

Wallenstam 

SUMMARY Q3, 2018

SUSANN LINDE, CFO AND HEAD OF INVESTOR RELATIONS

WALLENSTAM – QUICK LOOK AT Q3 2018

INCOME FROM PROPERTY
MANAGEMENT

+22%

SURPLUS RATIO

76%

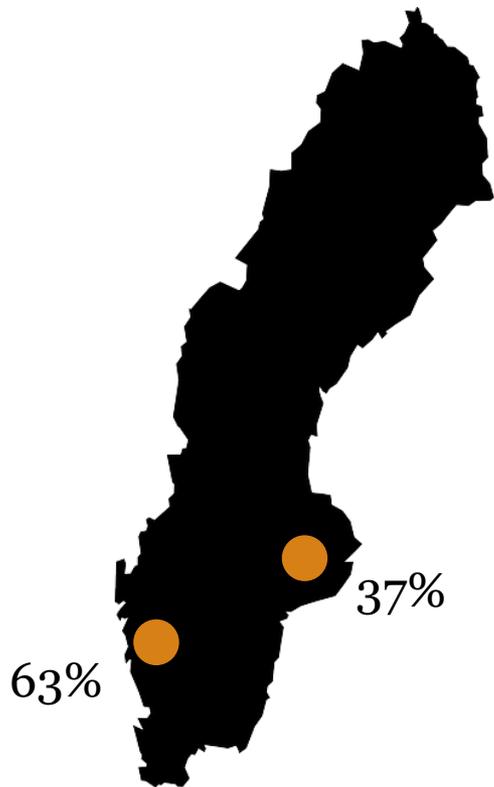
CONSTRUCTION STARTS,
APTS.

440

LOAN-TO-VALUE

46%

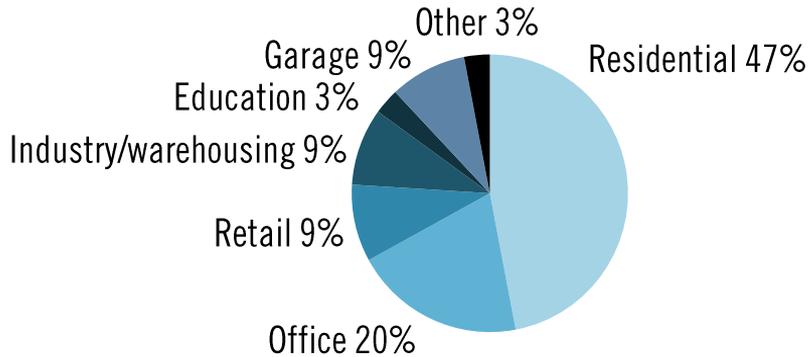
OUR INVESTMENT PROPERTIES IN THE MOST ATTRACTIVE REGIONS



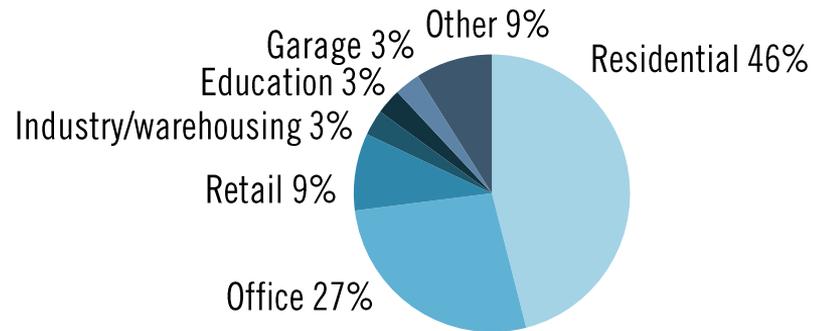
- > Investment property value: SEK 44 billion
- > No. of properties: 219
- > Lettable area: 1.2 million sq m
- > Occupation rate, lettable area: 99%
- > Average yield commercial: 4.6%
- > Average yield residential: 3.3%

DISTRIBUTION BY TYPE OF PREMISES

AREA



RENTAL VALUE



A black rectangular light fixture is mounted on a wall of vertical wooden planks. Below the fixture, the number '50' is mounted in a metallic, stylized font. A black rectangular box on the right side of the image contains white text.

**COMPLETED
NEW
CONSTRUCTION
IN Q3 2018**

ORANGERIET, PHASE 2 SOLBERGA, STOCKHOLM

> 80 rental apts.



