



STENDÖRREN

*Lokaler som gör skillnad.*

FOURTH QUARTER 2022  
**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 the 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), mainly in Greater Stockholm and the Mälardalen region.

Stendörren is continuously evaluating acquisitions in new markets, such as the recent entry into Copenhagen, Oslo and Helsinki.

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%

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

Interest coverage ratio of at least 2.0x

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

# OPERATIONAL HIGHLIGHTS

## ✓ STRONG NET LETTING

- Strong net letting during last 8 quarters - vacancy below 10%.
- Continued strong renegotiation of lease agreements - 21% average increase in rent on renegotiated leases in Q4 2022.
- Full effect from CPI-related rent increase in lease agreements with effect from and including Q1 2023.

## ✓ CONTINUED STRONG SURPLUS RATIO

- 75% during Q4 2022.

## ✓ STRONG TRACTION WITHIN PROJECT DEVELOPMENT

- ~25.000 sqm soon to be completed.
- Projects added to pipeline (building permits obtained).

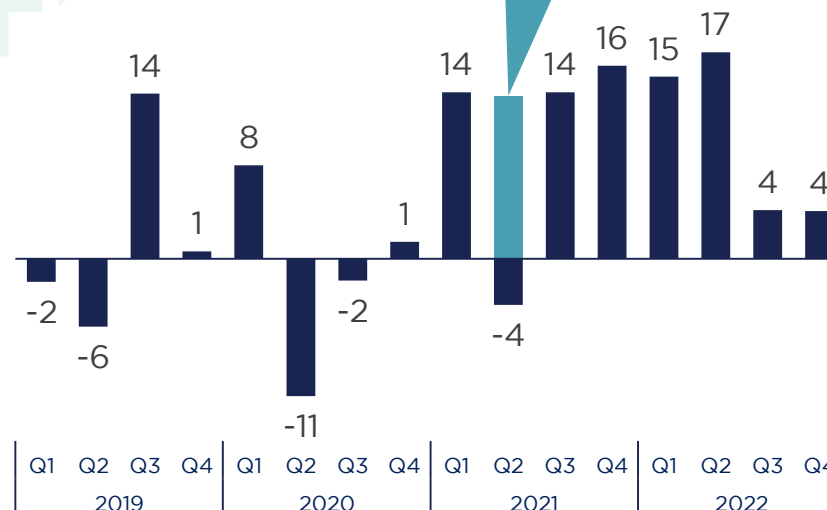
## ✓ CONTINUED EXPANSION IN THE NORDICS

- First acquisition in Helsinki in July 2022.
- Established in all Nordic countries.

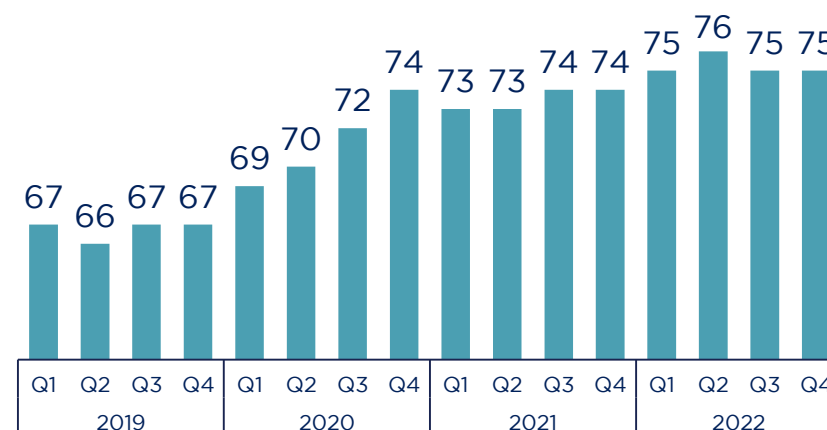
## ✓ NEW SUSTAINABILITY STRATEGY 2022

- Higher sustainability ambitions.

### NET LETTING (MSEK)



### SURPLUS RATIO (%)



# FINANCIAL HIGHLIGHTS

## ✓ FINANCIAL KEY FIGURES NEGATIVELY EFFECTED BY REVALUATIONS

- SEK -143 million January - December.
- SEK -354 million October - December.

## ✓ REFINANCINGS OF SECURED BANK DEBT DURING H1 2022

- Substantially strengthened liquidity.
- Substantially extended average remaining tenor on interest bearing debt (2.9 years).

## ✓ INCREASED INTEREST-RATE HEDGING LATE 2021

- 80% of interest-bearing debt.

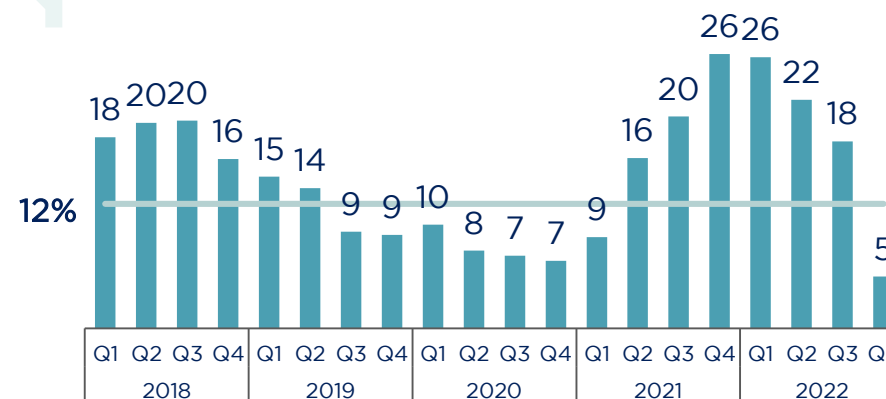
## ✓ INCREASED ENERGY PRICE HEDGING EARLY 2022

- ~80% of forecasted consumption 2022-2023, ~50% for 2024.

