

# SBB - Samhallsbyggnadsbolaget i Norden AB

SBB - Samhallsbyggnadsbolaget i Norden AB's (SBB Parent) ratings reflect its weakened capital structure. This follows the transfer of most of its assets and debt to its subsidiary Samhallsbyggnadsbolaget i Norden Holding AB (publ) (SBB Holding; IDR: CCC+) as part of a voluntary tender and exchange offer of bonds in December 2024. SBB Parent's remaining SEK3.2 billion of directly held assets cannot meaningfully support its SEK17 billion of retained debt, including hybrids. These assets are attached to their relevant secured debt and are not available to SBB Parent's predominantly unsecured and subordinated bondholders.

## Key Rating Drivers

**January 2025 Bonds Repaid:** As Fitch Ratings expected, SBB Parent repaid its SEK4 billion January 2025 bonds, mainly with proceeds from the Sveafastigheter AB (publ) (BBB-(EXP)/Positive) IPO. Its end-2024 cash and access to a SEK2.5 billion asset-backed facility cover its remaining 2025 bond maturities.

**Equity Participation by Aker:** Aker Property Group's (Aker) sale of assets, announced 13 May 2025, to Public Property Invest ASA (PPI; IDR: BBB/Stable) in which SBB Parent owns 33.4%, also involves the exchange of some of Aker's PPI shares for SBB Parent's shares. On conclusion of the transaction, Aker will hold 9.03% of SBB Parent's equity. The transaction does not include any cash proceeds for the SBB Parent shares and does not improve SBB Parent's current financial profile. If approved by SBB Parent's shareholders, they will have enlisted a co-shareholder who could help improve the capital structure.

**Bondholder Litigation Discontinued:** On 13 January 2025, SBB Parent announced the discontinuation of a formal claim by a sole bondholder of an interest coverage covenant breach tested in 2022.

**Unsecured Creditors' Assets Insufficient:** About SEK3.2 billion of income-producing assets retained at SBB Parent are pledged to specific retained SEK2.4 billion of secured debt. Rental income is insufficient to service SBB Parent's other retained debt and will rely on cash upstreamed from SBB Holding to help meet these interest payments and redeem debt maturities due in 2026 and beyond. Headroom exists under SBB Holding's unsecured bond incurrence-based covenants to allow upstreaming of cash (or restricted distributions, as defined in SBB Holding's bond documentation) to SBB Parent.

**Options to Raise Liquidity:** SBB Parent, on a standalone basis, does not have many options to raise cash to repay its bonds maturing in 2026 and thereafter. It has the limited option to raise some liquidity by selling its equity stake in PPI. Beyond that, it is reliant on liquidity being upstreamed from SBB Holding whose own various liquidity options include asset sales, sale of retained joint venture stakes, raising external capital on its remaining wholly owned community service portfolio, possibly through asset-backed transactions similar to the Castlelake JVs, forming another strategic partnership, or undertaking an IPO.

**Weak Credit Profile:** SBB Parent's ratings are driven by its small asset base and insufficient rental income generation, which translates into less than 1x EBITDA net interest cover, despite the resumed deferral of its hybrid coupons. Fitch differentiates SBB Parent's weakened credit profile from its stronger subsidiary, SBB Holding, and the structural subordination of its bondholders by rating SBB Parent one notch below SBB Holding's IDR.

## Ratings

Long-Term IDR	CCC
Short-Term IDR	C
Senior Unsecured Debt – Long-Term Rating	CC
Senior Unsecured Debt – Short-Term Rating	C
Subordinated Long-Term Rating	C

[Click here for the full list of ratings](#)

## ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	4
2035 Climate Vulnerability Signal: 25	

## Applicable Criteria

- [Parent and Subsidiary Linkage Rating Criteria \(June 2023\)](#)
- [Corporate Hybrids Treatment and Notching Criteria \(April 2025\)](#)
- [Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)
- [Sector Navigators – Addendum to the Corporate Rating Criteria \(December 2024\)](#)
- [Corporate Rating Criteria \(December 2024\)](#)

