

Catena 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 logistics property manager Catena AB reflects the company's strong position as one of the country's largest logistics property managers. The property portfolio is largely in prime locations, and has long remaining lease terms and a high occupancy rate. The rating also reflects the benefits of growth in e-commerce, solid profitability, and a shift in financial risk appetite, with a commitment to growth through more moderate financial leverage than historically.

These strengths are offset by Catena's growth focus, steady project volumes, and regular acquisitions. We view high tenant concentrations in the portfolio as a weakness, even though this is offset by a significant proportion of government-backed tenants and tenants with exposure to the non-cyclical grocery sector.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Catena will maintain its revised strategy of growth with more moderate financial leverage, while funding expansion with both equity and debt. It further reflects our belief that Catena's landbank will enable growth at attractive yields despite increasing competition in the logistics subsector, and that the company's largest tenants are well positioned to withstand a weaker economy and reduced consumption. We expect a positive long-term trend in e-commerce to benefit the subsector.

POTENTIAL POSITIVE RATING DRIVERS

- Further improvements in the financial risk profile and a less concentrated debt maturity profile.
- More predictable ratios, with net debt/EBITDA below 7x and net loan to value (LTV) below 35% on a sustained basis.
- Increased portfolio size with continued property quality and reduced concentrations.

POTENTIAL NEGATIVE RATING DRIVERS

- Increased financial risk appetite, with net debt/EBITDA above 9x, net LTV above 45%, and interest coverage below 3x over a protracted period.
- Deteriorating market fundamentals that adversely affect occupancy and/or profitability.

Figure 1. Key credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
Rental income	1,268	1,393	1,544	1,808	2,063	2,313	2,430
EBITDA	970	1,065	1,176	1,397	1,594	1,787	1,877
EBITDA margin (%)	76.5	76.4	76.2	77.3	77.3	77.3	77.3
Investment property	18,947	23,735	27,494	31,374	34,472	36,272	38,072
Net debt	9,658	10,410	8,890	11,737	12,522	13,520	14,469
Total assets	20,399	25,864	31,206	33,499	37,258	38,950	40,679
Net debt/EBITDA (x)	10.0	9.8	7.6	8.4	7.9	7.6	7.7
EBITDA/net interest (x)	4.0	4.4	4.9	4.2	3.7	3.7	4.0
Net LTV (%)	51.0	43.9	32.3	37.4	36.3	37.3	38.0
FFO/net debt (%)	7.1	7.7	10.4	8.6	9.2	9.6	9.6

Source: company and NCR. 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 roads. 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. 2024, Catena's portfolio comprised 161 properties totalling 2.4m sqm and valued at SEK 32.6bn. In its current form the company was established in 2013, when it acquired property company Brinova Fastigheter AB's logistics property portfolio. It is now one of the largest owners of logistics properties in Sweden. Catena's ordinary shares have been listed on the main market of the Nasdaq Stockholm exchange since 2006. The company's largest owner remains Swedish businessman Erik Paulsson (via Backahill Inter AB). Belgian warehousing company WDP NV/SA became a significant owner and partner in 2022.

BUSINESS RISK ASSESSMENT

Business risk assessment 'bbb'

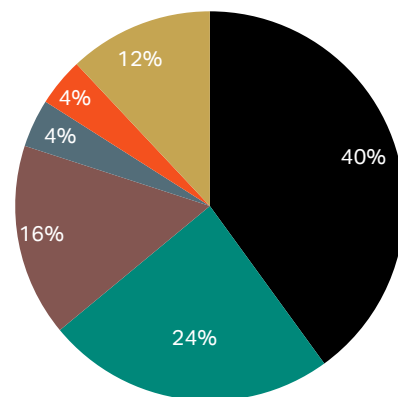
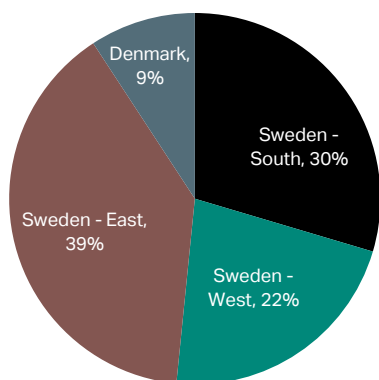
Our business risk assessment reflects Catena's strong market position as one of the largest logistics property managers in Sweden, its long remaining lease terms, solid profitability, and high occupancy rate. It also reflects high tenant concentrations in the portfolio and a strong logistics sector supported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

Operating environment 'bbb-'

Increased supply and demand drive sectoral diversity

In 2023, Catena reclassified its property portfolio into four geographic areas, each with separate management organisations. The reclassification assigned the Danish portfolio its own category, after two years of significant growth. The portfolio is focused on logistics hubs in and outside urban centres with good transport connections and high demand for logistics properties.

