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ATRIUM LJUNGBERG

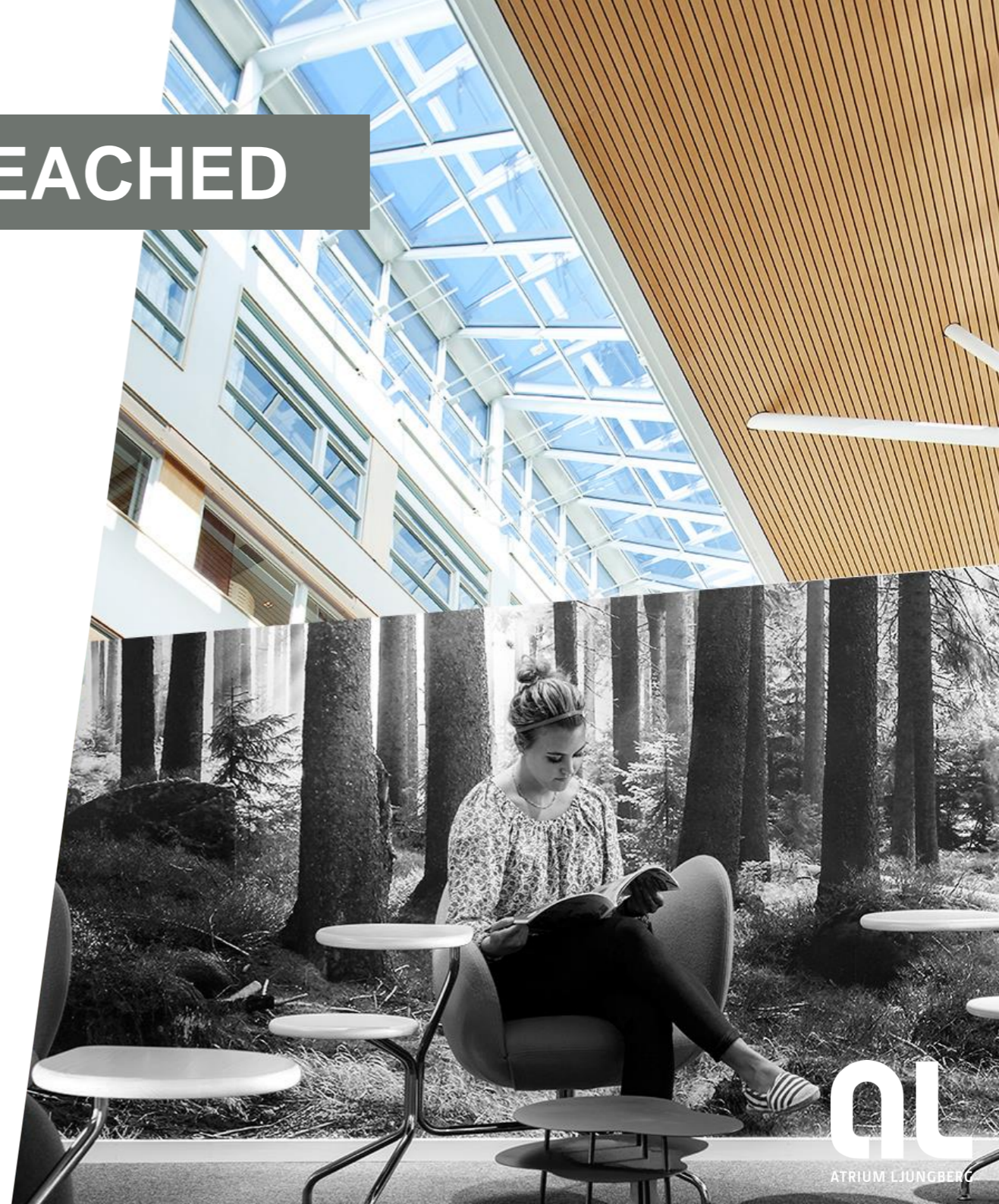
**FINANCIAL REPORT Q4 2017**

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# 2017 FINANCIAL TARGETS REACHED

- Operating surplus increase 13%
- SEK 1,6 billion investments in our own properties
- Proposed dividend of SEK 4,5
- Equity ratio of 42,6%
- ICR of 4,2





# MARKET SITUATION

- Growth in office rents
- E-commerce is affecting retailers
- Strong demographic growth in our locations
- Vacancies are low and stable
- Property yields are low and stable
- Atrium Ljungberg well positioned





