

# SELVAAG BOLIG

## Q2 2022

Oslo, 17 August 2022

Sverre Molvik, CEO

Christopher Brunvoll, CFO

# Agenda

## Highlights

Operational update

Financial update

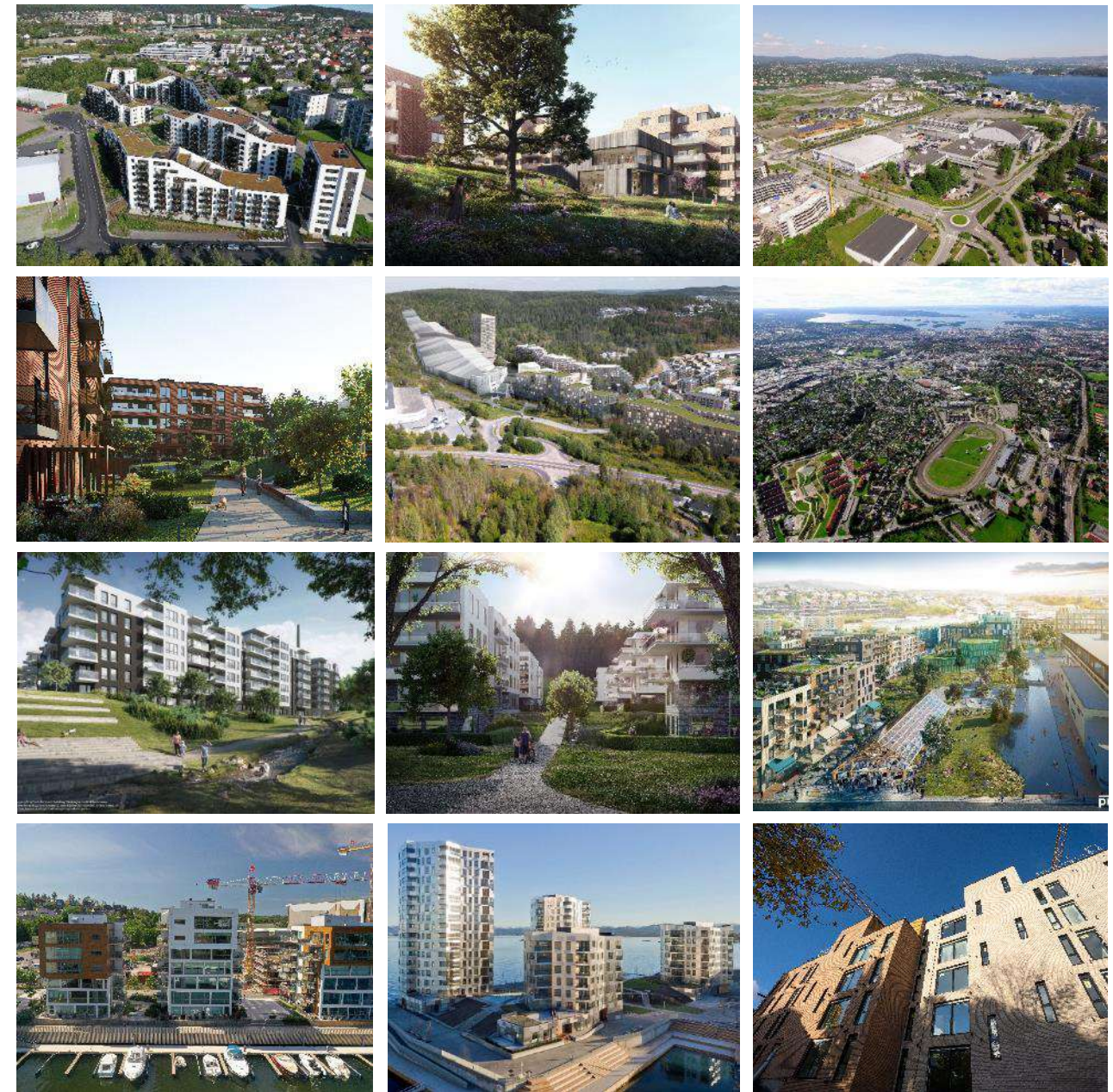
Market

Outlook and summary



# Highlights

- Solid Q2 results
- Satisfactory sales in Q2 despite challenging market conditions
- H1 2022 operating revenues at NOK 1 322m up 37% from H1 2021
- Dividend of NOK 2.00 per share\* for H1 '22



Completed, ongoing and upcoming projects

\* Pay-out on 31 August, 2022

# Key financials Q2 and H1 2022

Q2 2022

966

Operating revenues  
NOK million

24.1

Adjusted EBITDA\* margin  
Per cent

First half year 2022

1 322

Operating revenues  
NOK million

22.2

Adjusted EBITDA\* margin  
Per cent

784

Operating revenues (NGAAP)  
NOK million

13.2

EBITDA\*\* margin (NGAAP)  
Per cent

1 542

Operating revenues (NGAAP)  
NOK million

13.6

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.

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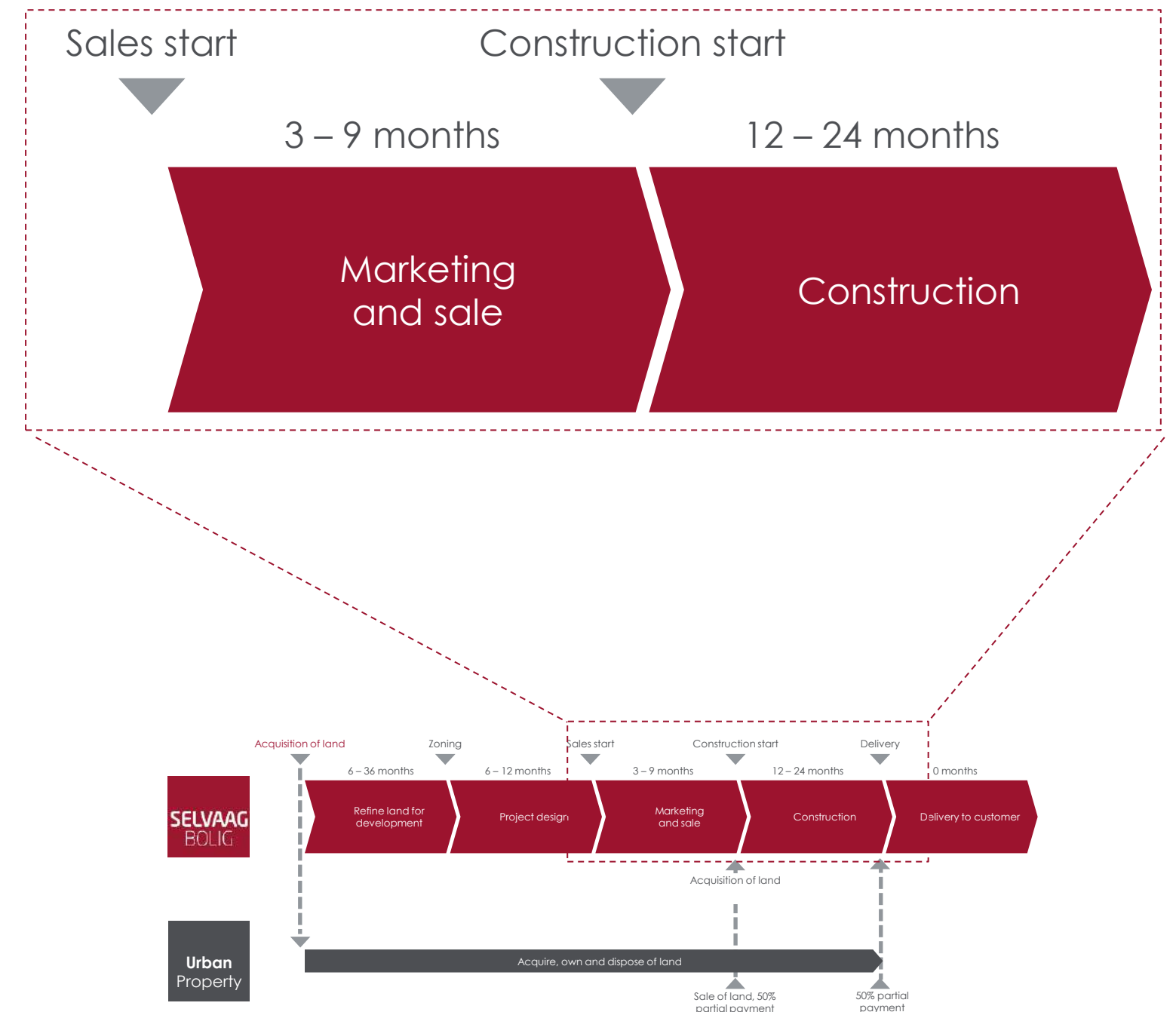
Market

Outlook and summary



# Business model minimizes risk

- Construction cost development
  - Increase due to geopolitical unrest and shortages after COVID-19 pandemic
  - New projects in certain areas postponed if required margins are not satisfactory
  - Cost peak seems to have been reached with recent cost reductions
- Risk mitigation
  - Binding contracts at fixed rates before sale start
  - Fixed construction cost secured for all units under construction
  - Minimum presale of 60% before construction start



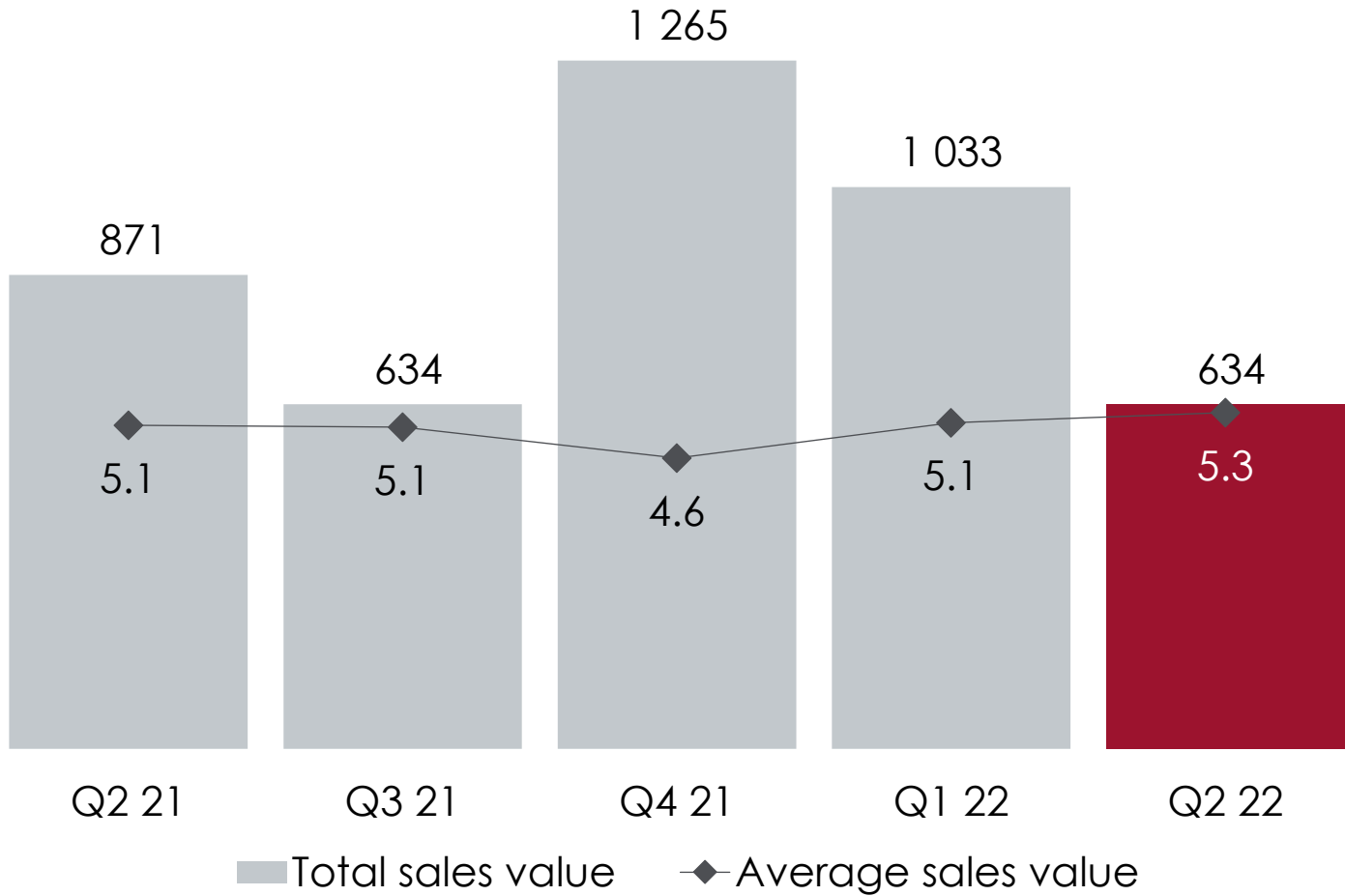
**92% of 2022 completions sold by Q2**

**75% of units under construction sold by Q2**

# Sales value and units sold

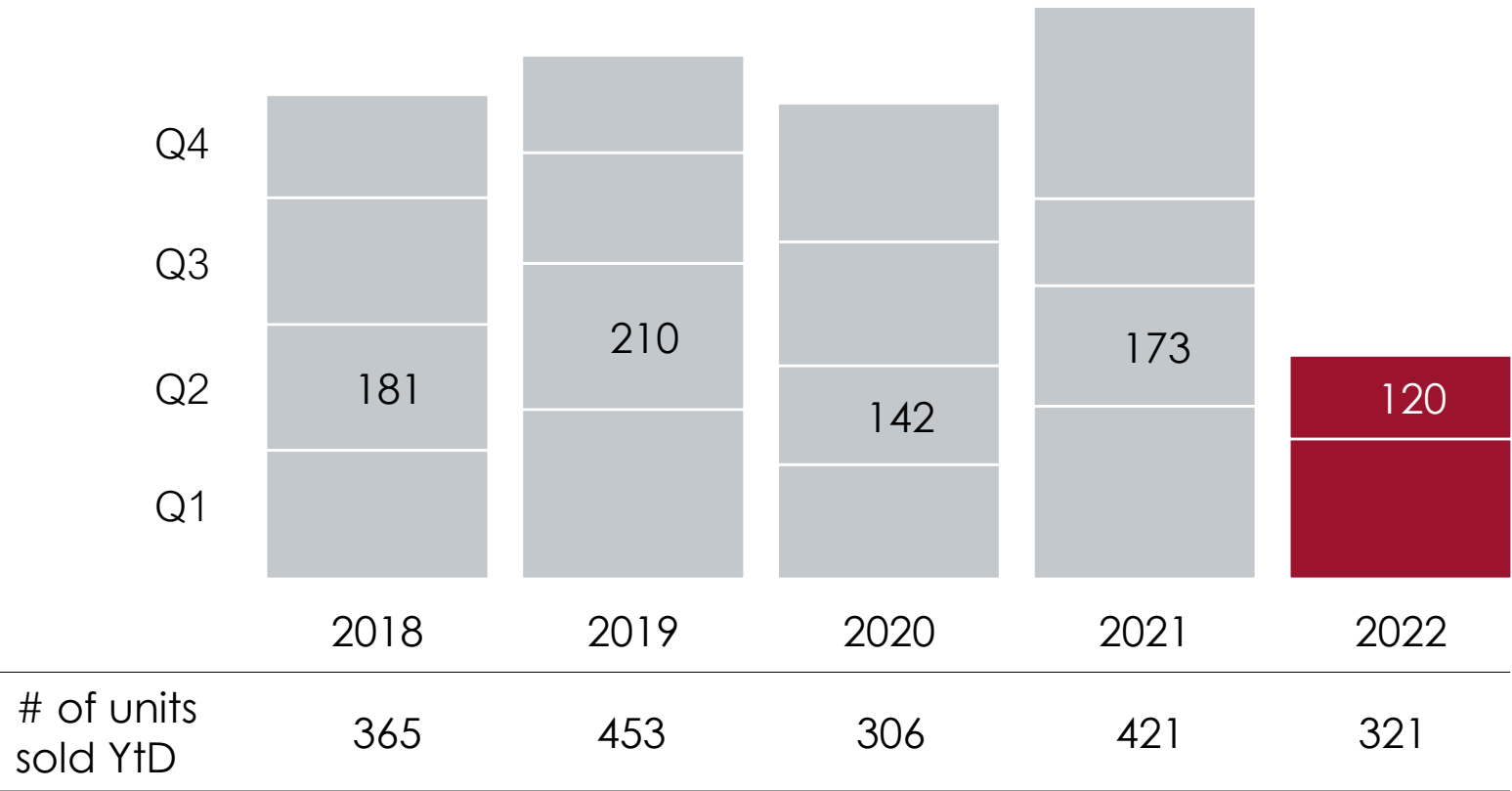
## Sales value

NOK million



## Number of units sold per quarter

Units



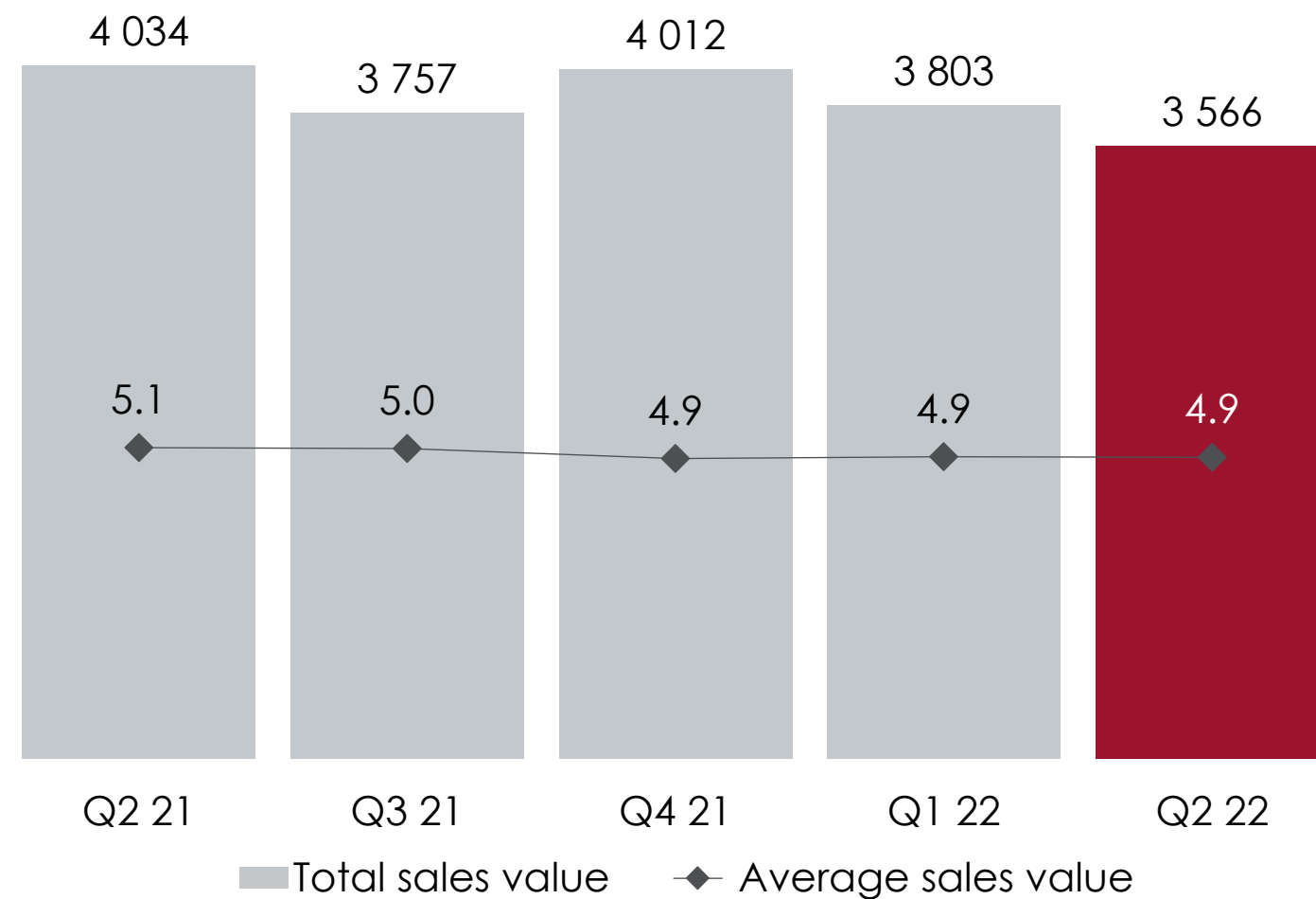
Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

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.

# Rolling sales value and units sold

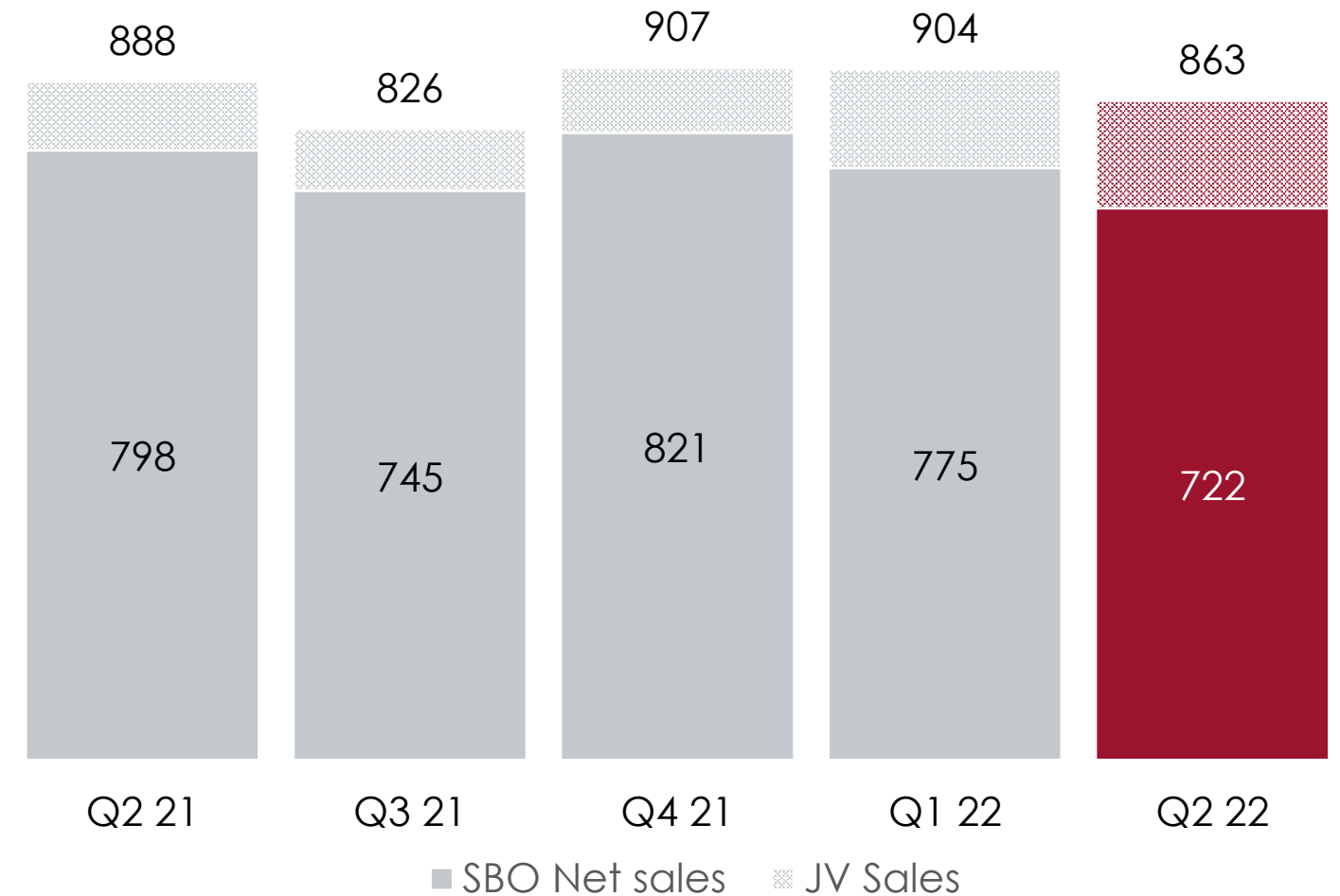
## Sales value 12-month rolling

NOK million



## Units sold 12-month rolling

Units



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

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

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

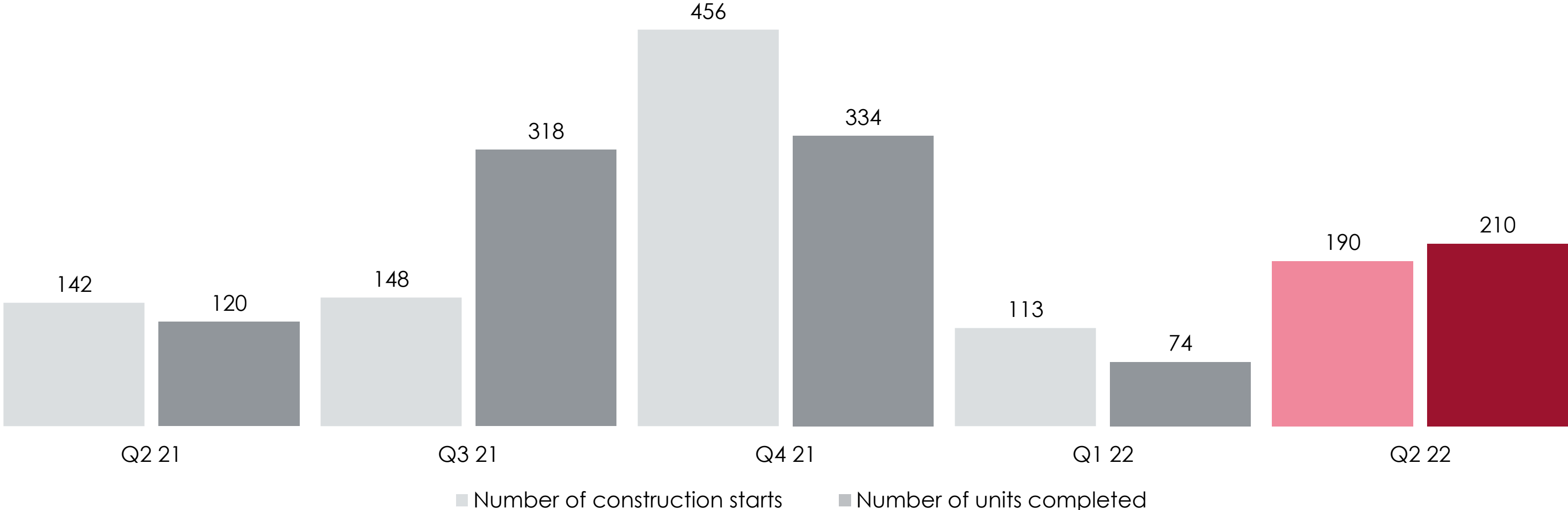
Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.



