



Interim report January – March 2025

Presentation material 8 May 2025 | Antti Aarnio, President and CEO

CONTENT



- SATO in brief
- Operating environment
- Interim report January – March 2025

SATO IN BRIEF

With around **26,000** rental homes we are one of the leading housing providers in Finland.

We have nearly **44,000** residents in Helsinki Metropolitan Area, Tampere, and Turku.

We have approximately **300** housing specialists working in SATO.

We invest in rental apartments located near good public transport and various services.

Our economic occupancy rate in 1-3/2025 was **95.0%**.

Our net sales in 1-3/2025 was EUR **77.2** million.

The fair value of our investment properties is EUR **5** billion.

COMPANY STRATEGY

**Customer
experience**
– close
to customers

Sustainability
– responsible
housing
and homes
for generations

Personnel
– forerunners
now
and tomorrow

SATO'S VALUES



Human to human



Be bold, aim high



Joy of succeeding together



INTERIM REPORT JAN – MAR 2025

Tight competition continues – The rental market remains oversupplied

OPERATING ENVIRONMENT

- According to the Bank of Finland forecast, Finland is gradually moving out of recession. The start of economic recovery is, however, slow and affected by uncertainty over the global economic outlook.
- The tariff increases proposed by the United States may have a significant impact on Finland's economic growth.
- The unemployment rate is projected to peak this year but then take a downturn, provided that the impact of the tariffs will not push the Finnish economy back into recession.
- In March, consumer confidence picked up slightly but still remained weak. Expectations for personal finances as well as the Finnish economy had not improved and remained subdued. Intent to buy a home was at a level below normal.
- There is still a long way to go to the recovery of the housing market. The number of unsold new homes is high, and in the rental housing market the supply of homes exceeds demand, particularly in the Helsinki Metropolitan Area, Turku and Tampere.
- In the years and decades ahead, the market will be balanced by population growth and urbanisation, which will create conditions for the wider commencement of newbuild construction.
- Recovery will also be supported by pent-up housing demand, lower interest rates and slower inflation.
- Economic growth, urbanisation and growing immigration need to be supported by rental homes close to good public transport connections and services.

SUMMARY FOR Q1/2025 (Q1/2024)

- The economic occupancy rate was 95.0% (94.9).
- Net sales totalled EUR 77.2 million (74.7).
- Net rental income was EUR 46.8 million (43.7).
- Profit before taxes was EUR 18.3 million (19.6).
- The unrealised change in the fair value of investment properties included in the result was EUR 1.4 million (1.7).
- Housing investments amounted to EUR 3.9 million (12.8).
- Invested capital at the end of the review period was EUR 4,687.6 million (4,807.5).
- Return on invested capital was 3.3% (3.0).
- Equity was EUR 2,615.1 million (2,538.7) or EUR 30.81 per share (29.91).
- Earnings per share were EUR 0.17 (0.23).
- 0 rental apartments (92) were completed.
- Renovation of 0 apartments (56) was completed.
- 0 rental apartments (257) were under construction.



