

PRESENTATION

Interim report January-September 2022

Mikael Granath
CEO

Peter Malmén
CFO



Mikroskopet 1, Stockholm

Content

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- Summary first 9 months
- Financial results
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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. 1,900,000 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

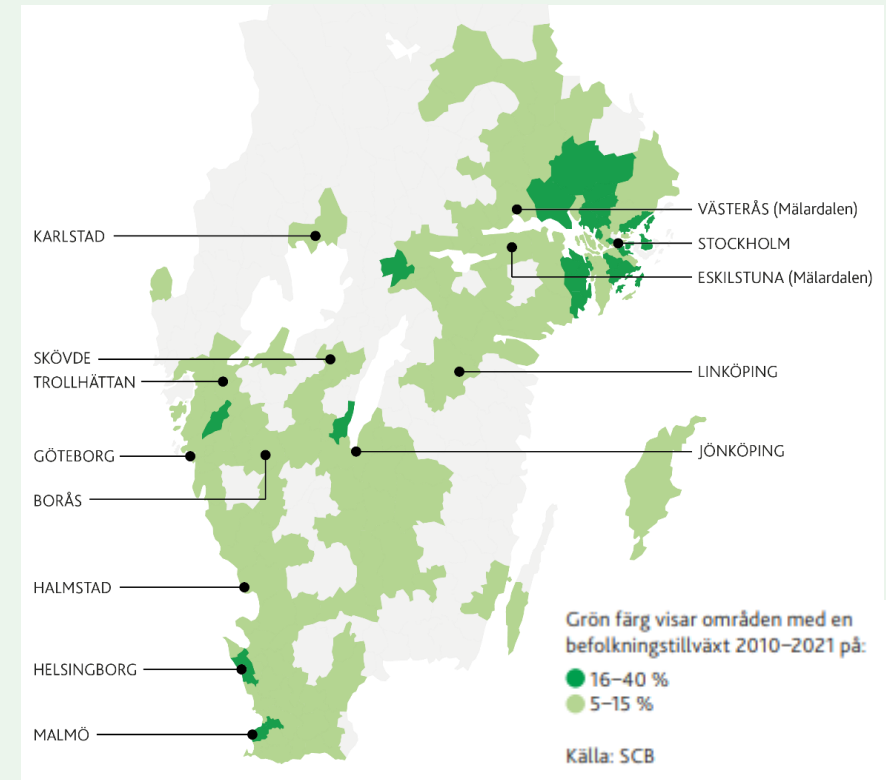
59,9 SEK bn

62,8 SEK bn incl signed agreements

units

27,913

29,610 units incl signed agreements



Solid performance

- Net operating income increased 9,3%
- Property value SEK 59,949 million
- 1079 apartments in ongoing development projects
- Road map to reduce CO2 emission developed
- Handshake Biskopsgården
- GRESB – improved results
- Mikael Granath to step down as CEO in 2023

	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Rental revenues, SEK m	1,987	1,860	2,491
Net operating income, SEK m	1,279	1,170	1,544
Profit for the period, SEK m	2,712	4,551	7,281
Market value, SEK m	59,949	52,299	56,560
Net operating margin, %	64.4	62.9	62.0
Loan-to-value ratio, %	48.4	49.0	47.2
Interest coverage ratio, multiple	3.4	3.5	3.5
Equity/asset ratio, %	39.9	38.3	40.4

Property value increased by

+1.3%

Q3 2022

Net operating margin

64.4%

Q3 2022

Investments in properties

2,603

SEK million



January-September 2022

INCOME STATEMENT IN SUMMARY

SEK m	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Rental revenues	1,987	1,860	2,491
Property expenses	-708	-690	-947
Net operating income	1,279	1,170	1,544
Corporate administration expenses	-63	-60	-90
Change in value of properties	783	4,561	7,654
Operating profit	1,999	5,671	9,108
Interest income and expenses	-324	-291	-388
Change in value of financial instruments and other items	1,762	379	507
Profit before tax	3,437	5,759	9,227
Profit for the period	2,712	4,551	7,281

