BONAVA

Q3 2018

Joachim Hallengren, CEO
Ann-Sofi Danielsson, CFO

Good quarter building for the future

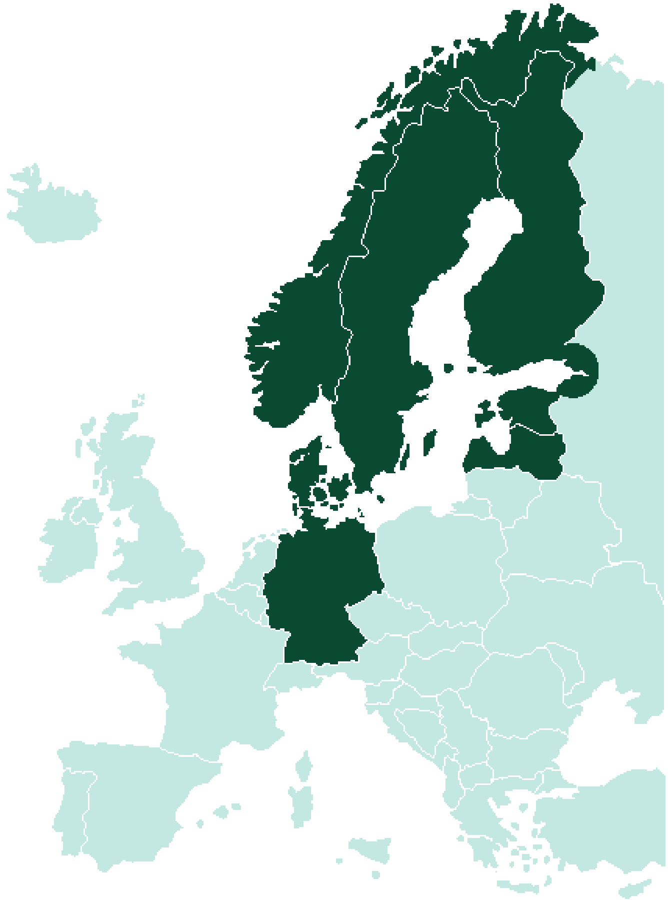
Q3 in brief

- Started units 1,451 (1,208)
- 10,329 (9,861) units in production with a sales rate of 70 (68) per cent
- Net sales SEK 3,391 (2,135) M
- EBIT SEK 406 (218) M, includes profit from land sales of SEK 30 (65) M
- Continued growth in Germany

Good quarter building for the future

- Sold units 1,275 (1,336)
  - Consumers 962 (1,009)
  - Investors 313 (327)
- Housing starts 1,451 (1,208)
  - Increased number of starts to consumers
  - Strong number of starts in Germany and St. Petersburg

Good demand in our markets



Consumers

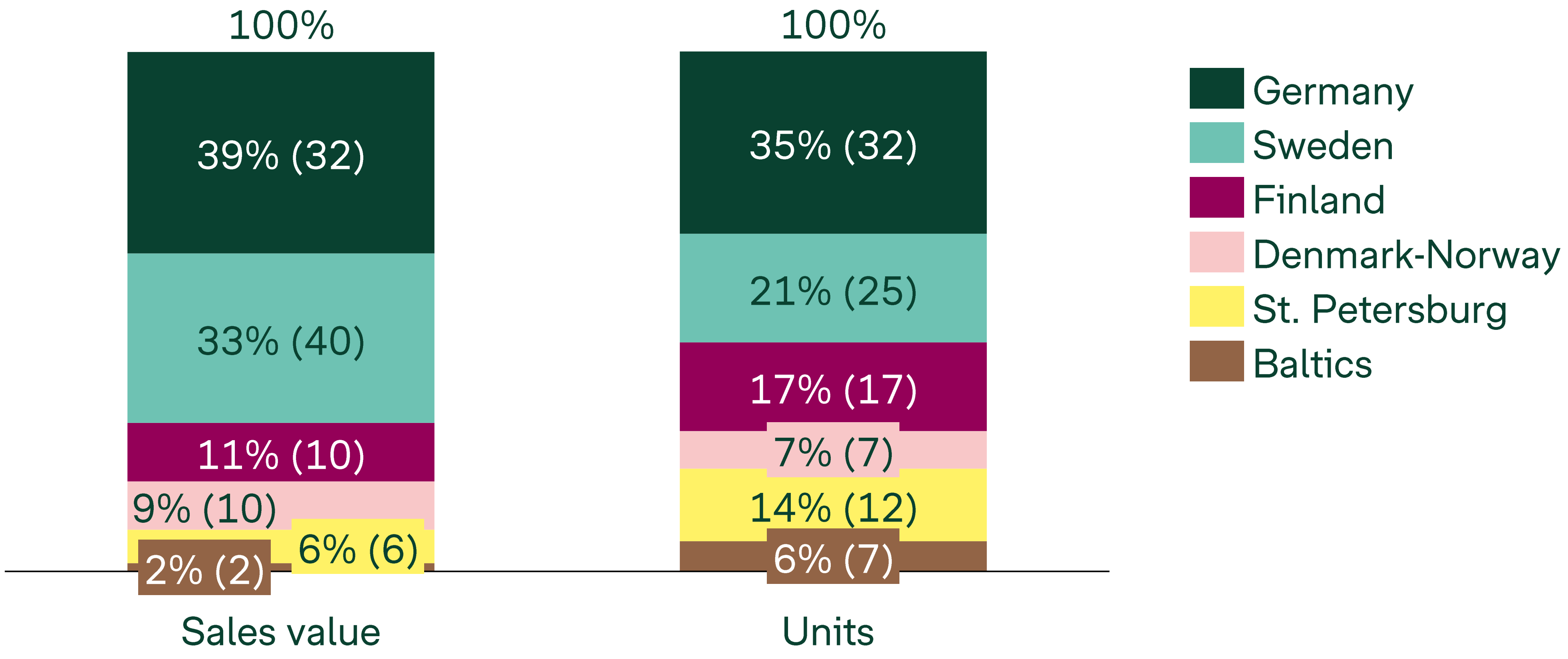
- Strong demand in Germany
- Good demand in Finland, Norway and St. Petersburg
- Solid demand in Denmark
- Cautious market in Sweden

Investors

- Strong demand in Sweden, Germany, Finland, Denmark and Norway

Continued growth in Germany

Ongoing production consumers and investors, Sept 2018 (Sept 2017)



Projects started in Q3

Apartments in Wesseling, Germany

- Am Entenfang
- 142 units to consumers
- Affordable semi-detached and row houses.

