

Axfast AB (publ)

Full Rating Report

LONG-TERM RATING

BBB

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB' long-term issuer rating on Sweden-based BBB commercial property manager Axfast AB (publ) reflects the company's long remaining lease terms, low vacancy rate and long-term strategic ownership. It also takes account of the company's strong portfolio of properties in prime locations. In addition, the rating reflects Axfast's solid financial position and low loan-to-value (LTV) ratio compared with those of its Nordic peers. We expect the company's owners to support its growth ambitions and help maintain strong credit metrics.

These strengths are offset by the concentration of Axfast's properties in the Stockholm region, as well as its relatively high exposure to single-name and sector-specific tenants. Our assessment factors in the company's small portfolio in comparison with its peer group average and relatively short debt maturity profile.

STABLE OUTLOOK

The outlook is stable, reflecting Axfast's solid revenues from a steady base of primary tenants on long-term contracts. It also reflects our expectation that vacancies will remain low, supported by the company's central locations and the completion of major projects. We see Axfast's financial metrics weakening over our forecast period through 2025 due to increases in interest rates. However, we believe the company's overall financial leverage will remain low. We expect Axfast to expand by acquiring new properties, which should reduce concentrations in the portfolio over time and compensate for our forecast decline in interest coverage.

POTENTIAL POSITIVE RATING DRIVERS

- Increased portfolio size and diversity of tenants and locations, while maintaining high portfolio quality and strong credit metrics.

POTENTIAL NEGATIVE RATING DRIVERS

- Net LTV above 35% or interest coverage below 2.2x.
- Deteriorating market fundamentals negatively affecting occupancy and profitability.
- Material increase in development exposure.

Figure 1. Axfast key credit metrics, 2019–2025e

SEKm	2019	2020	2021	2022	2023e	2024e	2025e
Rental income	594	564	572	703	910	981	1,045
NCR-adj. EBITDA	389	383	379	491	634	684	729
NCR-adj. EBITDA margin (%)	65.5	67.9	66.2	69.8	69.8	69.8	69.8
NCR-adj. investment property	15,436	16,187	19,562	20,097	20,787	20,882	21,882
NCR-adj. net debt	3,204	3,315	4,452	4,372	5,804	6,407	6,971
Total assets*	6,885	6,949	8,135	20,498	21,307	21,400	22,435
NCR-adj. net debt/EBITDA (x)	8.2	8.7	11.8	8.9	9.1	9.4	9.6
NCR-adj. EBITDA/net interest (x)	4.1	4.5	4.0	4.0	3.0	2.6	2.7
NCR-adj. net LTV (%)	20.8	20.5	22.8	21.8	27.9	30.7	31.9
NCR-adj. FFO/net debt (%)	8.6	8.7	6.1	4.9	7.0	6.3	6.3

Based on NCR estimates and company data. e—estimate. FFO—funds from operations. All metrics adjusted in line with NCR methodology. *Historical data reported according to Swedish Generally Accepted Accounting Principles (GAAP). Since 2022, the company has applied International Financial Reporting Standards (IFRS) and reported investment properties, including right-of-use assets, according to market value.

ISSUER PROFILE

Axfast is a commercial property manager of centrally located properties in the Stockholm region. The company focuses on multi-purpose offices, hotels and retail buildings, and has a complementary presence in other property sub-sectors such as logistics. It aims to expand via large acquisitions and development projects in Stockholm's central business district (CBD). As of 31 Mar. 2023, the company's portfolio comprised 21 properties, totalling 202,716 sqm and valued at SEK 21.2bn.

Axfast is a part of the Axel Johnson Group and provides commercial properties for some entities within the group. However, more than 95% of the company's tenants are external. It aims to increase its portfolio value to SEK 30bn by 2030.

BUSINESS RISK ASSESSMENT

Business risk assessment 'bbb-'

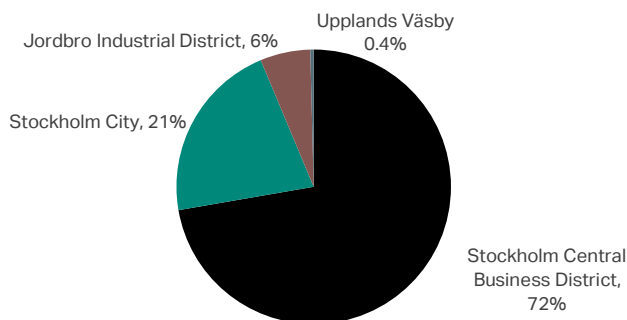
Our business risk assessment reflects the concentration of Axfast's properties in central Stockholm, its cyclical tenant base, and long average lease maturity profile. It also reflects the company's exposure to diverse sectors such as office, retail, hotel and logistics, albeit with significant single-name tenant concentrations.

