

# Atrium Ljungberg Year-end report / 2023

Q4



# Overview

Good growth in profit from property management and progress in our projects.

1



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

65% Offices

18% Retail, 3% Residentials,  
14% Projects and land

2



RENTAL MARKET  
SEKm -10/SEKm -17  
Net letting Q4

SEKm 68 / SEKm 53  
Net letting Q1-Q4

SKH not included -  
conditional agreement

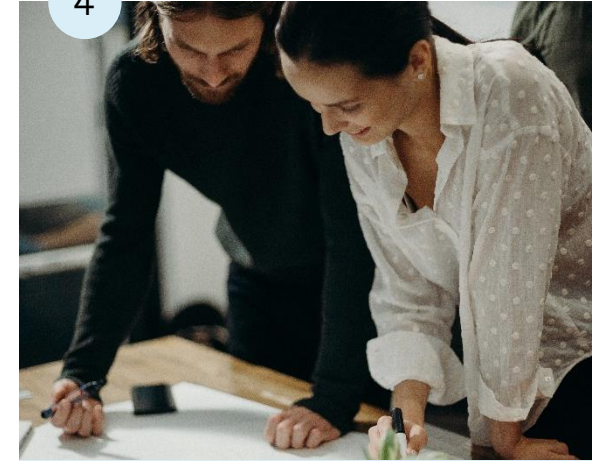
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EARNINGS  
+19% Q4  
+21% Q1-Q4  
Profit from property  
management

+14%  
Net operating  
income – like for like

4



PROJECTS  
SEK 8 billion  
In ongoing projects

91% let  
For those completed  
in 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



Katarinahuset, Slussen



Söderhallarna, Södermalm



Life City, Hagastaden



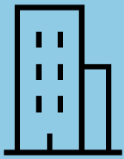
Curanten, Sickla



Hus 48, Slakthusområdet

# Rental and residential market

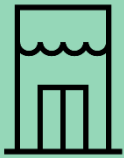
Strong future locations for offices – Slakthusområdet, Slussen and Hagastaden appear among the top locations.



## OFFICES

Continued demand for offices in good locations, increased flexibility and long lead times.

- Good dialogues, but they take time.
- Uncertainty about the need of space, desire for increased flexibility and service.
- A house – broadens offer to customers, starting in Slussen and Slakthusområdet.



## RETAIL

Continued increase in sales, but weaker development for electronics and home furnishings.

- Higher sales, but differences between the segments – the mix at the retail hub determines its 'resilience'.
- Top 3 increased sales: pharmacy, discount/volume trade and food.
- Decreased sales is seen in home furnishings and electronics.



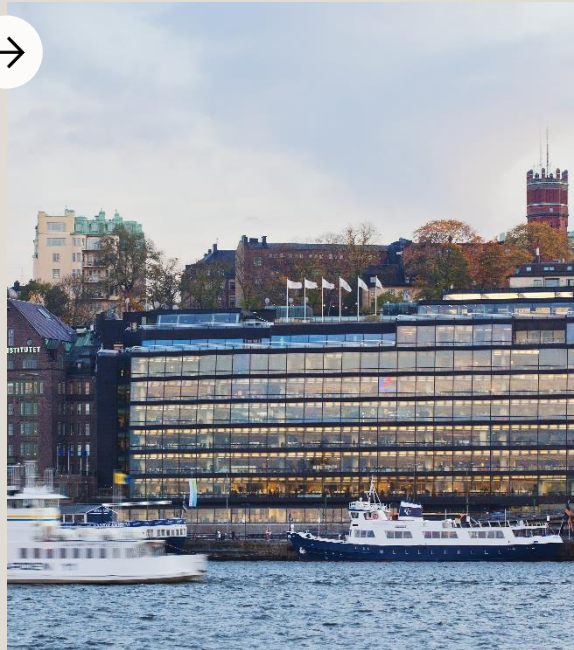
## TENANT-OWNED DWELLINGS

With continued disturbance in the world, rising interest rates and high electricity prices, many are acting with consideration.

- Wide range in combination with significantly lower new-built.
- The housing market is characterized by a slow decision-making process and caution from the banks.
- Continued progress in our condominium projects; In Uppsala, we sold five apartments in Q4 (17 this year). In Sickla, we sold three apartments in Q4 (11 this year).
- Decision to start a new project in Sickla with planned completion 2025.

# Most significant lettings

The three most significant lettings in this quarter were in Slussen, Hagastaden and Slakthusområdet.



## HiQ International

Glashuset, Slussen,  
2,072 sq.m.

LETTING



## BRIS

Härden, Hagastaden,  
1,005 sq.m.

