

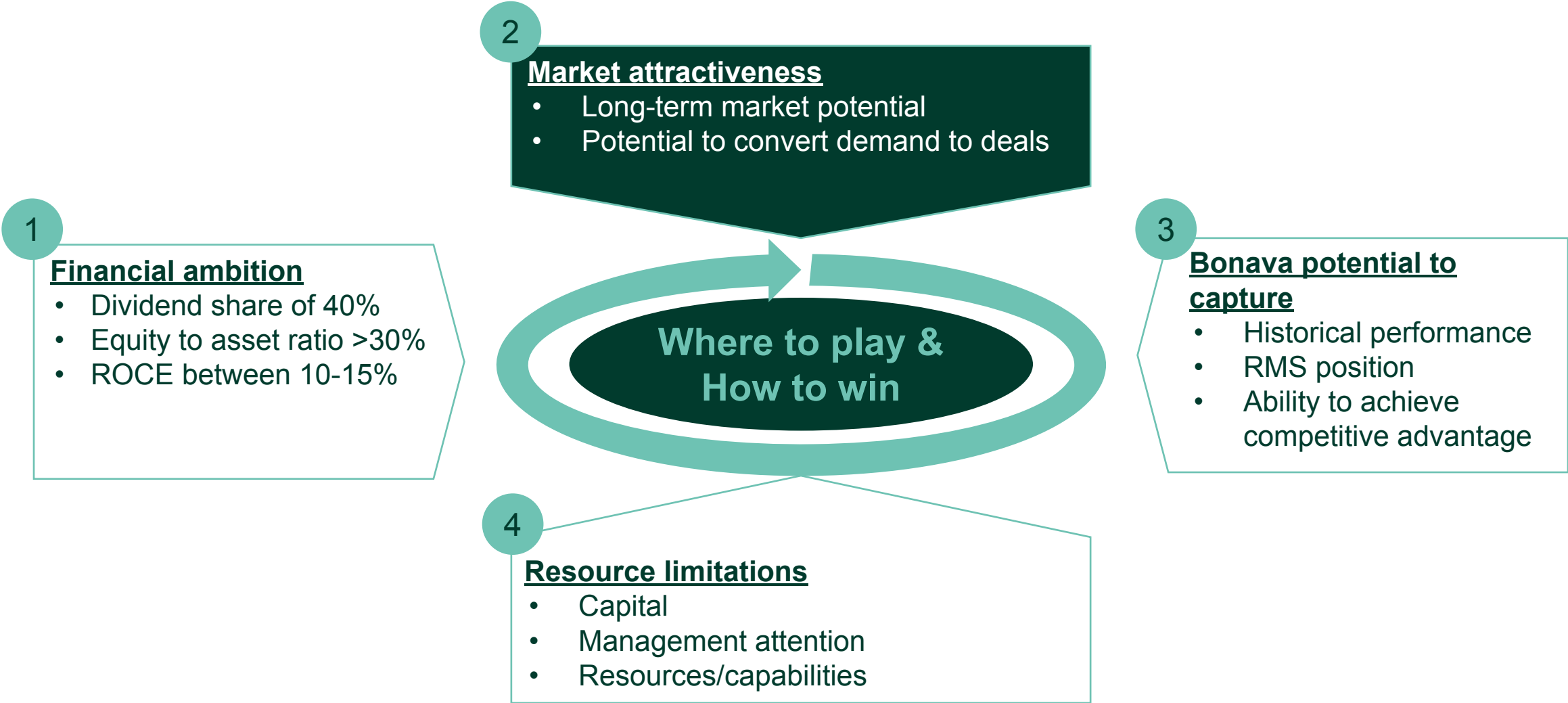


BONAVA

