



Q3 2023

JohnMattson



# Presentation Q3

9 November 2023



**Per Nilsson,**  
CEO



**Eva Wiklund**  
acting CFO

# Goal fulfillment

## Q3 2023 versus Q3 2022

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**-16% growth in  
income from  
property  
management**



**-28% growth  
in net asset value**

# Significant events in Q3 2023

- Ebba Pilo Karth was appointed new CFO and will assume the role no later than 1 April 2024.

## Significant events after the end of the period

- Decision to issue new shares with preferential rights for existing shareholders for approx. SEK 1,250 million
- The financial target for average annual growth in NAV per share over a business cycle was revised from not less than 10% to not less than 7%
- A sales agreement was signed for a residential property in Högdalen in Stockholm and another agreement was signed for the sale of an office property in central Stockholm with a total underlying property value of approximately SEK 363 million
- All bank credits due by December 2024 have been extended

# Property portfolio

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property  
management  
areas

82%

of the lettable area  
is housing

4,294

apartments

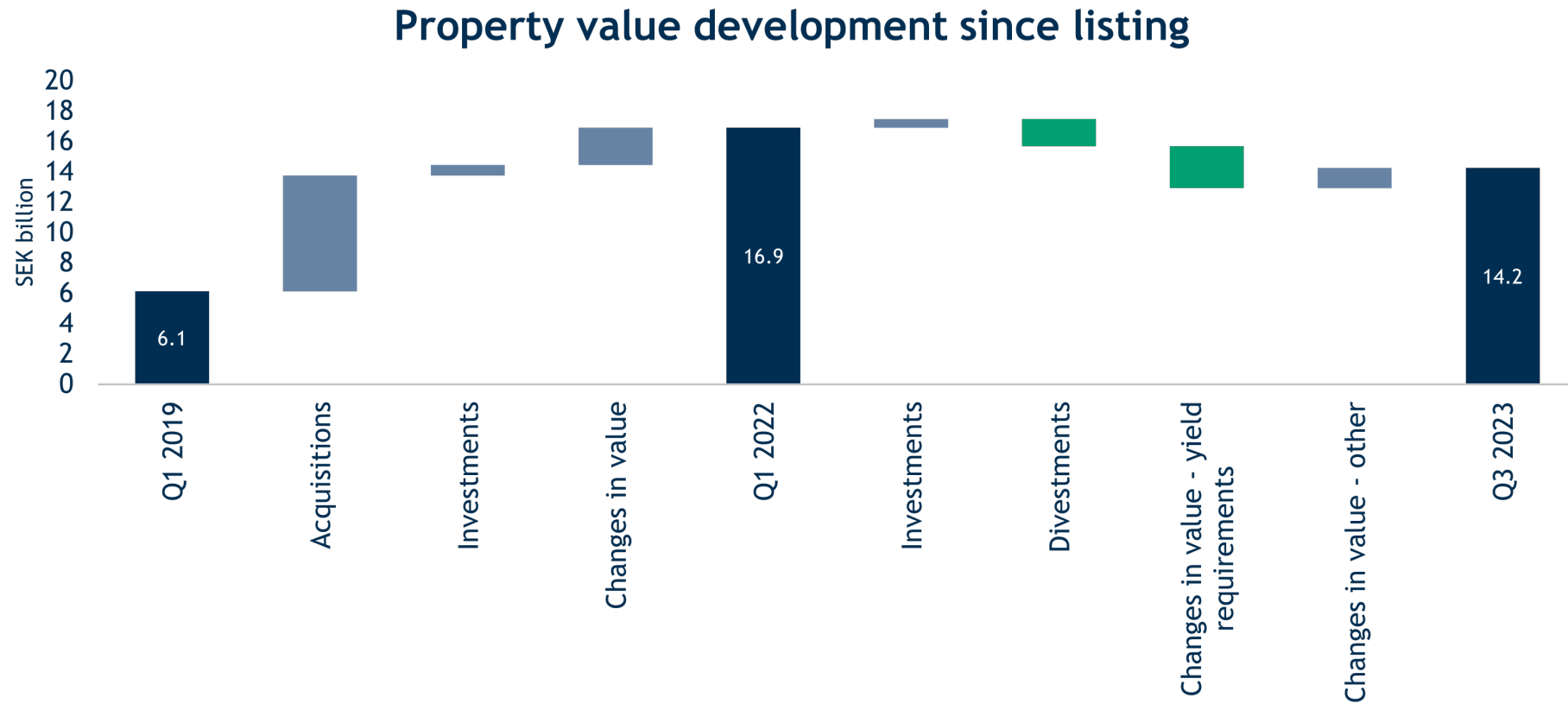
344,000

sq m  
lettable area



# Decisive and proactive ownership

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# Decisive and proactive ownership

