

# Stendörren 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 property manager Stendörren Fastigheter AB (publ) reflects the company's high financial leverage and aging property portfolio with modest single-name tenant and property concentrations. It also reflects the owners' growth ambitions and Stendörren's significant project pipeline, which point to continued high project development risk over the next few years.

These weaknesses are partly offset by Stendörren's diverse tenant base, and improved occupancy rates and operating margins. The company's properties are mostly located in attractive logistics hubs, which supports their long-term appeal. We take a positive view of the company's extensive interest rate hedging, with about 64% of interest-bearing liabilities hedged, mainly using interest rate caps.

## STABLE OUTLOOK

The outlook is stable, reflecting our view that Stendörren's net interest coverage will improve to above 2x, as the company grows through acquisitions and project development. The company strengthened its balance sheet through an equity injection of about SEK 500m in 2024 and we believe it will maintain its current net loan-to-value (LTV) at around 55% through our forecast period ending 2026. We expect the company to remain proactive in managing its debt maturities. We also expect that a case of chemical contamination at its largest property will be resolved with limited financial impact.

## POTENTIAL POSITIVE RATING DRIVERS

- A higher rating is unlikely, but could occur with proven commitment to a more moderate financial risk profile combined with an improved operating environment and increased diversity.

## POTENTIAL NEGATIVE RATING DRIVERS

- NCR-adjusted net LTV above 60%.
- Diminishing covenant headroom.
- A deteriorating liquidity position.

Figure 1. Key credit metrics, 2020–2026e

SEKm	2020	2021	2022	2023	2024e	2025e	2026e
Rental income	651	656	733	854	916	1,046	1,162
EBITDA	374	411	472	595	638	728	810
EBITDA margin (%)	57.5	62.7	64.4	69.7	69.7	69.7	69.7
Investment property	9,758	11,931	12,672	12,825	14,327	15,259	16,209
Net debt	5,763	6,501	7,029	7,274	7,808	8,375	8,908
Total assets	10,233	12,290	13,344	13,193	14,645	15,568	16,556
Net debt/EBITDA (x)	15.4	15.8	14.9	12.2	12.2	11.5	11.0
EBITDA/net interest (x)	1.9	2.1	1.9	1.6	1.7	1.9	2.1
Net LTV (%)	59.1	54.5	55.5	56.7	54.5	54.9	55.0
FFO/net debt (%)	3.1	3.3	2.9	3.0	3.4	4.1	4.6

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

**ISSUER PROFILE**

Stendörren is a commercial real-estate company that focuses on properties near central Stockholm and other urban centres in Sweden's Mälardalen region. As of 30 Sep. 2024, Stendörren owned and managed 153 properties, totalling 816,000 sqm, with a value of SEK 13.1bn. The company has ambitious growth plans, and over the past two years has expanded geographically in the Nordic region through property acquisitions in Denmark, Norway and Finland. Since November 2018, private equity company EQT AB (publ) has indirectly controlled 41% of the shares and 58% of the votes.

**BUSINESS RISK ASSESSMENT**

Our business risk assessment reflects Stendörren's portfolio of properties in attractive hubs in Stockholm and the Mälardalen region, modest tenant and property concentrations, and improved vacancy rates and margins. Our assessment of the operating environment acknowledges the cyclicity associated with the segment and the company's significant project pipeline.

**Strong long-term trends support operating environment**

Operating environment

Stendörren operates mainly in Stockholm and the Mälardalen region, focusing on warehouse and industrial properties, complemented by office space and retail. We consider the operating environment to be dependent on the wider economy, unemployment and productivity. In our view, the logistics industry is generally more cyclical than the residential, community and office property segments. The number of bankruptcies is still at high levels in Sweden and we believe that a marked downturn in economic activity could have an adverse impact on Stendörren's occupancy and overall profitability.

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

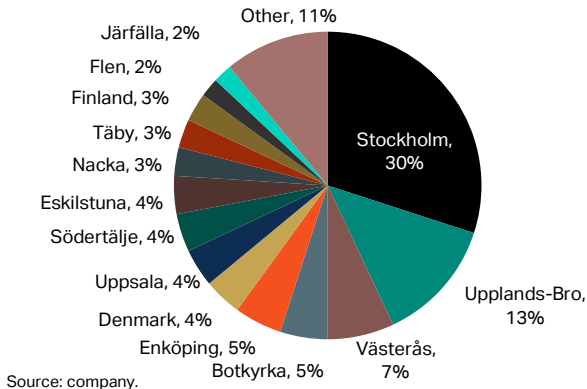
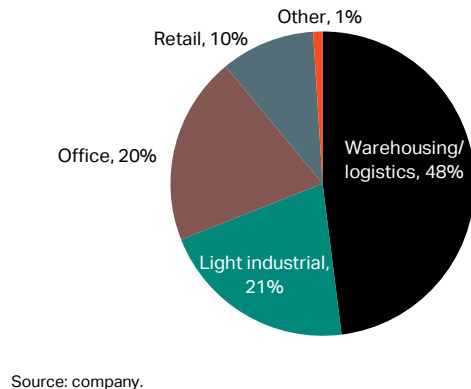


