

# Atrium Ljungberg Interim Report / Q2 2023

# Q2



# Overview

Healthy profit from property management despite current challenges in the world.

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PROPERTY PORTFOLIO  
**80% Stockholm**  
 10% Uppsala, 5% Gothenburg,  
 5% Malmö

**63% Offices**

21% Retail, 3% Residential,  
 13% Projects

2



RENTAL MARKET  
**SEKm 25 / SEKm 23**  
 Net letting Q2

**SEKm 36 / SEKm 31**  
 Net letting Q1-Q2

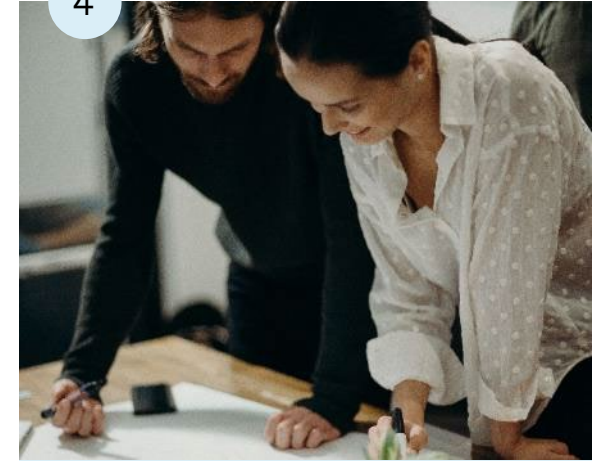
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EARNINGS  
**+24% Q2**  
**+20% Q1-Q2**  
 Profit from property  
 management

**+15%**  
 Net operating  
 income – like for like

4



PROJECTS  
**SEK 7 billion**  
 In ongoing projects

**66% let**  
 For those completed  
 in 2023 and 2024

# Property portfolio – City of Our Dreams

Property and project portfolio concentrated primarily on four areas in Stockholm – Hagastaden, Slussen, Slakthusområdet and Sickla. All areas with an existing or future underground station.



Glashuset, Slussen



Katarinhuset, Slussen



Söderhallarna, Södermalm



Life City, Hagastaden



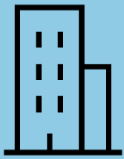
Tapetfabriken, Sickla



Börshuset, Slakthusområdet

# Rental and residential market

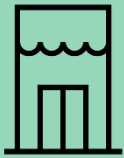
Strong future locations for offices – Slakthusområdet, Slussen and Hagastaden appear among the top locations.



## OFFICES

Demand remains high for offices in great locations.

- Locations inside the congestion charge zones still generate the most interest – Hagastaden and Slussen.
- Customers focusing heavily on costs – risk of smaller spaces and more flexible solutions.
- A house – broadens offer to customers.



## RETAIL

Sales higher than last year, while the number of visitors continues to increase and is higher than before Covid-19.

- Higher sales, but differences between the segments – the mix at the retail hub determines its ‘resilience’.
- In the second quarter the number of visitors continued to increase and was higher than before Covid-19.
- Humble about the impact that tougher times can have on retail.



## TENANT-OWNED DWELLINGS

The Swedish residential market saw a cautiously positive start to the year.

- Prices stabilised during the spring.
- Number of apartments sold remained low on both the succession and new-build markets.
- Greater interest in small tenant-owned dwellings in particular.
- Our project in Uppsala, Parkhusen Kv 2, was completed, with profit recognised for the equivalent of 54% apartments taken into possession.

# Most significant lettings and renegotiations

The three most significant lettings in this quarter were in Hagastaden, Sickla and Kista. Ericsson in Gothenburg was renegotiated.



## Ericsson

Lindholmen, Gothenburg,  
37,000 sq.m.

RENEGOTIATION



## MTR Nordic

Mineralvattenfabriken,  
Hagastaden, 2,500 sq.m.  
Kista Nod, 1,300 sq.m.

