

# STENHUS

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*Fastigheter*

Q1 2022 Presentation

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1. Introduction to Stenhus Fastigheter
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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, Q1 2022

**MSEK 485**  
Rental income<sup>1</sup>

**MSEK 282**  
Income from property management<sup>1</sup>

**45,1%**  
Net LTV

**3,6x**  
ICR LTM

**6.2 years**  
Lease duration

**119**  
Properties

**SEK 7,6bn**  
Market value

**50**  
Municipalities present in

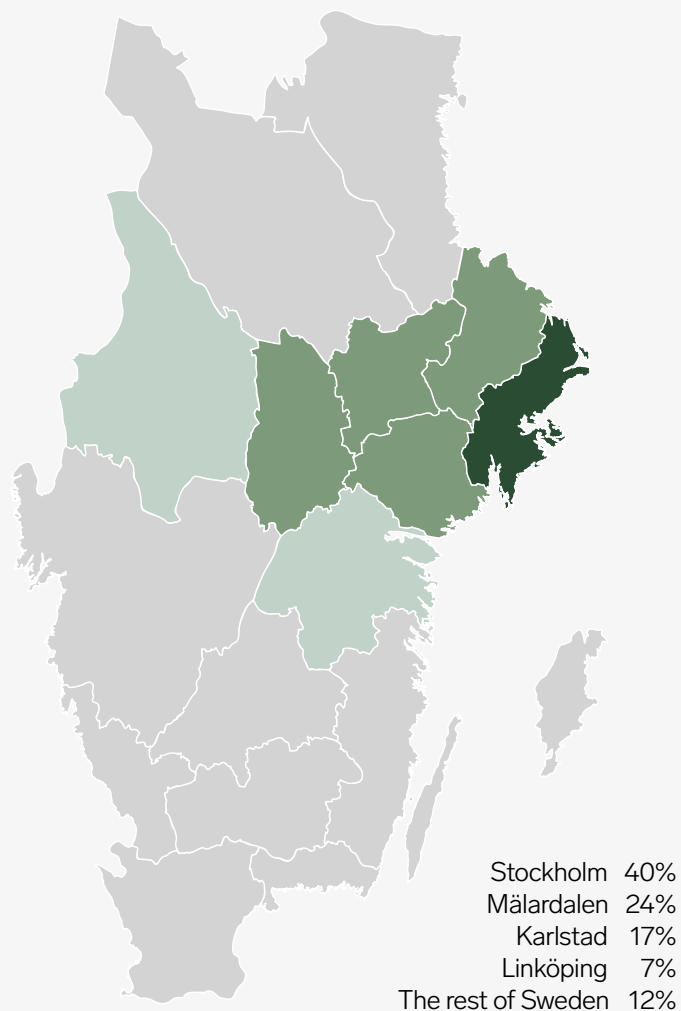
**SEK 4,9bn**  
Market cap<sup>2</sup>

**95,6%**  
Economic occupancy rate

**BB**  
Rating NCR

<sup>1</sup> Earnings capacity per Q1 2022  
<sup>2</sup> As of 2022-03-31

