

BONAVA

January–June 2023

Peter Wallin, CEO and Lars Granlöf, CFO
20 July 2023

Bonava's markets stabilising

Market highlights Q2

- Sales gradually picking up
- Staying close to the market and adapting offering
- Stabilising market conditions, interest development important for continued market support
- Berlin, Dortmund, Cologne and Riga best markets
- Construction cost inflation abates



Cashflow measures weigh on margins

Q2 figures in brief

- Measures taken to improve cashflow
- Gross margin lower than prior year with higher share forward-funded B2Bs
- Savings in admin and indirect costs on track with announced annual gross cost reduction of 600 MSEK
- Norway divestment strengthens financial position and frees-up capital





Measures to improve cash flow

1. Selling – staying close to the market
2. Adapting admin and indirect cost to volume
3. Optimising portfolio of landbank and projects

Examples of projects started in the quarter



Kirschgärten – Dortmund, Germany
64 houses started for consumers



Druvienas – Riga, Latvia
45 apartments started for consumers

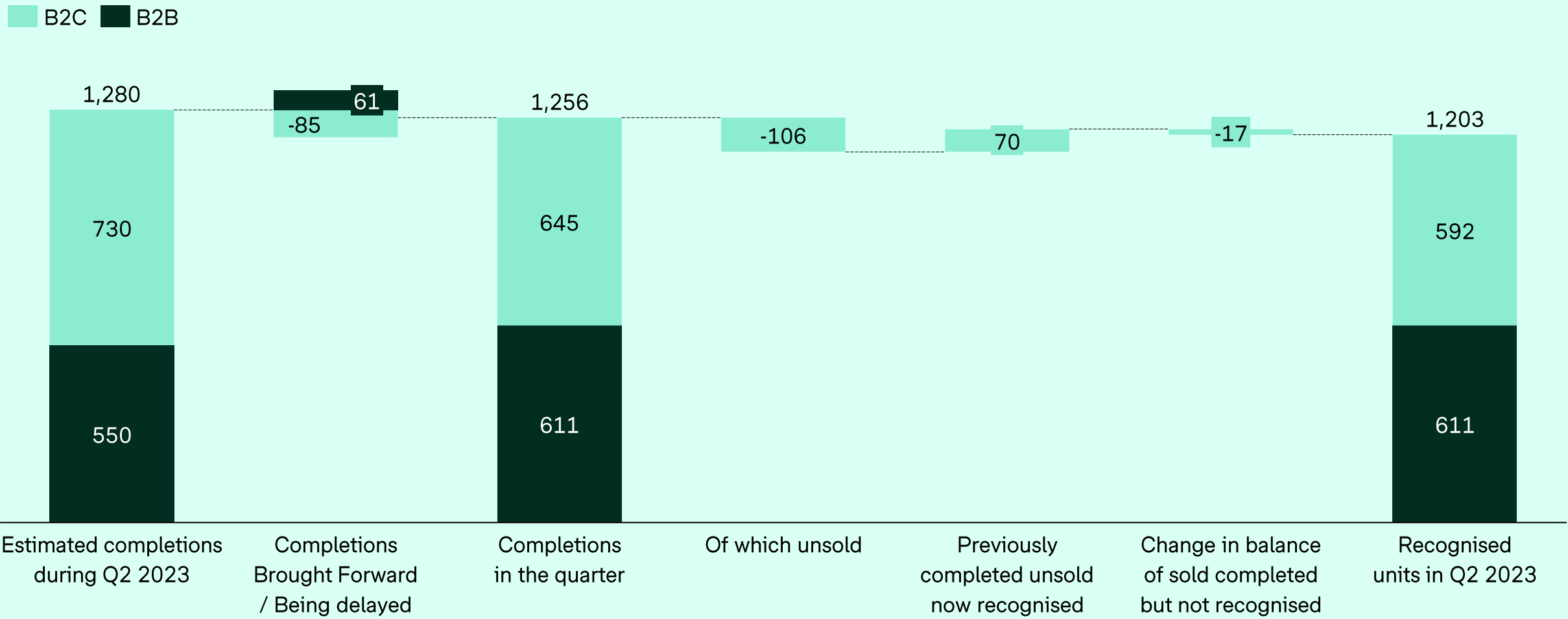
All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Financial development

Lars Granlöf, CFO

Recognised units in Q2 according to plan – also selling units completed in prior periods

