

Stenhus Fastigheter i Norden AB (publ)

Full Rating Report

LONG-TERM RATING

BB

OUTLOOK

Negative

SHORT-TERM RATING

N4

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RATING RATIONALE

Our 'BB' long-term issuer rating on Sweden-based commercial property manager Stenhus Fastigheter i Norden AB (publ) reflects the company's recent high growth rates, brief operating history and limited covenant headroom. It also reflects the company's high-yielding property portfolio, often in non-central locations, and our expectation that interest coverage will weaken as market interest rates continue to rise. The rating is constrained by a front-loaded debt maturity profile, weak liquidity and a limited average fixed interest period.

The weaknesses are partly offset by Stenhus Fastigheter's exceptionally long lease terms, strong profitability and high occupancy. Furthermore, the company's primary geographic focus, the Mälardalen region including Stockholm, has strong economic fundamentals, which we view as a credit strength. We take a positive view of Stenhus Fastigheter's 20% exposure to public-sector tenants, which provide stability, while the high-yielding assets in the portfolio generate relatively strong cash flows. Furthermore, Stenhus Fastigheter's recent portfolio growth has resulted in greater revenue diversity, which we regard positively.

NEGATIVE OUTLOOK

The outlook is negative, reflecting our expectation that Stenhus Fastigheter's net interest coverage will weaken over our forecast period through 2024. In our base-case projection, we expect net interest coverage to remain commensurate with covenant levels through 2024, but that headroom will become increasingly limited in 2023 and 2024. We believe that downside risk has increased due to uncertainty about market interest rates and that covenant headroom could diminish faster than we currently expect, despite the mitigating effect of the completion of development projects and inflation-linked rental contracts. We expect Stenhus Fastigheter to integrate the operations of recent acquisition Randviken Fastigheter AB successfully. We also expect the company to continue to focus on its currently targeted property subsectors and regions.

DRIVERS FOR A STABLE OUTLOOK

- Increased or stable covenant headroom, with net interest coverage well above 2.0x.

POTENTIAL NEGATIVE RATING DRIVERS

- Impending or actual covenant breach.
- A deterioration in credit metrics, with net LTV above 60% or net interest coverage below 1.5x over a protracted period.
- Deteriorating market fundamentals, adversely affecting occupancy and/or profitability.

Figure 1. Stenhus Fastigheter key credit metrics, 2020–2024e

SEKm	2020	2021	2022e	2023e	2024e
Rental income	21	284	696	979	1,035
NCR-adj. EBITDA	14	194	487	716	761
NCR-adj. EBITDA margin (%)	65.7	68.6	70.0	73.1	73.5
NCR-adj. investment property	1,646	7,303	14,499	14,184	14,169
NCR-adj. net debt	254	3,397	8,060	7,992	7,892
Total assets	2,115	8,071	15,655	15,259	15,345
NCR-adj. net debt/EBITDA (x)	18.7	17.5	16.5	11.2	10.4
NCR-adj. EBITDA/net interest (x)	3.6	3.7	2.4	2.1	2.2
NCR-adj. net LTV (%)	15.5	46.5	55.6	56.3	55.7
NCR-adj. FFO/net debt (%)	3.8	4.2	3.4	4.3	4.8

Based on NCR estimates and company data. e=estimate. LTV=loan to value. FFO=funds from operations. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Stenhus Fastigheter is a Sweden-based commercial property management company that owns, manages and develops properties, primarily in Sweden's Mälardalen region. The company was founded in September 2020. Over its short operating history, it has established a property portfolio which, as of 30 Sep. 2022, comprised 158 properties, valued at SEK 14.2bn. In 2021, Stenhus Fastigheter successfully acquired MaxFastigheter i Sverige AB (publ) and in April 2022, the company announced that it had made a public offer to acquire all the shares in Randviken. On 17 Aug. 2022, Stenhus Fastigheter said that it controlled 99.5% of the outstanding shares in Randviken and that the acquisition had been consolidated as of 1 Jul. 2022.

Stenhus Fastigheter's largest owner, Sterner Stenhus Holding AB, with 24% of shares (as of 30 Sep. 2022), is owned by brothers Elias and Tomas Georgiadis, respectively the CEO and CFO of Stenhus Fastigheter. Stenhus Fastigheter's ordinary shares have been listed on the Nasdaq First North exchange since November 2020.