Cyclical tenants create risk amid uncertain market conditions

Operating environment 'bb+'

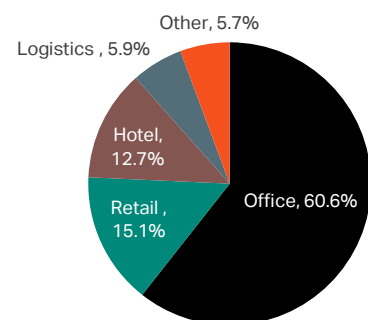
Axfast's property portfolio is geographically concentrated in central Stockholm, particularly in the CBD. However, the company aims to manage this geographic exposure through a balanced mix of tenants across several sectors.

Figure 2. Axfast rental value by management area, 1 Jul. 2023



Source: company.

Figure 3. Axfast rental value by property type, 1 Jul. 2023



Source: company.

Until relatively recently, the Swedish commercial real-estate sector benefited from benign economic conditions such as low interest rates, high rent levels and yield compression. However, following the shift in the economic climate in 2022, marked by rising inflation and interest rates, this highly leveraged sector faces mounting challenges due to increasing funding costs and yield requirements.

Axfast's property portfolio has so far proven to be resilient amid the economic downturn. We predict demand will remain high for offices in CBDs, with a small decline if corporate tenants opt for hybrid working solutions and reduce office spaces. Conversely, this scenario could create new opportunities, offering smaller offices spaces to a broader range of businesses, albeit at a higher price per square meter. Overall, we expect the stability of the office sector to partially offset the adverse impacts of rising funding costs.

Economic conditions in the hotel and restaurant sectors have recovered since the peak of the pandemic, but the decline in household spending is putting renewed pressure on these sectors. The considerable dependence on its largest tenant, Scandic AB, makes Axfast more vulnerable to the cyclical behaviours inherent in the hotel industry. Despite the challenging market conditions, the major tenants in these sectors have demonstrated strong financial performances this year. Going forward, we expect a moderate decline in tenants' financial results but do not foresee any significant adverse impacts on vacancy rates and rental revenues.

We expect weakening market conditions to have a continued negative impact on demand for non-essential retail goods, while high inflation rates are likely to hurt retailers with little pricing power. In

addition, bricks-and-mortar retailers face competition from e-commerce. According to Postnord AB, Swedish e-commerce fell by 7% during 2022, driven by the decrease in consumer spending. However, we anticipate growing competition from e-commerce, due to the long-term trend of its increasing share of total consumption. And we note that the growth in e-commerce has boosted demand for logistics properties.

We view Stockholm's strong underlying fundamentals as a positive contributor to the operating environment.

Figure 4. Axfast rental value from top 10 municipal exposures, 1 Jul. 2023

Municipality	Share of rental value	Population, 2022	Expected population change among 15–64-year-olds, 2022–2040	Unemployment, 2022
Stockholm	93.7%	984,748	12.4%	6.2%
Haninge	5.9%	97,683	14%	7.2%
Väsby	0.4%	49,262	10.3%	7.4%

