

**SELVAAG** BOLIG

Q4 2020

Oslo, 17 February 2021  
Sverre Molvik, CEO

# Agenda

## Highlights

Operational and financial update

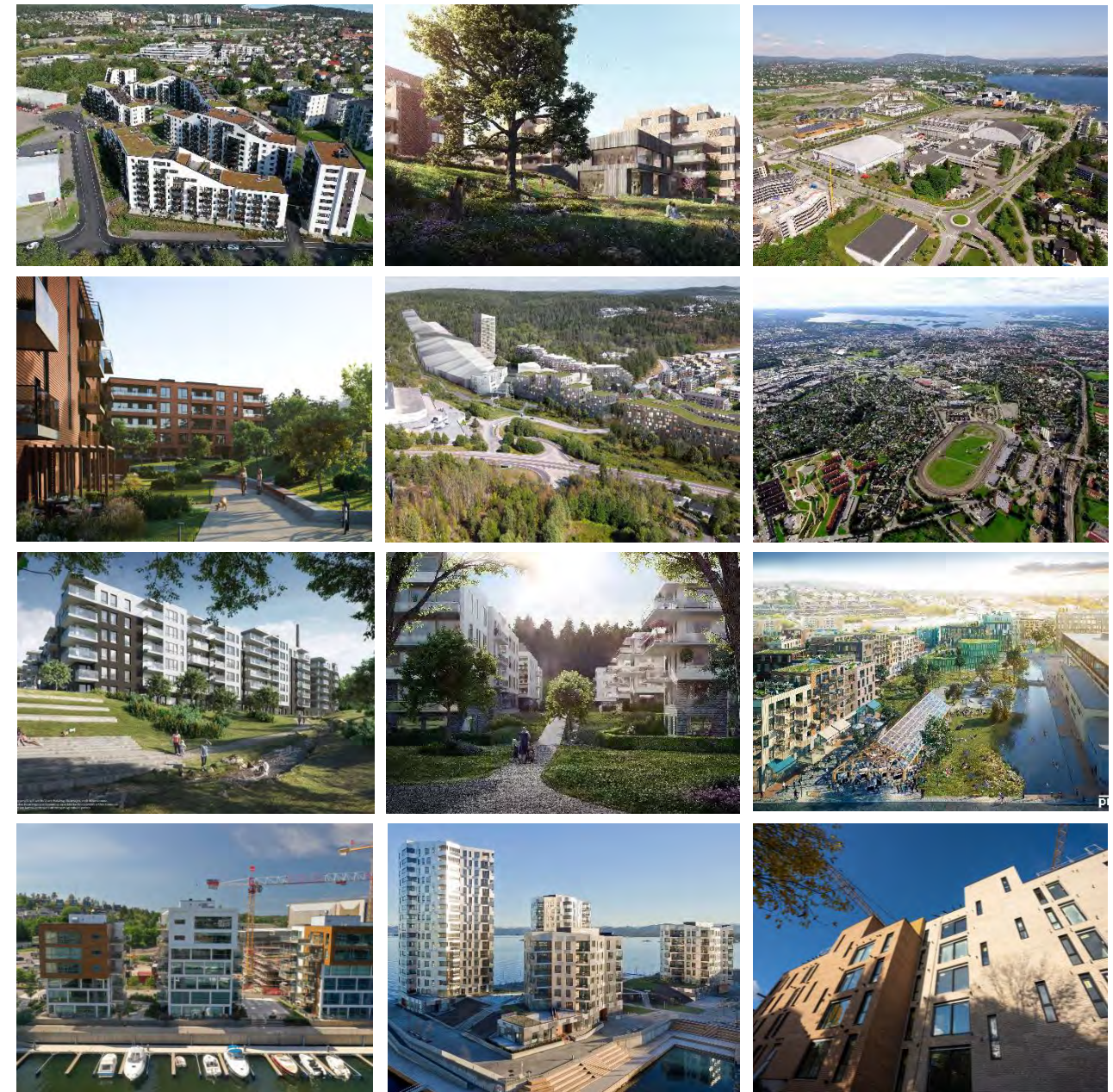
Market

Outlook and summary



# Highlights Q4 and FY 2020

- Record high Q4 and H2 sales value
- Solid Q4 earnings with good margins
- Record high FY results driven by UP transaction and good underlying operational performance
- Proposed H2 20 dividend of NOK 3.00 per share, NOK 6.00 per share for the full year
- UP transaction improving capital efficiency, paid out extra dividend of NOK 22 per share
- External valuation of remaining land bank of NOK 1.5bn vs. book value of NOK 900m



Completed, ongoing and upcoming projects

# Key financials Q4 and FY 2020

Q4 2020

1 347

Operating revenues  
NOK million

26.6

Adjusted EBITDA\* margin  
Per cent

949

Operating revenues (NGAAP)  
NOK million

17.8

EBITDA\*\* margin (NGAAP)  
Per cent

Full year 2020

2 698

Operating revenues  
NOK million

25.2

Adjusted EBITDA\* margin  
Per cent

3 216

Operating revenues (NGAAP)  
NOK million

19.7

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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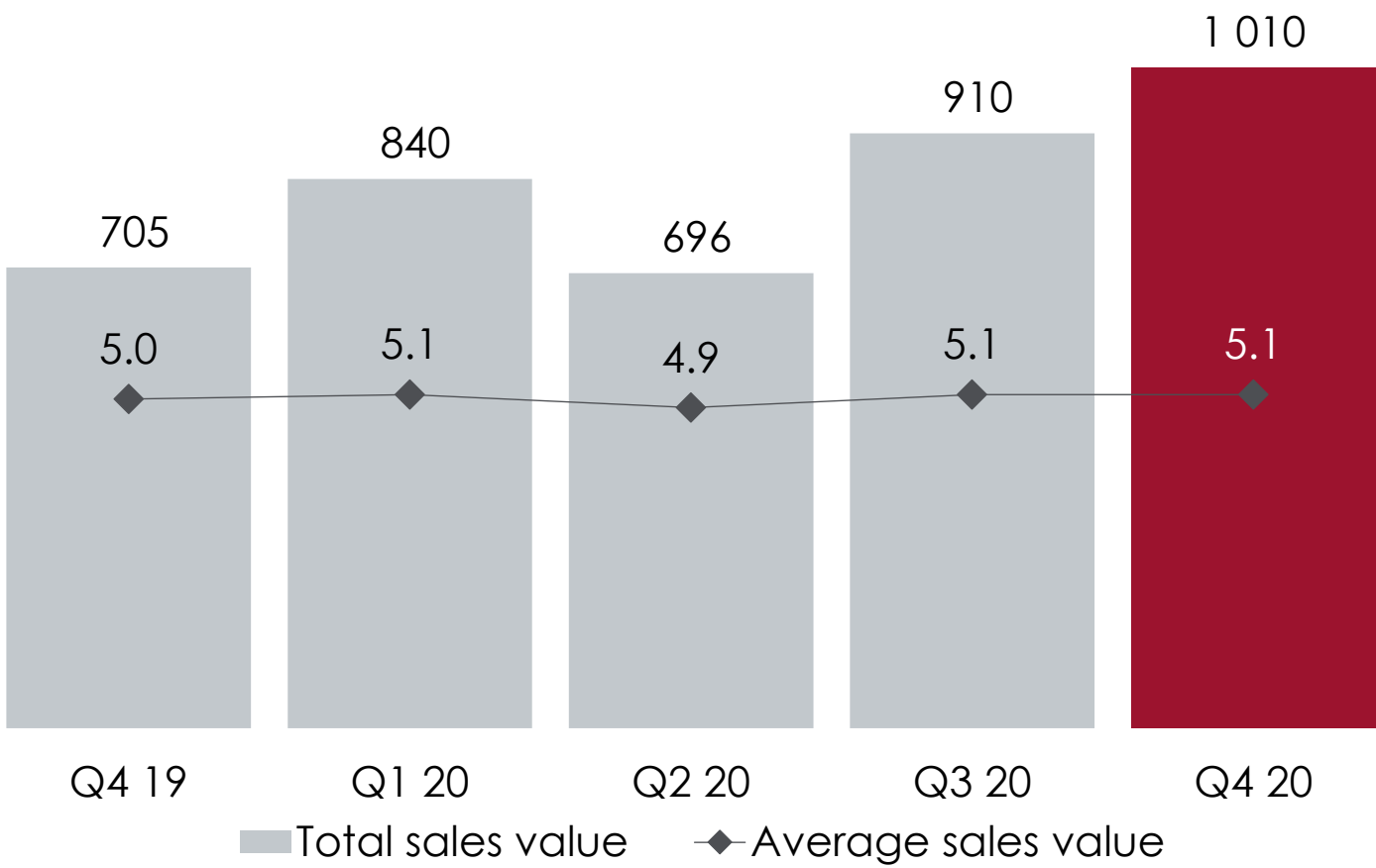




# Sales value and units sold

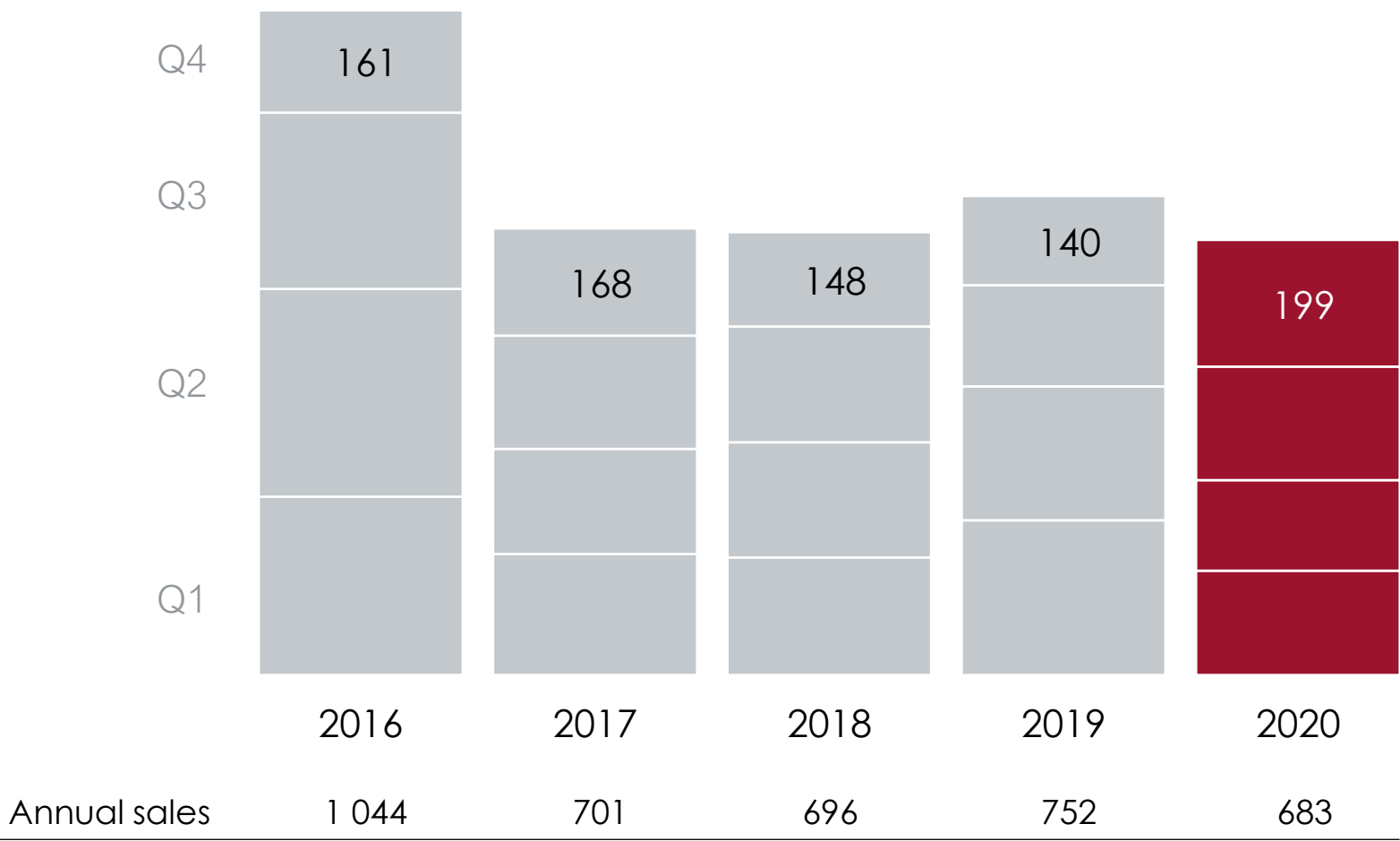
## Sales value

NOK million



## Number of units sold per quarter

Units



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

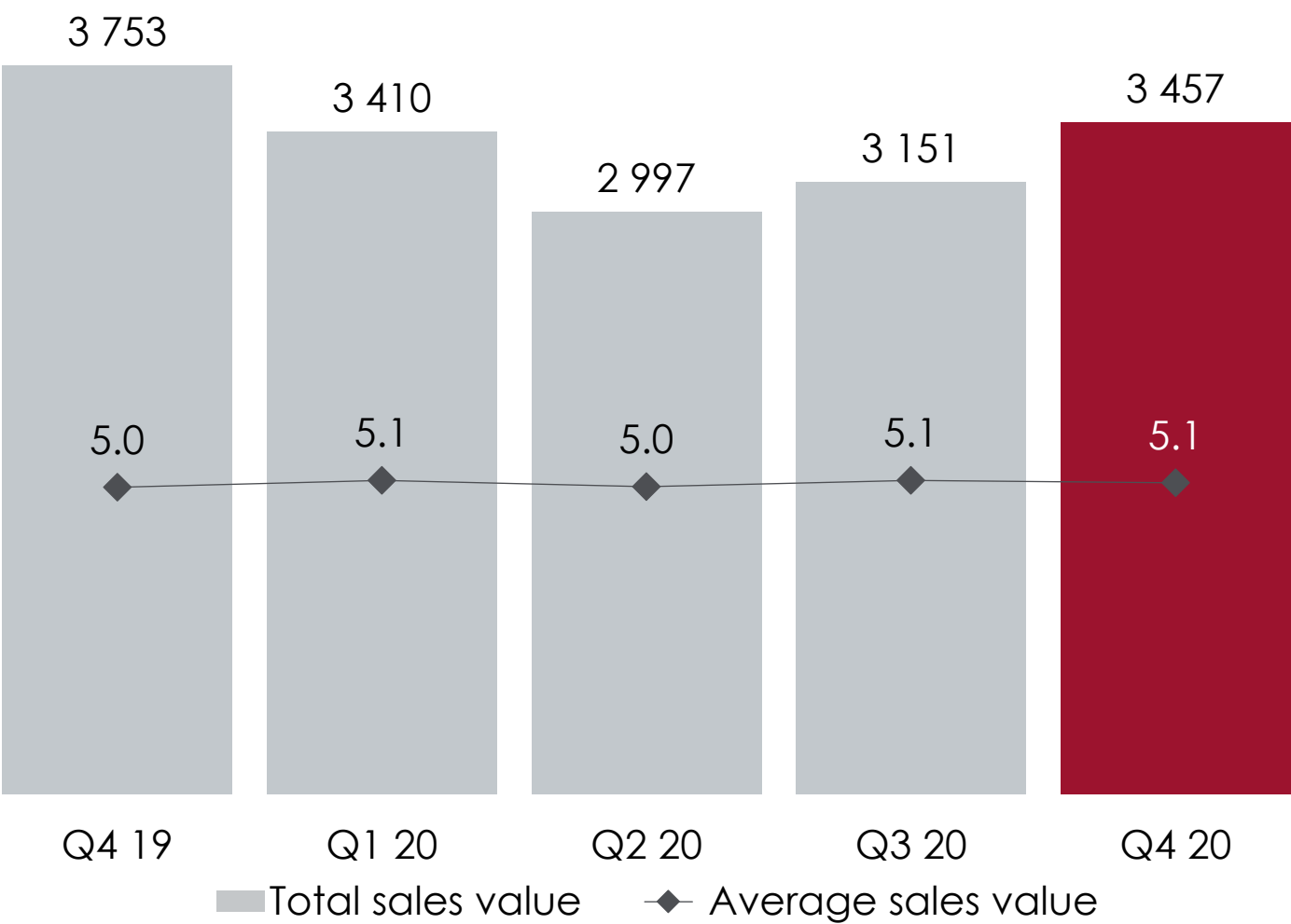
Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

**SELVAAG** BOLIG

# Rolling sales value and units sold

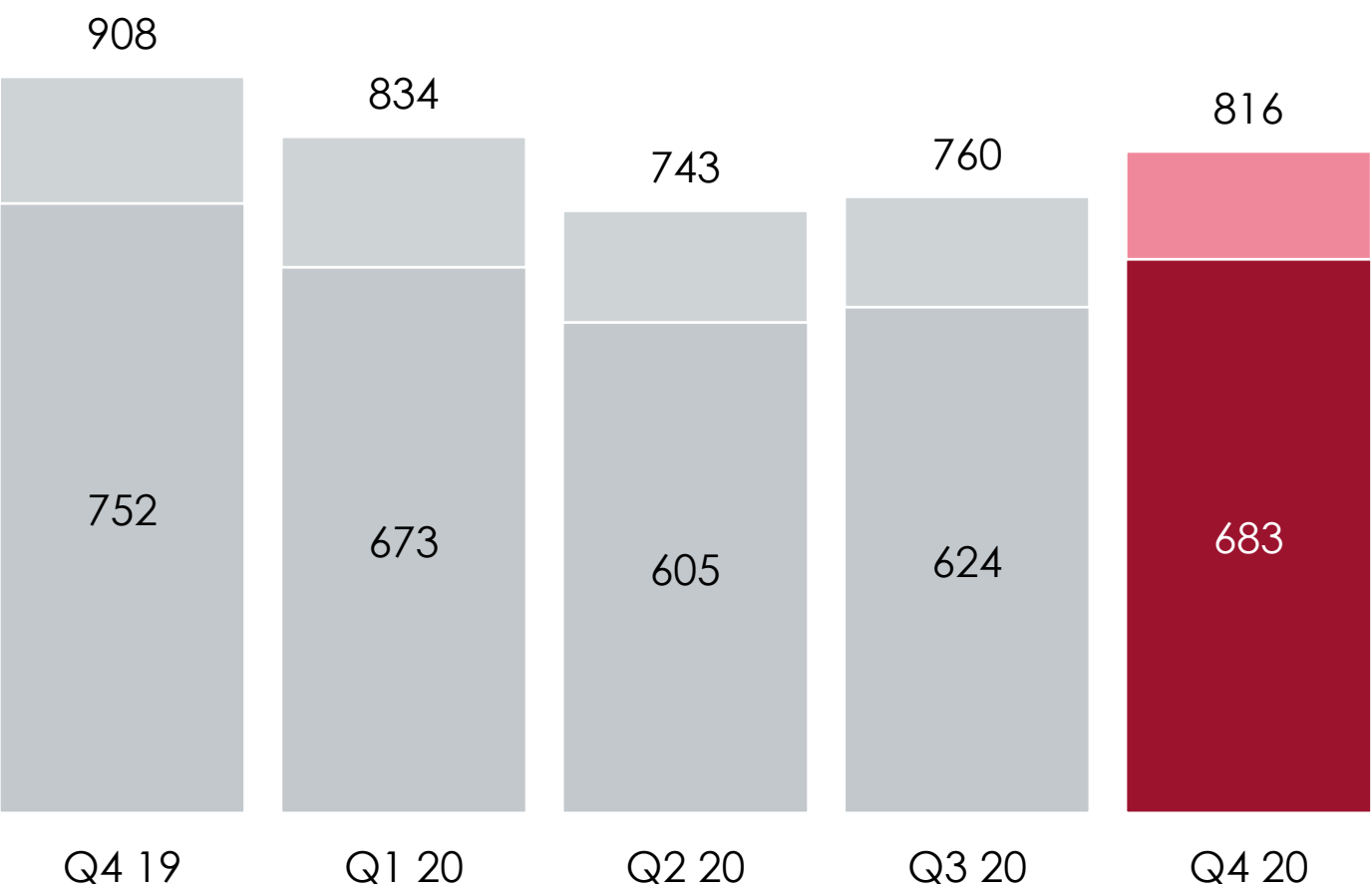
Sales value 12 months rolling

NOK million



Units sold 12 months rolling

Units



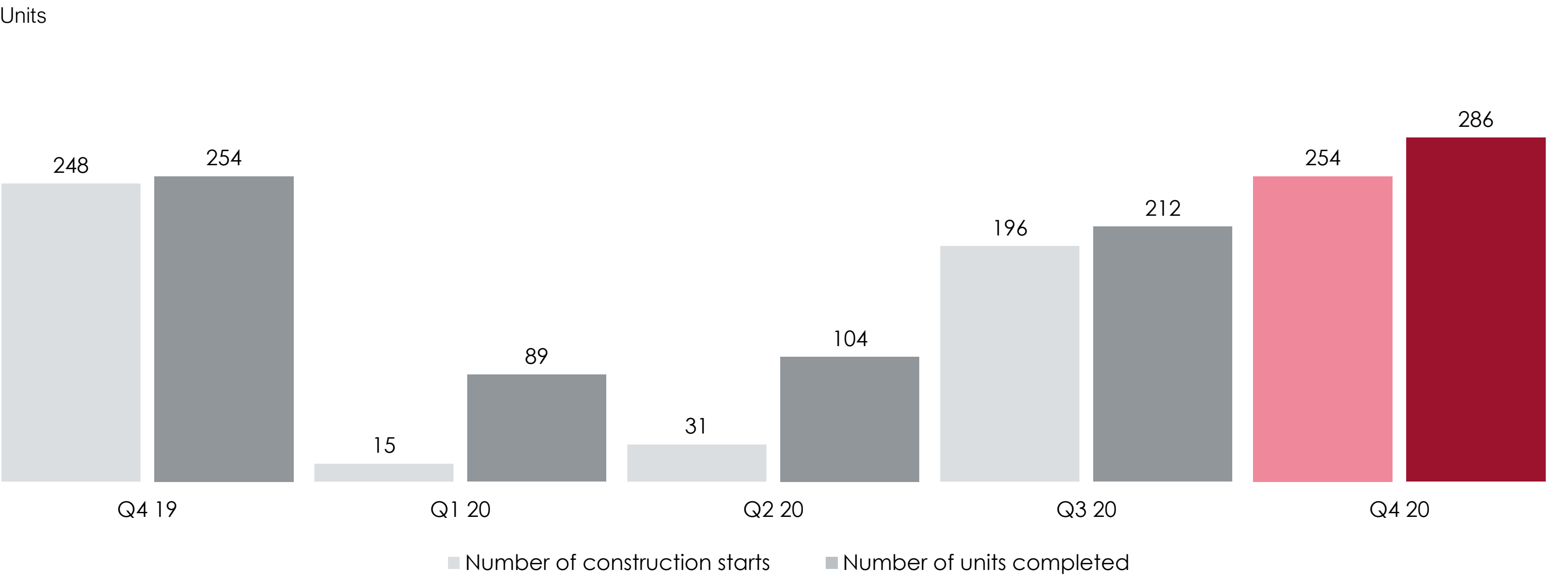
\*Total columns show Selvaag Bolig's gross sales  
\*\*Columns excluding dotted areas show Selvaag Bolig's net sales

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.

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

# Construction starts and completions

## Construction starts and completions per quarter



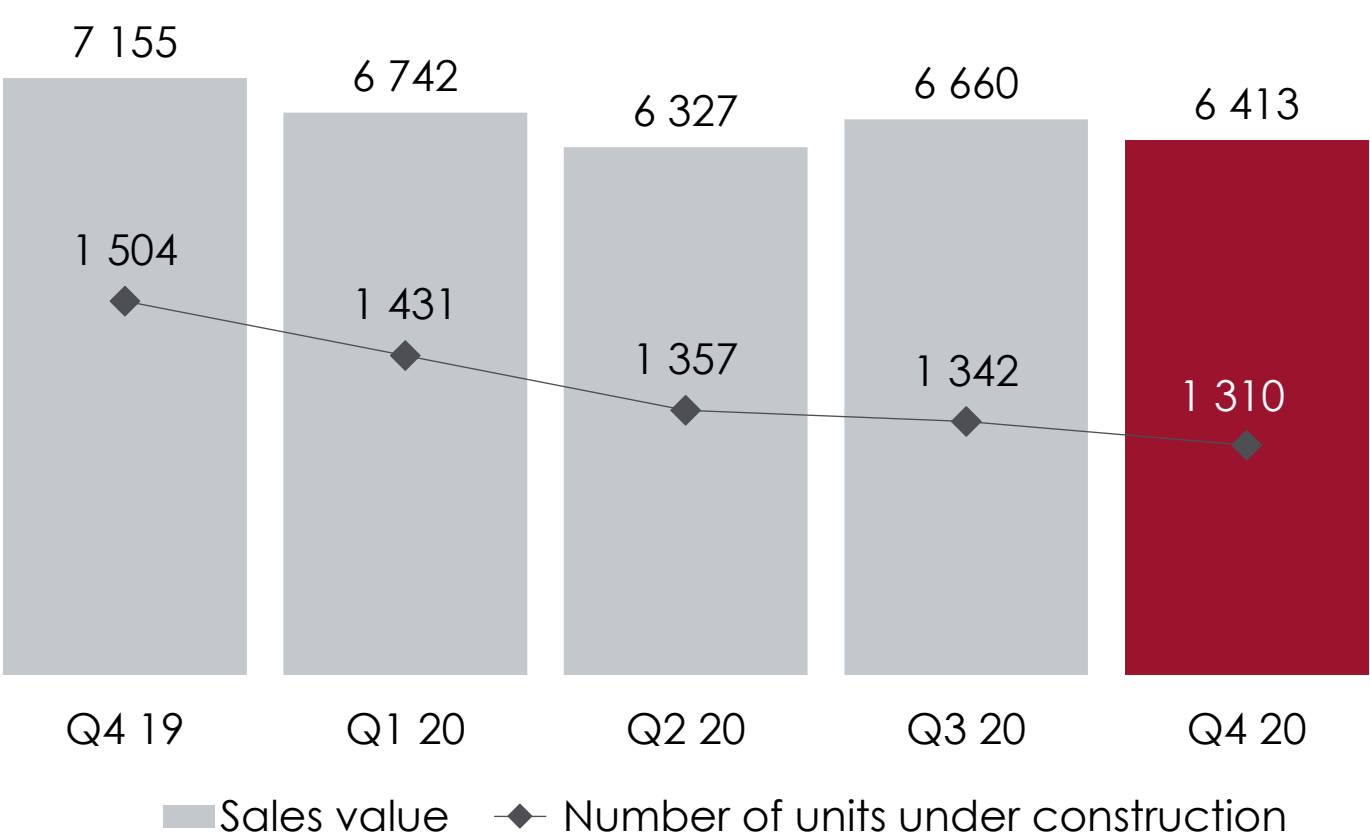
Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures



# Units under construction and completions

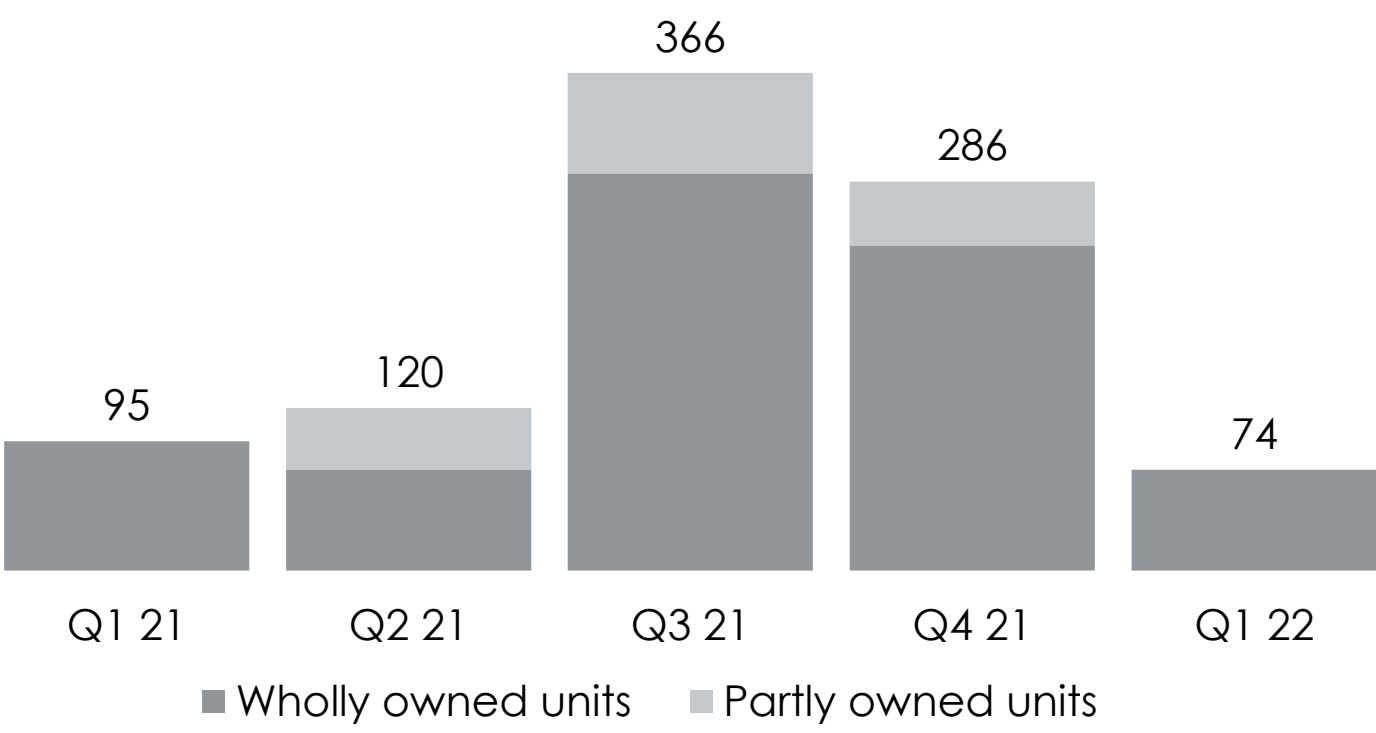
## Sales value units under construction

NOK million



## Expected completions per quarter

Units



- Q4 2020: 74% of units under construction sold by Q4 2020
- Q4 2020: 92% of construction volume in Greater Oslo Area\*

