

## 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 large 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. We expect Axfast to expand by acquiring new high-quality properties, which should reduce concentrations in the portfolio over time. As a result of continued growth, we expect the company's leverage to increase, but believe its overall financial leverage will remain low.

#### 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 40% or interest coverage below 2.2x.
- Deteriorating market fundamentals negatively affecting occupancy and profitability.
- Material increase in development exposure.

Figure 1. Key credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
Rental income	564	572	704	868	1,008	1,089	1,239
EBITDA	383	379	491	618	716	773	880
EBITDA margin (%)	67.9	66.2	69.8	71.2	71.0	71.0	71.0
Investment property	16,187	19,562	20,097	21,732	23,552	24,572	25,592
Net debt	3,315	4,452	4,372	5,962	7,423	8,020	8,525
Total assets*	6,949	8,135	20,498	22,282	23,972	25,027	26,174
Net debt/EBITDA (x)	8.7	11.8	8.9	9.6	10.4	10.4	9.7
EBITDA/net interest (x)	4.5	4.0	4.0	2.6	2.5	2.5	2.7
Net LTV (%)	20.5	22.8	21.8	27.4	31.5	32.6	33.3
FFO/net debt (%)	8.7	6.1	4.9	6.7	5.4	5.3	6.1

Source: company and NCR. 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. 2024, the company's portfolio comprised 21 properties, totalling 204,207 sqm and valued at SEK 20.8bn. In addition, the company acquired two properties in the Stockholm CBD in April 2024 in line with its strategy of achieving a total property value of SEK 30bn by 2030.

Axfast is a part of the Axel Johnson Group and provides commercial properties for some entities within the group. However, nearly 100% of the company's tenants are external.

**BUSINESS RISK ASSESSMENT**

Business risk assessment 'bbb-'

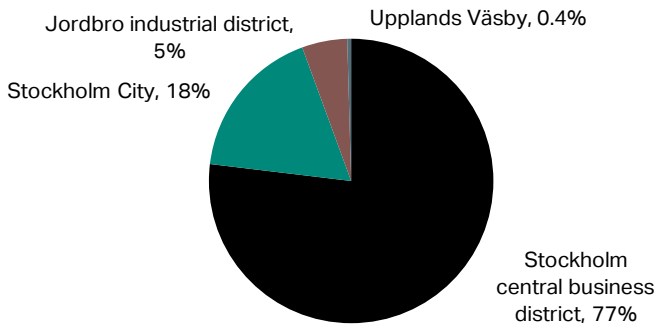
Our business risk assessment reflects the concentration of Axfast's properties in central Stockholm, its cyclical tenant base, and long average lease maturity profile. It also reflects the company's exposure to diverse sectors such as office, retail, hotel and logistics, albeit with significant single-name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

**Cyclical tenants create risk amid uncertain market conditions**

Operating environment 'bbb-'

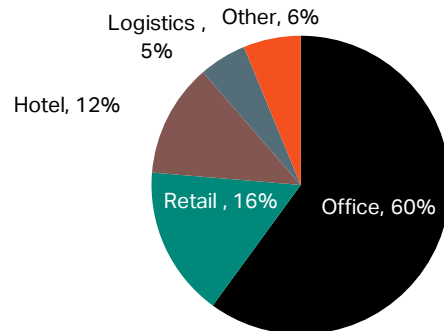
Axfast's property portfolio is geographically concentrated in central Stockholm, particularly in the CBD. The company seeks to manage this geographic exposure by maintaining a balanced mix of tenants across several sectors.

Figure 2. Rental value by location, 4 Jun. 2024



Source: company.

Figure 3. Rental value by property type, 4 Jun. 2024



Source: company.

Over the past two years, the domestic commercial real-estate sector has faced high inflation and interest rates, which have increased overall funding costs and yield requirements. Inflation has returned to pre COVID-19 pandemic levels, and in May this year, the Swedish central bank decreased its key policy rate for the first time in eight years, though the economy remains in recession.

Axfast's property portfolio has so far proven resilient to the ongoing economic slowdown. We project that demand for office space in central locations will remain high, with a possible small decline if corporate tenants opt for hybrid working solutions and reduce the areas they rent. Positively, such an outcome could enable property managers to offer smaller offices spaces to a broader range of businesses at a higher price per square meter. Overall, we expect the stability of the office sector to offset the adverse impact of rising funding costs.

