

# SELVAAG BOLIG

## Q3 2021

Oslo, 11 November 2021

Sverre Molvik, CEO

Christopher Brunvoll, CFO



# Agenda

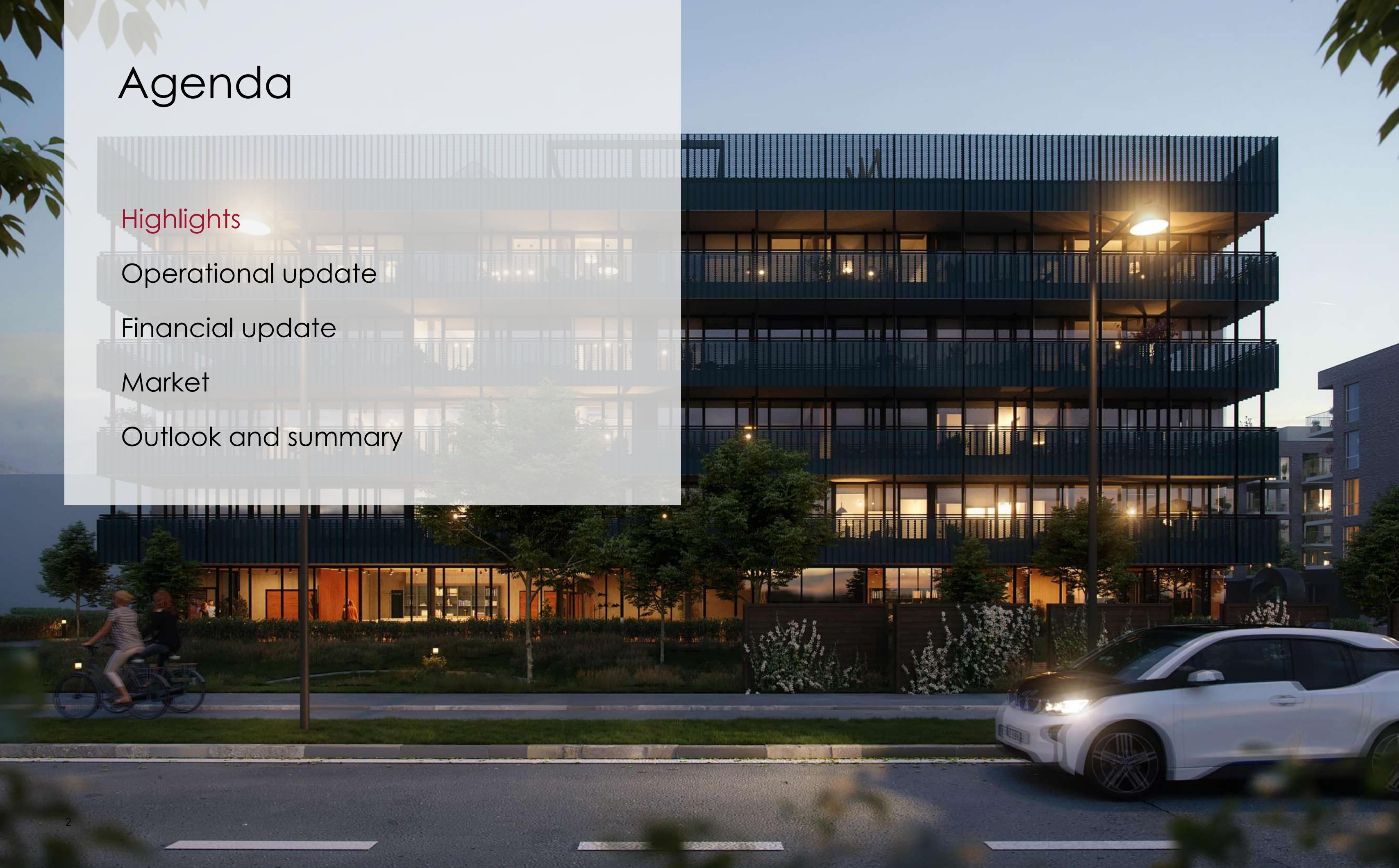
## Highlights

Operational update

Financial update

Market

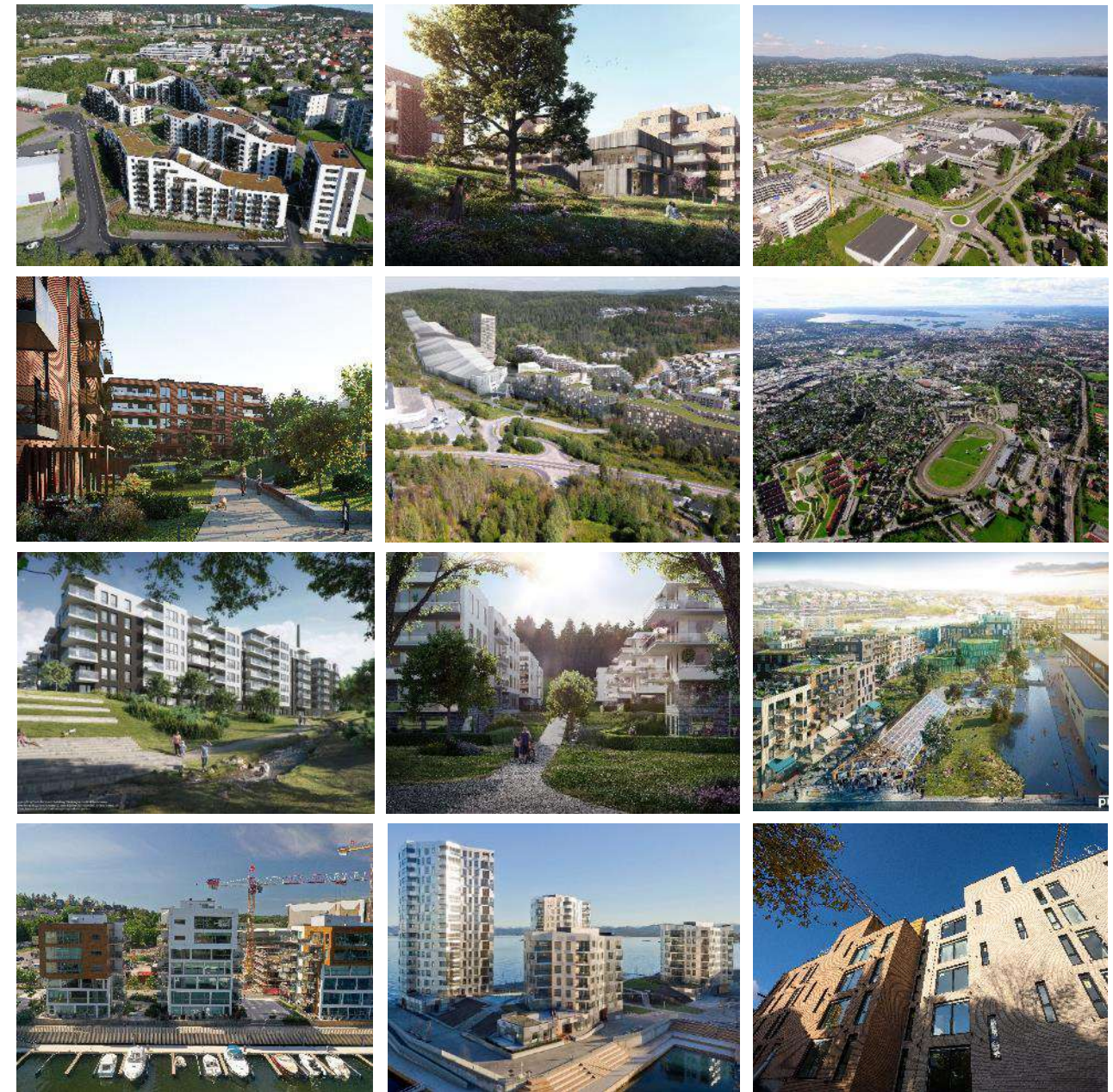
Outlook and summary





# Highlights Q3

- Solid revenues and high margins
- Units sold first 9 months up 13% year over year
- Solid pipeline for coming quarters



Completed, ongoing and upcoming projects

# Key financials Q3 2021

887

Operating revenues  
NOK million

25.0

Adjusted EBITDA\* margin  
Per cent

774

Operating revenues (NGAAP)  
NOK million

14.8

EBITDA\*\* margin (NGAAP)  
Per cent

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

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



# Agenda

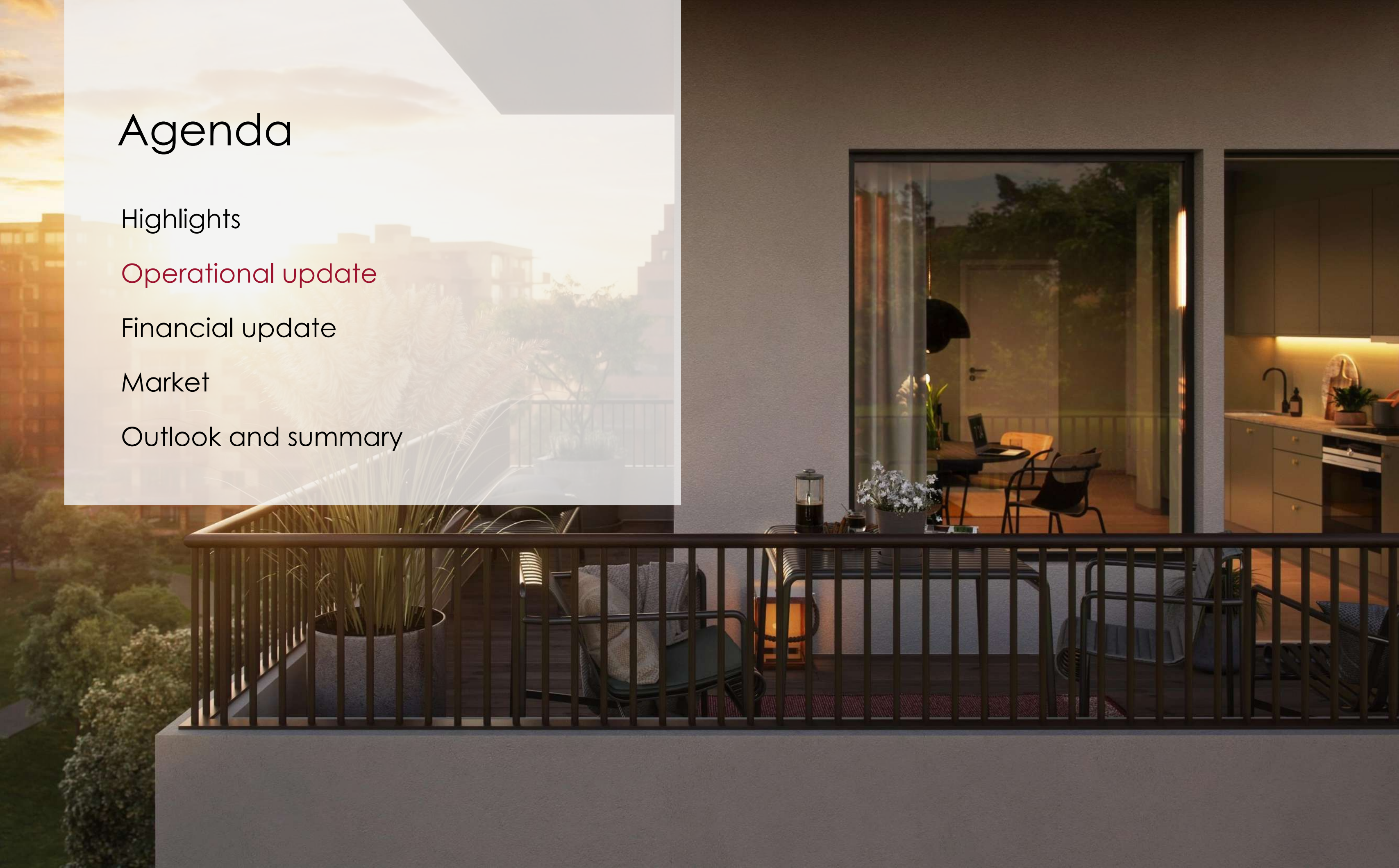
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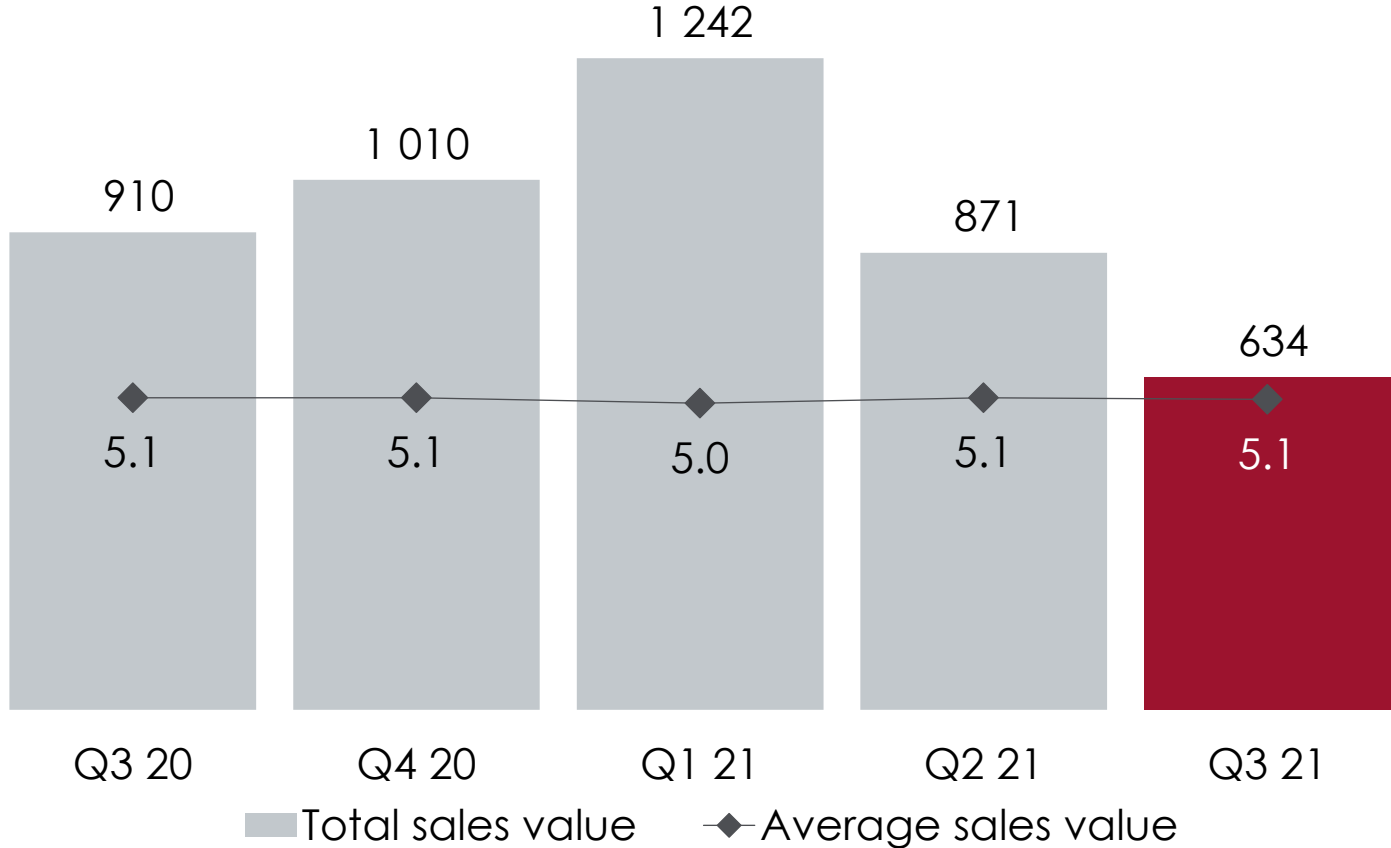




# Sales value and units sold

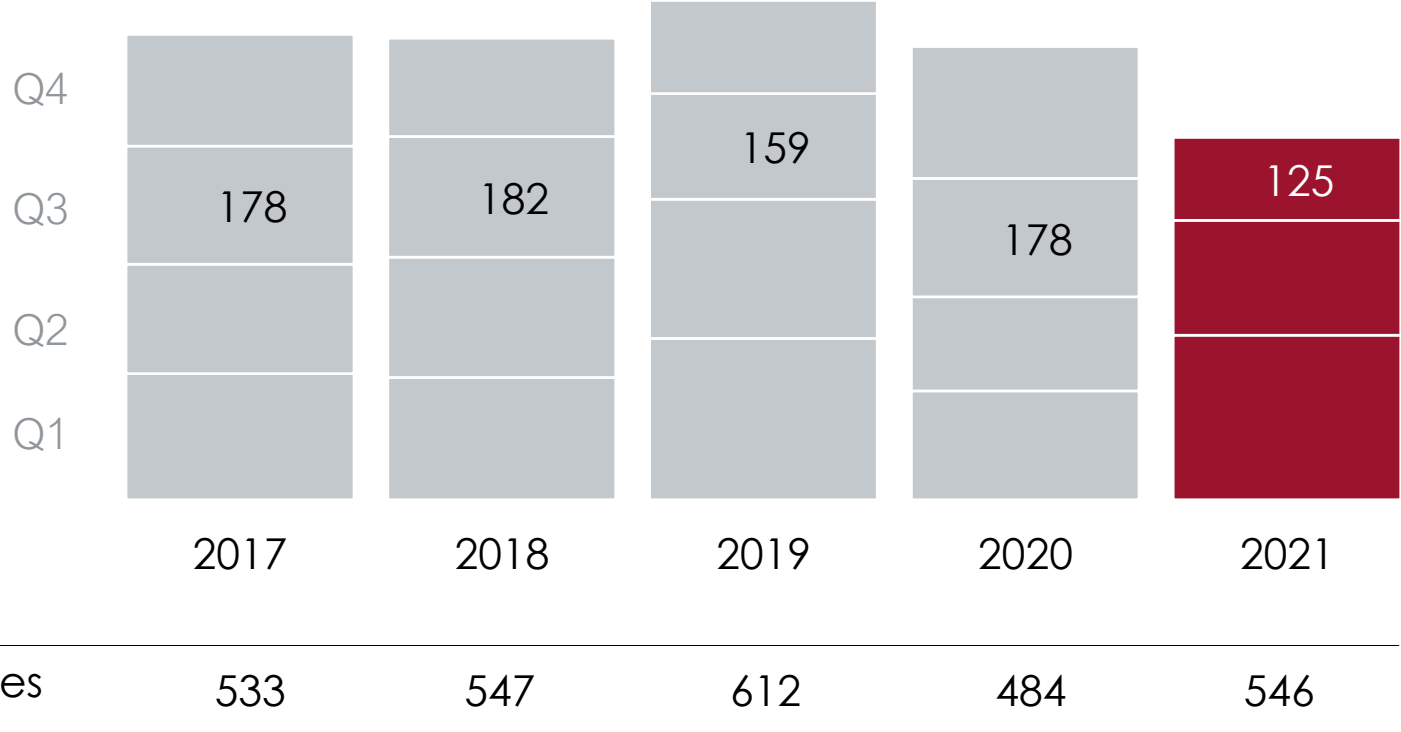
## Sales value

NOK million



## Number of units sold per quarter

Units



9M sales	2017	2018	2019	2020	2021
	533	547	612	484	546

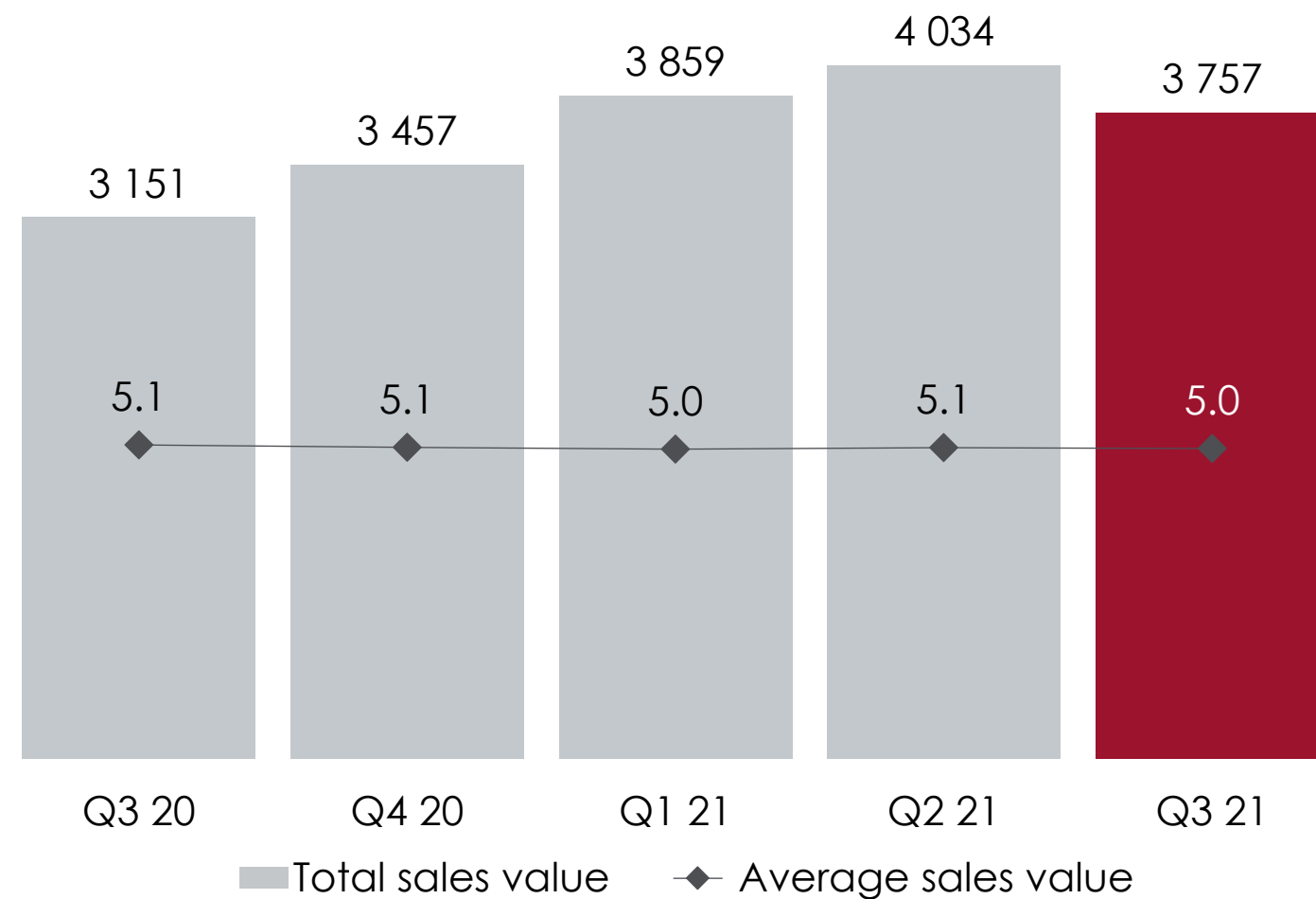
Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

# Rolling sales value and units sold

## Sales value 12-month rolling

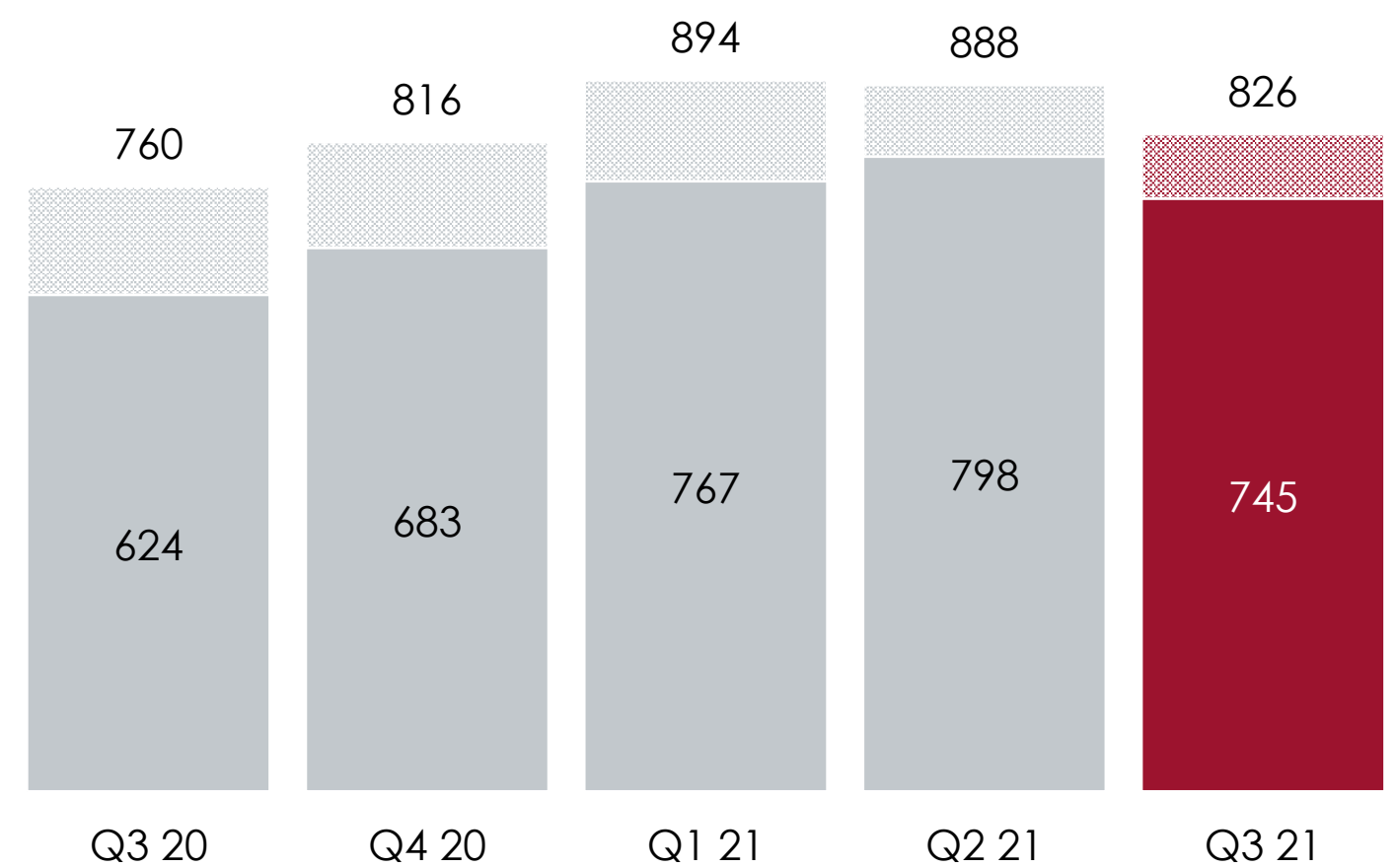
NOK million



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

## Units sold 12-month rolling

Units



\*Total columns show Selvaag Bolig's gross sales.

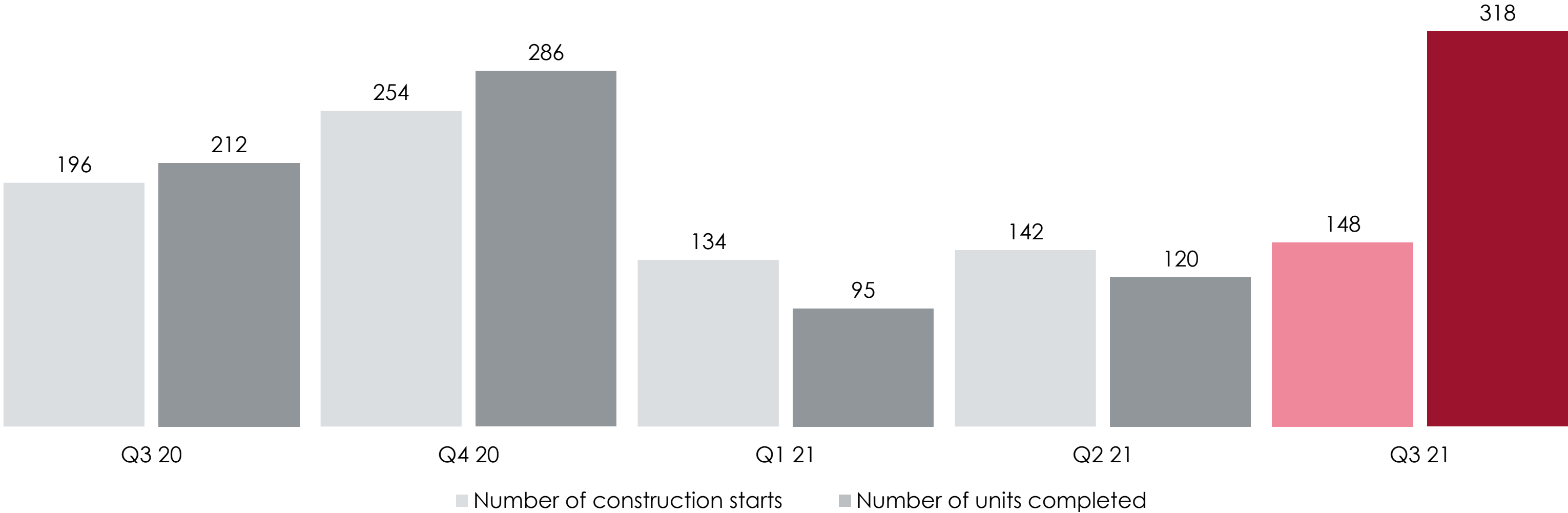
\*\*Columns excluding dotted areas show Selvaag Bolig's net sales.

Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

# Construction starts and completions

## Construction starts and completions per quarter

Units



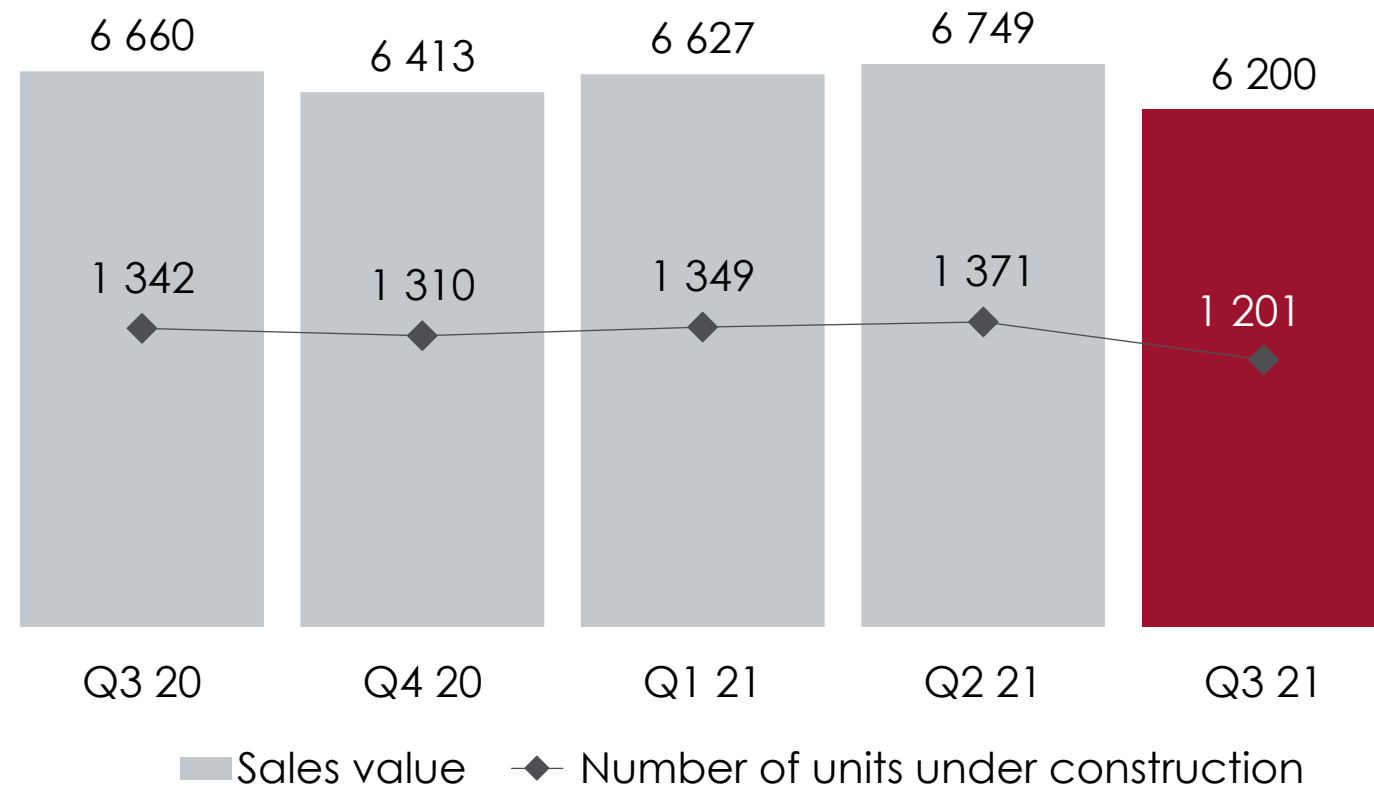
Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures.



