

OBOS BBL

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Norway-based residential property developer OBOS BBL reflects the company's strong market position as one of the largest residential developers in the Nordic region. OBOS has been a fixture in the Norwegian housing sector for nearly 100 years and has become a major component of the Swedish housing market over the past decade. Our assessment takes account of the benefits of OBOS' diverse range of business, property holdings, investment and financial activities. It also reflects the company's strong balance sheet, in particular the large excess values in its land bank, equity investments and subsidiaries. We take a positive view of OBOS' demonstrated ability to generate liquidity via partial divestments and partnerships, as well as its healthy covenant headroom.

These strengths are partly offset by a weak residential property development market, in which demand for new housing has declined significantly since the sharp rise in interest rates in 2022. Our assessment is also constrained by OBOS' weak leverage and interest coverage metrics. In our view, the company's structure as a member association results in a limited ability to inject equity, if needed, increasing the importance of its ability to divest its equity investments and land bank to generate liquidity.

STABLE OUTLOOK

The outlook is stable, reflecting our expectations of a financial risk profile that continues to benefit from a strong balance sheet, with divestments and the completion of housing projects supporting near-term liquidity and continued investment. It also reflects our expectations that OBOS will maintain modest capital spending and control debt increases over the next few years. We believe the company is well-positioned to capitalise when the residential property development market recovers.

POTENTIAL POSITIVE RATING DRIVERS

- Improved credit metrics, with EBITDA to net interest above 4x over an extended period; and
- Improved stability and growth in cash flows; and
- Recovery of residential property development market.

POTENTIAL NEGATIVE RATING DRIVERS

- Lack of recovery in the residential property development market.
- Deteriorating credit metrics, with value adjusted equity ratio below 55%, or weakened liquidity.
- EBITDA to net interest below 1.5x over an extended period.

Figure 1. Key credit metrics, 2021–2027e

NOKm	2021	2022	2023	2024	2025e	2026e	2027e
Revenues	11,242	13,976	15,842	18,197	15,598	10,919	18,016
EBITDA	1,661	1,663	1,819	1,437	2,332	2,288	3,550
EBITDA margin (%)	14.8	11.9	11.5	7.9	14.9	21.0	19.7
FFO	1,268	1,325	1,323	621	1,193	1,289	2,431
Net debt	13,619	20,043	25,318	23,687	21,746	26,143	25,898
Total assets	76,794	83,443	87,317	86,719	86,470	89,979	91,370
Net debt/EBITDA (x)	8.2	12.1	13.9	16.5	9.3	11.4	7.3
EBITDA/net interest (x)	5.1	3.5	2.4	1.6	2.1	2.3	3.4
FFO/net debt (%)	9.3	6.6	5.2	2.6	5.5	4.9	9.4
FOCF/net debt (%)	-8.5	-8.7	-13.2	10.4	-17.8	-19.3	-14.3
Equity ratio (%)	68.6	64.9	60.8	62.8	64.5	62.3	62.8

Source: company and NCR. e=estimate. FFO=funds from operations. FOCF=free operating cash flow. All metrics adjusted in line with NCR methodology.

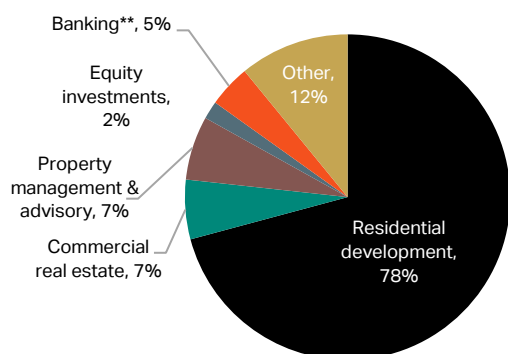
ISSUER PROFILE

OBOS is a Norway-based residential property developer, owned by over 600,000 members in Norway and 17,000 in Sweden. The company's primary focus is residential property development in Norway and Sweden, but it also provides property management and advisory services for housing cooperatives and owns strategic equity investments. In addition, it is a sizable commercial real-estate manager through subsidiary OBOS Eiendom AS and operates a regulated bank (OBOS-banken AS), with its member homeowners and housing cooperatives constituting the bank's primary customer base. OBOS has been a fixture in the Norwegian housing sector for nearly 100 years and has become a major component of the Swedish housing market.

OBOS develops large-scale residential housing and neighbourhood transformation projects in Oslo, Stockholm and other urban centres in Norway and Sweden. It also develops single-family timber-frame homes within commuting distances of these centres via subsidiaries OBOS Block Watne and 75% owned Solon Eiendom in Norway and OBOS Sverige in Sweden.

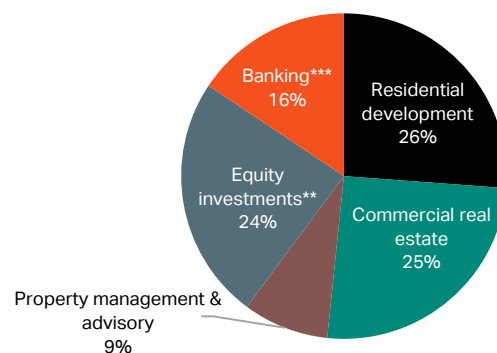
Our rating on OBOS takes account of the entire group and, although our assessment of key credit metrics excludes OBOS-banken, we believe that the bank adds value to the overall group by providing loans and alternative financing options to OBOS members and housing cooperatives, and stable dividends to OBOS.

Figure 2. Revenues* by business area, 2018–2024



Source: company. *Excluding eliminations. **Including real estate agency.

Figure 3. Pre-tax profit* by business area, 2018–2024



Source: company. *Excluding other, eliminations and IFRS adjustments. **Excluding NOK 2.1bn profit from sale of JM in 2021. ***Including real estate agency.

