

Interim Report

JANUARY-JUNE 2023, PRESENTATION

Mariette Hilmersson
CEO

Peter Malmén
CFO



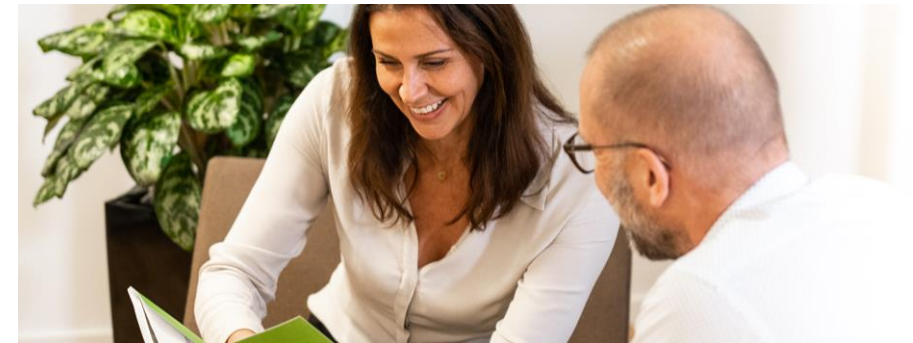
Mikroskopet 1, Stockholm

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- First half 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.

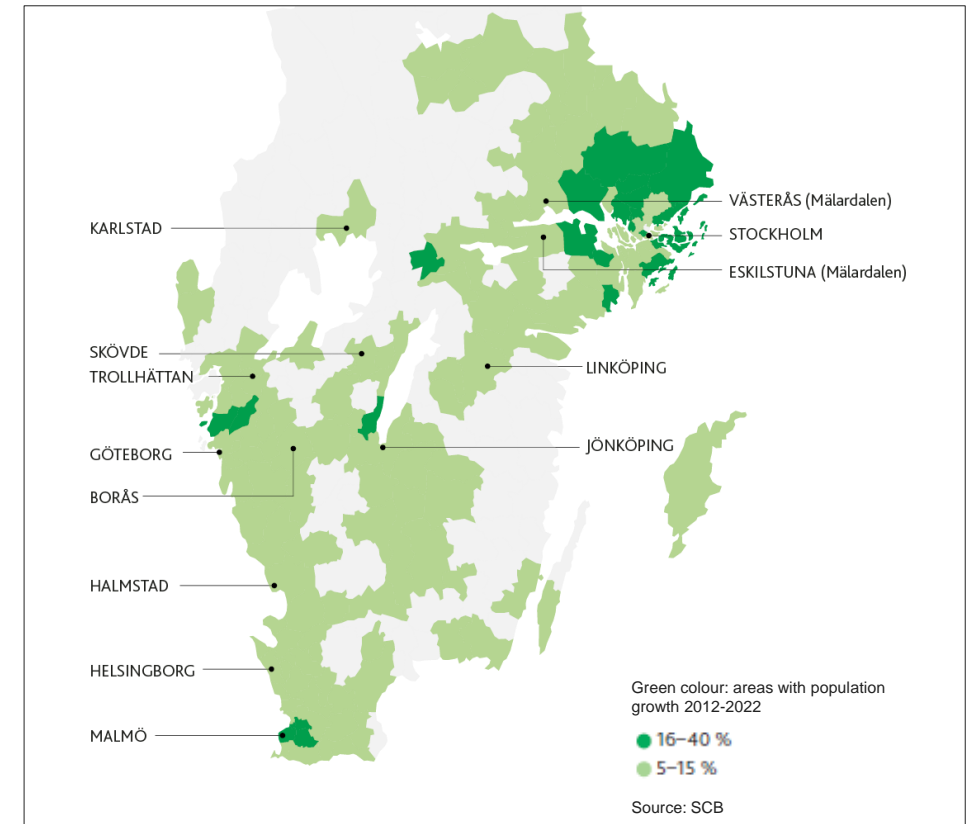


A leading Swedish residential company

- 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
56.9 SEK bn
58.8 bn incl signed agreements

units
28 644
30 026 units incl signed agreements



Increased net operation income

- Net operating income increased 9.8% to 900 SEKm
- Property value SEK 56,858 million, decrease -6.3%
- Profit/loss for the period -2.820 SEKm
- 896 apartments in ongoing development projects and 241 apartments completed
- Sustainability activities to reduce carbon emissions
- A- rating from S&P renewed in May

