

**SELVAAG** BOLIG

Q3 2020

Oslo, 11 November 2020  
Sverre Molvik, CEO



# Agenda

## Highlights

Operational and financial update

Market

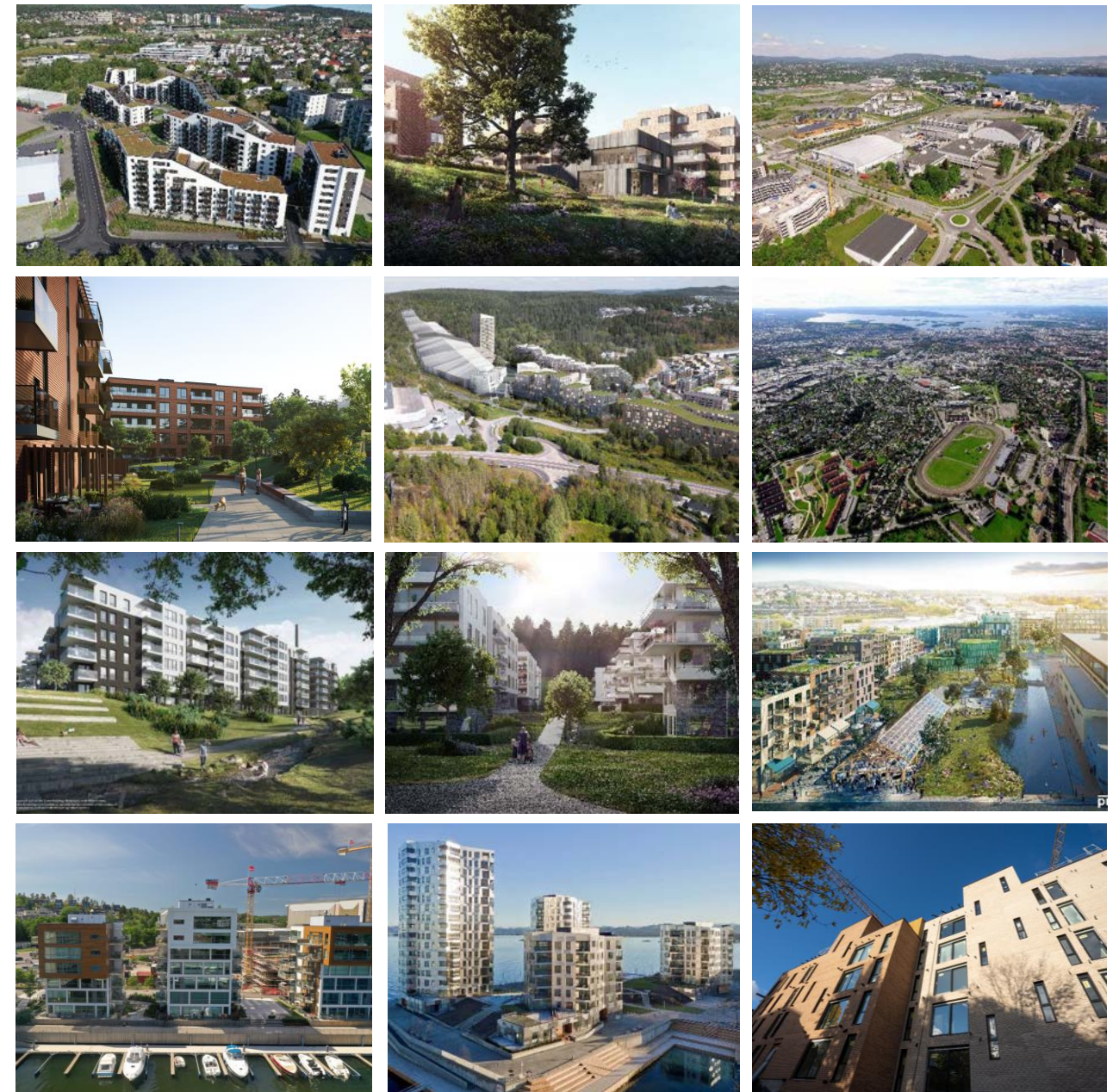
Outlook and summary





# Highlights Q3 2020

- Strong sales in turbulent market
- Sales value of units under construction up NOK 330 million
- Continued strong project margins
- Sverre Molvik new CEO



Completed, ongoing and upcoming projects

# Key financials Q3 2020

706

Operating revenues  
NOK million

707

Operating revenues (NGAAP)  
NOK million

18.1

Adjusted EBITDA\* margin  
Per cent

21.3

EBITDA\*\* margin (NGAAP)  
Per cent

\* EBITDA is profit before interest, taxes, depreciation and amortization.

\*\* EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies



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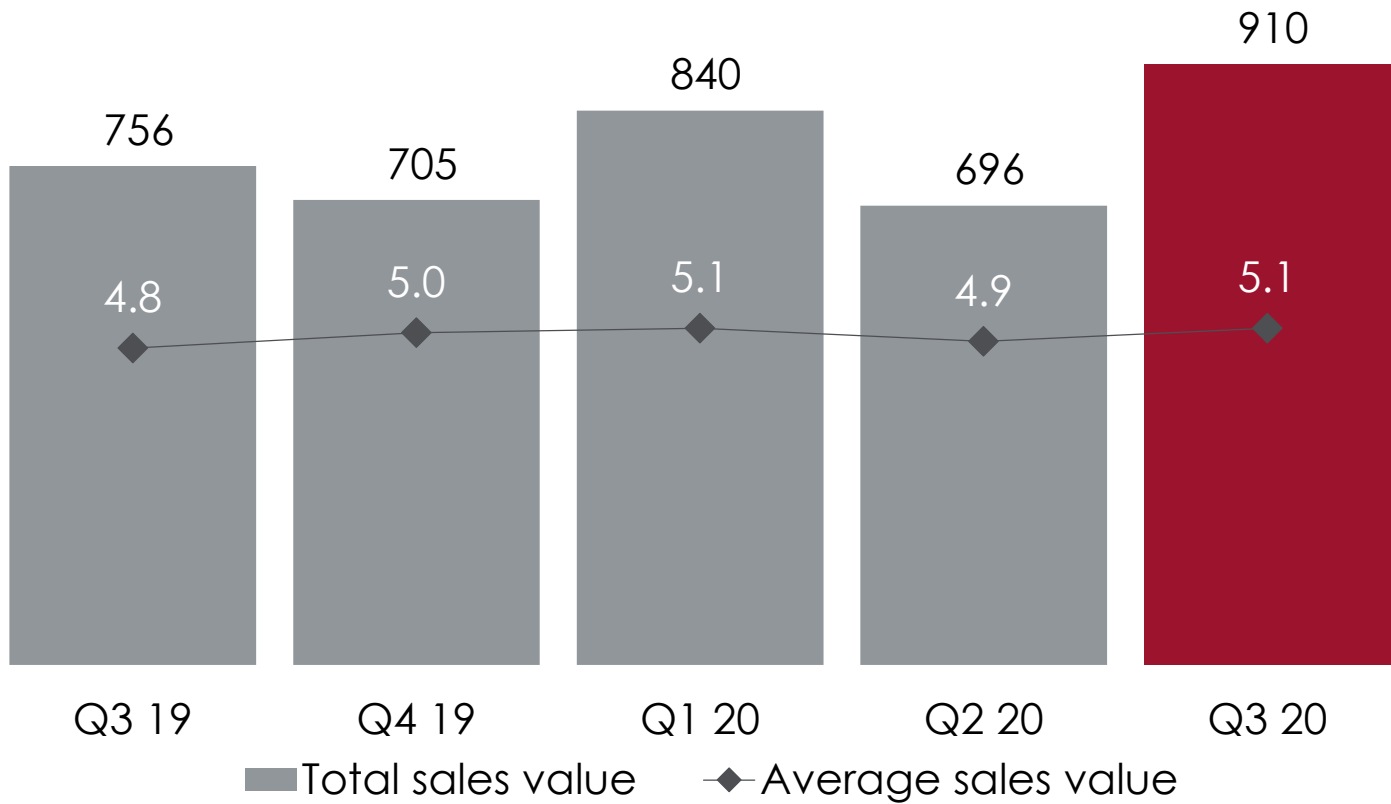




# Sales value and units sold

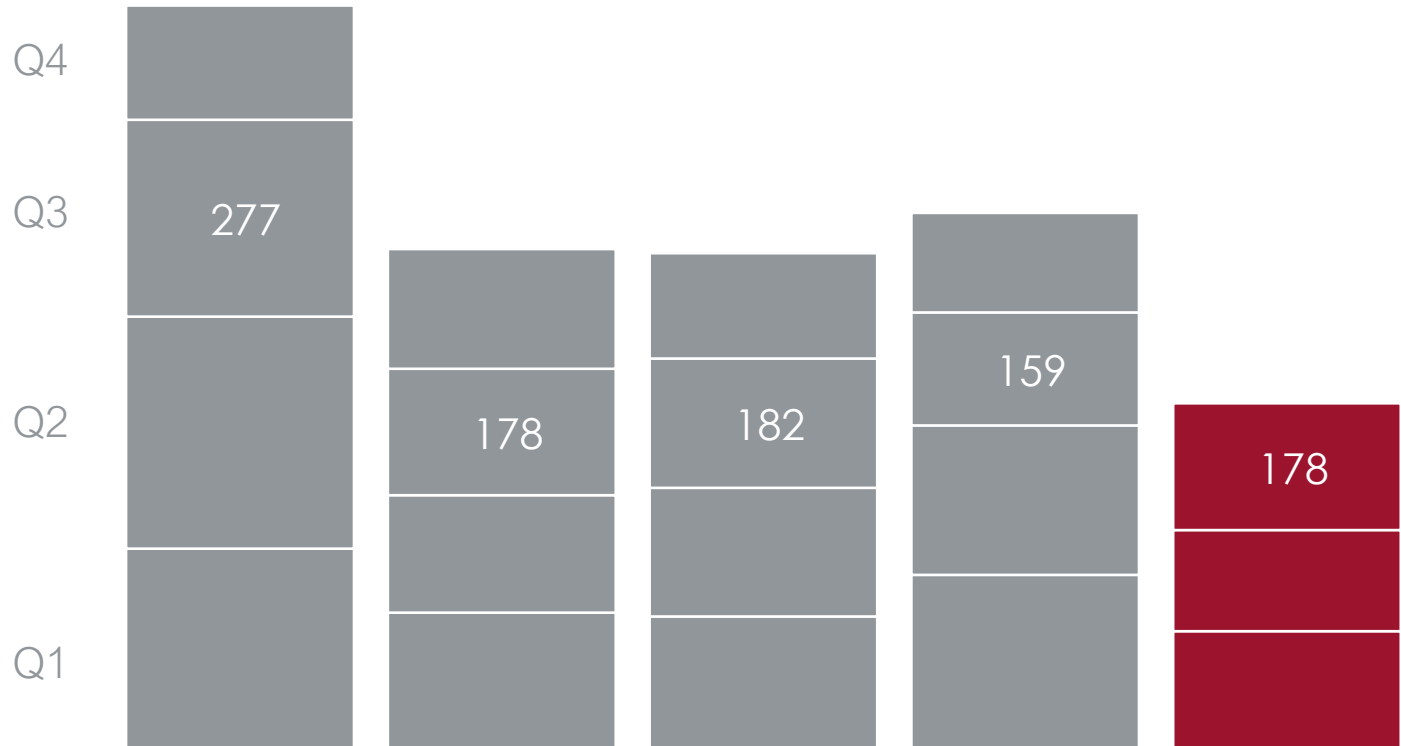
## Sales value

NOK million



## Number of units sold per quarter

Units



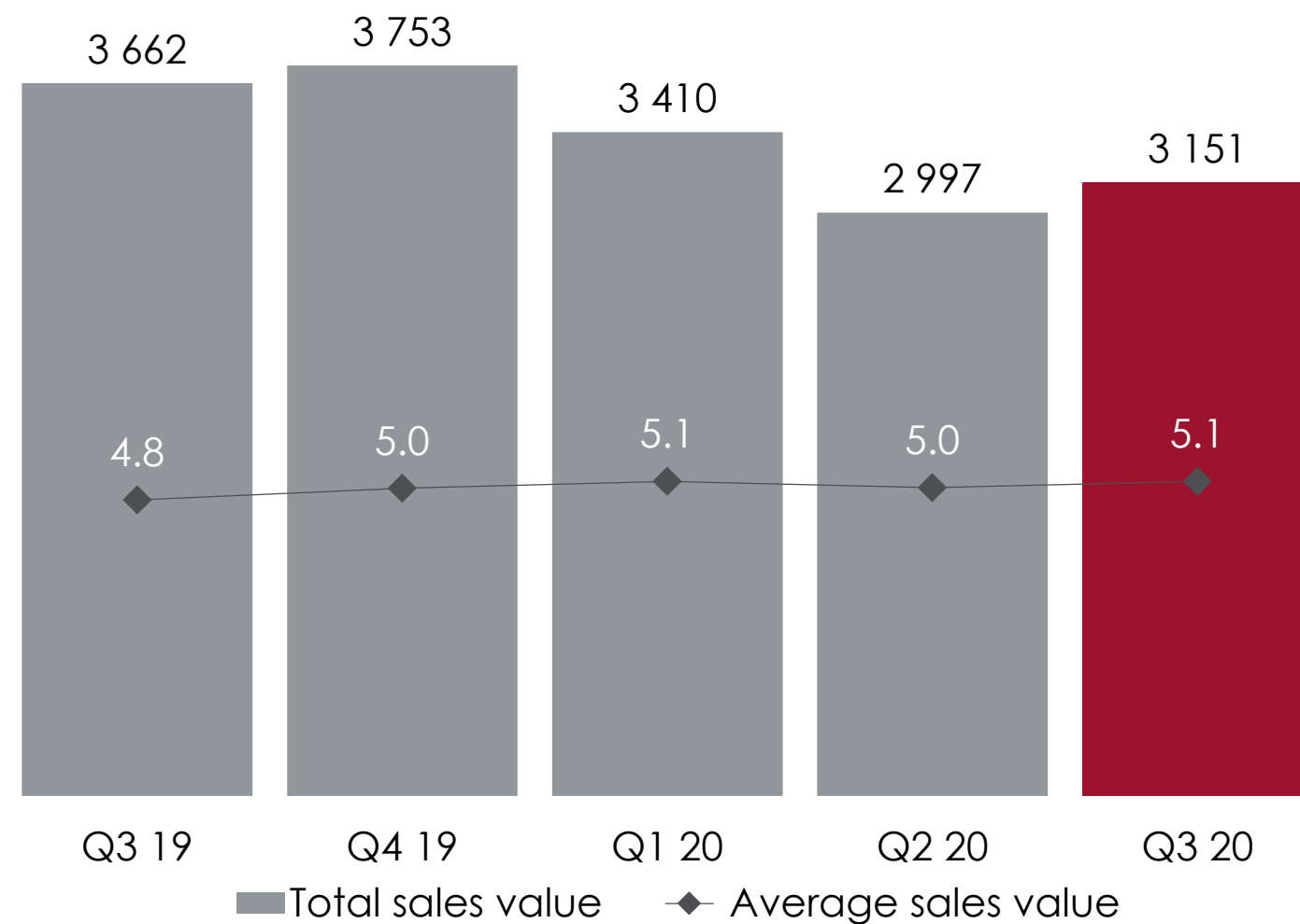
Annual sales	1 044	701	696	752	
9M sales	883	533	548	642	484

Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures

# Rolling sales value and units sold

## Sales value 12 months rolling

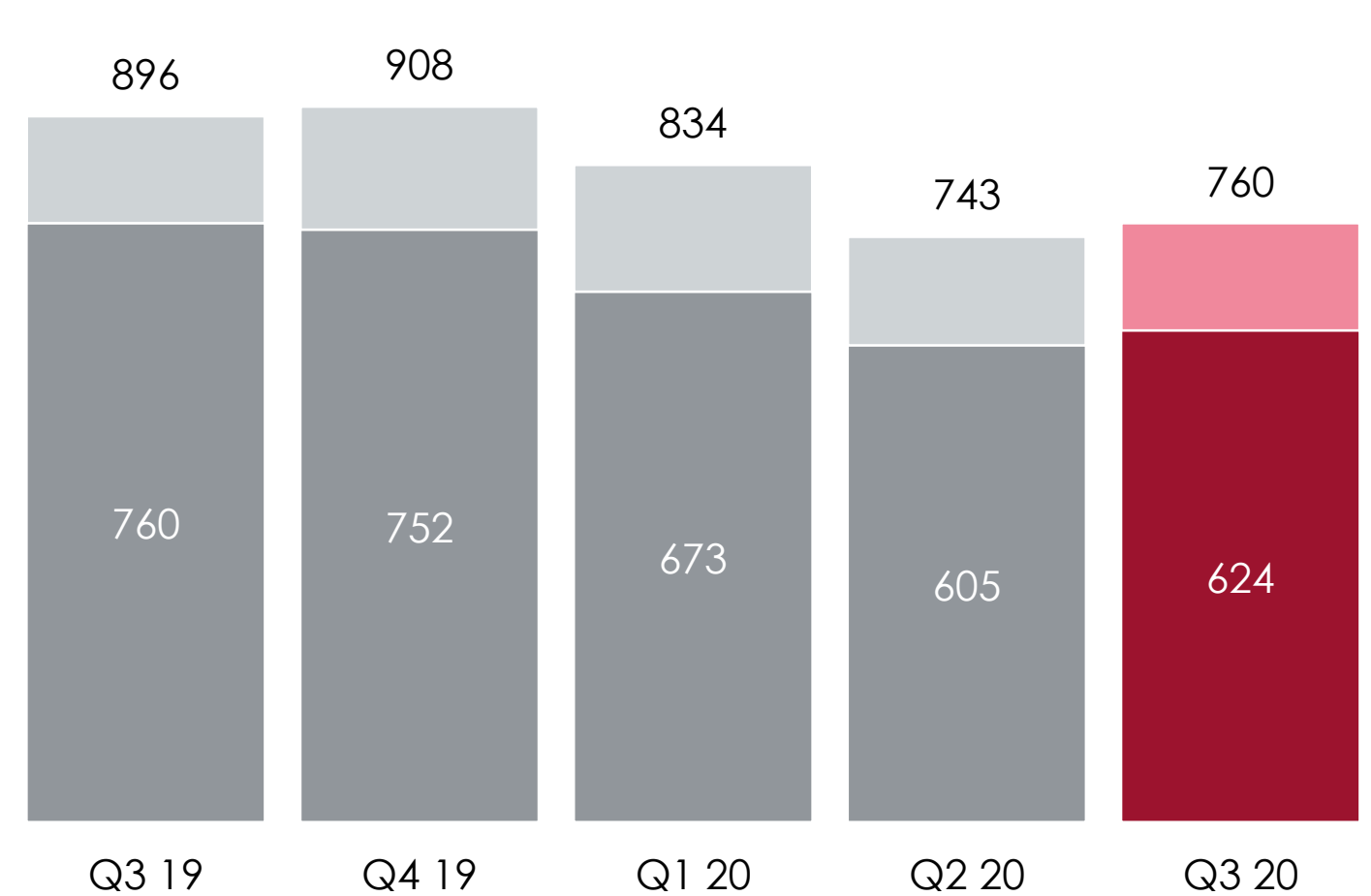
NOK million



Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures

## Units sold 12 months rolling

Units



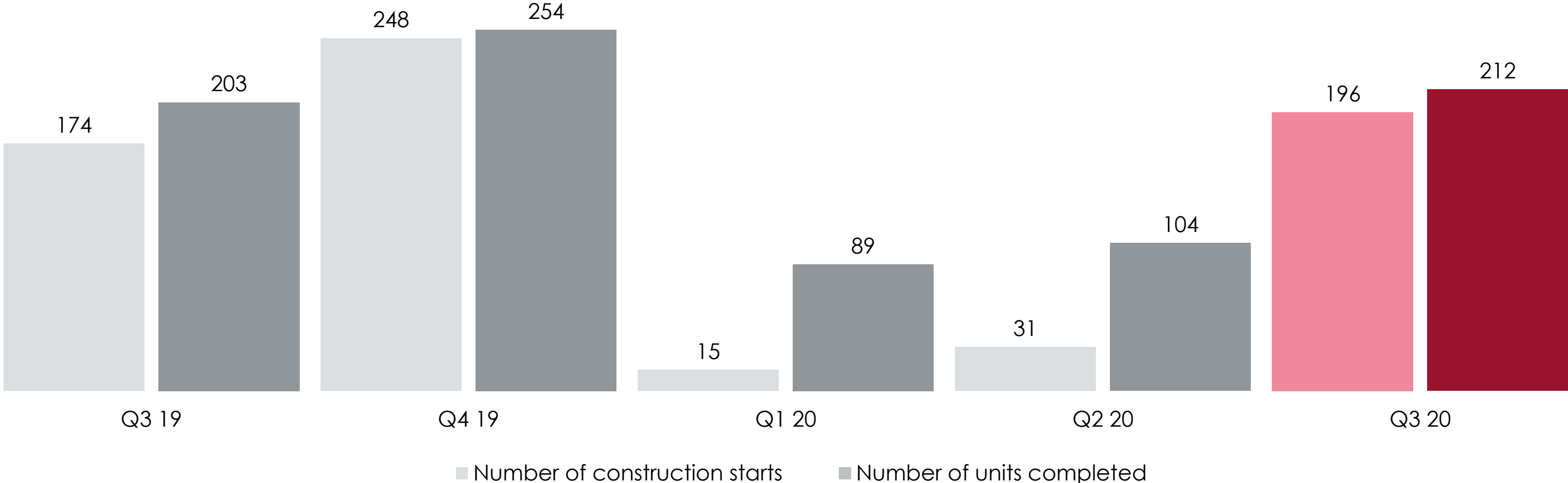
\*Total columns show Selvaag Bolig's gross sales

\*\*Columns excluding dotted areas show Selvaag Bolig's net sales

# Construction starts and completions

## Construction starts and completions per quarter

Units



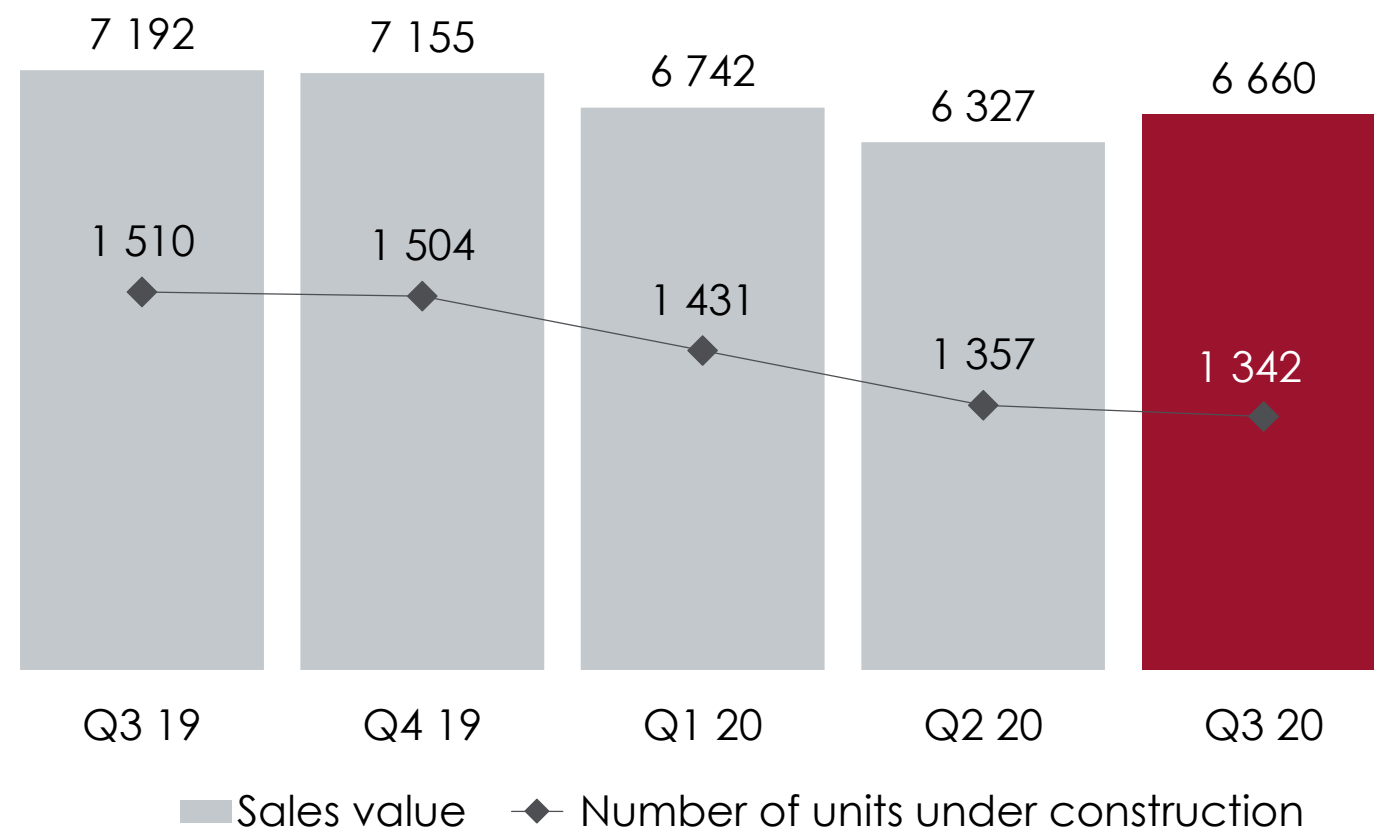
Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures



# Units under construction and completions

## Sales value units under construction

NOK million

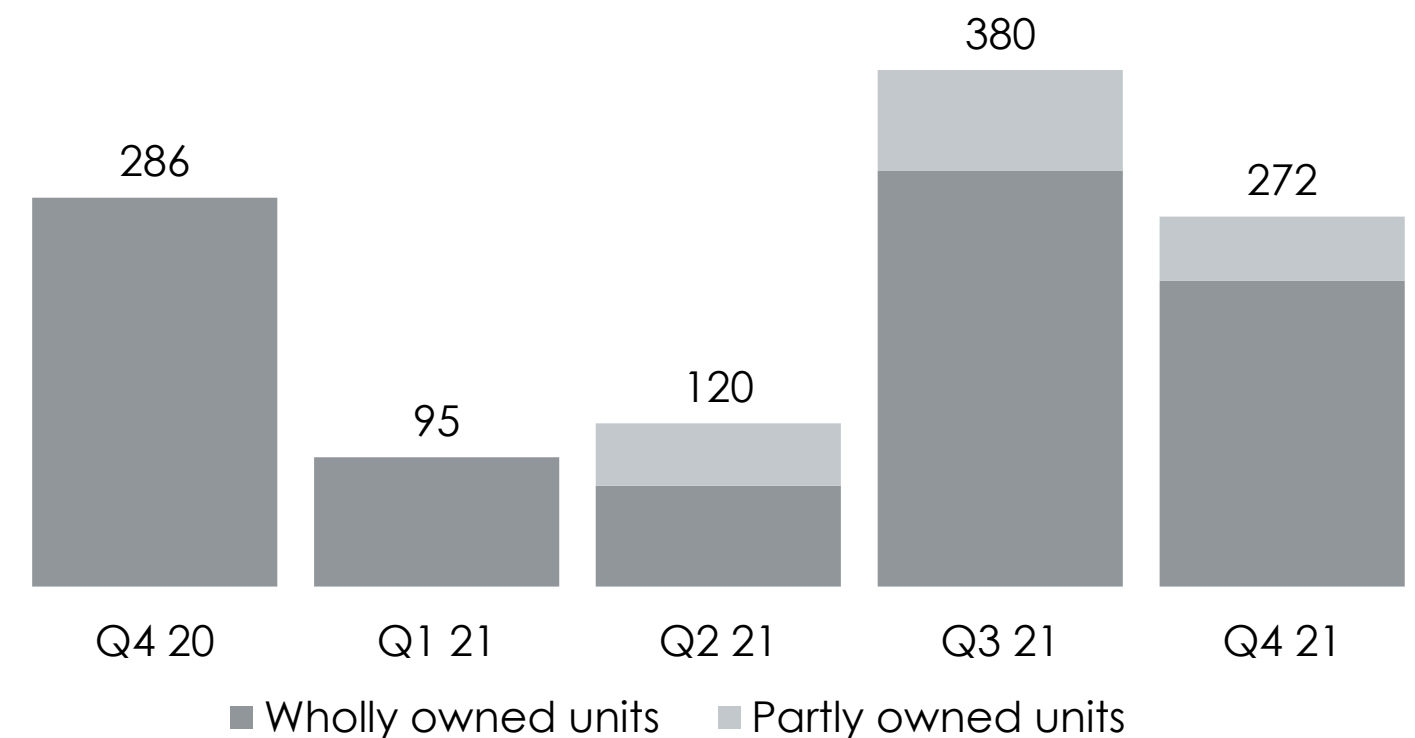


- Q3 2020: 77% of units under construction sold by Q3 2020
- Q3 2020: 99% of construction volume in Greater Oslo Area\*

Note: Sales value and number of units are adjusted for Selvaag Bolig's share in joint ventures  
 \* Includes: Oslo, Lørenskog, Follo, Tønsberg, Asker

