

Interim Report January–March 2023

INVESTOR PRESENTATION
APRIL 27, 2023



JM Group¹⁾

Revenue: SEK 16.5 billion

Total assets: SEK 17.2 billion

No. of building rights: 40,500

No. of employees: 2,457

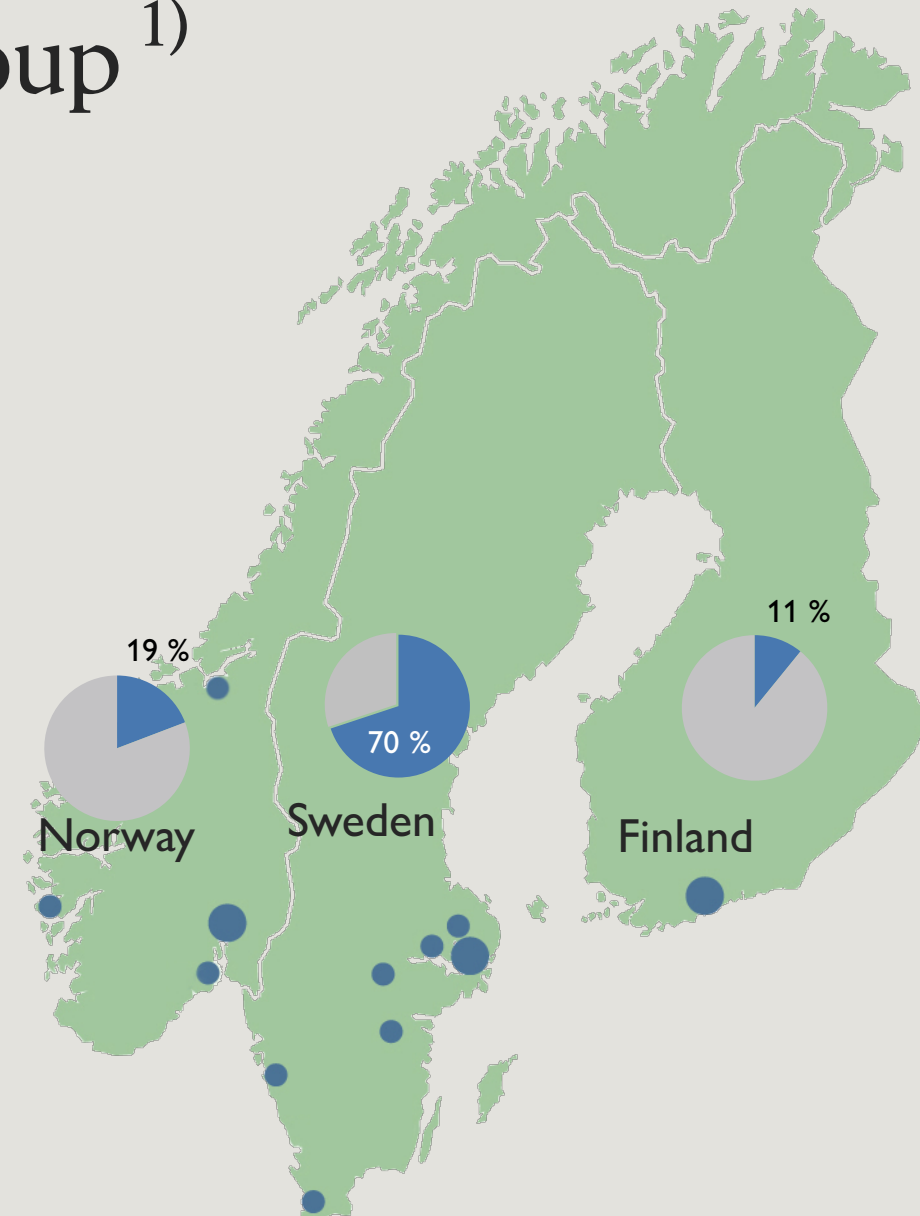
Market Cap: SEK 10.5 billion²⁾



Sander, Tyresö, Stockholm 63 residential units

¹⁾ According to segment reporting

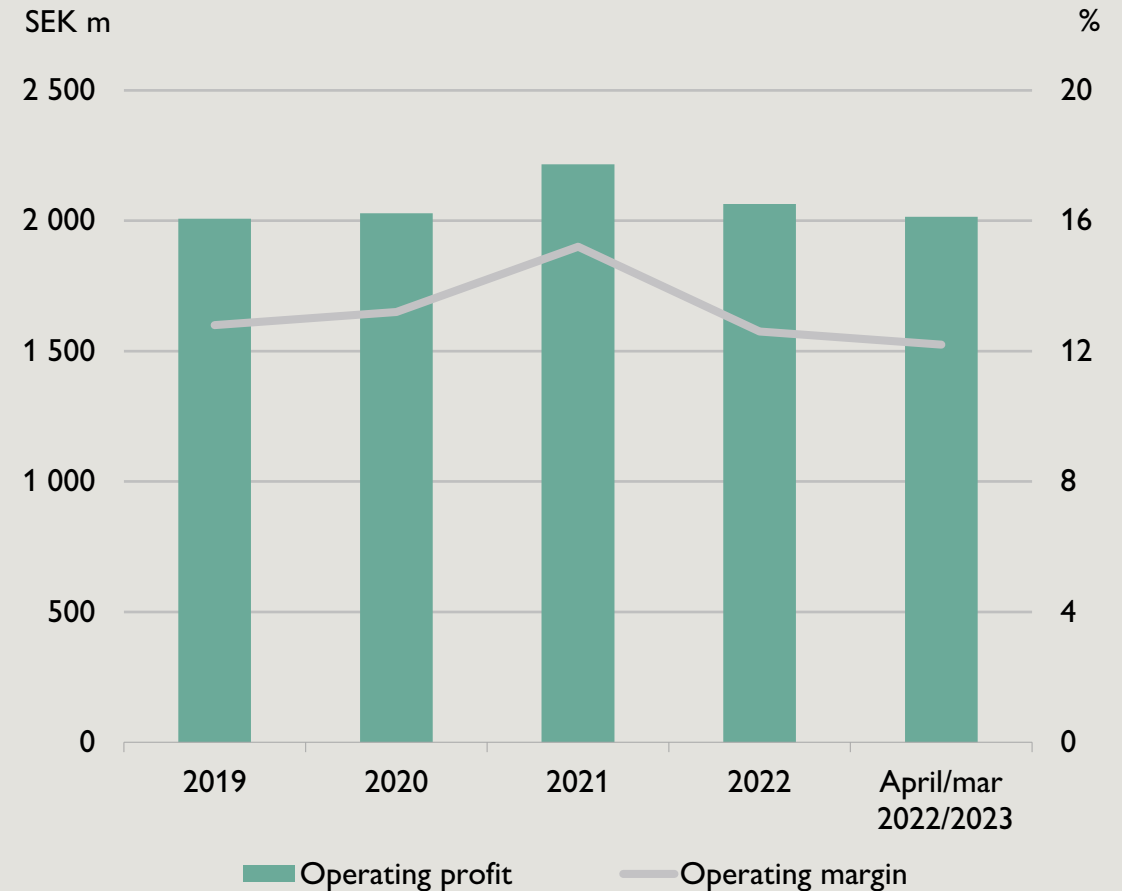
²⁾ SEK 163 per share, April 26, 2023



Group Summary ¹⁾

JANUARY–MARCH 2023

- Revenue increased to SEK 3,962m (3,854).
- Operating profit decreased to SEK 417m (466).
- Operating margin decreased to 10.5 percent (12,1).
- Profit before tax decreased to SEK 394m (450).
- Earnings per share amounted to SEK 4.80 (5.20).
- Return on equity amounted to 16.8 percent (22.6).
- Cash flow from operations amounted to 792m (273).



¹⁾ According to segment reporting.





Älvsjö Entré, Stockholm 119 residential units

Group Summary

JANUARY–MARCH 2023

- Number of residential units sold decreased to 479 (995).
- Number of housing starts decreased to 214 (808).
- Number of residential units in ongoing production amounted to 6,996 (8,276).
- Residential building rights portfolio increased to 40,500 (36,300).
- As of fiscal year 2023, JM consolidates Swedish tenant-owners associations during the production phase in the IFRS reporting.

Challenging housing market in weak economy

- Continued decline in demand and activity level during the first quarter in all our markets, resulting in a decline in sales.
- Increased revenue but operation profit and margin decreased in the Group and continued challenges regarding the cost level in Norway.
- Lower level of housing starts in the Group, primarily attributable to decline in sales.
- Residential units in current production where the percentage of sold/reserved units amounted to 59 % (77), normal level within the interval of 60–65 %.
- Sale of the rental property Kvarter 8 in Söderdalen, Järfälla.
- Announced a potential reduction in Group staffing by approximately 200 employees.

