

Q4 2023

JohnMattson

# Presentation Q4

16 February 2024



**Per Nilsson,**  
CEO



**Eva Wiklund,**  
acting CFO

# Decisive and proactive year

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## Actions

- 1
  - Implemented efficiency and cost-savings programmes
    - Reorganisation
    - Compr. review of the company's costs
    - Lettings of vacant units
  - Divested properties for ~ SEK 1.2 billion ~in 2023, ~ SEK 2.2 billion since June 2022
  - Rights issue of ~ SEK 1.25 billion
  - No new project starts
- 2
- 3
  - Refinanced loans with maturities until December 2024
  - Active interest-rate hedging

## Results

- Improvement in EBIT of about SEK 60 million
- Record high surplus ratio at 72%
- Increased customer and employee satisfaction
- SEK 1.7 billion in interest-bearing liabilities repaid in 2023, a total of about SEK 2.5 billion since June 2022 (additional principal repayment of SEK 0.3 billion planned)
- LTV ratio now amounts to 49.8%
- Proportion of loans with longer fixed-interest tenors than one year amounted to 80%
- Longer average credit and fixed-interest tenors of 3.0 and 2.9 years respectively

# Goal fulfillment

## Q4 2023 versus Q4 2022

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### Growth in income from property management/share

-13% total

-18% per share

- 10% growth in net operating income for the period, 20% in comparable holdings
- 14% growth in EBIT for the period, 27% in comparable holdings



### Growth in net asset value

0% in total

-50% per share

- Value change of -2.5% for the quarter
- Average yield requirement adjustment of +20 basis points for the quarter
- Total yield requirement adjustment of +50 basis points in 2023

# Sustainability targets

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1	Dynamic and safe local communities		Safe neighbourhoods – outperform the sector average Attractive neighbourhoods – outperform the sector average	 80.6% (80.5%)  85.0% (85.9%)
2	Responsible material and waste management		Reduced Scope 1 and Scope 2 GHG emissions by at least 40% by 2030	 2.8% (5.5%/year)
3	Energy-efficient and fossil-free solutions	 	Reduce GHG emissions from new builds and redevelopments – in line with or better than the sector average.	 In line with the sector
4	Healthy and inspiring workplaces	  	Engaged employees/efficient organisation: above the average results of comparable companies. Inclusive culture, skills-based recruitment process free from discrimination. Share of women or men – no greater than 2/3 Absenteeism no higher than 3% Zero accidents	 7.9 (7.8)   Under 2/3  1.9% (3%)  0 (0%)

