

# FINANCING

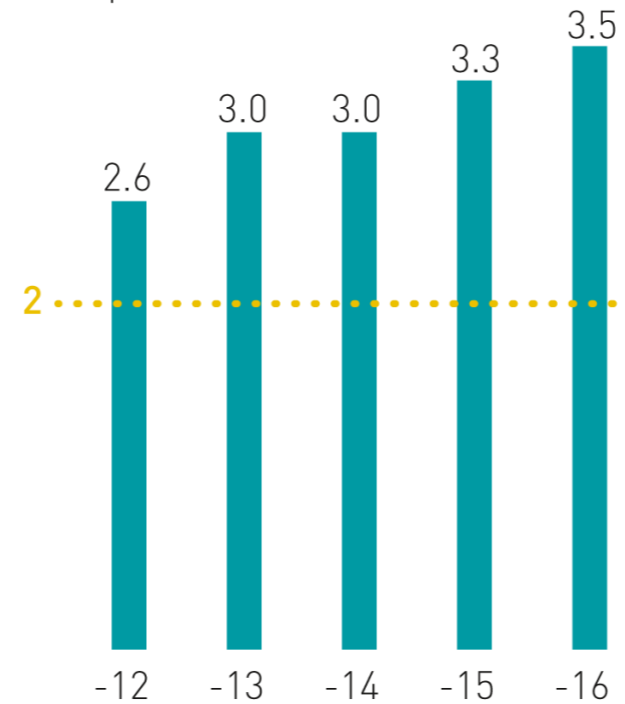


# Long-term financial stability

- Interest coverage ratio > Multiple of 3.5
- Gearing ratio 41.9%
- Equity/assets ratio 43.7%

