CREDIT OPINION
24 September 2025

Update

Send Your Feedback

RATINGS

Atrium Ljungberg AB

Domicile	Sweden
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Maria Gillholm +46 851.791.270
VP-Sr Credit Officer
maria.gillholm@moodys.com

Christian Hendker, CFA +49.69.70730.735
Associate Managing Director
christian.hendker@moodys.com

Atrium Ljungberg AB

Update following rating affirmation, outlook changed to stable

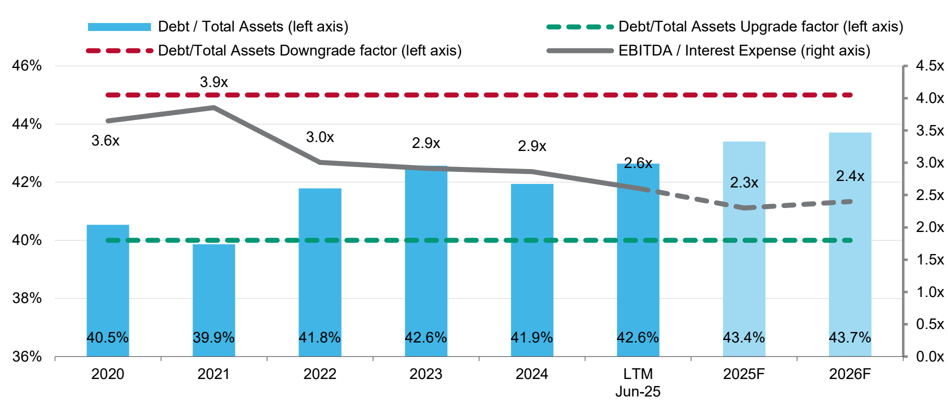
Summary

On 02 September 2025, we affirmed Atrium Ljungberg AB's Baa2 issuer rating and changed the outlook to stable from negative. The change to a stable outlook highlights the company's good operating performance, illustrated by its solid rental income growth and the expected improvements in its credit metrics going forward.

Atrium Ljungberg's Baa2 issuer rating reflects its strong market position as one of the leading commercial real estate companies in Sweden (Aaa stable); a solid portfolio of mostly large office and retail mixed-use estates, concentrated in Stockholm, which is well positioned for sustainable long-term growth with a controlled development programme; moderate leverage of 43% as of June 2025; and adequate liquidity for the next 18 months and comfortable level of unencumbered assets. We note Atrium's proactive approach to address upcoming refinancing needs.

Despite these strengths, 20% of Atrium's portfolio consists of retail assets, where the competitive landscape has been challenging in the past years due to, among other things, a pandemic and increased competition from e-commerce. The company's relatively high net debt to EBITDA ratio of 13x results from significant project developments and is due to its low-yielding assets base. Additionally, the company contends with a short debt maturity profile, averaging 3.6 years, and weakening EBITDA interest coverage, currently at 2.6x, which is a result of elevated interest rates.

Exhibit 1
Debt/gross assets is in line with our expectation



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

» Leading Swedish real estate company with a portfolio that is well positioned for long-term growth

» Good operational performance, which is likely to continue over the coming quarters

» The company's controlled development programme and strong pipeline to enhance value

» Maintenance of moderate asset-based leverage because of possible credit strengthening activities such as divestments, reduced dividends, reduced capital spending or equity injection

» Changes in dividend policy to make it more conservative

Credit challenges

» Further risks at the macro level, driven by inflation and difficult capital market conditions, potentially leading to lower market values and higher cost of funding

» Presence of controlling shareholders, which could hamper access to equity capital

» Significant exposure to retail

Rating outlook

The rating affirmation reflects our anticipation of continued operating performance improvements over the upcoming quarters, characterized by stable net rental growth, resulting in improved credit metrics and a strengthened position of Atrium in the Baa2 rating category. This growth is expected to be driven by the completion of new projects, a reduction in the current vacancy rate of 9% and a limited CPI indexation effect. Additionally, we foresee the company maintaining adequate liquidity, with cash sources sufficiently covering uses for the next 18 months and expect that debt maturities will be managed proactively. The stable outlook also considers that the debt-to-assets ratio will remain at around 43%, while net debt to EBITDA is projected to improve to a range of 13-14x between 2025 and 2027. Furthermore, EBITDA interest expense is expected to dip to 2.3x in 2025 before strengthening to between 2.4x and 2.6x by 2026-2027.