BUSINESS RISK ASSESSMENT

Our business risk assessment reflects OBOS' long-term presence in the Norwegian housing and commercial property markets and its growing influence in the Swedish housing market. It also takes into account the company's range of business, investment and financial activities and its relative position as a leading residential developer in the Nordic region. The cyclicity of real-estate development weighs on our overall business assessment, as does the company's modest earnings profile and margins.

Residential market remains challenging

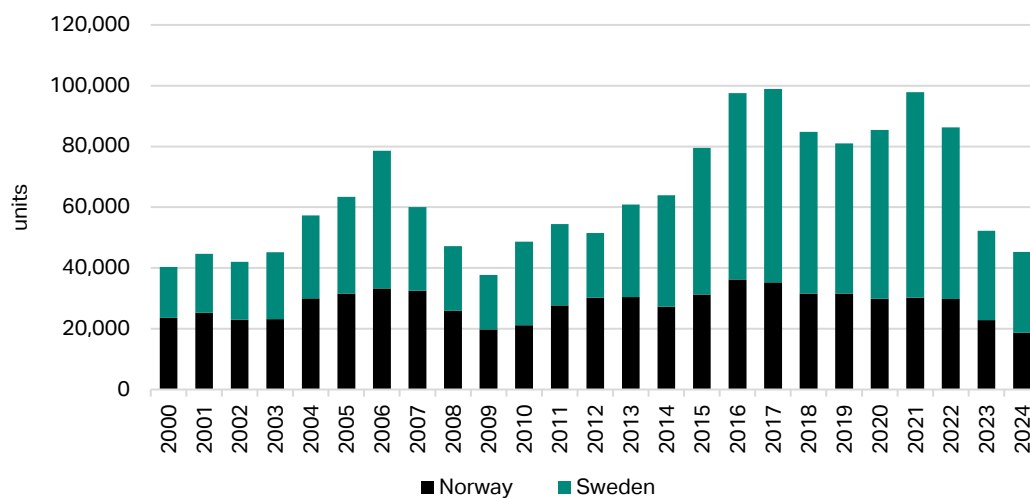
OBOS' revenues are dominated by income from its residential property development business, which has accounted for 78% of revenues over the past six years. However, due to relatively low operating margins, this division accounted for only 26% of pre-tax profit over the same period, including a loss of NOK 650m in 2024. Our assessment of the operating environment factors in the cyclicity of residential property development, together with the earnings stability provided by the less cyclical commercial real-estate business and property management and advisory division, and stable dividends from OBOS-banken.

The residential property development sector has been weakening in tandem with the recent rise in interest rates and reduced in population growth projections in Sweden. Customer demand for contracts for new housing has also declined due to uncertainty about housing prices and interest rate levels upon project completion. This has resulted in a reduction in housing sales and construction starts across the Nordic region. Positively, we expect a decline in Swedish interest rates and a modest

Operating environment

decline in Norwegian policy rates will improve demand and support housing prices. Building costs have increased moderately in Norway and remained stable in Sweden over the last year as building activity has been reduced (see Figures 5 and 6).

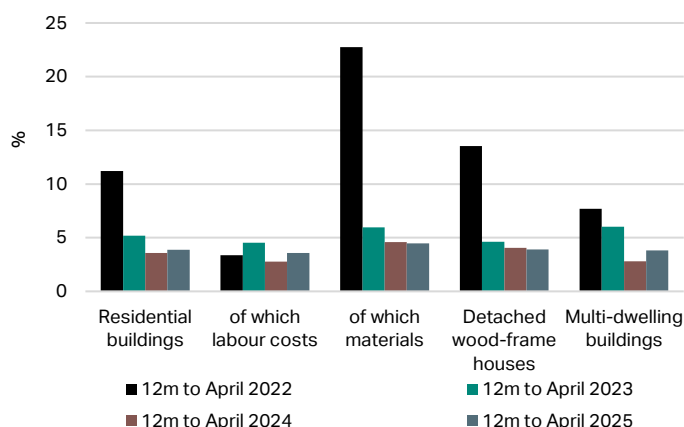
Figure 4. Housing construction starts in Norway and Sweden 2000-2024



Source: Statistics Norway, Statistics Sweden.

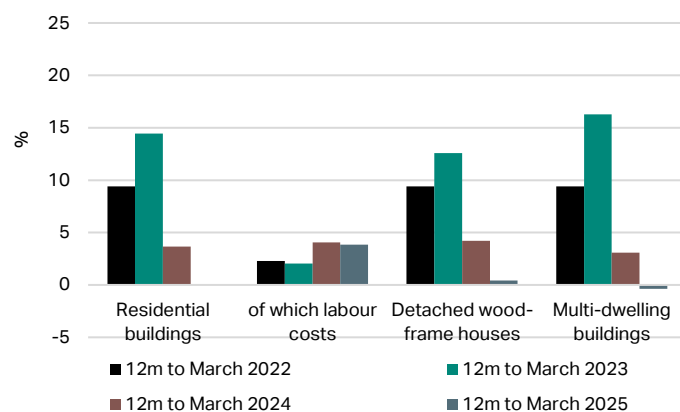
Property development times are around two years and OBOS has historically built a high proportion of pre-sold apartments and houses. Capital investment in new housing has declined materially as has the share of pre-sold apartments amid uncertainty about prices and interest rates. OBOS has reduced its capital spending plans and is cautious with respect to new projects. We note that the company has launched development projects with lower levels of pre-sold apartments to maintain its future offerings to members. We believe demand for new housing will increase in 2025 and 2026 as economic activity increases. However, fewer and more uncertain interest rate reductions could dampen demand. We expect OBOS to record a low number of property completions in 2025 and 2026, reducing revenue and results.

Figure 5. One-year increase in construction costs for residential development in Norway, April 2022-2025



Source: Statistics Norway.

Figure 6. One-year increase in construction costs for residential development in Sweden, March 2022-2025



Source: Statistics Sweden.

