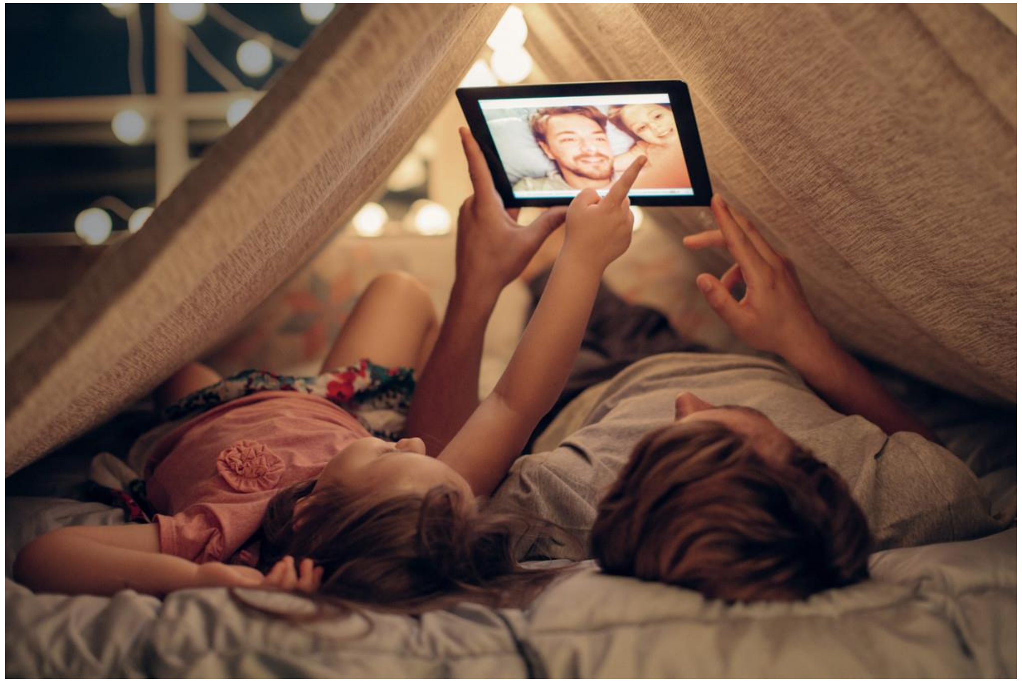
BONAVA

Q4 2019

Joachim Hallengren, CEO
Ann-Sofi Danielsson, CFO

Challenging 2019



- Challenging 2019, but measures taken to improve going forward
- Solid performance in Germany
- Strong sales in Sweden
- Nordic's margin pressured; announced restructuring in Finland
- Acceleration in starts expected for 2020 in Germany and Sweden

Highlights 2019

Q4

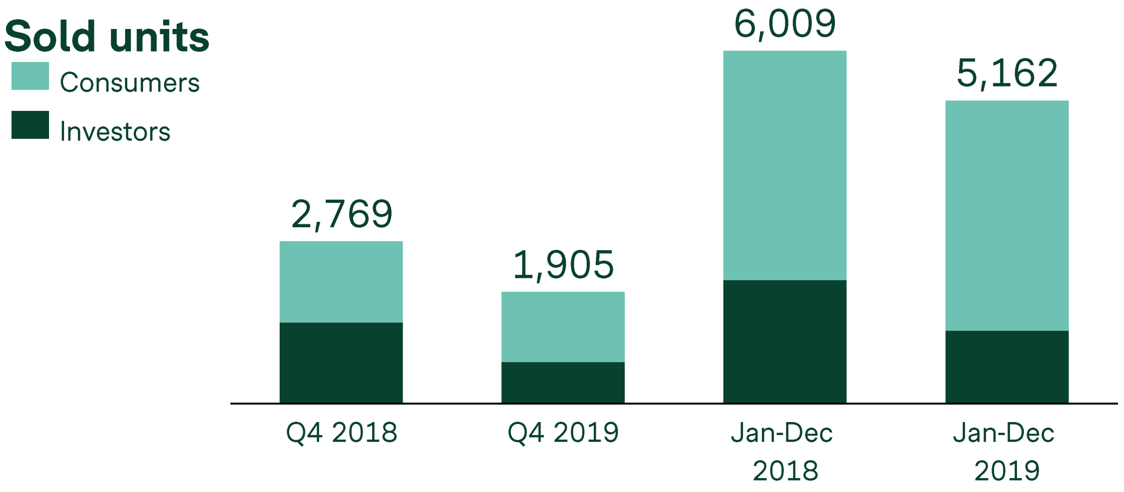
- Net Sales amounted to SEK 6,499 M (6,206)
- EBIT excl. Finland restructuring SEK 693 M (899)
- Profit sale of land amounted to SEK 181 M (61)
- Net profit SEK 368 M (762)

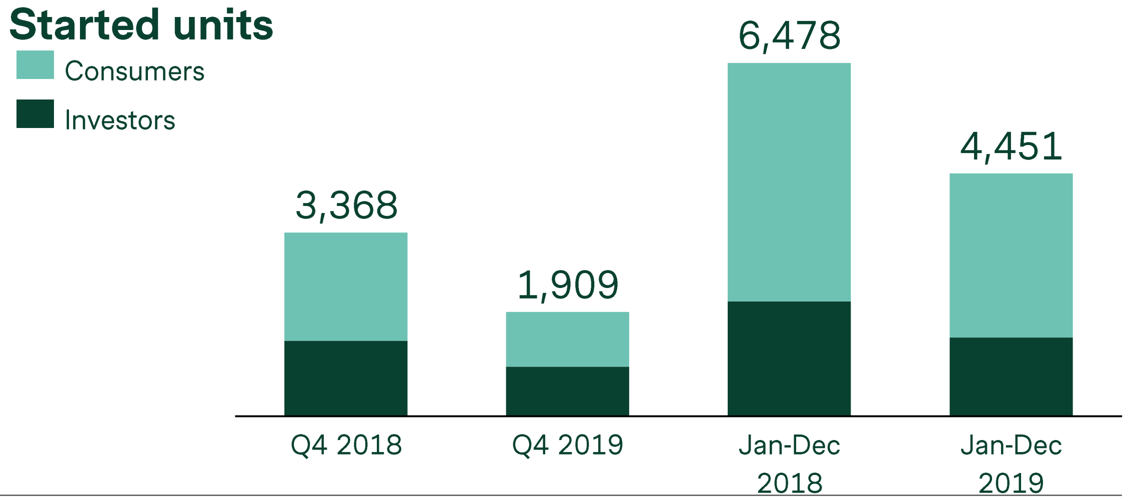
2019

- Net Sales amounted to SEK 15,474 M (14,008)
- EBIT excl. items affecting comparability SEK 1,202 M (1,654)
- Profit from sale of land amounted to SEK 272 M (245)
- Net profit SEK 615 M (1,265)
- EPS 5.71 (11.74) SEK
- The Board of Directors propose a dividend of SEK 3.00 (5.20) per share

More starts in DE and SE in H2, acceleration expected in 2020

- **Sold units:**
  - Consumers 1,193 (1,386)
  - Investors 712 (1,383)
- **Started units:**
  - Consumers 1,000 (1,985)
  - Investors 909 (1,383)
- **Units in production** 9,732 (10,712)
- **Sales rate** 72 (68) percent
- **Value of sold, not yet recognised** SEK 21.1 Bn (21.1)





