

CA Fastigheter AB

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N4

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Sweden-based property manager and developer CA Fastigheter AB reflects the company's relatively low financial gearing, diversification benefits from its share of residential properties and low tenant concentrations in its commercial portfolio. It also reflects our expectation that the residential rental market will remain strong and that CA Fastigheter will continue to increase rental income from its commercial portfolio and completed projects.

These strengths are offset by the company's active project and development activities and associated capital expenditure, which create cash flow volatility and have a higher risk than pure property management. We also view CA Fastigheter's intra-group lending and short debt maturity profile with large single-year maturities as credit weaknesses in our standalone assessment. We consider CA Fastigheter's market position to be modest, given the relatively small portfolio in most of its core geographic locations.

STABLE OUTLOOK

The stable outlook reflects our expectation that CA Fastigheter's credit metrics will temporarily weaken due to its acquisition of Lidingö shopping centre (Lidingö Centrum) in early 2025 and increased capital spending on projects. However, we assume its credit metrics will remain above our potential negative rating drivers during our forecast period through 2027. We expect CA Fastigheter will complete the sale of current tenant-owned property projects and will continue to generate stable cash flow. We believe the company will experience limited impact from slightly higher vacancies in its portfolio due to the weak macroeconomic environment.

POTENTIAL POSITIVE RATING DRIVERS

- Improved credit metrics, with EBITDA to net interest sustainably over 3.5x and net loan to value (LTV) sustainably below 35%.
- Reduced risk appetite and extended debt maturity profile.

POTENTIAL NEGATIVE RATING DRIVERS

- Net LTV at levels sustainably over 50% or EBITDA to net interest below 2.2x over a protracted period.
- Deteriorating market fundamentals, affecting occupancy and/or profitability.
- Increased lending exposure to, or deteriorating credit quality of, its owner CA Group.

Figure 1. Key credit metrics, 2021–2027e

SEKm	2021	2022	2023	2024	2025e	2026e	2027e
Rental income	704	770	858	901	994	1,068	1,128
Total income	1,553	1,180	1,171	1,213	1,018	1,248	1,244
EBITDA	482	505	533	572	530	618	638
EBITDA margin (%)	31.1	42.8	45.6	47.2	52.0	49.5	51.3
Investment property	14,985	15,245	14,808	14,959	16,784	17,814	18,863
Net debt	5,613	5,864	6,210	6,369	7,419	7,709	8,025
Total assets	17,694	18,209	17,803	18,758	20,129	21,152	22,203
Net debt/EBITDA (x)	11.6	11.6	11.6	11.1	14.0	12.5	12.6
EBITDA/net interest (x)	4.2	3.9	3.0	2.9	2.8	3.0	2.9
Net LTV (%)	37.5	38.5	41.9	42.6	44.2	43.3	42.5
FFO/net debt (%)	6.2	6.1	8.7	5.4	4.1	4.9	4.8

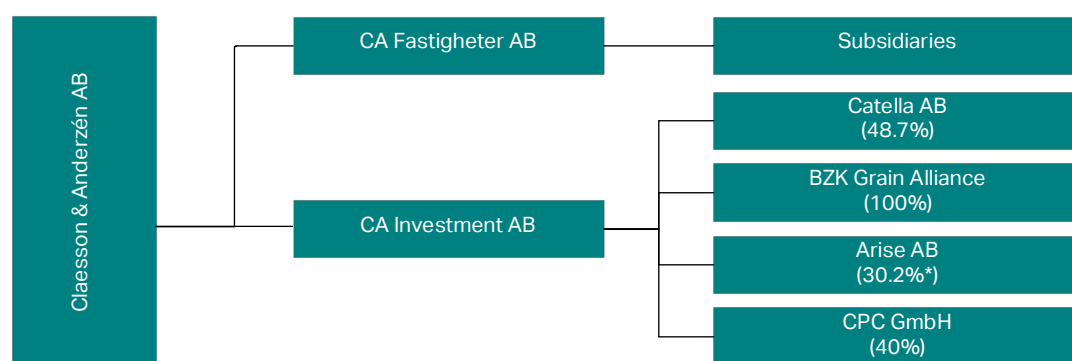
Source: company and NCR. e-estimate. FFO-funds from operations. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

CA Fastigheter is a Sweden-based property manager, with a mixed portfolio of residential and commercial properties in Sweden, Germany and Estonia. The Swedish portfolio is mostly concentrated on the regional cities of Borås, Jönköping, Kalmar, Malmö, Stockholm and Växjö, while the German portfolio is focused on Berlin, where CA Fastigheter has been active since the 1990s. In addition to core markets, CA Fastigheter has a small commercial portfolio in Estonia. As of 31 Dec. 2024, CA Fastigheter's portfolio comprised 181 properties, totalling 689,000sqm, valued at SEK 14.6bn.

