

Wallenstam 

SUMMARY Q2, 2017

SUSANN LINDE, CFO AND HEAD OF INVESTOR RELATIONS



IMPORTANT EVENTS, Q2

- > Through to the next stage in the Hallonbergen Centrum competition
- > Land allocations in Österåker
- > New Wallenstam office opened in Uppsala
- > Share price over SEK 80 – redemption of synthetic options



**NEW
CONSTRUCTIONS
COMPLETED IN Q2**



MID AVENUE VALAND

- > 35 rental apartments in central Gothenburg
- > Office and retail space



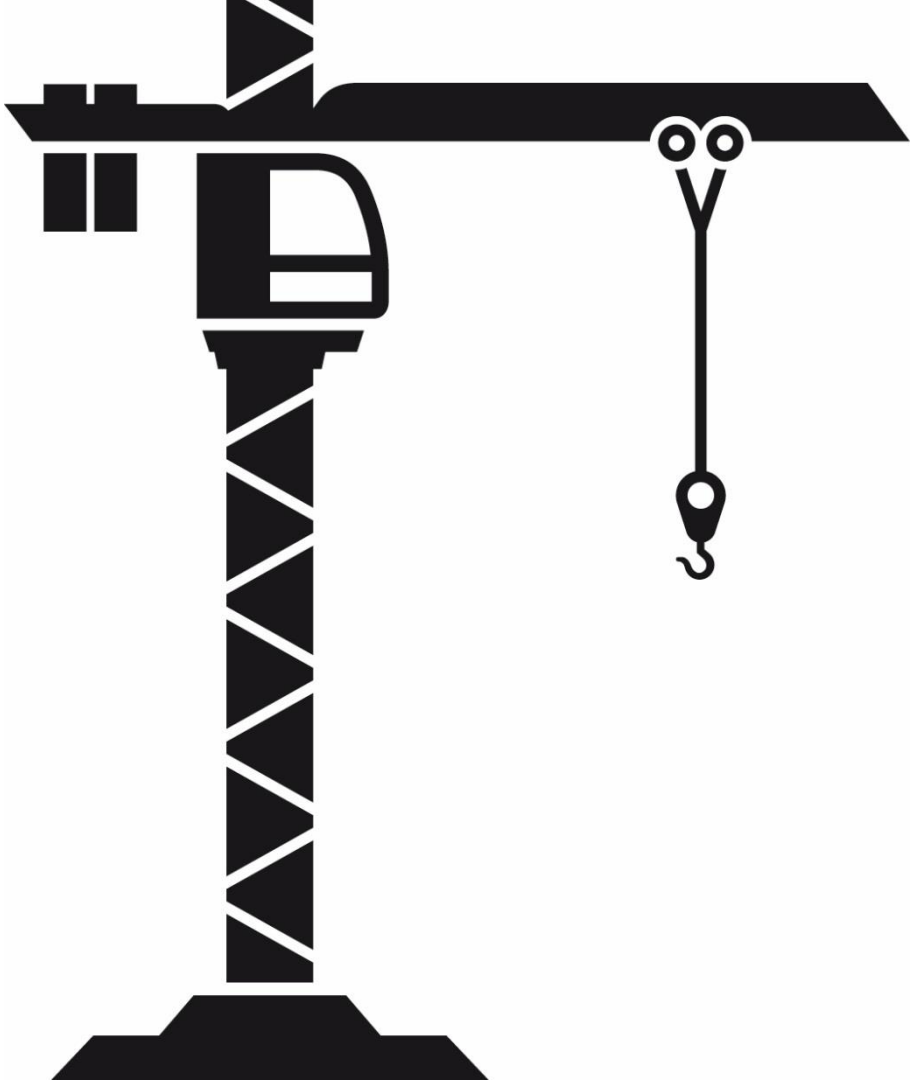
SNICKERIET

- > 137 rental apartments
- > Our first completed project in Uppsala



L17

- > 17 terraced houses in Helsingborg
- > 15 of them was sold and handed over to the buyers in Q2



