Post results | 22 October 2026

Hemsö

Q3 26: Robust Q3 performance and steady metrics

Hemsö's Q3 26 report showcased the company's low-risk business profile. Rental income and NOI increased on the back of acquisitions while like-for-like rents were slightly up y/y. Occupancy was steady at about 98% and we see no evidence of weakening operating fundamentals. Leverage remains high relative to most peers (adj. net LTV of 57.2%), but we see this as largely offset by Hemsö's strong business risk and ownership profile. We consider bond pricing fair and therefore maintain our Marketweight recommendation.

Hemsö's rental income and NOI increased by 4.5% and 3.3% y/y in Q3 26, mainly reflecting a larger property portfolio compared to a year ago. In a like-for-like portfolio, YTD rental income rose by 1.0% y/y (excluding currency effects). Occupancy was close to unchanged q/q at 98.1% (Q2 26: 97.8%).

Hemsö's reported net LTV was steady at 55.1% (Q2 26: 55.2%) as SEK1.6bn in net property investments were partly offset by SEK0.8bn in cash-flow from operations. Our adjusted net LTV was unchanged q/q at 57.2%. We expect it to remain steady at around those levels in 2026-28E.

The reported ICR, as well as our adjusted ICR, was unchanged q/q at 3.3x with ample headroom to the 2.5x policy threshold, supported by a very low average interest rate of 2.2% (excluding hybrids). In our forecast, we expect the adjusted metric to decline steadily towards 2.7x by 2028E.

Marketweight

Real estate

Corporate ticker: HEMSOF

Equity ticker: 0367160D SS

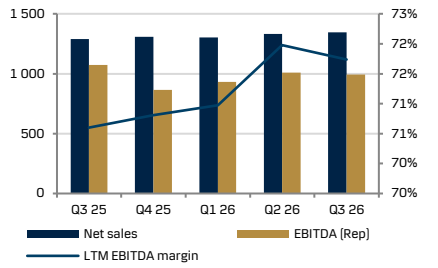
Ratings:
S&P: A- / S
Moody's: A3 / S
Fitch: AA- / S

ESG rating:
Sustainalytics ESG Risk Rating: 15.3

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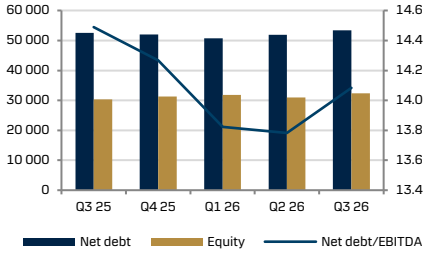
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Profitability (SEKm)



Source: Company data, Danske Bank Credit Research

Financial metrics (SEKm)



Source: Company data, Danske Bank Credit Research

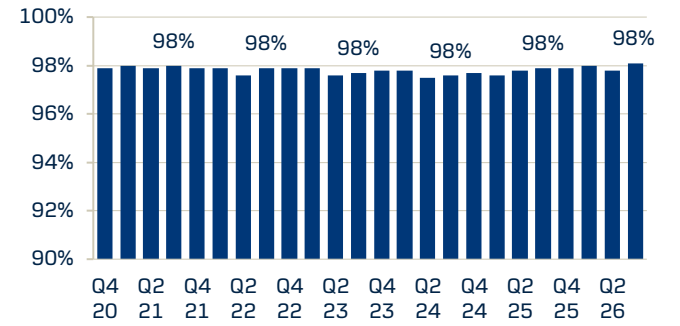
Key figures

SEKm	Q3 25	Q2 26	Q3 26	y/y	q/q
Rental income	1 288	1 331	1 346	4.50%	1.13%
EBITDA (rep.)	1 074	1 011	995	-7.36%	-1.58%
Net income	709	424	1 155	62.91%	172.41%
Investment properties	86 909	89 734	92 444	6.37%	3.02%
Total debt	52 680	52 772	53 551	1.65%	1.48%
Ratios	**Q3 25**	**Q2 26**	**Q3 26**	**y/y**	**q/q**
Gross LTV	59.3%	61.0%	60.2%	0.9pp	-0.9pp
LTM NOI margin	76.3%	76.7%	75.4%	-1.0pp	-1.4pp
LTM EBITDA interest coverage (x)	3.1	3.3	3.3	0.1pp	0.0pp
Net debt/LTM EBITDA (x)	14.5	13.8	14.1	-0.4pp	0.3pp
Total debt/total capital	63.4%	63.0%	62.3%	-1.1pp	-0.6pp

