



Q2 2020

Joachim Hallengren, CEO
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Increased starts and sales picking up in challenging times



Q2

- Increased number of starts in Germany and Sweden
- Increased sales to investors
- EBIT lower mainly due to:
 - Nordic, low margin projects
 - Germany, projects with lower margin than average

Increased number of starts in 2020 for Germany and Sweden



Jan-Jun

- Increased number of starts in Germany and Sweden
- Stable sales due to a strong start of the year and pick up in June
- Strong sales rate of 79 percent
- EBIT lower mainly due to:
 - Nordic, low margin projects
 - Germany, lower margin projects than average
 - High volume of recognised units in St. Petersburg-Baltics in comparable period

Key figures 2020

Q2

- Net Sales: SEK 3,537 M (2,758)
- EBIT: SEK 56 M (182)
- EBIT, excluding sales of land: SEK 58 M (120)
- Net profit: SEK 18 M (120)

Jan-Jun

- Net Sales: SEK 6,486 M (5,595)
- EBIT: SEK 87 M (347)
- EBIT, excluding sales of land: SEK 87 M (286)
- Net profit: SEK 20 M (220)
- Units in production: 8,810 (10,121)
- Value sold, not recognised: SEK 20.7 Bn (20.6)
- Sales rate: 79 (70) percent

Increased number of starts and solid sales to investors

Consumers

- Sold units: 642 (912), YTD: 1,574 (1,643)
- Started units: 418 (373), YTD: 949 (1,096)



Oslo, 31 units started to consumers

Investors

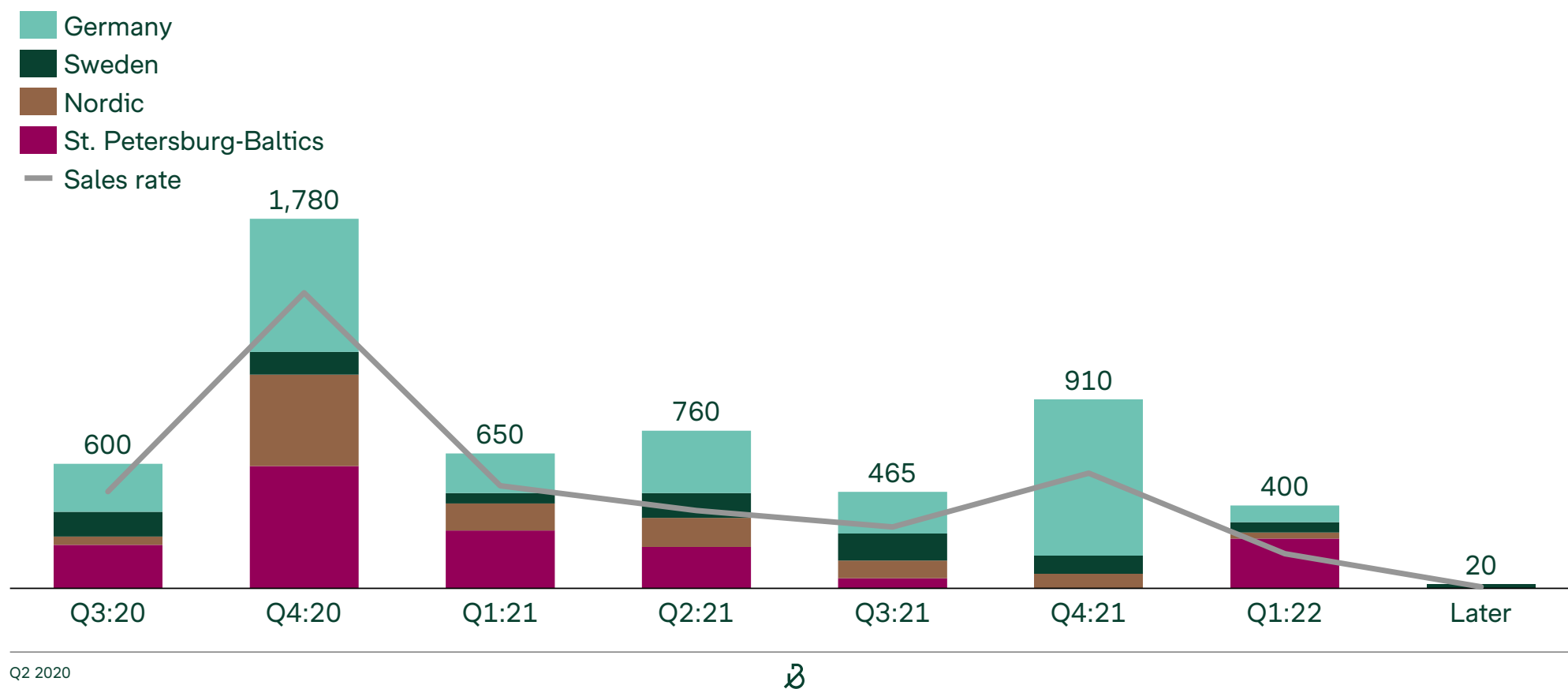
- Sold units: 333 (126), YTD: 530 (126)
- Started units: 333 (126), YTD: 333 (126)



