



January–June 2021

Peter Wallin, CEO and Lars Granlöf, CFO

20 July 2021

Strong market and good fundamentals



Market highlights

- High demand and price increases in all our markets
- Trend to prioritise housing situation continues
- Strong short and long-term drivers for the housing market that underpin new production

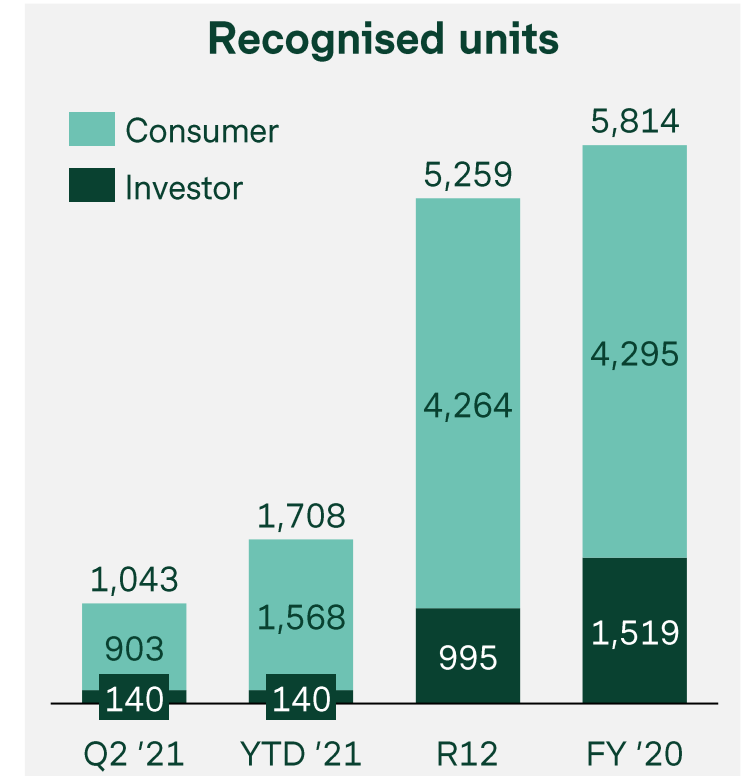
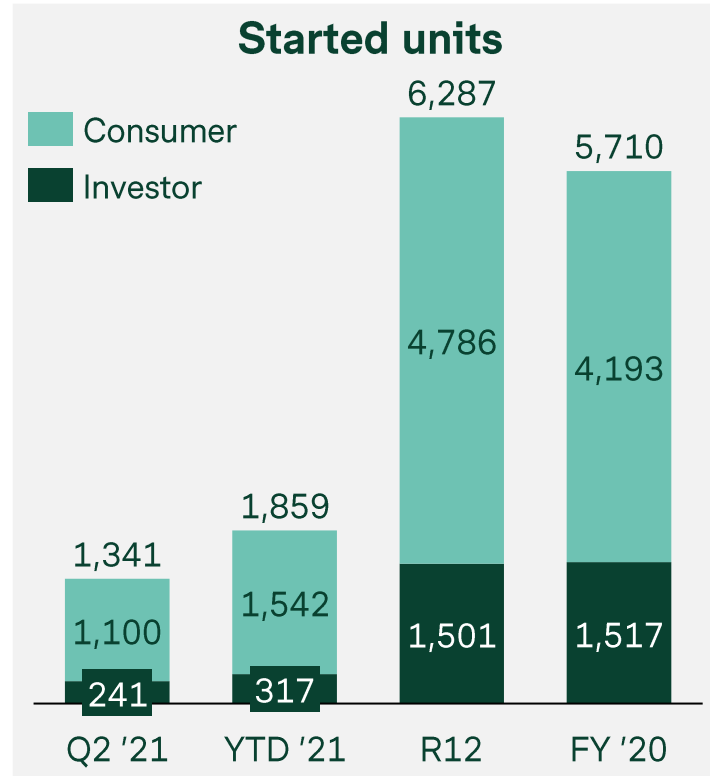
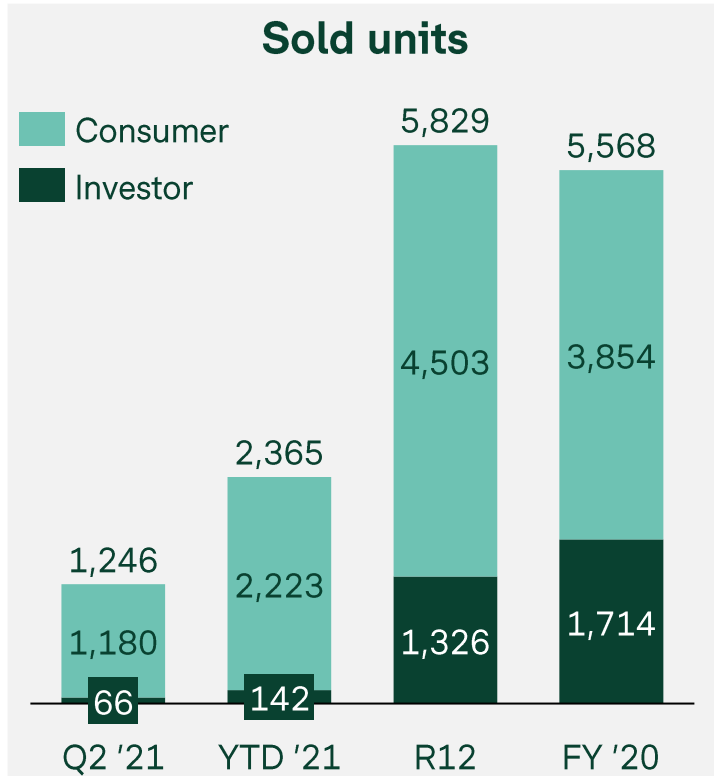
Improved profitability



Q2 figures in brief

- Net sales decreased by 4% due to lower recognised volume of investor units
- Significantly strengthened EBIT and margin
 - Higher share recognised consumer units
 - Gross margin strengthened in all segments
- Cost of 117 MSEK related to wind down of Denmark impacted EBIT

