



HALF-YEAR REPORT JAN – JUN 2025

Presentation material 15 July 2025 | Antti Aarnio, President and CEO

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SATO IN BRIEF

With around **27,000*** rental homes we are one of the leading housing providers in Finland.

We have nearly **45,000*** 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 1-6/202 was **95.0 %**

Our net sales in 1-6/2025 was EUR **154.7** million.

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

**On 1 July 2025, we purchased nearly 1,000 apartments. These new SATOhomes are not included in the H1 results.*

OUR 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

A photograph of an orange Sato House Expert van parked on a street. The van has a graphic of a window with a plant and the text 'SATO HOUSE EXPERT I'm here to help you'. A woman in a brown coat stands by the rear of the van, and two men in work clothes stand by the side door. The background shows a modern building and trees with autumn leaves.

sato

HALF-YEAR REPORT 1-6/2025

Oversupply in the rental market continues

OPERATING ENVIRONMENT

- The risks and uncertainty arising from the trade policy and trade relations have reached exceptionally high levels. If these risks are realised, economic growth in Finland will slow down, and the general government deficit will widen.
- Finland's economic growth is expected to be moderate this year, at around 1%. The forecasts do, however, involve major uncertainty.
- Inflation has remained low and is also expected to remain at moderate levels going forward. With inflation slowing down, interest rates falling and wages and salaries rising, real earnings have also returned to growth.
- The increase in average household real incomes will be slowed down this year by a weak employment situation and cuts in social benefits.
- The economic uncertainty is maintaining consumer caution. Next year, the rate of real earnings growth is expected to accelerate as the employment situation improves.
- There was a sharp fall in construction investments in 2023 and 2024 due to rising interest rates, and construction still remains at a historically low level.
- In the rental housing, the oversupply continues, particularly in the growth centres of the Helsinki Metropolitan Area, Turku and Tampere. Intense competition for good tenants has continued and rent increases have been moderate.
- The massive decline in rental housing construction is expected to ease the challenges caused by oversupply. In the coming years, this is likely to be reflected in a stronger rise in rents.

SUMMARY FOR H1/2025 (H1/2024)

- The economic occupancy rate was 95.0% (95.1).
- Net sales totalled EUR 154.7 million (150.5).
- Net rental income was EUR 104.3 million (101.1).
- Profit before taxes was EUR 45.2 million (50.9).
- The unrealised change in the fair value of investment properties included in the result was EUR 2.1 million (6.8).
- Housing investments amounted to EUR 11.9 million (22.8).
- Invested capital at the end of the period was EUR 4,587.9 million (4,531.2).
- Return on invested capital was 3.7% (3.8).
- Equity was EUR 2,634.8 million (2,564.7) or EUR 31.04 per share (30.21).
- Earnings per share were EUR 0.43 (0.53).
- 0 rental apartments (92) were completed.
- Renovation of 0 apartments (56) was completed.
- 0 rental apartments (257) were under construction.



SUMMARY FOR Q2/2025 (Q2/2024)

- The economic occupancy rate was 94.9% (95.3).
- Net sales totalled EUR 77.5 million (75.8).
- Net rental income was EUR 57.5 million (57.5).
- Profit before taxes was EUR 26.9 million (31.4).
- The unrealised change in the fair value of investment properties included in the result was EUR 0.7 million (5.1).
- Housing investments amounted to EUR 8.0 million (10.0).
- Earnings per share were EUR 0.25 (0.30).
- 0 rental apartments (0) were completed.
- Renovation of 0 apartments (0) was completed.
- 0 rental apartments (257) were under construction.
- The occupancy rate declined slightly due to the oversupply in the rental market.