## Expected completions per quarter

Units



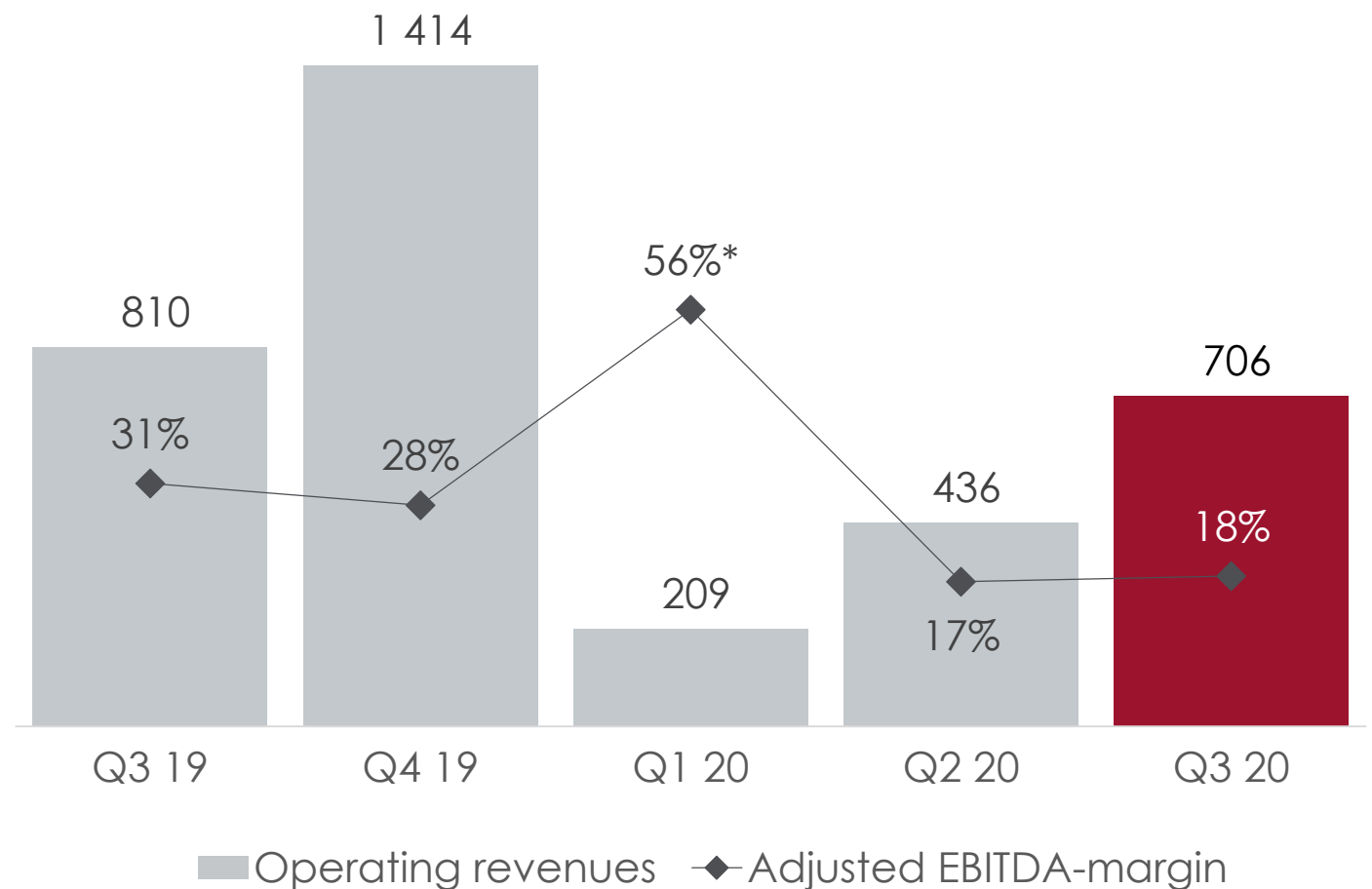
- Expected completions for the full year 2020: 691 units
  - In line with previous guiding
- 86% of 2020 completions sold by Q3 2020
- Expected completions for the full year 2021: 867 units

# Income statement highlights Q3 2020 (IFRS)

- 212 units delivered (243)
  - 18 units from share of JVs (46)
- Revenues NOK 706m (810)
  - Other revenues NOK 16m (21)
- Project costs NOK 562m (568)
  - Of which NOK 26m is interest (22)
- Other costs NOK 64m (72)
- Adjusted EBITDA\* NOK 128m (254)
- EBITDA\* NOK 102m (232)
- EPS in the quarter NOK 1.10 (1.97)

## Revenues and adjusted EBITDA margin\* (IFRS)

NOK million



\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

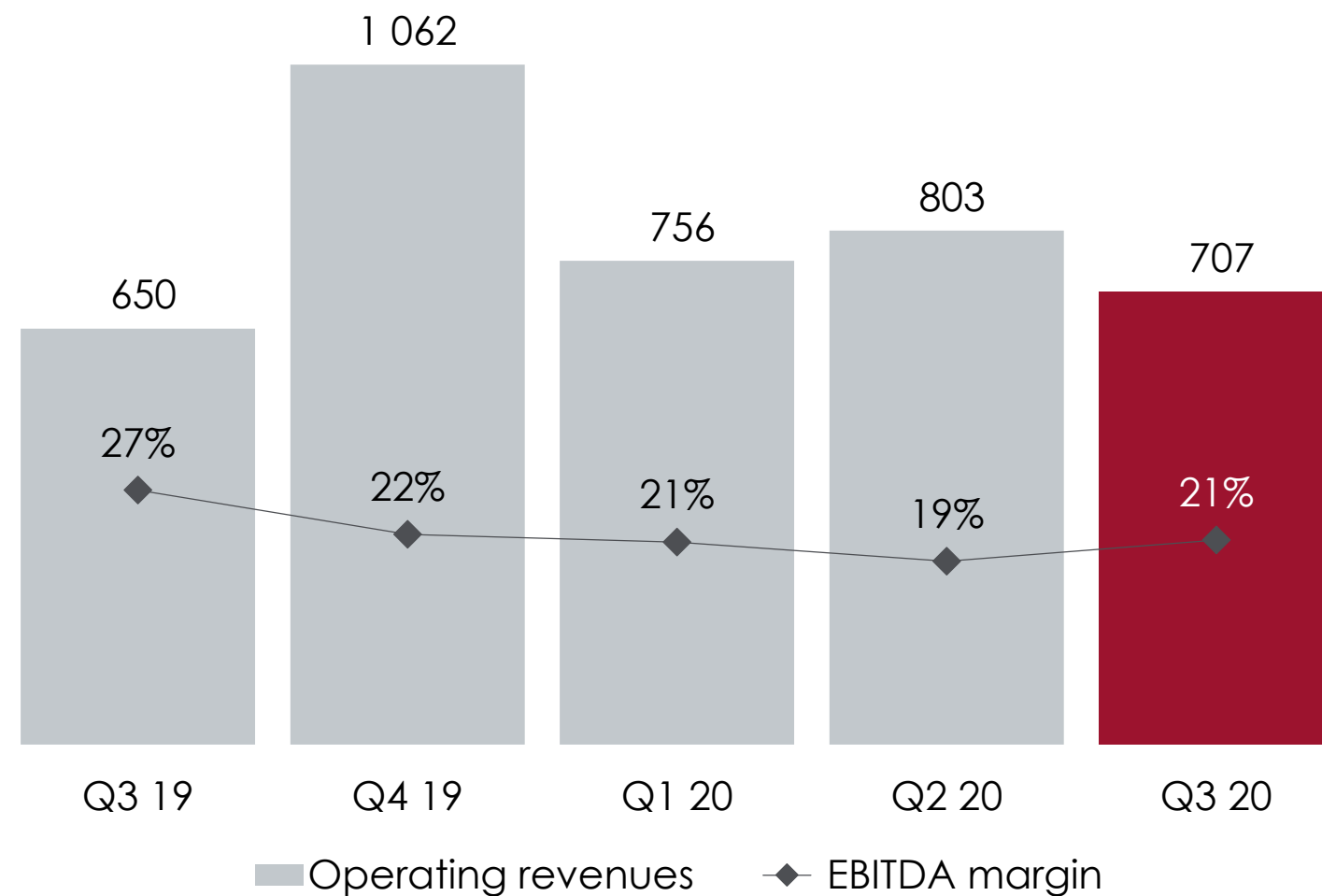
\*Q1 2020 adjusted EBITDA margins of 56.1% excluding other gains of NOK 1 029m



# Income statement highlights Q3 2020 (NGAAP)

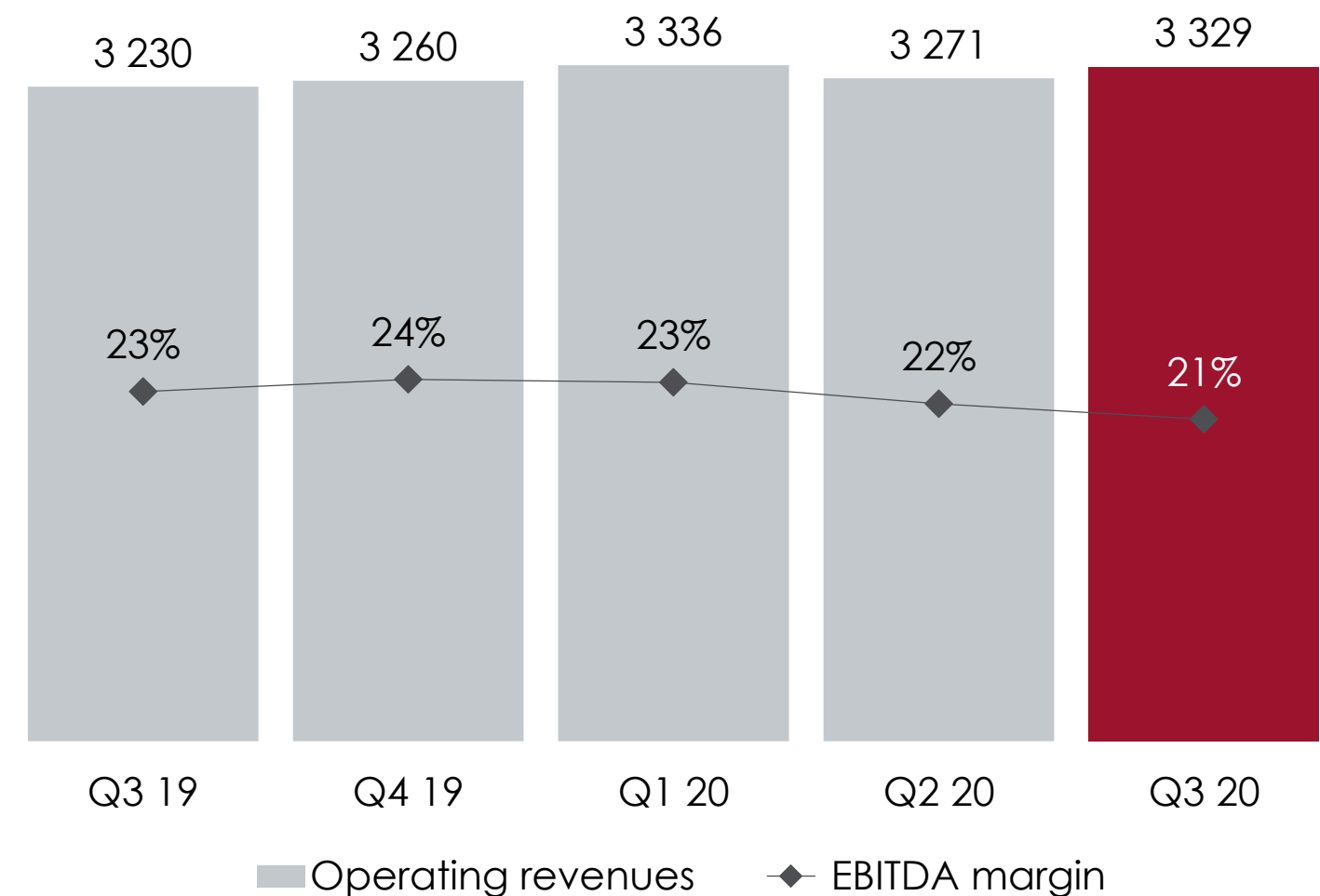
## Revenues and EBITDA margin (NGAAP)\*

NOK million



## 12 months rolling revenues (NGAAP)\*

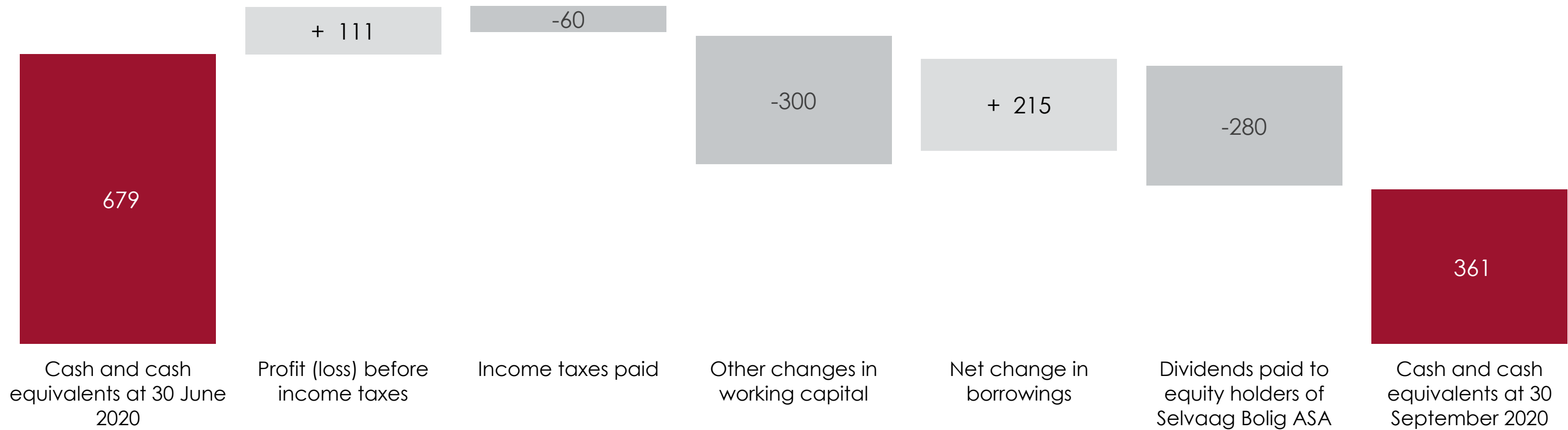
NOK million



\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP)  
 Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies

# Cash flow development Q3 2020

NOK million



- Cash flow from operations negative at NOK 267m mainly due to increase in short term receivables settled in October and income taxes paid
- Cash flow from investing activities positive at NOK 32m mainly due sale of financial investment and repayment of loans given
- Cash flow from financing activities negative at NOK 82m due to dividends paid, partly offset by increased construction loans

Note: Amounts below NOK 60m are excluded from the cash flow overview

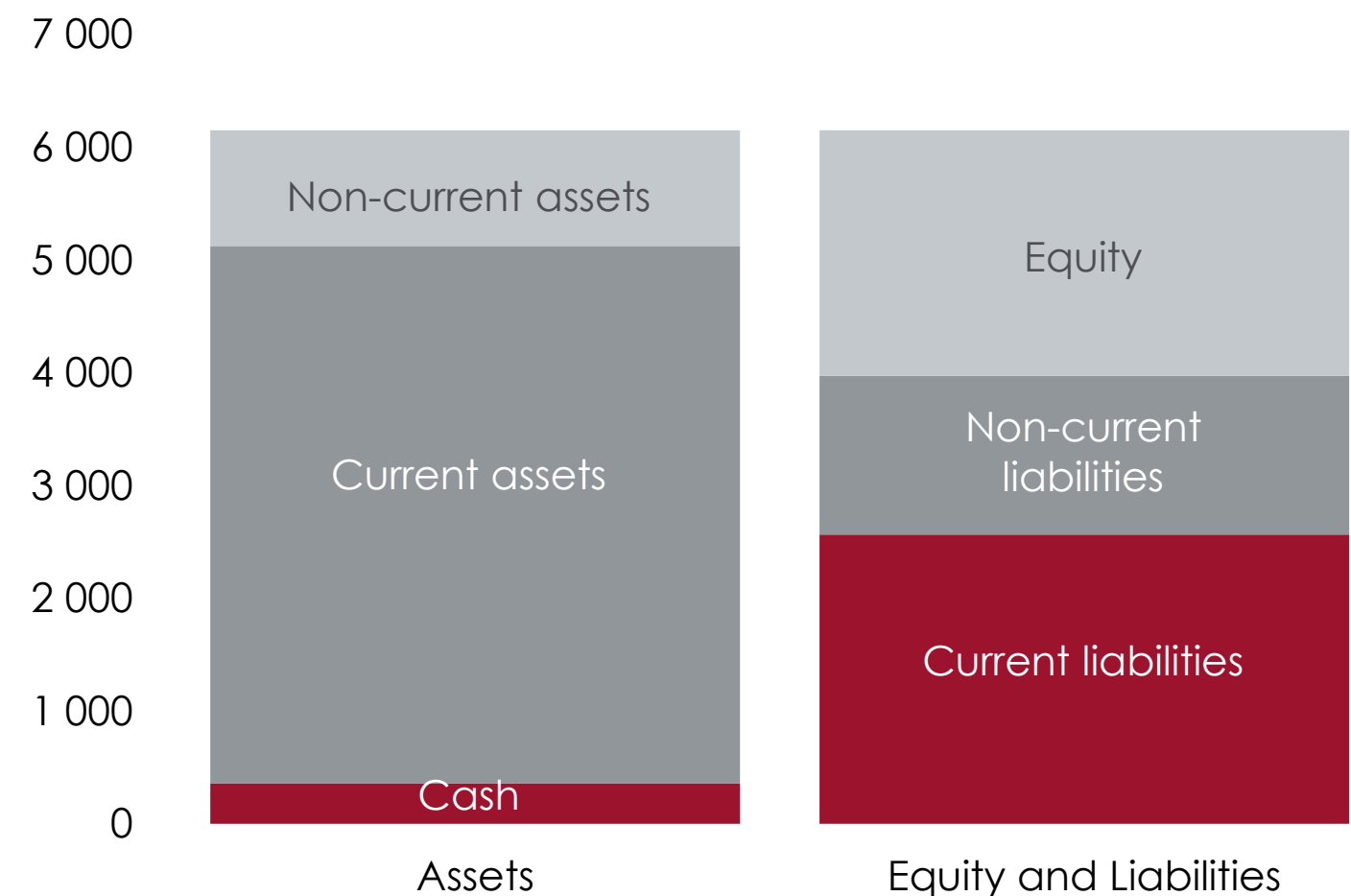


# Balance sheet highlights Q3 2020

- Book value of equity NOK 23.2 per share
  - Equity ratio down to 35.4% due to dividend
- Changes from Q2 2020:
  - Inventories decreased by NOK 2m
  - Trade and Other receivables increased by NOK 387m
  - Cash decreased by NOK 317m
- Prepayments from customers represents NOK 333m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million



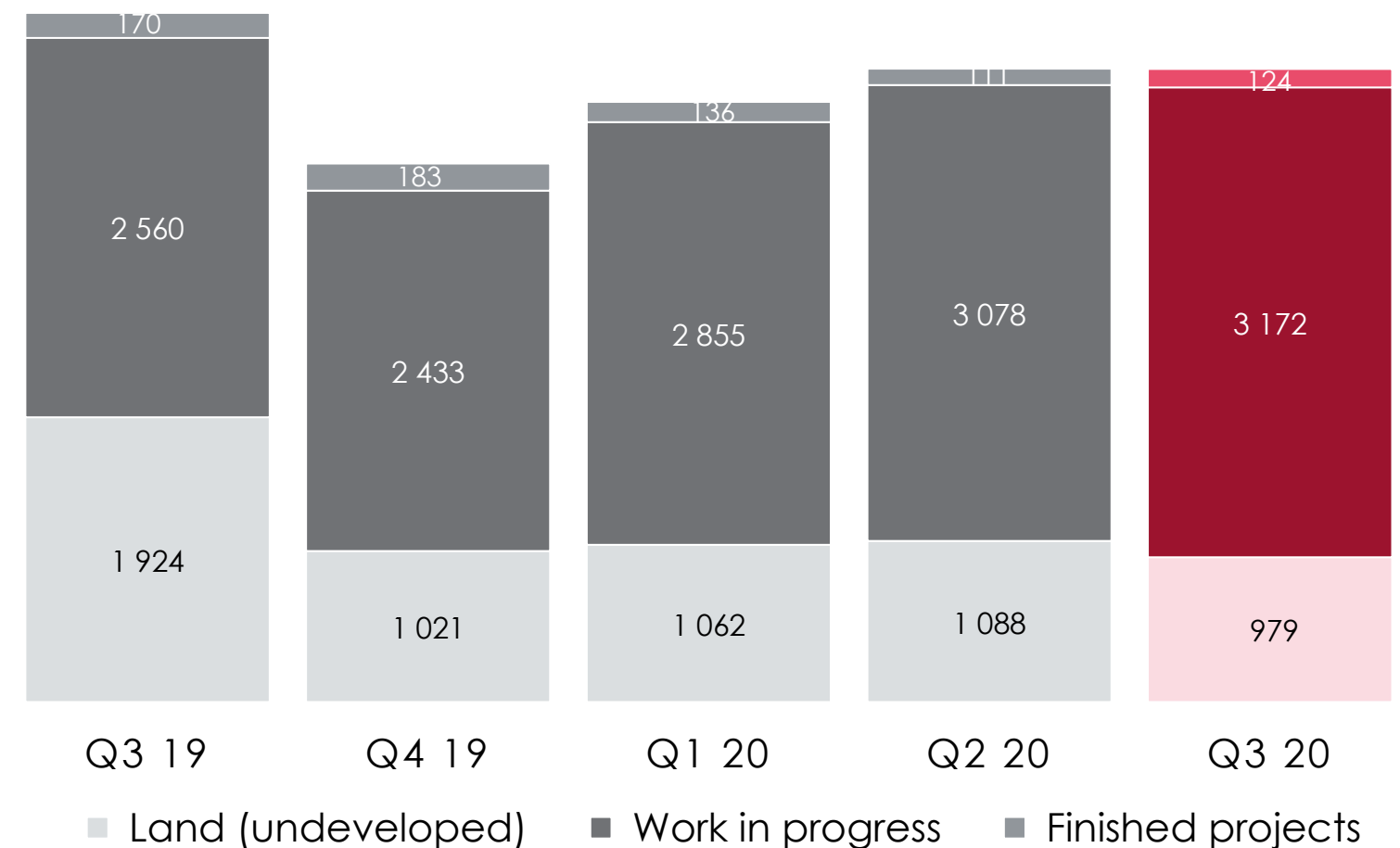
# Inventories (property) Q3 2020

Q3 20 vs Q2 20

- Land value down NOK 109m
  - Mainly due to construction starts
- Work in progress up NOK 94m
  - Mainly due to construction starts
- Finished goods up NOK 13m

## Inventory value development

NOK million



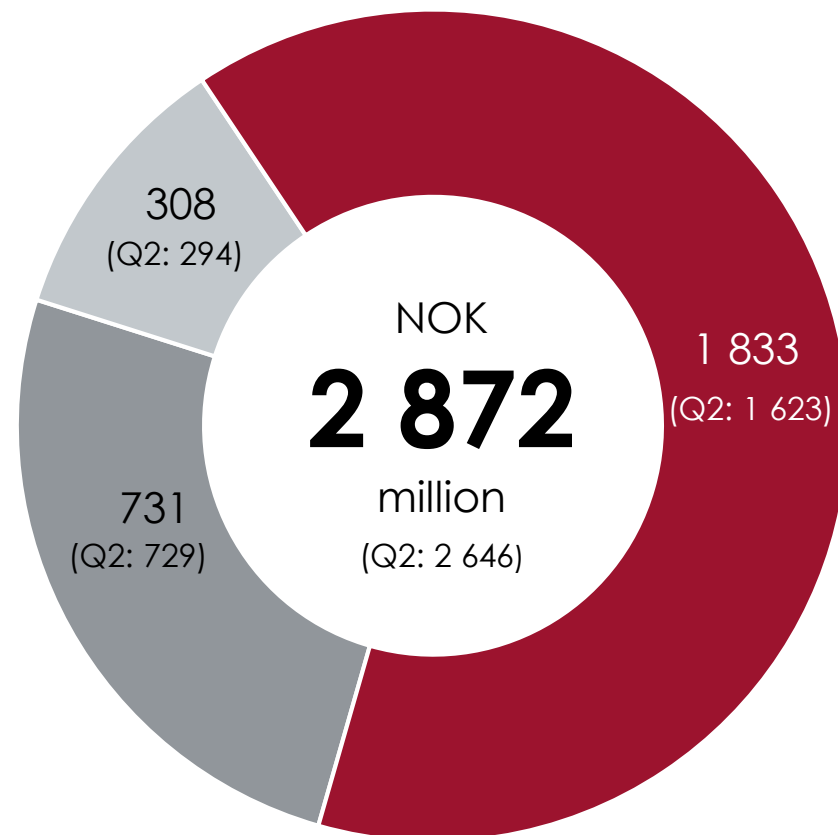
Note: UP transaction completed in Q12020. Land bank reduction of NOK 657 million booked Q4 2019 following reclassifications from land to assets held for sale.



# Debt structure

## Interest-bearing debt at 30.09.20

NOK million



■ Land loans Urban Property\* ■ Land loan ■ Construction loan

	Loan facility	Drawn at 30.09.20 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 833	1.75% - 2.60%
2	Land loans Urban Property**	731	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	308	2.00% - 2.50%
4	NOK 150 million revolving credit facility from DNB maturing in 2022	0	3.40%
5	NOK 150 million working capital facility from DNB maturing in 2020	0	2.00%

**Total Q3 2020 net interest-bearing debt NOK 2 510 million**

Total Q2 2020 net interest-bearing debt NOK 1 968 million

\* Repurchase agreements portfolio B

\* Margin to 3m NIBOR

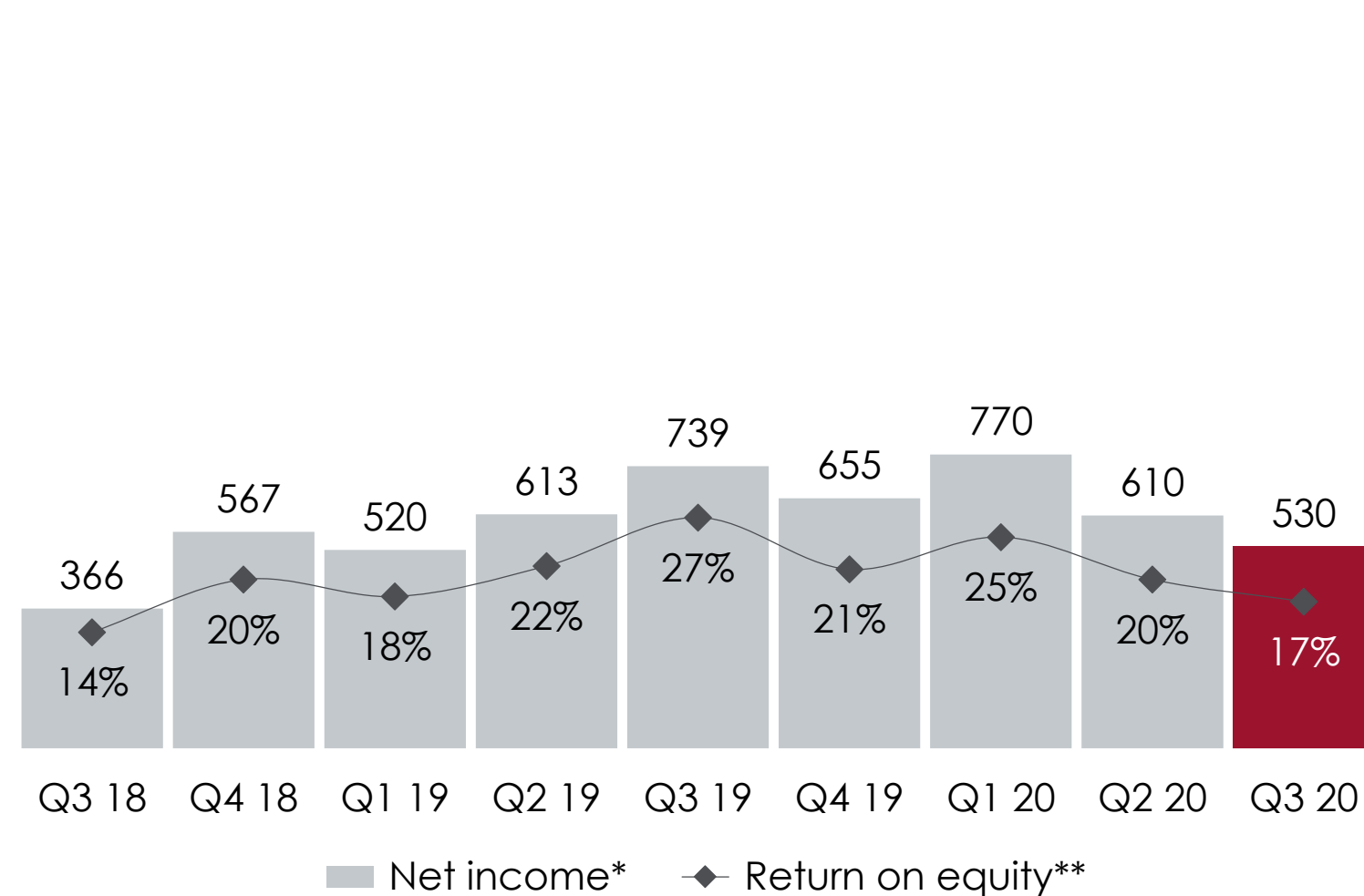
\*\* Repurchase agreements portfolio B

\*\*\* + 2.00% fee at property repurchase

# Return on equity (IFRS)

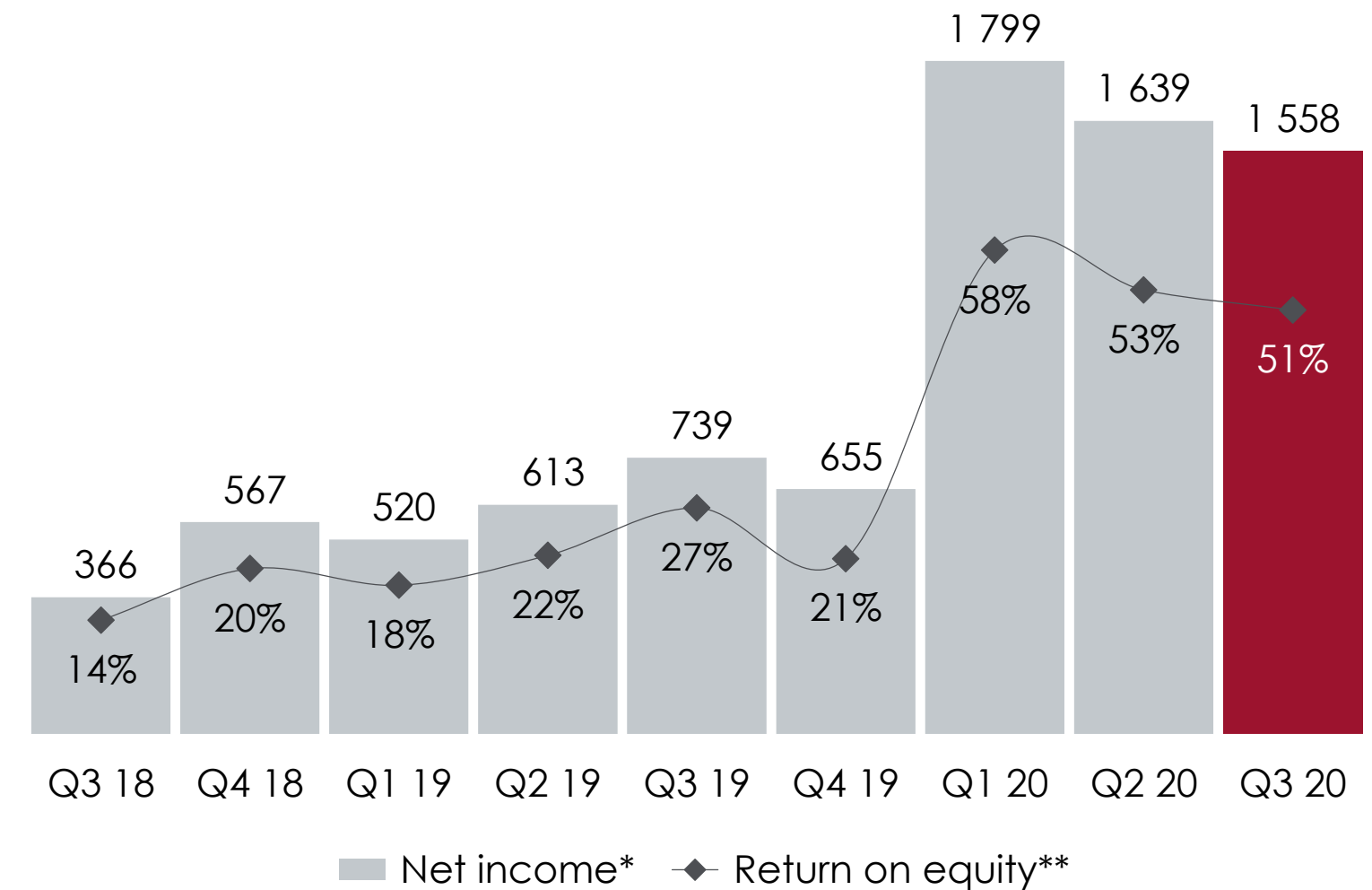
## 12 months rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding Other gains of NOK 1 029m