LETTING



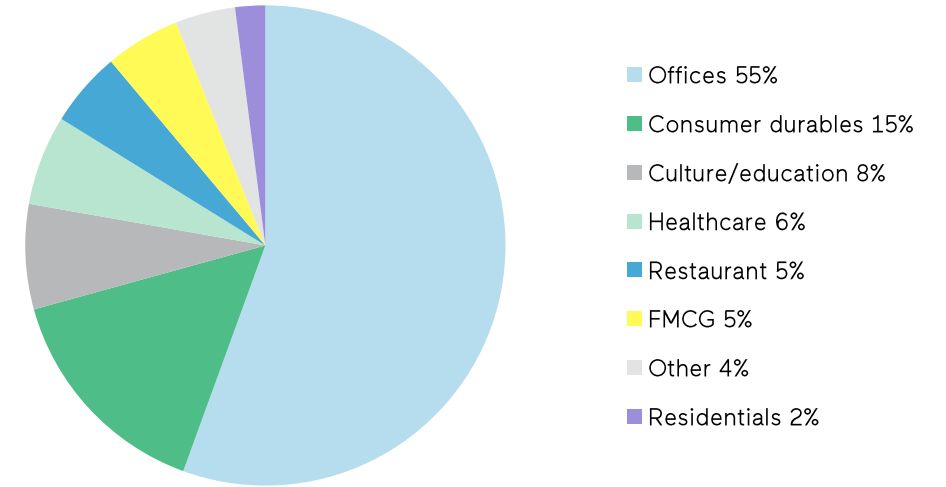
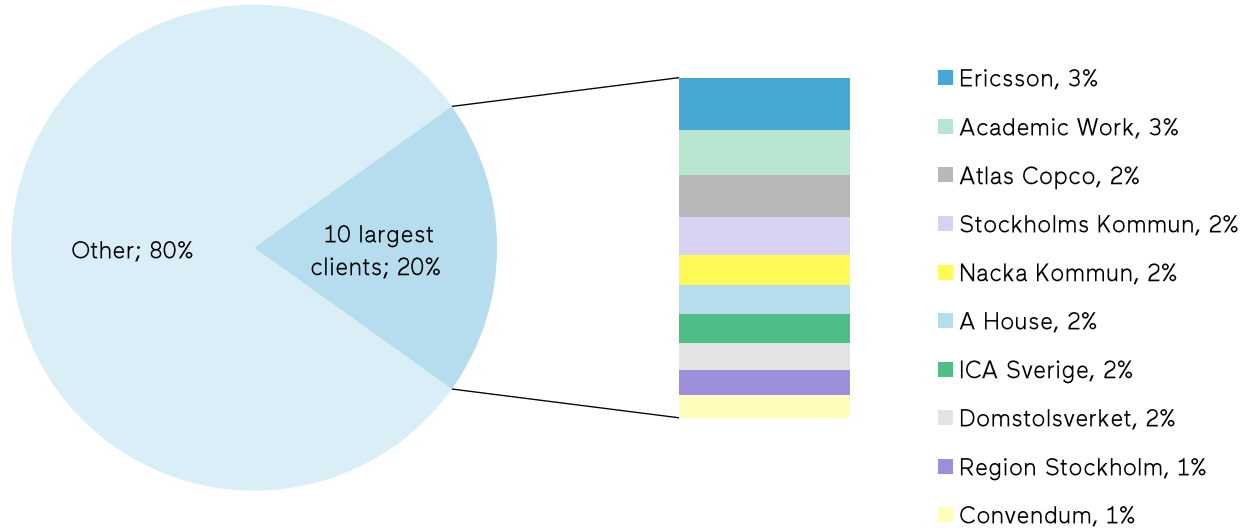
## SKH

Slakthusområdet,  
20,000 sq.m.