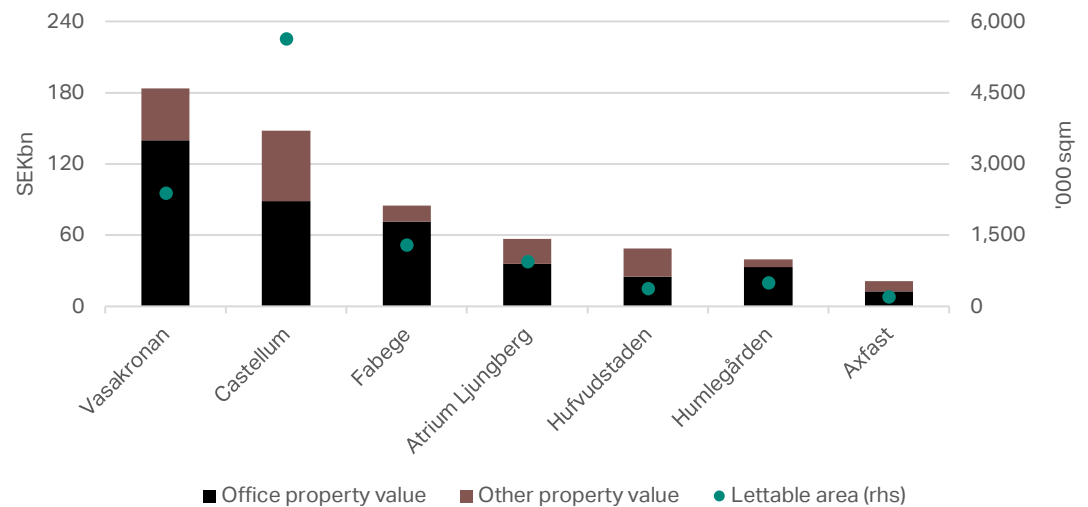
Source: company, Statistics Sweden and the Swedish Public Employment Service.

Minor market position, limited geographic reach and high single-name tenant exposure

Market position, size and diversification 'b+'

As of 31 Mar. 2023, Axfast's property portfolio was valued at SEK 21.2bn. The portfolio consists of 21 properties totalling 202,716 sqm. Axfast has a relatively minor position in the Nordic real-estate sector. Property companies with a comparable focus on the Stockholm region include Vasakronan, Fabège, Atrium Ljungberg, Hufvudstaden and Humlegården, all of which have considerably larger and more diverse portfolios and materially lower tenant concentrations.

Figure 5. Axfast peer group breakdown by property value and lettable area, 31 Mar. 2023



Source: companies.

In addition, Axfast has material tenant and sectoral concentrations, with almost 30% of rental income generated by tenants in the hotel, restaurant and retail sectors. The company's 10 largest tenants account for more than 60% of total revenues, which we view as a material weakness. However, this is mitigated by the relative strength of both public-sector and private-sector tenants. The company's entire hotel exposure is to Scandic Hotels AB, with two hotels in the Stockholm CBD, generating 13% of revenues.

Figure 6. Axfast tenant concentration, 31 Mar. 2023

Tenant	Type of tenant	Share of rental income
Scandic Hotels AB	Hotels	13%
Hennes och Mauritz (H&M) AB	Retail (office space)	11%
The Boston Consulting Group Nordic AB	Professional services	10%
Swedish National Board of Health and Welfare	Public	6%
Deloitte AB	Professional services	5%
Grant Thornton Sweden AB	Professional services	5%
Elekta Instrument AB	Private health	4%
DLP Drinks Logistics Partner AB	Logistics	3%
Apple AB	Consumer electronics	3%
Dagab Inköp & Logistik AB	Logistics	2%
Top 10 tenants	-	63%

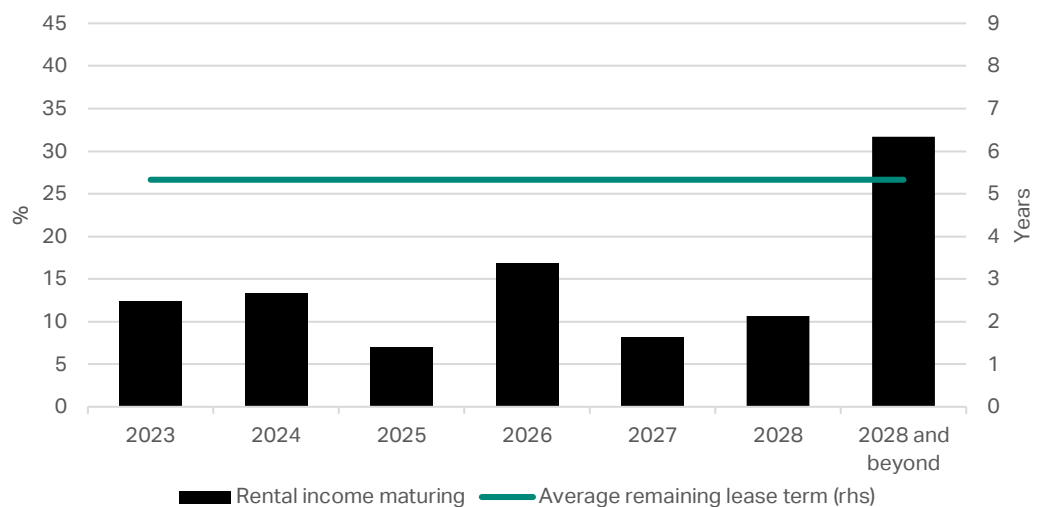
Source: company.

