Samhällsbyggnadsbolaget i Norden AB Sweden, Real Estate

SCOPE BBB STABLE

Corporate profile

Samhällsbyggnadsbolaget i Norden AB (SBB) is a large real estate company based in Sweden, with activities in Sweden, Denmark, Finland and Norway. It is active in rent-regulated residential and social infrastructure real estate and directly owns and manages 1,913 investment properties worth SEK 125bn. SBB was founded in 2016 by Ilija Batljan (CEO and largest shareholder with 8.1% of capital and 31.7 % of votes) and is listed on Nasdaq Stockholm.

Key metrics

			Scope estimates	
Scope credit ratios	2019	2020	2021E	2022E
EBITDA/interest cover (x)	2.5x	3.2x	3.6x	3.8x
Scope-adjusted debt (SaD)/EBITDA	50%	47%	49%	49%
SaD/Scope-adjusted EBITDA (x)	40.8x	15.4x	20.7x	20.2x

Rating rationale

Scope has assigned SBB a first-time issuer rating of BBB/Stable, along with a senior unsecured debt rating of BBB, a subordinated (hybrid) debt rating of BB+, and a short-term rating of S-2.

SBB's business risk profile is the primary driver of the assigned ratings. It benefits from the company's exposure to low-risk community service properties (79%) and rent-regulated residential real estate (21%). These are exposed to long-term demographic developments but not to economic cycles. SBB's large size and dominance within its segment translates into strong access to capital markets. With a property portfolio located mostly in metropolitan areas with positive demographics, its asset quality is underlined by its relatively high EPRA occupancy ratio (94%) and long weighted average unexpired lease term (WAULT), which currently stands 8.7 years. Profitability, measured by a Scope-adjusted EBITDA margin of roughly 65%, is held back by SBB's growth ambitions. This constrains the rating as does tenant concentration. However, the latter is partially mitigated by its direct and indirect exposure to high-quality government tenants.

SBB's financial risk profile benefits from its strong debt protection as measured by Scope-adjusted EBITDA interest cover of 3.2x at Q3 2021, which is expected to remain above 3x. SBB's strong growth from zero in 2016 to its current SEK 125bn property value has been largely driven by inorganic growth through acquisitions. While funds from operations (FFO) has been positive throughout SBB's history and has developed in line with Scope-adjusted EBITDA, other cash flow metrics have been mostly negative, impacted by large working capital swings, investments in SBB's own properties, heavy discretionary acquisition spending to grow its portfolio, and significant dividends paid to its shareholders. SBB's leverage, as measured by the Scope-adjusted loan/value (LTV) ratio, has fallen to 47% (as at Q3 2021) and is expected to remain around 50% after factoring in continued acquisitions.

Liquidity is adequate as sources cover uses by about 5.8x in 2021E. Access to capital markets is strong and the company's short term refinancing capacities are good given the low secured LTV ratio and ample unencumbered assets (cover unsecured debt by 2.1x).

Ratings and Outlook

Corporate rating	BBB/Stable
Short-term rating	S-2
Senior unsecured rating	BBB
Subordinated hybrid rating	BB+

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Related Methodologies

Corporate Rating Methodology: July 2021

Rating Methodology: European Real Estate Corporates January 2021

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Outlook and rating-change drivers

The Outlook for SBB is Stable and incorporates continued modest organic growth (from a small portion of residential development) paired with strong, mostly inorganic growth through acquisitions within its core markets. Acquisitions are financed through a mix of debt, hybrid debt instruments, internal cash flows and equity, if needed. We understand that SBB will adjust the scope as well as the financing mix of pursued growth going forward in line with its financial policy, ultimately keeping its LTV ratio around or below 50% while debt protection remains above 3x going forward.

A negative rating action is possible if the Scope-adjusted LTV ratio moved above 55% or interest coverage moved below 3x on a sustained basis, such as through significant, predominantly debt-funded acquisitions or a severe reduction in the fair value of properties compared to Scope's base case. The most likely cause would be the acquisition of a leveraged competitor with not enough equity on its own balance sheet to counter the negative consolidation effects, with adverse operating performance being a secondary possible cause.