	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Rental revenues, SEK m	1,417	1,318	2,664
Net operating income, SEK m	900	820	1,695
Profit for the period	-2,820	2,203	1,316
Market value, SEK m	56,858	59,375	59,886
Net operating margin, %	63.5	62.2	63.6
Loan-to-value ratio, %	53.4	48.6	49.6
Interest coverage ratio, multiple	2.3	3.5	3.1

Net operating income

+9.8%

H1 2023

Property value decreased by

-6.3%

H1 2023

Investments in properties

786

SEK million

January-June 2023

INCOME STATEMENT IN SUMMARY

SEK m	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Rental revenues	1,417	1,318	2,664
Property expenses	-517	-498	-969
Net operating income	900	820	1,695
Corporate administration expenses	-50	-46	-95
Change in value of properties	-3,819	748	-1,072
Operating profit	-2,969	1,522	528
Interest income and expenses	-345	-201	-471
Change in value of financial instruments and other items	-207	1,470	1,707
Profit before tax	-3,521	2,791	1,764
Profit for the period	-2,820	2,203	1,316

- Rental revenues +7.5%
- Property expenses higher, mainly due to high energy costs
- Net operating income +9.8%
- Value of properties -6.3%
- Interest net amounted to -345 SEKm
- Financial instruments and other items -207 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 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Investment properties	56,858	59,375	59,886
Other non-current assets	626	1,358	567
Other current assets	496	224	225
Derivatives	1,355	1,248	1,541
Cash and cash equivalents	3,590	2,270	4,464
TOTAL ASSETS	62,925	64,475	66,683
EQUITY AND LIABILITIES			
Equity	22,754	26,462	25,574
Interest-bearing financial liabilities	33,962	31,116	34,194
Deferred tax liabilities	5,018	5,859	5,719
Derivatives	96	26	21
Other liabilities	1,095	1,012	1,175
TOTAL EQUITY AND LIABILITIES	62,925	64,475	66,683

- Properties 56.858 SEKm
- Cash 3.590 SEKm
- Equity 22.754 SEKm
- Financial liabilities 33.962 SEKm (net 30.372 SEKm)
- LTV 53.4%

Diversified funding

INTEREST & DEBT MATURITY

	Interest maturity SEK m	%	Debt maturity SEK m	%
Within 1 year	11,505	33.8	12,190	35.8
1-2 years	3,000	8.8	8,605	25.3
2-3 years	3,225	9.5	3,100	9.1
3-4 years	4,275	12.6	2,900	8.5
4-5 years	3,178	9.3	2,038	6.0
5-6 years	2,550	7.5	1,700	5.0
6-7 years	1,500	4.4	2,900	8.5
7-8 years	2,180	6.4	380	1.1
8-9 years	0	-	0	-
9-10 years	1,550	4.6	0	-
10-11 years	0	-	0	-
11-12 years	850	2.5	0	-
12-30 years	200	0.6	200	0.6
Total	34,013*	100.0	32,430*	100.0

Interest maturity 3.33 years

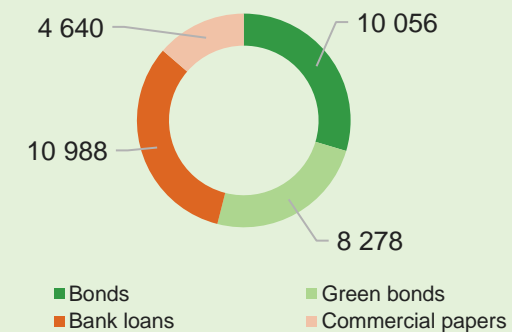
Debt maturity 2.27 years

Debt maturity, including RCFs 3.11 years

*Difference between 34,013 and 33,962 is 28 SEKm in arrangement fees and 23 SEKm in exchange rate effects

