

# Fabege Year-end report 2021

Stefan Dahlbo, CEO

Åsa Bergström, CFO

Mia Häggström, Head of Sustainability



# Summary of Q4

- Strong net lettings SEK 32m (-49)
- High activity in inquiries and viewings
- Surplus ratio 76 per cent
- Positive changes in value
- Acquisition SHH

# Summary of 2021

- Strong net lettings, one of the strongest ever
- Increased rental income, net operating income and profit from property management
- Value growth
- Several important land allocations
- Strategic acquisition of SHH



# Result 2021



# Condensed income statement

SEKm	2021	2020
Net sales	2,951	2,806
Property and residential development expenses	-775	-694
<b>Gross profit</b>	<b>2,176</b>	<b>2,112</b>
Central administration	-110	-93
Net financial items	-495	-462
Ground rents	-36	-30
Share in profits of associated companies	2	-53
<b>Profit from property management</b>	<b>1,537</b>	<b>1,474</b>
Realized changes in value, properties	56	49
Unrealized changes in value, properties	4,585	2,715
Changes in value, derivatives and equities	534	-331
<b>Profit before tax</b>	<b>6,712</b>	<b>4,007</b>
Tax	-1,312	-840
<b>Profit for the period</b>	<b>5,400</b>	<b>3,167</b>



- Rental growth in identical portfolio: approx. 2%
- Surplus ratio: 76% (75)
- Value growth 6.0%
- Earnings per share: SEK 13.73 (9.65)

## Key ratios, 2021

	2021	2020	Target
Equity per share, SEK	141	127	
EPRA NRV, SEK per share	171	155	
Total return properties, %	8.7	6.6	
Surplus ratio, %	76	75	75
Equity/assets ratio, %	51	52	>35
Loan-to-value ratio, %	36	35	<50
Debt ratio, multiple	14.7	13.2	<13
Interest coverage ratio, multiple	4.1	4.3	>2.2



# Financing

## Stable financing

- Total facilities SEK 36bn
- Total loans SEK30.4bn
  - of which bonds SEK 12.5bn
  - of which commercial paper SEK 2.3bn
- 99 % green financing
- Undrawn SEK 34.4bn
- Fixed-term maturity 4.8 years
- Fixed-rate period 3.7 years
- BAA2 stable outlook from Moody's

## Activities during Q4

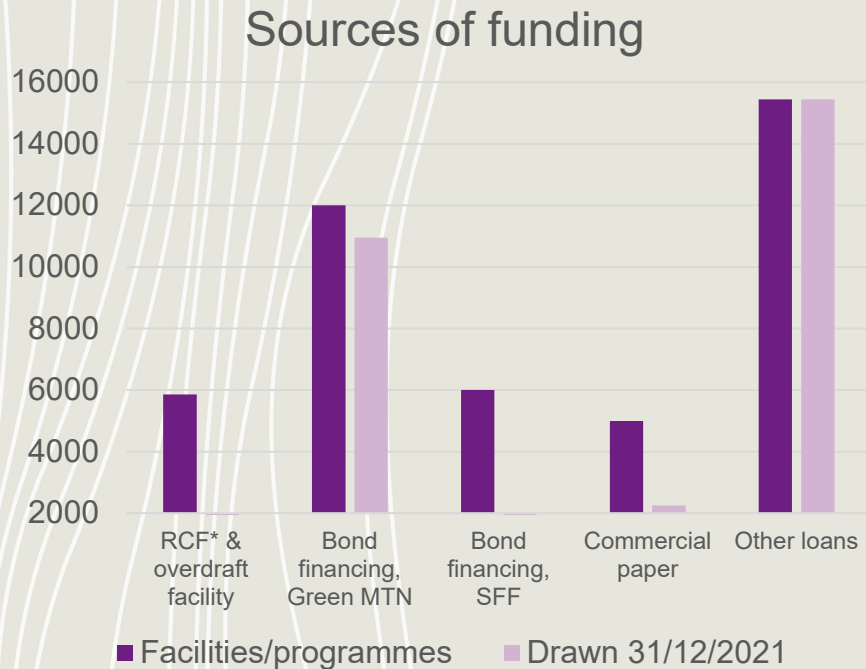
- Refinancing of bank facilities SEK 4bn
- Bond issues of SEK 1.2bn
- Fixed interest rate of SEK 600m at 10 respectively 11 years