# THREE ADDITIONS TO THE PROPERTY PORTFOLIO





# DIVESTMENT OF RETAIL HUB PORT 73





# THREE CONFIRMED PROJECTS



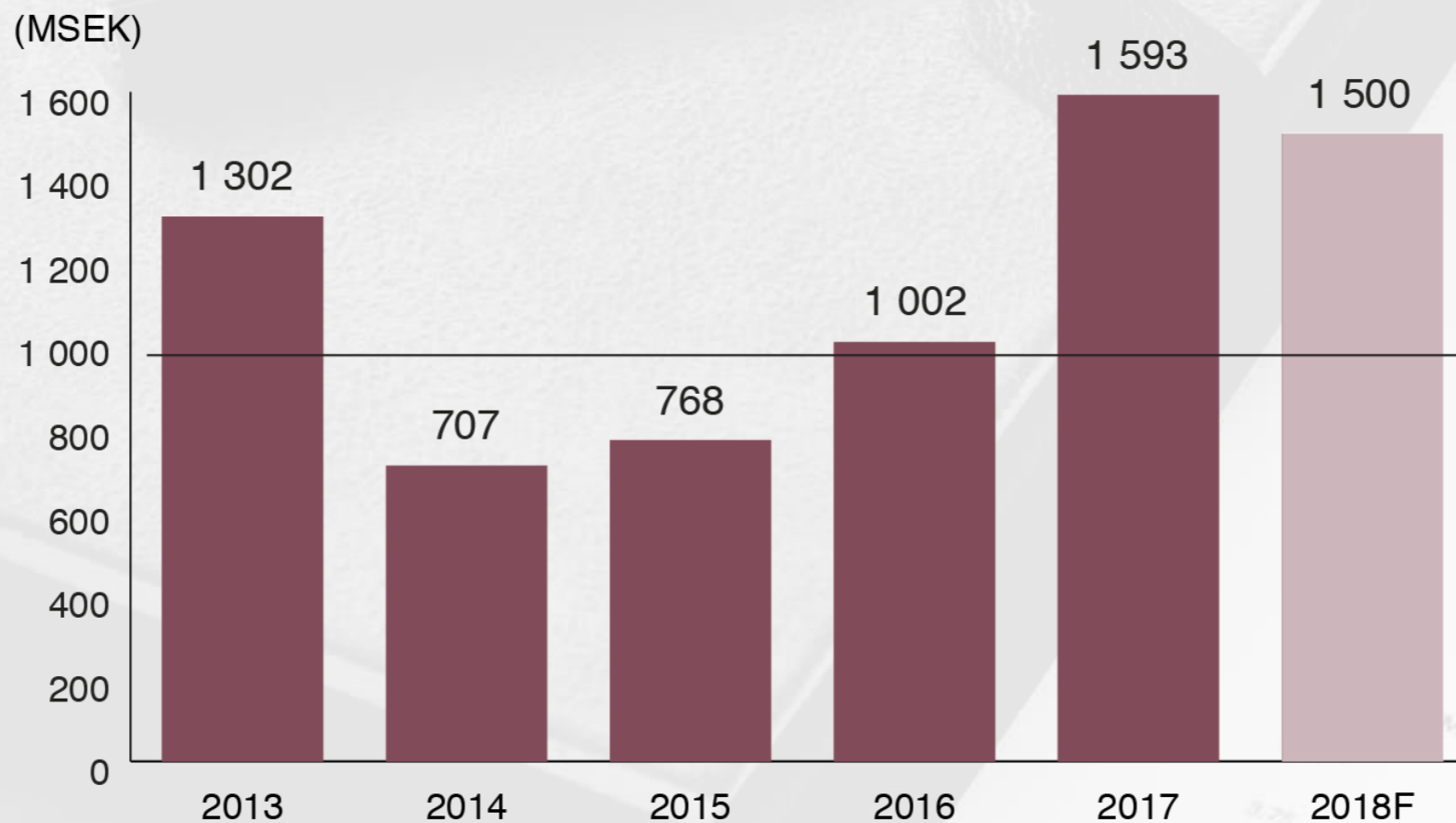


# TAPETFABRIKEN – NEW HOTEL TO SICKLA





# INCREASING INVESTMENTS IN PROJECT PORTFOLIO





# EXTENSIVE PROJECT PORTFOLIO

	Remaining investment SEK m
Ongoing projects	2,500
Potential projects	14,000
	16,500