## Related Research

- [Global Corporates Macro and Sector Forecasts](#)
- [Global Economic Outlook – April 2025 Update](#)
- [EMEA Real Estate Outlook 2025 \(December 2024\)](#)
- [EMEA Real Estate – The Adverse Effects of Rising Interest Rates: 2024 Update \(December 2024\)](#)
- [Property Companies' Low-Coupon Debt Beneficial to Take-Private Offers \(September 2024\)](#)

## Analysts

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## Financial Summary

(SEKm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	7,447	4,581	3,708	194	201	208
EBITDA after associates and minorities	4,434	2,236	1,988	78	80	83
EBITDA margin (%)	59.5	48.8	43.3	40.0	40.0	40.0
EBITDA net interest coverage (x)	3.3	1.0	1.4	0.3	0.5	0.5
EBITDA net leverage (x)	21.0	30.0	29.1	139.7	135.9	132.5

Source: Fitch Ratings, Fitch Solutions

## Peer Analysis

Within the community service portfolio, SBB group's peer is Assura plc (A-/Rating Watch Negative), which builds and owns modern general practitioners' facilities in the UK, with approved rents indirectly paid by the state National Health Service and a similar 11.2 years weighted average unexpired lease term (WAULT). At GBP3.1 billion (EUR3.6 billion), its portfolio is smaller than SBB Parent's consolidated group portfolio. Reflecting Assura's community service activities, its net initial yield as of end-March 2024 was 5.1% versus SBB Holding's 5.7% for its Nordic community service assets at end-2024. Assura has a 99% occupancy rate and specific-use assets.

The smaller EUR0.8 billion portfolio of higher-rated Norwegian-based PPI is also community service-focused, with public-sector tenants. PPI's business profile is, however, paired with a stronger balance sheet with net debt/EBITDA below 8x, loan-to-value of about 45% and an interest cover of about 2x.

Under Fitch's EMEA Real Estate Navigator, many of the SBB group's portfolio factors are investment-grade.

## Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Property Portfolio	Rental Income Risk Profile	Liability Profile	Access to Capital	Profitability	Financial Structure	Financial Flexibility
Assura plc	A-/RWN	aa	a	bbb+	a-	bbb+	bbb+	bbb	bbb+	a
Civitas Social Housing Limited	A-/Stable	aa-	bbb+	bbb+	a-	bb	bbb	bbb	a	bbb
Samhallsbyggnadsbolaget i Norden Holding AB (publ)	CCC+/	aa	bbb-	bbb	a-	bb	b	bbb-	ccc	b
SBB	CCC/	aa	bbb-	bbb	a-	b+	b	bbb-	ccc	ccc+
Social Housing REIT PLC	A-/Negative	aa	a-	bbb+	bbb	a	bb+	bbb	a	a-

Source: Fitch Ratings

Relative Importance of Factor: Higher (Red), Moderate (Blue), Lower (Light Blue)

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Failure to execute, or provide visibility, of a plan to address the 2026 debt maturity
- Actions pointing to a widespread potential renegotiation of SBB Parent's debt terms and conditions, including a material reduction in lenders' terms sought to avoid a default

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Evidence that refinancing risk has eased, including improved capital markets' receptivity to the SBB group
- A material reduction in leverage

## Liquidity and Debt Structure

At end-2024, SBB Parent's available liquidity was about SEK2.5 billion. It also has access to an undrawn SEK2.5 billion asset-backed facility held at SBB Holding. It has no revolving credit facilities available for drawdown. Available cash resources are sufficient to cover SBB Parent's residual 2025 maturities. The next material debt maturity, following the repayment of its retained 2025 bonds, is its euro-denominated (SEK71 million-equivalent) bond in September 2026.

SBB Parent's average cost of debt at end-2024 was 2.43%, excluding hybrids (averaging 3.3%).

**ESG Considerations**

SBB Parent has an ESG Relevance Score of ‘4’ for Governance Structure to reflect previous key person risk (the previous CEO) at SBB Parent and continuing different voting rights among shareholders affording greater voting rights to the key person. SBB Parent has an ESG Relevance Score ‘4’ for Financial Transparency, reflecting an ongoing investigation by the Swedish authorities into the application of accounting standards and disclosures at the SBB Parent level. Both these considerations have a negative impact on the credit profile, and are relevant to the ratings in conjunction with other factors. These factors are, however, improving under the new SBB management.

