



Q3 2020

Joachim Hallengren, CEO
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Strong pick up in sold and started units



Q3 2020 vs. Q3 2019

- Stable level of sold units
- Higher consumer starts in Germany and Sweden
- EBIT margins slightly lower:
 - Improved gross margins in handed over projects in Sweden
 - Nordic improving with Finland's turnaround delivering as planned
 - Lower SG&A

Higher sold and started units to investors



Jan-Sep 2020 vs. 2019

- Stable level of sold units to consumers
- Higher sold and started units to investors
- Strong sales rate of 81 (72) per cent
- EBIT margin lower mainly due to:
 - Nordic, low margin projects
 - Germany, lower margin projects than average, but improving
 - High volume of recognised units in St. Petersburg-Baltics in comparable period

Key figures 2020

Q3

- Net Sales: SEK 2,958 M (3,380)
- EBIT excl. items affecting comp: SEK 125 M (162)
- EBIT excl. sale of land: SEK 135 M (131)
- Net profit: SEK 72 M (27)

Jan-Sep

- Net Sales: SEK 9,444 M (8,975)
- EBIT excl. items affecting comp: SEK 211 M (509)
- EBIT excl. sale of land: SEK 221 M (417)
- Net profit: SEK 93 M (247)
- Units in production: 8,962 (10,301)
- Value sold, not recognised: SEK 21.9 Bn (22.2)
- Sales rate: 81 (72) percent

Stable level of sold and started housing units

Consumers

- Sold units: 1,074 (1,082), YTD: 2,648 (2,725)
- Started units: 879 (914), YTD: 1,828 (2,010)



Berlin, Schlosspark, 42 units started to consumers

Investors

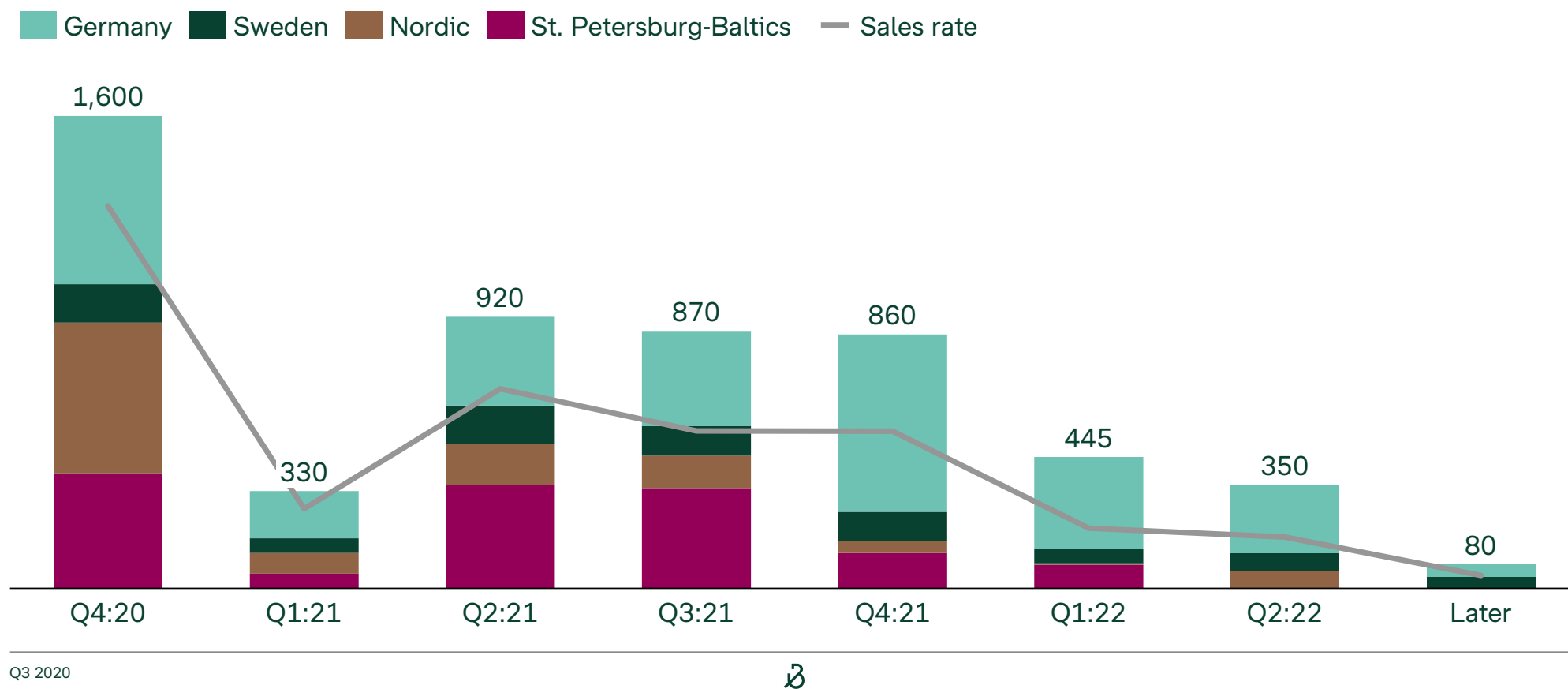
- Sold units: 364 (406), YTD: 894 (532)
- Started units: 364 (406), YTD: 697 (532)