Despite a relatively modest revenue contribution, subsidiary OBOS Eiendom has contributed 25% of pre-tax profit and an increasing share of EBITDA as retail property development has weakened. OBOS Eiendom's pre-tax profit has been reduced by adjustments in the value of investment properties in the last two years, however EBITDA has remained steady and improved to over NOK 600m in 2024. We expect the completion of Construction City in Oslo will improve EBITDA contributions from OBOS Eiendom in our forecast. Commercial real estate is less cyclical than residential property development and we take a favourable view of OBOS Eiendom's property portfolio focus on Oslo. Overall, the company contributes positively to our assessment of OBOS' business risk.

In addition to OBOS' value-creating divisions, it has substantial equity investments, primarily in construction companies Veidekke, AF Gruppen and NCC. We assess the operating environment for these construction companies as similar to that in which OBOS carries out residential development. The book value of OBOS' equity investments was NOK 3.1bn as of 31 Mar. 2025, while its combined market value exceeded book value by almost NOK 5bn as of the end of May 2025. We include these excess values in our calculations of value-adjusted equity, which supports our assessment of OBOS' financial risk.

Norwegian residential property leader

Market position

OBOS' long history and well-established position in the Norwegian residential housing market with over 600,000 members is a notable strength and illustrates its important role in the country. The company is increasing its market recognition in Sweden, having added over 17,000 members since 2020. Membership includes the right of first refusal on OBOS homes for sale and encourages long-term loyalty among members seeking to maintain their position in the membership structure. OBOS is a market leader in the Nordic countries and ranked second in unit production in 2024. Despite currently weaker markets, we expect the company's investments will help it maintain this position. OBOS uses turnkey contracts with major partners, effectively reducing project risk. It is also a major investor in its primary building partners, Veidekke (19.5% owner), AF Gruppen (16%) and NCC (10% owner and 28.6% of the voting rights), which we believe supports close future cooperation.

As of 31 Mar. 2025, OBOS had 2,574 units under construction in Sweden and Norway, and is one of the largest homebuilders in the Nordic region. The company maintains a substantial land bank, in which it makes significant investments. The land bank had capacity for 27,900 new homes in Norway and 13,500 in Sweden as of 31 Mar. 2025, creating a competitive advantage. These properties are included on the balance sheet as historical acquisition costs and carried unrealised gains of about NOK 7.2bn as of 31 Mar. 2025 (including a 5% valuation deduction), which we take into consideration when calculating value-adjusted equity. About half of the unrealised value is associated with a large, long-term development project in Fornebu near Oslo.

Subsidiary OBOS Eiendom has a long history as a commercial real-estate manager in Norway, with a focus on shopping centres, offices and other commercial buildings. Properties are typically located close to OBOS' residential development projects, with almost all rental income coming from the Oslo area. OBOS Eiendom's portfolio was valued at NOK 18bn as of 31 Dec. 2024, making it a small property manager in a Nordic context. However, in our view, OBOS Eiendom's market position is supported by its close ties with the wider OBOS group.

We believe that OBOS-banken's offering supports OBOS' overall market position and objectives to provide its members with affordable housing, while also cementing customer relationships. With nearly NOK 64bn in net lending, the bank is among the top 20 lenders in Norway. It also contributes steadily improving dividends to OBOS, which we include in our EBITDA calculations. Due to the implementation of the EU's Capital Requirements Regulation III (CRR3) and a substantial share of low loan-to-value residential mortgage loans, we expect OBOS-banken will have increased capacity for dividends and/or growth in the coming years.

Mix of offerings, brands and equity investments adds to diversity

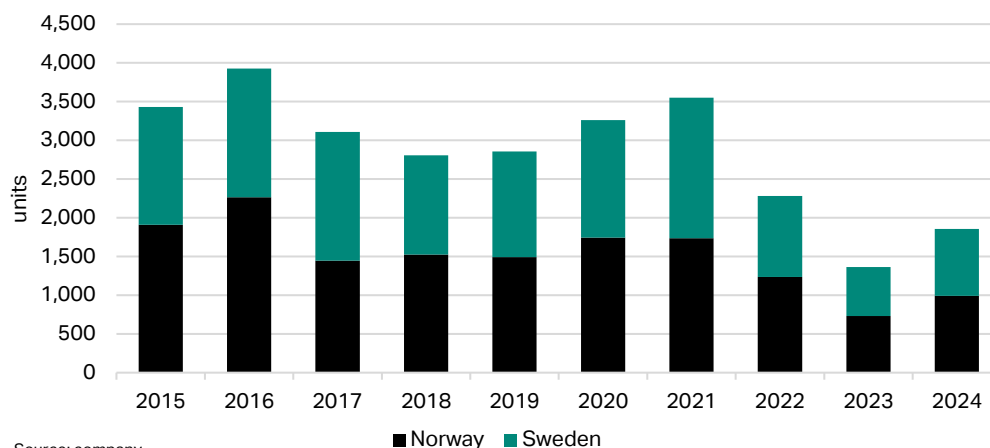
Size and diversification

OBOS is active throughout the entire residential and commercial property value chain, generating revenues from development, management, financing and real-estate agencies. Revenues are dominated by residential property sales, although pre-tax profits demonstrate OBOS Eiendom's relatively strong earnings profile and returns from equity investments.

Within residential property development, OBOS has divisions focused on urban development and the construction of timber-frame terraced houses and single-family homes. Within the urban development division, OBOS focuses on large, often decades-long, urban transformation projects in Oslo, Stockholm and other metropolitan centres. In Norway, most new production is built by OBOS Nye Hjem and OBOS Fornebu in the form of apartments that are part of larger neighbourhood developments in the greater Oslo area.

In Sweden, most of the company's residential constructions are wood-frame, single-family modular homes built by OBOS Sverige under the Myresjöhus and SmålandsVillan brands. The company also sells apartments and terraced houses via housing cooperatives (bostadsrättsföreningar) in Sweden. Demand for single-family homes in Sweden has been particularly reduced in recent years, in part by higher costs of living and uncertainty about the direction of interest rates, but also by a reduction in population growth expectations.