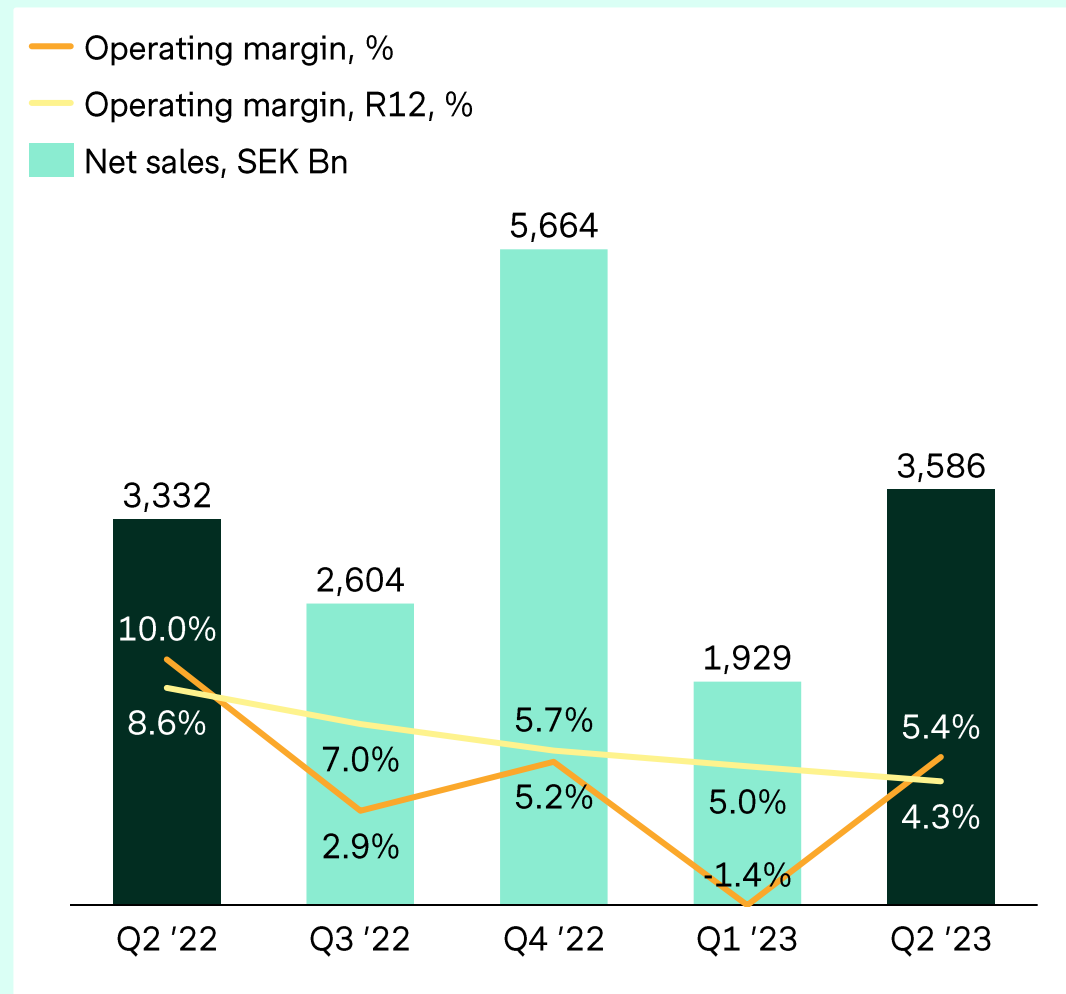
Recognised units bridge



Bonava Group

Gross margin impacted by measures to increase future cashflow

SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Continuing operations				
Net sales	3,586	3,332	13,783	13,987
Gross profit	374	538	1,390	1,688
<i>Gross margin, %</i>	<i>10,4</i>	<i>16,2</i>	<i>10.1</i>	<i>12,1</i>
Selling & admin expense	-179	-206	-796	-831
Operating profit (before IAC)	195	332	594	858
<i>Operating margin, %</i>	<i>5.4</i>	<i>10.0</i>	<i>4.3</i>	<i>6.1</i>
IAC	0	0	-56	-56
Operating profit (after IAC)	195	332	538	802
Net financial items	-148	-41	-358	-193
Profit/loss before tax	47	291	180	609
Tax on profit for the period	-10	-83	-50	-169
Net profit	37	208	130	440
Operations to be discontinued	-854	7	-1584	-743



Germany

SHARE OF NET SALES (FY'22)
59%  2021: 55%

Highlights

- Net sales in line with prior year despite fewer units recognised
- Gross margin impacted by product mix and measures to improve cash flow
- 34 MSEK impairment taken
- 212 units sold, up from 115 in Q1