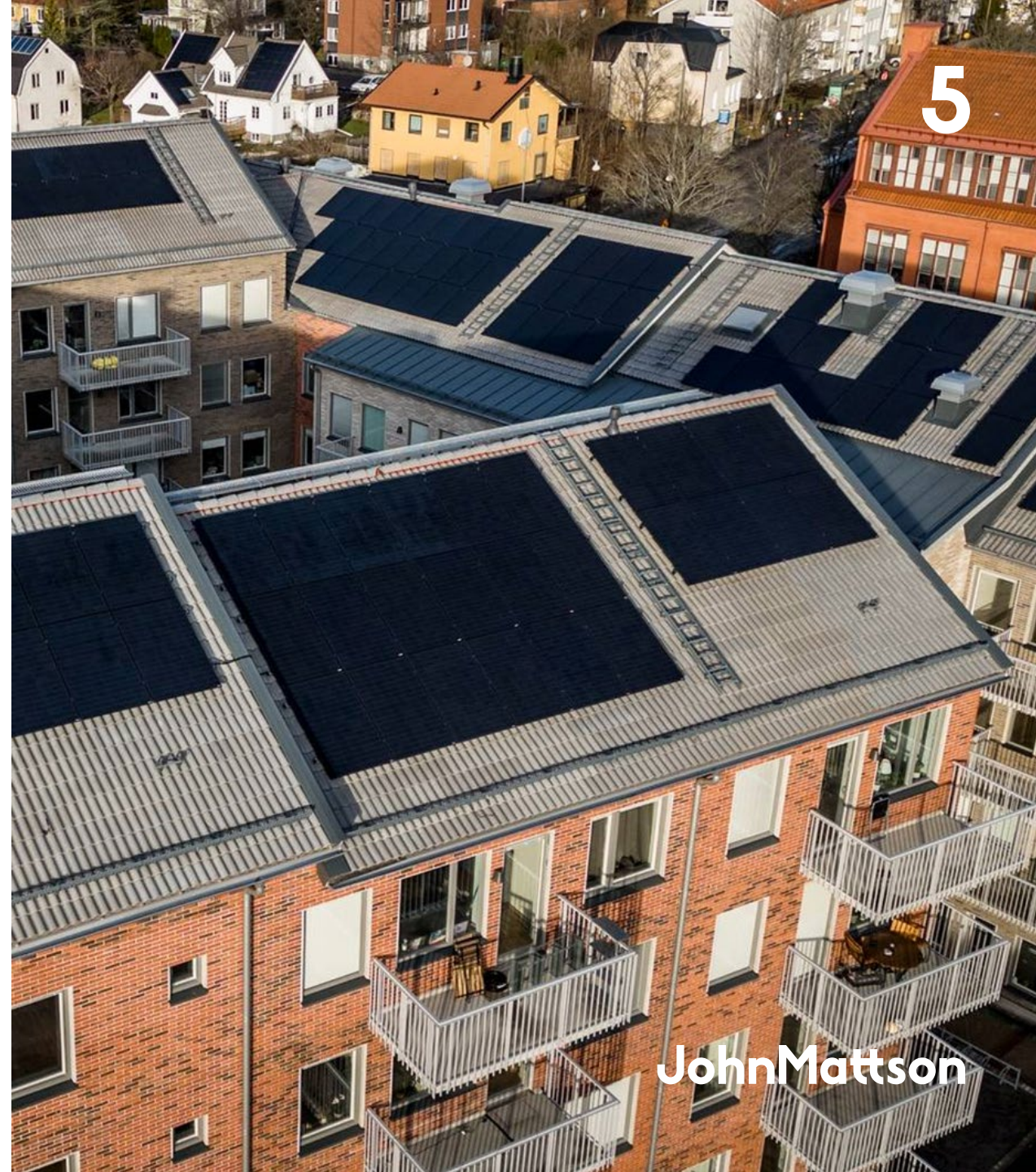
 TARGET MET     TARGET PARTIALLY MET     TARGET NOT MET

# Significant events in Q4 2023

- New share issue with preferential rights for existing shareholders for approximately SEK 1.25 billion.
- Revision of the average annual growth target for NAV per share to not less than 7% over a business cycle.
- Divestment of a residential property in Högdalen and an office property in central Stockholm with a total underlying property value of approximately SEK 363 million.
- All bank credits that would have matured by December 2024 were extended from one to seven years.

## Significant events after the end of the period

- No significant events have taken place after the end of the period.



# Property portfolio

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property  
management  
areas

82%

of the lettable area  
is housing

4,270

apartments

343

thousand sq m  
lettable area



# Development projects

Project	Area	Number of apartments <sup>1)</sup>	Status	Estimated plan date <sup>2)</sup>
Gengasen, Örby	South Stockholm/Nacka	129	Production ongoing	
Geografiboken, Abrahamsberg	City/Bromma	80	Detailed Devel. plan in force	
Finnboda, Nacka	South Stockholm/Nacka	20	Detailed Devel. plan in force	
Juno, Käppala	Lidingö	50	Detailed Devel. plan in force	
Pincetten, Örsberg	South Stockholm/Nacka	210	Detailed Devel. plan in progress	2025
Ekporten, Larsberg/Dalénum	Lidingö	90	Detailed Devel. plan in progress	2026
Hjälpslaktaren, Slakthusområdet	City/Bromma	210	Detailed Devel. plan in progress	2026
Total development portfolio		789		

1) The number of apartments is an assessment by John Mattson and is therefore only preliminary. The figures could change during the course of the project.

2) Estimated plan date is the date when a detailed development plan enters force. An assessment is then made for when the project planning can start for the development rights.