Figure 2. Rental value by area (company classification), 31 Mar. 2024 Figure 3. Rental value by property type, 31 Mar. 2024



Source: company.

Source: company.

In recent years, the logistics property subsector has benefited substantially from growth in e-commerce. This trend was accelerated by the COVID-19 pandemic; Swedish e-commerce grew by 40% in 2020 and 20% in 2021 according to Postnord AB. Growth has slowed since, with the absolute volume of e-commerce declining in both 2022 and 2023. However, consumption overall also slowed, and the proportion of e-commerce to total consumption has been stable at 14-16% since 2020, compared with 11% in 2019. We believe e-commerce will account for an increasing proportion of total consumption over the long term, which should continue to support demand for modern logistics properties of varying locations, types, and sizes.

Figure 4. Exposure to top Swedish logistics locations, 31 Mar. 2024

Rank	Location	Score (max 100)	Share of rental value (%)
1	Greater Gothenburg	94	11.6
2	Greater Helsingborg	94	18.9
3	Jönköping/Nässjö	89	5.9
5	Stockholm North	86	4.9
6	Norrköping	85	5.9
7	Örebro	84	3.3
8	Malmö	82	10.0
10	Stockholm South	73	9.6
14	Uppsala	63	3.4

Source: Intelligent Logistik and company. Rankings and scores provided by Intelligent Logistik based on 2023 data.

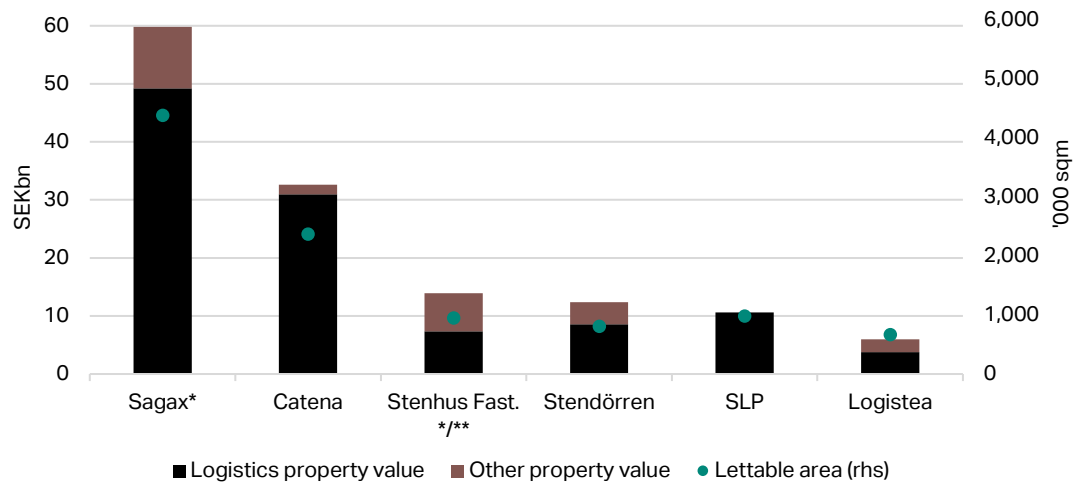
Market position strong, but tenant concentrations high

Market position, size and diversification 'bbb'

As of 31 Mar. 2024, Catena's property portfolio comprised 161 properties totalling 2.4m sqm and valued at SEK 32.6bn. We consider this mid-sized by Swedish standards. The company has a clear focus on logistics and ranks as one of the largest logistics property owners in Sweden. We view Catena's market position as strong, with a presence in all major logistics areas in Sweden and, increasingly, in strategic locations in Denmark.

Catena's sharp focus on logistics properties sets it apart from listed peers such as AB Sagax and Stendörren Fastigheter AB, which have some exposure to other property types. Catena's properties have an average lettable area of about 17,300 sqm, about 2.5 times that of its listed peers, underscoring the company's niche role. However, Catena has significant tenant concentrations in its portfolio, with 43% of rental revenue coming from its 10 largest tenants. Partial government ownership of several major tenants and their expected financial stability mitigate concentration risk. Nonetheless, we consider this concentration a relative weakness in our assessment of Catena's business risk profile.

Figure 5. Peer group breakdown by property value and lettable area, 31 Mar. 2024



Source: companies. *logistics and industrial properties. **as of Q4 2023.

Logistics properties generally generate higher yield levels than other property types in Sweden and other European countries. Increasing demand drove yields lower prior to 2022, when the trend turned and yields widened. Catena's average yield increased to 5.8% as of 31 Mar. 2024 from 5.2% at end-2022. We believe it could widen slightly, but expect only minor further declines in values in the property portfolio.