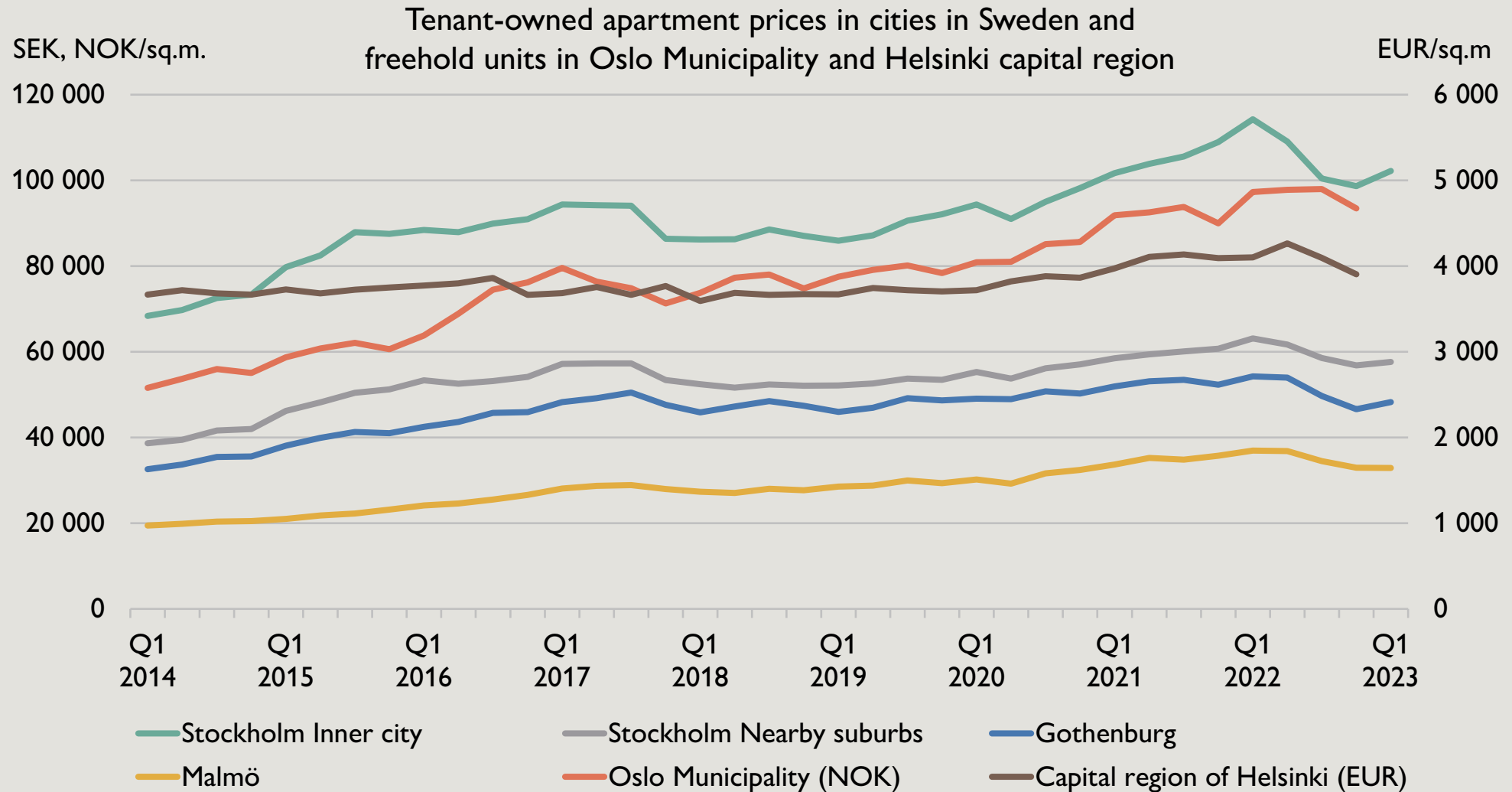


Operating profit and operating margin



According to segment reporting	January – March			
	2023		2022	
	SEK m	%	SEK m	%
JM Residential Stockholm	116	10.6	190	14.8
JM Residential Sweden	126	11.2	174	15.5
JM Norway	42	6.7	73	8.6
JM Finland	38	8.6	33	8.7
JM Property Development	104	18.3	4	5.6
JM Construction	2	1.0	4	1.4
Group-wide expenses	-11		-12	
Total	417	10.5	466	12.1
<i>Of which sale of joint venture</i>	-4		7	