HIGHLIGHTS

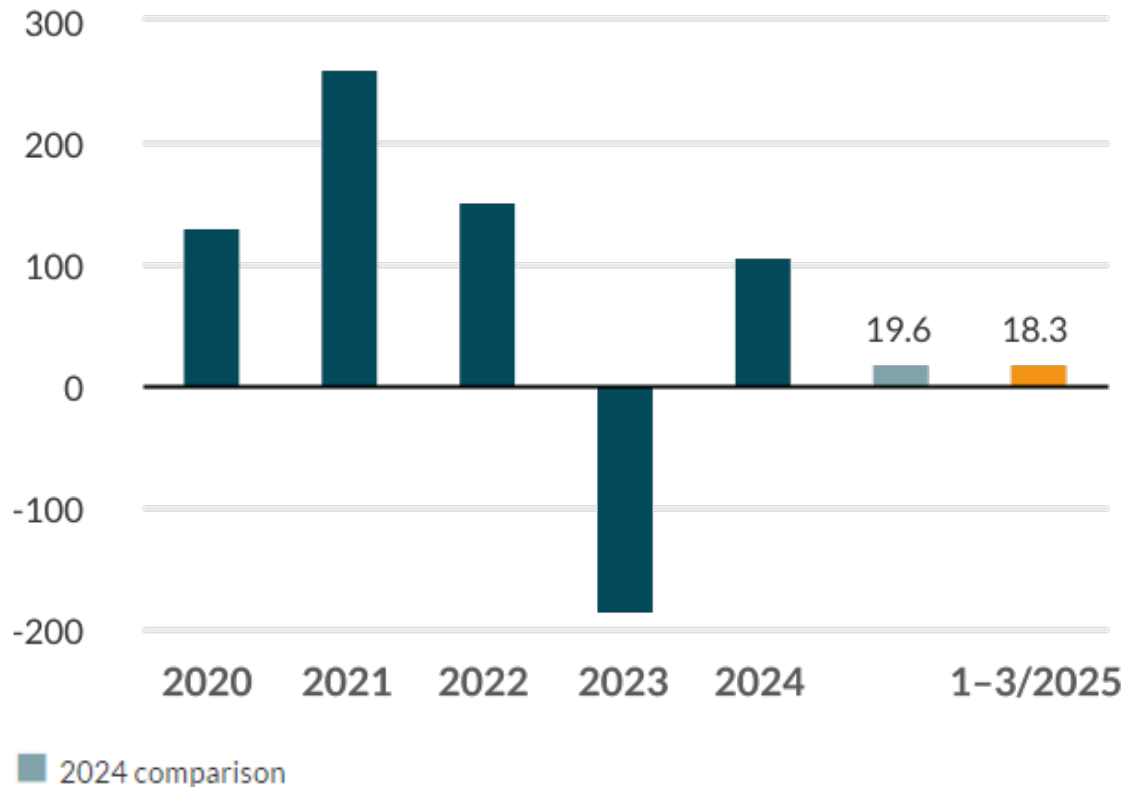
Antti Aarnio



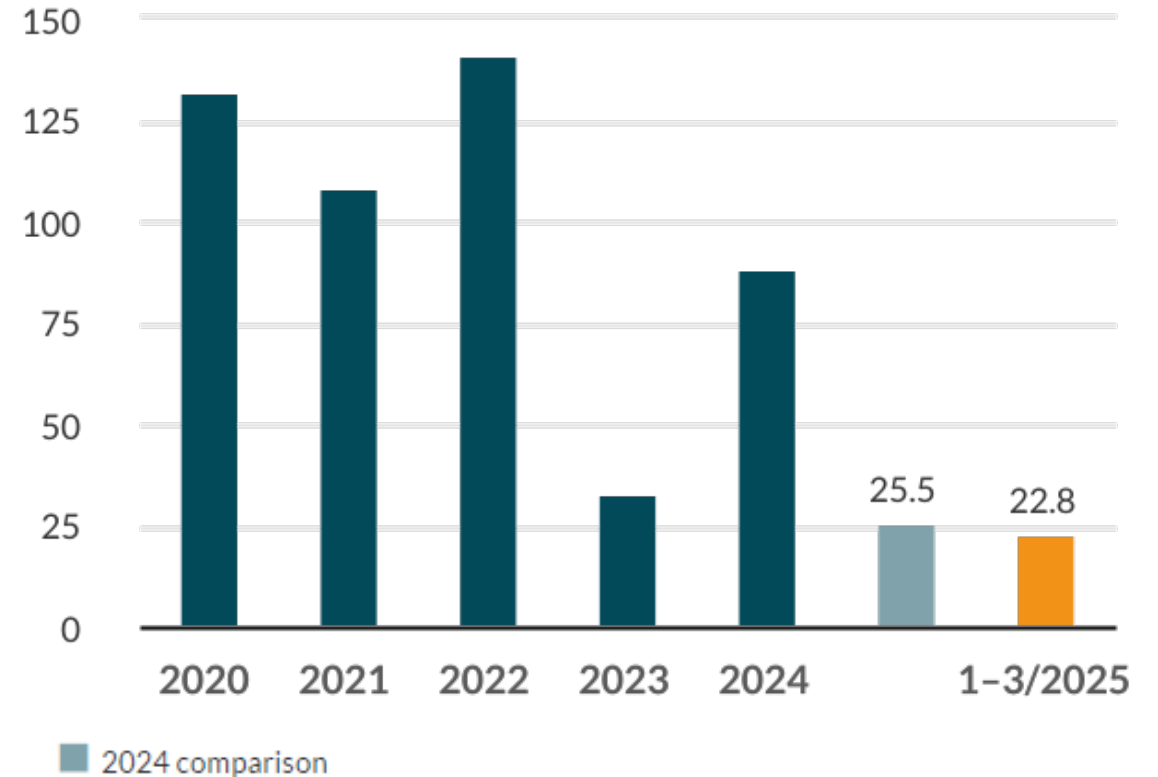
- Inflation remained low in Finland during the period under review, but consumer confidence is still weak and expectations for personal finances and growth of the Finnish economy are subdued.
- Market uncertainty was exacerbated by the tariffs announced by the United States.
- The number of new rental homes constructed is now likely to have bottomed out, but recovery remains slow due to the persistent oversupply of rental homes.
- SATO's occupancy rate improved slightly year on year during the period under review and was 95.0%.
- We successfully launched the SATO webshop for rental homes in response to growing customer demand and the market change.
- We continued to invest in locally produced renewable energy: we make use of solar power and geothermal energy at our properties.
- We signed a EUR 150 million unsecured sustainability-linked loan facility with SMBC Bank EU AG.
- SATO was ranked third in Finland's Best Workplaces 2025 listing published by Great Place to Work Finland.
- It is SATO's 85th anniversary this year.

