

BONAVA

January–March 2023

Peter Wallin, CEO and Lars Granlöf, CFO
27 April 2023

Focus on adjusting to new market conditions

Market highlights Q1

- Low activity of sold and started units
- Market conditions are still challenging, with improving activity in a few regions
- Cost inflation abates, energy prices lower



Low volume quarter, adjusting to new conditions

Q1 figures in brief

- Q1 volumes are seasonally low – this year even more so due to postponed handovers
- Project margins in handovers improve
- Cost savings going according to plan, lower cost absorption due to lower volumes impact both gross and operating profitability
- Increased indebtedness mainly due to fulfilling previously made conditional contracts for the purchase of building rights



Examples of projects started in the quarter



Glöd – Umeå, Sverige
69 units started for consumers



Wohnen im Ritterschlag – Berlin, Germany
17 houses for consumers in a neighbourhood with
300 Bonava houses

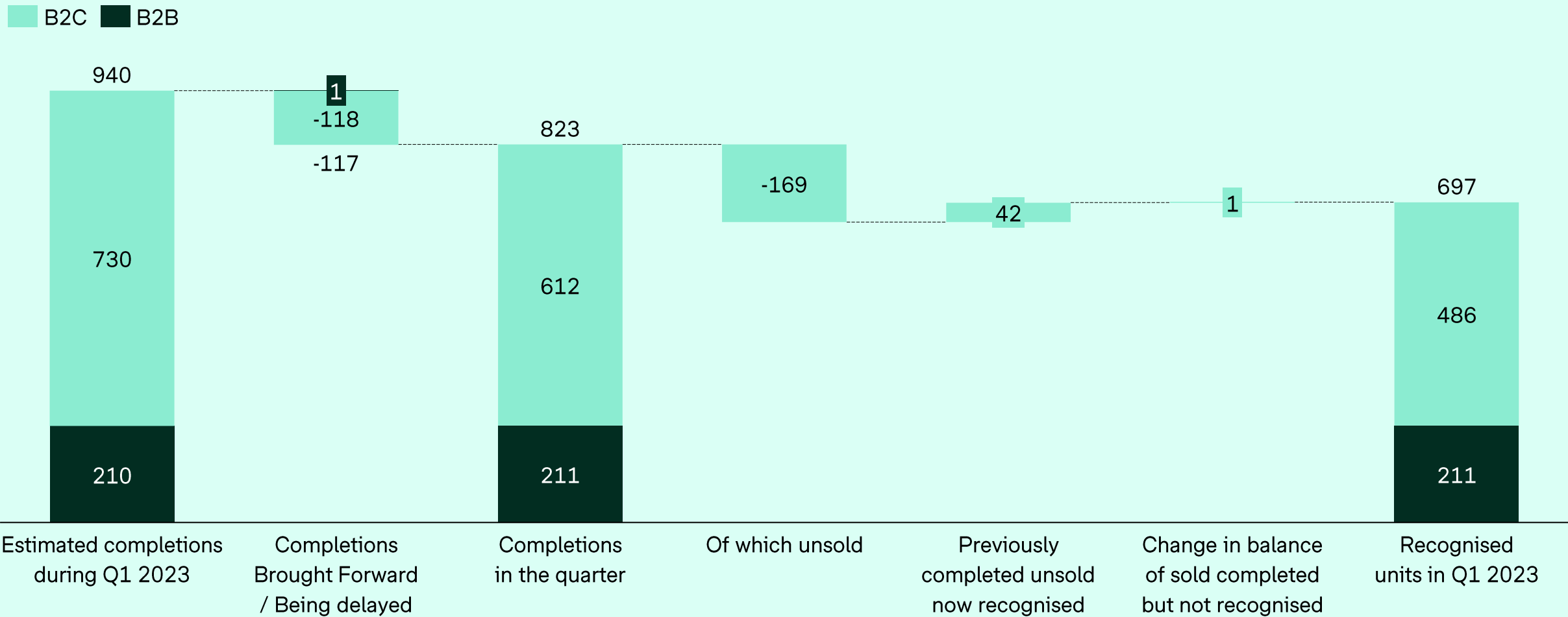
All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Financial development

