Platzer Fastigheter Holding AB (publ)

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Negative

SHORT-TERM RATING

N4

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Sweden-based commercial property manager Platzer Fastigheter Holding AB (publ) reflects the company's strong market position in Greater Gothenburg, one of the country's fastest-growing regions. It also reflects Platzer's clear focus on offices and logistics/industrial property, mainly in prime locations, as well as its relatively modest financial gearing. We take a positive view of Platzer's green credentials; the company's ordinary shares have been certified as green, 75% of its properties have obtained environmental certification, 66% of its loans qualify as green loans, and 64% of its lettable area is leased under green leases.

These strengths are offset by Platzer's relatively high tenant concentrations and ambitious project development pipeline, which has some speculative elements. We view the company's relatively weak cash flow and short debt maturity profile, with significant maturities concentrated in single years, as negative factors in our assessment of financial risk.

NEGATIVE OUTLOOK

The outlook is negative, reflecting our expectation that Platzer's financial metrics will remain under pressure due to elevated financing costs and the planned SEK 1.8bn acquisition of an extensive property project in Mölndal municipality (the MIMO project). In our base-case forecast, we have included projected divestments of SEK 600m annually through 2026, as we believe that Platzer has a long-term commitment to its financial policy levels (net loan-to-value [LTV] not exceeding 50%). However, we are uncertain about the timing and value of any transactions and see a distinct possibility that the company's financial metrics could weaken by more than we currently project due to lack of mitigating action. However, we believe that Platzer will continue focusing on commercial property in the Greater Gothenburg area and remain selective about new projects.

DRIVERS FOR A STABLE OUTLOOK

- Stable credit metrics, with net LTV below 50% and EBITDA/net interest above 2.5 over a protracted period.
- Efforts and commitment to deleverage.

POTENTIAL NEGATIVE RATING DRIVERS

- Worsening credit metrics, with net LTV above 50% and EBITDA/net interest below 2.5x over a protracted period.
- Deteriorating market fundamentals, adversely affecting occupancy and/or profitability.
- Increased exposure to and risk taking in development projects.

Figure 1. Key credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
Rental income	1,142	1,201	1,229	1,453	1,754	1,983	1,994
EBITDA	814	865	881	1,073	1,263	1,428	1,436
EBITDA margin (%)	71.3	72.0	71.7	73.8	72.0	72.0	72.0
Investment property	22,605	26,061	27,024	28,280	30,061	30,115	30,315
Net debt	10,740	12,608	11,645	13,825	15,195	14,782	14,453
Total assets	23,286	26,957	29,465	29,773	31,743	31,835	31,990
Net debt/EBITDA (x)	13.2	14.6	13.2	12.9	12.0	10.4	10.1
EBITDA/net interest (x)	4.1	4.1	3.6	2.2	2.0	2.3	2.5
Net LTV (%)	47.5	48.4	43.1	48.9	50.5	49.1	47.7
FFO/net debt (%)	5.6	4.9	5.0	4.0	4.0	5.2	5.8

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

ISSUER PROFILE

Platzer is a Sweden-based commercial property management company, which owns, manages, and develops office and industrial/logistics property in Gothenburg. As of 31 Mar. 2024, the portfolio comprised 83 properties totalling 912,000 sqm and valued at SEK 28.4bn, making the company one of the largest managers of office property and industrial/logistics properties in Gothenburg (according to property data provider Datscha AB). In its current form, Platzer was founded in 2008, when it acquired 44 properties from Ernström & Co, Länsförsäkringar Gothenburg and Bohuslän, and Brinova Fastigheter AB (publ). The former two remain the company's largest shareholders, while Brinova (controlled by businessman Erik Paulsson) sold its shareholdings in 2017. Platzer's shares have been listed on the main market of the Nasdaq Stockholm exchange since 2013.

BUSINESS RISK ASSESSMENT

Business risk assessment 'bbb-'

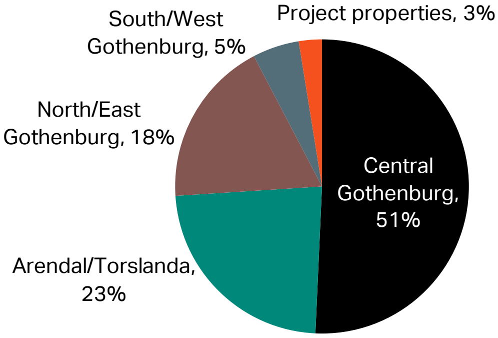
Our business risk assessment reflects Platzer's strong market position in Greater Gothenburg, one of Sweden's fastest growing regions. It also takes account of the company's clear focus on offices and logistics/industrial property, mainly in prime locations. Moreover, our assessment reflects relatively high tenant concentrations, as well as an ambitious project development pipeline with some speculative elements.