BUSINESS RISK ASSESSMENT

Business risk
assessment 'bb+'

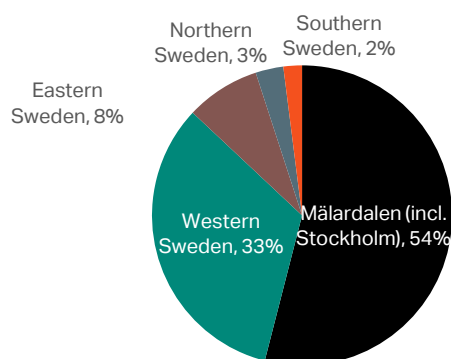
Our business risk assessment reflects Stenhus Fastigheter's diverse portfolio, which is characterised by a mix of different property types and low tenant and property concentrations. It also reflects the company's high-yielding property portfolio, often in non-central locations, and its exceptionally long lease terms, strong profitability and high occupancy. Further stability is provided by Stenhus Fastigheter's focus on the Mälardalen region, as well as its 20% exposure to public-sector tenants.

A mix of property types, primarily in the Mälardalen region

Operating environment
'bb+'

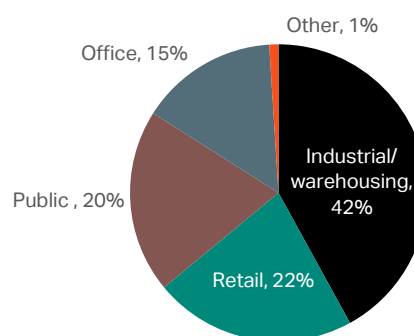
Stenhus Fastigheter's property portfolio contains commercial properties primarily in the Mälardalen region. The portfolio is diverse in terms of property type, with most rental income coming from industrial/warehousing, retail and office space, but also from properties housing public-sector tenants.

Figure 2. Stenhus Fastigheter rental value by location, 30 Sep. 2022



Source: company.

Figure 3. Stenhus Fastigheter rental value by property type, 30 Sep. 2022



Source: company.

We view the company's focus on the Mälardalen region as supportive, since many municipalities in the region benefit from their proximity to Stockholm. Among Stenhus Fastigheter's 10 largest operating municipalities, seven are projected to have higher population growth than the Swedish average until 2040. In our view, this indicates the strong economic fundamentals of many of Stenhus Fastigheter's operating locations. In terms of unemployment, six of the municipalities in which Stenhus Fastigheter operates have higher unemployment than the Swedish average.

Figure 4. Stenhus Fastigheter rental value from top 10 municipal exposures, 30 Sep. 2022

Municipality	Share of rental value	Population, 2021	Expected population change among 15–64-year-olds, 2021–2040	Unemployment, 2021
Västerås	12.0%	156,838	9.1%	9.4%
Karlstad	10.1%	95,408	5.3%	7.3%
Stockholm	7.5%	978,770	13.3%	6.6%
Botkyrka	5.5%	95,318	19.4%	11.8%
Borås	5.3%	114,091	8.4%	6.7%
Eskilstuna	5.2%	107,593	2.3%	12.3%
Lidköping	4.9%	40,460	1.8%	5.0%
Södertälje	3.4%	101,209	10.1%	12.0%
Uppsala	2.9%	237,596	16.1%	6.8%
Örebro	2.7%	156,987	10.5%	8.3%
Total/Sweden average	59.4%	-	6.3%	7.2%

Source: company, Statistics Sweden and the Swedish Public Employment Service.

Following the acquisition of Randviken, Stenhus Fastigheter's two largest property types are industrial/warehousing and retail, together accounting for roughly two-thirds of rental income. We consider the industrial/warehousing property subsectors as largely dependent on the overall state of the Swedish economy. Although we view these subsectors as relatively stable, we believe that a marked downturn in economic activity could have a considerable negative impact, which would adversely affect Stenhus Fastigheter's occupancy and profitability.

Although physical retail has been under pressure from the growth in e-commerce in recent years, the performance of big-box retail has been much steadier. In particular, grocery retailers (accounting for about 20% of Stenhus Fastigheter's retail exposure) have performed well, even at the height of the COVID-19 pandemic, and discount stores (about 33% of retail exposure) have also proven resilient. We typically see grocery retailers as strong tenants that help drive traffic to adjacent tenants with higher exposure to discretionary consumer spending. In most cases, we view discount retailers as stronger-than-average retail tenants and expect relatively stable performance, even if future economic conditions deteriorate.

We view the community service properties (about 20% of rental income) as the strongest subsector in which Stenhus Fastigheter operates. Such properties typically benefit from long-term contracts with strong tenants, directly or indirectly funded by the Swedish government. The subsector also benefits from increasing dependent populations, a trend that we expect to continue.

