

Samhallsbyggnadsbolaget i Norden Holding AB (publ)

Samhallsbyggnadsbolaget i Norden Holding AB (publ)'s (SBB Holding) ratings reflect its weak credit profile, with Fitch Ratings-calculated net debt/EBITDA above 22.0x during 2025-2028 and interest coverage at about 1.0x. SBB Holding's sustainability depends on its ability to raise ample liquidity to meet its SEK5.8 billion bond maturities in 2026, given challenging conditions in debt capital markets.

SBB Holding's consolidated community service portfolio, valued at SEK20.8 billion at end-2024, has maintained stable rents and operational metrics. Similarly, its 62%-owned Sveafastigheter AB's (publ) (IDR: BBB-/Positive) SEK28.1 billion residential-for-rent portfolio and 49%-owned Nordiqus AB's SEK38.7 billion education portfolio have shown stable performance.

Key Rating Drivers

Directly-Held Community Service Portfolio: Within SBB Holding's consolidated SEK52.4 billion investment property portfolio, about SEK21 billion is directly held community service properties. This sub-portfolio has an indirect and a direct government tenant base, including government departments, municipalities and elderly care. Fitch views SBB Holding's long-term, government-linked rental income from CPI-indexed rents as lower risk and with a higher debt capacity than commercial properties. The portfolio achieved above-inflation like-for-like rental income growth in 2024, a 90% occupancy, and it has a long average lease length of eight years.

The community service portfolio also has two 100%-owned Castlelake-financed vehicles, totalling SEK15 billion of community service assets, which have their own secured debt.

Sveafastigheter Equity Investment: Sveafastigheter's SEK28.1 billion residential-for-rent portfolio is located in growing regions around Sweden, including Stockholm-Mälardalen, university cities, Malmö-Öresund and Gothenburg. This stable business profile is combined with moderate leverage and a forecast interest cover above 2.0x. Fitch deconsolidates Sveafastigheter and only includes its potential recurring rental-derived cash dividends within SBB Holding's EBITDA.

Nordiqus Equity Investment: SBB Holding also owns 49.8% of Nordiqus, with Brookfield holding the rest. This is a SEK38.7 billion portfolio of Nordic educational assets benefiting from mostly government funding-backed, long-term rental contracts. Fitch deconsolidates Nordiqus and includes its cash dividend payments or interest income on its SEK4.1 billion vendor loans within SBB Holding's EBITDA.

Weak Financial Profile: SBB Holding's leverage remains very high. Without cash dividends from its joint ventures (JVs), Fitch forecasts net debt/EBITDA above 22.0x during 2025-2028. Fitch expects SBB Holding to be able to cover its cash interest expense during 2025 and 2026 with cash from operations, helped by its low average cost of debt of about 2.37%. Beyond 2027, the expiration of some of this low-cost debt and interest-rate hedges will be replaced by higher-cost market-rate instruments. This is likely to reduce EBITDA net interest cover to below 1.0x, necessitating SBB Holding to deleverage significantly.

Options to Raise Liquidity: We expect SBB Holding to raise liquidity to repay its SEK5.8 billion 2026 and SEK7.8 billion 2027 bonds, if capital markets remain challenging. Options include asset sales, sale of retained JV stakes and raising external capital on its community service portfolio, possibly through asset-backed transactions, a strategic partnership or an IPO. If SBB Holding opts to segregate a portion of its debt specifically for its community service portfolio, this would effectively make its parent SBB - Samhallsbyggnadsbolaget i Norden AB (SBB Parent; IDR of 'CCC') more of an investment holding company for its remaining debt holders.

Ratings

Long-Term IDR	CCC+
Senior Unsecured Debt - Long-Term Rating	CCC+

[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

- [Corporate Rating Criteria \(December 2024\)](#)
- [Parent and Subsidiary Linkage Rating Criteria \(June 2023\)](#)
- [Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)
- [Sector Navigators – Addendum to the 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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Debt Delinked from SBB Parent: Fitch views SBB Holding's debt as delinked from SBB Parent's. SBB Holding's exchanged bonds have no cross-default with SBB Parent. SBB Holding cannot upstream cash to SBB Parent, if this negatively affects its bondholders due to restrictive covenants in the bond documentation.