Operating environment supported by Greater Gothenburg's strong fundamentals

Operating environment 'bbb-'

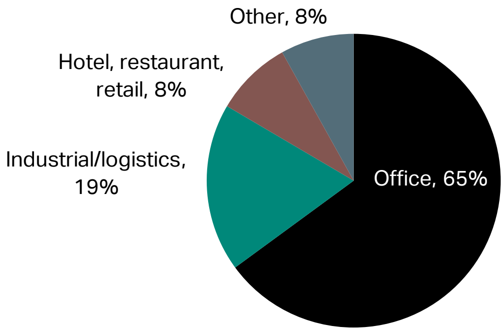
Platzer's property portfolio is primarily focused on office premises, which generate most of the company's rental value. In addition, 23% of rental value comes from industrial/logistics property in Arendal and Torslanda, to the west of Gothenburg. We expect the company to continue to focus on and grow within these two property segments, especially through project development.

Figure 2. Rental value by area, 31 Mar. 2024



Source: company.

Figure 3. Rental value by property type, 31 Mar. 2024



Source: company.

With 100% of Platzer's rental value coming from Greater Gothenburg, the company is effectively exposed to one of the largest and fastest-growing regions in the Nordic countries. Gothenburg municipality, which accounts for nearly all of Platzer's rental value, has more than 600,000 inhabitants, while the population of Greater Gothenburg, which includes 12 additional municipalities, exceeds 1 million. Between 2023 and 2045, the population of Gothenburg municipality is projected to grow by 8.5%, compared with the national average of 6.7%. As of 31 Dec. 2023, unemployment stood at 7%, slightly higher than the national average of 6.4%.

Vacancies have been increasing in office properties in large Swedish cities, but the office rental market in Gothenburg has remained strong and vacancies have decreased, despite tougher economic conditions. Underlying demand for offices is still strong and we expect steady performances by most of Platzer's properties given their mostly central locations.

The logistics property subsector has benefited substantially from increasing e-commerce in recent years. This trend was accelerated by the COVID-19 pandemic; Swedish e-commerce volumes grew by 40% in 2020 and this increase continued in 2021 according to Postnord AB. In 2022 and 2023, absolute e-commerce volumes declined, largely due to a decrease in household consumption and tighter corporate budgets. However, we believe that e-commerce's share of total consumption will increase in the long term and this should support demand for logistics properties. We view the Greater

Gothenburg area's consistent ranking as one of Sweden's leading logistics locations as a favourable rating factor for Platzer.

In general, we expect the performance of the industrial property subsector to show a close correlation with the wider Swedish economy. However, we note that the development of Platzer's industrial properties is primarily dependent on progress at sites in Torslanda and consequently the fortunes of truck, bus and construction equipment manufacturer AB Volvo, which has a strong presence in the area, and whose subsidiaries and close affiliates account for 5% of Platzer's rental revenue (see Figure 5).

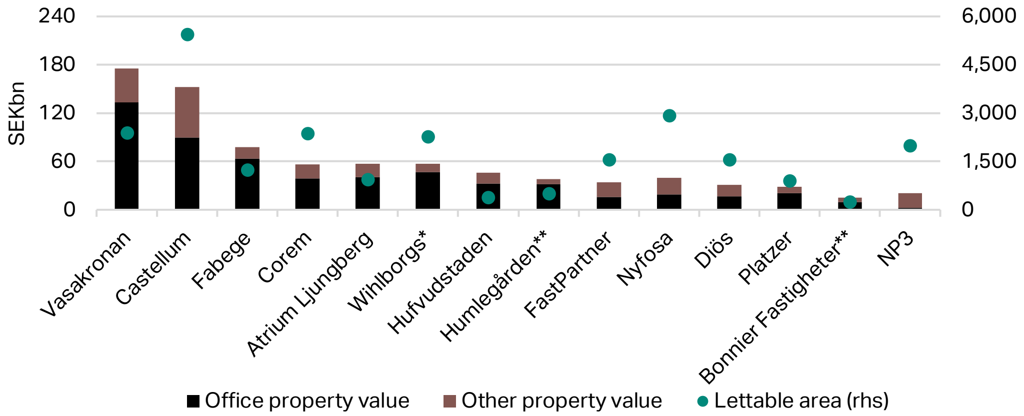
Strong market position but relatively high tenant concentrations

Market position, size and diversification 'bbb-'

As of 31 Mar. 2024, Platzer's portfolio comprised 83 properties totalling 912,000 sqm, making it one of the largest managers of office property and industrial/logistics properties in Gothenburg. The company's clear geographic focus combined with its mid-sized portfolio has created a strong market position in its operating region, but also a lack of geographic diversity. We believe that Platzer's large urban development projects will bolster the company's position in its target market.