# Units under construction and completions

## Sales value units under construction

NOK million

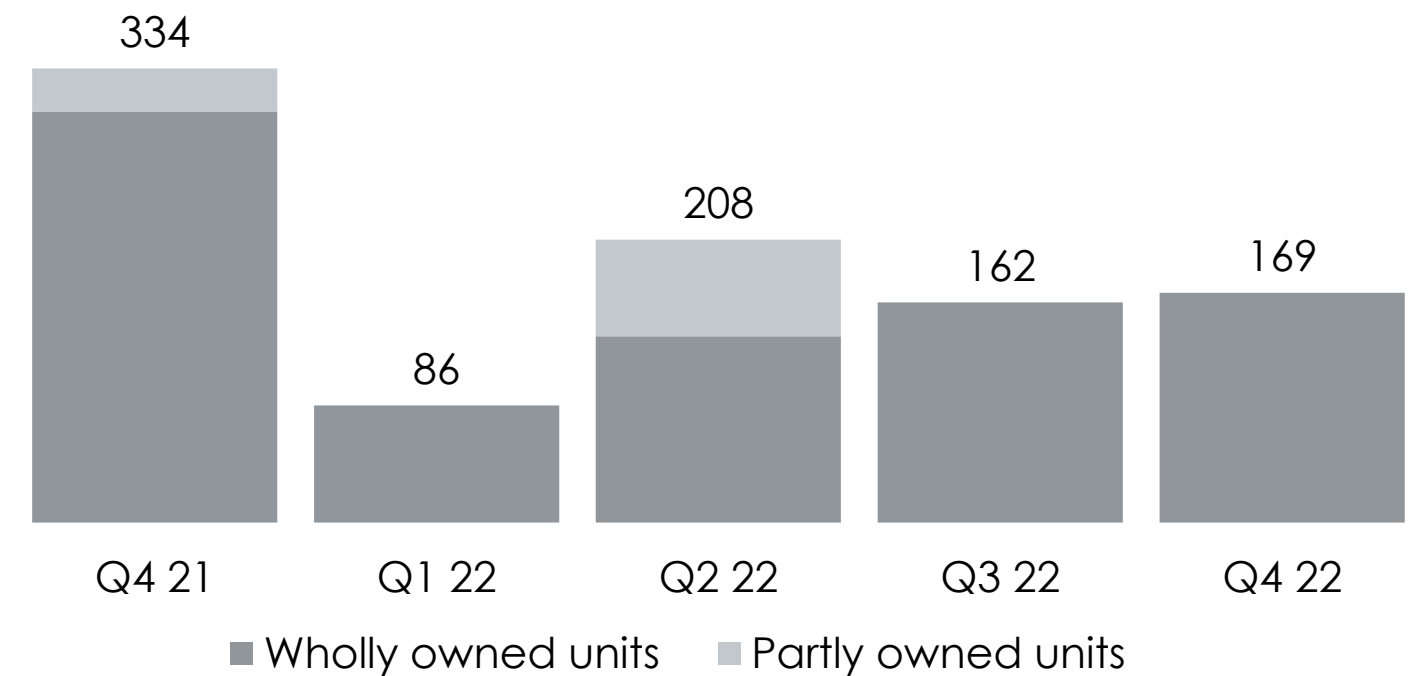


- 76% of units under construction sold by Q3 2021
- 85% of construction volume in Greater Oslo Area\* in Q3 2021

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 2021: 867 units
- 94% of 2021 completions sold by Q3 2021
- Expected completions for the full year 2022: 625 units



# Agenda

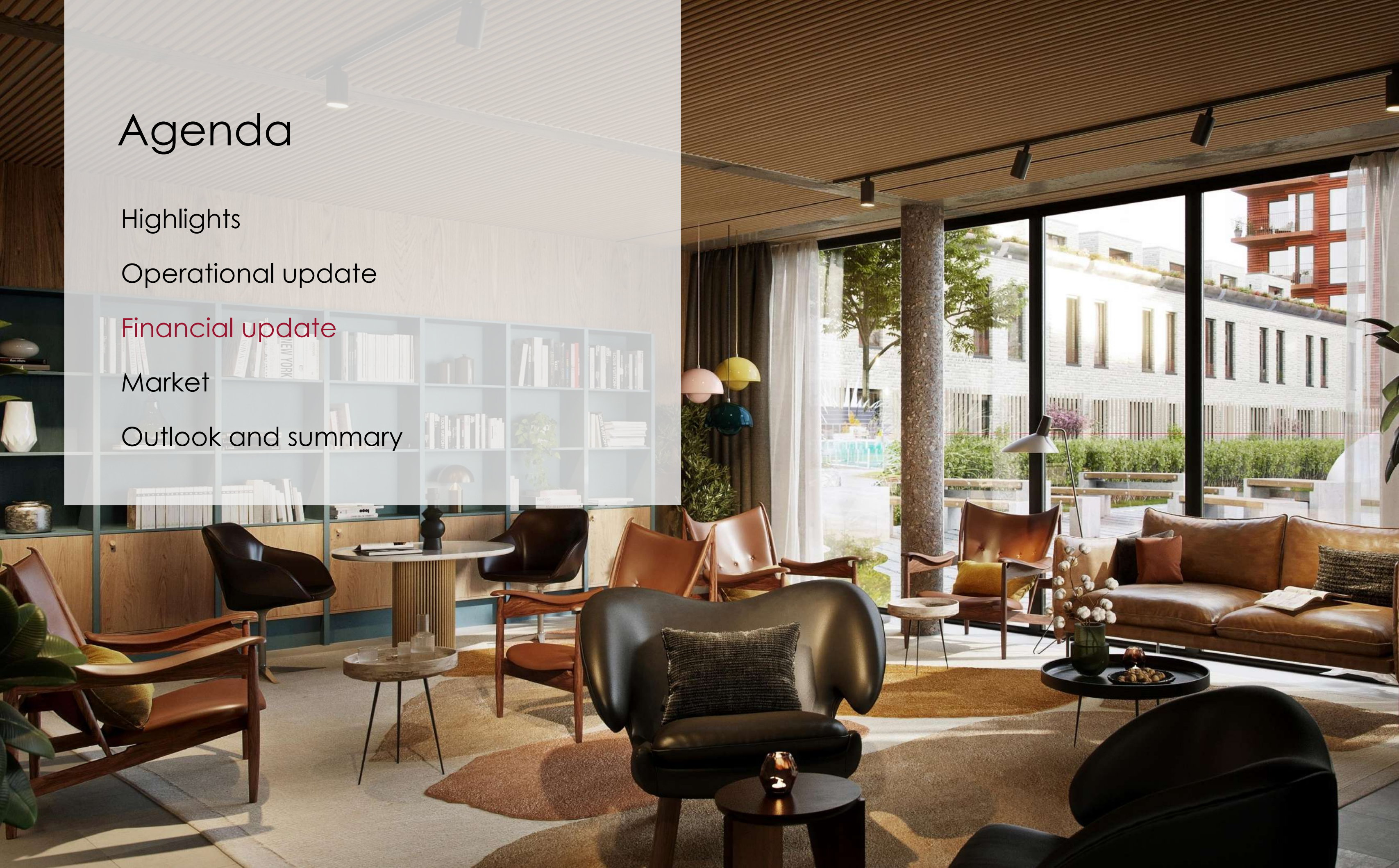
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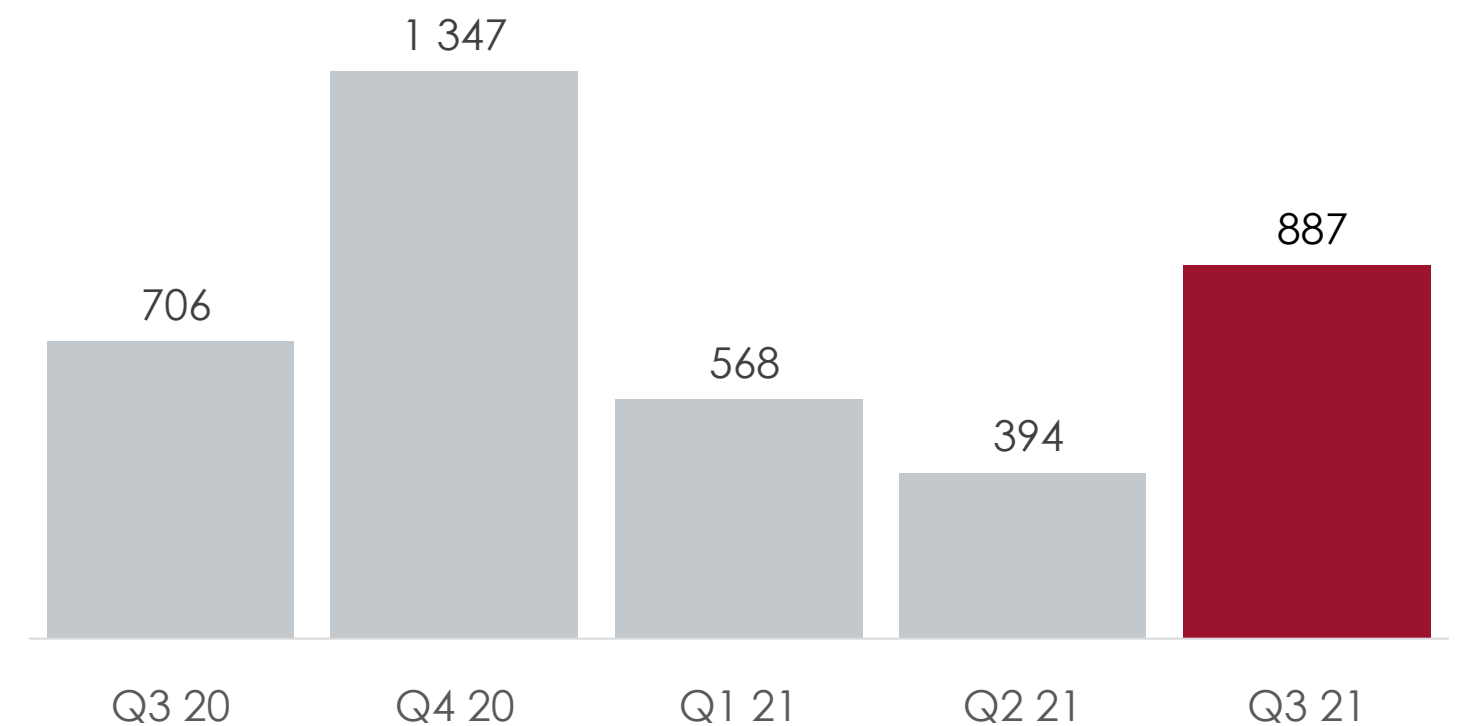


# Income statement highlights Q3 2021 (IFRS)

- 314 units delivered (212)
  - 89 units from share of JVs (18)
- Revenues NOK 887m (706)
  - Other revenues NOK 19m (16)
- Project costs NOK 699m (562)
  - Of which NOK 32m is interest (26)
- Other costs NOK 56m (64)
- Adjusted EBITDA\* NOK 222 (128)
- EBITDA\* NOK 190m (102)
- EPS in the quarter NOK 1.64 (1.10)

## Operating revenues (IFRS)

NOK million



Adjusted EBITDA margin

18%

27%

23%

22%

25%

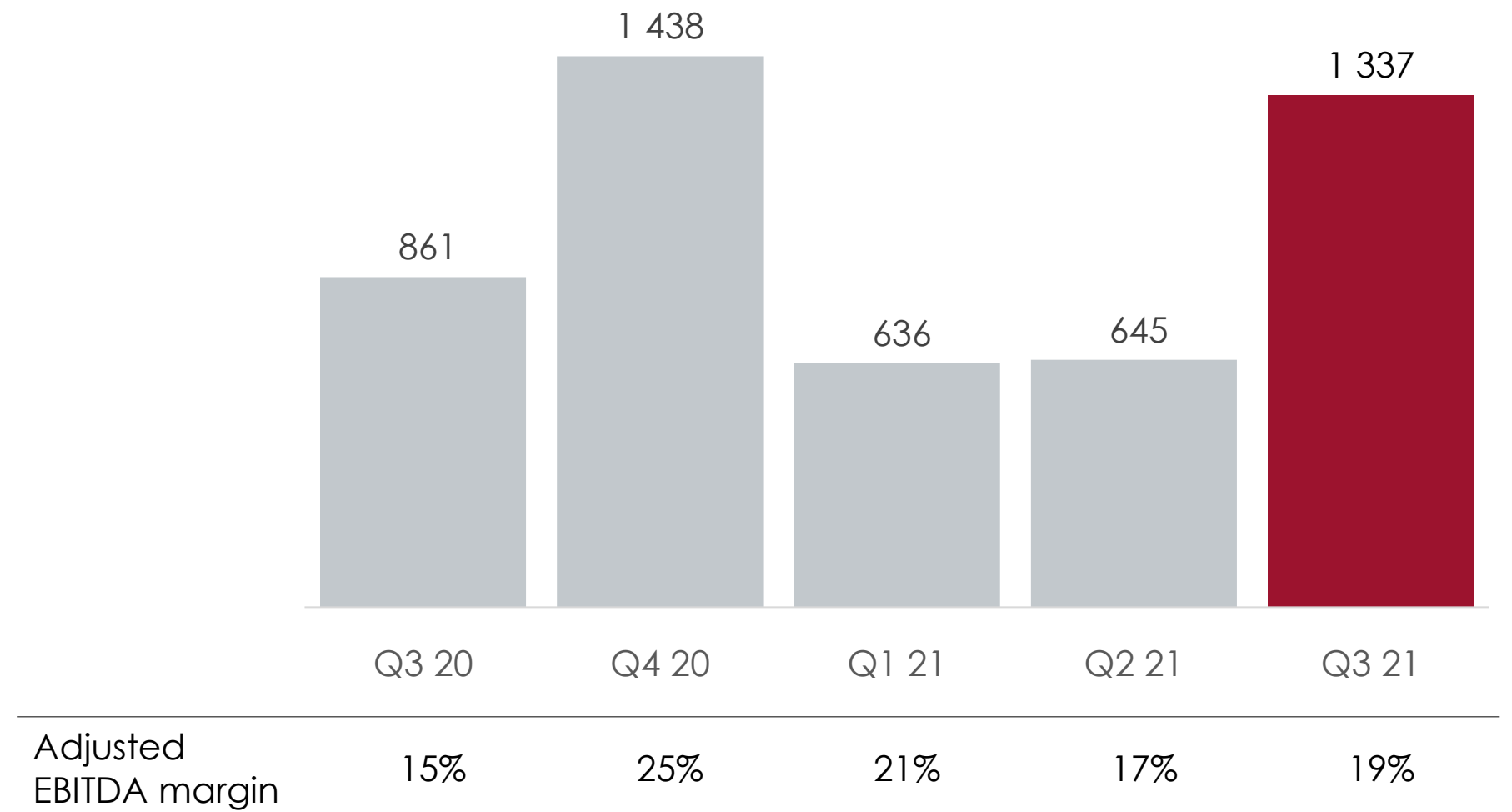
\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

# Q3 2021 proforma figures including proportionate share of JV

- 314 units delivered (212)
- Revenues NOK 1 337 (861)
  - Other revenues NOK 22m (20)
- Project costs NOK 1 067m (688)
  - Of which NOK 49m is interest (28)
- Other costs NOK 64m (72)
- Adjusted EBITDA\* NOK 259m (133)
- EBITDA\*\* NOK 210m (105)
- EPS in the quarter NOK 1.64 (1.10)

## Operating revenues (IFRS)

NOK million



\* 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.

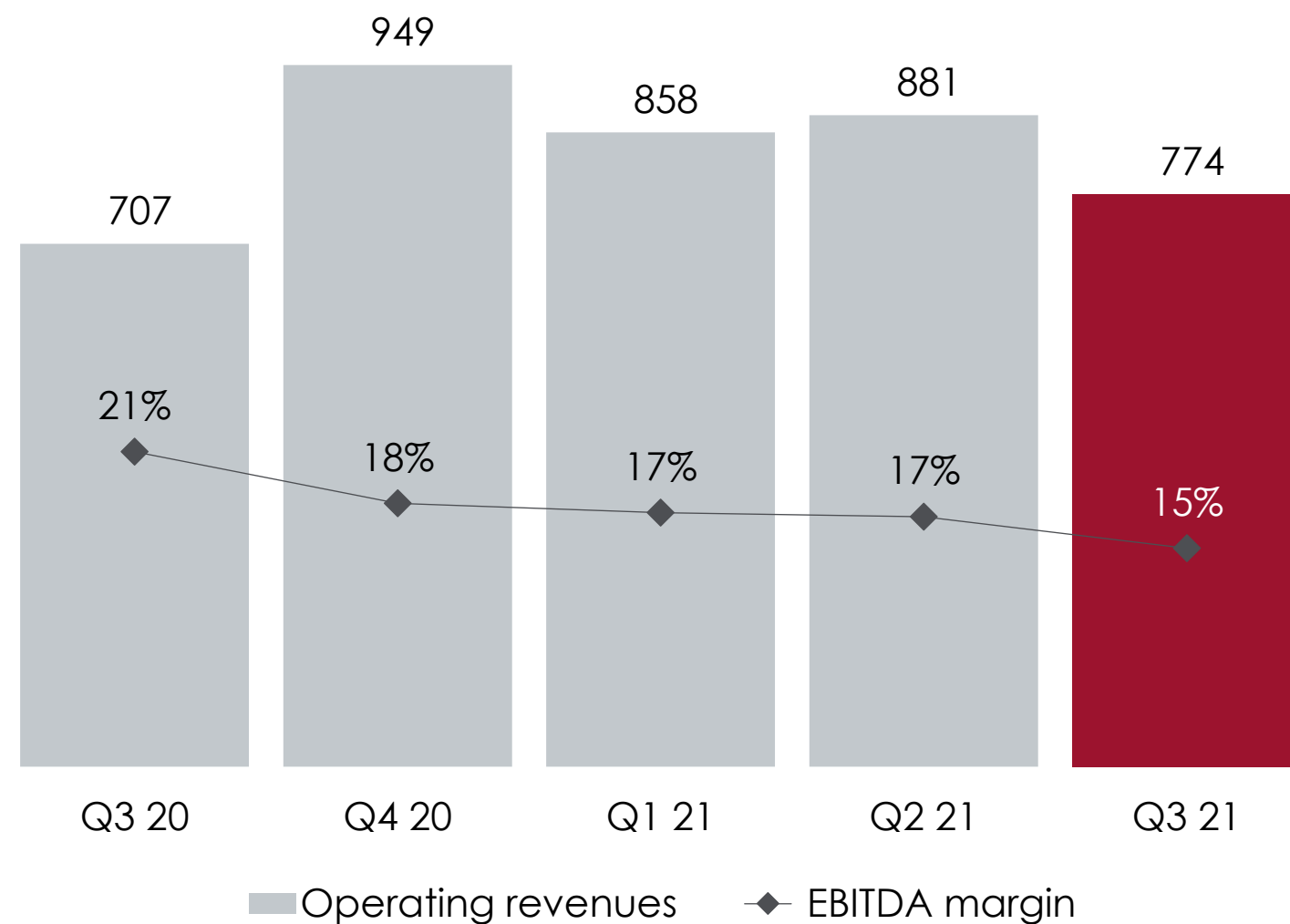
\*\* EBITDA is profit before interest, taxes, depreciation and amortization.



# Income statement highlights Q3 2021 (NGAAP)

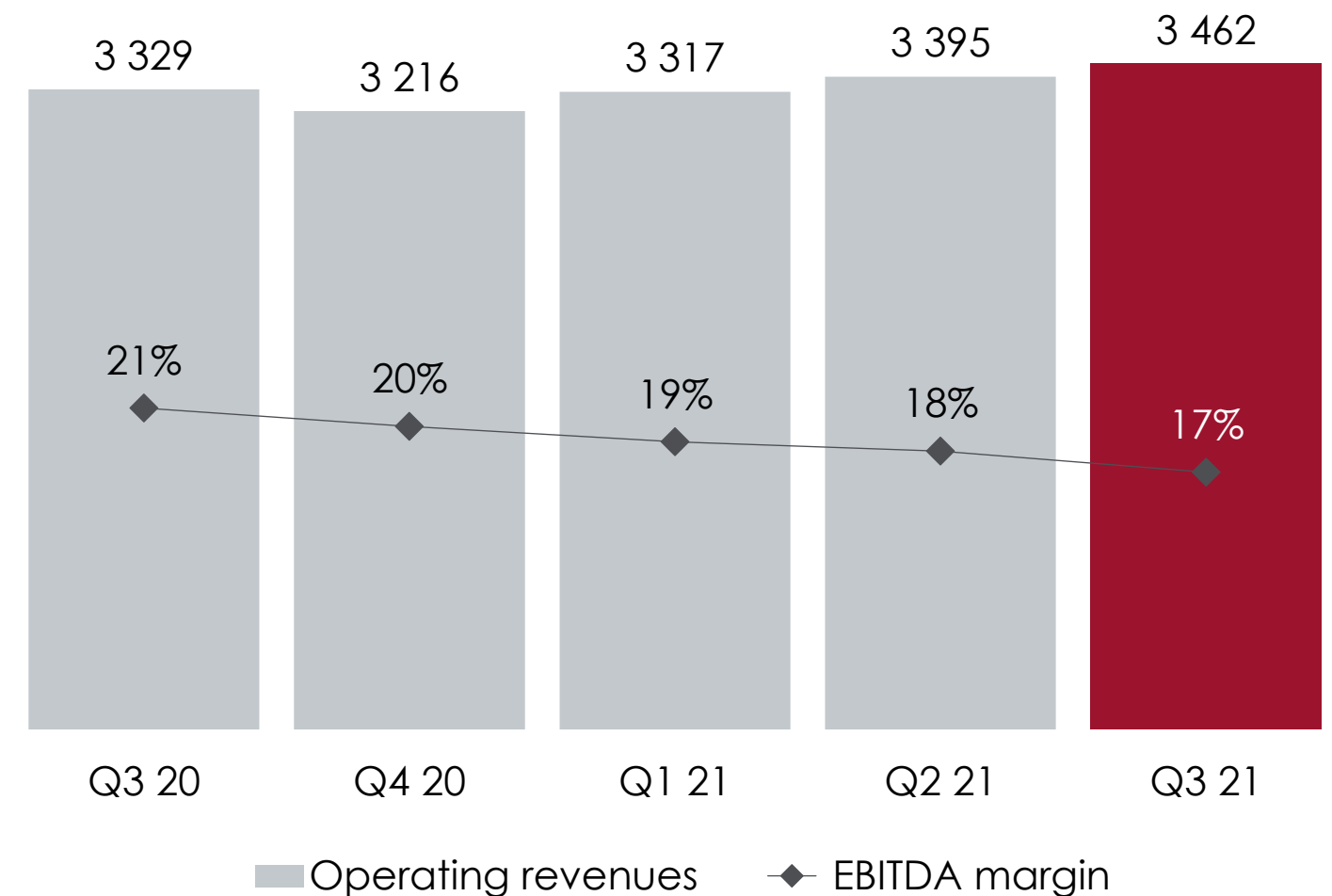
## Revenues and EBITDA margin (NGAAP)\*

NOK million



## 12 month-rolling revenues (NGAAP)\*

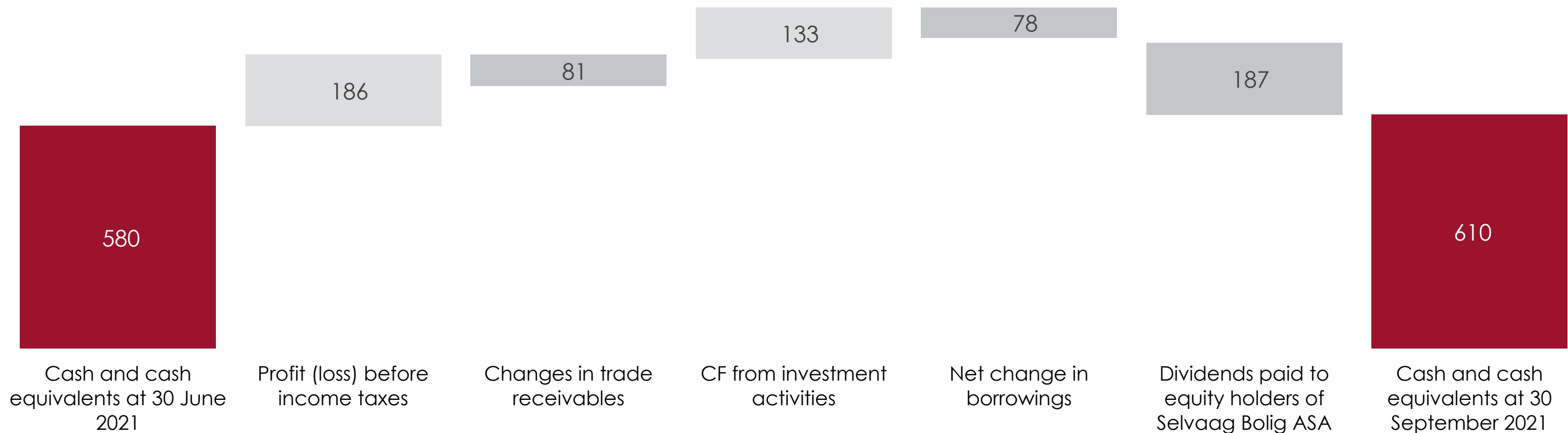
NOK million



\* 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 2021

NOK million



- Cash flow from operations positive at NOK 174m driven by strong earnings
- Cash flow from investing activities positive at NOK 133m due to dividends from associated companies and JVs
- Cash flow from financing activities negative at NOK 278m mainly due to net debt reductions and dividend payments of NOK 187m

Note: Amounts < NOK -75m < NOK 75m are excluded from the cash flow overview.

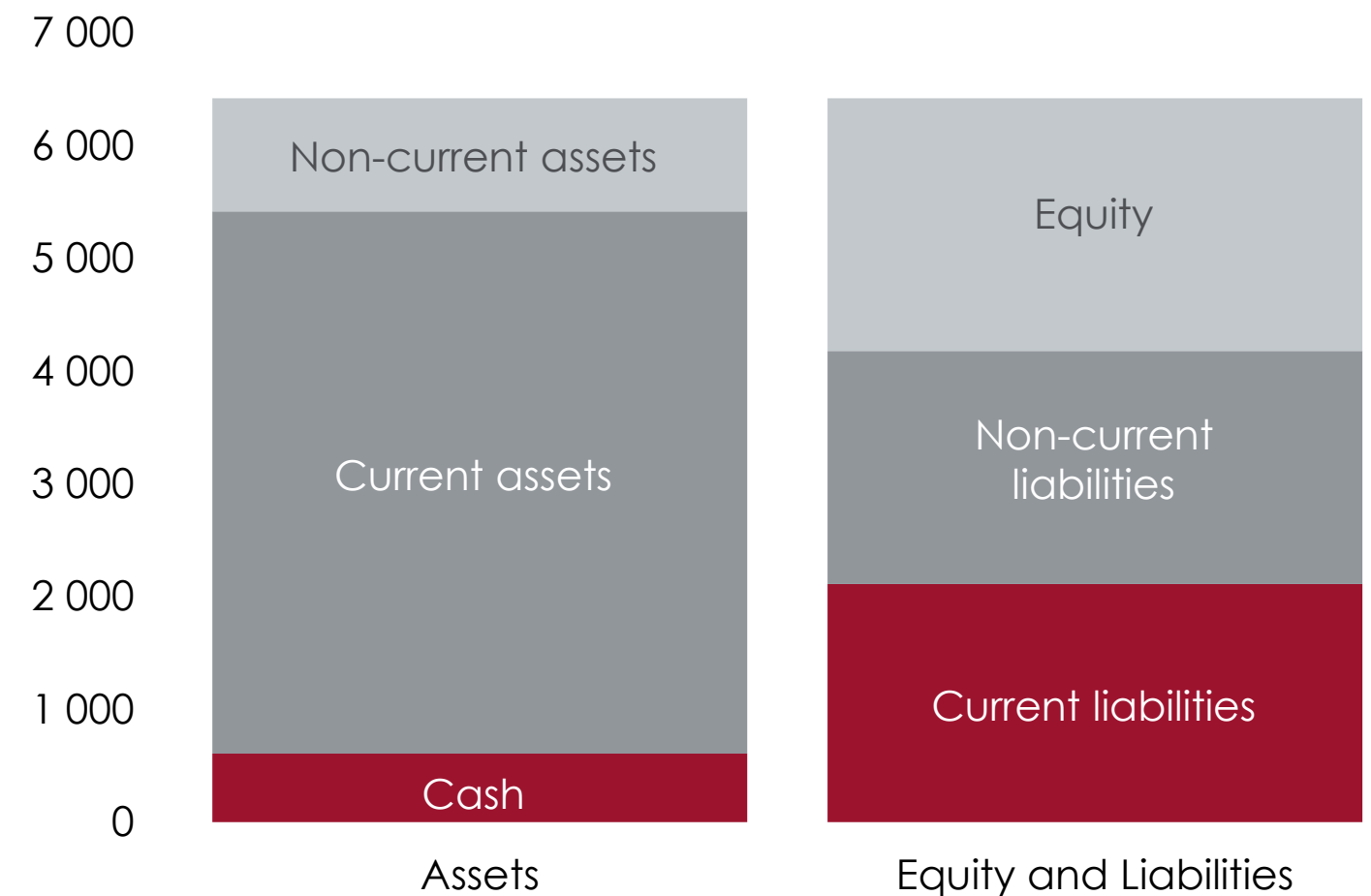


# Balance sheet highlights Q3 2021

- Book value of equity NOK 23.8 per share
  - Equity ratio 34.9%
  - Equity reduction as dividend payout > EPS
- Changes from Q2 2021:
  - Inventories stable, down NOK 34m
  - Trade and Other receivables increased NOK 75m
  - Cash increased by NOK 30m
- Prepayments from customers represent NOK 299m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million



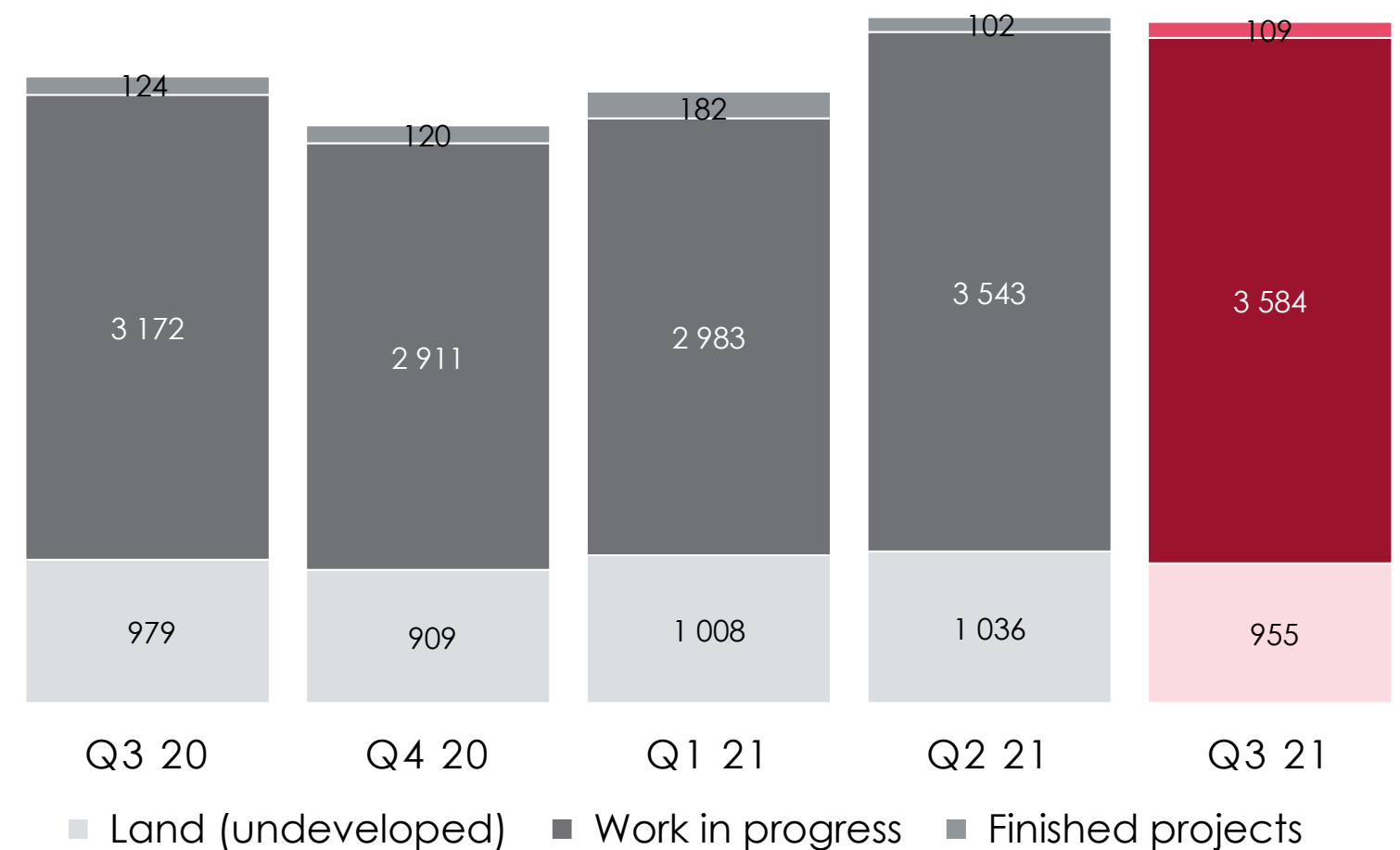
# Inventories (property) Q3 2021

Q3 21 vs Q2 21

- Land value down NOK 81m
  - Mainly due to construction starts
- Work in progress up NOK 41m
  - Mainly due to construction starts
- Finished goods up NOK 7m

## Inventory value development

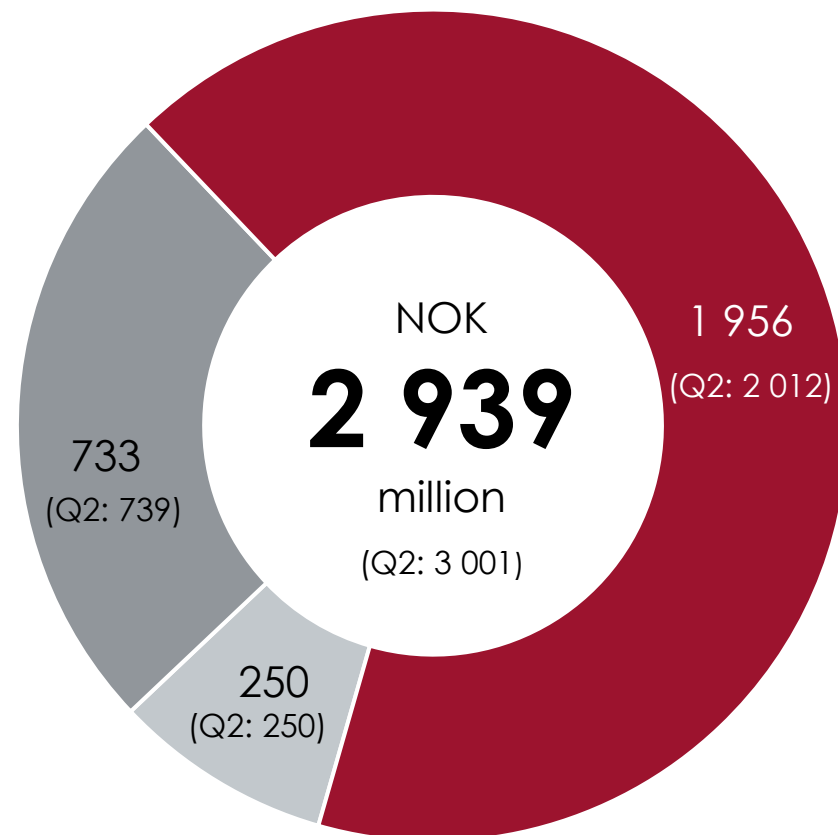
NOK million



# Debt structure

## Interest-bearing debt at 30.9.21

NOK million



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

	Loan facility	Drawn at 30.9.21 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 956	1.75% - 2.60%
2	Land loans Urban Property**	733	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	250	2.00% - 2.50%
4	NOK 150 million revolving credit facility from DNB maturing in 2023	0	2.90% - 3.40%
5	NOK 150 million working capital facility from DNB with annual renewal	0	2.10%
6	NOK 300 million infrastructure facility maturing in 2024	0	2.70%

**Total Q3 2021 net interest-bearing debt NOK 2 329 million**

Total Q2 2021 net interest-bearing debt NOK 2 421 million

\* Repurchase agreements portfolio B.

