

# Stendörren Fastigheter AB (publ)

Full Rating Report

## LONG-TERM RATING

**BB-**

## OUTLOOK

**Positive**

## 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, 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 roughly 75% of interest-bearing liabilities hedged, mainly using interest rate caps.

## POSITIVE OUTLOOK

The outlook is positive, reflecting our view that if Stendörren performs in line with our expectations, despite the uncertain market environment, we could lift our assessment of the financial risk and raise the rating. The outlook also reflects our belief that the company will continue to maintain moderate growth ambitions and retain its current leverage throughout our forecast period. We expect the company to maintain adequate interest coverage covenant headroom and to be proactive in managing its upcoming debt maturities.

### POTENTIAL POSITIVE RATING DRIVERS

- A proven commitment to a more moderate financial risk profile, with NCR-adjusted loan to value (LTV) below 60% and EBITDA/net interest above 2.0x.
- Maintained market fundamentals, supporting continued strong operating performance.

### DRIVERS FOR A STABLE OUTLOOK

- NCR-adjusted LTV above 60% and EBITDA/net interest below 2.0x.
- A deteriorating liquidity position.

Figure 1. Stendörren key credit metrics, 2019–2025e

SEKm	2019	2020	2021	2022	2023e	2024e	2025e
Rental income	592	651	656	733	859	915	988
NCR-adj. EBITDA	309	374	411	472	584	622	672
NCR-adj. EBITDA margin (%)	52.2	57.5	62.7	64.4	68.0	68.0	68.0
NCR-adj. investment property	9,372	9,758	11,931	12,672	13,158	13,191	13,497
NCR-adj. net debt	5,703	5,763	6,501	7,029	7,263	7,324	7,304
Total assets	9,608	10,233	12,290	13,344	13,881	13,913	14,300
NCR-adj. net debt/EBITDA (x)	18.5	15.4	15.8	14.9	12.4	11.8	10.9
NCR-adj. EBITDA/net interest (x)	1.7	1.9	2.1	1.9	2.0	1.7	2.1
NCR-adj. net LTV (%)	60.9	59.1	54.5	55.5	55.2	55.5	54.1
NCR-adj. FFO/net debt (%)	2.2	3.1	3.3	2.9	3.5	2.9	4.1

Based on NCR estimates and company data. 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. 2023, Stendörren owned and managed 151 properties, totalling 815,000 sqm, with a value of SEK 12.5bn. The company has ambitious growth plans, and over the last couple of 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 in Stendörren.

**BUSINESS RISK ASSESSMENT**

Business risk assessment 'bb+'

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 despite uncertain market environment**

Operating environment 'bb'

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 at record-high levels in Sweden and we believe that a marked downturn in economic activity could have a considerable impact on Stendörren's occupancy and overall profitability.

Figure 2. Stendörren rental value by area, 30 Sep. 2023

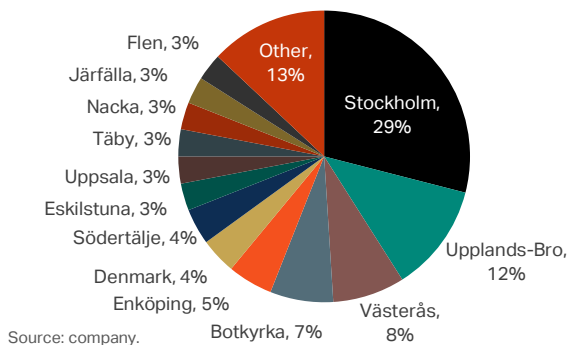
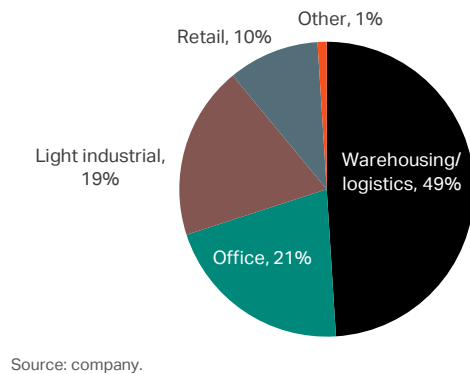


Figure 3. Stendörren rental area by area type, 30 Sep. 2023



Warehouse and logistics properties benefited from a boom in e-commerce during the COVID-19 pandemic, a structural trend that is expected to continue for the long term. However, we expect overall household spending to decrease in 2024, affecting e-commerce negatively in the short term. However, rising demand for shorter delivery times is likely to increase the attractiveness of properties close to city centres, and we believe Stendörren can benefit from continued market growth over the next few years.