Lars Granlöf, CFO

Recognised units in Q1 vs estimated completions Q4'22

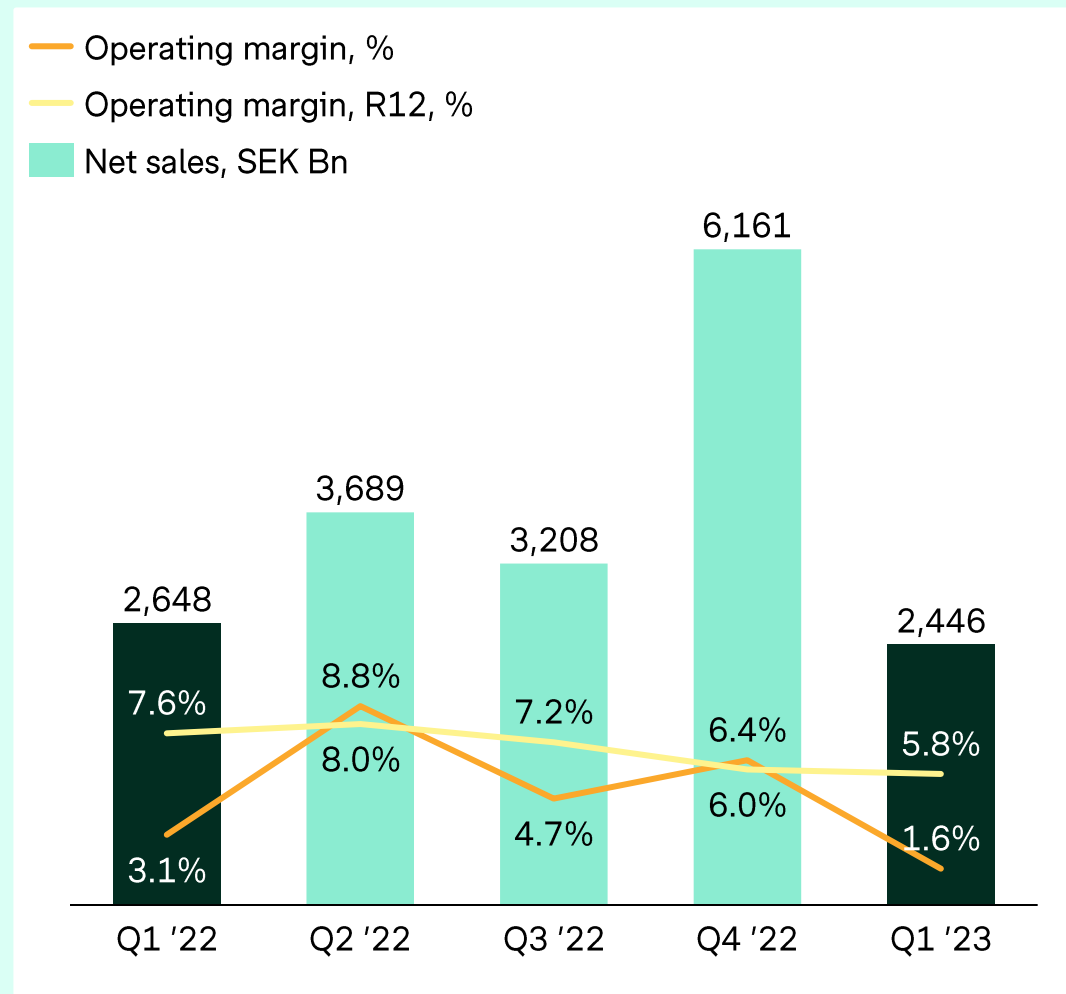
Recognised units bridge



Bonava Group

Low volume impacted cost absorption and margins

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Continuing operations				
Net sales	2,446	2,648	15,504	15,706
Gross profit	255	306	1,786	1,857
Gross margin, %	10.4	11.6	11.5	11.8
Selling & admin expense	-216	-224	-879	-908
Operating profit (before IAC)	39	82	907	950
Operating margin, %	1.6	3.1	5.8	6.0
IAC	0	0	-56	-56
Operating profit (after IAC)	39	82	851	894
Net financial items	-95	-36	-257	-198
Profit/loss before tax	-56	46	593	695
Tax on profit for the period	17	-17	-156	-190
Net profit	-39	29	438	505
Operations to be discontinued	-2	48	-858	-808



Highlights

- Decreased net sales as handovers delayed
- Lower gross margin in projects completed and handed over than last year
- Low cost absorption due to low volume. Impacts gross and operating margin negatively for the quarter

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Net sales	711	1,239	7,258	7,785
Gross profit	79	184	1,107	1,213
<i>Gross margin, %</i>	<i>11.1</i>	<i>14.9</i>	<i>15.3</i>	<i>15.6</i>
Selling & admin expense	-69	-79	-299	-309
Operating profit (before IAC*)	10	105	808	904
<i>Operating margin (before IAC), %</i>	<i>1.4</i>	<i>8.5</i>	<i>11.1</i>	<i>11.6</i>
Recognised units	167	344	1,711	1,888

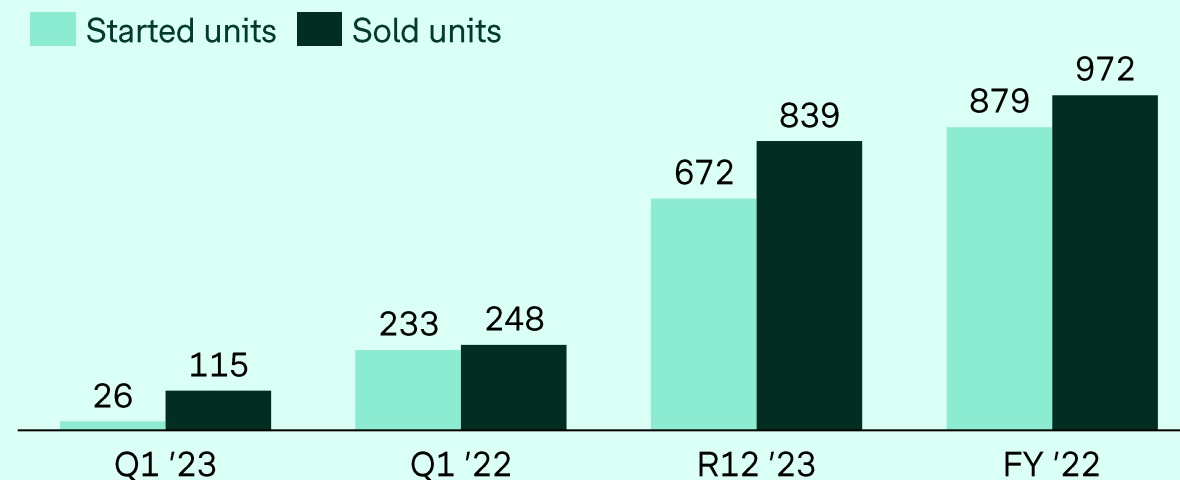
*IAC totalled SEK - 32 M for full-year 2022. No such items have been reported in 2023.

