

GOPD Nyrt.

Hungary, Real Estate

Rating composition

| Business risk profile | | |
|------------------------------|--------------|--------------|
| Industry risk profile | BB | B- |
| Competitive position | B- | |
| Financial risk profile | | |
| Credit metrics | B | B- |
| Liquidity | - 1 notch | |
| Standalone credit assessment | | B- |
| Supplementary rating drivers | | |
| Financial policy | +/-0 notches | +/-0 notches |
| Governance & structure | +/-0 notches | |
| Parent/government support | +/-0 notches | |
| Peer context | +/-0 notches | |
| Issuer rating | | B- |

Key metrics

| Scope credit ratios* | Scope estimates | | | |
|--|-----------------|--------|-------|-------|
| | 2023 | 2024 | 2025E | 2026E |
| Scope adjusted EBITDA interest cover | -1.3x | -1.1x | 2.8x | 4.5x |
| Scope-adjusted debt/EBITDA | -14.2x | -11.6x | 5.0x | 4.1x |
| Scope-adjusted loan/Value | 36% | 38% | 27% | 24% |
| Scope-adjusted free operating cash flow/debt | 11% | 2% | 72% | -10% |
| Liquidity | >200% | 73% | >200% | 15% |

Rating sensitivities

The upside scenarios for the ratings and Outlook:

- Improved operational performance in support of the anticipated recovery of credit metrics
- Improved liquidity, with visibility of cash available for cash uses over the next 12-18 months

The downside scenarios for the ratings and Outlook:

- No improvement in operational performance, which continues to put pressure on credit metrics
- No visibility of cash available for cash uses over the next 12-18 months
- Loss of majority ownership and/or control over SunDell

*All credit metrics refer to Scope-adjusted figures.

Issuer

B-

Outlook

Negative

Senior unsecured (guaranteed) debt instrument
(ISIN: HU0000361076) rating:

B+

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Related methodologies

[General Corporate Rating](#)

[Methodology](#), Feb 2025

[European Real Estate Rating](#)

[Methodology](#), Jun 2025

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1. Key rating drivers

Positive rating drivers

- Majority control over SunDell Estate Plc, a REIT with strong dividend cash flows from residential real estate developments
- Landbank available for future developments, purchased from proceeds of capital increase (MFB Invest and Hiventures)

Negative rating drivers

- High concentration risk as number of assets under development are limited and concentrated towards the Budapest residential real estate market
- Lack of visibility on future cash flows as project pipeline of GOPD standalone is limited and in case of SunDell limited visibility beyond the SunDell port project
- Aggressive financing structure in the past by buying shares of SunDell Plc. and plots for development purely out of debt
- GOPD's corporate structure is complex, requiring significant management attention due to cash flow intricacies, timing sensitivities, concentration risks, and diversification challenges from fewer active projects. This holding structure – involving subsidiaries, joint ventures, and intercompany transactions – creates additional organizational and operational complexities

2. Rating Outlook

The Negative Outlook reflects the continuous liquidity risk to GOPD's debt service the next 12-18 months and the continued low/negative standalone profitability, which casts doubt on the issuer's internal cash generation capability and makes it dependent on cash generation at the subsidiary level (SunDell).

3. Corporate profile

GOPD Nyrt. (GOPD) was established 2018 as a public limited company focused on real estate development. It is listed on the BÉT XTEND market, the entry level of the Budapest Stock Exchange. GOPD operates the group's subsidiaries as a holding company. GOPD's main shareholder is the Piukovics family. The company consolidates SunDell Estate Nyrt. (SunDell) under IFRS.

Majority owner of Hungarian developer - SunDell

GOPD develops plots on which residential units can be built and then sells the plots after permits are obtained. Construction is typically contracted through its subsidiaries and dwellings are also sold by its largest subsidiary, Budapest-based real estate investment trust SunDell. GOPD also enjoys the yearly dividend upstream from SunDell, in which it has had controlling majority ownership since late 2021.

