

Eastnine

More M&A far from ruled out

- Occupancy improvement in Q2
- Management open for more accretion
- 2025e P/CEPS at 14x, ~12.5% below Swedish office peers

Small estimate revisions

Eastnine delivered a Q2 report with rental income ~2% below our estimate, while net financial expenses were lower than we anticipated, taking rec PTP -1% vs ABGSCe. Our top-line estimates do not change materially, however, as the Q2 occupancy increased to 97.1% and the forward-looking earnings capacity rental income came up by >1% q-o-q to EUR 62.5m. The management team says that financing conditions (liquidity, willingness to lend, bank interest, etc.) are "huge" and although it is not all about margins, we believe the average cost of debt will continue down, as Eastnine will refinance some EUR 110m (~22%) of gross IB-debt in H2'25/2026. All in all, we make quite limited estimate changes and continue to be impressed by Eastnine's operational excellence, especially compared to office peers in Sweden.

Another great deal coming?

We argue that one of the most interesting takeaways from the Q2 conference call was the management team's firm response on its willingness to move forward with more M&A. Given that the leverage is close to where the company wants it to be (~48% as of Q2), we would not rule out a share-based deal. The share is currently trading at a spot P/NAV of ~0.87x, basically the same valuation as when Eastnine was able to announce the acquisition of Warsaw Unit and partly pay with shares issued at NAV.

2025e P/CEPS at 14x with strong fundamentals

The share is trading at a 2025e P/CEPS of ~14x compared to office peers in Sweden (e.g. ATRLJ/CAST/FABG/HUFV/DIOS/PLAZ/WIHL) at an average of ~16x. Occupancy is rock solid at ~97%, we believe the underlying market fundamentals in Eastnine's markets are stronger than in Sweden, and there is further estimate potential on the back of M&A (see more above).

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EURm	2023	2024	2025e	2026e	2027e
Sales	36	42	62	64	65
NOI	34	39	58	60	61
NOI margin (%)	93.0	92.8	93.5	93.7	93.7
CEPS	0.19	0.23	0.31	0.35	0.37
DPS	0.11	0.11	0.11	0.12	0.12
EPRA NRVPS	4.64	4.71	5.12	5.56	6.01
EPS	-0.25	0.07	0.49	0.47	0.49
Rental growth	19.36	14.81	49.57	2.95	2.00
CEPS growth	30.56	18.59	33.11	14.01	5.42

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

Commissioned research

Not rated

Constr. & Real Estate

Estimate changes (%)

	2025e	2026e	2027e
Sales	-0.3	0.6	0.6
NOI	-1.0	-0.1	-0.1
CEPS	-3.9	0.3	0.5
EPRA NRV per share	-2.6	-2.4	-2.2

Source: ABG Sundal Collier

EAST-SE/EAST SS

Share price (SEK)	9/7/2025	47.90
MCap (SEKm)		4,706
MCap (EURm)		421
No. of shares (m)		98.2
Free float (%)		30.5
Av. daily volume (k)		121

Next event Q3 Report 23 October 2025

Performance



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Company description

Eastnine is a Swedish long-term real estate manager of modern, sustainable offices and logistics premises at prime locations in the Baltics and Poland. A majority of the property value is located in Vilnius, where EAST is the largest prime office owner. The Baltics are growing faster than the Nordics and both the office and logistics markets are picking up speed. The region is also technically advanced and has an attractive tax regime.

[Sustainability information](#)

Risks

Real estate companies are subject to macro risks, supply of premises risk, supply of capital risk, debt availability risk, forex risk, regulatory risk, rental income risk, property cost risk, property value risk and ownership risk. We argue that the key specific risks related to Eastnine are macro risks, forex risks and portfolio risks.