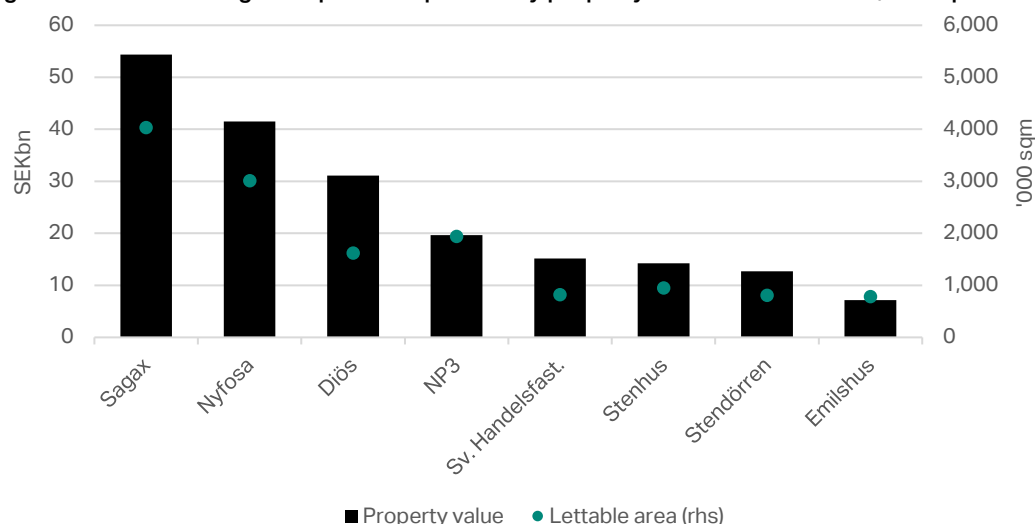
Diverse property portfolio with low concentrations

Stenhus Fastigheter's property portfolio effectively doubled in size following the acquisition of Randviken, broadening the company's geographic presence and strengthening its market position. Despite this, the company's portfolio is still small relative to the wider real-estate market.

The company operates in locations generally characterised by strong competition and satisfactory liquidity. However, since most competing property managers focus on higher-quality properties, competition and liquidity are generally lower at Stenhus Fastigheter's targeted properties, enabling Stenhus Fastigheter to gain a relatively strong niche position, despite its short history.

Market position, size and diversification 'bb'

Figure 5. Stenhus Fastigheter peer comparison by property value & lettable area, 30 Sep. 2022



Source: companies.

Tenant and property concentrations have decreased as Stenhus Fastigheter has expanded its portfolio through acquisitions. As of 30 Sep. 2022, the company's 10 largest tenants accounted for 25% of rental income, while the 10 largest contracts accounted for 17% of rental income. The company's single largest property, an industrial property in Västerås, accounted for only 6% of rental income as of 30 Sep. 2022.

Figure 6. Stenhus Fastigheter tenant concentrations, 30 Sep. 2022

Tenant	Type of tenant	Share of rental income
Bombardier Transportation Sweden AB	Industrial	-
Ahlberg-Dollarstore AB	Discount retail	-
Botkyrka Municipality	Public sector	-
Bilia AB	Industrial	-
Dagab Inköp & Logistik AB (Willys)	Grocery retail	-
Capio Legevisetten AB	Public sector	-
IAC Group Sweden AB	Industrial	-
City Gross Sverige AB	Grocery retail	-
Granngården AB	Retail	-
Tyresö Municipality	Public sector	-
Top 10 tenants	-	25%

Source: company.

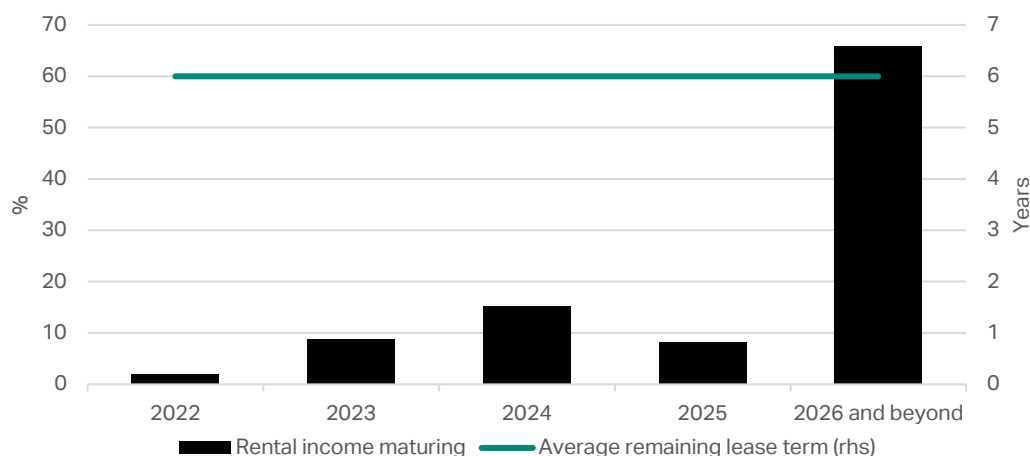
Long lease terms at high-yield properties