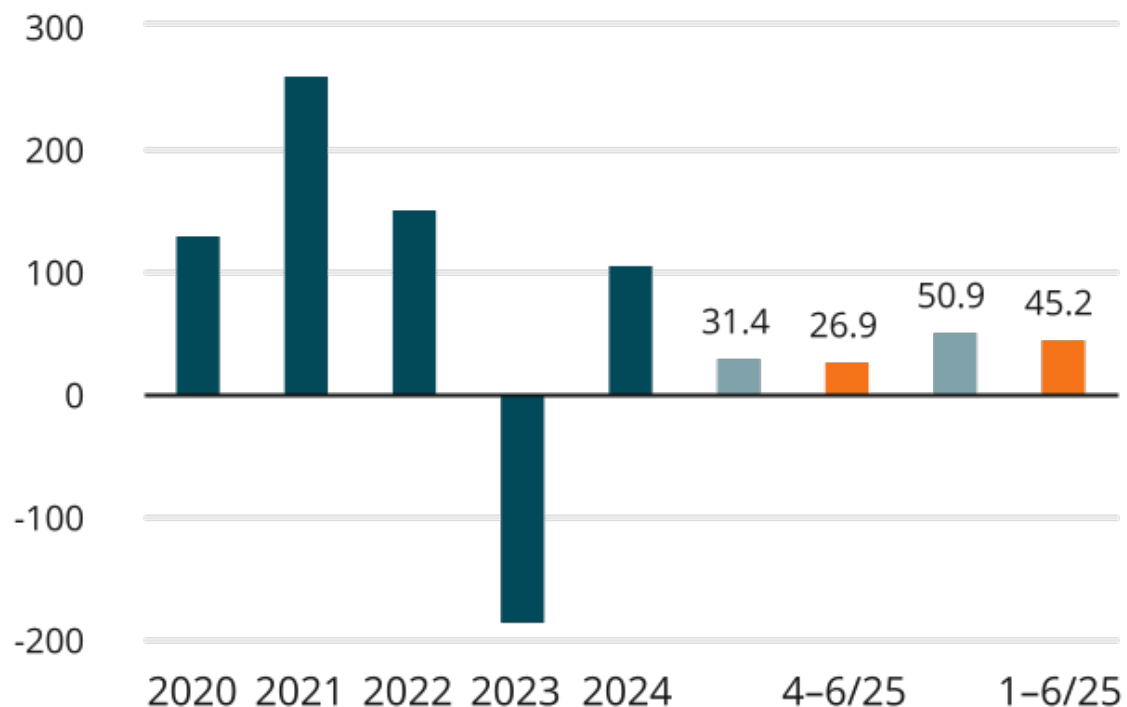
HIGHLIGHTS

Antti Aarnio

- Our economic occupancy rate remained at a good level. It declined only slightly year on year and was 95.0% (95.1).
- Average rents per square metre increased compared with the corresponding period last year and were EUR 18.52 per m² (18.30).
- Uncertainty in the global economy grew and has an adverse effect on household consumption and slows down Finland's economic recovery.
- The substantial oversupply in the rental housing market continued and the volume of new starts is expected to remain low for the current year.
- SATO will not launch any newbuild projects this year and is not planning any new building starts for next year, either.
- The scaling up of the SATO webshop proceeded as planned.
- In June, we signed a EUR 150 million unsecured sustainability-linked loan facility.
- Investments in local energy production continued. By the end of the year, 9,108 SATO homes at 127 properties will be making use of locally produced renewable energy.
- According to research conducted by the market research company Nepa, the positive trend in rental housing continues. More than half of the survey respondents reported an increased interest in renting a home.
- The 85th anniversary year celebrations will continue throughout the year with our various stakeholders.