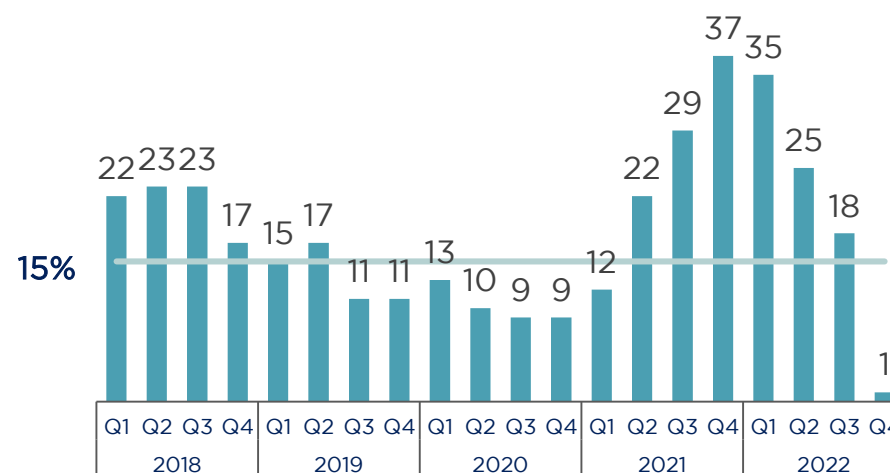
## ✓ GREEN- AND SUSTAINABILITY LINKED LOANS

- 6% Green loans.
- 36% Sustainability Linked Loans.

### ROE (%)



### NAV GROWTH (%)



# SNAPSHOT OF STENDÖRREN

## PROPERTY VALUE<sup>1</sup>

SEK  
12.4 bn

## RENTAL VALUE<sup>2</sup>

SEK  
824 m

## NOI YIELD<sup>3</sup>

5.5%

## LTV<sup>4</sup>

47%

## LETTABLE AREA<sup>1</sup>

SQ.M.  
795,000

## NAV<sup>5</sup>

SEK  
4,918 million

## LEASE DURATION<sup>6</sup>

3.8 years

## BUILDING RIGHTS<sup>1</sup>

SQ.M.  
657,000

1) Property portfolio as per December 31, 2022

2) Estimated earnings capacity as of January 1, 2023

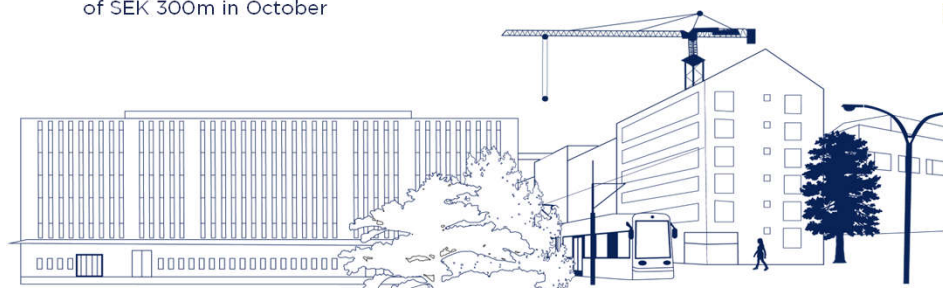
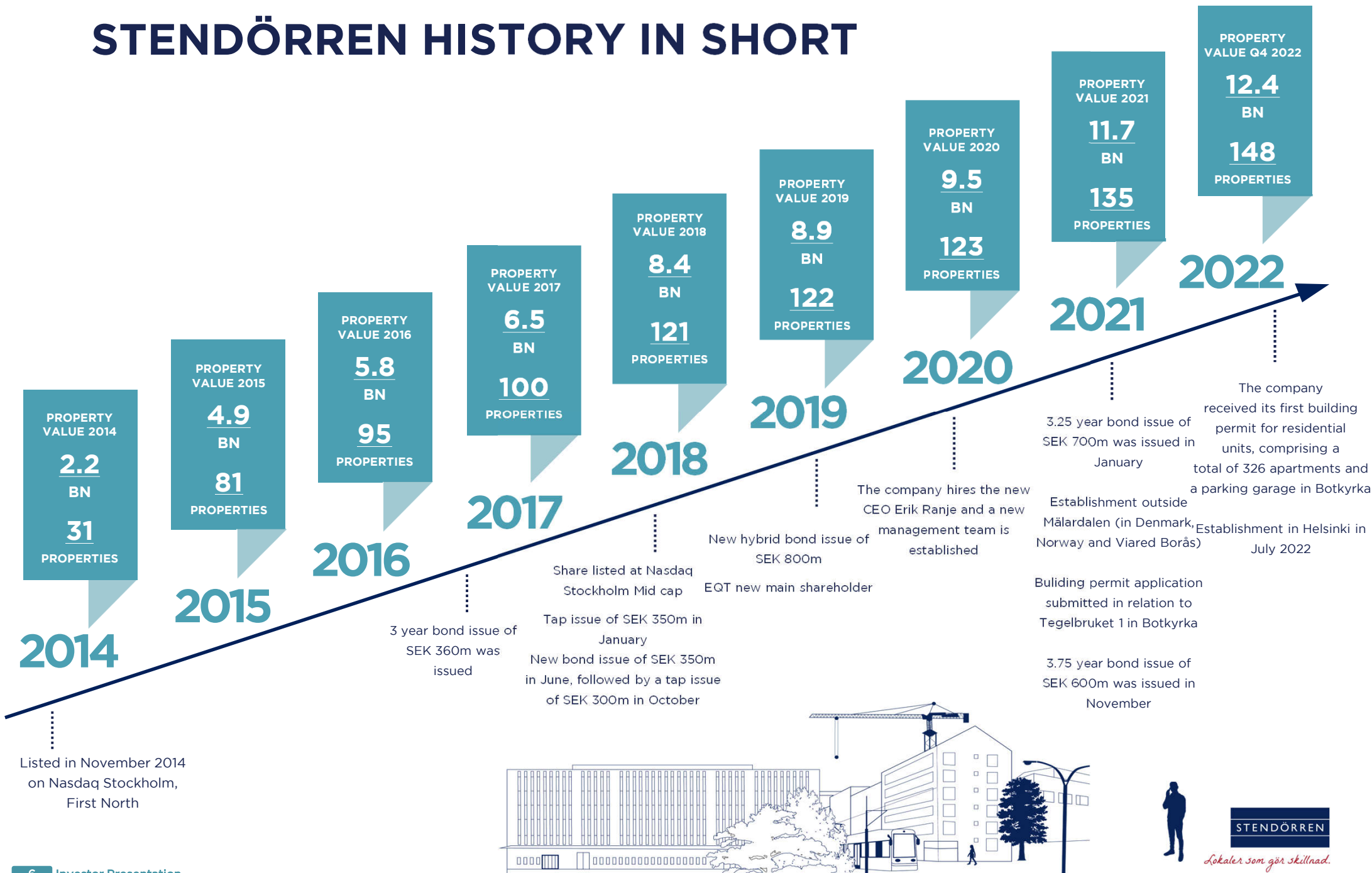
3) Excluding projects and land, 12 months average