4. Rating history

| Date | Rating action/monitoring review | Issuer rating & Outlook |
|-------------|---------------------------------|-------------------------|
| 17 Oct 2025 | Affirmation | B-/Negative |
| 17 Oct 2024 | Downgrade | B-/Negative |
| 17 Oct 2023 | Outlook change | B/Negative |

5. Financial overview (financial data in HUF m)

| | Scope estimates | | | | | |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
| Scope credit ratios | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
| EBITDA interest cover | -1.9x | -1.3x | -1.1x | 2.8x | 4.5x | 2.0x |
| Debt/EBITDA | -10.6x | -14.2x | -11.6x | 5.0x | 4.1x | 10.8x |
| Loan/Value | 29% | 36% | 38% | 27% | 24% | 19% |
| Free operating cash flow/debt | -58% | 11% | 2% | 72% | -10% | 4% |
| Liquidity | 0% | >200% | 73% | >200% | 15% | 26% |
| EBITDA | | | | | | |
| Reported EBITDA | -1,808 | -1,561 | -2,217 | 3,534 | 3,777 | 1,384 |
| EBITDA | -1,808 | -1,561 | -2,217 | 3,534 | 3,777 | 1,384 |
| Funds from operations (FFO) | | | | | | |
| EBITDA | -1,808 | -1,561 | -2,217 | 3,534 | 3,777 | 1,384 |
| less: interest | -954 | -1,224 | -2,007 | -1,241 | -838 | -683 |
| less: cash tax paid | -61 | -82 | 1 | - | - | - |
| Other non-operating charges before FFO | -2,187 | 43 | 540 | 11,883 | -1,945 | 14,509 |
| Funds from operations | -5,010 | -2,825 | -3,682 | 14,176 | 994 | 15,210 |
| Free operating cash flow (FOCF) | | | | | | |
| Funds from operations | -5,010 | -2,825 | -3,682 | 14,176 | 994 | 15,210 |
| Change in working capital | 8,259 | 5,730 | 8,574 | -14,712 | -2,335 | -14,366 |
| less: capital expenditures (net) | -14,361 | -549 | -4,251 | 13,265 | -250 | -257 |
| Free operating cash flow | -11,112 | 2,356 | 641 | 12,728 | -1,592 | 587 |
| Interest | | | | | | |
| Net cash interest per cash flow statement | 954 | 1,224 | 2,007 | 1,241 | 838 | 683 |
| Interest | 954 | 1,224 | 2,007 | 1,241 | 838 | 683 |
| Debt | | | | | | |
| Reported financial (senior) debt | 19,230 | 22,226 | 25,729 | 17,589 | 15,370 | 15,011 |
| Debt | 19,230 | 22,226 | 25,729 | 17,589 | 15,370 | 15,011 |
| Market value of total assets | | | | | | |
| Total assets | 67,191 | 61,298 | 69,930 | 71,172 | 65,855 | 79,607 |
| less: cash and cash equivalents | (725) | (116) | (2,104) | (6,551) | (1,095) | (625) |
| Market value of total assets | 66,466 | 61,182 | 67,826 | 64,621 | 64,760 | 78,982 |

6. Environmental, social and governance (ESG) profile¹

| Environment | Social | Governance |
|---|---|---|
| Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)  | Labour management | Management and supervision (supervisory boards and key person risk)  |
| Efficiencies (e.g. in production) | Health and safety (e.g. staff and customers) | Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)  |
| Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables) | Clients and supply chain (geographical/product diversification) | Corporate structure (complexity)  |
| Physical risks (e.g. business/asset vulnerability, diversification)  | Regulatory and reputational risks | Stakeholder management (shareholder payouts and respect for creditor interests)  |

ESG factors:  credit-positive  credit-negative  credit-neutral

The housing units developed by SunDell are energy-efficient (ESG factor: credit-positive) and well above minimum legal requirements. There is more demand for this type of housing than for old or renovated housing and less energy-efficient projects. SunDell was one of the first in the market to develop environmentally conscious and sustainable residential buildings with low energy and water needs and a high share of green areas. Since SunDell constructs its buildings, its properties are guaranteed to have an energy performance certificate of at least 'BB' under Hungarian law, considered a nearly zero-energy building (nZEB).

We note that GOPD's corporate structure is complex, requiring significant management attention due to cash flow intricacies, timing sensitivities, concentration risks, and diversification challenges from fewer active projects. This holding structure – involving subsidiaries, joint ventures, and intercompany transactions – creates additional organizational and operational complexities.

¹ These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

7. Business risk profile: B-

As a residential real estate developer (homebuilder), Sundell is exposed to the highly cyclical real estate industry with its medium barriers to entry and low substitution risk. We view development as the riskiest real estate sub-segment but assign an industry risk of BB for homebuilder companies, giving credit for housing being a basic need.