Västerås, Förseglet, 162 units sold and started to investors

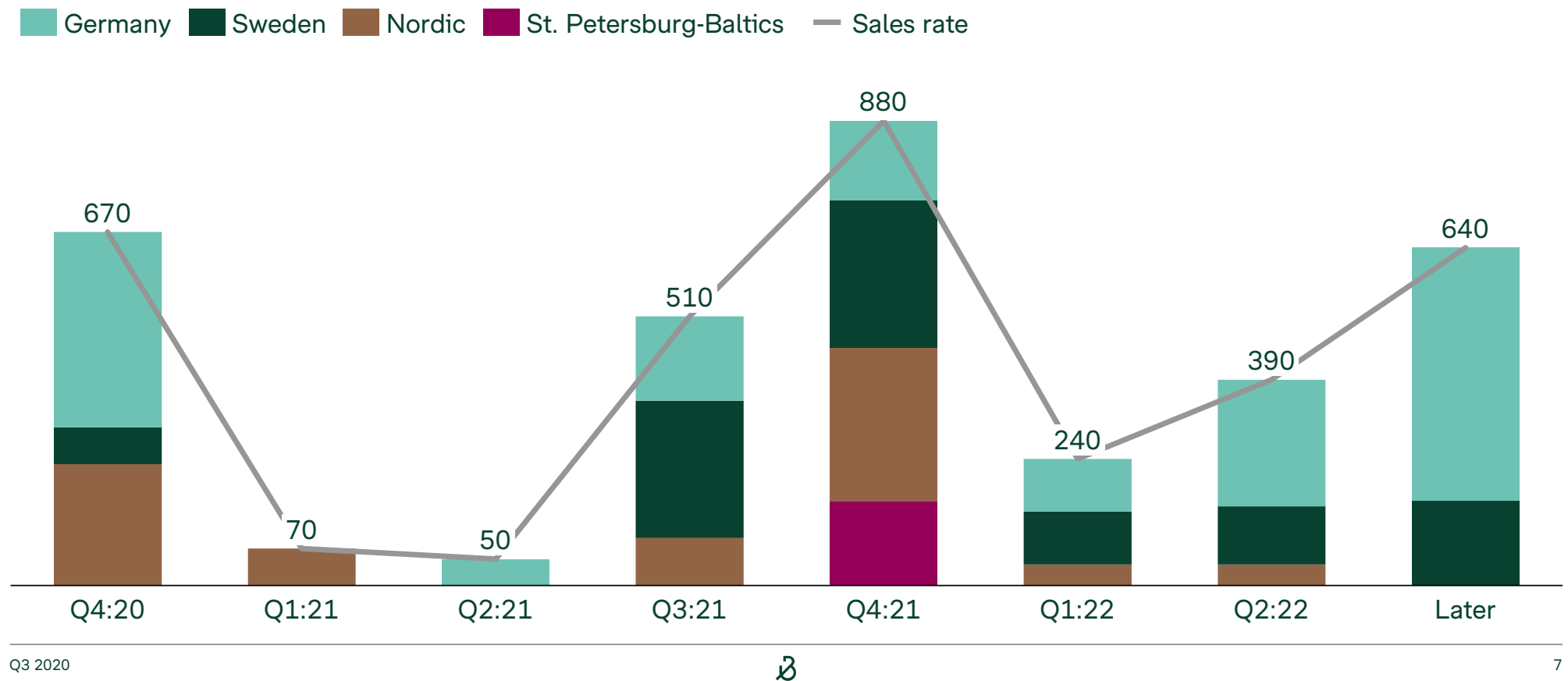
Expected completions and sales rate – Consumers

Estimated completions of ongoing production



Estimated completions and sales rate – Investors

Estimated completions of ongoing production





Q3 2020

Ann-Sofi Danielsson, CFO

Improved gross margins in handed over units and lower SG&A

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net sales	2,958	3,380	9,444	8,975
Gross profit	318	368	831	1,178
Selling and administrative expenses	-193	-206	-619	-668
EBIT excl. items affecting comparability	125	162	211	509
Items affecting comparability		-100		-100
EBIT incl. items affecting comparability	125	62	211	409
Net financial items	-26	-26	-85	-79
Profit after financial items	99	36	126	330
Tax on profit for the period	-26	-9	-34	-83
Tax %	26%	25%	27%	25%
Net profit	72	27	93	247

