



Interim Report January–September 2023

OCTOBER 25, 2023



JM Group¹⁾

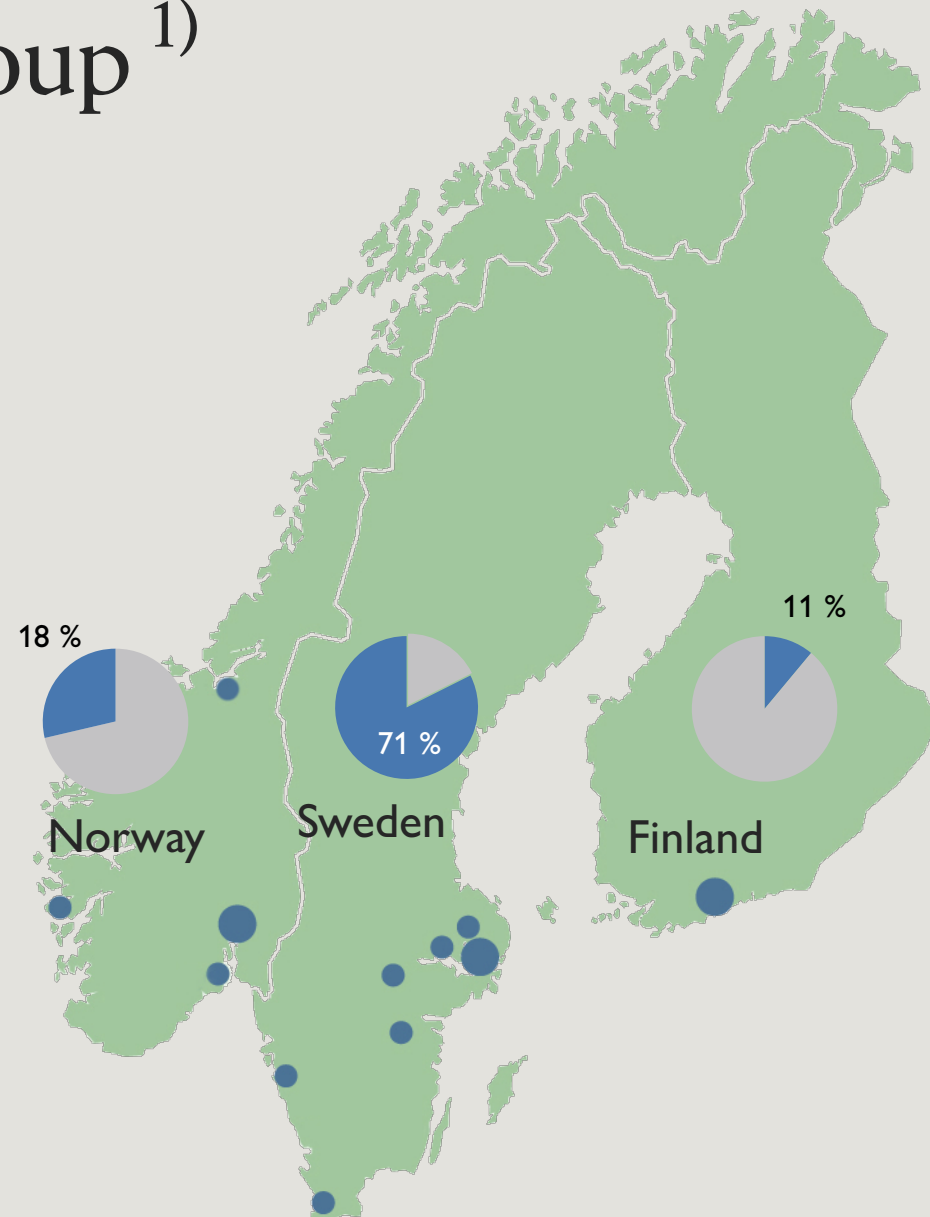
Revenue: SEK 10.4 billion

Total assets: SEK 16.8 billion

No. of building rights: 39,900

No. of employees: 2,239

Market Cap: SEK 8.6 billion²⁾



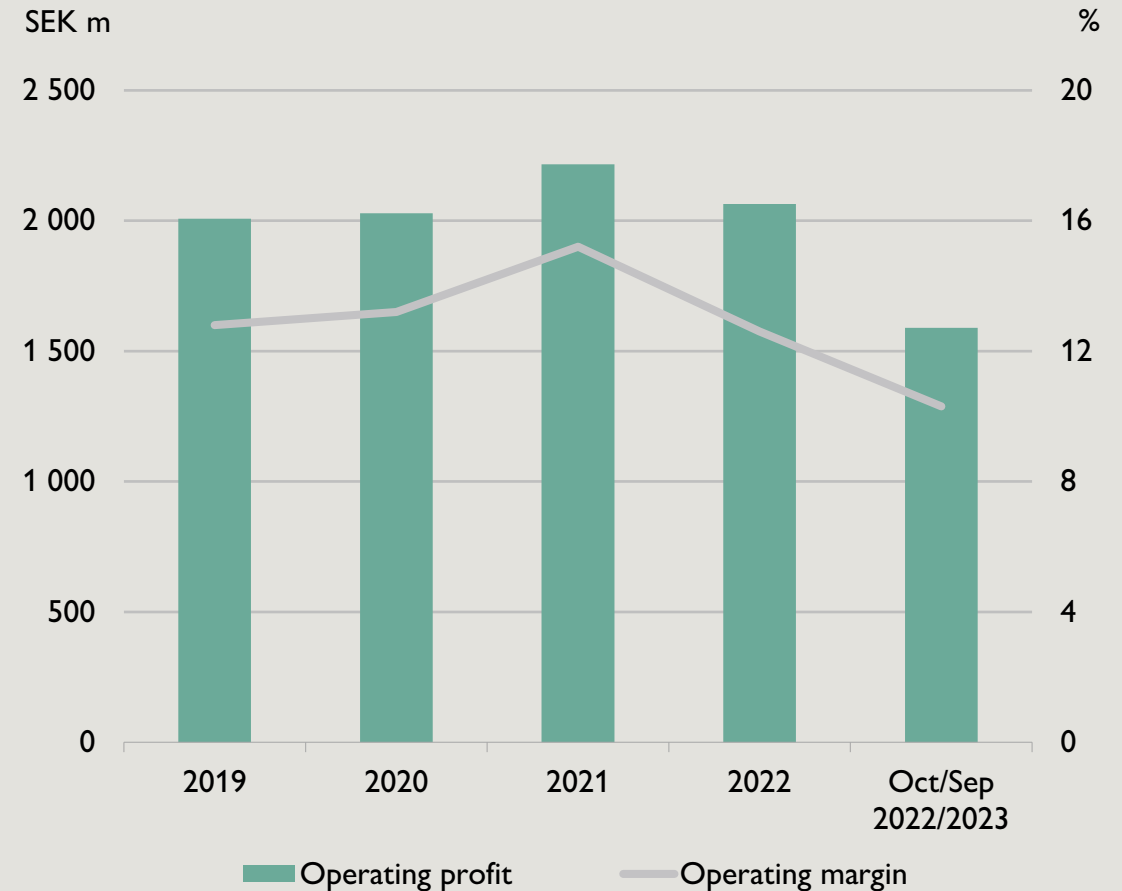
¹⁾ According to segment reporting over a 12-month period