Source: Company data, Danske Bank Credit Research

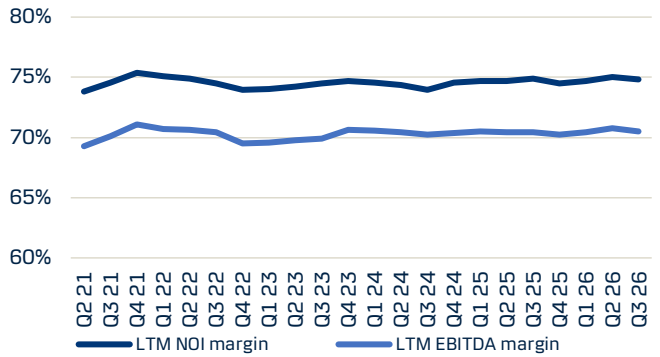
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Occupancy



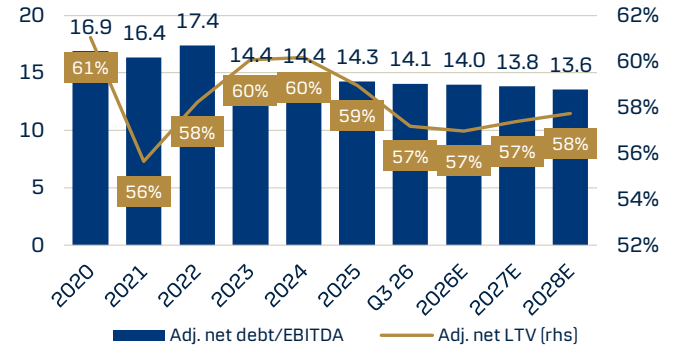
Source: Company data, Danske Bank Credit Research

LTM NOI and EBITDA margins



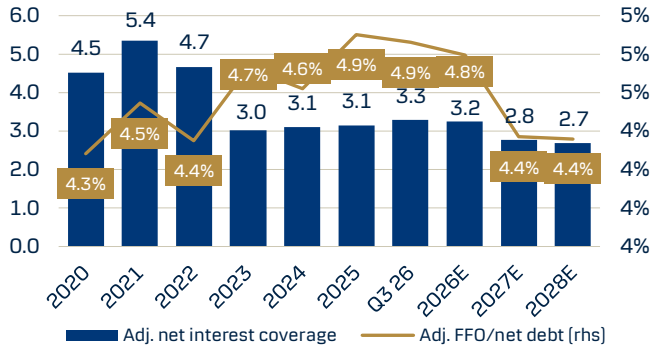
Source: Company data, Danske Bank Credit Research