Apartments in Duisburg, Germany

- Zum Wassergraben
- 50 units to consumers
- Modern homes close to nature.

Projects started in Q3

Apartments in Stockholm, Sweden

- Märtas Berså
- 104 units to consumers
- Nordic Swan eco-labelled homes.

Apartments in St. Petersburg, Russia

- Magnifika, 2nd phase
- 104 units to consumers
- Part of a project that comprises 2,200 homes.

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Ann-Sofi Danielsson, CFO

Outcome financial objectives and dividend policy

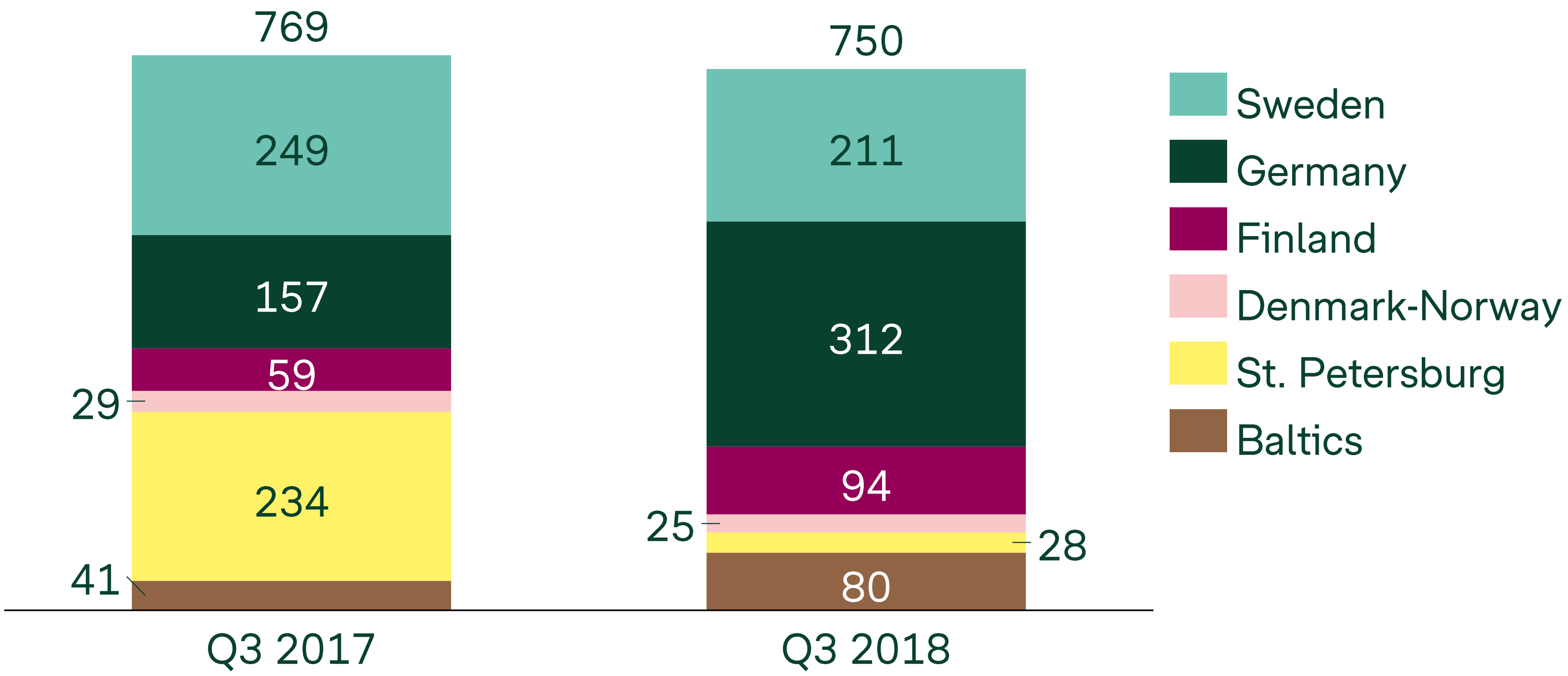
ROCE	Equity to assets ratio	Dividend policy
10-15%	> 30%	> 40%
12.4%	28.1%	R12 EPS 10.70 SEK

Increased net sales

	2018	2017	2018	2017	2017
SEK M	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Net sales	**3,391**	**2,135**	**7,802**	**8,424**	**14,479**
Gross profit	614	430	1,425	1,712	2,768
Selling and administrative expenses	-208	-211	-670	-586	-822
EBIT	**406**	**218**	**755**	**1,126**	**1,946**
Net financial items	-35	-51	-111	-165	-226
Profit after financial items	**370**	**167**	**643**	**962**	**1,721**
Tax on profit for the period	-82	-36	-140	-210	-319
Tax %	22%	22%	22%	22%	19%
Net profit	**289**	**130**	**503**	**752**	**1,402**