- Rental revenues +6.8%
- Property expenses higher, mainly due to higher energy costs
- Net operating income +9.3%
- Value of properties +1.3%
- Interest amounted to -324 SEKm
- Financial instruments and other items +1,762 SEKm
- Lower profit for the period attributable to lower unrealised change in value of the properties

Stable finances

BALANCE SHEET IN SUMMARY

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Investment properties	59,949	52,299	56,560
Other non-current assets	1,426	1,095	1,166
Other current assets	241	248	252
Derivatives	1,545	45	59
Cash and cash equivalents	4,443	3,765	3,254
TOTAL ASSETS	67,604	57,452	61,291
EQUITY AND LIABILITIES			
Equity	26,971	22,029	24,759
Interest-bearing financial liabilities	33,470	29,413	29,937
Deferred tax liabilities	5,995	4,533	5,270
Derivatives	38	519	350
Other liabilities	1,130	958	975
TOTAL EQUITY AND LIABILITIES	67,604	57,452	61,291

- Properties 59,949 SEKm
- Cash 4,443 SEKm
- Equity 26,971 SEKm
- Financial liabilities 33,470 SEKm (net 29,027 SEKm)
- LTV 48.4%

FUNDING

Diversified funding

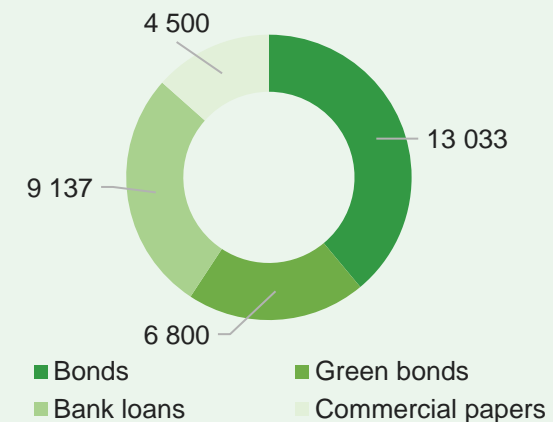
INTEREST & DEBT MATURITY

	Interest maturity SEK m	%	Debt maturity SEK m	%
Within 1 year	10,237	30.6	9,550	28,5
1-2 years	4,100	12.2	7,722	23.1
2-3 years	2,950	8.8	5,255	15.7
3-4 years	2,725	8.1	2,400	7.2
4-5 years	4,990	14.9	2,625	7.8
5-6 years	2,063	6.2	1,663	5.0
6-7 years	2,750	8.2	3,700	11.0
7-8 years	1,300	3.9	-	-
8-9 years	2,180	6.5	380	1.1
9-10 years	-	-	-	-
10-30 years	200	0.6	200	0.6
Total	33,495	100.0	33,495	100.0

Interest maturity 3.2 years
 Debt maturity 2.7 years
 Debt maturity, including RCFs 3.6 years

- Total debt 33,495 SEKm (net debt 29,052 SEKm)
- Interest rate 1.8%
- ICR 3.4
- RCFs from banks: 6,700 SEKm
- Undertaking from AP1: 8,000 SEKm (CP-program)
- S&P rating A-