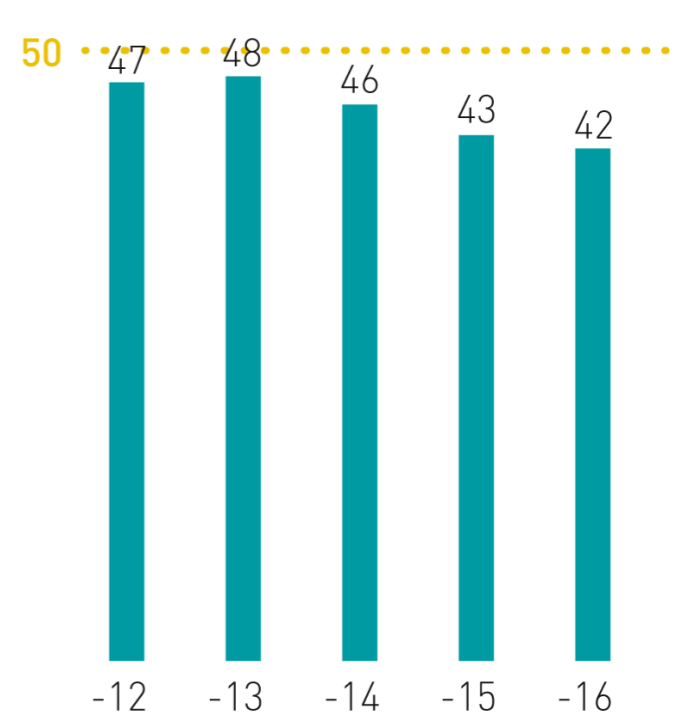
Interest coverage ratio

multiple



Gearing ratio

%



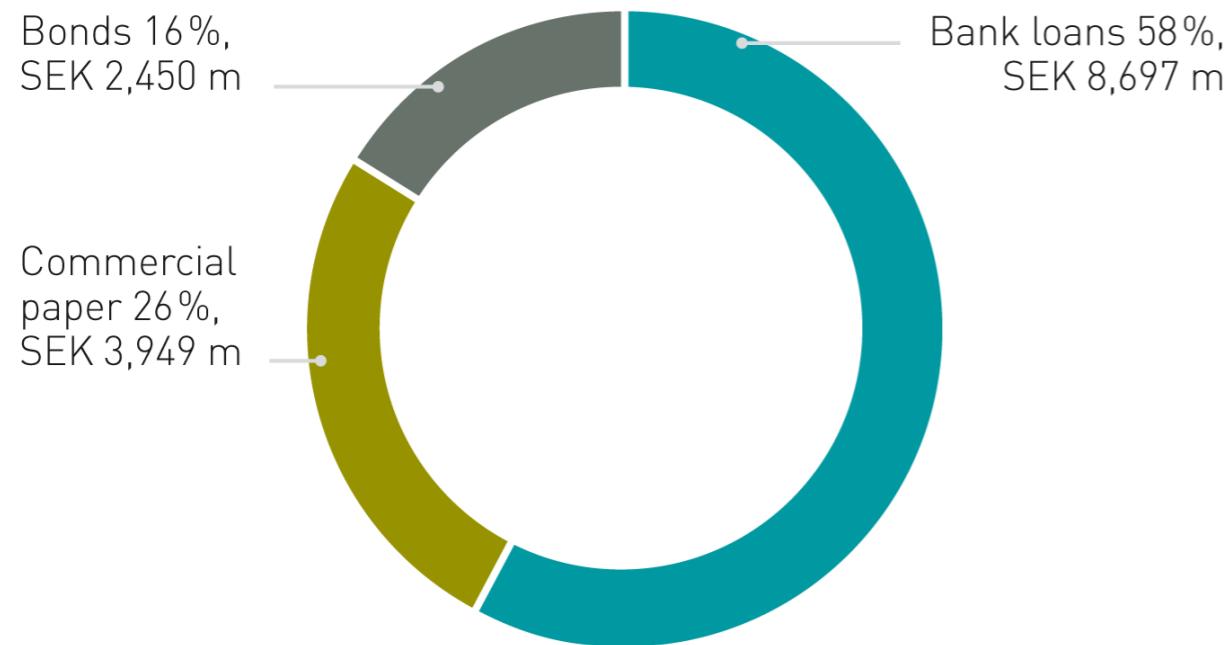
# Financing 2016

- Increase commercial papers from SEK 2.3 billion to SEK 3.9 billion
- Higher framework certification programme from SEK 3 billion to SEK 5 billion
- 3 issues under the MTN programme, total SEK 1.3 billion
  - SEK - 500 million, 2 years +115, April
  - SEK - 400 million, 3 years +125, June
  - SEK - 400 million, 2 years +88, September
- New financing: SEK 1.7 billion
- Refinancing: SEK 4.1 billion