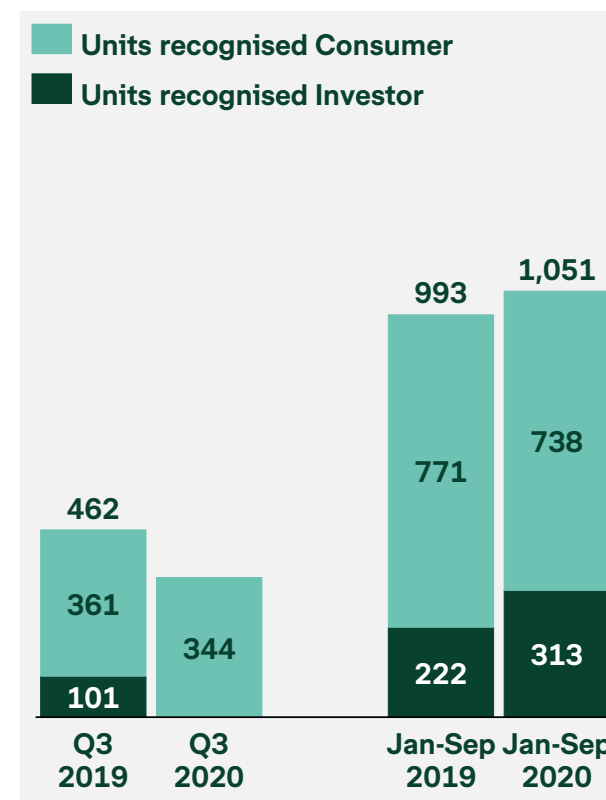
EBIT margins in line with third quarter last year and Nordic improving

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Germany	134	199	201	372
Sweden	36	27	220	210
Nordic	-27	-38	-139	-65
St. Petersburg - Baltics	31	24	84	162
Other	-49	-51	-154	-170
EBIT excl. items affecting comparability	125	162	211	509

Lower gross margins in handed over units, improving from H1

Germany

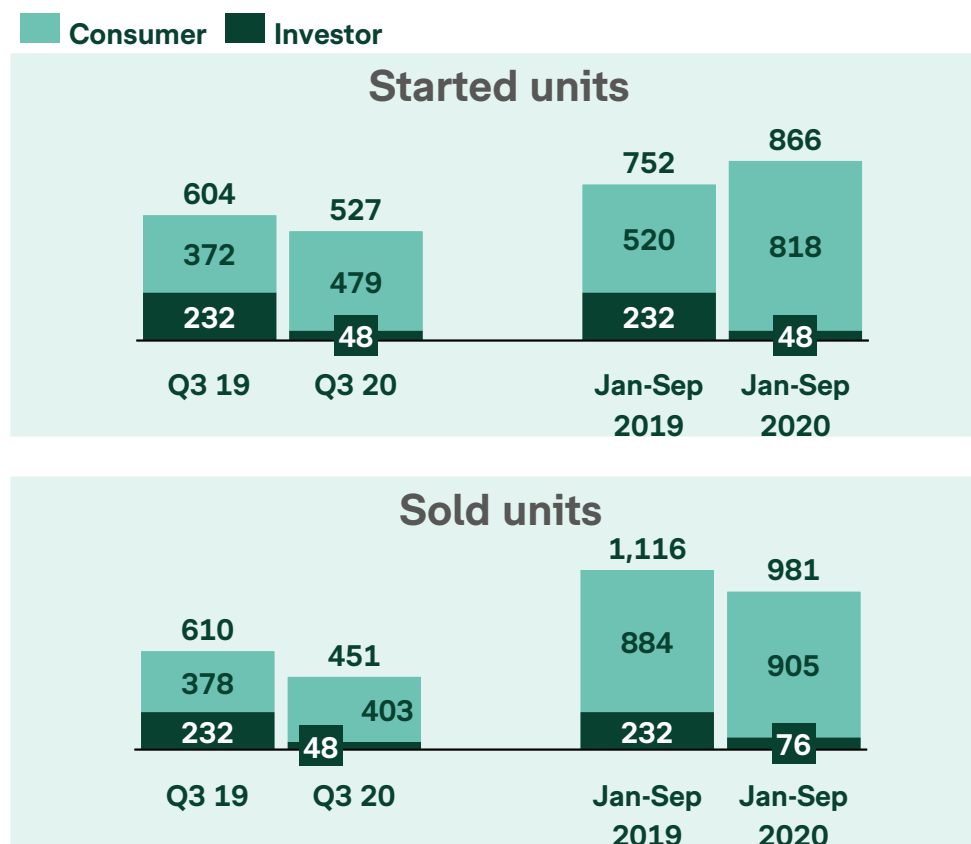
SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net Sales	1,503	1,601	3,818	3,488
Gross Profit	197	267	413	602
Selling and admin expense	-63	-67	-212	-231
EBIT	134	199	201	372
<i>EBIT margin, %</i>	8.9	12.5	5.3	10.7



