

# Fabege's end-year report 2020

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c/o Fabege<sup>07</sup>

# Condensed income statement

SEKm	2020	2019
Rental income	2,806	2,856
Property expenses	-694	-712
<b>Net operating surplus</b>	<b>2,112</b>	<b>2,144</b>
Central administration	-93	-85
Net financial items	-462	-465
Ground rents	-30	-28
Share in profits of associated companies	-53	-34
<b>Profit from property management</b>	<b>1,474</b>	<b>1 532</b>
Realized changes in value, properties	49	0
Unrealized changes in value, properties	2,715	5,743
Changes in value, derivatives and equities	-231	-241
<b>Profit before tax</b>	<b>4,007</b>	<b>7,034</b>
Tax	-840	-1,028
<b>PROFIT FOR THE PERIOD</b>	<b>3,167</b>	<b>6,006</b>

- Positive rental growth in identical portfolio: approx. 5%
- Surplus ratio: 75% (75)
- Accumulated value growth: 3,7%
- Earnings per share: SEK 9.65 (18.16)

## Key ratios 2020

	2020	2019	Targets
Equity per share, SEK	127	121	
EPRA NRV, SEK per share	155	145	
Total return properties, %	6.6	11.5	
Surplus ratio, %	75	75	75
Equity/assets ratio , %	52	52	>35
Loan-to-value ratio, %	35	36	<50
Debt ratio, multiple	13.2	12.8	<13
Interest coverage ratio, multiple	4.3	4.4	>2.2



# Financing

## Key ratios 31 December 2020

- Total facilities SEK 35.5bn
- Total loans SEK 26.7bn
  - Of which bonds SEK 9.5bn
  - Of which commercial paper SEK 2.bn
- 100% green financing
- Unutilised SEK 3.9bn
- Capital maturity period 5.2 years
- Interest maturity 4.1 years

## Activities during Q4

- Refinancing of credit facility maturing in 2021
- Continued shift to green financing
- Moody's announced maintained credit rating Baa2, stable outlook

## Activities after year-end

- Issued SEK 700m, in two tranches at 5 and 6 years, respectively



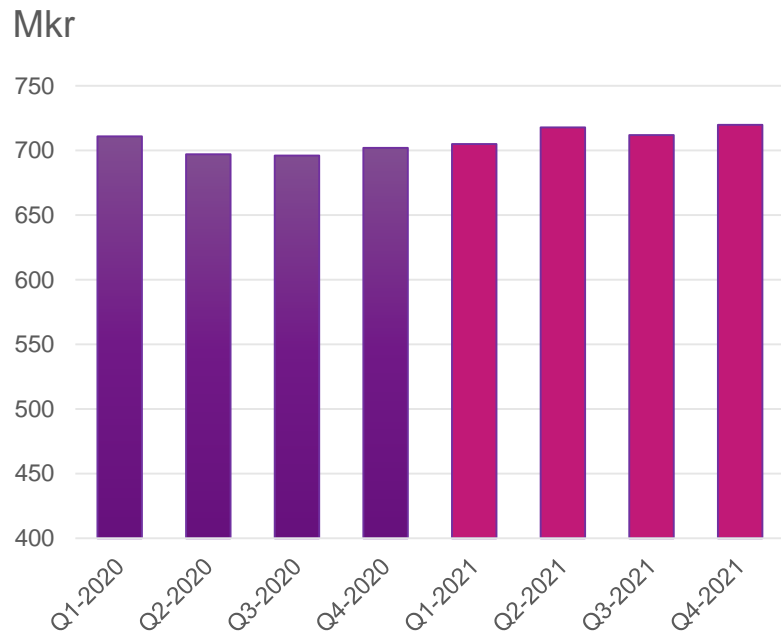


## Rental market

- Net letting  
• 2020: SEK –45m  
• Q4 SEK – 49m
- Total terminations SEK 202m
  - Include SEK 20m in active terminations in development and project properties
  - Larger terminations Telia and DLA
- Renegotiations +20%
- Strong start in Q1



# Rental incomes 2020-2021



Tenants moving in Q1 2021:

- Bilia, Haga Norra, 40 300 kvm
- Choice, Arenastaden, 19 100 kvm
- Stigbygeln 2, Arenastaden 8 400 kvm