# LIFE CITY PROJECT START 2018





RAS

# BAS BARKARBY – CONSTRUCTION START IN 2018





# NOBELBERGET – RESIDENTIAL SALE START 2018





# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

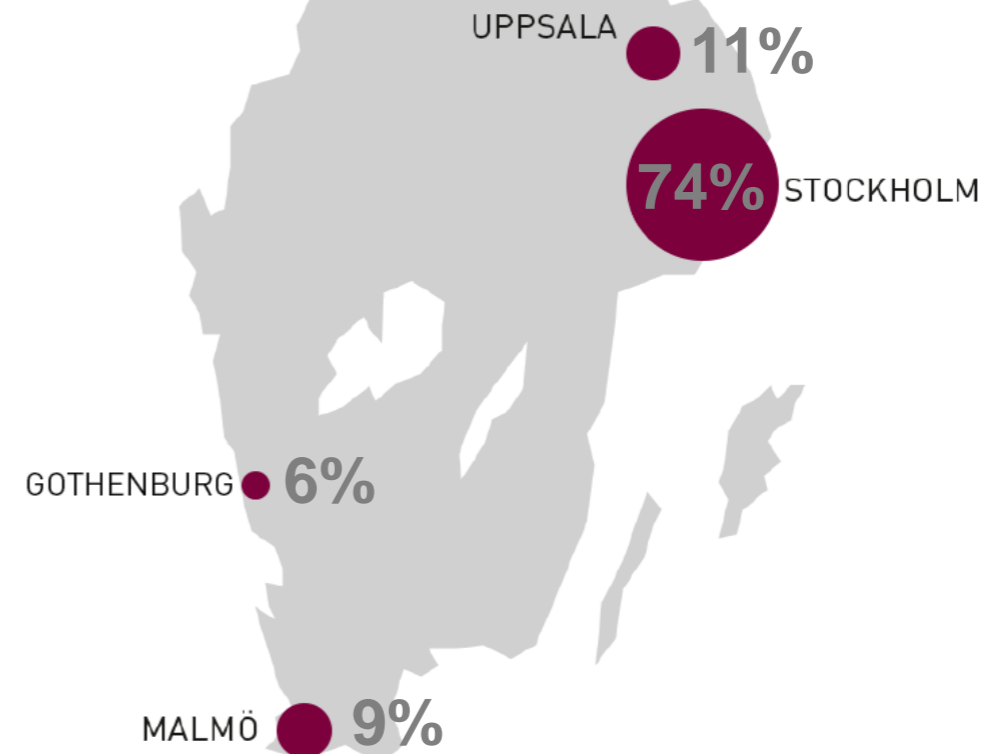
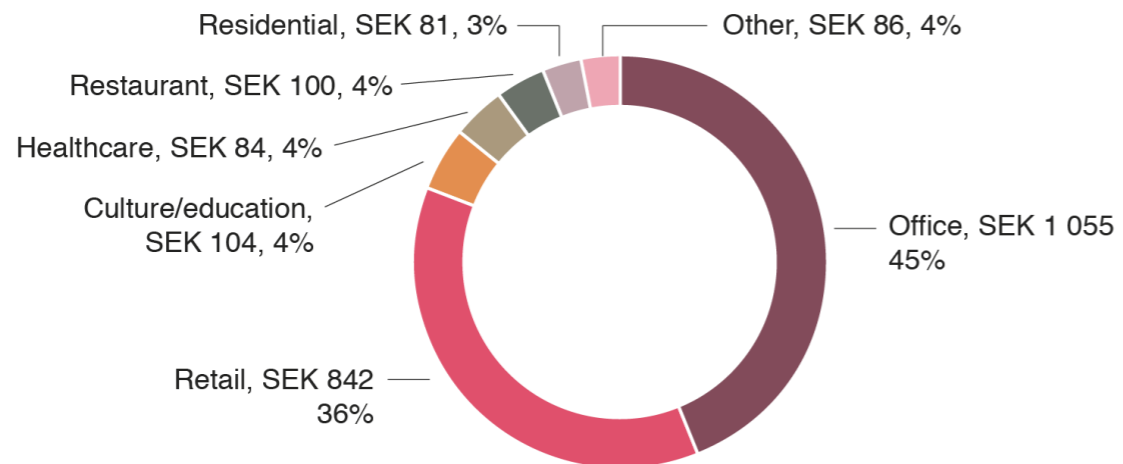
(MSEK)	2017 Jan-Dec	2016 Jan-Dec	Δ %
Rental income	2 389	2 150	11%
Property costs	-742	-692	7%
<b>Operating surplus</b>	<b>1 647</b>	<b>1 458</b>	<b>13%</b>
Central administration (property management)	-48	-82	
Project and construction work	-47	-28	
Net financial items	-372	-383	
<b>Profit/loss before changes in value</b>	<b>1 180</b>	<b>965</b>	<b>23%</b>
Change in the value of properties, unrealised	1 817	2 772	
Change in the value of properties, realised	-4	6	
Change in the value of financial instruments	116	-307	
<b>Profit/loss before tax</b>	<b>3 110</b>	<b>3 436</b>	
Tax	-551	-755	
<b>Profit for the period</b>	<b>2 559</b>	<b>2 681</b>	



# ATRIUM LJUNGBERG IN BRIEF

- Number of properties 53
- Property value SEK 41 billion
- Contracted annual rent SEK 2.4 billion
- Lettable area 1,146,000 m<sup>2</sup>
- Letting rate 95 %