Figure 7. Homes sold by country, 2015–2024



OBOS' equity investments and joint ventures have made a material contribution to profits in recent years. Dividends have added around NOK 580m to cash flow in each of the last two years, while the divestment of OBOS' shares in residential developer JM resulted in a one-off profit of NOK 2.1bn and a cash flow of NOK 4.6bn in 2021. OBOS has made significant unrealised gains from its ownership positions in Veidekke, AF Gruppen and NCC. In addition, OBOS-banken has paid annual dividends to OBOS for the past four years, and we expect the bank will increase its dividends from the NOK 250m it paid out in 2025.

Construction starts dependent on demand; limited ability to pass on cost increases

The revenue and profit from OBOS' residential development business are closely linked to demand for new housing. The company expects to complete around 1,650 units in 2025 and 2026, and nearly 4,000 in 2027, which is reflected in our projected EBITDA. We believe that the number of units sold could be nearly twice the number of completions over the next few years, as demand increases presales and OBOS reduces its stock of unsold apartments.

We believe OBOS will continue to prioritise selected projects and that construction starts will increase moderately as demand for residential properties improves. Over time, a fall in the number of starts is likely to result in higher demand, but the profitability of new projects and the level of interest in pre-sales remains uncertain. The company is making significant upgrades to its production facility in Sweden to produce pre-fabricated houses, which will allow it to improve the efficiency of new builds as well as open up the opportunity to sell OBOS-produced houses and house sections to other builders.

OBOS mitigates some risk in ongoing projects by the frequent use of fixed turnkey contracts, resulting in the bulk of construction risk being borne by the builder. Risk is further mitigated by the company's longstanding relationships with the Nordic region's largest construction companies. Nonetheless, reduced demand and high building costs in recent years have delayed construction starts across the sector.

Margins vary widely between the company's different divisions. We expect company-wide margins to increase in 2025–2026 as revenues from residential development decrease. This reflects a change in the company's business mix, given that average EBITDA margins have improved towards 70% in its commercial real-estate business, and there is a higher share of contributions from joint ventures and OBOS-banken.

Operating efficiency

Figure 8. Revenues, gross profit, EBITDA, and margins (excl. OBOS-banken), 2021–2027e

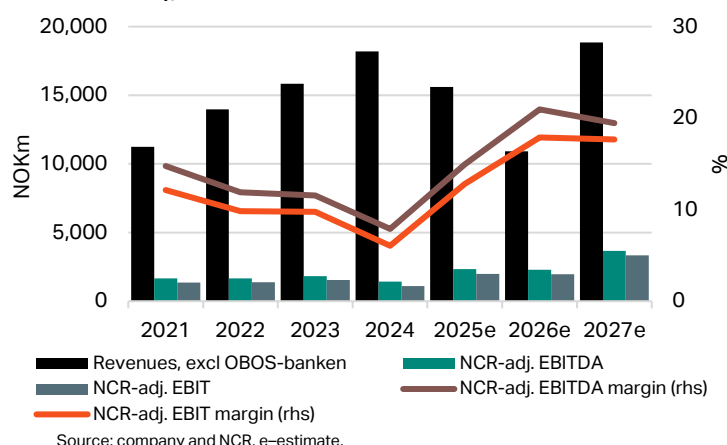
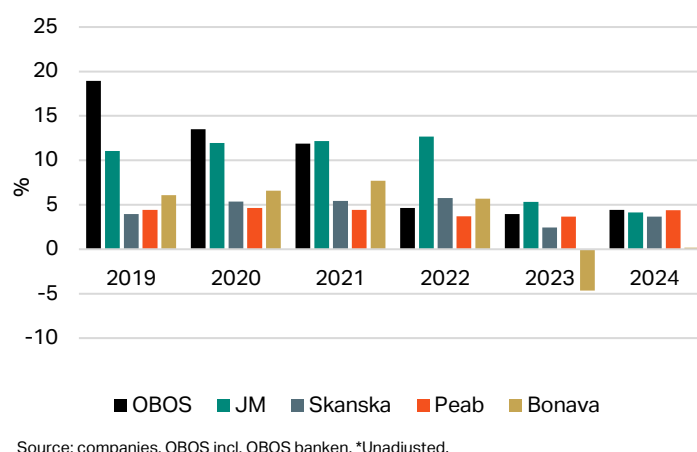


Figure 9. Peer EBIT margins*, 2019–2024



FINANCIAL RISK ASSESSMENT

Financial risk

Our financial risk assessment takes into account OBOS' key credit metrics, excluding OBOS-banken. The assessment also factors in the substantial excess values in OBOS' equity investments, land bank and subsidiaries. Given the nature of the company, we include the equity ratio in our financial ratio assessment.

High financial gearing mitigated by strong balance sheet and unrealised gains

Ratio analysis

We expect net debt to EBITDA to fall in 2025 after rising since 2020. However, financial leverage remains high due to lower EBITDA from residential property development. OBOS remains highly leveraged in comparison with its property developer peers, even excluding OBOS-banken, but maintains NOK 18bn in investment properties through OBOS Eiendom and a strong balance sheet, including NOK 16bn in unrealised market value. Our calculations of key credit metrics exclude OBOS-banken, which would otherwise distort the metrics in a way which, in our view, would not accurately reflect OBOS' financial risk profile. Outside of the bank we project net debt to decline in 2025 due to strong cash flows from the partial sales of two projects at Fornebu to Thon Gruppen, which will significantly contribute to EBITDA.

The company's net interest coverage remains weakened by high interest rates and fewer new project completions. Although the effect of the decline has been mitigated by interest-rate hedging, we forecast interest coverage of 2.0x–3.4x through 2027, including an expectation of only 50bps lower policy rates over the next two years.

