

Interim Report

JANUARY-SEPTEMBER 2023, PRESENTATION

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CEO

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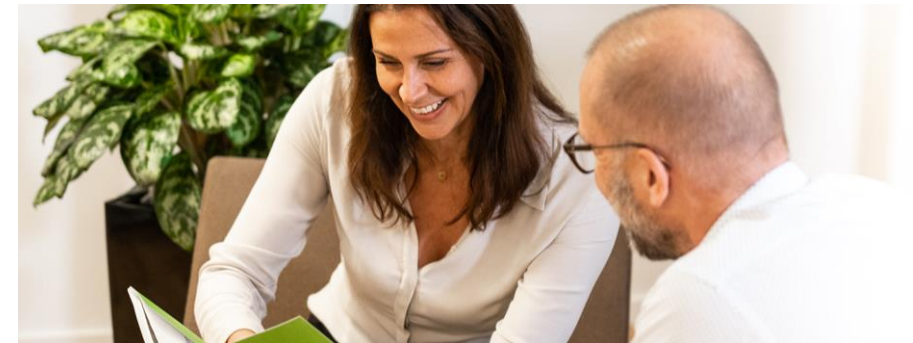


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- Jan-Sep 2023 in summary
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We are one of Sweden's leading residential companies. Right from the start, we have been focusing on the customer and dared to think differently to create good customer service and safe living environments.

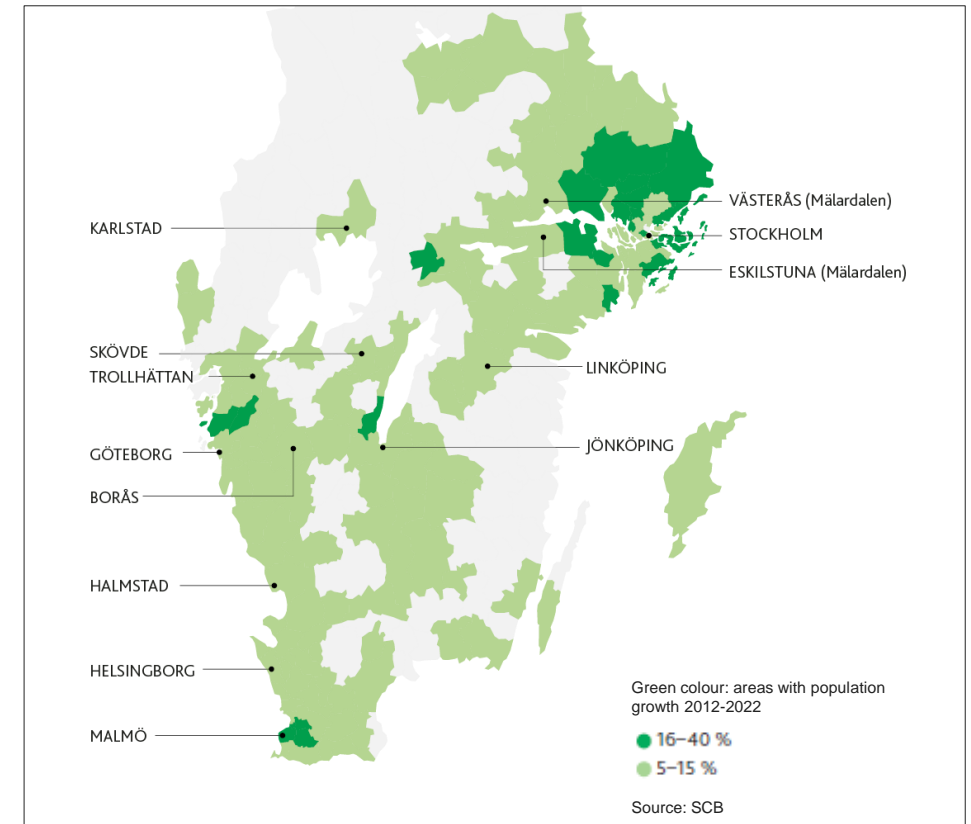


A leading Swedish residential company

- Founded 2010
- Owner: Första AP-fonden (AP1)
- Operating in 13 growth cities in Sweden, with HQ in Gothenburg
- Property portfolio of approx. 1 950 000 sqm area, 93 percent residential
- S&P Rating: A-
- Decentralized organization, local performance responsibility, and in-house property management
- Active and innovative organization

Property value
56,4 SEK bn
58,2 bn incl signed agreements

units
28,649
30,031 units incl signed agreements



Increased net operation income

- Net operating income increased 9.6% to 1,402 SEKm
- Property value 56,390 SEKm, decrease -7.6%
- Profit/loss for the period -3,261 SEKm
- 896 apartments in ongoing development projects and 241 apartments completed
- A- rating from S&P in September, but negative outlook
- Unconditional shareholder contribution of 1.0 SEK bn
- GRESB – continued classification as Green Star

