

# STENHUS

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*Fastigheter*

Q4 Presentation

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## Today's presenters



Elias Georgiadis  
*CEO & Board member*



Mikael Nicander  
*Deputy CEO*



Tomas Georgiadis  
*CFO*

## 1. Introduction to Stenhus Fastigheter

# Stenhus Fastigheter in brief

## Key ratios, Q4 2021

**MSEK 466**  
Rental income<sup>1</sup>

**MSEK 267**  
Income from property management<sup>1</sup>

**45,5%**  
Net LTV

**3,7x**  
ICR LTM

**6.4 years**  
Lease duration

**116**  
Properties

**SEK 7,2bn**  
Market value

**49**  
Municipalities present in

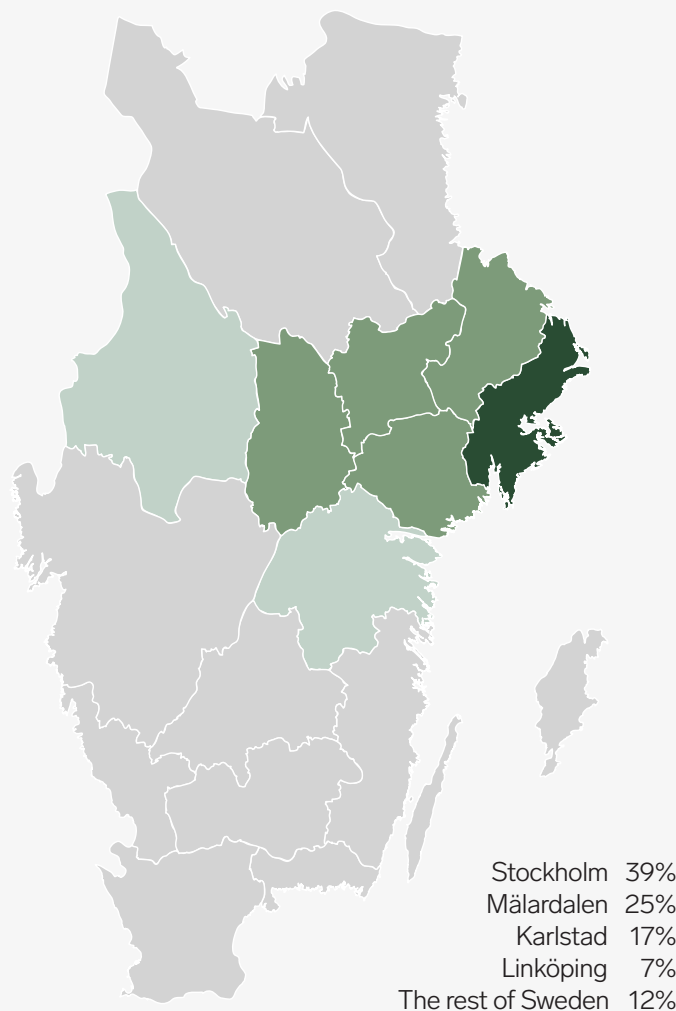
**SEK 7.4bn**  
Market cap<sup>2</sup>

**95,1%**  
Economic occupancy rate

**BB**  
Rating NCR

<sup>1</sup> Earnings capacity per Q4 2021  
<sup>2</sup> As of 2021-12-31

## Geographical footprint, % of portfolio value



## Company overview



Clear focus on sustainable growth, operating cash flows, and leasing durations.



Strong presence in Stockholm and Mälardalen region, 62% of rental income.



Vision to become one of the leading real estate companies in Sweden, within the next five years.



Properties within four categories: public, grocery anchored, light industrial/logistics and non-speculative development projects.