Figure 3. Rental area by type, 30 Sep. 2024



Warehouse and logistics properties benefited from a boom in e-commerce at the height of the COVID-19 pandemic, a structural trend that is likely to continue over the long term. However, we expect overall household spending to recover slightly but remain weak in 2025, affecting e-commerce negatively in the short term. Positively, rising demand for shorter delivery times is likely to increase the appeal of properties close to city centres, and we believe Stendörren can benefit from continued market growth over the next few years.

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
Stockholm	30%	988,943	1.9%	6.3%
Upplands-Bro	13%	32,453	13.1%	7.4%
Västerås	7%	159,662	5.1%	7.9%
Botkyrka	5%	95,592	4.6%	10.5%
Enköping	5%	48,292	14.6%	6.2%
Uppsala	4%	245,329	15.6%	6.3%
Södertälje	4%	102,519	6.9%	10.5%
Eskilstuna	4%	107,468	-1.1%	11.0%
Nacka	3%	110,633	5.6%	4.2%
Täby	3%	76,738	4.5%	3.6%
<b>Total/Sweden average</b>	<b>78%</b>	<b>-</b>	<b>2.4%</b>	<b>6.4%</b>

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

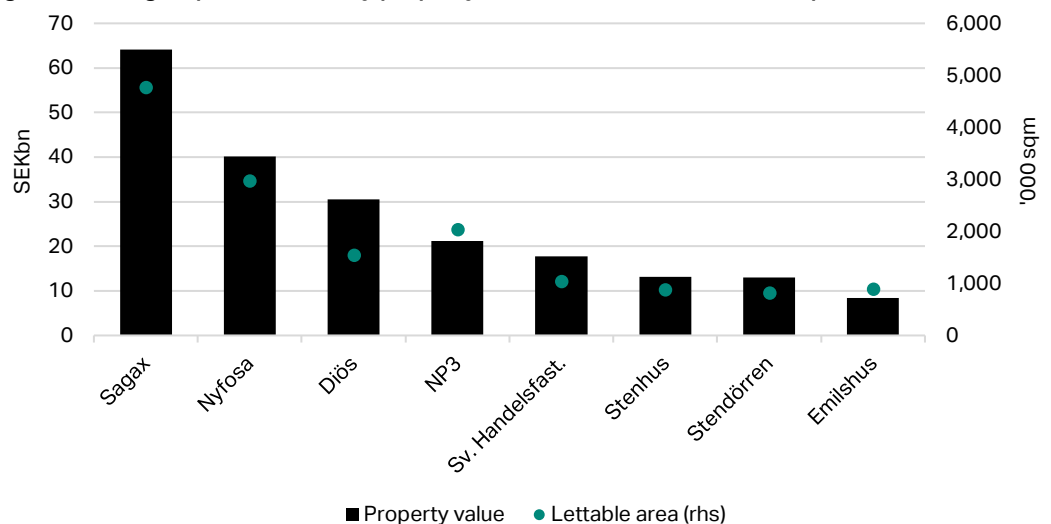
**Focus on attractive logistics hubs and geographic expansion in the Nordic region**

Market position, size and diversification

Stendörren's properties are mostly located close to Stockholm, but last-mile deliveries around the capital region reach about 25% of Sweden's population, mitigating concentration risk. In 2021 and 2022, Stendörren acquired properties in Denmark, Norway and Finland. We view this as positive in terms of geographic diversity. No property transactions took place in 2023 due to sluggish market conditions, but the company has continued its expansive strategy in 2024, with several acquisitions in Sweden, Finland and Norway. We expect Stendörren to continue to grow in the Nordic region but retain its main geographic focus on Sweden.

Although Stendörren's total property value is lower than that of its nearest peers, the company has a higher proportion of warehousing, logistics and light-industry properties, reflecting a solid market position in its niche segment, which supports brand recognition.