## 12 months rolling net income (NOKm) ROE (%)

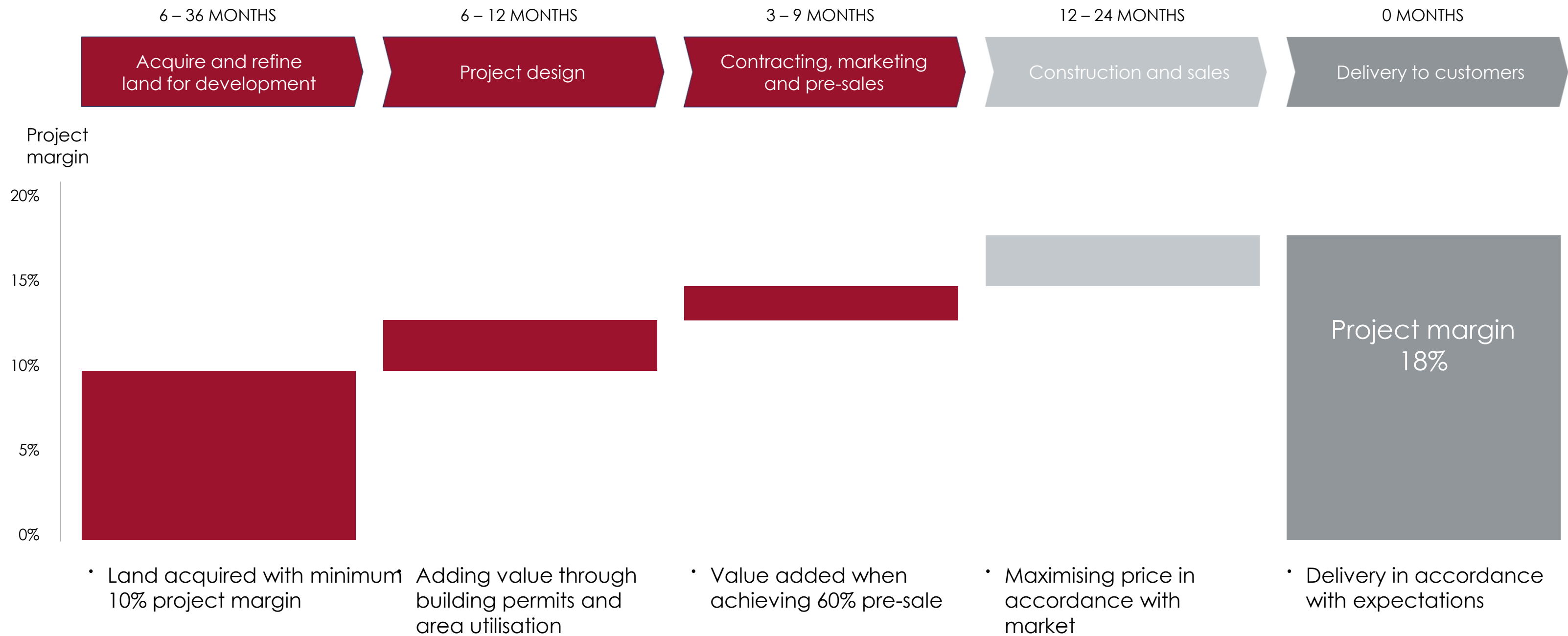
Q1 2020 Net income including Other gains of NOK 1 029m



\* Net income attributable to shareholders in Selvaag Bolig ASA

\*\* Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA)

# Margin development through project stages\*

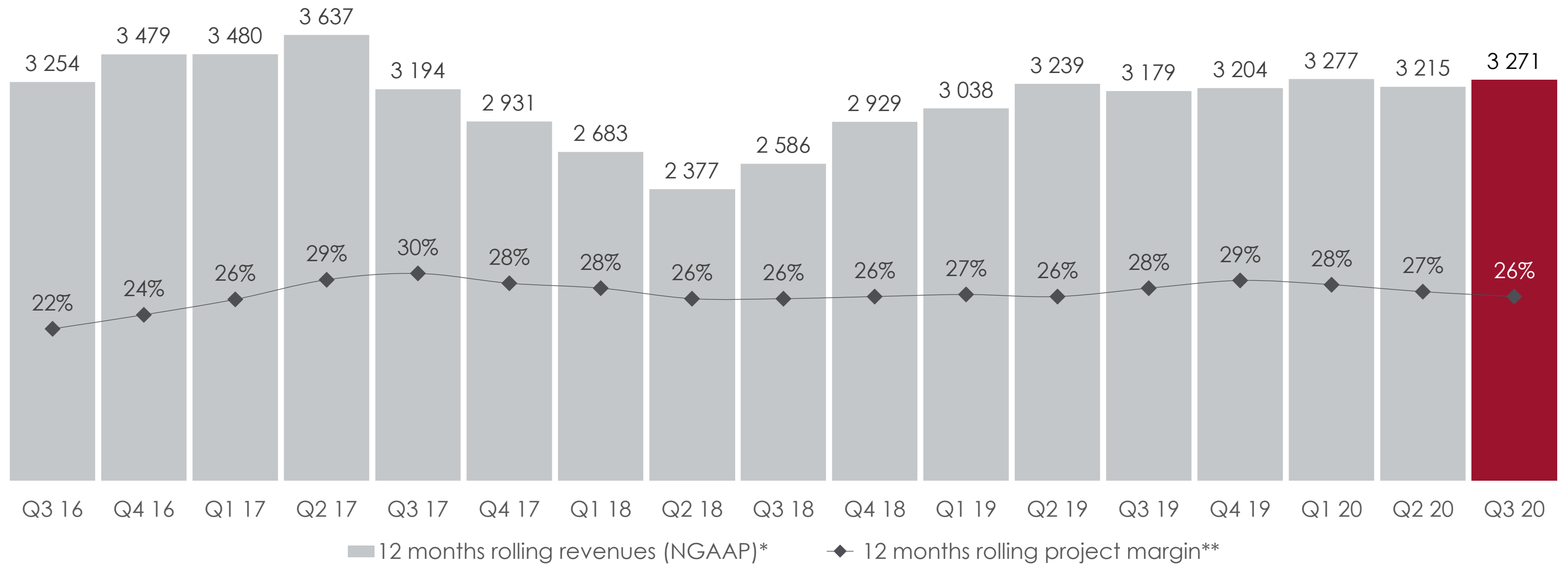


\* Assuming flat market development



# Project margin development

NOK million



\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP)

\*\* Project margins are exclusive of overhead costs



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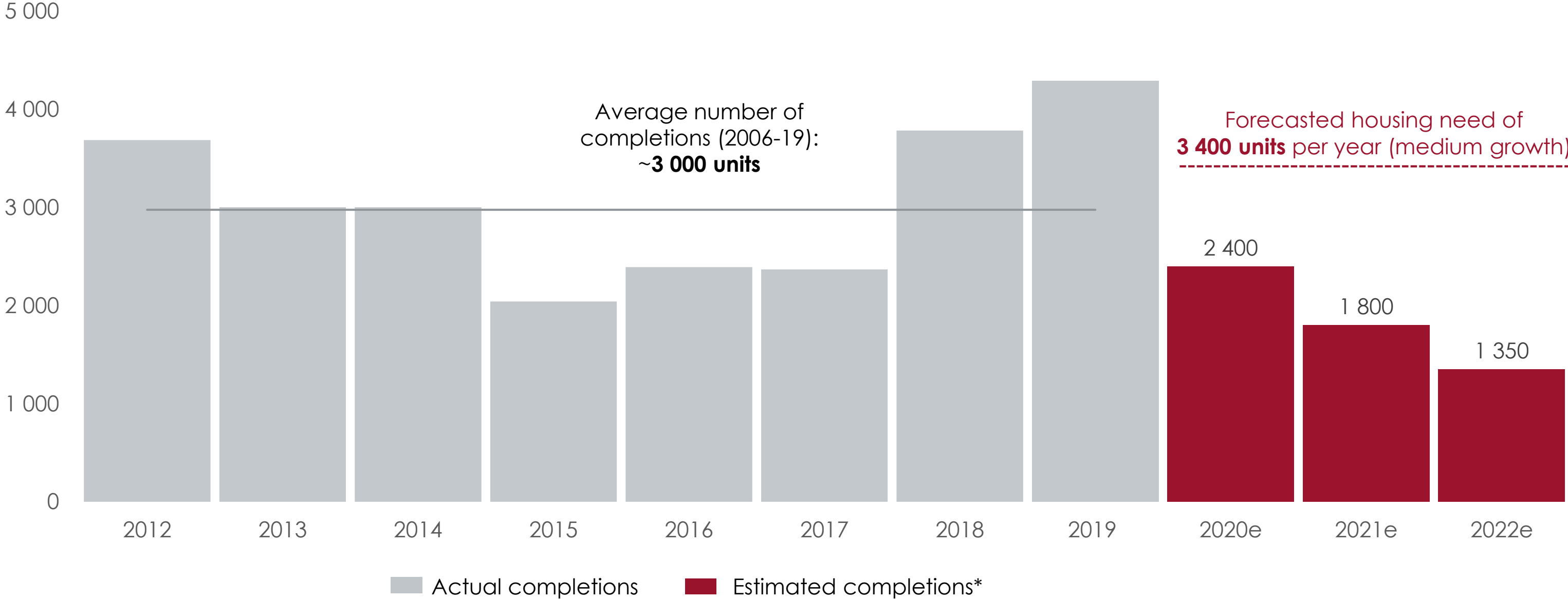
Market

Outlook and summary





# Estimated completions in Oslo well below forecasted need



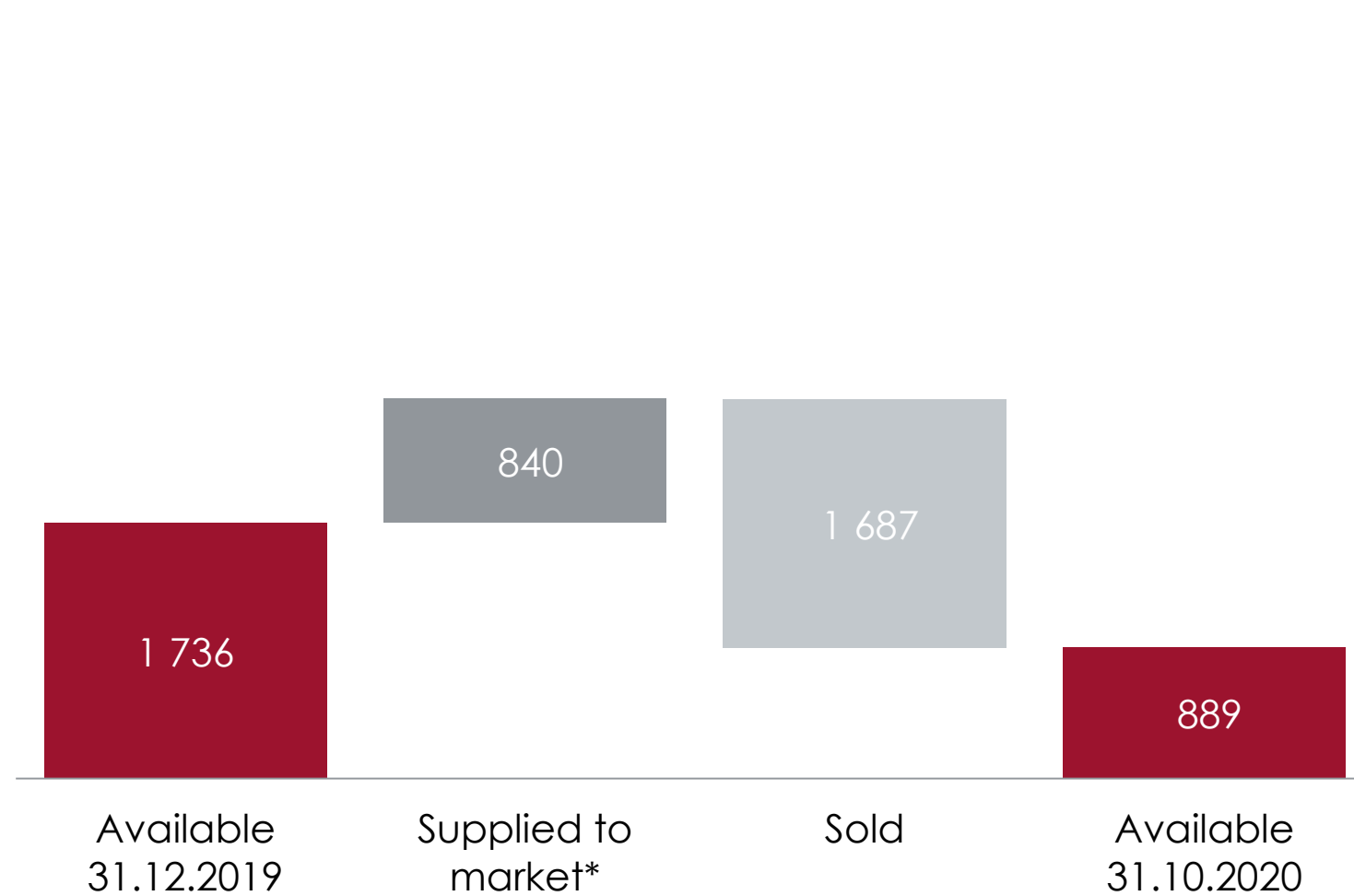
Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: Econ, Forecasted housing need: Prognosesenteret  
 Note: Number of persons per household in Oslo: 1.90  
 Note: Housing demand calculated on parameters such as number of persons per household, lag on housing development, housing demolition  
 Note: Completions exclusive of student- and senior housing  
 \* Estimates based on actual start and time of construction