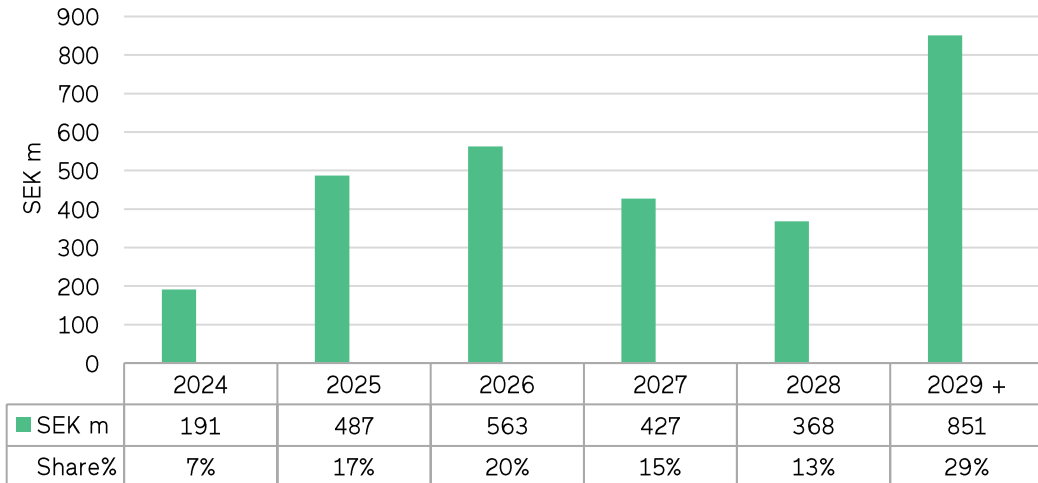
CONDITIONAL LETTING

# Q4

# Stable and diversified customer base



Maturity structure annual contract value

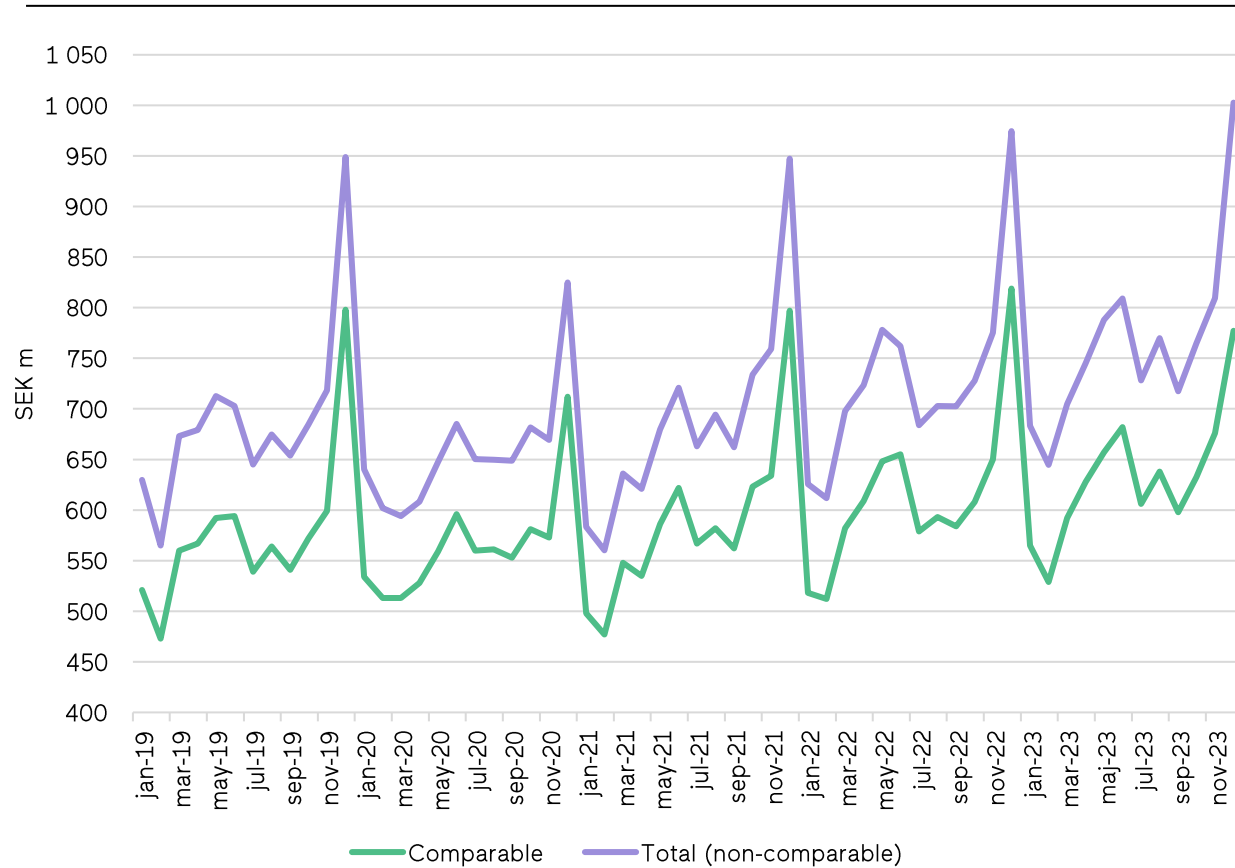


- Diversified customer structure
- The ten biggest customers account for 20%
- Average remaining lease term 4.6 years
- Five leases > 10,000 sq.m.
- The average area is 700 sq.m. per rental agreement

