



Financial Statements 2024

Presentation material 7 February 2025 | Antti Aarnio, President and CEO

CONTENT

- SATO in brief
- Company strategy
- SATO's year 2024
- Outlook

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.

In 2024 we improved our economic occupancy rate to **95.5%**.

Our net sales in 2024 were EUR **304.1** 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

The SATO logo is positioned in the top right corner of the image. It consists of the word "sato" in a lowercase, bold, orange sans-serif font.

SATO IN 2024

**The housing market gradually returning to normal,
favourable development across all areas**

OPERATING ENVIRONMENT

- The operating environment remained challenging.
- The rental housing sector was influenced by the abundant supply of rental apartments and economic uncertainty.
- In Finland, inflation was the lowest in the Eurozone. The European Central Bank initiated interest rate cuts.
- Consumer confidence remained weak. Changes in housing benefit policies increased demand for smaller apartments.
- Housing construction is at a historically low level.
- Oversupply is diminishing more slowly than previously estimated. Competition for reliable residents continued, and rent increases remained moderate.
- Urbanisation continues, and the number of rental households exceeded one million as early as 2023.
- Around 80% of residents in the Helsinki Metropolitan Area live in households of 1–2 people, the number of small households is increasing.
- The proportion of immigrants is expected to grow in the Helsinki Metropolitan Area.
- Changes in population structure and the development of owner-occupied housing prices are driving demand in the Helsinki Metropolitan Area, Tampere, and Turku.
- The appeal of rental housing is predicted to increase among those who previously sought to purchase their own homes.

OUR SUCCESSES

- Despite the tough market situation, our economic occupancy rate improved, and we managed to increase average rents.
- Customer experience improved further compared to previous year.
- SATO is again Great Place To Work® certified company and ranked sixth in the list of Finland's Best Workplaces. The personnel enjoy working at SATO.
- The company's equity ratio and balance sheet strengthened. The share issue launched at the end of 2023 concluded in February, raising approximately 200 million euros in gross proceeds.



SUMMARY 2024

- The economic occupancy rate increased and was 95.5% (94.9).
- Net sales stood at EUR 304.1 million (288.4).
- Net rental income increased and was EUR 214.4 million (198.7).
- Profit before taxes increased and was EUR 105.4 million (-185.8).
- The unrealised change in the fair value of investment properties included in the result was EUR 12.0 million (-249.3).
- Housing investments amounted to EUR 48.6 million (150.0).
- Invested capital was EUR 4,582.1 million (4,610.4).
- Return on invested capital was 4.0% (-2.5).
- Earnings per share were EUR 1.04 (-2.72).
- The Board of Directors proposes to the Annual General Meeting that no dividends be paid for the 2024 financial year (EUR 0.00/share for 2023).



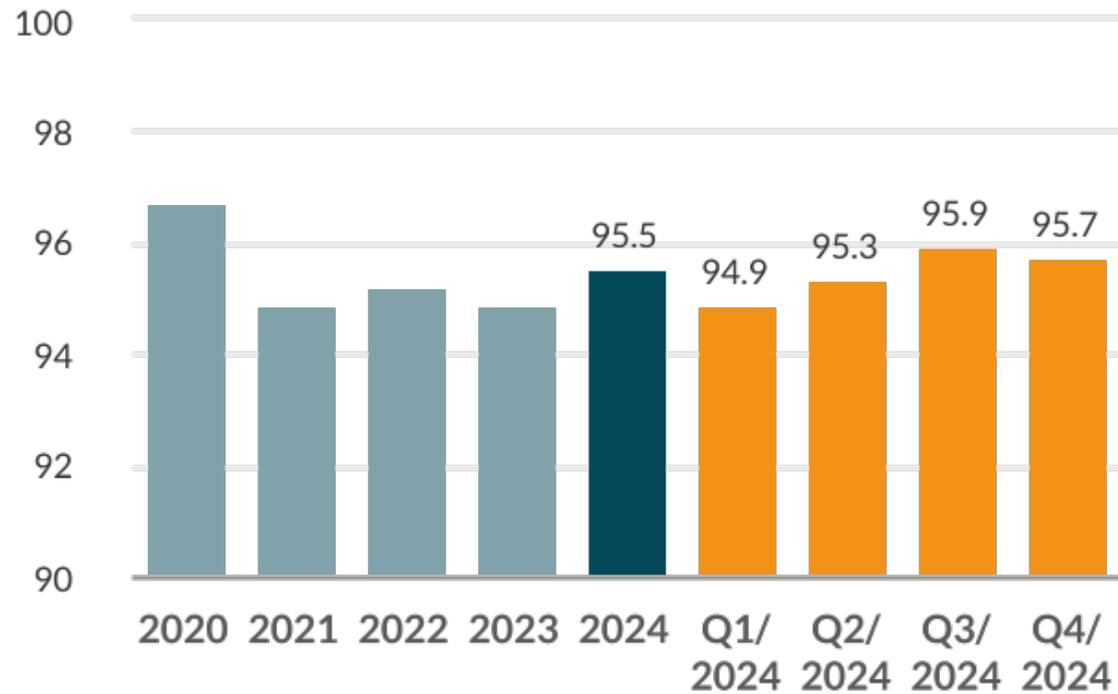
SUMMARY Q4/2024

- The economic occupancy rate was 95.7% (94.8).
- Net sales were EUR 77.1 million (73.5).
- Profit before taxes was EUR 21.9 million (-91.6).
- The unrealised change in the fair value of investment properties included in the result was EUR 1.1 million (-109.3).
- Investments in rental apartments amounted to EUR 16.9 million (57.3).
- Earnings per share were EUR 0.20 (-1.30).