CA Fastigheter was started in 1912 and is 100% owned by Claesson & Anderzén AB (CA Group). The company was founded by Claes Johansson, grandfather of the company's current principal owners, brothers Johan and Magnus Claesson. CA Fastigheter remains the primary revenue generator for CA Group. CA Group, via CA Investment AB, owns 48.7% of the shares in Swedish property services company Catella AB, 100% in Ukrainian agriculture business BZK Grain Alliance AB, as well as major stakes in Swedish wind power company Arise AB and German property developer CPC GmbH.

Figure 2. CA Group organisational structure



Source: CA Group. *Johan Claesson and companies.

BUSINESS RISK ASSESSMENT

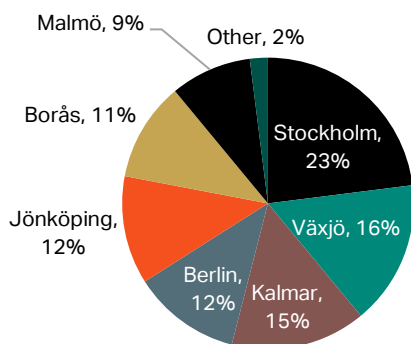
Our business risk assessment reflects CA Fastigheter's diverse residential and commercial portfolio across Sweden and Berlin and low tenant concentrations across the portfolio. These factors are partly offset by a modest market position and relatively low operational efficiency.

Residential portfolio stability supports risks in project and commercial portfolio

Our view of CA Fastigheter's operating environment reflects the mix of properties in its investment portfolio, as well as the volatility created by its developed for sale residential apartments. The company operates primarily in its seven core regions of six Swedish cities and Berlin, all of which have populations and economies that are expected to continue to grow, according to Statistics Sweden and Destatis, supporting demand for CA Fastigheter's properties.

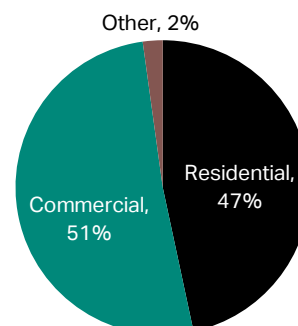
Operating environment

Figure 3. Rental value by area, 31 Dec. 2024



Source: company.

Figure 4. Rental value by property type, 31 Dec. 2024



Source: company.

The company earns about one-third of its rental value from its residential rental properties in Sweden. However, it does not have any residential properties in Stockholm due to high land prices and less

attractive returns on rental properties. CA Fastigheter has maintained low vacancies in its residential portfolio, with most residential vacancies associated with property renovations of aging buildings. While rental revenues are predictable, rental controls in Sweden's cities prohibit material increases in rent levels unless accompanied by renovations to increase a property's standard.

Figure 5. Core markets, 31 Dec. 2024

Municipality	Population, 2024	Expected population change among 15–64-year-olds, 2024–2045	Unemployment, Jan. 2025
Stockholm	989,971	1.5%	7.3%
Växjö	98,129	5.7%	8.0%
Kalmar	72,774	5.7%	7.1%
Jönköping	146,922	5.7%	6.0%
Borås	114,820	2.2%	7.6%
Malmö	364,007	9.3%	12.8%
Total/Sweden average	10,577,720	1.9%	7.2%

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

About 11% of rental revenues and a quarter of the residential portfolio are associated with rental apartments in central Berlin. The company's commercial portfolio is diversified across its core markets, as well as by property type. Around 40% of CA Fastigheter's commercial properties are associated with low-cyclical retail tenants. The company's office, logistics and community service properties have performed well, with limited impact on occupancy rates, despite challenging market conditions.

In addition to managing its existing properties, the company is an active developer of tenant-owned properties in Sweden. The risk associated with speculative residential apartment projects negatively affects our view of the company's operating environment, given the higher volatility and increased project risk compared with property management. However, we note that the company has made material reductions in its project pipeline due to increased macroeconomic uncertainty and reduced its overall development exposure.

Diversified tenants and segments, despite modest portfolio size and market position

As of 31 Dec. 2024, CA Fastigheter's investment portfolio comprised 181 properties, totalling 689,000sqm, valued at SEK 14.6bn. In addition, the company has a substantial project portfolio, including projects for sale, and investments in and renovations of its own portfolio. In early 2025, CA Fastigheter acquired Lidingö Centrum valued at SEK 811m, adding diversity to its commercial portfolio and strengthening its market position in Stockholm.