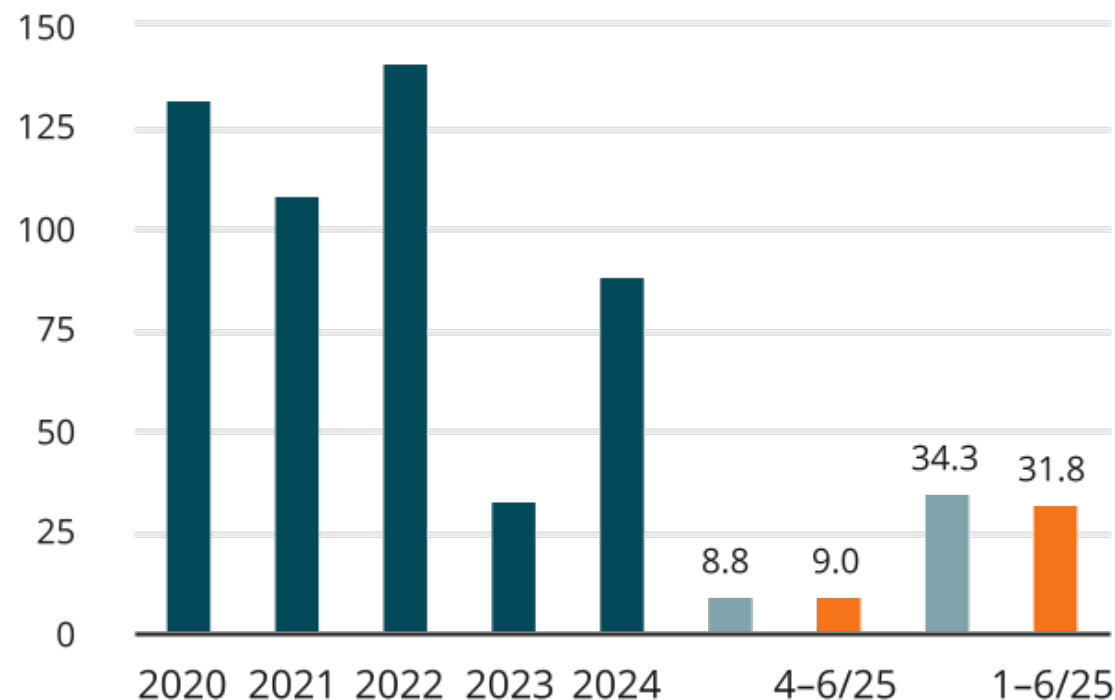
PROFIT AND CASH EARNINGS

PROFIT BEFORE TAXES, EUR million



2024 comparison

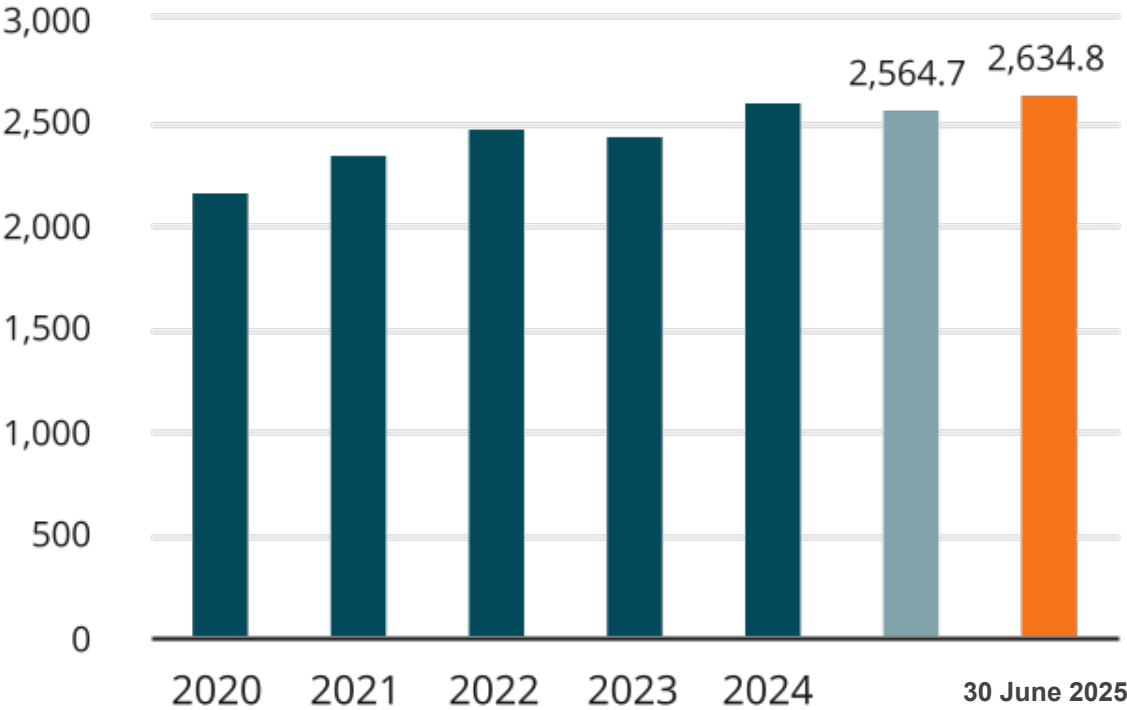
CASH EARNINGS (CE), EUR million



2024 comparison