A modern multi-story apartment building with balconies, surrounded by lush green trees. The building features light-colored siding and dark window frames. The balconies have white metal railings. The scene is framed by dense green foliage, with sunlight filtering through the leaves.

UTFORSKAREN GOTHENBURG

> 36 rental apts.

Wallenstam

A low-angle photograph of a yellow tower crane against a clear blue sky. The crane's lattice structure is prominent, extending from the bottom left towards the top right. A black rectangular box is overlaid on the right side of the image, containing white text.

**NEW
CONSTRUCTION
STARTED IN Q3 2018**

PARKSTRÅKET 1 & 2

HANINGE

- > 162 rental apts. in Parkstråket 1
- > 131 rental apts. in Parkstråket 2



GODHEMS BACKE GOTHENBURG

> 138 rental apts.



Wallenstam

walrus
stam



FINANCIAL INFORMATION

INCOME FROM PROPERTY MANAGEMENT

| SEK million | Note | Jan-Sep 2018 | Jan-Sep 2017 | Jul-Sep 2018 | Jul-Sep 2017 | Oct-Sep 2017/2018 | Jan-Dec 2017 |
|--|------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
| Rental income | | 1,422 | 1,257 | 480 | 428 | 1,866 | 1,701 |
| Operating expenses | | -344 | -304 | -108 | -90 | -477 | -437 |
| Net operating income, properties | | 1,078 | 953 | 372 | 338 | 1,389 | 1,264 |
| Management costs and administrative expenses | | -149 | -149 | -39 | -44 | -210 | -210 |
| Financial income | | 4 | 5 | 0 | 1 | 9 | 10 |
| Financial expenses | | -175 | -188 | -37 | -65 | -245 | -258 |
| Income from property management | | 758 | 621 | 296 | 230 | 943 | 806 |