The highest level of ESG credit relevance is a score of ‘3’, unless otherwise disclosed in this section. A score of ‘3’ means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch’s ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch’s ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

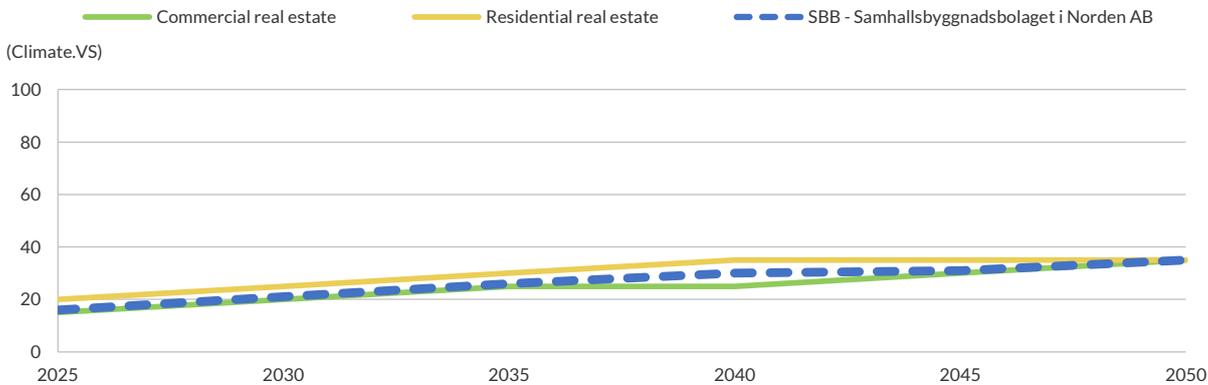
**Climate Vulnerability Considerations**

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch’s [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The 2024 revenue-weighted Climate.VS for SBB Parent for 2035 is 25 out of 100, suggesting low exposure to climate-related risks in that year.

**Climate.VS Evolution**

As of 31 December 2024



Source: Fitch Ratings

## Liquidity and Debt Maturities

### Liquidity Analysis

(SEKm)	2025F
<b>Available liquidity</b>	
Beginning cash balance	2,478
Rating case FCF after acquisitions and divestitures	-220
<b>Total available liquidity (A)</b>	<b>2,258</b>
<b>Liquidity uses</b>	
Debt maturities	-4,666
<b>Total liquidity uses (B)</b>	<b>-4,666</b>
<b>Liquidity calculation</b>	
Ending cash balance (A+B)	-2,408
Revolver availability	2,500
<b>Ending liquidity</b>	<b>92</b>
Liquidity score (x)	1.0

Source: Fitch Ratings, Fitch Solutions, SBB - Samhallsbyggnadsbolaget i Norden AB

### Scheduled Debt Maturities

(SEKm)	31 Dec 2024
2025	4,666
2026	1,449
2027	1,213
2028	360
2029	257
Thereafter	1,078
<b>Total</b>	<b>9,023</b>

Source: Fitch Ratings, Fitch Solutions, SBB - Samhallsbyggnadsbolaget i Norden AB

## Key Assumptions

### Fitch's Key Assumptions Within Our Rating Case for the Issuer

- Moderate rental growth of 3.5% a year, driven by CPI-indexation and rental uplifts
- Stable net rental income margins to 2028
- Hybrid interest deferred

