

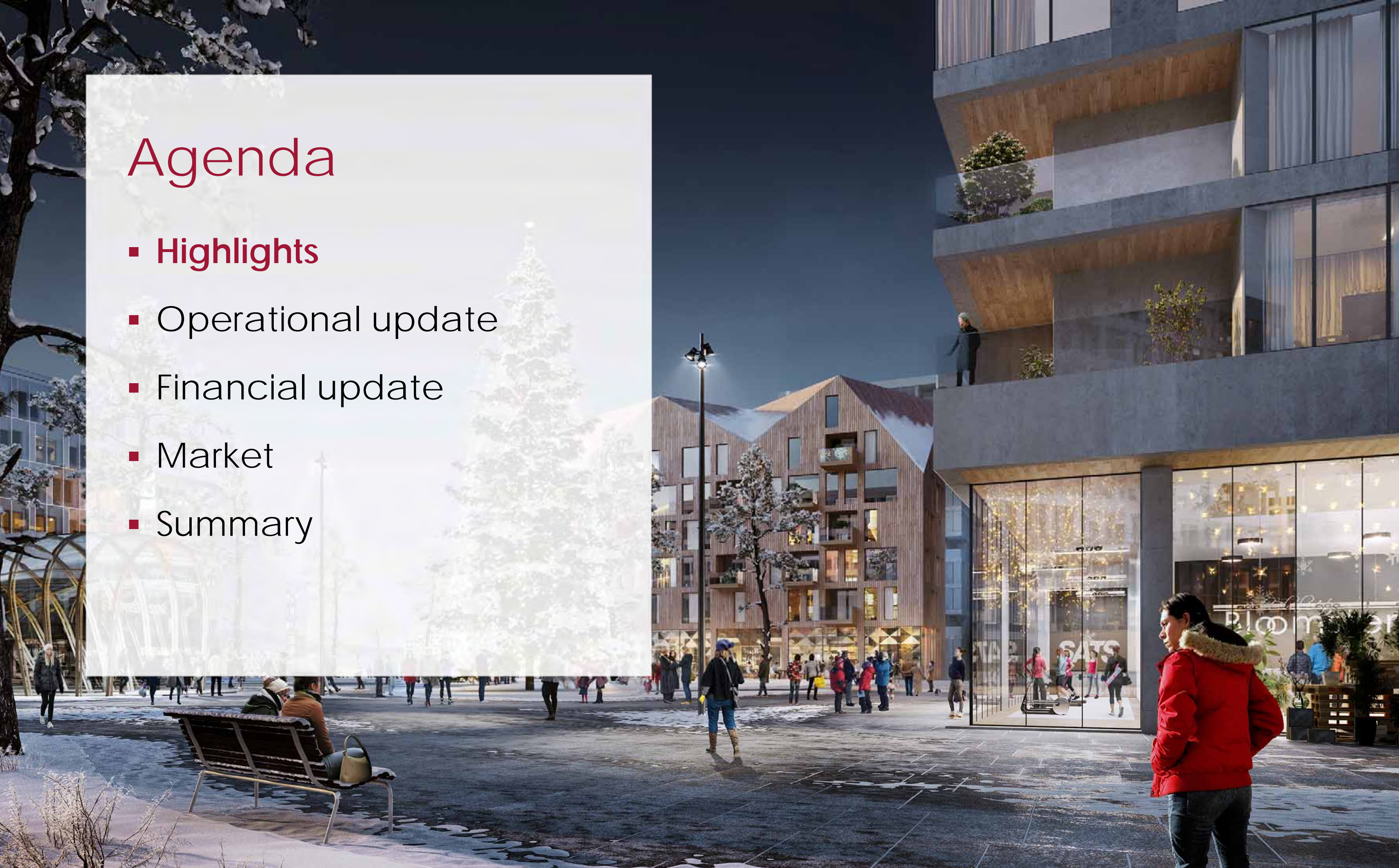
Q4 2017

Oslo 13 February 2018
Baard Schumann, CEO
Sverre Molvik, CFO

SELVAAG BOLIG

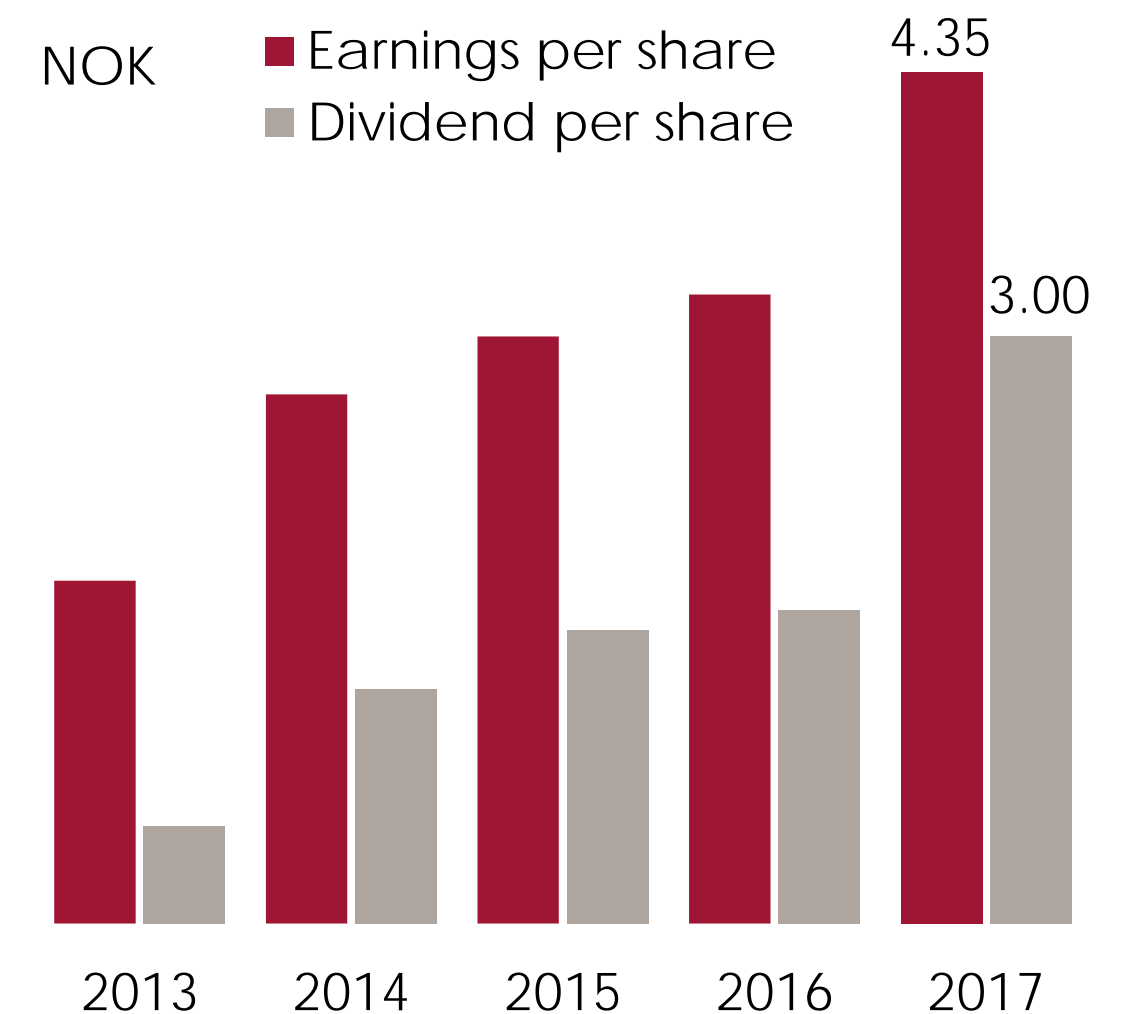
Agenda

- Highlights
- Operational update
- Financial update
- Market
- Summary



Highlights Q4 2017

- Best annual IFRS result in SBO's history
- Strong sales in a volatile market
- All time high dividend
 - NOK 1.80 per share for H2'17
 - NOK 3.00 per share for FY'17
- External land bank valuation of NOK 3.7bn vs. book value of NOK 1.9bn



HIGHLIGHTS

Key financials Q4 and FY 2017

Q4 2017

Operating revenues

1 259

NOK million

Adjusted EBITDA margin

19.3

per cent

Operating revenues (NGAAP)

689

per cent

EBITDA margin (NGAAP)

15.1

per cent

Full year 2017

Operating revenues

3 229

NOK million

Adjusted EBITDA margin

19.4

per cent

Operating revenues (NGAAP)

2 971

per cent

EBITDA margin (NGAAP)

22.9

per cent

Agenda

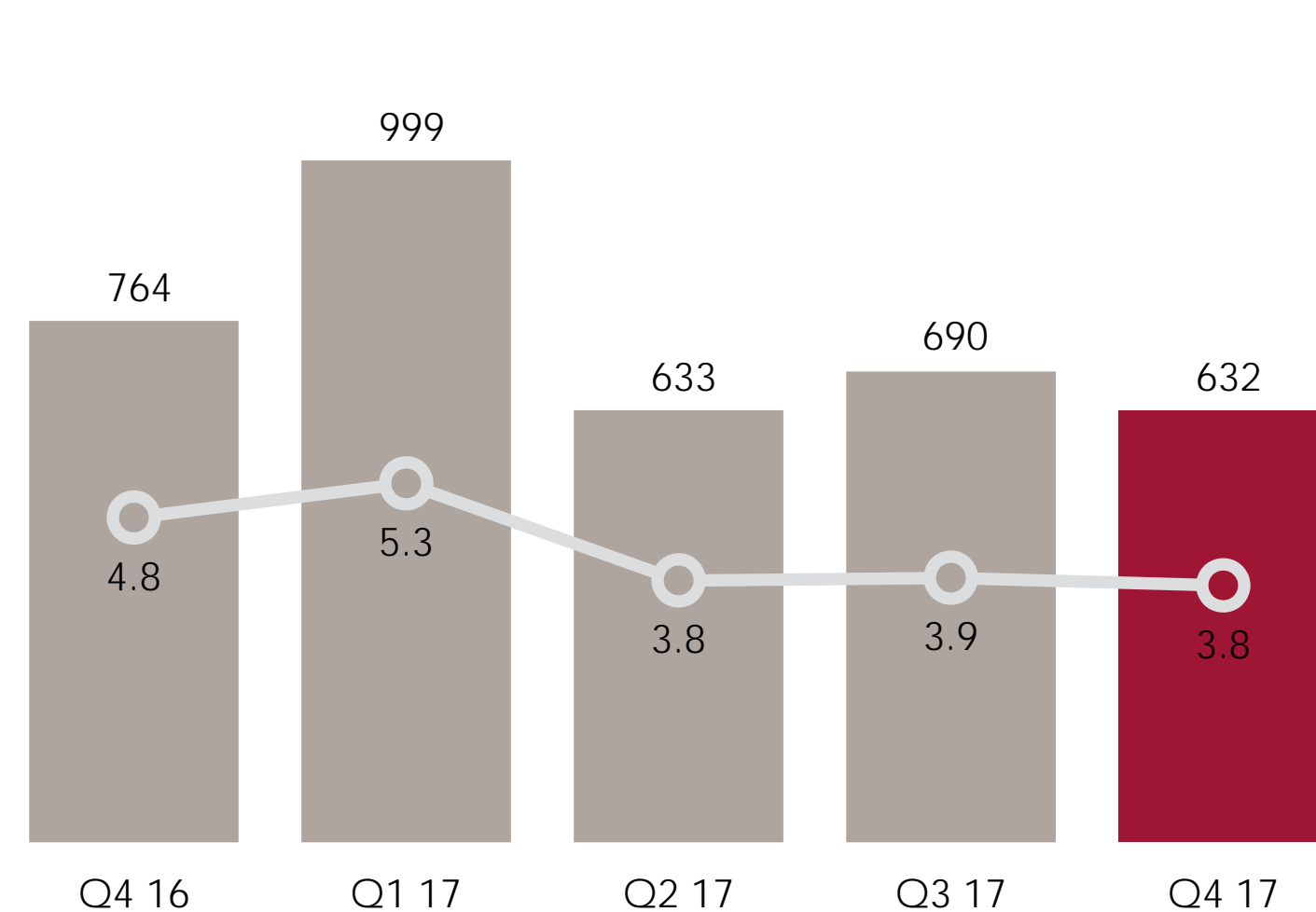
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Sales value and units sold

Total and average sales value

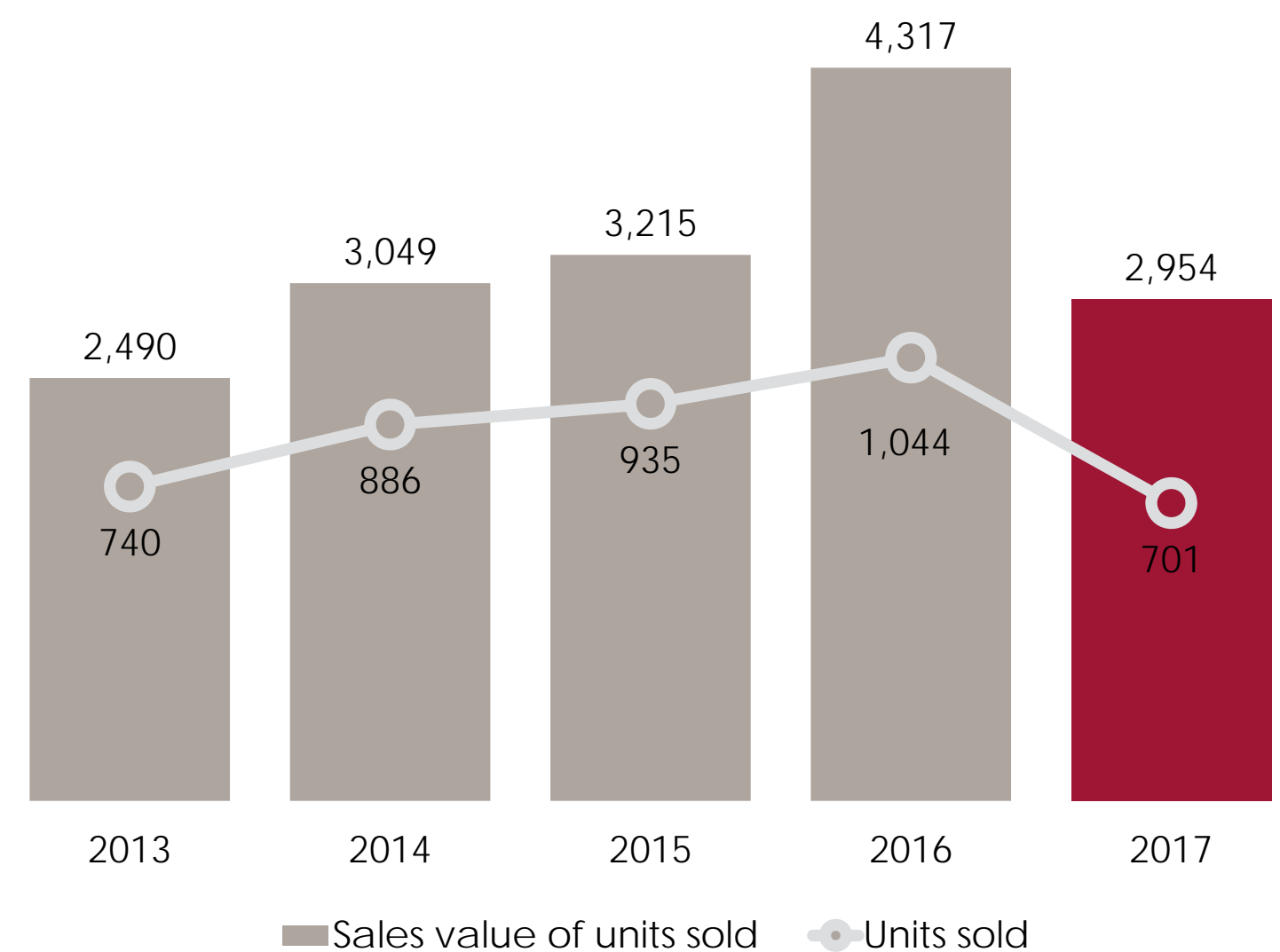
NOK million



Sales value and units sold

NOK million

Units

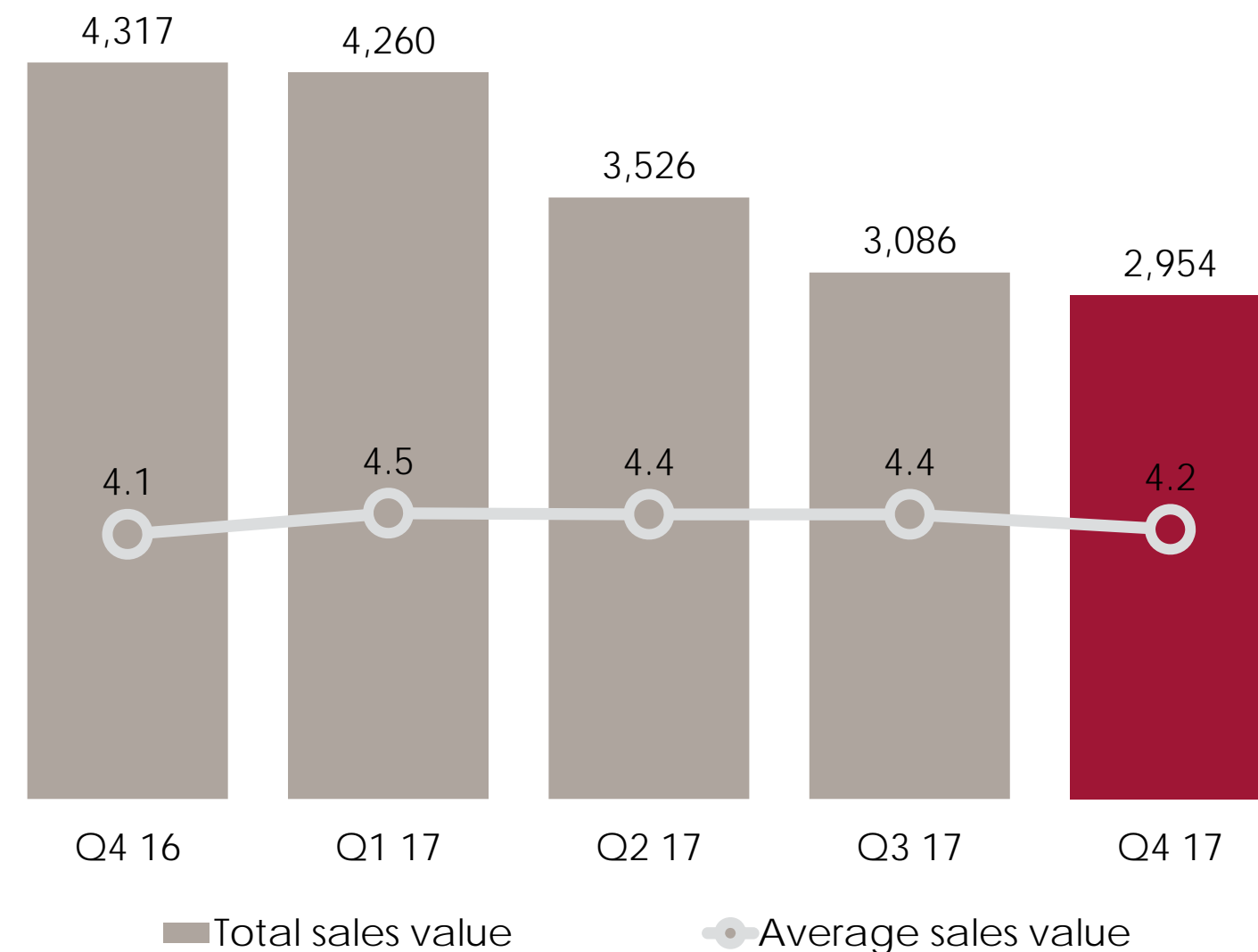


Note: All numbers are adjusted for Selvaag Bolig's share in joint ventures

Rolling sales value and units sold

Sales value: 12 months rolling

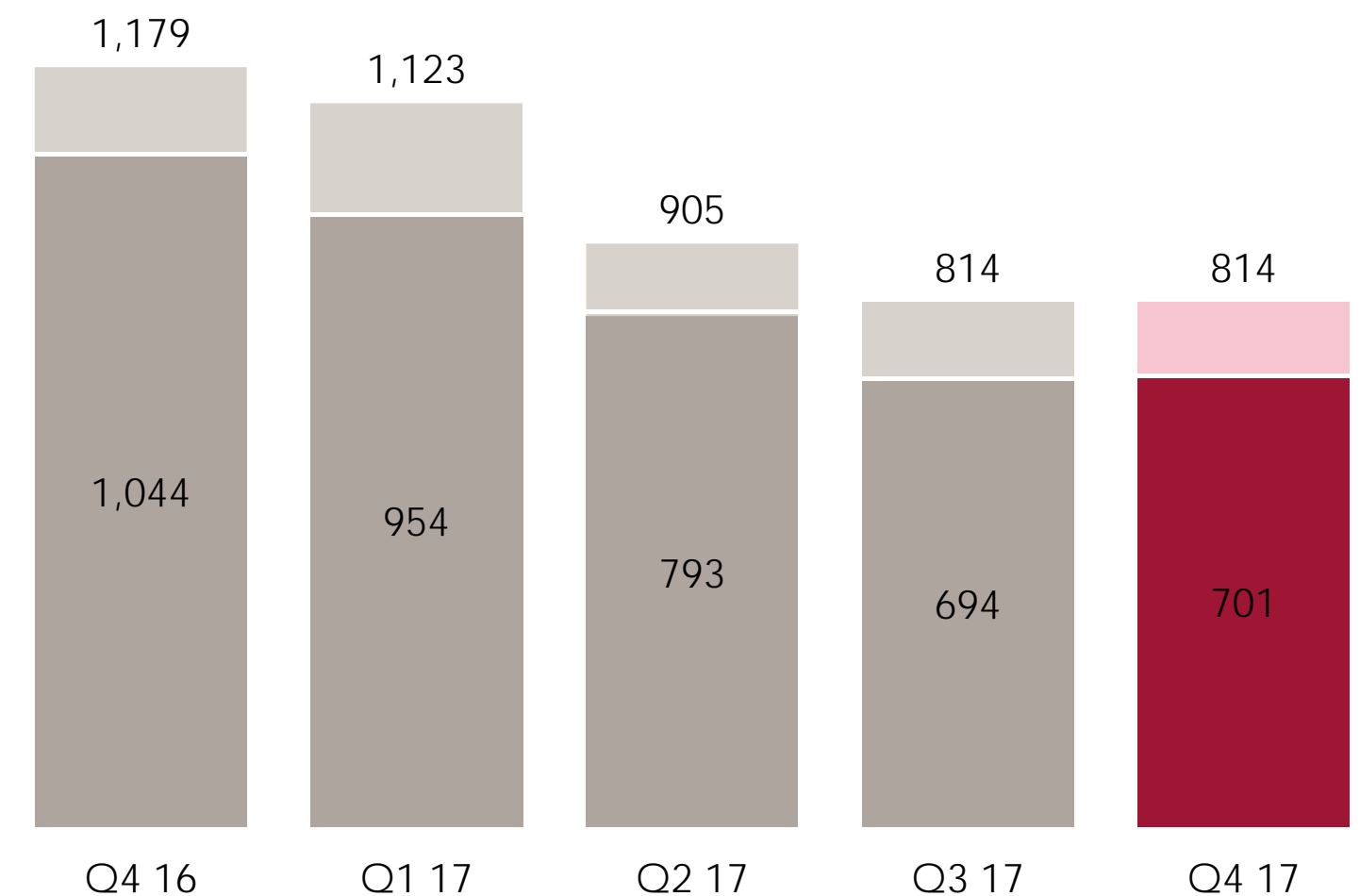
NOK million



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

Units sold: 12 months rolling

Units



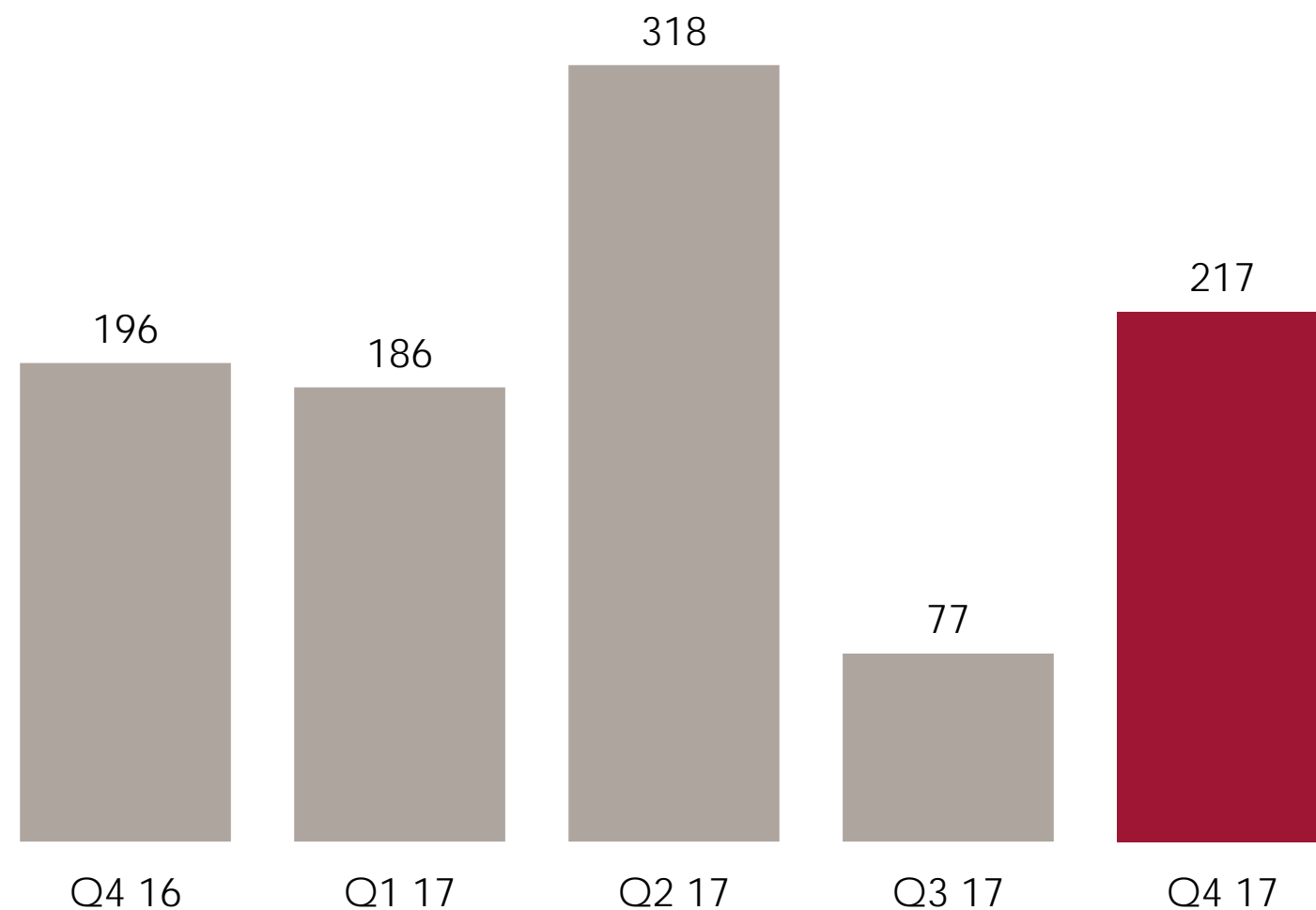
*Total columns show Selvaag Bolig's gross sales