Platzer's property portfolio is of moderate size by domestic standards. Competition in the Gothenburg property market is fierce, and liquidity is generally satisfactory. Most of the company's office properties are in the city centre, but outside the central business district.

Figure 4. Peer group breakdown by property value and lettable area, 31 Mar. 2024



Source: companies. Where office property values are not available, we base our figures on the respective proportion of rental value or lettable area within each property type. *The Wihlborgs data include retail, due to a lack of precise breakdown. **As of 31 Dec. 2023.

Although Platzer's portfolio is moderate in size, some of the properties are comparatively large; the largest single property generates 11% of rental value. Because of the size of the larger properties, the company's revenue streams are relatively concentrated. As of 31 Mar. 2024, Platzer's 10 largest tenants accounted for 33% of rental income. Although we view these concentrations as relatively high, we acknowledge that most large tenants are highly creditworthy, while about 14% of rental income comes from public-sector tenants, which reduces vacancy risk.

Figure 5. Tenant concentration, 31 Mar. 2024

Tenant	Type of tenant	Share of rental income
Sveafjord AB	Manufacturing (subsidiary of AB Volvo)	5%
Hotellet i Höghuset AB (ESS Group)	Hotel	5%
Västra Götaland county	Public	4%
Swedish Migration Agency	Public	4%
Göteborgs Stad	Public	3%
DFDS Logistics Contracts AB	Logistics	3%
The University of Gothenburg	Public	3%
Mölnlycke Health Care AB	Life Science	2%
NTEX AB	Logistics	2%
Nordea Bank Abp	Bank	2%
Top 10 tenants	**-**	**33%**

Source: company.

Focused portfolio in prime locations; ambitious project pipeline

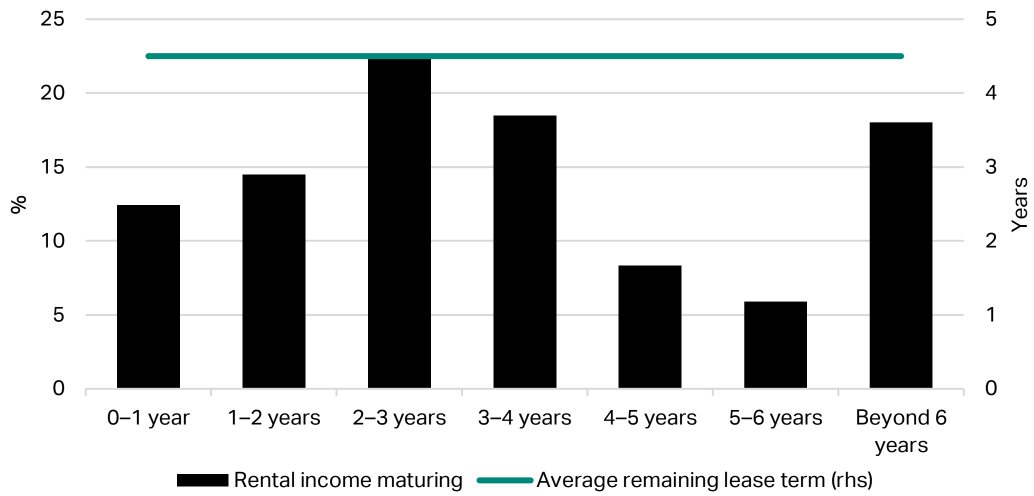
Portfolio assessment 'bbb-'

Of Platzer's 83 properties, 19 are project properties (including long-term projects on which construction has not yet begun), which generate only limited rental income. In addition, the company owns five properties through joint ventures (JVs). Platzer's properties are typically located in prime locations. We view the locations of the company's central Gothenburg properties, which generate roughly 50% of rental value, as especially attractive. We also view the locations of Platzer's logistics properties as attractive, given Greater Gothenburg's position as one of Sweden's leading logistics locations.

As sustainability is of increasing importance for many tenants, we view Platzer's established and clear focus on environmental certification of properties as positive for the portfolio's competitiveness. As of 31 Mar. 2024, 75% of properties had obtained environmental certification, partly as a result of efforts to upgrade aging properties rather than focusing solely on new construction.

