

Wästbygg Gruppen AB (publ) predicts negative impact on the financial result due to restructuring costs and write-downs

Wästbygg Group's (the "Company") financial result for the second quarter of 2023 is negatively affected by previously communicated restructuring costs and write-downs in ongoing projects and the group's assets. Moreover, the result is affected by further reservations related to a logistics project in the Danish market.

During the first six months of 2023 Wästbygg Group made an organizational restructuring and review of ongoing projects and our business, which resulted in further write-downs being required. After discussions with legal advisors, it has been resolved to make financial reservations for a previously finalized logistics project in Denmark. The effects of the aforementioned sums up to MSEK -299. The group's operating profit for the quarter is thus expected to amount to MSEK -262.

- The main part of the effects does not affect the group's future cash flow. We see a continuing challenging market, mainly for new housing production, and the screening we have made of our ongoing projects has had the purpose of ensuring that we base our assessments on the correct input values and taking into account estimated future market development. Despite our continuous work with control of our subcontractors, the current market situation has also led to a few bankruptcies in our supply chain - something that also negatively affected the result for the quarter, says Jonas Jönehall, CEO of Wästbygg Group.

Based on the predicted financial result for the quarter, it is the Company's assessment that the Company will no longer meet the financial key figure *interest coverage ratio* vis-à-vis a few lenders of short-term loans maturing before the turn of the year 2023 and also in accordance with the terms of the Company's senior unsecured green bonds. It is Wästbygg Group's intention to initiate a written procedure in order to obtain the bondholders' consent to waive such financial key figure.

- Maintaining the trust of our bondholders and lenders is a priority issue for us. Even if the company's interest coverage ratio is reduced due to the negative result, it must be emphasized that the company's equity ratio remains strong. Furthermore, it is our intention to reduce the company's debt ratio as ongoing development projects are completed and handed over, Jonas Jönehall continues.

All figures in this press release are preliminary. Wästbygg Group's quarterly report for the second quarter 2023 will be made public on 22 August 2023 at 8.00 a.m.

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About Wästbygg Group:

Wästbygg Group is a listed construction and project development company that builds and develops residential, commercial buildings and community service properties, as well as logistics and industrial facilities – always with a major focus on sustainability. The group comprises Wästbygg AB, Rekab Entreprenad AB and Logistic Contractor AB.

The group operates in the most rapidly expanding markets in Sweden, with Logistic Contractor also providing services in Denmark, Norway and Finland. In 2022, the group had sales of SEK 5.8 billion and 600 employees.

This information is information that Wästbygg Gruppen is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-08-09 11:37 CEST.

Attachments

[Wästbygg Gruppen AB \(publ\) predicts negative impact on the financial result due to restructuring costs and write-downs](#)