\* Margin added to 3m NIBOR.

\*\* Repurchase agreements portfolio B.

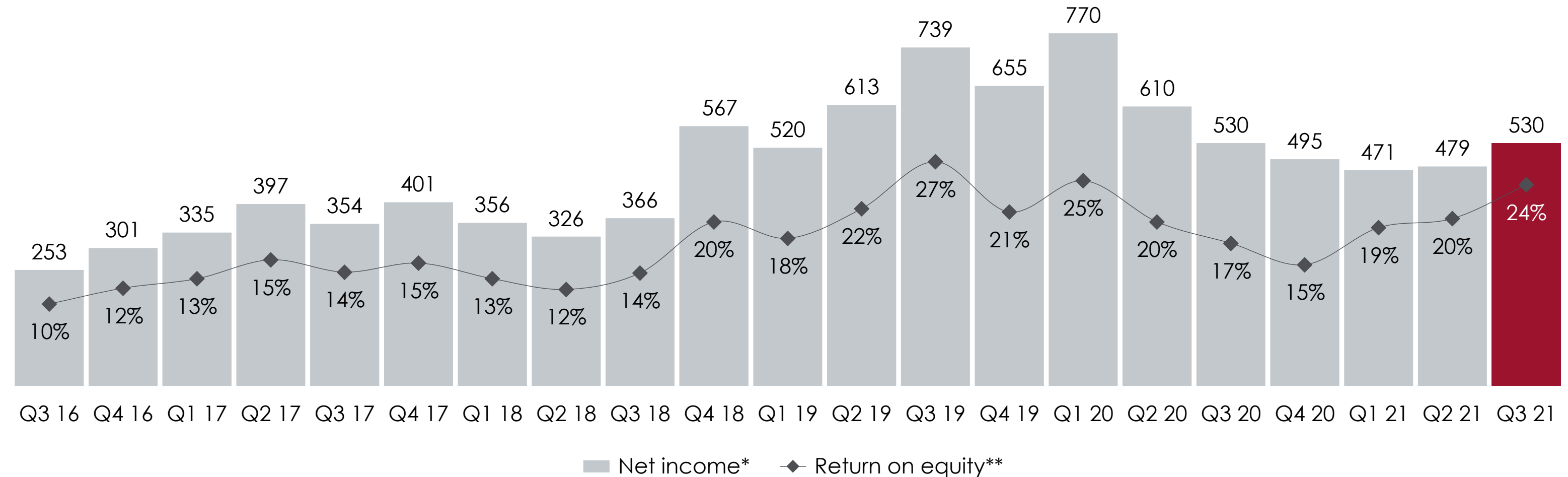
\*\*\* + 2.00% fee at property repurchase.



# Return on equity (IFRS)

## 12-month rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding 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).



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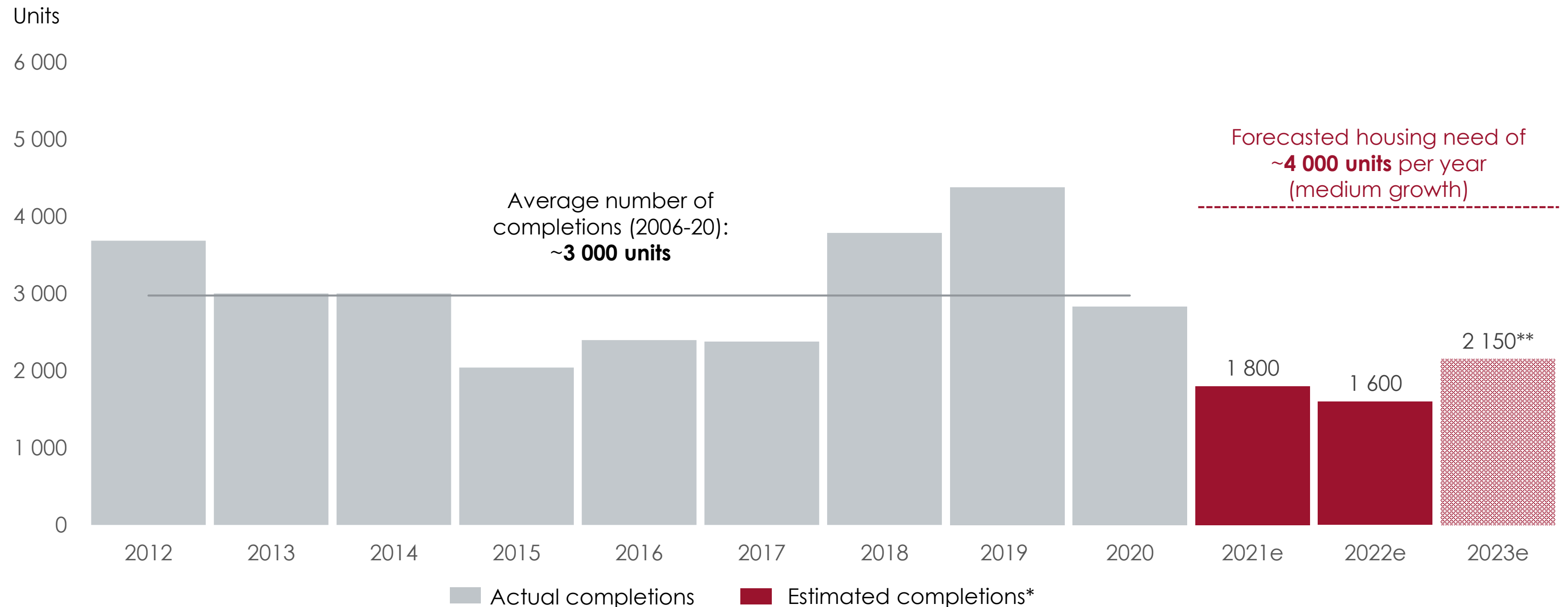
**Market**

Outlook and summary





# Estimated completions in Oslo well below forecasted need



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Econ Nye Boliger, 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.

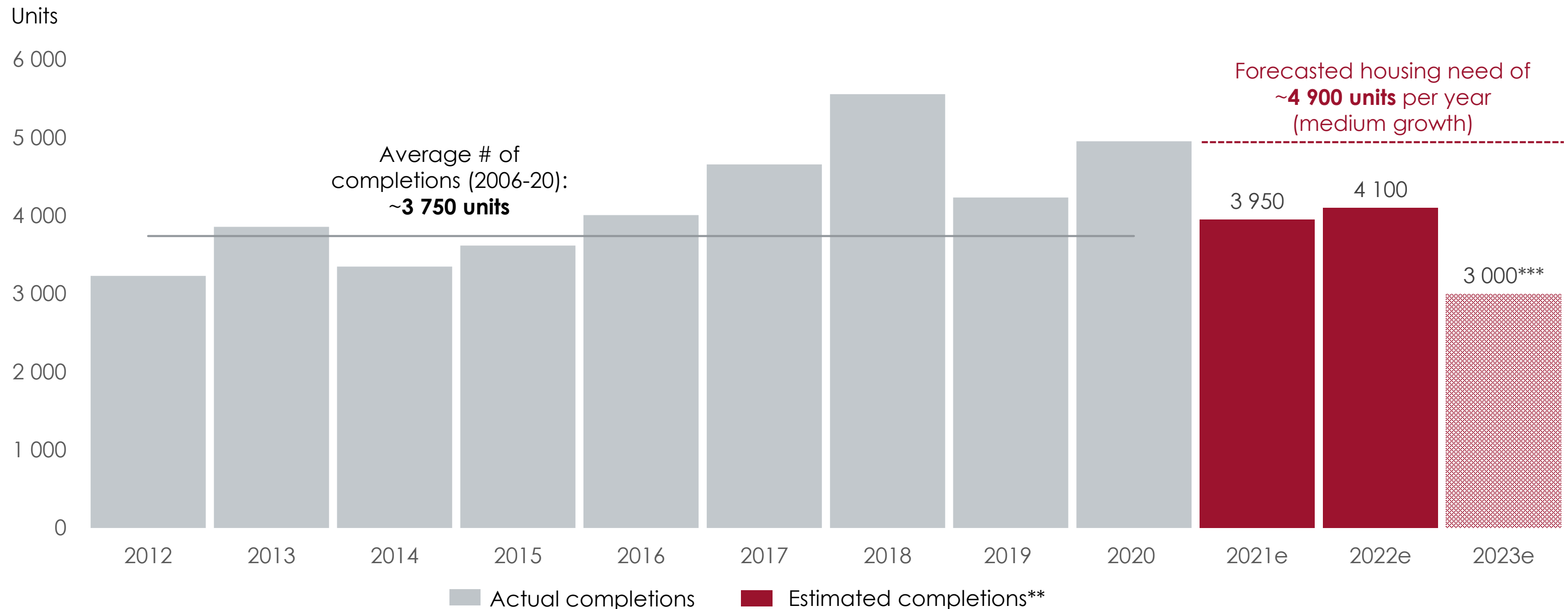
Note: Completions exclusive of student- and senior housing.

\* Estimates based on actual start and time of construction.

\*\* Uncertainty due to project lead-time. Expected to increase as new projects are construction started through 2022.



# Estimated completions in Akershus\*



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Econ Nye Boliger, 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.

\* Includes municipalities previously included in Akershus county.

\*\* Estimates based on actual start and time of construction.

\*\*\* Uncertainty due to project lead-time. Expected to increase as new projects are construction started through 2022.

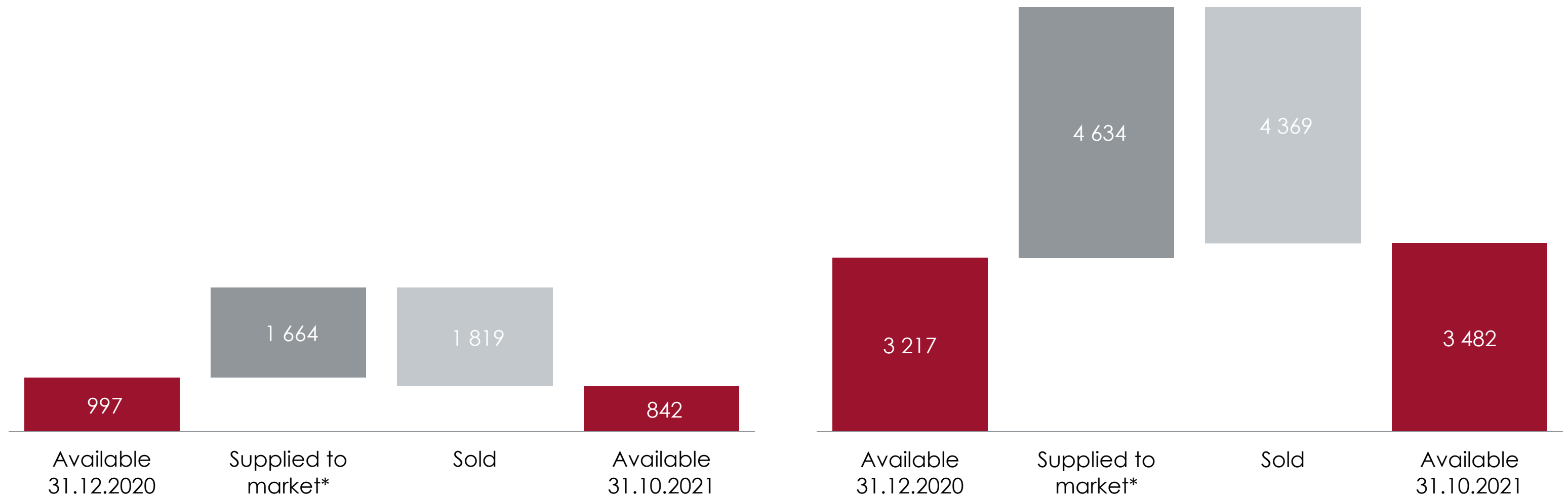
# Newbuild market update

Oslo – 1.1.21 - 31.10.21

Units

Akershus – 1.1.21 - 31.10.21

Units



Source: SA - ECON Nye Boliger.

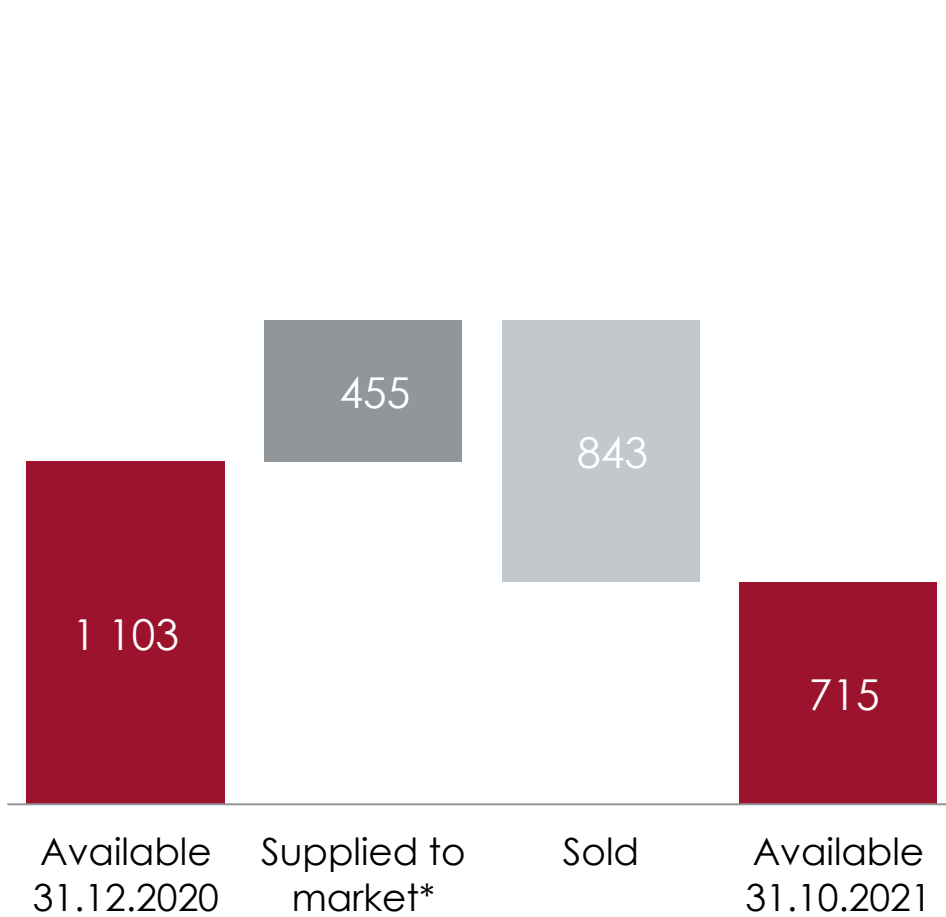
\* Adjusted for temporary withdrawals or cancellations during the period.



# Newbuild market update

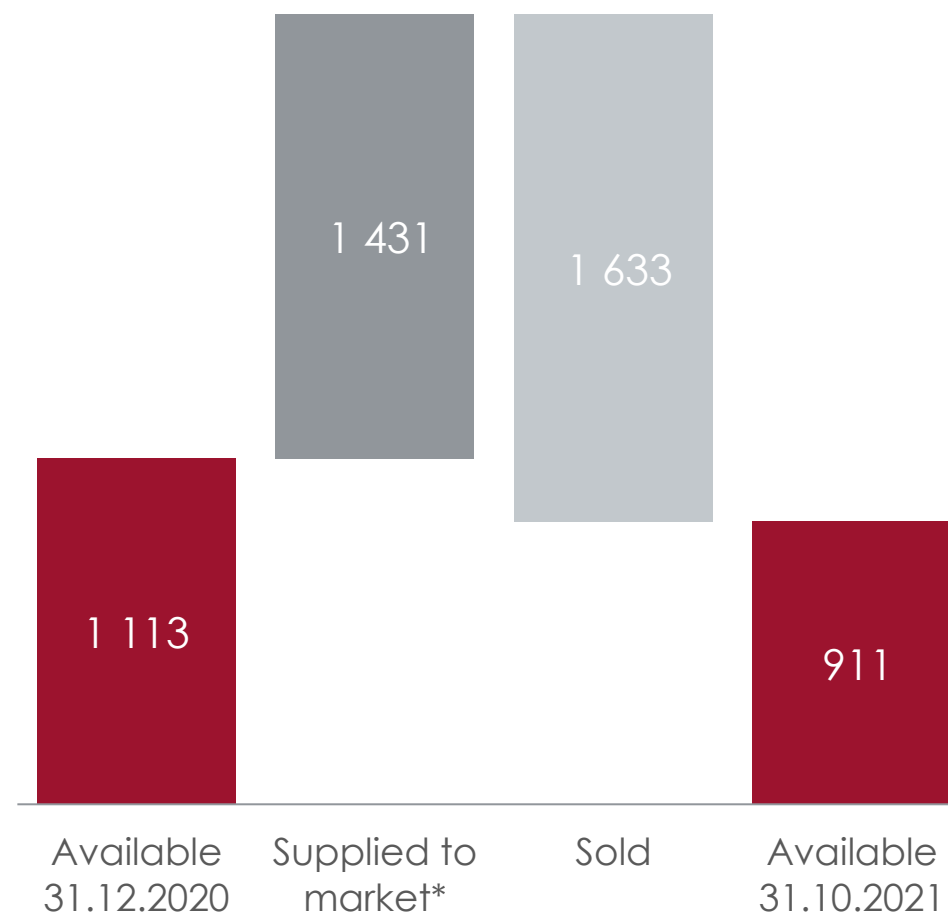
Bergen – 1.1.21 - 31.10.21

Units



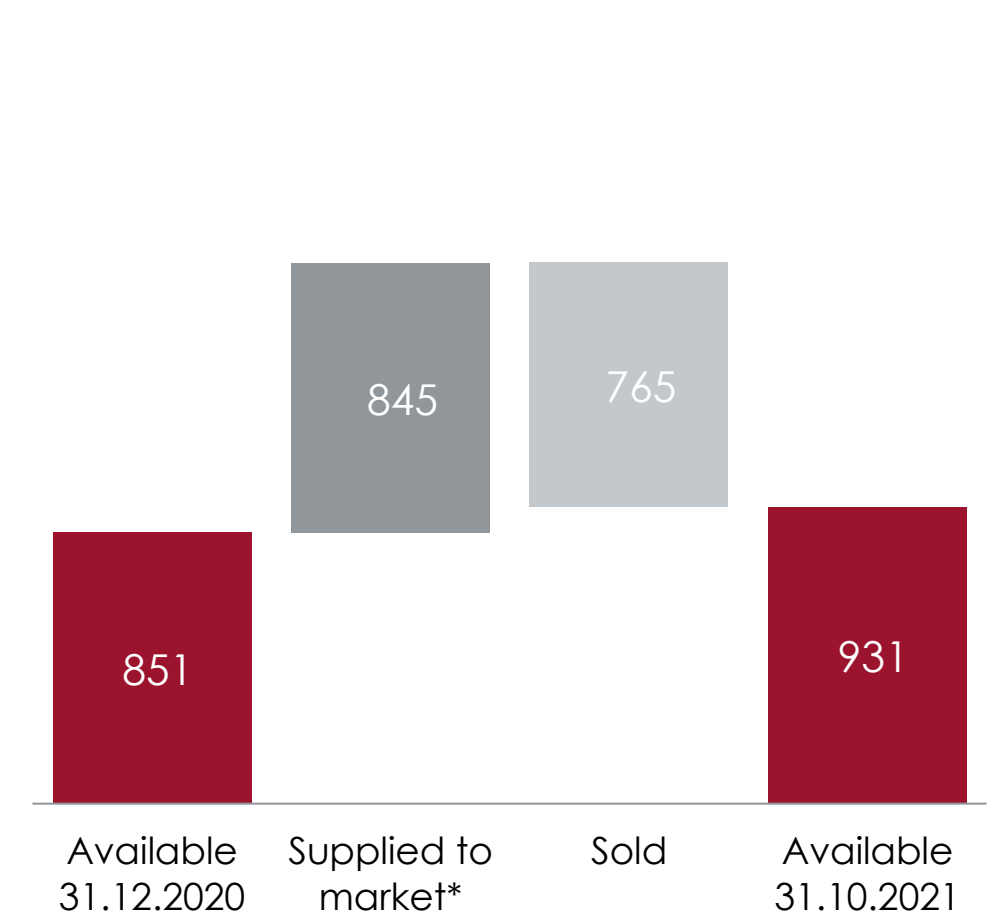
Trondheim – 1.1.21 - 31.10.21

Units



Stavanger & Sandnes – 1.1.21 - 31.10.21

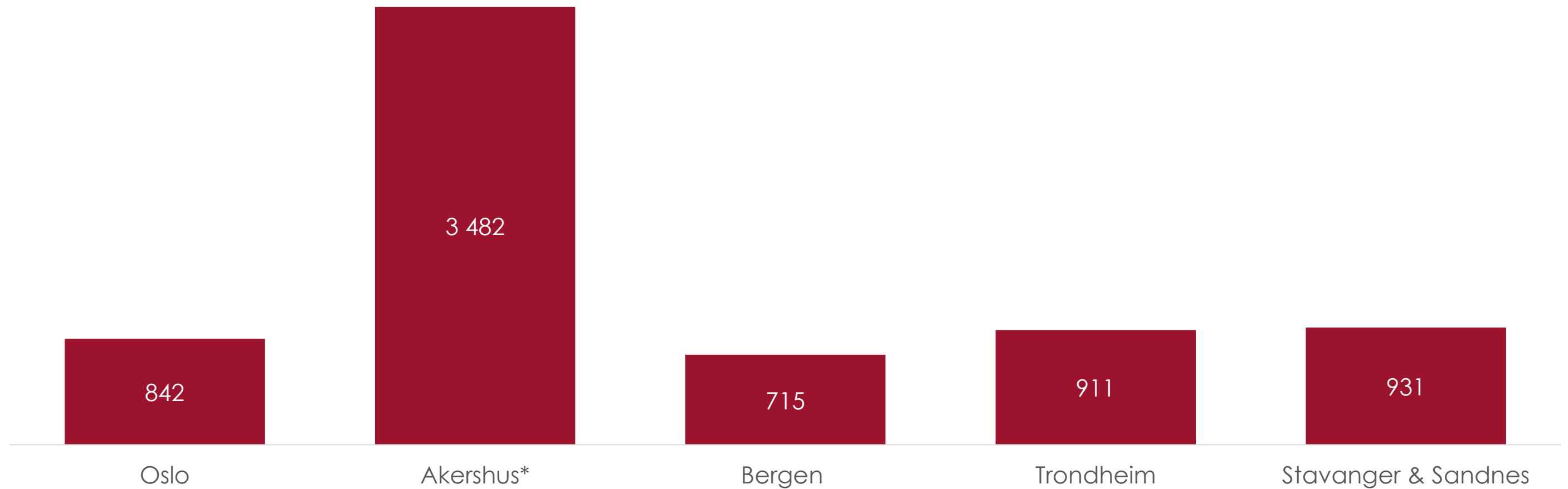
Units



Source: SA - ECON Nye Boliger.

\* Adjusted for temporary withdrawals or cancellations during the period.

# Regional Newbuild availability at 31.10.21



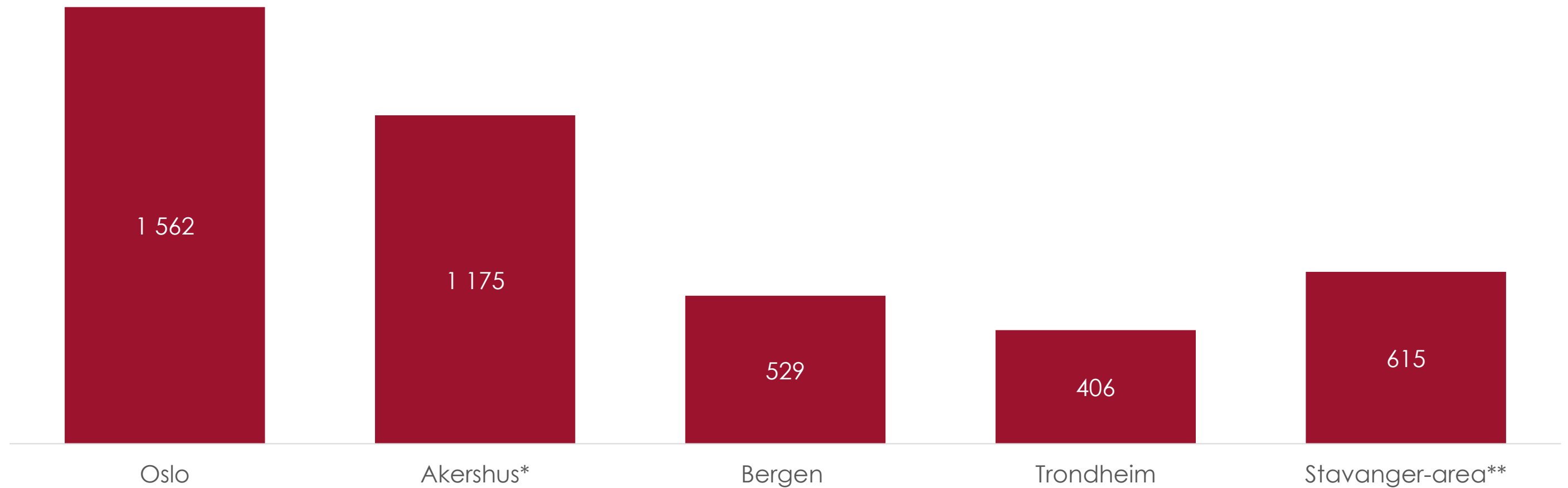
Population	697 000	674 000	285 000	207 000	225 000
Available units per 1 000 capita	1.2	5.2	2.5	4.5	4.1

Source: SA - ECON Nye Boliger, Statistics Norway.

\* Includes municipalities previously included in Akershus county.



# Regional Second-hand inventory at 31.10.21



Population	697 000	674 000	285 000	207 000	264 000
Available units per 1 000 capita	2.2	1.7	1.9	2.0	2.7

Source: SA - ECON Nye Boliger, Statistics Norway.

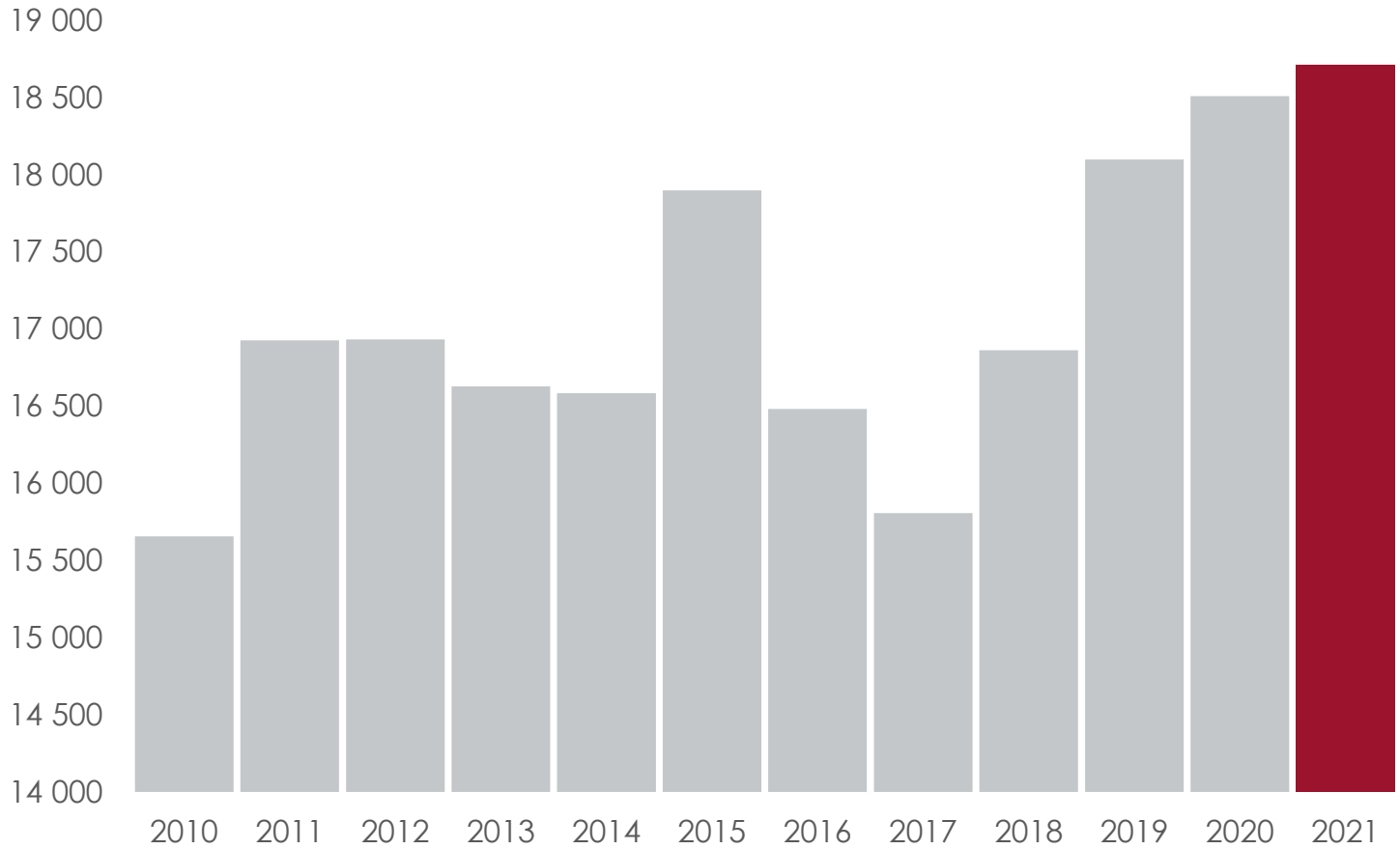
\* Includes municipalities previously included in Akershus county.