Central locations, multipurpose properties and long lease maturities limit vacancy risk

Axfast's property portfolio consists mostly of multipurpose buildings located in central Stockholm. We view the company's focus on the Stockholm CBD as a competitive advantage, as the risk of long-term vacancies is low and the properties can be used for a variety of commercial purposes. As of 31 Mar. 2023, the average portfolio yield was 3.6%, which we view as an indication of lower-than-average risk relative to the wider market. As of 31 Mar. 2023, 76% of the property portfolio was environmentally certified. Axfast had a relatively long average remaining lease term of 5.3 years as of 1 Jul. 2023, effectively mitigating vacancy risk.

Portfolio assessment 'a'

Figure 7. Axfast lease maturity profile, 1 Jul. 2023



Source: company.

The development portfolio is small in relation to Axfast's property portfolio (3%), so we view overall development risk as low. The company currently has a few minor projects ongoing. The completion of Jakob Mindre 11, combined with the absence of anticipated extensions or delays for current projects, will effectively reduce development exposure and risks in 2024.

Figure 8. Axfast's large projects in progress, 31 Mar. 2023

Project	Location	Project Type	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Jakob Mindre 11	Stockholm CBD	Development	7,903	290	385	2023
Torvågen 7	Stockholm CBD	Development	20,555	35	50	2023
Boken 6	Stockholm CBD	Development	10,000	0	50	2024
Taktäckaren 2	Stockholm CBD	Maintenance	24,151	7	24	2023
Vinkelhaken 9	Stockholm CBD	Maintenance	2,869	0	19	2023
Other	-	-	-	28	123	-
Total			65,478	360	632	

Source: company.

Profitability stable, vacancy rate low

Operating efficiency 'a-'

Axfast has long remaining lease terms and low vacancy rates, ensuring stable earnings. Most contracts are linked to the Swedish consumer price index and the company is therefore able to increase its rents, and we expect this to continue supporting revenues going forward.

We expect EBITDA margins to remain steady throughout the forecast period. As the major development project, Jakob Mindre 11, has been finalised and key tenants are moving in, we expect earnings to increase through the remainder of 2023. Axfast's occupancy rate as of 31 Mar. 2023 was 97.5%, including new contracts commencing during our forecast period. We expect occupancy to decline somewhat but to remain above 95% throughout the forecast period.

Figure 9. Axfast revenues, net operating income, EBITDA, and margins, 2019–2025e

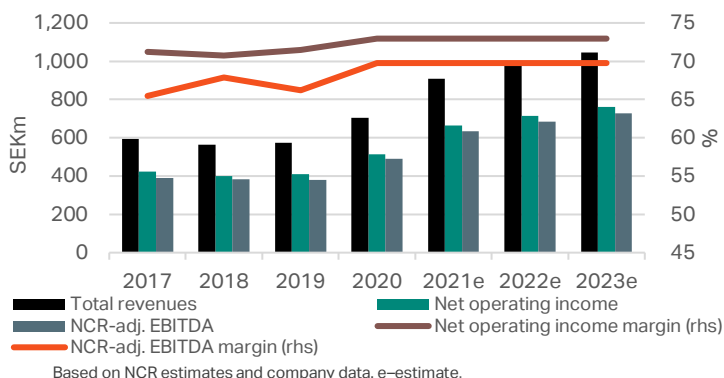
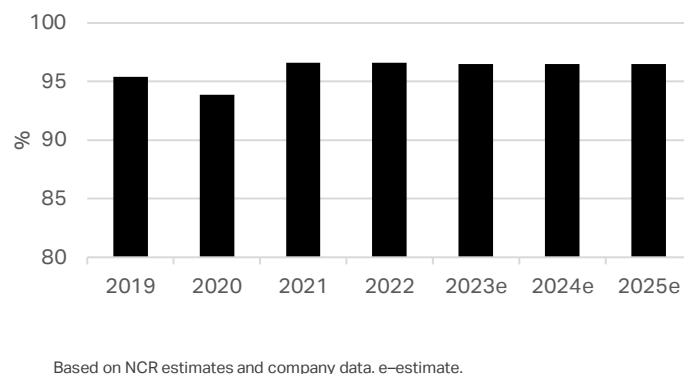


