

Fabege's interim report Jan-Sep 2020

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c/o Fabege

CONDENSED INCOME STATEMENT

SEKm	Jan-Sep 2020	Jan-Sep 2019
Rental income	2,103	2,132
Property expenses	-519	-527
Net operating surplus	1,584	1,605
Central administration	-69	-64
Net financial items	-346	350
Ground rents	-22	-21
Share in profits of associated companies	-43	-32
Profit from property management	1 104	1 138
Realized changes in value, properties	25	0
Unrealized changes in value, properties	1,916	3,865
Changes in value, derivatives and equities	-317	-724
Profit before tax	2,728	4,279
Tax	-595	-755
PROFIT FOR THE PERIOD	2,133	3,504

- Positive rental growth in identical portfolio: approx. 5%
- Surplus ratio: 75% (75)
- Accumulated value growth: 2,5%
- Earnings per share: SEK 6.50 (10.60)



COVID-19 IMPACT FABEGE

► Rental income Jan-Sep

- Grants granted of a total SEK 44m of which discounts granted in accordance with the Government rental package amount to SEK 36m, of which Fabège's cost is SEK 18m.
- Remaining receivables SEK 11m

► Rental income Q4

- Granted discounts of about SEK 4m will reduce rental income in Q4.

► Valuations

- 50% externally valued in in Q3.
- Net write-down in Q2 SEK -304m.
- Write-ups of in Q3 SEK 391m

► Projects are progressing according to plan



KEY RATIOS, JAN-SEP 2020

	2020 Jan-Sep	2019 Jan-Sep	Targets
Equity per share, SEK	124	111	
EPRA NRV, SEK per share	153	138	
Total return properties, %	4.8	8.1	
Surplus ratio, %	75	75	75
Equity/assets ratio , %	52	51	>35
Loan-to-value ratio, %	35	33	<50
Debt ratio, multiple	12.9	13.0	<13
Interest coverage ratio, multiple	4.3	4.3	>2.2



FINANCING

Key ratios 30 September 2020

- ▶ Total facilities SEK 33.5bn
- ▶ Total loans SEK 26.2bn
 - Of which bonds SEK 9.5bn
 - Of which commercial paper SEK 1.8bn
- ▶ 95 per cent of total loans are now green financing
- ▶ Unutilised SEK 4.3bn
- ▶ Capital maturity period 5.5 years
- ▶ Interest maturity 4.3 years

Activities during Q3

- Continued shift to green financing
- Issued bonds of SEK 2.1bn
 - of which green bonds SEK 1.6bn
 - of which SFF SEK 0.5bn
- Issued commercial paper of SEK 1.8bn





RENTAL MARKET

- ▶ Uncertainty about continued development as a result of covid-19
- ▶ Renegotiations
 - Jan-Sep +19%
 - Jul-Sep +30%
- ▶ Increased activities during Q3





NET LETTING

- ▶ SEK 4m (– 92)
- ▶ Q3 SEK – 16m (–5)
- ▶ Include SEK 20m in active terminations in development and project properties
- ▶ Large terminations so far during the year SEK 34m
 - Bocken 39, Kungsgatan
 - Smeden 1, Englundavägen
 - Getingen 15, Sveavägen





VACANCY

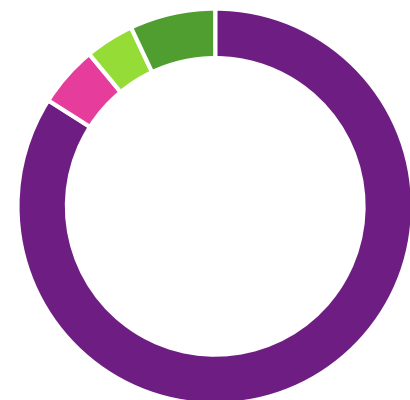
Occupancy rate 91%

- LRF moves from Glädjen 12, Västra Kungsholmen
- Acquired vacancy, Regulatorn 2
- ▶ Management portfolio 93%
- ▶ Larger vacancies in the inner city
 - Bocken 39, Kungsgatan
 - Apotekaren 22, Döbelnsgatan
- ▶ Larger vacancies in Solna Business Park
 - Fräsaren 12, Svetsarvägen
 - Svetsaren 1, Englundavägen



STABLE CUSTOMERS

Rental value per category



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

- ▶ Approximately 660 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





OFFICE OF THE FUTURE??