We view OBOS' strong balance sheet and substantial unrealised gains in its land bank, equity investments and subsidiaries as substantial mitigators of financial risk. This has been evidenced in recent years by the company's divestment of its shares in JM in 2021 (NOK 2.1bn profit), the sale of Odevo in 2024 (NOK 554m), the sale of land for use in partnerships with other Nordic developers including the recent divestment of a 50% share in the projects at Fornebu, and full or partial divestments of commercial properties held by OBOS Eiendom, turning unrealised gains into cash flows. These asset divestments provide internal financing for residential property development and commercial real-estate projects, resulting in strong cash flows when internally funded projects are completed.

We reflect the company's excess market values in our adjusted equity ratio, which we regard as a key credit metric in our assessment. We note that the company maintains a 60% adjusted equity ratio to its financial policy. We expect these excess values to be more volatile than OBOS' balance sheet items, particularly the equity investments, and will decline as land bank resources are depleted or sold. In our view, the company's strong balance sheet provides it with good opportunities to reduce investments to weather economic downturns. We therefore view financial risk as moderate, despite other metrics being weak.

Figure 10. Value-adjusted equity and equity ratio (excl. OBOS-banken), 31 Mar. 2025

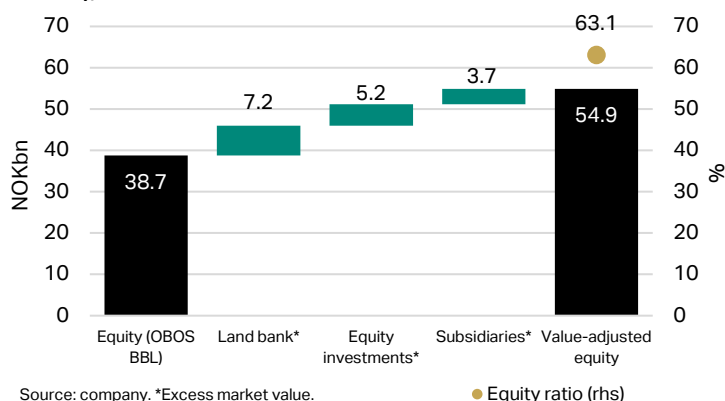


Figure 11. Peer equity ratios, 2020–2024

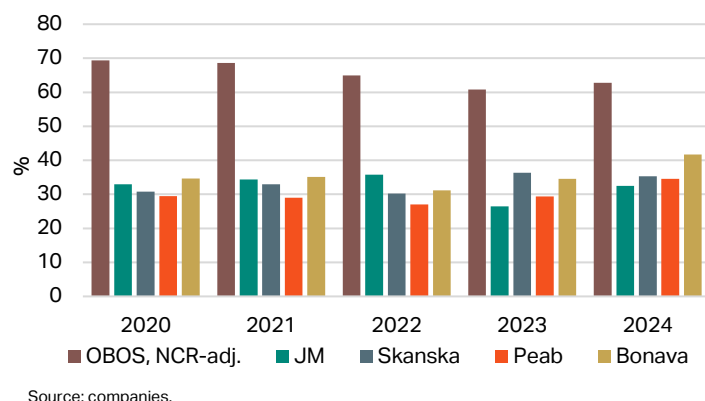


Figure 12. Key base-case forecast assumptions and credit metrics, 2025e–2027e

NOKm	2025e	2026e	2027e
Revenue growth (%)	-14.3	-30.0	65.0
EBITDA margin (%)	14.9	21.0	19.7
Capital spending	3,308	3,308	3,308
Other investments	1,752	3,020	2,829
Net debt/EBITDA (x)	9.3	11.4	7.3
EBITDA/net interest (x)	2.1	2.3	3.4
FFO/net debt (%)	5.5	4.9	9.4
FOCF/net debt (%)	-17.8	-19.3	-14.3
Equity ratio (%)	64.5	62.3	62.8

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

We include dividend payments from OBOS-banken to OBOS to reflect the cash flow impact. We expect these dividends to improve in coming years given a reduction in regulatory capital requirements resulting from the implementation of CRR3 in Norway in 2025. We also adjust EBITDA for the company's annual 'OBOS gir tilbake' donation to charity. In practice, the decision to allocate these funds is discretionary and decided at board level as if it were a dividend payment, despite being reported as an operating cost in the company's financial statements. Our adjustment for capitalised interest amounts reflects interest on loans from other OBOS companies. Although these interest amounts are capitalised by OBOS, we include them in net interest because we expect that they will eventually result in cash outflows. Our forecast includes all projected interest payments, although the company capitalises a proportion of its construction loans.

Figure 13. Net debt/EBITDA and EBITDA/net interest (excl. OBOS-banken), 2021–2027e

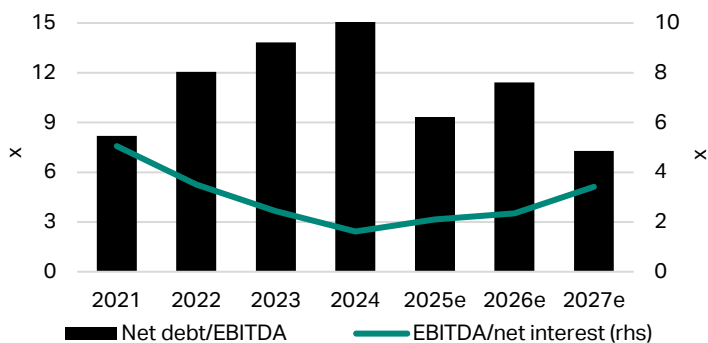
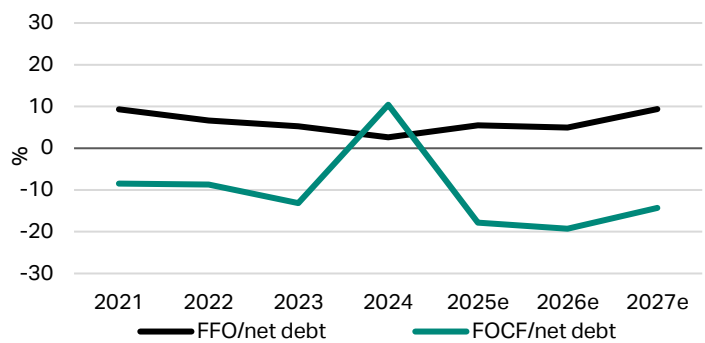


