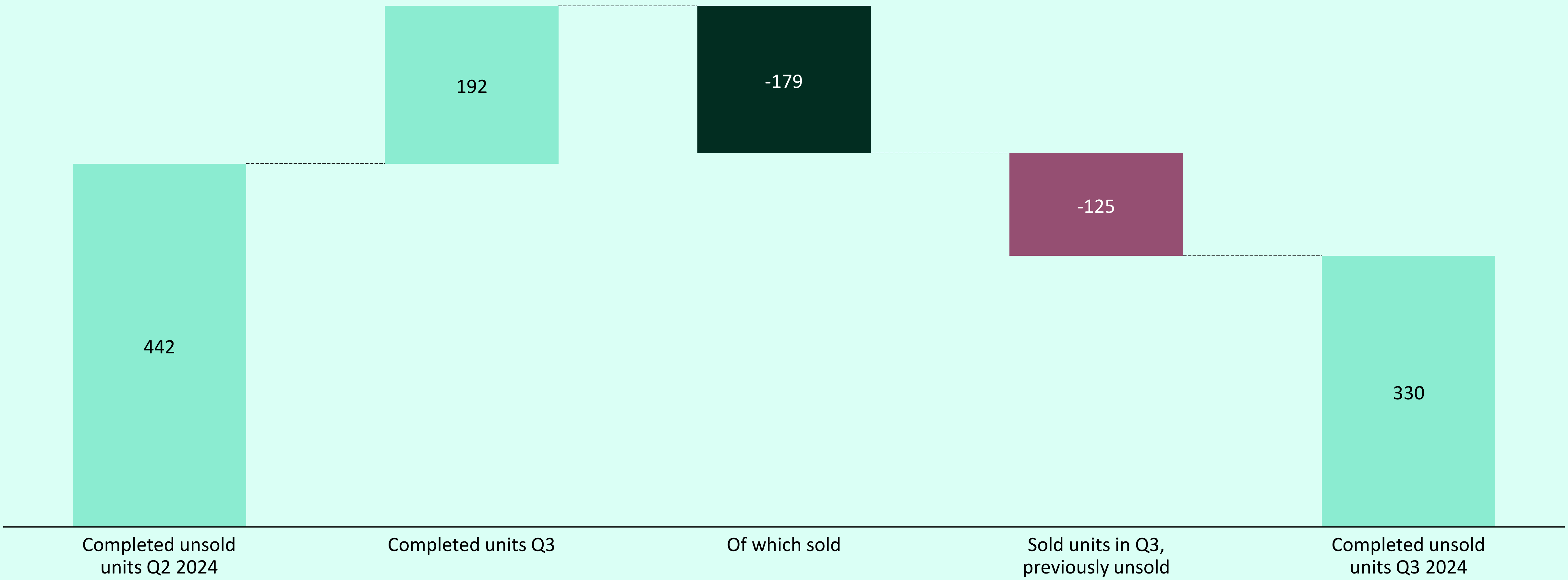
Continuing to sell completed unsold

Recognised units bridge,



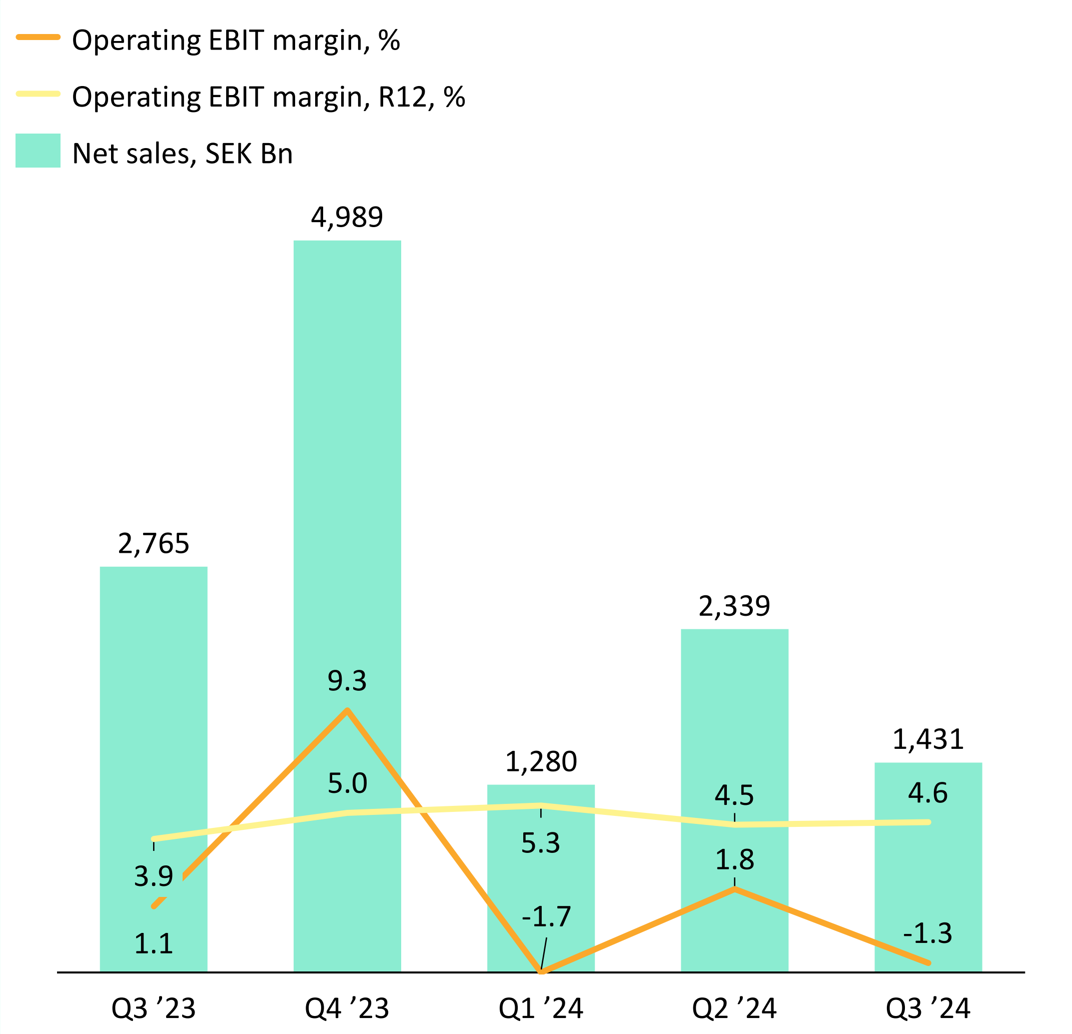
Good development in selling completed units

Completed unsold units bridge,



Bonava Group
Under-absorption of OPEX is largely offset by higher operating project margin

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Net sales	1,431	2,765	10,038	13,269
Operating gross profit	**143**	**205**	**1,158**	**1,421**
Operating gross margin, %	*10.0*	*7.4*	*11.5*	*10.7*
Selling & admin expense	-163	-176	-693	-760
Operating EBIT	**-19**	**30**	**465**	**660**
Operating EBIT margin, %	*-1.3*	*1.1*	*4.6*	*5.0*
Operating adjustments *	-239		-267	
IAC		-1,243	-37	-1,279
EBIT	**-258**	**-1,213**	**161**	**-619**
Net financial items	-132	-145	-533	-518
Profit/loss before tax	**-391**	**-1,358**	**-373**	**-1,137**



* Mainly impairment of land in Sweden and Germany.

