

# Interim report . 2022

Q3 .



ATRIUM  
LJUNGBERG



# Atrium

## Ljungberg in brief.

Property value

SEK 61 billion

Contracted annual rent

SEK 2.7 billion

Letting area

957,000 m<sup>2</sup>

Economic occupancy rate

92.4%

Loan-to-value ratio

41.3%



- Offices 68 %
- Retail 20 %
- Residential 2 %
- Projects 9 %
- Development rights & land 1 %

5% Gothenburg

Malmö

5%

Uppsala 10%

Stockholm

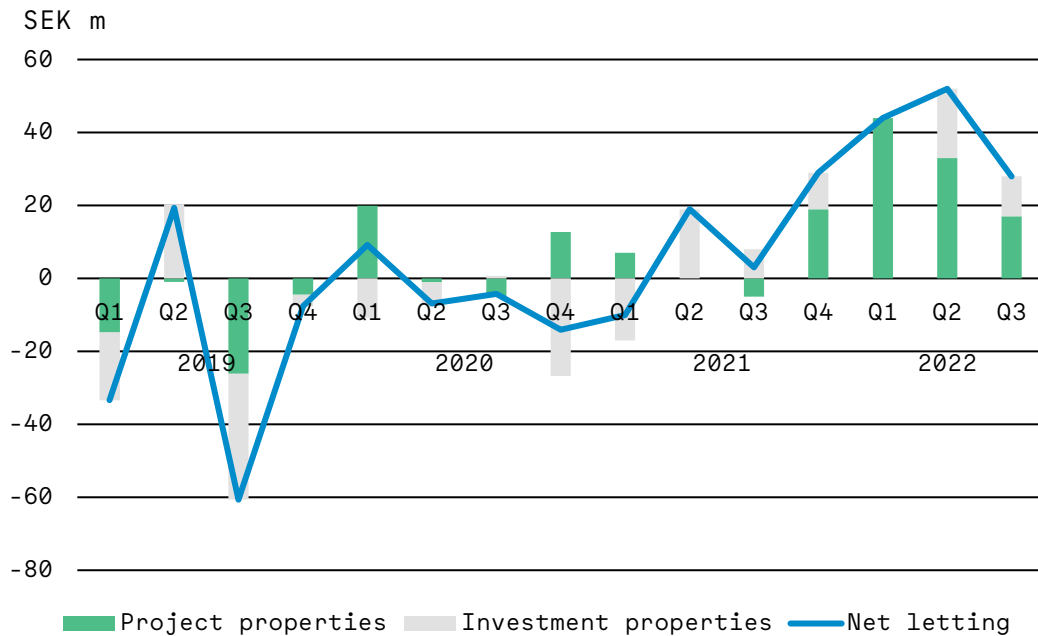
80%

Challenging  
times  
provide new  
conditions.



# Rental market.

## Net letting 2019-2022



## Net letting Q3

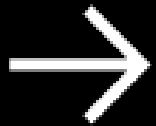
SEK m	2022 Q3	2021 Q3	2022 Q1-3	2021 Q1-3
Gross letting	73	51	248	175
Terminated by customers	-43	-45	-95	-137
<b>Net letting 1</b>	<b>30</b>	<b>6</b>	<b>154</b>	<b>38</b>
Terminated by AL	-2	-1	-30	-26
<b>Net letting 2</b>	<b>28</b>	<b>5</b>	<b>124</b>	<b>12</b>

## Net letting per segment Q3 2022

SEK m	Offices	Retail	Other
Gross letting	173	37	38
Terminated by customers	-56	-29	-9
<b>Net letting 1</b>	<b>117</b>	<b>8</b>	<b>29</b>
Terminated by AL	-26	-1	-3
<b>Net letting 2</b>	<b>91</b>	<b>7</b>	<b>26</b>