	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Rental revenues, SEK m	2,135	1,987	2,664
Net operating income, SEK m	1,402	1,279	1,695
Profit for the period	-3,261	2,712	1,316
Market value, SEK m	56,390	59,949	59,886
Net operating margin, %	65.7	64.4	63.6
Loan-to-value ratio, %	53.9	48.4	49.6
Interest coverage ratio, multiple	2.2	3.4	3.1

Net operating income

+9.6%

Q3 2023

Property value decreased by

-7.6%

Q3 2023

Investments in properties

1,170

SEK million

January-September 2023

INCOME STATEMENT IN SUMMARY

SEK m	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Rental revenues	2,135	1,987	2,664
Property expenses	-733	-708	-969
Net operating income	1,402	1,279	1,695
Corporate administration expenses	-69	-63	-95
Change in value of properties	-4,671	783	-1,072
Operating profit	-3,338	1,999	528
Interest income and expenses	-519	-324	-471
Change in value of financial instruments and other items	-171	1,762	1,707
Profit before tax	-4,028	3,437	1,764
Profit for the period	-3,261	2,712	1,316

- Rental revenues +7.4%
- Property expenses higher, mainly due to high energy costs
- Net operating income +9.6%
- Value of properties -7.6%
- Interest net amounted to -519 SEKm
- Financial instruments and other items -171 SEKm
- Lower profit for the period attributable to decrease in unrealised change in value of properties and financial instruments

Stable finances

BALANCE SHEET IN SUMMARY

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Investment properties	56,390	59,949	59,886
Other non-current assets	626	1,426	567
Other current assets	371	241	225
Derivatives	1,426	1,545	1,541
Cash and cash equivalents	2,953	4,443	4,464
TOTAL ASSETS	61,766	67,604	66,683
EQUITY AND LIABILITIES			
Equity	22,313	26,971	25,574
Interest-bearing financial liabilities	33,359	33,470	34,194
Deferred tax liabilities	4,952	5,995	5,719
Derivatives	70	38	21
Other liabilities	1,072	1,130	1,175
TOTAL EQUITY AND LIABILITIES	61,766	67,604	66,683

- Properties 56,390 SEKm
- Cash 2,953 SEKm
- Equity 22,313 SEKm
- Financial liabilities 33,359 SEKm (net 30,406 SEKm)
- LTV 53.9%

Diversified funding

INTEREST & DEBT MATURITY

	Interest maturity SEK m	%	Debt maturity SEK m	%
Within 1 year	10,332	30.9	13,067	39.1
1-2 years	3,250	9.7	6,755	20.2
2-3 years	2,975	8.9	3,150	9.4
3-4 years	4,990	14.9	3,025	9.1
4-5 years	2,063	6.2	3,113	9.3
5-6 years	2,750	8.2	3,700	11.1
6-7 years	1,300	3.9	0	-
7-8 years	2,180	6.5	380	1.1
8-9 years	0	-	0	-
9-10 years	2,500	7.5	0	-
10-11 years	0	-	0	-
11-12 years	850	2.5	0	-
12-30 years	200	0.6	200	0.6
Total	33,390*	100.0	33,390*	100.0

Interest maturity 3.5 years

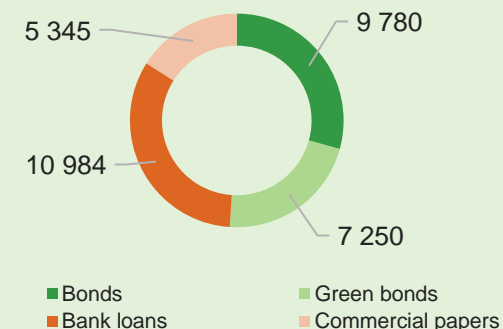
Debt maturity 2.3 years

Debt maturity, including RCFs 3.0 years

*Difference between 33,359 and 33,390 is 30 SEKm in arrangement fees and 1 SEKm in exchange rate effects

- Total debt 33,390* SEKm (net 30,437 SEKm)
- Interest rate 2.6%
- ICR 2.2 (Rolling 12 months 2.3)
- RCFs from banks: 10,600 SEKm
- Undertakings from AP1: 8,000 SEKm (CP-program)
- S&P rating A- in September, but negative outlook
- Unconditional shareholder contribution of 1.0 SEK bn

