



STENDÖRREN

Åsikter som gör skillnad

THIRD QUARTER 2021

STENDÖRREN

INTRODUCTION

BUSINESS IDEA, MARKET OPPORTUNITY AND FINANCIAL OBJECTIVES

BUSINESS IDEA

Stendörren creates profitable growth in net asset value by actively managing, developing and acquiring properties.

Focus on logistics, warehouse and light industrial properties, primarily within Stockholm region and other markets that are considered to be attractive over time.

In addition, Stendörren develops residential building rights in the existing portfolio, for in-house development and management.

MARKET OPPORTUNITY

The properties are strategically located in growth areas (population and economic) in Greater Stockholm and the Mälardalen region.

Stendörren is continuously evaluating acquisitions in new markets, such as the newly announced acquisitions is Viared, Borås.

Growing e-commerce increases the demand for logistic and warehouse properties, especially in urban locations, to meet consumer demand on short delivery times.

Rent levels are increasing, as demand for logistics and light industrial premises in urban locations increases, while supply is decreasing due to conversions to other use.

FINANCIAL OBJECTIVES

Return on equity of at least 12%

Interest coverage ratio of at least 2.0x

Equity ratio shall be 35 %
(never lower than 20 %)

EPRA NAV shall grow with at least 15 % p.a.

SNAPSHOT OF STENDÖRREN

PROPERTY VALUE¹

SEK
10.8 bn

RENTAL VALUE²

SEK
667 m

NOI YIELD³

5.8%

LTV⁴

46%

LETTABLE AREA¹

SQ.M.
768,000

NAV⁵

SEK
4,419 million

LEASE DURATION⁶

3.6 years

BUILDING RIGHTS¹

SQ.M.
621,000

1) Property portfolio as per September 30, 2021

2) Estimated earnings capacity as of September 30, 2021

3) Excluding projects and land, 12 months average

4) Interest bearing debt in relation to total assets

5) Actual NAV

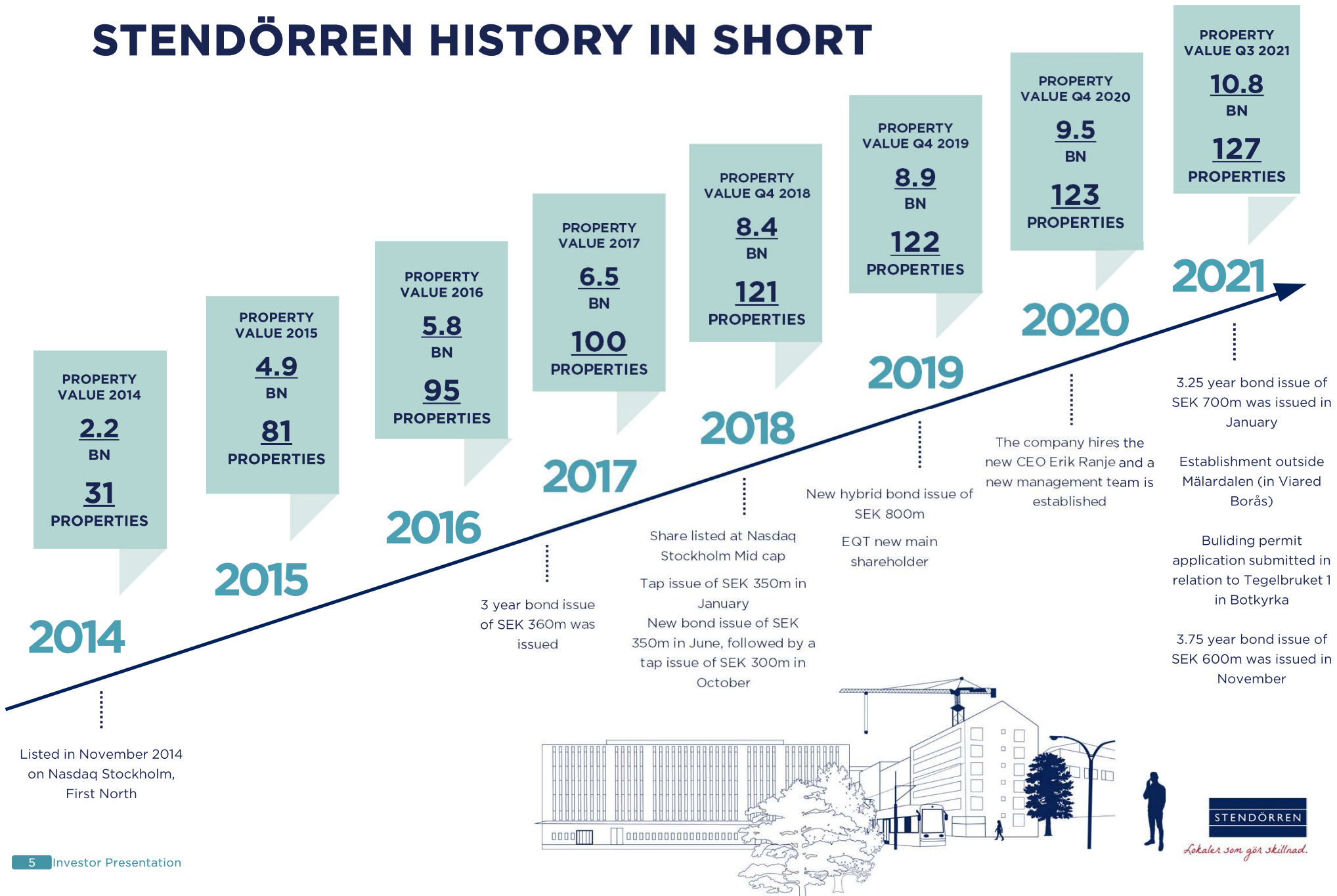
6) Average unexpired lease term – economically weighted