Figure 10. Axfast occupancy rate, 2019–2025e



FINANCIAL RISK ASSESSMENT

Financial risk assessment 'bbb+'

Our financial risk assessment reflects Axfast's manageable interest coverage and low leverage. The financial risk profile also reflects the company's short debt maturity profile and anticipated increases in leverage, as well as our expectation that the owners will help to maintain solid credit metrics as the portfolio expands.

Interest coverage likely to weaken, while acquisitions increase net LTV

Ratio analysis 'bbb+'

Axfast has a strong financial position and low leverage in comparison with its Nordic peers. The company financed its most recent property acquisition with nearly 80% debt, and we expect a further increase in leverage over our forecast period as Axfast expands its portfolio and refurbishes existing properties. However, the company is committed to maintaining its net LTV below 40% on a sustained basis. Our forecast assumes property values will decline as a result of higher yields. We expect the interest coverage ratio to weaken as the company refinances its debt at higher market interest rates.

Our base-case forecast of Axfast's future performance assumes:

- an increase in rental revenue by 29% in 2023 and 7-8% in 2024–2025;

- an adjusted EBITDA margin remaining around 70%;
- an average interest rate of 4.1% in 2023, 4.3% in 2024 and 3.9% in 2025;
- capital spending of around SEK 300m per year;
- acquisitions of around SEK 1.5bn in 2023 and SEK 700m per year in 2024–2025;
- changes in property values of minus 6.8% in 2023, minus 4.5% in 2024 and 0% in 2025.

On the basis of these assumptions, we estimate the following metrics for 2023–2025:

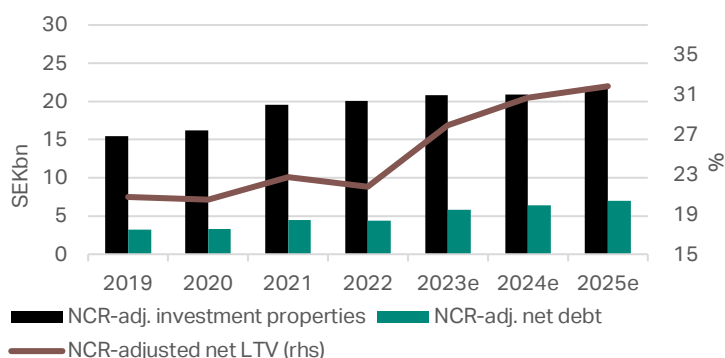
- NCR-adjusted net LTV of 27.9–31.9%;
- NCR-adjusted EBITDA/net interest of 2.6–3.0x; and
- NCR-adjusted net debt/EBITDA of 9.1–9.6x.

Figure 11. NCR's adjustments to Axfast's credit metrics, 2019–2025e*

SEKm	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	368	358	356	491	634	684	729
Lease adjustments – GAAP to IFRS	21	25	23	0	0	0	0
NCR-adj. EBITDA	389	383	379	491	634	684	729
Cash and cash equivalents	182	253	232	218	356	353	389
NCR-adj. cash and equivalents	182	253	232	218	356	353	389
Gross interest-bearing debt	2,745	2,814	3,987	3,817	5,387	5,987	6,587
Lease liabilities	642	754	698	773	773	773	773
NCR-adj. cash and equivalents	-182	-253	-232	-218	-356	-353	-389
NCR-adj. net debt	3,204	3,315	4,452	4,372	5,804	6,407	6,971
Net interest, incl. leasing	-95	-84	-95	-122	-214	-265	-270
NCR-adj. net interest	-95	-84	-95	-122	-214	-265	-270
NCR-adj. EBITDA	389	383	379	491	634	684	729
NCR-adj. net interest	-95	-84	-95	-122	-214	-265	-270
Current tax	-17	-11	-14	-156	-15	-17	-20
NCR-adj. FFO	277	288	269	213	405	401	439
Investment property	15,436	16,187	19,562	19,318	20,008	20,103	21,103
Non-current right-of-use assets	0	0	0	779	779	779	779
NCR-adj. investment property	15,436	16,187	19,562	20,097	20,787	20,882	21,882