# Construction starts and completions

## Construction starts and completions per quarter

Units

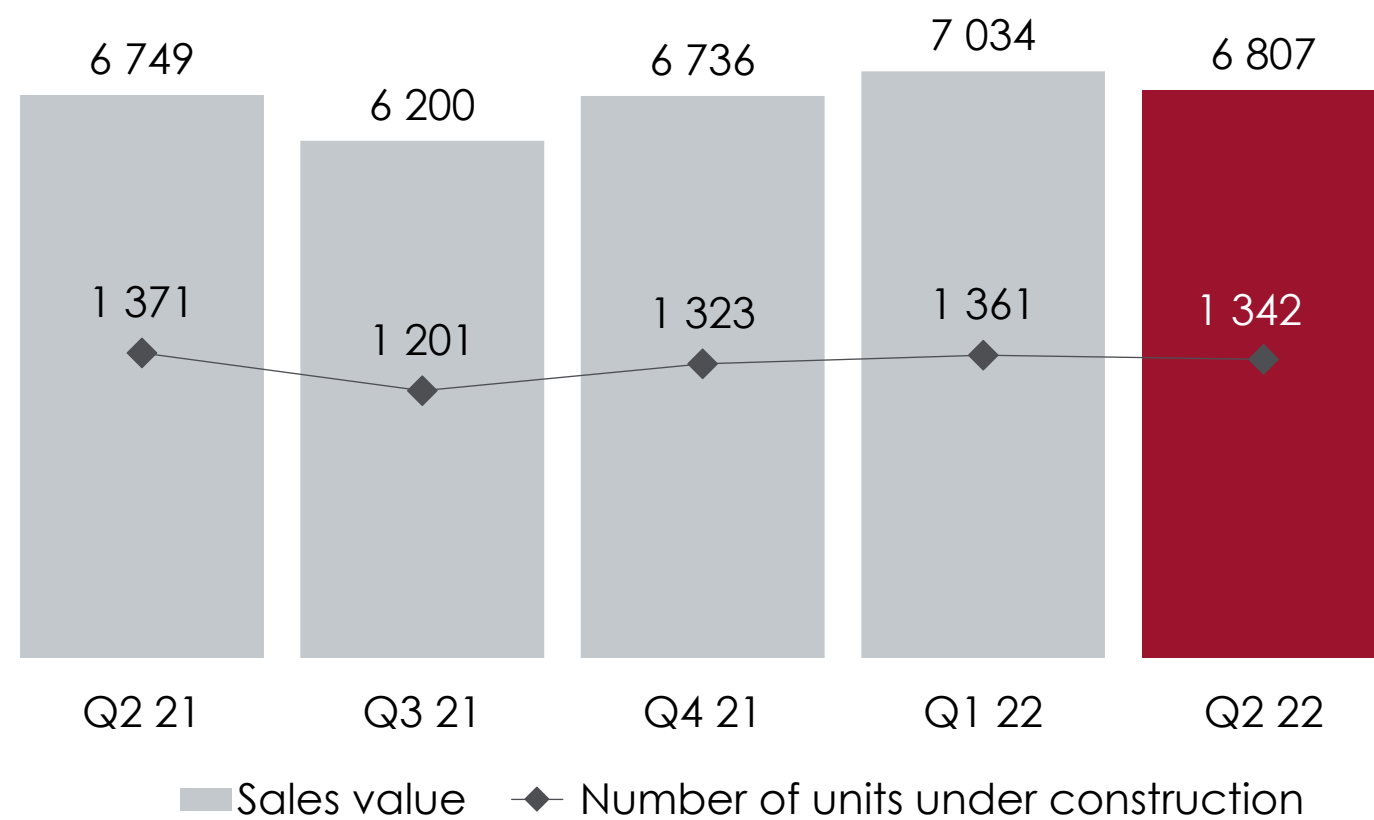


Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures.

# Units under construction and completions

## Sales value units under construction

NOK million

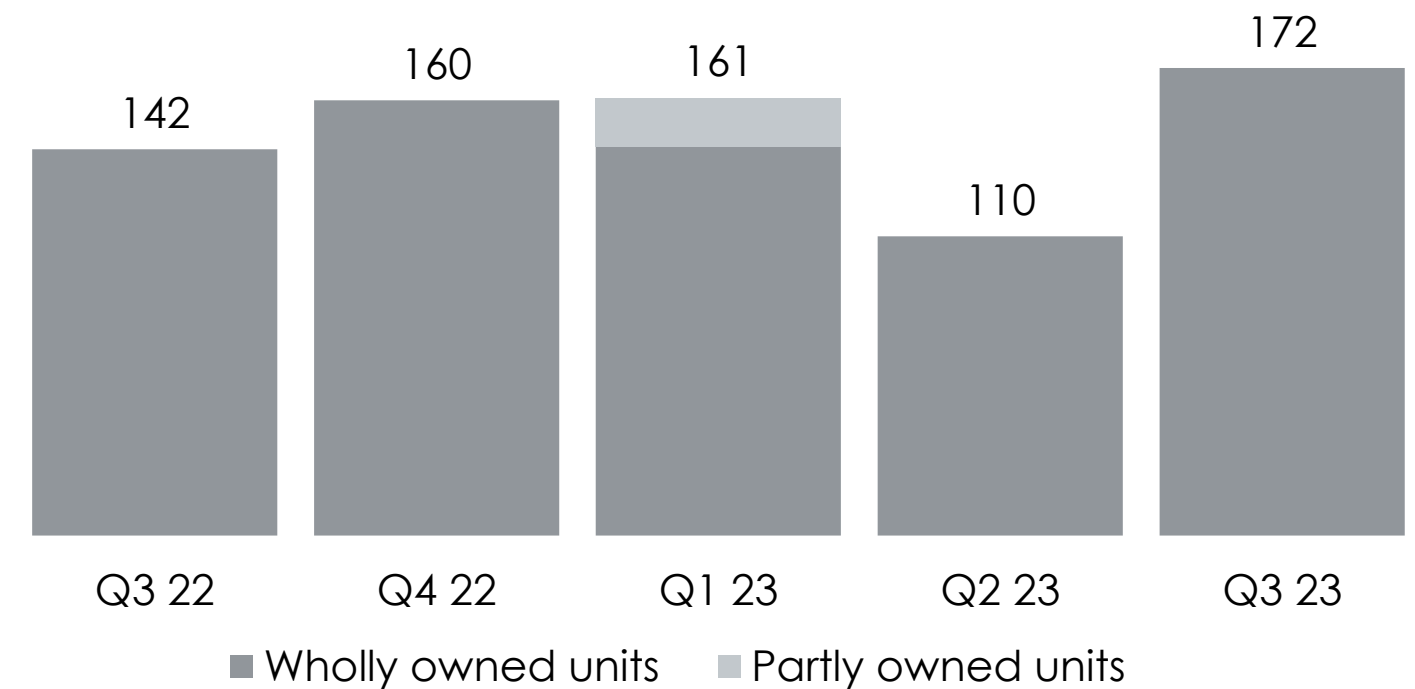


- 75% of units under construction sold by Q2 2022
- 76% of construction volume in Greater Oslo Area\* in Q2 2022

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 2022: 586
- 92% of 2022 completions sold by Q2 2022

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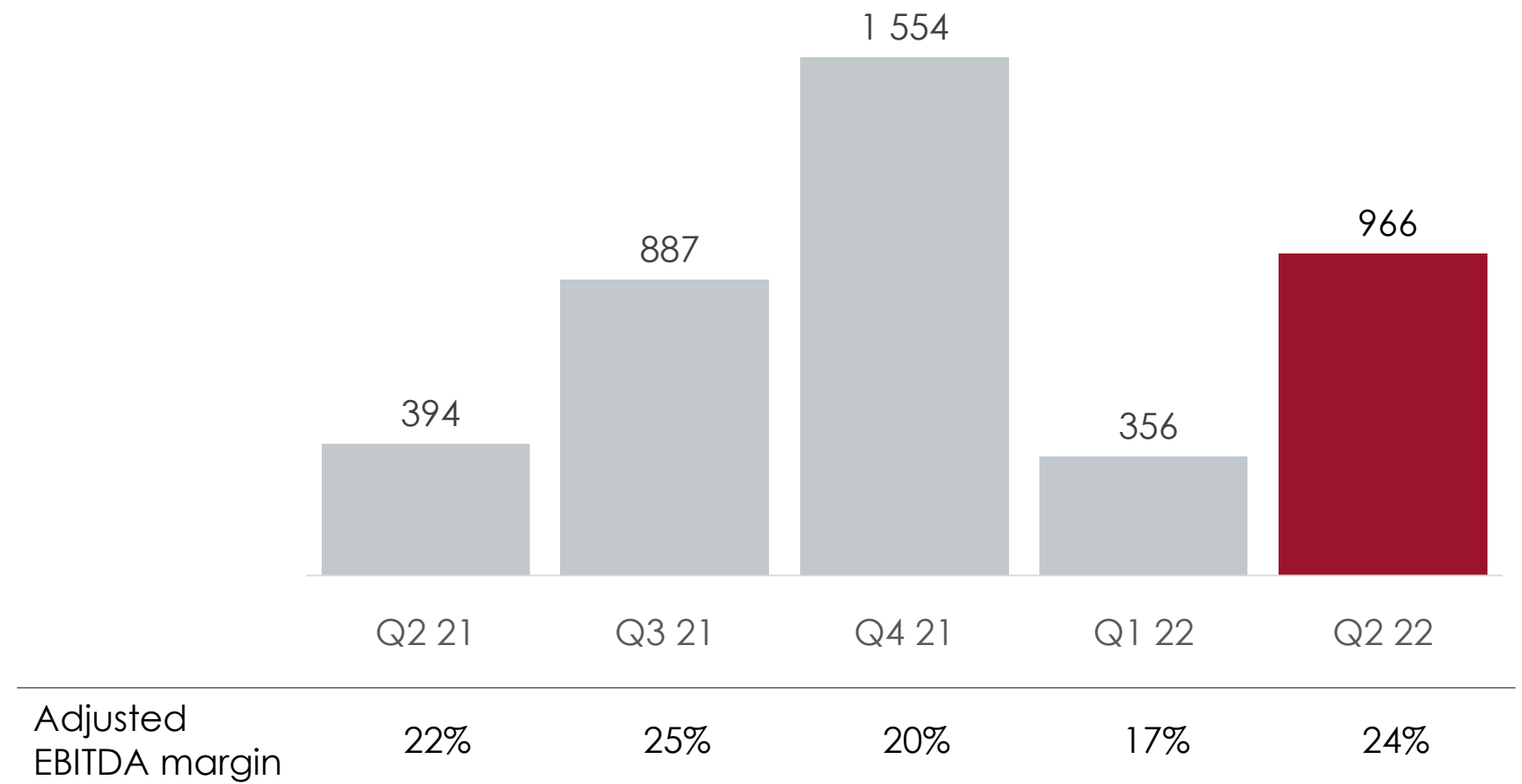


# Income statement highlights Q2 2022 (IFRS)

- 217 units delivered (132)
  - 69 units from share of JVs (46)
- Revenues NOK 966m (394)
  - Other revenues NOK 18m (13)
- Project costs NOK 804m (305)
  - Of which NOK 27m is interest (9)
- Other costs NOK 60m (52)
- Adjusted EBITDA\* NOK 233m (88)
- EBITDA\* NOK 206m (79)
- EPS in the quarter NOK 1.90 (0.60)

## Operating revenues (IFRS)

NOK million



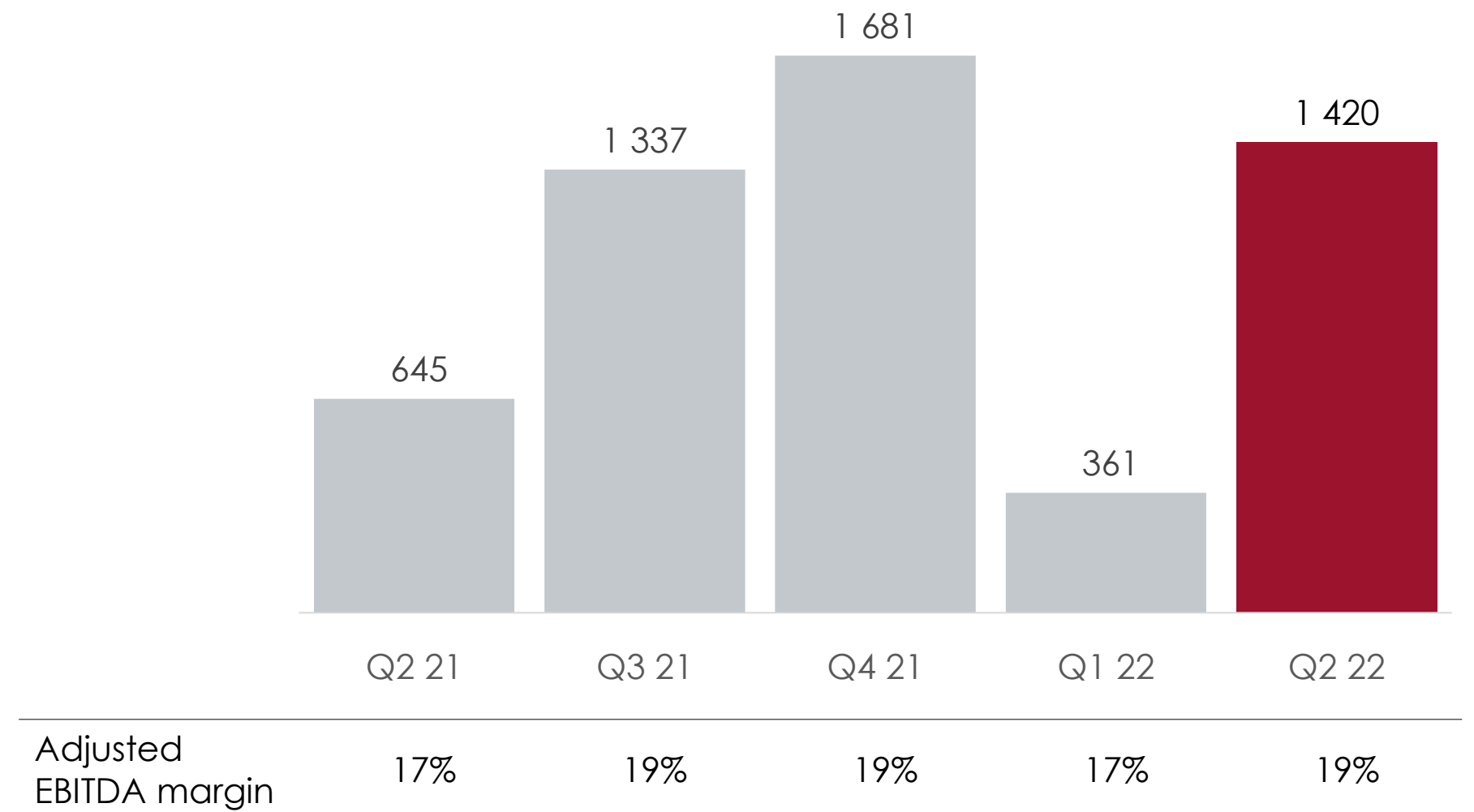
\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

# Q2 2022 proforma figures including proportionate share of JV

- 217 units delivered (132)
- Revenues NOK 1 420 (645)
  - Other revenues NOK 20m (17)
- Project costs NOK 1 117m (502)
  - Of which NOK 37m is interest (20)
- Other costs NOK 69m (57)
- Adjusted EBITDA\*\* NOK 273m (110)
- EBITDA\* NOK 236m (89)
- EPS in the quarter NOK 1.90 (0.60)

## Operating revenues (IFRS)

NOK million



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

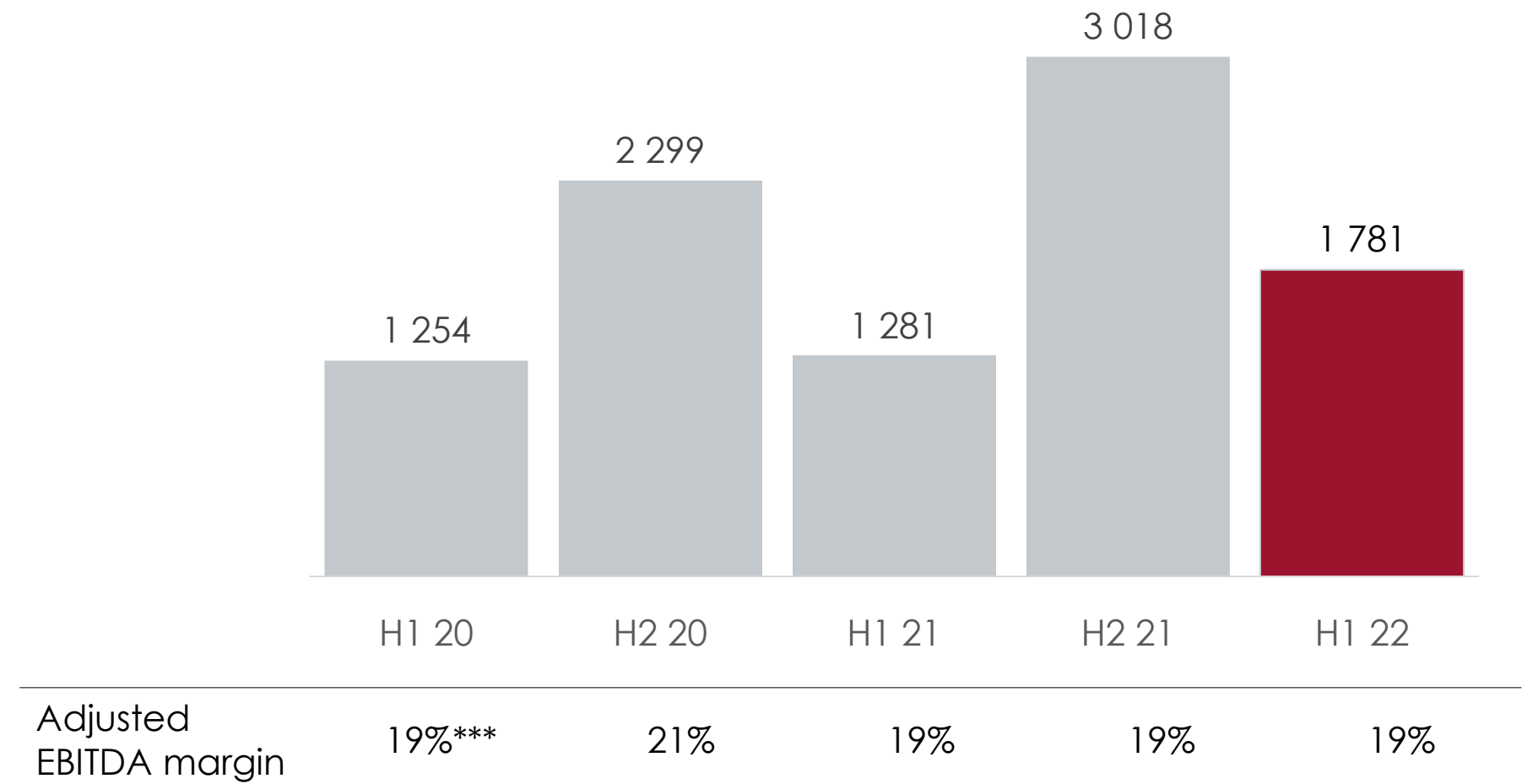
\*\* EBITDA adjusted is excluding financial expenses included in project costs. The difference compared to reported EBITDA is due to interest, taxes, depreciation and amortization in JVs.

# H1 2022 proforma figures including proportionate share of JV

- 294 units delivered (256)
  - 70 units from share of JVs (56)
- Revenues NOK 1 781m (1 281)
  - Other revenues NOK 36m (36)
- Adjusted EBITDA\*\* NOK 335m (241)
- EBITDA\* NOK 289m (208)
- EPS in H1 NOK 2.30 (1.42)

## Operating revenues (IFRS)

NOK million



• EBITDA is profit before interest, taxes, depreciation and amortization.

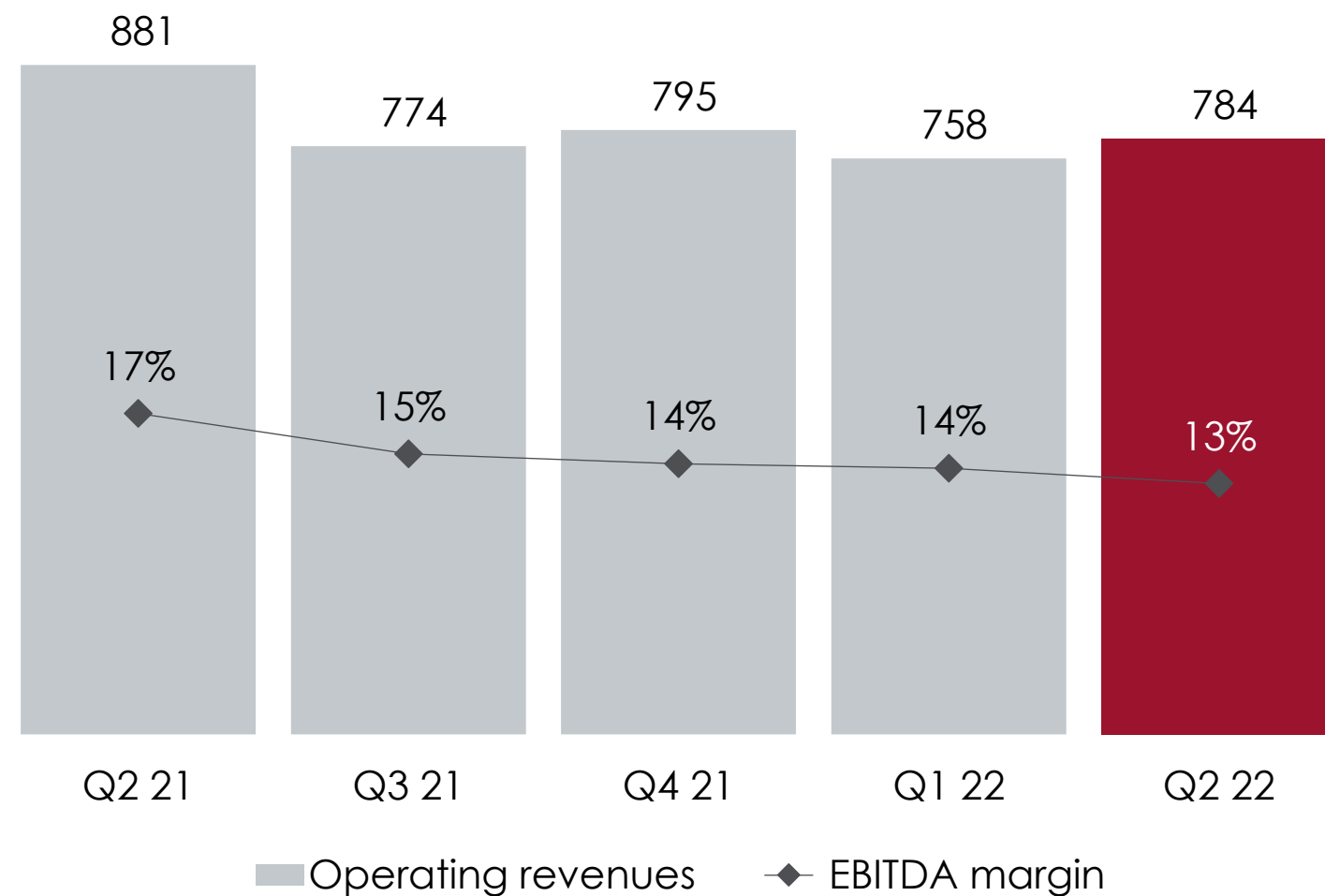
\*\* EBITDA adjusted is excluding financial expenses included in project costs. The difference compared to reported EBITDA is due to interest, taxes, depreciation and amortization in JVs.

\*\*\* Excluding other gains of NOK 1 029m

# Income statement highlights Q2 2022 (NGAAP)

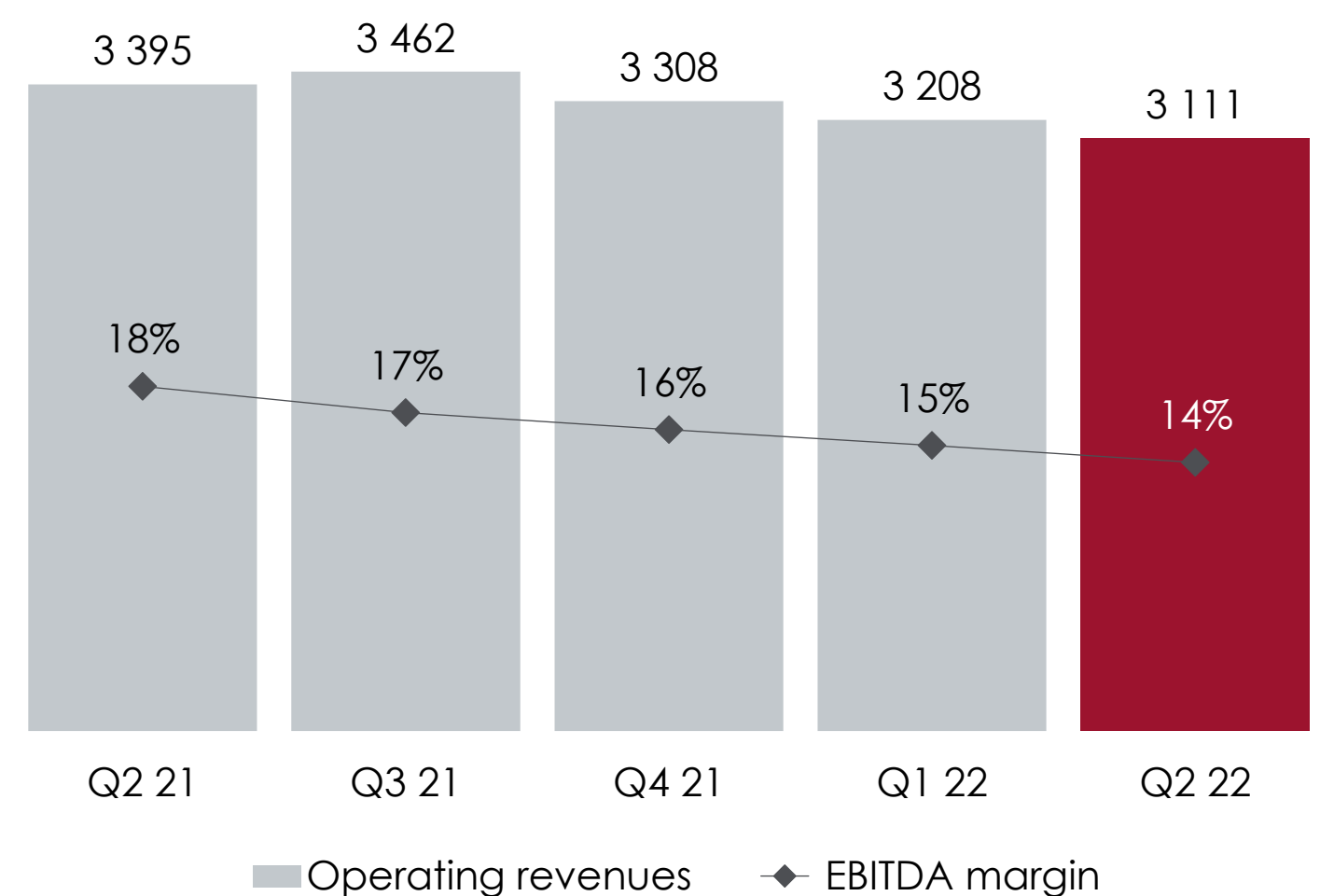
## Revenues and EBITDA margin (NGAAP)\*

NOK million



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

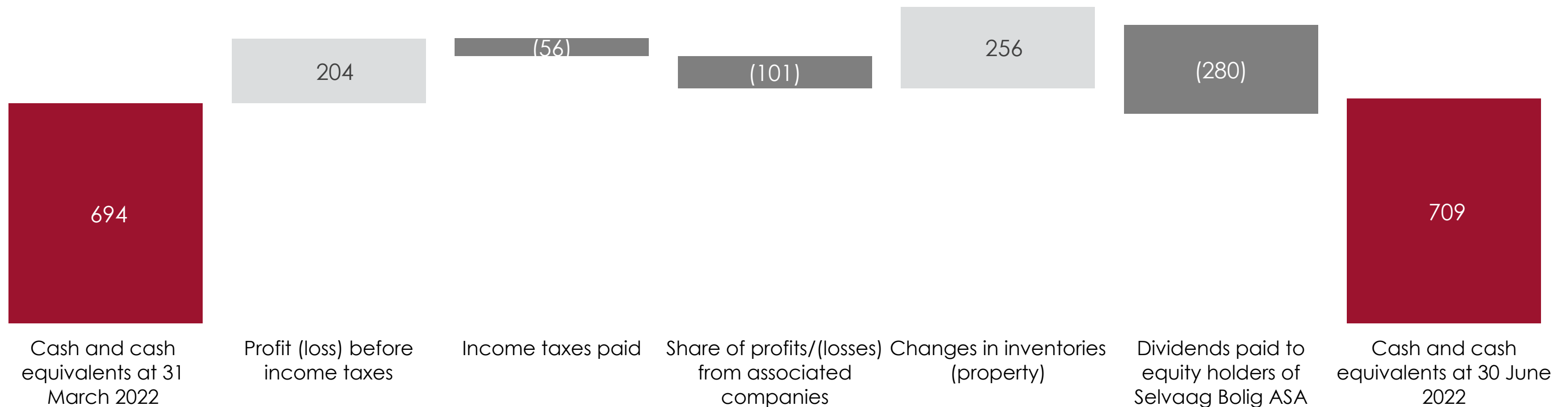
NOK million



\* 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 Q2 2022

NOK million



- Cash flow from operations positive at NOK 297m driven by units delivered and solid earnings
- Cash flow from investing activities positive at NOK 45m mainly due to repayment of sales credit
- Cash flow from financing activities negative at NOK 327m due to dividend payments of NOK 280m

Note: Items of less than NOK 55 million are excluded from the cash flow overview.

