

Wallenstam 

SUMMARY Q3, 2017

SUSANN LINDE, CFO AND HEAD OF INVESTOR RELATIONS

A clear glass vase filled with water holds a bouquet of flowers. In the foreground, there are several large, double tulips in shades of light pink and orange. Behind them, there are clusters of small, bright yellow flowers, possibly baby's breath or similar, interspersed with dark green foliage. The background is softly blurred, showing what appears to be a window with light coming through. The overall scene is bright and fresh.

IMPORTANT EVENTS, Q3

- > Took possession of Kungsporsavenyen 20
- > Cancellation of 10,000,000 B shares
- > Listed Company of the Year
- > Kopparhuset – ”Western Sweden’s smartest property”

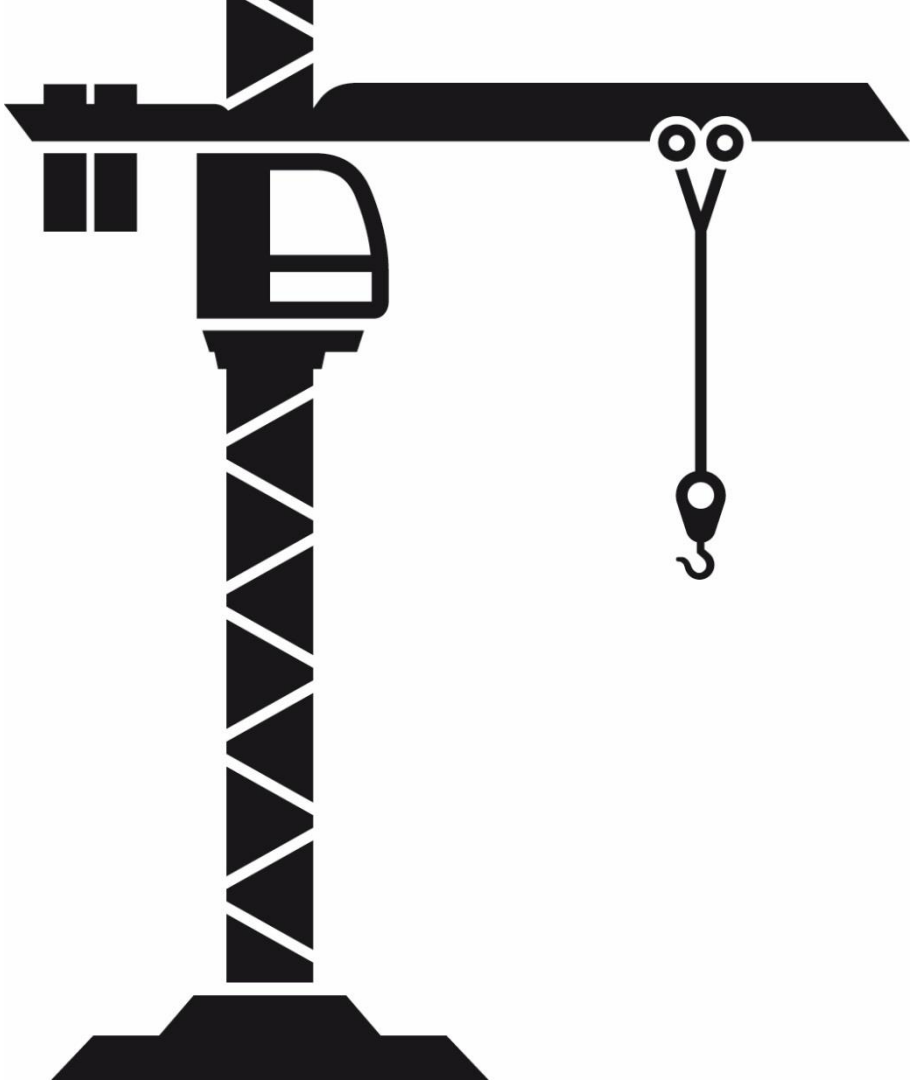


**NEW
CONSTRUCTION
COMPLETED IN Q3**



FJÄRILEN

> 145 rental apartments in
Rosendal, Uppsala



**NEW
CONSTRUCTIONS
STARTED IN Q3**



STALLBACKEN NIVÅ5

- > 109 rental apartments in Mölndal
- > Estimated completion in 2019
- > Our last construction project in Stallbacken area