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



Source: companies.

As of 30 Sep. 2024, Stendörren's top 10 tenants accounted for 20% of the company's rental income. The tenant base is diverse, with several hundred different tenants. The former largest single tenant, Coop Logistik AB, which previously accounted for 8% of rental income, recently vacated premises in Upplands-Bro. However, it was replaced by the Swedish Fortifications Agency on a 6-year lease that started on 1 Oct. 2024. The lease matures on 30 Sep. 2030 and carries an extension option for an

additional four years. We believe that the new lease indicates continued demand for the company's premises in the Mälardalen region, despite the relative age of the properties and recent negative media reports of chemical contaminants at the Upplands-Bro site. Stendörren believes Coop Logistik is responsible for decontaminating the site. We believe that the current impasse is unlikely to escalate as the agency has already moved in and expect the issue to be resolved with limited financial impact on Stendörren.

Figure 6. Tenant concentration, 30 Sep. 2024

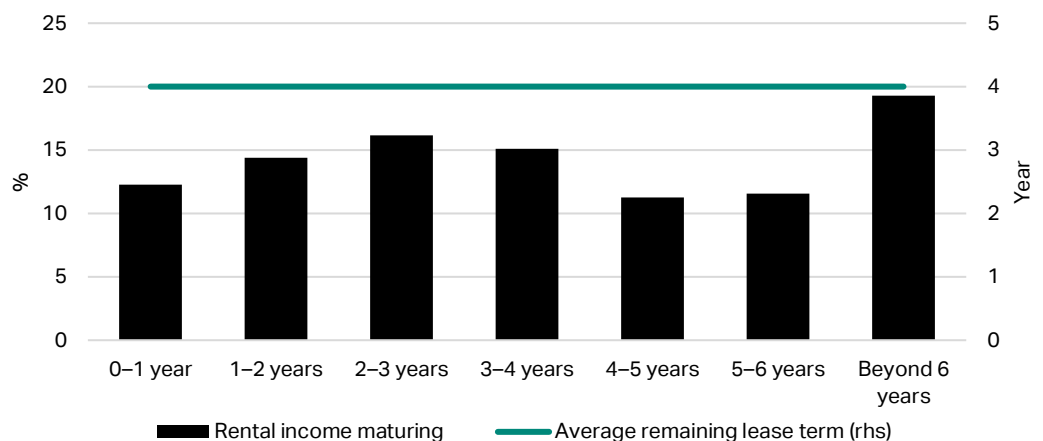
Tenant	Share of rental income
Coop Logistik AB*	8%
Åtta.45 Tryckeri AB	2%
Stockholm Vatten AB	2%
Mountain Top	2%
Unilever Europe BV	1%
Södertälje Industriservice AB	1%
Carla AB	1%
Bactiguard AB	1%
Sätra Motorcenter AB	1%
Onitio Sverige AB	1%
<b>Top 10 tenants</b>	<b>20%</b>

Source: company. \*Replaced by Swedish Fortifications Agency since 1 Oct. 2024.

**Properties occupy good locations near urban centres**

Stendörren's properties are primarily located in the Stockholm region, one of Sweden's main logistics hubs. The locations are mostly close to major highways and, in some cases, major rail routes. The portfolio is aging, and the average date at which properties entered the portfolio or were last refurbished is 2000. The appeal of the properties could decrease as the segment modernises and customer demands change, but so far overall demand has been high. The properties are mostly generic, but some have specialised facilities such as cold storage. Logistics tenants typically tend to remain in place longer than tenants from other sectors. However, the proximity of most of the properties to urban centres gives Stendörren flexibility for alternative usage should vacancy rates increase. As of 30 Sep. 2024, about 66% of the area under management had obtained environmental certification, increasing the appeal to environmentally conscious tenants. Stendörren's property portfolio had an average remaining lease term of four years as of 30 Sep. 2024.

Figure 7. Lease maturity profile, 30 Sep. 2024



Source: company.

Stendörren's current project portfolio on which construction has started constituted 3% of the company's total lettable area as of 30 Sept. 2024 (see Figure 8), while about 4% of projects are in the design and planning phase. Projects are located in growing, well-established areas with good logistics communications. We expect the company to adopt a conservative approach to new logistics projects, starting them only on a pre-let basis. The company aims to start phased construction of small industrial

projects on a speculative basis. It also plans to diversify into residential property. We regard the company's development pipeline as positive in terms of adding new property types and reducing cyclicality. We note, however, that new properties are not without risk, especially during the development phase.

