



Q4 2020

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High demand and strong end to 2020



Q4 highlights

- Strong demand on all markets despite pandemic
- Increased focus on the home and neighbourhood
- Stable and favourable macro conditions
- Significantly higher rate of housing starts +67%
- Turnaround in Finland completed
- Proposed ordinary dividend of SEK 3.25 and extra dividend of SEK 2.00 per share

Strengthened EBIT and strong cash flow



Q4 figures in brief

- Net sales increased by 16%
 - Higher volume recognised units in Germany and St. Petersburg-Baltics
- EBIT* strengthened by 31%
 - Turnaround in Finland impacting project margins
 - St. Petersburg projects with higher margins
- Improved EBIT margin* at 12.0% (10.7)
- Solid financial position and strong cash flow

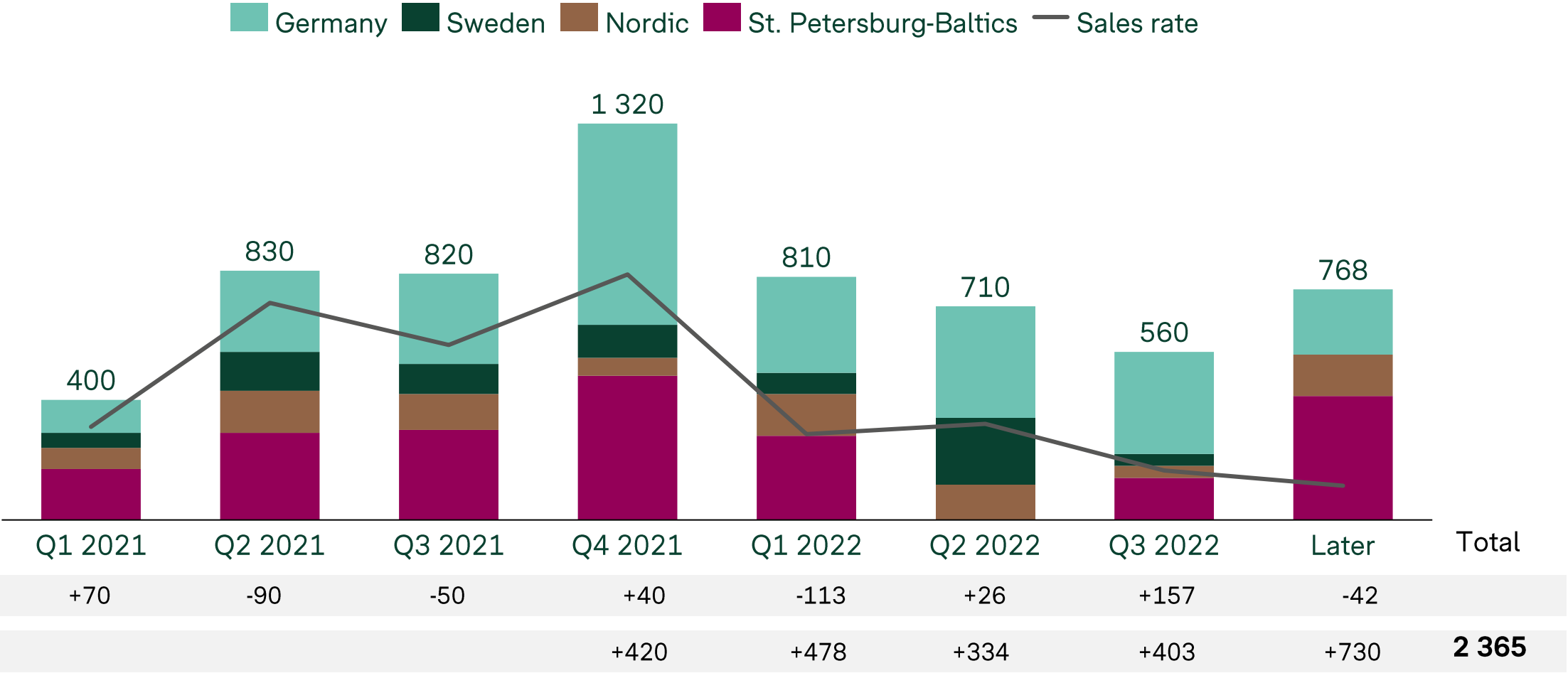
Limited Covid-19 impact on operations



Key comments

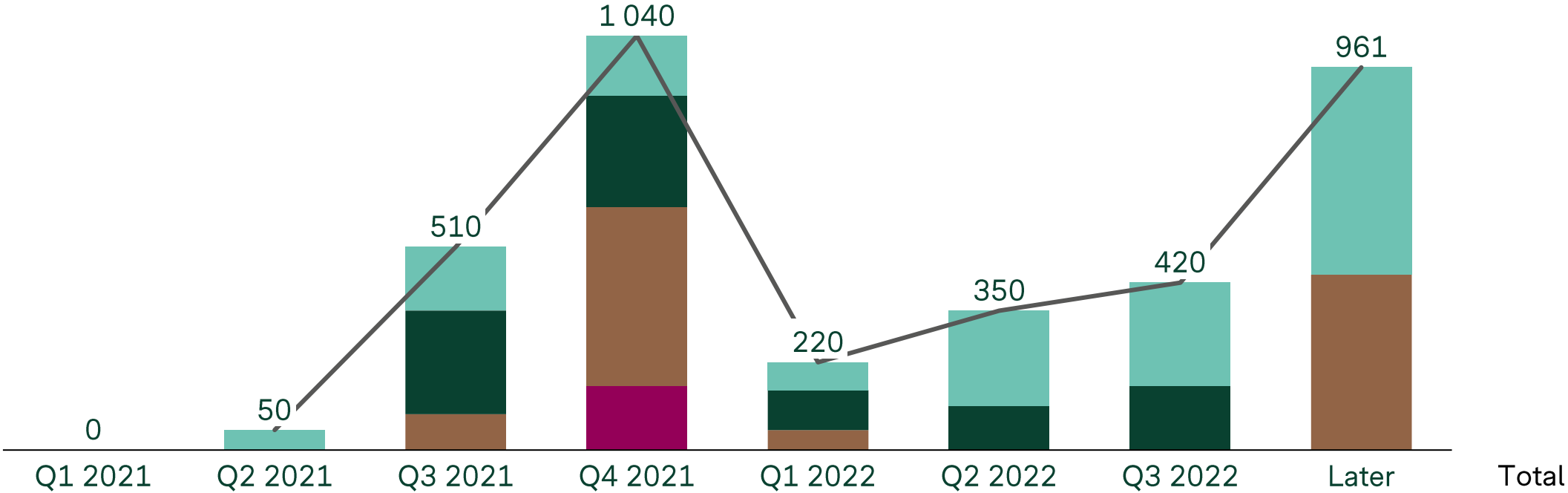
- Safety of co-workers and customers top priority
- All Bonava sites in operation and project starts progressing well
- Germany still impacted by delays in zoning plans and building permits
- Accelerated digital customer journey enabled sales and handover processes, however increased uncertainty around extended lockdown

Consumers - expected completions and sales rate



Investors - expected completions and sales rate

Germany Sweden Nordic St. Petersburg-Baltics Sales rate



Δ since Q3:	-70		+80	-70	-40	+350	-299	
Q4 starts:			+80	+50		+70	+620	820

Stable level of sold and high rate started housing units

Consumers Q4

- Sold units: 1,206 (1,193)
- Started units: 2,365 (1,000)



Investors Q4

- Sold units: 820 (712)
- Started units: 820 (909)



