

Interim Report January–June 2023

INVESTOR PRESENTATION
JULY 12, 2023



JM Group¹⁾

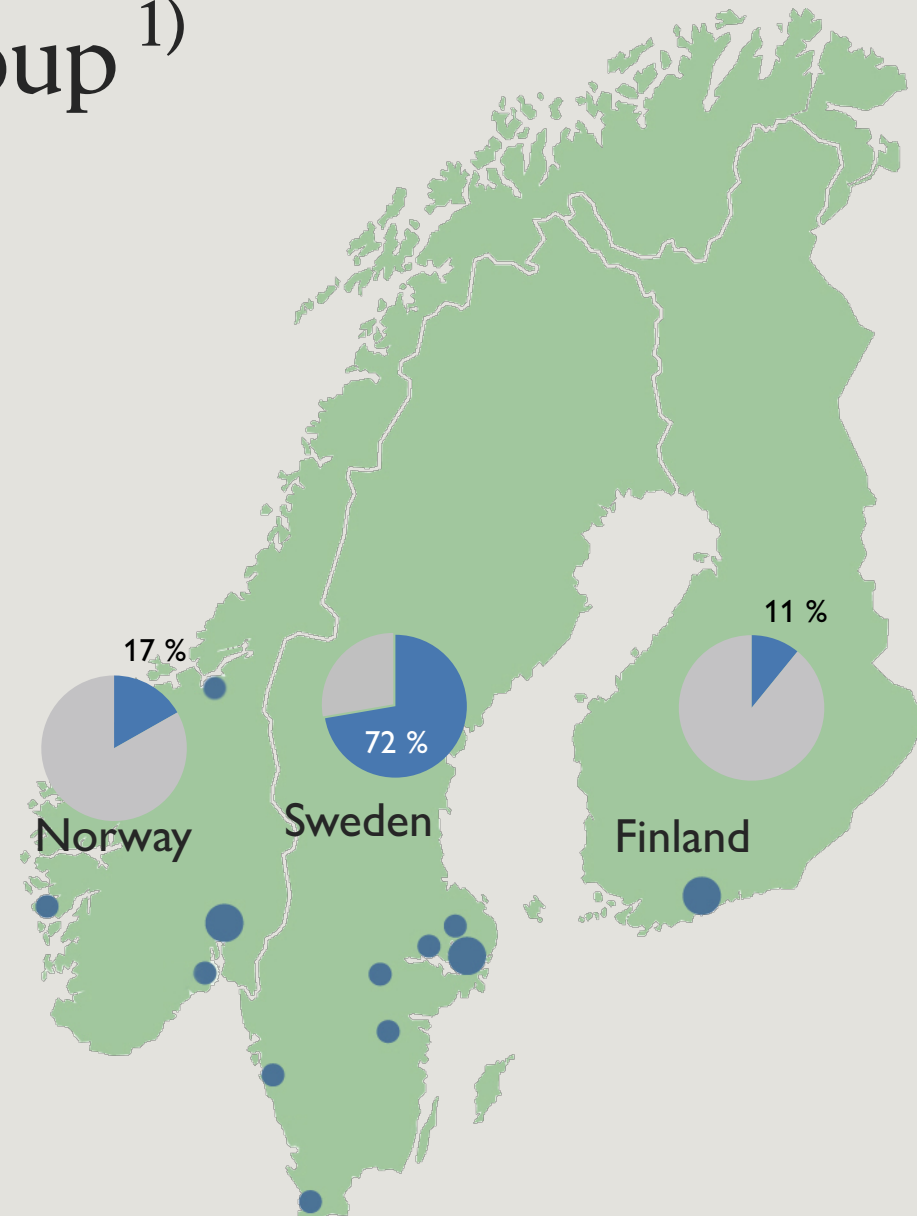
Revenue: SEK 16.3 billion

Total assets: SEK 16.4 billion

No. of building rights: 40,400

No. of employees: 2,401

Market Cap: SEK 9.6 billion²⁾



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

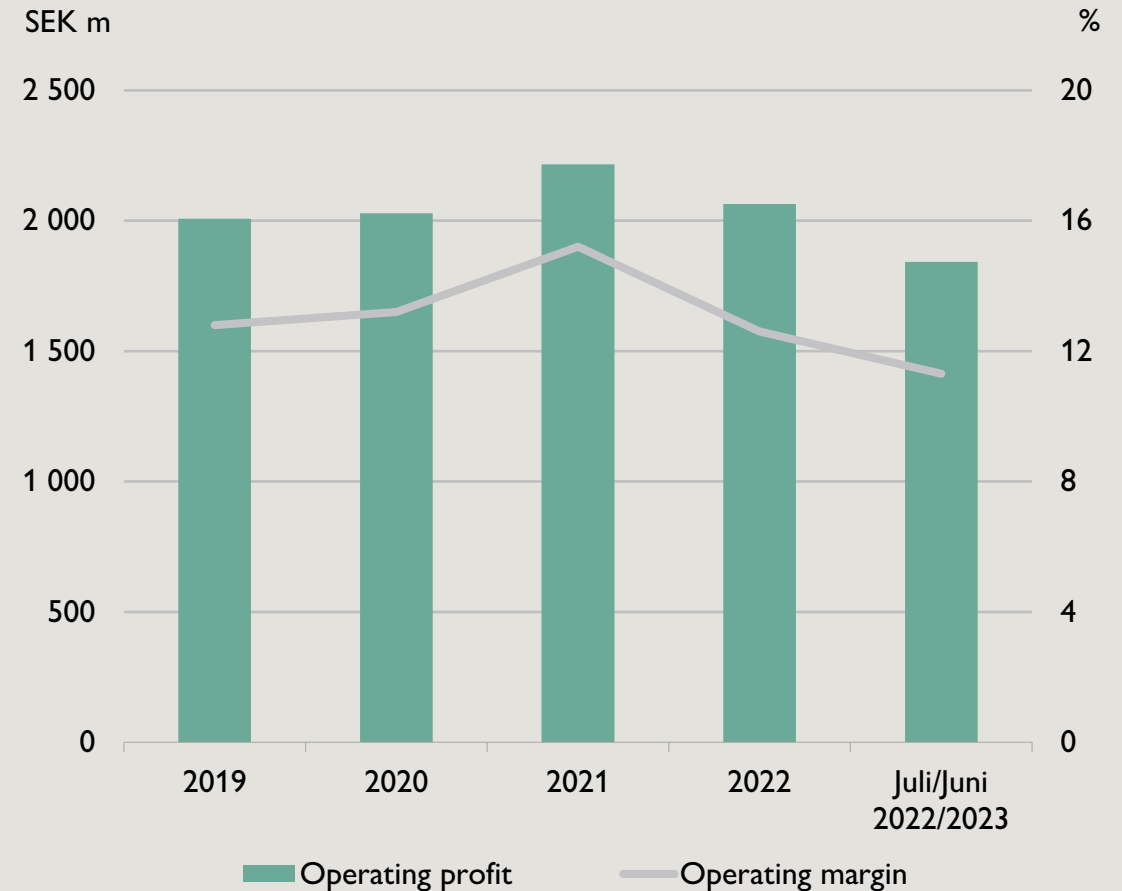
²⁾ SEK 149 per share, July 11, 2023

Group Summary ¹⁾

JANUARY–JUNE 2023

- Revenue amounted to SEK 7,598m (7,644).
- Operating profit decreased to SEK 676m (898).
- Operating margin decreased to 8.9 percent (11.8).
- Profit before tax decreased to SEK 626m (868).
- Earnings per share amounted to SEK 7.50 (10.10).
- Return on equity amounted to 16.4 percent (20.9).
- Cash flow from operations amounted to SEK -351m (-251).
- According to IFRS, revenues amounted to SEK 8,071m (6,411) and earnings per share to SEK 10.80 (6.80).

¹⁾ According to segment reporting.





Igelsta Strandentré, Södertälje

Group Summary

JANUARY–JUNE 2023

- Number of residential units sold decreased to **842 (1,727)**.
- Number of housing starts decreased to **668 (1,572)**.
- Number of residential units in ongoing production amounted to **6,657 (7,823)**.
- Residential building rights portfolio increased to **40,400 (38,400)**.

Continued challenging housing market

- Continued decline in demand and activity level during the second quarter in all our markets, resulting in decline in sales.
- Revenue, operation profit and margin decreased in 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 where the percentage of sold/reserved units amounted to 58 % (74), normal level within the interval of 60–65 %.
- The period was burdened by SEK 67m attributable to implemented savings measures.