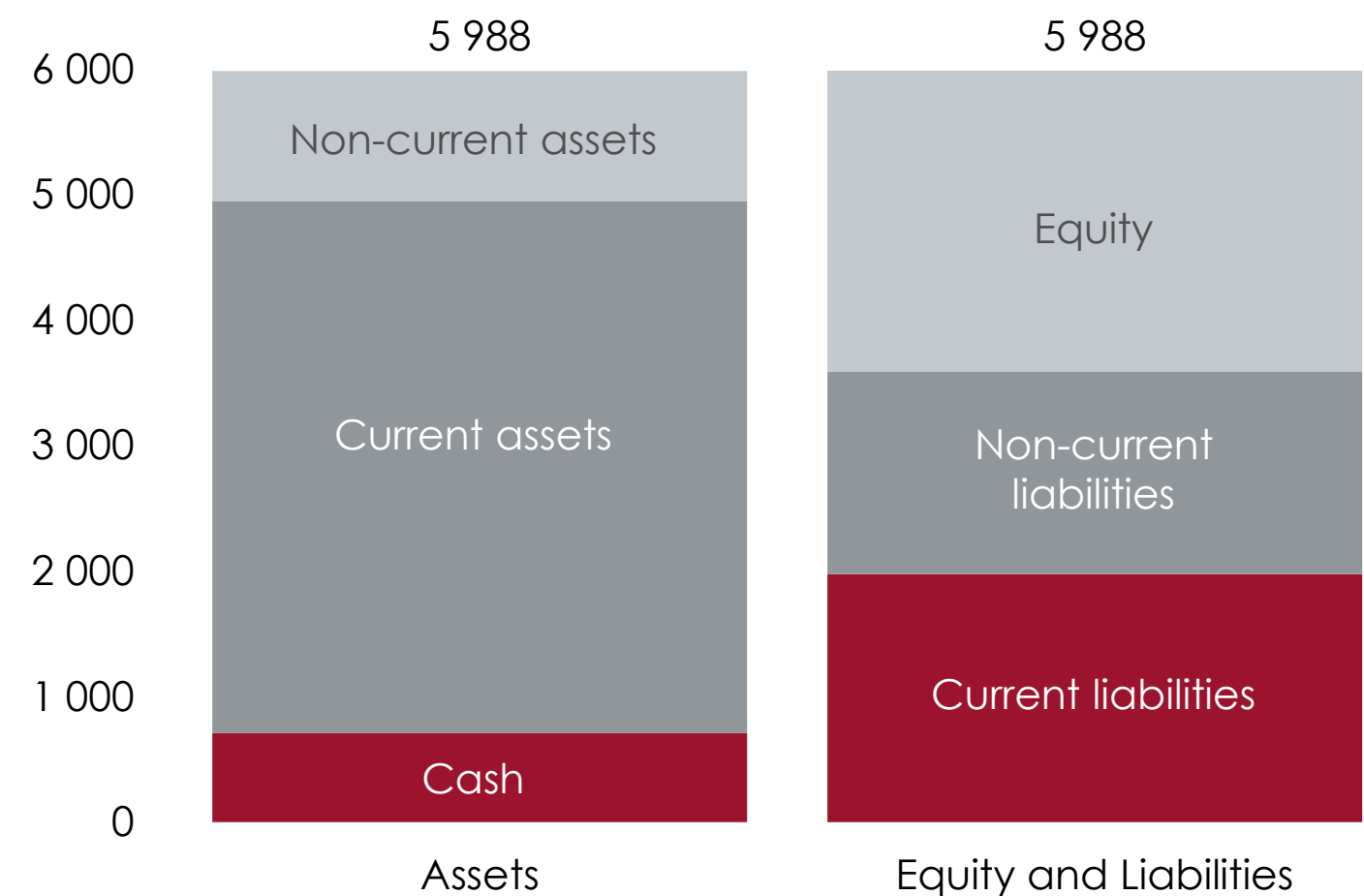


# Balance sheet highlights Q2 2022

- Book value of equity NOK 25.5 per share
  - Equity ratio 40.0%
- Changes from Q1 2022:
  - Inventories decreased by NOK 235m
  - Trade and Other receivables increased by NOK 54m
  - Cash increased by NOK 15m
- Prepayments from customers represent NOK 203m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million



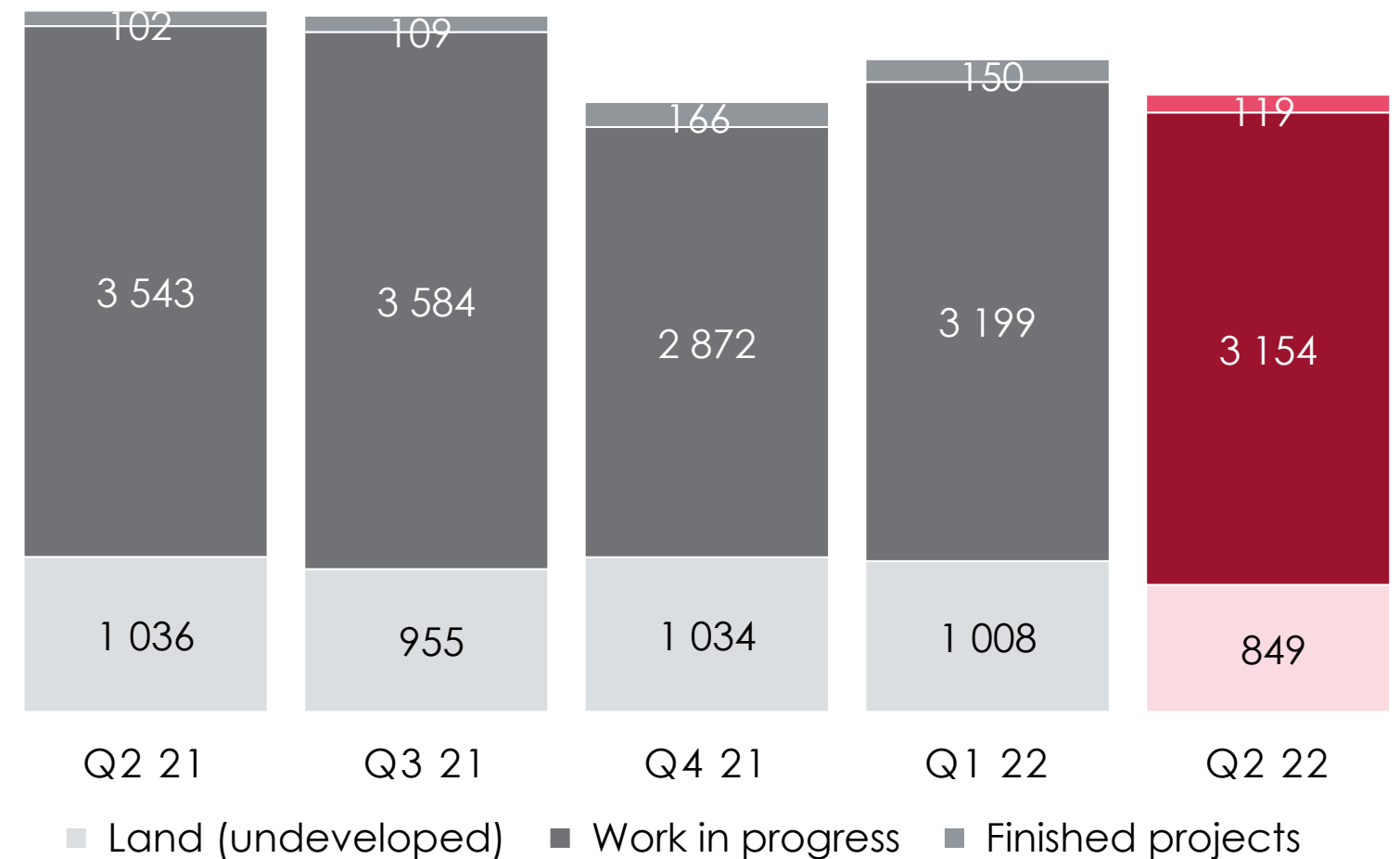
# Inventories (property) Q2 2022

## Q1 22 vs Q2 22

- Land value down NOK 159m
  - Due to constructions starts
- Work in progress down NOK 45m
  - Mainly due to completions and deliveries
- Finished goods down NOK 31m
  - Due to deliveries of previously completed units

## Inventory value development

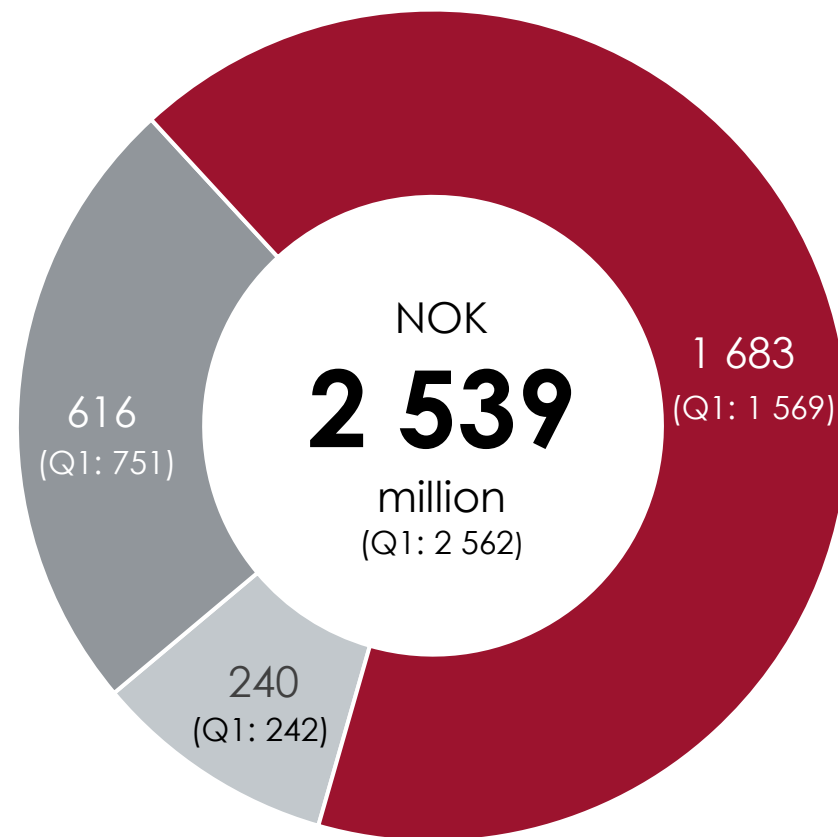
NOK million



# Debt structure

## Interest-bearing debt at 30.6.22

NOK million



■ Land loan ■ Debt to Urban Property ■ Construction loan

	Loan facility	Drawn at 30.6.22 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 683	1.65% - 2.40%
2	Debt to Urban Property**	616	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	240	1.50% - 2.95%
4	NOK 150 million revolving credit facility from DNB maturing in 2023	0	2.50% - 3.00%
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	2.50%

**Total Q2 2022 net interest-bearing debt NOK 1 829 million**

Total Q1 2022 net interest-bearing debt NOK 1 867 million

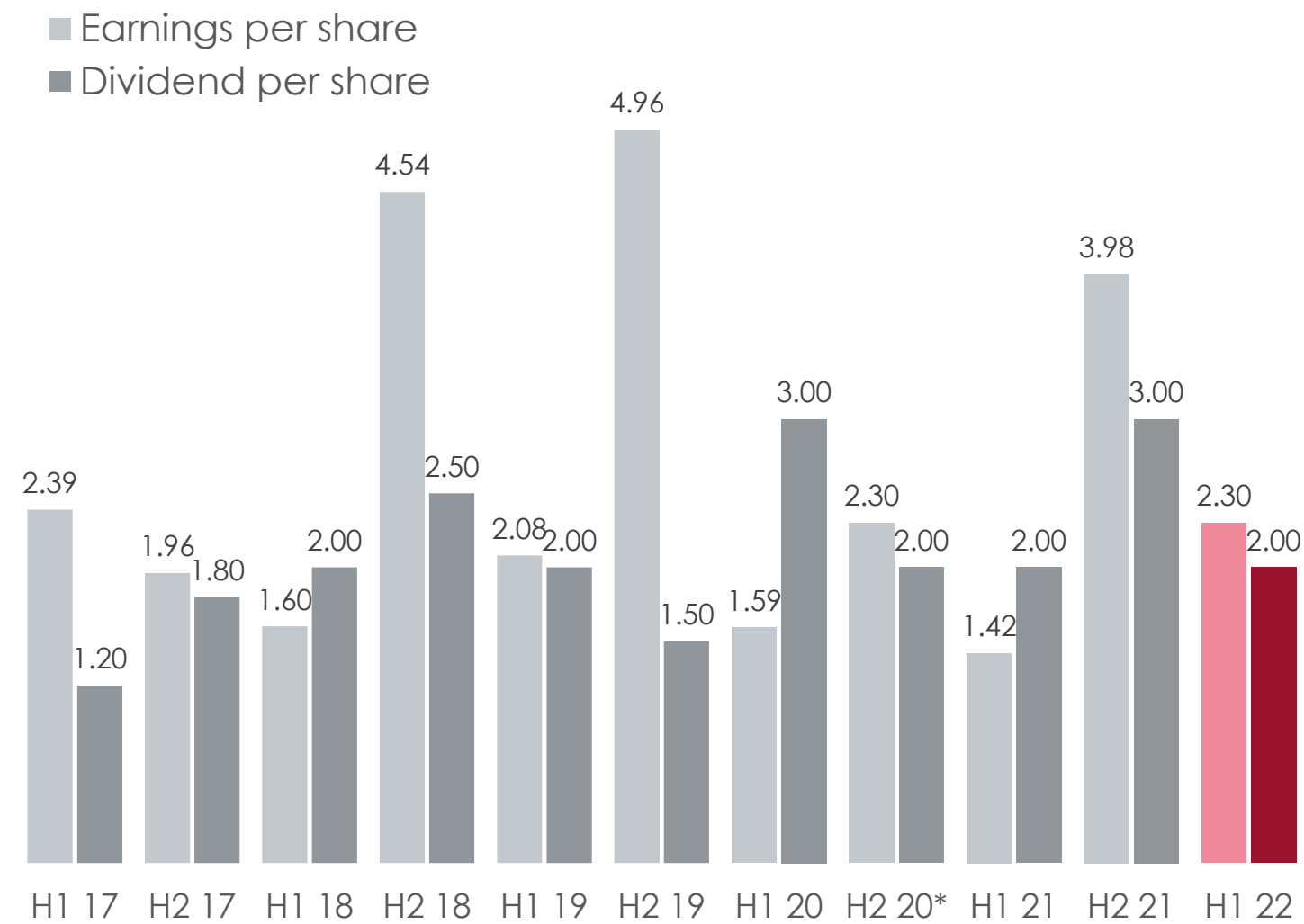
\* Margin added to 3m NIBOR.

\*\* Repurchase agreements portfolio B and seller credits.

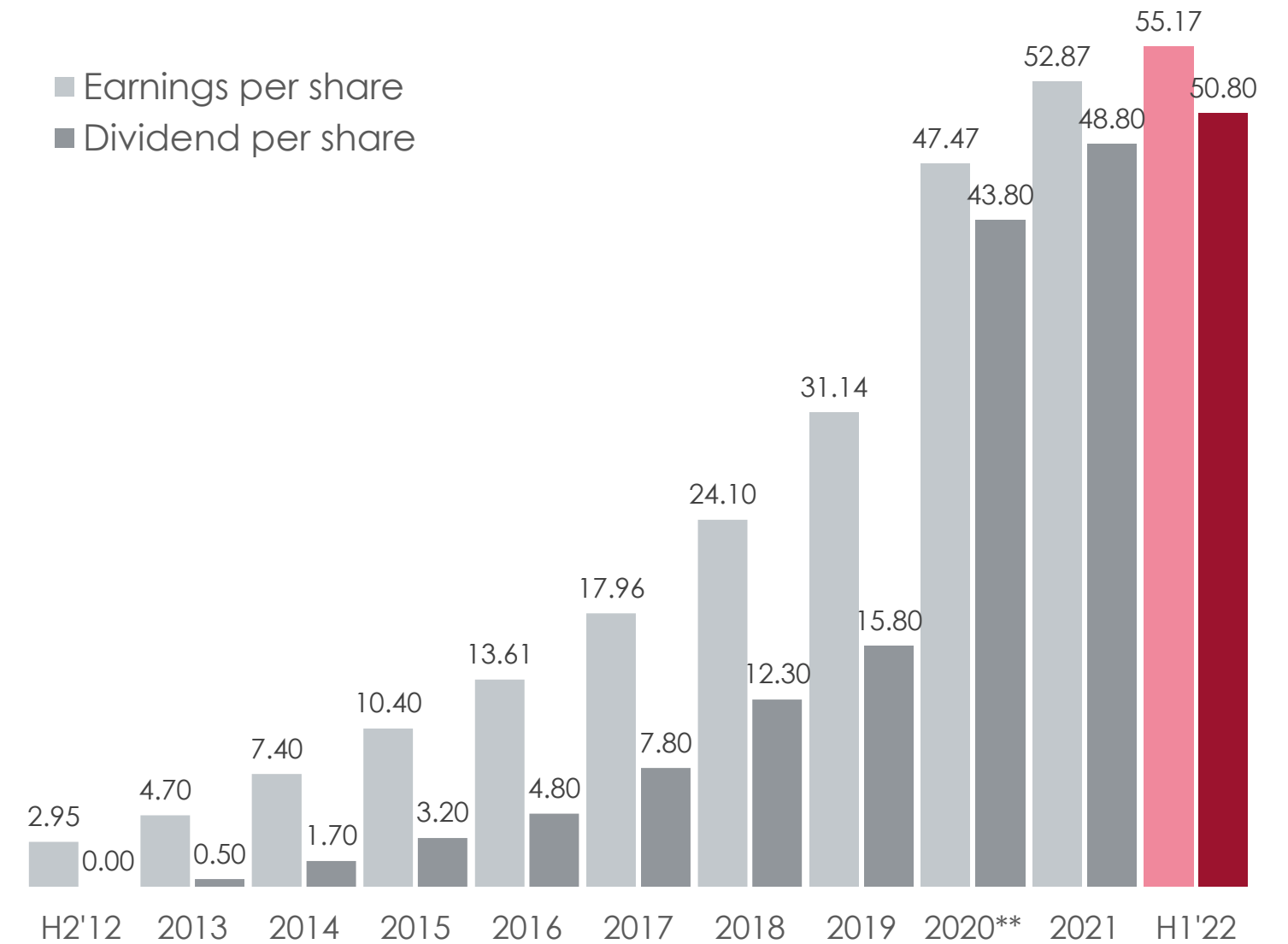
\*\*\* + 2.00% fee at property repurchase.

# Earnings and dividend per share since IPO

## Half year dividend and earnings per share



## Accumulated dividend and earnings per share



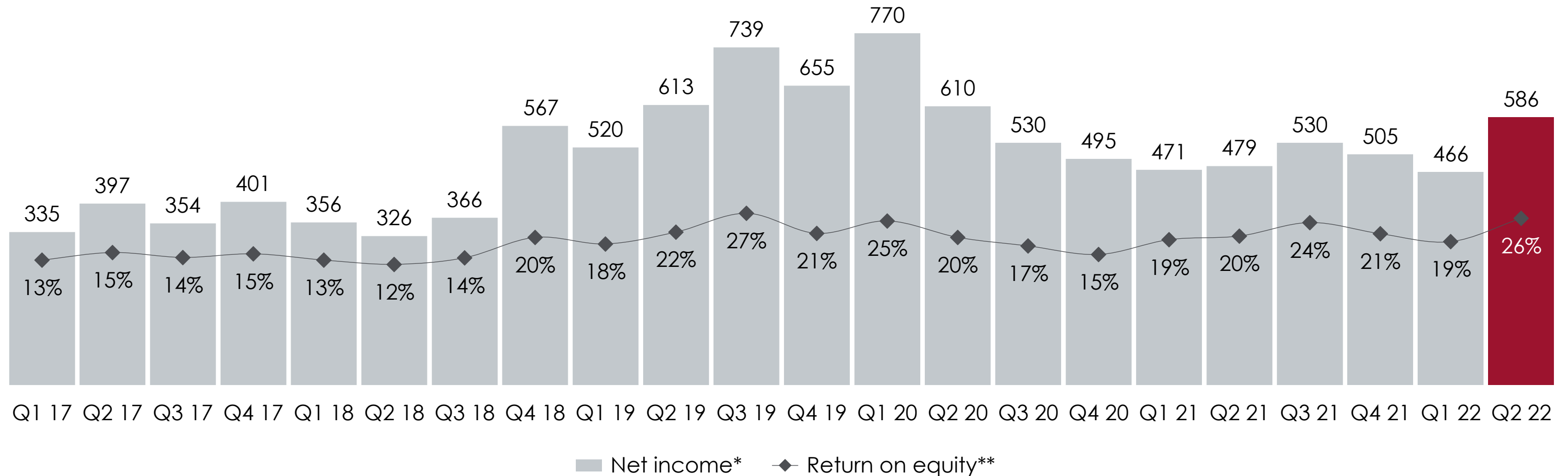
\*Excluding earnings and dividend from UP transaction.

\*\*Including EPS of NOK 11.01 and DPS of NOK 22 from UP transaction.

# 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).

# Agenda

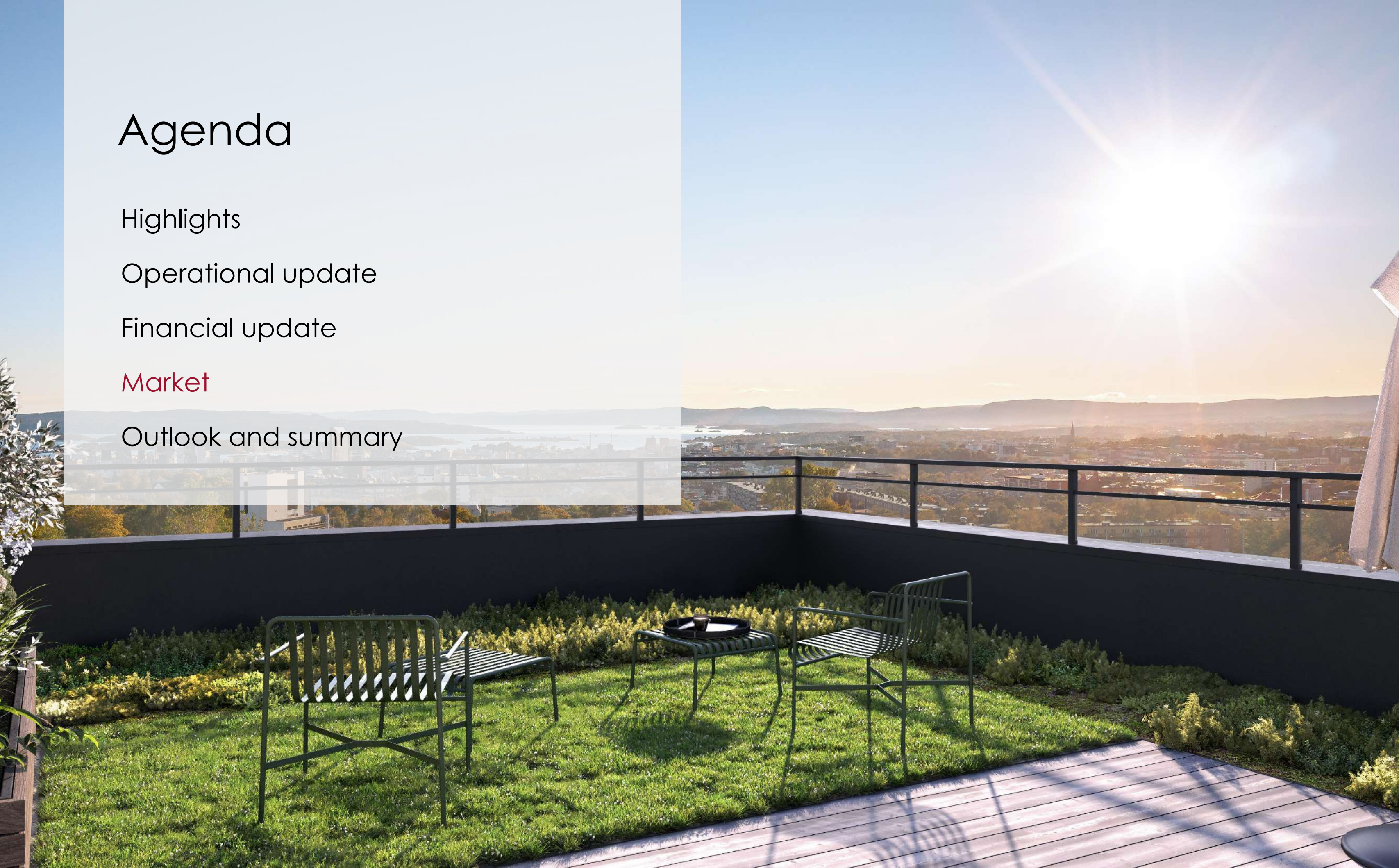
Highlights

Operational update

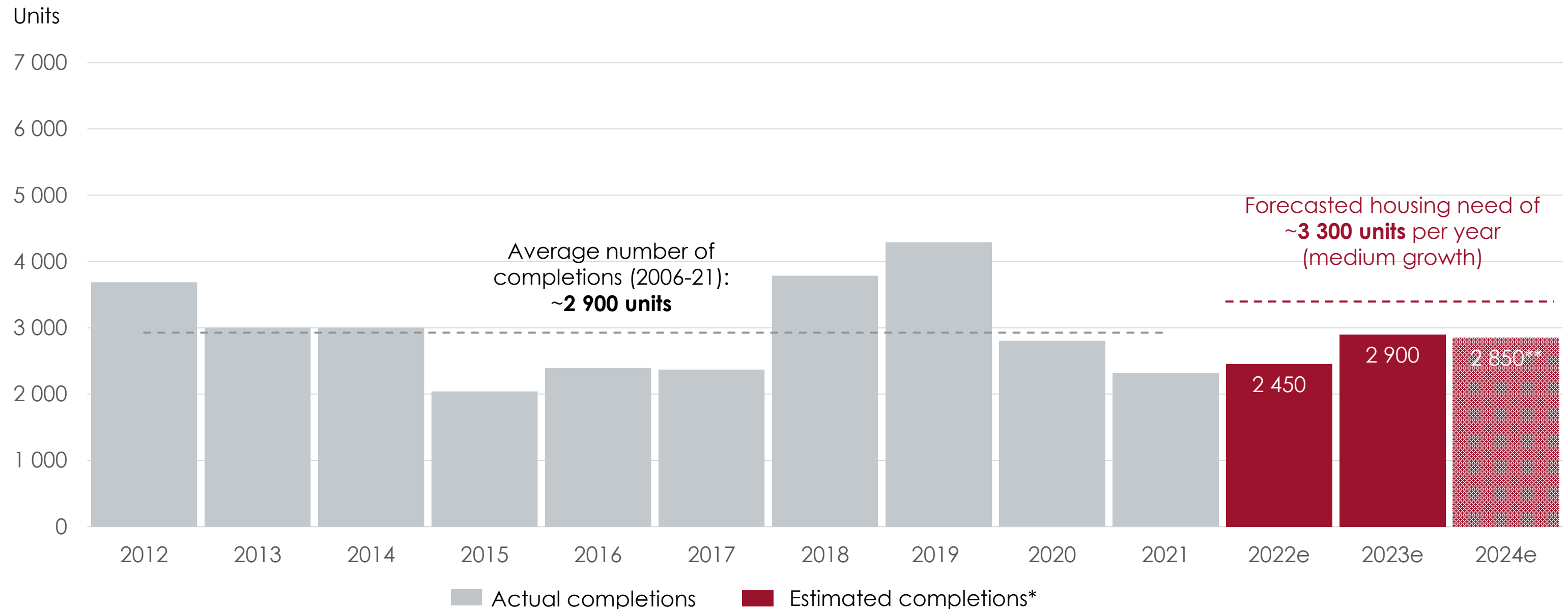
Financial update

Market

Outlook and summary



# Estimated completions in Oslo well below forecasted need



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Hawii Analyse, Forecasted housing need next 5 years: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