A positive rating action would require the Scope-adjusted LTV ratio to improve to below 50% on a sustained basis, while keeping interest coverage comfortably above 3x. This could be driven by a lower proportion of debt-funded capex, decreased refinancing needs through stronger-than-anticipated portfolio cash flows, a strong improvement in market sentiment resulting in high fair value appreciation, or a change in the funding mix.

Rating drivers

Positive rating drivers	Negative rating drivers
• Exposure to low-risk community service and regulated residential properties that are not dependent on economic cycles • Market positioning. Dominant market shares in its segment assure good access to funding sources. • WAULT of nine years and occupancy of 96% provide cash flow visibility. • Property locations in metropolitan areas with positive demographics provide future demand. • Geographical diversification across four Nordic countries • High interest coverage above 3x	• Profitability, with a Scope-adjusted EBITDA margin of roughly 65% held back by strong growth • Concentrated tenant portfolio, with top three constituting 19% and top 10 constituting 32%; partially mitigated by direct and indirect exposure to government tenants • High LTV ratio expected to remain around 50%, impacted by strong growth ambitions

Rating-change drivers

Positive rating-change drivers	Negative rating-change drivers
• LTV ratio moving below 50% on a sustained basis while interest coverage remains comfortably above 3x and cash flows improve	• LTV ratio above 55% on a sustained basis • Interest coverage of below 3x

Financial overview

			Scope estimates	
Scope credit ratios	**2019**	**2020**	**2021E**	**2022E**
Scope-adjusted EBITDA interest cover (x)	2.5x	3.2x	3.6x	3.8x
Scope-adjusted LTV ratio (%)	50%	47%	49%	49%
SaD/Scope-adjusted EBITDA (x)	40.8x	15.4x	20.7x	20.2x
Scope-adjusted EBITDA in SEK bn	**2019**	**2020**	**2021E**	**2022E**
EBITDA	1,046	3,203	3,745	4,510
Operating lease payments in respective year	0	0	0	0
Other	83	52	51	62
Scope-adjusted EBITDA	**1,129**	**3,255**	**3,796**	**4,572**
Scope-adjusted FFO in SEK bn	**2019**	**2020**	**2021E**	**2022E**
EBITDA	1,129	3,255	3,796	4,572
less: (net) cash interest as per cash flow statement	-460	-1,033	-1,052	-1,188
less: cash tax paid as per cash flow statement	-34	-165	-349	-501
Other	3	2	2	0
Scope-adjusted FFO	**638**	**2,059**	**2,397**	**2,883**
SaD in SEK bn	**2019**	**2020**	**2021E**	**2022E**
Reported gross financial debt	61,212	70,976	97,404	117,377
deduct: equity credit hybrids	-2,338	-7,548	-8,847	-11,347
add: derivatives	25	267	118	118
deduct: cash and cash equivalents	-12,858	-13,606	-9,951	-13,936
add: pension adjustment	0	0	0	0
add: operating lease obligations	0	0	0	0
Other	0	0	0	0
SaD	**46,041**	**50,089**	**78,724**	**92,213**

Business risk profile: BBB+

Industry risk: A-

SBB is exposed to the low-risk regulated residential real estate industry (industry risk of A) and the low-risk social infrastructure real estate industry (industry risk of A). Through its public offices, it is also exposed to a small degree to the modest industry risk of highly cyclical commercial real estate (industry risk of BB). Weighting these three industry risks based on rental contributions, we arrive at a blended industry risk of A-.

We view social infrastructure property fundamentals as being unrelated to economic development but rather linked to long-term demographic trends and paid for by government welfare budgets, resulting in low cyclicality. Barriers to market entry are seen as medium and substitution risk as low, given that the likes of educational facilities, hospitals, government infrastructure and elderly care properties are purpose-built for a specific tenant (or tenant group), and so are difficult to swap or replace.

For the residential sub-segment, we expect: i) stable rates for rental growth, occupancy and yields, ensuring steady leverage ratios; ii) a continued rise in prices; and iii) more focus on diversification as regulatory pressure – from rent controls to greenhouse-gas targets – intensifies.

For more information, refer to the corporate outlook for real estate (click here).

Large social infrastructure and residential real estate corporate

SBB is a large social infrastructure and residential real estate company based in Sweden, with activities in Sweden, Denmark, Finland and Norway. The company has a core property value of SEK 125bn (EUR 12.6bn) at Q3 2021 and Scope-adjusted total assets of SEK 165bn (EUR 16.7bn). The portfolio encompasses 1,902 properties with a total lettable area of 4.9m sqm.