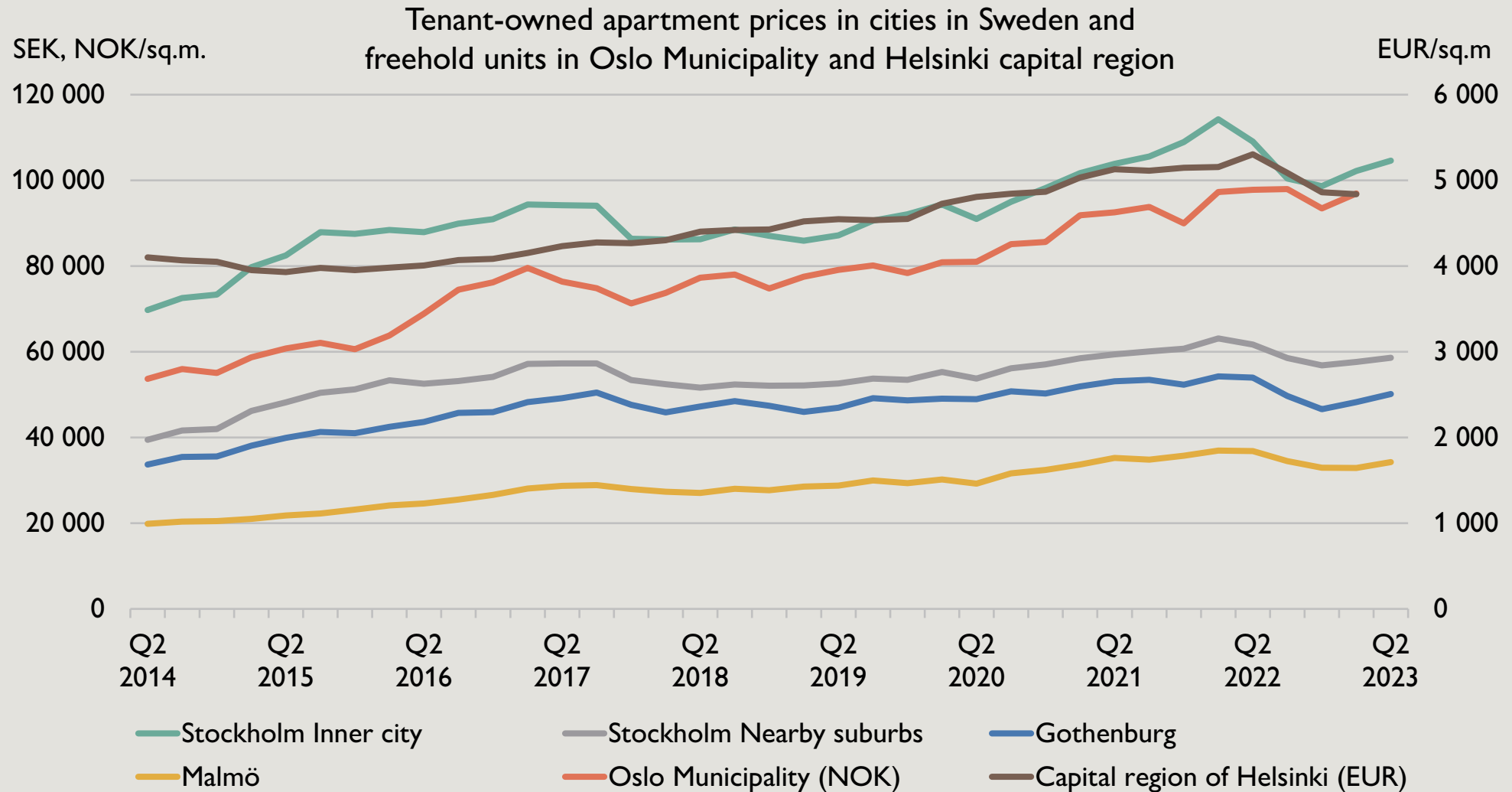
Myrvoll Statsjon, Nordre Follo, Norway

Operating profit and operating margin



According to segment reporting	January – June			
	2023		2022	
	SEK m	%	SEK m	%
JM Residential Stockholm	206	9.1	372	15.0
JM Residential Sweden	178	8.4	359	15.4
JM Norway	86	6.7	134	8.3
JM Finland	67	8.1	74	9.0
JM Property Development	164	18.7	-18	-
JM Construction	5	1.1	8	1.4
Group-wide expenses	-28		-29	
Total	676	8.9	898	11.8
<i>Of which sale of joint venture</i>	-5		1	