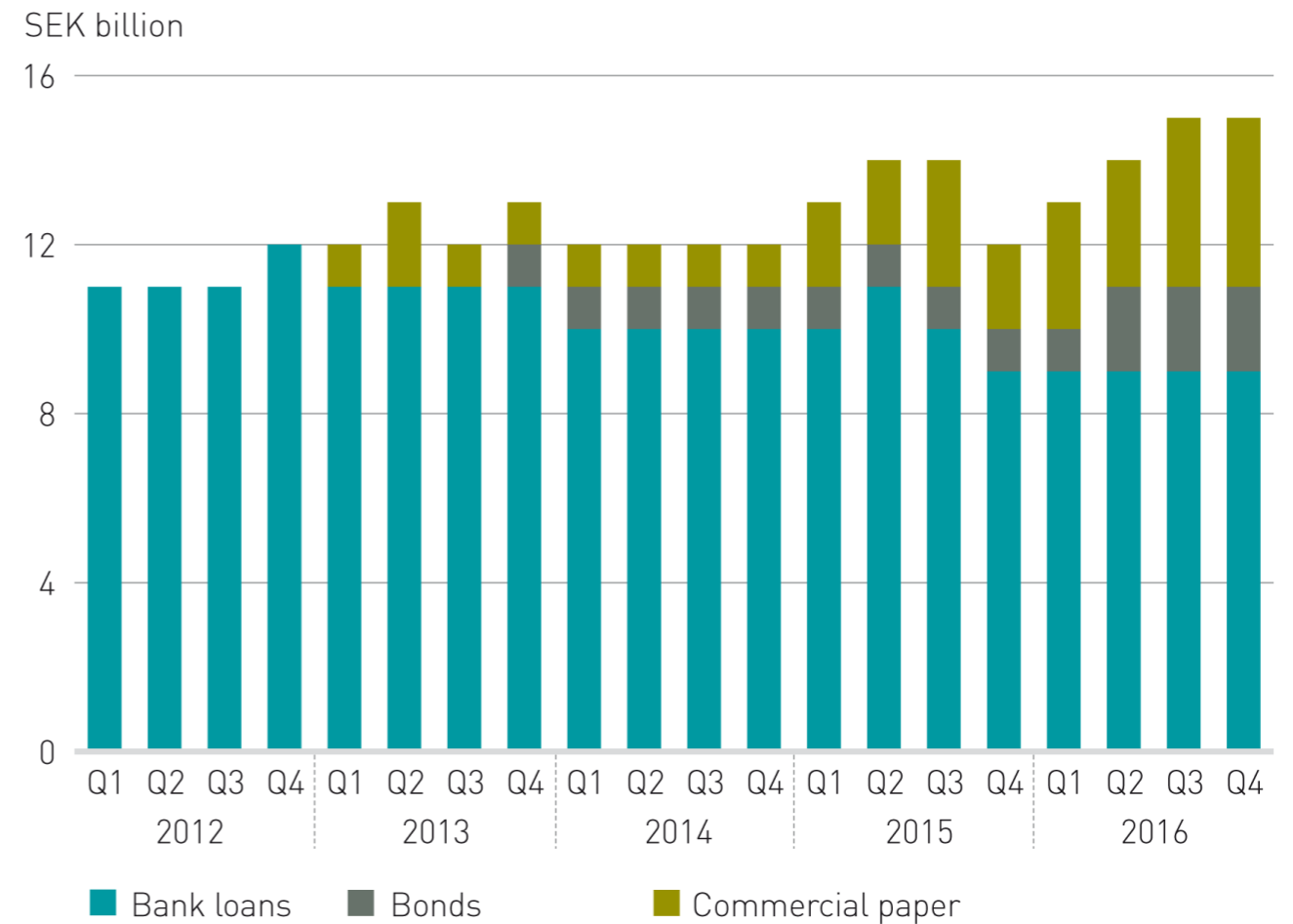


# Increased share of financing through the capital market

- Total loans SEK 15.1 billion
- 42% through the capital market

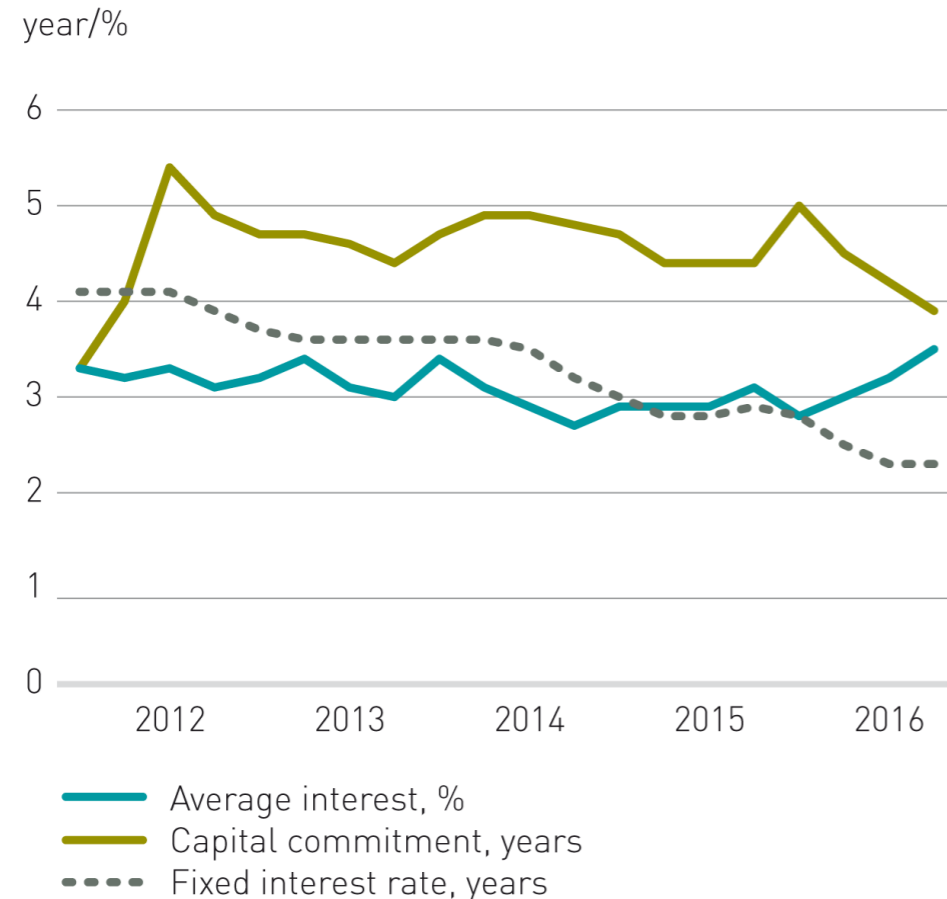