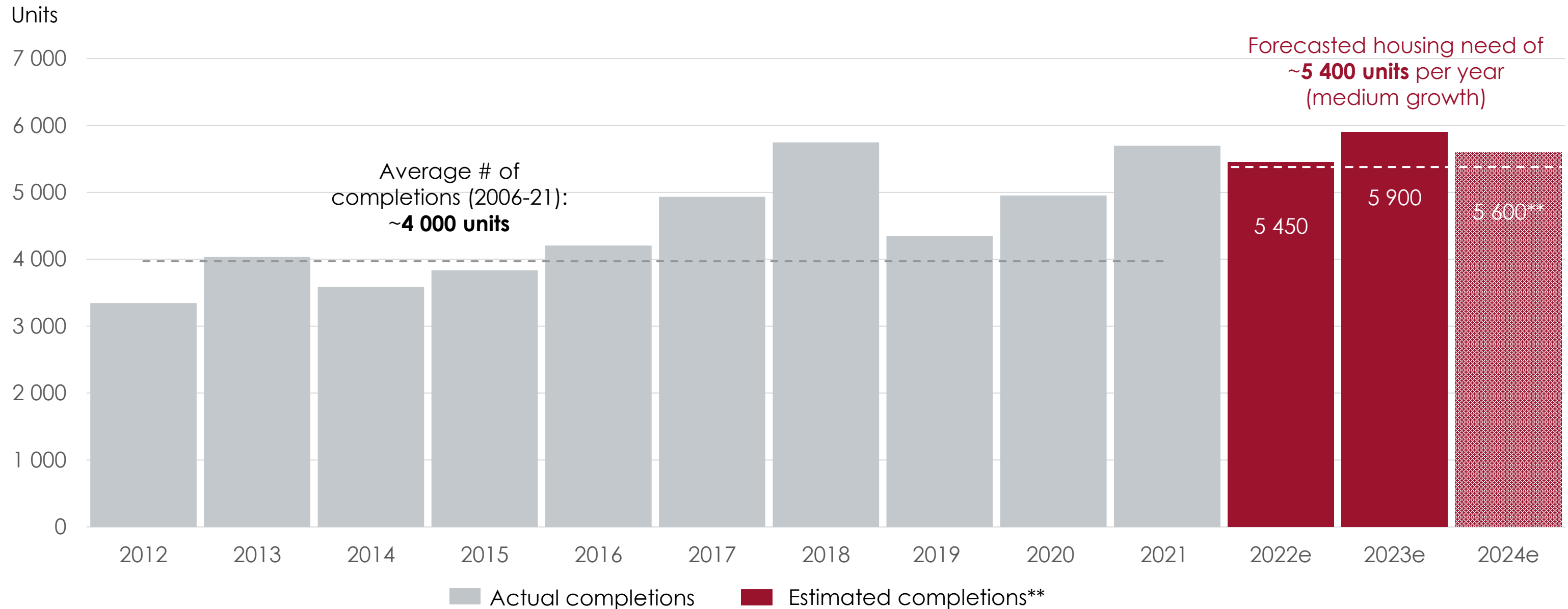
Note: Housing need calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

\* Estimates based on actual sales, future sales starts, and historical data.

\*\* Uncertainty due to project lead-time.

# Estimated completions in Akershus\*



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: Hawii Analyse, Forecasted housing need next 5 years: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

Note: Housing need calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

\* Akershus county = Viken county ex. Buskerud and Østfold.

\*\* Estimates based on actual sales, future sales starts, and historical data.

\*\*\* Uncertainty due to project lead-time.



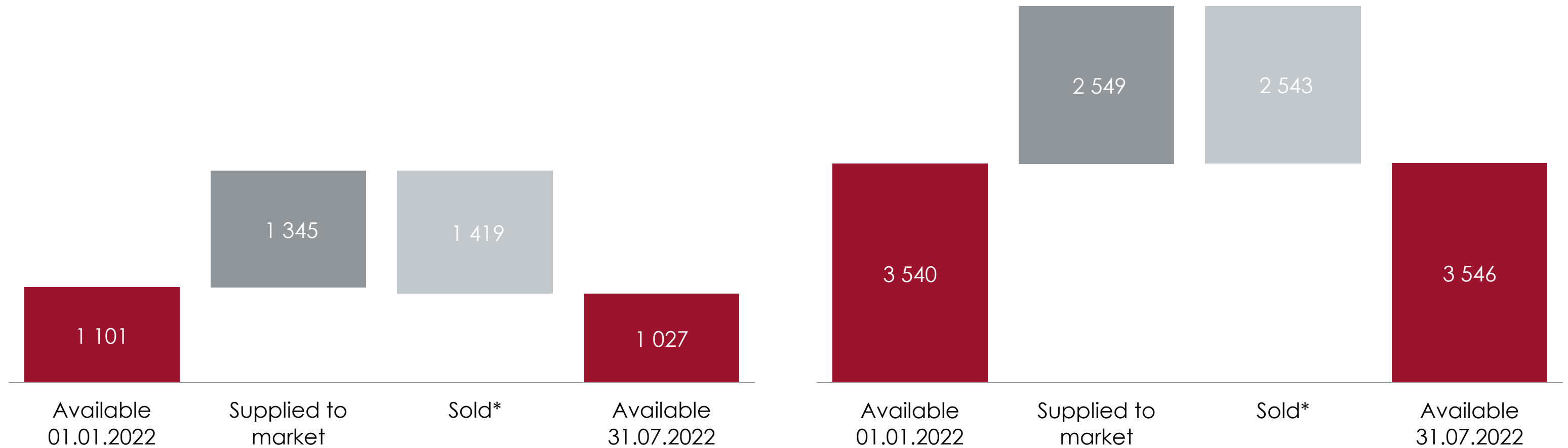
# Newbuild market update

Oslo – 1.1 - 31.7, 2022

Units

Akershus – 1.1 - 31.7, 2022

Units

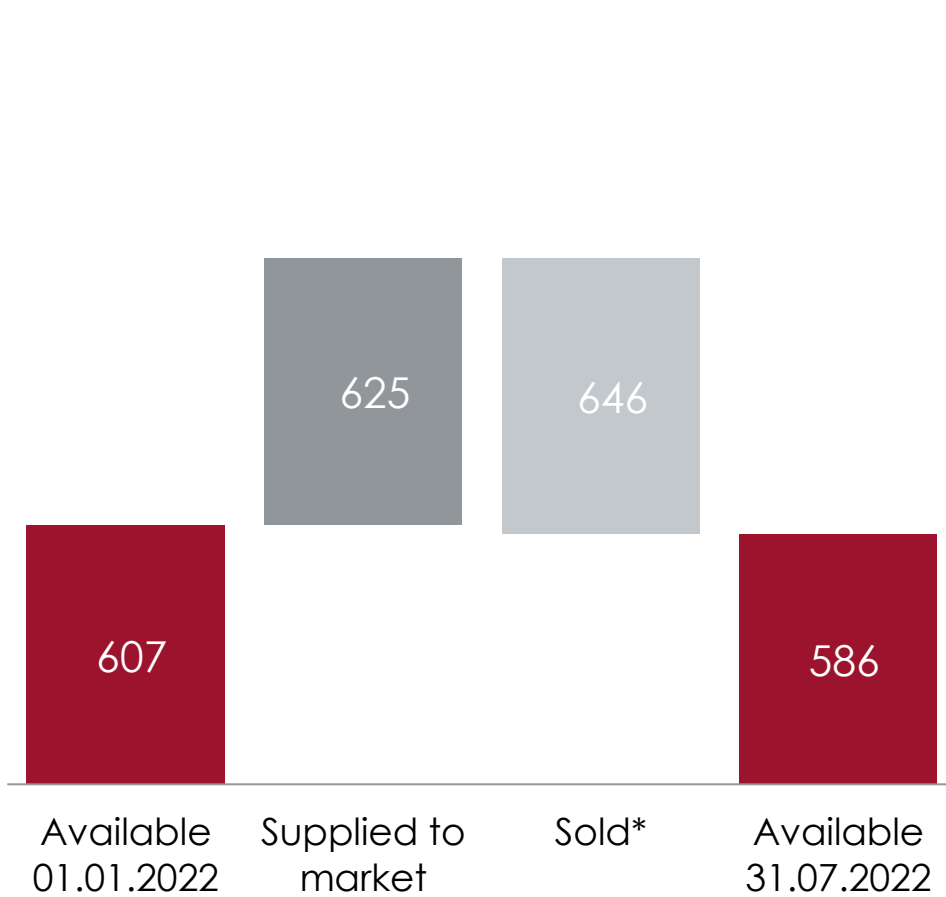


Source: SA – Havi analyse.  
\* Including withdrawals

# Newbuild market update

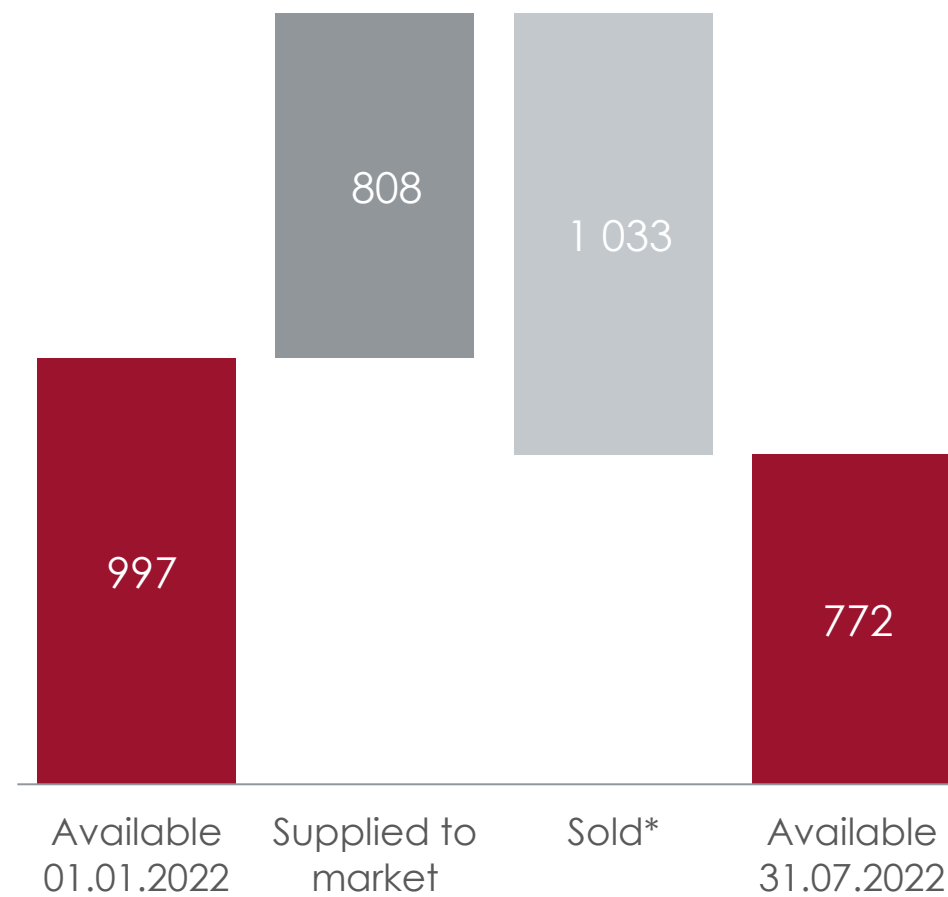
Bergen – 1.1 - 31.7, 2022

Units



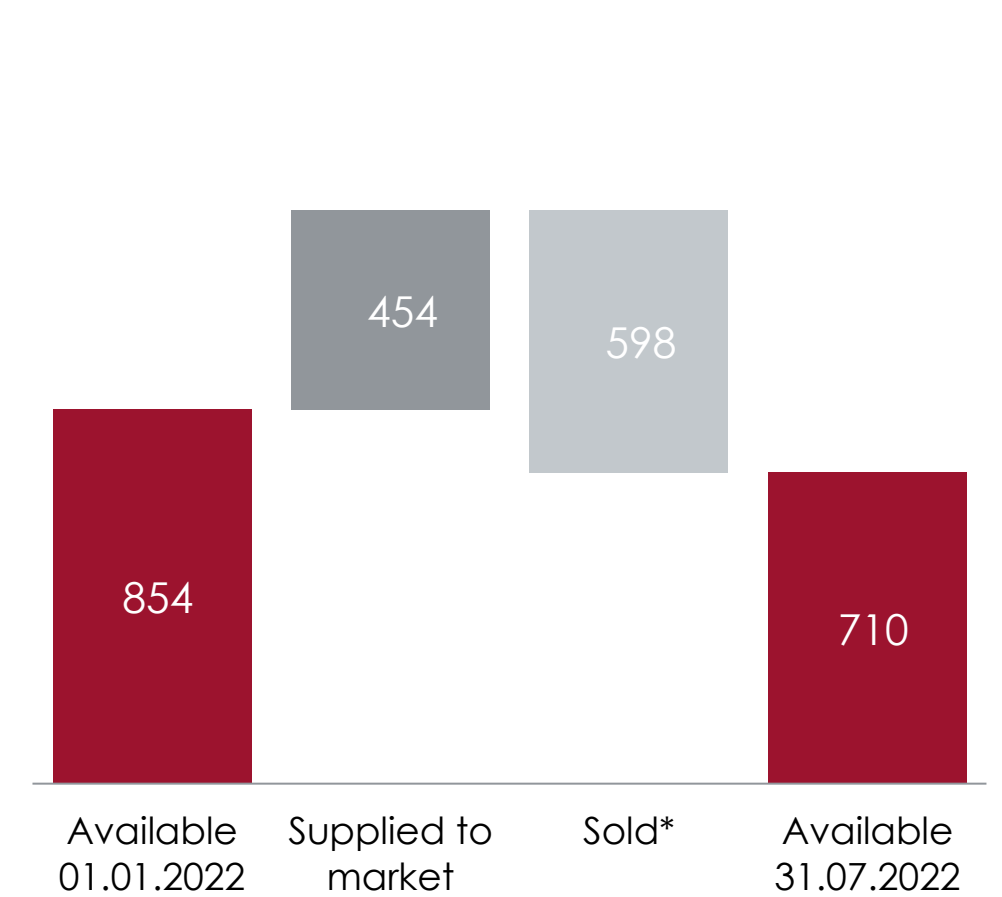
Trondheim – 1.1 - 31.7, 2022

Units



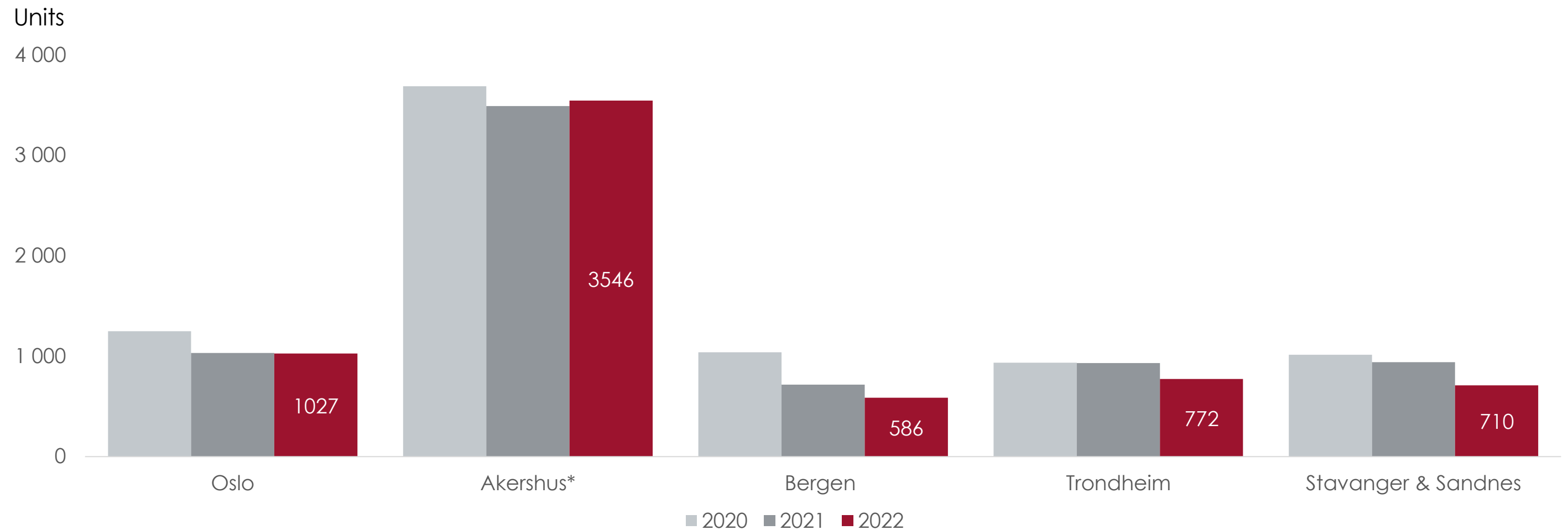
Stavanger & Sandnes – 1.1 - 31.7, 2022

Units



Source: SA – Hawii analyse.  
\* Including withdrawals

# Regional Newbuild availability on 31 July, 2020-22



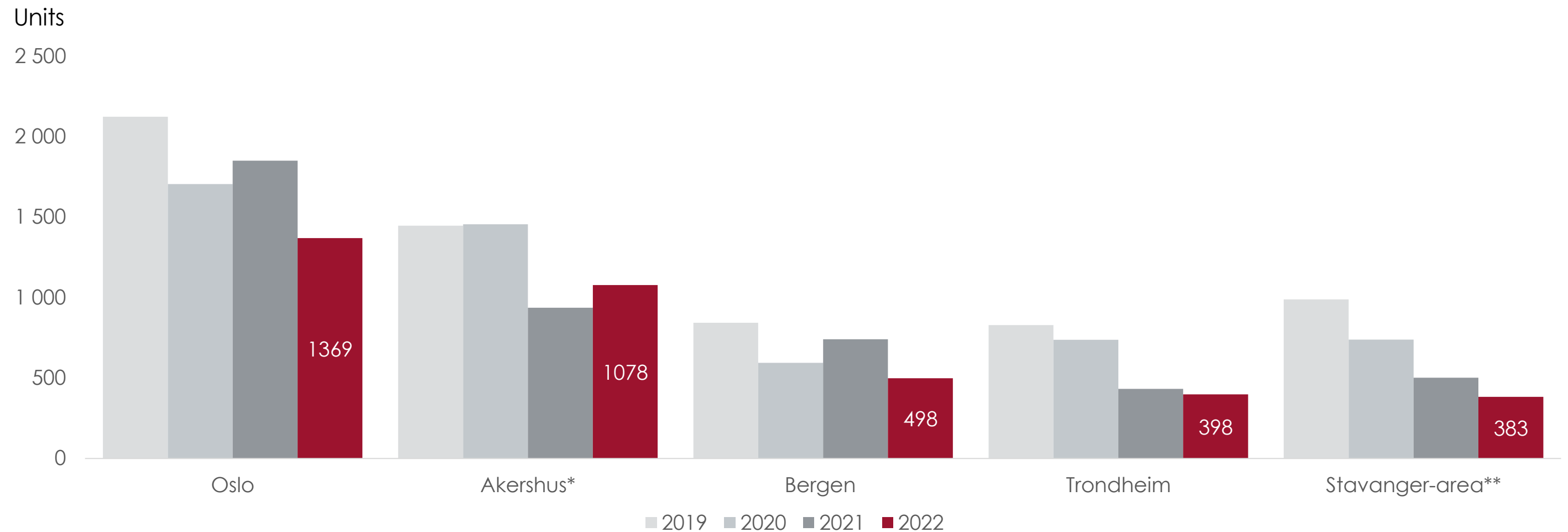
Population**	700 000	685 000	287 000	210 000	265 000
Available units per 1 000 capita August 2022	1.5	5.2	2.0	3.7	2.7

Source: Hawii analyse, Statistics Norway.

\* Akershus county = Viken ex. counties Buskerud and Østfold.

\*\* Population at YE 2021.

# Regional Second-hand inventory on 4 August, 2019-22



Population***	700 000	685 000	287 000	210 000	265 000
Available units per 1 000 capita August 2022	2.0	1.6	1.7	1.9	1.4

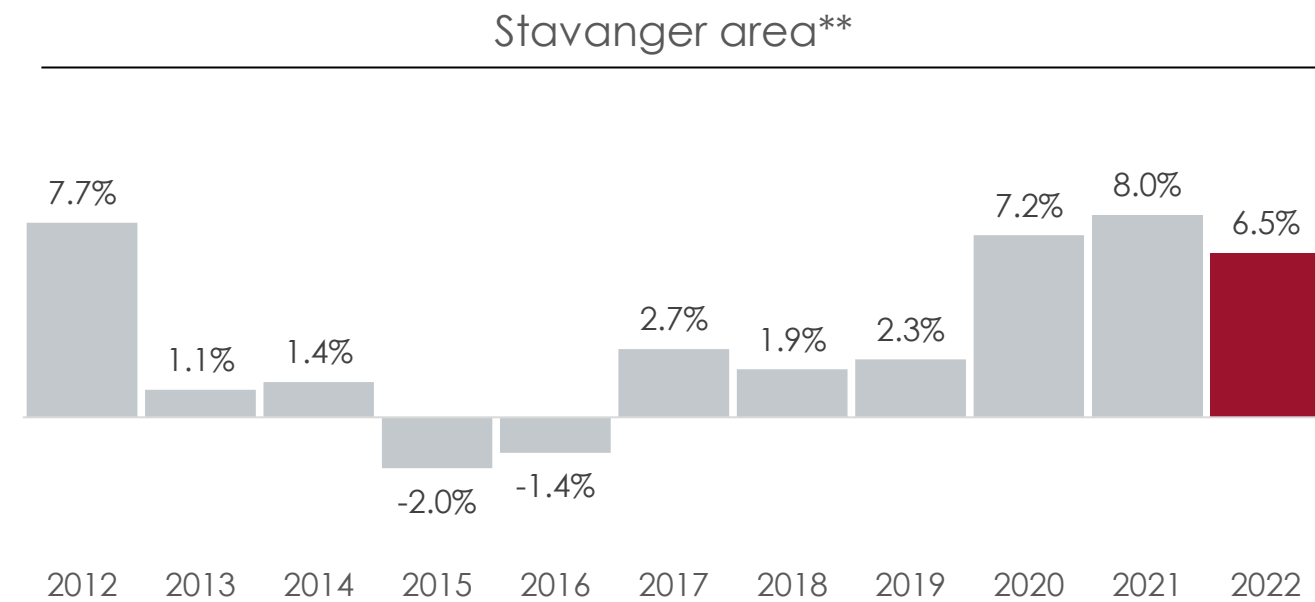
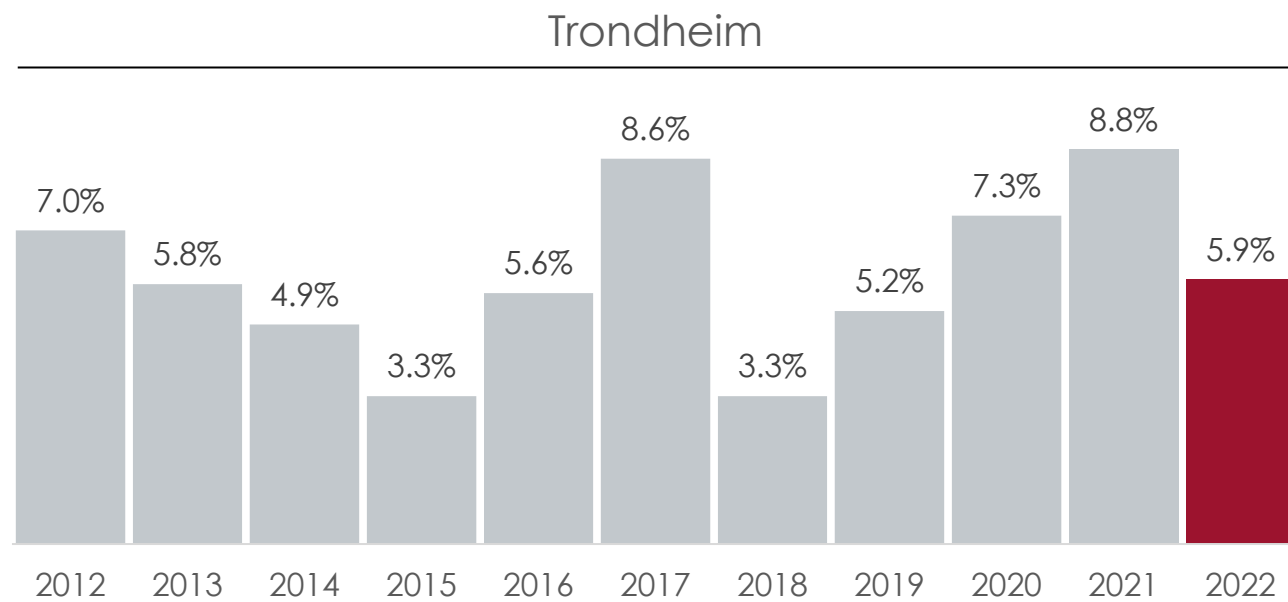
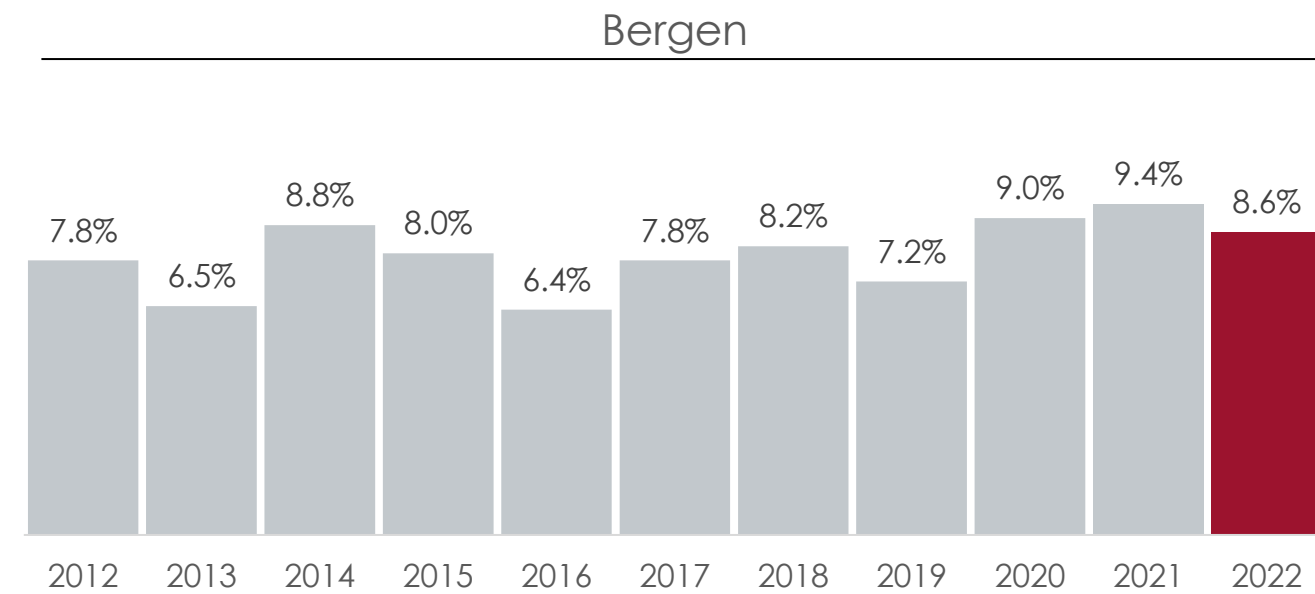
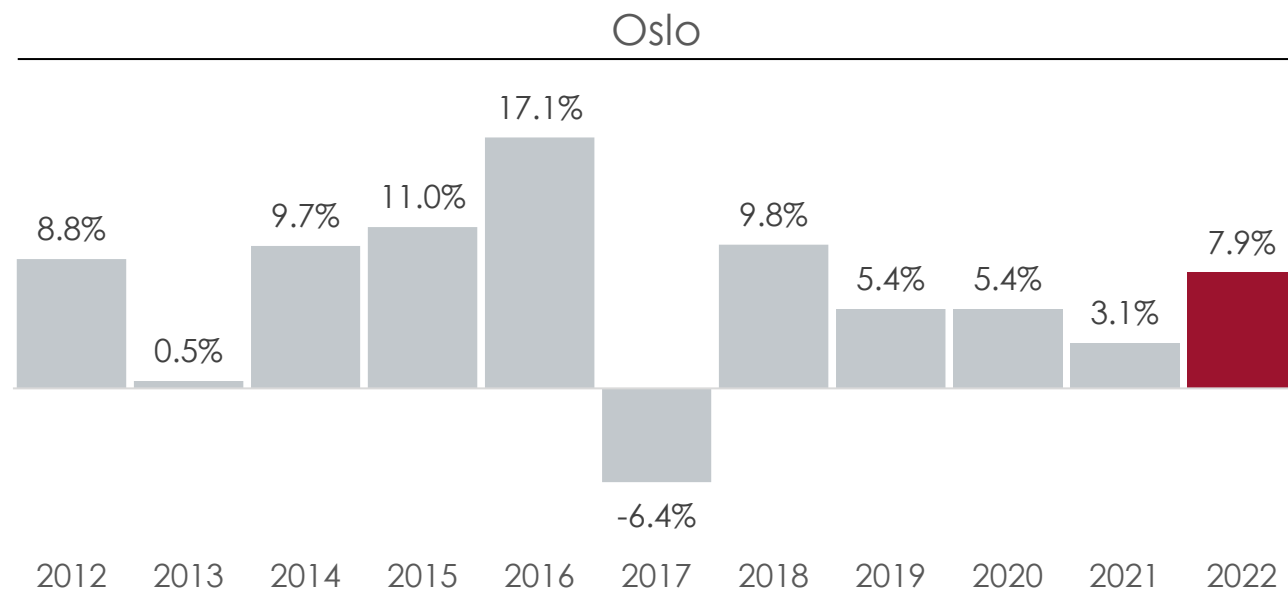
Source: Eiendomsverdi, Statistics Norway.