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

Construction starts

Construction starts per quarter

Units



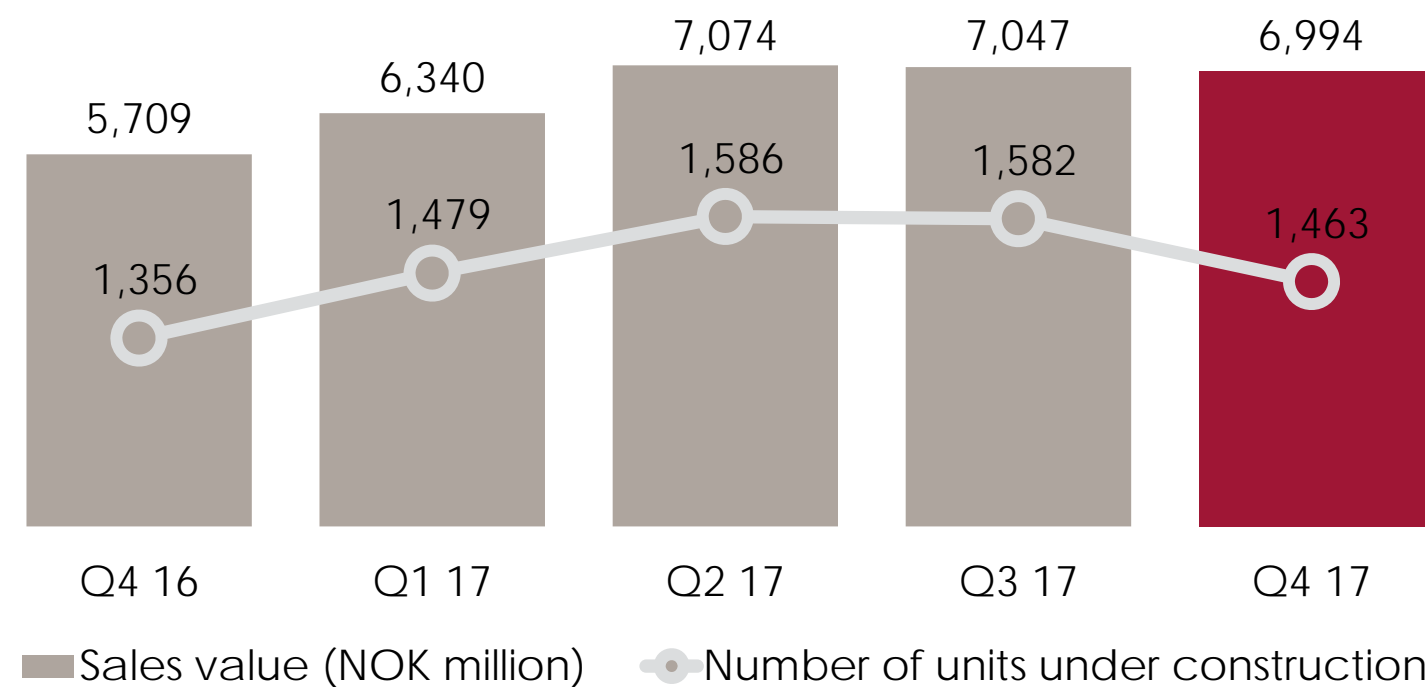
Hovinenga, Oslo

- 55 units in Greater Oslo
- 97 units in Trondheim
- 65 units in Stockholm

Units under construction and completions

Sales value: Units under construction

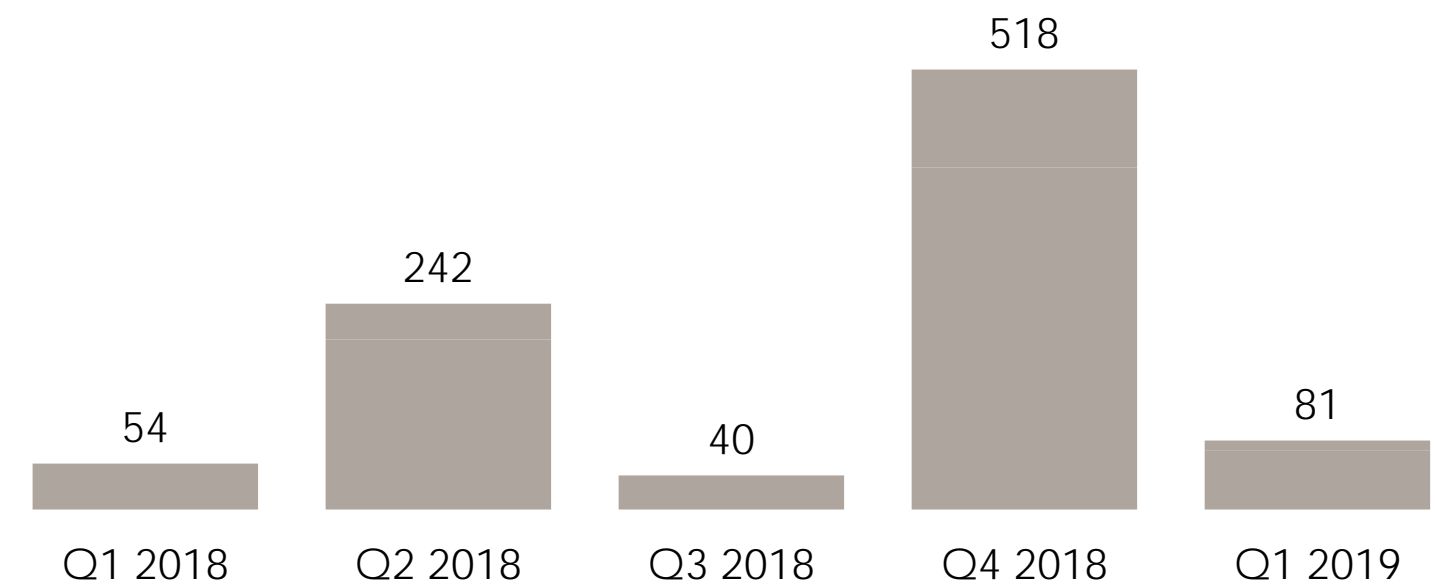
NOK million



- High value of units under construction
- Q4 2017: 73% of units under construction sold by Q4 2017
- Q4 2017: 85% of construction volume in Greater Oslo
 - Of which 91% in Oslo. Remaining in Bærum, Lørenskog, Moss and Tønsberg

Expected completions per quarter

Units



- Expected completions for 2018 as of Q4 17: 854 units
- 87% of 2018 completions sold by Q4 2017

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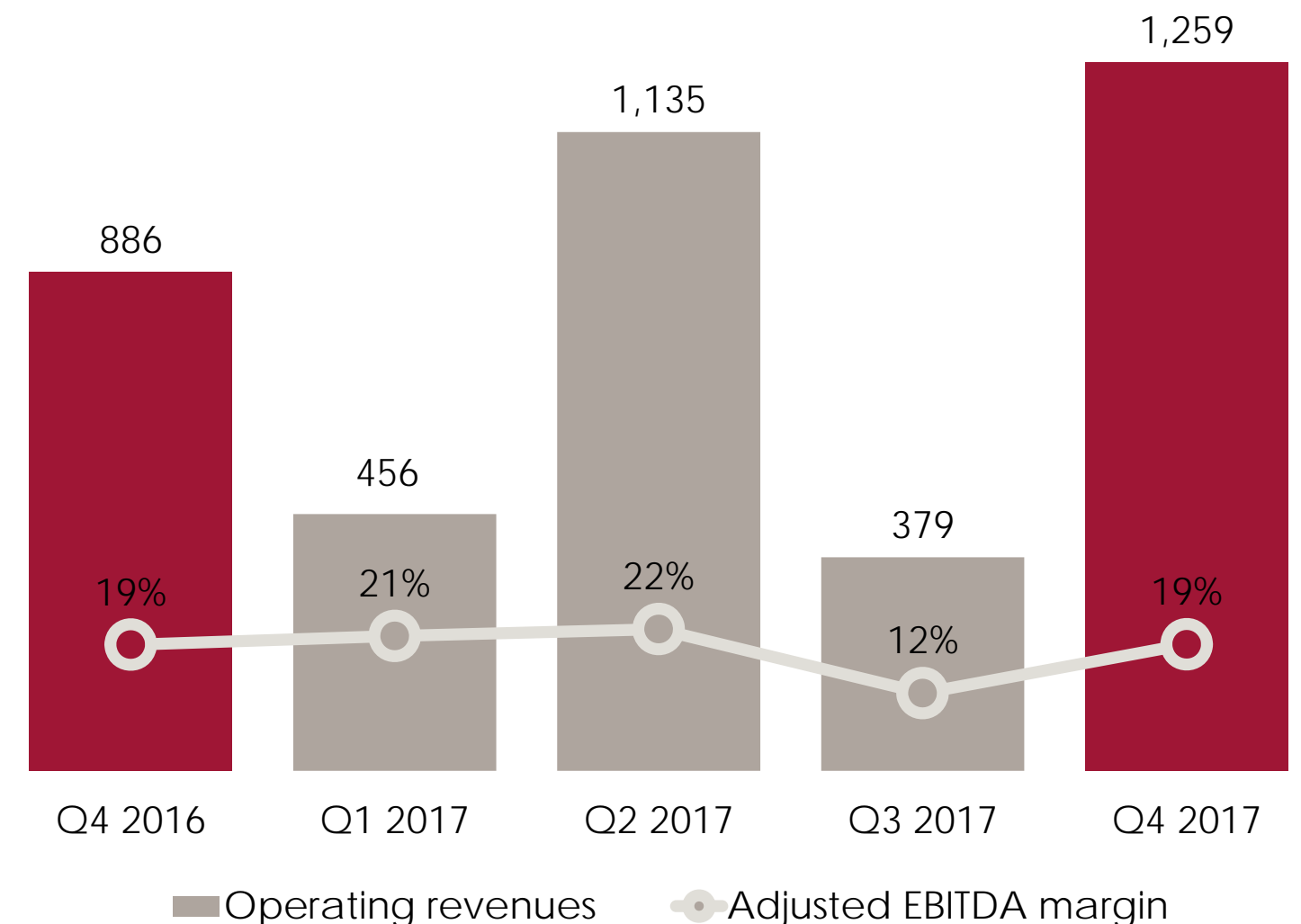


Income statement highlights Q4 2017 (IFRS)

- 355 units delivered (254)
- Revenues NOK 1 259m (886)
 - Units delivered NOK 1 239m (808)
 - Other revenues NOK 20m (22), mainly lease income
- Project costs NOK 983m (677)
 - Of which NOK 28m is interest (36)
- Other costs NOK 66m (71)
 - Salaries, sales and marketing key components
- Adjusted EBITDA NOK 243m (170)
 - Adjusted for financial expenses included in project costs
- EBITDA NOK 215m (134)
- EPS in the quarter NOK 1.78 (1.24)

Revenues and adjusted EBITDA margin (IFRS)

NOK million

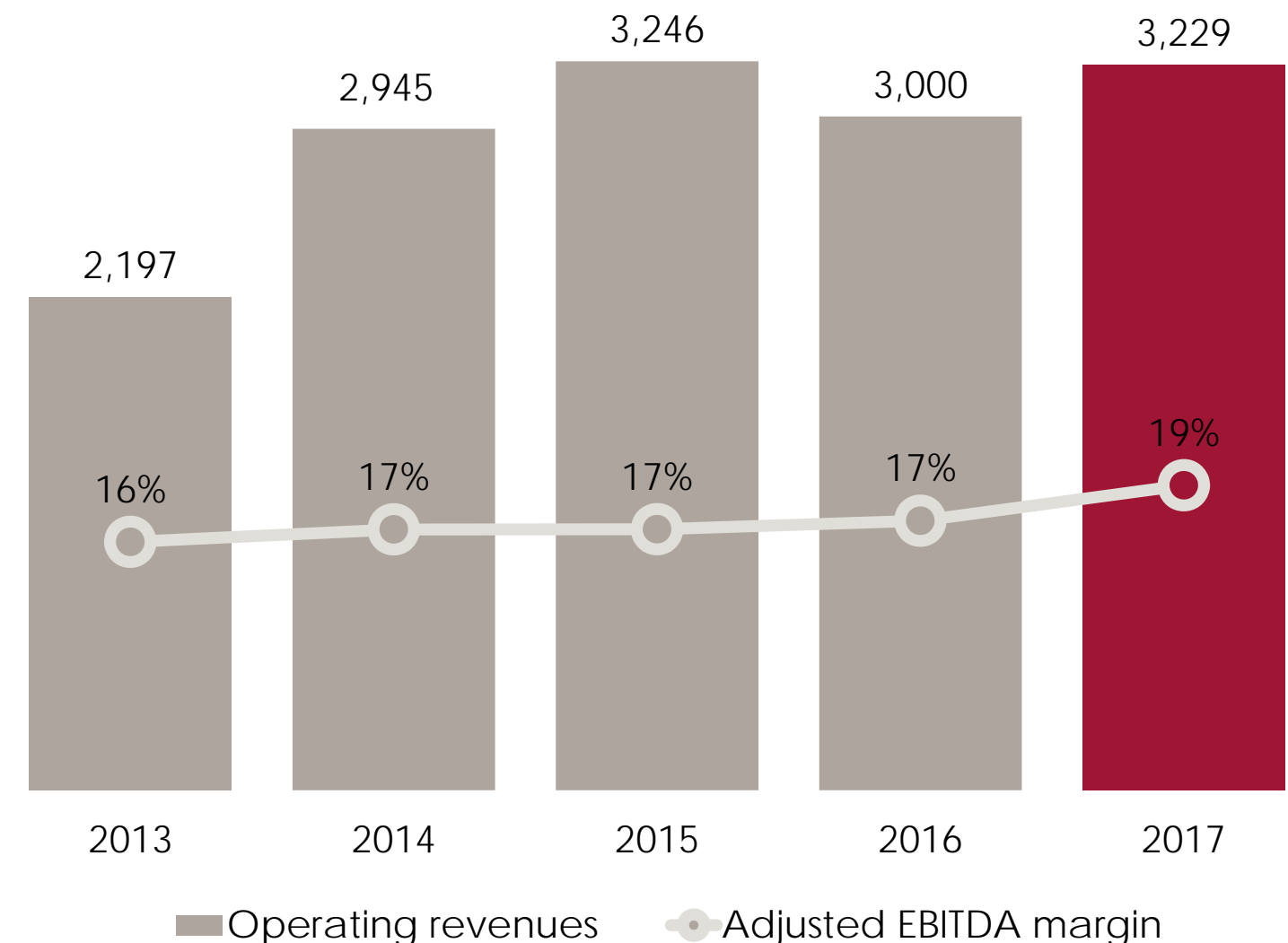


Income statement highlights FY 2017 (IFRS)

- Delivery of 737 units (869)
- Revenues NOK 3 229m (3 000)
- EBITDA adjusted 626m (514)
 - Adjusted for financial expenses included in project cost
- EBITDA NOK 548m (414)
- Earnings per share full year NOK 4.35 (3.21)

Revenues and adjusted EBITDA margin (IFRS)

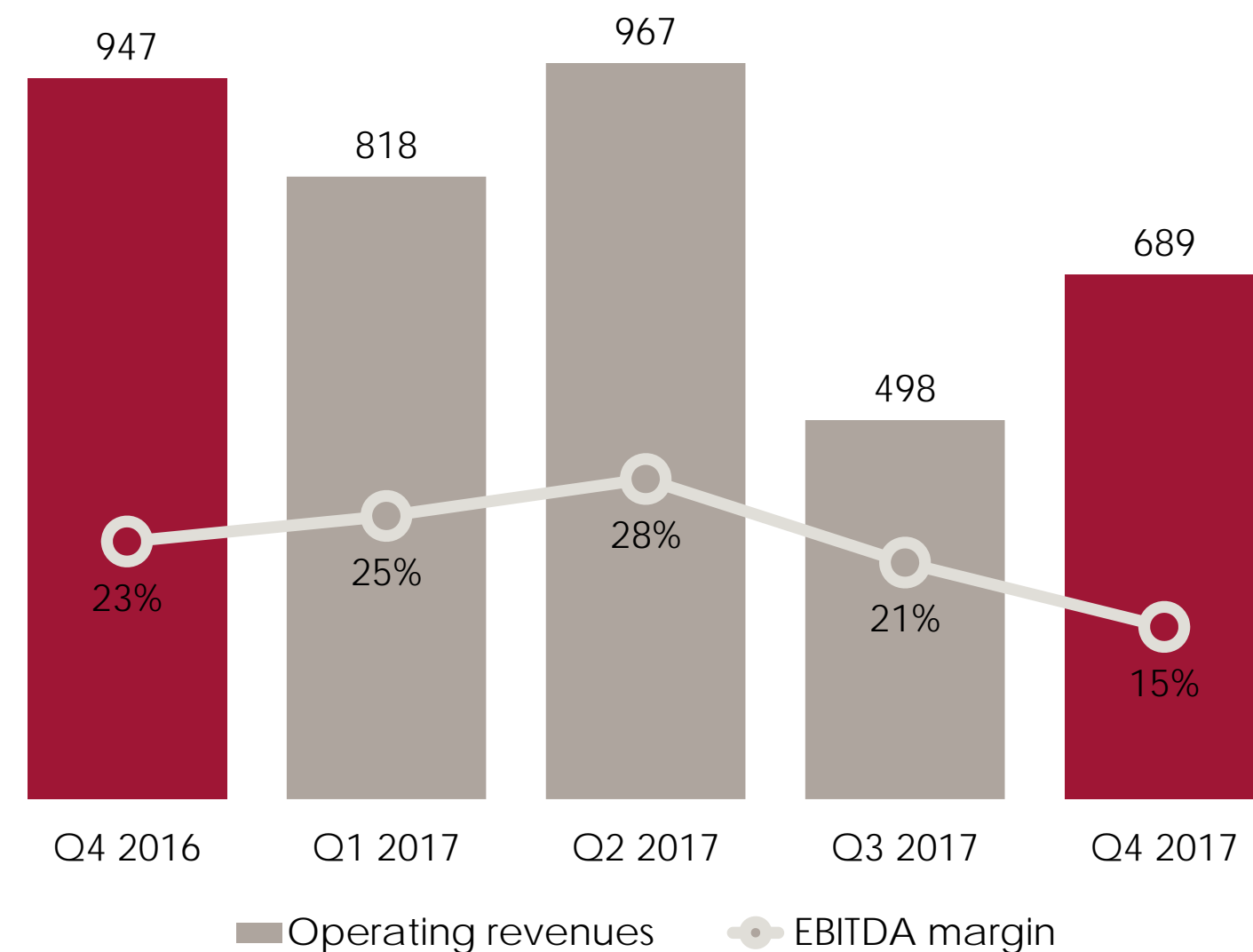
NOK million



Income statement highlights Q4 2017 (NGAAP)

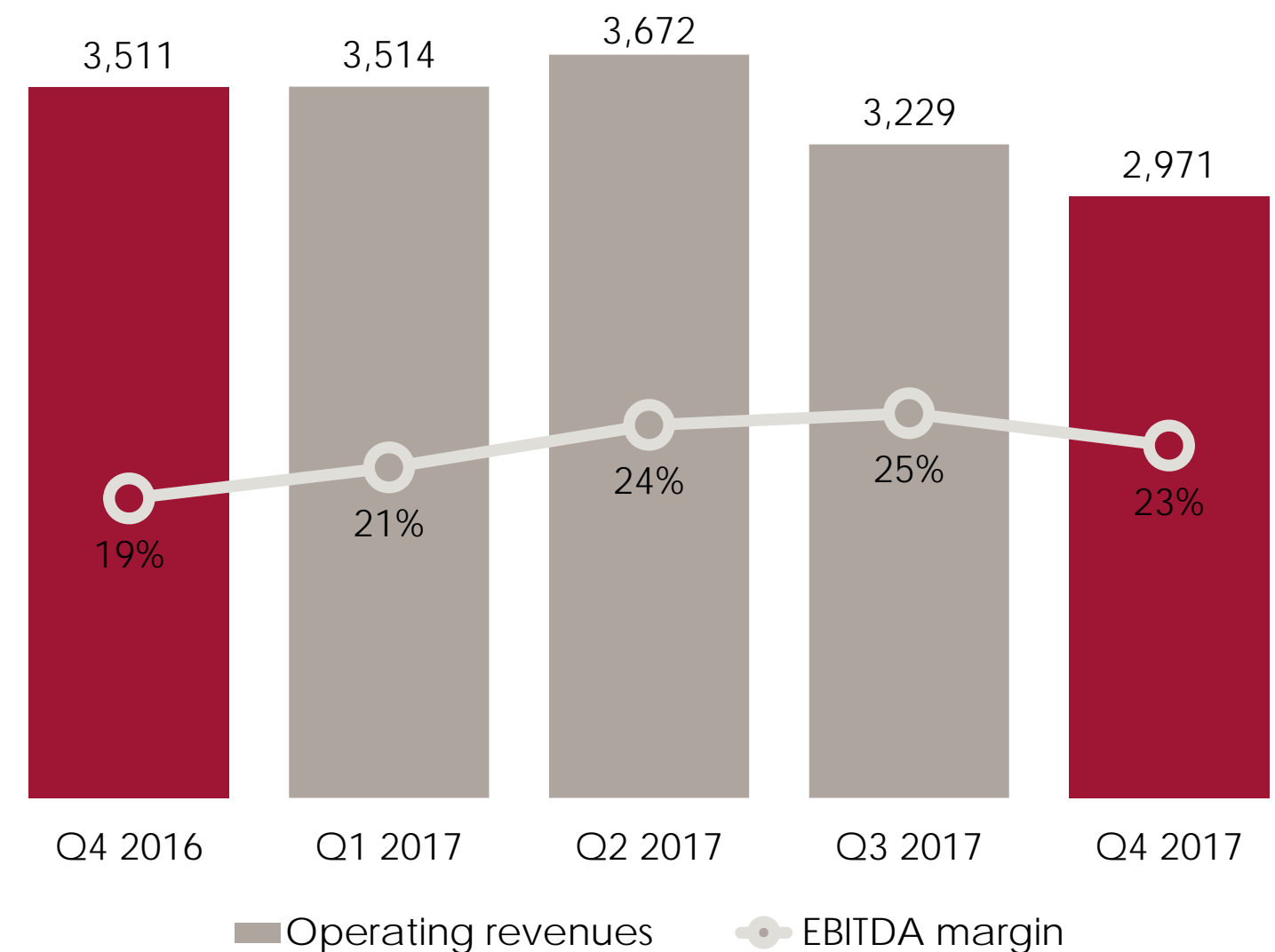
Revenues and EBITDA margin (NGAAP)*

NOK million



12 months rolling revenues (NGAAP)*

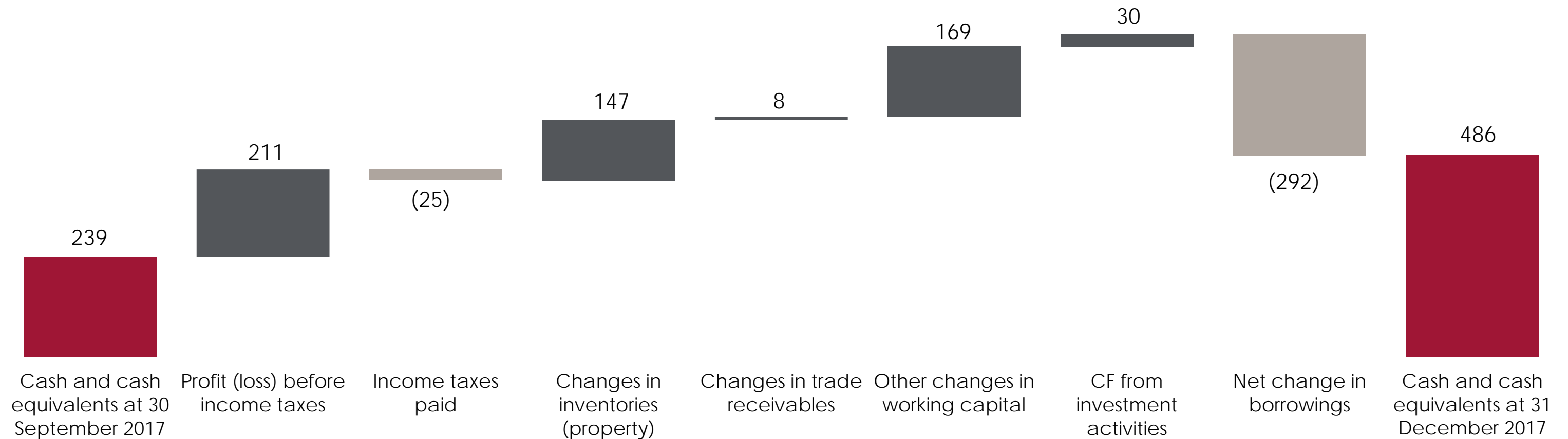
NOK million



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

Cash flow development Q4 2017

NOK million



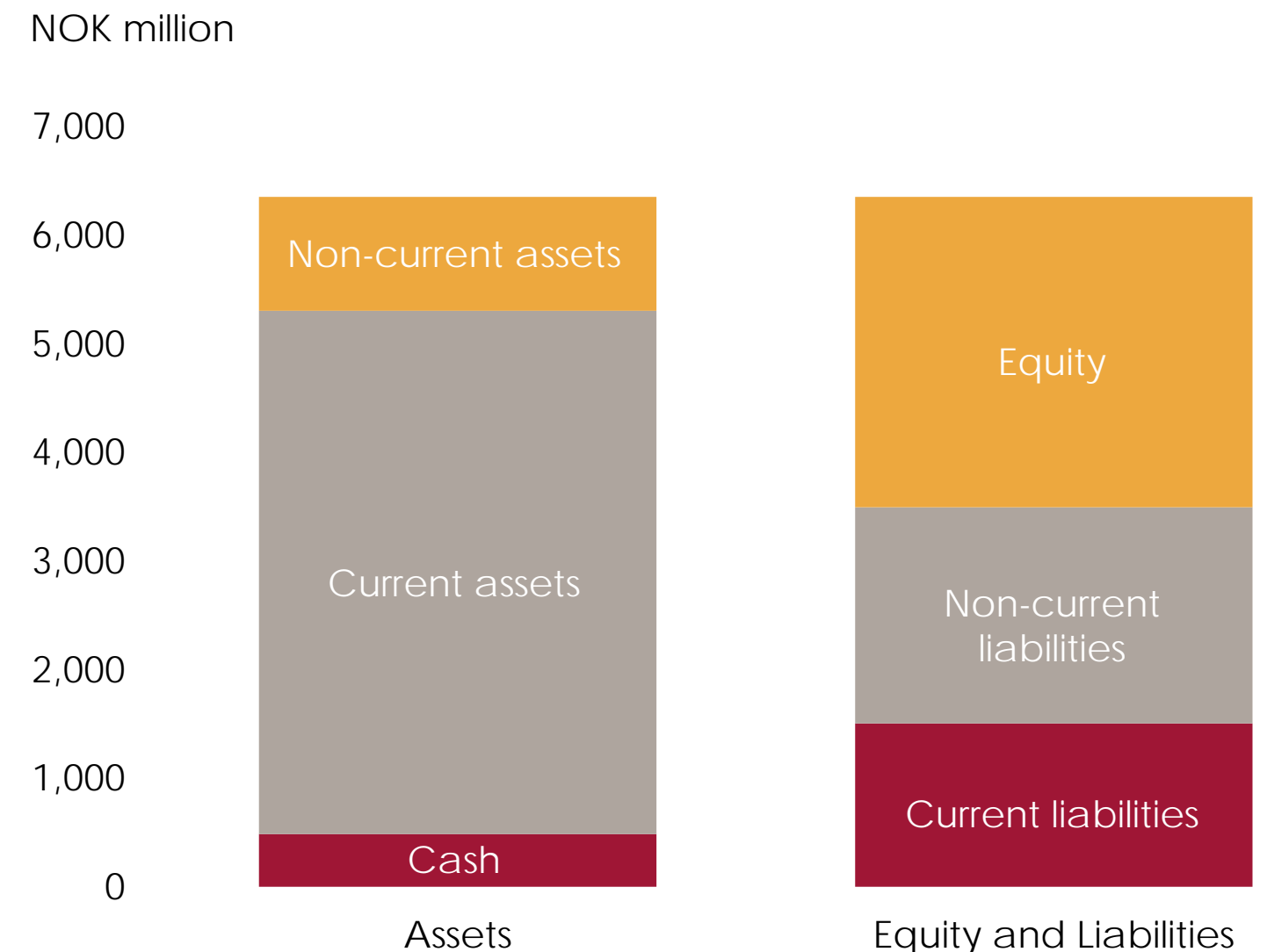
- Cash flow from operations positive at NOK 506m mainly explained by high number of units delivered
- Cash flow from investment activities positive at NOK 30m mainly explained by repayment of loan from associated companies
- Cash flow from financing activities negative at NOK 290m mainly due to net repayment of loans