²⁾ SEK 133 per share, October 24, 2023

Group Summary ¹⁾

JANUARY–SEPTEMBER 2023

- Revenue amounted to SEK 10,444m (11,233).
- Operating profit decreased to SEK 822m (1,297).
- Operating margin decreased to 7.9 percent (11.6).
- Profit before tax decreased to SEK 746m (1,249).
- Earnings per share amounted to SEK 8.90 (14.50).
- Return on equity amounted to 13.50 percent (19.9).
- Cash flow from operations amounted to SEK -452m (-615).
- According to IFRS, revenue amounted to SEK 12,528m (8,999) and earnings per share to SEK 16.50 (11.0).



¹⁾ According to segment reporting.





Igelsta Strandentré, Södertälje

Group Summary

JANUARY–SEPTEMBER 2023

- Number of residential units sold decreased to 1,128 (2,197).
- Number of housing starts decreased to 869 (2,215).
- Number of residential units in current production decreased to 6,188 (7,962).
- Residential building rights portfolio amounted to 39,900 (39,000).

Focus on cash flow in a challenging housing market

- Continued low demand and activity level during the third quarter in all our markets, resulting in decline in sales.
- Revenue, operation profit and margin decreased throughout the Group, and continued challenges regarding cost level in projects.
- Lower level of housing starts in the Group, primarily attributable to decline in sales.
- Residential units in current production with share of sold/reserved units amounted to 56 percent (69), where normal level is within the interval of 60–65 percent.
- Price adjustments mainly in Sweden have burdened the profit in the quarter.