Factors that could lead to an upgrade

» Maintains a Moody's-adjusted debt/gross assets well below 40%, with financial policies that support that level, together with a declining trend of Moody's-adjusted net debt to EBITDA

» EBITDA interest expense around 3.5x on a sustained basis

» Significantly extending debt maturities while maintaining a high degree of hedging

Factors that could lead to a downgrade

» A material deterioration in operating and financial performance or a sharp decline in property market fundamentals

» Moody's-adjusted leverage moving towards 45% or failure to maintain Moody's-adjusted EBITDA interest expense sustainable at 2.5x

» Heavy reliance on short-term funding, particularly if no longer fully backed by undrawn long-dated credit facilities.

Key indicators

Exhibit 2
Atrium Ljungberg AB

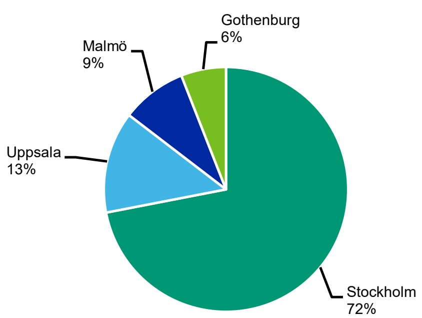
(in SEK billions)	2020	2021	2022	2023	2024	LTM Jun-25	2025F	2026F
Gross Assets	49.6	54.1	63.8	61.7	61.5	63.0	64.9	67.0
Debt / Gross Assets	40.5%	39.9%	41.8%	42.6%	41.9%	42.6%	43.4%	43.7%
Net Debt / EBITDA	13.4x	13.4x	16.2x	13.5x	12.6x	12.9x	14.0x	12.9x
EBITDA / Interest Expense	3.6x	3.9x	3.0x	2.9x	2.9x	2.6x	2.3x	2.4x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

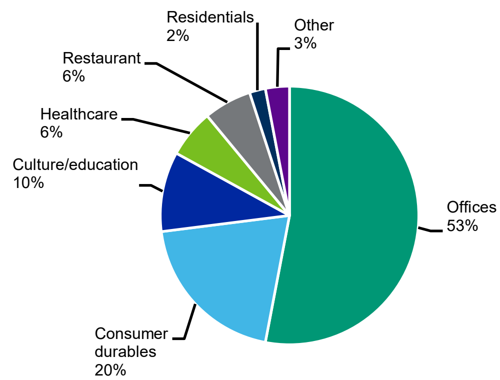
Atrium Ljungberg AB is a real estate company headquartered and listed in Stockholm, with a market capitalisation of SEK20 billion as of 23 September 2025. The company owns, develops and manages a SEK60 billion retail- and office-focused portfolio across Sweden's major cites.

Exhibit 3
Exposure to Sweden's four largest cities
Rental value



As of 30 June 2025.
Source: Company data

Exhibit 4
75% exposure to offices and retail/FMCG*
Contracted annual rent (excluding project properties)



*FMCG = fast-moving consumer goods.
As of 30 June 2025.
Source: Company data

Detailed credit considerations

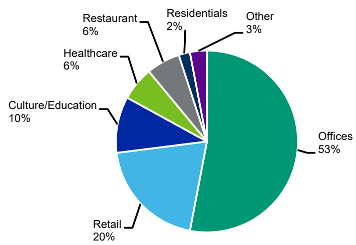
Leading Swedish real estate company with stable portfolio, well positioned for long-term growth

Atrium Ljungberg owns a SEK60 billion portfolio across Sweden's four largest cities, comprising 89 properties spanning 877,000 square meters with 91% occupancy, generating SEK2.9 billion in annual rent as of June 2025.

The company focuses on long-term ownership and development of mixed-use districts, primarily office- and retail-led, with additional residential, cultural, and educational facilities. Retail, 20% of its sectoral mix, predominantly consisting of clothing and fashion exposure faces challenges from e-commerce growth and structural changes, though dominant shopping centers benefit from tenant demand. In Sweden, the share of e-commerce in total sales increased over the past few years and the total market share was 11% as of 2023. The negative impact of the pandemic shock was more pronounced in the nonfood and apparel subsegments, while the food and grocery retailers were more insulated.