# Newbuild market update

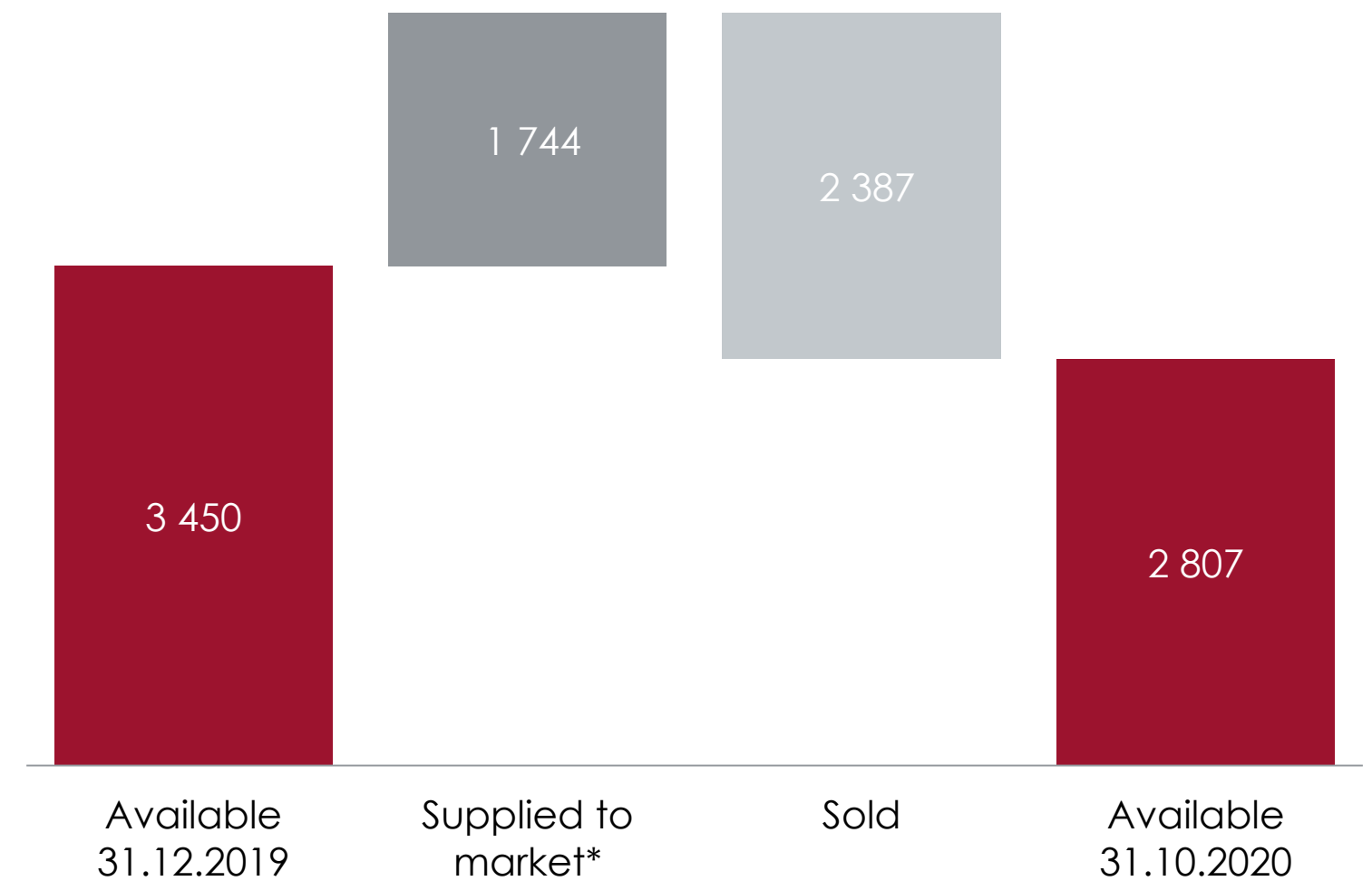
Oslo – 1.1.20 - 31.10.20

Units



Viken ex. Buskerud and Østfold – 1.1.20 - 31.10.20

Units



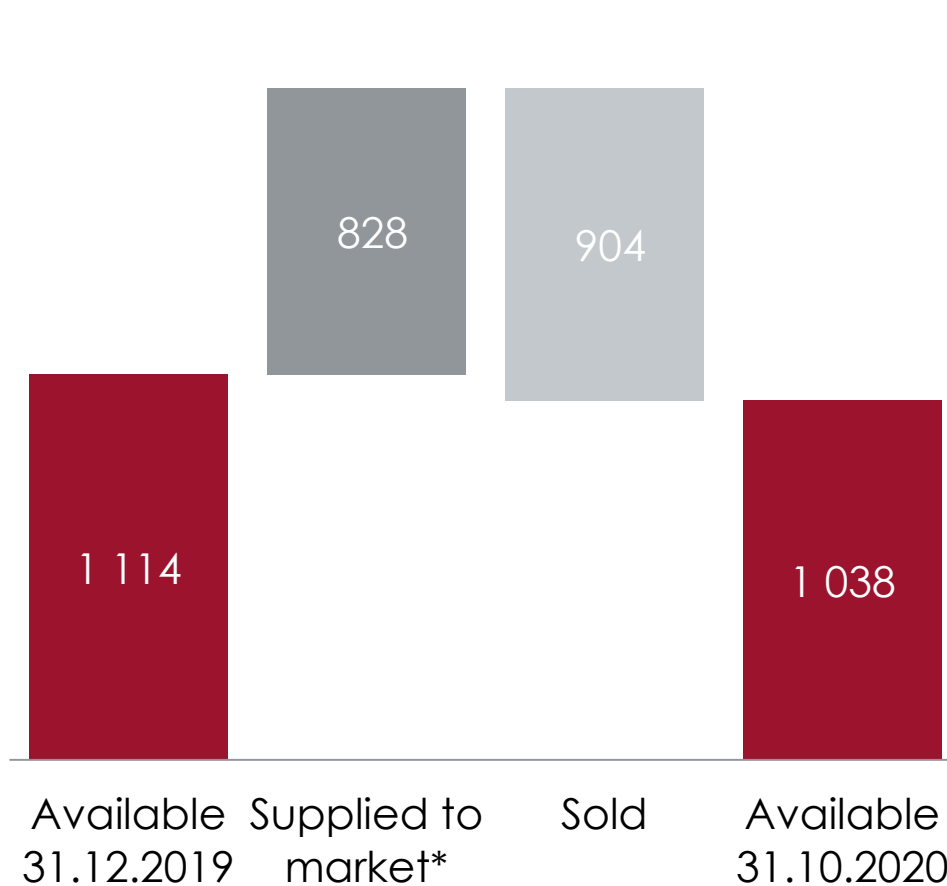
Source: SA - ECON Nye Boliger

\* Adjusted for temporary withdrawals or cancellations during the period

# Newbuild market update

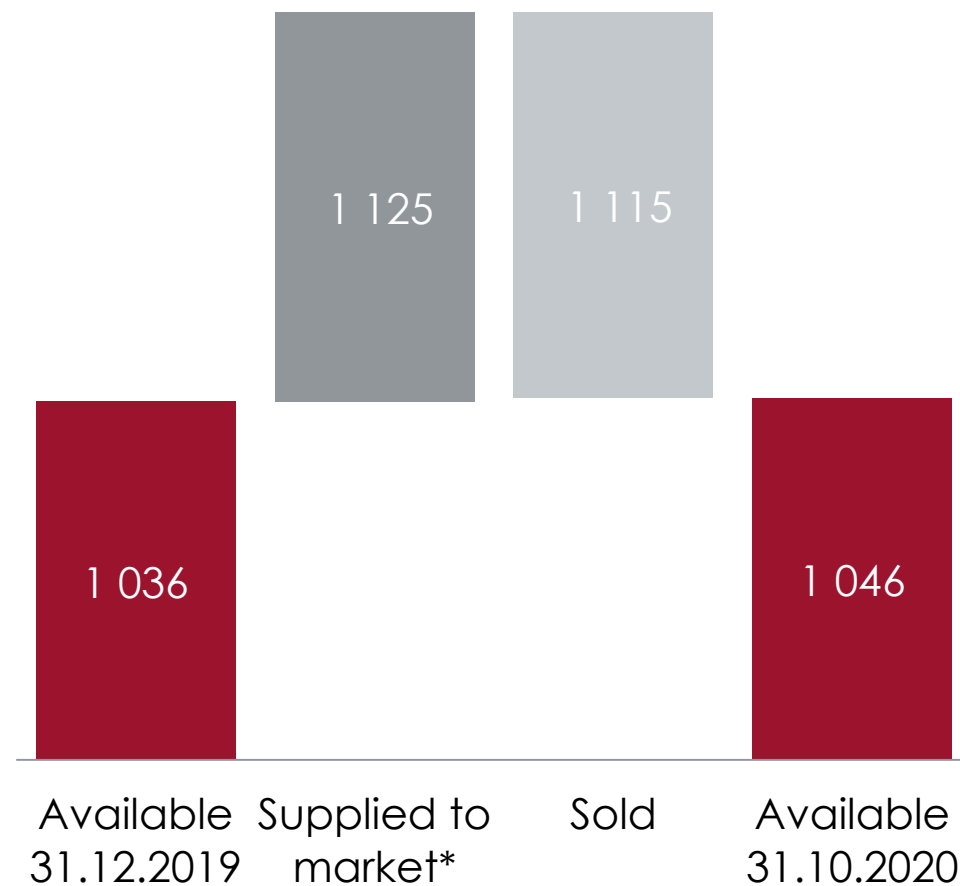
Bergen – 1.1.20 - 31.10.20

Units



Trondheim – 1.1.20 - 31.10.20

Units



Stavanger & Sandnes – 1.1.20 - 31.10.20

Units



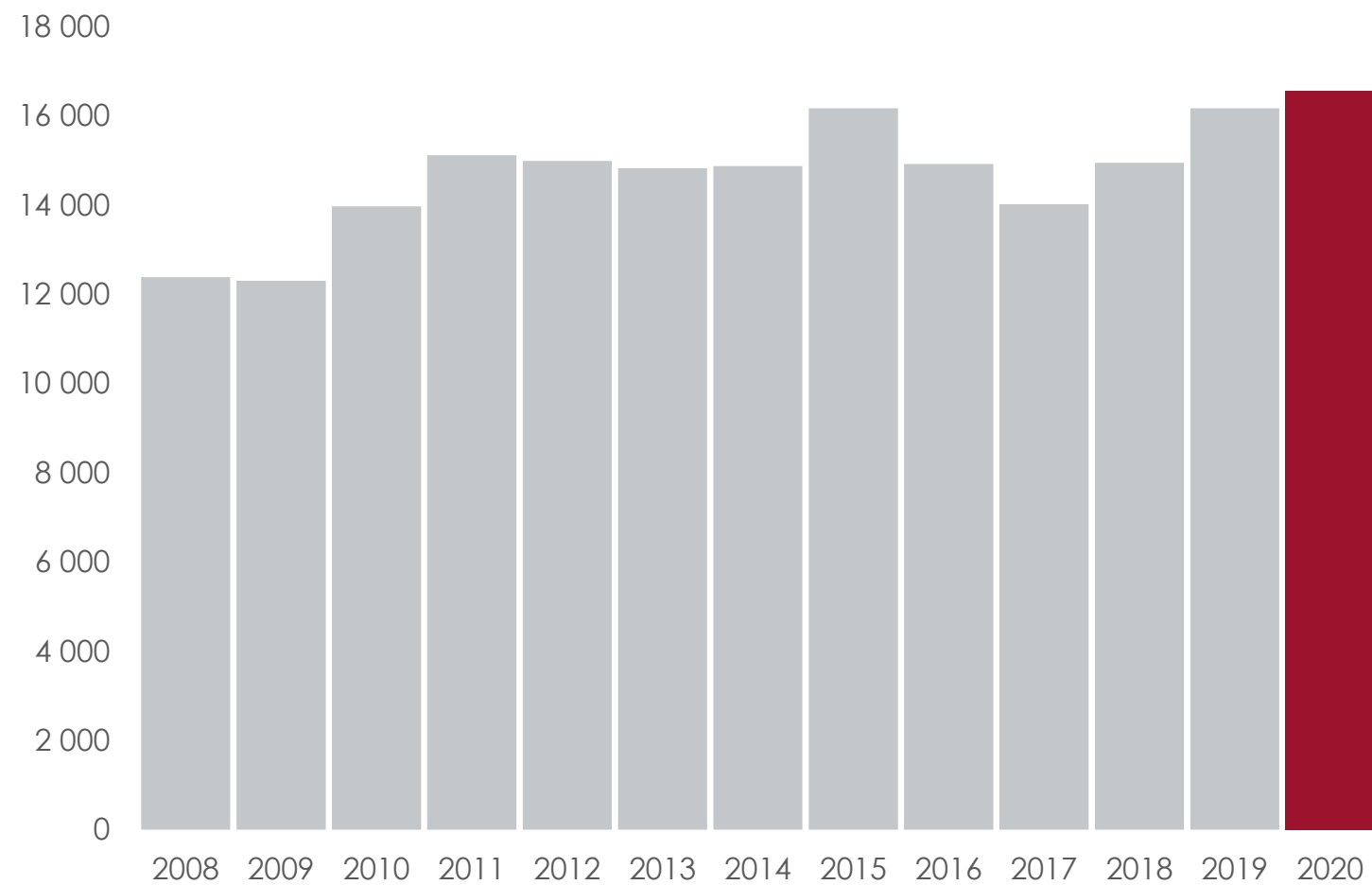
Source: SA - ECON Nye Boliger

\* Adjusted for temporary withdrawals or cancellations during the period

# Oslo second-hand market update

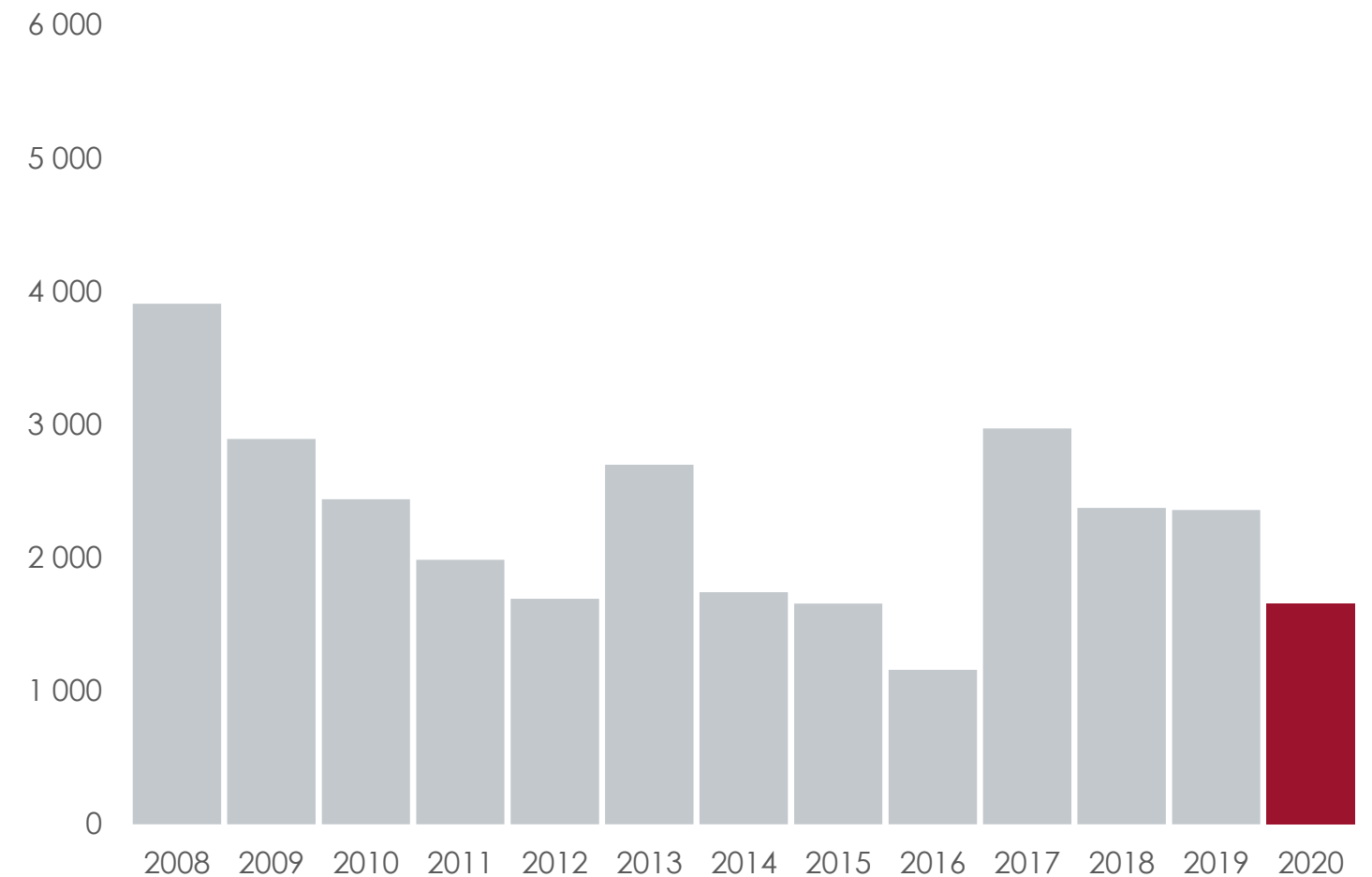
## Units sold 1.1 - 30.9, 2008-20

Units



## Inventory 10.10, 2008-20

Units



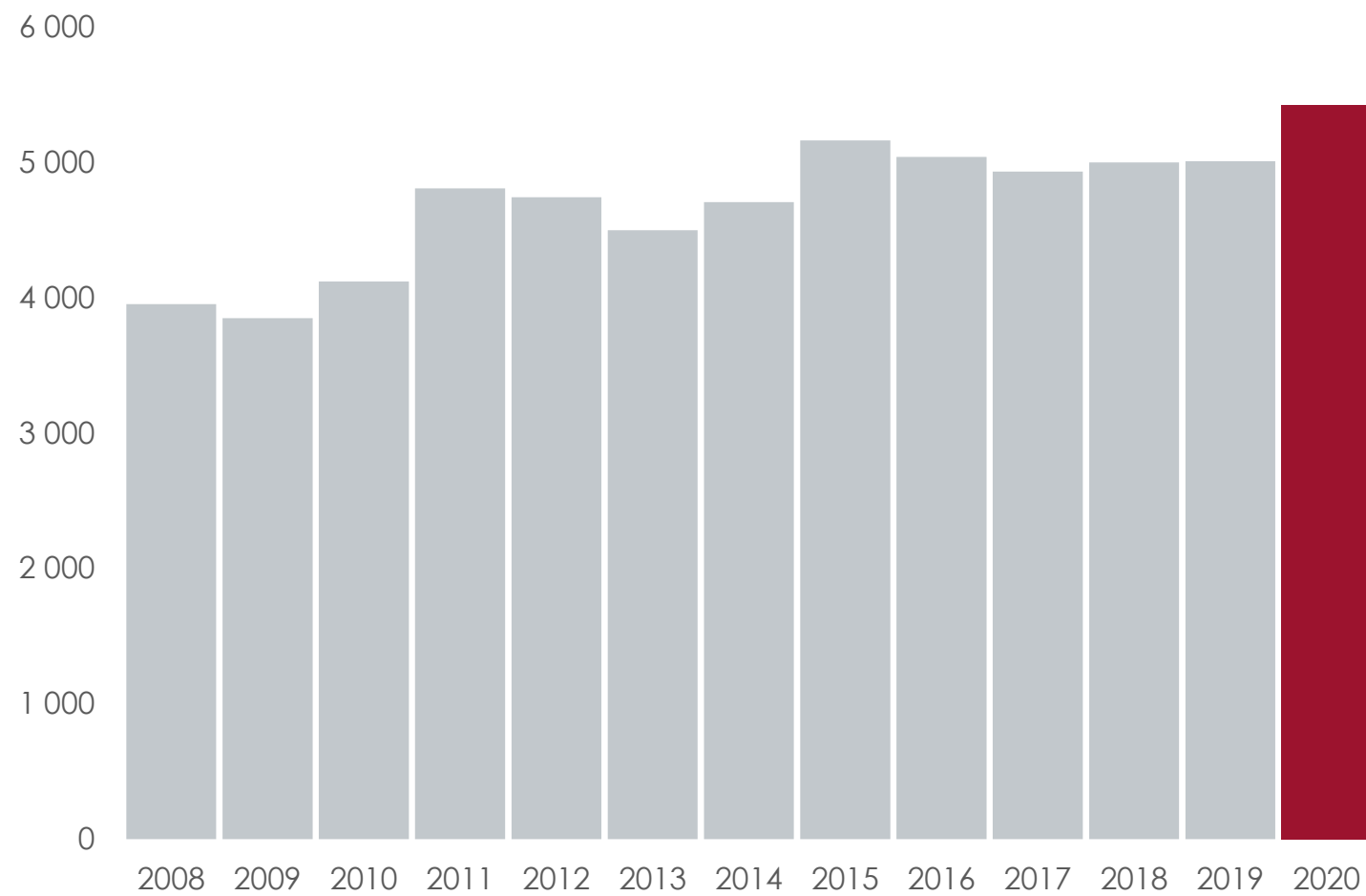
Source: Eiendomsverdi



# Bergen second-hand market update

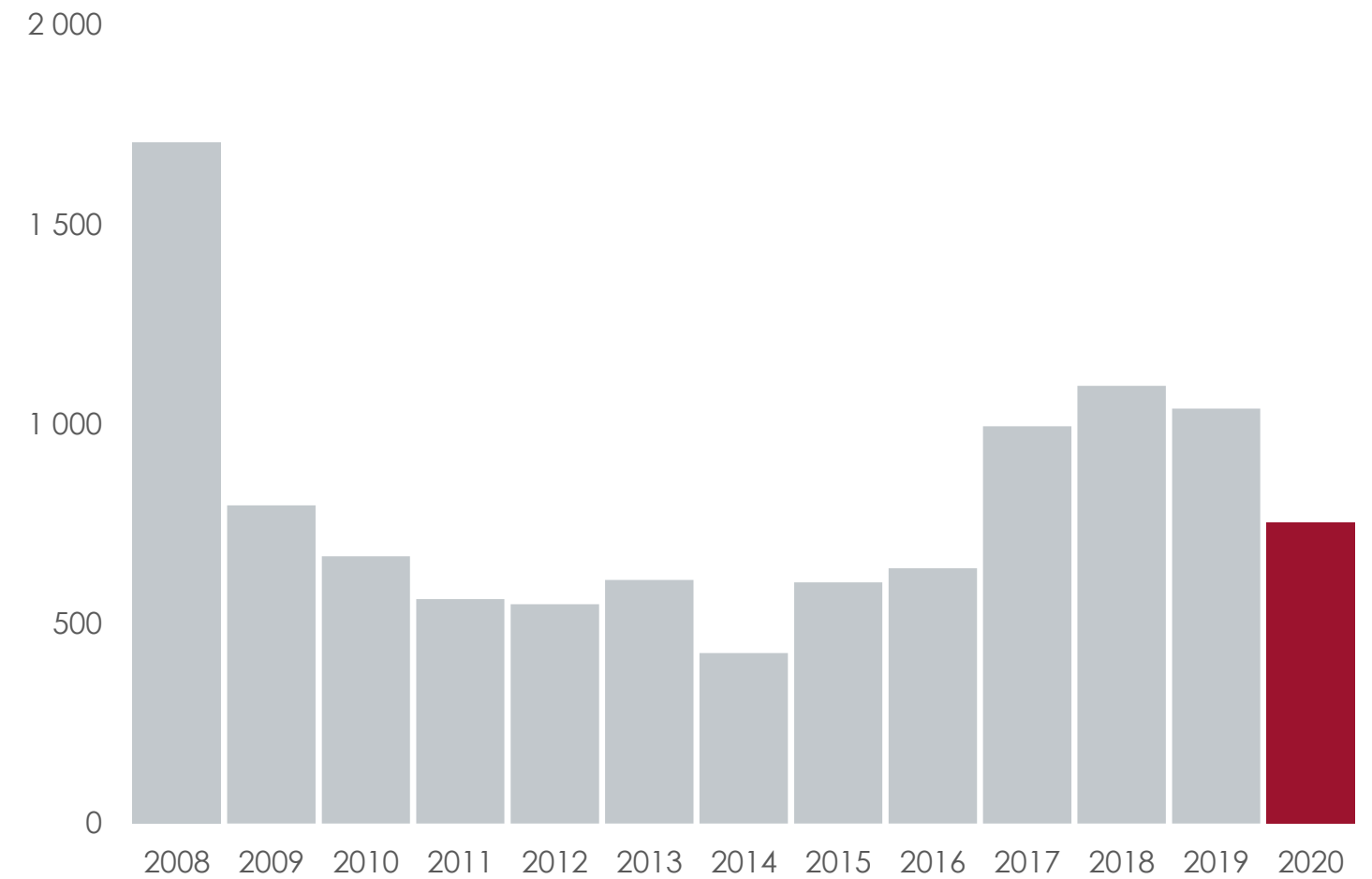
Units sold 1.1 - 30.9, 2008-20

Units



Inventory 10.10, 2008-20

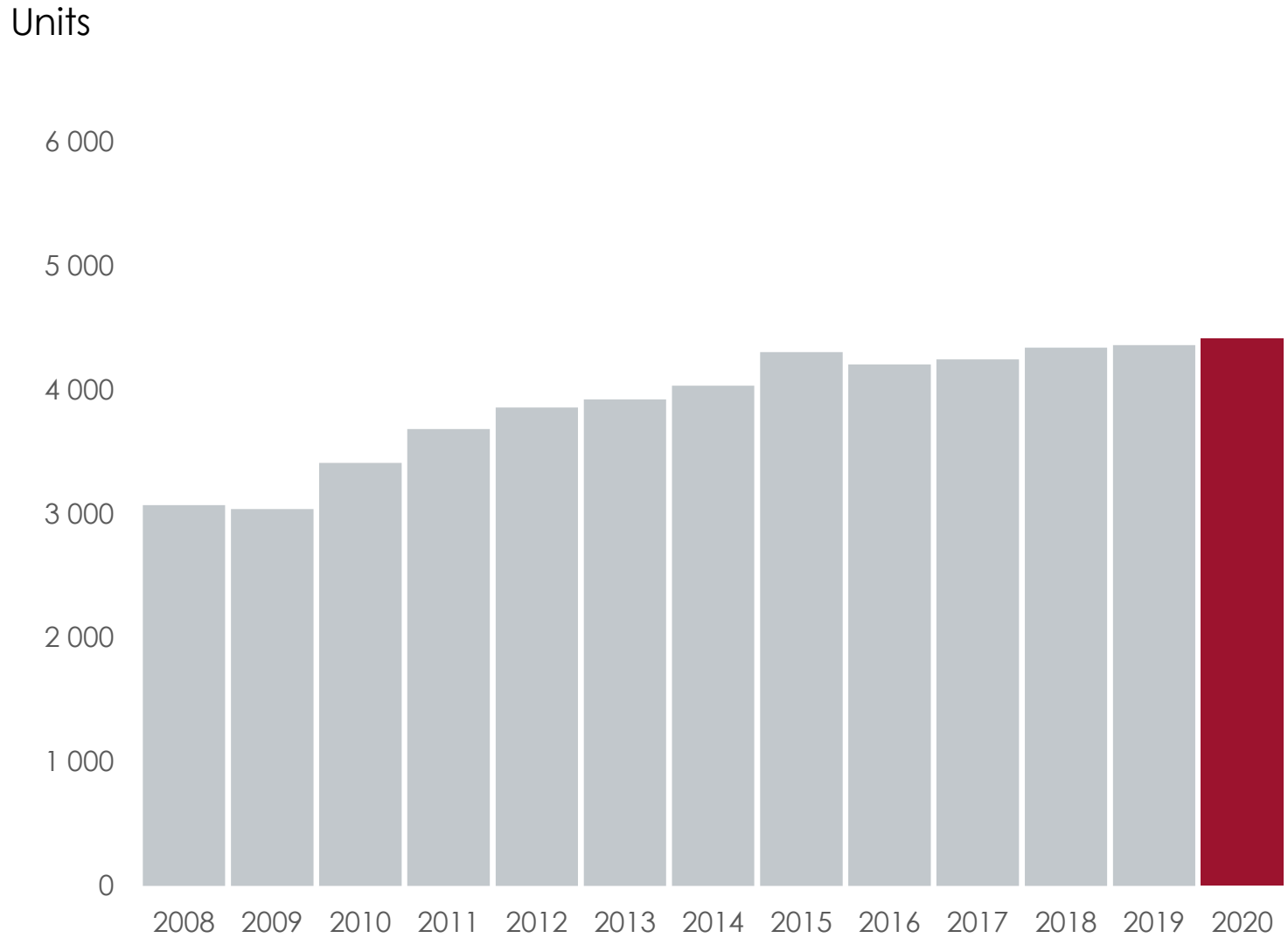
Units



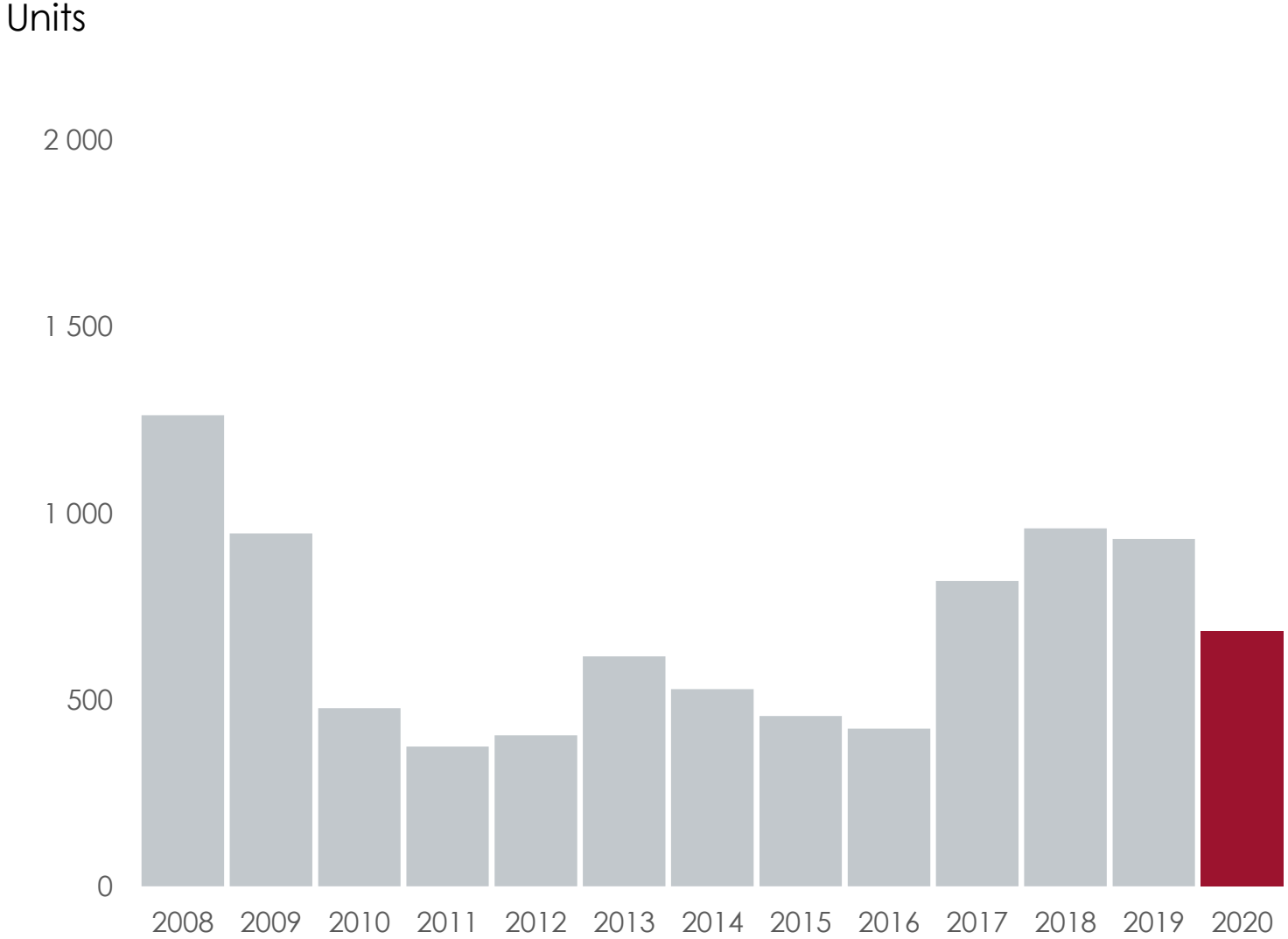
Source: Eiendomsverdi

# Trondheim second-hand market update

Units sold 1.1 - 30.9, 2008-20



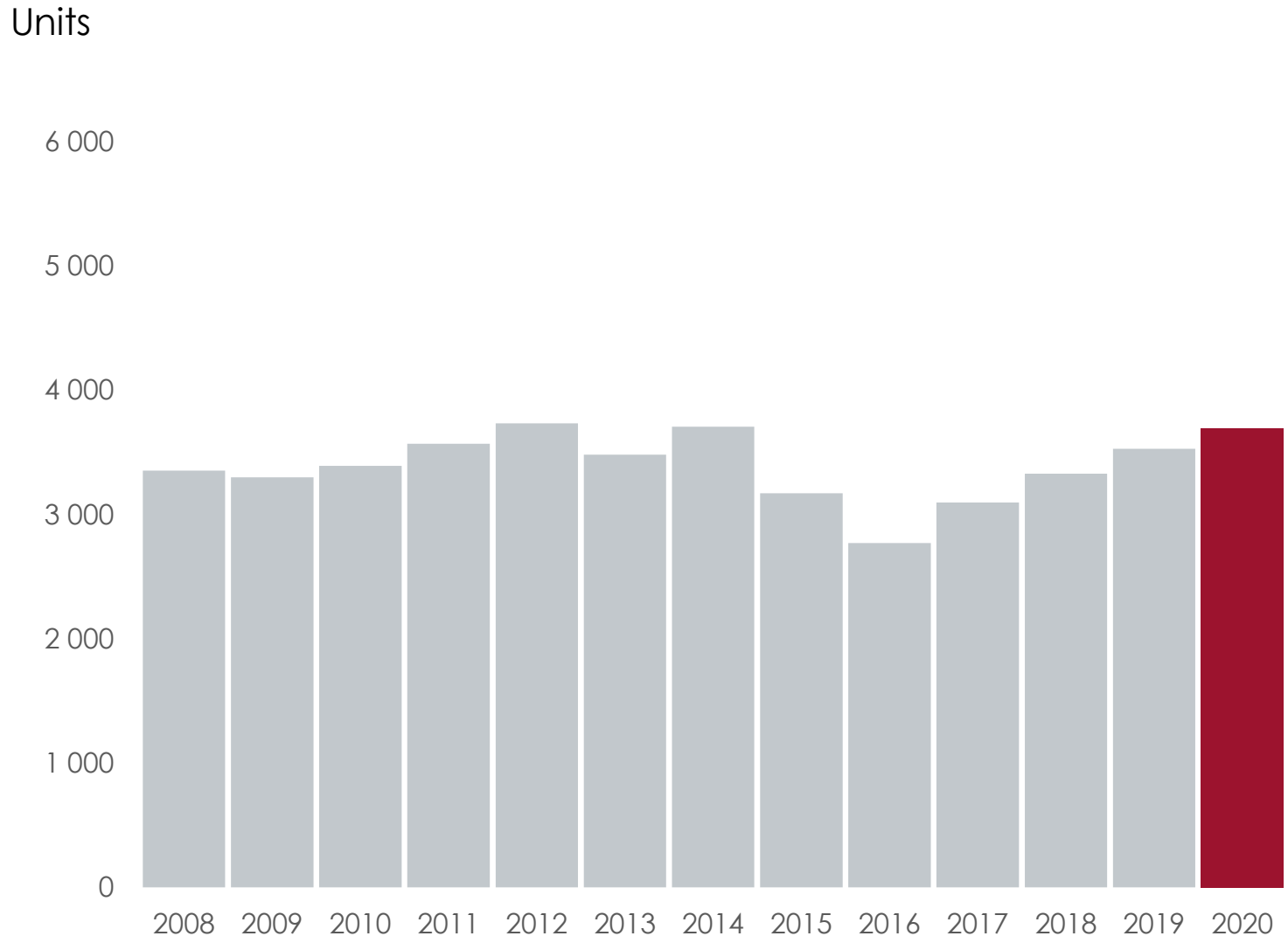
Inventory 10.10, 2008-20



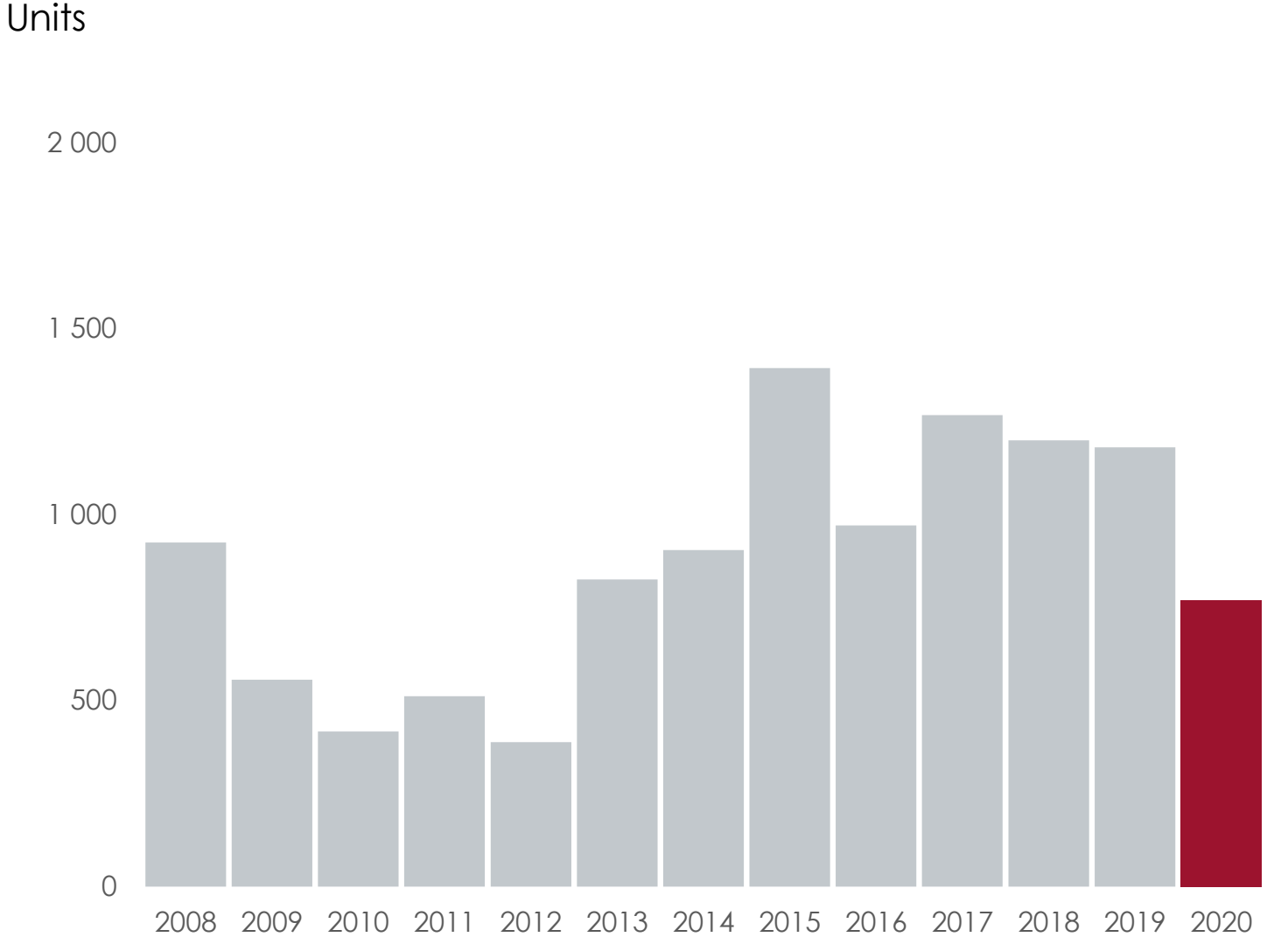
Source: Eiendomsverdi

# Stavanger-area\* second-hand market update

Units sold 1.1 - 30.9, 2008-20



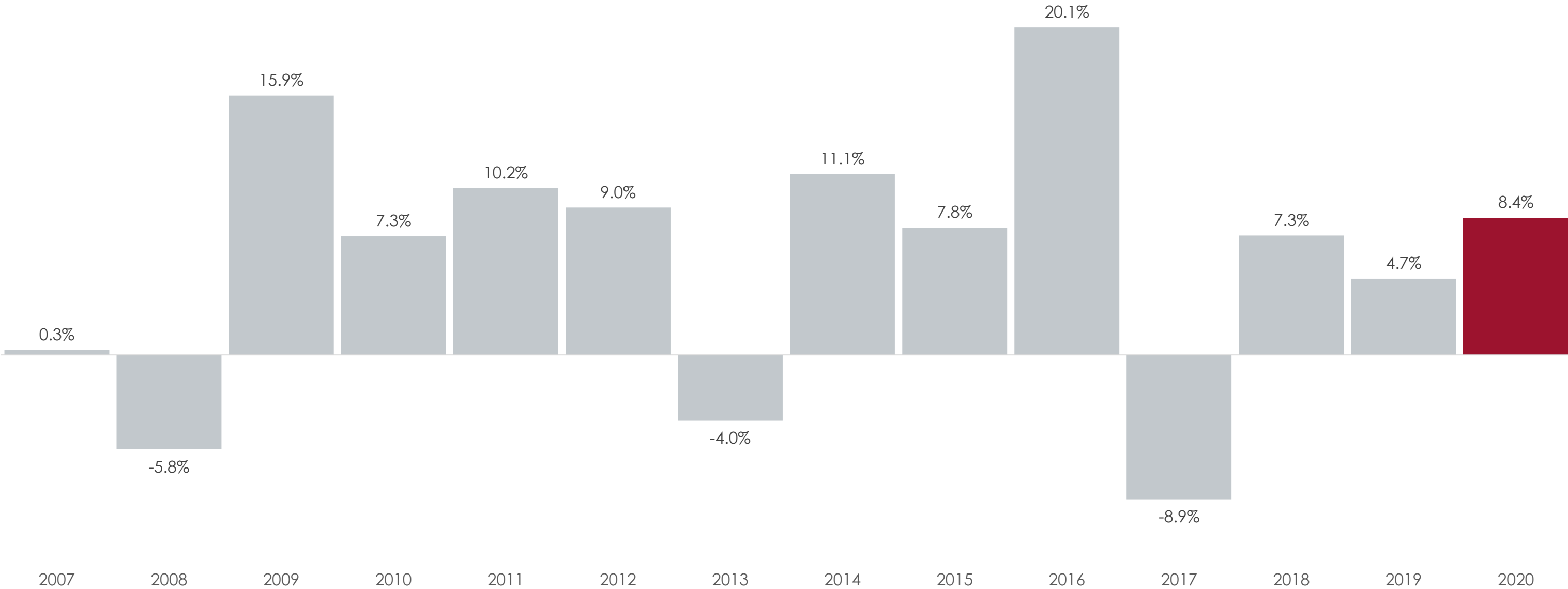
Inventory 10.10, 2008-20



Source: Eiendomsverdi  
\* Include Stavanger, Sola, Sandnes, Randaberg



# Price\* development Oslo 1.1-31.10, 2007-20



Source: Eiendom Norge  
\* Nominal price change

# Solid H2 2020 pipeline



## Skårerbyen Plus | Greater Oslo

- Serviced lifestyle apartments
- New product in competitive market
- 242 units total
- Successful sales start September 2020



## Lørenskog stasjonsby | Greater Oslo

- Urban project next to indoor skiing resort
- 1 500 units total, 500 built



## Langhus 1405 | Greater Oslo

- Attractive project in urban growth area
- 259 units total
- Successful sales start November 2020



# Selvaag Bolig Pluss - Housing with services and experiences

- Expanded offering within existing large projects
  - Broadens the customer base
  - Speeds up development
  - Helps optimise the sales and income profile of each project
  - Creates more attractive neighborhoods
- Skårerbyen Pluss well received
- Landås Pluss under construction





# Upcoming projects 2021 to 2023



## Sinsenveien | Oslo

- ~350 units (50/50 JV)
- Expected sales start: 2021
- Expected sales value: NOK 2.0bn



## Lørenvangen | Oslo

- ~160 units
- Expected sales start: 2021/2022
- Expected sales value: NOK 1.0bn



## Fornebu | Greater-Oslo

- ~1 800 units (50/50 JV)
- Expected sales start: 2024
- Expected sales value: NOK 13 bn