Rental income by segment, SEK million





# RENTAL INCOME

- Vacancies have decreased from 7 to 5 percent
- Net letting is positive by SEK 28 million during Q4 and SEK 40 million yearly

## RENTAL INCOME TREND

	<b>2017</b> 1/1–31/12	2016 1/1–31/12	Change, %
Like-for-like portfolio	2,109	2,020	4.4
Non-recurring remuneration	53	2	
Project properties	82	86	
Properties acquired	145	41	
<b>Rental income</b>	<b>2,389</b>	<b>2,150</b>	<b>11.1</b>

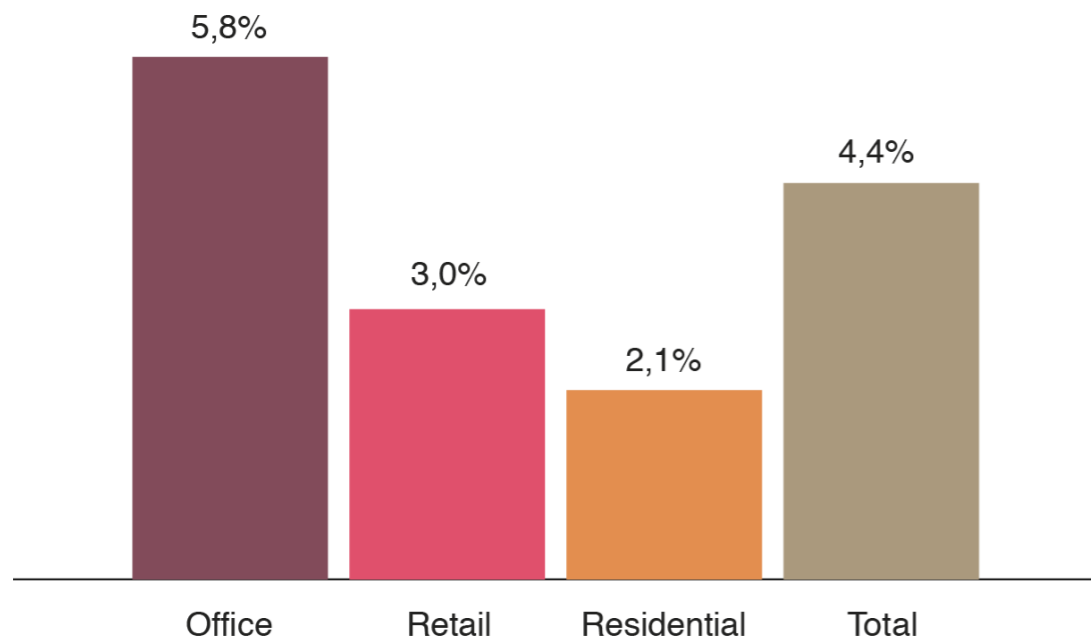
## PROPERTY COSTS TREND

	<b>2017</b> 1/1–31/12	2016 1/1–31/12	Change, %
Like-for-like portfolio	-653	-644	1.3
Project properties	-36	-36	
Properties acquired	-53	-12	
<b>Property management costs</b>	<b>-742</b>	<b>-692</b>	<b>7.2</b>

