

NP3 Fastigheter AB (publ)

Full Rating Report

LONG-TERM RATING

BB

OUTLOOK

Stable

SHORT-TERM RATING

N4

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RATING RATIONALE

Our 'BB' long-term issuer rating on Sweden-based commercial property manager NP3 Fastigheter AB (publ) reflects the company's leveraged balance sheet, modest size and focus on properties outside city centre locations. The rating is constrained by below-average liquidity in NP3's main markets and a financial risk appetite that, in our view, is greater than warranted by the company's financial ratios. Specifically, we view NP3's rapid growth and single-year debt maturity concentrations as credit weaknesses.

These weaknesses are offset by the company's high cash flow generating property portfolio and its strong positions in its main markets. We also take a positive view on the company's long lease terms, combined with its highly diverse revenue streams, where the 10 largest tenants account for only 11% of its rental income.

STABLE OUTLOOK

The outlook is stable, reflecting our expectation that NP3's net interest coverage will remain well above 2.2x while the company targets continued growth through acquisitions. We also expect the company to maintain its focus on high cash flow generating commercial properties in northern and central Sweden, supporting cash flow metrics. We anticipate lower leverage compared with historical levels and believe that the company will maintain its net loan to value around 56% despite its growth focus.

POTENTIAL POSITIVE RATING DRIVERS

- Improved credit metrics, with net loan to value (LTV) below 55% and net interest coverage above 3x over a protracted period and continued proactive refinancing and liquidity management.

POTENTIAL NEGATIVE RATING DRIVERS

- Weakened credit metrics, with net interest coverage below 2.2x and net LTV approaching 65% over a protracted period.
- Deteriorating market fundamentals, negatively affecting occupancy and profitability.

Figure 1. Key credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
Rental income	1,091	1,238	1,551	1,797	1,975	2,172	2,293
EBITDA	766	890	1,126	1,295	1,426	1,579	1,666
EBITDA margin (%)*	70.2	71.9	72.6	72.1	72.2	72.7	72.6
Investment property	12,665	17,441	19,923	20,426	22,889	24,489	26,089
Net debt	7,983	10,768	12,720	12,480	12,659	13,726	14,754
Total assets	13,352	18,718	21,854	21,885	23,535	25,168	26,681
Net debt/EBITDA (x)	10.4	12.1	11.3	9.6	8.9	8.7	8.9
EBITDA/net interest (x)	3.0	3.1	2.7	2.0	2.3	2.5	2.5
Net LTV (%)	63.0	61.7	63.8	61.1	55.3	56.1	56.6
FFO/net debt (%)	5.8	5.2	5.2	4.6	5.8	6.5	6.4

Source: company and NCR. e–estimate. FFO–funds from operations. All metrics adjusted in line with NCR methodology. *Includes dividends received from joint ventures and associates.

ISSUER PROFILE

NP3 focuses on commercial properties in northern and central Sweden. As of 30 Sep. 2024, the portfolio comprised 515 properties totalling 2,033,000 sqm valued at SEK 21.1bn. The portfolio is mixed in terms of property type, with the two largest segments, industrial/warehousing and retail, accounting for about three-quarters of rental value. The Bäckvall family has been the company's largest shareholder since its founding in 2010 through a spin-off from real-estate developer Norrlandspojkarna Aktiebolag. NP3's common and preferred shares are listed on the main market of the Nasdaq Stockholm exchange.

BUSINESS RISK ASSESSMENT

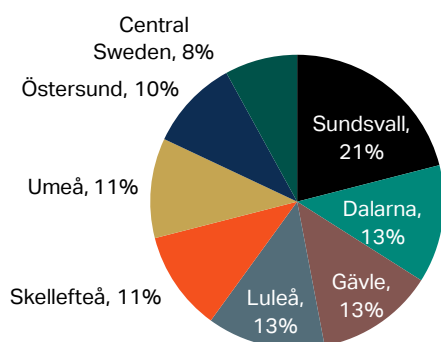
Our business risk assessment reflects NP3's solid position in its main markets, as well as its very diverse revenue streams and long lease terms. It also reflects the below-average liquidity of NP3's main markets, the company's focus on properties situated outside city centre locations, and somewhat weak fundamentals in some of the larger municipalities in which the company operates.