# Consolidated income statement

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	2023	2022	2023	2022
Amounts in SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental revenues	146.3	151.9	610.4	620.9
Property expenses	-44.8	-67.1	-173.1	-223.1
<b>Net operating income</b>	<b>101.5</b>	<b>84.8</b>	<b>437.3</b>	<b>397.8</b>
Central administration costs	-13.8	-14.6	-51.0	-58.8
Net financial items	-57.0	-56.6	-253.1	-185.2
<b>Income from property management</b>	<b>30.7</b>	<b>13.5</b>	<b>133.2</b>	<b>153.9</b>
Change in property values	-370.7	-210.8	-1,357.4	-225.1
Change in the value of interest-rate derivatives	-180.8	-10.5	-170.4	264.6
<b>EBT</b>	<b>-520.8</b>	<b>-207.7</b>	<b>-1,394.6</b>	<b>193.4</b>
Current tax	7.2	9.1	0.1	-0.2
Deferred tax	61.0	10.3	139.2	-70.5
<b>Profit/loss for the period</b>	<b>-452.6</b>	<b>-188.3</b>	<b>-1,255.3</b>	<b>122.7</b>
Interest coverage ratio during the period, multiple	1.6	1.3	1.6	1.9
Surplus ratio during the period, %	69.4	55.8	71.6	64.1
Av. interest rate at end of the period, %	3.4	2.5	3.4	2.5