As of 31 Mar. 2024, the average remaining lease term in Platzer's portfolio was 4.5 years. Rental maturities are well spread, although some years have more than 20% of rental income maturing.

Figure 6. Lease maturity profile, 31 Mar. 2024



Source: company.

Platzer currently has five large projects under development and we expect all of them to be finalised by end-2024. One of the projects is being developed through a JV, effectively reducing Platzer's investment commitment. Some of the development projects have speculative characteristics; construction of in-house projects can start with only 50% pre-letting in place, while construction through a JV with Bockasjö AB/Catena AB can start with even less. Platzer limits project risk by aiming to undertake only one speculative project at a time.

In addition, Platzer is undertaking several major urban development projects, namely Södra Änggården, Almedal and Gamlestadens Fabriker. The company will develop the related commercial buildings itself with a view to managing them in future, while residential building rights will be sold to other property developers, resulting in cash inflows over the next few years. We expect Platzer to remain cautious and selective about capital spending on new projects.

Figure 7. Large projects in progress, 31 Mar. 2024

Project	Property type	Occupancy rate	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Gullbergsvass 1:1	Office	70%	15,294	1,137	1,254	Q2 2024
Låssby 3:142	Logistics	56%	22,000	279	300	Q2 2024
Syrhåla 2:3	Logistics	100%	13,700	162	210	Q2 2024
Högsbo 55:13	School	100%	8,964	402	468	Q3 2024
Sörred 8:16*	Logistics	100%	14,850	224	273	Q3 2024
Total	**-**	**-**	**74,808**	**2,269**	**2,695**	**-**

Source: company. All figures include 100% of JVs. *JV with Bockasjö AB/Catena AB.

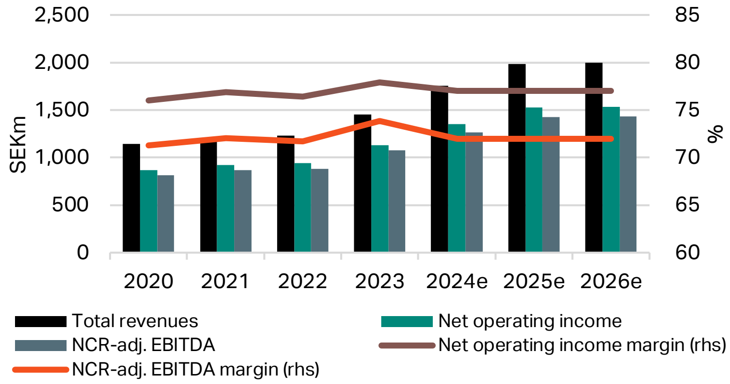
Earnings stable, but occupancy below historical levels

Operating efficiency 'bbb+'

Over the past few years, Platzer's net operating income margin has averaged around 77%, while the company's EBITDA margin has averaged around 72%. Despite higher reported operating margins in 2023, we believe that margins will revert to average historical values. In our forecast through 2026, we expect margin levels to remain at around these average values.

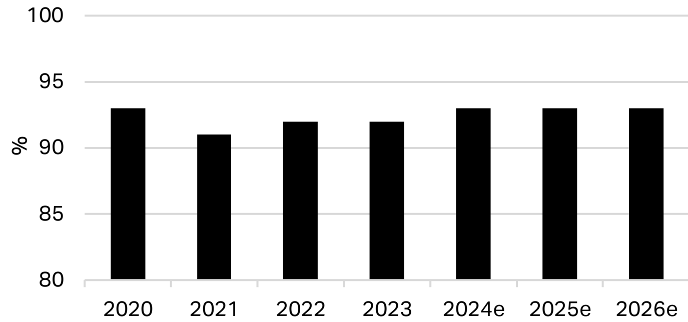
As of 31 Mar. 2024, Platzer's occupancy rate was 93%, slightly higher than the 92% recorded in 2022 and 2023. We believe that continued high occupancy is driven by solid demand for office properties in central Gothenburg and note that the reported occupancy rate is in line with the trend in the overall Gothenburg office property market. Our forecast assumes that occupancy rates will remain at current levels.

Figure 8. Revenues, net operating income, EBITDA, and margins, 2020–2026e



Source: company and NCR. e–estimate.

Figure 9. Occupancy rate, 2020–2026e



Source: company and NCR. e–estimate.

FINANCIAL RISK ASSESSMENT

Financial risk assessment 'bb+'

Our financial risk assessment reflects Platzer's commitment to maintaining a gross LTV ratio of below 50% on a sustained basis. We expect interest coverage to decrease in 2024 before improving towards the end of our forecast period through 2026. We view Platzer's financial risk appetite as commensurate with our assessment of its financial ratios.