LETTING



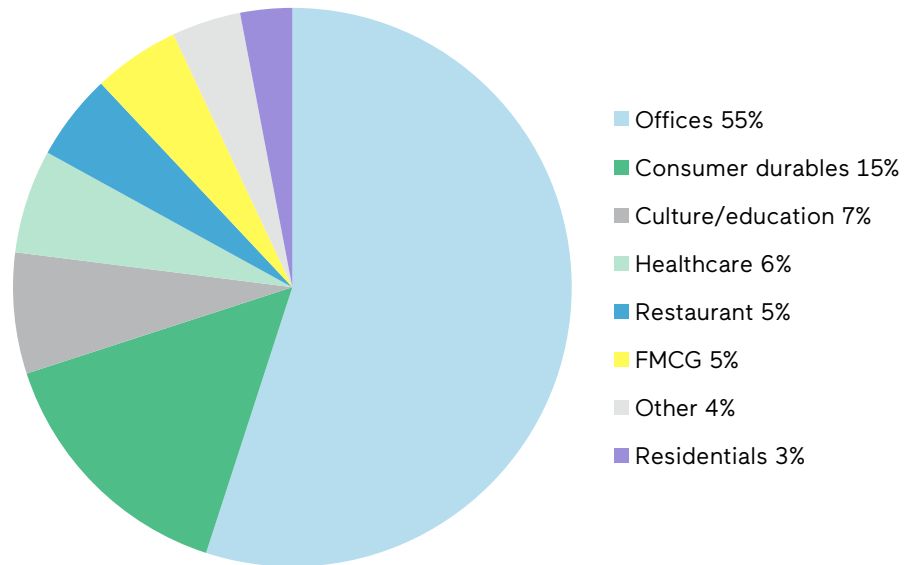
## Solar

Mineralvattenfabriken,  
Hagastaden, 950 sq.m.

