

# Vasakronan

## Positive stability

- Operational stability in a challenging office market
- Stable credit metrics and affirmed rating
- Credit strength maintained

### Unchanged vacancies and positive net letting

Vasakronan's rental income, on a like-for-like basis, was unchanged q-o-q in Q1 2026, and net letting amounted to SEK 5m. Although small numbers, both were negative in Q4 2025. The vacancy rate was unchanged q-o-q at 12.3%, and value changes totalled SEK 433m (SEK -1.2bn in Q4 2025). The vacancy rate is still elevated, but we had some concerns that the negative trend would continue in the quarter. The CEO continues to describe the office market as challenging and stresses the importance of quality and location.

### Robust financial position and A3 rating recently affirmed

Reported LTV was up slightly q-o-q at 41%, while the ICR was unchanged at 3.6x – both metrics thus inside Moody's requirements for the A3 rating. The 1pp higher LTV (q-o-q) was a result of negative value change in foreign currency denominated debt. LTV, as defined by Moody's, was unchanged q-o-q at 41%. In addition, Moody's affirmed the A3 rating in late-April 2026, which came as no surprise to us. The fixed interest term of 3.6 years and average debt maturity of 4.4 years were both stable q-o-q, and compare favourably with most peers.

### Undramatic quarter and somewhat better than feared

We view Vasakronan's undramatic Q1 numbers as largely credit-neutral. The stable operational performance came as a slight relief though, thus a positive, in a competitive office market. We regard Vasakronan as one of the strongest issuers in the Nordic real estate sector, and see no reason to change that view having read the first quarter report. The impact on the company's credit spread has also been limited over the past few turbulent months.

#### Key figures

SEKm	2021	2022	2023	2024	2025	Q1-26LTM
Rental revenues	7,425	8,167	9,157	9,447	9,503	9,541
Op. net (NOIRE)	5,533	5,968	6,862	7,055	7,037	7,043
Income fr property mgmt adj	4,391	4,333	4,645	4,849	4,862	4,913
Net income adj	16,359	8,465	-10,858	3,823	3,015	4,160
Property value	186,732	193,467	180,898	185,737	189,289	189,866
Gross debt adj	78,996	82,576	82,589	82,322	82,398	84,565
Net debt to prop value adj (%)	40.4	41.1	43.9	42.2	42.5	43.0
Total debt to total assets adj (%)	40.3	39.6	42.4	41.4	40.8	41.3
FFO/gross debt adj (%)	5	5	6	5	6	5
Gross debt/EBITDA adj (x)	14.6	14.1	12.2	11.8	11.9	12.2
EBITDA/interest expense adj (x)	4.5	4.2	3.3	3.1	3.2	3.3
Dividends/FFO adj (%)	56.0	93.6	n.m	n.m	41.2	45.0
Vacancy rate (%)	9.0	9.1	9.1	10.9	12.3	12.3
Pledged assets to total assets (%)	4.0	5.5	5.9	5.8	6.7	n.m
Secured debt to total assets (%)	4.0	5.3	5.7	5.6	6.5	6.4
Valuation yield (%)	3.9	4.0	4.5	4.5	4.5	4.5

Source: Handelsbanken

For full disclaimer and definitions, please refer to the end of this report.

Main recommendation  
Senior unsecured • SEK



Market Perform

#### Profile

Vasakronan is one of Sweden's largest real estate companies with total assets of SEK 203bn as of 31 December 2025. The company focuses on office and retail properties in Stockholm, Uppsala, Gothenburg and Malmö. Vasakronan is owned by the Second, Third and Fourth Swedish National Pension Funds. The borrowing programmes benefit from change of control language. Vasakronan was founded in 1993 and is headquartered in Stockholm, Sweden.