Stendörren's largest pipeline project is GreenHub Bro, entailing building rights on about 400,000 sqm at a 1.4m sqm site. The company aims to build several properties on the site, each driven by tenant demand and pre-let, with the aim of offsetting significant project risk. It has started phased development of the site, but the overall timeline is not clear.

**Figure 8. Major projects in progress, 30 Sep. 2024**

Project	Location	Property type	Gross area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Filmremsan 2	Stockholm	Reconstruction	2,400	34	37	Q4 2024
Stenvreten 8:37	Enköping	Logistics	9,500	125	151	Q4 2024
Svavelhöjvej 17	Egedal, Copenhagen	Light industrial	3,300	31	50	Q4 2024
Almnäs 5:23	Södertälje	Light industrial	2,300	21	52	Q1 2025
Viby 19:30	Upplands-Bro	Light industrial	1,200	17	36	Q1 2025
Nygård 2:17 (GreenHub)	Upplands-Bro	Light industrial	2,300	15	53	Q2 2025
Båglampan 25	Stockholm	Light industrial	3,700	20	97	Q3 2025
<b>Total</b>	-	-	<b>24,700</b>	<b>262</b>	<b>476</b>	-

Source: company.

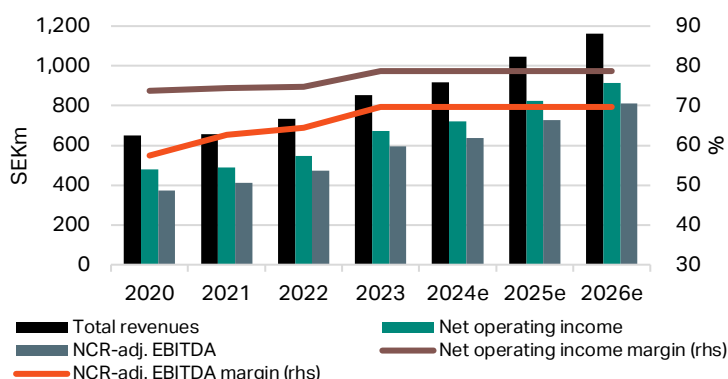
### Operating efficiency and occupancy rates improve

#### Operating efficiency

Stendörren's occupancy ratio improved to 93% as of 30 Sep. 2024 from 87–89% in 2020–2021. A significant proportion of tenants depend on consumer purchasing power, and occupancy could be negatively affected by a long economic downturn. We assume that Stendörren's occupancy levels will remain at current levels through our forecast period.

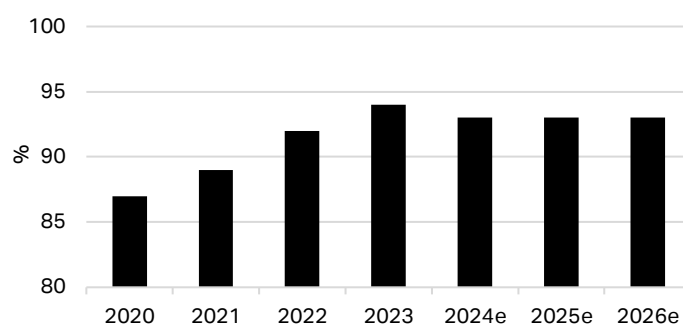
A large proportion of Stendörren's contracts are linked to the Swedish consumer price index, which supports the company's ability to maintain its EBITDA margins. However, the company has few triple-net contracts and, consequently lower EBITDA margins than its closest peers, even though margins have increased in recent years. We assume EBITDA margins of around 79%, in line with full-year 2023 levels, over our forecast period. We expect Stendörren to continue to upgrade its properties and successfully renegotiate rental contracts upon maturity, supporting occupancy ratios and rental values.

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

Our financial risk assessment reflects Stendörren's high leverage and long-term growth strategy. The company has issued a SEK 300m hybrid bond, which we treat as 100% debt, resulting in higher leverage ratios than reported by the company itself.

#### Stronger financial metrics despite continued growth

Over the past few years, Stendörren has maintained net debt/EBITDA and net LTV at 12-15x and 56-57%. Net interest coverage has been weakening as a result of higher market rates. We expect net interest coverage to improve towards 2x and net LTV to remain at around 55% despite continued growth through acquisitions. In October 2024, the company completed a directed share issue and raised proceeds of about SEK 505m. We see the strengthening of the balance sheet as the company accelerates growth as credit positive.