\* Akershus county = Viken ex. counties Buskerud and Østfold.

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

28 \*\*\* Population at YE 2021.

# Regional price\* development 1.1-31.7, 2012-22



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

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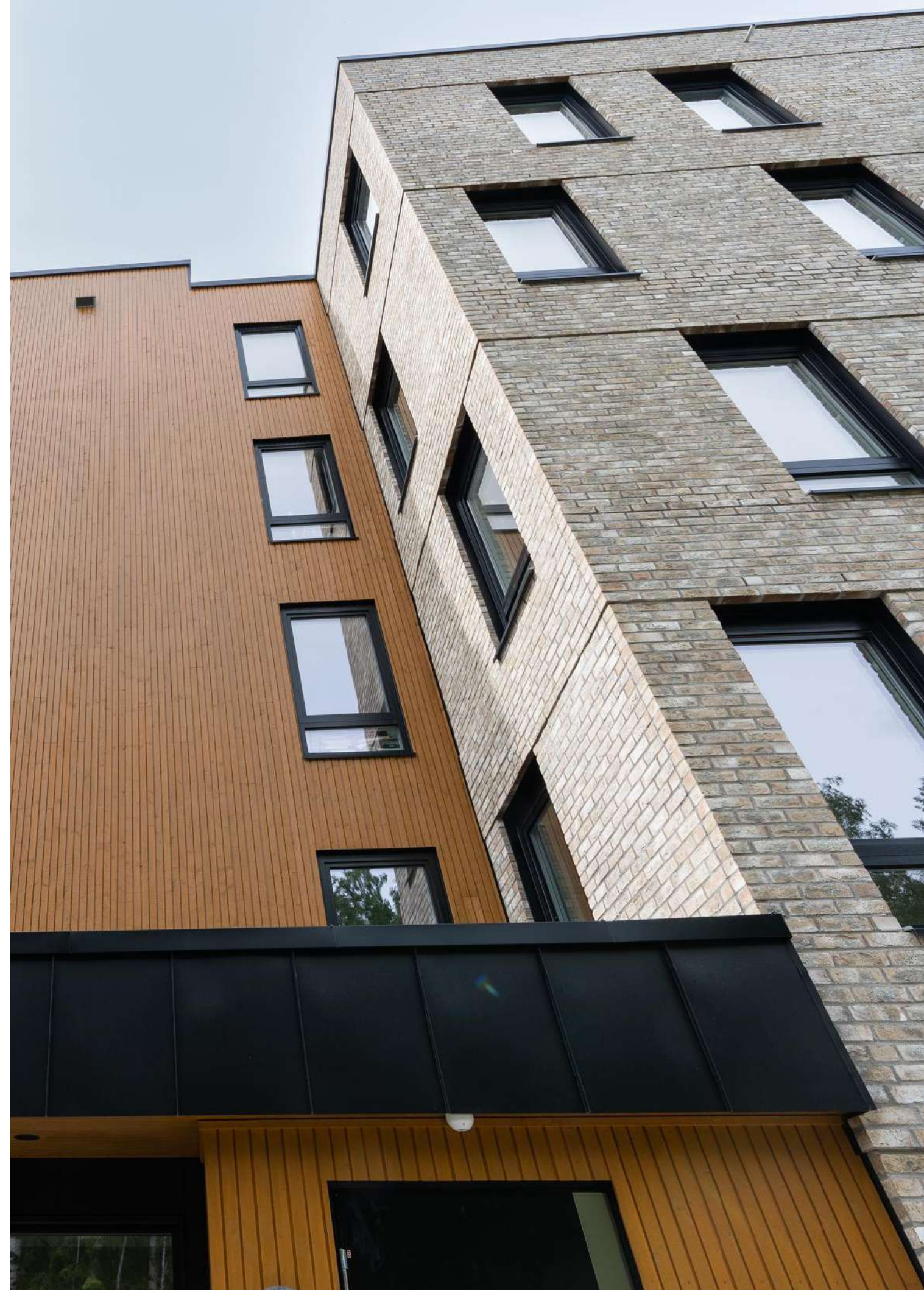
Outlook and summary



# Outlook

- Housing shortage in Oslo area provides favorable conditions for new housing
- Expecting reduction in construction cost going forward
- The lending restriction of 5x income determines loan capacity before the ability to repay\*
- Solid pipeline. Selvaag Bolig has approximately 440 units for sale and plans for additional sales starts in H2
- ESG positioning
  - GHG protocols in all projects
  - Defining emission targets
  - Reporting with reference to GRI
  - Adapting to EU taxonomy and Transparency Act

\*At current interest rate level for an average income borrower.



# Summary

- Solid Q2 results
- Satisfactory sales in Q2 despite challenging market conditions
- H1 2022 operating revenues at NOK 1 322m up 37% from H1 2021
- Dividend of NOK 2.00 per share\* for H1 '22

\* Pay-out on August 31, 2021





Thank you for your attention – follow us online!

Next event:  
3<sup>rd</sup> quarter 2022  
10 November 2022



@SelvaagAksjen

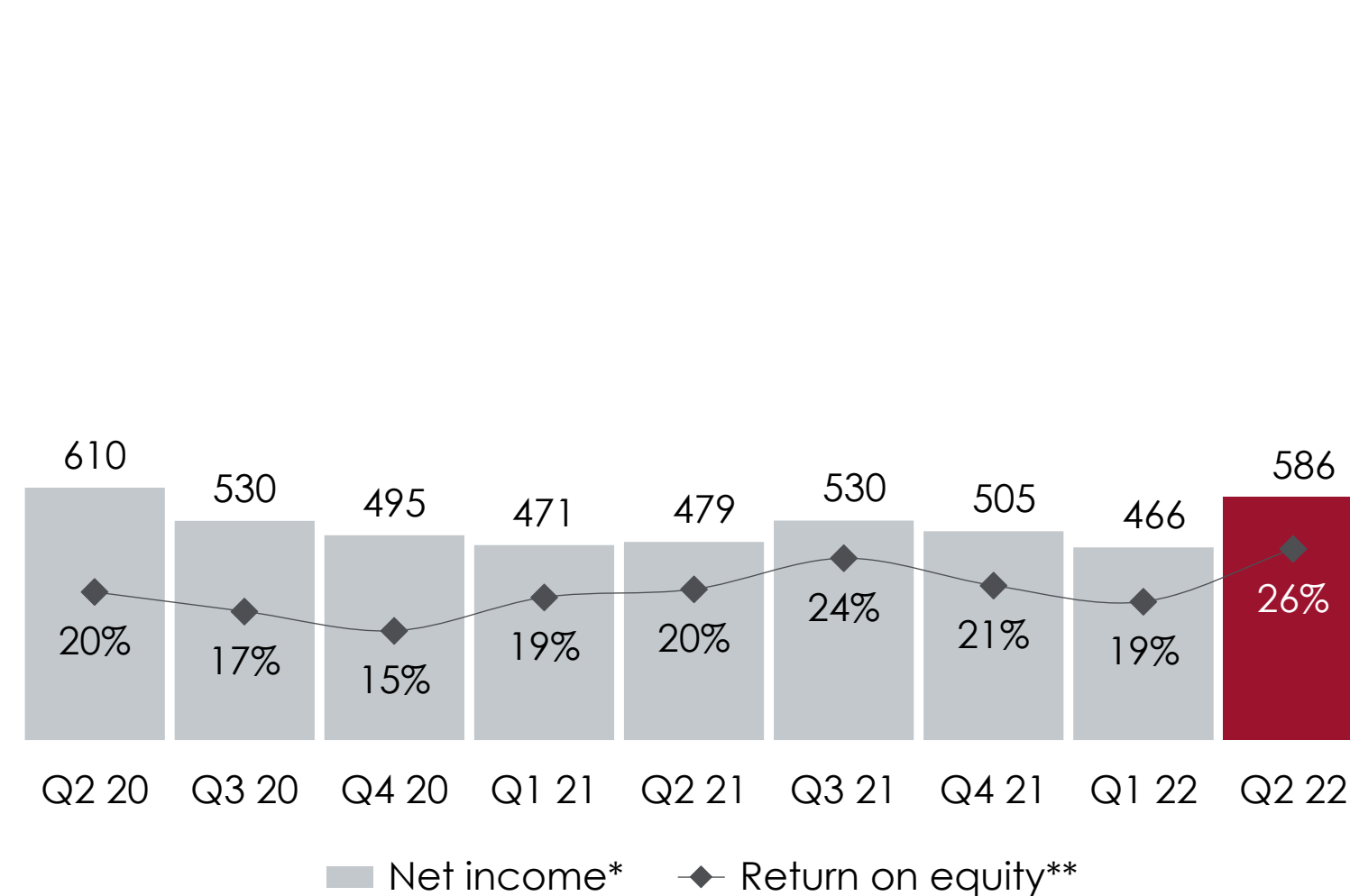
# Appendix



# Return on equity (IFRS)

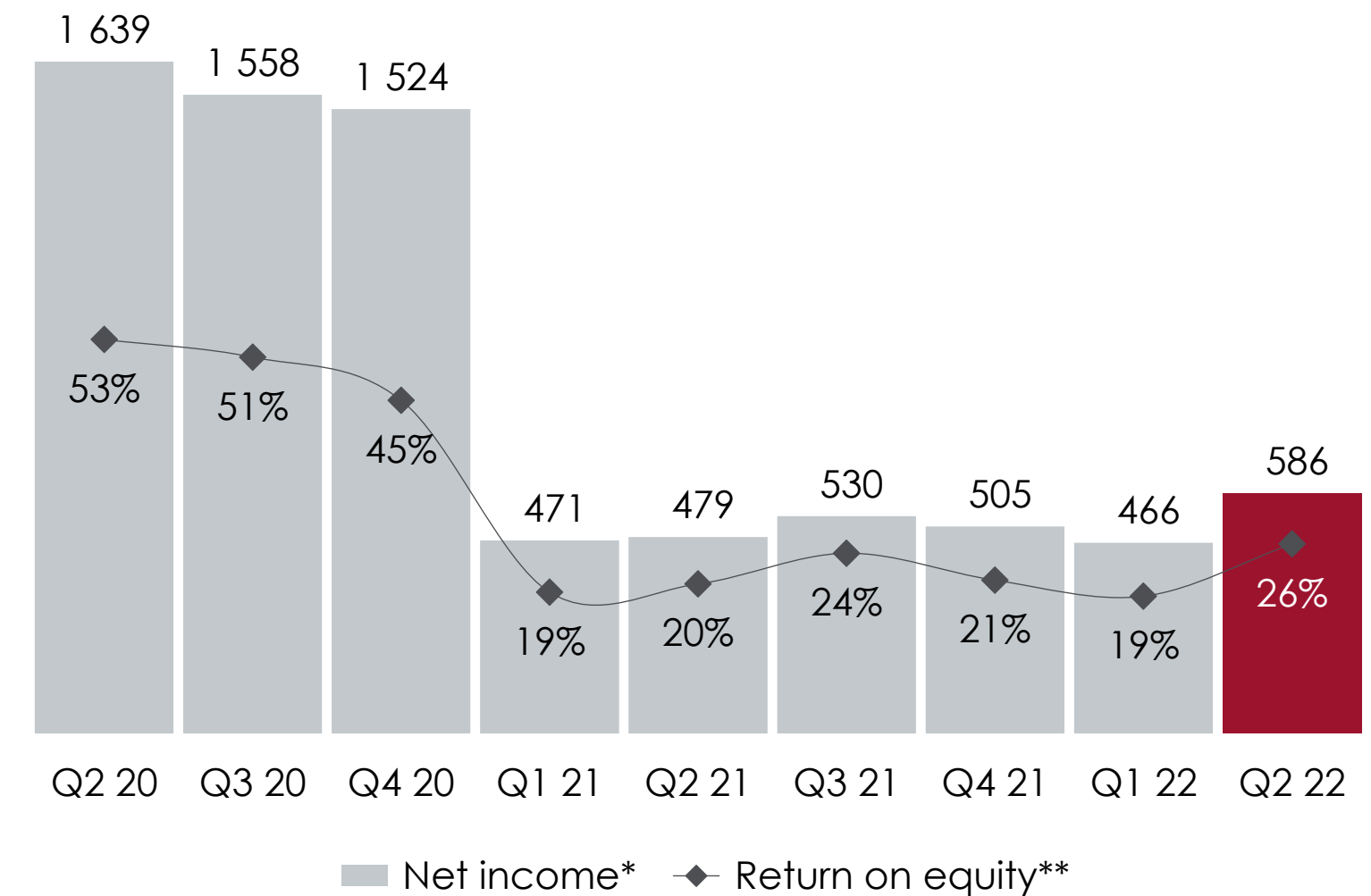
## 12-month rolling net income (NOKm) ROE (%)

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

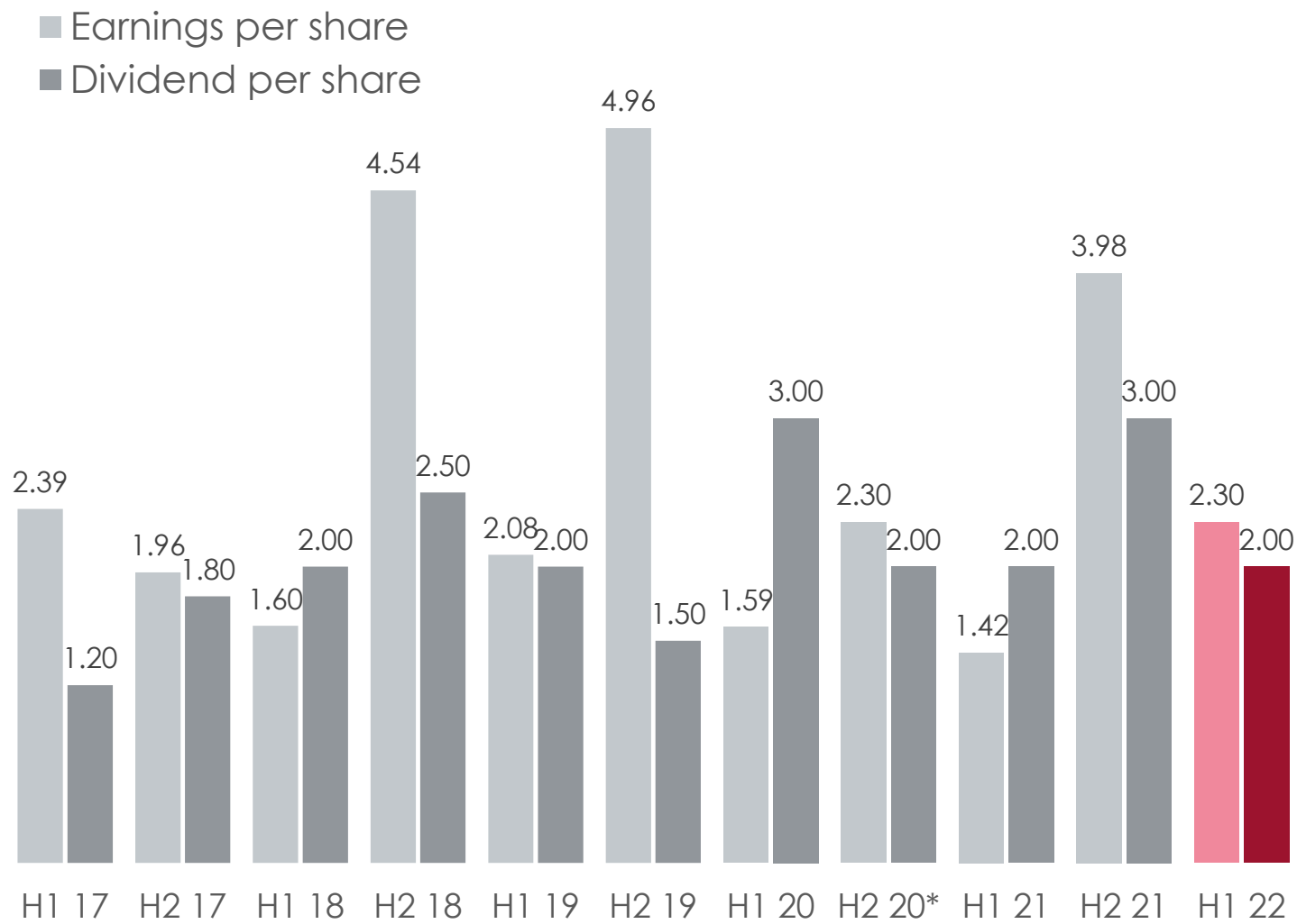


\* Net income attributable to shareholders in Selvaag Bolig ASA.

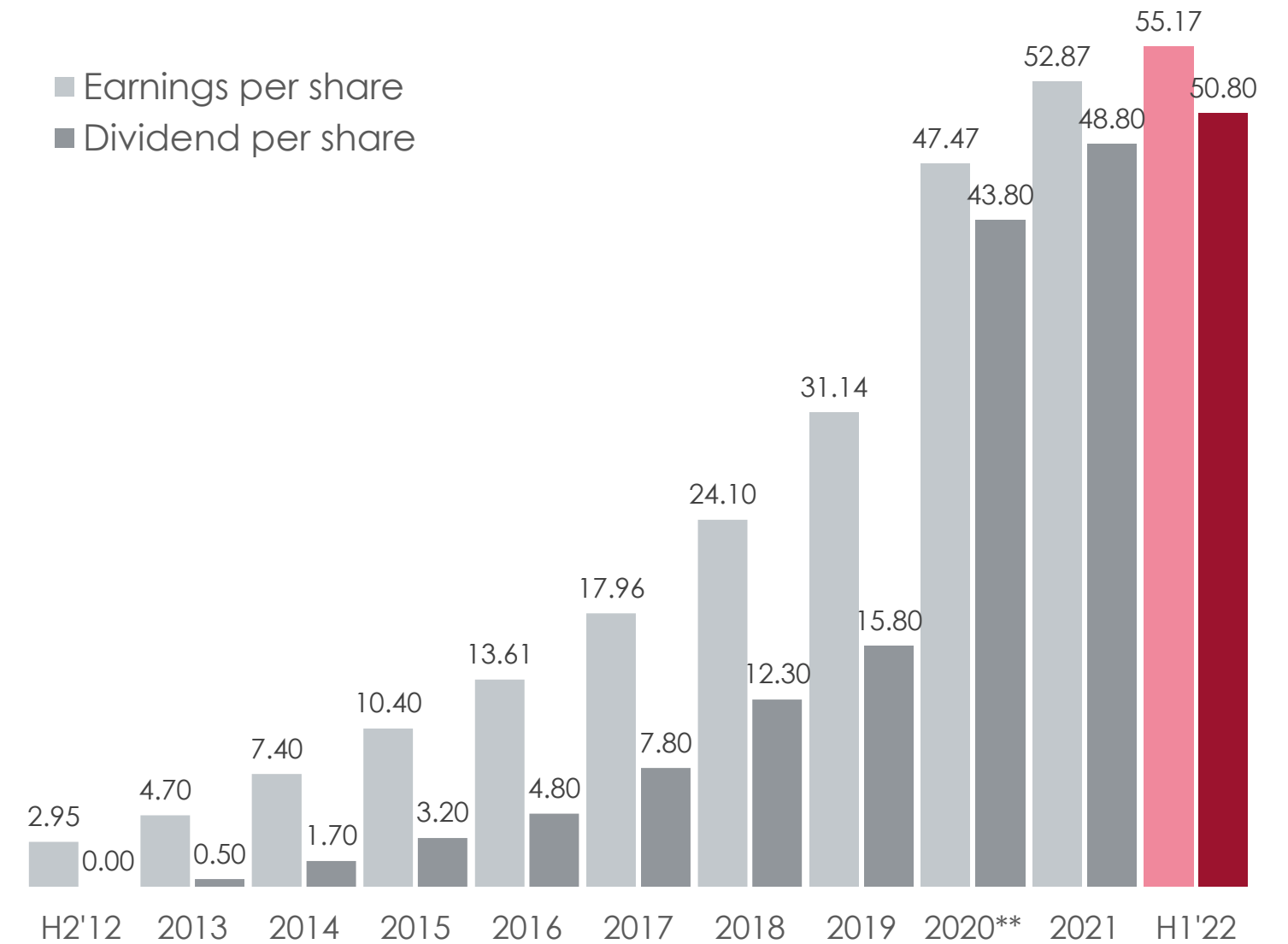
\*\* Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).

# Earnings and dividend per share since IPO

## Half year dividend and earnings per share



## Accumulated dividend and earnings per share



\*Excluding earnings and dividend from UP transaction.

\*\*Including EPS of NOK 11.01 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

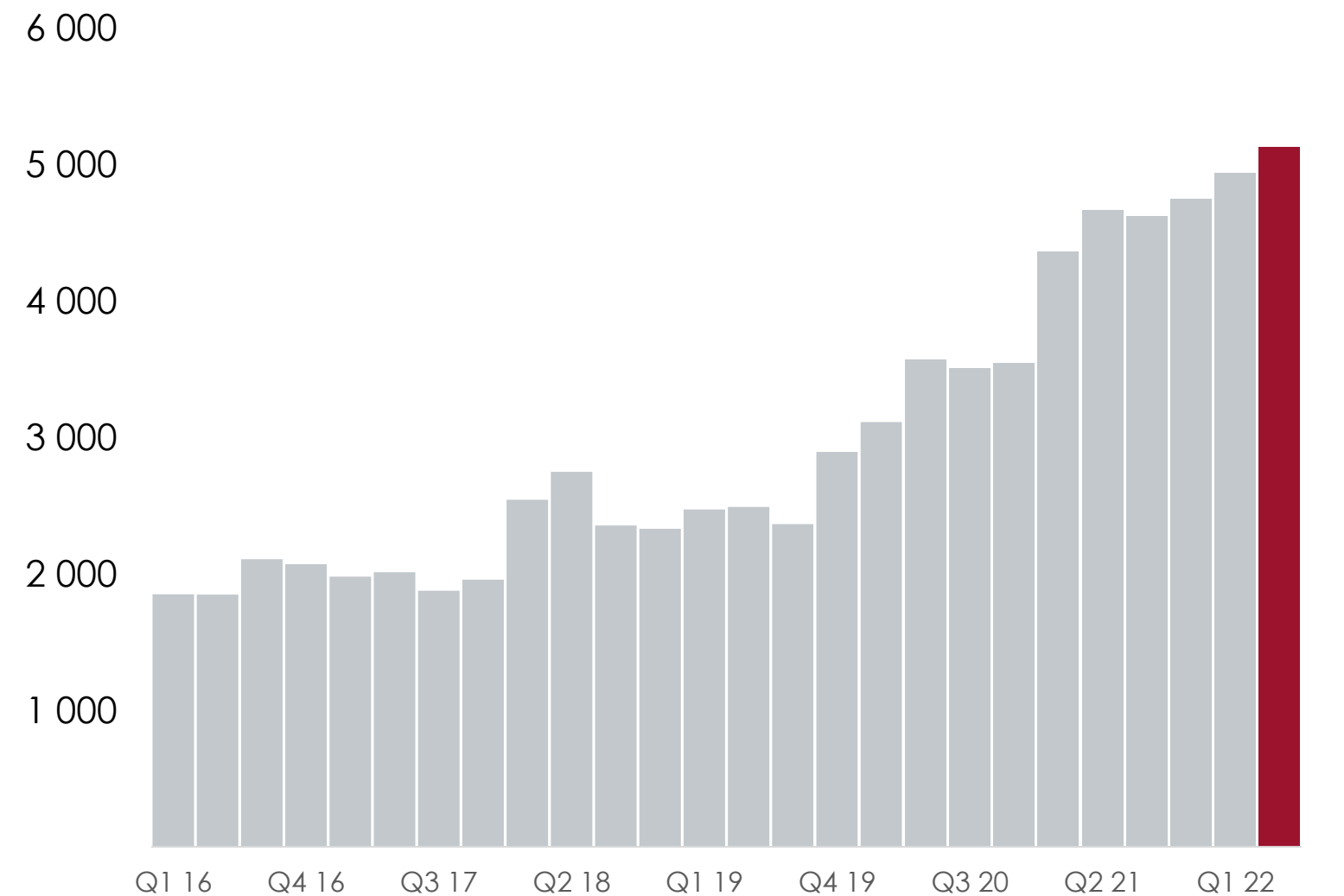


Source: Oslo Børs.