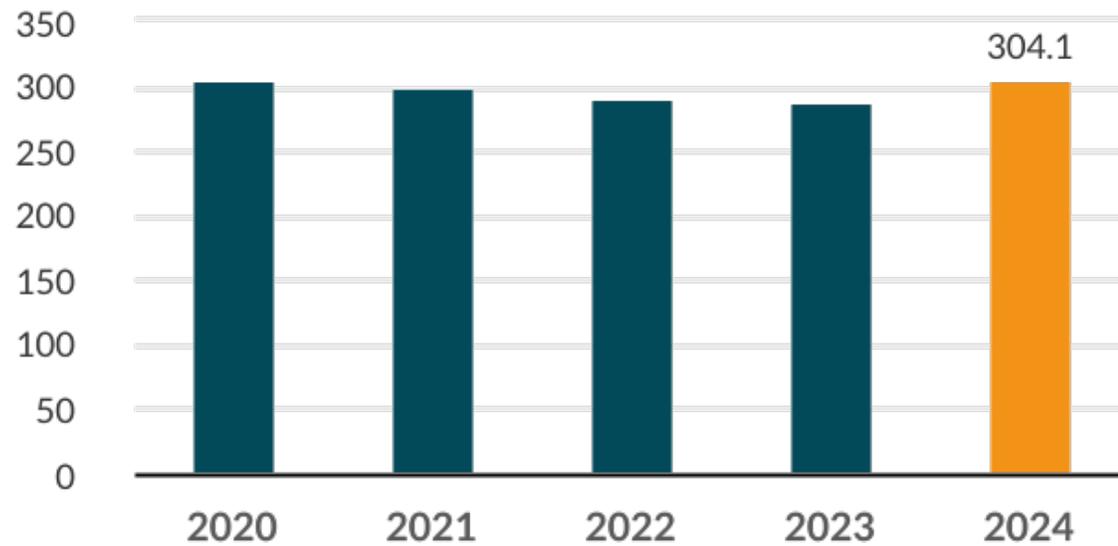
OCCUPANCY RATE

ECONOMIC OCCUPANCY RATE OF RENTAL HOUSING, %

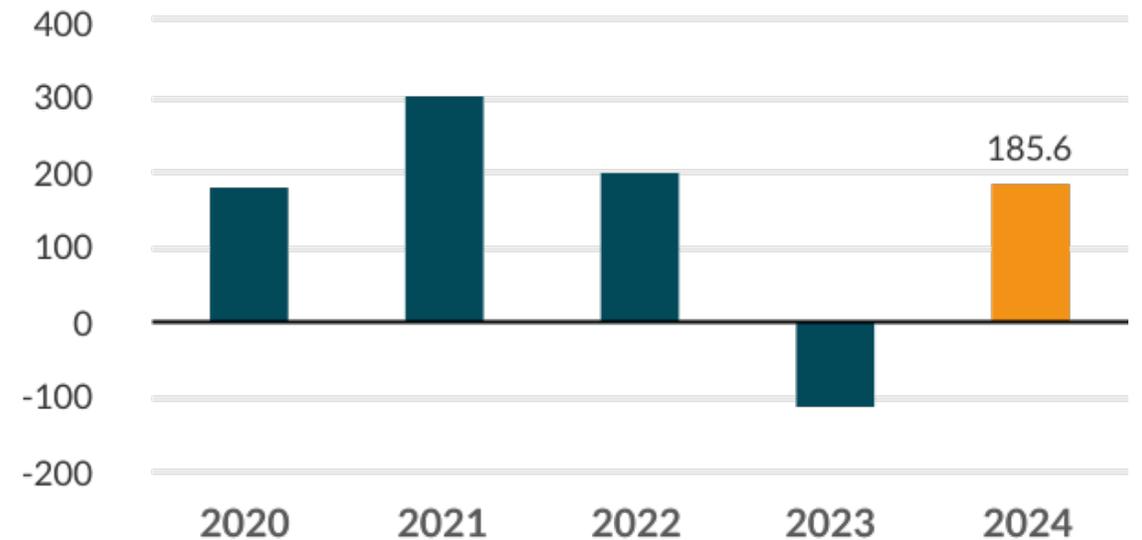


NET SALES AND OPERATING PROFIT

NET SALES, EUR million

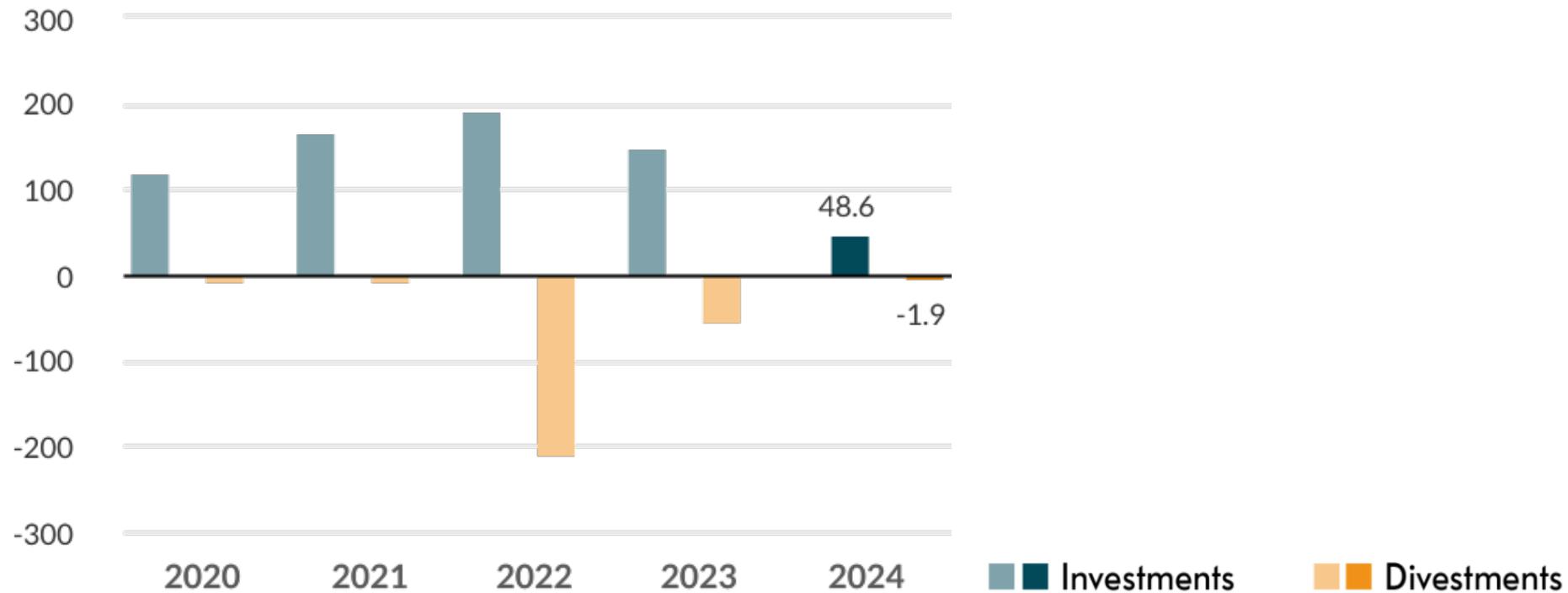


OPERATING PROFIT, EUR million



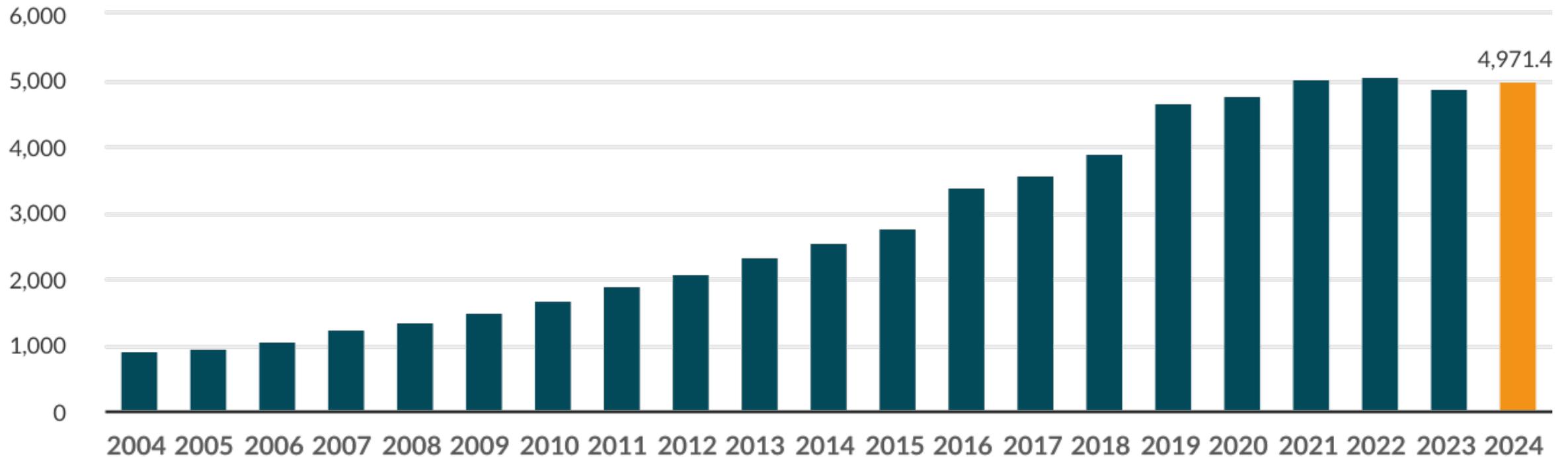
DEVELOPMENT OF HOUSING ASSETS

HOUSING INVESTMENTS AND DIVESTMENTS, EUR million



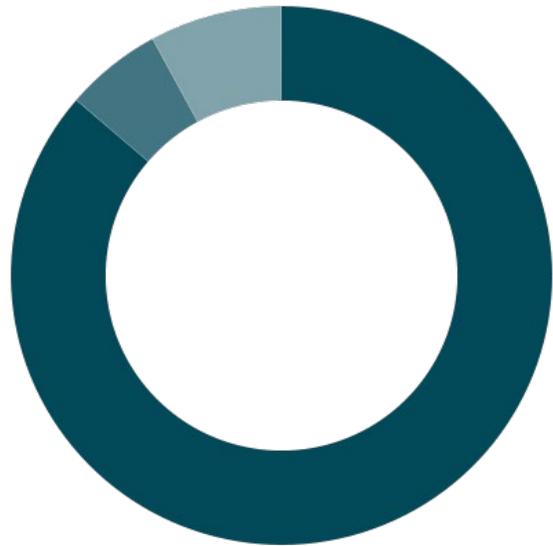
DEVELOPMENT OF HOUSING ASSETS

TREND IN THE INVESTMENT PROPERTY PORTFOLIO VALUE, EUR million



DEVELOPMENT OF HOUSING ASSETS

REGIONAL DISTRIBUTION OF HOUSING PORTFOLIO 31 DEC 2024, %



■ Helsinki met. area 86.3% ■ Turku region 5.8%
■ Tampere region 7.9%

SATO'S OWNED RENTAL HOMES 31 DEC 2024, %



■ 1h 23.4% ■ 2h 46.8% ■ 3h 22.9%
■ 4h 6.5% ■ 5h 0.4%

On 31 December 2024, SATO had 0 rental apartments under construction. During the year, 349 rental homes were completed for the SATO Group.

