

# KLARA BO

Q4 report

14 February 2025



KlaraBo property Narvaren in Helsingborg

# Today's presenters



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CEO and co-founder



**Per Holmqvist**  
CFO

# Highlights Q4

# Activities during Q4

- **KlaraBo acquired a larger property portfolio in Helsingborg**
  - Rights issue of approximately SEK 391 million as part of the financing
  - Substantially oversubscribed and strong support from existing shareholders and new investor
- **Refinanced loans with attractive terms per November**
  - Refinanced loans of approximately SEK 1.8 billion, approximately 35 percent of the total loan portfolio.
  - Average margin of the loan portfolio decreased by 15 basis points from 1.61 percent to 1.46 percent
  - KlaraBo has refinanced a large part of the loans maturing in 2025 and intends to increase the sustainability-linked financing
- **KlaraBo invests SEK 25 million in energy efficiency to reduce its environmental impact and operating costs**
- **Rent negotiation 2025 – Swift process with indicative level of 5 percent**
- **Updated targets in connection with annual strategy review**
  - Unchanged targets – Average annual growth in net realizable value per share and average annual growth in income from property management unchanged
  - New targets – The interest-coverage ratio shall not fall below 1.75x and the loan-to-value ratio shall not exceed 60 percent over time (new)
  - New dividend policy – KlaraBo shall, over time, be a dividend-paying company but will, in the coming years, prioritize growth through investments in the existing portfolio, acquisitions, and the company's project (new)

# Continued organic growth

- **Financial development Q4**
  - Revenue increased 5% due to annual rent increase and investments in renovations
  - Net operating income increased 14%
  - Income from property management increased 31%, driven by higher net operating income and lower interest rates
  - Changes in the value of investment properties amounted to SEK 132 million (-18) and changes in the value of derivatives to SEK 73 million (-174)
  - Loan-to-value 51% with a portfolio solely consisting of secured bank loans.
  - Interest coverage ratio was 1.8x
  - Renovation of 37 apartments during Q4

KLARABO

**+5%**

Revenue SEK 158 m

**+14%**

Net operating income SEK 88 m

**+31%**

Income from property management increased to SEK 31 m corresponding to 0.24 SEK per share

**97%**

Real occupancy rate

**3.3 years**

Fixed interest term

**51%**

Loan-to-value

**SEK 33.70\***

Net realizable value per share

\*Right issue in January 2025 not included

# Positive property values and continued compensation for cost inflation

SEK m	2024 3 months Oct-Dec	2023 3 months Oct-Dec	2024 12 months Jan-Dec	2023 12 months Jan-Dec
Revenue	157.5	149.4	630.4	589.7
Costs	-69.5	-72.5	-268.2	-252.5
<b>Net operating income</b>	<b>87.9</b>	<b>76.9</b>	<b>362.2</b>	<b>337.2</b>
Central administrative costs	-13.0	-11.6	-51.7	-51.4
<b>Operating profit/loss</b>	<b>75.0</b>	<b>65.3</b>	<b>310.5</b>	<b>285.9</b>
Financial income/costs	-43.5	-41.3	-174.6	-161.7
<b>Income from property management</b>	<b>31.4</b>	<b>23.9</b>	<b>135.9</b>	<b>124.2</b>
Changes in value of properties	132.4	-18.0	111.0	-439.9
Changes in value of derivatives	72.7	-174.1	26.2	-139.8
<b>Profit/loss before tax</b>	<b>236.6</b>	<b>-168.2</b>	<b>273.1</b>	<b>-455.5</b>
Tax expense	-57.6	32.3	-85.2	73.9
<b>Profit for the period</b>	<b>178.9</b>	<b>-135.8</b>	<b>187.9</b>	<b>-381.5</b>

## Revenue

- Q4 revenue +5 percent YoY
- 6 percent increase in revenue, on a like-for-like basis, attributable mostly to annual general rent increase and renovations

## Costs

- Q4 YoY costs decreased 4 percent, partly explained by high costs in 2023 due to cold weather

## Financial income/costs

- Financial costs in Q4 YoY higher due to increase in average debt volume and interest rate swap maturities, partly mitigated by lower interest rates
- Increase in the value of investment properties to SEK 132 m (-18)
- Changes in the value of derivatives to SEK 73 m (-174)

