

**Wallenstam** 

**SUMMARY Q4, 2017**

**SUSANN LINDE, CFO AND HEAD OF INVESTOR RELATIONS**



## IMPORTANT EVENTS, Q4

- > Co-ops converted into rentals
- > Record number of completed apartments
- > MTN program for SEK 5 billion
- > Issued bonds for SEK 1,750 million



**NEW  
CONSTRUCTION  
COMPLETED IN 2017**





# IN UPPSALA:

SNICKERIET, 137 APTS.

FJÄRILEN, 145 APTS.

SYMFONIN, 116 APTS.



# IN GOTHENBURG/ HELSINGBORG:

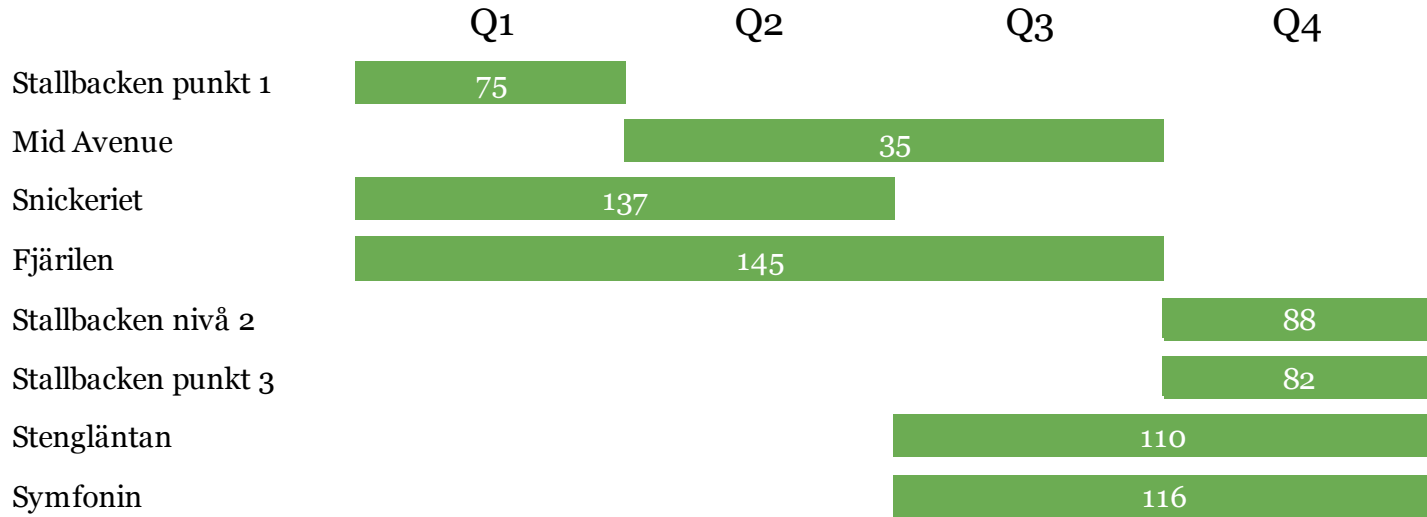
STALLBACKEN PUNKT1, NIVÅ2, PUNKT3, 245 APTS.