# Fast-growing company

## Sterner Stenhus AB

2012–2020

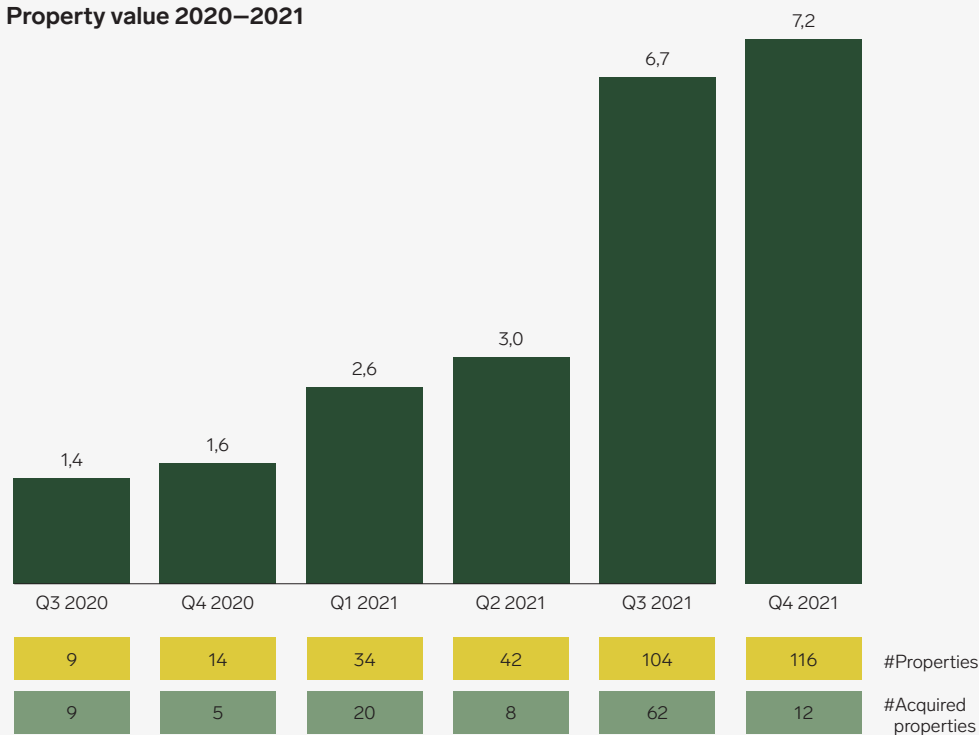


### STERNER STENHUS

- Sterner Stenhus AB (“Sterner”) acquire its first properties in 2012
- Active in the real estate industry with focus on commercial- and community service properties
- Mainly active in the Stockholm region
- Stenhus Fastigheter is established through a spin-off of 10 properties from Sterner to a market value of SEK 1.4bn (Sep 2020)
- Stenhus Fastigheter has a strong foundation with people from Sterner

## Historical development of Stenhus Fastigheter

Property value 2020–2021



- Q3 2020, issues shares (SEK 697m) and acquires properties (SEK 1,376m)
- Q4 2020, listed on Nasdaq First North Growth Market (24th Nov 2020)
- Q1 2021, public takeover bid on MaxFastigheter (SEK 1,100m) and acquires properties (SEK 1,438m)
- Q2 2021, offer for MaxFastigheter accepted and right issue (SEK 450m)
- Q3 2021, MaxFastigheter consolidates with Stenhus Fastigheter
- Q4 2021, Bid on Halmslätten Fastighets AB (SEK 781m)

## Stenhus Fastigheter's targets

2021-12-31



**> SEK 20bn**  
property value before 2025



**12% ROE**  
over a business cycle



**LTV < 60%**  
currently 50,2%



**Net LTV < 55%**  
currently 45,5%



**ICR > 2.25x**  
currently 3,7x LTM



**Equity ratio > 35%**  
currently 49,4%



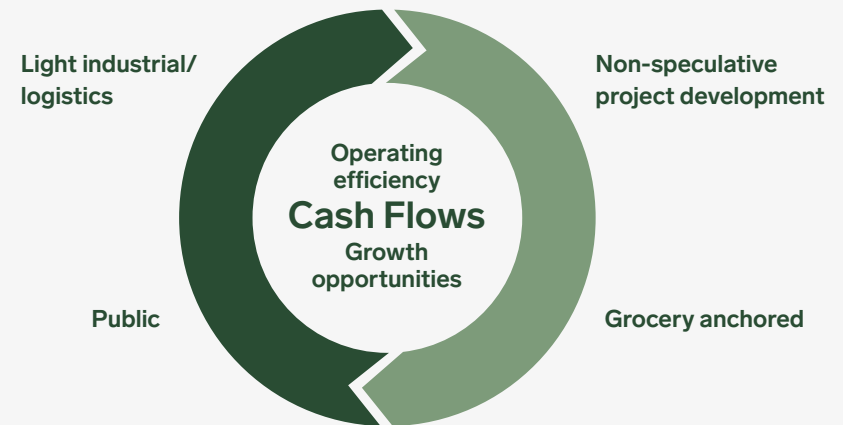
**Avg. tied-up capital > 2.5yrs**  
currently 2,7 years

<sup>1</sup> Loan-to-value is defined as interest-bearing debt, excluding leasing, in relation to fair value of properties. Equity ratio is defined as equity in relation to total assets (excl. IFRS 16 right-of-use assets). Interest coverage ratio is defined as profit from property management after adding back financial expenses in relation to financial expenses

# Long-term strategy supported by a value-creating business model

## Business model and strategy

- Long-term strategy is to manage all properties and projects in-house to enable maximum customer knowledge and customer satisfaction and thus deliver in line with the Company's business model
- The Company shall always attempt to find long-term lease agreements with costumers to secure the business model
- Property management shall always be a central part of the Company's business to optimise the property portfolio best way possible



**Stenhus' investment strategy is anchored in the business model with a focus on cash flow and long lease terms**  
**All acquisitions should be done to uphold long-term stability and a diverse property portfolio**



## Diverse property portfolio

Investments in different types of properties will be crucial for Stenhus in order to reach its return targets and to strengthen its cash flow over time

- Public properties
- Light industrial / Logistics
- Grocery anchored
- Non-speculative development projects (100% pre-let)