Prices on the existing home market



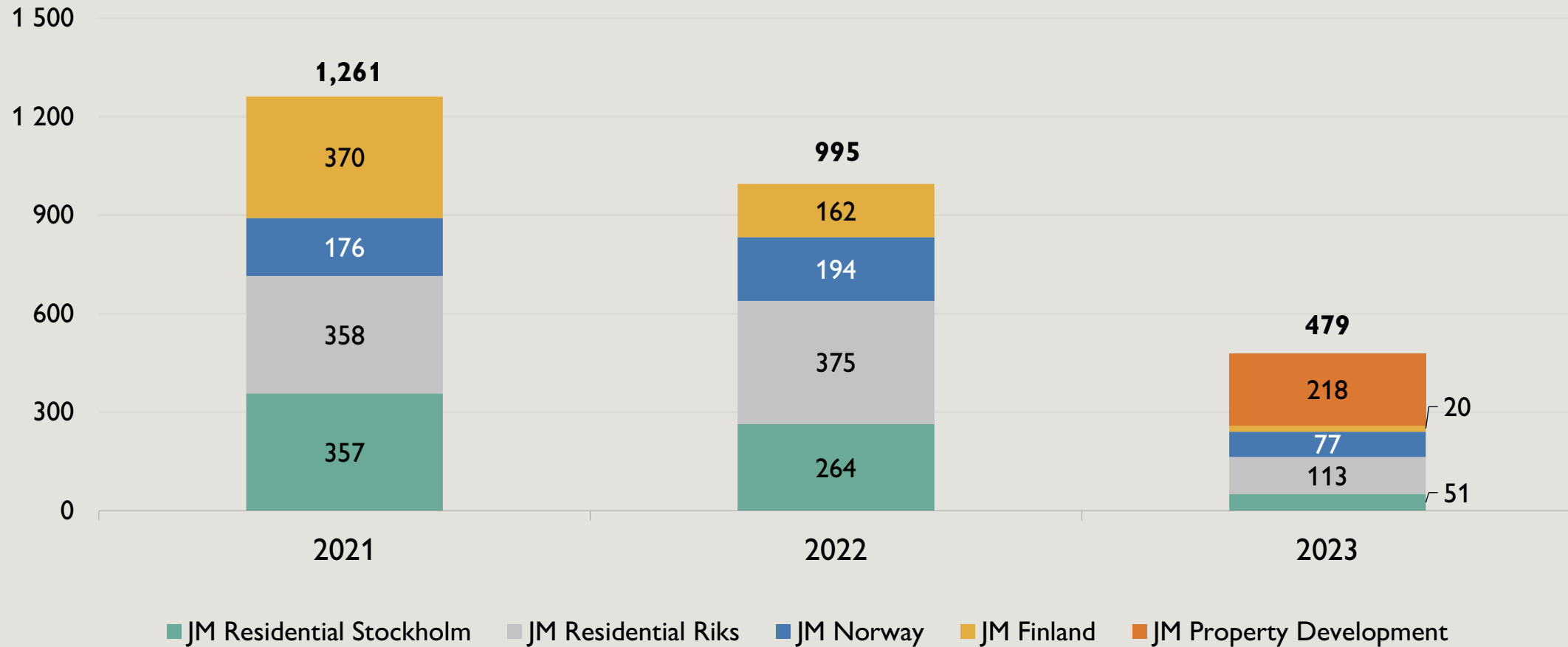
Source: Mäklarstatistik and WSP



Lower level of sold residential units

JANUARY – MARCH

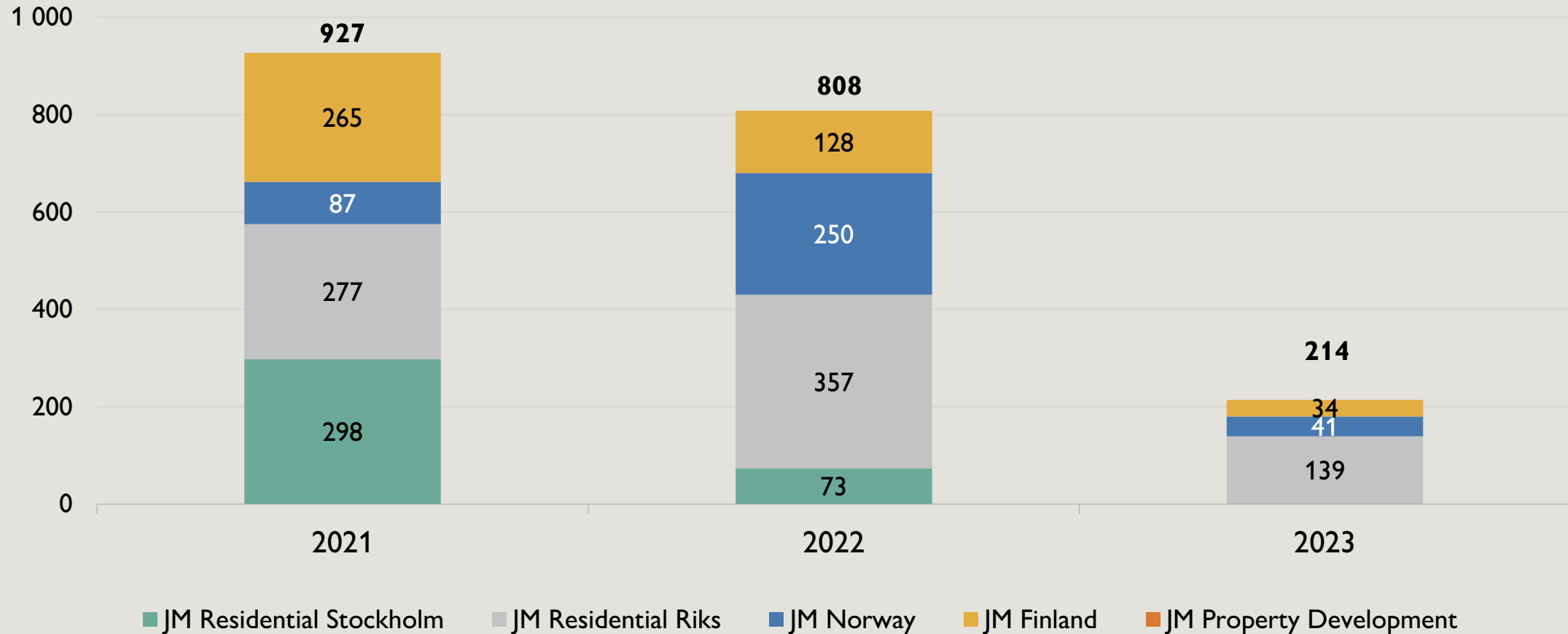
Number
of units



Lower lever of housing starts

JANUARY – MARCH

Number
of units



Riggen

LOMMA HAMN



Number of housing starts Q1 2023 96

Completed in 2024



Utfarten

OSLO, NORWAY



Number of housing starts Q1 2023 41

Completed in 2025