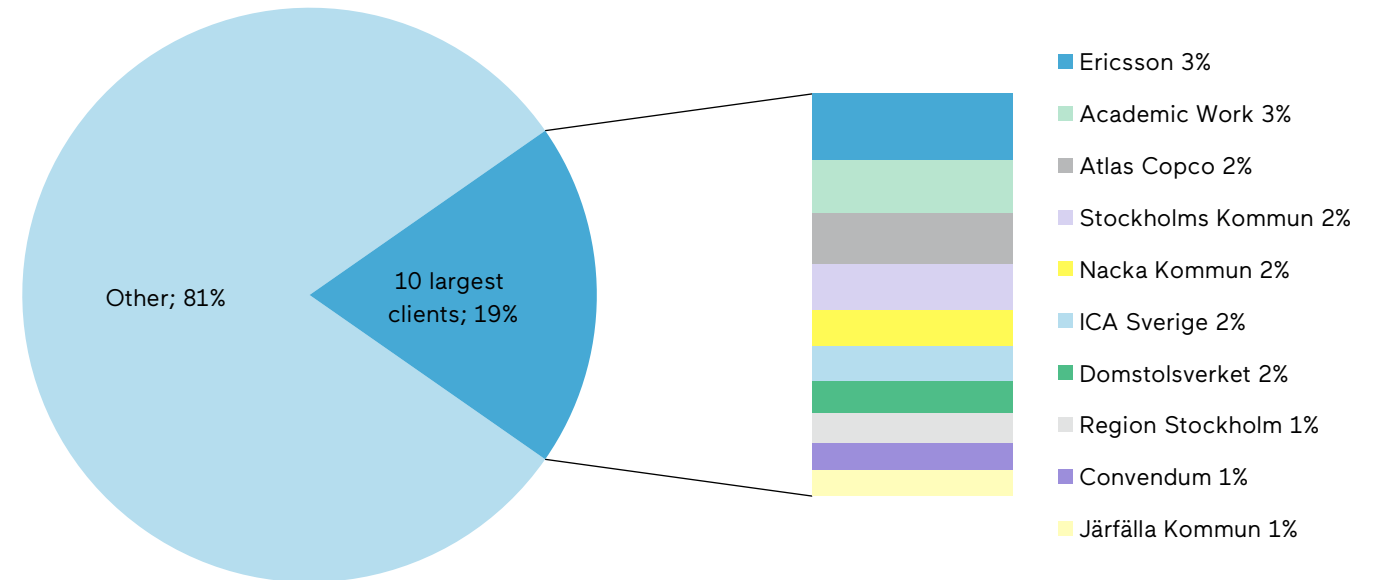
LETTING

# Q2

# Stable customer base and inflation-protected contract portfolio



— Average remaining lease term 4.6 years



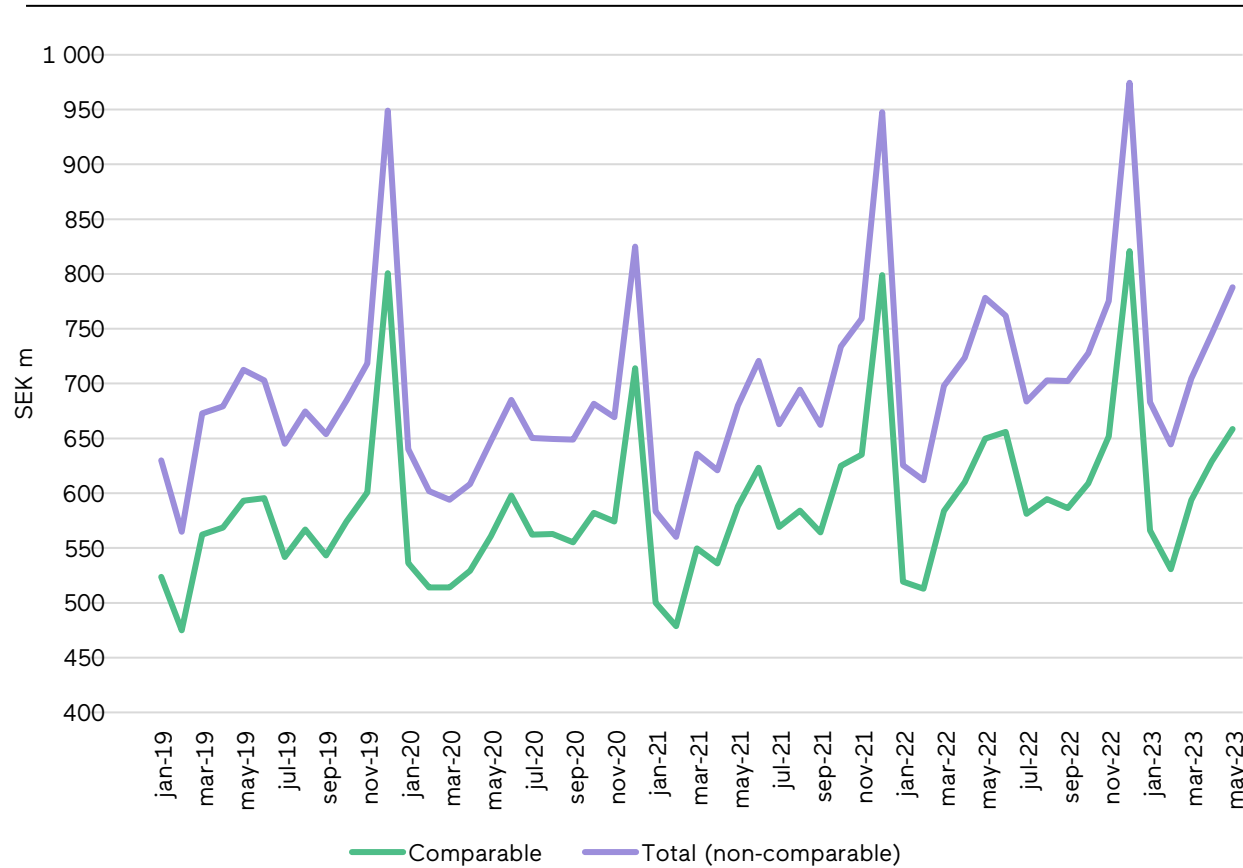
— Diversified customer structure

— The ten biggest customers account for 19%

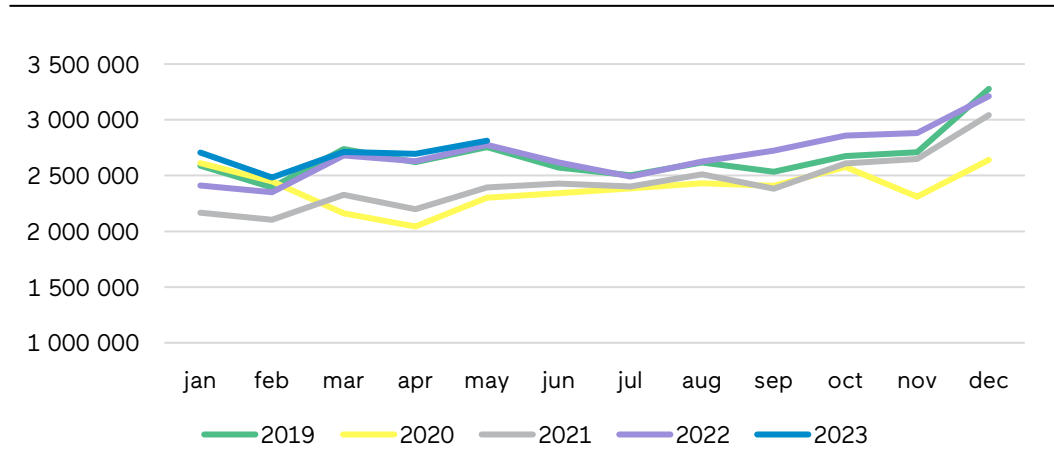
# Retail

The mix at our retail hubs makes us resilient during a recession.