PROFIT AND CASH EARNINGS

PROFIT BEFORE TAXES, EUR million

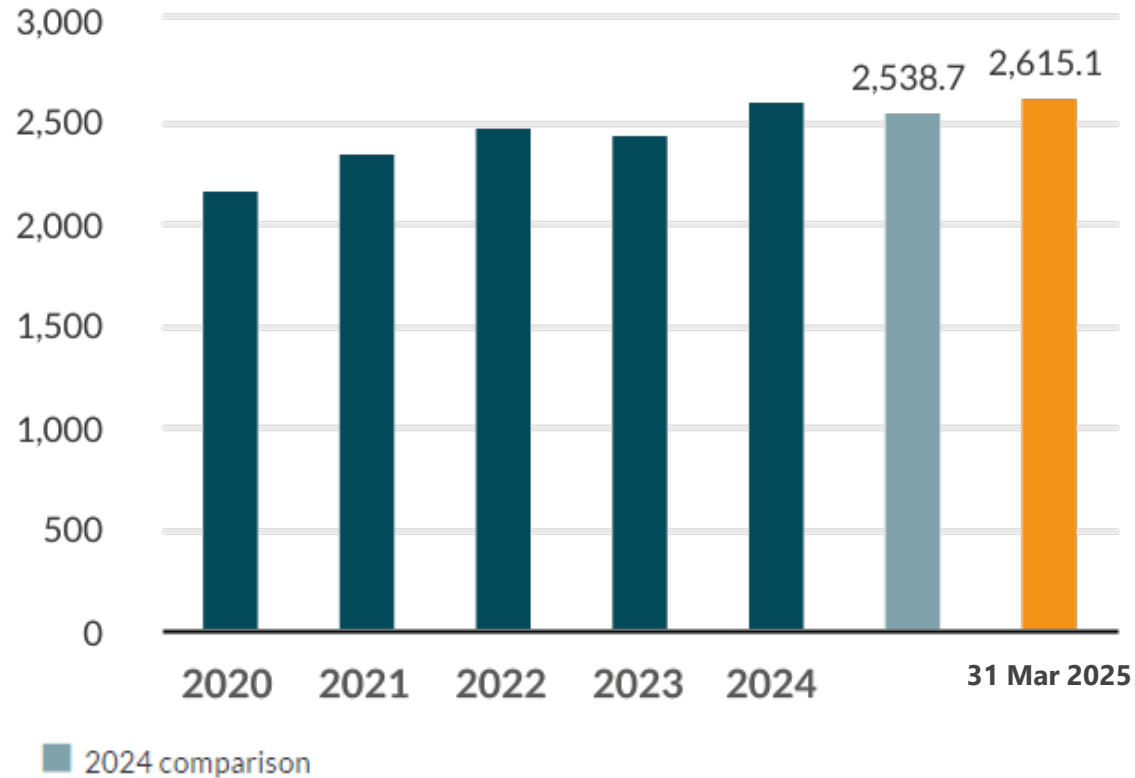


CASH EARNINGS (CE), EUR million

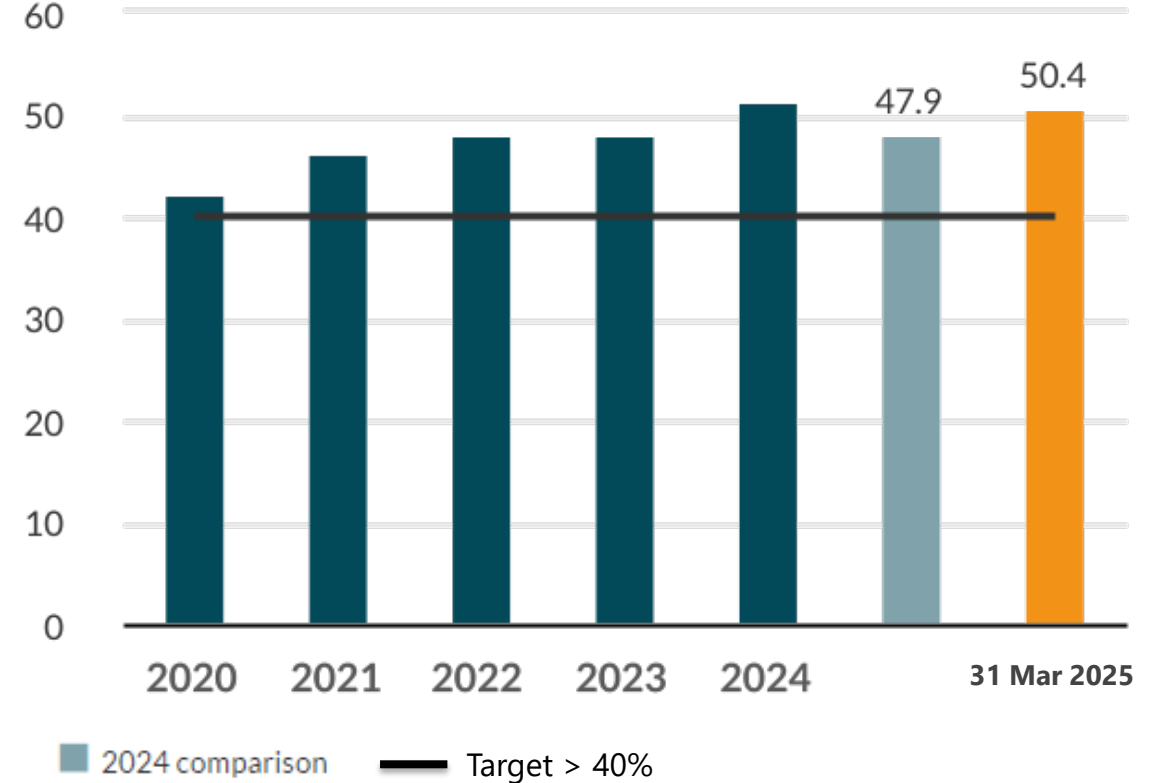