Prices on the existing home market



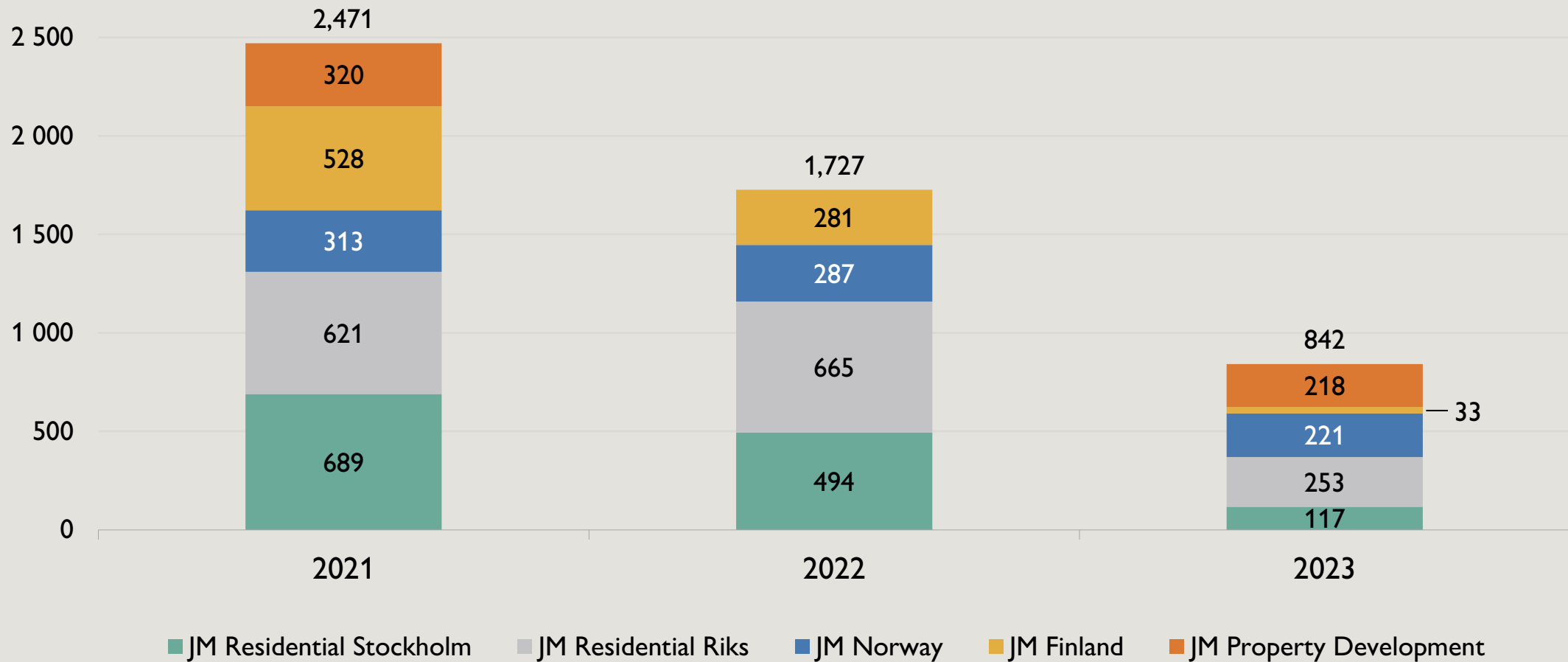
Source: Mäklarstatistik and WSP



Lower level of sold residential units

JANUARY – JUNE

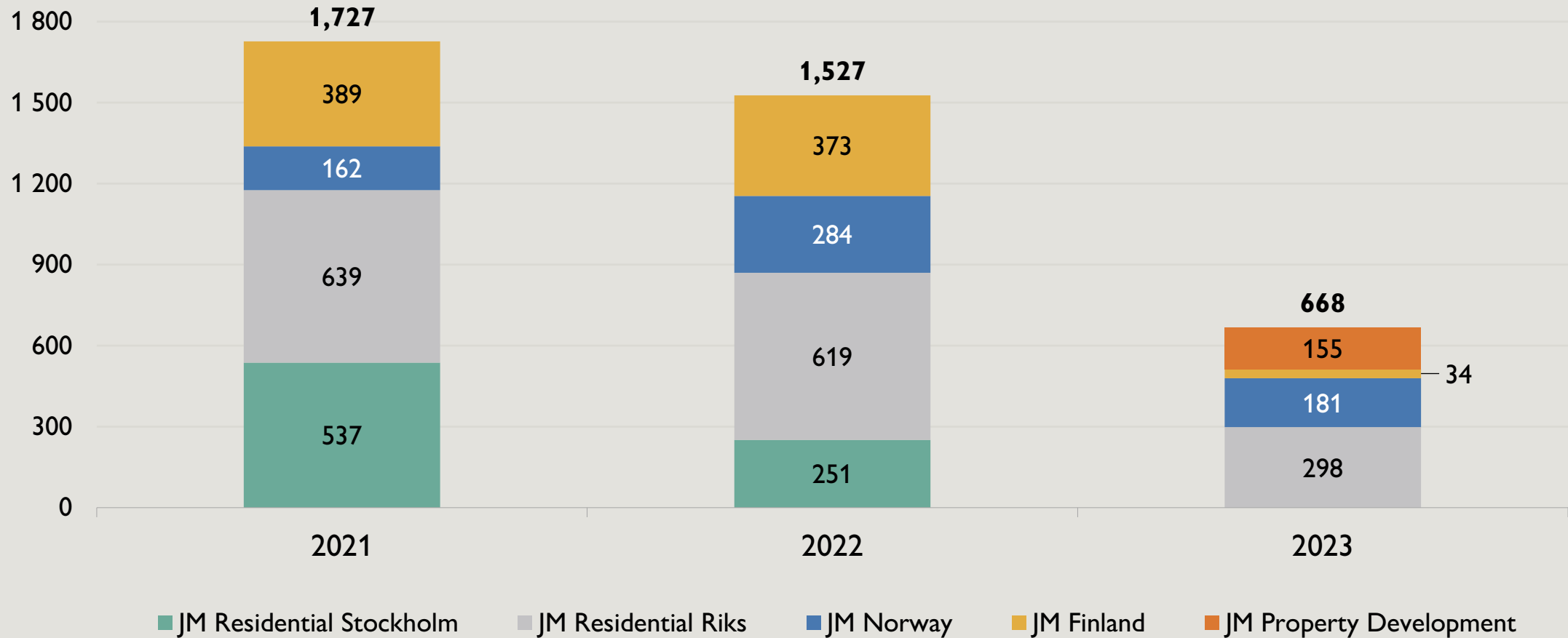
Number of units



Lower lever of housing starts

JANUARY – JUNE

Number
of units



Fabrikören

GAMLESTADEN, GOTHENBURG



Number of housing starts Q2 2023 119

Completed in 2025



Bergerløkka

ASKER, NORWAY



Number of housing starts Q2 2023 134

Completed in 2025



Flora

RENTAL UNITS, JÄRFÄLLA



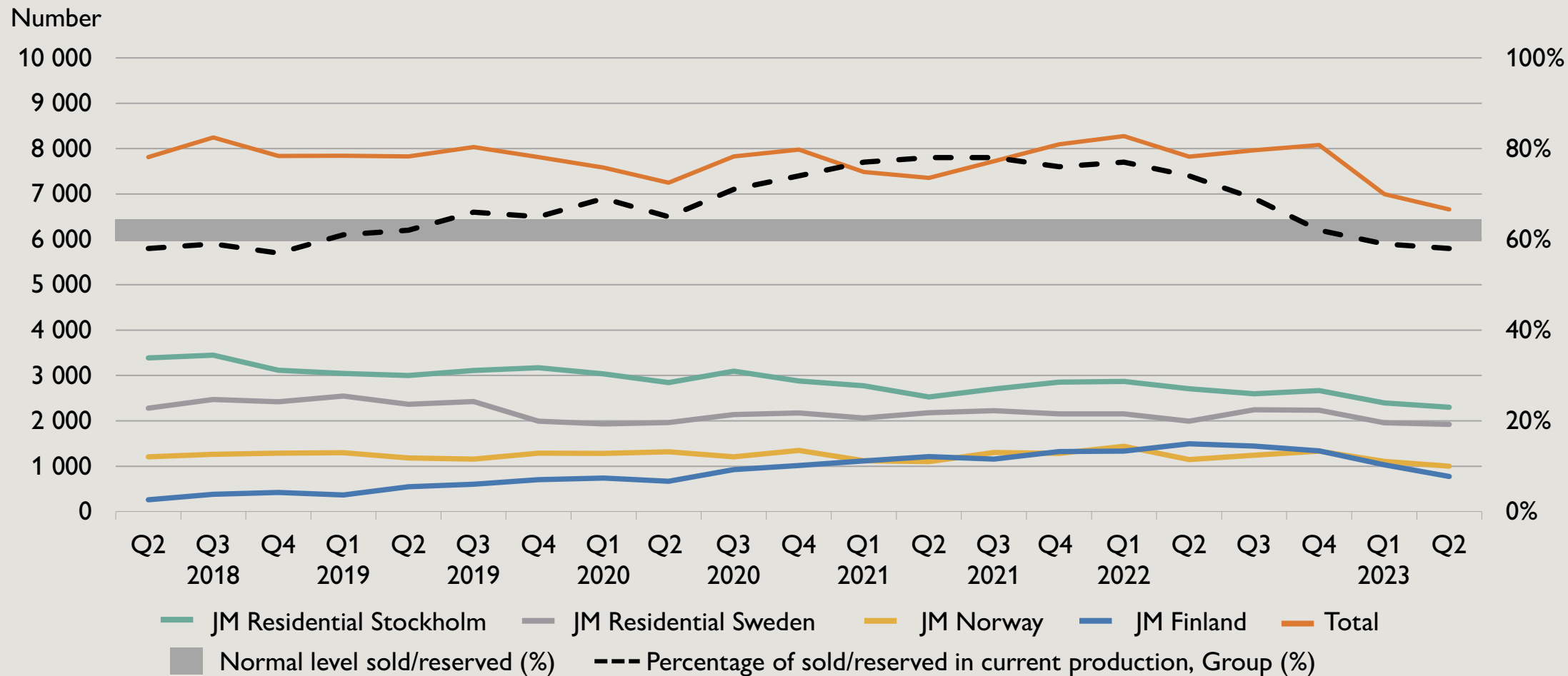
Number of housing starts Q2 2023 155

Completed in 2025



Number of residential units in production 6,657¹⁾

PERCENTAGE SOLD/RESERVED IMPLICATES NORMAL RISK IN PRODUCTION IN Q2 2023

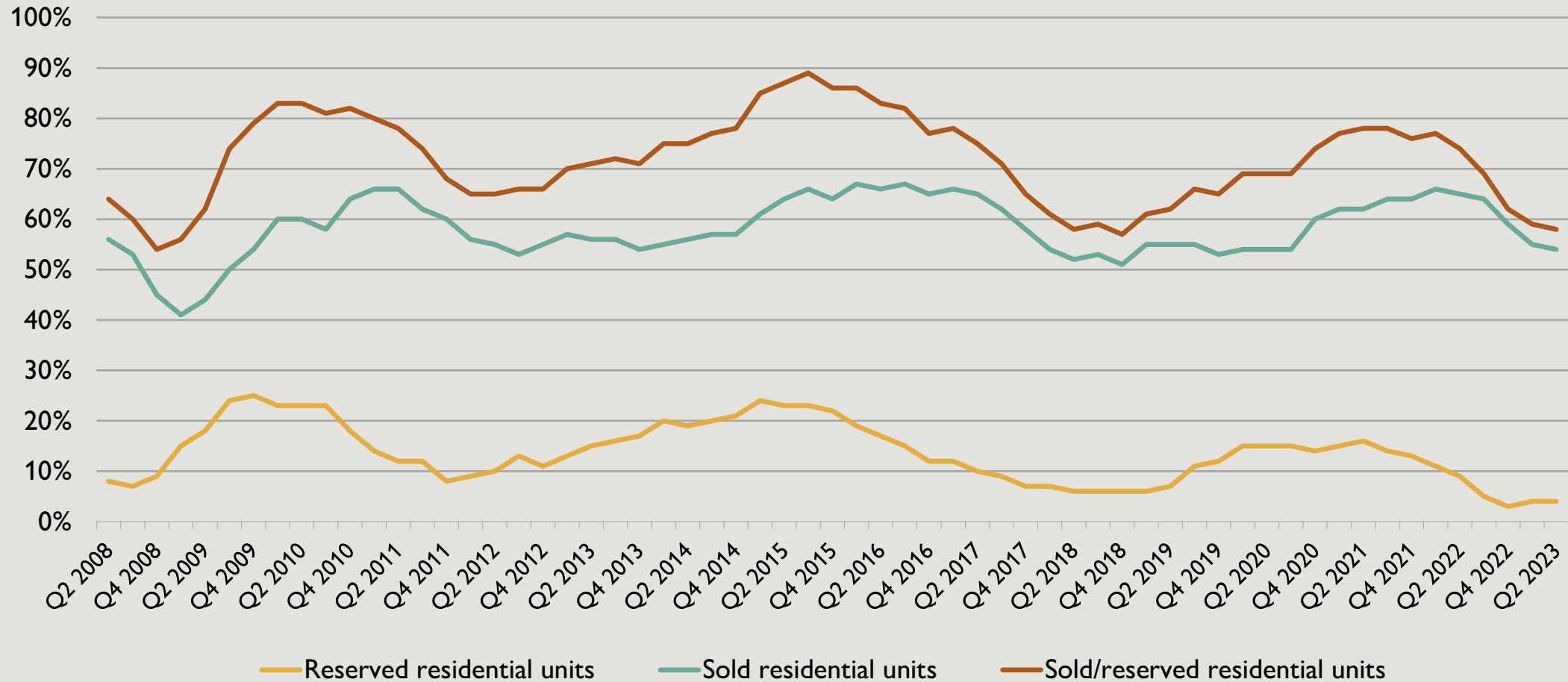


¹⁾ Including 662 rental and residential care units within JM Property Development – where rental units intended for sale are included in percentage sold/reserved



Risk assessment index – Group

PERCENTAGE OF SOLD AND RESERVED RESIDENTIAL UNITS IN PRODUCTION



Residential units in production

JM GROUP

	June 30 2023	June 30 2022	Dec 31 2022
Number of residential units ^{1) 2)}	6,657	7,823	8,078
Number of residential units sold	3,366	4,900	4,508
Number of residential units reserved	221	643	250
Sold residential units, %	54	65	59
Reserved residential units, %	4	9	3
Sold/reserved residential units, %	58	74	62
Completed production, no. of unsold units ³⁾	266	87	91
Number of unsold units in the balance sheet	106	77	63
¹⁾ Of which rental units and residential care units in JM Property Development	662	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	444	341	437
³⁾ After final occupancy according to plan			



JM Residential Stockholm

SEK m	January – June		Full year
	2023	2022	2022
Revenue	2,271	2,481	4,966
Operating profit	206	372	720
Operating margin, %	9.1	15.0	14.5