Note: Amounts below NOK 5m are excluded from the cash flow overview

Balance sheet highlights Q4 2017

- Book value increased by NOK 1.8 to NOK 30.4 per share
 - Equity ratio 45.0%
- Changes from Q3 2017:
 - Inventories decreased by NOK 135m
 - Trade receivables decreased by NOK 8m
 - Cash increased by NOK 246m
- Prepayments from customer's accounts for NOK 385m of other current non-interest-bearing liabilities

Balance sheet composition

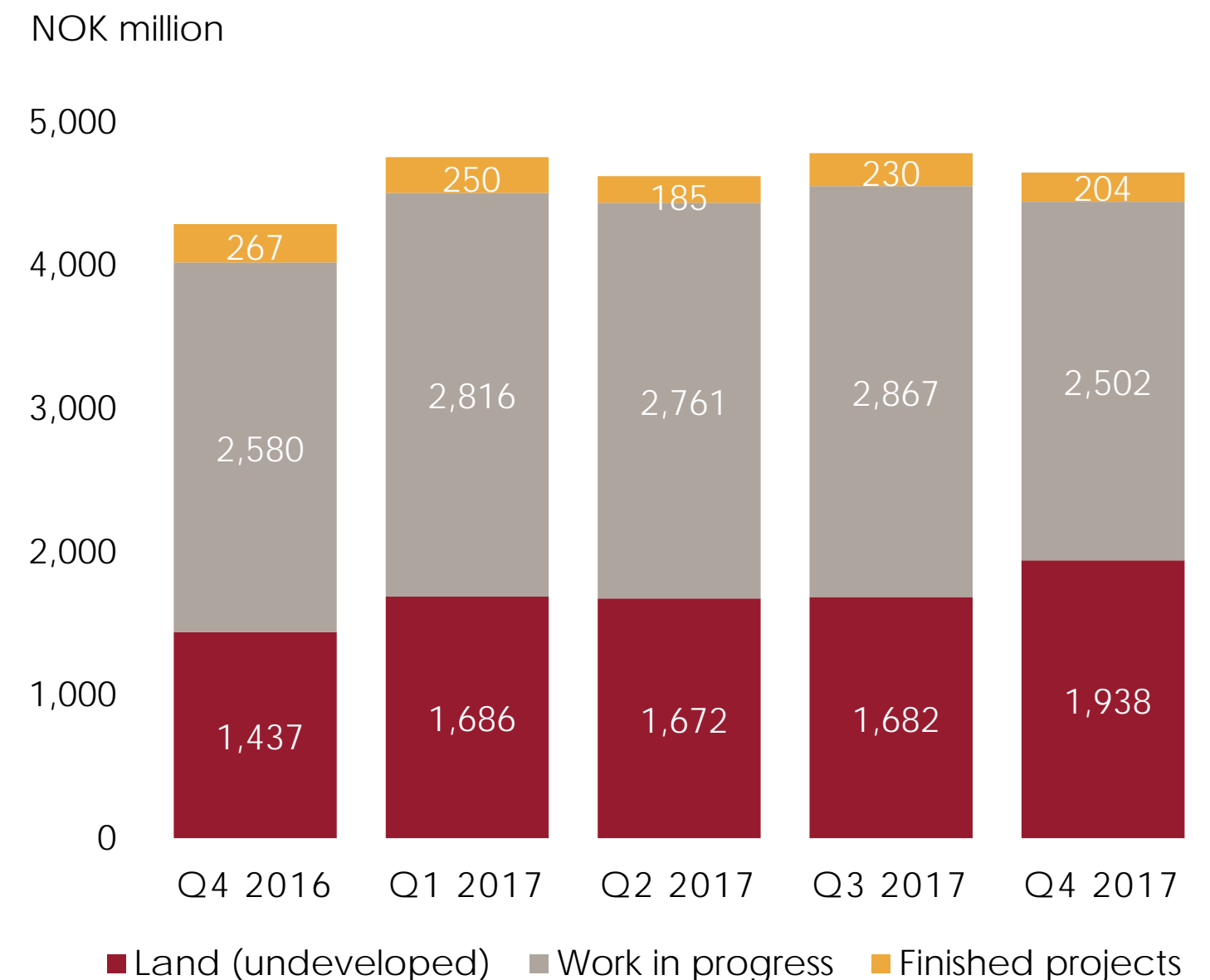


Inventories (property) Q4 2017

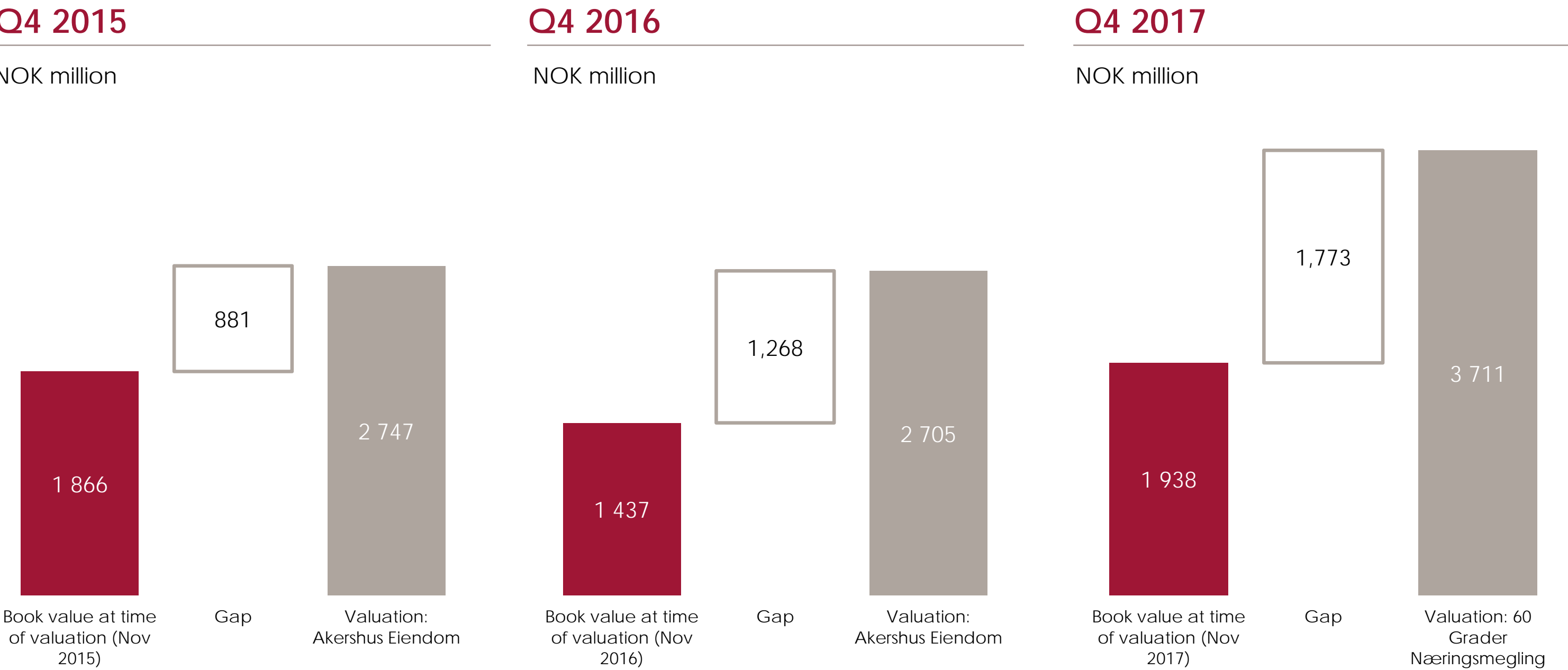
Q4 17 vs Q3 17

- Land value up NOK 256m
 - Mainly due to land acquisitions
- Work in progress down NOK 365m
 - Due to completions
- Finished goods down NOK 26m
 - Due to units delivered

Inventory value development



Land bank book value vs. external valuation

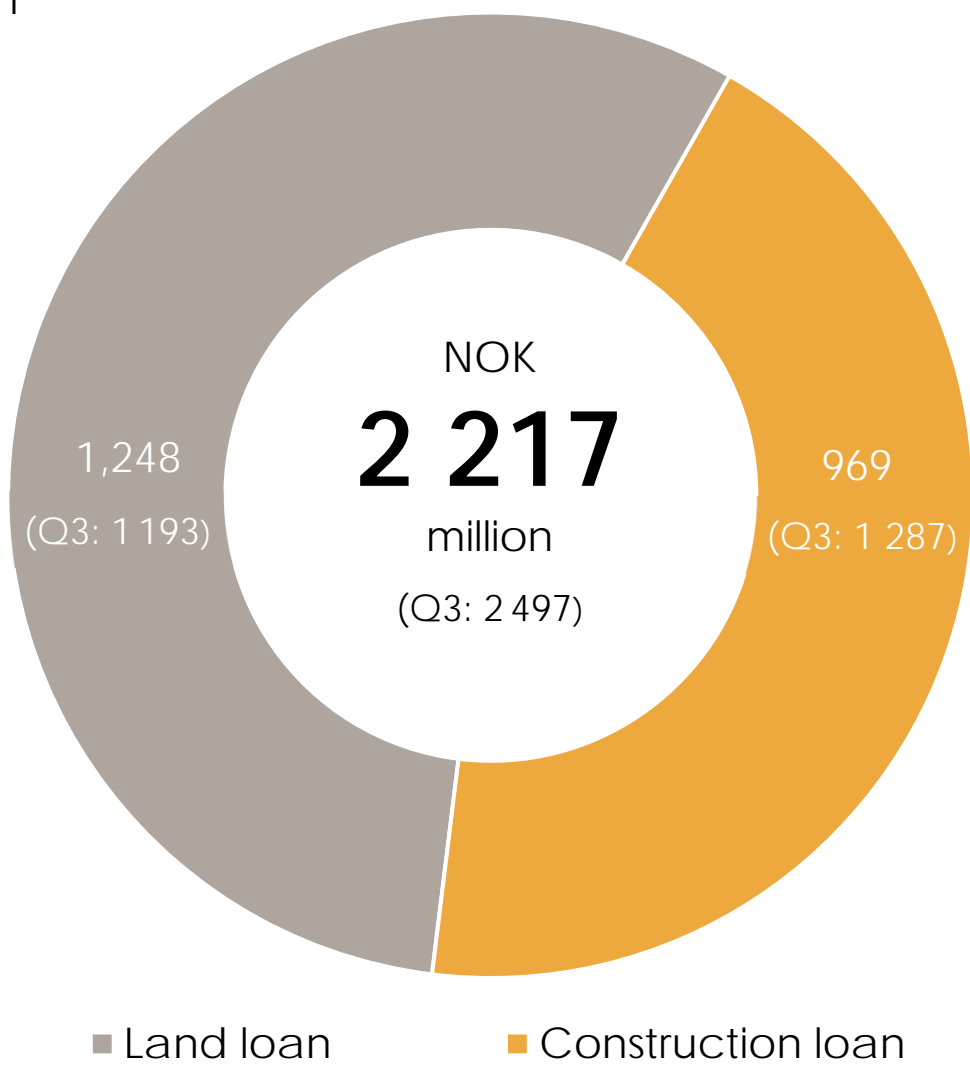


Note: Joint ventures and land options not included in the valuation

Sound debt structure

Interest-bearing debt as at 31 December 2017

NOK million



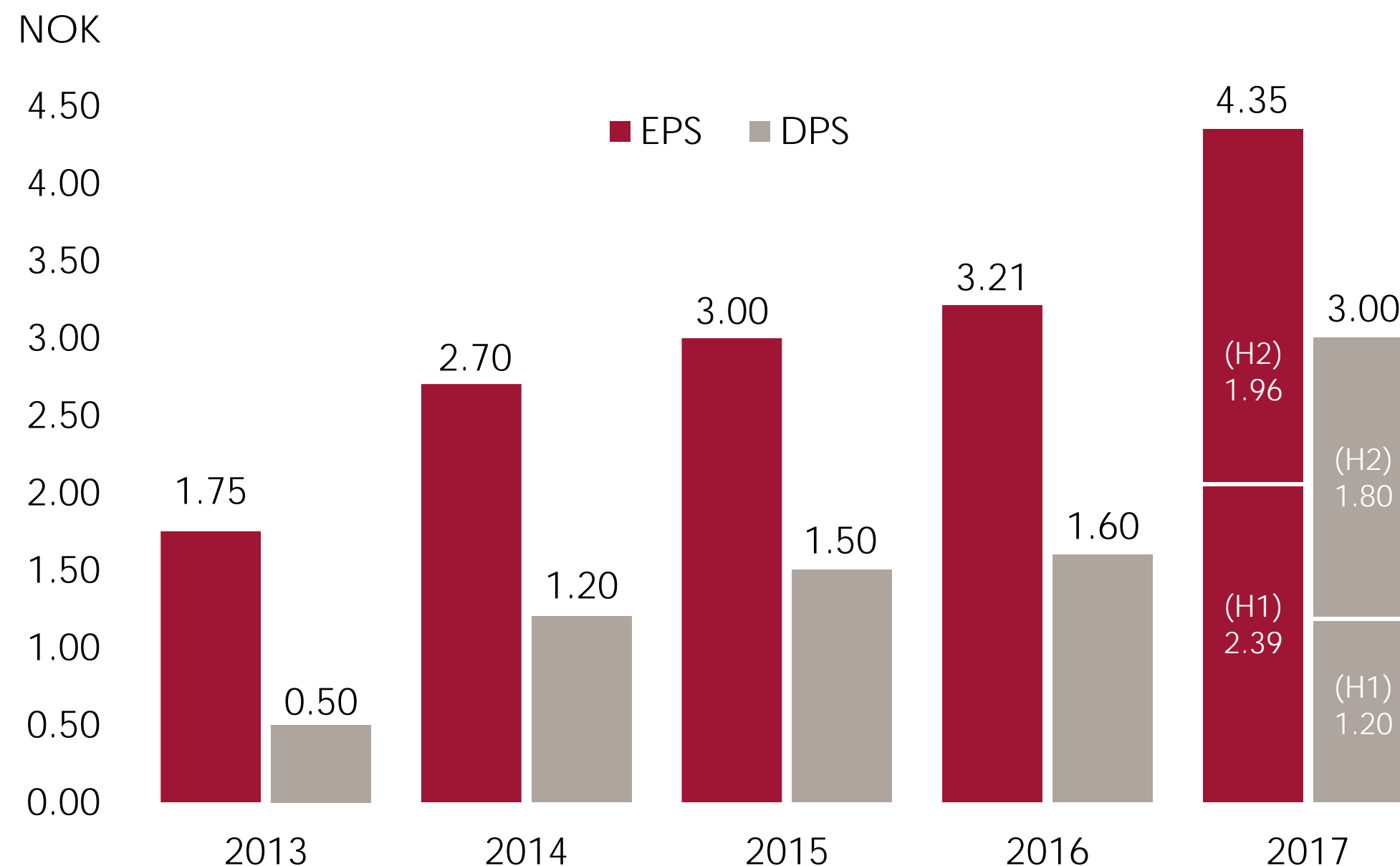
	Loan facility	Drawn at 31 Dec. (NOKm)	Interest rate margin
1	NOK 400 million revolving credit facility from DNB maturing in 2021	0	2.90%
2	NOK 150 million working capital facility from DNB maturing in 2017	0	2.00%
3	Land loan facilities from a range of Nordic credit institutions	1 248	2.00% - 2.50%
4	Construction loan facilities from a range of Nordic credit institutions	969	1.75% - 2.60%

Total Q4 2017 net interest-bearing debt NOK 1 732 million

Total Q3 2017 net interest-bearing debt NOK 2 258 million

Earnings and dividend per share

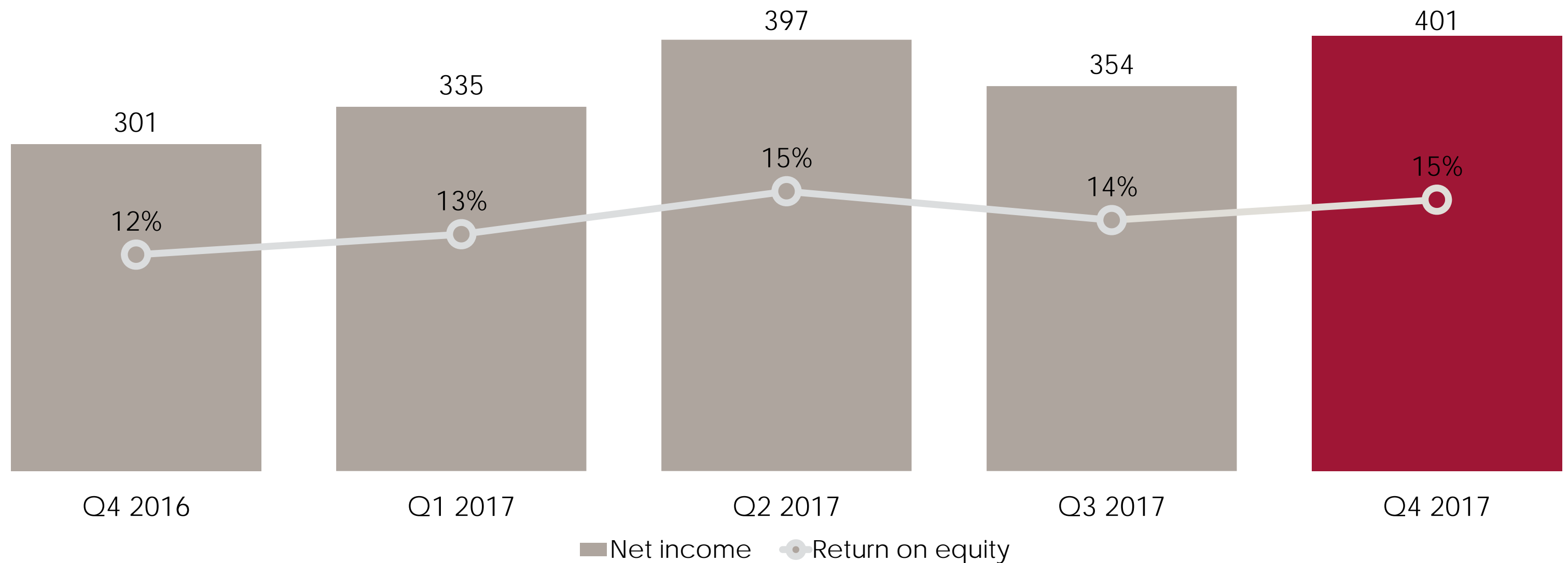
- FY'17 EPS NOK 4.35 (3.21)
- FY'17 dividend of NOK 3.00
 - H1'17 dividend of NOK 1.20 per share
 - Proposed H2'17 dividend of NOK 1.80 per share



Return on equity (IFRS)

12 months rolling net income (IFRS)* and return on equity**

NOK million

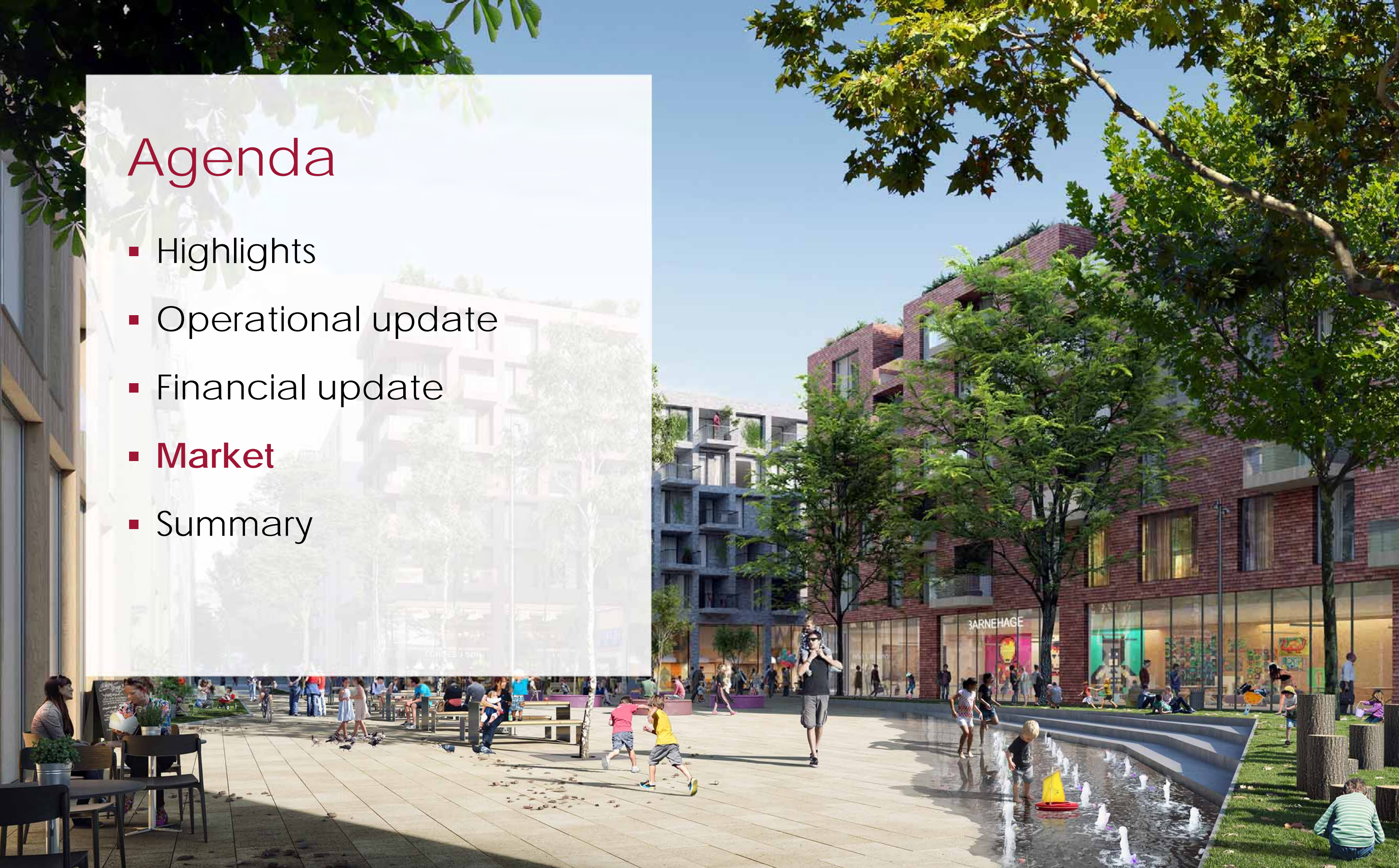


* Net income attributable to shareholders in Selvaag Bolig ASA

** Based on equity attributed to shareholders in Selvaag Bolig ASA

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Norwegian residential market in January 2018