German market solid and Swedish market stabilising

Consumers

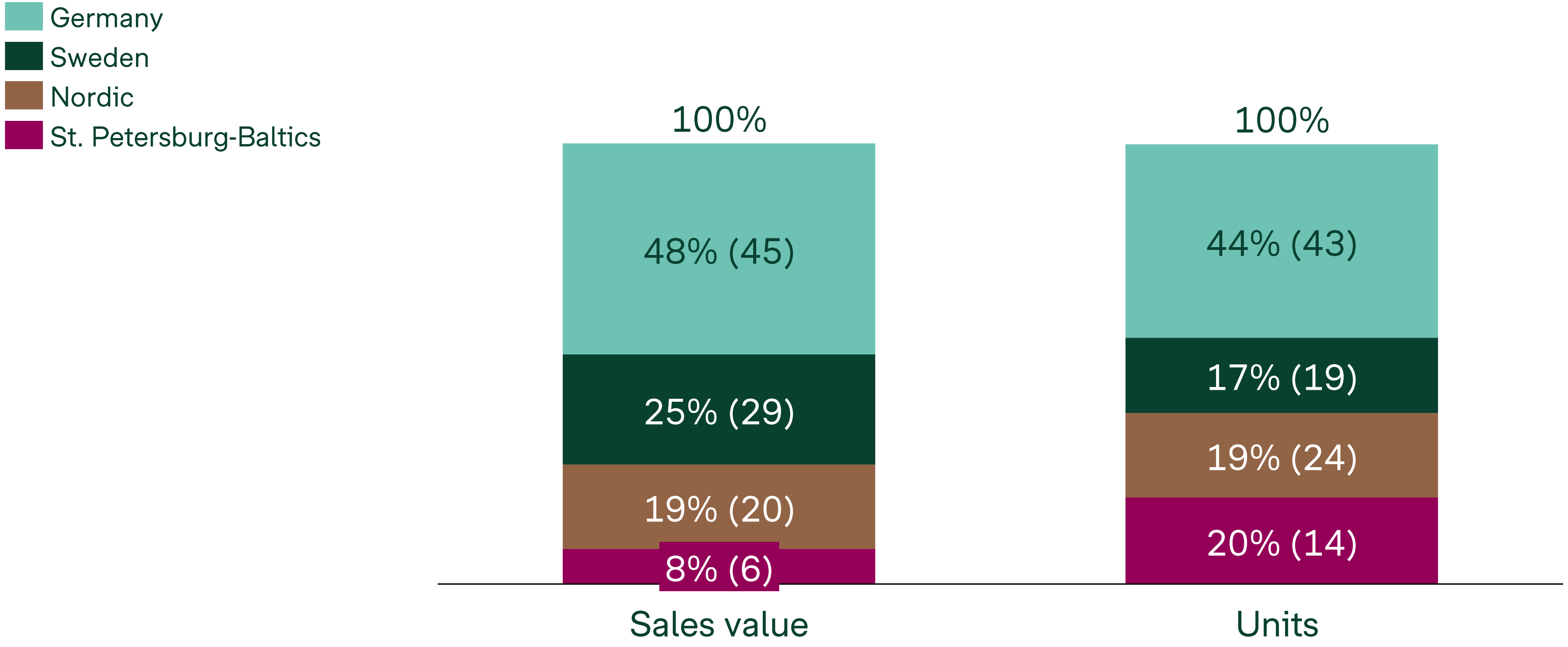
- Strong demand in Germany with favourable market conditions
- Stabilised market in Sweden, with increased consumer confidence
- Strong in Norway, hesitant in Denmark and Finland
- Strong demand in St. Petersburg and Baltics

Investors

- Solid demand in all markets

Sales value driven by Germany

Ongoing production consumers and investors, Dec 2019 (Dec 2018)



Cost control in Finland - planned restructuring announced in Q4

- Bonava plans to leave Oulo region that has had a weak result development
- Write down of sunk costs Oulo
- Sunk costs related to land plots not part of core business, to be divested
- Enhanced cost control and governance
- Finland restructuring charge of SEK 159 M in Q4

Started homes in Q4

Semi-detached and row houses, Wesseling, Germany

- Project name: Am Entenfang
- 142 housing units to consumers
- High demand for Bonava's houses in this new quarter, close to nature and city

Multi-family homes in Mannheim, Germany

- Project name: Anemonenweg
- 28 apartments to consumers
- Affordable apartments in greenest part of Mannheim, with easy access to shopping and recreation

Started homes in Q4

Multi-family homes in Lund, Sweden

- Project name: Solkatten
- 169 apartments to investors
- Located close to communication and university as well as a wide range of cultural activities

Multi-family homes in Helsinki, Finland

- Project name: Helsingin Kaiku 1
- 31 apartments to consumers
- Various size apartments with a two-house common courtyard area build to encourage social gathering and playing

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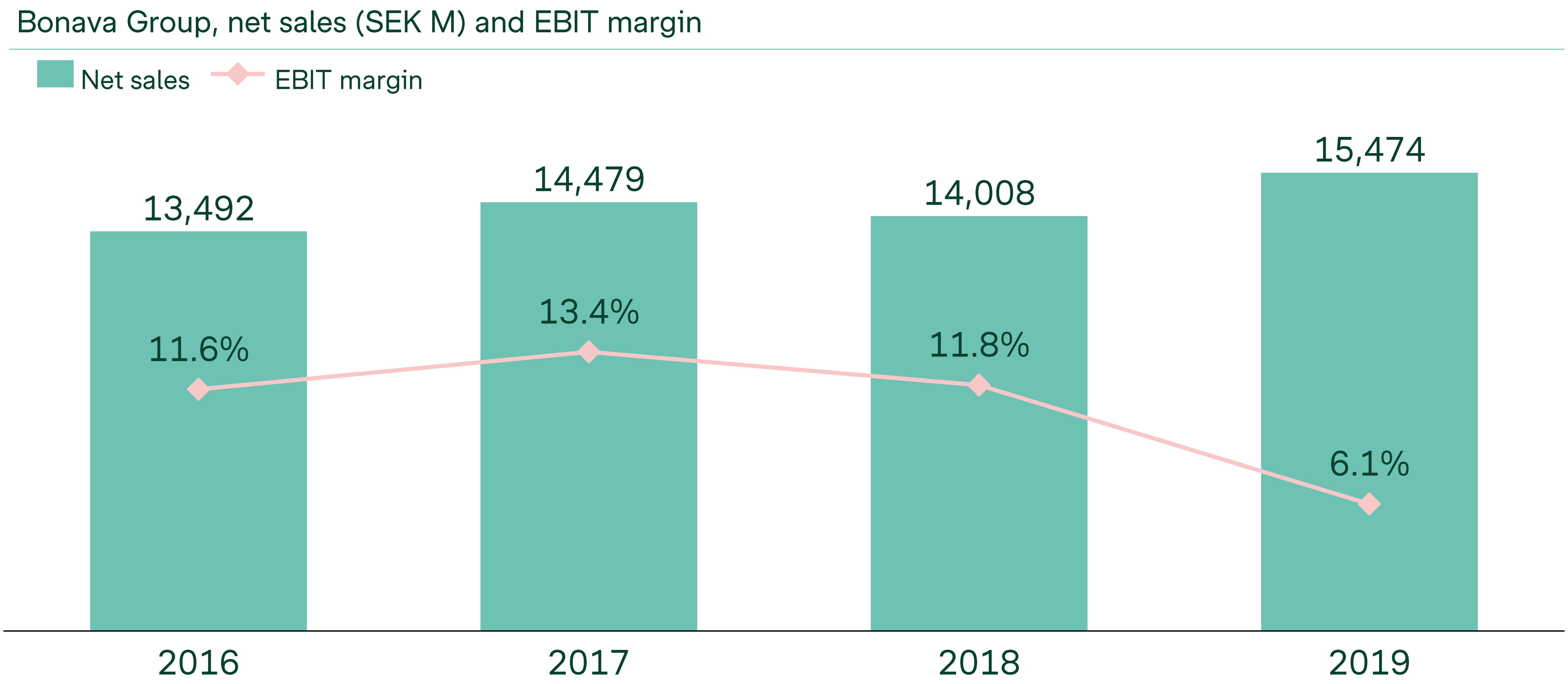
Outcome financial objectives and dividend policy

ROCE	Equity to assets ratio	Dividend policy
10-15%	> 30%	> 40%
6,4%	32.1%	R12 EPS 5,71 SEK

A challenging year

	2019	2018	2019	2018
SEK M	**Oct-Dec**	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Net sales	**6,499**	**6,206**	**15,474**	**14,008**
Gross profit	930	1,132	2,107	2,557
Selling and administrative expenses	-236	-232	-905	-903
EBIT excl. items affecting comparability	**693**	**899**	**1,202**	**1,654**
Items affecting comparability	-159		-259	
EBIT incl. items affecting comparability	**534**	**899**	**943**	**1,654**
Net financial items	-31	-30	-110	-141
Profit after financial items	**504**	**870**	**834**	**1,513**
Tax on profit for the period	-136	-108	-219	-249
Tax %	27%	12%	26%	16%
Net profit	**368**	**762**	**615**	**1,265**