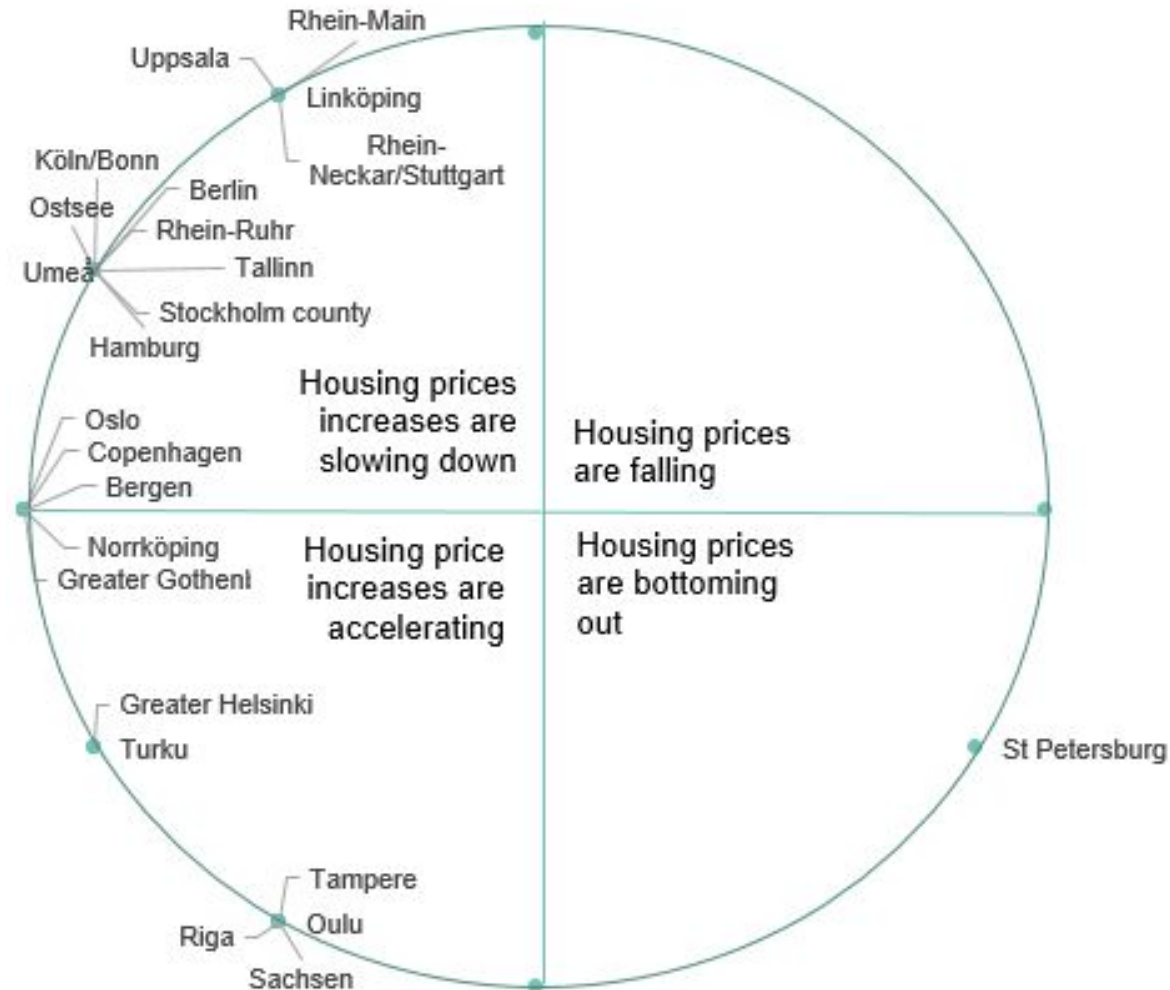
Strategy workshop

2017-05-17

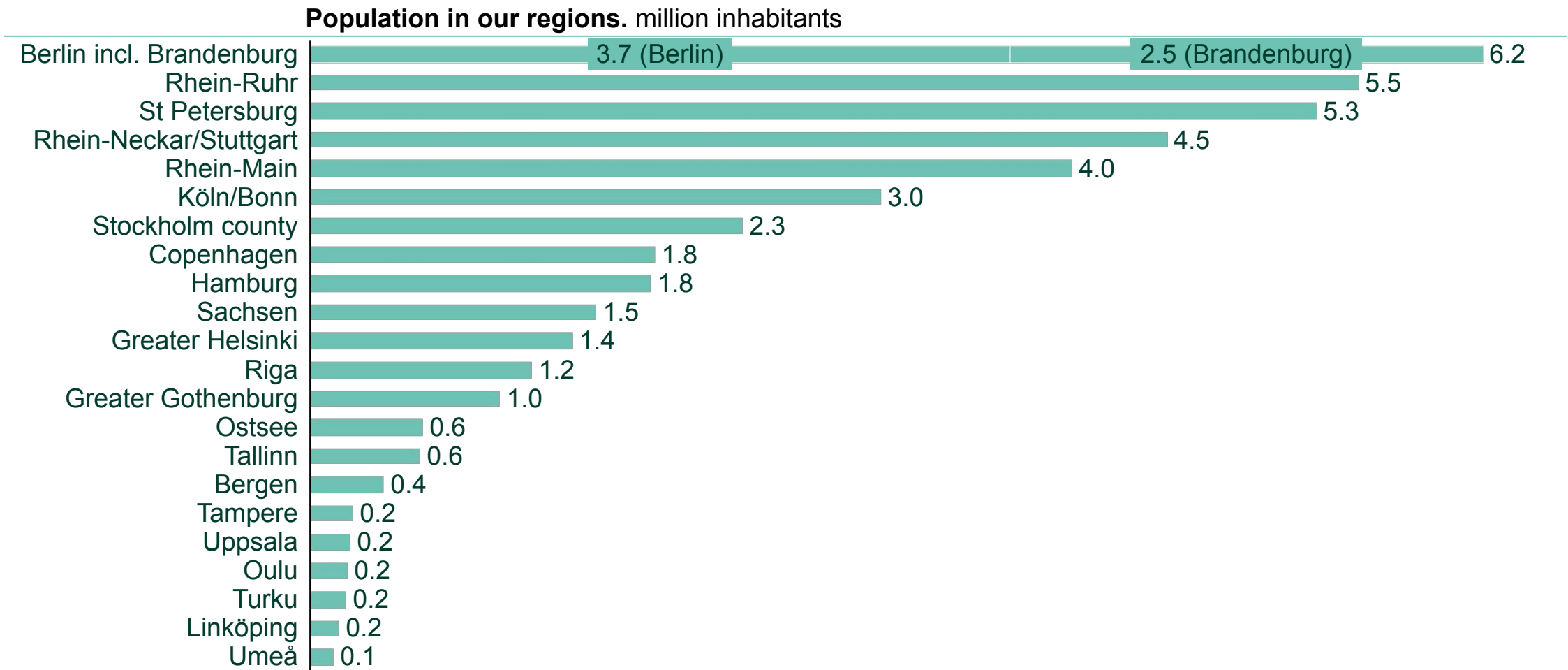
Strategic decision-making is an iterative process