Industry risk profile: BB

GOPD's business risk profile remains anchored to its main subsidiary, SunDell (B-/Stable), which holds a modest but growing position as an emerging developer in Hungary's fragmented Budapest residential market. which holds a modest but growing position as an emerging developer in Hungary's fragmented Budapest residential market. The revision of the business risk profile is driven by lower expected profitability and increased cluster risk.

Business risk profile tied to its main subsidiary, SunDell

SunDell, GOPD's majority-owned subsidiary, is the fifth-largest residential developer in Budapest. It has completed seven projects worth HUF 69bn (1,220 units) since 2017. However, revenues are heavily exposed to cyclical demand in Budapest ('B' location). SunDell has an ongoing pipeline of four projects valued at close HUF 119bn (1,000 units).

Diversification is constrained, with near-term cash generation tied to the SunDell Port development (over 600 units through 2029), increasing cluster risks from execution delays or market shifts; the lease portfolio (39% of SunDell's property value at end-2024) contributes under 5% of revenues and offers limited offsetting stability. Pre-sale rates exceed 80% in mass-market segments (e.g., 94% for Hun Street, 87% for Paskal Rose II as of September 2025), supporting visibility, though luxury apartment sales lag. The subsidized mortgage rate of 3% introduced by the Hungarian government is expected to increase affordability and pre-sales for energy-efficient units developed by SunDell (ESG factor credit-positive).

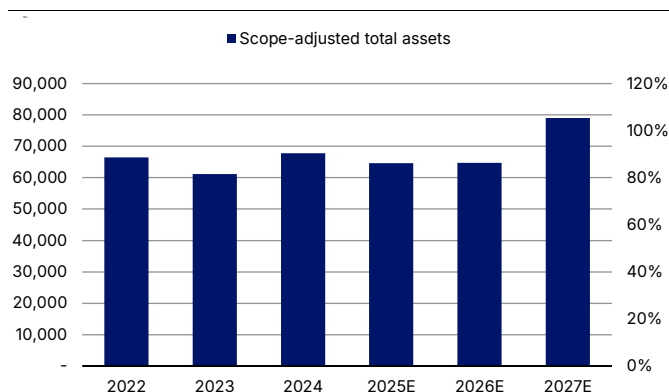
Weak diversification and dependence on main subsidiary

Early pre-sales of the SunDell Port project to the SD Development Fund I – a HUF 28 bn closed-end private equity fund established in December 2024 by MFB Invest (70%) and GOPD Nyrt. (30%) – supports the smooth execution of the project.

The standalone EBITDA of GOPD stems from plot incubation, with expected margins near 20%, though negative in 2023-2024. Consolidated EBITDA margins are projected at 17% for 2025-2027. This is supported by handovers at subsidiary level (SunDell), amid volatile demand influenced by high mortgage rates and stabilizing costs.

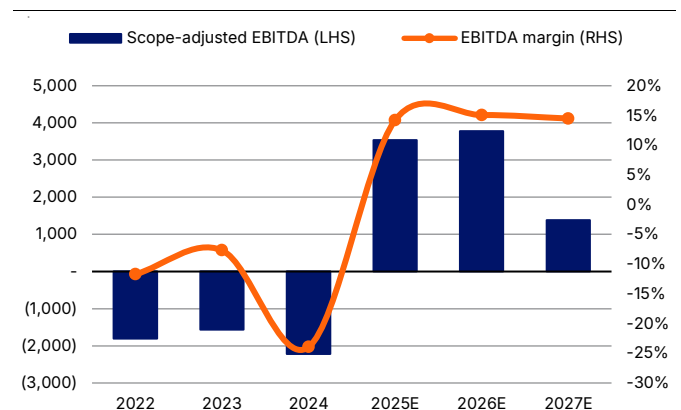
Plot incubation adds to profitability

Figure 1: Scope-adjusted total assets (HUF m)



Sources: GOPD, Scope estimates

Figure 2: Scope-adjusted EBITDA margin (%)