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

# Oslo second-hand market update

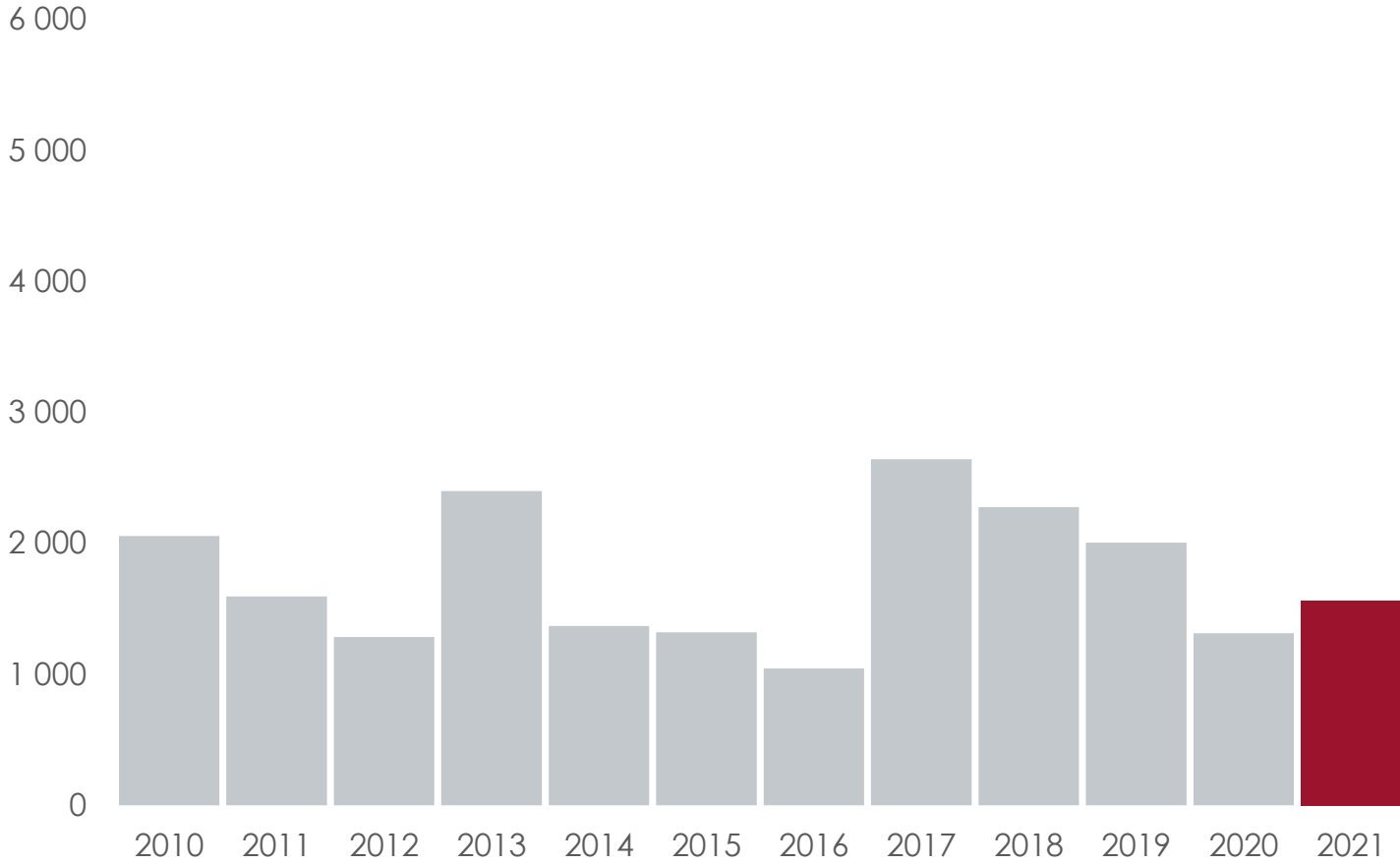
Units sold 1.1 - 31.10, 2010-21

Units



Inventory 31.10, 2010-21

Units



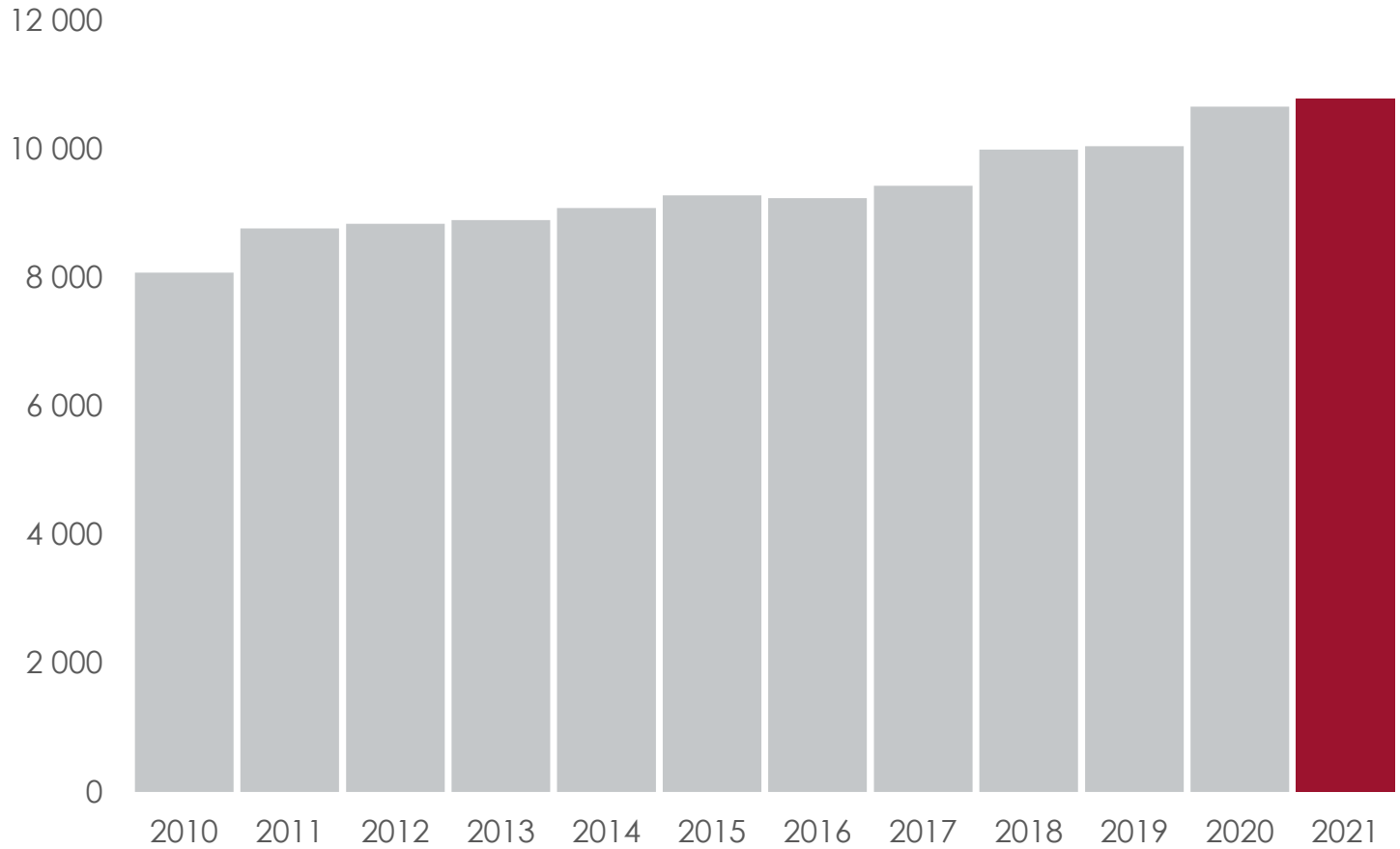
Source: Eiendomsverdi.



# Akershus\* second-hand market update

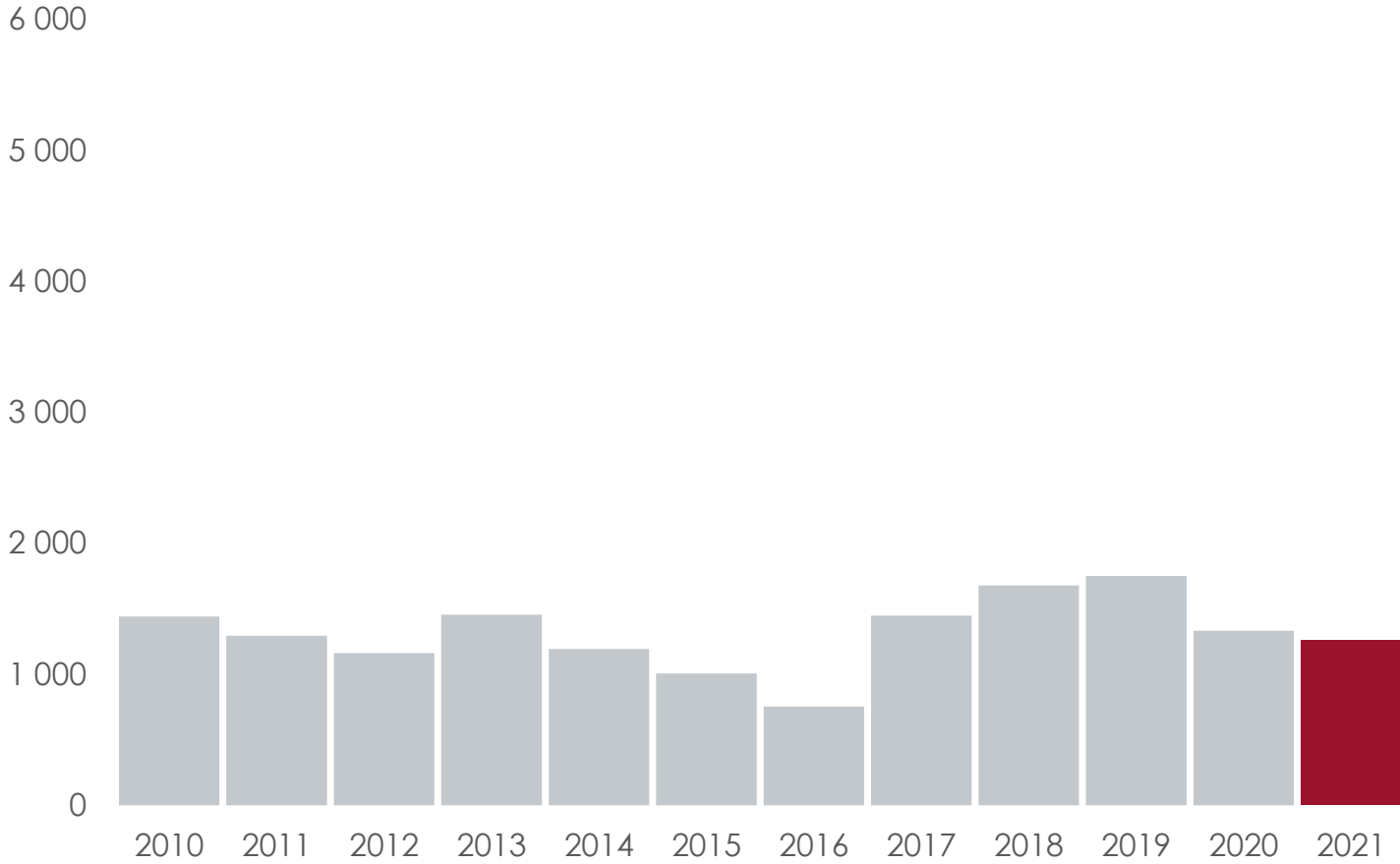
## Units sold 1.1 - 31.10, 2010-21

Units



## Inventory 31.10, 2010-21

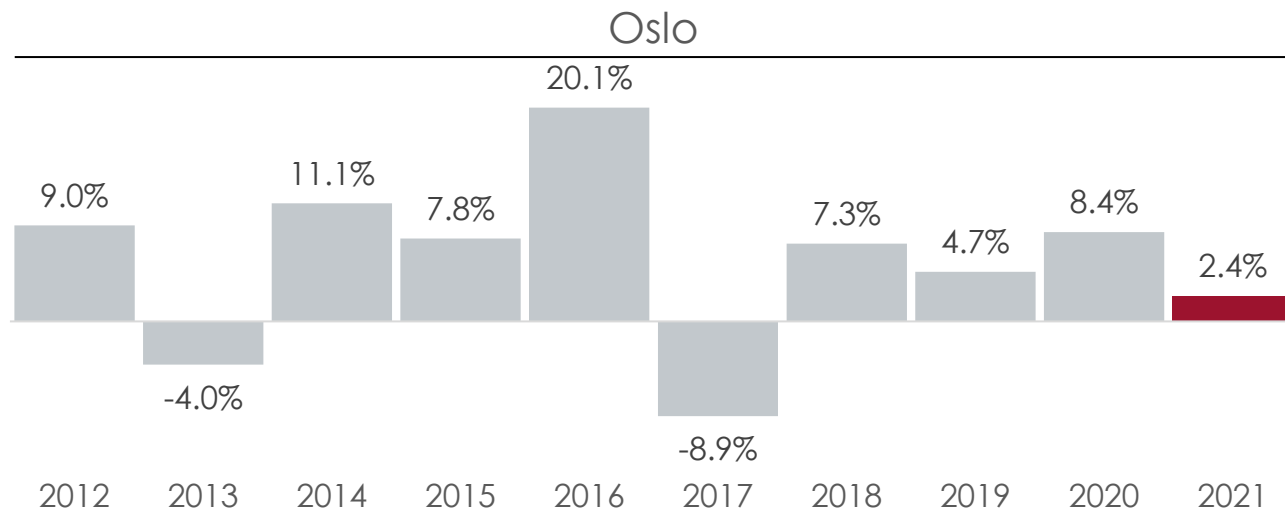
Units



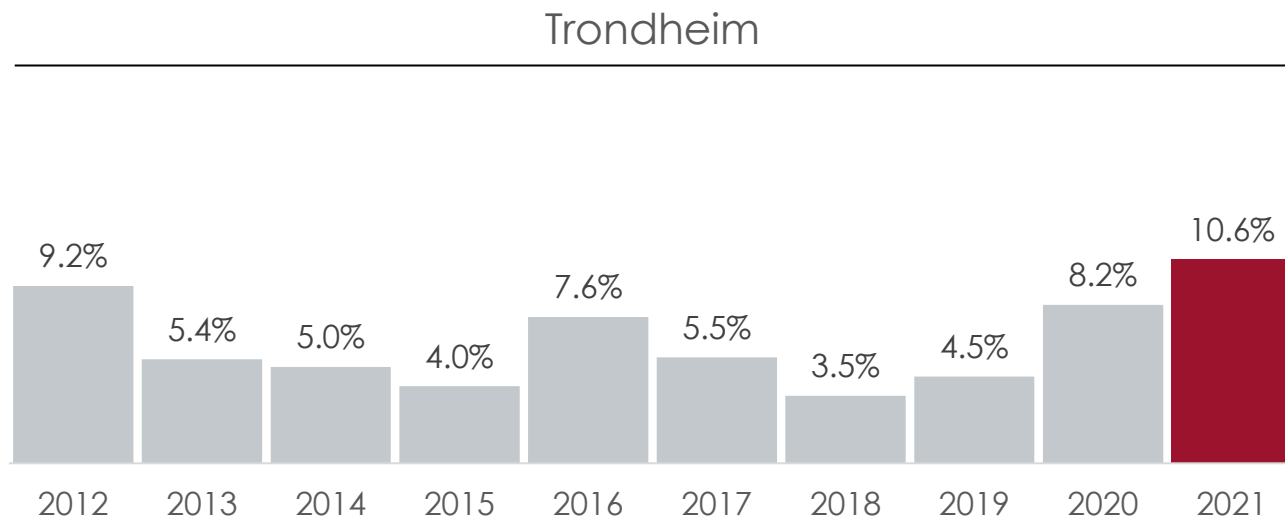
Source: Eiendomsverdi.

\* Includes municipalities previously included in Akershus county.

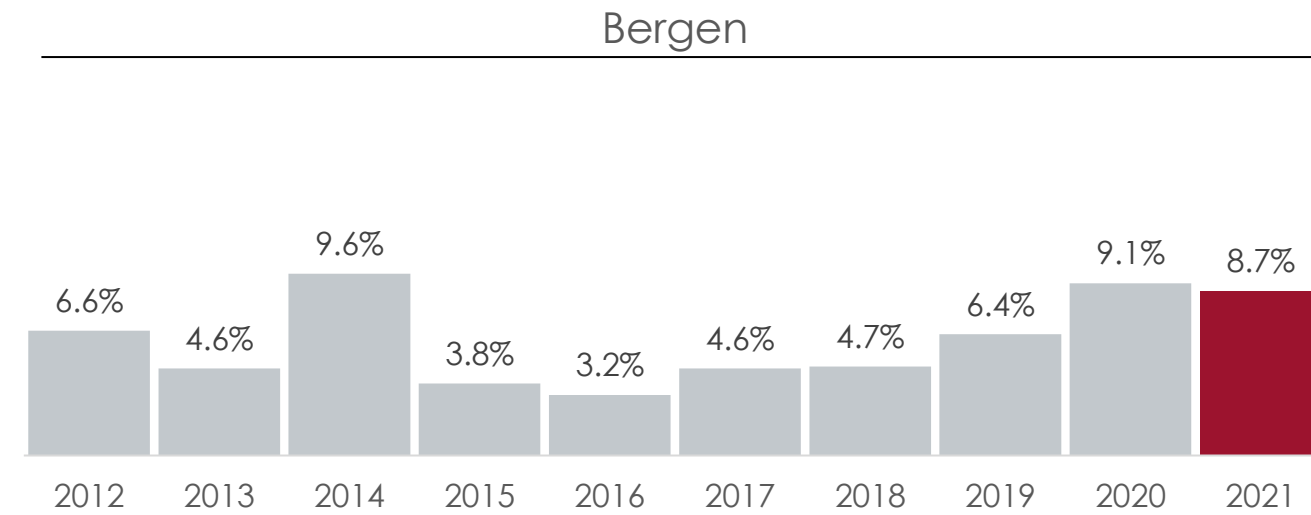
# Regional price\* development 1.1-31.10, 2012-21



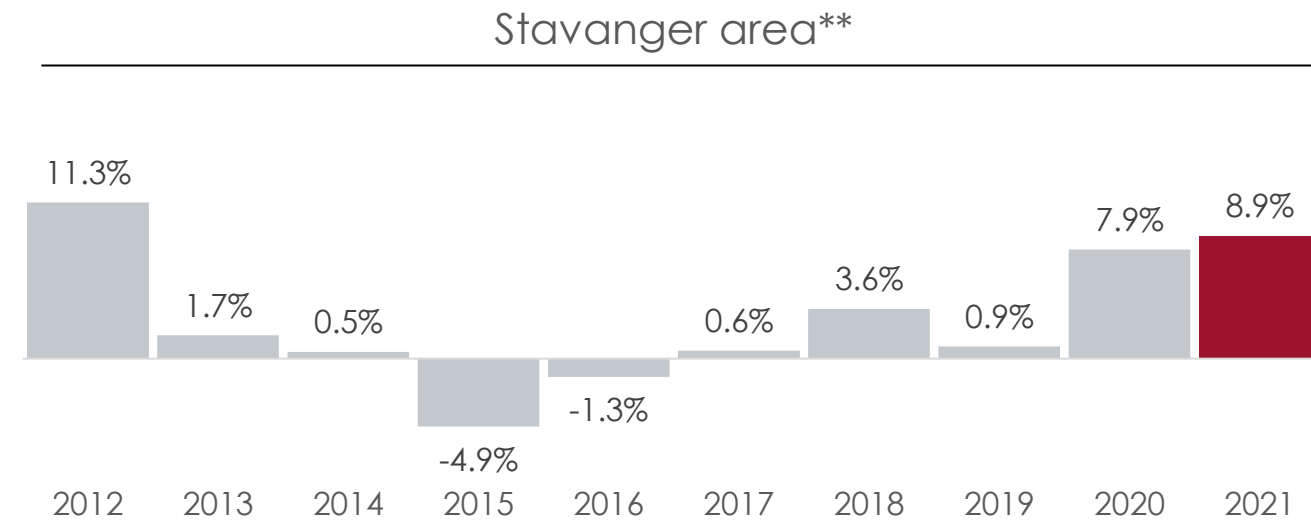
- YTD increase of 2.4% = NOK 1 950 per sqm\*\*\*
- Average price per sqm at 31.10 = NOK 84 108



- YTD increase of 10.6% = NOK 5 165 per sqm\*\*\*
- Average price per sqm at 31.10 = NOK 52 050



- YTD increase of 8.7% = NOK 3 950 per sqm\*\*\*
- Average price per sqm at 31.10 = NOK 48 460



- YTD increase of 8.9% = NOK 3 315 per sqm\*\*\*
- Average price per sqm at 31.10 = NOK 38 932

Source: Eiendom Norge.

\* Nominal price change.

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

28 \*\*\* Based on average price per sqm per 31 December 2020.



# Strong pipeline



## RingvePluss | Trondheim

- ~ 650 units total
- ~ 600 units remaining for sale



## Skårerbyen | Greater Oslo

- ~ 1 100 units total
- ~ 700 units remaining for sale



## Lørenskog stasjonsby | Greater Oslo

- ~ 2 000 units total
- ~ 900 units remaining for sale



## Lille Løren Park | Oslo

- ~ 348 units total (50/50 JV)
- Expected sales start: Q1 2022

- 
- On 1 November, SBO had approximately 450 units for sale in Norway
  - Planning for sale start of 220 units in Q4 2021 and 300 units in Q1 2022



# Significant upcoming projects



## Fredrikstad | Greater Oslo

- ~ 2 000 units (50/50 JV)
- ~ 400 Pluss units
- Expected sales start: 2022/23



Source: [www.barkarby.se](http://www.barkarby.se)

## Barkarby | Stockholm

- ~ 250 units total
- ~ 250 Pluss units
- Expected sales start: 2022



## Bjerke | Oslo

- ~ 1 200 units total
- ~ 300 Pluss units
- Expected sales start: 2024



## Fornebu | Greater Oslo

- ~ 2 000 units total (50/50 JV)
- ~ 500 Pluss units
- Expected sales start: 2024



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# Outlook

- Continued good market
- Macro conditions remain sound
- Solid pipeline – planning sales start of more than 500 units in Q4 2021 and Q1 2022





# Summary

- Solid earnings with good margins
- Units sold first 9 months up 13% year over year
- Solid pipeline for coming quarters



Thank you for your attention – follow us online!

Next event:  
4<sup>th</sup> quarter 2021  
15 February 2022



@SelvaagAksjen



# Appendix

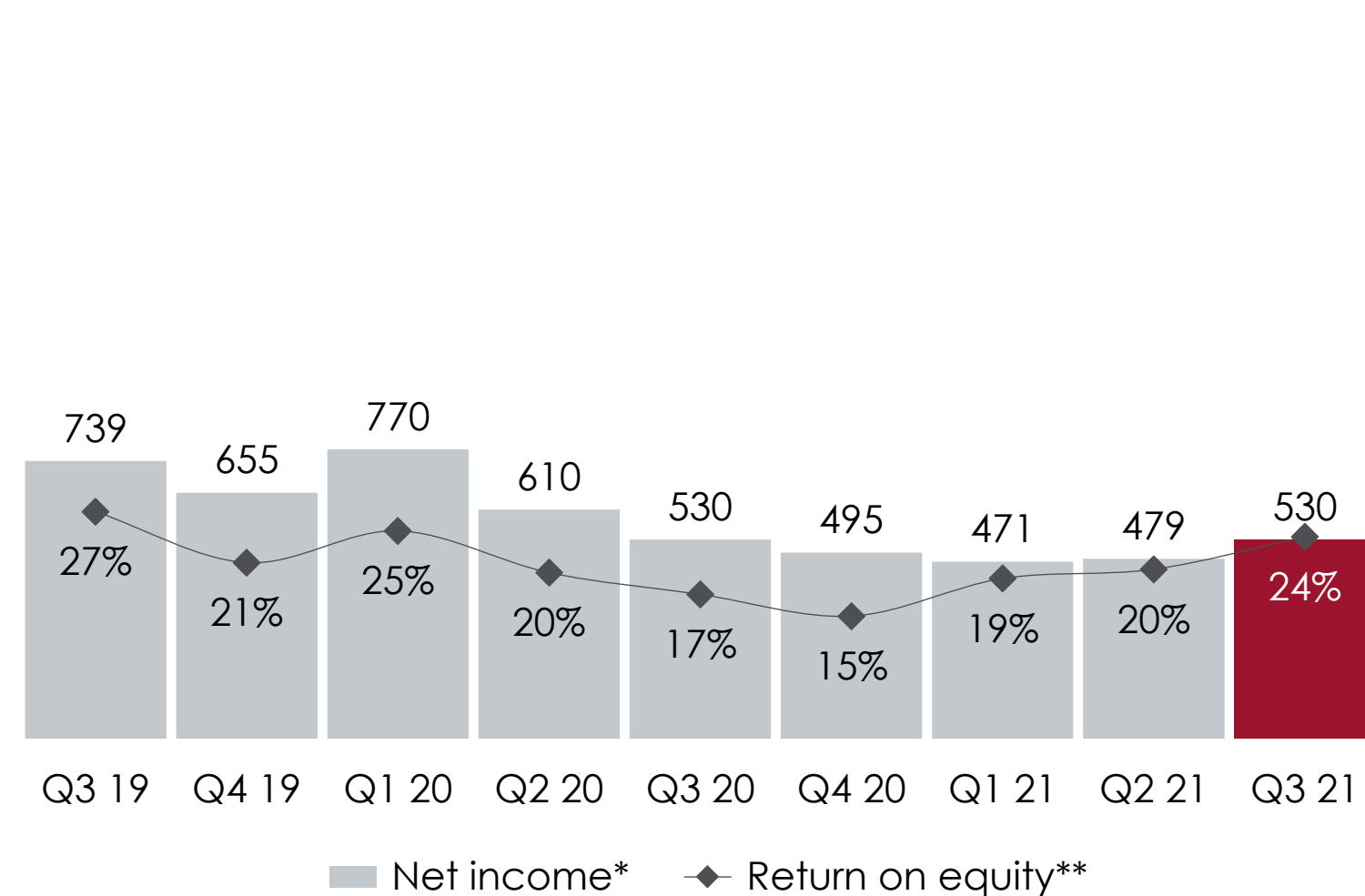




# Return on equity (IFRS)

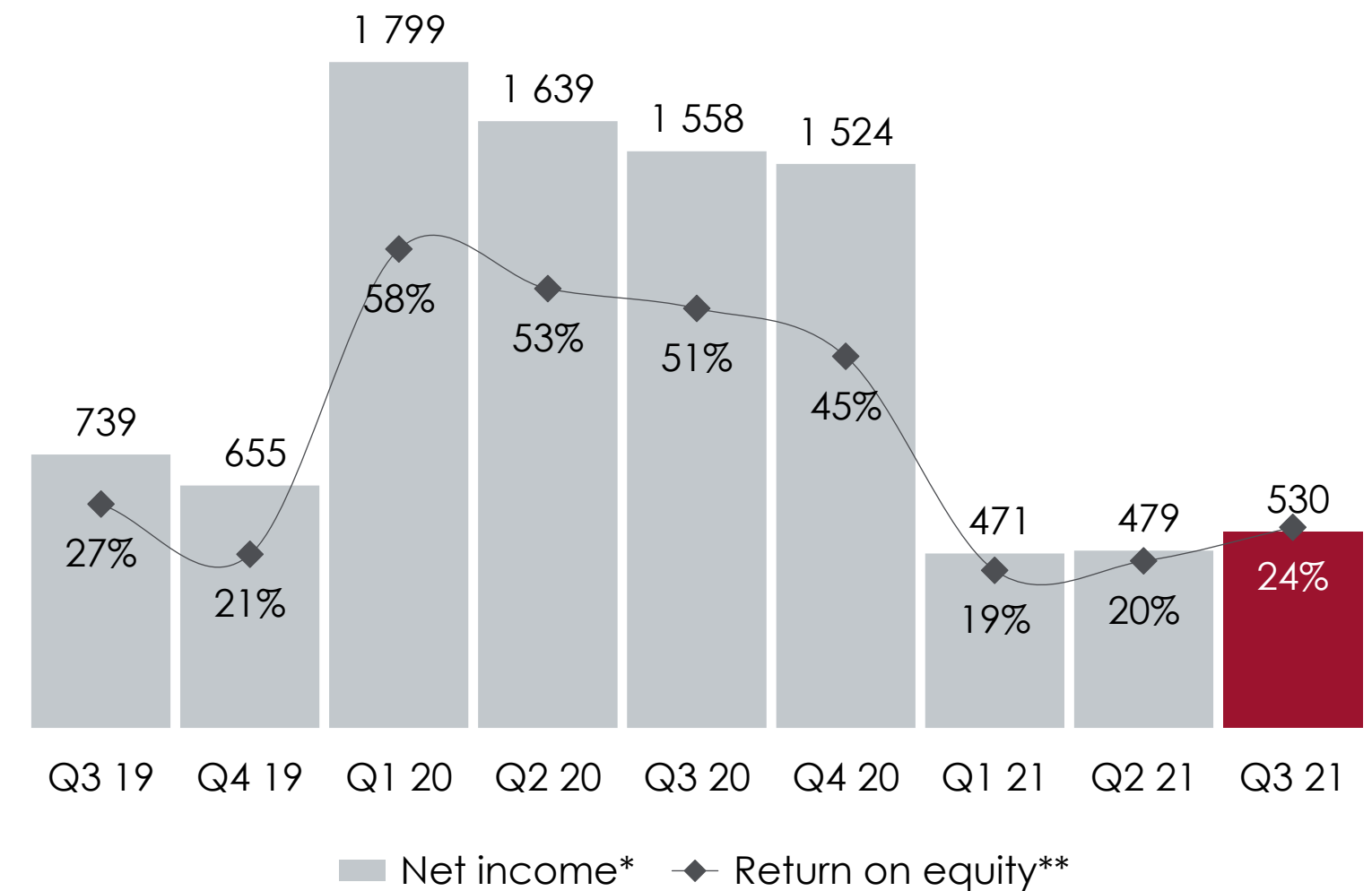
## 12-month rolling net income (NOKm) ROE (%)

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



## 12-month rolling net income (NOKm) ROE (%)

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

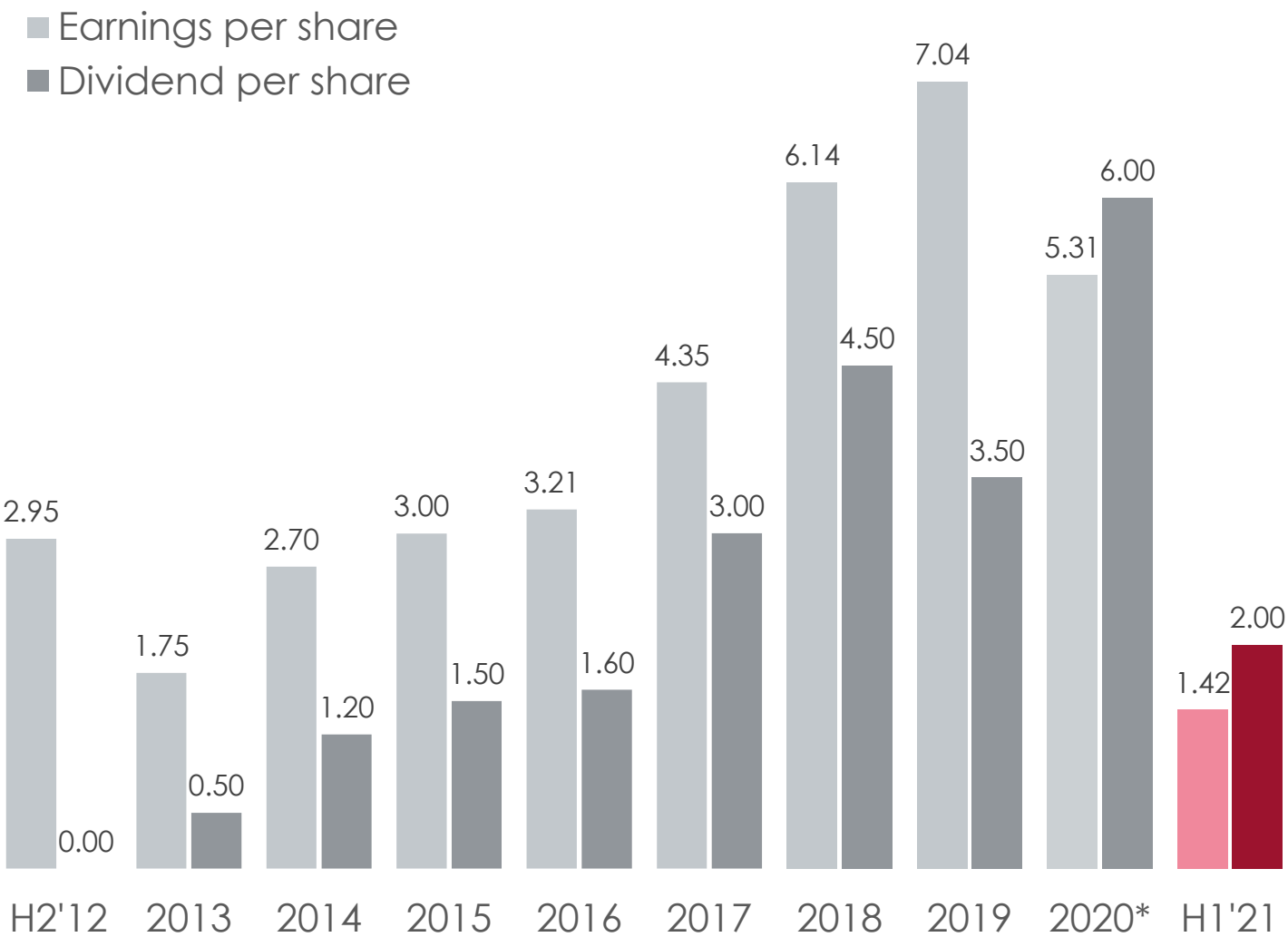


\* Net income attributable to shareholders in Selvaag Bolig ASA.

