

Catena AB (publ)

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N-1+

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Sweden-based logistics property manager Catena AB (publ) reflects the company's strong position as one of the country's largest logistics property managers, long remaining lease terms, and high occupancy rate. It further reflects the benefits of increasing e-commerce to the logistics sector as well as Catena's solid profitability, modest leverage and strong interest coverage.

These strengths are offset by a financial risk appetite that, in our view, is greater than warranted by the company's financial ratios. Specifically, we view Catena's short debt maturity profile, with significant maturities concentrated in single years, as a credit weakness that adversely affects our overall opinion of the company's financial position. Furthermore, we view the high tenant concentrations in the portfolio as a weakness, although these are mitigated by a significant proportion of government-backed tenants and tenants with exposure to the non-cyclical grocery business.

STABLE OUTLOOK

The outlook is stable, reflecting our expectation that Catena will maintain its focus on logistics properties in prime locations in Sweden and Denmark. We expect the company to continue growing, primarily through project development, and that it will maintain its net loan-to-value (LTV) ratio below 50%, in line with its financial policy. Furthermore, we expect a continued increase in e-commerce to benefit the logistics subsector, and that Catena will proactively refinance upcoming debt maturities.

POTENTIAL POSITIVE RATING DRIVERS

- Improved credit metrics, with EBITDA/net interest over 5x and net debt/EBITDA below 9x over a protracted period.
- Increased portfolio size combined with reduced portfolio concentrations.
- Less concentrated debt maturity profile.

POTENTIAL NEGATIVE RATING DRIVERS

- Increased financial gearing, with net LTV above 50% and EBITDA/net interest below 3.5x over a protracted period.
- Deteriorating market fundamentals, adversely affecting occupancy and/or profitability.

Figure 1. Catena key credit metrics, 2018–2024e

SEKm	2018	2019	2020	2021	2022e	2023e	2024e
Rental income	1,091	1,183	1,264	1,387	1,511	1,633	1,771
NCR-adj. EBITDA	798	873	970	1,065	1,158	1,252	1,357
NCR-adj. EBITDA margin (%)	73.0	73.5	76.5	76.4	76.4	76.4	76.4
NCR-adj. investment property	14,721	16,601	18,947	23,735	28,218	30,484	32,765
NCR-adj. net debt	8,236	8,984	9,658	10,410	11,397	13,074	14,777
Total assets	15,985	17,770	20,399	25,864	29,894	31,833	34,098
NCR-adj. net debt/EBITDA (x)	10.3	10.3	10.0	9.8	9.8	10.4	10.9
NCR-adj. EBITDA/net interest (x)	3.4	3.7	4.0	4.4	4.4	3.6	3.1
NCR-adj. net LTV (%)	55.9	54.1	51.0	43.9	40.4	42.9	45.1
NCR-adj. FFO/net debt (%)	6.8	6.9	7.1	7.7	7.7	6.9	6.1

Based on NCR estimates and company data. e—estimate. FFO—funds from operations. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Catena is a Sweden-based property manager, focusing on logistics properties primarily located in the country's largest cities and along connecting railways and highways. Over the past few years, the company has increased its presence in Denmark, and is likely to continue to grow there. As of 31 Mar. 2022, Catena's portfolio comprised 129 properties totalling 2.2m sqm and valued at SEK 24.9bn. The company's history goes back to 1967. However, in its current form it was established in 2013 when it acquired the logistics property portfolio of Brinova Fastigheter AB (publ), making it one of the largest owners of logistics properties in Sweden. Catena's common stock has been listed on the main market of the Nasdaq Stockholm exchange since 2006. As of 31 Mar. 2022, the company was 27.2% owned by Swedish businessman Erik Paulsson (via Backahill Inter AB).

BUSINESS RISK ASSESSMENT

Business risk
assessment 'bbb-'

Our business risk assessment reflects Catena's strong market position as one of the largest logistics property managers in Sweden, its long remaining lease terms, solid profitability margins, and high occupancy rate. It further reflects a strong logistics sector supported by increasing e-commerce, but also high tenant concentrations in the portfolio.