## Long-term stability

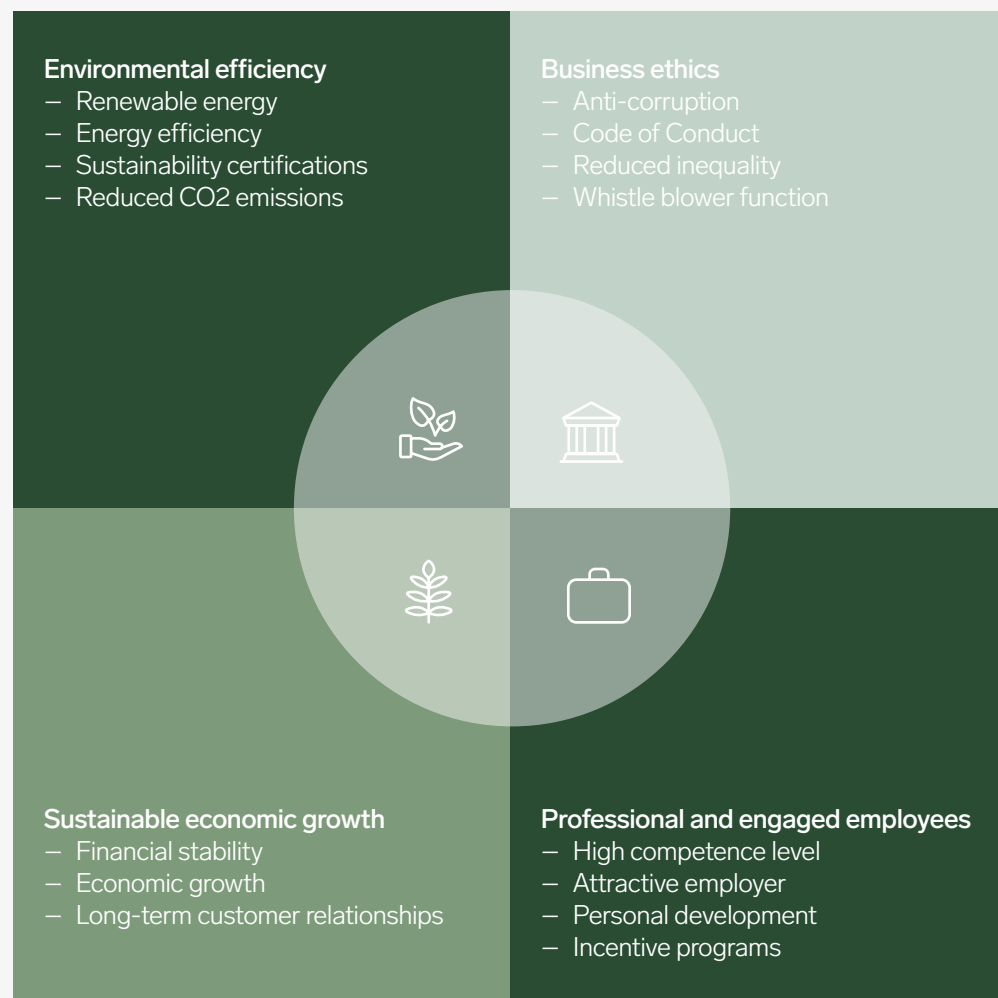
In order to generate long-term and stable cash flow, the Company is mainly interested in targets with the following characteristics:

- Properties with long-term lease contracts, stable cash flows from creditworthy tenants and low vacancies
- Opportunistic acquisitions with good opportunities for value creation where new cash flows can be created

# Sustainability efforts

## Four focus areas within sustainability...

## ...and sustainability efforts are based on the UN Sustainable Development Goals



### Environment & sustainability

- 0% fossil heating by 2023
- 100% green or climate-compensated electricity by 2022
- Establishment of sustainability council
- Strive for long-term customer relationships and circular solutions



### Health & safety

- Strive to use eco-friendly products
- Increased use of renewable energy



### Anticorruption

- During 2022, a Code of Conduct will be established and implemented
- During 2022 a whistle blower function will be established and implemented



### Equality and economic growth

- Support sustainable growth by establishing stable and long-term customer relationships
- Promote diversity in hiring and when choosing suppliers





