

Press release 1 February 2024

## Bonava's year-end report 2023: Strong cash flow and lower net debt

### Fourth quarter, October – December 2023\*

- Net sales amounted to SEK 4,989 M (5,664)
- The underlying gross margin was 13.6 (14.3)
- The gross margin was 13.5 per cent (10.3)
- Operating profit before items affecting comparability totalled SEK 464 M (351) and the operating margin was 9.3 per cent (6.2)
- The quarter was charged with SEK -37 M (-56) classified as an item affecting comparability
- Operating profit after items affecting comparability totalled SEK 427 M (295) and the operating margin was 8.6 per cent (5.2)
- Cash flow before financing activities was SEK 940 M (-105)
- Earnings per share was SEK 2.70 (1.46)
- The number of housing units sold was 356 (605)
- The number of production starts was 394 (534)
- The number of building rights amounted to 28,900 (29,400)
- A financing package was presented on 20 December that entailed the extension of current bank financing of SEK 4.5 Bn over three years, an underwritten rights issue of not less than SEK 1 Bn and a three-year extension of the existing bond loan of SEK 1.2 Bn

### Twelve months, January – December 2023\*

- Net sales amounted to SEK 13,269 M (13,987)
- The underlying gross margin was 11.8 (14.8)
- The gross margin was 10.7 per cent (12.1)
- Operating profit before items affecting comparability amounted to SEK 660 M (858) and the operating margin was 5.0 per cent (6.1)
- Items affecting comparability totalling SEK -1,279 M (-56) were recognised during the year
- Operating profit after items affecting comparability amounted to SEK -619 M (802) and the operating margin was -4.7 per cent (5.7)
- Cash flow before financing activities was SEK 716 M (-3,345)
- Earnings per share was SEK -10.66 (4.10)
- The number of housing units sold was 1,493 (2,536)
- The number of production starts was 1,333 (2,513)
- The number of building rights amounted to 28,900 (29,400)
- The Board of Directors proposes that no dividend be distributed for the financial year 2023

\* Recognised revenue and profit pertain to continuing operations at the end of the period.

### Significant events after the end of the period

- On 3 January, Bonava sent notice about an Extra General Meeting regarding decision of the rights issue will be held on February 7.
- On 10 January, Bonava received approval from the noteholders to amend the terms and conditions under its outstanding SEK 1,200 M bond loan, which will take effect after the implementation of the right issue and the extension of bank financing.



- Bonava have finalised the negotiations with our lenders about the extension of credit facilities by three years based on the main conditions that was set in December 2023 and an agreement will be signed shortly.
- On 1 February 2024, Bonava announced revised financial targets. The target for the operating margin, at least 10 per cent by 2026, stands firm, while the net debt/equity ratio target will no longer apply. A new target has been added: return on equity is to be at least 15 per cent over time.

**President and CEO Peter Wallin comments:**

"Although it is too early to speak of an upturn, we have seen a steady increase in activity in the fourth quarter as regards the number of prospective buyers at showings and the number of bookings and sales. The market situation could still be rapidly impacted by changes in expectations regarding inflation and interest rates. During the quarter, 1,444 (1,668) housing units were recognised in profit, with net sales totalling SEK 5.0 Bn (5.7). Our underlying gross margin was 13.6 per cent (14.3), with the effects of selective price reductions bringing the margin down year-on-year.

We have deliberately held back on the number of production starts since the beginning of 2022 due to the heightened market risk. This will result in us having a substantially lower business volume in 2024. We have adjusted our costs accordingly. Our main focus will be on starting profitable projects when the conditions are right."

**Report presentation today at 09.30 a.m. CET**

The year-end report will be presented by President and CEO Peter Wallin and CFO Lars Ingman at 09.30 a.m. CET today at a webcasted conference. The webcast is accessible via this link:

<https://bonava.videosync.fi/2024-02-01-q4-2023>

To participate in the telephone conference, please register at:

<https://service.flikmedia.se/teleconference/?id=100386>

After registration you will be provided with a phone number and a conference ID to access the conference.

To be able to ask questions, please follow the webcast and ask your questions in the chat or call in and dial \*5 on your phone.

The presentation material and an on-demand version will be available at [bonava.com](https://www.bonava.com).

**For more information, please contact:**

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Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. With its 1,300 employees, Bonava develops residential housing in Germany, Sweden, Finland, Estonia, Latvia and Lithuania. To date, the company has built about 40,000 homes and reported net sales of approximately SEK 13 Bn in 2023. Bonava's shares and green bond are listed on Nasdaq Stockholm.

**For more information about us, visit:** [www.bonava.com](https://www.bonava.com)