



AL

ATRIUM LJUNGBERG

INTERIM REPORT Q3 2019



Dieselverkstaden in Sickla

EVENTS THIRD QUARTER 2019

- The share is now included in EPRA index which has more than doubled the turnover in the share
- Sale of residential properties Kolding 1 and Kolding 2 in Ärvinge in Kista.

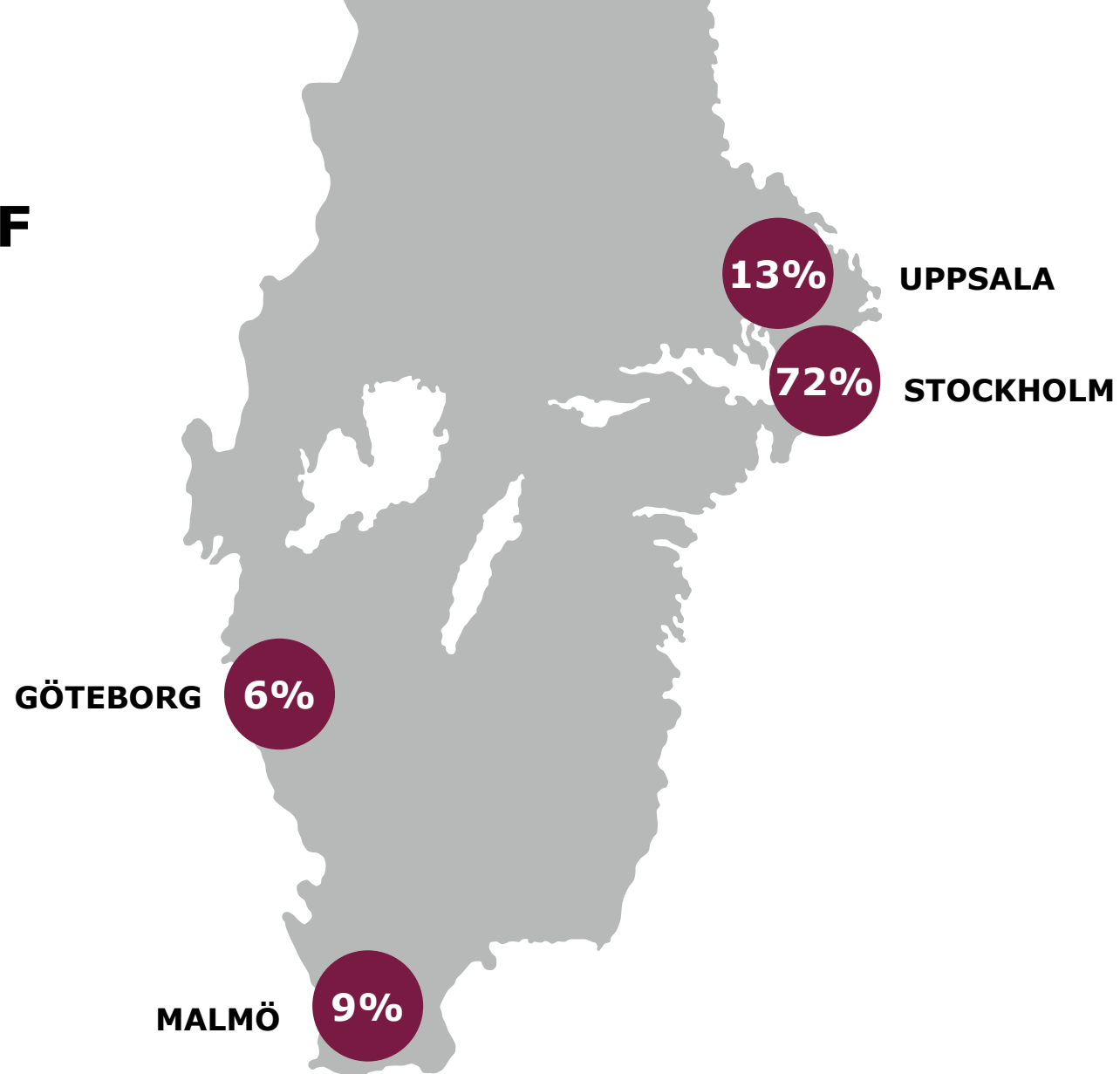
ATRIUM LJUNGBERG IN BRIEF

Number of properties	69
Property value	SEK 47 billion
Contracted annual rent	SEK 2,5 billion
Lettable area	1 177 000 m ²
Letting rate	93 %

Contracted annual rent per premises type



- Offices 50 %, 1 263 mkr
- Retail 26 %, 653 mkr
- FMGC 6 %, 154 mkr
- Restaurants 5 %, 121 mkr
- Culture / education 4 %, 106 mkr
- Healthcare 4 %, 93 mkr
- Other 3 %, 85 mkr
- Residential 2 %, 49 mkr





MARKET SITUATION

- Office: Low vacancies keep demand up. Top rents in Stockholm CBD have stabilized, but strong rent increases in renegotiations.

Continued interest in property investments. Yield requirements have fallen further in the quarter following the cut in long-term interest rates during the summer.

- Retail: The sales in our four largest regional retail venues increased by 4.5 % Jan-Aug, and 2,3 % in comparable stores.

Can be stated that several players in the retail sector are having a hard time and large media interest.

- Housing: Housing prices in our sub-markets are stable after the decline in 2017. The supply is still high but has gone down for new production.

Strong increase in sales after the summer in our tenant-owned project, 50 % sold as per today.



Forumkvarteret in central Uppsala

