



BONAVA

January–September 2023

Peter Wallin, CEO and Lars Granlöf, CFO
15 November 2023

Sales increase in tough market

Market highlights Q3

- Number of sold units increases QoQ, reducing gap to prior year
- Continued stabilisation of market conditions, but consumers still adapting to high cost of living
- Pent-up demand varies by market. Berlin, Dortmund, Cologne and Riga strongest.



Lowering cost base to increase future flexibility

Q3 figures in brief

- Underlying gross profit of 9.8%
- Cost savings of SEK 1 bn annually on track for 2025
 - Net cost reduction of SEK 620 M annually
- Net debt reduced compared to prior year and Q2
- SEK 434 M cost for reorganisation taken (IAC)
- Estimated surplus value SEK 1.2 bn after SEK 686 M impairment.
- St. Petersburg divestment completed, payment of EUR 50 M received. Profit of SEK 564 M recognised in Q3



- Long-term business – requires long term financing
- Challenging market situation with higher interest rates and lower demand
- Proactive measures taken to improve cash-flow and net debt decreased to SEK 6.3 bn in the quarter
- Active dialogue with lenders and main owners regarding long-term capital structure – all strategic options will be evaluated

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



Simonsveedel – Cologne, Germany
176 apartments started for investors



Aiandi 8 – Tallin, Estonia
44 housing units for consumers started in an area
of 750

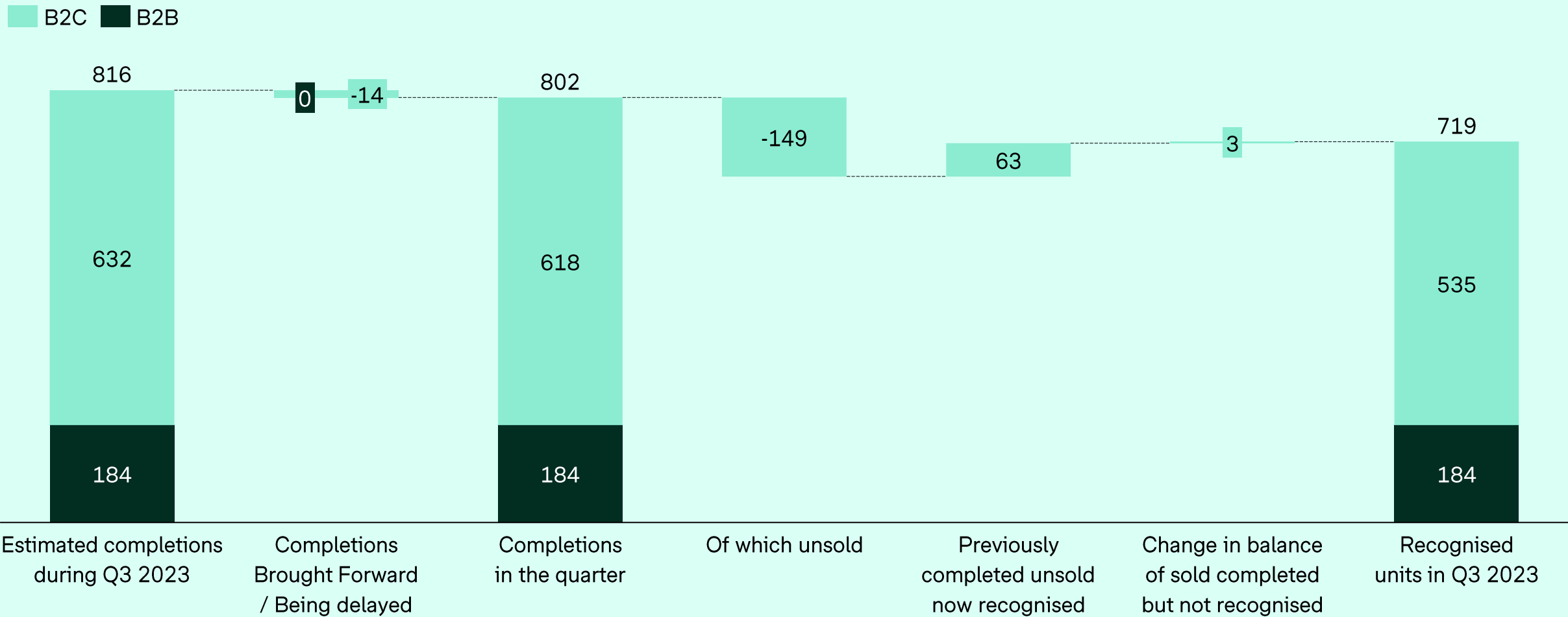
All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Financial development