As of Q4 2020, all Bonava's housing starts are presented on our website: bonava.com/en/investor-relations/housing-starts



Financial development

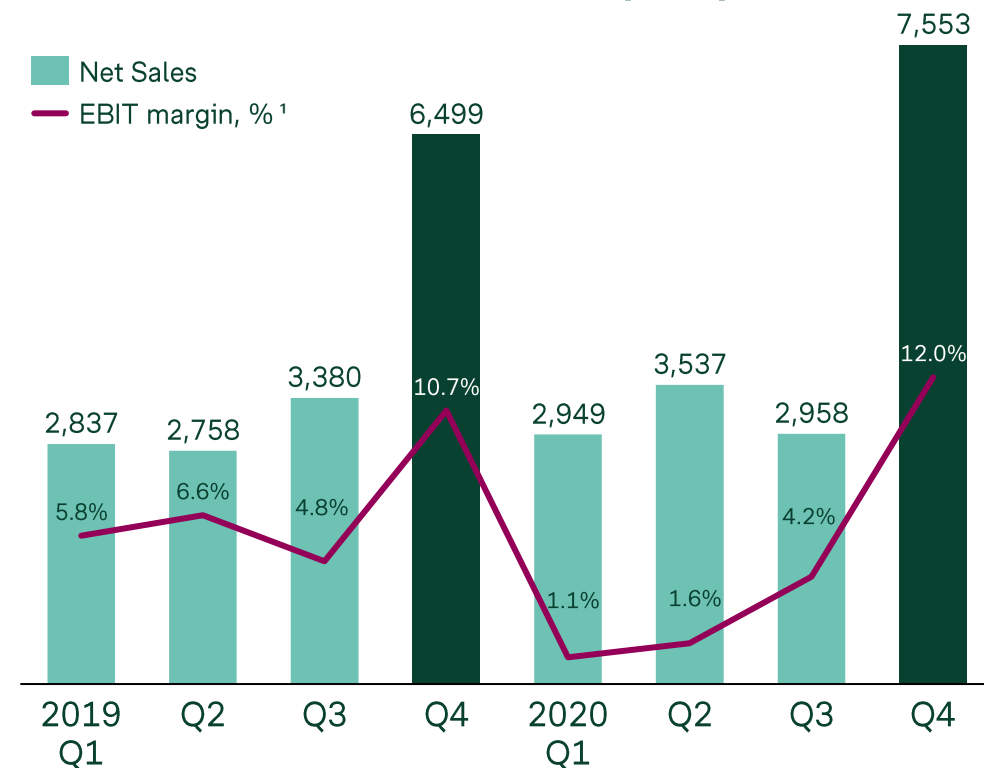
Lars Granlöf, CFO

Improved net sales and strengthened EBIT and EBIT%

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Net sales	7,553	6,499	16,997	15,474
Gross profit	1,148	930	1,979	2,107
<i>Gross margin, %</i>	<i>15.2%</i>	<i>14.3%</i>	<i>11.6%</i>	<i>13.6%</i>
Selling & administrative expenses	-238	-236	-857	-905
EBIT¹	910	693	1,121	1,202
<i>EBIT margin, %¹</i>	<i>12.0%</i>	<i>10.7%</i>	<i>6.6%</i>	<i>7.8%</i>
Net financial items	-37	-31	-122	-110
Profit after financial items	873	504	999	834
Tax on profit for the period	-233	-136	-267	-219
<i>Tax, %</i>	<i>27%</i>	<i>27%</i>	<i>27%</i>	<i>26%</i>
Net profit	640	368	733	615

- Legal case from 2010 in Germany impacted profitability by -67 MSEK corresponding to margin effect in Q4 2020 of -0.9 p.p. and FY 2020 -0.4 p.p.

Net sales (MSEK) and EBIT% per quarter



¹ Excluding items affecting comparability in Q4 and FY 2019

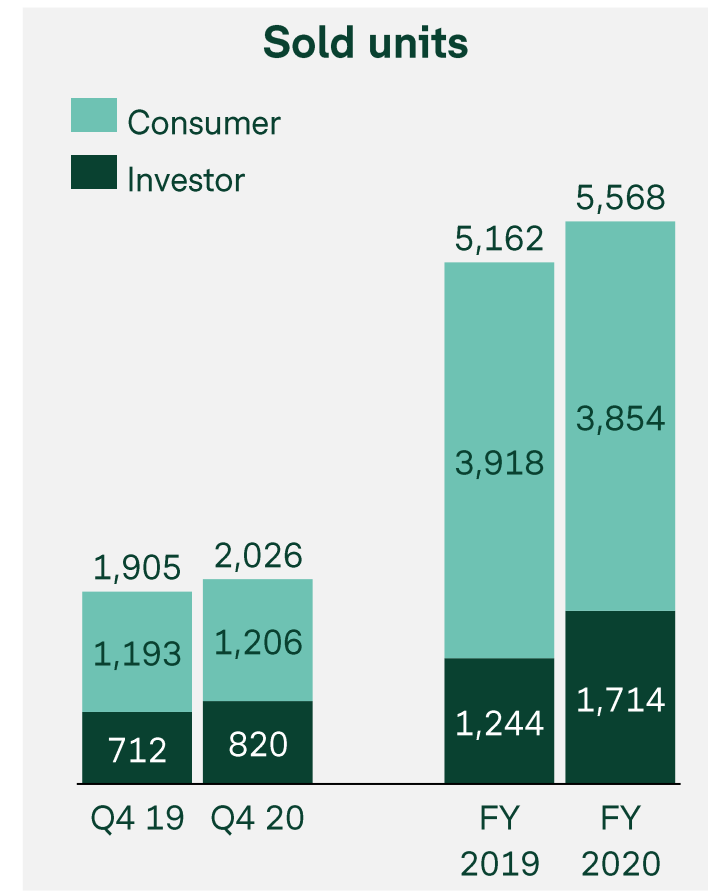
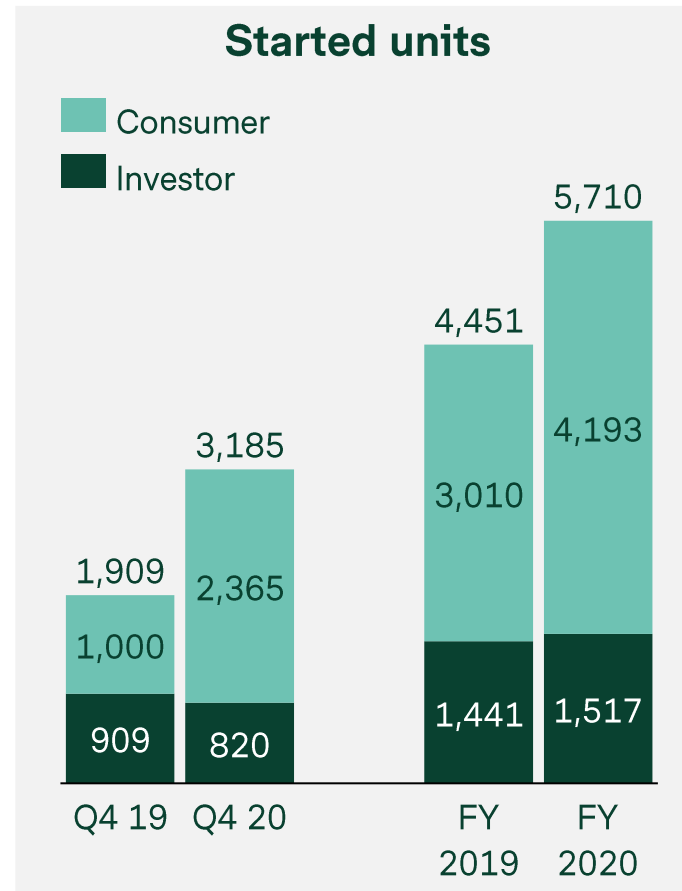
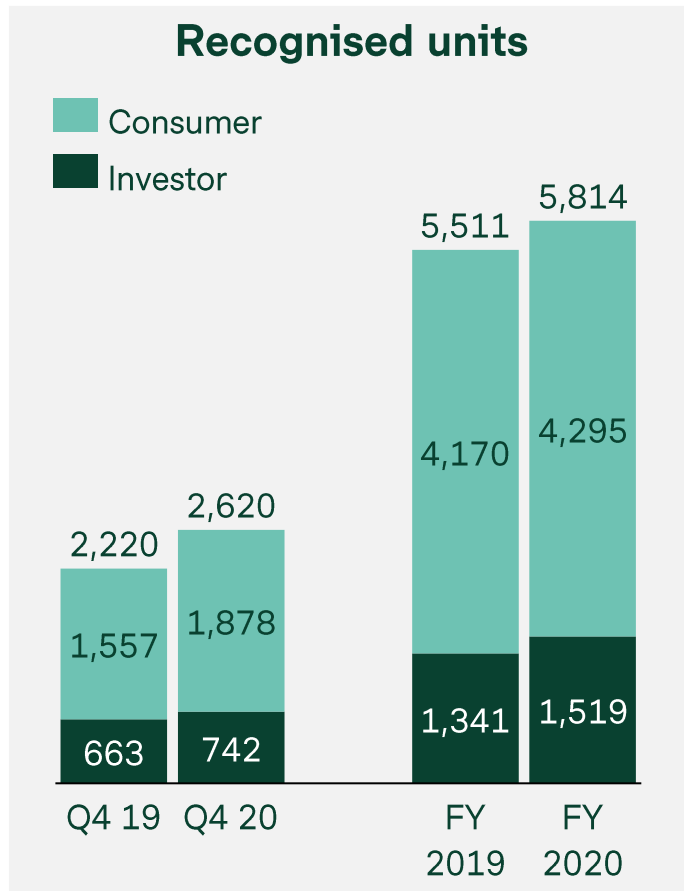
Effects on net sales based on reported estimated completions and average sales price in Q3 report