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## Buybacks 2021

- 4.9 million shares 2021
- Total 9,450,984 treasury shares
- 2.86 per cent of the total number of registered shares

# Sources of funding



## Breakdown of collateral



# Our portfolio



## Modern portfolio in good locations

- Market value SEK 83.3bn
  - of which project properties SEK 5.6bn
  - of which development properties SEK 8.3bn
- 94 properties
- Value growth 2021: SEK 4.6bn
- Average yield requirement: 3.76%



# Stable customers with long agreements

- Approx 660 customers
- 25 largest customers represents 43% of rental value
- Share of total rent



- Office, 82%
- Retail, 5%
- Industry/logistics, 4%
- Other, 9%

Customer	Share of total rent	Year of expiry
SEB	6%	2037
The Swedish Tax Agency	5%	2022
ICA Fastigheter Sverige	4%	2030
Telia Company	4%	2031
Swedbank	2%	2029
Carnegie Investment Bank	2%	2027
The Swedish Migration Agency	2%	2028
The Swedish Agency for Education	1%	2024
Telenor AB	1%	2028
Svea Ekonomi	1%	2027
Summa	30%	



## Stockholm inner city

- Property value SEK 31bn
- New land allocation Sveaplan
- Strong interest for efficient office premises





## Hammarby Sjöstad

- Property value SEK 8bn
- Several new land allocations
- Large potential



# Arenastaden

- Property value SEK 22 bn
- Completion of Nationalarenan 3 and Stigbygeln 2
- Poolen 1 soon ready for occupation
- Good rental levels in connection with new nettings



# Haga Norra

- Property value SEK 3bn
- Project start phase 2
  - Offices approx. 30,000 sqm
  - Preparations for new housing and garage



# Solna Business Park

- Property value SEK 10bn
- Two zoning plans in progress
- Focus on improving the attractiveness of the area





# Flemingsberg

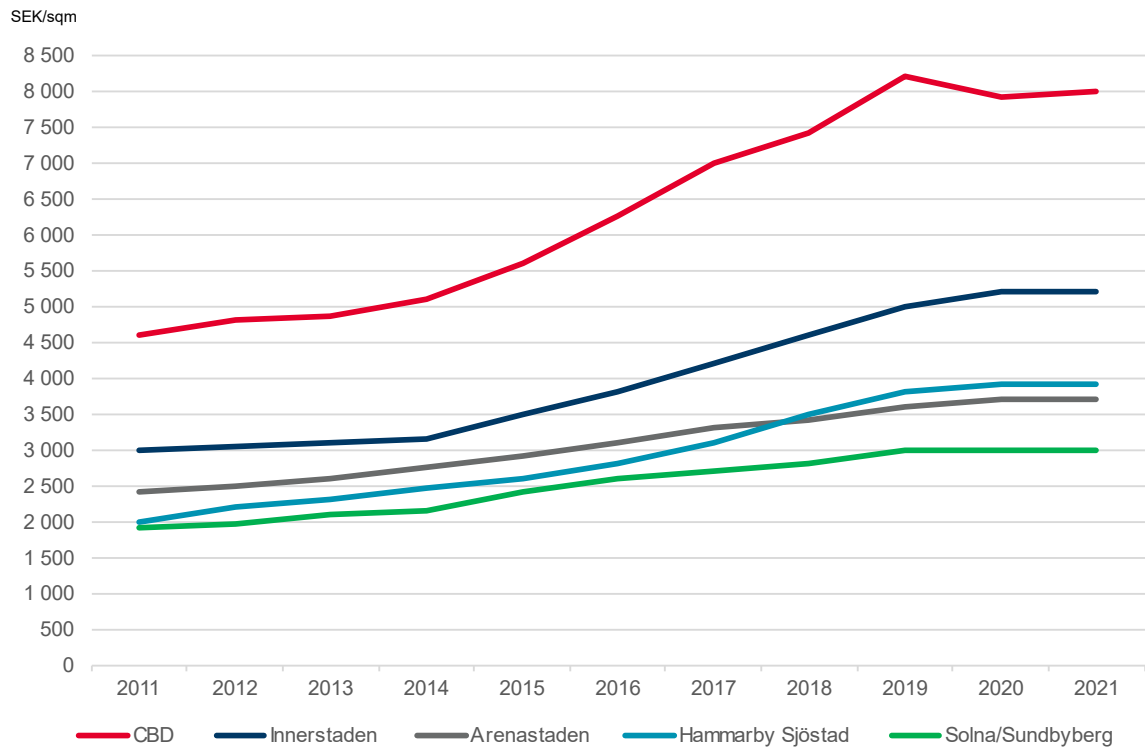
- Property value SEK 1.9bn
- First project start
- Sweden's largest new letting
- New land allocation
- Initiative regarding social sustainability