Economic conditions in the hotel industry have recovered since the peak of the pandemic. Axfast's considerable dependence on its largest tenant, Scandic Hotels AB, makes the company more vulnerable to the cyclicity of the hotel industry. Despite currently tough market conditions, the company's major tenant in this sector has recorded strong financial performance so far this year. We expect a moderate recovery in tenants' financial results but do not anticipate significant improvements on vacancy rates or rental revenues.

Despite the ongoing economic slowdown, private consumption of both essential and non-essential goods has increased in recent months, albeit modestly. However, bricks-and-mortar retailers face competition from e-commerce. According to Postnord AB, Swedish e-commerce fell by 2% during 2023, but increased by 1% during the first quarter of 2024. We anticipate growing competition from e-commerce over the long term and note that 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. Rental value by location, 4 Jun. 2024

Municipality	Share of rental value	Population, 2023	Expected population change among 15–64-year-olds, 2023–2045	Unemployment, Dec. 2023
Stockholm	94.4%	988,943	14,5	6.3%
Haninge	5.1%	99,751	13,1	7.1%
Upplands Väsby	0.4%	50,110	10,0	7.7%

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

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

Market position, size and diversification 'b+'

As of 31 Mar. 2024, Axfast's property portfolio was valued at SEK 20.8bn. The portfolio consists of 21 properties totalling 204,207 sqm. The company acquired two properties in the Stockholm CBD in April 2024 in line with its strategy of achieving a total property value of SEK 30bn. Axfast has a relatively minor position in the Nordic real-estate sector. Property companies with a comparable focus on the Stockholm region include Vasakronan, Fabege, Atrium Ljungberg, Hufvudstaden and Humlegården, all of which have considerably larger and more diverse portfolios and materially lower tenant concentrations.

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



Source: companies.

In addition, Axfast has material tenant and sectoral concentrations, with 31% 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 major risk. However, this is offset 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. Tenant concentration, 31 Mar. 2024

Tenant	Type of tenant	Share of rental income
Scandic Hotels AB	Hotels	13%
Hennes och Mauritz (H&M) AB	Retail (office space)	11%
Boston Consulting Group Nordic AB	Professional services	8%
Grant Thornton Sweden AB	Professional services	6%
Deloitte AB	Professional services	6%
National Board of Health and Welfare	Public sector	6%
Elekta Instrument AB	Private health	4%
DLP Drinks Logistics Partner AB	Logistics	3%
Apple AB	Consumer electronics	3%
Advokatfirman Törngren Magnell KB	Professional services	2%
<b>Top 10 tenants</b>	-	<b>62%</b>

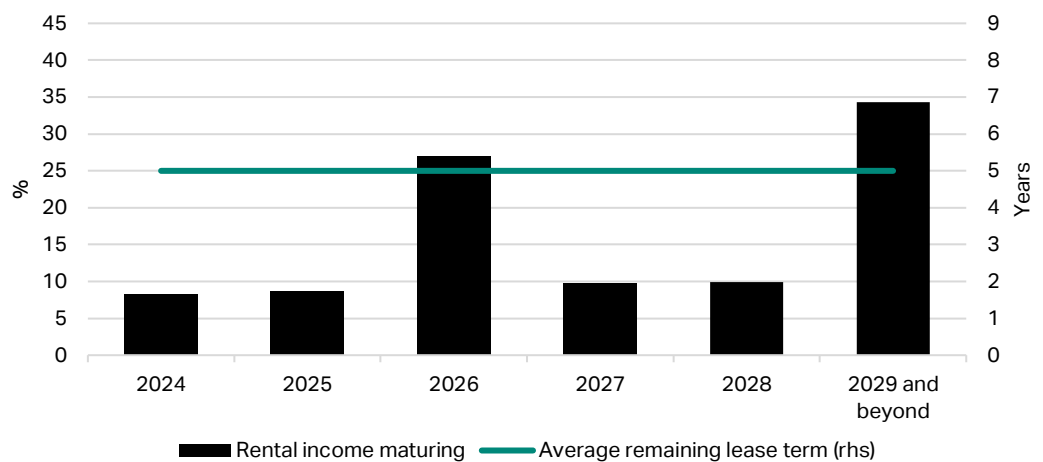
Source: company.