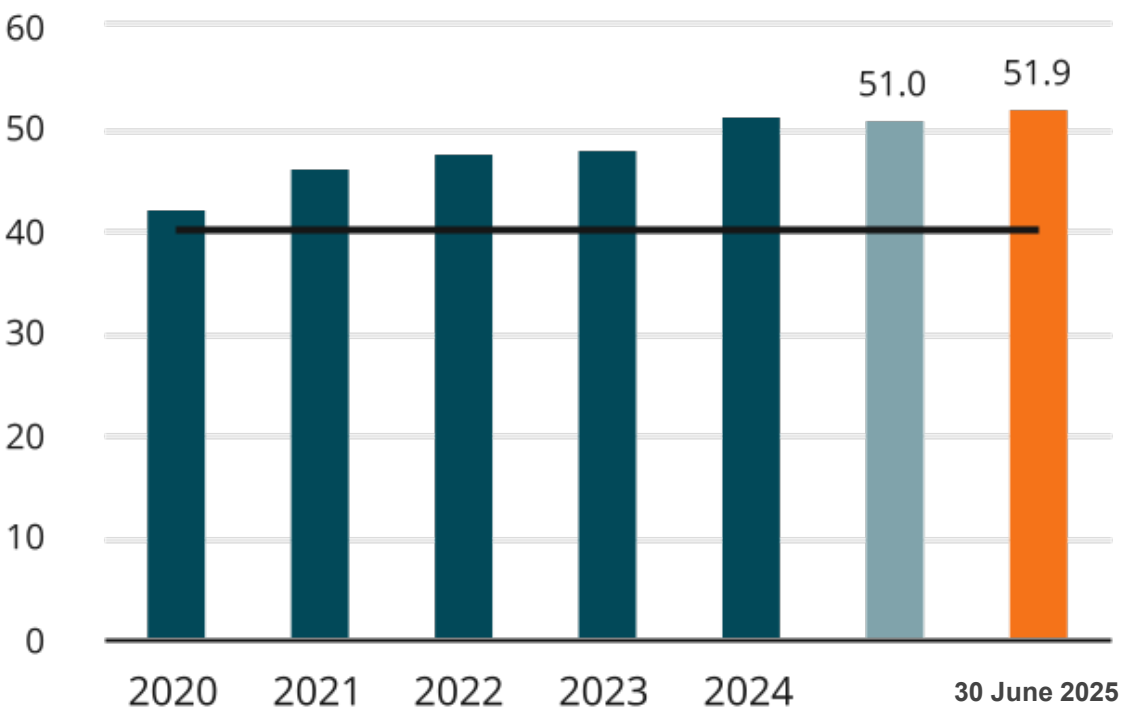
FINANCIAL POSITION

SHAREHOLDERS' EQUITY, EUR million



■ 2024 comparison

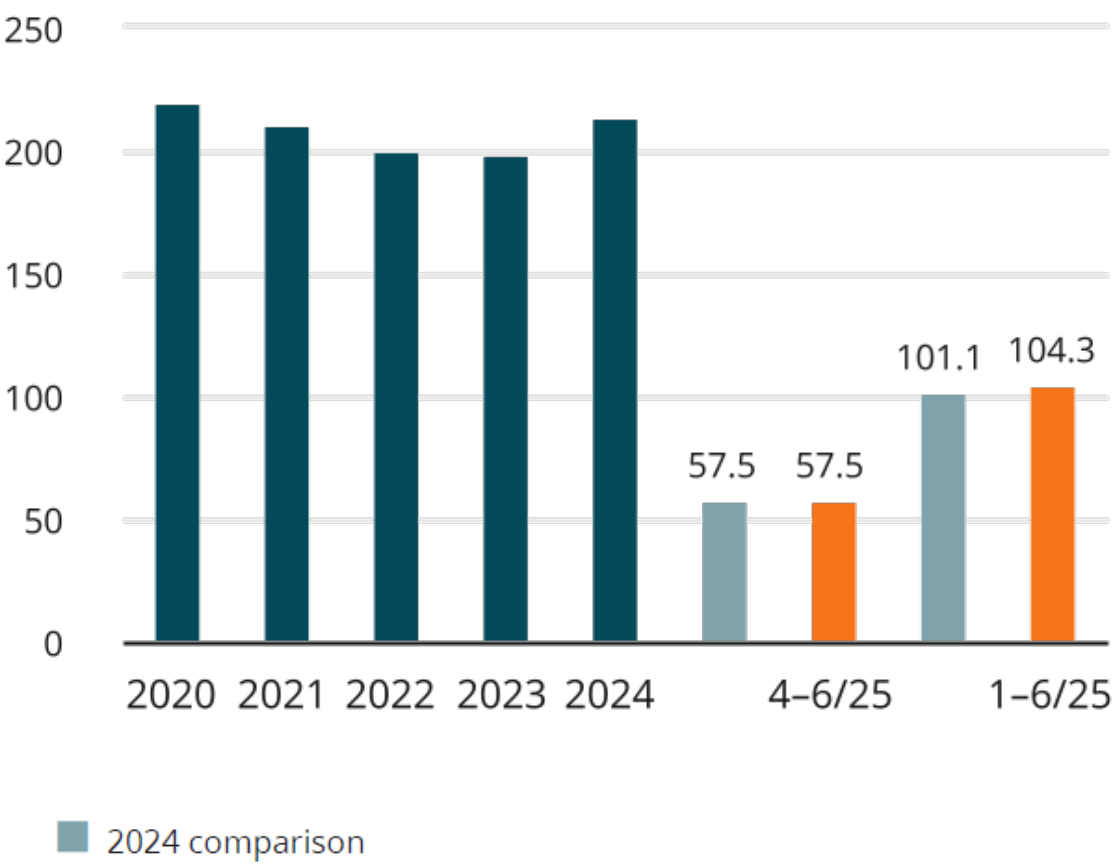
EQUITY RATIO, %



■ 2024 comparison — Target > 40 %

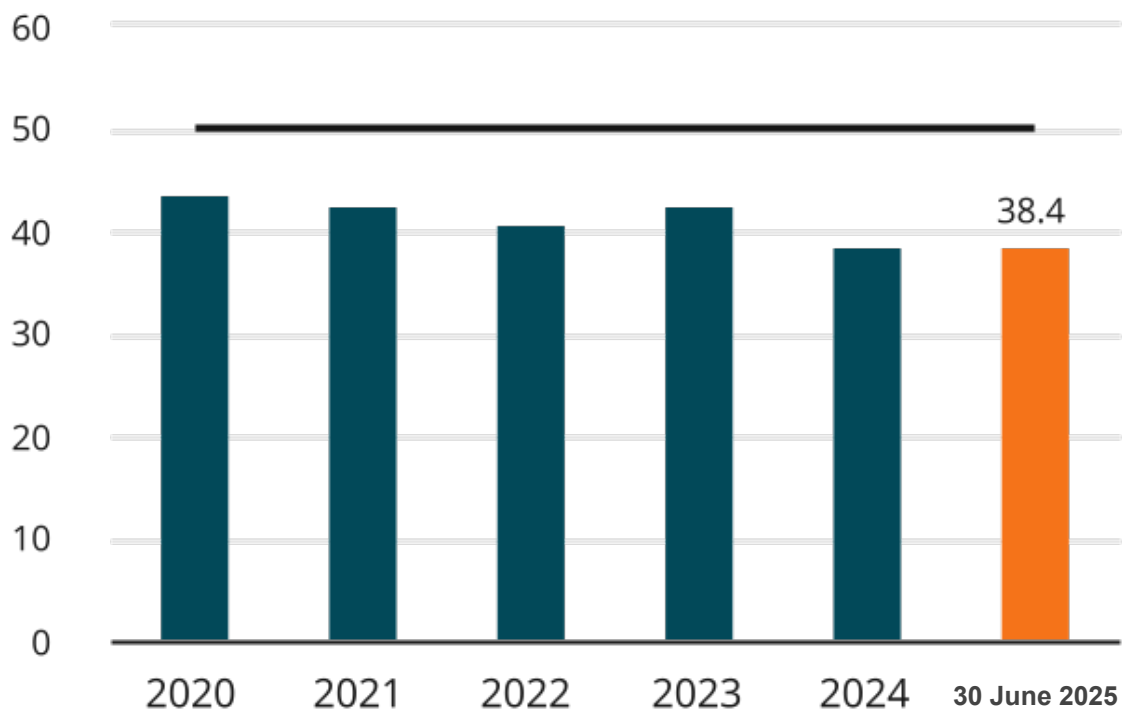