FUNDING SOURCES



Value and transactions

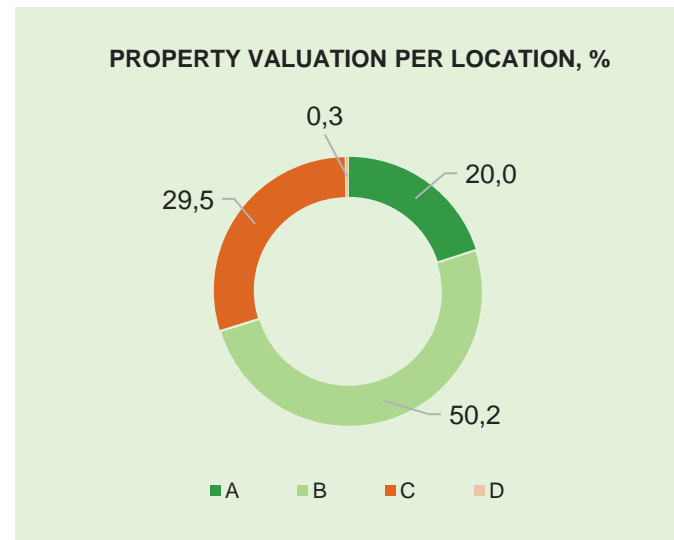
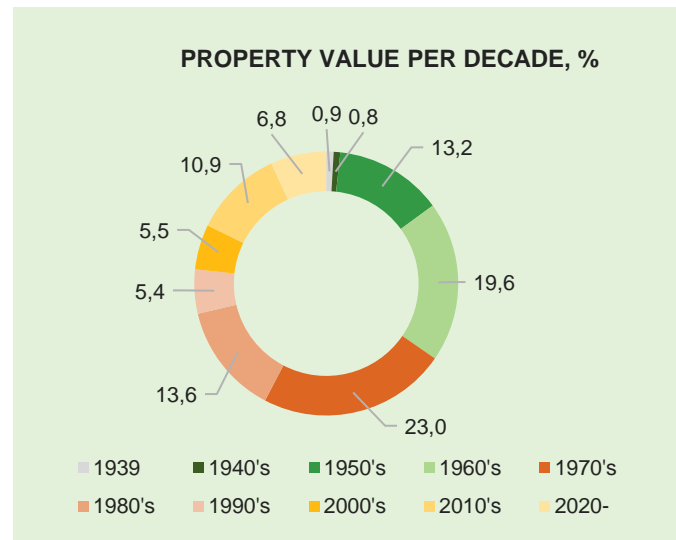
SEK m	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Market value at the beginning of the period	59,886	56,560	56,560
+ Acquisitions (incl acquisitions costs)	5	1,222	2,429
+ Investments in existing properties	690	835	1,284
+ Investments in development projects	480	546	682
+ Unrealised changes in property value	-4,671	786	-1,069
- Divestments	-	-	-
Market value at the end of the period	56,390	59,949	59,886

Property market

- Transaction volume, about 76 SEK bn
- Residentials, about 21% of the transaction volume

Our portfolio

- Yield expansion, -7.6% value change (whereof -1,3% in Q3)
- After Q3: Acquired 254 apartments in Trollhättan



Investments in existing properties

- **Mixed investments**

- Energy reducing
- Individual consumption for tenants
- Add-on options for tenants
- Converting other space to apartments

- **Willhemlyftet**

- Total renovation of single apartments
- Diversifies the portfolio and our offering
- Renovated between tenants, when the apartment is empty
- Efficient and sustainable production
- Purchasing and logistics centralized
- Target: 1,000 Willhemlyft per year



Our development projects

ONGOING DEVELOPMENT PROJECTS

Property	Location	Type of project	Number of apartments	Residential area, sq m	Approved investment, SEK million	Costs incurred, SEK million	Planned occupancy
Valsverket 5	Eskilstuna	Development project*	337	14,604	487	486	Q2 2022–Q4 2023
Kallhäll 9:4	Järfälla	Development project	34	2,396	85	77	Q4 2023
Karmen 5	Karlstad	Development project	78	3,906	140	90	Q2–Q3 2024
Smedjan 2	Ursvik	Development project*	232	10,334	662	415	Q4 2024–Q1 2025
Kviberg 28:4	Gothenburg	Development project	50	1,792	90	34	Q4 2024
Krusbäret 1	Halmstad	Development project	165	5,802	295	34	Q2 2025
Total ongoing			896	38,834	1,759	1,136	

COMPLETED DEVELOPMENT PROJECTS

Property	Location	Type of project	Number of apartments	Residential area, sq m	Approved investment, SEK million	Costs incurred, SEK million	Completion
Guldfisken 10	Linköping	Conversion	106	3,821	109	108	Q2 2023
Kolartorp 1:394	Haninge	Development project*	135	5,639	192	190	Q2 2023
Total completed			241	9,460	301	298	

* Acquired development project



Summary

OUR VIEW ON THE MARKET

- A few transactions but still a great deal of uncertainty, with gap in price expectations between seller and buyer
- The number of new development projects will most likely continue to decrease
- Most municipalities has a deficit in residential units

Long term objective

70%

Net operating margin



OUR FOCUS LOOKING FORWARD

Property Management

We continue to focus on sustainable value creation in our everyday property operations

Development projects

Due to market conditions, a more restrictive approach is applied

Acquisitions

We continue to look for decently priced acquisitions to add on to our portfolio

Q&A

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