SNAPSHOT OF STENDÖRREN - CONTINUED

<p>BUSINESS IDEA</p>	<ul style="list-style-type: none"> • Stendörren creates profitable growth in net asset value by actively managing, developing and acquiring properties. Our focus is on logistics, warehouse and light industrial properties in growth regions, primarily in urban areas. • In addition, we develop residential building rights in existing properties, for the purpose of in-house development and management. • Additional new markets are continuously being evaluated.
<p>STRONG FOUNDATION /CASH FLOW</p>	<ul style="list-style-type: none"> • Stendörren's properties are located in areas with strong regional growth (population and economic). • The properties are high yielding with long leases, generating strong and stable cash flow. • The tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from different industries.
<p>SIGNIFICANT DEVELOPMENT PORTFOLIO</p>	<ul style="list-style-type: none"> • The total development portfolio comprises approx. 621,000 sqm. of additional lettable area. • Still significant potential for creation of additional building rights within existing portfolio. • Potential to develop residential building rights in existing properties, for in-house development and management.
<p>CLEAR SUSTAINABILITY STRATEGY</p>	<ul style="list-style-type: none"> • Sustainability in all aspects of the business – such as awareness and focus on environmental, economical and social aspects of sustainability. • Hands on asset management and dialogue with tenants to reduce environmental footprint. • Strategically located assets allow for smarter transportation. • Development portfolio with clear green focus.



STENDÖRREN HISTORY IN SHORT



4 GOOD REASONS TO OWN A STENDÖRREN SHARE

1.

STABLE CASH FLOW

- High yielding logistics, warehouse and light industrial properties with long leases.
- The tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from different industries.

2.

SUSTAINABLE GROWTH

- Properties strategically located in growth areas (population and economic) in the Greater Stockholm and the Mälardalen region.
- Rent levels are increasing as demand for logistics and light industrial premises in urban locations increases. While supply is decreasing with urbanization leading to conversions to other use.
- Growing e-commerce increases the demand for logistic and warehouse properties, especially in urban locations, to meet consumer demand on short delivery times.
- Further growth via acquisitions and operational improvements.

3.

VALUE GROWTH IN PROJECTS

- The Stendörren project pipeline contains opportunities for green field development of prime logistics, as well as infill development of light industrial assets.
- In addition, the conversion of properties for alternative use, primarily residential purposes, provides further upside potential.

4.

FINANCE

- Bank debt from several of the leading Nordic banks.
- Capital market based financing as complement (senior unsecured bonds and hybrid bonds).
- Finance policy to balance risk (leverage and refinancing risks).

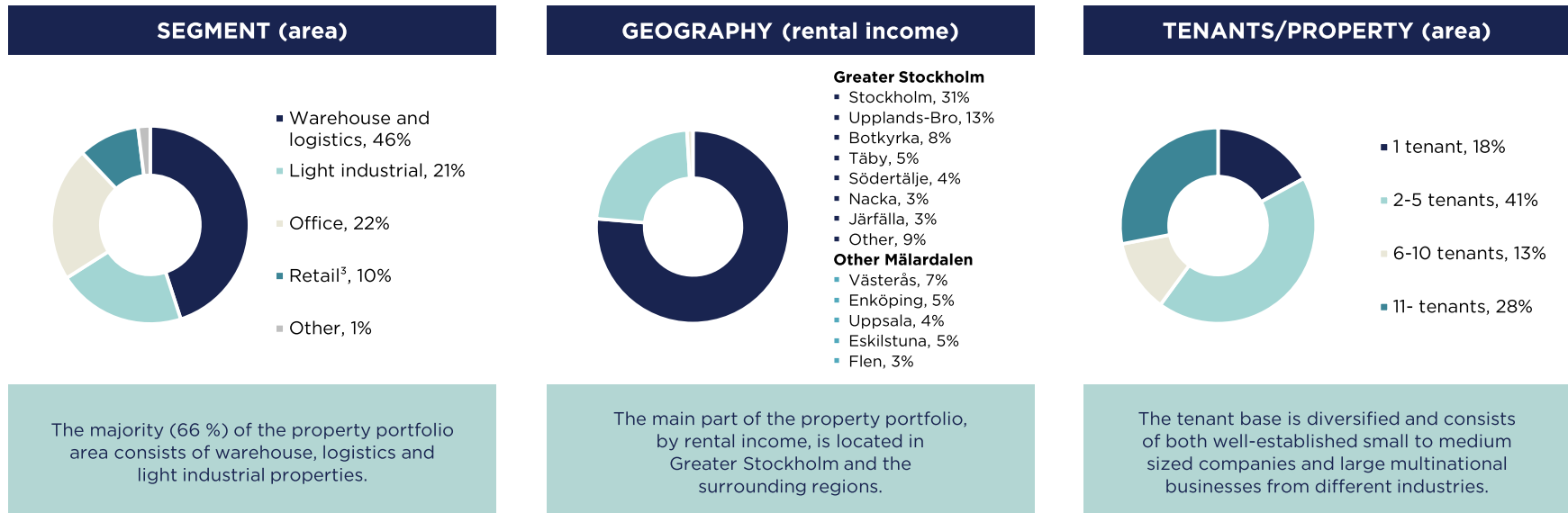
1. STABLE CASH FLOW

DIVERSIFICATION WITH FOCUS ON GREATER STOCKHOLM

PROPERTY PORTFOLIO OVERVIEW

- Stendörren has a property portfolio of SEK 10,803m, with a property yield of 5.8%¹ as per 30 September 2021.
- Rental value² of SEK 667m with an economic occupancy rate of 88% as per 30 September 2021.
- Lease agreements that were renegotiated during the period led to an increase in rental values of 18%, on average (Q3 2021).

