



Solid performance despite negative net lettings

Vasakronan – Quarterly update 2Q25

Note: Swedbank has ongoing or completed public investment banking services with Vasakronan in the last two calendar months.

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Negative net lettings but solid financial performance create stability

Cautious demand for office premises increases focus on lettings

Swedbank estimates vs. Company result

Results analysis	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25E	Dev %	Δ %
Rental income	2,366	2,344	2,399	2,331	2,338	2,343	-0%	-1%
% growth, y/y	4%	1%	3%	-0%	-1%	-1%		
Operating expenses	-624	-566	-615	-631	-614	-618	-1%	-2%
NOI	1,742	1,778	1,784	1,700	1,724	1,725	-0%	-1%
SG&A	-38	-28	-27	-36	-37	-36	2%	-3%
Operating income	1,704	1,750	1,757	1,664	1,687	1,689	-0%	-1%
Net interests	-486	-468	-463	-450	-448	-438	2%	-8%
Other financials	-65	-63	-16	-69	-6	-58		
Income from prop. mgmt.	1,153	1,219	1,278	1,145	1,233	1,193	3%	7%
Revaluation of properties	255	788	-141	-914	1,304	44		
Other value changes	-530	-479	390	186	-667	0		
Other non-op. Expenses	0	-2	-2	-4	-1	0		
Income before tax	878	1,526	1,525	413	1,869	1,237		
Current tax	-83	-89	-44	-125	-131	-6		
Deferred tax	-111	-218	-305	22	-282	-240		
Net income	684	1,219	1,176	310	1,456	991		
MV properties	176,369	177,625	178,183	177,786	179,551	178,275	1%	2%
MV property development %	0.1%	0.4%	-0.1%	-0.5%	0.7%	0.0%		
NOI margin	74%	76%	74%	73%	74%	74%	0%	0%
FFO	1,091	1,191	1,076	823	1,123	1,186	-5%	3%
Debt / Total assets	45%	44%	44%	44%	44%	46%	-3%	-2%
Debt / debt + equity	41%	40%	39%	39%	39%	41%	-4%	-3%
ICR	3.8x	3.7x	3.7x	3.7x	3.7x	3.8x	0.0x	0.0x
Interest rate %	2.8%	2.7%	2.6%	2.5%	2.5%	2.5%		
Yield requirement	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%		

Comment on report

- Vasakronan's reported 2Q25 numbers were largely in line with our estimates with no significant deviation in rental income and NOI figures. IFPM was slightly stronger than our expectations, mainly due to a positive SEK 43m nonrecurring impact of ground rents, which decreased interest expenses for lease liabilities
- The market value of its properties remain stable, with only 0.2% value change since 4Q24. The value change in this quarter was related to positive impact on its ground rent case in the Land and Environment Court, which led to lower ground rents. The average yield requirement is unchanged at 4.5%
- The credit metrics remain stable, with ICR at 3.7x in 2Q25, unchanged since 3Q24. The leverage also remains unchanged, with debt to total assets at 44% during the same period.
- In May, Moody's affirmed Vasakronan's rating of A3 with a stable outlook. The rating reflects its leading position in the office market, strong liquidity, and good access to the bond markets
- The company reported a negative net letting in the quarter of SEK -25m (-43m YTD), primarily due to the reconstruction of Convendum. The management has communicated that the business climate remains challenging due to the economic downturn and uncertain operating environment
- During the quarter, Vasakronan signed an agreement with Scandic Hotel and started the new project Hjärta in Uppsala. The total investment is expected to be SEK 925m with lettable area of 18,300sqm and occupancy start in 2Q28

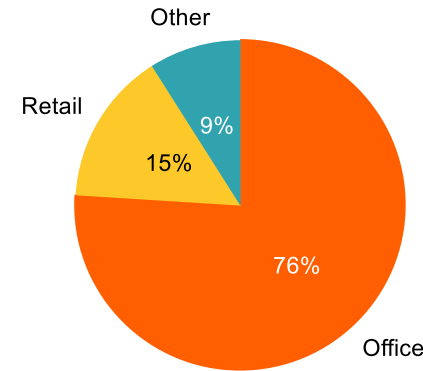
Stable credit profile with strong liquidity position