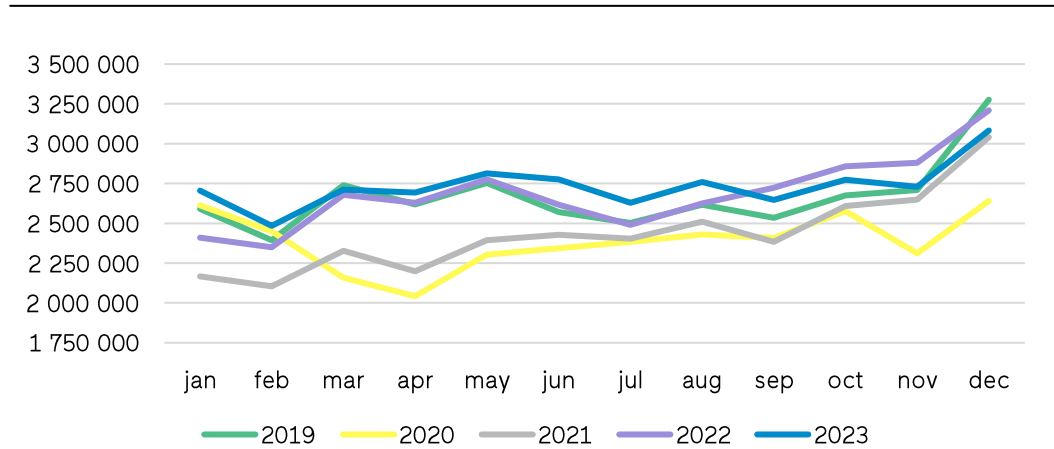
# Retail

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

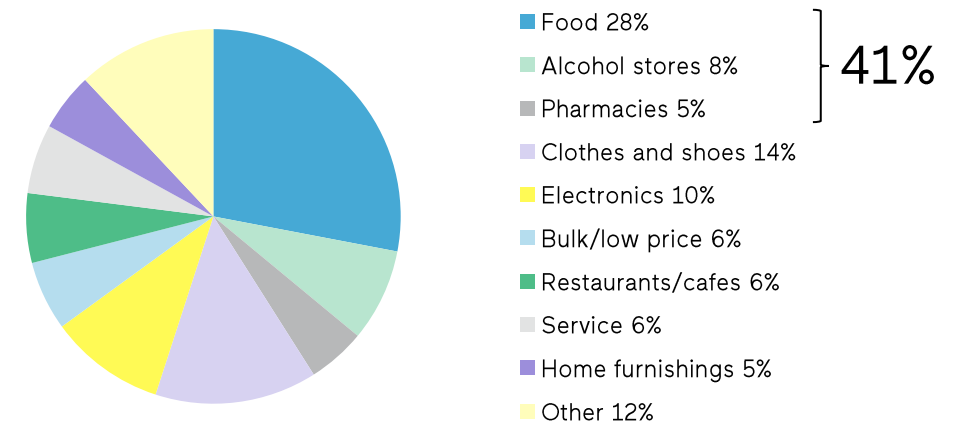
Sales per month 2019-2023



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

**+19%** growth Q4 (isolated)  
SEKm 341, or SEK 2.71 per share  
**+21%** growth in jan-dec  
SEKm 1.365, or SEK 10.82 per share



## OPERATING SURPLUS

**+13%** growth in LFL in Q4 (isolated)  
**+14%** growth in LFL for 2023  
excl. one-offs and electricity subsidy



## CHANGES IN VALUE

**-0.4%** continued reduction  
in value, or SEKm -215, which makes  
-2.8%, or SEKm -1.658, for jan-dec



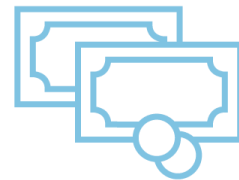
## NET ASSET VALUE

**SEK 262 per share**  
or -2% adjusted for dividend



## FINANCIAL RISK

**42.5%** Loan-to-value ratio  
**3.7** Interest coverage ratio  
**12.9** Net debt to EBITDA



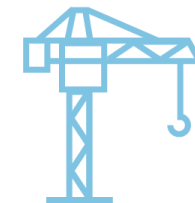
## FINANCING

**SEK 8 billion**  
in unutilised credit facilities



## NET LETTING

**SEKm 257** newly signed  
**SEKm 189** terminated  
**SEKm 15** terminated  
by us for our projects



## PROJECTS

**SEK 8.2 billion** in  
ongoing projects: approx.  
SEK 4.9 billion remains



# Growth in rental income and net operating income

Strong growth in like for like excluding one-off compensation and electricity subsidies.

Comparable portfolios  
+9.9%/+14.4%  
(rental income/operating surplus)



OFFICES  
+12.2%/+17.1%



RETAIL  
+6.5%/+10.5%



RESIDENTIALS  
+6.7%/+5.6%



Index: +7%

Lower vacancies and renegotiations: +3%

Cost allocation: +0%



MINERALVATTENFABRIKEN, HAGASTADEN

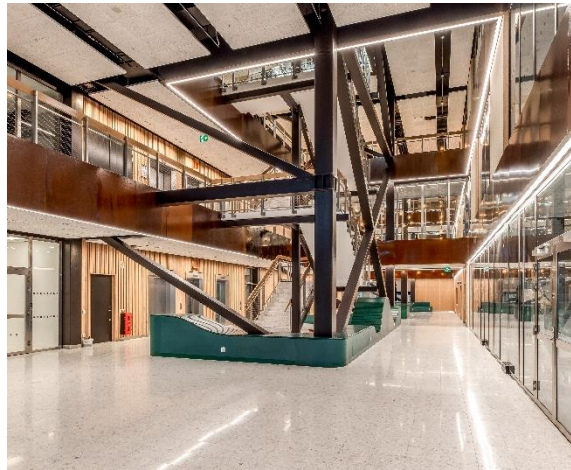
## Rental growth projects

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 SEKm 38, while Katarinahuset has some occupancy and thus revenues of SEKm 40 during 2023.