**96.1%**  
economic  
occupancy rate

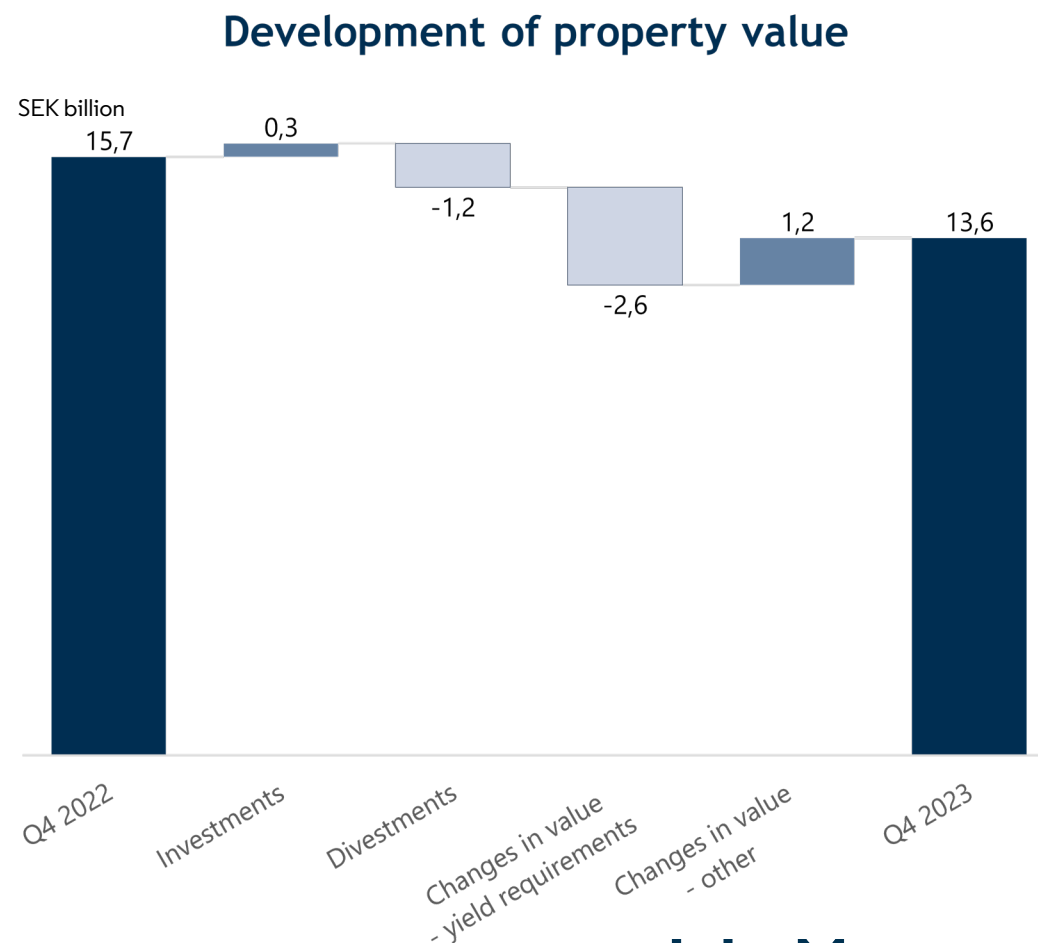
**71.6%**  
surplus ratio

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# Change in property value

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Amounts in SEK m	2023		2022	
	% of opening property value	Jan-Dec	% of opening property value	Jan-Dec
<b>Opening property value</b>		<b>15,695.5</b>		<b>15,894.5</b>
+ Acquisitions		0.0		643.2
+ Investments in new builds	1%	169.0	2%	276.0
+ Investments in upgrades	1%	131.2	0%	27.8
+ Other investments	0%	48.6	0%	54.1
- Divestments	-7%	1,153.8	6%	-989.0
Unrealised changes in value		-1,322.8		-211.2
<i>of which, Change in net operating income</i>	7%	1,049.9	2%	266.6
<i>of which, Ongoing projects/development rights</i>	1%	185.6	2%	260.3
<i>of which, Yield requirement</i>	-16%	-2,558.2	-5%	-778.8
<i>of which, Acquisitions/divested properties</i>			0%	40.7
<b>Closing property value</b>		<b>13,567.6</b>		<b>15,695.4</b>



# Consolidated balance sheet

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Amounts in SEK m	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
Investment properties	13,567.6	15,695.5
Derivatives	69.0	239.4
Other assets	492.2	433.2
Cash and cash equivalents	433.6	47.6
<b>TOTAL ASSETS</b>	<b>14,562.4</b>	<b>16,415.8</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Parent Company shareholders	5,515.6	5,536.1
Non-controlling interests	80.4	105.3
<b>Total equity</b>	<b>5,596.2</b>	<b>5,641.5</b>
Interest-bearing liabilities	7,192.7	8,923.8
Deferred tax liabilities	1,154.2	1,298.0
Other liabilities	619.3	552.5
<b>Total liabilities</b>	<b>8,966.2</b>	<b>10,774.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,562.4</b>	<b>16,415.8</b>
Net interest-bearing liabilities at the end of the period, SEK m	6,759.1	8,876.1
LTV ratio at the end of the period, %	49.8	56.6
NAV, SEK/share	87.09	174.02

7.2

Interest-bearing  
liabilities, SEK  
billion

87.09

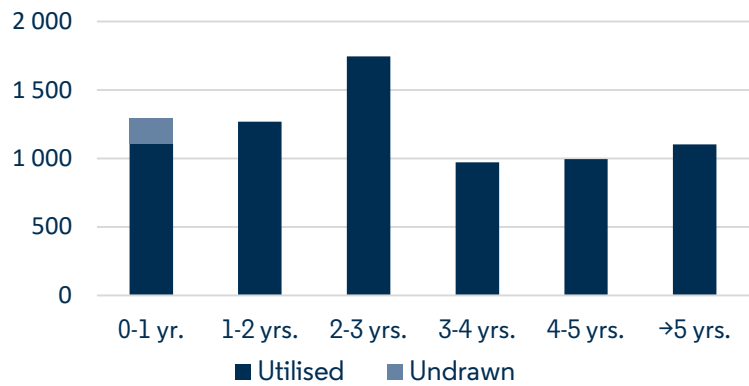
NAV SEK/share

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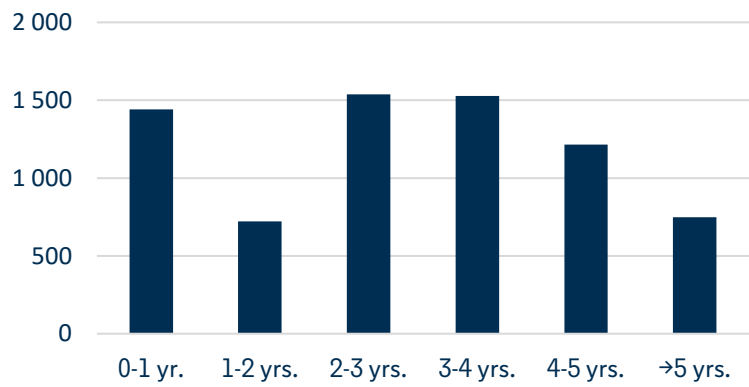
# Financing