As of 30 Sep. 2022, the average property yield in Stenhus Fastigheter's portfolio was 5.4% (based on forward-looking operating surplus). The company's yield is similar to those of its closest peers, but significantly higher than those in many other property subsectors. We view the relatively high yields as indicative of the higher-risk assets in Stenhus Fastigheter's portfolio and the company's strong cash flow generation in comparison with that of many other domestic property managers.

Most of Stenhus Fastigheter's properties are in non-central locations. Although most have potential alternative usage possibilities, their non-central locations could increase the time it takes to find new tenants in the event of vacancy. The relatively high risk in the company's industrial and retail properties is mitigated by long lease terms, in many cases with strong tenants. Apart from industrial and retail properties, Stenhus Fastigheter also manages community service properties (about 14 % of rental income) with public-sector tenants such as municipalities, public agencies, schools and healthcare providers. As of 30 Sep. 2022, the average remaining lease term was 6.0 years, while only 10.8% of rental income came from leases scheduled to mature by year-end 2023.

Portfolio assessment
'bb+'

Figure 7. Stenhus Fastigheter lease maturity profile, 30 Sep. 2022



Source: company. *Only contracts with annual rent above SEK 0.2m.

Stenhus Fastigheter's ongoing projects are relatively small and constitute only 3.4% of the company's total lettable area as of 30 Sep. 2022. The two largest projects, Finnslätten 6 in Västerås and Fyrislund 12:3 in Uppsala, which together represent 57% of remaining total investments are scheduled for completion in 2023. Stenhus Fastigheter's development projects typically carry low risk, as they are contracted on fixed-price turnkey agreements, under which the contractor assumes the construction risk. The properties are entirely pre-let before construction.

Figure 8. Stenhus Fastigheter projects in progress, 30 Sep. 2022

Project	Location	Tenant	Lease duration (years)	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Finnslätten 6	Västerås	Alstom	10	10,600	95	261	Q3 2023
Fyrislund 12:3	Uppsala	Hedin Bil	15	3,800	74	125	Q2 2023
Spinnaren 6, phase 1	Köping	Rusta, Stadium Outlet	10	3,600	18	43	2023
Other projects	-	-	-	-	48	182	-
Total	-	-	-	74,330	235	611	-

Source: company.

Profitability set to increase with scale

Stenhus Fastigheter's net operating income margin is supported by a large proportion of double- and triple-net contracts, under which tenants bear a large proportion of property-related costs. Over our forecast period through 2024, we expect the net operating income margin to increase slightly compared with 76.6% for the last 12 months, due to lower operating costs. We forecast the EBITDA margin to increase towards 72% (excluding dividends received from joint ventures and associated companies), factoring in the likelihood that central administrative costs will decrease as a proportion of revenues as the property portfolio grows.

As of 30 Sep. 2022, the occupancy rate in Stenhus Fastigheter's portfolio was 95.3% and we expect the rate to remain at around current levels over our forecast period through 2024.

Operating efficiency
'bbb+'

Figure 9. Stenhus Fastigheter revenues, net operating income, EBITDA, and margins, 2020–2024e

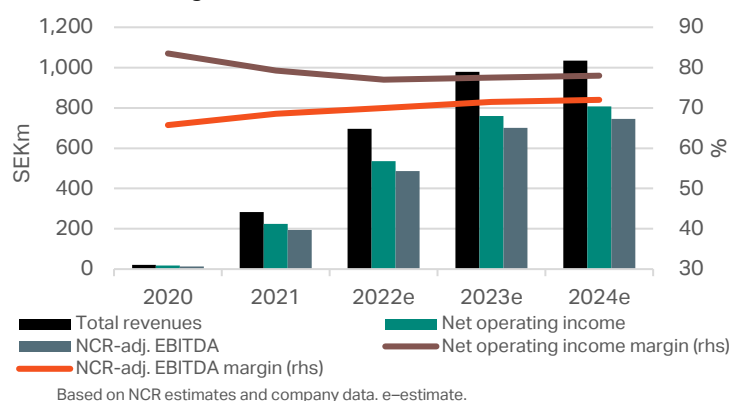
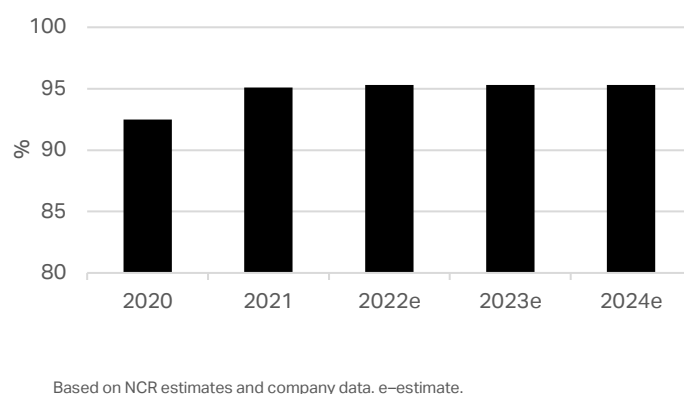