Figure 4. Stendörren rental value from top 10 municipal exposures, 30 Sep. 2023

Municipality	Share of rental value	Population, 2022	Expected population change among 15–64-year-olds, 2022–2040	Unemployment, Aug. 2023
Stockholm	29%	987,869	12.2	6.3
Upplands-Bro	12%	31,514	15.1	7.4
Västerås	8%	158,258	8.1	7.9
Botkyrka	7%	96,207	18.0	10.5
Enköping	5%	48,128	14.3	6.2
Södertälje	4%	102,017	9.1	10.5
Eskilstuna	4%	108,025	1.9	11.0
Uppsala	3%	240,312	15.0	6.3
Täby	3%	74,571	7.1	3.6
Nacka	3%	109,590	10.2	4.2
<b>Total/Sweden average</b>	<b>78%</b>	<b>10,512,820</b>	<b>5.9%</b>	<b>7.2%</b>

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

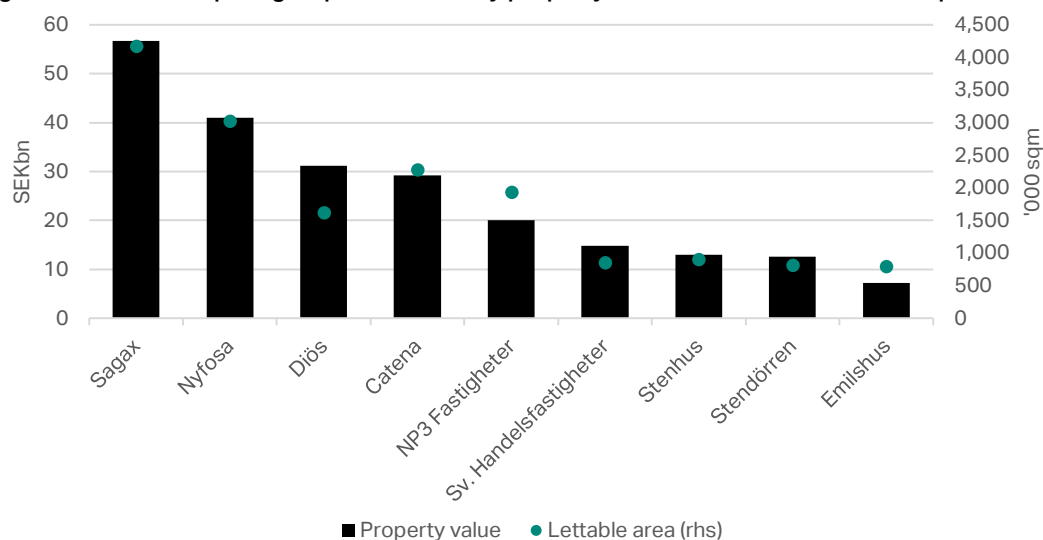
**Focus on attractive logistics hubs and geographic expansion in the Nordic region**

Market position, size and diversification 'bb+'

Stendörren's property portfolio is mostly located close to Stockholm, but last-mile deliveries around the capital's region reach about 25% of Sweden's population, mitigating concentration risk. In 2021 and 2022, Stendörren acquired several properties in Denmark, Norway and Finland. We view this as positive in terms of geographic diversification.

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 and supporting brand recognition.

Figure 5. Stendörren peer group breakdown by property value and lettable area, 30 Sep. 2023



Source: companies.

As of 30 Sep. 2023, Stendörren's top 10 tenants accounted for 21% of the company's rental income. The tenant base is diverse, with several hundred different tenants. The largest single tenant, Coop Logistik AB, which accounts for some 9% of rental income, will leave its premises totalling 129,000 sqm in Upplands-Bro by the end of September 2024. On 22 Dec. 2023, Stendörren announced that it has signed a six-year lease with the Swedish Fortifications Agency, starting from 1 Oct. 2024. The new lease matures on 30 Sep. 2030 and has an extension option of an additional four years. We take a positive view on Stendörren's ability to finalise this lease agreement. With a government agency taking over

the single largest tenant exposure, we believe it shows continued demand for the company's premises in Mälardalen, despite relatively old properties.