Sources: GOPD, Scope estimates

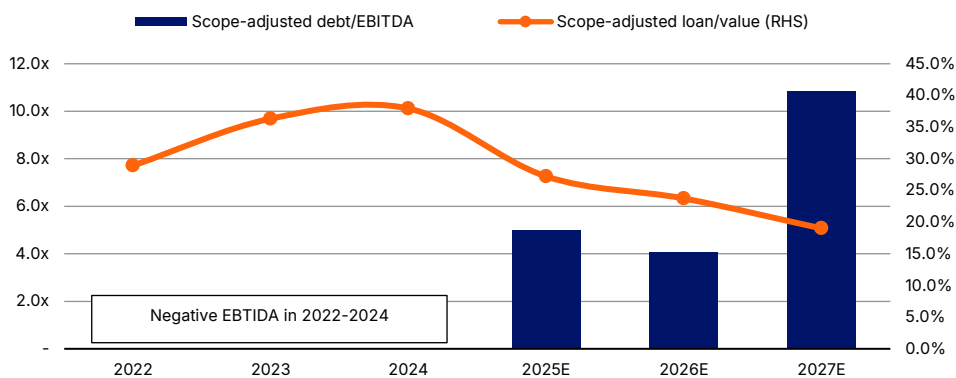
8. Financial risk profile: B-

GOPD's financial risk profile is constrained by high leverage, weak interest coverage historically, and inadequate liquidity tied to subsidiary dividends.

Debt includes GOPD's HUF 5.5bn bond and HUF 3.4bn loan, as well as consolidated SunDell bonds totalling HUF 22.0bn (HUF 18.7bn outstanding at YE2025). Debt/EBITDA was negative through 2024 but is forecasted at around 5.0x in 2025, around 4.0x in 2026, and around 11x in 2027. The anticipated improvement is driven by the aforementioned project handovers at SunDell in addition to debt amortization. The loan/value stands at 38% at end-2024, projected below 30% ahead, providing headroom for leasing or refinancing. The loan/value ratio of around 30-40% is seen conservative for a developer and leaves headroom for the company to either lease properties at sufficient cap rates to cover financing costs, to tackle a moderate downturn of the properties fair values or to tap external financing sources to cover construction costs if needed. Furthermore, GOPD may sell some of its shareholdings in SunDell.

Leverage to normalise with project handovers at SunDell

Figure 3: Leverage



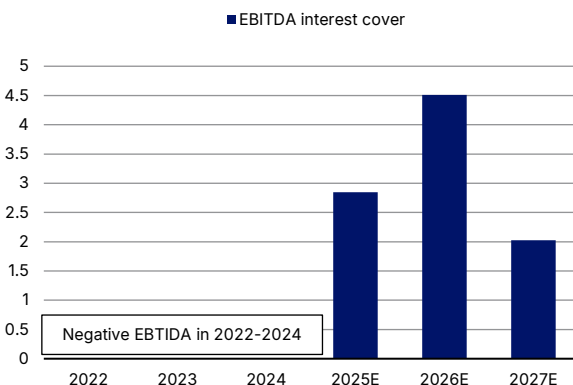
Source: GOPD, Scope estimates

EBITDA/interest coverage is expected to improve to around 3.0x in 2025 and 4.5x in 2026 driven by improved EBITDA from handovers and debt amortization, averaging 3.1x over 2025-2027 despite 2024 negativity, reflecting moderate protection amid volatility.

Free operating cash flow (FOCF) is tied to projected to improve markedly in 2025, bolstered by key project handovers at SunDell. Despite this, FOCF volatility persists due to the ongoing development of flagship SunDell Port, with reliance on pre-sale advances, leaving cash flows vulnerable to Budapest residential market demand shifts.

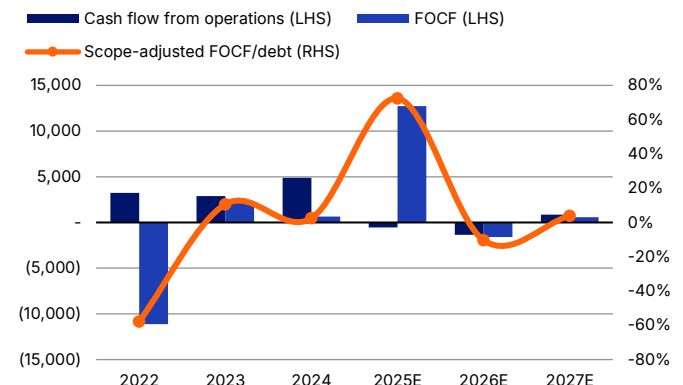
Volatile FOCF

Figure 4: Debt protection



Sources: GOPD, Scope estimates

Figure 5: Cash flows



Sources: GOPD, Scope estimates

GOPD's debt service requires SunDell to pay dividends, with HUF 1,790m paid in 2025 and expected to increase to around HUF 4bn in 2026, regardless of SunDell's profits.