# Major Lettings.



# Q3



**Hotell Citybox**  
Katarinhuset, Slussen  
4 000 m<sup>2</sup>



**Best Of Brands**  
Sickla Galleria  
3,000 m<sup>2</sup>



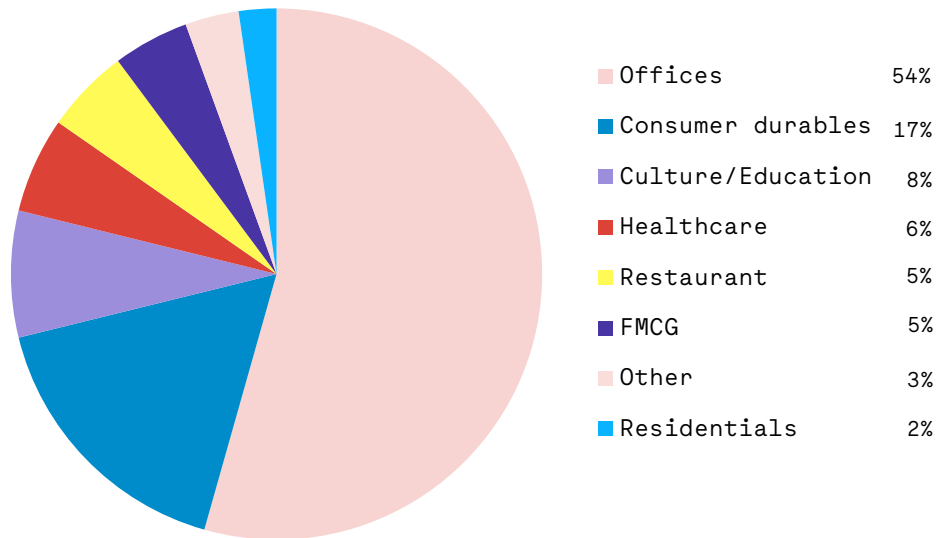
**Froda**  
Katarinhuset, Slussen  
1,400 m<sup>2</sup>



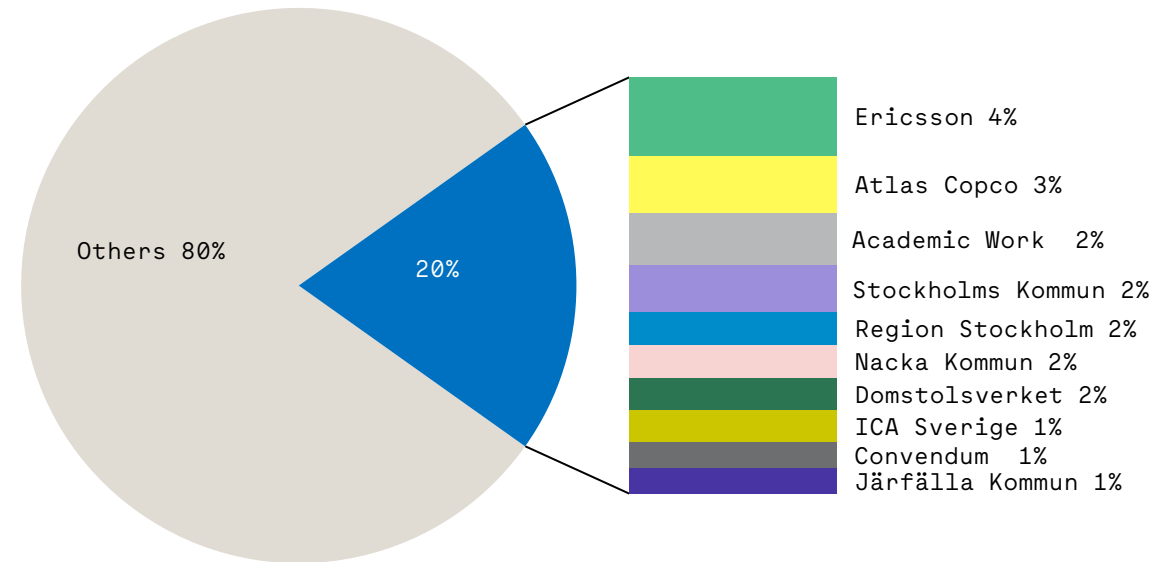
Renegotiation

**Atlas Copco**  
Sickla  
20,000 m<sup>2</sup>

# Stable customer base and inflation-protected contract portfolio.



97% of revenue (excluding residentials, parking, property tax and revenue-based rent) is index-linked, so rises in line with inflation.