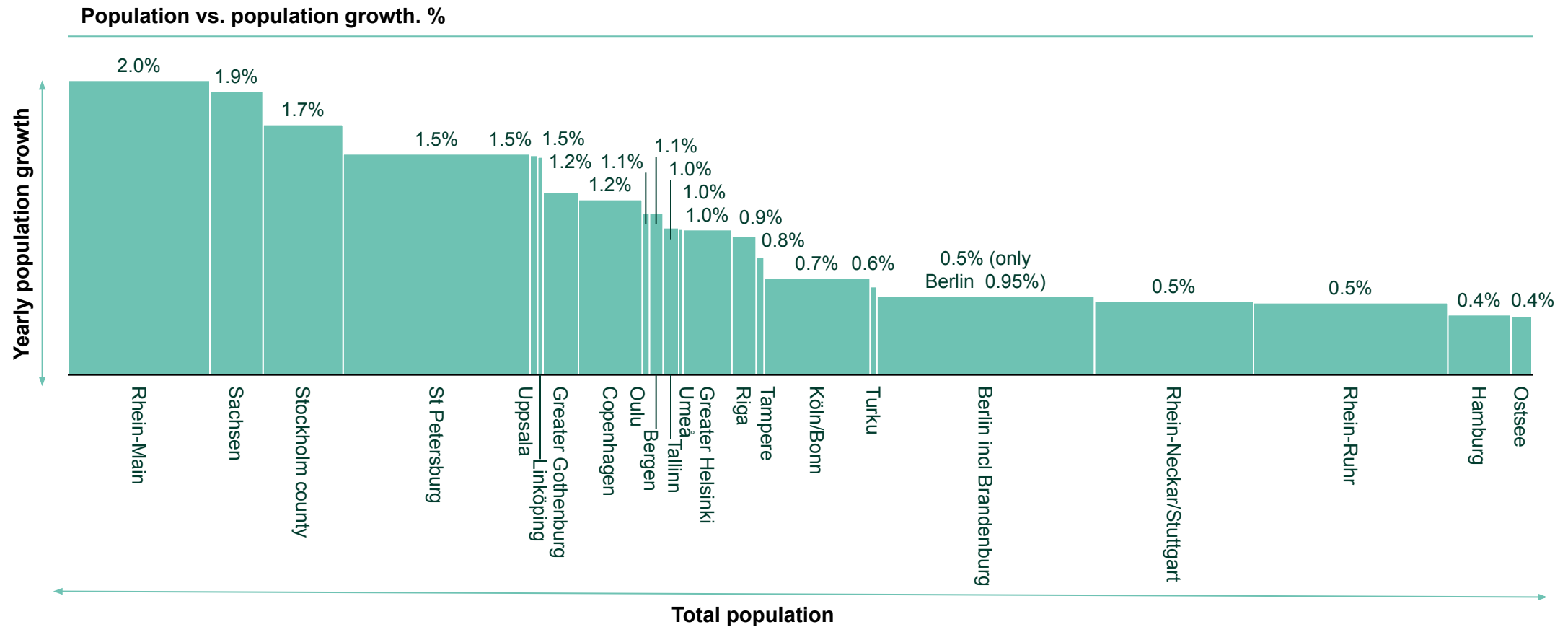
Slowing down of housing price increases most common



Large difference in