## 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

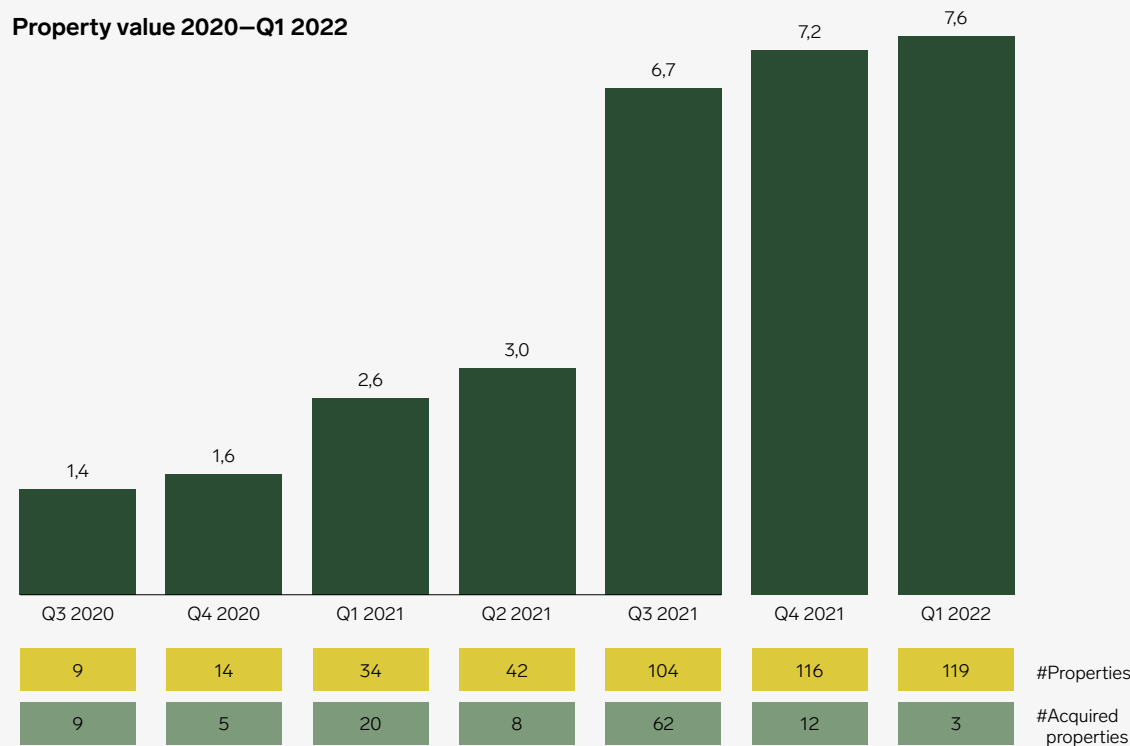


### STERNER STENHUS

- 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–Q1 2022



- 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

2022-03-31

- > SEK 20bn**  
property value before 2025
- 12% ROE**  
over a business cycle
- LTV < 60%**  
currently 48,4%
- Net LTV < 55%**  
currently 45,1%
- ICR > 2.25x**  
currently 3,6x LTM
- Equity ratio > 35%**  
currently 50,3%
- Avg. tied-up capital > 2.5yrs**  
currently 2,1 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

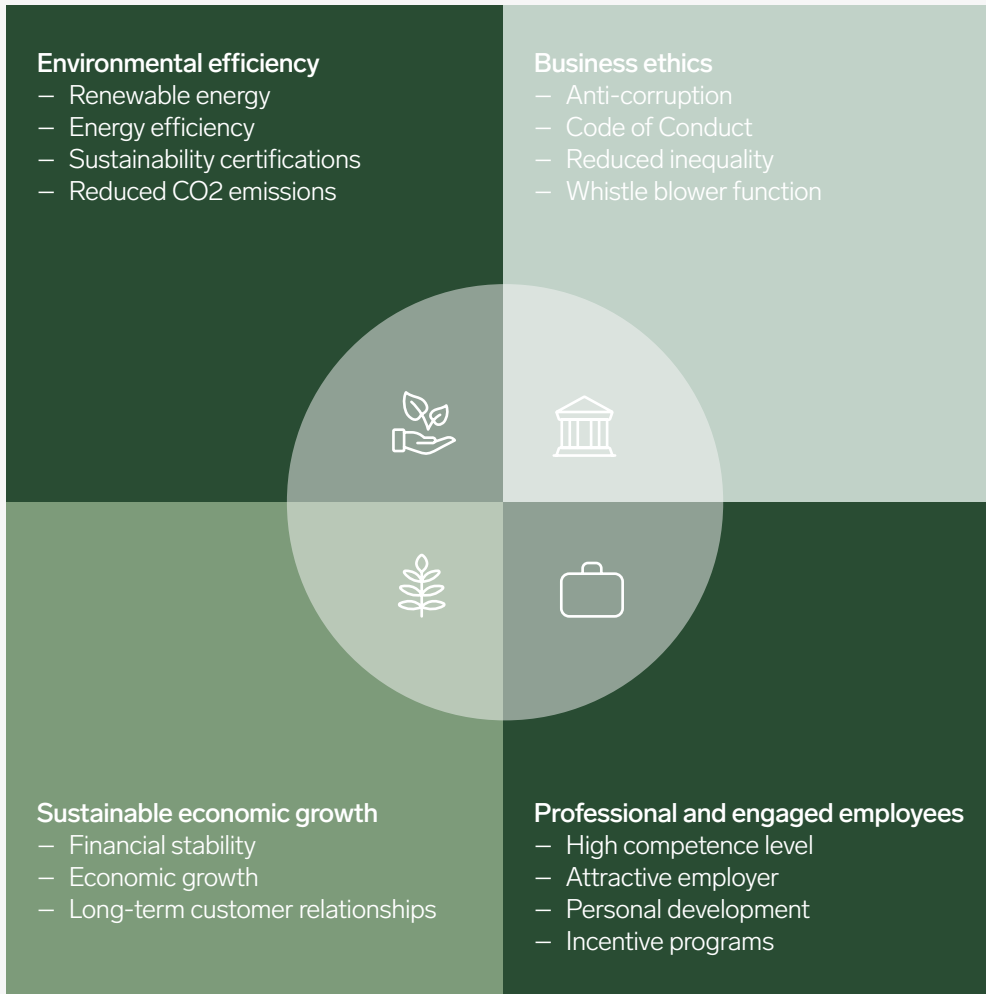
In order to generate long-term and stable cash flow, the Company is mainly interested in targets with the following characteristics:

- 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





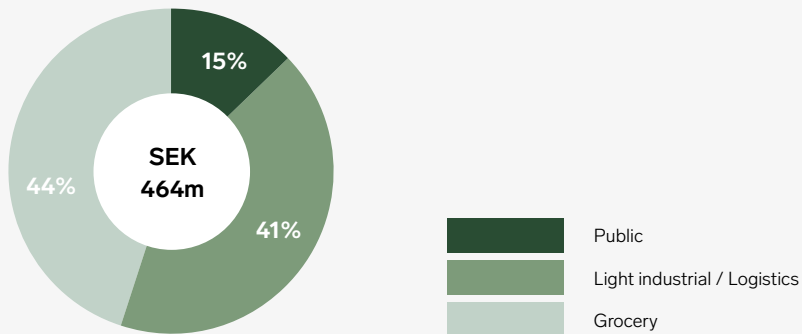


# Located in liquid property transaction markets

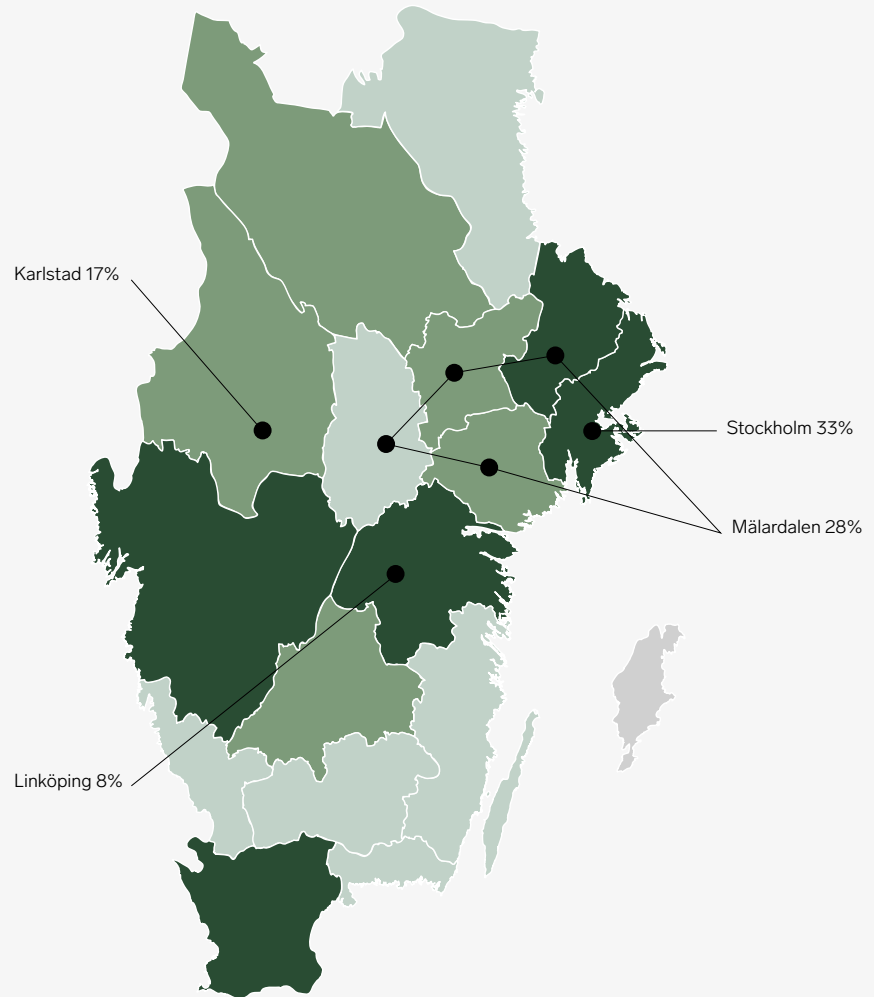
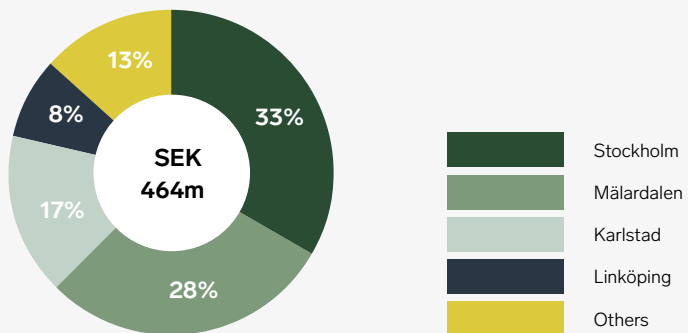
119 properties with a total market value of SEK 7 588,4m