Non-recurring items affecting EBIT

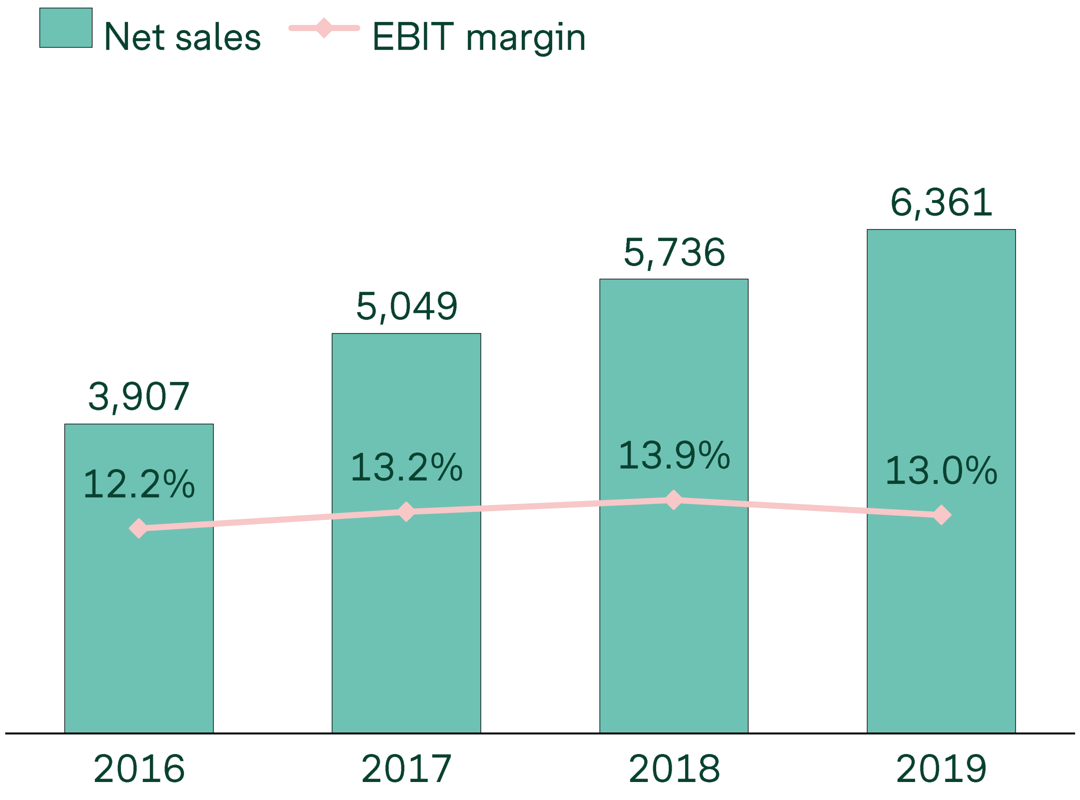


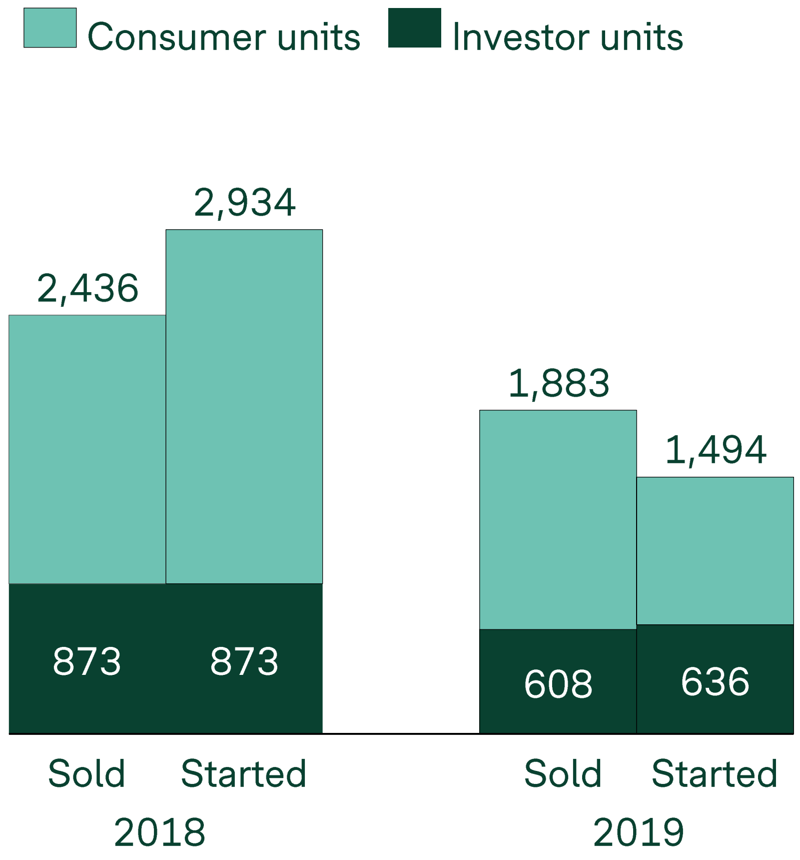
Solid development in Germany, weak performance in Nordic

	2019	2018	2019	2018
SEK M	**Oct-Dec**	**Oct-Dec**	**Jan-Dec**	**Jan-Dec**
Germany	457	490	829	796
Sweden	240	193	450	761
Nordic	42	204	-23	196
St.Petersburg-Baltics	33	72	194	108
Other and eliminations	-78	-60	-248	-206
EBIT excl. items affecting comparability	**693**	**899**	**1,202**	**1,654**
Items affecting comparability	-159		-259	
EBIT incl. items affecting comparability	**534**	**899**	**943**	**1,654**