+2.0%

Nominal price increase, January 2018

-0.4%

Price change adjusted for seasonal variations

-2.2%

Price decrease last 12 months

+8.4% versus January 2017

6 762

Number of sold units

-0.9% versus January 2017

6 430

Number of units supplied to the market

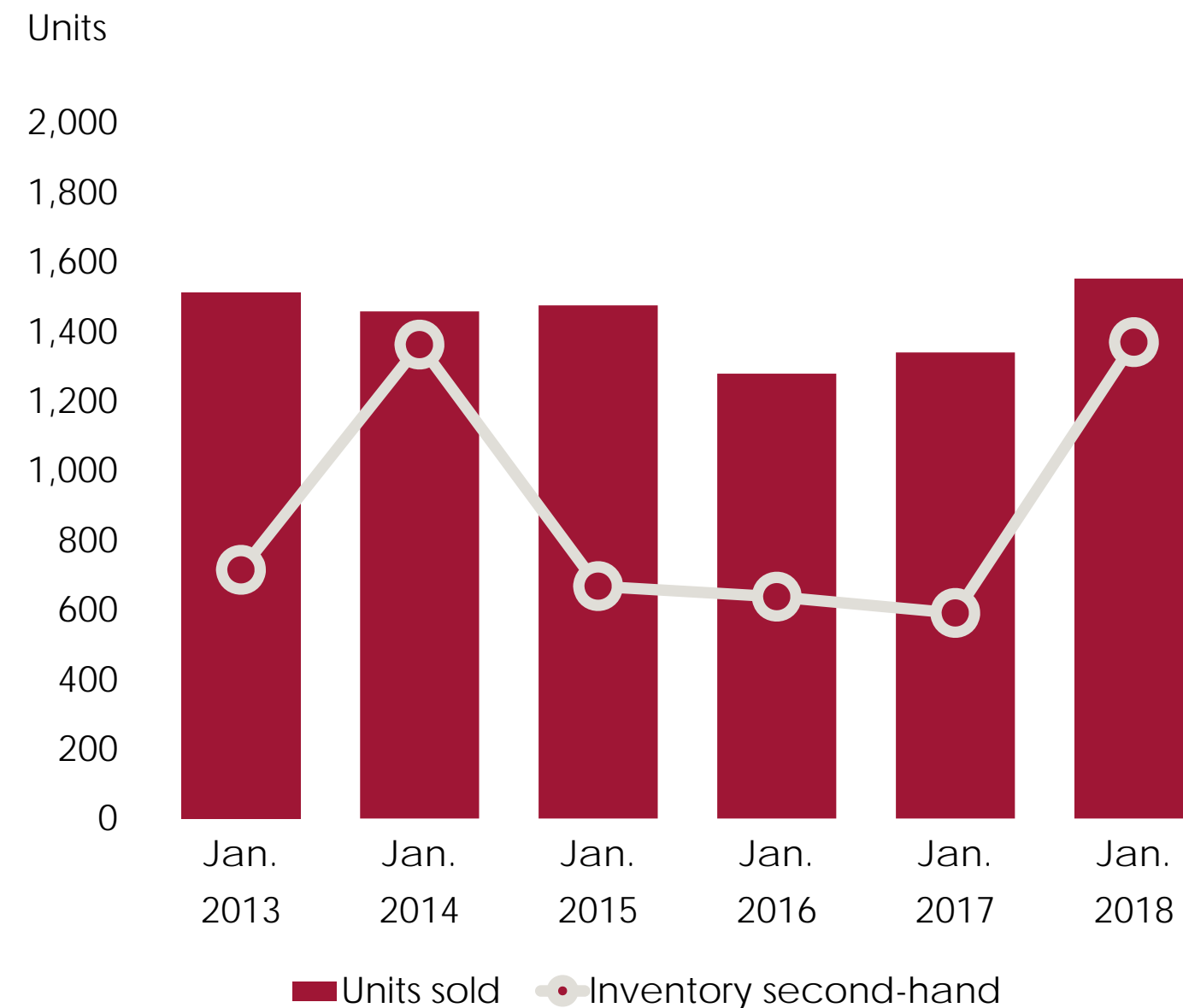
44 days in January 2017

58 days

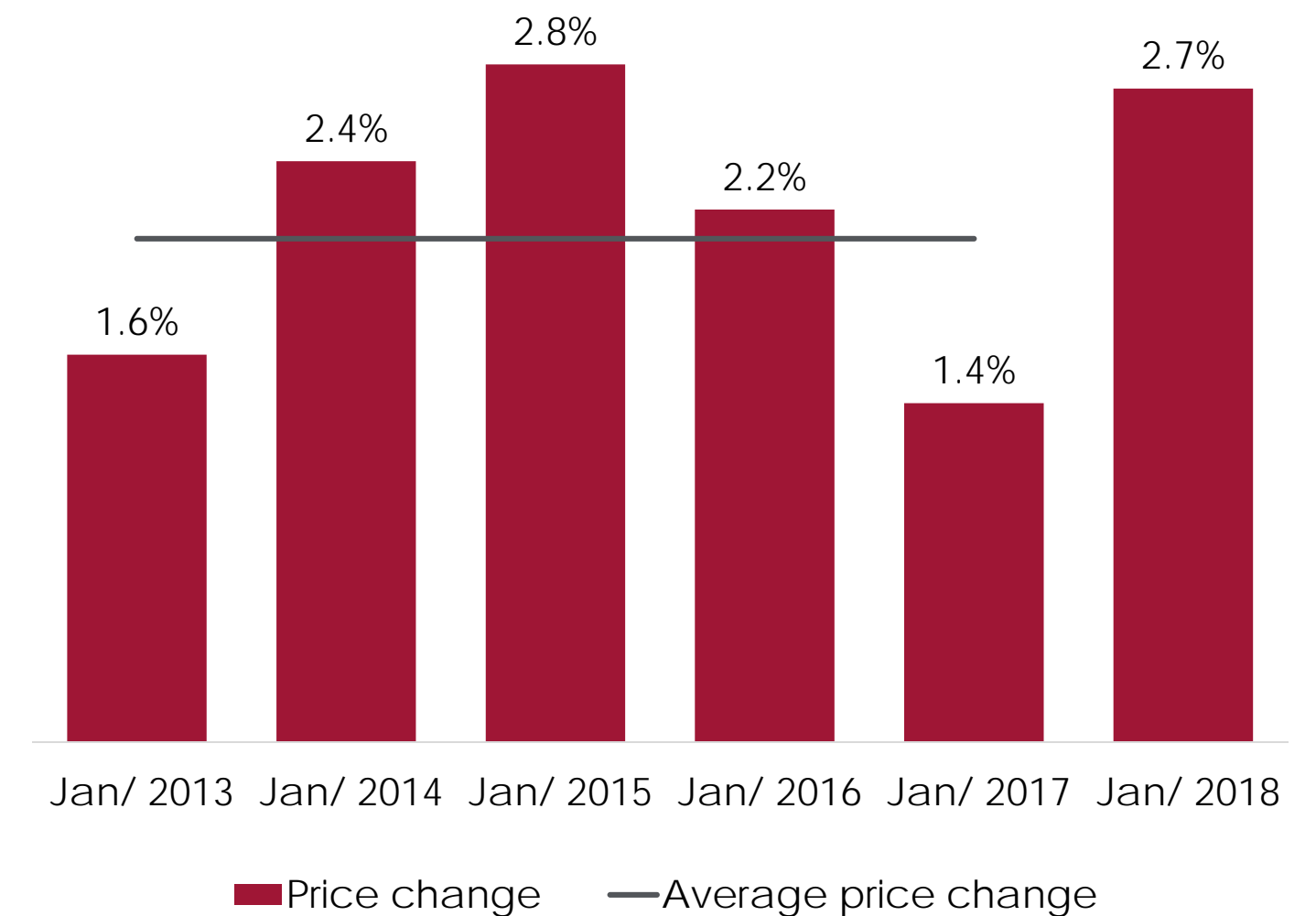
Average turnover time

Oslo second-hand market update

Oslo, January* 2013-2018



Price change Oslo, January 2013-2018

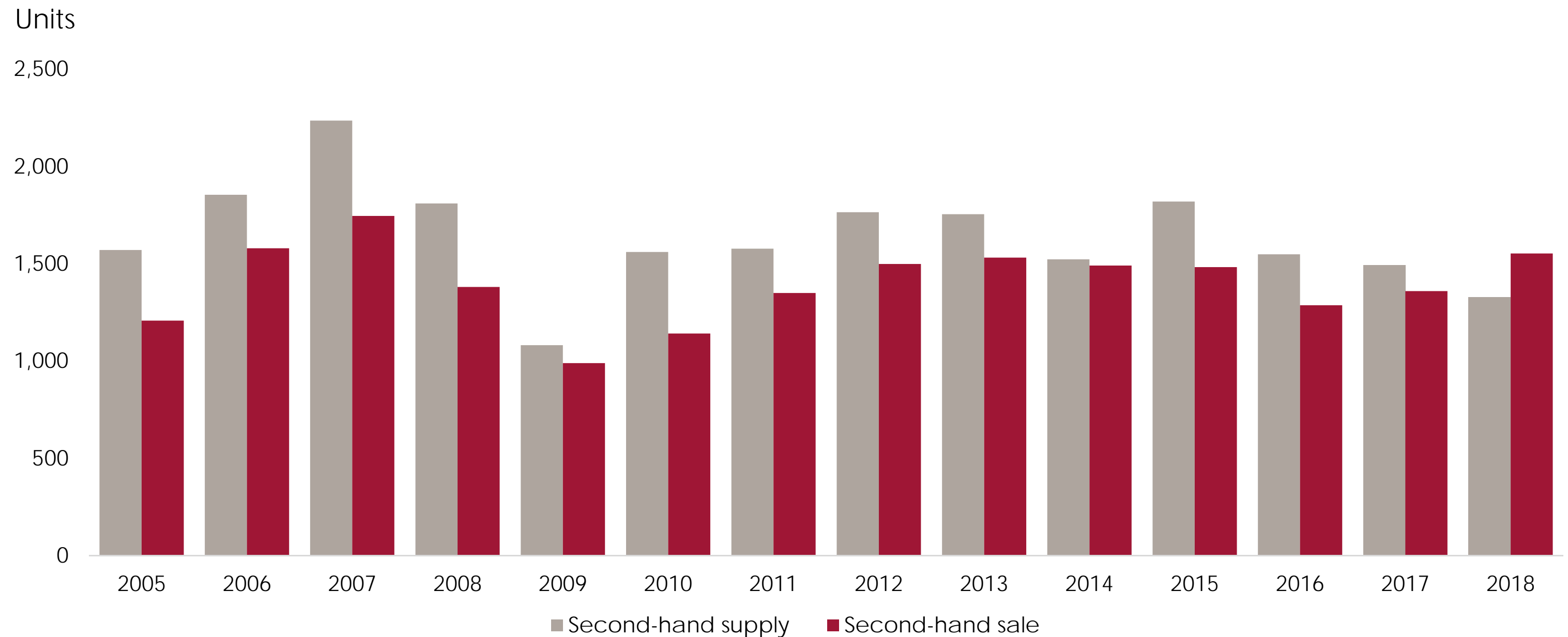


*Unsold units that have been withdrawn from the market are marked as inventory for 3 months before being removed
 Sources: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

While headlines focused on increased supply...

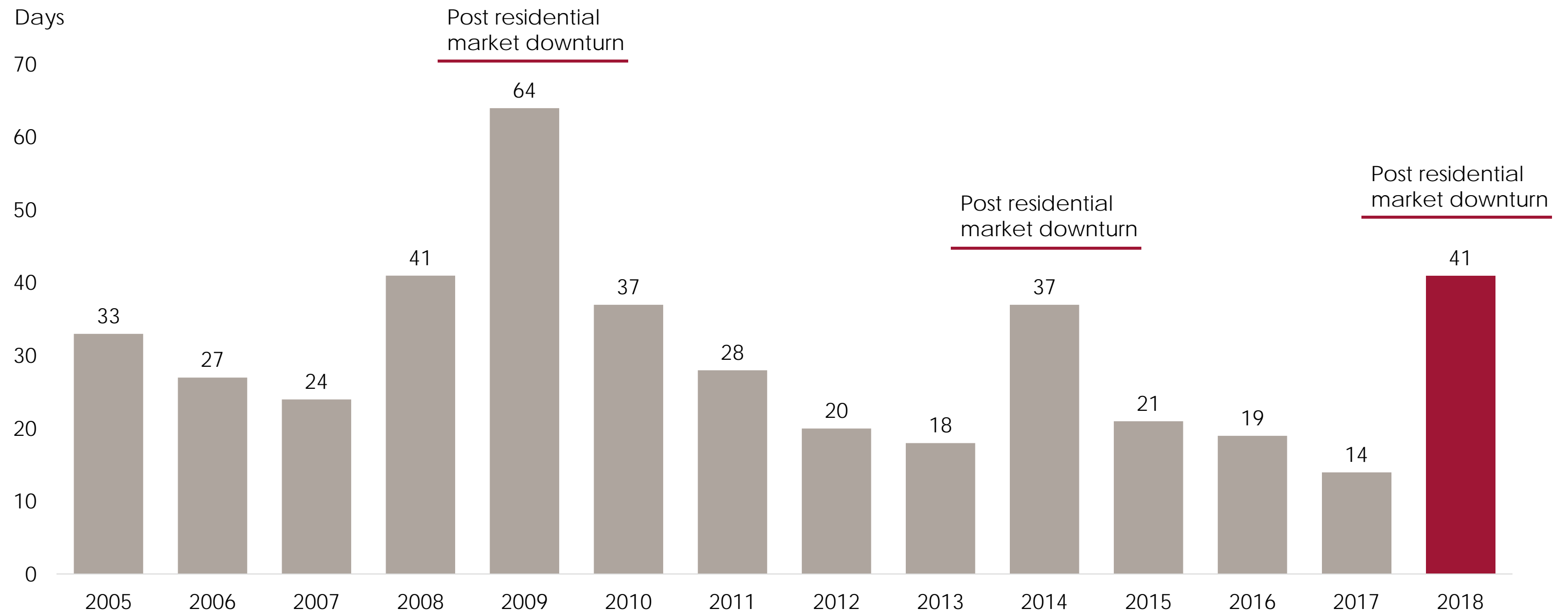


...the supply decreased and sales increased in Oslo in January 2018



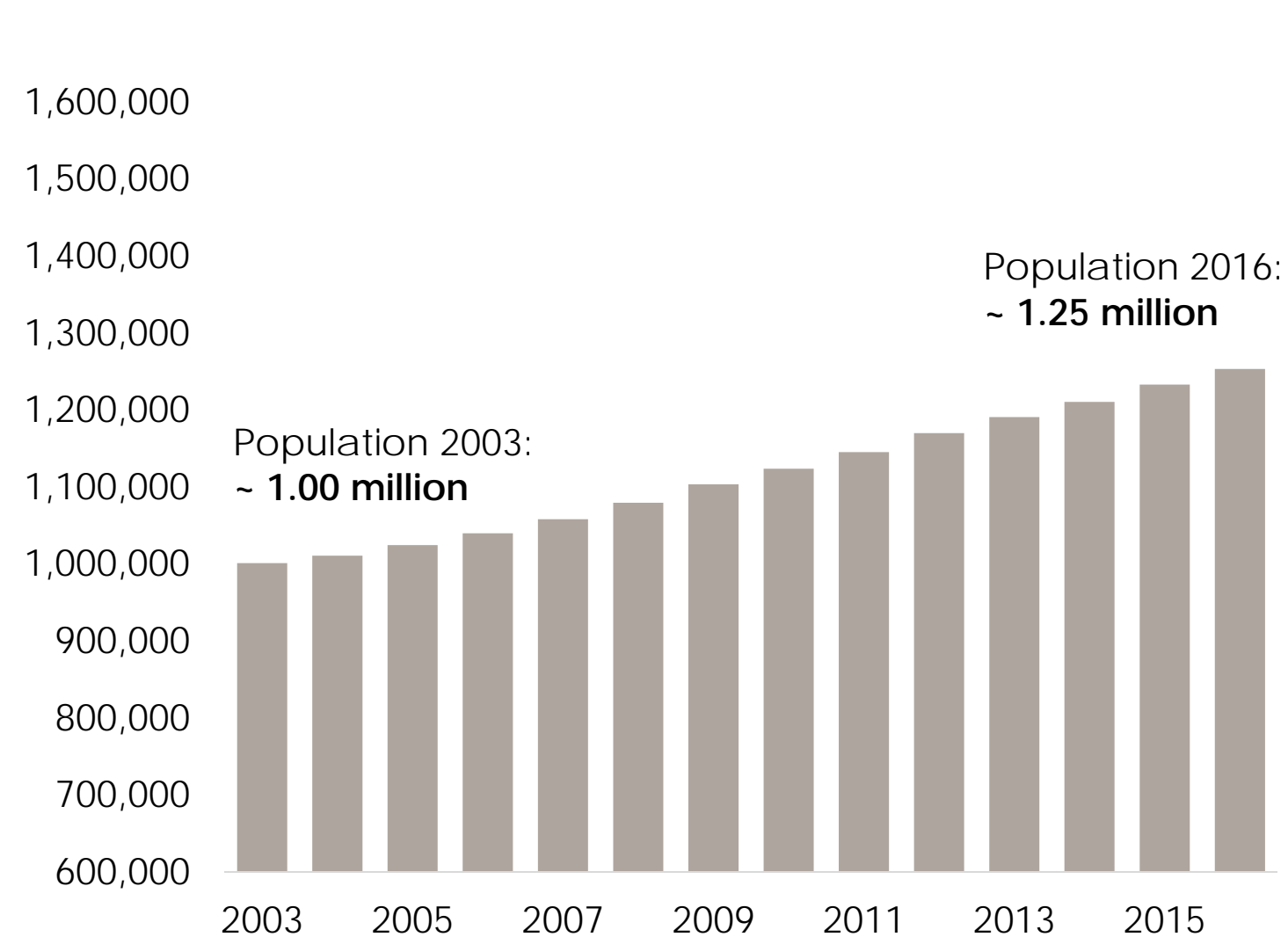
Turnover time increases when market recovers

Turnover time Oslo, January 2005 – January 2018

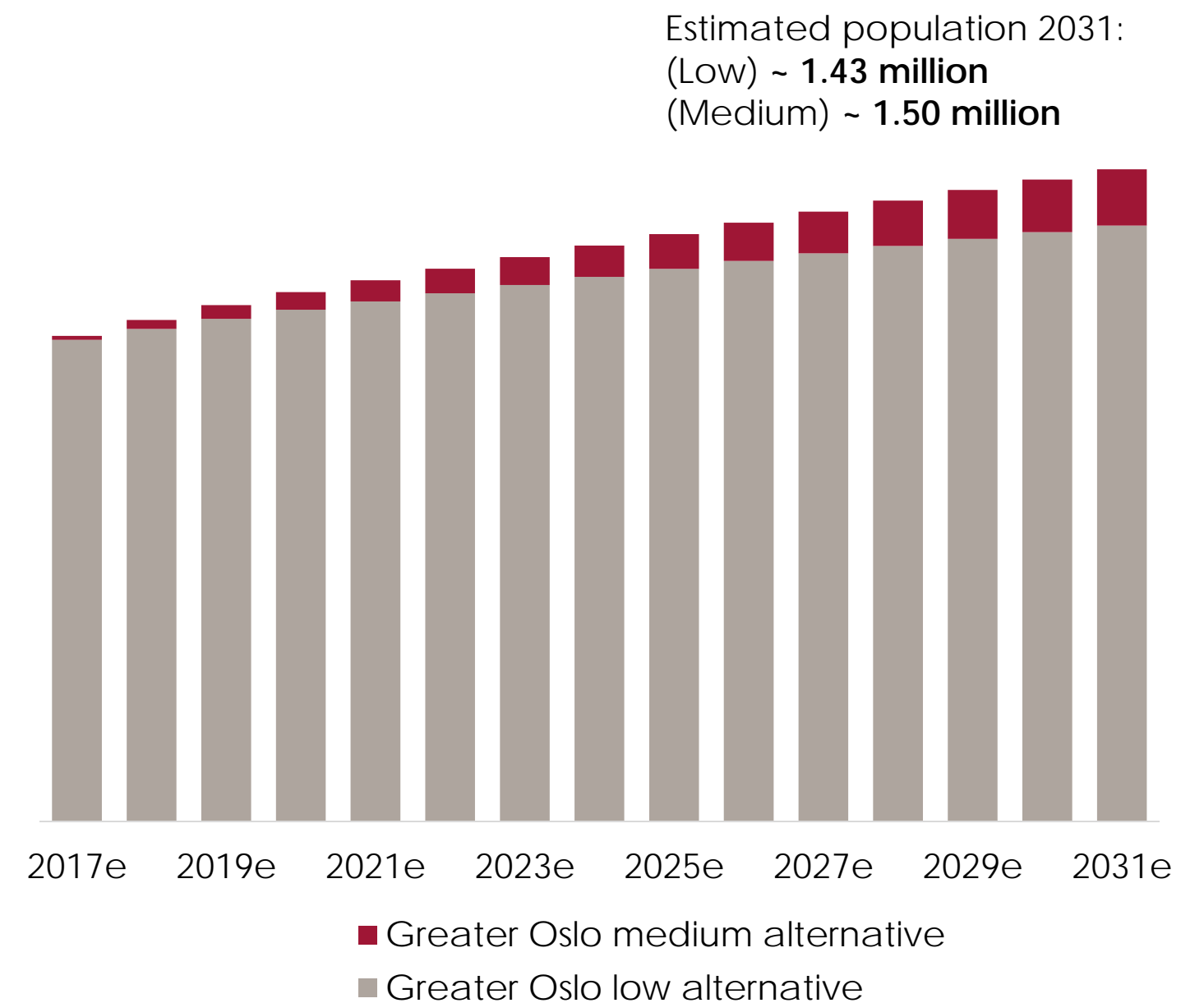


Stable population growth in Greater Oslo

Population in Greater Oslo*

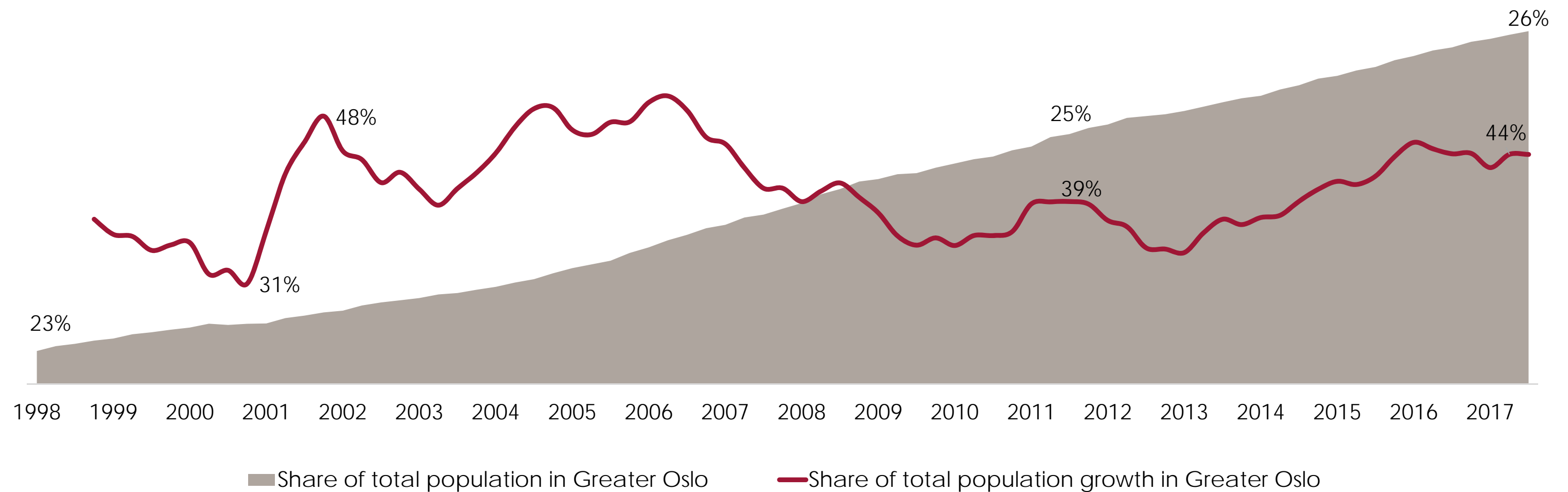


Estimated population in Greater Oslo*



*Greater Oslo = Oslo and Akershus
 Source: Statistics Norway, Akershus municipality, Oslo municipality

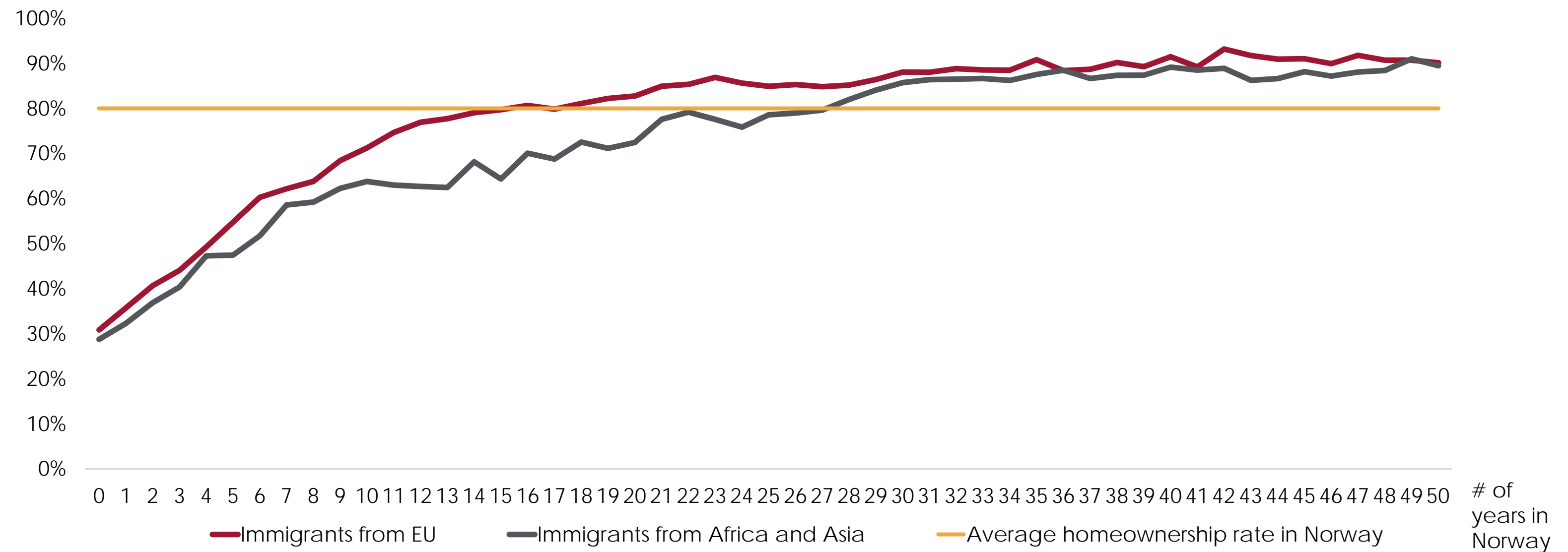
A larger share of Norway's population lives in Greater Oslo



Source: Statistics Norway

Immigration increases demand over time

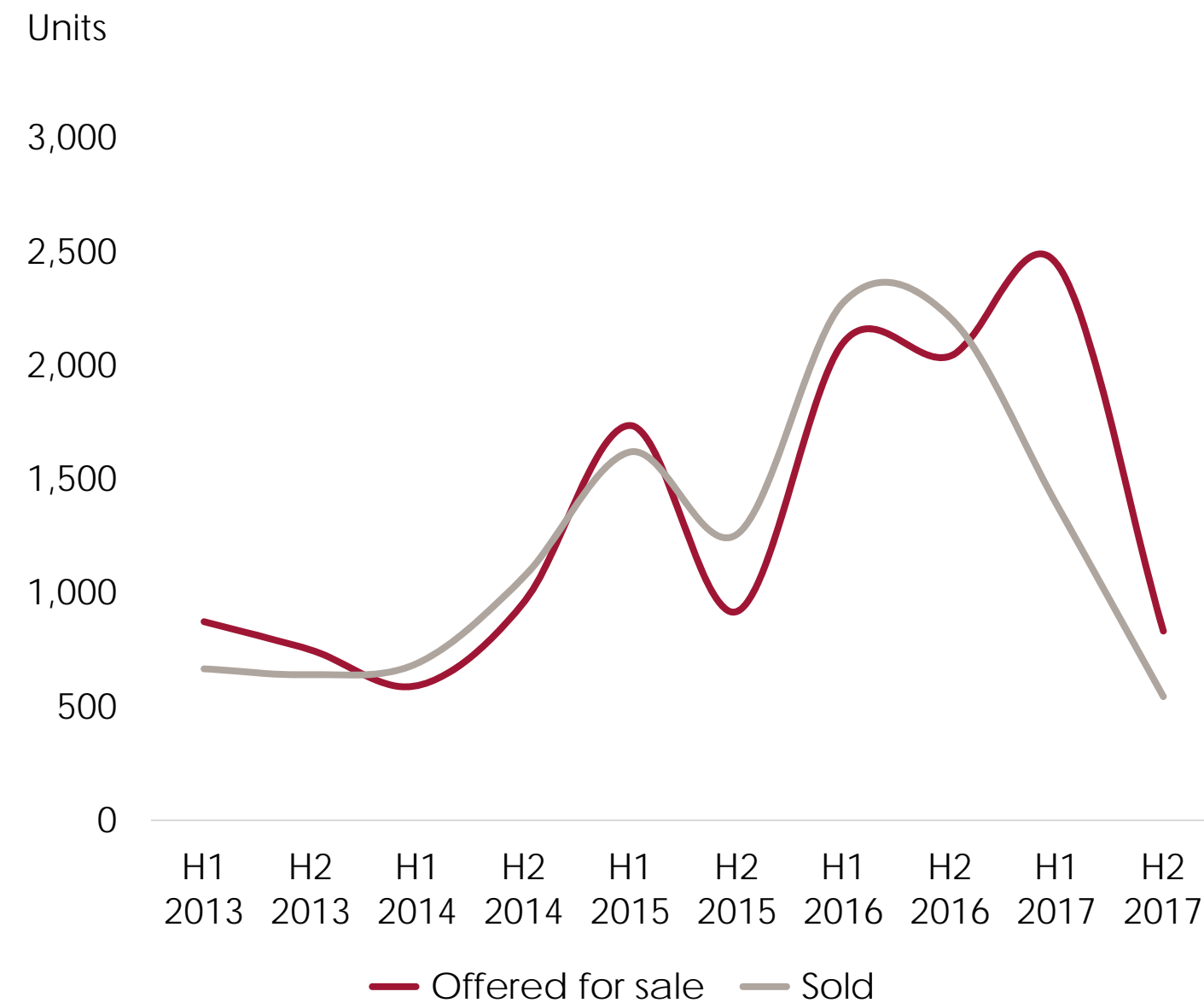
Homeownership rate among immigrants in Norway (per year living in Norway)