LETTING RATE

Premises type	2019 1/1-30/9	2018 1/1-30/9
Offices	93	94
Retail	93	95
Other	90	95
Residentials	100	100
Garage/Parking	93	93
Business area Property	93	95
Project properties	83	83
Property portfolio, total	92	94



Glashuset och Katarinahuset in Slussen

NET LETTING

- Net letting during the third quarter SEK -61 m of which SEK -26 m in project properties. Affected by a couple of notice of terminations in offices in Hagastaden and Södermalm, SEK -27 m.
- SEK -75 m for the period, of which SEK -42 m in project properties. Katarinahuset in Slussen that is being prepared for project contributes with SEK -75 m.



CONSOLIDATED INCOME STATEMENT

MSEK	2019 Jan-Jun	2018 Jan-Jun	Δ %
Rental income	1,933	1,799	+7.5 %
Property costs*	-618	-545	+13.4 %
Operating surplus *	1,315	1,254	+4.9 %
Central administration (property management)	-57	-50	
Project- and construction work	-42	-40	
Net financial items	-271	-226	
Profit/loss before changes in value	945	937	+0.9 %
Change in the value of properties, unrealised	1,597	1,390	
Change in the value of properties, realised	59	9	
Change in the value of financial instruments	-554	28	
Profit/loss before tax	2,046	2,365	
Tax	-284	-213	
Profit for the period	1,762	2,151	

*excluding effect of introduction of IFRS 16

RENTAL INCOME AND PROPERTY COST

- Like-for-like portfolio
 - Rental income increased by 6.5%
 - Property cost increased by 13.8%
- EPRA vacancy rate 7%
- Some bad debt losses
- New concepts
- Property tax, increased costs and increased surcharges

Rental income trend (MSEK)