Figure 6. Stendörren tenant concentration, 30 Sep. 2023

Tenant	Share of rental income
Coop Logistik AB	9%
Hedin Mölndal Bil AB	2%
Åtta.45 Tryckeri AB	2%
Mountain Top	2%
Södertälje Industriservice AB, ISAB	1%
Unilever Europe BV	1%
Stockholm Vatten AB	1%
Bactiguard AB	1%
Sätra Motorcenter AB	1%
Onitio Sverige AB	1%
<b>Top 10 tenants</b>	<b>21%</b>

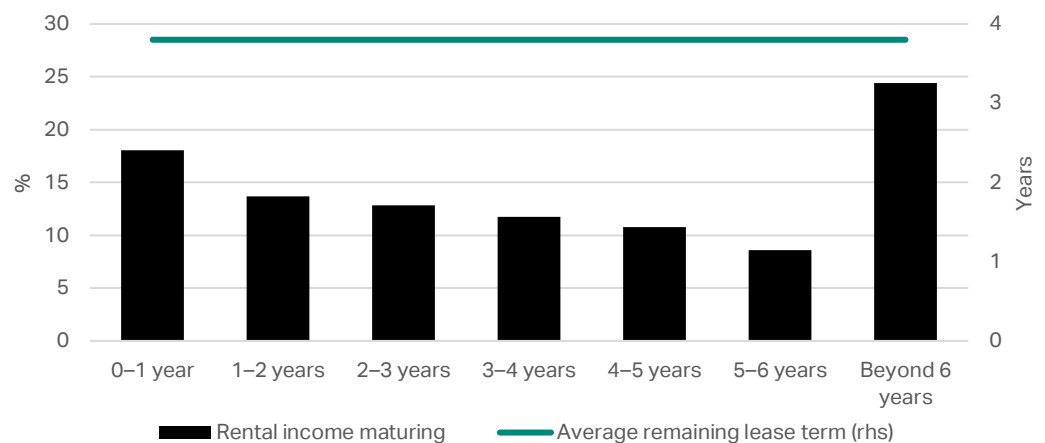
Source: company.

**Property portfolio with good location 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 attractiveness 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. 2023, about 49% of the area under management had obtained BREEAM In-Use environmental certification, increasing the appeal to environmentally conscious tenants. Stendörren's property portfolio had an average remaining lease term of 3.8 years as of 30 Sep. 2023.

Portfolio assessment  
'bb+'

Figure 7. Stendörren lease maturity profile, 30 Sep. 2023



Source: company.

Stendörren's current project portfolio on which construction has started constituted 2% of the company's total lettable area as of 30 Sept. 2023 (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 by only starting them on a pre-let basis. For smaller industrial projects, the company aims to start new construction by applying several phases, and such projects are started on a speculative basis. In addition, Stendörren's pipeline development projects, including the introduction of residential

property to the portfolio, are positive in terms of diversifying property types and reducing cyclicity, but are not without risk, especially during the development phase.

The company's largest pipeline project is GreenHub Bro, entailing building rights on about 400,000 sqm at a 1.4m sqm site. Stendörren aims to build several properties on the site, each driven by tenant demand and pre-let, with the aim of offsetting significant project risk. During the third quarter of 2023, Stendörren received building permits for two buildings in the area and the company has started stepwise development of the site. The timeline for the overall project is still uncertain.

**Figure 8. Stendörren's major projects in progress, 30 Sep. 2023**

Project	Location	Property type	Gross area (sqm)	Invested (SEKm)	Total investment (SEKm)	Estimated completion
Librobäck 21:3	Uppsala	Industrial	2,300	49	51	2023 Q4
Elementet 1	Stockholm	Industrial	3,400	32	44	2023 Q4
Almnäs 5:24	Södertälje	Industrial	2,300	26	49	2024 Q1
Stenvreten 8:37	Enköping	Logistics	9,500	15	152	2024 Q4
Båglampan 25	Stockholm	Industrial	4,300	21	105	2025 Q1
Viby 19:66	Upplands-Bro	Logistics	5,200	40	115	2025 Q1
Romberga 23:17	Enköping	Industrial	2,700	10	54	2025 Q1
Almnäs 5:23	Södertälje	Logistics	17,000	64	298	2025 Q2
Nygård 2:17	Upplands-Bro	Industrial	2,500	7	50	2025 Q2
Nygård 2:17	Upplands-Bro	Industrial	4,000	13	80	2025 Q3
<b>Total</b>	-	-	<b>53,200</b>	<b>277</b>	<b>998</b>	-

Source: company.