# Rental market



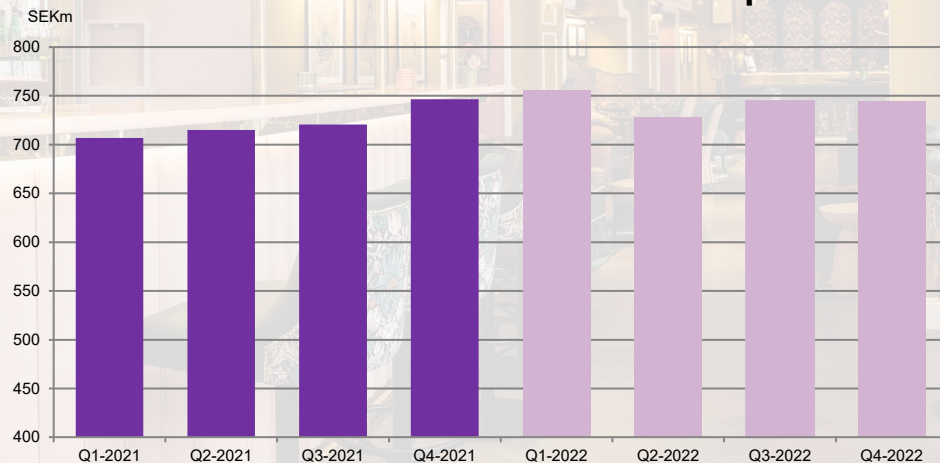
# Rental development 2001-2021 (prime rent)



# Strong net letting

	Q4 2021	Q4 2020	2021	2020
New lettings	98	42	329	157
Terminations	-66	-91	-167	-202
<b>Net lettings</b>	<b>32</b>	<b>-49</b>	<b>162</b>	<b>-45</b>

## Rental income – trend over next four quarters



# Renegotiations

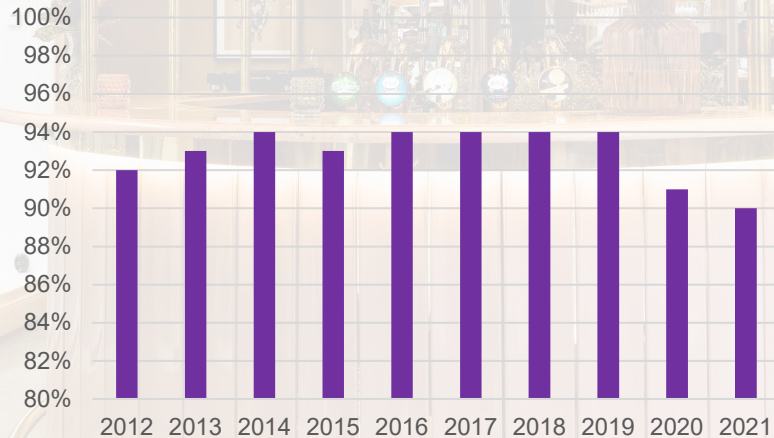
- Renegotiations 2021, +11%
- Renegotiations 2022
  - Limited due to high indexation (2.8%) and increased property tax