SBB's business concept is to acquire, develop and manage rent-regulated residential properties in Sweden and social infrastructure properties across the Nordic countries. Its assets are predominantly located in major cities and university regions. The company has grown dramatically in both of its core segments since its founding in 2016 and currently holds 42% of assets by rental income in residential properties (rent-regulated, elderly and special apartments for people with disabilities) and the remainder in social infrastructure properties.

Good access to capital

SBB's size translates to good diversification in terms of tenants, sector exposure and locations, which enhances its resilience to cash flow volatility caused by industry developments, regulatory changes, political changes and/or the loss of key tenants. Its size also warrants good access to capital markets, demonstrated by the regular issuance of unsecured bonds in SEK and EUR worth SEK 132bn in the last three years, hybrid instruments worth SEK 15bn and equity worth SEK 14bn.

High market share in addressable market

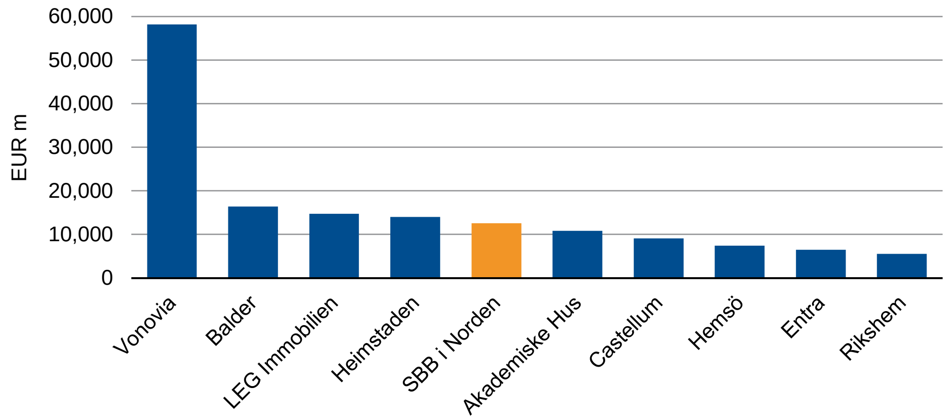
SBB estimates the total social infrastructure market in the Nordic countries to be SEK 4,000bn, of which the company currently owns around 3%. As most of the market is not addressable for the private sector, we estimate the addressable market share to be around three times this figure, which makes SBB quite a dominant player in an otherwise highly fragmented landscape. The company's strong growth ambitions could be assumed to be slowed by its already significant market share. However, it is important to highlight that general population growth in the Nordic countries continues to add demand. In addition, demographic changes – with the 80-and-over age group expected to double over the next 20 years – add even stronger demand for its elderly and disabled/LSS residential units and hospitals.

Growth opportunities in German residential market

In addition to growth on its Nordic home turf, SBB has also identified the German residential housing market as an area for further growth, as it has similar features to the

Swedish market in terms of rent regulation. Additional growth could come from elderly homes in Germany.

Figure 1: European peers (total property assets under management)



Source: Company reporting's, Scope estimates

Active across metropolitan areas in the Nordic countries

SBB is active across the Nordic area, with dominant exposure to its home market of Sweden (76% of market value as at September 2021) followed by Norway (15%), Finland (8%) and Denmark (1%). 78% of its exposure is in major cities and university towns, namely 26.3% in greater Stockholm, 11.7% in the Malmö area, 7.1% in the Gothenburg area, 9.9% in Oslo and 4.4% in Helsinki. We view SBB's exposure to large metropolitan areas in four Nordic countries a credit strength, as it benefits from: i) urbanisation trends increasing demand for its residential and community service properties and therefore keeping occupancy levels high; ii) good liquidity in large property markets; and iii) exposure to different economic regions.