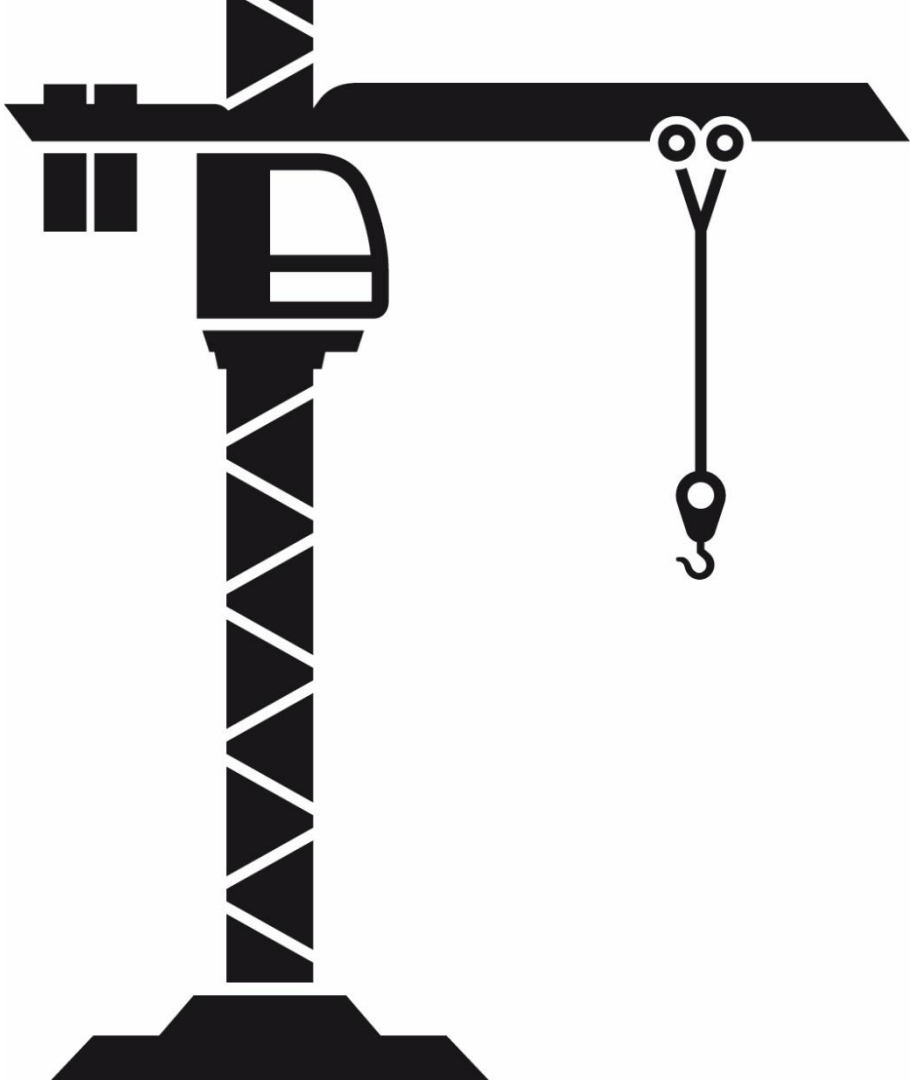
MID AVENUE, 35 APTS.

STENGLÄNTAN, 110 APTS.



# NEW CONSTRUCTION – OCCUPATION





**NEW  
CONSTRUCTION  
STARTED IN 2017**

# STOCKHOLM REGION



ALLÉN, TYRESÖ, 221 RENTAL APTS.



TERRASSEN ELVA, TYRESÖ, 54 CO-OP APTS.



# STOCKHOLM REGION



UMAMI, PHASE 1B, 75 RENTAL APTS.



TRE VÄNNER, ROSENDAL, 141 RENTAL APTS.

# GOTHENBURG REGION



RÖDKLÖVERN, MÖLNDAL, 89 RENTAL APTS.



STALLBACKEN NIVÅ5, MÖLNDAL, 109 RENTAL APTS.

# GOTHENBURG REGION



PÅLSJÖ, HELSINGBORG, 96 RENTAL APTS.





# FINANCIAL INFORMATION

# INCOME FROM PROPERTY MANAGEMENT

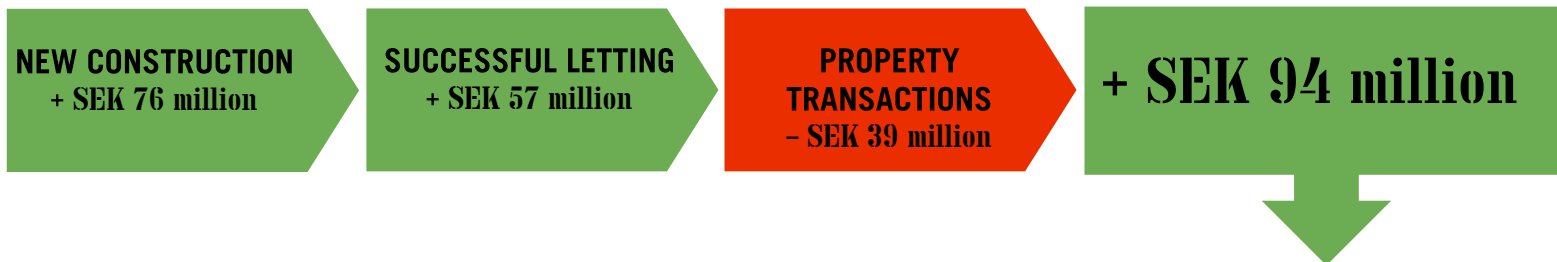
SEK million	Note	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016
Rental income		1,701	1,607	444	410
Operating expenses		-437	-432	-133	-127
<b>Net operating income, properties</b>		<b>1,264</b>	<b>1,175</b>	<b>311</b>	<b>283</b>
Management costs and administrative expenses		-210	-193	-61	-54
Financial income		10	8	5	1
Financial expenses		-258	-257	-70	-61
<b>Income from property management</b>		<b>806</b>	<b>733</b>	<b>185</b>	<b>169</b>

