



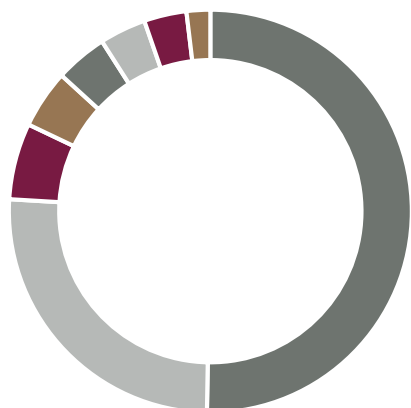
ATRIUM LJUNGBERG

# PRELIMINARY FINANCIAL STATEMENT Q4 2019

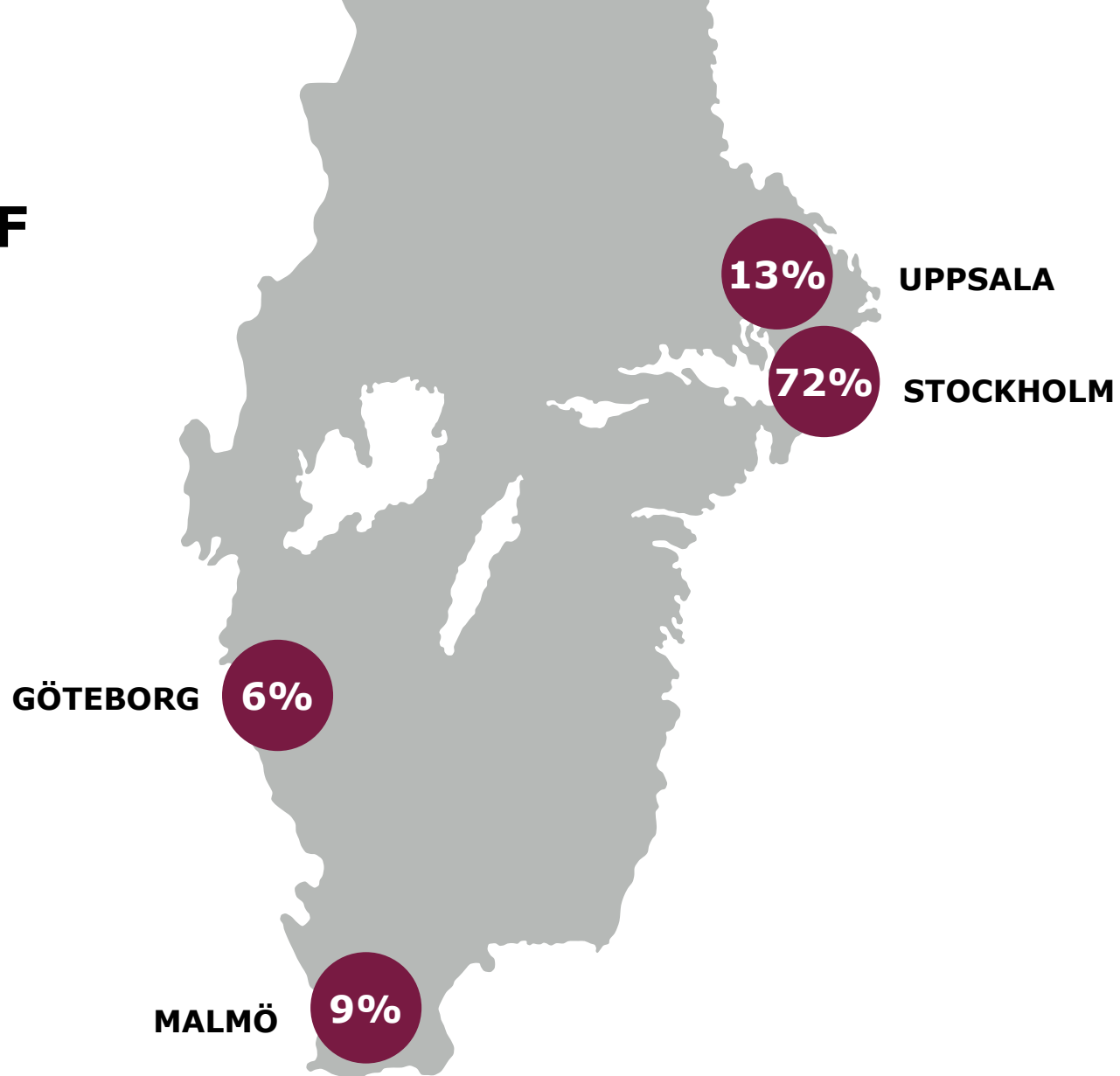
# ATRIUM LJUNGBERG IN BRIEF

Number of properties	70
Property value	SEK 49 billion
Contracted annual rent	SEK 2,6 billion
Lettable area	1 176 000 m <sup>2</sup>
Letting rate	93 %

Contracted annual rent per premises type



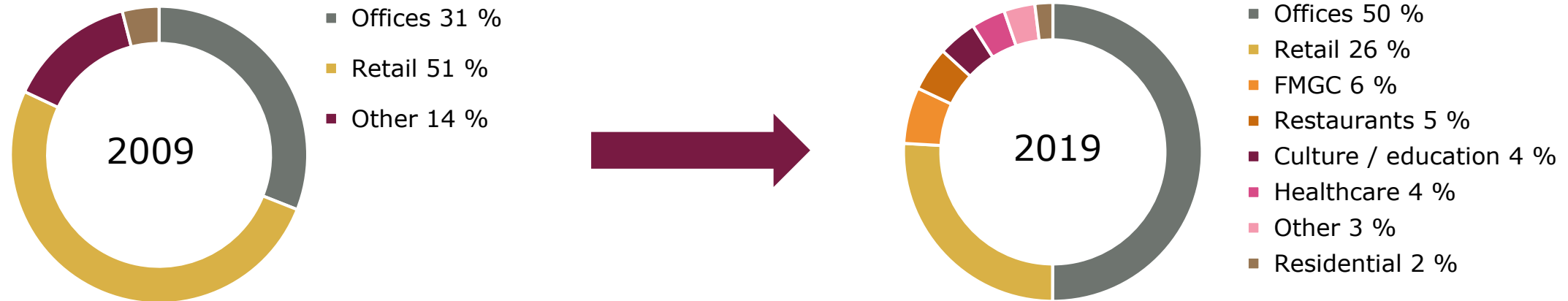
- Offices 50 %, 1 296 mkr
- Retail 26 %, 662 mkr
- FMGC 6 %, 158 mkr
- Restaurants 5 %, 121 mkr
- Culture / education 4 %, 108 mkr
- Healthcare 4 %, 96 mkr
- Other 3 %, 88 mkr
- Residential 2 %, 49 mkr