Financial Summary

(SEKm)	2024	2025F	2026F	2027F
Gross revenue	1,489	1,600	2,369	2,475
EBITDA after associates and minorities	922	1,100	1,575	1,633
EBITDA margin (%)	45.1	53.1	55.9	55.9
EBITDA net interest coverage (x)	0.8	1.2	1.2	0.7
EBITDA net leverage (x)	Not meaningful	27.9	24.2	24.1

2024 data refers to the period 23 June 2024 to end-2024. Full-year forecasts are the Fitch-adjusted profile of SBB Holding (including dividends and vendor loan interest from Sveafastigheter and Nordiqus).

Source: Fitch Ratings, Fitch Solutions

SBB Holding Property Portfolio at End-2024

Asset classes	(i) Residential-for-rent (equity investment), (ii) Community service (directly held), and (iii) Education (equity investment, vendor loan)
Geography (by fair value)	Sweden 57%, Finland 31%, Norway 8%, Denmark 3% (directly held)
Portfolio size	SEK21.0 billion (directly-held)
Passing rent	SEK1.5 billion
Gross leasable area	1,034,000 sq m
Occupancy	90%
Yield	5.7%

Source: Fitch Ratings, SBB Holding

Peer Analysis

Within the community service portfolio, SBB Holding'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 (NIY) 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. Assura's downgrade rating sensitivity to 'BBB+' includes net debt/EBITDA greater than 9.0x.

The smaller EURO.8 billion portfolio of higher-rated Norwegian-based Public Property Invest ASA (PPI; BBB/Stable) 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 8.0x, loan-to-value of about 45% and an interest cover of about 2.0x.

Under Fitch's EMEA Real Estate Navigator, many of 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 Parent	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 ■ Moderate ■ Lower

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 August 2026 debt maturity
- Actions pointing to a widespread potential renegotiation of SBB Holding's debt terms and conditions, including a material reduction in lenders' terms sought to avoid a default
- Reduction in SBB Holding's directly held unencumbered investment property portfolio relative to its unsecured debt would lead to a lower Recovery Rating and senior unsecured rating

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
- Proceeds from successful disposals used to prepay the sizeable 2026 debt maturities, and increasing liquidity
- A material reduction in leverage

Liquidity and Debt Structure

SBB Holding's available cash at end-2024 was SEK1.1 billion, of which SEK308 million was attributed to Sveafastigheter. This is further supported by a SEK2.5 billion asset-backed facility signed during 4Q24 which remains undrawn. SBB Holding has no debt maturing in 2025 but Fitch expects cash to be upstreamed to repay SBB Parent's remaining 2025 unsecured bond maturities of about SEK1 billion without breaching SBB Holding's bond covenants. SBB Holding's next significant debt maturity is in August 2026.

SBB Holding's end-2024 average cost of debt was 2.37%, excluding hybrids (averaging 3.3%), the higher-coupon Morgan Stanley preference shares (at 13% cost) in SBB Residential Property AB and the debt raised in the non-consolidated Castlelake-funded SBB Infrastructure AB and SBB Social Facilities (375bp-500bp plus STIBOR/EURIBOR). Derivatives, together with fixed-rate debt, provide interest rate coverage of SBB Holding's debt for three years on average.

ESG Considerations

SBB Holding has an ESG Relevance Score of '4' for Governance Structure to reflect previous key person risk (the previous CEO) and continuing different voting rights among SBB Parent shareholders affording greater voting rights to the key person. SBB Holding 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. 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>.