### Improved operating efficiency

The company's occupancy ratio has historically been between 87% and 92%, and as of 30 Sep. 2023, Stendörren's reported economic occupancy ratio was 94%. A significant proportion of Stendörren's tenants depend on continued purchasing power in the consumer segment, and occupancy could be negatively affected by a protracted economic downturn. The Swedish Fortifications Agency has signed a six-year lease to take over the current premises of Stendörren's largest tenant, which accounts for 9% of total rental income, by the start of October 2024. We assume that Stendörren's occupancy levels will remain in line with current levels throughout our forecast period.

A large proportion of the contracts are fully linked to the Swedish consumer price index, which supports the ability to maintain the EBITDA margin and offset current high inflation levels. However, the company has a low level of triple-net contracts and, hence, a lower EBITDA margin than its closest peers, despite increasing EBITDA margins in recent years. We expect Stendörren to continue to upgrade its properties and successfully renegotiate rental contracts upon maturity, supporting occupancy ratios and rental values going forward.

Operating efficiency  
'bbb+'

Figure 9. Stendörren revenues, net operating income, EBITDA, and margins, 2019–2025e

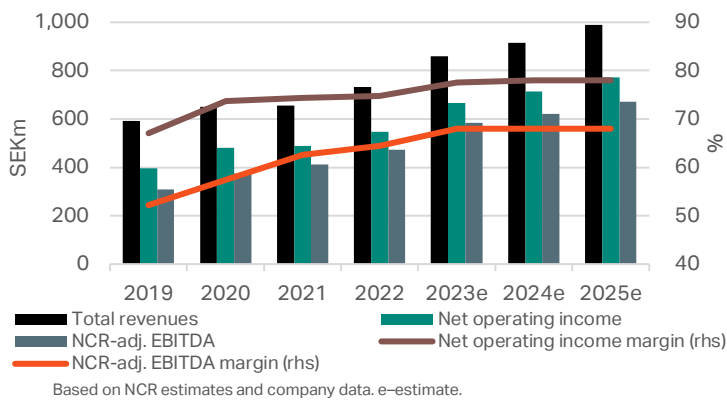
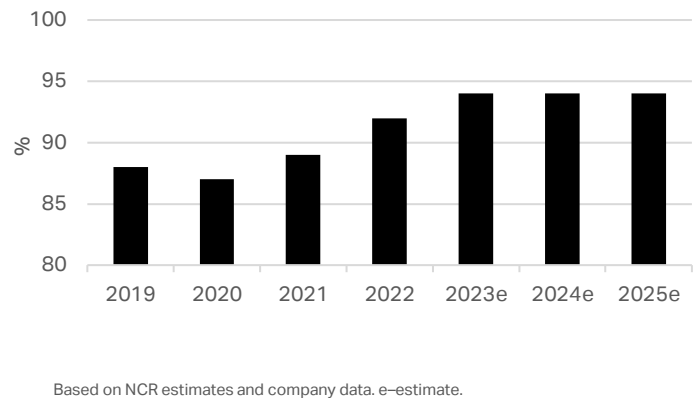


Figure 10. Stendörren occupancy rate, 2019–2025e



### FINANCIAL RISK ASSESSMENT

Financial risk assessment 'b+'

Our financial risk assessment reflects Stendörren's high leverage, long-term growth strategy and weakening interest coverage. Our assessment considers the hybrid bond as 100% debt, resulting in higher leverage ratios than reported by the company.

#### Ratio analysis

Ratio analysis 'b+'

In light of the current weakening market, we expect Stendörren to remain cautious on further acquisitions and decrease speculative development projects in the short term. We treat the hybrid bond and corresponding interest costs as 100% debt because its step-up date falls at the same time as the first call date, increasing the incentive to redeem at the first call date on 18 Sep. 2024. Our base case assumes that the company will redeem the hybrid at the first call date, despite the perpetuity feature of such instruments.