Figure 10. Stenhus Fastigheter occupancy rate, 2020–2024e



FINANCIAL RISK ASSESSMENT

Financial risk assessment 'bb'

Our financial risk assessment reflects our expectation that Stenhus Fastigheter's interest coverage will weaken towards its covenant levels. We view Stenhus Fastigheter's financial risk appetite as greater than warranted by our ratio analysis. Specifically, we view the company's limited covenant headroom, liquidity risk, short fixed-interest period and front-loaded debt maturity profile as negative factors in our overall financial risk assessment.

Interest coverage weakening amid tougher market conditions

Ratio analysis 'bb'

Stenhus Fastigheter has a limited operating track record, but its historical financial metrics have been relatively strong in relation to its financial policy stipulations. We expect net interest coverage to weaken towards the stipulated covenant levels because of rising interest rates. We also expect some downward pressure on property values to affect the net loan-to-value (LTV) ratio, even if the effect is partly offset by higher rental income from finalised projects and inflation-linked rental contracts.

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

- revenue growth of 145% in 2022, 41% in 2023, and 6% in 2024;
- an NCR-adjusted EBITDA margin (excluding dividends received from joint ventures and associated companies) of around 70–72% in 2022–2024;
- rising market interest rates, resulting in an average interest rate on external debt of 2.5% in 2022, 4.3% in 2023, and 4.4% in 2024; and
- property value changes of 0% in the fourth quarter of 2022, a fall of 4% in 2023, and a fall of 2% in 2024.

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

- NCR-adjusted net LTV of around 56%;
- NCR-adjusted EBITDA to net interest weakening to 2.1x–2.2x; and
- NCR-adjusted net debt to EBITDA of 11–17x.

Our EBITDA adjustment includes our expectations of dividend pay-outs from associated companies Backaheden Fastighets AB and Krona Public Real Estate AB, totalling SEK 16m annually. Our EBITDA excludes non-recurring costs related to the previous acquisitions of MaxFastigheter and Randviken, in line with the company's reported figures.

Figure 11. NCR's adjustments to Stenhus Fastigheter's credit metrics, 2020–2024e

SEKm	2020	2021	2022e	2023e	2024e
EBITDA	14	194	487	700	745
Dividends from JVs and associates	0	0	0	16	16
NCR-adj. EBITDA	14	194	487	716	761
Net interest	-4	-52	-203	-347	-353
NCR-adj. net interest	-4	-52	-203	-347	-353
NCR-adj. EBITDA	14	194	487	716	761
Net interest	-4	-52	-203	-347	-353
Current taxes	-0	-0	-12	-28	-27
NCR-adj. FFO	10	142	272	341	381
Investment property	1,634	7,168	14,312	13,997	13,982
Non-current right-of-use assets	12	134	187	187	187
NCR-adj. investment property	1,646	7,303	14,499	14,184	14,169
Cash and cash equivalents	452	334	310	230	330
NCR-adj. cash and equivalents	452	334	310	230	330
Gross interest-bearing debt	694	3,597	8,183	8,035	8,035
Lease liabilities	12	134	187	187	187
NCR-adj. cash and equivalents	-452	-334	-310	-230	-330
NCR-adj. net debt	254	3,397	8,060	7,992	7,892

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

Figure 12. Stenhus Fastigheter NCR-adj. investment properties, net debt, and net LTV, 2020–2024e