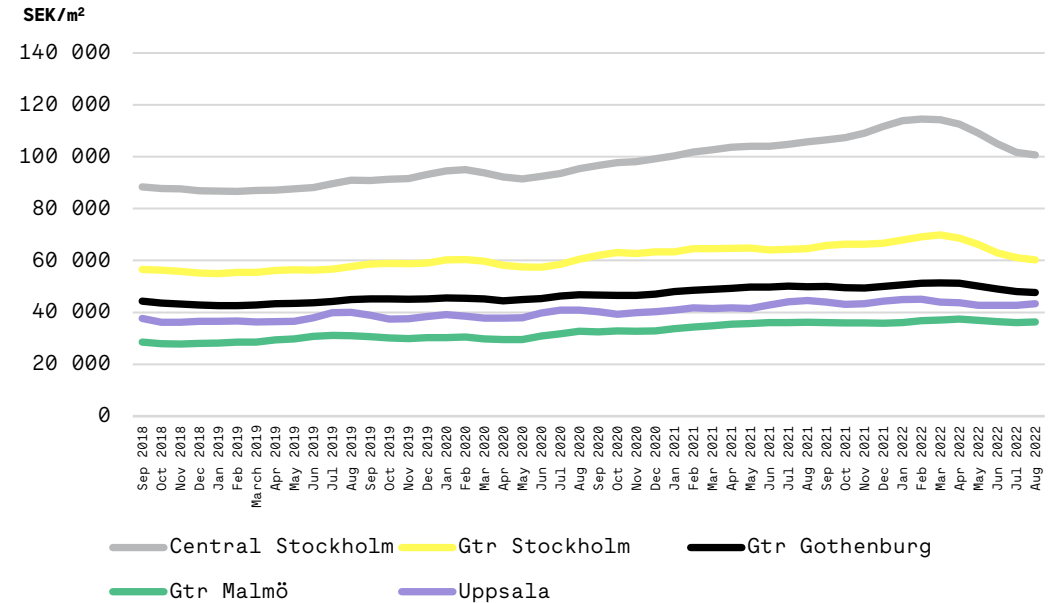


- Diversified customer structure
- The biggest individual customer accounts for 4%
- The ten biggest customers account for 20%
- Average remaining lease term 4.4 years

# Tenant-owned dwelling market.



- Continued decline. Since the spring the market in Stockholm has seen the biggest decrease, by more than 10%.
- Generally cautious market.
- SEB's Housing Price Indicator increased by 2 points in September.
- One completed residential project in Q3 with a profit of SEK 56 million.
- Two tenant-owned dwelling projects in progress.