## Financial Data

(SEKm)	2022	2023	2024	2025F	2026F	2027F
<b>Summary income statement</b>						
Gross revenue	7,447	4,581	3,708	194	201	208
Revenue growth (%)	25.6	-38.5	-19.1	-94.8	3.5	3.5
EBITDA before income from associates	4,434	2,236	1,606	78	80	83
EBITDA margin (%)	59.5	48.8	43.3	40.0	40.0	40.0
EBITDA after associates and minorities	4,434	2,236	1,988	78	80	83
EBIT	4,424	2,230	1,587	63	66	69
EBIT margin (%)	59.4	48.7	42.8	32.6	32.9	33.1
Gross interest expense	-1,526	-1,406	-1,387	-298	-151	-179
Pretax income including associate income/loss	-10,548	-21,180	-7,174	-235	-85	-110
<b>Summary balance sheet</b>						
Readily available cash and equivalents	3,287	3,829	2,478	105	163	54
Debt	96,234	70,930	60,283	10,935	11,064	11,051
Net debt	92,947	67,101	57,805	10,830	10,900	10,996
<b>Summary cash flow statement</b>						
EBITDA	4,434	2,236	1,606	78	80	83
Cash interest paid	-1,525	-2,416	-1,432	-298	-151	-179
Cash tax	-294	-856	-364	–	–	–
Dividends received less dividends paid to minorities (inflow/outflow)	–	–	382	–	–	–
Other items before FFO	184	1,848	-174	–	–	–
FFO	2,995	1,032	332	-220	-71	-96
FFO margin (%)	40.2	22.5	9.0	-113.7	-35.2	-46.2
Change in working capital	-1,365	128	-772	–	–	–
CFO (Fitch-defined)	1,630	1,160	-440	-220	-71	-96
Total non-operating/nonrecurring cash flow	–	–	–	–	–	–
Capex	-5,249	-2,976	-1,162	–	–	–
Capital intensity (capex/revenue) (%)	70.5	65.0	31.3	–	–	–
Common dividends	-2,347	-1,469	-2,133	–	–	–
FCF	-5,966	-3,285	-3,735	–	–	–
FCF margin (%)	-80.1	-71.7	-100.7	–	–	–
Net acquisitions and divestitures	-247	11,046	9,952	–	–	–
Other investing and financing cash flow items	-2,704	8,996	2,095	–	–	–
Net debt proceeds	1,586	-17,341	-9,540	-49,210	129	-13
Net equity proceeds	–	–	-340	–	–	–
Total change in cash	-6,603	-584	-1,568	-2,373	58	-109
<b>Calculations for forecast publication</b>						
Capex, dividends, acquisitions and other items before FCF	-7,843	6,601	6,657	–	–	–
FCF after acquisitions and divestitures	-6,213	7,761	6,217	-220	-71	-96
FCF margin after net acquisitions (%)	-83.4	169.4	167.7	-113.7	-35.2	-46.2
<b>Gross leverage ratios (x)</b>						
EBITDA leverage	21.7	31.7	30.3	141.1	137.9	133.1
(CFO-capex)/debt	-3.8	-2.6	-2.7	-2.0	-0.6	-0.9
<b>Net leverage ratios (x)</b>						
EBITDA net leverage	21.0	30.0	29.1	139.7	135.9	132.5
(CFO-capex)/net debt	-3.9	-2.7	-2.8	-2.0	-0.6	-0.9
<b>Coverage ratios (x)</b>						
EBITDA interest coverage	2.9	0.9	1.4	0.3	0.5	0.5

CFO – Cash flow from operations.

Source: Fitch Ratings, Fitch Solutions

#### **How to Interpret the Forecast Presented**

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

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## Ratings Navigator

FitchRatings

**SBB - Samhallsbyggnadsbolaget i Norden AB**

ESG Relevance:



**Corporates Ratings Navigator**  
EMEA Real Estate and Property



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	<ul style="list-style-type: none"> <li>↑ Positive</li> <li>↓ Negative</li> <li>↕ Evolving</li> <li>□ Stable</li> </ul>
<ul style="list-style-type: none"> <li>Higher Importance</li> <li>Average Importance</li> <li>Lower Importance</li> </ul>	

**Operating Environment**

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific-funding characteristics and the strength of the relevant local financial market.
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
ccc+			

**Management and Corporate Governance**

bbb+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb-	Group Structure	bb	Complex group structure or non transparent ownership structure. Related-party transactions exist but with reasonable economic rationale.
bb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb			

**Property Portfolio**

a-	Portfolio Liquidity and Ability to Leverage Assets	bbb	Average institutional appetite (buyers/sellers/lenders) in strong markets, indicating liquidity and ability to leverage assets.
bbb+	Investment Granularity	a	Very high portfolio granularity. Top 10 assets comprise less than 20% of net rental income or value.
bbb	Geographic Strategy	bbb	A strong and focused presence in a prime market, or focus on two to three markets with appropriate scale. Markets display different economic and business cycles.
bbb-	Asset Quality	bbb	Prime and good secondary.
bb+	Development Exposure	a	Committed development cost to complete of up to 5% of investment properties. Limited speculative development.