4) Interest bearing debt in relation to total assets

5) Actual NAV

6) Average unexpired lease term – economically weighted

# STENDÖRREN HISTORY IN SHORT



STENDÖRREN

*Lokaler som gör skillnad.*

# 4 REASONS TO INVEST IN STENDÖRREN

## 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

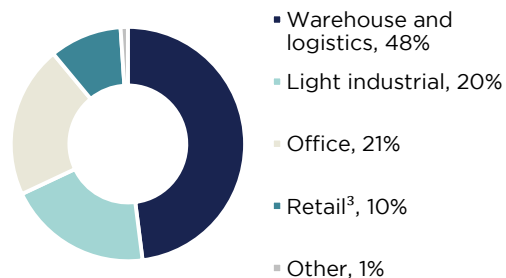
## DIVERSIFICATION WITH FOCUS ON GREATER STOCKHOLM

### PROPERTY PORTFOLIO OVERVIEW

- Stendörren has a property portfolio of SEK 12,418m, with a property yield of 5.5%<sup>1</sup> as per 31 December 2022.
- Rental value<sup>2</sup> of SEK 824m with an economic occupancy rate of 92% as per 31 December 2022.
- Lease agreements that were renegotiated during the period led to an increase in rental values of 21%, on weighted average (Q4 2022).

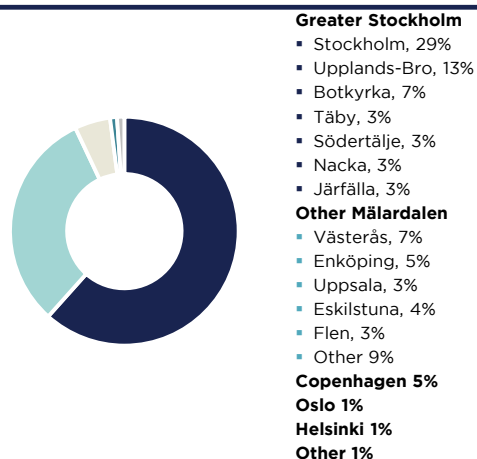
### PROPERTY DISTRIBUTION

#### SEGMENT (area)



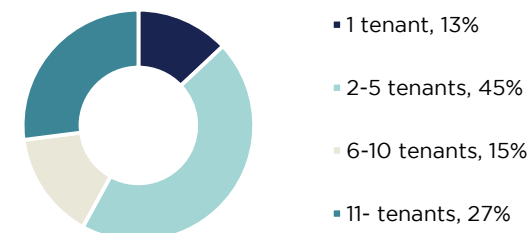
The majority (68 %) of the property portfolio area consists of warehouse, logistics and light industrial properties.

#### GEOGRAPHY (rental income)



The main part of the property portfolio, by rental income, is located in Greater Stockholm and the surrounding regions.

#### TENANTS/PROPERTY (area)



The tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from different industries.

1) Excluding projects and land, 12 months average 2) Estimated earnings capacity as of December 31, 2022 3) Capital goods e.g car dealerships



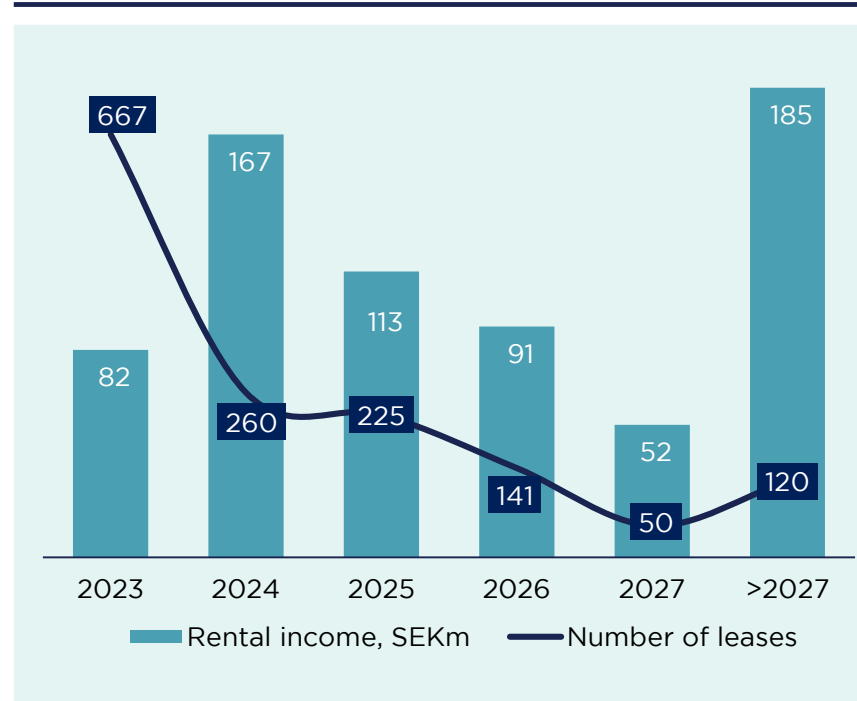
# 1. STABLE CASH FLOW - CONTINUED

## DIVERSIFIED TENANT BASE

### LARGEST TENANTS AS PER Q4 2022

Tenant	Rental income, SEKm	Rental area, th. sq.m.	Share of total rental income
Coop Logistics AB	66	130	10%
Ätta.45 Tryckeri AB	12	11	2%
Mountain Top	11	10	2%
Unilever Europe BV	10	13	1%
Stockholm Vatten AB	10	6	1%
Bactiguard AB	9	4	1%
InfoCare Service AB	8	5	1%
Nacka Vatten och Avfall AB	7	3	1%
LeasePlan Sverige AB	7	5	1%
Sätra Motorcenter AB	7	6	1%
<b>Sum</b>	<b>146</b>	<b>193</b>	<b>21%</b>