**NEW
CONSTRUCTIONS
STARTED IN Q2**



UMAMI PARK, PHASE 1B

- > 75 co-op apartments in Sundbyberg
- > Estimated completion in 2019

TERRASSEN ELVA

- > 54 co-op apartments in Tyresö
- > Estimated completion in 2019





ALLÉN

- > 221 rental apartments in Tyresö
- > Estimated completion in 2019



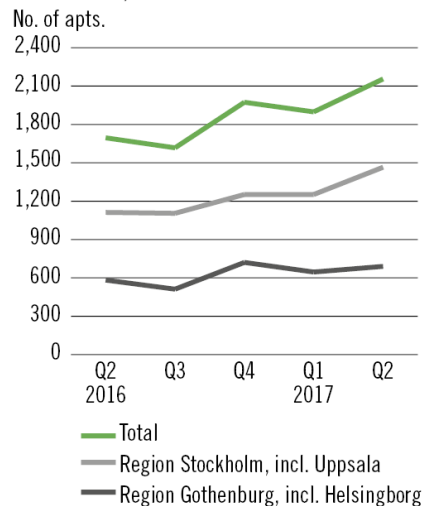
PÅLSJÖ

- > 96 rental apartments in Helsingborg
- > Estimated completion in 2019
- > A development property that will be sold to Willhem

OVER 114,000 SQ M UNDER CONSTRUCTION

Project	No. of apts.	Expected occupation*
STOCKHOLM		
Tavernan, Barkarbystaden, Järfälla**	205	Q2 2017
Grönskan Solberga	148	Q3 2017
Trädgårdssporten, Tyresö	184	Q4 2017
Orangeriet Solberga (co-op)	170	2018
Umami Park, phase 1A, Sundbyberg	147	2018/2019
Allén, Tyresö	221	2019
Terrassen Elva, Tyresö (co-op)	54	2019
Umami Park, phase 1B, Sundbyberg (co-op)	75	2019
UPPSALA		
Fjärilen, Rosendal**	145	Q1 2017
Symfonin, Gränby	116	Q4 2017
GOTHENBURG		
Stallbacken Nivå2, Mölndal	88	Q4 2017
Stallbacken Punkt3, Mölndal	82	Q4 2017
Stallbacken Punkt4, Mölndal (co-op)	133	2018
Vasagatan 33 (co-op)	30	2018
Utforskaren	36	2018
Ulfsparrégatan	115	2018
HELSINGBORG		
Stengläntan, Mariastaden	110	Q3 2017
Pålsjö	96	2019
Total	2,155	

APARTMENTS, CONSTRUCTION IN PROGRESS

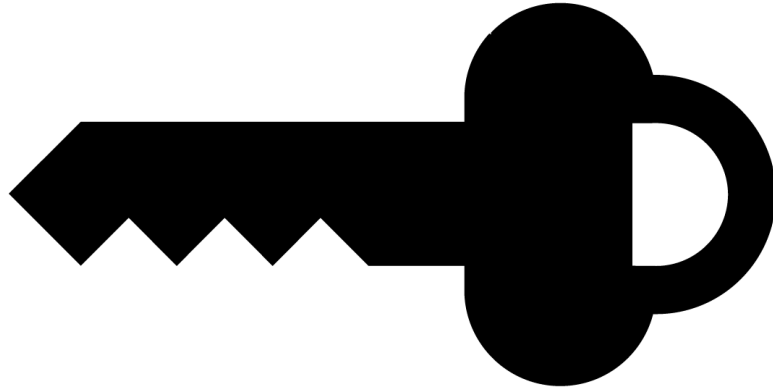


* Refers to estimated start of occupation. Occupation will occur gradually, often over several quarters.

** Gradual occupation has commenced.

A large outdoor event, likely a food festival or community gathering, is taking place on a sunny day. In the foreground, several people are seated at long wooden picnic tables. A woman in a bright pink jacket and red cap is walking away from the camera on the left. In the background, a black food truck is visible with the text "FOR THE LOVE OF FOOT" on its side. A sign in the background reads "KALLE BÄCKERS BAKBROTTER". A large white sign in the middle ground contains text in Swedish: "Inläggning av Parkett & Målfänt", "Skottfänt", "Utsättning med Inläggning av", "Säsonggödnad". The scene is filled with people, some standing and some sitting, enjoying the event. The sky is blue with scattered white clouds.