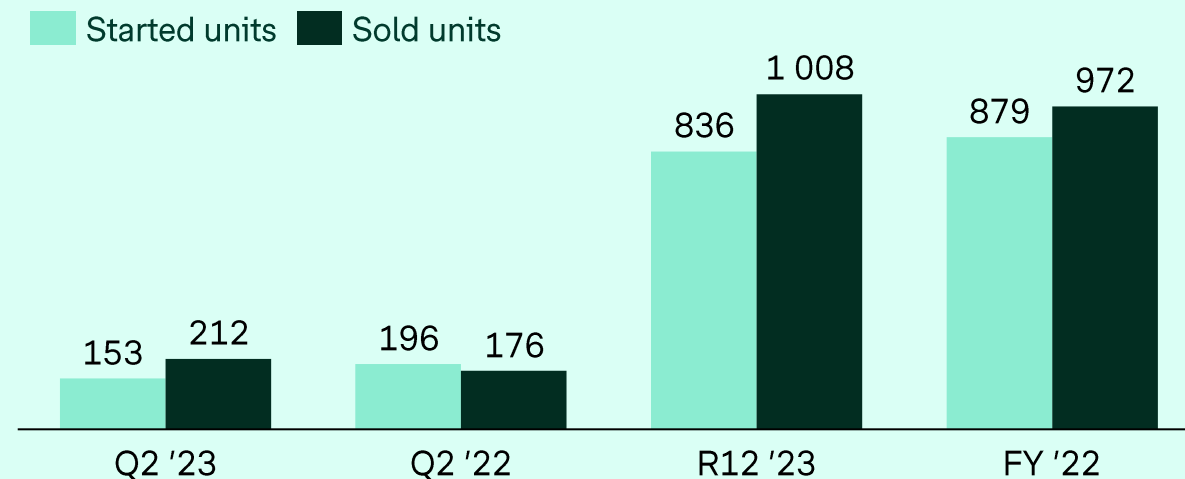
SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Net sales	1,536	1,593	7,201	7,785
Gross profit	140	303	944	1,213
Gross margin, %	9.1	19.0	13.1	15.6
Selling & admin expense	-65	-73	-290	-309
Operating profit (before IAC*)	75	229	654	904
Operating margin (before IAC), %	4.9	14.4	9.1	11.6
Recognised units	309	448	1,572	1,888

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



Project: Neuseengärten, Leipzig

Sold and started units



Sweden

SHARE OF NET SALES (FY'22)
21%  2021: 25%

Highlights

- Net sales close to previous year
- Gross margin impacted by measures to improve cash flow
- Risk provisions of 28 MSEK made
- 43 units sold, up from 14 in Q1

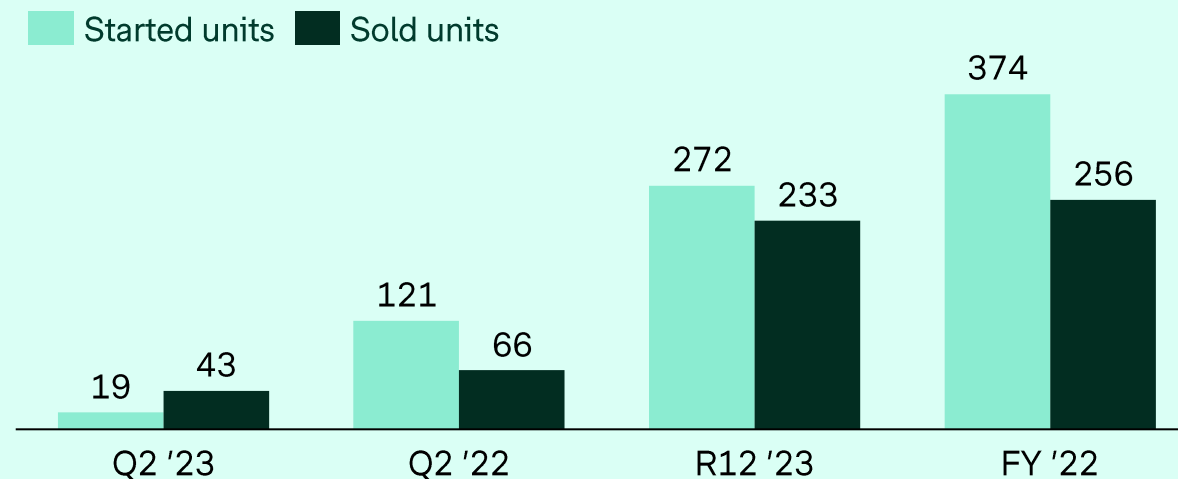
SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Net sales	947	1 025	2,605	2,745
Gross profit	94	150	53	85
Gross margin, %	10.0	14.6	2.0	3.1
Selling & admin expense	-36	-36	-140	-139
Operating profit (before IAC*)	58	113	-87	-54
Operating margin (before IAC), %	6.2	11.1	-3.3	-2.0
Recognised units	376	291	864	881