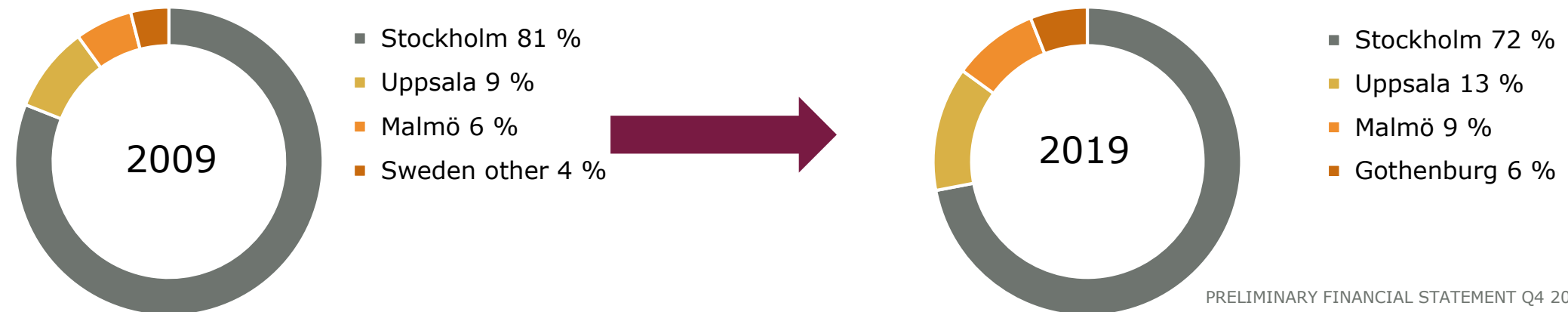
# REFINEMENT OF THE PROPERTY PORTFOLIO

## 31/12/2009 – 31/12/2019

Reduction of retail in favour of offices

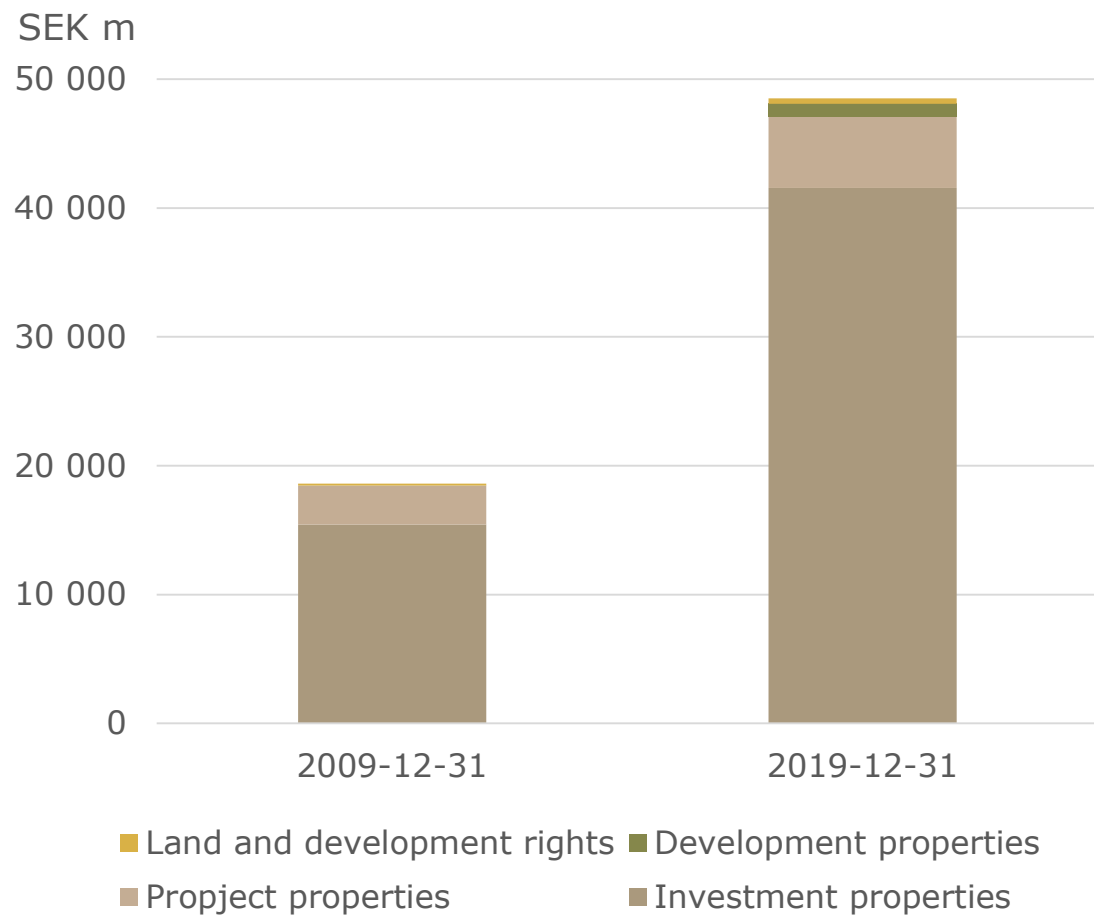


Now only in Sweden's four major cities

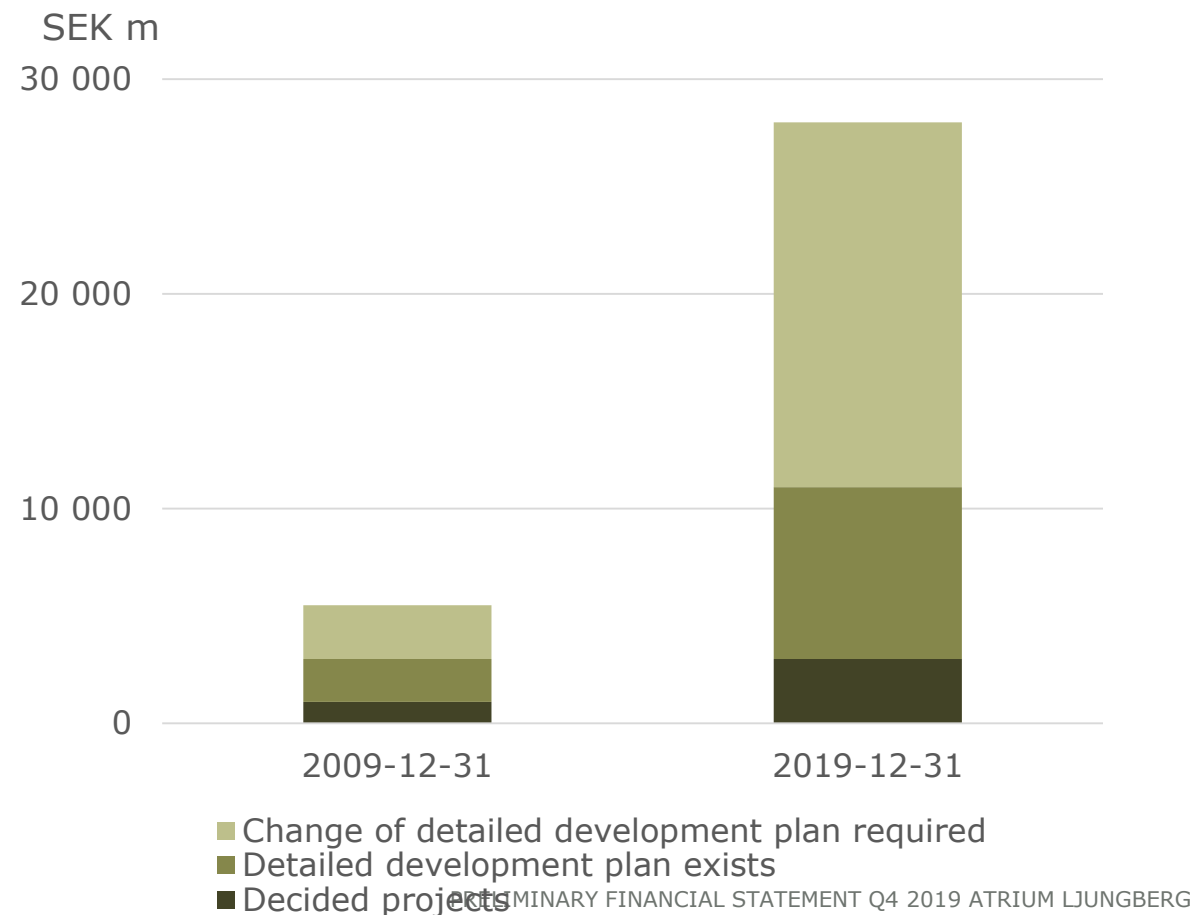


# STRONGLY EXPANDED PROJECT PORTFOLIO

## Increased property value



## Increased project portfolio





Sickla Galleria phase IV

## EVENTS FOURTH QUARTER 2019

- Lease agreement with Nordic Choice for an additional 3,000 sqm in Tapetfabriken
- Decision to start Sickla Galleria phase IV, with 200 parking spaces and 3,000 sqm of new retail space
- Several lettings in Sickla Front II and Curanten in Sickla
- Prepared the organization for the future with a new organization and the appointment of several new positions.



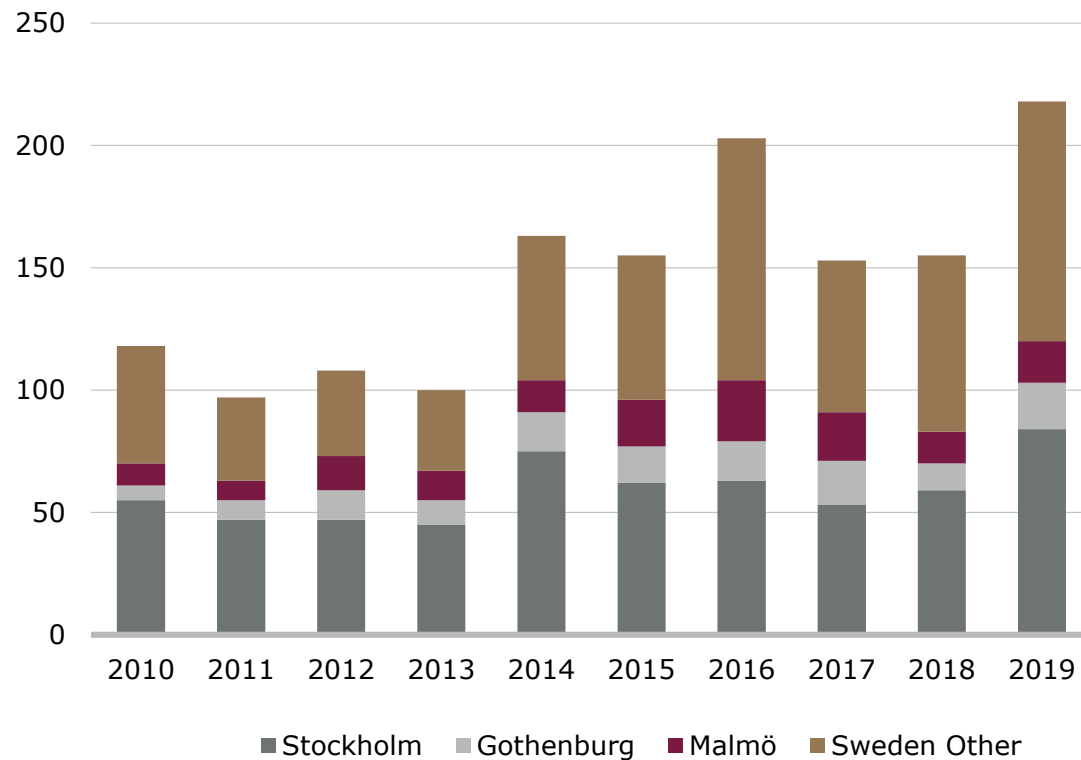
Kylhuset 15 in Slakthusområdet

## AN INTENSE 2019

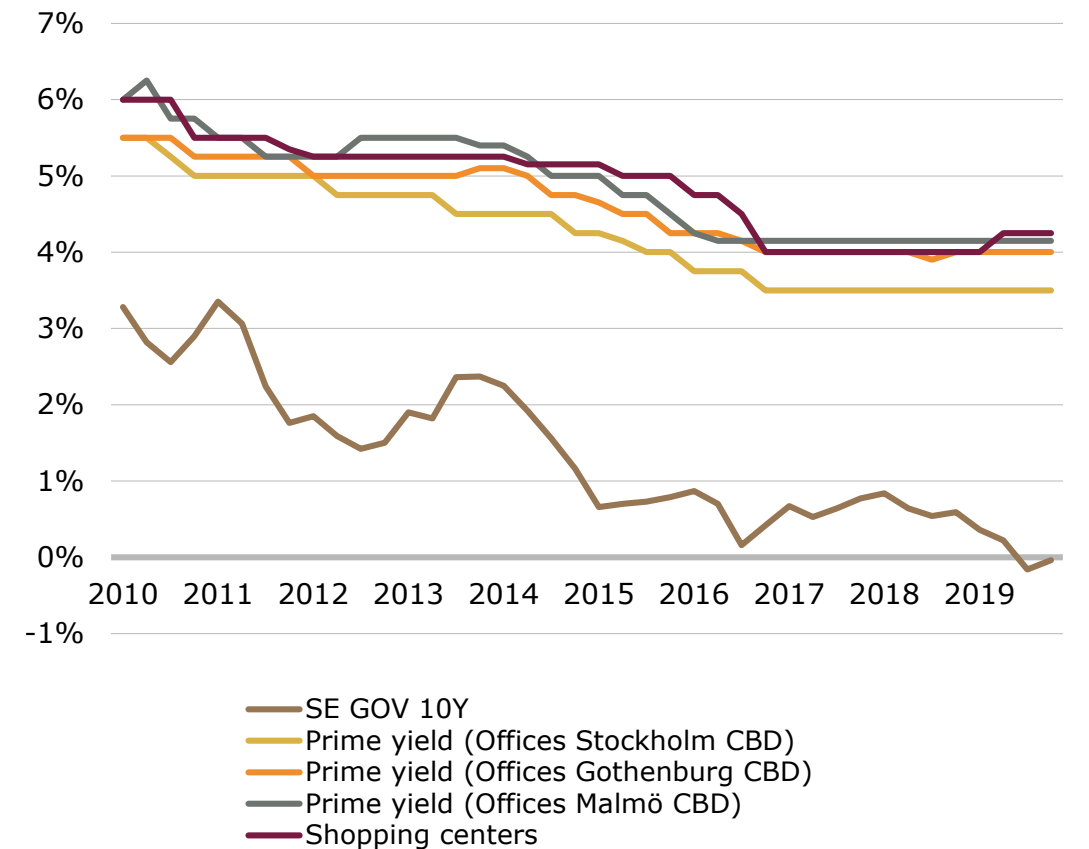
- Access to 14 properties in Slakthusområdet (Meat Packing district)
- Sale of residential properties in Kista
- After some delays, several major projects are now underway, Life City and Bas Barkarby
- Entry into the EPRA index, which have significantly increased turnover in the share

