



Press release, 2 February 2023

Bonava revises its financial targets

Bonava's Board of Directors has today decided to revise the two financial targets that were set in 2021. Earnings before tax and the number of homes sold are no longer deemed to be relevant indicators, and are instead being changed to the following: the Group's operating margin will amount to at least 10 per cent on an annual basis from 2026, and the net debt/equity ratio will not exceed 1.0x. The other four strategic targets remain unchanged.

At the end of 2021, we presented a revised strategy and two financial targets for 2024 and 2026, which expressed profit in absolute terms and significant growth. Our strategy stands firm, but external conditions have changed significantly and it is very difficult to make the multi-year volume-based forecasts that served as the foundation of the previous targets.

In light of this, two new financial targets are presented today. The first is that the Group's operating margin will amount to at least 10 per cent on an annual basis from 2026. The second is that the company will use its capital efficiently with a net debt that will not exceed 1.0x of visible shareholders' equity. We believe that the new indicators will provide a clearer assessment of the company's target fulfilment towards value-generating sustainable profitability.

- We have decided to put profitability first and are clearly linking our targets to this. Our ambition is to deliver a good return for our shareholders and sustainable homes in happy neighbourhoods for our customers, says Peter Wallin, President and CEO.

We are continuously reviewing the company's portfolio and geographical footprint to increase profitability and capital efficiency. Currently, the Norway business unit has relatively low business volumes and needs to make major investments in building rights. Accordingly, we have decided to review the options for the Norwegian operations, which includes a potential divestment of all or parts of the business, opportunities for identifying synergies with other business units or further streamlining of the current business.

For more information, please contact:

Lars Granlöv, CFO
lars.granlof@bonava.com
Tel: +46 790 631 609

Susanna Winkiel, acting Head of Investor Relations
susanna.winkiel@bonava.com
Tel: +46 704 618 282

Fredrik Hammarbäck, Group Head of Press and Public Affairs
fredrik.hammarback@bonava.com
Tel: +46 739 056 063



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Bonava is a leading residential developer in Europe with the purpose of creating happy neighbourhoods for the many. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 2,100 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Norway, St. Petersburg, Estonia, Latvia and Lithuania, with net sales of approximately SEK 15.5 Bn in 2021. Bonava's shares and green bond are listed on Nasdaq Stockholm.

For more information about us, visit: bonava.com