

## Public ratings

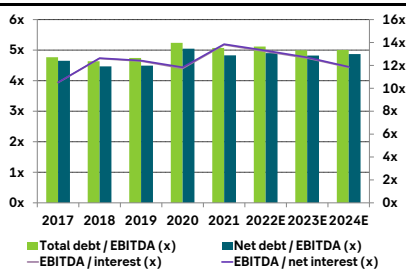
Moody's: A3/Stable

S&amp;P: N.R.

Fitch: N.R.

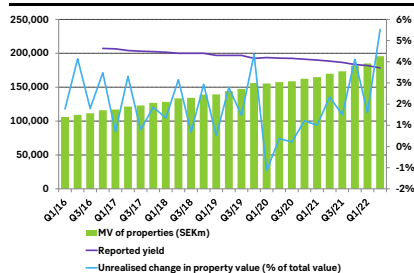
Market cap (SEKm) Not listed

### Vasakronan key credit metrics



Source: SEB

### Property portfolio statistics (SEKm)



Source: Company reports

## Q2: Growth from projects and asset uplift

**Vasakronan's Q2 report was good with strong rental income and asset growth underpinned by project completion, letting activities and property revaluation. While the ICR remains solid, LTV rose only slightly and less than in our estimates due to large value changes. We see slightly more challenging market conditions near term, but think this should be fully manageable for Vasakronan given its financial position and asset quality.**

### Rental income growth and positive value changes driven by Stockholm

Vasakronan's Q2 rental income and NOI increased by 8% and 9% y-o-y, respectively, underpinned by new lettings and contract renewals as well as the indexation for the period. In comparable property holdings, rental income growth in H1 2022 was 4% y-o-y (2% y-o-y last year). Net lettings remained positive in Q2, amounting to SEK 62m and Vasakronan said that occupier demand is strongest for prime assets in central Stockholm. Moreover, unrealised value changes totaled SEK 10.2bn in Q2. This corresponds to a 5.5% value uplift (much larger than we expected) and was driven by the downward adjustment of yield requirements and rising market rents. The percentage increase in value was greatest for offices in Stockholm's CBD.

### Credit metrics remained stable sequentially; adequate ratings headroom

As of end-June 2022, we calculate 12-month interest coverage at 5.4x (5.3 expected) and net LTV at 38.6% (39.4% expected). LTV rose as we had expected on the back of the dividend distribution (SEK 4bn), although slightly less than in our estimates due to large value changes. The average interest rate for loans and derivatives was 1.5% at end-Q2 (up 0.2pp q-o-q). We believe that interest coverage will remain healthy despite our assumptions of gradually increasing funding costs, and we forecast continued adequate leeway to Moody's A3 ratio requirements.

### Fairly long debt maturity and satisfactory liquidity position

The liquidity position is fairly good and Vasakronan's cash and the unutilised credit facility from the owners covers 12m debt maturing by 146%. Furthermore, the company has a relatively long average debt maturity of 5.5 years, underpinned by its strong rating and international investor base. However, the average fixed-interest tenor was 4.0 years at end-Q2, still healthy, but down from 4.5 years a quarter earlier.

### Key credit metrics & ratios

	2018	2019	2020	2021	2022E	2023E	2024E
Revenues (SEKm)	6,718	7,040	7,006	7,425	7,832	8,177	8,319
EBITDA (SEKm)	4,768	4,947	4,914	5,252	5,538	5,790	5,852
EBIT (SEKm)	4,768	4,947	4,914	5,252	5,538	5,790	5,852
FFO (SEKm)	3,729	3,973	3,581	3,754	4,034	4,434	4,453
FOCF (SEKm)	2,541	256	-1,445	89	1,534	1,934	2,453
Net debt (m)	58,872	63,123	66,759	70,317	72,783	74,850	76,397
Equity	60,271	70,156	70,869	85,290	95,048	95,804	94,593
EBITDA margin	71.0	70.3	70.1	70.7	70.7	70.8	70.4
EBIT margin (%)	71.0	70.3	70.1	70.7	70.7	70.8	70.4
Adjusted EBITDA net int. cover. (x)	4.6	4.4	4.4	5.0	5.0	4.7	4.4
Adjusted net debt to EBITDA (x)	12.3	12.8	13.6	13.4	13.1	12.9	13.1
Adjusted FFO / Net debt	6%	6%	5%	5%	6%	6%	6%
Adjusted net debt to capital	49%	47%	49%	45%	43%	44%	45%

Source: SEB

### Analyst

Gustav Johannesson  
 (46) 8 763 85 75  
 gustav.johannesson@seb.se

## Q2 vs. SEB DCM Research

Vasakronan's operating results in Q2 were positive and slightly ahead of our expectations, likely due to strong letting and renegotiation results, as well as the timing on project completions (three larger project assets were completed). The net LTV deteriorated somewhat to 38.6% due to the SEK 4bn in dividend distributions made in the quarter. However, the net LTV increase was smaller than we expected due to large unrealised value changes made (SEK 10.2bn reported compared to our expectation of SEK 1.9bn). The average yield requirement used for valuation of the property portfolio was 3.71%, down 11bp q-o-q. Net interest expenses were 3% lower than we had forecasted and the 12M ICR was 5.4x (we expected 5.3x). Investments in existing properties were about half the volume compared with the same period last year.