Mixed property types in less liquid northern Sweden market

Operating environment

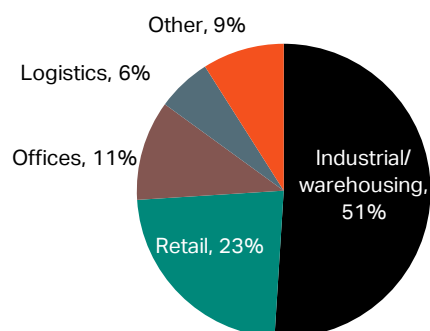
NP3 divides its property portfolio into eight areas in northern and central Sweden, each with separate management organisations. The portfolio is diverse in terms of property type but is mainly focused on industrial/warehousing and retail properties.

Figure 2. Rental value by area, 30 Sep. 2024



Source: company.

Figure 3. Rental value by property type, 30 Sep. 2024



Source: company.

NP3 is present in 44 of Sweden's 290 municipalities. We view the company's diverse municipal exposure as positive. We note, however, that some of the municipalities where it operates have projected weak population growth and/or poor employment prospects, increasing the risk of declining demand for commercial properties (see Figure 4). However, these risks are partly offset, in our opinion, by substantial planned industrial and infrastructure investment in northern Sweden.

Property yields in northern Sweden are high compared with yields in most other areas of the country, supporting cash flows. Although we view this comparatively high cash flow generation as positive, we believe that the higher yields indicate below-average liquidity and relatively low investor numbers in NP3's main markets. This below-average liquidity might hinder the company's prospects for asset disposals, if needed, in times of distress, which constrains our overall assessment of the operating environment.

Figure 4. Rental value from top 10 municipal exposures, 30 Sep. 2024

Municipality	Share of rental value (%)	Population, 2023	Expected population change among 15–64-year-olds, 2024–2045 (%)	Unemployment, Sep. 2024 (%)
Sundsvall	13	99,213	-8.5	5.9
Skellefteå	11	76,542	4.9	3.1
Gävle	11	103,532	-1.9	9.3
Östersund	10	64,881	2.5	4.6
Umeå	8	133,091	8.1	4.0
Falun	6	59,986	-0.1	4.3
Luleå	6	79,352	-2.5	4.2
Borlänge	6	51,735	-7.1	7.9
Örnsköldsvik	3	55,478	-8.5	5.1
Piteå	3	42,344	-6.2	3.7
Total/Sweden average	78	10,551,707	2.4	6.8

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

We consider that the industrial/warehousing property subsector largely depends on the general health of the wider Swedish economy. Although we see this subsector as relatively stable, we believe that a marked downturn in economic activity could take a sizeable toll on NP3's occupancy and profitability.

The retail subsector, which accounts for 23% of NP3's rental value, has been hit by the rise in e-commerce. However, NP3's retail exposure is predominantly related to less affected subsectors such as discount retail, consumer discretionary, and suppliers to industrial and construction companies. Tenants that are more likely to struggle (such as operators of clothing stores, play centres and trampoline parks) contribute only marginally to NP3's revenues.

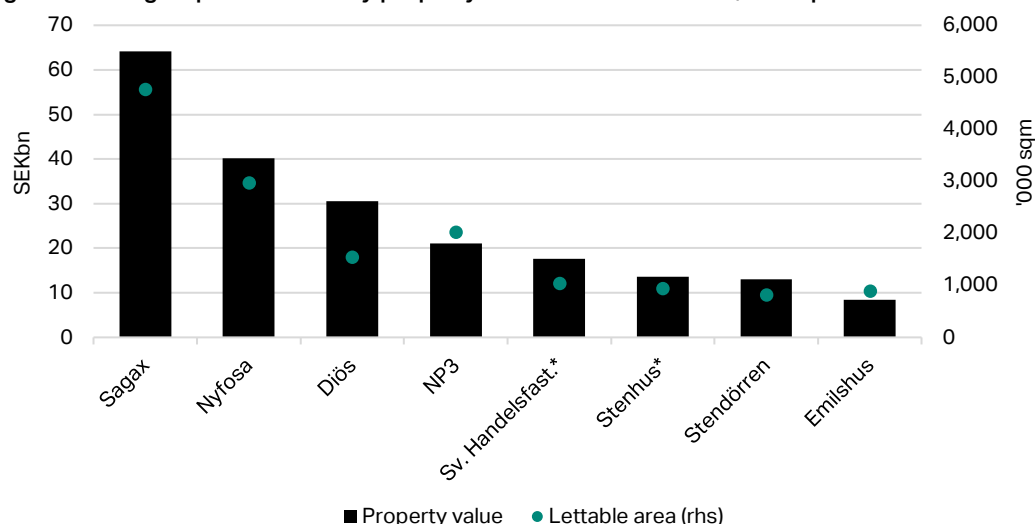
Strong market position and solid tenant diversity, despite limited size

NP3's clear geographic focus on northern Sweden leads to somewhat limited geographic diversity, but also to a strong market presence in target markets. Still, the company's exposure to as many as 44 municipalities in its main operating area, in our view, broadens revenue diversity and reduces risk.