## Income from property management and EPS

- Q4 income from property management increased 31 percent
- IFPM per share for 2024 increased over 9 percent
- Profit for the period increased SEK 569 m YoY, and amounted to 1.44 SEK per share

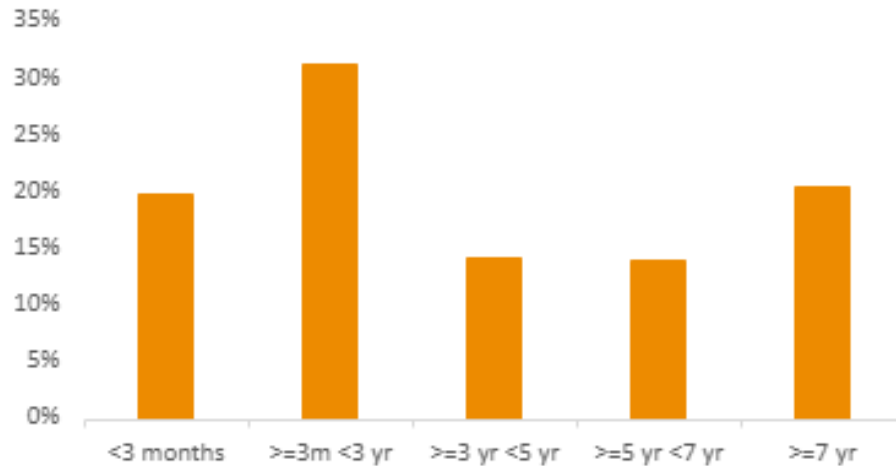
# Continued stable financial position

SEK m	31/12/2024	31/12/2023
Intangible assets	0.2	0.3
Investment properties	9,243.9	9,031.9
Property, plant and equipment	5.5	7.7
Financial non-current assets	0.0	17.2
Receivables	407.2	24.3
Cash and cash equivalents	143.0	168.5
<b>Total assets</b>	<b>9,799.9</b>	<b>9,249.9</b>
Equity attributable to Parent Company shareholders	4,484.2	3,936.3
Derivatives	10.6	36.7
Deferred tax liability	269.2	216.0
Non-current interest-bearing liabilities	3,762.0	4,762.7
Current interest-bearing liabilities	1,128.2	116.1
Other liabilities	145.8	182.0
<b>Total equity and liabilities</b>	<b>9,799.9</b>	<b>9,249.9</b>

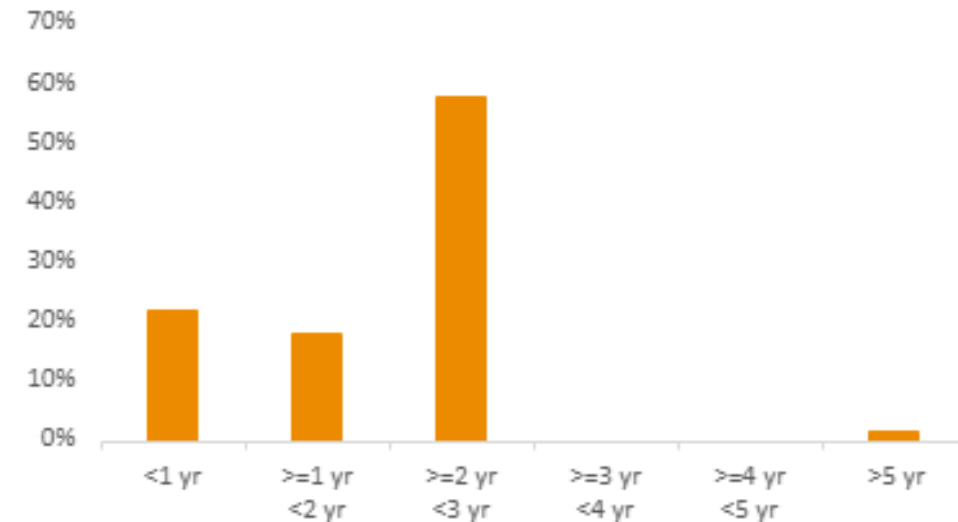
- Higher annual rent increase than previously assumed in valuations main explanation for net value increase of SEK 132 million
  - Average increase in exit yields 3 bps (underlying effect of SEK -70 m in Q4)
- Increase in receivables explained by ongoing rights issue
- Cash and cash equivalents amounted to SEK 143 m
- Equity increase explained by ongoing rights issue and profit
- Equity ratio of 44 percent
- LTV 51 percent with a credit portfolio solely consisting of secured bank loans