Solid EBIT margins and proactive work to improve starts

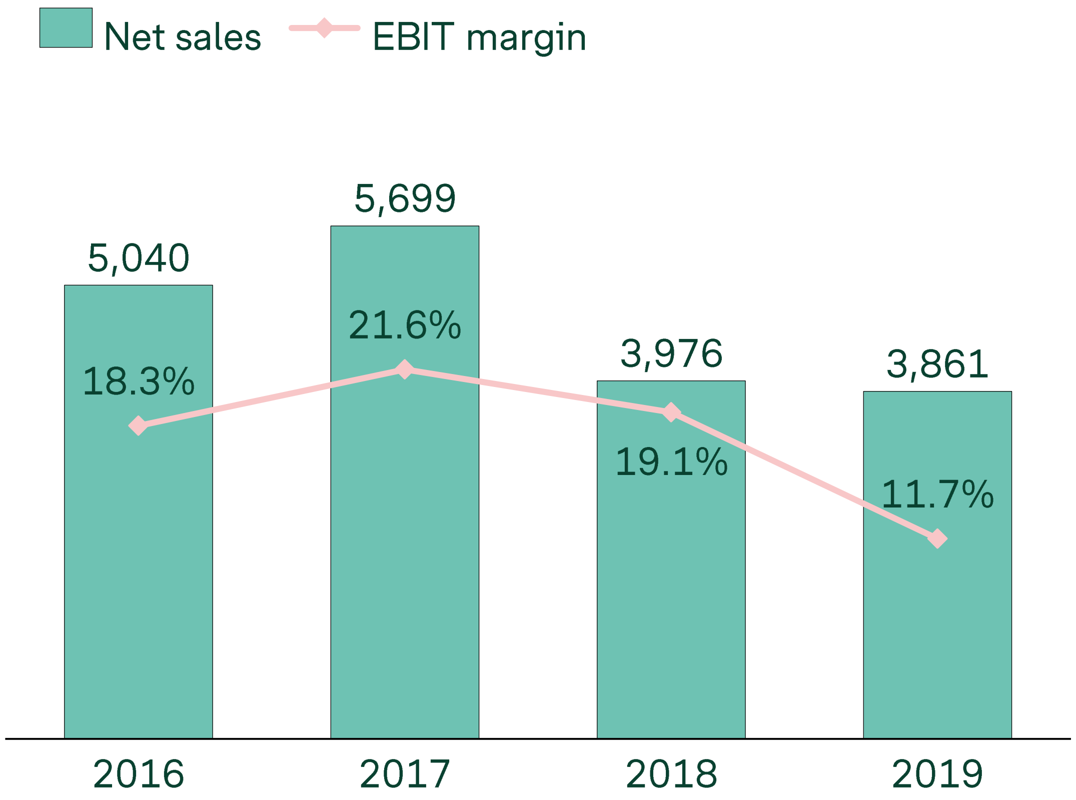
Germany

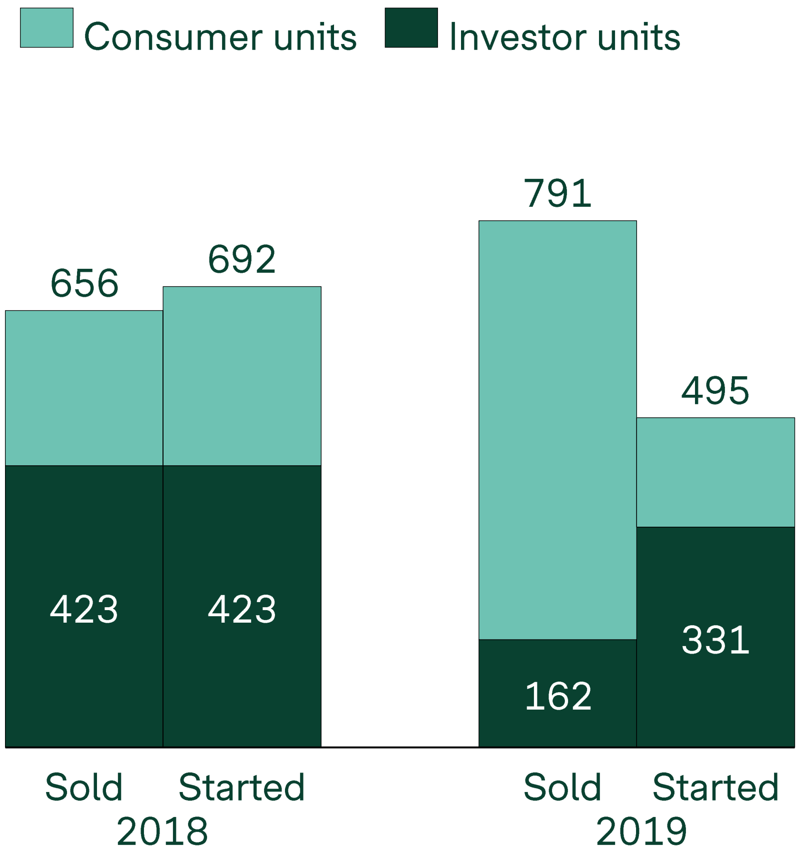




Price adjusted margins and strong sales development

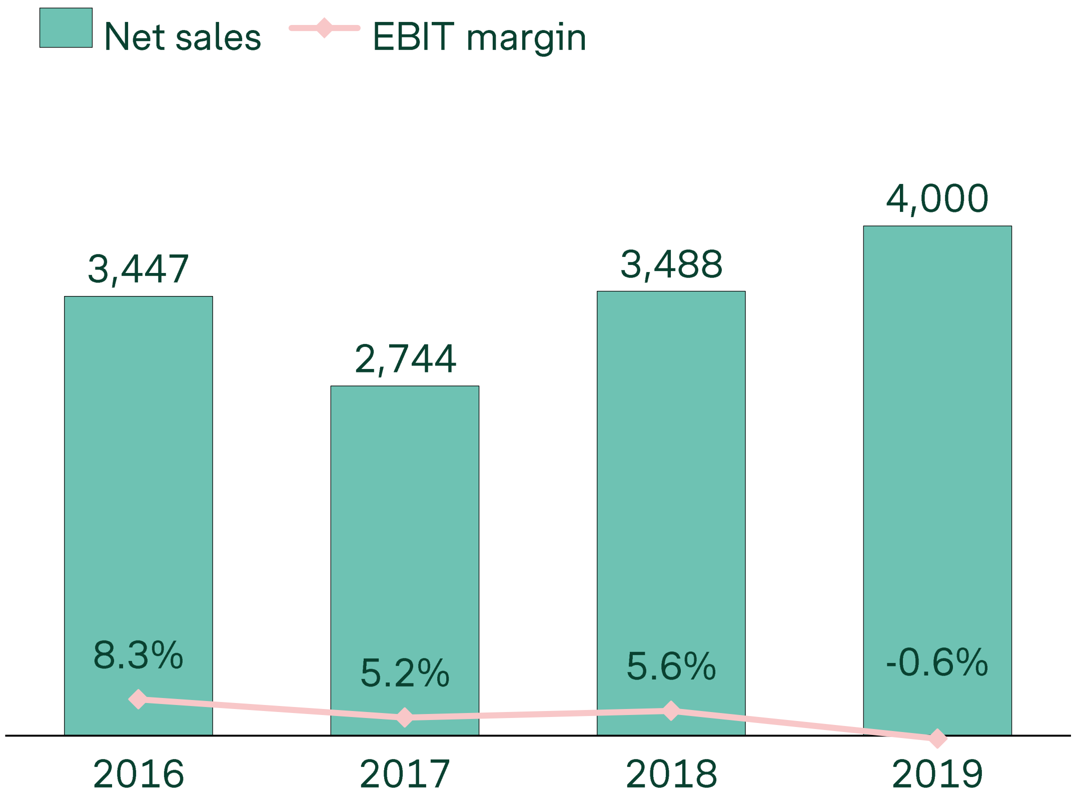
Sweden

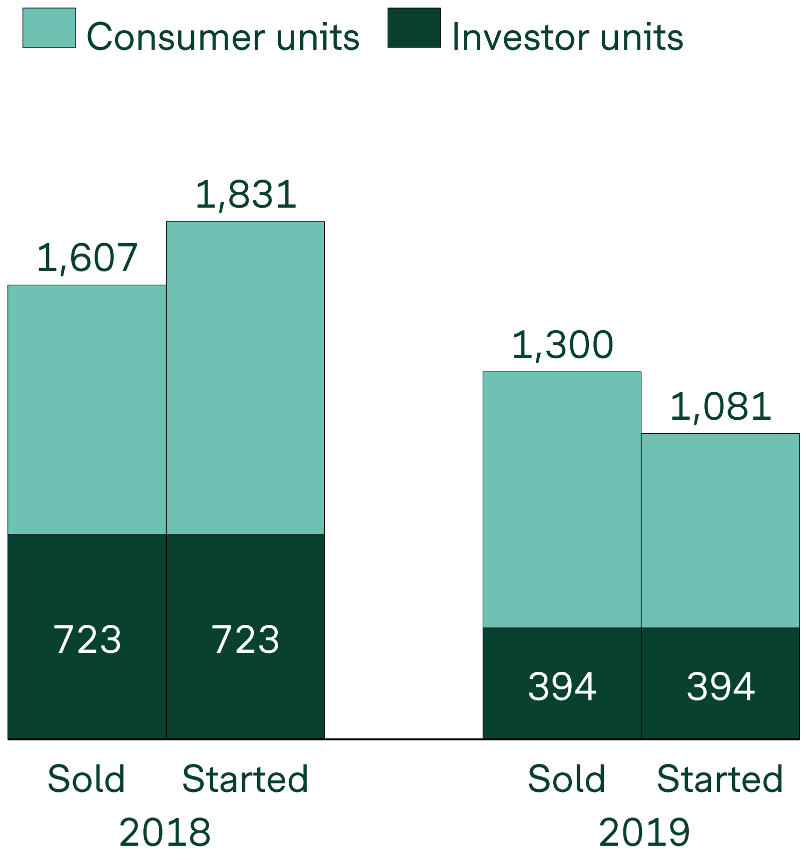




Weak performance, tighter cost control measures in place

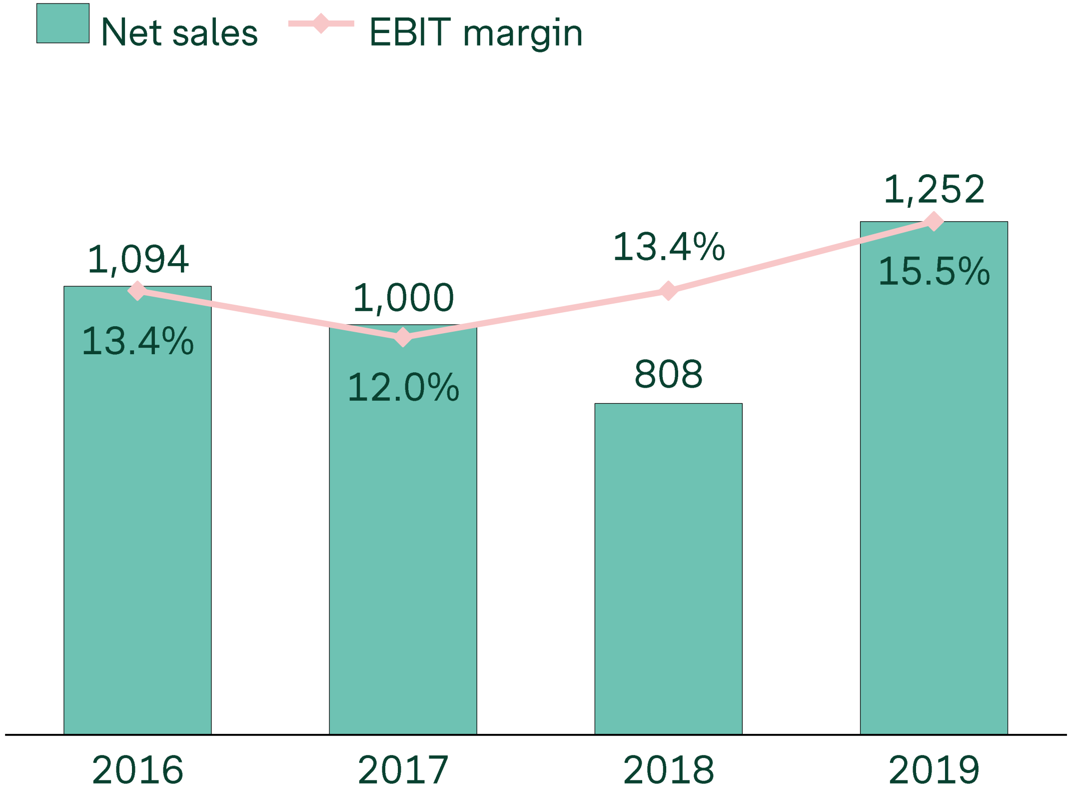
Nordic

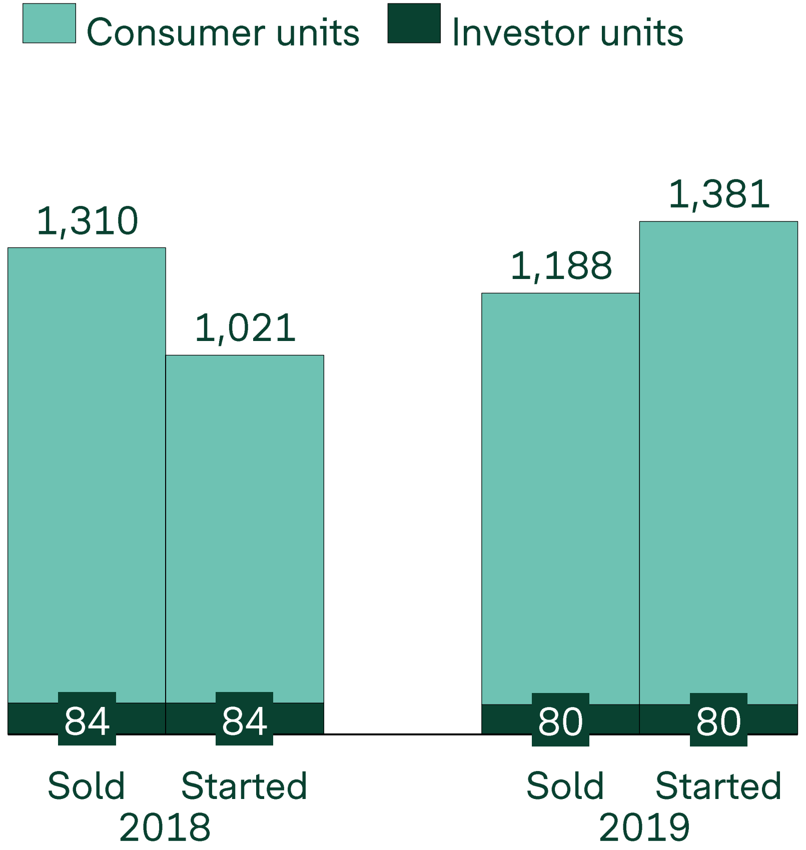