Figure 6. Tenant concentration, 31 Mar. 2024

Tenant	Type of tenant	Share of rental income
DHL* (incl. subsidiaries)	TPL (partly owned by German govt.)	10%
ICA Fastigheter AB	Grocery	8%
Martin & Servera (incl. subsidiaries)	Restaurant wholesale	6%
PostNord (incl. subsidiaries)	TPL (100% owned by Swedish and Danish govt.)	5%
Boozt Fulfilment & Logistics AB	Online retail	3%
Nowaste Logistics AB	TPL	3%
DKI Logistics	TPL	2%
Dagab Inköp & Logistik AB	Grocery	2%
Intervare A/S	Grocery	2%
Menigo Food Service AB	Restaurant wholesale	2%
Top 10 tenants	-	43%

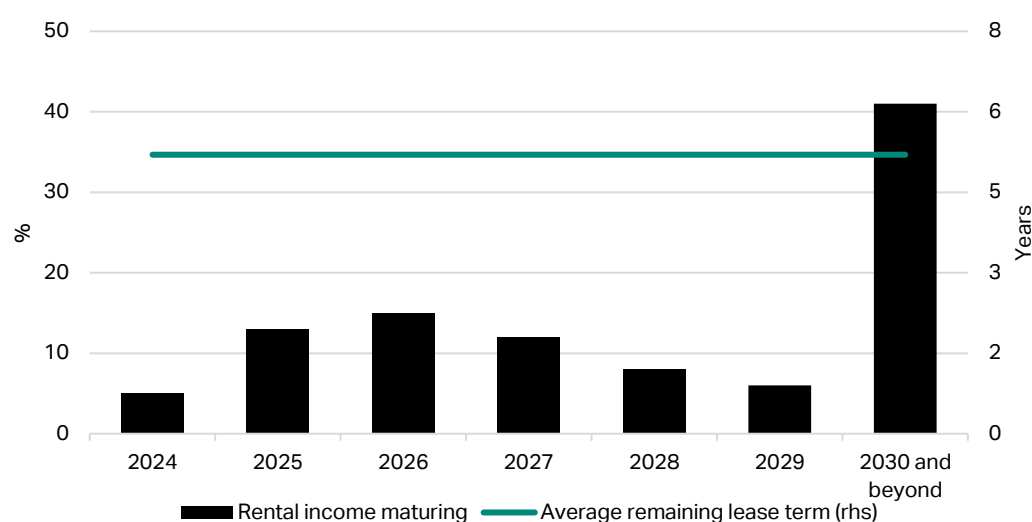
Source: company. TPL-third-party logistics.

Prime locations generate strong rental income

Catena's property portfolio is primarily concentrated in Sweden's largest cities and along connecting railways and roads. In addition, the company is actively increasing its presence in Denmark, along major routes to the rest of Europe. As of 31 Mar. 2024, Danish properties accounted for about 9% of rental value. Vacancy in the company's portfolio has increased slightly since early 2023, but remained low at 4.4% as of 31 Mar. 2024, which we view as indicative of the strength of the portfolio.

Logistics properties have historically been generic buildings lacking complexity. However, as the segment has grown, so has demand for specialised high-quality properties. We believe that Catena's property portfolio meets this shifting demand, differentiating the company from peers which operate mostly older and less complex properties. Catena seeks to improve energy efficiency and obtain environmental certification in response to tenant demand, which we view as positive. Any major shift in the flow of goods or a lack of skilled labour could create risk, and we note the company's strong presence in key logistics regions (see Figure 4).

Figure 7. Lease maturity profile, 31 Mar. 2024



Source: company.

As of 31 Mar. 2024, the average remaining lease term in Catena's portfolio was 5.2 years. Contract maturities are well spread, and the risk of significant non-renewals is mitigated by the high number of leases: 453 leases among 289 tenants as of 31 Mar. 2024. Churn is low due to substantial moving costs and the prospect of business disruption for tenants that choose to relocate. We view Catena's lease maturity profile as a positive factor in our overall assessment of the company.

Portfolio assessment
'bbb'

In recent years Catena has increased its pace of growth, with the value of projects and acquisitions rising to SEK 2.7bn in 2023 from SEK 1bn in 2020. As of 31 Mar. 2024, the company had eight current projects totalling 289,000 sqm and involving investment of SEK 3.4bn. Catena usually starts projects only after obtaining tenant commitment, but occasionally accepts partial pre-letting or informal agreements with established long-term partners. While this increases project risk, we generally view such risk as low thanks to turnkey contracts with builders, a lack of complexity, and short lead times.