Number of available building rights	12,900	12,900	12,400
Number of residential units in current production	2,299	2,709	2,665
Number of housing starts	-	251	721



Ängsviolen, Järvastaden, Solna



- Lower level of revenue and lower 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 large investments in development properties of SEK 585m and that the business unit building a project with its own funds.

JM Residential Sweden

SEK m	January – June		Full year
	2023	2022	2022
Revenue	2,112	2,332	4,500
Operating profit	178	359	682
Operating margin, %	8.4	15.4	15.2
Number of available building rights	12,100	10,100	11,500
Number of residential units in current production	1,922	1,991	2,234
Number of housing starts	298	619	1,022



Mölnlycke ägarlägenheter, 80 bostäder, Mölnlycke



- Lower level of revenue and lower operating margin.
- Lower level of sold residential units and housing starts.
- The business segment is heavily burdened by costs related to implemented savings measures for staff departures.
- The supply of newly produced residential units continued to be at a low level with exception of Gothenburg.
- Customers' willingness to sign a contract early in the process was very low.
- Cash flow is burdened by increased working capital and an increased number of purchased residential units.

JM Norway

SEK m	January – June		Full year
	2023	2022	2022
Revenue	1,277	1,602	3,392
Operating profit	86	134	238
Operating margin, %	6.7	8.3	7.0
Number of available building rights	6,700	7,400	7,100
Number of residential units in current production	1,001	1,147	1,335
Number of housing starts	181	284	605



Rydningen 6 single-houses, Sandefjord



- Lower level of revenue and lower operating margin.
- Prices on the existing home market increased during the quarter and in line with corresponding period previous year.
- Material prices have stabilized but financing costs within projects increased.