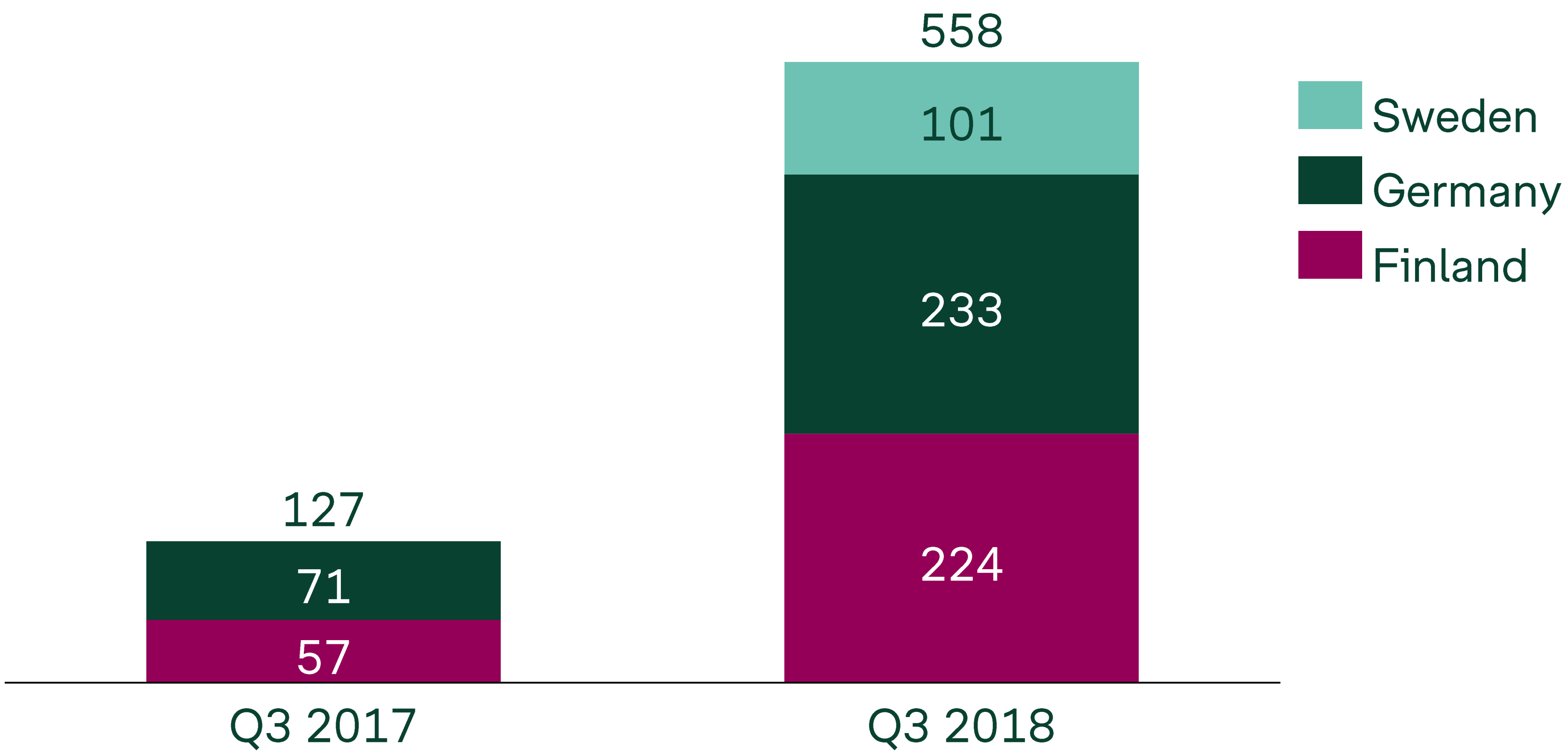
More recognised units to consumers in Germany

Recognised number of units to consumers



More recognised units to investors

Recognised number of units to investors



Strong EBIT

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Good EBIT contribution from Sweden and Germany

EBIT	2018	2017	2018	2017	2017
SEK M	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Sweden	201	169	568	1,004	1,230
Germany	220	75	306	244	668
Finland	28	-29	-15	-67	1
Denmark-Norway	-8	12	7	4	141
St. Petersburg	-3	21	28	56	104
Other and eliminations	-32	-31	-138	-114	-197
Group EBIT	**406**	**218**	**755**	**1,126**	**1,946**