Operating EBIT and operating EBIT margin

	SEK M				%			
	24’Q3	**23’Q3**	**R12**	**2023**	**24’Q3**	**23’Q3**	**R12**	**2023**
Germany	**45**	157	549	628	**5.5**	8.3	8.8	8.6
Sweden	**-14**	-86	11	77	**-3.5**	-29.8	0.6	2.9
Finland	**-33**	-3	8	107	**-123.9**	-0.6	0.7	4.2
Baltics	**16**	6	63	68	**8.7**	4.8	8.4	8.9
Other	**-32**	-44	-166	-219	**-**	-	-	-
Total	**-19**	30	465	660	**-1.3**	1.1	4.6	5.0

Germany

SHARE OF NET SALES (R12)

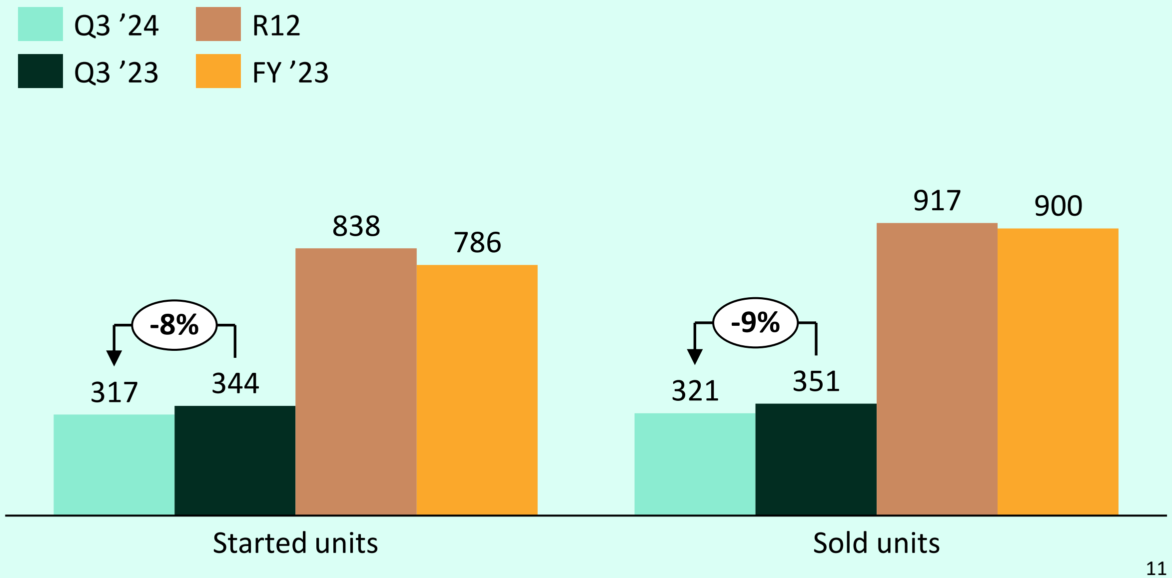
62%)23: 55%

Highlights

- Increase in started units to consumers with 36 per cent and increase in sold units to consumers with 33 per cent units versus last year.
- Increased operating gross margin
- Gradually realising cost savings, -25 per cent R12
- First investor deal this year made in July

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Net sales	813	1,882	6,273	7,283
Operating gross profit	**111**	**231**	**820**	**917**
Operating gross margin, %	*13.6*	*12.3*	*13.1*	*12.6*
Selling & admin expense	-66	-74	-271	-289
Operating EBIT	**45**	**157**	**549**	**628**
Operating EBIT margin, %	*5.5*	*8.3*	*8.8*	*8.6*
Recognised units	153	393	1,227	1,510

Sold and started units



Sweden

SHARE OF NET SALES (R12)

18%

23: 20%

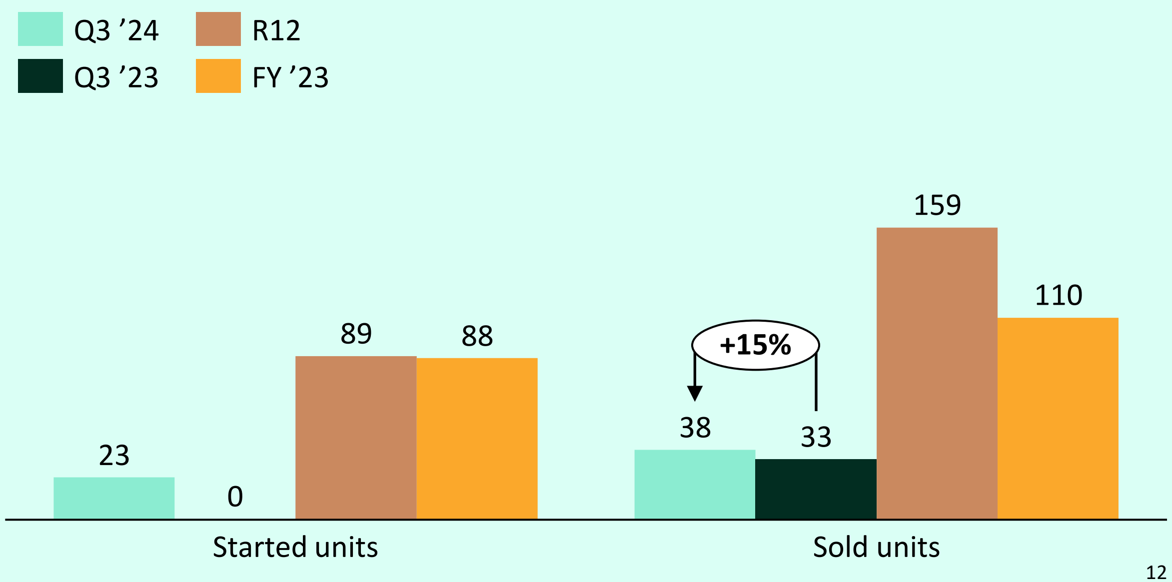
Highlights

- Higher demand from consumers
- Increase in sold units but from low levels
- Decrease in completed unsold units by 50 per cent compared to dec 2023
- Established JV with OBOS Nya Hem in Södra Änggården, Göteborg
- Production start, Lönnen, Linköping