size of Bonava's regions



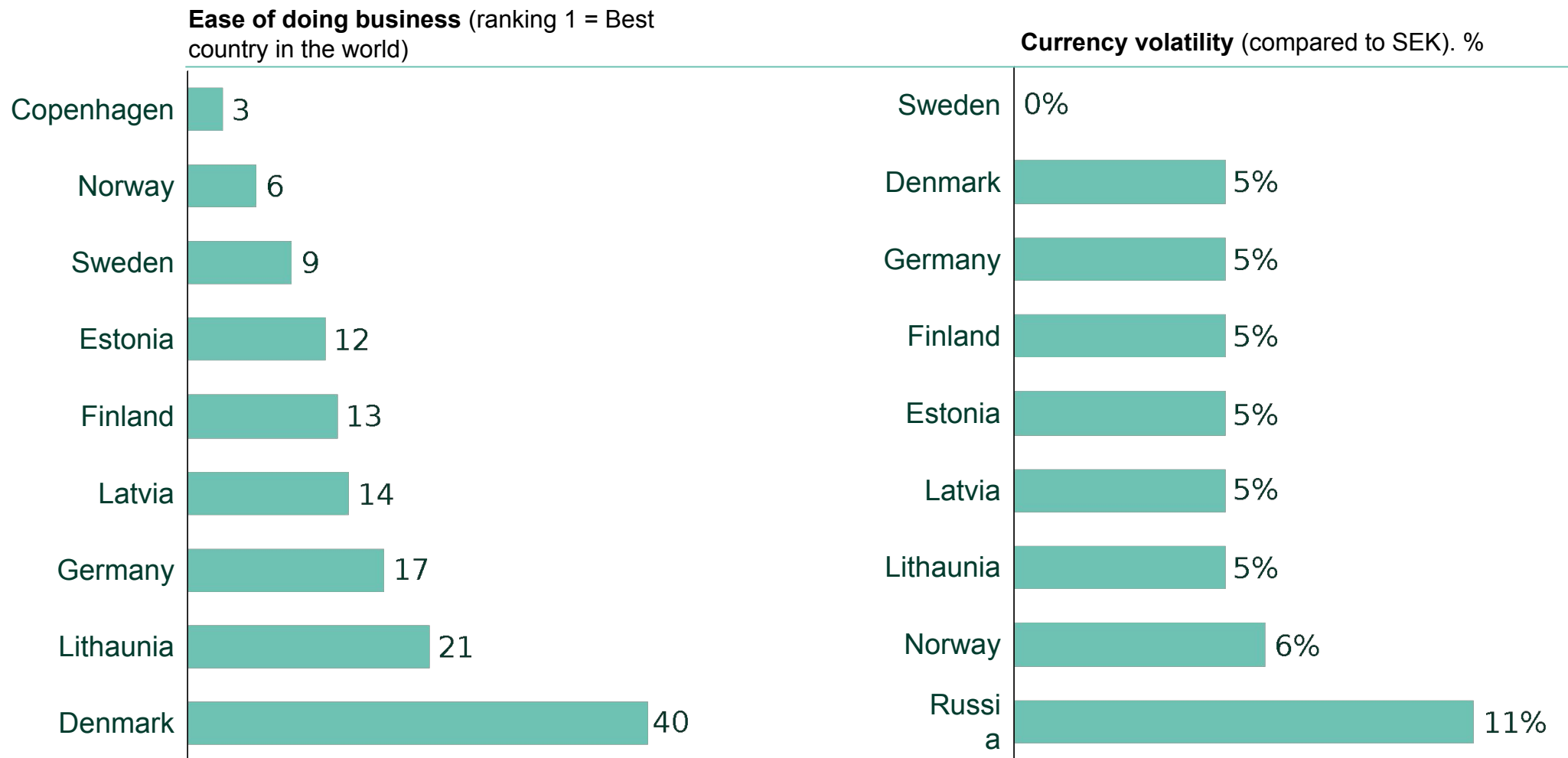
All regions have positive population growth rate