# RECORD VOLUME ON TRANSACTION MARKET

Transaction volume, SEK billion

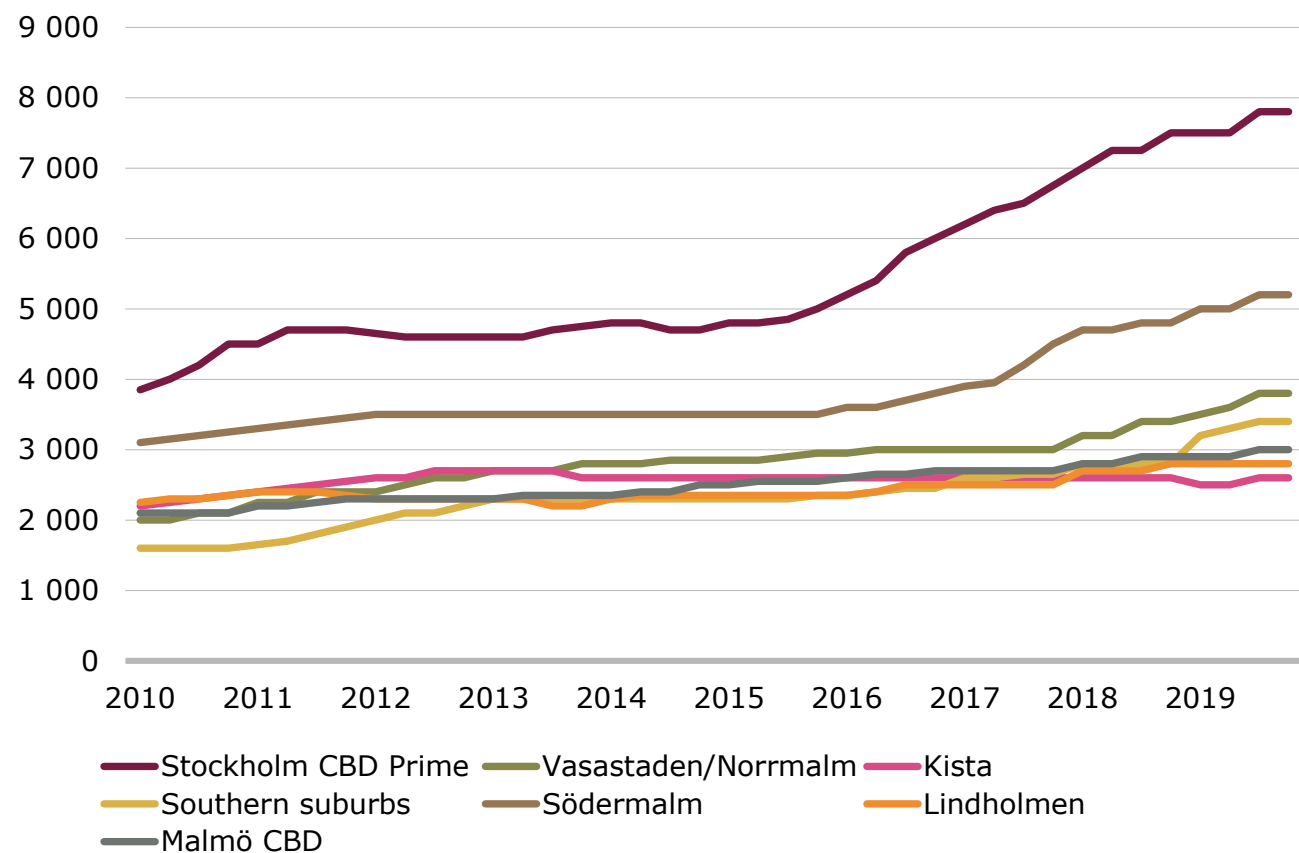


Dividend yield requirements for offices and 10-year government bond interest



# LOW VACANCIES KEEPING DEMAND UP

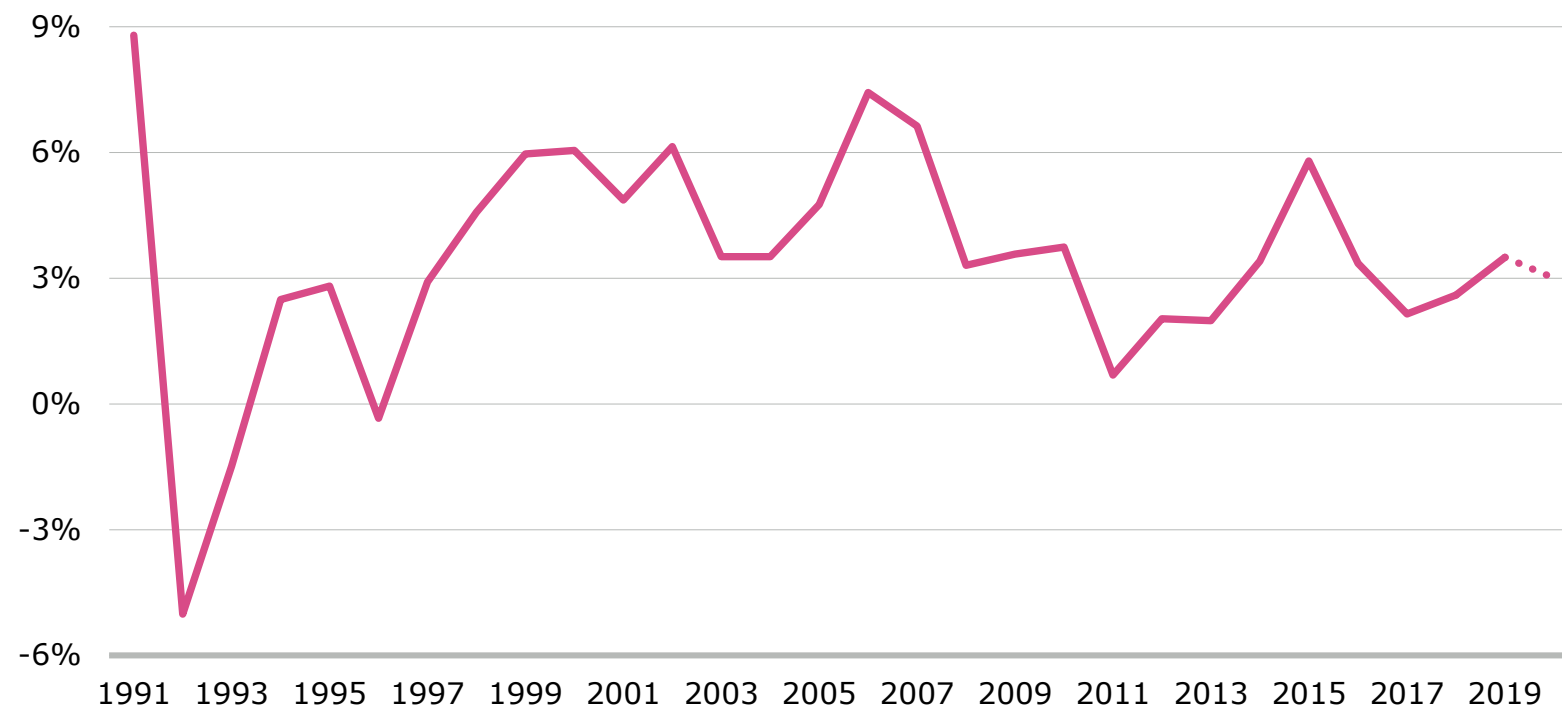
Contracted annual rent per area, SEK/m<sup>2</sup>