Catena has a large landbank of about 5m sqm, with an estimated total lettable area of 1.7m sqm. If developed, it could virtually double the lettable area of the property portfolio. We consider this positive; in many cases the value of the land has increased significantly, enabling greater flexibility and higher yields. We expect Catena to maintain its current growth strategy through projects and acquisitions as long as tenant demand continues. We believe the acquisition of developer Bockasjö AB in 2023 could centralise and improve project management as the portfolio grows.

Figure 8. Large projects in progress, 31 Mar. 2024

Location	Tenant	Occupancy rate	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated annual NOI (SEKm)	Estimated completion
Härryda	Menigo	100%	42,300	507	607	38	Q4 2024
Härryda	-	0%*	33,120	111	344	24	-
Jönköping	Elgiganten	100%	86,600	855	813	45	Q2 2024
Jönköping	Nowaste Logistics	38%	33,000	147	379	25	Q4 2024
Sundsvall	Kyl- & Frysexperten Nord	100%	5,012	50	120	8	Q2 2024
Helsingborg	Nowaste Logistics	0%	75,000	174	950	67	Q1 2026
Malmö	Rugvista	100%	13,700	53	195	14	Q2 2025
Härryda	Menigo	100%	42,300	507	607	38	Q4 2024
Total	-	-	288,732	1,897	3,408	221	-

Source: company. NOI-net operating income. *unlet part of development property Dansered 1:66, which totals 84,000 sqm.

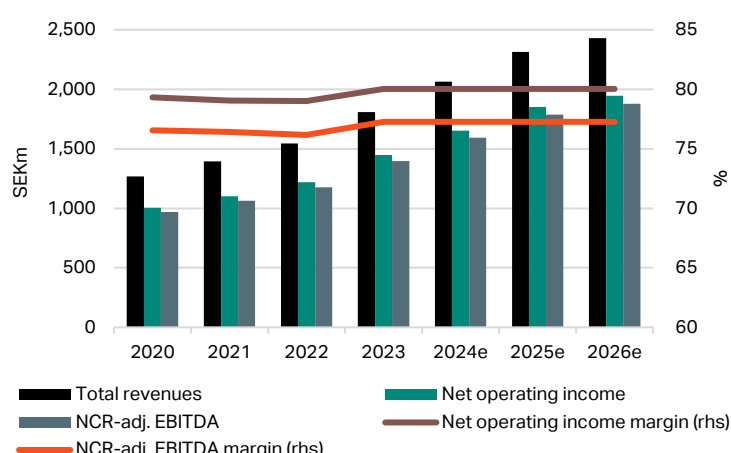
Strong profitability and occupancy

Property management is carried out through four regional management organisations. Catena is usually responsible for maintenance costs. Lease contracts are typically linked to the Swedish consumer price index, which reduced the negative impact of inflation on earnings in 2022 and 2023.

Since 2017, NOI and EBITDA margins have followed a steady upward trend. We believe these margins will remain stable at around 80% and 77% respectively through our forecast period through 2026. Over the past four years, the occupancy rate in Catena's portfolio has averaged 96%. As of 31 Mar. 2024, it stood at 95.6%. We believe vacancies could keep rising in 2024 as small tenants continue to face difficulties. However, we do not expect the occupancy rate to fall substantially below 95%.

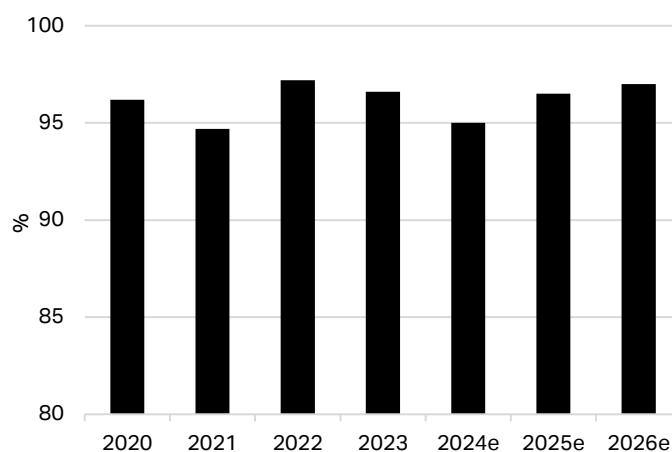
Operating efficiency 'a+'

Figure 9. Revenues, net operating income, EBITDA, and margins, 2020–2026e



Source: NCR and company. e–estimate.

Figure 10. Occupancy rate, 2020–2026e



Source: NCR and company. e–estimate.

FINANCIAL RISK ASSESSMENT

Financial risk assessment 'bbb'

Our financial risk assessment reflects Catena's recently strengthened credit metrics and reduced financial risk appetite. Over SEK 7bn in equity injections in the past four years, have enabled the company to maintain high growth and moderate financial leverage. We expect Catena to maintain its present growth strategy, while keeping its financial metrics well within revised policy limits announced last year. Quick project turnaround times and strong cashflows mitigate project risk. Catena has improved its debt maturity profile, largely due to long maturities in the Danish mortgage system.