PROPERTY DISTRIBUTION



1) Excluding projects and land, 12 months average 2) Estimated earnings capacity as of September 30, 2021 3) Capital goods e.g car dealerships

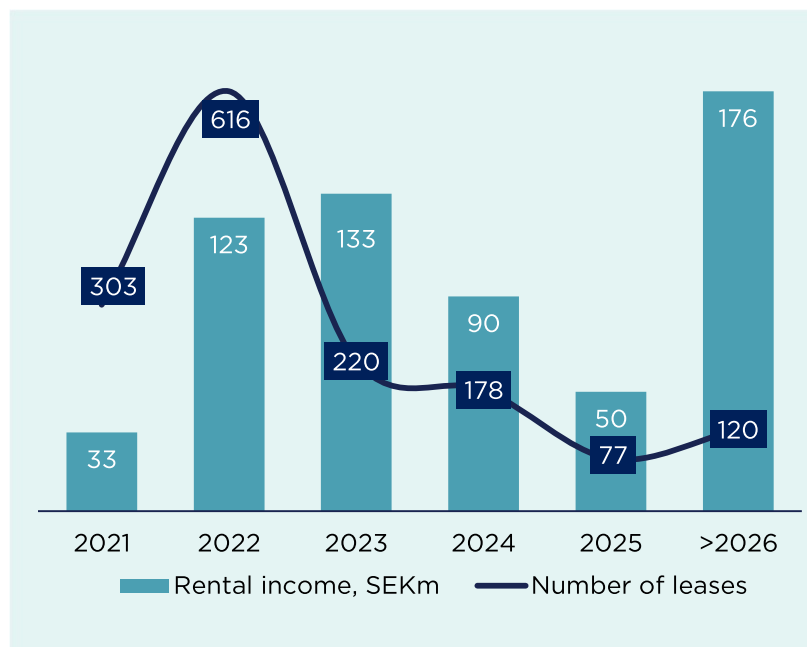
1. STABLE CASH FLOW – CONTINUED

DIVERSIFIED TENANT BASE

LARGEST TENANTS AS PER Q3 2021

Tenant	Rental income, SEKm	Rental area, th. sq.m.	Share of total rental income
Coop Logistics AB	65	129	11%
Alfa Laval Tumba AB	13	20	2%
Ätta.45 Tryckeri AB	12	11	2%
Unilever Europe BV	10	13	2%
Stockholm Vatten AB	9	6	2%
Bactiguard AB	8	4	1%
Fuchs Lubricants Sweden AB	8	13	1%
InfoCare Service AB	8	5	1%
Nacka Vatten och Avfall AB	7	3	1%
LeasePlan Sverige AB	7	5	1%
Sum	147	210	24%

LEASE MATURITY BY RENTAL INCOME

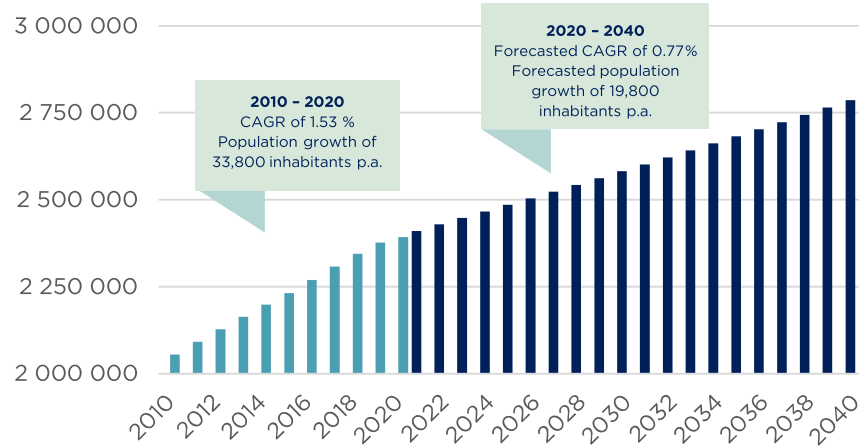


- Stendörren has an attractive and well-diversified tenant base
 - some 800 individual tenants
 - well-established small to medium sized companies and large multinational companies
 - tenants represent a variety of industries
- Largest tenant is Coop that contributes 11% of total rental income.
- Top ten tenants contribute 24% of total rental income.
- The weighted average unexpired lease term is 3.6 years.

2. SUSTAINABLE GROWTH

WHY FOCUS ON THE STOCKHOLM REGION?

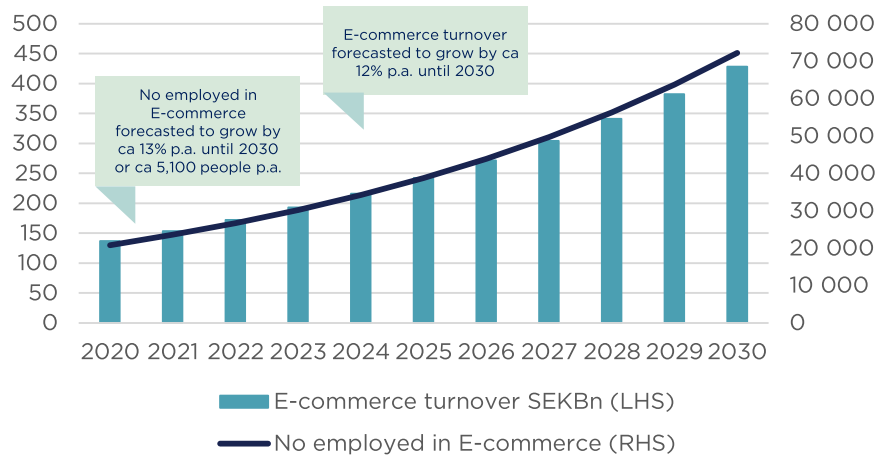
POPULATION STOCKHOLM REGION



STOCKHOLM REGION

- By 2040 a total of 11.3m inhabitants are expected to live in Sweden.
- The highest growth in absolute numbers and percent is in the Stockholm county, with a forecasted growth of approx. 400,000 inhabitants or 16.5 % for the period up until 2040.
- In addition to being the most populous region, Stockholm has the highest gross regional product in Sweden, approx. 40 % above the national average.
- Stockholm gross regional product grew by 4.2 % in 2019.
- The Stockholm county has the highest portion of the population nationwide shopping on-line, as well the highest average spend.

Forecasted E-commerce turnover & employment - Sweden



E-Commerce & Real estate market implications

- E-commerce accounted for 14% of total retail turnover in 2020, up from 11 % in 2019.
- E-commerce is forecasted to account for 40% of retail turnover by 2040 (nationwide) with E-commerce logistics expected to need 2.4x the logistics space versus traditional logistics for brick-and-mortar retail.
- Over the last 20 years the available stock of light industrial, logistics and warehouse assets has remained stable in the wider Stockholm region, whilst significantly reduced in city-fringe locations, whilst the population has grown with approx. 30 %.
- Growing demand coupled with lagging supply are factors that could continue to push rent higher.