Lars Granlöf, CFO

Recognised units in Q3 according to plan

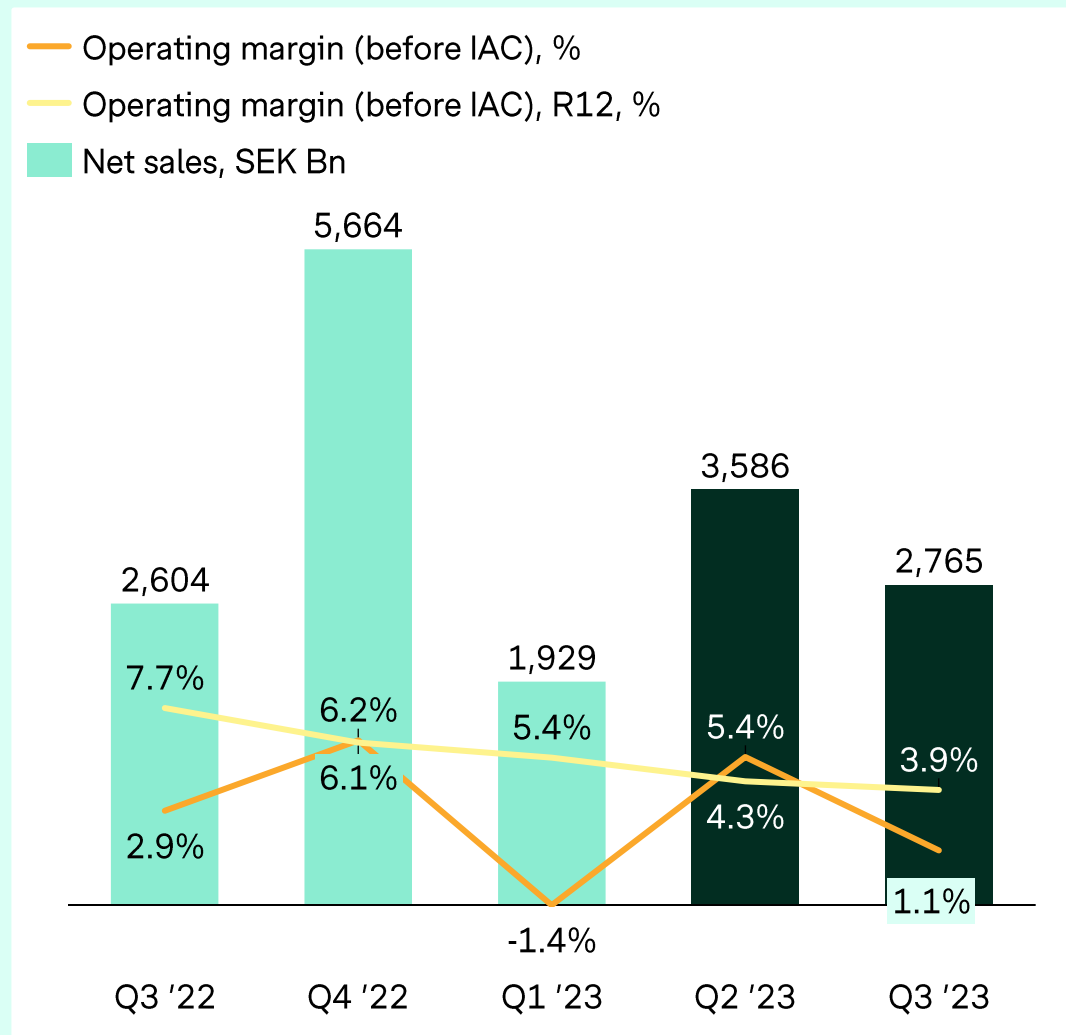
Recognised units bridge



Bonava Group

Planned savings on track, more to come

SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Continuing operations				
Net sales	2,765	2,604	13,945	13,987
Underlying gross profit*	272	432	1,679	2,075
<i>Underlying gross margin, %*</i>	9.8	16.6	12.0	14.8
Gross profit	205	265	1,331	1,689
<i>Gross margin, %</i>	7.4	10.2	9.5	12.1
Selling & admin expense	-176	-189	-783	-831
Operating profit (before IAC)	30	76	547	858
<i>Operating margin, %</i>	1.1	2.9	3.9	6.1
IAC	-1,243	0	-56	-56
Operating profit (after IAC)	-1,213	76	-751	802
Net financial items	-145	-42	-461	-193
Profit/loss before tax	-1,358	35	-1,212	609
Tax on profit for the period	-20	-7	-63	-169
Net profit	-1,377	28	-1,274	441
Operations to be discontinued	557	62	-1,089	-743



Germany

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

Highlights

- Increase in units sold and started compared to last year and Q2
- Net sales higher than prior year with more units for consumers recognised
- IAC: Write-down of building-rights of SEK 442 M and cost for reorganisation of SEK 402 M
- Estimated completions in Q4 530 (B2C), 160 (B2B)

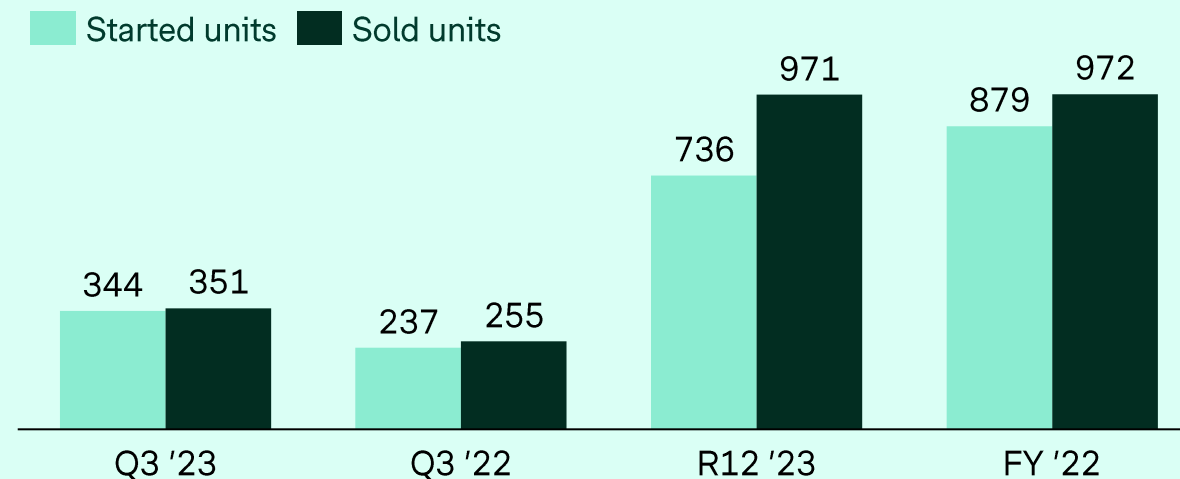
SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Net sales	1 882	1 648	7 435	7 785
Gross profit	231	261	915	1 213
Gross margin, %	12.3	15.8	12.3	15.6
Selling & admin expense	-74	-74	-290	-309
Operating profit (before IAC*)	157	186	625	904
Operating margin (before IAC), %	8.3	11.3	8.4	11.6
Recognised units	393	396	1 569	1 888

*IAC totalled SEK - 844 M in Q3 2023. SEK - 32 M for full-year 2022.