Project: Glöd, Umeå

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Net sales	413	290	1,799	2,685
Operating gross profit	**12**	**-51**	**136**	**225**
Operating gross margin, %	*2.9*	*-17.5*	*7.6*	*8.4*
Selling & admin expense	-26	-36	-125	-148
Operating EBIT	**-14**	**-86**	**11**	**77**
Operating EBIT margin, %	*-3.5*	*-29.8*	*0.6*	*2.9*
Recognised units	57	77	473	887

Sold and started units



Finland

SHARE OF NET SALES (R12)

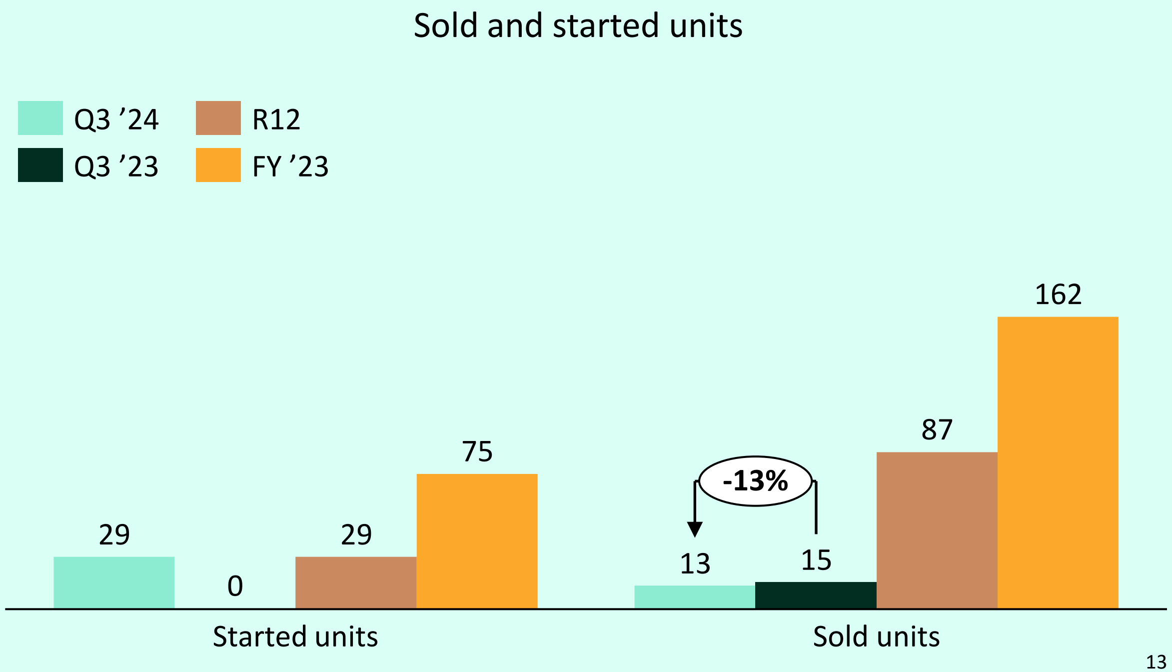
12% 23: 19%

Highlights

- Challenging market in the quarter but with early positive market signals
- No finalised projects and few recognized units in the quarter
- First project start in 1,5 years – Tuike in Tampere
- Investor deal signed in the beginning of the fourth quarter


Project: Tuike, Tampere

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Net sales	27	480	1,211	2,531
Operating gross profit	**-6**	**17**	**103**	**192**
Operating gross margin, %	*-24.1*	*3.5*	*8.5*	*7.6*
Selling & admin expense	-26	-20	-95	-85
Operating EBIT	**-33**	**-3**	**8**	**107**
Operating EBIT margin, %	*-123.9*	*-0.6*	*0.7*	*4.2*
Recognised units	8	169	533	1,051



Baltics

SHARE OF NET SALES (R12)
8%
023: 6%

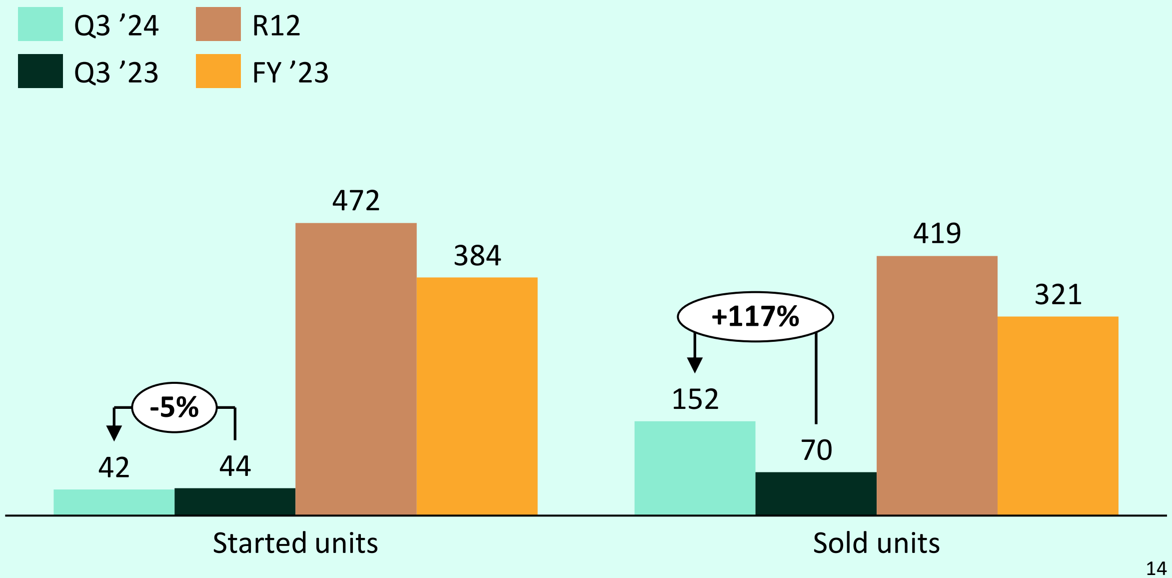
Highlights

- Market continues to be strong
- Major increase in net sales
- Sales to consumer doubled compared to last year
- Stable operating gross margin and increase in operating EBIT margin
- Very good progress in occupancy rate in B2M projects, 79 percent