Copenhagen, 121 units sold to investors

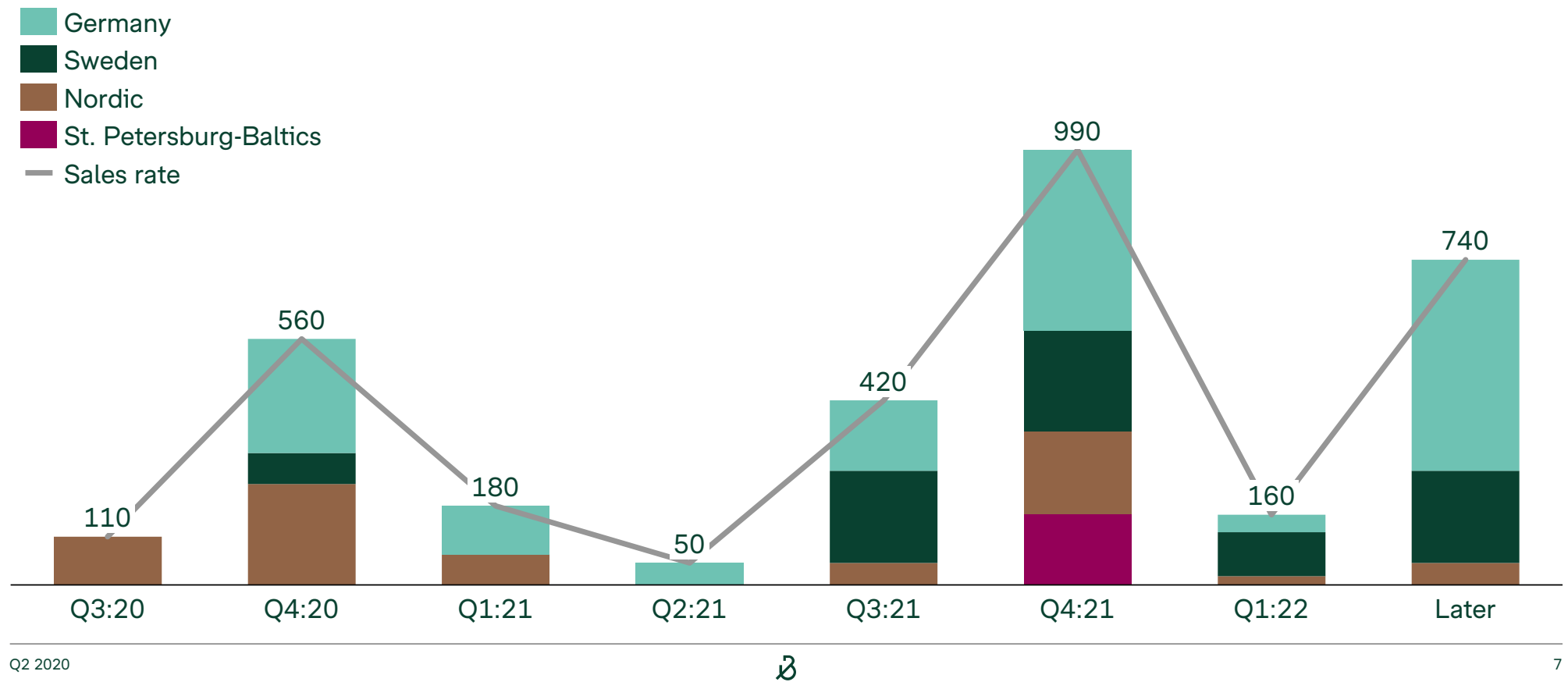
Expected completions and sales rate – Consumers

Estimated completions of ongoing production



Estimated completions and sales rate – Investors

Estimated completions of ongoing production



COVID-19 update



- Production sites running with a few disturbances
- Some delays in completions and handovers
- Sales slowed down
- Bonava continues with mitigating actions to:
 - Protect stakeholders
 - Minimise risks, protect cost and cash flow
 - Increase flexibility for easier adaptation



Q2 2020

Ann-Sofi Danielsson, CFO

Continued growth and lower SG&A

SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net sales	3,537	2,758	6,486	5,595
Gross profit	253	414	513	809
Selling and administrative expenses	-197	-232	-426	-462
EBIT incl. sale of land	56	182	87	347
Net financial items	-30	-22	-59	-53
Profit after financial items	25	160	27	294
Tax on profit for the period	-7	-41	-7	-74
Tax %	28%	25%	28%	25%
Net profit	18	120	20	220