Strong net profit

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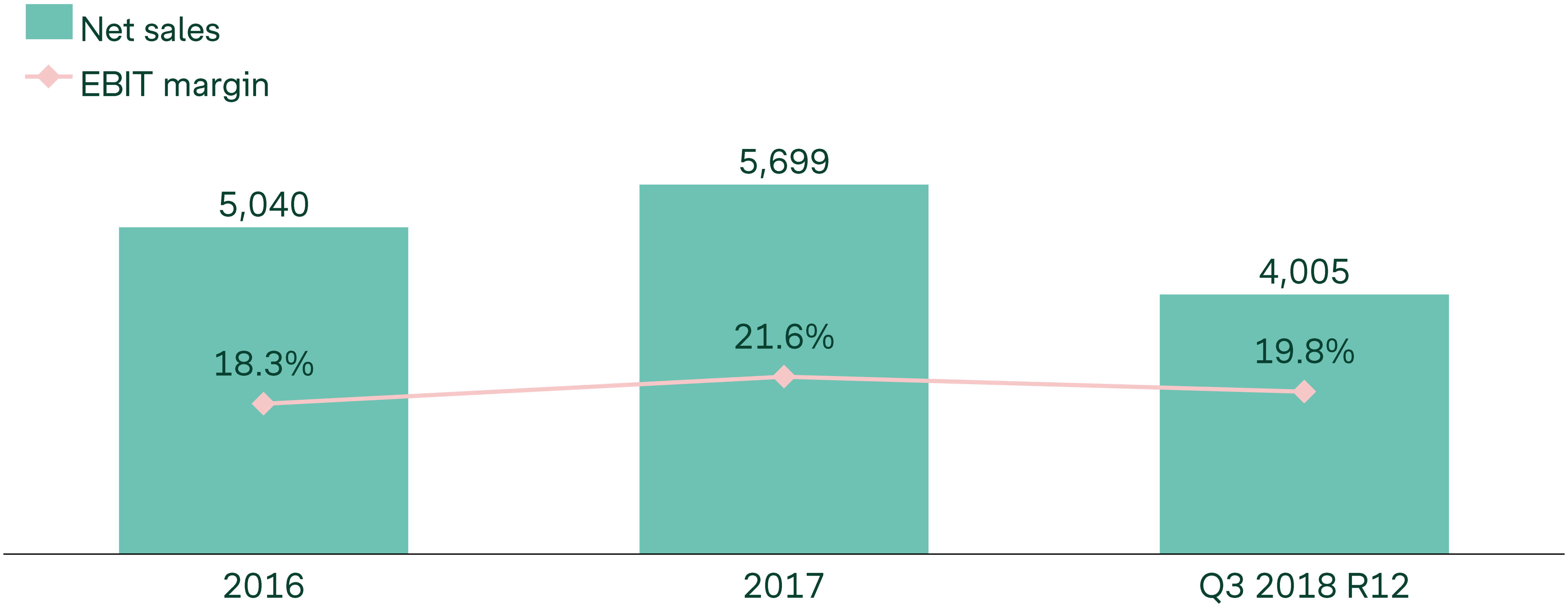
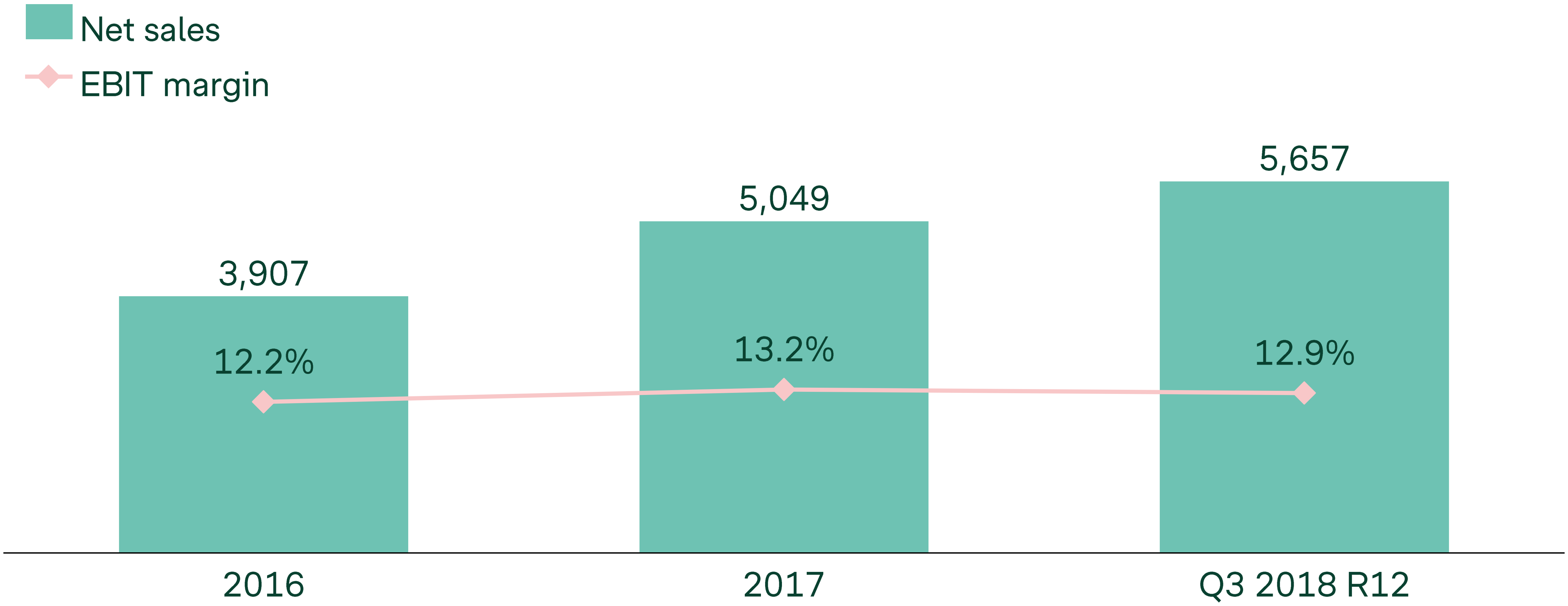
Good EBIT margin in Sweden

Bonava Sweden, net sales (SEK M) and EBIT margin



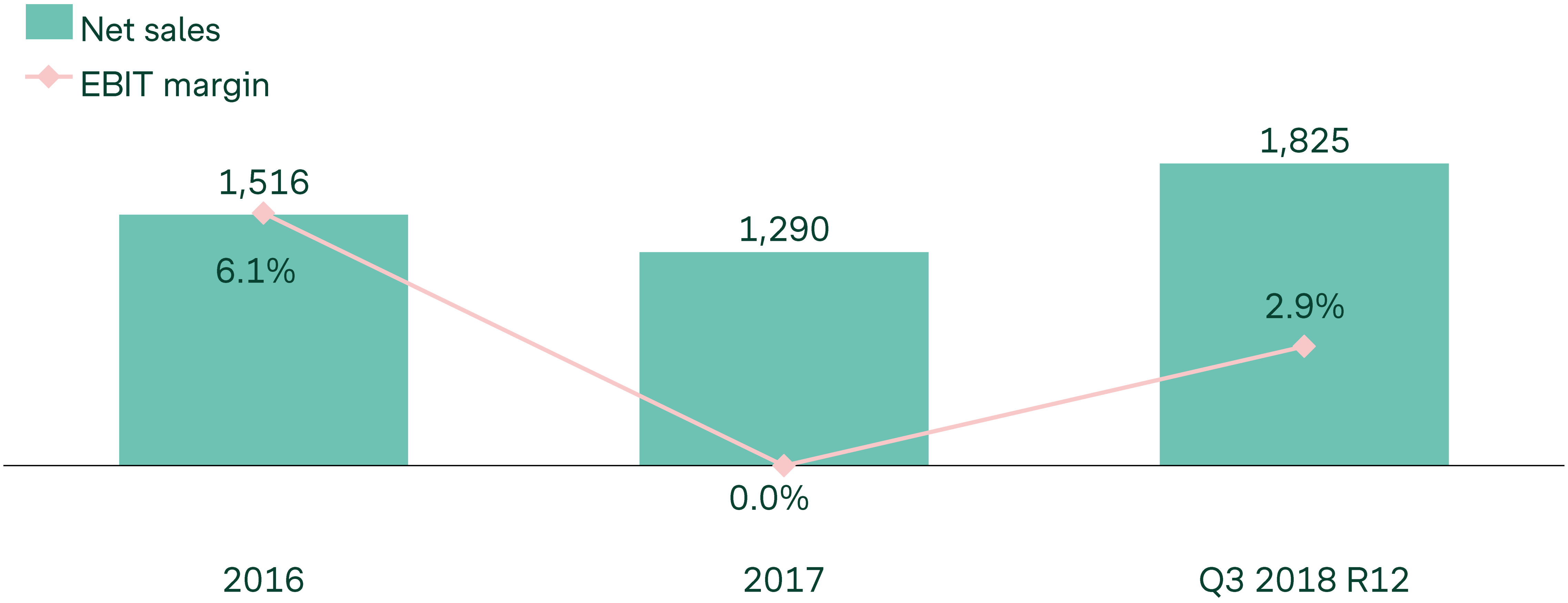
Increased net sales and good margin in Germany