Net sales (SEK Bn)



Group

Higher volume recognised, started and sold units

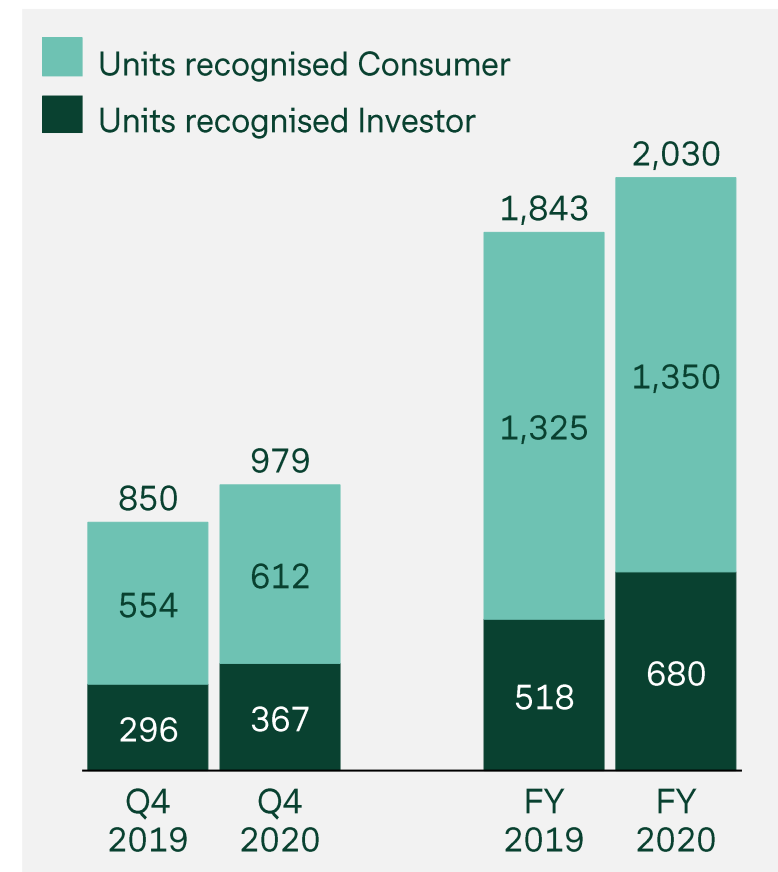


Germany

More units recognised to investors and consumers

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Net Sales	3,648	2,873	7,466	6,361
Gross Profit	623	519	1,036	1,121
Gross margin, %	17.1%	18.1%	13.9%	17.6%
Selling & admin expense	-72	-62	-284	-292
EBIT	551	457	752	829
EBIT margin, %	15.1%	15.9%	10.1%	13.0%

- Legal case from 2010 in Germany impacted profitability by -67 MSEK corresponding to margin effect in Q4 2020 of -1.8 p.p. and FY 2020 -0.9 p.p.

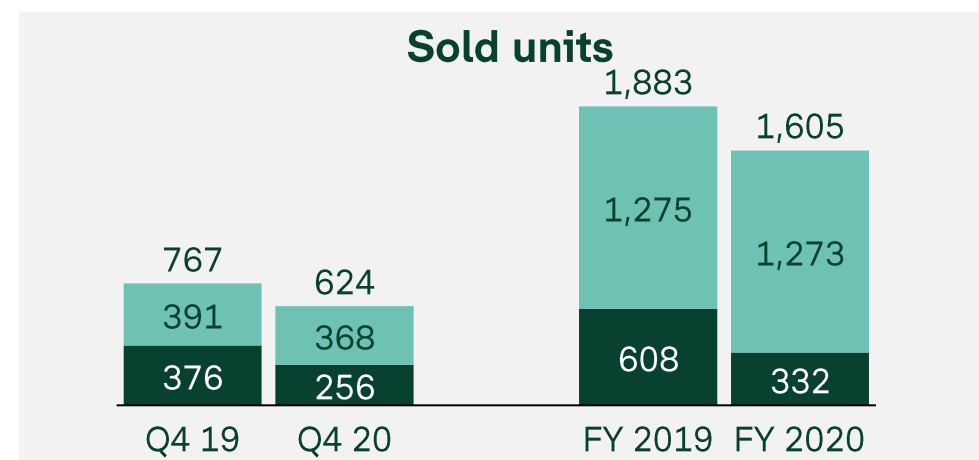
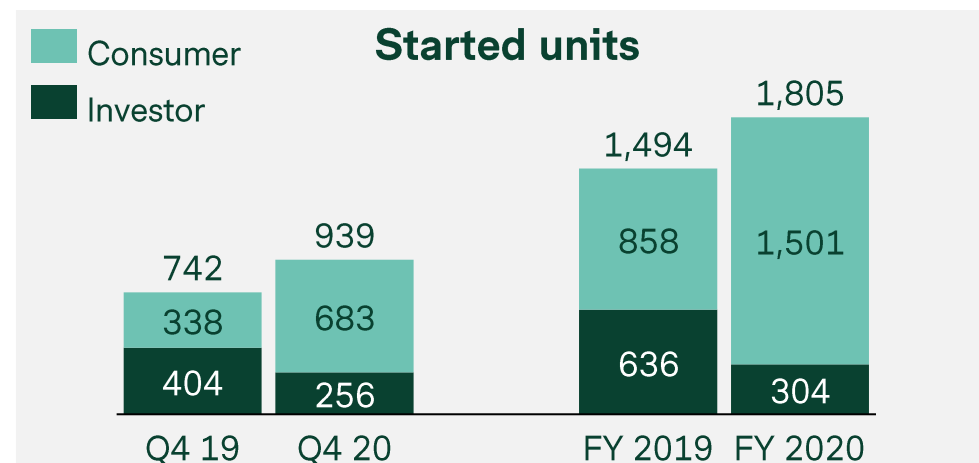