Project: Parkstadt Portitz, Leipzig

Sold and started units



Sweden

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

Highlights

- Net sales slightly lower, due to lower average unit price
- Gross margin impacted by measures to improve cash flow of SEK 51 M
- IAC: Write-down of building-rights of SEK 160 M, B2M project SEK 123 M and costs for reorganisation of SEK 25 M
- Estimated completions in Q4 215 (B2C), 160 (B2B)

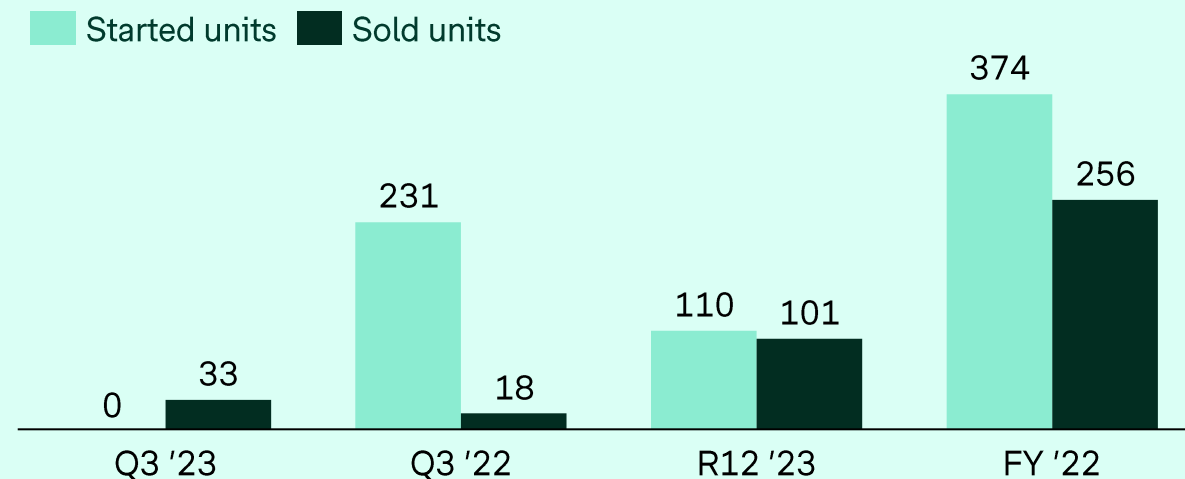
SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Net sales	290	318	2 577	2 745
Gross profit	-51	-87	90	85
<i>Gross margin, %</i>	<i>-17.5</i>	<i>-27.4</i>	<i>3.5</i>	<i>3.1</i>
Selling & admin expense	-36	-23	-153	-139
Operating profit (before IAC*)	-86	-110	-63	-54
<i>Operating margin (before IAC), %</i>	<i>-29.8</i>	<i>-34.7</i>	<i>-2.4</i>	<i>-2.0</i>
Recognised units	77	78	863	881

*IAC totalled SEK -308 in Q3 2023. SEK -20 M for full-year 2022.



Project: Logementet, Göteborg

Sold and started units



Finland

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

Highlights

- Increased Net sales – higher number of handovers
- IAC: Write-down of building-rights of SEK 84 M and costs reorganisation SEK 7 M
- Market outlook tough due to high level of supply
- Estimated completions in Q4 75 (B2C), 210 (B2B)

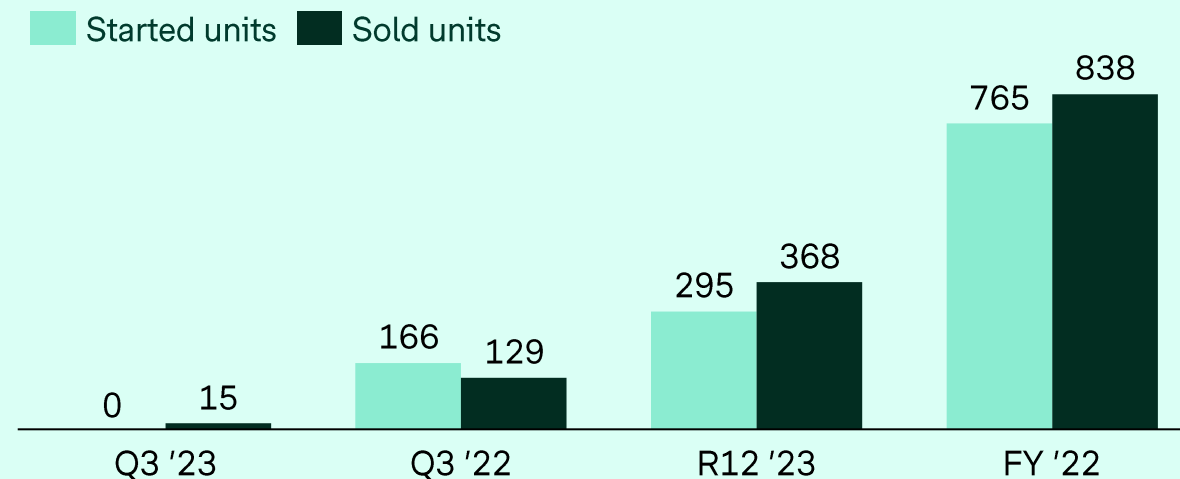


Project: Sitadelli 4 Helsinki

SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Net sales	480	216	2 654	1 759
Gross profit	17	28	197	183
Gross margin, %	3.5	12.8	7.4	10.4
Selling & admin expense	-20	-29	-87	-95
Operating profit (before IAC*)	-3	-1	111	88
Operating margin (before IAC), %	-0.6	-0.4	4.2	5.0
Recognised units	169	116	1 070	718

*IAC totalled SEK -90 in Q3 2023. No such items have been reported in 2022.