Credit metrics likely to remain at improved levels

Ratio analysis 'bbb'

Catena's financial position has strengthened in recent years, with net debt/EBITDA falling from 10x at end-2020 to 8x by 31 Mar. 2024, in line with a decision last year to keep the metric below 9x. At the same time, net LTV decreased from 51% to 34%, despite decreases in property valuations due to widened yield requirements. In addition, strong cash generation and prudent interest rate hedging have averted excessively low interest coverage (3.9x at 31 Mar. 2024). We expect the company's financial metrics to weaken slightly by end-2024 despite a recent equity injection in April.

Figure 11. Key base-case assumptions and credit metrics, 2024–2026e

SEKm	2024e	2025e	2026e
Rental growth (%)	14.1	12.1	5.0
EBITDA margin (%)	77.3	77.3	77.3
Average interest rate (%)	3.7	3.7	3.5
Capital spending (SEKm)	3,692	1,800	1,800
Dividend payment (SEKm)	427	457	515
Net debt/EBITDA (x)	7.9	7.6	7.7
EBITDA/net interest (x)	3.7	3.7	4.0
Net LTV (%)	36.3	37.3	38.0
FFO/net debt (%)	9.2	9.6	9.6

Source: company and NCR. e–estimate. All metrics adjusted in line with NCR methodology.

In our base case we expect net debt/EBITDA to remain below 8x and net LTV to range between 36-38% through 2026. This expectation is likely to depend on the pace and volume of additional projects and acquisitions. Our assumptions include continued investment outlays, and we believe recent equity injections indicate a high likelihood that significant additional growth will be supported by further injections. Relatively short project turnaround times and high yield requirements imply that project capital spending translates quickly into rental revenue. Portfolio yields have widened in recent years and we expect only small downward adjustments in property valuations over the remainder of 2024. We assume no positive valuation changes in current or new properties.

Figure 12. NCR-adj. investment properties, net debt, and net LTV, 2020–2026e

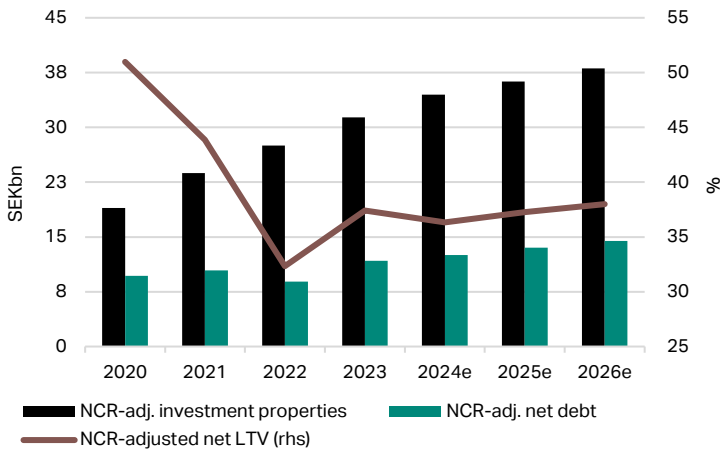
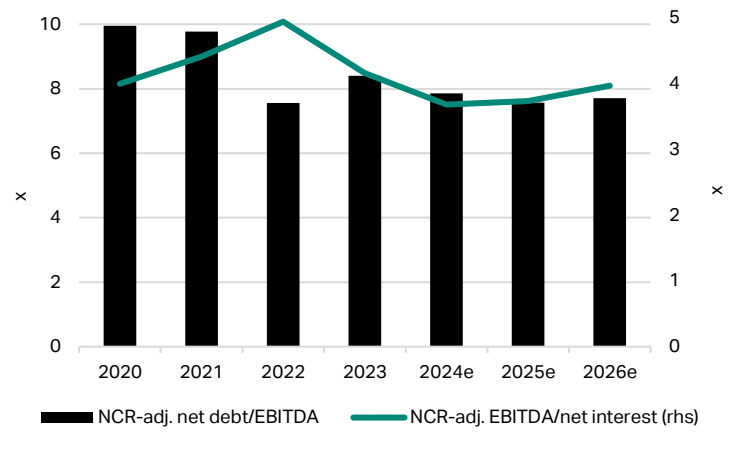


Figure 13. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2026e



Source: NCR and company, e-estimate.

Source: NCR and company, e-estimate.