**+10%**

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

# NET OPERATING INCOME INCREASE BY 8%

## RENTAL INCOME



Net operating income  
+ SEK 89 million

## OPERATING EXPENSES





# DISTRIBUTION OF RENTAL INCOME

Residential properties

43%

Commercial properties

Garage, other

57%



100% economic  
occupation rate

94 % economic  
occupation rate

# PROFIT BEFORE UNREALIZED CHANGES

SEK million	Note	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016
<b>Income from property management</b>		<b>806</b>	<b>733</b>	<b>185</b>	<b>169</b>
Income from natural energy management operations	1	-40	-61	-6	-7
Realized changes in value, synthetic options		-54	-	-	-
Revenue, co-op apartment and development property sales		332	127	12	47
Expenses, co-op apartment and development property sales		-284	-104	-16	-34
Realized changes in value, investment properties including expenses	2	6	170	9	71
<b>Profit before unrealized changes in value and impairment charges</b>		<b>765</b>	<b>865</b>	<b>183</b>	<b>246</b>

# CHANGES IN VALUE

SEK million	Note	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016
<b>Profit before unrealized changes in value and impairment charges</b>		<b>765</b>	<b>865</b>	<b>183</b>	<b>246</b>
Unrealized changes in value, investment properties		2,556	3,470	739	1,618
New construction		733	1,195	344	493
Other		1,823	2,275	395	1,125
Unrealized changes in value, financial instruments		182	-130	34	248
Unrealized changes in value, synthetic options		-2	-7	-	7
Impairment losses on wind turbines		-500	-	-200	-
<b>Profit before tax</b>		<b>3,001</b>	<b>4,198</b>	<b>756</b>	<b>2,119</b>
Taxes		-580	-850	-116	-418
<b>Profit for the period, after tax</b>		<b>2,421</b>	<b>3,348</b>	<b>640</b>	<b>1,701</b>

**40% surplus value in our completed new construction during 2017**



# AN EXAMPLE OF THE ECONOMICAL EFFECT OF THE SWITCH – FROM CO-OPS TO RENTALS

	<u>SEK million</u>
Calculated profit as co-op	70
Calculated surplus value as rental	45
<hr/>	<hr/>
Difference in value	25
Annual income from property management	4
Break-even in 6 years	

# TOTAL ASSETS

SEK million	Dec 31, 2017	Dec 31, 2016
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Investment properties	41,410	36,555
Wind turbines	682	1,277
Financial assets	367	376
Financial derivative instruments	21	9
Other non-current assets	66	63
<b>Total non-current assets</b>	<b>42,546</b>	<b>38,280</b>
CURRENT ASSETS		
Development properties and work in progress co-op apartments	606	734
Financial derivative instruments	7	3
Other current assets	286	287
Cash and cash equivalents	228	98
<b>Total current assets</b>	<b>1,127</b>	<b>1,122</b>
<b>Total assets</b>	<b>43,673</b>	<b>39,402</b>

**Recognized at  
fair value**

**Recognized at cost**

# INVESTMENT IN PROPERTIES 2017

SEK million

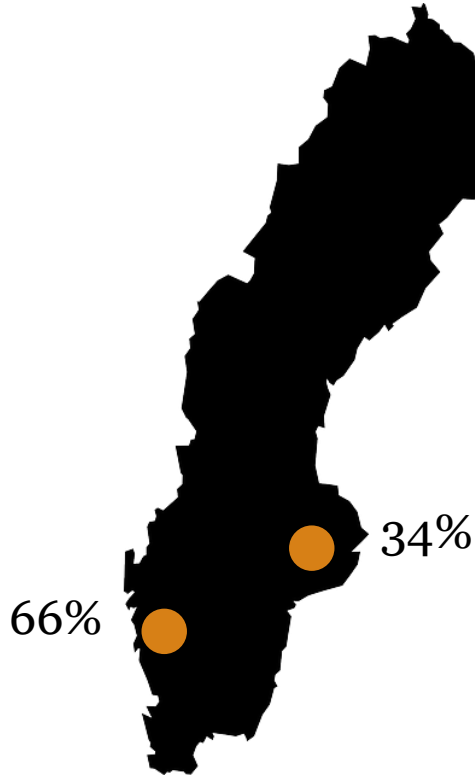
Acquisitions 640

Construction 2,310

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2,950

# INVESTMENT PROPERTIES



- Average yield commercial 4.74%
- Average yield residential 3.21%
- Investment property value SEK 33,100 per sqm

