

A blue and white tugboat with 'TUG' and 'www.tug.se' on its side is moving across a body of water. In the background, there is a city skyline with several multi-story buildings, some with green awnings, and a tall, grey tower on the left. The sky is blue with some light clouds.

# Fabege's interim report

## Jan-Jun 2020

*Stefan Dahlbo, CEO*

*Åsa Bergström, CFO*

0-π  
Fabege

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CREATING THE RIGHT CONDITIONS

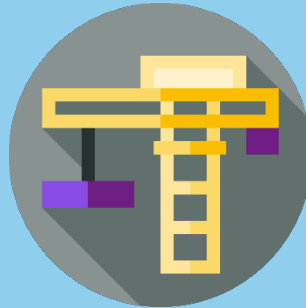
# Jan-Jun 2020

## Good development despite turbulent period



NET LETTING

SEK 20m



VALUE GROWTH

SEK 1,550m



RETURN ON EQUITY

+7.8%



EPRA NRV/SHARE

SEK 150





## MEASURES DUE TO COVID-19

- ▶ Frequent status meetings in crisis management team and Group management
- ▶ Employee wellbeing – support for working at distance, socialisation, working out
- ▶ Customer wellbeing – close dialogue
- ▶ Support to the community
  - 15,000 lunch boxes to the City Mission and hospitals in Stockholm
  - Materials to the field hospital in Älvsjö  
Financial support to the Stockholm City Mission.

# CONDENSED INCOME STATEMENT

SEKm	Jan-Jun 2020	Jan-Jun 2019
Rental income	1,407	1,449
Property expenses	-361	-386
<b>Net operating surplus</b>	<b>1,046</b>	<b>1,063</b>
Central administration	-48	-43
Net financial items	-227	-233
Ground rents	-14	-14
Share in profits of associated companies	-29	-32
<b>Profit from property management</b>	<b>728</b>	<b>741</b>
Realised changes in value, properties	<b>25</b>	0
Unrealised changes in value, properties	1,525	3,122
Changes in value, derivatives and equities	-293	-505
<b>Profit before tax</b>	<b>1,985</b>	<b>3,358</b>
Tax	-426	-568
<b>PROFIT FOR THE PERIOD</b>	<b>1,559</b>	<b>2,790</b>

- Positive rental growth in identical portfolio: approx. 4%
- Surplus ratio: 74% (73)
- Accumulated value growth: 2,1%
- Earnings per share: SEK 4.73 (8.44)

## KEY RATIOS, JAN-JUN 2020

	2020 Jan-Jun	2019 Jan-Jun	Targets
Equity per share, SEK	123	111	
EPRA NRV, SEK per share	150	134	
Total return properties, %	3.6	6.3	
Surplus ratio, %	74	73	75
Equity/assets ratio , %	53	50	>35
Loan-to-value ratio, %	34	38	<50
Debt ratio, multiple	12.1	14.2	<13
Interest coverage ratio, multiple	4.3	4.3	>2.2



# FINANCING

## Key ratios 30 June 2020

- ▶ Total facilities SEK 33.9bn
- ▶ Total loans SEK 24.7bn
  - Of which bonds SEK 7.9bn
  - Of which commercial paper SEK 1.9bn
- ▶ 91 per cent of total loans are now green financing
- ▶ Unutilised SEK 4.2bn
- ▶ Capital tie-up period 5.7 years
- ▶ Fixed-rate term 4.6 years

## Activities during the year to date

- Amortised commercial paper and bond maturities after vacation of Trängskåren in January
- Extended a bank facility for 4 years
- Converted several facilities to green loans
- Extended fixed-rate term through SEK 400m in new 10-year interest rate swaps
- During Q2, we issued commercial paper of SEK 1,875m and bonds of SEK 650m





# COVID-19 IMPACT FABEGE

## ► Rental income Q2

- Remaining rent receivables Q2 SEK 21m. Refers to in most part to deferment granted.
- Discounts granted in accordance with the Government rental package amount to SEK 36m, of which Fabège's cost is SEK 18m. These have reduced rental income in Q2.

## ► Rental income Q3 and Q4

- Granted discounts of about SEK 10m will reduce rental income in Q3 and Q4.

## ► Valuations

- 50% externally valued in Q2.
- Net value changes SEK -304m.

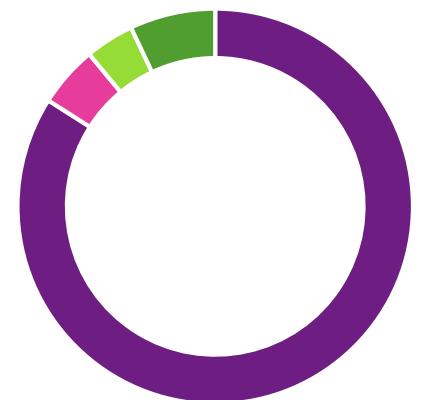
## ► Projects are progressing according to plan

## ► Stable financial situation



# STABLE CUSTOMERS

Rental value per category



- Office, 84%
- Retail, 5%
- Industry/warehouse, 4%
- Others, 7%

- ▶ More than 900 customers
- ▶ 25 largest customers 42% of contracted rent

<u>Largest customers</u>	<u>Runs until year</u>
• SEB	2037
• Telia Company	2031
• ICA Fastigheter Sverige	2030
• The Swedish Tax Agency	2022
• Swedbank	2029
• The Swedish Migration Board	2028
• Carnegie Investment Bank	2022
• Swedish National Agency for Education	2024
• Telenor	2028
• Svea Ekonomi	2023







# RENTAL MARKET

- ▶ Uncertainty about continued development as a result of covid-19
- ▶ Net letting SEK + 20m
  - The largest letting related to Mentometer in Apotekaren, Stockholm
- ▶ Renegotiations +16%
- ▶ Occupancy rate 92%
  - LRF vacated Glädjen 12, Stockholm



# THE NEXT GENERATION OF OFFICE WORK

- ▶ Flexibility is key
- ▶ Updated digital solutions
- ▶ Builds and enhances a strong employer brand and internal corporate culture
- ▶ Meeting point for creativity and camaraderie
- ▶ Working from a distance will grow
  - Requires a new leadership
  - Not suitable for everyone







# TRANSACTIONS AND VALUATION

- ▶ High activity Q1 but slowing down Q2
- ▶ Uncertainty about rent levels and lack of transactions has a negative impact.
- ▶ The yield increased by 0.1 percent
- ▶ Write-downs of approximately SEK -800m were offset by write-ups of just under SEK 500m, which gave a net of SEK -304m.
- ▶ Acquisition of Påsen 1 in Hammarby Sjöstad for SEK 441m



# PROJECT PORTFOLIO, 2020-06-30



- ▶ Occupancy rate: 89 per cent
- ▶ Area: 103,000 sqm
- ▶ Investments Jan-Jun: SEK 890m
  - of which SEK 620m in project portfolio
  - of which SEK 270m in management portfolio
- ▶ Value growth in project portfolio SEK 186m





# ARENASTADEN

## THE BLOCK KAIRO

- ▶ Consultation for zoning plan  
Oct/Nov 2020
- ▶ Zoning plan Q4  
2021
- ▶ 76,000 sqm office
- ▶ 15,000 sqm  
residential







Arenastaden

**We are just halfway.**



Haga Norra

**Vision: Stockholm's most pleasant city district.**

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Solna Business Park

**The large transformation.**

15

BIP

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Flemingsberg

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# Questions