- Higher level of sold residential units during the second quarter compared to the corresponding period last year.
- Production was started on 140 residential units, of which 134 in Asker municipality, during the second quarter.

JM Finland

SEK m	January – June		Full year
	2023	2022	2022
Revenue	828	824	1,729
Operating profit ¹⁾	67	74	158
Operating margin, %	8.1	9.0	9.2
Number of available building rights	7,100	6,100	6,800
Number of residential units in current production	773	1,492	1,337
Number of housing starts	34	373	599

- Lower operating profit and operating margin.
- Activity on the housing market has remained low.
- The price level on the existing home market decreased during the quarter.
- No housing starts during the second quarter.
- Approx. 129 building rights were acquired in Tesomajärvi, Tampere, in the second quarter.



Alexander, Espoo



JM Property Development

SEK m	January – June		Full year
	2023	2022	2022
Revenue	876	112	1,224
Operating profit ¹⁾	164	-18	306
Operating margin, %	18.7	-	25.0
Number of available building rights	1,600	1,900	1,700
Number of residential units in current production	662	484	507
Number of housing starts	155	-	166
¹⁾ Of which income from joint venture	-5	1	-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 was started on the rental project Flora in Söderdalen, Järfälla, with 155 rental units in JM's own balance sheet.
- Cash flow was strengthened by project financing and the down payment received for sold properties under construction.

JM Construction

SEK m	January – June		Full year
	2023	2022	2022
Revenue	441	551	1,077
Operating profit ¹⁾	5	8	12
Operating margin, %	1.1	1.4	1.1
¹⁾ Of which intra-Group	206	260	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 orders.
- Cash flow was positively impacted by a decrease in working capital during the first six months.