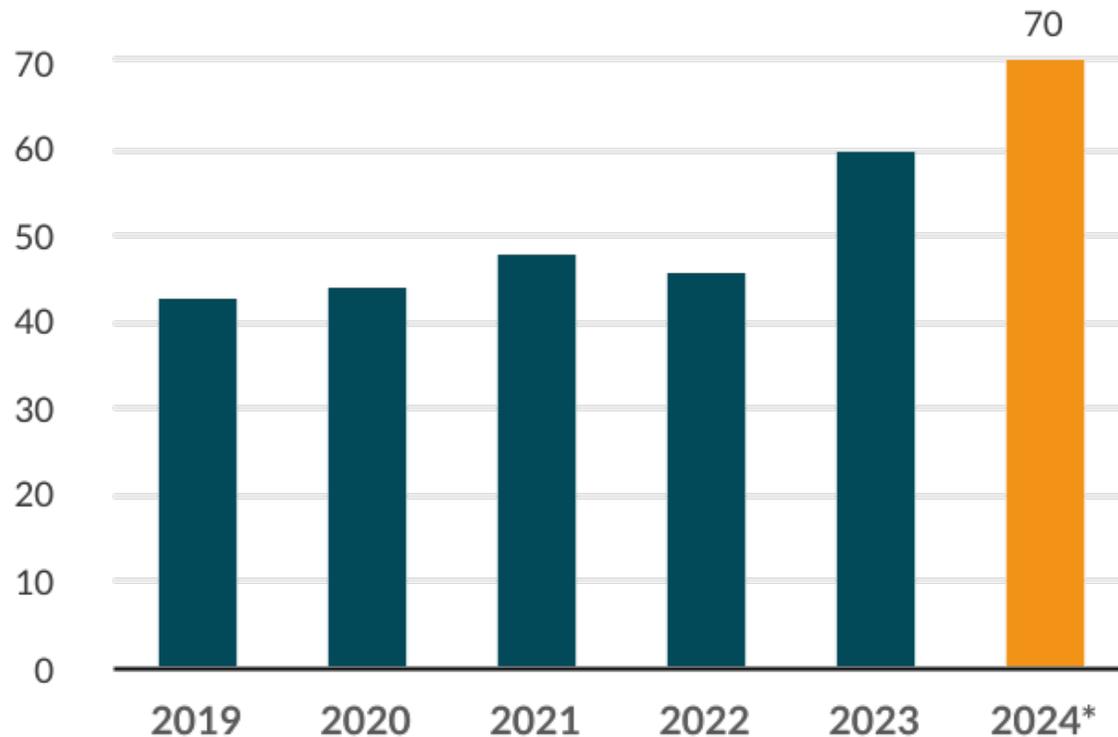
ENERGY CLASSES OF APARTMENTS

ENERGY CLASSES OF SATO HOMES 31 DEC 2024



INVESTMENTS IN GREEN ENERGY

THE SHARE OF CARBON-NEUTRAL ENERGY IN TOTAL ENERGY CONSUMPTION, %



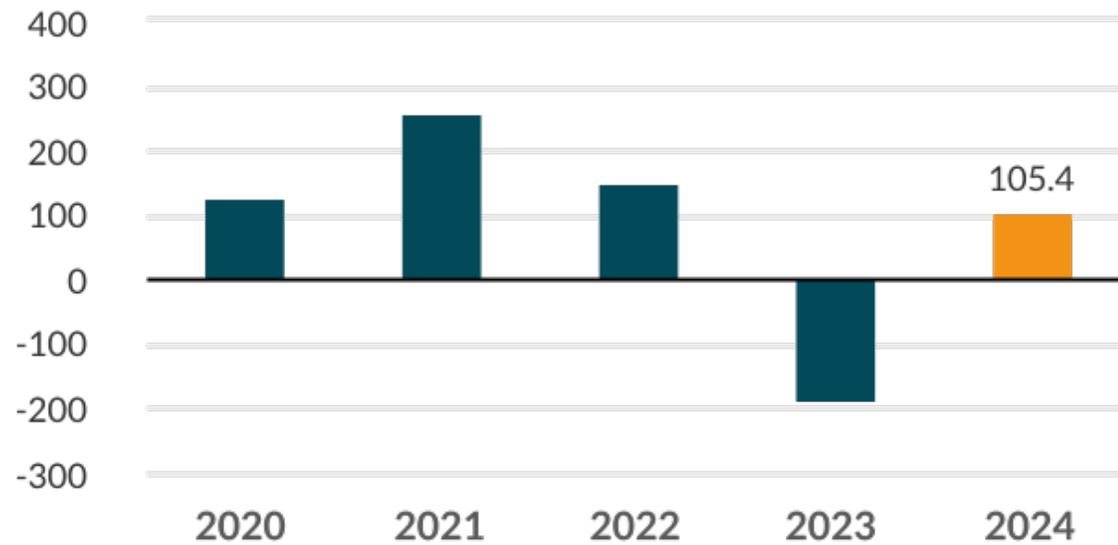
*Forecast, share of carbon neutral energy in 2024 will be updated later in spring 2025, applies to homes 100 % owned by SATO.