Geographic locations - 4 largest regions based on rental income

Rental income per segment



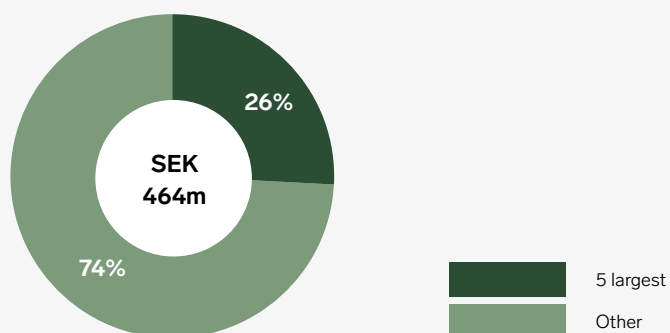
Rental income per region



Note: Rental income excludes media supplements

# Diversified tenants and solid WAULT of 6.4 years

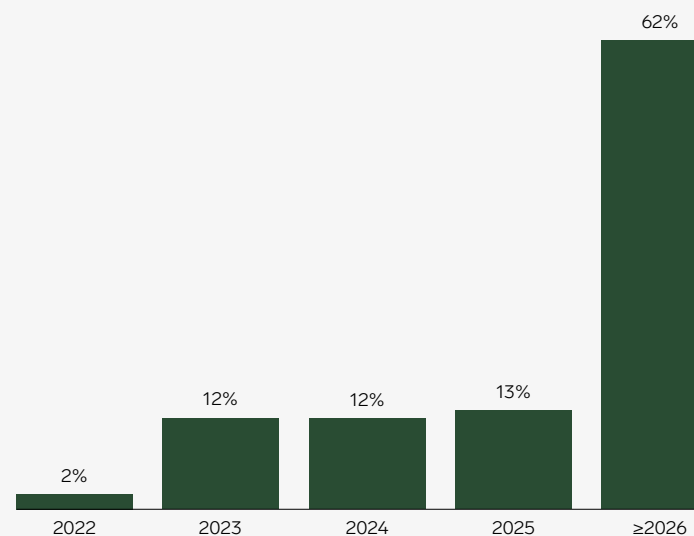
## Top 5 largest tenants, rental income



#	Tenant	Type of tenant	Rental income <sup>2</sup> (mSEK)	% of rental income
1.	Dollarstore	Discount retailer	35,1	8%
2.	Botkyrka Kommun	Municipality	31,8	7%
3.	Bilia AB	Automotive retailer	21,7	5%
4.	Willys	Groceries	18,7	4%
5.	City Gross AB	Groceries	14,6	3%
	Others		342,4	74%

## Lease maturity structure by rental income

WAULT: 6,2 years



– Properties with long-term lease contracts (WAULT of 6,2 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 2022-03-31

# Selected projects

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



## Montören 1

**City:** Köping  
**segment:** grocery  
**Project type:** New production  
**lettable area, sqm:** ca. 2,000 Sqm  
**Construction start:** 2021  
**occupancy at completion:** 100%



## Fanfaren 7 (finished)

**City:** Karlstad  
**segment:** education/office  
**Project type:** New production  
**lettable area, sqm:** ca. 3,919 Sqm



## Four LSS Units (one finished)

**City:** Sigtuna, Tyresö, Visby  
**Segment:** Community service  
**Project type:** Forward funding - new production  
**Lettable area, sqm:** Ca. 470 Sqm per unit  
**Construction start:** 2021-2022  
**Occupancy at completion:** 100%