- Expected completions for the full year 2021: 867 units
- 86% of 2021 completions sold by Q4 2020

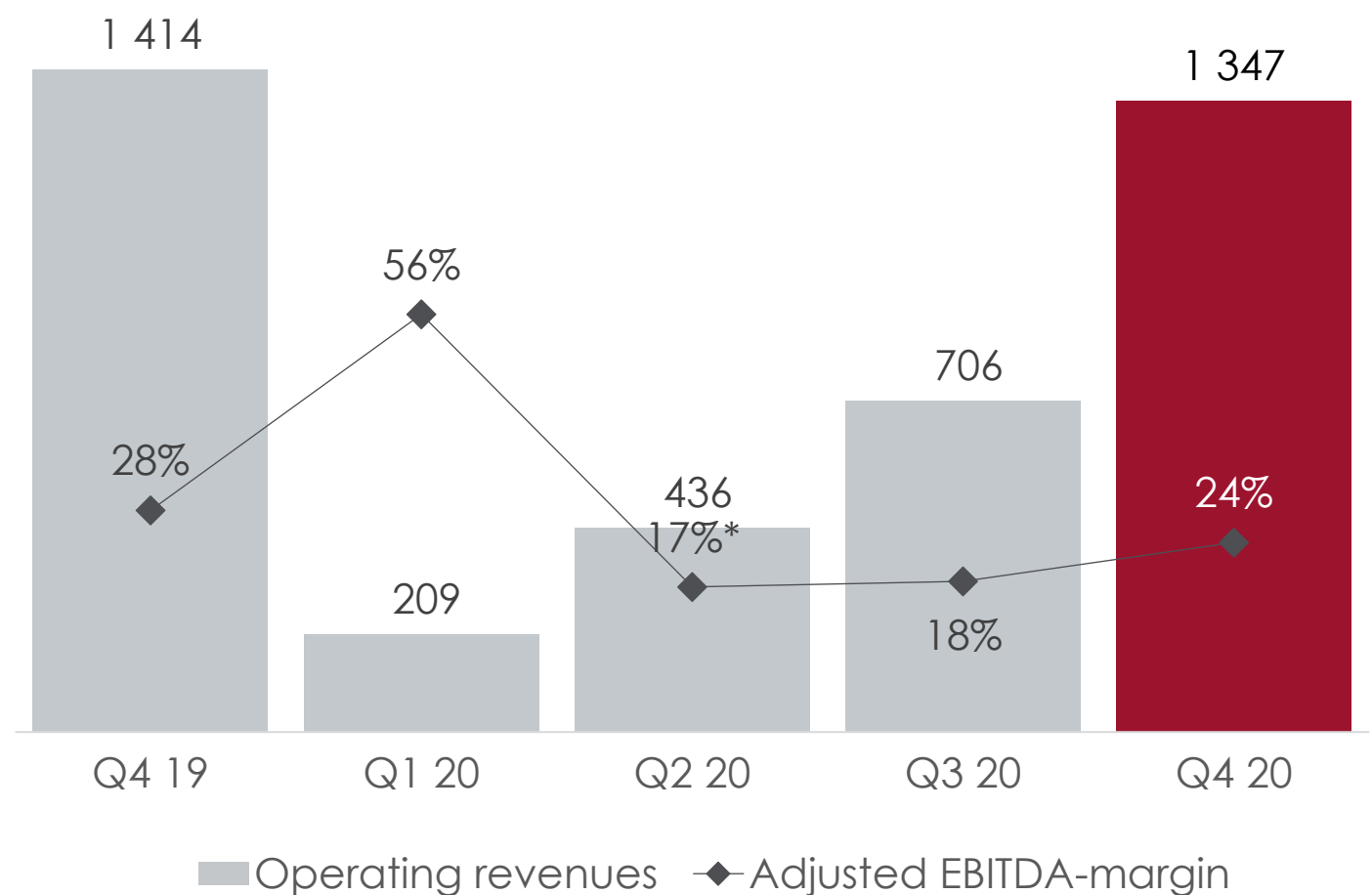
Note: Sales value and number of units are adjusted for Selvaag Bolig's share in joint ventures  
\* Includes: Oslo, Lørenskog, Follo, Tønsberg, Asker

# Income statement highlights Q4 2020 (IFRS)

- 272 units delivered (214)
  - 8 units from share of JVs (22)
- Revenues NOK 1 347m (1 414)
  - Other revenues NOK 12m (26)
- Project costs NOK 935m (937)
  - Of which NOK 24m is interest (23)
- Other costs NOK 83m (92)
- Adjusted EBITDA\* NOK 358m (398)
- EBITDA\* NOK 334m (375)
- EPS in the quarter NOK 2.62 (3.00)

## 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

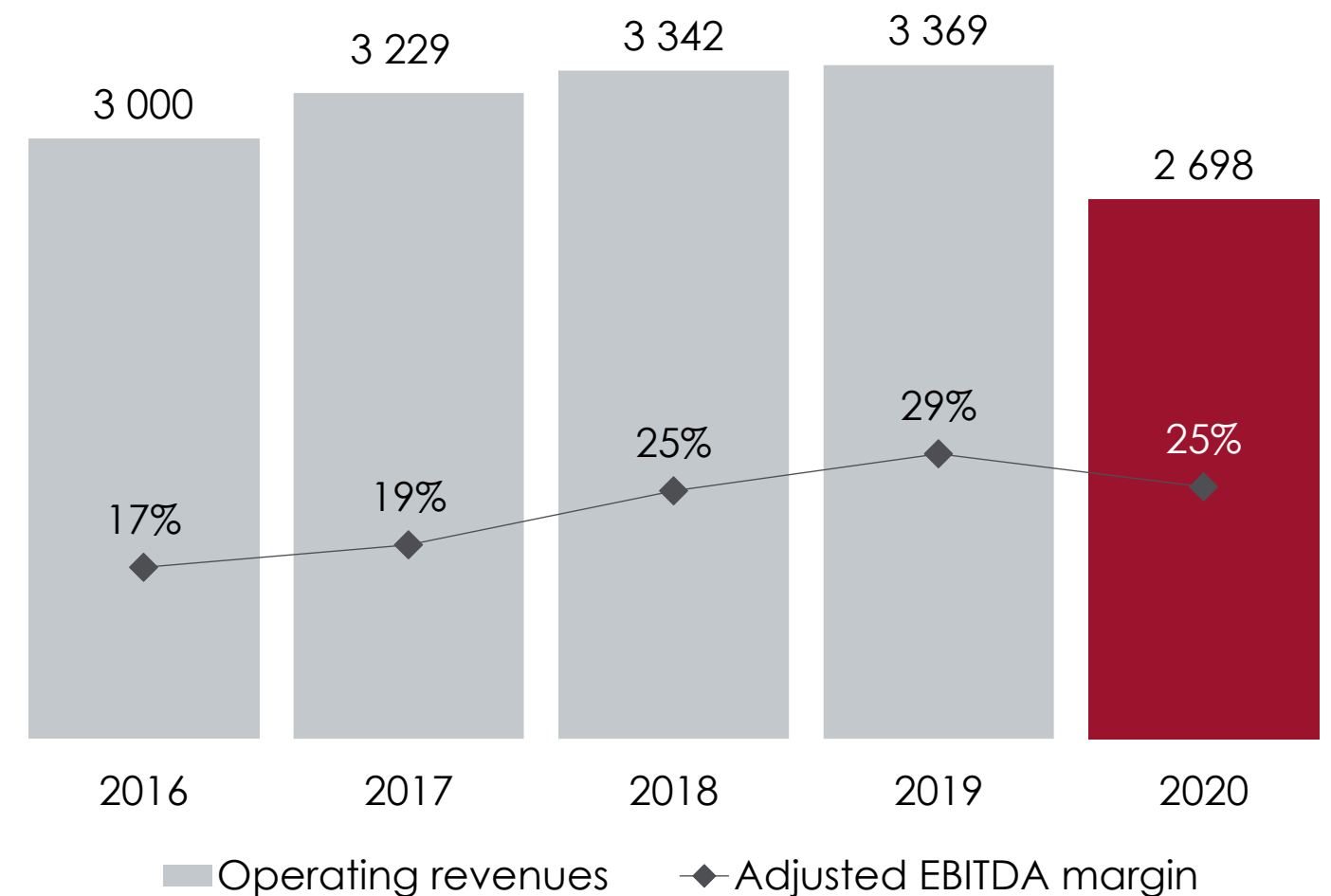


# Income statement highlights FY 2020 (IFRS)

- 720 units delivered (732)
- Revenues NOK 2 698 (3 369)
  - Other revenues NOK 54m (86)
- Adjusted EBITDA\* NOK 679m (959)
- EBITDA\* NOK 608m (877)
- EPS full year NOK 5.31 (7.04)
  - Additional NOK 11.02 per share from UP transaction, totaling NOK 16.33 per share

## Revenues and adjusted EBITDA margin (IFRS)

NOK million

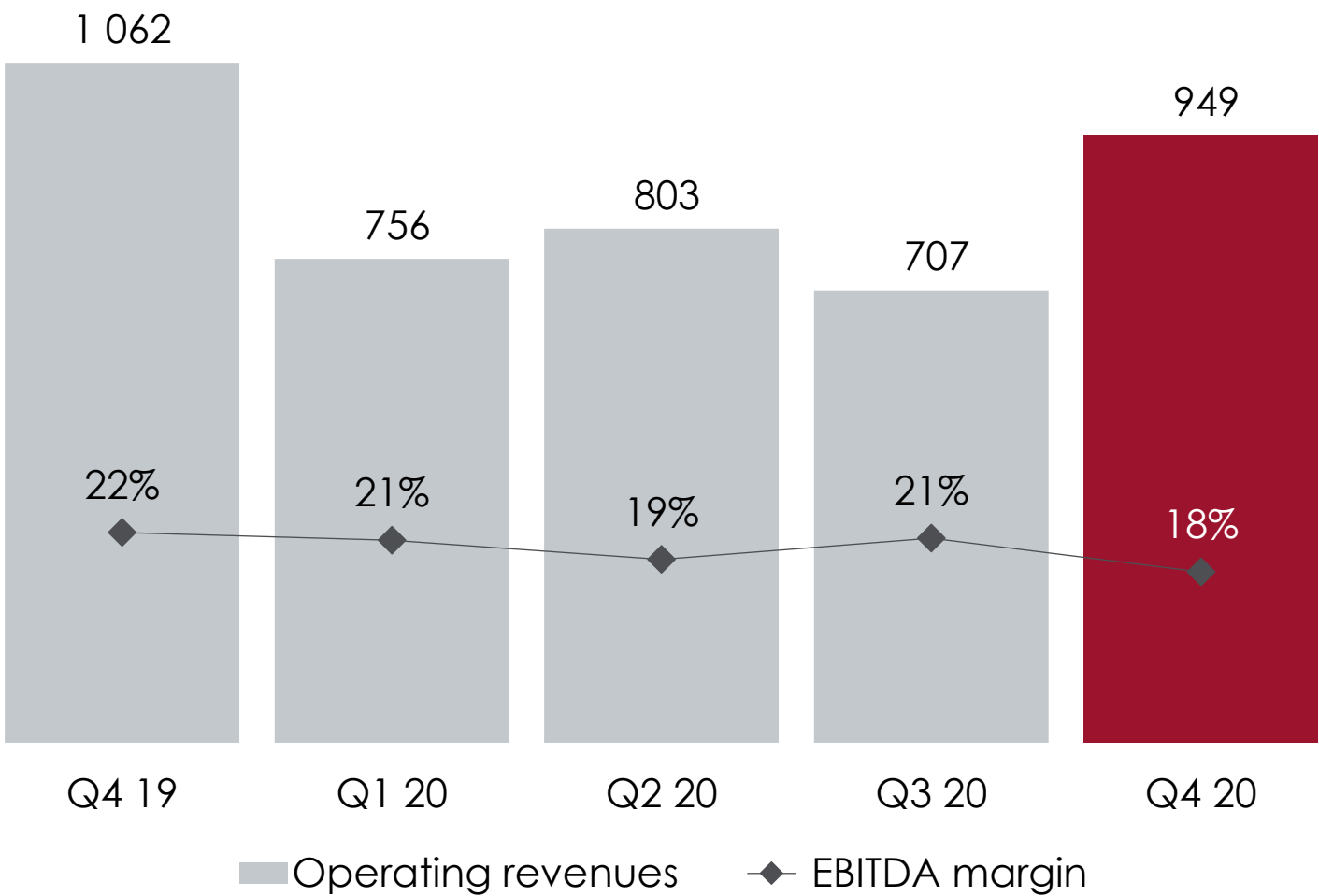


\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

# Income statement highlights Q4 2020 (NGAAP)

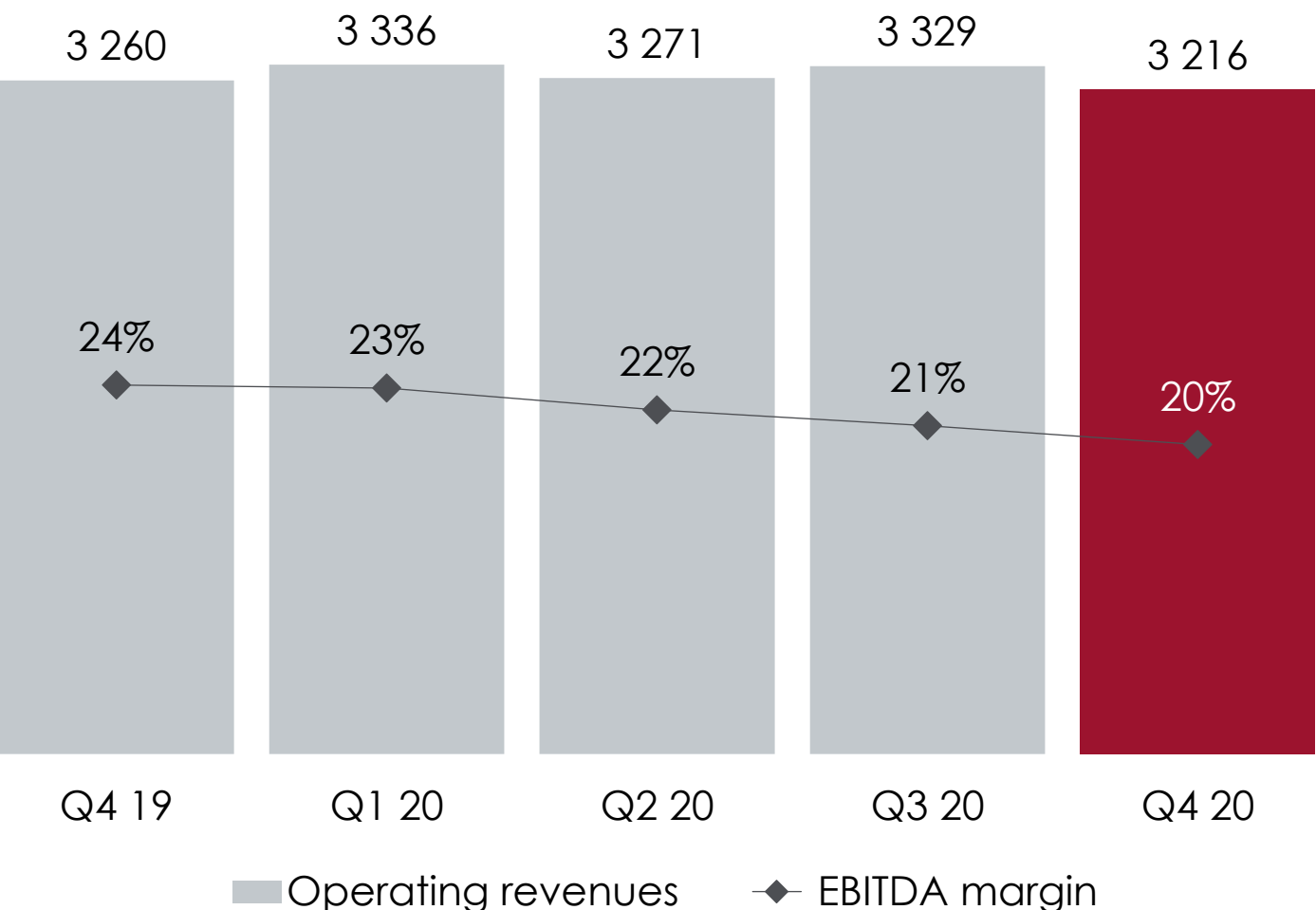
Revenues and EBITDA margin (NGAAP)\*

NOK million



12 months rolling revenues (NGAAP)\*

NOK million

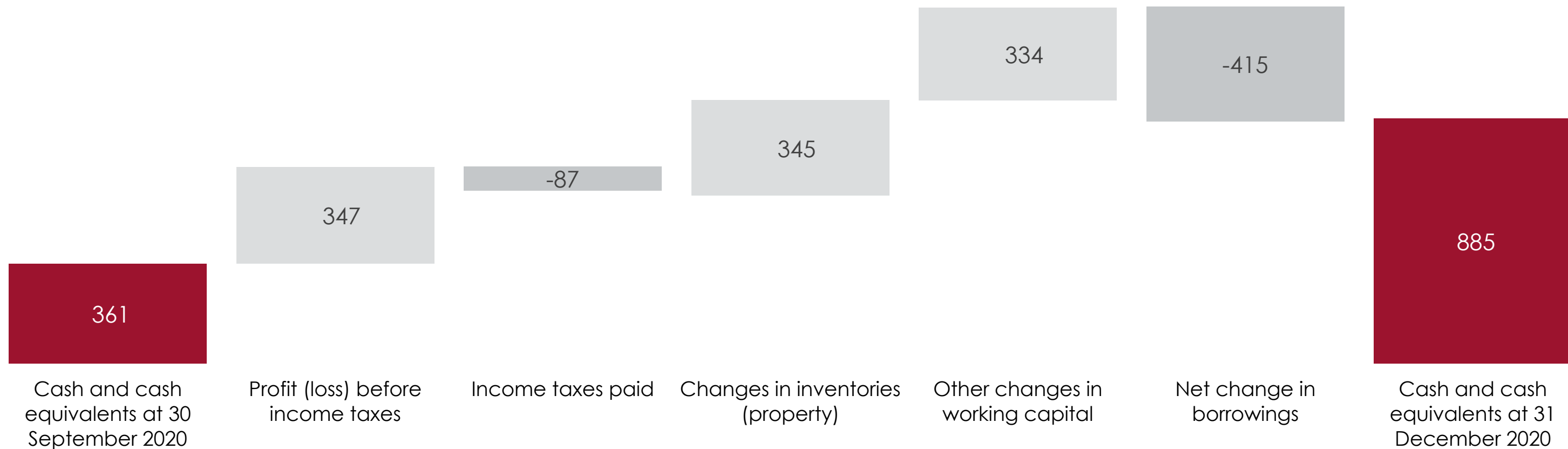


\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP)  
Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies



# Cash flow development Q4 2020

NOK million



- Cash flow from operations positive at NOK 923m mainly due to release of short-term receivables settled in October and inventory release from units delivered
- Cash flow from investing activities positive at NOK 5m
- Cash flow from financing activities negative at NOK 404m mainly driven by repayments of construction loans

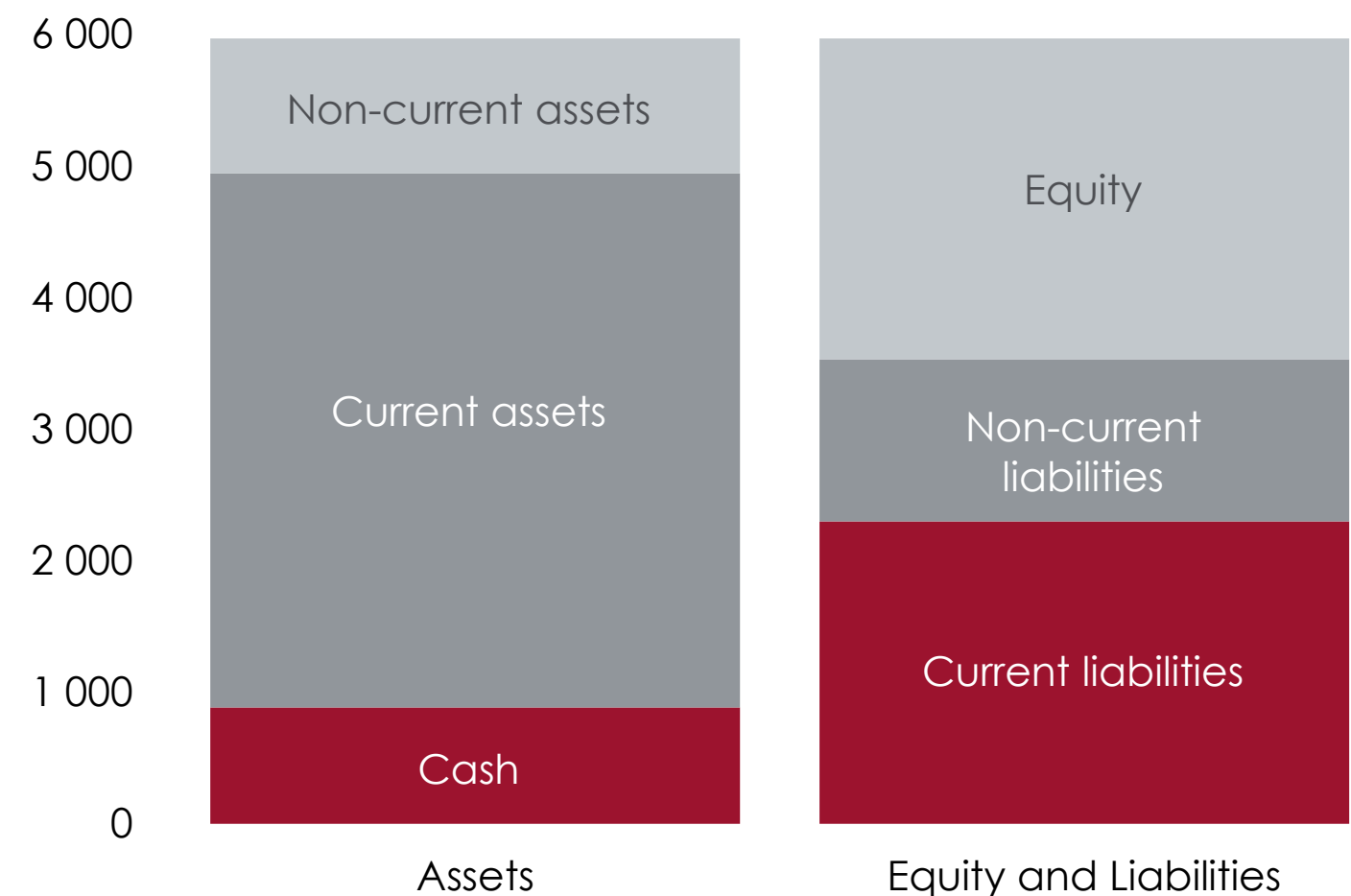
Note: Amounts < NOK -20m < NOK 20m are excluded from the cash flow overview

# Balance sheet highlights Q4 2020

- Book value of equity NOK 25.9 per share
  - Equity ratio 40.8%
- Changes from Q3 2020:
  - Inventories decreased by NOK 334m
  - Trade and Other receivables decreased by NOK 373m
  - Cash increased by NOK 524m
- Prepayments from customers represents NOK 278m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million





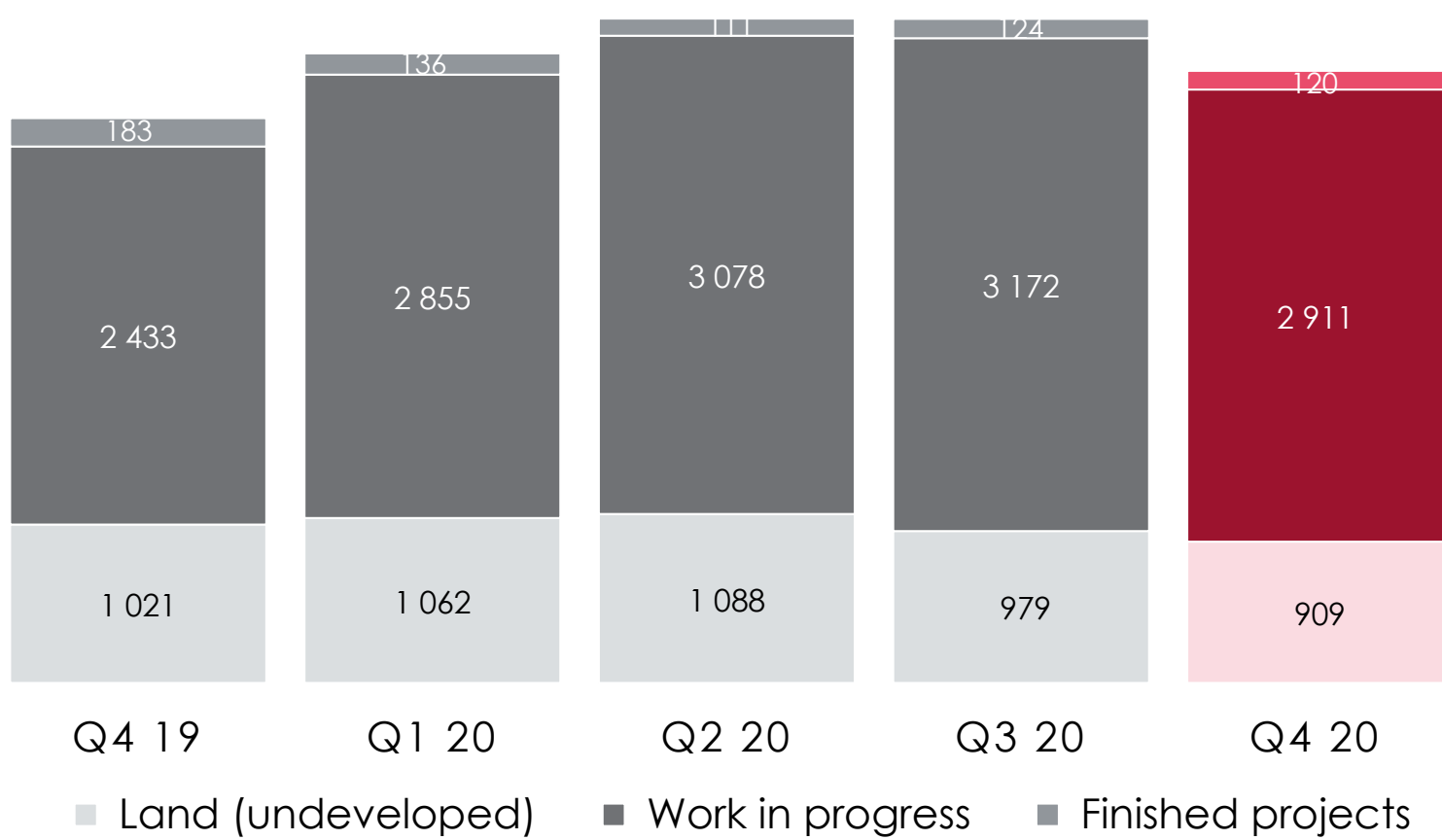
# Inventories (property) Q4 2020

Q4 20 vs Q3 20

- Land value down NOK 70m
  - Mainly due to construction starts
- Work in progress down NOK 261m
  - Due to high number of deliveries
- Finished goods down NOK 4m

## Inventory value development

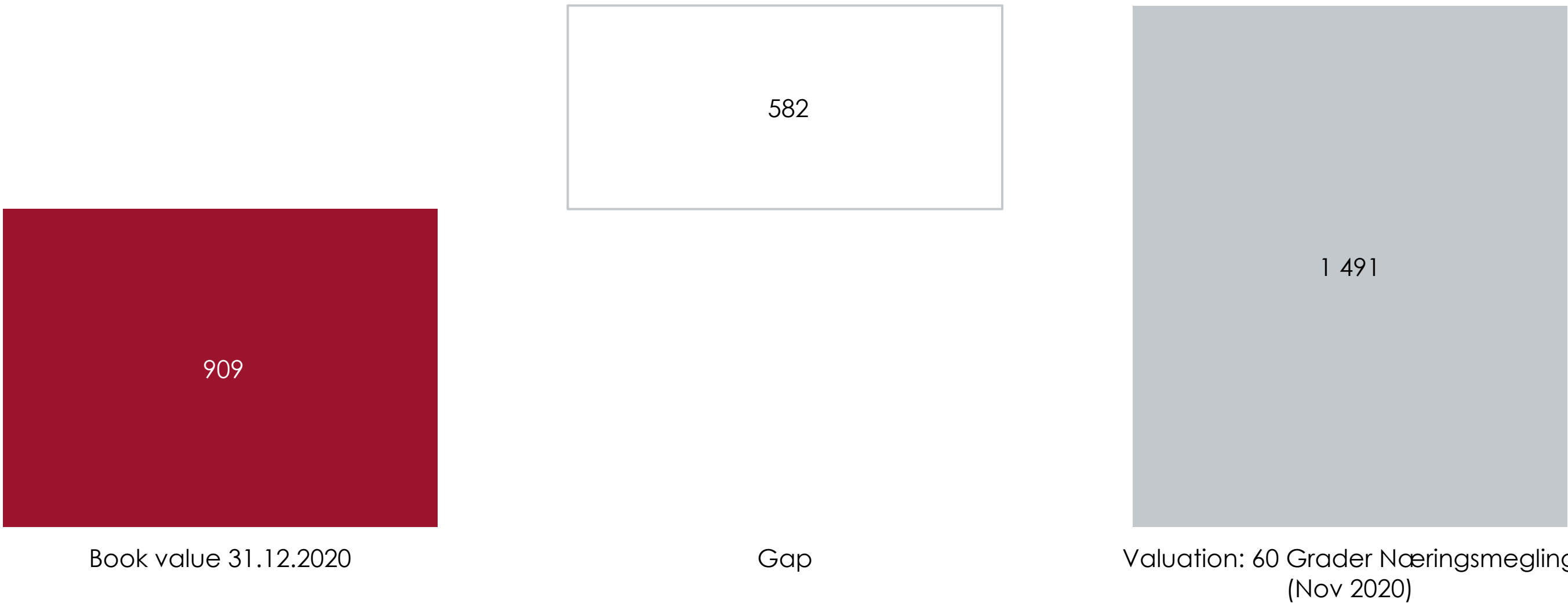
NOK million



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.