Sources: SCB, Swedish Trade Federation, PostNord/HUI, CBRE

2. SUSTAINABLE GROWTH - CONTINUED

STRONG GROWTH PROSPECTS



FUTURE

- Continued expansion in greater Stockholm and Mälardalen.
- Furthermore, new markets are continuously being evaluated, with the most recent acquisitions being two modern warehouse assets in the logistics cluster of Viared in Borås.
- Continued acquisition focus on cash flow generating assets.
- Further investments in the existing portfolio of building rights and developments, including residential.

3. VALUE GROWTH IN PROJECTS

PROJECT PORTFOLIO WITH LARGE POTENTIAL

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT* (GROSS SQ.M.)	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START**
Södertälje	Logistics	63 900	Within current zoning	2022-2026
Botkyrka	Residential	59 000	Within current zoning	2023-2024
Upplands-Bro	Logistics	7 400	Within current zoning	2022-2023
Upplands-Bro	Light industrial	2 500	Within current zoning	2022-2023
Uppsala	Light industrial	1 500	Within current zoning	2022-2024
Upplands-Bro	Logistics	400 000	Within current zoning	2022-2023
Eskilstuna	Logistics	10 000	Within current zoning	2022-2024
Stockholm	Light industrial	8 000	Within current zoning	2022-2023
Enköping	Logistics	8 000	Within current zoning	2022-2023
Enköping	Light industrial	4 500	Within current zoning	2022-2023
Enköping	Light industrial	2 000	Within current zoning	2022-2024
Upplands-Bro	Light industrial	1 500	Within current zoning	2022-2023
Sollentuna	Residential	7 000	Zoning change required	2023-2024

* May deviate from what is technically and commercially viable

** Start of first phase, projects may include several phases. Note that Stendörren aims to construct on a pre-let basis, why the timing of construction start depends on pace of leasing activities

- Fully developed an additional 621,000 sqm can be created, evidencing a substantial increase to the current portfolio of standing assets
- The vast majority of the building rights are located in the greater Stockholm region.
- The aim is to develop the project pipeline on a pre-let basis why the timing of possible construction start depends on the pace of leasing activities.

3. VALUE GROWTH IN PROJECTS – CONTINUED

ONGOING AND FINALIZED PROJECTS

ONGOING PROJECTS

PROPERTY	TYPE OF DEVELOPMENT	ESTIMATED COMPLETION	SIZE, NET SQ. M.	ESTIMATED INVESTMENT* SEKM	CURRENT PHASE
Almnäs 5:23	New logistics	Q4 2022	11 200	166	Preparatory construction works***
Hjulsmeden 1	New light industrial	Q4 2022	2 600	42	Design and planning**
Librobäck 21:3	New light industrial	Q4 2022	2 100	36	Design and planning**
Viby 19:66	New logistics	Q4 2022	5 900	100	Preparatory construction works***
Almnäs 5:24	New light industrial	Q1 2023	2 100	39	Design and planning
Tegelbruget 1	New residential	Q2 2024	16 000	-	Design and planning**
Total ongoing projects			39 900	>383	

* Includes book value of land. Estimated investment for Tegelbruget not disclosed due to ongoing procurement

**Application for building permit submitted

***Ground or building permit are obtained

- Development projects within logistics, light industrial, and residential ongoing.
- First estimated construction completion estimated for Q4 2022.

FINALIZED PROJECTS

PROPERTY	DESCRIPTION	COMPLETION	SIZE, NET SQ. M.	INVESTMENT, SEKM
Båglampan 35	Tenant improvement	Q1 2021	5 300	35
Kälby 1:55	Tenant improvement	Q1 2021	19 607	36
Total finalized projects			24 907	71

3. VALUE GROWTH IN PROJECTS – CONTINUED

TEGELBRUKET IN BOTKYRKA

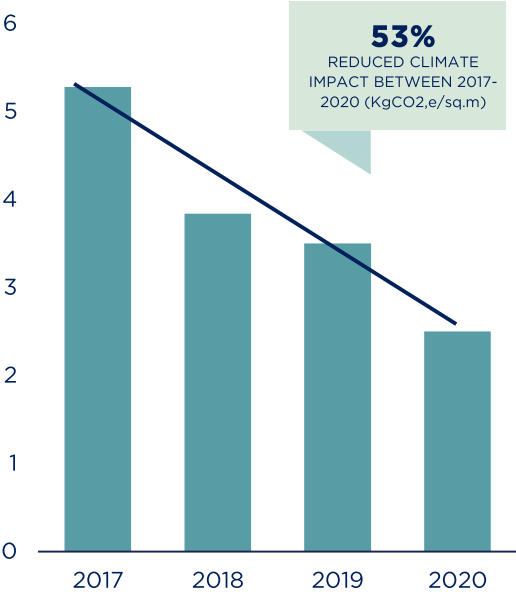


TEGELBRUKET

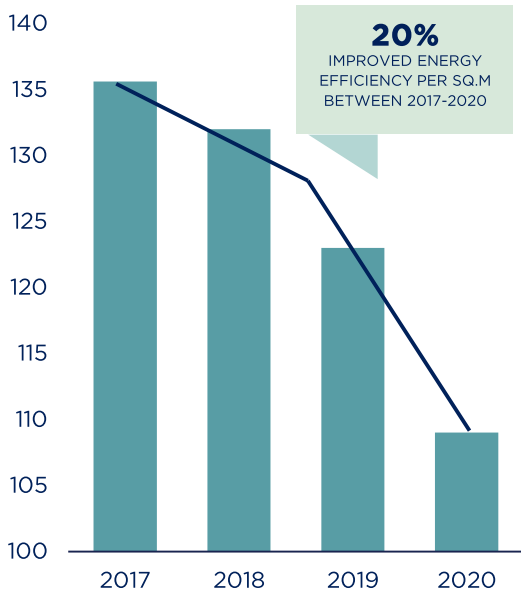
- Example of underutilized asset in urban location.
- Acquired in 2016 as a cash flow generating property, significant value unlocked through rezoning allowing for residential construction on underutilized parking lot.
- Building permit application submitted regarding first phase.
- Post completed development the area will comprise approx. 800 apartments and some additional commercial premises, primarily to service the new residents.