### SEB DCM Research deviation table (SEKm)

	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q2/22	Q2 vs SEB
Rental income	1,842	1,852	1,913	1,902	1,961	1,990	1%
NOI	1,333	1,378	1,373	1,360	1,426	1,459	2%
EBITDA	1,293	1,346	1,353	1,332	1,396	1,430	2%
FFO	1,150	1,023	783	996	1,055	1,066	1%
FOCF	126	363	18	268	415	399	
Interest expense	-269	-270	-245	-244	-276	-266	-4%
Net interest expense	-268	-269	-244	-243	-274	-265	-3%
Investment properties	169,863	173,471	181,575	185,034	187,618	195,809	4%
Total debt	73,700	73,763	73,838	73,751	78,500	79,629	1%
Net debt	70,311	69,478	70,317	70,280	73,945	75,604	2%
Total debt / EBITDA (x)	14.0x	13.8x	13.5x	13.3x	14.4x	14.5x	
Net debt / EBITDA (x)	13.4x	13.0x	12.9x	12.7x	13.6x	13.8x	
EBITDA / net interest (x)	4.9x	5.0x	5.2x	5.4x	5.3x	5.4x	
FFO / net debt (%)	5.6%	5.8%	5.8%	6.1%	5.6%	5.6%	
Gross LTV	43.4%	42.5%	40.7%	39.9%	41.8%	40.7%	
Net LTV	41.4%	40.1%	38.7%	38.0%	39.4%	38.6%	
<b>Property</b>							
Net acquisitions	1	-26	77	0	0	0	
Investments in existing properties	-1,156	-1,030	-1,006	-536	-640	-530	
Property revaluation	3,889	2,553	7,176	2,922	1,943	10,246	
Yield	4.03%	3.97%	3.87%	3.82%	3.81%	3.71%	
<b>Operating costs</b>							
Central administration	-40	-32	-20	-28	-30	-29	-5%
Running costs	-178	-173	-200	-218	-190	-197	4%
Repairs and maintenance	-29	-21	-28	-29	-31	-25	-19%
Property administration	-99	-72	-103	-87	-98	-103	5%
Property taxes	-163	-168	-169	-168	-174	-166	-4%
Leasehold rents	-40	-40	-40	-40	-43	-40	-6%
Total property costs	-509	-474	-540	-542	-535	-531	-1%

Source: Company data, SEB DCM Research estimates

# Financial forecasts

Following the Q2 report we make minor adjustments to our financial base case to reflect letting activities, project completions and recent revaluations made. We anticipate a continued investment in project development, but at a slower annual pace given that most larger projects (Platinan, Sergelhuset, etc.) have already been capitalised. Moreover, we factor in gradually increasing funding costs and yield requirement in line with our broader sector view for rising interest rates, although we do not expect this to put pressure on Vasakronan's current rating. The company benefits from various funding sources and fairly long average debt and fixed-interest binding.