Higher number of consumer starts in Germany

Germany

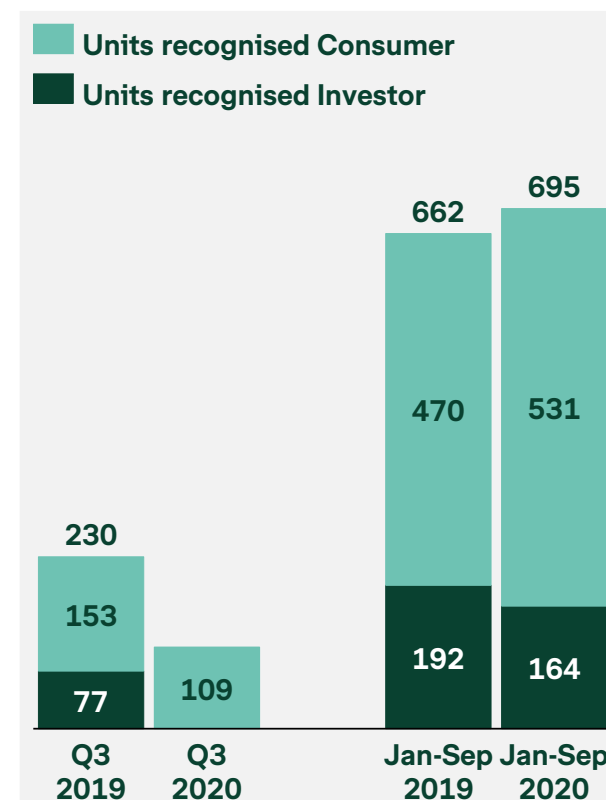
- Solid demand for Bonava's housing units
- Sales activity bouncing back to pre-corona levels
- Higher number of consumer starts for the quarter and the period Jan-Sept
- Delays in building permits still a bottleneck



Project mix in hand-overs and lower SG&A improved EBIT margin

Sweden

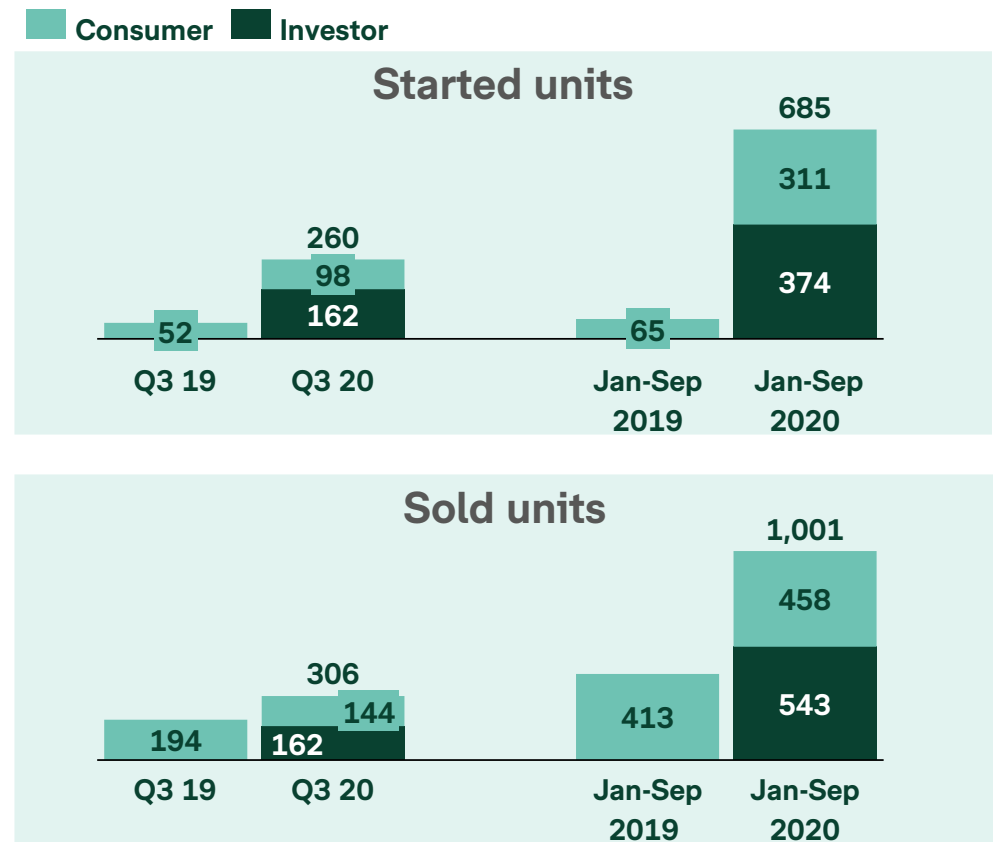
SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net Sales	527	844	2,759	2,589
Gross Profit	69	65	320	326
Selling and admin expense	-33	-38	-100	-116
EBIT	36	27	220	210
<i>EBIT margin, %</i>	6.8	3.2	8.0	8.1