We treat the hybrid bond and related interest costs as 100% debt because its step-up date falls at the same time as the first call date (23 May 2027), increasing the incentive to redeem on time. In our base case, we assume that the company will redeem at the first call date, even though hybrid instruments typically carry perpetuity features.

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

	2024e	2025e	2026e
Rental growth (%)	7.2	14.2	11.2
EBITDA margin (%)	69.7	69.7	69.7
Average interest rate (%)	4.1	4.2	4.2
Net acquisitions and capital spending (SEKm)	1,396	932	950
Dividend payment of hybrid bond (SEKm)	46	27	27
Net debt/EBITDA (x)	12.2	11.5	11.0
EBITDA/net interest (x)	1.7	1.9	2.1
Net LTV (%)	54.5	54.9	55.0
FFO/net debt (%)	3.4	4.1	4.6

Source: NCR. e-estimate. All metrics adjusted in line with NCR methodology.

Ratio analysis

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

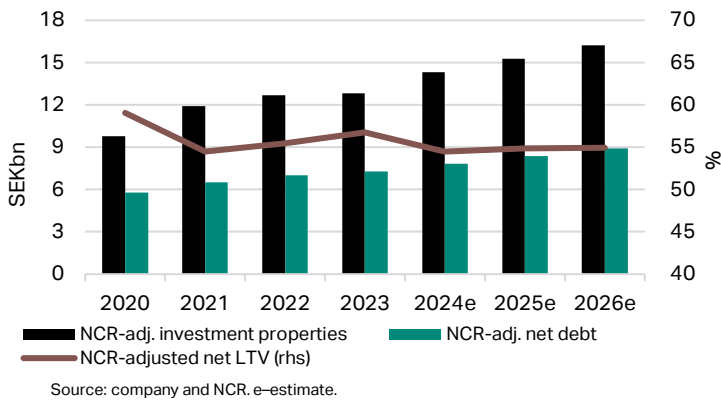
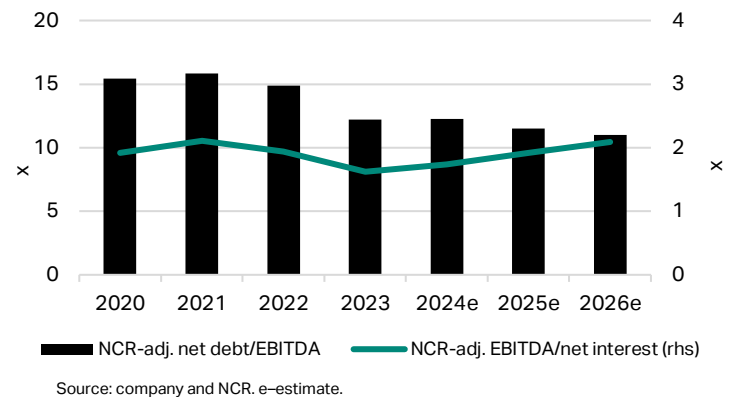


Figure 13. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2020–2026e



**Long-term growth strategy likely to continue**

**Risk appetite**

Our assessment of Stendörren's risk appetite reflects the company's long-term growth ambitions and ownership. The company has experienced significant growth under EQT's ownership and we expect this strategy to continue over the long term. As of 30 Sep. 2024, Stendörren had some SEK 7.5bn in reported debt, most of which was secured bank debt. On 1 Oct. 2024, the company repurchased a bond with an original maturity date in August 2025. The next bond maturity is in December 2026. The company's SEK 300m hybrid bond has a first redemption date in May 2027. As of 30 Sept. 2024, the company had SEK 430m in unutilised revolving credit facilities maturing in June 2027.