Vasakronan LTM financial accounts and forecast, SEB DCM Research base case												
(SEKm)	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	2018	2019	2020	2021	2022E	2023E	2024E
Rental income	7,199	7,284	7,425	7,509	7,657	6,718	7,040	7,006	7,425	7,832	8,177	8,319
NOI	5,193	5,278	5,377	5,444	5,570	4,869	5,060	5,032	5,377	5,671	5,933	5,998
EBITDA	5,265	5,351	5,461	5,537	5,491	4,942	5,268	4,961	5,461	5,568	5,820	5,882
FFO	3,929	3,998	4,090	4,264	4,221	3,761	3,899	3,608	4,090	4,064	4,464	4,483
Y/Y growth in rental income (%)	2%	3%	6%	6%	6%	4%	5%	0%	6%	5%	4%	2%
NOI margin (%)	72%	72%	72%	72%	73%	72%	72%	72%	72%	72%	73%	72%
EBITDA margin (%)	73%	73%	74%	74%	72%	74%	75%	71%	74%	71%	71%	71%
Interest expense	-1,089	-1,074	-1,055	-1,028	-1,025	-1,046	-1,135	-1,127	-1,055	-1,124	-1,228	-1,326
Net interest expense	-1,083	-1,070	-1,051	-1,024	-1,021	-1,043	-1,131	-1,118	-1,051	-1,117	-1,222	-1,321
Hybrid / preferred interest / dividends	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted interest expense	-1,242	-1,230	-1,211	-1,184	-1,181	-1,189	-1,278	-1,276	-1,211	-1,286	-1,406	-1,512
Investment properties	169,863	173,471	181,575	185,034	195,809	138,934	156,071	162,420	181,575	197,239	201,218	202,212
Total debt	73,700	73,763	73,838	73,751	79,629	61,087	66,638	69,317	73,838	76,000	77,500	78,500
Cash and equivalents	3,389	4,285	3,521	3,471	4,025	2,215	3,515	2,558	3,521	3,217	2,650	2,103
Net debt	70,311	69,478	70,317	70,280	75,604	58,872	63,123	66,759	70,317	72,783	74,850	76,397
Hybrid / preferred debt / capital	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted debt	75,472	74,638	75,475	75,436	80,759	58,872	68,367	71,923	75,475	77,941	80,008	81,555
Secured debt	9,467	7,866	7,866	7,866	10,143	12,907	11,603	10,971	7,866	10,000	10,500	11,000
Equity	75,401	78,552	85,290	89,172	94,896	60,271	70,156	70,869	85,290	95,046	95,802	94,591
Adjusted equity	75,401	78,552	85,290	89,172	94,896	60,271	70,156	70,869	85,290	95,046	95,802	94,591
Net debt+equity	145,712	148,030	155,607	159,452	170,500	119,143	133,279	137,628	155,607	167,829	170,651	170,987
<b>Credit metrics</b>												
Total debt / EBITDA (x)	14.0x	13.8x	13.5x	13.3x	14.5x	12.4x	12.6x	14.0x	13.5x	13.6x	13.3x	13.3x
Net debt / EBITDA (x)	13.4x	13.0x	12.9x	12.7x	13.8x	11.9x	12.0x	13.5x	12.9x	13.1x	12.9x	13.0x
Adjusted debt / EBITDA (x)	13.9x	13.5x	13.4x	13.2x	14.3x	11.6x	12.6x	14.1x	13.4x	13.6x	13.3x	13.4x
EBITDA / interest (x)	4.8x	5.0x	5.2x	5.4x	5.4x	4.7x	4.6x	4.4x	5.2x	5.0x	4.7x	4.4x
EBITDA / net interest (x)	4.9x	5.0x	5.2x	5.4x	5.4x	4.7x	4.7x	4.4x	5.2x	5.0x	4.8x	4.5x
EBITDA / adjusted interest (x)	4.4x	4.5x	4.6x	4.8x	4.8x	4.3x	4.2x	4.0x	4.6x	4.5x	4.3x	4.0x
Fixed charge coverage (x)	0.3x	0.4x	0.4x	0.4x	0.3x	0.3x	0.4x	0.3x	0.4x	0.5x	0.4x	0.5x
FFO / total debt (%)	5.3%	5.4%	5.5%	5.8%	5.3%	6.2%	5.9%	5.2%	5.5%	5.3%	5.8%	5.7%
FFO / net debt (%)	5.6%	5.8%	5.8%	6.1%	5.6%	6.4%	6.2%	5.4%	5.8%	5.6%	6.0%	5.9%
FFO / adjusted debt (%)	5.4%	5.6%	5.6%	5.9%	5.4%	6.6%	5.9%	5.2%	5.6%	5.4%	5.8%	5.7%
Gross LTV	43.4%	42.5%	40.7%	39.9%	40.7%	44.0%	42.7%	42.7%	40.7%	38.5%	38.5%	38.8%
Net LTV	41.4%	40.1%	38.7%	38.0%	38.6%	42.4%	40.4%	41.1%	38.7%	36.9%	37.2%	37.8%
Adjusted LTV	43.1%	41.8%	40.4%	39.7%	40.2%	42.4%	42.4%	42.9%	40.4%	38.5%	38.8%	39.3%
Net debt / debt+equity	48.3%	46.9%	45.2%	44.1%	44.3%	49.4%	47.4%	48.5%	45.2%	43.4%	43.9%	44.7%
Adjusted debt / debt + equity	51.8%	50.4%	48.5%	47.3%	47.4%	49.4%	51.3%	52.3%	48.5%	46.4%	46.9%	47.7%
Secured LTV	5.6%	4.5%	4.3%	4.3%	5.2%	9.3%	7.4%	6.8%	4.3%	5.1%	5.2%	5.4%
Equity ratio	40.8%	41.6%	43.5%	44.1%	43.8%	41.5%	41.2%	40.2%	43.5%	44.9%	44.5%	43.9%

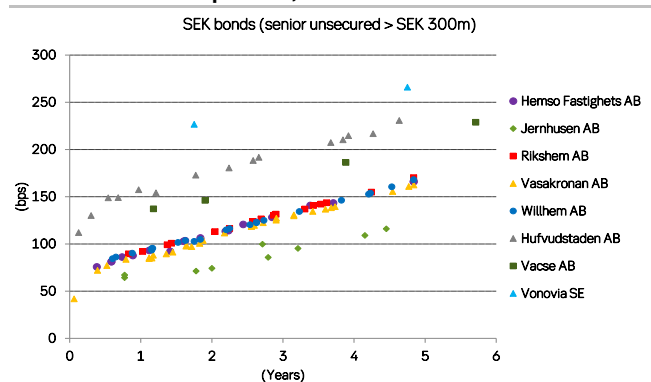
Source: Company data, SEB DCM Research estimates

# Relative value and SEB view

## SEK bonds trade in line with rated peers

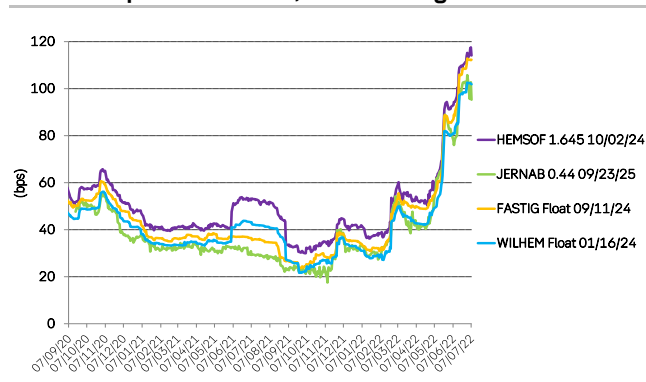
Vasakronan's SEK bonds are trading in line with government and partly government-owned peers such as Rikshem (A3 / Stable), Hemsö and Willhem (both rated A- / Stable), but somewhat wider than Jernhusen (A / Stable). Overall, we view Vasakronan's bonds as fairly valued, underpinned by stronger rating resilience and somewhat lower LTV than peers. Also, among Vasakronan's credit strengths are its broad funding mix and its global investor base, which are not dependent on a single bond market or funding source (better than peers).