Q1 2023



Project: HUGOS, Berlin

Sold and started units



Highlights

- Net sales close to previous year
- Gross margin improving to 14.0% due to mix and control of cost improves
- B2C project with 69 units started

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Net sales	590	653	2,683	2,745
Gross profit	82	59	108	85
<i>Gross margin, %</i>	<i>14.0</i>	<i>9.0</i>	<i>4.0</i>	<i>3.1</i>
Selling & admin expense	-38	-36	-140	-139
Operating profit (before IAC*)	45	23	-32	-54
<i>Operating margin (before IAC), %</i>	<i>7.6</i>	<i>3.5</i>	<i>-1.2</i>	<i>-2.0</i>
Recognised units	132	234	779	881

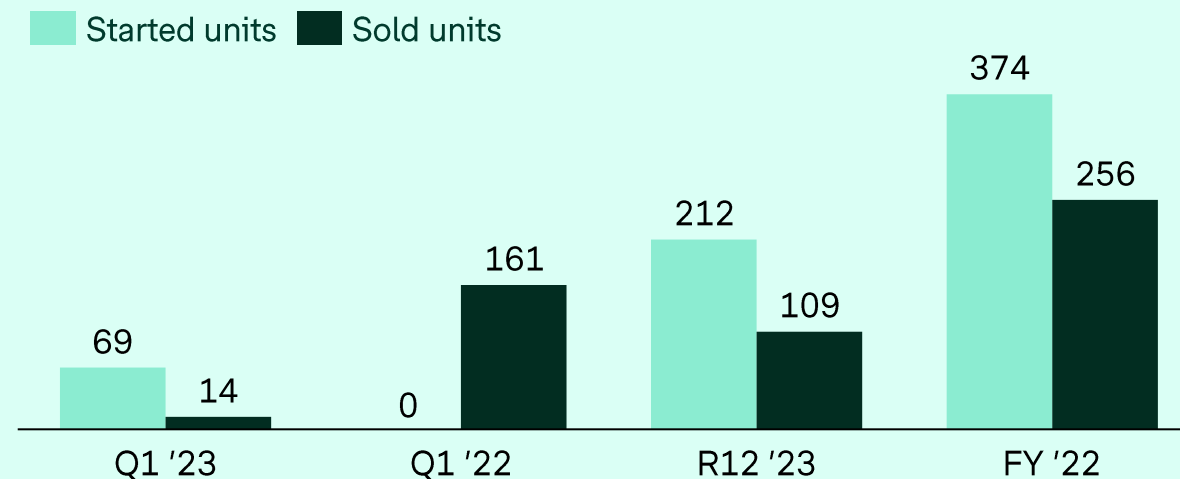
*IAC totalled SEK -20 M for full-year 2022. No such items have been reported in 2023.

Q1 2023



Project: Explora, Göteborg

Sold and started units



Highlights

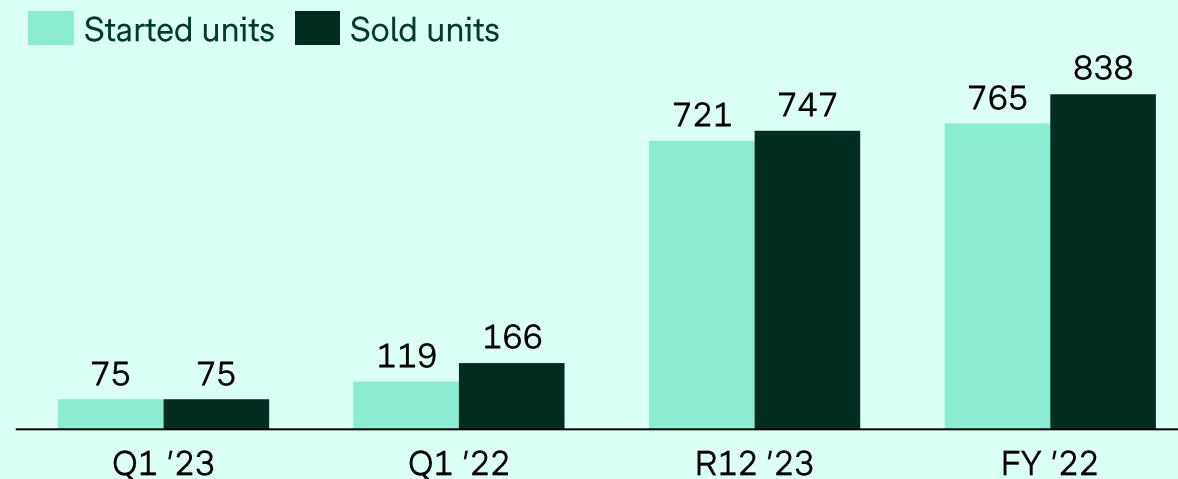
- Increased Net sales in quarter
- Two legacy projects weigh on gross margin. Started in order to fulfil existing contract and avoid penalties
- Slow-down in sales to consumers, 75 units to investor sold and started