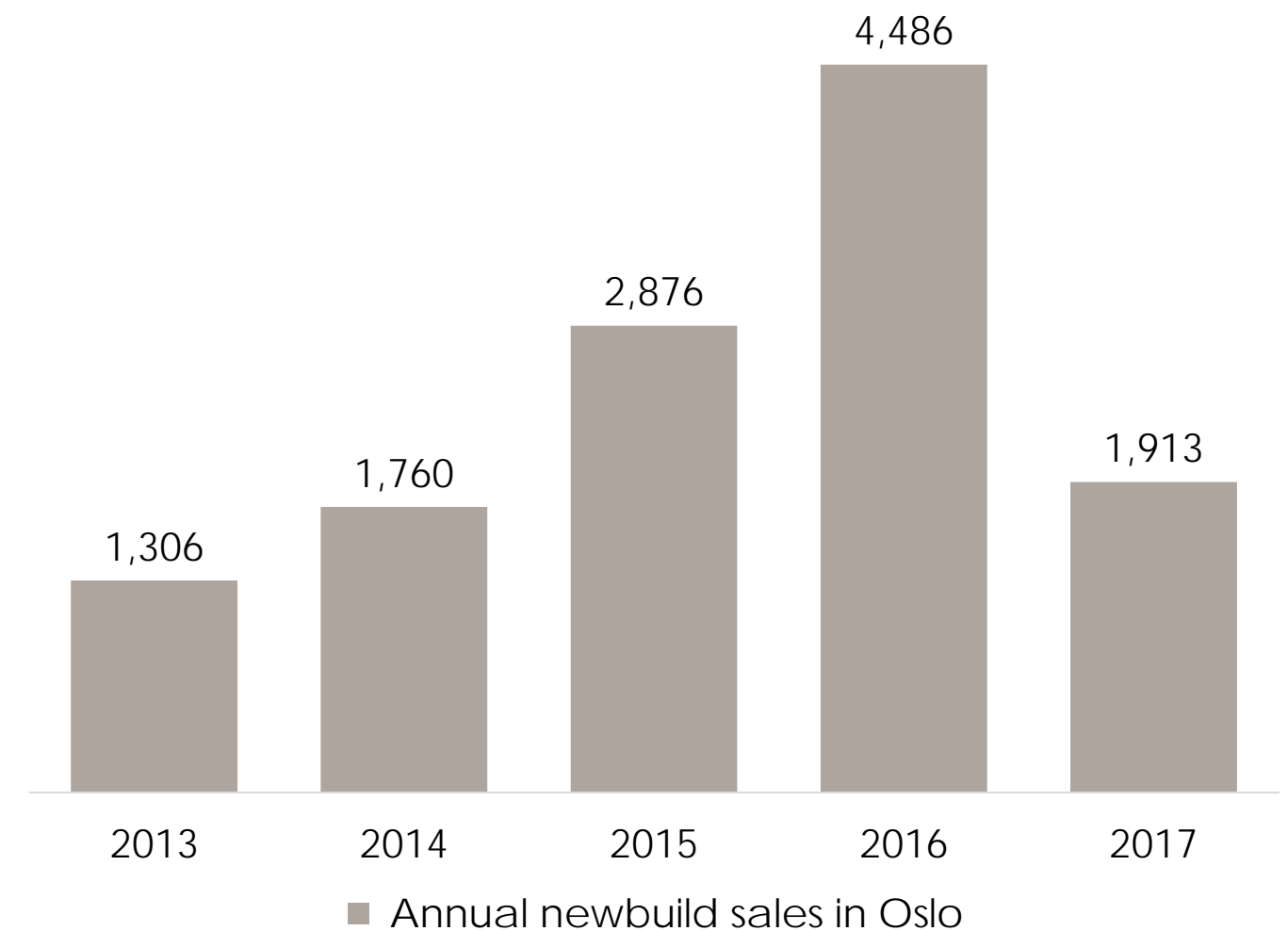
Source: Statistics Norway

Newbuild market in Oslo

Total newbuild market in Oslo per half year



Newbuild market in Oslo as of Q4 17



Source: Røisland & Co

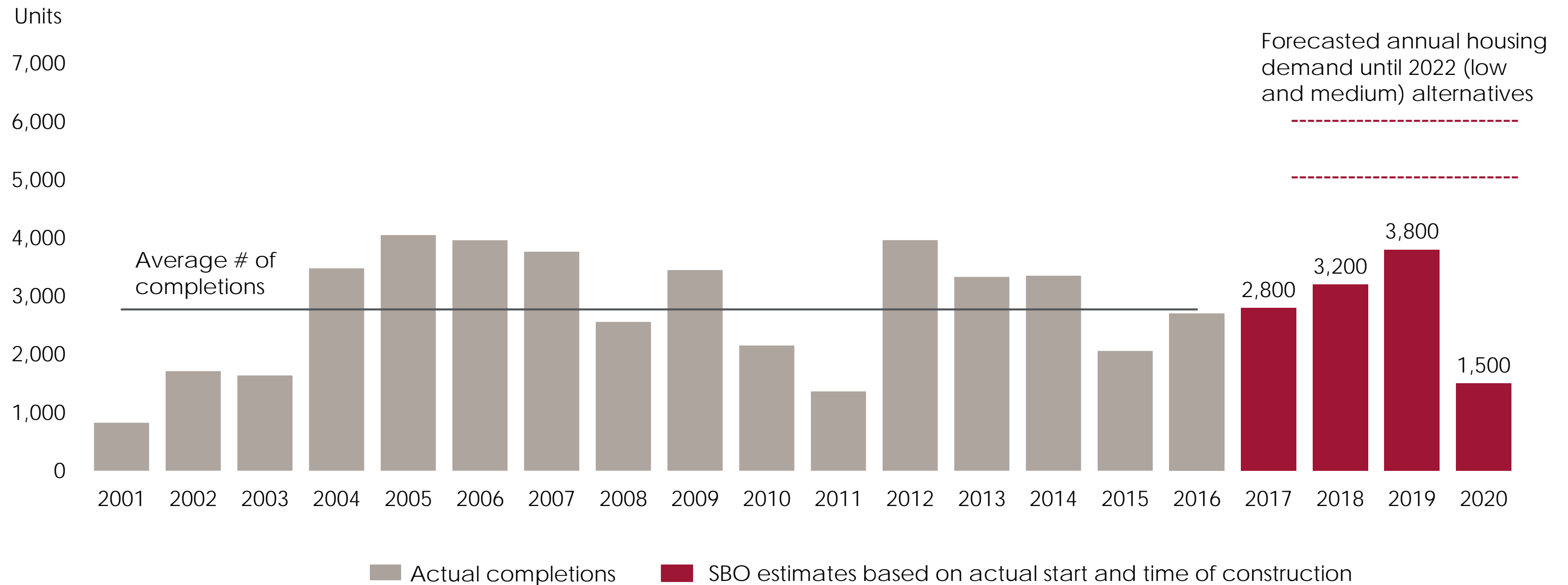
Total newbuild volumes in Oslo



Source: Røisland & Co

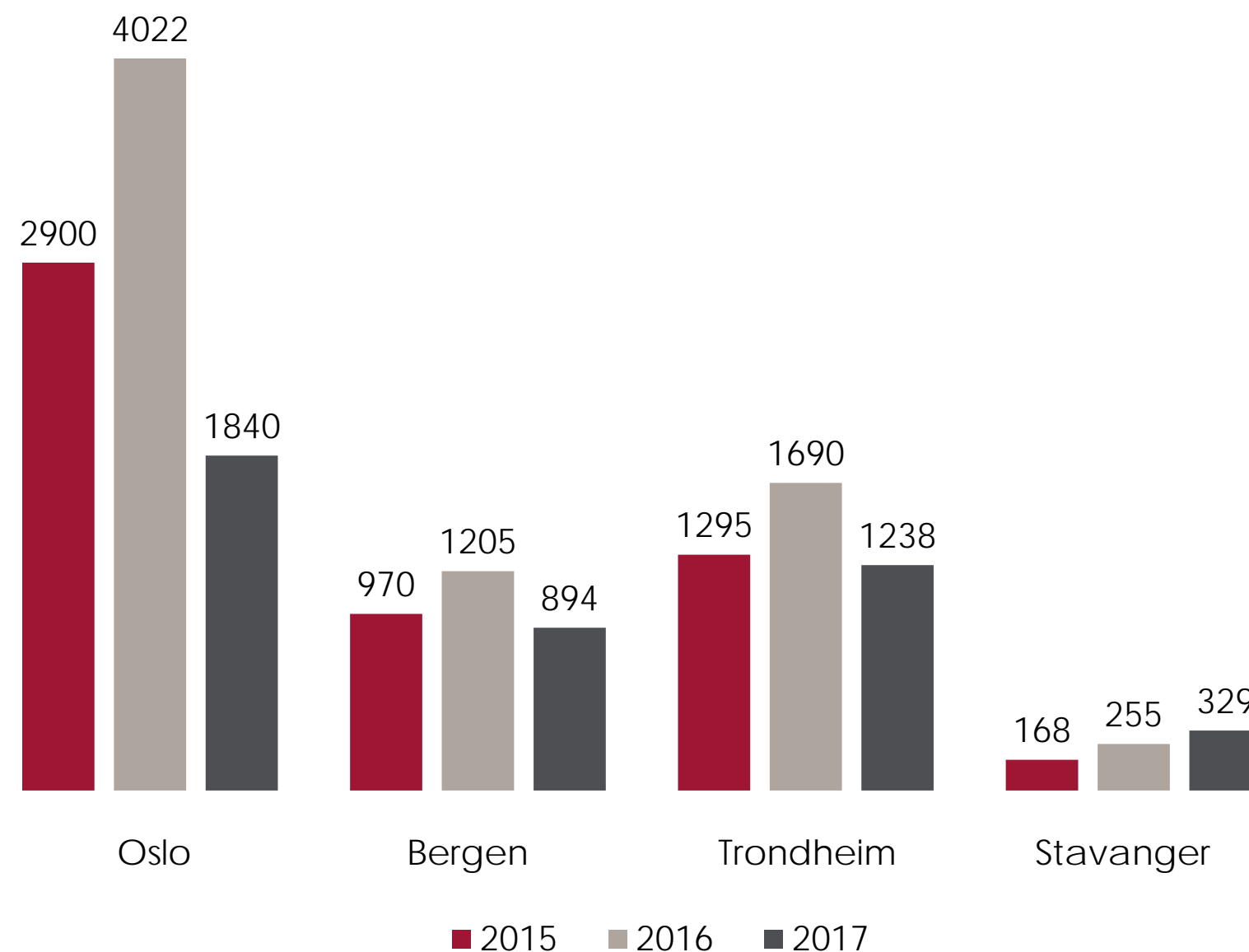
Low number of estimated completions for 2020

Number of units completed in Oslo, 2001-2016



Newbuild market in SBO's core markets

Number of new homes (not built) sold



New homes (not built) available for sale

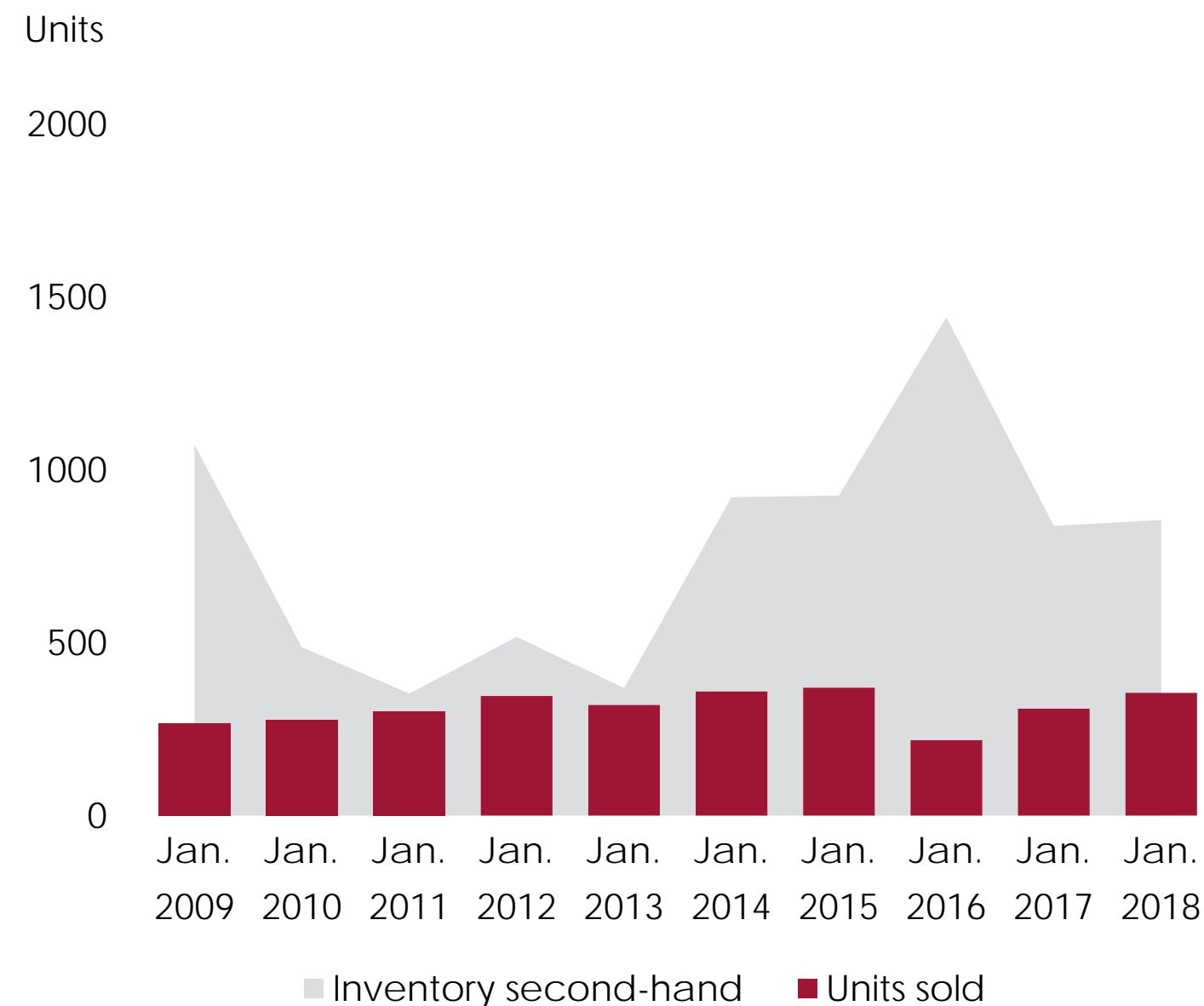
Units available for sale (31.01.18):

- Oslo: ~ 1 850 units
- Stavanger: ~ 280 units
- Bergen: ~ 1 000 units
- Trondheim: ~ 1 050 units

Source: Samfunnsøkonomisk analyse, Finn.no

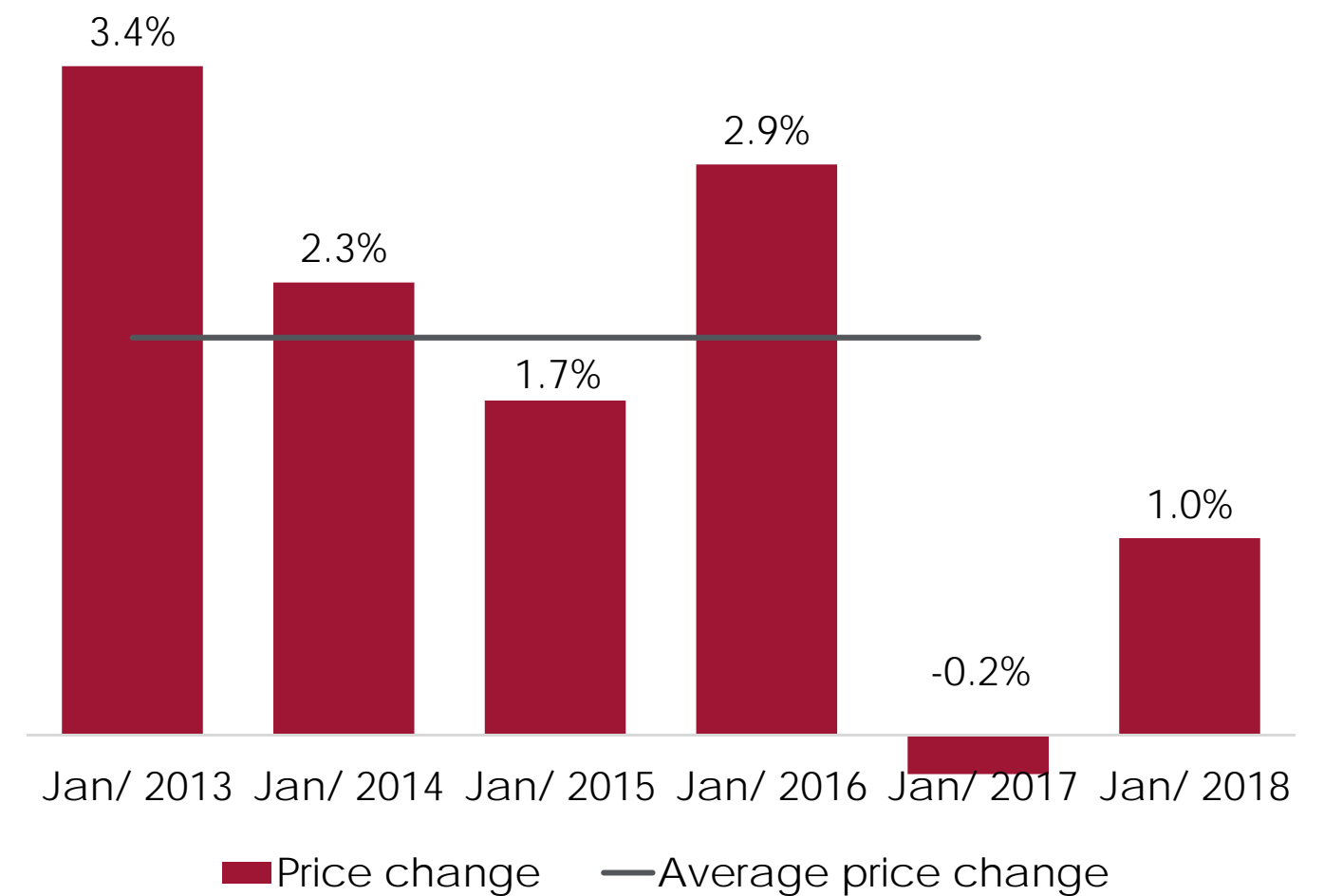
Stavanger second-hand market update

Stavanger area, January* 2009-2018



* Unsold units that have been withdrawn from the market are marked as inventory for 6 months before being removed
Sources: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

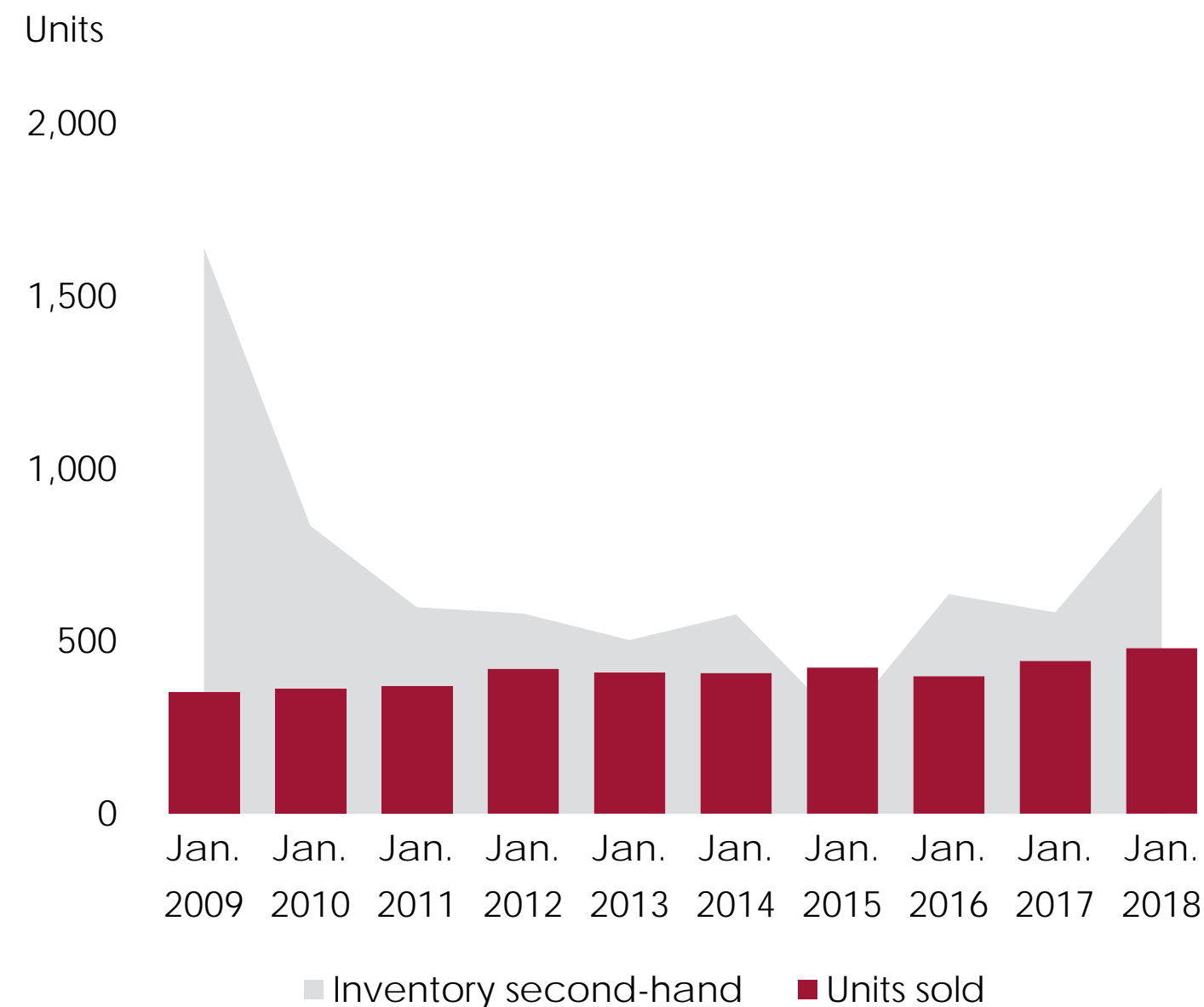
Price change Stavanger, January 2013-2018



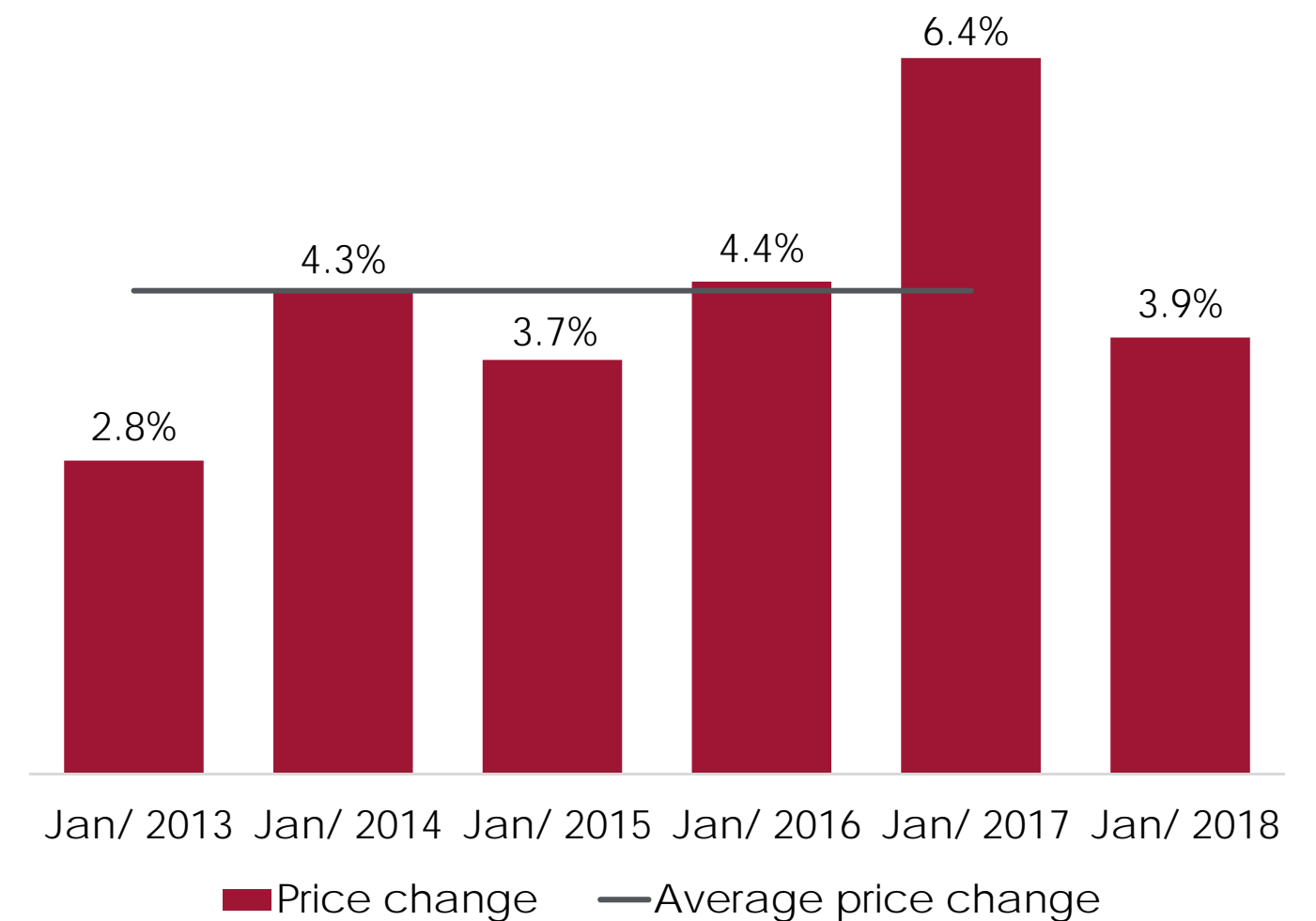
Stavanger: Stavanger, Sola, Randaberg and Sandnes