RENTAL INCOME

NET RENTAL INCOME, EUR million



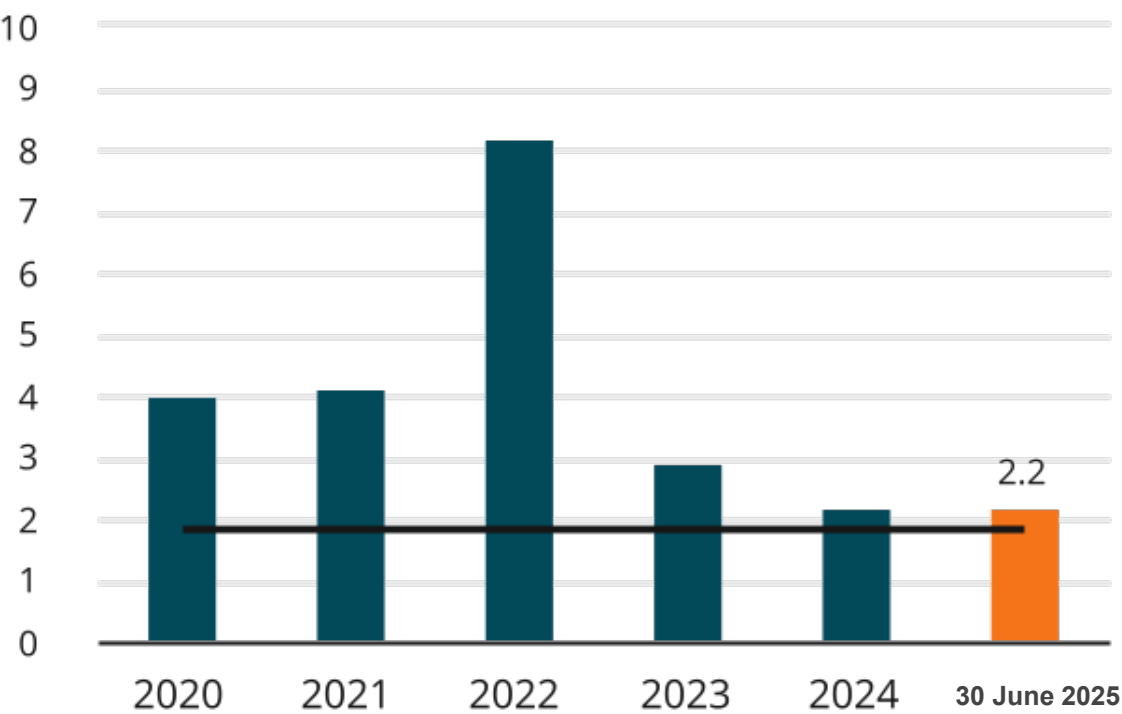
SOLVENCY RATIO

SOLVENCY RATIO, %



— Target < 50 %

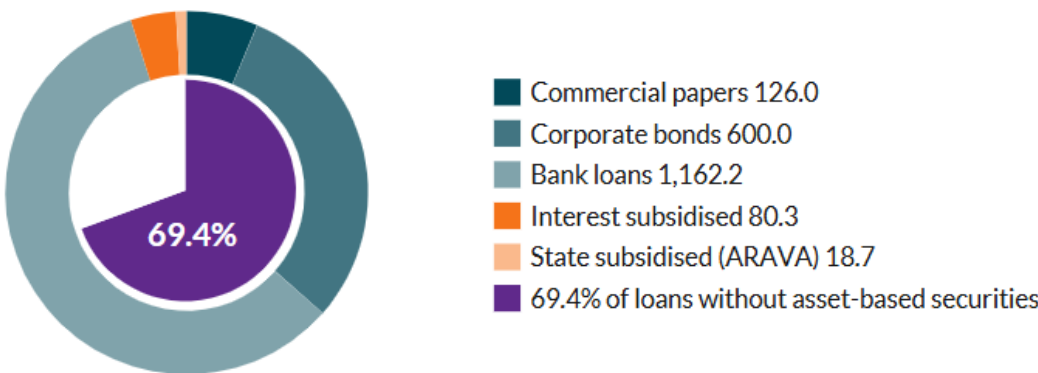
INTEREST COVERAGE RATIO (R12)