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## Actions

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- Implemented efficiency and cost-savings programmes
  - Reorganisation
  - Comprehensive review of the company's costs



## Results

- Improvement in EBIT of about SEK 60 million
- One organisation more highly focussed on property management
- Increased customer and employee satisfaction

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- Divested properties for approx. SEK 2.2 billion since June 2022
- No new project starts



- Some SEK 1.7 billion in interest-bearing liabilities repaid since June 2022

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- Refinanced loans
- Active interest-rate hedging



- Proportion of loans with longer fixed-interest tenors than one year has increased 30 percentage points
  - 44% (Q1 2022) till 74% (Q3 2023)
- Longer average credit and fixed-interest tenors

# Rights issue in brief

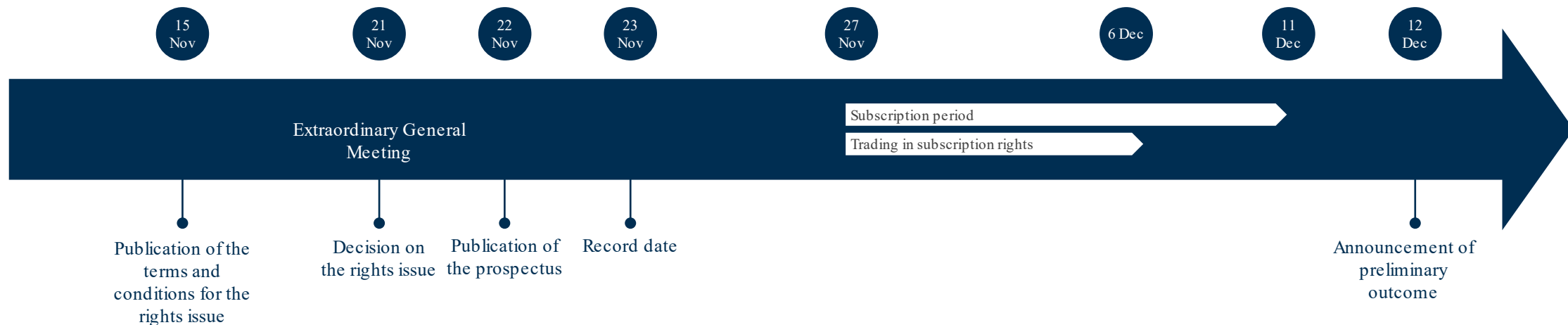
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## Fully underwritten rights issue amounting to approx. SEK 1,250 million

- Conditional on adoption by the Extraordinary General Meeting on 21 November 2023

## Objective

- Achieve a more reasonable net LTV ratio given the prevailing macroeconomic circumstances through repayment of interest-bearing debt of approx. SEK 1,100 million, and
- Finance value-creating investments of approx. SEK 150 million for:
  - Apartment upgrades
  - Energy-saving investments





# Our growth focus moving forward

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## Property management

- Continued focus on cost optimisation
- Energy optimisation a priority



Reduce purchased energy by approx. 45%

## Adding value

- Restart apartment upgrades
- Potential upgrades identified by the company in the existing portfolio for a total of 1,500 apartments



Upgrade approx. 200 apartments each year

## Infill development

- Infill development projects can start at the earliest in 2026
- Initially in small volumes to thereafter scale up



Start production of approx. 250 apartments per year

## Acquisitions

- Continued evaluation of the property portfolio's composition with the aim of selective divestments and complementary acquisitions
- The objective is to raise the quality of and the risk-adjusted returns from the property portfolio concurrent with optimising the use of capital.