# 80 percent of loan portfolio at fixed interest rates

Maturity structure – Fixed interest 2024-12-31



Maturity structure – Fixed credit 2024-12-31



- Interest-bearing liabilities of SEK 4,883 m
- Average interest rate maturity of 3.3 years
  - 80% of loan portfolio at fixed interest rates
  - Fixed interest rates of derivatives between 0.181% and 3.055%
- Average interest rate decreased to 3.3%
- High predictability in average interest rate and financial costs due to the company's hedging ratio and fixed interest period

- Average credit maturity of 2.1 years
- Refinancing of credit maturities in Q3 2025 ongoing
- Managements current assessment is that these maturities will be refinanced at attractive and competitive terms



# Current earnings capacity

SEK m	Jan 1 2025	Oct 1 2024	Jul 1 2024	Apr 1 2024	Jan 1 2024
<b>Rental revenue</b>	<b>656.2</b>	<b>637.0</b>	<b>642.1</b>	<b>640.1</b>	<b>634.9</b>
<b>Property expenses</b>	-283.1	-261.2	-261.1	-261.1	-261.1
<b>Net oper income</b>	<b>373.1</b>	<b>375.8</b>	<b>381.0</b>	<b>379.0</b>	<b>373.8</b>
<b>Surplus ratio, %</b>	<b>56.9</b>	<b>59.0</b>	<b>59.3</b>	<b>59.2</b>	<b>58.9</b>
Central administrative costs	-45.9	-43.8	-43.8	-43.8	-43.8
Financial income and expenses	-162.2	-175.4	-175.0	-168.1	-168.9
<b>Income from property management</b>	<b>165.0</b>	<b>156.6</b>	<b>162.2</b>	<b>167.2</b>	<b>161.2</b>
Profit from prop mgmt per share, SEK	1.27	1.20	1.24	1.28	1.23
Number of shares, million	130.3	130.6	130.6	130.9	131.1
Interest-coverage ratio	2.0	1.9	1.9	2.0	2.0

- Rent negotiations representing about 34% of the total residential rental value remain, positively impacting earnings from next quarter but property expenses fully indexed
- Rental revenue increased by SEK 21 m YoY
- The annual financial costs decreased by SEK 6 m YOY
- Interest-coverage ratio was 2.0 (2.0)
- Since the previous quarter, income from property management has increased by 5 percent, primarily attributable to completed rent negotiations for residential properties regarding 2025 and lower financial costs.

# Attractive apartments at reasonable rents

# Fully occupied property portfolio

**6,694**  
Apartments under management

**97.2%**  
Real occupancy rate

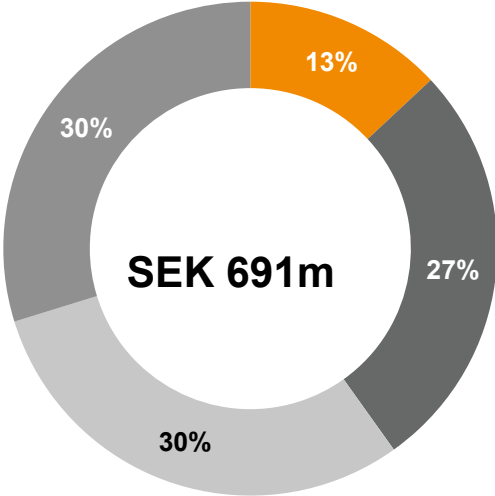
**SEK 1,163**  
Average rent per sq.m and year, unrenovated portfolio