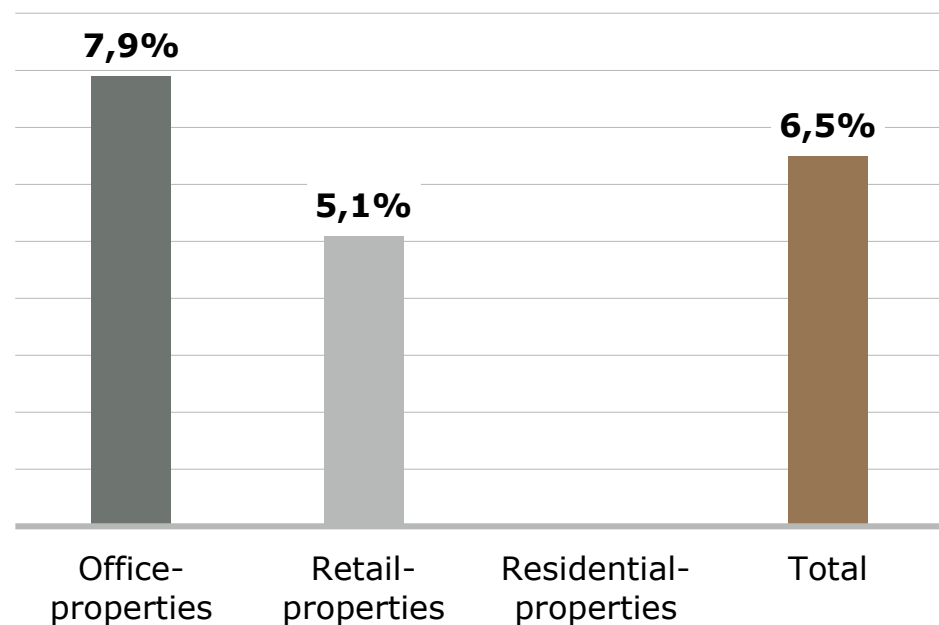
	2019 1/1-30/6	2018 1/1-30/6	Δ %
Like-for-like portfolio	1,143	1,073	+ 6.5 %
Non-recurring renum.	3	3	
Project properties	91	48	
Acquisitions	44	0	
Sold properties	-0	75	
Rental income	1,280	1,198	+ 6.9 %

Property cost trend (MSEK)

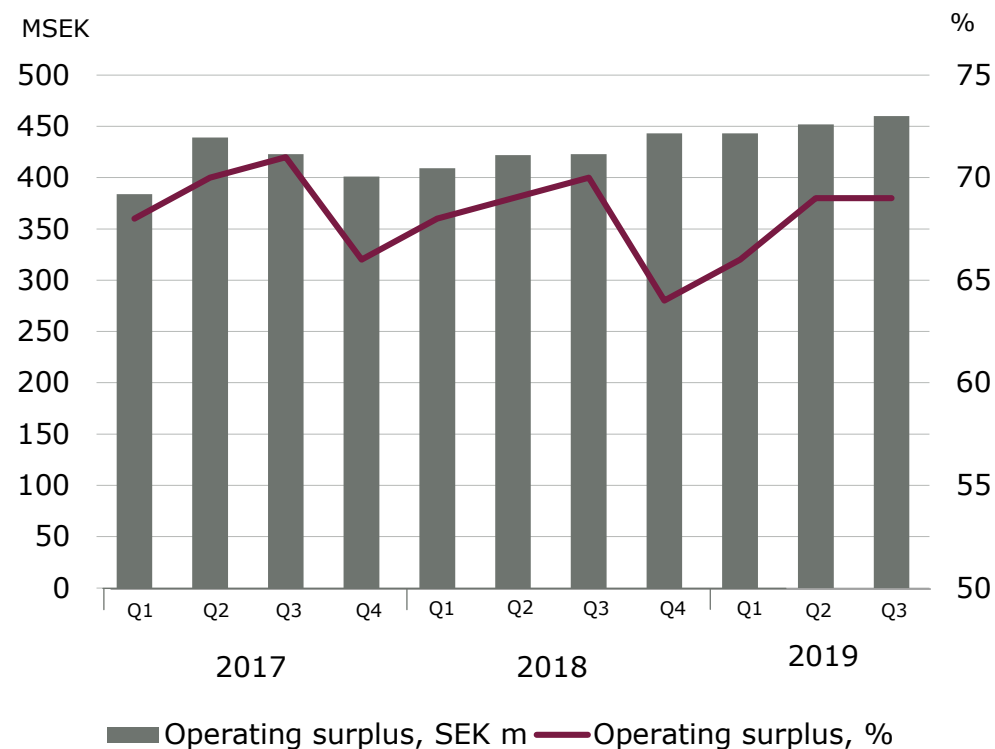
	2019 1/1-30/6	2018 1/1-30/6	Δ %
Like-for-like portfolio	-379	-326	+ 16.4 %
Project properties	-30	-22	
Acquisitions	-7	0	
Sold properties	0	-20	
Property cost	-416	-367	+ 13.4 %