## Vacancies

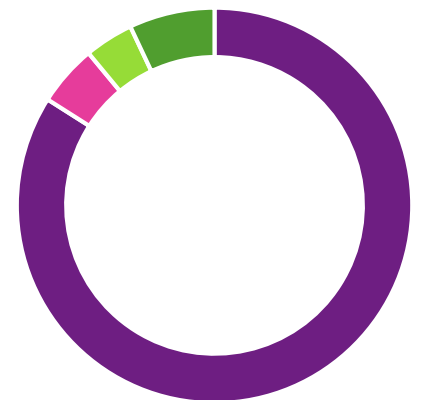
- Occupancy rate 91%
  - LRF moves from Glädjen 12, Västra Kungsholmen
  - Acquired vacancy, Regulatorn 2
- Management portfolio 92%
- Larger vacancies in the inner city rented out
  - Bocken 39
  - Apotekaren 22
- Larger vacancies in Solna Business Park
  - Smeden 1
  - Sliparen 2
  - Svetsaren 1



## Stable customers – approx. 660 customers

25 largest customers represent 43% of total rental value

Rental value per category



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

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







## The future office - our approach

- Focus on customer dialogue
- People in the center
  - WAW
  - Health
  - Security
  - Service
- Digitization
- Flexibility



# Transaction market

- Divestment
  - Sadelplatsen 1, SEK 260m
- Acquisitions
  - Påsen 1 in Hammarby Sjöstad, SEK 423m
  - Regulatorn 2 in Flemingsberg SEK 760m
- Few transactions in the office segment
  - AFA Fastigheter sold Fyrkanten 11 on Sveavägen, at approx. SEK 130 000/sqm
  - SEB Tryggliv sold Guldfisken 31 on Nybrogatan, at approx SEK 105,000/sqm





## Valuation

- Many properties were externally valued several times during the year
- The yield decreased by 9 points
- Unrealized value change 2020 SEK 2,715m
  - Management portfolio SEK 1,941m
  - Project and development portfolio SEK 774m





# Project portfolio, 2020-12-31

- Occupancy rate: 82 %
- Area: 108,000 sqm
- Investments 2020: SEK 1.9bn
  - of which SEK 1.4bn in project portfolio
  - of which SEK 500m in management portfolio
- Realized value change in the project portfolio: SEK 774m
- Remaining investment in ongoing projects SEK 1.4bn





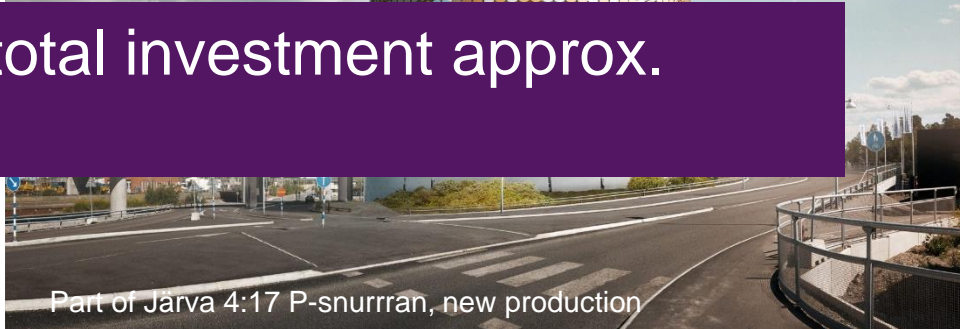
Project starts 2021-2022, total investment approx. SEK 1bn



Bocken 39, refurbishment



Glädjen 12, refurbishment



Part of Järva 4:17 P-snurran, new production



Regulatorn, Operan & Dramaten, nyw production





# Our building rights

Area	Commercial, sqm	Residentials, sqm
Stockholm inner city	36,000	1,100
Solna	300,100	259,200
Hammarby Sjöstad	58,700	-
Flemingsberg	104,000	235,000
Others	79,000	-
<b>Summa</b>	<b>577,800</b>	<b>495,300</b>
Legal binding, %	21	18
Booked value, SEK/sqm	5,200	6,200





Parkhuset, Solna Business Park

## Potential projects 2022



Sliparen 1, Solna Business Park



Nöten 4, Solna strand



The block Kairo, Arenastaden





## Sustainability

- 93 points from GRESB
- CICERO Shades of Green
  - Highest rating, Excellent
  - 95 % green income and investments in 2020
- Climate-neutral property management by 2030
- Project to cut carbon footprint by half by 2030
- Projects on social sustainability



# Questions!

An aerial photograph of a city, likely Stockholm, taken from a high vantage point. The city is densely packed with buildings, mostly multi-story residential or commercial structures. A prominent street runs vertically through the center of the image, with traffic lights and cars visible. The sky is a mix of soft pinks, purples, and blues, indicating twilight. In the background, several construction cranes are visible against the horizon. The overall atmosphere is calm yet busy.