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Net sales	490	314	1,935	1,759
Gross profit	-6	36	142	183
<i>Gross margin, %</i>	<i>-1.2</i>	<i>11.5</i>	<i>7.3</i>	<i>10.4</i>
Selling & admin expense	-26	-22	-99	-95
Operating profit (before IAC)	-32	14	42	88
<i>Operating margin (before IAC), %</i>	<i>-6.5</i>	<i>4.5</i>	<i>2.2</i>	<i>5.0</i>
Recognised units	212	122	808	718



Project: Turun Solina 11, Turku

Sold and started units





Highlights

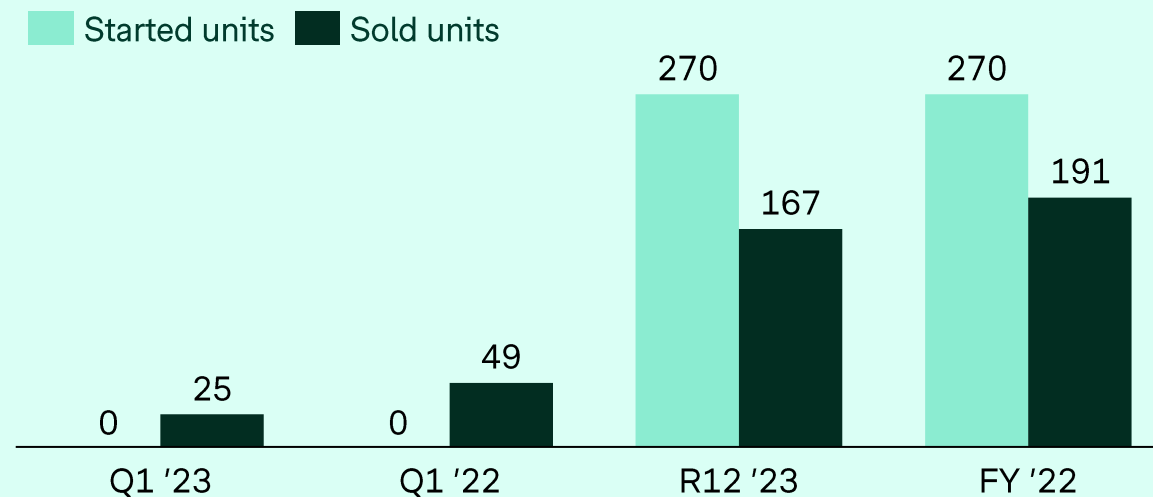
- Net sales increases substantially
- Improved gross margin
- No units started, previously completed homes sold in the quarter



Project: Merinokvartalet, Bergen

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Net sales	517	261	1,975	1,719
Gross profit	86	3	251	168
Gross margin, %	16.6	1.0	12.7	9.8
Selling & admin expense	-21	-29	-97	-105
Operating profit (before IAC)	65	-26	155	64
Operating margin (before IAC), %	12.6	-10.1	7.8	3.7
Recognised units	94	54	361	321

Sold and started units



Highlights

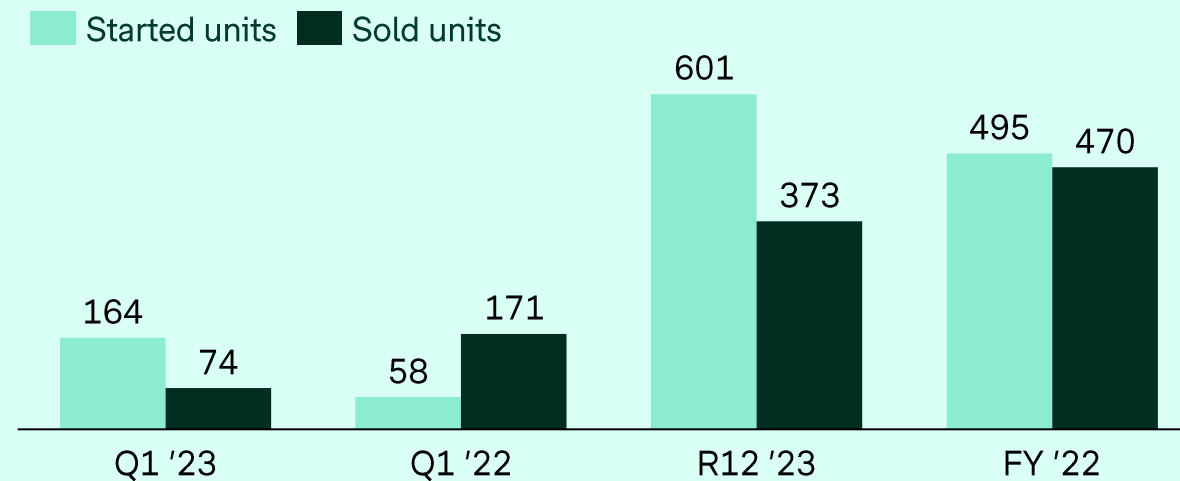
- Net sales higher than previous year
- Gross margin stable at high level
- Good sales activity in Riga
- First B2M project estimated to be completed in Q3

SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Net sales	137	82	887	832
Gross profit	22	14	160	152
Gross margin, %	16.1	17.1	18.0	18.2
Selling & admin expense	-12	-11	-44	-44
Operating profit (before IAC)	10	3	116	108
Operating margin (before IAC), %	7.5	3.6	13.0	13.0
Recognised units	92	78	690	676



Project: Lake Town, Vilnius

Sold and started units



St. Petersburg update

Sales process

- Sales process ongoing
- Reported as operations to be discontinued
- Income from the quarter offset

Ongoing operations

- 81 units handed over in Q1 2023
- Final furnishings in last projects expected to be completed in Q3
- No new projects or investments will be initiated

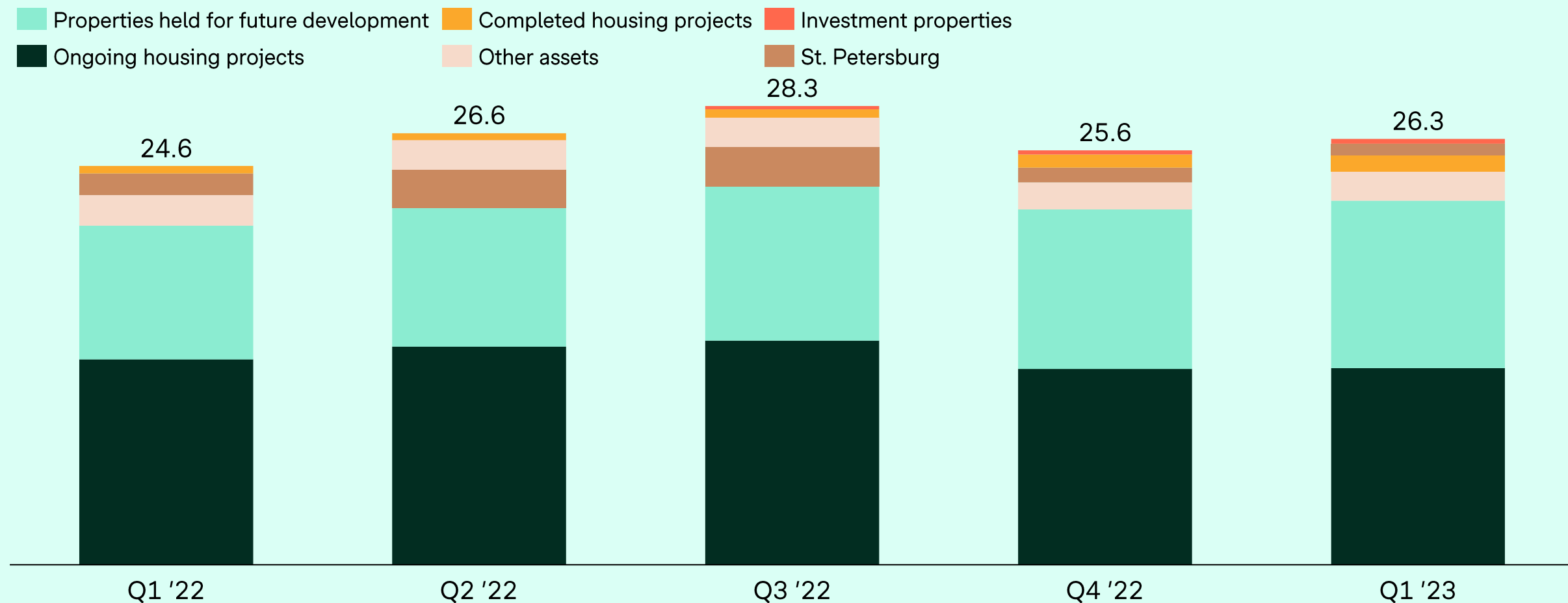


Project: Magnifika, St. Petersburg

Distribution of assets: Increase in Properties held for future development as building rights brought on-balance



Total assets (SEK Bn)