## Lease maturity structure

<b>Maturity, year</b>	<b>No. of leases</b>	<b>Annual rent, SEKm</b>	<b>Sharel, %</b>
2022	596	679	23
2023	299	375	12
2024	213	274	9
2025	132	326	11
2026	99	353	12
2027+	73	862	29
<b>Commercial</b>	<b>1,402</b>	<b>2,868</b>	<b>95%</b>
Housing leases	119	12	0%
Parking	730	127	4%
<b>Total</b>	<b>2,261</b>	<b>3,007</b>	<b>100%</b>



# Occupancy

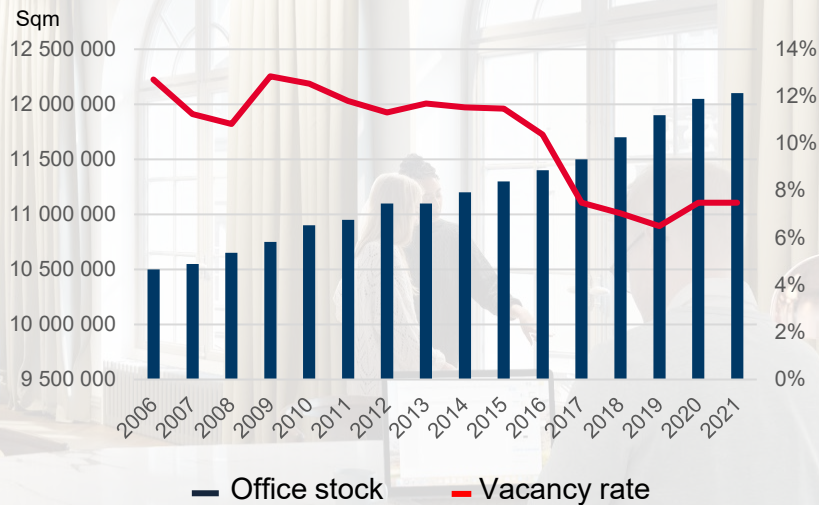


- Occupancy rate 90%
- Reduction refers to areas in Nationalarenan 8 (formerly Telia) that are already leased with access during the spring
- Management portfolio 90%
- No structural vacancies in the portfolio
- Upcoming vacancy in Nöten 4, Solna Strand

# Outlook



## Office stock & vacancy rate in Stockholm



Source: Cushman & Wakefield





# Office employment in Greater Stockholm

No. of employees

600 000  
550 000  
500 000  
450 000  
400 000  
350 000  
300 000  
250 000

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022p 2023p

Source: SCB & Newsec



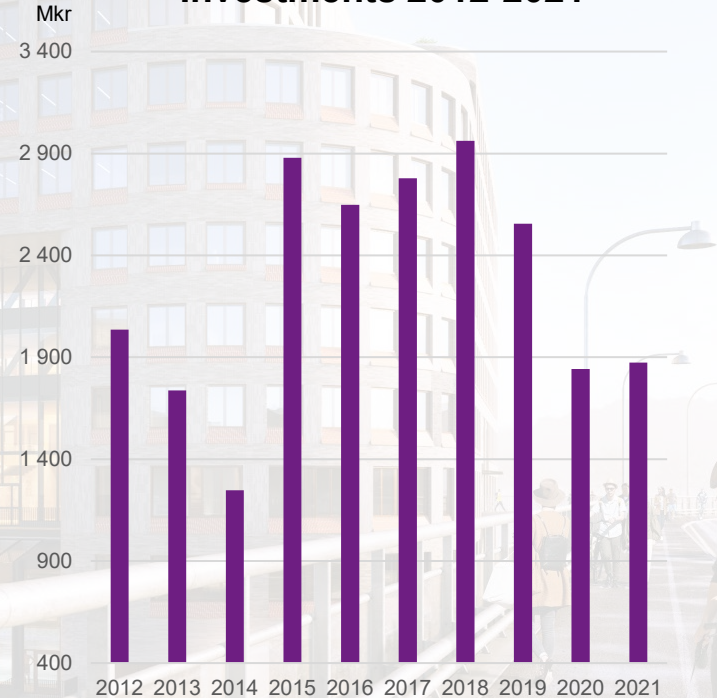
# Our projects



# Project potential

Investments 2021	
Project- & developments properties	1,239 Mkr
Management properties	635 Mkr
<b>Total</b>	<b>1,874 Mkr</b>