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

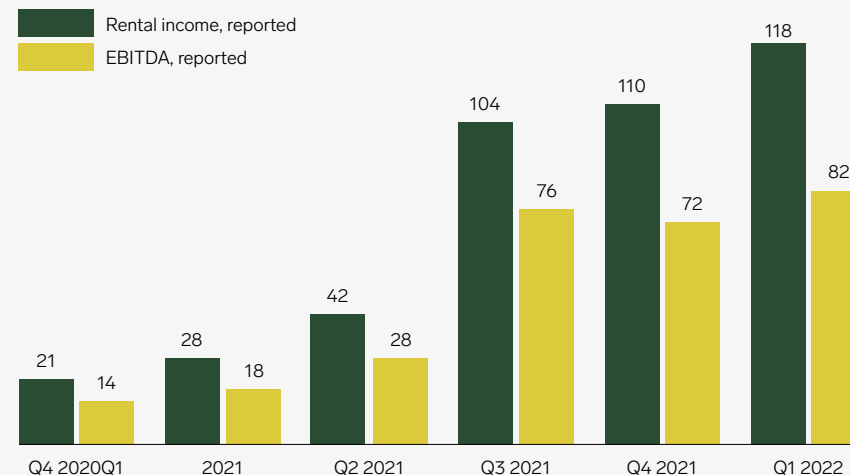


# Income statement

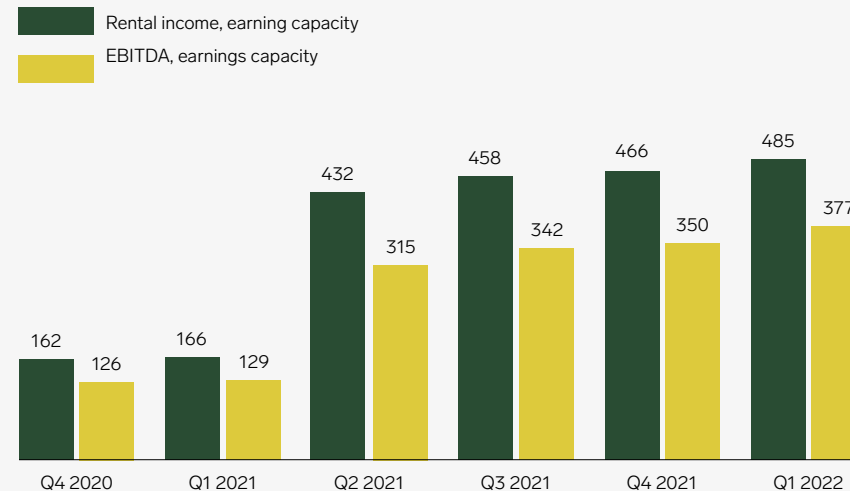
## Income statement

tsek	2022 jan- mars	2021 jan- mars	2021 jan- dec	2020 4 sept- 31 dec
Rental income	117 593	27 799	283 643	20 712
Property costs	-29 664	-6 434	-58 864	-3 415
<b>Gross profit</b>	<b>87 929</b>	<b>21 365</b>	<b>224 779</b>	<b>17 297</b>
Central administration	-8 910	-3 154	-30 319	-3 682
Results from associated companies	2 599	-	-	-
Financial income and expenses	-22 457	-3 283	-52 348	-3 805
<b>Operating profit</b>	<b>59 161</b>	<b>14 928</b>	<b>142 112</b>	<b>9 810</b>
Listing costs	-	-	-	-3 272
Restructuring costs	-	-	-7 000	-
Early redemption fee on loans	-	-	-23 250	-
<b>Operating profit after non-recurring items</b>	<b>59 161</b>	<b>14 928</b>	<b>111 862</b>	<b>6 538</b>
Change in value of properties	224 924	114 422	899 122	76 242
Change in value of financial instruments	40 722	-	4 637	-
<b>Profit before tax</b>	<b>324 807</b>	<b>129 350</b>	<b>1 015 621</b>	<b>82 780</b>
Tax	-69 743	-26 661	-214 367	-10 737
<b>Net income</b>	<b>255 064</b>	<b>102 689</b>	<b>801 254</b>	<b>72 043</b>
<b>Attributable to</b>				
Attributable to parent company shareholders	244 942	102 689	792 049	72 043
Attributable to non-controlling interest	10 122	-	9 205	-
<b>Data per share</b>				
Profit for the year attributable to the parent company shareholders	244 942	102 689	792 049	72 043
Weighted average number of shares after dilution, thousand	257 863	130 509	189 299	77 706
<b>Profit per weighted average number of shares after dilution, sek</b>	<b>0,95</b>	<b>0,79</b>	<b>4,18</b>	<b>0,93</b>