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



Project: Kapellgärdet, Uppsala

Sold and started units



Finland

SHARE OF NET SALES (FY'22)
13% → 2021: 14%

Highlights

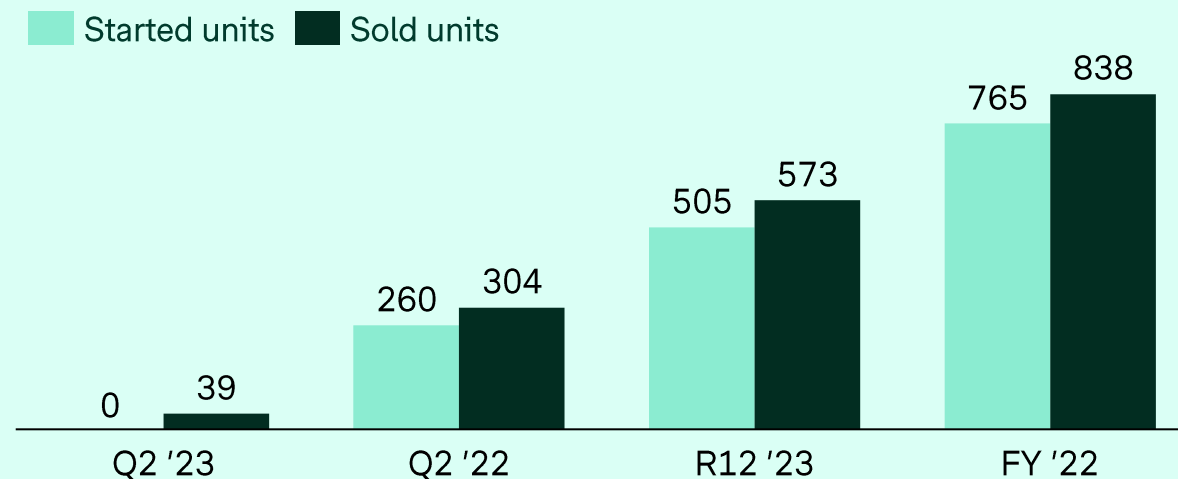
- Increased Net sales – high number of handovers
- Margins improve from better cost control and high volume recognised
- 39 units sold to consumers, up from none in Q1, no units sold to investors, down from 75 in Q1
- Surplus supply makes market tough

SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Net sales	915	460	2,390	1,759
Gross profit	115	48	209	183
Gross margin, %	12.6	10.5	8.7	10.4
Selling & admin expense	-19	-23	-95	-95
Operating profit (before IAC)	97	26	113	88
Operating margin (before IAC), %	10.5	5.6	4.7	5.0
Recognised units	383	174	1 017	718



Project: Turun Solina 15, Åbo

Sold and started units



Highlights

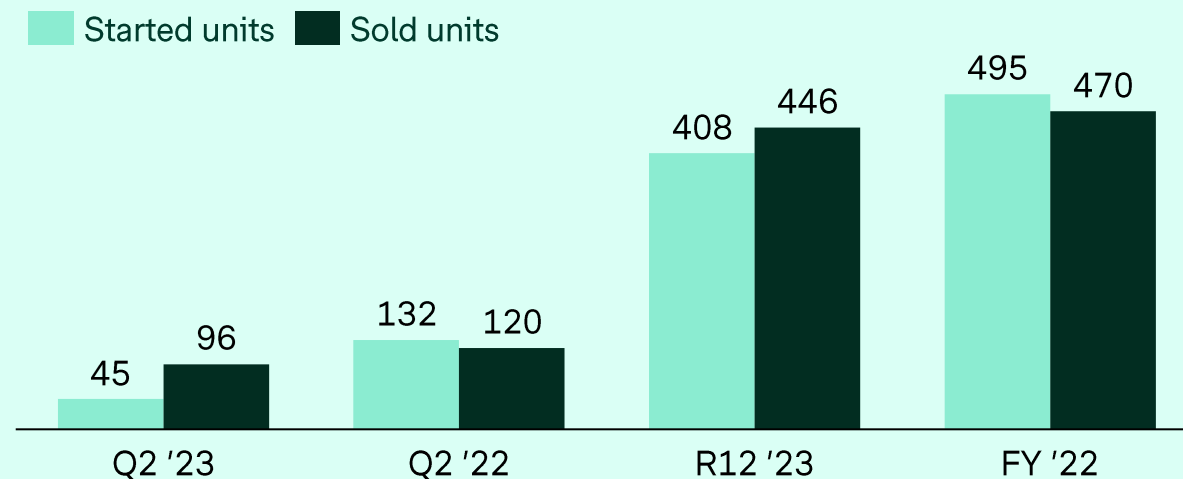
- Net sales lower than previous year with fewer units recognised
- Lower gross margin due to product mix effect
- Riga driving development in the Baltics, improving conditions in Tallinn
- First B2M project estimated to be completed in Q3

SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Net sales	185	251	821	832
Gross profit	26	45	140	152
Gross margin, %	14.0	18.0	17.1	18.2
Selling & admin expense	-12	-10	-46	-44
Operating profit (before IAC)	14	35	94	108
Operating margin (before IAC), %	7.5	13.9	11.5	13.0
Recognised units	135	232	593	676



Project: Vakaru Lenas, Vilnius

Sold and started units



Norwegian operations divested

Highlights

- Norwegian operations sold to Union Residential Development
- Purchase price 1.5 bn SEK
- Net impact on profit of -0.8 bn SEK including FX-reserve
- Capital freed up for refinancing



Project: Merinokvartalet, Bergen

St. Petersburg update

Sales process

- Sales process ongoing, seller working to achieve approval from authorities
- Reported as operations to be discontinued
- Income from the quarter offset

Ongoing operations

- 80 units handed over in Q2 2023
- 260 units remain in production to be completed during the year
- Project financing of 1,350 MRUB repaid and parent company guarantee released
- No new projects or investments will be initiated