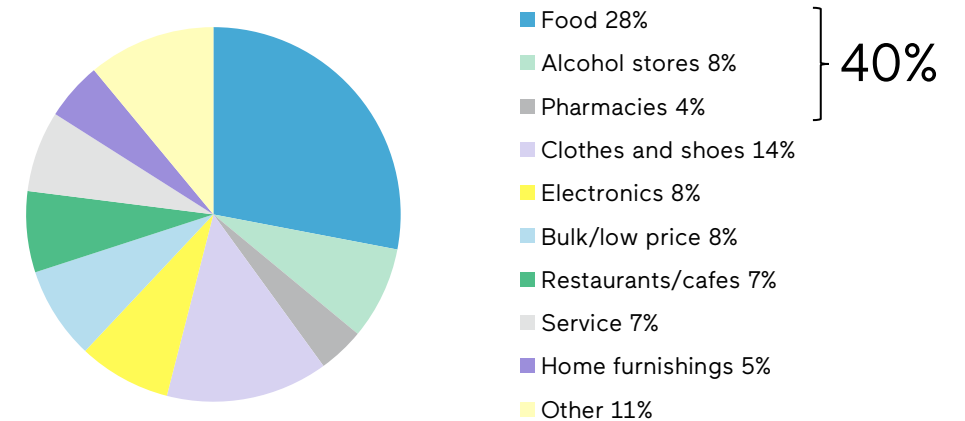
Sales per month 2019-2023



Visitors per month to our retail hubs



Our retail hubs - overview



# Key performance indicators

Underlying earnings remain strong, while property values are falling.



## PROFIT FROM PROPERTY MANAGEMENT

**+24%** growth Q2 (isolated)  
SEKm 332, or SEK 2.63 per share  
**+20%** growth in the first six months  
SEKm 658, or SEK 5.22 per share



## OPERATING SURPLUS

**+15%** growth in comparable portfolios excluding non-recurring payments, both the quarter in isolation and the first six months



## CHANGES IN VALUE

**-1.0%** continued reduction in value, or SEKm -588, which makes -1.7%, or SEKm -989, for the first six months



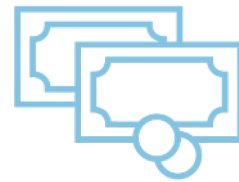
## NET ASSET VALUE

**SEK 264 per share**  
or -1.3% adjusted for dividend



## FINANCIAL RISK

**41.8%** Loan-to-value ratio  
**3.6** Interest coverage ratio  
**12.7** Net debt to EBITDA



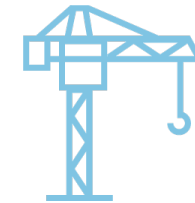
## FINANCING

**SEK 8 billion**  
in unutilised credit facilities



## NET LETTING

**SEKm 98** newly signed  
**SEKm 62** terminated  
**SEKm 5** terminated by us for our projects



## PROJECTS

**SEK 7.2 billion**  
in ongoing projects: approx.  
SEK 4.6 billion remains



# Growth in rental income

Strong growth in like for like.

Comparable portfolios +12.2%

NOI growth +15.0%



OFFICES  
+12.8%



RETAIL  
+11.8%



RESIDENTIALS  
+7.9%



Index: +6.8%

Lower vacancies and renegotiations: +3.8%

Cost allocation: +1.6%



NOBELBERGET, SICKLA

## Rental growth projects

The project portfolio continues to deliver rental growth – primarily Life City and Bas Barkarby.

Vacancies of Söderhallarna and Blästern 11, paving the way for future projects, resulted in lower rental income of approx. SEKm 18. Katarinahuset had SEKm 13 in rental income, most of which arose in Q2.



### LIFE CITY

An office property in Hagastaden measuring approx. 28,000 m<sup>2</sup>, which was completed in the second quarter of 2022.