## Interest-bearing liabilities



# Continued falling interest and higher capital commitment

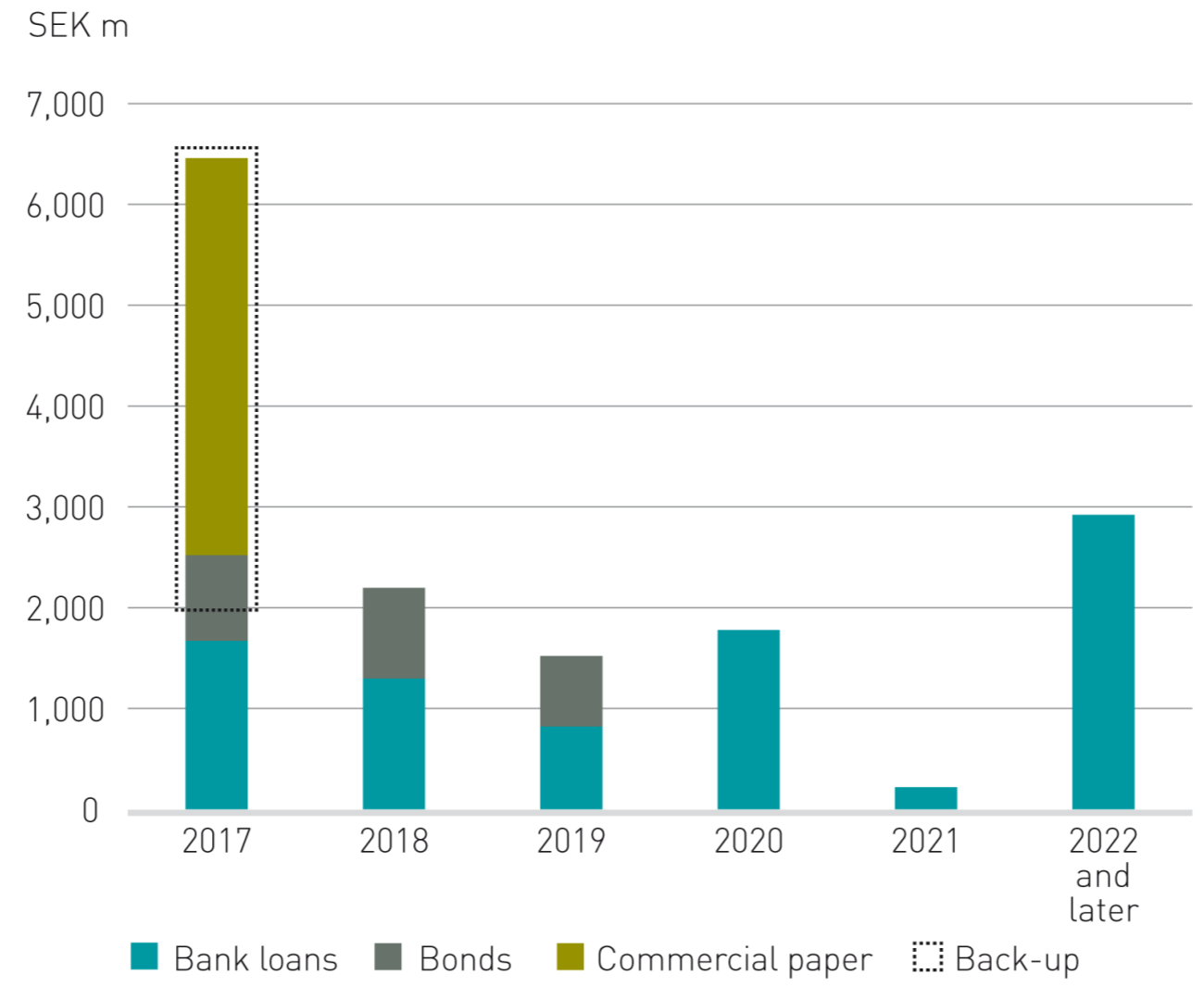
Average interest and capital commitment and fixed interest rate