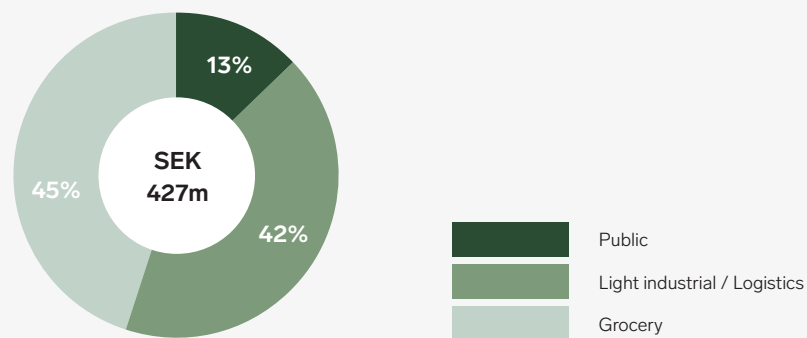


# Located in liquid property transaction markets

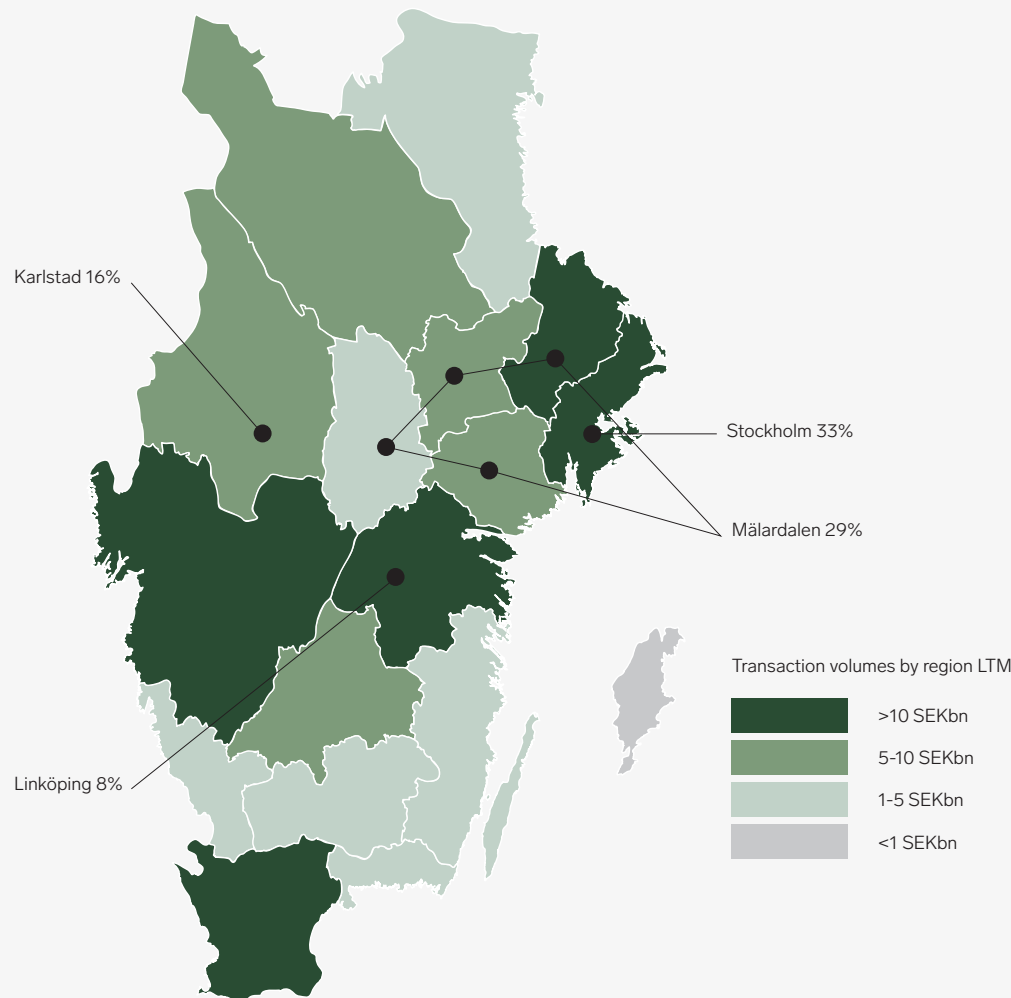
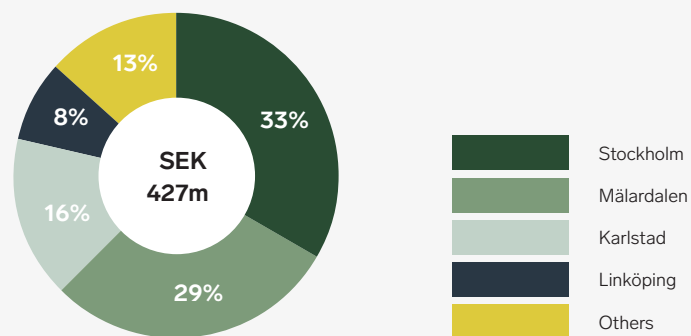
Over 116 properties with a total market value of SEK 7 168,4m