# Share information

- Total number of shares: 93.8 million
- Number of shareholders: 5 127 (4 938)\*
  - 20 largest controlling 82.8% (83.2)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 2.2 million shares during the quarter (5.0), 2.4% of total shares outstanding
  - Share turnover totaled NOK 96 million (257)

## Number of shareholders



\* All numbers in brackets from previous quarter.

# Largest shareholders at 30.6, 2022

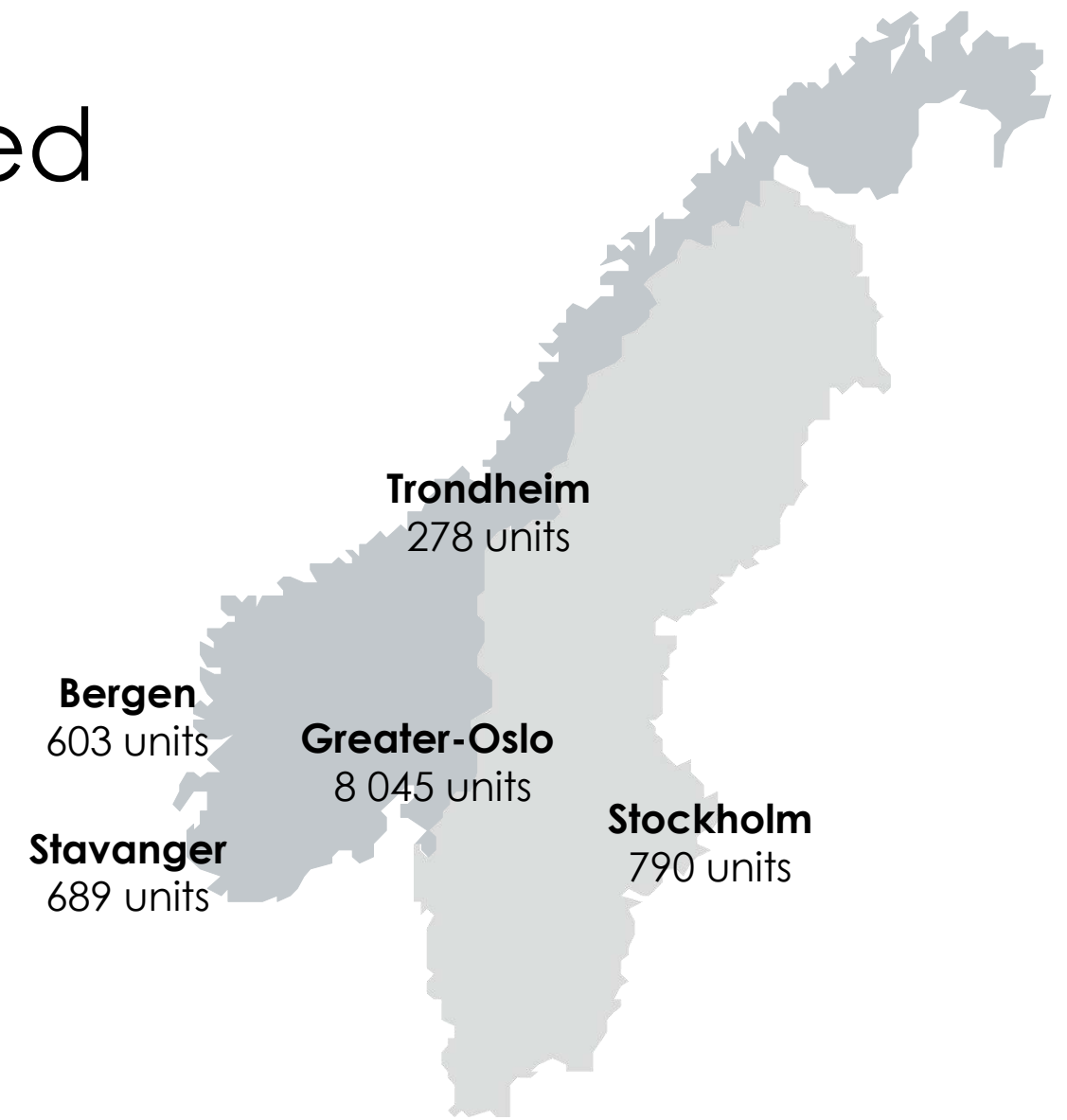
Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	6 812 642	7.3%
PARETO INVEST NORGE AS	4 311 772	4.6%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 117 700	3.3%
The Northern Trust Comp, London Br *	2 186 000	2.3%
JPMorgan Chase Bank, N.A., London *	1 989 006	2.1%
Skandinaviska Enskilda Banken AB *	1 000 000	1.1%
MUSTAD INDUSTRIER AS	950 707	1.0%
SANDEN EQUITY AS	900 000	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
State Street Bank and Trust Comp *	838 613	0.9%
BANAN II AS	750 000	0.8%
Landkreditt Utbytte	700 000	0.7%
Brown Brothers Harriman & Co. *	684 200	0.7%
Brown Brothers Harriman & Co. *	515 656	0.5%
SELVAAG BOLIG ASA	511 933	0.5%
HOLTA INVEST AS	370 000	0.4%
The Bank of New York Mellon SA/NV *	354 994	0.4%
State Street Bank and Trust Comp *	326 352	0.3%
Citibank, N.A. *	325 020	0.3%
<b>Total 20 largest shareholders</b>	<b>77 664 882</b>	<b>82.8%</b>
Other shareholders	16 100 806	17.2%
<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

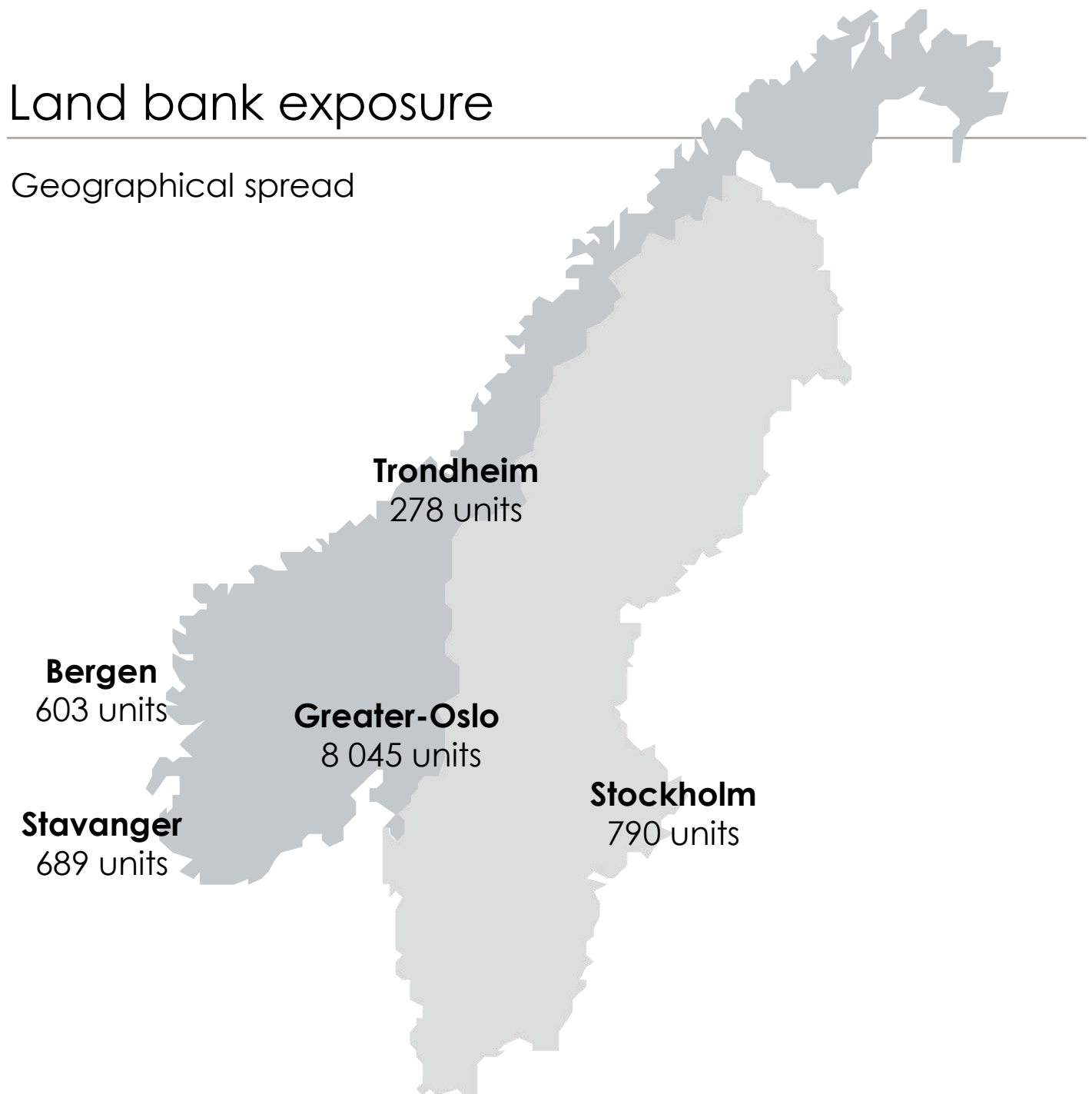
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- Acquire the right mix of zoned and unzoned land in suitable locations
- Land acquisitions in defined core areas
- High degree of site utilisation and strategic land development
- Substantial land bank to accommodate targets/growth in core areas
- Good infrastructure and public transport
- Joint ventures (JVs)

## Land bank exposure

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Geographical spread



Note: The numbers represent the size of the land portfolio at 30 June 2022. All numbers are adjusted for Selvaag Bolig's share in joint ventures. The total portfolio is ~10 400 units. Of these ~5 250 are options and obligations to buy.

# 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

# Ongoing and upcoming large projects in Greater Oslo



## Lørenskog stasjonsby | Greater Oslo

- ~ 2 000 units total
- ~ 200 Pluss units
- ~ 800 units remaining for sale



## Skårerbyen | Greater Oslo

- ~ 1 100 units total
- ~ 250 Pluss units
- ~ 500 units remaining for sale



## 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

# Ongoing and upcoming large regional projects



## RingvePluss | Trondheim

- ~ 600 units total
- ~ 400 Pluss units
- ~ 500 units remaining for sale



## Sandsli | Bergen

- ~ 600 units total
- ~ 250 Pluss units
- ~ 450 units remaining for sale



## Elveparken | Stavanger-area

- ~ 600 units total
- ~ 250 Pluss units
- Expected sales start: 2023



## Fredrikstad | Greater Oslo

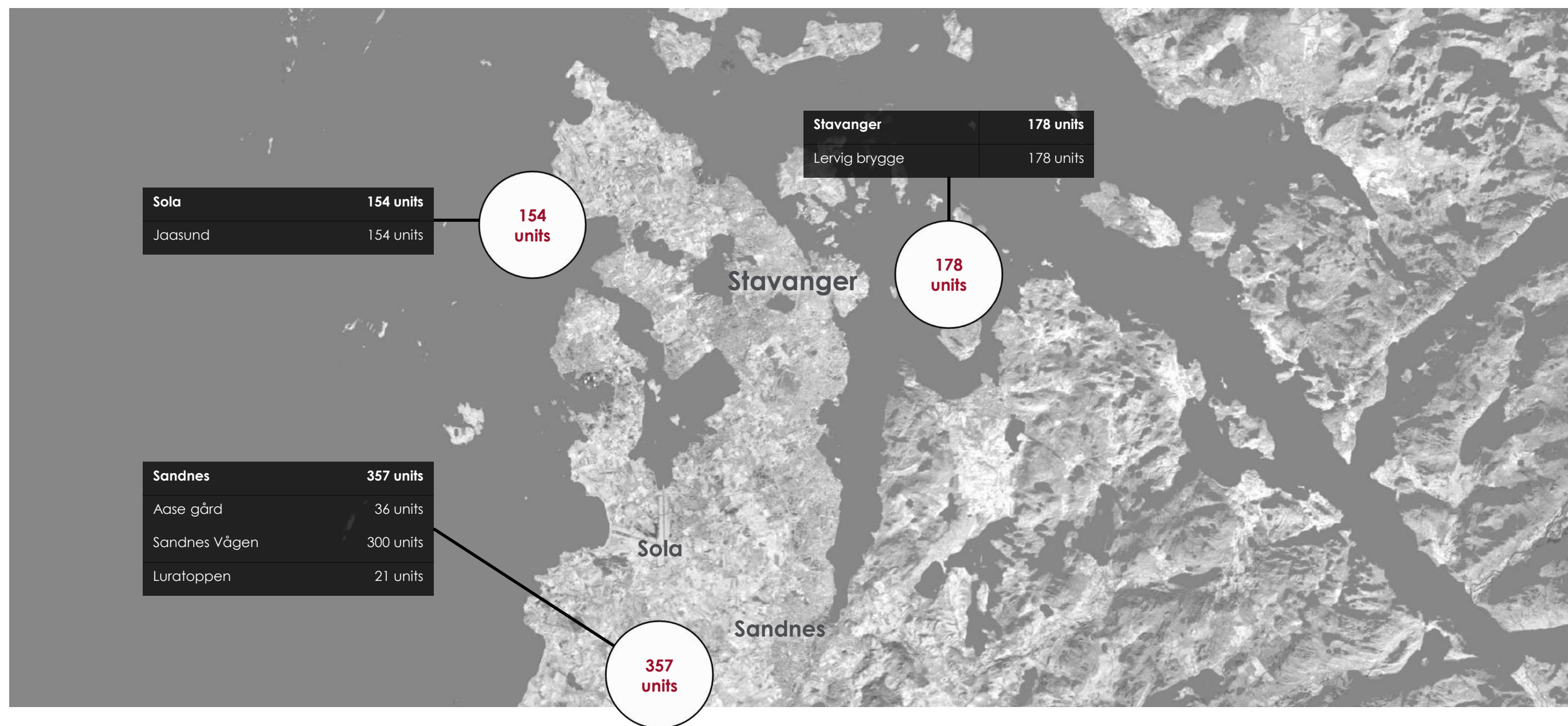
- ~ 1 500 units
- ~ 400 Pluss units
- Expected sales start: 2022/23

# Land bank in Oslo and Greater Oslo at 30.6.22



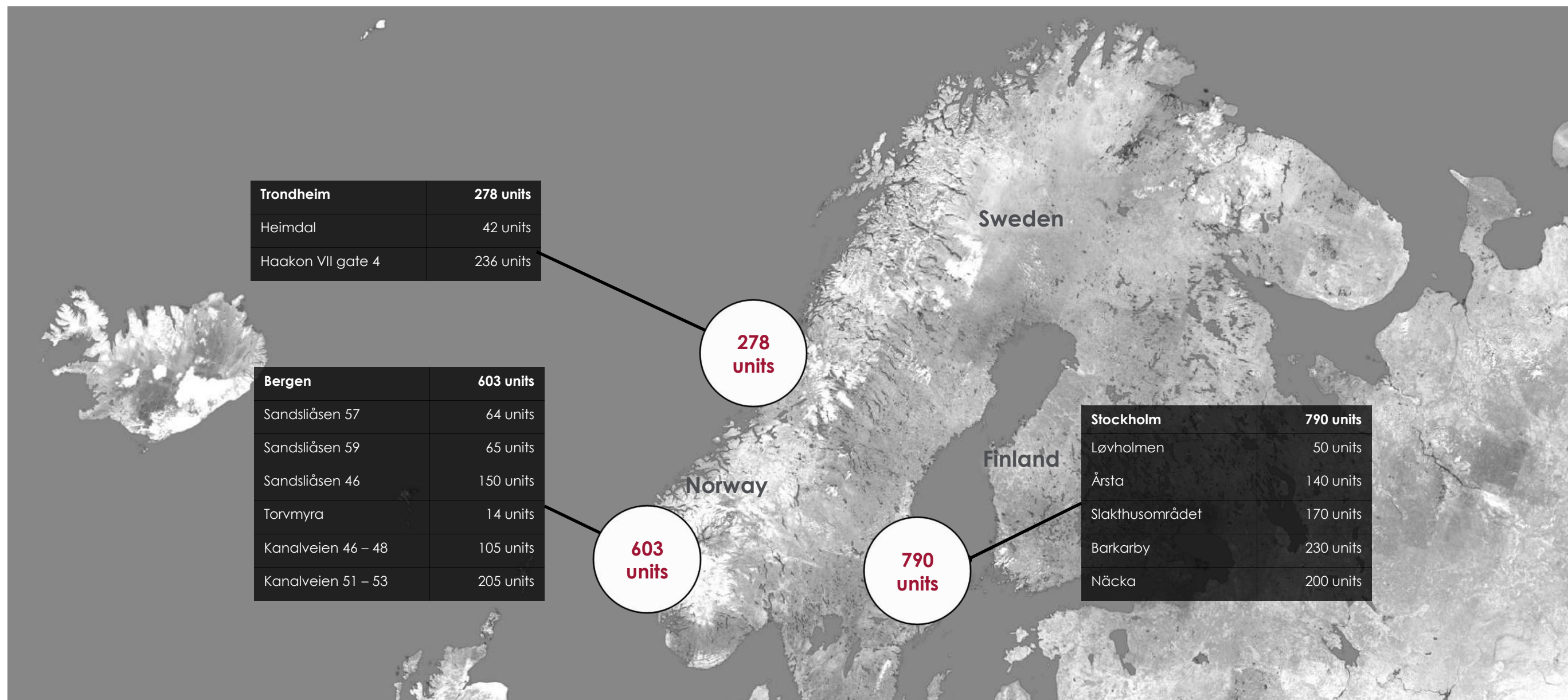
\*The numbers are adjusted for Selvaag Bolig's share in joint ventures

# Land bank in Stavanger area at 30.6.22



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

# Land bank in Bergen, Trondheim and Stockholm at 30.6.22



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



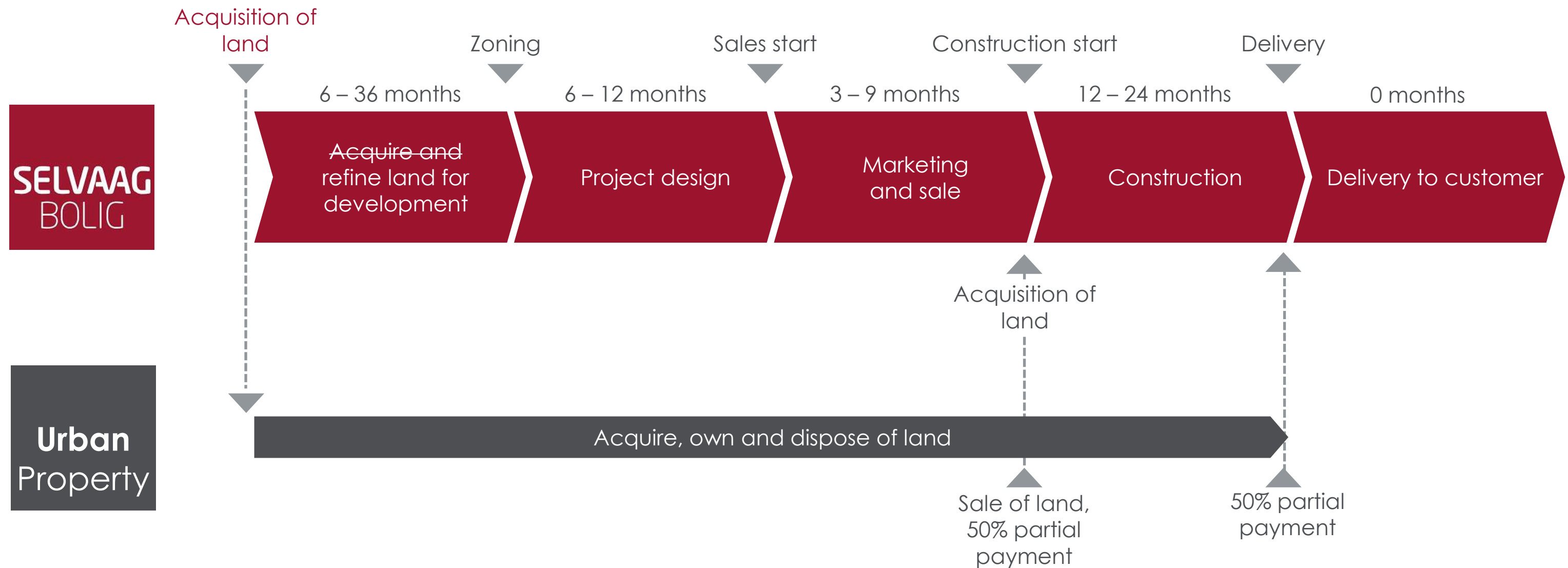
# Cooperation with Urban Property from 1.1.2021

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



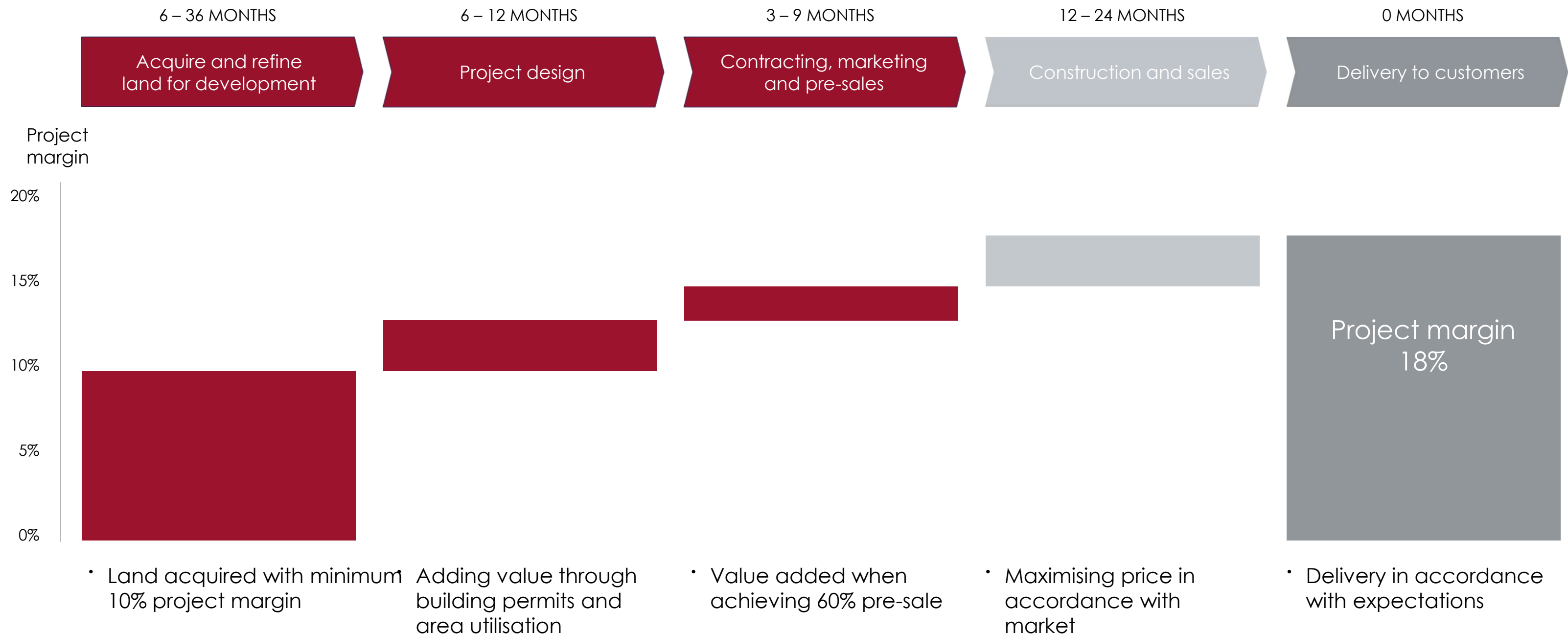
# Example project calculations before and after

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.

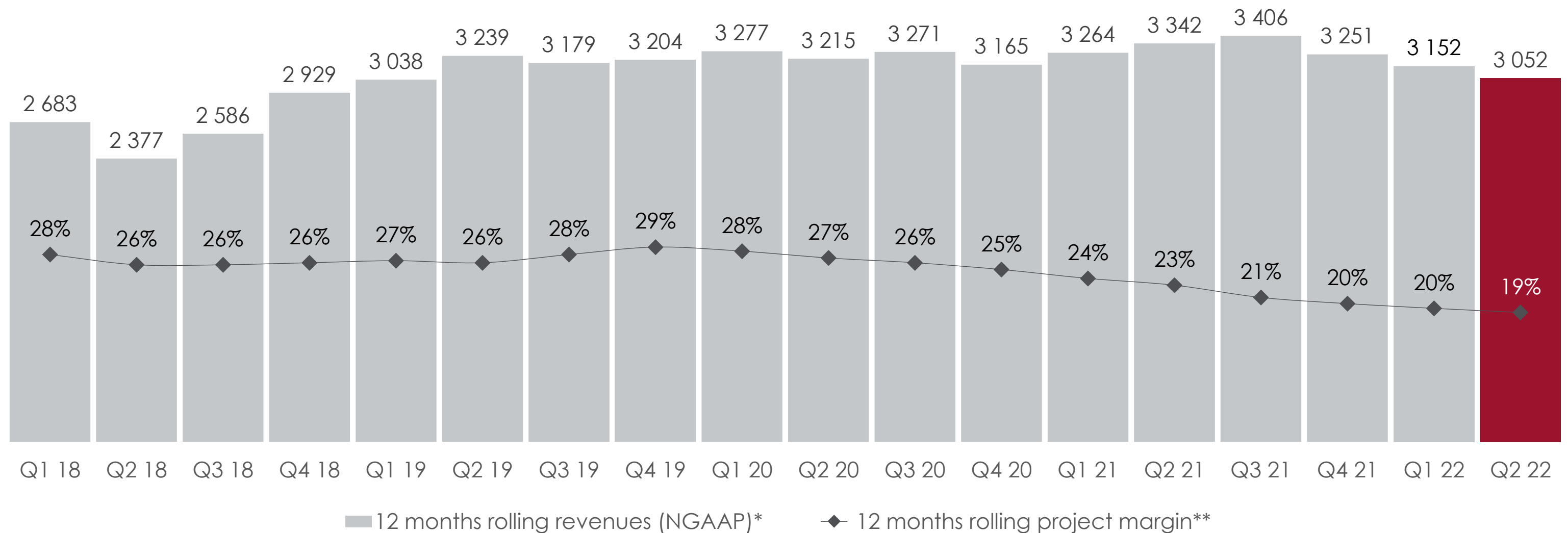
# Margin development through project stages\*



\* Assuming flat market development.

# Project margin development

NOK million



\* Includes project revenues only.