Financial metrics in line with the current credit rating

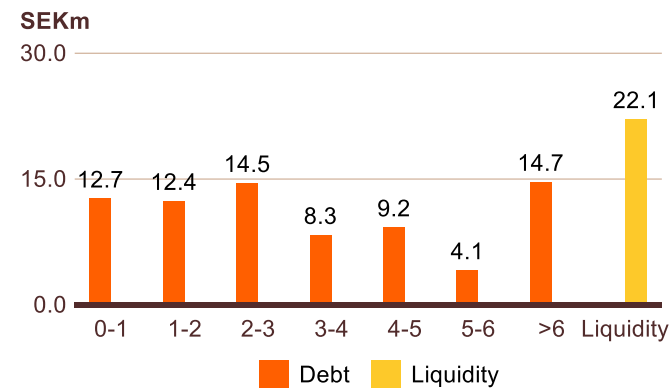
Key metrics SEKm

SEKm	2022	2023	2024	2025E	2026E	2027E
Rental Income	8,167	9,157	9,447	9,400	9,604	9,857
Revenue growth	10.0 %	12.1 %	3.2 %	-0.5 %	2.2 %	2.6 %
EBITDA	5,852	6,751	6,943	6,829	6,977	7,161
EBITDA margin	72%	74%	73%	73%	73%	73%
Market value, Properties	188,317	174,569	178,183	181,048	183,588	186,293
IBD	82,576	82,589	82,322	84,258	85,903	87,378
NIBD	79,592	79,364	78,444	78,112	79,335	76,746
Cash	2,984	3,225	3,878	6,146	6,568	10,632
Equity	89,767	78,902	82,701	84,632	84,923	89,194
FFO	4,273	4,589	5,671	6,957	5,056	5,059
Capex	-2,366	-2,802	-2,819	-3,449	-2,741	-2,459
FOCF	2,071	1,733	3,193	3,028	2,315	2,600
Net debt repayments	1,650	652	-1,738	3,266	1,645	1,475
Change in cash	-536	241	1,706	289	422	4,064
LTV	44%	47%	46%	47%	47%	47%
Net LTV	42%	45%	44%	43%	43%	41%
Debt / Total Assets	40%	42%	41%	41%	41%	41%
Debt / Debt + Equity	47%	50%	49%	48%	48%	46%
NIBD/ EBITDA	13.6x	11.8x	11.3x	11.4x	11.4x	10.7x
FFO/NIBD	5%	6%	7%	9%	6%	7%
Equity ratio	43%	40%	42%	41%	41%	42%
EBITDA / net interest	4.8x	3.9x	3.7x	3.8x	3.7x	3.5x
Interest rate %	2.1%	2.7%	2.6%	2.5%	2.6%	2.8%
Floating	29%	22%	18%	30%	59%	70%
Yield requirement	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
MV property development %	2.7%	-8.8%	0.3%	0.3%	0.2%	0.1%