### LIFE CITY

An office property in Hagastaden measuring approx. 28,000 sq.m, which was completed in the second quarter of 2022.

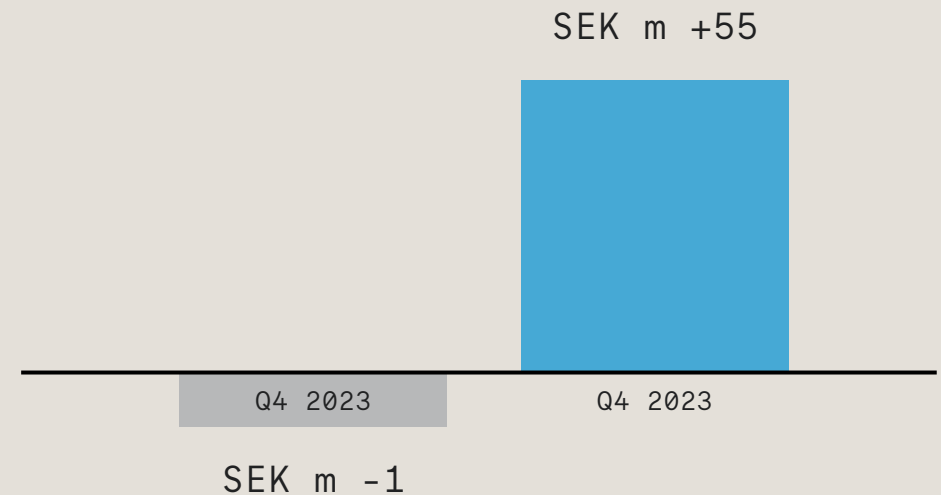


### BAS BARKARBY

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



Completed projects contributed to rental growth of SEK 55 million.



The total project portfolio contributes to rental growth with SEKm 54 and to net operating growth with SEKm 71.