## Rental income and EBITDA, reported (MSEK)

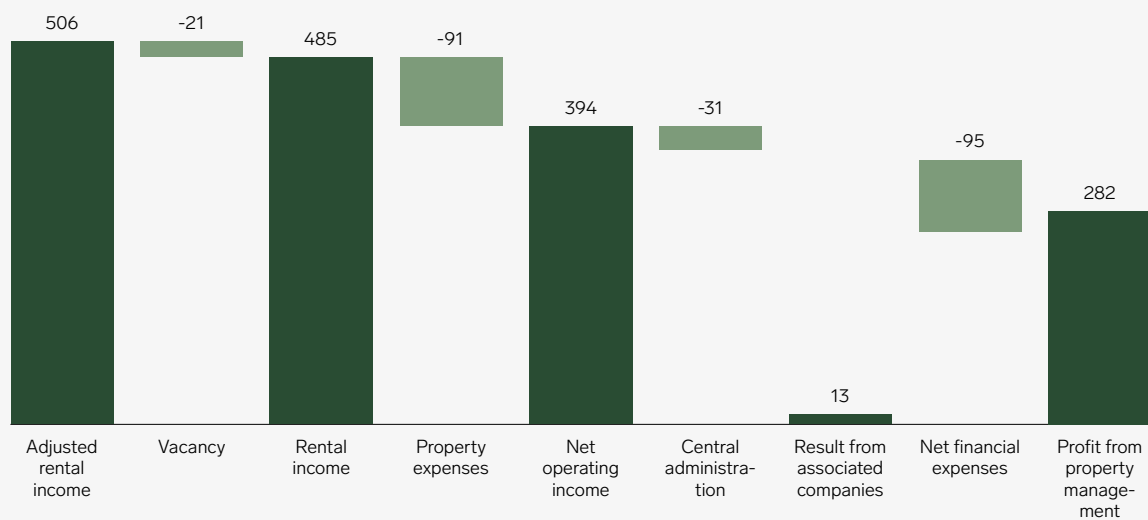


## Rental income and EBITDA, earnings capacity (MSEK)



# Current earning capacity and Financial targets

## Earnings capacity as of Q1 2022



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

Target	Policy	Outcome
Loan-to-value	< 60%	48,4%
Net loan-to-value	< 55%	45,1%
Equity ratio	> 35%	50,3%
Interest coverage ratio	> 2.25x	3,6x
Average duration on debt	2.5 years	2,1 years
Average return on equity over a cycle	12%	25,1%
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