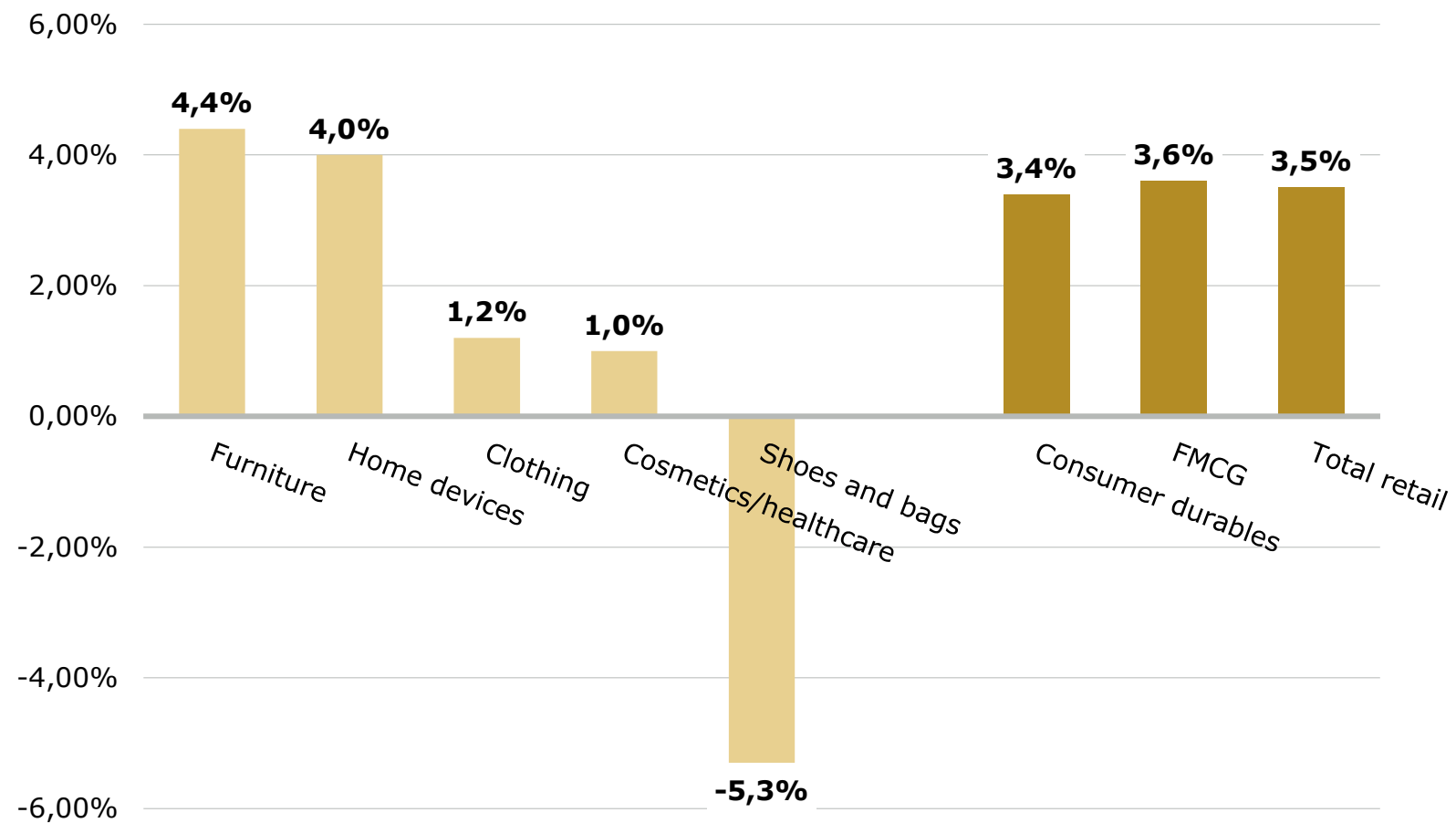
# RETAIL SALES GREW BY 3.5 % DURING 2019

Retail sector's development and forecast 1991 - 2020 (rolling prices, %)



# FASHION STILL STRUGGLES

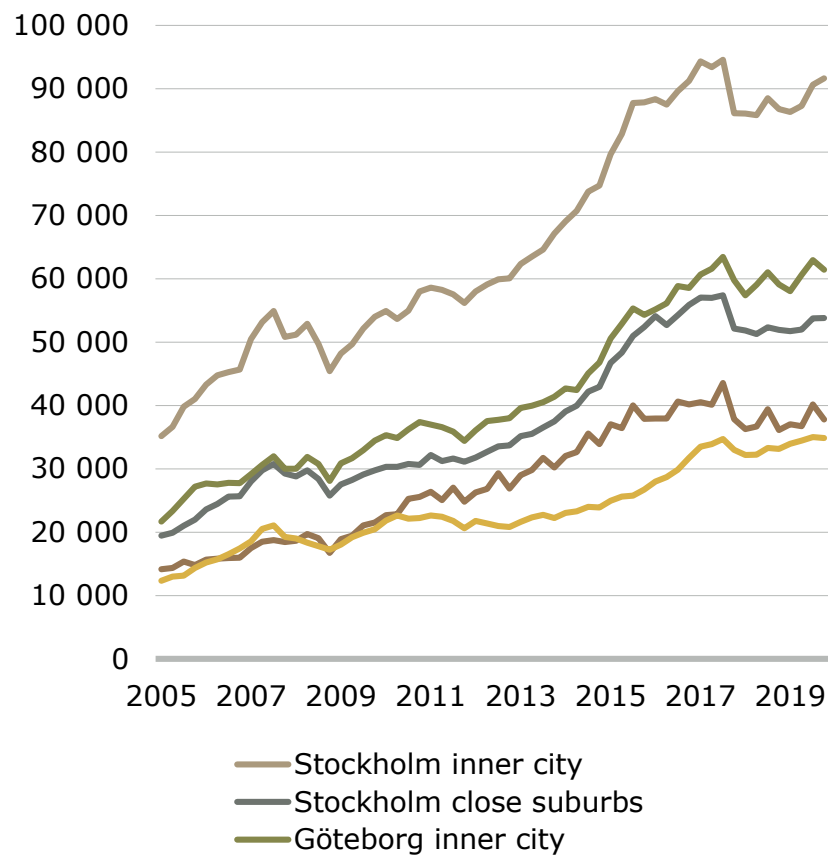
Retail development by industry, current prices



Source: SCB (preliminary full-year development)

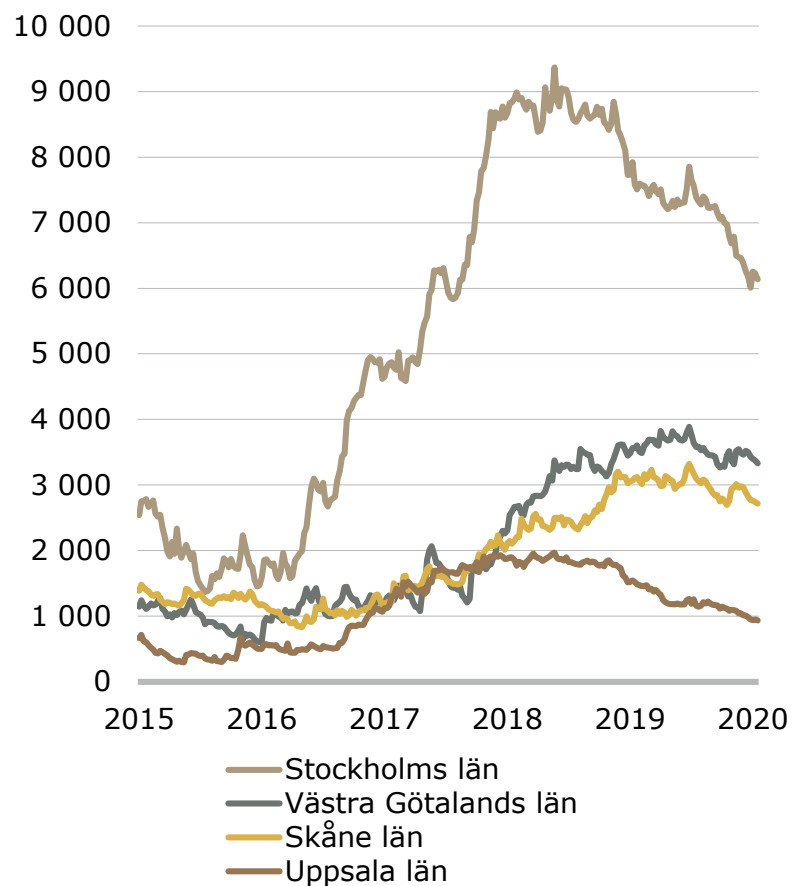
# RECOVERY ON THE HOUSING MARKET

Prices for tenant-owned dwellings, SEK/m<sup>2</sup>



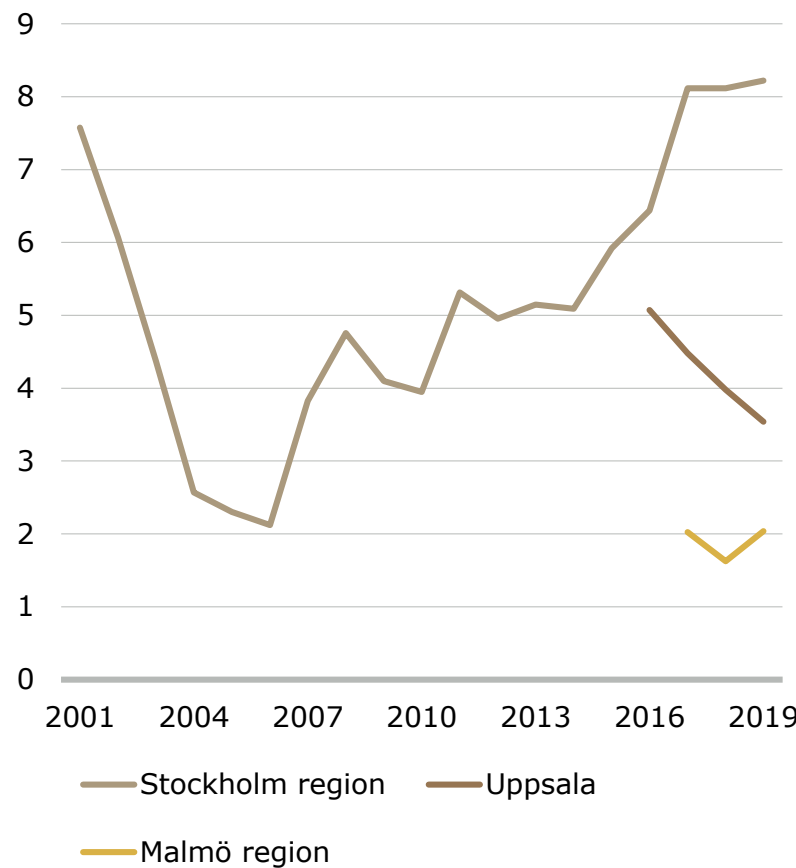
Source: Värderingsdata

New production for sale



Source: Booli

Queue times for new production, years



Source: Bostadsförmedlingen Stockholm, Boplats Syd and Uppsala Bostadsförmedling



Glashuset and Katarinahuset in Slussen

# NET LETTING

- Net letting during the fourth quarter SEK -8 m of which SEK -4 m in project properties. Affected by a couple of notice of terminations in offices in Hagastaden, SEK -22 m.
- SEK -82 m for the period, of which SEK -46 m in project properties. Katarinahuset in Slussen that is being prepared for project contributes with SEK -85 m.