Figure 14. FFO/net debt and FOCF/net debt (excl. OBOS-banken), 2021–2027e



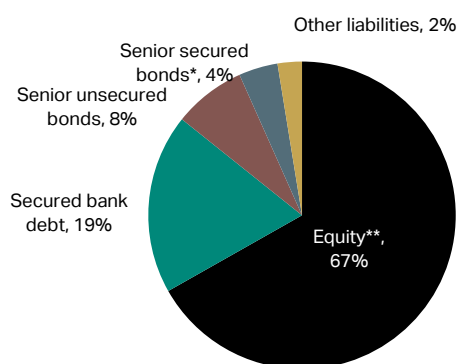
Risk appetite

Retention of cash flows a strength, lack of equity injection procedures a constraint

Excluding OBOS-banken, which is self-financed, OBOS is funded through a mix of equity, secured bank loans for property and construction projects, and secured and unsecured bonds. In addition to profit from previous years, NOK 145m of the company's equity is made up of capital contributed by members, which is not refundable. Because OBOS is a member association, it has no set procedures for injecting equity, if needed, and therefore has no real ability to obtain equity injections to restore financial ratios if they fell below target. This risk is mitigated by a robust liquidity position based on OBOS' financial policy which stipulates that available liquidity must be sufficient at all times to cover all outstanding market financing by the company maturing within the next 12 months.

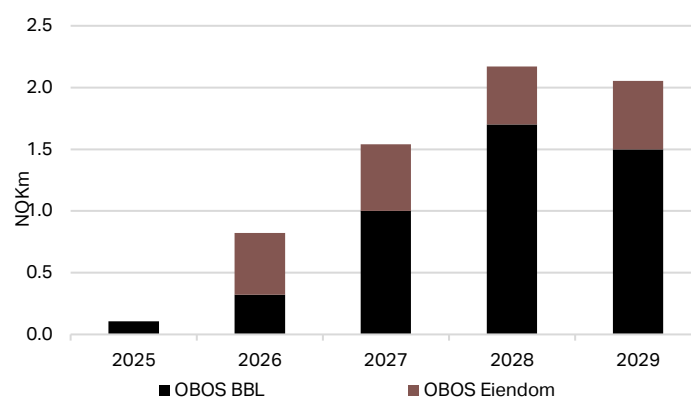
We view OBOS' debt maturity profile as relatively balanced, since the company actively reduces its refinancing risk. During 2025, the company has tapped existing bonds for NOK 500m maturing in 2029 and 2030, while repurchasing over NOK 572m in debt maturing in 2025 and 2026. A large share of the company's bank loans are construction loans associated with ongoing development projects. We view the risks associated with the short-term maturity of these loans as lower than that of other debt due to their close association with specific project properties and plans to repay upon project completion.

Figure 15. Funding profile (excl. OBOS-banken), 31 Mar. 2025



Source: company. *Bonds issued by OBOS Eiendom and OBOS Nye Hjem. **Equity adjusted for excess values in land bank, equity investments and subsidiaries.

Figure 16. Bond maturity profile (excl. OBOS-banken), 13 June 2025



Source: company.

OBOS pays no dividends to its members. However, it donates up to 10% of after-tax profit to charity each year. In 2024, the amount donated was NOK 106m. Because of this low dividend-like payment, most cash flows generated stay within the group, which we view positively in our assessment of financial risk.

OBOS' interest-bearing debt is governed by financial policy targets as well as a group-wide financial covenant, which stipulates that the loan-to-value ratio must be maintained below 50% (see Figure 17). The company's interest coverage ratio remains below its target as of 31 Mar. 2025. All covenants and targets are calculated excluding OBOS-banken. In addition, company policy stipulates a return on capital employed in excess of 5%. In our view, OBOS' financial targets are adequate, given the company's structure, and covenant headroom is sufficient.

Figure 17. Financial covenants, policies and reported metrics

Metric	Common covenants	Financial policy/targets	As of 31 Mar. 2025
Loan-to-value ratio	<50%	<40%	30.6%*
Interest coverage ratio	-	>3x	1.6x
Secured LTV	-	<35%	22%
Average fixed-interest period**	-	1.5–4 years	3.2 years

Source: company. *Interest-bearing debt divided by total value, excluding OBOS-banken. **Excluding construction loans.

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 assess OBOS' liquidity position as adequate. The company has net sources to uses of 1.2x for the 12 months to 31 Mar. 2026. In addition, OBOS has short-term credit facilities with NOK 1.3bn undrawn as of 31 Mar. 2025 and tapped an additional NOK 300m in an existing bond in June 2025. These facilities are not included in our liquidity assessment. In our view, the company's liquidity profile is supported by its strong banking relationships with the largest banks in the Nordic region. Near-term debt maturities related to ongoing development projects are not included in our assessment as we expect the debt to be refinanced or to be repaid upon completion. We include NOK 1.6bn in cash flows associated with agreed sales over the 12-month period.

Figure 18. Liquidity analysis (stressed scenario) 31 Mar. 2025–31 Mar. 2026

Liquidity, next 12 months	Amount NOKm
Cash and cash equivalents (100%)	1,317
Other liquid financial assets (75%)	1,142
Adjusted FFO (75%)	913
Unutilised credit facilities	2,500
Cash flow adj. for sales expenses	1,616
Total sources	7,488
Repayment of borrowings	-3,889
Committed capital spending	-2,137
Total uses	-6,026
Sources/uses (x)	1.2
Sources-uses (NOKm)	1,462

Source: company and NCR.

Environmental, social and governance factors

ESG factors

OBOS' environmental, social, and governance (ESG) risks and opportunities are incorporated into our assessment of the company's overall business and financial risk.

