



# Welcome to Faberge's presentation interim-report Jan-Mar 2018

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Faberge <sup>OF</sup>

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CREATING THE RIGHT CONDITIONS

## KEY FIGURES Q1 2018

|                                   | Jan-Mar<br>2018 | Jan-Mar<br>2017 | Jan-Mar<br>2016 | Jan-Mar<br>2015 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Equity per share, SEK             | 185             | 141             | 110             | 84              |
| EPRA NAV, SEK per share           | 220             | 165             | 126             | 97              |
| Total return properties, %        | 5,5             | 2,5             | 5,0             | 3,2             |
| Return on projects, %             | 178             | 48              | 145             | 20              |
| Surplus ratio, %                  | 72              | 69              | 68              | 70              |
| Equity/assets ratio , %           | 49              | 45              | 43              | 37              |
| Loan-to-value ratio, %            | 41              | 44              | 48              | 58              |
| Debt ratio, multiple              | 15.1            | 15.5            | 14.1            | 13.9            |
| Interest coverage ratio, multiple | 3.3             | 2.7             | 2.6             | 2.2             |



# CONDENSED INCOME STATEMENT

| SEKm                                       | Jan-Mar 2018 | Jan-Mar 2017 |
|--|--------------|--------------|
| Rental income                              | 614          | 546          |
| Property expenses                          | -175         | -167         |
| <b>Net operating surplus</b>               | <b>439</b>   | <b>379</b>   |
| Central administration                     | -18          | -19          |
| Net financial items                        | -126         | -133         |
| Share in profits of associated companies   | -21          | -11          |
| <b>Profit from property management</b>     | <b>274</b>   | <b>216</b>   |
| Realised changes in value, properties      | 83           | 0            |
| Unrealised changes in value, properties    | 2,700        | 833          |
| Changes in value, derivatives and equities | 40           | 89           |
| <b>Profit before tax</b>                   | <b>3,097</b> | <b>1,135</b> |
| Tax  | -558         | -253         |
| <b>PROFIT FOR THE PERIOD</b>               | <b>2,539</b> | <b>882</b>   |

- Positive rental growth in identical portfolio: approx. 13 %
- Surplus ratio: 72% (69)
- Return on projects: 178%
- Accumulated value growth: 4.7%
- Earnings per share: SEK 15:36 (5:33)

## RATING FROM MOODY'S

- ▶ Investment Grade
- ▶ Baa3, stable outlook
- ▶ Better margins
- ▶ More potential investors

The logo for Moody's, featuring the word "MOODY'S" in a large, blue, serif font. The letters are bold and have a classic, slightly ornate appearance. The apostrophe in "MOODY'S" is positioned above the letter 'Y'. The logo is centered horizontally and vertically on the right side of the slide.

# FINANCING 31 MARCH 2018

## Activities during the first quarter

- ▶ Issued SEK 1 bn
- ▶ Expanded total facilities with approx SEK 700m
- ▶ Reduced some on outstanding certificates in favor of longer-term bonds
- ▶ Extended capital maturity from 4 to 4.2 years
- ▶ Extended fixed-rate period through new long-term interest rate swaps of SEK 500m for 7 and 10 years.
- ▶ Extended fixed-rate period through a 5-year bond of SEK 500m at a fixed-rate

## Activities after the first quarter

- ▶ Issued another SEK 900m
- ▶ Implemented another fixed-rate period of SEK 200m for 10-years

- ▶ Total facilities SEK 28.3 bn
- ▶ Total loans SEK 25.2 bn
  - Of which, bonds SEK 6.5 bn
  - Of which, commercial paper SEK 4.2 bn
- ▶ **Green financing totalled 50 per cent of outstanding loans**
- ▶ Unutilized SEK 3.1 bn
- ▶ Capital maturity period: 4.2 years
- ▶ Fixed-rate period: 2.6 years



# PROPOSED CORPORATE TAXATION

- ▶ Limit interest deductions to 30% of Ebitda
  - When calculating tax result against loss carry-forwards, adjustment is made
  - This means that loss carry-forwards will be consumed at a faster rate
- ▶ The tax rate is reduced in two steps
  - 2019: 21.4%
  - 2021: 20.6%
- ▶ Nothing new in the packaging proposal