Geographic locations - 4 largest regions based on rental income

Rental income per segment



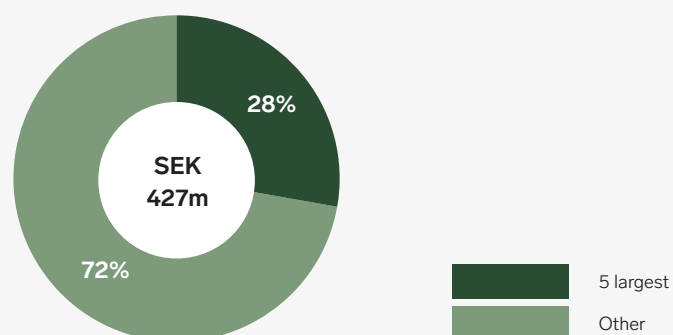
Rental income per region



Note: Rental income excludes media supplements

# Diversified tenants and solid WAULT of 6.4 years

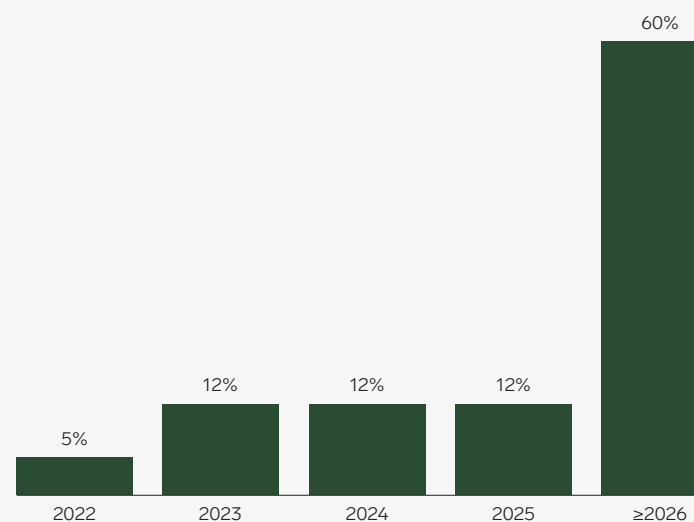
## Top 5 largest tenants, rental income



#	Tenant	Type of tenant	Rental income <sup>2</sup> (mSEK)	% of rental income
1.	Dollarstore	Discount retailer	33,7	8%
2.	Botkyrka Kommun	Municipality	31,7	7%
3.	Bilia AB	Automotive retailer	21,1	5%
4.	Willys	Groceries	18,1	4%
5.	City Gross AB	Groceries	14,6	3%
	Others		307,7	72%

## Lease maturity structure by rental income

WAULT: 6.4 years



– Properties with long-term lease contracts (WAULT of 6.4 years) provides predictable and stable cash-flows

– Reputable and stable tenants in the form of publicly funded-, grocery-anchored and discount retail tenants with proven financial resilience

<sup>1</sup> Rental income excludes media supplements

<sup>2</sup> Refers to contracted rental income as per 2021-12-31

# Selected projects

Stenhus develops existing properties in order to create additional value and facilitate long-term contractual relationships



## Montören 1

**City:** Köping  
**Project type:** New production  
**Construction start:** 2021

**segment**  
 grocery  
**lettable area, sqm**  
 ca. 2,000 Sqm  
**occupancy at completion:**  
 100%



## Fanfaren 4 (almost finished)

**City:** Karlstad  
**Project type:** New production  
**Construction start:** 2021

**segment**  
 education/office  
**lettable area, sqm**  
 ca. 3,919 Sqm  
**occupancy at completion:**  
 100%



## Five LSS units

**City:** Sigtuna, norrköping, visby  
**Project type:** Forward funding - new production  
**Construction start:** 2021-2022

**Segment**  
 Community service  
**Lettable area, sqm**  
 Ca. 470 Sqm per unit  
**Occupancy at completion:**  
 100%

Low risk development portfolio with large share of pre-let premises with no speculative elements