Negative cash flow due to payments for land low number of handovers

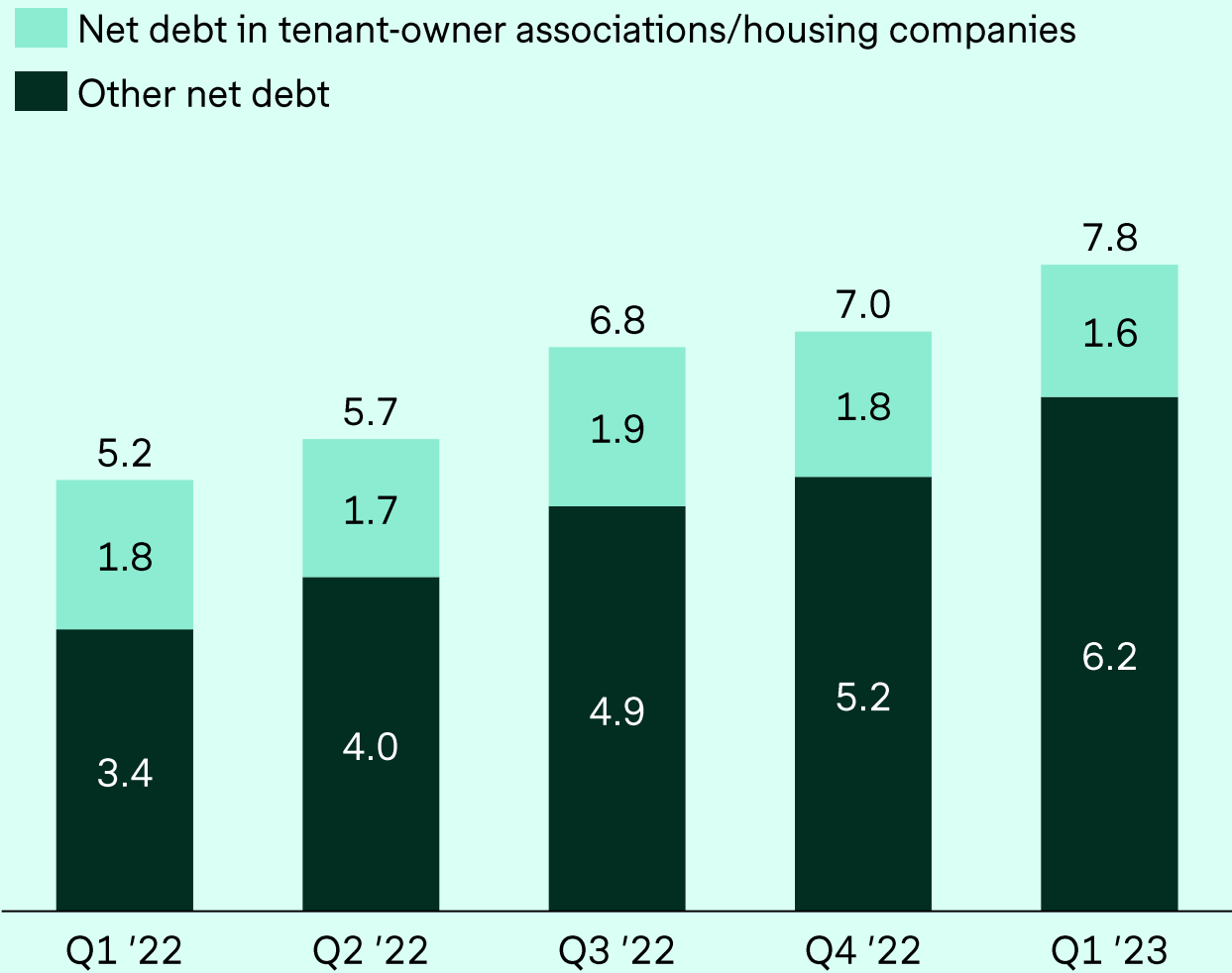
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SEK M	2023 Q1	2022 Q1	2023 R12	2022 FY
Cash flow before changes in working capital	-115	-18	430	527
Divestments of housing projects	2,192	2,327	13,178	13,312
Investments in housing projects	-2,850	-4,345	-14,542	-16,037
Other changes in working capital	-129	257	-1,431	-1,045
Cash flow from operating activities	-902	-1,778	-2,366	-3,242
Investing activities	-61	-7	-159	-104
Cash flow before financing	-963	-1,785	-2,525	-3,346

Net debt increases as building rights brought on-balance



Net debt (SEK Bn)