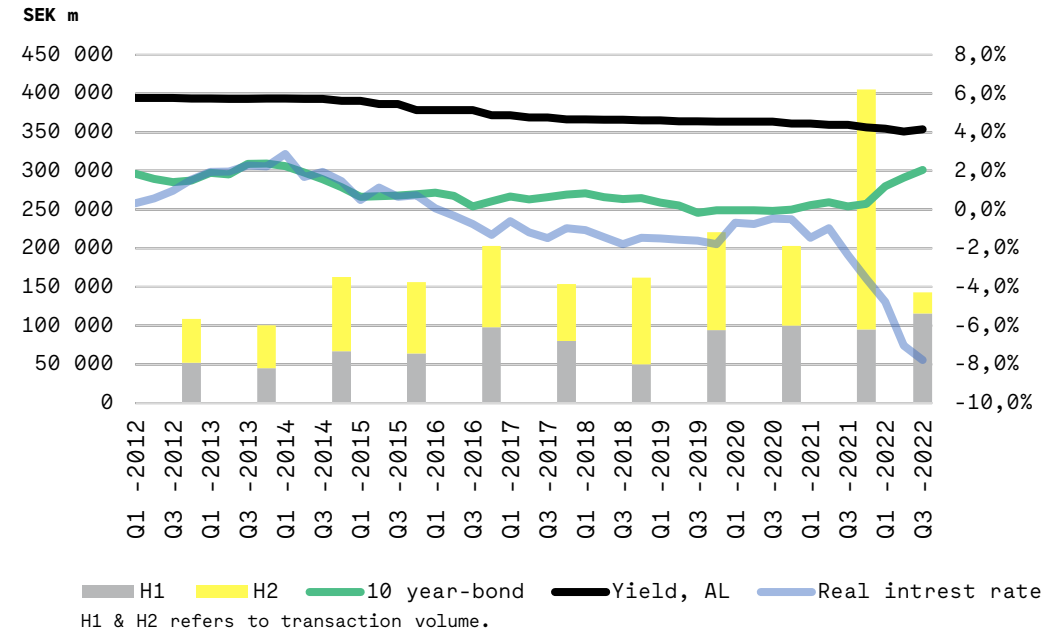




# Transaction market.



- Transaction volume of approximately SEK 140 billion, which is 30% lower than the previous year.
- The yields differ both between 'good' and 'worse' and between different segments.





# Income statement, summary

SEK m	Q3 (isolated)			Q1-Q3 (accumulated)		
	2022	2021	Δ	2022	2021	Δ
Rental income	661	555	106	1 879	1 692	187
Property costs	-216	-167	-49	-616	-540	-77
Operating net	445	388	57	1 262	1 153	110
Gross profit project and construction	49	-11	60	30	114	-84
Central administration	-21	-25	4	-70	-70	0
Leasehold fees	-11	-7	-4	-29	-23	-6
Net interest income	-115	-84	-31	-297	-229	-68
Profit before change in value	347	261	86	897	945	-48
<b>SEK/share</b>	<b>2,75</b>	<b>2,07</b>	<b>33%</b>	<b>7,10</b>	<b>7,45</b>	<b>-5%</b>
Change in value						
- Property	84	461	-377	4 156	1 576	2 580
- Derivatives	91	72	19	1 616	325	1 291
Profit before tax	522	794	-272	6 669	2 846	3 823
Tax	-91	-168	78	-1 364	-529	-836
Profit after tax	432	626	-195	5 305	2 318	2 987