NP3 has few obvious peers with a similar geographic focus. One relevant peer is Diös Fastigheter AB (publ). However, NP3's portfolio is skewed towards industrial and retail premises outside city centres, while Diös tends to focus on office premises in central locations. The scarcity of obvious peers with a similar geographic focus demonstrates that many property owners favour markets other than NP3's target market. We consider that NP3 consequently has a solid market position despite its limited size. We view NP3's close relationships with banks and its satisfactory capital market access, under normal circumstances, as a competitive advantage over local property managers.

Market position, size and diversification

Figure 5. Peer group breakdown by property value and lettable area, 30 Sep. 2024



Source: companies. *as of 30 Jun. 2024.

Despite NP3's modest portfolio size, the company's revenue streams are quite diverse, with the 10 largest tenants accounting for only 11% of rental income (see Figure 6). The company's single largest property generates about 2.5% of rental income, while the 10 largest properties account for only 12% of rental income, further illustrating revenue diversity.

Figure 6. Tenant concentration, 30 Sep. 2024

Tenant	Type of tenant	Share of rental income
PostNord	Logistics	-
Dagab Inköp & Logistik AB	Groceries	-
Ahlberg-Dollarstore AB	Retail	-
Plantagen Sverige AB	Retail	-
Assemblin EI AB	Construction and engineering	-
Swedol AB	Retail	-
Granngården AB	Retail	-
Fortifikationsverket	Government	-
LEAX Falun AB	Manufacturing	-
Polismyndigheten	Government	-
Top 10 tenants	-	11%

Source: company.

Long contracts at properties outside city centres

Portfolio assessment

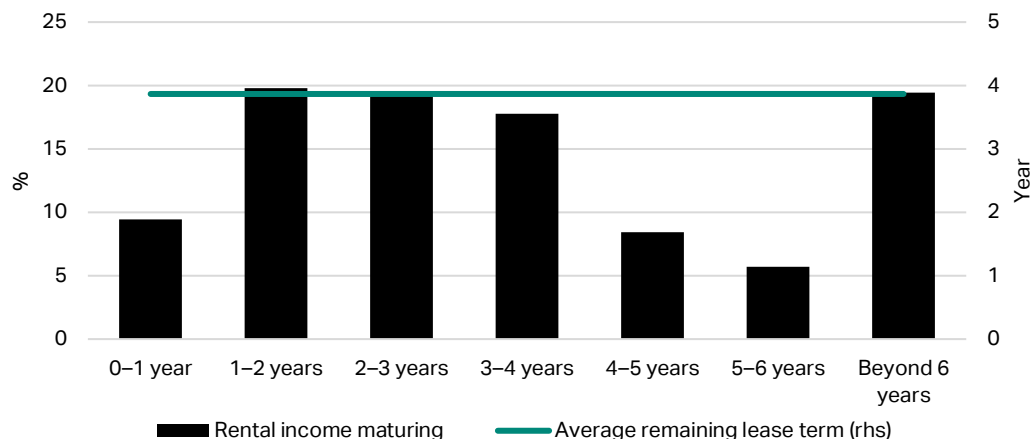
NP3's property portfolio consisted of 515 properties as of 30 Sep. 2024. The portfolio contains a mix of property types, with industrial/warehousing, retail and office premises accounting for 85% of rental value. Properties are typically located outside city centres but often near transport routes, transit hubs or industrial areas. Under its stated strategy, NP3 targets properties that are not in tier 1 locations, resulting in a reported average yield of 7.1%, which is higher than that of most of peers (typically between 5.5% and 6%). NP3's higher yield reflects both the higher-risk assets in its portfolio and lower liquidity in the company's main markets. Consequently, the company enjoys stronger cash flows than most peers.

In our view, NP3's focus on properties located outside city centres means that alternative usage of some of the properties could be limited. However, the low degree of specialisation in the portfolio

means that it would be relatively easy to adapt the properties for new tenants. We would view limited alternative usage as an area of possible concern if vacancy rates were to rise.

As of 30 Sep. 2024, the average lease term in NP3's portfolio was 3.9 years, unchanged from a year ago. Among the 10 largest tenants, representing 11% of rental income, the figure was 4.7 years. The maturity structure is well spread, with maturities in no single year exceeding 20% of total rental value.