**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. 2024, the average portfolio yield was 4%, which we view as an indication of lower-than-average risk relative to the wider market. As of 31 Mar. 2024, 90% of the property portfolio was environmentally certified. Axfast had a relatively long average remaining lease term of five years as of 4 Jun. 2024, effectively mitigating vacancy risk.

Portfolio assessment 'a'

Figure 7. Lease maturity profile, 4 Jun. 2024



Source: company.

The development portfolio is small, accounting for only 2% of the overall property portfolio. Accordingly, we view development risk as low.

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

Project	Location	Project Type	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Taktäckaren 2	Stockholm City	Reconstruction	17,163	0	176	2025
Boken 6	Stockholm CBD	Development	8,333	4	50	2025
Vinkelhaken 9	Stockholm CBD	Maintenance	1,440	3	30	2024
Jakob Mindre 11	Stockholm CBD	Development	7,611	0	30	2025
Jordbromalm 4:8	Jordbro	Development	14,145	21	23	2024
<b>Total</b>			<b>65,478</b>	<b>28</b>	<b>309</b>	

Source: company.

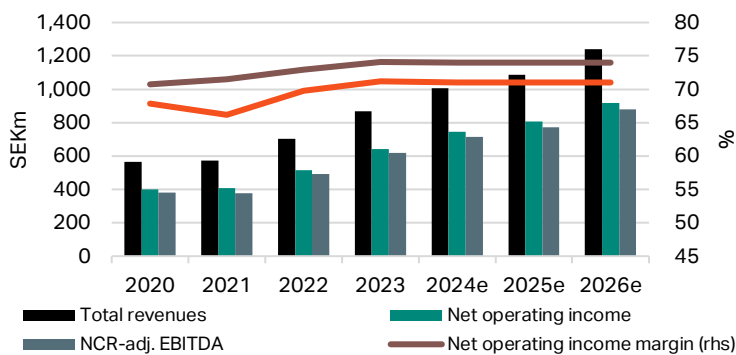
### Improved margins and low vacancy rates

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 we expect this to continue supporting revenues.

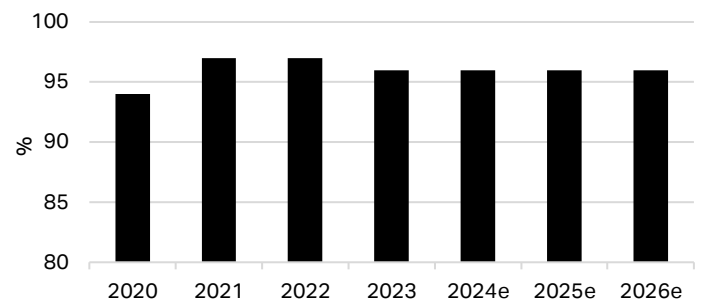
We expect EBITDA margins to remain steady throughout our forecast period (to 2026). The completion of the Jakob Mindre 11 project, and the acquisition of the Vinkelhaken 10 and 18 projects are likely to increase rental income in 2024. Axfast's occupancy rate as of 31 Mar. 2024 was 96.2%, including new contracts commencing during our forecast period. We expect occupancy to decline slightly but to remain above 95% throughout the period.

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



Source: company and NCR. e-estimate.

Figure 10. Occupancy rate, 2020–2026e



Source: company and NCR. e-estimate.

### 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.

### LTV set to increase because of continued growth

Ratio analysis 'bbb+'

Axfast has a strong financial position and low leverage in comparison with its Nordic peers. The company has grown through acquisitions 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 gross LTV below 40% on a sustained basis.

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

SEKm	2024e	2025e	2026e
Rental growth (%)	16.1	8.0	13.8
EBITDA margin (%)	71.0	71.0	71.0
Average interest rate (%)	4.3	4.1	4.0
Capital expenditure (SEKm)	1,820	1,020	1,020
Dividend payment (SEKm)	4	4	4
Net debt/EBITDA (x)	10.4	10.4	9.7
EBITDA/net interest (x)	2.5	2.5	2.7
Net LTV (%)	31.5	32.6	33.3
FFO/net debt (%)	5.4	5.3	6.1