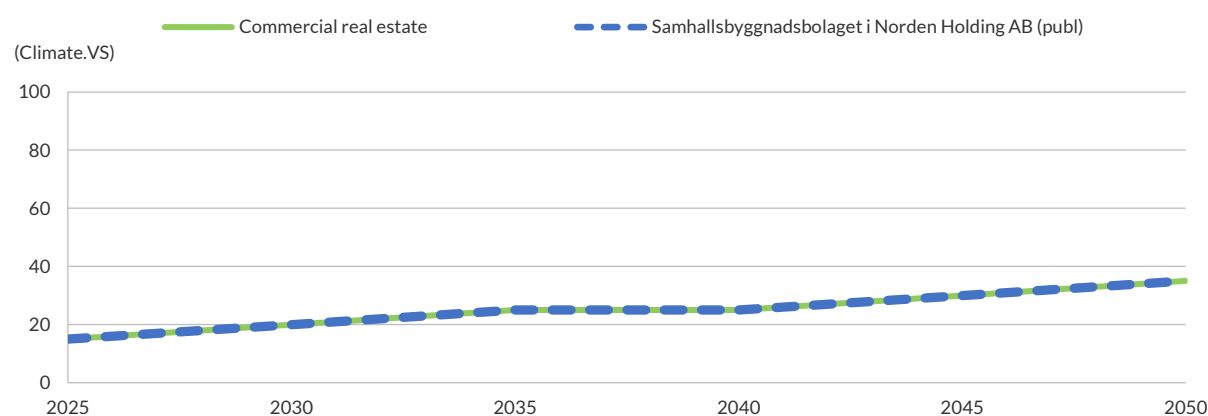
Climate Vulnerability Considerations

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 Holding for 2035 is 25 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of Dec 31, 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(SEKm)	2025F
Available liquidity	
Beginning cash balance	1,136
Rating case FCF after acquisitions and divestitures	-138
Total available liquidity (A)	998
Liquidity uses	
Debt maturities	—
Total liquidity uses (B)	—
Liquidity calculation	
Ending cash balance (A+B)	998
Revolver availability	—
Ending liquidity	998
Liquidity score (x)	Not meaningful

Source: Fitch Ratings, Fitch Solutions, Samhallsbyggnadsbolaget i Norden Holding AB (publ)

Scheduled debt maturities

(SEKm)	31 Dec 24
2025	—
2026	5,834
2027	7,846
2028	7,615
2029	10,116
Thereafter	—
Total	31,411

Source: Fitch Ratings, Fitch Solutions, Samhallsbyggnadsbolaget i Norden Holding AB (publ)

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
- Cash received from JVs of about SEK250 million a year, mostly comprising interest on Nordiqus's vendor loan
- Completion of existing development projects by 2025 and modest spend thereafter. Total capex to average about SEK300 million annually to 2028