Bonava Germany, net sales (SEK M) and EBIT margin



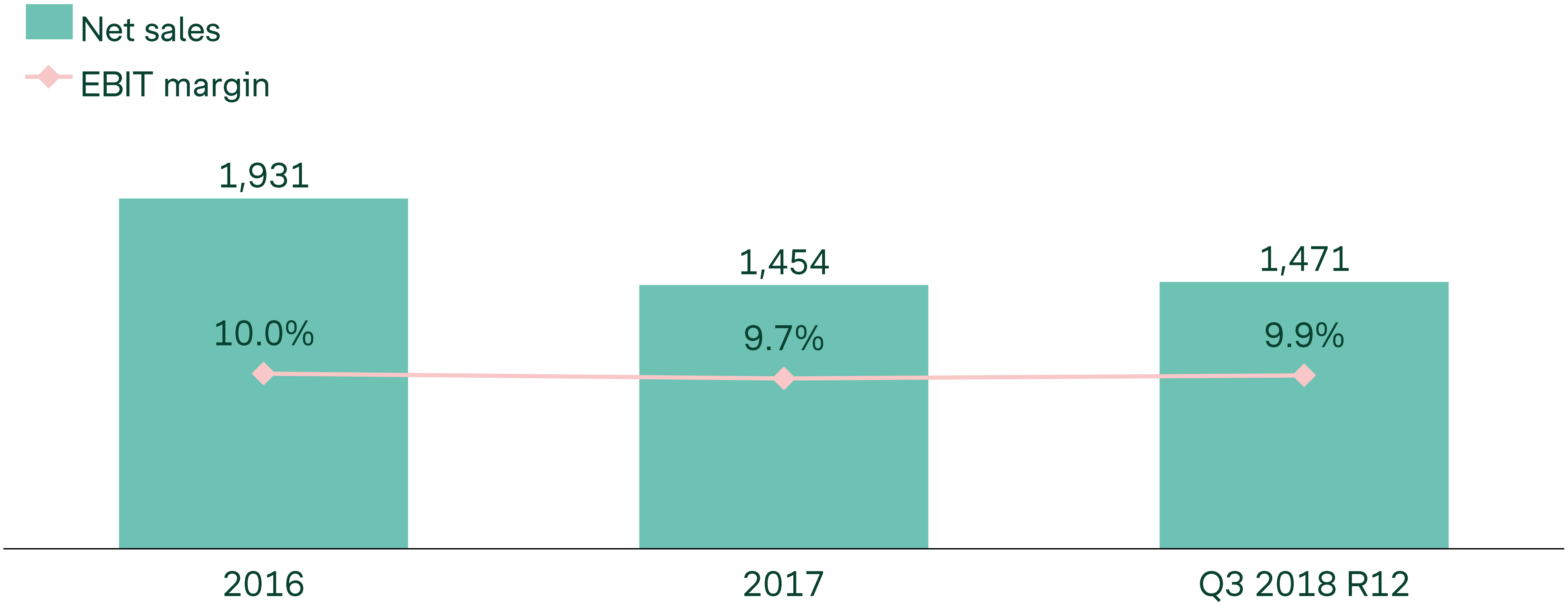
Increased net sales and margin in Finland