Available building rights portfolio

Region	No. of building rights ¹⁾	
	6/30/2023	6/30/2022
Stockholm	14,500 ²⁾	14,800 ²⁾
Malmö/Lund	3,700	2,700
Gothenburg ³⁾	3,700	3,300
Uppsala ⁴⁾	4,700	4,100
Norway	6,700	7,400
Finland	7,100	6,100
Total	40,400	38,400

¹⁾ Rounded to the nearest hundred

²⁾ Of which 1,600 and 1,900 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-June 2023
Opening balance	8,938	7,831	8,205	8,465
New purchases	1,022	1,754	1,700	710
Transferred to production	-1,888	-1,388	-1,538	-400
Other	-241	8	97	-29
Closing balance	7,831	8,205	8,465	8,746



Approx. 10 years production in Balance Sheet

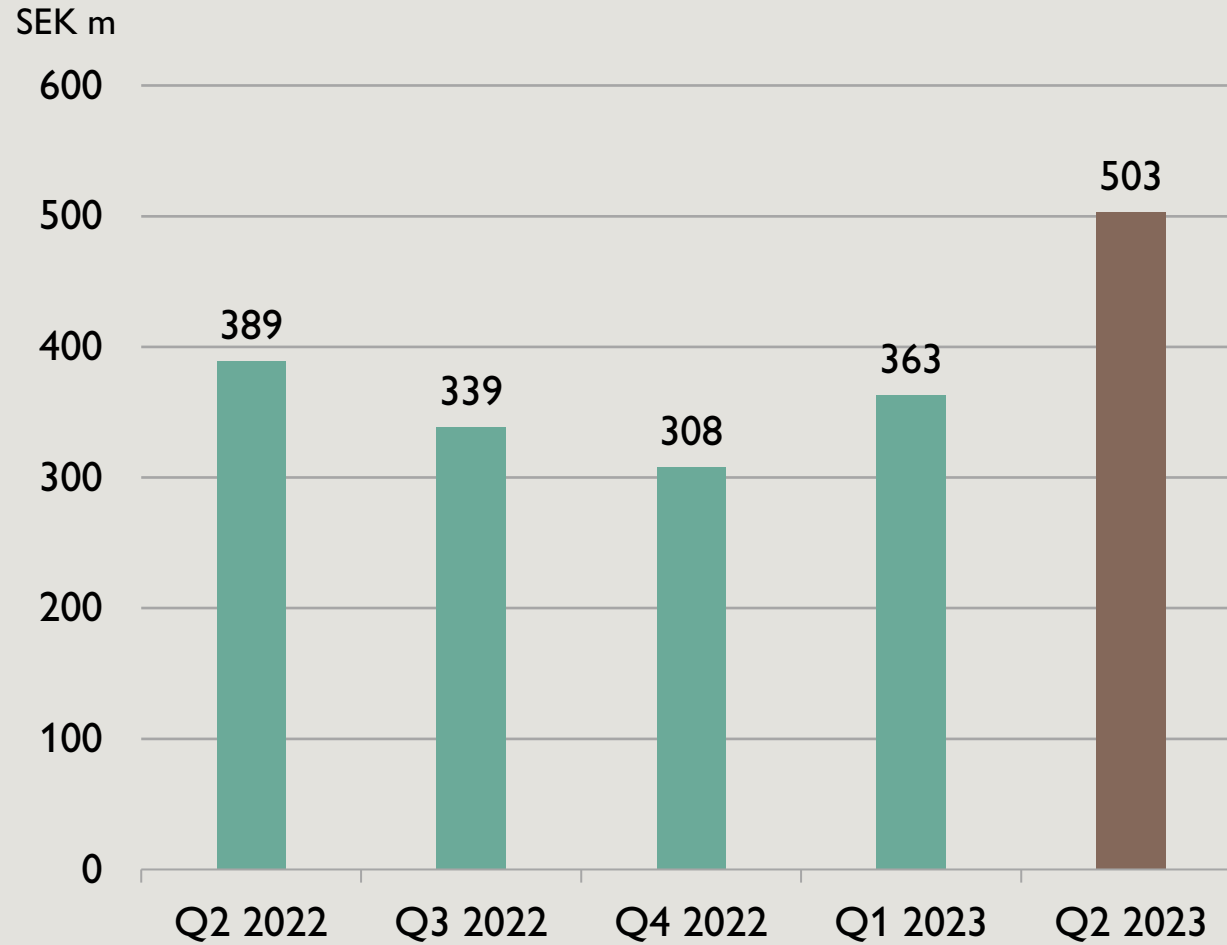
No. of residential building rights 6/30/2023	In Balance Sheet	Housing starts ¹⁾	Average period, years ²⁾
JM Residential Stockholm	7,400	470	15.7
JM Residential Sweden	8,300	701	11.8
JM Norge	3,100	502	6.2
JM Finland	3,700	260	14.2
JM Property Development (project properties)	600	321	1.9
Group	23,100	2,254	10.2