RENTAL INCOME AND OPERATING SURPLUS

Like-for-like rental income growth



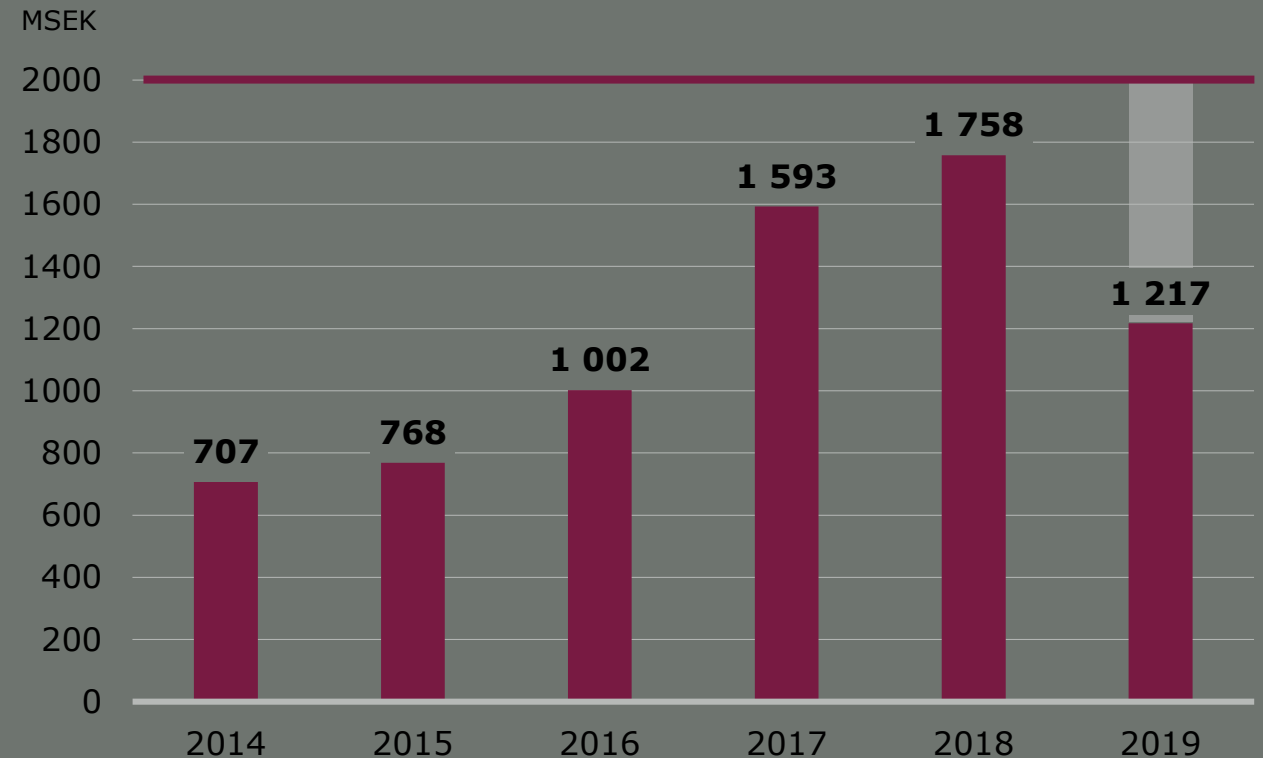
Operating surplus and operating surplus margin