Figure 7. Lease maturity profile, 30 Sep. 2024



Source: company.

As of 30 Sep. 2024, NP3 had a total of SEK 307m in budgeted remaining investments in ongoing projects (investments exceeding SEK 30m). Most projects are comparatively small, while seven involve total budgeted investments exceeding SEK 30m. The risks associated with NP3's projects are generally low, as projects are typically tenant-driven adaptations and non-speculative. Furthermore, construction is often contracted on turnkey contracts, reducing construction risk.

Figure 8. Major projects with investments exceeding SEK 30m, 30 Sep. 2024

Project	Location	Occupancy rate	Lettable area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Högom 3:179	Sundsvall	100%	1,930	23	32	Q4 2024
Ingarvsmon 4	Falun	100%	3,100	33	45	Q4 2024
Transistorn 6	Skellefteå	80%	1,750	11	39	Q1 2025
Banvaktan 1	Borlänge	100%	2,140	8	33	Q1 2025
Öjebyn 3:497	Piteå	100%	2,990	22	35	Q2 2025
Skogsvaktaren 3	Östersund	100%	4,780	16	140	Q4 2025
Merkurius 5	Skellefteå	96%	4,100	1	88	Q4 2026
Total	-	-	20,790	114	412	-

Source: company.

In addition to its in-house property portfolio, NP3 has property exposure through associated companies and joint ventures (JVs). The company has a 50/50 JV in Fastighetsaktiebolaget Ess-Sierra, owned together with AB Sagax (publ). This JV owns properties with Beijer Byggmaterial AB as the sole tenant. In July 2024, NP3 entered a new JV through 49% ownership in With You Sweden AB, a company that owns 10 properties in primarily industrial segments valued at SEK 420m.

In September 2024, the company announced plans to acquire all shares in Frösö Park Fastighets AB (Frösö Park) for an agreed property value of SEK 755m and 29.6% of the existing associated company Cibola Holding AB (Cibola) for a corresponding total underlying property value of SEK 620m. Through the Frösö Park acquisition, the Swedish Fortifications Agency will become NP3's largest single tenant with 1.8% of the annual rental value. Through the additional shares acquired in Cibola, NP3 will after

the transaction own a 61.2% stake in Cibola and consolidate it into group accounts. These transactions were completed in November 2024 through a combination of equity and debt financing.

Local management presence and strong margins support operating efficiency

Operating efficiency

NP3 views local management representation in its established markets as essential in its business model. Regional management organisations manage the company's properties using in-house personnel, while all technical maintenance is outsourced to local partners.

The occupancy rate of NP3's portfolio was 93% as of 30 Sep. 2024, broadly in line with rates of peers. We expect the occupancy rate to remain around this level during our forecast period through 2026.

About 70% of NP3's rental contracts are either triple net or contracts under which the company is compensated for incurred costs. The high proportion of triple-net leases bolsters NP3's EBITDA margin, which averaged about 65% in 2016–2019 but increased to 70–73% in 2020 and thereafter. In our forecast period, we assume an EBITDA margin (excluding dividends received from JVs and associated companies) of around 71%.

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

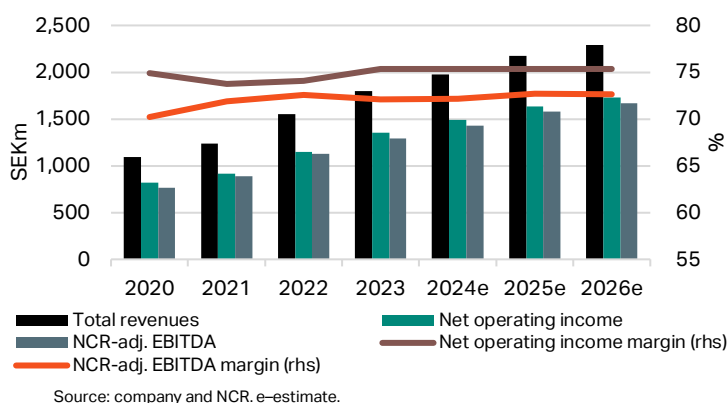
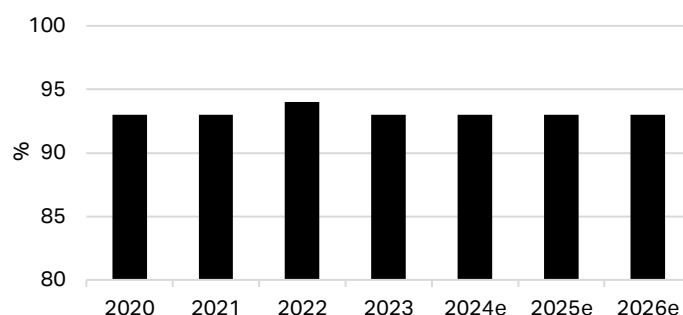