Note: For Sachsen and Köln/Bonn assumed provided figure was for period 2010-2016. Recalculated to get a yearly value



Differences in market risk parameters between our markets



Backup: What is included in ease of doing business

Ease of doing business

- Ranking by The World Bank
- **Purpose:**
 - Economies are ranked on the ease of doing business. from 1–190
 - A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm

Included sub parameters

Best performing of our markets (global position)

Worst performing of our markets (global position)

Starting a business

Estonia (14)

Germany (114)

Dealing with construction permit

Denmark (6)

Russia (115)

Getting electricity

Germany (5)

Latvia (42)

Registering property

Estonia (6)

Germany (79)

Getting Credit

Latvia (7)

Norway (75)

Protecting Minority investors

Norway (9)

Finland (70)

Paying taxes

Denmark (7)

Russia (45)

Trading cross borders

Denmark (1)

Russia (140)

Enforcing contracts

Norway (4)

Finland (40)

Resolving insolvency

Finland (1)

Russia (51)

Market attractiveness model weight together scores

Step 1

Data collected centrally and in the business units

Step 2

- Each metric assigned a score between 1 and 5
- Best 5 and worst 1 (percentage distributed between)

Step 3

- All scores weighted together with individual weight per metric

Market attractiveness ranking

- Always included
- Included for short term evaluation

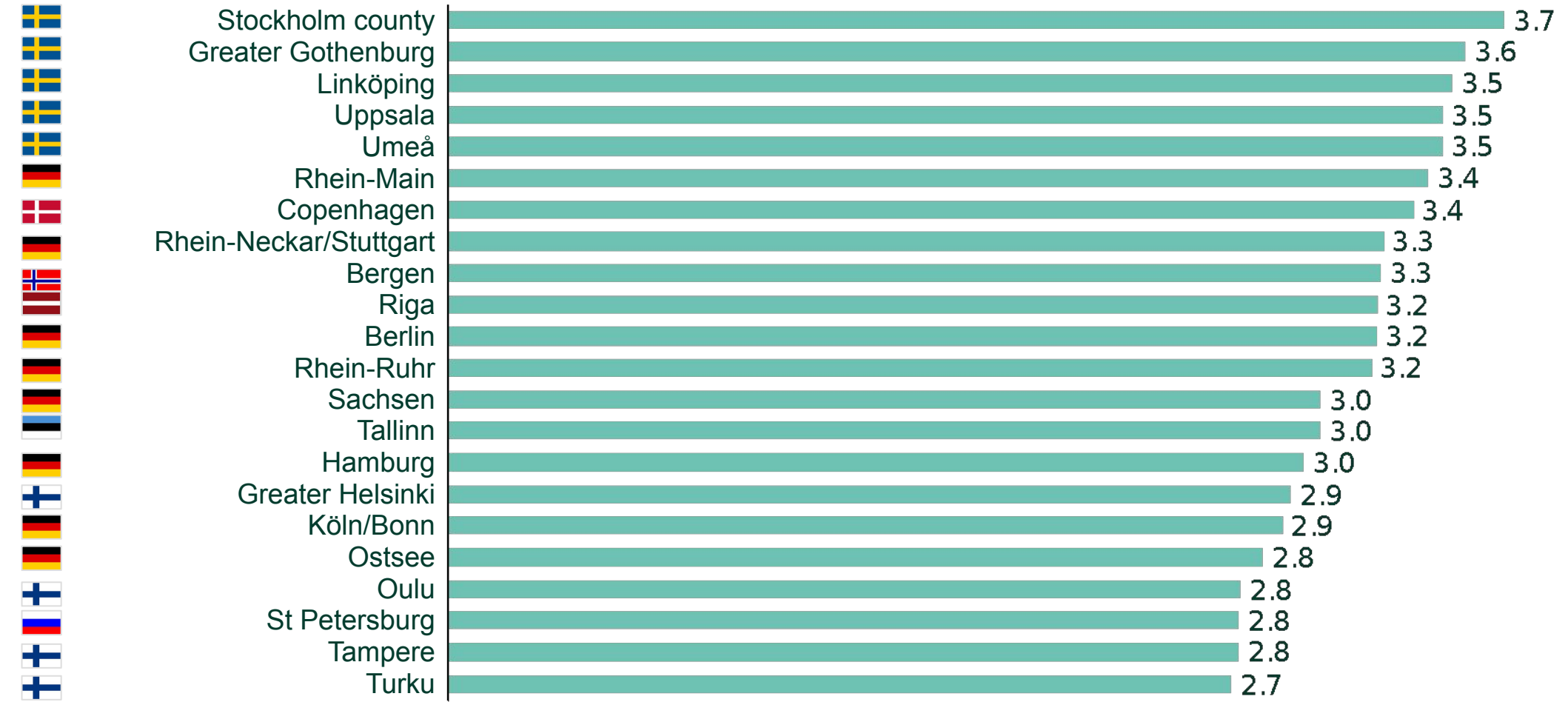
Back up: Details of model

Factor	Description	Metric	When good (high or low figure)	Weight	
1. Market characteristic	• Payment terms from customers	• Measured by 3 archetypes	n/a	7.5%	
	• Payment terms for land	• Share of options/off balance percent (of total plots) (internal data)	High	7.5%	
	• Project development time	• Average time between TG2 and TG4 (internal data)	Low	25%	5%
	• Market concentration	• Market share of top 4 players	Low		5%
2. Long term demand and supply balance	• Population	• Total population in the region	High	15%	
	• Demand-Supply balance	• Forecasted population growth	High	25%	5%
		• Historic housing price development	High		5%
3. Market risk	• Industry concentration	• Binary metric (1 or 0). 1 if you have a clear industry concentration	Low	0% ¹	
	• Country risk	• World bank – Ease doing business index	Low	50%	25%
	• Currency risk	• Daily currency volatility	Low		25%
4. Economic sentiment	• Unemployment	• Absolute unemployment rate	Low		
	• GDP growth	• Forecasted unemployment rate change	Low		
		• Forecasted GDP growth	High		
		• Customer activity	• Number of transaction per inhabitant	High	