Germany

Significant higher volume of consumer starts

Key comments

- Increased number of started units to consumers in Q4 and FY
- Authorities' longer processing time for building permits postponed starts, several projects awaiting permits
- Investor deal in Lübeck finalised (155 units)
- Sold units to consumers and investors decreased but strong demand remains

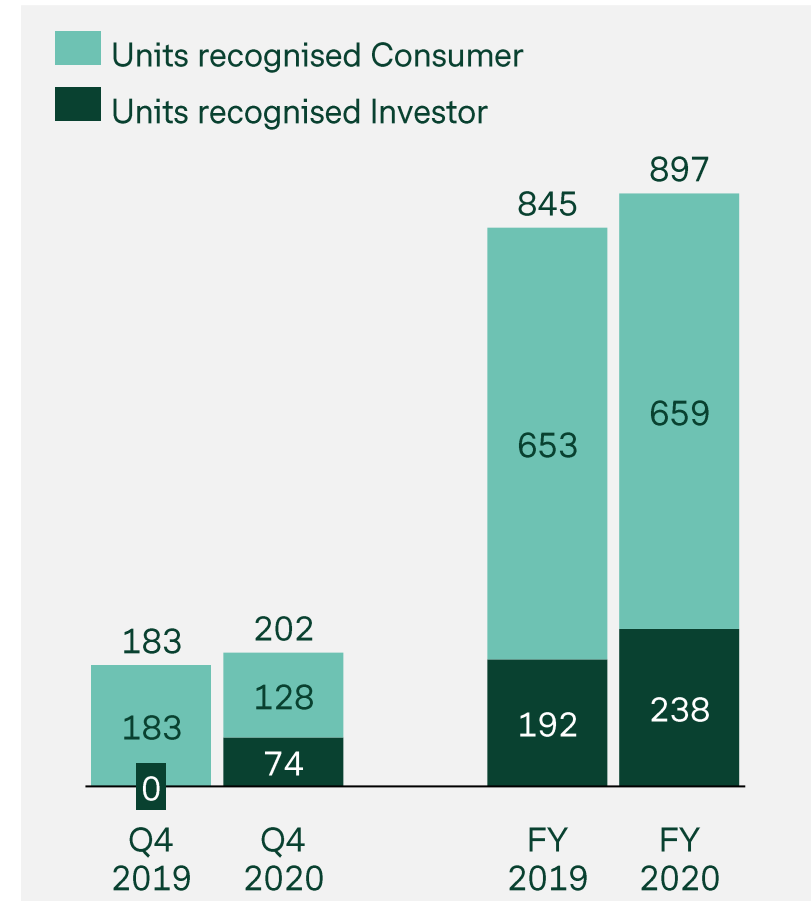


Sweden

Fewer units recognised, improved investor project margins

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Net Sales	769	1,272	3,528	3,861
Gross Profit	92	275	411	601
Gross margin, %	11.9%	21.6%	11.7%	15.6%
Selling & admin expense	-28	-35	-128	-151
EBIT	64	240	283	450
EBIT margin, %	8.3%	18.9%	8.0%	11.7%

- Net sales included sale of land of 46 (400) MSEK in Q4 and 67 (473) MSEK FY
- Net sales, EBIT and EBIT% in Q4 and FY 2019 positively impacted by high share sale of land in 2019
- EBIT margin excluding sale of land of 6.2% (6.8) in Q4 2020 and 7.6% (6.2) FY 2020

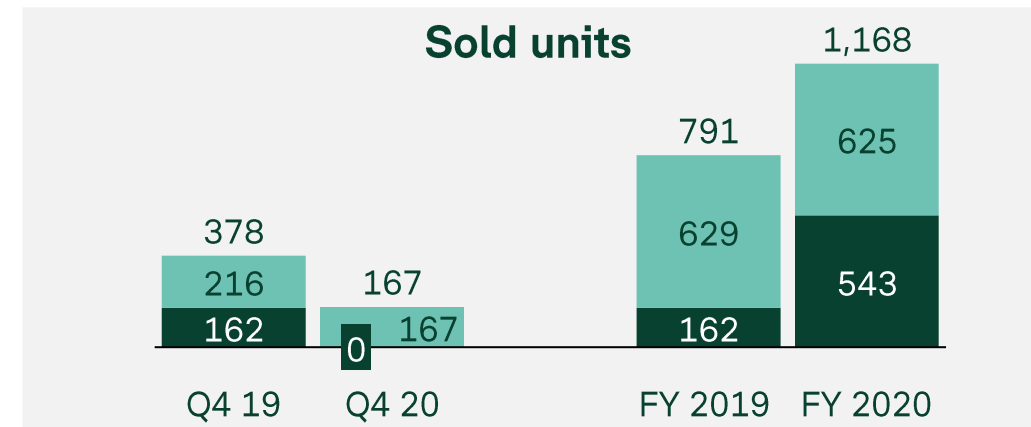
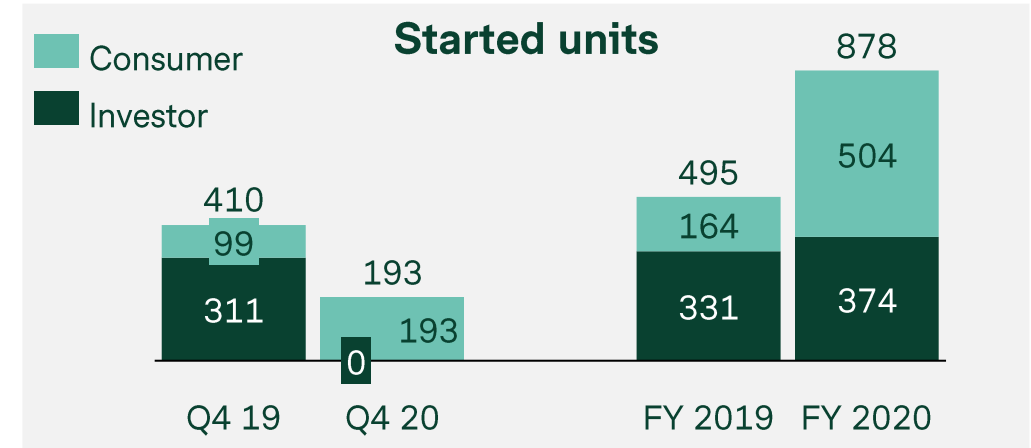


Sweden

Nearly twice as many housing units started for consumers

Key comments

- Continued strong demand with market price level increase of just over 10%
- Significantly higher volume of started housing units to consumers
- Around 700 new building rights secured in Stockholm area