# Valuation of remaining land bank\*

NOK million



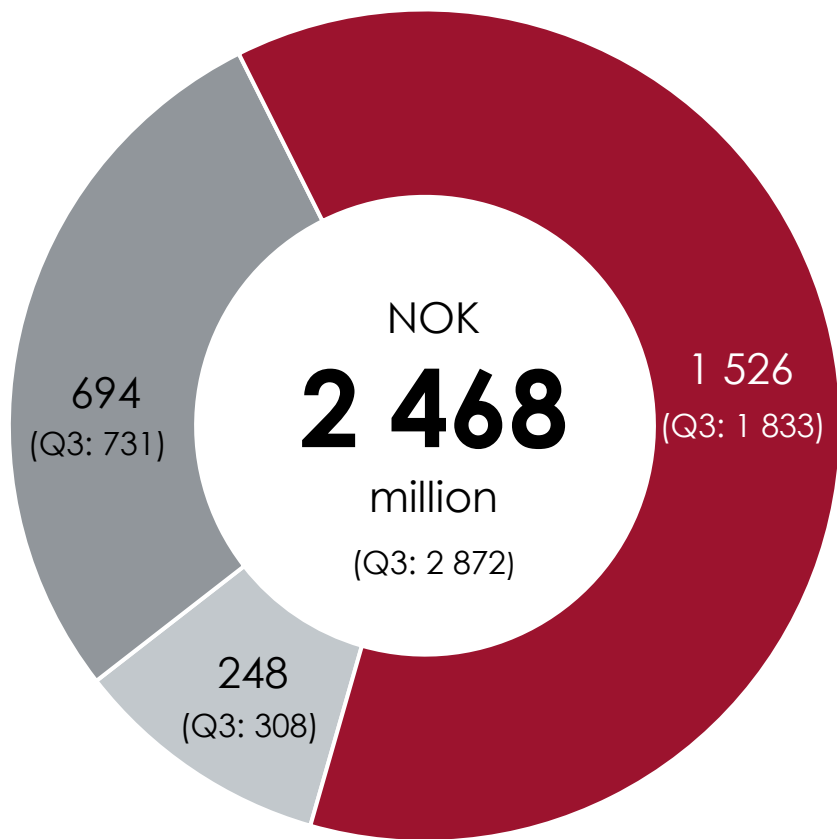
\* Part of SBO land bank not included in the UP transaction



# Debt structure

## Interest-bearing debt at 31.12.20

NOK million



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

\* Repurchase agreements portfolio B

	Loan facility	Drawn at 31.12.20 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 526	1.75% - 2.60%
2	Land loans Urban Property**	694	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	248	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 2021	0	2.00%

**Total Q4 2020 net interest-bearing debt NOK 1 583 million**

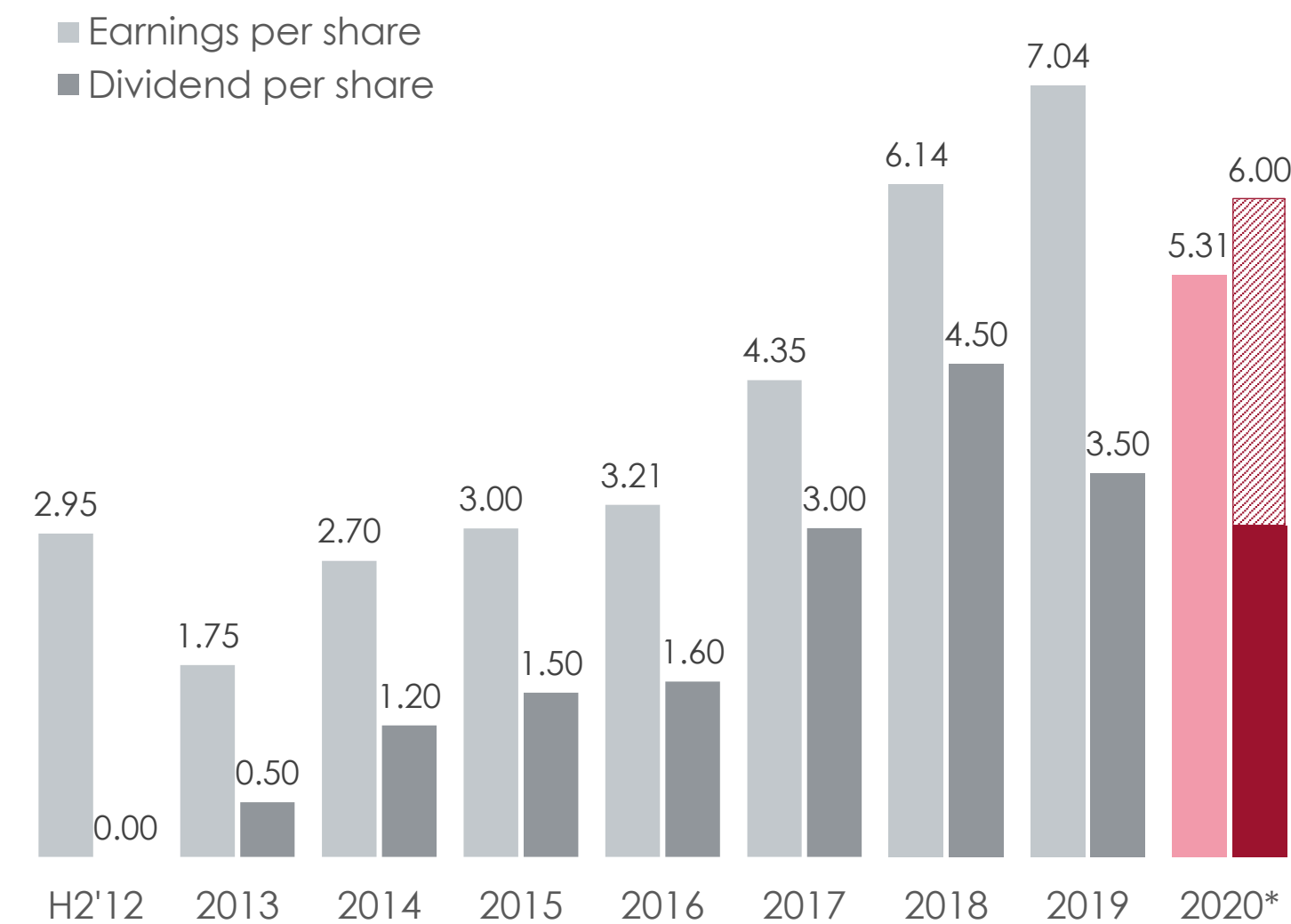
Total Q3 2020 net interest-bearing debt NOK 2 510 million

\* Margin to 3m NIBOR  
 \*\* Repurchase agreements portfolio B  
 \*\*\* + 2.00% fee at property repurchase

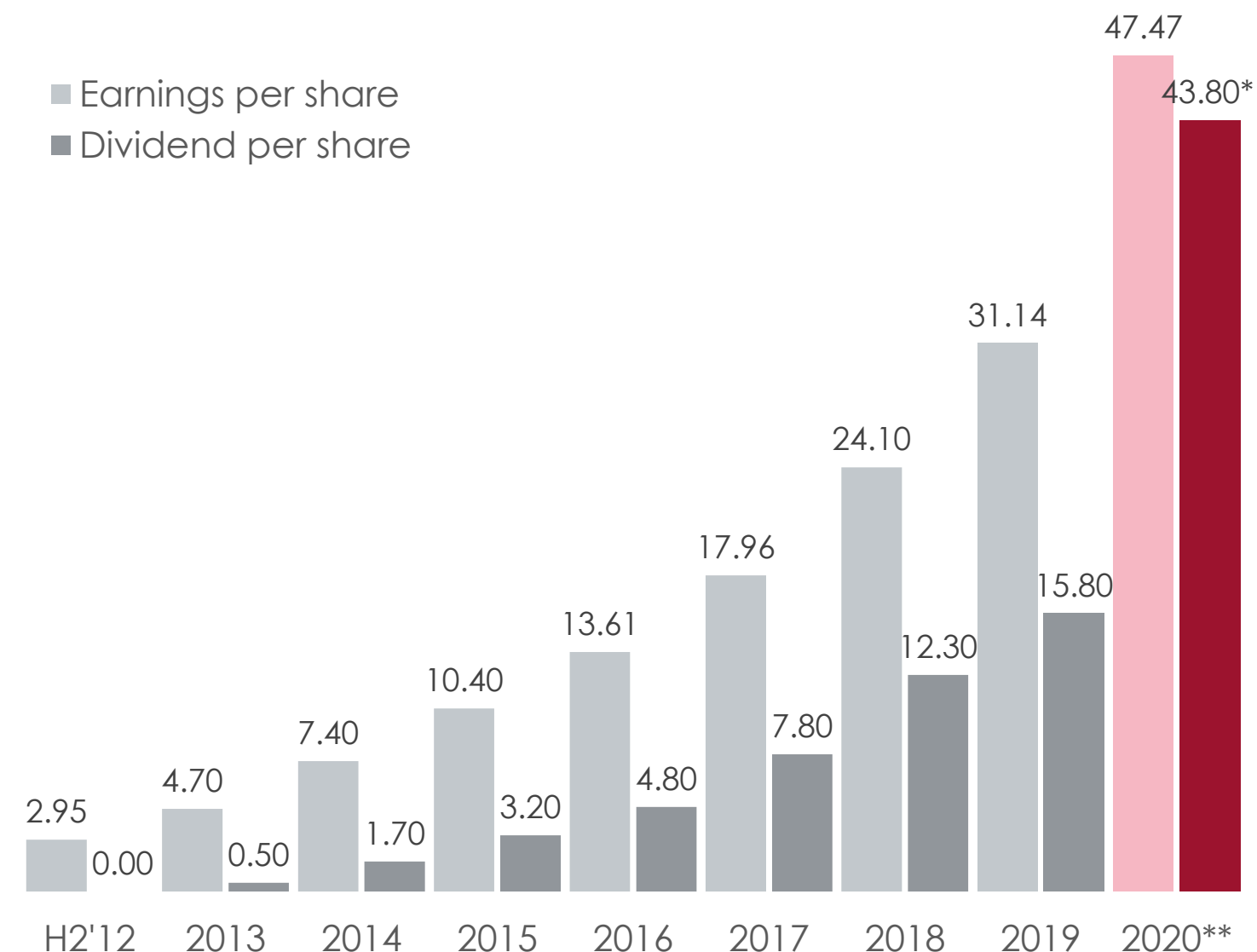
# Earnings and dividend per share since IPO

Annual dividend and earnings per share

Accumulated dividend and earnings per share



▨ Proposed dividend for H2 2020 NOK 3.00 per share  
\* Excluding earnings and dividend from UP transaction



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



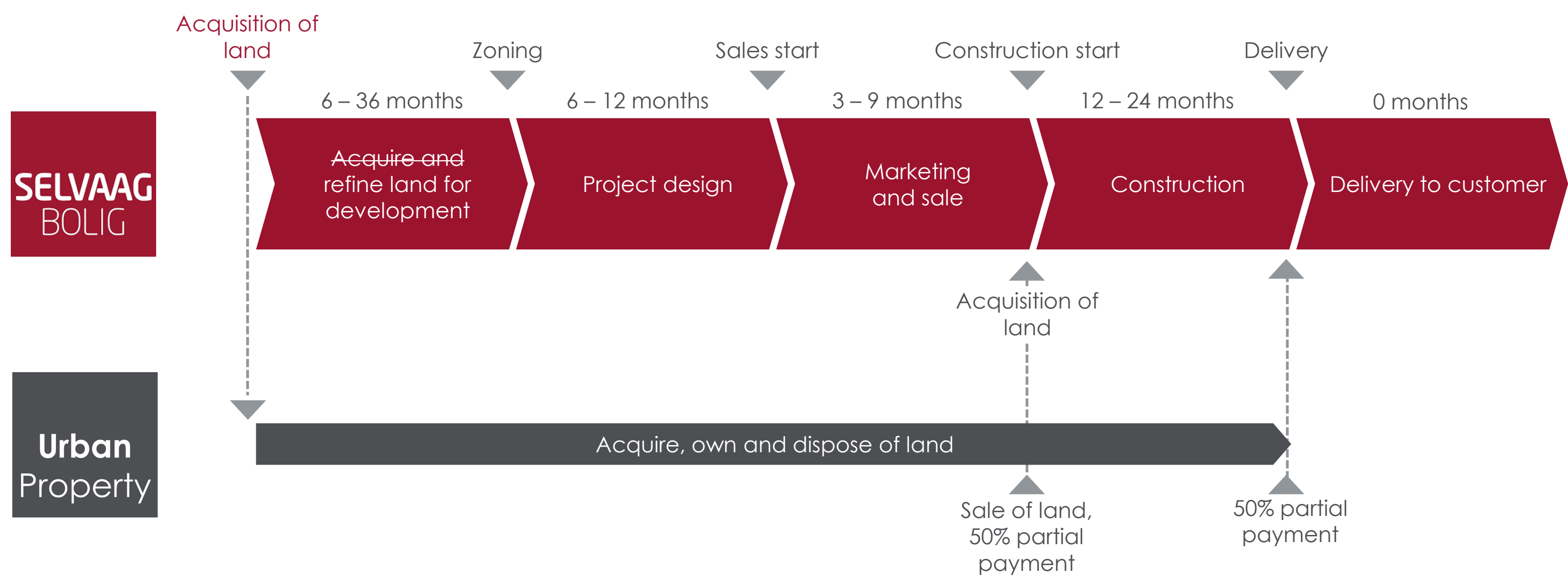
# Cooperation with Urban Property from 1.1.2021

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

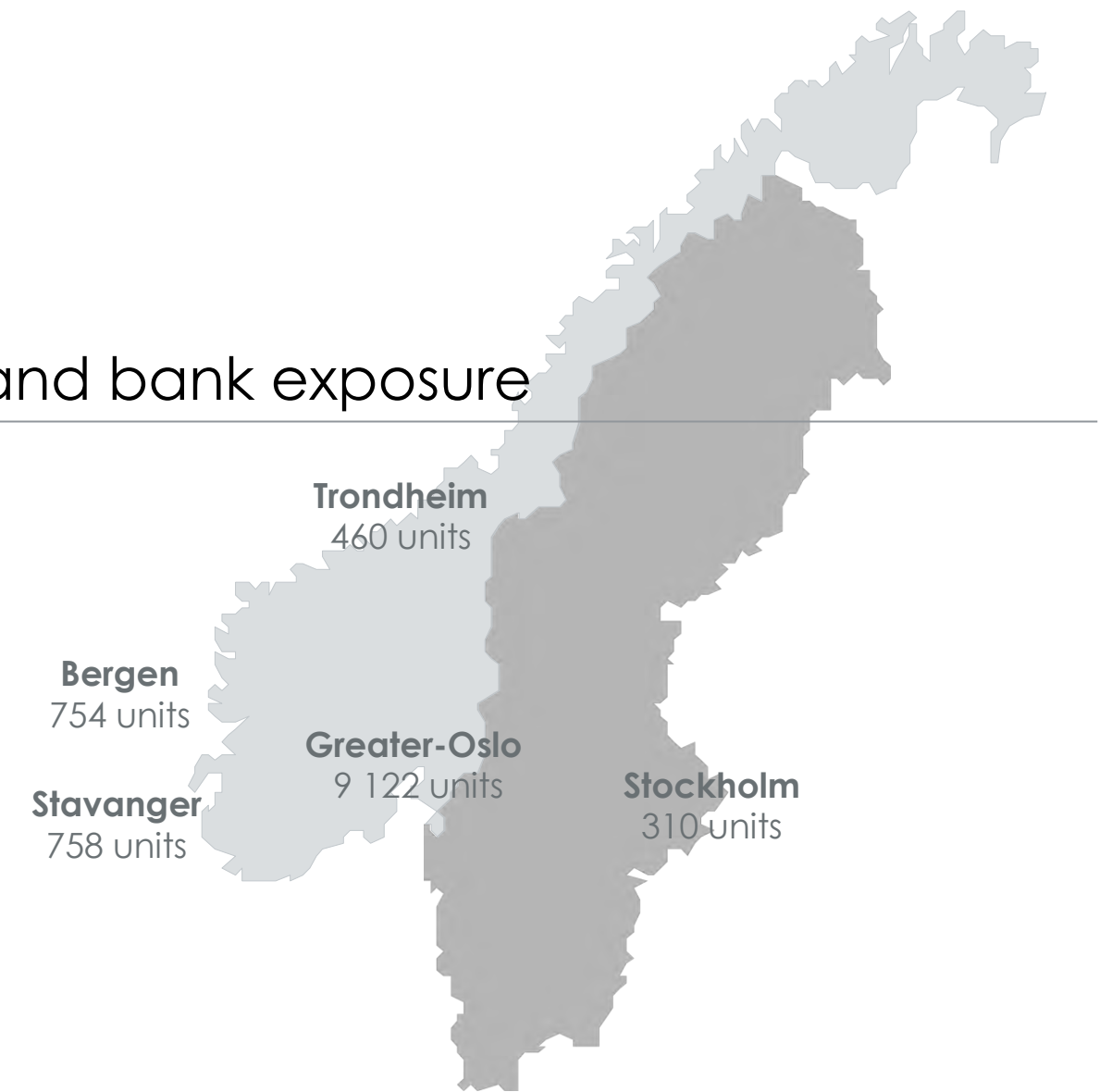
Residential development value chain: cooperation between Selvaag Bolig and Urban Property



# 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



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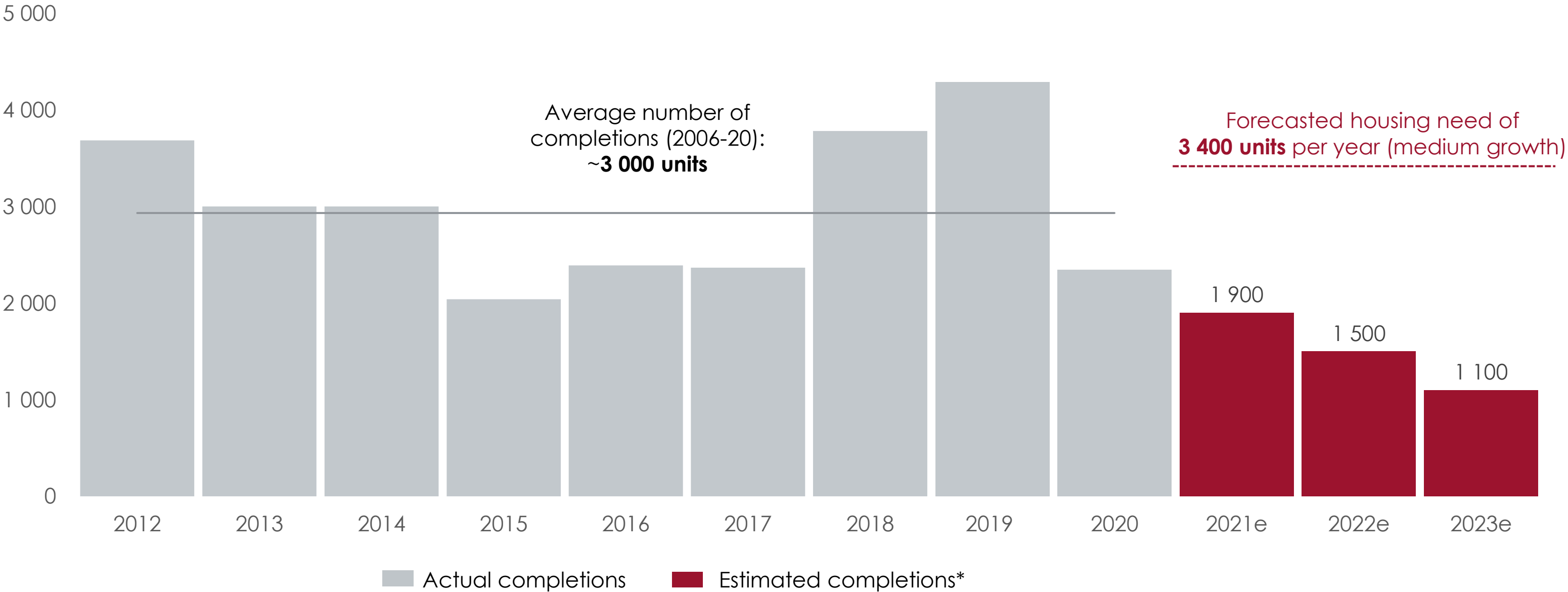
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# Estimated completions in Oslo well below forecasted need

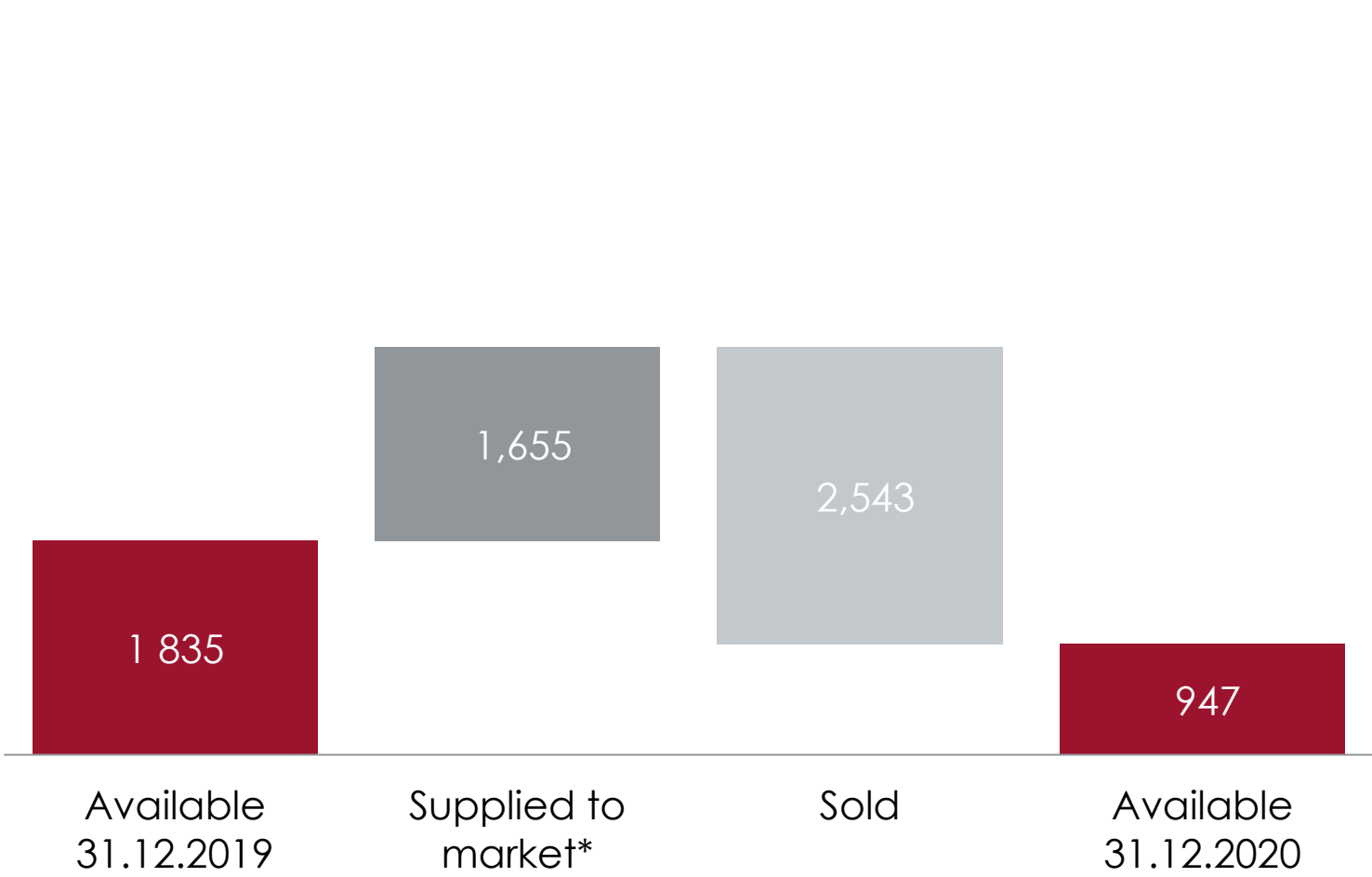


Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: Hawii analyse, Forecasted housing need: Prognosesenteret  
Note: Number of persons per household in Oslo: 1.90  
Note: Housing demand calculated on parameters such as number of persons per household, lag on housing development,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

# Newbuild market update

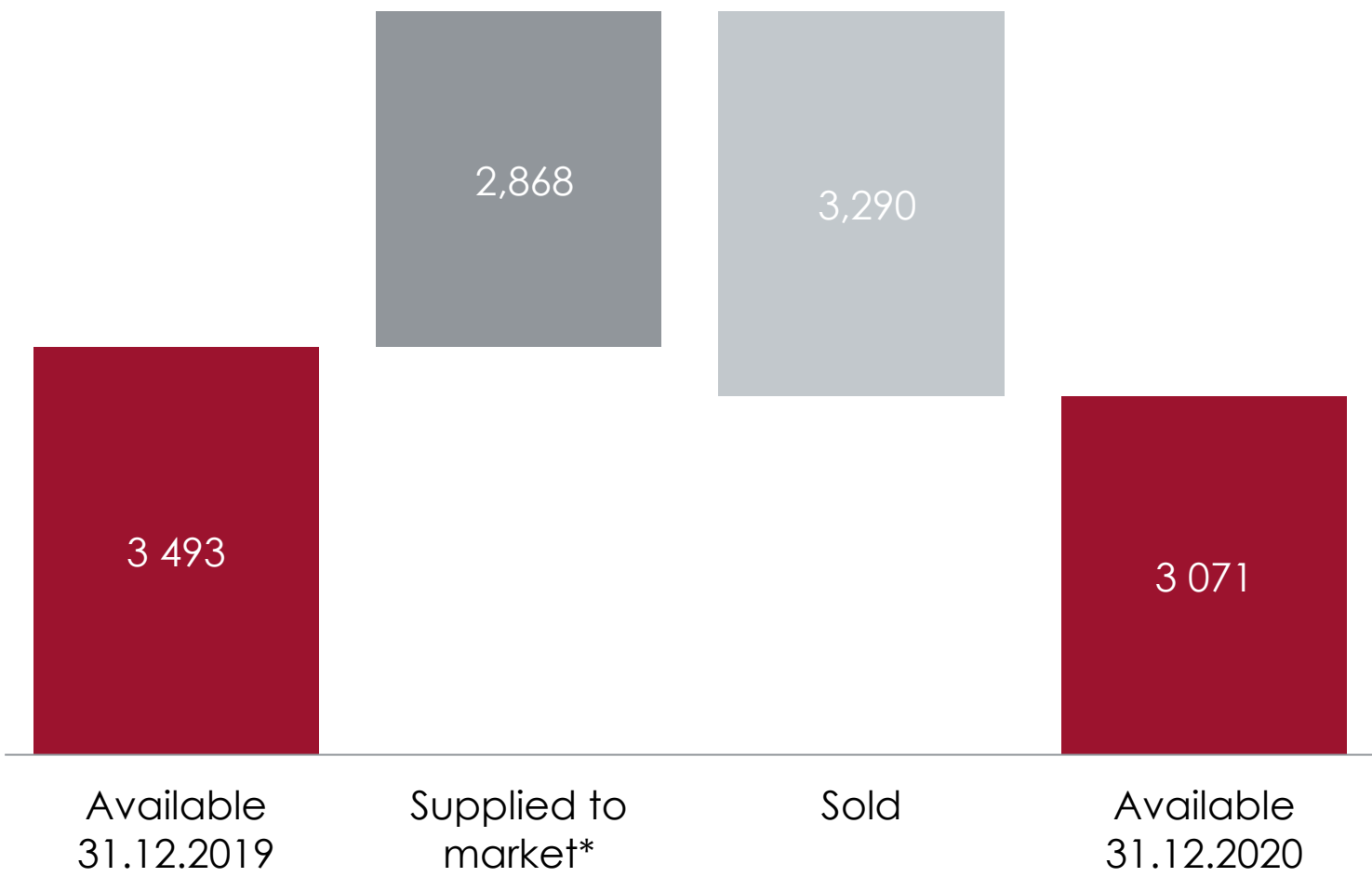
Oslo – 1.1.20 - 31.12.20

Units



Viken ex. Buskerud and Østfold – 1.1.20 - 31.12.20

Units

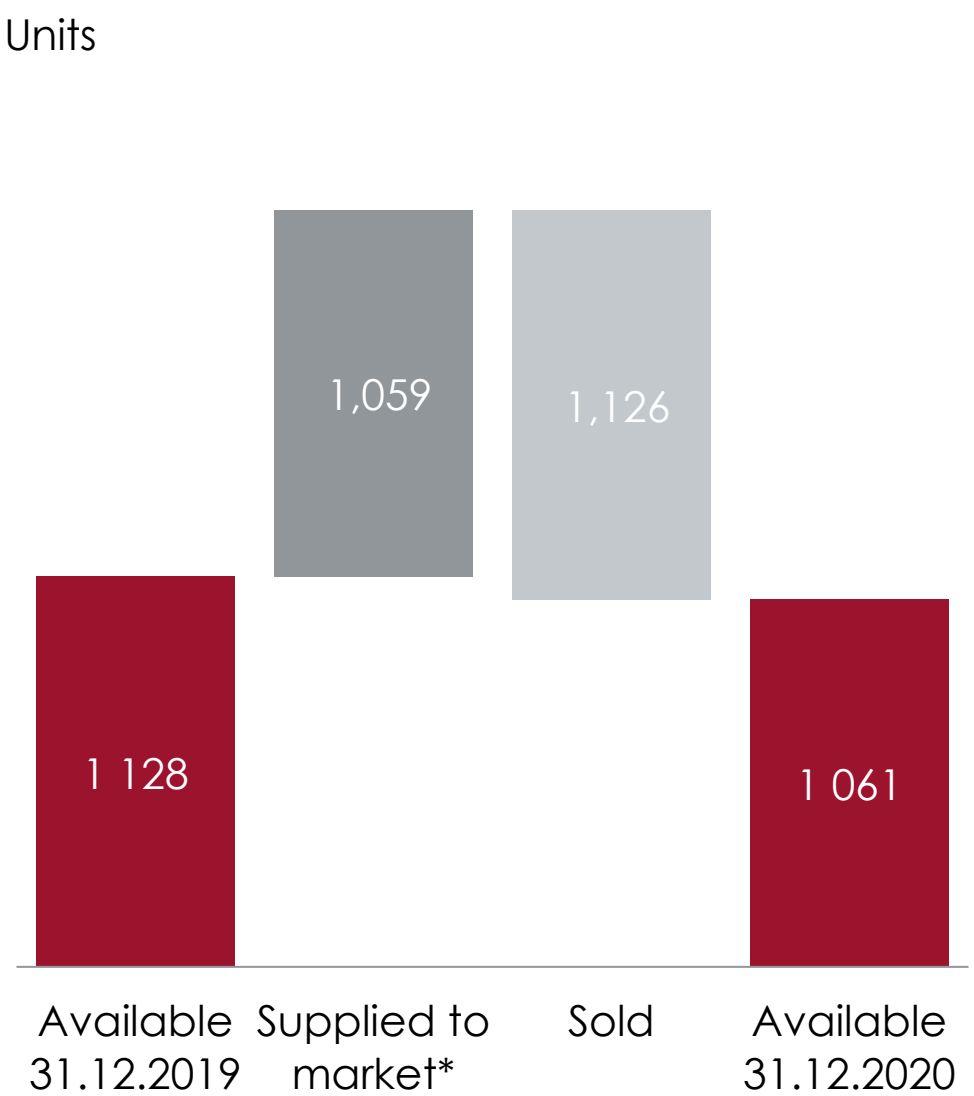


Source: SA - ECON Nye Boliger  
\* Adjusted for temporary withdrawals or cancellations during the period