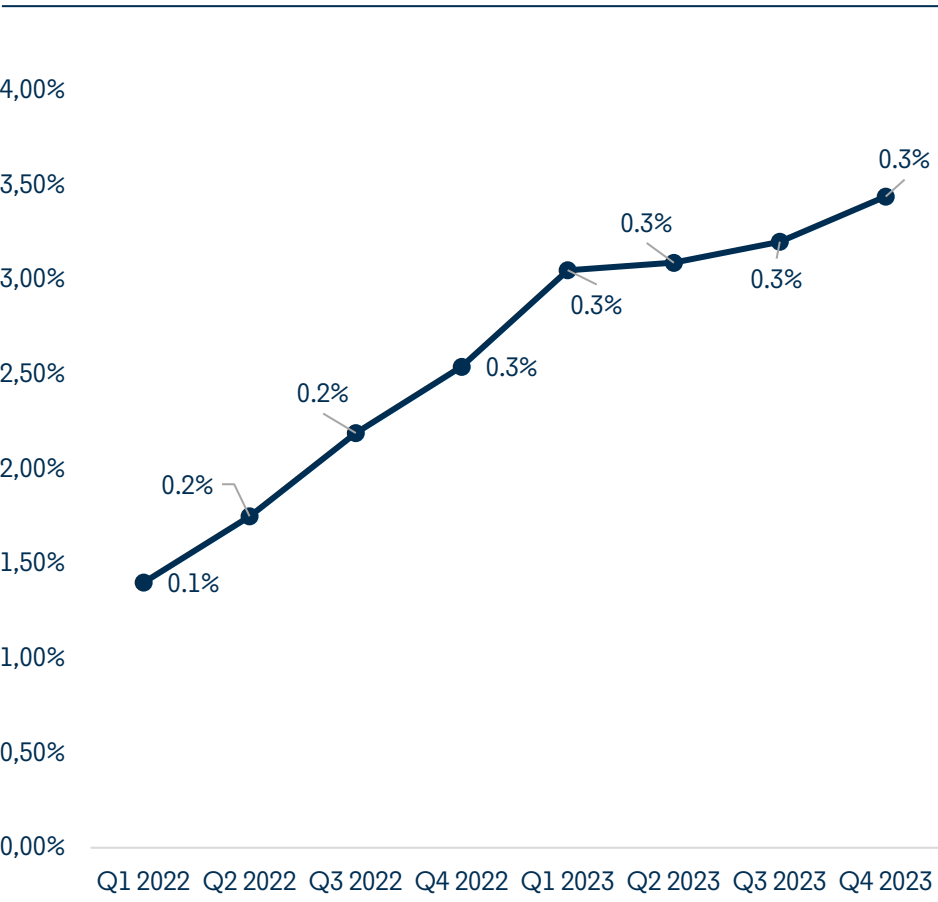
Loan-to-maturity



Fixed-interest period



Average interest rate at the end of the quarter



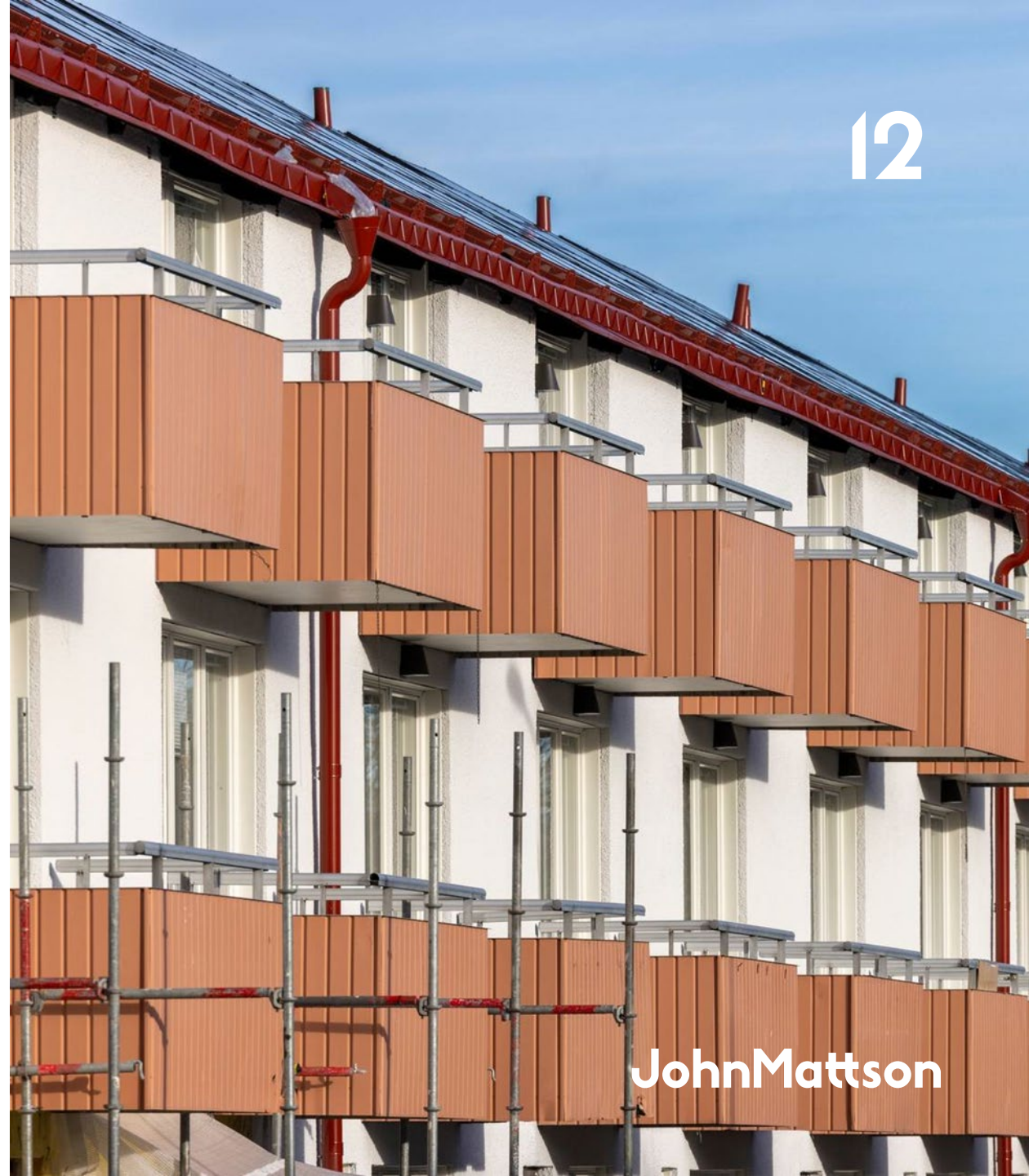
**3.0 years**  
average loan-to-maturity

**2.9 years**  
average fixed-interest tenor

# Earnings capacity

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Amounts in SEK m	31 Dec 2023
Rental value	622.4
Vacancies and discounts	-22.3
<b>Rental revenues</b>	<b>600.1</b>
Operating expenses	-108.8
Maintenance expenses	-13.7
Property tax	-13.1
Property administration	-20.2
<b>Net operating income</b>	<b>444.3</b>
Central administration costs	-48.2
Net financial items	-253.1
Less non-controlling interests	0.6
<b>Income from property management</b>	<b>143.6</b>



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# Outlook

- Positive outlook
  - Falling inflation
  - Attractive locations
  - Annual rental negotiations
- Growth focus moving forward
  - Property management
  - Adding value
  - Densification
  - Acquisitions



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# Great neighbourhoods across generations

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# Questions

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