### LEASE MATURITY BY RENTAL INCOME

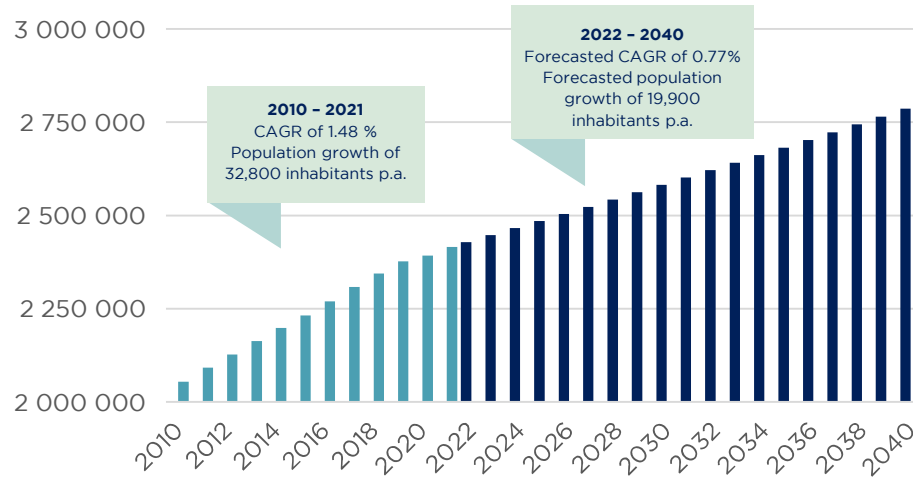


- Stendörren has an attractive and well-diversified tenant base
  - some 800 individual tenants
  - well-established small to medium sized companies and large multinational companies
  - tenants represent a variety of industries
- Largest tenant is Coop that contributes 10% of total rental income.
- Top ten tenants contribute 21% of total rental income.
- The weighted average unexpired lease term is 3.8 years.

# 2. SUSTAINABLE GROWTH

## WHY FOCUS ON THE STOCKHOLM REGION?

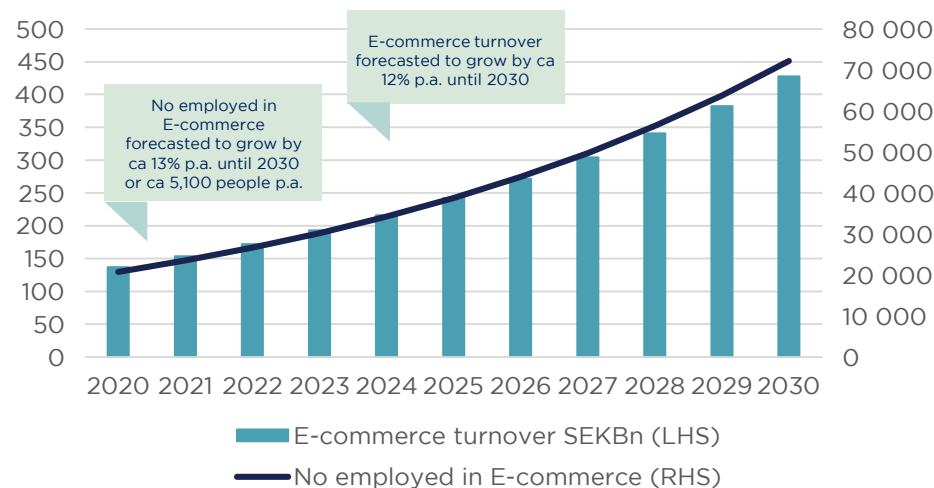
### POPULATION STOCKHOLM REGION



### STOCKHOLM REGION

- By 2040 a total of 11.4m 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. 380,000 inhabitants or 16 % 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.
- The gross regional product in Stockholm per capita is ca 40% higher than the national average
- 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 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

- Expansion in greater Stockholm and Mälardalen.
- Build critical mass in new markets.
- New markets continuously evaluated
- Focus on off market acquisitions of cash flow generating assets.
- Investments in the existing portfolio of building rights and developments, including residential.
- Proactive management of capital structure in the light of the more challenging financing environment.

# 3. VALUE GROWTH IN PROJECTS

## PROJECT PORTFOLIO WITH LARGE POTENTIAL

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT (GROSS SQM <sup>2</sup> ) <sup>1</sup>	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START <sup>2</sup>
Upplands-Bro	Logistics	400,000	Within current zoning	2023-2024
Södertälje	Logistics	44,500	Within current zoning	2023-2024
Nynäshamn	Light industrial	10,000	Within current zoning	2023-2024
Enköping	Logistics	8,000	Within current zoning	2023-2024
Eskilstuna	Logistics	5,000	Within current zoning	2023-2024
Upplands-Bro	Light industrial	2,500	Within current zoning	2023-2024
Upplands-Bro	Logistics	2,000	Within current zoning	2023-2024
Enköping	Light industrial	2,000	Within current zoning	2023-2024
Västerås	Light industrial	2,000	Within current zoning	2023-2024
Upplands-Bro	Light industrial	1,500	Within current zoning	2023-2024
Flen	Logistics	55,000	Within current zoning	2024-2025
Botkyrka	Residential	54,500	Within current zoning	2024-2025
Sollentuna	Residential	7,000	Rezoning	2024-2025
Frederikssund	Light industrial	3,700	Within current zoning	2024-2025
Uppsala	Light industrial	1,500	Within current zoning	2024-2025
Stockholm	Residential	30,000	Zoning change required	2026-2027

- Fully developed up to an additional 657,000 sqm can be created, evidencing a substantial growth potential in the portfolio
- 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.

1) GFA may deviate from what is technically and commercially viable.

2) Start of first phase, projects may include several phases. Note that Stendörren aims to commence construction on a partially or fully pre-let basis, which is why the timing of construction start depends on pace of leasing activities



# 3. VALUE GROWTH IN PROJECTS - CONTINUED

## ONGOING PROJECTS

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION <sup>1</sup>	SIZE SQM <sup>2</sup>	ESTIMATED INVESTMENT <sup>3</sup> SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q1 2023	11,900	175	Construction started
Hjulsmeden 1	New light industrial	Q1 2023	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q2 2023	2,300	44	Construction started
Viby 19:66	New logistics	Q1 2023	6,300	116	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,700	48	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	5,100	44	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	31	Construction started
Elementet 1	Tenant improvement	Q3 2023	3,400	41	Construction started
Almnäs 5:24	New light industrial	Q3 2023	2,300	44	Construction started
Almnäs 5:24	New light industrial	Q1 2024	2,300	44	Construction started
Båglampan 25	New light industrial	Q3 2024	4,300	109	Design and planning <sup>4</sup>
Viby 19:66	New logistics	Q2 2024	5,200	104	Design and planning <sup>4</sup>
Almnäs 5:23	New logistics	Q4 2024	17,000	324	Design and planning <sup>4</sup>
Romberga 23:17	New light industrial	Q3 2024	2,700	47	Design and planning <sup>4</sup>
Tegelbruket 1	New residential	-	25,500	-	Design and planning <sup>4</sup>
<b>Total ongoing projects</b>			<b>97,700</b>	<b>&gt;1,219</b>	
<b>Total excluding tenant improvement</b>			<b>82,500</b>	<b>1,055</b>	

- Development projects within logistics, light industrial, and residential ongoing.