**SEK 18,469**  
Market value per sq. m.

**88%**  
Residential

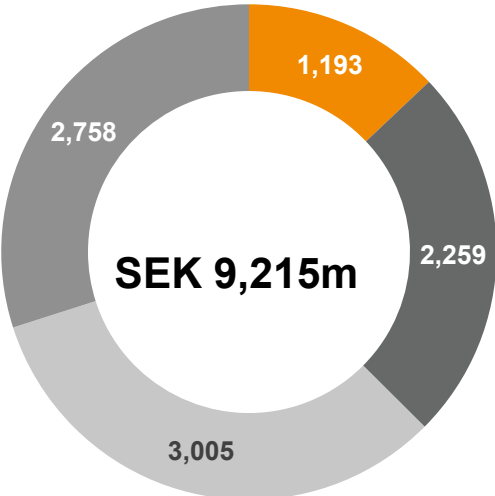
**499,000**  
Sq.m lettable area

**Yearly rental value**



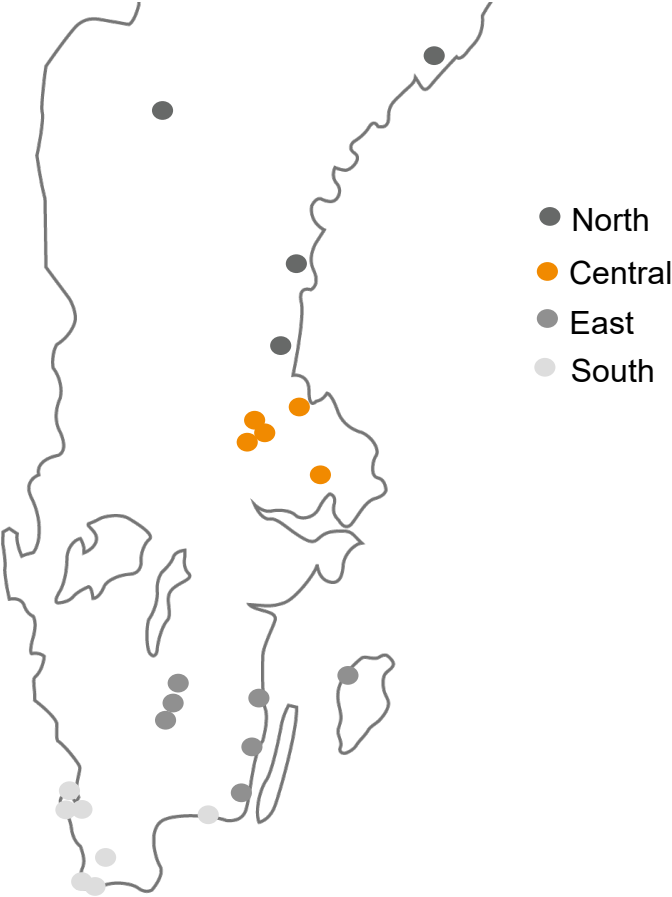
■ Central    ■ North  
■ South    ■ East