Financial Data

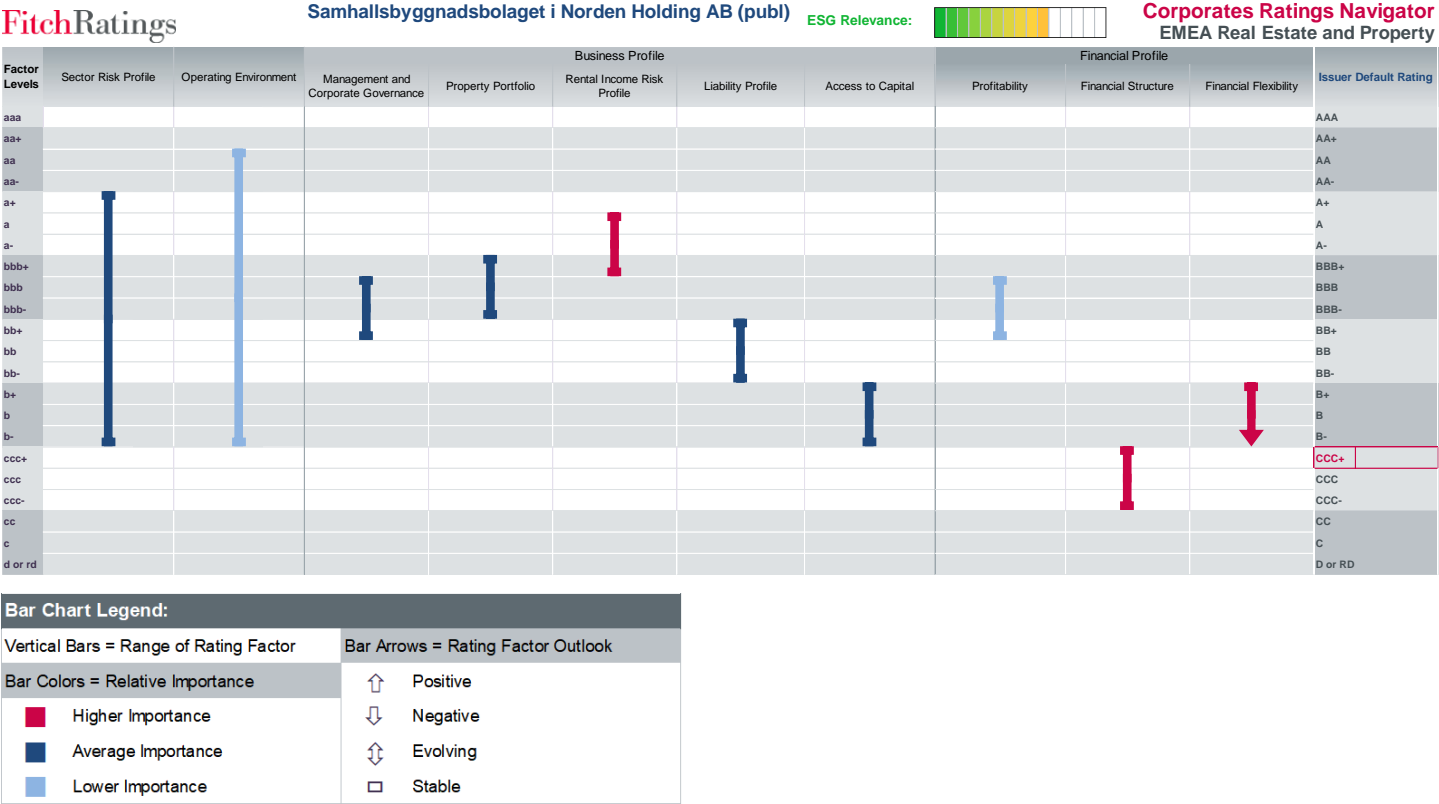
(SEKm)	2024	2025F	2026F	2027F
Summary income statement				
Gross revenue	1,489	1,600	2,369	2,475
Revenue growth (%)	—	7.4	48.1	4.5
EBITDA before income from associates	671	850	1,325	1,383
EBITDA margin (%)	45.1	53.1	55.9	55.9
EBITDA after associates and minorities	922	1,100	1,575	1,633
EBIT	662	850	1,325	1,383
EBIT margin (%)	44.5	53.1	55.9	55.9
Gross interest expense	-1,345	-938	-1,281	-2,489
Pretax income including associate income/loss	-3,267	-88	44	-1,106
Summary balance sheet				
Readily available cash and equivalents	1,136	690	684	127
Debt	48,124	31,411	38,814	39,414
Net debt	46,988	30,721	38,130	39,287
Summary cash flow statement				
EBITDA	671	850	1,325	1,383
Cash interest paid	-1,370	-938	-1,281	-2,489
Cash tax	-20	—	—	—
Dividends received less dividends paid to minorities (inflow/outflow)	251	250	250	250
Other items before FFO	19	—	—	—
FFO	-251	162	294	-856
FFO margin (%)	-16.9	10.1	12.4	-34.6
Change in working capital	207	—	—	—
CFO (Fitch-defined)	-44	162	294	-856
Total non-operating/nonrecurring cash flow	—	—	—	—
Capex	-589	—	—	—
Capital intensity (capex/revenue) (%)	39.6	—	—	—
Common dividends	—	—	—	—
FCF	-633	—	—	—
FCF margin (%)	-42.5	—	—	—
Net acquisitions and divestitures	185	—	—	—
Other investing and financing cash flow items	1,662	—	—	—
Net debt proceeds	-109	-16,713	7,403	600
Net equity proceeds	1	—	—	—
Total change in cash	1,106	-446	-6	-556
Calculations for forecast publication				
Capex, dividends, acquisitions and other items before FCF	-404	-300	-7,703	-300
FCF after acquisitions and divestitures	-448	-138	-7,409	-1,156
FCF margin after net acquisitions (%)	-30.1	-8.6	-312.7	-46.7
Gross leverage ratios (x)				
EBITDA leverage	52.2	28.6	24.6	24.1
(CFO-capex)/debt	-1.3	-0.4	-0.0	-2.9
Net leverage ratios (x)				
EBITDA net leverage	51.0	27.9	24.2	24.1
(CFO-capex)/net debt	-1.4	-0.4	-0.0	-2.9
Coverage ratios (x)				
EBITDA interest coverage	0.7	1.2	1.2	0.7

2024 data refers to the period 23 June 2024 to end-2024; Full year forecasts are the Fitch-adjusted profile of SBB Holding (including dividends and vendor loan interest from Sveafastigheter and Nordikus). 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.