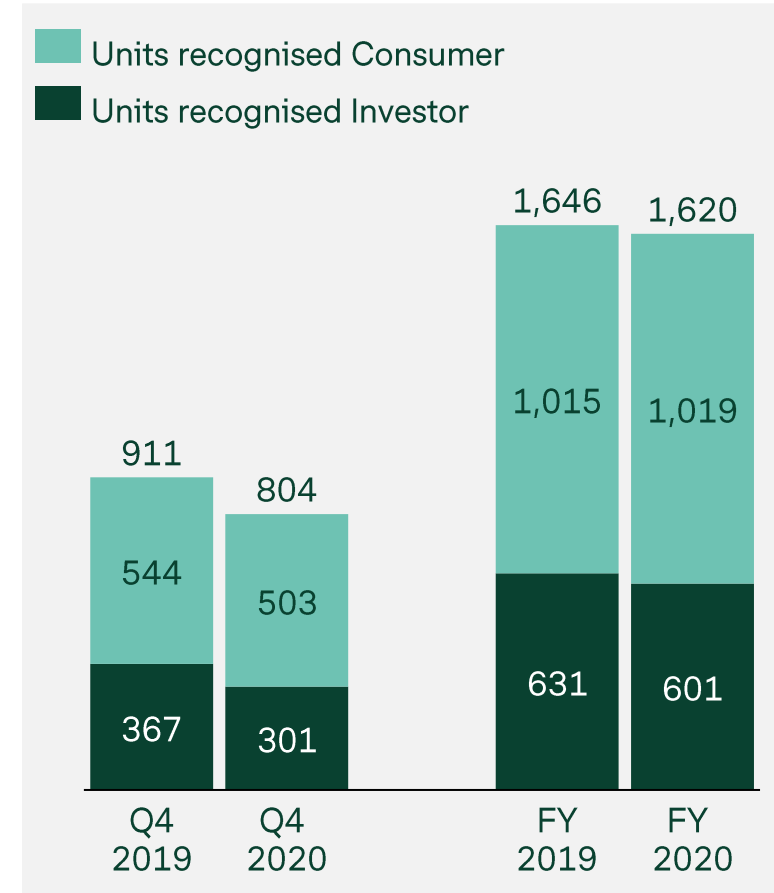
Nordic

Improved EBIT-margin, turnaround in Finland completed

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Net Sales	2,410	2,072	4,563	4,000
Gross Profit	275	91	274	149
Gross margin, %	11.4%	4.4%	6.0%	3.7%
Selling & admin expense	-39	-49	-177	-172
EBIT¹	236	42	97	-23
EBIT margin, % ¹	9.8%	2.0%	2.1%	-0.6%

- Net sales included sale of land of 246 (2) MSEK in Q4 and 326 (92) MSEK FY
- EBIT margin excluding sale of land of 10.3% (2.0) in Q4 2020 and 2.0% (-5.6) FY 2020

¹ Excluding items affecting comparability in Q4 and FY 2019

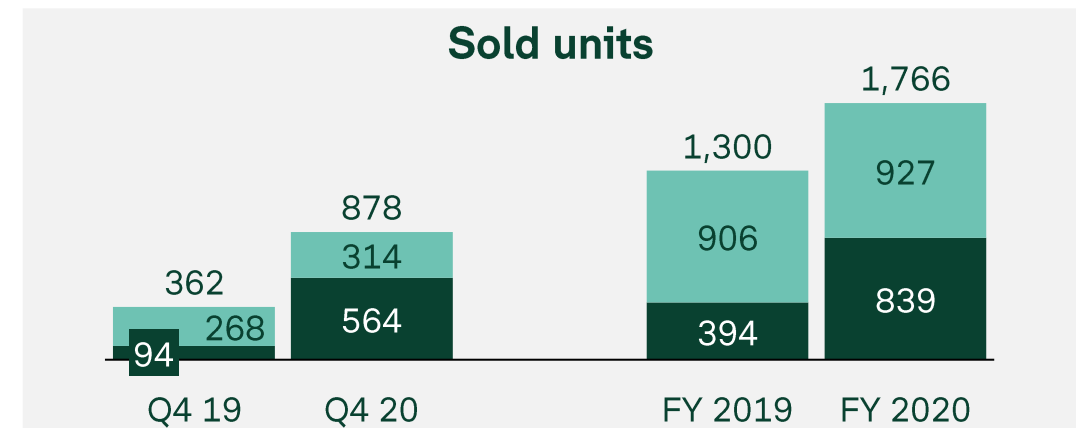
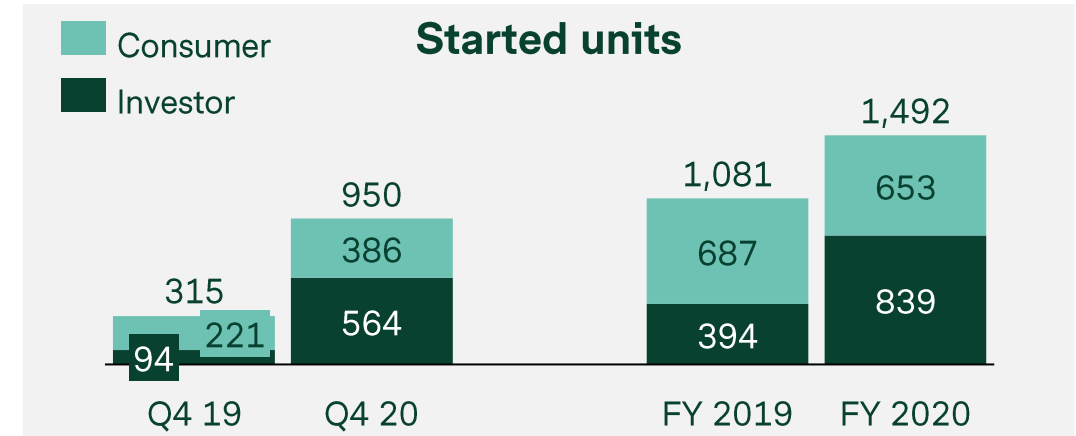


Nordic

Strong sales development

Key comments

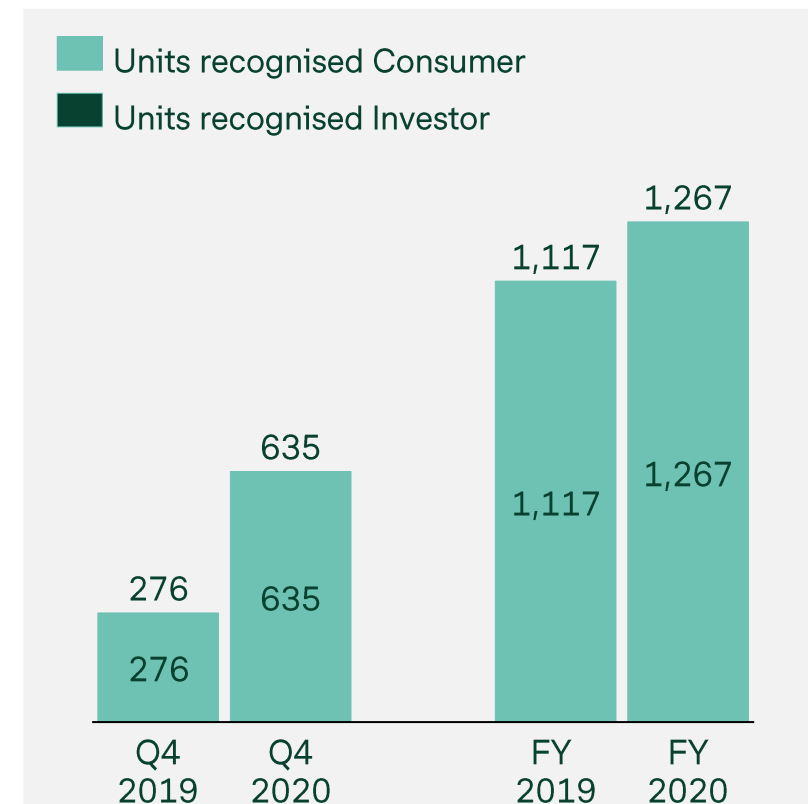
- Strong demand from consumers and investors in all Nordic markets
- All time high quarter in sold and started units
- 5 investor deals finalised of which
 - 3 in Helsinki and Turku (379 units)
 - 2 in Copenhagen (185 units)