# CONSOLIDATED INCOME STATEMENT

SEK m	2019 Jan-Jun	2018 Jan-Jun	Δ %
Rental income	2,577	2,412	+ 6.9 %
Property costs*	-844	-764	+ 10.5 %
<b>Operating surplus *</b>	<b>1,733</b>	<b>1,648</b>	<b>+ 5.2 %</b>
Central administration (property management)	-80	-73	
Project- and construction work	-59	-59	
Net financial items	-360	-302	
<b>Profit/loss before changes in value</b>	<b>1,234</b>	<b>1,214</b>	<b>+ 1.7 %</b>
Change in the value of properties, unrealised	2,283	2,516	
Change in the value of properties, realised	73	121	
Change in the value of financial instruments	-139	-69	
<b>Profit/loss before tax</b>	<b>3,450</b>	<b>3,781</b>	
Tax	-643	-329	
<b>Profit for the period</b>	<b>2,807</b>	<b>3,453</b>	

\*excluding effect of introduction of IFRS 16

# RENTAL INCOME AND PROPERTY COST

- Like-for-like portfolio
  - Rental income increased by 5.9%
  - Property cost increased by 11.1%
- EPRA vacancy rate 6%
- Some bad debt losses
- New concepts
- Property tax, increased costs and increased surcharges

## Rental income trend (SEK m)

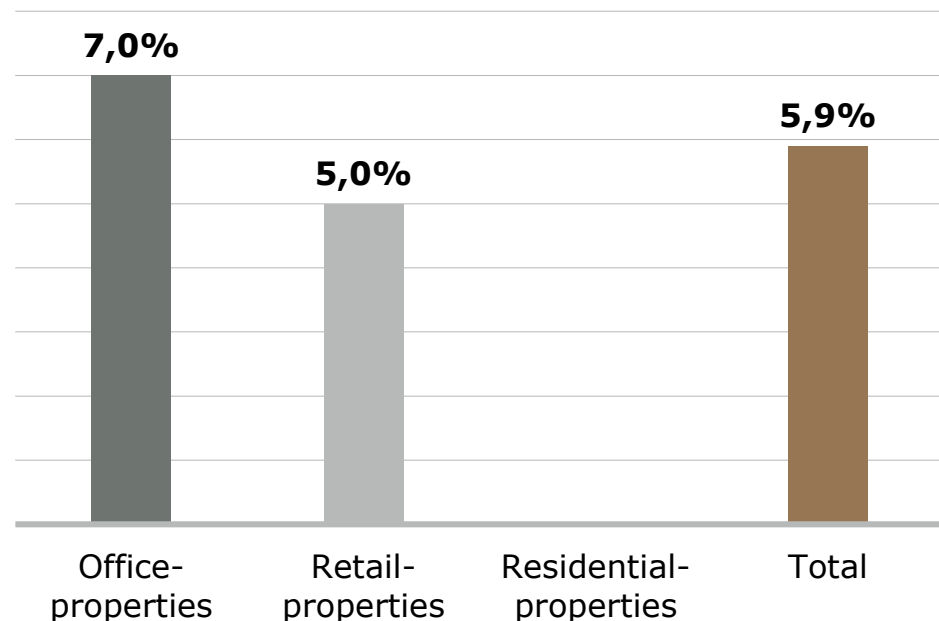
	<b>2019</b> 1/1-31/12	2018 1/1-31/12	<b>Δ %</b>
Like-for-like portfolio	2,223	2,099	+ 5.9 %
Non-recurring renum.	4	5	
Project properties	184	117	
Acquisitions	127	14	
Sold properties	39	177	
<b>Rental income</b>	<b>2,577</b>	<b>2,412</b>	<b>+ 6.9 %</b>

## Property cost trend (SEK m)

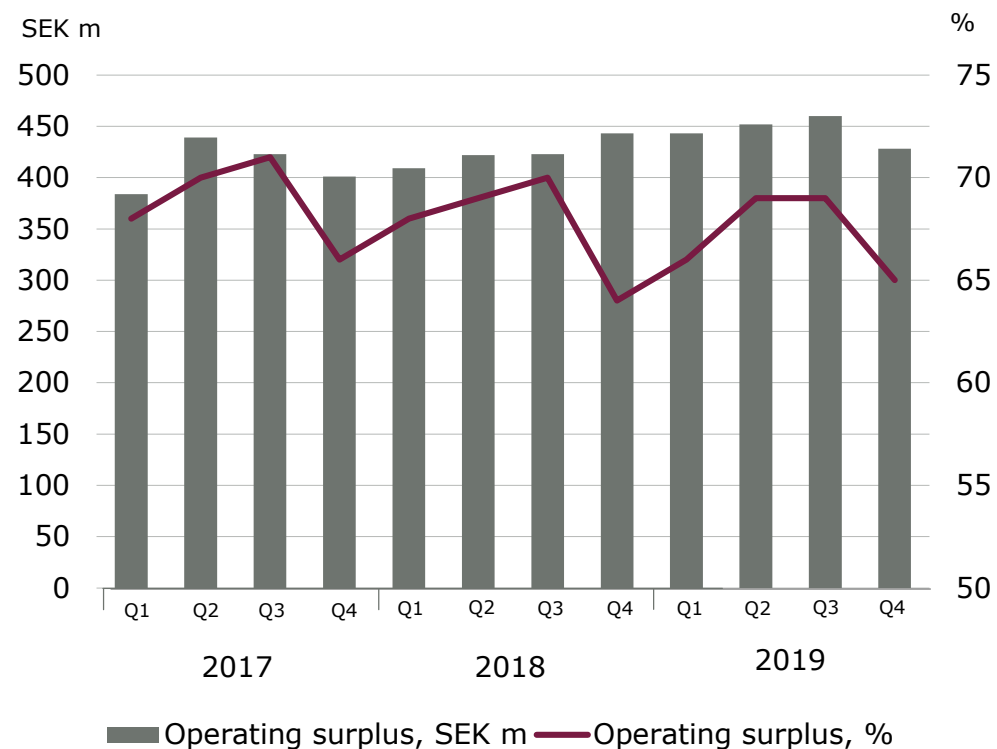
	<b>2019</b> 1/1-31/12	2018 1/1-31/12	<b>Δ %</b>
Like-for-like portfolio	-730	-657	+ 11.1 %
Project properties	-59	-46	
Acquisitions	-41	-9	
Sold properties	-14	-52	
<b>Property cost</b>	<b>-844</b>	<b>-764</b>	<b>+ 10.5 %</b>