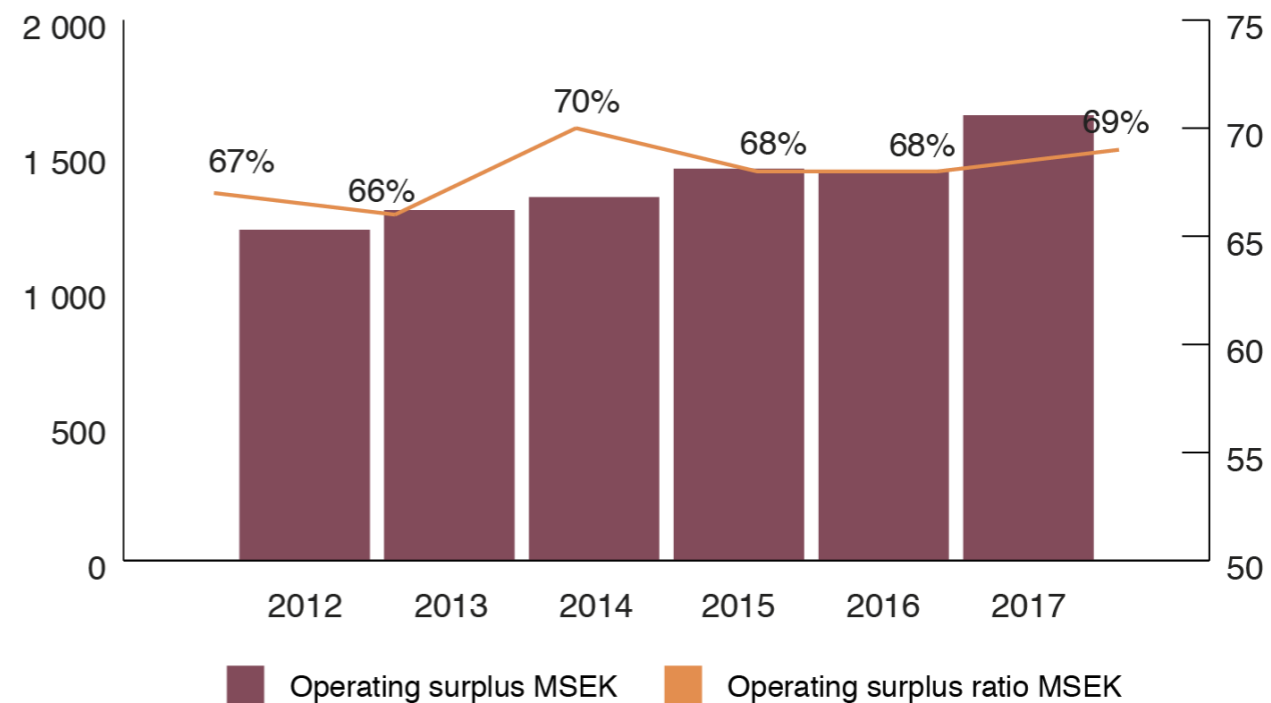


# RENTAL INCOME

### Like-for-like net rental income growth



### Operating surplus and operating surplus ratio





# CONSOLIDATED ASSETS

(MSEK)	2017 31/12	2016 31/12
Investment properties	39 991	36 054
Goodwill	240	263
Other fixed assets	45	52
<b>Total fixed assets</b>	<b>40 276</b>	<b>36 368</b>
Development properties	870	0
Current assets	1 272	357
Liquid assets	344	276
<b>Total current assets</b>	<b>2 487</b>	<b>633</b>
<b>Total assets</b>	<b>42 763</b>	<b>37 001</b>



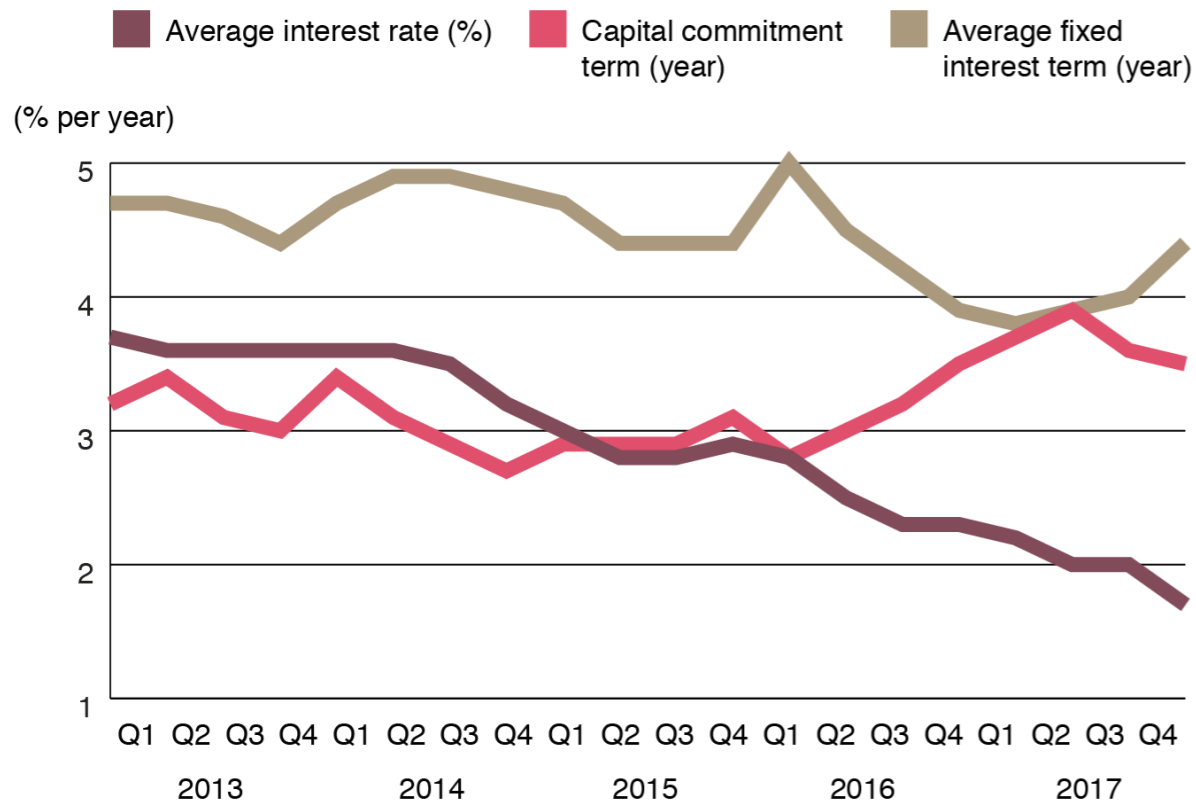
# PROPERTY MARKET VALUE

- 38 % of the portfolio has been valued externally
- Unrealised gain of SEK 1 817 million
- The increase is in equal measures driven by increased operating surplus and lower property yield requirements