Ratings Navigator



Operating Environment				Management and Corporate Governance								
aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.	bbb+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.					
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and the strength of the relevant local financial market.	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.					
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.	bbb-	Group Structure	bb	Complex group structure or non transparent ownership structure. Related-party transactions exist but with reasonable economic rationale.					
ccc+				bb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.					
ccc+				bb								
Property Portfolio				Rental Income Risk Profile								
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.	a+	Occupancy	bbb	Moderate occupancy volatility through cycles. Occupancy consistently above 90%. Track record of limited tenant defaults.					
bbb+	Investment Granularity	a	Very high portfolio granularity. Top 10 assets comprise less than 20% of net rental income or value.	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.					
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.	a-	Rental Income Volatility	a	Sustained rental income growth and/or low volatility in rental income compared to sector levels. Evidence of realizable revisionary potential in the near term.					
bbb-	Asset Quality	bbb	Prime and good secondary.	bbb+	Tenant Concentration and Tenant Credit	a	Top 10 tenants comprise less than 15% of annual passing rent; below-average tenant credit risk.					
bb+	Development Exposure	a	Committed development cost to complete of up to 5% of investment properties. Limited speculative development.	bbb								
Liability Profile				Access to Capital								
bbb-	Debt Maturity Profile	bb	Average debt tenor above three years. No year represents more than 25% of total debt.	bb-	Sources of Capital	ccc	Conditional access to capital.					
bb+	Interest Rate Hedging Profile	bb	Fixed or hedged debt above 50% of total debt (recent period-end measured) with average interest rate maturity above three years. However, no clear hedging policy or lack of record.	b+	Unencumbered Asset Pool	ccc	Rapidly shrinking unencumbered pool with adverse selection.					
bb				b	Absolute Scale	bbb	Rent-yielding property assets of at least EUR1.0bn.					
bb-				b-								
b+				ccc+								
Profitability				Financial Structure								
bbb+	FFO Dividend Cover	bb	1.0x, indication of potential unsustainable dividend policy and cover.	b-	Loan-To-Value	ccc	Unsustainable level and/or close to covenant breach.					
bbb	Asset Class Volatility	bbb	Portfolio values change less than 30% peak to trough with a track record of recovery.	ccc+	Unencumbered Asset Cover	ccc	Rapidly shrinking unencumbered pool.					
bbb-				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.					
bb+				ccc-	EBITDA Net Leverage	ccc	>11.0x.					
bb				cc								
Financial Flexibility				Credit-Relevant ESG Derivation								
bb-	Financial Discipline	b	No financial policy or track record of ignoring it. Opportunistic behavior.	Samhallsbyggnadsbolaget i Norden Holding AB (publ) has 2 ESG rating drivers and 7 ESG potential rating drivers				Overall ESG				
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.	<div>Showing top 6 issues</div> <div><div>➔</div>Board independence and effectiveness; ownership concentration</div> <div><div>➔</div>Quality and timing of financial disclosure</div> <div><div>➔</div>Focus on low-carbon new-builds and renovations</div> <div><div>➔</div>Buildings' energy consumption, focus on renewable sources</div> <div><div>➔</div>Sustainable building practices including Green building certificate credentials</div> <div><div>➔</div>Portfolio's exposure to climate change-related risk including flooding</div>				key driver	0	issues	5	
b	Recurring Income EBITDA Interest Cover	bb	1.25x					driver	2	issues	4	
b-	FX Exposure	bb	FX exposure on profitability and/or debt cash flow match. Some hedging but only partly effective.					potential driver	7	issues	3	
ccc+								not a rating driver	3	issues	2	
									2	issues	1	
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 rating.												

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.

Showing top 6 issues

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

Credit-Relevant ESG Derivation

Samhallsbyggnadsbolaget i Norden Holding AB (publ) has 2 ESG rating drivers and 7 ESG potential rating drivers

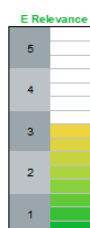
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to board independence risk which, in combination with other factors, impacts the rating.
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to financial disclosure risk which, in combination with other factors, impacts the rating.
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to emissions regulatory risk but this has very/low impact on the rating.
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to energy productivity risk but this has very/low impact on the rating.
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to unsustainable building practices risk but this has very/low impact on the rating.
- ➔ Samhallsbyggnadsbolaget i Norden Holding AB (publ) has exposure to extreme weather events but this has very/low impact on the rating.