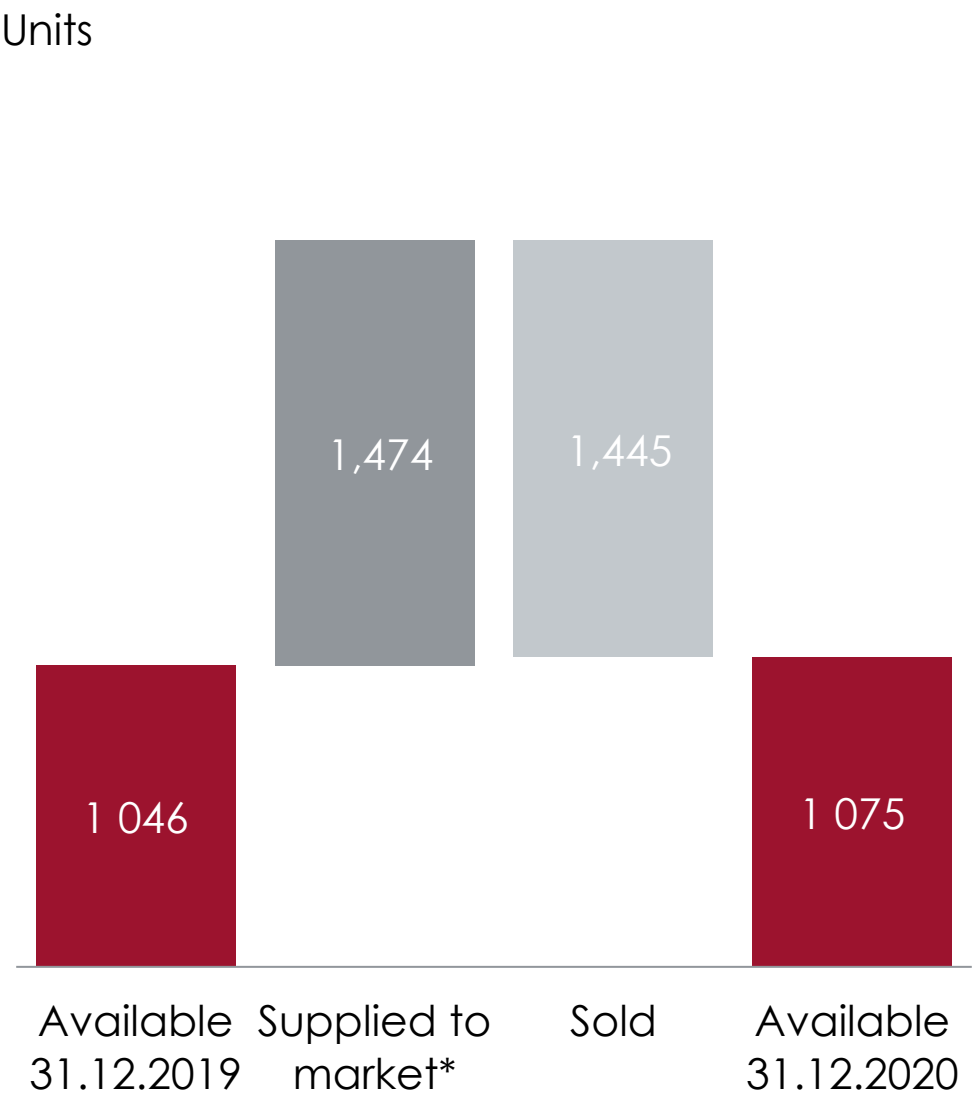


# Newbuild market update

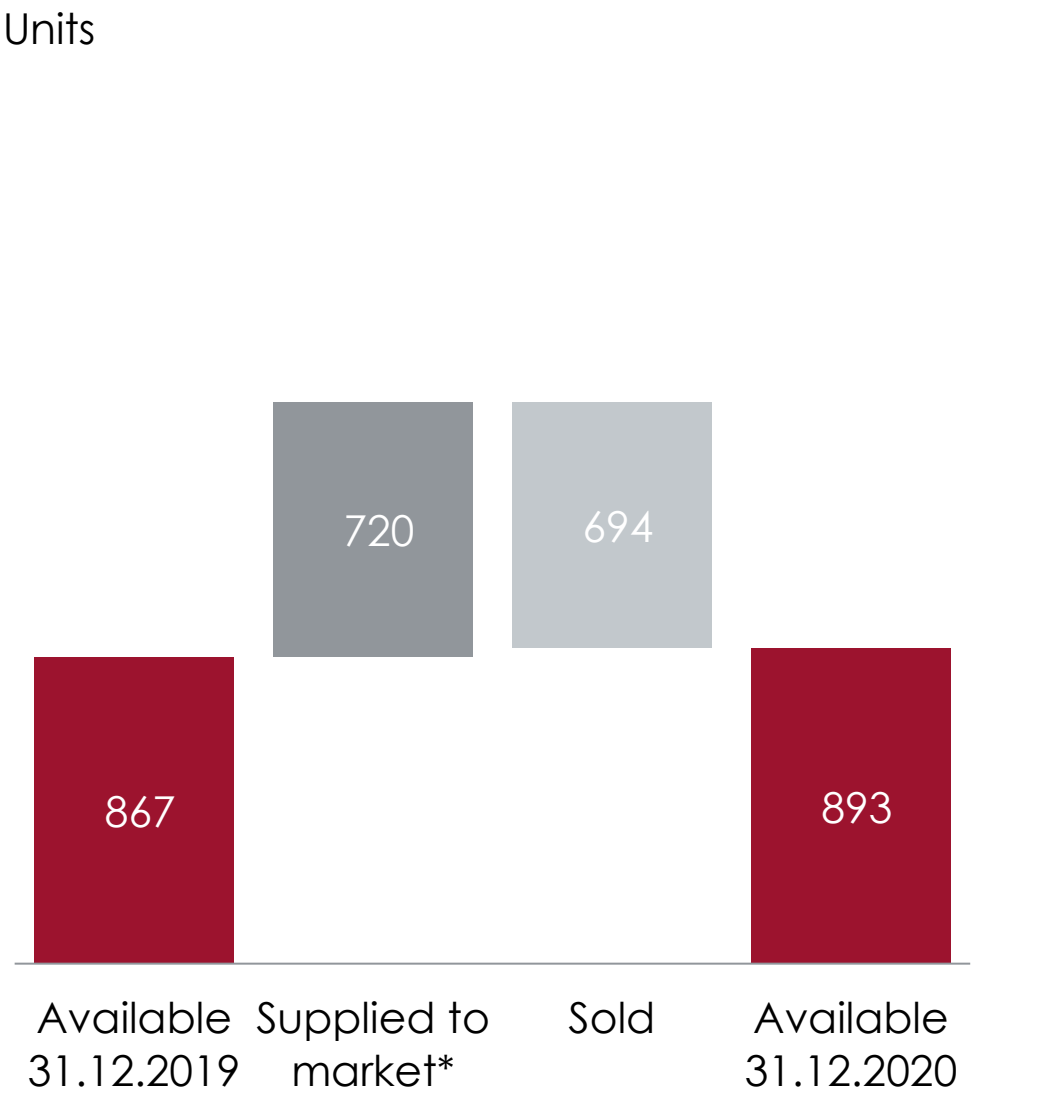
Bergen – 1.1.20 - 31.12.20



Trondheim – 1.1.20 - 31.12.20



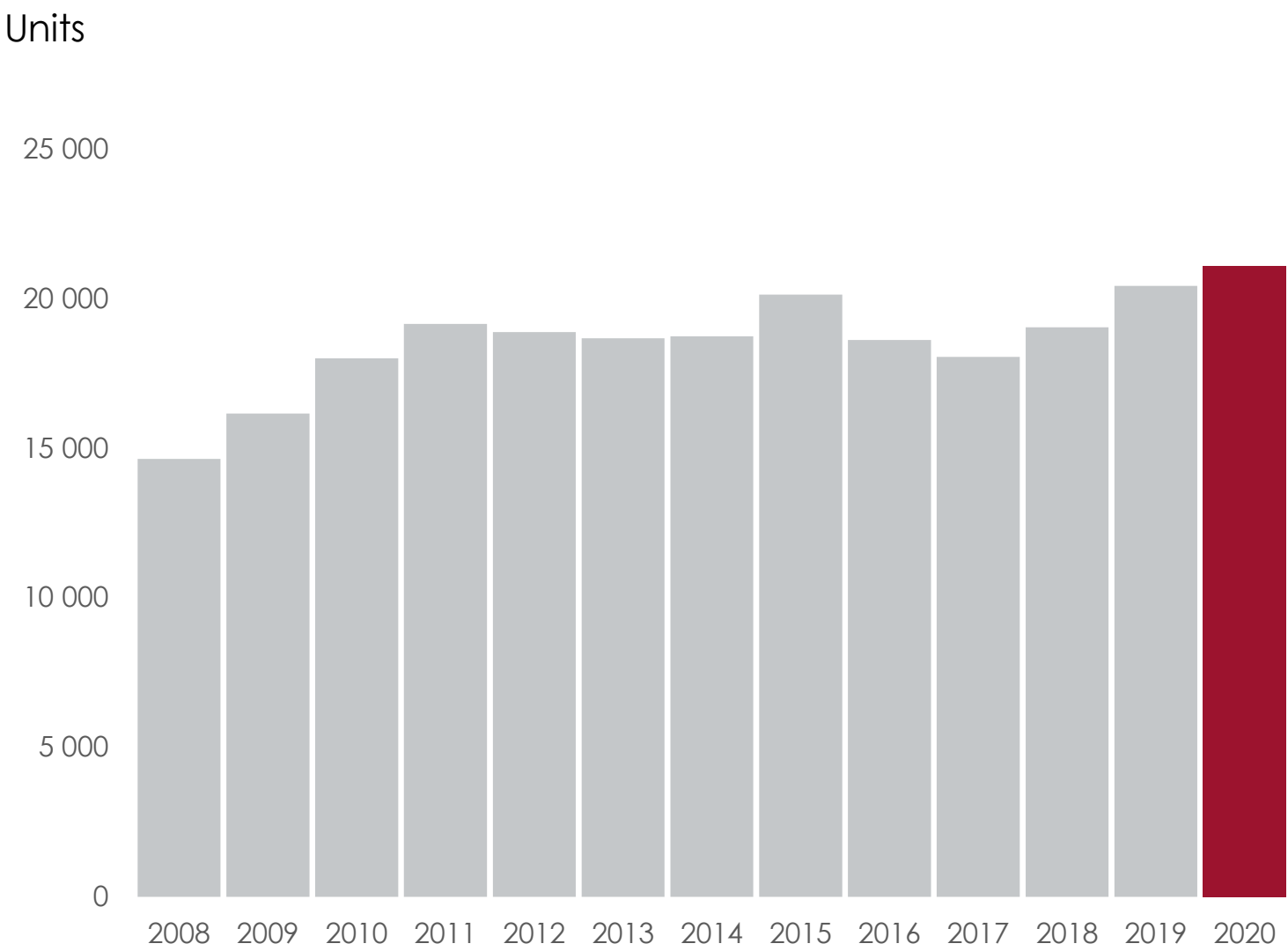
Stavanger & Sandnes – 1.1.20 - 31.12.20



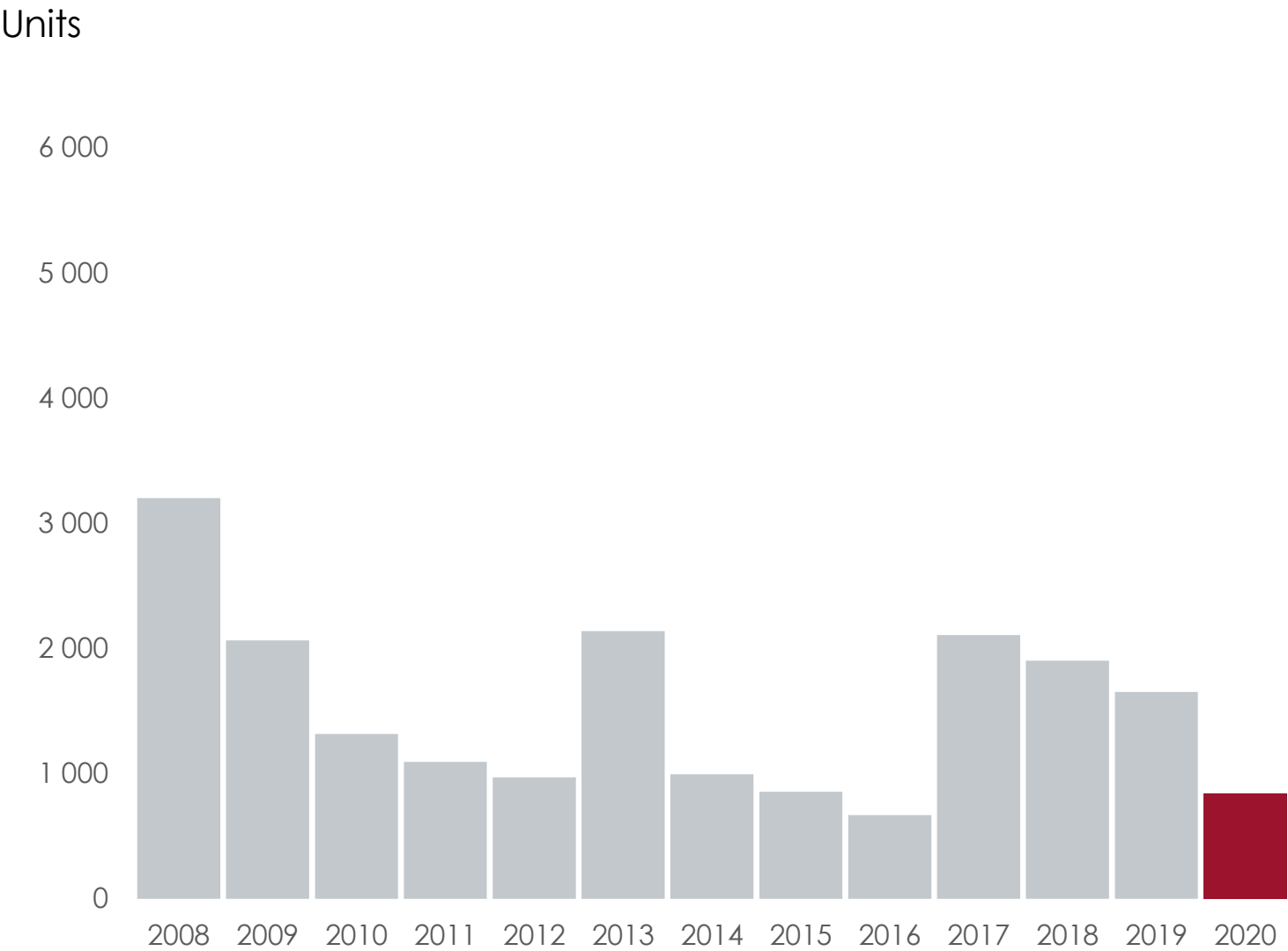
Source: SA - ECON Nye Boliger  
\* Adjusted for temporary withdrawals or cancellations during the period