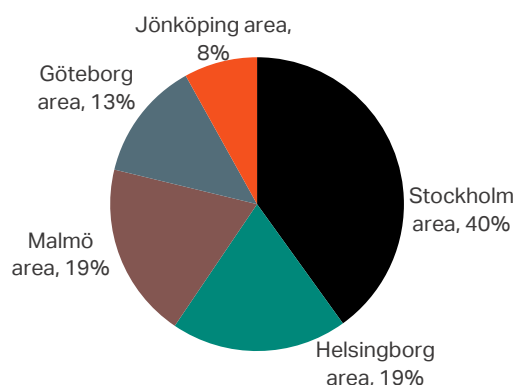
Logistics property sector buoyed by online boom

Operating environment
'bb+'

Catena divides its property portfolio into five geographic areas, each with separate management organisations. The management areas include locations outside the eponymous cities. For example, the Stockholm area includes locations such as Borlänge, Eskilstuna, Gävle, Östersund and Umeå, while the Malmö area includes properties in Denmark. In terms of property type, the portfolio has a strong focus on logistics properties, which account for 92% of rental value.

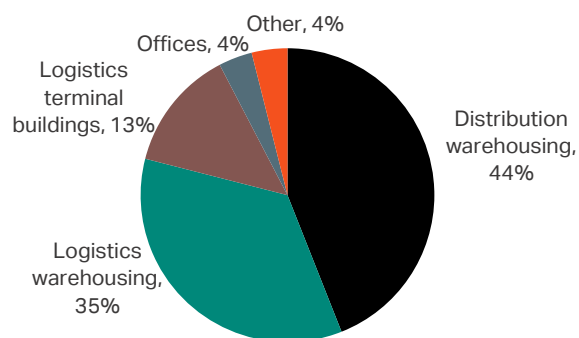
In recent years, the logistics property subsector has benefited substantially from increasing e-commerce. This trend was accelerated by the COVID-19 pandemic; in 2020 Swedish e-commerce volumes grew by 40% year on year, followed by 7% year-on-year growth in 2021, according to Postnord AB. While we expect another fall in the rate of volume growth in 2022, we expect the general trend of absolute growth to continue.

Figure 2. Catena rental value by area, 31 Mar. 2022



Source: company.

Figure 3. Catena rental value by property type, 31 Mar. 2022



Source: company.

A rapid increase in demand for logistics solutions over recent years has created a large development project pipeline in the subsector. Pangea Property Partners estimates that about 1,350,000sqm of logistics space will be created in Sweden during 2022 due to increasing levels of speculative building. Although most properties developed for logistics purposes are pre-let, the substantial rise in capacity increases the risk that older logistics properties will become less attractive to tenants, and we note that there is some risk of oversupply.

Logistics properties in general, and logistics terminal buildings in particular, constitute a vital part of an economy's infrastructure. In our view, the risk associated with terminal buildings, which generate 13% of Catena's rental value, is especially low, provided the properties are located in prime locations.

Market position, size and diversification 'bbb-'

Market position strong, but tenant concentrations high

As of 31 Mar. 2022, Catena's property portfolio comprised 129 properties totalling 2.2m sqm and valued at SEK 23.9bn. The portfolio, which we consider mid-sized by domestic standards, and the company's clear focus on logistics, make it one of the largest logistics property owners in Sweden. We view Catena's market position as strong, as the company has a presence in all major logistics areas in Sweden, as well as increasingly in strategic locations in Denmark.

Catena's sharp focus on logistics properties sets it apart from listed peers such as AB Sagax (publ), Corem Property Group AB (publ) and Stendörren Fastigheter AB (publ), which typically have some exposure to other property types. The average lettable area of Catena's properties is around 17,000 sqm, which is roughly three times that of its listed peers, underscoring the company's niche role.

Figure 4. Catena peer group breakdown by property value and lettable area, 31 Dec. 2021



Source: companies. Logistics property values are based on area. *logistics and industrial properties.

The Swedish logistics sector has generally higher yield levels than other property types in both Sweden and other European countries. However, increasing demand has pushed yields lower in recent years. As a result, Catena sees its growth opportunities primarily in terms of project development rather than through acquisitions.

Figure 5. Catena tenant concentration, 31 Mar. 2022

Tenant	Type of tenant	Share of rental income
DHL* (incl. subsidiaries)	TPL (indirectly 21% owned by German govt.)	12%
PostNord (incl. subsidiaries)	TPL (100% owned by Swedish and Danish govt.)	6%
ICA Fastigheter AB	Groceries	6%
Boozt Fulfilment & Logistics AB	Online retail	3%
Nowaste Logistics AB	TPL	3%
Martin & Servera (incl. subsidiaries)	Restaurant wholesale	2%
Dagab Inköp & Logistik AB	Groceries	2%
Intervare A/S	Groceries	2%
Alwex Lager & Logistik AB	TPL	2%
Menigo Food Service AB	Restaurant wholesale	2%
Top 10 tenants	-	40%

Source: company. TPL-Third-party logistics. *DHL International GmbH.

