

NCR comments: Fastighets AB Stenvalvet (publ) Q4 2020 report

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

Steady performance

Stenvalvet's fourth-quarter earnings were in line with our expectations. Revenues for the quarter were SEK 222m (compared with SEK 233m in the fourth quarter of 2019). For the full year, revenues were SEK 890m (888m) compared with our projected SEK 821m, which was mainly due to acquisitions during the year. EBITDA for the quarter was SEK 141m (SEK 147m), resulting in an EBITDA margin of 64% (63%) for the quarter and 67% (66%) for the full year. The net operating income margin was 71% (69%) for the quarter and 72% (71%) for the full year.

The average occupancy rate in Stenvalvet's portfolio was 96%. During the fourth quarter Stenvalvet purchased a school property in Skövde with Raoul Wallenbergskolan as the tenant.

Metrics broadly in line with expectations

The NCR-adjusted loan-to-value ratio was 45%, compared with 43% a year earlier. The NCR-adjusted EBITDA to net interest ratio was 5.4x, a decrease from 5.5x a year earlier. Cash holdings amounted to SEK 300m at year-end, and the company had unutilised back-up facilities of SEK 1.7bn, SEK 1.5bn of which consists of revolving credit facilities. The average debt maturity was 3.7 years and average interest fixing was 4.6 years. Secured debt to total debt was 43%.

Proactive refinancing of secured debt

Since the end of the quarter, Stenvalvet has issued a SEK 600m senior unsecured bond with a maturity of 2.75 years at 3m STIBOR +82bp. The proceeds will be used to refinance secured debt.

This commentary does not constitute a rating action.

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Attachments

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