St. Petersburg-Baltics

High volume recognised units and strong EBIT-margin

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Net Sales	726	282	1,439	1,252
Gross Profit	168	48	300	253
Gross margin, %	23.1%	16.9%	20.8%	20.2%
Selling & admin expense	-15	-15	-63	-59
EBIT	152	33	236	194
EBIT margin, %	21.0%	11.5%	16.4%	15.5%

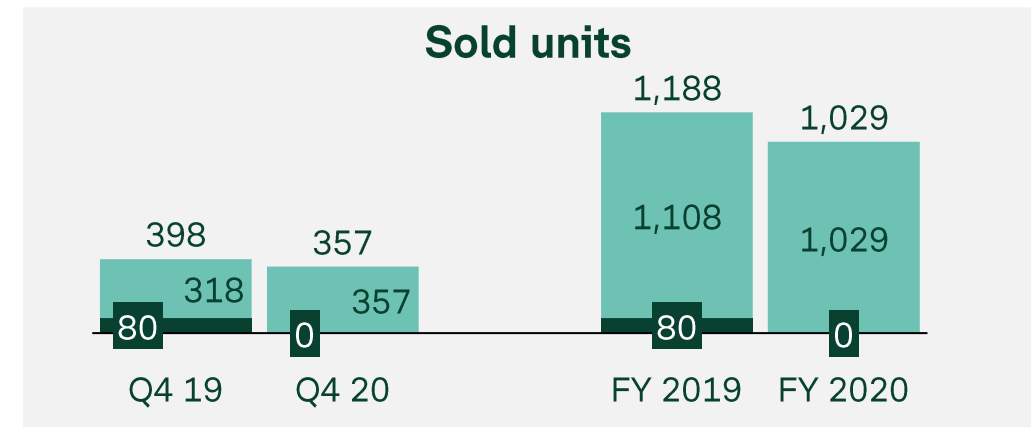
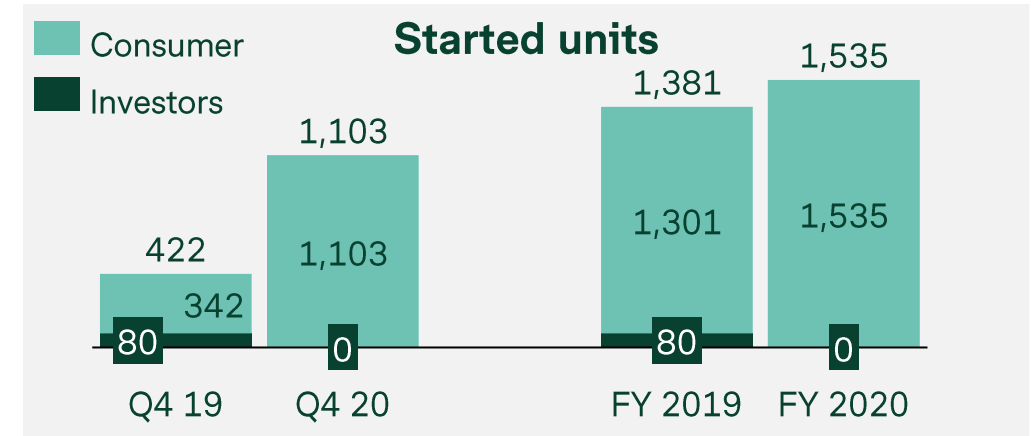


St. Petersburg-Baltics

Several major project starts added volume

Key comments

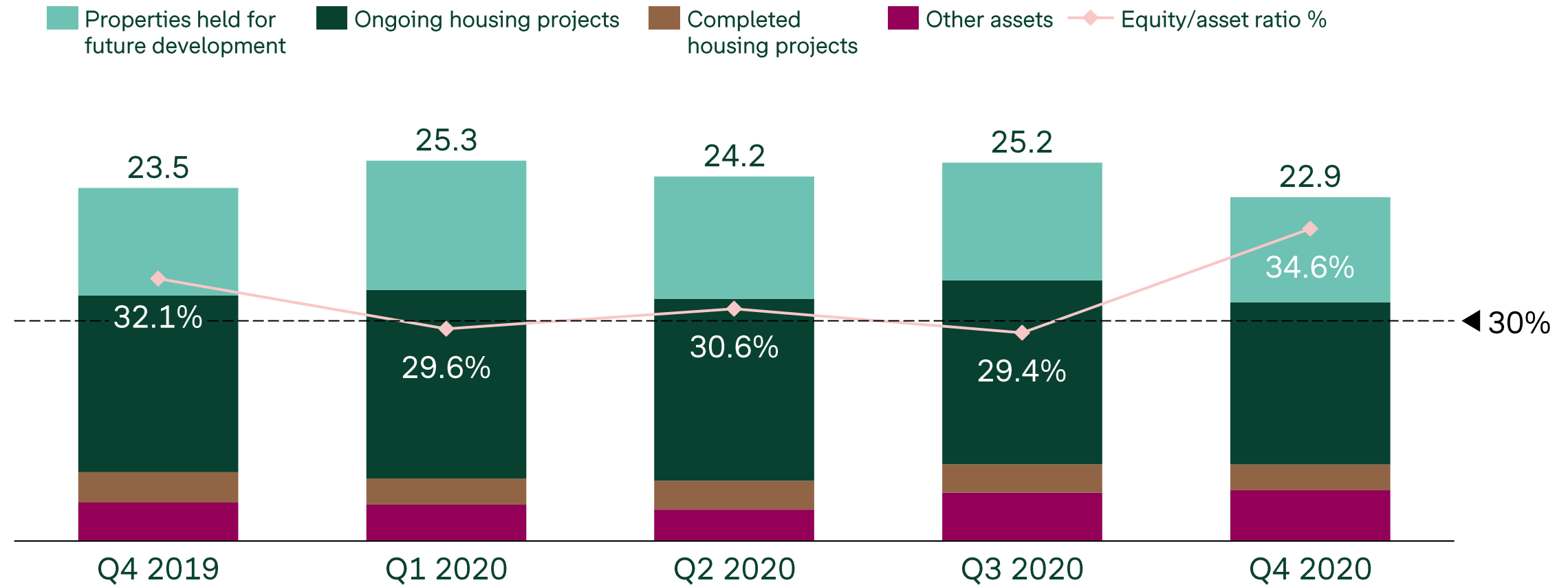
- Strong market development in St. Petersburg and continued recovery in the Baltics
- Several major project starts
- Stable sales development to consumers supported by increase in Baltics
- Unsold units in stock decreased
- First project started in Lithuania broadens Bonava's presence in the Baltics with similar affordable and modern offering



Distribution of assets:

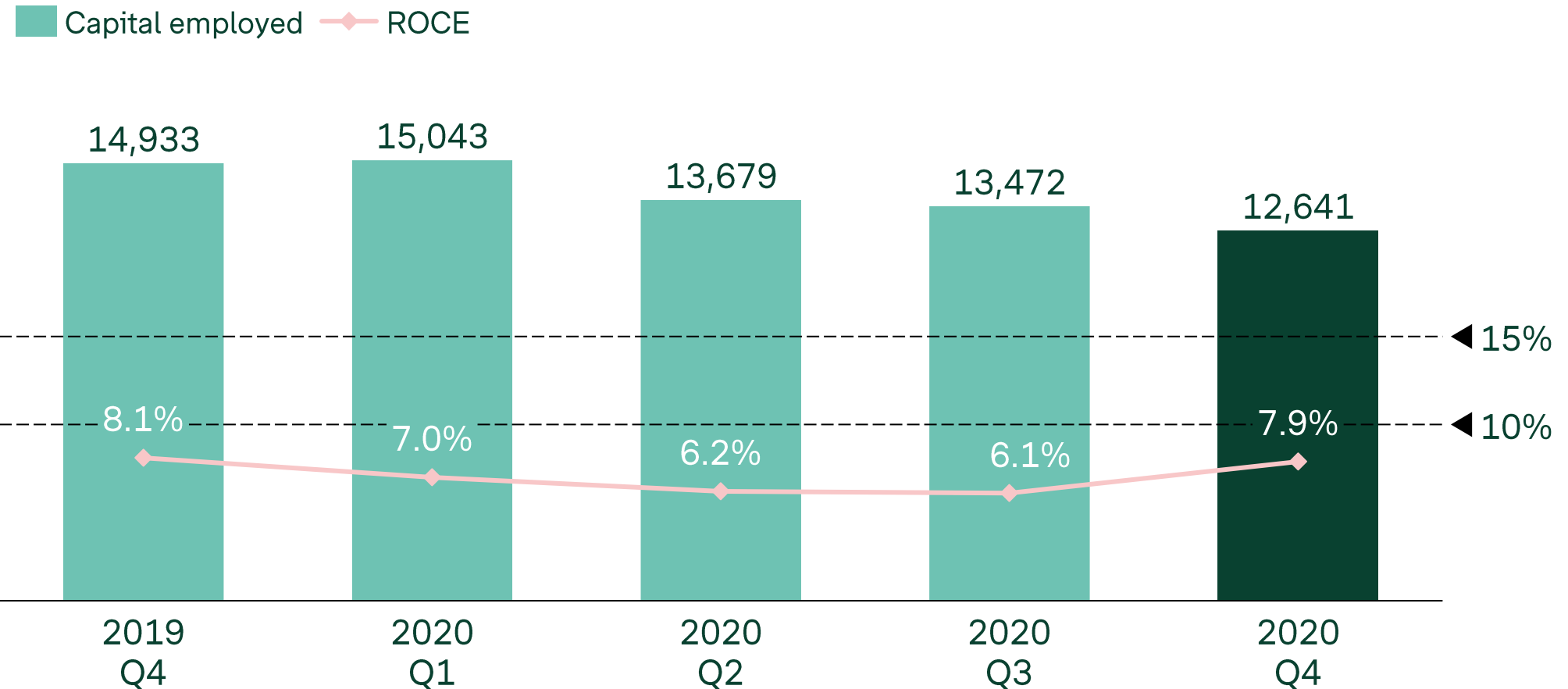
Improved equity/assets ratio – high volume recognised units

Total assets (SEK Bn)



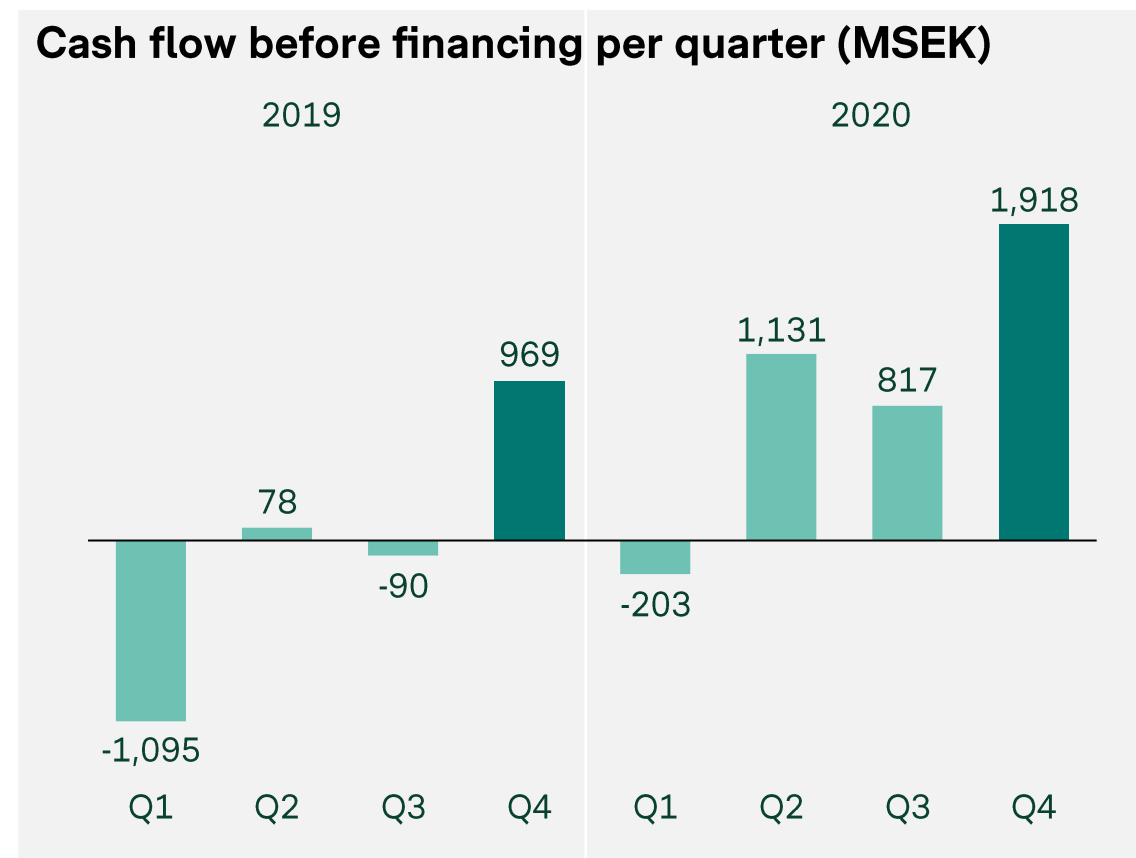
ROCE affected by lower EBIT with positive trend in Q4