1) Note that Stendörren primarily aims to commence construction on a partially or fully pre-let basis, which is why the estimated date of completion depends on the date of leasing and the start of construction.

2) GFA (new production), NLA (tenant improvement).

3) Includes book value of land for new production. Estimated investment for Tegelbruket not disclosed due to ongoing procurement.

4) Building permit has been obtained.

# 3. VALUE GROWTH IN PROJECTS - CONTINUED

## TEGELBRUKET IN BOTKYRKA

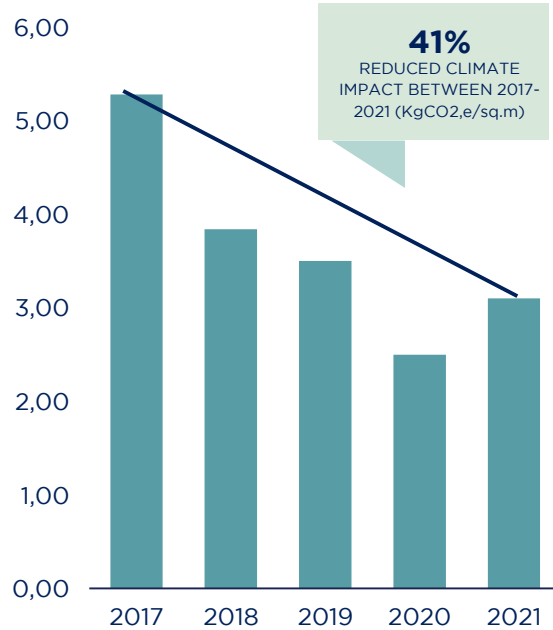


### TEGELBRUKET

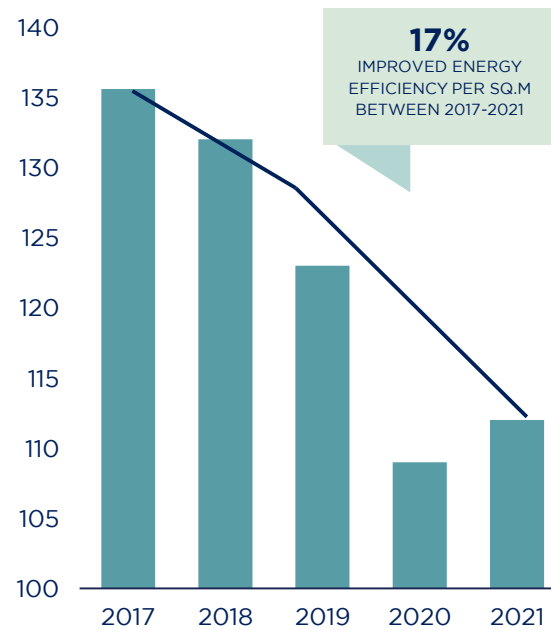
- Example of underutilized asset in urban location.
- Acquired in 2016 as a cash flow generating property, significant value unlocked through rezoning allowing for residential construction on underutilized parking lot.
- Building permit application obtained regarding first phase.
- Post completed development the area will comprise approx. 800 apartments and some additional commercial premises, primarily to service the new residents.
- Due to the prevailing economic conditions, Stendörren does not intend to commence the construction in the near future.

# SUSTAINABILITY - ACHIEVEMENTS

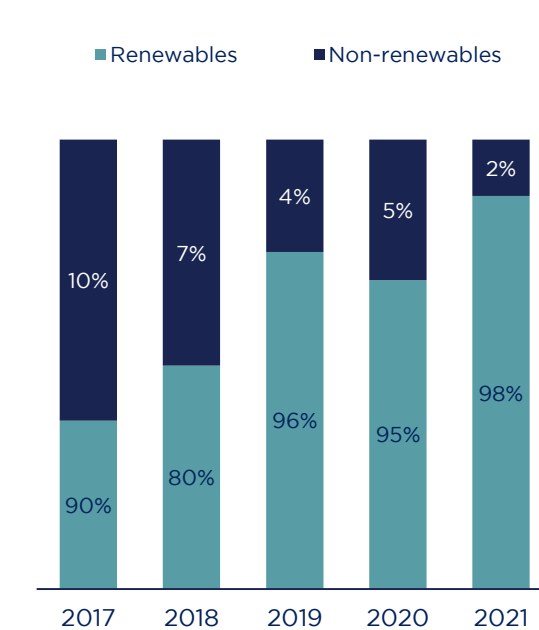
**CLIMATE IMPACT KG CO<sub>2</sub>/SQ.M**



**ENERGY INTENSITY KWH/SQ.M.**



**DISTRIBUTION OF ENERGY SOURCES**



**SDG FOCUS**



# NEW SUSTAINABILITY STRATEGY ADOPTED 2022

## OPERATIONAL EXCELLENCE



TARGET:

- LARGE SUPPLIERS ARE TO SIGN THE COMPANY'S CODE OF CONDUCT
- 100% OF ALL VEHICLES ARE TO BE FOSSIL-FREE BY 2025
- AVOID FLYING WHEREVER PRACTICALLY POSSIBLE

## RESOURCE EFFICIENCY



TARGET:

- REDUCE ENERGY INTENSITY (KWH/SQM) BY AT LEAST 20% BY 2030 FROM THE BASE YEAR 2020
- 70% OF THE PROPERTY PORTFOLIO IN SQM IS TO HAVE ENVIRONMENTAL CERTIFICATION BY 2025
- NEW BUILDINGS AND LARGE-SCALE TENANT IMPROVEMENTS ARE TO HAVE ENVIRONMENTAL CERTIFICATION
- ENABLE INCREASED RECYCLING OF TENANTS' WASTE AND MINIMIZE CONSTRUCTION WASTE FROM NEW BUILDINGS, EXTENSIONS AND TENANT IMPROVEMENTS.
- REDUCE CARBON FOOTPRINT BY HAVING 100% FOSSIL-FREE ENERGY BY 2030 (FOR ENERGY PURCHASED BY STENDÖRREN)
- REDUCE CARBON FOOTPRINT IN NEW PRODUCTION PROJECTS TO ACHIEVE NET ZERO EMISSIONS BY 2030