Bergen second-hand market update

Bergen, January* 2009-2018



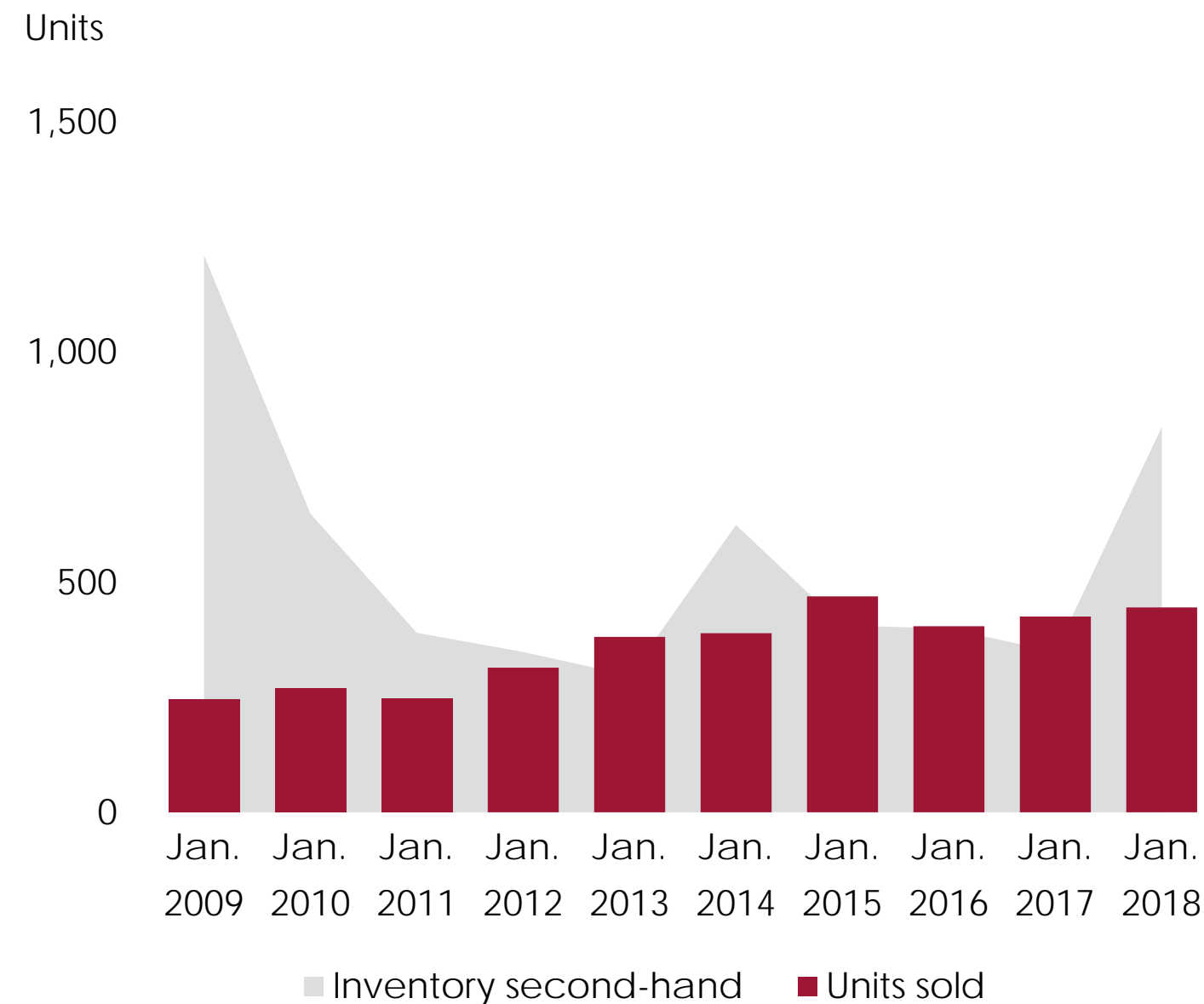
Price change Bergen, January 2013-2018



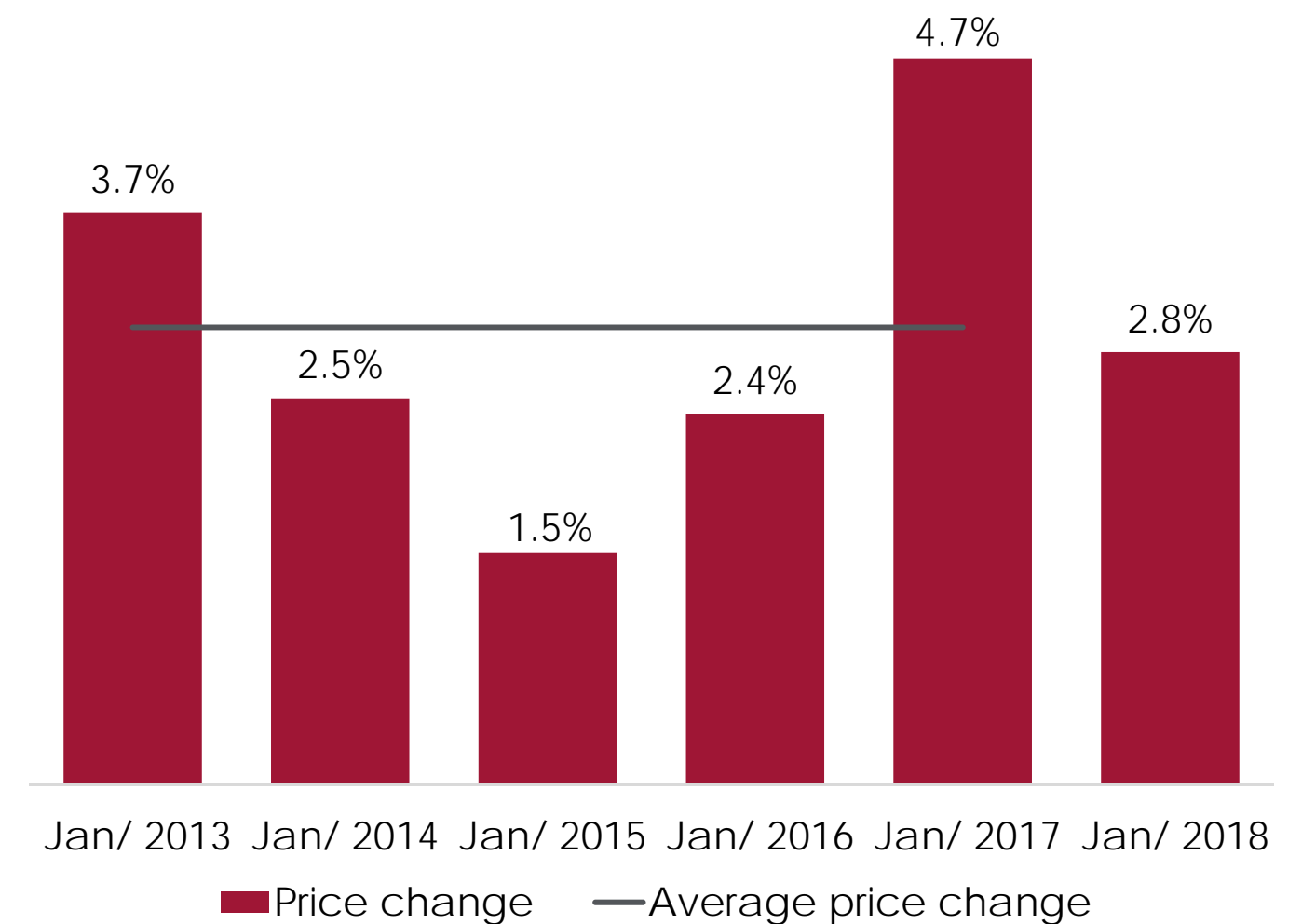
*Unsold units that have been withdrawn from the market are marked as inventory for 6 months before being removed
Sources: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

Trondheim second-hand market update

Trondheim, January* 2009-2018



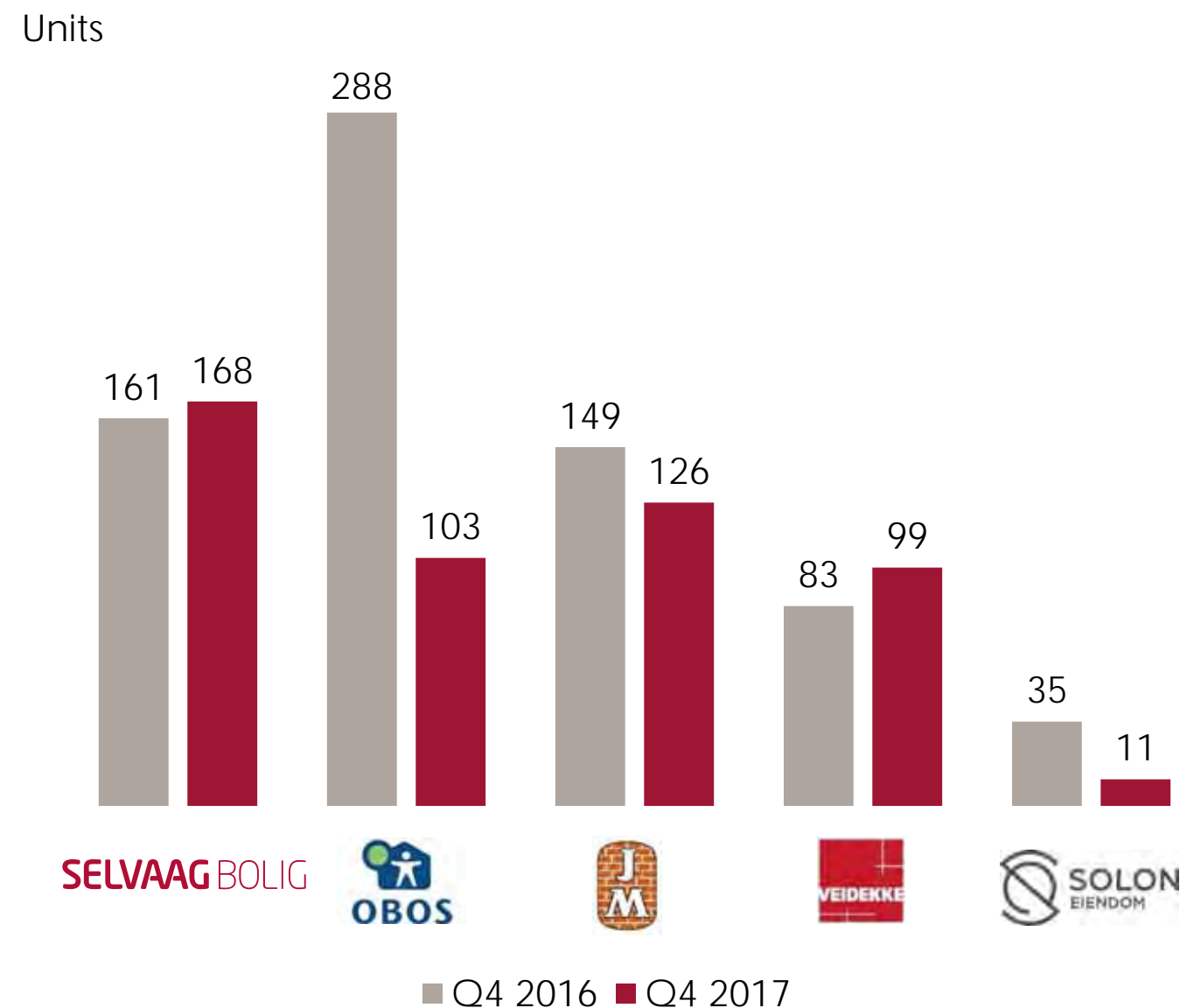
Price change Trondheim, January 2013-2018



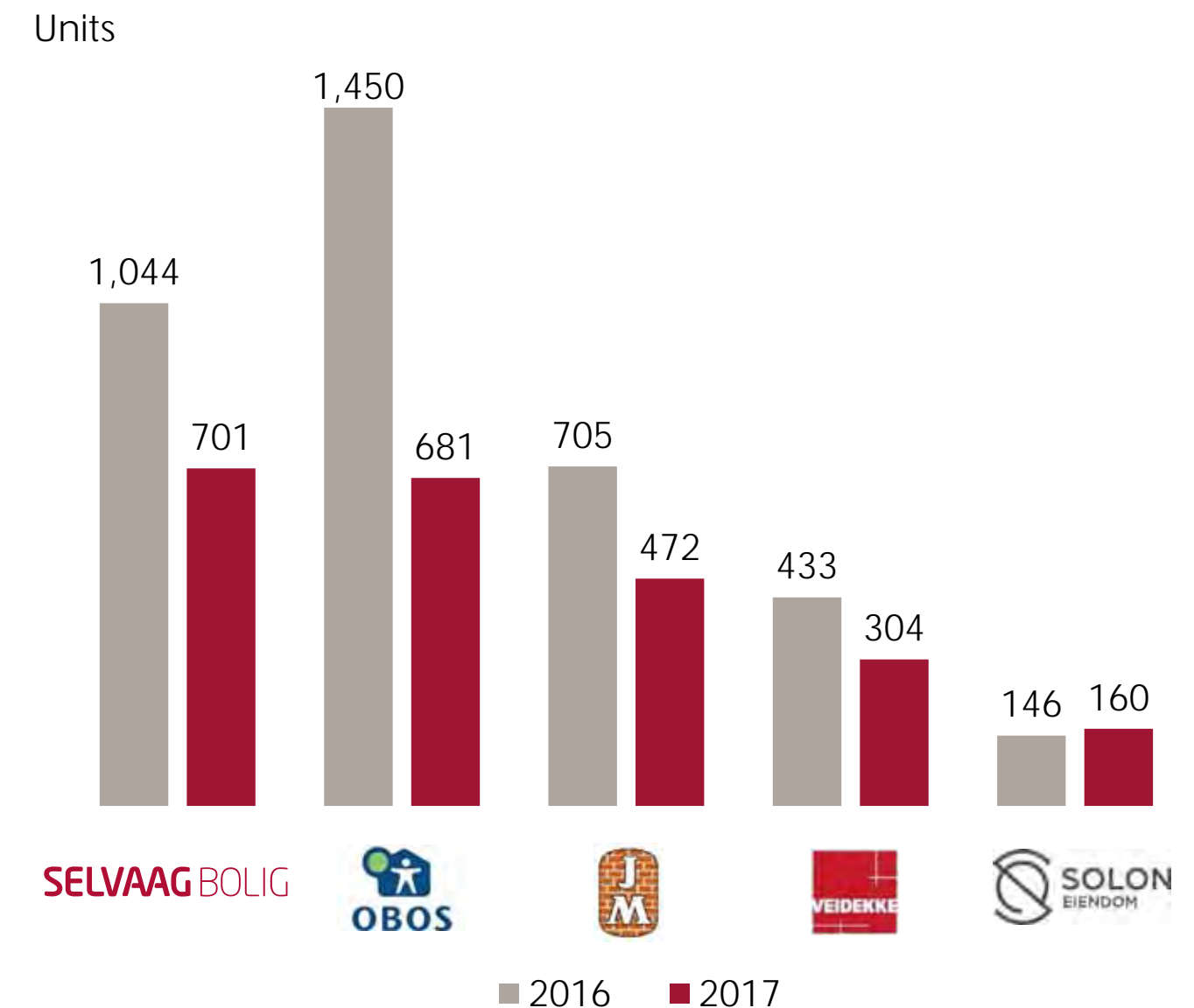
*Unsold units that have been withdrawn from the market are marked as inventory for 6 months before being removed
Sources: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

Strong Q4 2017 sales versus peers

Quarterly sales activity vs. peers



Annual sales activity vs. peers



Housing types Selvaag Bolig: flats, semi-detached and terraced homes
Source: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

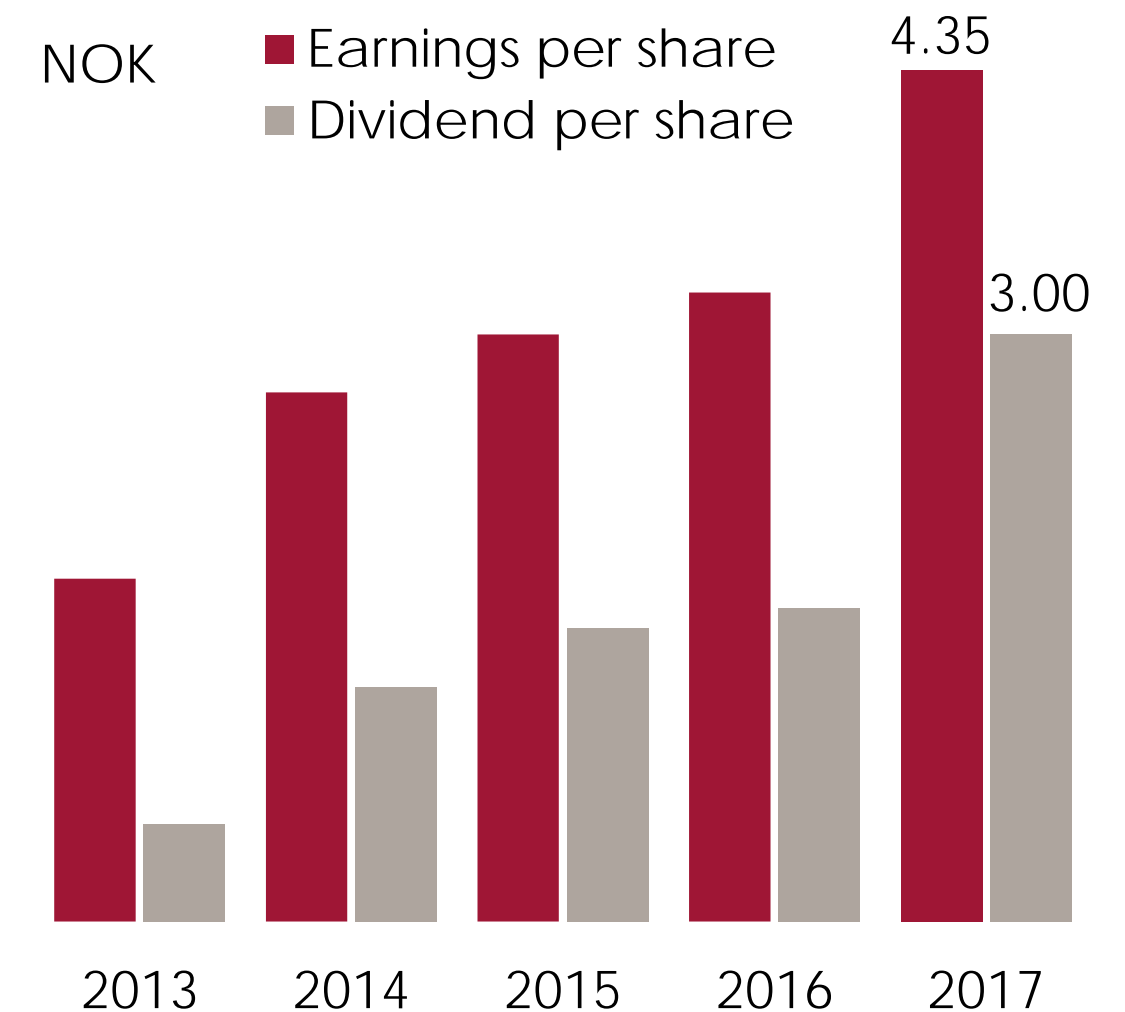
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Summary

- Best annual IFRS result in SBO's history
- Strong sales in a volatile market
- All time high dividend
 - NOK 1.80 per share for H2'17
 - NOK 3.00 per share for FY'17
- External land bank valuation of NOK 3.7bn vs. book value of NOK 1.9bn



Thank you for your attention – follow us online!

Next event:
1st quarter 2018
23 May 2018



@SelvaagAksjen

Appendix



Dividend policy

Previous dividend policy

Selvaag Bolig's aim is to manage the group's resources so that shareholders secure a return in the form of dividend and the rise in the share price. This return will be competitive with other investments.

The company's goal is to pay dividends twice a year totalling up to 50 per cent of its net profit

New 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 INFORMATION

Share performance since IPO in June 2012

NOK



Source: Oslo Børs

Largest shareholders at 31 December 2017

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
LANDSFORSAKRINGAR FASTIGHETSFOND	5 278 334	5.6%
MORGAN STANLEY & CO. INT. PLC. *)	2 747 423	2.9%
PARETO AS	2 065 624	2.2%
SELVAAG BOLIG ASA **)	2 004 071	2.1%
SEB PRIME SOLUTIONS SISSENER CANOP	2 000 000	2.1%
HOLBERG NORDEN	1 812 539	1.9%
HOLBERG NORGE	1 693 763	1.8%
VERDIPAPIRFONDET PARETO INVESTMENT	1 686 000	1.8%
FLPS - GL S-M SUB	1 202 000	1.3%
HOLTA INVEST AS	1 200 000	1.3%
JPMORGAN CHASE BANK, N.A., LONDON *)	1 010 166	1.1%
REGENTS OF THE UNIVERSITY OF MICHIGAN	959 183	1.0%
JPMORGAN CHASE BANK, N.A., LONDON *)	856 021	0.9%
STATE STREET BANK AND TRUST COMP *)	766 754	0.8%
STATE STREET BANK AND TRUST COMP *)	630 473	0.7%
STOREBRAND NORGE I VERDIPAPIRFOND	590 932	0.6%
BANAN II AS	555 190	0.6%
FIDELITY INT REAL ESTATE FUND	531 300	0.6%
Torstein Tvenge	500 000	0.5%
Total 20 largest shareholders	78 269 860	83.5%
Other shareholders	15 495 828	16.5%
Total number of shares	93 765 688	100.0%

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

** The shares were purchased for the company's share programmes for employees

Substantial land bank in Norway's four largest growing urban areas

Land-bank strategy

- Acquire the right mix of zoned and unzoned land in suitable locations
- Land acquisitions in defined core areas
- High degree of site utilisation 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 31 December 2017. 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 ~6 600 residential units, whereof the company has purchasing obligations for ~6 100 and purchasing options for ~500 units.

Land bank exposure

Geographical spread



Land bank in Oslo and Greater Oslo

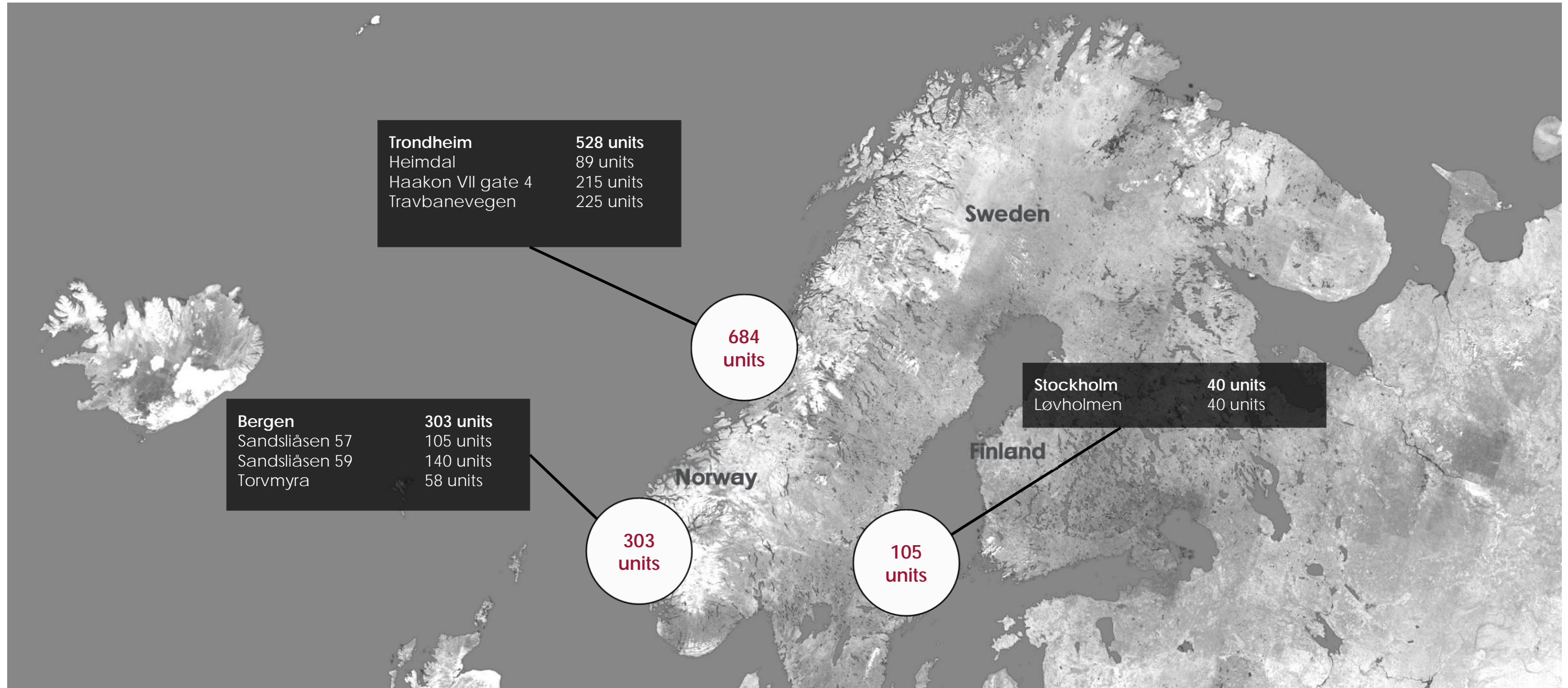


*The numbers are adjusted for Selvaag Bolig's share in joint ventures

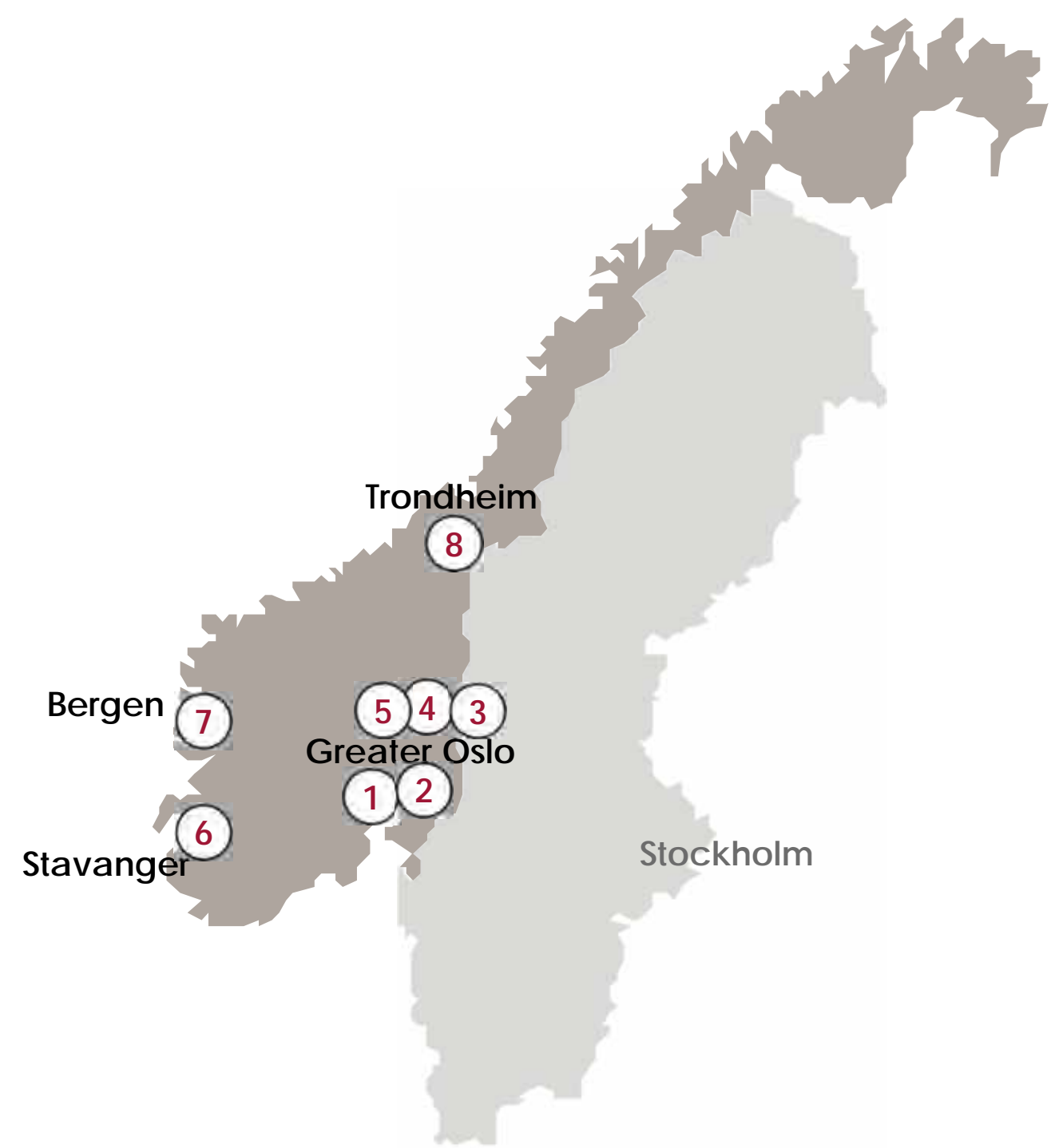
Land bank in Stavanger area



Land bank in Bergen, Trondheim and Stockholm




Key projects in selected regions



Selvaag Bolig to build ~ 2 000 units at Fornebu centre

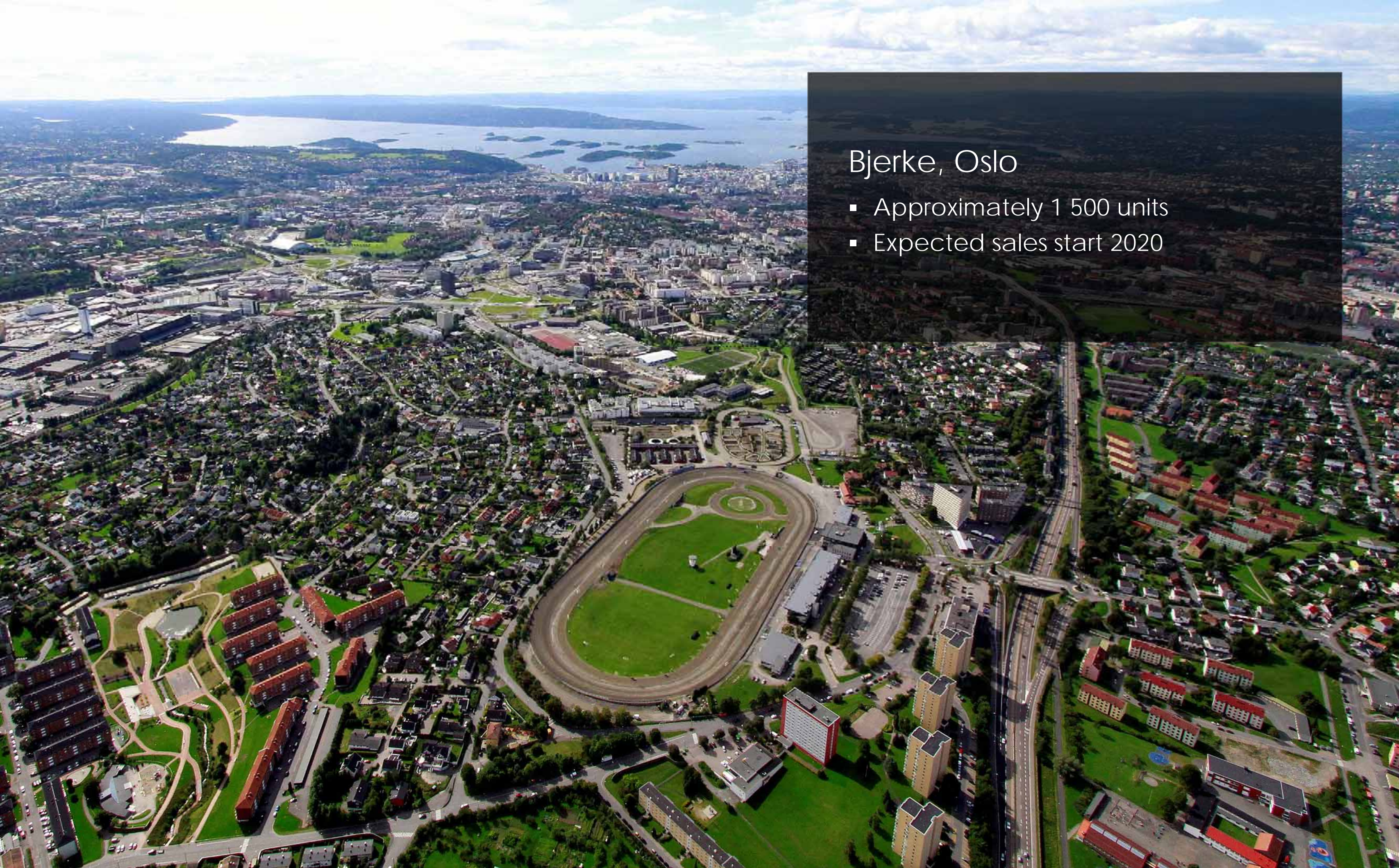
- Land acquired at Fornebu, Bærum
- 50/50 JV with Trond and Frederik Mohn
- SBO's largest land acquisition to date
- Approximately 2 000 units
- Expected sales value NOK 12 billion
- Expected sales start 2020