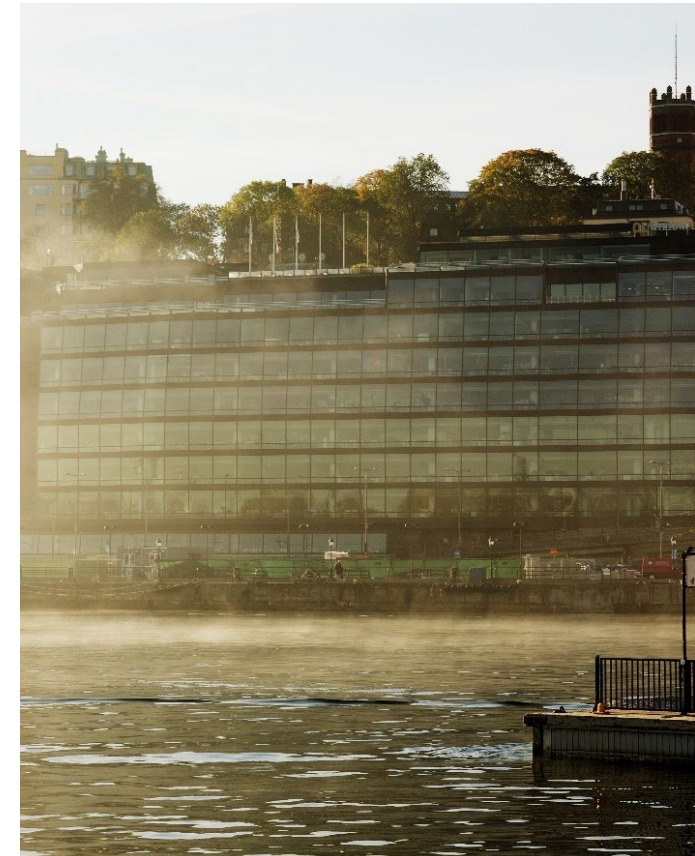
Key performance indicators 2022 (accumulated)	Q3	Q2	Q1
Comparable portfolios, growth			
- Rental income	3,9%	2,3%	2,6%
- Property costs	10,3%	4,6%	4,9%
- Operating net	1,0%	1,3%	1,3%
- Operating net, growth	9,5%	7,0%	3,7%
Change in value and project return	7,5%	7,4%	2,6%
Average interest	2,0%	2,0%	1,8%
Closing interest	2,1%	1,9%	1,7%
Interest coverage rating, R12	4,3	4,4	5,1
Net debt to EBITDA	16,0	17,2	15,2
SEK/share			
- Profit before change in value	7,10	4,35	2,23
- Growth	-5,0%	-19,0%	-9,0%
- Profit after tax	42,02	38,58	14,81
- Growth	130%	190%	241%

# Development of operating net first six months.

SEK m	Rental income			Property costs			Operating net		
	2022	2021		2022	2021		2022	2021	
Comparable portfolios	1 632	1 571	3,9%	-529	-480	10,3%	1 103	1 092	1,0%
Non-recurring payments	13	5					13	5	
Completed projects	130	10		-44	-14		86	-4	
Ongoing projects	40	65		-25	-32		15	33	
Acquisitions	63	0		-18	0		45	0	
Sales	1	40		0	-15		1	26	
<b>Total</b>	<b>1 879</b>	<b>1 692</b>	<b>11,0%</b>	<b>-616</b>	<b>-540</b>	<b>14,1%</b>	<b>1 262</b>	<b>1 153</b>	<b>9,5%</b>

- Rental income, comparable portfolios, increased from 2.3% to 3.9% as a result of higher cost allocation and decrease in vacancies.
- Property costs, comparable portfolios, increased by approx. SEK 50 million, or 10%, half of which is for electricity/cooling and SEK 15 million for property tax. SEK 35 million of the SEK 40 million increase in costs was re-invoiced to customers.

- Completed projects: Life City and Bas Barkarby this year, and Tapetfabriken, Sickla Galleria and Gränby last year.
- Acquisitions: Palmfelt Center and Blästern 15 in Q2 this year.
- Sales: Sicklaön 87:1 this year and Kolding 3 & 4 in Kista last year.





# Balance sheet.

SEK m	2022-09-30	2021-06-30	2021-12-31
Investment properties	59 581	48 258	50 335
Development properties	1 194	1 176	1 254
Goodwill	165	165	165
Derivatives	1 672	105	138
Right-of-use assets	1 277	1 025	1 025
Other assets	485	653	649
Cash and cash equivalents	319	801	719
<b>Total</b>	<b>64 692</b>	<b>52 183</b>	<b>54 285</b>
Equity	30 160	24 124	25 541
Deferred tax liabilities	6 887	5 190	5 621
Interest-bearing loans	25 098	20 293	20 561
<i>Loan-to-value ratio</i>	<i>41,3%</i>	<i>41,1%</i>	<i>39,9%</i>
Derivatives	110	324	238
Financial leases	1 277	1 025	1 025
Other non-interest-bearing liabilities	1 162	1 228	1 299
<b>Total</b>	<b>64 692</b>	<b>52 183</b>	<b>54 285</b>