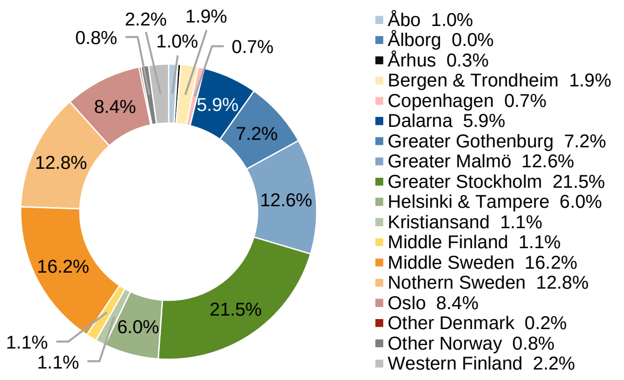
Further growth in the rent-controlled residential segment is expected to happen in Sweden and Germany. Within community service properties, SBB intends to grow in all Nordic markets.

42% residential, 58% community services

SBB's portfolio is divided between residential real estate (currently 42% of rental income as at September 2021) and community service properties (58%). Within residential, rent-regulated properties contribute 21.4% of total rent, with the remainder coming from public funded elderly care (12.5%) and special apartments for people with disabilities (also known as LSS; 6.7%).

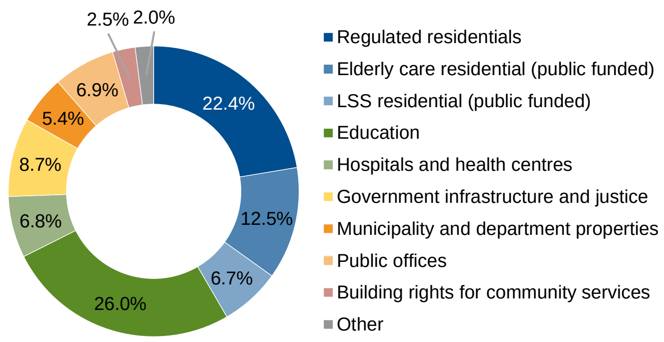
Within community service properties, the largest contributor is education with 26% (split into pre-school, compulsory/secondary school and university), followed by government infrastructure and justice (8.7%) as well as public offices (6.9%). The latter is the only part within SBB that has regular commercial real estate characteristics, with all other subsegments being purpose-built and therefore specific in usage. This limits the potential tenant pool at rental renewal, making SBB dependent on current tenant renewals. Yet it also limits choices for tenants, creating a mutual dependence that is exemplified by long tenancy contracts and a high propensity to renew at lease end (estimated at 97% for education and 99.5% for elderly care by Newsec).

Figure 2: Geographic diversity by rental income



Source: SBB, Scope estimates

Figure 3: Property diversity by rental income



Source: SBB, Scope estimates

Concentrated tenant exposure…

SBB has approximately 8,400 leases distributed across 2,400 tenants in its community service portfolio, in addition to 16,300 tenants in the regulated rental market. SBB's top three and its top 10 tenants account for 18.9% and 32.5% of rental income respectively. Of this, 51% are direct contracts with the Swedish, Finnish and Norwegian governments, 7% are contracts with municipalities and 42% are with private companies.

…partially mitigated by high-quality governmental tenant risk

The company's largest tenant is the Government of Sweden (rated AAA/Stable) with an 11.2% share. Its second largest tenant is Læringsverkstedet AS with a 4.4% share, followed by the Government of Norway (rated AAA/Stable) with a 3.3% share. Læringsverkstedet AS is a private company that runs over 240 Norwegian nursery schools, a regulated space that is shared by public and private participants. Læringsverkstedet's main source of income (around 80%) is regulated subsidies from the Norwegian government, with the remainder coming from parents' monthly contributions.

The remainder of the top 10 (and top 20) tenants are assessed as investment-grade. They are either governments or municipalities themselves or private companies whose services are paid for by governments or municipalities. This reduces their credit risk to company-specific mismanagement as the ultimate guarantor of services is highly rated.

SBB's relatively high concentration of tenants is additionally mitigated by the underlying number of individual leasing contracts – with the largest single lease accounting for 0.9% (to the Swedish state). Top three concentration falls from 18.9% when assessing tenants to 2.4% when assessing leases. With a large tail of residential tenants in addition, we view tenant diversification as a strength for SBB.

Exposure to locations with positive growth dynamics

SBB's portfolio is predominantly located in large metropolitan areas and university regions. The four Nordic capitals, viewed by Scope as 'A' locations, account for 41% of Market values as at September 2021. Large cities of national and international importance with positive growth dynamics like Malmö, Gothenburg, Bergen and Trondheim account for another 22%, with the remainder predominantly in central Sweden, with some exposure to northern Sweden and minor exposure to other areas in Norway, Denmark and Finland.