The typically large size of Catena's properties, and the fact that roughly half the properties are occupied by a single tenant, leads to relatively high concentrations in revenue streams. The 10 largest tenants together account for 40% of rental income. Although we view tenant concentrations as high, we note

that the two largest tenants are wholly or partly government owned, while most other large tenants operate in stable markets and/or benefit from strong underlying economic trends. We also note that concentration risk is mitigated by multiple lease agreements with each tenant. While some major tenants have faced some difficulties during the COVID-19 pandemic, these have not been particularly severe, and we expect no significant lingering effects.

Prime locations generate strong rental income

Portfolio assessment
'bbb'

Catena's property portfolio is primarily concentrated in Sweden's largest cities and along connecting railways and highways. In addition, the company is actively increasing its presence in Denmark, along the main routes to the rest of Europe. As of 31 Mar. 2022, Danish properties accounted for 7% of rental value. Sweden's top logistics locations generate 78%. In our view, this underscores the attractiveness of Catena's locations. Furthermore, we consider the company's high occupancy rate (93.9% as of 31 Mar. 2022) as indicative of the strength of the portfolio.

Figure 6. Top Swedish logistics locations, 2022

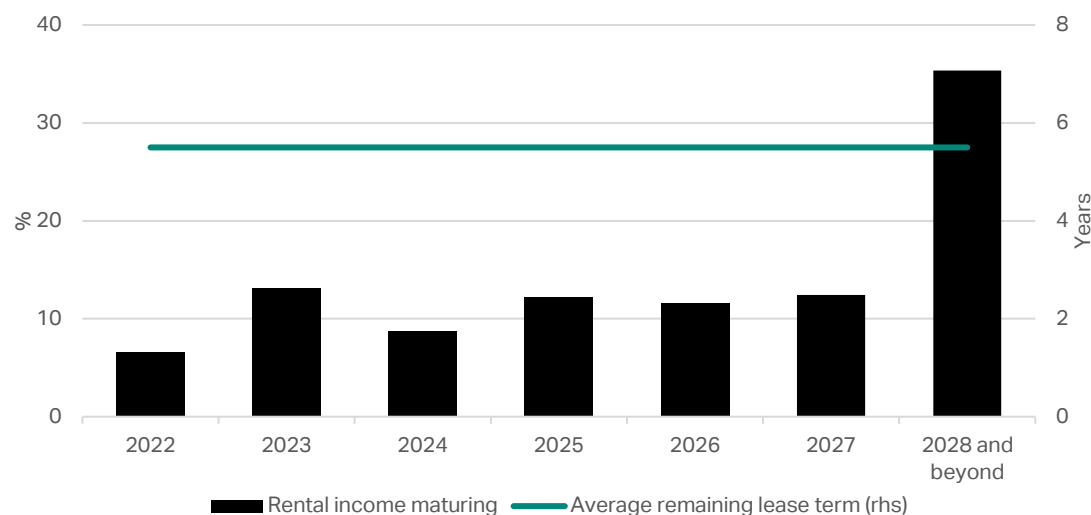
Rank	Location	Score (max 100)	Share of Catena's rental value*
1	Greater Helsingborg	93	19%
2	Greater Gothenburg	92	15%
3	Jönköping/Nässjö	88	5%
4	Östgöta region	85	6%
4	Greater Eskilstuna	85	2%
6	Stockholm North	84	7%
7	Greater Örebro	83	3%
8	Greater Malmö	82	11%
9	Greater Halmstad	77	0.3%
10	Stockholm South	72	11%
-	Exposure to top locations	-	78%

Source: Intelligent Logistik and company. *As of 31 Mar. 2022.

Logistics properties are typically generic buildings lacking in complexity. We believe that most of Catena's properties meet current tenant requirements and are likely to keep meeting them for years to come. As energy efficiency and sustainability are of increasing importance for many tenants, we view Catena's plans to enhance energy efficiency and obtain environmental certification for 100% of its total lettable area by 2030 as positive for the portfolio's competitiveness. While we believe that any major shift in the flow of goods or a lack of local logistics competence could create risk in a given geographic area, we see no major risk in the localities in which Catena currently operates.