### Relative value comparison, selected A SEK bonds



Source: SEB, Bloomberg

### Historical spread evolution, selected long A SEK bonds

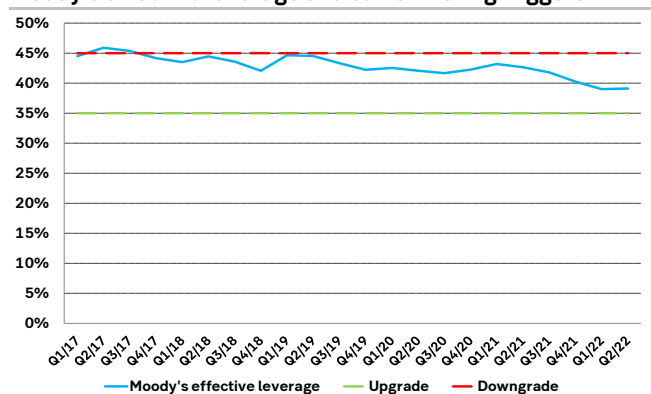


Source: SEB, Bloomberg

## Adequate headroom to Moody's A3 ratio requirements

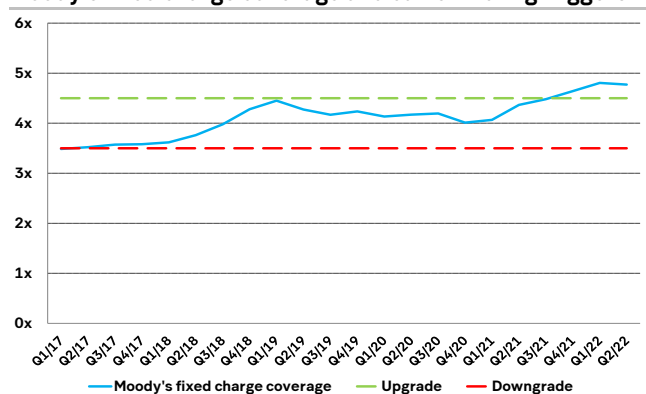
We calculate decent headroom to the current A3 rating. Vasakronan is required to maintain adjusted leverage of 35-45% (39.1% at end-Q2 2022) and fixed-charge coverage above 3.5x (4.8x at end-Q2 2022), translating into adequate ratio headroom.

### Moody's effective leverage and current rating triggers



Source: SEB, Moody's

### Moody's fixed charge coverage and current rating triggers



Source: SEB, Moody's

## Change of ownership or changes in regulations could lead to rating changes

Any weakening in financial support from the AP funds (change of ownership or changes in regulations), or conversely an explicit guarantee of debt from the owners are factors that could lead to a downgrade or, respectively, an upgrade. A deterioration in the company's liquidity including changes to the terms of the subscription agreement provided by the shareholders would be another credit concern. That said, according to our understanding, there are no plans among the AP funds to reduce their interest in Vasakronan, which they effectively consider to be of strategic nature given the size of the investments. Also, a downgrade in the rating of the Government of Sweden (currently Aaa/Stable) is another factor that could lead to a Moody's downgrade.

## Long-term credit profile

Vasakronan's credit profile and the A3/Stable Moody's rating are underpinned by the company's large portfolio and dominant position in central office locations in major Swedish cities. The rating is also supported by the indirect government ownership, a good liquidity position and high interest coverage. Conversely, Vasakronan is geographically concentrated in Sweden and it engages in fairly substantial development activity.

### **SEK 196bn commercial portfolio located in Sweden's four largest cities**

#### **Largest real estate company in Sweden**

With a property portfolio valued at about SEK 196bn, Vasakronan is Sweden's largest real estate company. The portfolio consists of about 170 properties located in central locations in Stockholm, Gothenburg, Uppsala, and Malmö/Lund. Vasakronan, in its current form, was established in 2008. The company operates in Sweden's most attractive office markets, focusing on high-quality and sustainable office buildings in prime locations. About 25% of the annual rental income derives from public sector tenants, which we consider to be a meaningful share. Vasakronan is owned by the Swedish pension fund (AP1-4) and, consequently, is indirectly owned by the Swedish government. Moody's applies a one-notch uplift to its ratings reflecting the likelihood of extraordinary government support.