Sold and started units



Highlights

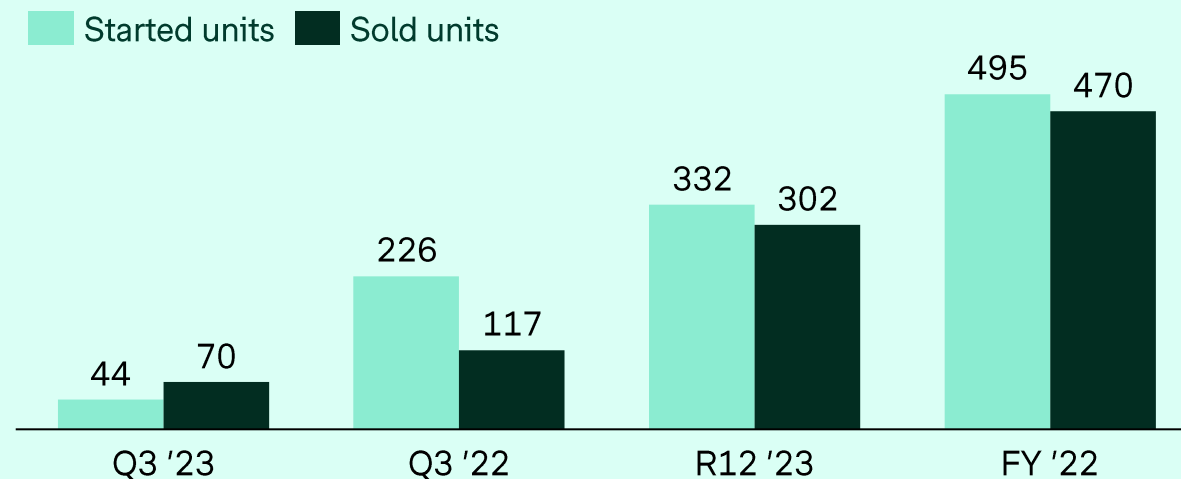
- Net sales stable
- Gross margin at a good level, albeit lower than prior year, due to no handovers in Lithuania in the period
- First two B2M project estimated to be completed in Q4 2023
- Estimated completions in Q4 290 (B2C), 200 (B2M)



Project: Maskavas, Riga

SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Net sales	116	117	820	832
Gross profit	17	21	136	152
Gross margin, %	14.3	17.9	16.6	18.2
Selling & admin expense	-11	-11	-46	-44
Operating profit (before IAC)	6	10	90	108
Operating margin (before IAC), %	4.8	8.7	11.0	13.0
Recognised units	80	87	586	676