# TOTAL EQUITY AND LIABILITIES

SEK million	Dec 31, 2017	Dec 31, 2016
<b>EQUITY AND LIABILITIES</b>		
EQUITY		
Equity	19,408	17,776
Equity attributable to non-controlling interests	2	12
<b>Total equity</b>	<b>19,410</b>	<b>17,788</b>
NON-CURRENT LIABILITIES		
Provisions for deferred tax	4,146	3,568
Other provisions	56	13
Interest-bearing liabilities	2,432	1,399
Financial derivative instruments	796	966
Other non-current liabilities	49	86
<b>Total non-current liabilities</b>	<b>7,479</b>	<b>6,032</b>
CURRENT LIABILITIES		
Interest-bearing liabilities	16,269	15,074
Financial derivative instruments	1	4
Other current liabilities	514	504
<b>Total current liabilities</b>	<b>16,784</b>	<b>15,582</b>
<b>Total equity and liabilities</b>	<b>43,673</b>	<b>39,402</b>



# FINANCING

EQUITY/ASSET RATIO

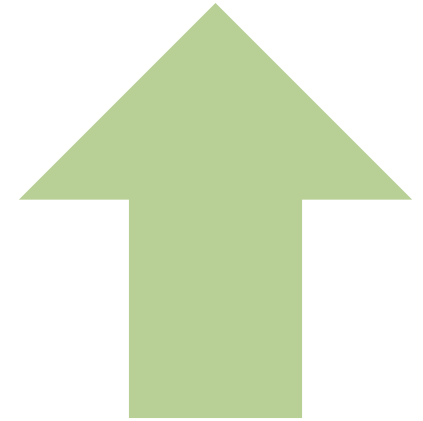
44%