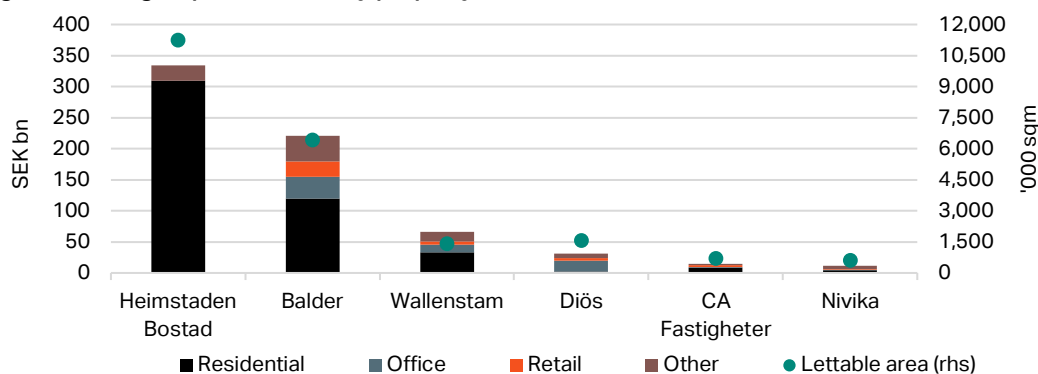
CA Fastigheter's investment portfolio balances low-risk residential rental and community service properties with office, retail and logistics facilities. The Swedish portfolio, with about SEK 12bn in domestic assets, is relatively small for a Swedish real-estate company. We view CA Fastigheter's market position as modest at a national level and above average in its smaller core markets due to its niche position.

Few Nordic real-estate companies have both material commercial and residential exposure, with most focusing instead on specific segments. Fastighets AB Balder has more than half of its portfolio outside Sweden and is significantly larger in size. Wallenstam AB is another company with 50% residential exposure and a material focus on project development. Other property managers with a mix of commercial and residential management include Nivika Fastigheter AB (SEK 12bn in property assets), which has about one-third of its portfolio in residential properties.

CA Fastigheter has about SEK 3bn in property value, 23 properties and over 1,100 apartments in Berlin. This positions CA Fastigheter as a marginal residential property owner in Berlin, given the size and volume of companies such as Vonovia SE (SEK 0.9tn in property value and over 143,000 apartments in the state of Berlin at year-end 2024) and Adler Group SA (SEK 47bn, over 17,000 apartments in Berlin).

Market position, size and diversification

Figure 6. Peer group breakdown by property value and lettable area, 31 Dec. 2024



Source: companies.

Given the high share of residential properties, tenant diversification is strong, despite the company's modest size. The 10 largest tenants together account for 40% of commercial rental income and 21% of total rental income. Most of CA Fastigheter's major commercial tenants are on longer-than-average contracts.

Figure 7. Tenant concentration, 31 Dec. 2024

Tenant	Type of tenant	Share of rental income
Bauhaus (Sicklaallén Fastighets AB)	Building materials retailer	-
Berghs School of Communication AB	Private educational institution	-
Akademikliniken HJ AB	Private healthcare	-
Sandvik Machining Solutions AB	Industrial tools manufacturer	-
Dagab Inköp & Logistik	Grocery retailer	-
Kalmar Kommun	Municipality	-
Coop Syd AB	Grocery retailer	-
Beijer Bygghem AB	Building materials retailer	-
Matvärlden Veddesta AB	Grocery retailer	-
Modig Machine Tool AB	Industrial	-
Top 10 tenants	-	21%

Source: company.

Consistent residential occupancy, though some speculative project risk

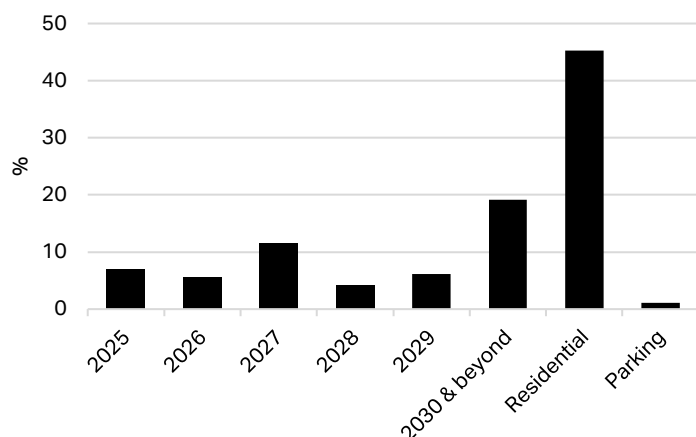
Portfolio assessment

We view the high share of residential properties in the company's portfolio as supportive and likely to remain attractive given expected population growth in its markets. In addition, CA Fastigheter's customer base is diverse, with many relatively small commercial contracts and a large share of residential tenants, which reduces concentrations in lease maturities.

Turnover in the company's residential portfolio has remained manageable, as evidenced by the low vacancy rates in this segment in Sweden and Berlin. The residential properties in Sweden are a mix of buildings built before 1970 that have been renovated or are undergoing refurbishment and newly constructed buildings. We view the overall residential portfolio as being centrally located and attractive enough to maintain relatively low vacancies.