As of 31 Mar. 2022, the average remaining lease term in Catena's portfolio was 5.5 years. Contract maturities are well spread with maturities in no single year exceeding 15% of rental income. Furthermore, tenant churn is low due to the prospect of substantial moving costs and business disruption for tenants which choose to relocate. We view Catena's lease maturity profile as a positive factor in our overall assessment of the company.

Figure 7. Catena lease maturity profile, 31 Mar. 2022



Source: company.

Over the past three years, Catena has made average annual investments of over SEK 900m in new construction and refurbishment. As of 31 Mar. 2022, the company had six projects in progress totalling 104,420 sqm. Although project development is always accompanied by some project risk, we view Catena's projects as relatively low risk as construction is contracted through turn-key contracts, while construction generally lacks complexity due to the generic nature of the properties. Project properties are typically pre-let although some projects have speculative elements, which increases risk.

Catena has a large landbank of about 5m sqm, of which around 1m sqm is owned by the company. If developed, it could virtually double the lettable area of the property portfolio. The company has started groundwork on parts of this landbank, and we expect the company to focus on new projects, as opposed to growing through acquisitions. We note that downside risk to project costs has increased due to rising inflation rates and global supply chain issues.

Figure 8. Catena larger projects in progress, 31 Mar. 2022

Property/project	Municipality	Tenant(s)	Occupancy	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Plantehuset 3	Helsingborg	None	0%	15,000	53	124	Q3/22
Bunkagården m. 1	Helsingborg	PostNord	100%	16,500	77	132	Q4/22
Planeraren 2	Borlänge	ICA	100%	3,570	0	90	Q1/23
Statorn 31	Norrköping	SGD	100%	8,400	0	115	Q3/23
Sockret 4	Malmö	Lekia	62%	18,700	33	208	Q1/24
Dansered 1:64	Härryda	Menigo, Landvetter	100%	42,250	0	607	Q3/24
Total	-	-	-	104,420	163	1,276	-

Source: company.

Profitability and occupancy strong

Property management is carried out through the company's five regional management organisations. Most contracts with tenants are double-net leases, under which maintenance costs are paid by the company, unlike triple-net leases under which the tenant pays. The lease contracts are typically linked to the Swedish consumer price index, reducing the impact of inflation on earnings.

Since 2017, Catena's net operating income and EBITDA margins have followed a steady upward trend. In our projection of the company's financial ratios, we assume a net operating income margin of 79% and an EBITDA margin of 76% over our forecast period through 2024.

Operating efficiency 'a+'

Over the past four years, the occupancy rate of Catena's portfolio has averaged 95%. As of 31 Mar. 2022, it stood at 93.9%. We expect the rate to remain at historical levels throughout our forecast period.

Figure 9. Catena revenues, net operating income, EBITDA, and margins, 2018–2024e

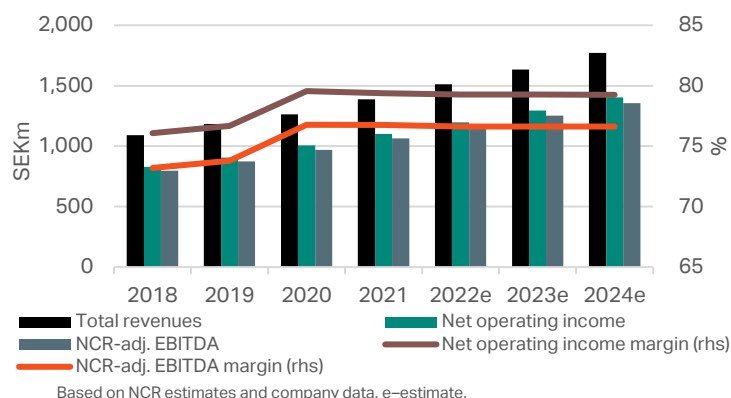
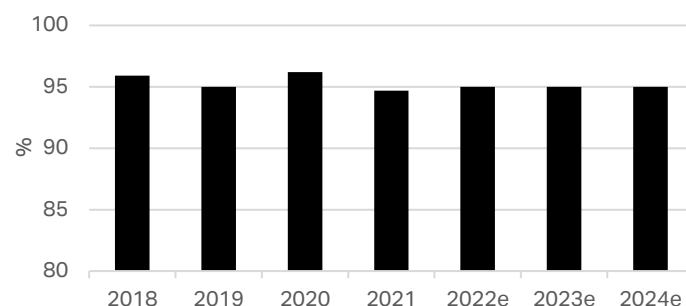


