

NCR comments: Intea Fastigheter AB (publ) Q4 2020 report

Our 'BBB+' issuer and issue ratings on Intea Fastigheter AB (publ) (Intea) are unchanged following the publication of its fourth-quarter results.

High net operating income margin and strong occupancy

Intea's fourth-quarter 2020 report was in line with our expectations. Revenues in the quarter were SEK 151.0 m (compared with SEK 134.4m in the fourth quarter of 2019) and EBITDA was SEK 102.3m (SEK 84.4m), corresponding to an EBITDA margin of 68% (63%) for the quarter. The reported net operating income margin was 80% (77%) for the quarter and 82% (78%) for the full year.

The average remaining lease term among Intea's public tenants (accounting for 94% of revenues) was 6.2 years, while the occupancy rate exceeded 99%.

During the quarter, Intea acquired an 8,500 sqm property in Härnösand, pending a rental agreement with the Swedish Prison and Probation Service, which signed up in January 2021 to become the property's main tenant. The company expects to finalise refurbishment of the property in the fourth quarter of 2021. The company also acquired three properties at Halmstad University campus. The properties are viewed as a good complement to the existing portfolio and the transaction was closed in January 2021.

Loan-to-value in line with expectations; somewhat weaker interest coverage

The NCR-adjusted loan-to-value ratio (taking into account 100% equity treatment of shareholder loans) was 53.3%, compared with 54.3% a year earlier. The NCR-adjusted EBITDA to net interest ratio was 3.7x, somewhat lower than a year earlier. Cash holdings amounted to SEK 395.4m at year-end. The average debt maturity was 3.3 years and the average interest fixing was 4.9 years. The average interest rate increased to 1.86% from 1.63% a year earlier, primarily due to variations in the company's funding mix. Intea expects the average interest rate to decrease in 2021.

This commentary does not constitute a rating action.

If you have any questions, please contact:

Marcus Gustavsson, credit rating analyst, +46700442775, marcus.gustavsson@nordiccreditrating.com

Mille O. Fjeldstad, credit rating analyst, +4799038916, mille.fjeldstad@nordiccreditrating.com

About Us

Nordic Credit Rating AS is a credit rating agency headquartered in Oslo with a branch in Stockholm. The company provides credit ratings to companies and financial institutions in the Nordic region, and bases its analysis on local insights. Nordic Credit Rating is registered with the European Securities and Markets Authority (ESMA).

Attachments

[NCR comments: Intea Fastigheter AB \(publ\) Q4 2020 report](#)