FINANCIAL POSITION

SHAREHOLDERS' EQUITY, EUR million

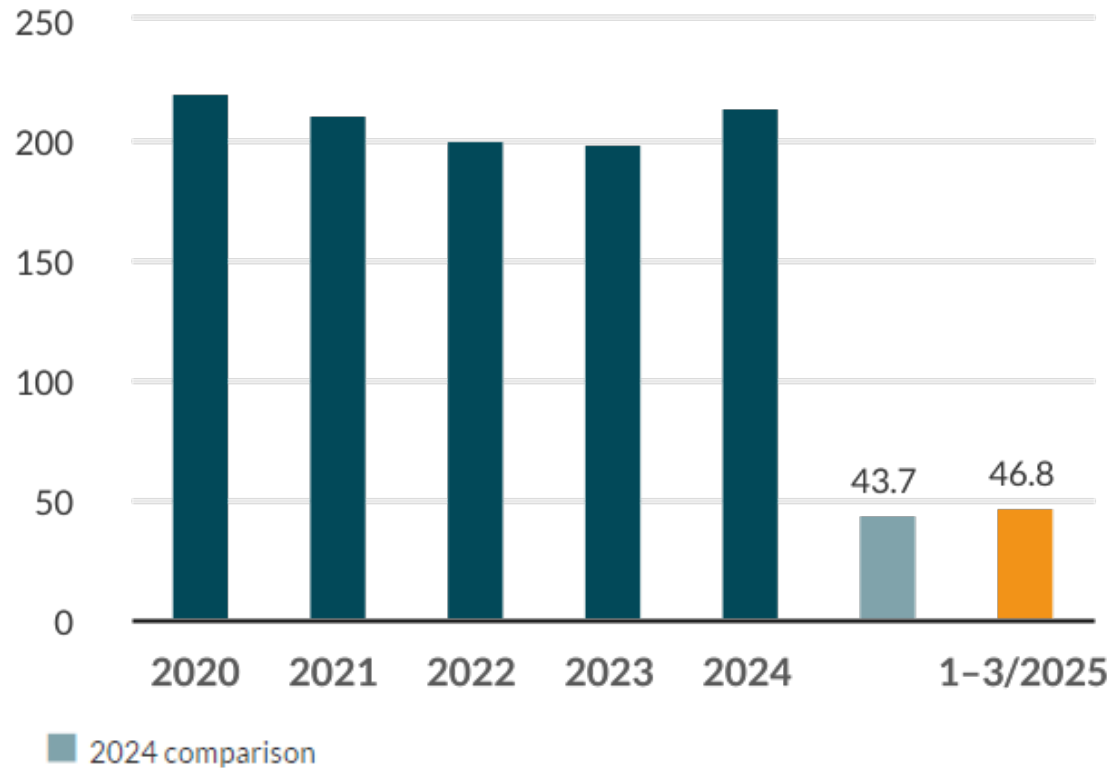


EQUITY RATIO, %



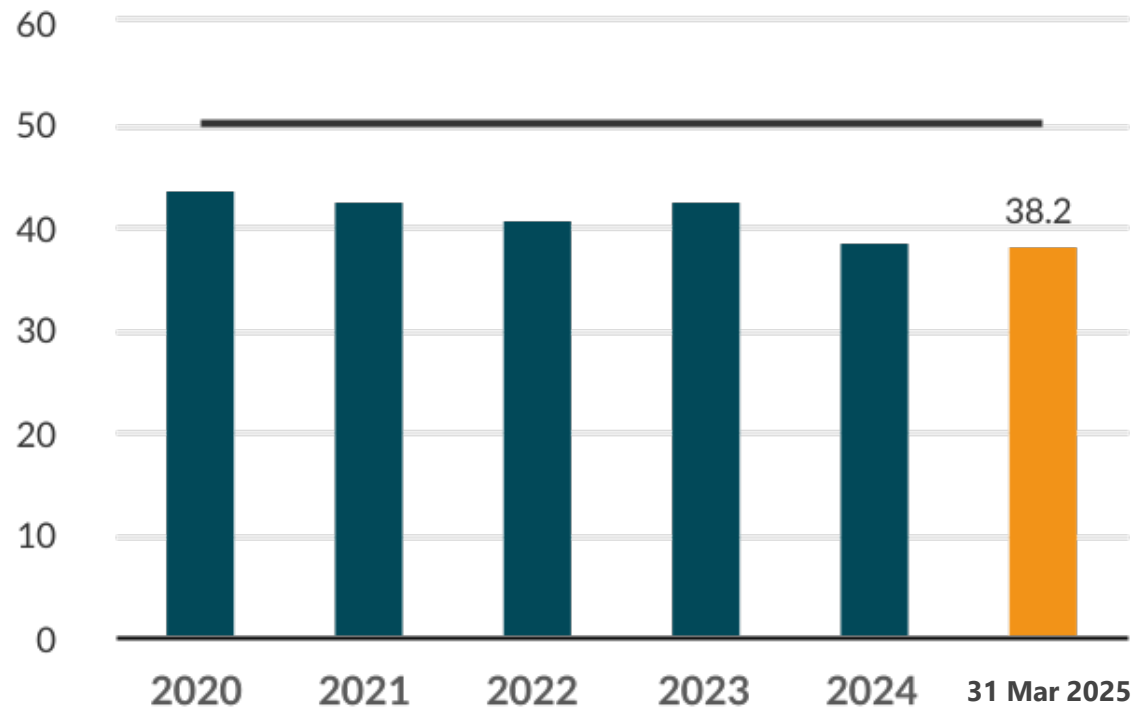
RENTAL INCOME

NET RENTAL INCOME, EUR million