Sweden's population is expected to grow by 9% during 2020-40. The most growth is expected in the greater Stockholm area (26% of assets by market value) and in the south and central areas of Sweden. This bodes well for SBB's portfolio. The north is expected to enjoy rather muted growth according to the Swedish statistical office[1]. The proportion

[1] https://www.scb.se/en/finding-statistics/statistics-by-subject-area/population/population-projections/population-projections/pong/statistical-news/the-the-future-population-in-sweden-2021-2040--counties-and-municipalities/

of older people is increasing in all counties in Sweden. An expected 60% increase in the share of people 80 and over by 2040 bodes well for SBB's community service exposure to elderly care, health care and hospitals. Similar demographic trends of general population growth and disproportionate growth among people aged 65 and over can be seen for the other Nordic countries.

EPRA occupancy impacted by development portfolio

SBB's EPRA occupancy ratio decreased to 93.6% at year-end 2020 from 98.3% in 2016, with the latest reading as of Q3 2021 at 93.7%. However, this headline ratio does not provide the full picture because it is affected by the company's development portfolio, which currently accounts for 1.9% of its vacancy as measured by rental income.

Fully let residential portfolio

SBB's rent-regulated residential occupancy stands at 95.7% as of Q2 2021. 2.7% of vacancies stem from the company's refurbishment programme, which aims to refurbish around 4% of its stock every year, while the remaining 1.6% stems from natural relocation vacancy. The latter is quickly filled because there are long waiting queues to secure a rent-regulated apartment (between five and 10 years for most larger cities in Sweden; Stockholm is 13 years).

The company's community service property occupancy stands at 96.5% as of Q2 2021. Here, car parks and other non-core areas account for 1.5% of vacancies. The high occupancy rate of 97%-98% in the active portfolio is seen as a strength for SBB. It underscores that the company is active in the right locations and is satisfying the right demand with its properties.

High WAULT of nine years explained by long-term demographic fundamentals

The company's WAULT (community service property portfolio) currently (Q3 2021) stands at a high level of 8.7 years and has been hovering around the nine-year mark for the last five quarters. This compares favourably to an average Nordic WAULT of four years for a commercial real estate exposure. SBB's long lease length is explained by natural long-term demographic demands, with typical new leases being signed for 10-15 years and index-linked – and up to 25 years within publicly funded residential. In addition, lease extensions with the same tenant are the norm, expressed earlier through a high propensity ratio. Growing populations in the Nordic countries (with the 80-and-over and 10-19 year-old cohorts growing fastest) and the strong focus on education and welfare in SBB's home markets bode well for keeping its WAULT at a high level while the company continues to grow.

SBB's: i) high tenant demand, which translates to near full-let occupancy; its ii) high WAULT due to the specialised characteristics of its properties and governmental tenants; and iii) demand linked to demographics, not economic developments – should benefit the company with decent liquidity even in times of economic turmoil and therefore limit potential haircuts on property values.

Profitability subdued by strong growth

SBB was founded in 2016 and has grown from zero to SEK 125bn (EUR 12.6bn) of assets under management as at Q3 2021. Its profitability track record is therefore far from that of a stable buy-and-hold company. We can see this development in its EBITDA margin, which has decreased to 57% in 2019 from 60% in 2017, before it stabilised and reached a Scope-adjusted EBITDA margin of 64% in 2020. The latest figure as of Q3 2021 was 67%. We forecast relatively stable levels of 65% going forward based on our assumption of: i) continued strong growth through acquisitions, and to a smaller extent via its own developments, negatively affecting margins; ii) high like-for-like rental growth compared to peers as demonstrated with a rate of 3.2% in 2020; and iii) investments in its existing portfolio to refurbish properties and increase margins in the long run.

Initiatives within resource management and product innovation are positive

SBB has ambitions to become climate positive by 2030, through measures in Resource management and product innovation. Its roadmap to reduce impact includes initiatives to improve energy efficiency and heating systems, to use purely renewable electricity and to build at least 50% of new construction in wood while enforcing strict requirements on climate-effective construction. In order to become positive, it aims to build a portfolio of wind farms and solar power. In addition, the company also pursues social targets, help municipalities in their social work related to housing and hire youth from their residentials for summer jobs to facilitate their employability. Its initiatives are already recognised by several ESG rating agencies and SBB is a frequent issuer of green and social bonds. We view the company's initiatives as positive, as it puts itself at the forefront of potential regulatory tightening.