#### Website

[Link](#)

CEO	Johanna Skogestig
CFO	Johnny Engman
Treasurer	Thomas Nystedt

#### Public rating(s)

- Moody's / A3 / Stable

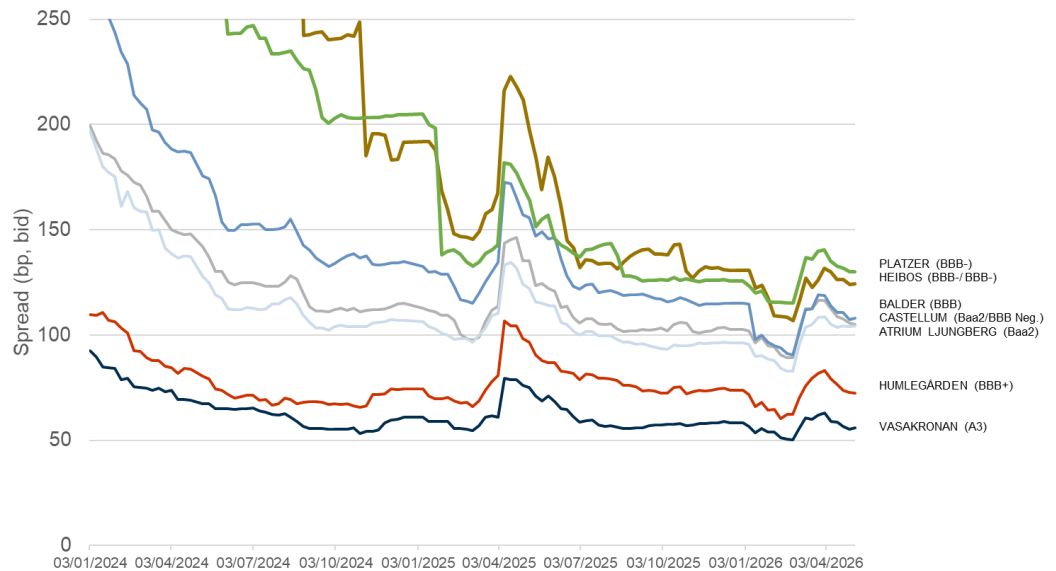
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## Relative value

We view Vasakronan's undramatic Q1 numbers as largely credit-neutral. The stable operational performance came as a slight relief though, thus a positive in a competitive office market. We regard Vasakronan as one of the strongest issuers in the Nordic real estate sector, and see no reason to change that view having read the first quarter report. The impact on the company's credit spread has also been limited over the past few turbulent months.

Interpolated 3-year SEK spreads (Bid)



Sources: Bloomberg and Handelsbanken

# Key figures

## P&L accounts, annual data

SEKm	2021	2022	2023	2024	2025
Revenues	7,425	8,167	9,157	9,447	9,503
Total op expenses	-2,016	-2,315	-2,406	-2,504	-2,595
EBITDA	5,417	5,873	6,772	6,963	6,928
EBITDA adj	5,417	5,873	6,772	6,963	6,928
EBIT	5,602	5,701	6,540	6,942	6,878
Associated income	193	-151	-211	-1	-30
Interest income	4	30	154	184	128
Interest expense	-1,215	-1,398	-2,049	-2,277	-2,144
EBT	20,572	10,532	-13,632	4,868	3,917
Paid tax	-223	-135	-341	-311	-525
Net income	16,359	8,465	-10,858	3,823	3,015

Source: Handelsbanken

## P&L, quarterly data

SEKm	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
Revenues	2,331	2,338	2,380	2,454	2,369
Total op expenses	-667	-651	-600	-676	-700
EBITDA	1,669	1,692	1,785	1,783	1,674
EBITDA adj	1,669	1,692	1,785	1,783	1,674
EBIT	1,653	1,682	1,773	1,771	1,662
Associated income	-11	-5	-7	-7	-7
Interest income	28	46	34	20	30
Interest expense	-536	-495	-552	-561	-497
EBT	413	1,869	1,438	198	1,745
Paid tax	-125	-131	-106	-164	-114
Net income	310	1,456	1,286	-38	1,456

Source: Handelsbanken

## Balance sheet, annual data

SEKm	2021	2022	2023	2024	2025
Financial assets	1,222	2,147	2,998	3,046	5,324
Total tangible assets	186,834	193,620	181,038	185,897	189,401
Total intangible assets	2,044	2,018	2,001	2,001	2,006
Other long-term assets	2,044	2,018	2,001	2,001	2,006
Other current assets	158	310	190	96	61
Cash and equivalents	3,521	2,984	3,225	3,878	1,954
Total assets	196,194	208,588	194,820	198,916	202,064
Equity	85,290	89,767	78,902	82,701	83,703
LT interest-bearing debt	64,500	71,635	71,527	69,096	68,765
Other long term liabilities	69	78	65	132	66
ST interest bearing debt	14,496	10,941	11,062	13,226	13,633
Other current liabilities	22	23	136	304	541
Total equity and liabilities	196,156	208,567	194,761	198,858	201,913
Total equity and liabilities adj	196,194	208,588	194,820	198,916	202,064
Total debt	78,996	82,576	82,589	82,322	82,398
Total debt adj	78,996	82,576	82,589	82,322	82,398