Our base case assumes:

- rental income growth of 17% in 2023, 7% in 2024 and 8% in 2025;
- an NCR-adjusted EBITDA margin of 68% in 2023–2025;
- investments in properties through development and refurbishment of around SEK 486m in 2023, and some SEK 300m per year in 2024 and 2025;
- an average interest rate on external debt of 4.1% in 2023, 4.7% in 2024 and 4.6% in 2025; and
- property value changes of 0% in 2023, a fall of 2% in 2024 and 0% in 2025.

On the basis of these assumptions, we estimate the following metrics for the period through 2025:

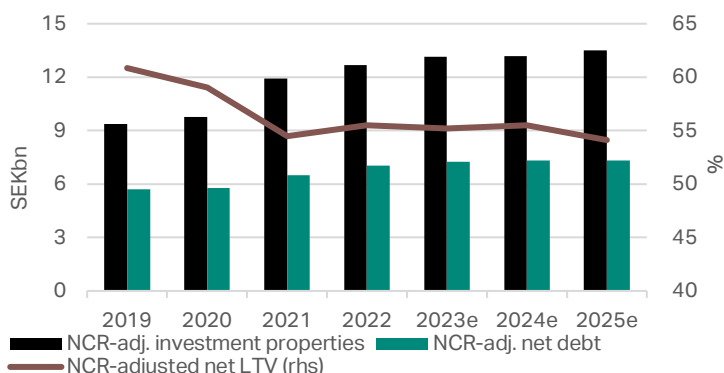
- NCR-adjusted net LTV of 54–56%;
- NCR-adjusted EBITDA/net interest of 1.7–2.1x; and
- NCR-adjusted net debt/EBITDA of 10.9–12.4x.

Figure 11. NCR's adjustments to Stendörren's credit metrics, 2019–2025e

SEKm	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	309	394	411	472	584	622	672
Other EBITDA adjustments		-20					
NCR-adj. EBITDA	309	374	411	472	584	622	672
Net interest	-165	-132	-134	-176	-235	-317	-315
Financial costs from leases	-9	-9	-9	-10	-10	-10	-10
Dividends paid on hybrid bond	-13	-54	-52	-58	-46	-35	0
NCR-adj. net interest	-187	-195	-195	-244	-291	-362	-325
NCR-adj. EBITDA	309	374	411	472	584	622	672
NCR-adj. net interest	-187	-195	-195	-244	-291	-362	-325
Current tax	2	-1	-2	-23	-40	-48	-48
NCR-adj. FFO	124	178	214	205	252	212	299
Investment property	9,147	9,533	11,693	12,418	12,904	12,937	13,243
Non-current right-of-use assets	225	225	238	254	254	254	254
NCR-adj. investment property	9,372	9,758	11,931	12,672	13,158	13,191	13,497
Cash and cash equivalents	138	361	160	315	390	389	470
NCR-adj. cash and equivalents	138	361	160	315	390	389	470
Gross interest-bearing debt	4,816	5,099	5,623	6,290	6,886	7,458	7,519
Hybrid bond (100% debt treatment)	800	800	800	800	512	0	0
Long-term leases liabilities	225	225	238	254	254	254	254
NCR-adj. cash and equivalents	-138	-361	-160	-315	-390	-389	-470
NCR-adj. net debt	5,703	5,763	6,501	7,029	7,263	7,324	7,304

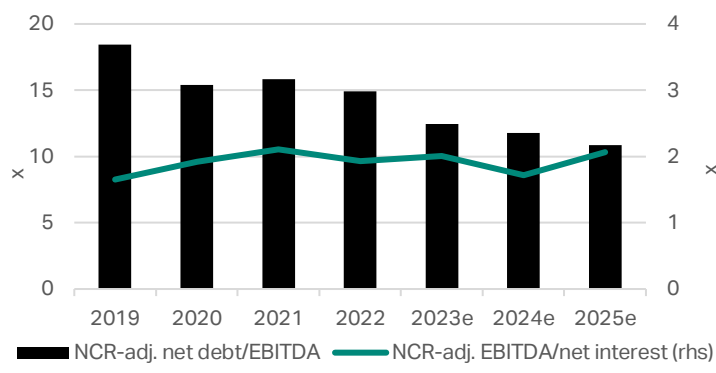
Based on NCR estimates and company data. e–estimate. FFO–funds from operations.