Strong sales development and more starts

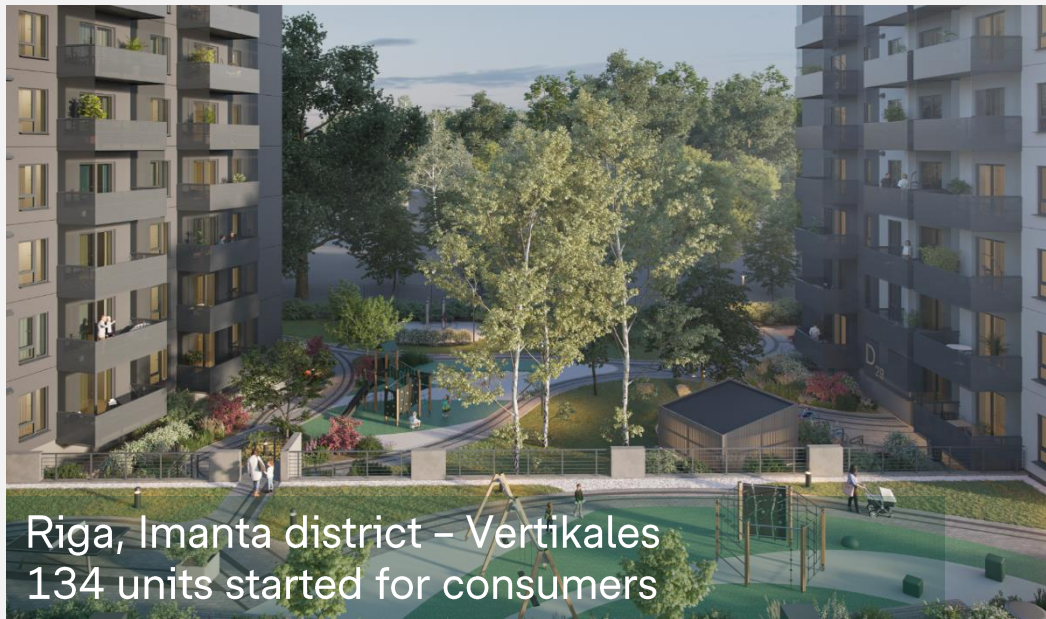


Outlook production starts 2021

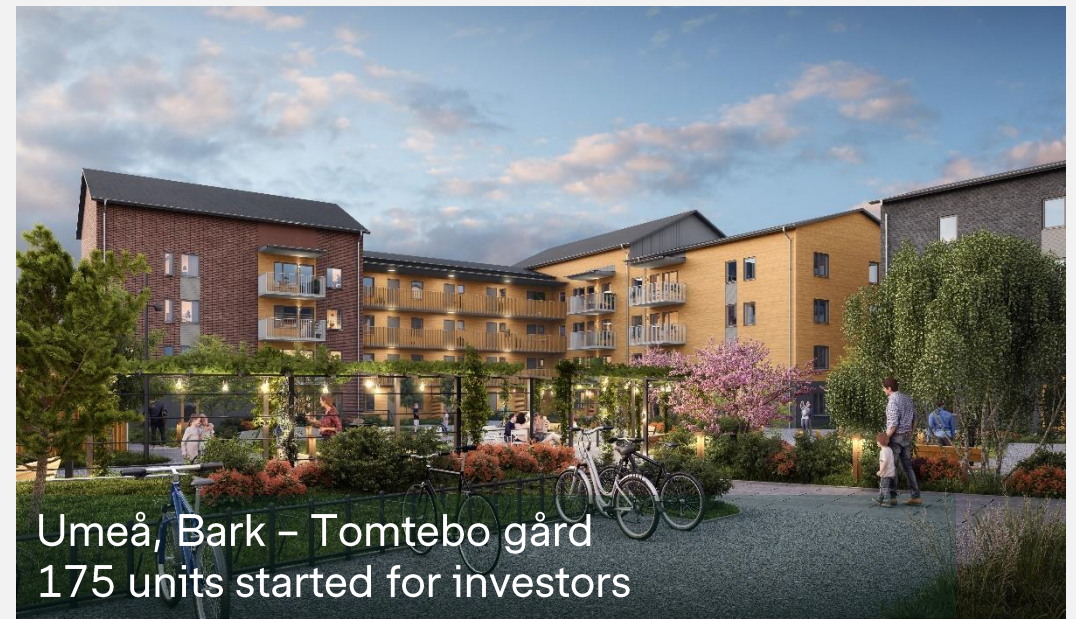
For the full-year 2021, the number of production starts is estimated to increase by approximately 5% compared with 5,364 units in 2020 adjusted for starts in Denmark.

Examples of started projects in the quarter

Consumers – Baltics, Latvia



Investors – Sweden



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

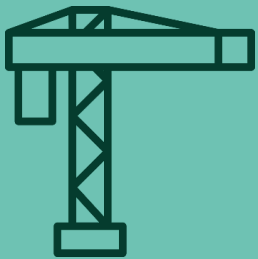
Limited disturbances on operations and supply chain



Staff, projects and customers key priority

- Supply chain
 - Cost increases offset by sales prices
 - Delays and shortages may impact margins, handovers and starts
 - Focus on optimising purchase and flow to our projects
 - Potential cement supply situation limited to Swedish operations
- Floods in Germany

Focus on profitability and sustainability



Project starts – our engine

- Efficient production and project control over time
- Increased number of starts in the period



Position and profitability

- Strategic review ongoing, outcome to be presented in Q4 2021
- First step - Danish exit in progress



Sustainable business

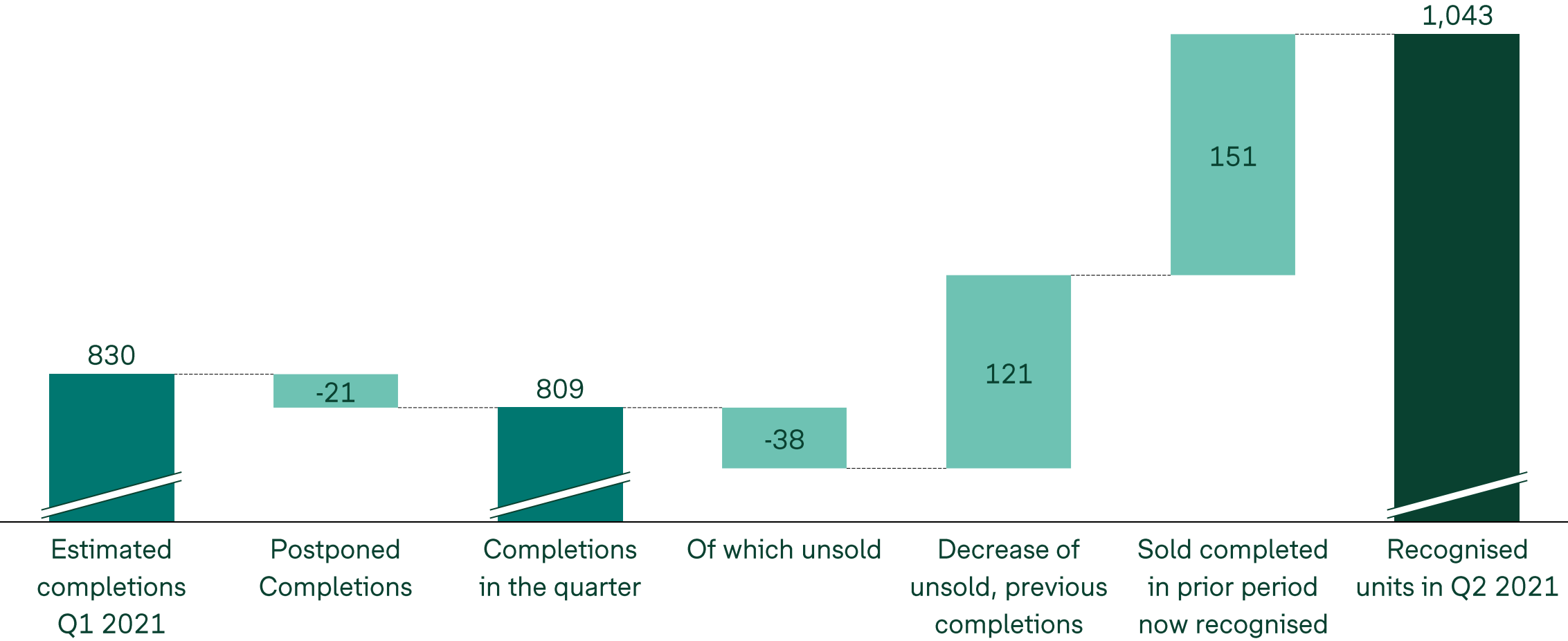
- Expanded green financing enables long-term financing of sustainable housing
- Attractive portfolio of building rights securing the future