- Average interest 2.3%
- Average capital commitment 3.5 years
- Average fixed interest 3.9 years

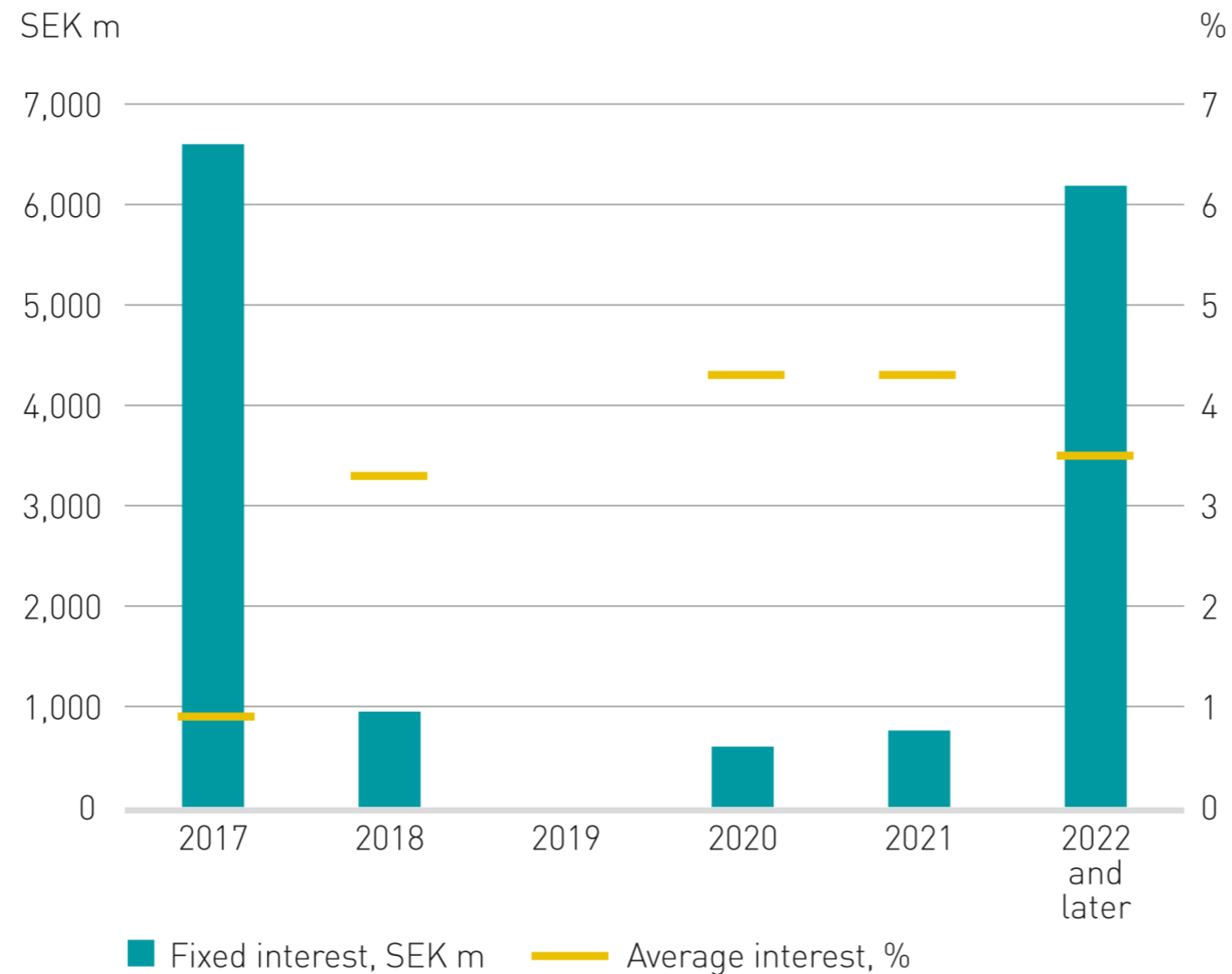
# Commercial papers secured with unutilised credit facility