## INCREASING RENTAL LEVELS!

JAN – MAR 2018

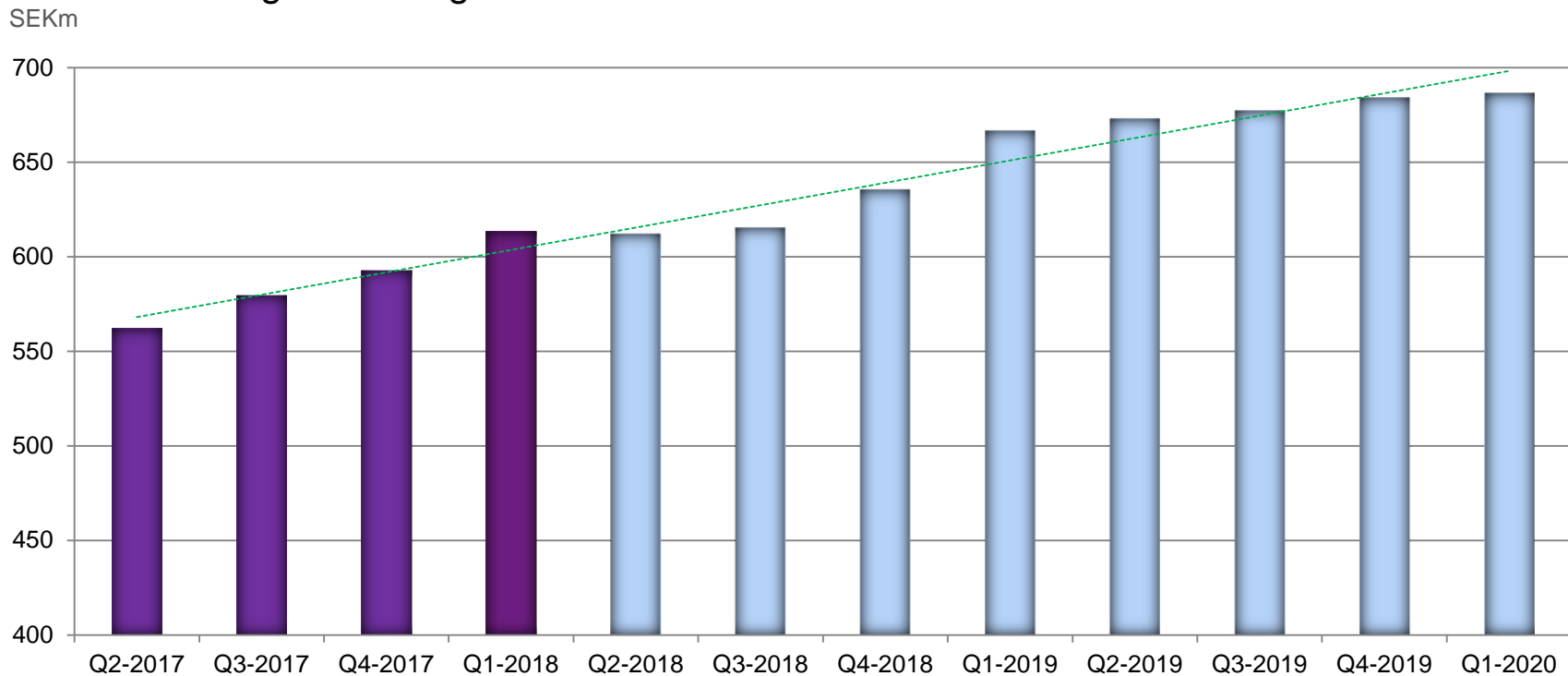
- ▶ Renegotiation + 20 %
- ▶ Net letting SEK 9m

*”growth and relocation to quality favor rental increase in our area”*



# REVENUE GROWTH

- Including known lettings and vacancies
- Excluding rental targets





# TRANSACTIONS Q1 2018

## ► Uarda 6 (Arnestaden)

- Price approx. SEK 1.2 bn

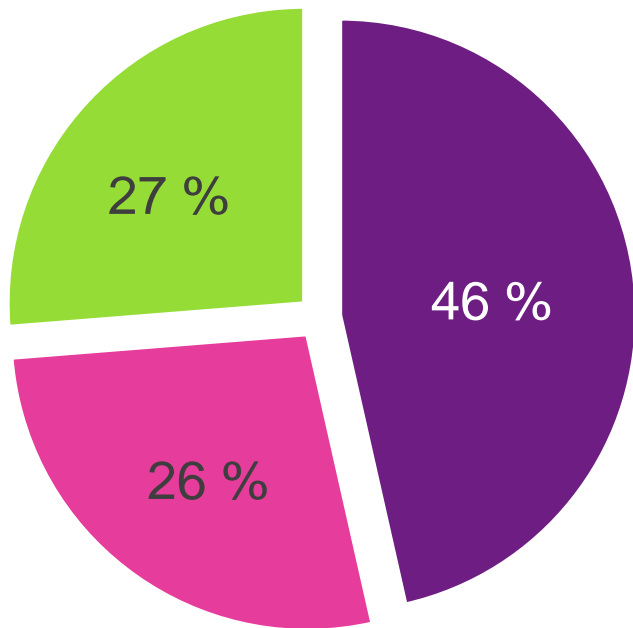


## ► Resedan 3 (Inner city)

- Price SEK 215m



## Percentage distribution



■ Project ■ Rent ■ Yield

UNREALIZED VALUE  
INCREASE, Q1 2018  
SEK 2.700M



# PROJECT PORTFOLIO

## 2018-03-31

Uthyrningsgrad: 86 %

Space: 185,500 sqm

Investment Q1 2018: SEK 638m



Trikåfabriken 9



Hörnan 1



Båturen 2(part of)



Signalen 3



Pelaren 1



# DECIDED PROJECTS 2018

Paradiset 23

Area: Stadshagen

Space: 6,900 sqm

Investment: SEK 200m

Completed: Q2-2019



Paradiset 2 (part of)



Paradiset 2 (part of)



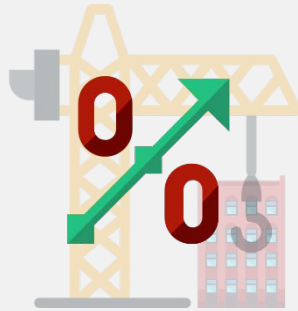
# Forecast 2018

**RESULT FROM  
MANAGEMENT**



**27 %**

**RETURN ON  
PROJECTS**



**178%**

**RENT INCREASE IN  
RENEGOTIATIONS**



**+ 20%**

**EPRA NAV/share**



**From SEK 201  
to SEK 220**



# QUESTIONS



ARENASTADEN



HAMMARBY SJÖSTAD



SOLNA BUSINESS PARK



STOCKHOLM CITY



THANK YOU FOR YOUR ATTENTION

Fabege<sup>0</sup>

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CREATING THE RIGHT CONDITIONS