### **Pioneer within the sustainability area**

Vasakronan is a pioneer within the sustainability area, after having issued the world's first green corporate bond in 2013 and first green commercial paper in 2018, with the funds earmarked for green assets. As of end-Q2 2022, green funding consisting of green bonds, green CPs and green loans amounted to 82% of the total debt portfolio. At the same date, 94% of its total lettable area was environmentally certified, of which 91% was rated LEED Gold or higher. Furthermore, Vasakronan's diversified funding sources, global investor base and green asset pool underpins good access to financing.

### **A3 rating supported by ownership structure**

#### **A3/Stable by Moody's since May 2018**

Vasakronan has been rated A3 by Moody's since May 2018. The rating is supported by Vasakronan's large property portfolio with a dominant market position in the prime office segment, its high-quality assets, and its high share of public tenants. The rating agency also considers additional strengths, for example the company's strong liquidity position and good interest coverage. Secured LTV is modest at around 4%. This is sufficiently low not to warrant any notching from the issuer rating under rating agency methodology. The A3 rating includes a one-notch uplift relating to the likelihood of extraordinary government support.

Conversely, Moody's believes that Vasakronan is exposed to potential regulatory changes that could limit the AP funds' exposure to real estate. Moody's also highlights a concern about the AP funds' ability to act in concert in a stress scenario depending upon the fund's own development.

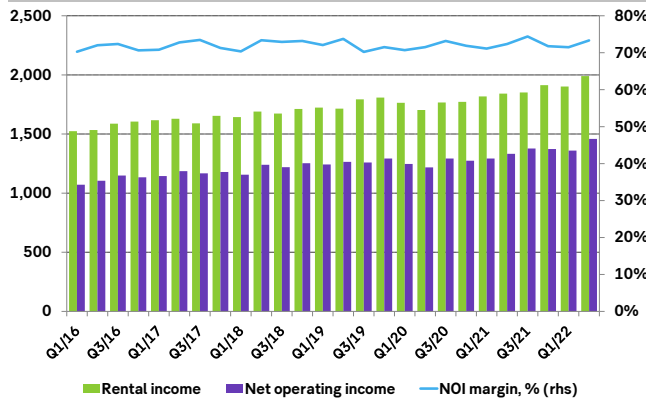
### **Rating affirmed with stable outlook in April 2022**

#### **Stable outlook and ratings leeway appear adequate to good**

Vasakronan's A3/Stable rating was affirmed by Moody's in April 2022. The stable outlook reflects Moody's expectations that Vasakronan will maintain its clearly defined strategy of focusing on offices in prime locations in Sweden's four largest cities. Moody's expects the adjusted debt-to-asset ratio to stay well below 45% over the next 12-18 months. Vasakronan's rating also reflects that that the AP funds are long-term and committed owners.

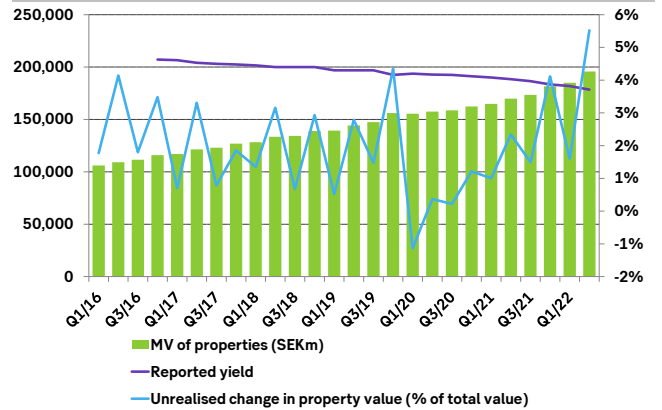
# Company overview

Quarterly rental income and NOI (SEKm)



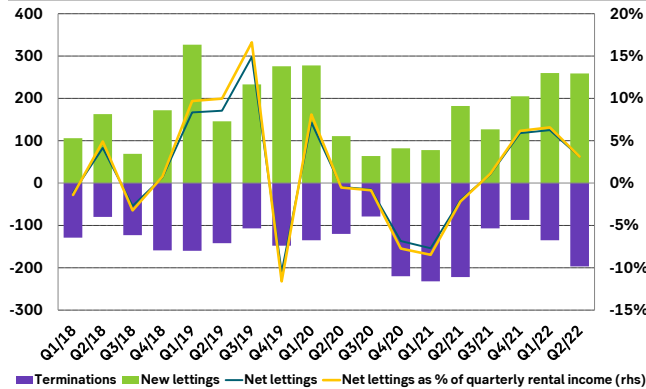
Source: Company reports

Property portfolio statistics (SEKm)



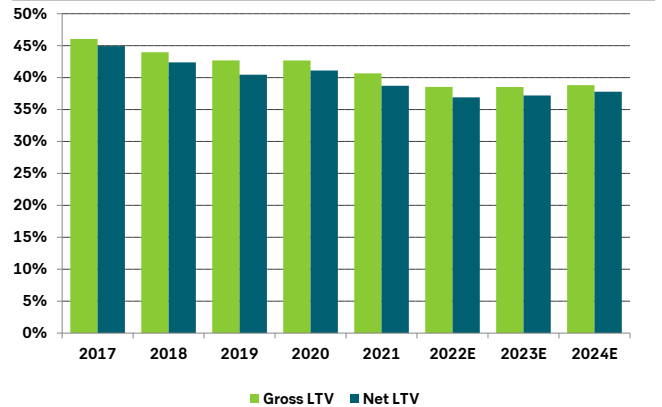
Source: Company reports

Historical evolution of net leasing per quarter (SEKm)