## Capital commitment

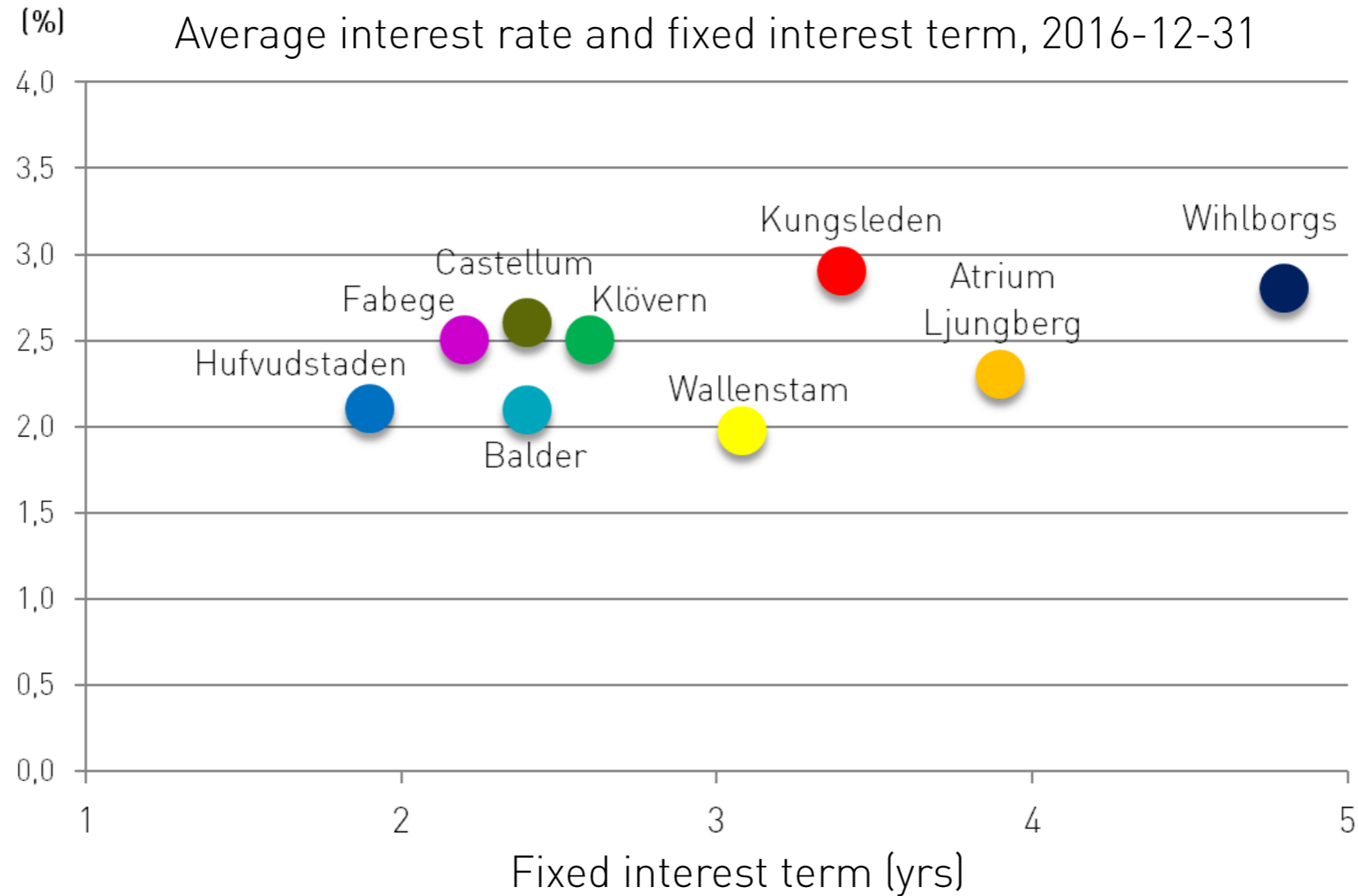


# Long fixed interest but 44% decline in 2017

## Fixed interest



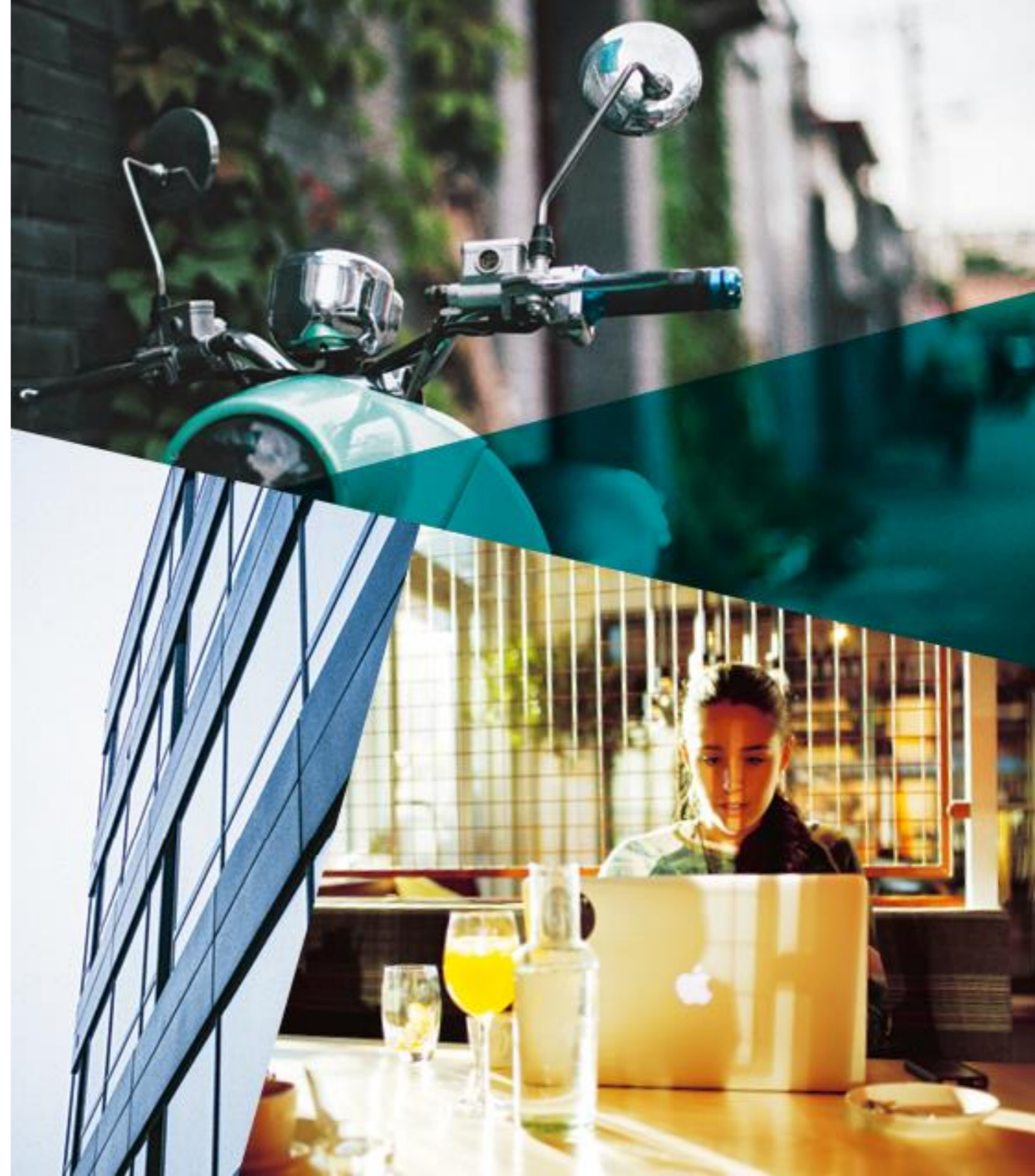
# Long fixed interest at low average interest