Local energy production in a total of 6,500 SATOhomes

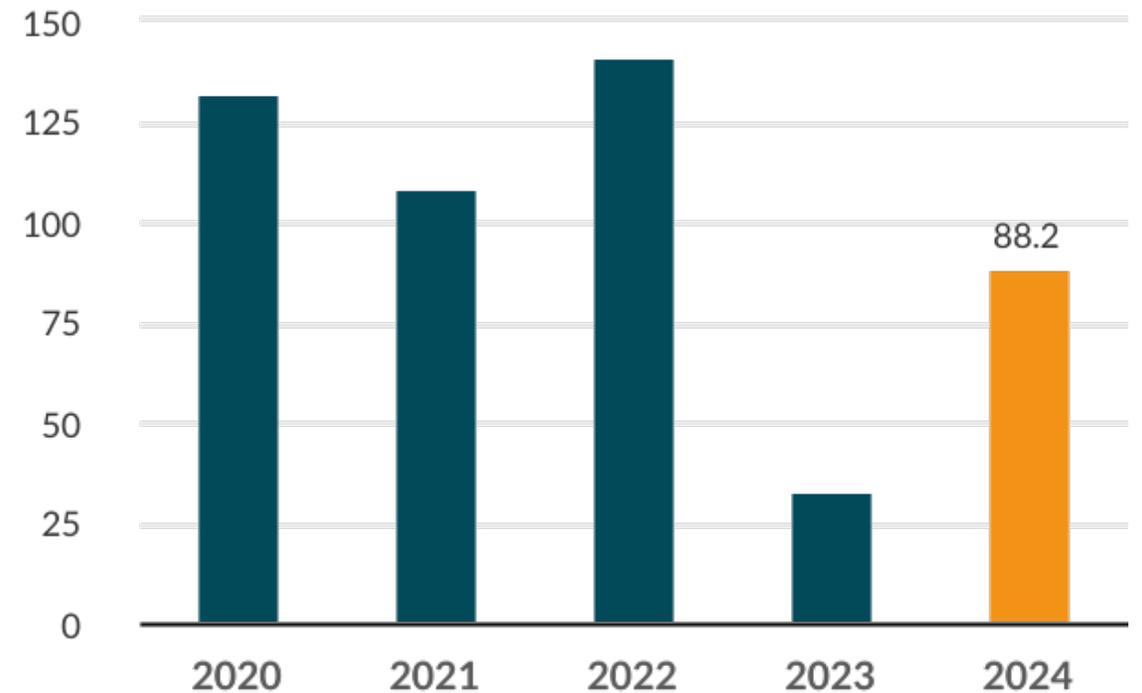
- Solar power plants in 53 properties (2024: +23), with a total of 4,616 rental homes.
- Geothermal heating in 26 properties, with a total of 1,820 rental homes.
- Hybrid heating with heat pumps and district heating in 3 properties, with a total of 247 rental homes.