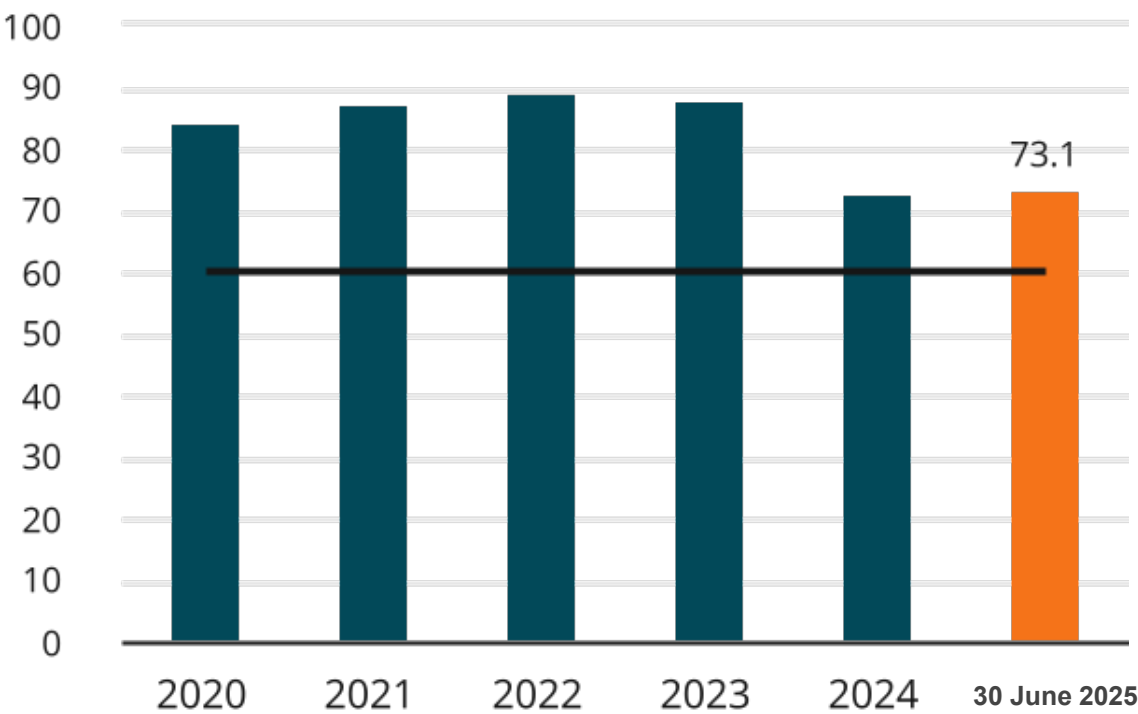
— Target > 1,8x

BROAD FINANCING BASE

DEBT PORTFOLIO, nominal values 30 June 2025, total EUR 1,987.2 million



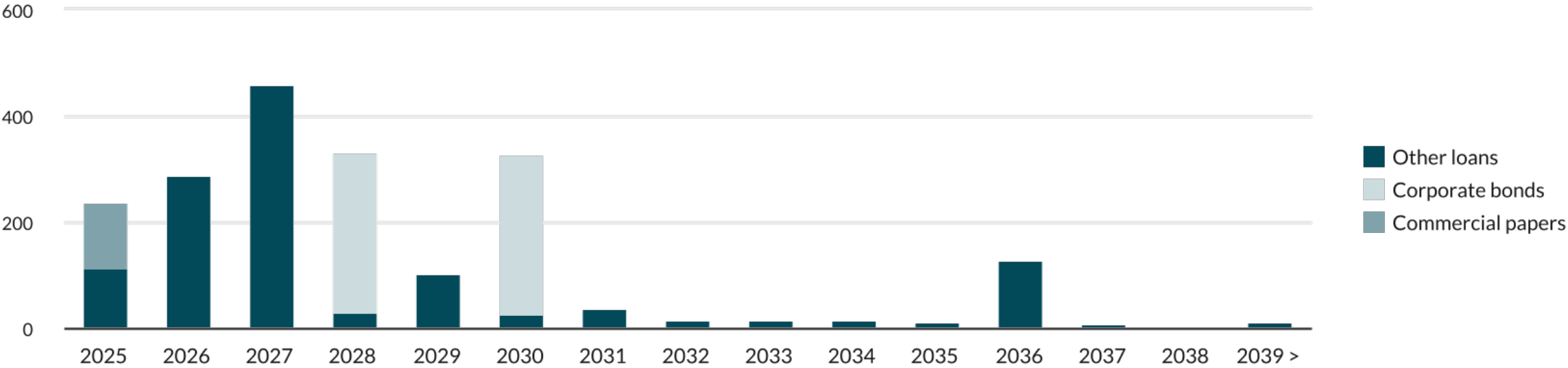
UNENCUMBERED ASSETS, %



*Not including undrawn credit facilities.