LOAN-TO-VALUE RATIO

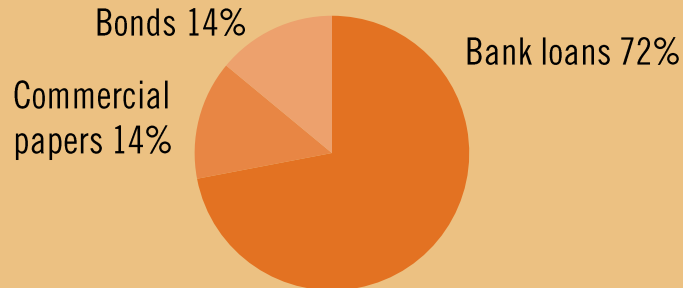
43%

AVERAGE INTEREST RATE  
ON CLOSING DAY

1.88%



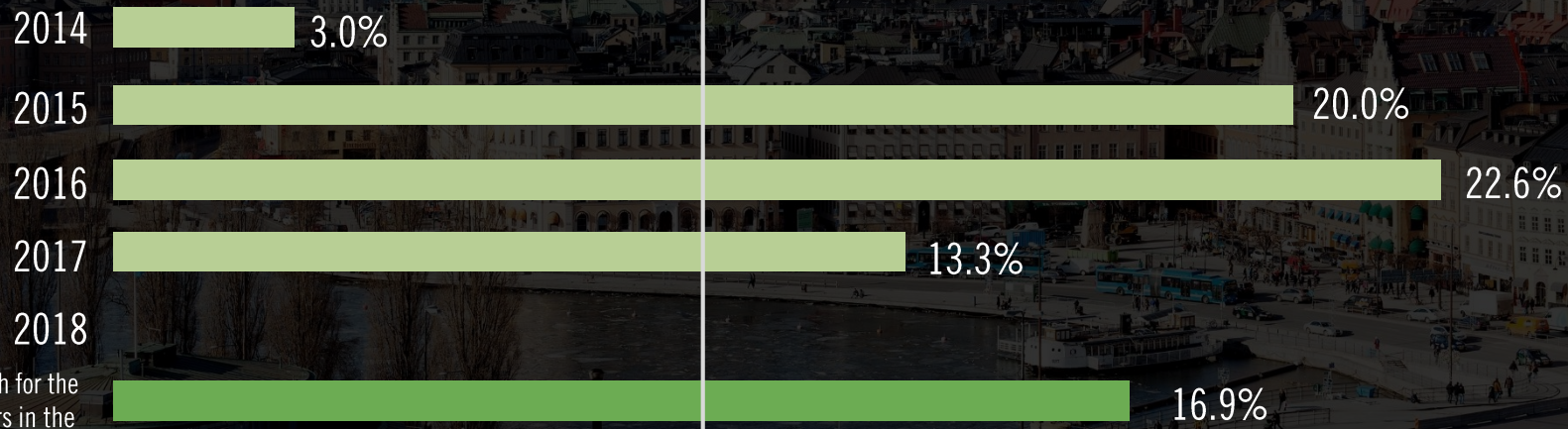
FINANCING



INTEREST MATURITY,  
AVERAGE

36mos

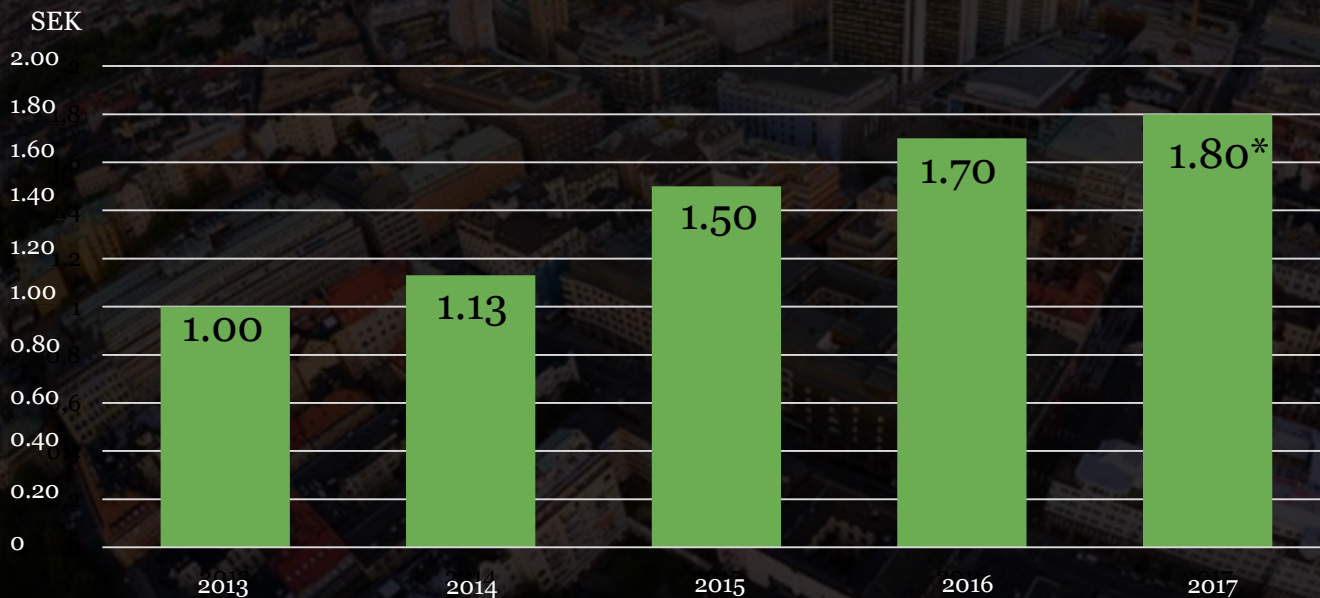
# GOAL : $\geq 10\%$ NET ASSET VALUE GROWTH ON AVERAGE PER YEAR



Average growth for the complete years in the business plan

Goal: 10%

# DIVIDEND PROPOSAL



\* Dividend proposal



## KEY RATIOS

	<u>2017</u>	<u>2016</u>
Surplus ratio, (NOI margin), %	74	73
ICR, realized, times	4.8	5.6
Average interest rate, closing day, %	1.88	1.97
LTV, %	43	43
Equity/assets ratio, %	44	45



# SUMMARY

- > Efficient new construction in management
- > Strong commercial market
- > Proof of the flexible business model
- > Ready for the last year of Business Plan 2018





**QUESTIONS  
WELCOME**

Wallenstam