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

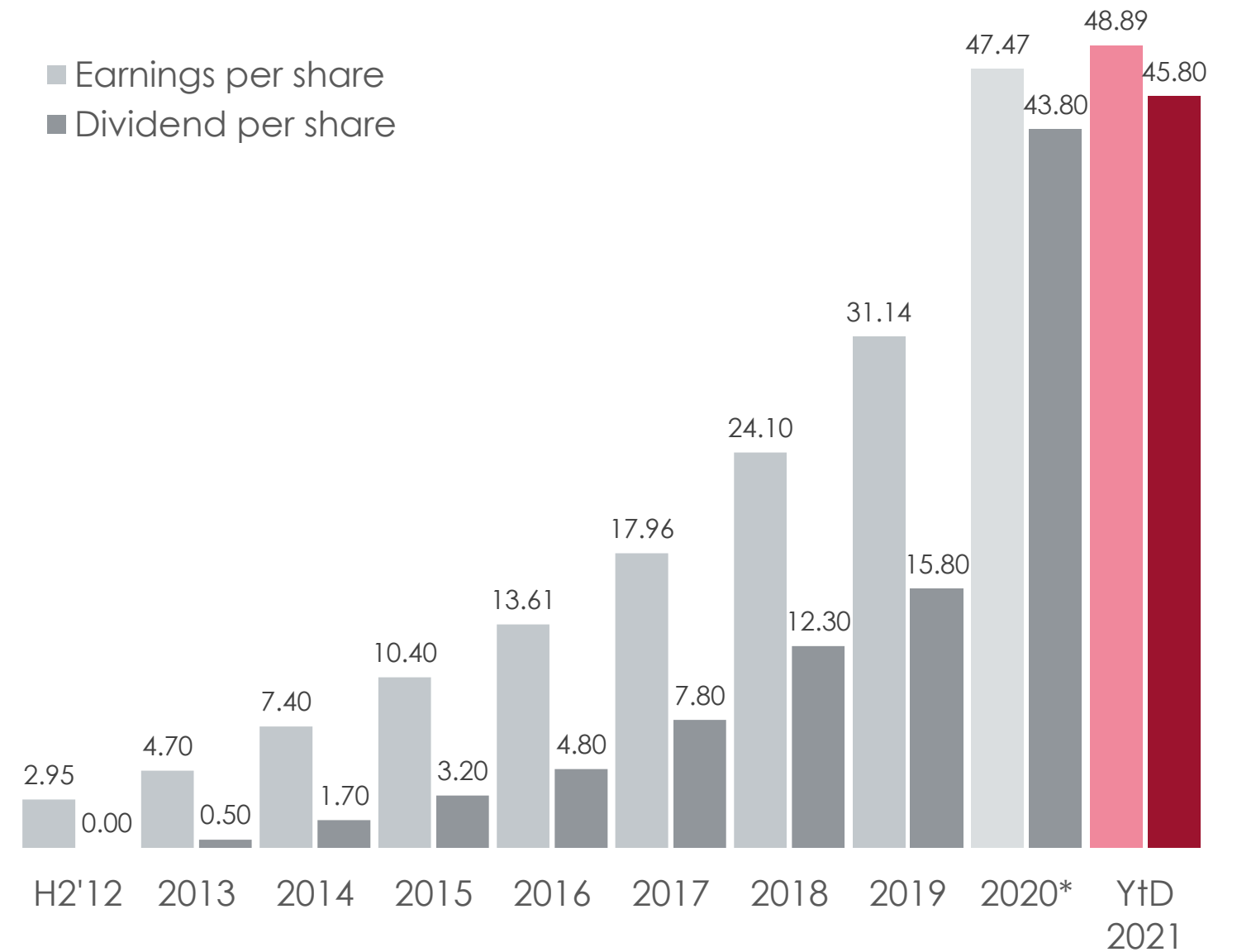
# Earnings and dividend per share since IPO

## Annual dividend and earnings per share



\* Excluding earnings and dividend from UP transaction.

## Accumulated dividend and earnings per share



\* Includes EPS of NOK 11.02 and DPS of NOK 22 from UP transaction.

# Dividend policy

## Revised dividend policy:

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

The company aims to pay dividends of minimum 60 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.

## Old 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.



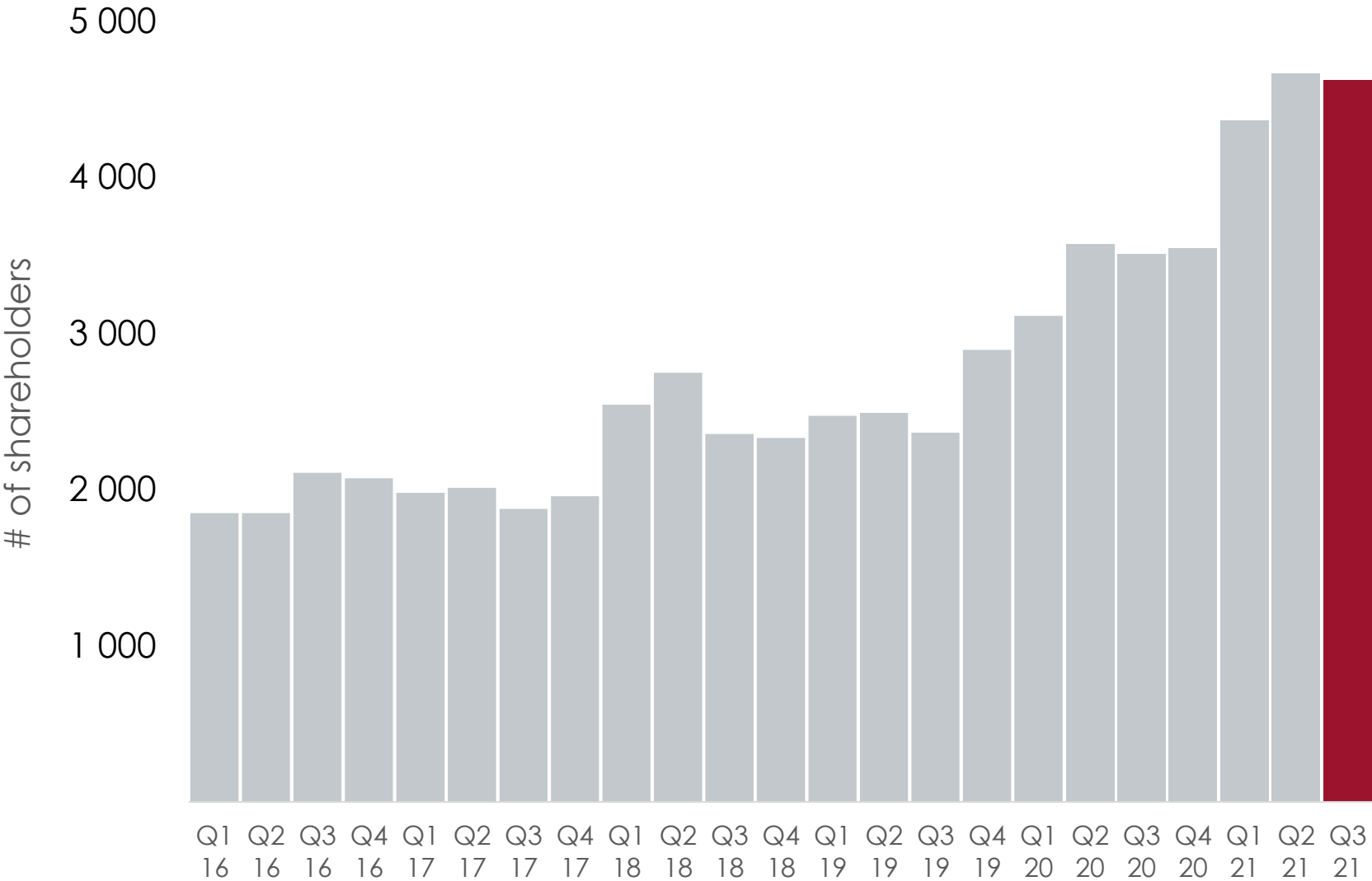
# Share performance since IPO in June 2012



Source: Oslo Børs.

# Share information

- Total number of shares: 93.8 million
- Number of shareholders: 4 619 (4 665)\*
  - 20 largest controlling 81.0% (80.2)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 3.5 million shares during the quarter (4.7)
  - Share turnover totaled NOK 202 million (288)



\* All numbers in brackets from previous quarter.



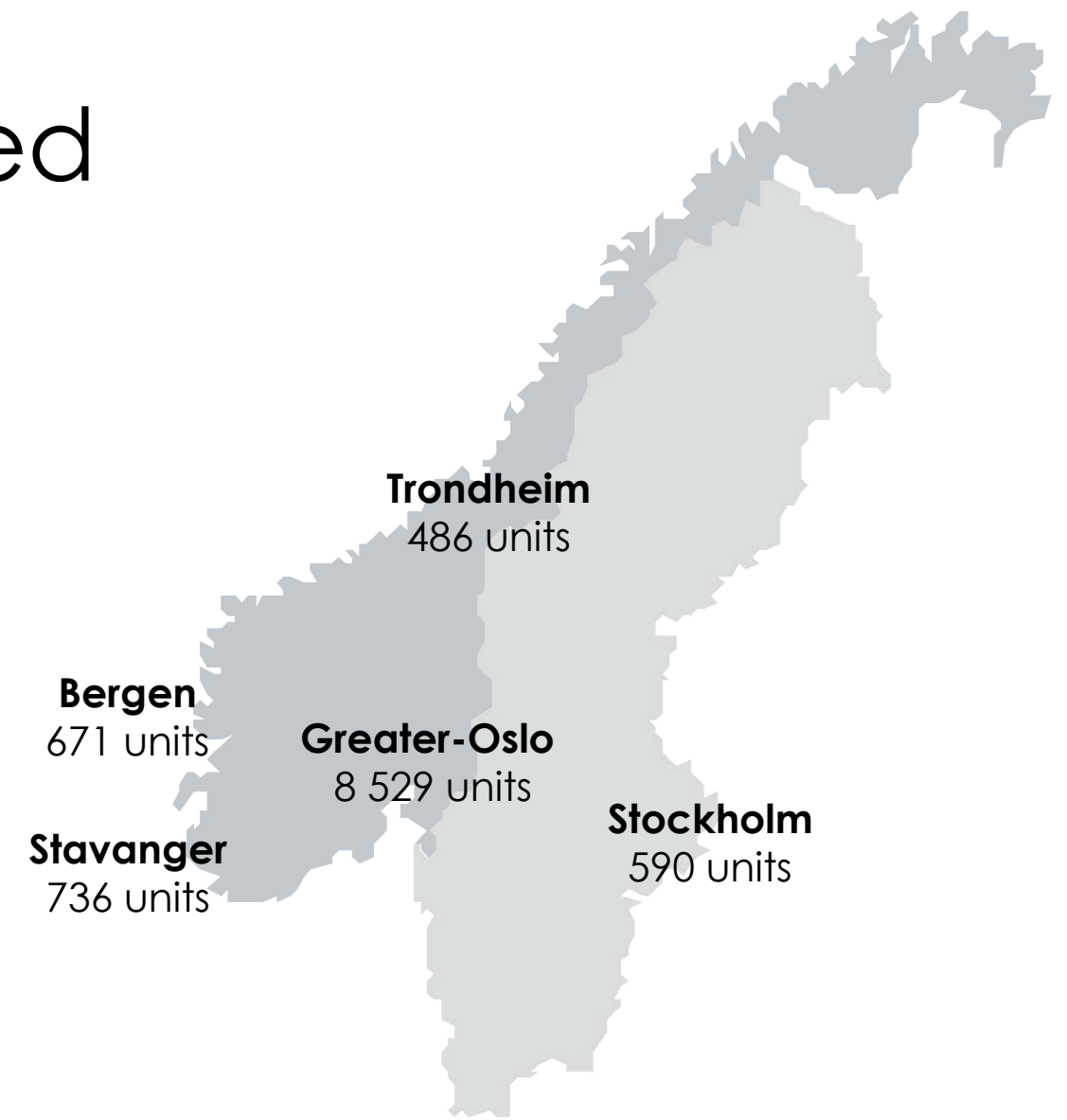
# Largest shareholders at 30.9, 2021

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB*	7 504 973	8.0%
PARETO INVEST AS	3 290 989	3.5%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 117 700	3.3%
JPMorgan Chase Bank, N.A., London*	1 943 435	2.1%
State Street Bank and Trust Comp*	1 353 030	1.4%
Skandinaviska Enskilda Banken AB*	900 000	1.0%
MUSTAD INDUSTRIER AS	870 000	0.9%
Skandinaviska Enskilda Banken AB*	778 922	0.8%
Landkreditt Utbytte	700 000	0.7%
SANDEN AS	670 000	0.7%
BANAN II AS	600 000	0.6%
VERDIPAPIRFONDET EIKA SPAR	597 383	0.6%
SPARHANS AS	550 000	0.6%
Brown Brothers Harriman & Co.*	540 443	0.6%
J.P. Morgan Bank Luxembourg S.A.*	523 659	0.6%
Brown Brothers Harriman & Co.*	519 230	0.6%
SELVAAG BOLIG ASA	467 169	0.5%
VERDIPAPIRFONDET EIKA NORGE	437 374	0.5%
Euroclear Bank S.A./N.V.*	429 959	0.5%
<b>Total 20 largest shareholders</b>	<b>75 974 353</b>	<b>81.0%</b>
Other shareholders	17 791 335	19.0%
<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>.

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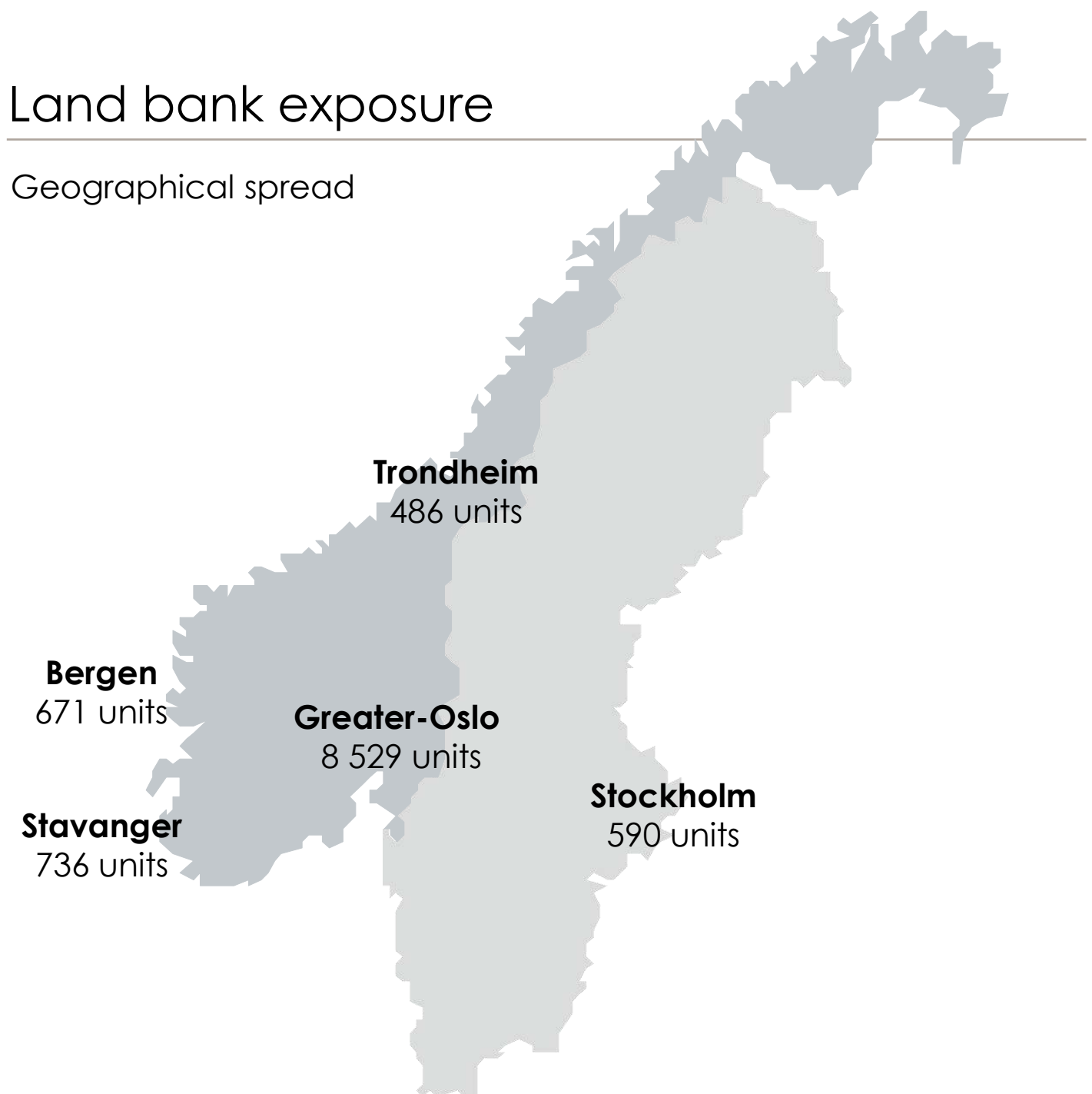
- Acquire the right mix of zoned and un-zoned land in suitable locations
- Land acquisitions in defined core areas in co-operation with Urban Property
- High degree of site utilization and strategic land development
- Substantial land bank to accommodate targets/growth in core areas
- Good infrastructure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

Note: The numbers represent the size of the land portfolio as at 30 June 2021. 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 ~5 900 residential units.

## Land bank exposure

---

Geographical spread





# Change in needs calls for new concepts

## Selvaag Pluss

- Lifestyle concept
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre

## Selvaag City

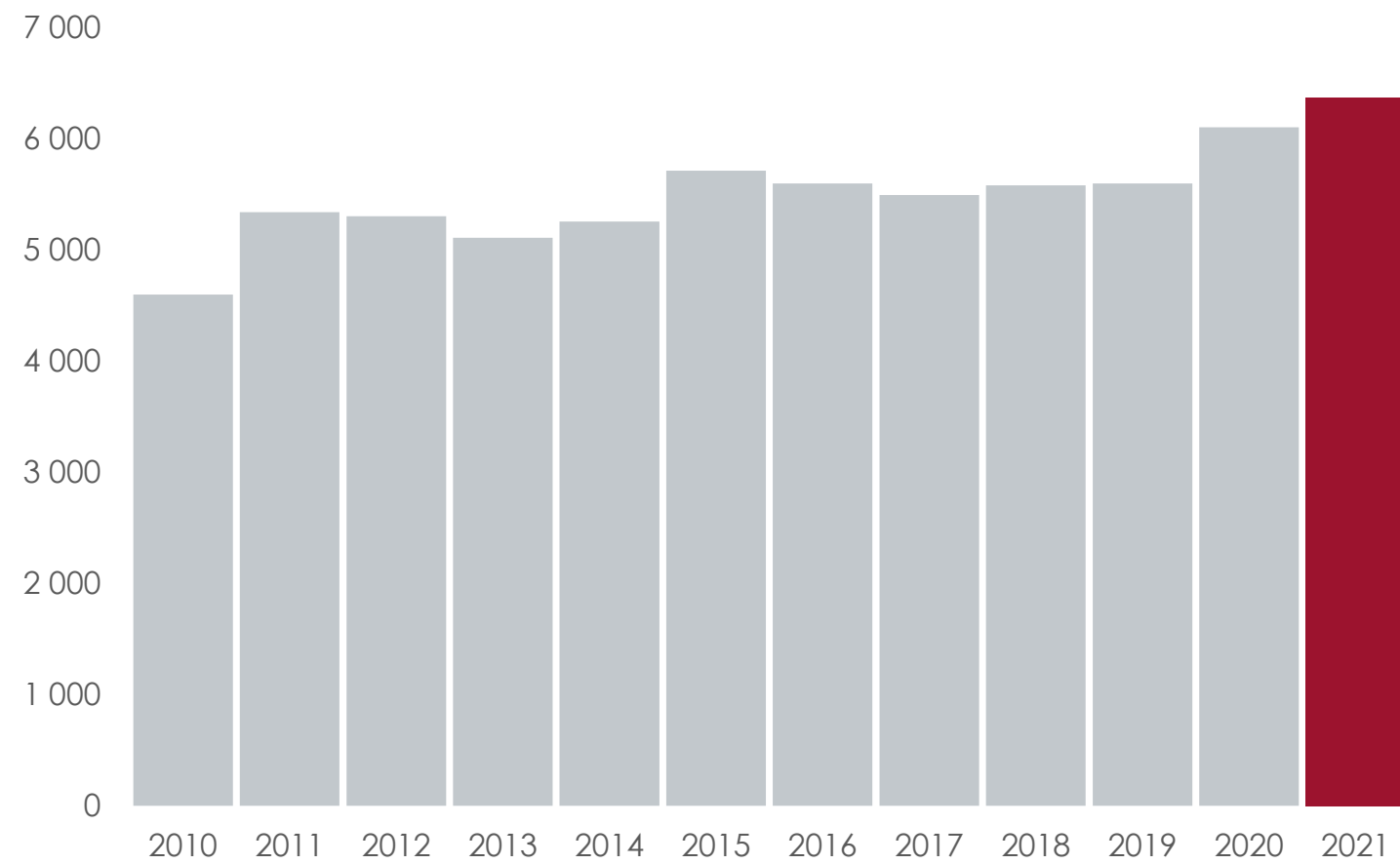
- Urban lifestyle concept with compact apartments
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre



# Bergen second-hand market update

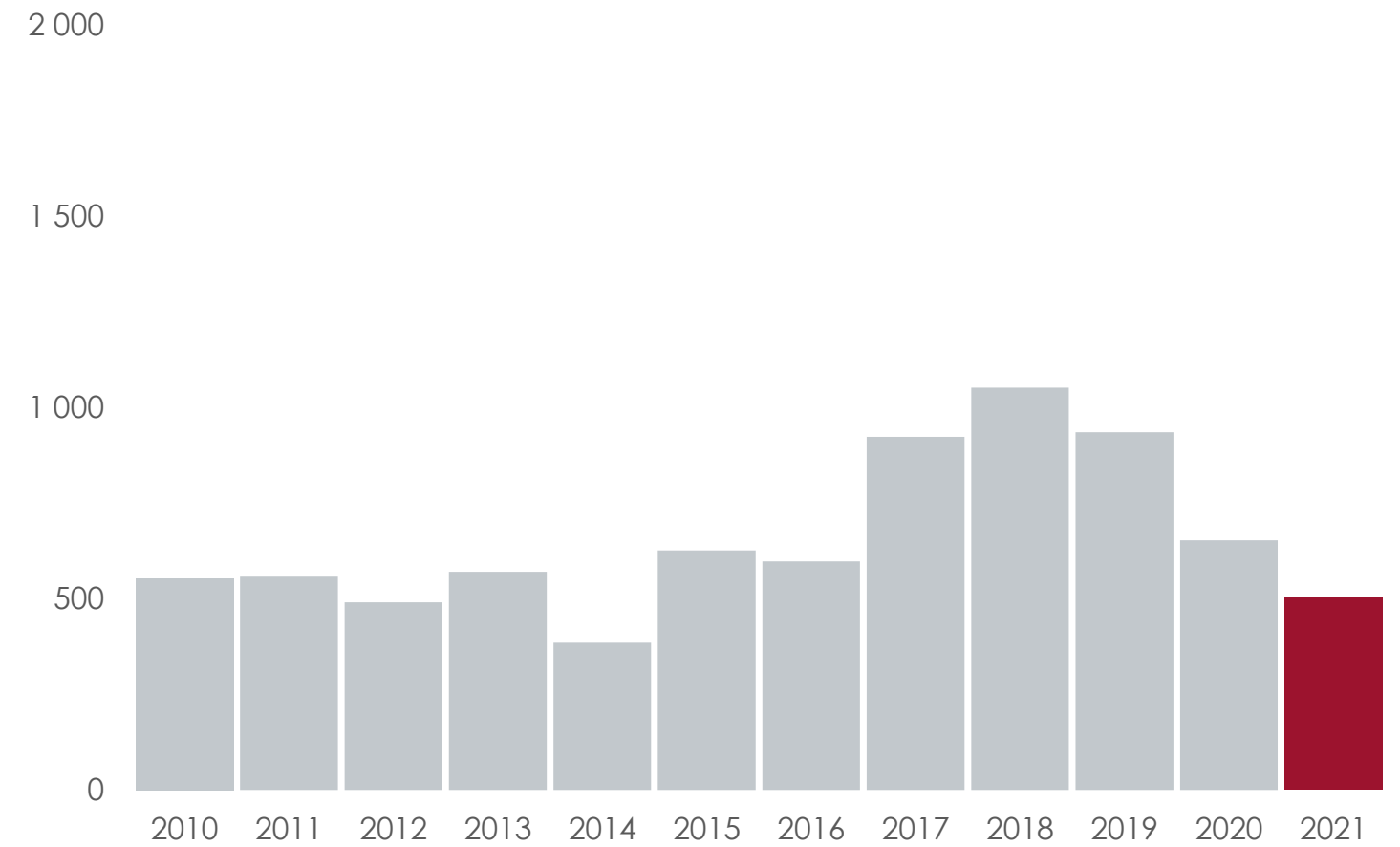
Units sold 1.1 - 31.10, 2010-21

Units



Inventory 31.10, 2010-21

Units

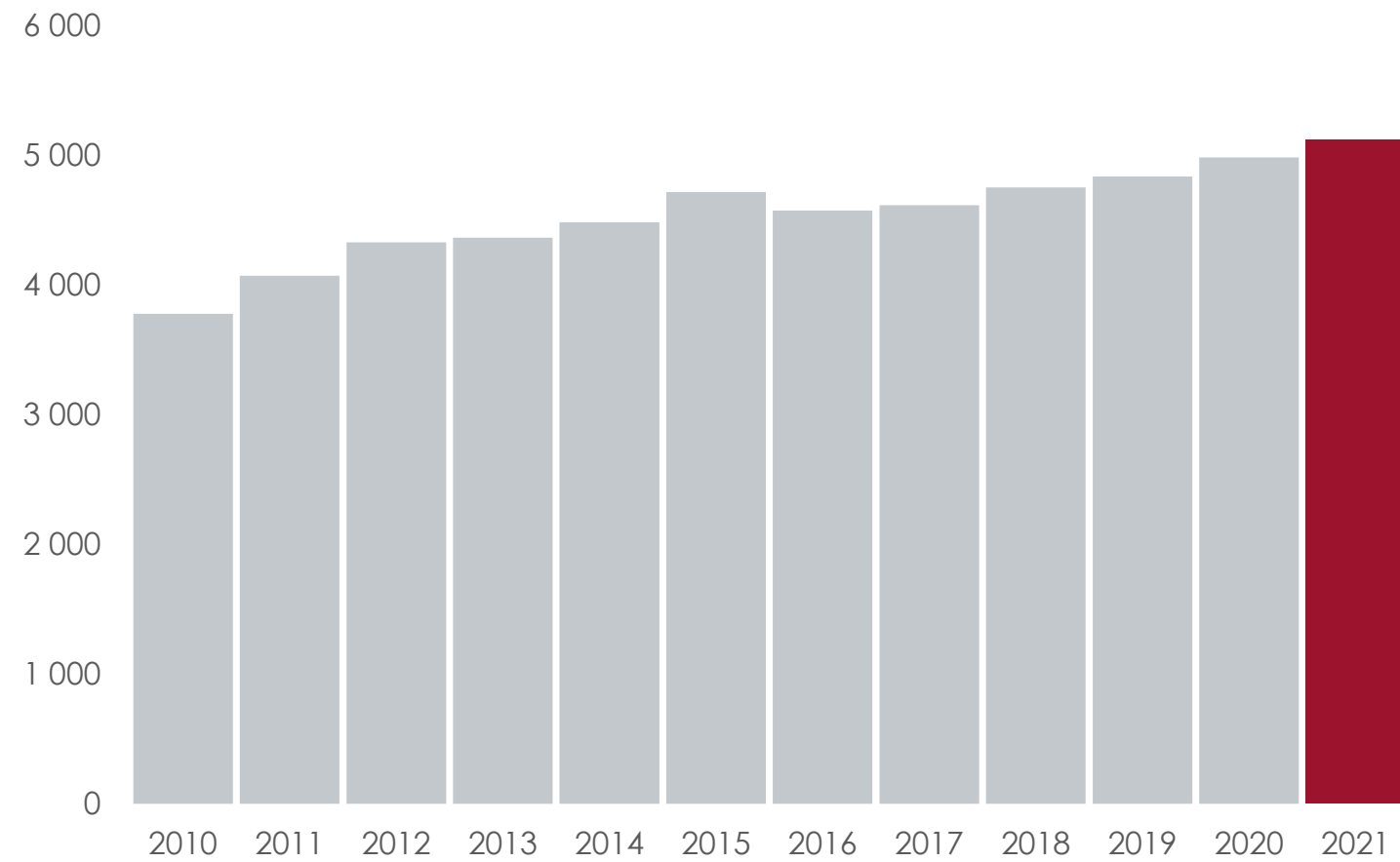


Source: Eiendomsverdi.

# Trondheim second-hand market update

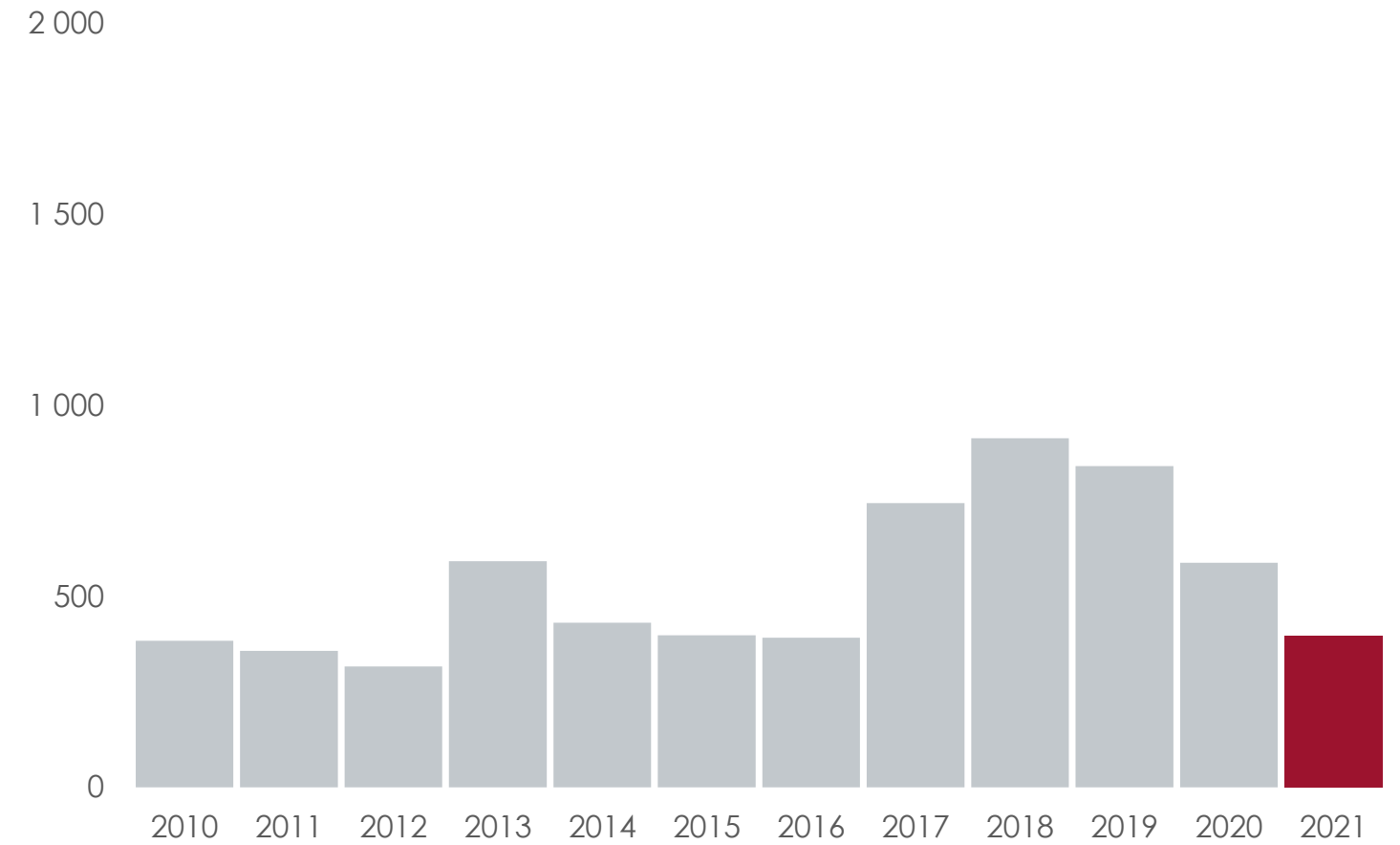
Units sold 1.1 - 31.10, 2010-21

Units



Inventory 31.10, 2010-21

Units



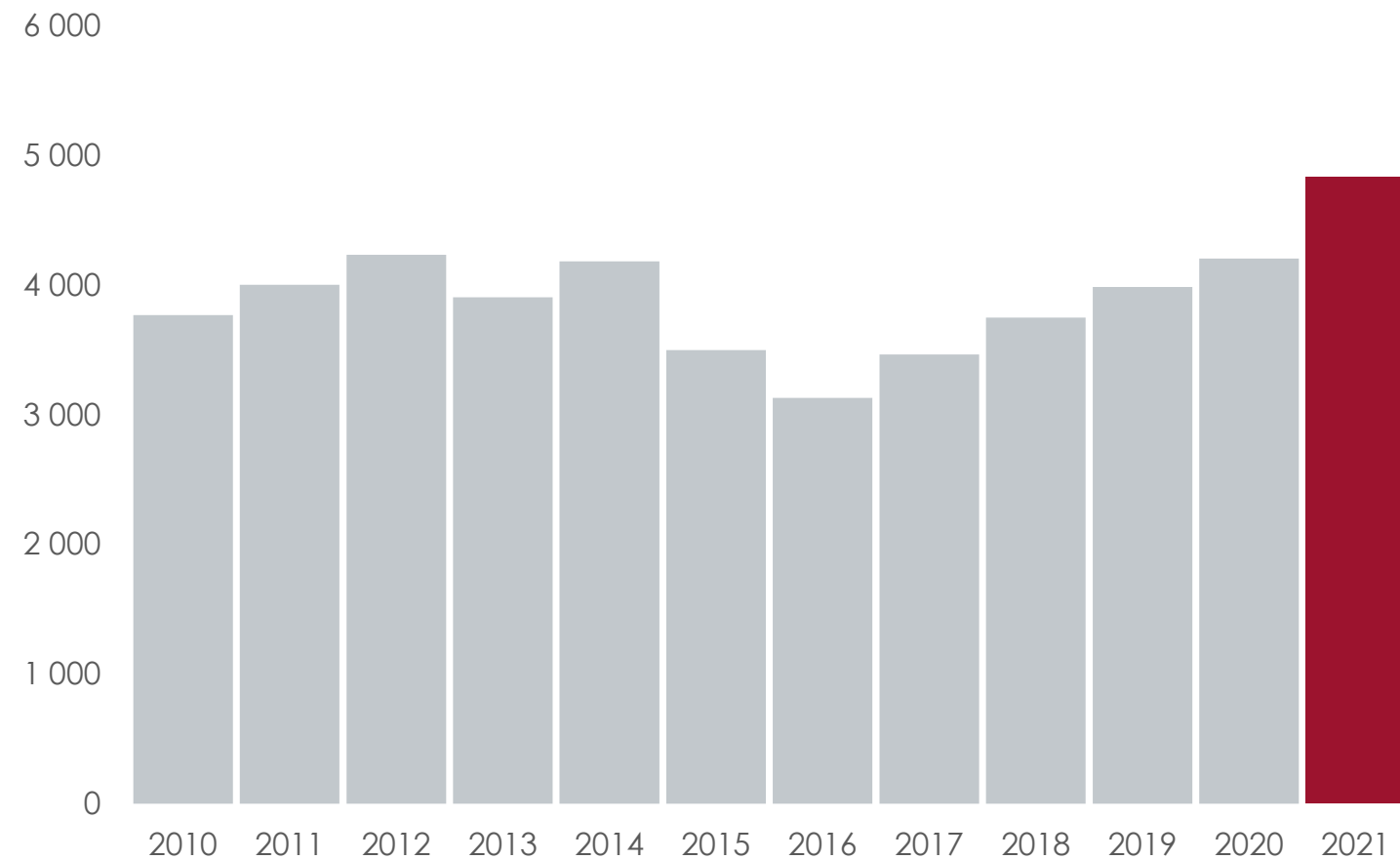
Source: Eiendomsverdi.