- ▶ More flexibility
- ▶ The office is a part of the corporate culture
- ▶ Meeting point for creativity and crucial for a good corporate culture
- ▶ Working from home will grow
 - Not suitable for everyone
- ▶ Travelling will probably decrease
- ▶ Digital solutions will probably increase



TRANSACTIONS

- ▶ Few transactions in our areas
- ▶ No stressed sellers in the market



- ▶ Påsen 1 in Hammarby Sjöstad for SEK 441m – large development potential
- ▶ Regulatorn 2 in Flemingsberg for SEK 760m – large development potential and gives us better control over the area





VALUATION

- ▶ 50 % of the portfolio was valued externally during Q3
- ▶ Uncertainty about rent levels and lack of transactions has a negative impact.
- ▶ The yield decreased by 2 points
- ▶ Unrealized value change Jan-Sep SEK 1,916m
 - Management portfolio SEK 1,581m
 - Project and development portfolio SEK 335m
- ▶ Unrealized value change Jul-Sep SEK 391m
 - Management portfolio SEK 147m
 - Project and development portfolio SEK 242m



PROJECT PORTFOLIO, 2020-09-30



- ▶ Occupancy rate: 89 per cent
- ▶ Area: 104,000 sqm
- ▶ Investments Jan-Sep: SEK 1.4bn
 - of which SEK 1bnm in project portfolio
 - of which SEK 0.4bn in management portfolio
- ▶ Realized value change in the project portfolio: SEK 335m
- ▶ Remaining investment in ongoing projects SEK 1.6bn



REFURBISHMENT PROJECTS WITH POTENTIAL



Glädjen 12

Start: 2021

Area: 12,000 sqm



Bocken 39

Start: 2021

Area: 4,500 sqm



Nöten 4

Start 2022

Yta: 45,000 sqm





Arenastaden only halfway



ARENASTADEN

THE BLOCK KAIRO

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



POSSIBILITIES ON DALVÄGEN



POSSIBILITIES ON GÅRDSVÄGEN



Tygel 3
"Adidas house"

Stigbygeln 2
New HQ



HAGA NORRA 2018



HAGA NORRA STAGE 1

- ▶ Bilia's plant finalised Q1 2021
- ▶ 450 apartments ready for sale



HAGA NORRA STAGE 2

- 1,000 apartments
- 55,000 sqm office
- Goal: fully developed by 2026/2027, but offices may be ready to move into by 2024



SOLNA BUSINESS PARK

- The large transformation
- From office area to a modern city district



90,000 sqm office and 30,000 sqm
residential

Over decking of railway
through Sundbyberg 2028

Future increased
connection to
Sundbyberg

New station ascent 2028

Possible development of
Verkmästaren (Sagax)

Sliparen 1,
office

Sliparen 2 + Svetsaren 1, future
development projects

Greener outdoor environment
and open ground floors

Svetsaren 2,
residential + office

Yrket 3
Residential

Refurbishment of
park

Reconstruction Grängsgatan

Mälardalen: the tracks
are lowered into troughs
past the area

Fräsaren 9, office

Fräsaren 10
Office

Kvarter A
Office

Parkhuset
Office

Over decking of railway
through Huvudsta 2028



SLIPAREN 1, New office building (2022)



PARKHUSET (2022) and FRÄSAREN 10 (future development)



GRÄNSGATAN, Residentials in YRKET 3 (2022)

