

Fastighets AB Stenvalvet (publ)

Rating Update

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N-1+

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Today, Nordic Credit Rating has assigned an 'BBB' issue rating on Sweden-based Fastighets AB Stenvalvet (publ)'s senior unsecured bond. The rating reflects that the bond is subordinated to existing senior secured debt and that the company's current debt is mostly secured bank debt. Our 'BBB' rating assigned on the issue is also applicable to all future bonds issued within the company's SEK 5bn Medium Term Notes (MTN) program.

As of 30 Sep 2019, the company had SEK 6.2bn in outstanding debt, excluding subordinated shareholder loans which we view as equity. The company also reported property values of SEK 12.5bn and a net loan-to-value of 50%. As noted in our Q3 2019 comment published 19 Nov 2019, we expect the leverage to come down in the fourth quarter given settlements of transactions in Q3 and remain below 50% through 2020.

The 'BBB+' long-term issuer rating on Stenvalvet remains unchanged.

Our full analysis of Stenvalvet, published 14 May 2019, can be found here:

<https://nordiccreditrating.com/issuer/fastighets-ab-stenvalvet-publ>

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| Type of credit rating: | Long-term issuer credit rating Short-term issuer credit rating Issue credit rating |
| Publication date: | The rating was first published on 14 May. 2019. |
| Office responsible for the credit rating: | Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009. |
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| Methodology used when determining the credit rating: | NCR's Corporate Methodology published on 14 Aug. 2018 NCR's Rating Principles published on 16 Sep. 2019 The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website nordiccreditrating.com/governance/policies . The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA) . |
| Materials used when determining the credit rating: | Bond prospectuses |
| Conflicts of interest: | The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. |
| Additional information: | Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test was performed. Standard cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: nordiccreditrating.com/governance/policies . |
| Ancillary services provided: | No ancillary services were provided. |
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