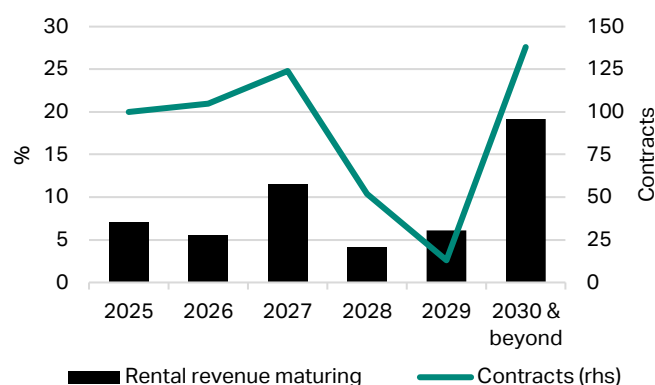
Properties in CA Fastigheter's commercial portfolio accounted for about 50% of rental revenue and had a weighted average remaining lease term of 5 years as of 31 Dec. 2024, reflecting the length of its largest contracts. Nearly half of its commercial portfolio is located in Stockholm, with 3% in Germany, 1% in Estonia and the remaining portfolio split evenly across its other Swedish core markets.

Figure 8. Lease maturity profile for all properties, 31 Dec. 2024



Source: company.

Figure 9. Lease maturity profile for commercial properties, 31 Dec. 2024



Source: company.

Our assessment of the company's property portfolio considers the risks in its projects. The company's ongoing refurbishment projects are relatively small, totalling over SEK 290m and we expect them to be finalised in 2025. However, the company has a large property pipeline; both development of projects for sale and projects developed for own management. In addition, we expect the company to make nearly SEK 2bn in investments from its Gasverket project as part of Stockholm's revitalisation of Norra Djurgården through 2033. The project is still in the planning stage and is dependent on formal regulatory approval. We believe this project will be postponed and regard it as a long-term development project that could add to investment needs in the future. We have therefore only partly included this larger investment need in our base-case financial forecast.

However, the overall project risk in CA Fastigheter's development portfolio weighs on our assessment of its portfolio. While the investment in Gasverket is long term, there are also speculative elements to such a long-term commercial property project. In addition, the company's investments in sales properties are, by nature, speculative, given that projects are around 60% sold when they start. In contrast, projects for the company's own portfolio are typically started once a signed rental agreement is in place. Given the uncertain macroeconomic environment, the company has postponed many projects in its development pipeline to preserve strong credit metrics and demonstrate its long-term investment horizon.

Figure 10. Large projects in progress, 31 Dec. 2024

Project	Location	Property type	Lettable area (sqm)	Total investment (SEKm)	Estimated completion
Kvarnen 12	Kalmar	Office, tenant improvements	-	4.5	Q2 2025
Hermosdals 8	Malmö	Residential, Refurbishment	7,837	132.6	Q4 2025
Gasklocka 1, phase 1	Stockholm	Hotel, refurbishment	8,440	95.5	Q4 2025
Araby Växjö 6:69	Växjö	Residential, Refurbishment	-	4.2	Q4 2025
Ritterstrasse	Berlin	Residential, Refurbishment	20,822	53.3	Q4 2025
Total	-	-	37,099	290.1	-

Source: company.

Relatively stable occupancy offsets sales revenue volatility

The company has a decentralised organisation, allowing local management to make decisions affecting their own portfolio, and outsources the management of its German and Estonian properties. Most of CA Fastigheter's contracts with commercial tenants are double-net leases, under which maintenance costs are paid by the company and typically linked to the consumer price index, reducing the impact of inflation on earnings.

Operating efficiency

Given its preference for being hands on and local, CA Fastigheter's EBITDA margins from its rental portfolio are in line with those of many Swedish residential real-estate peers, rather than in line with commercial property managers. Solely in terms of rental revenue and related costs, we expect the company's margins to be around 54% over our forecast period. Including the company's projects for sale and other revenues adds volatility and reduces the average projected margin in our forecast to 50–52%, demonstrating a meaningful impact from property sales. Over the past few years, the occupancy rate of CA Fastigheter's portfolio has improved towards 95%, which was the occupancy rate as of year-end 2023. In 2024, occupancy rates were slightly weaker due to some bankruptcies in the company's commercial portfolio and loss of residential tenants in Växjö. We expect the occupancy rate to remain around 93% over our forecast period.

Figure 11. Revenues, net operating income, EBITDA, and margins, 2021–2027e

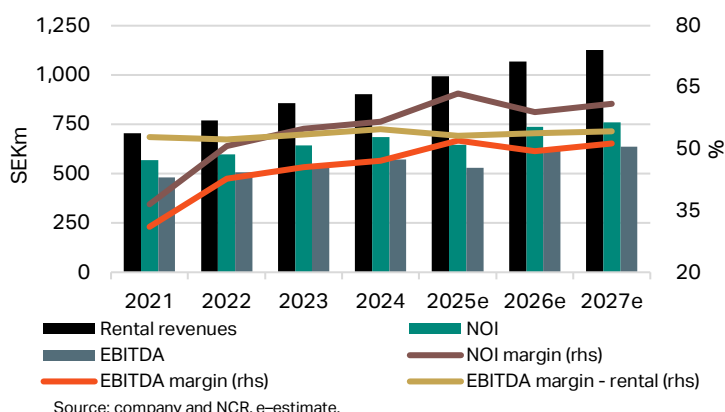
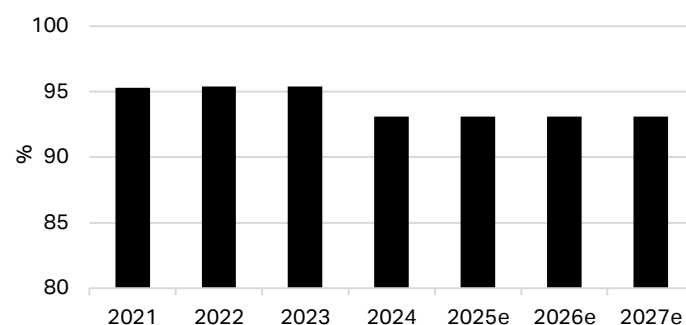