Investments 2012-2021



# Project portfolio 2021-12-31

Property	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space <sup>1</sup>	Rental value <sup>2</sup>	Carrying amount, SEKm	Estimated investment, SEKm	of which spent, SEKm
Poolen 1	Offices	Arenastaden	Q1-2022	28,100	82%	94	1,678	1,075	862
Glädjen 12	Offices	Marieberg	Q4-2022	11,000	33%	44	571	177	49
Bocken 39 (part of)	Offices	Norrmalm	Q3-2022	7,700	100%	68	1,490	205	63
Regulatorn 4	Workshops	Flemingsberg	Q2-2024	11,900	100%	24	60	430	24
<b>Total</b>				<b>58,700</b>	<b>85%</b>	<b>230</b>	<b>3,799</b>	<b>1,887</b>	<b>998</b>
Other land and project properties							3,330		
Other development properties							8,262		
<b>Total project, land and development properties</b>							<b>15,391</b>		



# Future projects



# Great potential in our building rights

## Commercial building rights

Area	Floor area, sqm binding, %	Legal binding, %	Book value, SEK/sqm
Inner city	29,900	3	8,700
Solna	382,800	23	7,100
Hammarby			
Sjöstad	70,000	35	8,500
Flemingsberg	268,300	6	4,500
SHH Bostad	7,100	0	14,200
Other	20,000	100	1,500
<b>Total</b>	<b>778,100</b>	<b>19</b>	<b>6,300</b>

## Residential building rights

Area	Floor area, sqm binding, %	Legal binding, %	Book value, SEK/sqm
Inner city	1,300	0	0
Solna	281,700	48	10,000
Hammarby			
Sjöstad	-	-	-
Flemingsberg	272,000	0	5,500
SHH Bostad	120,000	97	4,400
Other	-	-	-
<b>Total</b>	<b>675,000</b>	<b>32</b>	<b>7,100</b>



# Haga Norra

- Kvarter 1
- New production
- Approx. 30,000 sqm office
- Project start 2022



## Solna strand

- Nöten 4
- Development project
- Approx. 50,000 sqm office
- Project start 2022





## Tumba skog - JV

- No of homes: Approx 1,000
- Completion: 2024-2030
- Area: Approx. 50,000 sqm



# ALFA LAVAL

- Largest office lease in Sweden 2021
- 20,000 sqm
- Investment approx. SEK 740m
- Project start 2023