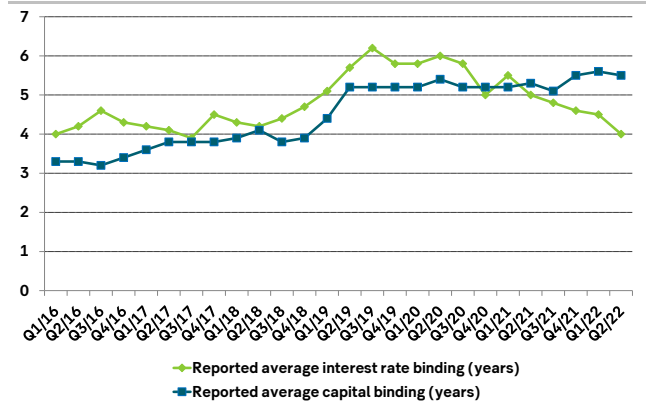
Source: Company reports

LTV (%)



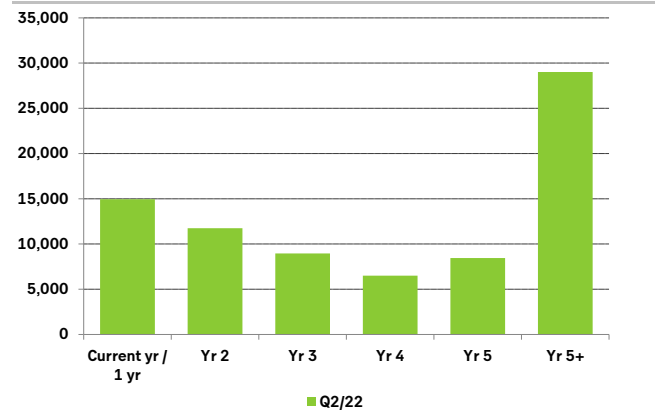
Source: SEB

Capital and interest binding (years)



Source: Company reports

Debt maturity profile (SEKm)



Source: Company report

### Credit strengths

- Large portfolio and high-quality property portfolio
- Indirectly owned by the Swedish government through AP1-4
- Strong liquidity, including commitment from owners
- Meaningful share of public sector tenants (about 25%)
- Strong interest coverage and LTV

### Credit concerns

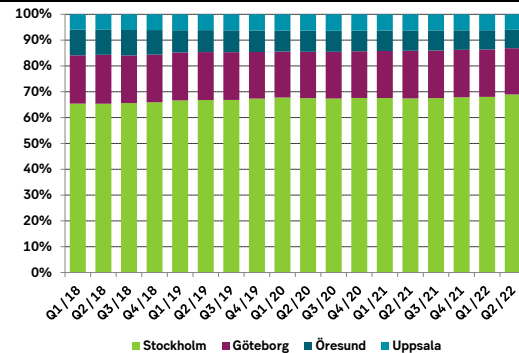
- Geographically concentrated in Sweden
- Exposed to commercial property segments for which rent levels can be volatile
- Modest retail exposure, albeit attractive locations
- Engages in development activities with varying degree of speculation

### Property portfolio composition by segment (%)



Source: Company reports

### Property portfolio composition by geography (%)



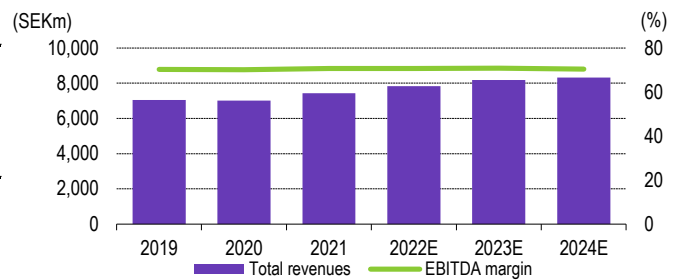
Source: Company reports

### Financial statement summary - Adjusted numbers (SEKm)

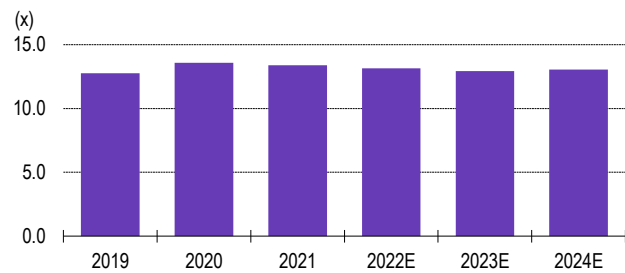
Income statement	2020	2021	2022E	2023E
Revenues	7,006	7,425	7,832	8,177
EBITDA	4,914	5,252	5,538	5,790
Net income (reported)	3,715	16,360	13,756	4,756
Cash flow statement	2020	2021	2022E	2023E
Funds from operations (FFO)	3,581	3,754	4,034	4,434
Operating Cash Flow	3,852	4,129	4,034	4,434
Free Operating cash flow	-1,445	89.0	1,534	1,934
Pre-financing cash flow	-4,445	-1,911	-2,466	-2,066
Balance sheet	2020	2021	2022E	2023E
Cash (and equivalents)	2,558	3,521	3,217	2,650
Total debt	69,317	73,838	76,000	77,500
Net debt	66,759	70,317	72,783	74,850
Equity	70,869	85,290	95,048	95,804
Total assets (reported)	176,226	196,194	211,606	215,069
Key credit metrics & ratios	2020	2021	2022E	2023E
Net debt to EBITDA (x)	13.6	13.4	13.1	12.9
Net debt to capital	49%	45%	43%	44%
FFO / Net debt	5%	5%	6%	6%
Equity ratio	40%	43%	45%	45%