Bonava Finland, net sales (SEK M) and EBIT margin



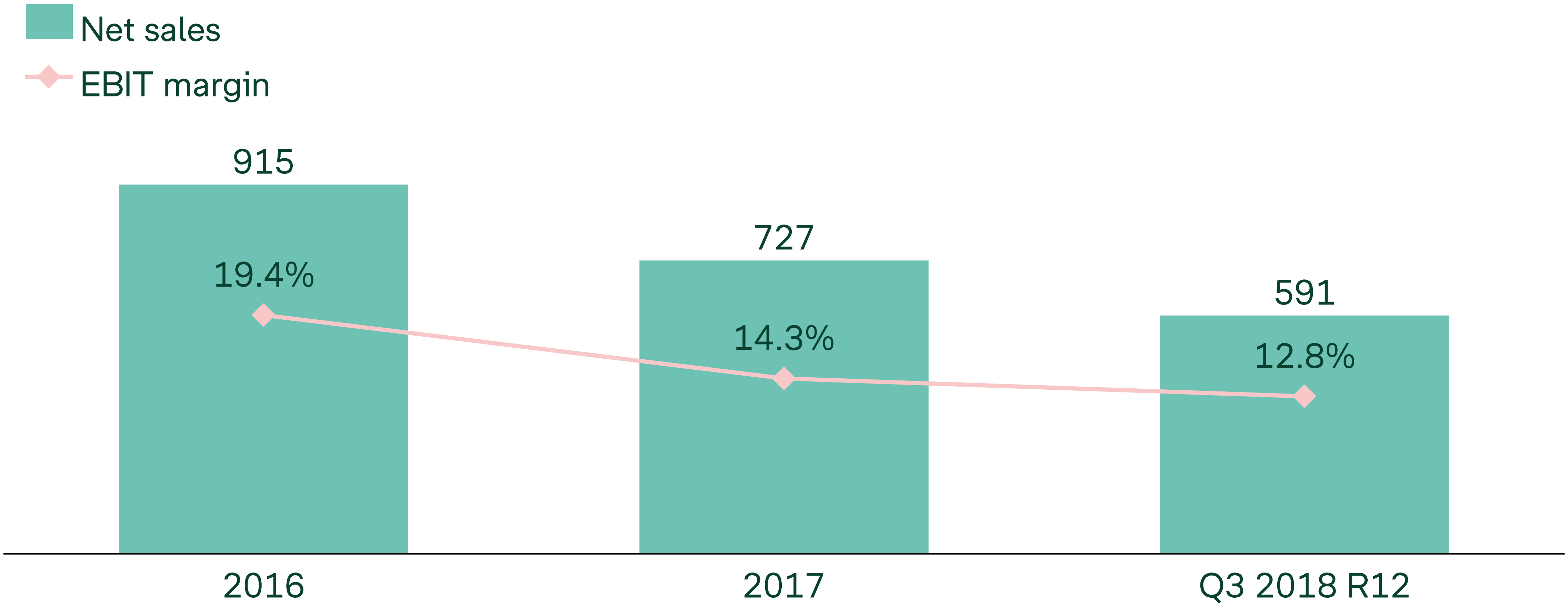
Stable margin in Denmark-Norway

Bonava Denmark-Norway, net sales (SEK M) and EBIT margin



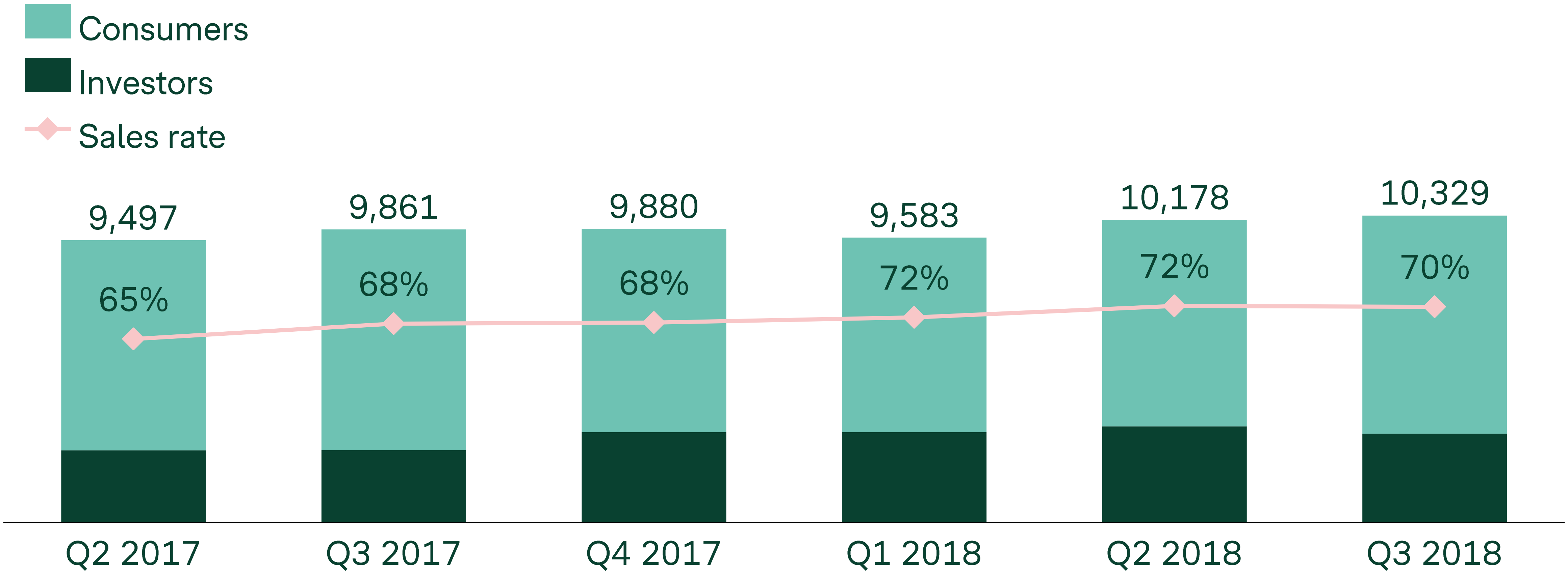
Stable margin in St. Petersburg

Bonava St. Petersburg, net sales (SEK M) and EBIT margin