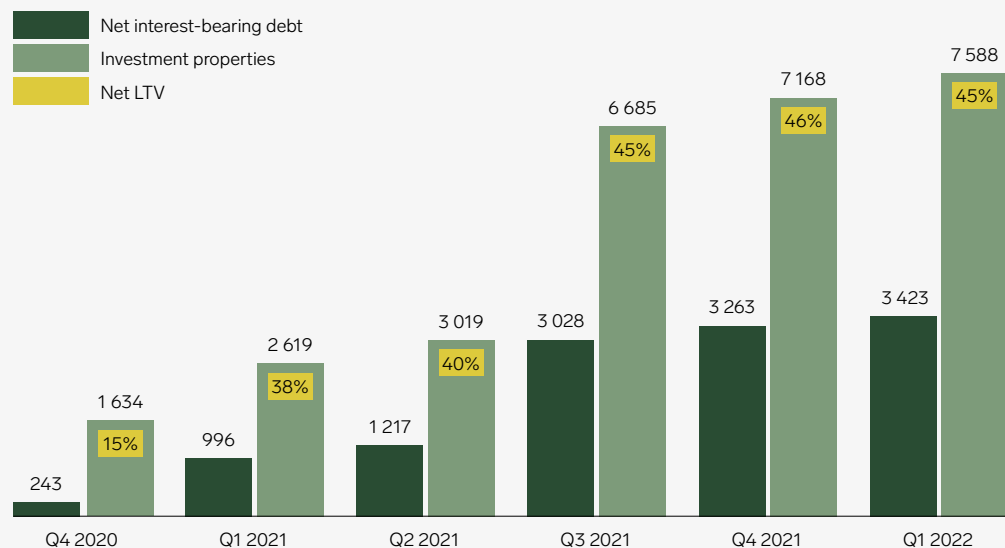
## Assets

(SEKt)	2022-03-31	2021-03-31	2021-12-31
Investment properties	7 588 353	2 618 500	7 168 448
Plot and right of use assets	143 044	30 637	134 359
Other tangible assets	90	27	540
Shares in associated companies	141 479	–	–
Financial investments	258 841	–	110 483
Derivatives	15 950	–	4 664
Deferred tax-receivables	–	–	–
<b>Total long-term assets</b>	<b>8 147 757</b>	<b>2 649 164</b>	<b>7 418 494</b>
Tax-receivables	21 077	1 616	13 117
Account receivables	4 381	6 194	6 112
Subscribed but unpaid capital	–	–	222 500
Receivables from group companies	–	1 046	–
Other receivables	77 005	22 284	59 986
Pre-paid expenses and accrued income	24 258	3 102	16 638
Cash and cash equivalents	249 784	151 598	333 869
<b>Total short-term assets</b>	<b>376 505</b>	<b>185 840</b>	<b>652 222</b>
<b>Total assets</b>	<b>8 524 262</b>	<b>2 835 004</b>	<b>8 070 716</b>

## Equity and Liabilities

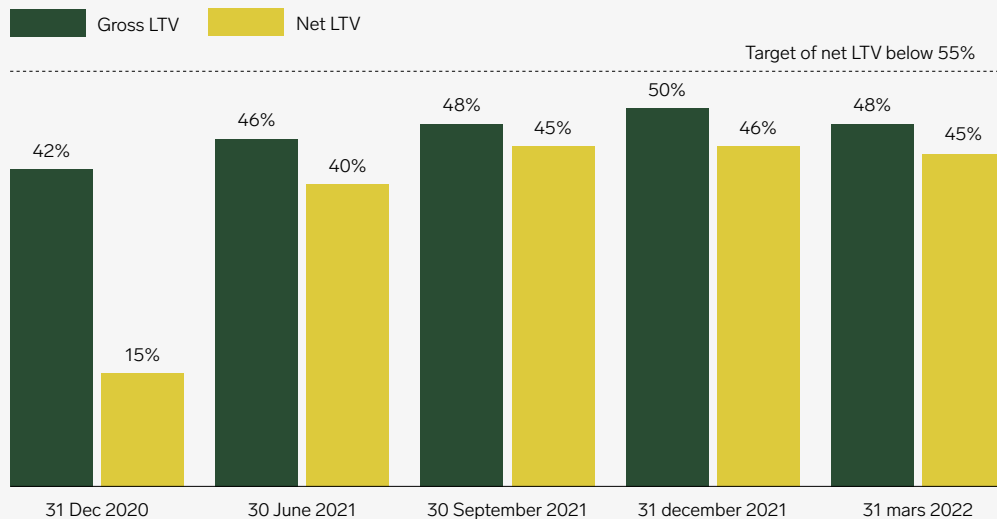
(SEKt)	2022-03-31	2021-03-31	2021-12-31
Share capital	259 595	130 253	248 980
Ongoing new issue	–	100 000	222 500
Other capital contributions	3 083 524	1 158 161	2 798 669
Retained earnings inc. current profit	873 541	174 732	633 981
<b>Total equity attributable to Parent Company shareholders</b>	<b>4 216 660</b>	<b>1 563 146</b>	<b>3 904 130</b>
Non controlling interest	207	–	13 554
<b>Total equity</b>	<b>4 216 867</b>	<b>1 563 146</b>	<b>3 917 684</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	2 312 168	591 631	2 201 920
Long-term leasing liability	143 044	30 637	134 359
Deferred tax liabilities	275 865	37 934	213 746
<b>Total long-term liabilities</b>	<b>2 731 077</b>	<b>660 202</b>	<b>2 550 025</b>
Short-term interest-bearing liabilities	1 360 852	556 142	1 394 846
Accounts payable	32 787	4 727	28 742
Liabilities to group companies	–	34	–
Tax liabilities	26 934	1 370	26 972
Other liabilities	36 434	8 021	38 743
Accrued expenses and pre-paid income	119 311	40 876	113 704
Provisions	–	486	–
<b>Total short-term liabilities</b>	<b>1 576 318</b>	<b>611 656</b>	<b>1 603 007</b>
<b>Total liabilities</b>	<b>4 307 395</b>	<b>1 271 858</b>	<b>4 153 032</b>
<b>Total equity and liabilities</b>	<b>8 524 262</b>	<b>2 835 004</b>	<b>8 070 716</b>