## Bjerke | Oslo

- ~1 200 units
- Expected sales start: 2024
- Expected sales value: NOK 7.0 bn



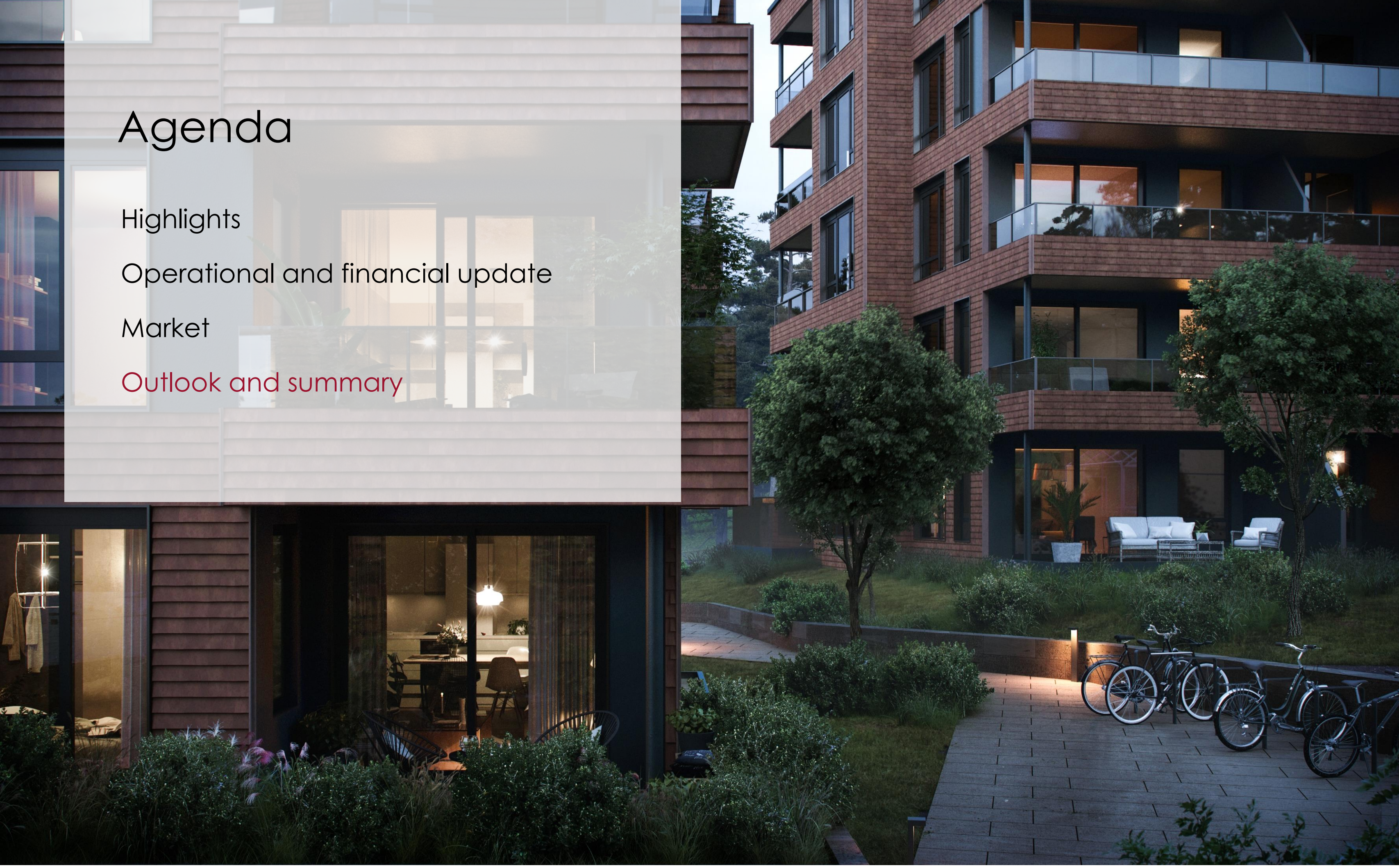
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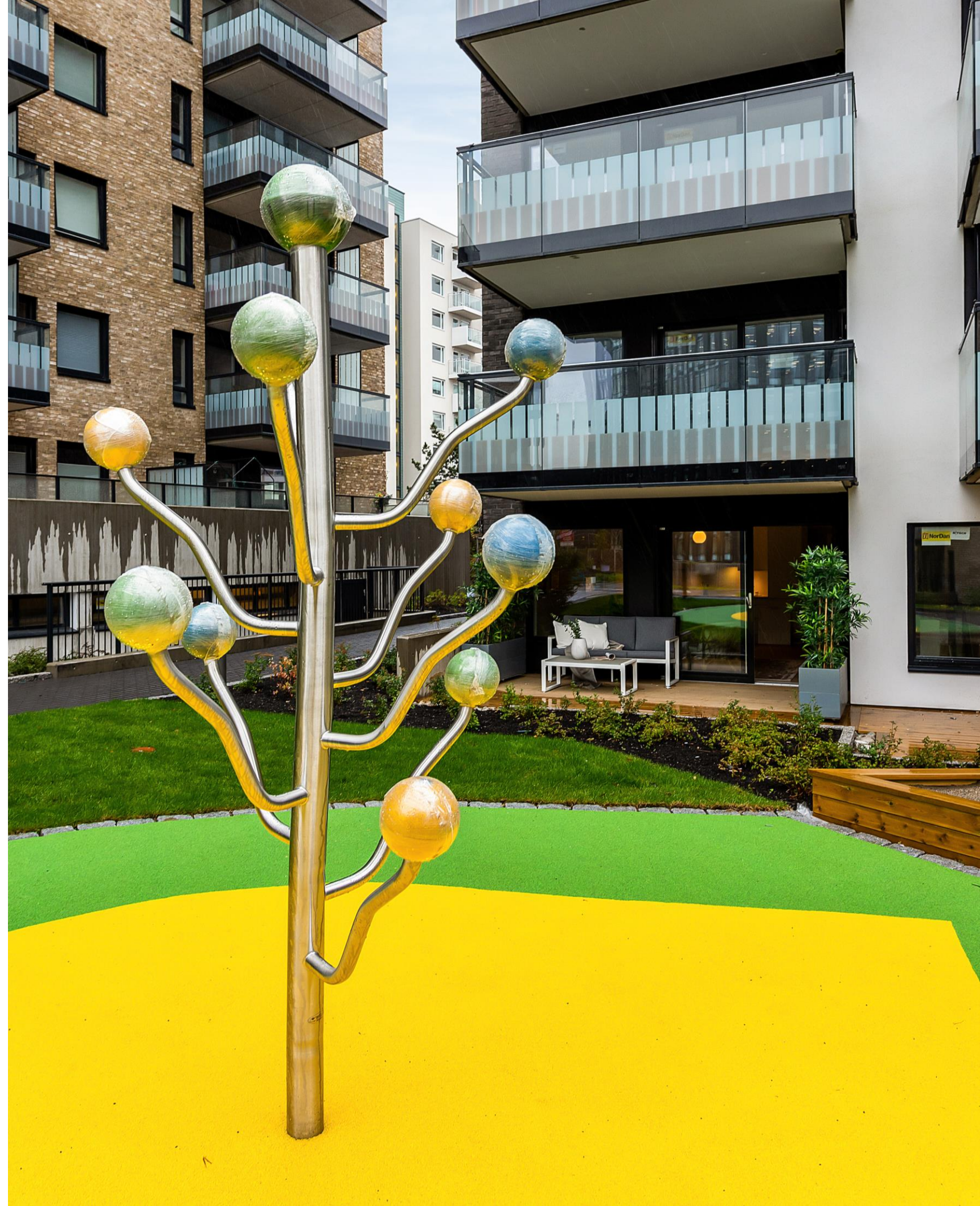
Outlook and summary





# Outlook

- Continued positive market sentiment in Q4, especially in Greater Oslo
- Attractive projects for sale in all the markets where we operate
- Positioned with competitive housing offering, substantial capacity and a large land bank





# Summary

- Strong sales in turbulent market
- Sales value of units under construction up NOK 330 million
- Continued strong project margins
- Well positioned with competitive housing offerings



Thank you for your attention – follow us online!

Next event:  
4<sup>th</sup> quarter 2020  
17 February 2021



@SelvaagAksjen

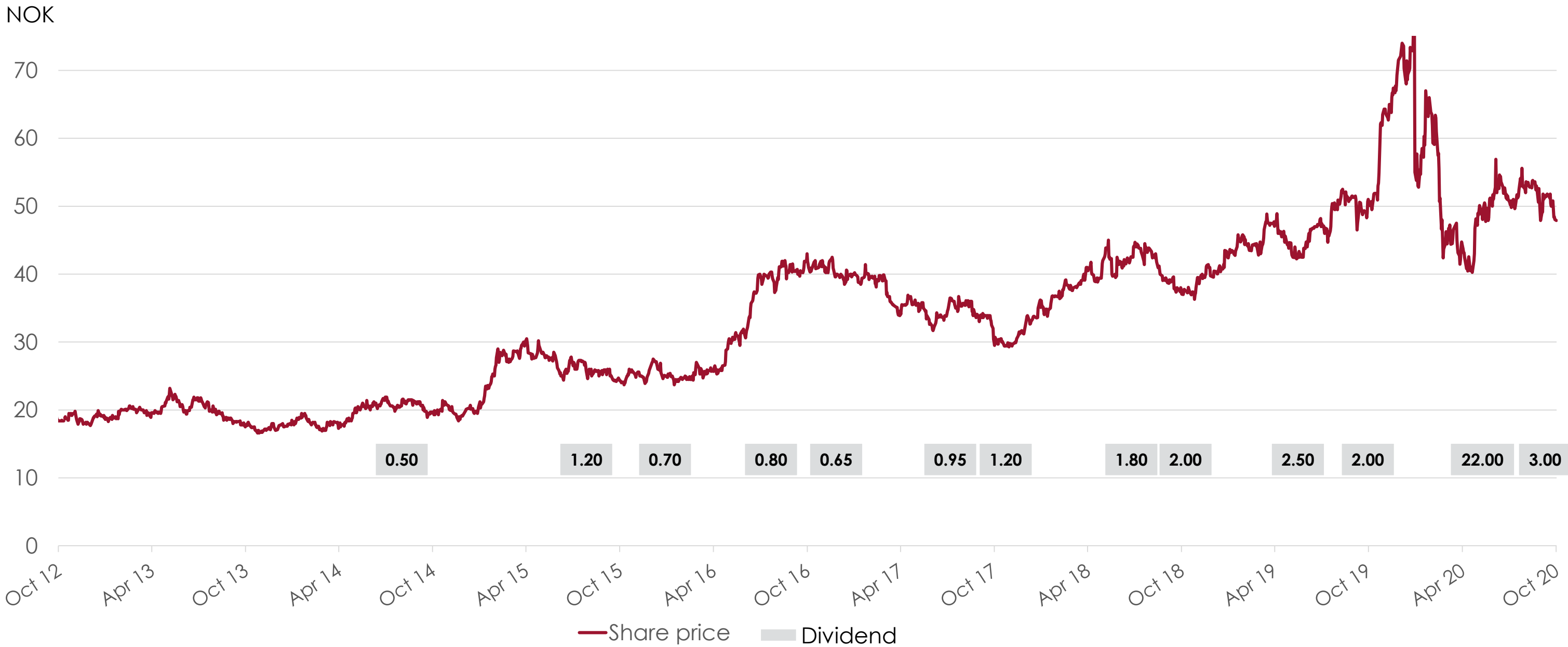


# Appendix





# Share performance since IPO in June 2012



Source: Oslo Børs

# Dividend policy

**Selvaag Bolig's ambition is to pay high and stable dividends to its owners.**

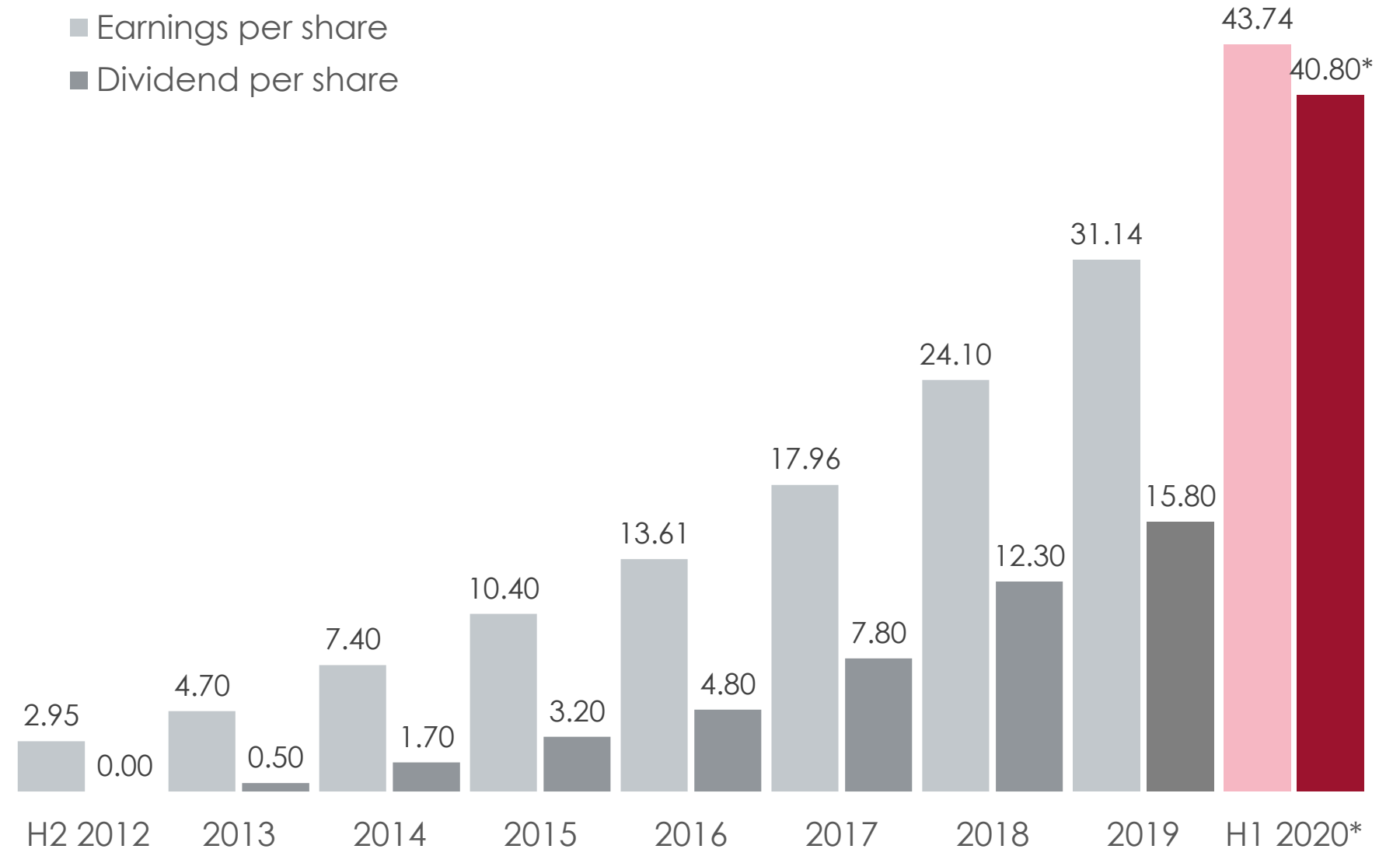
The company aims to pay dividends of minimum 40 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

The company will maintain an equity ratio of minimum 30 per cent

# Earnings and dividend per share since IPO

- FY 2019 EPS of NOK 7.04 (6.14)
- FY 2019 DPS of NOK 3.50 (4.50)
- H1 2020 EPS of NOK 12.60 (2.08)
- H1 2020 DPS of NOK 3.00 (2.00)
- 2020 additional DPS of NOK 22.00

## Accumulated dividend and earnings per share

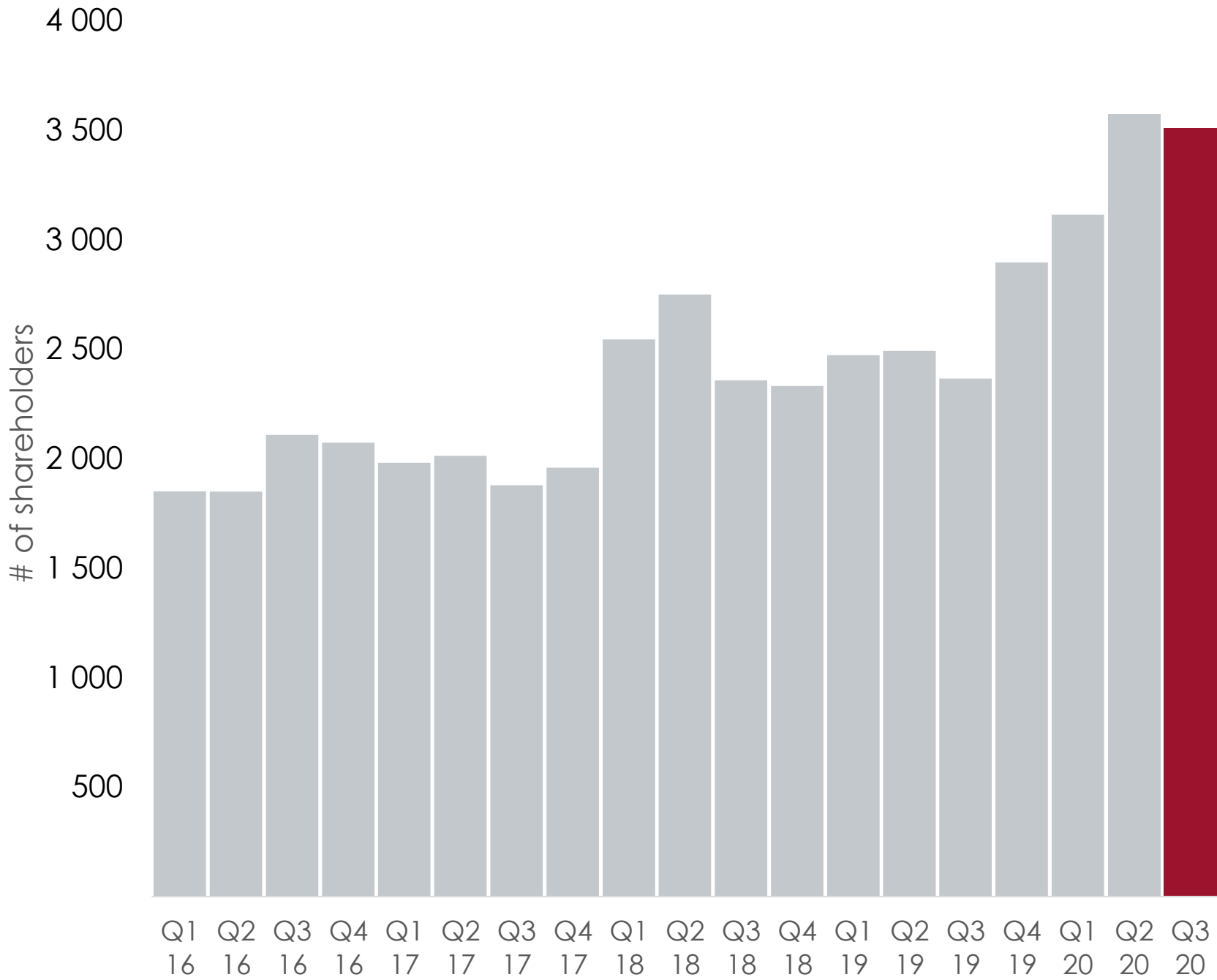


\* Additional dividend of NOK 22 per share paid out 3 February 2020



# Share information

- Total number of shares: 93.8 million
- Number of shareholders : 3 508 (3 571)\*
  - 20 largest controlling 79.2% (78.7)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 5.0 million shares during the quarter (6.7)
  - Share turnover totaled NOK 260 million (308)



\* All numbers in brackets from previous quarter

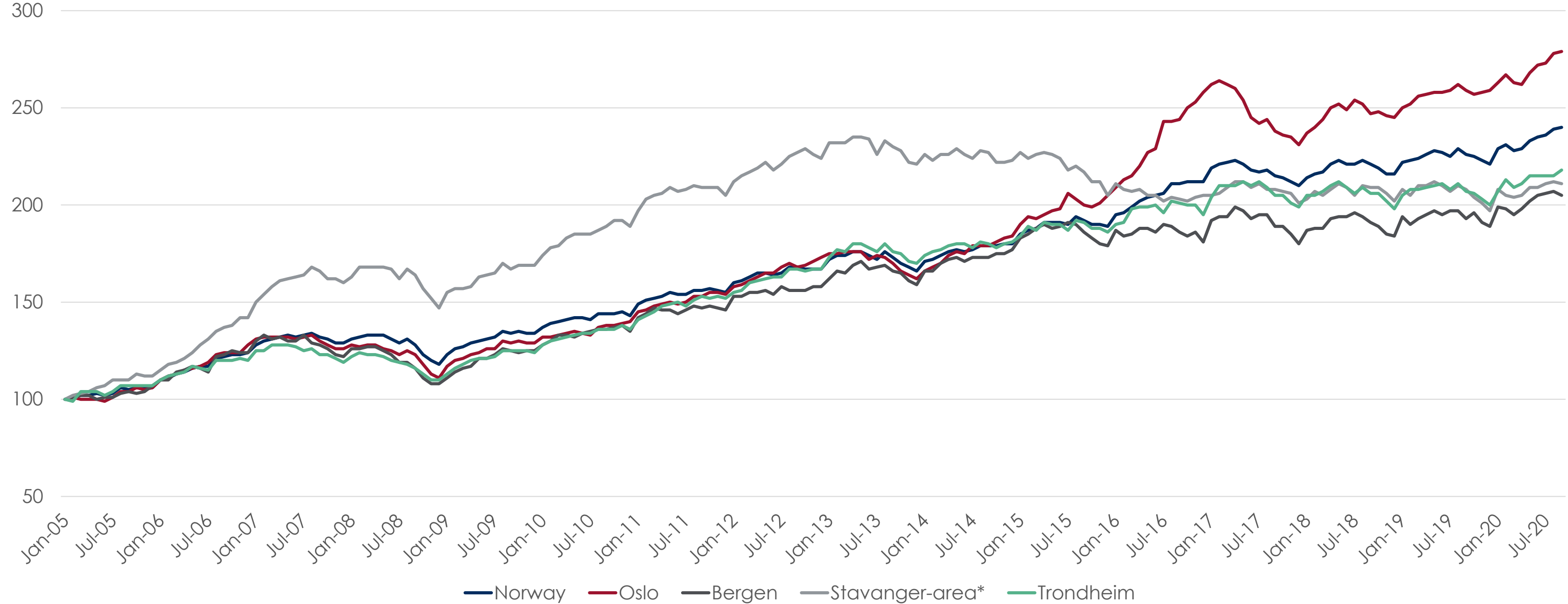
# Largest shareholders at 30.9, 2020

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	6 966 632	7.4%
Morgan Stanley & Co. Int. Plc. *	2 492 699	2.7%
PARETO INVEST AS	2 065 624	2.2%
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 684 929	1.8%
State Street Bank and Trust Comp *	1 556 366	1.7%
J.P. Morgan Bank Luxembourg S.A. *	1 138 976	1.2%
JPMorgan Chase Bank, N.A., London *	883 456	0.9%
MUSTAD INDUSTRIER AS	770 000	0.8%
Brown Brothers Harriman & Co.	710 107	0.8%
Landkreditt Utbytte	650 000	0.7%
VERDIPAPIRFONDET HOLBERG NORGE	650 000	0.7%
SELVAAG BOLIG ASA	644 375	0.7%
Morgan Stanley & Co. International	611 637	0.7%
BANAN II AS	600 000	0.6%
SANDEN AS	570 000	0.6%
SPARHANS AS	547 221	0.6%
VERDIPAPIRFONDET EIKA SPAR	528 300	0.6%
Brown Brothers Harriman & Co. *	522 650	0.6%
HOLTA INVEST AS	471 410	0.5%
<b>Total 20 largest shareholders</b>	<b>74 244 469</b>	<b>79.2%</b>
Other shareholders	19 521 219	20.8%
<b>Total number of shares</b>	<b>93 765 688</b>	<b>100.0%</b>

\* Further information regarding shareholders is presented at: <http://sboasa.no/en>

# Price development Norway and selected regions (2005-20)

Price development (rebased 1.1.2005)

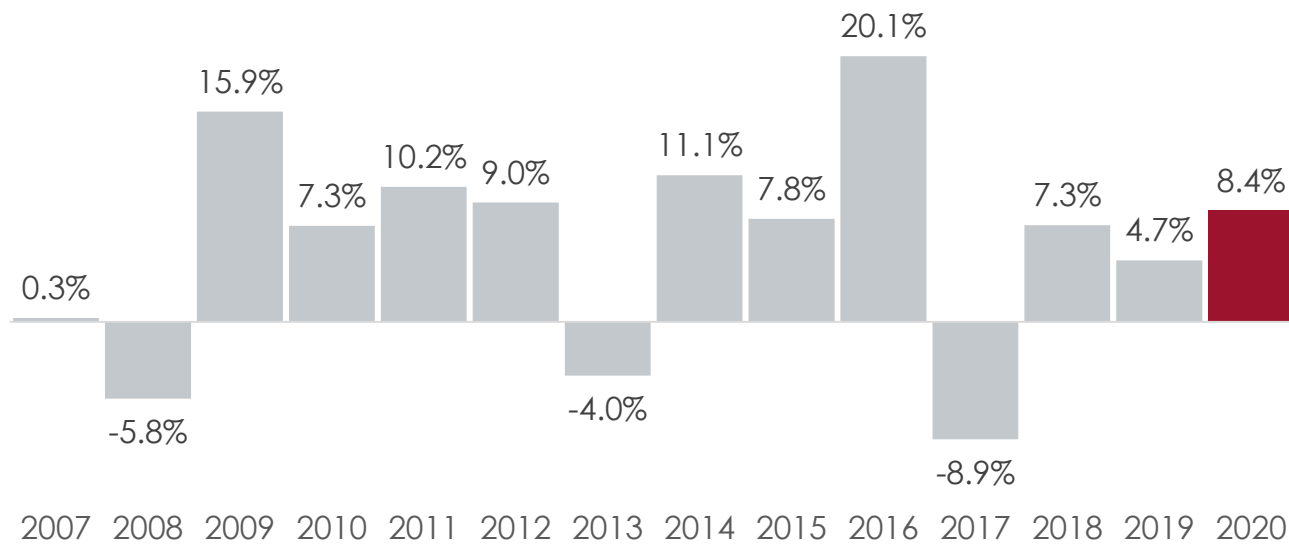


Source: Eiendomsverdi  
\* Stavanger area includes: Randaberg, Sandnes, Sola, Stavanger