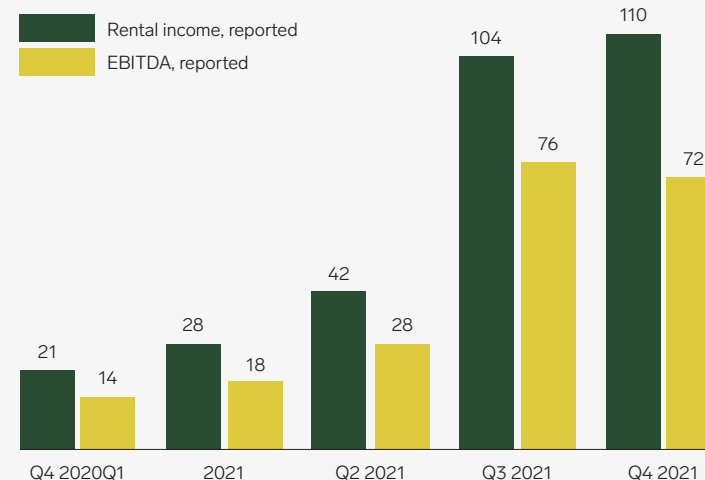


# Income statement

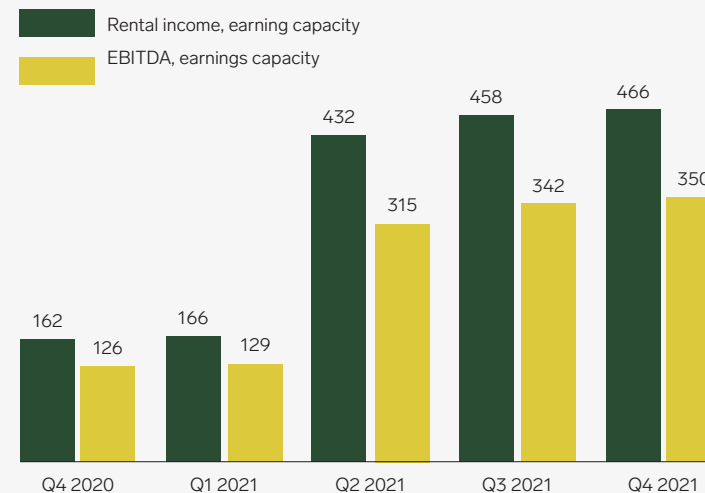
## Income statement

tsek	2021 okt- dec	2020 okt- dec	2021 jan- dec	2020 4 sept- 31 dec
Rental income	110 119	19 314	283 643	20 712
Property costs	-23 840	-3 207	-58 864	-3 415
<b>Gross profit</b>	<b>86 279</b>	<b>16 107</b>	<b>224 779</b>	<b>17 297</b>
Central administration	-14 082	-3 544	-30 319	-3 682
Financial income and expenses	-22 020	-3 600	-52 348	-3 805
<b>Operating profit</b>	<b>50 177</b>	<b>8 963</b>	<b>142 112</b>	<b>9 810</b>
Listing costs	–	-3 272	–	-3 272
Restructuring costs	–	–	-7 000	–
Early redemption fee on loans	–	–	-23 250	–
<b>Operating profit after non-recurring items</b>	<b>50 177</b>	<b>5 691</b>	<b>111 862</b>	<b>6 538</b>
Change in value of properties	206 797	75 934	899 122	76 242
Change in value of financial instruments	3 865	–	4 637	–
<b>Profit before tax</b>	<b>260 839</b>	<b>81 625</b>	<b>1 015 621</b>	<b>82 780</b>
Tax	-56 173	-10 603	-214 367	-10 737
<b>Net income</b>	<b>204 666</b>	<b>71 022</b>	<b>801 254</b>	<b>72 043</b>
<b>Attributable to</b>				
Attributable to parent company shareholders	196 147	71 022	792 049	72 043
Attributable to non-controlling interest	8 519	–	9 205	–
<b>Data per share</b>				
Profit for the year attributable to the parent company shareholders	196 147	71 022	792 049	72 043
Weighted average number of shares after dilution, thousand	247 763	100 253	189 299	77 706
<b>Profit per weighted average number of shares after dilution, sek</b>	<b>0,79</b>	<b>0,71</b>	<b>4,18</b>	<b>0,93</b>

## Rental income and EBITDA, reported (MSEK)

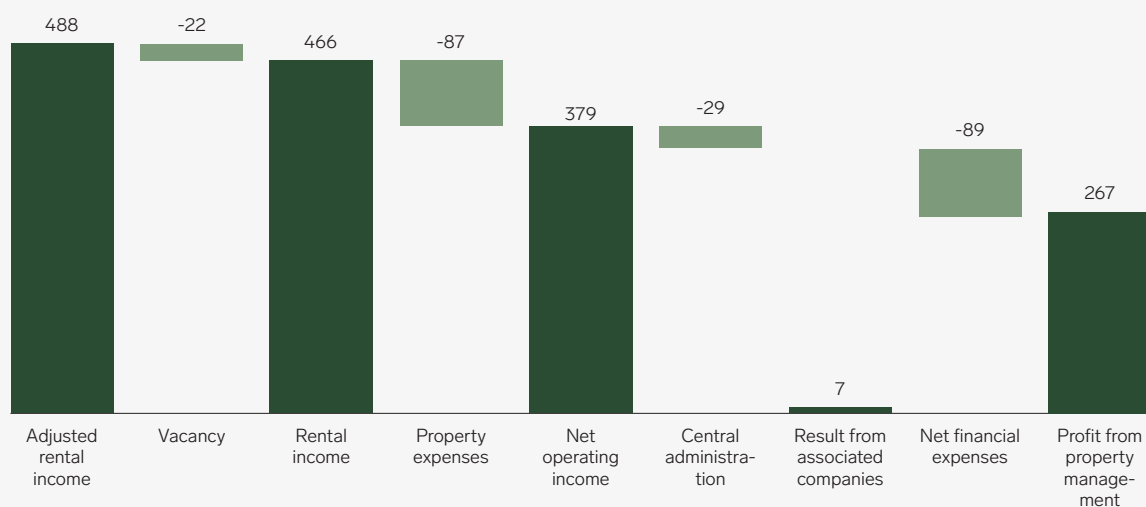


## Rental income and EBITDA, earnings capacity (MSEK)



# Current earning capacity and Financial targets

## Earnings capacity as of Q4 2021



## Financial targets and dividend policy<sup>1</sup>

Target	Policy	Outcome
Loan-to-value	< 60%	50,2%
Net loan-to-value	< 55%	45,5%
Equity ratio	> 35%	49,4%
Interest coverage ratio	> 2.25x	3,7x
Average duration on debt	2.5 years	2,7 years
Average return on equity over a cycle	12%	30,36%
Clear focus on operating cash flow generation	n.a.	n.a.