Let at 95%



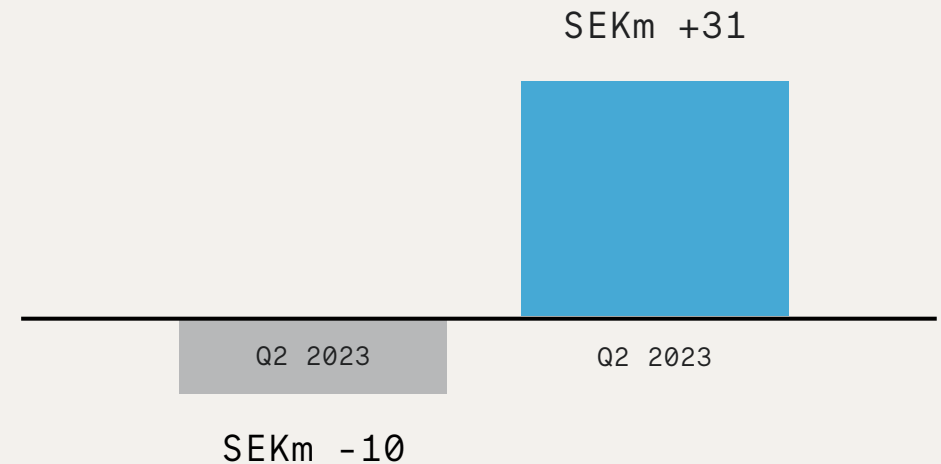
### BAS BARKARBY

Office/school/healthcare property measuring approx. 24,000 m<sup>2</sup> in Järfälla, which was completed in the second quarter of 2022.

Let at 90%



Completed projects contributed to rental growth of SEK 31 million



■ Ongoing projects  
■ Completed projects

# Rental growth transactions

The portfolio is being refined through the sale of a solitary property in the city and the acquisition of two properties in our areas: Hagastaden and Slakthusområdet.



SKOTTEN 6  
13,500 m<sup>2</sup>. Sales Q1 2023



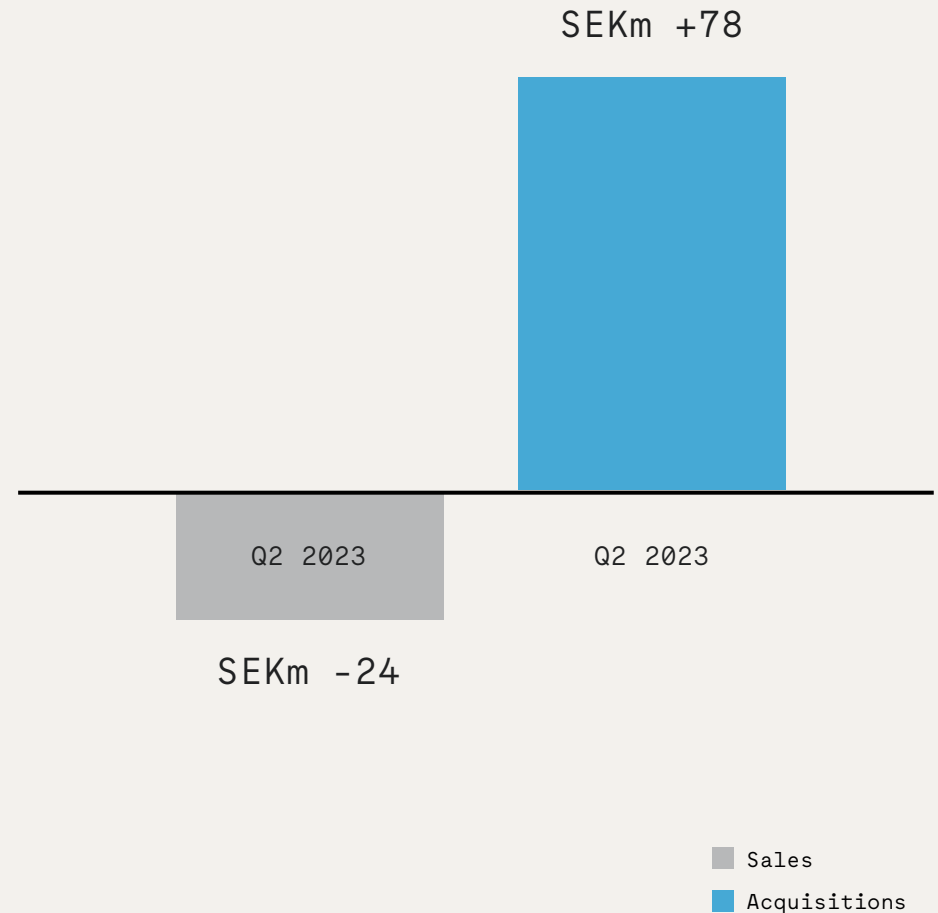
PALMFELT CENTER  
30,500 m<sup>2</sup>. Acquisitions Q2 2022