**Total market value**



■ Central    ■ North  
■ South    ■ East

**Geographical presence and administrative areas**



Note: All figures Q4 2024

# Large acquisition drives property value over SEK 10 bn

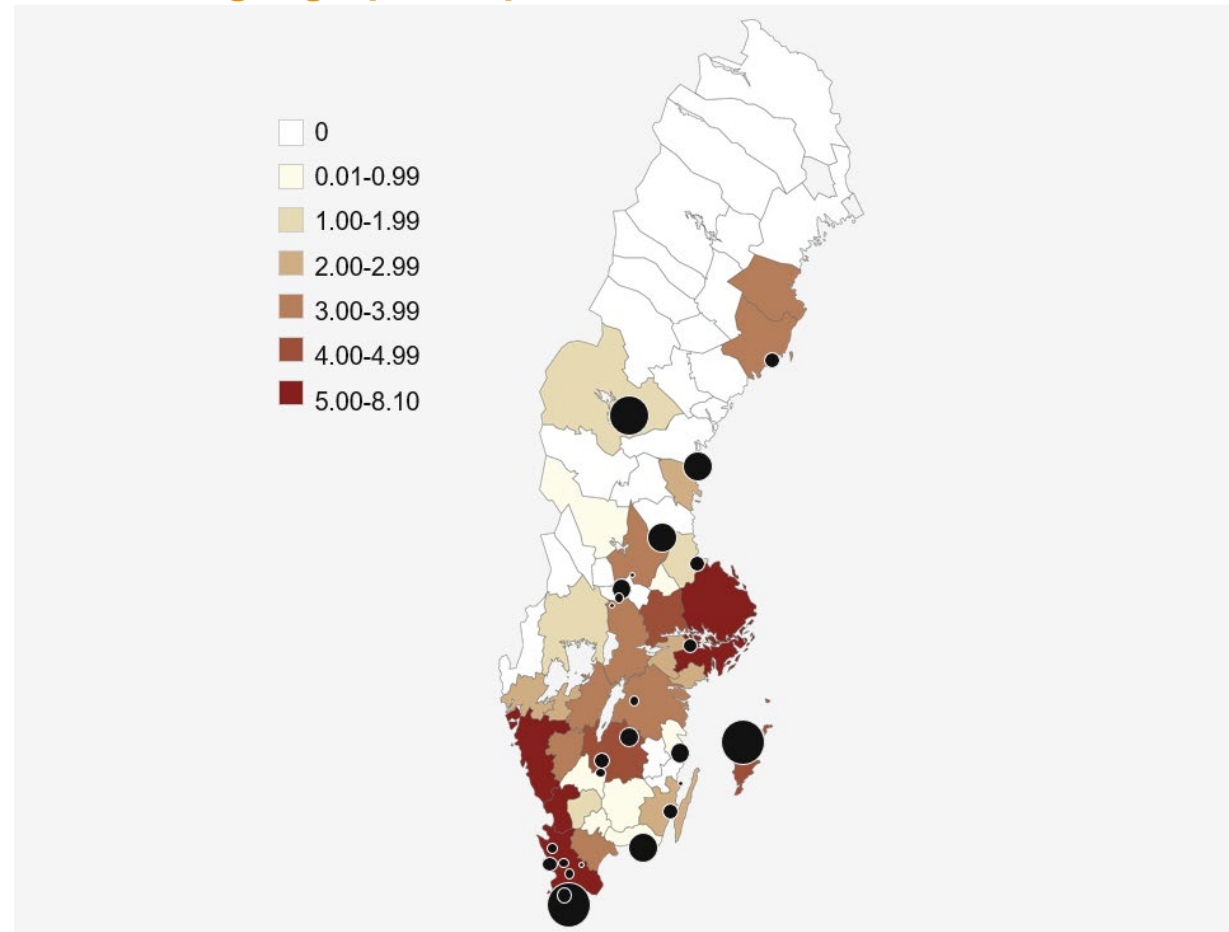
## Helsingborg

- Portfolio with an underlying property value of SEK 850 million
- 16 properties – a total of 740 apartments
- Total lettable area 56,700 sqm
- Current renovation potential 64%
- Unrenovated average rent 1,127 SEK/sqm → renovated average rent approx. 1,638 SEK/sqm
- Consolidated from January 31, 2025