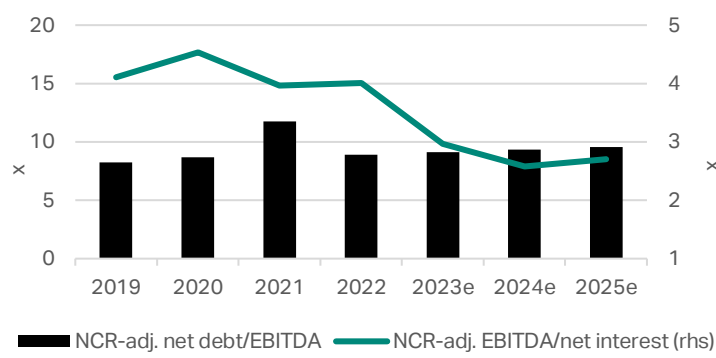
Based on NCR estimates and company data. e–estimate. *Including adjustments from GAAP to IFRS for 2019–2021.

Figure 12. Axfast NCR-adj. investment properties, net debt, and net LTV, 2019–2025e



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

Figure 13. Axfast NCR-adj. net debt/EBITDA and EBITDA/net interest, 2019–2025e



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

Short debt maturity mitigated by strong ownership

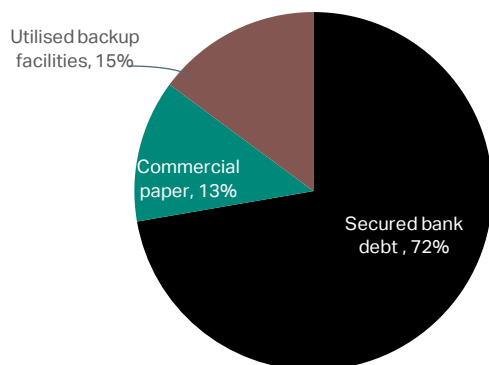
Risk appetite 'bbb+'

Our assessment of Axfast's financial risk profile is supported by the company's strong ownership, low dividend payments and stable relationships with domestic banks. These factors are offset by the company's short debt maturity profile, which has a significant concentration of single-year maturities. Given the long-term nature of the assets, we view the debt maturity profile as a credit weakness, albeit

mitigated by relatively low financial gearing. We also view equity contributions from the owners as likely, if needed, to maintain credit metrics as the portfolio grows.

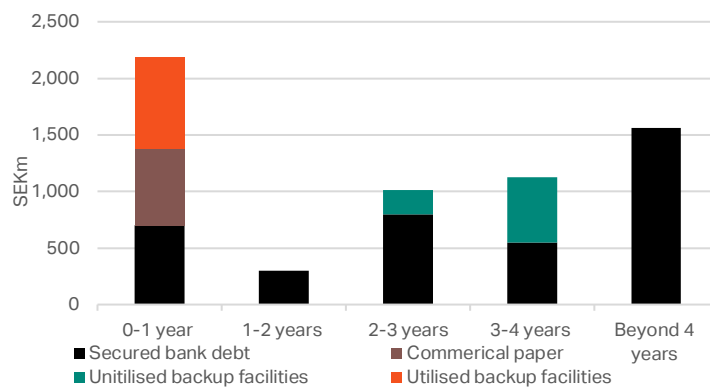
As of 31 Mar. 2023, Axfast had about SEK 5.4bn in outstanding debt, of which SEK 4.7bn was secured bank debt. Axfast had 675m in commercial paper obligations, bank loans totalling SEK 700m and SEK 810m in utilised credit facilities maturing in the next 12 months. The short-term bank loans have been refinanced and the utilised credit facilities repaid after the first quarter. The company reported an average debt maturity of 3.1 years as of 31 Mar. 2023. We view the company's longstanding relationships with strong domestic banks as supportive of our overall assessment of its financial risk appetite.

Figure 14. Axfast funding profile, 31 Mar. 2023



Source: company.

Figure 15. Axfast debt maturity profile, 31 Mar. 2023



Source: company.