BLÄSTERN 15  
21,300 m<sup>2</sup>. Acquisitions Q2 2022



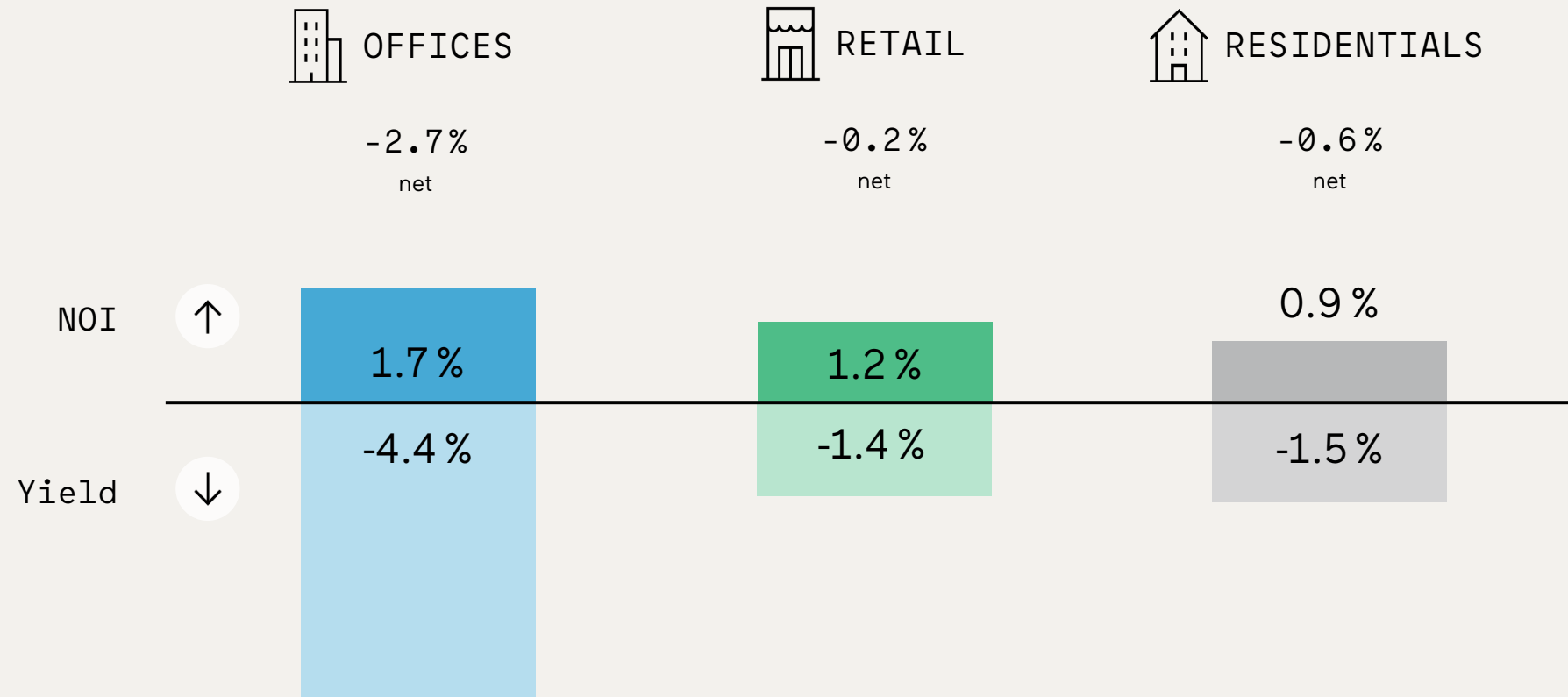
The refinement of the portfolio produces rental growth