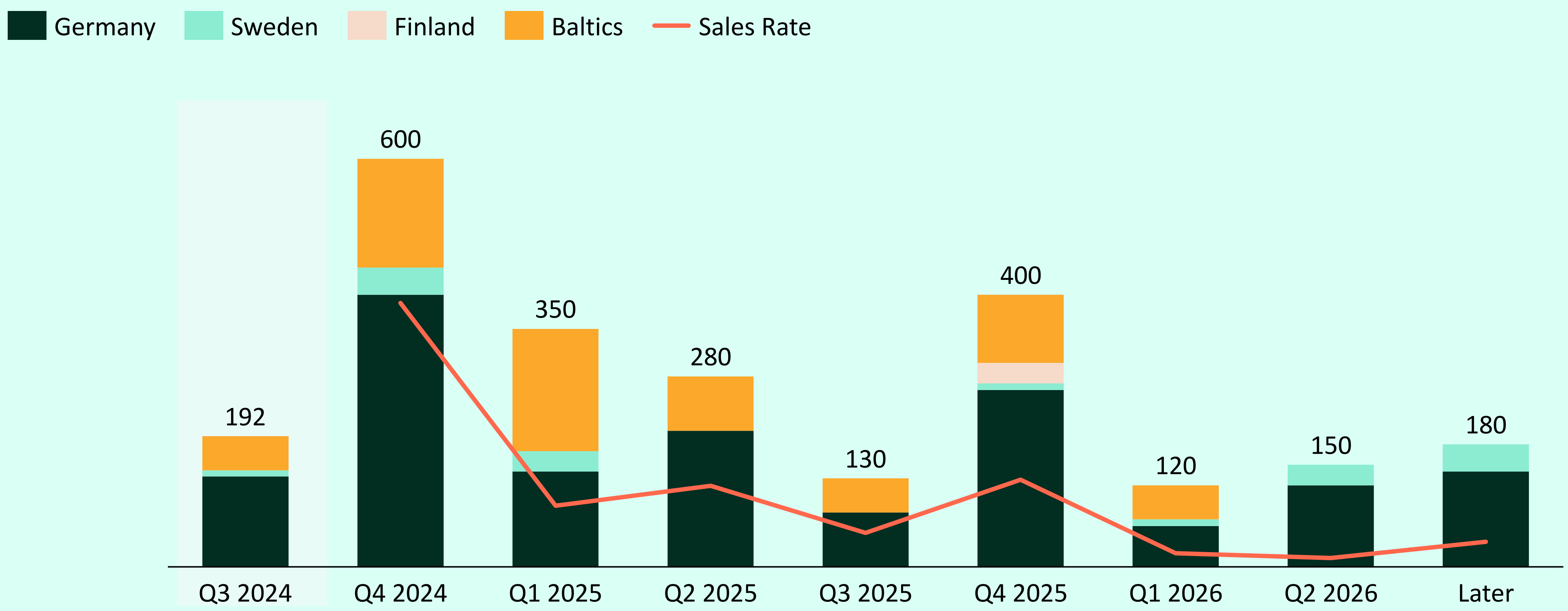
Project: Evalda Valtera 1 , Riga

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Net sales	178	116	755	770
Operating gross profit	**27**	**17**	**110**	**116**
Operating gross margin, %	*14.9*	*14.3*	*14.5*	*15.0*
Selling & admin expense	-11	-11	-47	-48
Operating EBIT	**16**	**6**	**63**	**68**
Operating EBIT margin, %	*8.7*	*4.8*	*8.4*	*8.9*
Recognised units	119	80	505	521

Sold and started units



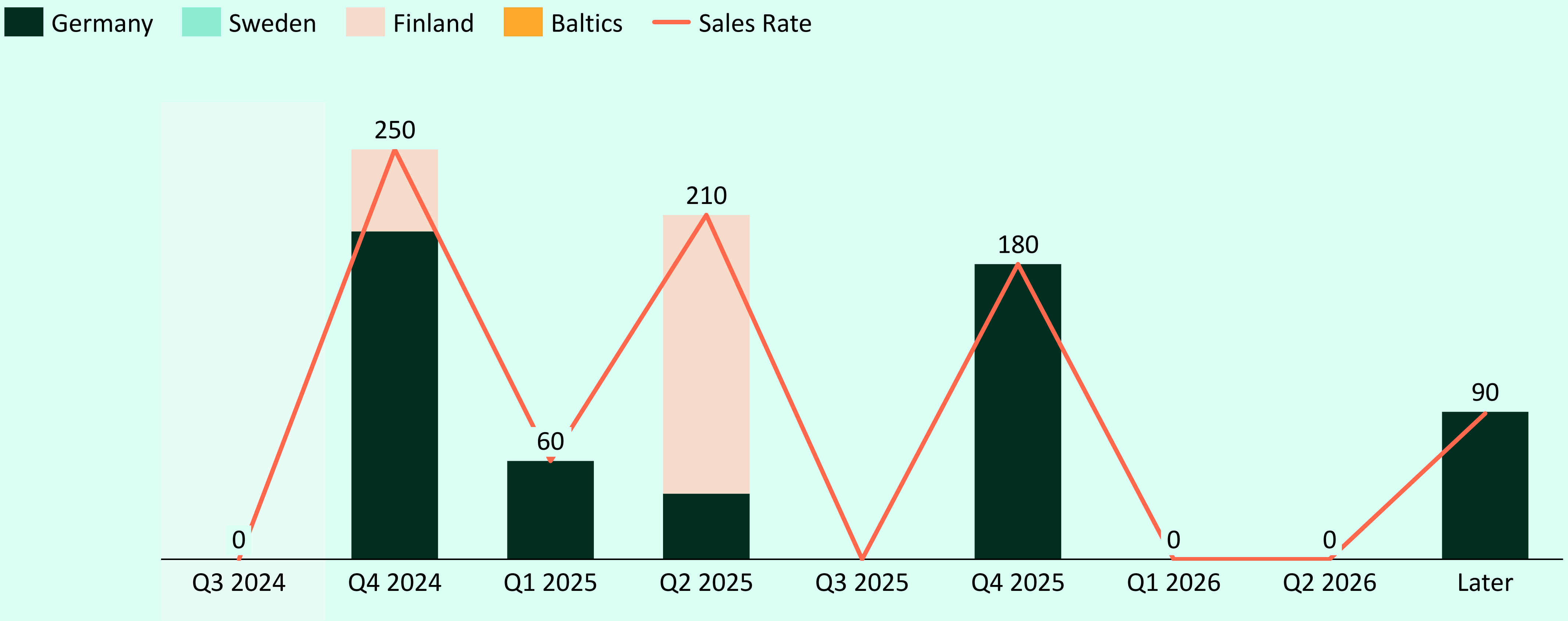
Consumers - estimated completions and sales rate



Δ since Q2 24*:	-18	-30	29	22	-1	9	10	63	-104	
Starts Q3 24:			1	8	11	91	70	87	54	**322**

*The numbers under the chart clarify the changes that have occurred during the quarter.