Ownership support and targets reflect reduction in risk appetite

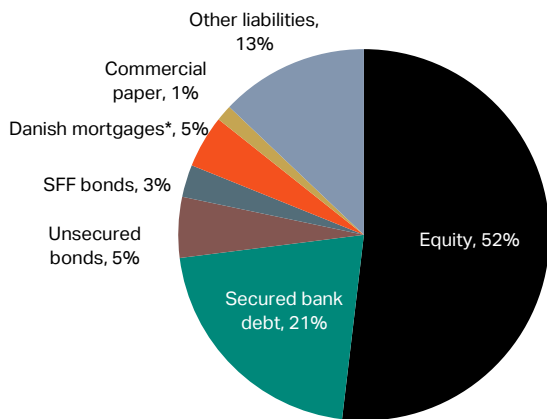
Risk appetite 'bbb'

We view Catena's financial risk appetite as commensurate with our assessment of the company's financial ratios, despite significant debt maturity concentrations in the next 12-24 months. Financial risk appetite has been reined in since the change of ownership and two equity injections in 2022. In addition, the company set a revised financial target limiting leverage in early 2023 and received another equity injection in April 2024. While we expect Catena to grow at an accelerated pace, we believe the company's owners have shown that they are willing to provide support to ensure such growth is consistent with a moderate financial risk profile.

Catena's debt maturity profile has improved in recent years, with an average debt maturity of 3.6 years, compared with 2.2 years at end-2020. However, this metric is boosted by long maturities in the Danish mortgage system (Realkredit), which accounted for 13% of total gross debt as of 31 Mar. 2024, even though Danish properties account for only 10% of total property values. These loans can only be used to finance Danish properties and consequently have a minor impact on refinancing risk in the wider portfolio. Excluding these loans, we estimate Catena's average debt maturity at 2.4 years as of 31 Mar. 2024, or 2.5 years including a recently issued four-year senior unsecured bond.

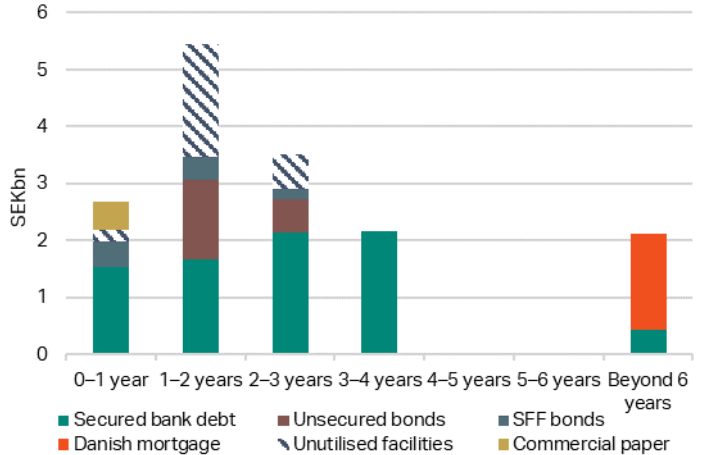
As of 31 Mar. 2024, Catena's average fixed-interest period was 2.9 years, while the average interest on the company's loans was 3.8%. A history of prudent interest rate hedging has protected against the full effect of recent interest rate increases, and we believe that a combination of lower market rates and narrower spreads in the company's secured and unsecured funding will enable a stable average interest rate. Catena's bank debt is sourced from diverse counterparties given the company's size. In our view, this reduces refinancing risk.

Figure 14. Funding profile, 31 Mar. 2024



Source: company. *Realkredit. SFF-Svensk Fastighetsfinansiering AB.

Figure 15. Debt maturity profile, 31 Mar. 2024



Source: company.

Catena's interest-bearing debt is governed by financial covenants and targets (see Figure 16). Historically, the company has maintained adequate 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. Financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2024
Equity ratio	≥25%	≥40%	53%
Net LTV	n.a.	≤50%	34.1%
Gross LTV*	≤60–75%	n.a.	-
Interest coverage ratio	≥1.5–2.0x	≥2.0x	3.6
Average debt maturity	n.a.	>2.5 years	3.6
Net debt/EBITDA**	n.a.	<9x	7.3

Source: company. *property/collateral. **last 12 months.

Adjustment factors

Adjustment factors are assessed as neutral and have no effect on the rating.

Liquidity

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 typically expect a company with an investment grade rating ('BBB-' or above) to cover its liquidity needs, with limited need for external funding over the coming 12 months.

We assess Catena's liquidity position as adequate on the basis of net sources/uses of SEK 1.8 billion for the 12 months to 31 Mar. 2025. This includes SEK 700m from a new bond issue in May 2024. We include only a portion of the company's annual dividend for 2023 (paid in May 2024), but note that the liquidity surplus is sufficient to cover the remaining portion of the dividend, with an equal amount scheduled to be paid later in the year.