Weak cash flow generation offset by moderate gearing

Ratio analysis 'bb+'

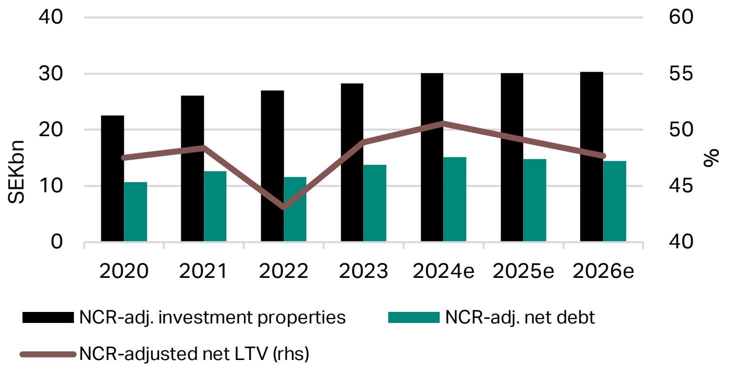
Over the past few years, Platzer's net debt/EBITDA and net interest coverage have been maintained at 13–15x and 2.2–4.1x, respectively. As of 31 Mar. 2024, net LTV stood at 50%, significantly higher than 44.2% a year earlier. We expect Platzer's net LTV to exceed its 50% financial policy level in 2024, mainly because of the planned SEK 1.8bn acquisition of the MIMO project, despite positive cash flows from the sale of Södra Änggården. In our base case, we expect the company to sell properties worth about SEK 600m a year through 2026 partly to finance the MIMO acquisition and reduce its financial leverage. We expect interest coverage to reach a low in 2024, before improving as rental revenues rise due to the finalisation of projects and the MIMO acquisition.

Figure 10. Key base-case forecast assumptions and credit metrics, 2024e–2026e

SEKm	2024e	2025e	2026e
Rental growth (%)	20.7	13.0	0.6
EBITDA margin (%)	72.0	72.0	72.0
Average interest rate (%)	4.2	4.1	3.9
Capital expenditure (SEKm)	726	800	800
Net acquisitions (SEKm)	-1,005	696	600
Dividend payment (SEKm)	240	253	316
Net debt/EBITDA (x)	12.0	10.4	10.1
EBITDA/net interest (x)	2.0	2.3	2.5
Net LTV (%)	50.5	49.1	47.7
FFO/net debt (%)	4.0	5.2	5.8

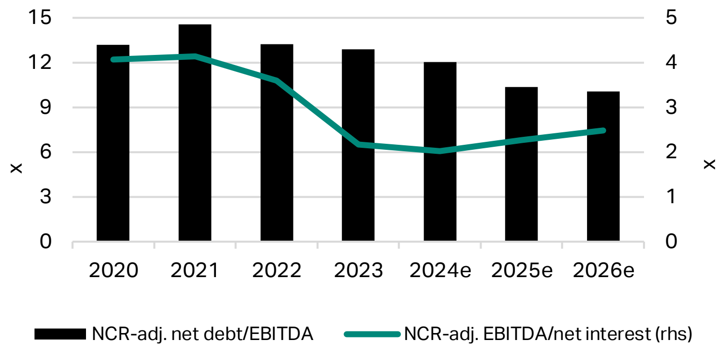
Source: company and NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 11. NCR-adj. investment properties, net debt, and net LTV, 2020–2026e



Source: company and NCR estimates. e–estimate.

Figure 12. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2026e



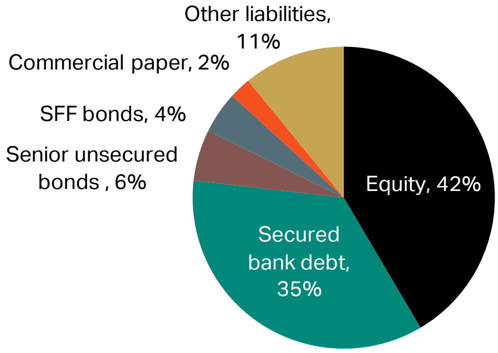
Source: company and NCR estimates. e–estimate.