Financial development

Lars Granlöf, CFO



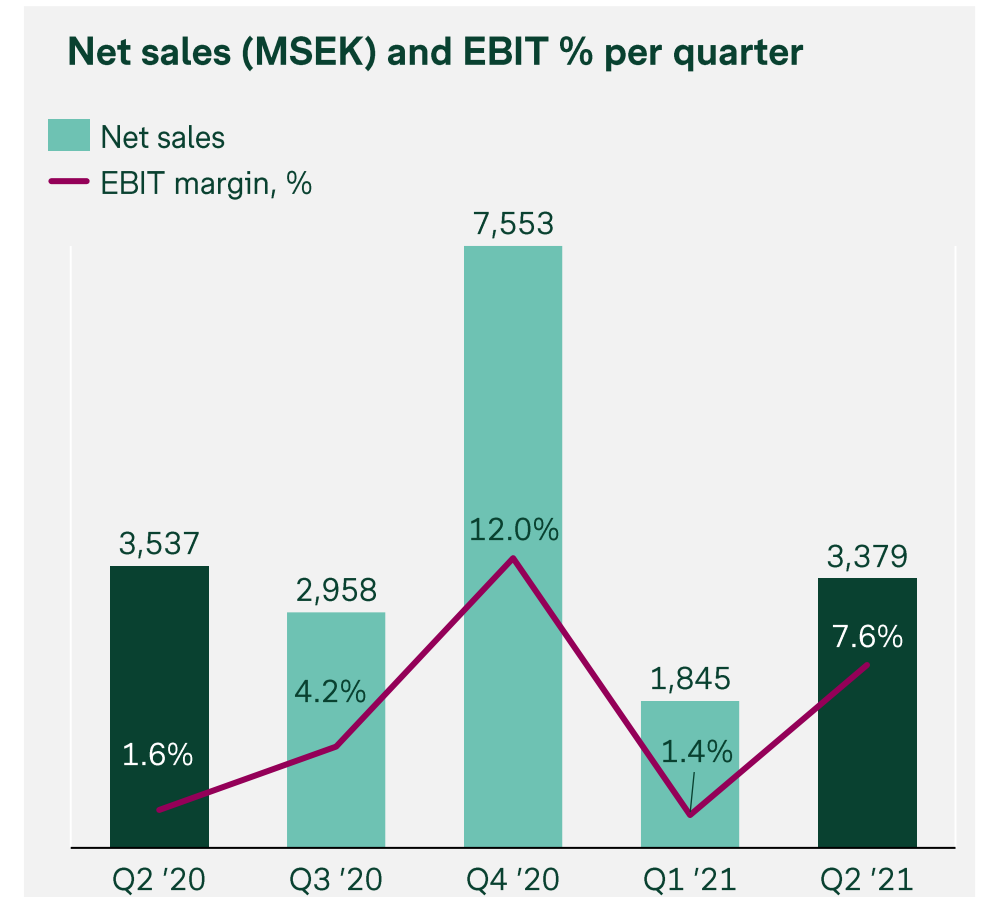
Recognised units in Q2 vs estimated completions per 31 March



Gross margin strengthened in all segments

MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Net sales	3,379	3,537	5,224	6,486	16,997
Gross profit	467	253	706	513	1,979
Gross margin, %	13.8%	7.2%	13.5%	7.9%	11.6%
Selling & admin expenses	-210	-197	-423	-426	-857
EBIT (before IAC)	257	56	282	87	1,121
EBIT margin, %	7.6%	1.6%	5.4%	1.3%	6.6%
Items affecting comparability ¹	-117		-117		
EBIT (after IAC)	140	56	165	87	1,121
EBIT margin, % (after IAC)	4.1%	1.6%	3.2%	1.3%	6.6%
Net financial items	-39	-30	-72	-59	-122
Profit/loss after financial items	101	25	93	27	999
Tax on profit for the period	-26	-7	-24	-7	-267
Tax, %	26%	28%	26%	28%	27%
Net profit	75	18	69	20	733

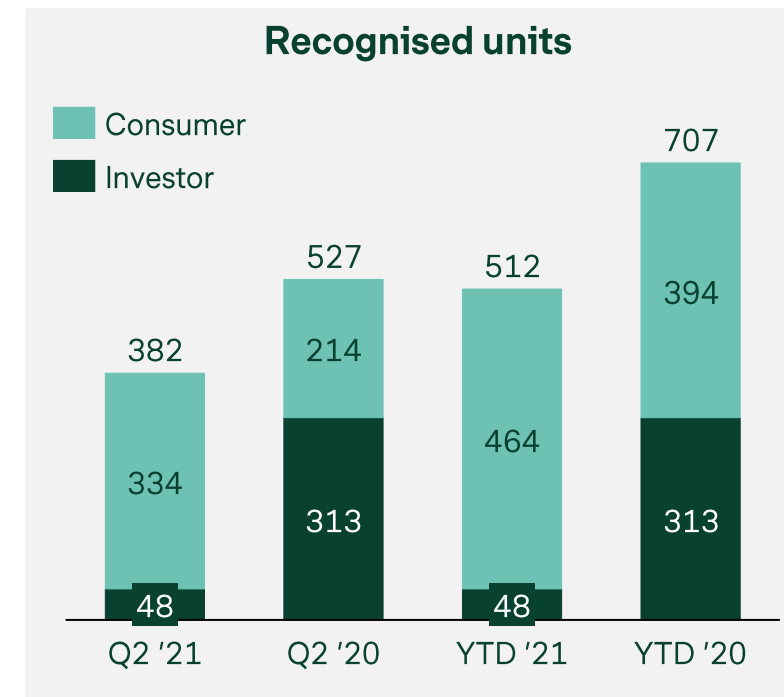
¹ Wind down of Danish operations impacted EBIT by 117 MSEK



Germany

Project and region mix improved margins

MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Net sales	1,665	1,592	2,207	2,315	7,466
Gross profit	281	127	342	216	1,036
<i>Gross margin, %</i>	<i>16.9%</i>	<i>8.0%</i>	<i>15.5%</i>	<i>9.3%</i>	<i>13.9%</i>
Selling & admin expense	-70	-66	-139	-149	-284
EBIT	211	60	203	67	752
<i>EBIT margin, %</i>	<i>12.7%</i>	<i>3.8%</i>	<i>9.2%</i>	<i>2.9%</i>	<i>10.1%</i>

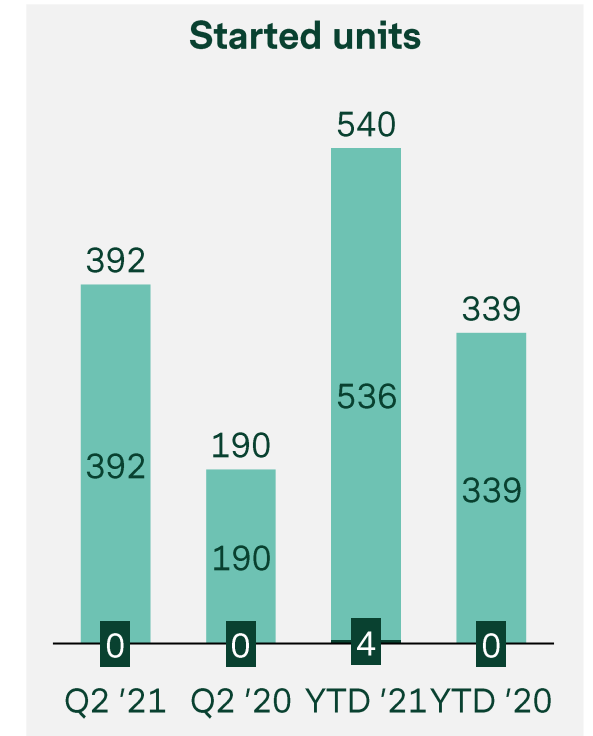
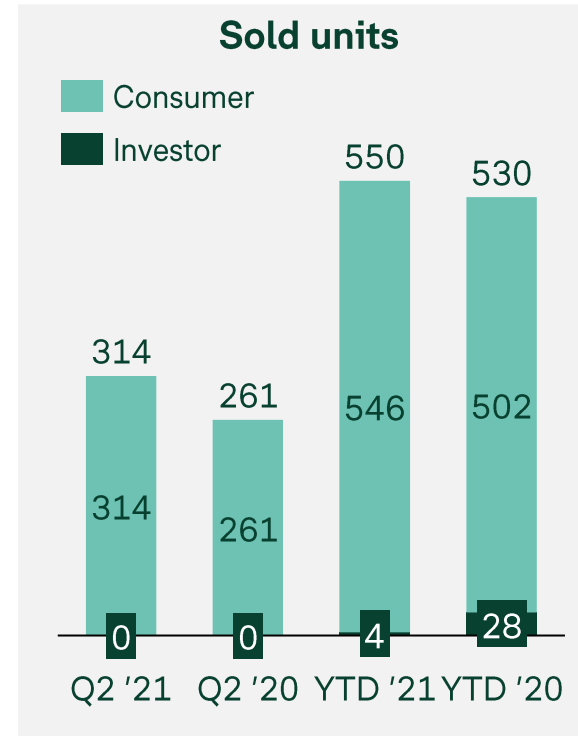