Vision for Bas Barkarby in Järfälla

INVESTMENTS OF SEK 1 217 MILLIONS IN HELD PROPERTIES





INCREASE IN PROPERTY VALUES WITH 3.8 % DURING THE YEAR

Unrealised changes in value, properties (SEK m)

	2019 Jan-Sep	2018 Jan-Sep
Change in yield requirements	722	355
Change in operating net etc.	829	1,035
Building rights	46	-
Total	1,597	1,390

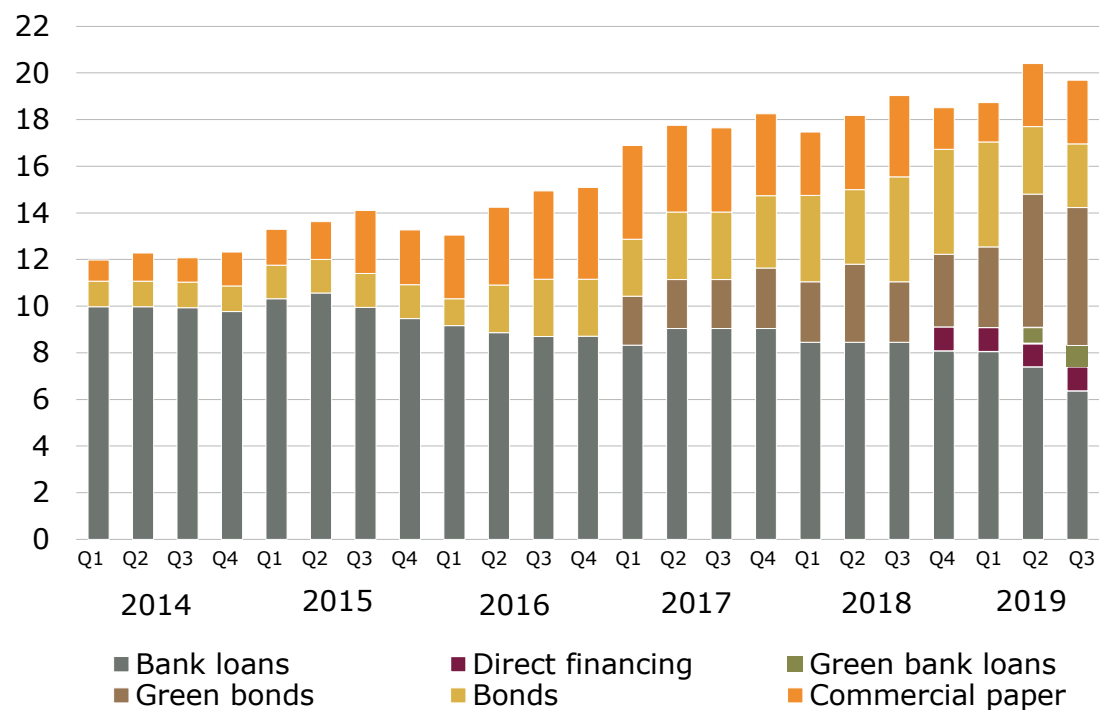
Buildings with a fair value of approximately SEK 500 m were reclassified from office properties to retail properties in the quarter, in line with organizational change.