Figure 12. Stendörren NCR-adj. investment properties, net debt, and net LTV, 2019–2025e



Based on NCR estimates and company data. e–estimate.

Figure 13. Stendörren NCR-adj. net debt/EBITDA and EBITDA/net interest, 2019–2025e



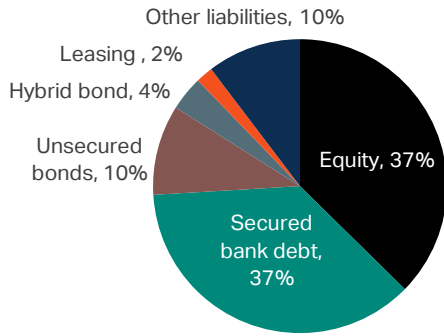
Based on NCR estimates and company data. e–estimate.

**Short-term risk appetite set to decrease, long-term strategy expected to continue**

Risk appetite 'b+'

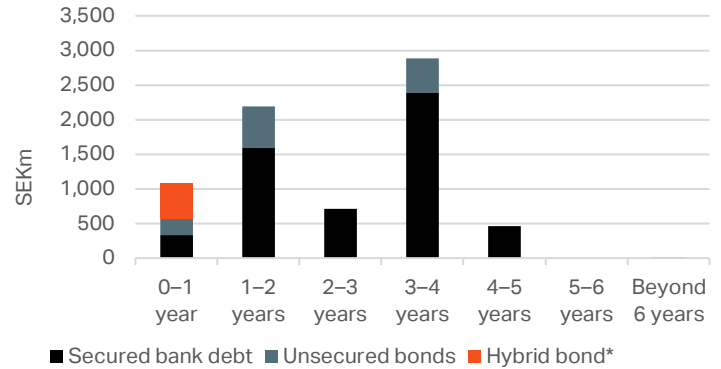
Our assessment of Stendörren's risk appetite reflects the company's long-term growth ambitions, ownership, and its debt maturity profile with upcoming refinancing risks. We expect the company to remain cautious about its growth ambitions in the short term, due to the current challenging markets and adverse macroeconomic conditions. However, we acknowledge that Stendörren has experienced significant growth under EQT's minority ownership and expect this strategy to continue in the long term. As of 30 Sep. 2023, Stendörren had some SEK 6.8bn in reported debt, most of which was secured bank debt. The company established a green finance framework in September 2023 and issued a 3.25 year SEK 500m green bond. It also exercised the right for the early redemption of the remaining SEK 236m of a bond in October, 2023 (bond maturity in April 2024). In addition, Stendörren repurchased some of its hybrid bond in early 2023, following which the hybrid bond amounts to SEK 513m, with a first redemption date in September 2024. As of 30 Sept. 2023, the company had unutilised revolving credit facilities totalling SEK 310m, maturing in 2026–2027.

Figure 14. Stendörren funding profile, 30 Sep. 2023



Source: company.

Figure 15. Stendörren debt maturity profile, 30 Sep. 2023



Source: company. \*Maturity at first call date, treated as 100% debt.

Stendörren uses a mix of interest rate caps and swaps to mitigate interest rate fluctuations. As of 30 Sep. 2023, some 75% of the outstanding debt was covered by interest rate hedges. The company reported an average interest rate of 4.6% and average fixed interest rate period 1.9 years as of 30 Sep. 2023.

Stendörren does not have a 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. 2023 was 2.1x, a level that is approaching its long-term financial minimum target level of 2.0x, and we regard the decreasing headroom to its covenant level of 1.75x as a growing concern.

Figure 16. Stendörren's financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 30 Sep. 2023
Equity ratio	> 25%	> 35% and never below 20%	38%
Net LTV	< 70%	-	44%
Interest coverage ratio (avg. 12 month)*	> 1.75x	> 2.0x	2.1x

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

### ADJUSTMENT FACTORS

Adjustment factors neutral

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

### Liquidity

Liquidity adequate

Our 12-month liquidity analysis is based on a stressed scenario under 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 profile as adequate, despite funding uses slightly exceeding sources in the 12 months ending 30 Sep. 2024. The company has recently issued a green bond totalling SEK 500m, which shows that the company has the ability to refinance its upcoming debt maturities in the bond market. We believe that the liquidity risk is also mitigated by the company's banking relationships.