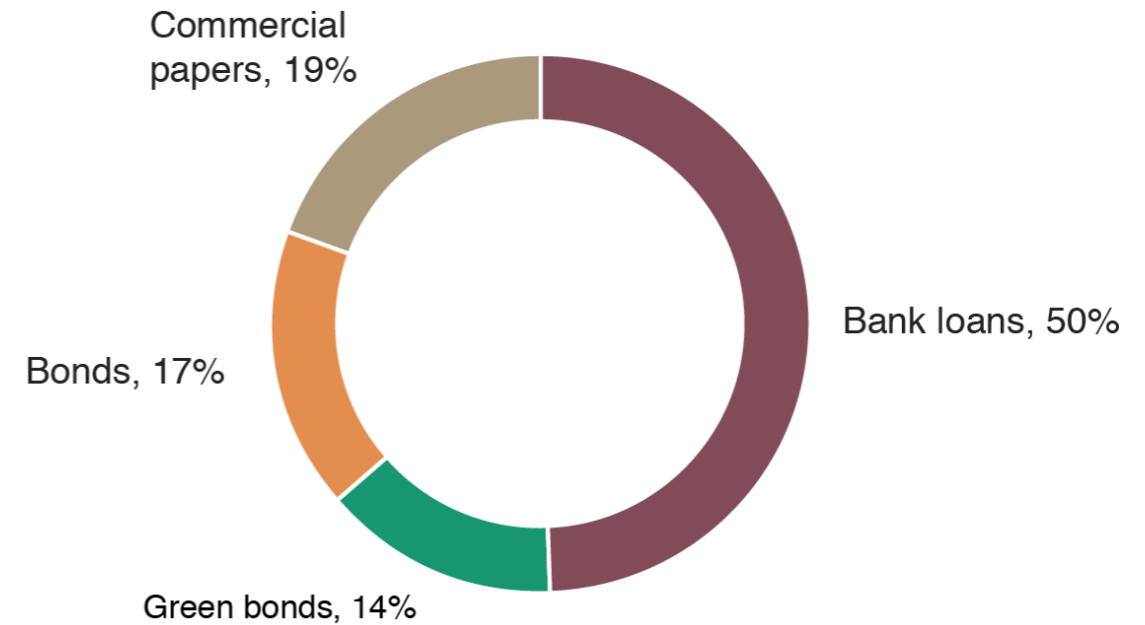
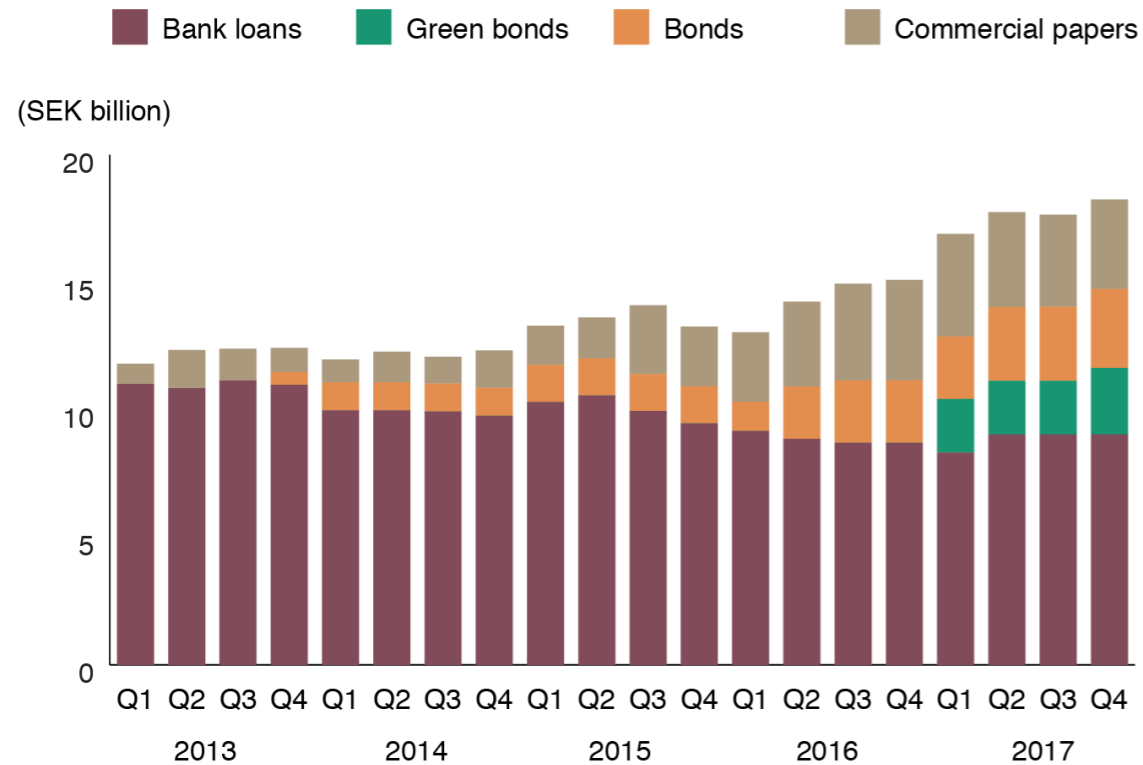
# LOW FINANCIAL RISK AND STRONG KEY RATIOS