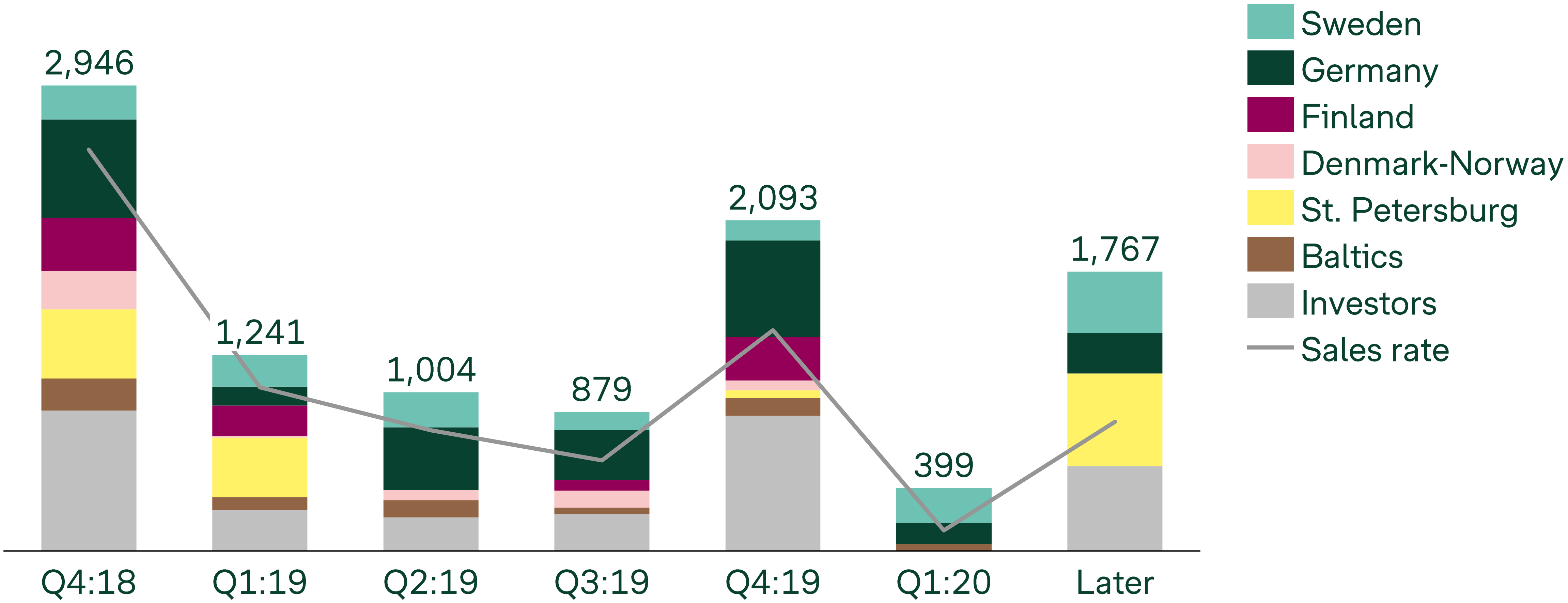
Many units in production with strong sales rate

Units in production and sales rate



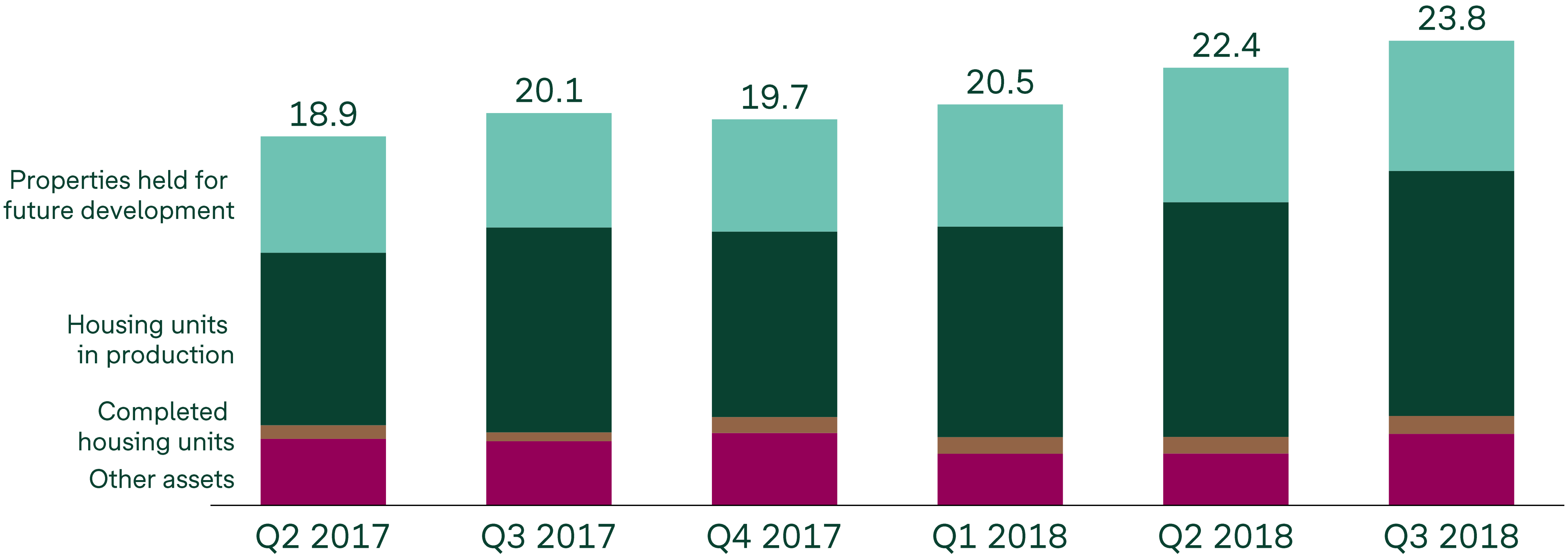
Many units to be completed in Q4 2018

Estimated completions of ongoing production, housing units



Increased total assets due to many units in ongoing production

Total assets (SEK BN)