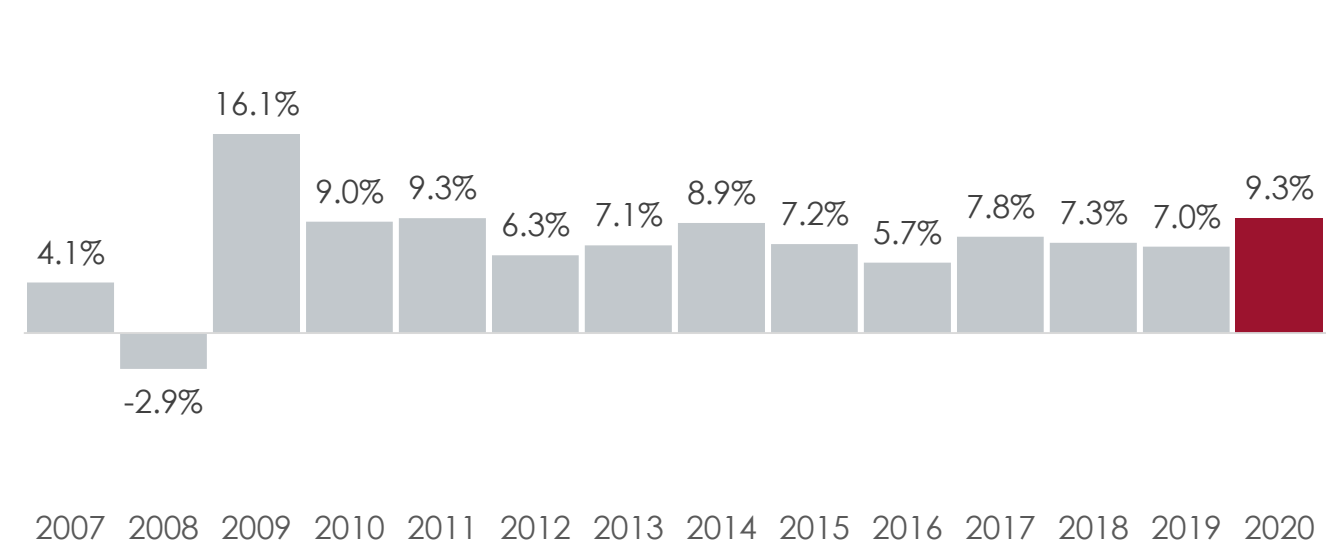


# Regional price\* development 1.1-31.10, 2007-20

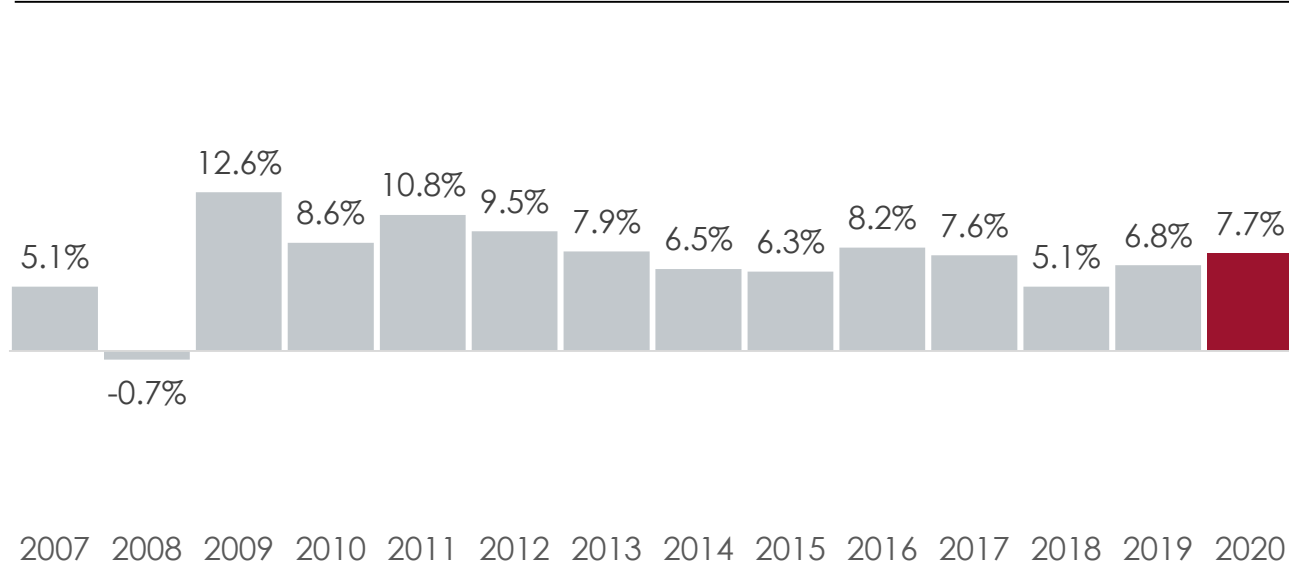
Oslo



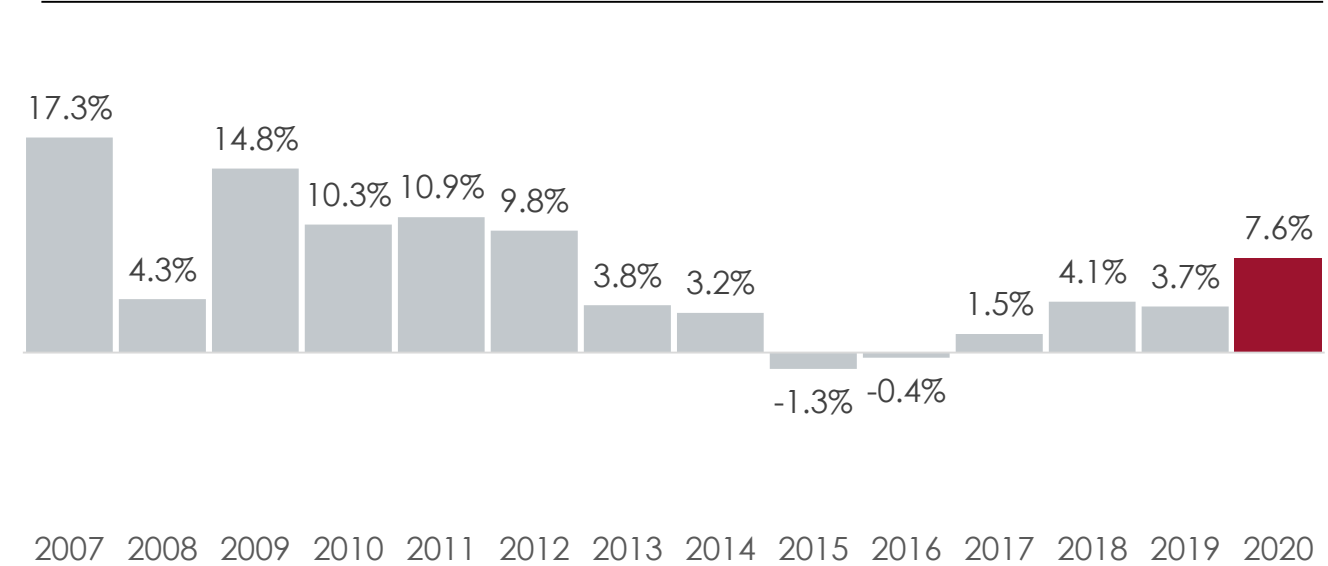
Bergen



Trondheim



Stavanger area\*\*

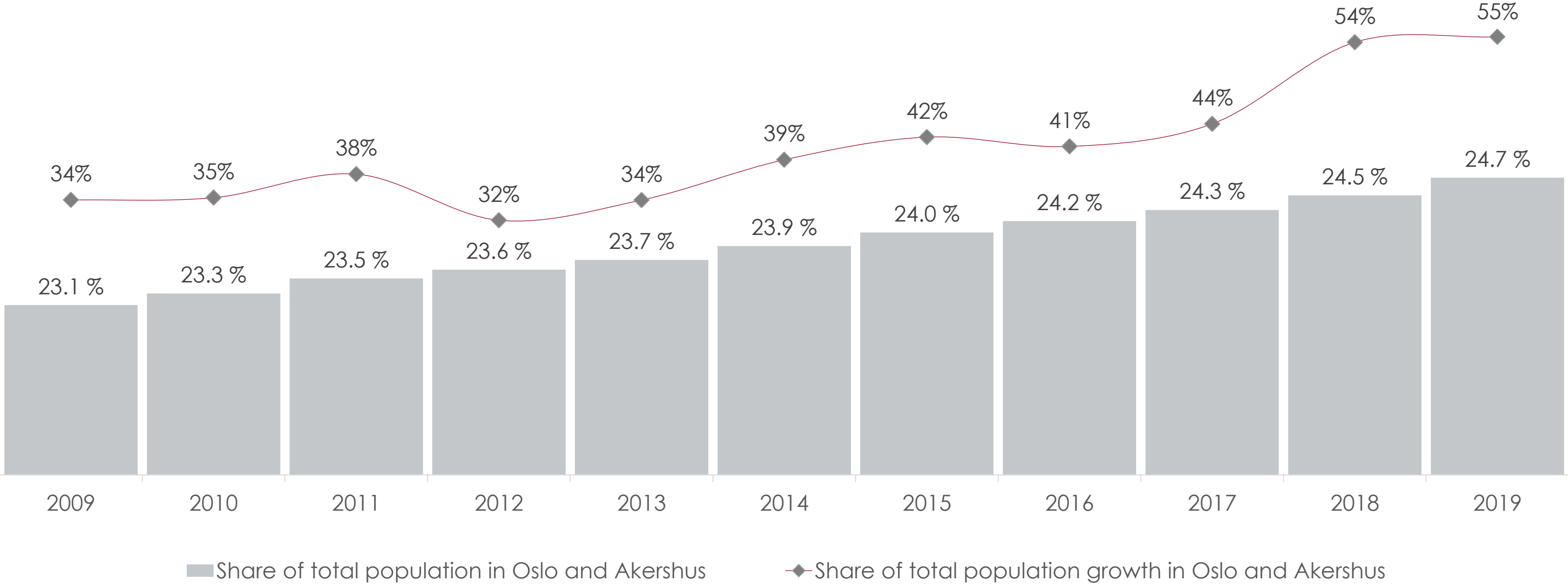


Source: Eiendom Norge

\* Nominal price change

\*\* Includes Stavanger, Sola, Sandnes, Randaberg

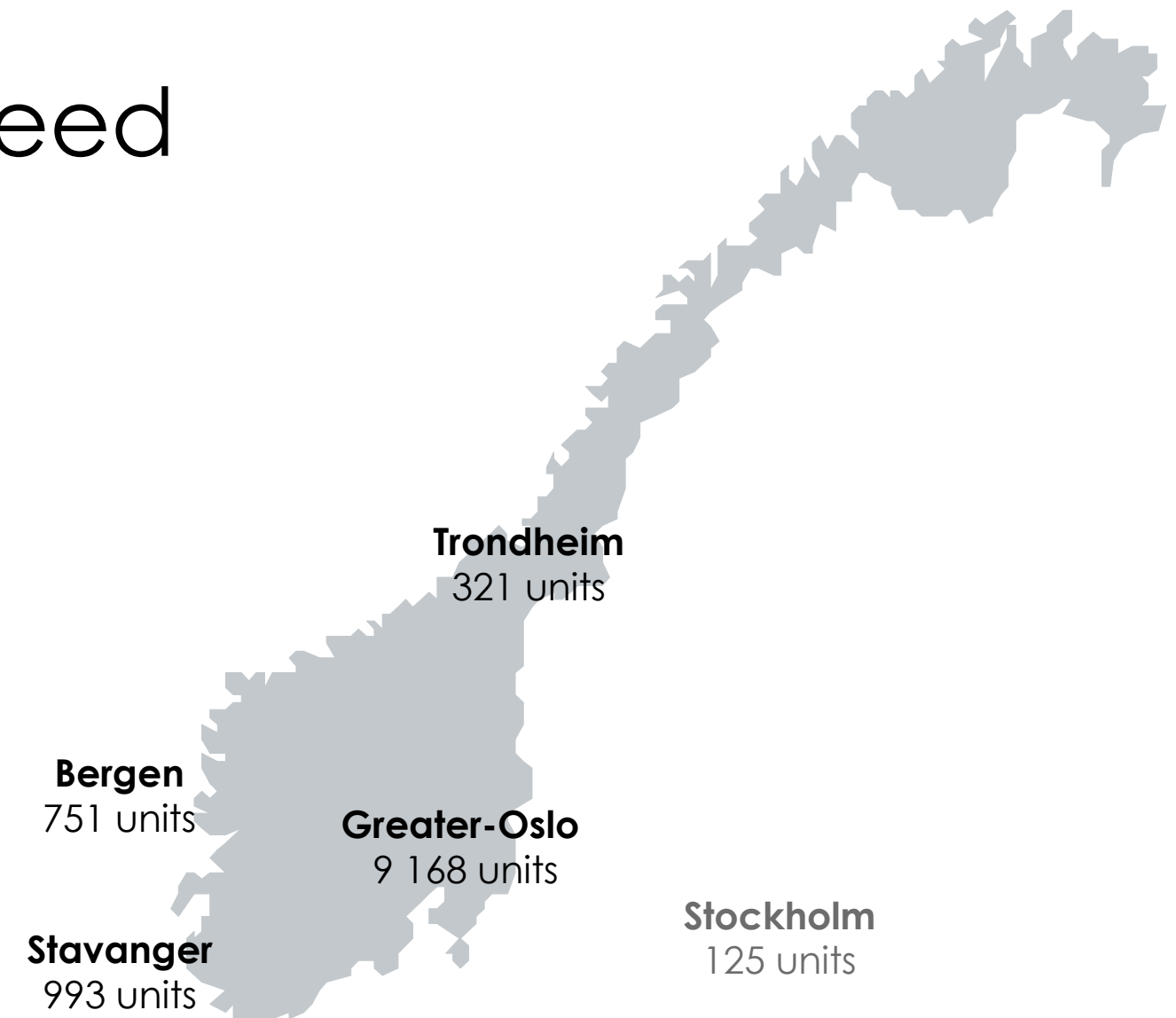
# Increasing share of population growth in Oslo and Akershus



Source: Statistics Norway

# Addressing the long term housing need

- Nearly 60 000 homes over the last 70 years
- Housing for all
- Focus on fast growing urban regions
- Large projects with more than 150 units





# Positioned to realize large projects in Norway's four largest growing urban areas

## Land-bank strategy

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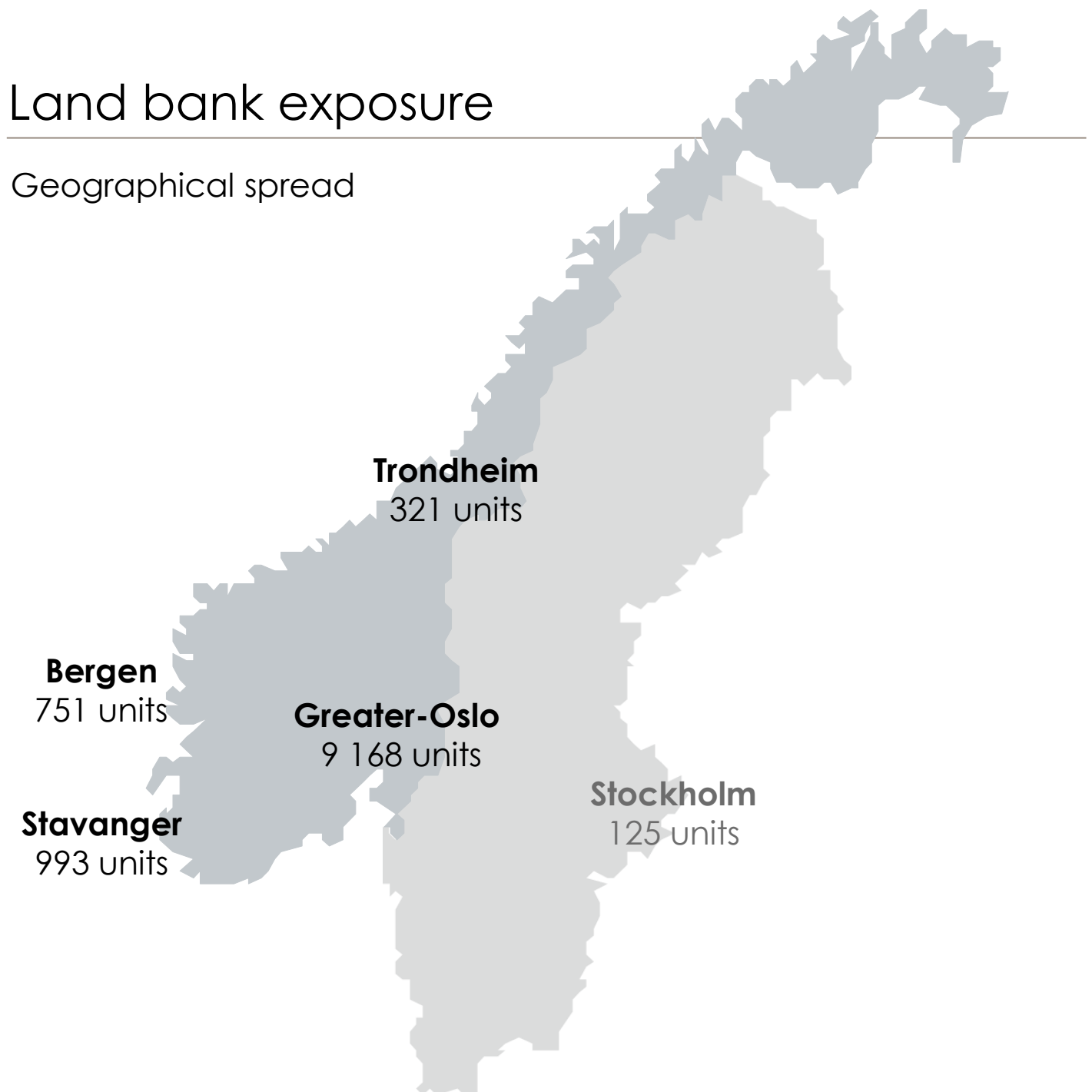
- Acquire the right mix of zoned and un-zoned land in suitable locations
- Land acquisitions in defined core areas in co-operation with Urban Property
- High degree of site utilization and strategic land development
- Substantial land bank to accommodate targets/growth in core areas
- Good infrastructure and public transport
- Joint ventures (JVs)

Note: The numbers represent the size of the land portfolio as at 30 September 2020. All numbers are adjusted for Selvaag Bolig's share in joint ventures. 1) Greater Oslo area: Oslo, Akershus, Buskerud, Vestfold and Østfold, 2) The residential property development portfolio consists of land plots that are to be paid for when planning permission is received. The portfolio has a development potential of ~6 250 residential units.

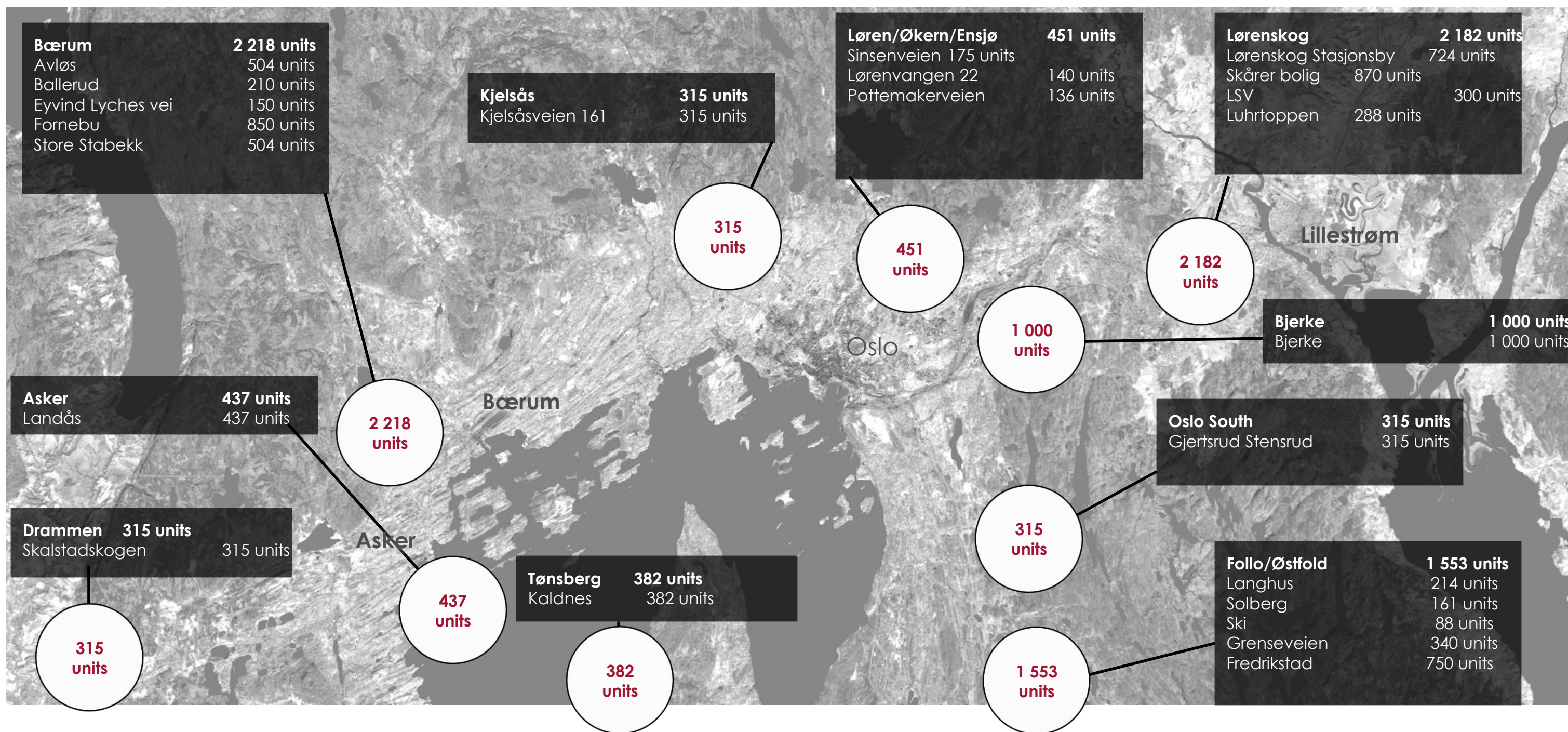
## Land bank exposure

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Geographical spread

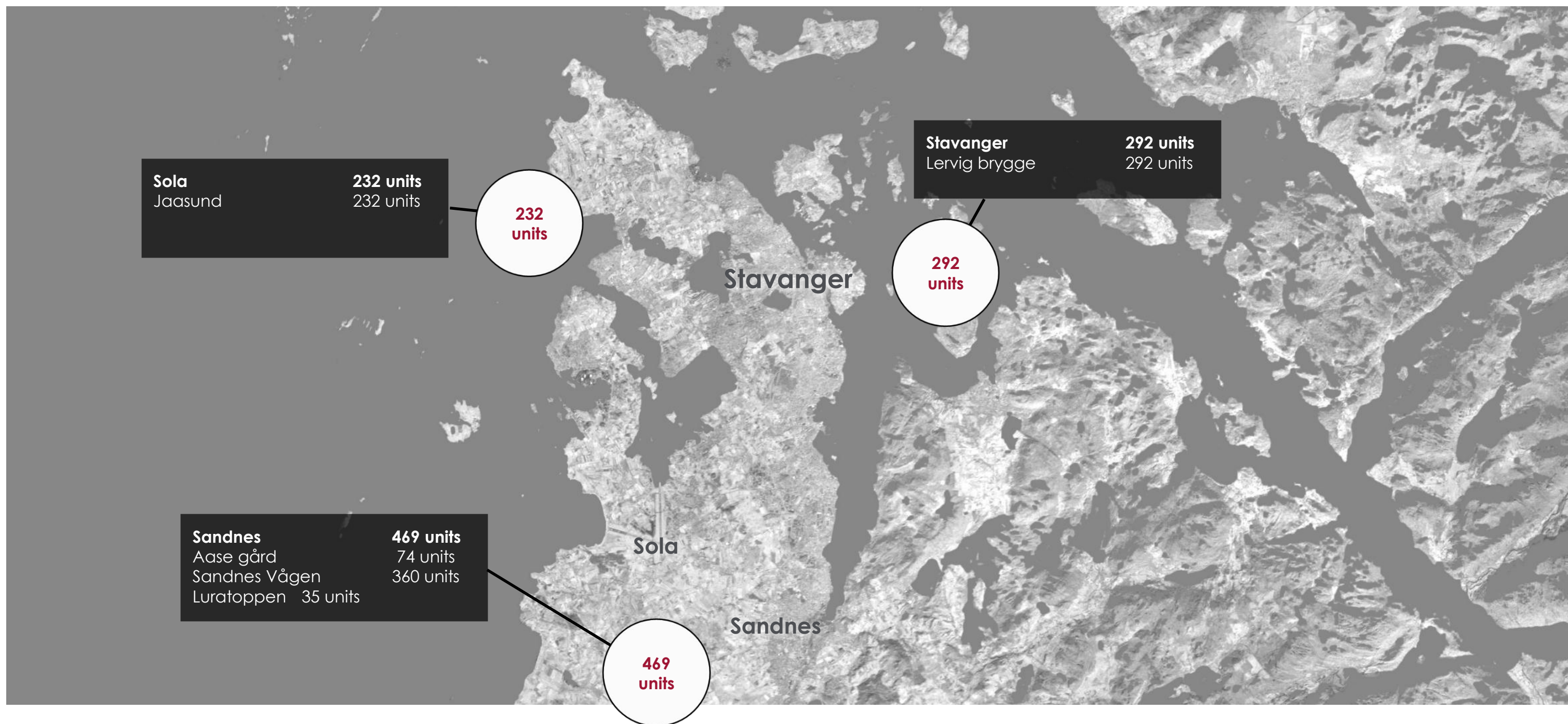


# Land bank in Oslo and Greater Oslo at 30.9.20



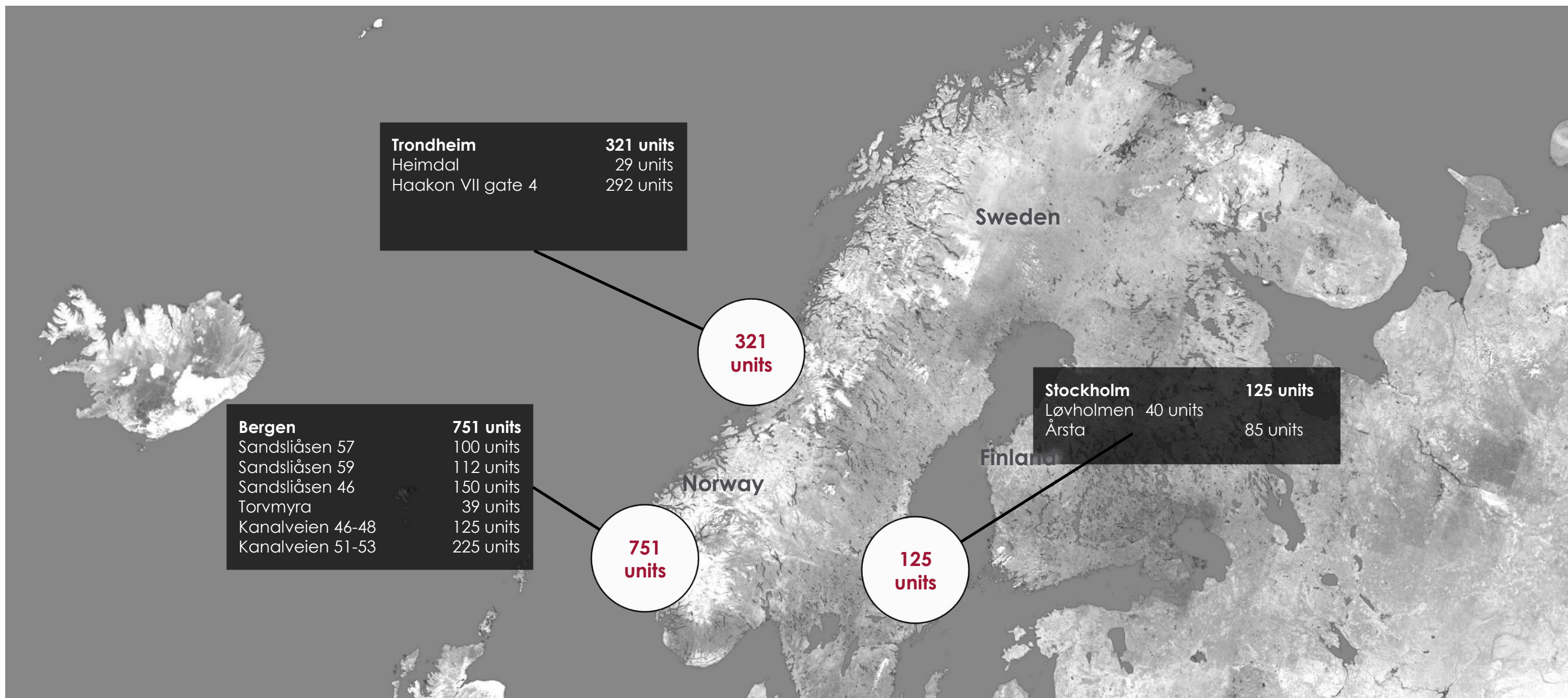


# Land bank in Stavanger area at 30.9.20





# Land bank in Bergen, Trondheim and Stockholm at 30.9.20

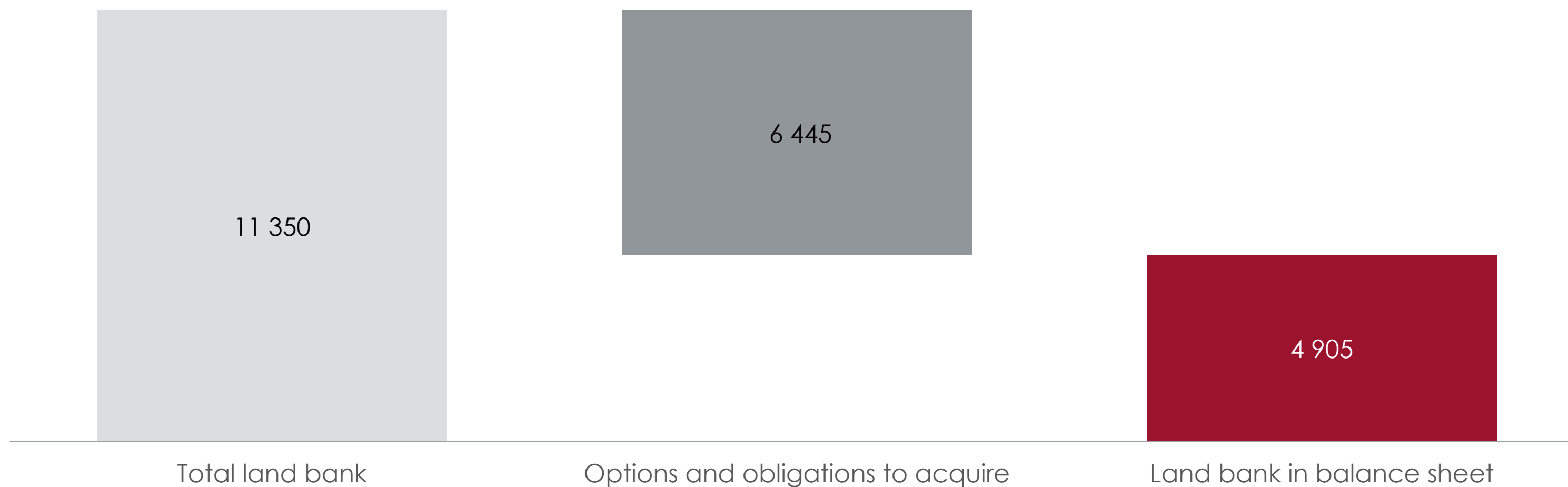




# Substantial portfolio for development

Total land bank portfolio at 30.9 2020

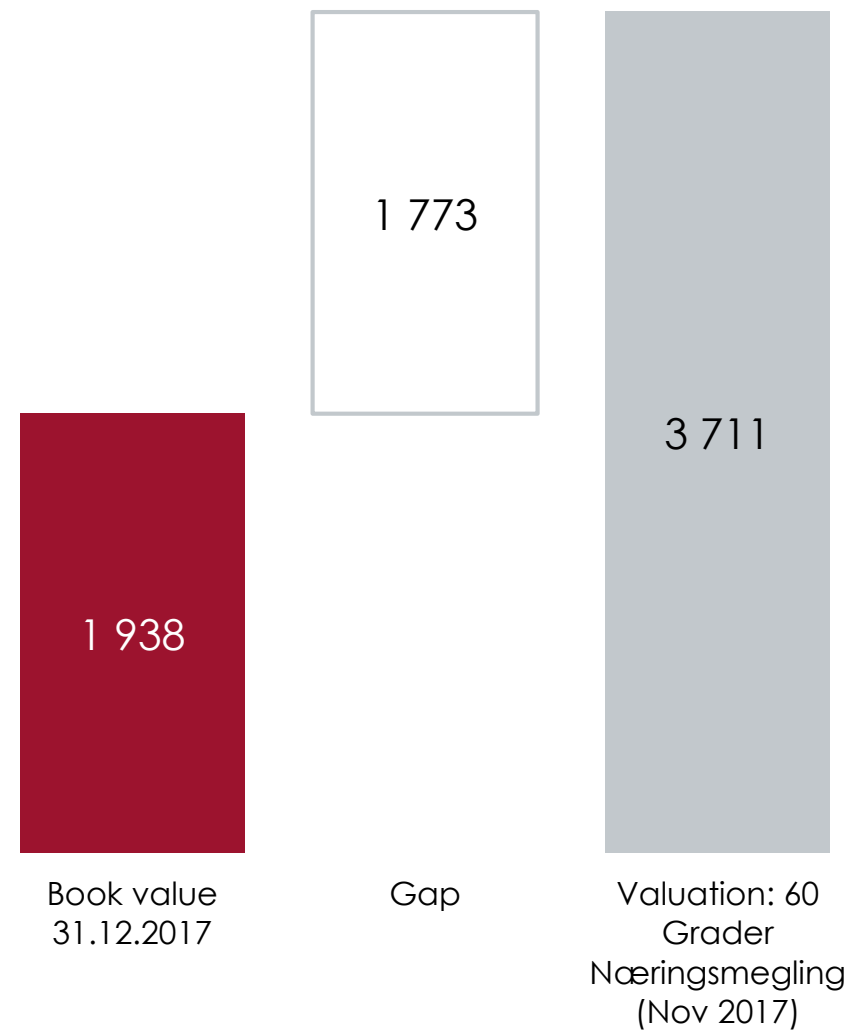
Units



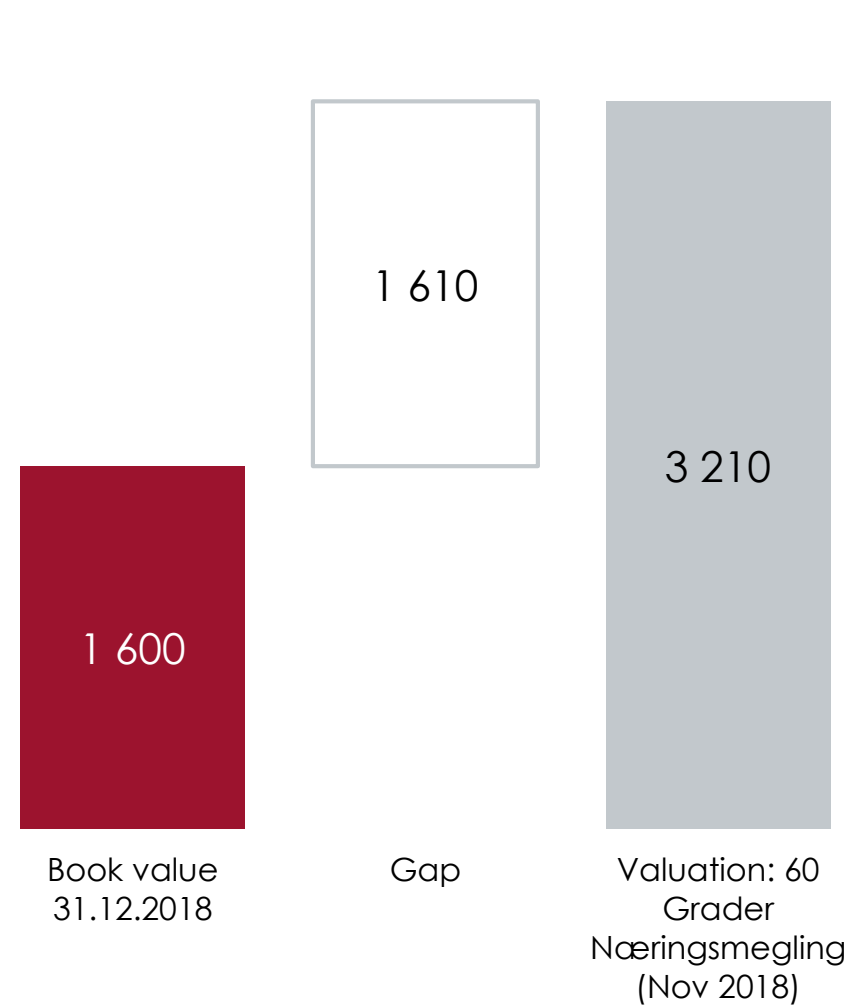
# Land bank book value vs. external valuation year end

