

HEBA Fastighets AB assigned 'A-' senior unsecured debt rating

Nordic Credit Rating said today that it had assigned a 'A-' issue rating to senior unsecured debt issued by Swedish property company HEBA Fastighets AB (publ) (HEBA). The issue rating is applicable to future senior unsecured instruments issued under a SEK 2bn medium-term programme.

Rationale

The rating reflects HEBA's plan to reduce senior secured debt as a proportion of outstanding debt below 50% by the end of 2021. It takes into account the company's near-term funding plans to replace a portion of its outstanding secured bank debt with senior unsecured bonds issued under its medium-term note programme.

The company has announced plans for an initial bond of about SEK 1bn. Given current market conditions, HEBA's creditworthiness and the market's awareness of HEBA given its listed shares, we believe that the issuance will be successful. The initial issuance will reduce the proportion of the company's senior secured debt to 56% of outstanding debt, including bank loans, commercial paper, and issued bonds. In addition, we believe that HEBA's plan to reduce its share of secured debt below 50% of outstanding debt over the next three to four quarters is credible. If the plan changes or is delayed, we could lower the issue rating by one notch.

The 'A-' long-term issuer rating on HEBA is not affected by this decision and remains unchanged.

Rating list	To	From
Long-term issuer credit rating:	A-	A-
Outlook:	Stable	Stable
Short-term issuer credit rating:	N-1+	N-1+
Senior unsecured issue rating:	A-	NR

If you have any questions, please contact:

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The methodology documents used for this rating are NCR's Corporate Methodology published on 14 Aug. 2018 and NCR's Rating Principles published on 16 Sep. 2019. For the full regulatory disclaimer please see the rating report.

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

[HEBA Fastighets AB assigned 'A-' senior unsecured debt rating](#)