# Consolidated income statement

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	2023	2022	2023	2022	Rolling 12 months	2022
Amounts in SEK m	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct 2022-Sep 2023	Jan-Dec
Rental revenues	154.5	157.0	464.1	468.9	616.0	620.9
Property expenses	-32.1	-46.1	-128.3	-155.9	-195.5	-223.1
<b>Net operating income</b>	<b>122.5</b>	<b>110.9</b>	<b>335.7</b>	<b>313.0</b>	<b>420.5</b>	<b>397.8</b>
Central administration costs	-13.4	-12.8	-37.2	-44.2	-51.8	-58.8
Net financial items	-64.8	-50.8	-196.1	-128.6	-252.8	-185.2
<b>Income from property management</b>	<b>44.2</b>	<b>47.4</b>	<b>102.4</b>	<b>140.3</b>	<b>115.9</b>	<b>153.9</b>
Change in property values	-368.8	-295.1	-986.7	-14.3	-1,197.5	-225.1
Change in the value of interest-rate derivatives	1.8	50.1	10.4	275.1	-0.1	264.6
<b>EBT</b>	<b>-322.8</b>	<b>-197.6</b>	<b>-873.9</b>	<b>401.1</b>	<b>-1,081.7</b>	<b>193.4</b>
Current tax	-5.9	-2.8	-7.1	-9.3	2.0	-0.2
Deferred tax	-9.5	44.4	78.2	-80.8	88.5	-70.5
<b>Profit/loss for the period</b>	<b>-338.2</b>	<b>-156.0</b>	<b>-802.8</b>	<b>311.0</b>	<b>-991.2</b>	<b>122.7</b>
Interest coverage ratio during the period, multiple	1.7	2.0	1.6	2.2	1.5	1.9
Surplus ratio during the period, %	79.2	70.7	72.3	66.7	68.3	64.1
Av. interest rate at end of the period, %	3.2	2.2	3.2	2.2	3.2	2.5

**95.8%**

economic  
occupancy rate

**79.2%**

surplus ratio

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# Change in property value

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Amounts in SEK m	2023		2022		2022	
	% of opening property value	Jan-Sep	% of opening property value	Jan-Sep	% of opening property value	Jan-Dec
<b>Opening property value</b>		<b>15,695.5</b>		<b>15,894.5</b>		<b>15,894.5</b>
+ Acquisitions		0.0		643.2		643.2
+ Investments in new builds	1%	155.0	1%	178.9	2%	276.0
+ Investments in upgrades	1%	103.1	0%	31.3	0%	27.8
+ Other investments	0%	28.8	0%	40.4	0%	54.1
- Divestments	5%	790.6	6%	989.0	6%	989.0
Unrealised changes in value		-970.3		-0.3		-211.1
<i>of which, Change in net operating income</i>	5%	720.0	1%	197.2	2%	266.6
<i>of which, Ongoing projects/development rights</i>	1%	201.2	1%	191.3	2%	260.3
<i>of which, Yield requirement</i>	-12%	-1,891.5	-3%	-415.5	-5%	-778.8
<i>of which, Acquisitions/divested properties</i>			0%	26.8	0%	26.8
<b>Closing property value</b>		<b>14,221.4</b>		<b>15,799.1</b>		<b>15,695.5</b>

5%

Positive change in value from change in net operating income

12%

Negative change in value from changed yield requirements

# Consolidated balance sheet

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Amounts in SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>			
Investment properties	14,221.4	15,799.1	15,695.5
Derivatives	249.8	249.9	239.4
Other assets	462.1	536.9	433.2
Cash and cash equivalents	32.0	109.5	47.6
<b>TOTAL ASSETS</b>	<b>14,965.3</b>	<b>16,695.4</b>	<b>16,415.8</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to Parent Company shareholders	4,735.4	5,721.9	5,536.1
Non-controlling interests	80.4	107.6	105.3
<b>Total equity</b>	<b>4,815.8</b>	<b>5,829.5</b>	<b>5,641.5</b>
Interest-bearing liabilities	8,361.7	9,002.2	8,923.8
Deferred tax liabilities	1,219.8	1,308.1	1,298.0
Other liabilities	568.0	555.6	552.5
<b>Total liabilities</b>	<b>10,149.5</b>	<b>10,865.9</b>	<b>10,774.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,965.3</b>	<b>16,695.4</b>	<b>16,415.8</b>
Net interest-bearing liabilities at the end of the period, SEK m	8,329.7	8,892.6	8,876.1
LTV ratio at the end of the period, %	58.6 <sup>(1)</sup>	56.3	56.6
NAV, SEK/share	150.55	178.91	174.02

8.3

Interest-bearing liabilities, SEK billion

150.55

NAV SEK/share

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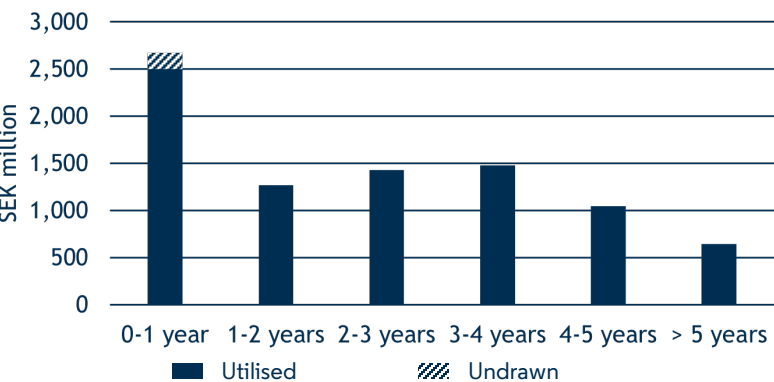
Note: (1) Taking the Rights Issue into account, all else being equal, the net LTV ratio would have amounted to 49.8% on 30 September 2023.