Axfast finances its operations through a mix of equity, secured bank debt, and commercial paper. The company engages in interest rate swaps with strong financial institutions as counterparties, which should reduce the immediate impact of higher interest rates. Fixed rates paid on interest rate swaps extend the company's average interest rate maturity profile to 3.8 years and its average interest rate was 3.9% as of 31 Mar. 2023. Covenants governing Axfast's bank loans are modest. We expect the company to operate with adequate covenant headroom over our forecast period, despite its growth objectives. We take a positive view of the company's relatively modest fixed annual dividend payments of SEK 4m, which enable high levels of reinvestment and a strong financial position.

Figure 16. Axfast financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2023
Equity ratio	>40%	>30%	60%
Gross LTV	≤65%*	≤40%	25.4%
Interest coverage ratio	≥1.7X	2x	3.8x
Average debt maturity (years)**	N.A.	≥1.5	3.1
Debt maturities within a 12-month period***	N.A.	<50%	N.A.
Average interest rate maturity (years)	N.A.	≥1.5	3.8

Source: company. *Net LTV. **Including commercial paper. ***Excluding commercial paper. N.A.—Not applicable.

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 under 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 typically expect an investment grade company to cover all liquidity needs over the coming 12 months.

We assess Axfast's liquidity position as adequate, even though estimated uses exceed the company's immediate funding sources by SEK 314m in the 12 months ending 31 Mar. 2024. The deficit is fully covered by unutilised short-term backup facilities amounting to SEK 500m, accessible on a recurring 12-month basis. In addition, Axfast has strong banking relationships that could prove supportive in the event of a short-term liquidity shortfall. We assess equity holders' commitment to Axfast as strong, supporting our view that the company's liquidity profile is adequate. In general, we note that dividend payments can be deferred in conditions of constrained liquidity and we therefore exclude them from our liquidity analysis. In addition, we exclude prospective projects, acquisitions and other commitments not yet identified from our calculations.

We estimate the following primary funding sources for the 12 months ending 31 Mar. 2024, totalling SEK 2.1bn:

- SEK 258m in cash and cash equivalents as of 31 Mar. 2023;
- SEK 700m in proceeds from long-term borrowings since the end of the first quarter;
- SEK 303m in FFO, representing 75% of estimated NCR-adjusted FFO over the period; and
- SEK 790m from unutilised credit facilities maturing in more than 12 months.

We estimate the following uses of funds for the 12 months ending 31 Mar. 2024, totalling SEK 2.4bn.

- SEK 2.2bn for the repayment of borrowings; and
- SEK 180m in committed capital spending.

Environmental, social and governance factors

ESG factors adequate

Axfast has an environmental and sustainability programme, under which the company aims to obtain recognised certification for its properties. Existing properties are certified by building certification agency BREEAM, according to its in-use criteria. As of 31 Mar. 2023, 76% of the property portfolio was certified. We expect the company to continue obtaining certification of non-commercial buildings and development projects over the next few years, with the aim of having all eligible properties certified.

In 2023, Axfast has hired a new Head of Sustainability, with the aim of improving of reporting by establishing measurable targets. In addition, the company is exploring the possibility of calculating its CO₂ emissions, which we view as positive. The company uses sustainable materials in its development projects to reduce its carbon footprint.

Figure 17. Axfast ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes	Efforts to increase energy efficiency and reduce CO ₂ emissions. Environmental certification (BREEAM) of properties.	The company does not report CO ₂ emissions, but is exploring the possibility of calculating them via partnerships.
Impact of climate change on operations	Loss of revenues or increased capital spending	Environmental certification of properties, materiality evaluations, tenant engagement and compliance with stakeholder demands in project properties.	BREEAM In-Use certification of properties. By 31 Mar. 2023, 76% of the property portfolio had obtained certification.
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower carbon dependence	Efforts to increase energy efficiency and reduce CO ₂ emissions. Overall sustainability focus throughout business operations.	Continues to improve ESG reporting, provide more comprehensive mapping of emissions and achieve property certification.

Source: company. See [ESG factors in corporate ratings](#).

Ownership neutral

OWNERSHIP ANALYSIS

Axfast is one of four entities in the Axel Johnson Group. The group comprises Nordic-focused investment holding company Axel Johnson AB, US investment holding company Axel Johnson Inc. and asset management company AltoCumulus AB.