Figure 10. Catena occupancy rate, 2018–2024e



FINANCIAL RISK ASSESSMENT

Financial risk assessment 'bb+'

Our financial risk assessment reflects Catena's strong interest coverage and moderate financial leverage. It also reflects a financial risk appetite that is greater than warranted by our ratio analysis. Specifically, we view the company's concentrated debt maturity profile, with significant maturities in the next two years, as a credit weakness, which adversely affects our overall view of its financial position.

Credit metrics improve over recent years

Ratio analysis 'bbb-'

Over recent years, Catena's financial position has strengthened, with net LTV falling to 44% in 2021 from 57% in 2018, while interest coverage improved over the same period due to lower interest rates. Historically, the company's net debt/EBITDA ratio has remained at around 10x. Over our forecast period through 2024, we expect interest coverage to decrease due to higher interest rates. We expect a gradual increase in net LTV as the company ramps up capital spending, following a SEK 2.2bn directed equity issue in April 2022.

In our base-case forecast of Catena's future performance, we assume:

- revenue growth of 9% in 2022, 8% in 2023, and 8% in 2024;
- an EBITDA margin of 76% in 2022–2024;
- investments in properties through acquisitions, development and refurbishment of SEK 3.7bn in 2022, and SEK 2.3bn annually in 2023 and 2024;
- a property valuation increase equal to 5% of capital spending upon completion of development projects; and
- no other valuation changes in investment properties.

On the basis of these assumptions, we estimate the following metrics for 2022–2024:

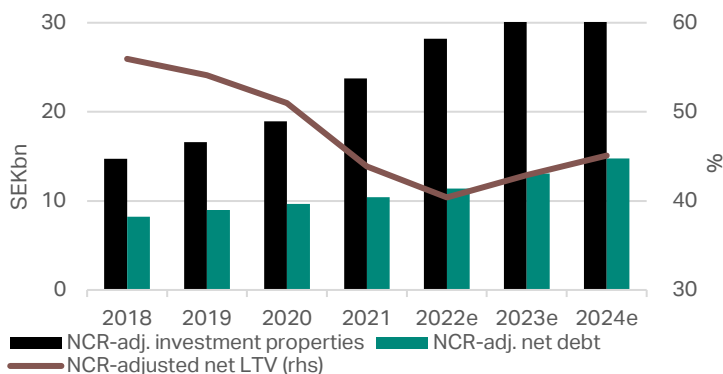
- NCR-adjusted net LTV increasing to 45% by 2024;
- NCR-adjusted EBITDA/net interest decreasing to around 3x by 2024; and
- NCR-adjusted net debt/EBITDA of 10–11x.

Figure 11. NCR's adjustments to Catena's credit metrics, 2018–2024e

SEKm	2018	2019	2020	2021	2022e	2023e	2024e
EBITDA	798	873	970	1,065	1,158	1,252	1,357
NCR-adj. EBITDA	798	873	970	1,065	1,158	1,252	1,357
Net interest	-235	-225	-238	-228	-252	-333	-430
Financial costs from leasing	0	-10	-10	-10	-10	-10	-10
Other financial items	1	-1	5	-3	0	0	0
NCR-adj. net interest	-234	-236	-243	-241	-262	-343	-440
NCR-adj. EBITDA	798	873	970	1,065	1,158	1,252	1,357
NCR-adj. net interest	-234	-236	-243	-241	-262	-343	-440
Current tax	-8	-22	-39	-27	-15	-7	-13
NCR-adj. FFO	556	616	689	797	881	901	904
Investment property	14,721	16,271	18,612	23,400	27,883	30,149	32,430
Non-current right-of-use assets	0	330	335	335	335	335	335
NCR-adj. investment property	14,721	16,601	18,947	23,735	28,218	30,484	32,765
Cash and cash equivalents	281	131	411	993	462	135	120
NCR-adj. cash and equivalents	281	131	411	993	462	135	120
Gross interest-bearing debt	8,517	8,785	9,735	11,068	11,525	12,875	14,562
Long-term leasing liabilities	0	330	335	335	335	335	335
NCR-adj. cash and equivalents	-281	-131	-411	-993	-462	-135	-120
NCR-adj. net debt	8,236	8,984	9,658	10,410	11,397	13,074	14,777