SUSTAINABILITY

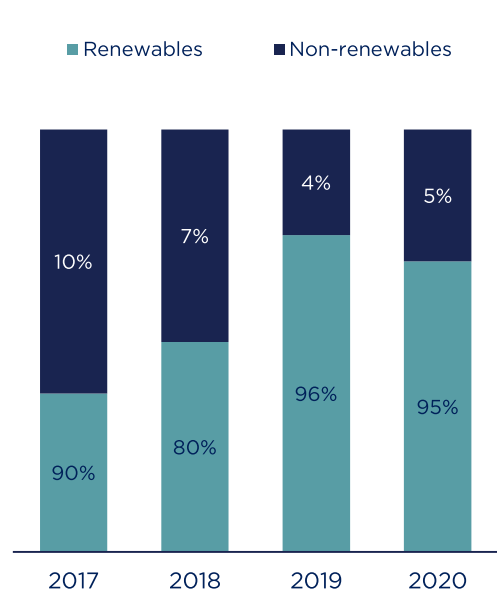
CLIMATE IMPACT KG CO2/SQ.M



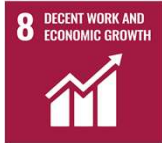
ENERGY INTENSITY KWH/SQ.M.



DISTRIBUTION OF ENERGY SOURCES



SDG FOCUS



Stendörren is currently working on a new sustainability strategy to be delivered in 2022

4. FINANCE

12 MONTHS TO SEPTEMBER 2021

KEY METRICS

RENTAL INCOME:

644 MSEK

NET OPERATING INCOME:

482 MSEK

NET PROFIT:

880 MSEK

LTV:

46 %

LETTABLE AREA:

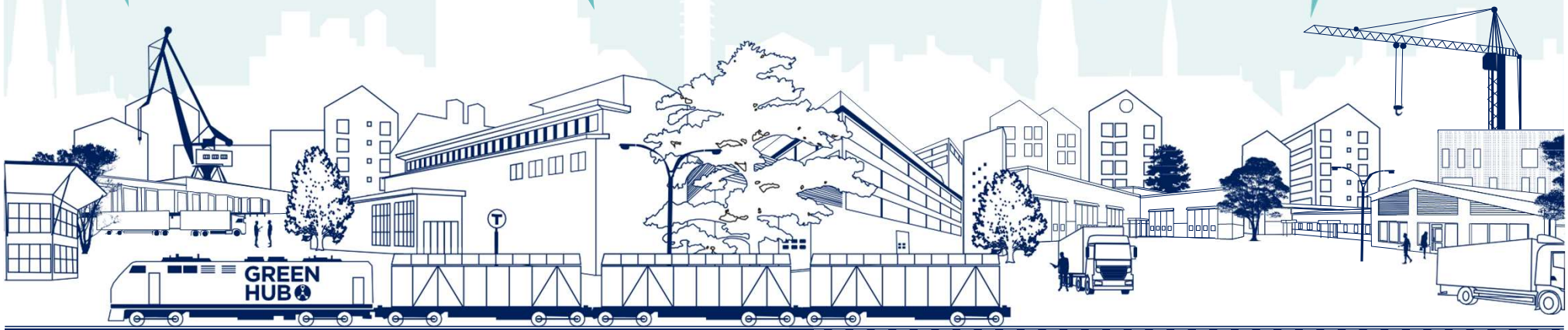
768 000 M²

PROPERTY VALUE:

10 803 MSEK

EQUITY RATIO:

44%



FINANCIAL PERFORMANCE

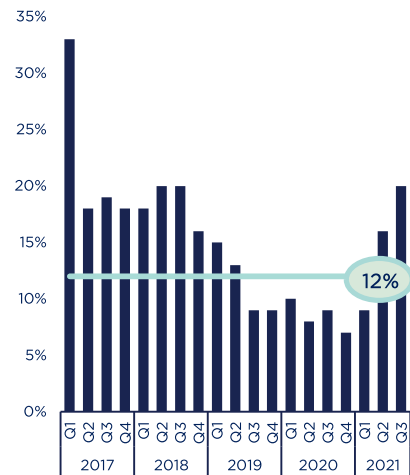
20%

3.0x

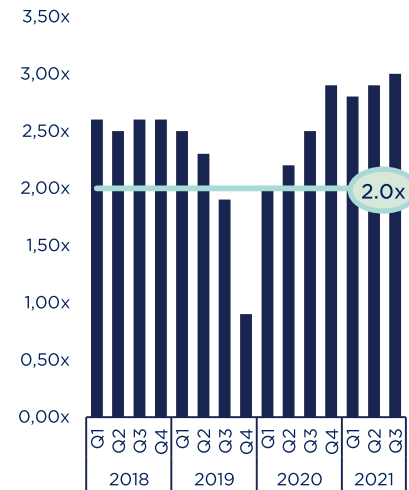
44%

29%

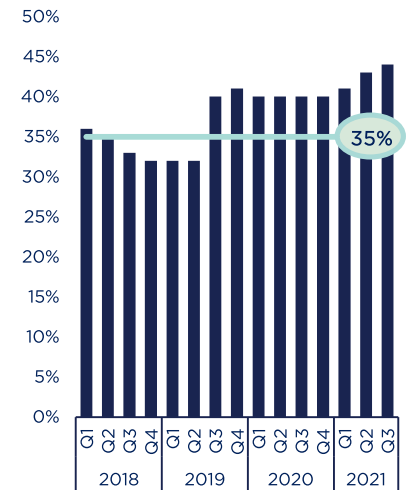
ROE (LTM Q3 2021, AVERAGE)