Figure 12. Occupancy rate, 2021–2027e



FINANCIAL RISK ASSESSMENT

Our financial risk assessment reflects our expectation that CA Fastigheter's credit metrics will stabilise over our forecast period due to the acquisition of Lidingö Centrum in early 2025 and higher capital spending in projects. Furthermore, it reflects a financial risk appetite that, in our view, is constrained by the company's short debt maturity profile and intra-group loans to its parent and investment holding sister companies.

Stabilising credit metrics despite higher growth ambitions and capital spendings

Historically, CA Fastigheter's leverage has been relatively stable, with net LTV around 38–39% and interest coverage above 3x. However, net LTV increased to 42–43% and interest coverage dropped to 3x in 2023–2024 due to higher debt, revaluations in the property portfolio and increased financing costs. In early 2025, the company acquired Lidingö Centrum and we therefore project slightly higher net LTV at year-end 2025. We believe credit metrics will stabilise in 2026–2027 since we expect revenue to steadily increase as the company delivers on its development project pipeline. However, the one-off nature of tenant-owned property sales adds some volatility to our EBITDA forecast, depending on the full revenue and cost accounting upon the sale of properties.

Figure 13. Key base-case forecast assumptions and credit metrics, 2025–2027e

SEKm	2025e	2026e	2027e
Rental growth (%)	10.3	7.5	5.6
EBITDA margin (%), rental	53.3	53.9	54.2
Average interest rate (%)	3.5	3.5	3.5
Capital expenditure (SEKm)	600	700	700
Net debt/EBITDA (x)	14.0	12.5	12.6
EBITDA/net interest (x)	2.8	3.0	2.9
Net LTV (%)	44.2	43.3	42.5
FFO/net debt (%)	4.1	4.9	4.8

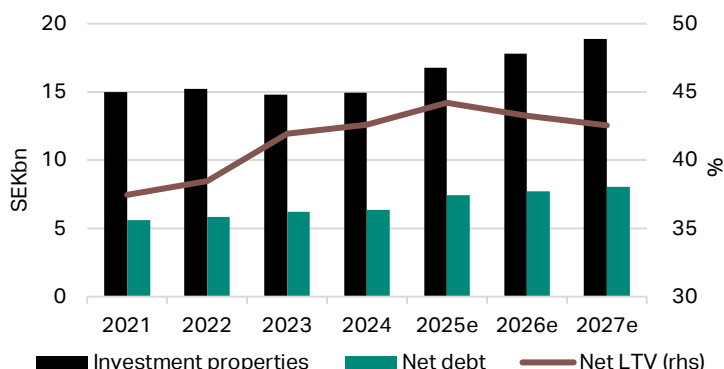
Source: NCR. e-estimate. All metrics adjusted in line with NCR methodology.

In assessing CA Fastigheter's financial risk profile, our EBITDA forecast for its sales portfolio uses sales revenue estimates based on the company's expected pricing for apartments under construction. We

Ratio analysis

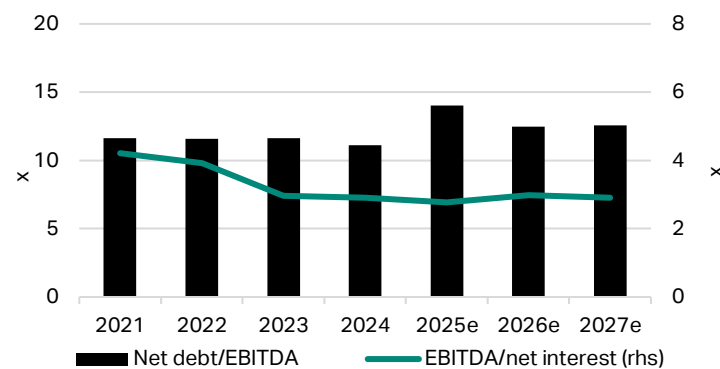
have adjusted the company's expected sales revenues for pipeline projects by 5% in our ratios to reflect the potential need to adjust future pricing. In addition, our calculation of net debt includes an SEK 33m earn-out commitment associated with Gasverket. Net debt is reduced by cash and cash equivalents and 50% of the company's short-term holdings. We view the short-term holdings as liquid, but we do not consider the company's long-term investment holdings to be liquid.

Figure 14. NCR-adj. investment properties, net debt, and net LTV, 2021–2027e



Source: company and NCR. e-estimate.

Figure 15. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2021–2027e



Source: company and NCR. e-estimate.