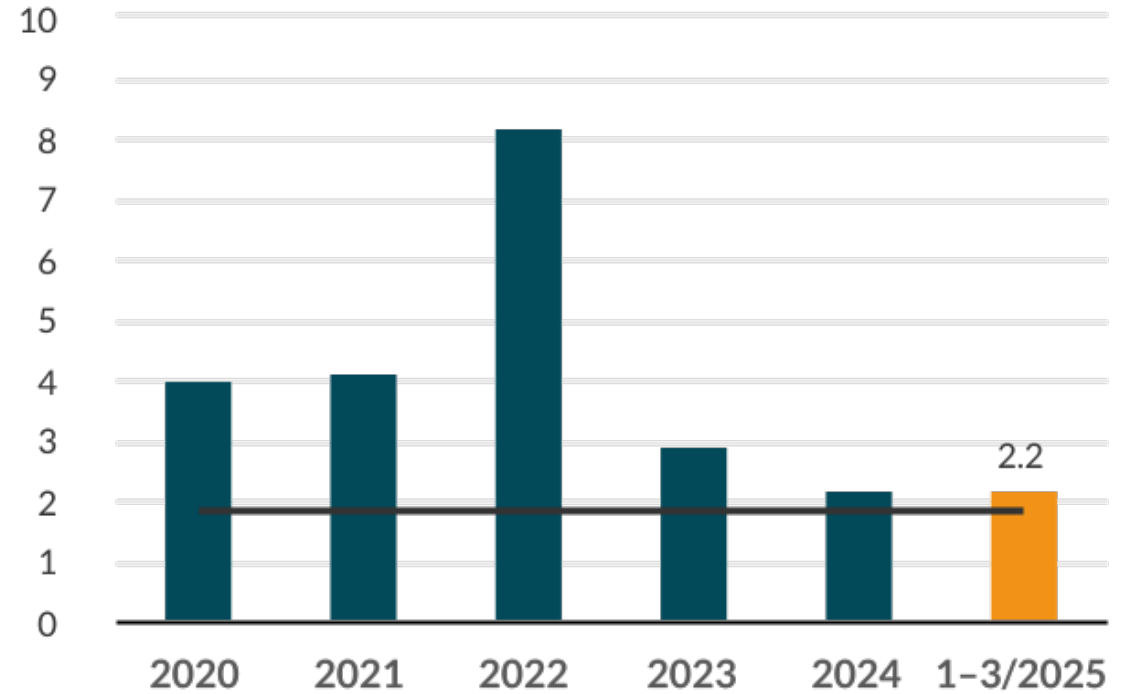
SOLVENCY RATIO

SOLVENCY RATIO, %



— Target < 50%

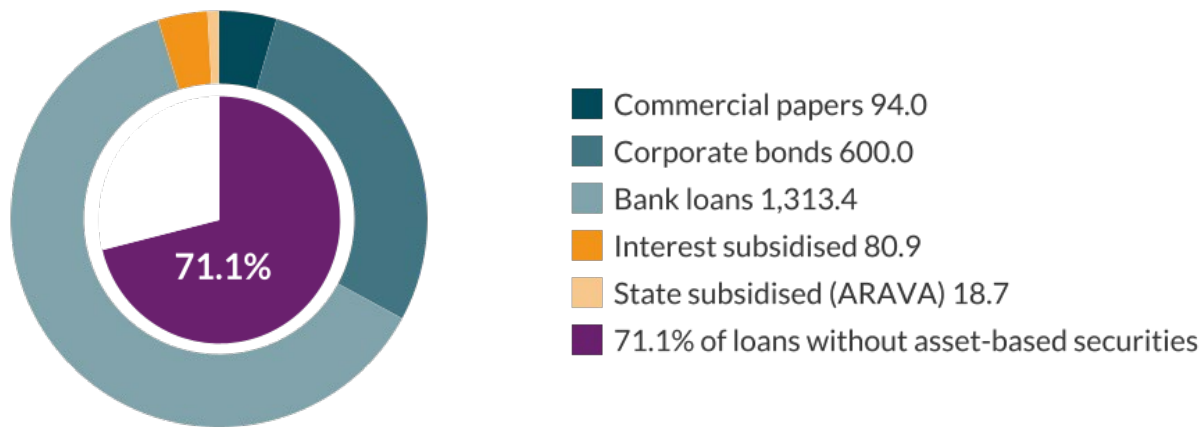
INTEREST COVERAGE RATIO (R12)