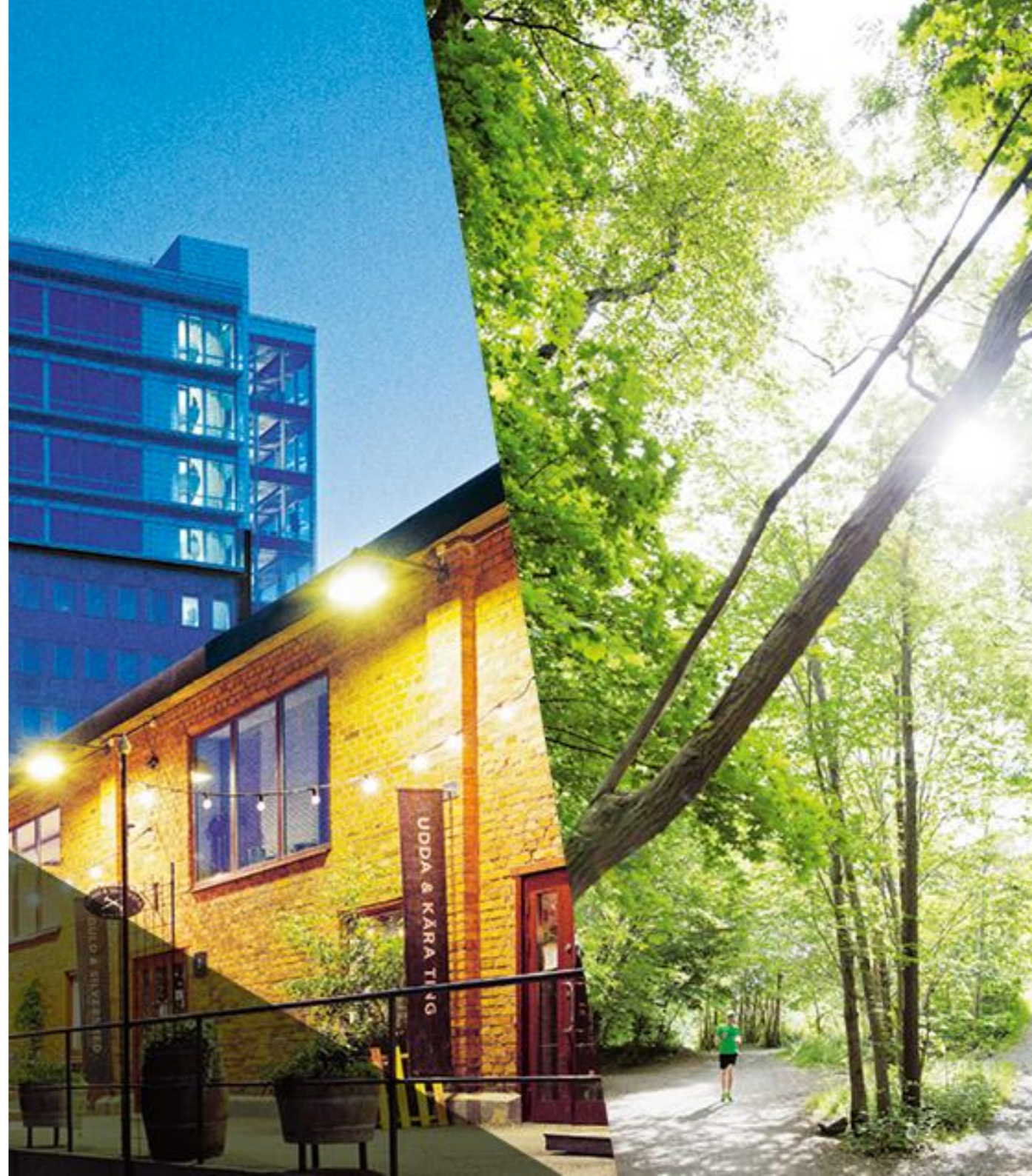
# Sustainability work

- Policies for sustainability, suppliers and tax
- Business ethics
- Whistleblowing system
- Sustainable employees
- Environment and resource utilisation
- Certification BREEAM and Miljöbyggnad



# Green framework introduced

- Green bonds under the MTN programme
- Developed with SEB
- Second opinion Cicero
- Investments which can be financed
  - BREEAM  $\geq$  Very good
  - Green building  $\geq$  Silver
  - Energy-saving project
  - Renewable energy/electric cars
- Reporting



RATING FROM MOODY'S

Baa2 (BBB)

AL  
ATRIUM LJUNGBERG



*"Atrium Ljungberg's Baa2 rating reflects its strong market position and solid portfolio that is concentrated in Stockholm and well positioned for long term growth"*