The company's social focus is embedded in its business model. In our view, the overall target of providing housing to members, along with annual charitable donations of up to 10% of after-tax profit, strengthens the company's ESG profile. OBOS' increasing social initiatives also include efforts to reduce the cost of buying a home. The company offers shared ownership that allows buyers to acquire only 50–90% of a home, with OBOS owning the remainder (the OBOS ("Deleie") scheme is available in both Norway and Sweden). It also gives buyers the option of reducing the market price by 10–15%, with OBOS retaining the right to reacquire the home when it is resold (the OBOS "Bostart" scheme, available in Norway). We believe the company's social initiatives, including these financing schemes, support its market position by adding value to its member offering.

The main ESG issues that could affect our overall assessment are factors that could contribute to increased costs, loss of revenue, higher capital spending or a deterioration in financing opportunities.

Figure 19. ESG considerations

Issue	Risk	Mitigating efforts	Result
Carbon dioxide emissions	Increased costs due to regulatory and/or taxation changes.	Drive to increase energy efficiency and reduce carbon dioxide emissions.	Targets reducing carbon dioxide emissions from projects (80–90% of emissions) by 45% by 2026, 55% by 2030 and 95% by 2050. Increasing proportion of fossil-free construction projects.
Impact of climate change on operations	Loss of revenues or increased capital spending.	Evaluation of impact on properties (in OBOS Eiendom).	Reporting according to Task Force on Climate Related Financial Disclosure. Results for 2023 show financial impact between NOK 5m–194m in Norwegian operations, primarily due to real-estate development and commercial properties. Company has widened the coverage of its reported EU Taxonomy alignment in its subsidiaries in 2024.
Choice of materials, efficiency and waste management	Increased costs, as well as impact on ability to certify properties or finance projects with sustainable financing.	Projects have targets of 80–90% recycled material, and waste generation of maximum 25kg/sqm.	Close to half of units built are constructed from wood. Requirements for new projects to be certified by BREEAM (Norway) and Svanenmärkt (Sweden).
Corruption	Increased costs, possibly material.	Procedures and policies in place to avoid corruption issues, internally and in managed projects.	Zero tolerance of corruption. No reported cases in 2023 or 2024.
Increased environmental focus on financial markets	Adverse effect on financing opportunities or higher financing costs due to slow transition to lower carbon dependence.	Established green bond framework. OBOS-banken provides green mortgages. Targets class 'A' energy efficiency at all new properties. Started assessment of biodiversity impact in anticipation of future investor demand.	Green bond frameworks for OBOS and OBOS-banken rated Light green by S&P Global Ratings Shades of Green in 2024.

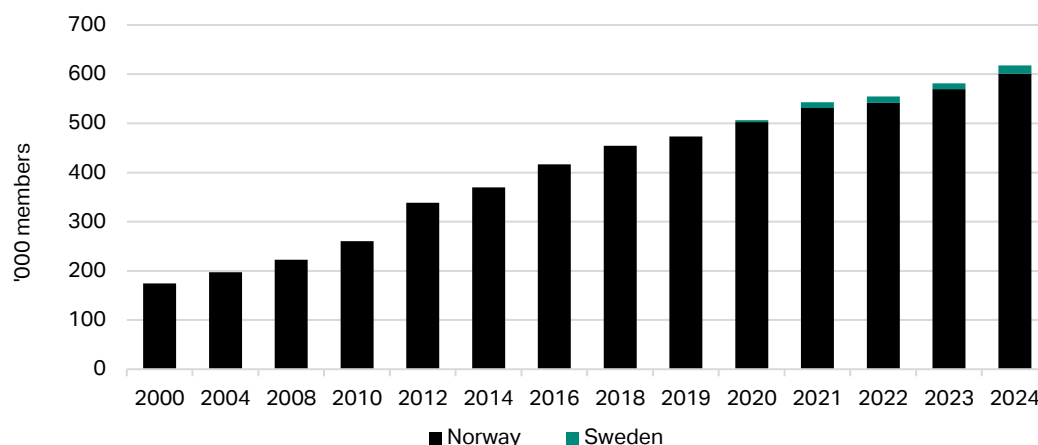
Source: company. See [ESG factors in corporate ratings](#).

OWNERSHIP ANALYSIS

Ownership

OBOS is owned by its 623,000 members as of 31 Mar. 2025. As a member association, the company has no set procedures for injecting equity, if needed, though it maintains material excess value in its balance sheet that can be divested, which has historically generated material new capital. While we believe that OBOS' members value the company's efforts to provide them with affordable housing, as indicated by the strong growth in membership over the past two decades, we do not believe that members are financially committed to OBOS in an event of financial distress. We assess OBOS' ownership profile as neutral, but factor in our view of the corporate structure in our assessment of financial risk appetite.

Figure 20. Number of members in Norway and Sweden, 2000–2024



Source: company.

ISSUE RATINGS

OBOS' gross secured debt to NCR-adjusted assets (excluding OBOS-banken) was 22% as of 31 Dec. 2024. Most of the company's interest-bearing debt is secured by mortgage certificates on encumbered properties. The company has a financial policy to maintain secured debt below 35% and we do not expect gross secured loan to value to exceed 40% during our forecast period through 2027. Consequently, we rate OBOS' senior unsecured bonds in line with the long-term issuer rating.

SHORT-TERM RATING

The 'N3' short-term rating reflects OBOS' liquidity profile relative to the 'BBB-' long-term issuer rating. According to our liquidity analysis, the company's committed sources to uses stands at 1.2x, which we see as indicative of an adequate 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.
- (iv) [Local and Regional Government Rating Methodology](#), 14 Feb. 2024.

RELEVANT RESEARCH

- (i) [Norwegian real estate faces uncertain operating conditions](#), 22 Apr. 2025.
- (i) [Comparison of Swedish industrial and logistics property managers](#), 1 Apr. 2025.
- (ii) [Swedish real estate snapshot \(Q4 2024\): growth is back on the menu](#), 4 Mar. 2025.
- (iii) [Swedish real estate outlook 2025](#), 4 Mar. 2025.
- (iv) [Comparison of NCR-rated community service property managers](#), 9 Dec. 2024.