# Stavanger-area\* second-hand market update

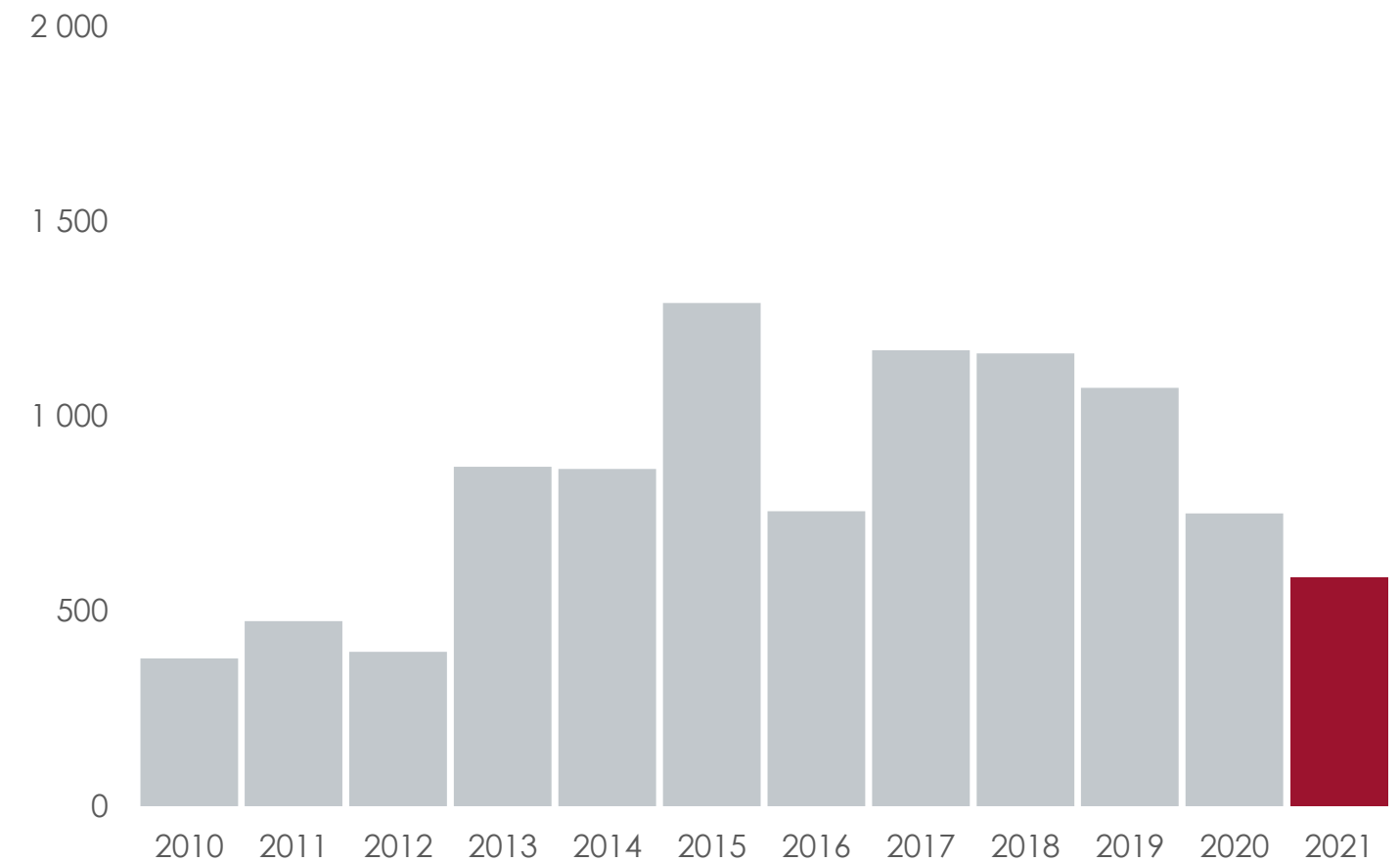
## Units sold 1.1 - 31.10, 2010-21

Units



## Inventory 31.10, 2010-21

Units



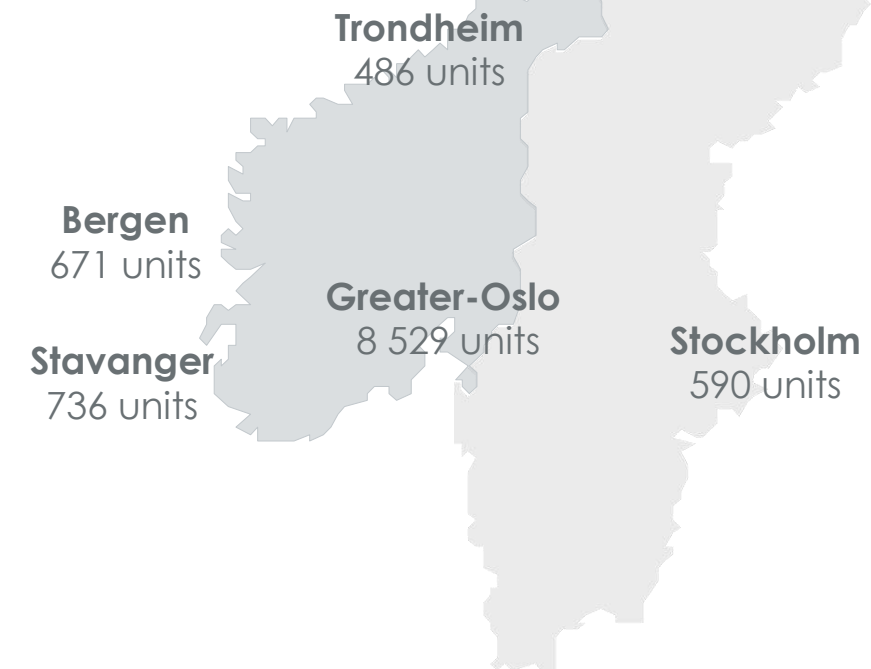
Source: Eiendomsverdi.

\* Includes Stavanger, Sola, Sandnes, Randaberg.

# Land bank acquisitions

- Land bank replacement secure long-term growth
- Persistent presence in established areas in Norway
- Increasing exposure in new growth area

## Land bank exposure



### Lilleakerveien 47 | Oslo

- Western part of Oslo
- Up to 150 units

### Årstadfältet | Stockholm

- Söderort transformation district
- 120 units

### Slakthus area | Stockholm

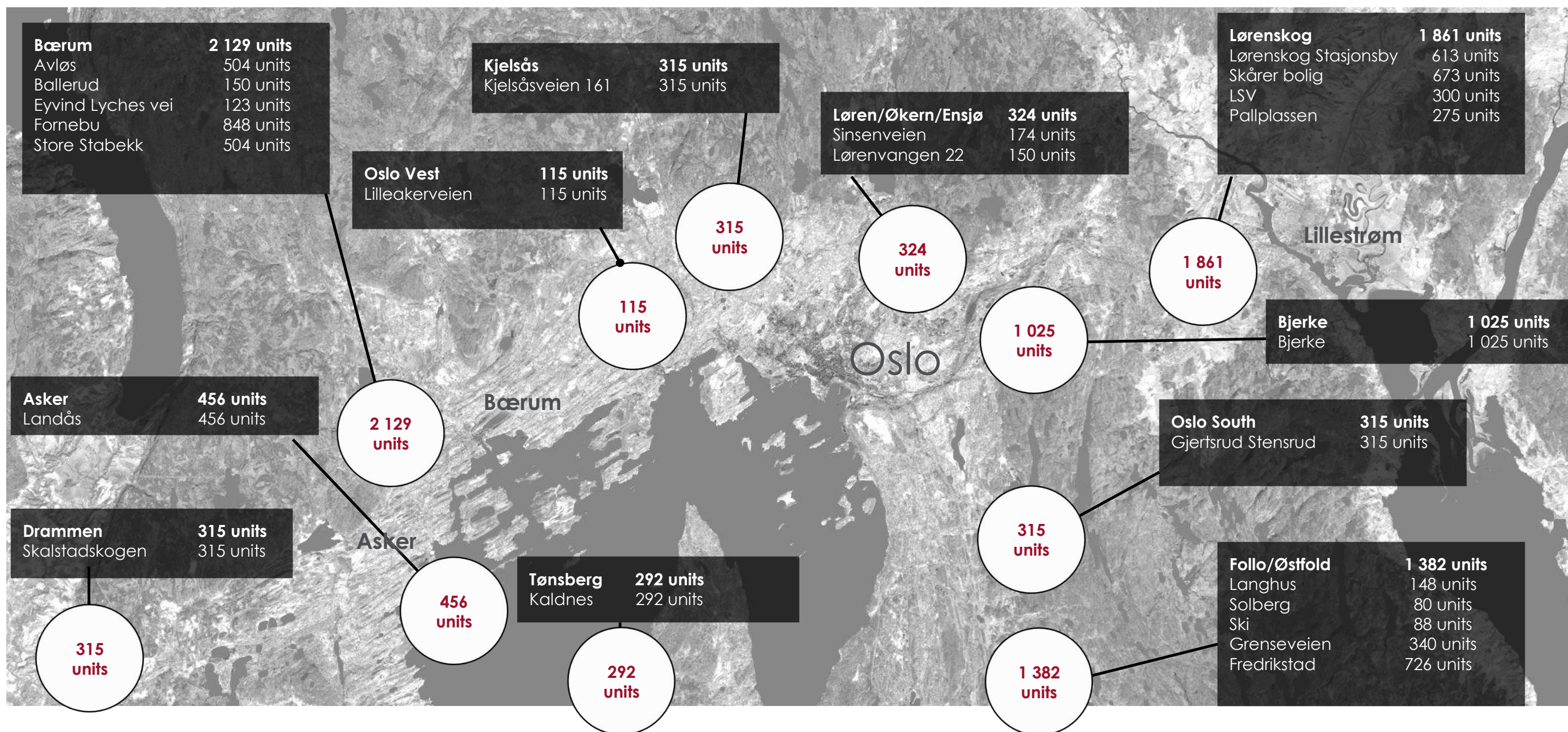
- Söderort transformation district
- 150 units

### Barkabystaden | Stockholm

- Söderort transformation district
- 250 units - Plus



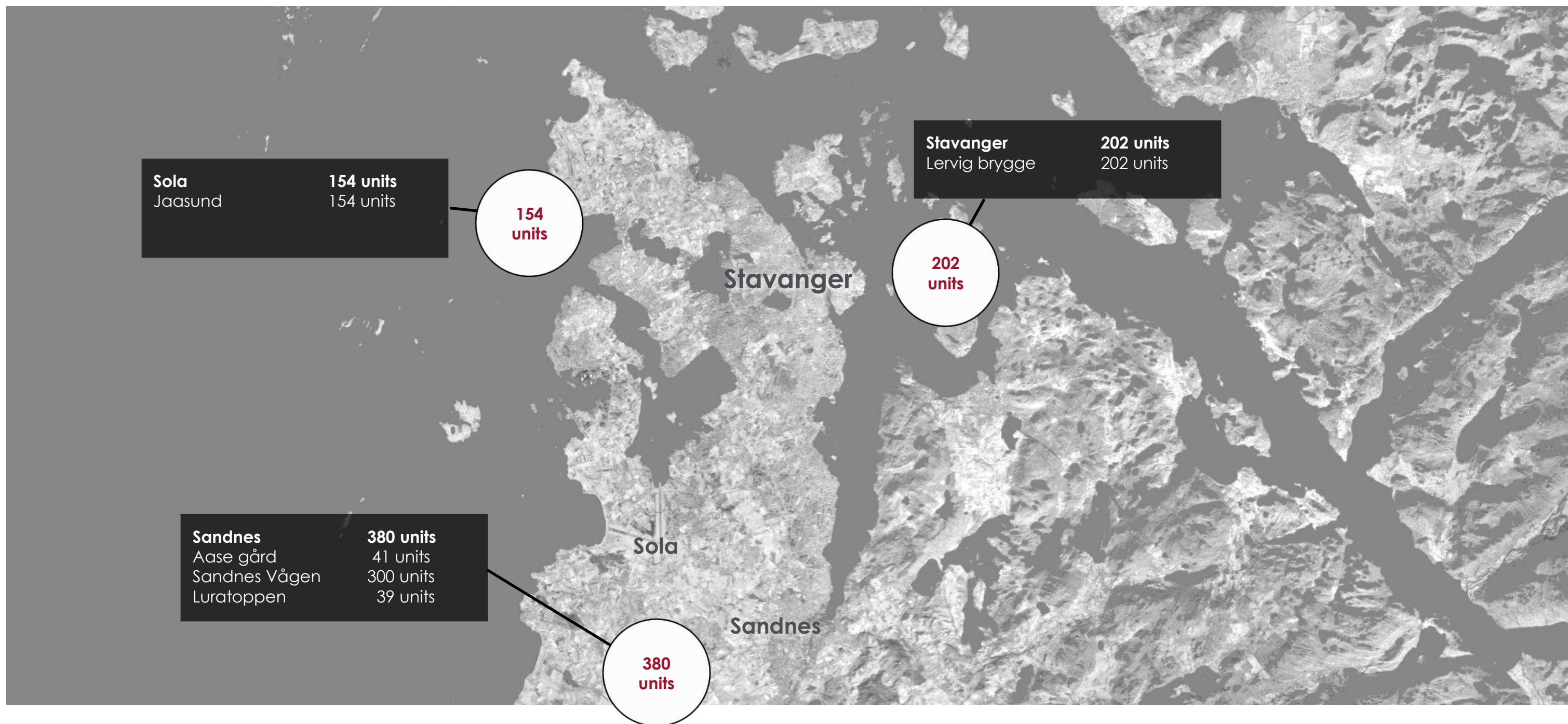
# Land bank in Oslo and Greater Oslo at 30.9.21



\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.



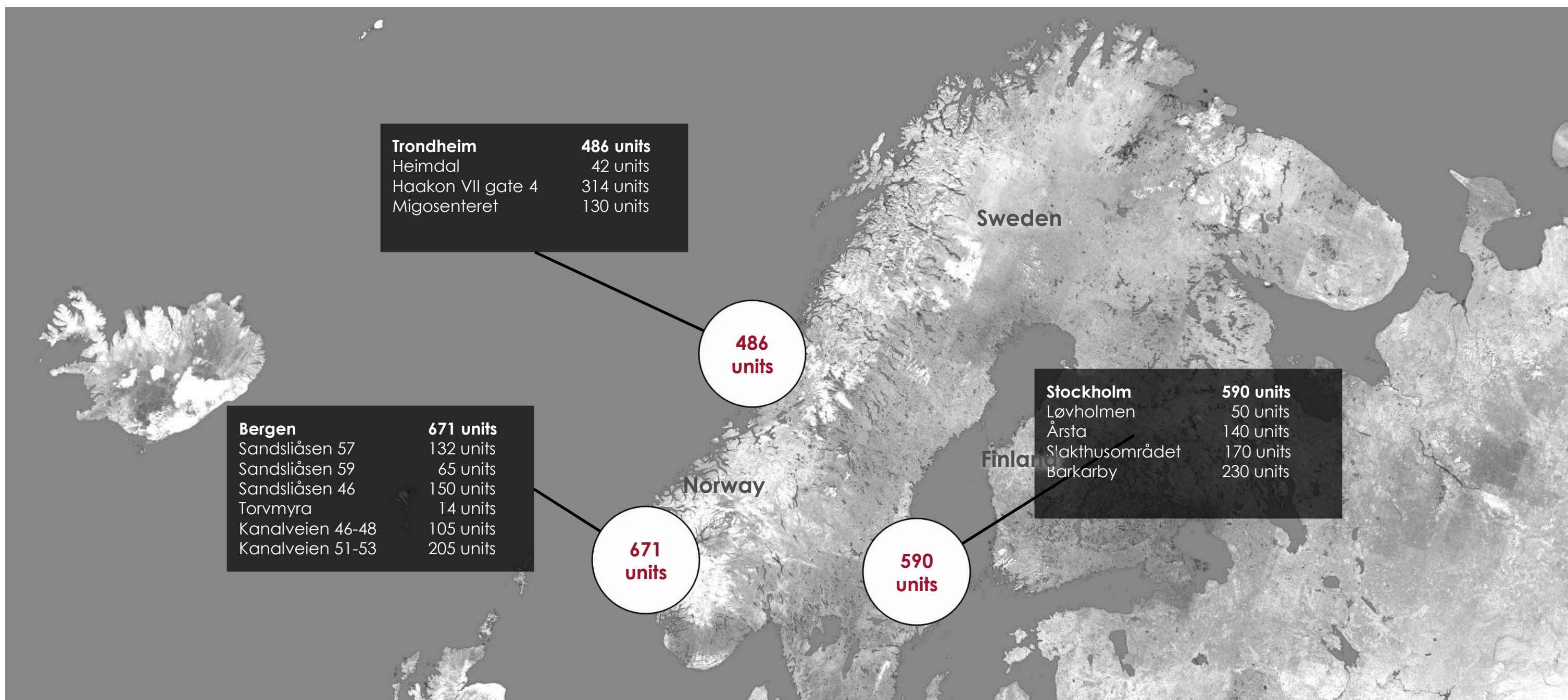
# Land bank in Stavanger area at 30.9.21



\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.



# Land bank in Bergen, Trondheim and Stockholm at 30.9.21



\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.

# Cooperation with Urban Property from 1.1.2021

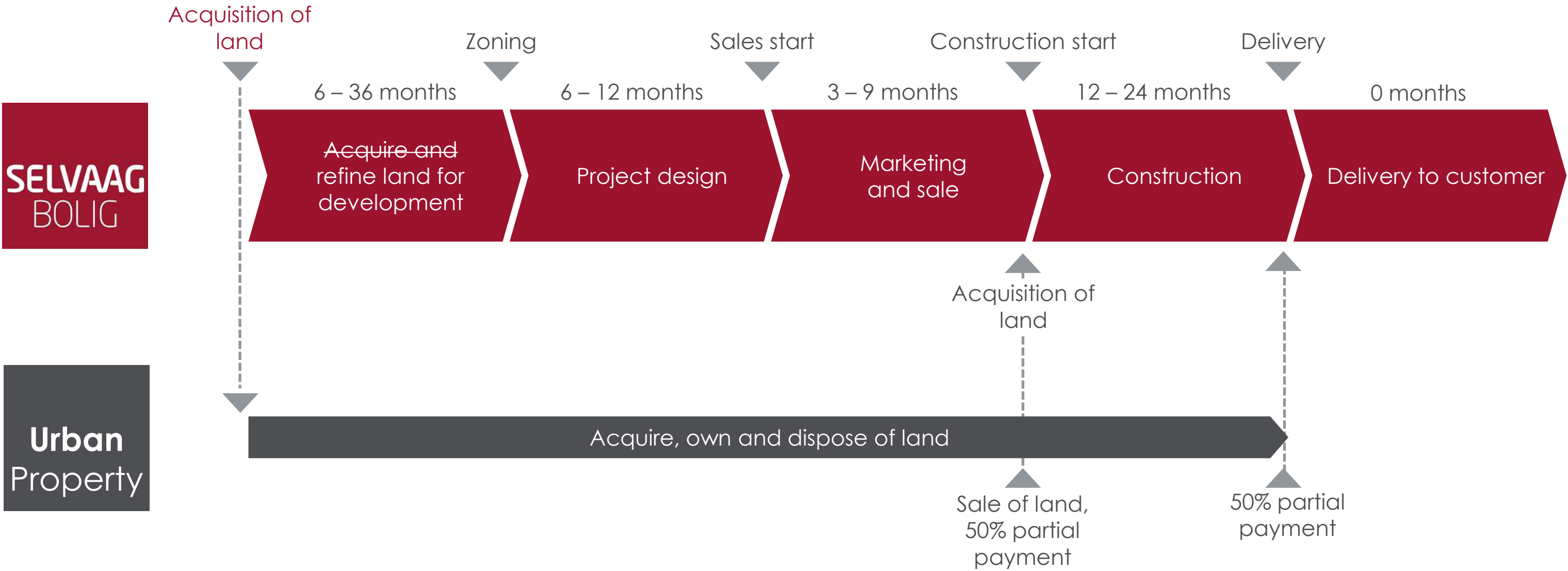
Selvaag Bolig sold most of its land bank to Urban Property in January 2020, entering a long-term and strategic partnership. Urban Property is a financially sound, well capitalized and predictable partner.

- How it works:
  - Urban Property has a right of first refusal (ROFR) to purchase all new land Selvaag Bolig wants to develop
  - Urban Property acquires land on Selvaag Bolig recommendations
  - Selvaag Bolig has an option to repurchase the land in stages
  - Fee structure:
    - 2.5% transaction fee
    - Annual option premium of NIBOR +375bp
- Benefits for Selvaag Bolig:
  - Eliminates need for equity when purchasing land, as SBO pay 50% of purchasing price at construction start and 50% at project completion
  - Increases return on equity
  - Allows for a higher dividend payout ratio
  - More efficient and predictable funding of existing and new land plots
  - Increases competitiveness when making land purchases
  - Down-side risk for SBO limited to 48 months option premium (break fee)



# 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



# Example project calculations before and after

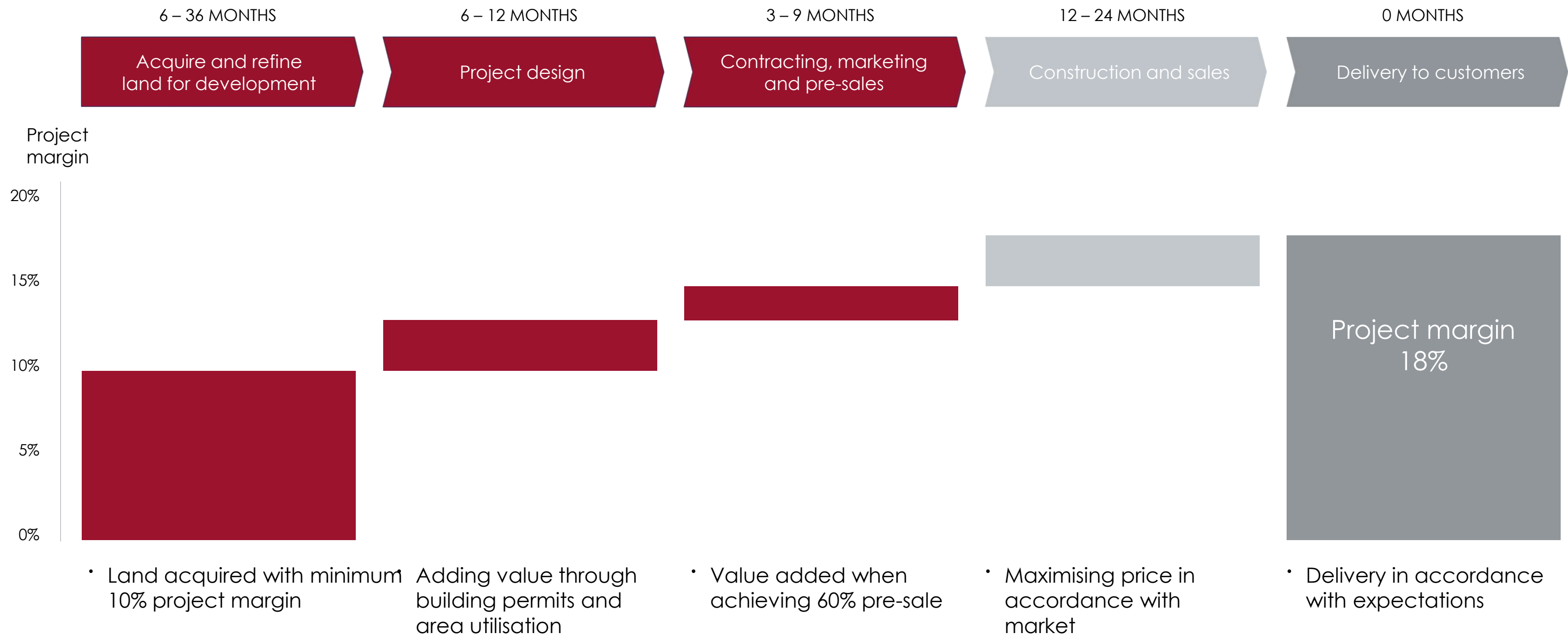
Figures for illustration purposes only	1 PROJECT CALCULATIONS BEFORE URBAN PROPERTY		2 PROJECT CALCULATIONS AFTER URBAN PROPERTY	
	MNOK	%	MNOK	%
<b>Sales revenue</b>	<b>348.5</b>	<b>100.0%</b>	<b>348.5</b>	<b>100.0%</b>
Construction cost	195.8	56.2%	195.8	56.2%
Land cost	69.7	20.0%	85.2	24.4%
Other costs	24.5	7.0%	24.5	7.0%
<b>Project cost</b>	<b>290.0</b>	<b>83.2%</b>	<b>305.5</b>	<b>87.7%</b>
Net finance (excluding Urban Property)	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>TOTAL COST</b>	<b>306.8</b>	<b>88.0%</b>	<b>310.9</b>	<b>89.2%</b>
<b>PROFIT</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>12.2%</b>		<b>28.0%</b>

- 1 Initial project margin and IRR before Urban Property when purchasing land at market value
  - 2 Initial project margin and IRR with Urban Property as partner when purchasing land at market value (including option premium)
- ➔ In total marginal lower project margins, but significantly increased IRR and RoE**

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.



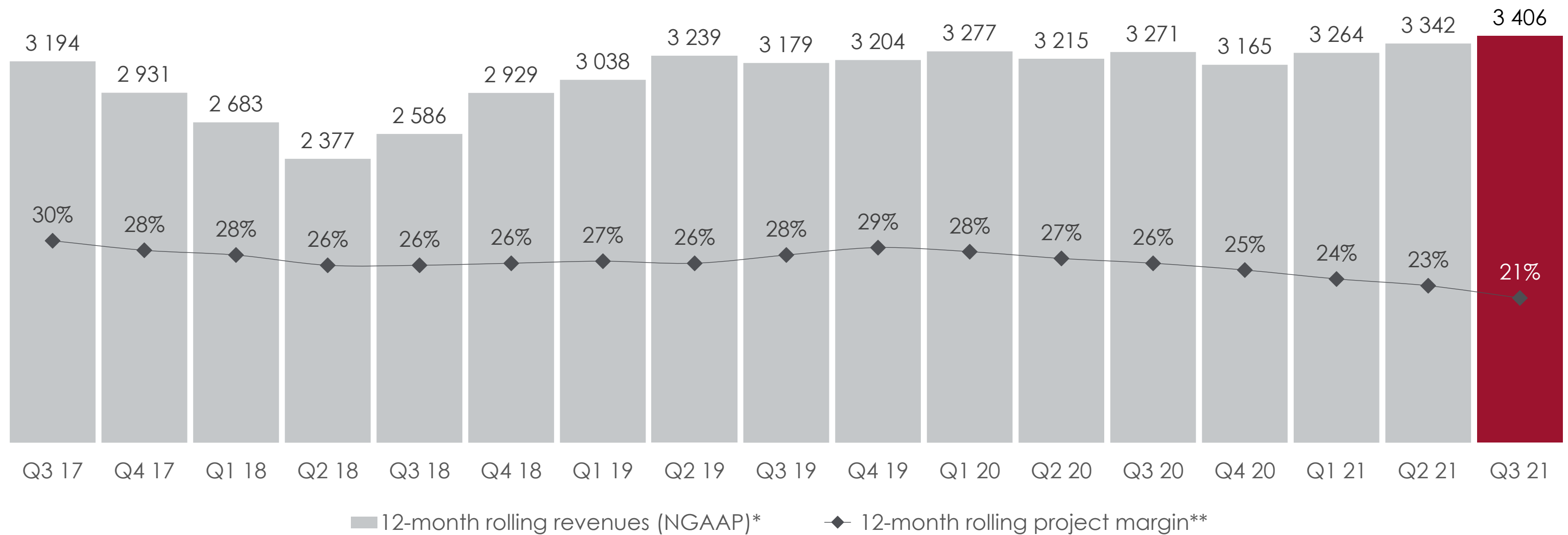
# Margin development through project stages\*



\* 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.