Relatively short debt maturity profile increases financial risk

Risk appetite 'bb+'

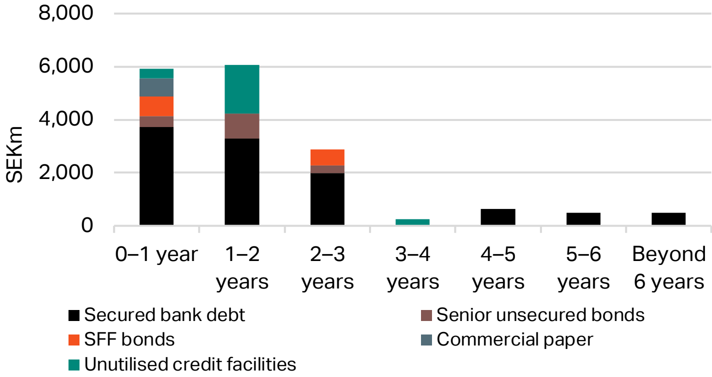
Platzer finances its operations through a mix of common equity, secured bank debt, secured bonds issued via 20%-owned Svensk FastighetsFinansiering (SFF), unsecured bonds issued under its own medium-term note (MTN) programme, and commercial paper. Other liabilities are primarily related to deferred taxes. As of 31 Mar. 2024, the company had SEK 100m in short-term backup facilities and SEK 2.3bn in unutilised credit facilities.

Figure 13. Funding profile, 31 Mar. 2024



Source: company.

Figure 14. Debt maturity profile, 31 Mar. 2024



Source: company.

As of 31 Mar. 2024, Platzer's average debt maturity was 2.1 years, while maturing bank debt within the subsequent 12 months was 26% of total interest-bearing debt, excluding commercial paper. We view the company's debt maturity profile as relatively short, with maturities concentrated in single years having a negative impact on our overall financial risk assessment. As of 31 Mar. 2024, Platzer's average fixed-interest period was 2.8 years, with 50% of interest maturing within 12 months. The average interest rate on the company's loans was 4.1%. All Platzer's properties are valued internally each quarter, while external valuations covering at least 30% of the property portfolio are carried out annually at year-end. We view uncertainty about property values as a weakness, as valuation adjustments can be delayed due to a lack of timely quality assurance from external parties.

Platzer's interest-bearing debt is governed by financial covenants, as well as the company's financial policy. In our view, the company has adequate covenant headroom. Platzer aims to pay dividends amounting to 50% of after-tax profit from property management, excluding value changes in JVs and associated companies. The target is similar to those of several of its peers and the company has historically been compliant.

Figure 15. Financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2024
Equity ratio	≥25%	≥30%	42%
Gross LTV	≤70%	≤50%	50%
Interest coverage ratio	≥1.5x	≥2x	2.1x
Debt maturities in any 12-month period*	-	≤35%	26%
Average interest rate maturity	-	2–5 years	2.8 years

Source: company. *Bank debt, excluding commercial paper.

ADJUSTMENT FACTORS

Adjustment factors neutral

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

Liquidity

Liquidity adequate

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We 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 Platzer's liquidity as adequate, even though its liquidity needs exceed sources in the 12 months ending 31 Mar. 2025. The company recently issued a new green bond of SEK 350m within its MTN programme, which is the first bond issuance since October 2021. We believe that the issuance is a positive indication of continued access to the capital markets. However, the company has obtained around 80% of its financing via bank loans and we view its long-standing banking relationships, together with its access to several funding channels, as sufficient mitigators of near-term liquidity risk.

In our liquidity analysis (see Figure 16), we have included the planned acquisition of the SEK 1.8bn MIMO project, which further increases the need for liquidity. We expect the company to divest some of its properties to finance some of the transaction.

Figure 16. Liquidity analysis (stressed scenario), 31 Mar. 2024–31 Mar. 2025

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	45
Other cash adjustments (to reflect cash position due to public holidays)	190
Proceeds from borrowings	840
Adjusted FFO (75% FFO)	482
Unutilised credit facilities	2,070
Total sources	**3,627**
Repayment of borrowings	-5,565
Committed capital spending	-718
Committed acquisitions	-2,050
Total uses	**-8,333**
Sources/uses (x)	**0.4**
Sources-uses (SEKm)	**-4,706**

Source: company and NCR.

Environmental, social and governance factors

ESG factors adequate

Platzer's environmental, social and governance (ESG) policies support our view of the company's overall business risk and competitive position. The company aims for all of its operations to have a green profile. Platzer's shares have been certified as "green" under the Nasdaq Green Equity Designation, while the company's MTN note programme has been classified as 'medium green' by S&P Global Shades of Green since 2021. As of 31 Mar. 2024, 66% of the company's outstanding debt was classified as green.

As of 31 Mar. 2024, 75% of Platzer's properties had obtained environmental certification. We view certification as a pragmatic way to access green financing, increase the attractiveness of properties, and enable more cost-efficient property management. The company measures and reports Scope 1 and 2 emissions, and has been climate neutral in this respect since 2011 (including offsets). Platzer began measuring Scope 3 emissions in 2022 as part of efforts to achieve net zero emissions under new Science Based Targets initiative goals.