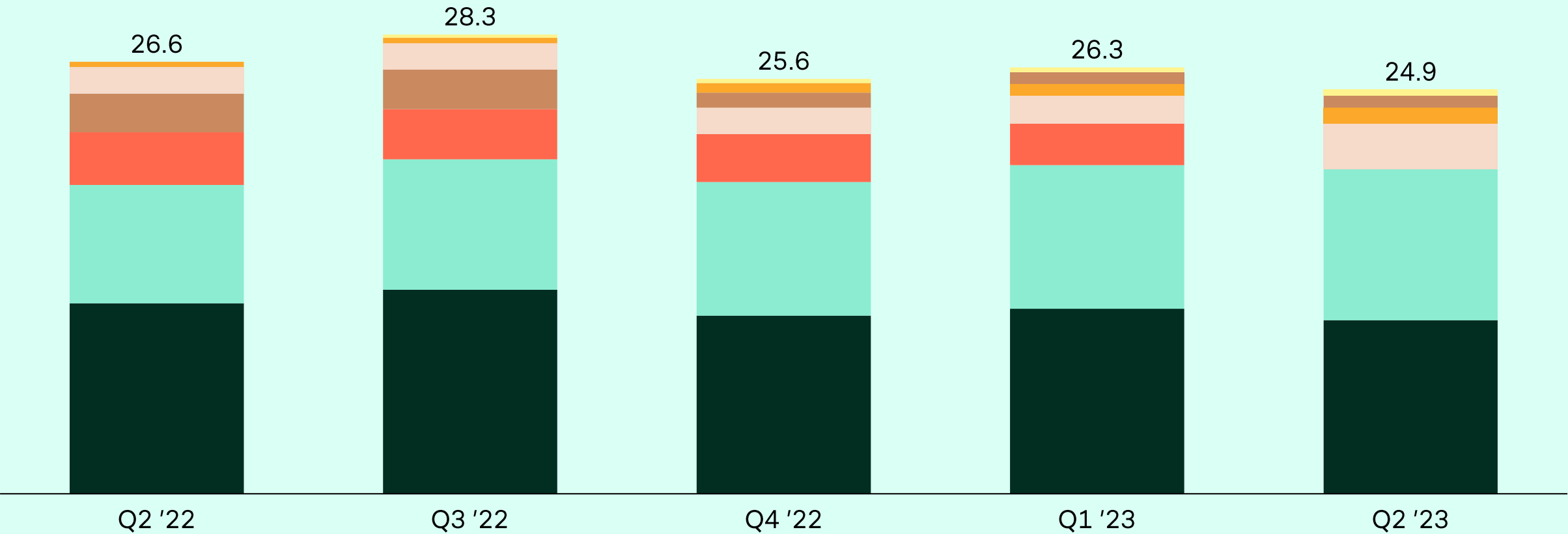


Project: Magnifika, St. Petersburg

Distribution of assets: Divestments of assets ongoing

Total assets (SEK Bn)

- Properties held for future development
- Completed housing projects
- Investment properties
- St. Petersburg
- Ongoing housing projects
- Other assets
- Norway

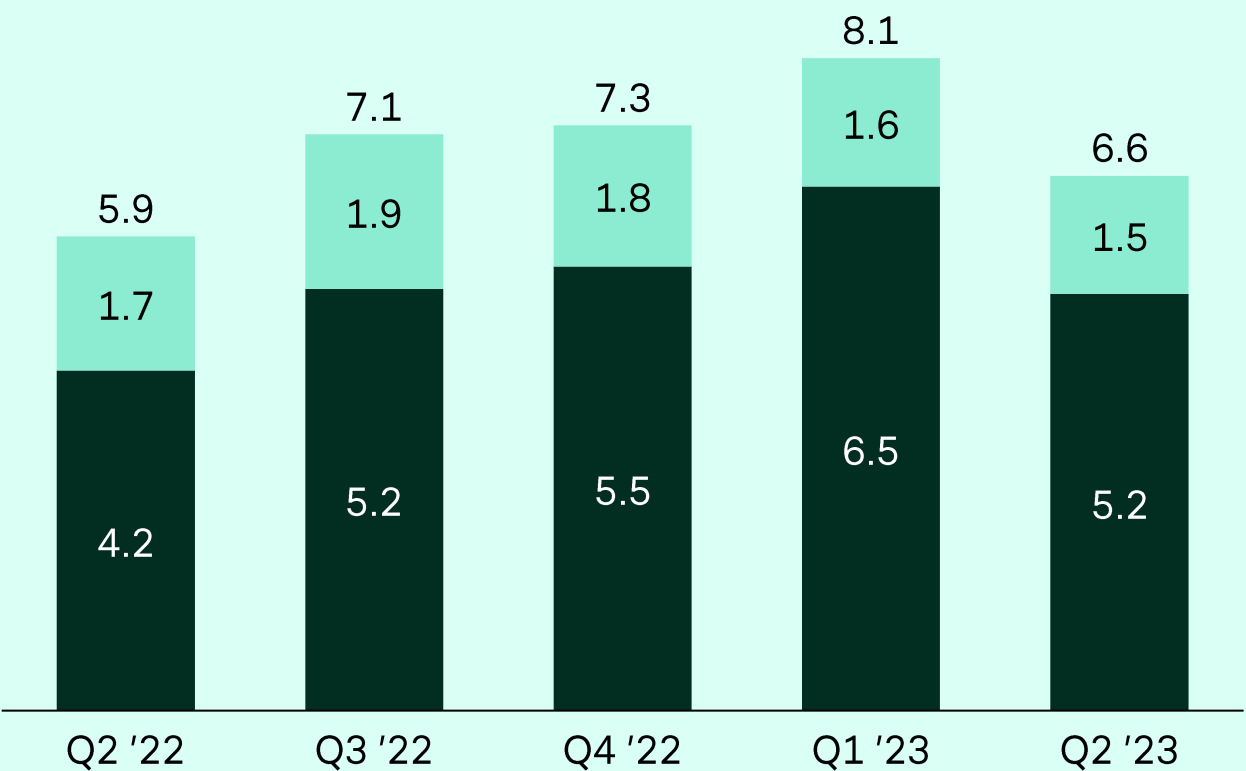
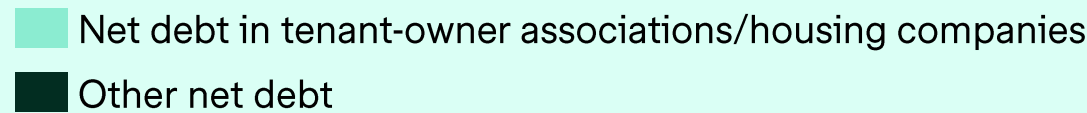