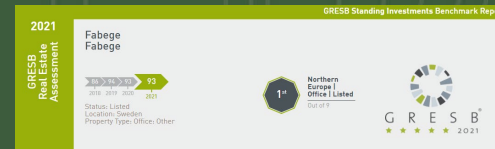


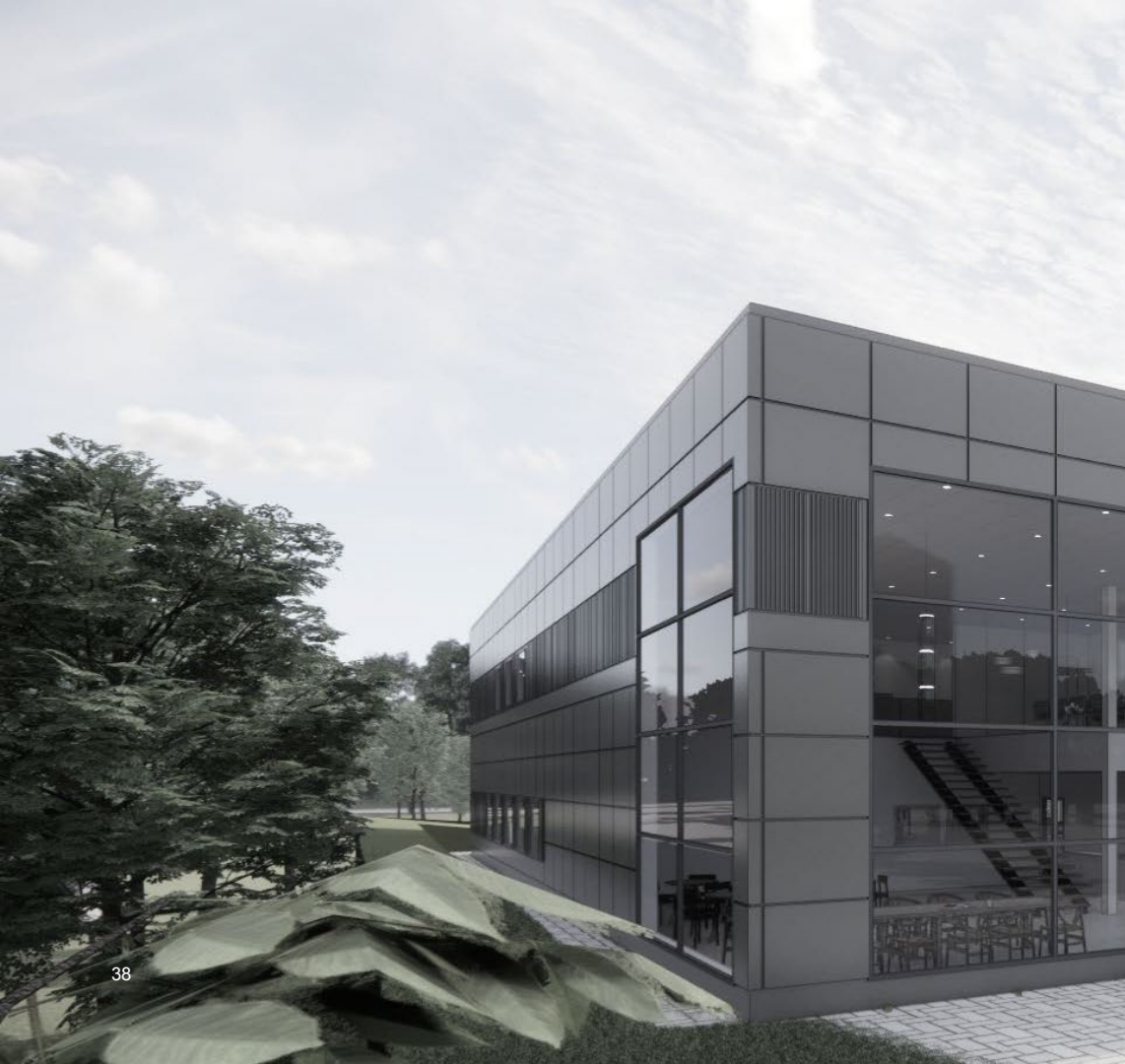
# Sustaniability



## Sustainability in everything we do

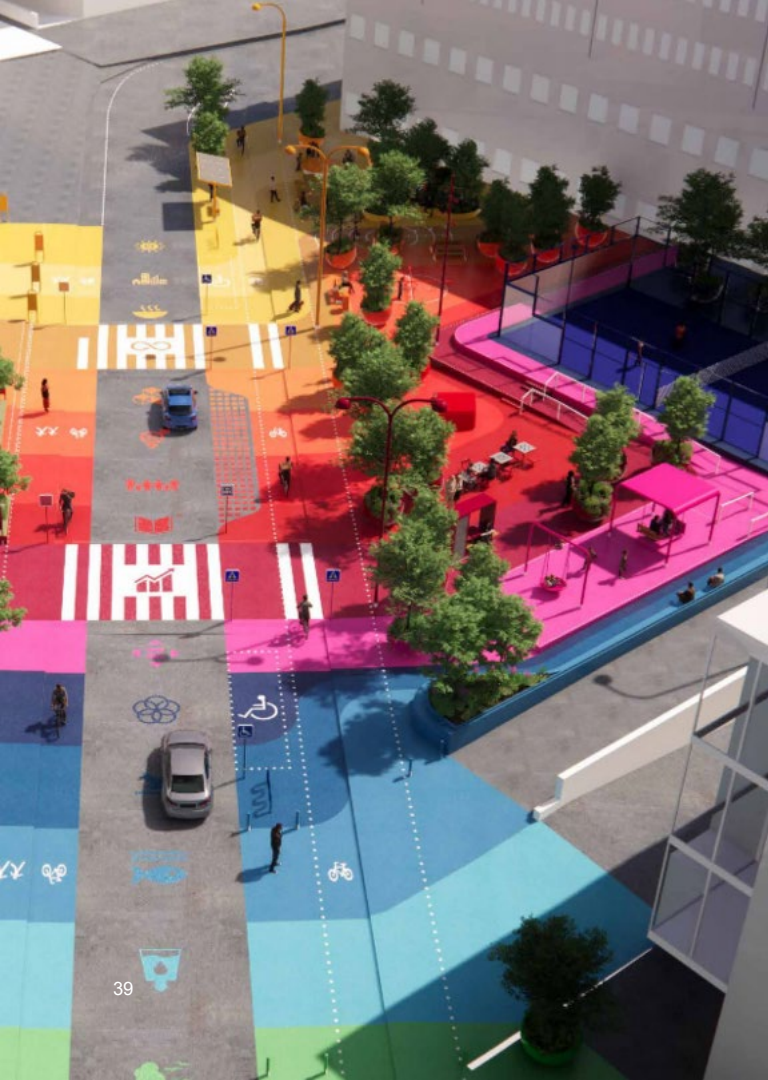
- 100% Sustainability certified management portfolio
- 100% Sustainability certified projects
- 99 % Green financing
- 100% Review of strategic suppliers
- 96% Renewable energy
- 79% Green leases of total area
- GRESB