Figure 21. NCR's adjustments to financials, 2021–2027e

NOKm	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	4,177	1,831	1,925	1,900	1,404	1,310	2,522
Divestment of JVs	-2,136	-286	6	-11			
Share of profits in JVs	-1,076	-779	-541	-729			
Dividends received from JVs	807	848	581	572	572	572	572
Annual donation to charity	167	230	169	106	106	106	106
OBOS-banken dividends		170	200	250	250	300	350
OBOS-banken EBITDA	-279	-352	-509	-651			
NCR-adj. EBITDA	1,661	1,663	1,831	1,437	2,332	2,288	3,550
Net interest	-268	-396	-623	-818	-1,039	-904	-970
Dividends reported as interest inc.	-20	-5	-1	-6	-6	-6	-6
Capitalised interest	-41	-72	-128	-64	-64	-64	-64
NCR-adj. net interest	-329	-474	-752	-888	-1,109	-974	-1,040
NCR-adj. EBITDA	1,661	1,663	1,831	1,437	2,332	2,288	3,550
NCR-adj. net interest	-329	-474	-752	-888	-1,109	-974	-1,040
Current taxes	-118	49	143	-80	-29	-25	-79
Other FFO adjustments	54	87	113	152	0	0	0
NCR-adj. FFO	1,268	1,325	1,335	621	1,193	1,289	2,431
NCR-adj. FFO	1,268	1,325	1,335	621	1,193	1,289	2,431
Changes in working capital	-1,698	-2,116	-3,128	3,845	-1,752	-3,020	-2,829
Capital spending on tangible assets	-722	-951	-1,529	-1,997	-3,308	-3,308	-3,308
NCR-adj. FOCF	-1,152	-1,743	-3,322	2,469	-3,867	-5,039	-3,706
Cash and cash equivalents	933	1,913	1,399	2,230	1,593	2,471	3,205
Adjustment for liquid assets	3,217	560	985	531	1,142	1,142	1,142
Other cash adjustments	417	422	-105	-186	-186	-186	-186
NCR-adj. cash and equivalents	4,567	2,895	2,279	2,575	2,549	3,427	4,161
Gross interest-bearing debt	66,925	74,202	87,041	93,625	96,625	103,625	108,625
Leasing liabilities	324	338	343	332	332	332	332
Retirement benefit obligations	110	99	113	133	131	131	131
Liabilities for assets held for sale	119	0					
Of which, OBOS-banken	-49,291	-51,701	-59,900	-67,828	-72,793	-74,518	-79,029
NCR-adj. cash and equivalents	-4,567	-2,895	-2,279	-2,575	-2,549	-3,427	-4,161
NCR-adj. net debt	13,619	20,043	25,318	23,687	21,746	26,143	25,898
Total equity	33,178	35,580	36,652	38,338	39,670	40,915	43,252
Excess value	19,485	18,588	16,461	16,102	16,138	15,138	14,138
NCR-adj. equity	52,662	54,168	53,113	54,440	55,808	56,053	57,390
Total assets	106,749	116,944	131,398	139,194	143,869	150,104	157,007
Excess value	19,485	18,588	16,461	16,102	16,138	15,138	14,138
OBOS-banken adjustments	-49,439	-52,090	-60,542	-68,577	-73,537	-75,263	-79,774
NCR-adj. total assets	76,794	83,443	87,317	86,719	86,470	89,979	91,370

Source: company and NCR. e-estimate. JVs-joint ventures.

Figure 22. OBOS BBL key financial data, 2021–2024

NOKm	FY	FY	FY	FY
Period-end	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024
INCOME STATEMENT				
Revenue	11,715	14,540	16,678	19,257
EBITDA	4,177	1,831	1,925	1,900
EBIT	3,882	1,544	1,198	1,594
Net interest expense	-268	-396	-623	-818
Pre-tax profit	4,454	1,581	700	1,705
Net profit	4,268	1,629	843	1,625
BALANCE SHEET				
Property, plant and equipment	–	–	–	–
Intangible assets and goodwill	3,520	3,594	3,733	4,030
Other non-current assets	97,976	107,874	120,859	127,452
Total non-current assets	101,496	111,468	124,592	131,482
Cash and equivalents	933	1,913	1,399	2,230
Other current assets	4,320	3,563	5,407	5,482
Total assets	106,749	116,944	131,398	139,194
Total equity	33,178	35,580	36,652	38,338
Gross debt	66,925	74,202	87,041	93,625
Other liabilities	6,646	7,162	7,703	7,231
Total equity and other liabilities	106,749	116,944	131,396	139,194
CASH FLOW STATEMENT				
Pre-tax profit	4,454	1,581	700	1,705
Cash flow before changes in working capital	2,312	432	872	-1,778
Changes in working capital	-1,698	-2,116	-3,128	3,845
Operating cash flow	613	-1,684	-2,256	2,067
Capital expenditure	-722	-951	-1,529	-1,997
Other investing activities	-2,954	2,505	-3,772	-2,090
Cash from investing activities	-3,676	1,554	-5,301	-4,087
Dividends	–	–	–	–
Share repurchases	–	–	–	–
Other financing activities	2,034	1,102	10,515	2,848
Cash from financing activities	2,034	1,102	10,515	2,848
Cash and equivalents beginning of year	1,970	933	1,913	1,399
Cash flow for year	-1,044	967	2,974	828
Cash and equivalents at end of year	933	1,913	1,399	2,230

Source: company. FY–full year.

Figure 23. OBOS BBL rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb-
Market position	10.0%	a-
Size and diversification	10.0%	a-
Operating efficiency	10.0%	bb
Business risk assessment	50.0%	bbb-
Ratio analysis		bbb-
Risk appetite		bbb-
Financial risk assessment	50.0%	bbb-
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		N3

Figure 24. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB-

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