**Rental Income Risk Profile**

a+	Occupancy	a	Limited occupancy volatility through cycles. Occupancy consistently above 95%. Track record of limited tenant defaults.
a	Lease Duration, Renewal and Lease Maturity Profile	a	Lease duration (or average tenure for residential) longer than seven years with large majority renewed. Smoothed lease maturity profile with no large lease expiries in the medium term.
a-	Rental Income Volatility	a	Sustained rental income growth and/or low volatility in rental income compared to sector levels. Evidence of realizable reversionary potential in rents in the near term.
bbb+	Tenant Concentration and Tenant Credit	a	Top 10 tenants comprise less than 15% of annual passing rent; below-average tenant credit risk.
bbb			

**Liability Profile**

bb	Debt Maturity Profile	bb	Average debt tenor above three years. No year represents more than 25% of total debt.
bb-	Interest Rate Hedging Profile	b	Limited fixed or hedged debt in place. No clear hedging policy or lack of track record.
b+			
b			
b-			

**Access to Capital**

bb-	Sources of Capital	ccc	Conditional access to capital.
b+	Unencumbered Asset Pool	ccc	Rapidly shrinking unencumbered pool with adverse selection.
b	Absolute Scale	a	Rent-yielding property assets of at least EUR5bn.
b-			
ccc+			

**Profitability**

bbb+	FFO Dividend Cover	n.a.	
bbb	Asset Class Volatility	bbb	Portfolio values change less than 30% peak to trough with a track record of recovery
bbb-			
bb+			
bb			

**Financial Structure**

b-	Loan-To-Value	ccc	Unsustainable level and/or close to covenant breach.
ccc+	Unencumbered Asset Cover	ccc	Rapidly shrinking unencumbered pool.
ccc	Managing Balance Sheet Through the Cycle	bb	Less conservative balance-sheet management. Some opportunistic re-leveraging of the balance sheet as property values increase.
ccc-	EBITDA Net Leverage	ccc	>1.0x
cc			

**Financial Flexibility**

b	Financial Discipline	b	No financial policy or track record of ignoring it. Opportunistic behavior.
b-	Liquidity Coverage	bb	Liquidity ratio below 1.0x. Good access to resilient local banking market or significant unencumbered assets as an alternative source of liquidity.
ccc+	Recurring Income EBITDA Interest Cover	ccc	<1.0x
ccc	FX Exposure	bb	FX exposure on profitability and/or debt/cash flow match. Some hedging but only partly effective.
ccc-			

**Credit-Relevant ESG Derivation**

SBB - Samhallsbyggnadsbolaget i Norden AB has 1 ESG rating driver and 8 ESG potential rating drivers

key driver	0	issues	Overall ESG
Board independence and effectiveness; ownership concentration	1	issues	4
Focus on low-carbon new-builds and renovations	8	issues	3
Buildings' energy consumption, focus on renewable sources	3	issues	2
Sustainable building practices including Green building certificate credentials	3	issues	2
Portfolio's exposure to climate change-related risk including flooding	2	issues	1
Shift in market preferences	2	issues	1
Showing top 6 issues			

For further details on Credit-Relevant ESG scoring, see page 3.

**How to Read This Page:** The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

**Credit-Relevant ESG Derivation**

SBB - Samhallsbyggnadsbolaget i Norden AB has 1 ESG rating driver and 8 ESG potential rating drivers

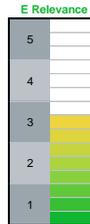
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to board independence risk which, in combination with other factors, impacts the rating.
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to emissions regulatory risk but this has very low impact on the rating.
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to energy productivity risk but this has very low impact on the rating.
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to unsustainable building practices risk but this has very low impact on the rating.
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to extreme weather events but this has very low impact on the rating.
- ➔ SBB - Samhallsbyggnadsbolaget i Norden AB has exposure to shifting consumer preferences but this has very low impact on the rating.