+22%

- Efficient property holding
- Successful letting
- Lower interest rates

NET OPERATING INCOME INCREASE BY 13%

RENTAL INCOME



Net operating income
+ SEK 125 million

OPERATING EXPENSES



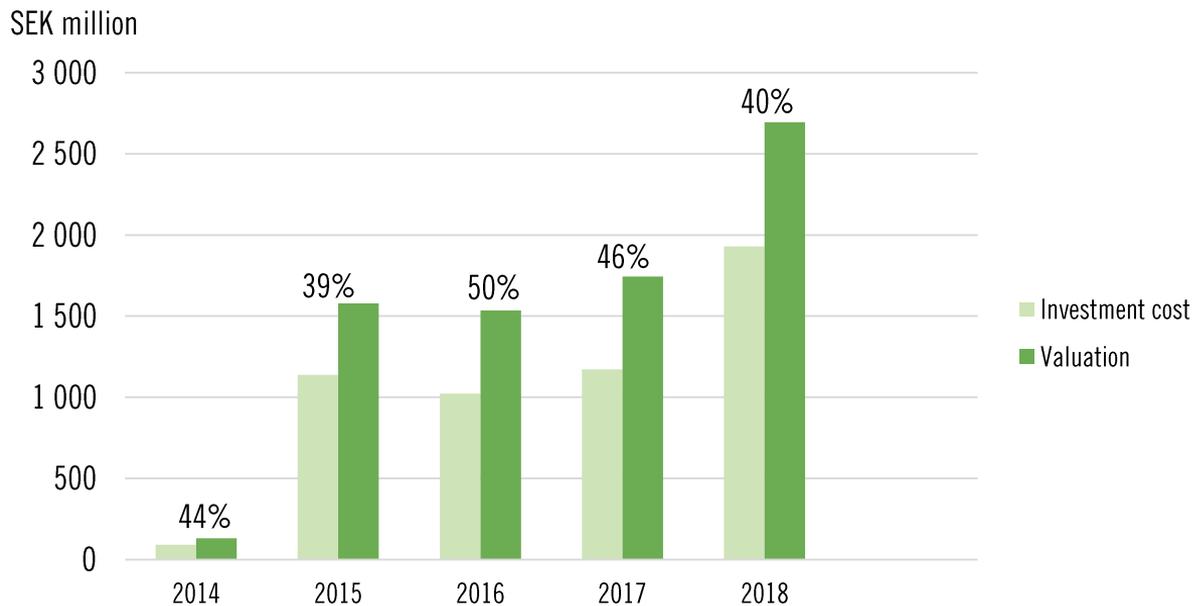
PROFIT BEFORE UNREALIZED CHANGES

| SEK million | Note | Jan-Sep 2018 | Jan-Sep 2017 | Jul-Sep 2018 | Jul-Sep 2017 | Oct-Sep 2017/2018 | Jan-Dec 2017 |
|--|------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
| Income from property management | | 758 | 621 | 296 | 230 | 943 | 806 |
| Realized changes in value, financial instruments | 1 | -776 | - | - | - | -776 | - |
| Income from natural energy management operations | 2 | 1 | -34 | -1 | -20 | -5 | -40 |
| Realized changes in value, synthetic options | | - | -54 | - | - | - | -54 |
| Revenue, co-op apartment and development property sales | | 110 | 320 | 72 | 12 | 122 | 332 |
| Expenses, co-op apartment and development property sales | | -88 | -268 | -59 | -8 | -104 | -284 |
| Realized changes in value, investment and owner-occupied properties including expenses | 3 | -7 | -3 | 0 | -3 | 2 | 6 |
| Profit before unrealized changes in value and impairment charges | | -2 | 582 | 308 | 211 | 181 | 765 |

CHANGES IN VALUE

| SEK million | Note | Jan-Sep 2018 | Jan-Sep 2017 | Jul-Sep 2018 | Jul-Sep 2017 | Oct-Sep 2017/2018 | Jan-Dec 2017 |
|---|------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
| Profit before unrealized changes in value and impairment charges | | -2 | 582 | 308 | 211 | 181 | 765 |
| Unrealized changes in value, investment properties | | 1,075 | 1,817 | 183 | 179 | 1,814 | 2,556 |
| New construction | | 421 | 389 | 154 | 142 | 765 | 733 |
| Other | | 654 | 1,428 | 29 | 37 | 1,049 | 1,823 |
| Unrealized changes in value, financial instruments | 1 | 861 | 148 | 82 | 37 | 895 | 182 |
| Unrealized changes in value, synthetic options* | | -17 | -2 | -2 | - | -17 | -2 |
| Impairment losses on wind turbines | | - | -300 | - | - | -200 | -500 |
| Profit before tax | | 1,917 | 2,245 | 571 | 427 | 2,673 | 3,001 |
| Taxes | | -148 | -464 | -112 | -93 | -264 | -580 |
| Profit for the period, after tax | | 1,769 | 1,781 | 459 | 334 | 2,409 | 2,421 |

