

NCR comments: NP3 Fastigheter AB (publ) Q4 2020 report

Our 'BB' issuer rating on NP3 Fastigheter AB (publ) (NP3) is unchanged following the publication of its fourth-quarter results.

Revenues in line with expectations but margins stronger than expected

NP3's revenues in the fourth-quarter were in line with our expectations. Reported revenues were SEK 283m (compared with SEK 266m in the fourth quarter of 2019) and reported EBITDA was SEK 199m (SEK 175m), corresponding to an EBITDA margin of 70% (66%) for the quarter. The reported net operating income margin was 76% (71%) for the quarter and 75% (71%) for the full year. The increased margins are explained by mild winter weather together with reduced tenant usage during the COVID-19 pandemic.

The average remaining lease term in NP3's portfolio was 4.2 years, while the occupancy rate was 93%, both figures unchanged from a quarter earlier. The property yield on the portfolio remains high at 6.9%.

Financial position intact

The NCR-adjusted loan-to-value ratio (including 50% equity treatment of preference shares) was 63.2%, broadly unchanged from 62.9% a year earlier. The NCR-adjusted EBITDA to net interest ratio was 3.2x, a marginal decrease from 3.3x a year earlier. Cash holdings amounted to SEK 104m at year-end. The average interest rate was 2.7%, while the average debt maturity was 1.9 years and the average interest fixing was 1.7 years.

Green bond tap issue

In connection with the publication of its fourth-quarter report, NP3 completed a tap issue of SEK 200m under its outstanding green bond with maturity in 2024. The price was set at 100.5 SEK, corresponding to a margin of 368 bps.

This commentary does not constitute a rating action.

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Attachments

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