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

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

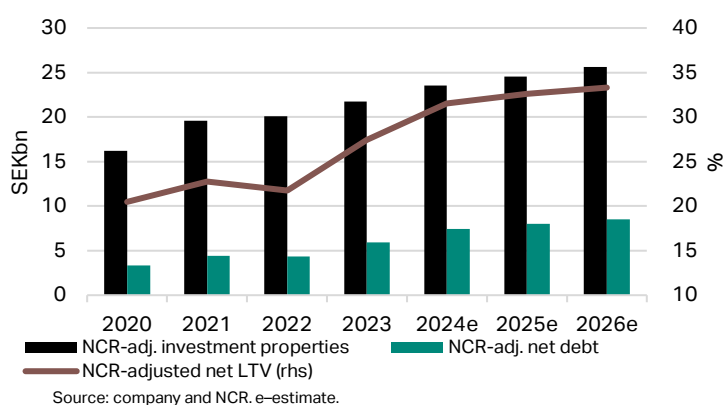
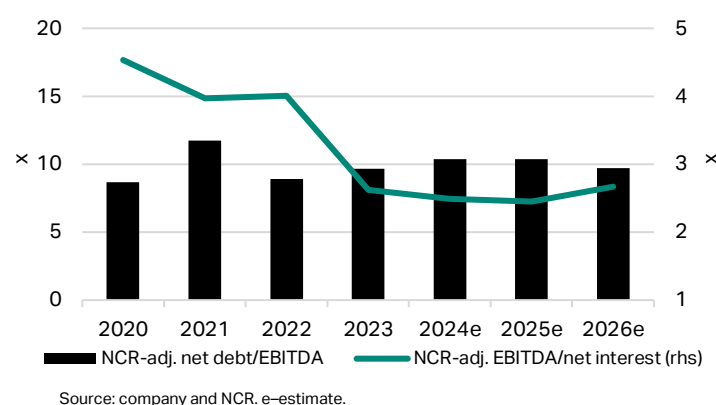


Figure 13. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2026e



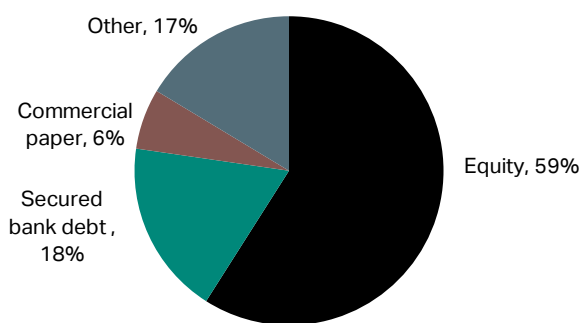
Risk appetite 'bbb+'

**Short debt maturity mitigated by strong ownership**

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. 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.

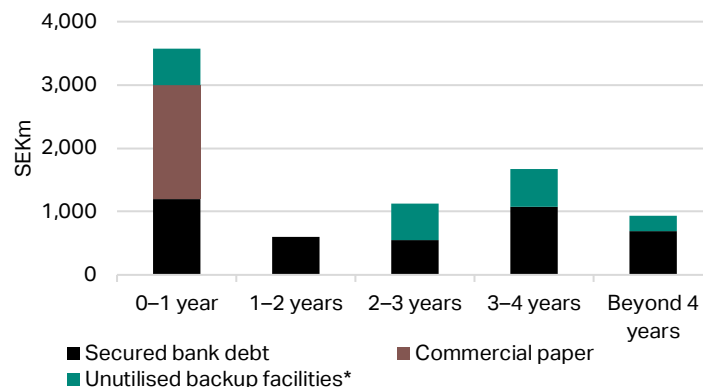
As of 31 Mar. 2024, Axfast had about SEK 5.5bn in outstanding debt, of which SEK 4.1bn was secured bank debt. The company had 1.4bn in commercial paper obligations and SEK 1.4bn in unutilised bank credit facilities. The average debt maturity stood at 2.4 years as of 31 Mar. 2024. We view the company's longstanding relationships with strong domestic banks as supportive of our overall assessment of its financial risk appetite.

Figure 14. Funding profile, 31 Mar. 2024



Source: company.

Figure 15. Debt maturity profile, 19 Jun. 2024



Source: company. \*Related to outstanding commercial paper.