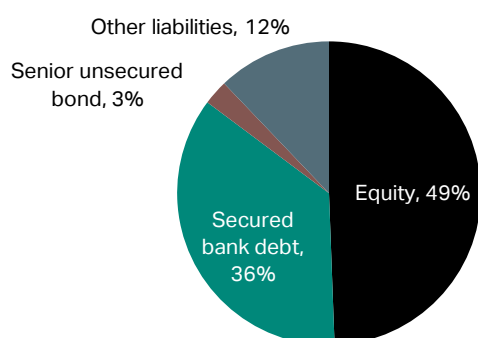
Internal loans and short debt maturity increase financial risk

Risk appetite

CA Fastigheter's financial risk appetite is constrained by its short debt maturity profile and significant near-term maturities, despite its history of strong banking relationships. In addition, the company's intra-group lending adds complexity.

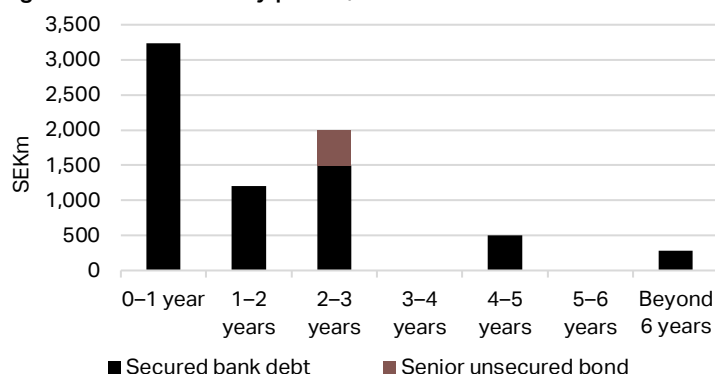
We view CA Fastigheter's short debt maturity profile of 1.8 years (as of 31 Dec. 2024) as indicative of a somewhat higher overall financial risk profile. CA Fastigheter reported around 64% of its debt as maturing in the next two years as of 31 Dec. 2024, reflecting its expectations and track record of refinancing its bank loans within months of maturity. We note that the company has refinanced SEK 730m in short-term bank debt since year-end 2024, and we take a positive view of the company's efforts to reduce its refinancing risk. CA Fastigheter is prudent in its management of interest rate risk, with average interest fixing of 3.9 years, which has helped maintain average interest rates on the company's loans at 3.4% as of 31 Dec. 2024. The company has a SEK 100m revolving credit facility, which was unutilised as of year-end 2024.

Figure 16. Funding profile, 31 Dec. 2024



Source: company.

Figure 17. Debt maturity profile, 31 Dec. 2024



Source: company.

CA Fastigheter's dividend policy is dependent on the performance of CA Investment's investment portfolio. CA Group paid dividends of SEK 50m in 2023 (no dividends in 2024) and there is no external interest-bearing debt in CA Group outside of CA Fastigheter. However, CA Group uses CA Fastigheter's balance sheet to provide financing for other parts of the company. In our view, this adds complexity and financial risk to CA Fastigheter when evaluated on a standalone basis, given the potential for losses or investment needs in CA Group's investment companies. CA Fastigheter has internal loans to its

parent and sister investment companies, which are consolidated in CA Group reporting. We note that these internal loans have increased in recent years, from SEK 850m at year-end 2020 to SEK 1.6bn at year-end 2024, and could increase further at short notice to address financing needs or investments within the group. We also note that CA Fastigheter reports additional claims totalling SEK 74m as of 31 Dec. 2024 due from non-consolidated investment companies and other related parties that are not consolidated in CA Group reporting.

CA Fastigheter's financial policy provides additional headroom for higher leverage. Our forecast anticipates the company will increase its LTV, but we do not expect it to take full advantage of its internal 50% net LTV limit.

Figure 18. Financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Dec. 2024
Equity ratio	≥30%	N.A.	49.5%
Interest coverage ratio	≥1.5x	≥2.0x	2.2x
Interest fixing	N.A.	≥3 years	3.9 years
Net LTV	≤60%	≤50%	38.3%

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 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 calculate a SEK 2.3bn shortfall for the 12 months ending 31 Dec. 2025, mainly driven by SEK 3.2bn in short-term debt maturities. However, the company is in ongoing discussions with banks and investors, and successfully issued a SEK 500m bond in March 2024 and refinanced a significant portion of its upcoming maturities. The company has demonstrated a long track record of accessing bank financing from many leading Nordic and German banks, which mitigates refinancing concerns about its maturing debt. We assess CA Fastigheter's liquidity position as adequate.

Figure 19. Liquidity analysis (stressed scenario) 31 Dec. 2024–31 Dec. 2025

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	954
Current financial assets (50% of short-term investments)	276
Proceeds from borrowings	731
Adjusted FFO	229
Divestment	54
Total sources	2,245
Repayment of borrowings	-3,238
Committed capital spending	-486
Acquisition	-786
Total uses	-4,510
Sources/uses (x)	0.5
Sources-uses (SEKm)	-2,265

Source: company and NCR.