Q4 2017

NOK million

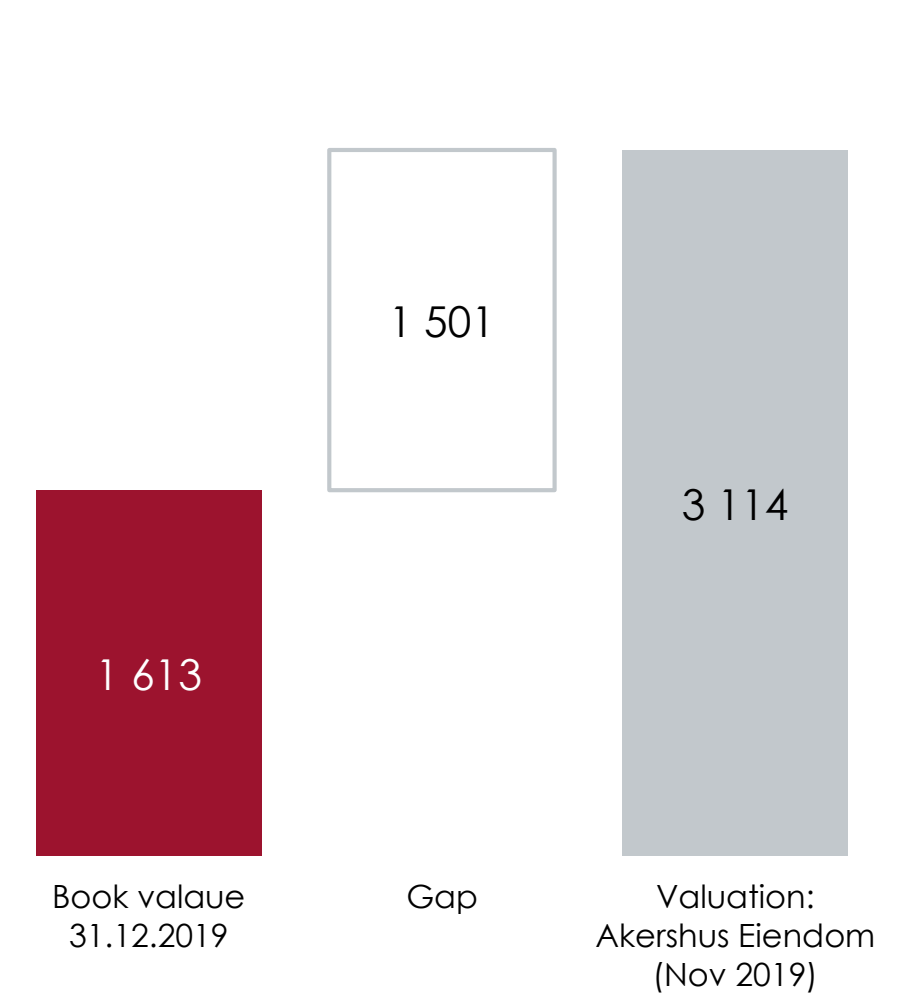


Q4 2018



Q4 2019

NOK million



Note: Joint ventures and land options not included in the valuation

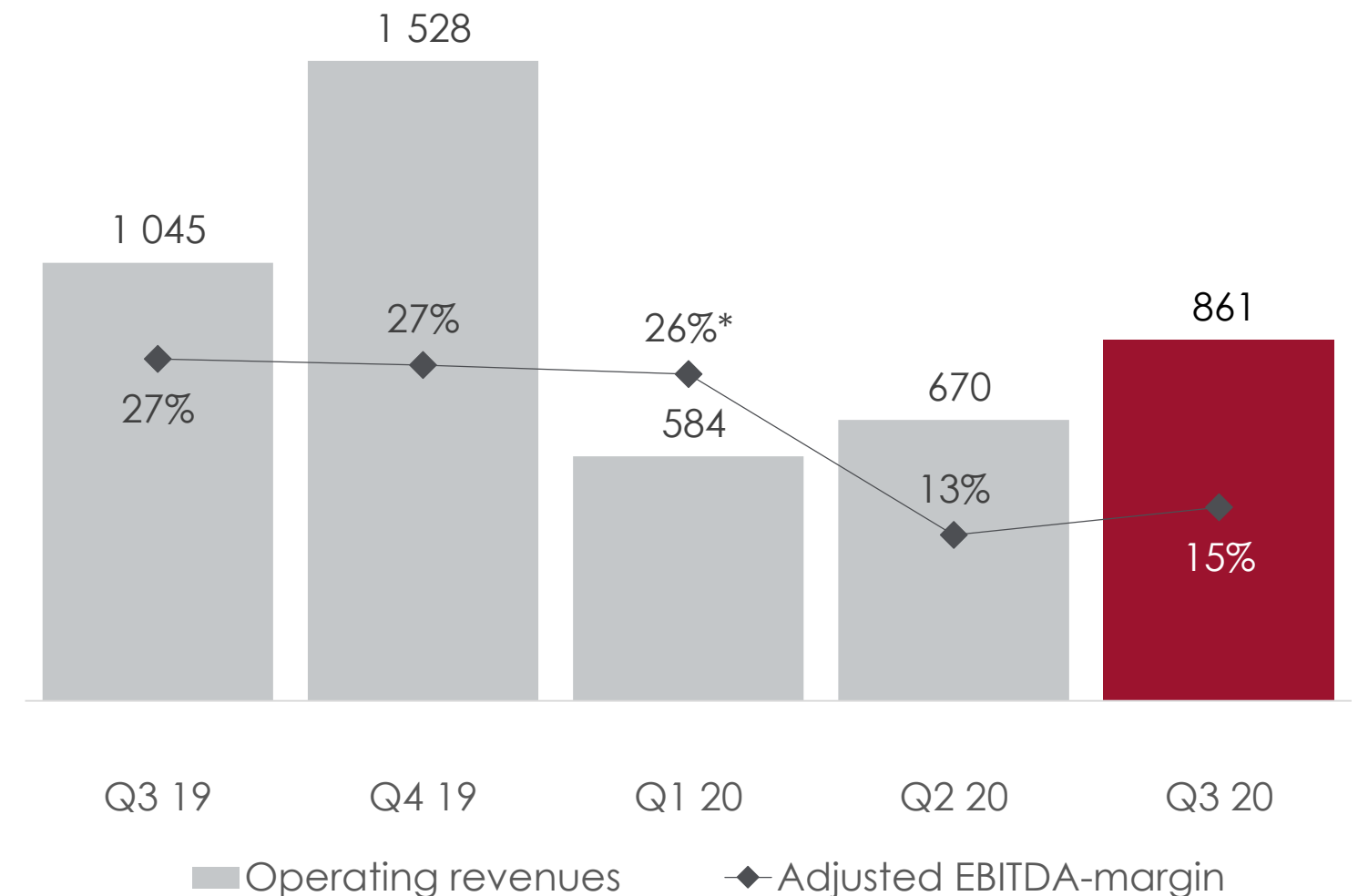


# Q3 2020 proforma figures including proportionate share of JV

- 212 units delivered (243)
  - 18 units from share of JVs (46)
- Revenues NOK 861 (1 045)
  - Other revenues NOK 20m (26)
- Project costs NOK 688m (713)
  - Of which NOK 28m is interest (30)
- Other costs NOK 78m (84)
- Adjusted EBITDA\* NOK 133m (284)
- EBITDA\* NOK 105m (255)
- EPS in the quarter NOK 1.10 (1.97)

## Revenues and adjusted EBITDA margin\* (IFRS)

NOK million



\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs. The difference compared to reported EBITDA is due to interest, taxes, depreciation and amortization in JVs.

\*Q1 2020 adjusted EBITDA margin of 26.0% excluding other gains of NOK 1 029m

# Income statement IFRS

<b>(figures in NOK million)</b>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9M 2020</b>	<b>9M 2019</b>	<b>2019</b>
Total operating revenues	706.1	810.0	1 350.7	1 954.4	3 368.8
Project expenses	(562.0)	(568.1)	(1 032.7)	(1 342.8)	(2 279.5)
Other operating expenses	(61.7)	(68.4)	(176.0)	(185.3)	(274.1)
Associated companies and joint ventures	19.6	58.2	132.1	75.9	62.2
<b>EBITDA</b>	<b>101.974</b>	<b>231.7</b>	<b>274.194</b>	<b>502.2</b>	<b>877.5</b>
Depreciation and amortisation	(2.4)	(3.3)	(7.3)	(9.9)	(12.7)
Other gains (loss)	-	-	1 028.7	-	-
<b>EBIT</b>	<b>99.5</b>	<b>228.4</b>	<b>1 295.6</b>	<b>492.3</b>	<b>864.7</b>
Net financial expenses	11.4	(3.4)	10.4	(13.0)	(10.7)
<b>Profit/(loss) before taxes</b>	<b>110.9</b>	<b>225.0</b>	<b>1 306.0</b>	<b>479.3</b>	<b>854.0</b>
Income taxes	(8.6)	(42.1)	(26.3)	(103.4)	(199.5)
<b>Net income</b>	<b>102.3</b>	<b>182.9</b>	<b>1 279.6</b>	<b>375.9</b>	<b>654.5</b>



# Balance sheet

<b>(figures in NOK million)</b>	<b>Q3 2020</b>	<b>Q2 2020</b>	<b>Q3 2019</b>	<b>2019</b>
Intangible assets	383.4	383.4	383.4	383.4
Property, plant and equipment	5.3	5.4	6.1	5.6
Investments in associated companies and joint ventures	398.6	378.8	418.7	430.3
Other non-current assets	236.2	254.3	496.6	280.4
<b>Total non-current assets</b>	<b>1 023.6</b>	<b>1 021.9</b>	<b>1 304.7</b>	<b>1 099.6</b>
<b>Inventories (property)</b>	<b>4 274.6</b>	<b>4 276.8</b>	<b>4 654.4</b>	<b>3 636.7</b>
- Land	979.0	1 088.3	1 924.0	1 020.8
- Land held for sale				
- Work in progress	3 171.6	3 077.8	2 560.5	2 433.2
- Finished goods	123.9	110.7	169.9	182.6
Other current receivables	491.8	104.7	325.7	133.3
Cash and cash equivalents	361.3	678.8	488.3	1 178.7
Assets held for sale	-	-	-	-
<b>Total current assets</b>	<b>5 127.7</b>	<b>5 060.2</b>	<b>5 468.4</b>	<b>5 812.8</b>
<b>TOTAL ASSETS</b>	<b>6 151.2</b>	<b>6 082.1</b>	<b>6 773.1</b>	<b>6 912.4</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 170.8	2 363.6	3 064.5	3 374.2
Non-controlling interests	7.9	7.9	7.9	7.9
<b>Total equity</b>	<b>2 178.6</b>	<b>2 371.4</b>	<b>3 072.4</b>	<b>3 382.1</b>
Non-current interest-bearing liabilities	1 255.6	1 635.8	1 741.1	1 092.3
Other non-current non interest-bearing liabilities	151.9	149.5	194.2	124.2
<b>Total non-current liabilities</b>	<b>1 407.5</b>	<b>1 785.4</b>	<b>1 935.3</b>	<b>1 216.5</b>
Current interest-bearing liabilities	1 616.1	1 010.6	759.9	1 161.0
Other current non interest-bearing liabilities	949.1	914.6	1 005.5	1 152.8
<b>Total current liabilities</b>	<b>2 565.1</b>	<b>1 925.3</b>	<b>1 765.4</b>	<b>2 313.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 151.2</b>	<b>6 082.1</b>	<b>6 773.1</b>	<b>6 912.4</b>

\* Corresponding to a book value of NOK per share

23.15

# Cash flow statement

<b>(figures in NOK million)</b>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9M 2020</b>	<b>9M 2019</b>	<b>2019</b>
Net cash flow from operating activities	(266.8)	528.4	692.8	42.2	985.9
Net cash flow from investment activities	31.7	24.5	409.1	73.8	64.1
Net cash flow from financing activities	(82.3)	(664.5)	(1 919.3)	(284.8)	(528.4)
Net change in cash and cash equivalents	(317.4)	(111.6)	(817.3)	(168.8)	521.7
<b>Cash and cash equivalents at start of period</b>	<b>678.8</b>	<b>599.9</b>	<b>1 178.7</b>	<b>657.0</b>	<b>657.0</b>
<b>Cash and cash equivalents at end of period</b>	<b>361.3</b>	<b>488.3</b>	<b>361.3</b>	<b>488.3</b>	<b>1 178.7</b>



# Operational highlights – key operating figures

	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Units sold	159	140	164	142	178
Construction starts	174	248	15	31	196
Units completed	203	254	89	104	212
Units delivered	243	214	114	122	212
Units under construction	1 510	1 504	1 431	1 357	1 342
Proportion of sold units under construction	72 %	70 %	76 %	78 %	77 %
Completed unsold units	34	56	37	25	19
Sales value of units under construction (NOK million)	7 192	7 155	6 742	6 327	6 660
Number of employees	91	87	87	87	85

# EBITDA Q3 2020

<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>692.1</b>	<b>14.9</b>	<b>707.0</b>
Project expenses	(492.2)	(0.1)	(492.2)
Other operating expenses	(10.2)	(54.0)	(64.2)
<b>EBITDA (percentage of completion)</b>	<b>189.7</b>	<b>(39.2)</b>	<b>150.6</b>

Note: Construction costs are exclusive of financial expenses in the segment reporting.

## IFRS EBITDA for the quarter, per segment

Operating revenues	691.2	14.9	706.1
Project expenses	(561.8)	(0.1)	(561.8)
Other operating expenses	(7.9)	(54.0)	(61.9)
Share of income (losses) from associated companies and joint ventures	19.6	-	19.6
<b>EBITDA</b>	<b>141.1</b>	<b>(39.2)</b>	<b>102.0</b>
Units in production	1 342	N/A	N/A
Units delivered	212	N/A	N/A

Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies



# EBITDA 9M 2020

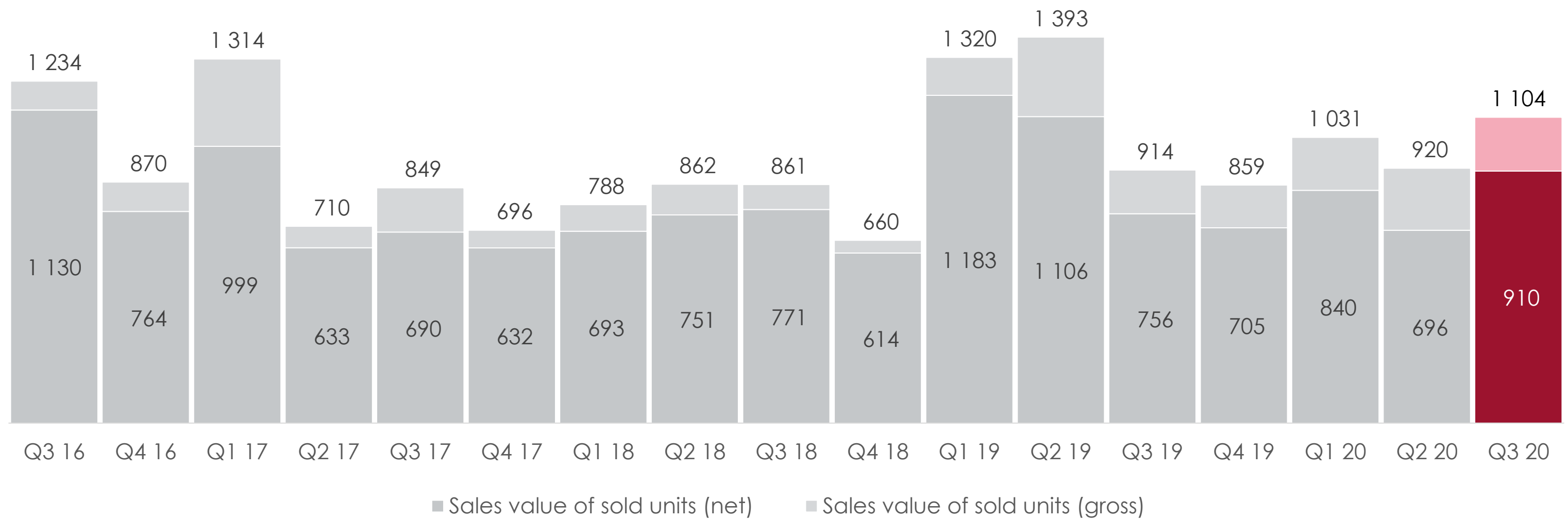
<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>2 227.4</b>	<b>39.2</b>	<b>2 266.5</b>
Project expenses	(1 619.2)	(0.5)	(1 619.7)
Other operating expenses	(32.9)	(150.5)	(183.5)
<b>EBITDA (percentage of completion)</b>	<b>575.2</b>	<b>(111.8)</b>	<b>463.4</b>
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
<b>IFRS EBITDA full year per segment</b>			
Operating revenues	1 311.6	39.2	1 350.7
Project expenses	(1 032.0)	(0.5)	(1 032.5)
Other operating expenses	(25.7)	(150.5)	(176.2)
Share of income (losses) from associated companies and joint ventures	132.1	-	132.1
<b>EBITDA</b>	<b>386.0</b>	<b>(111.8)</b>	<b>274.2</b>
Units in production	I/A	N/A	N/A
Units delivered	I/A	N/A	N/A

Note: EBITDA is operating profit before interest, taxes, depreciation, amortisation and other gains (losses).

# Value of units sold - gross and net

## Sales value of units sold

NOK million

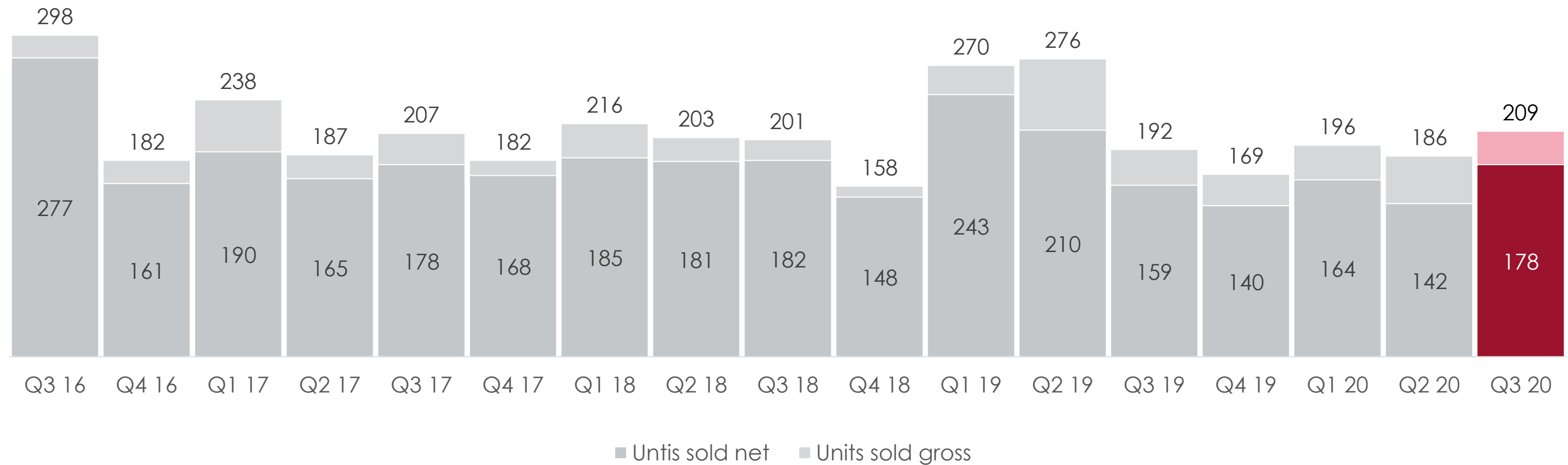




# Number of units sold - gross and net

## Number of units sold

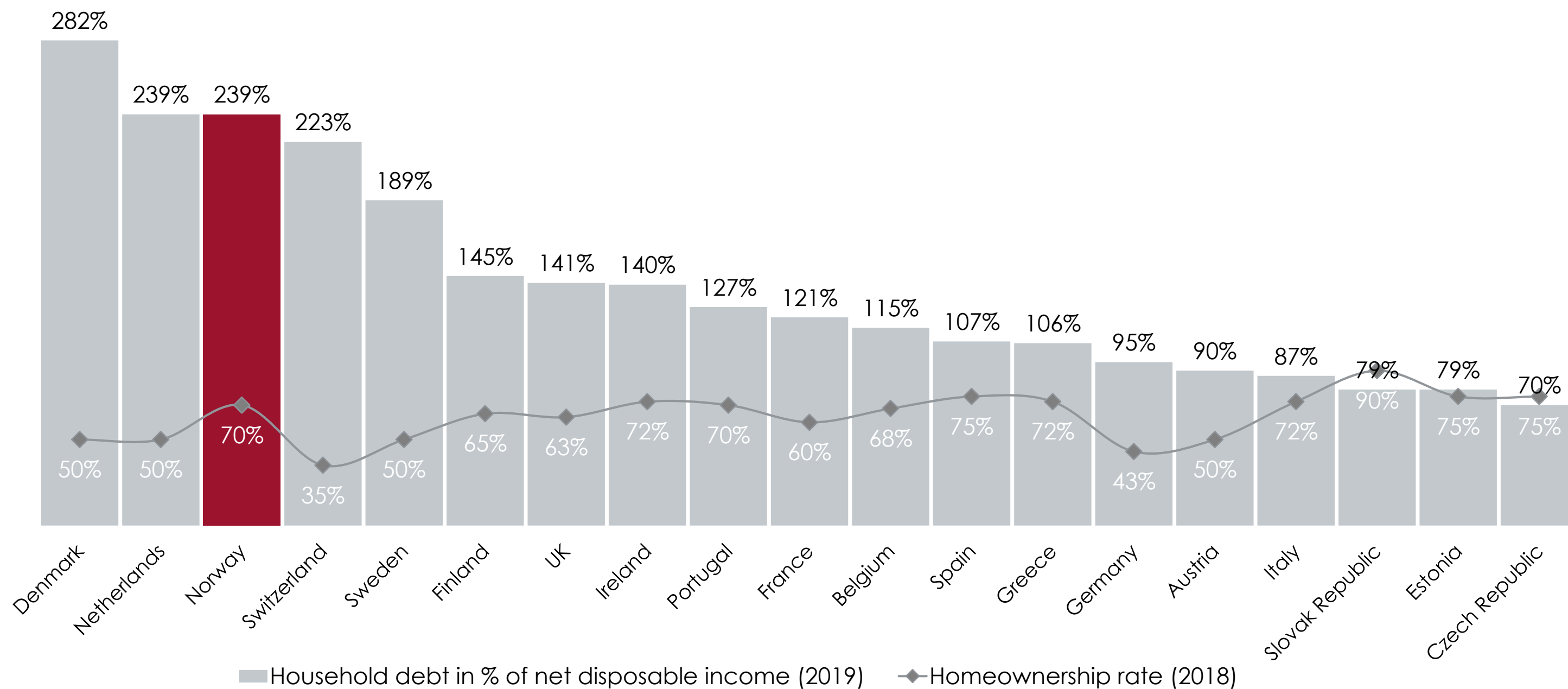
Units



# Norwegian housing market

- Low risk for housebuilders
  - Advance sales: banks require that 50-70% of homes are sold before construction starts
  - Binding offers: offer to purchase is a binding sales contract, and requires a minimum 10% cash deposit
- High level of home ownership
  - 85% (one of the world's highest)
- Economic benefits for home owners
  - 23% of mortgage loan interest payments are tax deductible
  - Transfer stamp duty for new houses is lower than for second-hand homes
- Strong population growth
  - Norway's urban areas are among the fastest growing in Europe
  - Good market for new homes

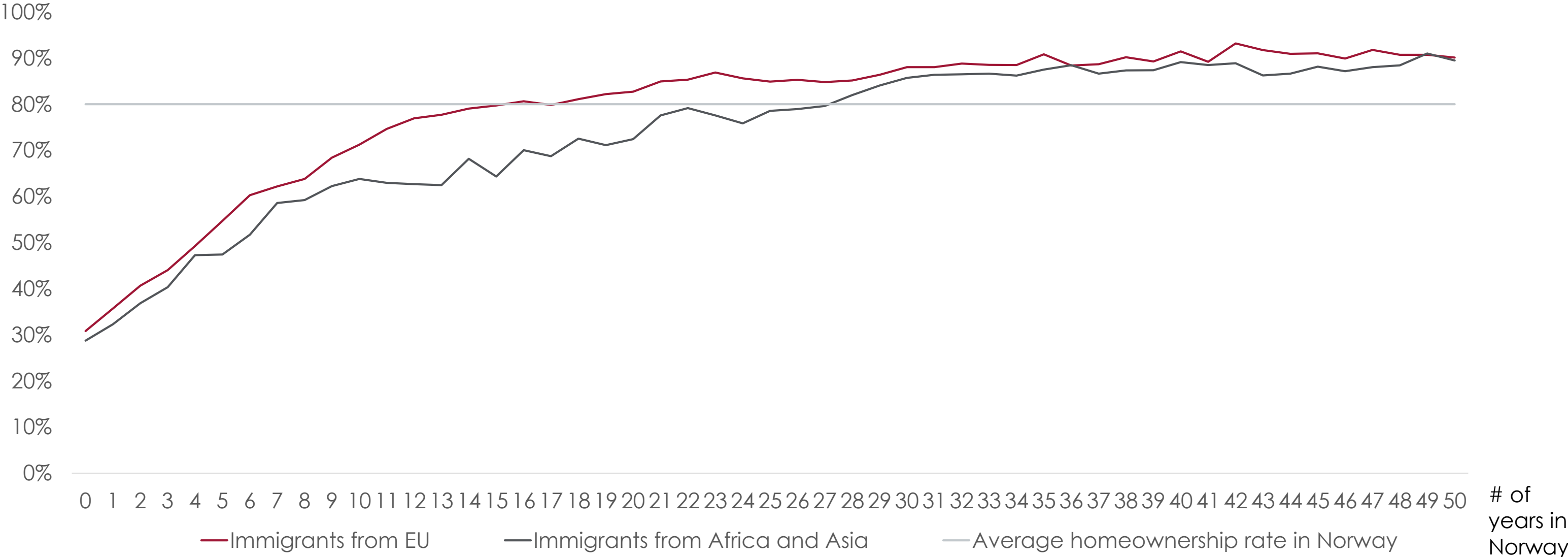
# Total household debt and homeownership





# Immigration increases demand over time

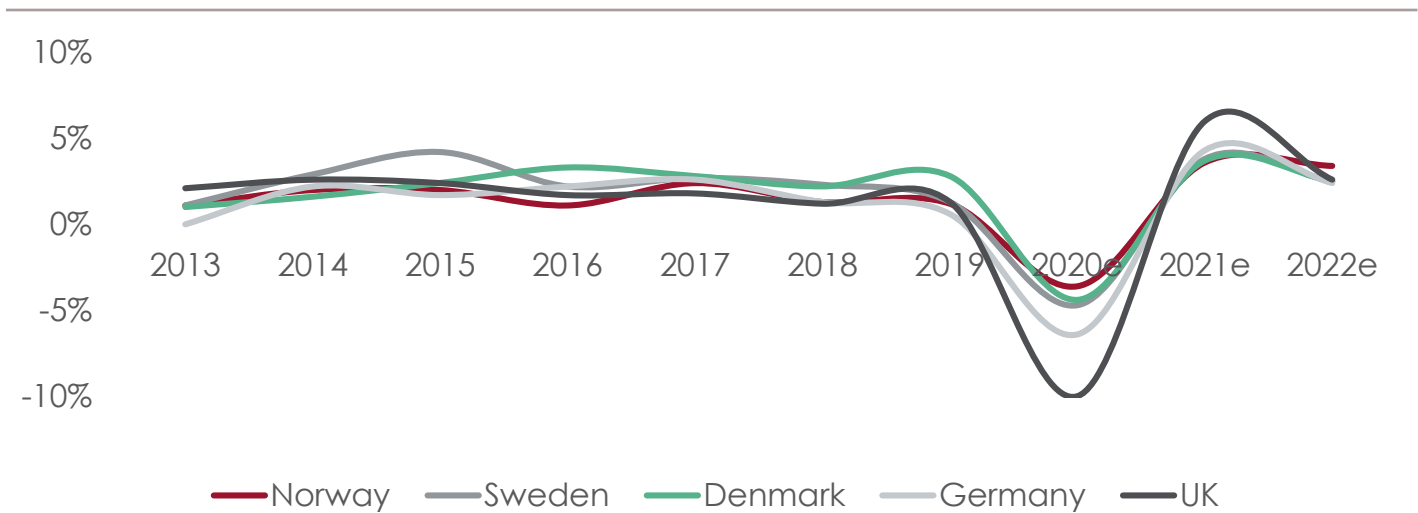
Homeownership rate among immigrants in Norway (per year living in Norway)