Positive cash flow – focus going forward

SEK M	2023 Q2	2022 Q2	2023 R12	2022 FY
Cash flow before changes in working capital	-345	82	2	527
Divestments of housing projects	3,191	3,046	13,323	13,312
Investments in housing projects	-2,395	-3,748	-13,189	-16,037
Other changes in working capital	-579	71	-2,081	-1,045
Cash flow from operating activities	-128	-549	-1,945	-3,242
Divestments of business units	737		737	
Investing activities	-66	-1	-224	-104
Cash flow before financing	543	-551	-1,431	-3,345

Net debt decreasing, more measures to come

Net debt (SEK Bn)

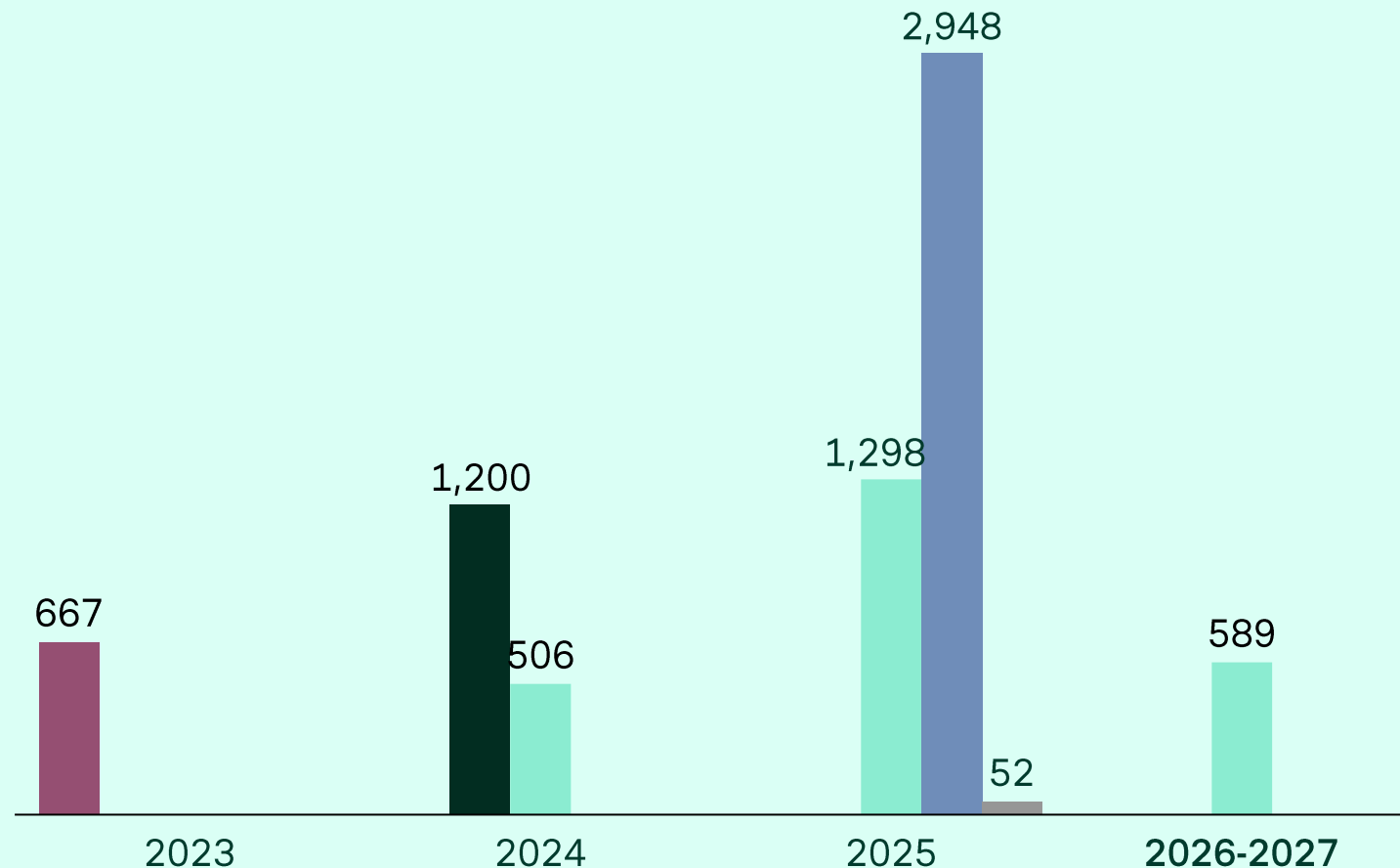


Covenants	Q2	Limit
Equity to asset ratio	29.4%	25%
Interest cover ratio	4.0x	2.0x

Financing facilities' maturities spread over time

Financing facilities per Q2 2023

SEK M



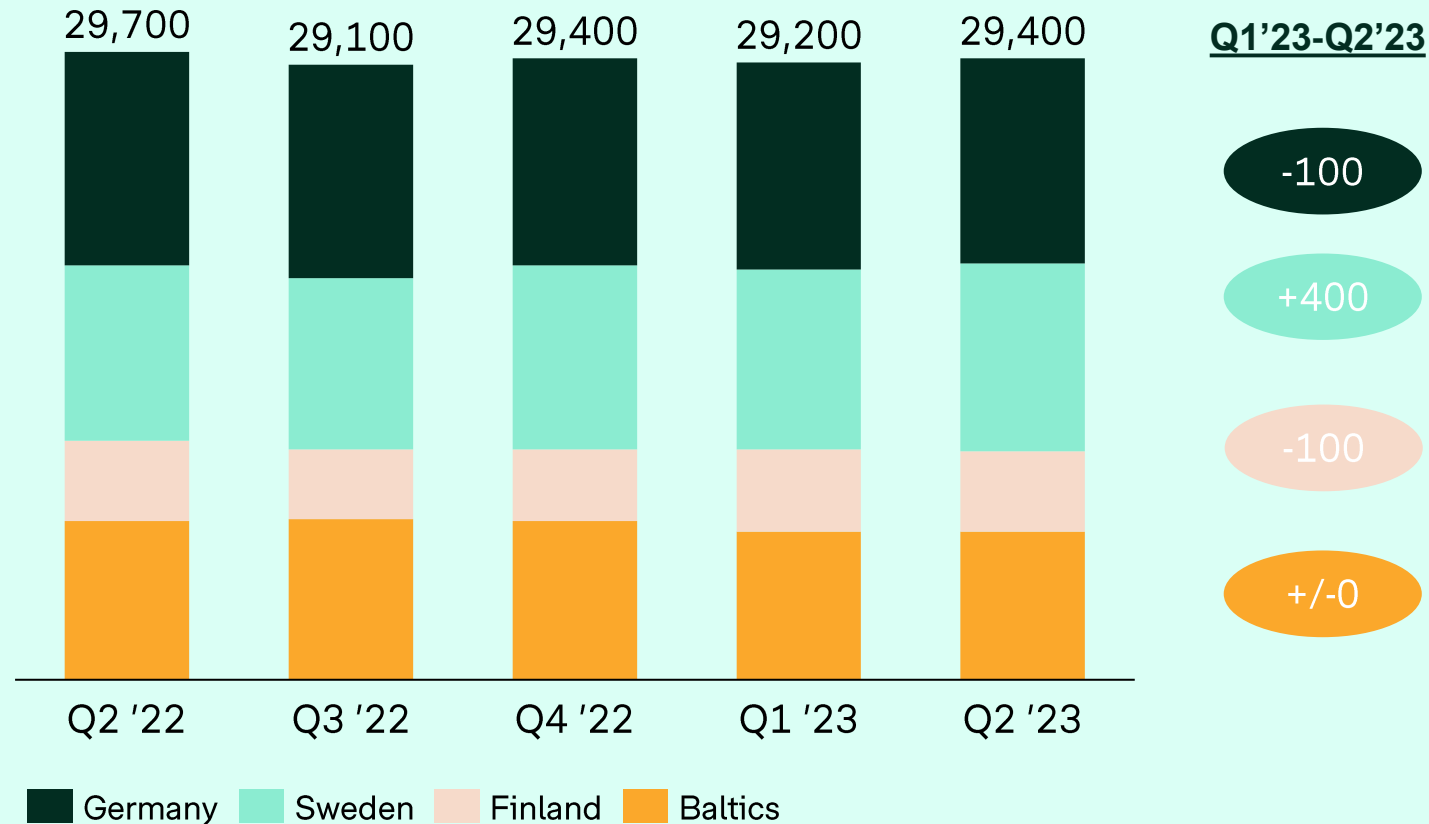
Well balanced funding base

- Credit facilities of SEK 7.1 Bn where of SEK 0.7 Bn unutilised (Overdraft and RCF)
- Project financing of SEK 1.2 Bn utilised, SEK 0.2 Bn unutilised
- Upcoming bond maturity of SEK 1.2 Bn