Environmental, social and governance factors

ESG factors

CA Fastigheter published a green bond framework in 2021 that has been classified as Light Green by S&P Global Ratings Shades of Green. Within this framework, the company issued a senior unsecured green bond of SEK 500m. In March 2024, the company made an early redemption of the existing bond and issued a new three-year senior unsecured green bond of the same amount. CA Fastigheter publishes an annual sustainability report that is based on the Global Reporting Initiative (GRI) definition of core reporting requirements.

The company is a member of the Sweden Green Building Council, a non-profit organisation aiming to reduce the environmental impact of the real-estate sector. The company began certifying its properties to Swedish environmental building (Miljöbyggnad) standards in 2020, with the aim of certifying the majority of its properties to at least Miljöbyggnad Silver standard and certifying all new building projects. The company aims to have 40% of its property portfolio environmentally certified by the end of 2026.

The table below highlights the main environmental, social and governance (ESG) issues that we believe could affect our overall assessment of CA Fastigheter and factors that could contribute to loss of revenue, increased costs, higher capital spending or a deterioration in financing possibilities.

Figure 20. ESG considerations

Issue	Risk	Mitigating efforts	Result
Carbon dioxide emissions	Increased costs due to regulatory and/or taxation changes	Efforts to increase energy efficiency and reduce carbon dioxide emissions. Environmental certification of properties, target to reach 40% certified properties by end of 2026. Target to reduce energy consumption by 1.5% per year (like-for-like portfolio). Target to use 75% renewable energy by 2025.	Detailed ESG reporting on energy usage, carbon dioxide emissions, water usage and environmental certification of properties. Reported 3.3% reduction in energy consumption in 2024 compared with 2023. As of 31 Dec. 2024, 29% of all properties had been certified.
Political risk	Political action affecting residential rental revenues and reducing property values. Cross-border ownership risks.	Diversification of the investment portfolio. Cost management of affected properties.	The company received a positive ruling in Germany in 2021 but the potential for alternative political solutions remains.
Impact of climate change on operations	Loss of revenue or increased capital spending	Environmental certification of properties, appropriate insurance and evaluation of impact on each property.	The company concludes that no properties in the investment portfolio are likely to be directly affected by, e.g., rising water levels or landslides. Residential properties for sale along coastal areas follow guidelines for minimum height above sea level.
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower carbon dioxide emissions	Published green bond framework in 2021. Increased sustainability focus and underwent second-opinion review.	Access to green financing; issued a green bond in 2021 with a Light Green rating by S&P Global Ratings Shades of Green.

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

Ownership

OWNERSHIP ANALYSIS

CA Fastigheter is 100% owned by Claesson & Anderzén AB (which we define as a holding company) and was established by Claes Johansson, grandfather of the company's current primary owners, brothers Johan and Magnus Claesson (via Wellsford Ltd). Johan Claesson also owns 100% of Fastighets AB Bremia, which holds the remaining shares and votes in CA Group.

CA Group has two business areas: real estate, via CA Fastigheter; and investments, via CA Investment AB. The real-estate business remains the cornerstone of the group, accounting for the majority of the company's revenues. CA Fastigheter has about SEK 1.4bn in internal loans to group parent and sister companies. These loans demonstrate the group's aim to use proceeds from CA Fastigheter to diversify the investments of the family-owned company. While the intra-group loans demonstrate the importance of CA Fastigheter in the future development and strategy of CA Group, they also limit our view of support available to CA Fastigheter from its owner. In our view, CA Fastigheter could be supported by sales of investment assets in CA Investment, but the positions held by the investment operations are of a higher-risk nature than CA Fastigheter's real-estate operations.

Figure 21. Ownership structure, 31 Dec. 2024

Owner	Share of capital and votes
Fastighets AB Bremia (100% owned by Johan Claesson and family)	55.27%
Wellsford Ltd. (100% owned by Magnus Claesson)	44.73%

Source: company.

ISSUE RATINGS

We do not assign issue ratings to CA Fastigheter's outstanding debt. In line with our methodology, we typically anticipate a higher loss for holders of senior unsecured instruments in the event of default where there is a high proportion of secured debt. As of 31 Dec. 2024, the company's gross secured LTV stood at 46%, and 93% of the company's interest-bearing debt was secured, reducing recovery prospects for senior unsecured bondholders.

SHORT-TERM RATING

The 'N4' short-term rating reflects the company's liquidity profile relative to the 'BBB-' long-term issuer rating. The company's committed sources to uses stood at 0.5x according to our liquidity analysis, 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) [LSTH Svenska Handelsfastigheter AB \(publ\) 'BBB-' long-term issuer rating affirmed; Outlook stable](#), 11 Mar. 2025.
- (ii) [Swedish real estate snapshot \(Q4 2024\): growth is back on the menu](#), 4 Mar. 2025.
- (iii) [Heba Fastighets AB \(publ\) 'BBB' long-term issuer rating affirmed; Outlook stable](#), 4 Mar. 2025.
- (iv) [Svensk FastighetsFinansiering AB \(publ\) 'BBB+' long-term issuer rating affirmed; Outlook stable](#), 31 Jan. 2025.
- (v) [Swedish real estate outlook 2025](#), 23 Jan. 2025.