**25 000 REGISTERED IN
OUR HOUSING QUEUE FOR
NEW PRODUCTION**



FINANCIAL INFORMATION

INCOME FROM PROPERTY MANAGEMENT

SEK million	Note	Jan-Jun 2017	Jan-Jun 2016	Apr-Jun 2017	Apr-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Rental income		829	789	415	397	1,647	1,607
Operating expenses		-214	-210	-101	-97	-438	-434
Net operating income, properties		615	579	314	300	1,209	1,173
Management costs and administrative expenses		-105	-102	-54	-54	-194	-191
Financial income		4	5	2	4	7	8
Financial expenses		-123	-132	-62	-66	-248	-257
Income from property management		391	350	200	184	774	733

+12%

- New construction in operation
- Successful letting operations
- Efficient property management

STRONG COMMERCIAL MARKET



NET OPERATING INCOME INCREASE OF 6%

RENTAL INCOME



Net operating income
+ SEK 36 million

OPERATING EXPENSES



PROFIT BEFORE UNREALIZED CHANGES

SEK million	Note	Jan-Jun 2017	Jan-Jun 2016	Apr-Jun 2017	Apr-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Income from property management		391	350	200	184	774	733
Income from natural energy management operations	1	-14	-45	-22	-27	-30	-61
Realized changes in value, synthetic options		-54	-	-54	-	-54	-
Revenue, co-op apartment and development property sales		308	53	71	27	382	127
Expenses, co-op apartment and development property sales		-260	-46	-72	-29	-318	-104
Realized changes in value, investment properties including expenses	2	0	102	-1	95	68	170
Profit before unrealized changes in value and impairment charges		371	414	122	249	822	865

CHANGES IN VALUE

SEK million	Note	Jan-Jun 2017	Jan-Jun 2016	Apr-Jun 2017	Apr-Jun 2016	Jul-Jun 2016/2017	Jan-Dec 2016
Profit before unrealized changes in value and impairment charges		371	414	122	249	822	865
Unrealized changes in value, investment properties		1,638	1,615	1,269	1,215	3,493	3,470
New construction		247	688	115	409	754	1,195
Other		1,391	927	1,154	806	2,739	2,275
Unrealized changes in value, financial instruments		111	-366	77	-155	347	-130
Unrealized changes in value, synthetic options		-2	0	0	3	-9	-7
Impairment losses on wind turbines		-300	-	-300	-	-300	-
Profit before tax		1,818	1,663	1,168	1,312	4,353	4,198
Taxes		-371	-338	-261	-269	-883	-850
Profit for the period, after tax		1,447	1,325	907	1,043	3,470	3,348

- **41% surplus value in our completed new construction**
- **4,5% value growth in investment properties**
- **Average yield requirement: 3,23% (residential), 4,91% (commercial)**
- **A high proportion co-op apartments and development properties for sale under construction**

TOTAL ASSETS

SEK million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Investment properties	38,797	34,176	36,555
Wind turbines	929	1,328	1,277
Financial assets	370	313	376
Financial derivative instruments	7	-	9
Other non-current assets	67	64	63
Total non-current assets	40,170	35,881	38,280
CURRENT ASSETS			
Work in progress co-op apartments and development properties	875	170	734
Financial derivative instruments	3	8	3
Other current assets	243	272	287
Cash and cash equivalents	86	326	98
Total current assets	1,207	776	1,122
Total assets	41,377	36,657	39,402

**Properties in
attractive locations
in regions with
high growth and
strong demand**

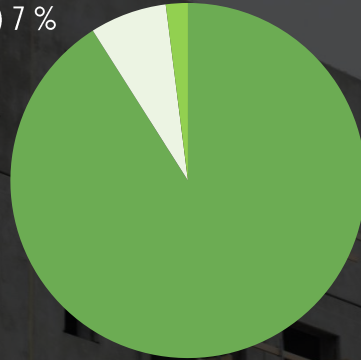
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TOTAL VALUE OF SEK 39,672 MILLION

Ongoing projects:
Co-op and development properties for sale 2 %

Ongoing projects:
Investment properties (rentals) 7 %

Investment properties and land 91%



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TOTAL EQUITY AND LIABILITIES

SEK million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
EQUITY AND LIABILITIES			
EQUITY			
Equity	18,814	15,804	17,776
Equity attributable to non-controlling interests	12	12	12
Total equity	18,826	15,816	17,788
NON-CURRENT LIABILITIES			
Provisions for deferred tax	3,939	3,062	3,568
Other provisions	58	20	13
Interest-bearing liabilities	689	1,420	1,399
Financial derivative instruments	851	1,183	966
Other non-current liabilities	8	76	86
Total non-current liabilities	5,545	5,761	6,032
CURRENT LIABILITIES			
Interest-bearing liabilities	16,441	14,435	15,074
Financial derivative instruments	3	25	4
Other current liabilities	562	620	504
Total current liabilities	17,006	15,080	15,582
Total equity and liabilities	41,377	36,657	39,402