RÖDKLÖVERN 1

- > 89 rental apartments in Mölndal
- > Estimated completion in 2018



FASAD MOT NORR



FASAD MOT SÖDER



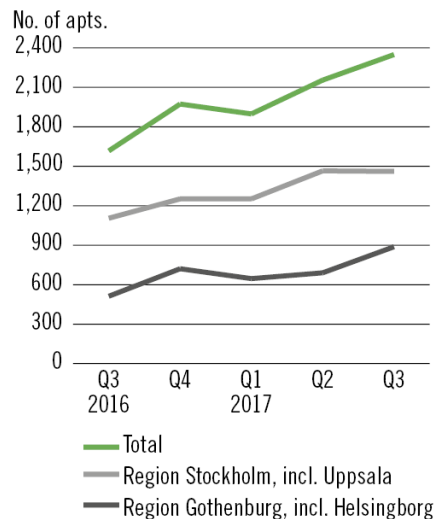
TRE VÄNNER

- > 141 rental apartments in Rosendal, Uppsala
- > Estimated completion in 2019

OVER 120,000 SQ M UNDER CONSTRUCTION

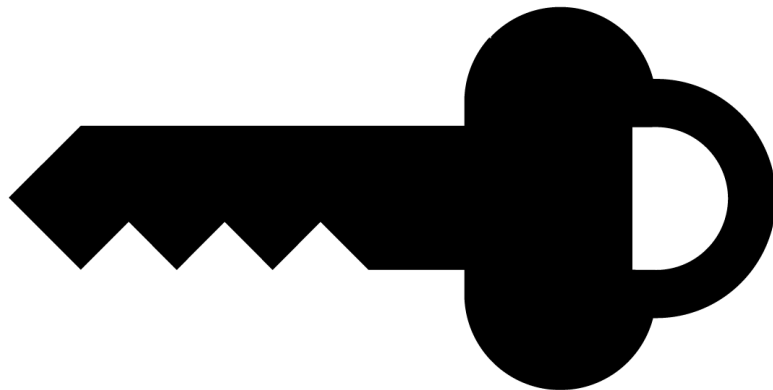
Project	No. of apts.	Expected occupation*
STOCKHOLM		
Tavernan, Barkarbystaden, Järfälla**	205	Q2 2017
Grönskan Solberga**	148	Q3 2017
Trädgårdssporten, Tyresö	184	Q4 2017
Orangeriet Solberga, phase 1	90	Q1 2018
Orangeriet Solberga, phase 2 (co-op)	80	Q2 2018
Umami Park, phase 1A, Sundbyberg	147	2018/2019
Allén, Tyresö	221	2019
Terrassen Elva, Tyresö (co-op)	54	2019
Umami Park, phase 1B, Sundbyberg (co-op)	75	2019
UPPSALA		
Symfonin, Gränby	116	Q4 2017
Tre vänner, Rosendal	141	2019
GOTHENBURG		
Stallbacken Nivå2, Mölndal	88	Q4 2017
Stallbacken Punkt3, Mölndal	82	Q4 2017
Rödklävern 1, Mölndal	89	Q1 2018
Stallbacka Allé, Mölndal (co-op)	133	2018
Ulfsparrégatan	115	2018
Utforskaren	36	2018
Vasagatan 33 (co-op)	30	Q2 2018
Stallbacken Nivå5, Mölndal	109	2019
HELSINGBORG		
Stengläntan, Mariastaden**	110	Q3 2017
Pålsjö	96	2019
Total	2,349	

APARTMENTS, CONSTRUCTION IN PROGRESS



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

** Gradual occupation has commenced.



FINANCIAL INFORMATION

INCOME FROM PROPERTY MANAGEMENT

SEK million	Note	Jan-Sep 2017	Jan-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Oct-Sep 2016/2017	Jan-Dec 2016
Rental income		1,257	1,197	428	408	1,667	1,607
Operating expenses		-304	-306	-90	-96	-430	-432
Net operating income, properties		953	891	338	312	1,237	1,175
Management costs and administrative expenses		-149	-138	-44	-35	-204	-193
Financial income		5	7	1	1	6	8
Financial expenses		-188	-196	-65	-64	-249	-257
Income from property management		621	564	230	214	790	733

+10%

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

NET OPERATING INCOME INCREASE OF 7%

RENTAL INCOME



Net operating income
+ SEK 62 million

OPERATING EXPENSES



PROFIT BEFORE UNREALIZED CHANGES

SEK million	Note	Jan-Sep 2017	Jan-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Oct-Sep 2016/2017	Jan-Dec 2016
Income from property management		621	564	230	214	790	733
Income from natural energy management operations	1	-34	-53	-20	-8	-42	-61
Realized changes in value, synthetic options		-54	-	-	-	-54	-
Revenue, co-op apartment and development property sales		320	79	12	26	368	127
Expenses, co-op apartment and development property sales		-268	-70	-8	-25	-302	-104
Realized changes in value, investment properties including expenses	2	-3	99	-3	-4	68	170
Profit before unrealized changes in value and impairment charges		582	619	211	203	828	865