Investors - estimated completions and sales rate



Δ since Q2 24*:

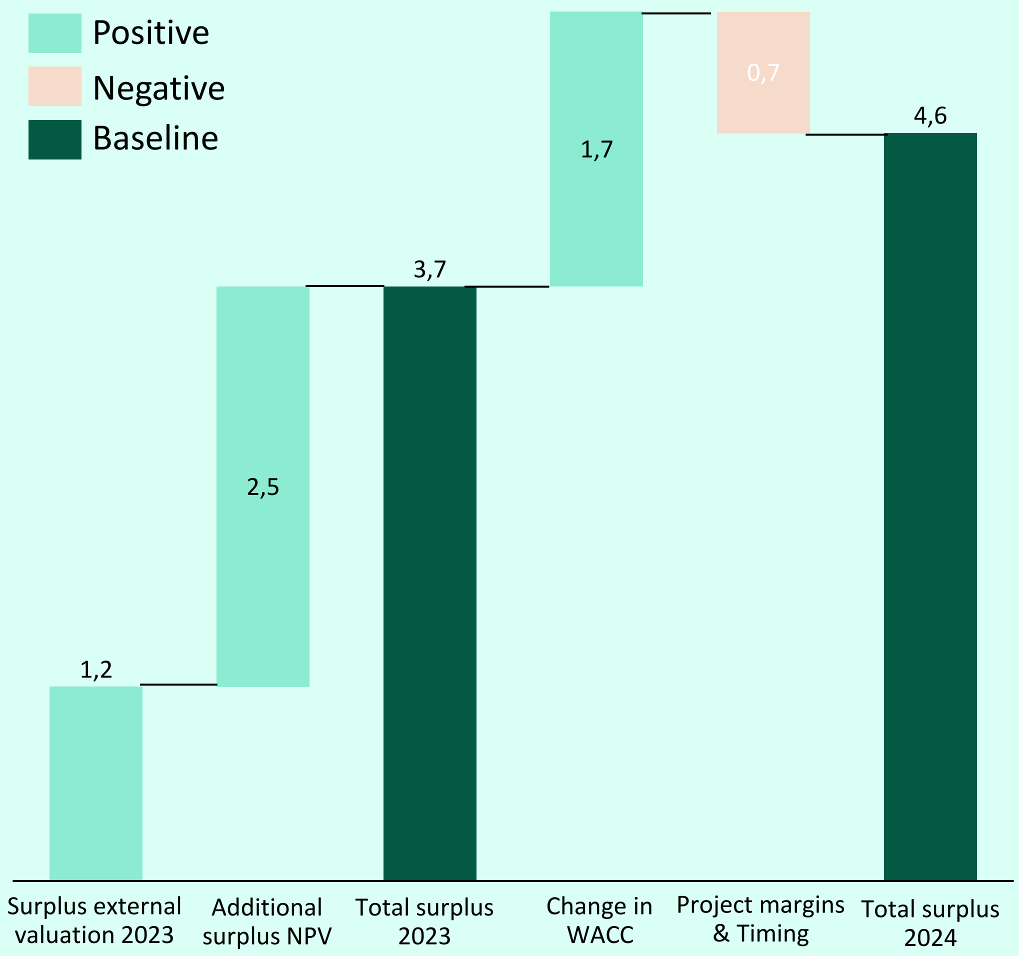
Starts Q3 24: 89

*The numbers under the chart clarify the changes that have occurred during the quarter.

Updated valuation of building rights portfolio

Highlights

- Valuation based on updated forecasted cash flow
- Average unlevered WACC 9.2 per cent (12.5)
- External valuation conducted in the quarter for approx. 30 per cent of the building rights
- In total, impairment of SEK -143 M
- The total number of building rights amounts to 27,500, of which 7,200 are off balance.