# High and stable occupancy rate provides significant potential

## Annual construction needs per 1,000 inhabitants and KlaraBo's geographical presence based on market value



# Strategically selected clusters accounts for 53% of portfolio\*

## Geographical presence and administrative areas

### Helsingborg \*

Presence since: 2019/2025

831 apartments whereof 61% with renovation potential

Real occupancy rate: 99%

Average rental level per sqm: 1 345

Valuation per sqm: 16 689

### Trelleborg

Presence since: 2018/2020

937 apartments whereof 47% with renovation potential

Real occupancy rate: 100%

Average rental level per sqm: 1 454

Valuation per sqm: 21 714

### Östersund

Presence since: 2022

878 apartments whereof 89% with renovation potential

Real occupancy rate: 100%

Average rental level per sqm: 1 204

Valuation per sqm: 14 264

### Visby

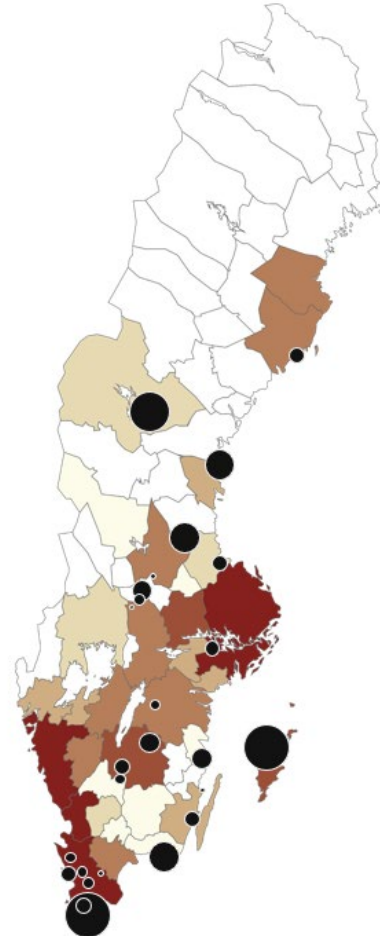
Presence since: 2021

885 apartments whereof 67% with renovation potential

Real occupancy rate: 100%

Average rental level per sqm: 1 393

Valuation per sqm: 20 833



# Proven business model

# Business model that delivers...

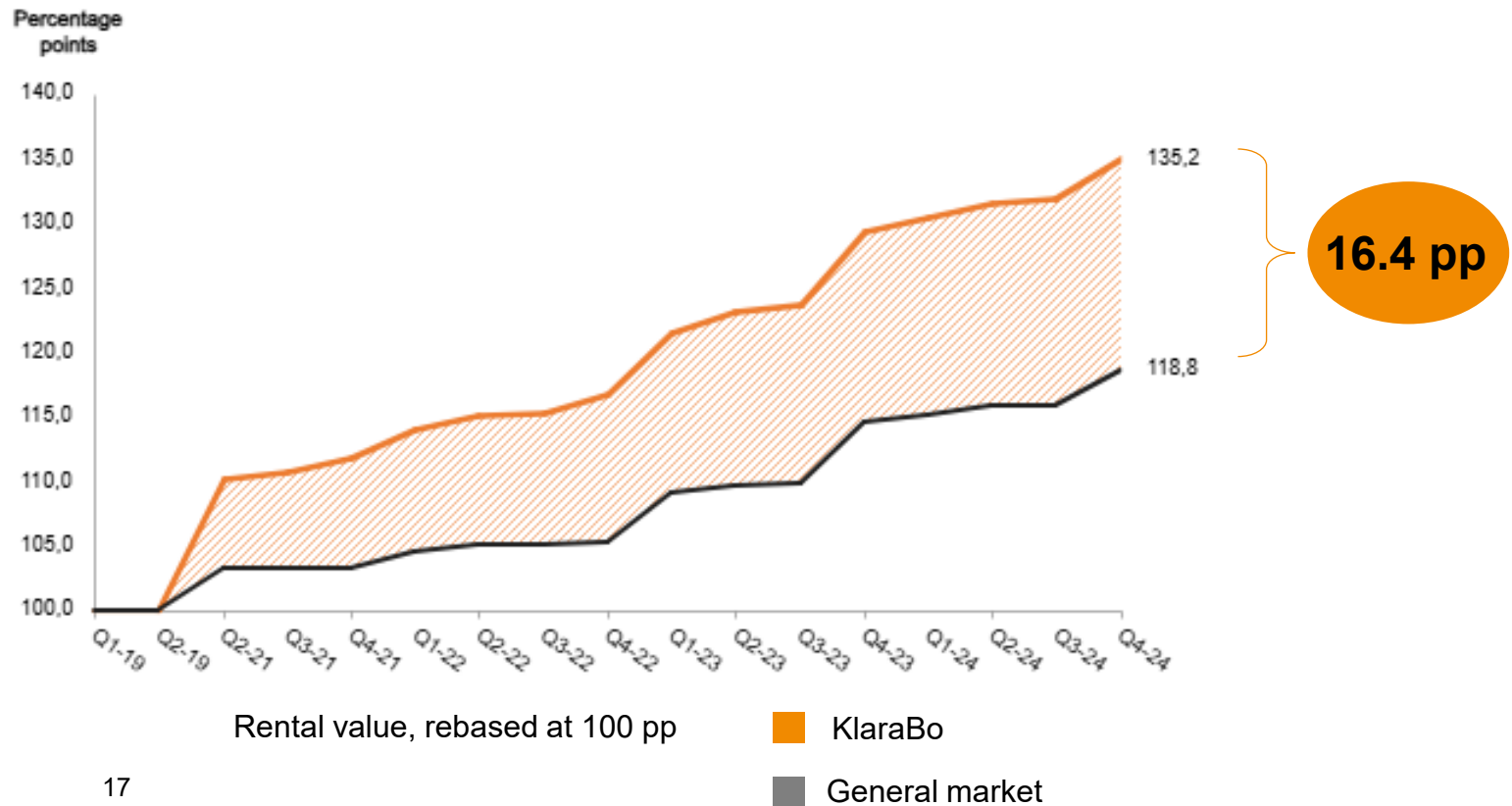
- KlaraBo's business model is based on own and long-term property management through renovation, acquisition and new construction
  - Proven renovation strategy which, through upgrading apartments when relocating, leads to:
    - gradually increased cash flow
    - gradually increased net operating profit
    - reduction in ongoing maintenance needs
  - Value-creating measures in the properties through various customer offers, which leads to:
    - increased standard in the properties and contributes
    - increased cash flow and net operating profit
  - In-house management provides a continuous focus on optimization and cost control of operating and maintenance costs.