# STRONG INCREASE IN RENTAL INCOME LIKE-FOR-LIKE

Like-for-like rental income growth

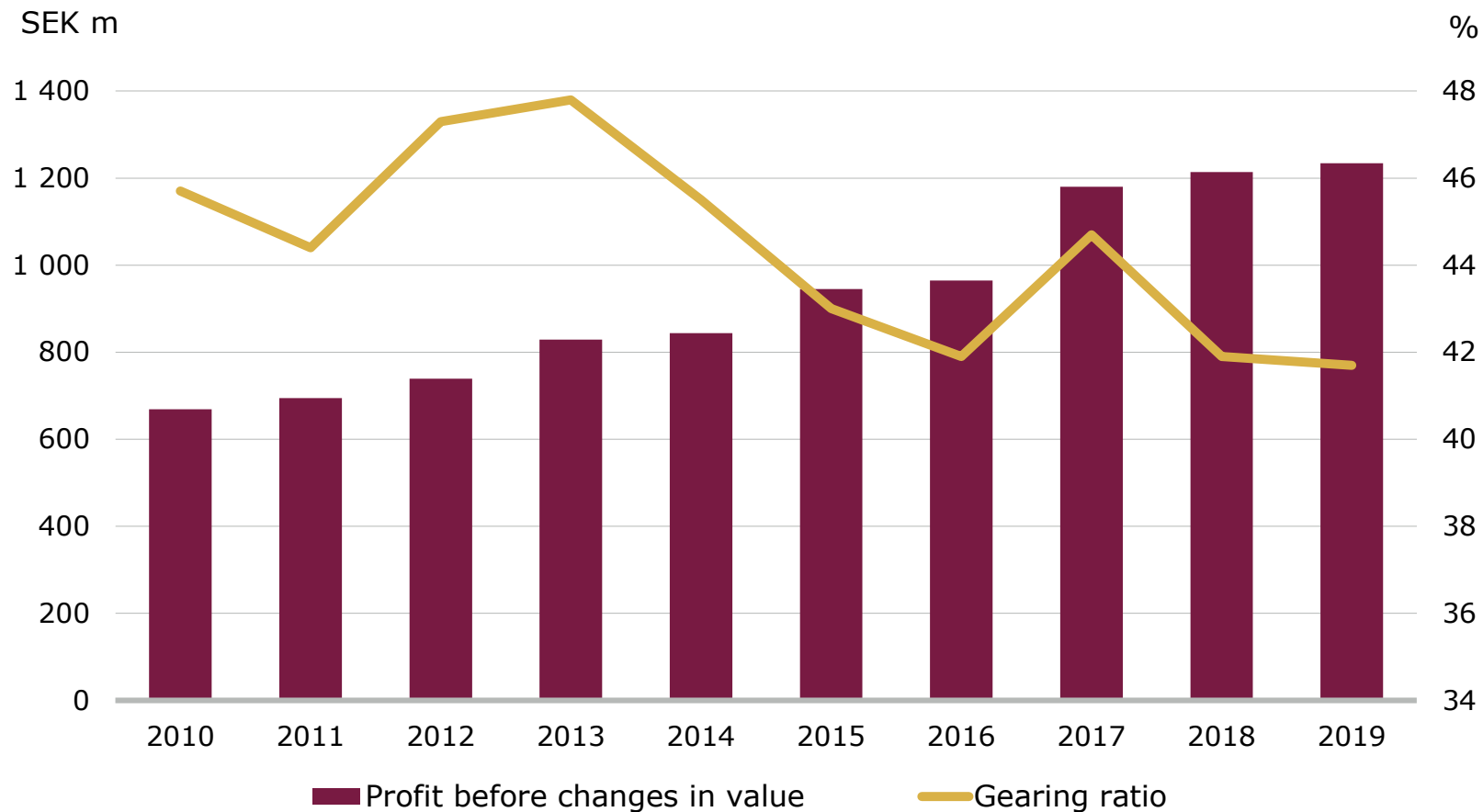


Operating surplus and operating surplus margin



# LOWER GEARING RATIO AND DECLINING GROWTH AFTER NET SALES IN 2018 AND RECONSTRUCTION PROJECTS

Profit before changes in value and gearing ratio

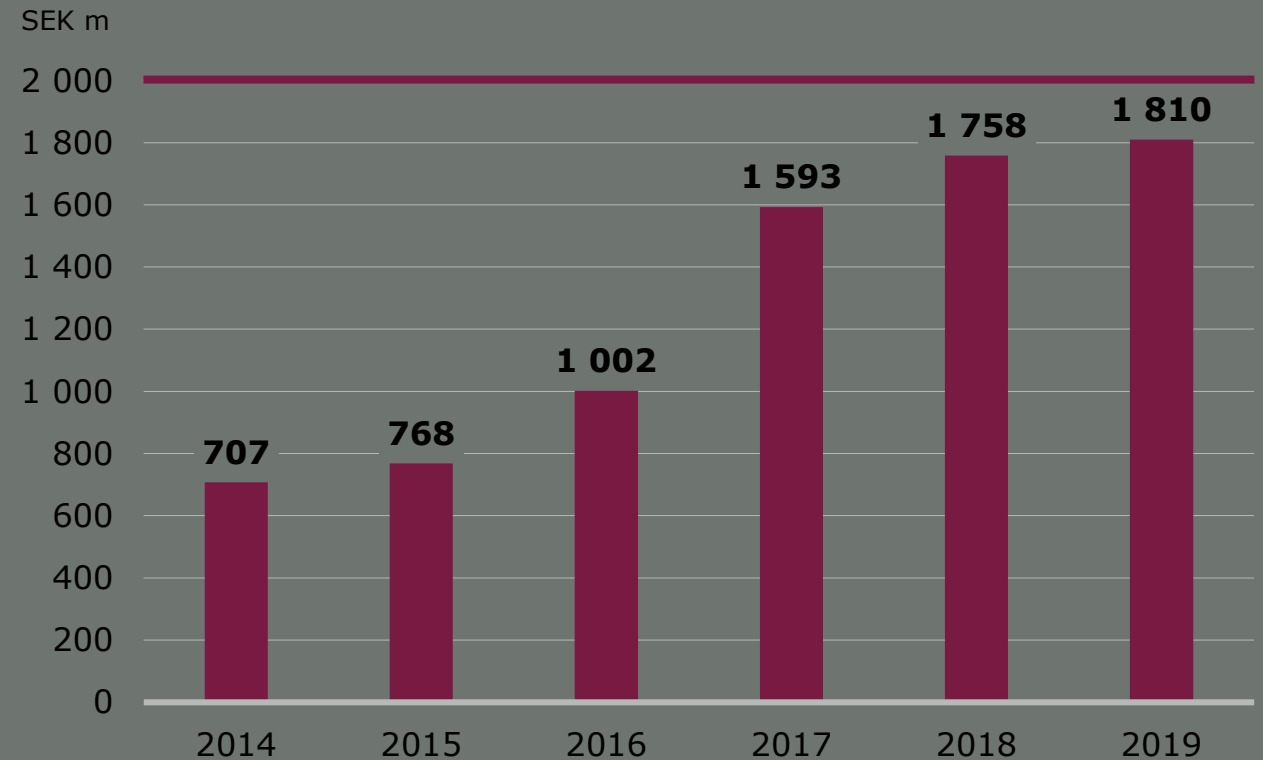






Vision for Bas Barkarby in Järfälla

# INVESTMENTS OF SEK 1 810 MILLION IN HELD PROPERTIES





## INCREASE IN PROPERTY VALUES WITH 5.4% DURING THE YEAR

Unrealised changes in value, properties (SEK m)

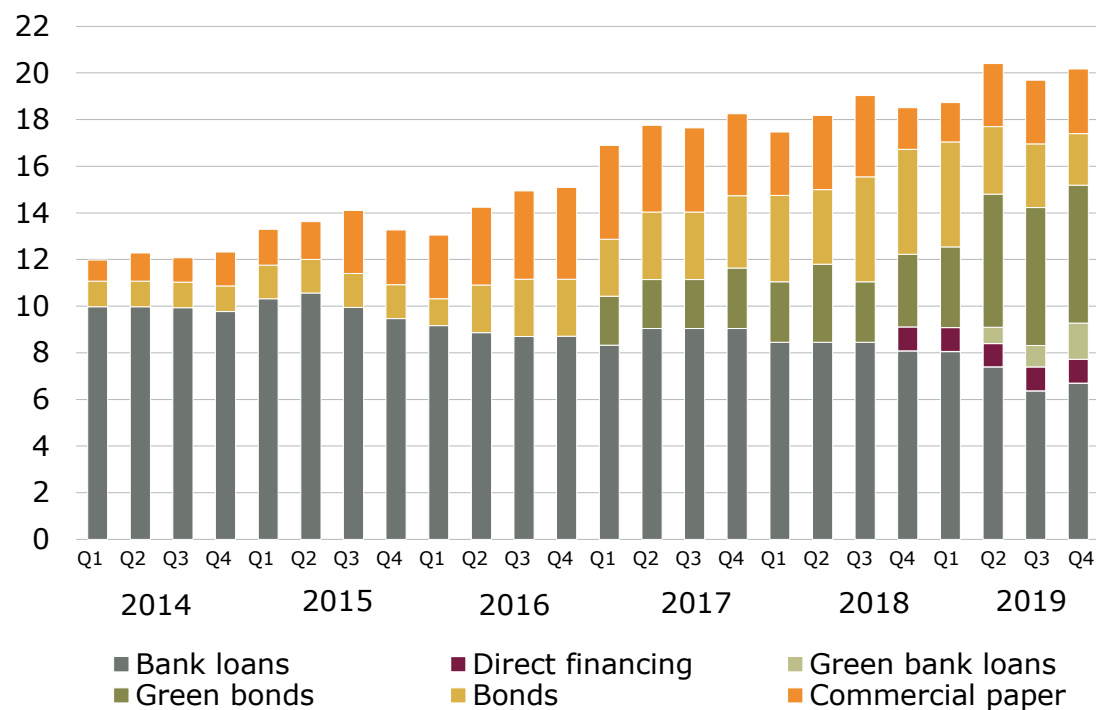
	2019 Jan-Dec	2018 Jan-Dec
Change in yield requirements	1,271	487
Change in operating net etc.	936	2,029
Building rights	76	-
<b>Total</b>	<b>2,283</b>	<b>2,516</b>

# CONSOLIDATED ASSETS

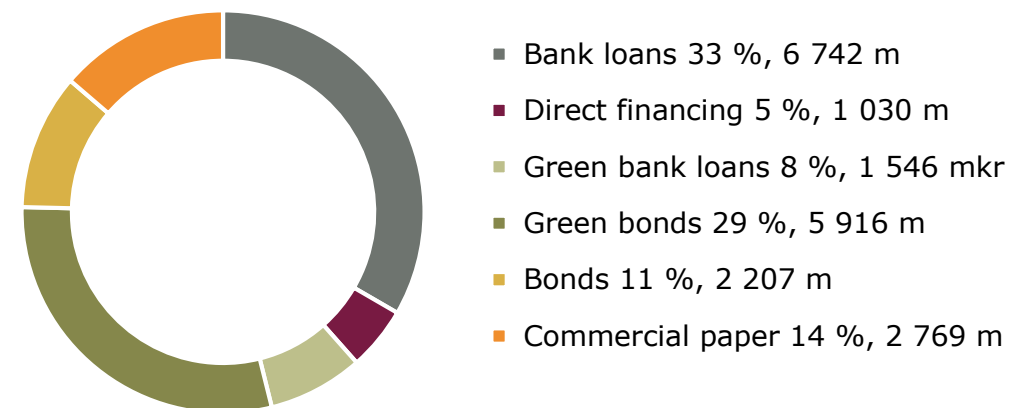
(SEK m)	<b>2019</b> 31/12	<b>2018</b> 31/12
Investment properties	47,513	43,310
Leasehold	1 305	-
Goodwill	225	225
Other fixed assets	73	45
Derivatives	82	-
<b>Total fixed assets</b>	<b>49,198</b>	<b>43,579</b>
Development properties	997	891
Current assets	411	323
Liquid assets	457	335
<b>Total current assets</b>	<b>1,865</b>	<b>1,549</b>
<b>Total assets</b>	<b>51,062</b>	<b>45,128</b>

# INCREASING SHARE OF CAPITAL MARKET FINANCING

Development, financing sources 2014-2019, SEK billion



Interest-bearing liabilities

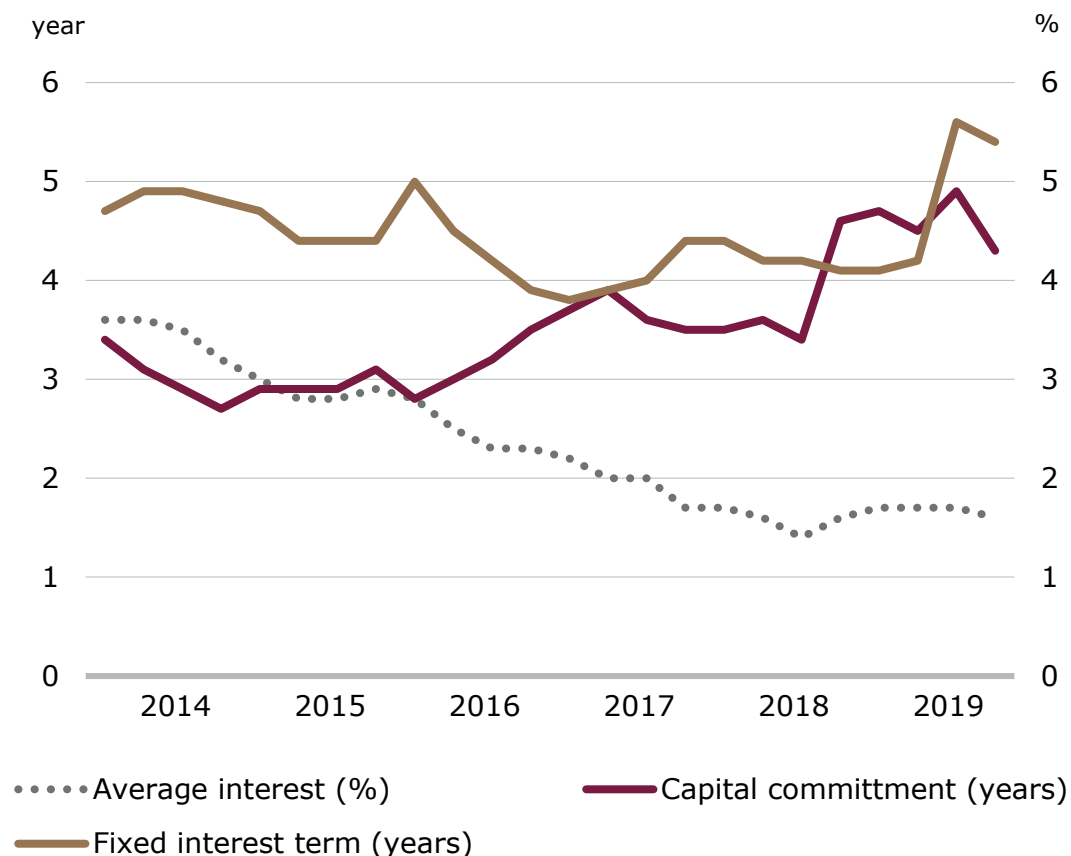


Secured loans correspond to 18% of total assets

Green financing represents 37% of liabilities

# LOW FINANCIAL RISK AND STRONG KEY RATIOS

- Interest-bearing liabilities of SEK 20.1 billion
- Gearing ratio 41.7%
- Average interest rate 1.6%
- Fixed interest term 5.4 years
- Capital commitment 4.3 years
- Five Nordic banks, capital market, direct financing
- Commercial paper backed by secured credit lines
- Baa2 credit rating by Moody's