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 currently high interest rates. Fixed rates paid on interest rate swaps extend the company's average interest rate maturity profile to 3.7 years and its average interest rate was 4.3% as of 31 Mar. 2024. Covenants governing Axfast's bank loans are modest. We expect the company to operate with ample covenant headroom over our forecast period. 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. Financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2024
Equity ratio	≥40%	>30%	59%
Gross LTV	≤60%	≤40%	26.6%
Interest coverage ratio	≥2x	2x	2.7x
Average debt maturity (years)*	N.A.	≥1.5	2.4
Debt maturities within a 12-month period**	N.A.	<50%	7.2%
Average interest rate maturity (years)	N.A.	≥1.5	3.7

Source: company. \*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 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 Axfast's liquidity position as adequate thanks to net sources of 1.7 billion for the 12 months ending 31 Mar. 2025. In our view, near-term liquidity risk is mitigated by the company's strong bank relationships. Moreover, we assess equity holders' commitment to Axfast as strong, supporting our view that the 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.

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

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	560
Proceeds from borrowings	1,175
Adjusted FFO	306
Unutilised credit facilities	2,000
<b>Total sources</b>	<b>4,040</b>
Repayment of borrowings	2,097
Committed capital spending	230
<b>Total uses</b>	<b>2,327</b>
<b>Sources/uses (x)</b>	<b>1.7</b>
<b>Sources-uses (SEKm)</b>	<b>1,713</b>

Source: company and NCR.

### Environmental, social and governance factors

ESG factors adequate

Axfast has an environmental and sustainability programme, under which it aims to obtain recognised certification for its properties. Existing properties have been certified by building certification agency BREEAM, according to its in-use criteria. As of 31 Mar. 2024, 90% of the property portfolio had been 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.

Axfast started reporting CO<sub>2</sub> emissions in 2023. The company aims to measure the environmental impact of construction projects on the basis of construction materials rather than costs to achieve a more accurate metric. In addition, Axfast uses sustainable materials in its development projects to reduce its carbon footprint.

**Figure 18. ESG considerations**

Issue	Risk	Mitigating efforts	Result
CO <sub>2</sub> emissions	Increased costs due to regulatory and/or taxation changes	Efforts to increase energy efficiency and reduce CO <sub>2</sub> emissions. Environmental certification of properties.	Reporting of CO <sub>2</sub> emissions via partnerships launched in 2023. 81kg CO <sub>2</sub> /sqm reported for tenant adaptations and 100 kg CO <sub>2</sub> /sqm for projects.
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.	In-use certification of properties. By 31 Mar. 2024, 90% 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 CO <sub>2</sub> dependence	Efforts to increase energy efficiency and reduce CO <sub>2</sub> emissions. Overall sustainability focus throughout business operations.	ESG reporting continues to improve, providing more comprehensive mapping of emissions and enabling more 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 75% 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. 2024, Axfast's gross secured LTV was 19.8%, 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.

## SHORT-TERM RATING

The 'N3' short-term rating reflects the company'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) [Real-estate snapshot \(Q1 2024\): A step towards long-term normalised interest rate levels](#), 23 May 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 19. NCR's adjustments to credit metrics, 2020–2026e**

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	358	356	491	618	716	773	880
Lease adjustments*	25	23	0	0	0	0	0
NCR-adj. EBITDA	383	379	491	618	716	773	880
Net interest	-60	-73	-99	-212	-264	-292	-306
Financial costs from leasing	-25	-23	-24	-24	-24	-24	-24
NCR-adj. net interest	-84	-95	-122	-235	-287	-315	-330
NCR-adj. EBITDA	383	379	491	618	716	773	880
NCR-adj. net interest	-84	-95	-122	-235	-287	-315	-330
Current tax	-11	-14	-156	18	-27	-31	-31
NCR-adj. FFO	288	269	213	401	401	427	519
Investment property	16,187	19,562	19,318	20,767	22,587	23,607	24,627
Non-current right-of-use assets	0	0	779	965	966	966	966
NCR-adj. investment property	16,187	19,562	20,097	21,732	23,552	24,572	25,592
Cash and cash equivalents	253	232	218	417	281	316	444
NCR-adj. cash and equivalents	253	232	218	417	281	316	444
Gross interest-bearing debt	2,814	3,987	3,817	5,420	6,744	7,377	8,009
Lease liabilities	754	698	773	959	960	960	960
NCR-adj. cash and equivalents	-253	-232	-218	-417	-281	-316	-444
NCR-adj. net debt	3,315	4,452	4,372	5,962	7,423	8,020	8,525

Source: company and NCR. e—estimate. \*Swedish Generally Accepted Accounting Principles to IFRS.