## ATTRACTIVE EMPLOYER



TARGET:

- STRIVE FOR EQUALITY AND DIVERSITY AMONG ALL PROFESSIONAL CATEGORIES AND AIM TO HAVE A 40/60 GENDER DISTRIBUTION FOR SENIOR POSITIONS BY 2025
- ANNUAL FOLLOW-UP AND FEEDBACK ON EQUALITY AND NON-DISCRIMINATION
- ACHIEVE AN eNPS SCORE OF AT LEAST 20 IN THE SEMI-ANNUAL EMPLOYEE SURVEY
- 100% OF EMPLOYEES ARE TO HAVE COMPLETED TRAINING IN THE CODE OF CONDUCT

## FUTURE-PROOFING



TARGET:

- TCFD (TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE) REPORTING FROM 2023

## SOCIAL RESPONSIBILITY



TARGET:

- CREATE JOB OPPORTUNITIES FOR PEOPLE FAR OUTSIDE THE LABOR FORCE

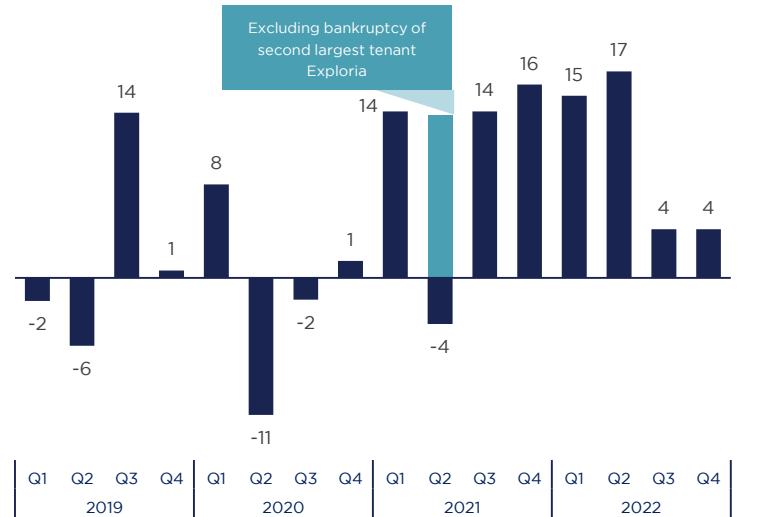
- ✓ Added focus areas (Future proofing)
- ✓ Generally increased ambitions



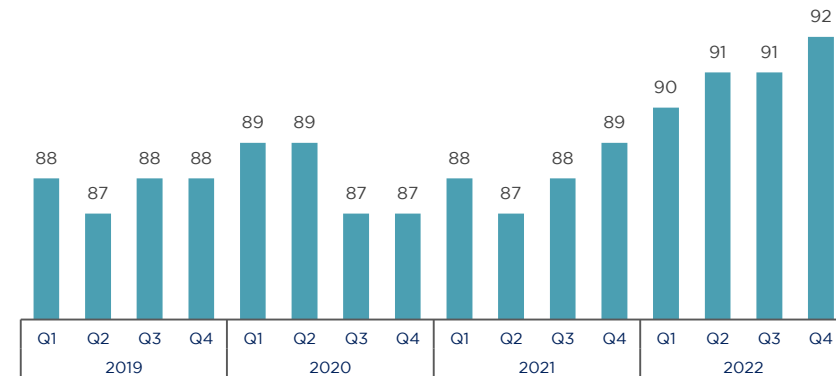
# 4. FINANCE

## HIGHLIGHTS FROM Q4 REPORT

### NET LETTING (MSEK)



### ECONOMIC OCCUPANCY (%)



### SURPLUS RATIO (%)



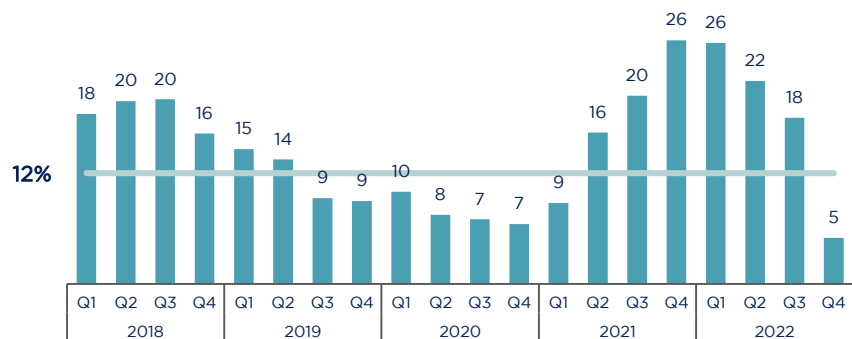
### COMMENTS

- ✓ Substantial refinancings together with recently increased interest-rate hedging (approx. 80% of interest-bearing debt in the balance sheet) give strong financial resilience. As of Q4, SEK 315 million in cash plus SEK 560 million in unutilized and available credit facilities.
- ✓ Net letting of SEK 40 million during January - December 2022.
- ✓ New lease agreements with an annual rental value of SEK 84 million.
- ✓ Lease renegotiations led to an increase in rental values of 21%.