FUNDING SOURCES

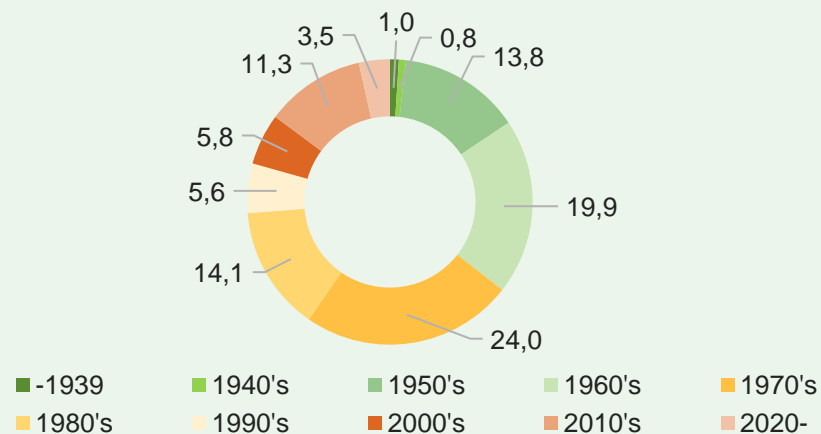


Value and transactions

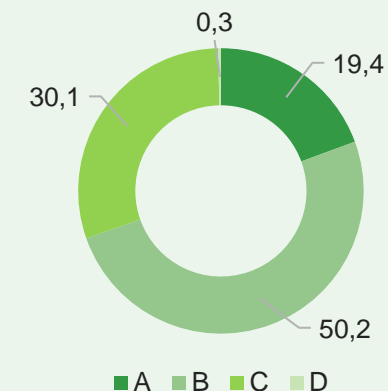
SEK m	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Market value at the beginning of the period	56,560	46,347	46,347
+ Acquisitions (incl. acquisitions costs)	1,222	236	1,039
+ Investments in existing properties	835	795	1,092
+ Investments in development projects	546	443	633
+ Unrealised changes in property value	786	4,558	7,653
- Divestments	-	-80	-204
Market value at the end of the period	59,949	52,299	56,560

- Property market:
 - Transaction volume, about 153 SEK bn
 - Residentials, about 28% of the transaction volume
- Our portfolio:
 - Yield compression, 1.3% value change
 - Acquired fourteen properties in Gothenburg, Helsingborg, Malmö and Stockholm

PROPERTY VALUE PER DECADE, %



PROPERTY VALUE PER LOCATION, %



Investments in existing buildings

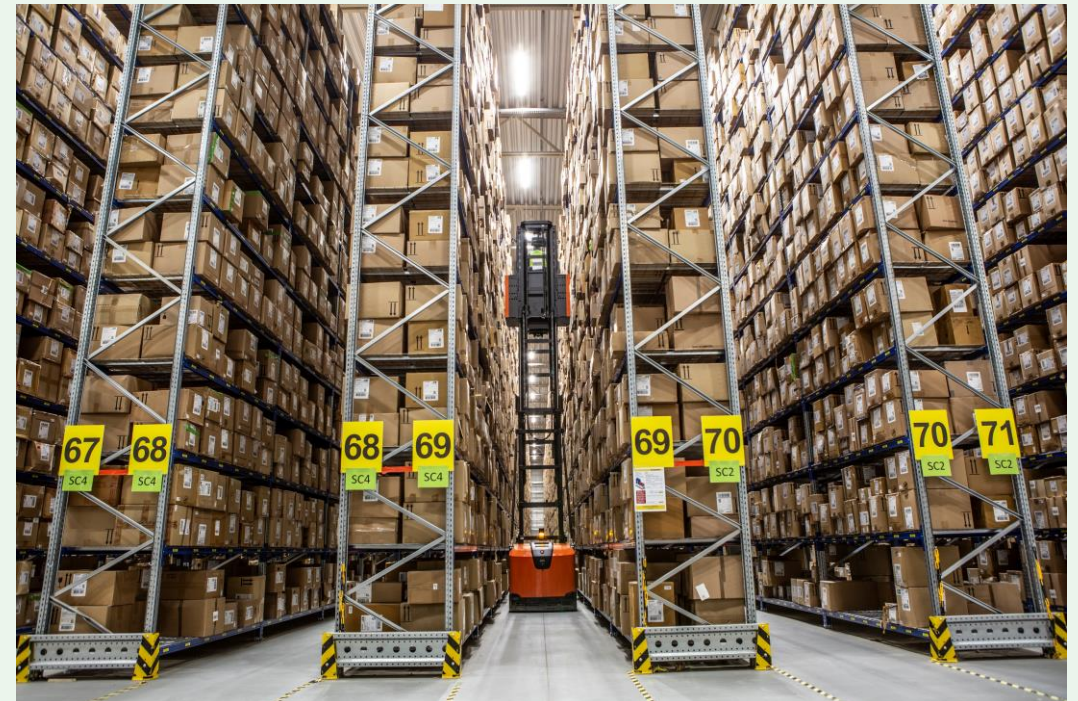
- **Mixed investments**
 - Energy reducing
 - Individual consumption for tenants
 - Add-on options for tenants
 - Converting other space to apartments
- **Willhemlyftet**
 - Total renovation of single apartments
 - Diversifies the portfolio and our offering
 - Renovated between tenants, when the apartment is empty
 - Efficient and sustainable production
 - Purchasing and logistics centralized
 - Target: 1000 Willhemlyft per year



