Credit Comments

Vasakronan - Q3 25

5.11.2025

Key takeaways:

Vasakronan's (MW) YTD rental income and NOI decreased by -1% and -2% y/y in a comparable portfolio, impacted by higher vacancies compared to the previous year. At the end of the quarter, occupancy stood at 87.9%, down from 88.2% in Q2 25 and 89.3% a year earlier. Net letting was, however, positive in the quarter at SEK36m, possibly indicating signs of improvement in the office rental market. While Johanna Skogestig provides a fairly optimistic CEO letter, she also stresses that it is too soon to tell whether the increased office demand after the summer represents a turning point in the market.

Property valuation changes were largely flat in the quarter, leaving our adjusted net LTV unchanged at 42.4%. The adjusted interest coverage improved slightly to 3.5x from 3.4x in Q2 25, supported by a low average interest rate of 2.5%.

Altogether, we see Vasakronan's Q3 25 report as credit neutral.

Development in key figures (Q3 24, y/y change):

- Rental income: SEK2,380m (SEK2,344m, +1.5%)
- Net operating income: SEK1,807m (SEK1,778m, +1.6%)
- Property value changes: neg. SEK51m (-0.0% of values)
- Adj. net LTV: 42.4 % (Q2 25: 42.4%)
- Adj. ICR: 3.5x (Q2 25: 3.4x)
- Adj. net debt/EBITDA: 11.7x (Q2 25: 11.6x)

Notes on the quarter/outlook:

During the quarter, Vasakronan completed its acquisition of Solna United for SEK2.2bn, marking the company's largest acquisition for many years.

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