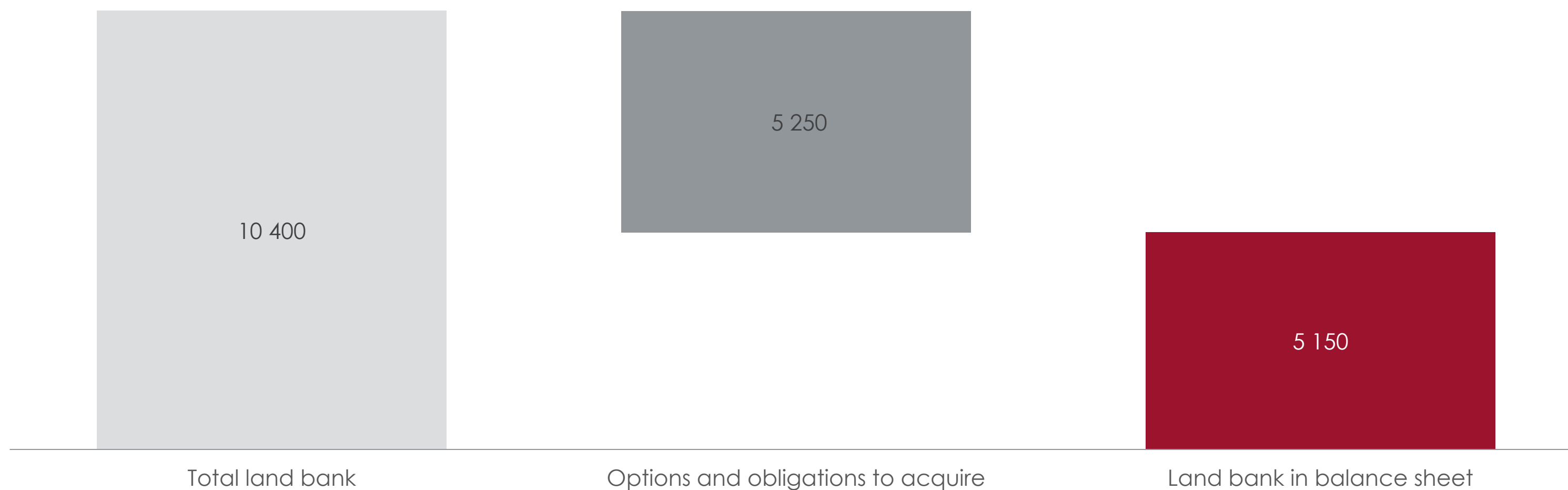
\*\* Project margins are exclusive of overhead costs. Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).

# Substantial portfolio for development

Total land bank portfolio at 30.6.2022

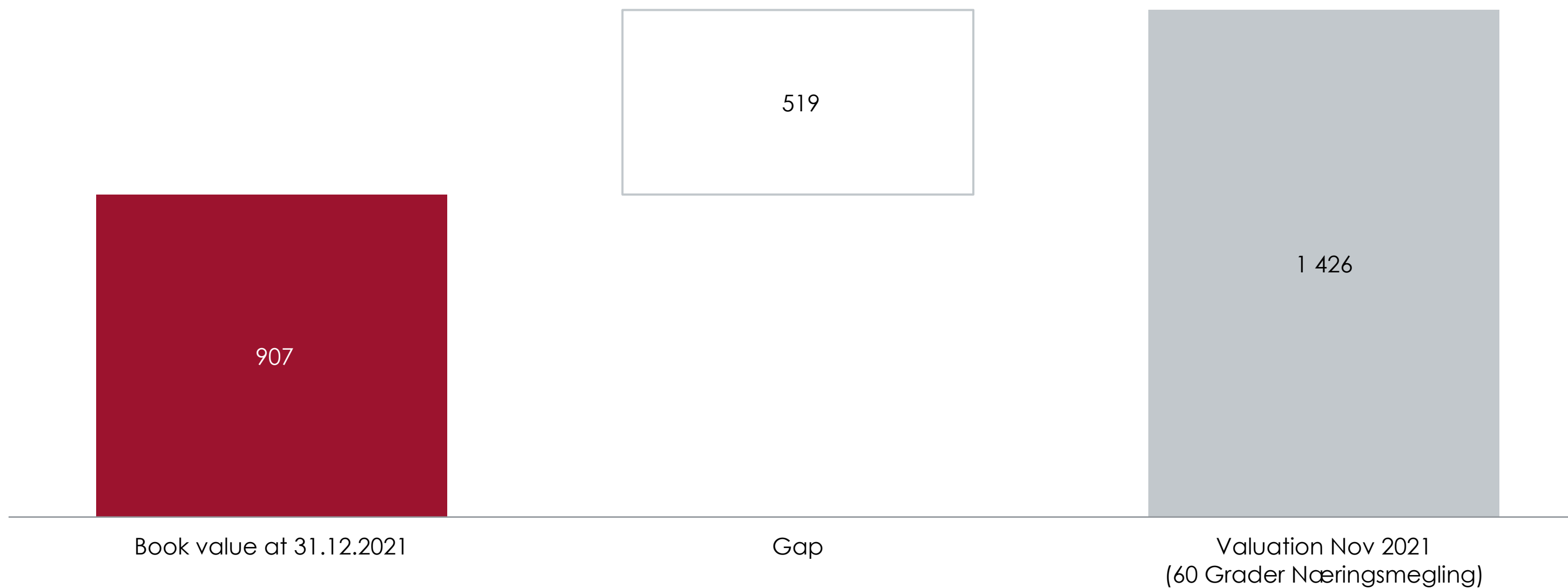
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Units



# Valuation of remaining land bank\*

NOK million

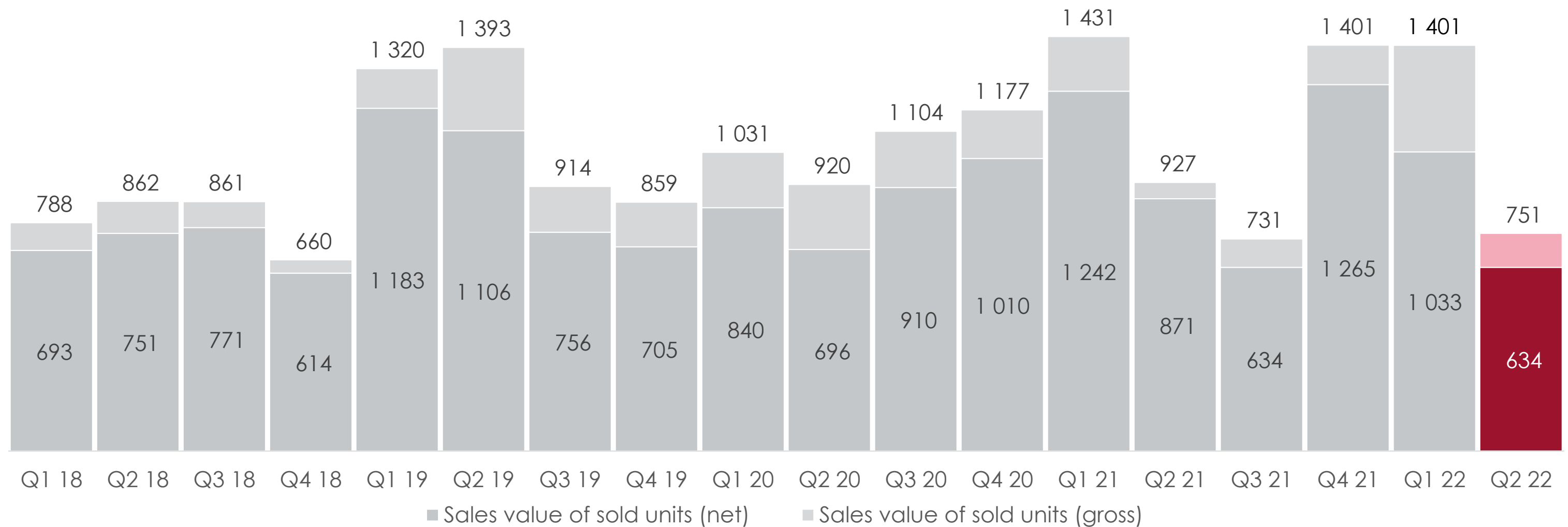


\* SBO land bank not included in the UP transaction

# Value of units sold - gross and net

## Sales value of units sold

NOK million

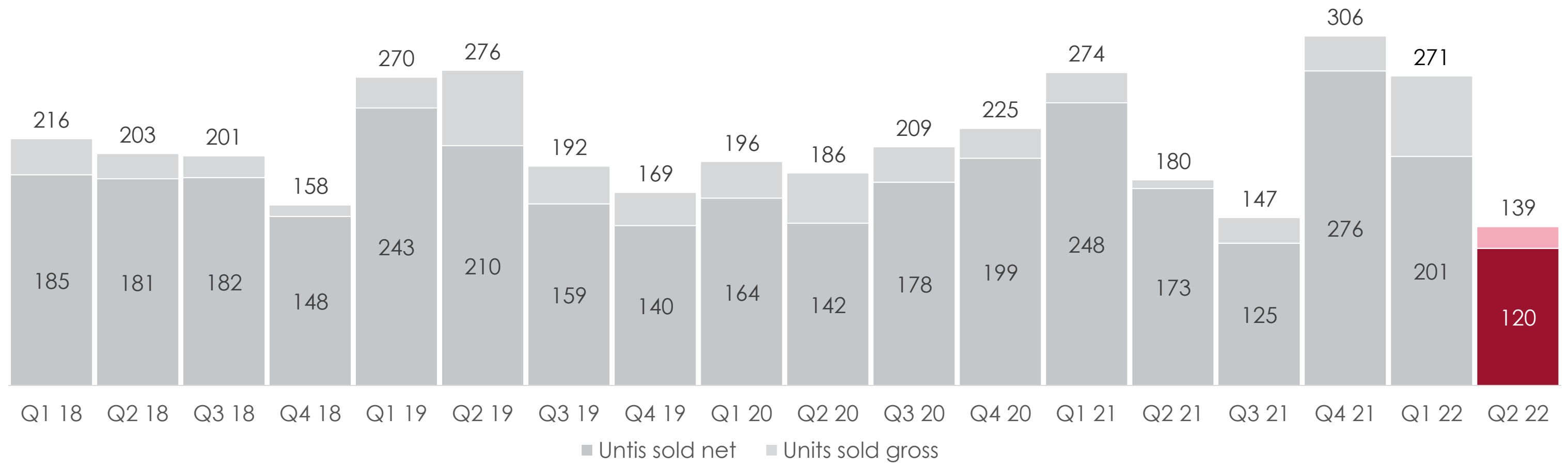




# Number of units sold - gross and net

## Number of units sold

Units



# Income statement IFRS

<b>(figures in NOK million)</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>1H 2022</b>	<b>1H 2021</b>	<b>2021</b>
Total operating revenues	965.9	394.2	1 322.2	962.0	3 402.7
Project expenses	(804.1)	(304.8)	(1 057.2)	(706.0)	(2 617.4)
Other operating expenses	(57.2)	(49.9)	(103.5)	(104.6)	(236.4)
Associated companies and joint ventures	101.2	39.4	96.2	45.4	109.7
<b>EBITDA</b>	<b>205.8</b>	<b>78.9</b>	<b>257.6</b>	<b>196.8</b>	<b>658.6</b>
Depreciation and amortisation	(2.5)	(2.6)	(4.8)	(5.1)	(10.3)
Other gains (loss)	-	-	-	-	-
<b>EBIT</b>	<b>203.4</b>	<b>76.3</b>	<b>252.8</b>	<b>191.6</b>	<b>648.3</b>
Net financial expenses	0.5	(2.3)	(1.7)	(6.3)	(3.0)
<b>Profit/(loss) before taxes</b>	<b>203.9</b>	<b>74.0</b>	<b>251.2</b>	<b>185.3</b>	<b>645.3</b>
Income taxes	(27.1)	(17.6)	(36.8)	(52.2)	(140.4)
<b>Net income</b>	<b>176.8</b>	<b>56.4</b>	<b>214.4</b>	<b>133.1</b>	<b>504.9</b>

# Balance sheet

(figures in NOK million)	Q2 2022	Q1 2022	2021
Intangible assets	383.4	383.4	383.4
Property, plant and equipment	8.1	8.2	7.4
Investments in associated companies and joint ventures	349.2	239.4	354.7
Other non-current assets	300.5	340.5	302.3
<b>Total non-current assets</b>	<b>1 041.2</b>	<b>971.5</b>	<b>1 047.7</b>
<b>Inventories (property)</b>	<b>4 122.2</b>	<b>4 357.1</b>	<b>4 072.5</b>
- Land	848.9	1 007.5	1 033.8
- Land held for sale			
- Work in progress	3 153.8	3 199.3	2 872.2
- Finished goods	119.5	150.2	166.4
Other current receivables	115.3	60.9	134.3
Cash and cash equivalents	709.5	694.4	527.4
Assets held for sale	-	-	-
<b>Total current assets</b>	<b>4 947.0</b>	<b>5 112.4</b>	<b>4 734.2</b>
<b>TOTAL ASSETS</b>	<b>5 988.1</b>	<b>6 083.9</b>	<b>5 782.0</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 387.2	2 486.2	2 461.1
Non-controlling interests	7.8	7.8	7.8
<b>Total equity</b>	<b>2 395.0</b>	<b>2 494.0</b>	<b>2 468.8</b>
Non-current interest-bearing liabilities	1 239.8	1 189.9	777.2
Other non-current non interest-bearing liabilities	376.6	357.1	341.0
<b>Total non-current liabilities</b>	<b>1 616.4</b>	<b>1 547.0</b>	<b>1 118.2</b>
Current interest-bearing liabilities	1 299.0	1 372.1	1 370.5
Other current non interest-bearing liabilities	677.7	670.8	824.4
<b>Total current liabilities</b>	<b>1 976.8</b>	<b>2 042.9</b>	<b>2 194.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 988.1</b>	<b>6 083.9</b>	<b>5 782.0</b>

\* Corresponding to a book value of NOK per share

25.46

# Cash flow statement

(figures in NOK million)

	1H 2022	1H 2021	2021
Net cash flow from operating activities	(11.0)	(503.0)	392.6
Net cash flow from investment activities	131.2	35.7	167.1
Net cash flow from financing activities	61.9	162.1	(917.6)
Net change in cash and cash equivalents	182.1	(305.2)	(357.9)
<b>Cash and cash equivalents at start of period</b>	<b>527.4</b>	<b>885.3</b>	<b>885.3</b>
<b>Cash and cash equivalents at end of period</b>	<b>709.5</b>	<b>580.2</b>	<b>527.4</b>

# Operational highlights – key operating figures

	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Units sold	173	125	276	201	120
Construction starts	142	148	456	113	190
Units completed	120	318	334	74	210
Units delivered	132	314	324	77	217
Units under construction	1 371	1 201	1 323	1 361	1 342
Proportion of sold units under construction	82 %	76 %	67 %	73 %	75 %
Completed unsold units	15	16	25	19	13
Sales value of units under construction (NOK million)	6 749	6 200	6 736	7 034	6 807

# EBITDA Q2 2022

<b>(figures in NOK million)</b>	Property development	Other	Total
<b>Operating revenues</b>	<b>767.8</b>	<b>16.6</b>	<b>784.3</b>
Project expenses	(620.9)	(0.2)	(621.1)
Other operating expenses	(10.7)	(48.8)	(59.5)
<b>EBITDA (percentage of completion)</b>	<b>136.2</b>	<b>(32.5)</b>	<b>103.7</b>

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

## IFRS EBITDA for the quarter, per segment

Operating revenues	949.3	16.6	965.9
Project expenses	(803.8)	(0.2)	(804.1)
Other operating expenses	(10.7)	(46.5)	(57.2)
Share of income (losses) from associated companies and joint ventures	101.2	-	101.2
<b>EBITDA</b>	<b>236.0</b>	<b>(30.2)</b>	<b>205.8</b>

Units in production	1 342	N/A	N/A
Units delivered	217	N/A	N/A

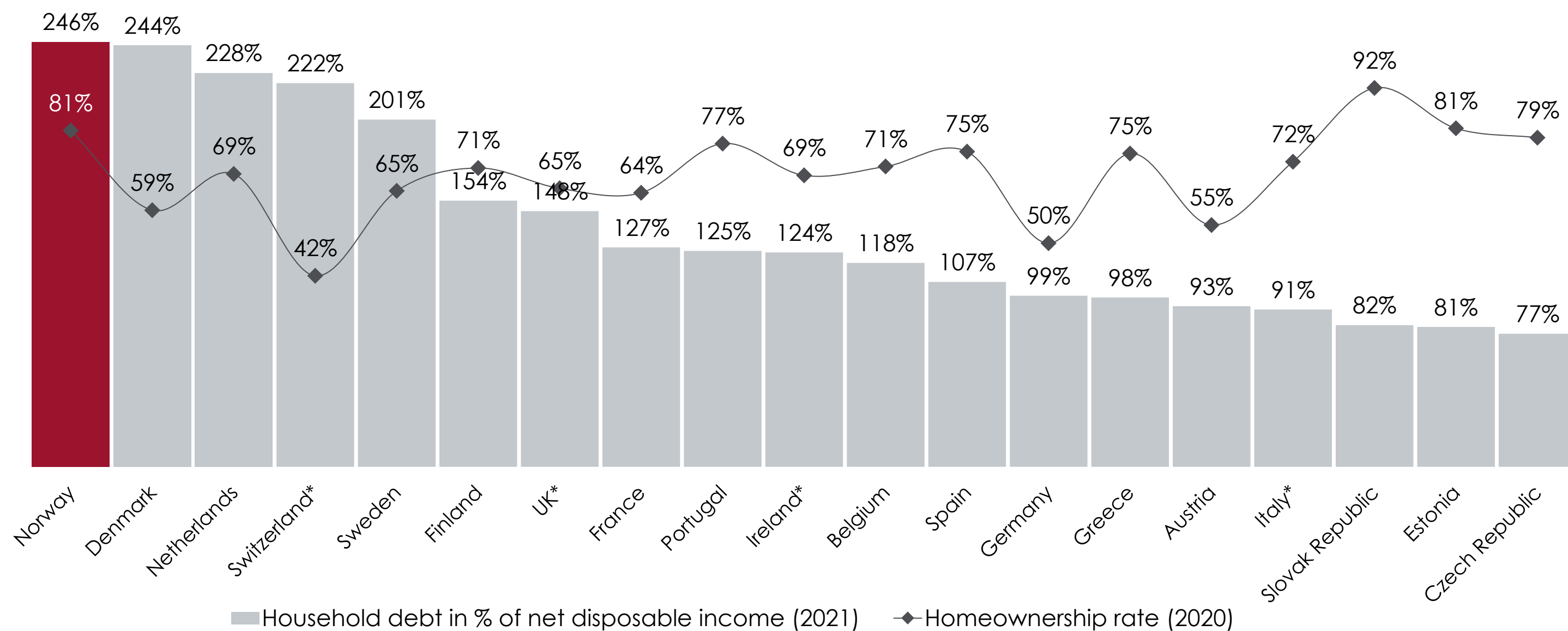
Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

# 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.

# Total household debt and homeownership

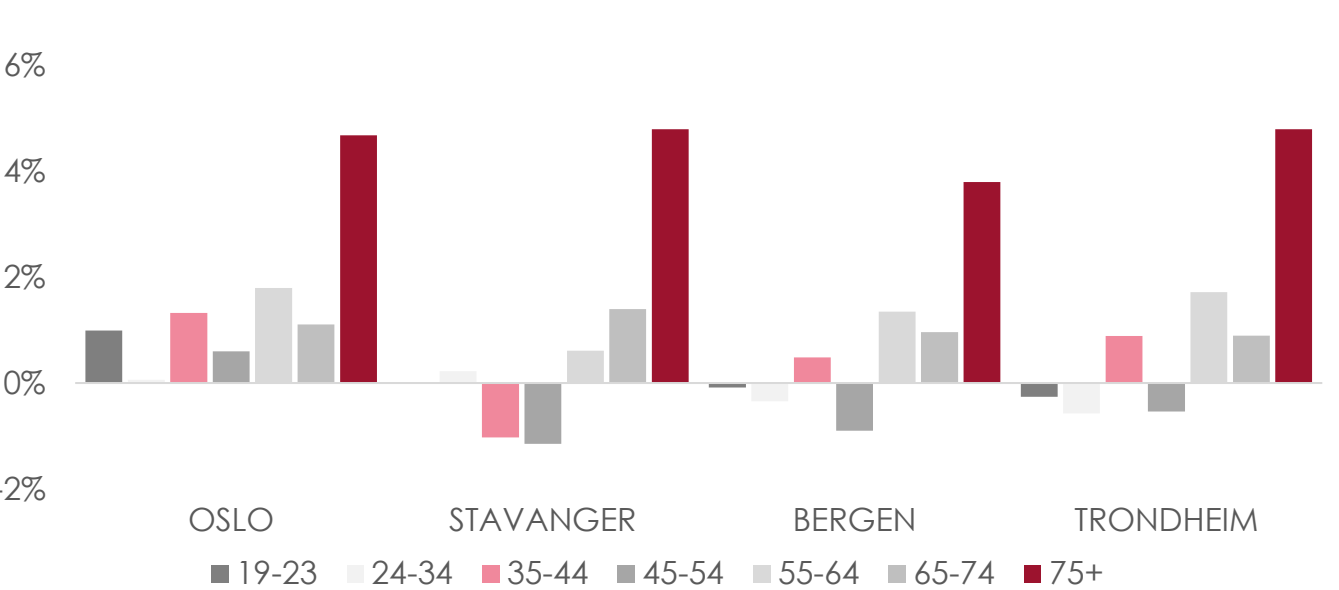


Source: OECD, Statista.

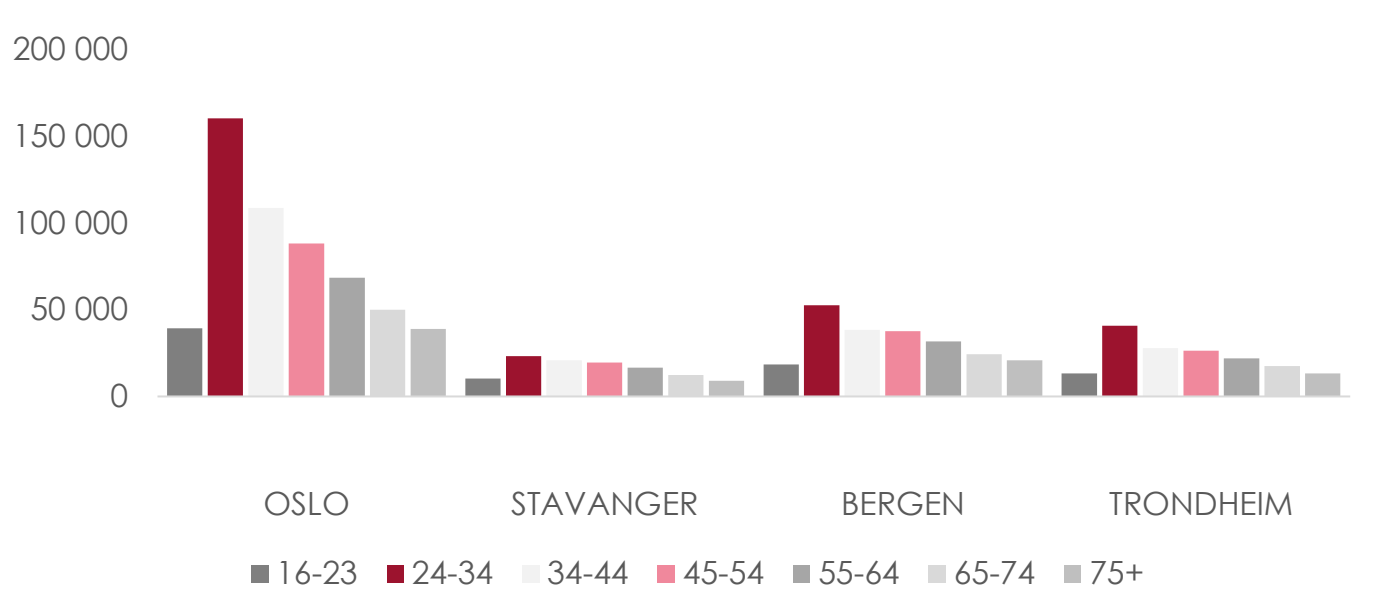


# Shift in demographics trigger new housing needs

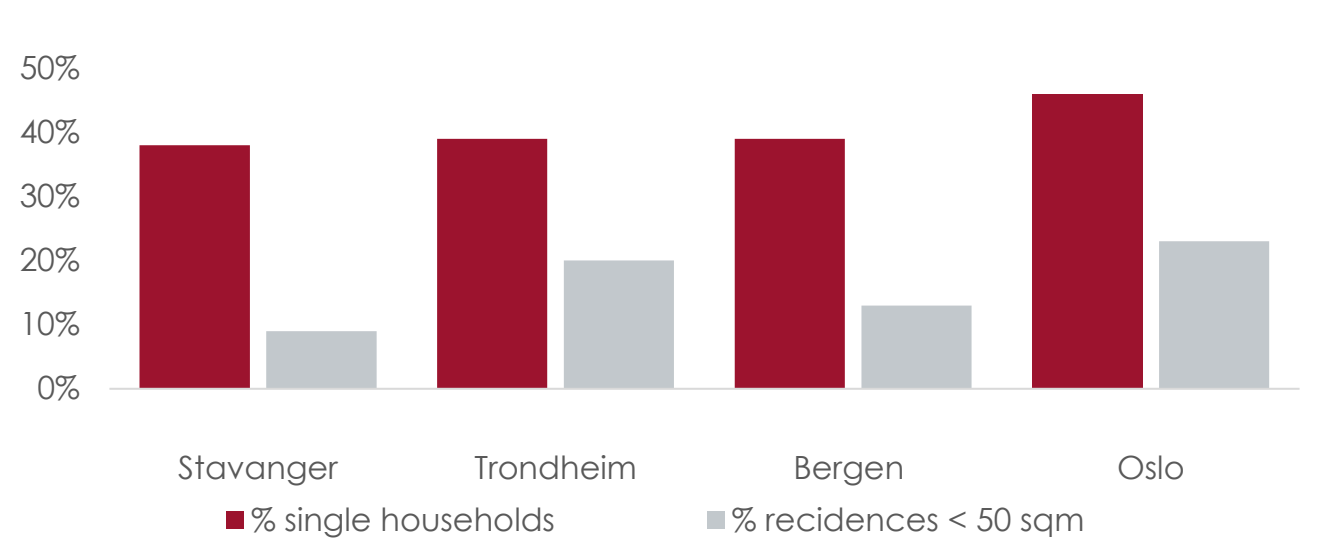
Annual population growth\* by age



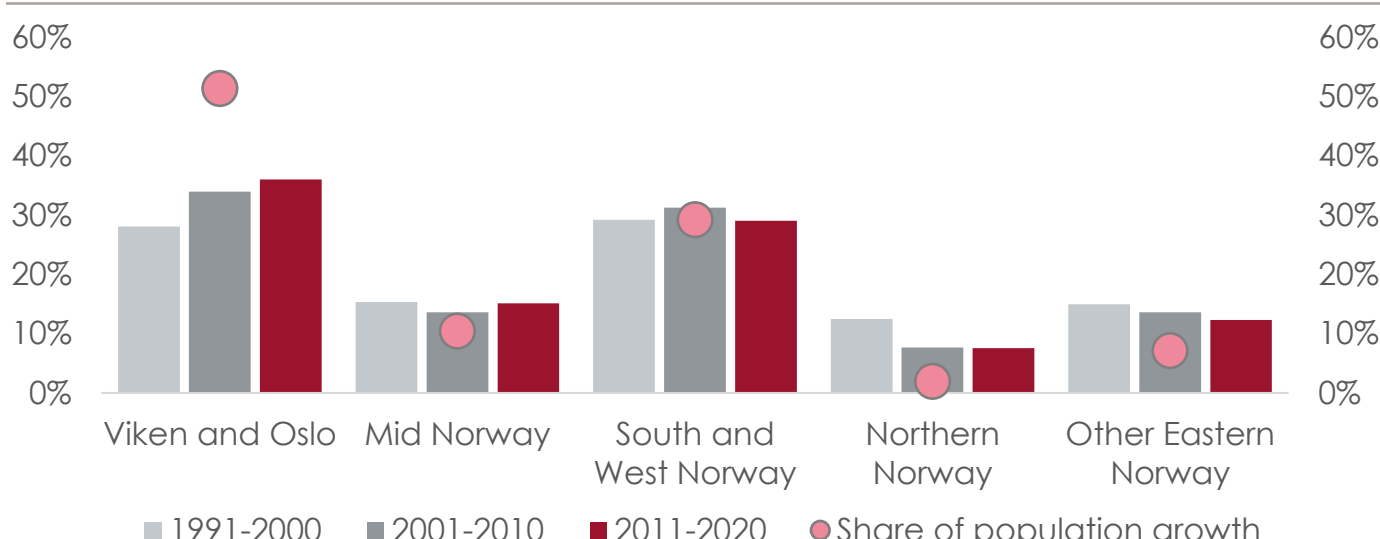
Number of people by age in 2020



Share of small & single households



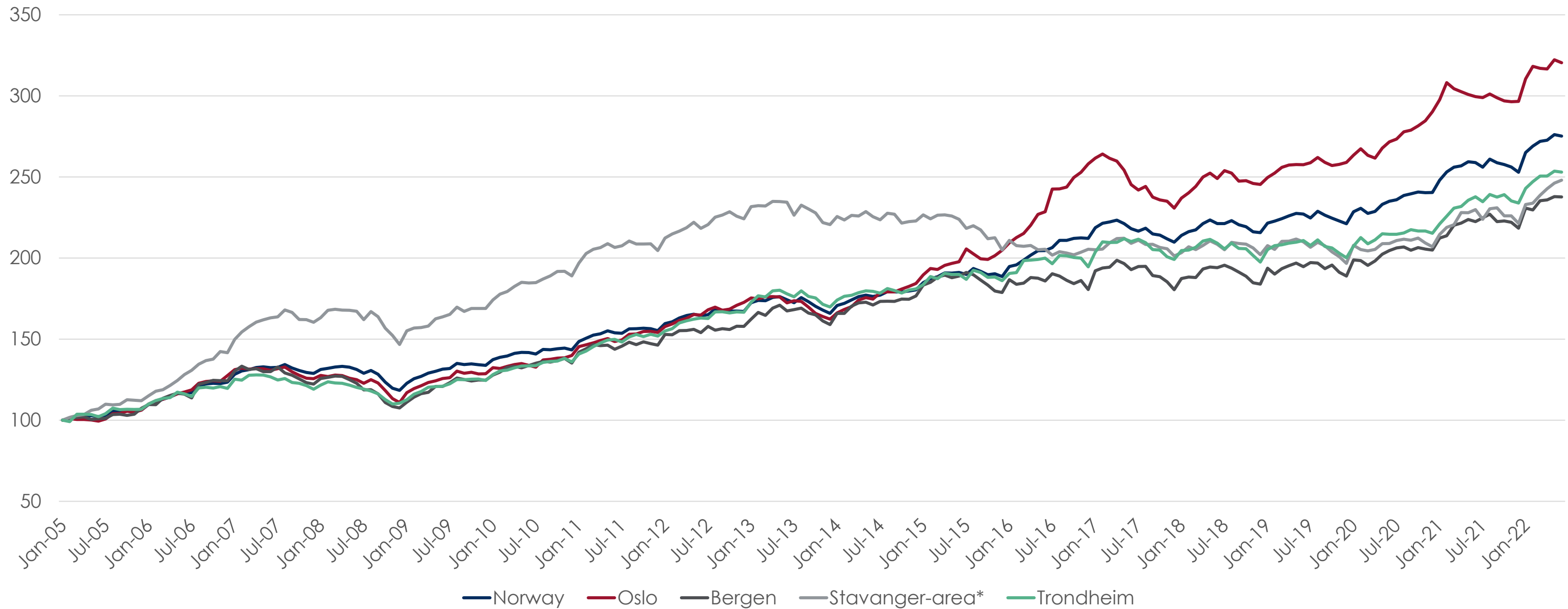
Share of newbuild and population growth by region