Germany

Doubled number of starts

Key comments

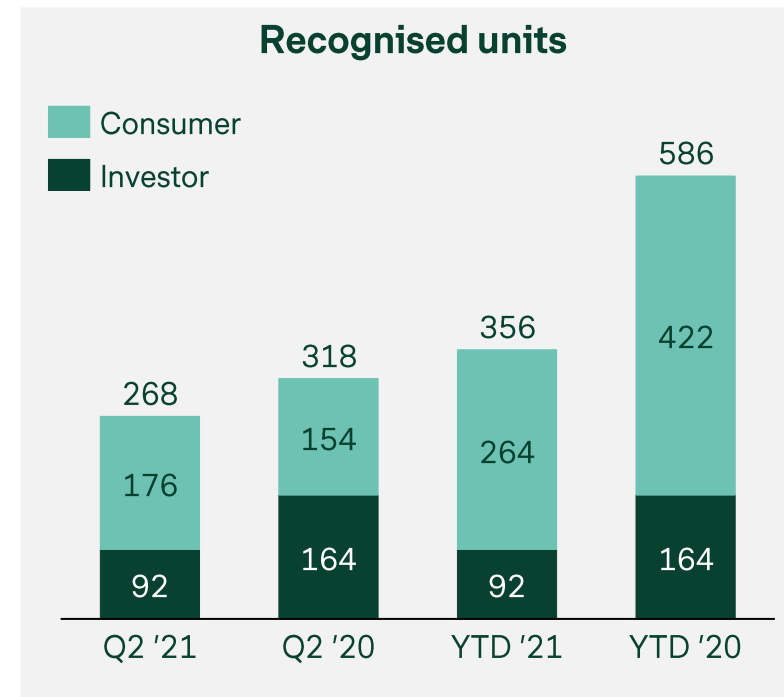
- Strong demand and sales development
- Prices on high levels, increases at a lower rate
- High interest for living outside the cities
- Delayed processing for plans and permits remains



Sweden

More handovers to consumers and improved margin

MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Net sales	999	1,062	1,483	2,232	3,528
Gross profit	121	101	184	251	411
<i>Gross margin, %</i>	12.2%	9.5%	12.4%	11.2%	11.7%
Selling & admin expense	-30	-31	-66	-67	-128
EBIT	91	70	118	184	283
<i>EBIT margin, %</i>	9.1%	6.6%	8.0%	8.2%	8.0%

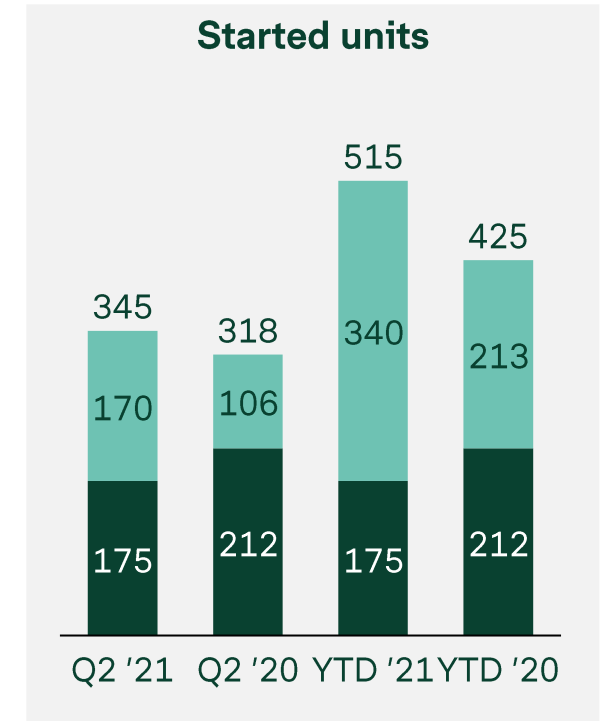
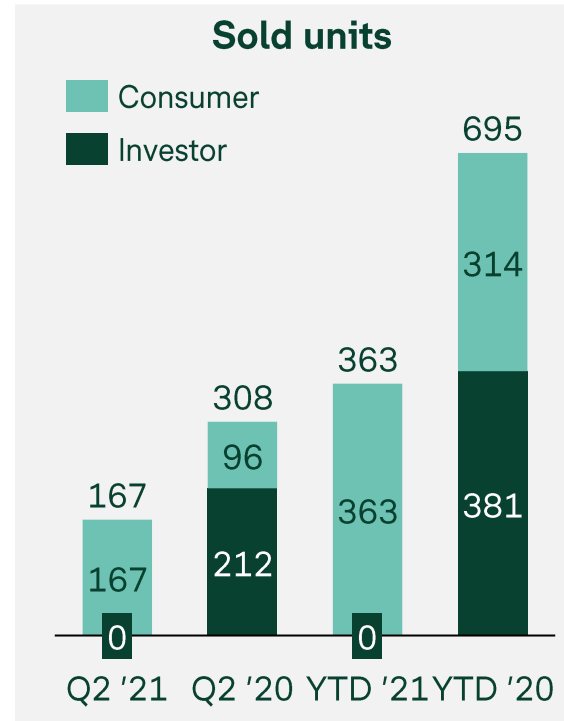


Sweden

Higher volume of started units to consumers

Key comments

- Strong demand and sales development
- Prices on high levels, increases at a lower rate
- Higher volume of started units to consumers
- High interest from Swedish and international investors, two deals in Q2 (Umeå and Sollentuna) and one in July (Västerås)
- New land plots in Stockholm area, including 100 building rights for single-family houses

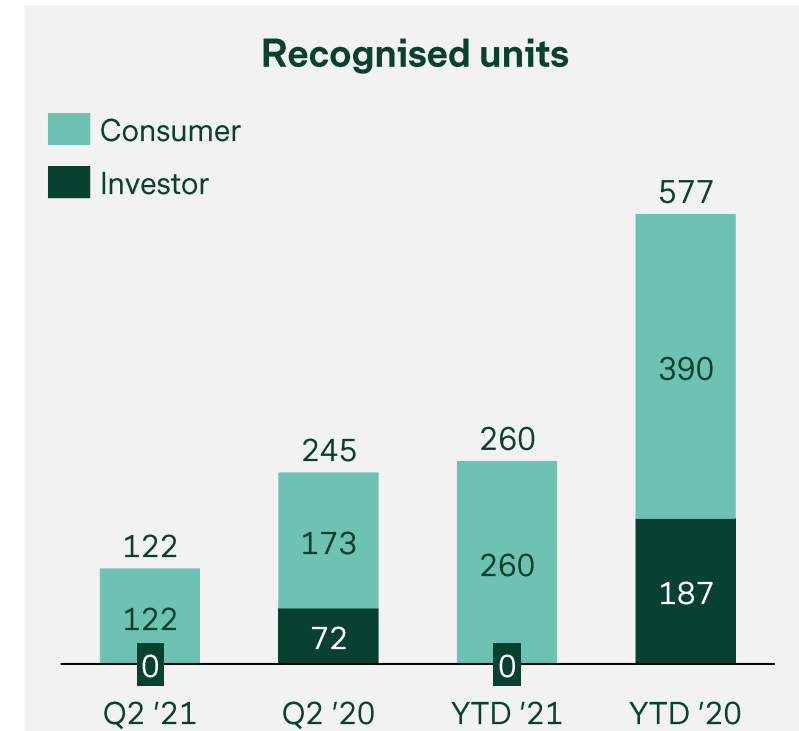


Nordic

Wind down of Denmark impacting EBIT

MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Net sales	436	658	898	1,474	4,563
Gross profit	21	-5	61	-19	274
Gross margin, %	4.9%	-0.7%	6.8%	-1.3%	6.0%
Selling & admin expense	-52	-44	-100	-93	-177
EBIT (before IAC)	-31	-48	-39	-112	97
EBIT margin, % (before IAC)	-7.0%	-7.4%	-4.3%	-7.6%	2.1%
Items affecting comparability ¹	-117		-117		
EBIT (after IAC)	-148	-48	-156	-112	97
EBIT margin, % (after IAC)	-33.9%	-7.4%	-17.4%	-7.6%	2.1%