CHANGES IN VALUE, COMPLETED NEW CONSTRUCTION, INVESTMENT PROPERTIES



TOTAL ASSETS

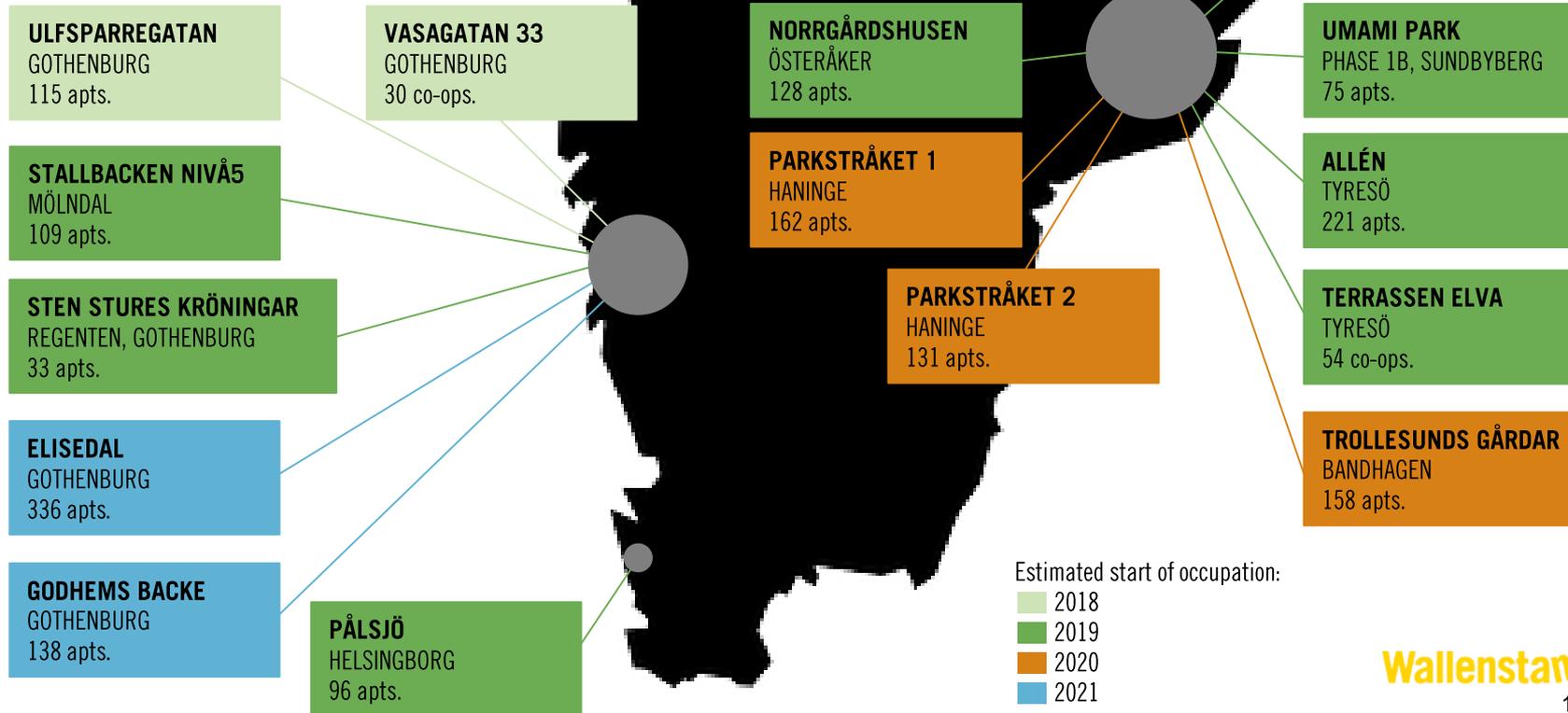
| SEK million | Sep 30, 2018 | Sep 30, 2017 | Dec 31, 2017 |
|--|---------------|---------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Investment properties | 44,360 | 39,660 | 41,410 |
| Wind turbines | 610 | 906 | 682 |
| Financial assets | 343 | 365 | 367 |
| Financial derivative instruments | 39 | 13 | 21 |
| Other non-current assets | 65 | 68 | 66 |
| Total non-current assets | 45,417 | 41,012 | 42,546 |
| CURRENT ASSETS | | | |
| Development and co-op apartment properties | 658 | 850 | 606 |
| Financial derivative instruments | 29 | 6 | 7 |
| Other current assets | 251 | 247 | 286 |
| Cash and cash equivalents | 300 | 46 | 228 |
| Total current assets | 1,238 | 1,149 | 1,127 |
| Total assets | 46,655 | 42,161 | 43,673 |

INVESTMENT IN PROPERTIES FIRST NINE MONTHS 2018

| | <u>SEK million</u> |
|--------------|--------------------|
| Acquisitions | 453 |
| Construction | 1,552 |
| | <hr/> |
| | 2,006 |



OUR ONGOING PROJECTS



Estimated start of occupation:

- 2018
- 2019
- 2020
- 2021

TOTAL EQUITY AND LIABILITIES

| SEK million | Sep 30, 2018 | Sep 30, 2017 | Dec 31, 2017 |
|--|---------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity | 20,686 | 19,061 | 19,408 |
| Equity attributable to non-controlling interests | 2 | 12 | 2 |
| Total equity | 20,688 | 19,073 | 19,410 |
| NON-CURRENT LIABILITIES | | | |
| Provisions for deferred tax | 4,191 | 4,031 | 4,146 |
| Other provisions | 70 | 57 | 56 |
| Interest-bearing liabilities | 7,075 | 687 | 2,432 |
| Financial derivative instruments | 8 | 818 | 796 |
| Other non-current liabilities | 25 | 7 | 49 |
| Total non-current liabilities | 11,369 | 5,600 | 7,479 |
| CURRENT LIABILITIES | | | |
| Interest-bearing liabilities | 14,005 | 16,982 | 16,269 |
| Financial derivative instruments | - | 1 | 1 |
| Other current liabilities | 593 | 505 | 514 |
| Total current liabilities | 14,598 | 17,488 | 16,784 |
| Total equity and liabilities | 46,655 | 42,161 | 43,673 |