# Oslo second-hand market update

Units sold 1.1 - 31.12, 2008-20



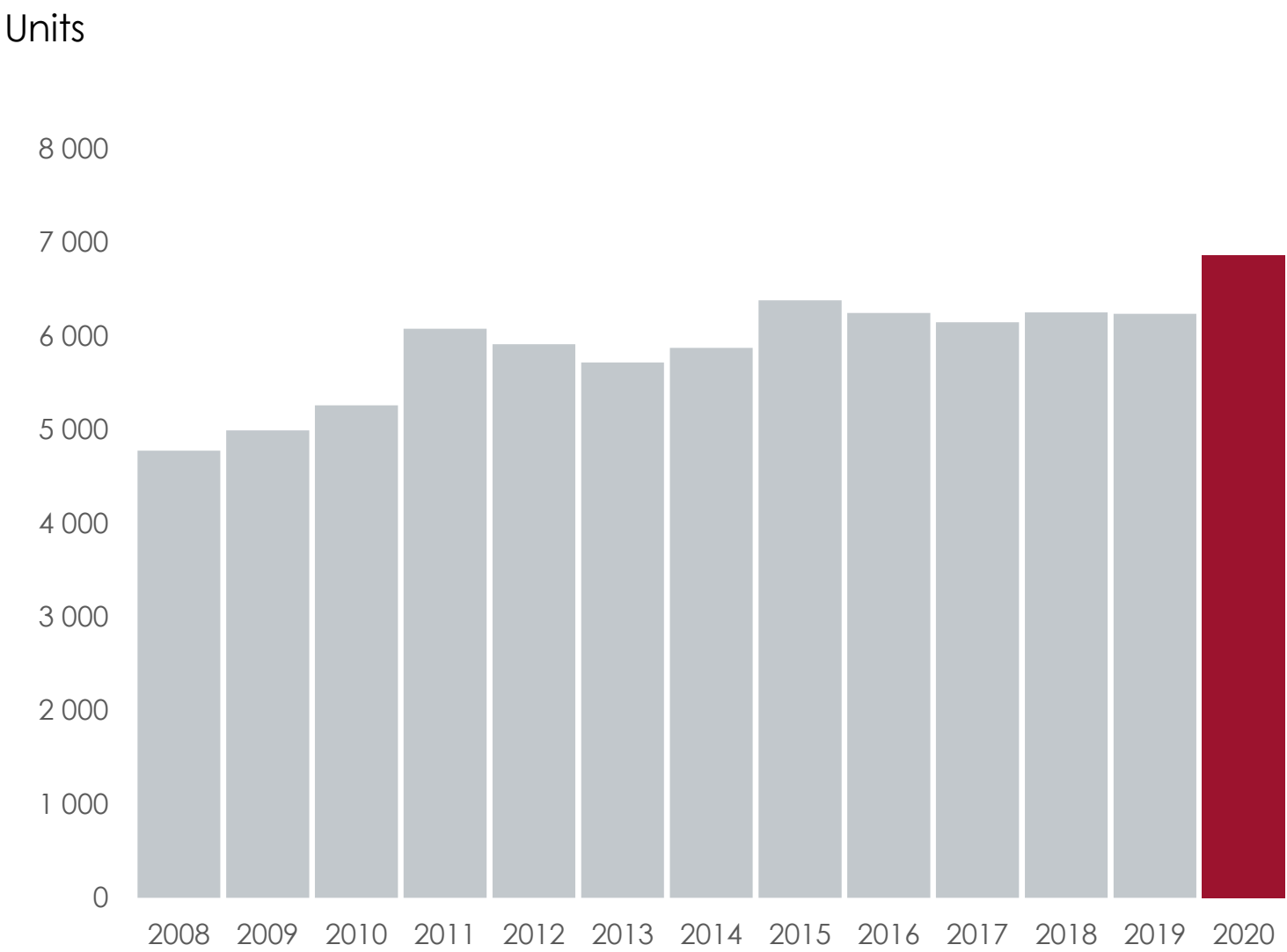
Inventory 31.12, 2008-20



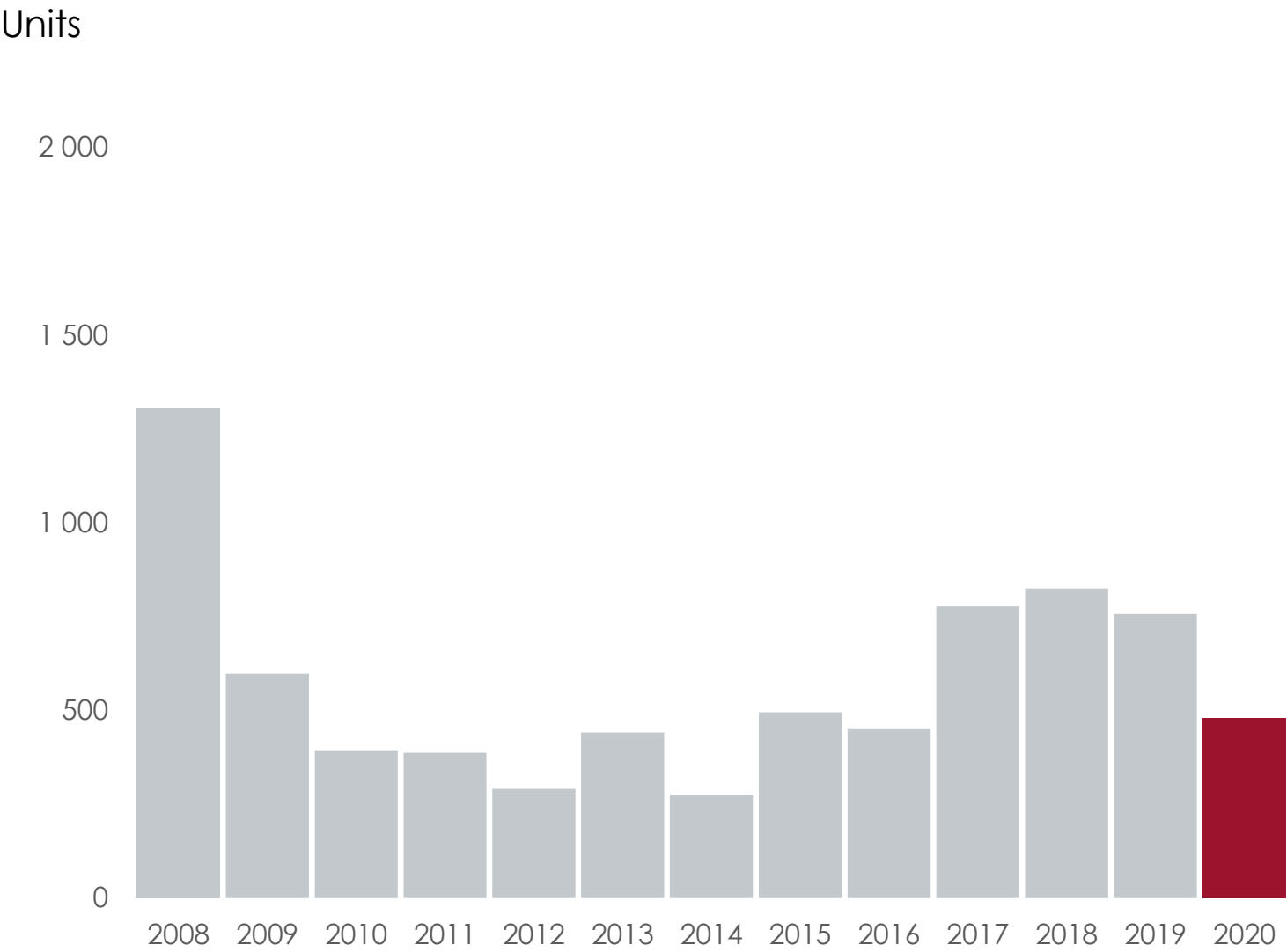
Source: Eiendomsverdi

# Bergen second-hand market update

Units sold 1.1 - 31.12, 2008-20



Inventory 31.12, 2008-20

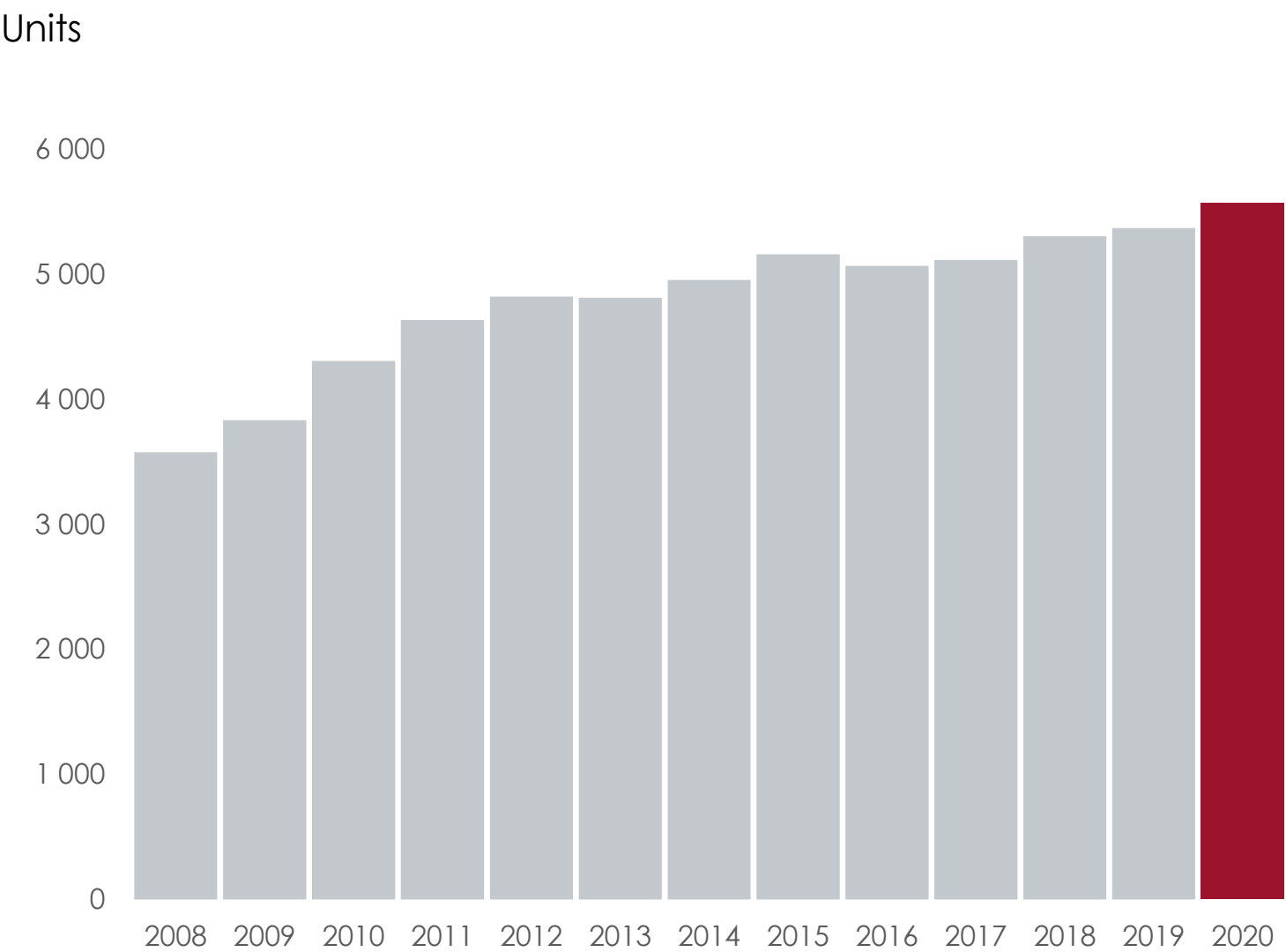


Source: Eiendomsverdi

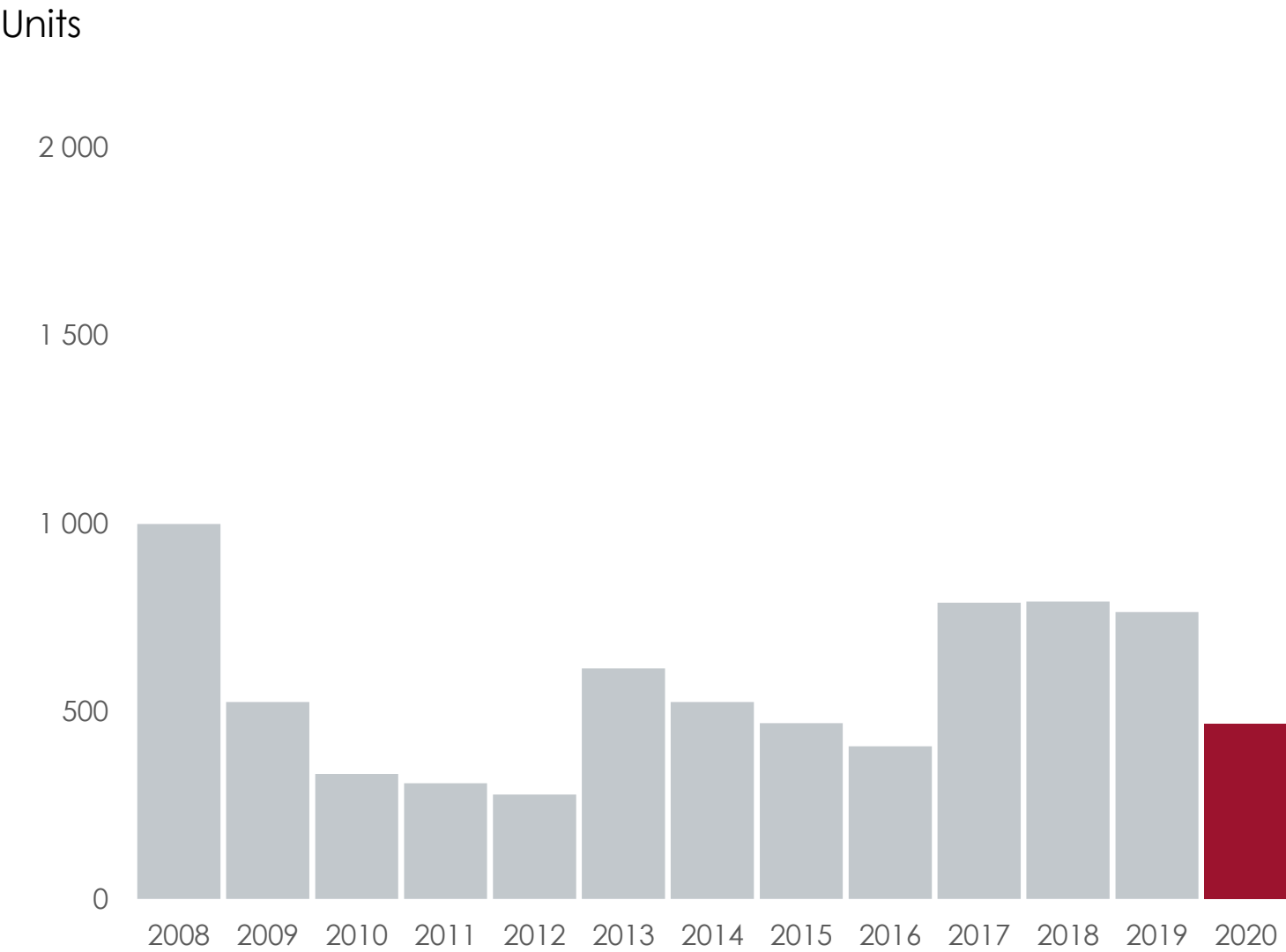


# Trondheim second-hand market update

Units sold 1.1 - 31.12, 2008-20



Inventory 31.12, 2008-20

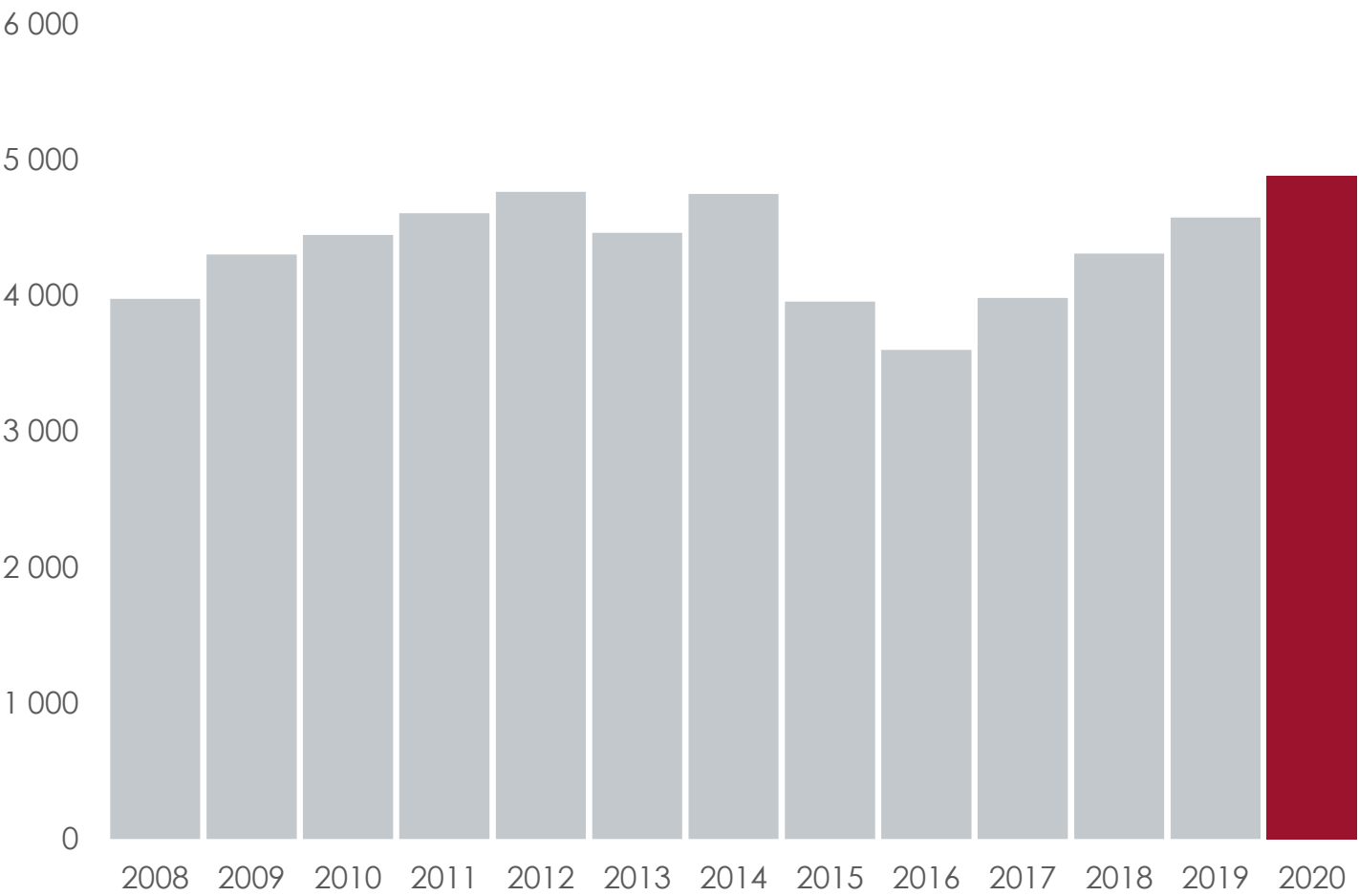


Source: Eiendomsverdi

# Stavanger-area\* second-hand market update

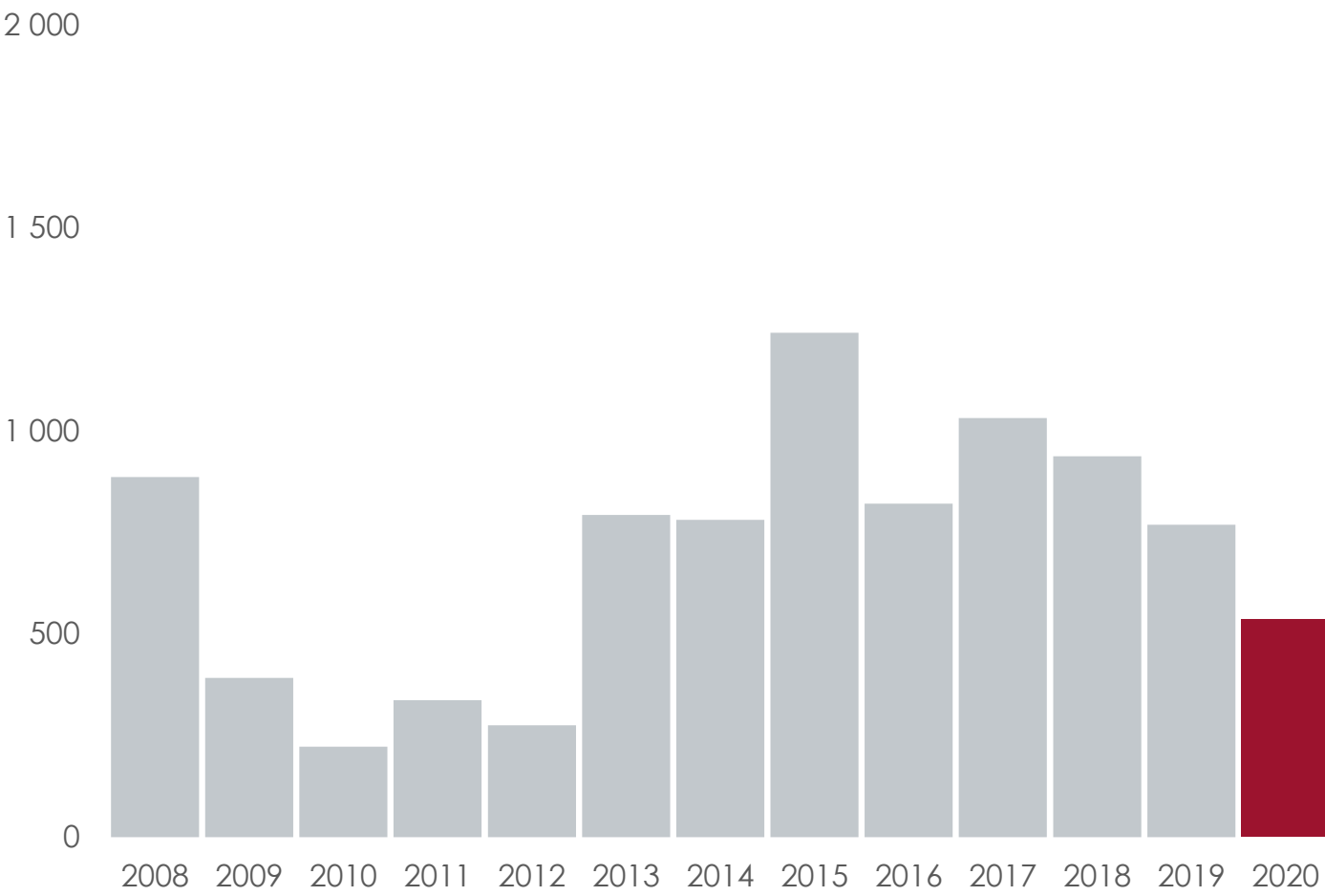
Units sold 1.1 - 31.12, 2008-20

Units



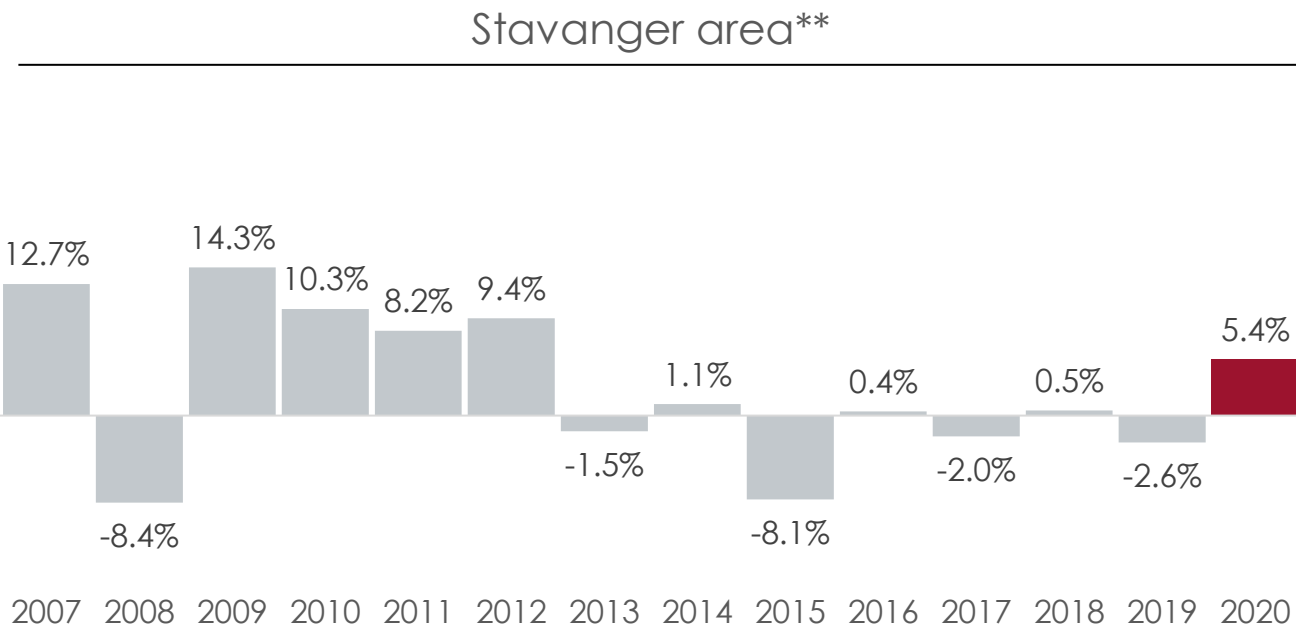
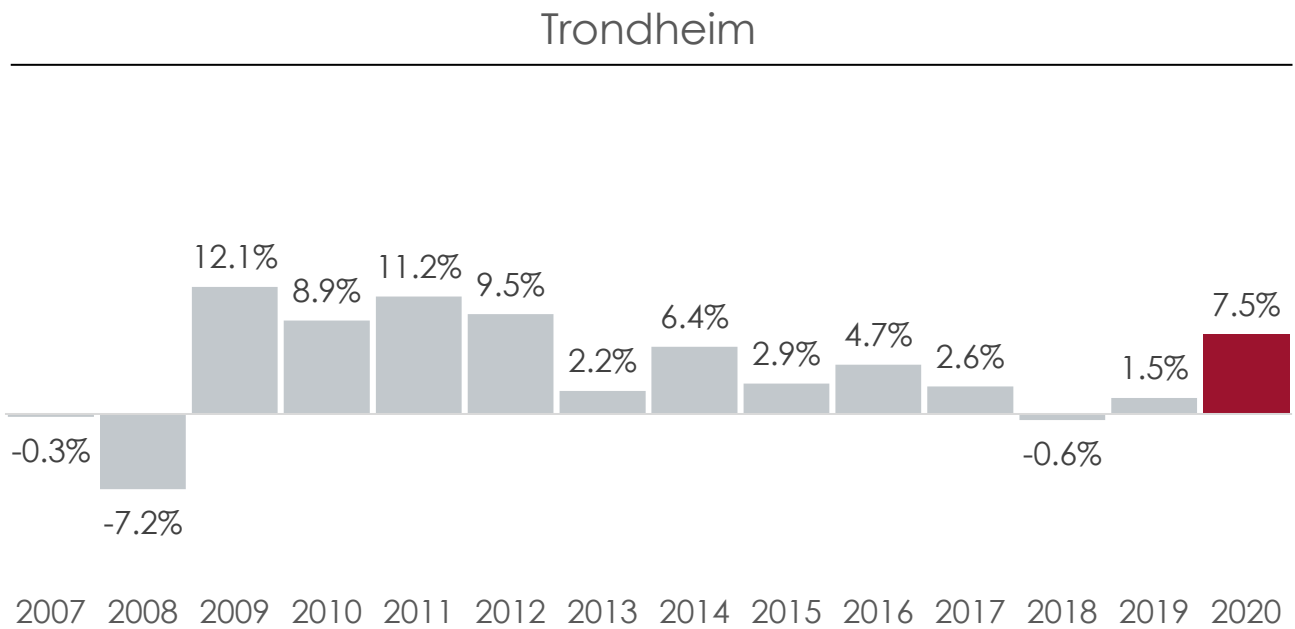
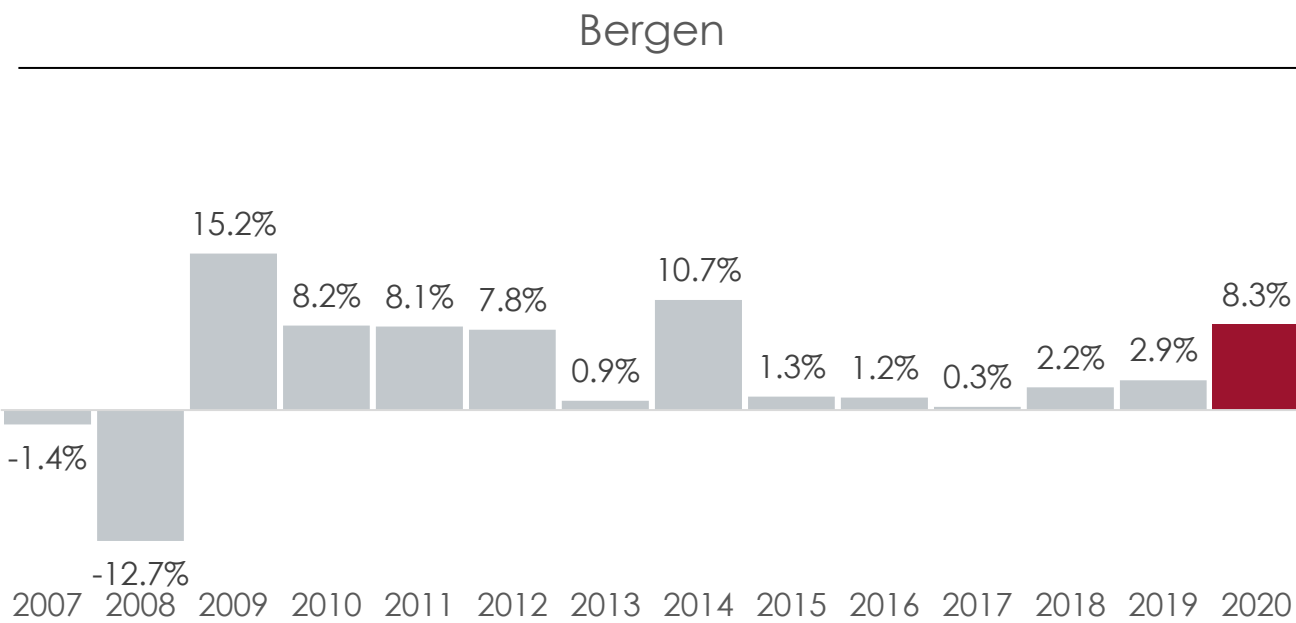
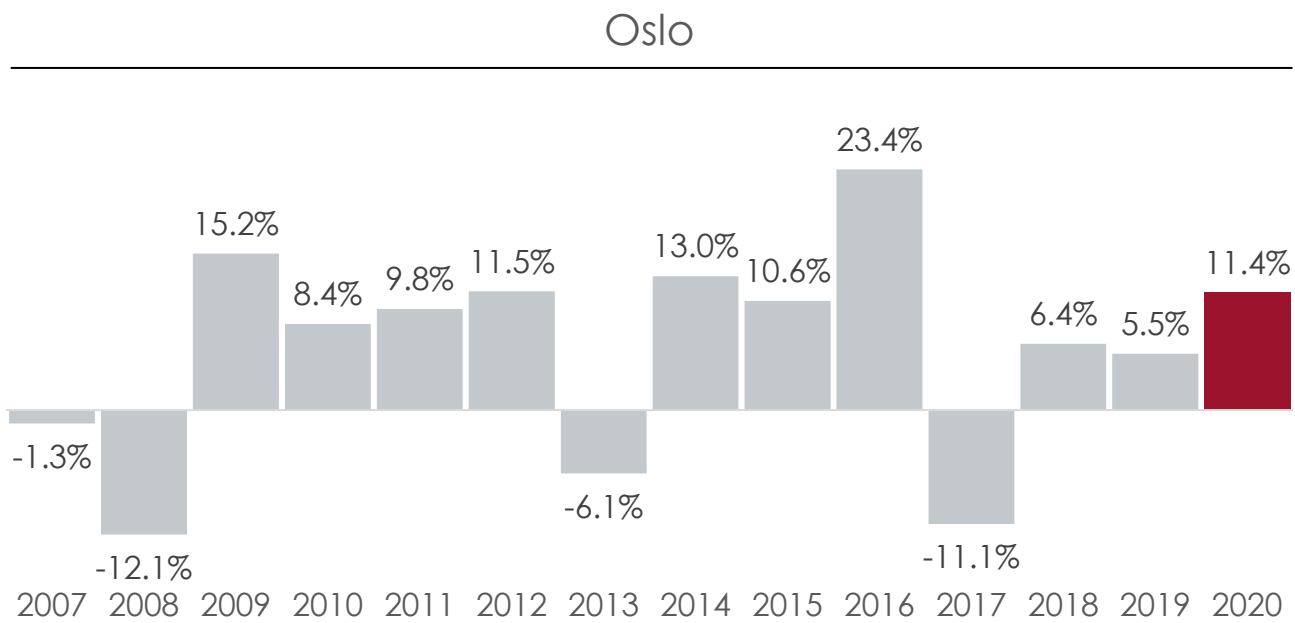
Inventory 31.12, 2008-20

Units



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

# Regional price\* development 1.1-31.12, 2007-20



Source: Eiendom Norge  
\* Nominal price change  
\*\* Includes Stavanger, Sola, Sandnes, Randaberg



# Upcoming projects 2022 to 2024



## Lørenskog stasjonsby | Greater Oslo

- 1 500 units total
- ~ 900 units remaining for sale



## Skårerbyen | Greater Oslo

- ~1 200 units total
- ~ 1 000 units remaining for sale



## Bjerke | Oslo

- ~1 200 units
- Expected sales start: 2024



## Fornebu | Greater Oslo

- ~1 800 units (50/50 JV)
- Expected sales start: 2024



# Upcoming large regional projects



## RingvePluss | Trondheim

- ~600 units total
- Expected sales start: 2021/22



## Sandsli | Bergen

- Sales start H2 2020
- ~450 units total



## Elveparken | Stavanger-area

- ~500 units total
- Expected sales start: 2023



## Fredrikstad | Greater Oslo

- ~ 900 units
- Expected sales start: 2022/23

- 
- At 10 February, SBO had approximately 430 units for sale in Norway
  - Planning for sale start of additional 400 units H1 2021



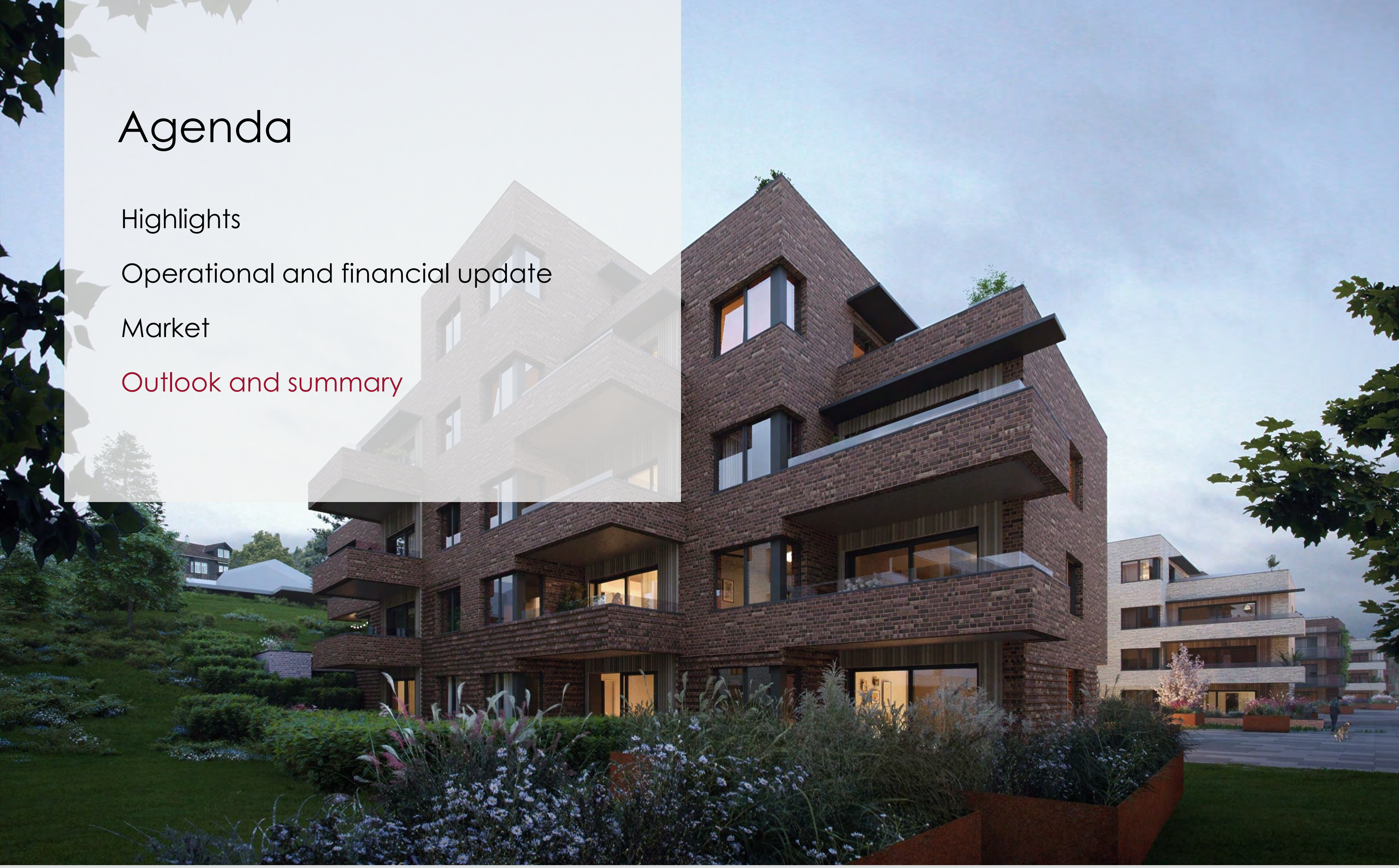
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# Outlook

- Continued positive market sentiment in Greater Oslo entering 2021
- Attractive projects for sale in all the markets where we operate
- Targeting new areas for future growth





# Summary

- Record high Q4 and H2 sales value
- Solid Q4 earnings with good margins
- Record high FY results driven by UP transaction and good underlying operational performance
- Proposed H2 20 dividend of NOK 3.00 per share, NOK 6.00 per share for the full year
- UP transaction improving capital efficiency, paid out extra dividend of NOK 22 per share
- External valuation of remaining land bank of NOK 1.5bn vs. book value of NOK 900m



Thank you for your attention – follow us online!