¹ Wind down cost of 117 MSEK relating to warranties, staff and remaining organisation

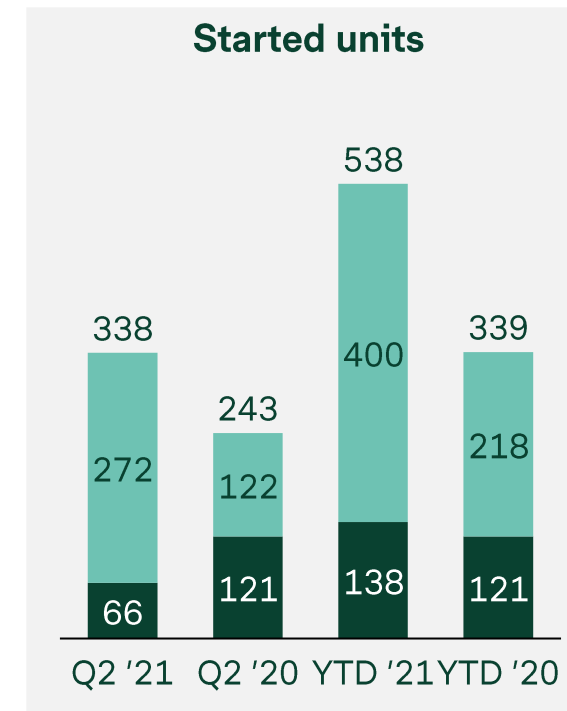
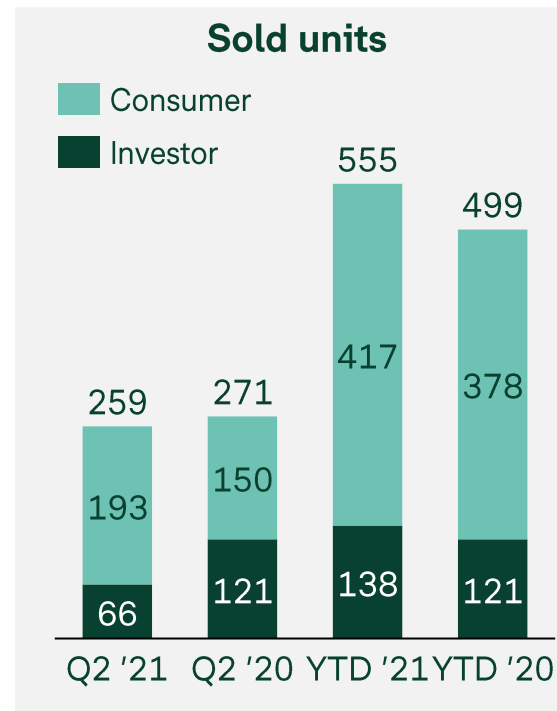


Nordic

Strong sales development and more project starts

Key comments

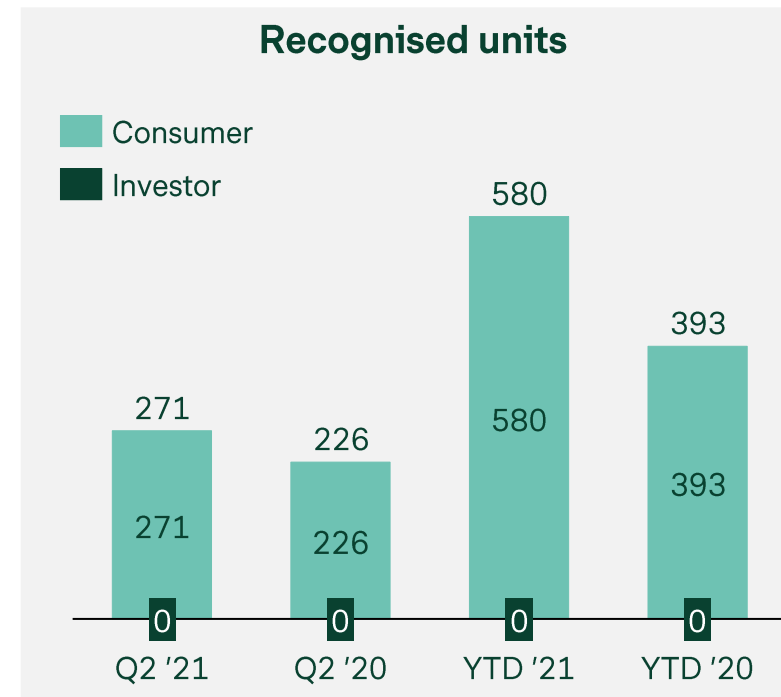
- Strong demand and sales development with increased prices
- One investor project sold and started in Turku, Finland
- Increased number of starts to consumers
- Smaller land acquisitions in Finland in Tampere and capital area



St. Petersburg-Baltics

More units recognised with good profitability

MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Net sales	280	224	636	465	1,439
Gross profit	53	40	134	85	300
<i>Gross margin, %</i>	<i>18.9%</i>	<i>17.8%</i>	<i>21.1%</i>	<i>18.3%</i>	<i>20.8%</i>
Selling & admin expense	-15	-15	-31	-32	-63
EBIT	38	24	103	52	236
<i>EBIT margin, %</i>	<i>13.6%</i>	<i>10.8%</i>	<i>16.2%</i>	<i>11.3%</i>	<i>16.4%</i>

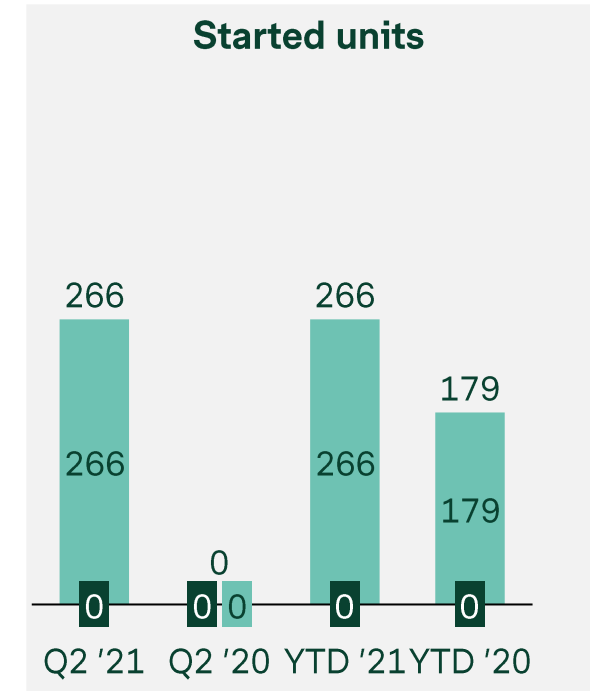
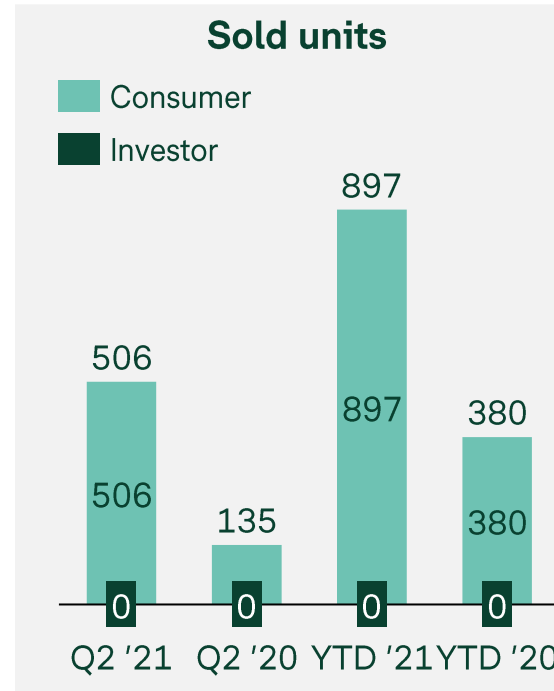