Sold and started units



Bonava has left St. Petersburg

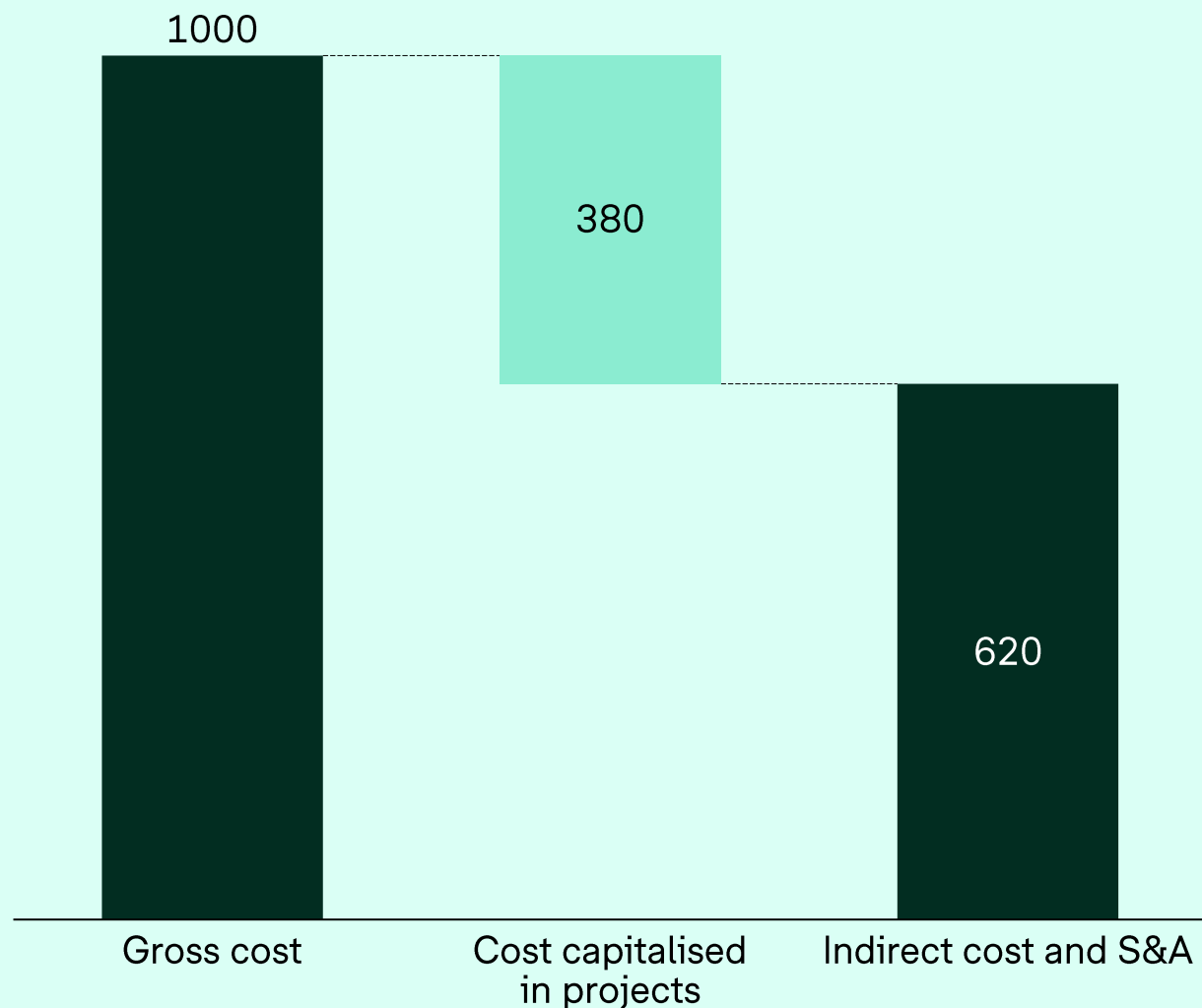
Operations divested, payment received

- New agreement signed with buyer Star Development LLC on 18 October and closed on 14 November
- Payment of EUR 50 M received on 18 October
- Profit of SEK 564 M reported in Q3 2023 (operations to be discontinued) as previous write-down has been partially reversed



Project: Magnifika, St. Petersburg

Further savings announced for a more flexible organisation

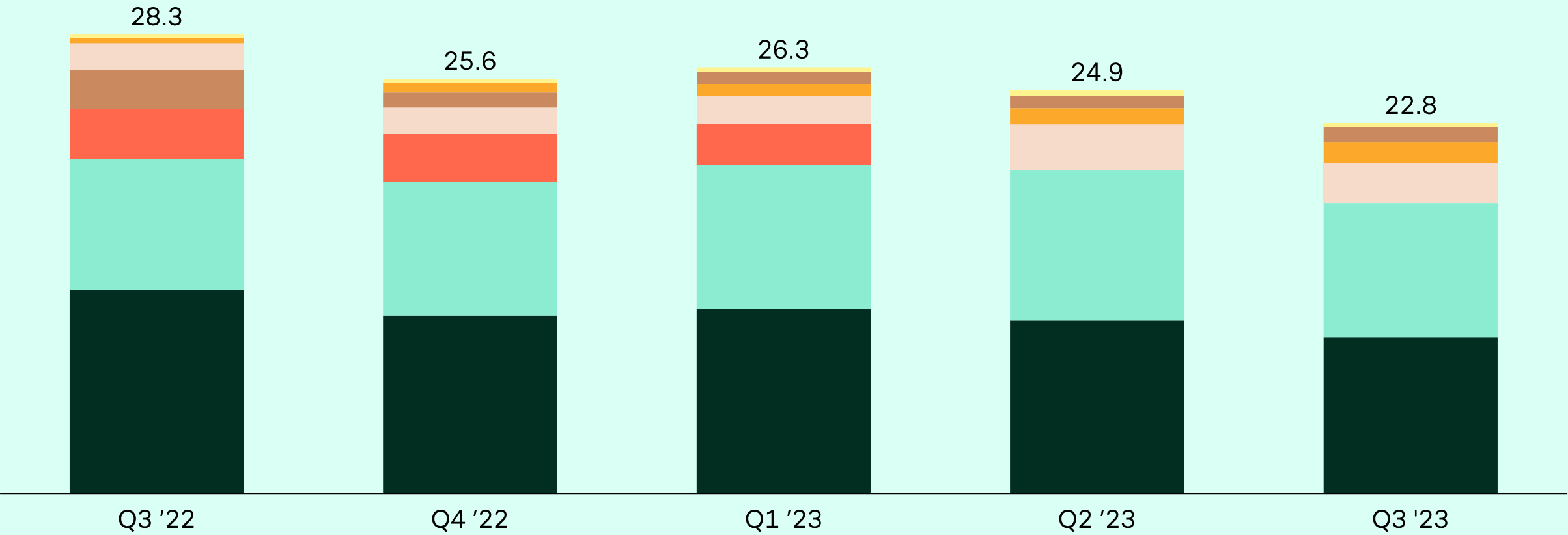


- Further savings announced on 29 September, bringing total gross savings in 2025 to SEK 1 bn in sales & admin and indirect costs
- New organisational structure means volumes can be scaled up easily
- SEK 620 M of those pertain to indirect costs and S&A, while SEK 380 M pertain to costs capitalised in projects
- SEK 240 M in indirect cost and S&A savings achieved in R12