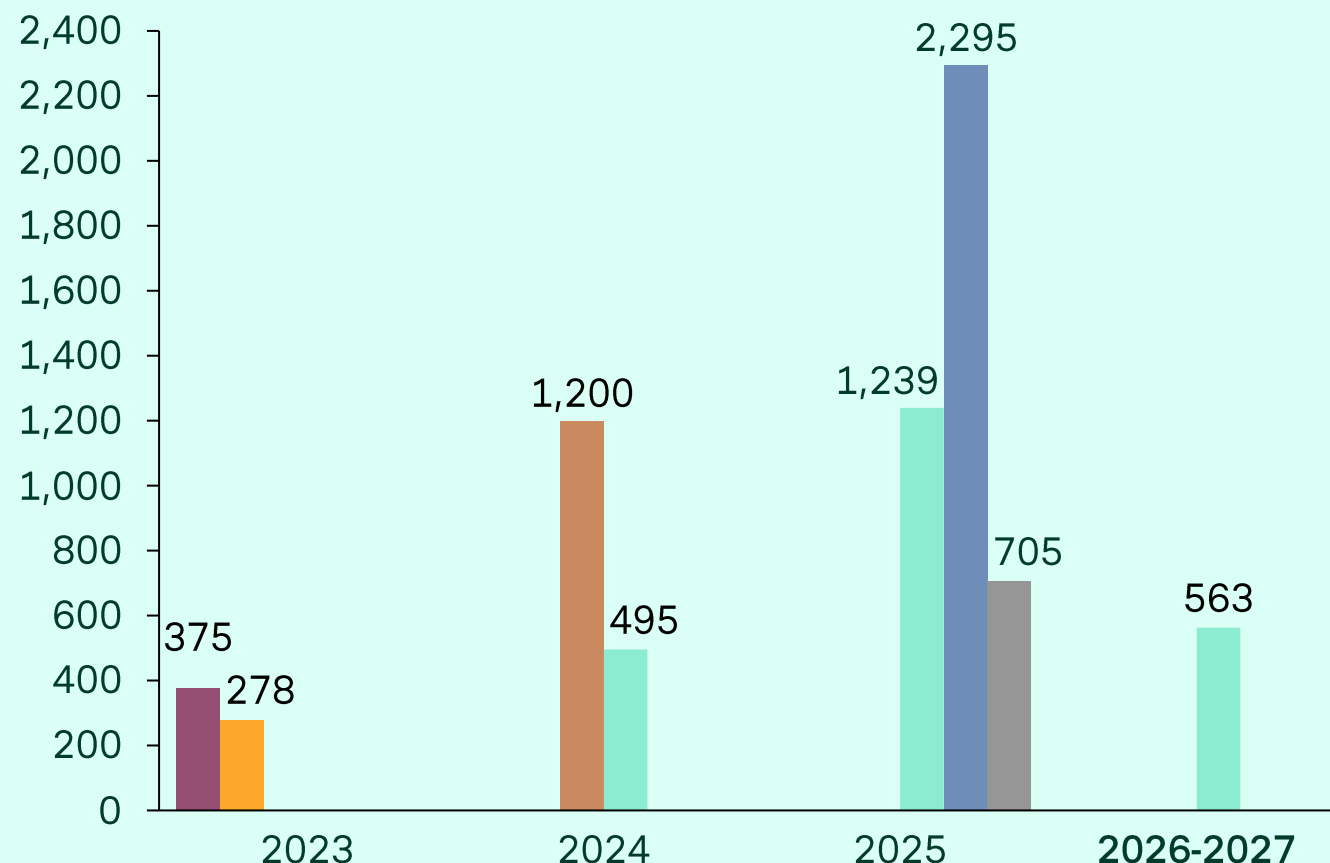


Covenants	Q1	Limit
Equity to asset ratio	30.3%	25%
Interest cover ratio	5.4x	2.0x

Financing facilities' maturities spread over time

Financing facilities per Q1 2023

SEK M



Well balanced funding base

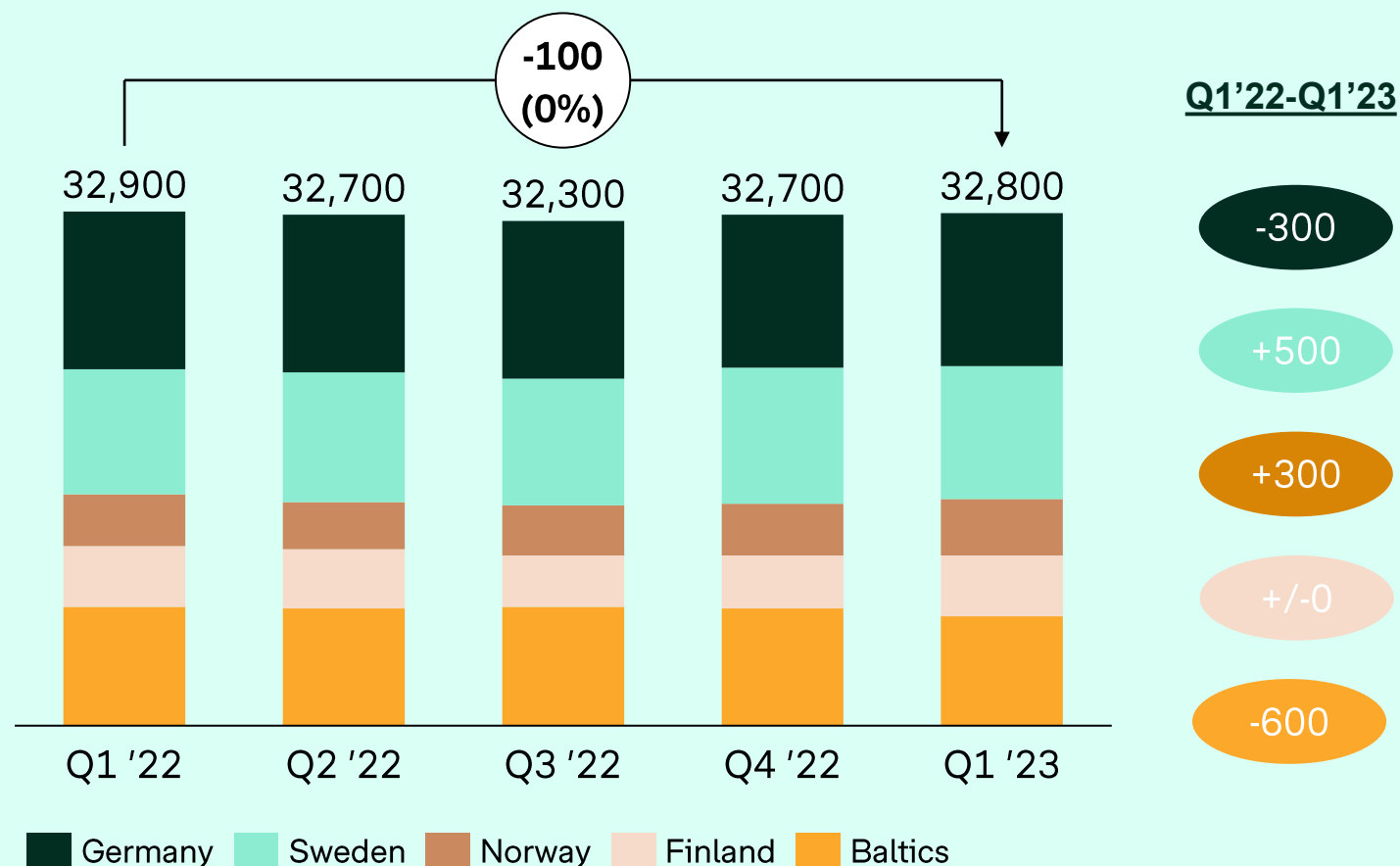
- Credit facilities of SEK 7.2 Bn where of SEK 1.1 Bn unutilised (Overdraft and RCF)
- Project financing of SEK 1.6 Bn utilised in addition SEK 0.2 Bn unutilised
- Various credit lenders and funding sources