Atrium Ljungberg's retail hubs include Sickla Galleria (Stockholm), Gränbystaden (Uppsala), and Mobilia (Malmö), with mixed-use estates leveraging footfall from offices during working hours and residences after working hours. The company plans SEK2-3 billion annual investments in redevelopment through 2026, enhancing portfolio value but limiting debt reduction. Its strategy of controlling large estates supports cash flow and asset values, offering flexibility to adapt to market demands and collaborate with municipalities. While its micro-location concentration is higher, this is mitigated by its focus on Sweden's largest cities, particularly Stockholm.

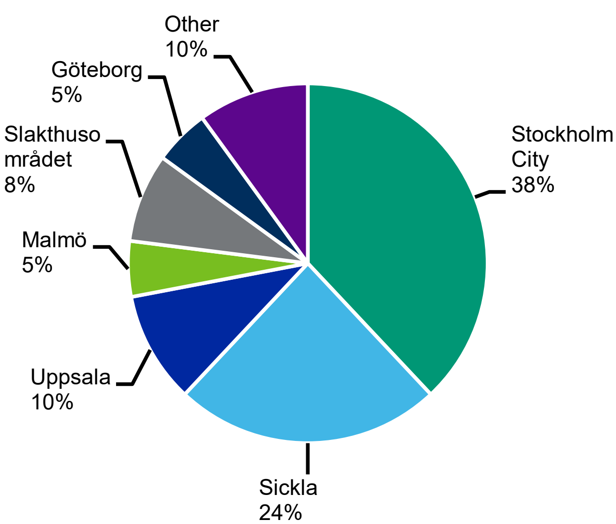
Exhibit 5
Good mix across asset types
Share of rental value per location as of 30 June 2025, excluding projects



Source: Company data

Atrium Ljungberg's office portfolio is highly concentrated in inner city and central districts. As of Q4 2024, prime office yields in central Stockholm were 4.0%, compared to 4.5%-5.5% in less central areas. The company's 80% concentration in Stockholm, which generates a third of Sweden's GDP, is credit positive due to alignment with economic and property trends. Stockholm's strong property market, diverse corporate demand, and affluent consumers support its office and retail assets. Atrium Ljungberg generates SEK2.9 billion in annual rent, with an average lease length of 4.9 years across 1,400 contracts. Its 10 largest tenants contribute 21% of rental income, with 7% from government-related entities. About 14% of contracts will be renegotiated in 2026, but the company is expected to maintain a 91%-93% occupancy rate.[1]

Exhibit 6
Atrium's clusters
Property value, excluding projects, as of June 2025



Source: Company data

Exhibit 7
Description of the three largest clusters

	Property Description
Sickla	The estate represents 26% of total rental value. The shopping area has 143 stores spanning 112,000 m2 attracting 10 million visitors annually and generates more than SEK 3 billion in retail sales. The office area spans 168,500 m2.
Gränbystaden	A retail-centric portfolio in Uppsala spanning 105,500 m2 and representing 12% of total rental value. It consists of 160 stores with SEK 2.9 billion in sales.
Mobilia	A vibrant city district located in Malmö's souther part. The portfolio spans 86,400 m2 representing 9% of total rental value.

Source: Company data

Rental indexation has normalised because of lower inflation

Atrium Ljungberg reported 2.1% like-for-like rental growth from January to June 2025, down from 5.0% in 2024. The pandemic impacted operations in 2020-2021, but office assets offset retail downturns. Inflation-driven indexation boosted rental income in 2022 (8.1% inflation vs. 4.5% in 2021), though this softened in 2024 as inflation declined. Indexation is expected to remain in the low single digits over the next 12-18 months.

Office vacancies continue to rise, driven by persistent work-from-home trends and corporate caution amid economic uncertainty. Atrium maintained a stable yet high vacancy rate of 9% in Q2 2025. While new project developments may initially add to vacancies, Atrium's portfolio upgrades are strengthening its competitive position.