Figure 14. Funding profile, 30 Sep. 2024

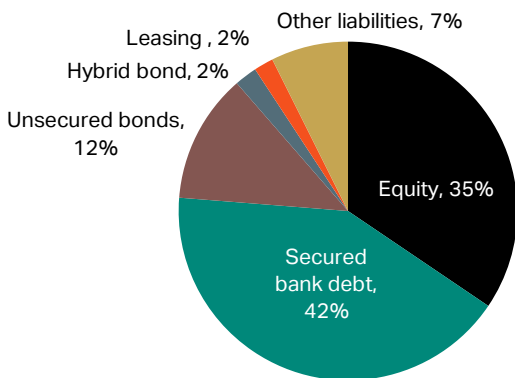
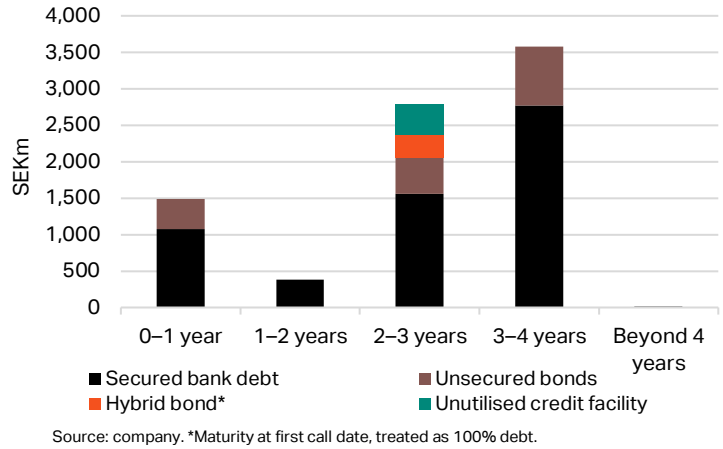


Figure 15. Debt maturity profile, 30 Sep. 2024



Stendörren uses a mix of interest rate caps and swaps to mitigate interest rate fluctuations. As of 30 Sep. 2024, about 64% of the outstanding debt was covered by interest rate hedges. The company reported an average interest rate of 4.4% and an average fixed interest rate period of 2.4 years as of 30 Sep. 2024.

Stendörren has no specific LTV target, focusing instead on its equity ratio and treating the hybrid bond as equity. We note that its reported interest coverage ratio as of 30. Sep. 2024 was 2x. This was in line with its long-term minimum target, but close to the required covenant level of 1.75x. We regard this limited covenant headroom as a concern.

**Figure 16. Financial covenants, policies and reported metrics**

Metric	Common loan covenants	Financial policy/targets	Reported 30 Sep. 2024
Equity ratio	> 25%	≥ 35% and never below 20%	35%
Net LTV	< 70%	-	54%
Interest coverage ratio (avg. 12 month)*	> 1.75x	≥ 2.0x	2.0x

Source: company. \*Excludes interest costs on hybrid bond.

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

We assess Stendörren's liquidity position as adequate, supported by a SEK 1bn funding surplus for the 12 months ending 30 Sep. 2025. The company issued a green bond totalling SEK 800m in September 2024, which demonstrates an ability to refinance upcoming debt maturities in the bond market. We believe that liquidity risk is mitigated by the company's banking relationships.

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

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	462
Proceeds from borrowings	1,719
Adjusted FFO	240
Unutilised credit facilities	430
Proceeds from equity issue	491
<b>Total sources</b>	<b>3,343</b>
Repayment of borrowings	1,077
Committed capital spending	474
Acquisitions	779
<b>Total uses</b>	<b>2,330</b>
<b>Sources/uses (x)</b>	<b>1.4</b>
<b>Sources-uses (SEKm)</b>	<b>1,013</b>

Source: company and NCR.

### Environmental, social and governance factors

ESG factors

Stendörren's environmental, social and governance (ESG) policies support our overall business risk assessment. We expect megatrends in energy use, technology and automation to have major implications for the warehousing and logistics segment. Increasing automation and electrification in the sector require more energy use, and we expect energy costs to become an increasing focus for property owners and tenants. This could sharpen Stendörren's focus on energy use to comply with the Paris Agreement and Swedish government policies.

Stendörren reports that 98% of all energy used at its properties was from renewable sources as of 31 Dec. 2023. We note that the company is less energy intensive than its closest peers, and it has developed ethical policies for subcontractors and includes these in its contracts. Stendörren reports in line with the requirements of the Greenhouse Gas Protocol and the Global Reporting Initiative and plans to report in line with the recommendations of the Task Force on Climate-Related Financial Disclosures.



**Figure 18. ESG considerations**

Issue	Risk	Mitigating efforts	Result
CO <sub>2</sub> emissions	Increased costs due to regulatory and/or taxation changes	30% targeted reduction in energy intensity by 2030 vs 2020 levels (kWh/sqm) and goal of 100% fossil-free energy by 2030. Target to reach net zero emissions by 2040.	27% reduction in energy intensity (kWh/sqm) as of Q3 2024, compared with base year (2020) levels. 98% of fossil-free energy as of Dec. 2023.
Impact of climate change on operations	Loss of revenues or increased capital spending	Environmental certification of properties, appropriate insurance. Target of 70% environmental certification (by area) by 2025.	Around 66% of properties (by area) had obtained certification as of Q3 2024.
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	Increasing use of sustainability-linked funding and green financing.	Has established green finance framework and issued green bonds since 2023.