CONSOLIDATED ASSETS

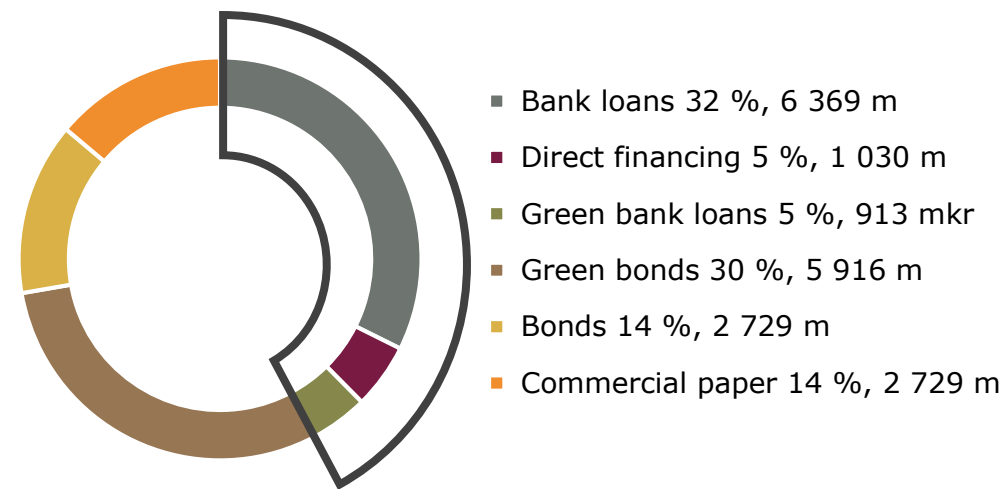
(MSEK)	2019 30/9	2018 30/9
Investment properties	46,199	42,584
Leasehold	1,305	-
Goodwill	225	240
Other fixed assets	54	47
Total fixed assets	47,784	42,871
Development properties	951	883
Current assets	385	303
Liquid assets	498	368
Total current assets	1,834	1,554
Total assets	49,618	44,426