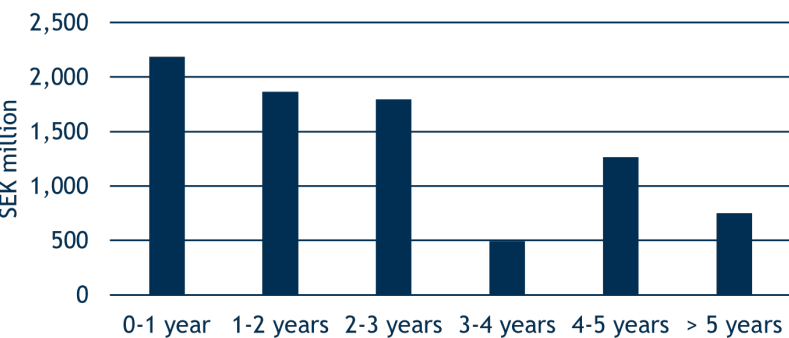
# Financing

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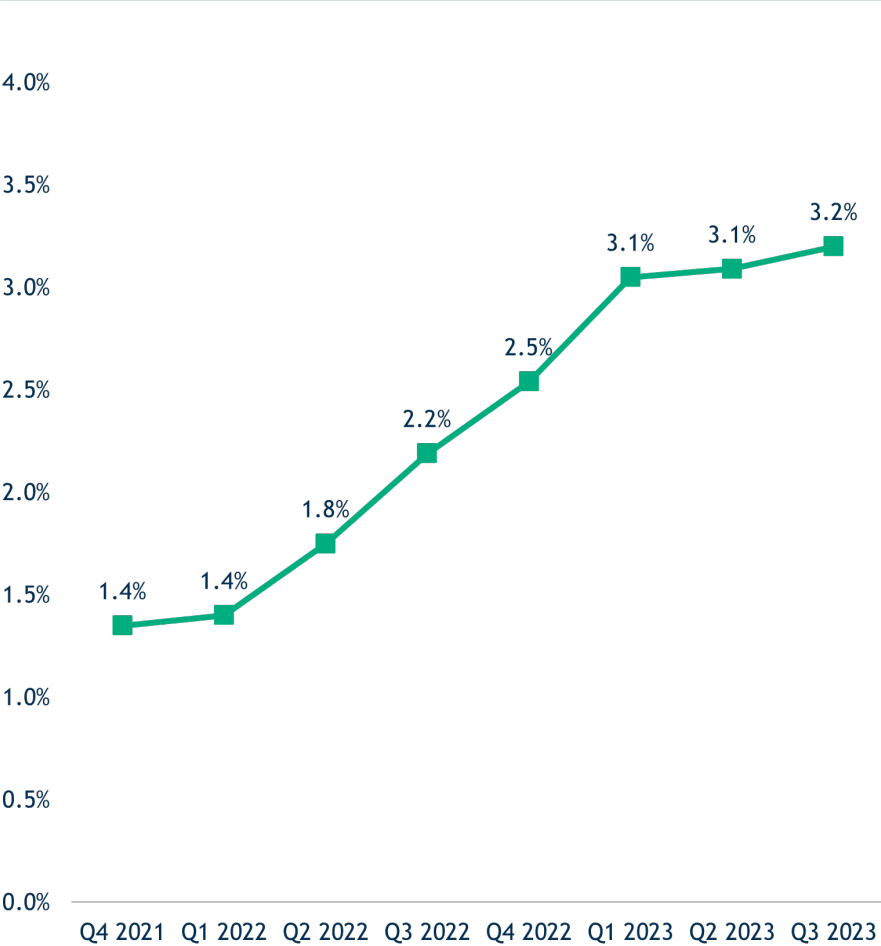
## Loan-to-maturity<sup>(1)</sup>



## Fixed-interest tenor



## Average interest rate at the end of the quarter



**2.5 years**  
average  
loan-to-maturity

**2.6 years**  
average  
fixed-interest  
tenor

Note: (1) The refinancing completed after the end of the period has resulted in a longer average loan-to-maturity compared with Q3 2023.