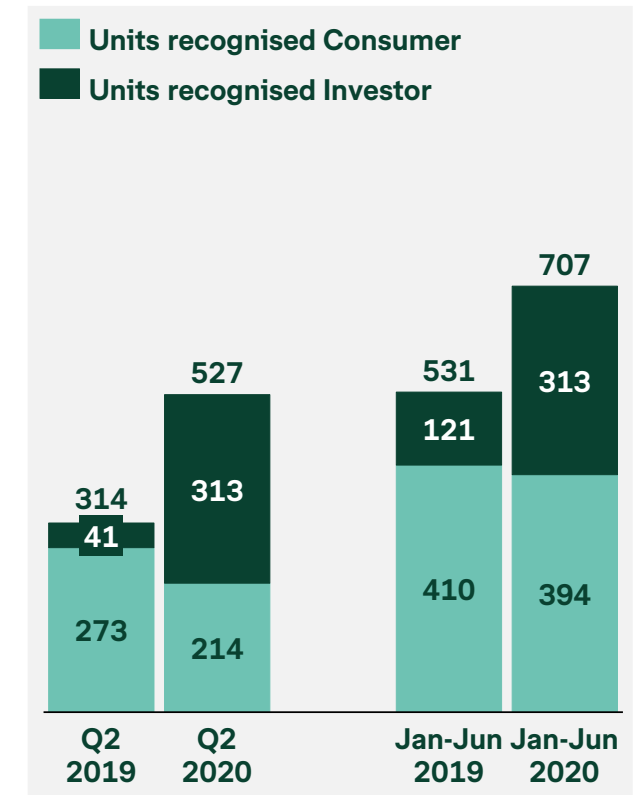
Different project-mix in Germany and Nordic projects with weaker margins

SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Germany	60	145	67	172
Sweden	70	93	184	184
Nordic	-48	-29	-112	-27
St.Petersburg - Baltics	24	33	52	138
Other	-50	-59	-104	-119
EBIT, incl. sale of land	56	182	87	347

Different project-mix of recognised units

Germany

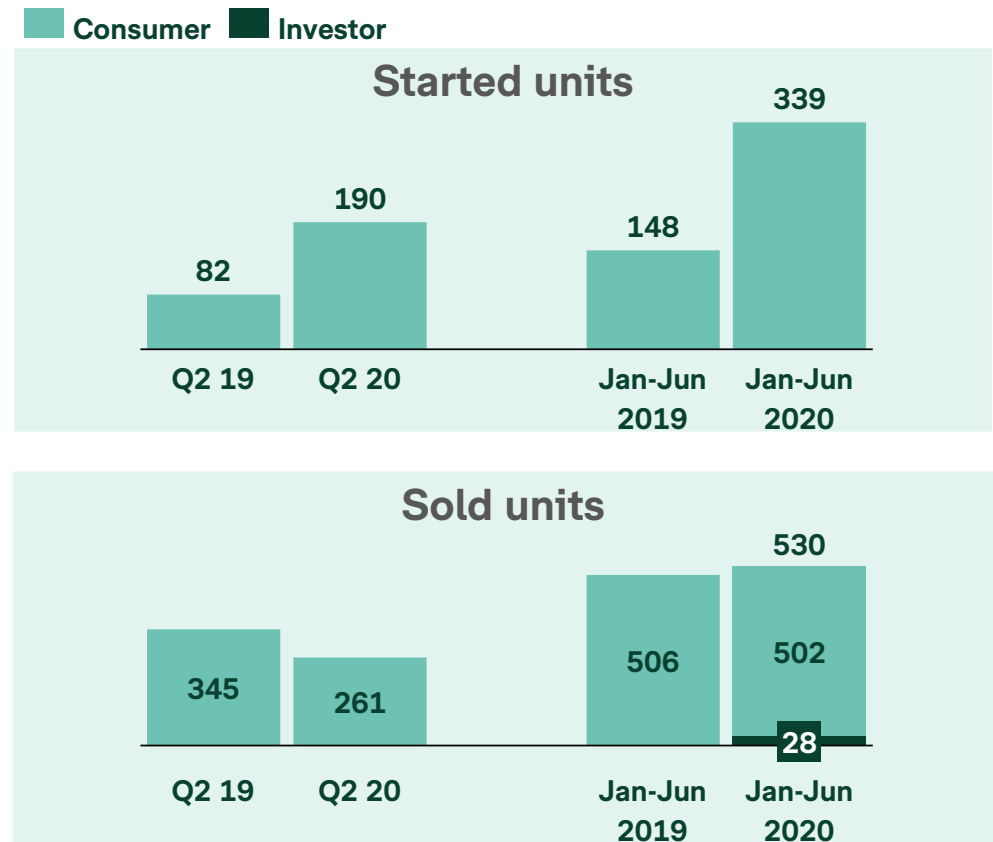
SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net Sales	1,592	1,185	2,315	1,888
Gross Profit	127	227	216	335
Selling and admin expense	-66	-83	-149	-163
EBIT	60	145	67	172
<i>EBIT margin, %</i>	3.8	12.2	2.9	9.1