We have excluded the company's hybrid bond totalling SEK 513m from the maturing debt amount. However, we believe that the company will choose to redeem the hybrid bond at the first call date of 18 Sep. 2024. We incorporate 100% of the dividend payments on the hybrid bond in its calculation of adjusted funds from operations. We estimate the following primary funding sources for the 12 months ending 30 Sep. 2024, totalling SEK 0.9bn:

- SEK 361m in cash and equivalents, reflecting 100% of cash and equivalents as of 30 Sep. 2022;
- SEK 260m from funds from operations, equating to 75% of estimated adjusted funds from operations over the 12 months ending 30 Sep. 2024; and
- SEK 310m in unused credit facilities maturing in more than 12 months.



We estimate the following uses of funds for the 12 months ending 30 Sep. 2024, totalling SEK 1.0bn:

- SEK 710m in maturing debt and amortisation; and
- SEK 289m in committed capital spending.

**Environmental, social and governance factors**

ESG factors adequate

Stendörren's environmental, social and governance (ESG) policies support our overall business risk assessment. We expect megatrends in energy use, technology and automation to impact 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 alike. This could sharpen Stendörren's focus on energy use in order to align with the Paris Agreement and Swedish government policies.

Stendörren reports that 96% of all energy used at its properties was from renewable sources as of 31 Dec. 2022. 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 also has a target to publish a report aligned with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

**Figure 17. Stendörren ESG considerations**

Issue	Risk	Mitigating efforts	Result
CO <sub>2</sub> emissions	Increased costs due to regulatory and/or taxation changes	20% targeted reduction in energy intensity by 2030 vs 2020 levels (kWh/sqm) and goal of 100% fossil-free energy by 2030. Target of net zero emissions in new development projects by 2030.	21.7% reduction in energy intensity (kWh/sqm) as of Q3 2023, compared with base year (2020) levels. 96% of fossil-free energy as of Dec. 2022.
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 49% of properties (by area) had obtained certification as of Q3 2023.
Increased environmental focus of financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower carbon dependence	Increasing use of sustainability-linked funding and green financing.	Established a Green Finance Framework and issued a SEK 500m green bond in Sep. 2023.

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

**OWNERSHIP ANALYSIS**

Ownership neutral

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 is owned 100% by EQT Real Estate II since 2018, a fund owned by EQT. Stendörren Real Estate AB owns 40.6% of the shares and controls 58.0% 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. Overall, our ownership analysis is neutral.

**Figure 18. Stendörren ownership structure, 30 Sep. 2023**

Owner	Share of capital	Share of votes
Stendörren Real Estate AB	40.6%	58.0%
Altira AB	9.5%	14.1%
SEB Investment Management	11.5%	6.4%
Länsförsäkringar Fastighetsfond	8.6%	4.8%
Tredje AP-Fonden	4.1%	2.3%
Verdipapirfondet Odin Eiendom	3.0%	1.7%
Handelsbanken Fonder	2.7%	1.5%
Didner & Gerge Fonder Aktiebolag	2.3%	1.3%
SEB Luxembourg Branch	2.0%	1.1%
Alfred Berg	1.2%	0.7%
<b>Top 10 owners</b>	<b>85.5%</b>	<b>91.1%</b>
Other	14.5%	8.1%

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 there is a high proportion of secured debt. As of 30 Sep. 2023, the company's gross secured LTV stood at 44%, and 75% of the company's interest-bearing debt was secured, reducing recovery prospects for senior unsecured bondholders and hybrid bondholders.

### METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 24 May 2022.
- (iii) [Group and Government Support Rating Methodology](#), 18 Feb. 2022.

### RELEVANT RESEARCH

- (i) [Swedish real estate sector adapts to tougher financing climate](#), 18 Jan. 2024.
- (ii) [Real estate quarterly snapshot \(2023Q3\) - is it a sigh of relief?](#), 28 Nov. 2023.
- (iii) [The Swedish real estate sector– waiting for sunshine after the rain](#), 27 Sep. 2023.
- (iv) [Decoding Swedish real estate in an uncertain market environment](#), 29 Aug. 2023.