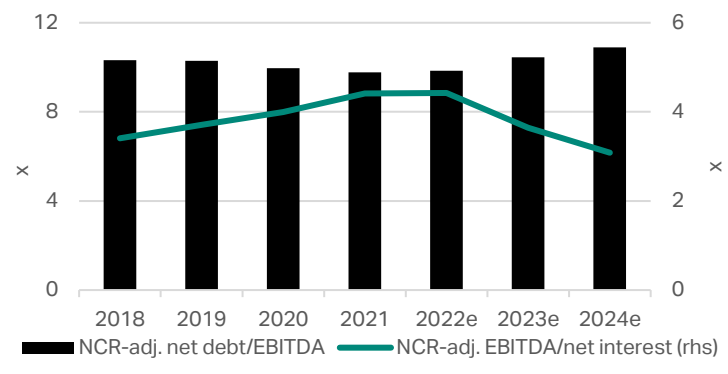
Based on NCR estimates and company data. e–estimate.

Figure 12. Catena NCR-adj. investment properties, net debt, and net LTV, 2018–2024e



Based on NCR estimates and company data. e–estimate.

Figure 13. Catena NCR-adj. net debt/EBITDA and EBITDA/net interest, 2018–2024e



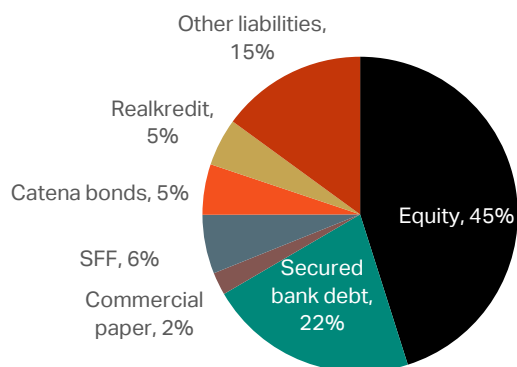
Based on NCR estimates and company data. e–estimate.

Short debt maturity profile increases financial risk

Risk appetite 'bb+'

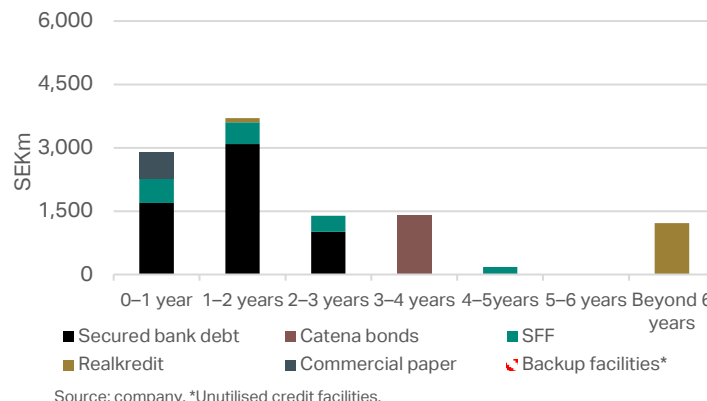
We view Catena's financial risk appetite as greater than warranted by the company's financial ratios. Specifically, we view the company's concentrated debt maturity profile, with significant maturities in the next two years (see Figure 14), as a credit weakness. The company's average debt maturity rose to 3.1 years (3.2 years reported) in 2021 from 2.1 years a year earlier, which we see as positive. The increase is mostly explained by new loans from Realkredit Danmark A/S with maturities up to 2041. Nevertheless, more than 50% of Catena's debt is set to mature over the next two years, increasing refinancing risk. As of 31 Mar. 2022, Catena's average fixed-interest period was 3.3 years while the average interest on the company's loans was 2%. We expect interest rates to increase, but note that Catena's relatively long fixed-interest periods will likely dampen the impact in our forecast.

Figure 14. Catena funding profile, 31 Mar. 2022



Source: company. SFF-Svensk FastighetsFinansiering AB.

Figure 15. Catena debt maturity profile, 31 Mar. 2022



Source: company. *Unutilised credit facilities.

Catena's interest-bearing debt is governed by financial covenants and targets (see Figure 16). Historically, the company has maintained sufficient policy and covenant headroom. Catena aims to pay dividends amounting to 50% of profit from property management after standardised tax. The target is similar to those of several of its domestic peers and the company has adhered to it historically.