Higher number of consumer starts

Germany

- Good interest for Bonava's housing but sales affected in the quarter by COVID-19
- Continued delays in building permits

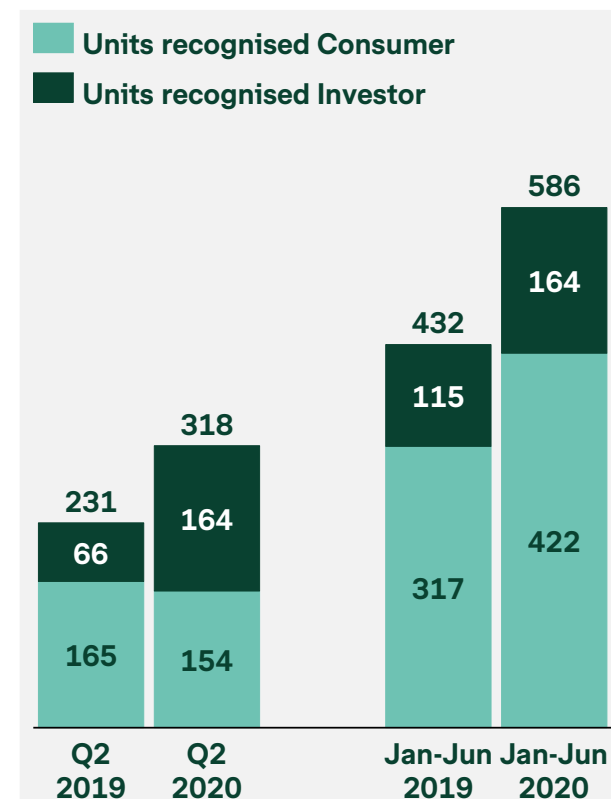


Solid performance

Sweden

SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net Sales	1,062	957	2,232	1,745
Gross Profit	101	133	251	261
Selling and admin expense	-31	-41	-67	-78
EBIT	70	93*	184	184*
<i>EBIT margin, %</i>	6.6	9.7	8.2	10.5