Key performance indicators 2022 (accumulated)	Q3	Q2	Q1
Property value SEK/m <sup>2</sup>	60 076	59 871	43 926
Yield	4,1%	4,0%	4,2%
Investments in held properties	1 641	982	463
Acquisitions	3 729	3 728	0
Sales	-396	-65	0
Net investment	4 974	4 645	463
<i>Ditto % of portfolio value opening value</i>	<i>10%</i>	<i>9%</i>	<i>1%</i>
Loan-to-value ratio	41,3%	41,6%	40,3%
Net debt to EBITDA	16,0	17,2	15,2
Loan-to-maturity	4,4	4,6	4,6
Interest rate duration	4,2	4,1	4,6
Proportion variable	20%	27%	23%
Long-term net asset value SEK/share	280	277	252
Growth adjusted for dividend	16%	15%	5%
Share price SEK/share	137,50	134,00	192,50

# Valuation and unrealised changes in values.

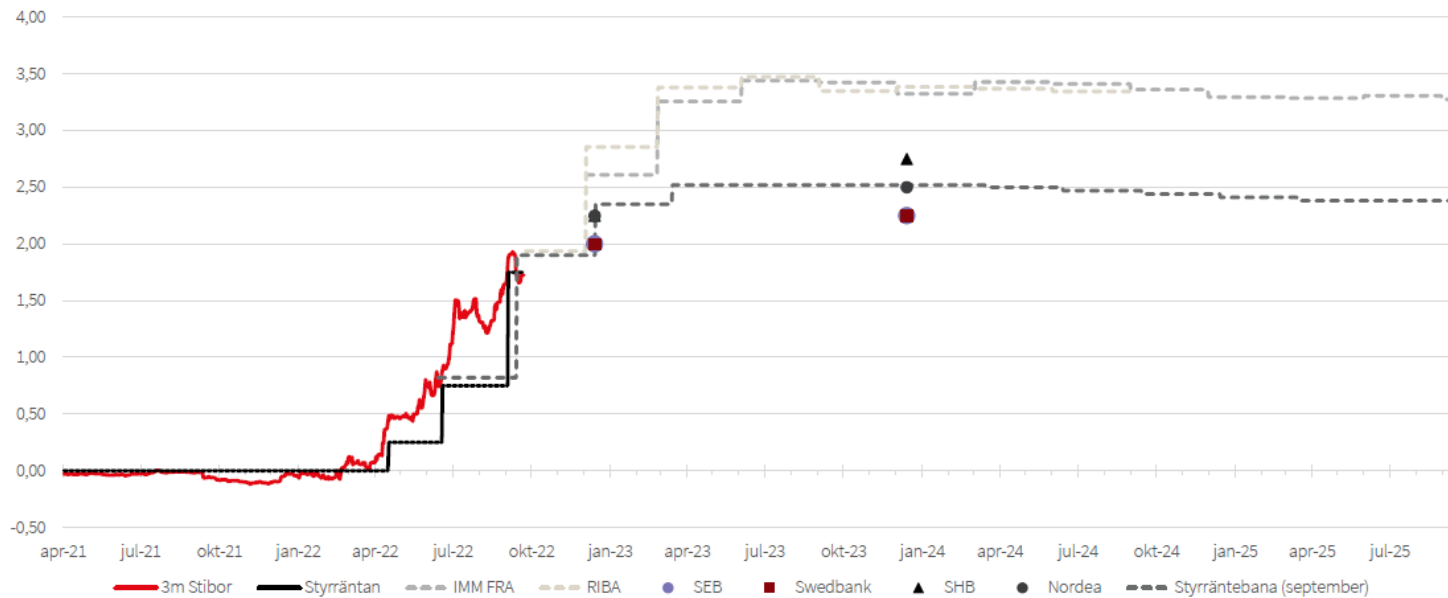
	2022 Jan-Sep	2021 Jan-Sep
Changes in the value of properties, SEK m		
Yield requirement	130	478
Cash flow, etc.	2,420	347
Project returns	1,412	767
Acquisitions	176	0
<b>Unrealised change in value</b>	<b>4,138</b>	<b>1,592</b>
<i>Ditto in %</i>	<i>7.5%</i>	<i>3.4%</i>
Realised change in value	18	-16
<b>Total changes in value</b>	<b>4,156</b>	<b>1,576</b>
<i>Ditto in %</i>	<i>7.5%</i>	<i>3.4%</i>