Paviljonki

HELSINKI, FINLAND



Number of housing starts
Q1 2023

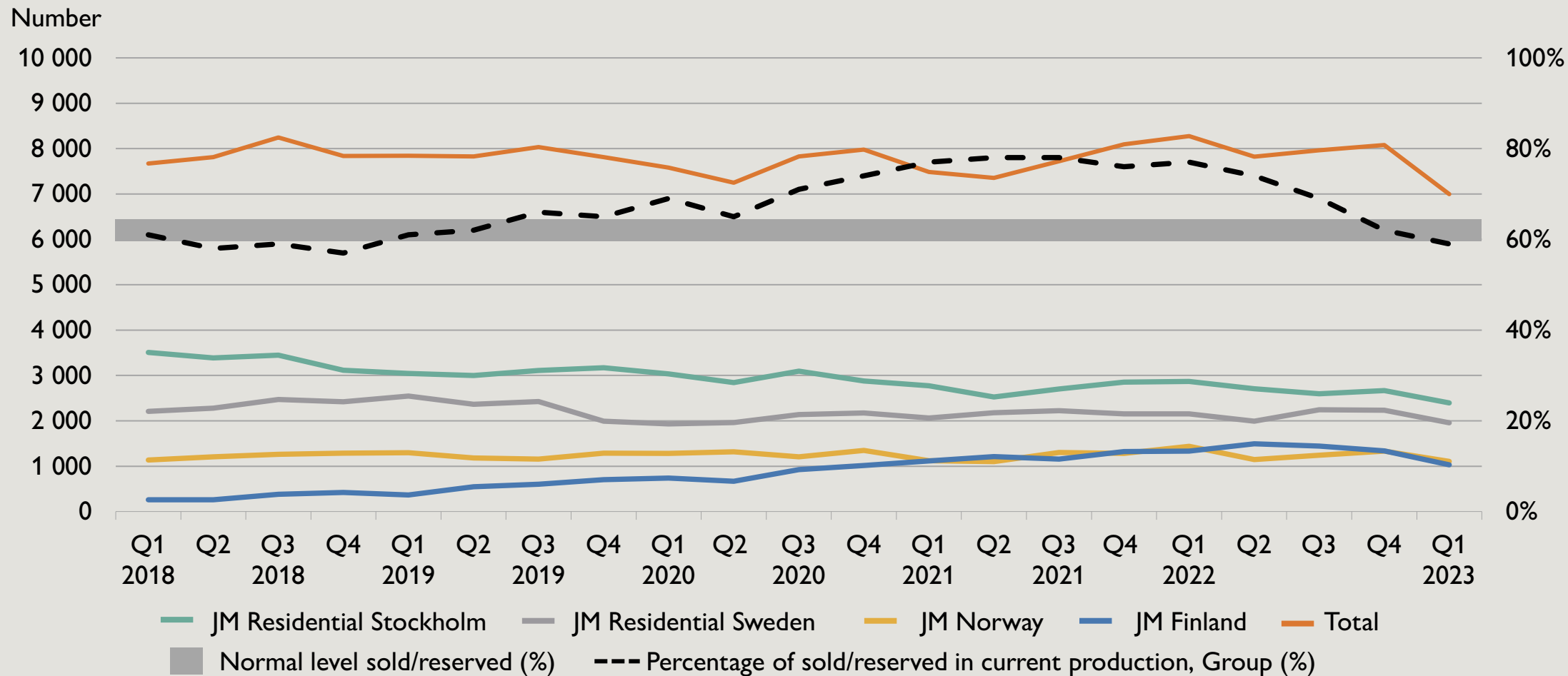
34

Completed in 2025



Number of residential units in production 6,996¹⁾

PERCENTAGE SOLD/RESERVED IMPLICATES NORMAL RISK IN PRODUCTION IN Q1 2023

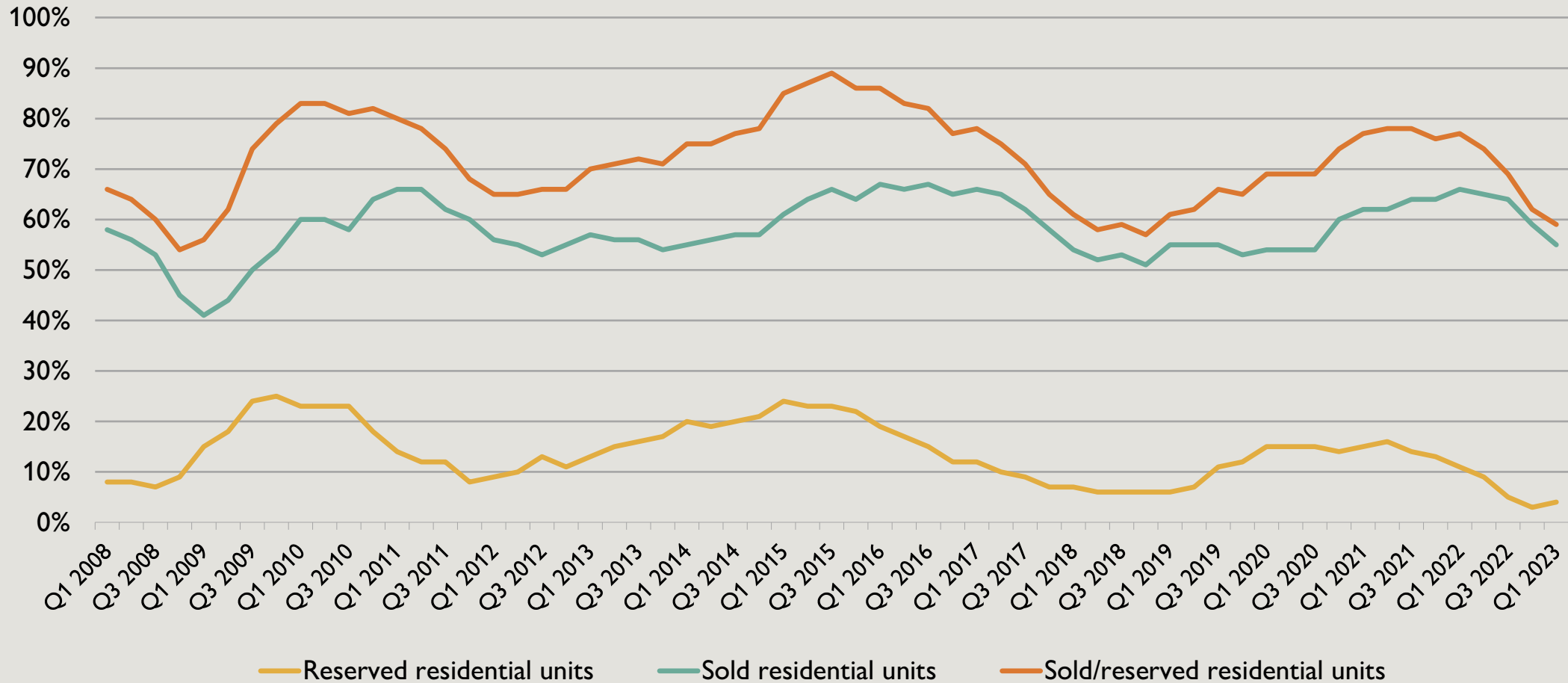


¹⁾ Including 507 rental and residential care units within JM Property Development – where rental units intended for sale are included in percentage sold/reserved