Financial risk profile: BBB-

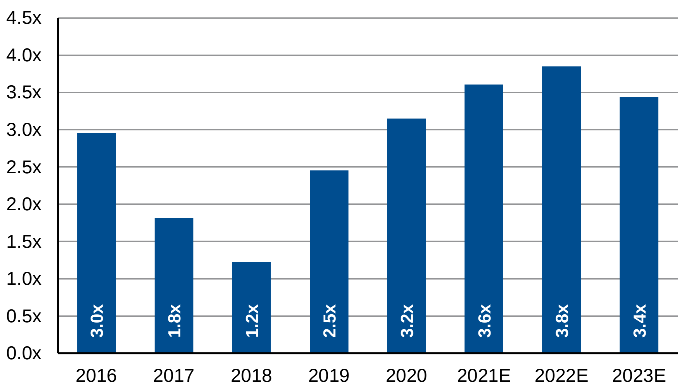
Strong interest coverage supports the rating

SBB's debt protection as measured by Scope-adjusted EBITDA interest cover stood at 3.2x for the last twelve months to end-September 2021. This is thanks to: i) the company's ability to continuously broaden its funding sources, lowering its spread with additional benefits coming from the current very low interest rate environment; and ii) to a lesser degree, the deleveraging observed over the last few years. We expect SBB to keep coverage at levels above 3x by growing Scope-adjusted EBITDA organically and inorganically, while keeping interest rate expenses under control thanks to hedging activities and an average interest rate fixing period of 4.2 years. The current weighted average interest rate on its interest-bearing liabilities stands at 1.11% at Q3 2021, down from 2.5% in Q1 2019. This is despite having reduced dependency on secured financing to total assets from 26% to 8%.

The company's hybrids, treated by Scope as 50% equity, have an average interest rate of 2.8%, down from 7% at first issuance.

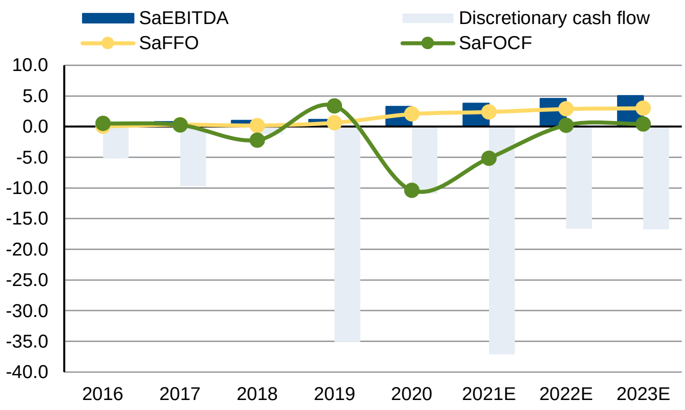
The company's financial targets state that interest coverage must exceed 3x at all times. By its own calculations, the company exceeded this comfortably with 4.1x at year-end 2020 (vs our calculation of 3.2x, including hybrids). Even though the Scope-adjusted calculations show that SBB could fall below our base case and still comply with its own target, its financial policy supports the rating as it keeps interest cover 'at worst' at investment-grade levels.

Figure 4: Scope-adjusted EBITDA interest cover (x)



Source: Scope estimates

Figure 5: Cash flows (SEK bn)



Source: Scope

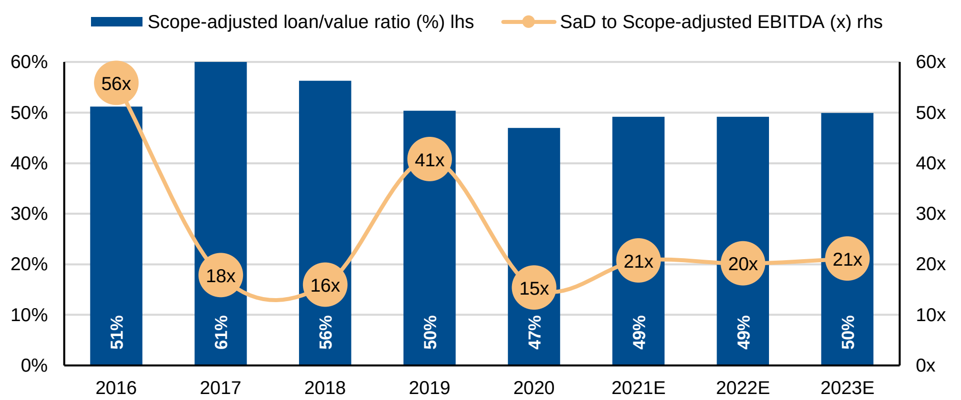
Cash flows heavily impacted by growth strategy