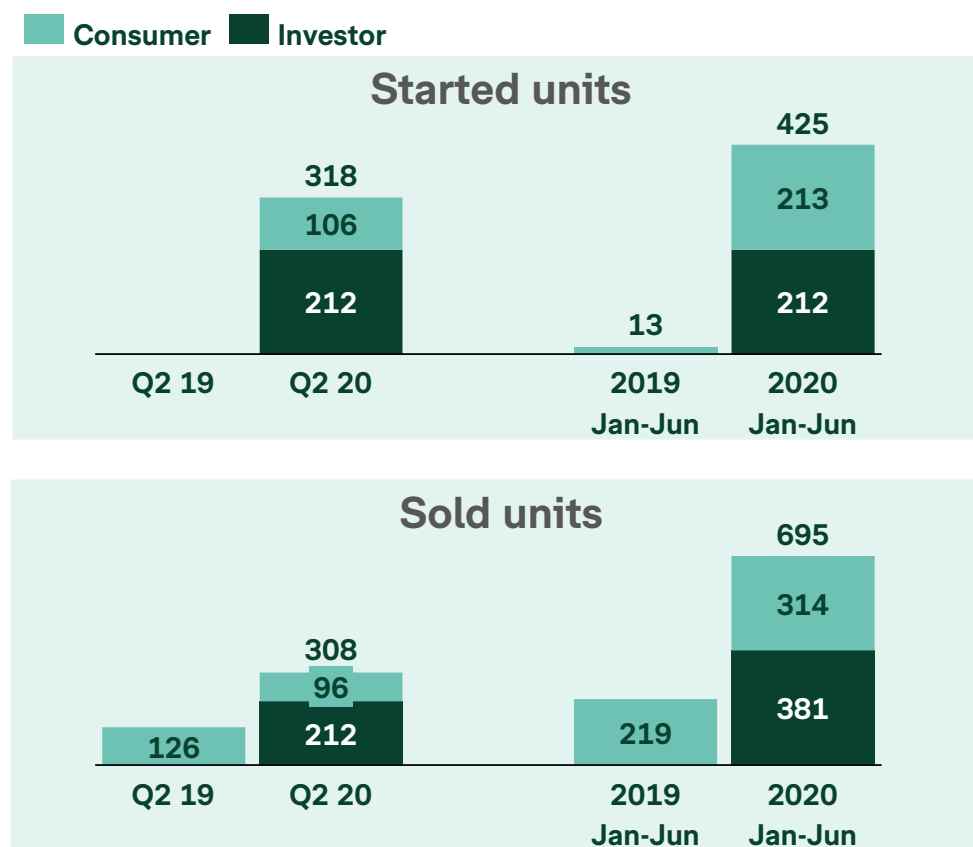
*Including sale of land of SEK 55 M



Higher number of starts

Sweden

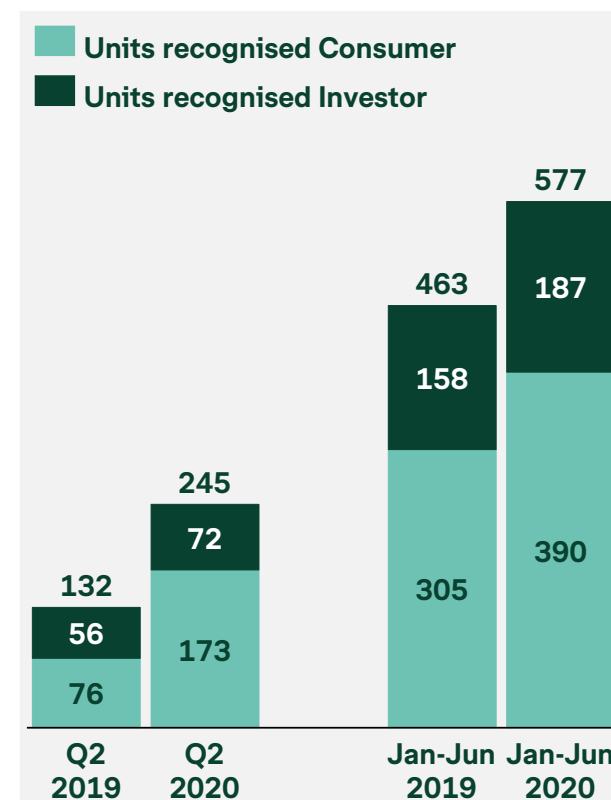
- Investor project of 212 units in Sigtuna
- Underlying solid interest for Bonava's housing
- Fewer unsold units
- Investor project of 162 units in Västerås sold after end of quarter



Weak margin projects impact EBIT

Nordic

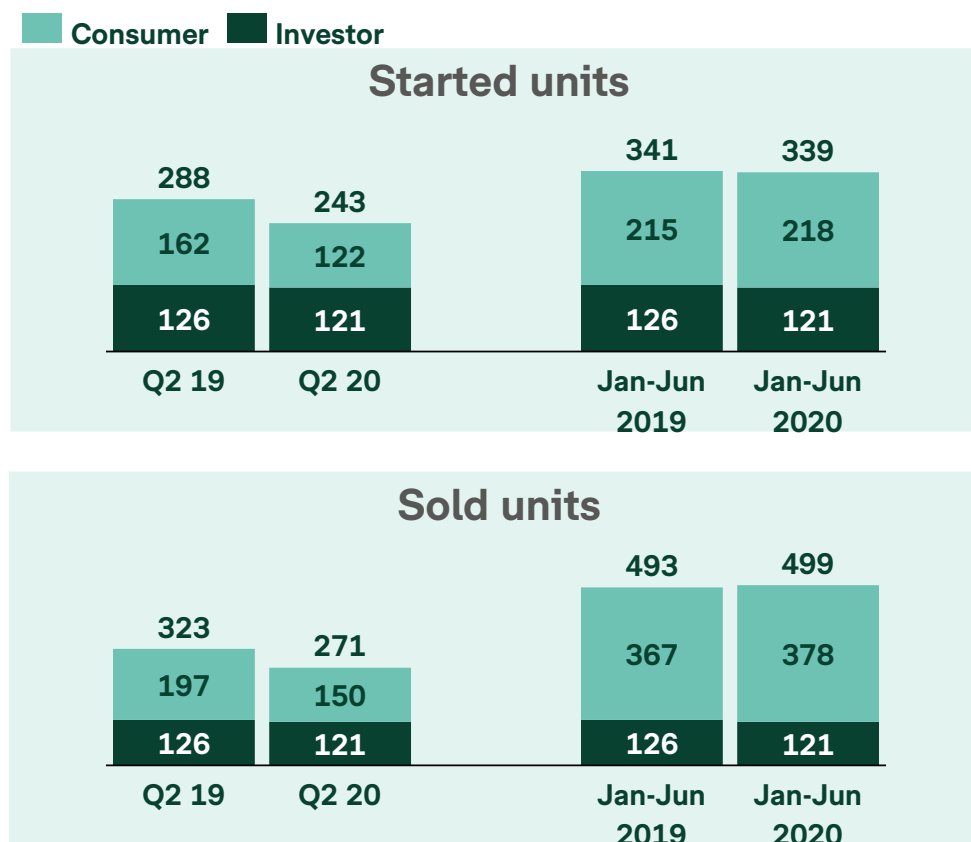
SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net Sales	658	409	1,474	1,208
Gross Profit	-5	10	-19	56
Selling and admin expense	-44	-39	-93	-83
EBIT	-48	-29	-112	-27
<i>EBIT margin, %</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>