Risk assessment index – Group

PERCENTAGE OF SOLD AND RESERVED RESIDENTIAL UNITS IN PRODUCTION



Residential units in production

JM GROUP

	31 mars 2023	31 mars 2022	31 dec 2022
Number of residential units ^{1) 2)}	6,996	8,276	8,078
Number of residential units sold	3,691	5,271	4,508
Number of residential units reserved	237	862	250
Sold residential units, %	55	66	59
Reserved residential units, %	4	11	3
Sold/reserved residential units, %	59	77	62
Completed production, no. of unsold units ³⁾	161	86	91
Number of unsold units in the balance sheet	68	59	63
¹⁾ Of which rental units and residential care units in JM Property Development	507	484	507
²⁾ 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	289	484	507
³⁾ After final occupancy according to plan			



JM Residential Stockholm

SEK m	January – March		Full year
	2023	2022	2022
Revenue	1,095	1,285	4,966
Operating profit	116	190	720
Operating margin, %	10.6	14.8	14.5
Number of available building rights	12,900	12,600	12,400
Number of residential units in current production	2,396	2,870	2,665
Number of housing starts	-	73	721



Ängsviolen, Järvastaden



- Lower level of revenue and operating margin.
- Lower level of sold residential units and no housing start.
- 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 that the business unit builds a project with its own funds.
- Approx. 450 building rights were acquired in Huvudsta, Solna in the first quarter.

JM Residential Sweden

SEK m	January – March		Full year
	2023	2022	2022
Revenue	1,129	1,127	4,500
Operating profit	126	174	682
Operating margin, %	11,2	15,5	15,2
Number of available building rights	12,100	10,000	11,500
Number of residential units in current production	1,958	2,153	2,234
Number of housing starts	139	357	1,022



Yllefanriken, Örebro



- Lower operating profit and operating margin.
- Lower level of housing starts and sold residential units.
- The supply of newly produced residential units continued to be at a low level.
- The willingness to sign a contract early in the process was very low.
- Cash flow was burdened by increased working capital and an increased number of purchased residential units.
- Approx. 200 building rights were acquired in Härryda and Norrköping in the first quarter.

JM Norway

SEK m	January – March 2023	2022	Full year 2022
Revenue	632	856	3 392
Operating profit	42	73	238
Operating margin, %	6.7	8.6	7.0
Number of available building rights	6,900	7,400	7,100
Number of residential units in current production	1,105	1,436	1,335
Number of housing starts	41	250	605



Stavset Altura, Trondheim



- Increased revenue but lower operating profit and margin.
- Prices on the existing home market increased during the first quarter but is slightly lower compared to corresponding period previous year.
- Material prices, with the exception of cement and concrete, have stabilized on high levels during the quarter.
- Cash flow was burdened by increased working capital.
- Production was started on 41 residential units in Oslo during the first quarter.

JM Finland

SEK m	January – March		Full year
	2023	2022	2022
Revenue	439	375	1,729
Operating profit ¹⁾	38	33	158
Operating margin, %	8.6	8.7	9.2
Number of available building rights	6,900	5,000	6,800
Number of residential units in current production	1,030	1,333	1,337
Number of housing starts	34	128	599

- The business unit continues to grow and shows increased profit and margin level.
- Activity on the housing market is continually on a low level.
- The price level on the existing home market decreased during the first quarter.
- Cash flow is temporary burdened by an increase in working capital.
- Approx. 190 building rights were acquired in Espoo in the first quarter.



Alexander, Espoo



JM Property Development

SEK m	January – March		Full year
	2023	2022	2022
Revenue	566	73	1,224
Operating profit ¹⁾	104	4	306
Operating margin, %	18.3	5.6	25.0
Number of available building rights	1,700	1,300	1,700
Number of residential units in current production	507	484	507
Number of housing starts	-	-	166
¹⁾ Of which income from joint venture	-4	7	-11

- Sale of the rental property Kvarter 8 in Söderdalen, Järfälla. The transaction amounts to SEK 676 million. Revenue and profit from the transaction will be recognized gradually over the course of the project.
- Increased revenue due to the two commercial projects in current production, and sale of Kvarter 8.
- Cash flow was strengthened by project financing and the down payment received for sold properties under construction.



Pilhamn, Värmdö

JM Construction

SEK m	January – March		Full year
	2023	2022	2022
Revenue	197	262	1 077
Operating profit ¹⁾	2	4	12
Operating margin, %	1,0	1,4	1,1
¹⁾ Of which intra-Group	96	124	505

- Slightly lower demand on the civil engineering market in Stockholm with high competition for assignments.
- The operating margin continued to be burdened by increased material costs in contracts previously entered that could not be fully passed on to orderers.
- The period's cash flow is in balance.