Source: SEB and Vasakronan financial reports

### Revenues and EBITDA margin



### Adjusted net debt / EBITDA



Source: SEB and Vasakronan financial reports

**Profit & loss statement**

(SEKm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenues	6,251	6,490	6,718	7,040	7,006	7,425	7,832	8,177	8,319
Total expenses	-1,879	-1,909	-1,950	-2,093	-2,092	-2,173	-2,293	-2,388	-2,467
<b>EBITDA</b>	<b>4,372</b>	<b>4,581</b>	<b>4,768</b>	<b>4,947</b>	<b>4,914</b>	<b>5,252</b>	<b>5,538</b>	<b>5,790</b>	<b>5,852</b>
Depreciation	0	0	0	0	0	0	0	0	0
Intangibles amortisation	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>4,372</b>	<b>4,581</b>	<b>4,768</b>	<b>4,947</b>	<b>4,914</b>	<b>5,252</b>	<b>5,538</b>	<b>5,790</b>	<b>5,852</b>
Associated companies	-3	-3	159	1,105	-219	193	50	50	50
Net interest expenses	-1,152	-1,165	-1,043	-1,131	-1,118	-1,051	-1,117	-1,222	-1,321
Value changes	11,274	8,415	10,602	12,308	1,244	16,181	13,164	1,479	-1,006
Other financial items	0	0	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>14,491</b>	<b>11,828</b>	<b>14,486</b>	<b>17,229</b>	<b>4,821</b>	<b>20,575</b>	<b>17,636</b>	<b>6,097</b>	<b>3,576</b>
Minority interests	0	0	0	0	0	0	0	0	0
Total taxes	-3,019	-2,559	-1,584	-3,320	-1,106	-4,215	-3,880	-1,341	-787
<b>Net profit</b>	<b>11,472</b>	<b>9,269</b>	<b>12,902</b>	<b>13,909</b>	<b>3,715</b>	<b>16,360</b>	<b>13,756</b>	<b>4,756</b>	<b>2,789</b>
EBITDA margin	69.9	70.6	71.0	70.3	70.1	70.7	70.7	70.8	70.4
EBIT margin (%)	69.9	70.6	71.0	70.3	70.1	70.7	70.7	70.8	70.4
Tax rate (%)	20.8	21.6	10.9	19.3	22.9	20.5	10.9	19.3	22.9
<b>Growth rates y-o-y (%)</b>									
Total revenues	0.0	3.8	3.5	4.8	(0.5)	6.0	5.5	4.4	1.7
EBITDA	n.a.	4.8	4.1	3.8	(0.7)	6.9	5.5	4.5	1.1
EBIT	0.0	4.8	4.1	3.8	(0.7)	6.9	5.5	4.5	1.1
Pre-tax profit	0.0	(18.4)	22.5	18.9	(72.0)	326.8	(14.3)	(65.4)	(41.4)

**Cash flow**

(SEKm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
FFO	3,137	3,383	3,729	3,973	3,581	3,754	4,034	4,434	4,453
Changes in working capital	302	0	271	165	271	375	0	0	0
<b>Operating cash flow</b>	<b>3,439</b>	<b>3,383</b>	<b>4,000</b>	<b>4,138</b>	<b>3,852</b>	<b>4,129</b>	<b>4,034</b>	<b>4,434</b>	<b>4,453</b>
Net capital expenditures	23	-2,985	-1,459	-3,882	-5,297	-4,040	-2,500	-2,500	-2,000
<b>Free operating cash flow</b>	<b>3,462</b>	<b>398</b>	<b>2,541</b>	<b>256</b>	<b>-1,445</b>	<b>89</b>	<b>1,534</b>	<b>1,934</b>	<b>2,453</b>
Dividend paid	-7,382	-4,000	-4,000	-4,000	-3,000	-2,000	-4,000	-4,000	-4,000
Acquisitions, divestments net	0	0	0	0	0	0	0	0	0
<b>Pre-financing cash flow</b>	<b>-3,920</b>	<b>-3,602</b>	<b>-1,459</b>	<b>-3,744</b>	<b>-4,445</b>	<b>-1,911</b>	<b>-2,466</b>	<b>-2,066</b>	<b>-1,547</b>
Net loan proceeds	4,285	3,237	2,735	5,379	3,764	3,111	2,162	1,500	1,000
Share issue	0	0	0	0	0	0	0	0	0
Other	-519	-359	-484	-335	-276	-237	0	0	0
<b>Net change in cash</b>	<b>-154</b>	<b>-724</b>	<b>792</b>	<b>1,300</b>	<b>-957</b>	<b>963</b>	<b>-304</b>	<b>-566</b>	<b>-547</b>
Capex/sales (%)	-0.4	46.0	21.7	55.1	75.6	54.4	31.9	30.6	24.0