■ 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 sq.m. Sales Q1 2023



PALMFELT CENTER  
30,500 sq.m. Acquisitions Q2 2022



BLÄSTERN 15  
21,300 sq.m. Acquisitions Q2 2022

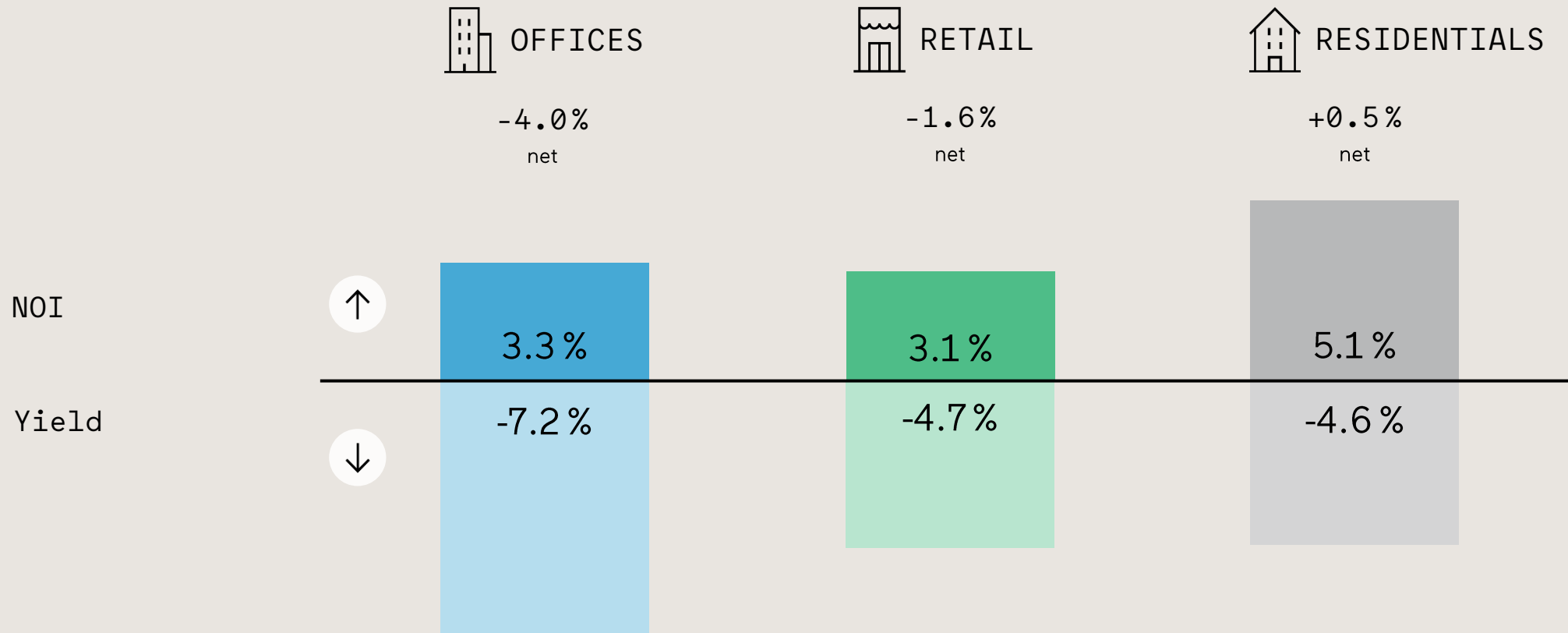


The refinement of the portfolio produces rental growth



## Changes in value

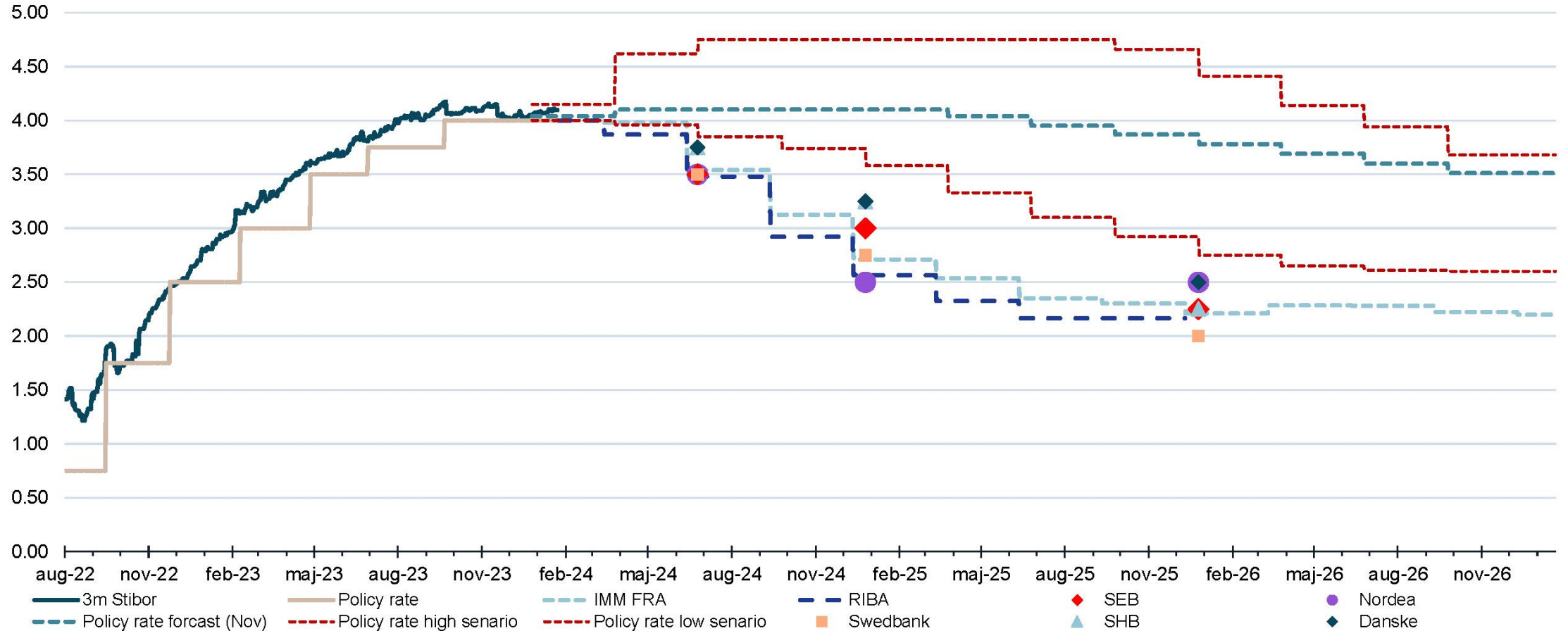
Continual rise in yield requirements was partly offset by higher net operating income (NOI), mostly linked to letting, indexation (CPI), lower costs and time.



# Interest rate and credit market

Market interest rates continue to rise.