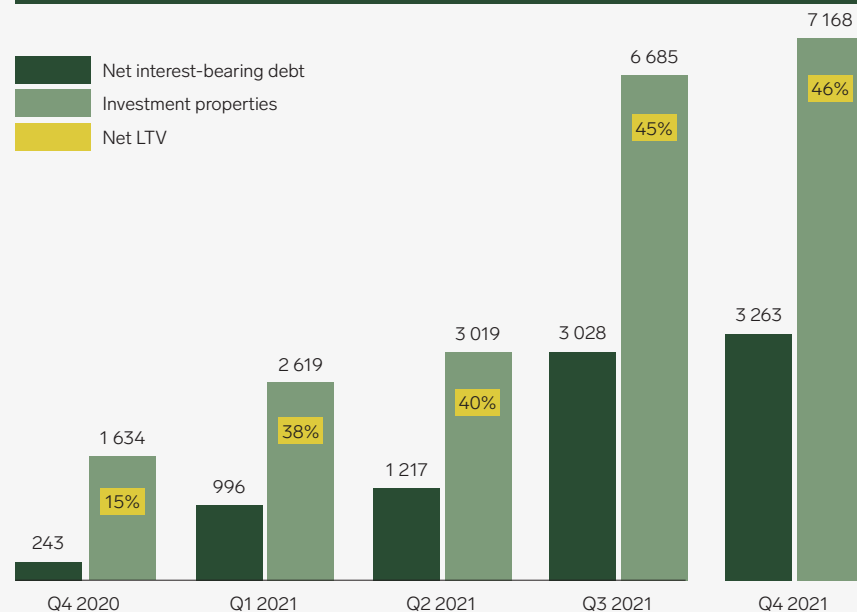
<sup>1</sup> Net loan-to-value is defined as net interest-bearing debt, excluding leasing, in relation to fair value of properties. Equity ratio is defined as equity in relation to total assets (excl. IFRS 16 right-of-use assets). Interest coverage ratio is defined as profit from property management after adding back financial expenses in relation to financial expenses

# Balance sheet

## Assets

(SEKt)	2021-12-31	2020-12-31
Investment properties	7 168 448	1 634 000
Plot and right of use assets	134 359	11 580
Other tangible assets	540	29
Shares in associated companies	110 483	–
Derivatives	4 664	–
Deferred tax-receivables	–	8 048
<b>Total long-term assets</b>	<b>7 418 494</b>	<b>1 653 657</b>
Tax-receivables	13 117	973
Account receivables	6 112	250
Subscribed but unpaid capital	222 500	–
Receivables from group companies	–	675
Other receivables	59 986	6 467
Pre-paid expenses and accrued income	16 638	1 781
Cash and cash equivalents	333 869	451 582
<b>Total short-term assets</b>	<b>652 222</b>	<b>461 728</b>
<b>Total assets</b>	<b>8 070 716</b>	<b>2 115 385</b>

## Investment properties (MSEK) and net LTV

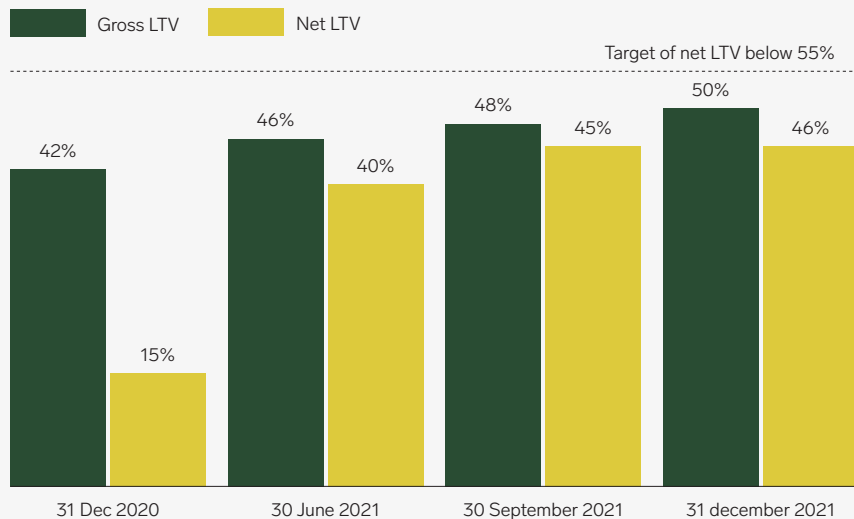


## Equity and Liabilities

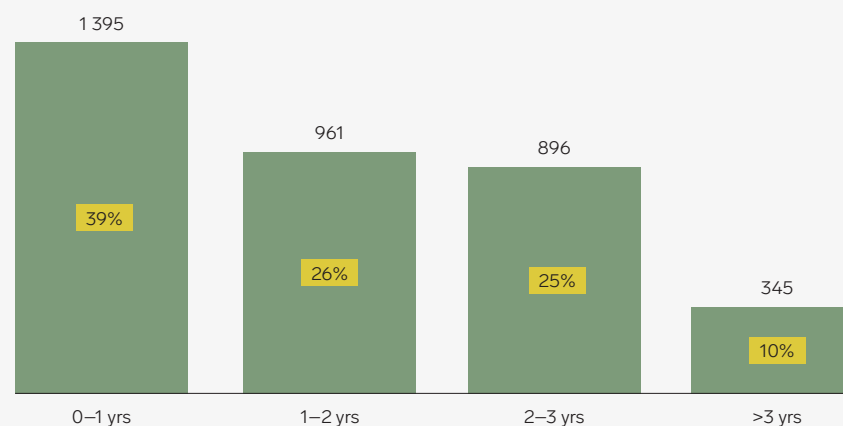
(SEKt)	2021-12-31	2020-12-31
Share capital	248 980	130 253
Ongoing new issue	222 500	–
Other capital contributions	2 798 669	1 158 161
Retained earnings inc. current profit	633 981	72 043
<b>Total equity attributable to Parent Company shareholders</b>	<b>3 904 130</b>	<b>1 360 457</b>
Non controlling interest	13 554	–
<b>Total equity</b>	<b>3 917 684</b>	<b>1 360 457</b>
<b>Liabilities</b>		
Long-term interest-bearing liabilities	2 201 920	606 388
Long-term leasing liability	134 359	11 580
Deferred tax liabilities	213 746	19 253
<b>Total long-term liabilities</b>	<b>2 550 025</b>	<b>637 221</b>
Short-term interest-bearing liabilities	1 394 846	88 006
Accounts payable	28 742	3 761
Liabilities to group companies	–	1 037
Tax liabilities	26 972	350
Other liabilities	38 743	2 886
Accrued expenses and pre-paid income	113 704	21 181
Provisions	–	486
<b>Total short-term liabilities</b>	<b>1 603 007</b>	<b>117 707</b>
<b>Total liabilities</b>	<b>4 153 032</b>	<b>754 928</b>
<b>Total equity and liabilities</b>	<b>8 070 716</b>	<b>2 115 385</b>