Strong profit performance and higher number of starts

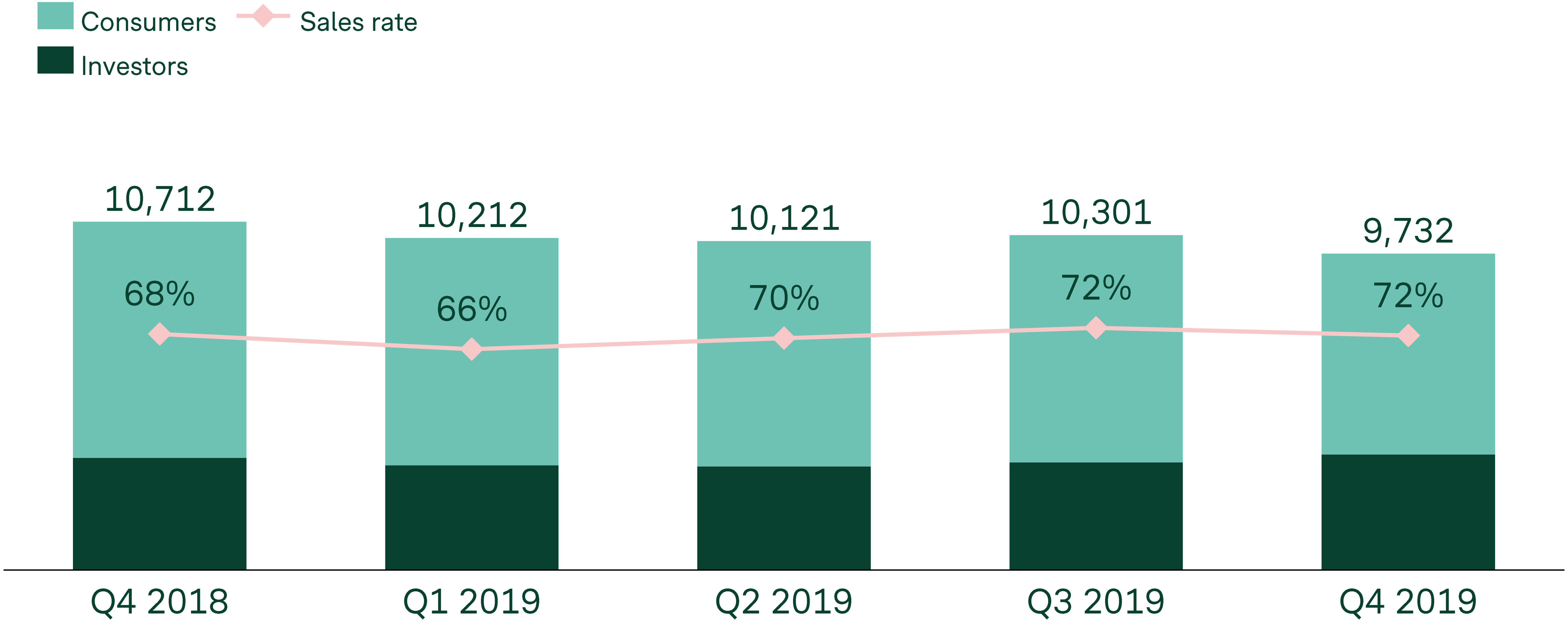
St. Petersburg-Baltics



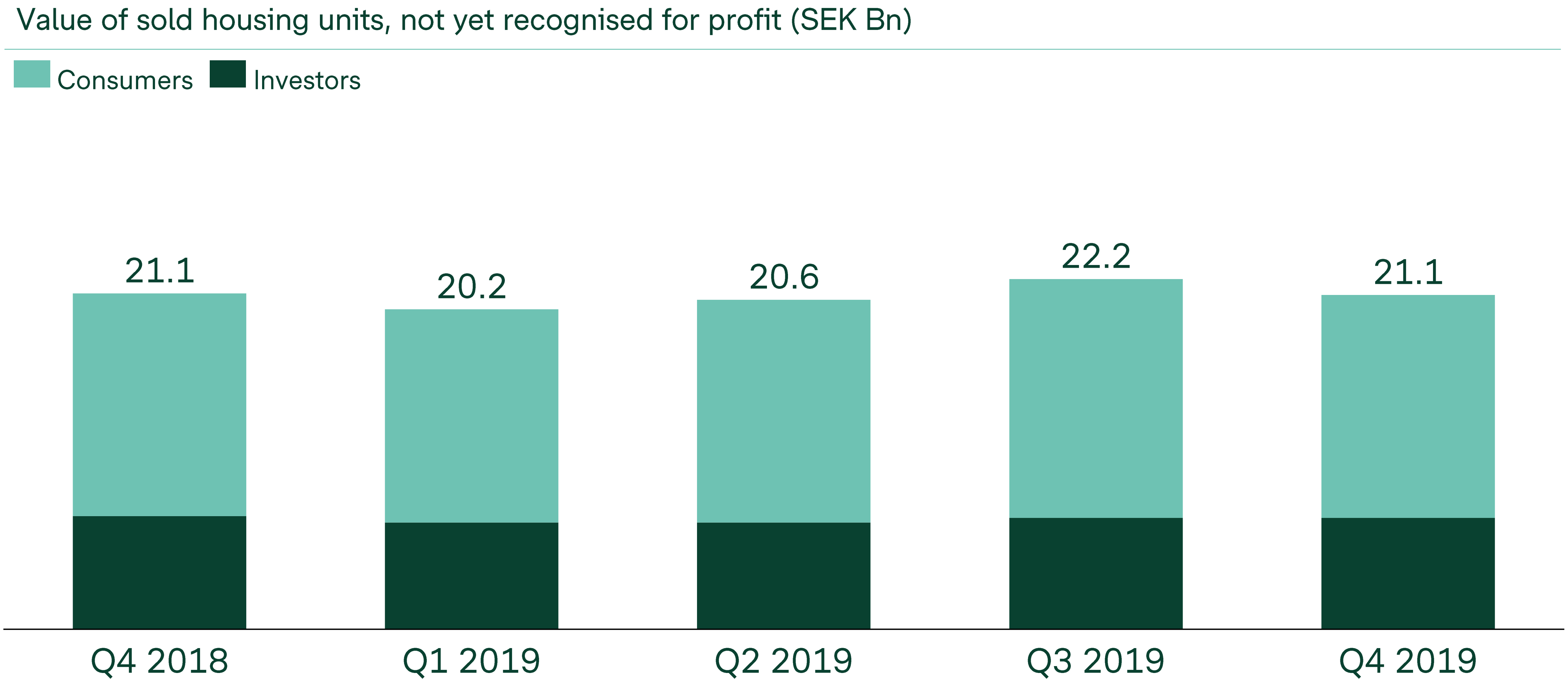


Good sales rate

Units in production and sales rate

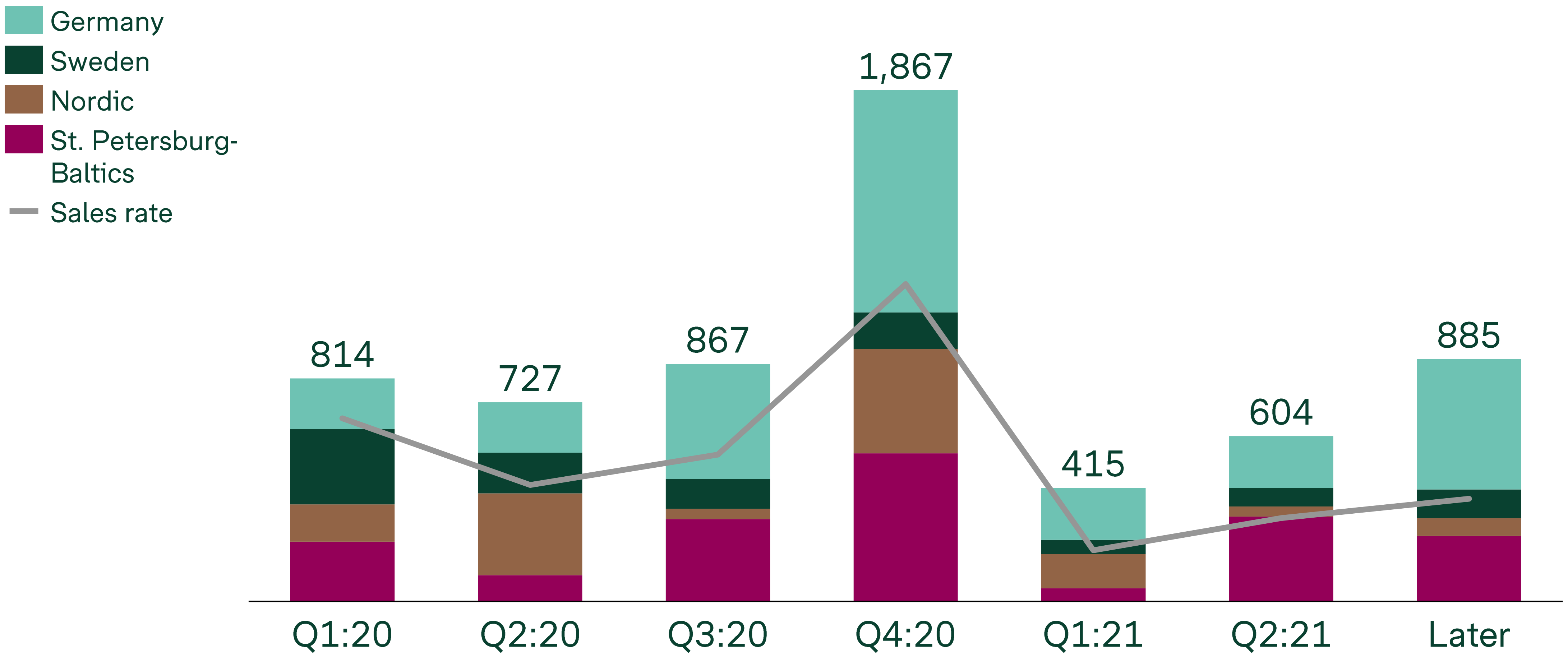


High value of sold housing units



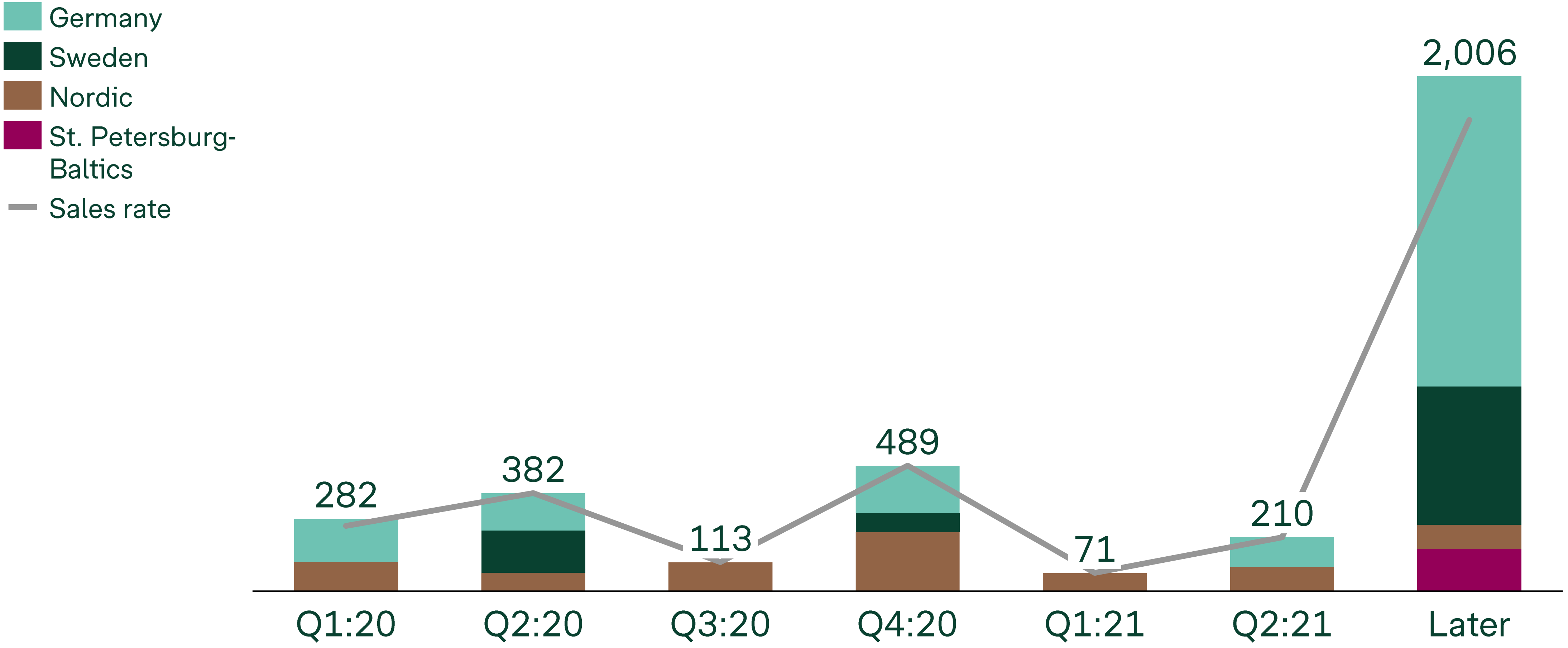
Expected completions 2020 and onwards

Estimated completions of ongoing production, consumers

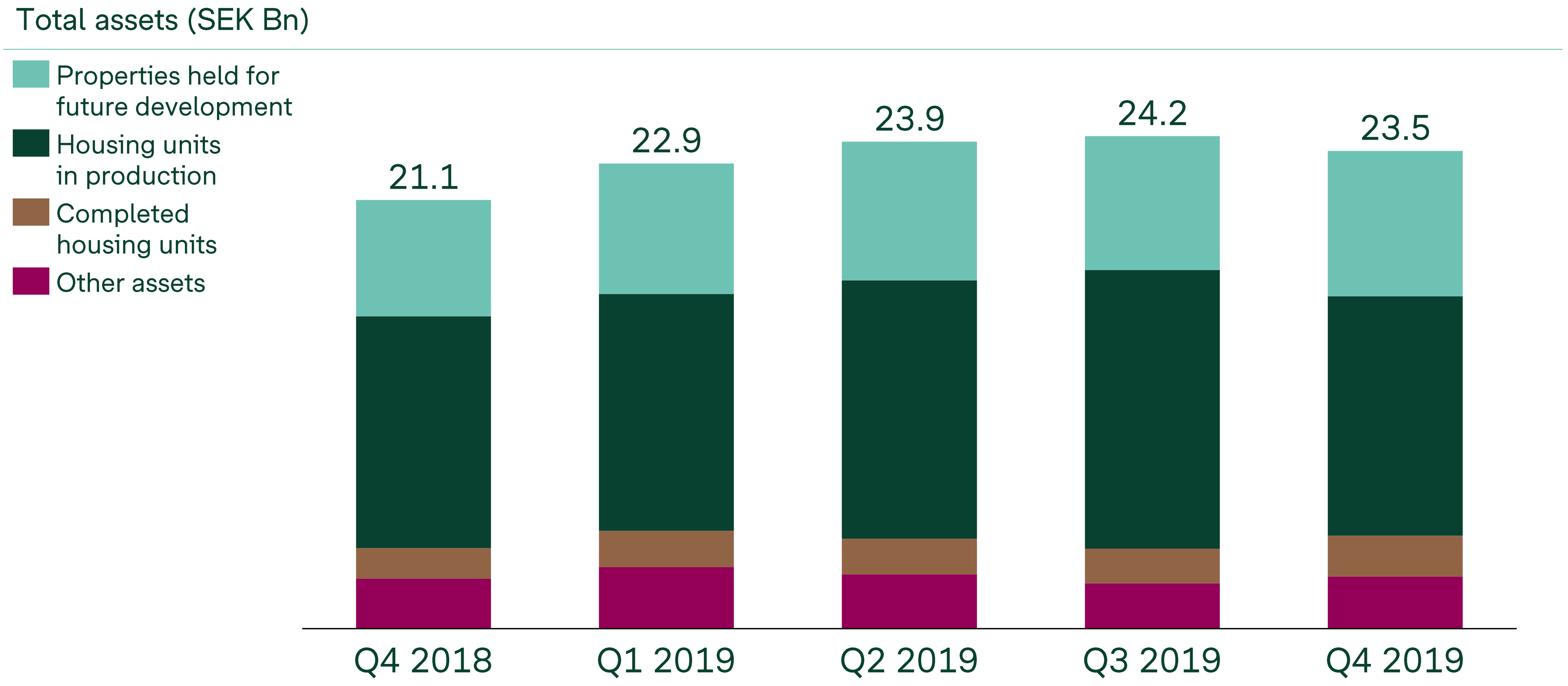