## Investment properties (MSEK) and net LTV

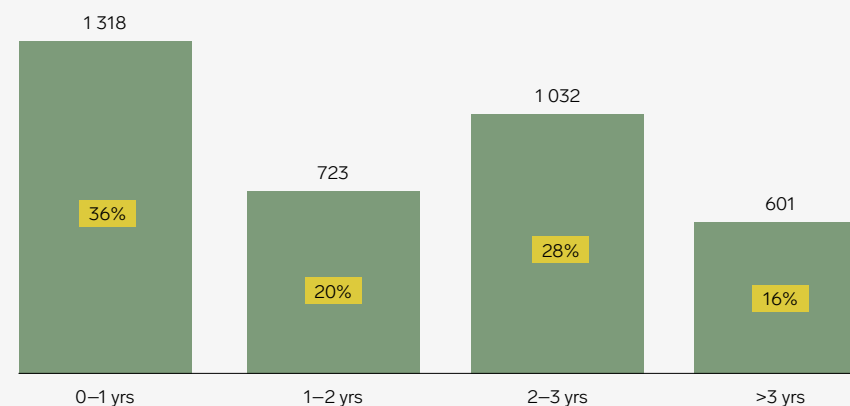


# Debt financing and capital structure at a glance

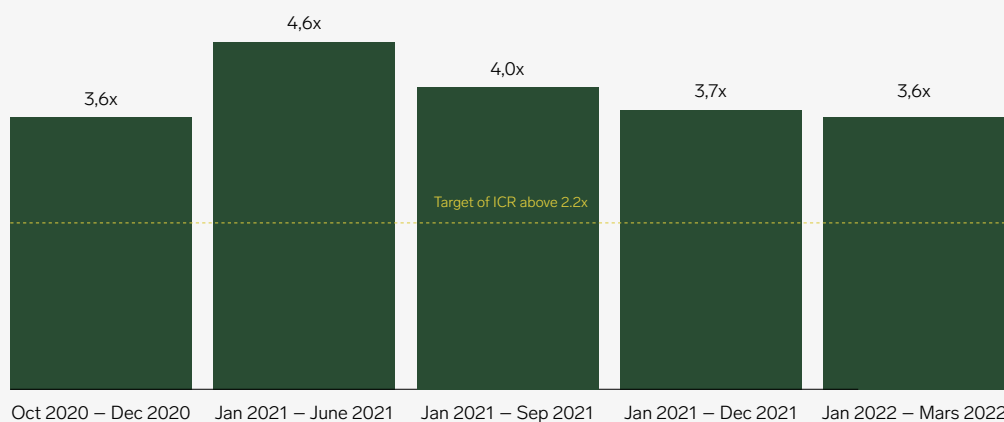
## Net Loan to Value



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



## Interest coverage ratio



## Key ratios

**259 594 842 shares**  
before dilution

**MSEK 3 673**  
Interest bearing debt

**2.1 years**  
Average capital duration

**MSEK 250**  
Cash & cash equivalents

<sup>1</sup> Excluding interest rate swaps. In addition to credit maturities of MSEK 1,318 ≤12 months, the Group also reports in the balance sheet short-term part of long-term financing of MSEK 43.2 under short-term interest-bearing liabilities.



# Share development and ownership

## Share performance on Nasdaq First North



## Ownership

### 5 largest shareholders

Shareholder	# of shares	%
Sterner Stenhus Holding	88 701 378	34,2
Fastighets AB Balder	52 752 291	20,3
Öresund Investment	20 729 777	8,0
Länsförsäkringar fastighetsfond	19 089 466	7,4
Swedbank försäkring AB	9 563 697	3,7
<b>Sum 5 largest shareholders</b>	<b>190 836 609</b>	<b>73,5</b>
Others	68 758 233	26,5
<b>Sum</b>	<b>259 594 842</b>	<b>100</b>

Source: Nordnet as of 2022-03-31



# Management team and Board of Directors

## Management



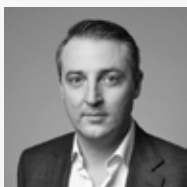
**Elias Georgiadis**  
*CEO & Board member*

**Experience:** 23 years within the real-estate industry, fmr. board member at Amasten Fastigheter and Handelsbanken Skärholmen  
**Ownership:** 89,098,818 shares<sup>1</sup> and 647,096 shares direct and indirect through 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:** 323,048 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:** 89,098,818 shares<sup>2</sup> and 124,399 shares direct.  
**Independence:** Not applicable



**Michael Johansson**  
*Affärsrådeschef*

**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:** 513, 250 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:** 510,000 shares direct and indirect through company  
**Independence:** (management/larger shareholders): No/Yes

<sup>1</sup> 89,098,818 shares indirect through Sterner Stenhus Holding AB (70% ownership), <sup>2</sup> 89,098,818 shares indirect through Sterner Stenhus Holding AB (30% ownership)

STENHUS

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*Fastigheter*