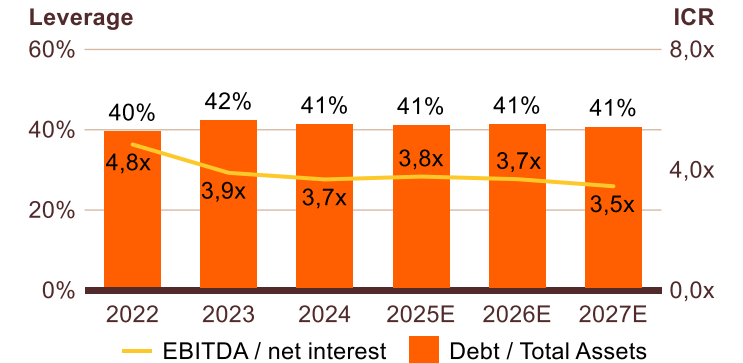
Portfolio split - segments



Maturity schedule



Leverage development



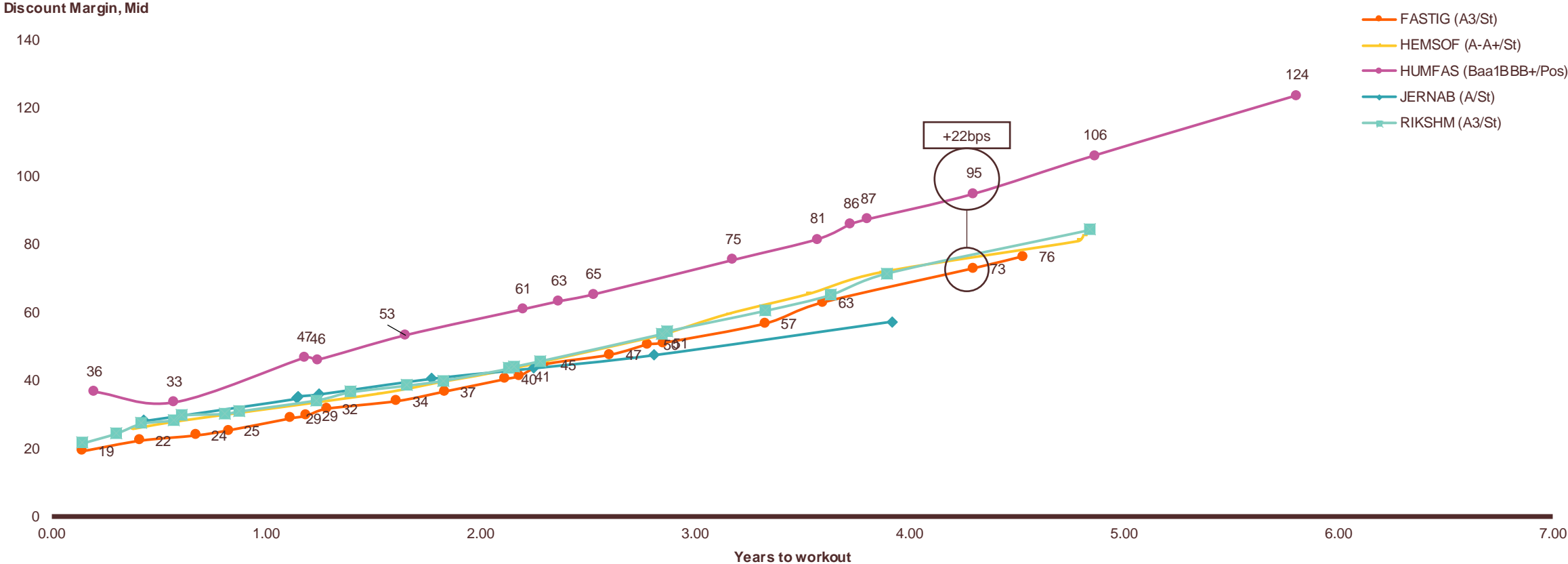
Recommendation

- Despite negative net letting in the last two quarters, Vasakronan's operating performance remain stable. The reported occupancy rate of 88.2% in the quarter create potential up-side when the economy recovers. The solid financial performance in combination with adequate liquidity position adds comfort in a continued uncertain environment
- Vasakronan's current pricing is slightly tighter than Hemsö, which we believe is fair. We therefore reiterate our Marketweight recommendation. However, in our view, the BBB+ segment offers an adequate pick-up, e.g. Humlegården trading at +22bps

Vasakronan's bonds are priced slightly tighter than Hemsö which is fair

We recommend Marketweight, however Humlegården offers some pick-up

Higher rated SEK floaters



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