¹⁾ 12-month period

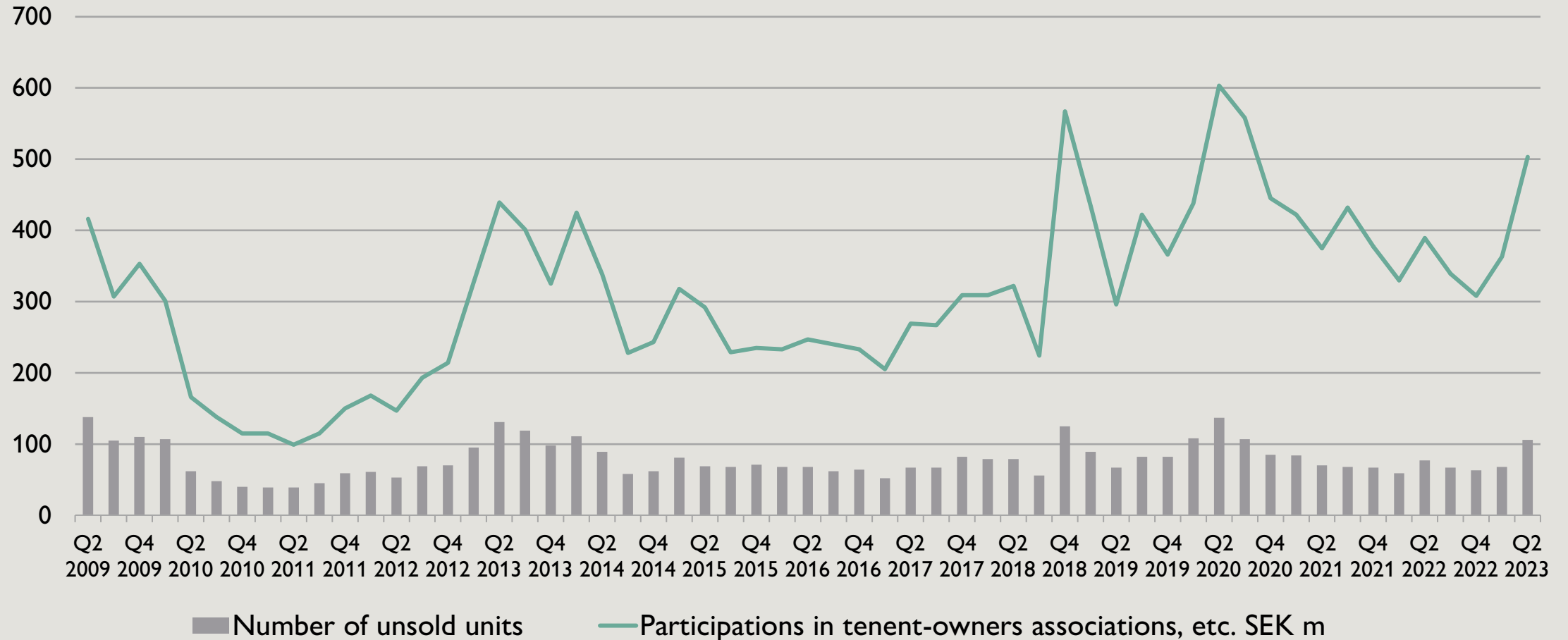
²⁾ Guideline value 5 years



106 unsold residential units in Balance Sheet, for an amount of SEK 503 m



Unsold residential units in Balance Sheet



Cash flow

Cash flow statement, SEK m	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
From operating activities ^{1) 2) 3)}	-525	-363	354	792	-1,143
From investing activities	6	-	-28	1	-1
From financing activities	-1,111	-219	-394	-39	-737
Total cash flow for the quarter	-1,630	-582	-68	753	-1,881
Cash and cash equivalents end of period	2,481	1,902	1,840	2,577	699
1) Of which net investment project properties	-312	-143	-178	-149	-158
2) Of which net investment development properties	-381	-238	219	162	-470
3) Of which taxes paid	-149	-116	-116	-153	-96

According to segment reporting



Strong financial position



- Equity/Assets ratio ¹⁾ 53 percent (48).
- Available liquidity SEK 3,499 m (5,281) of which cash and cash equivalents SEK 699 m (2,481).
- Unutilized overdraft facilities and credit lines SEK 2,800m (2,800).
- Credit lines of SEK 2,400m have an average maturity of 3 years (2.8).

¹⁾ According to segment reporting

²⁾ Non interest-bearing liabilities for completed property acquisitions amounted to SEK 492 m (437)

Components of profit/loss – housing business

PERCENTAGE OF COMPLETION METHOD (GROSS) Q2 2023 (Q1 2023)

Cost-based effect
SEK 313m (292)

Always positive

Recognized expenses ×
contribution margin
(for the current period)

+

Revaluation effect
SEK 168m (231)

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 -24m (5)

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 457m (528)

Revaluation effects – housing business

SEK m	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Group	168	231	434	352	410
Business segment	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
JM Residential Stockholm	27	53	134	120	126
JM Residential Sweden	70	118	188	173	203
JM Norway	49	39	73	45	55
JM Finland	22	21	38	14	27

The net of positive and negative revaluation effects in residential projects during Q2 2023 totaled SEK 168m, with current assessment of market conditions for the actual forecast period.



Sustainability

PROGRESS WITHIN CLIMATE WORK

- Housing start of apartment building with wood frame.
- No serious accidents during the quarter.
- JM is one of 300 Climate leaders in Europe according to Financial Times.



JM today

- Customer focused – strong brand
- 40,400 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

History is made
in our homes