Fornebu aquarium and docks

- City development, which creates value for multiple stakeholders
- Includes the largest aquarium in Northern Europe



Bjerke, Oslo

- Approximately 1 500 units
- Expected sales start 2020

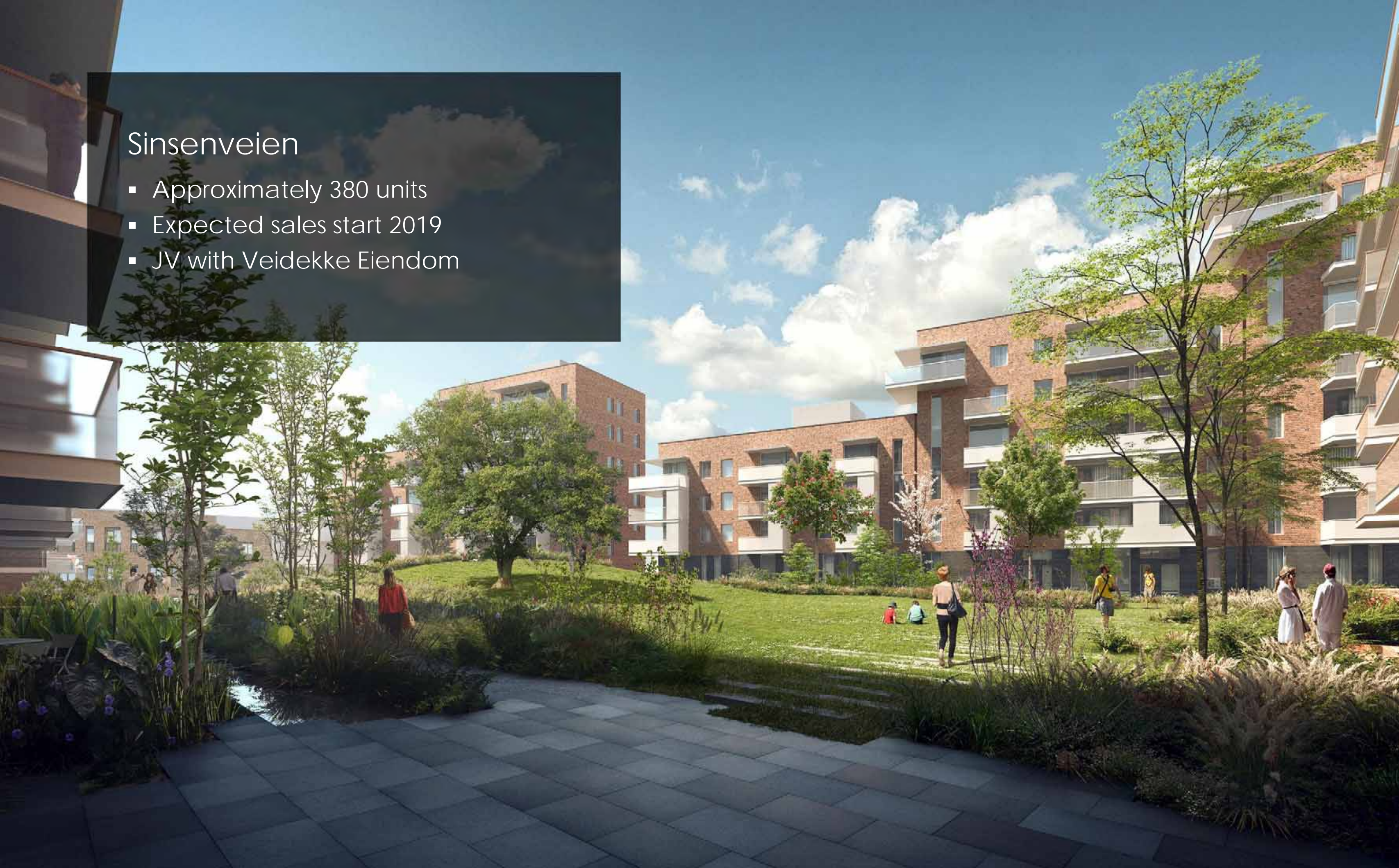


Landås, Asker

- Approximately 600 units
- Expected sales start 2018/19

Sinsenveien

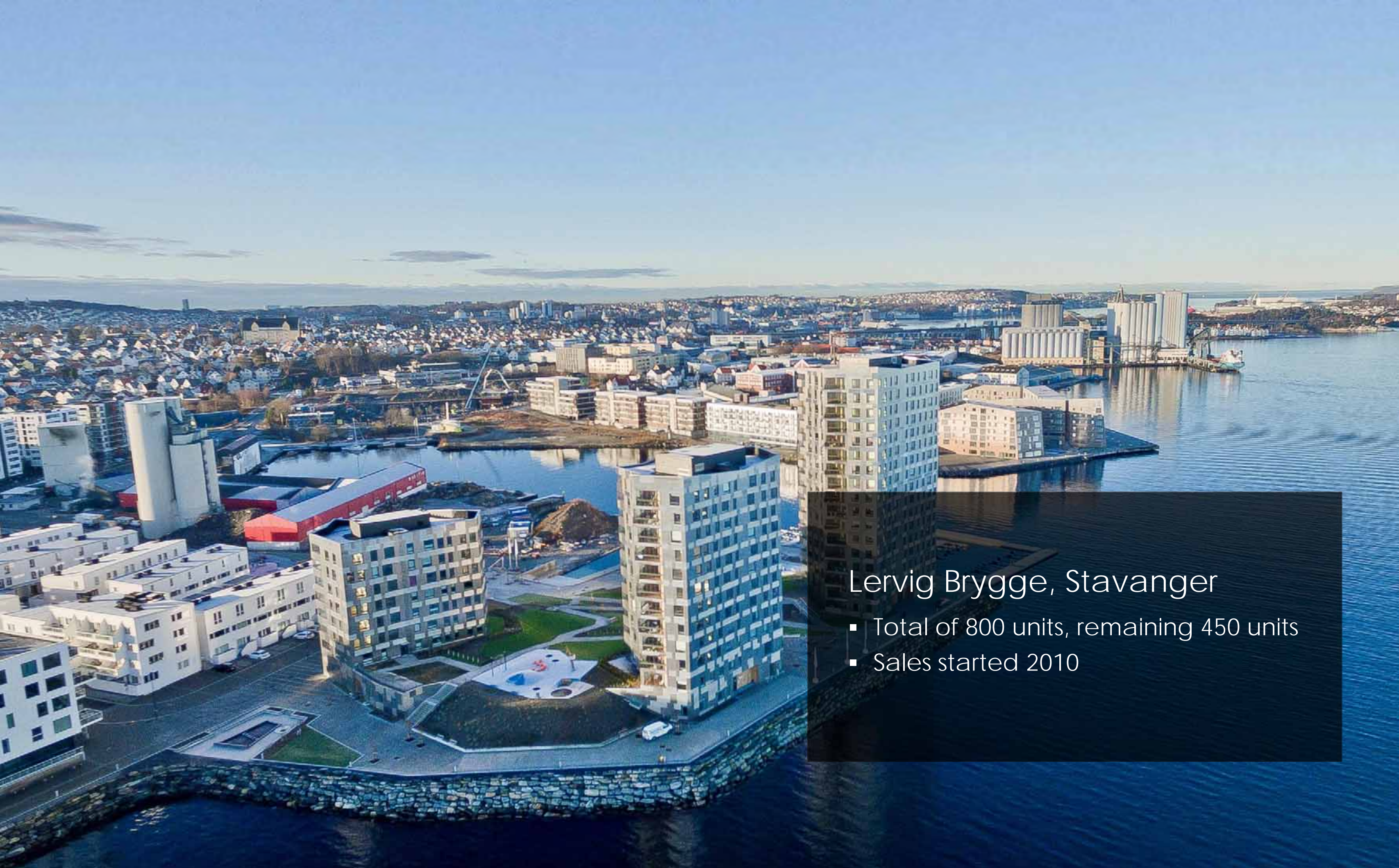
- Approximately 380 units
- Expected sales start 2019
- JV with Veidekke Eiendom





Lørenskog Stasjonsby

- Approximately 1 500 units, remaining 1 000 units
- Sales started 2013



Lervig Brygge, Stavanger

- Total of 800 units, remaining 450 units
- Sales started 2010



Sandsliåsen, Bergen

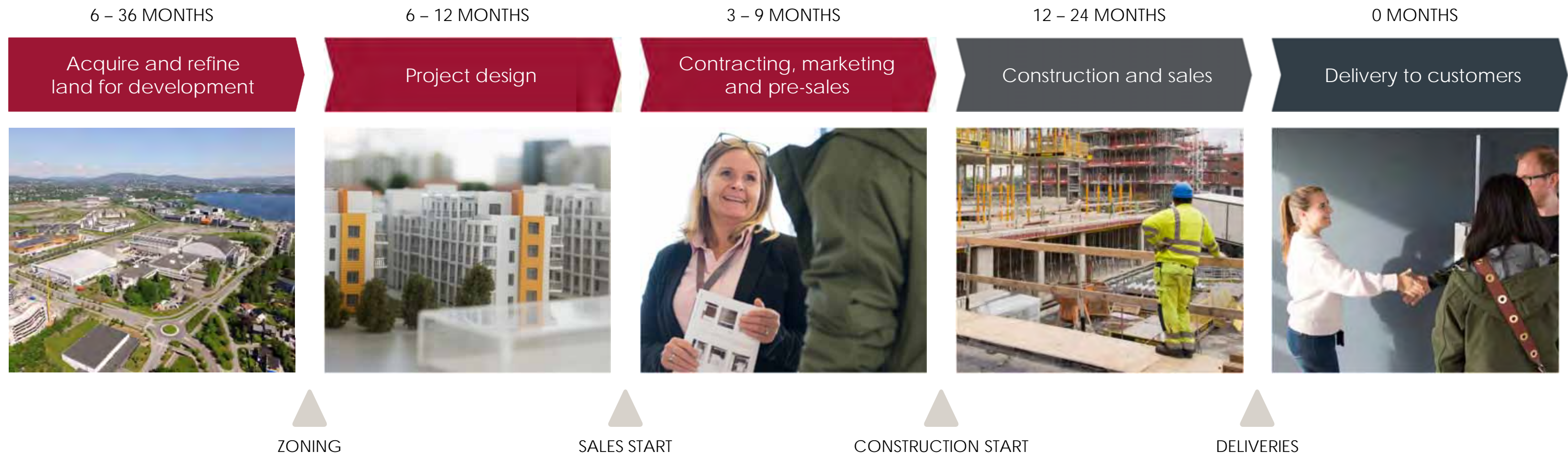
- Approximately 370 units
- Expected sales start H2 2018



Lade Allé, Trondheim

- 850-900 units, remaining approximately 600 units
- Sales started 2014

Efficient and flexible value chain



- Buy (i) options on unzoned land or (ii) ready-to-build land
- Lever acquired land to improve ROE

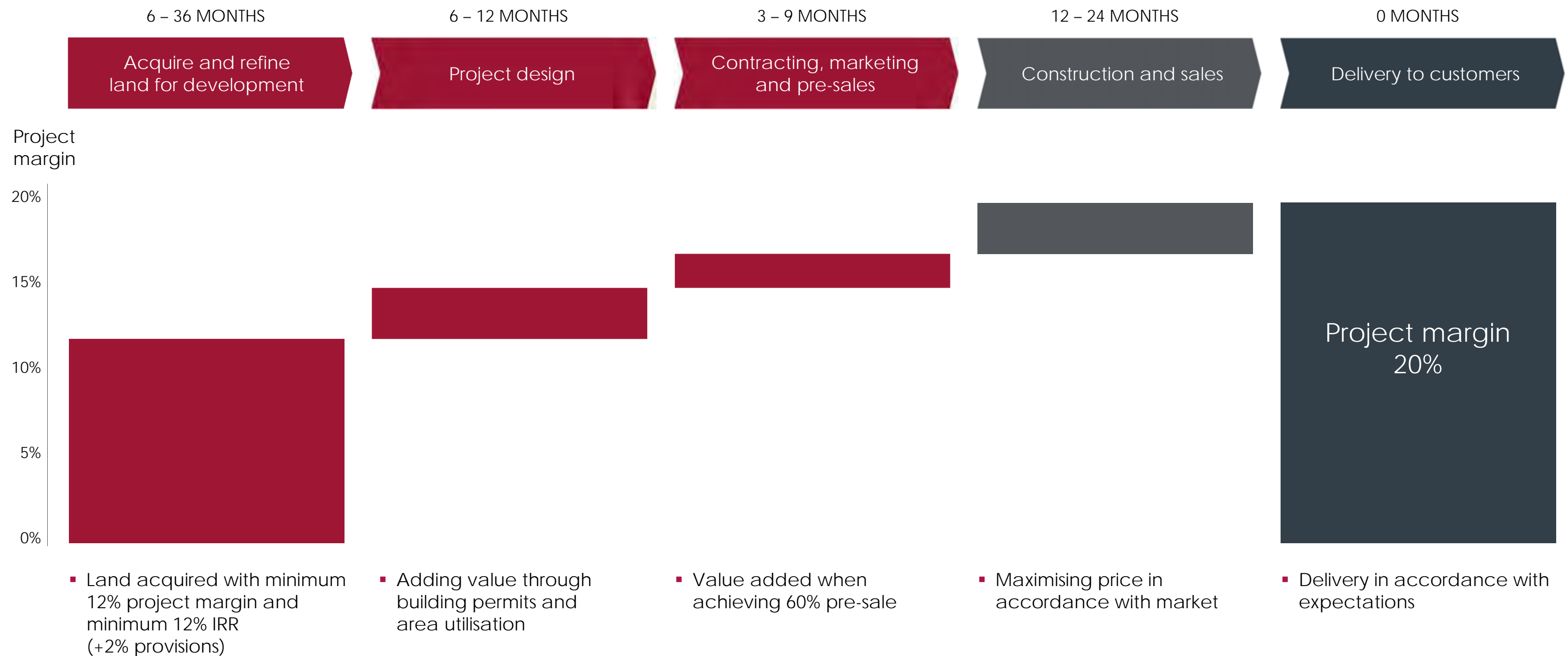
- Plan and prepare for construction

- 60% pre-sale before start-up

- Fixed-price contracts with reputable counterpart
- Prices on remaining 40% increased gradually during sell-out phase
- Construction costs financed with construction loans

- Target 100% sale at delivery

Margin development through project stages*



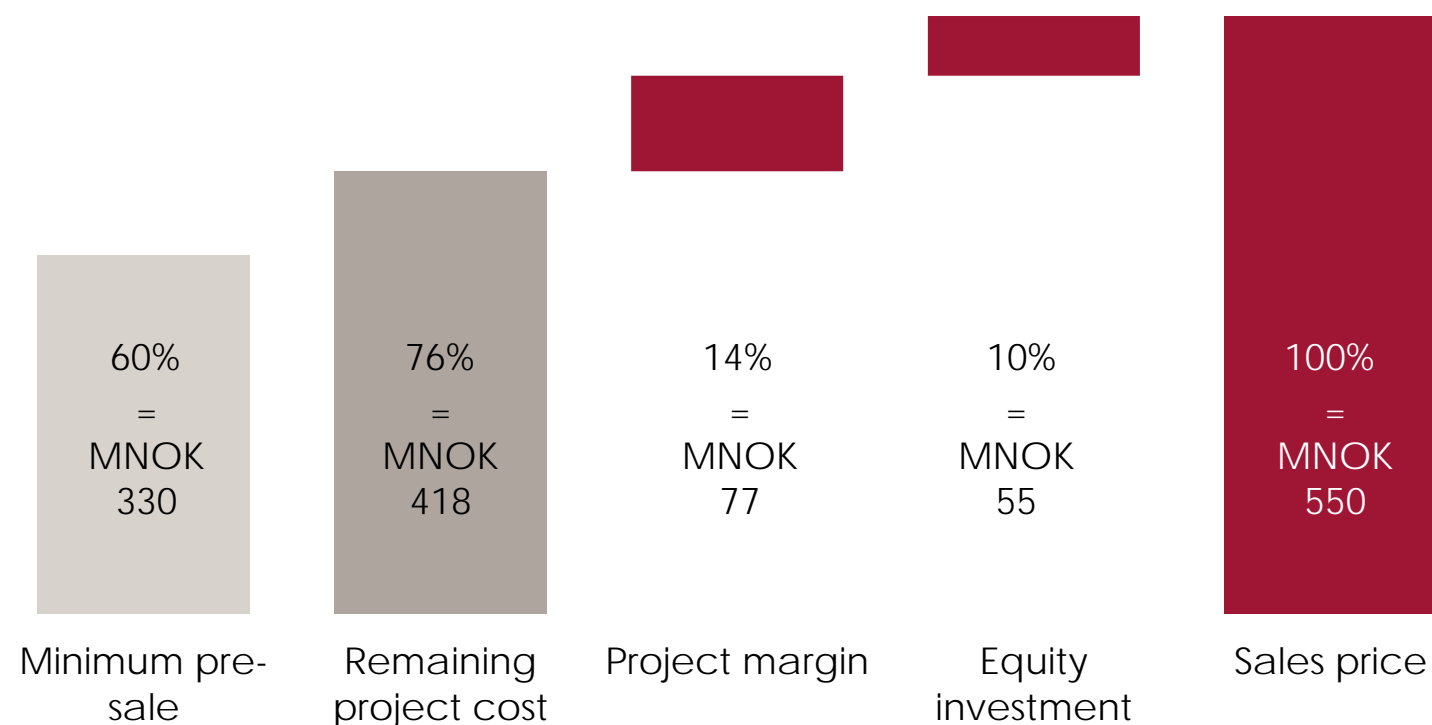
* Assuming flat market development

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
 - 24% 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 demand for new homes

Low-risk business model

Risk profile at start of a MNOK 550 project



- Selvaag's equity investment in a project and project margin bring the remaining project cost down to 74%-78%
- With minimum 60% pre-sale there is limited remaining project risk. For the the remaining 40% a price reduction of 35% would recover equity
- 73% of units in production are sold at end Q4'17

De-risking in key stages of projects

- 1 Land purchase conditional on zoning approval**
 - Purchase and payment of land takes place after zoning plan approval. If this is not obtained, the purchase is cancelled
 - SBO is in charge of the zoning process
- 2 Land purchase price based on market value at time of zoning approval**
 - Purchase price is decided by a land appraisal made by three external consultants at the time of zoning approval
 - The median valuation is used as purchase price
- 3 Minimum sales rate of 60% before construction**
 - Pre-sales of minimum 60% secures the majority of revenue before construction
 - 10% of purchase price paid by the buyer at point of sale, and proof of financing for the remaining amount is required
- 4 Fixed price construction contract**
 - Construction contracts with solid counterparties are made with fixed price
 - Project costs are secured before construction starts

Low-risk business model creates healthy profits

Strategy

**Competitive housing offering,
targeting growth regions**

**Large, actively-managed
land bank**

**Efficient and flexible
cost structure**

**Capital-efficient business model
backed by strong balance sheet**

Value drivers

- Presence in fast-growing urban regions with high demand and large market depth
- Competitive prices, addressing large customer base
- Defined housing concepts, aimed at wide range of consumers
- Value appreciation through refinement of land for housing development
- Flexibility to develop thousands of homes in growing urban regions
- Active asset management
- No in-house construction arm; improves flexibility and cost optimisation
- Project-based business model improves flexibility and reduces risk
- Economies of scale through large projects
- Lean organisation reduces overhead
- 60% pre-sale before construction start lowers project financing need and inventory risk
- Sound debt structure and financial flexibility

Income statement IFRS

(figures in NOK million)	Q4 2017	Q4 2016	2017	2016
Total operating revenues	1 258.8	885.5	3 228.8	3 000.3
Project expenses	(982.9)	(677.0)	(2 432.8)	(2 379.7)
Other operating expenses	(65.1)	(69.1)	(234.7)	(231.2)
Other gains (loss)	-	0.1	-	31.7
Associated companies and joint ventures	3.7	(5.3)	(13.6)	(7.1)
EBITDA	214.5	134.2	547.7	414.0
Depreciation and amortisation	(1.0)	(1.8)	(4.1)	(20.1)
EBIT	213.5	132.4	543.7	393.9
Net financial expenses	(2.6)	(4.9)	(39.9)	(29.3)
Profit/(loss) before taxes	210.9	127.5	503.8	364.6
Income taxes	(48.7)	(11.7)	(102.7)	(63.7)
Net income	162.2	115.8	401.1	300.9
Net income for the period attributable to:				
Non-controlling interests	(0.0)	0.1	0.1	(0.3)
Shareholders in Selvaag Bolig ASA	162.2	115.7	401.0	301.2

Cash flow statement

(figures in NOK million)

	Q4 2017	Q4 2016	2017	2016
Net cash flow from operating activities	506.3	77.0	303.2	440.3
Net cash flow from investment activities	29.6	(11.1)	(114.1)	(14.8)
Net cash flow from financing activities	(289.5)	77.0	(589.8)	(211.5)
Net change in cash and cash equivalents	246.4	142.9	(400.6)	213.9
Cash and cash equivalents at start of period	239.1	743.3	886.2	672.3
Cash and cash equivalents at end of period	485.6	886.2	485.6	886.2

Balance sheet

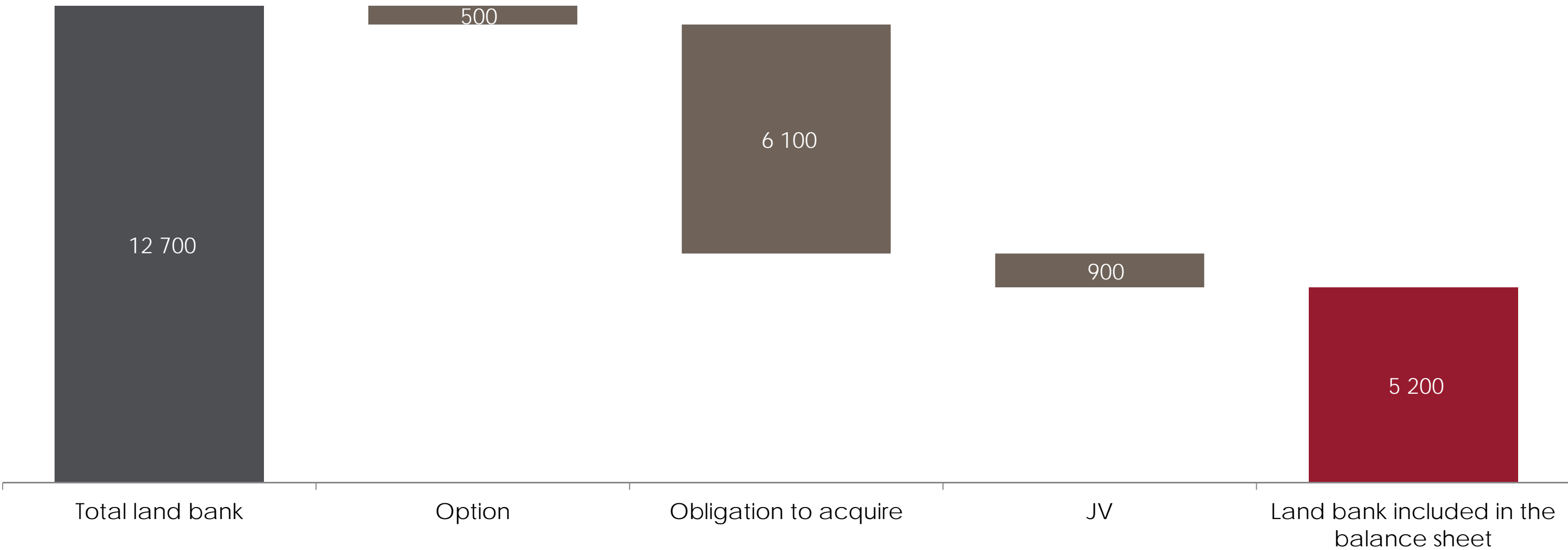
(figures in NOK million)	Q4 2017	Q3 2017	2016
Intangible assets	383.4	383.4	383.4
Property, plant and equipment	11.4	8.5	10.9
Investments in associated companies and joint ventures	316.2	307.6	289.8
Other non-current assets	337.0	372.1	261.1
Total non-current assets	1 048.1	1 071.5	945.1
Inventories (property)	4 643.9	4 778.8	4 284.0
- Land	1 938.1	1 682.4	1 434.7
- Work in progress	2 501.7	2 866.5	2 653.5
- Finished goods	204.2	229.9	302.3
Other current receivables	174.5	247.9	293.3
Cash and cash equivalents	485.6	239.1	886.2
Total current assets	5 304.0	5 265.8	5 463.5
TOTAL ASSETS	6 352.0	6 337.4	6 408.7
Equity attributed to shareholders in Selvaag Bolig ASA	2 848.7	2 679.2	2 689.9
Non-controlling interests	9.4	9.4	9.3
Total equity	2 858.1	2 688.7	2 699.2
Non-current interest-bearing liabilities	1 836.8	1 923.0	2 038.7
Other non-current non interest-bearing liabilities	153.5	167.5	167.1
Total non-current liabilities	1 990.3	2 090.4	2 205.8
Current interest-bearing liabilities	380.6	573.7	534.7
Other current non interest-bearing liabilities	1 122.9	984.6	969.1
Total current liabilities	1 503.5	1 558.3	1 503.7
TOTAL EQUITY AND LIABILITIES	6 352.0	6 337.4	6 408.7