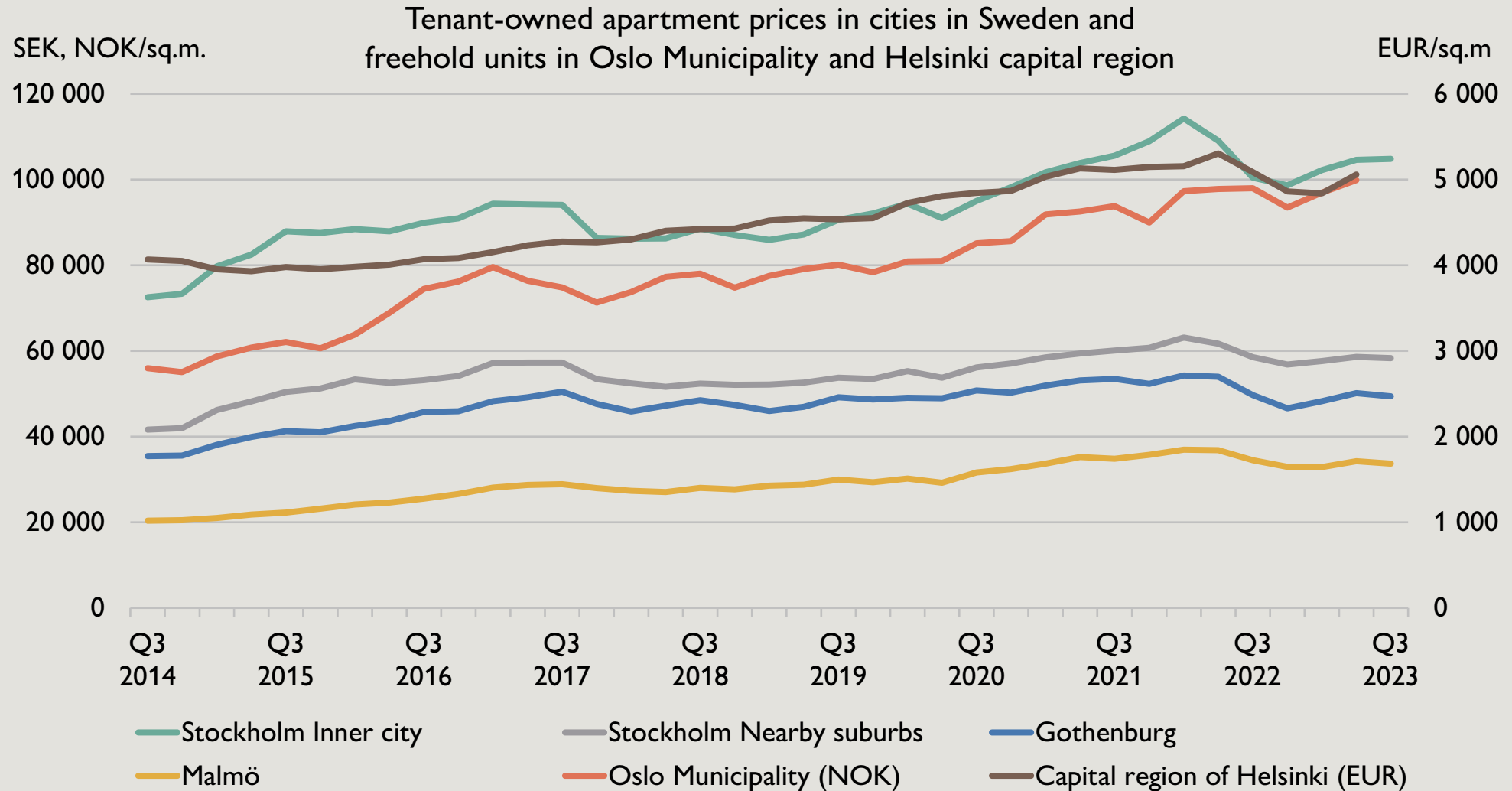


Operating profit and operating margin



According to segment reporting	January – September 2023		2022	
	SEK m	%	SEK m	%
JM Residential Stockholm	230	7.1	532	14.7
JM Residential Sweden	210	7.6	512	15.3
JM Norway	115	6.3	187	7.7
JM Finland	94	8.1	111	9.1
JM Property Development	202	18.0	-20	-
JM Construction	7	1.1	12	1.4
Group-wide expenses	-36		-37	
Total	822	7.9	1,297	11.6
<i>Of which sale of joint venture</i>	-4		-8	