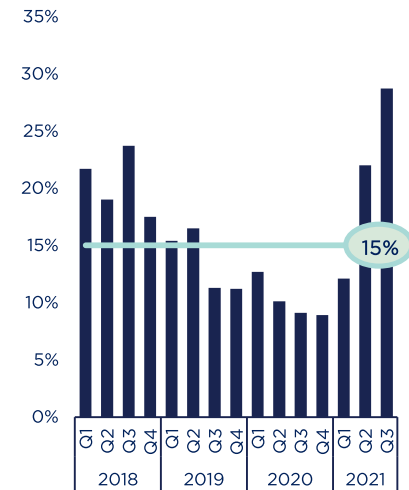
ICR (LTM Q3 2021)



EQUITY RATIO (Q3 2021)



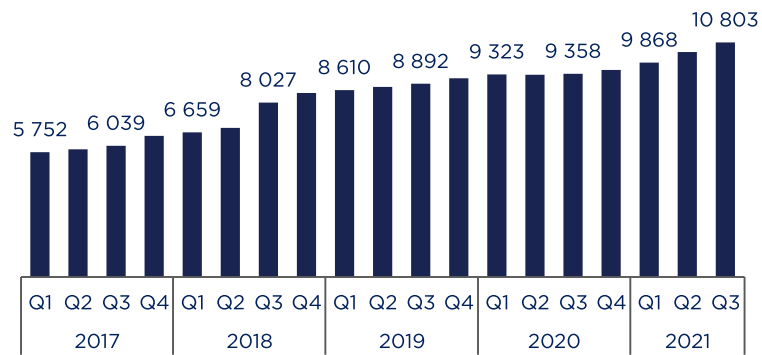
NAV GROWTH (LTM Q3 2021)



FINANCIAL KEY METRICS

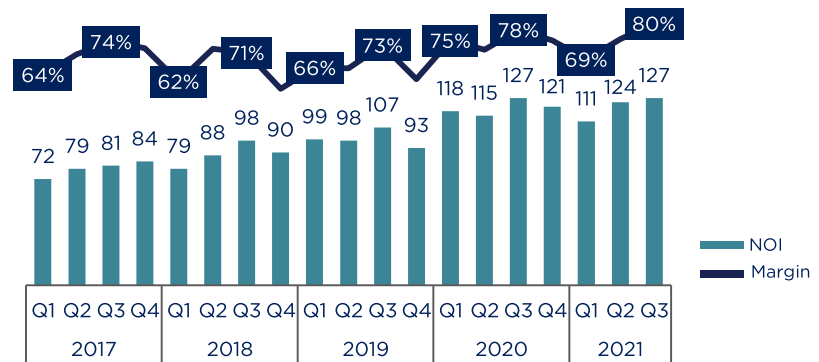
GROWING PROPERTY PORTFOLIO

PROPERTY VALUE, SEKm



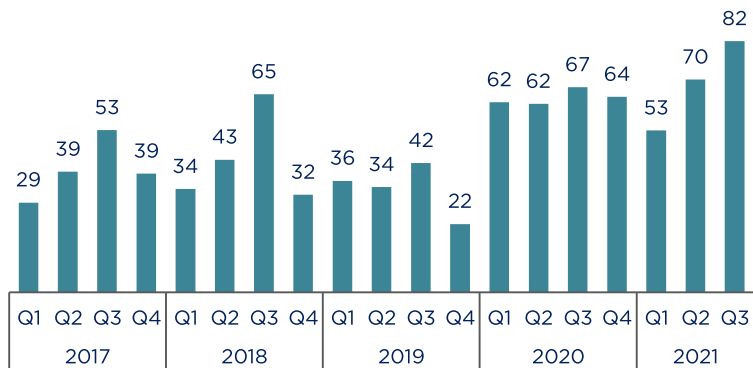
STABLE AND IMPROVING DEBT SERVICE CAPACITY