Showing top 6 issues

ESG Relevance to Credit Rating			
key driver	0	issues	5
driver	2	issues	4
potential driver	7	issues	3
not a rating driver	3	issues	2
	2	issues	1

Environmental (E) Relevance Scores

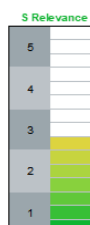
General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Focus on low-carbon new-builds and renovations	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Energy Management	3	Buildings' energy consumption, focus on renewable sources	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Water & Wastewater Management	2	Buildings' water consumption, recycling	Property Portfolio; Profitability
Waste & Hazardous Materials Management	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

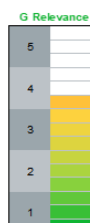
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant 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

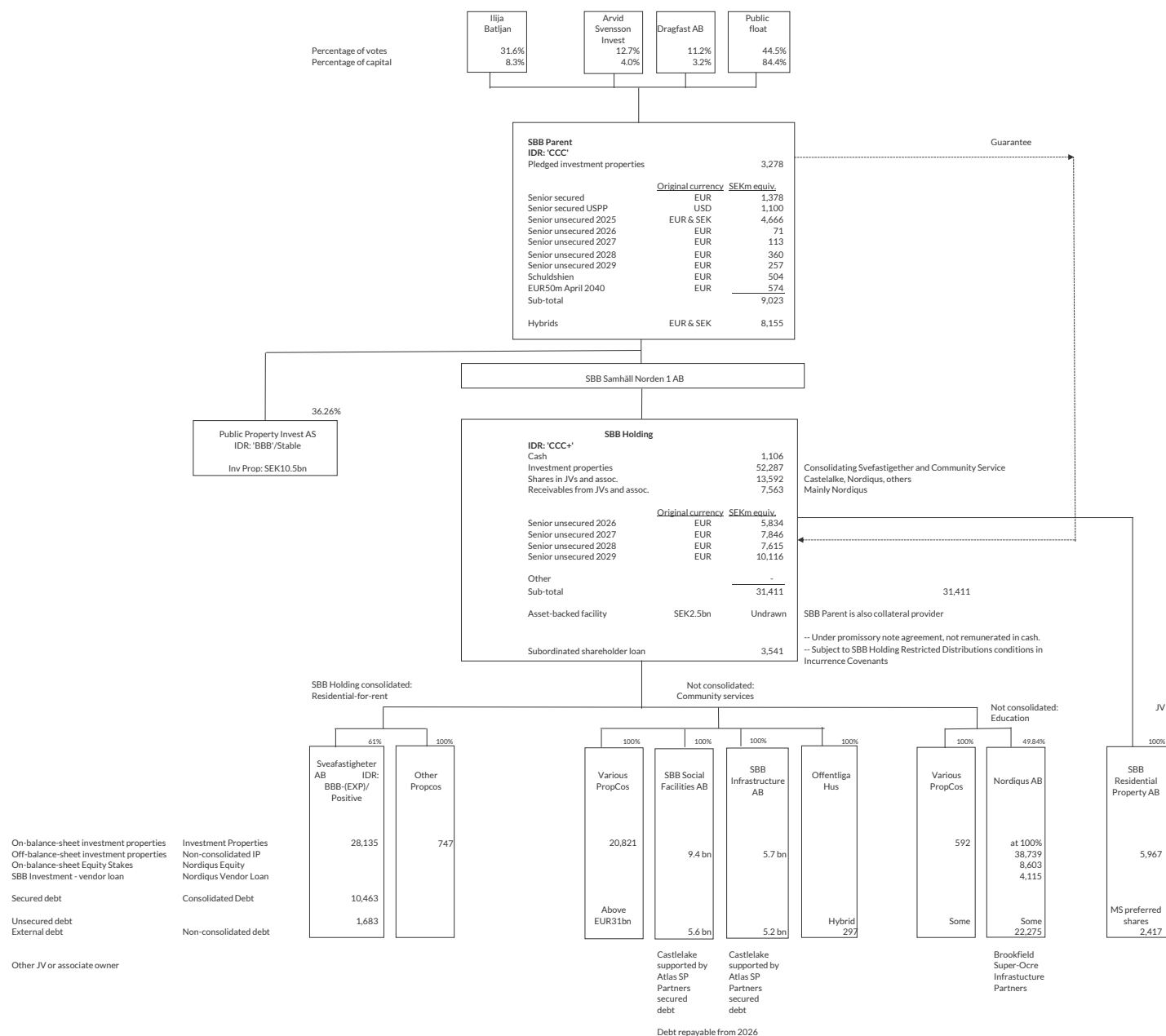
General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	4	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	4	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 Holdings, as at December 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 24)	Notes and formulas	Standardised values	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		1,489	—	—	—	1,489
EBITDA	(a)	-999	—	-9	1,679	671
Depreciation and amortisation		-9	—	—	—	-9
EBIT		-1,008	—	-9	1,679	662
Balance sheet summary						
Debt	(b)	47,596	528	—	—	48,124
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		47,596	528	—	—	48,124
Readily available cash and equivalents	(c)	1,136	—	—	—	1,136
Not readily available cash and equivalents		—	—	—	—	—
Cash flow summary						
EBITDA	(a)	-999	—	-9	1,679	671
Dividends received from associates less dividends paid to minorities	(d)	251	—	—	—	251
Interest paid	(e)	-1,370	—	—	—	-1,370
Interest received	(f)	198	—	—	—	198
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		-20	—	—	—	-20
Other items before FFO		1,689	—	9	-1,679	19
FFO	(h)	-251	—	—	—	-251
Change in working capital		207	—	—	—	207
CFO	(i)	-44	—	—	—	-44
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-589	—	—	—	-589
Common dividends paid		—	—	—	—	—
FCF		-633	—	—	—	-633
Gross leverage (x)						
EBITDA leverage	b/(a+d)	-64.3	—	—	—	52.2
(CFO-capex)/debt (%)	(i+j)/b	-1.3	—	—	—	-1.3
Net leverage (x)						
EBITDA net leverage	(b-c)/(a+d)	-62.8	—	—	—	51.0
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-1.4	—	—	—	-1.4
Coverage (x)						
EBITDA interest coverage	(a+d)/(-e)	-0.6	—	—	—	0.7