Prices on the existing home market

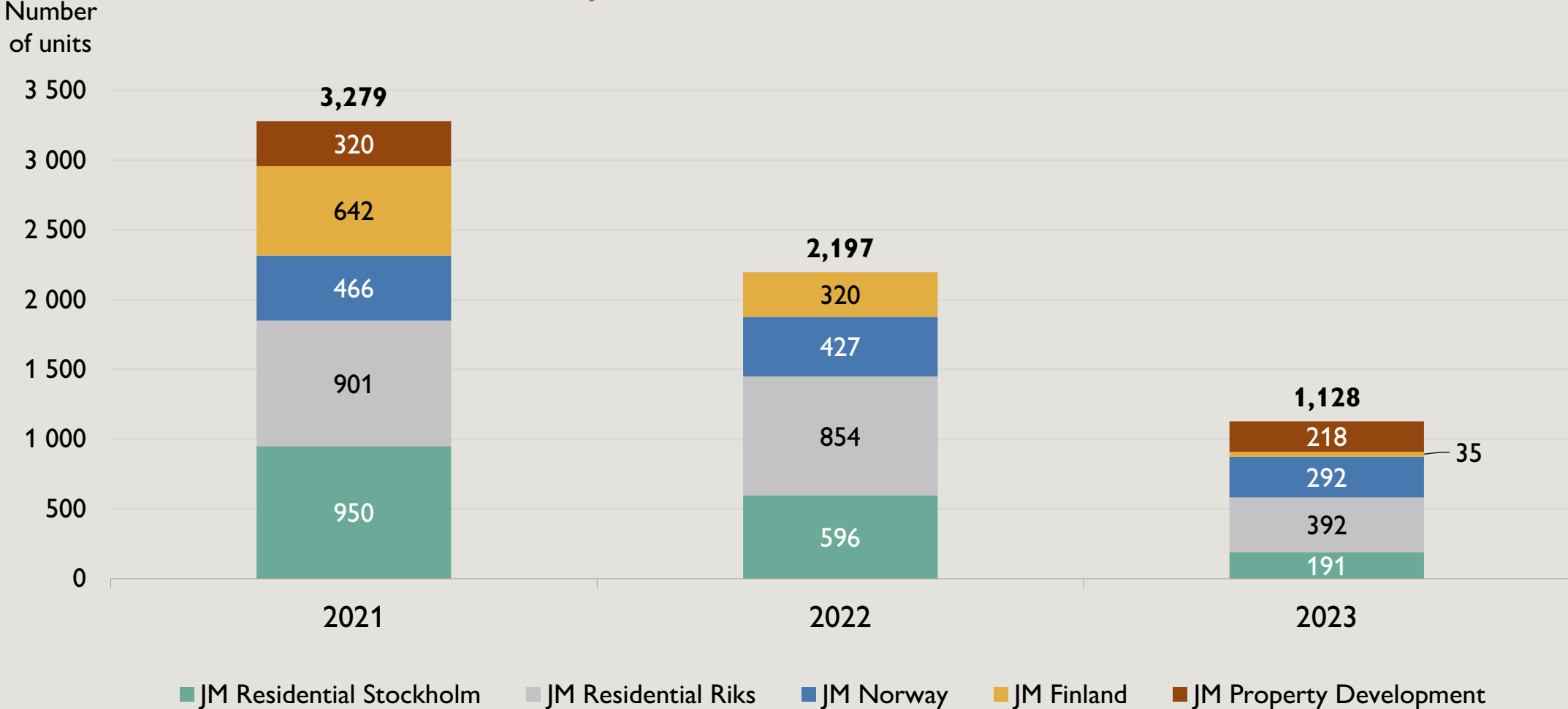


Source: Mäklarstatistik and WSP



Very low level of sold residential units

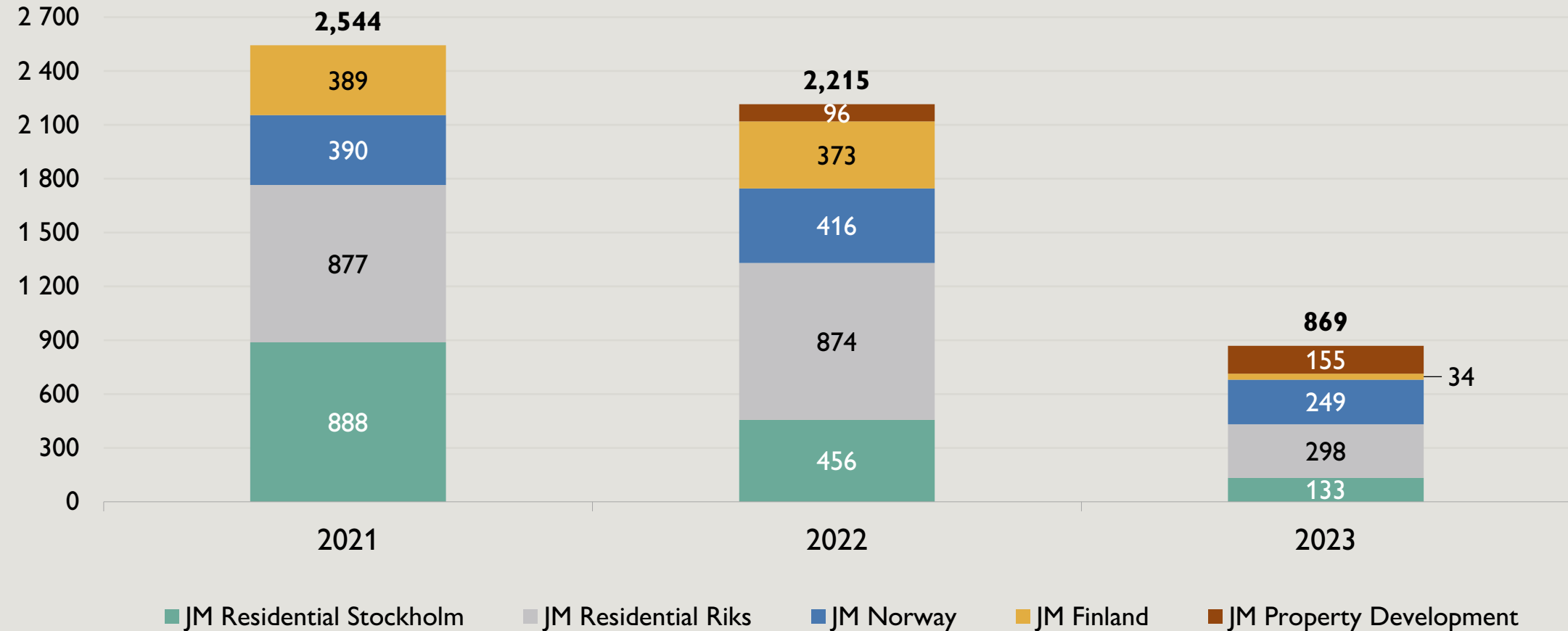
JANUARY – SEPTEMBER



Very low level of housing starts

JANUARY – SEPTEMBER

Number of units



Sköndalshöjden

STOCKHOLM



Number of housing starts Q3 2023

77

Completed in 2025



Myrvoll Stasjon

NORDRE FOLLO, NORWAY



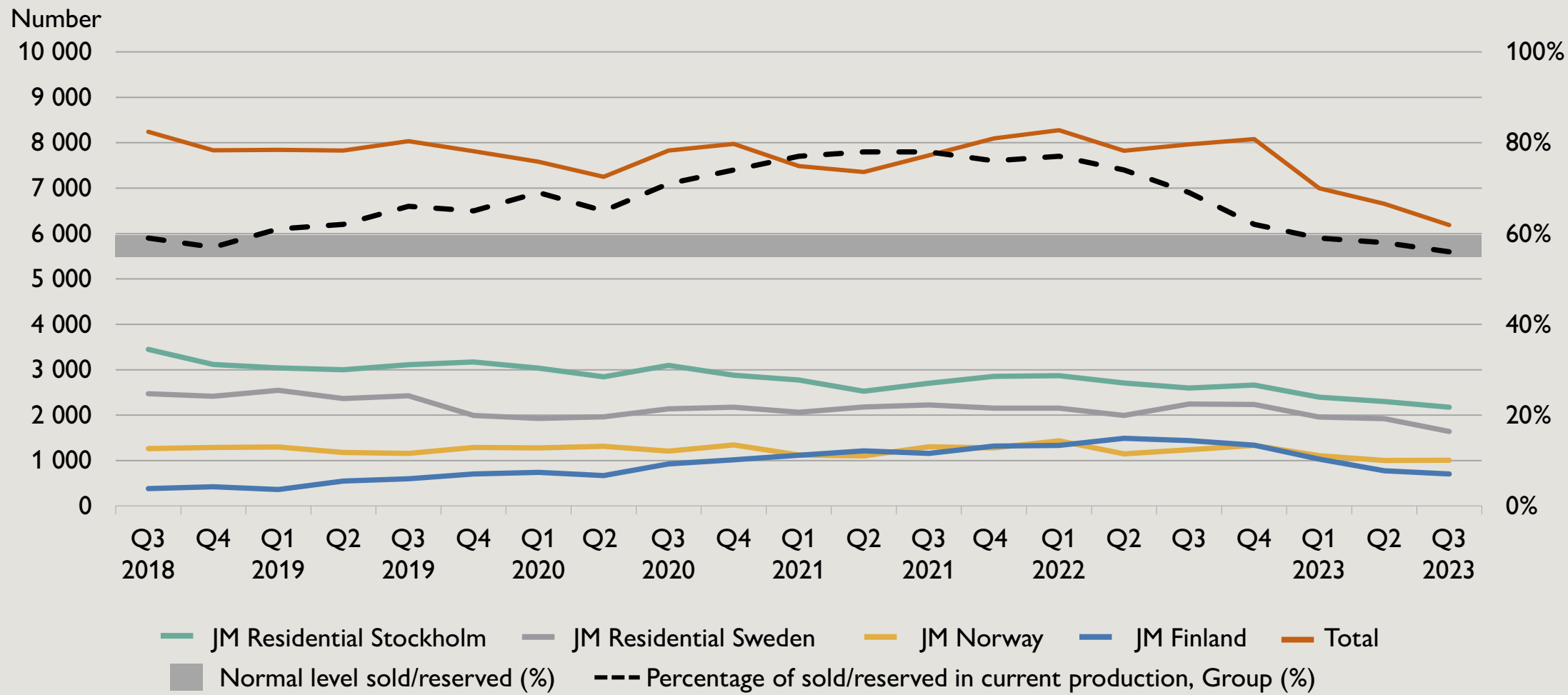
Number of housing starts Q3 2023 68

Completed in 2025



Number of residential units in production 6,188¹⁾

PERCENTAGE SOLD/RESERVED IMPLICATES NORMAL RISK IN CURRENT PRODUCTION IN Q3 2023

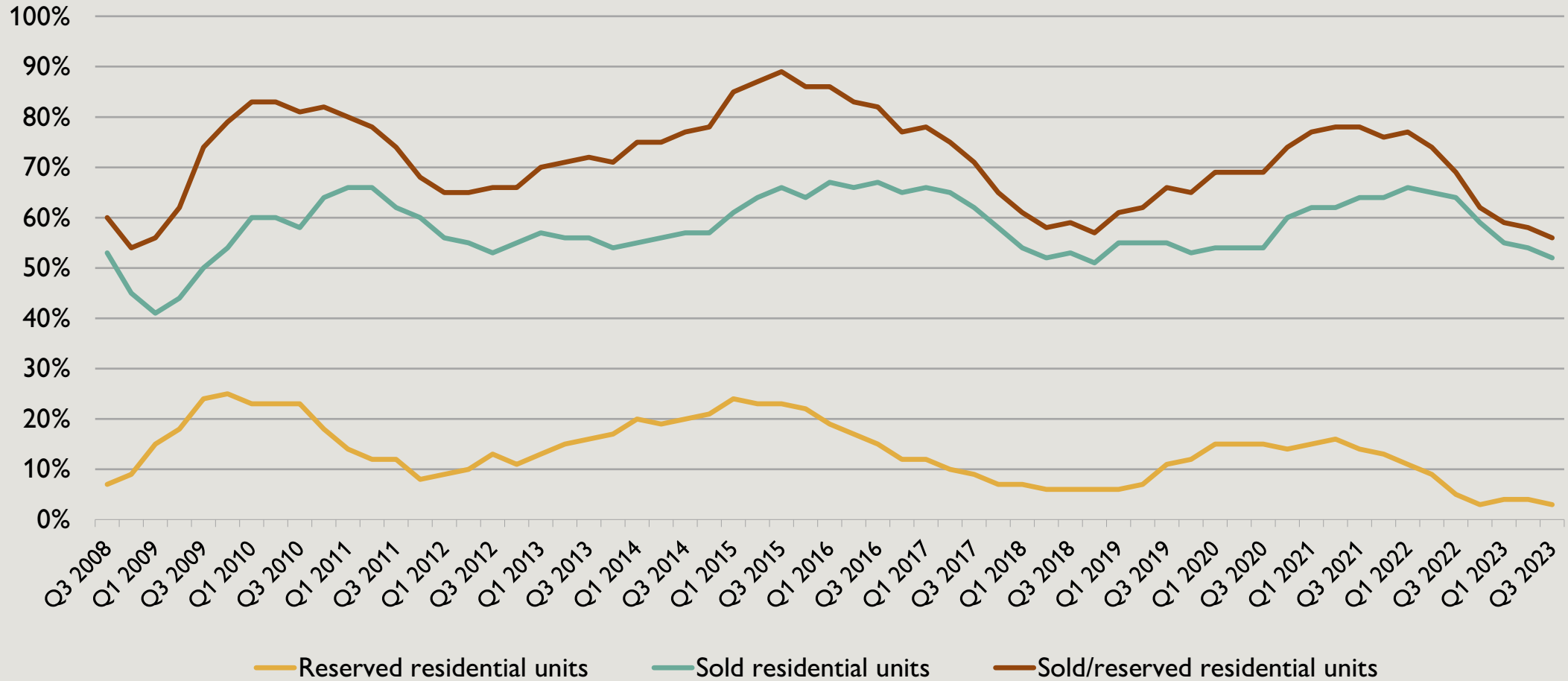


¹⁾ Including 662 rental and residential care units within JM Property Development – where rental units intended for sale are included in percentage sold/reserved



Percentage of sold and reserved residential units in production

GROUP



Residential units in current production

GROUP

	Sep 30 2023	Sep 30 2022	Dec 31 2022
Number of residential units ^{1) 2)}	6,188	7,962	8,078
Number of residential units sold	3,010	4,811	4,508
Number of residential units reserved	185	347	250
Sold residential units, %	53	64	59
Reserved residential units, %	3	5	3
Sold/reserved residential units, %	56	69	62
Completed production, no. of unsold units ³⁾	294	74	91
Number of unsold units in the balance sheet	167	67	63
¹⁾ <i>Of which rental units and residential care units in JM Property Development</i>	662	437	507
²⁾ <i>Of which rental units and residential care units not intended for sale in current production in JM Property Development – not included in the percentage of sold/reserved residential units in current production</i>	444		
³⁾ <i>After final occupancy according to plan</i>			



JM Residential Stockholm

SEK m	January – September		Full year