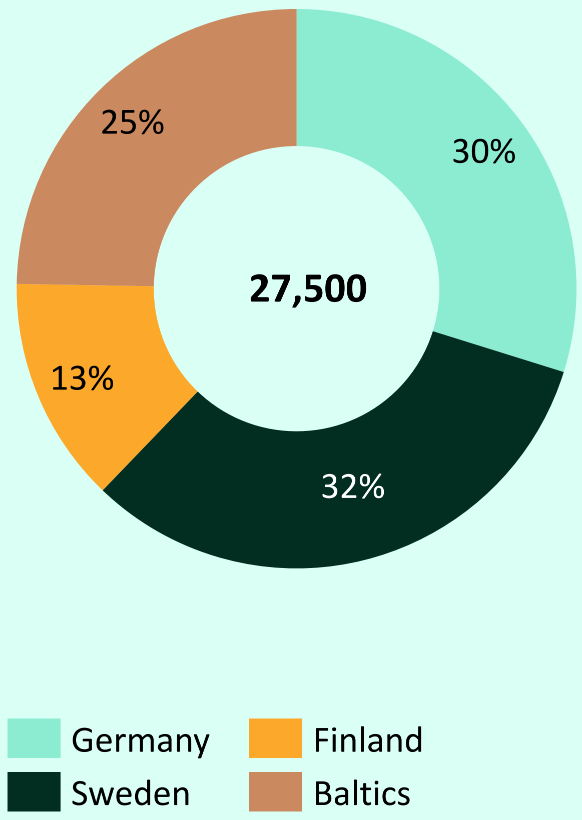


all amounts after impairments

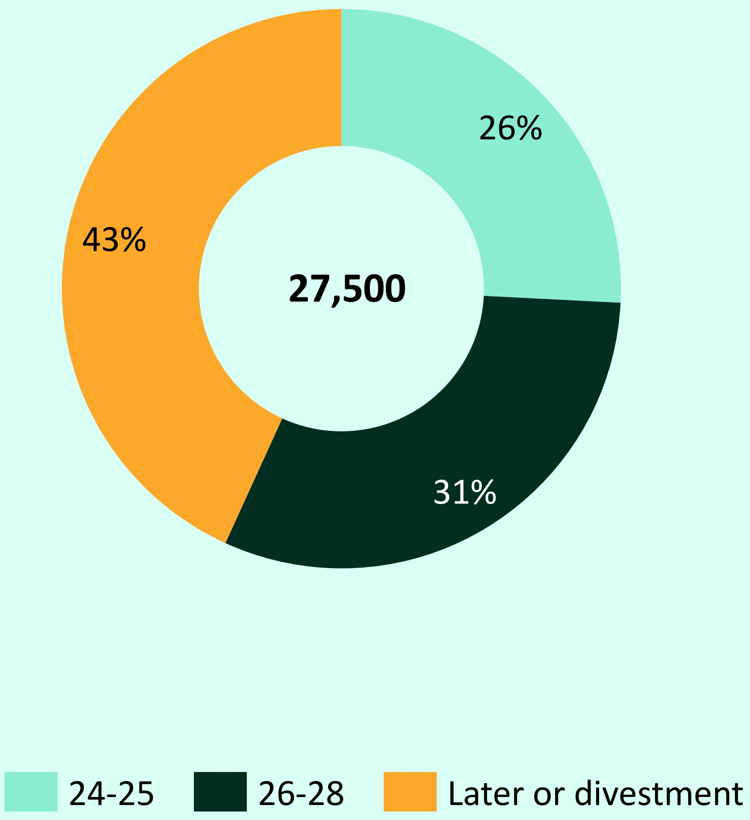
Optimising building right portfolio

Building rights, #

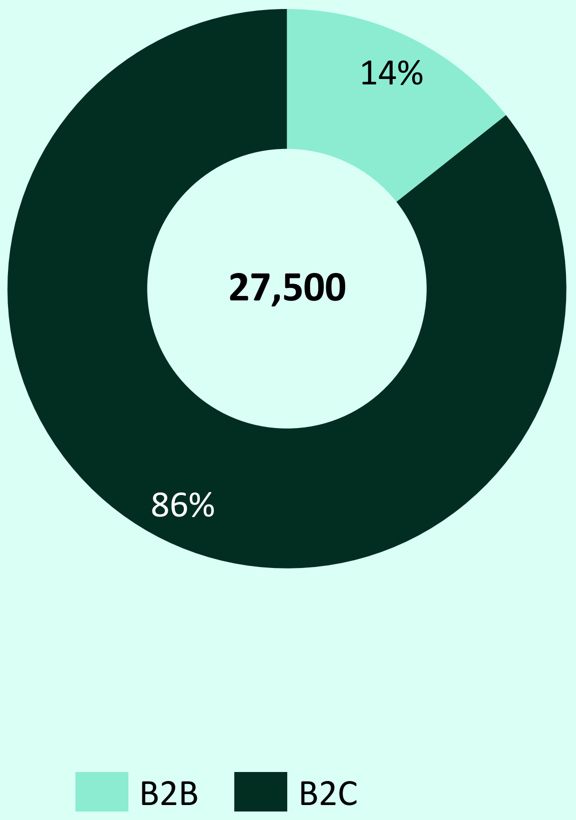
Distribution between BU's



Potential start period

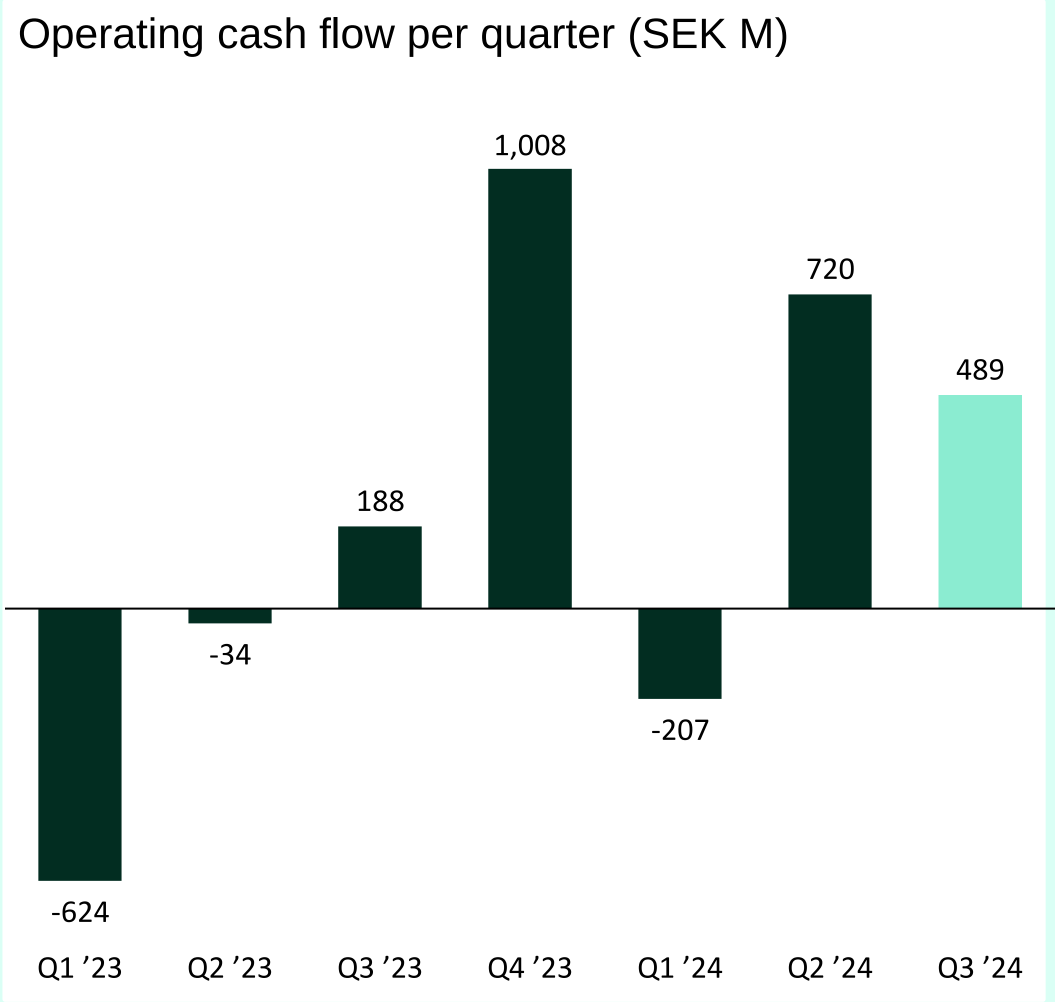


Customer segment

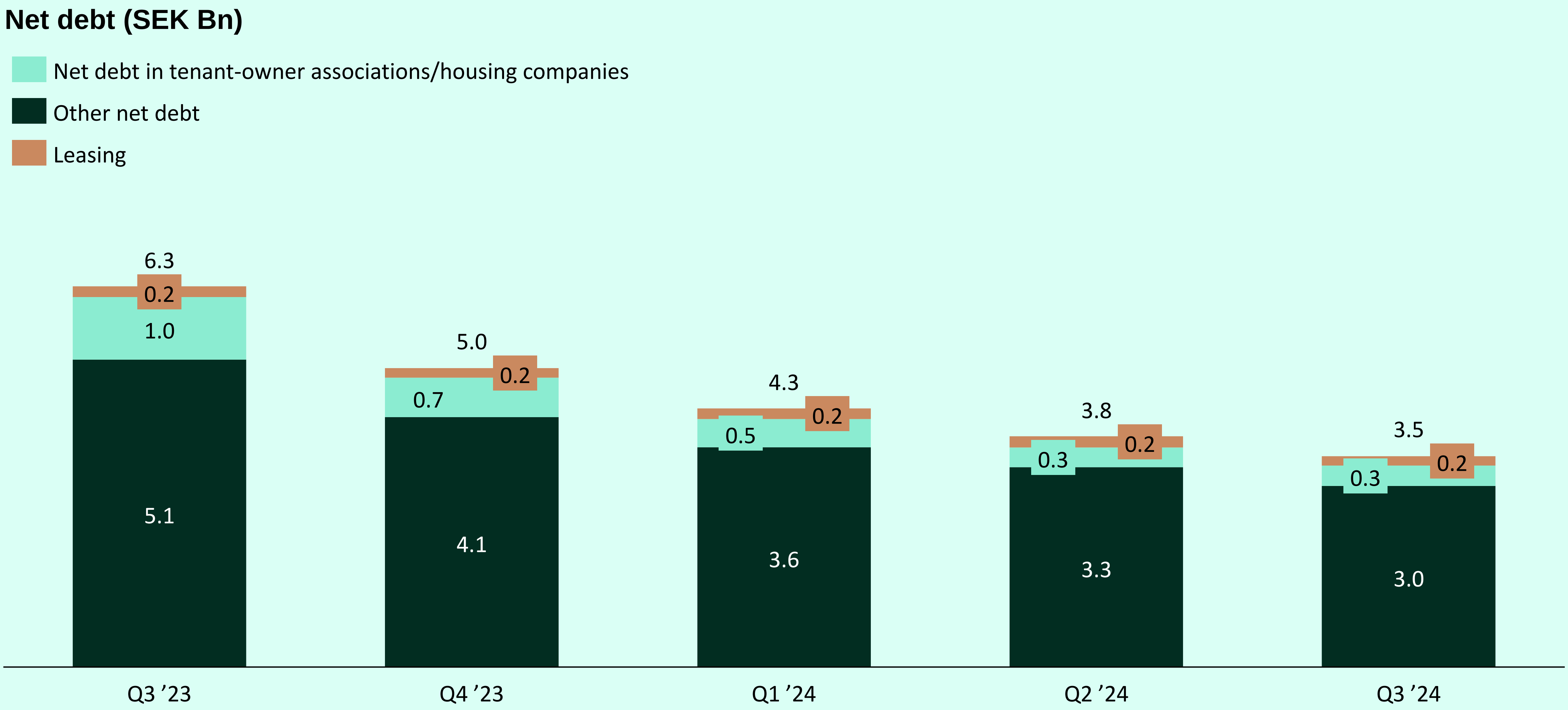


Continued strong cash flow

SEK M	2024 Q3	2023 Q3	R12	2023 FY
Operating EBITDA	**7**	**228**	**555**	**977**
Op adjustments/IAC	-239	-1,243	-303	-1,279
EBITDA	**-232**	**-1,015**	**252**	**-302**
Net project investments/divestments	-143	1,014	2,660	3,926
Net land investments/divestments	608	605	976	-374
Net investments/divestments, other	-33	161	-72	-18
Net investments	**431**	**1,781**	**3,564**	**3,534**
Net change in AR/AP	-11	-74	-200	-211
Change in advance from customers	486	-350	-1,529	-2,046
Change in other working capital	-185	-154	-75	-436
Change in working capital	**290**	**-578**	**-1,806**	**-2,694**
Operating cash flow	**489**	**188**	**2,009**	**538**