SBB's strong growth in assets under management from zero in 2016 to SEK 125bn property value as at Q3 2021 (SEK 165bn total assets) has been largely driven by inorganic growth through acquisitions. More recently, there has been some organic growth through investments in its own portfolio and subsequent revaluations. While FFO was positive throughout SBB's history and developed in line with Scope-adjusted EBITDA, Scope-adjusted free operating cash flow has been heavily affected by working capital swings and, to a smaller degree, by investments in its own portfolio (the latter totalling around the same as FFO in most years). Heavy acquisition spending in 2016, 2017, 2019 and 2021 burdened the company's cash flows and made it dependent on continual external financing. But given the discretionary nature of these acquisitions, they have not been to the detriment of the company's credit profile. Discretionary acquisitions are financed with a mix of capital market debt, bank financing, hybrids and equity. We note positively that the company raised significant amounts of equity in 2017 and 2019 (which, in turn, allowed it to grow even faster). Significant cash outflows through dividends averaging the size of the previous year's FFO for the observed history are viewed as negative.

LTV ratio expected around 50% going forward

SBB's leverage as measured by its Scope-adjusted LTV ratio has come down to 47% as of Q3 2021 from around 61% in 2017. It has benefitted from high fair value appreciation, strong like-for-like growth in rents and occasional equity injections. Leverage crossed below 50% in 2020, and our base case expects it to stabilise at current levels of around 50% for the foreseeable future, based on a continuation of business as usual with significant acquisitions (expected around SEK 15bn net per annum) and positive like-for-like rental growth. Our expectations are underlined by the company's financial target of keeping its LTV ratio (defined by the company as adjusted debt/adjusted debt plus equity) below 50% and a desire to reduce that ratio successively going forward to obtain a higher credit rating.

Figure 6: Leverage



Source: Scope estimates

SaD/EBITDA has been relatively stable between 16x and 21x during the observed history with the exception of the high-growth year 2019, and it is expected to remain around that level. While this is elevated, its impact on our financial risk assessment remains limited as long as the ratio remains stable. This is because all of the company's rental cash flows stem from residential and community service properties and are not exposed to rapidly changing demand patterns.

Adequate liquidity

SBB's liquidity cover, including its currently undrawn portion of multi-year unutilised credit facilities of over SEK 10bn, is adequate. Short-term liabilities are covered at 5.8x in 2021 and are expected to remain covered with decent headroom going forward. The latter is thanks to a well spread-out maturity profile; the company has made good use of the 'wall of money' looking for opportunities to invest and currently has a weighted average maturity of debt of 4.2 years at Q3 2021. Excluding commercial papers, which are fully covered by a back-up facility, the figure increases to five years.

The largest portion of SBB's pure debt funding profile consists of unsecured bonds (71% as at September 2021), followed by secured bank loans at 17%, commercial papers at

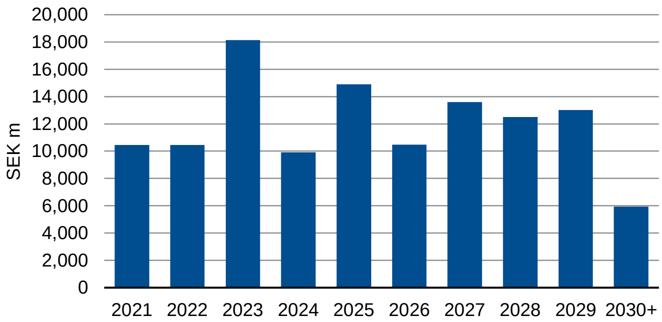
11% and secured bonds with 1%. Its secured debt/total asset ratio stood at a very low 8% at Q3 2021, providing ample security for secured lenders. The company's unencumbered assets of SEK 95bn in addition to cash translate to an unencumbered asset ratio of 2.1x (1.8x including 50% hybrids) according to our calculations.