Next event:  
1<sup>st</sup> quarter 2021  
26 May 2021



@SelvaagAksjen

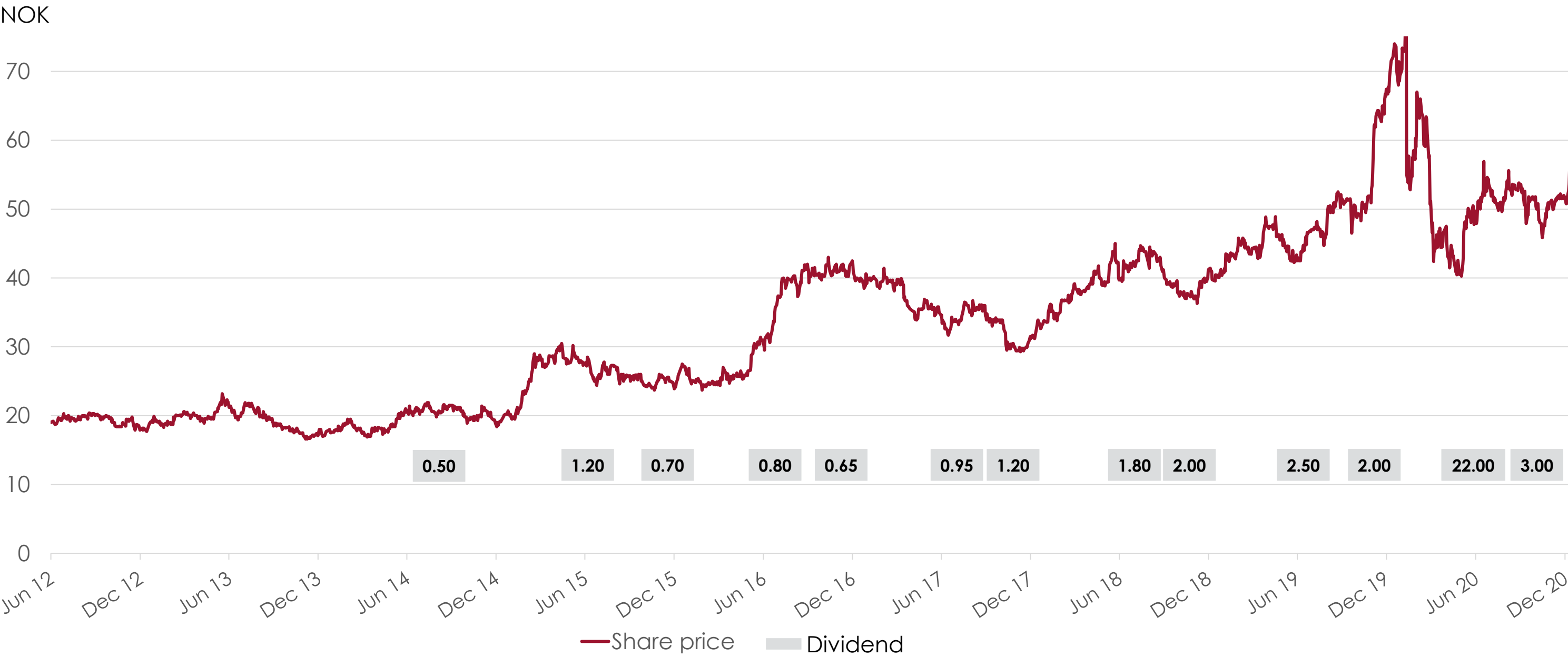


# Appendix





# 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.**

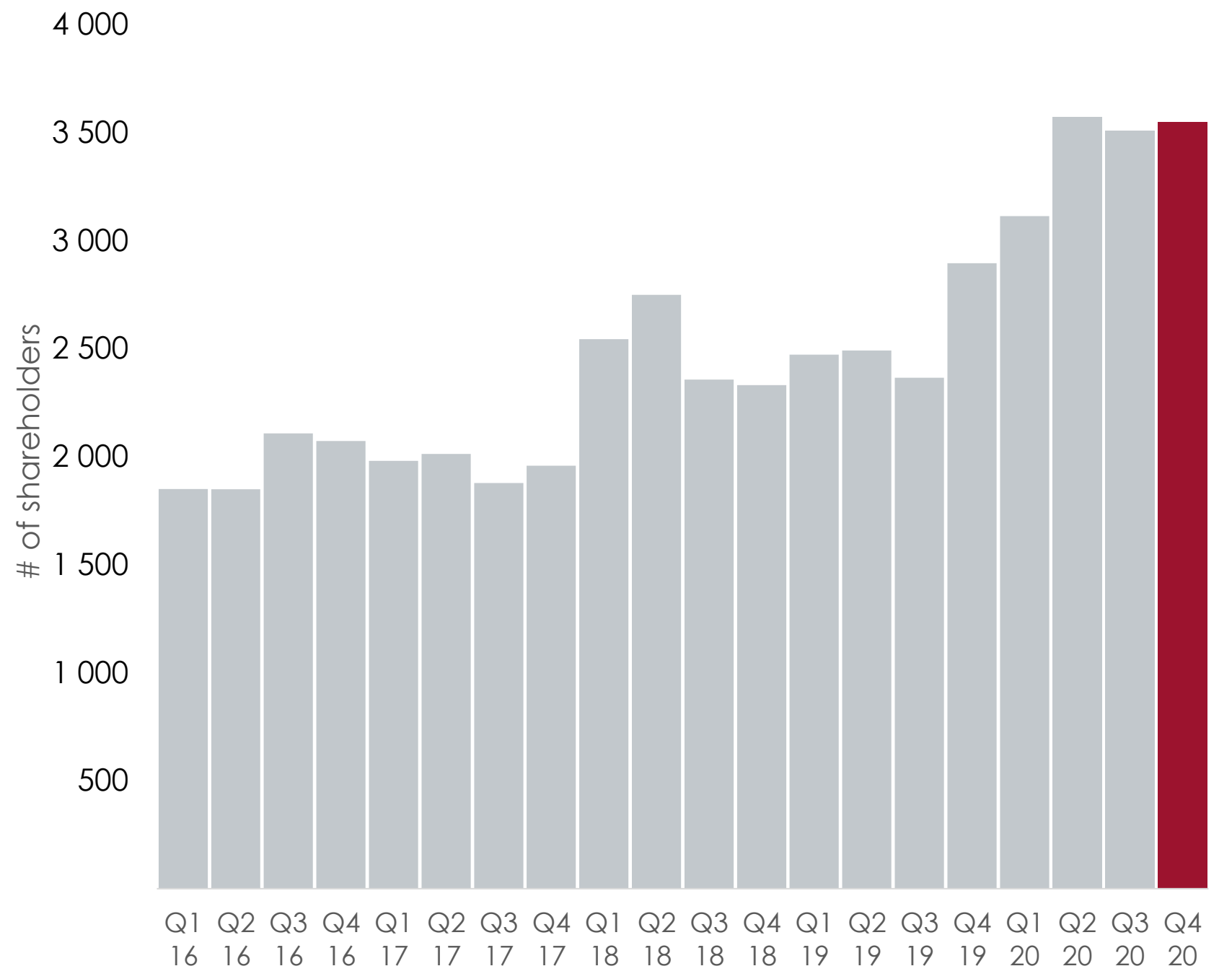
The company aims to pay dividends of minimum 40 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

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

# Share information

- Total number of shares: 93.8 million
- Number of shareholders : 3 547 (3 508)\*
  - 20 largest controlling 79.9% (79.2)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 4,5 million shares during the quarter (5.0)
  - Share turnover totaled NOK 214 million (260)

\* All numbers in brackets from previous quarter



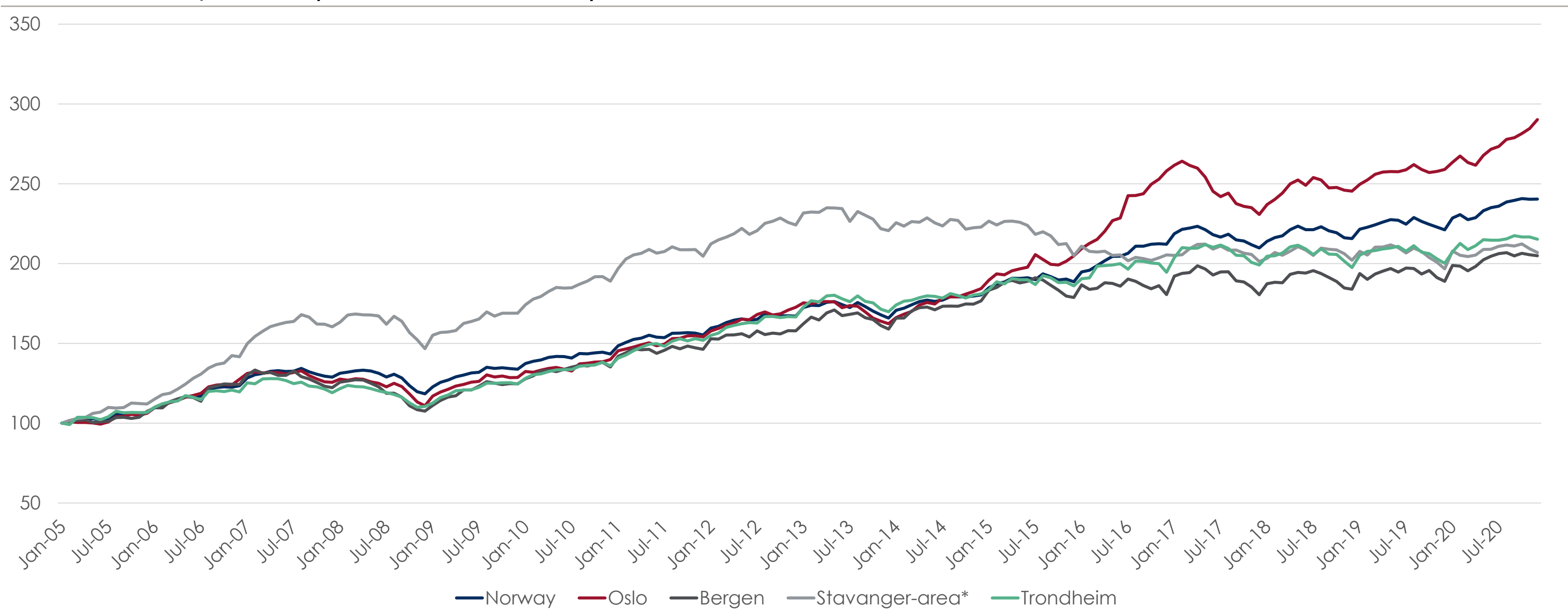
# Largest shareholders at 31.12, 2020

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53,5%
Skandinaviska Enskilda Banken AB *	6 049 720	6,5%
PARETO INVEST AS	2 652 746	2,8%
Morgan Stanley & Co. Int. Plc. *	2 632 236	2,8%
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 989 929	2,1%
JPMorgan Chase Bank, N.A., London *	1 853 972	2,0%
State Street Bank and Trust Comp *	1 540 053	1,6%
MUSTAD INDUSTRIER AS	870 000	0,9%
J.P. Morgan Bank Luxembourg S.A. *	776 249	0,8%
Brown Brothers Harriman & Co. *	709 324	0,8%
Landkreditt Utbytte	650 000	0,7%
VERDIPAPIRFONDET HOLBERG NORGE	650 000	0,7%
SANDEN AS	601 588	0,6%
BANAN II AS	600 000	0,6%
SPARHANS AS	547 221	0,6%
VERDIPAPIRFONDET EIKA SPAR	528 300	0,6%
Brown Brothers Harriman & Co. *	522 650	0,6%
Morgan Stanley & Co. International	510 603	0,5%
J.P. Morgan Bank Luxembourg S.A. *	510 005	0,5%
SEB PRIME SOLUTIONS SISSENER CANOP	500 000	0,5%
<b>Total 20 largest shareholders</b>	<b>74 874 683</b>	<b>79,9%</b>
Other shareholders	18 891 005	20,1%
<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>

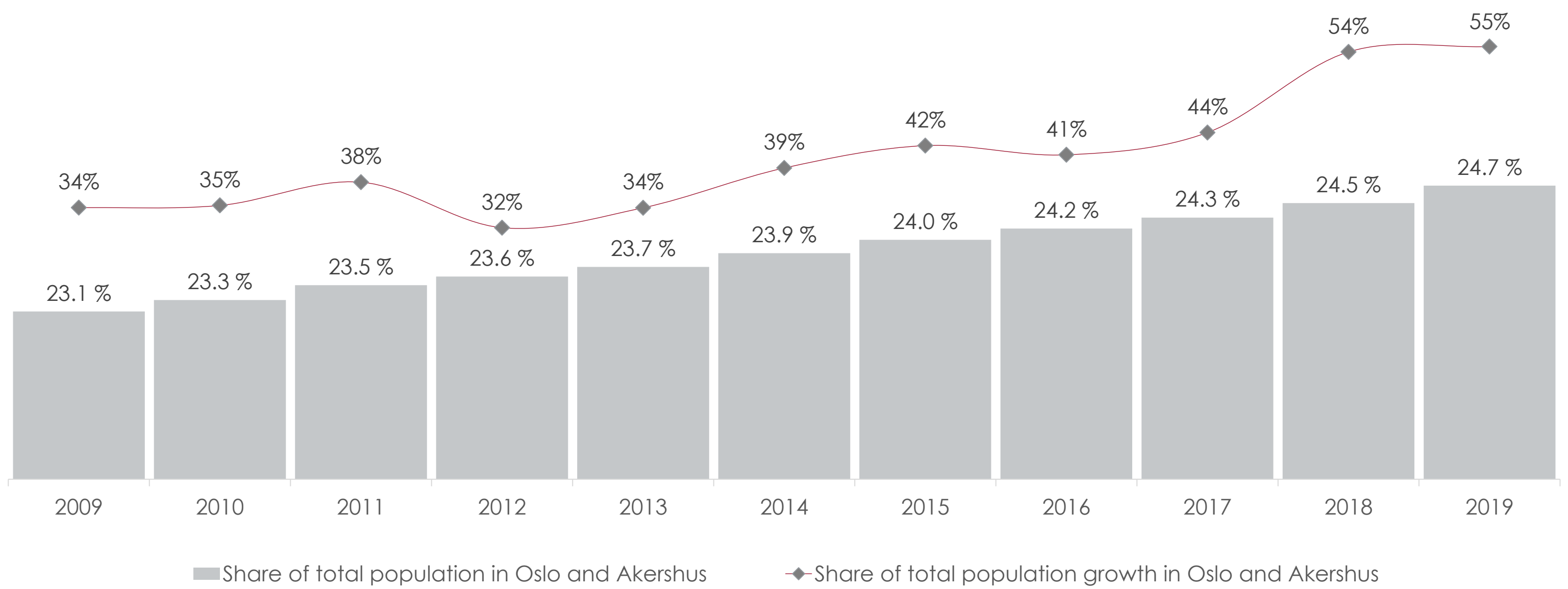
# Price development Norway and selected regions (2005-20)

Price development (rebased 1.1.2005)



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

# Increasing share of population growth in Oslo and Akershus

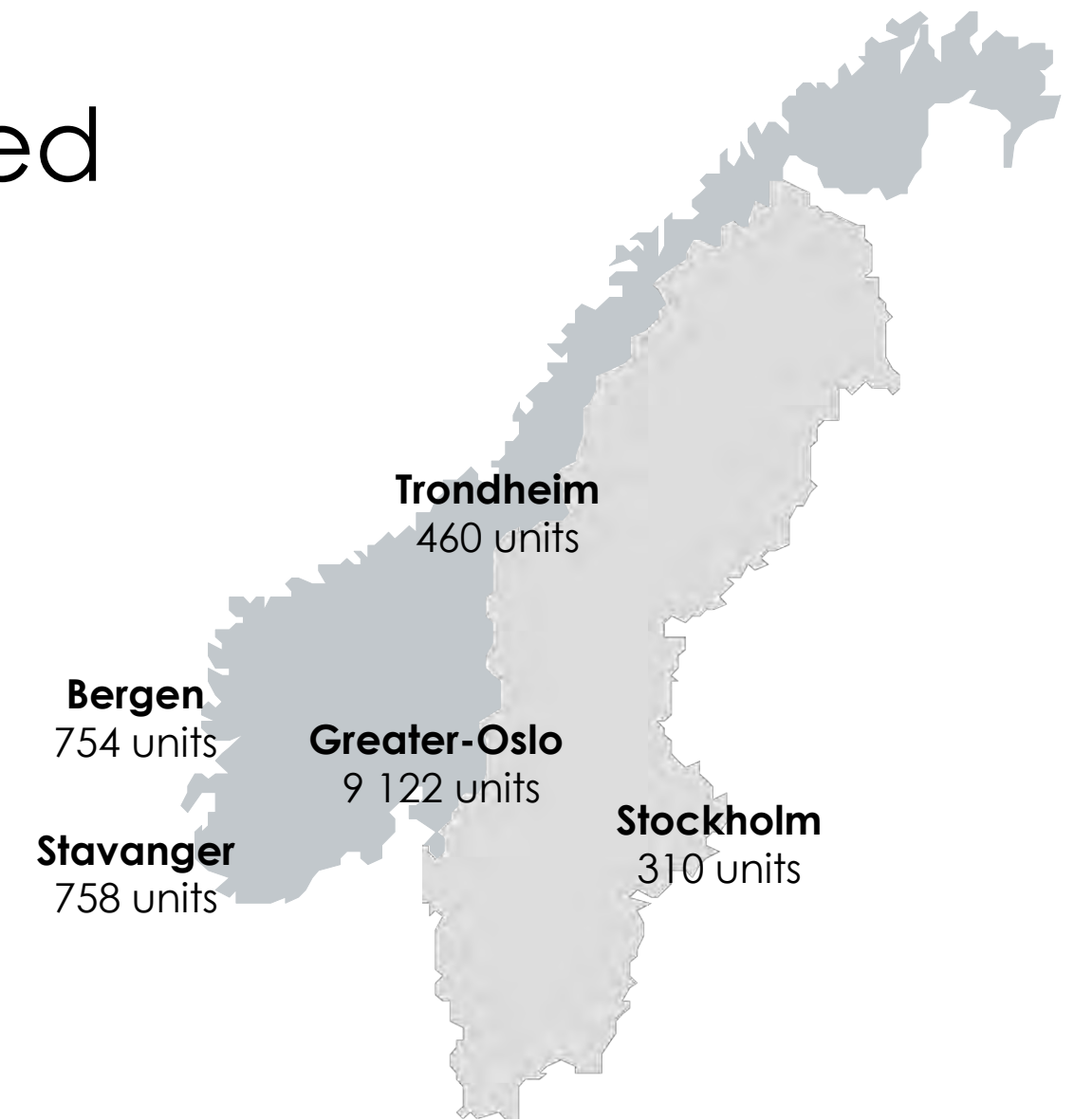


Source: Statistics Norway



# 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

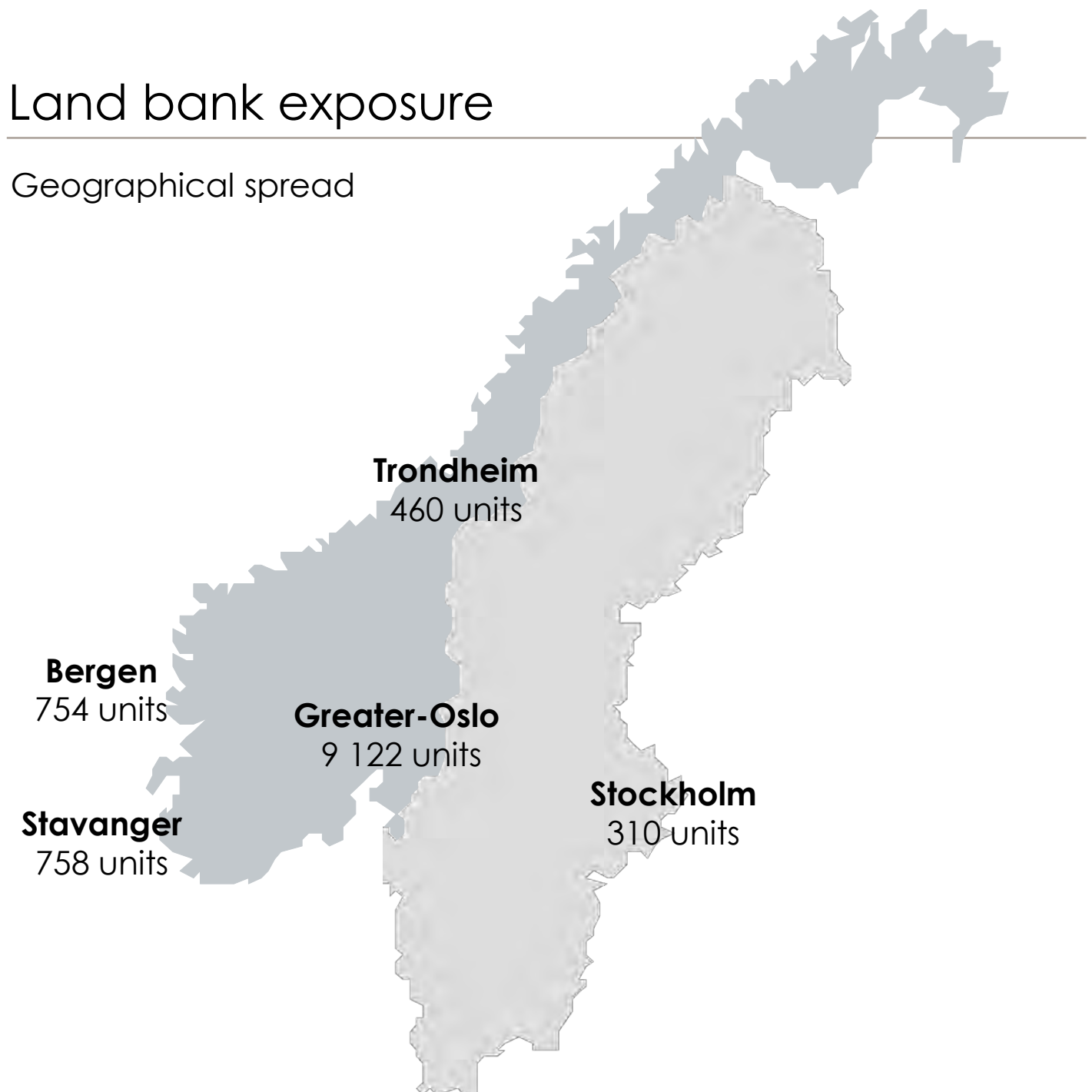
## Land-bank strategy

- 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

Geographical spread





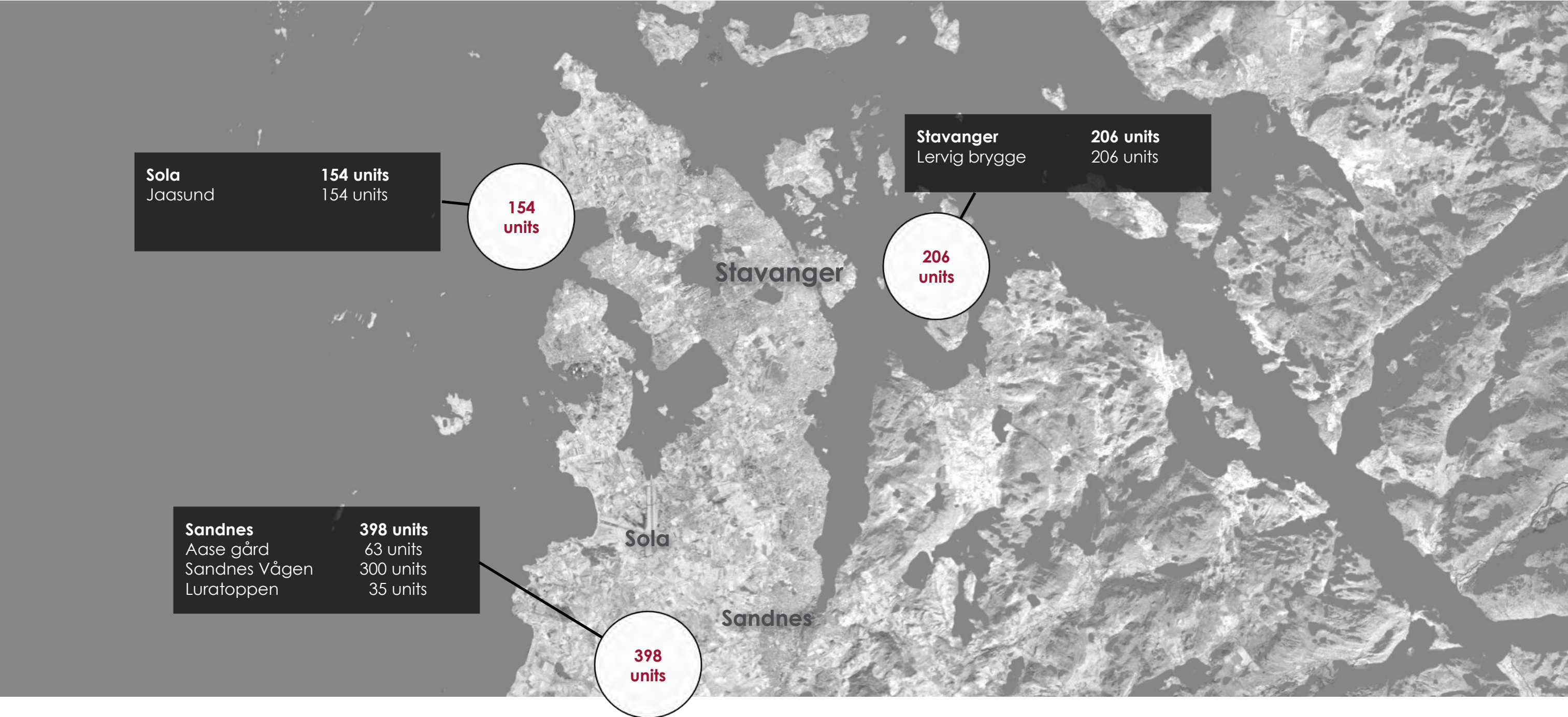
# Land bank in Oslo and Greater Oslo at 31.12.20



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



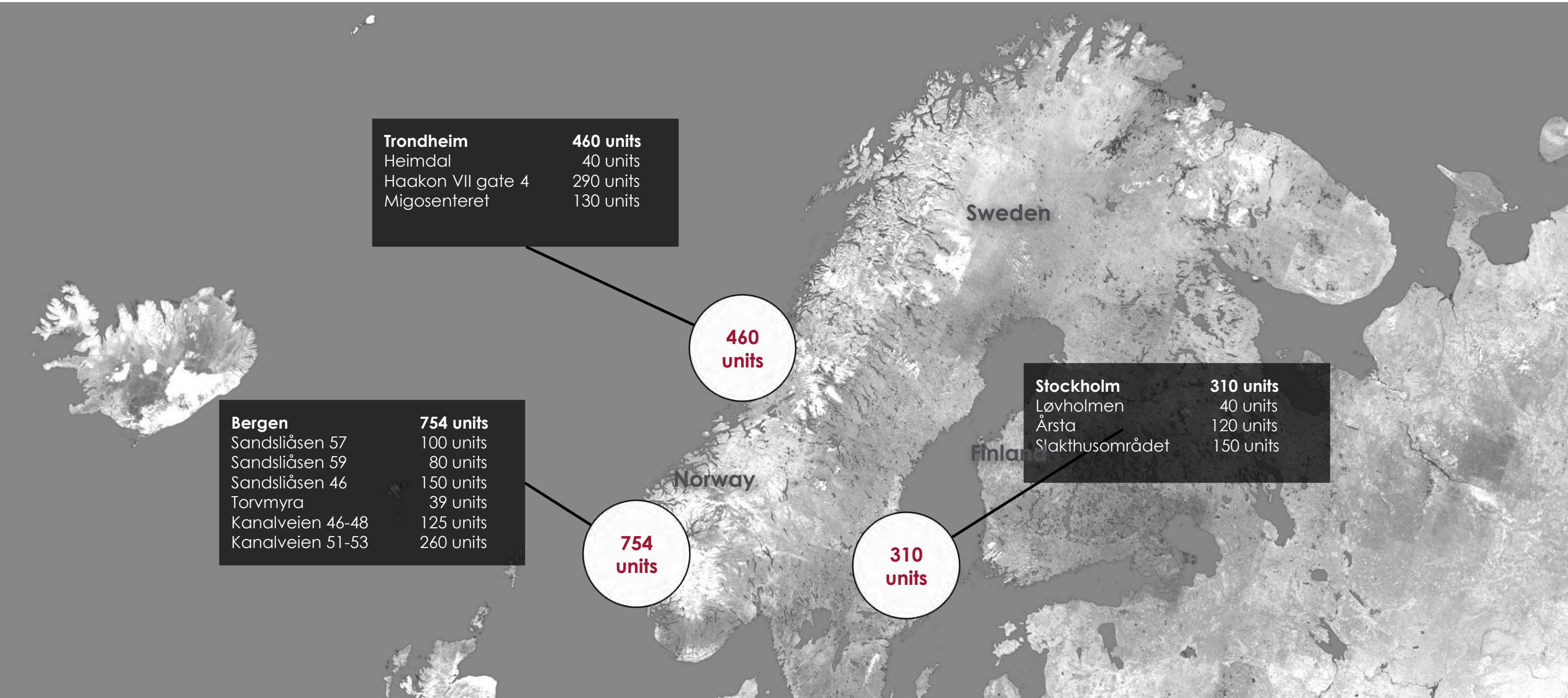
# Land bank in Stavanger area at 31.12.20



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



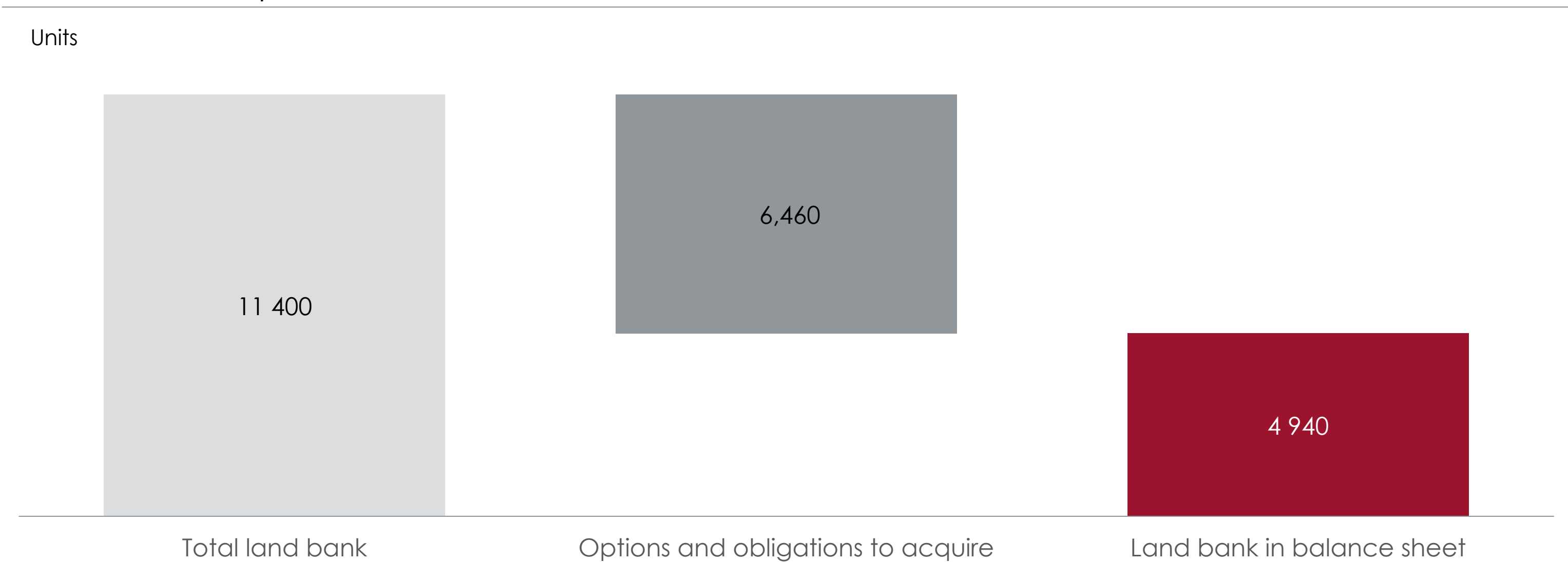
# Land bank in Bergen, Trondheim and Stockholm at 31.12.20