Higher started and sold units

Sweden

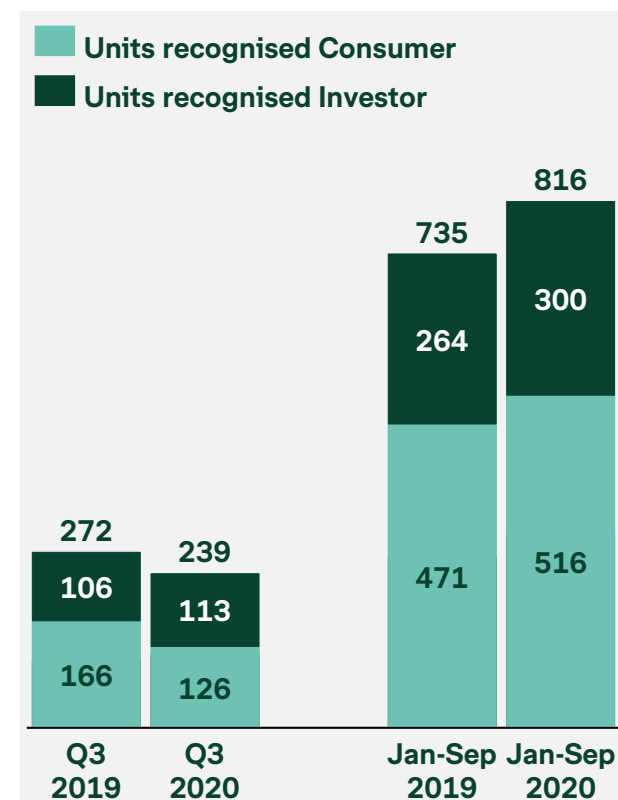
- Underlying solid interest for Bonava's housing
- Strong sale of housing units to investors
- A number of project sales started with good interest



Nordic EBIT margins improved and Finland delivers as planned

Nordic

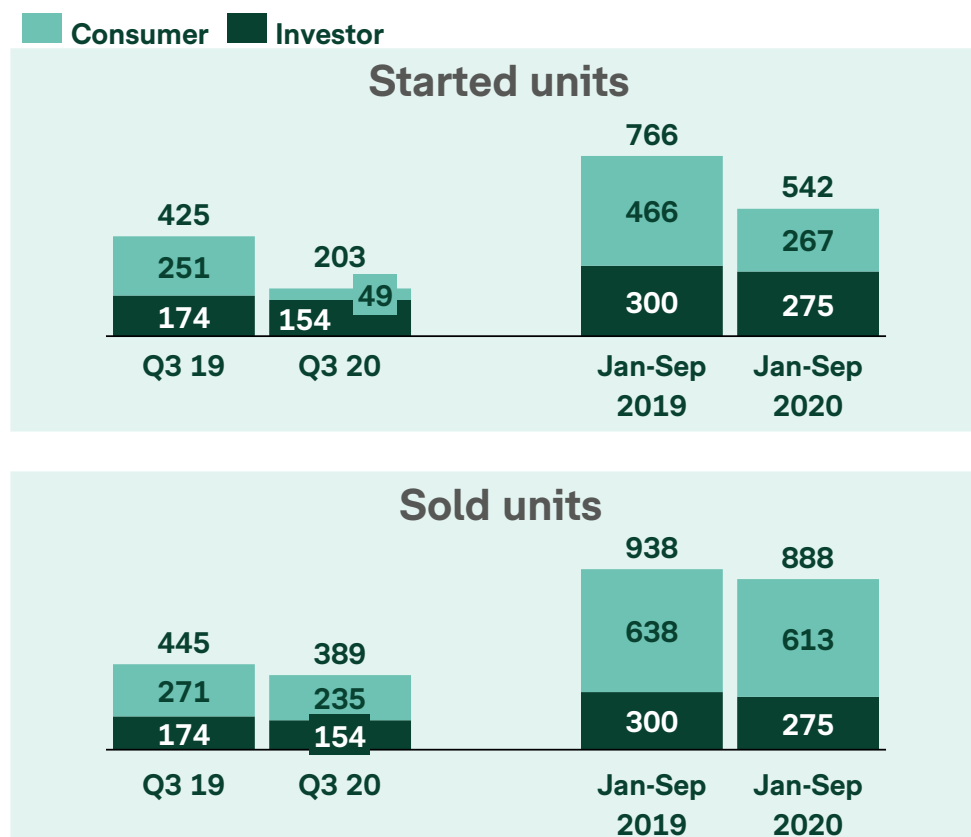
SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net Sales	679	720	2,153	1,929
Gross Profit	18	2	-1	57
Selling and admin expense	-45	-39	-138	-122
EBIT	-27	-38	-139	-65
<i>EBIT margin, %</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>