Market pricing of short-term interest rates (%)



# Financing

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

INTEREST COVERAGE RATING



3.7 times

NET DEBT TO EBITDA



12.9 times

LOAN-TO-VALUE



42.5%

CAPITAL DURATION



3.5 yrs

INTEREST RATE DURATION



3.8 yrs

PROPORTION AT A VARIABLE RATE



approx. 9%

AVAILABLE LIQUIDITY



SEK 8 bn

RATING, Moody's with negative outlook

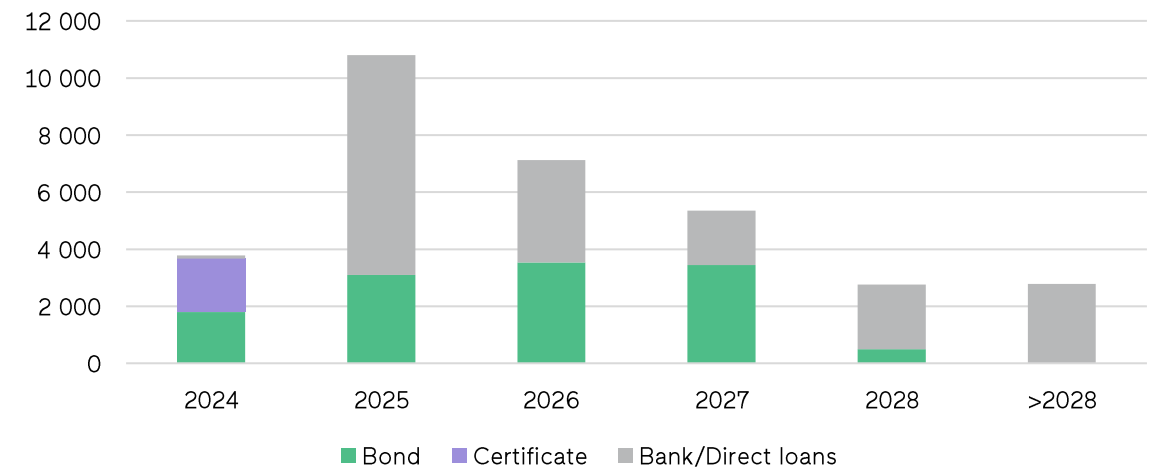


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## Interest rate duration

Duration	Volume, SEK m	Percentage, %	Average Interest rate, %
2024	4,841	19	0.4
2025	1,750	7	2.4
2026	2,704	11	1.9
2027	3,850	15	3.1
2028	4,260	17	2.5
>2028	7,560	30	3.1
<b>Total</b>	<b>24,966</b>	<b>100</b>	<b>2.3</b>
Total incl unutilised credit facilities			2.4

## Credit maturity, SEK m



# Ongoing projects

Ongoing project portfolio amounts to SEK 8.2 billion; approx. SEK 4.9 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 2024, 91% have been let