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 (2005-22)

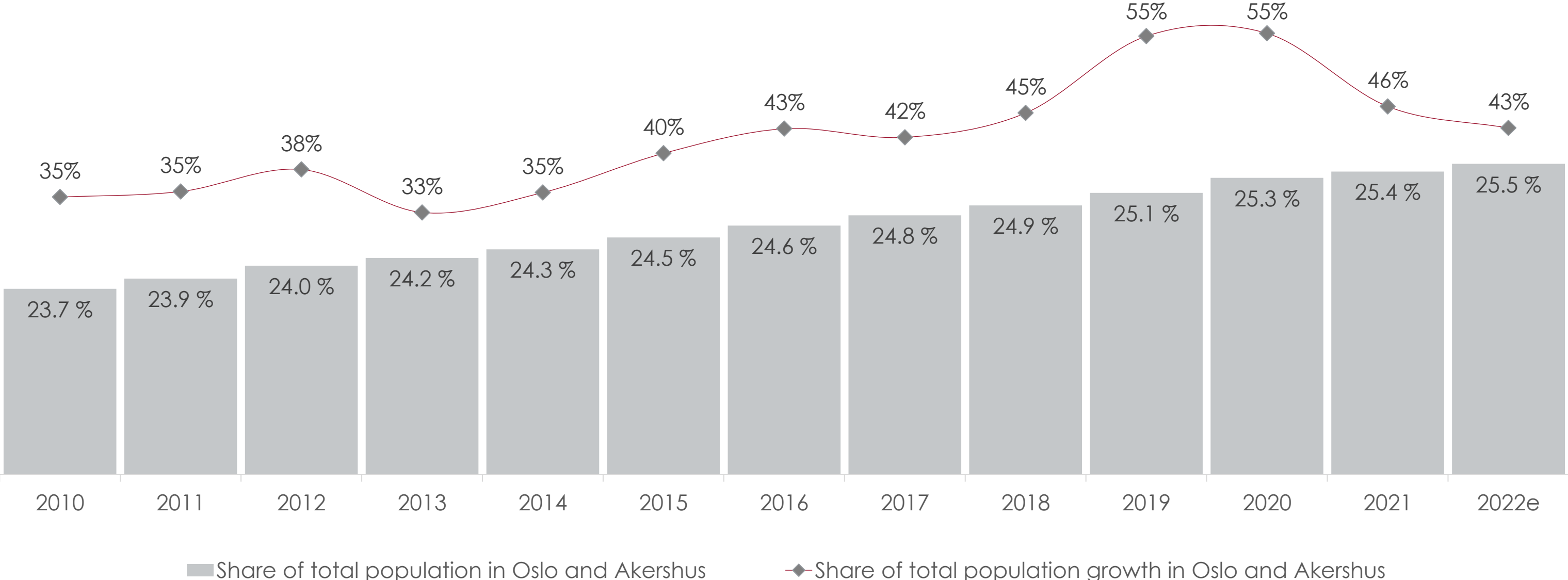
Price development (rebased 1.1.2005)



Source: Eiendomsverdi.

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

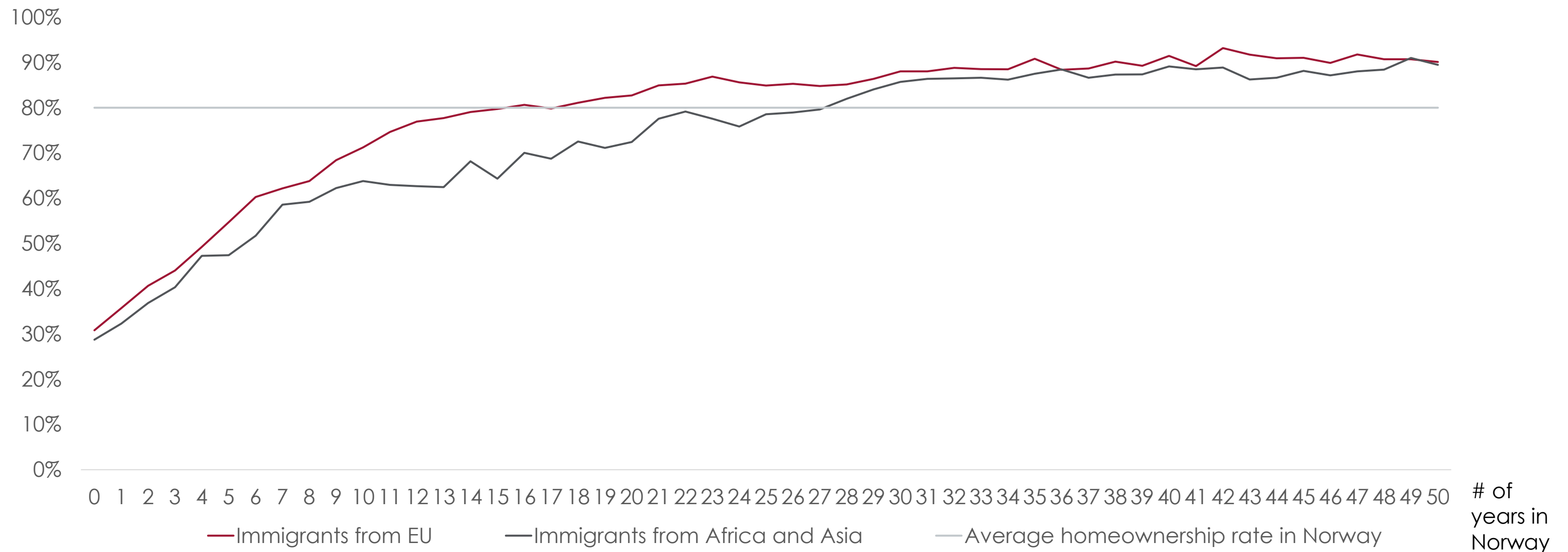
# Population growth in Oslo and Akershus remains high



Source: Statistics Norway.

# Immigration increases demand over time

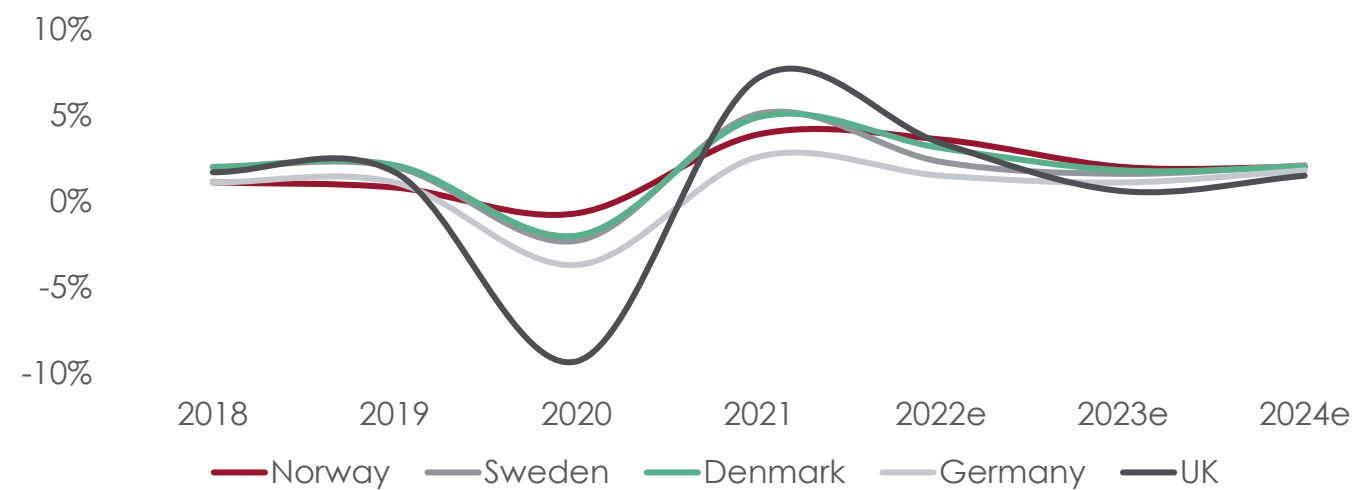
Homeownership rate among immigrants in Norway (per year living in Norway)



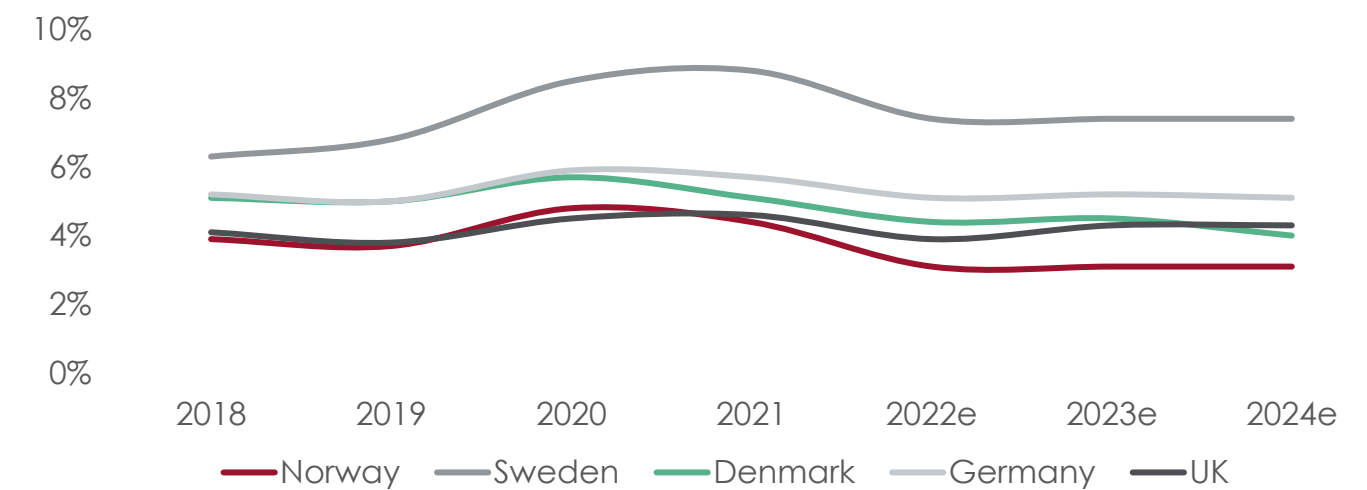
Source: Statistics Norway.

# Norway – relatively limited volatility

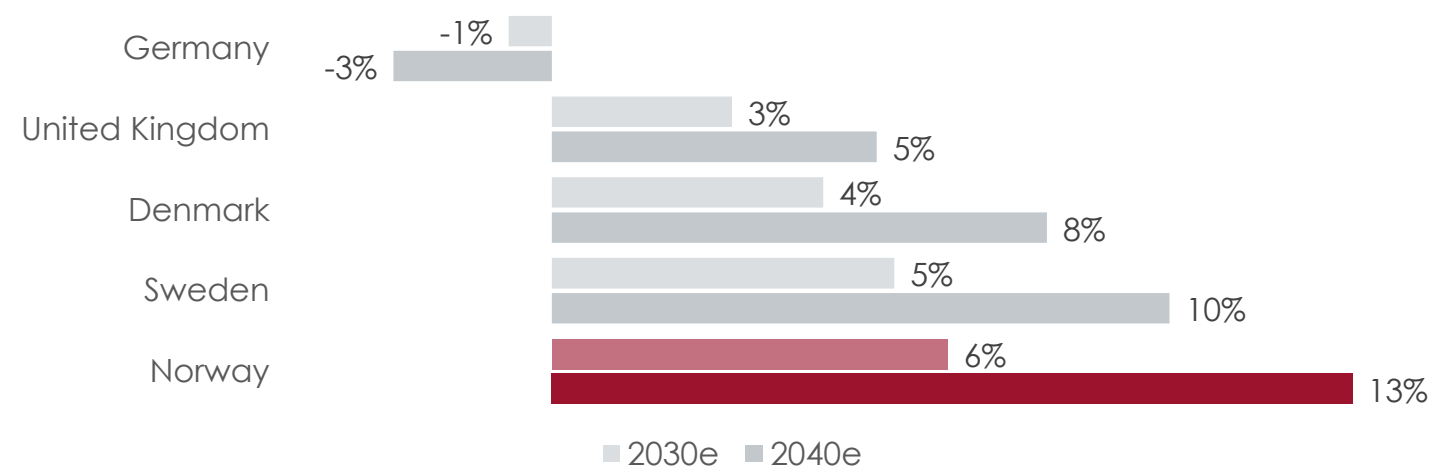
## GDP growth 2018 - 2024e



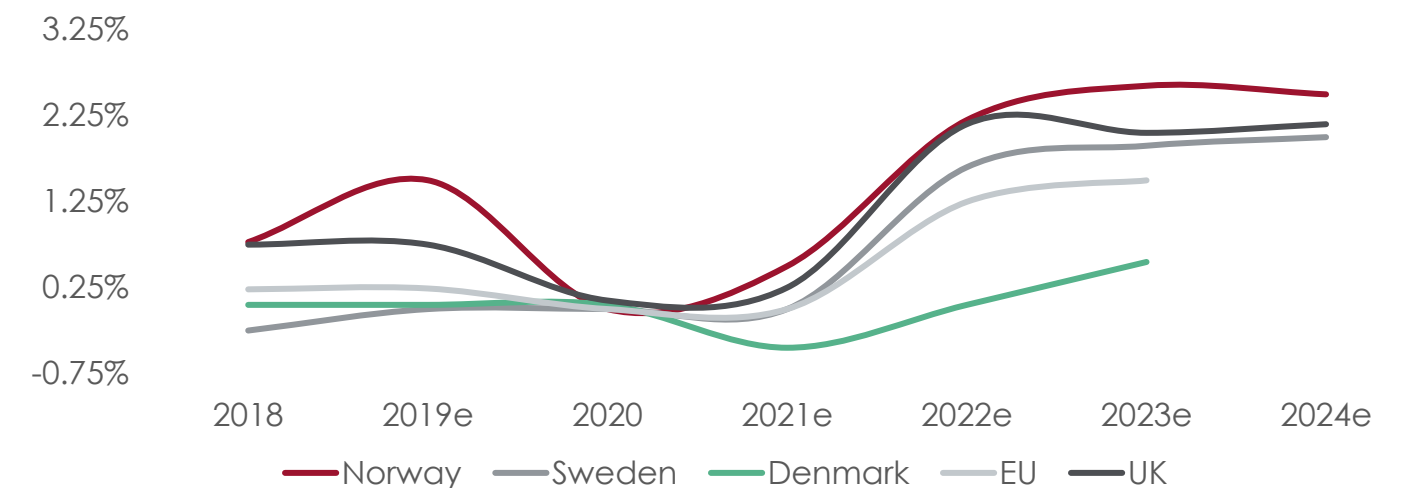
## Unemployment 2018 - 2024e



## Population growth 2021 - 2030e and 2040e



## Interest rates\* 2018 - 2023e

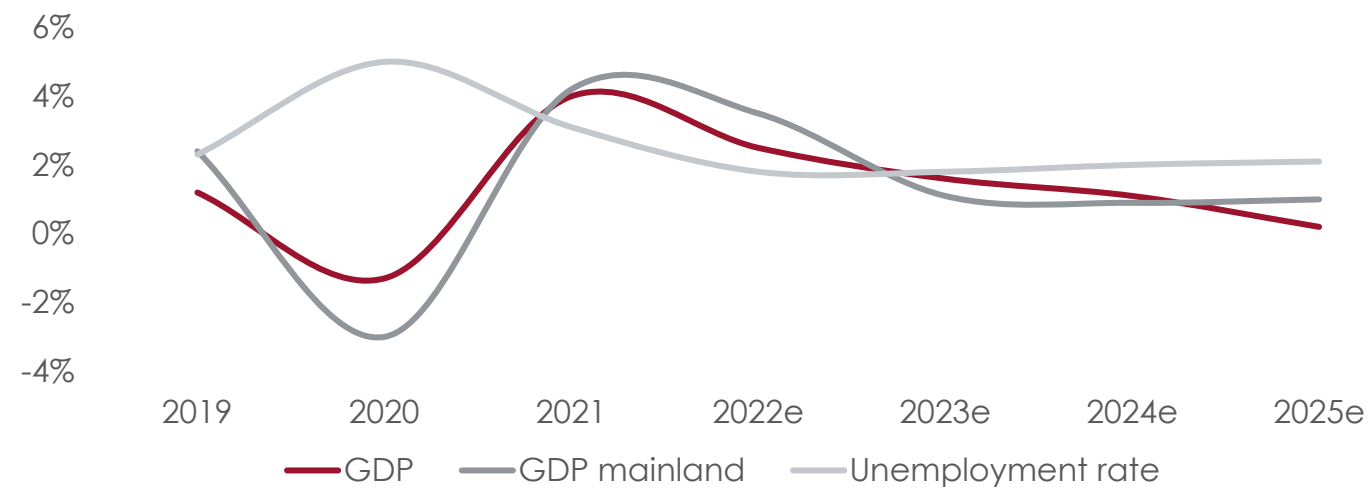


\* Central bank rates.

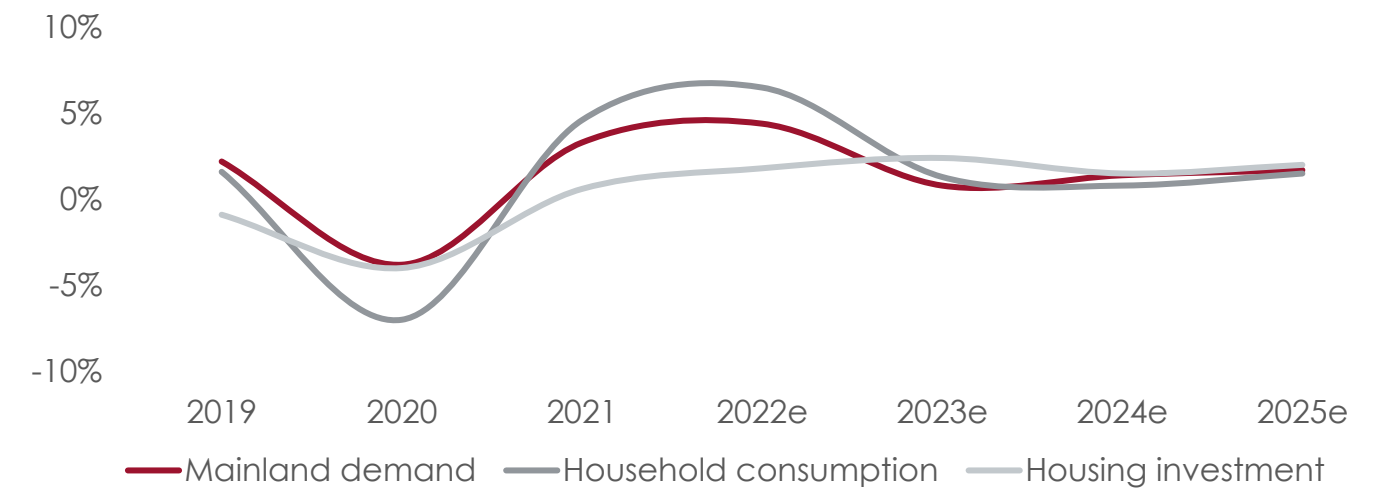
Source: Bloomberg, UN.

# Norway – moving back to normal in through 2022

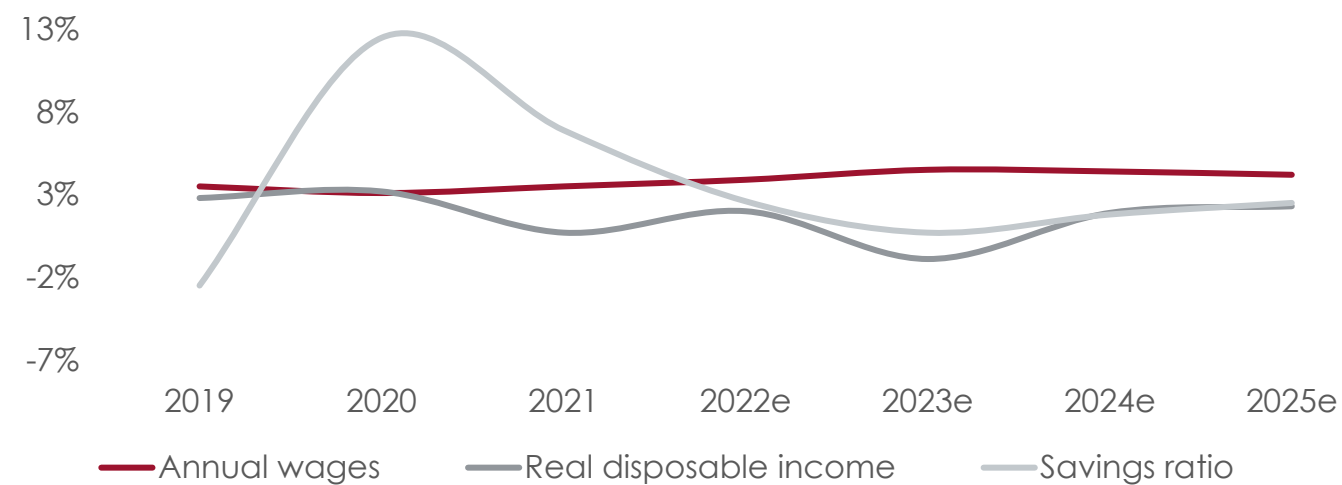
## Real economy 2019 - 2025e



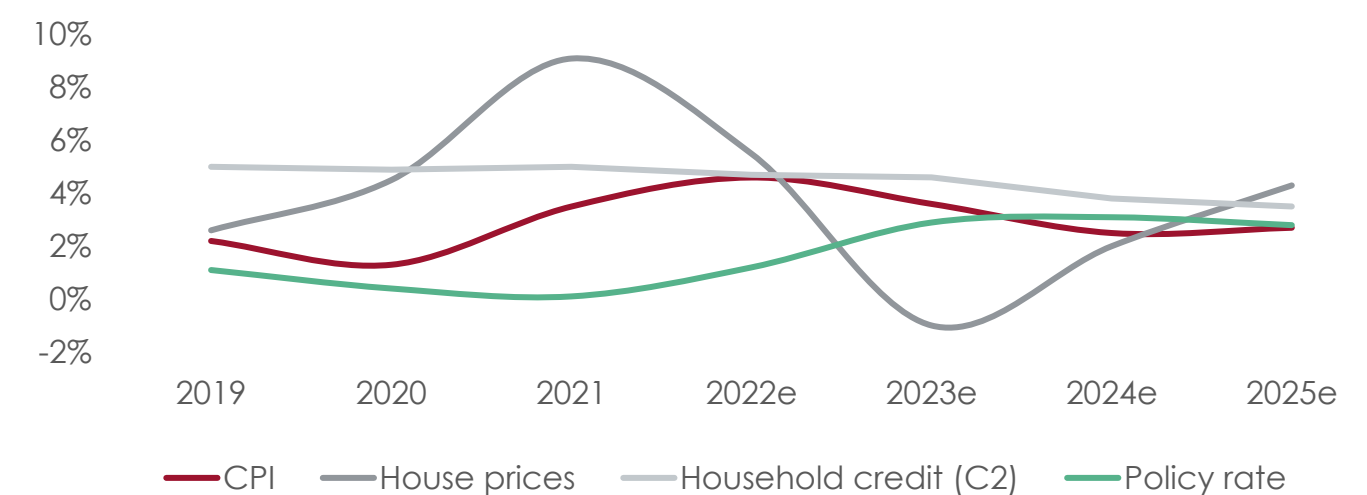
## Demand 2019 - 2025e



## Wages & disposable income 2019 - 2025e



## Prices & interest rates 2019 - 2025e



Source: Monetary Policy Report 2 | 22, Central Bank of Norway.

**SELVAAG BOLIG**