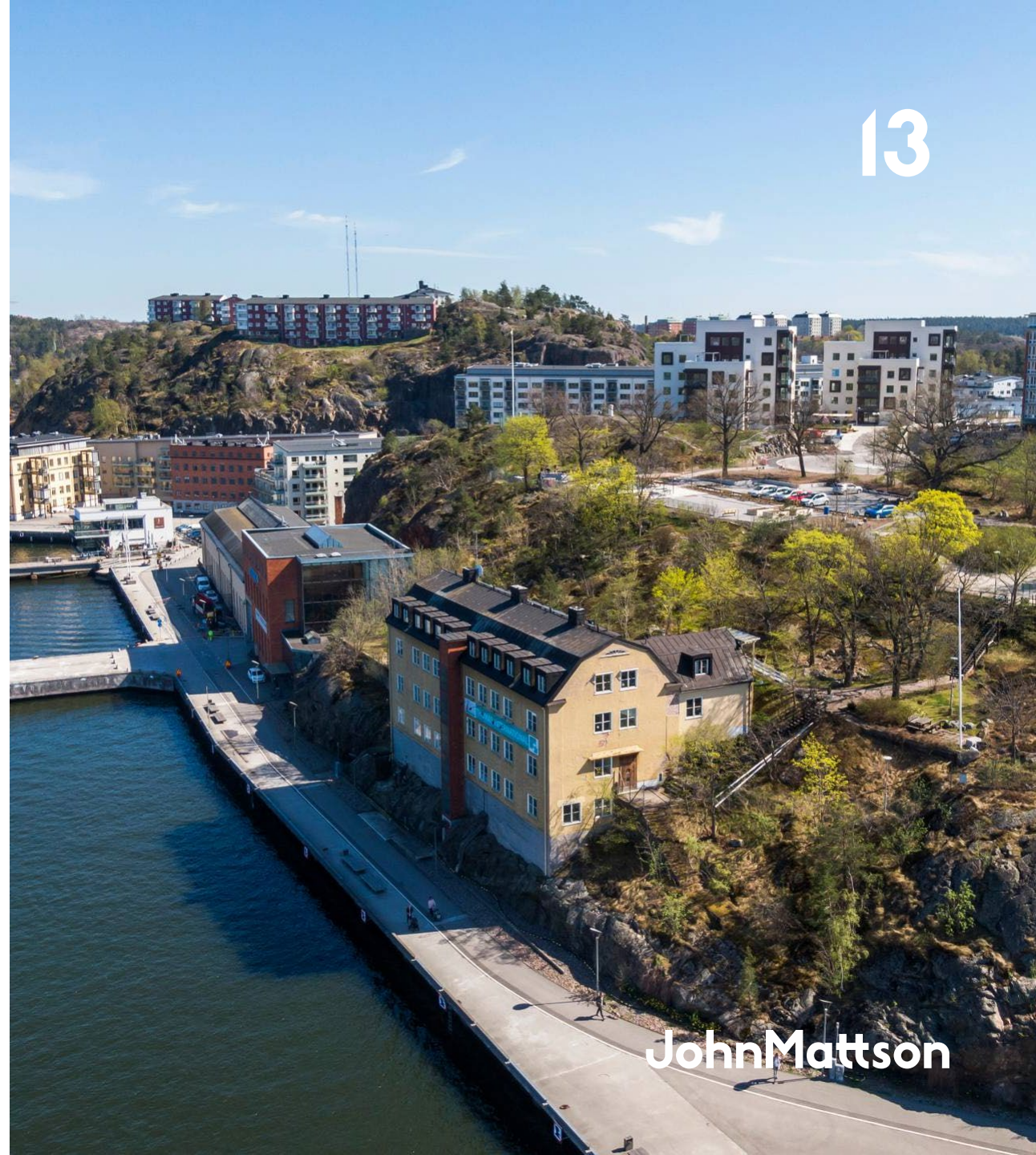
# Earnings capacity

Amounts in SEK m

30 Sep 2023

Rent level	622.8
Vacancies and discounts	-26.1
<b>Rental revenues</b>	<b>596.7</b>
Operating expenses	-111.0
Maintenance expenses	-17.6
Property tax	-13.7
Property administration	-21.9
<b>Net operating income</b>	<b>432.6</b>
Central administration costs	-48.2
Net financial items	-263.1
Less non-controlling interests	-1.9
<b>Income from property management</b>	<b>119.5</b>

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# Great neighbourhoods across generations

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# Questions

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