* Corresponding to a book value of NOK 30.4 per share

Substantial portfolio for development

Total land bank portfolio at 31 December 2017

Units



Operational highlights – key operating figures

	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
Number of units sold	161	190	165	178	168
Number of construction starts	196	186	318	77	217
Number of units completed	255	63	210	81	336
Number of units delivered	254	85	222	75	355
Number of units under construction	1 356	1 479	1 586	1 582	1 463
Proportion of sold units under construction	85 %	86 %	78 %	78 %	73 %
Number of completed unsold units	43	32	24	30	23
Sales value of units under construction (NOK million)	5 709	6 340	7 074	7 047	6 994
Number of employees	100	100	100	100	100

IFRS EBITDA Q4 2017

(figures in NOK million)	Property development	Other	Total
IFRS EBITDA for the quarter, per segment			
Operating revenues	1 245.1	13.7	1 258.8
Project expenses	(981.3)	(1.6)	(982.9)
Other operating expenses	(14.1)	(51.0)	(65.1)
Share of income (losses) from associated companies and joint ventures	3.7	-	3.7
Other gain (loss), net	-	-	-
EBITDA	253.5	(39.0)	214.5

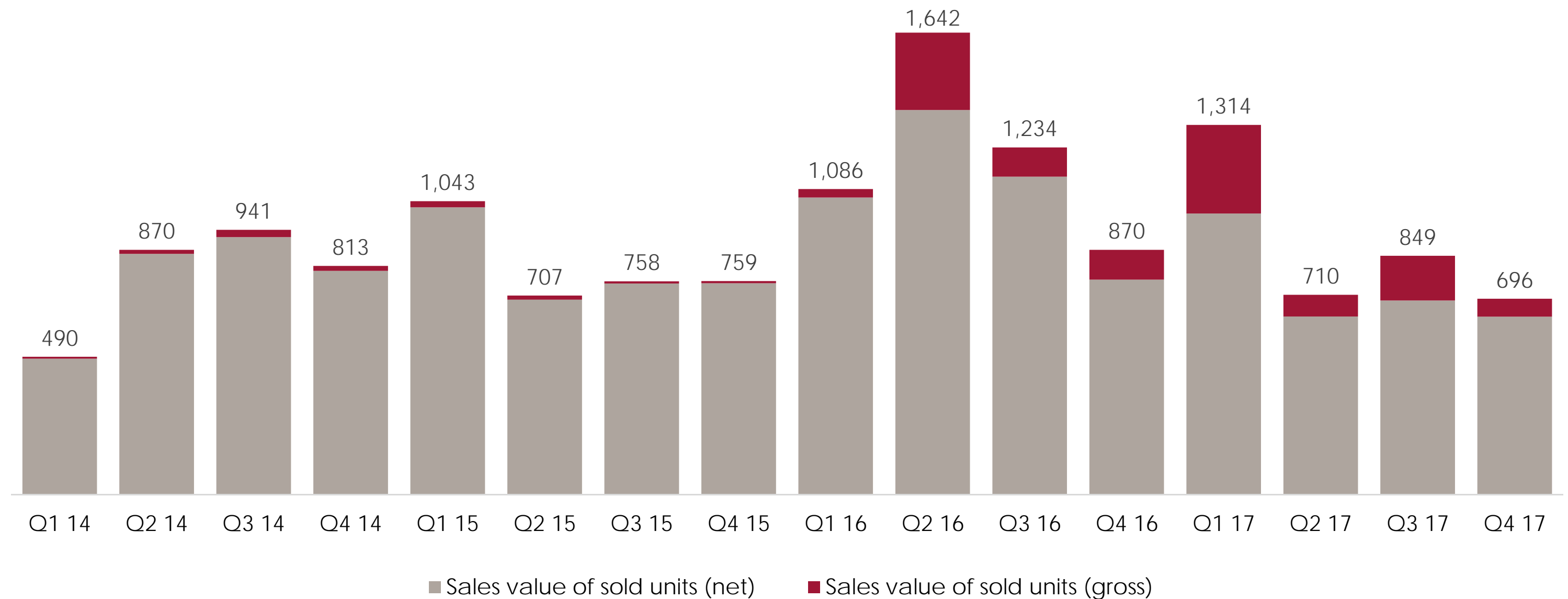
Operational reporting Q4 2017

<u>(figures in NOK million)</u>	Property development	Other	Total
Operating revenues	675.1	13.7	688.8
Project expenses	(518.3)	(1.6)	(519.9)
Other operating expenses	(14.1)	(51.0)	(65.1)
EBITDA (percentage of completion)	142.8	(39.0)	103.8

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

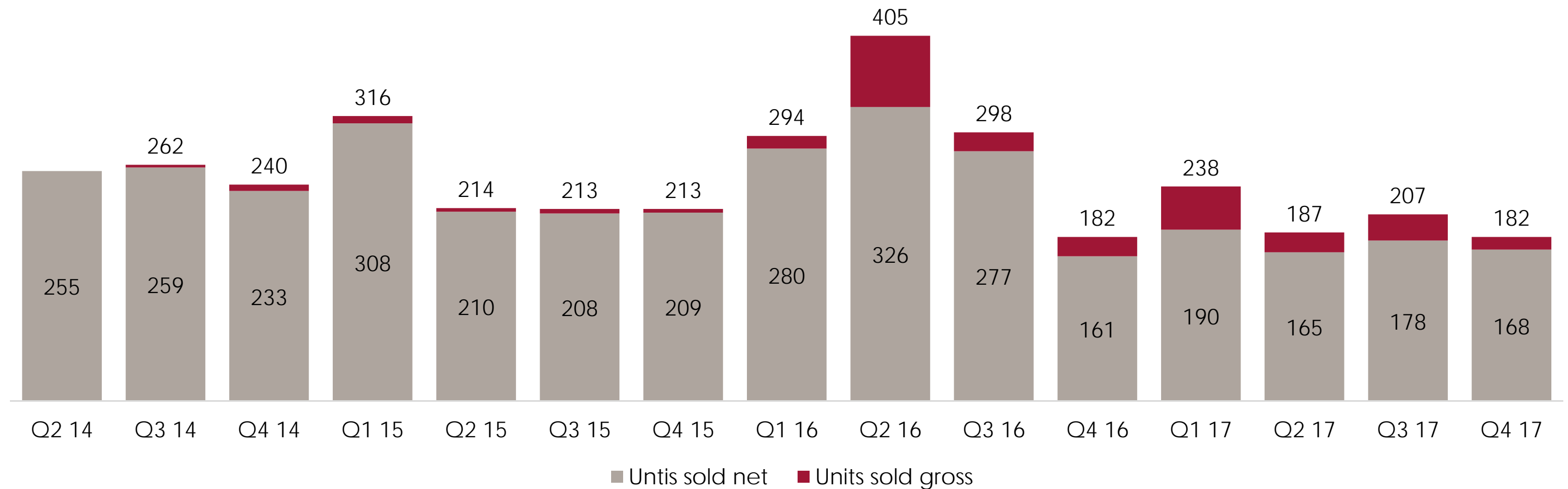
Share of sale from joint ventures

Sales value of units sold



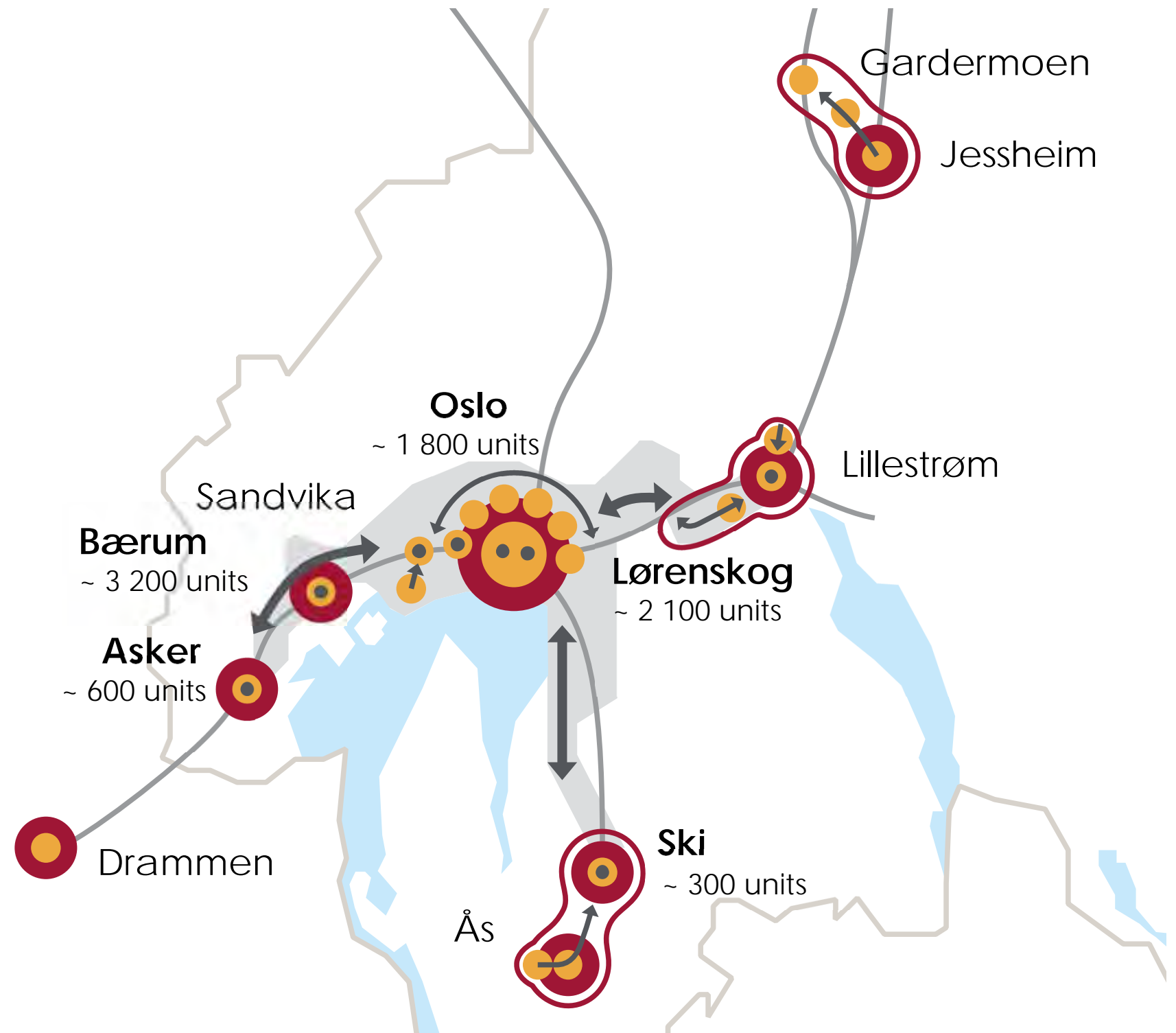
Share of sale from joint ventures

Number of units sold



Growth areas in Greater Oslo

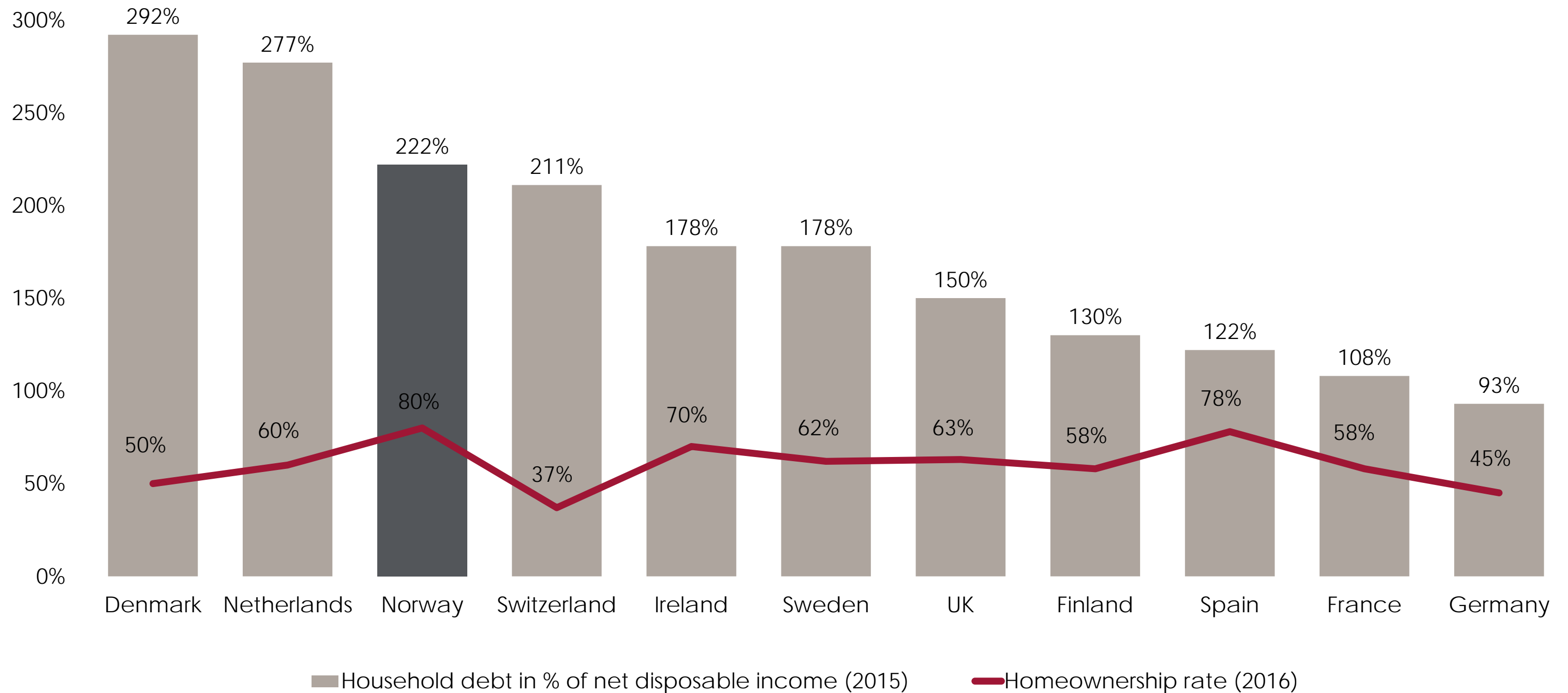
- Oslo and regional cities
- Regional areas for labour-intensive activities
- Priority areas for commercial and urban development
- Regional public transport hubs
- Public transport connecting regional cities and office locations



Note: The figures are not adjusted for Selvaag Bolig's interest in joint ventures

Sources: Plansamarbeidet Oslo-Akershus, Selvaag Bolig

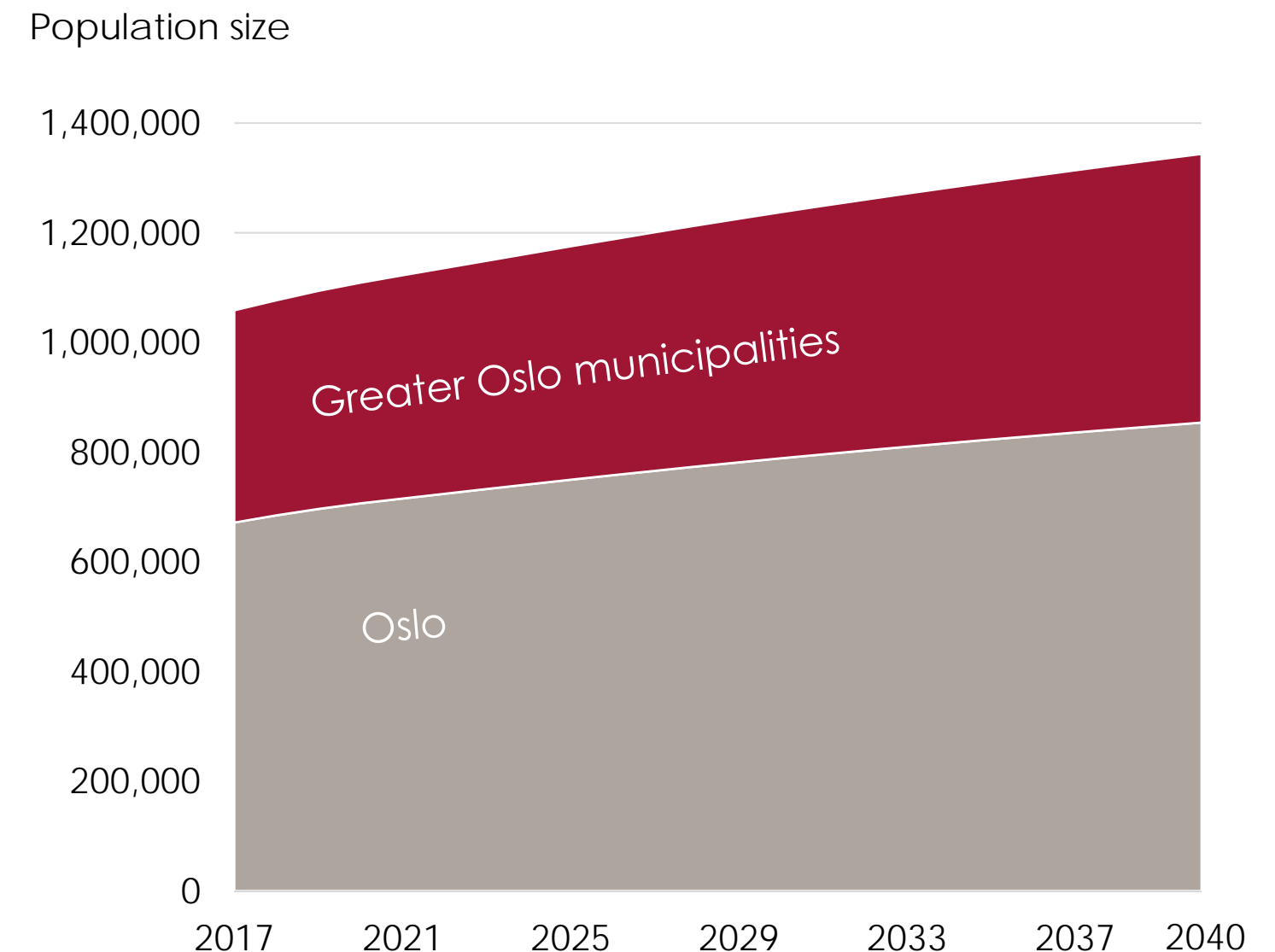
Total household debt and homeownership



Urbanisation in Greater Oslo towards 2040

> 80 000 next five years

- Rapid population growth in Oslo followed by stable development
 - 30% population growth expected from 2017 to 2040
- Stable population growth to municipalities surrounding Oslo
 - 28% population growth expected from 2017 to 2040

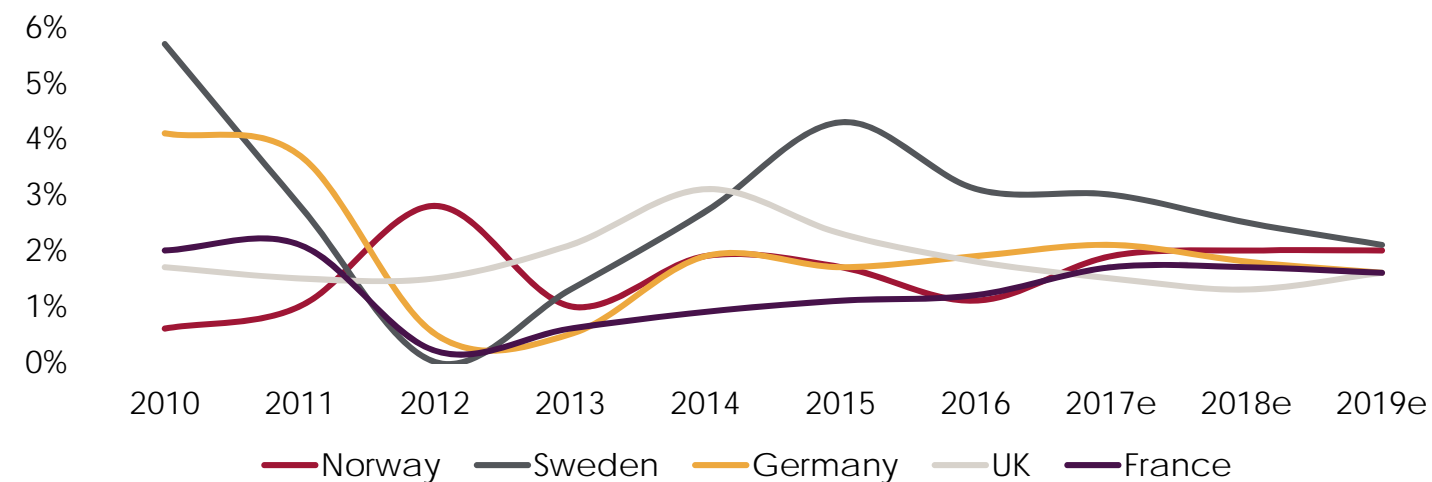


Greater Oslo municipalities include: Ski, Ås, Oppegård, Bærum, Asker, Lørenskog, Skedsmo, Ullensaker

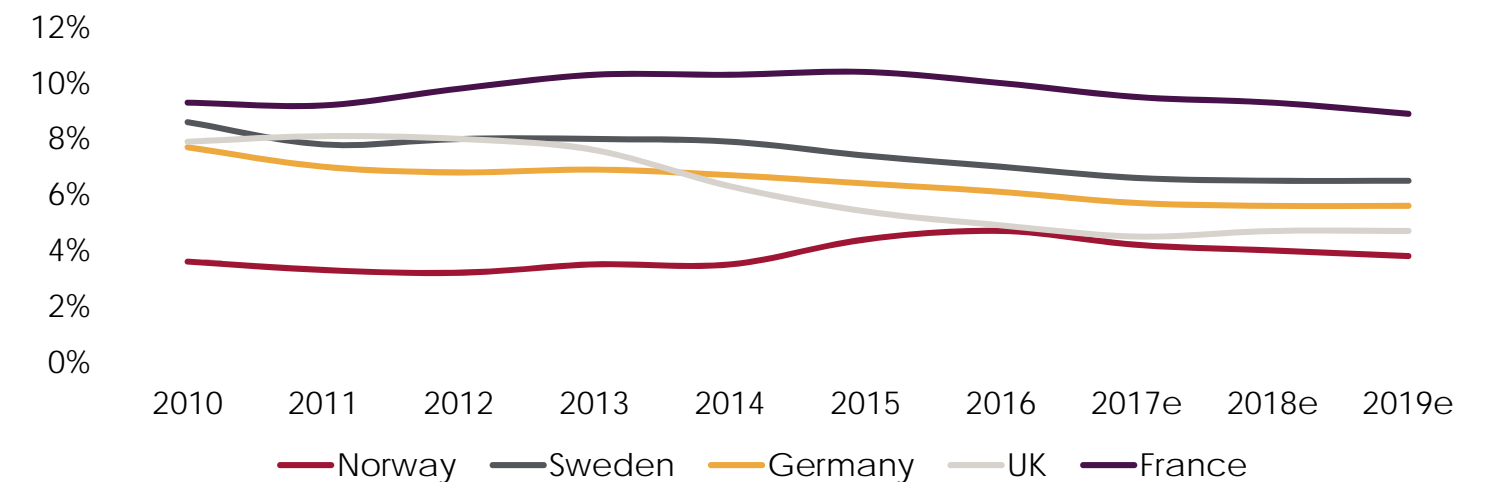
Source: Statistics Norway

Norway – robust economic conditions

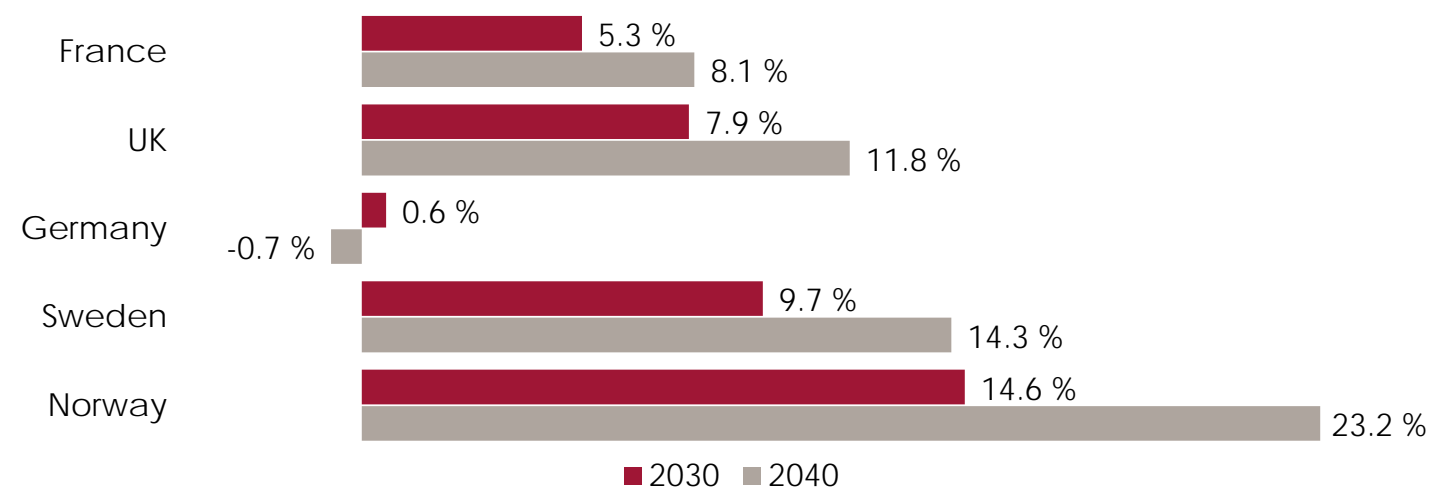
GDP growth 2010 - 2019e



Unemployment 2010 - 2019e



Population growth 2015 - 2030e and 2040e



Interest rates 2010 - 2018e