Distribution of assets: Improving capital employed

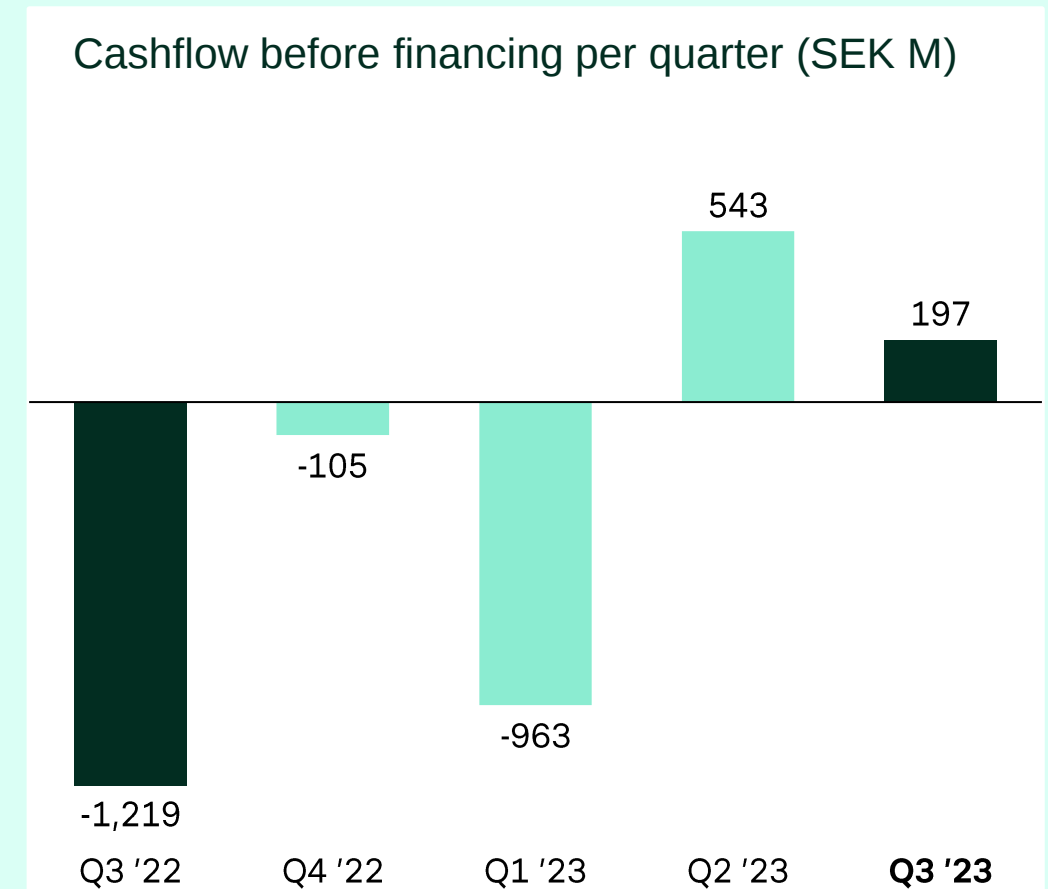
Total assets (SEK Bn)

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



Positive cash flow still main focus

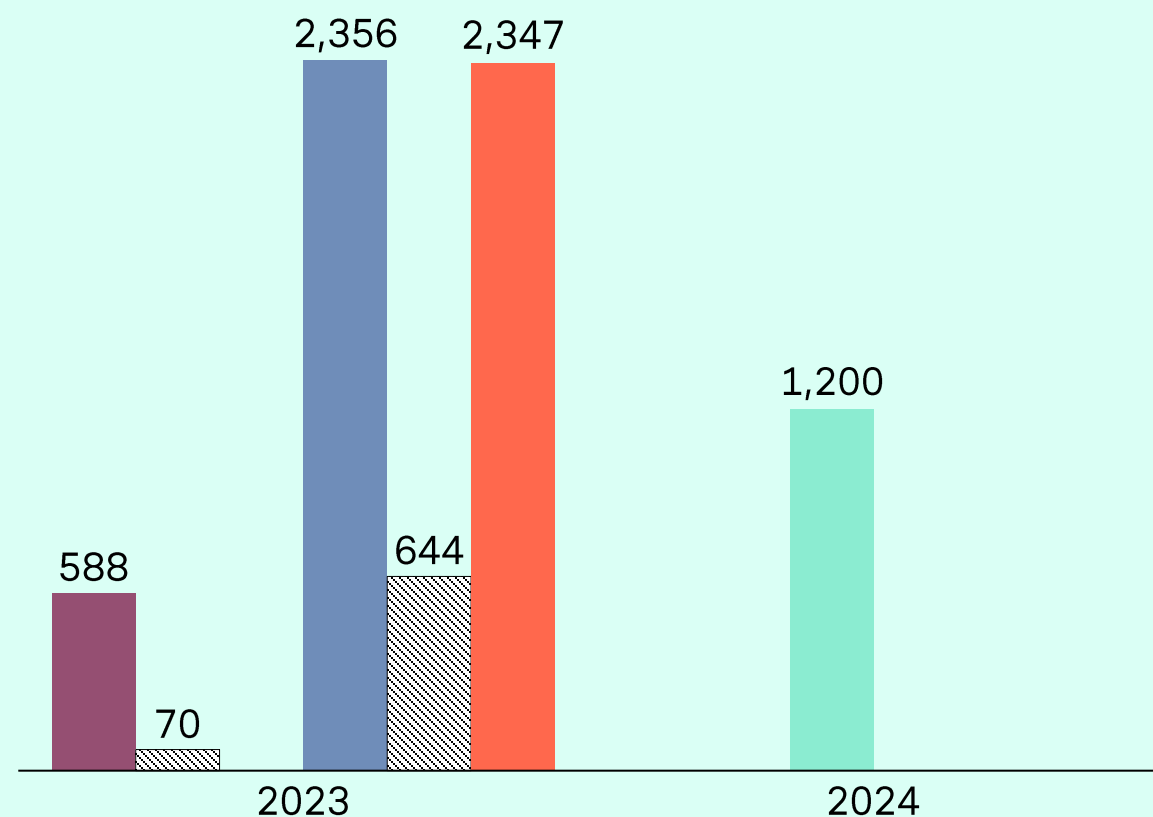
SEK M	2023 Q3	2022 Q3	2023 R12	2022 FY
Cash flow before changes in working capital	246	120	129	527
Divestments of housing projects	2,450	2,590	13,183	13,312
Investments in housing projects	-1,610	-3,950	-10,850	-16,037
Other changes in working capital	-868	85	-3,034	-1,045
Cash flow from operating activities	217	-1,155	-572	-3,242
Divestments of business units			737	
Investing activities	-20	-64	-180	-104
Cash flow before financing	197	-1,219	-15	-3,345