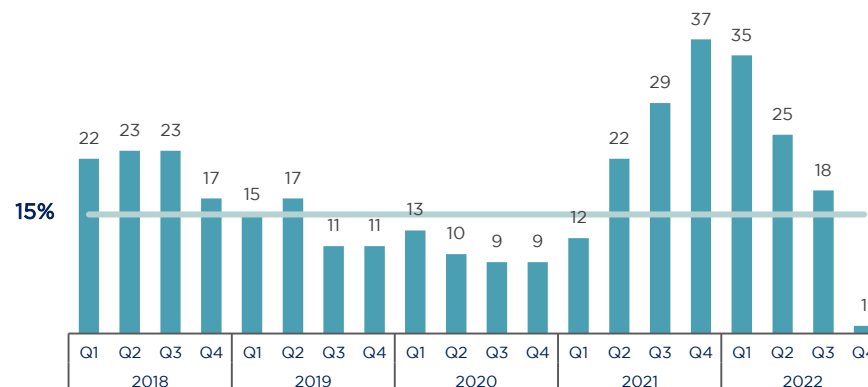
# 4. FINANCE - CONTINUED

## FINANCIAL TARGETS

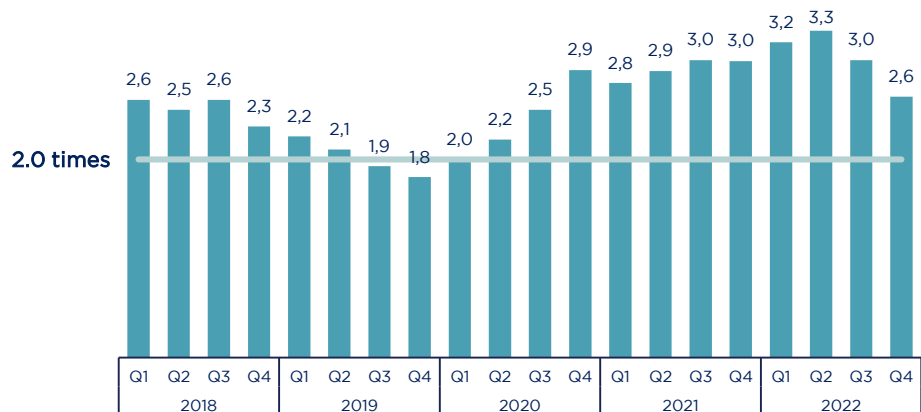
**ROE (%)**



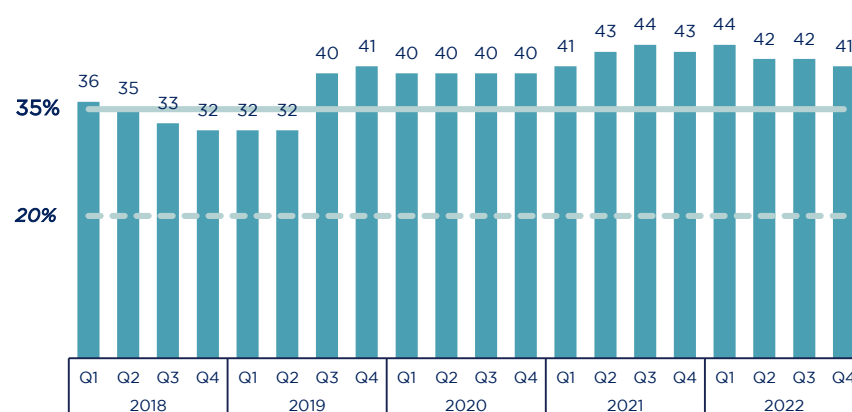
**NAV GROWTH (%)**

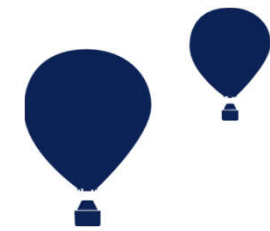


**ICR (times)**



**EQUITY RATIO (%)**

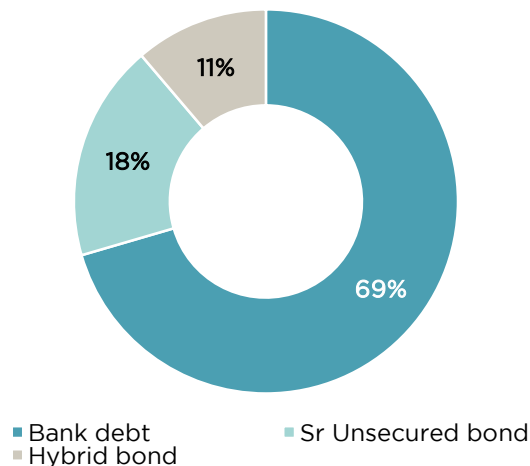




# 4. FINANCE – CONTINUED

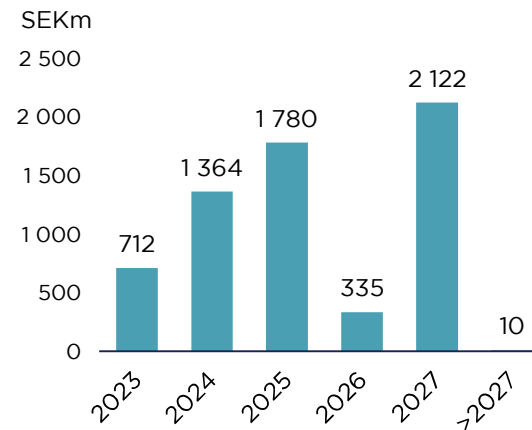
## DEBT FUNDING

### DEBT FUNDING OVERVIEW



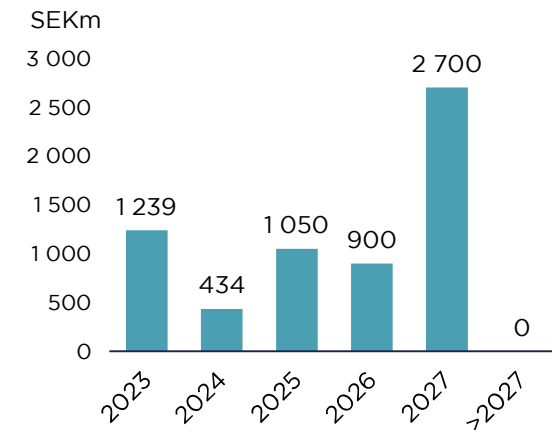
- Total interest-bearing debt amounts to SEK 6,290m
  - Bank debt of SEK 5,018m
  - Senior unsecured bond debt of SEK 1,300m
  - Vendor note of SEK 5m
- Stendörren uses several of the leading Nordic banks for debt sourcing. Typically, approximately 60% bank financing on acquisitions.
- Hybrid bond of SEK 800 million recognized as equity according to IFRS, with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

### LOAN MATURITY



- During the second quarter, refinancings were accomplished with several of the company's banks, which has led to substantially strengthened liquidity and also substantially extended average remaining tenor on interest bearing debt.
- Average loan maturity of interest-bearing debt of approximately 2.9 years.
- Average interest rate of approximately 4.0% on total interest-bearing debt including derivatives as of December 31, 2022.