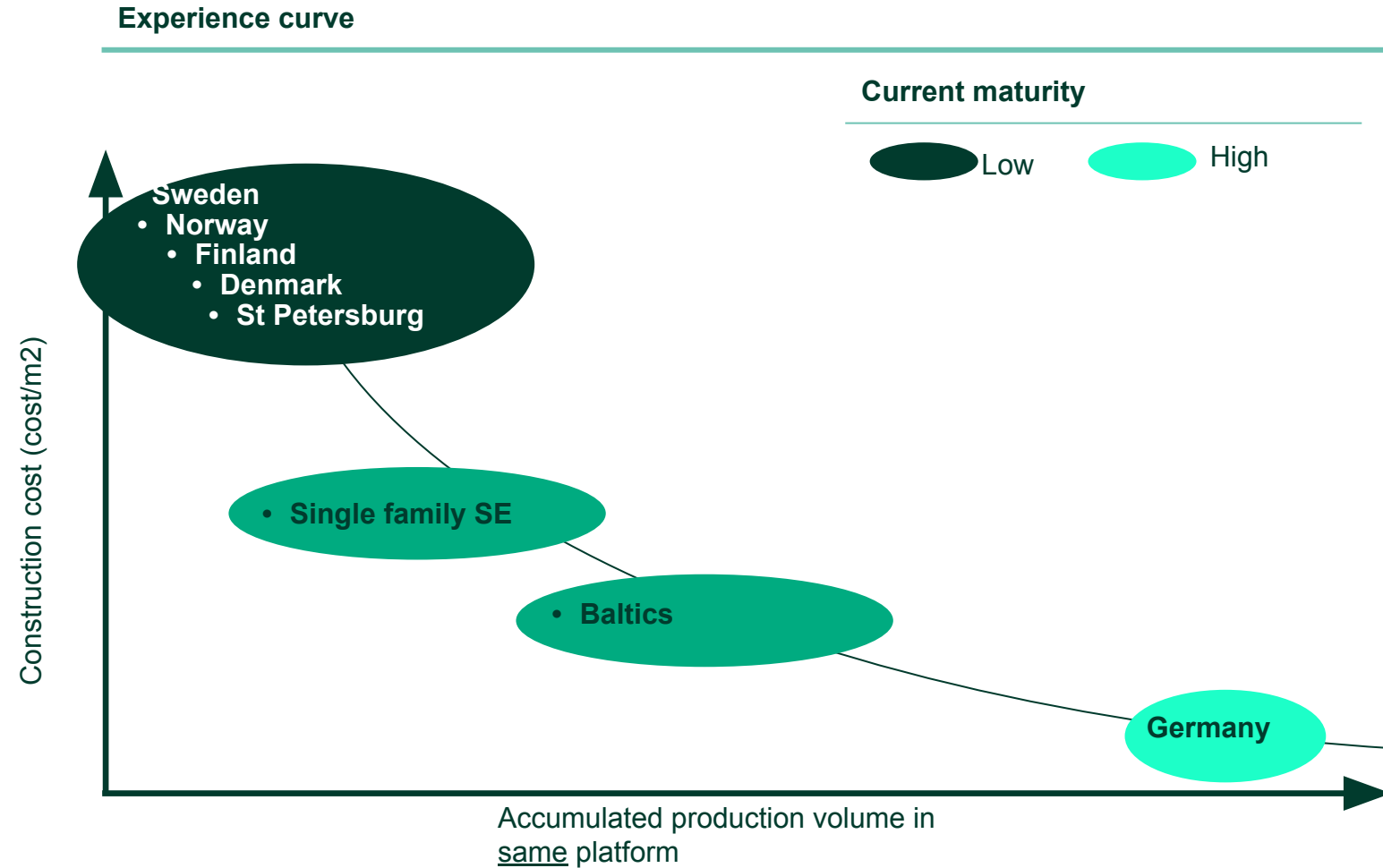
1) All current cities score 0 so excluded from analysis

Sweden and Germany in top

Market attractiveness ranking score – Including short term factors i.e.. economic sentiments



Agreed current situation at EMG meeting



Agenda

- Market attractiveness – Data driven strategy process
- Strategic ideas
- **Beyond 2020**
- What if the crisis comes