The company financial policy is to keep a gearing ratio below 45%, with Moody's-adjusted gross debt/assets at 43% as of June 2025, maintaining leverage within 42%-44%. A 2023 dividend policy change, reducing payouts from half to one-third of property management income, is credit positive. Net debt/EBITDA improved to 12.9x in June 2025 from 16.2x in 2022, driven by indexation and higher cash flow, and is expected to remain around 13x-14x over the next 12-18 months.

Interest coverage to benefit from lower interest rates

Atrium Ljungberg's interest coverage has been weak compared with similarly rated peers. Atrium Ljungberg's interest coverage (EBITDA/interest expense) was 2.6x for the 12 months ending June 2025, weaker than peers. It is expected to remain at 2.3x-2.4x by year-end 2025 but improve to above 2.5x due to favorable funding conditions. About 90% of its debt is hedged via interest rate swaps, shielding it from rapid rate changes but delaying the benefits of lower base rates on interest expenses.

Controlled development programme with strong pipeline will enhance value

Atrium Ljungberg's SEK9.6 billion development pipeline (SEK5.6 billion remaining) represents a high 15% of total assets, with SEK40 billion in planned projects long-term. Investments in residential, office, and retail spaces aim to boost footfall and more attractive to tenants. Residential exposure is expected to remain at 2%-3%, with a focus on developing and selling units to the undersupplied housing market while retaining rental-designated properties.

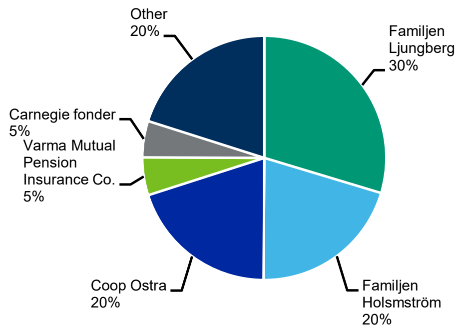
The company owns TL Bygg, a contractor with SEK960 million in annual sales and 100 employees, providing expertise in costing, purchasing, and project management. TL Bygg works for both Atrium Ljungberg and third parties, supported by parent guarantees of 10% during construction, reducing to 5% during a five-year warranty. This in-house capability enhances project execution and portfolio value, with Atrium Ljungberg expected to manage TL Bygg in a disciplined and controlled manner, and to not take on risks with the potential to create a significant financial liability for the whole group.

Controlling shareholders contribute to stability but could hamper access to equity capital

Atrium Ljungberg's three largest shareholders, who together control around 70% of the company's votes, contribute to its stability and allow management the time and space to build long-term value. Furthermore, the controlling shareholders are a key influence in keeping the company's leverage well below most of its Swedish real estate peers.

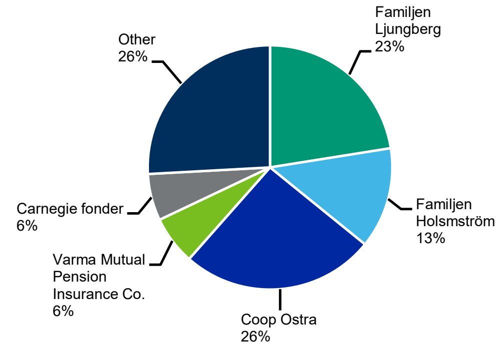
These positives are counterbalanced by our view that the current shareholder structure somewhat limits liquidity because it reduces the free float and may make it more difficult to raise equity when needed. However, unlike real estate investment trusts (REITs), Atrium Ljungberg has no legal obligation to pay any dividends. This gives the company more leeway to use funds from operations to reduce leverage if needed.