Figure 10. Occupancy rate, 2020–2026e



FINANCIAL RISK ASSESSMENT

Our financial risk assessment reflects NP3's high financial gearing along with support from the high cash flow generation of the company's portfolio. We treat the company's preferred shares as 50% equity/50% debt in our ratio analysis. We assess NP3's risk appetite as somewhat greater than warranted by our ratio analysis, due to the company's rapid growth and front-loaded debt maturity profile with concentrations in single years.

Strong cash flow generation supports financial risk profile

Ratio analysis

Over the past few years, NP3 has maintained net debt/EBITDA and net interest coverage at 10–12x and 2.0–3.1x, respectively. At the same time, net LTV has remained at 61–64% and stood at 54% as of 30 Sep. 2024. We expect NP3's net interest coverage ratios to improve towards 2.5x over our forecast period as projects are finalised and pressure on interest rates recedes. NP3 has a large proportion of inflation-linked rental contracts and comparatively high cash flows that enable organic deleveraging over time.

In calculating NP3's credit metrics, our classification of the company's preferred shares as 50% debt leads us to treat 50% of preferred dividends as interest costs. This treatment incorporates an option to defer payment of preferred dividends with an obligation to pay a 10% penalty interest rate on the deferred amount. We view the 10% interest penalty as sufficiently high to be considered a deterrent to deferral.

Our yearly EBITDA adjustment includes our expectations of dividend pay-outs from the company's JVs and associates.

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

SEKm	2024e	2025e	2026e
Rental growth (%)	9.9	10.0	5.6
EBITDA margin (%)*	72.2	72.7	72.6
Average interest rate (%)	4.9	4.6	4.6
Net acquisitions and capital expenditures (SEKm)	1,714	1,600	1,600
Dividend payment (SEKm)	206	376	376
Net debt/EBITDA (x)	8.9	8.7	8.9
EBITDA/net interest (x)	2.3	2.5	2.5
Net LTV (%)	55.3	56.1	56.6
FFO/net debt (%)	5.8	6.5	6.4

Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology. *Includes dividends received from joint ventures and associates.

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

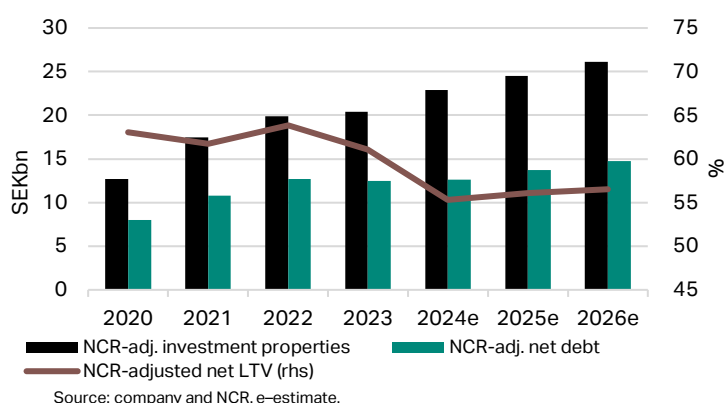
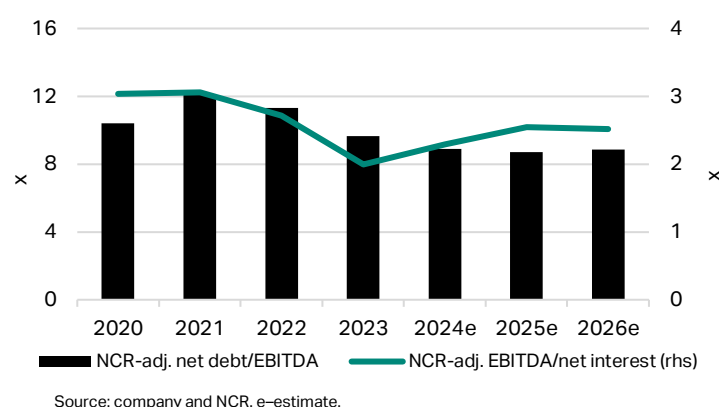