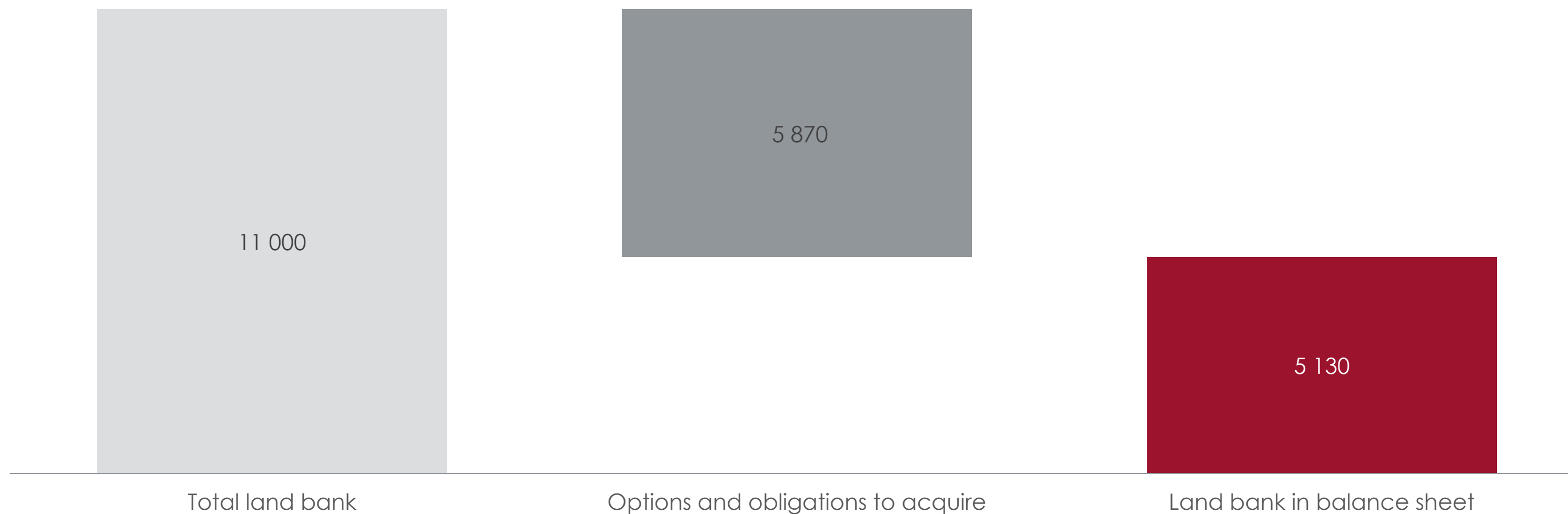


# Substantial portfolio for development

Total land bank portfolio at 30.9.2021

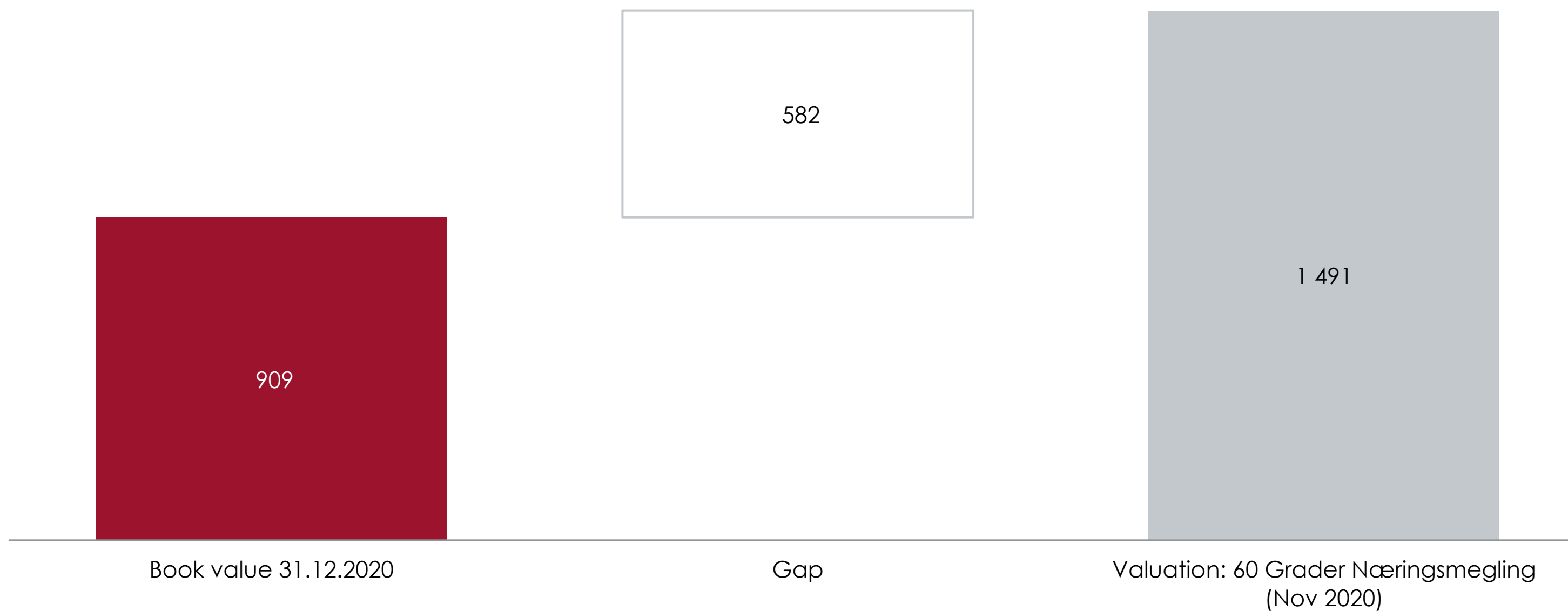
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Units



# Valuation of remaining land bank\*

NOK million



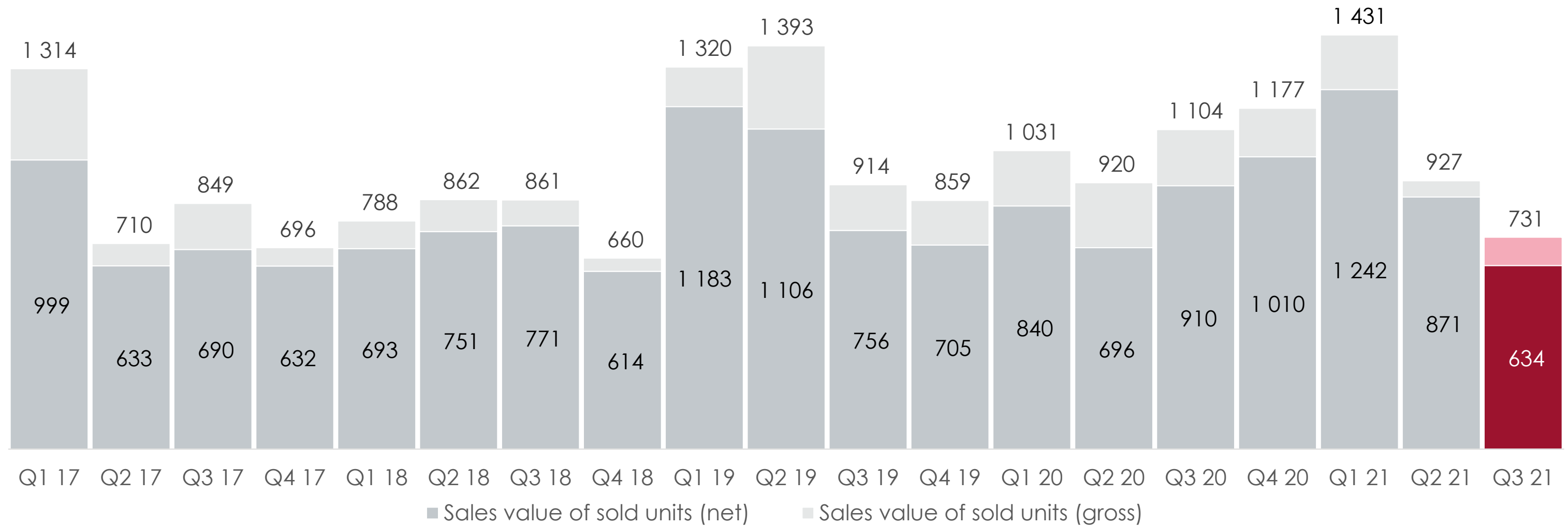
\* Part of SBO land bank not included in the UP transaction.



# Value of units sold - gross and net

## Sales value of units sold

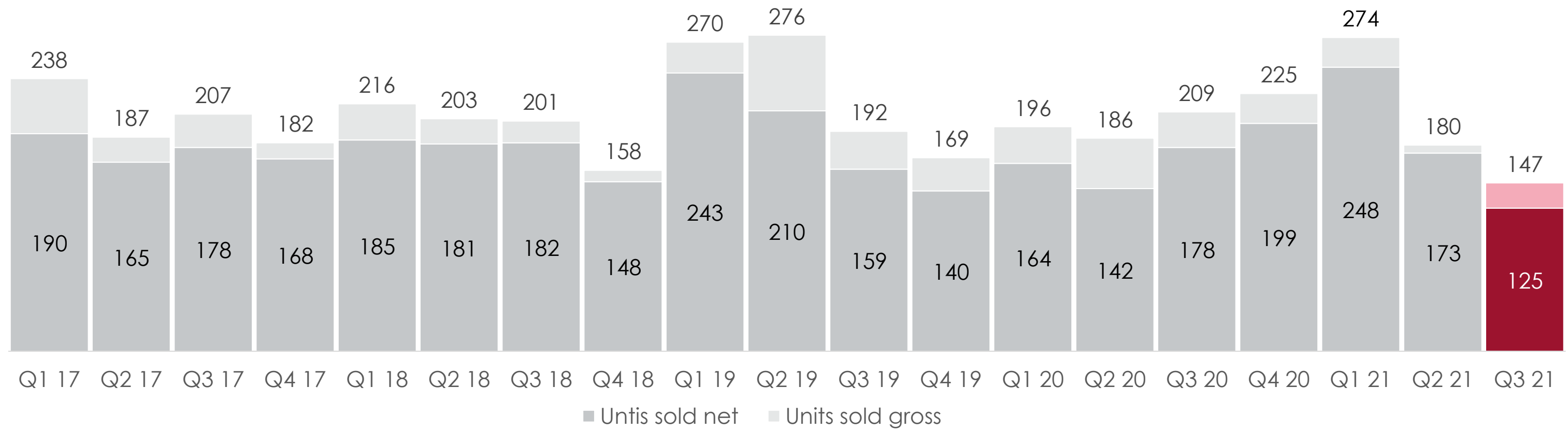
NOK million



# Number of units sold - gross and net

## Number of units sold

Units





# Income statement IFRS

<b>(figures in NOK million)</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>2020</b>
Total operating revenues	886.9	706.1	1 848.9	1 350.7	2 698.0
Project expenses	(698.5)	(562.0)	(1 404.5)	(1 032.7)	(1 967.6)
Other operating expenses	(53.8)	(61.7)	(158.4)	(176.0)	(256.8)
Associated companies and joint ventures	55.3	19.6	100.7	132.1	135.0
<b>EBITDA</b>	<b>189.9</b>	<b>102.0</b>	<b>386.7</b>	<b>274.2</b>	<b>608.5</b>
Depreciation and amortisation	(2.6)	(2.4)	(7.7)	(7.3)	(9.8)
Other gains (loss)	-	-	-	1 028.7	1 045.1
<b>EBIT</b>	<b>187.3</b>	<b>99.5</b>	<b>379.0</b>	<b>1 295.6</b>	<b>1 643.8</b>
Net financial expenses	(1.8)	11.4	(8.1)	10.4	9.7
<b>Profit/(loss) before taxes</b>	<b>185.6</b>	<b>110.9</b>	<b>370.9</b>	<b>1 306.0</b>	<b>1 653.5</b>
Income taxes	(32.2)	(8.6)	(84.4)	(26.3)	(129.9)
<b>Net income</b>	<b>153.4</b>	<b>102.3</b>	<b>286.5</b>	<b>1 279.6</b>	<b>1 523.6</b>

# Balance sheet

<b>(figures in NOK million)</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q3 2020</b>	<b>2020</b>
Intangible assets	383.4	383.4	383.4	383.4
Property, plant and equipment	6.6	6.8	5.3	7.3
Investments in associated companies and joint ventures	342.6	438.6	398.6	406.9
Other non-current assets	271.7	237.8	236.2	228.1
<b>Total non-current assets</b>	<b>1 004.3</b>	<b>1 066.6</b>	<b>1 023.6</b>	<b>1 025.7</b>
<b>Inventories (property)</b>	<b>4 647.4</b>	<b>4 681.1</b>	<b>4 274.6</b>	<b>3 940.8</b>
- Land	954.7	1 036.2	979.0	909.3
- Land held for sale				
- Work in progress	3 584.0	3 542.6	3 171.6	2 911.0
- Finished goods	108.6	102.3	123.9	120.5
Other current receivables	161.4	86.9	491.8	119.0
Cash and cash equivalents	609.7	580.2	361.3	885.3
<b>Total current assets</b>	<b>5 418.5</b>	<b>5 348.2</b>	<b>5 127.7</b>	<b>4 945.1</b>
<b>TOTAL ASSETS</b>	<b>6 422.8</b>	<b>6 414.8</b>	<b>6 151.2</b>	<b>5 970.8</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 235.5	2 280.6	2 170.8	2 430.0
Non-controlling interests	7.8	7.8	7.9	7.8
<b>Total equity</b>	<b>2 243.3</b>	<b>2 288.3</b>	<b>2 178.6</b>	<b>2 437.8</b>
Non-current interest-bearing liabilities	1 759.2	1 481.8	1 255.6	1 100.3
Other non-current non interest-bearing liabilities	308.4	292.8	151.9	136.5
<b>Total non-current liabilities</b>	<b>2 067.5</b>	<b>1 774.6</b>	<b>1 407.5</b>	<b>1 236.8</b>
Current interest-bearing liabilities	1 179.4	1 519.1	1 616.1	1 368.1
Other current non interest-bearing liabilities	932.6	832.8	949.1	928.1
<b>Total current liabilities</b>	<b>2 112.0</b>	<b>2 351.9</b>	<b>2 565.1</b>	<b>2 296.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 422.8</b>	<b>6 414.8</b>	<b>6 151.2</b>	<b>5 970.8</b>

\* Corresponding to a book value of NOK per share

23.84

# Cash flow statement

<b>(figures in NOK million)</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>2020</b>
Net cash flow from operating activities	174.5	(266.8)	(328.6)	692.8	1 615.7
Net cash flow from investment activities	133.4	31.7	169.1	409.1	413.8
Net cash flow from financing activities	(278.3)	(82.3)	(116.2)	(1 919.3)	(2 322.9)
Net change in cash and cash equivalents	29.5	(317.4)	(275.7)	(817.3)	(293.4)
<b>Cash and cash equivalents at start of period</b>	<b>580.2</b>	<b>678.8</b>	<b>885.3</b>	<b>1 178.7</b>	<b>1 178.7</b>
<b>Cash and cash equivalents at end of period</b>	<b>609.7</b>	<b>361.3</b>	<b>609.7</b>	<b>361.3</b>	<b>885.3</b>



# Operational highlights – key operating figures

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Units sold	164	142	178	199	248	173	125
Construction starts	15	31	196	254	134	142	148
Units completed	89	104	212	286	95	120	318
Units delivered	114	122	212	272	124	132	314
Units under construction	1 431	1 357	1 342	1 310	1 349	1 371	1 201
Proportion of sold units under construction	76 %	78 %	77 %	74 %	82 %	82 %	76 %
Completed unsold units	37	25	19	19	17	15	16
Sales value of units under construction (NOK million)	6 742	6 327	6 660	6 413	6 627	6 749	6 200

# EBITDA Q3 2021

<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>756.5</b>	<b>17.4</b>	<b>774.0</b>
Project expenses	(603.2)	(0.2)	(603.3)
Other operating expenses	(10.3)	(46.0)	(56.3)
<b>EBITDA (percentage of completion)</b>	<b>143.0</b>	<b>(28.7)</b>	<b>114.3</b>

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

## IFRS EBITDA for the quarter, per segment

Operating revenues	869.5	17.4	886.9
Project expenses	(698.3)	(0.2)	(698.5)
Other operating expenses	(10.3)	(43.4)	(53.8)
Share of income (losses) from associated companies and joint ventures	55.3	-	55.3
<b>EBITDA</b>	<b>216.1</b>	<b>(26.2)</b>	<b>189.9</b>
Units in production	1 201	N/A	N/A
Units delivered	314	N/A	N/A

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

# EBITDA 9M 2021

<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>2 468.3</b>	<b>44.6</b>	<b>2 512.9</b>
Project expenses	(1 936.3)	(0.4)	(1 936.7)
Other operating expenses	(36.6)	(129.4)	(166.0)
<b>EBITDA (percentage of completion)</b>	<b>495.4</b>	<b>(85.2)</b>	<b>410.2</b>
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
<b>IFRS EBITDA full year per segment</b>			
Operating revenues	1 804.4	44.6	1 848.9
Project expenses	(1 404.2)	(0.4)	(1 404.5)
Other operating expenses	(36.6)	(121.8)	(158.4)
Share of income (losses) from associated companies and joint ventures	100.6	-	100.6
<b>EBITDA</b>	<b>464.2</b>	<b>(77.6)</b>	<b>386.7</b>
Units in production	1 201	N/A	N/A
Units delivered	570	N/A	N/A

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

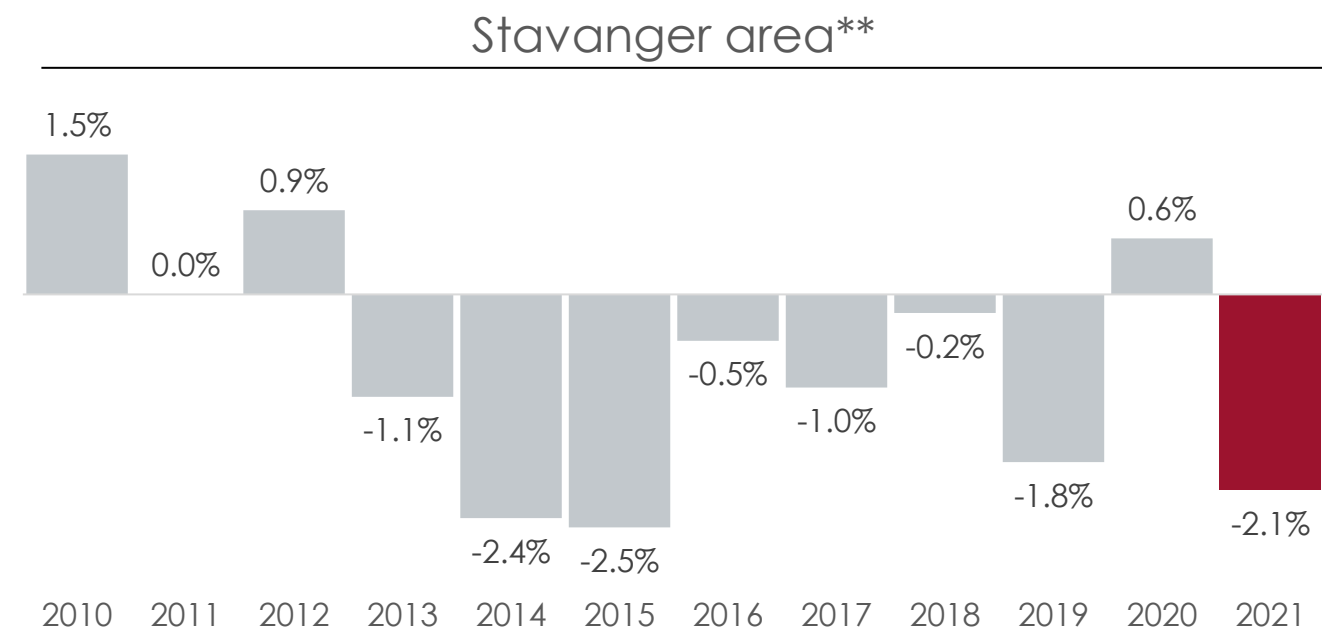
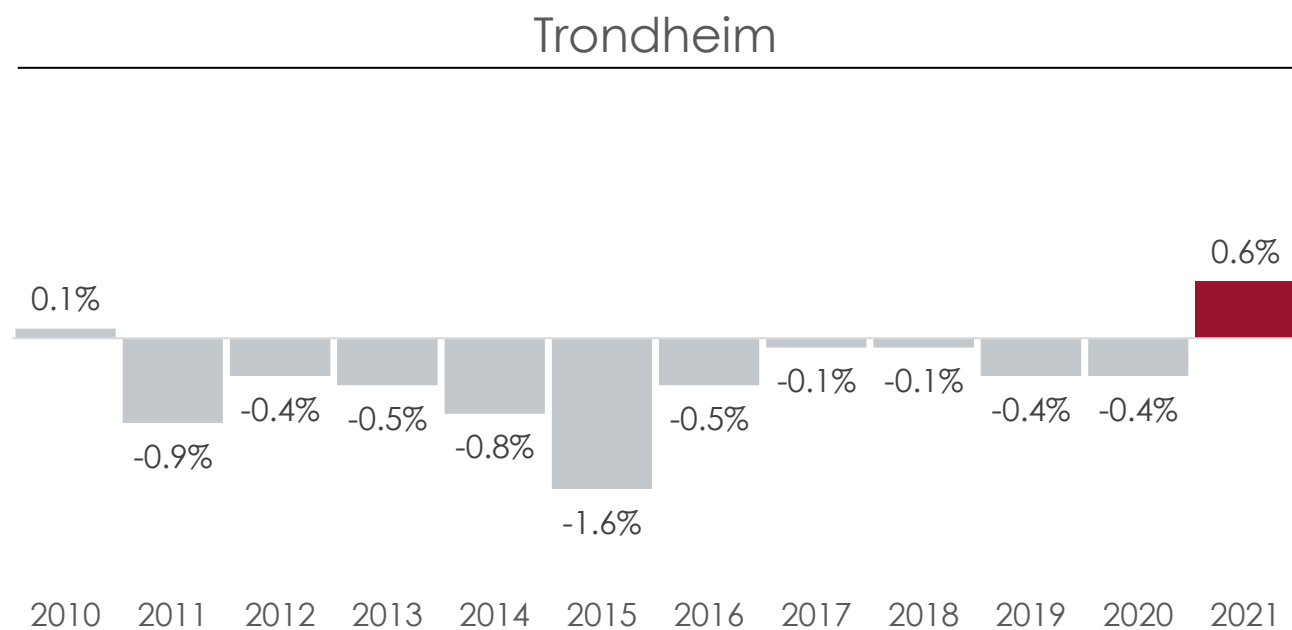
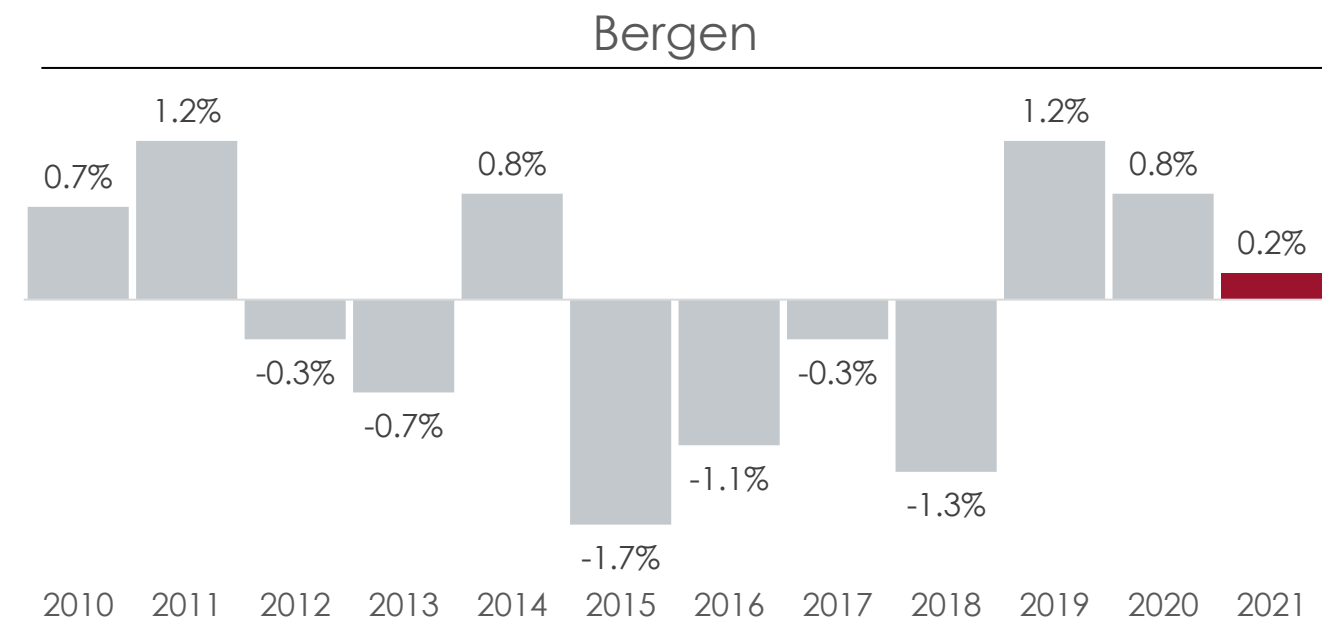
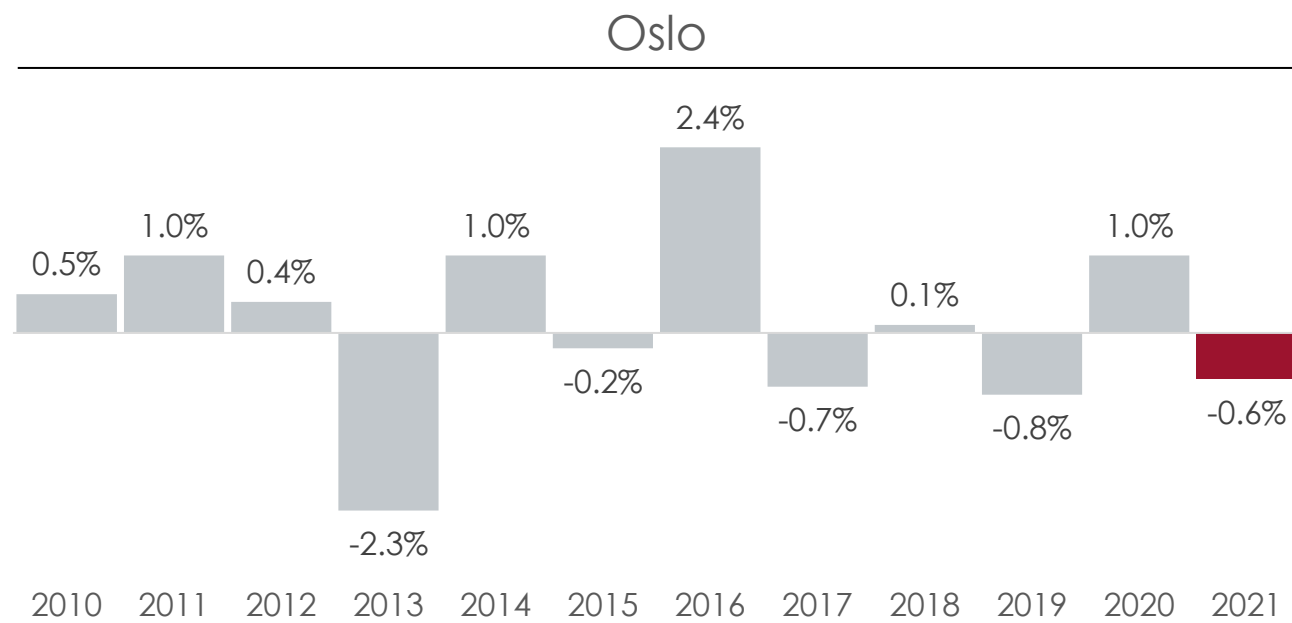


# Norwegian housing market

- 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

Source: Selvaag Bolig and Eurostat.

# Regional price\* development October, 2010-21

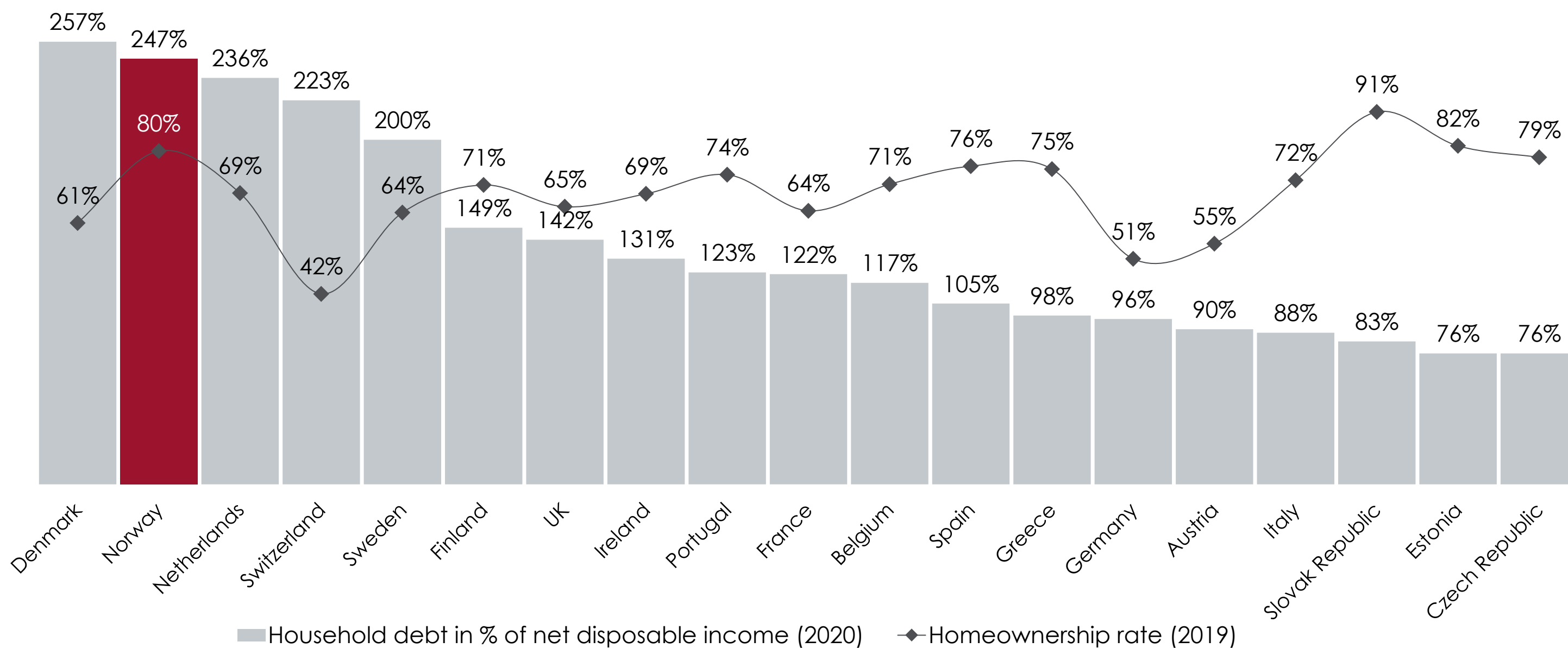


Source: Eiendom Norge.

\* Nominal price change.

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

# Total household debt and homeownership

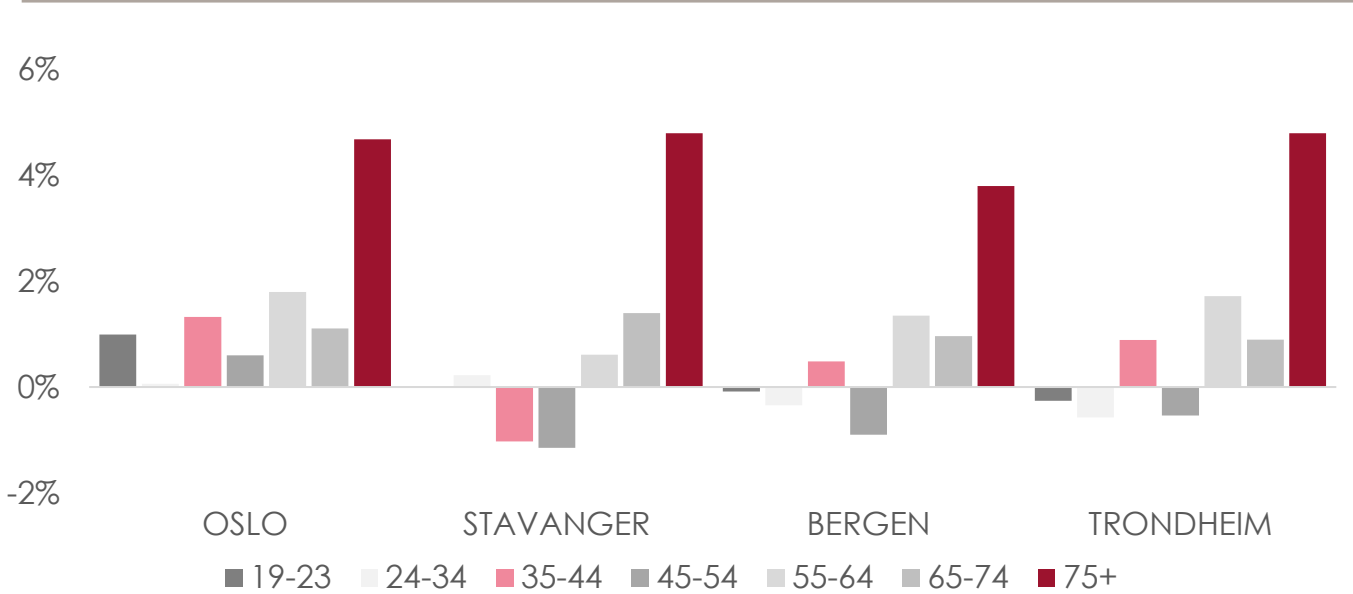


Source: OECD, Statista.