Beyond 2020 we should accelerate growth

2016-2020

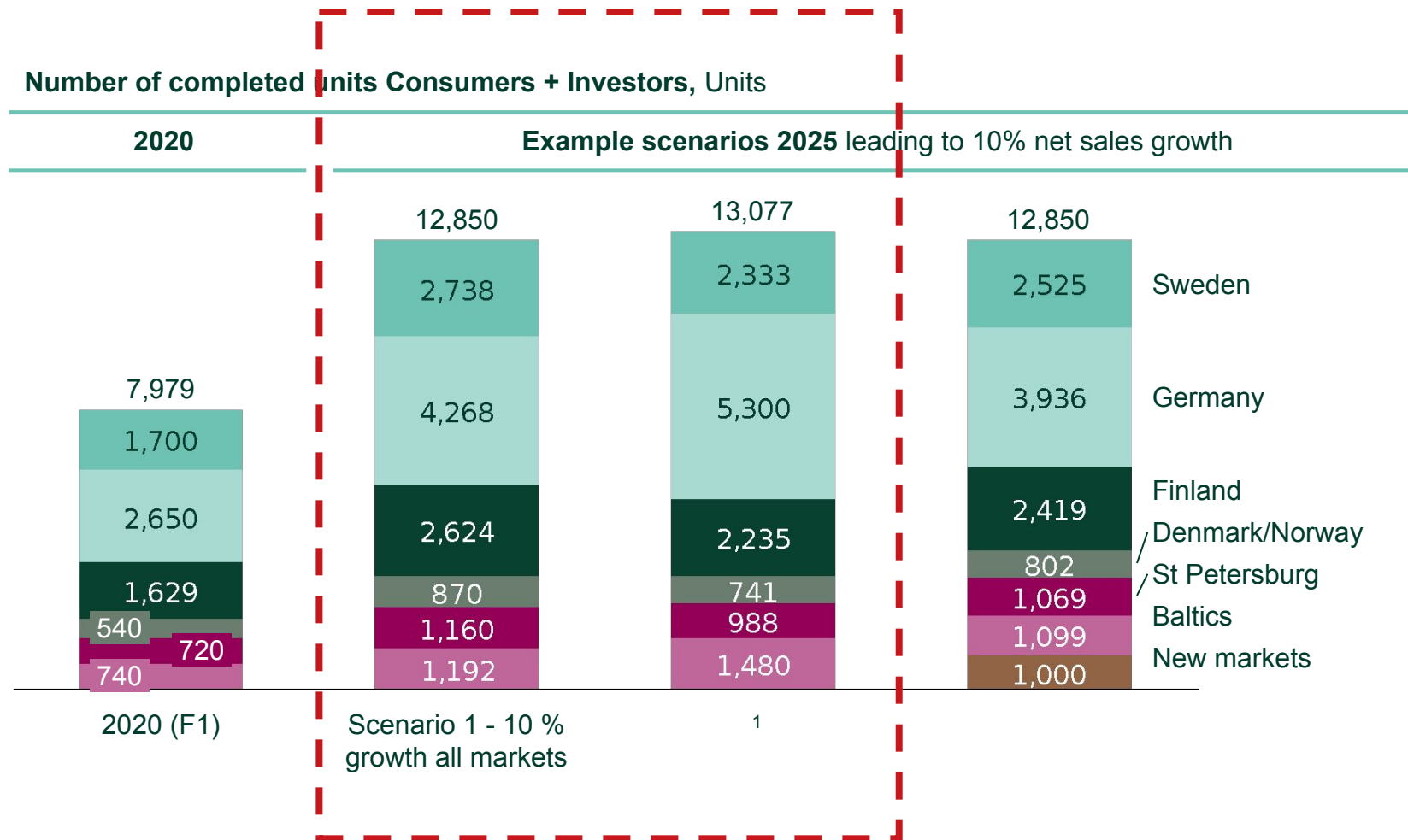
- Mature all markets for future strength
 - Establish Design & Production. procurement
 - Build brand awareness
 - Set the company culture
- Ensure a not to wide spread footprint
- Grow at certain “sweet spots” e.g.. Germany

2021-2025





To achieve 10% growth 2020-2025 different potential scenarios



- Net sales grows from ~19 BSEK (2020) to ~32 BSEK (2025)
- No margin improvements included – Improving margins could reduce the needed for top line growth
- No adjustment done for housing price increases

1) Since average sales prices per units are lower in Germany. Latvia and Estonia – total number of units increase more when increasing net sales with 10% per annum