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

# Substantial portfolio for development

Total land bank portfolio at 31.12 2020

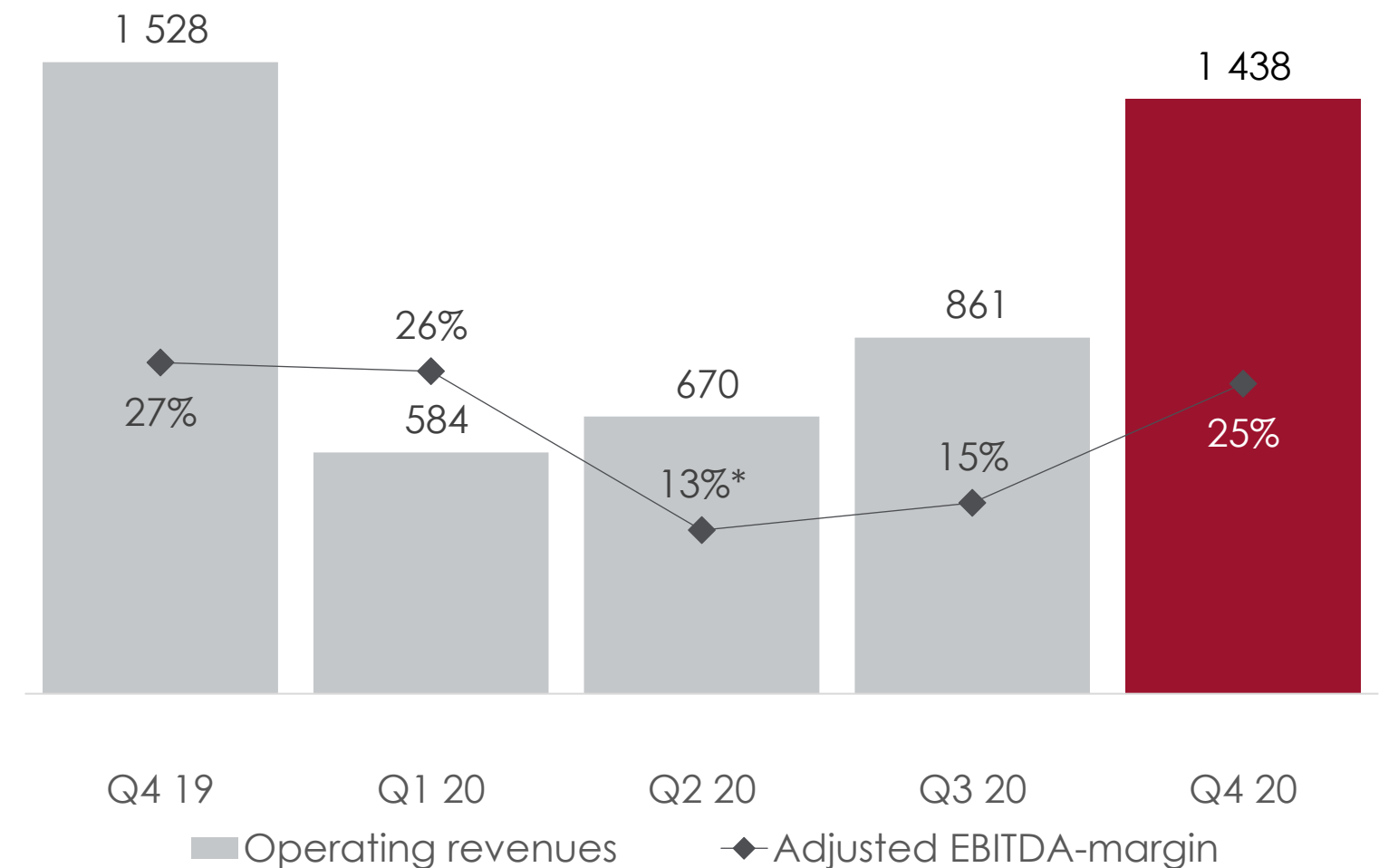


# Q4 2020 proforma figures including proportionate share of JV

- 272 units delivered (214)
  - 8 units from share of JVs (22)
- Revenues NOK 1 438 (1 528)
  - Other revenues NOK 17m (31)
- Project costs NOK 1 016m (1 050)
  - Of which NOK 25m is interest (29)
- Other costs NOK 91m (105)
- Adjusted EBITDA\* NOK 359m (407)
- EBITDA\* NOK 335m (378)
- EPS in the quarter NOK 2.62 (3.00)

## 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

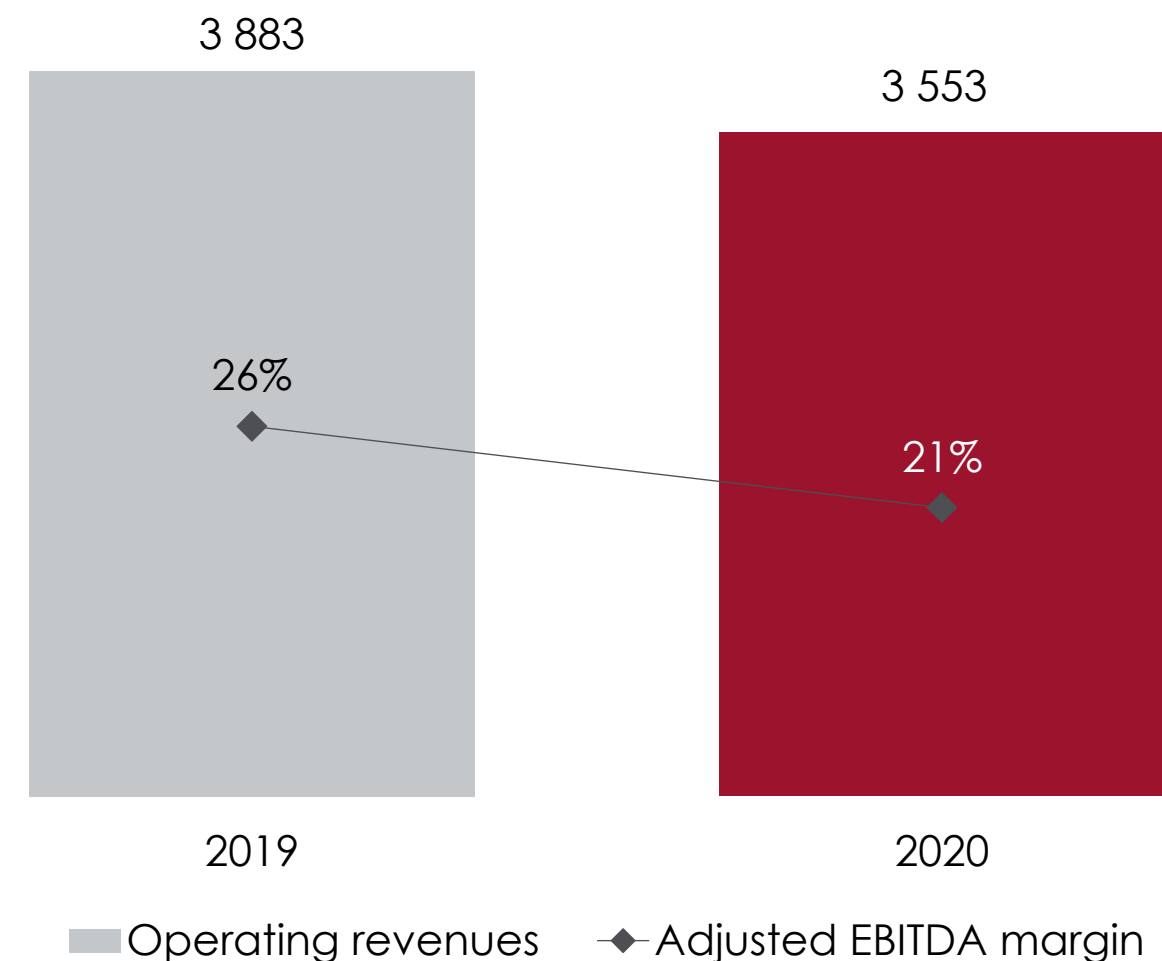


# FY 2020 proforma figures including proportionate share of JV

- 720 units delivered (732)
  - 136 units from share of JVs (97)
- Revenues NOK 3 553 (3 883)
  - Other revenues NOK 70m (108)
- Adjusted EBITDA\* NOK 732m (1 023)
- EBITDA\* NOK 635m (921)
- EPS full year NOK 5.31 (7.04)
  - Additional NOK 11.02 per share from UP transaction, totaling NOK 16.33 per share

## Revenues and adjusted EBITDA margin (IFRS)

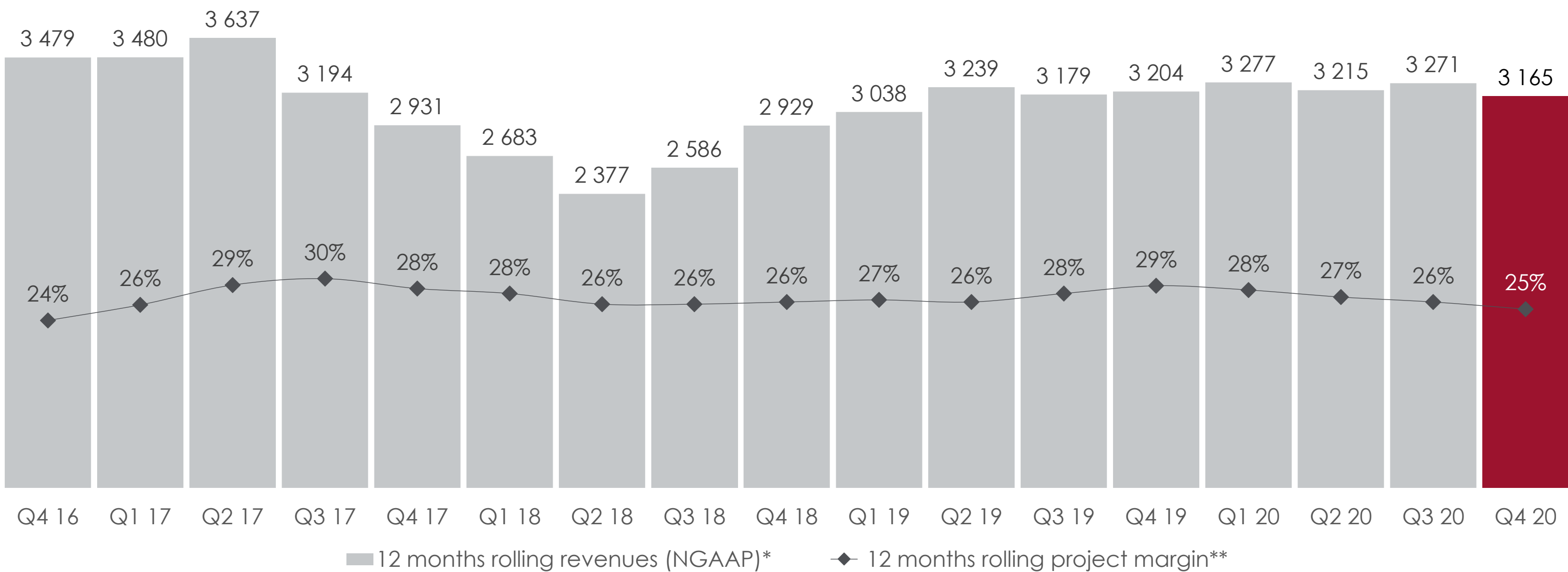
NOK million



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

# Project margin development

NOK million



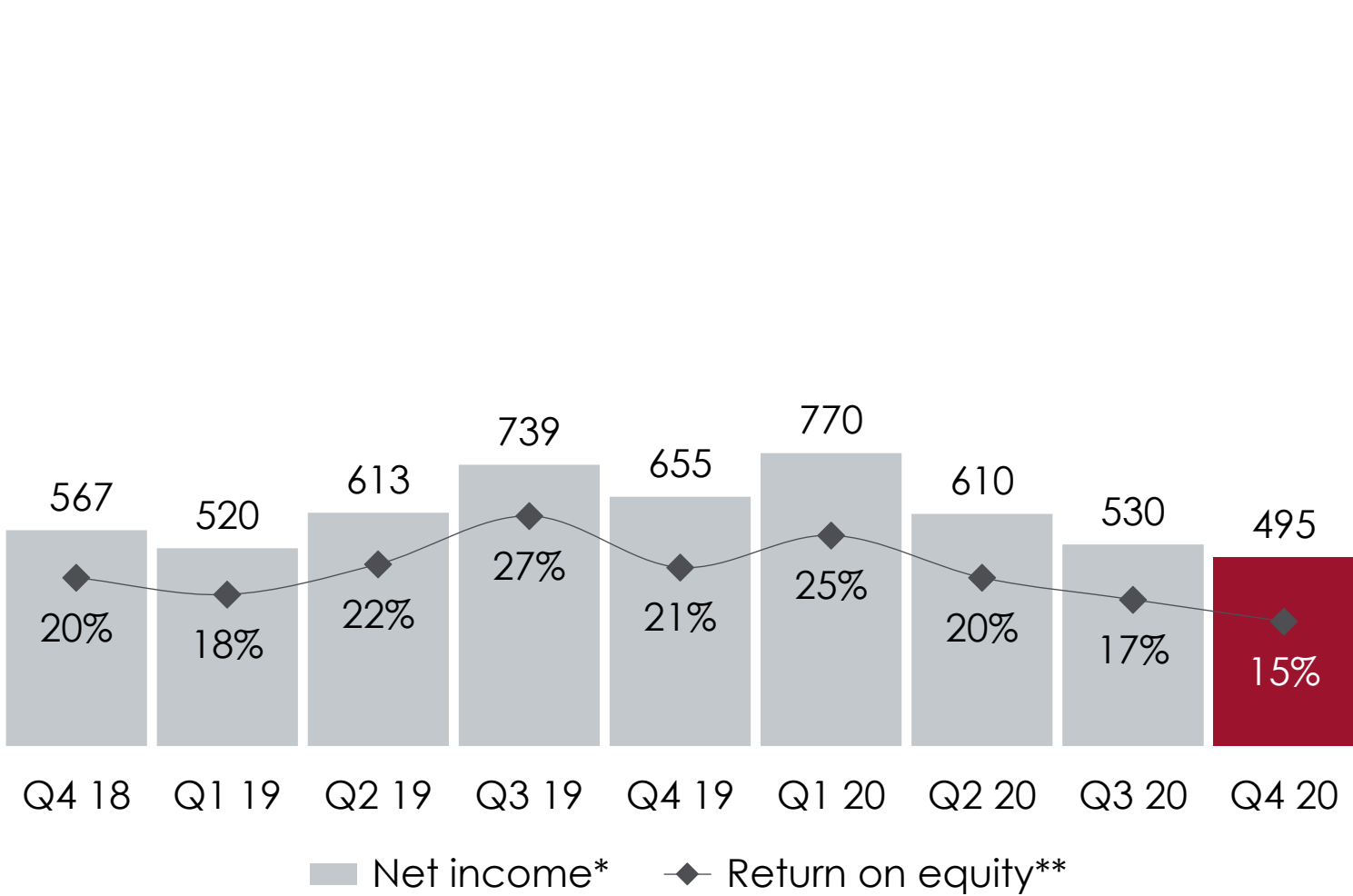
\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP)

\*\* Project margins are exclusive of overhead costs

# Return on equity (IFRS)

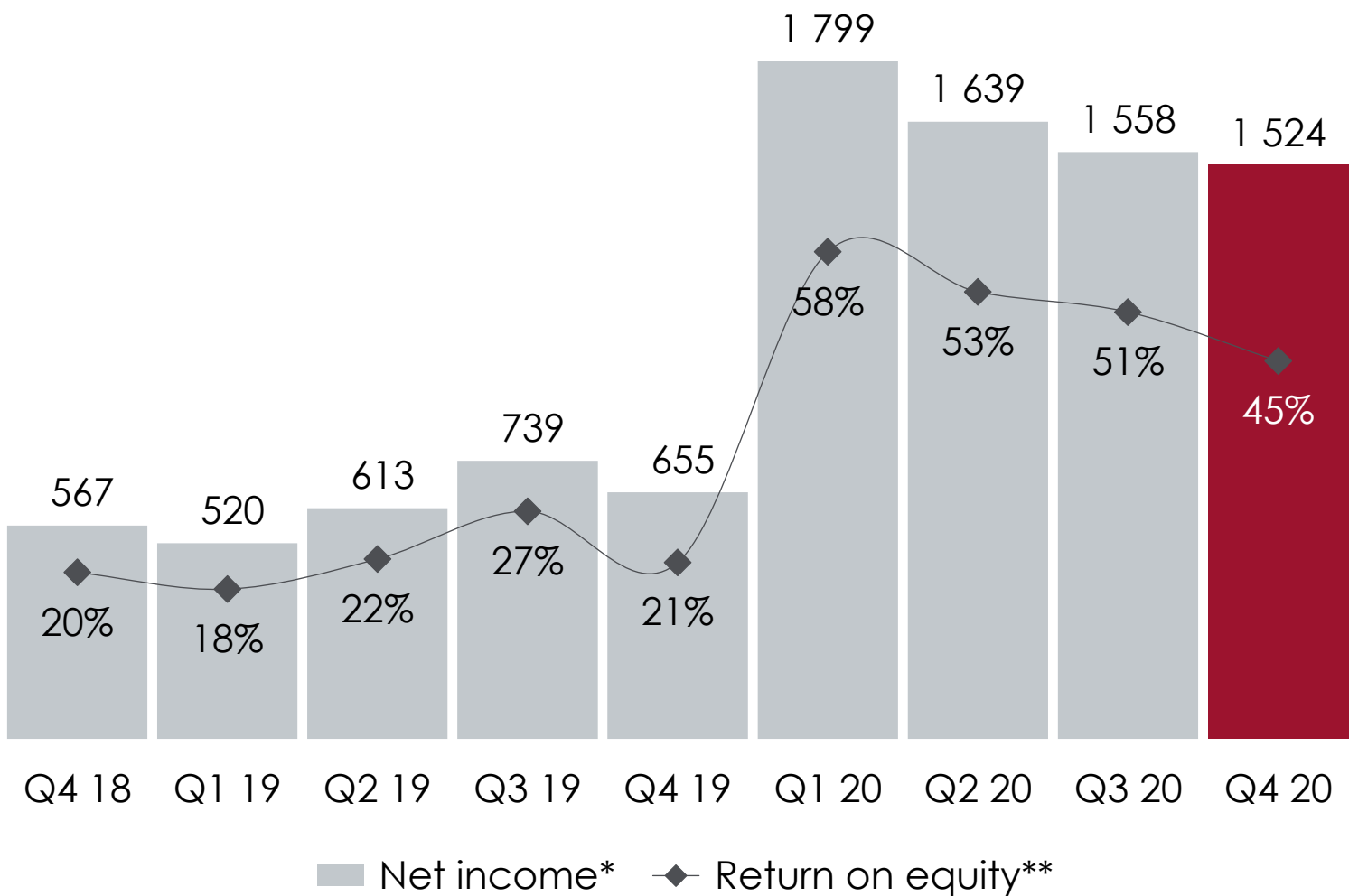
12 months rolling net income (NOKm) ROE (%)

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)



# Income statement IFRS

(figures in NOK million)	Q4 2020	Q4 2019	2020	2019
Total operating revenues	1 347.2	1 414.4	2 698.0	3 368.8
Project expenses	(934.9)	(936.7)	(1 967.6)	(2 279.5)
Other operating expenses	(80.9)	(88.8)	(256.8)	(274.1)
Associated companies and joint ventures	2.8	(13.7)	135.0	62.2
<b>EBITDA</b>	<b>334.3</b>	<b>375.2</b>	<b>608.5</b>	<b>877.5</b>
Depreciation and amortisation	(2.5)	(2.8)	(9.8)	(12.7)
Other gains (loss)	16.4	-	1 045.1	-
<b>EBIT</b>	<b>348.2</b>	<b>372.4</b>	<b>1 643.8</b>	<b>864.7</b>
Net financial expenses	(0.7)	2.3	9.7	(10.7)
<b>Profit/(loss) before taxes</b>	<b>347.5</b>	<b>374.6</b>	<b>1 653.5</b>	<b>854.0</b>
Income taxes	(103.5)	(96.1)	(129.9)	(199.5)
<b>Net income</b>	<b>243.9</b>	<b>278.6</b>	<b>1 523.6</b>	<b>654.5</b>

# Balance sheet

(figures in NOK million)	Q4 2020	Q3 2020	2019
Intangible assets	383.4	383.4	383.4
Property, plant and equipment	7.3	5.3	5.6
Investments in associated companies and joint ventures	406.9	398.6	430.3
Other non-current assets	228.1	236.2	280.4
<b>Total non-current assets</b>	<b>1 025.7</b>	<b>1 023.6</b>	<b>1 099.6</b>
<b>Inventories (property)</b>	<b>3 940.8</b>	<b>4 274.6</b>	<b>3 636.7</b>
- Land	909.3	979.0	1 020.8
- Land held for sale			
- Work in progress	2 911.0	3 171.6	2 433.2
- Finished goods	120.5	123.9	182.6
Other current receivables	119.0	491.8	133.3
Cash and cash equivalents	885.3	361.3	1 178.7
Assets held for sale	-	-	864.2
<b>Total current assets</b>	<b>4 945.1</b>	<b>5 127.7</b>	<b>5 812.8</b>
<b>TOTAL ASSETS</b>	<b>5 970.8</b>	<b>6 151.2</b>	<b>6 912.4</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 430.0	2 170.8	3 374.2
Non-controlling interests	7.8	7.9	7.9
<b>Total equity</b>	<b>2 437.8</b>	<b>2 178.6</b>	<b>3 382.1</b>
Non-current interest-bearing liabilities	1 100.3	1 255.6	1 092.3
Other non-current non interest-bearing liabilities	132.3	151.9	124.2
<b>Total non-current liabilities</b>	<b>1 232.6</b>	<b>1 407.5</b>	<b>1 216.5</b>
Current interest-bearing liabilities	1 368.1	1 616.1	1 161.0
Other current non interest-bearing liabilities	932.2	949.1	1 152.8
<b>Total current liabilities</b>	<b>2 300.4</b>	<b>2 565.1</b>	<b>2 313.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 970.8</b>	<b>6 151.2</b>	<b>6 912.4</b>

\* Corresponding to a book value of NOK per share

25.92



# Cash flow statement

(figures in NOK million)	Q4 2020	Q4 2019	2020	2019
Net cash flow from operating activities	922.9	943.7	1 615.7	985.9
Net cash flow from investment activities	4.7	(9.7)	413.8	64.1
Net cash flow from financing activities	(403.6)	(243.6)	(2 322.9)	(528.4)
Net change in cash and cash equivalents	524.0	690.4	(293.4)	521.7
<b>Cash and cash equivalents at start of period</b>	<b>361.3</b>	<b>488.3</b>	<b>1 178.7</b>	<b>657.0</b>
<b>Cash and cash equivalents at end of period</b>	<b>885.3</b>	<b>1 178.7</b>	<b>885.3</b>	<b>1 178.7</b>

# Operational highlights – key operating figures

	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Units sold	140	164	142	178	199
Construction starts	248	15	31	196	254
Units completed	254	89	104	212	286
Units delivered	214	114	122	212	272
Units under construction	1 504	1 431	1 357	1 342	1 310
Proportion of sold units under construction	70 %	76 %	78 %	77 %	74 %
Completed unsold units	56	37	25	19	19
Sales value of units under construction (NOK million)	7 155	6 742	6 327	6 660	6 413
Number of employees	87	87	87	85	85

# EBITDA Q4 2020

<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>937.9</b>	<b>11.5</b>	<b>949.4</b>
Project expenses	(697.2)	(0.2)	(697.4)
Other operating expenses	(15.5)	(67.8)	(83.3)
<b>EBITDA (percentage of completion)</b>	<b>225.2</b>	<b>(56.6)</b>	<b>168.6</b>

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

## IFRS EBITDA for the quarter, per segment

Operating revenues	1 335.7	11.5	1 347.2
Project expenses	(934.7)	(0.2)	(934.9)
Other operating expenses	(13.0)	(67.8)	(80.9)
Share of income (losses) from associated companies and joint ventures	2.8	-	2.8
<b>EBITDA</b>	<b>390.8</b>	<b>(56.6)</b>	<b>334.3</b>

Units in production	1 310	N/A	N/A
Units delivered	272	N/A	N/A

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



# EBITDA 2020

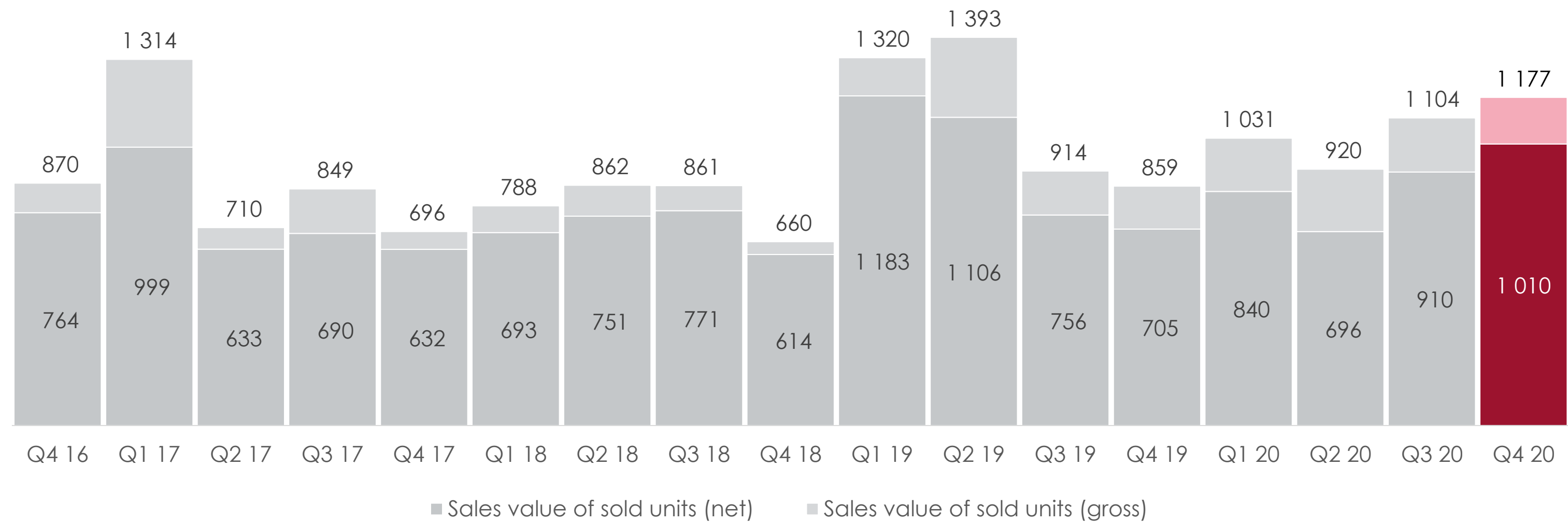
(figures in NOK million)	Property development	Other	Total
<b>Operating revenues</b>	<b>3 165.2</b>	<b>50.7</b>	<b>3 215.9</b>
Project expenses	(2 316.4)	(0.7)	(2 317.1)
Other operating expenses	(48.5)	(218.3)	(266.8)
<b>EBITDA (percentage of completion)</b>	<b>800.4</b>	<b>(168.4)</b>	<b>632.0</b>
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
<b>IFRS EBITDA full year per segment</b>			
Operating revenues	2 647.3	50.7	2 698.0
Project expenses	(1 966.7)	(0.7)	(1 967.4)
Other operating expenses	(38.7)	(218.3)	(257.0)
Share of income (losses) from associated companies and joint ventures	135.0	-	135.0
<b>EBITDA</b>	<b>776.9</b>	<b>(168.4)</b>	<b>608.5</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, amortization and other gains (losses).