PROFIT AND CASH EARNINGS

PROFIT BEFORE TAXES, EUR million

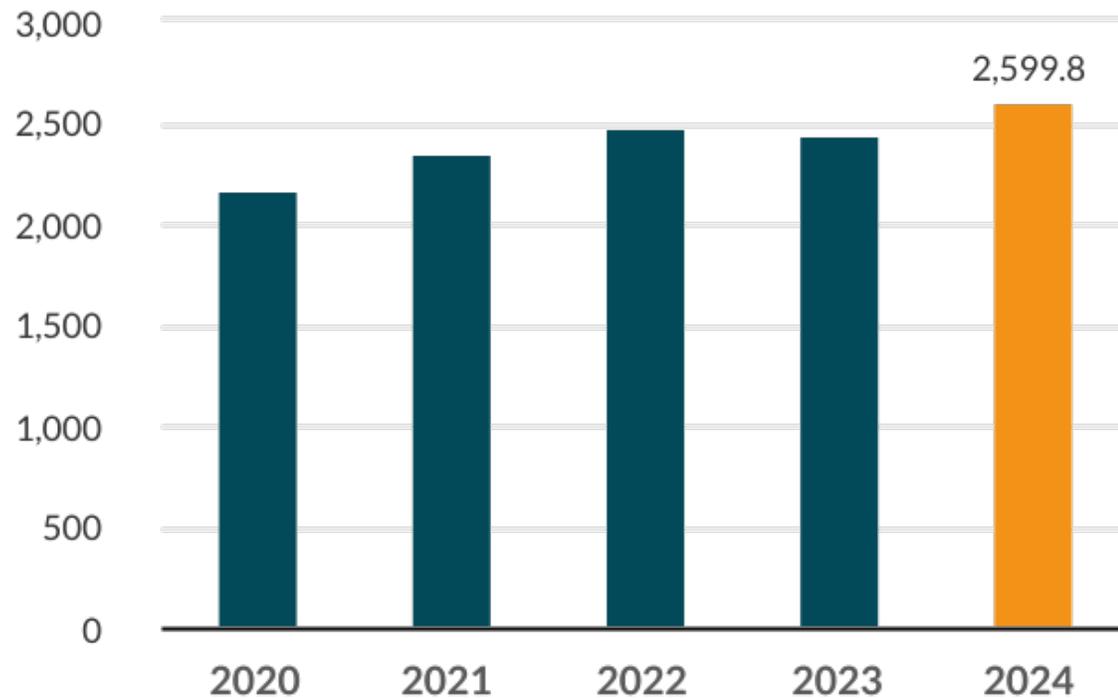


CASH EARNINGS (CE), EUR million

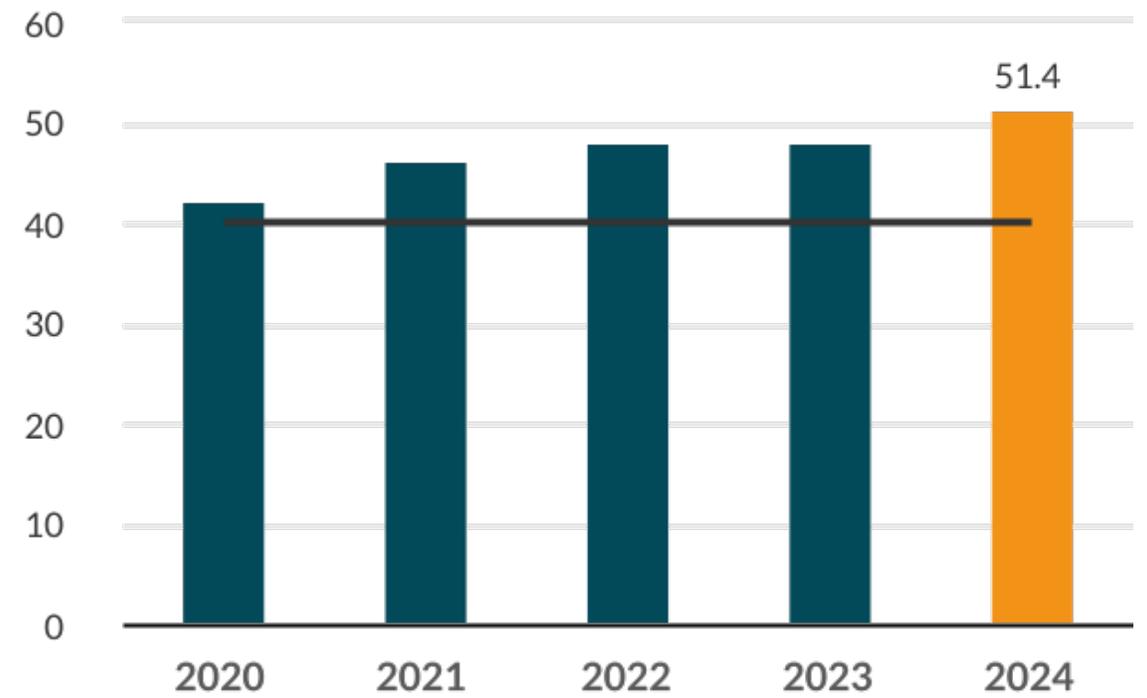


FINANCIAL POSITION

SHAREHOLDERS' EQUITY, EUR million



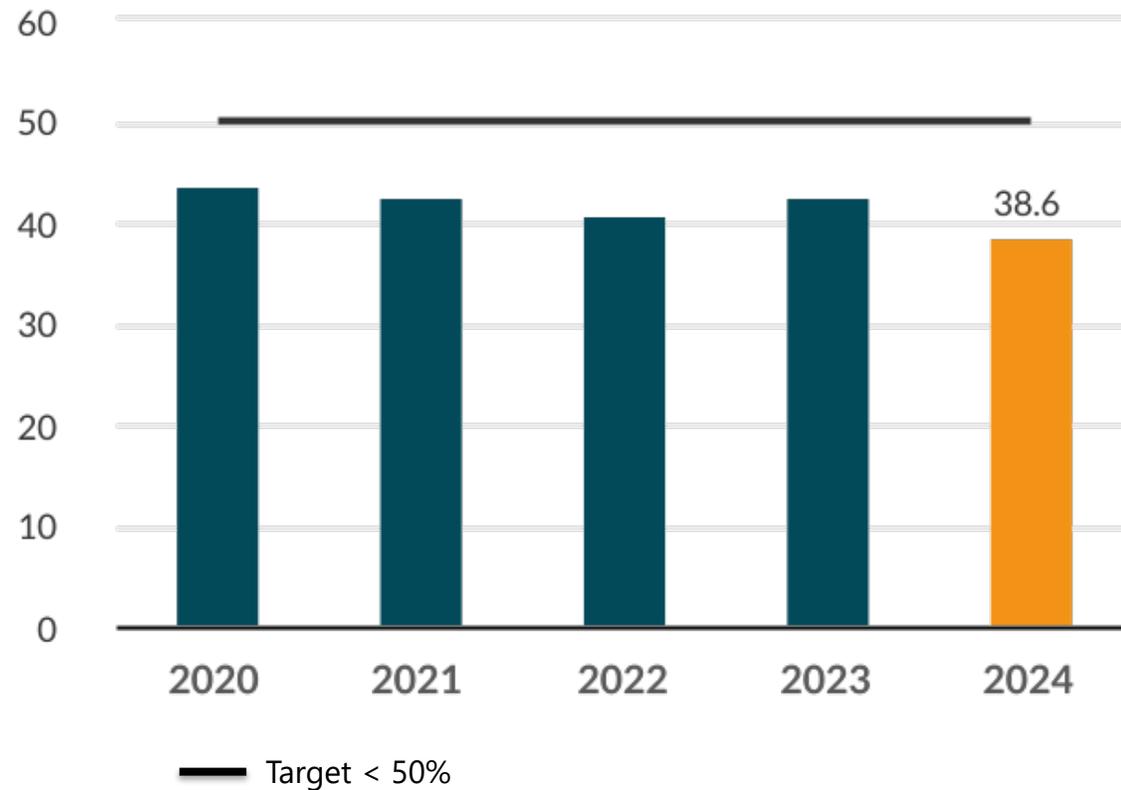
EQUITY RATIO, %



— Target > 40%

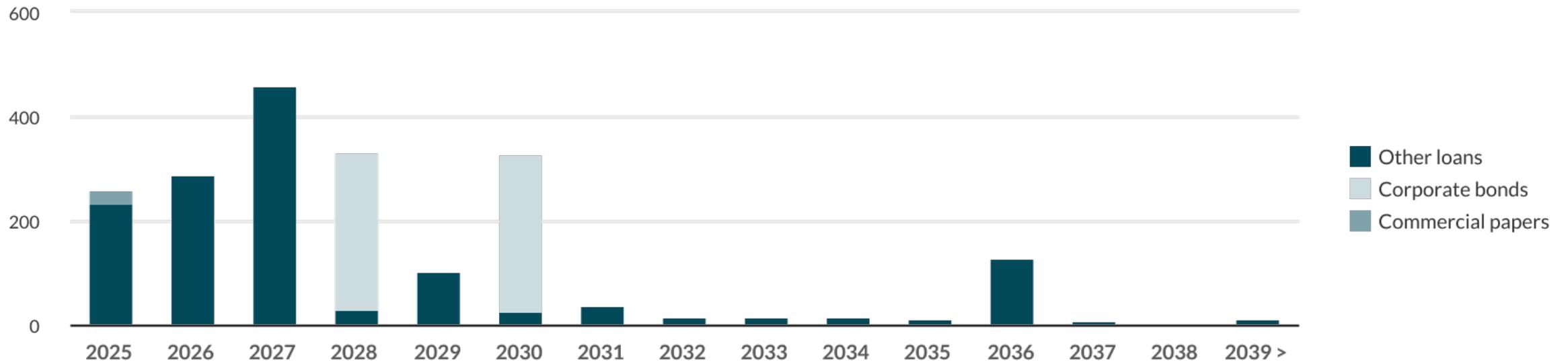
SOLVENCY RATIO

SOLVENCY RATIO, %



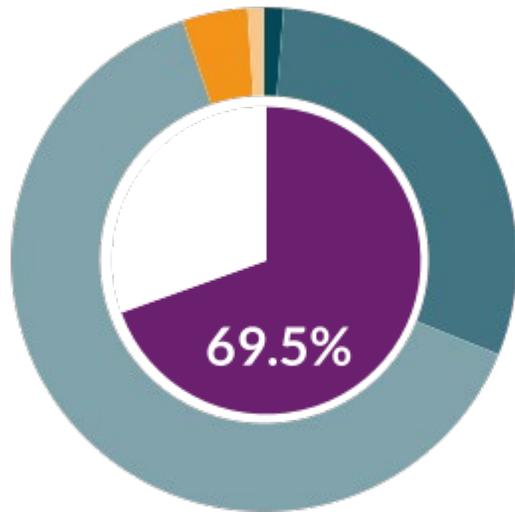
BROAD FINANCING BASE

MATURITY PROFILE OF DEBT, EUR million



BROAD FINANCING BASE

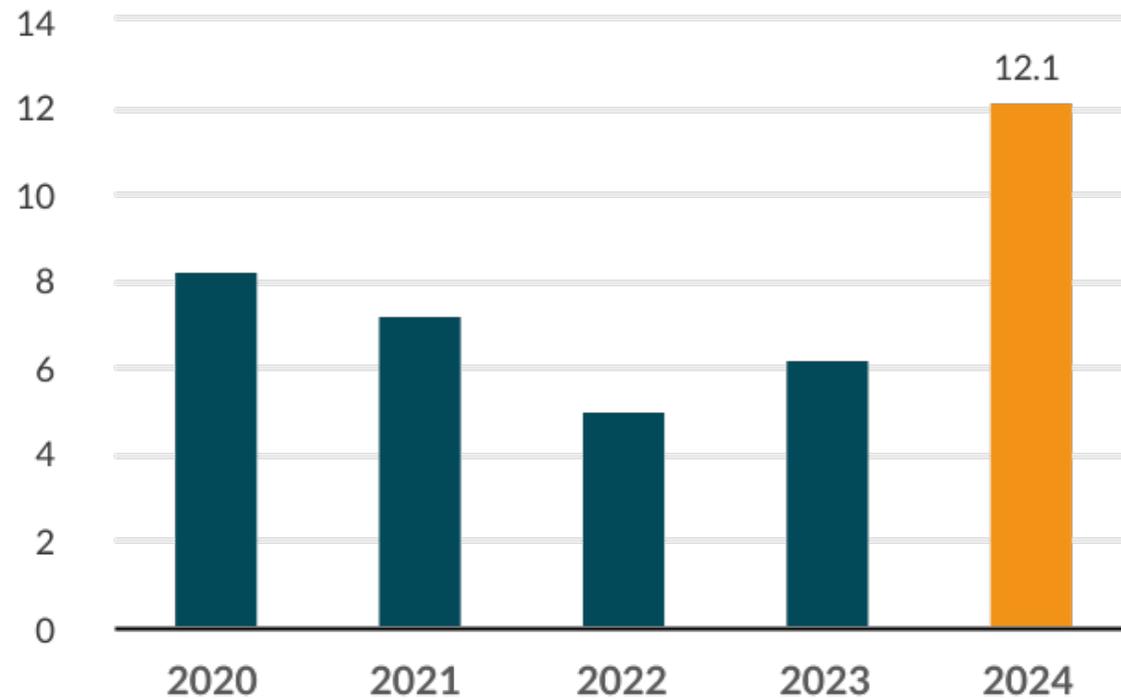
DEBT PORTFOLIO, nominal values 31 Dec 2024, total EUR 2,006.3 million



- Commercial papers 25.0
- Corporate bonds 600.0
- Bank loans 1,276.9
- Interest subsidised 83.4
- State subsidised (ARAVA) 21.0
- 69.5% of loans without asset-based securities

SECURED SOLVENCY RATIO

SECURED SOLVENCY RATIO, %



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 December 2024, the Group had 129 shareholders entered in the book-entry register. The turnover of SATO Corporation's shares was 0.0% during the reporting year.

OUTLOOK

- Consumer confidence and purchasing power, trends in rental and property prices, maintenance costs, competition, and interest rates are the primary factors influencing SATO's business operations.
- Consumer confidence remains weak, although the economy is expected to shift towards modest growth.
- The number of completed rental apartments has decreased, but the new production from previous years continues to sustain oversupply.
- The reduction of oversupply is slow, and competition for reliable residents persists.
- There is demand for rental apartments located near good public transport links and services.
- Urbanisation, the development of wage earners' incomes, households' pent-up housing needs, falling interest rates, and the decrease in new housing production are driving demand for housing in growth centres.
- The decline in new housing production combined with population growth in growth centres is reducing supply and increasing demand for rental apartments, which is likely to result in rising rents in the future.
- A successful customer experience plays an increasingly important role.
- SATO is investing in being present close to its customers and enhancing digital services.



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