Showing top 6 issues

	key driver	0	issues	5	ESG Relevance to Credit Rating
	driver	1	issues	4	
	potential driver	8	issues	3	
	not a rating driver	3	issues	2	
		2	issues	1	

**Environmental (E) Relevance Scores**

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Focus on low-carbon new-builds and renovations	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Energy Management	3	Buildings' energy consumption, focus on renewable sources	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Water & Wastewater Management	2	Buildings' water consumption, recycling	Property Portfolio; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Sustainable building practices including Green building certificate credentials	Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Exposure to Environmental Impacts	3	Portfolio's exposure to climate change-related risk including flooding	Property Portfolio; Profitability; Financial Structure; Financial Flexibility

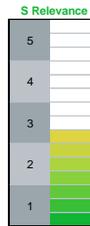


**How to Read This Page**

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance. The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

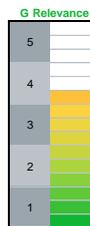
**Social (S) Relevance Scores**

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Data security	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Labor Relations & Practices	2	Impact of labor negotiations and employee (dis)satisfaction	Rental Income Risk Profile; Profitability; Financial Flexibility
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Shift in market preferences	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility



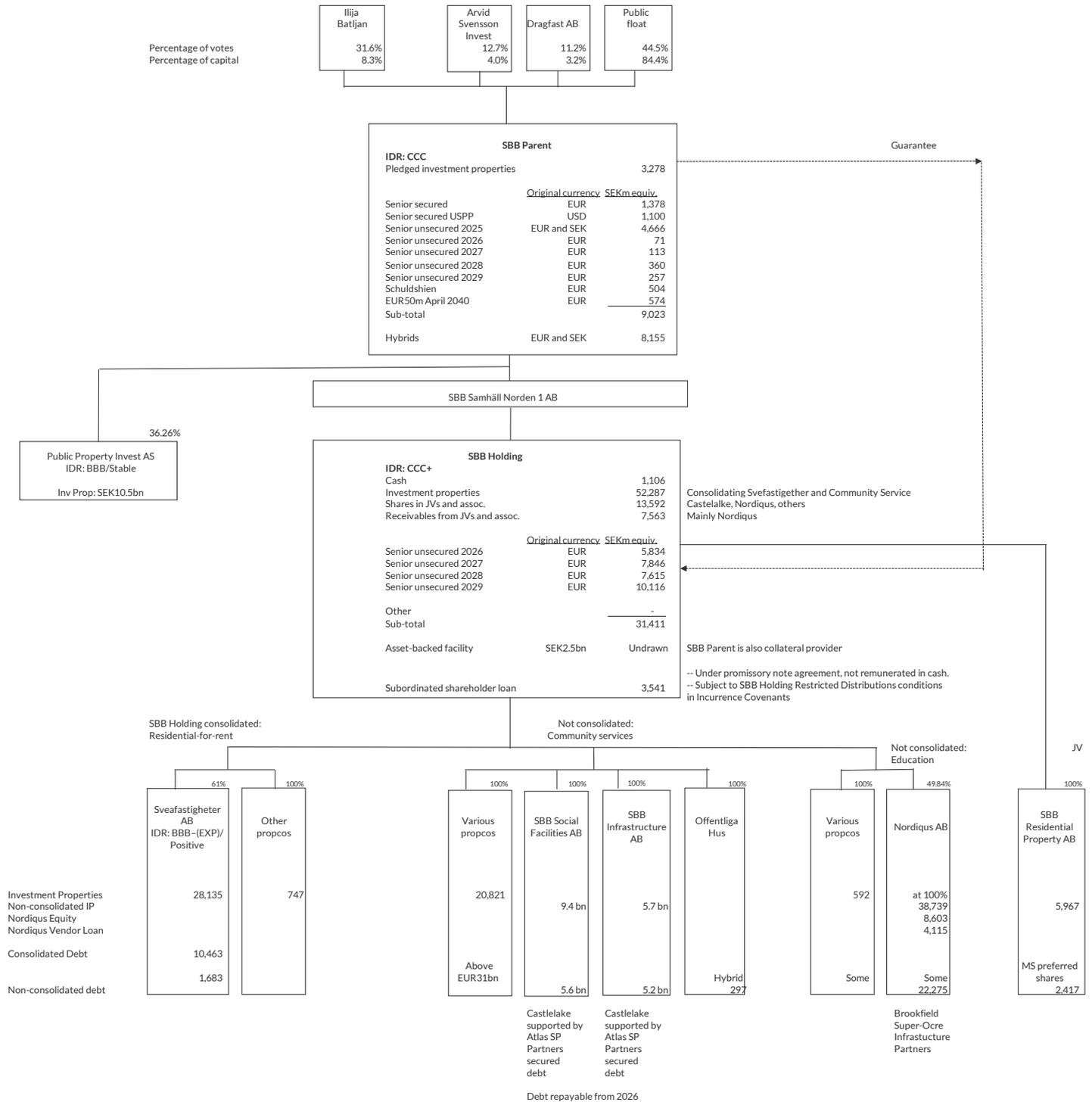
**Governance (G) Relevance Scores**

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	4	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance



CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

**Simplified Group Structure Diagram**



Source: Fitch Ratings, Fitch Solutions, SBB - Samhallsbyggnadsbolaget i Norden AB, as at end-2024.

**Peer Financial Summary**

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA after associates and minorities (EURm)	EBITDA margin (%)	EBITDA net leverage (x)	EBITDA interest coverage (x)