- Change in value of 7.5%, with the majority in the first six months (7.4%)
- Cash flow Q3 (isolated) - increase in value approx. SEK 1.2 billion;
- Change in index assumption (50%), time (30%) and lettings, as well as renegotiations (20%)
- Higher index assumption for 2023 from 5% in Q2 to 7% using external valuation assumptions
- Yield requirement Q3 - reduction in value of approx. SEK -1.2 billion;
- Increase in average weighted yield requirement of approx. 11 bp. Variation between different segments and locations



# Interest rate and credit market.

Market pricing short interest rates



- Volatile interest rate environment
- The market has a different view to the Riksbank on future hikes and has priced in higher increases
- ‘Closed’ bond market continues with significant margin development
- ‘Weak’ commercial paper market, but higher volume
- Slightly higher credit margins in banks

# Financing.

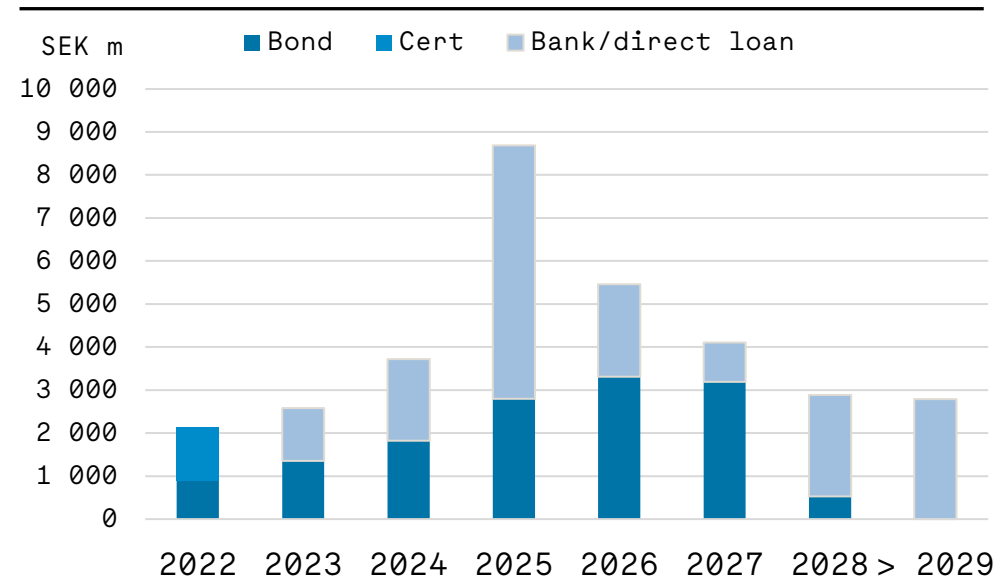
Interest coverage ratio	Debt ratio	Loan-to-value ratio	Loan-to-maturity	Interest rate duration	Proportion variable rate	Available liquidity
4.3 times	16 times	41.3 %	4.4 years	4.2 years	20 %	SEK 7.9 billion

## Interest rate duration, SEK million

Duration	Volume	Percentage, %	Average interest, % <sup>1)</sup>
2022	4,969	20	1.9
2023	0	-	0.0
2024	1,025	4	1.8
2025	2,249	9	2.2
2026	2,704	11	1.6
>2026	14,150	56	2.3
<b>Total</b>	<b>25,098</b>	<b>100</b>	<b>2.1</b>

<sup>1)</sup> The average credit margin for floating interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

## Credit maturity





Project  
portfolio.  
2022.