Active dialogue with creditors and main owners

Financing facilities per Q3 2023

SEK M



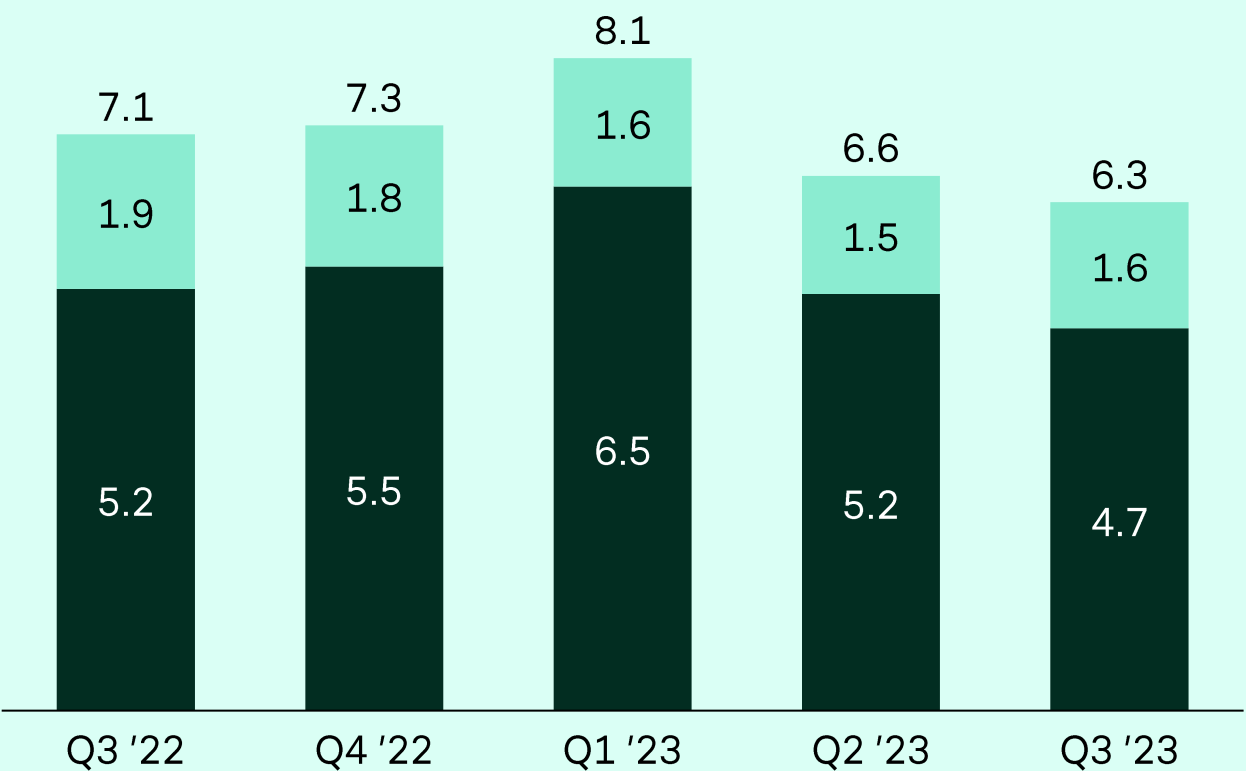
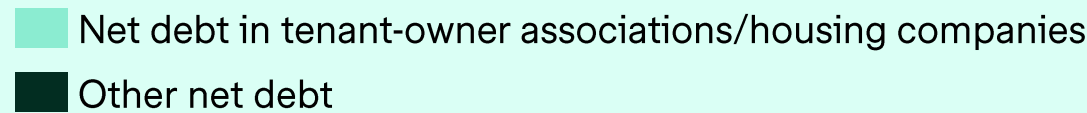
Well balanced funding base

- Credit facilities of SEK 7.2 Bn where of SEK 1.2 Bn unutilised (Overdraft and RCF)
- Project financing of SEK 1.1 Bn utilised, SEK 0.1 Bn unutilised
- Upcoming bond maturity of SEK 1.2 Bn
- Reached an agreement with creditors for interest cover ratio regarding reorganisation charges in Germany. Agreement reached after closing and therefore all loans are classified as short-term

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

Net debt decreases further, S:t Petersburg payment in Q4

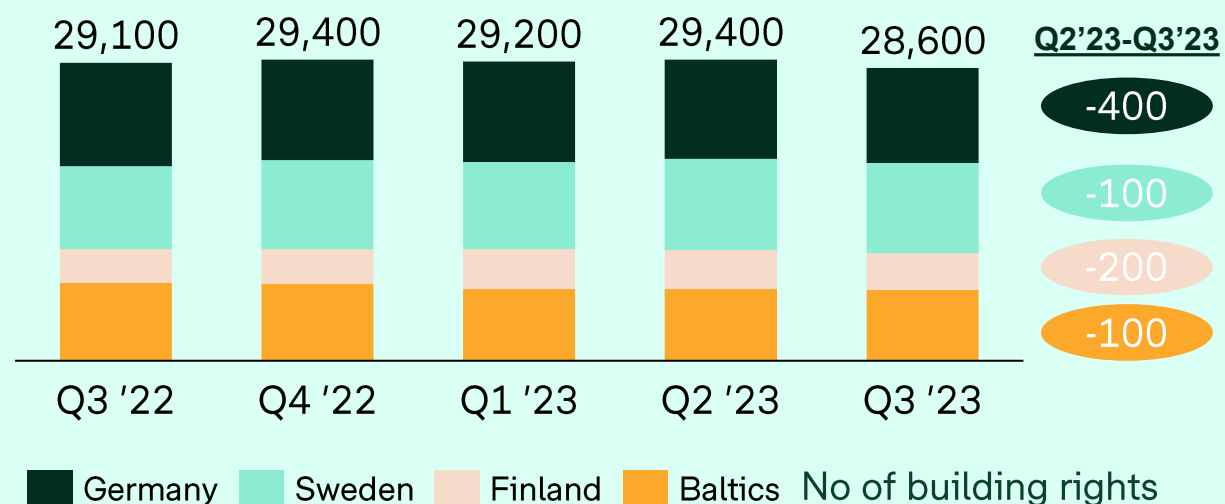
Net debt (SEK Bn)