St. Petersburg-Baltics

High demand and strong sales

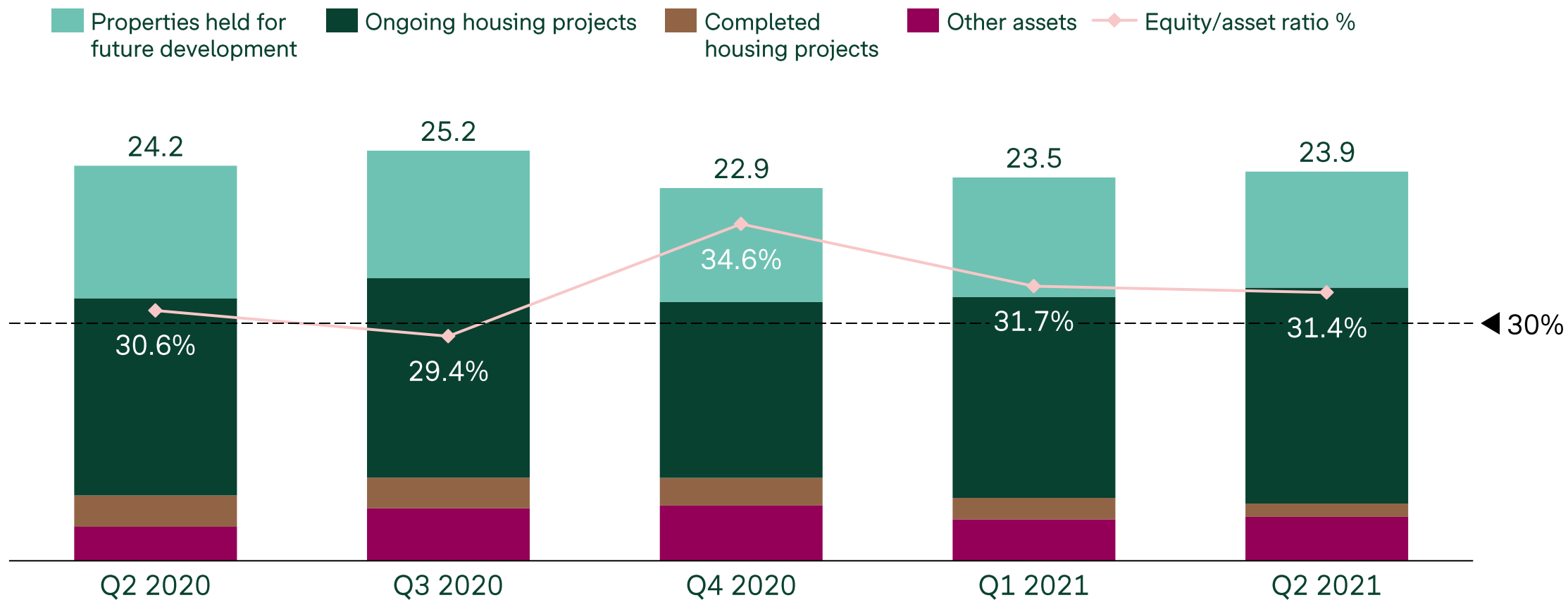
Key comments

- High demand and price increases
- Strong sales development in all markets
- Increased number of sold units, strong contribution from Latvia
- Increased number of started units
- Land acquisition of around 1,000 building rights in Vilnius, Lithuania



Distribution of assets: Strong financial position

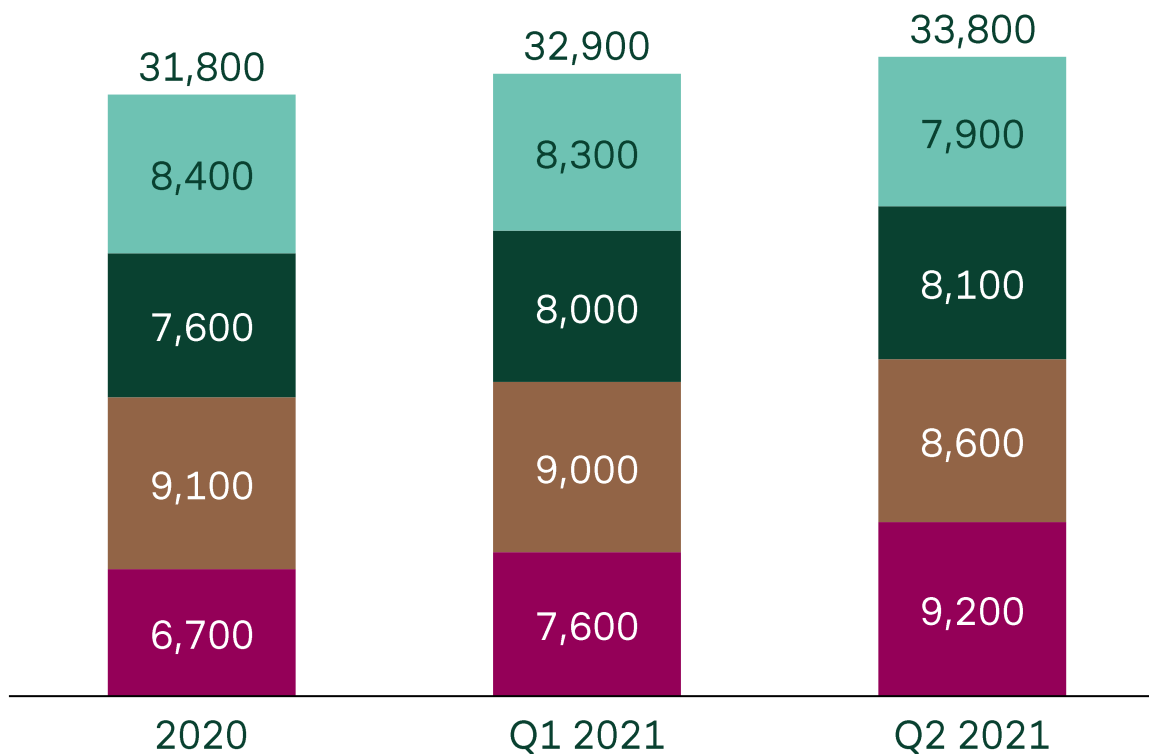
Total assets (SEK Bn)