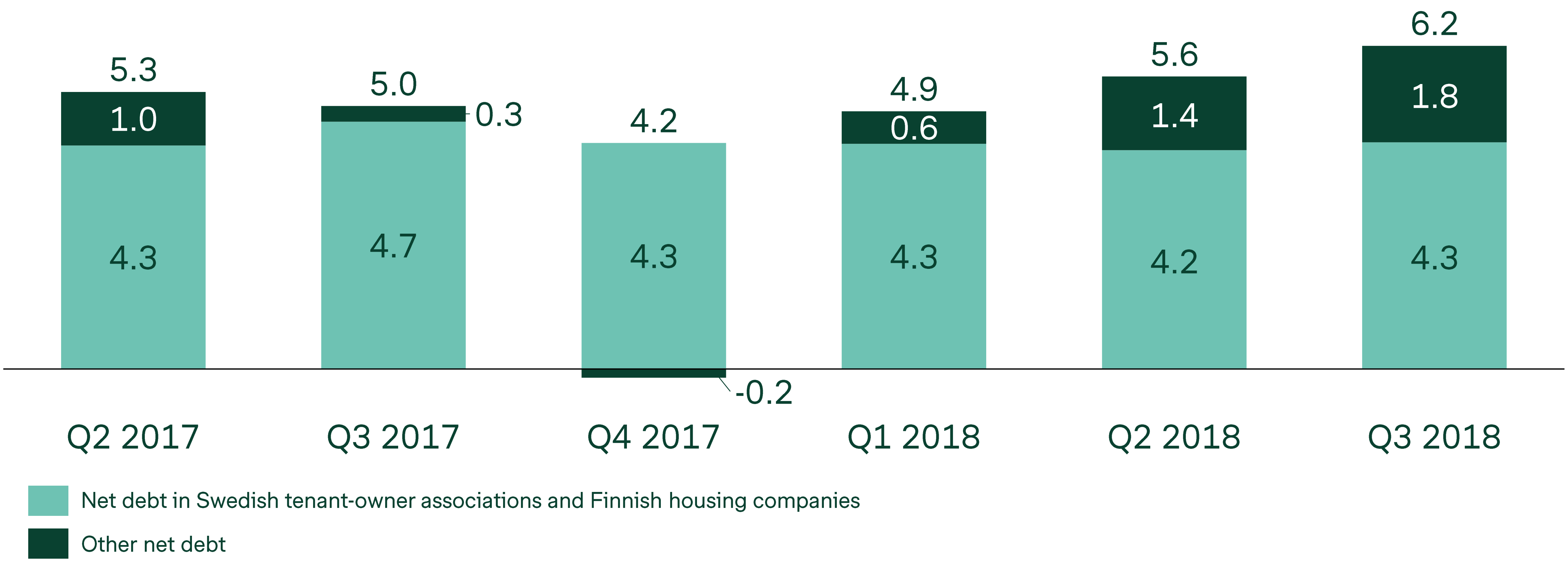


Investments in land and in new projects affect cash flow

	2018	2017	2018	2017	2017
SEK M	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Cash flow before changes in working capital	423	-67	402	700	1,462
Divestments of housing projects	2,849	1,650	6,423	6,853	11,940
Investments in housing projects	-3,511	-2,858	-10,110	-9,988	-14,210
Other changes in working capital	-318	1,619	1,659	1,428	893
Cash flow from operating activities	**-556**	**345**	**-1,626**	**-1,007**	**85**
Investing activities	-32	-44	-94	-99	-111
Cash flow before financing	**-588**	**300**	**-1,720**	**-1,106**	**-26**

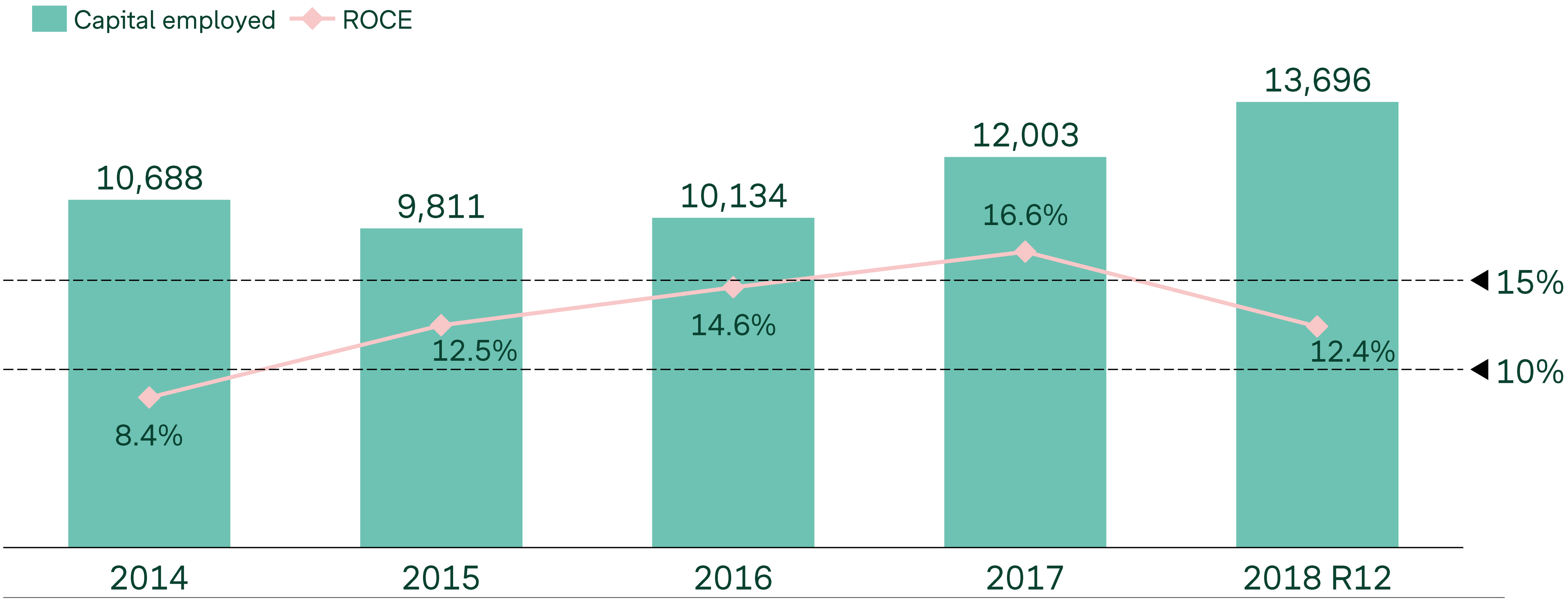
Higher net debt due to increased investments in new projects

Net debt (SEK BN)



Good return on capital employed

Capital employed (SEK M) and return on capital employed



Summary

Good quarter building for the future

- Good sales to consumers and investors
- Increased number of started units
- Many units in production with strong sales rate
- Increased net sales and strong profit
- Continued growth in Germany

Q&A

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