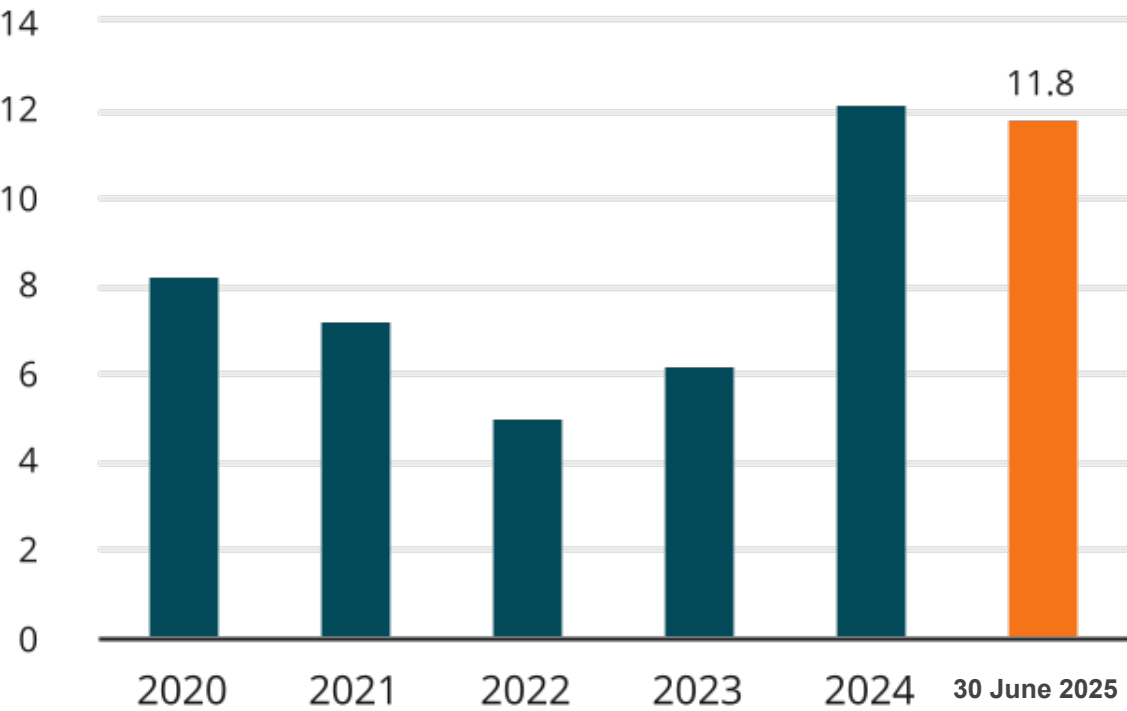
BROAD FINANCING BASE

MATURITY PROFILE OF DEBT, EUR million



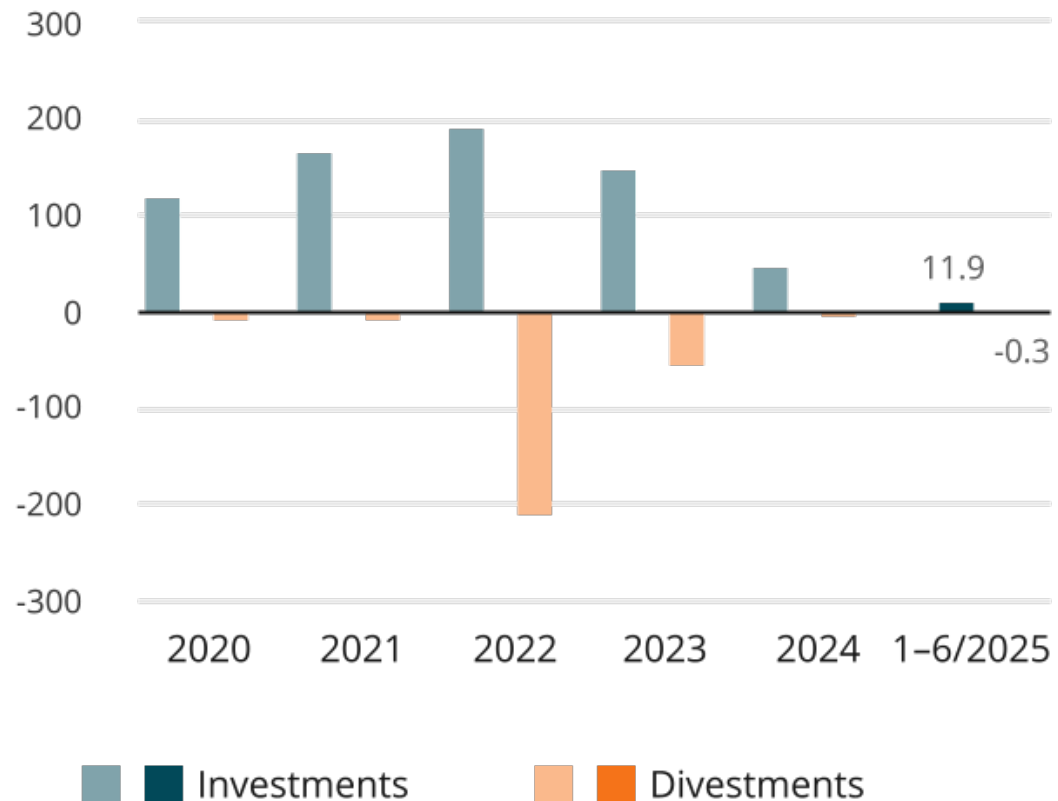
SECURED SOLVENCY RATIO

SECURED SOLVENCY RATIO, %



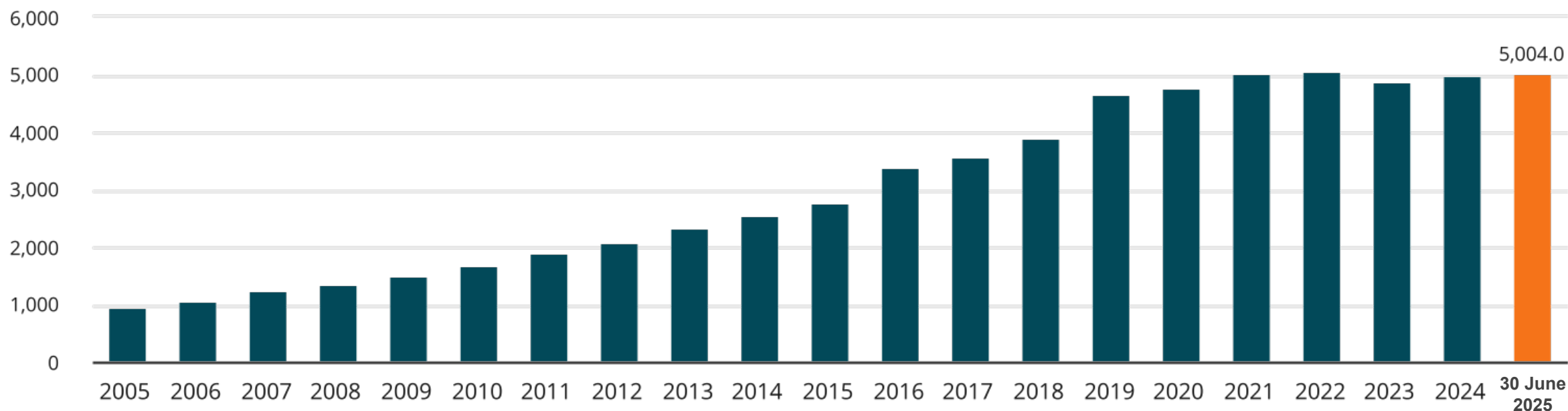
DEVELOPMENT OF HOUSING ASSETS

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 30 JUNE 2025, %



■ Helsinki met. area 86.2% ■ Turku region 5.8%
■ Tampere region 8.0%

Total housing portfolio EUR 4,816.3 million

MAIN SHAREHOLDERS

Balder Finska Otas AB (Fastighets AB Balder)	48,483,564	57.0 %
Stichting Depositary APG Strategic Real Estate Pool	19,217,470	22.6 %
Elo Mutual Pension Insurance Company	10,849,621	12.8 %
State Pension Fund of Finland	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 %
Other shareholders (117)	1,085,414	1.3 %

On 30 June 2025, SATO had 85,062,444 shares and 127 shareholders registered in the book-entry system. The share turnover rate was 0.1% for the period 1 Jan – 30 Jun 2025.

OUTLOOK

- The outlook for the global economy has declined, as trade policy tensions intensified early this year.
- Finland's economic growth is projected to turn positive during the current year, but it is overshadowed by considerable uncertainty.
- The tariff increases announced by the United States may have a clear weakening effect on global economic growth, Finland's exports and, consequently, economic growth expectations.
- The unemployment rate is forecast to peak this year and then take a downturn, provided that the economy will not re-enter recession due to high tariffs.
- The economic uncertainty and the shadow cast over the economy by rapid trade and geopolitical changes are still slowing down recovery in construction. In addition, the number of unsold new homes remains at a high level.
- In the rental market, competition for good tenants continues and the imbalance between supply and demand is unlikely to enable any large-scale commencement of newbuild rental housing construction next year, either.
- Rental housing is becoming increasingly popular, with more than a million household-dwelling units already renting. In an uncertain economic and employment situation, rental housing is regarded as a safer and more flexible option from the cost management perspective.
- Towards the end of the decade, new rental homes will be required to support economic growth, urbanisation and growing immigration, particularly in growth centres in locations with good access to public transport and services.
- SATO will not publish guidance on its 2025 earnings.



For further information, please contact:
Antti Aarnio, President and CEO, tel. +358 201 34 4001
Markku Honkasalo, CFO, tel. +358 201 34 4226