

## Press Release

24 October 2023

## Heimstaden AB Q3 2023 Results

### Highlights (figures in brackets refer to previous quarter):

- The European residential markets continue to experience increased supply/demand imbalances putting further upward pressure on rents across our markets. The like-for-like rental growth was 4.2% (5.7%) and real economic occupancy remains high at 98.1% (98.2%)
- The strong operational performance is driven by both rental income at SEK 3.9 billion (3.8) and prudent cost efficiency measures. The NOI margin was 69.5% (69.0%)
- Investment properties of SEK 339 billion (347) and 163,157 homes (162,166). Fair value change was -1.4% (-2.1%) and had an impact on quarterly profit of SEK -4.9 billion (-7.3). After five quarters of declining portfolio values, valuations are now showing signs of stabilisation across most markets
- Net LTV of 57.9% (57.2%) and ICR of 2.1x (2.4x)
- Heimstaden Bostad's Board approved to scale up the Privatisation Plan, initiated earlier this year. Proceeds will be prioritised for debt service and liability management to support the key credit metrics
- Heimstaden continued its strategic deleveraging efforts by buying back 2024 and 2025 senior unsecured bonds, amounting to SEK 563 million. The sale of our Icelandic portfolio, which has generated an annualised ROI of appr. 18%, was announced in October. The proceeds will be used for liability management purposes and cover upcoming debt maturities
- Fitch lowered Heimstaden's rating to 'BB' and revised the Outlook to Rating Watch Negative

### CEO Helge Krogsbøl comments:

*Heimstaden Bostad's diversified portfolio across nine markets continues to benefit from favourable market fundamentals, consistently achieving strong operational results with organic Net Operating Income margin growth.*

*Our purpose-driven sustainability initiatives garner external recognition, affirming our commitment. This quarter, Morningstar Sustainalytics and Danske Bank's ESG report awarded Heimstaden Bostad top scores, highlighting our achievements, ambitious climate roadmap, and sustainable financing framework.*

### Deputy CEO Christian Fladeland comments:

*After reaffirming their 'BBB' rating commitment last quarter, Heimstaden Bostad's Board has approved an extended Privatisation Plan, aiming to generate over 20% average profit on book value. Albeit only just ramping up the privatisation efforts, our*

# Heimstaden

*initial results have been highly satisfactory so far, achieving a 30% premium to book value from the sales of 106 units.*

*The sale of our Icelandic portfolio is a testament to our ambition of deleveraging the company and not be dependent on refinancing in the capital markets.*

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Heimstaden is a leading European residential real estate manager and investor with around 163,000 homes across nine countries with a property value of SEK 339 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Care, Dare and Share – we fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Heimstaden is listed on Nasdaq First North Growth Market. Read more at [www.heimstaden.com](http://www.heimstaden.com). Certified Adviser is Erik Penser Bank aktiebolag.

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