Attractive portfolio of building rights

No of building rights

Germany Sweden Nordic St. Petersburg - Baltics



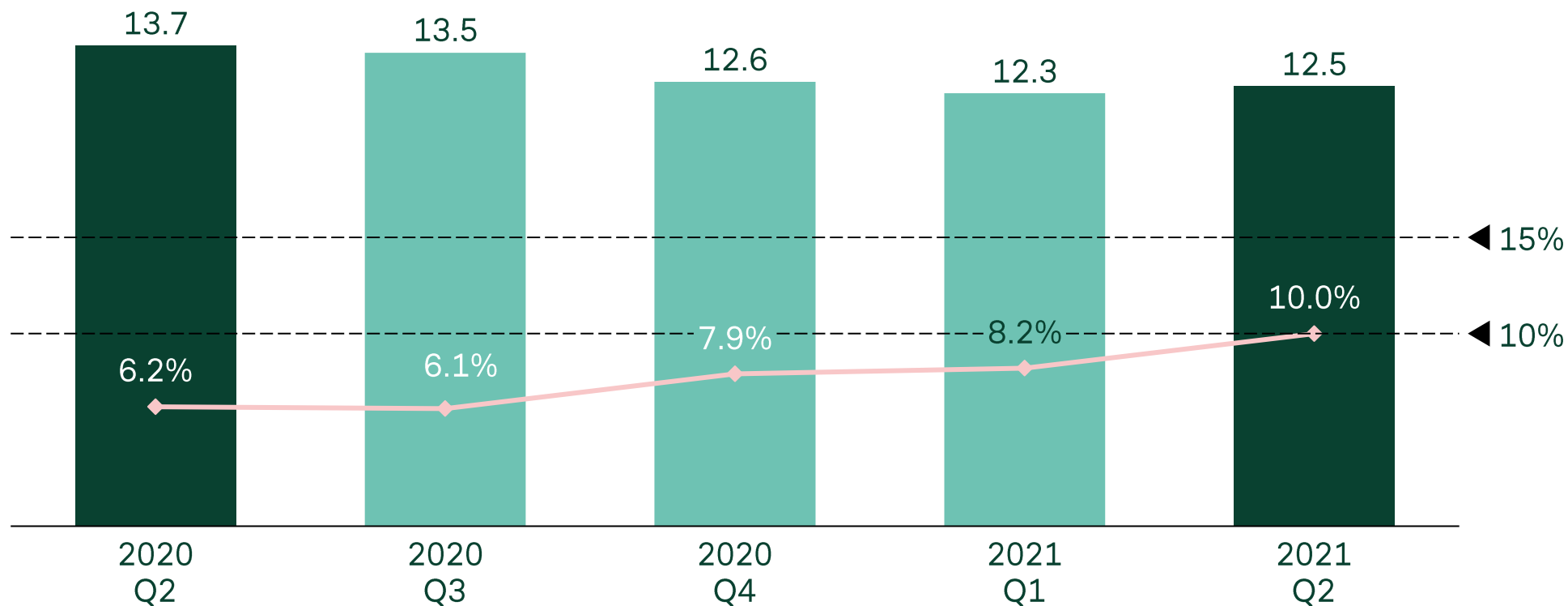
Building rights added to land bank

- Germany: Smaller land plots in several regions, increase in starts reduce building rights
- Sweden: Land plots in Stockholm area, including 100 building rights for single-family houses
- Nordic: Land plots in Turku and Capital area, Finland
- Baltics: Several land plots in Vilnius targeting approx. 1,000 homes and smaller land plot in Riga

Positive development of ROCE

Capital employed (SEK Bn) and ROCE, R12 %

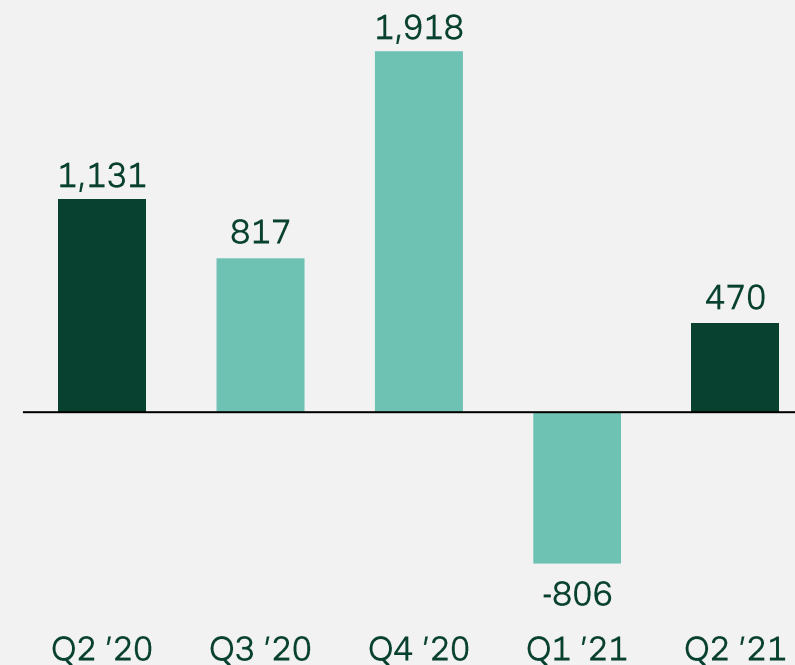
■ Capital employed ◆ ROCE



Stable cash flow and increasing investments in ongoing projects

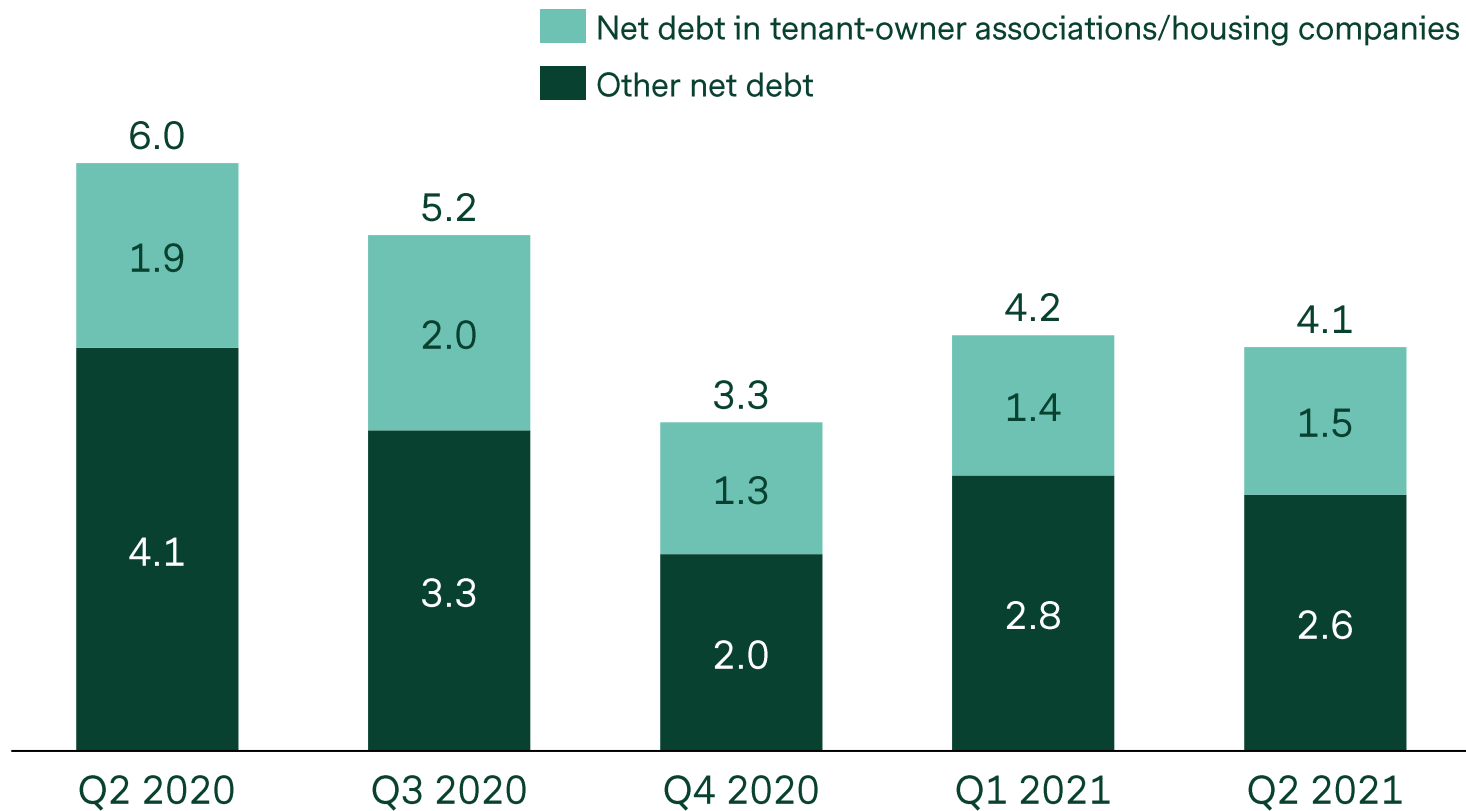
MSEK	2021 Q2	2020 Q2	2021 YTD	2020 YTD	2020 FY
Cash flow before changes in working capital	183	385	-11	146	1,394
Divestments of housing projects	2,725	3,195	4,212	5,795	14,521
Investments in housing projects	-3,158	-3,207	-5,699	-7,377	-14,179
Other changes in working capital	733	791	1,187	2,423	2,054
Cash flow from operating activities	484	1,164	-312	987	3,790
Investing activities	-14	-33	-24	-60	-128
Cash flow before financing	470	1,131	-337	927	3,662