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

Building rights portfolio – divestments planned

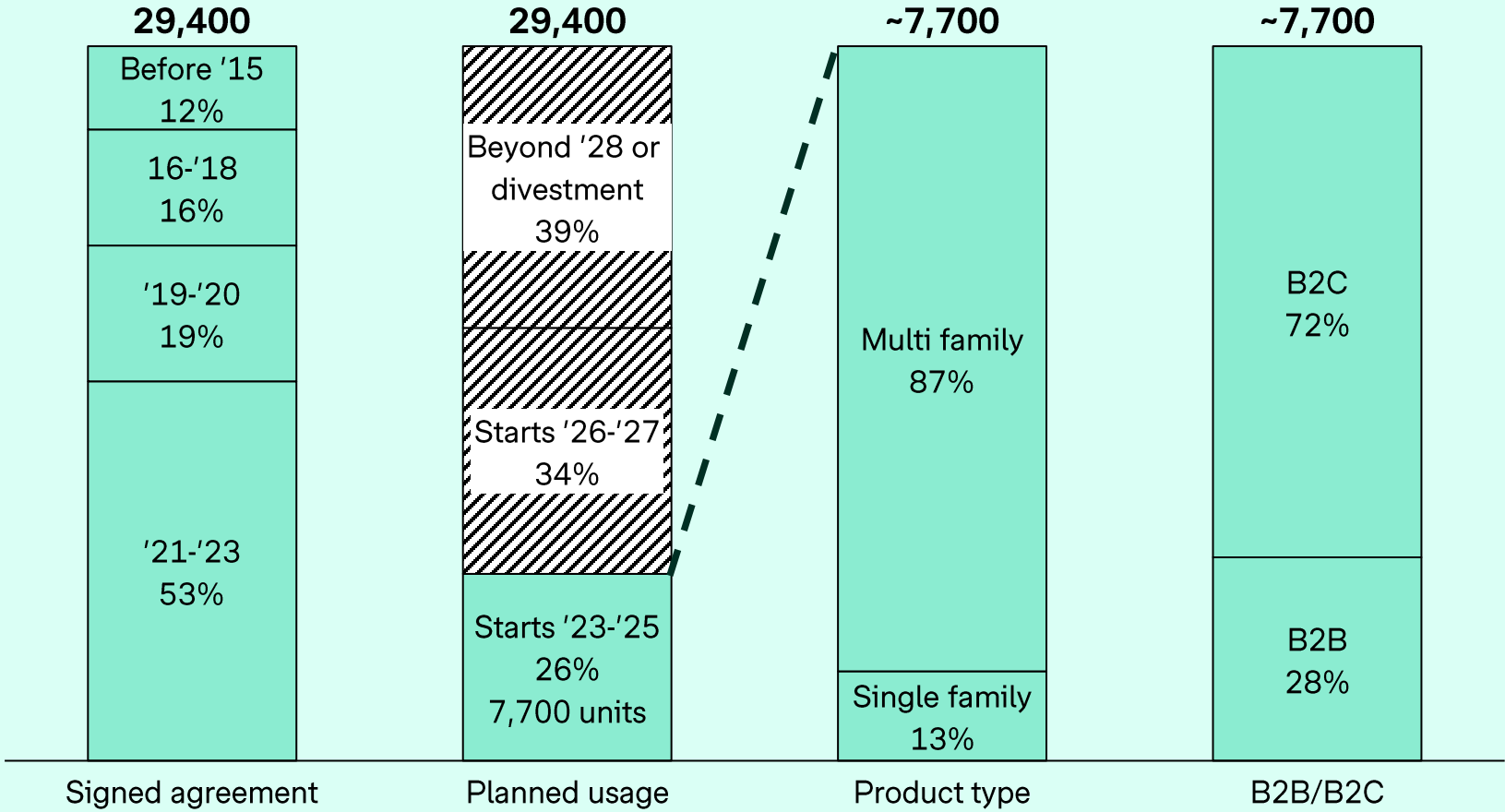
No of building rights



Building rights brought on-balance

- Book value SEK 9.3 Bn (7.3)
- 10,700 (11,500) off-balance, with net 100 brought on-balance in the quarter while two options contracts abandoned

Actively managing portfolio of building rights



Comments

- BR on balance: 18,700
- BR off balance: 10,700
 - Options or conditional agreements
- Conversion B2C into B2B a possibility
- Tailoring portfolio to current market

Summary

Cash flow über alles

Q2 figures in brief

- Selling and cashflow are our key priorities
- Stabilising market conditions
- Sales picking up
- Low volume quarter expected in Q3 2023



Q&A


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