# FORECAST 2020

Profit before changes in value

**SEK 1,200 m**

(SEK 1,234 m)

Investments

**SEK 2,400 m**

(SEK 1,810 m)

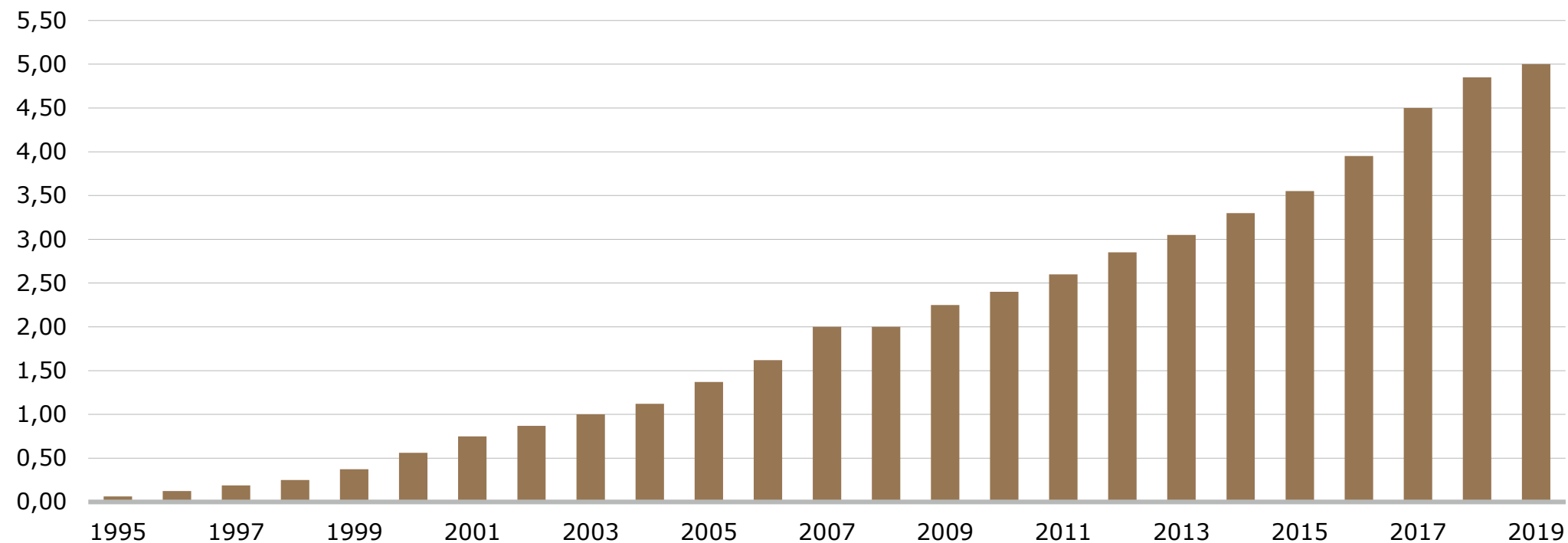


# PROPOSED DIVIDEND

SEK 5.00 per share

# STRONG HISTORY OF INCREASING DIVIDENDS

SEK/share

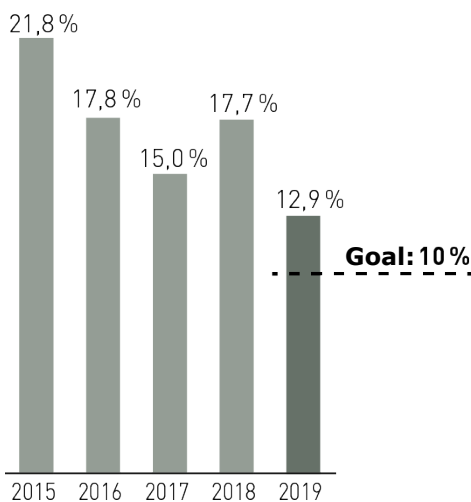




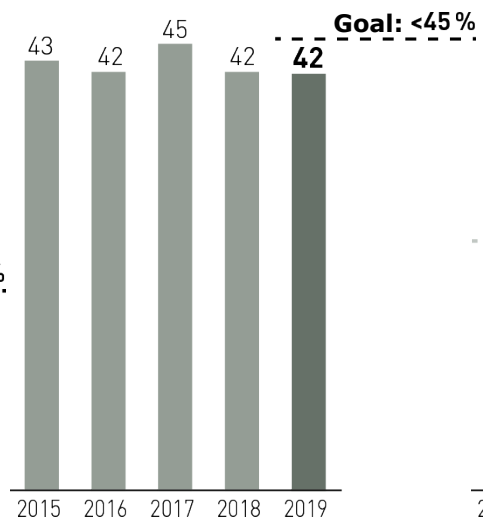
# GOAL COMPLETION 2019

## Financial goals

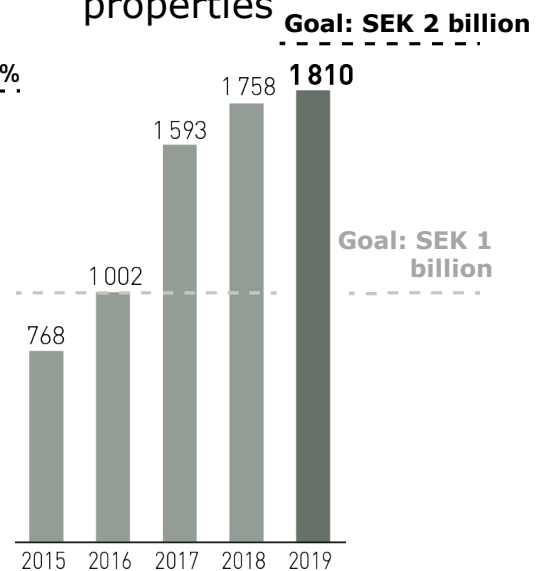
Return on equity



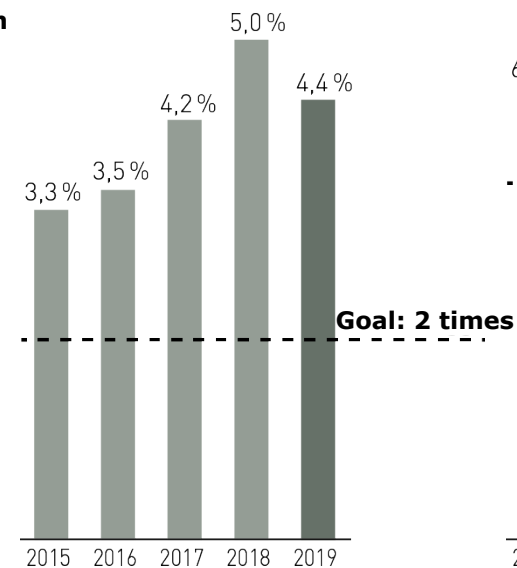
Gearing ratio



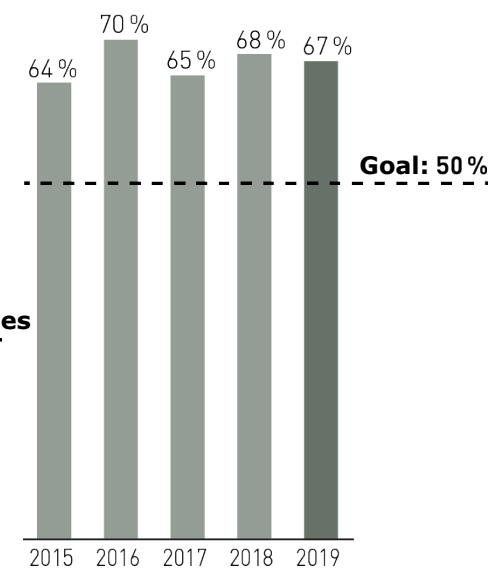
Investments in held properties



Interest coverage ratio



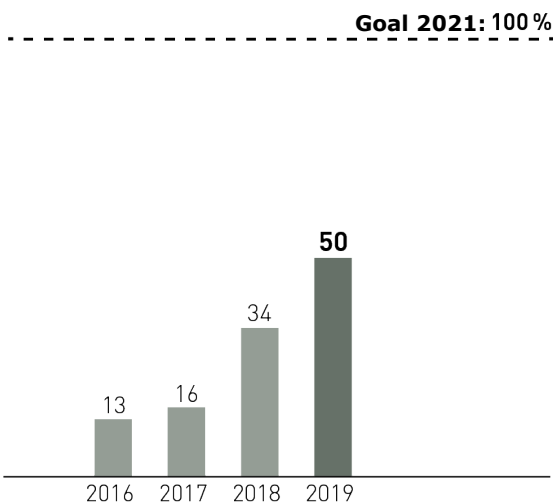
Dividend share



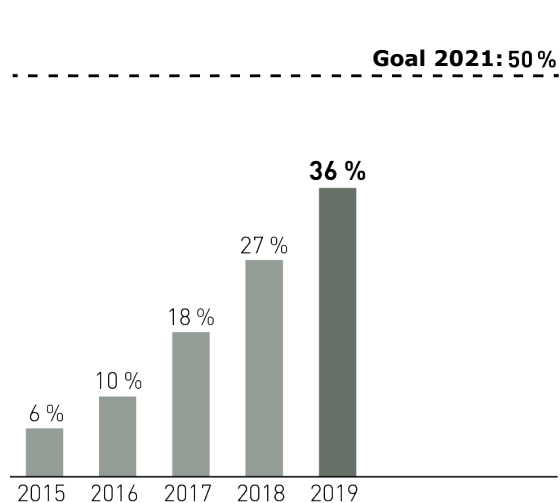
# GOAL COMPLETION 2019

## Sustainability goals

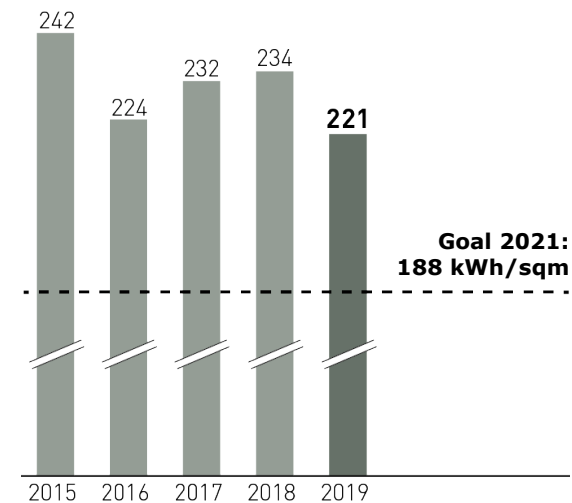
Percentage of environmental certified properties



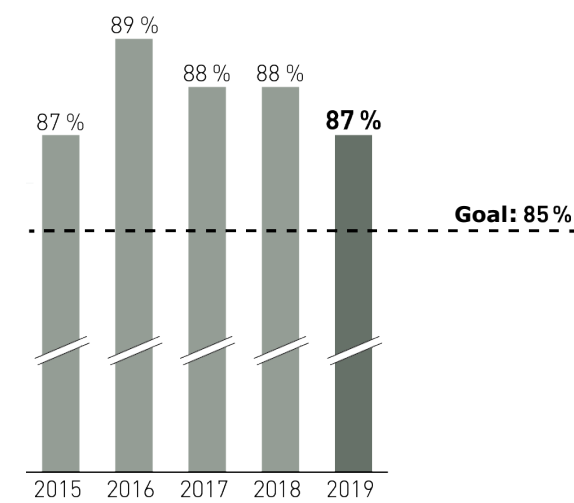
Percentage of green lease contracts



Reduction in energy consumption



Employee index (GPTW)





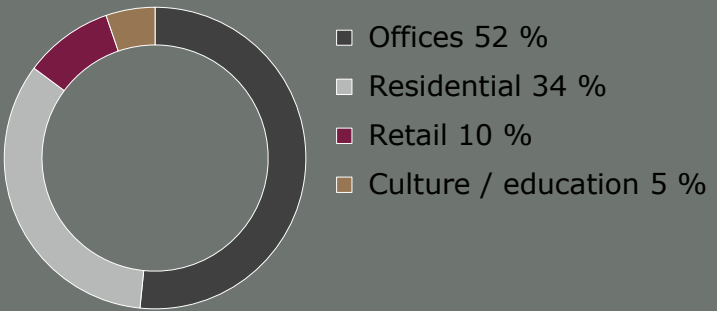
Vision for Kylfacket 3, by the new subway station in Slakthusområdet

# EXTENSIVE PROJECT PORTFOLIO

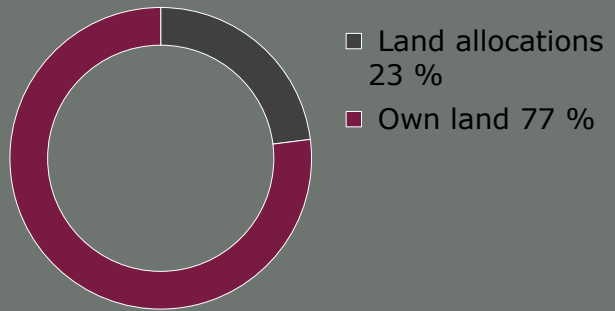
## Remaining investment (SEK m)

Ongoing projects	3,060
Potential projects (approx.)	25,000
<b>Total (approx.)</b>	<b>28,000</b>

## Potential project area after premises type



## Share of potential project on our own land

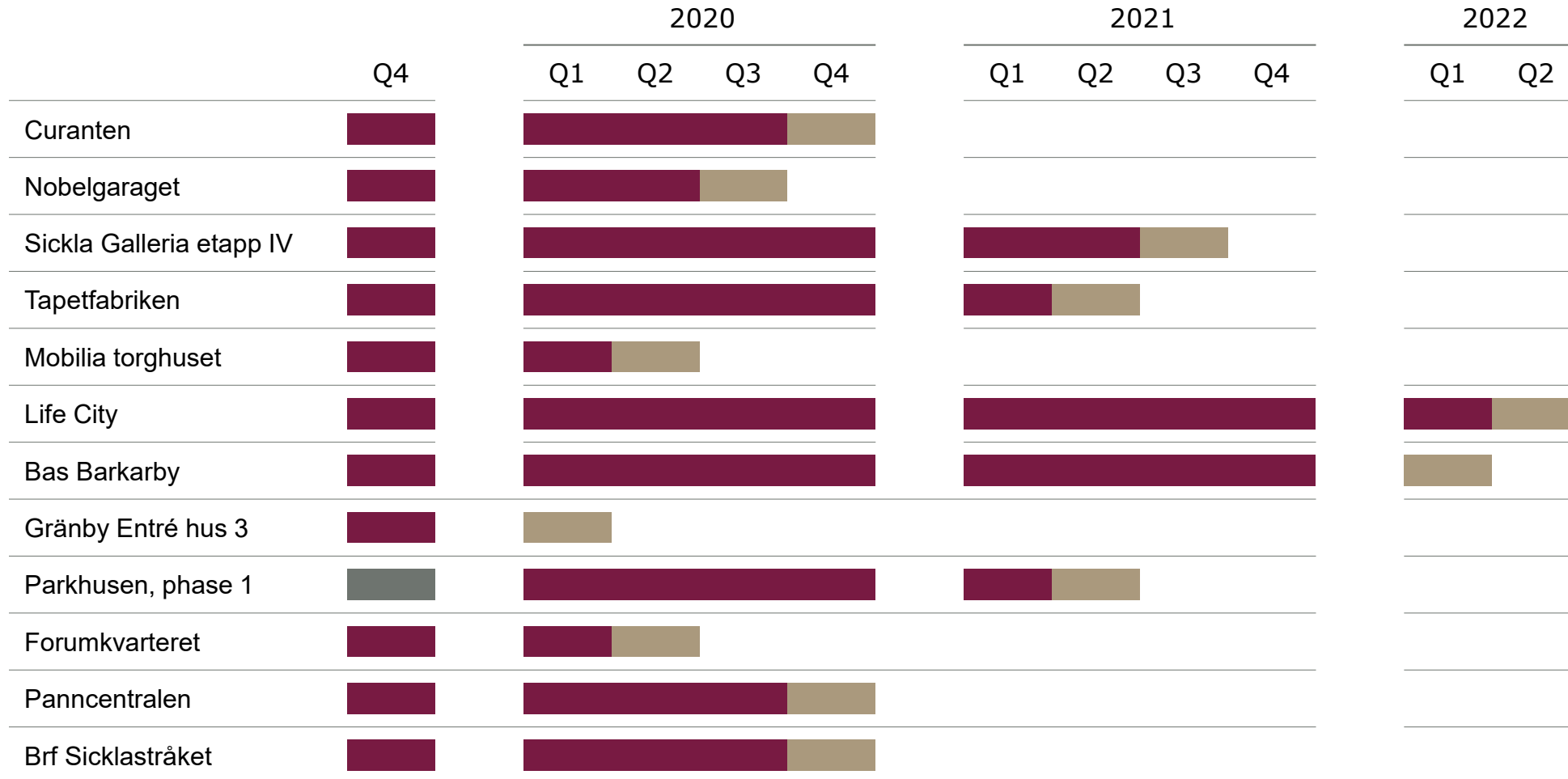