Figure 13. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2026e



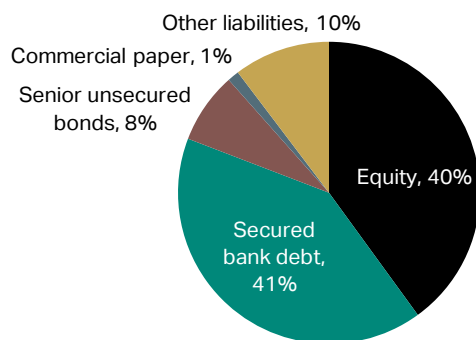
Rapid growth and concentrated debt maturities increase financial risk

Risk appetite

NP3 has a history of brisk growth, having roughly doubled the value of its property portfolio over the past five years. We expect the company to pursue its acquisitive strategy to achieve a targeted recurring annual increase of 12% in profit from property management and a return on equity of more than 15% a year on a rolling five-year basis. Despite its ambitious growth plans, the company aims to pay out 50% of after-tax profit from property management as dividends, limiting prospects of deleveraging the balance sheet.

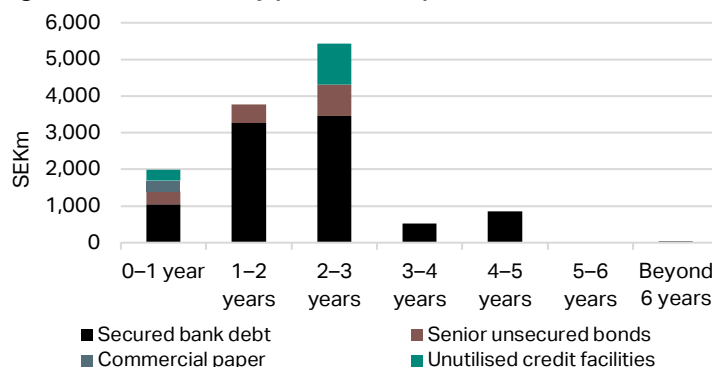
NP3 finances its operations through a mix of common equity, preferred shares, commercial paper, secured bank debt and senior unsecured bonds. The company is a recurring issuer of senior unsecured bonds and historically has been proactive in refinancing bonds prior to maturity, even in tough market conditions. In our view, this is an adequate strategy to limit refinancing risk. The company issued new senior unsecured green bonds in September 2024 and made an early redemption of its existing bonds maturing in September 2025.

Figure 14. Funding profile, 30 Sep. 2024



Source: company.

Figure 15. Debt maturity profile, 30 Sep. 2024



Source: company.

NP3's interest-bearing debt is governed by financial covenants and the company's financial policy (see Figure 16). The company has adhered to policy levels and financial covenants historically. NP3's financial policy stipulates that the company's average debt maturity should be at least two years, with a maximum 40% of debt that can mature within the ensuing 12 months on a rolling basis. As of 30 Sep. 2024, the average debt maturity was 2.1 years, while debt maturities over the subsequent 12 months amounted to 15% of total debt. We view the company's relatively high proportion of near-term debt maturities with concentrations of maturities in single years as a credit weakness. NP3 hedges interest risk through interest rate swaps. As of 30 Sep. 2024, the average interest fixing in the loan portfolio was 2.6 years, with 47% of interest rate maturities in the subsequent 12 months.

Figure 16. Financial covenants, policies and reported metrics

Metric	Bond covenants	Financial policy/targets	Reported 30 Sep. 2024
Net LTV	≤70%	55–65%	49.4%
Interest coverage ratio	≥1.8x	≥2.0x	2.3x

Source: company.

ADJUSTMENT FACTORS

Adjustment factors

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

Liquidity

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 must rely on internal or committed external funding sources to cover its liquidity needs.

We assess NP3's liquidity position as adequate, supported by net funding sources exceeding net uses by SEK 498m for the 12 months ending 30 Sep. 2025. We believe the company's long-standing banking relationships and access to several funding channels mitigate liquidity risk.

Our calculation of adjusted FFO incorporates 50% of dividends paid on preferred shares. We include the remaining 50% of the preferred share dividends in uses of funding.

Figure 17. Liquidity analysis (stressed scenario) 30 Sep. 2024–30 Sep. 2025

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	287
Proceeds from borrowings	656
Adjusted FFO	644
Unutilised credit facilities	1,125
Total sources	2,712

Repayment of borrowings	1,684
Committed capital spending	460
Ordinary share dividends	29
50% of preferred share dividends not included in adjusted FFO	41
Total uses	2,214
Sources/uses (x)	1.2
Sources-uses (SEKm)	498

Source: company and NCR.