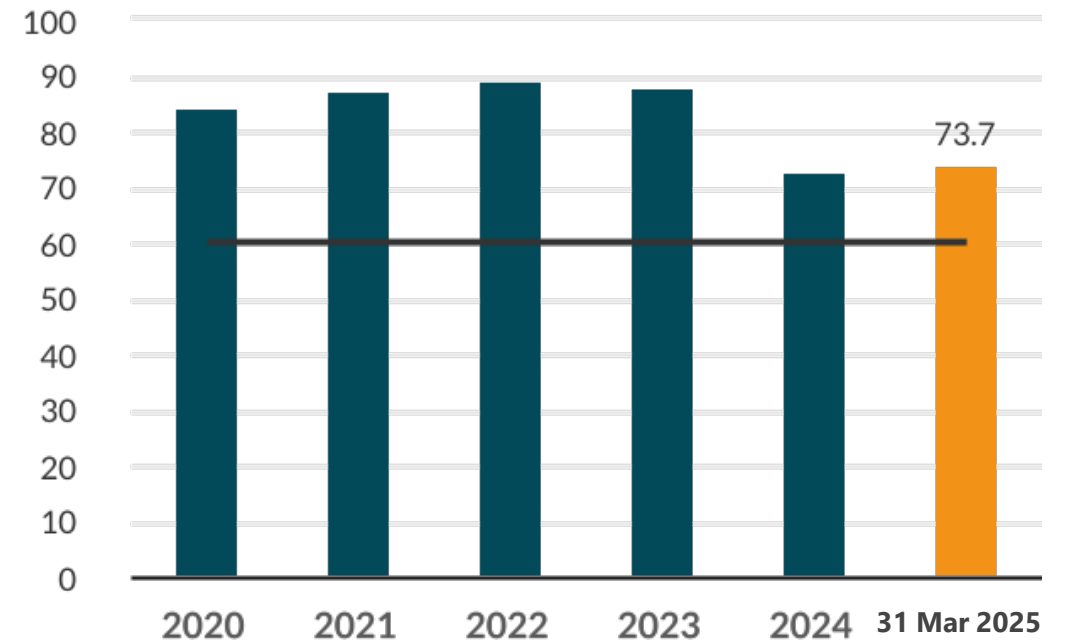
— Target > 1,8x

BROAD FINANCING BASE

DEBT PORTFOLIO, nominal values 31 March 2025, total EUR 2,107.1 million



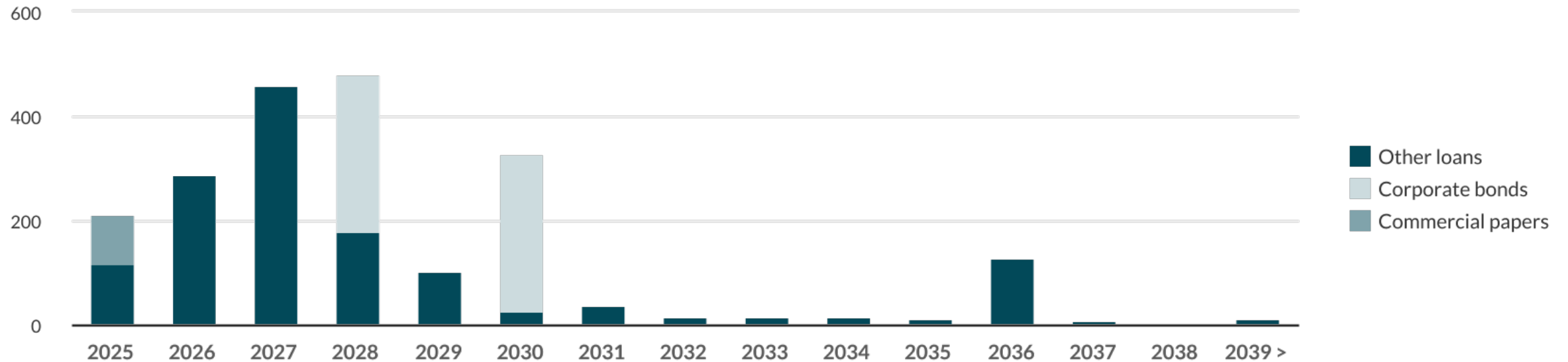
UNENCUMBERED ASSETS, %



— Target $\geq 60\%$
 *Not including undrawn credit facilities.