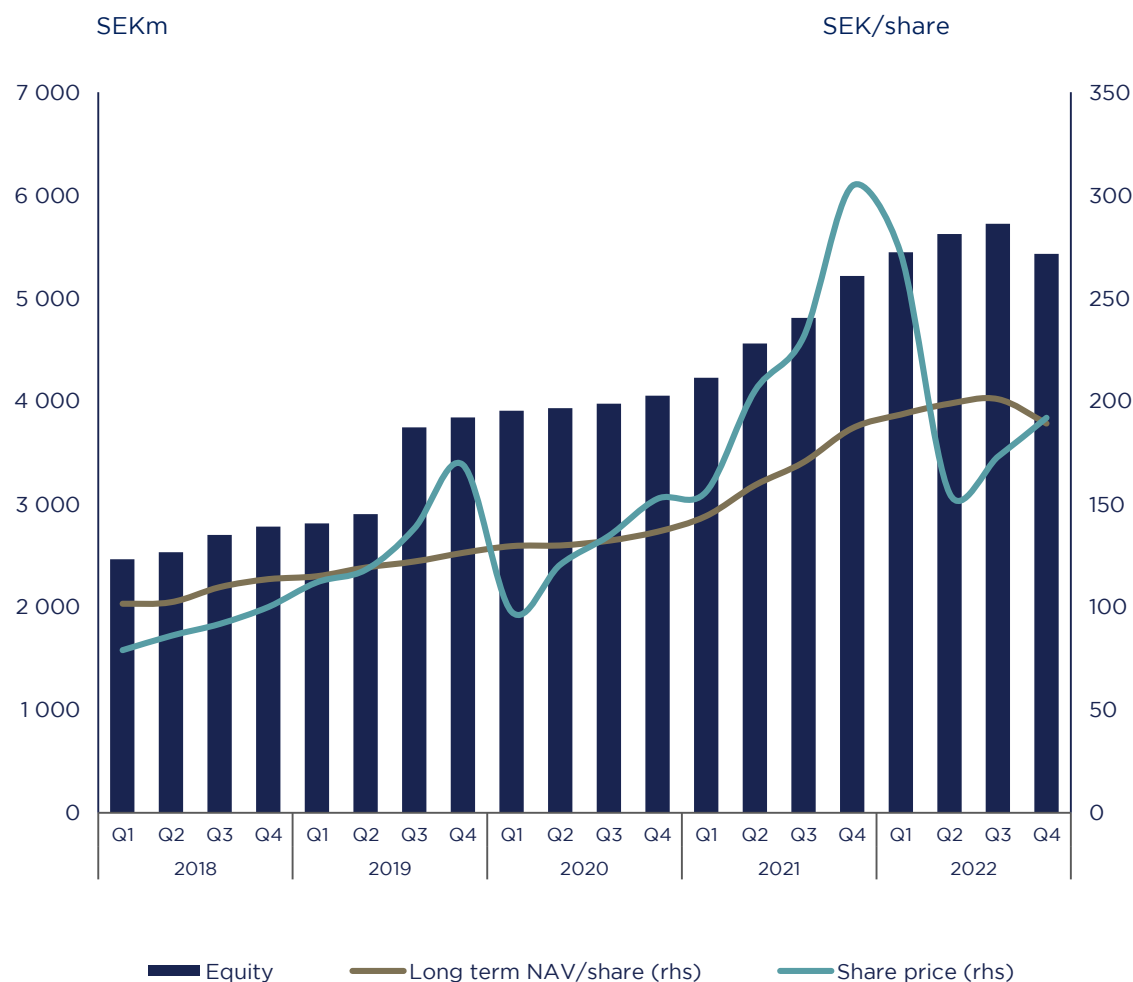
### INTEREST FIXING



- As of 31 December 2022, unutilized and available credit facilities amounting to SEK 560 million.
- Already before year-end 2021, to the concern regarding inflation and interest rates at the end of the last year, the company expanded its interest-rate hedging.
- Total interest hedging with a total nominal amount of SEK 5,084m, approximately 80% of interest-bearing debt.

# 4. FINANCE - CONTINUED

## KEY EQUITY RATIOS AND OWNERSHIP OVERVIEW



SHAREHOLDER	% OF CAPITAL	% OF VOTES
STENDÖRREN REAL ESTATE AB	40,6	58,0
ALTIRA AB	9,0	13,8
LÄNSFÖRSÄKRINGAR FASTIGHETFOND	10,3	5,8
SEB INVESTMENT MANAGEMENT	9,1	5,1
VERDIPAPIRFONDET ODIN EIENDOM	3,8	2,1
TREDJE AP-FONDEN	3,5	1,9
HANDELSBANKEN FONDER	2,9	1,6
DIDNER & GERGE FONDER	2,1	1,2
AKTIEBOLAG	2,1	1,2
CARNEGIE FONDER	1,2	0,7
SEB LUXEMBOURG BRANCH	1,1	0,6
OTHER SHAREHOLDERS	16,4	9,2

- The 3 largest shareholders EQT, Altira and Länsförsäkringar, have together 60% of the capital and 78% of the votes.
- Market cap as per 31 December 2022: SEK 5,453m
- The class B-share is currently trading at Nasdaq Stockholm Mid Cap
- Stendörren had 3,576 shareholders as per 31 December 2022
- Stendörren Real Estate AB is a company wholly owned by EQT Real Estate II

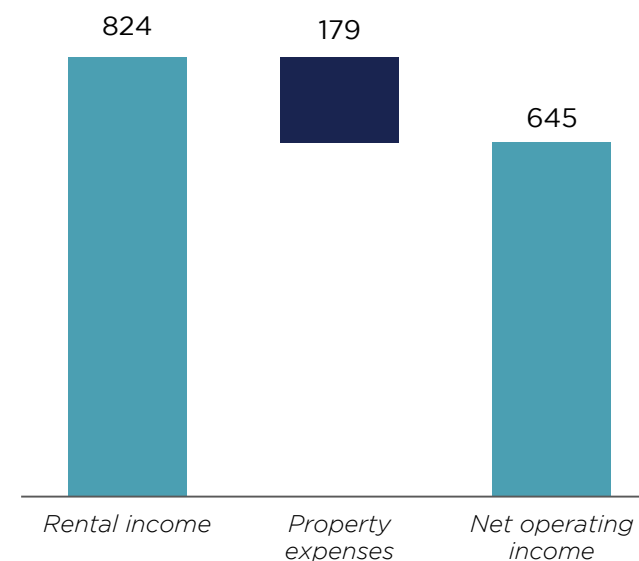


# 4. FINANCE - CONTINUED

## ASSESSED EARNINGS CAPACITY AS OF 1 JANUARY 2023



- According to the company's assessment, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately SEK 824 million.
- The company also estimates that current property costs amount to approximately SEK - 179 million on an annual basis.
- The portfolio is thus expected to produce an operating net of approximately SEK 645 million as of 1 January 2023.



**THANK YOU!**