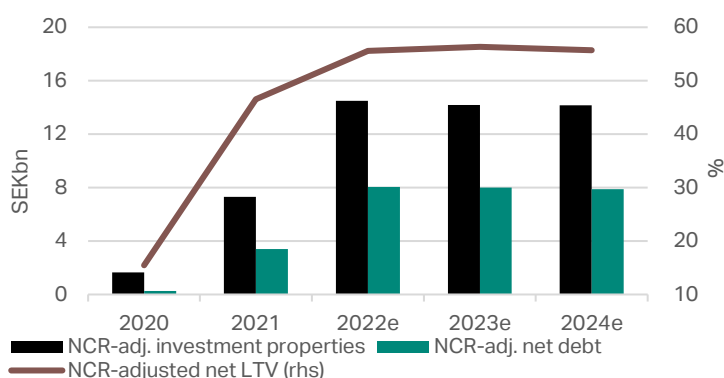
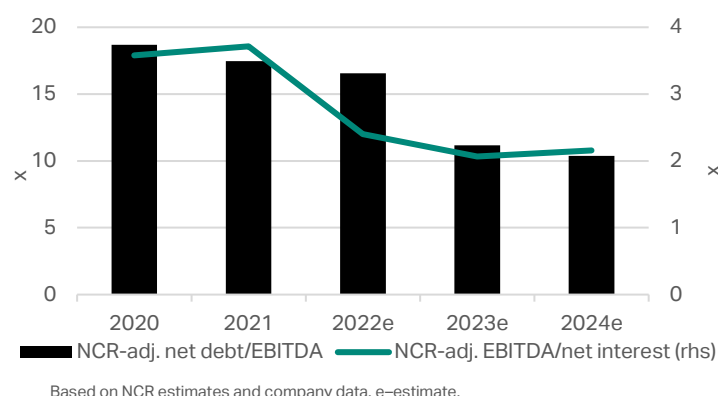


Figure 13. Stenhus Fastigheter NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2024e



Limited covenant headroom and liquidity deficit increase financial risk

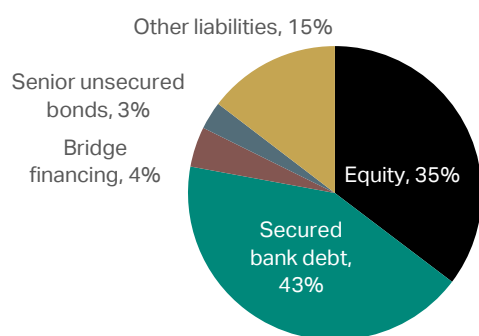
Risk appetite 'b+'

We view Stenhus Fastigheter's financial risk appetite as greater than warranted by the company's financial ratios. In particular, we consider the company's limited covenant headroom, liquidity risk and short average fixed-interest period as negative factors in our financial risk assessment. The assessment is also constrained by the company's brief operating history and front-loaded debt maturity structure.

Since it was founded in September 2020, Stenhus Fastigheter has grown rapidly. The portfolio was valued at SEK 3bn as of 30 Jun. 2021 and the portfolio size doubled with the acquisition of MaxFastigheter in 2021 to SEK 6bn. The recent acquisition of Randviken effectively doubled the portfolio value to SEK 14.2bn as of 30 Sep. 2022. Several previous acquisitions were partly financed with the company's listed shares as payment, reducing the negative impact on cash flow and financial metrics. Stenhus Fastigheter has an ambitious growth target of achieving a portfolio value of SEK 20bn by 2025. However, given current uncertainty in the real-estate and capital markets, we anticipate that the company will be less growth oriented until the markets stabilise.

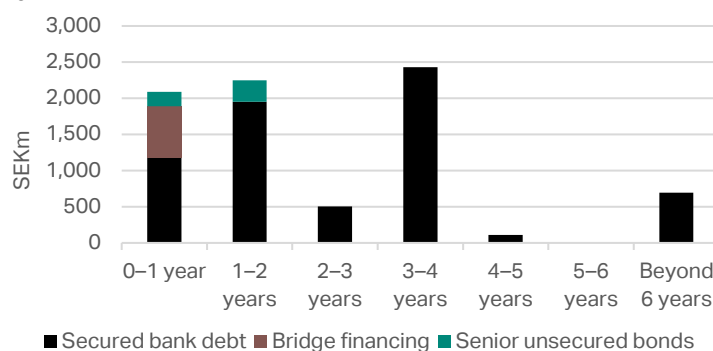
Stenhus Fastigheter finances its operations through a mix of equity and bank debt. As a result of its acquisition of MaxFastigheter, the company has a total of SEK 500m in senior unsecured bonds maturing in 2023 and 2024.

Figure 14. Stenhus Fastigheter funding profile, 30 Sep. 2022



Source: company.

Figure 15. Stenhus Fastigheter debt maturity profile, 30 Sep. 2022



Source: company.