## Curiosity and new thinking

- Sustainability house in Haga Norra
- Pilot recycling project
- Recycling from demolition of Bilia
  - Joists
  - Facade sections
  - Windows
  - Internal material



## Collaboration to create safe and attractive areas

Focus on education, spare time, health and work

- Help with homework in Flemingsberg
- Talent Academy in Huddinge
- Support to Changer's Hub in Huddinge
- Support to Stadsmissionen
- Street Gallery
- Support to local sports clubs
- Pep Parks
- Support to Samverkan Huddinge



# Questions

Our vision

The success factor for a new era

# Appendix

# Sustainability - clear targets

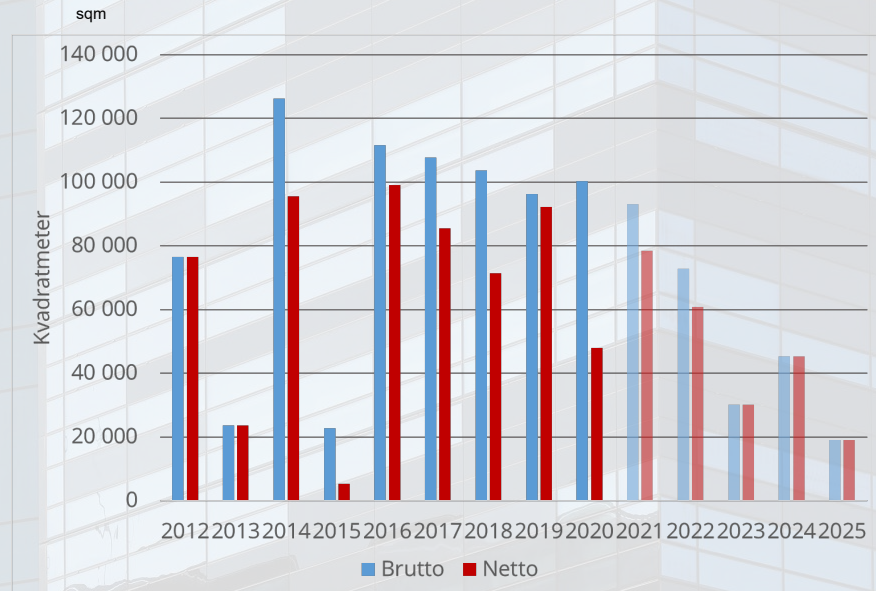
- Energy performance average  
max. 77 kWh/sqm\*
  - Outcome 2021, 77 kWh/sqm\*
- Carbon neutral management  
portfolio 2030 (Scope 1 & 2)
- Indirect emissions (Scope 3)  
to be halved by 2030.

\*Atemp





## Gross/net addition office Stockholm



Source: Citymark Analys