Figure 17. Liquidity analysis (stressed scenario) 31 Mar. 2024–31 Mar. 2025

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	2,039
Proceeds from borrowings (bond issued in May 2024)	700
Adjusted FFO	861
Unutilised credit facilities	2,600
Total sources	6,820
Repayment of borrowings	-2,483
Committed capital spending	-1,612
Dividends paid (includes portion of dividend paid in May 2024)	-233
Total uses	-4,359
Sources/uses (x)	1.4
Sources-uses (SEKm)	1,841

Source: company and NCR.

Adjustment factors
neutral

Liquidity adequate

ESG factors adequate

Environmental, social and governance factors

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. 2024, 44% of Catena's lettable area had obtained environmental certification from environmental certification agency BREEAM ("Very Good" or higher). This puts it on track to achieve 100% certification by 2023. While financial markets are increasingly looking to energy efficiency metrics that enable property companies to meet EU environmental standards, we view certification as a pragmatic way to increase the attractiveness of properties and enable more cost-efficient property management. As of 31 Mar. 2024, 54% of Catena's financing was classified as green, and consisted of secured and unsecured green bonds and bank financing.

In 2021, Catena 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. At end-2023, the company's average green area factor stood at 0.38, while 40% of its total area occupied had been mapped by ecologists. Biodiversity is a focus of increasing scrutiny, and we believe Catena's efforts to reduce its impact could improve its position in negotiations with municipalities. It could also increase the attractiveness of properties for tenants, both as a risk mitigator against physical climate risk and because of improved aesthetics and employee wellbeing.

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.

Figure 18. ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes. Loss of tenants due to incompatibility with their climate targets.	Drive to increase energy efficiency and reduce CO ₂ emissions.	Measuring and reporting scope 1–3 emissions. Tightened CO ₂ budget allowance for projects in 2023. Acquisition of Bockasjö AB in 2023 enables more centralised control over project management, including emissions.
Impact of climate change on operations	Loss of revenues or increased capital spending.	Evaluation of impact on properties and adaptation.	Conducted additional assessment of physical risk in 2021. Biodiversity efforts reduce physical risk.
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 trending down since 2018. 56% of turnover, 74% of capital spending and 42% of costs compatible with EU taxonomy. 95% fossil-free energy use in 2023. Targets approved by SBTi.

Source: company. See [ESG factors in corporate ratings](#). SBTi-Science Based Targets initiative.

OWNERSHIP ANALYSIS

Ownership neutral

Catena's ordinary shares have been listed on the main market of the Nasdaq Stockholm exchange since 2006. The largest owner is Erik Paulsson (through Backahill Inter) with 20.4% of the capital and votes. Other significant owners include WDP, equity and pension funds, and Catena board chairman Gustaf Hermelin. Following a private placement in April 2022, WDP became the second-largest owner, later increasing its holding to 10% 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 19. Ownership structure, 31 Mar. 2024

Owner	Share of capital/votes (%)
Backahill Inter (Erik Paulsson)	20.4
WDP	10.0
Länsförsäkringar Funds	5.2
PGGM Pensioenfonds	4.3
Swedbank Robur Funds	3.8
SEB Funds	3.0
Vanguard	2.6
BlackRock	2.0
Gustaf Hermelin	1.9
Columbia Threadneedle	1.8
Top 10 owners	55.0

Source: company.

ISSUE RATINGS

We do not assign issue ratings to Catena's outstanding debt. In line with our methodology, we consider a property manager's secured gross LTV as an indicator of risk of loss to unsecured debtholders. At 31 Mar. 2024, Catena's secured gross LTV was 32.4%, and we expect the company to maintain this ratio below our threshold of 40%, thereby supporting recovery prospects for unsecured debtholders.

SHORT-TERM RATING

The 'N3' short-term rating reflects Catena's liquidity profile relative to the 'BBB' long-term issuer rating.

METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 14 Feb. 2024.
- (iii) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.

RELEVANT RESEARCH

- (i) [NCR Comments: Catena AB 'BBB-' rating and outlook unchanged following equity issue](#), 14 Apr. 2024
- (ii) [Real-estate quarterly snapshot \(Q4 2023\): Strong performance despite highest Swedish corporate defaults](#), 11 Mar. 2024.
- (iii) [Swedish real estate sector adapts to tougher financing climate](#), 18 Jan. 2024.
- (iv) [Real estate quarterly snapshot \(Q3 2023\) - is it a sigh of relief?](#), 28 Nov. 2023.
- (v) [The Swedish real estate sector– waiting for sunshine after the rain](#), 27 Sep. 2023.
- (vi) [Decoding Swedish real estate in an uncertain market environment](#), 29 Aug. 2023

