

Eastnine

Higher occupancy off-set lower Q2 NOI

- NOI +63% y-o-y and -4% vs ABGSCe
- Rec PTP -1% vs ABGSCe, EC IFPM +1.7% q-o-q
- Occupancy up 1.1pp q-o-q, estimates unchanged

Recurring PTP -1% vs ABGSCe

Eastnine delivered a Q2 report with rental income of EUR 15.2m (-2% vs ABGSCe) and NOI of EUR 14.2m (-4% vs ABGSCe). Central admin costs and net interest expenses were both better (below expectations), leading to recurring PTP of EUR 7.9m being -1% vs ABGSCe. Occupancy came up 1.1pp sequentially to 97.1% and the like-for-like rental income growth was solid at 5.1% y-o-y. The earnings capacity (EC) IFPM increased to EUR 33m, which is +1.7% q-o-q and -3.4% vs. ABGSCe N12M (which include CPI etc and lower base rates).

Negative value changes, net LTV down 0.4pp q-o-q to 47.7%

Property value changes in the quarter amounted to -EUR 2.4m (-0.25% of property value), where we had anticipated +0.4%. The valuation yield was +4bps q-o-q, while the rounding takes it from 6.5% to 6.6%. The net LTV (ABGSC definition) decreased by 0.4 pp q-o-q to 47.7% and the average interest rate was down q-o-q to 4.4% vs 4.5% in Q1'25. EPRA NRV per share came in at EUR 4.9 (-3% vs ABGSCe).

Conclusion

Q2 recurring PTP was -1% vs ABGSCe, driven by lower topline, partly off-set by better net financial expenses. Solid operational figures such as higher occupancy (97.1%, +1.1pp q-o-q) and small negative net letting of -EUR 247k stands out positively compared to office peers. The earnings capacity IFPM per share increased by 1.7% sequentially and is -3.4% vs our N12M estimate, but we believe EAST will make up most of the difference on net financial items due to recently lowered base rents (expectations), which are not fully captured by the EC. Similarly, the earnings capacity rental income increased by 1% q-o-q and is broadly in-line with ABGSCe N12M, meaning we do not expect topline estimates to move materially on the back of lower recognised rent in Q2 alone. All in all, we expect consensus estimates to remain roughly unchanged, and we expect the share to trade broadly in line with the real estate sector today. CC at CET 15.00 [Q2 Report 2025](#)

Deviation table

EURm	2Q'24	2Q'25e	2Q'25	Δ vs. ABGSCe%	Y/Y growth
Rental income	9.3	15.5	15.2	-2%	62%
Net operating income	8.7	14.7	14.2	-4%	63%
NOI margin	92.9%	94.9%	93.6%		
Administration costs	-1.0	-1.3	-1.2		
Recurring EBIT	7.7	13.4	13.0	-3%	69%
Net financial items	-2.5	-5.4	-5.1		
Income from property management	5.2	8.0	7.9	-1%	54%
Value changes unrealised and realised	-5.0	3.6	-2.4		
Derivatives and FX	0.3	0.0	0.0		
Pretax profit	0.5	11.6	5.5		
Net profit	0.3	9.9	5.4		
EPS	0.01	0.40	0.22		
CEPS	0.22	0.32	0.28	-13%	27%
EPRA NRV per share	4.7	5.1	4.9	-3%	9%

Source: ABG Sundal Collier, Company data

Fast comment

Commissioned research

Not rated

Constr. & Real Estate

EAST-SE/EAST SS

Share price (SEK)	4/7/2025	50.40
MCap (SEKm)		4,971
MCap (EURm)		442
No. of shares (m)		98.2
Free float (%)		30.5
Av. daily volume (k)		121

Next event AGM 29 April 2025

Analyst(s):

fredrik.stensved@abgsc.se, +46 8 566 294 08
oscar.lindquist@abgsc.se, +46 8 566 286 28

EURm	2023	2024	2025e	2026e	2027e
Rental income	36	42	62	64	65
Rental growth	19.36	14.81	50.00	2.04	2.00
NOI	34	39	59	60	61
NOI margin (%)	93.0	92.8	94.2	94.3	94.3
CEPS	0.19	0.23	0.32	0.35	0.37
CEPS growth (%)	30.56	18.59	38.47	9.32	5.16
DPS	0.11	0.11	0.11	0.12	0.12
EPRA NRV per share	4.64	4.71	5.26	5.69	6.15
EPS	-0.25	0.07	0.54	0.47	0.49
P/CEPS	23.1	19.5	14.0	12.9	12.2
P/E (x)	nm	66.3	8.4	9.4	9.1
P/EPRA NRV	0.96	0.95	0.85	0.79	0.73
Implicit yield (%)	5.9	4.1	6.3	6.6	6.8
Dividend yield (%)	2.4	2.4	2.5	2.6	2.8
Net LTV (%)	27.14	49.63	46.06	43.11	40.17

Source: ABG Sundal Collier, Company Data

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Norway

Ruseløkkveien 26, 8th floor
0251 Oslo
Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 60

Denmark

Forbindelsesvej 12,
2100 Copenhagen
Denmark
Tel: +45 35 46 61 00
Fax: +45 35 46 61 10

Sweden

Regeringsgatan 25, 8th floor
111 53 Stockholm
Sweden
Tel: +46 8 566 286 00
Fax: +46 8 566 286 01

United Kingdom

10 Paternoster Row, 5th floor
London EC4M 7EJ
UK
Tel: +44 20 7905 5600
Fax: +44 20 7905 5601

USA

140 Broadway, Suite 4604
New York, NY 10005
USA
Tel. +1 212 605 3800
Fax. +1 212 605 3801

Singapore

10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315
Tel +65 6808 6082

Germany

Schillerstrasse 2, 5. OG
60313 Frankfurt
Germany
Tel +49 69 96 86 96 0
Fax +49 69 96 86 96 99

Switzerland

ABG Sundal Collier AG
Representative Office
Schwanenplatz 4
6004 Lucerne
Switzerland
Tel +41 79 502 33 39