# 23 BILLION SEK IN PROJECTS AT EXISTING OR FUTURE SUBWAY STATIONS



# TIME TABLE FOR CONFIRMED PROJECTS

Planning
  Construction
  Completion



# SICKLA CURANTEN

DECIDED  
PROJECT

Area 11,500 sqm  
Investment SEK 530 m  
Completed 2020  
A healthcare destination

# SICKLA TAPETFABRIKEN

**DECIDED  
PROJECT**

Area 10,500 sqm  
Investment SEK 440 m  
Completed spring 2020  
Tenant Nordic Choice Hotels, fully let

# NOBELBERGET

**DECIDED  
PROJECT**

68 tenant owned dwellings + garage  
Investment SEK 360 m  
Completed 2020



# GRÄNBYSTADEN ENTRÉHUSEN, HOUSE 1, 2 AND 3

DECIDED  
PROJECT

Area 17,200 sqm, 200 apartments  
Investment SEK 710 m  
Completed 2020  
Residential, office, retail, restaurants

 GRÄNBYSTADEN

GALLERIA

KORSA ENTRÉN

# GRÄNBYSTADEN PARKHUSEN, PHASE 1

**DECIDED  
PROJECT**

Area 2,800 sqm, 44 rental apartments  
Investment SEK 120 m  
Completed 2021

# MOBILIA TORGHUSET IN MALMÖ

**DECIDED  
PROJECT**

Area 12,900 sqm  
Investment SEK 540 m  
Completed 2020  
Residential, movie theatre, retail, children's culture

# LIFE CITY IN HAGASTADEN, STOCKHOLM

DECIDED  
PROJECT



Area 27,500 sqm  
Investment SEK 1,840 m  
Completed 2022  
Tenant: Academic Work 17,000 sqm

**DECIDED  
PROJECT**

# BAS BARKARBY IN JÄRFÄLLA, STOCKHOLM

Area 24,300 sqm  
Investment SEK 830 m  
Completed 2022  
Education, culture, sports and business



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ATRIUM LJUNGBERG

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