Capital employed (MSEK) and ROCE, R12 %



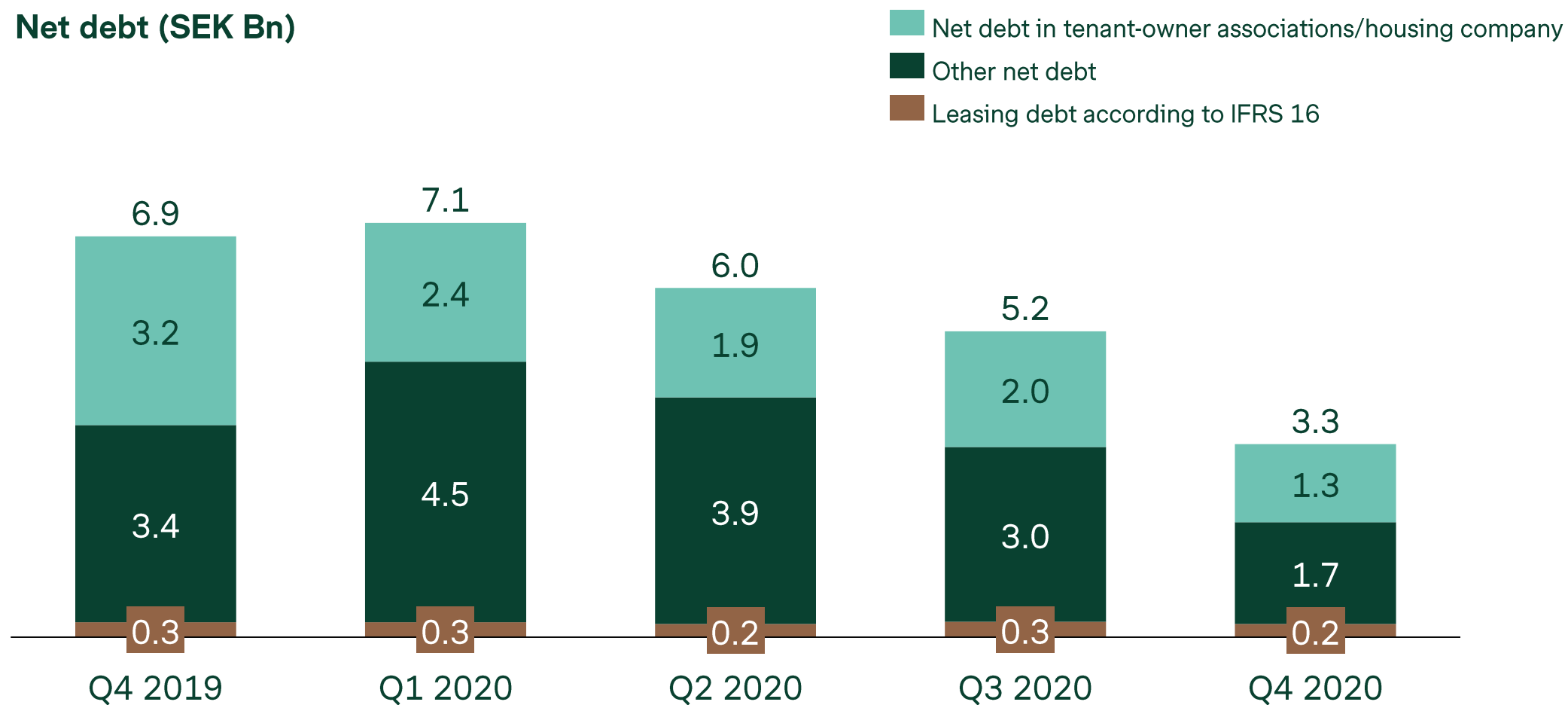
Strong cash flow development in 2020

MSEK	2020 Q4	2019 Q4	2020 FY	2019 FY
Cash flow before changes in working capital	1,186	986	1,394	772
Divestments of housing projects	6,175	5,510	14,521	12,902
Investments in housing projects	-4,327	-4,062	-14,179	-13,919
Other changes in working capital	-1,094	-1,005	2,054	624
Cash flow from operating activities	1,941	1,429	3,790	379
Investing activities	-22	-460	-128	-517
Cash flow before financing	1,918	969	3,662	-138



Significantly reduced net debt strengthens financial position

Net debt (SEK Bn)



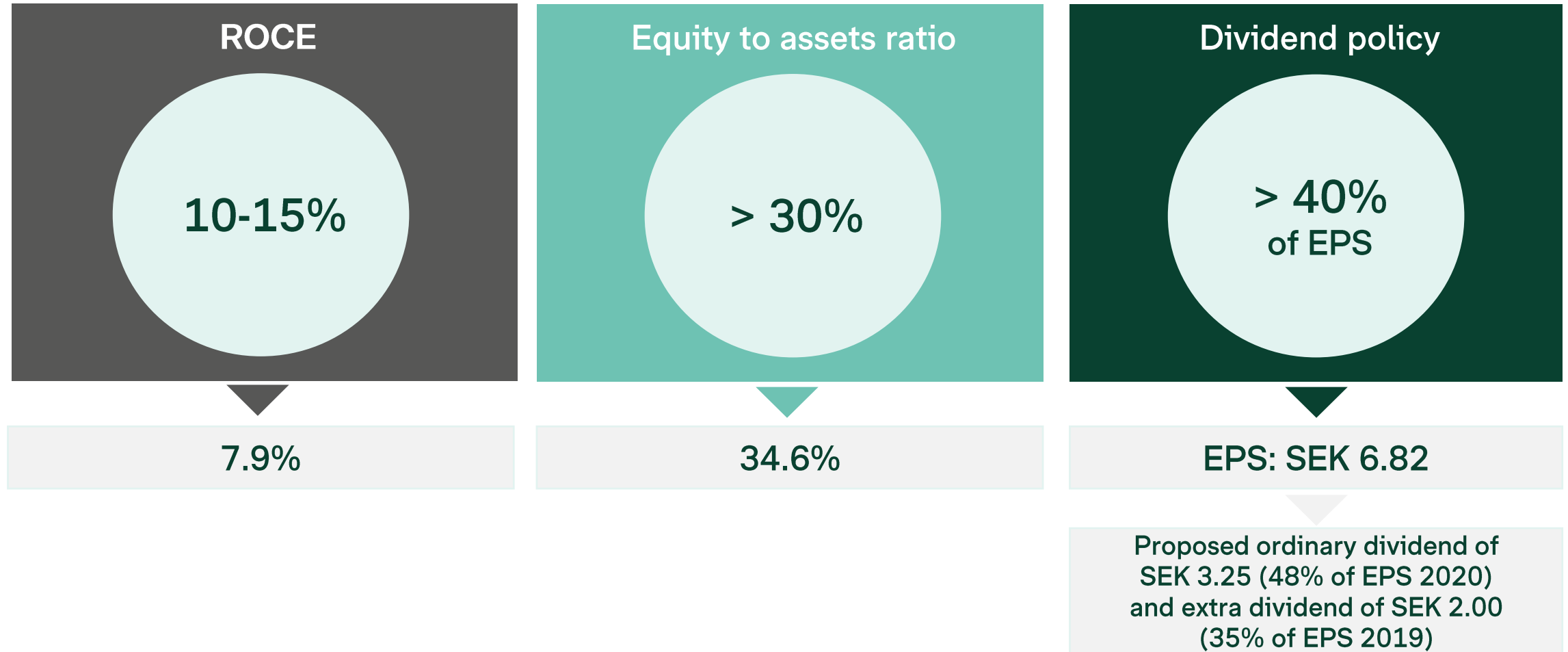
Solid long-term financing secured

Financing (SEK Bn)	Maturity	Amount	Utilised	Unutilised
Overdraft facilities	< 364 days	1.5		1.5
Loans	2021	0.9	0.9	
Loans	2022	0.8	0.8	
RCF/certificates	2023	3.0		3.0
Green bonds	2024	1.0	1.0	
Loans	2025-27	0.4	0.4	
Total		7.6	3.1	4.5

Green financing:

As of 31 December 2020 the outstanding green financing amounted to SEK 1.3 Bn

Outcome financial objectives and dividend policy



Summary and outlook



Solid platform for long-term value creation



Outlook

- Continued strong demand despite pandemic, extended lockdown may impact project starts
- Good momentum in Germany
- Turnaround in Finland completed
- Focus on housing starts and project margins going forward
- Strong financial position and cashflow set solid platform for the future

Q&A


BONAVA