# Value of units sold - gross and net

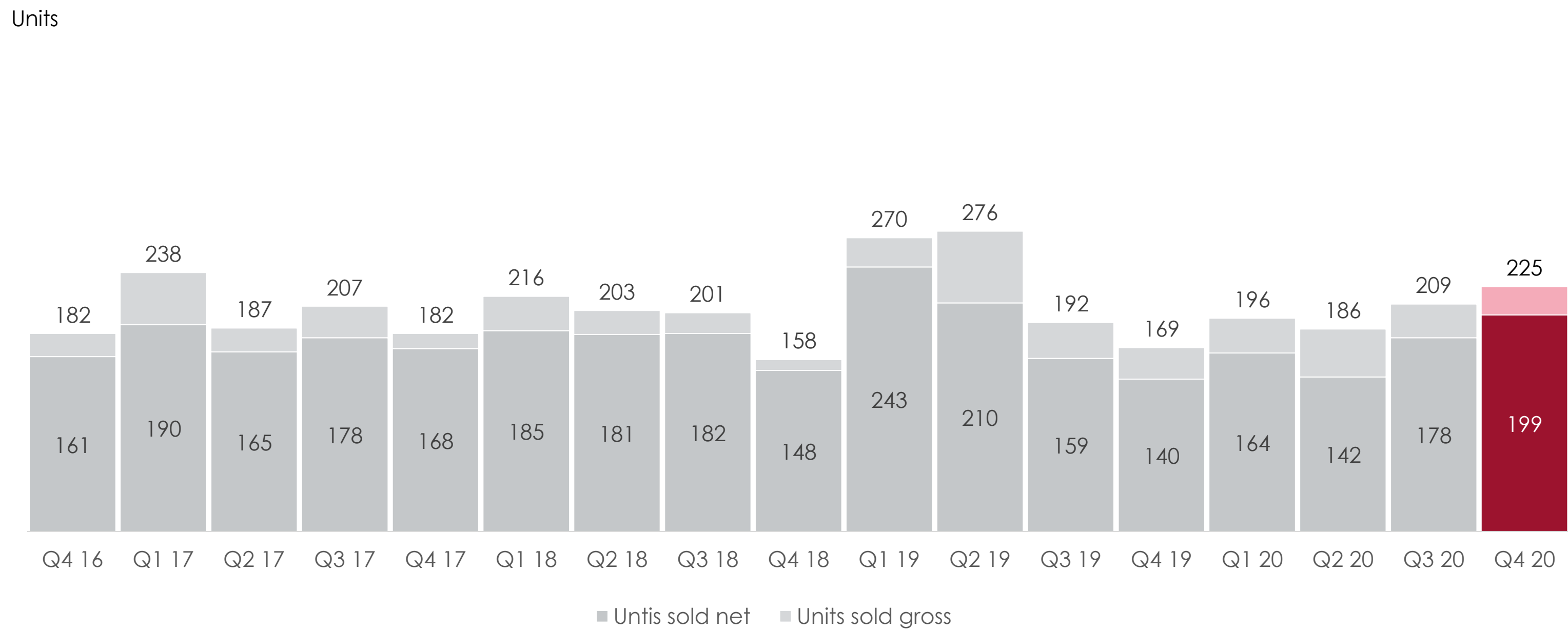
## Sales value of units sold

NOK million



# Number of units sold - gross and net

## Number of units sold



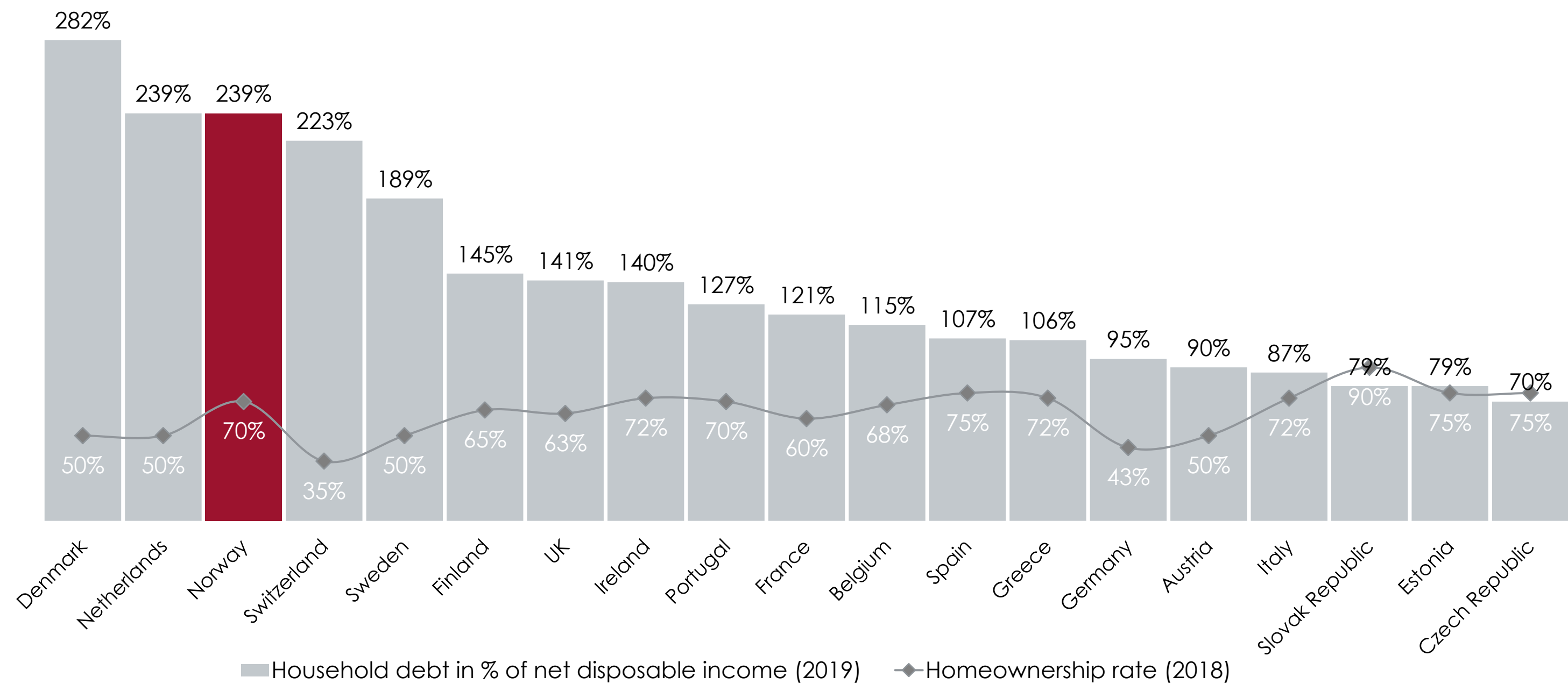


# Norwegian housing market

- 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

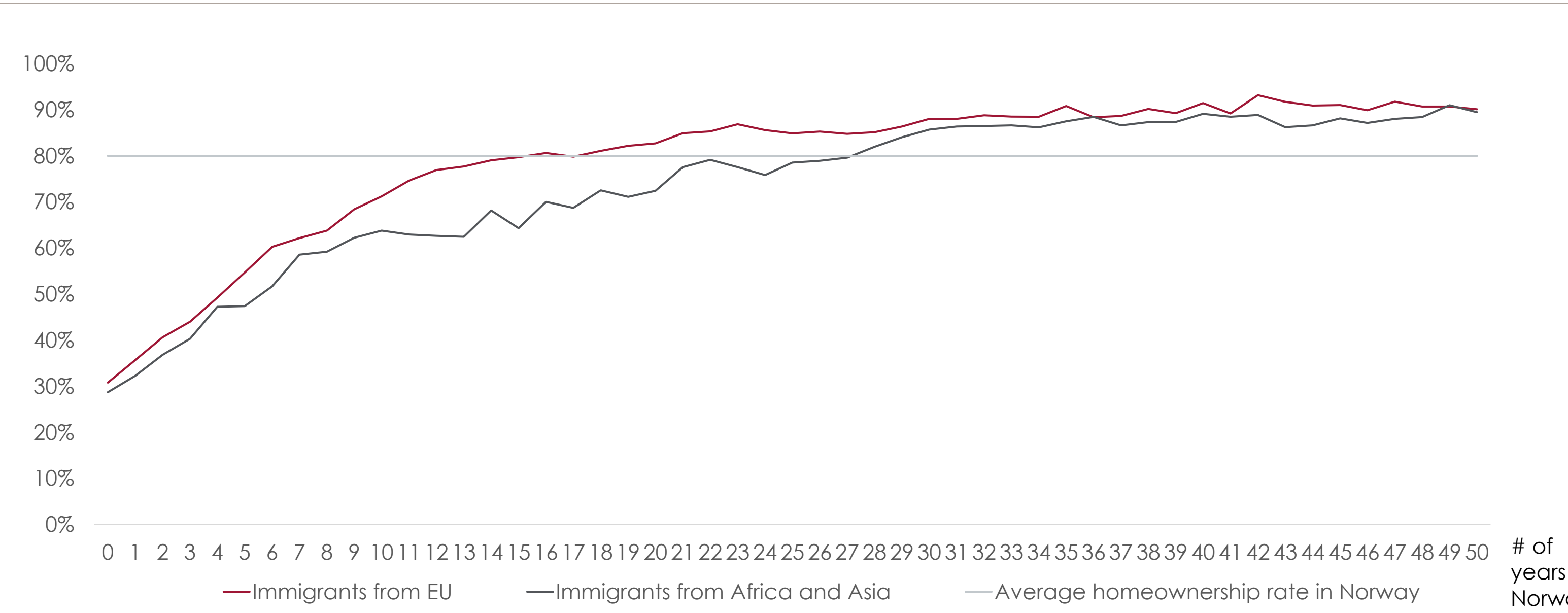
# Total household debt and homeownership



Source: OECD, Prognosesenteret

# Immigration increases demand over time

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

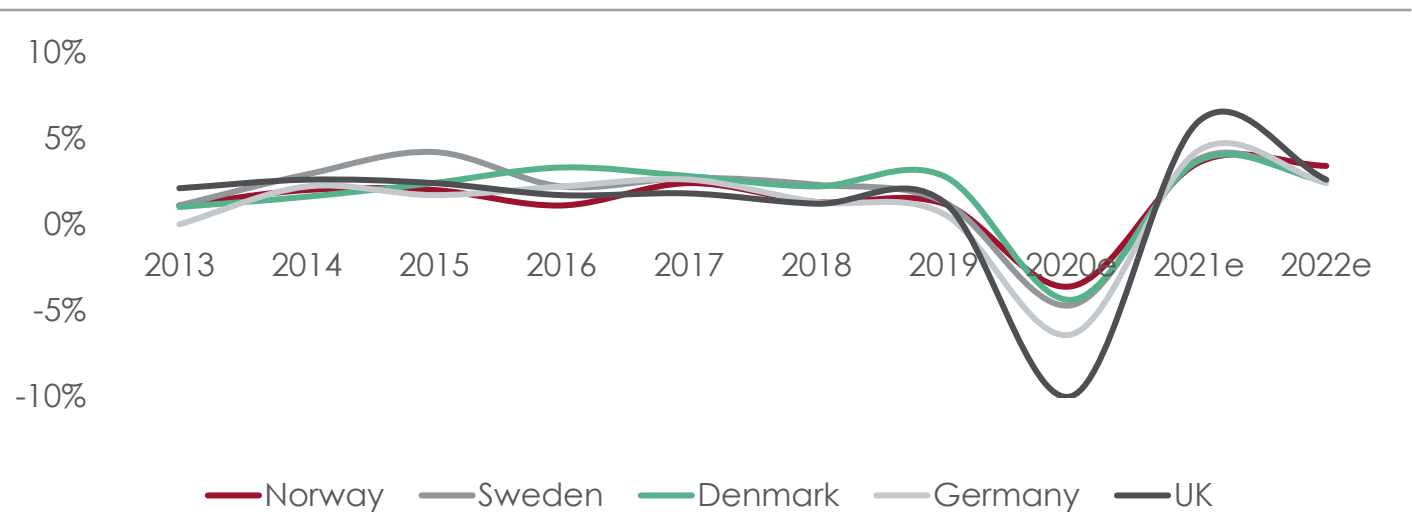


Source: Statistics Norway

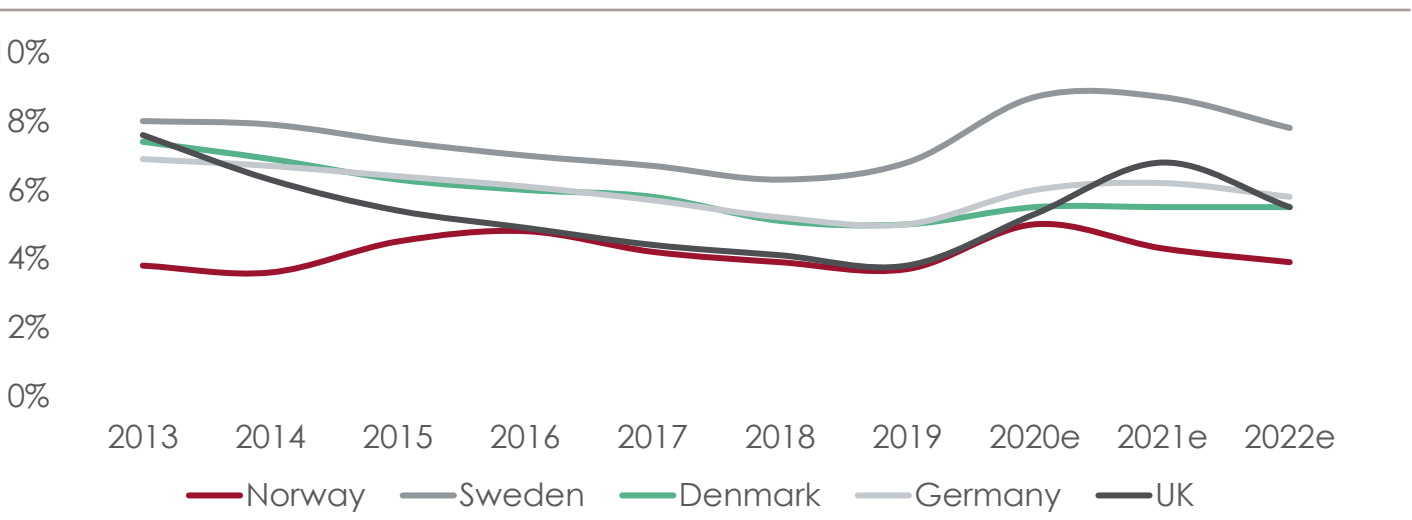


# Norway – relatively limited volatility

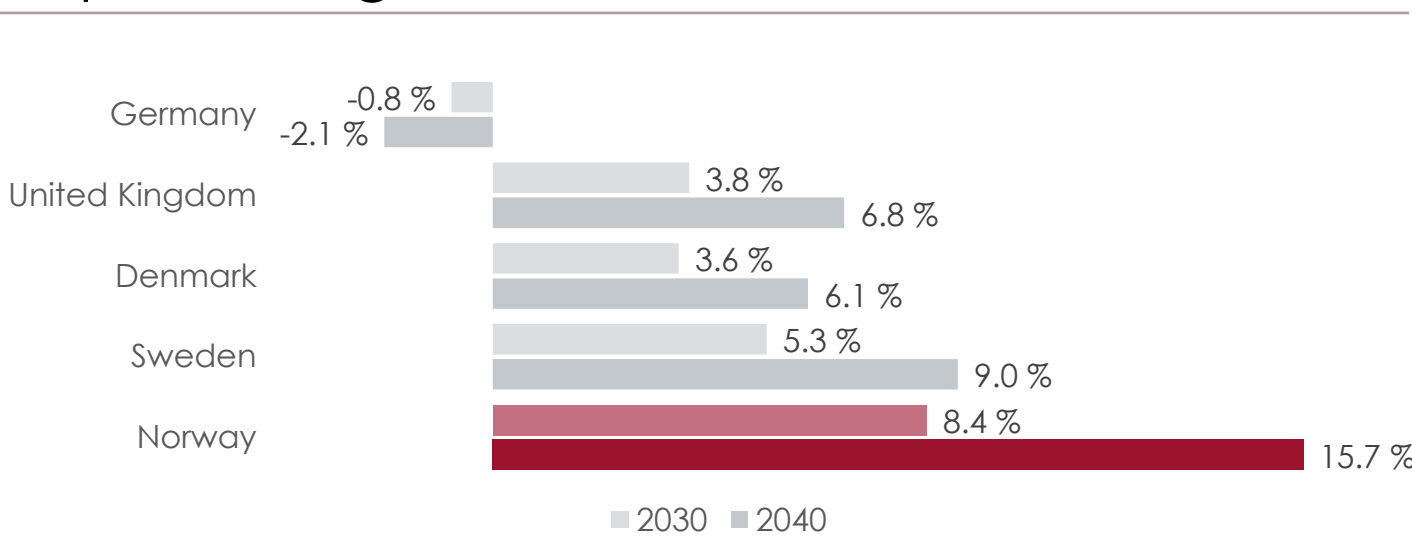
GDP growth 2013 - 2022e



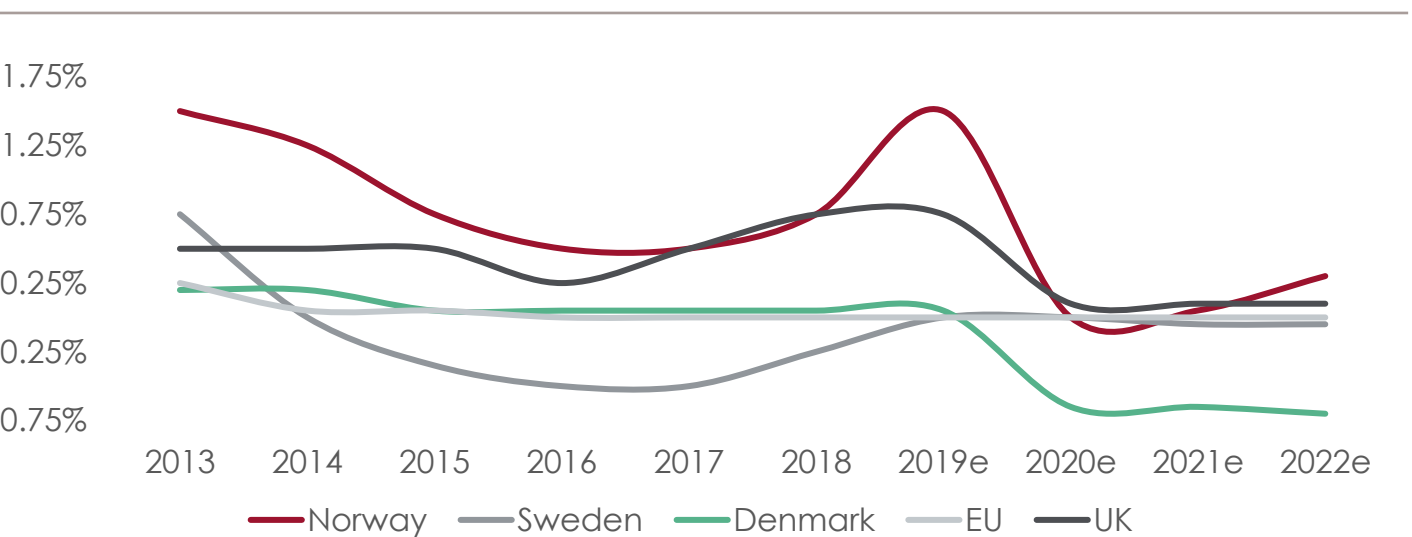
Unemployment 2013 - 2022e



Population growth 2020 - 2030e and 2040e



Interest rates\* 2013 - 2022e

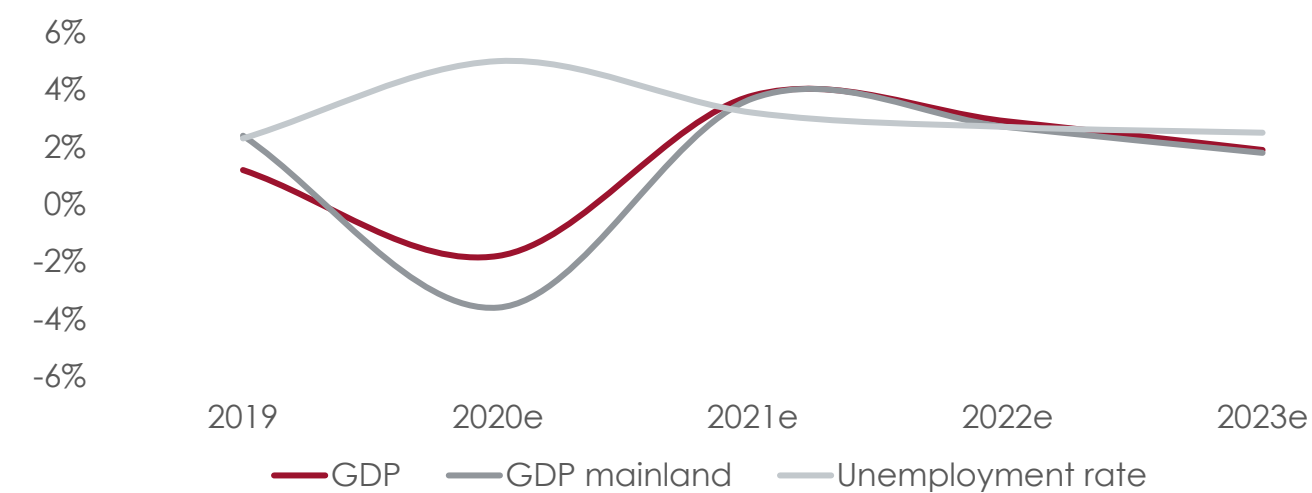


Source: Bloomberg, UN

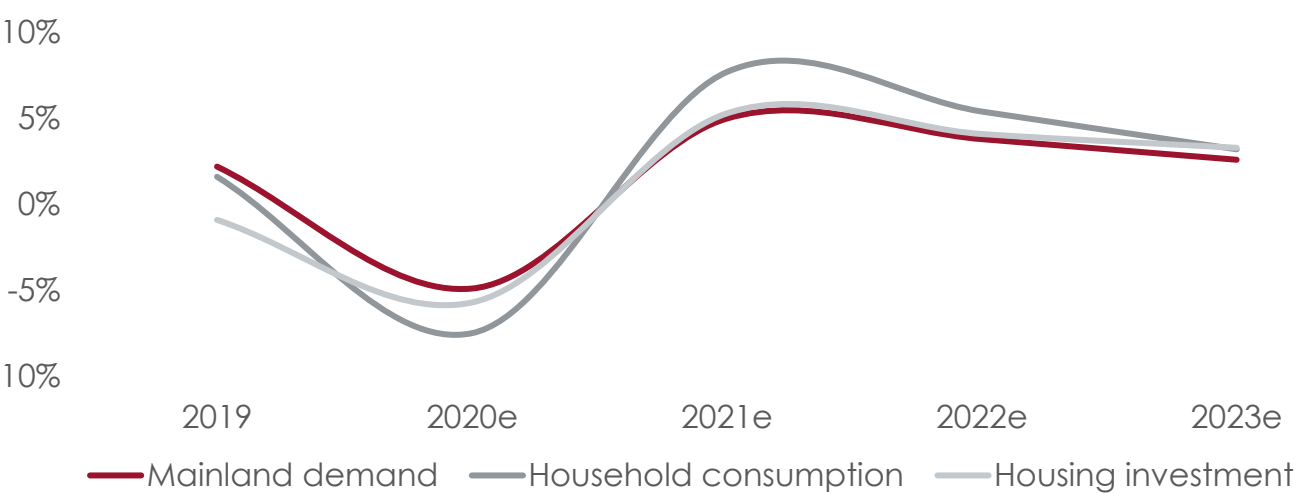
\* Central bank rates

# Norway – moving back to normal in through 2021

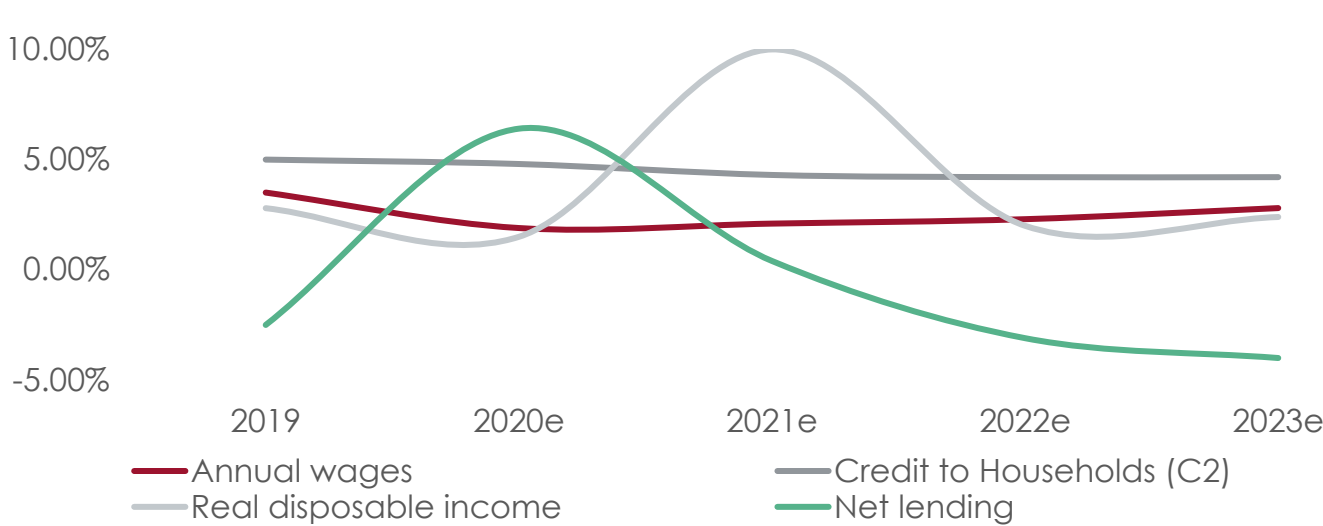
Real economy 2019 - 2023e



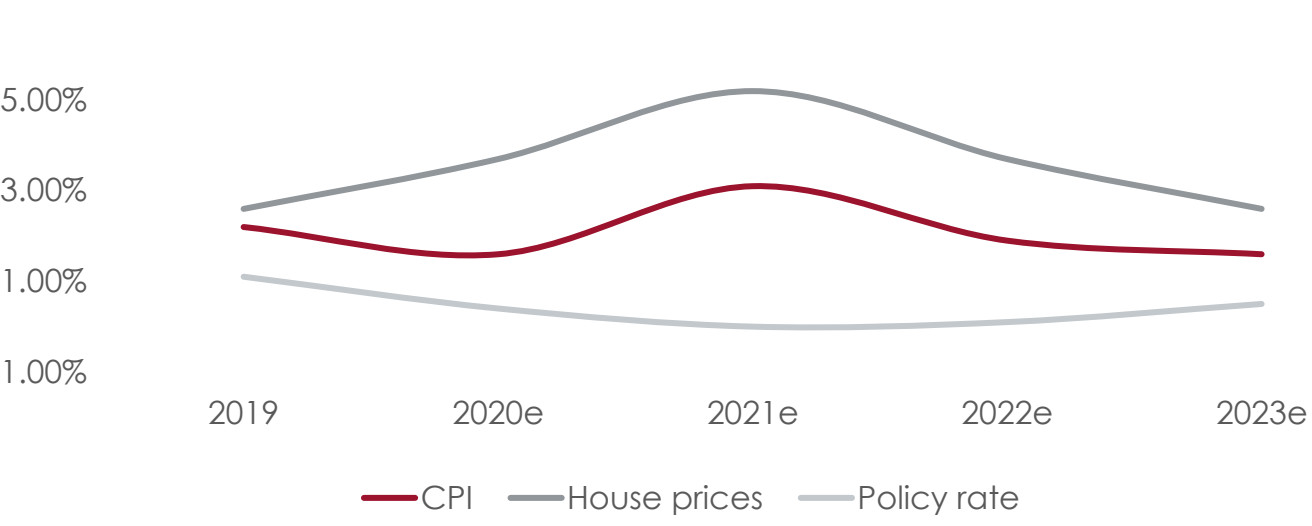
Demand 2019 - 2023e



Wages & disposable income 2019 - 2023e



Prices & interest rates 2019 - 2023e



Source: Central Bank of Norway

# Example project calculations before and after

	1	PROJECT CALCULATIONS BEFORE URBAN PROPERTY	2	PROJECT CALCULATIONS AFTER URBAN PROPERTY
Figures for illustration purposes only		MNOK%		MNOK%
Sales revenue		348.5100.0%		348.5100.0%
Construction cost		195.856.2%		195.856.2%
Land cost		69.720.0%		85.224.4%
Other costs		24.57.0%		24.57.0%
Project cost		290.083.2%		305.587.7%
Net finance (excluding Urban Property)		16.84.8%		5.31.5%
TOTAL REVENUE		348.5100.0%		348.5100.0%
TOTAL COST		306.888.0%		310.989.2%
PROFIT		41.712.0%		37.710.8%
Internal rate of return (IRR)		12.2%		28.0%

- 1

Initial project margin and IRR before Urban Property when purchasing land at market value
- 2

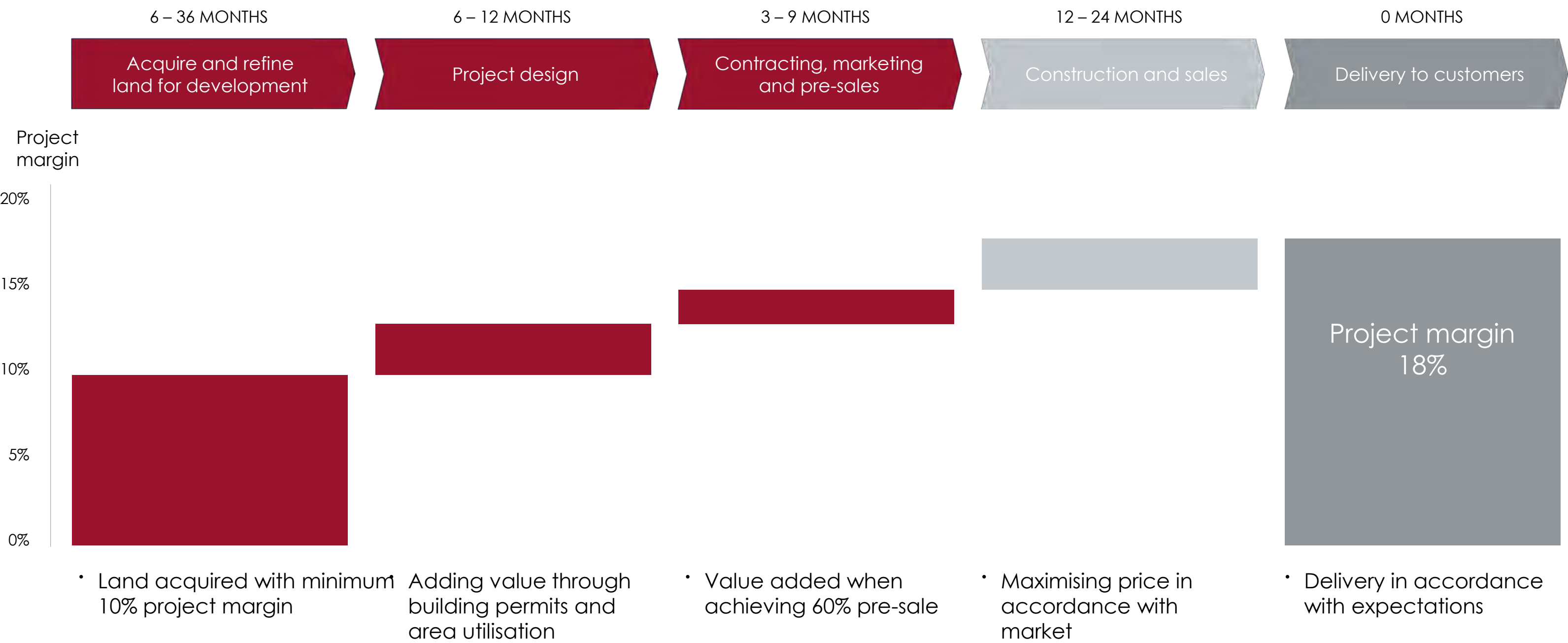
Initial project margin and IRR with Urban Property as partner when purchasing land at market value (including option premium)
- ➡

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

# Balance sheet implications and effects of dividend

<b>Statements of financial position</b> (figures in MNOK)	<b>Reported Q4 2019</b>	<b>Transaction</b>		<b>Pro forma Q4 2019</b>
		<b>Sale</b>	<b>Dividend</b>	
<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%

**SELVAAAG BOLIG**