Samhallsbyggnadsbolaget i Norden Holding AB (publ)	CCC+						
	CCC+	2024	130	80	45.1	51.0	0.7
SBB - Samhallsbyggnadsbolaget i Norden AB	CCC						
	CCC	2024	323	173	43.3	29.1	1.4
	CCC+	2023	411	200	48.8	30.0	0.9
	BBB-	2022	670	399	59.5	21.0	2.9
Assura plc	A-						
	A-	2024	174	152	87.7	9.4	4.5
	A-	2023	163	142	87.1	9.2	4.3
	A-	2022	155	136	87.8	8.8	4.6
Civitas Social Housing Limited	A-						
	A-	2024	86	63	73.6	5.4	3.3
	A-	2023	62	49	78.2	7.9	3.6
	A-	2022	61	48	78.3	7.6	4.7
Social Housing REIT PLC	A-						
	A-	2024	47	33	70.0	8.7	3.7
	A-	2023	46	31	67.8	8.7	3.7
	A-	2022	42	31	73.3	8.5	3.8

Source: Fitch Ratings, Fitch Solutions

## Fitch Adjusted Financials

(SEKm as of 31 Dec 2024)	Notes and formulas	Standardised values	Cash adjustment	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
<b>Income statement summary</b>							
Revenue		3,708	–	–	–	–	3,708
EBITDA	(a)	-5,226	–	–	-17	6,849	1,606
Depreciation and amortisation		-19	–	–	–	–	-19
EBIT		-5,245	–	–	-17	6,849	1,587
<b>Balance sheet summary</b>							
Debt	(b)	59,677	–	606	–	–	60,283
Of which other off-balance-sheet debt		–	–	–	–	–	–
Lease-equivalent debt		–	–	–	–	–	–
Lease-adjusted debt		59,677	–	606	–	–	60,283
Readily available cash and equivalents	(c)	2,491	-13	–	–	–	2,478
Not readily available cash and equivalents		371	13	–	–	–	384
<b>Cash flow summary</b>							
EBITDA	(a)	-5,226	–	–	-17	6,849	1,606
Dividends received from associates less dividends paid to minorities	(d)	382	–	–	–	–	382
Interest paid	(e)	-1,432	–	–	–	–	-1,432
Interest received	(f)	314	–	–	–	–	314
Preferred dividends paid	(g)	–	–	–	–	–	–
Cash tax paid		-364	–	–	–	–	-364
Other items before FFO		6,658	–	–	17	-6,849	-174
FFO	(h)	332	–	–	–	–	332
Change in working capital		-772	–	–	–	–	-772
CFO	(i)	-440	–	–	–	–	-440
Non-operating/nonrecurring cash flow		–	–	–	–	–	–
Capex	(j)	-1,162	–	–	–	–	-1,162
Common dividends paid		-2,133	–	–	–	–	-2,133
FCF		-3,735	–	–	–	–	-3,735
<b>Gross leverage (x)</b>							
EBITDA leverage	b/(a+d)	-12.4	–	–	–	–	30.3
(CFO-capex)/debt (%)	(i+j)/b	-2.7	–	–	–	–	-2.7
<b>Net leverage (x)</b>							
EBITDA net leverage	(b-c)/(a+d)	-11.9	–	–	–	–	29.1
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-2.8	–	–	–	–	-2.8
<b>Coverage (x)</b>							
EBITDA interest coverage	(a+d)/(-e)	-3.4	–	–	–	–	1.4