Source: Handelsbanken

## Cash flow, annual data

SEKm	2021	2022	2023	2024	2025
Funds from operations (FFO)	3,572	4,272	4,589	4,453	4,857
FFO adj	3,572	4,272	4,589	4,453	4,857
Change in working capital	375	164	-55	342	-389
Operating cash flow (OCF)	3,947	4,436	4,534	4,795	4,468
Cash flow from investments	-3,858	-1,792	-2,848	-3,297	-4,513
Capex	-4,137	-2,366	-2,802	-2,415	-2,505
Dividends paid	-2,000	-4,000	0.0	0.0	-2,000
Discretionary cash flow	-2,190	-1,930	1,732	2,380	-37
Net change in debt	3,132	1,650	239	-1,981	2,776
Cash flow from financing	874	-3,181	-1,445	-845	-1,502
Net cash flow	963	-537	241	653	-1,547

Source: Handelsbanken

**Key metrics, annual data**

%	2021	2022	2023	2024	2025
EBITDA adj margin	73.0	71.9	74.0	73.7	72.9
EBIT adj margin	75.4	69.8	71.4	73.5	72.4
Equity ratio	43.5	43.0	40.5	41.6	41.5
Equity ratio adj	43.5	43.0	40.5	41.6	41.4
Net debt/equity (x)	0.88	0.89	1.0	0.95	0.96
Net debt/EBITDA (x)	13.9	13.6	11.7	11.3	11.6
Net debt/EBITDA adj (x)	13.9	13.6	11.7	11.3	11.6
Debt/EBITDA (x)	14.6	14.1	12.2	11.8	11.9
Debt/EBITDA adj (x)	14.6	14.1	12.2	11.8	11.9
EBITDA/net interest adj (x)	4.5	4.3	3.6	3.3	3.4
EBIT/interest (x)	5	4	3	3	3
FFO/net debt	4.7	5.4	5.8	5.7	6.0
FFO/total debt adj	4.5	5.2	5.6	5.4	5.9
FFO/net debt adj	4.7	5.4	5.8	5.7	6.0
FOCF/debt	n.m	2.5	2.1	2.9	2.4

Source: Handelsbanken

# Credit research disclaimer

## Recommendation structure and allocations

Handelsbanken Credit Research employs a three-graded recommendation scale. The recommendations reflect the analyst's assessment of the bond's total return on a 12-month time horizon in relation to a relevant benchmark. An issuer may have more than one recommendation. One of them is designated as the main recommendation for the company. The analyst determines which is the main recommendation for a company based on an assessment of factors such as outstanding volume and liquidity.

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Unless otherwise specified, prices and spreads mentioned in this report refer to the closing price of the previous day.

## Recommendations: definitions and allocations

SHB recommendation <sup>1</sup>	SHB universe main <sup>2</sup>	IB services <sup>3</sup>
Outperform	17%	56%
Market Perform	75%	68%
Underperform	8%	25%

<sup>1</sup> Recommendation definitions:

Outperform: Over the next 12 months, the bond's total return is expected to exceed the total return of the relevant benchmark

Market perform: Over the next 12 months, the bond's total return is expected to be in line with the total return of the relevant benchmark

Underperform: Over the next 12 months, the bond's total return is expected to be below the total return of the relevant benchmark

<sup>2</sup> Percentage of companies under coverage within each recommendation

<sup>3</sup> Percentage of companies within each recommendation (unsecured) for which investment banking services have been provided in the past 12 months

Source: Handelsbanken, as per 5 May 2026

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**Vasakronan**

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6 May 2026: Vasakronan - Handelsbanken's analyst Michael Andersson has no position in Vasakronan or a related instrument.

Handelsbanken has participated in a public offering of financial instruments of the subject company during the past twelve months.

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