



Q2 2020

JohnMattson



# Q2 Presentation, 20 August 2020

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Siv Malmgren,  
CEO



Maria Sidén,  
CFO

## Significant events

# Growth outside Lidingö

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- Acquired 541 apartments in Rotebro and Rotsunda in the municipality of Sollentuna.
- Agreements to acquire leaseholds in the Slakthusområdet in the City of Stockholm for development in line with the company's strategies.
- Base upgrades in 114 apartments and total upgrades in 55 apartments.
- Limited impact of COVID-19 – The company's cash flow remains steady at just over 90% of the rental value attributable to residential properties.



# Key metrics, January–June 2020

- Property value: SEK 7.3 billion
- Number of apartments: 2,794
- Rental value: SEK 323 million
- Rental value SEK/sq m: 1,548 SEK/sq m
- Income from property management: SEK 43.6 million
- NAV: SEK 3.8 billion
- Loan-to-value ratio: 47%





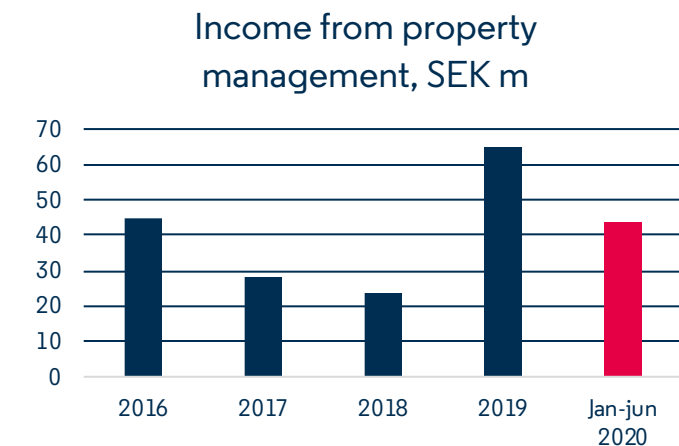
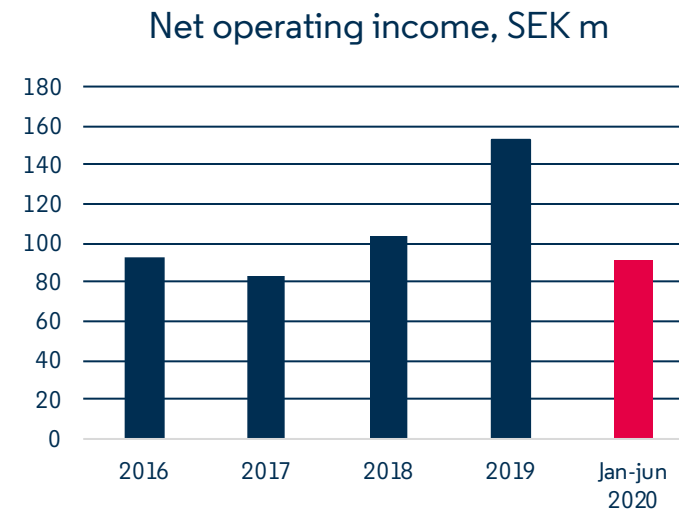
# Sustainability

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- Focus on
  - transitioning to fossil-free solutions
  - further reducing energy consumption
  - managing material and waste responsibly
  - safety and well-being in our areas
- Societal sustainability: Annual events (outdoor cinema, flea market)

# Income from property management

Amounts in SEK m	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Rolling 12 months Jul 2019–Jun 2020	Jan–Dec 2019
Rental revenues	73.5	62.9	138.8	124.9	266.8	253.0
Operating expenses	-15.6	-13.9	-31.2	-31.2	-57.5	-57.4
Maintenance	-3.0	-7.2	-5.7	-12.5	-12.6	-19.4
Property tax	-1.2	-1.1	-2.2	-2.2	-4.5	-4.5
Property administration	-3.9	-6.6	-8.3	-10.2	-16.9	-18.8
<b>Net operating income</b>	<b>49.9</b>	<b>34.1</b>	<b>91.3</b>	<b>68.8</b>	<b>175.3</b>	<b>152.8</b>
Central administration costs	-9.2	-12.8	-19.9	-24.0	-33.9	-38.0
Net financial items	-15.4	-12.4	-27.8	-24.3	-53.4	-49.8
<b>Income from property management</b>	<b>25.2</b>	<b>9.0</b>	<b>43.6</b>	<b>20.5</b>	<b>88.1</b>	<b>64.9</b>