Sales picking up from the spring, unsold stock decreased

Nordic

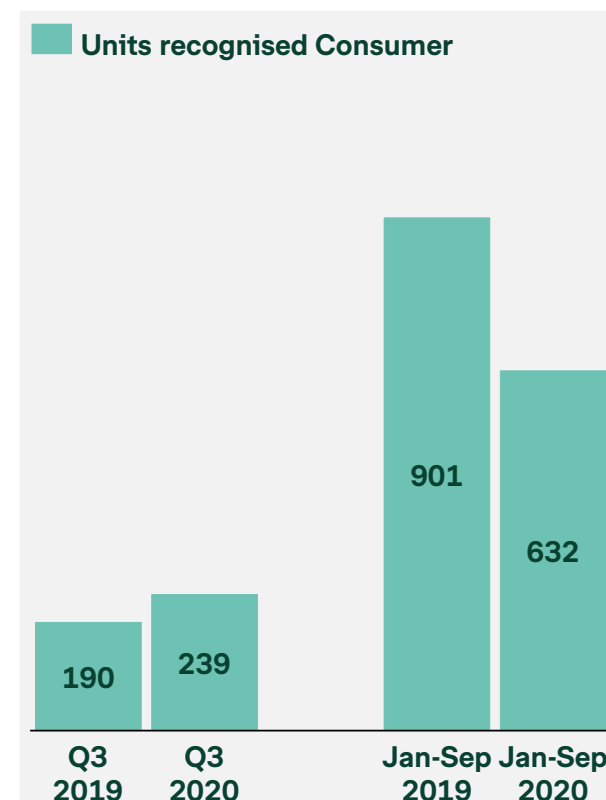
- Improved sentiment on the markets
- Unsold units in stock decreased in Finland and Denmark
- Sold units in Norway higher than comparable period



More hand-overs and slightly improved gross margins

St. Petersburg-Baltics

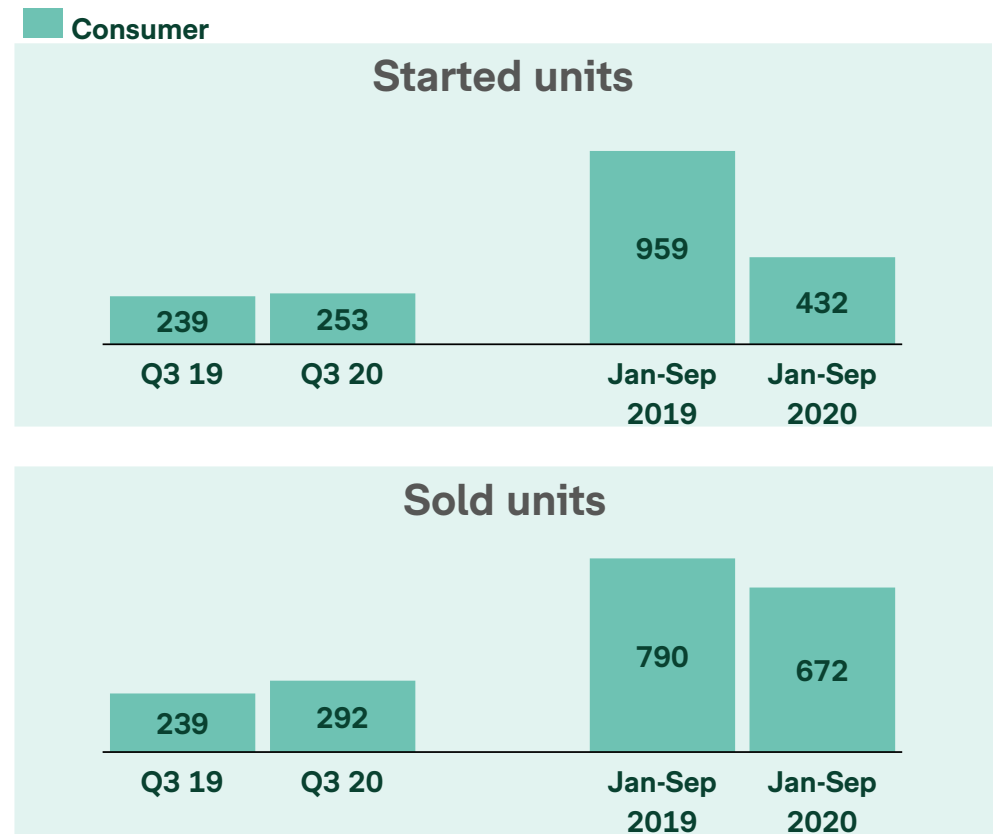
SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net Sales	248	215	713	969
Gross Profit	47	39	132	206
Selling and admin expense	-15	-15	-48	-44
EBIT	31	24	84	162
<i>EBIT margin, %</i>	12.6	11.3	11.7	16.7