Further optimization of logistics and storage

- **Willhem Logistics**

- Newly started subsidiary
- 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

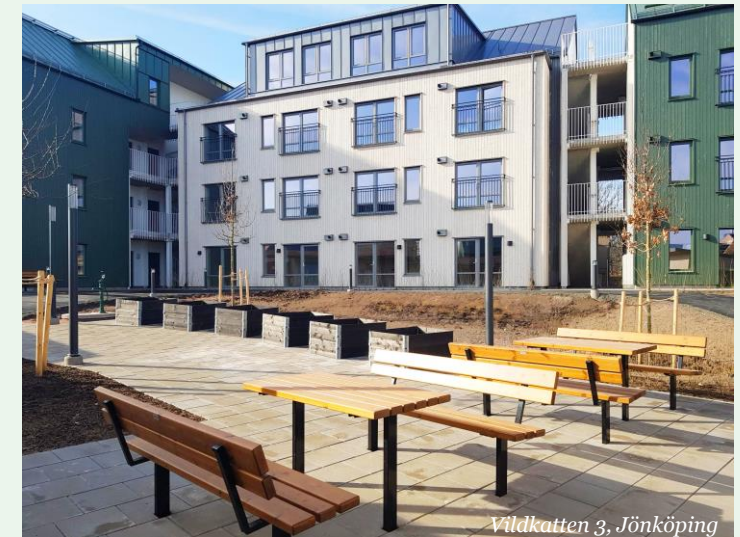
ONGOING DEVELOPMENTS PROJECTS

Property	Location	Type of project	No of apartments	Residential, sq m	Planned occupancy
Kolartorp 1:395	Haninge	Development projects*	157	4,255	Q4 2022
Valsverket 5	Eskilstuna	Development projects*	337	14,604	Q2 2022-Q4 2023
Guldfisken 10	Linköping	Conversion	106	3,821	Q1 2023
Kolartorp 1:394	Haninge	Development projects*	135	5,638	Q2-Q3 2023
Kallhäll 9:4	Järfälla	Development projects	34	2,396	Q3 2023
Karmen 5	Karlstad	Development projects	78	3,900	Q2 2024
Smedjan 2	Ursvik	Development projects*	232	10,334	Q2-Q3 2024
Total ongoing			1,079	44,948	

* Acquired development projects

COMPLETED DEVELOPMENT PROJECTS

Property	Location	Type of project	No of apartments	Residential, sq m	Completion
Vildkatten 3	Jönköping	Development projects	54	1,776	Q1 2022
Kronojägaren 2	Karstad	Extension	43	1,380	Q3 2022
Viksjö 2:595	Järfälla	Development projects	32	1,554	Q3 2022
Total completed			129	4,710	



Many challenges ahead, but also opportunities



OUR VIEW ON THE MARKET

- Great deal of uncertainty
- Due to increased interest rates, many real estate companies are reviewing their funding situation
- The number of new development projects will most likely continue to decrease
- Demand for accommodation is still high, no signs of rising vacancies

Long term objective

65%

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 will be applied

Acquisitions

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

Q&A

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