Figure 7: Liquidity

SBB (SEK bn)	2021E	2022E
Short-term debt (t-1)	8.6	10.6
Unrestricted cash (t-1)	13.6	10.5
Open committed credit lines (t-1)	15.5	15.0
Free operating cash flow (t)[2]	-5.1	0.2
Coverage	**2.8x**	**2.4x**

Source: Scope estimates

Figure 8: Debt maturity profile



Source: Scope

Long-term and short-term debt ratings

Senior unsecured debt: BBB

SBB had SEK 53bn in senior unsecured debt outstanding as at Q3 2021. Senior unsecured debt benefits from a high unencumbered asset ratio of more than 200% according to Scope's calculations, providing a large pool of collateral to debt holders.

Subordinated hybrid debt: BB+

Hybrid bonds issued by SBB benefit from coupon deferral at the issuer's discretion, deep contractual subordination and a sufficiently long remaining maturity. As such, Scope grants 50% equity credit for these hybrid debt instruments.

Short-term debt: S-2

The S-2 short-term rating is supported by better-than-adequate liquidity, very good banking relationships, strong access to diverse funding sources (e.g. SEK 132bn of capital market debt issuances in the last three years) and access to undrawn, committed credit lines with maturities beyond one year.

[2] We exclude discretionary expansion capex from the liquidity calculation as such investments are made only if external financing is available.

Appendix I: Peer comparison

	SBB i Norden AB	Akelius Residential Property AB	Vonovia S.E.	Fastighets AB Balder	LEG Immobilien AG
	BBB/Stable/S-2	--/--/--*	A-/Stable/S-1	--/--/--*	--/--/--*
As of reporting date	30 September 2021	31 March 2021	31 March 2021	30 June 2021	31 March 2021
Business risk profile					
Scope-adjusted total assets (EUR m)	12,600	12,737	61,969	20,940	15,076
Portfolio yield	4.40%	3.5%	3.0%	4.5%	3.6%
Gross lettable area (million sqm)	4,900	2,989	na	4,771	9,432
No. of residential units	16,200	44,348	414,715	41,000	144,519
No. of countries active in	4	7	3	7	1
Top three tenants (%)	19%	<1%	<1%	8%	<1%
Top 10 tenants (%)	32%	<1%	<1%	14%	<1%
Office (share of net rental income or NRI)	7%	na	na	19%	na
Retail (share NRI)	0%	na	na	8%	na
Residential (share NRI)	42%	95%	95%	60%	98%
Hotel (share NRI)	0%	na	na	8%	na
Logistics (share NRI)	0%	na	na	na	na
Others (share NRI)	51%	5%	5%	6%	2%
Property location	‘A’ to ‘B’	'A'	‘A’ to ‘B’	‘A’ to ‘B’	‘B’
EPRA occupancy rate (%)	93.6%	93.1%	97.2%	95.0%	97.1%
WAULT (years)	8.7	8.4	12.7	6.4	11.2
Tenant sales growth (%)	na	na	na	na	na
Like-for-like rent growth (%)	3.20%	-0.1%	3.0%	1.0%	2.8%
Occupancy cost ratio (%)	na	na	na	na	na
Scope-adjusted EBITDA margin	65%	63%	73%	67%	73%
EPRA cost ratio (incl. vacancy)	na	na	26.8%	na	25.0%
EPRA cost ratio (excl. vacancy)	na	na	25.6%	na	23.1%
Financial risk profile					
Scope-adjusted EBITDA interest cover (x)[8]	3.2	2.3x	4.3x	4.9x	5.7x
LTV ratio (%)	49%	44%	40%	49%	39%
SaD/Scope-adjusted EBITDA (x)[8]	21x	24.4x	14.9x	15.7x	12.5x
Weighted average cost of debt (%)	1.10%	1.9%	1.4%	1.4%	1.3%
Unencumbered asset ratio (%)	210%	189%	202%	>200%	257%
Weighted average maturity (years)	4.2	6.4	8.0	6.1	7.5

*Scope subscription ratings available on ScopeOne

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