As of 30 Sep. 2022, Stenhus Fastigheter's average debt maturity profile was 3.6 years, which is in line with the company's minimum 2.5-year target. The debt maturity profile is moderately front-loaded, with 26% of debt maturing within the next 12 months on a rolling basis, which increases refinancing risk. The company uses interest rate swaps to mitigate interest rate risk, and as of 30 Sep. 2022, the average fixed interest period was 0.9 years, while the average interest rate on the company's loans was 3.5%, significantly higher than 2.7% a year ago. We view the short average fixed interest period as a weakness, as it increases the company's vulnerability to further increases in market interest rates.

Stenhus Fastigheter's interest-bearing debt is governed by financial covenants and targets (see Figure 16). In the course of its limited operating history, the company has historically maintained sufficient covenant and policy headroom. Negatively, we expect the interest coverage ratio to come under pressure in the next few quarters due to generally higher market interest rates. The company aims to reduce financial risk by lowering leverage and employ all possible measures to keep its financial metrics within covenant and policy levels. Stenhus Fastigheter has never paid dividends. We expect the company to reinvest cash flows and continue to refrain from paying dividends in the next few years. In addition to the covenants listed in Figure 16, MaxFastigheter's bond covenants stipulate an equity ratio of at least 25%, interest coverage of at least 1.8x, and LTV of no more than 75%.

Figure 16. Stenhus Fastigheter financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 30 Sep. 2022
Equity ratio	>30%	>35%	37.0%
Gross LTV	<65-70%	<60%	56.8%
Net LTV	-	<55%	54.6%
Interest coverage ratio	1.7-2.0x*	>2.25x	2.9x
Average debt maturity	-	>2.5 years	3.6 years

Source: company. *Amortisation requirement when interest coverage ratio < 2.5x for some agreements

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 roll over bank loans, and therefore has to rely on internal or committed external funding to cover its liquidity needs.

We assess Stenhus Fastigheter's liquidity as adequate, even though our analysis results in a SEK 1.0bn deficit in the 12 months ending 30 Sep. 2023. We regard the current funding deficit as material, but believe that the company has good possibilities to roll over maturing secured bank debt and bridge facilities, while we expect a maturing SEK 200m bond to be repaid with cash. Consequently, we do not believe near-term liquidity risk is high enough to warrant a negative liquidity assessment. Instead, we factor in Stenhus Fastigheter's liquidity profile in our assessment of financial risk appetite.

We estimate the following primary funding sources for the 12 months ending 30 Sep. 2023, totalling SEK 1.7bn:

- SEK 316m in cash and equivalents, as of 30 Sep. 2022;
- SEK 243m in FFO, equalling 75% of estimated NCR-adjusted FFO over the period;
- SEK 731m in proceeds from borrowings from the end of the third quarter of 2022;
- SEK 196m in completed property divestment;
- SEK 10m in completed equity issues; and
- SEK 186m in unutilised credit facilities.

We estimate the following uses of funds for the 12 months ending 30 Sep. 2023, totalling SEK 2.7bn:

- SEK 2.1bn in maturing debt and amortisation;
- SEK 260m in completed acquisitions; and
- SEK 346m in committed capital spending.

Environmental, social and governance factors

ESG factors adequate

Because of Stenhus Fastigheter's short operating history, the company is new to ESG concerns. It does not currently measure or report CO₂ emissions and is not actively seeking environmental certification of properties or green financing. We view the company's current lack of ESG efforts as a credit weakness, as we believe that green credentials are increasingly important to attract and retain finance.

The main ESG issues that could affect our overall assessment of Stenhus Fastigheter's creditworthiness are factors that might contribute to loss of revenues, increased costs, higher capital spending or a deterioration in financing possibilities (see Figure 17).

Figure 17. Stenhus Fastigheter ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes.	The company does not currently measure or report CO ₂ emissions.	-
Impact of climate change on operations	Loss of revenues or increased capital spending.	The company does not currently seek environmental certification of properties.	-
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower CO ₂ dependence.	The company does not currently have strong green credentials and has no access to green financing.	-

Source: company.

OWNERSHIP ANALYSIS

Ownership neutral

Through their 70% and 30% ownership stakes in Sterner Stenhus Holding AB, respectively, brothers Elias and Tomas Georgiadis are together the largest shareholder in Stenhus Fastigheter. Over the past decade, the two men have run a construction company focused on façade and exterior renovations, made property investments through joint ventures with Kvalitena AB (publ), and, until 2019, were the largest owners in listed property management company Amasten Fastighets AB (publ).

In conjunction with the listing of Stenhus Fastigheter's shares on the Nasdaq First North market in November 2020, Fastighets AB Balder, led by real-estate investor Erik Selin, and Länsförsäkringar real-estate fund became significant shareholders in the company. In addition, investment company Investment AB Öresund became a significant owner in conjunction with the acquisition of MaxFastigheter.