Cash flow before financing per quarter (MSEK)



Strengthened position for ongoing and future investments

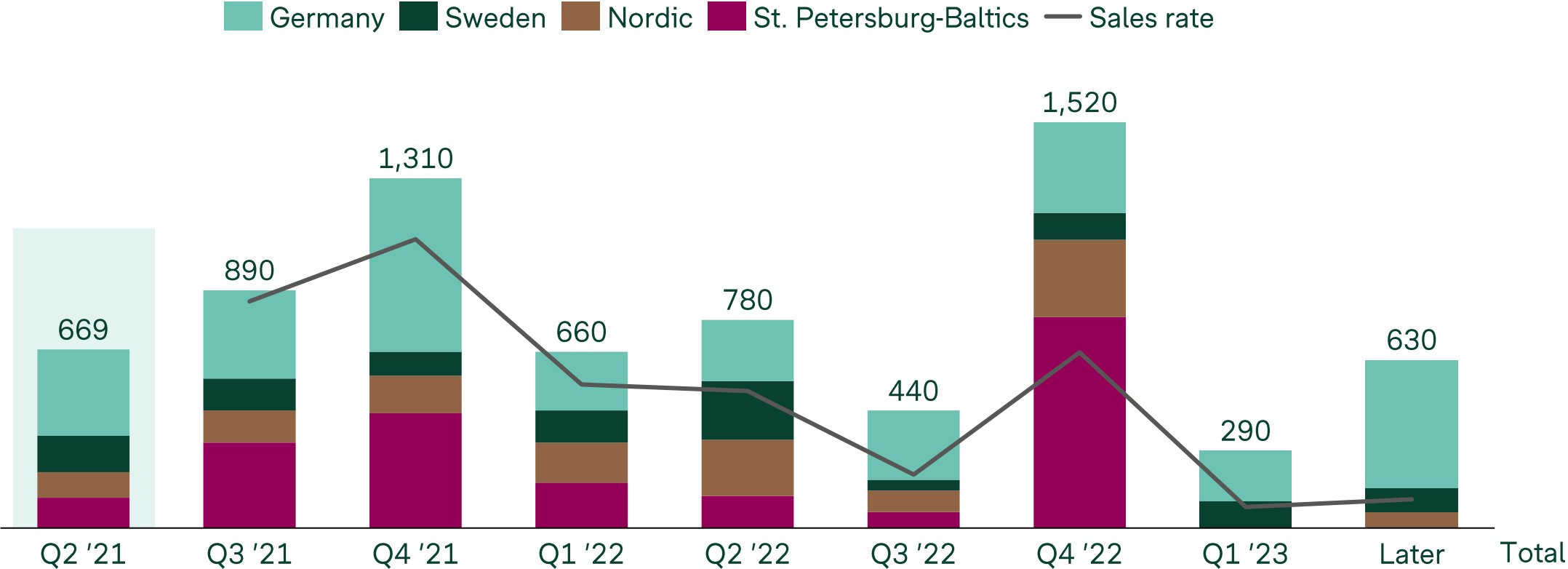
Net debt (SEK Bn)



Expanded green financing

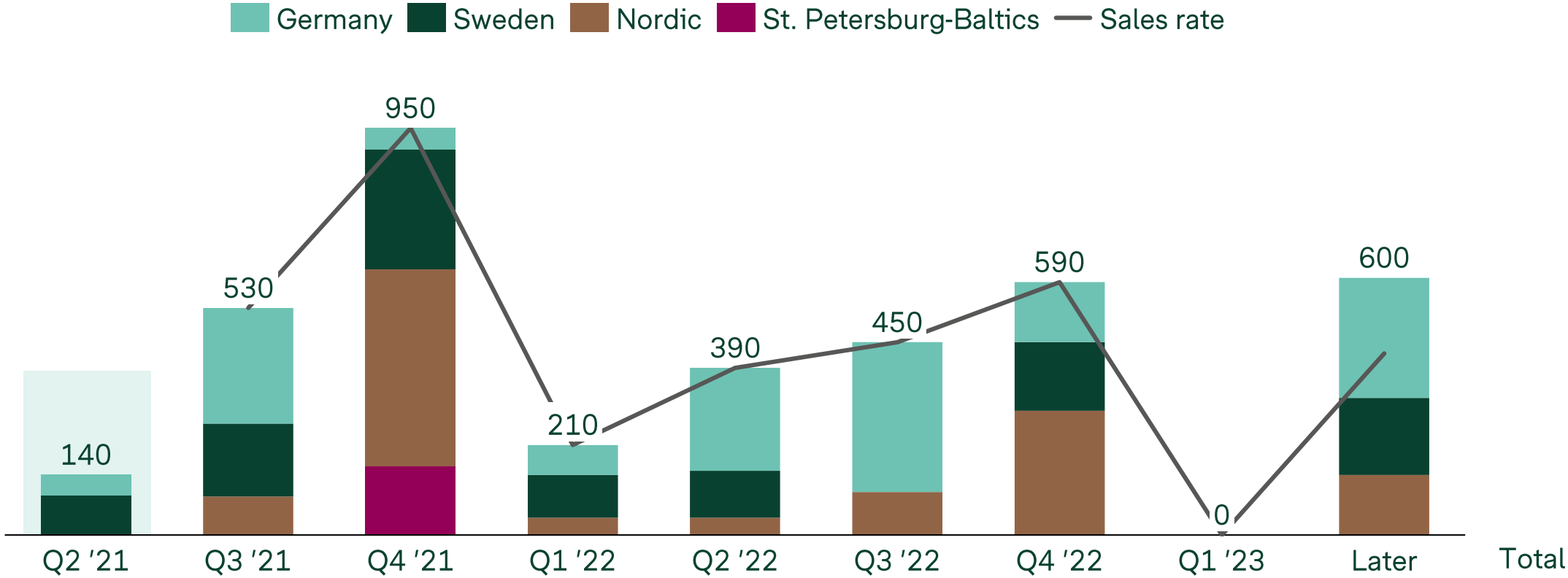
- Green bond loan increased with 200 MSEK and 30 MEUR loan refinanced
- Extended maturity and improved conditions
- Unutilised credit facilities of SEK 3.6 Bn

Consumers - expected completions and sales rate



Δ since Q1 21:	-21	+50	-20	-71	-11	-185	-113	+261	+119	+9
Q2 Starts:				+11	+111	+95	+533	+29	+321	+1,100

Investors - expected completions and sales rate



Δ since Q1 21:	+110	-50	-50	+220	-36	-190	+0	-5	-1
Q2 Starts:					+66			+175	+241

Summary and outlook



High ambition to achieve profitable and balanced growth



Outlook

- Strong market and underlying drivers
- Improved profitability
- High activity to secure handovers and project starts
- Wind down of Denmark first step in ongoing strategic review to be finalised in Q4
- Good foundation for improved performance

Q&A

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BONAVA