Environmental, social and governance factors

ESG factors

NP3's environmental, social and governance (ESG) reporting follows Global Reporting Initiative Standards. The company identifies, measures and reports ESG indicators such as CO₂ emissions and energy usage. It has adopted seven of the UN's Sustainable Development Goals and is currently switching its electricity supply to 100% hydro power. To reduce energy usage, the company often signs leases under which the tenant pays for electricity, incentivising tenants to reduce electricity consumption.

Since 2020, NP3 has issued green bonds that carry a second-party opinion of Medium Green from Shades of Green, an external reviewer in the global green bond framework. The company has a focus to improve energy efficiency related to its properties. NP3's main region of operation is experiencing significant growth in climate transition investments, and we expect increased demand for properties with green credentials in the coming years.

Figure 18. ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes	NP3 measures and reports Scope 1, Scope 2 and Scope 3 CO ₂ emissions and has set out quantitative targets for the reduction of CO ₂ emissions and energy usage.	By 2023, cumulative energy usage had decreased by 17% compared with 2017 levels, and NP3 targets a 20% decrease in energy usage by 2025. The company aims to reduce Scope 1 and 2 CO ₂ emissions by 42% by 2030 compared with 2022 figures. The company also aims to reduce Scope 3 CO ₂ emissions by 25% by 2030.
Impact of climate change on operations	Loss of revenues or increased capital spending	Climate risk analysis has been performed. Environmental certification of properties.	As of 31 Dec. 2023, NP3 had 11 environmentally certified properties. The company focuses on energy efficiency.
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower CO ₂ dependence	The company has ESG reporting and is measuring ESG issues.	The company started to report energy usage in 2018, CO ₂ emissions in 2019. The reporting has been according to GRI since 2020.

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

OWNERSHIP ANALYSIS

Ownership

NP3's common and preferred shares have been publicly listed since 2014 and 2018, respectively. The Bäckvall family, through Bäckarvet Holding AB and Inga Albertina Holding AB, is the company's largest owner, with 16% of the capital and 23% of the votes. The second-largest owner, AB Sagax (publ)

(through Satrap Kapitalförvaltning AB), is a Sweden-based commercial property manager focusing on warehousing and light industrial properties. At present, we see no major concerns or conflicts of interest arising from the close ties between NP3 and Sagax.

Since its founding in 2010, NP3 has completed several issues of common and preferred shares, the most recent being a directed issue of ordinary shares in September 2024. We take a favourable view of NP3's history of successful share issuance and access to the equity market, which enhances the company's ability to strengthen its balance sheet if needed.

Figure 19. Ownership structure, 31 Dec. 2023

Owner	Share of capital (%)	Share of votes (%)
AB Sagax (Satrap Kapitalförvaltning AB)	15.4	20.0
Bäckarvet Holding AB	8.0	11.4
Inga Albertina Holding AB	8.0	11.4
Länsförsäkringar Fondförvaltning AB	4.5	6.8
Fjärde AP-fonden	4.2	3.3
PPB Holding AB	4.2	0.6
Försäkringsaktiebolaget Avanza Pension	3.3	1.5
Lannebo Fonder	3.2	4.8
Danske Invest	3.1	2.3
SEB Fonder	2.0	3.0
Top 10 owners	55.9	65.1
Other	44.1	34.9

Source: company.

ISSUE RATINGS

We do not rate NP3's outstanding debt issues. In line with our methodology, we typically expect a higher loss in the event of default for senior unsecured instruments when a high proportion of debt is secured. The company's gross secured LTV stood at 43% as of 30 Sep. 2024, and we expect this metric to remain above 40% on a lasting basis. Around 82% of the company's interest-bearing debt was secured on the same date, reducing recovery prospects for senior unsecured bondholders.

SHORT-TERM RATING

The 'N4' short-term rating reflects NP3's liquidity profile relative to the 'BB' 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) [Swedish real estate: Likely interest rate cuts allow for cautious optimism](#), 24 Sep. 2024.
- (ii) [Swedish real estate snapshot \(Q2 2024\): Interest rate cuts likely to continue](#), 5 Sep. 2024.
- (iii) [Real-estate snapshot \(Q1 2024\): A step towards long-term normalised interest rate levels](#), 23 May 2024.
- (iv) [Real-estate quarterly snapshot \(Q4 2023\): Strong performance despite highest Swedish corporate defaults](#), 11 Mar. 2024.
- (v) [Swedish real estate sector adapts to tougher financing climate](#), 18 Jan. 2024.