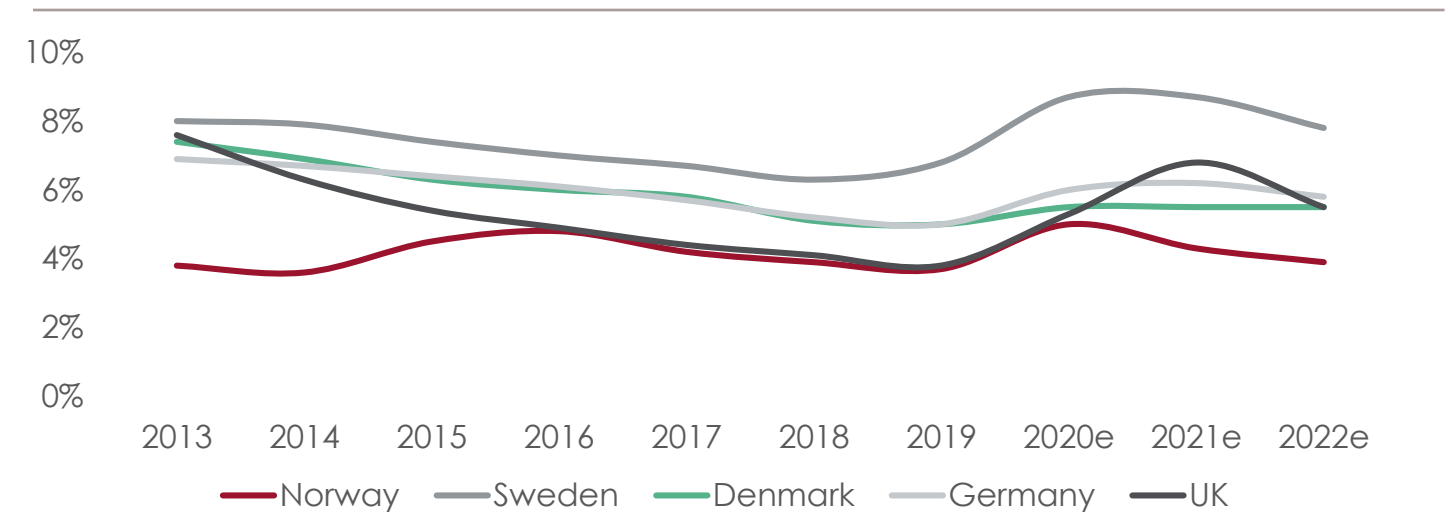
Source: Statistics Norway

# Norway – relatively limited volatility

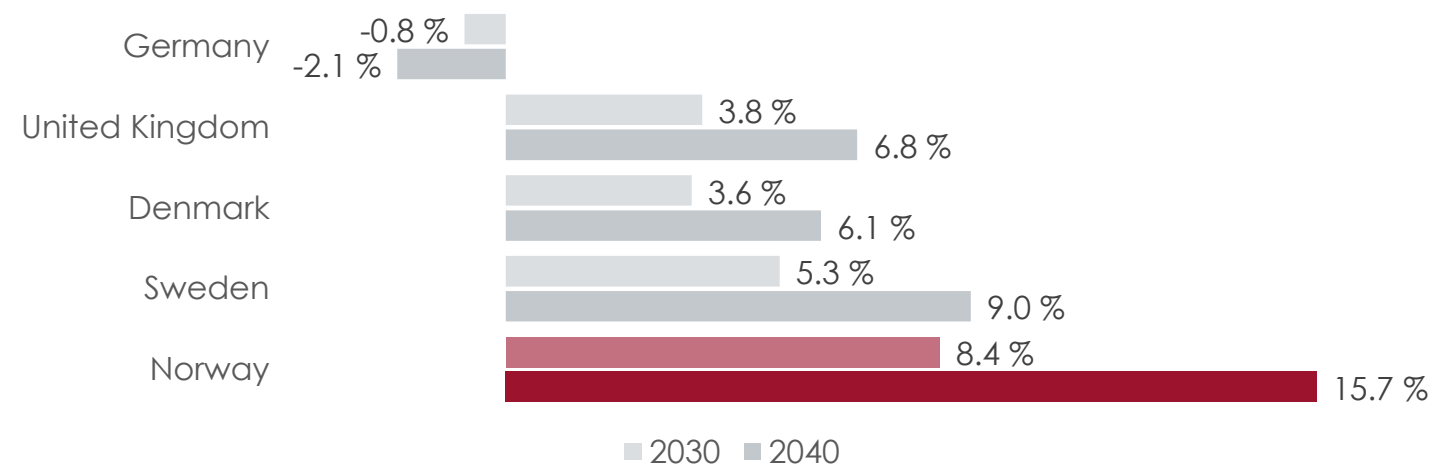
## GDP growth 2013 - 2022e



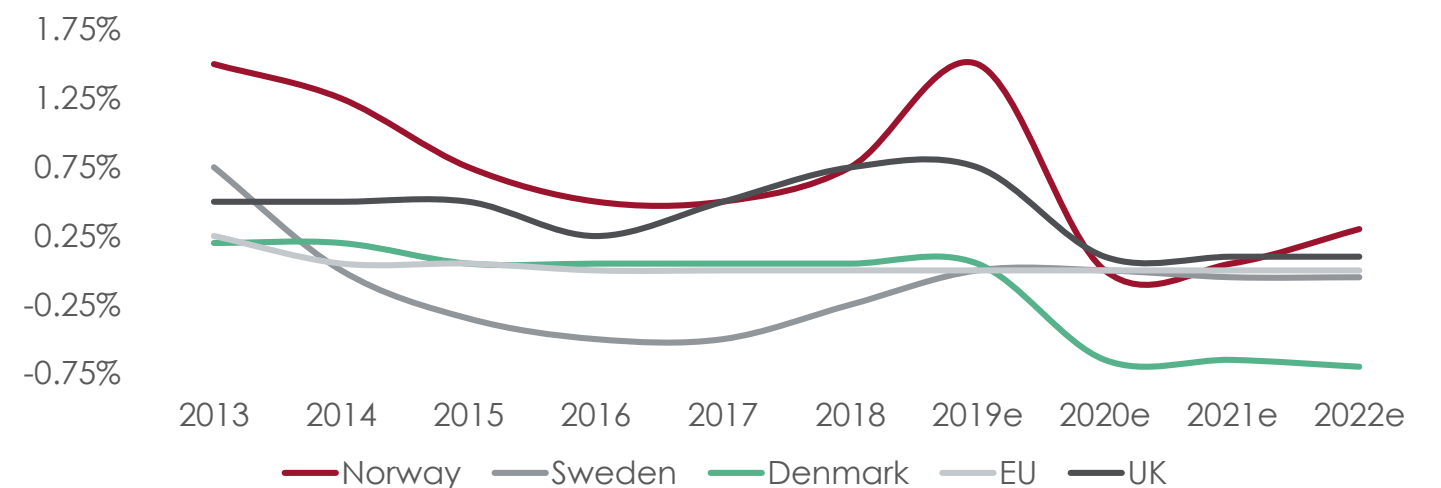
## Unemployment 2013 - 2022e



## Population growth 2020 - 2030e and 2040e



## Interest rates\* 2013 - 2022e

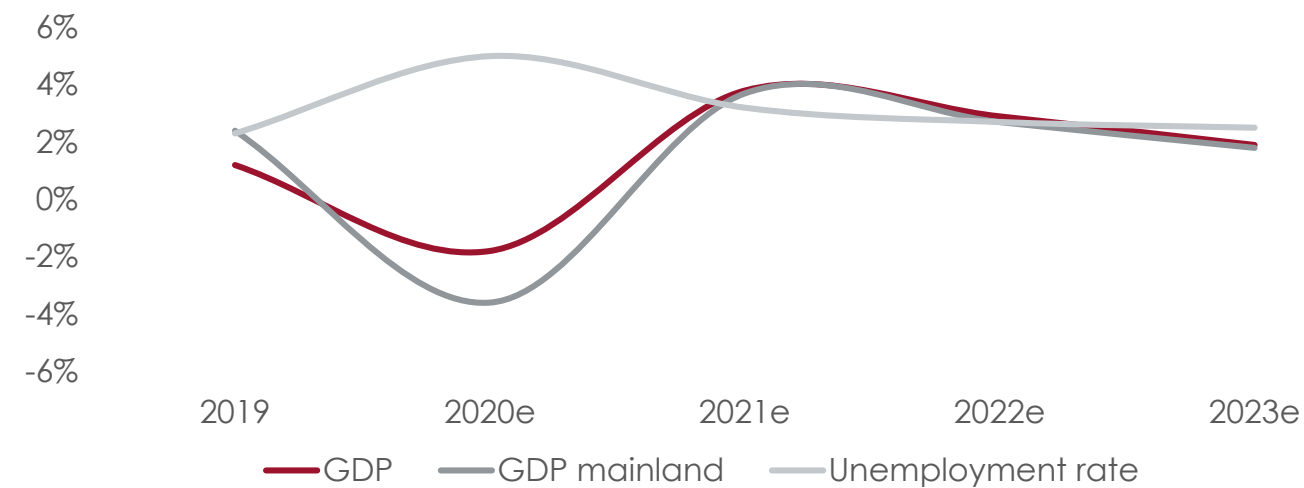


Source: Bloomberg, UN

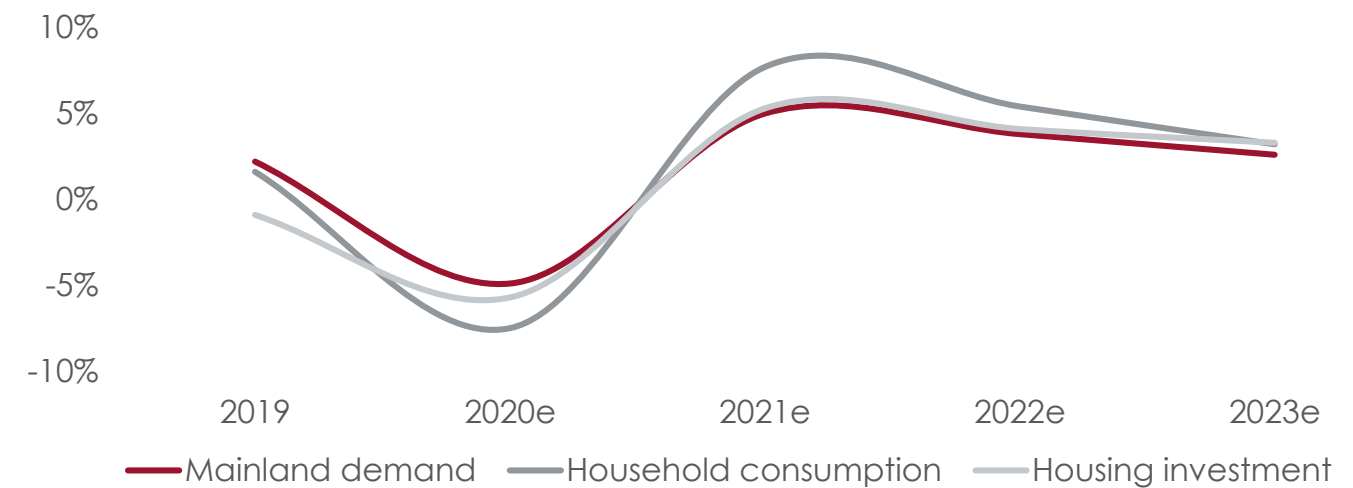
\* Central bank rates

# Norway – moving back to normal in through 2021

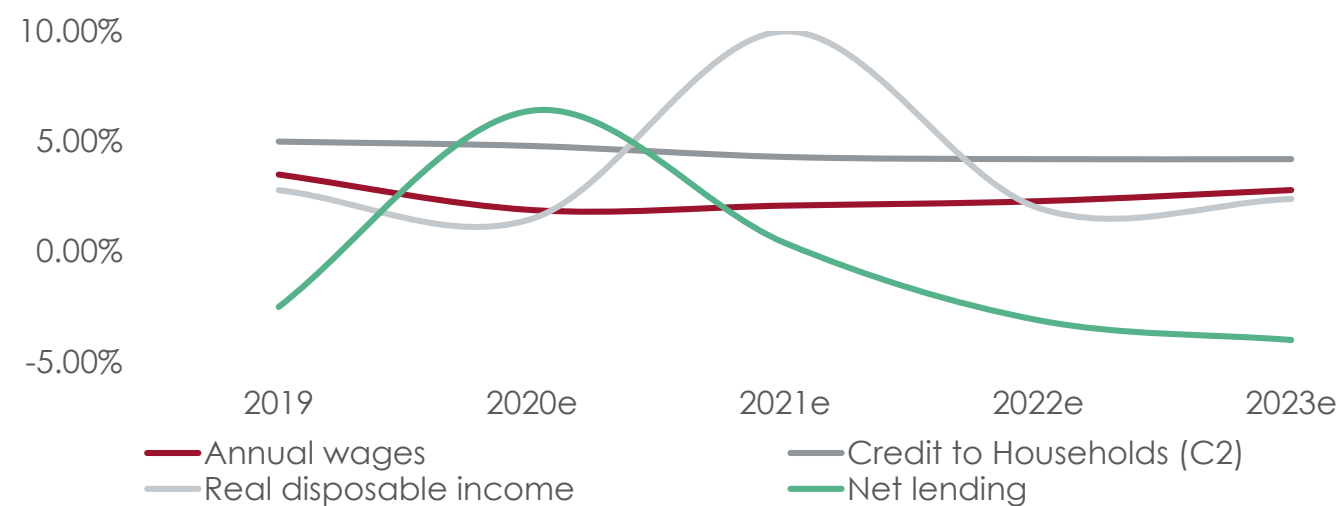
## Real economy 2019 - 2023e



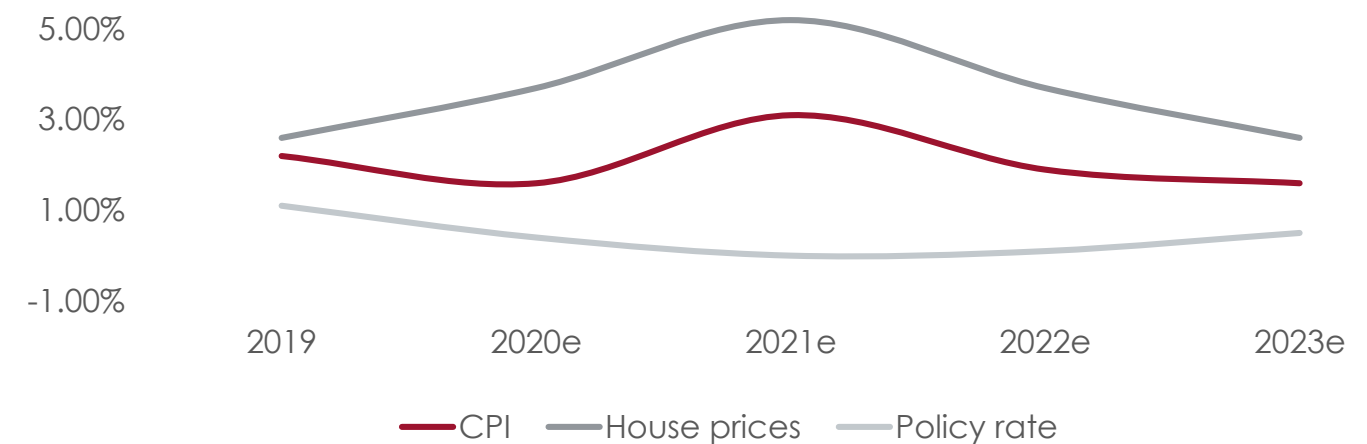
## Demand 2019 - 2023e



## Wages & disposable income 2019 - 2023e



## Prices & interest rates 2019 - 2023e

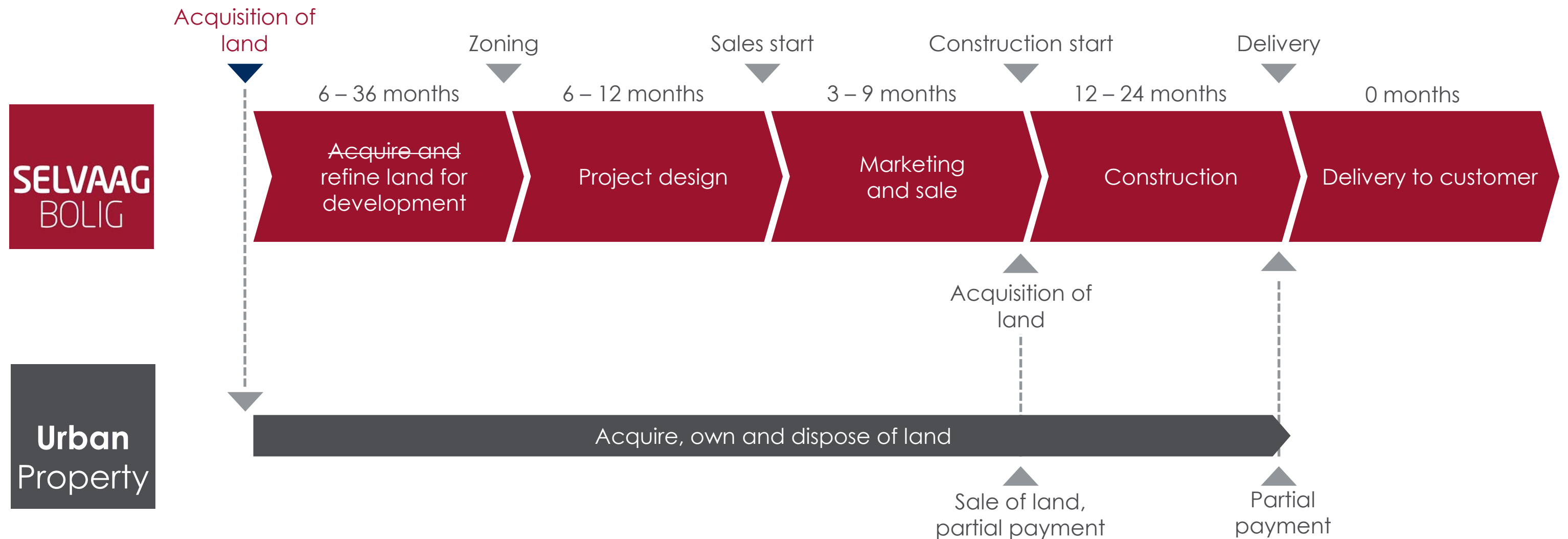


Source: Central Bank of Norway

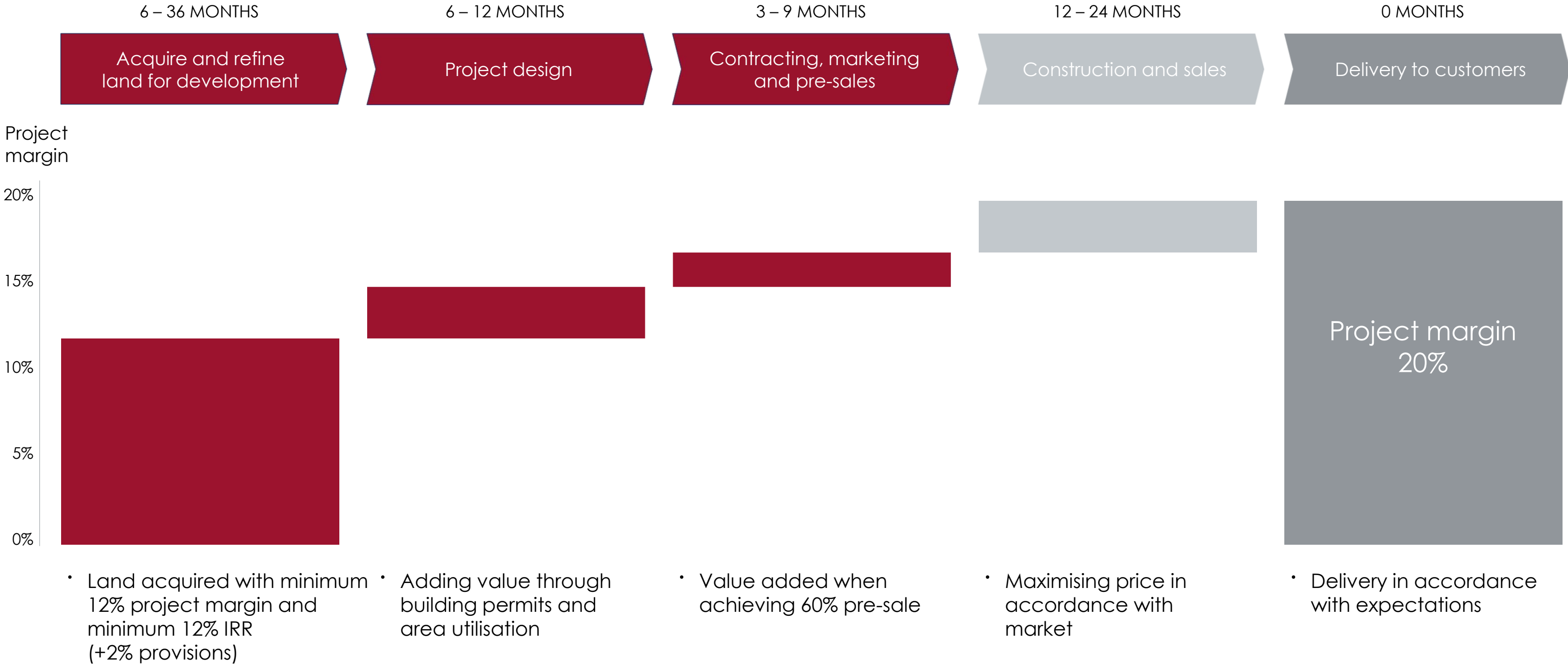


# Reduced capital binding in practice, in effect no equity needed in Selvaag Bolig for land

Residential development value chain: cooperation between Selvaag Bolig and Urban Property



# Historic general margin development through project stages



\* Assuming flat market development

# Example project calculations before and after

	1 BOOK VALUE OF LAND		2 MARKET VALUE OF LAND		3 LAND OWNED BY URBAN PROPERTY	
Figures for illustration purposes only	MNOK	%	MNOK	%	MNOK	%
<b>Sales revenue</b>	<b>348.5</b>	<b>100.0 %</b>	<b>348.5</b>	<b>100.0%</b>	<b>348.5</b>	<b>100.0%</b>
Construction cost	195.8	56.2 %	195.8	56.2%	195.8	56.2%
Land cost	34.9	10.0 %	69.7	20.0%	85.2	24.4%
Other costs	24.5	7.0 %	24.5	7.0%	24.5	7.0%
<b>Project cost</b>	<b>255.2</b>	<b>73.2 %</b>	<b>290.0</b>	<b>83.2%</b>	<b>305.5</b>	<b>87.7%</b>
Net finance (excluding Urban Property)	11.0	3.2 %	16.8	4.8%	5.3	1.5%
<b>TOTAL REVENUE</b>	<b>348.5</b>	<b>100.0 %</b>	<b>348.5</b>	<b>100.0%</b>	<b>348.5</b>	<b>100.0%</b>
<b>TOTAL COST</b>	<b>266.2</b>	<b>76.4 %</b>	<b>306.8</b>	<b>88.0%</b>	<b>310.9</b>	<b>89.2%</b>
<b>PROFIT</b>	<b>82.3</b>	<b>23.6 %</b>	<b>41.7</b>	<b>12.0 %</b>	<b>37.7</b>	<b>10.8%</b>
<b>Internal rate of return (IRR)</b>		<b>25.0 %</b>		<b>12.2%</b>		<b>28.0%</b>

One-off gain on owned land

Implications on current land bank

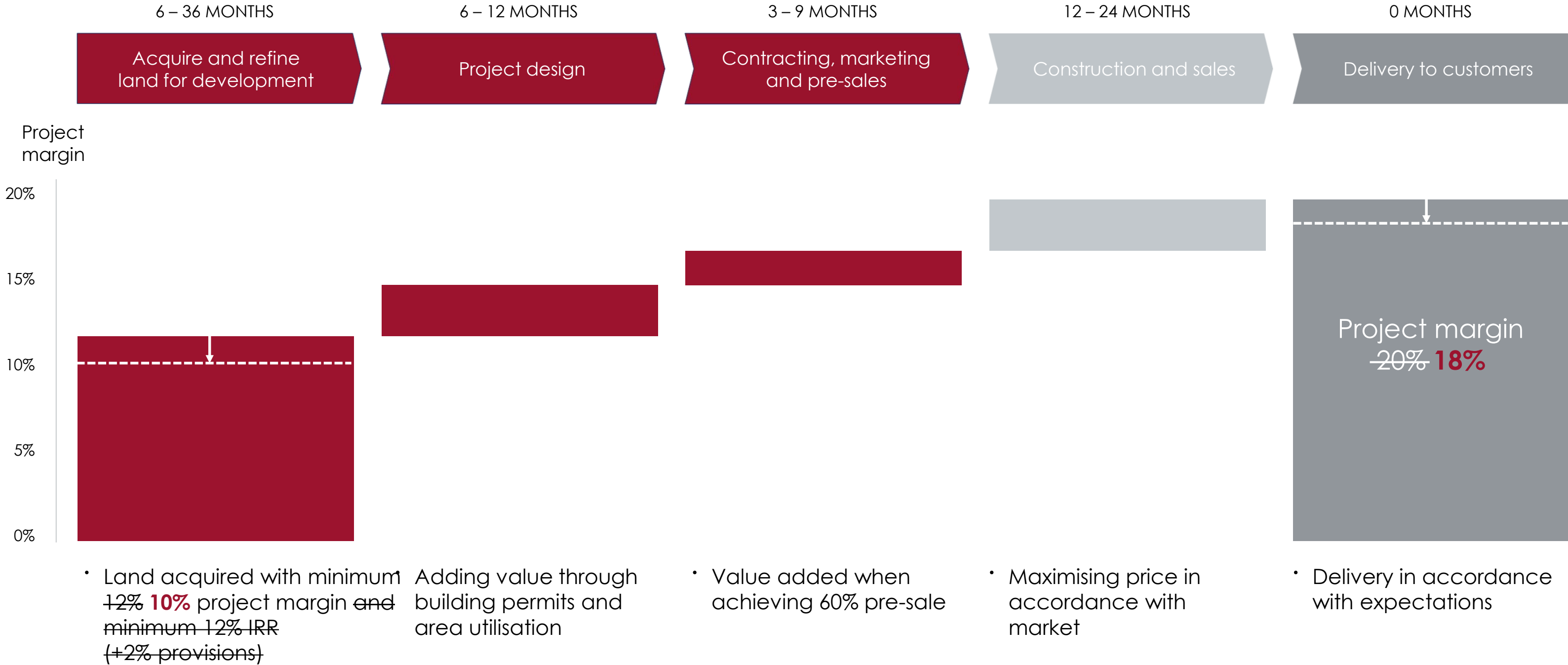
Future projects given a flat market development

- 1 Initial project margin and IRR at current structure with book value of land about half of market value
- 2 Initial project margin and IRR at current structure given land at marked value
- 3 Initial project margin and IRR with Urban Property as partner and land at marked value (in addition to option premium)

<sup>67</sup> Example apply a land ownership period in Urban Property of 3-4 years, and a finance cost of 4% on all capital employed in the project



# Project margin will somewhat deflate\* but higher IRR and less/no equity bound in land



\* Assuming flat market development

# Balance sheet implications and effects of dividend

Statements of financial position (figures in MNOK)	Reported Q4 2019	Transaction		Pro forma Q4 2019
		Sale	Dividend	
<b>ASSETS</b>				
Investments in associated companies and joint ventures	430	0	0	430
Loans to associated companies and joint ventures	130	-59	0	71
Other non-current assets	741	-143	0	598
<b>Total non-current assets</b>	<b>1 301</b>	<b>-202</b>	<b>0</b>	<b>1 100</b>
Inventory	4 299	-663	0	3 637
Other current receivables	133	0	0	133
Cash and cash equivalents	1 179	1 751	-2 055	875
<b>Total current assets</b>	<b>5 611</b>	<b>1 088</b>	<b>-2 055</b>	<b>4 645</b>
<b>TOTAL ASSETS</b>	<b>6 912</b>	<b>887</b>	<b>-2 055</b>	<b>5 744</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>3 383</b>	<b>1 043</b>	<b>-2 055</b>	<b>2 371</b>
<b>LIABILITIES</b>				
Other non-current non interest-bearing liabilities	157	0	0	157
Non-current interest bearing liabilities	1 128	-157	0	971
<b>Total non-current liabilities</b>	<b>1 284</b>	<b>-157</b>	<b>0</b>	<b>1 128</b>
Current interest bearing liabilities	1 169	0	0	1 169
Other current non interest-bearing liabilities	1 076	0	0	1 076
<b>Total current liabilities</b>	<b>2 245</b>	<b>0</b>	<b>0</b>	<b>2 245</b>
<b>Total liabilities</b>	<b>3 530</b>	<b>-157</b>	<b>0</b>	<b>3 373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 912</b>	<b>887</b>	<b>-2 055</b>	<b>5 744</b>
<b>Equity%</b>	<b>49 %</b>			<b>41 %</b>
<b>Dividend per share (NOK)</b>			<b>22,0</b>	

- Transaction value NOK 3 360m
- Repayment of debt NOK 1 160m
- Free liquidity from transaction NOK 1 800m
- EO dividend NOK 22 per share
- Pro forma equity down ~NOK 1 000 to NOK 2 364m
  - Equity ratio 41%, down from 49%

**SELVAAG BOLIG**