NET OPERATING INCOME, SEKm



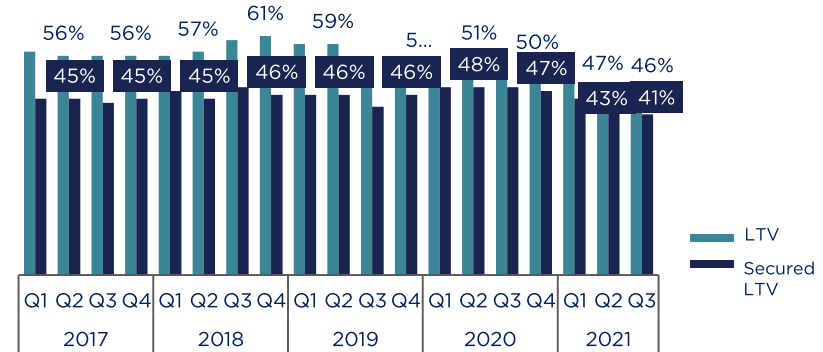
IMPROVED AND STABILISED PROFITABILITY

PROFIT FROM PROPERTY MANAGEMENT, SEKm

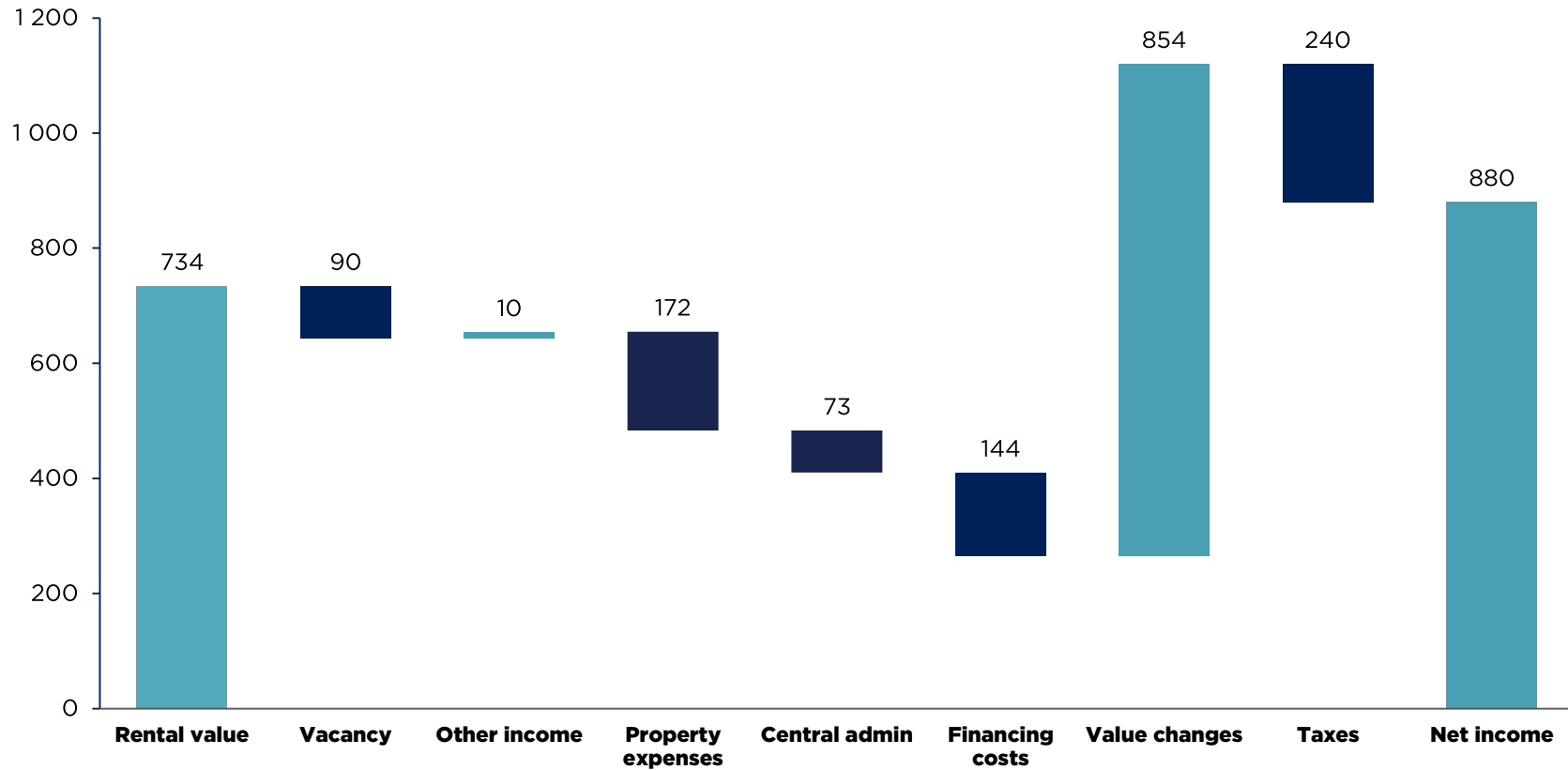


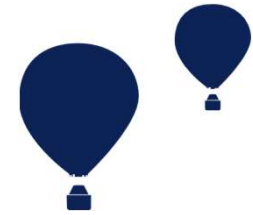
SOLID BALANCE SHEET

LOAN TO VALUE



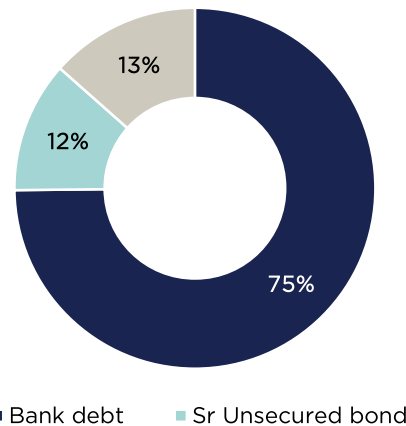
NET INCOME WALK 12 MONTHS TO 30 SEPTEMBER 2021





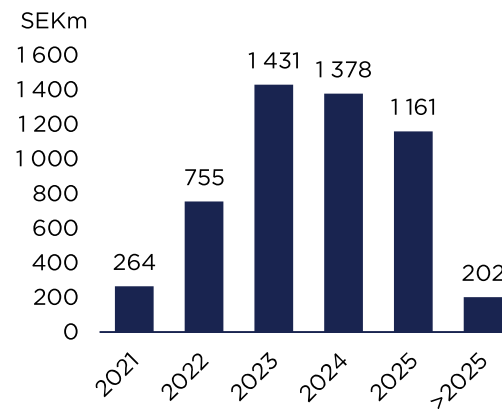
DEBT FUNDING

DEPT FUNDING OVERVIEW



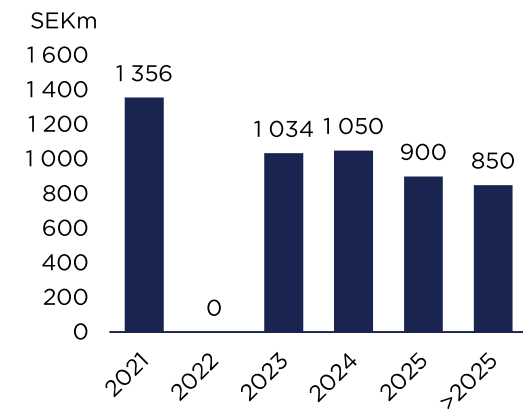
- Total interest bearing debt amounts to SEK 5,170m
 - Bank debt of SEK 4,480m
 - Senior unsecured bond debt of SEK 700m
 - Vendor note of SEK 10m
- Stendörren uses several of the leading Nordic banks for debt sourcing. Typically, approximately 60% bank financing on acquisitions.
- During 2019, the company issued a SEK 800m hybrid bond of which 100% of the amount counts as equity according to IFRS.