EQUITY/ASSET RATIO

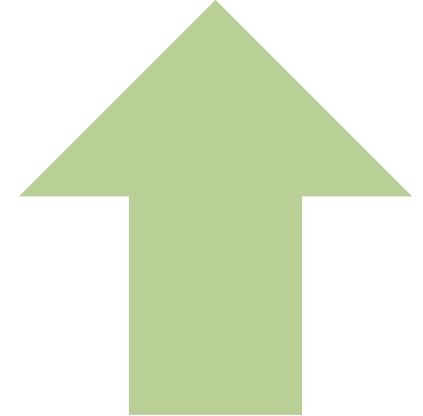
45%

LOAN-TO-VALUE RATIO

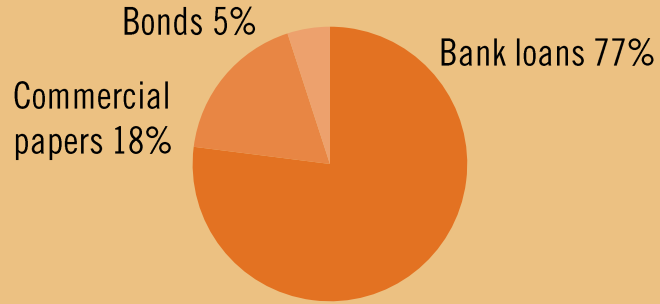
42%

**AVERAGE INTEREST RATE
ON CLOSING DAY**

1.95%



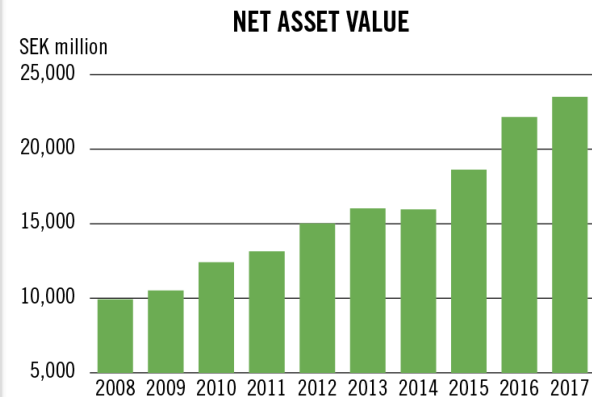
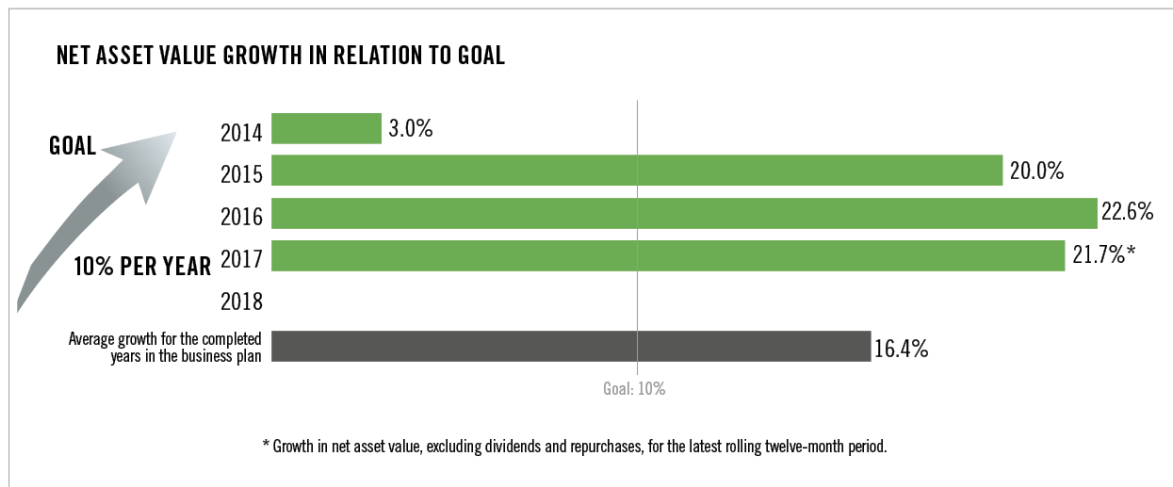
FINANCING



**INTEREST MATURITY,
AVERAGE**

36 mos

GOAL BUSINESS PLAN 2018



PROPOSED CHANGES IN TAX REGULATIONS

- > Elimination of tax exemptions for transactions with packaged real estate
- > Limitation of interest deduction



SUMMARY

- > Successful letting
- > Attractive project portfolio
- > New construction according to plan
- > Strong financial position
- > Continue to create value



**QUESTIONS
WELCOME**

Wallenstam 