- Unutilised Overdraft facilities
- Utilised Overdraft facilities
- Bond
- Loans
- Drawdown on RCF
- RCF - Unutilised back-up for CP programmes

Building rights from existing contracts brought on-balance



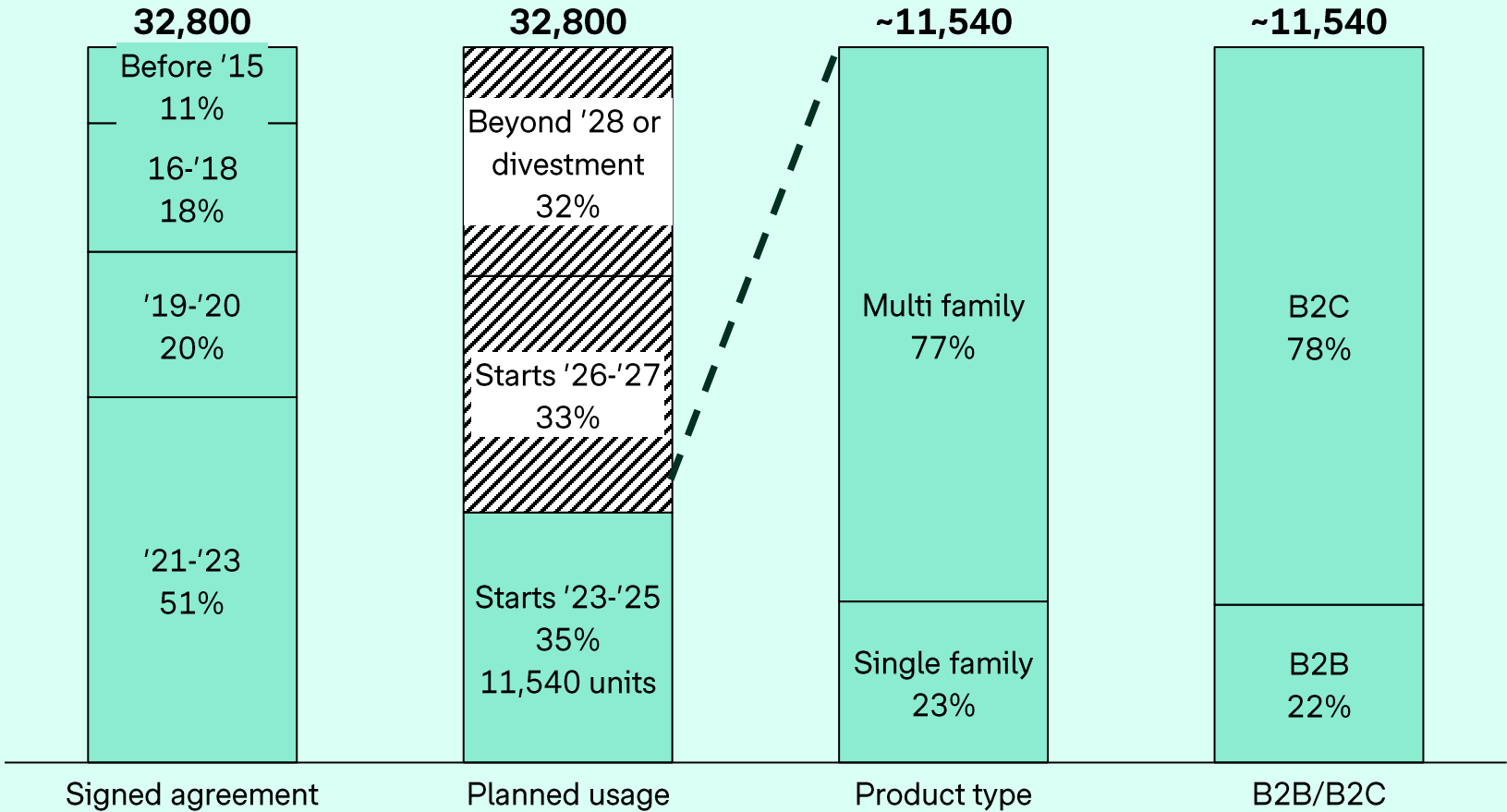
No of building rights



Building rights brought on-balance

- Book value SEK 10.3 Bn (8.7)
- 11,500 (13,700) off-balance, with 1,150 brought on-balance in the quarter

Actively managing portfolio of building rights



Comments

- BR on balance: 21,300
- BR off balance: 11,500
 - Options or conditional agreements
- Conversion B2C into B2B a possibility
- Tailoring portfolio to current market

Summary

Low volume quarter, focus on new market conditions

Q1 figures in brief

- Challenging market conditions
- Project margins in handovers improve but lower cost absorption impacts both gross and operating profitability
- A need to continuously review costs
- Prepared to start projects when the right conditions are in place
- Sales and strengthening the balance sheet are top of the agenda



Q&A


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