Ramzi Kattan, a Moody's Vice President

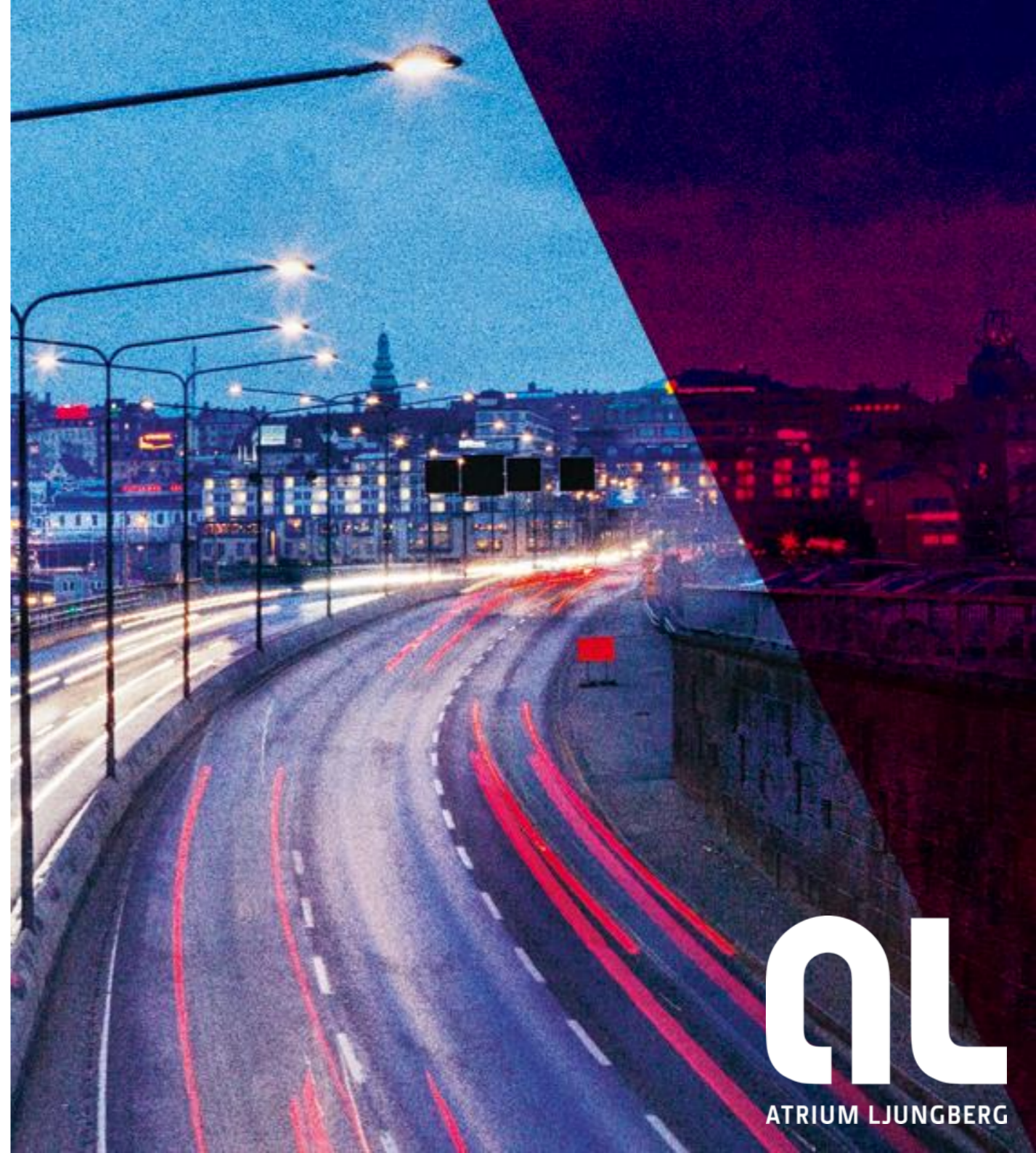
Factor 1: Liquidity and Funding (24.5%)		
	Measure	Score
a) Liquidity Coverage	Ba	Ba
b) Debt Maturities	Caa	Caa
c) FFO Payout	44% - 48%	Aa
d) Amount of Unencumbered Assets	40% - 50%	Ba
Factor 2: Leverage and Capital Structure (30.5%)		
a) Debt / Gross Assets <sup>[3]</sup>	42% - 44%	Baa
b) Net Debt / EBITDA	10x - 11x	Caa
c) Secured Debt / Gross Assets	22% - 24%	Ba
d) Access to Capital	Baa	Baa
Factor 3: Market Position and Asset Quality (22%)		
a) Franchise / Brand Name	A	A
b) Gross Assets(USD Million)	\$4,500 - \$4,700	Baa
c) Diversity: Location / Tenant / Industry / Economic	Baa	Baa
d) Development Pipeline	4.0% - 4.2%	Aa
e) Asset Quality	Baa	Baa
Factor 4: Cash Flows and Earnings (23%)		
a) EBITDA Margin (YTD)	65% - 67%	A
b) EBITDA Margin Volatility	0.5%-1.0%	Aa
c) EBITDA / Fixed Charges (YTD) <sup>[4]</sup>	3.2x - 3.4x	A
d) Joint Venture Exposure (YTD)	0%	Aa
Rating:		
a) Indicated Rating from Grid		Baa2
b) Actual Rating Assigned		Baa2

# Rating

- Strong grades for cash flow and earning
- Good grade market position and properties
- Short financing (certificates) gives a lower grade
- Relatively high borrowing in relation to European peers gives a lower grade

# What will happen in 2017?

- New financing requirement excluding acquisitions: SEK 1.5 billion
- Refinancing: SEK 2.5 billion
- Extended framework MTN programme from SEK 3 billion to SEK 5 billion



# Low financial risk

- Solid financial key ratios
- Rating and green framework on site
- Provides opportunity of favourable financing of upcoming projects



The background of the image is a dark blue night sky filled with numerous out-of-focus, colorful bokeh lights in shades of yellow, orange, red, and blue, suggesting a city skyline at night.

al

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