Estimated completions to investors

Estimated completions of ongoing production, investors



Increased properties held for future development

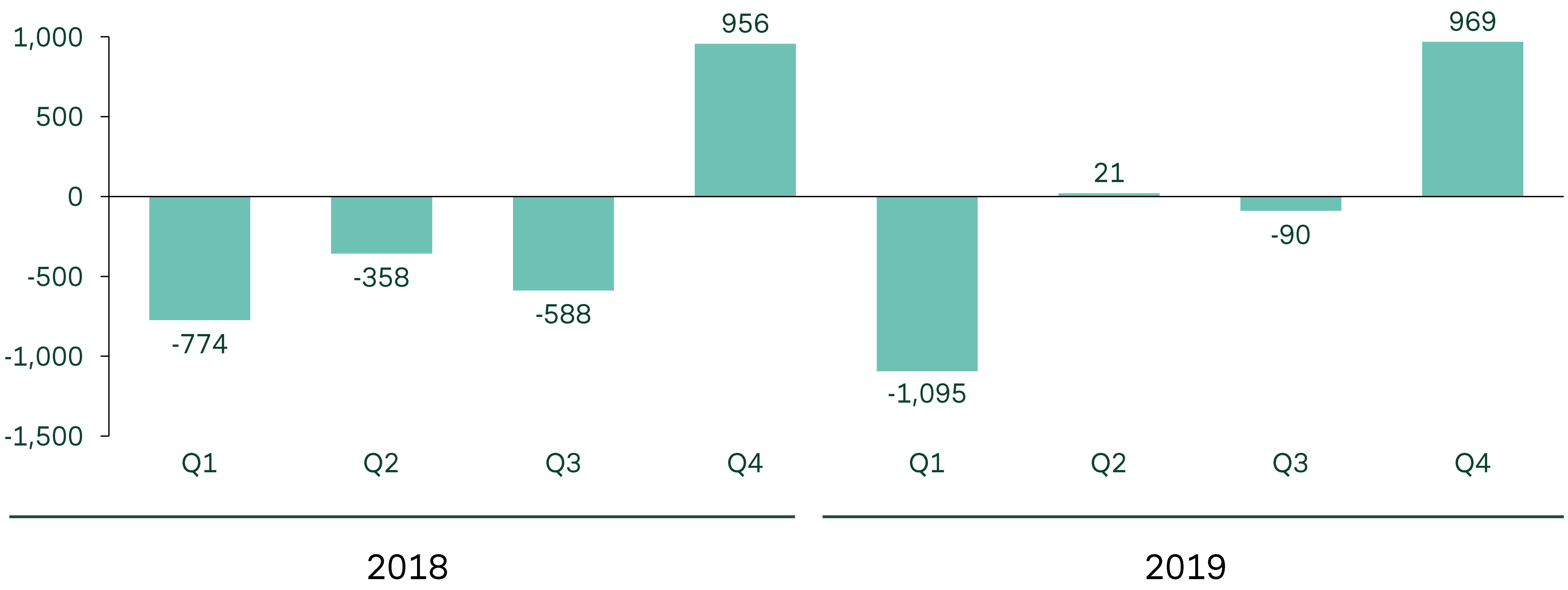


Strong cashflow 2019

	2019	2018	2019	2018
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow before changes in working capital	986	977	772	1,379
Divestments of housing projects	5,510	4,659	12,902	11,082
Investments in housing projects	-4,062	-3,334	-13,919	-13,445