Income Statement (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Rental income	5	13	19	22	30	36	42	62	64	65
Other income	0	0	0	0	0	0	0	0	0	0
Operating costs	-1	-1	-2	-2	-3	-3	-3	-4	-4	-4
NOI	4	12	17	19	27	34	39	58	60	61
<i>NOI margin (%)</i>	<i>75.1</i>	<i>89.5</i>	<i>91.2</i>	<i>89.4</i>	<i>90.7</i>	<i>93.0</i>	<i>92.8</i>	<i>93.5</i>	<i>93.7</i>	<i>93.7</i>
Adm. costs	-2	-4	-4	-4	-4	-4	-4	-5	-5	-5
All other income & costs	-0	0	0	0	0	0	0	0	0	-0
Recurring EBIT	2	8	14	15	23	30	35	53	55	56
Net financial items	0	-3	-4	-6	-10	-12	-12	-21	-20	-19
Income from property management	2	5	10	10	13	18	22	32	35	37
Value chg. realized	0	0	0	0	0	0	0	0	0	0
Value chg. unrealized	5	10	17	16	9	-35	-4	26	19	20
Value chg. derivatives	3	3	-0	6	19	-8	-5	-2	0	0
Pretax profit	9	19	27	32	42	-25	13	57	55	57
Deferred tax	-1	-3	-5	-4	-4	3	-5	-7	-7	-7
Current tax	0	0	0	0	-0	-0	-2	-2	-1	-1
Net profit	8	16	23	28	38	-22	6	48	46	48
Minority interest	0	0	0	0	0	0	0	0	0	0
Div. Pref/D-shares and hybrids	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	8	16	23	28	38	-22	6	48	46	48
Cash earnings	2	5	10	10	13	17	21	30	34	36
Other related information	-	-	-	-	-	-	-	-	-	-
Tax Rate (%)	11.2	13.6	16.7	11.3	10.6	10.4	52.1	15.9	15.0	15.0
Investments in developments	-5	-2	-2	-5	-6	-2	-4	-5	-5	-5
Acquisitions	0	-119	-62	-76	-121	0	-320	0	0	0
Other investments	-	-	-	-	-	-	-	-	-	-
Divestments	0	0	0	0	0	0	0	0	0	0
EPS	0.12	0.19	0.27	0.32	0.43	-0.25	0.07	0.49	0.47	0.49
CEPS	0.03	0.06	0.12	0.11	0.15	0.19	0.23	0.31	0.35	0.37
Dividend per share	0.06	0.06	0.07	0.07	0.08	0.11	0.11	0.11	0.12	0.12
Payout ratio of CEPS	177.76	98.98	57.24	65.11	53.58	54.49	46.51	36.69	33.79	33.66
Rental growth	--	173.15	43.73	12.22	40.72	19.36	14.81	49.57	2.95	2.00
NOI growth	--	225.71	46.46	9.94	42.88	22.35	14.64	50.69	3.08	2.00
CEPS growth	--	109.33	81.71	-8.66	38.28	30.56	18.59	33.11	14.01	5.42

Source: ABG Sundal Collier, Company Data

Balance Sheet (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Properties	159	290	372	470	606	574	935	965	989	1,014
Goodwill	0	0	0	0	0	0	0	0	0	0
Deferred tax asset	0	0	0	0	0	0	0	0	0	0
Ass. companies and JVs	0	0	0	0	0	0	0	0	0	0
Financial assets	93	89	102	122	0	0	0	0	0	0
Other assets	1	4	3	32	211	11	16	17	17	17
Cash and liquid assets	65	37	24	29	20	129	31	40	43	42
Total assets	318	420	502	653	837	713	983	1,022	1,049	1,073
Shareholders equity	241	268	310	376	479	400	437	469	504	541
Pref. and D shares + minorities	0	0	0	0	0	0	0	0	0	0
Hybrids	0	0	0	0	0	0	0	0	0	0
Deferred tax	4	6	11	14	19	16	21	28	35	42
Interest bearing debt	68	138	173	241	327	284	495	487	471	451
Other liabilities	6	8	8	21	13	13	29	38	39	39
Total liabilities and equity	318	420	502	653	837	713	983	1,022	1,049	1,073

Source: ABG Sundal Collier, Company Data

Other balance sheet related infor. (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net IB debt	-90	12	47	90	307	156	464	447	428	409
Rental area m2 (000)	63	99	121	143	183	176	272	272	272	272
Equity ratio (%)	76	64	62	58	57	56	44	46	48	50
Net loan to value	-56.95	4.02	12.55	19.17	50.65	27.14	49.63	46.29	43.30	40.31
ICR real estate	-25.87	3.12	3.52	2.63	2.36	2.44	2.87	2.52	2.78	2.96
BVPS	3.60	3.16	3.64	4.24	5.39	4.50	4.80	4.80	5.16	5.54
EPRA NRV per share	2.85	3.27	3.65	4.41	5.49	4.64	4.71	5.12	5.56	6.01

Source: ABG Sundal Collier, Company Data

Valuation (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
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Valuation (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	86	85	89	89	89	89	98	98	98	98
Share price	47.90	47.90	47.90	47.90	47.90	47.90	47.90	47.90	47.90	47.90
Market cap. (m)	369	363	380	381	381	381	419	419	419	419
P/E (x)	35.3	22.2	16.1	13.4	10.1	nm	63.4	8.8	9.0	8.7
P/CEPS	138.5	66.2	36.4	39.9	28.8	22.1	18.6	14.0	12.3	11.6
Implicit yield (%)	1.3	3.1	4.0	4.1	5.4	6.1	4.2	6.4	6.6	6.8
Yield on BV (%)	2.3	4.1	4.7	4.1	4.5	5.9	4.1	6.0	6.1	6.0
Dividend yield (%)	1.3	1.5	1.6	1.6	1.9	2.5	2.5	2.6	2.8	2.9
P/EPRA NRV	1.50	1.31	1.17	0.97	0.78	0.92	0.91	0.84	0.77	0.71
P/BVPS (x)	1.19	1.35	1.18	1.01	0.80	0.95	0.89	0.89	0.83	0.77
EV/NOI (x)	100.47	30.34	21.70	19.79	13.85	11.33	10.86	7.21	6.99	6.86

Source: ABG Sundal Collier, Company Data

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Production of report: 7/10/2025 13:53.

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