Exhibit 8
Share of votes



As of 31 July 2025.
Source: Company data

Exhibit 9
Share of capital

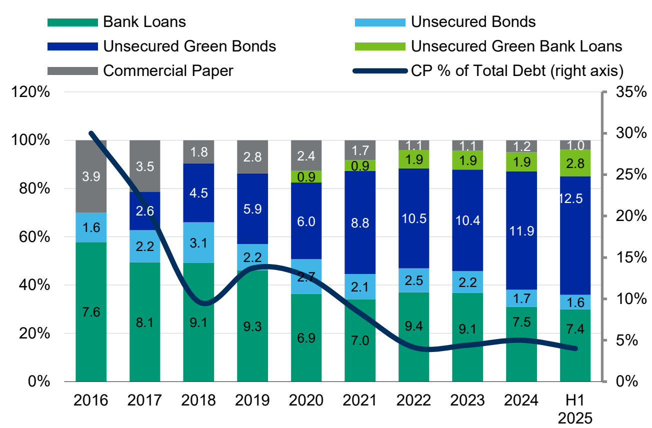


As of 31 July 2025.
Source: Company data

Short-dated debt maturity profile, consistent with Swedish peers

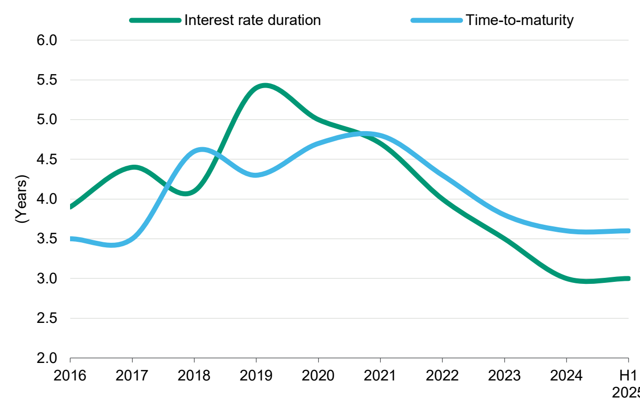
Atrium Ljungberg's average debt maturity was 3.6 years as of June 2025, up from three years in 2013. In H2 2025, 7% of its debt will mature, with 16% maturing in 2026. Its SEK5.0 billion commercial paper program is fully backed by undrawn RCFs with staggered maturities until 2030. The average cost of debt was 3.1% as of June 2025. Secured bank loans, which account for roughly one-third of overall debt, feature cross-default clauses and are backed by parent company guarantees.

Exhibit 10
Reliance on commercial paper has reduced (4% of total debt) as of June 2025



Source: Company data

Exhibit 11
Average debt maturity declined in 2023, likely to improve as 2025 maturities are refinanced