Figure 20. NCR's adjustments to credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	970	1,065	1,176	1,397	1,594	1,787	1,877
NCR-adj. EBITDA	970	1,065	1,176	1,397	1,594	1,787	1,877
Net interest	-233	-232	-214	-328	-425	-471	-465
Financial costs from leasing	-10	-10	-10	-8	-8	-8	-8
Foreign exchange income reported as interest	0	0	-14	0	0	0	0
NCR-adj. net interest	-243	-241	-238	-336	-433	-479	-473
NCR-adj. EBITDA	970	1,065	1,176	1,397	1,594	1,787	1,877
NCR-adj. net interest	-243	-241	-238	-336	-433	-479	-473
Current tax	-39	-27	-16	-54	-13	-15	-16
NCR-adj. FFO	689	797	922	1,007	1,148	1,293	1,388
Investment property	18,612	23,400	27,219	30,872	33,947	35,747	37,547
Assets classified as held for sale	0	0	0	227	247	247	247
Non-current right-of-use assets	335	335	275	275	278	278	278
NCR-adj. investment property	18,947	23,735	27,494	31,374	34,472	36,272	38,072
Cash and cash equivalents	411	993	2,167	430	917	729	589
NCR-adj. cash and equivalents	411	993	2,167	430	917	729	589
Gross interest-bearing debt	9,735	11,068	10,782	11,892	13,161	13,971	14,781
Leasing liabilities	335	335	275	275	278	278	278
NCR-adj. cash and equivalents	-411	-993	-2,167	-430	-917	-729	-589
NCR-adj. net debt	9,658	10,410	8,890	11,737	12,522	13,520	14,469

Source: company and NCR. e—estimate.

Figure 21. Catena key financial data, 2020–Q1 2024

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Mar. 2024
INCOME STATEMENT					
Rental income	1,264	1,387	1,544	1,808	1,855
Other income	4	6	–	–	–
Total costs from operations	-262	-292	-324	-361	-374
Net operating income	1,006	1,101	1,220	1,447	1,481
Administrative expenses	-35	-37	-44	-50	-50
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	970	1,065	1,176	1,397	1,431
Share of profit in associated companies and joint ventures	-4	-3	–	39	38
Interest expenses	-235	-236	-247	-363	-394
Interest income	2	4	33	35	38
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-10	-10	-10	-8	-8
Other financial costs	-5	–	–	–	–
Changes in investment property	1,167	2,340	765	524	1,034
Gain (loss) on financial assets held at fair value	38	203	626	-296	-138
Disposals of investment properties	–	–	100	–	–
Gain (loss) on derivatives	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	1,924	3,367	2,445	1,335	2,008
Current taxes	-39	-27	-16	-54	–
Deferred taxes	-358	-648	-433	-295	-459
Net profit	1,527	2,692	1,996	986	1,549
BALANCE SHEET					
Investment property	18,612	23,400	27,219	30,872	32,550
Other non-current assets	1,086	1,159	1,467	1,560	1,671
Total non-current assets	19,699	24,559	28,686	32,432	34,221
Cash and cash equivalents	411	993	2,167	430	2,039
Other current assets	289	312	353	637	756
Total current assets	700	1,305	2,520	1,067	2,795
Total assets	20,399	25,864	31,206	33,499	37,016
Total equity	7,590	11,255	16,697	17,391	19,630
Non-current borrowings	6,090	9,346	7,806	9,238	11,030
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	1,884	2,499	2,796	3,091	3,113
Other non-current liabilities	679	474	273	306	309
Total non-current liabilities	8,654	12,319	10,875	12,635	14,452
Total current liabilities	4,154	2,291	3,634	3,473	2,934
Total equity and liabilities	20,399	25,864	31,206	33,499	37,016
CASH FLOW STATEMENT					
Pre-tax profit	1,924	3,367	2,445	1,335	2,008
... of which changes in investment property	1,167	2,340	765	524	1,034
Depreciation and amortisation	–	–	–	–	–
Tax paid	-14	-20	-45	-39	-40
Adjustment for items not in cash flow	-1,197	-2,542	-1,512	-267	-931
Cash flow from operating activities before changes in working capital	713	805	888	1,029	1,037
Changes in working capital	32	6	353	33	-103
Cash flow from operating activities	744	811	1,241	1,062	934
Cash flow from investment activities	-1,001	-1,596	-1,953	-2,706	-2,743
Cash flow from financing activities	537	1,366	1,870	-92	2,705
Cash and cash equivalents at beginning of period	131	411	993	2,167	1,154
Cash flow for period	280	582	1,174	-1,737	883
Cash and cash equivalents at end of period	411	993	2,167	430	2,039

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

Figure 22. Catena rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bbb-
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		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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