	2023	2022	2022
Revenue	3,226	3,622	4,966
Operating profit	230	532	720
Operating margin, %	7.1	14.7	14.5
Number of available building rights	12,500	12,700	12,400
Number of residential units in current production	2,174	2,598	2,665
Number of housing starts	133	456	721

- Lower level of revenue and lower operating margin. Price adjustments have burdened the profit in the quarter.
- Lower level of sold residential units, despite this two housing starts in the quarter.
- The supply of newly produced residential units continued to be at a low level.
- The willingness of customers to sign a contract early in the process was very low.
- Cash flow is burdened by large investments in development properties and by the business unit building a project with its own funds.
- Entered into an agreement to sell properties at Brommaplan with a loss of SEK -15m, which burdens the third quarter by a corresponding impairment.



Backtimjan 56 residential units, Stockholm



JM Residential Sweden

SEK m	January – September		Full year
	2023	2022	2022
Revenue	2,750	3,345	4,500
Operating profit	210	512	682
Operating margin, %	7.6	15.3	15.2
Number of available building rights	12,100	11,100	11,500
Number of residential units in current production	1,642	2,246	2,234
Number of housing starts	298	874	1,022



Mölnlycke freehold apartments, Mölnlycke



- Lower level of revenue and lower operating margin. Price adjustments have burdened the profit in the quarter.
- Lower level of sold residential units and housing starts.
- The supply of newly produced residential units continued to be at a low level with the exception of Gothenburg.
- The willingness of customers to sign a contract early in the process was low.
- Cash flow is burdened by increased working capital and an increased number of purchased residential units in the balance sheet.