- Total debt 33.962* SEKm (net 30.372 SEKm)
- Interest rate 2.5%
- ICR 2.3 (Rolling 12 months 2.5)
- RCFs from banks: 9,400 SEKm
- Undertakings from AP1: 8,000 SEKm (CP-program)
- S&P rating A- (renewed in May)

FUNDING SOURCES



Value and transactions

SEK m	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Market value at the beginning of the period	59,886	56,560	56,560
+ Acquisitions (incl acquisitions costs)	5	1,181	2,429
+ Investments in existing properties	403	524	1,284
+ Investments in development projects	383	359	682
+ Unrealised changes in property value	-3,819	751	-1,069
- Divestments	-	-	-
Market value at the end of the period	56,858	59,375	59,886

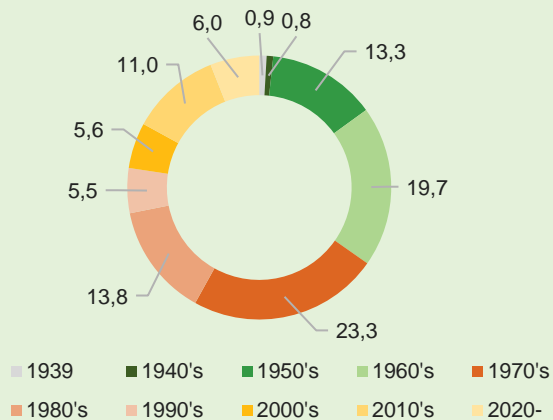
Property market

- Transaction volume, about 62 SEK bn
- Residentials, about 20% of the transaction volume

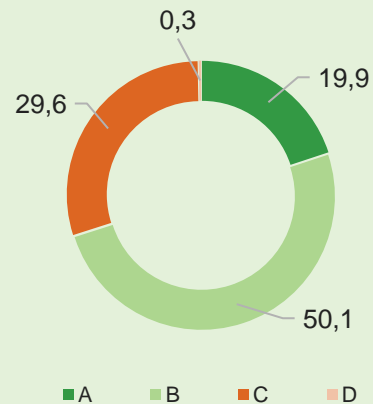
Our portfolio

- Yield expansion, -6.3% value change (whereof -2.8% in Q2)
- No acquisitions during Q1-Q2
- Conditional agreement to acquire 254 apartments from Eidar signed after Q2

PROPERTY VALUE PER DECADE, %



PROPERTY VALUATION PER LOCATION, %



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



Logistics and storage

- **Willhem Logistics**
 - Purchase and stock material – ensure material supply
 - Improved negotiation position in terms of price
 - Better control of origin and production in the supply chain
 - Primarily Willhemlyft (but also development projects and conversions)



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	462	Q2 2022–Q4 2023
Kallhäll 9:4	Järfälla	Development project	34	2,396	85	68	Q3 2023
Karmen 5	Karlstad	Development project	78	3,906	140	71	Q2–Q3 2024
Smedjan 2	Ursvik	Development project*	232	10,334	662	354	Q2–Q4 2024
Kviberg 28:4	Gothenburg	Development project	50	1,792	90	21	Q3 2024
Krusbäret 1	Halmstad	Development project	165	5,802	295	23	Q2 2025
Total ongoing			896	38,834	1,759	999	

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

- Most municipalities has a deficit in residential units
- Strong demand for leasing rental apartments
- 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

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

Mariette Hilmersson

CEO

+46 73 942 09 02

mariette.hilmersson@willhem.se

Peter Malmén

CFO

+46 70 568 31 83

peter.malmen@willhem.se



www.willhem.se

Willhem AB (publ), org.nr. 556797-1295 • Besöksadress: Vasagatan 45, 411 37 Göteborg • Telefon: 031-788 70 00