Axfast is fully owned by Axfast Holding. The primary owner of Axfast Holding, Antonia Ax:son Johnson, holds a 95% stake and is a descendant of the company's original founder, demonstrating a long-term family commitment to Axfast. We view Axfast's ownership structure as supportive of the company's long-term strategy and solid financial position. The main owner is represented on the board of directors by two board members.

ISSUE RATINGS

As of 31 Mar. 2023, Axfast's gross secured LTV was 22.2%, and we expect this metric to remain below our threshold of 40% during our forecast period. For this reason, should Axfast issue long-term senior unsecured debt, we would likely assign such instruments an issue rating in line with the long-term issuer rating.

METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 24 May 2022.
- (iii) [Group and Government Support Rating Methodology](#), 18 Feb. 2022.

RELEVANT RESEARCH

- (i) [NCR-rated Swedish property managers \(Q1 2023\)](#), 26 May 2023.
- (ii) [Sweden's real-estate sector faces growing challenges](#), 13 Dec. 2022.

Figure 18. Axfast key financial data, 2019–Q1 2023

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Mar. 2023
Accounting standard	Swedish GAAP	Swedish GAAP	Swedish GAAP	IFRS	IFRS
INCOME STATEMENT					
Rental income	594	564	572	703	733
Other income	–	–	1	1	–
Total costs from operations	-192	-190	-186	-190	-198
Net operating income	402	374	387	514	534
Administrative expenses	-34	-16	-31	-22	-22
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	368	358	356	491	513
Share of profit in associated companies and joint ventures	–	–	–	–	–
Interest expenses	-74	-60	-73	-100	-126
Interest income	0	0	0	1	–
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	–	–	–	-24	-24
Other financial costs	-0	–	–	–	–
Changes in investment property	236	-0	–	238	456
Gain (loss) on financial assets held at fair value	-16	–	–	–	–
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	–	-0	175	59
Depreciation and amortisation	-235	-224	-266	-1	-1
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	280	75	17	780	876
Current taxes	-17	-11	-14	-156	-166
Deferred taxes	1	–	–	–	–
Net profit	263	64	4	625	710
BALANCE SHEET					
Investment property	6,527	6,436	7,676	19,318	21,228
Other non-current assets	120	209	139	887	869
Total non-current assets	6,647	6,645	7,815	20,205	22,097
Cash and cash equivalents	182	253	232	218	258
Other current assets	56	51	88	75	74
Total current assets	238	304	320	294	332
Total assets	6,885	6,949	8,135	20,498	22,430
Total equity	3,687	3,738	3,738	13,263	13,545
Non-current borrowings	1,139	1,686	1,748	1,728	3,200
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	162	181	191	2,395	2,460
Other non-current liabilities	4	5	5	757	767
Total non-current liabilities	1,305	1,872	1,944	4,879	6,427
Total current liabilities	1,892	1,339	2,454	2,356	2,457
Total equity and liabilities	6,884	6,949	8,135	20,498	22,430
CASH FLOW STATEMENT					
Pre-tax profit	280	75	17	780	876
... of which changes in investment property	236	-0	–	238	456
Depreciation and amortisation	–	–	–	–	–
Tax paid	–	–	-16	9	16
Adjustment for items not in cash flow	-6	205	266	-412	-514
Cash flow from operating activities before changes in working capital	273	280	267	378	378
Changes in working capital	139	-52	344	-10	11
Cash flow from operating activities	413	228	611	368	389
Cash flow from investment activities	230	-222	-1,266	-218	-1,790
Cash flow from financing activities	-820	65	634	-164	1,376
Cash and cash equivalents at beginning of period	359	182	253	232	284
Cash flow for period	-177	71	-21	-14	-26
Cash and cash equivalents at end of period	182	253	232	218	258

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

Figure 19. Axfast rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb+
Market position, size and diversification	12.5%	b+
Portfolio assessment	12.5%	a-
Operating efficiency	5.0%	a-
Business risk assessment	50.0%	bbb-
Ratio analysis		bbb+
Risk appetite		bbb+
Financial risk assessment	50.0%	bbb+
Indicative credit assessment		bbb
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		bbb
Support analysis		Neutral
Issuer rating		BBB
Outlook		Stable
Short-term rating		N3

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