■ Sales  
■ Acquisitions

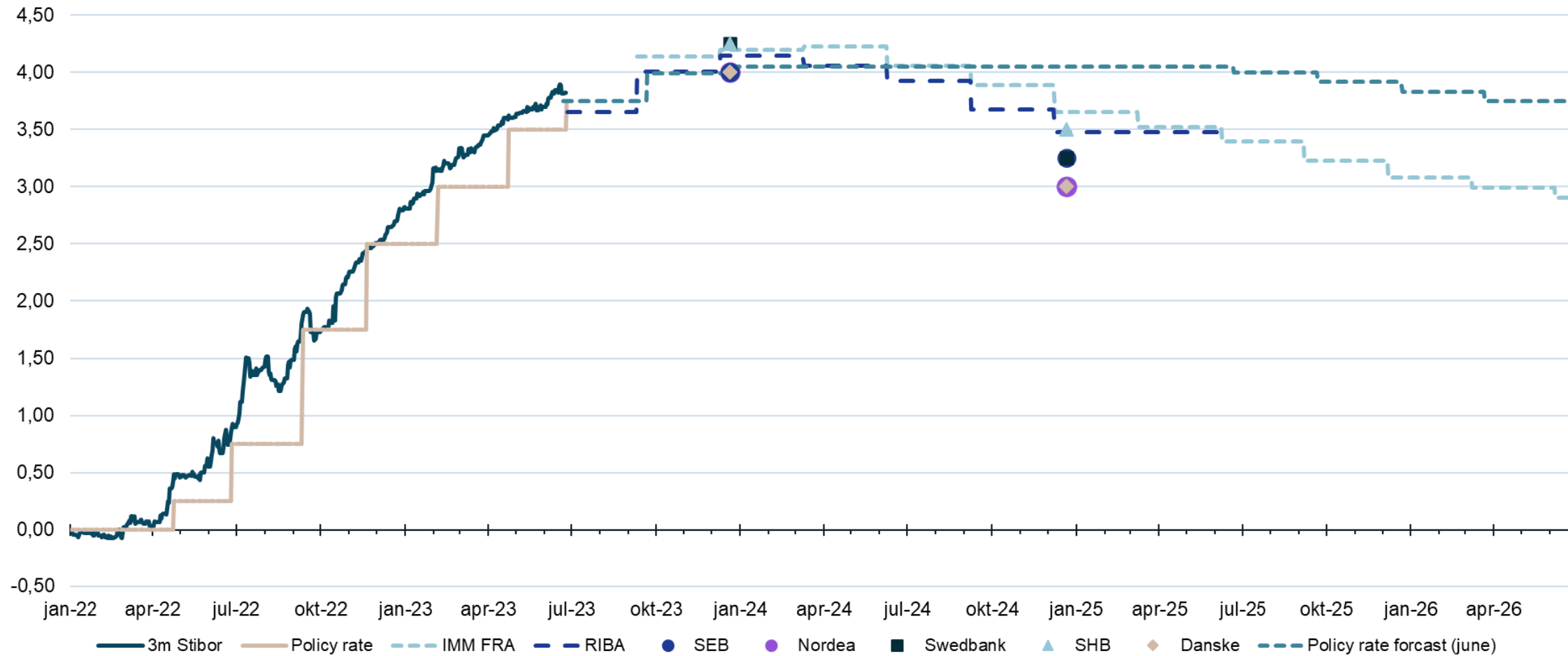
## Changes in value

Continual rise in yield requirements was partly offset by higher net operating income (NOI), mostly linked to letting, durations and a higher index for 2024 (from 4% to 6%).



# Interest rate and credit market

Market interest rates continue to rise.



# Financing

Strong earnings contribute to a continued improvement in the debt ratio.