FINANCING

EQUITY/ASSET RATIO

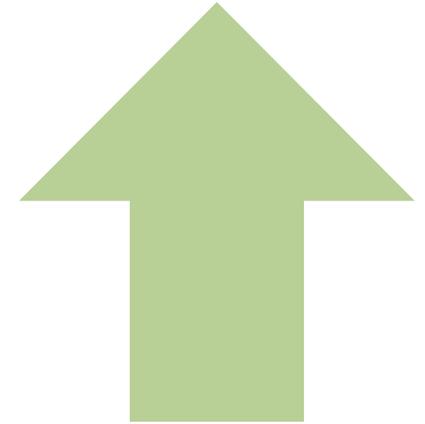
44%

LOAN-TO-VALUE RATIO

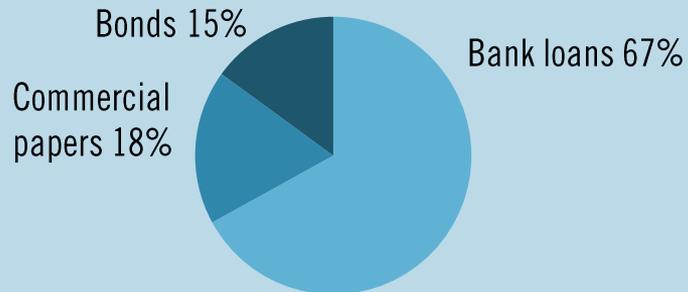
46%

AVERAGE INTEREST RATE
ON CLOSING DAY

0.98%



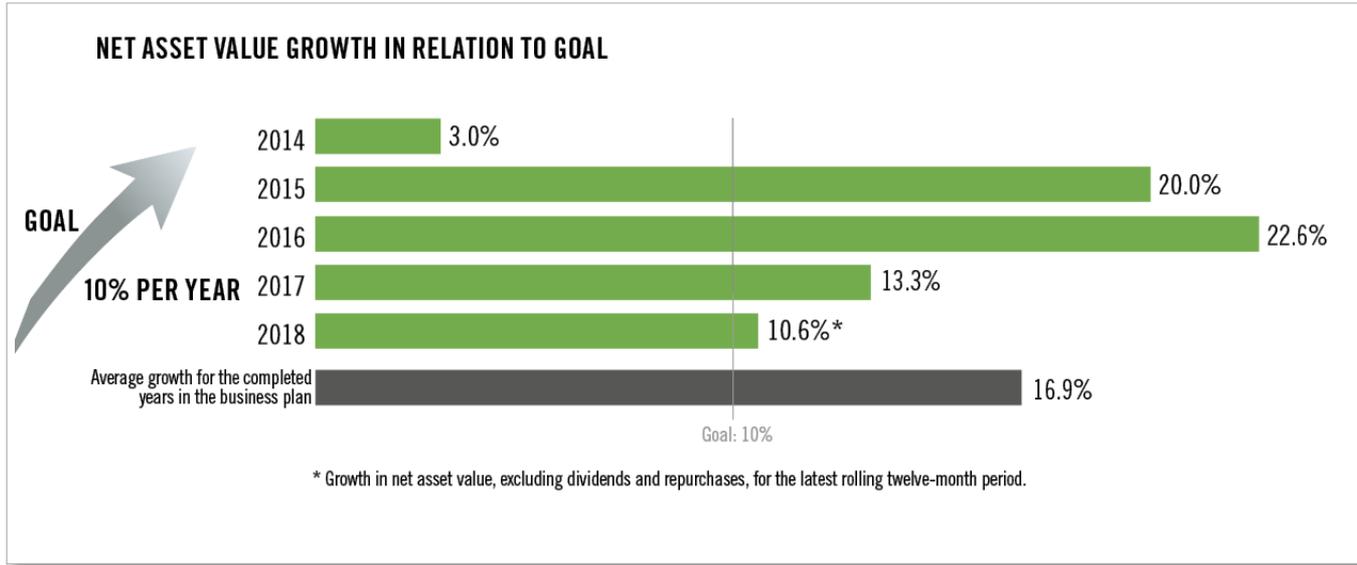
FINANCING



INTEREST MATURITY,
AVERAGE

36 mos

GOAL FOLLOW-UP



SUMMARY

- > Strong demand
- > The business concept is making an impact



Wallenstam

FLORAMOR & KRUKATOS
Keramikverkstad

QUESTIONS WELCOME

Wallenstam