Figure 22. NCR's adjustments to credit metrics, 2021–2027e

SEKm	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA (property management)	373	403	460	494	529	576	612
EBITDA (projects and other activities)	110	102	74	78	0	43	26
NCR-adj. EBITDA	482	505	533	572	530	618	638
Net interest	-111	-125	-177	-193	-187	-204	-215
Financial costs from leases	-3	-4	-4	-4	-4	-4	-4
NCR-adj. net interest	-115	-129	-180	-197	-191	-208	-219
NCR-adj. EBITDA	482	505	533	572	530	618	638
NCR-adj. net interest	-115	-129	-180	-197	-191	-208	-219
Current taxes	-18	-20	186	-30	-33	-33	-35
NCR-adj. FFO	350	356	538	346	306	377	384
Investment property	14,460	14,884	14,338	14,634	16,459	17,488	18,538
Properties for sale	519	356	463	318	318	318	318
Non-current right-of-use assets	6	5	7	7	7	7	7
NCR-adj. investment property	14,985	15,245	14,808	14,959	16,784	17,814	18,863
Cash and cash equivalents	559	400	457	954	498	490	489
Liquid assets	381	450	448	553	553	553	553
Less 50% liquid asset adjustment	-190	-225	-224	-276	-276	-276	-276
NCR-adj. cash and equivalents	749	625	681	1,231	774	767	766
Gross interest-bearing debt	6,026	6,129	6,524	7,213	7,837	8,152	8,467
Lease liabilities	273	297	303	324	324	324	324
Committed earn-out	63	63	63	63	33	0	0
NCR-adj. cash and equivalents	-749	-625	-681	-1,231	-774	-767	-766
NCR-adj. net debt	5,613	5,864	6,210	6,369	7,419	7,709	8,025

Source: company and NCR. e=estimate.

Figure 23. CA Fastigheter key financial data, 2021–2024

SEKm	FY	FY	FY	FY
Period-end	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024
Accounting standard	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT				
Rental income	704	770	858	901
Other income	849	410	313	312
Total costs from operations	-986	-583	-528	-526
Net operating income	567	598	643	687
Administrative expenses	-85	-93	-109	-114
Administrative expenses, project portfolio	–	–	–	–
EBITDA	482	505	533	572
Share of profit in associated companies and joint ventures	3	3	4	2
Interest expenses	-138	-150	-224	-268
Interest income	26	25	48	75
Interest expenses, shareholder loans	–	–	–	–
Financial costs from leasing	-3	-4	-4	-4
Other financial costs	53	33	9	15
Changes in investment property	1,107	-345	-1,027	-117
Gain (loss) on financial assets held at fair value	43	-68	-29	-24
Disposals of investment properties	6	2	–	4
Gain (loss) on derivatives	122	363	-190	-16
Depreciation and amortisation	–	–	–	–
Restructuring activities	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–
Pre-tax profit	1,701	364	-880	240
Current taxes	-18	-20	186	-30
Deferred taxes	-311	-31	–	-31
Net profit	1,372	314	-694	179
BALANCE SHEET				
Investment property	14,460	14,884	14,338	14,634
Other non-current assets	787	676	580	569
Total non-current assets	15,248	15,560	14,919	15,202
Cash and cash equivalents	559	400	457	954
Other current assets	1,887	2,249	2,427	2,602
Total current assets	2,446	2,649	2,884	3,556
Total assets	17,694	18,209	17,803	18,758
Total equity	9,237	9,739	9,050	9,269
Non-current borrowings	5,964	6,049	2,997	3,798
Non-current borrowings, shareholder loans	–	–	–	–
Deferred tax liabilities	1,527	1,598	1,399	1,424
Other non-current liabilities	460	361	424	427
Total non-current liabilities	7,951	8,009	4,820	5,650
Total current liabilities	506	461	3,933	3,840
Total equity and liabilities	17,694	18,209	17,803	18,758
CASH FLOW STATEMENT				
Pre-tax profit	1,701	364	-880	240
... of which changes in investment property	1,107	-345	-1,027	-117
Depreciation and amortisation	–	–	–	–
Tax paid	-19	-25	-32	-22
Adjustment for items not in cash flow	-1,278	38	1,273	154
Cash flow from operating activities before changes in working capital	404	377	360	372
Changes in working capital	32	-14	-107	-259
Cash flow from operating activities	436	363	253	113
Cash flow from investment activities	-585	-535	-508	-255
Cash flow from financing activities	613	10	428	635
Cash and cash equivalents at beginning of period	94	559	400	457
Cash flow for period	465	-159	174	494
Cash and cash equivalents at end of period	559	400	457	954

Source: company. FY–full year.

Figure 24. CA Fastigheter 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		bbb-
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		Stable
Short-term rating		N4

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