CFO – Cash flow from operations.

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of SEK562 million.

Source: Fitch Ratings, Fitch Solutions, SBB - Samhallsbyggnadsbolaget i Norden AB

## Recovery Analysis

Issuer	SBB - Samhallsbyggnadsbolaget i Norden AB		
Issuer Default Rating	CCC	As of	31 Dec 2024
Sector	Real Estate	Currency	(SEKm)
Country	Sweden	Country group	A

Going concern (GC) enterprise value (EV)		Liquidation value	Book value	Advance rate (%)	Available to creditors
GC EBITDA	-	Cash	1,385	0	-
EBITDA multiple (x)	-	Accounts receivable	-	80	-
GC value from alternative method	-	Inventory	-	50	-
Additional value from affiliates, minority interest, other	-	Net property, plant and equipment	3,278	80	2,622
<b>GC EV</b>	-	Liquidation value of off-balance-sheet assets	-	100	-
<b>EV for claims distribution</b>		Additional value from affiliates, minority interest, other	-	100	-
Greater of GC enterprise or liquidation value	2,622	<b>Total liquidation value</b>			<b>2,622</b>
Less administrative claims	262				
<b>Total EV</b>	<b>2,360</b>				

### Distribution of value

Priority	Amount	Concession allocation	Value recovered	Recovery (%)	Before country-specific considerations			After country-specific considerations		
					Recovery Rating	Notching	Rating	Recovery Rating	Notching	Rating
First-lien Secured	2,400	0	2,360	98	RR1	+3	B	RR1	+3	B
Unsecured	6,545	0	-	0	RR6	-2	CC	RR6	-2	CC
Other	8,155	0	-	0	RR6	-2	CC	RR6	-2	CC

Source: Fitch Ratings, Fitch Solutions, SBB - Samhallsbyggnadsbolaget i Norden AB

Our recovery analysis assumes that SBB Parent would be liquidated rather than restructured as a going-concern (GC) in a default.

Recoveries are based on an independent valuation of its investment property portfolio at end-2024. Fitch has used SBB Parent's directly held properties' values of about SEK3.2 billion, to which it has applied a standard 20% discount. Fitch has used SBB Parent's retained unsecured and subordinated hybrid debt amounts, after some bonds were exchanged into bonds at SBB Holding during 2024.

We assume no cash is available for recoveries. This analysis attributes zero value to various investments in equity stakes, including the SEK1.9 billion attributable value of PPI's equity.

After deducting a standard 10% for administrative claims, we assume that no unencumbered investment property assets are available to unsecured creditors. Its existing directly held investment property is designated for SEK2.4 billion secured creditors who rank ahead of SBB Parent's unsecured creditors.

Fitch's principal waterfall analysis generates a ranked recovery for senior unsecured debt of 'RR6', leading to a 'CC' unsecured debt rating.

Given the structural subordination of SBB Parent's hybrids, we estimate a ranked recovery of 'RR6'. As loss absorption has been triggered with the deferral of coupons, the instrument rating is 'C', three notches below SBB Parent's IDR.

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