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

Figure 17. 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 of properties.	Energy usage decreased by 9.2% in 2023 compared with 2022. While Scope 1 and 2 CO_2 emissions decreased by 42% and 17%, respectively. Operations climate neutral since 2011 (through offsets, Scope 1 and 2 emissions). In 2021, signed up to SBTi, which covers Scope 3 emissions, the most prevalent type.
Impact of climate change on operations	Loss of revenues or increased capital spending	Environmental certification of properties, evaluation of impact on properties.	As of 31 Mar. 2024, 75% of properties had obtained environmental certification. Gothenburg is expected to experience rising sea water levels, which could have a negative long-term impact.
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower CO_2 dependence	Green profile in all operations, as illustrated by green equity, green financing via SFF and MTN programme, and a large proportion of green loans.	Strong ESG profile, possibly leading to a competitive advantage rather than greater risk. 66% of debt financing classified as green.

Source: company. See ESG factors in corporate ratings.

OWNERSHIP ANALYSIS

Ownership neutral

Platzer's ordinary shares have been listed on the main market of the Nasdaq Stockholm exchange since 2013. Between 2001 and 2008, the company was fully owned by its current largest owner Neudi & Co (formerly Ernström & Co) until Platzer was established in its current form through a property transaction between Ernström & Co, Länsförsäkringar Gothenburg and Bohuslän, and Brinova Fastigheter AB (publ). The former two remain Platzer's largest shareholders. Neudi & Co is an investment company fully owned by the Hielte/Hobohm family, which, in addition, is the company's fourth-largest shareholder. Platzer's most recent equity injection was in 2016, when the acquisition of properties in Western Gothenburg from AB Volvo was partly financed by new equity. We assess Platzer's overall ownership as neutral, although we take a positive view of its largest long-term shareholders and its access to the equity market.

Figure 18. Ownership structure, 31 Mar. 2024

Owner	Share of capital (%)	Share of votes (%)
Neudi & Co (formerly Ernström & Co)	15.0	39.0
LF Gothenburg and Bohuslän	13.7	20.5
LF Skaraborg Förvaltning AB	5.4	14.2
Hielte/Hobohm family	15.1	6.0
LF Funds	7.2	2.9
Handelsbanken Funds	5.5	2.2
State Street Bank and Trust Co	3.8	1.5
SEB Investment Management	3.7	1.5
Fourth AP Fund	3.7	1.5
Lesley Invest (incl. private holdings)	3.4	1.4
Top 10 owners	**76.5**	**90.6**
Other	23.5	9.4

Source: company.

ISSUE RATINGS

As of 31 Mar. 2024, Platzer's gross secured LTV was 42%. Most of the company's interest-bearing debt is secured by mortgage certificates on encumbered properties. We expect gross secured LTV to exceed our threshold of 40% during our forecast period. Consequently, we rate Platzer's senior unsecured bonds 'BB+', one notch below the long-term issuer rating, to reflect their effective subordination.

SHORT-TERM RATING

The 'N4' short-term rating reflects Platzer's liquidity profile relative to the 'BBB-' long-term issuer rating. According to our liquidity analysis, committed sources to uses is 0.4x, which we see as indicative of a weak liquidity profile for the 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) Real-estate quarterly snapshot (Q4 2023): Strong performance despite highest Swedish corporate defaults, 11 Mar. 2024.
(ii) Swedish real estate sector adapts to tougher financing climate, 18 Jan. 2024.
(iii) Real estate quarterly snapshot (Q3 2023) - is it a sigh of relief?, 28 Nov. 2023.
(iv) The Swedish real estate sector– waiting for sunshine after the rain, 27 Sep. 2023.
(v) Decoding Swedish real estate in an uncertain market environment, 29 Aug. 2023