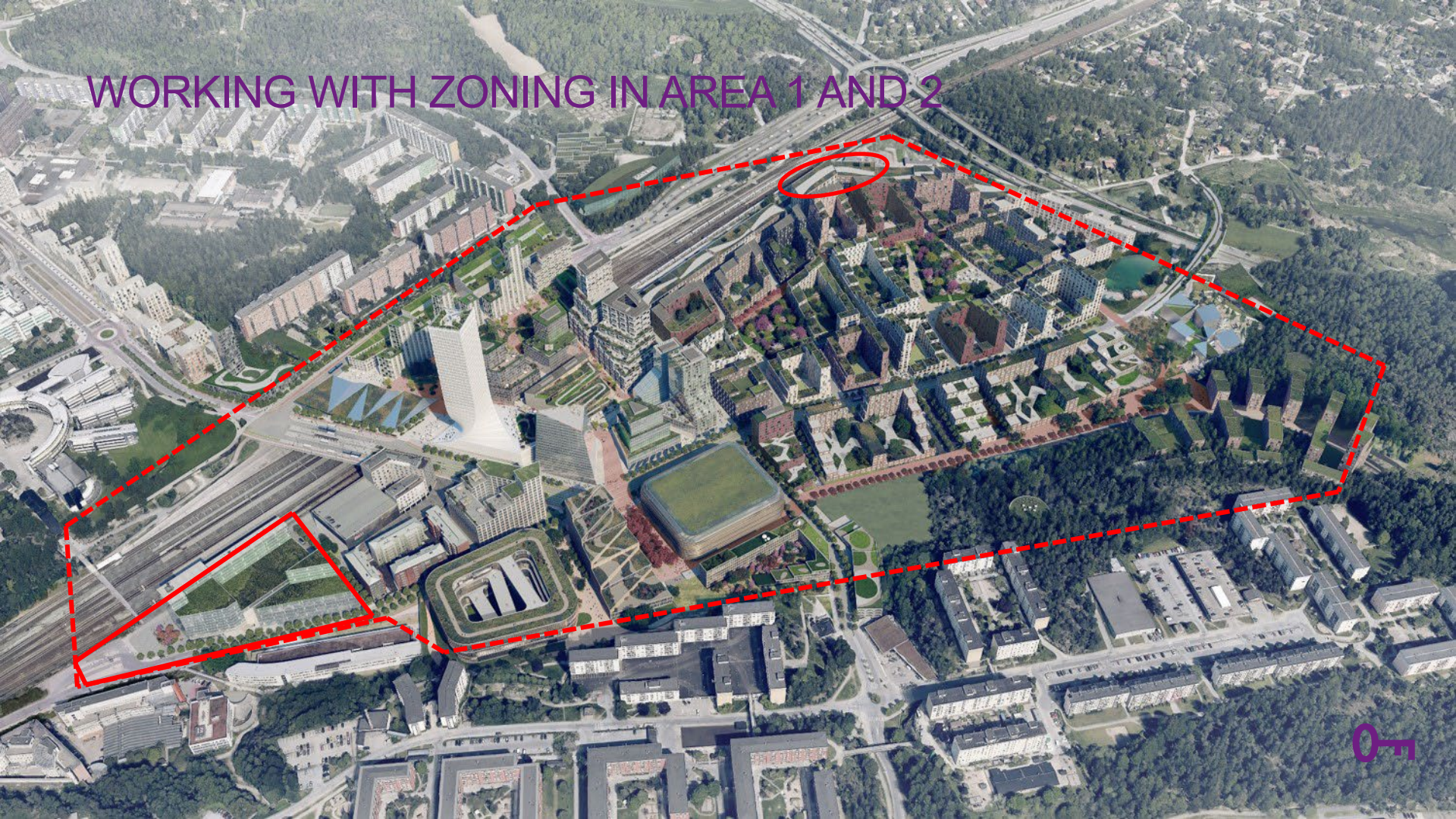


FLEMINGSBERG

- Took over Regulatorn 2
- Today we have:
 - Office 7,800 sqm office
 - Warehouse/industry 59,000 sqm
 - Others 1,000 sqm



WORKING WITH ZONING IN AREA 1 AND 2



From parking and industry to a modern city district



HAMMARBY SJÖSTAD

Påsen 1



Korphoppet 5, (land allocation)





INNER CITY

- ▶ New land allocation permit at Sveaplan
- ▶ Potential for 9,000 sqm of office
- ▶ A prerequisite is that Sveaplan is redeveloped in accordance with the city's plans for Östra Hagastaden.



An aerial photograph of a city at dusk, showing a dense urban landscape with numerous buildings, streets, and a prominent church spire in the distance. The sky is a mix of purple, pink, and blue, with some clouds. The city lights are beginning to glow, and a few construction cranes are visible on the horizon.

QUESTIONS!