LOAN MATURITY



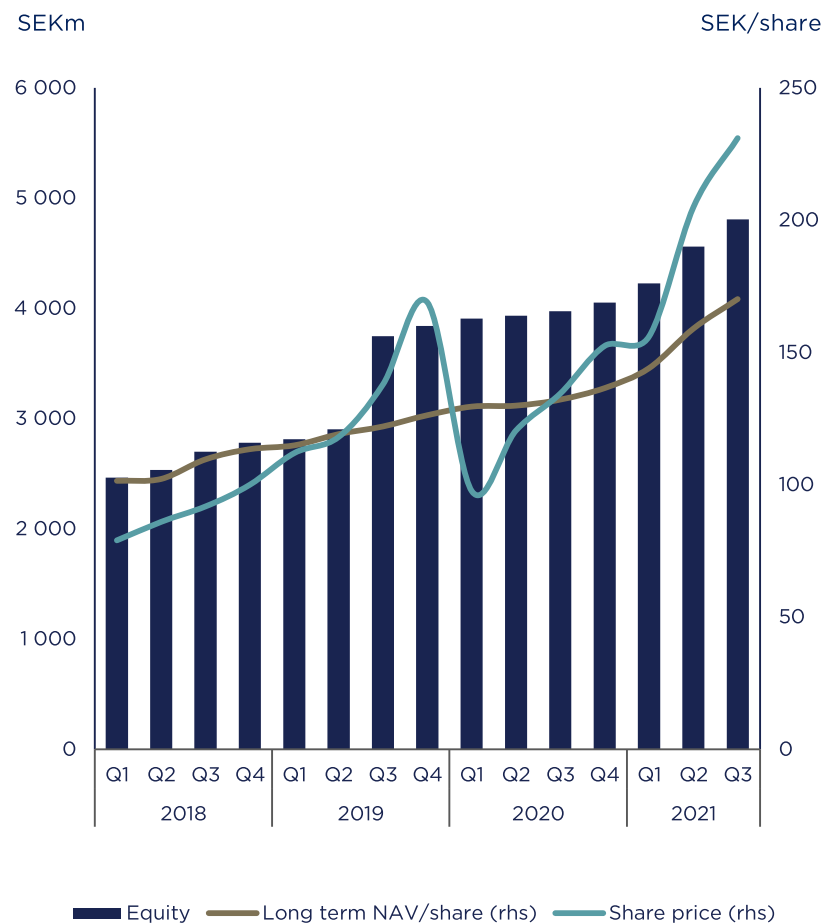
- Stendörren has a well distributed maturity profile on its financial indebtedness.
- Average loan maturity of interest-bearing debt to credit institutions of approximately 2.4 years.
- Average interest rate of approximately 1.9% on financing from credit institutions.

INTEREST FIXING



- Including the interest caps and swap, the average interest fixing was 2.5 years.

SHARE VALUE AND KEY EQUITY RATIOS



KEY EQUITY RATIOS	SEPTEMBER 2021	SEPTEMBER 2020
Share price, SEK	231.00	134.50
Equity per share, SEK ¹⁾	141.76	112.41
Long term nav per share, SEK	170.20	132.16

1) Book equity excluding hybrid capital per share

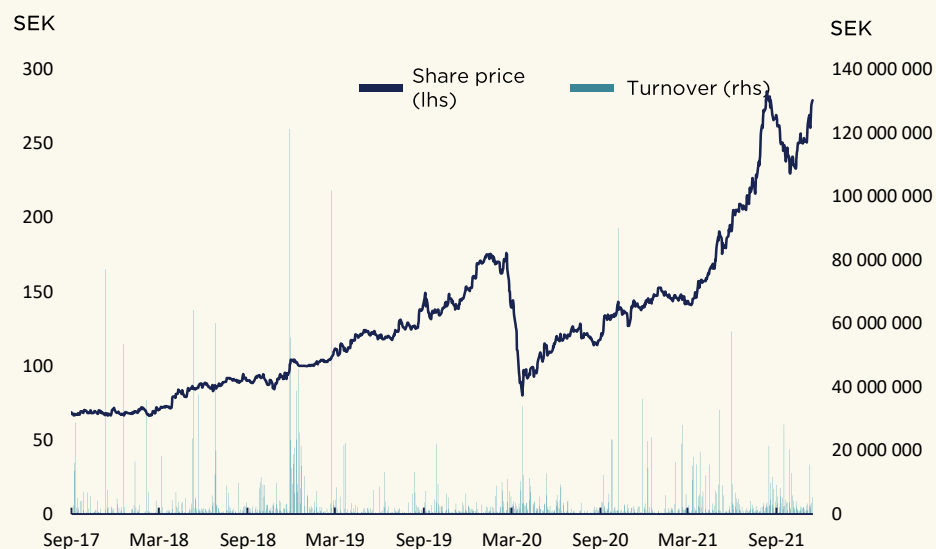


SHARE PERFORMANCE AND OWNERSHIP OVERVIEW

SHAREHOLDERS	TOTAL SHARES	A-SHARES	B-SHARES	% OF CAPITAL	% OF VOTES
STENDÖRREN REAL ESTATE AB	11 532 606	2 000 000	9 532 606	40.7	58.1
ALTIRA AB	3 050 000	500 000	2 550 000	10.8	14.8
LÄNSFÖRSÄKRINGAR FASTIGHETFOND	4 875 992	0	4 875 992	17.4	9.7
SEB INVESTMENT MANAGEMENT	2 616 003	0	1 035 129	3.65	2.03
SEB SVERIGEFOND SMÅBOLAG	1 020 938	0	1 020 938	3.60	2.01
SEB SV SMÅBOL CHANS/RISK	908 340	0	908 340	3.20	1.79
TREDJE AP-FONDEN	750 000	0	750 000	2.64	1.47
CARNEGIE SMÅBOLAGSFOND	506 091	0	506 091	1.78	0.99
CARNEGIE FASTIGHETFOND NORDEN	427 213	0	427 213	1.51	0.84
WARMLAND, BODIL	249 975	0	249 975	0.88	0.49
Other	4 647 403	0	4 015 157	14.15	7.91
Total	28 371 441	2 500 000	25 871 441	100.00	100.00

Source: Euroclear Sweden & Bloomberg 30 September 2021

SHARE PRICE DEVELOPMENT



- Share price as per 15 November 2021: SEK 279
- Market cap as per 30 September 2021: SEK 6,554m
- The class B-share is currently trading at Nasdaq Stockholm Mid Cap
- Stendörren has approximately 3,623 shareholders (as per 30 September 2021)
- Stendörren Real Estate AB is a company wholly owned by EQT Real Estate II

ASSESSED EARNINGS CAPACITY



- According to the company's assessment as of Q3 2021, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately SEK 667 million.
- The company also estimates that current property costs amount to approximately SEK - 153 million on an annual basis.
- The portfolio is thus expected to produce an operating net of approximately SEK 514 million.