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

### OWNERSHIP ANALYSIS

#### Ownership

Stendörren has two share classes, A and B, with the B shares listed on the Nasdaq Stockholm exchange. The A shares confer 10 votes and the B shares one. Both share classes confer equal rights to dividends.

Stendörren's majority owner is Stendörren Real Estate AB, which since 2018 has been owned 100% by EQT Real Estate II, a fund owned by EQT. Stendörren Real Estate AB owns 40.6% of the shares and controls 58% of the votes in Stendörren.

EQT has successfully developed companies prior to divestment and says it was attracted to Stendörren due to its development pipeline and growth opportunities. We note that EQT has historically owned companies for an average of around five years before divestment. We see a risk of an increasing focus on growth beyond our current expectations, as private equity firms typically seek to increase values with a view to divesting their investments with high returns on equity. Any acceleration of projects, increase in leverage, or shift to speculative development could negatively affect our assessment. However, EQT has a record of injecting capital into previous investments when needed, mitigating the associated risk, in our view. We note that EQT participated in the equity issue in October 2024. Overall, our ownership analysis is neutral.

**Figure 19. Ownership structure, 30 Sep. 2024**

Owner	Share of capital	Share of votes
Stendörren Real Estate AB	40.6%	58.0%
Altira AB	10.7%	14.8%
SEB Investment Management	13.2%	7.4%
Länsförsäkringar Fastighetsfond	9.1%	5.1%
Odin Fonder	2.7%	1.5%
Handelsbanken Fonder	2.7%	1.5%
Tredje AP-Fonden	2.6%	1.5%
Didner & Gerge Fonder Aktiebolag	2.6%	1.5%
Staffan Malmer	1.3%	0.7%
Carnegie Fonder	1.2%	0.7%
<b>Top 10 owners</b>	<b>86.7%</b>	<b>92.7%</b>
Other	13.3%	7.3%

Source: company.

## ISSUE RATINGS

We do not assign issue ratings to Stendörren's outstanding debt issues. In line with our methodology, we typically anticipate a higher loss in the event of default on senior unsecured instruments when the proportion of secured debt is high. As of 30 Sep. 2024, the company's gross secured LTV stood at 44%, and 77% of interest-bearing debt was secured, reducing recovery prospects for senior unsecured bondholders and hybrid bondholders.

## SHORT-TERM RATING

The 'N4' short-term rating reflects Stendörren'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 snapshot \(Q3 2024\): continued cautious optimism in the air](#), 26 Nov. 2024.
- (ii) [Swedish real estate: Likely interest rate cuts allow for cautious optimism](#), 24 Sep. 2024.
- (iii) [Swedish real estate snapshot \(Q2 2024\): Interest rate cuts likely to continue](#), 5 Sep. 2024.
- (iv) [Real-estate snapshot \(Q1 2024\): A step towards long-term normalised interest rate levels](#), 23 May 2024.
- (v) [Real-estate quarterly snapshot \(Q4 2023\): Strong performance despite highest Swedish corporate defaults](#), 11 Mar. 2024.
- (vi) [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	394	411	472	595	638	728	810
Other EBITDA adjustments	-20						
NCR-adj. EBITDA	374	411	472	595	638	728	810
Net interest	-132	-134	-176	-298	-311	-343	-351
Financial costs from leasing	-9	-9	-10	-10	-10	-10	-10
Dividends paid on hybrid bond	-54	-52	-58	-59	-46	-27	-27
NCR-adj. net interest	-195	-195	-244	-367	-366	-380	-388
NCR-adj. EBITDA	374	411	472	595	638	728	810
NCR-adj. net interest	-195	-195	-244	-367	-366	-380	-388
Current tax	-1	-2	-23	-7	-9	-10	-9
NCR-adj. FFO	178	214	205	221	262	339	413
Investment property	9,533	11,693	12,418	12,566	14,068	15,000	15,950
Non-current right-of-use assets	225	238	254	259	259	259	259
NCR-adj. investment property	9,758	11,931	12,672	12,825	14,327	15,259	16,209
Cash and cash equivalents	361	160	315	134	214	205	243
NCR-adj. cash and equivalents	361	160	315	134	214	205	243
Gross interest-bearing debt	5,099	5,623	6,290	6,651	7,463	8,022	8,592
Hybrid bond (100% debt treatment)	800	800	800	498	300	300	300
Long-term leasing liabilities	225	238	254	259	259	259	259
NCR-adj. cash and equivalents	-361	-160	-315	-134	-214	-205	-243
NCR-adj. net debt	5,763	6,501	7,029	7,274	7,808	8,375	8,908

Source: company and NCR. e—estimate.