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

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	764	856	1,081	1,280	1,407	1,547	1,634
Dividends from JVs and associates	2	34	45	15	19	32	32
NCR-adj. EBITDA	766	890	1,126	1,295	1,426	1,579	1,666
Net interest	-223	-251	-373	-607	-579	-574	-616
Financial costs from leasing	-2	-3	-3	-4	-4	-4	-4
Dividends on preferred shares (50% debt treatment)	-27	-34	-38	-38	-38	-42	-42
Other net interest adjustment		-3					
NCR-adj. net interest	-252	-291	-414	-649	-621	-620	-662
NCR-adj. EBITDA	766	890	1,126	1,295	1,426	1,579	1,666
NCR-adj. net interest	-252	-291	-414	-649	-621	-620	-662
Current tax	-49	-44	-55	-68	-65	-60	-65
NCR-adj. FFO	465	555	657	578	740	899	939
Investment property	12,582	17,335	19,805	20,276	22,744	24,344	25,944
Non-current right-of-use assets	83	106	118	150	145	145	145
NCR-adj. investment property	12,665	17,441	19,923	20,426	22,889	24,489	26,089
Cash and cash equivalents	104	269	204	183	165	218	151
NCR-adj. cash and equivalents	104	269	204	183	165	218	151
Gross interest-bearing debt	7,585	10,361	12,236	11,943	12,049	13,169	14,129
Preferred shares (50% debt treatment)	419	570	570	570	630	630	630
Long-term leasing liabilities	83	106	118	150	145	145	145
NCR-adj. cash and equivalents	-104	-269	-204	-183	-165	-218	-151
NCR-adj. net debt	7,983	10,768	12,720	12,480	12,659	13,726	14,754

Source: company and NCR. e–estimate.

Figure 21. NP3 key financial data, 2020–Q3 2024

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	30 Sep. 2024
INCOME STATEMENT					
Rental income	1,091	1,238	1,551	1,797	1,933
Other income	–	–	–	–	–
Total costs from operations	-274	-325	-402	-443	-481
Net operating income	817	913	1,149	1,354	1,452
Administrative expenses	-53	-57	-68	-74	-78
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	764	856	1,081	1,280	1,374
Share of profit in associated companies and joint ventures	60	158	151	-20	-1
Interest expenses	-224	-261	-382	-613	-621
Interest income	1	10	9	6	10
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-2	-3	-3	-4	–
Other financial costs	–	–	–	–	–
Changes in investment property	263	1,642	341	-372	236
Gain (loss) on financial assets held at fair value	-38	64	378	-279	-411
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	824	2,466	1,575	-2	587
Current taxes	-49	-44	-55	-68	-78
Deferred taxes	-115	-400	-276	9	-101
Net profit	660	2,022	1,244	-61	408
BALANCE SHEET					
Investment property	12,582	17,335	19,805	20,276	21,127
Other non-current assets	573	988	1,690	715	735
Total non-current assets	13,156	18,323	21,495	20,991	21,862
Cash and cash equivalents	104	269	204	183	287
Other current assets	93	126	155	711	329
Total current assets	197	395	359	894	616
Total assets	13,352	18,718	21,854	21,885	22,478
Total equity	4,637	6,743	7,663	7,849	8,990
Non-current borrowings	7,404	9,285	11,641	10,319	9,244
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	568	969	1,248	1,240	1,329
Other non-current liabilities	156	115	118	150	273
Total non-current liabilities	8,128	10,369	13,007	11,709	10,846
Total current liabilities	587	1,606	1,184	2,327	2,642
Total equity and liabilities	13,352	18,718	21,854	21,885	22,478
CASH FLOW STATEMENT					
Pre-tax profit	824	2,466	1,575	-2	587
... of which changes in investment property	263	1,642	341	-372	236
Depreciation and amortisation	–	–	–	–	–
Tax paid	-37	-33	-65	-50	-49
Adjustment for items not in cash flow	-289	-1,838	-839	669	175
Cash flow from operating activities before changes in working capital	498	595	671	617	713
Changes in working capital	47	-23	52	-54	138
Cash flow from operating activities	545	572	723	563	851
Cash flow from investment activities	-1,159	-3,242	-2,348	-632	-575
Cash flow from financing activities	526	2,835	1,561	48	-181
Cash and cash equivalents at beginning of period	192	104	269	204	190
Cash flow for period	-88	165	-64	-21	95
Cash and cash equivalents at end of period	104	269	204	183	287

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

Figure 22. NP3 rating scorecard

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

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