Inadequate liquidity

Liquidity is deemed inadequate, as GOPD will continue to rely on upstream dividends from the SunDell level, which in turn depends on successful project handovers. The inadequate liquidity is reflected by a negative one-notch adjustment. However, liquidity risk is manageable due to the ability of both GOPD and SunDell to incur further debt in light of GOPD's partially unpledged shares and SunDell's high level of unencumbered assets, as well as the issuer's ability to sell a minority interest in SunDell while retaining majority ownership and control.

Table 1. Liquidity sources and uses (in HUF m)

| | 2024 | 2025E | 2026E |
|--------------------------------------|------------|-----------------|------------|
| Unrestricted cash (t-1) ² | 25 | 26 | 567 |
| Open committed credit lines (t-1) | - | - | - |
| FOCF (t) | 641 | 12,728 | (1,592) |
| Short-term debt (t-1) | 910 | 4,806 | 2,219 |
| Liquidity | 73% | >200% | 15% |

Sources: GOPD, Scope estimates

We highlight that GOPD's senior unsecured bonds issued under the Hungarian National Bank's Bond Funding for Growth Scheme have a covenant requiring the accelerated repayment of the outstanding nominal debt amount (HUF 5.5bn) if the debt rating of the bonds stays below B+ for more than two years (grace period) or drops below B- (immediate accelerated repayment). Such a development could adversely affect the company's liquidity profile. The rating headroom to entering the grace period is 0 notches. Given the tightening rating headroom, the company must address its credit weaknesses to avoid entering the grace period or the more severe event of the debt rating being downgraded below B-. In addition to the rating deterioration covenant, bond covenants include a list of other soft covenants.

9. Supplementary rating drivers: +/- 0 notches

No notching was applied for supplementary rating drivers. We note the significant interlinkages between GOPD and SunDell, as the parent has very limited cash generation besides that from SunDell and sells incubated plots to SunDell for housing developments.

10. Debt rating

In December 2021, GOPD issued a HUF 5.5bn senior unsecured bond (ISIN: HU0000361076) through the Hungarian Central Bank's Bond Funding for Growth Scheme. The bond has a tenor of 10 years and a fixed coupon of 4.95%. The bond notional is guaranteed 80% by MFB Hungarian Development Bank. Bond repayment is in five tranches starting from 2026, with 10% of the face value payable yearly and a 50% balloon payment at maturity in 2031.

Senior unsecured (guaranteed) debt instrument (ISIN: HU0000361076) rating: B+

Furthermore, GOPD consolidates the two bond issuances of SunDell.

In November 2020, SunDell issued a HUF 11.0bn senior unsecured bond (ISIN: HU0000360078) through the Hungarian Central Bank's Bond Funding for Growth Scheme. The bond has a tenor of 10 years and a fixed coupon of 3.25%. Bond repayment is in three tranches: 30% in 2025, 30% in 2027 and 40% balloon payment at maturity in 2030.

In July 2021, SunDell issued a HUF 5.5bn senior unsecured bond (ISIN: HU0000360649) under the same bond scheme. The bond has a tenor of 10 years and a fixed coupon of 3.65%. Bond

² Excludes cash at SunDell level as a haircut.

repayment is in five tranches starting from 2026, with 10% of the face value payable yearly and a 50% balloon payment at maturity in 2031.

The bond proceeds were used for developing residential housing projects and acquiring a landbank.

We assumed a hypothetical default at YE 2026 and applied appropriate discounts to the company's asset base. Since SunDell's debt is not guaranteed by GOPD, we only considered GOPD's asset base, i.e. mainly land banks and shares in SunDell, in calculating the liquidation value.

We expect 'excellent' recovery for outstanding senior unsecured guaranteed bond in a hypothetical default scenario based on a distressed liquidation value, resulting in a two-notch uplift above the issuer rating. This translates into a B+ rating for GOPD's bond (ISIN: HU0000361076) and is based on a guarantee of MFB Hungarian Development Bank (rated at BBB/Stable [2]) for 80% of the bond notional. The assessment is further supported by an unencumbered asset ratio of above 100% on GOPD standalone level.

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