Available building rights portfolio

Region	No. of building rights ¹⁾	
	3/31/2023	3/31/2022
Stockholm	14,600 ²⁾	13,900 ²⁾
Malmö/Lund	3,700	2,400
Gothenburg ³⁾	3,600	3,400
Uppsala ⁴⁾	4,800	4,200
Norway	6,900	7,400
Finland	6,900	5,000
Total	40,500	36,300

¹⁾ Rounded to the nearest hundred

²⁾ Of which 1,700 and 1,300 building rights for rental units and residential care units

³⁾ West region

⁴⁾ East region



Slightly decreased level of development properties

BUILDING RIGHTS IN BALANCE SHEET

SEK m	2020	2021	2022	Jan-March 2023
Opening balance	8,938	7,831	8,205	8,465
New purchases	1,022	1,754	1,700	86
Transferred to production	-1,888	-1,388	-1,538	-229
Other	-241	8	97	-82
Closing balance	7,831	8,205	8,465	8,239



Approx. 9 years production in Balance Sheet

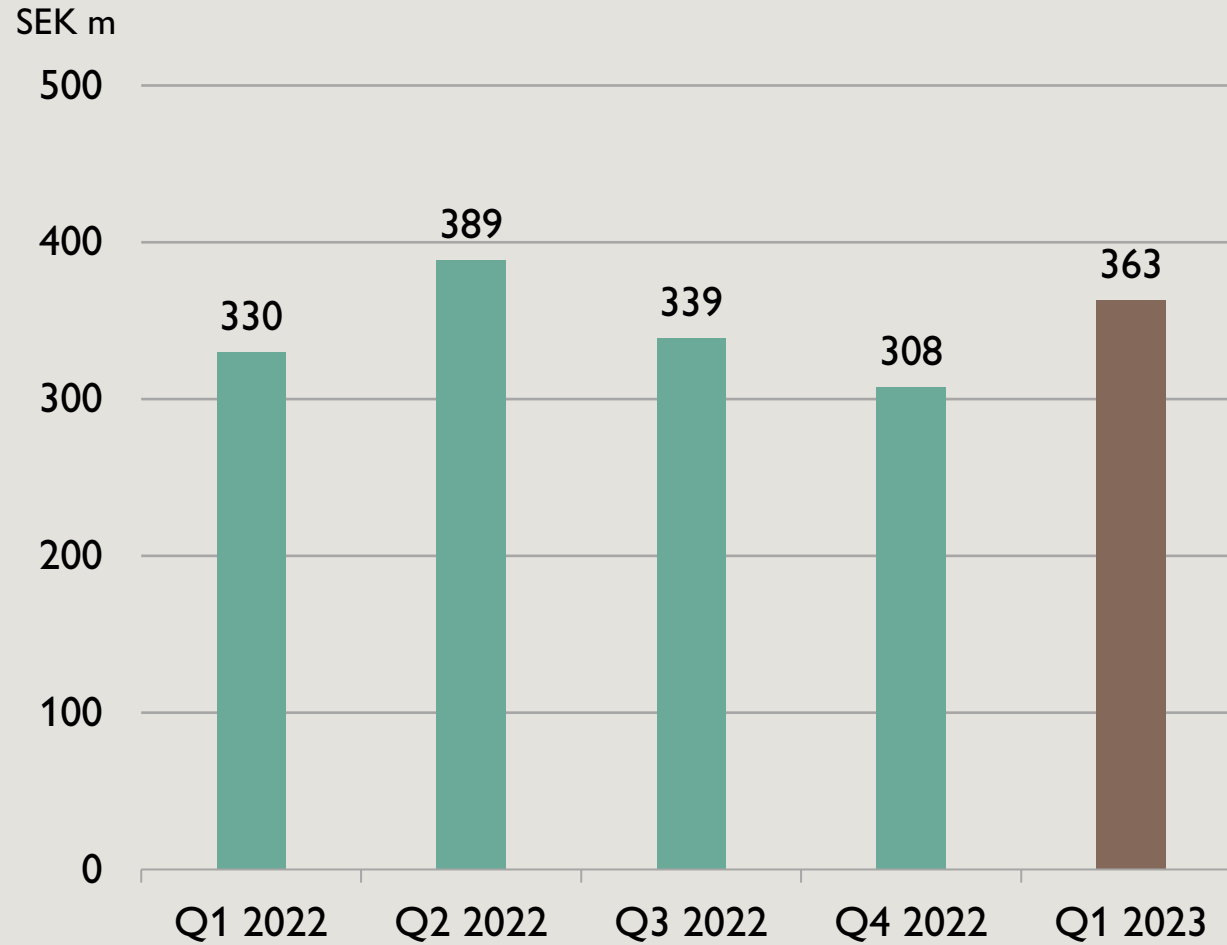
No. of residential building rights 3/31/2023	In Balance Sheet	Housing starts ¹⁾	Average period, years ²⁾
JM Residential Stockholm	6,400	648	9.9
JM Residential Sweden	8,500	804	10.6
JM Norge	3,200	396	8.1
JM Finland	3,500	505	6.9
JM Property Development (project properties)	800	166	4.8
Group	22,400	2,519	8.9