JM Norway

SEK m	January – September		Full year
	2023	2022	2022
Revenue	1,838	2,432	3,392
Operating profit	115	187	238
Operating margin, %	6.3	7.7	7.0
Number of available building rights	6,500	7,300	7,100
Number of residential units in current production	1,006	1,240	1,335
Number of housing starts	249	416	605

- Lower level of revenue and lower operating margin.
- Lower level of sold residential units and housing starts.
- Sales of newly produced residential units decreased significantly.
- Continued high production and financing costs in the projects.
- JM acquired approx. 500 residential building rights in Jessheim and approx. 590 residential building rights in Karihaugen, Oslo, have been paid for and occupied.
- The cash flow is burdened by investments in land.



Rydningen, Sandefjord



JM Finland

SEK m	January – September		Full year
	2023	2022	2022
Revenue	1,154	1,223	1,729
Operating profit ¹⁾	94	111	158
Operating margin, %	8.1	9.1	9.2
Number of available building rights	7,200	6,100	6,800
Number of residential units in current production	704	1 441	1,337
Number of housing starts	34	373	599

- Lower level of revenue and lower operating margin.
- Lower level of sold residential units and housing starts.
- Activity on the housing market has remained low.
- The price level on the existing home market continued to decrease but has flattened during the quarter.
- Approx. 164 building rights were acquired in Puustellinkallio, Espoo, in the third quarter.



Alexander, Espoo



JM Property Development

SEK m	January – September		Full year
	2023	2022	2022
Revenue	1,123	160	1,224
Operating profit ¹⁾	202	-20	306
Operating margin, %	18.0	-	25.0
Number of available building rights	1,600	1,800	1,700
Number of residential units in current production	662	437	507
Number of housing starts	155	96	166
¹⁾ Of which income from joint venture	-4	-8	-11



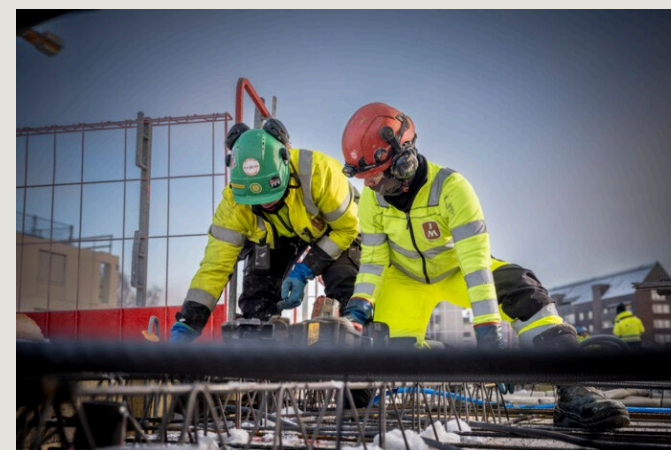
Kvarter 8, Järfälla

- Increased revenue due to current production in the office project K1 Karlbergs Strand, rental property Kvarter 8 and the residential care building Pilhamns Gårdar.
- Production is ongoing in an additional three rental projects in JM's own balance sheet.
- Cash flow was strengthened by project financing and the down payment received for sold properties under construction.
- Reached an agreement for the sale of a project property in Dalénum, Lidingö. Profit of approx. SEK 14m will be recorded in the fourth quarter 2023.

JM Construction

SEK m	January – September		Full year
	2023	2022	2022
Revenue	632	825	1,077
Operating profit ¹⁾	7	12	12
Operating margin, %	1.1	1.4	1.1
¹⁾ Of which intra-Group	279	375	505

- Demand was stable, with competition for the assignments, but somewhat more cautious market.
- The operating margin continued to be burdened by increased material costs in contracts previously entered that could not be fully passed on to orders.
- Operations for internal civil engineering projects were transferred to JM Residential Stockholm. Ongoing Group-internal projects are gradually being transferred to JM Residential Stockholm.
- Cash flow was positively impacted by a decrease in working capital.



Available building rights portfolio

Region	No. of building rights ¹⁾	
	9/30/2023	9/30/2022
Stockholm	14,100 ²⁾	14,500 ²⁾
Malmö/Lund	3,700	3,400
Gothenburg ³⁾	3,700	3,600
Uppsala ⁴⁾	4,700	4,100
Norway	6,500	7,300
Finland	7,200	6,100
Total	39,900	39,000

¹⁾ Rounded to the nearest hundred

²⁾ Of which 1,600 and 1,800 building rights for rental units and residential care units

³⁾ West region

⁴⁾ East region



Slightly increased level of development properties

BUILDING RIGHTS IN BALANCE SHEET

SEK m	2020	2021	2022	Jan-Sep 2023
Opening balance	8,938	7,831	8,205	8,465
New purchases	1,022	1,754	1,700	1,188
Transferred to production	-1,888	-1,388	-1,538	-561
Other	-241	8	97	-78
Closing balance	7,831	8,205	8,465	9,013