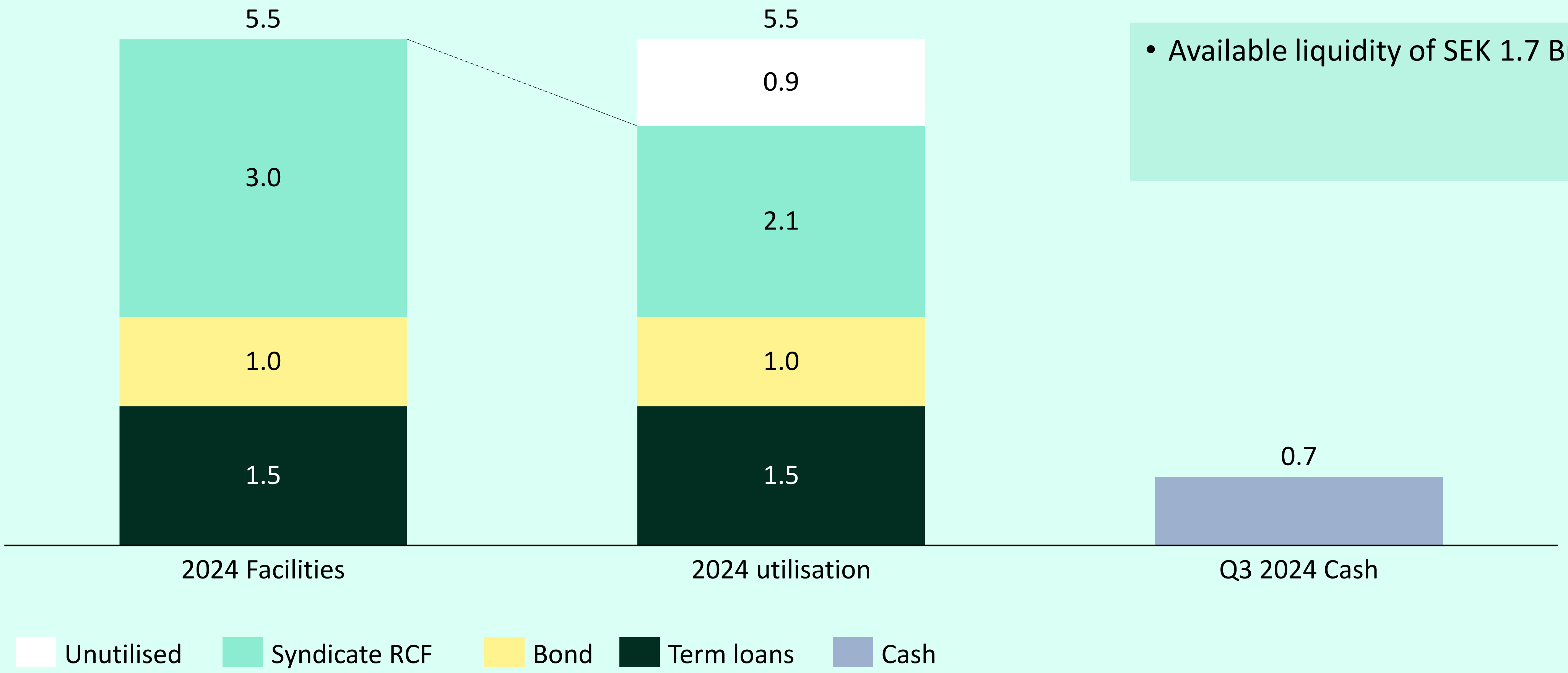


Net debt decreases further, divesting land and selling completed units



High level of available liquidity

Financing facilities per Q3 2024 (SEK Bn)

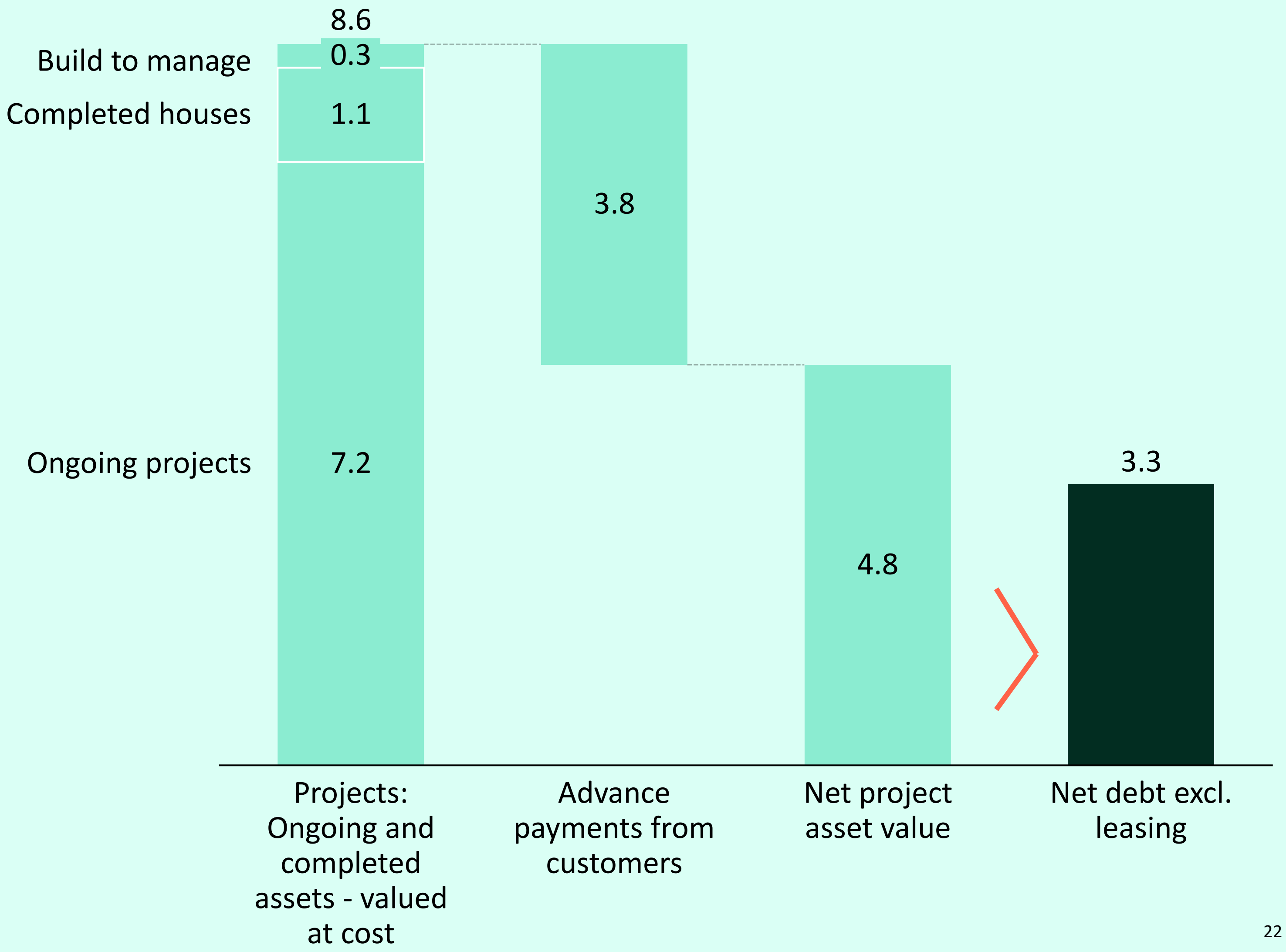


- Available liquidity of SEK 1.7 Bn

Well above target

Net project asset value ≥ Net debt excl. leasing 1.0 → **1.4x**

Equity to asset ratio > 30% → **38.2%**



Summary

Intense quarter ahead - Q4 the most active quarter of the year

Summary

- Market is gradually getting stronger
- Significantly reduced net debt and improved cash flow – will allow project starts and reduced financial costs
- Under-absorption of OPEX will gradually be reduced as starts are ramped-up
- Strong pipe-line to start projects in Q4 2024 and full year 2025
- Intensive quarter as Q4 historically has been the most active quarter in terms of handovers, cash inflow and starts of the year

Q&A