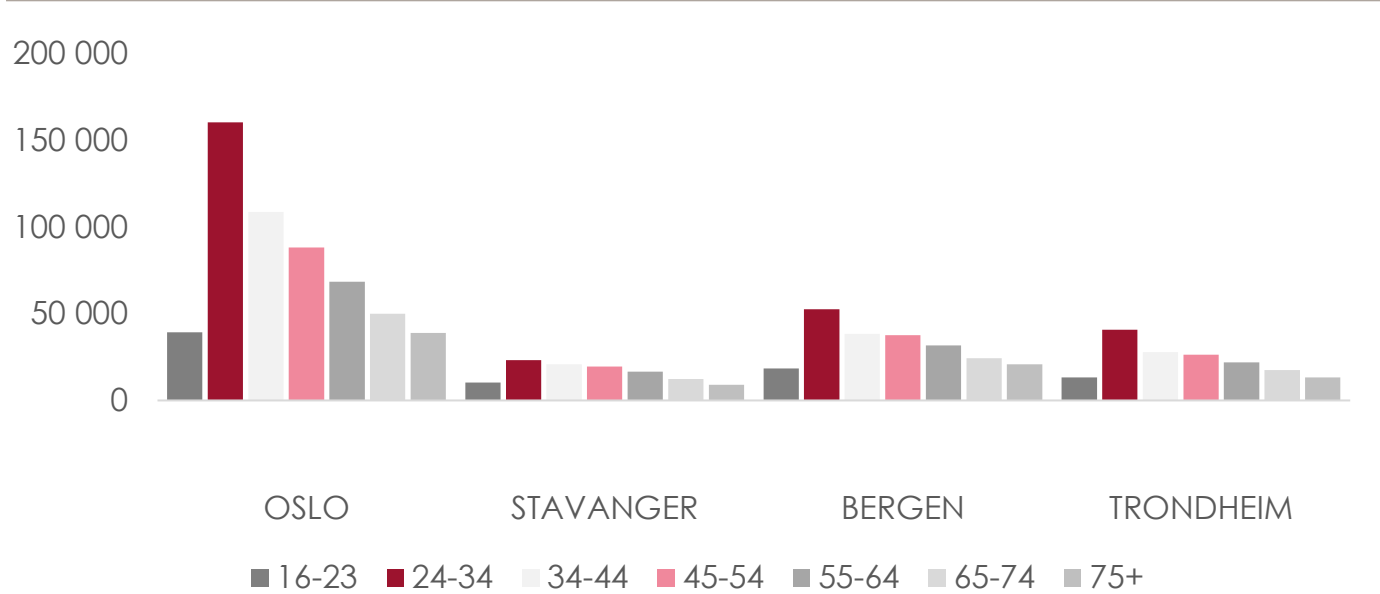


# Shift in demographics trigger new housing needs

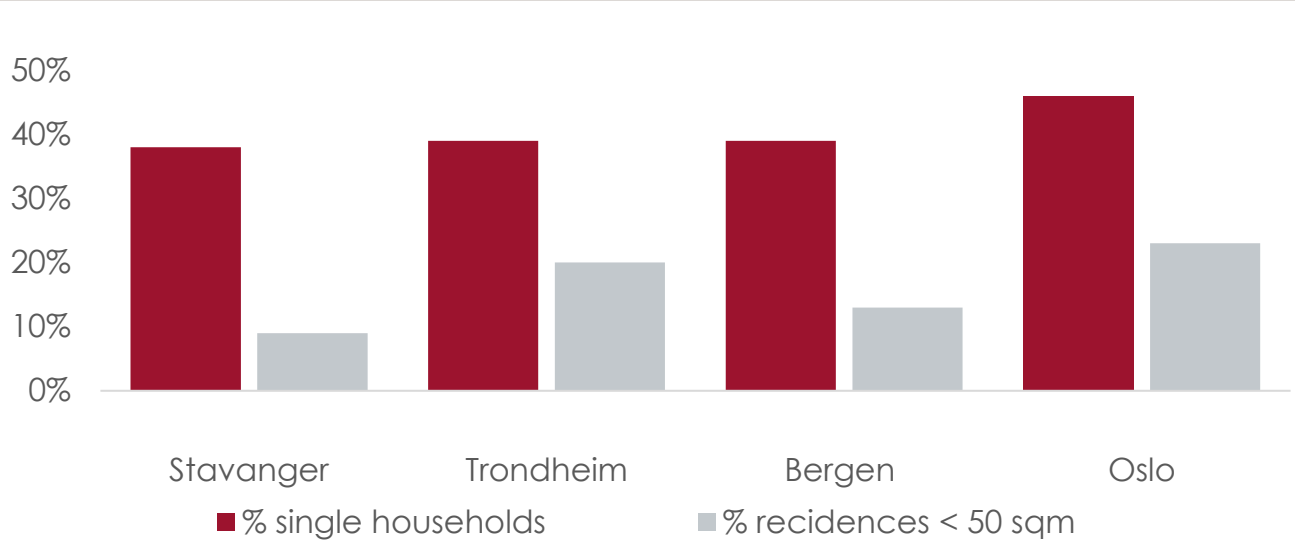
Annual population growth\* by age



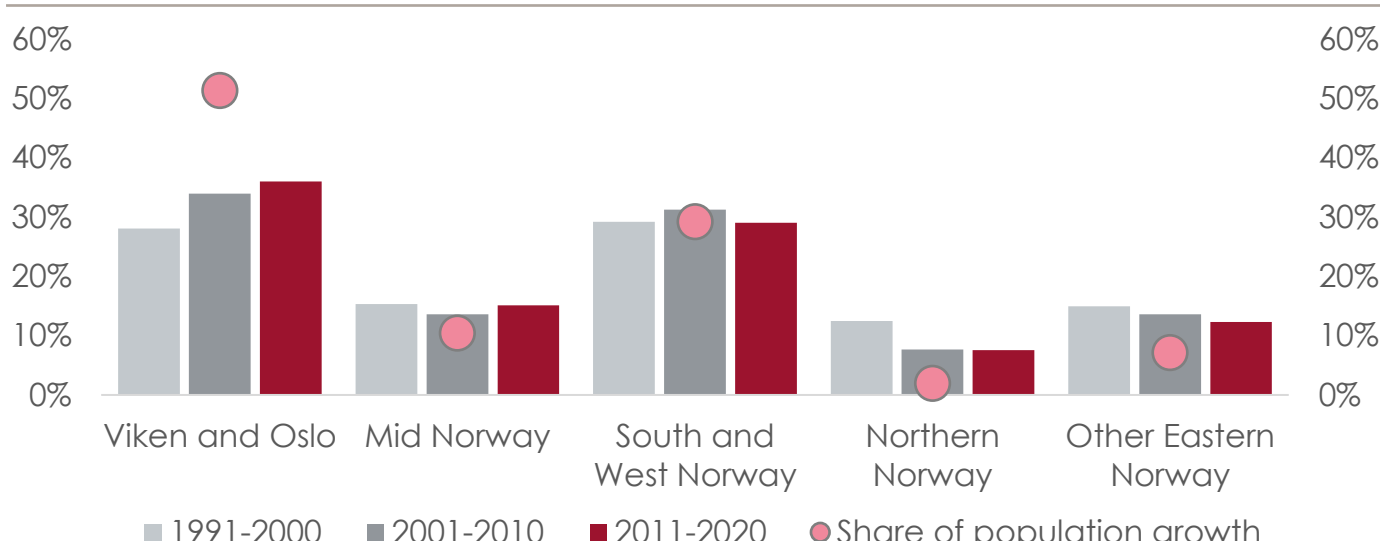
Number of people by age in 2020



Share of small & single households



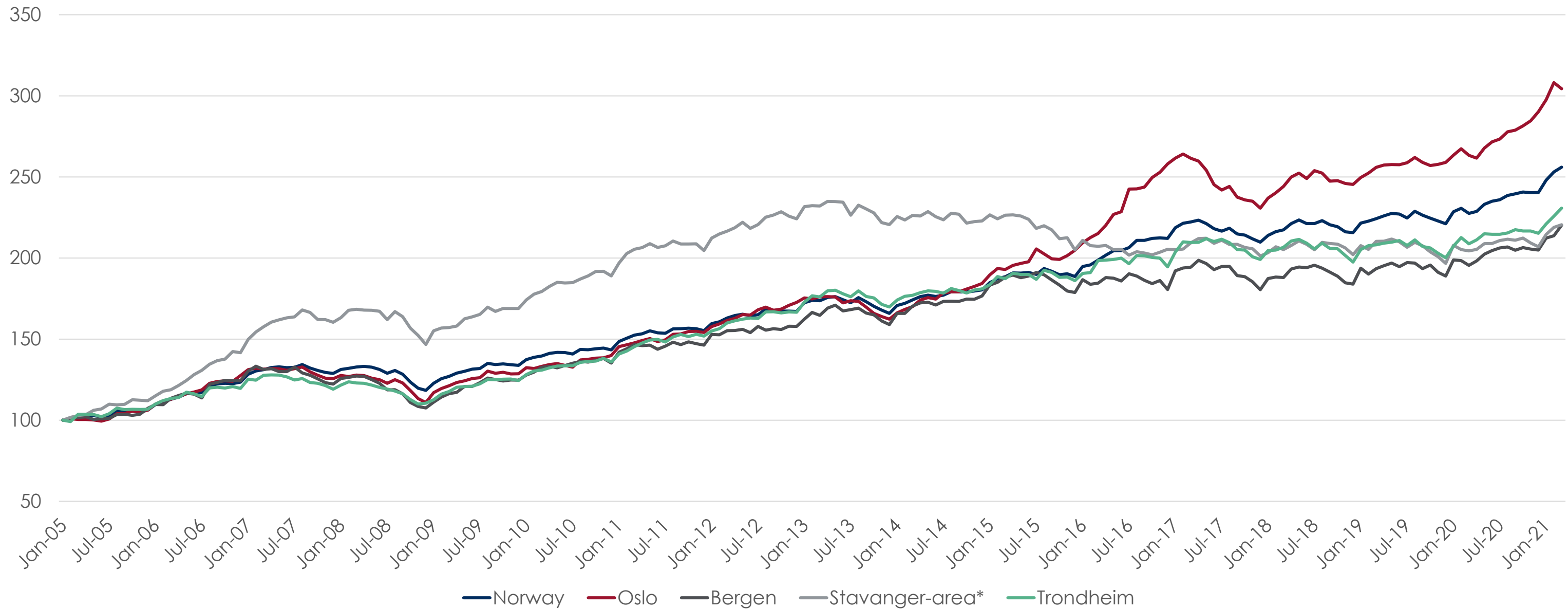
Share of newbuild and population growth by region



Source: Statistics Norway, Samfunnsøkonomisk Analyse.  
 \* Estimated annual growth for the 2020-25 period.  
 \*\* Number of persons per household in Norway.

# Price development Norway and selected regions (2005-21)

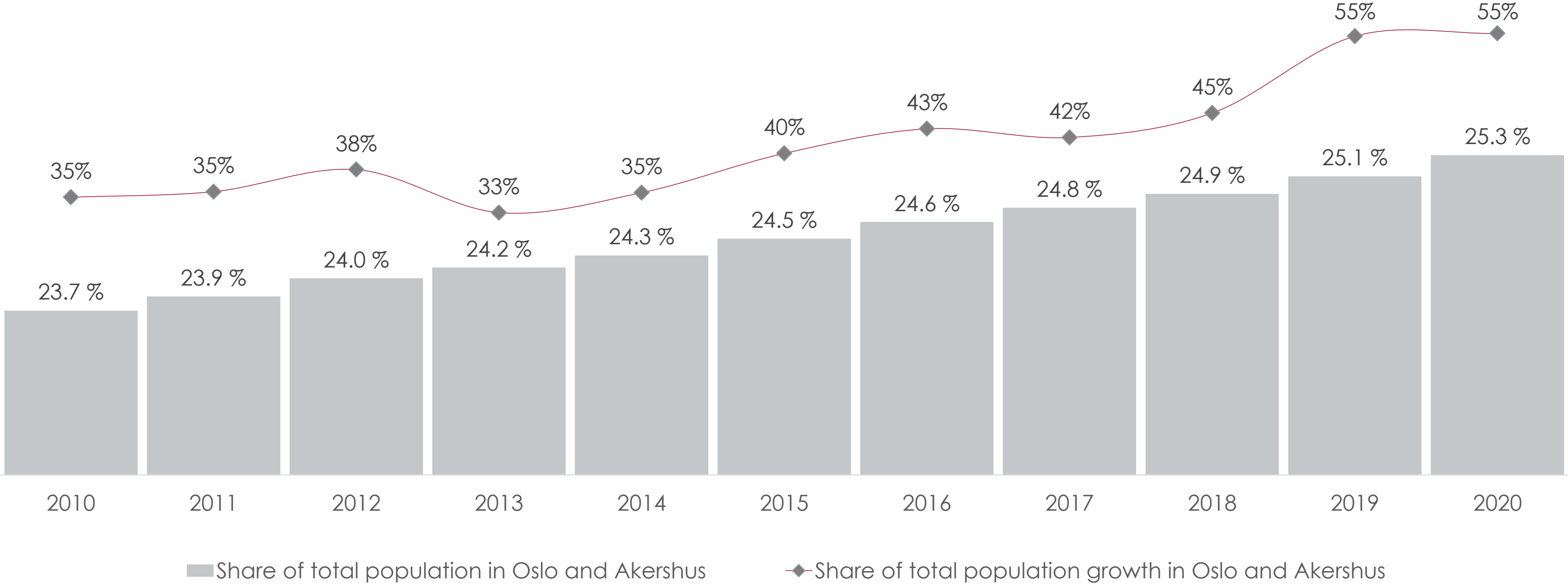
Price development (rebased 1.1.2005)



Source: Eiendomsverdi.

\* Stavanger area includes: Randaberg, Sandnes, Sola, Stavanger.

# Increasing share of population growth in Oslo and Akershus

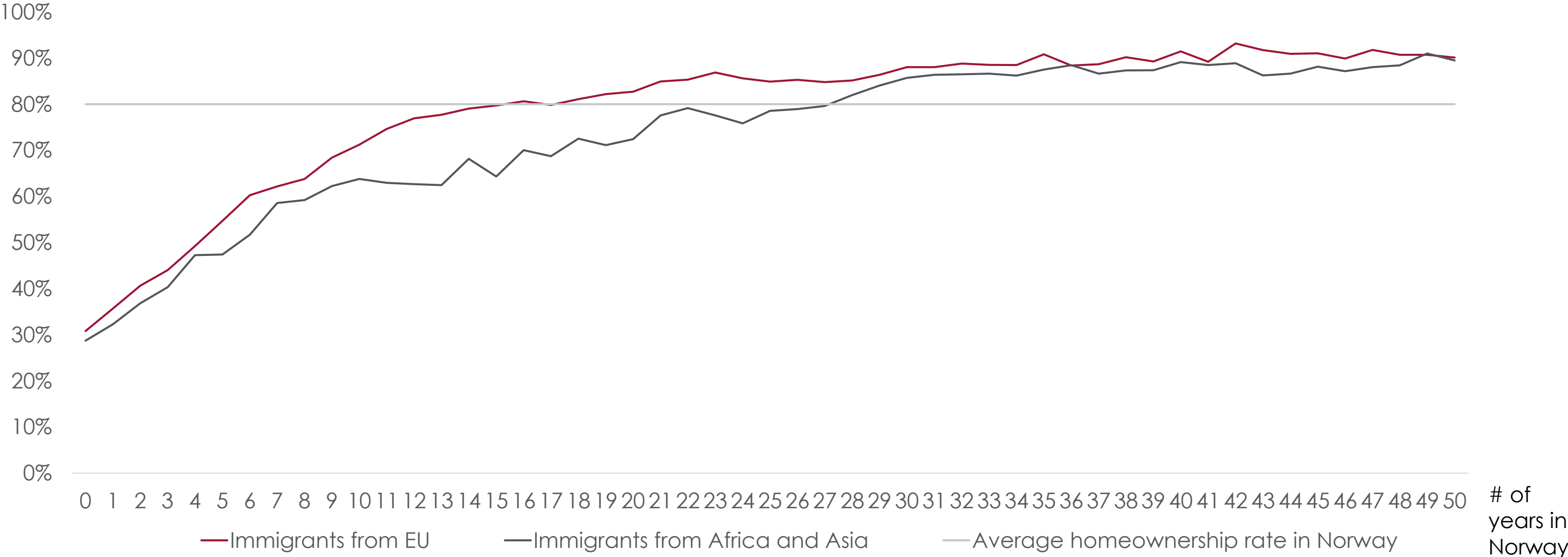


Source: Statistics Norway.



# Immigration increases demand over time

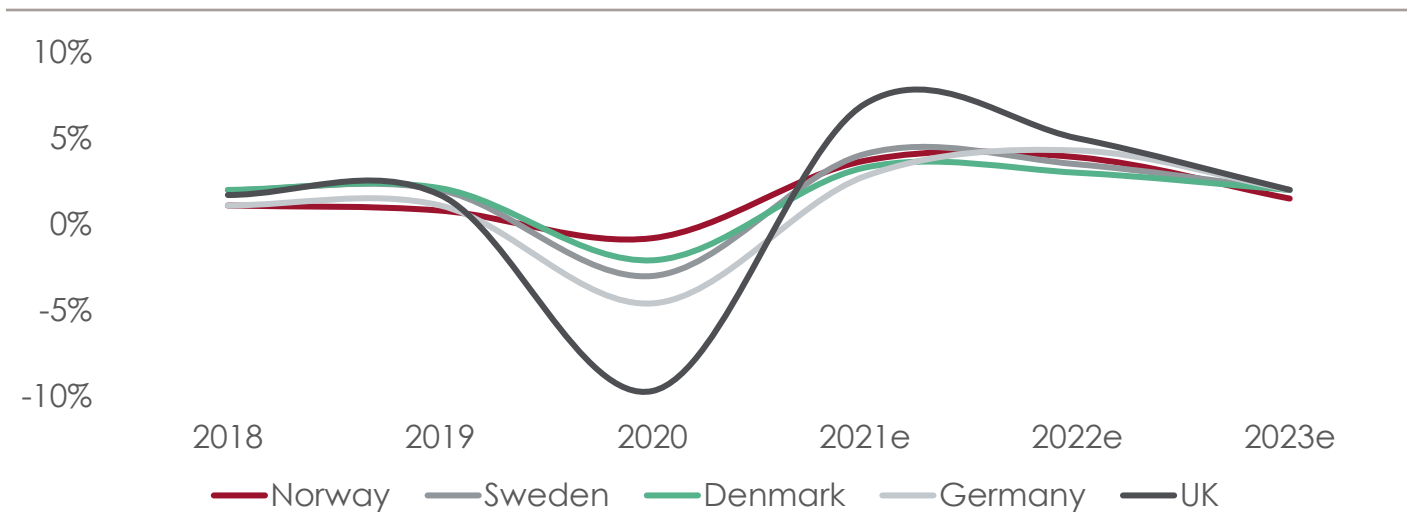
Homeownership rate among immigrants in Norway (per year living in Norway)



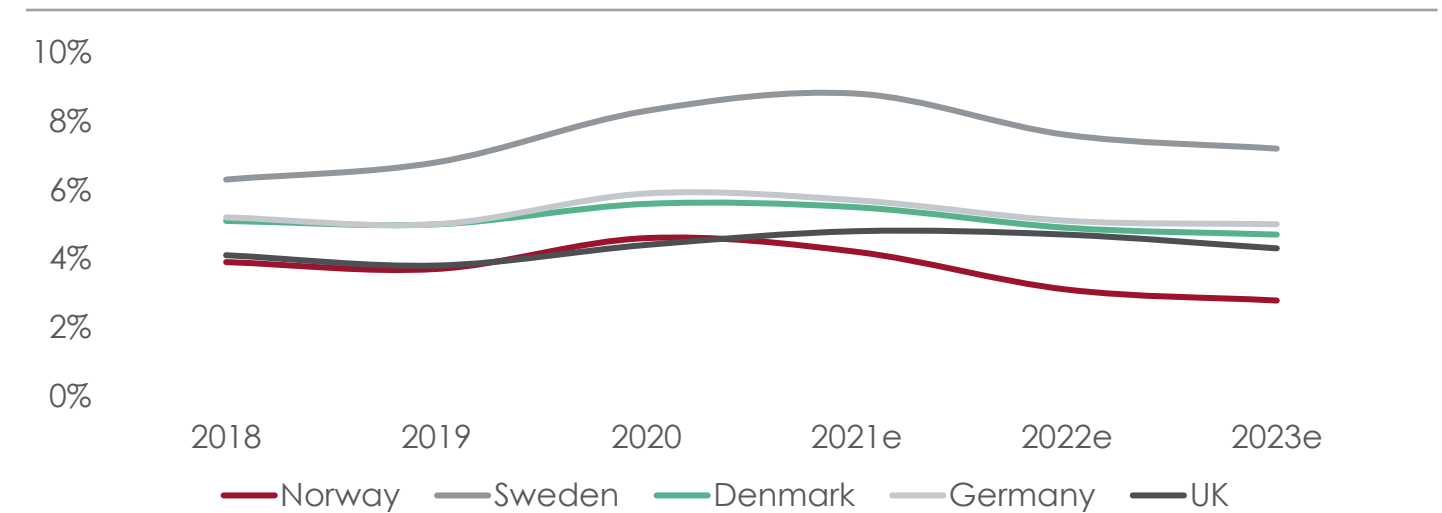
Source: Statistics Norway.

# Norway – relatively limited volatility

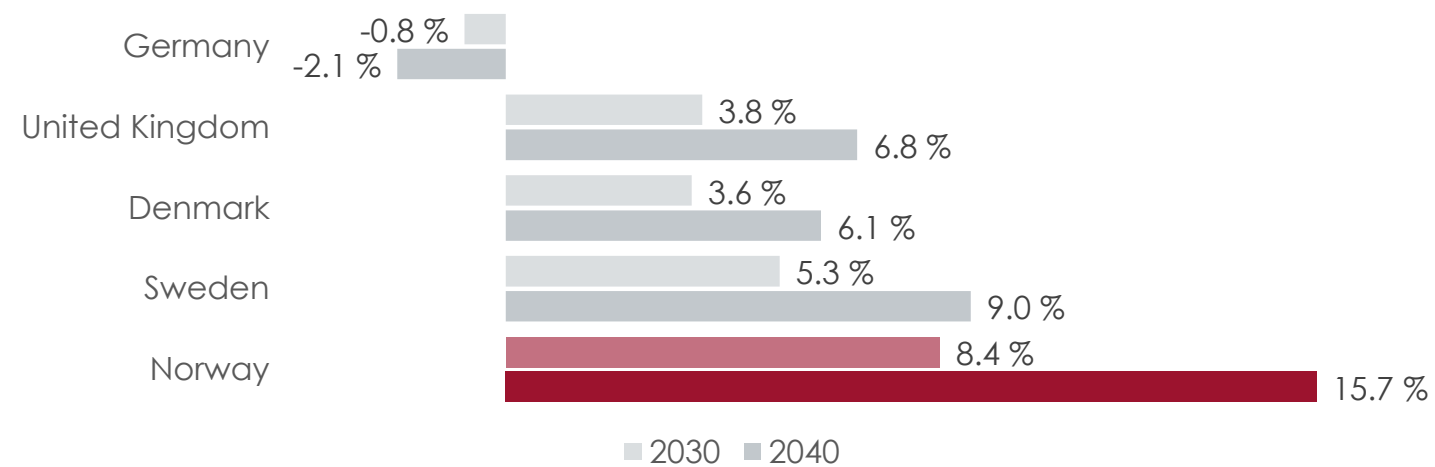
## GDP growth 2013 - 2023e



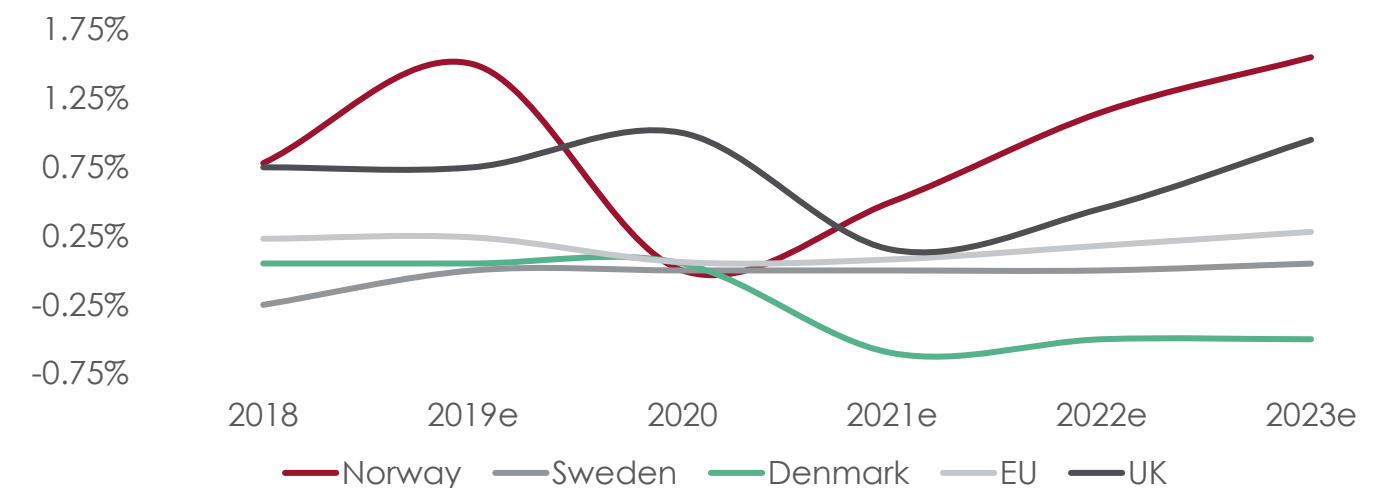
## Unemployment 2013 - 2023e



## Population growth 2020 - 2030e and 2040e



## Interest rates\* 2013 - 2022e

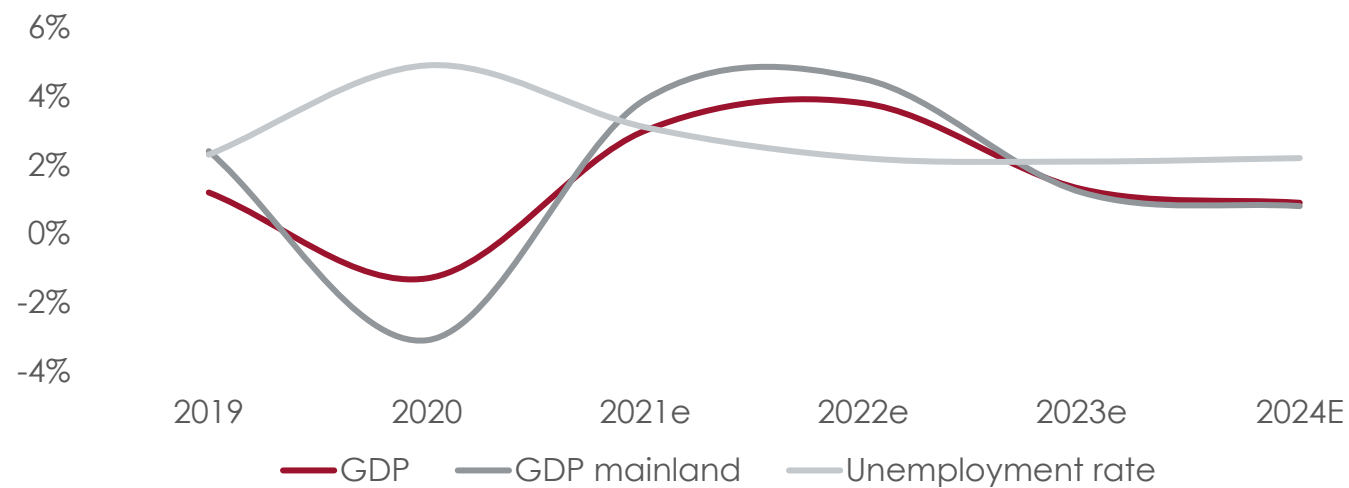


\* Central bank rates.

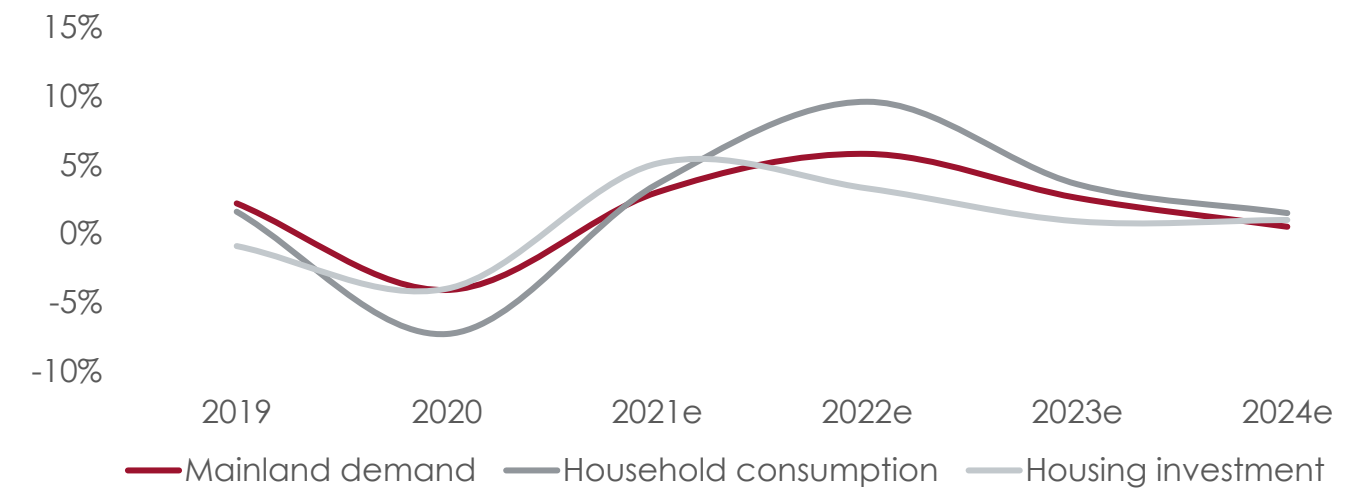
Source: Bloomberg, UN.

# Norway – moving back to normal in through 2022

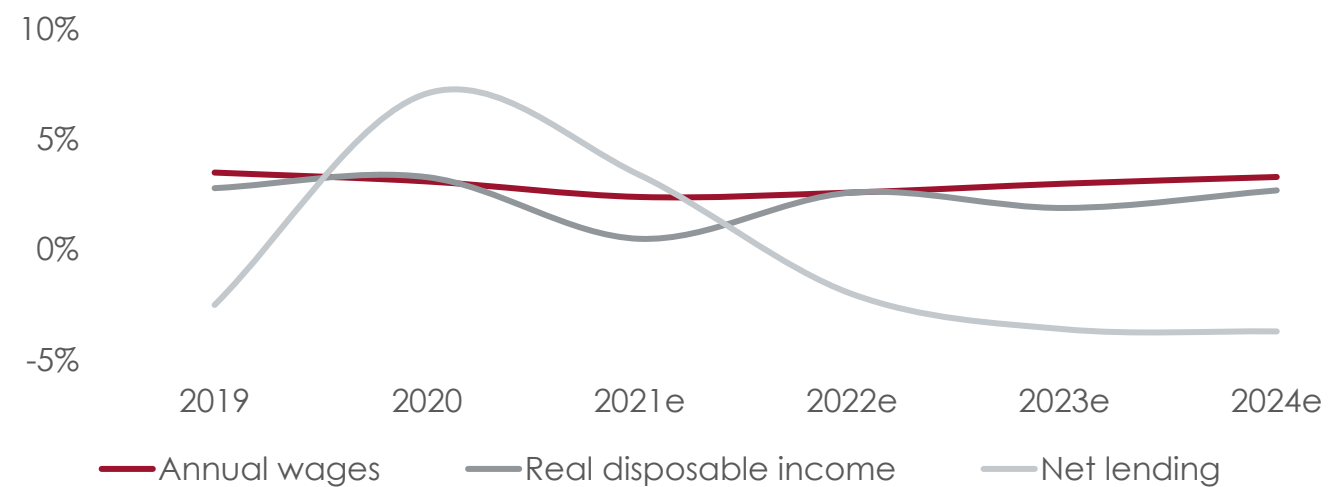
## Real economy 2019 - 2024e



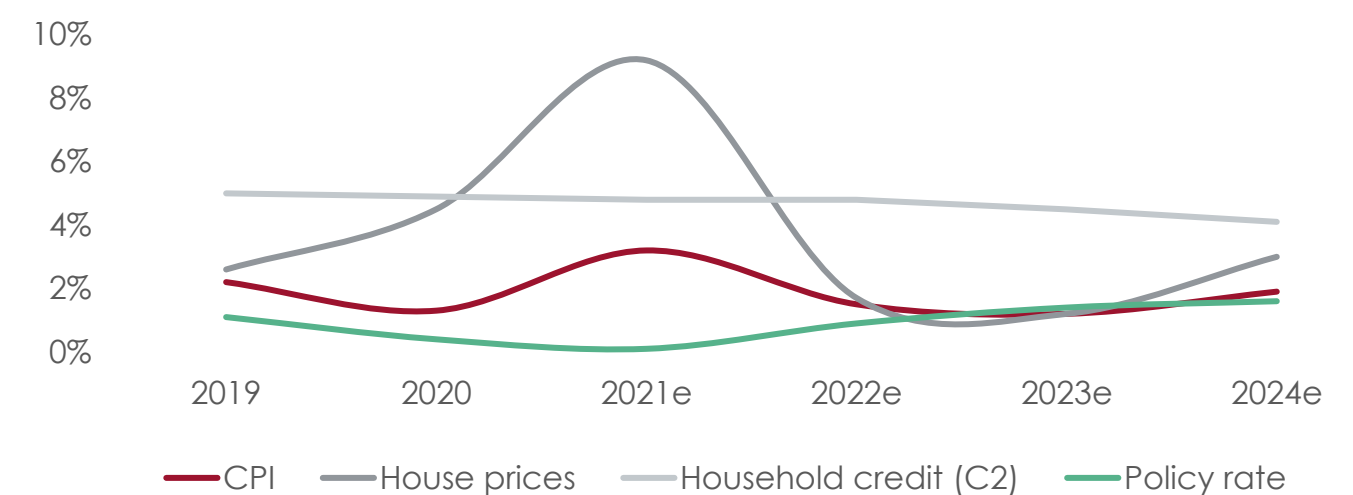
## Demand 2019 - 2024e



## Wages & disposable income 2019 - 2024e



## Prices & interest rates 2019 - 2024e



Source: Monetary Policy Report 1 | 21, Central Bank of Norway.



**SELVAAG BOLIG**