- Interest-bearing liabilities of SEK 18.2 billion
- Gearing ratio 44.1 %
- Average interest rate 1.7 %
- Restructuring of derivatives in Q4
- Fixed interest term 4.4 years
- Capital commitment 3.5 years
- Five Nordic banks
- Commercial paper backed by credit lines
- Rated Baa2 by Moody's



# INCREASING SHARE OF CAPITAL MARKET DEBT





# OUTLOOK 2018

Profit before changes in value

**SEK 1 200 MILLION**

(1 180)

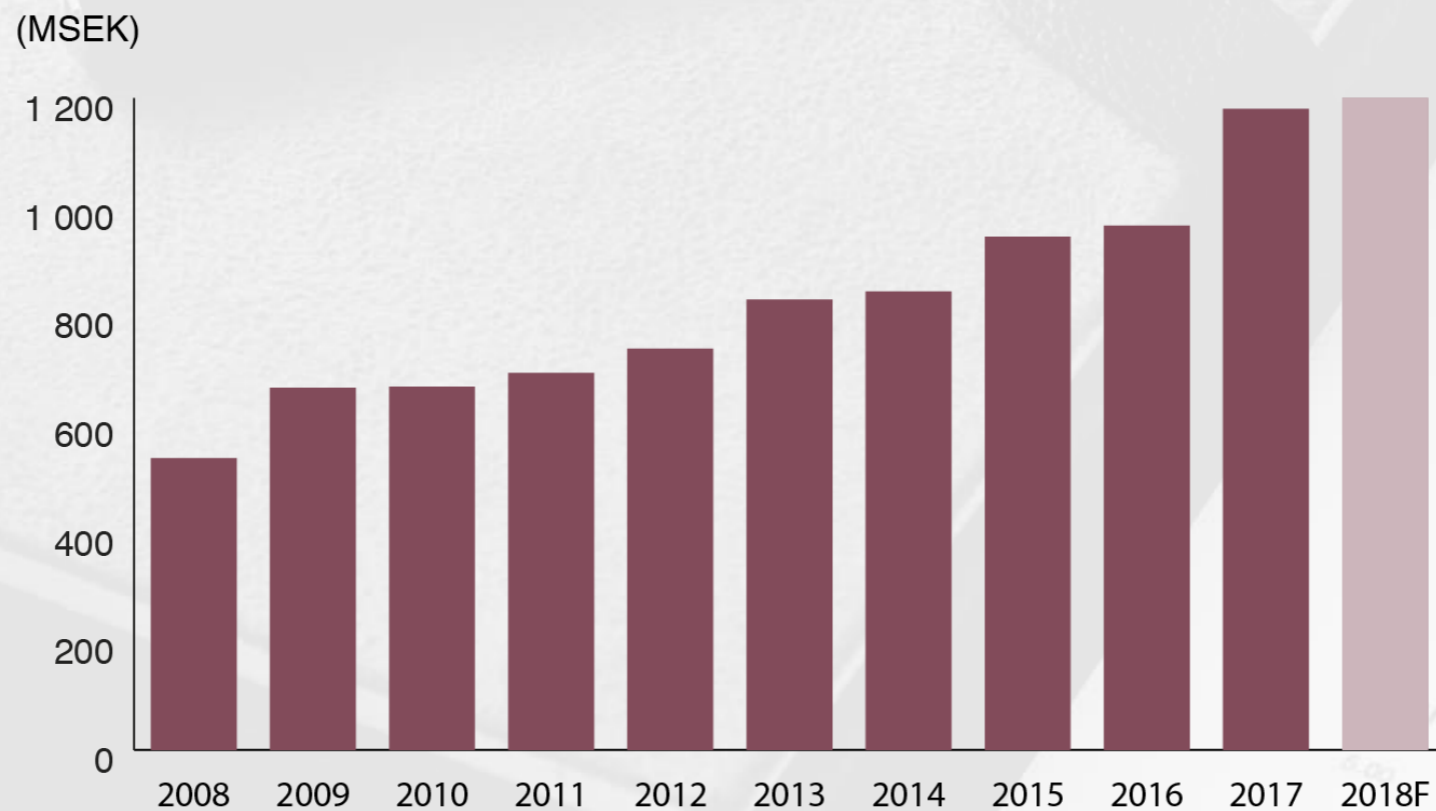


# Q&A





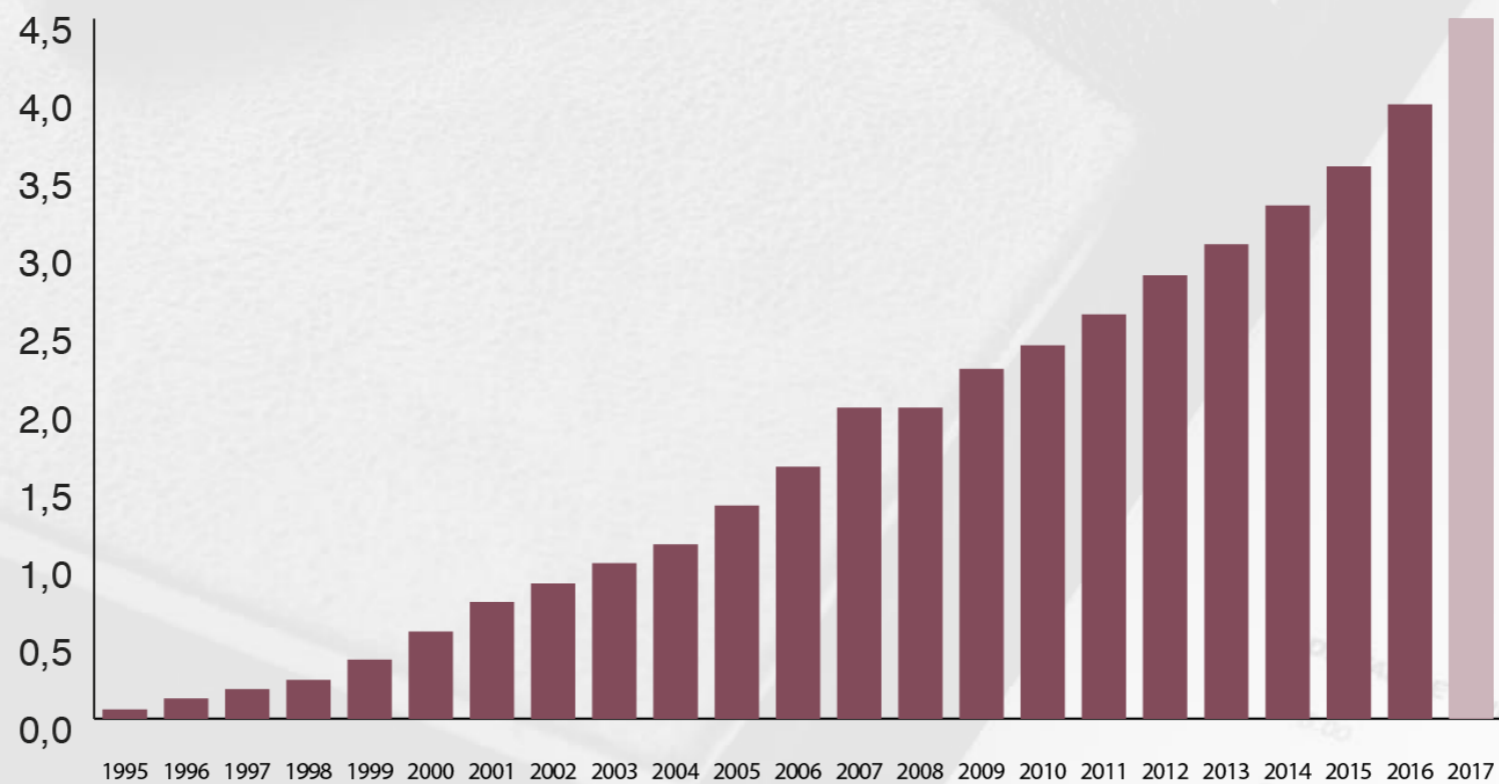
# HISTORICAL PROFITS BEFORE CHANGES IN VALUE





# STRONG HISTORY OF INCREASING DIVIDENDS

(SEK/share)







**THANK YOU!**