# Debt financing and capital structure at a glance

## Net Loan to Value



## Debt maturity structure (MSEK) <sup>1</sup>



## Interest coverage ratio



## Key ratios

**248 980 323 shares**  
before dilution

**MSEK 3 597**  
Interest bearing debt

**2.7 years**  
Average capital duration

**MSEK 334**  
Cash & cash equivalents



# Share development and ownership

## Share performance on Nasdaq First North



## Ownership

### 5 largest shareholders

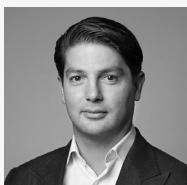
Shareholder	# of shares	%
Sterner Stenhus Holding	84 902 384	34,1
Fastighets AB Balder	49 209 297	19,8
Öresund Investment	20 410 537	8,2
Länsförsäkringar fastighetsfond	19 164 466	7,7
Swedbank försäkring AB	8 420 805	3,4
<b>Sum 5 largest shareholders</b>	<b>182 107 489</b>	<b>73,1</b>
Others	66 872 834	26,9
<b>Sum</b>	<b>248 980 323</b>	<b>100</b>

Source: Nordnet as of 2021-12-31



# Management team and Board of Directors

## Management



**Elias Georgiadis**  
*CEO & Board member*

**Experience:** 23 years within the real-estate industry, fmr. board member at Amasten Fastigheter and Handelsbanken Skärholmen  
**Ownership:** 85,182,384 shares<sup>1</sup> and 60,000 via close persons  
**Independence:** (management/larger shareholders): No/No



**Mikael Nicander**  
*Vice CEO*

**Experience:** CEO Stendörren Fastigheter, Kvalitena, CEO Lantmännen Fastigheter, Admiral Capital A/S, MiloMnReal Estate  
**Ownership:** 320,000 shares direct, indirect through company and close persons  
**Independence:** Not applicable



**Tomas Georgiadis**  
*CFO*

**Experience:** Deputy CEO Sterner Stenhus AB, board member Fasadgruppen Group AB  
**Ownership:** 84,991,283 shares<sup>2</sup>  
**Independence:** Not applicable



**Mattias Leksell**  
*Head of Sustainability*

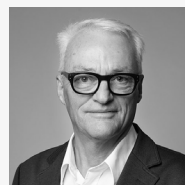
**Experience:** Serneke, NAI Svefa, Jernhusen AB  
**Ownership:** 87,700 through company  
**Independence:** Not applicable



**Michael Johansson**  
*Affärsområdeschef*

**Experience:** CEO ICA Fastigheter Sverige AB, CEO within the Skanska Group, CEO Tre Kronor Property Investment AB.  
**Ownership:** 75,200 shares direct, indirect through company  
**Independence:** Not applicable

## Board of Directors



**Rickard Backlund**  
*Chair of the Board*

**Experience:** Fastigheter Aberdeen Asset Management, Cityhold, NP3 Fastigheter, Amasten Fastigheter  
**Current:** CEO Granit Bostad AB  
**Ownership:** 400,000 shares  
**Independence:** (management/larger shareholders): Yes/Yes



**Frank Roseen**  
*Board Member*

**Experience:** CEO GE Capital Real Estate, Ronson Development, WCM  
**Current:** Aroundtown SA, TLG Immobilien AG, Bonava, Premia Properties SA, Pasa Development  
**Ownership:** 500,000 shares direct and indirect through company  
**Independence:** (management/larger shareholders): Yes/No



**Malin af Petersens**  
*Board Member*

**Experience:** Leading positions within Aberdeen Standard Investments  
**Current:** CFO Swib Holding AB  
**Ownership:** No shares  
**Independence:** (management/larger shareholders): Yes/Yes



**Erik Borgblad**  
*Board Member*

**Experience:** Specialized in real estate M&A  
**Current:** Lawyer and Partner at Born Advokater, CoB Svenska Krämfabriken AB  
**Ownership:** 374,120 shares direct and indirect through company  
**Independence:** (management/larger shareholders): No/Yes

<sup>1</sup> 84,902,384 shares indirect through Sterner Stenhus Holding AB (70% ownership), 280,000 private; <sup>2</sup> 84,902,384 shares indirect through Sterner Stenhus Holding AB (30% ownership), 88,899 private

# STENHUS

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*Fastigheter*