Adj. net debt/EBITDA and adj. net LTV



Source: Company data, Danske Bank Credit Research

Adj. net ICR and adj. FFO/net debt



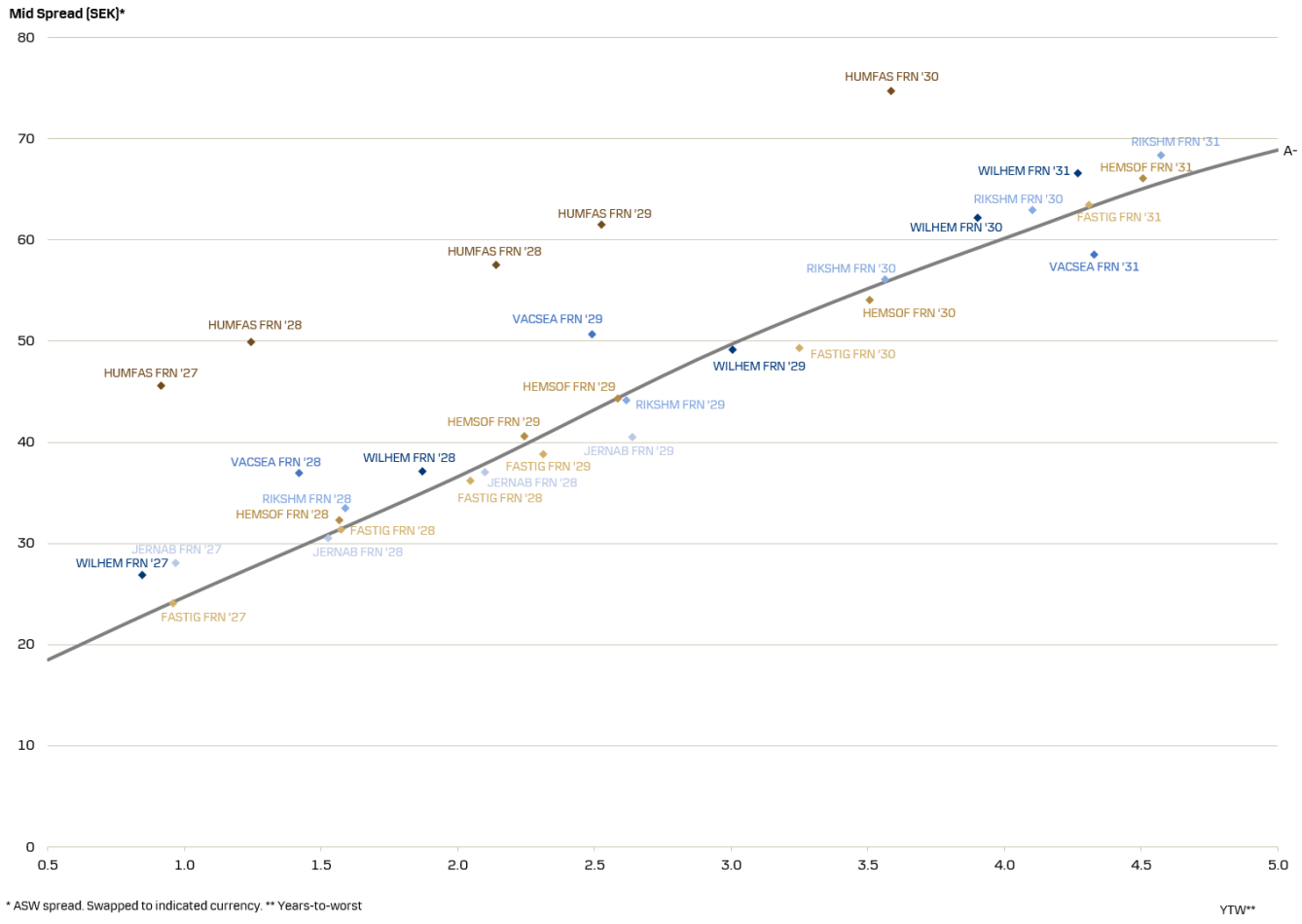
Source: Company data, Danske Bank Credit Research

Recommendation

Hemsö benefits from the company's exposure to the stable community-service property segment, characterised by robust demand, high occupancy, and long lease lengths with creditworthy tenants. While leverage is high relative to most peers, we consider this largely offset by a strong ownership profile.

Hemsö's SEK senior bonds trade roughly in line with 'A-' rated Swedish peers. In EUR seniors, Hemsö's longest bond with decent size matures in 2028, limiting relative value comparisons. The EUR550m NC32 hybrid has widened alongside the rest of the market to be quoted at about a 5.6% yield to first call, up from 4.2% at issue. Altogether, we find bond pricing fair and maintain our Marketweight recommendation.

Relative value (SEK)



* ASW spread. Swapped to indicated currency. ** Years-to-worst

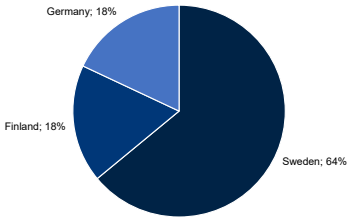
Source: Bloomberg, Danske Bank Credit Research

Company summary

Company description

Hemsö is a Swedend-based real estate company focusing on community service properties such as nursing homes, education and health care. Properties are spread throughout Sweden, Finland and Germany.