**Figure 19. Stendörren key financial data, 2019–Q3 2023**

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	30 Sep. 2023
<b>INCOME STATEMENT</b>					
Rental income	592	631	653	733	827
Other income	–	20	3	–	11
Total costs from operations	-195	-171	-168	-185	-194
<b>Net operating income</b>	<b>397</b>	<b>480</b>	<b>488</b>	<b>548</b>	<b>644</b>
Administrative expenses	-88	-86	-77	-76	-79
Administrative expenses, project portfolio	–	–	–	–	–
<b>EBITDA</b>	<b>309</b>	<b>394</b>	<b>411</b>	<b>472</b>	<b>565</b>
Share of profit in associated companies and joint ventures	–	–	–	–	–
Interest expenses	-166	-134	-135	-208	-368
Interest income	1	2	1	32	101
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-9	-9	-9	-10	-10
Other financial costs	–	–	–	–	–
Changes in investment property	237	98	1,235	-143	-638
Gain (loss) on financial assets held at fair value	16	-10	20	223	-49
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	–
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
<b>Pre-tax profit</b>	<b>388</b>	<b>341</b>	<b>1,523</b>	<b>366</b>	<b>-399</b>
Current taxes	2	-1	-2	-23	-24
Deferred taxes	-100	-84	-311	-75	80
<b>Net profit</b>	<b>290</b>	<b>256</b>	<b>1,210</b>	<b>268</b>	<b>-343</b>
<b>BALANCE SHEET</b>					
Investment property	9,147	9,533	11,693	12,418	12,525
Other non-current assets	256	244	291	528	506
<b>Total non-current assets</b>	<b>9,403</b>	<b>9,777</b>	<b>11,984</b>	<b>12,946</b>	<b>13,031</b>
Cash and cash equivalents	138	361	160	315	361
Other current assets	67	95	146	83	82
<b>Total current assets</b>	<b>205</b>	<b>456</b>	<b>306</b>	<b>398</b>	<b>443</b>
<b>Total assets</b>	<b>9,608</b>	<b>10,233</b>	<b>12,290</b>	<b>13,344</b>	<b>13,474</b>
<b>Total equity</b>	<b>3,840</b>	<b>4,053</b>	<b>5,216</b>	<b>5,429</b>	<b>5,035</b>
Non-current borrowings	3,535	4,081	4,868	5,469	6,096
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	519	613	925	1,001	992
Other non-current liabilities	243	241	264	294	302
<b>Total non-current liabilities</b>	<b>4,297</b>	<b>4,935</b>	<b>6,057</b>	<b>6,764</b>	<b>7,390</b>
<b>Total current liabilities</b>	<b>1,471</b>	<b>1,245</b>	<b>1,016</b>	<b>1,151</b>	<b>1,051</b>
<b>Total equity and liabilities</b>	<b>9,608</b>	<b>10,233</b>	<b>12,289</b>	<b>13,344</b>	<b>13,476</b>
<b>CASH FLOW STATEMENT</b>					
Pre-tax profit	388	341	1,523	366	-399
... of which changes in investment property	237	98	1,235	-143	-638
Depreciation and amortisation	–	–	–	–	–
Tax paid	-2	-2	-1	-1	-3
Adjustment for items not in cash flow	-263	-85	-1,235	-84	679
<b>Cash flow from operating activities before changes in working capital</b>	<b>123</b>	<b>254</b>	<b>287</b>	<b>281</b>	<b>277</b>
Changes in working capital	20	19	-64	89	74
<b>Cash flow from operating activities</b>	<b>143</b>	<b>273</b>	<b>223</b>	<b>370</b>	<b>351</b>
<b>Cash flow from investment activities</b>	<b>-427</b>	<b>-289</b>	<b>-922</b>	<b>-818</b>	<b>-400</b>
<b>Cash flow from financing activities</b>	<b>259</b>	<b>238</b>	<b>498</b>	<b>602</b>	<b>-40</b>
Cash and cash equivalents at beginning of period	163	138	361	160	448
Cash flow for period	-25	222	-201	154	-89
<b>Cash and cash equivalents at end of period</b>	<b>138</b>	<b>361</b>	<b>160</b>	<b>315</b>	<b>361</b>

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

**Figure 20. 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		b+
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		Positive
<b>Short-term rating</b>		<b>N4</b>

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