Sales negatively impacted by COVID-19

Nordic

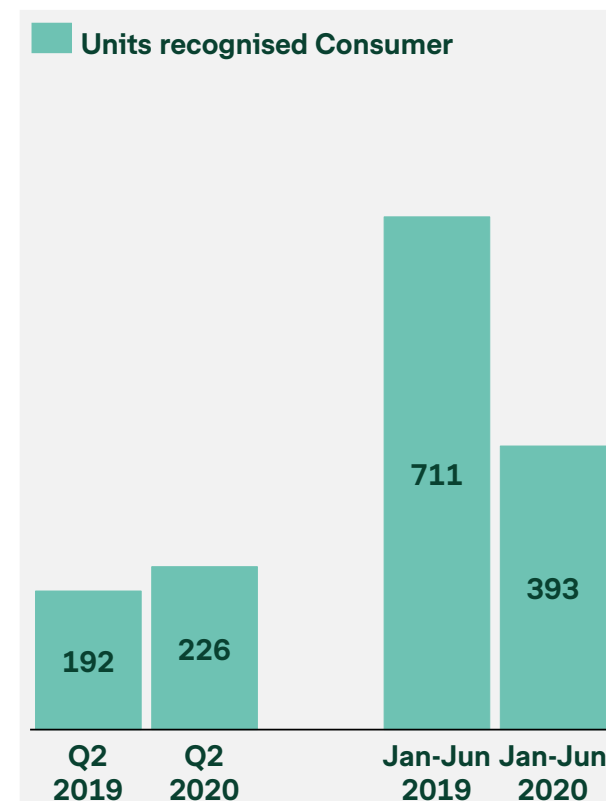
- First consumer project in Oslo started
- Stable YTD sales due to strong sales in the beginning of 2020
- Unsold units in Finland increased partly due to COVID-19



Market mix affecting EBIT in the quarter

St. Petersburg-Baltics

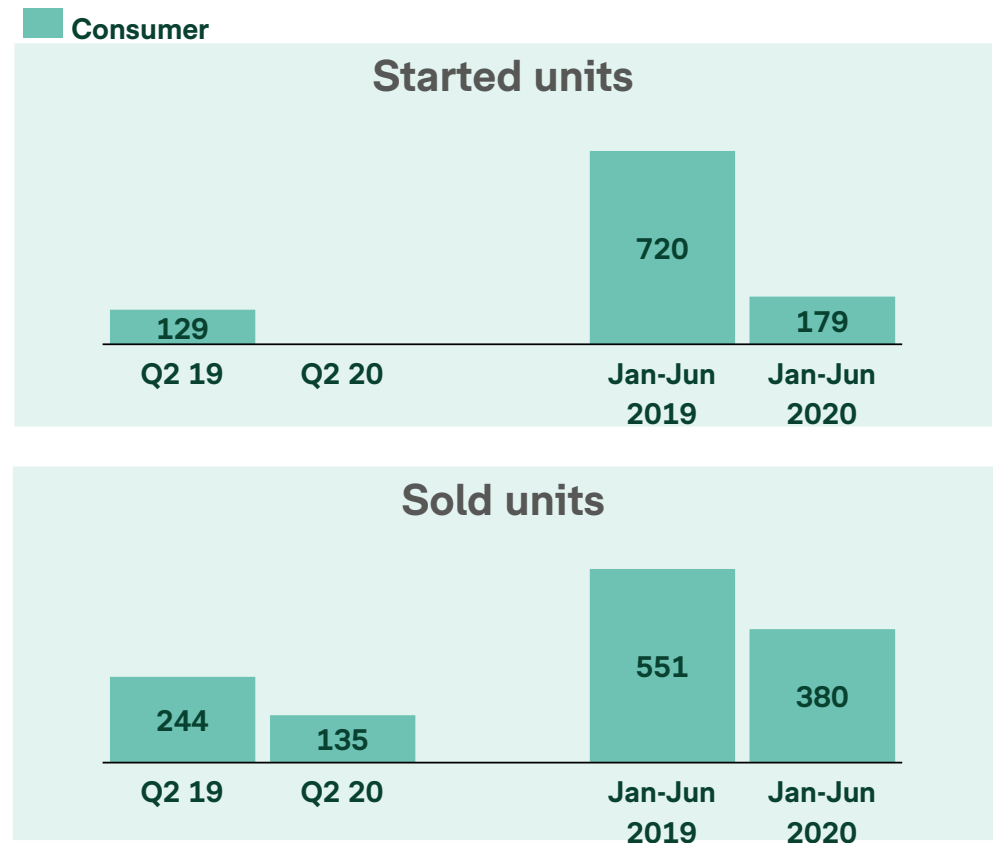
SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net Sales	224	207	465	754
Gross Profit	40	48	85	166
Selling and admin expense	-15	-16	-32	-29
EBIT	24	33	52	138
<i>EBIT margin, %</i>	<i>10.8</i>	<i>15.8</i>	<i>11.3</i>	<i>18.2</i>