Mälarterrassen – new project in Q4  
Investment SEKm 430

Kulturarvet – new project in Q4  
Investment SEKm 450

SKH – new project, but conditional  
Investment SEK 2 billion

2024

2025

2026

2027



Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4



Slakthushallarna,  
Slakthusområdet



Brf Kulturtrappan,  
Nobelberget



PV palatset,  
Hagastaden



Sickla Stationshus



Söderhallarna,  
Södermalm



Upper secondary school,  
Slakthusområdet



Hus 06 Stationen,  
Slakthusområdet



Katarinhuset,  
Slussen



Campus Sickla



Brf Kulturarvet,  
Nobelberget



Mälarterrassen,  
Slussen

# Mälarterrassen, Slussen



Illustration: DBOX/Foster + Partners



# Nobelberget, Brf Kulturarvet



# Stockholms konstnärliga högskola, Slakthusområdet



# 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



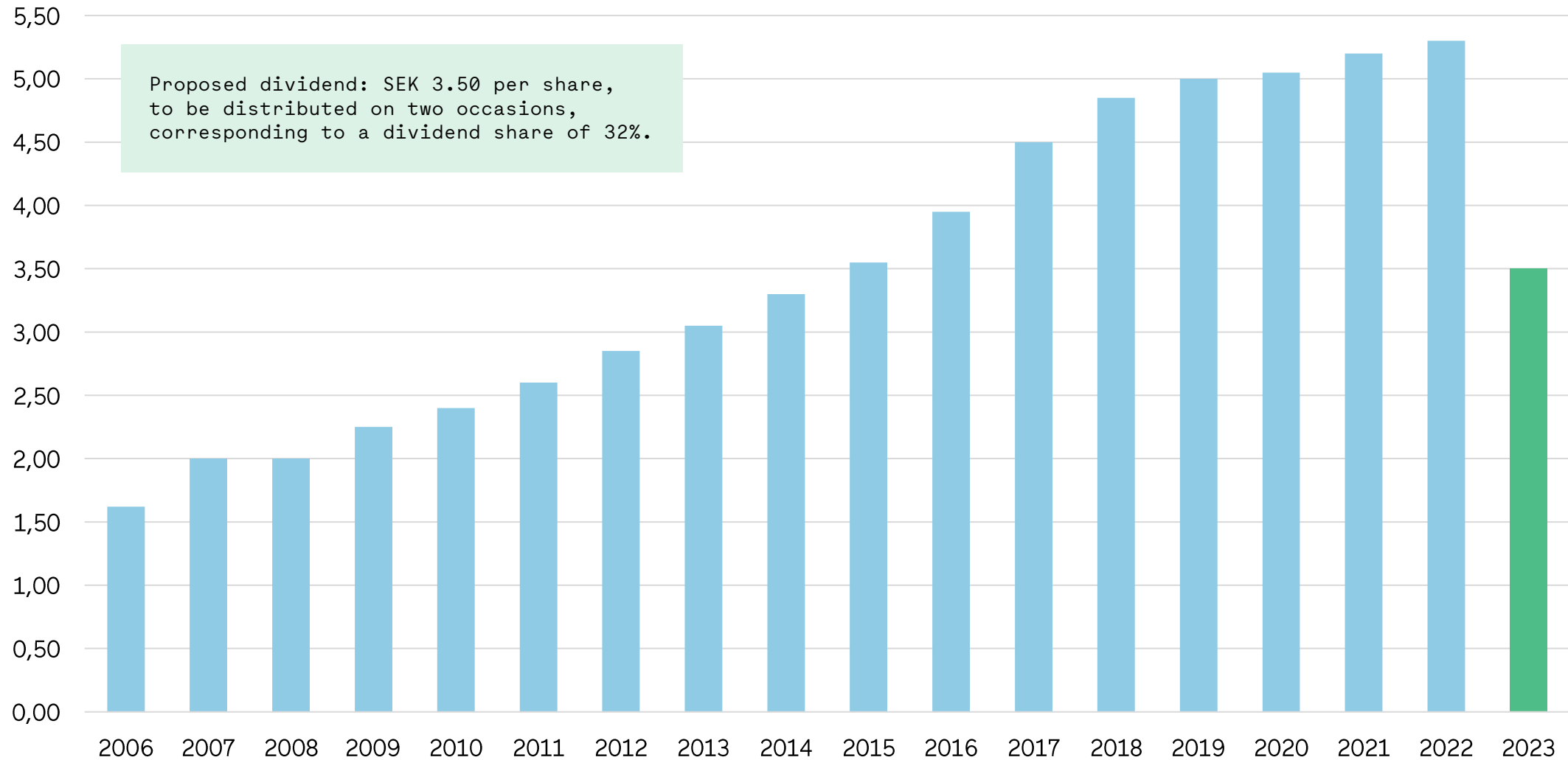
## SLUSSEN

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

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

# Changed dividend policy

Dividend SEK/share





# Q&A



Atrium Ljungberg  
Year-end report  
/ 2023 **Appendix**

Q4

## Income Statement Q4, summary

SEK m	2023 Q4	2022 Q4	Comments	2023 Q1-Q4	2022 Q1-Q4	Comments
Rental income	710	672	Like for like 7%	2,821	2,550	Like for like +10%
Property costs	-209	-227	Like for like -5%	-805	-843	Like for like +0%
Operating net	500	444	Like for like 13%	2,016	1,707	Like for like +14%
Project and construction	3	-1		2	-26	
Central administration	-29	-21		-88	-91	
Associated companies	-1	-		-1	-	
Leasehold fees	-11	-10		-43	-39	
Net financial items	-122	-126		-522	-423	
Profit from property management	341	287	SEK 2.71/share +19% growth	1,365	1,127	SEK 10.82/share +21% growth
Change in value:						
- Properties	-215	-1,467		-1,667	2,689	
- Profit properties tenant-owned dwellings	1	-5		35	51	
- Goodwill	-	-		-24	-	
- Derivatives	-851	-90		-907	1,526	
Tax	174	259		245	-1,105	
Profit after tax	-550	-1,017		-954	4,288	



## Balance sheet, summary

SEK m	2023 dec		2022 dec		Comments
Investment properties	56,813	56,186 SEK/sq.m.	58,596	58,931 SEK/sq.m.	4.7% Valuation yield (4.4)
Development properties	1,692		1,409		
Derivatives	733		1,572		
Other assets	2,422		1,941		
Cash and cash equivalents	119		380		
Sum	61,779		63,898		
Shareholders equity	27,519		29,141		Long-term net asset value SEK 262/share (271)
Deferred tax	6,064		6,661		
Interest-bearing loans	24,966	42.5% loan-to-value	25,389	41.7% loan-to-value	3.5 years capital duration (4.3)
Financial leases	1,296		1,277		
Derivatives	344		59		
Other non-interest bearing liabilities	1,590		1,371		
Sum	61,779		63,898		