66%

surplus ratio  
Jan-June 2020

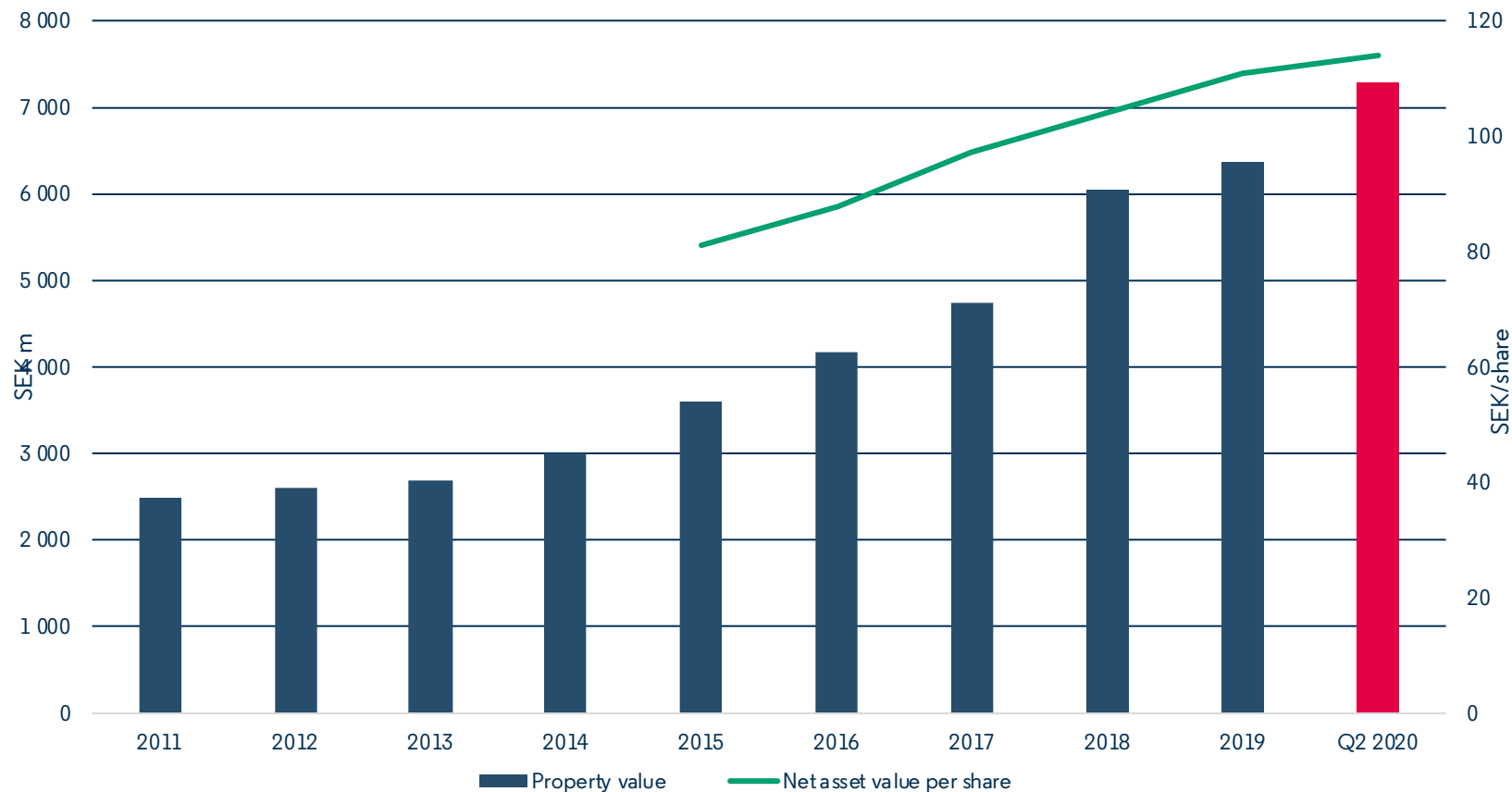
94%

economic  
occupancy rate  
Q2 2020

113%

income from  
property  
management  
per share

# Property value & net asset value



SEK 7.3  
billion  
in property  
value

SEK 859  
million  
invested

7%  
average  
growth in net  
asset value per  
share

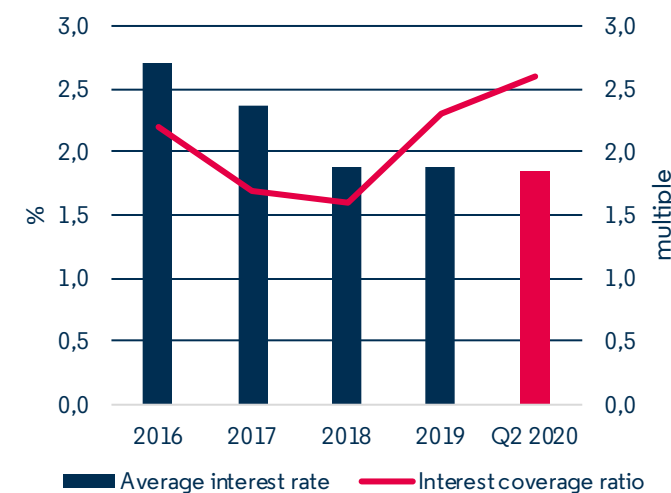
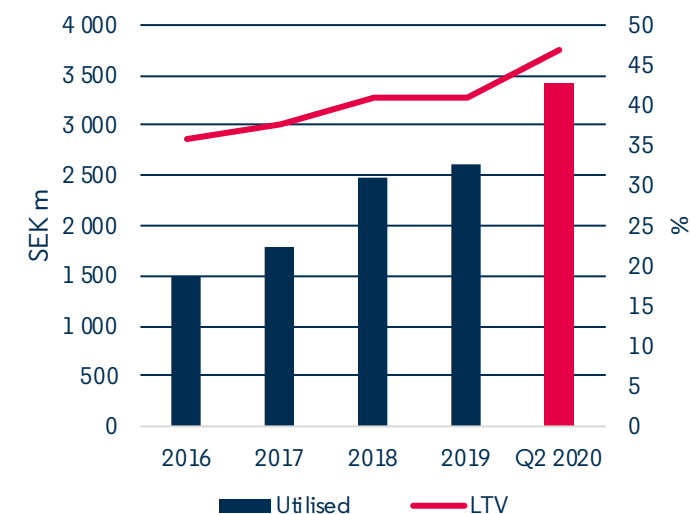
# Financing

## Fixed-interest and loan-to-maturity periods at 30 June 2020

Fixed-interest period				Loan-to-maturity			Interest-rate swaps	
Maturity	Volume (SEK m)	Average interest (%) <sup>1)</sup>	Share (%)	Credit agreement volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) <sup>2)</sup>
0–1 year	1,489	2.59	44	1,098	1,088	32	-14	–
1–2 years	495	1.58	14	1,162	609	18	154	–
2–3 years	0	0.00	0	475	475	14	0	–
3–4 years	471	0.51	14	775	775	23	471	–
4–5 years	300	1.92	9	475	475	14	300	–
>5 years	668	1.29	19	0	0	0	668	–
<b>Total</b>	<b>3,422</b>	<b>1.85</b>	<b>100</b>	<b>3,985</b>	<b>3,422</b>	<b>100</b>	<b>1,579</b>	<b>0.96</b>

47%  
loan-to-value  
ratio

2.6x  
interest  
coverage ratio  
Jan-June 2020



# Goal fulfilment Rolling 12 months

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7% growth  
in net asset value



SEK 7.3 billion  
in property  
value 30 June  
2020



113% growth  
in income from  
property  
management

Our business idea revolves around the long-term ownership, management and development of residential property and attractive local communities in the Stockholm region.

### **Financial risk limitation**

- 50% loan-to-value ratio
- 1.5 interest coverage ratio

### **Strategies**

- Manage efficiently
- Add value through upgrades
- Densification
- Acquisitions with development potential

### **Financial targets**

- +10% annual growth in net asset value/share
- +10% annual growth in income from property management/share
- SEK 10 billion in property value by 2023

### **Dividend policy**

50% of income from property management per year.  
The company will prioritise value-creating investments over dividends in the years ahead.

# Outlook

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- Possible construction start on the leasehold sites in the Slakthusområdet in 2023, after a detailed development plan has been adopted.
- Planning for upgrades in Rotebro and Rotsunda.
- Work on detailed development plans for Ekporten in Larsberg on Lidingö is ongoing.
- The apartments in Käppala are undergoing upgrades.
- Total upgrades of vacant apartments and in apartments where requested by tenants.
- Continued focus on potential acquisitions in line with the company's growth strategy.
- Further development and clarification of the company's sustainability agenda.





# Great neighbourhoods across generations

# Questions

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JohnMattson