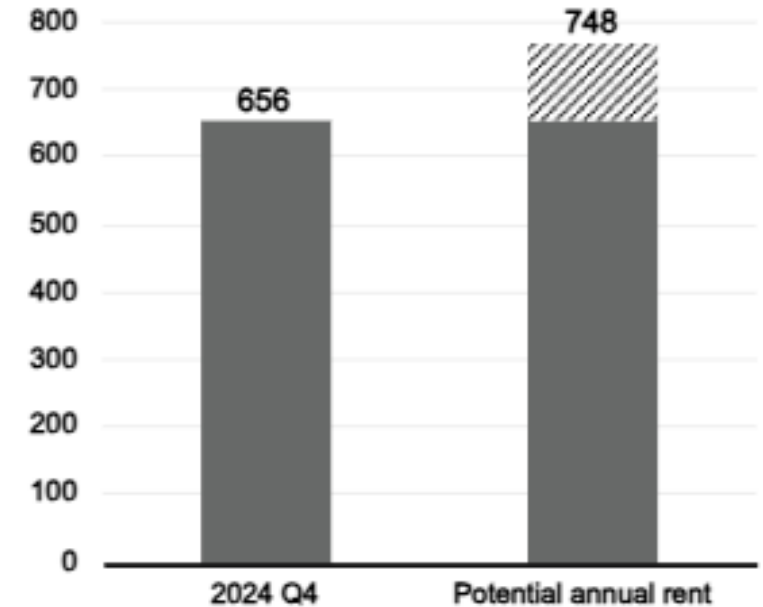


# Rental value trend continues with stable occupancy rate

- About 3,800 apartments, or 60% of total portfolio with renovation potential, excluding construction
- Renovations only after tenants have moved out at their own initiative
- Renovations increase property values and strengthens cash flow
- Rental value for apartments increased with 3.4%-points during Q4 vs general 2.8%-points



Contracted and potential rental income, SEK m



# Current trading and Summary

# Current trading – positioned for growth with increased profitability

- Consolidation of 740 apartments in Helsingborg per January 31, with annual rental approx. SEK 76 million
- Upgrades and refurbishments continues (LTM 150)
- Occupancy rate remains at a high and stable level – low market vacancy in rental apartments in Sweden in general
- The slightly more positive market environment continues with lowered interest rate and increased transaction volumes
- Rent negotiations 2025 – swift process, indicative increase with 5%



# KlaraBo investment highlights

**Over 60% of apartments in portfolio  
with renovation potential**

**Continued high demand for rentals due to  
housing shortage, lower construction of new  
housing and lower disposable income**

**Growth potential via acquisitions and  
development of product portfolio**

**Proven business model and solid financial  
position with solely bank financing**

**Annual rent increase will compensate for  
previous cost inflation**

**+19% average annual growth in NRV  
since 2019**

**+26% average annual growth in income from  
property management per share since 2019**

# Q&A

# Thank you!