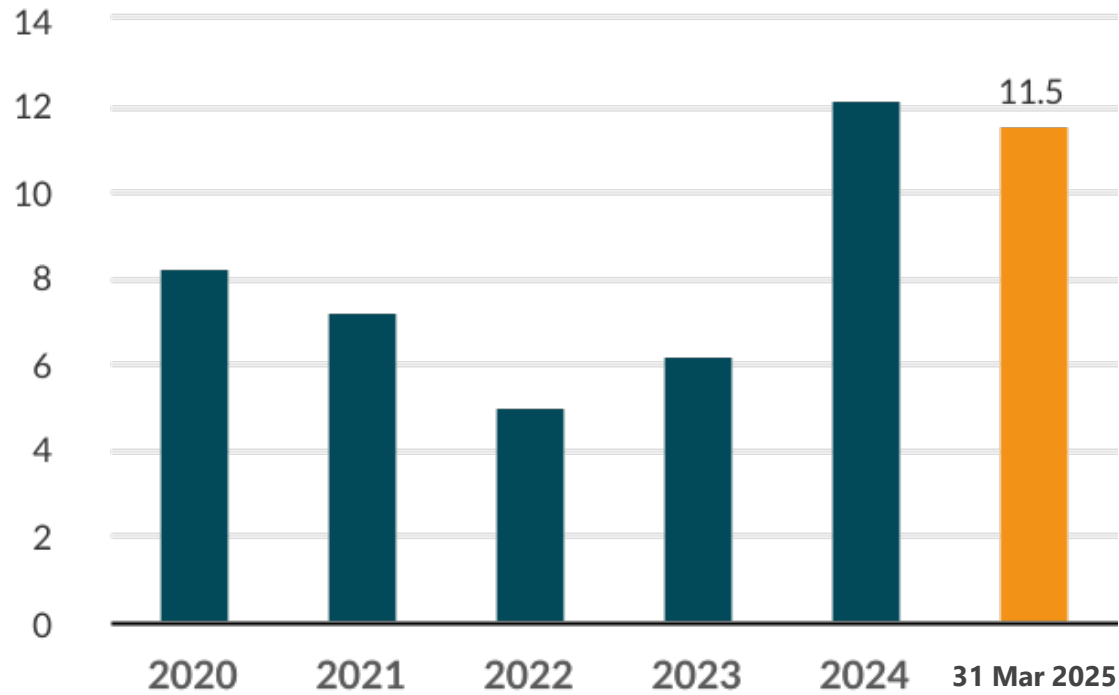
BROAD FINANCING BASE

MATURITY PROFILE OF DEBT, EUR million



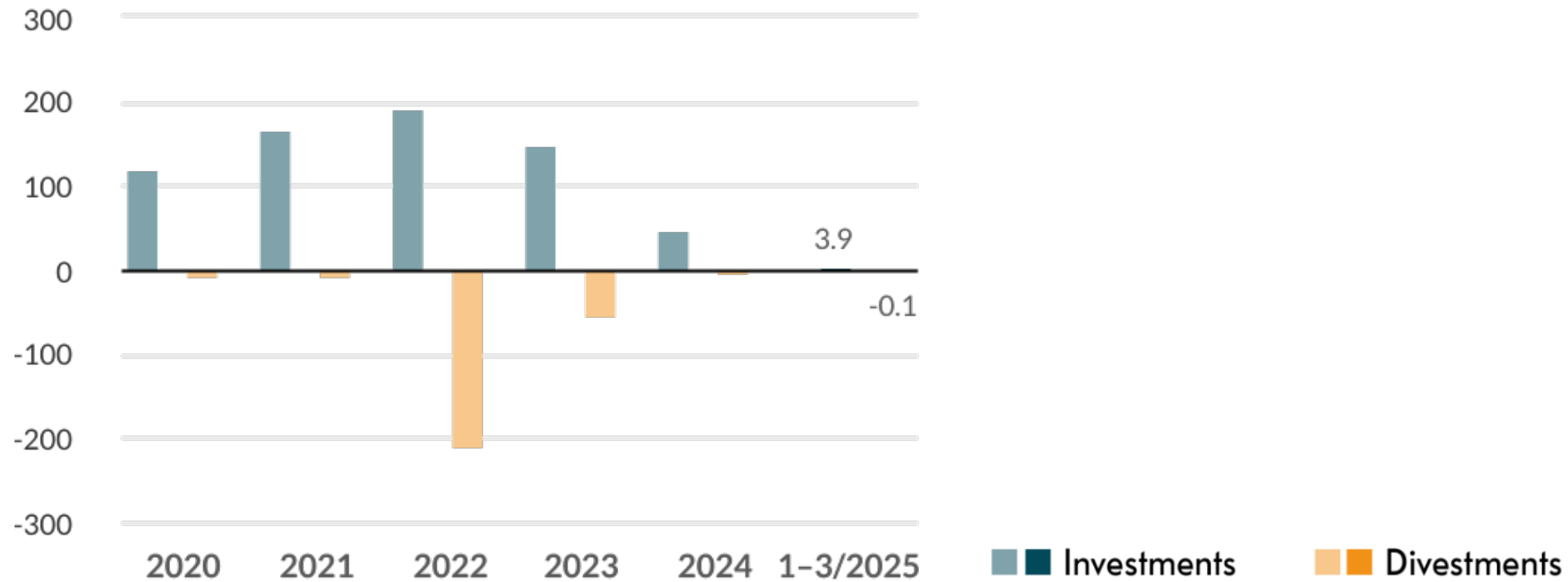
SECURED SOLVENCY RATIO

SECURED SOLVENCY RATIO, %



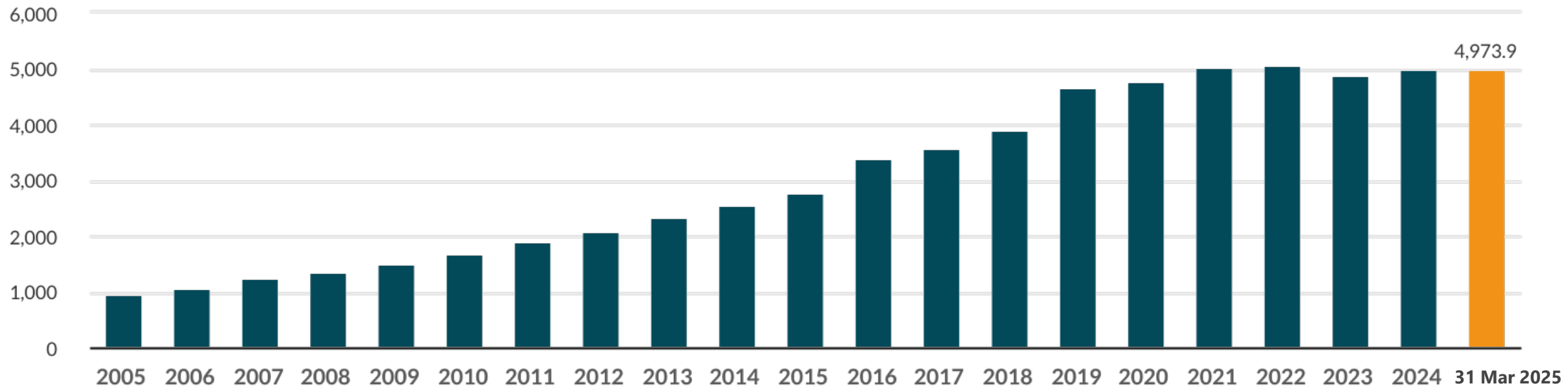
DEVELOPMENT OF HOUSING ASSETS

HOUSING INVESTMENTS AND DIVESTMENTS, EUR million



DEVELOPMENT OF HOUSING ASSETS

TREND IN THE INVESTMENT PROPERTY PORTFOLIO VALUE, EUR million



DEVELOPMENT OF HOUSING ASSETS

REGIONAL DISTRIBUTION OF HOUSING PORTFOLIO 31 MAR 2025, %



■ Helsinki met. area 86.5% ■ Turku region 5.7%
■ Tampere region 7.8%

Total housing portfolio EUR 4,804.8 million

MAIN SHAREHOLDERS

Balder Finska Otas AB (Fastighets AB Balder)	48,483,564	57.0%
Stichting Depository APG Strategic Real Estate Pool	19,217,470	22.6%
Elo Mutual Pension Insurance Company	10,849,621	12.8%
The State Pension Fund	4,194,300	4.9%
Valkila Erkkä	385,000	0.5%
Tradeka Invest Ltd	189,750	0.2%
Research Foundation of the Pulmonary Diseases	180,000	0.2%
SATO Corporation	166,000	0.2%
Komulainen Pekka	159,825	0.2%
Entelä Tuula	151,500	0.2%
Others (119 shareholders)	1,085,414	1.3%

On 31 March 2025, the Group had 129 shareholders entered in the book-entry register. The turnover of SATO Corporation's shares was 0.1% during the reporting period.

OUTLOOK

- Finland is gradually moving out of recession. The start of economic recovery is, however, slow and affected by uncertainty over the global economic outlook.
- The unemployment rate is projected to peak this year but then take a downturn, provided that the impact of the tariffs proposed by the USA will not push the economy back into recession.
- The economic uncertainty and the rapid trade and geopolitical changes are still slowing down recovery in construction. In addition, the number of unsold new homes is large.
- In the rental market, competition for good tenants continues and the imbalance between supply and demand does not currently enable any large-scale commencement of newbuild rental housing construction.
- Urbanisation and immigration are continuing, and dense urban housing is still becoming increasingly popular.
- Population growth boosted by immigration and the resulting demand for housing will focus strongly on the growing urban regions.
- Around 600,000–700,000 new homes should be built by 2045. Demand is projected to be highest in the Helsinki Metropolitan Area and Tampere. This trend is also reflected in growing demand for rental homes in large growth centres.
- Economic growth, urbanisation and growing immigration need to be supported by rental homes close to good public transport connections and services.
- Sufficient housing production, which requires a steady increase in production volumes and contributions by all housing actors, must be ensured in Finland in the decades ahead.
- SATO will not publish guidance on its 2025 earnings.



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