Over Stenhus Fastigheter's short operating history, the company has financed several acquisitions with newly issued equity, reducing the impact on cash flow despite rapid growth. Recently it acquired Randviken Fastigheter through a mixed offering, consisting of a combination of cash and shares. We

assess Stenhus Fastigheter's overall ownership as neutral, although we take a positive view of the company's proven ability to use its shares as currency in transactions.

Figure 18. Stenhus Fastigheter ownership structure, 30 Sep. 2022

Owner	Share of capital and votes
Sterner Stenhus Holding AB	24.0%
Fastighets AB Balder	15.6%
Investment AB Öresund	5.8%
Länsförsäkringar fund	5.7%
FastPartner AB	2.8%
PriorNilsson fund	2.8%
Creades AB	2.5%
Nötudden Fastigheter Holding AB	2.5%
Conny Ryk	2.3%
Danske Invest Sverige Småbolag	2.1%
Top 10 owners	66.1%
Other	33.9%

Source: company.

ISSUE RATINGS

In cases where an issuer is rated 'BB+' or below, NCR typically conducts a recovery analysis to assess the likelihood that unsecured bondholders will recover their initial investment in the event of default and liquidation. However, as of 30 Sep. 2022, Stenhus Fastigheter had no senior unsecured bonds (other than two senior unsecured bonds issued by MaxFastigheter). Given the high level of secured financing, we would likely lower the ratings on senior unsecured debt instruments issued by Stenhus Fastigheter by one notch to 'BB-' to reflect their effective subordination, contingent on the outcome of a recovery analysis.

Figure 19. Stenhus Fastigheter key financial data, 2020–Q3 2022

SEKm	FY	FY	LTM
Period-end	31 Dec. 2020	31 Dec. 2021	30 Sep. 2022
INCOME STATEMENT			
Rental income	21	284	587
Other income	–	–	–
Total costs from operations	-3	-59	-137
Net operating income	17	225	450
Administrative expenses	-4	-30	-49
Administrative expenses, project portfolio	–	–	–
EBITDA	14	194	401
Share of profit in associated companies and joint ventures	–	–	20
Interest expenses	-4	-52	-140
Interest income	–	–	–
Interest expenses, shareholder loans	–	–	–
Financial costs from leasing	–	–	–
Other financial costs	-3	-23	–
Changes in investment property	76	899	473
Gain (loss) on financial assets held at fair value	–	–	–
Disposals of investment properties	–	–	–
Gain (loss) on derivatives	–	5	87
Depreciation and amortisation	–	–	–
Restructuring activities	–	-7	-29
Income (expense) on discontinued operations	–	–	–
Pre-tax profit	83	1,016	813
Current taxes	-0	–	–
Deferred taxes	-11	-214	-115
Net profit	72	801	698
BALANCE SHEET			
Investment property	1,634	7,168	14,248
Other non-current assets	20	250	827
Total non-current assets	1,654	7,418	15,075
Cash and cash equivalents	452	334	316
Other current assets	10	318	205
Total current assets	462	652	522
Total assets	2,115	8,071	15,597
Total equity	1,360	3,918	5,697
Non-current borrowings	606	2,202	5,830
Non-current borrowings, shareholder loans	–	–	–
Deferred tax liabilities	19	214	1,221
Other non-current liabilities	12	134	187
Total non-current liabilities	637	2,550	7,238
Total current liabilities	118	1,603	2,662
Total equity and liabilities	2,115	8,071	15,597
CASH FLOW STATEMENT			
Pre-tax profit	83	1,016	813
... of which changes in investment property	76	899	473
Depreciation and amortisation	–	–	–
Tax paid	2	4	-16
Adjustment for items not in cash flow	-76	-904	-571
Cash flow from operating activities before changes in working capital	9	116	225
Changes in working capital	18	76	12
Cash flow from operating activities	27	193	238
Cash flow from investment activities	-1,558	-4,746	-920
Cash flow from financing activities	1,983	4,436	815
Cash and cash equivalents at beginning of period	–	452	183
Cash flow for period	452	-118	133
Cash and cash equivalents at end of period	452	334	316

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

Figure 20. Stenhus Fastigheter rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb+
Market position, size and diversification	12.5%	bb
Portfolio assessment	12.5%	bb+
Operating efficiency	5.0%	bbb+
Business risk assessment	50.0%	bb+
Ratio analysis		bb
Risk appetite		b+
Financial risk assessment	50.0%	bb-
Indicative credit assessment		bb
Liquidity		Adequate
ESG		Adequate
Peer comparisons		Neutral
Stand-alone credit assessment		bb
Support analysis		Neutral
Issuer rating		BB
Outlook		Negative
Short-term rating		N4

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