Figure 19. NCR's adjustments to credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	814	865	881	1,073	1,263	1,428	1,436
NCR-adj. EBITDA	814	865	881	1,073	1,263	1,428	1,436
Net interest	-199	-208	-244	-493	-624	-630	-577
Financial costs from leasing	-1	-1	-1	-1	-1	-1	-1
NCR-adj. net interest	-200	-209	-245	-494	-625	-631	-577
NCR-adj. EBITDA	814	865	881	1,073	1,263	1,428	1,436
NCR-adj. net interest	-200	-209	-245	-494	-625	-631	-577
Current tax	-14	-41	-59	-23	-38	-26	-13
NCR-adj. FFO	600	615	577	556	601	771	845
Investment property	21,887	25,239	26,994	28,250	30,031	30,085	30,285
Assets classified as held for sale	688	792					
Non-current right-of-use assets	30	30	30	30	30	30	30
NCR-adj. investment property	22,605	26,061	27,024	28,280	30,061	30,115	30,315
Cash and cash equivalents	148	171	217	167	260	323	353
NCR-adj. cash and equivalents	148	171	217	167	260	323	353
Gross interest-bearing debt	10,662	12,426	11,823	13,952	15,415	15,065	14,765
Long-term leasing liabilities	30	30	30	30	30	30	30
Retirement benefit obligations	8	10	9	10	10	10	10
Liabilities related to assets held for sale	188	313					
NCR-adj. cash and equivalents	-148	-171	-217	-167	-260	-323	-353
NCR-adj. net debt	10,740	12,608	11,645	13,825	15,195	14,782	14,453

Source: company and NCR. e–estimate.

Figure 20. Platzer 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	1,142	1,201	1,229	1,453	1,507
Other income	–	–	–	–	–
Total costs from operations	-274	-278	-290	-321	-328
Net operating income	**868**	**923**	**939**	**1,132**	**1,179**
Administrative expenses	-54	-58	-58	-59	-59
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	814	865	881	1,073	1,120
Share of profit in associated companies and joint ventures	66	103	319	-75	10
Interest expenses	-206	-208	-255	-493	-535
Interest income	7	–	11	–	–
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-1	-1	-1	-1	-1
Other financial costs	–	–	–	–	–
Changes in investment property	1,006	1,240	2,562	-1,277	-1,315
Gain (loss) on financial assets held at fair value	74	-71	-220	–	–
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	-89	180	671	-380	-184
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	**1,671**	**2,108**	**3,968**	**-1,153**	**-905**
Current taxes	-14	-41	-59	-23	–
Deferred taxes	-283	-358	-714	233	166
Net profit	**1,374**	**1,709**	**3,195**	**-943**	**-739**
BALANCE SHEET					
Investment property	21,887	25,239	26,994	28,250	28,415
Other non-current assets	388	556	1,839	981	1,124
Total non-current assets	**22,275**	**25,795**	**28,833**	**29,231**	**29,539**
Cash and cash equivalents	148	171	217	167	45
Other current assets	863	991	415	375	453
Total current assets	**1,011**	**1,162**	**632**	**542**	**498**
Total assets	**23,286**	**26,957**	**29,465**	**29,773**	**30,037**
Total equity	**9,687**	**11,068**	**13,999**	**12,480**	**12,471**
Non-current borrowings	7,028	10,240	7,466	9,988	10,573
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	1,707	2,020	2,503	2,271	2,351
Other non-current liabilities	614	562	270	179	179
Total non-current liabilities	**9,349**	**12,822**	**10,239**	**12,438**	**13,103**
Total current liabilities	**4,250**	**3,067**	**5,227**	**4,855**	**4,463**
Total equity and liabilities	**23,286**	**26,957**	**29,465**	**29,773**	**30,037**
CASH FLOW STATEMENT					
Pre-tax profit	1,671	2,108	3,968	-1,153	-905
... of which changes in investment property	1,006	1,240	2,562	-1,277	-1,315
Depreciation and amortisation	–	–	–	–	–
Tax paid	-30	-107	-72	–	-6
Adjustment for items not in cash flow	-1,056	-1,451	-3,330	1,711	1,470
Cash flow from operating activities before changes in working capital	**585**	**550**	**566**	**558**	**559**
Changes in working capital	-95	136	50	46	-155
Cash flow from operating activities	**490**	**686**	**616**	**604**	**404**
Cash flow from investment activities	**-1,127**	**-2,332**	**1,240**	**-2,488**	**-2,290**
Cash flow from financing activities	**517**	**1,669**	**-1,810**	**1,834**	**1,656**
Cash and cash equivalents at beginning of period	268	148	171	217	275
Cash flow for period	-120	23	46	-50	-230
Cash and cash equivalents at end of period	**148**	**171**	**217**	**167**	**45**

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

Figure 21. Platzer 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%	bbb+
Business risk assessment	50.0%	bbb-
Ratio analysis		bb+
Risk appetite		bb+
Financial risk assessment	50.0%	bb+
Indicative credit assessment		**bbb-**
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		**bbb-**
Support analysis		Neutral
Issuer rating		**BBB-**
Outlook		Negative
Short-term rating		**N4**

Figure 22. Capital structure ratings

Seniority	Rating
Senior unsecured	BB+

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