**Figure 21. Stendörren 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
<b>INCOME STATEMENT</b>					
Rental income	631	653	733	843	872
Other income	20	3	–	11	9
Total costs from operations	-171	-168	-185	-182	-182
<b>Net operating income</b>	<b>480</b>	<b>488</b>	<b>548</b>	<b>672</b>	<b>699</b>
Administrative expenses	-86	-77	-76	-77	-81
Administrative expenses, project portfolio	–	–	–	–	–
<b>EBITDA</b>	<b>394</b>	<b>411</b>	<b>472</b>	<b>595</b>	<b>618</b>
Share of profit in associated companies and joint ventures	–	–	–	–	–
Interest expenses	-134	-135	-208	-298	-299
Interest income	2	1	32	–	–
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-9	-9	-10	-10	-11
Other financial costs	–	–	–	1	-7
Changes in investment property	98	1,235	-143	-355	35
Gain (loss) on financial assets held at fair value	-10	20	223	-173	-281
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
<b>Pre-tax profit</b>	<b>341</b>	<b>1,523</b>	<b>366</b>	<b>-240</b>	<b>55</b>
Current taxes	-1	-2	-23	-7	-5
Deferred taxes	-84	-311	-75	2	-28
<b>Net profit</b>	<b>256</b>	<b>1,210</b>	<b>268</b>	<b>-245</b>	<b>22</b>
<b>BALANCE SHEET</b>					
Investment property	9,533	11,693	12,418	12,566	13,061
Other non-current assets	244	291	528	414	284
<b>Total non-current assets</b>	<b>9,777</b>	<b>11,984</b>	<b>12,946</b>	<b>12,980</b>	<b>13,345</b>
Cash and cash equivalents	361	160	315	134	462
Other current assets	95	146	83	79	79
<b>Total current assets</b>	<b>456</b>	<b>306</b>	<b>398</b>	<b>213</b>	<b>541</b>
<b>Total assets</b>	<b>10,233</b>	<b>12,290</b>	<b>13,344</b>	<b>13,193</b>	<b>13,886</b>
<b>Total equity</b>	<b>4,053</b>	<b>5,216</b>	<b>5,429</b>	<b>4,838</b>	<b>4,786</b>
Non-current borrowings	4,081	4,868	5,469	5,826	5,877
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	613	925	1,001	999	1,000
Other non-current liabilities	241	264	294	320	324
<b>Total non-current liabilities</b>	<b>4,935</b>	<b>6,057</b>	<b>6,764</b>	<b>7,145</b>	<b>7,201</b>
<b>Total current liabilities</b>	<b>1,245</b>	<b>1,016</b>	<b>1,151</b>	<b>1,209</b>	<b>1,898</b>
<b>Total equity and liabilities</b>	<b>10,233</b>	<b>12,289</b>	<b>13,344</b>	<b>13,192</b>	<b>13,885</b>
<b>CASH FLOW STATEMENT</b>					
Pre-tax profit	341	1,523	366	-240	55
... of which changes in investment property	98	1,235	-143	-355	35
Depreciation and amortisation	–	–	–	–	–
Tax paid	-2	-1	-1	-13	-12
Adjustment for items not in cash flow	-85	-1,235	-84	527	235
<b>Cash flow from operating activities before changes in working capital</b>	<b>254</b>	<b>287</b>	<b>281</b>	<b>274</b>	<b>278</b>
Changes in working capital	19	-64	89	32	-94
<b>Cash flow from operating activities</b>	<b>273</b>	<b>223</b>	<b>370</b>	<b>306</b>	<b>184</b>
<b>Cash flow from investment activities</b>	<b>-289</b>	<b>-922</b>	<b>-818</b>	<b>-516</b>	<b>-520</b>
<b>Cash flow from financing activities</b>	<b>238</b>	<b>498</b>	<b>602</b>	<b>28</b>	<b>438</b>
Cash and cash equivalents at beginning of period	138	361	160	315	361
Cash flow for period	222	-201	154	-182	102
<b>Cash and cash equivalents at end of period</b>	<b>361</b>	<b>160</b>	<b>315</b>	<b>134</b>	<b>462</b>

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

**Figure 22. Stendörren rating scorecard**

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

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