Heimstaden
BOSTAD

Press Release

28 February 2025

Heimstaden Bostad: 2024 Annual, Governance, and Sustainability Report

2024 Highlights:

- Residential fundamentals remain strong, reflected in annualised like-for-like rental growth above 5%, annualised real economic occupancy increasing to 98.5%, and an LTM NOI margin above 70%
- Property values increased 2.7% on a year-over-year basis due to NOI growth stemming from strong operating performance alongside value-accretive CAPEX projects
- Privatisation sales for 2024 reached an estimated SEK 7,589 million with 1,673 units sold at a 26.1% premium to book value across five markets
- Return to the capital markets with issuance of approximately SEK 14,360 million stemming from five transactions for the purposes of liability management
- Continued access to asset-backed financing with approximately SEK 27,500 million raised including EUR 725m sustainability-linked credit facility backed by a Dutch portfolio
- Fitch revised their Outlook to Stable from Negative in January 2025 following their downgrade to 'BBB-' from 'BBB' in Q1 2024
- Stabilisation in key credit metrics including S&P-defined LTV and ICR
- Morningstar Sustainalytics has confirmed our “Negligible” ESG Risk Rating for 2024 and in their latest CDP report affirmed a score of 'B' for the financial year 2023.

Q4 2024 Standalone Highlights (figures in brackets refer to same quarter 2023):

- Like-for-like rental growth of 5.3% (5.6%) and rental income of SEK 4,076 million (3,845)

- Quarterly NOI margin improved to 70.4% (66.0%) and the LTM NOI margin was 70.4% (67.4%)
- Continued improvements to operating fundamentals supported a 0.7% (-1.6%) increase in property values
- Privatisation sales, for the quarter, reached SEK 2,379 (876) million with 530 (206) residential units sold at a 24% (31%) premium to book value
- Real economic occupancy of 98.6% (98.4%)
- Net LTV of 53.8% (56.3%) and ICR of 2.0x (2.0x)
- S&P-defined LTV of 56.9% (58.6%) and S&P ICR of 1.6x (1.7x)
- Issued SEK 500 million floating rate notes, EUR 500 million senior unsecured fixed rate notes, and EUR 500 million perpetual hybrid securities

Co-CEO Helge Krogsbøl comments:

"Heimstaden Bostad's portfolio achieved impressive operating results with rental income growth maintaining strong momentum and our NOI margin ended the year at a record 70.4%. This underscores our ability to deliver continued income growth while maintaining equally sustained cost control."

Co-CEO Christian Fladeland comments:

"Following a successful reopening of the capital markets, all eyes are on operational resilience and Heimstaden Bostad's operations have proven best-in-class. Looking ahead, we expect the momentum in income growth to spur a continued recovery in residential property values throughout 2025."

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Heimstaden Bostad is a leading European residential real estate company with more than 162,000 homes across nine countries with a property value of SEK 334 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Dare, Care, and Share – our about 2,000 colleagues fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Read more at www.heimstadenbostad.com.