Started housing units in line, large projects in the pipeline

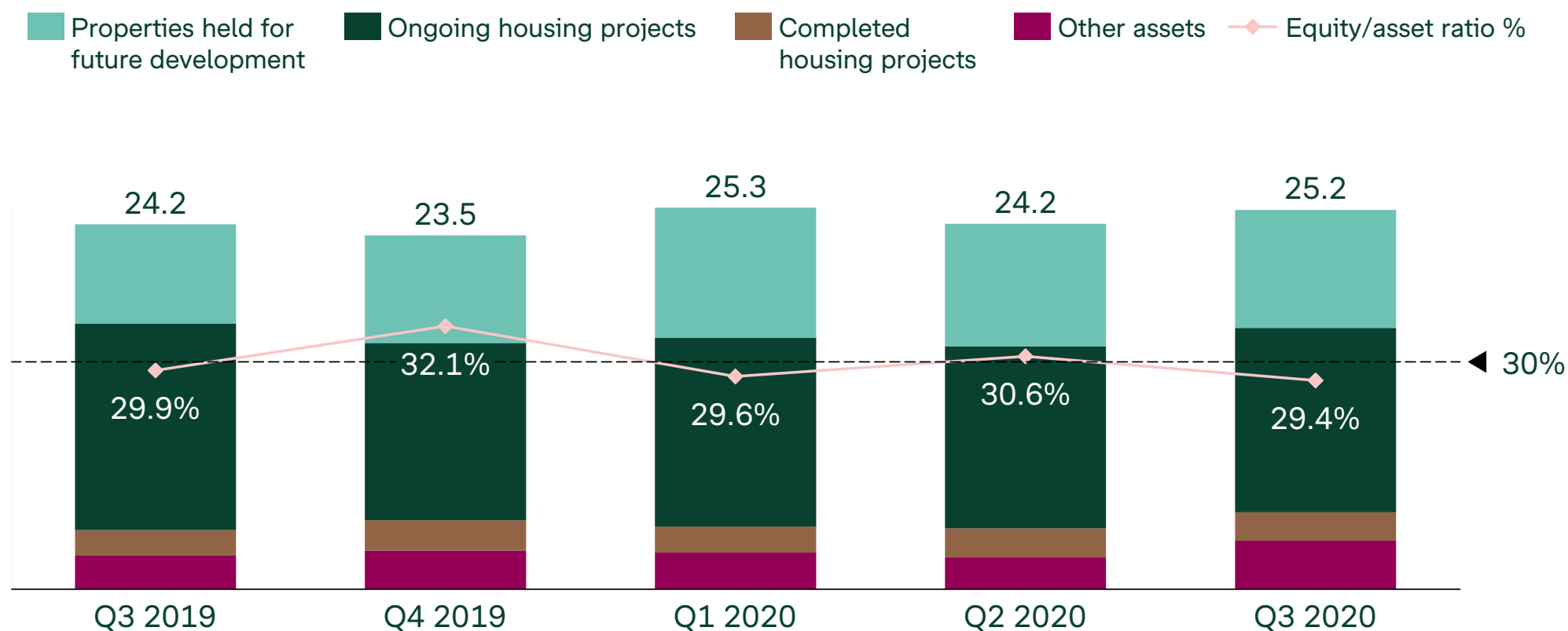
St. Petersburg-Baltics

- Stable in St. Petersburg and increased optimism and activity in the Baltics
- Started housing units lower than last year, but good projects in the pipeline



Increased housing units in production

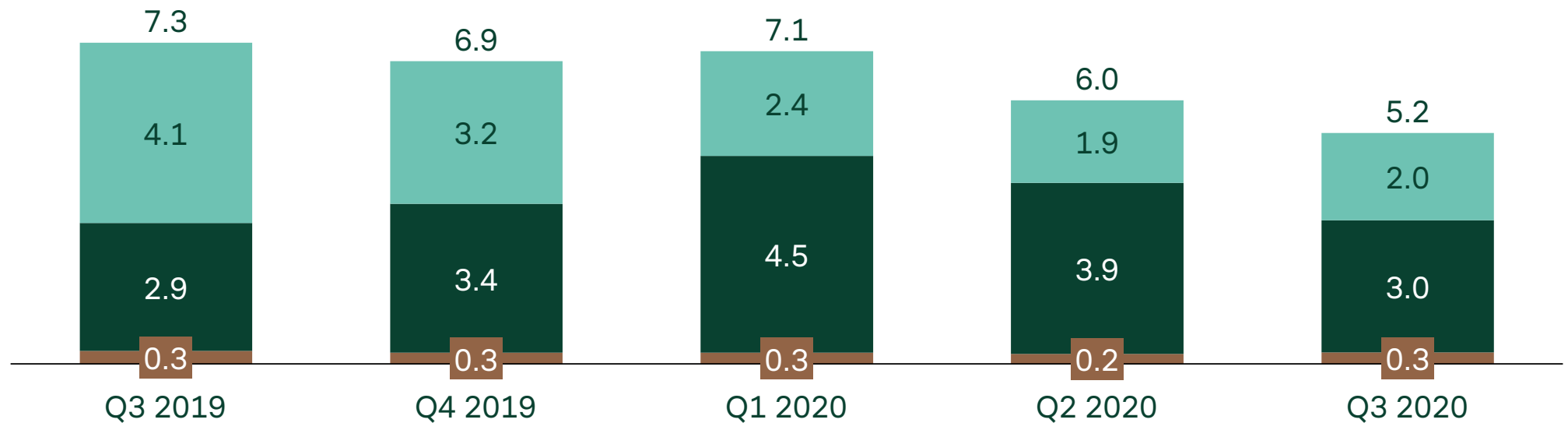
Total assets (SEK Bn)



Strong cash flow reduces net debt

Net debt (SEK Bn)