Figure 16. Catena financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2022
Equity ratio	≥25%	≥40%	45.1%
Net LTV	n.a.	≤50%	41.5%
Gross LTV	≤60-75%	n.a.	n.a.
Interest coverage ratio	≥1.5-2.0x	≥2.0x	4.9x
Average interest rate maturity	n.a.	≥2.5 years	3.3 years

Source: company.

ADJUSTMENT FACTORS

Adjustment factors
neutral

Adjustment factors are assessed as neutral and have no effect on our standalone credit assessment.

Liquidity

Liquidity adequate

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We assess Catena's liquidity profile as adequate even though its expected funding uses exceed sources in the 12 months ending 31 Mar. 2023 by SEK 2.7bn.

We note that the company has a diverse funding structure, as well as strong relationship with its banks. Consequently, we believe that they will be able to refinance maturing loans as well as establish new credit facilities within any given year. In addition, Catena has proven access to the capital markets, and can afford to bear the cost of more expensive funding if the need arises. Catena announced several acquisitions and divestments in the first quarter of 2022, along with a directed equity issue, which did not enter the company's books until April. These are included in our estimation of funding sources and uses below.

We estimate the following primary funding sources for the 12 months ending 31 Mar. 2023, totalling SEK 4.2bn:

- SEK 449m in cash and equivalents, as of 31 Mar. 2022;
- SEK 664m from funds from operations, equalling 75% of estimated adjusted funds from operations over the period;
- SEK 271m in proceeds from divestments;
- SEK 600m in a new credit facility; and
- SEK 2.2m in equity issue proceeds.

We estimate the following uses of funds for the 12 months ending 31 Mar. 2023, totalling SEK 6.9bn:

- SEK 2.9bn in maturing debt;
- SEK 2bn in completed or committed acquisitions; and
- SEK 2.1bn in expected capital spending.

Environmental, social and governance factors

ESG factors adequate

Catena's strong environmental, social and governance (ESG) policies are incorporated in our view of the company's overall business risk and competitive position.

As of 31 Mar. 2022, 18% of Catena's lettable area had obtained environmental certification. The company intends to obtain certification for all newly constructed properties, and targets certification of 100% of its total lettable area by 2030. We view certification as a pragmatic way to access green financing, increase the attractiveness of properties, and enable more cost-efficient property management.

In 2021, the company announced a target of net positive biodiversity by 2030. Logistics properties are often located in rural areas and the impact on biodiversity can be substantial. The company has initiated biodiversity impact assessments of its locations, and as of 31 Mar. 2022 about 20% of its portfolio had been assessed. Biodiversity is a focus of increasing scrutiny, and we believe Catena efforts to reduce its impact could improve its position in negotiations with municipalities.

The main ESG issues that could affect our overall assessment are factors that could contribute to loss of revenues, increased costs, higher capital spending, or worsened financing possibilities (see Figure 17).

Figure 17. Catena ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes.	Drive to increase energy efficiency and reduce CO ₂ emissions.	Scope 1 and 2 emissions have decreased by 36% since 2018. Since 2021, Scope 3 emissions have been included in efforts to achieve net zero CO ₂ emissions by 2030 targets.
Impact of climate change on operations	Loss of revenues or increased capital spending.	Evaluation of impact on properties.	Conducted evaluation of physical risk in 2021. A small number of properties are at risk, mainly due to their coastal locations.
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower CO ₂ dependence.	Property certification. Energy efficiency. Overall sustainability focus and reporting/target-setting under established frameworks.	Energy usage down approximately 10% since 2018. Reports according to TCFD and Global Reporting Initiative standards, targets approved by the SBTi. Conducted survey of EU taxonomy eligibility of operations in 2021.

Source: company. TCFD–Taskforce on Climate-related Financial Disclosures. SBTi–Science Based Target initiative.

OWNERSHIP ANALYSIS

Ownership neutral

Catena's common stock has been listed on the main market of the Nasdaq Stockholm exchange since 2006. The largest owner is Swedish businessman Erik Paulsson (through Backahill Inter AB) with 27.2% of the capital and votes (as of 31 Mar. 2022). Other significant owners include equity and pension funds and Catena board chairman Gustaf Hermelin. Following a directed equity issue in April 2022, Belgian property company WDP NV/SA became the second largest owner, with 9.1% of both share capital and votes. In addition, WDP's CEO has joined Catena's board of directors, marking the transaction as a strategic decision for both parties rather than a purely financial one.