Covenants	Q3	Limit
Equity to asset ratio	28.1%	25%
Interest cover ratio	2.5x	2.0x

Building rights portfolio – excess value according to external valuation

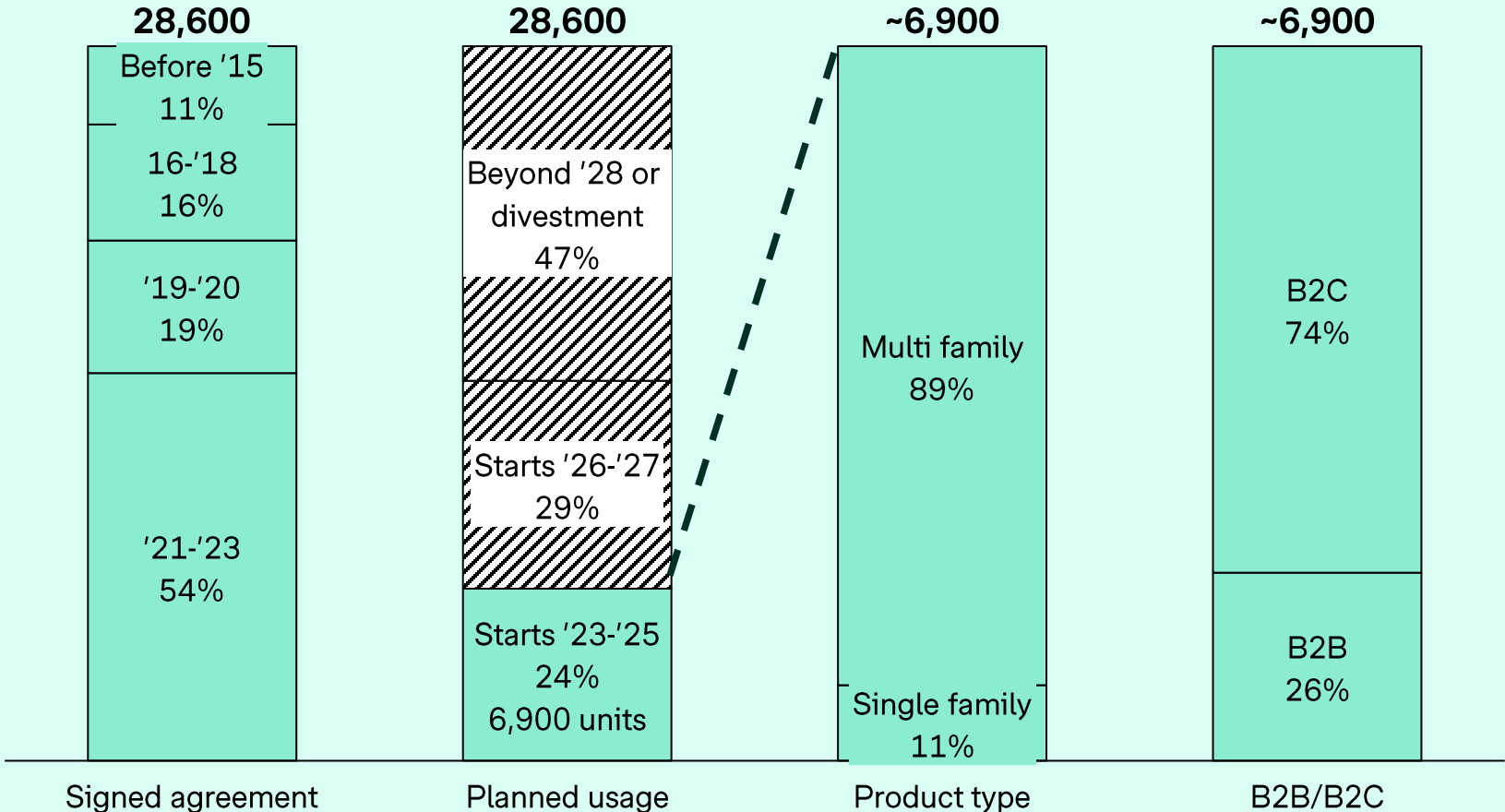
	Book value (SEK bn)	Externally valued	Estimated value (SEK bn)
Germany	4.7	83%	5.0
Sweden	2.3	94%	2.8
Finland	0.6	83%	0.8
Baltics	0.6	36%	0.8
Total	8.3	83%	9.5



Building-rights portfolio

- Write-downs of 7% of market value, or SEK 686 M
- External valuation conducted in the quarter for 83% of building-rights.
- Book value SEK 8.3 Bn (7.3)
- Estimated surplus value SEK 1.2 bn
- 9,600 (12,250) off-balance

Actively managing portfolio of building rights



Comments

- BR on balance: 19,000
- BR off balance: 9,600
 - Options or conditional agreements
- Some sales of BR started in Q3
- Tailoring portfolio to long-term business plan

Summary

Lowering cost base to increase future flexibility

Q3 figures in brief

- Selling and cashflow continue to be our key priorities
- Markets stable at lower levels, sales gradually increasing
- Strategic review of landbank, creating a good base for future project investment decisions.
- Will update further on financing situation
- Actions taken are a prerequisite to reap the benefits when market turns



Q&A


BONAVA