Other changes in working capital	-1,005	-1,305	624	354
Cash flow from operating activities	**1,429**	**997**	**379**	**-630**
Investing activities	-460	-41	-517	-135
Cash flow before financing	**969**	**956**	**-138**	**-764**

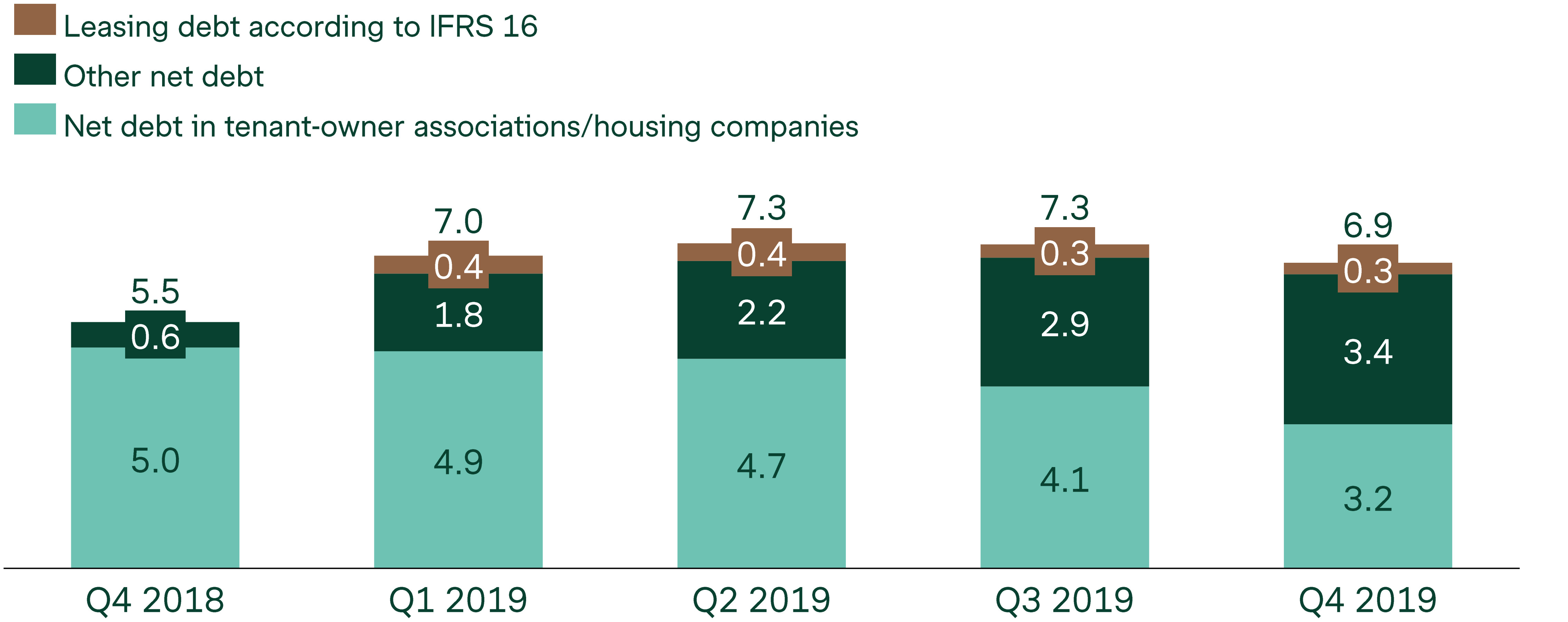
Cashflow follows seasonal patterns

Cashflow before financing

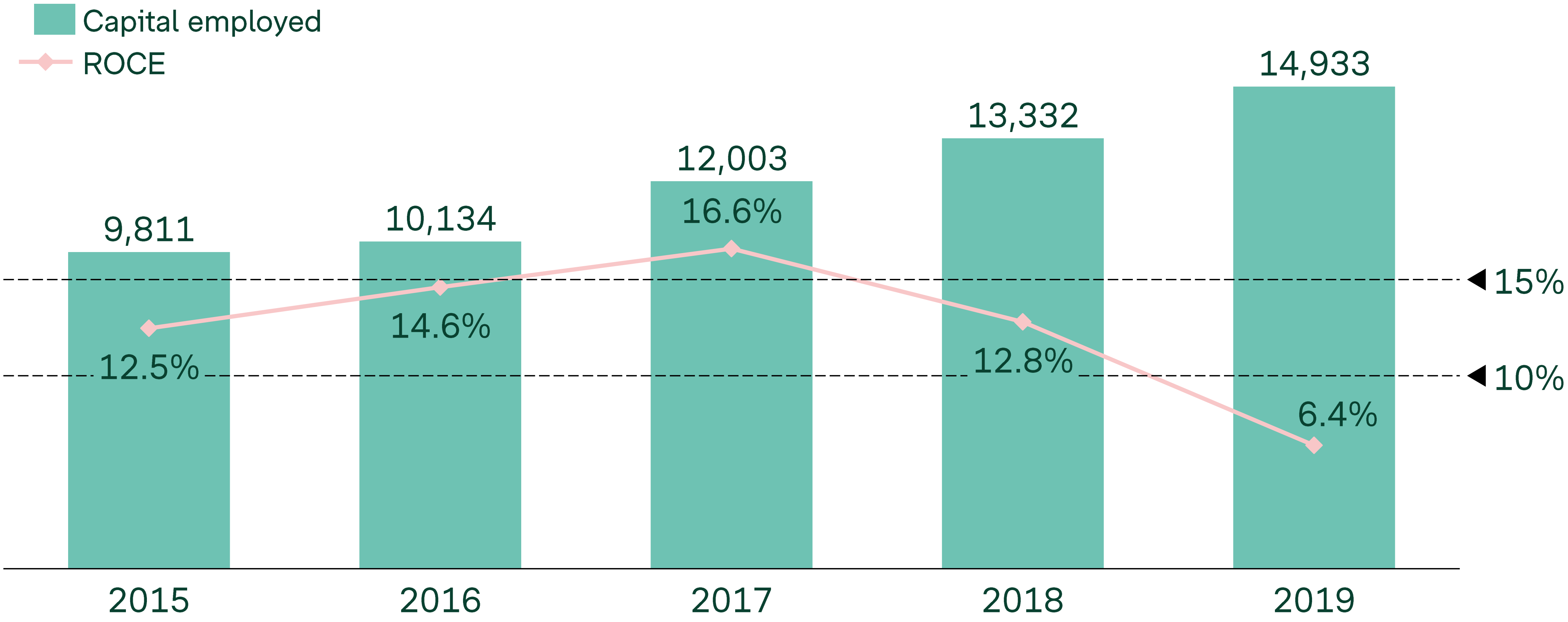


Net debt decreased in Q4

Net debt (SEK Bn)



Capital employed increase due to higher investments



Summary

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Consolidation and market adaptation lay the ground for 2020

- Solid performance in Germany
- Strong sales in Sweden
- Weak Nordic performance but new processes in place to improve cost control
- Entering Oslo region, acquisition in Urbanium
- Solid financial position
- Pick up in starts in Germany and Sweden expected 2020

Q&A

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