Figure 18. Catena ownership structure, 31 Mar. 2022

Owner	Share of capital and votes
Backahill Inter AB	27.2%
PGGM Pensioenfonds	6.7%
Länsförsäkringar Funds	6.1%
Fourth AP Fund	2.7%
Vanguard	2.7%
Gustaf Hermelin	2.6%
SEB Funds	2.2%
BlackRock	1.5%
Norges Bank	1.4%
Cohen & Steers	1.4%
Top 10 owners	54.5%
Other	44.5%

Source: company.

ISSUE RATINGS

We do not assign issue ratings to Catena's outstanding debt. In line with our methodology, we typically anticipate a higher loss for holders of senior unsecured instruments in the event of default when there is a high proportion of secured debt. As of 31 Mar. 2022, 81% of the company's interest-bearing debt was secured, reducing recovery prospects for senior unsecured bondholders.

Figure 19. Catena key financial data, 2018–Q1 2022

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Mar. 2022
INCOME STATEMENT					
Rental income	1,091	1,183	1,264	1,387	1,435
Other income	2	4	4	6	6
Total costs from operations	-263	-280	-262	-292	-303
Net operating income	830	907	1,006	1,101	1,138
Administrative expenses	-31	-34	-35	-37	-37
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	798	873	970	1,065	1,100
Share of profit in associated companies and joint ventures	9	-12	-4	-2	-4
Interest expenses	-237	-228	-235	-236	-233
Interest income	3	2	2	4	10
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	–	-10	-10	-10	-10
Other financial costs	-1	–	-5	–	–
Changes in investment property	334	866	1,167	2,340	2,417
Gain (loss) on financial assets held at fair value	35	29	38	202	279
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	940	1,522	1,924	3,366	3,560
Current taxes	-8	-22	-39	-27	–
Deferred taxes	-109	-277	-358	-648	-715
Net profit	823	1,224	1,527	2,692	2,844
BALANCE SHEET					
Investment property	14,721	16,270	18,612	23,400	24,905
Other non-current assets	828	1,092	1,086	1,159	1,238
Total non-current assets	15,550	17,363	19,698	24,559	26,143
Cash and cash equivalents	281	131	411	993	449
Other current assets	154	276	289	312	396
Total current assets	435	407	700	1,305	845
Total assets	15,985	17,770	20,399	25,864	26,988
Total equity	5,309	6,318	7,590	11,255	12,173
Non-current borrowings	6,170	4,785	6,090	9,346	7,909
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	1,272	1,537	1,884	2,498	2,724
Other non-current liabilities	492	712	679	474	434
Total non-current liabilities	7,933	7,034	8,654	12,318	11,067
Total current liabilities	2,743	4,418	4,154	2,291	3,748
Total equity and liabilities	15,985	17,770	20,399	25,864	26,988
CASH FLOW STATEMENT					
Pre-tax profit	940	1,522	1,924	3,366	3,560
... of which changes in investment property	334	866	1,167	2,340	2,417
Depreciation and amortisation	–	–	–	–	–
Tax paid	-14	-15	-14	-20	-35
Adjustment for items not in cash flow	-376	-895	-1,197	-2,542	-2,699
Cash flow from operating activities before changes in working capital	551	612	713	805	826
Changes in working capital	-33	1	32	6	325
Cash flow from operating activities	518	614	744	811	1,150
Cash flow from investment activities	-815	-826	-1,001	-1,596	-1,778
Cash flow from financing activities	484	61	537	1,366	785
Cash and cash equivalents at beginning of period	95	281	131	411	290
Cash flow for period	186	-151	280	582	157
Cash and cash equivalents at end of period	281	131	411	993	449

Source: company. FY–full year. LTM–last 12 months.

Figure 20. Catena rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb+
Market position, size and diversification	12.5%	bbb-
Portfolio assessment	12.5%	bbb
Operating efficiency	5.0%	a+
Business risk assessment	50.0%	bbb-
Ratio analysis		bbb-
Risk appetite		bb+
Financial risk assessment	50.0%	bb+
Indicative credit assessment		bbb-
Liquidity		Adequate
ESG		Adequate
Peer comparisons		Neutral
Stand-alone credit assessment		bbb-
Support analysis		Neutral
Issuer rating		BBB-
Outlook		Stable
Short-term rating		N-1+

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