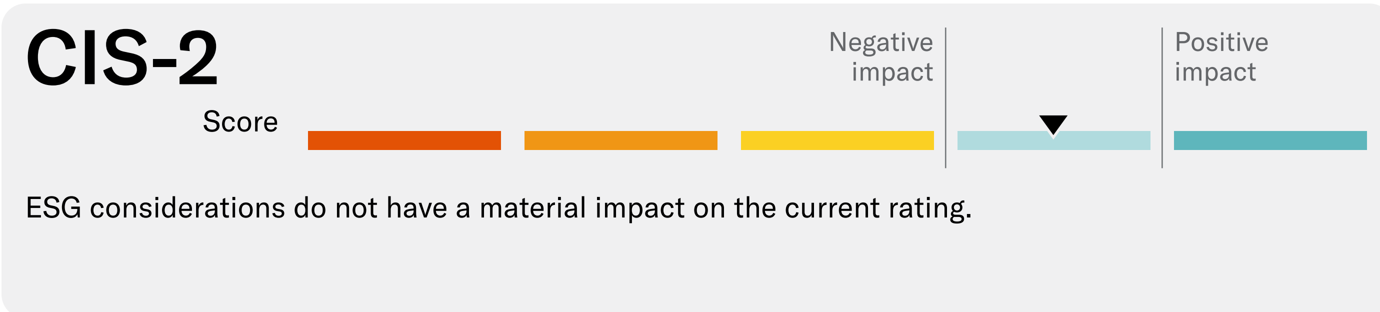


Source: Company data

ESG considerations

Atrium Ljungberg AB's ESG credit impact score is CIS-2

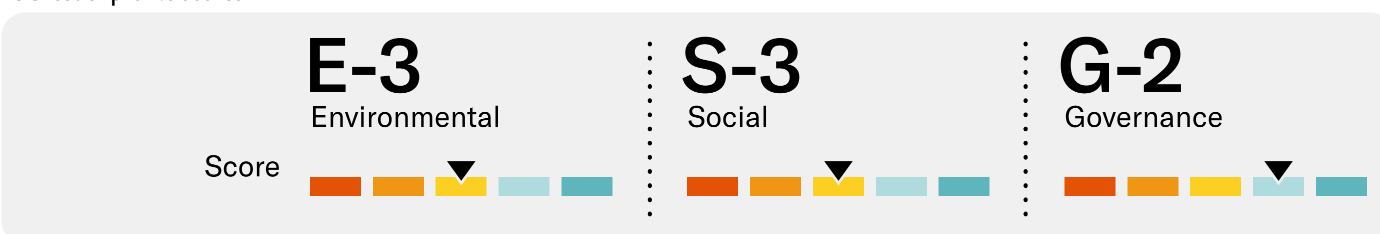
Exhibit 12
ESG credit impact score



Source: Moody's Ratings

ESG considerations have a neutral to low credit impact (**CIS-2**) on Atrium Ljungberg. This reflects the company's moderate financial policies which enables it to manage exposure towards environmental and social risk.

Exhibit 13
ESG issuer profile scores



Source: Moody's Ratings

Environmental

.Atrium Ljungberg's carbon transition risk is moderate and comparable to Nordic real estate peers. Its development pipeline, accounting for 15% of total assets. The company has invested in improving the energy efficiency and physical attributes of its commercial properties. It aims to achieve climate-neutral operations by 2030. As of June 2025, 85% of its lettable area was certified under BREEAM for offices and Miljöbyggnad for residential properties, with a target of reaching full certification.

Social

S-3: credit exposure to social considerations is moderate. Tenants demand for Atrium Ljungberg's properties is vulnerable to increasing hybrid-working and a accelerated shift towards ecommerce. We expect companies with modern and environmental friendly properties to be less challenged by structural changes. Increasing interest rates and inflation can effect households affordability and demand for Atrium Ljungberg's residentials.

Governance

G-3: Credit exposure to governance risk is neutral to low and reflects concentrated ownership, low investments in JV/associated companies and prudent financial policy. The company demonstrates strong strategic execution, focusing on developing large mixed-use estates in Sweden's four largest cities, combining office, retail, and residential spaces. Its conservative financial approach includes asset sales to lower leverage and a revised dividend policy, reducing payouts.

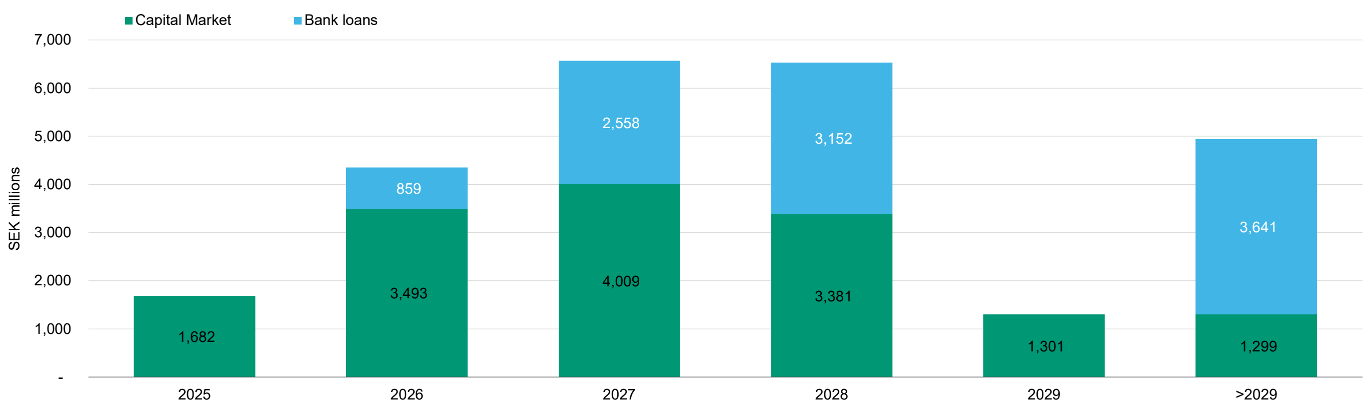
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Atrium Ljungberg has adequate liquidity. The company holds a cash reserve of SEK 663 million and anticipates generating an additional cash flow of SEK 2.0 billion over the next 18 months. Furthermore, the company has access to SEK 8.7 billion in undrawn revolving credit facilities (RCFs). Although these RCFs primarily support its commercial paper program, they are available for general corporate use if needed. These credit facilities are diversified across several agreements with maturities ranging from September 2026 to July 2030. Additionally, the company benefits from a substantial pool of unencumbered property valued at SEK 41.1 billion as of June 2025. This robust liquidity is adequate to cover forthcoming financial obligations, including maintenance, capital expenditures, and dividend of totaling SEK 2.4 billion, as well as bank and bond maturities of SEK 6 billion over the next 18 months.