Approx. 13 years production in Balance Sheet

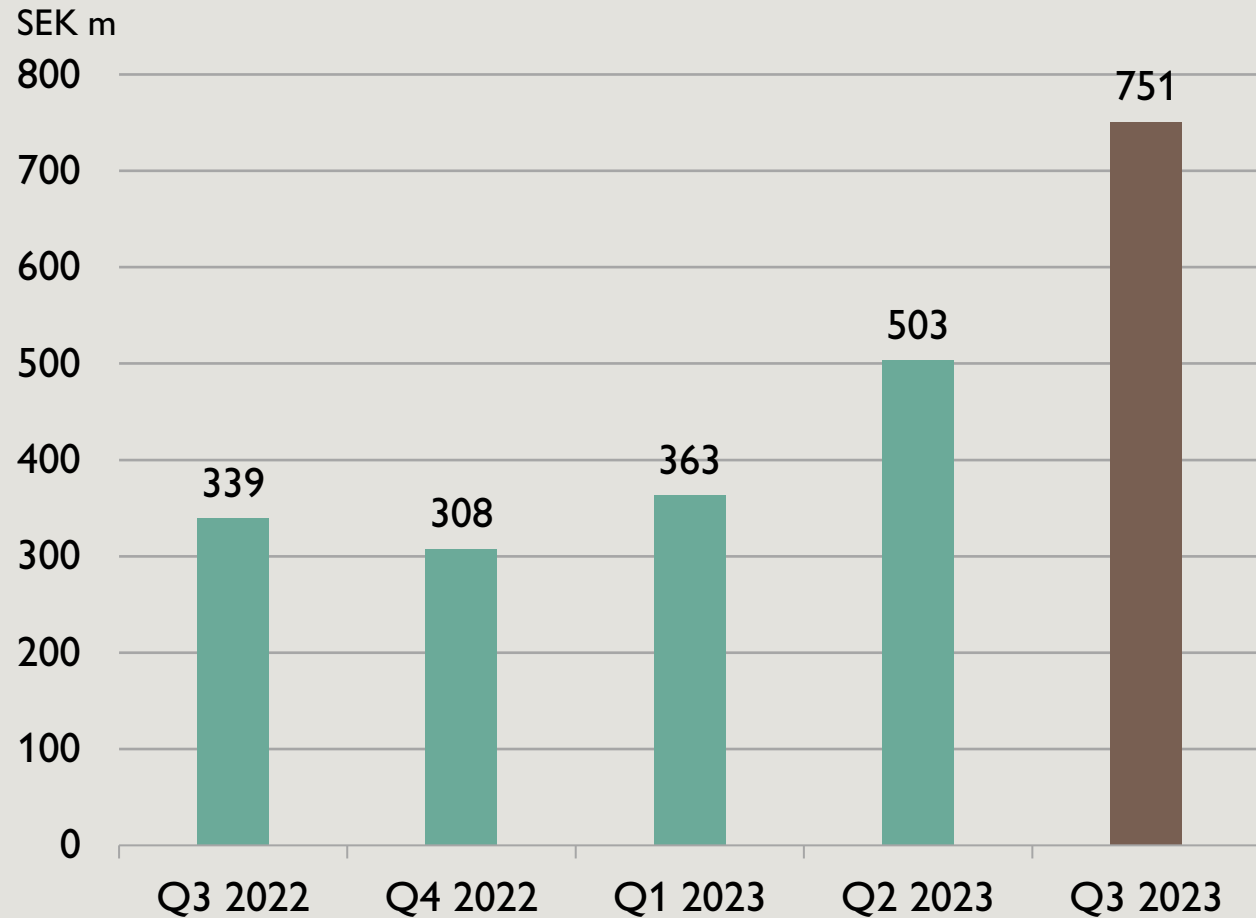
No. of residential building rights 9/30/2023	In Balance Sheet	Housing starts ¹⁾	Average period, years ²⁾
JM Residential Stockholm	6,700	398	16.8
JM Residential Sweden	8,300	446	18.6
JM Norge	3,900	438	8.9
JM Finland	3,700	260	14.2
JM Property Development (project properties)	600	255	2.4
Group	23,200	1,797	12.9