Large projects ongoing, more starts expected later in 2020

St. Petersburg-Baltics

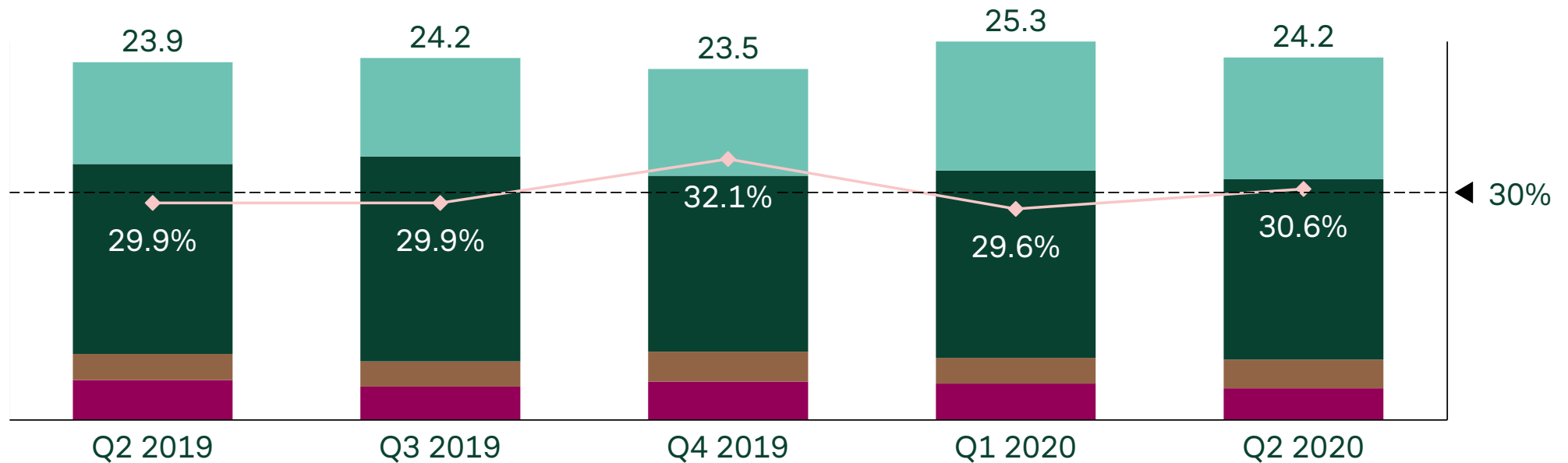
- No new project started in the quarter
- Sales affected by COVID-19, especially in the Baltics



Decrease in ongoing housing projects

Total assets (SEK Bn)

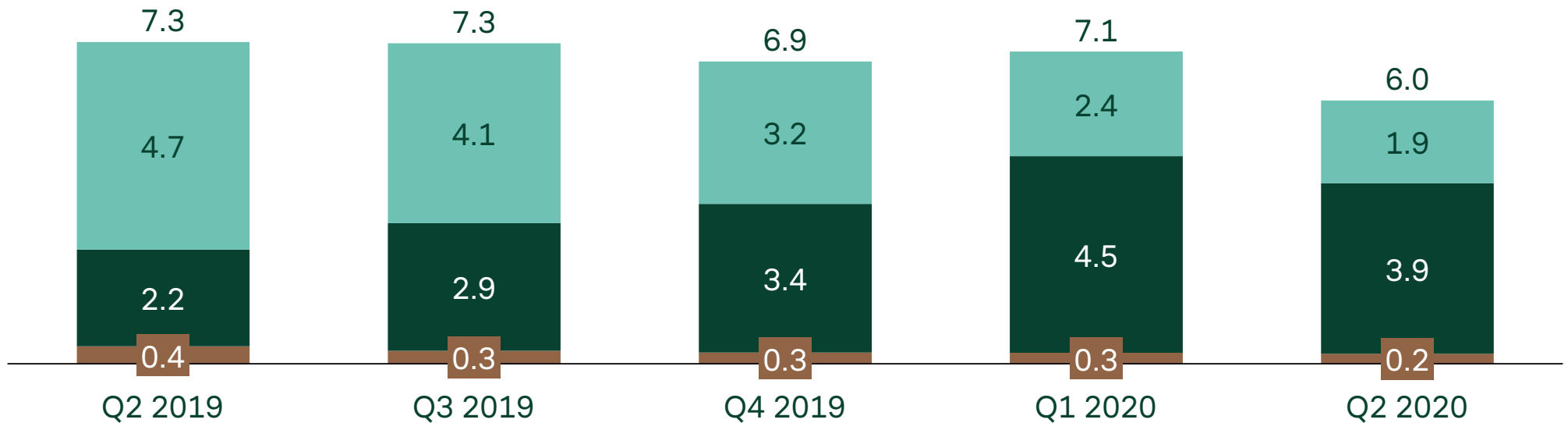
Properties held for future development Ongoing housing projects Completed housing projects Other assets Equity/asset ratio %