Sales breakdown, segments



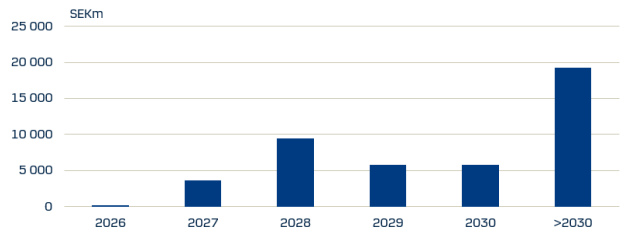
Key credit strengths

- Demographic trends support nursing homes and healthcare
- Long contract lengths, often with public sector tenants
- Strong ownership by government pension fund AP3 (85%)
- Strong interest fixing and debt maturity profile

Key credit challenges

- Comparatively high leverage
- Interest coverage likely to decline from strong levels
- Education properties could face demographic headwinds

Debt maturity profile



Main shareholders

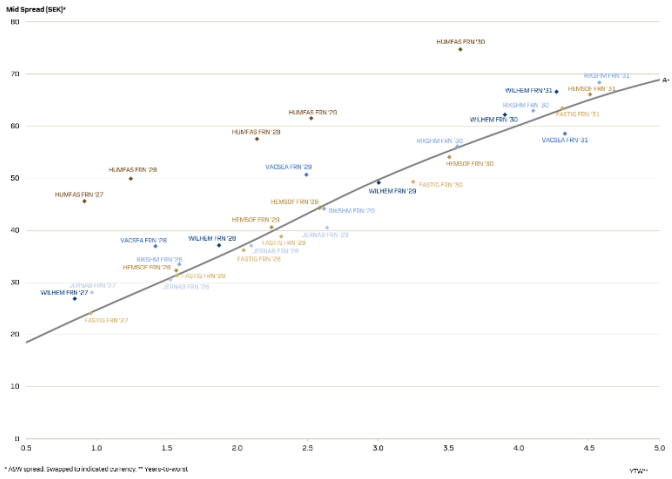
Name	Votes (%)	Capital (%)
Third AP Fund	85.0%	85.0%
Sagax	15.0%	15.0%

Selected outstanding bonds

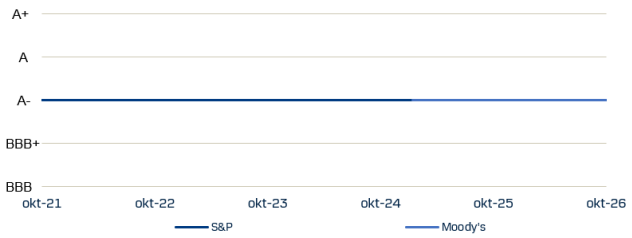
Isin	Coupon	Currency	Maturity /Call	Seniority	Rating*
XS3201989178	FRN	SEK	2031-04-25	Sr Unsecured	NR/NR
XS1488494987	1%	EUR	2026-09-09	Sr Unsecured	NR/NR
XS2281473111	0%	EUR	2028-01-19	Sr Unsecured	NR/A-
XS1632767718	1.75%	EUR	2029-06-19	Sr Unsecured	NR/A-
XS3286670537	4.2%	EUR	2032-11-18	Subordinated	Baa1/NR

*Moodys/S&P

Relative valuation



Rating migration



Source: Company data, Bloomberg, Danske Bank Credit Research [all charts and tables]