# Completed projects



Brf Konstharts, Nobelberget  
6,650 m<sup>2</sup> total GFA



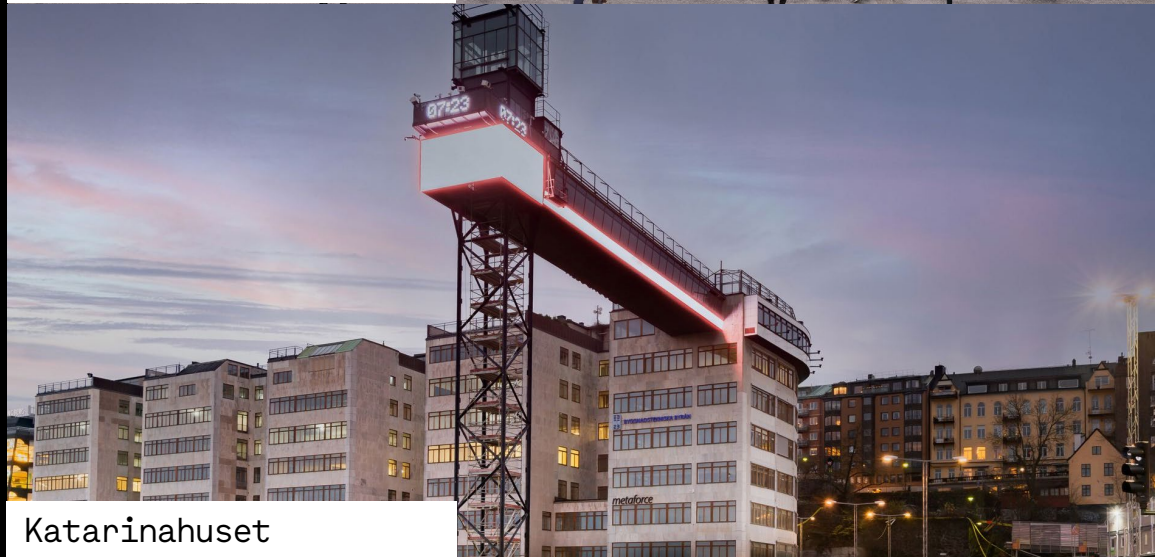
# Ongoing projects.



Stationskvarteret



Blästern 11



Katarinahuset



Brf Kulturtrappan, Nobelberget



# Planned projects: HAGASTADEN.



- Development agreements: Stanford, Cambridge, Pisa
- Two tenant-owned dwelling buildings (Stanford and Cambridge), approx. 440 apartments, 37,000 m<sup>2</sup> GFA
- One office building (Pisa), approx. 26,000 m<sup>2</sup> GFA
- Garage approx. 285 parking spaces
- Total investment approx. SEK 5 billion
- Construction of garage starts autumn 2022







## Sickla

The idea-driven city – from industry to vibrant city district.

MORE THAN 250,000 M<sup>2</sup>  
INVESTMENT SEK 12 BILLION



## Slakthus-området

Stockholm's new meeting place for food, culture and experiences.

MORE THAN 200,000 M<sup>2</sup>  
INVESTMENT SEK 10 BILLION



## Hagastaden

Ultra-urban city with its sights on the world.

MORE THAN 130,000 M<sup>2</sup>  
INVESTMENT SEK 7 BILLION



## Slussen

Where the whole city meets. From interchange to meeting place.

MORE THAN 50,000 M<sup>2</sup>  
INVESTMENT SEK 2 BILLION

New thinking  
is needed in  
challenging  
times.





# Thank you!



**ATRIUM  
LJUNGBERG**