CHANGES IN VALUE

SEK million	Note	Jan-Sep 2017	Jan-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Oct-Sep 2016/2017	Jan-Dec 2016
Profit before unrealized changes in value and impairment charges		582	619	211	203	828	865
Unrealized changes in value, investment properties		1,817	1,852	179	237	3,435	3,470
New construction		389	828	142	140	756	1,195
Other		1,428	1,024	37	97	2,679	2,275
Unrealized changes in value, financial instruments		148	-378	37	-13	396	-130
Unrealized changes in value, synthetic options		-2	-15	-	-14	6	-7
Impairment losses on wind turbines		-300	-	-	-	-300	-
Profit before tax		2,245	2,078	427	413	4,365	4,198
Taxes		-464	-432	-93	-94	-882	-850
Profit for the period, after tax		1,781	1,646	334	319	3,483	3,348

- **42% surplus value in our completed new construction**
- **Average yield requirement: 3,2% (residential), 4,8% (commercial)**

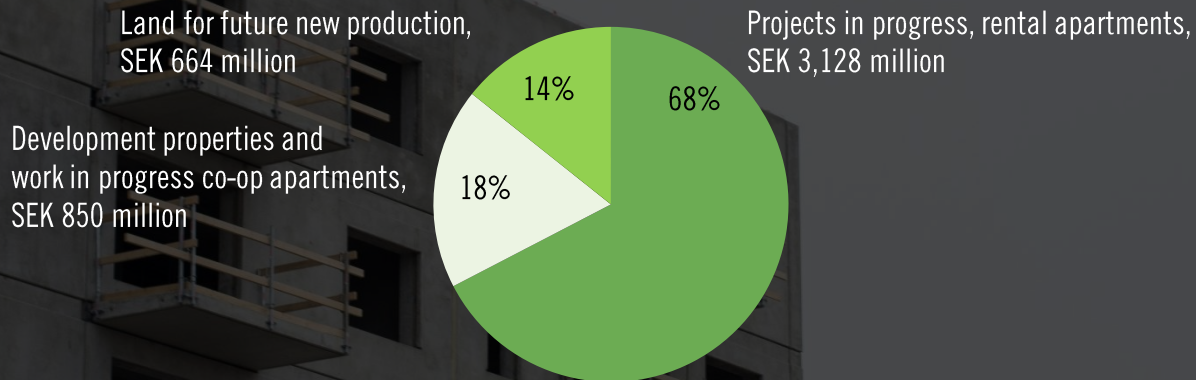
TOTAL ASSETS

SEK million	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Investment properties	39,660	34,646	36,555
Wind turbines	906	1,315	1,277
Financial assets	365	316	376
Financial derivative instruments	13	0	9
Other non-current assets	68	62	63
Total non-current assets	41,012	36,339	38,280
CURRENT ASSETS			
Development properties and work in progress co-op apartments	850	485	734
Financial derivative instruments	6	4	3
Other current assets	247	246	287
Cash and cash equivalents	46	177	98
Total current assets	1,149	912	1,122
Total assets	42,161	37,251	39,402

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



PROJECTS IN PROGRESS, SEK 4.6 BILLION



TOTAL EQUITY AND LIABILITIES

SEK million	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
EQUITY AND LIABILITIES			
EQUITY			
Equity	19,061	16,133	17,776
Equity attributable to non-controlling interests	12	12	12
Total equity	19,073	16,145	17,788
NON-CURRENT LIABILITIES			
Provisions for deferred tax	4,031	3,158	3,568
Other provisions	57	10	13
Interest-bearing liabilities	687	1,416	1,399
Financial derivative instruments	818	1,202	966
Other non-current liabilities	7	91	86
Total non-current liabilities	5,600	5,877	6,032
CURRENT LIABILITIES			
Interest-bearing liabilities	16,982	14,720	15,074
Financial derivative instruments	1	11	4
Other current liabilities	505	498	504
Total current liabilities	17,488	15,229	15,582
Total equity and liabilities	42,161	37,251	39,402