Summary table

Income statement (SEKm)	2024	2025	2026E	2027E	2028E
Rental income	5 130	5 149	5 335	5 620	5 923
Other operating income	8	7	6	6	6
Total revenue	5 138	5 156	5 340	5 626	5 929
Total property related costs	1 306	1 314	1 336	1 422	1 491
Net operating income (NOI)	3 832	3 842	4 004	4 205	4 438
EBITDA	3 644	3 652	3 844	4 040	4 273
Net interest expenses	1 177	1 162	1 296	1 587	1 721
Profit from property management	2 596	2 611	2 623	2 499	2 598
Change in property values	-60	-685	333	0	0
Change in financial derivatives	-239	59	193	0	0
Other	157	150	140	111	111
Pre-tax profit	2 263	1 985	3 149	2 499	2 598
Current tax	-142	59	-361	-250	-260
Deferred tax	-237	-147	-192	0	0
Net income	1 884	1 897	2 596	2 249	2 338
Balance sheet (SEKm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Market value properties	85 973	87 231	93 256	96 410	99 581
Other fixed assests	133	143	532	532	532
Intangible assets	18	0	0	0	0
Deffered tax assets	0	0	0	0	0
Investments in associated companies	1 977	2 265	2 526	2 526	2 526
Cash and cash equivalents	866	256	305	491	227
Total assets	91 251	92 418	99 084	102 424	105 330
Equity	29 436	31 347	32 905	33 852	34 856
Shareholder loans	0	0	0	0	0
Deferred taxes	6 197	6 240	6 535	6 535	6 535
Total debt	53 269	52 345	54 038	56 431	58 333
Other liabilities	2 350	2 485	2 490	2 490	2 490
Total equity and liabilities	91 252	92 417	99 084	102 424	105 330
Cash flow statement (SEKm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
FFO (adjusted)	2 421	2 553	2 577	2 444	2 533
Cash flow from operations (FFO)	2 105	2 206	2 673	2 444	2 533
Investment (properties)	-276	-631	-1 355	0	0
Disposals (properties)	1 310	404	206	0	0
Investments other (net)	-182	-272	-205	0	0
Capex	-3 482	-3 521	-3 047	-3 154	-3 171
Free operating cash flow	-343	-1 542	-1 523	-710	-637
Dividends and share repurchased	-1 173	-1 249	-1 270	-1 302	-1 334
Debt financing (net)	484	996	3 039	2 393	1 903
Change in cash	-738	-615	-1	186	-264

Source: Company data, Danske Bank Credit Research estimates

Summary table

Adjusted ratios (SEKm)	2024	2025	2026E	2027E	2028E
Sales growth	5.7%	0.4%	3.6%	5.4%	5.4%
EBITDA margin	70.9%	70.8%	72.0%	71.8%	72.1%
NOI margin	74.6%	74.5%	75.0%	74.7%	74.9%
EBITDA interest coverage (x)	3.1	3.1	3.0	2.5	2.5
FFO/interest coverage (x)	3.1	3.2	3.0	2.5	2.5
FFO/debt (x)	4.5%	4.9%	4.8%	4.3%	4.3%
Net debt/EBITDA (x)	13.9	13.8	13.7	13.7	13.5
Gross LTV	62.0%	60.0%	57.9%	58.5%	58.6%
Net LTV	61.0%	59.7%	57.6%	58.0%	58.4%
Equity ratio	32.3%	33.9%	33.2%	33.1%	33.1%
Total debt/total capital	64.4%	62.5%	62.2%	62.5%	62.6%

Quarterly overview (SEKm)	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26
Rental income	1 288	1 306	1 303	1 331	1 346
EBITDA	1 074	866	932	1 011	995
Net interest expenses	296	305	269	318	342
Net income	709	580	464	424	1 155
CFO	519	589	569	718	781
Investment properties	86 909	87 231	88 580	89 734	92 444
Total debt	52 680	52 345	51 571	52 772	53 551
Net debt	52 586	52 089	50 770	51 930	53 474
Equity	30 380	31 347	31 815	31 027	32 352
Ratios					
LTM NOI margin	76.3%	73.7%	73.3%	76.7%	75.4%
LTM EBITDA margin	70.6%	70.8%	71.0%	72.0%	71.7%
Direct yield	4.4%	4.4%	4.4%	4.4%	4.3%
Gross LTV	60.6%	60.0%	58.2%	58.8%	57.9%
LTM EBITDA interest coverage (x)	3.1	3.1	3.2	3.3	3.3
Net debt/LTM EBITDA (x)	14.5	14.3	13.8	13.8	14.1
Total debt/total capital	63.4%	62.5%	61.8%	63.0%	62.3%
FFO/debt	1.2%	1.2%	1.1%	1.4%	1.2%

Source: Company data, Danske Bank Credit Research estimates

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Overweight	Outperformance relative to peer group	6 months	31%	53%
Marketweight	Performance in line with peer group	6 months	58%	60%
Underweight	Underperformance relative to peer group	6 months	12%	41%

Changes to recommendation in the past 12 months:

Date	Old rec.	New rec.
1 Jun 2026		Marketweight

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