**Figure 20. Axfast 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
Accounting standard	Swedish GAAP	Swedish GAAP	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>					
Rental income	564	572	703	868	917
Other income	–	1	1	–	–
Total costs from operations	-190	-186	-190	-225	-236
<b>Net operating income</b>	<b>374</b>	<b>387</b>	<b>514</b>	<b>643</b>	<b>681</b>
Administrative expenses	-16	-31	-22	-25	-25
Administrative expenses, project portfolio	–	–	–	–	–
<b>EBITDA</b>	<b>358</b>	<b>356</b>	<b>491</b>	<b>618</b>	<b>656</b>
Share of profit in associated companies and joint ventures	–	–	–	–	–
Interest expenses	-60	-73	-100	-212	-226
Interest income	0	0	1	–	–
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	–	–	-24	-24	-25
Other financial costs	–	–	–	–	–
Changes in investment property	-0	–	238	-393	-683
Gain (loss) on financial assets held at fair value	–	–	–	–	–
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	-0	175	-134	-48
Depreciation and amortisation	-224	-266	-1	-1	-1
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
<b>Pre-tax profit</b>	<b>75</b>	<b>17</b>	<b>780</b>	<b>-145</b>	<b>-326</b>
Current taxes	-11	-14	-156	18	53
Deferred taxes	–	–	–	–	–
<b>Net profit</b>	<b>64</b>	<b>4</b>	<b>625</b>	<b>-127</b>	<b>-273</b>
<b>BALANCE SHEET</b>					
Investment property	6,436	7,676	19,318	20,767	20,796
Other non-current assets	209	139	887	994	1,020
<b>Total non-current assets</b>	<b>6,645</b>	<b>7,815</b>	<b>20,205</b>	<b>21,761</b>	<b>21,816</b>
Cash and cash equivalents	253	232	218	417	560
Other current assets	51	88	75	104	110
<b>Total current assets</b>	<b>304</b>	<b>320</b>	<b>294</b>	<b>521</b>	<b>670</b>
<b>Total assets</b>	<b>6,949</b>	<b>8,135</b>	<b>20,498</b>	<b>22,282</b>	<b>22,485</b>
<b>Total equity</b>	<b>3,738</b>	<b>3,738</b>	<b>13,263</b>	<b>13,131</b>	<b>13,268</b>
Non-current borrowings	1,686	1,748	1,728	3,803	3,804
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	181	191	2,395	2,344	2,365
Other non-current liabilities	5	5	757	992	954
<b>Total non-current liabilities</b>	<b>1,872</b>	<b>1,944</b>	<b>4,879</b>	<b>7,139</b>	<b>7,124</b>
<b>Total current liabilities</b>	<b>1,339</b>	<b>2,454</b>	<b>2,356</b>	<b>2,011</b>	<b>2,093</b>
<b>Total equity and liabilities</b>	<b>6,949</b>	<b>8,135</b>	<b>20,498</b>	<b>22,282</b>	<b>22,485</b>
<b>CASH FLOW STATEMENT</b>					
Pre-tax profit	75	17	780	-145	-326
... of which changes in investment property	-0	–	238	-393	-683
Depreciation and amortisation	–	–	–	–	–
Tax paid	–	-16	9	-32	-36
Adjustment for items not in cash flow	205	266	-412	528	732
<b>Cash flow from operating activities before changes in working capital</b>	<b>280</b>	<b>267</b>	<b>378</b>	<b>351</b>	<b>370</b>
Changes in working capital	-52	344	-10	81	42
<b>Cash flow from operating activities</b>	<b>228</b>	<b>611</b>	<b>368</b>	<b>432</b>	<b>412</b>
<b>Cash flow from investment activities</b>	<b>-222</b>	<b>-1,266</b>	<b>-218</b>	<b>-1,835</b>	<b>-247</b>
<b>Cash flow from financing activities</b>	<b>65</b>	<b>634</b>	<b>-164</b>	<b>1,601</b>	<b>136</b>
Cash and cash equivalents at beginning of period	182	253	232	218	258
Cash flow for period	71	-21	-14	199	302
<b>Cash and cash equivalents at end of period</b>	<b>253</b>	<b>232</b>	<b>218</b>	<b>417</b>	<b>560</b>

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

**Figure 21. Axfast rating scorecard**

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

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