EQUITY/ASSET RATIO

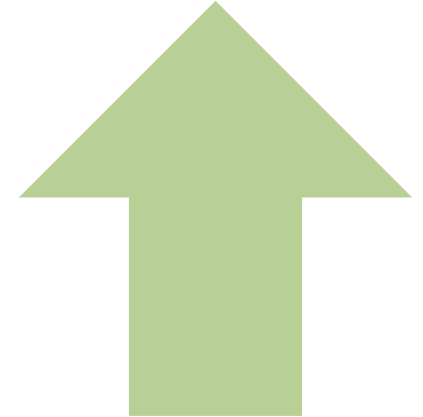
45%

LOAN-TO-VALUE RATIO

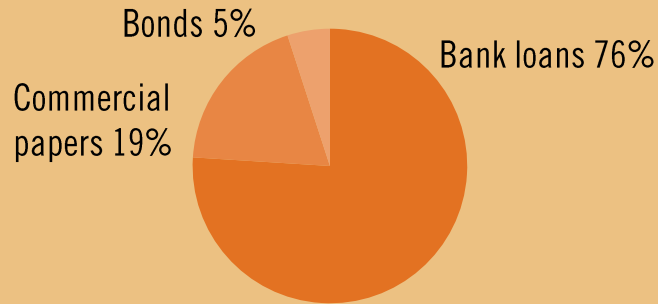
43%

**AVERAGE INTEREST RATE
ON CLOSING DAY**

1.92%



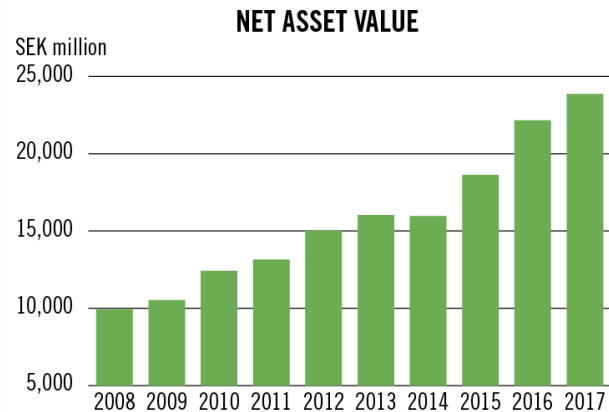
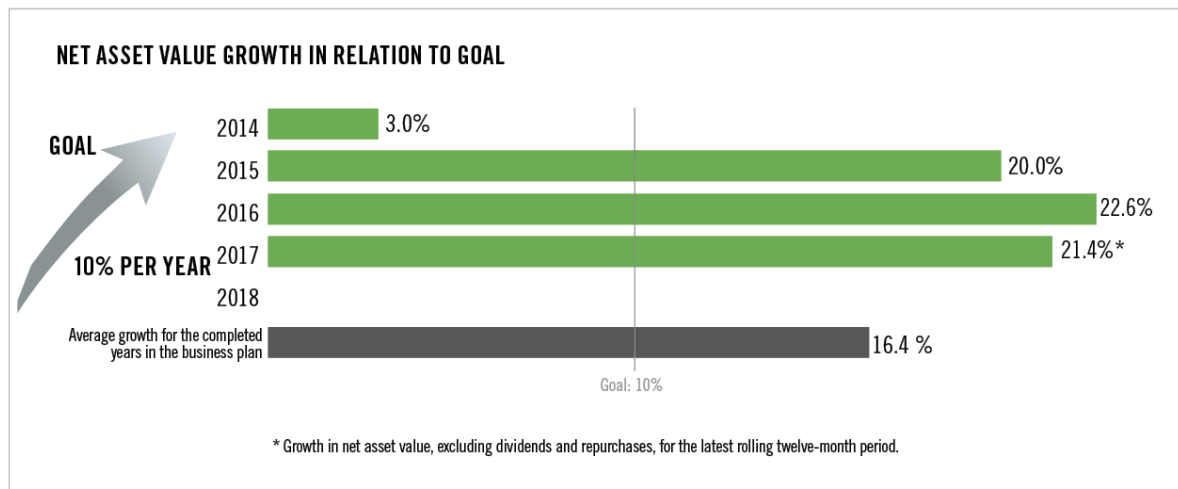
FINANCING



**INTEREST MATURITY,
AVERAGE**

34 mos

GOAL BUSINESS PLAN 2018





ORANGERIET – 90 CO-OPS BECOME RENTALS

- > Unique position:
 - We sell when the property is completed
 - Able to change forms of tenure
- > Always a back up calculation for rentals
- > Weaker co-op market i Stockholm?
- > 80 apts in next phase – new decision

SUMMARY

- > Effects of the efficient new construction
- > Successful letting
- > Attractive project portfolio
- > Strong financial position
- > Continues to create value





**QUESTIONS
WELCOME**

Wallenstam