**Balance sheet**

(SEKm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash and liquid assets	2,147	1,423	2,215	3,515	2,558	3,521	3,217	2,650	2,103
Other current assets	909	871	905	1,176	1,234	1,511	1,511	1,511	1,511
Long-term financial assets	907	969	1,058	2,150	2,807	2,386	2,436	2,486	2,536
Fixed tangible assets	115,922	126,875	138,934	161,314	167,583	186,732	202,398	206,377	207,371
Intangibles	2,171	2,145	2,089	2,024	2,044	2,044	2,044	2,044	2,044
<b>Total assets</b>	<b>122,056</b>	<b>132,283</b>	<b>145,201</b>	<b>170,179</b>	<b>176,226</b>	<b>196,194</b>	<b>211,606</b>	<b>215,069</b>	<b>215,566</b>
Interest bearing debt	55,240	58,421	61,087	66,638	69,317	73,838	76,000	77,500	78,500
Other liabilities	20,699	22,485	23,843	33,385	36,040	37,066	40,558	41,765	42,473
Minority interests	0	0	0	0	0	0	0	0	0
Shareholders' equity	46,117	51,377	60,271	70,156	70,869	85,290	95,048	95,804	94,593
<b>Total liabilities and equity</b>	<b>122,056</b>	<b>132,283</b>	<b>145,201</b>	<b>170,179</b>	<b>176,226</b>	<b>196,194</b>	<b>211,606</b>	<b>215,069</b>	<b>215,566</b>
Net debt (m)	53,093	56,998	58,872	63,123	66,759	70,317	72,783	74,850	76,397
Net debt/equity (%)	115.1	110.9	97.7	90.0	94.2	82.4	76.6	78.1	80.8
Equity/total assets (%)	37.8	38.8	41.5	41.2	40.2	43.5	44.9	44.5	43.9
Net debt/EBITDA (x)	12.1	12.4	12.3	12.8	13.6	13.4	13.1	12.9	13.1
EBITDA Interest cover	3.8	3.9	4.6	4.4	4.4	5.0	4.9	4.7	4.4

**Main shareholders**

Name	(%)	Votes	Capital	Management		Company information	
				Title	Name	Contact	
Swedish National Pension Funds	100.0	100.0		COB	Ulrika Francke	Internet	www.vasakronan.se
				CEO	Johanna Skogestig	Phone number	+46 8 783 2100
				CFO	Christer Nerlich		

**Company description:** Vasakronan is Sweden's largest real estate company with its SEK 196bn valued portfolio. It was created in 2008 through AP Fastigheter's acquisition of the "old" Vasakronan from the Swedish government. Vasakronan's strategy is to be a long-term owner of commercial properties in regions enjoying high economic growth, mainly Stockholm, Gothenburg, Öresund and Uppsala. At the end of Q2 2022, offices accounted for 77% of the asset value, retail 16% and 7% other.

**Please note:** The data in several tables and charts in this document have been adjusted in line with common practice in the field of DCM research. This mainly refers to adjustments of operating leases, pensions, derivatives and other contingent liabilities. For a detailed breakdown of the adjustments, please contact the author of this report.



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**Copenhagen**

Bernstorffsgade 50  
DK-1577 Copenhagen  
Telephone: +45 3336 8500  
Capital Markets Sales  
Telephone: +45 3317 7720  
Treasury Sales  
Telephone: +45 3315 8065

**Frankfurt**

Stephanstrasse 14-16  
DE-60313 Frankfurt am Main  
Telephone: +49 69 258 5190  
Capital Markets Sales  
Telephone: +49 69 9727 1145

**Gothenburg**

Östra Hamngatan 24  
SE-405 04 Göteborg  
Telephone: +46 31 62 10 00  
Treasury Sales  
Telephone: +46 31 774 91 10

**Helsinki**

Eteläesplanadi 18  
FI-00100 Helsinki  
Telephone: +358 9 616 280 00  
Capital Markets Sales  
Telephone: +358 9 616 285 60

**Hong Kong**

17/F Jardine House  
1 Connaught Place, Central  
Hong Kong  
Telephone: +852 31592888

**London**

One Carter Lane  
London EC4V 5AN  
Telephone: +44 20 7246 4000  
Forex & Money Market  
Telephone: +44 20 7246 4282  
Treasury Sales  
Telephone: +44 20 7236 0593

**Malmö**

Östergatan 39  
SE-205 20 Malmö  
Telephone: +46 40 667 6910  
Treasury Sales  
Telephone: +46 40 667 6910

**New York**

245 Park Avenue, 33rd Floor  
New York, New York 10167  
Telephone: +1 212 907 4700  
Capital Markets & Treasury Sales  
Telephone: +1 212 351 4900

**Oslo**

Filipstad Brygge 1  
NO-0123 Oslo  
Telephone: +47 22 82 70 00  
Capital Markets Sales  
Telephone: +47 22 82 72 68  
Treasury Sales  
Telephone: +47 22 82 72 30

**Stockholm**

Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Telephone: +46 8 763 80 00  
Capital Markets Sales  
Telephone: +46 8 506 232 18