¹⁾ 12-month period

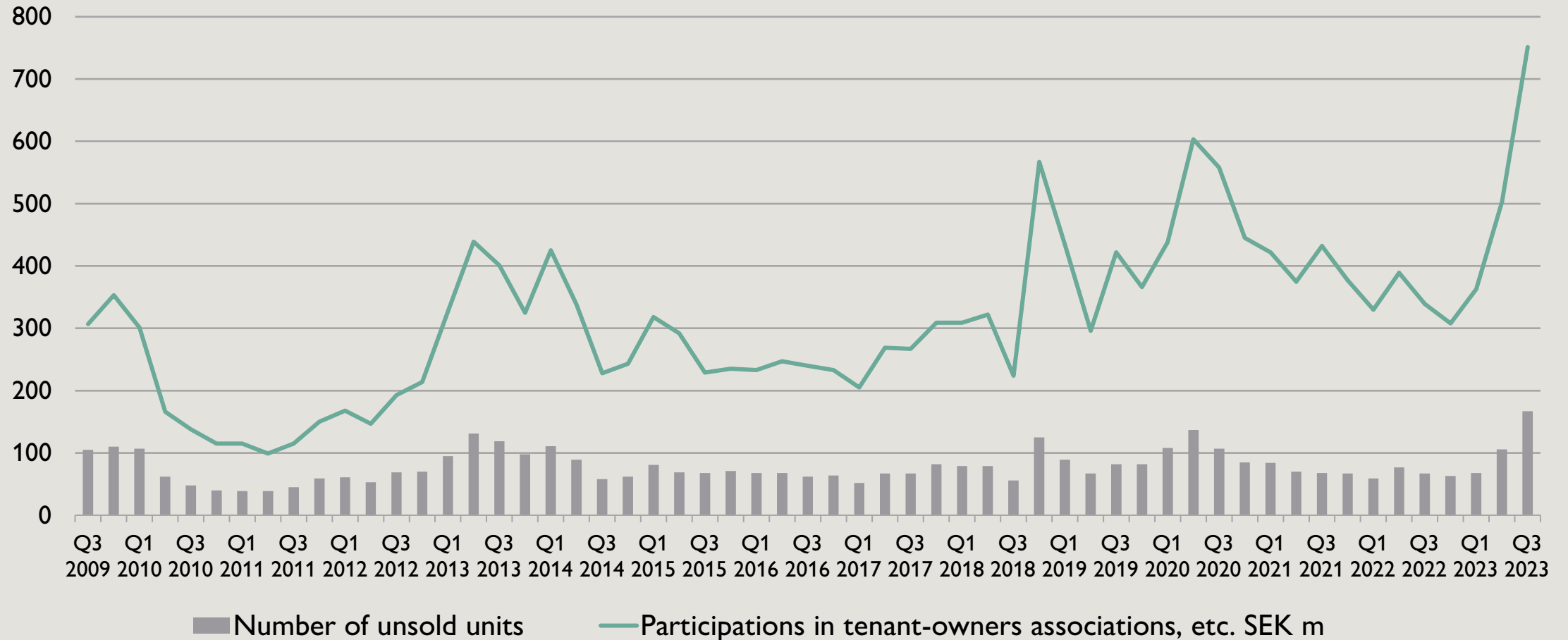
²⁾ Guideline value 5 years



167 unsold residential units in Balance Sheet, for an amount of SEK 751m



Unsold residential units in Balance Sheet



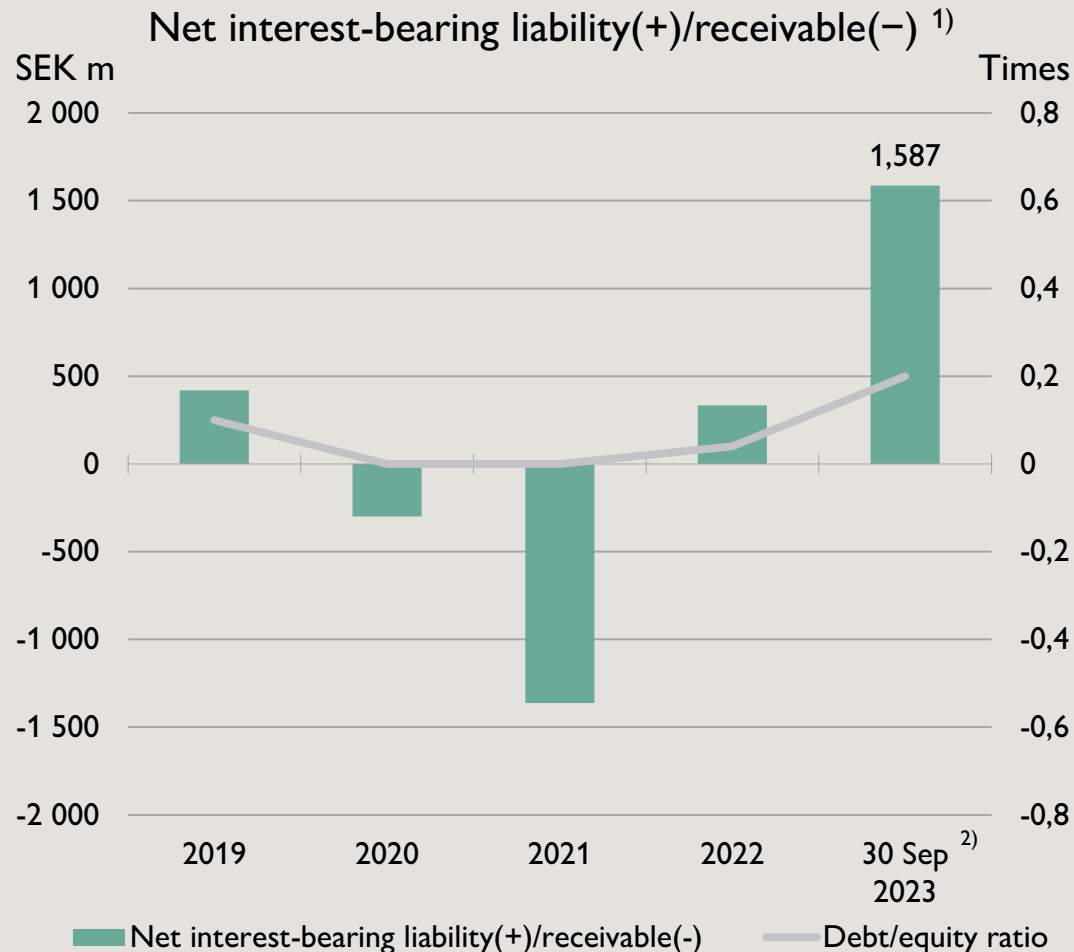
Cash flow

Cash flow statement, SEK m	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
From operating activities ^{1) 2) 3)}	-363	354	792	-1,143	-101
From investing activities	-	-28	1	-1	-
From financing activities	-219	-394	-39	-737	138
Total cash flow for the quarter	-582	-68	753	-1,881	37
Cash and cash equivalents end of period	1,902	1,840	2,577	699	742
1) Of which net investment project properties	-143	-178	-149	-158	-61
2) Of which net investment development properties	-238	219	162	-470	-107
3) Of which taxes paid	-116	-116	-153	-96	-65

According to segment reporting



Strong financial position



- Equity/Assets ratio ¹⁾ 53 percent (49).
- Available liquidity SEK 3,542m (4,702) of which cash and cash equivalents SEK 742m (1,902).
- Unutilized overdraft facilities and credit lines SEK 2,800m (2,800).
- Credit lines of SEK 2,400m have an average maturity of 2.9 years (3.1).

¹⁾ According to segment reporting

²⁾ Non interest-bearing liabilities for completed property acquisitions amounted to SEK 707m (438)



Components of profit/loss – housing business

PERCENTAGE OF COMPLETION METHOD (GROSS) Q3 2023 (Q2 2023)

Cost-based effect
SEK 201m (313)

Always positive

Recognized expenses ×
contribution margin
(for the current period)

+

Revaluation effect
SEK 80m (168)

Usually positive

Changed assessment about forecast
total contribution margin and/or total
cost of a project that involves
revaluation of recognized profit/loss
from earlier periods

+

Sales effect
SEK 8m (-24)

Positive / negative

Change in the relationship
between stage of completion
and sales rate in a period
(incoming – outgoing)
(Adjustment of accumulated
profit for unsold residential units)

=

Profit/loss for the period
SEK 289m (457)



Revaluation effects – housing business

SEK m	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Group	80	168	231	434	352
Business segment	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
JM Residential Stockholm	10	27	53	134	120
JM Residential Sweden	15	70	118	188	173
JM Norway	29	49	39	73	45
JM Finland	26	22	21	38	14

The net of positive and negative revaluation effects in residential projects during Q3 2023 totaled SEK 80m, with current assessment of market conditions for the actual forecast period.



Sustainability

PROGRESS WITHIN CLIMATE WORK

- Tests of 40 per cent climate-improved concrete are being carried out.
- Containers for burnable waste abolished at JM's Swedish construction sites.
- Construction waste decreasing in the Group.
- Completed residential units in finalized projects continue to receive Swan Ecolabel certification according to plan.



JM today

- Customer focused – strong brand
- 39,900 building rights in attractive locations
- Good long-term conditions
- Gradual broadening of geographic scope
- Sustainable urban planning
- Cautious housing market
- Cost inflation
- Strong balance sheet offers freedom of action
- Well-balanced risk profile
- Adaptation to prevailing market conditions.



Igelsta Terrass, Södertälje

Thank you