Lower net debt

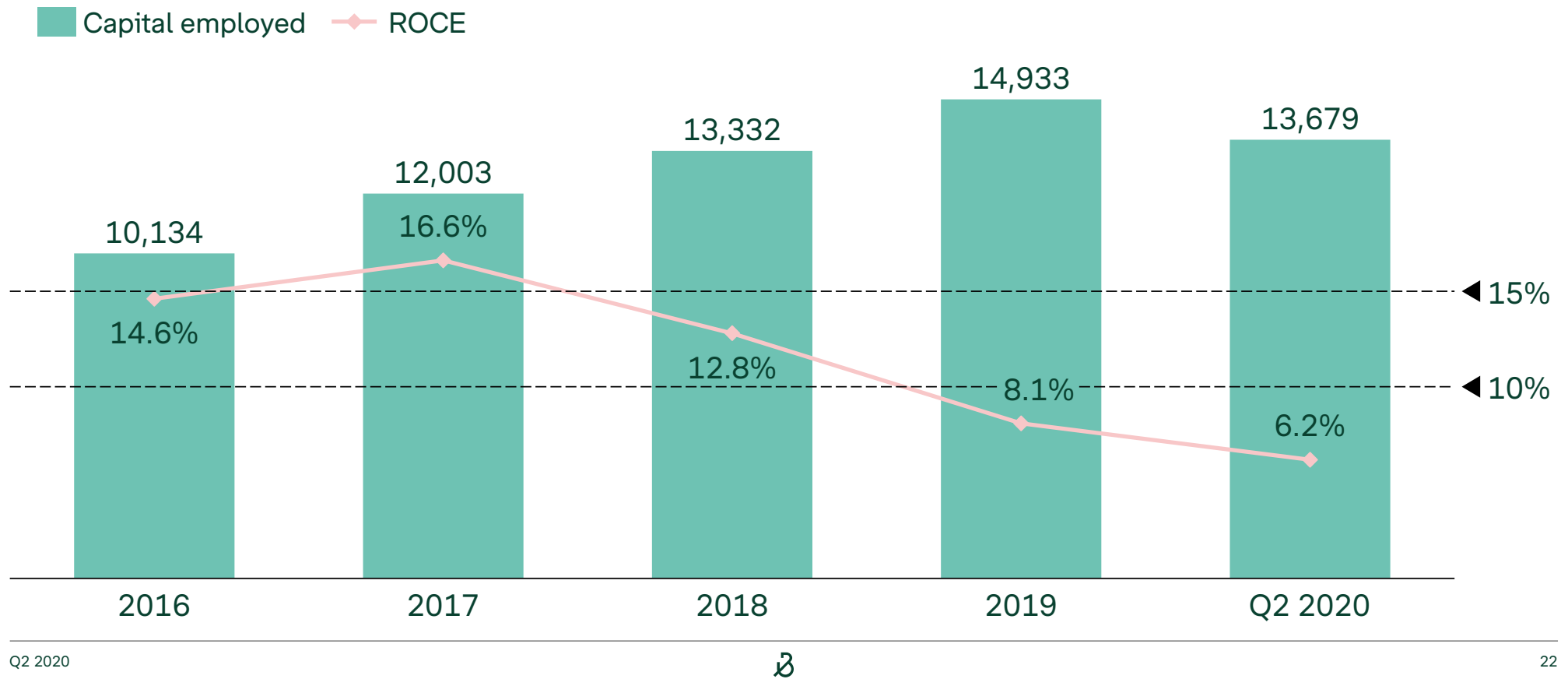
Net debt (SEK Bn)

- Net debt in tenant-owner associations/housing companies
- Other net debt
- Leasing debt according to IFRS 16



ROCE affected by lower EBIT

Capital employed (SEK M) and ROCE, R12 %



Strong cash flow due to high number of handed over units

SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Cash flow before changes in working capital	385	68	146	-48
Divestments of housing projects	3,195	2,196	5,795	4,581
Investments in housing projects	-3,207	-3,305	-7,377	-6,554
Other changes in working capital	791	1,153	2,423	1,050
Cash flow from operating activities	1,164	112	987	-971
Investing activities	-33	-34	-60	-46
Cash flow before financing	1,131	78	927	-1,017

Solid secured financing

Financing (SEK Bn)	Maturity	Amount	Utilised	Unutilised
Overdraft facilities	< 364 days	1.5		1.5
Loans	2020	0.6	0.6	
Loans	2021	2.4	2.4	
Loans	2022	0.3	0.3	
RCF / commercial paper	2023	3.0	0.5	2.5
Loans	2025-27	0.4	0.4	
Total		8.4	4.4	4.0

Green financing:

As of 30 June the outstanding green financing amounted to SEK 0.6 Bn

Summary



Strong starts and increased optimism



- Increased starts in Germany and Sweden
- Sales picked up from low March and April
- Recovering margins in Germany expected for the second half of the year
- Finland turnaround according to plan
- Solid financial position
- Unpredictability entails risks for future but positive market signs instil confidence

Q&A


BONAVA