INCREASING SHARE OF CAPITAL MARKET FINANCING

Development, financing sources 2014-2019



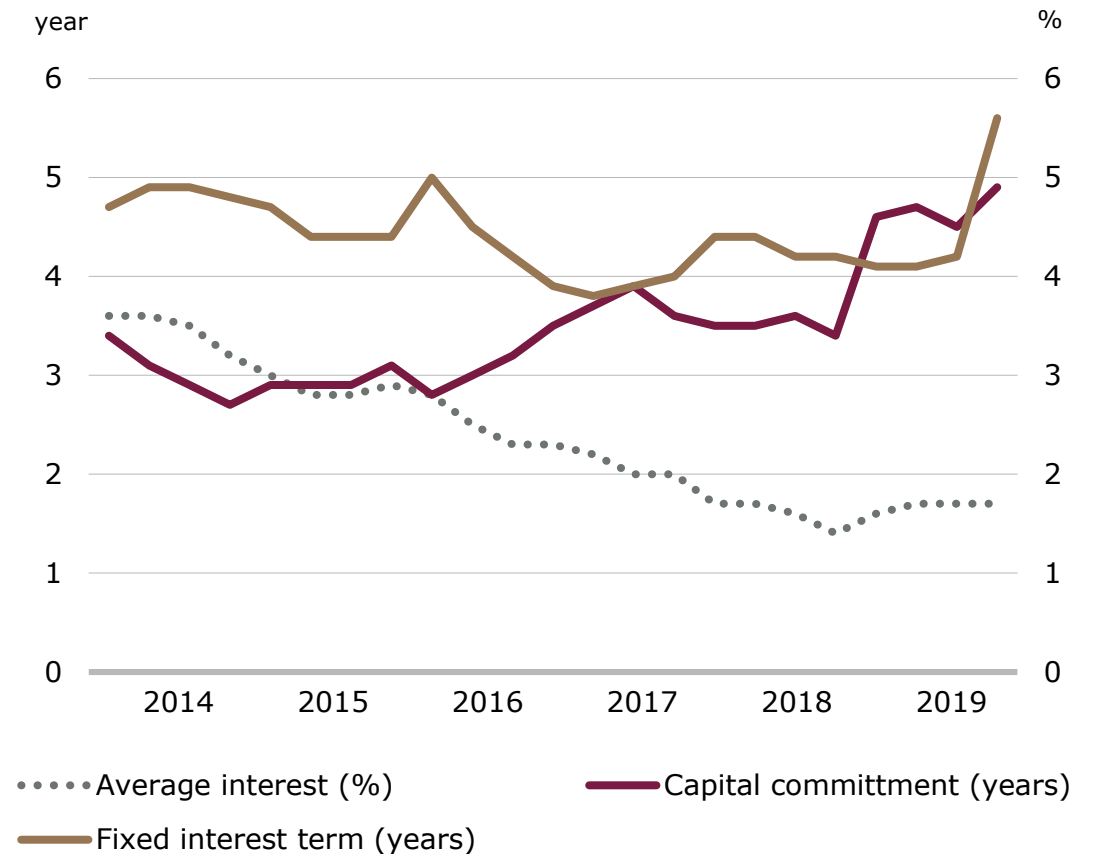
Interest-bearing liabilities



Secured loans correspond to 17% of total assets

LOW FINANCIAL RISK AND STRONG KEY RATIOS

- Interest-bearing liabilities of SEK 19.7 billion
- Gearing ratio 41.8%
- Average interest rate 1.7%
- Fixed interest term 5.6 years
- Capital commitment 4.9 years
- Five Nordic banks, capital market, direct financing
- Commercial paper backed by secured credit lines
- Baa2 credit rating by Moody's





A concert in Slakthusområdet

FORECAST 2019

Profit before changes in value

SEK 1,200 m

(SEK 1,214 m)

Investments

SEK 1,700 m

(SEK 1,758 m)



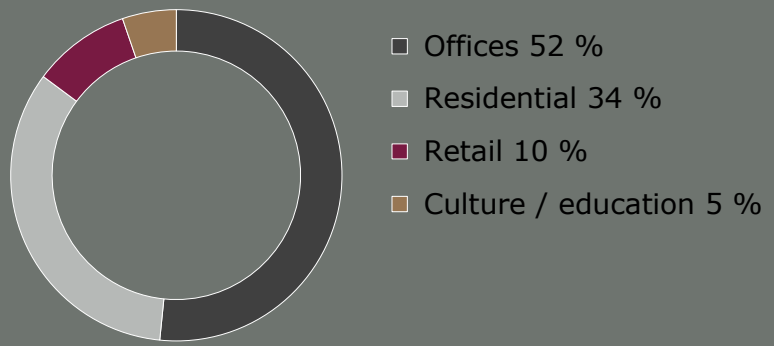
Brf Sicklastråket, out tenant-owned project in Sickla

EXTENSIVE PROJECT PORTFOLIO

Remaining investment (MSEK)

Ongoing projects	3,390
Potential projects (approx.)	24,000
Total (approx.)	28,000

Possible project area after premises type



PROJECTS AT EXISTING AND FUTURE SUBWAY STATIONS



SICKLA CURANTEN

DECIDED
PROJECT

Area 11,700 sqm
Investment SEK 530 m
Completed 2020
A healthcare destination

SICKLA TAPETFABRIKEN

**DECIDED
PROJECT**

Area 9,800 sqm
Investment SEK 410 m
Completed 2020
Tenant: Nordic Choise Hotels

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 PARKHUSEN, PHASE 1

**DECIDED
PROJECT**

Area 2,800 sqm, 44 rental apartments
Investment SEK 120 m
Completed 2021
Residential, office, retail, restaurants

MOBILIA TORGHUSET IN MALMÖ

**DECIDED
PROJECT**

Area 12,900 sqm
Investment SEK 540 m
Rental value ex premiums SEK 31 m
Completed 2020
Residential, movie theatre, retail, children's culture

LIFE CITY IN HAGASTADEN, STOCKHOLM

DECIDED
PROJECT



Area 27,500 sqm
Investment SEK 1,870 m
Rental value ex premiums SEK 109 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

SLAKTHUSOMRÅDET



Vision for Slakthusområdet



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