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 SEK548 million.

Source: Fitch Ratings, Fitch Solutions, Samhallsbyggnadsbolaget i Norden Holding AB (publ)

B+ and Below Considerations

Factors	b+	b	b-	ccc+	ccc	ccc-	cc
Business model	Robust	Sustainable	Intact	Redeemable	Compromised	Disrupted	Irredeemable
Execution risk in strategy	Limited	Moderate	Meaningful	Challenging yet achievable	Uncertain	Highly speculative	Not credible
Cash flow profile	Consistently positive	Neutral to positive	Volatile	Mostly negative	Consistently negative	Accelerating cash outflow	Irreversible outflow
Leverage profile	Clear deleveraging path	Deleveraging capacity	High but sustainable	Significant outlier	Unsustainable	Disproportionate and increasing	Unrecoverable
Governance and financial policy	Committed	Some commitment to deleveraging	Aggressive	Ineffective	Uncommitted	Hostile	Inevitable balance sheet restructuring
Refinancing risk	Limited	Manageable	High	Off market options	Excessive	Unavailable	Imminent
Liquidity	Comfortable	Satisfactory	Limited	Minimal headroom	Poor/partly funded	Unfunded	De facto insolvent

Source: Fitch Ratings

Recovery Analysis

Issuer	Samhallsbyggnadsbolaget i Norden Holding AB (publ)		
Issuer Default Rating	CCC+	As of	31 Dec 24
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	1,106	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	21,413	80	17,130
GC EV	-	Liquidation value of off-balance-sheet assets	5,314	0	-
EV for claims distribution		Additional value from affiliates, minority interest, other	17,992	0	-
Greater of GC enterprise or liquidation value	17,130	Total liquidation value			17,130
Less administrative claims	1,713				
Total EV	15,417				

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
Senior Unsecured	31,411	0	15,417	49	RR4	0	CCC+	RR4	0	CCC+

Source: Fitch Ratings, Fitch Solutions, Samhallsbyggnadsbolaget i Norden Holding AB (publ)

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

SBB Holding's recoveries are based on the end-2024 independent valuation of the investment property portfolio. Fitch has used the end-2024 non-pledged property values of about SEK21.4 billion as unencumbered investment property assets. This deducts pledged properties transferred to Sveafastigheter after end-3Q24. Fitch applies a standard 20% discount to these values.

We assume no cash is available for recoveries. This analysis also attributes zero value to various investments in equity stakes, including the SEK9.1 billion Nordiqus equity, SEK4.7 billion Sveafastigheter equity and SEK5.3 billion Nordiqus vendor loan. After deducting a standard 10% for administrative claims, the total amount of unencumbered investment property assets we assume available to unsecured creditors is about SEK15.4 billion.

Fitch's principal waterfall analysis generates a ranked recovery for senior unsecured debt of 'RR4', leading to a 'CCC+' unsecured debt rating.

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