The continued decrease in Atrium Ljungberg's short-term funding — otherwise a potential threat to liquidity because it increases the duration mismatch between funding sources and the long-term nature of real estate assets — is credit positive. Moreover, companies with a high proportion of short-term debt are more vulnerable to instability in capital and lending markets, and more quickly affected by a change in sentiment towards the cyclical real estate sector. However, the long-dated RCFs with ample covenant headroom provide a backstop against the unlikely risk that the company could struggle to roll over its commercial paper. We expect the company to continue to rely on long-term sources of funding to a greater extent.

Exhibit 14
Front-loaded debt maturity structure



As of 30 June 2025.
Source: Company data

Methodology and scorecard

The principal methodology used in rating Atrium Ljungberg was our Global Rating Methodology for REITs and Other Commercial Property Firms. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The forward-looking scorecard-indicated Baa3 rating is one notch lower than the rating assigned. The one-notch difference between the assigned and grid-implied ratings reflects our greater focus on the company's asset quality, financial policy, and our expectation that credit metrics will improve over the next two years.

Exhibit 15

Rating factors

Atrium Ljungberg AB

REITs and Other Commercial Real Estate Firms Industry Scorecard	Current LTM Jun-25		Moody's 12-18 Month Forward View	
Factor 1 : SCALE (5%)	**Measure**	**Score**	**Measure**	**Score**
a) Gross Assets ($ billion)	6.6	Baa	6.9 - 7.1	Baa
Factor 2 : BUSINESS PROFILE (25%)				
a) Asset Quality	A	A	A	A
b) Market Characteristics	Baa	Baa	Baa	Baa
Factor 3 : ACCESS TO CAPITAL (20%)				
a) Access to Capital	Baa	Baa	Baa	Baa
b) Asset Encumbrance	Baa	Baa	Baa	Baa
Factor 4 : LEVERAGE AND COVERAGE (35%)				
a) Debt / Gross Assets	42.6%	Baa	43% - 44%	Baa
b) Net Debt / EBITDA	12.9x	Caa	13x - 14x	Ca
c) EBITDA / Interest Expense	2.6x	Baa	2.3x - 2.5x	Ba
Factor 5 : FINANCIAL POLICY (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
(a) Scorecard-Indicated Outcome		Baa3		Baa3
(b) Actual Rating Assigned				Baa2

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 16

Overview on select historical and forecast Moody's-adjusted financial data

Atrium Ljungberg AB

(in SEK millions)	2020	2021	2022	2023	2024	LTM Jun-25	2025F	2026F
INCOME STATEMENT								
Revenue	2,344	2,292	2,550	2,821	2,988	2,940	2,967	3,279
EBITDA	1,477	1,561	1,623	1,943	2,038	2,069	1,999	2,250
Interest Expense	405	405	540	667	712	794	867	946
BALANCE SHEET								
Cash & Cash Equivalents	279	719	380	119	129	213	196	196
Total Debt	20,084	21,586	26,666	26,262	25,797	26,857	28,159	29,267
Net Debt	19,805	20,867	26,286	26,143	25,668	26,644	28,355	29,463
CASH FLOW								
Funds from Operations (FFO)	1,021	1,090	1,064	1,238	1,366	1,294	1,096	1,280
Capital Expenditures	(2,456)	(2,176)	(2,286)	(2,068)	(2,642)	(2,988)	(2,828)	(1,954)
INTEREST COVERAGE								
EBITDA / Interest Expense	3.6x	3.9x	3.0x	2.9x	2.9x	2.6x	2.3x	2.4x
LEVERAGE								
Net Debt / EBITDA	13.4x	13.4x	16.2x	13.5x	12.6x	12.9x	14.0x	12.9x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 17

Category	Moody's Rating
ATRIUM LJUNGBERG AB	
Outlook	Stable
Issuer Rating -Dom Curr	Baa2

Source: Moody's Ratings

Endnotes

1 JLL Nordic Outlook - Spring 2025.

REPORT NUMBER 1458546

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454