INTEREST COVERAGE RATING



3.6 times

NET DEBT TO EBITDA



12.7 times

LOAN-TO-VALUE



41.8%

CAPITAL DURATION



3.9 yrs

INTEREST RATE DURATION



3.8 yrs

PROPORTION AT A VARIABLE RATE



13%

AVAILABLE LIQUIDITY



SEK 8 bn

RATING, Moody's with negative outlook

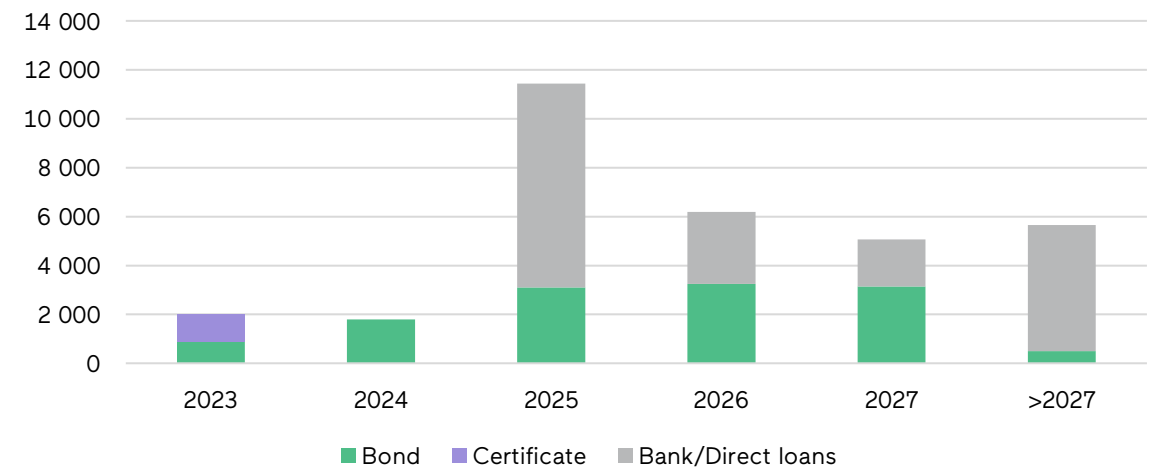


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## Interest rate duration

Duration	Volume SEK m	Percentage, %	Average Interest rate, % <sup>1)</sup>
2023	3 318	13	2.6
2024	2 499	10	0.0
2025	1 750	8	2.4
2026	2 704	11	1.9
2027	4 050	16	2.7
>2027	10 401	42	2.6
<b>Total</b>	<b>24 722</b>	<b>100</b>	<b>2.3</b>

## Credit maturity, SEK m



# Ongoing projects

Ongoing project portfolio amounts to approx. SEK 7.2 billion; approx. SEK 4.6 billion remains to be invested. The projects are concentrated primarily on our four development areas in Stockholm – Hagastaden, Slakthusområdet, Slussen and Sickla.

The projects that will be completed in 2023 and 2024, 66% have been let.

Campus Sickla – a new project.

Katarinahuset – building permit approved.

Project return of SEK 2.0 billion, or approx. 30%, of which SEK 0,7 million has been recognised.



# Our largest development projects

We are developing the City of Our Dreams – potential future investments of approx. SEK 40 billion in land already owned or land allocations obtained.



## SICKLA

From industry to a vibrant city district.

Area: 250,000 sq.m.  
Investment: SEK 14 billion



## SLAKTHUSOMRÅDET

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

Area: 200,000 sq.m.  
Investment: SEK 11 billion



## HAGASTADEN

Ultra-urban city with an international metropolitan vibe.

Area: 100,000 sq.m.  
Investment: SEK 7 billion



## SLUSSEN

Where the whole city meets. From road junction to meeting place.

Area: 55,000 sq.m.  
Investment: SEK 2 billion





Atrium Ljungberg  
Interim Report  
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Q2

## Income Statement Q2, summary

SEK m	2023 Q2	2022 Q2	Comments	2023 Q1-Q2	2022 Q1-Q2	Comments
Rental income	699	619	Like for like 12.6%	1,411	1,218	Like for like +12.2%
Property costs	-200	-191	Like for like 6.7%	-424	-400	Like for like +5.8%
Operating net	498	427	Like for like 15.1%	987	818	Like for like +15.0%
Project and construction	2	-13		1	-19	
Central administration	-23	-27		-41	-49	
Leasehold fees	-11	-9		-21	-18	
Net financial items	-134	-110		-268	-182	
Profit from property management	332	268	SEK 2.63/share +24% growth	658	550	SEK 5.22/share +20% growth
Change in value:						
Properties	-596	2,753		-1,004	4,072	
Profit properties tenant-owned dwellings	27	-		30	-	
Goodwill	-	-		-24	-	
Derivatives	88	686		-164	1,525	
Tax	2	-705		64	-1,273	
Profit after tax	-148	3,003		-440	4,873	

## Balance sheet, summary

SEK m	2023 jun		2022 dec		Comments
Investment properties	56,500	56,661 SEK/sq.m.	58,596	58,931 SEK/sq.m.	4.6% Valuation yield (4.4)
Development properties	1,554		1,409		
Derivatives	1,423		1,572		
Other assets	2,337		1,941		
Cash and cash equivalents	434		380		
Sum	62,248		63,898		
Shareholders' equity	28,034		29,141		Long-term net asset value SEK 264/share (271)
Deferred tax	6,276		6,661		
Interest-bearing loans	24,722	41.8% loan-to-value	25,389	41.7% loan-to-value	3.9 years capital duration (4.4)
Financial leases	1,264		1,277		
Derivatives	265		59		
Other non-interest bearing liabilities	1,687		1,371		
Sum	62,248		63,898		