¹⁾ 12-month period

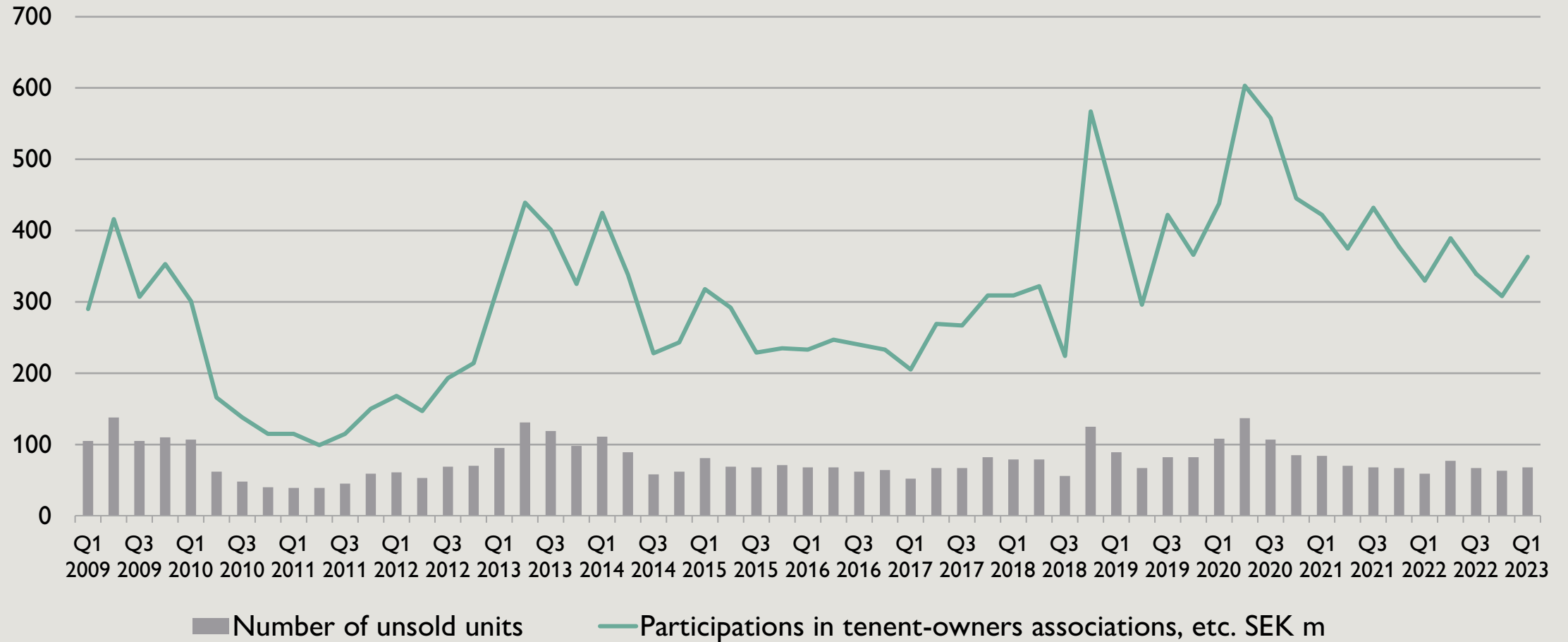
²⁾ Guideline value 5 years



68 unsold residential units in Balance Sheet, SEK 363m



Unsold residential units in Balance Sheet



Cash flow

Cash flow statement, SEK m	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
From operating activities ^{1) 2) 3)}	273	-525	-363	354	792
From investing activities	-6	6	-	-28	1
From financing activities	-146	-1,111	-219	-394	-39
Total cash flow for the quarter	122	-1,630	-582	-68	753
Cash and cash equivalents end of period	4,115	2,481	1,902	1,840	2,577
1) Of which net investment project properties	-83	-312	-143	-178	-149
2) Of which net investment development properties	66	-381	-238	219	162
3) Of which taxes paid	-151	-149	-116	-116	-153

According to segment reporting



Strong financial position and liquidity



- Equity/Assets ratio ¹⁾ 54 percent (51).
- Available liquidity SEK 5,377m (6,915) of which cash and cash equivalents SEK 2,577m (4,115).
- Unutilized overdraft facilities and credit lines SEK 2,800m (2,800).
- Credit lines of SEK 2,400m have an average maturity of 3.2 years (2.7).
- During the first quarter no own shares have been bought back.

¹⁾ According to segment reporting

²⁾ Non interest-bearing liabilities for completed property acquisitions amounted to SEK 511m (440)



Components of profit/loss – housing business

PERCENTAGE OF COMPLETION METHOD (GROSS) Q1 2023 (Q4 2022)

Cost-based effect
SEK 292m (325)

Always positive

Recognized expenses ×
contribution margin
(for the current period)

+

Revaluation effect
SEK 231m (434)

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 5m (-62)

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 528m (697)

Revaluation effects – housing business

SEK m	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Group	231	434	352	410	384
Business segment	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
JM Residential Stockholm	53	134	120	126	113
JM Residential Sweden	118	188	173	203	169
JM Norway	39	73	45	55	74
JM Finland	21	38	14	27	28

The net of positive and negative revaluation effects in residential projects during Q1 2023 totaled SEK 231m, with current assessment of market conditions for the actual forecast period.



JM selling rental property

KVARTER 8, JÄRFÄLLA

- JM has signed an agreement for the sale of the rental property Kvarter 8 in Söderdalen, Järfälla.
- The transaction amounts to SEK 676 million. Downpayment will be paid in the first and second quarter 2023. The remaining part of the payment will be paid upon occupancy.
- The property is under construction with planned occupancy in the third quarter 2024, which is when construction is expected to be completed.
- The revenue and profit from the transaction will be recognized gradually over the course of the project within the JM Property Development business segment.



Go-ahead for 660 new residences at Marieviks Udde

- At the beginning of April, the local planning for Marieviks Udde came into legal force.
- JM is planning to build a total of four residential blocks with approximately 660 residential units.
- Demolition work of the obsolete office buildings is to begin and house production is planned to start during the first quarter 2025,
- First occupancy is planned for the first quarter 2027.



Sustainable development– solid start to the year

- Performed climate calculations is an important part of JM's work to have climate-affecting emissions close to zero in 20230.
- A land allocation agreement signed with the City of Gothenburg for the development of student housing with a great focus in using recycled material.
- The outcome for construction waste is very positive for the first quarter 2023
 - Sweden: 29 kg/GFA (35)
 - Norway: 24 kg/GFA (33)



JM today

- Customer focused – strong brand
- 40,500 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
- Adapt operations to current market conditions



History is made
in our homes