- Net debt in tenant-owner associations/housing companies
- Other net debt
- Leasing debt according to IFRS 16

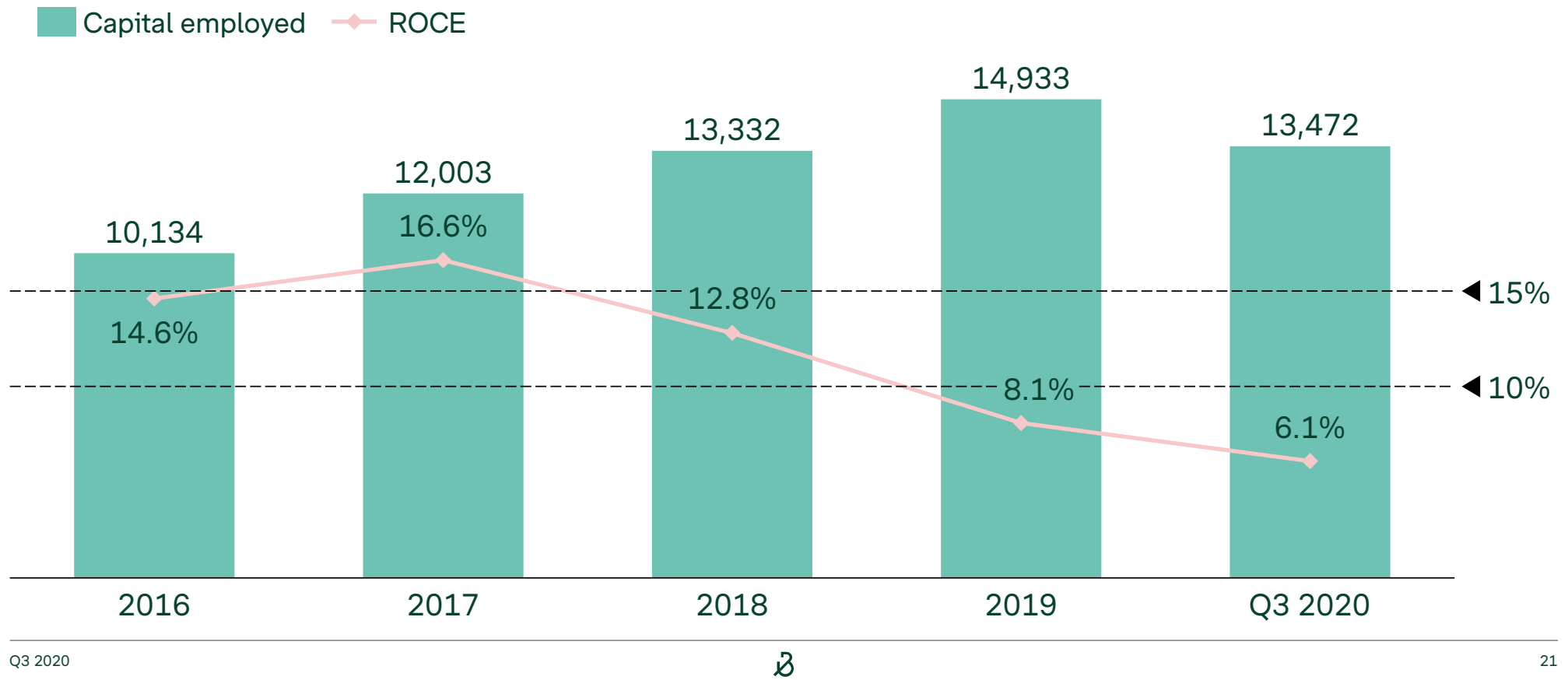


Q3 2020

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ROCE affected by lower EBIT

Capital employed (SEK M) and ROCE, R12 %



Good cash flow for the period and the quarter

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Cash flow before changes in working capital	62	-167	208	-215
Divestments of housing projects	2,550	2,809	8,345	7,391
Investments in housing projects	-2,475	-3,302	-9,852	-9,856
Other changes in working capital	725	579	3,148	1,629
Cash flow from operating activities	862	-81	1,849	-1,051
Investing activities	-45	-9	-105	-56
Cash flow before financing	817	-90	1,744	-1,107

Solid secured financing

Financing (SEK Bn)	Maturity	Amount	Utilised	Unutilised
Overdraft facilities	< 364 days	1.5		1.5
Loans	2020	0.7	0.7	
Loans	2021	0.9	0.9	
Loans	2022	0.8	0.8	
RCF / commercial paper	2023	3.0	0.2	2.8
Green bonds	2024	1.0	1.0	
Loans	2025-27	0.4	0.4	
Total		8.4	4.0	4.3

Green financing:

As of 30 September the outstanding green financing amounted to SEK 1.3 Bn

Summary



Good momentum going forward



- Pick up in sold units from low levels spring/early summer
- Good level of starts in Germany and Sweden
- Gross margins in Germany improving
- Finland turnaround according to plan
- More started units to be expected going forward
- Stable performance and strong cash flow – opportunities for Bonava going forward

Q&A


BONAVA