

NCR comments: Intea Fastigheter AB (publ) Q3 2020 report

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

Occupancy ratio remains strong

Intea's third-quarter report was in line with our expectations. Revenues in the quarter were SEK 138.3m (compared with SEK 129.0m in the third quarter of 2019) and EBITDA was SEK 100.4m (SEK 89.6m), corresponding to an EBITDA margin of 73% (69%) for the period.

As 94% of Intea's rental value comes from public tenants, the company remains largely unaffected by the COVID-19 pandemic. As of end-September, the occupancy ratio was 99% (unchanged from a year earlier) while the average lease term among public tenants was 6.3 years (6.9 years). During the third quarter, Intea contracted construction engineering company Serneke Group AB (publ) to construct an emergency services headquarters in Örebro, while two lease contracts (one 15-year, one 25-year) for to-be-built premises were signed with the Swedish Prison and Probation Service. Furthermore, the company acquired a train depot in Falköping with a contracted lease term of 11 years.

Financial position still robust

Intea's financial position remains robust, as indicated by a reported loan-to-value ratio of 54% at end-September (56% a year earlier) and an interest coverage ratio of 3.7x (4.1x). The average loan maturity was 3.2 years (3.7 years) and the average interest maturity was 4.8 years (5.0 years). During the third quarter, Intea issued two senior unsecured bonds totalling SEK 1.25bn.

This commentary does not constitute a rating action.

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Attachments

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