

OBOS Eiendom AS

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Norway-based property manager OBOS Eiendom AS reflects the company's relatively solid property portfolio in generally attractive locations. Our assessment is supported by the strong fundamentals of the Oslo area, which accounts for almost all of OBOS Eiendom's rental income. We view the company's generally long lease terms and solid operating margins as positive.

These strengths are offset by the modest size of OBOS Eiendom's property portfolio, albeit mitigated by a market position bolstered by the company's close ties with its parent, residential property developer OBOS BBL. Portfolio concentration is relatively high, which we view as a weakness. Our assessment is constrained by challenges in the retail property subsector, which accounts for more than half of rental income, while the company's concentrated project development pipeline, which includes speculative elements, also tempers our evaluation. We expect OBOS Eiendom's key credit metrics to weaken as it makes substantial investments in project development, although we expect this effect to be mitigated by property divestments.

Our assessment factors in OBOS Eiendom's relationship with its parent, OBOS BBL. We view OBOS Eiendom as a 'vital' component of the OBOS BBL group (as defined in our Group and Government Support Rating Methodology), due to a strong parent-subsidiary link, resulting from a long history of integration and a shared name. In accordance with our methodology, we add one notch of ownership support to our 'bb+' standalone credit assessment of OBOS Eiendom to bring the long-term rating on the company into line with our 'BBB-' long-term rating on OBOS BBL.

STABLE OUTLOOK

The outlook is stable, reflecting our issuer rating on OBOS BBL. Given our view of OBOS Eiendom as 'vital' to the OBOS BBL group, we could revise our rating on the company due to changes in our issuer rating on the parent, which has a stable outlook.

POTENTIAL POSITIVE RATING DRIVERS

- An improvement in the credit quality of the overall OBOS BBL group.

POTENTIAL NEGATIVE RATING DRIVERS

- A change in ownership or a deterioration in the credit quality of the overall OBOS BBL group.
- Reduction in strategic importance to OBOS BBL.

Figure 1. OBOS Eiendom key credit metrics, 2019–2025e

NOKm	2019	2020	2021	2022	2023e	2024e	2025e
Rental income	709	642	650	709	826	892	919
NCR-adj. EBITDA	462	782	489	533	563	633	661
NCR-adj. EBITDA margin (%)	62.0	76.4	63.4	69.6	68.2	70.9	72.0
NCR-adj. investment property	14,941	14,212	15,061	16,145	16,122	16,449	16,852
NCR-adj. net debt	5,647	5,657	6,169	6,514	6,816	7,300	7,620
Total assets	15,930	15,562	16,582	18,104	18,529	19,147	19,639
NCR-adj. net debt/EBITDA (x)	12.2	7.2	12.6	12.2	12.1	11.5	11.5
NCR-adj. EBITDA/net interest (x)	2.6	5.5	3.4	2.8	1.8	1.8	1.8
NCR-adj. net LTV (%)	37.8	39.8	41.0	40.3	42.3	44.4	45.2
NCR-adj. FFO/net debt (%)	4.7	11.1	5.3	3.8	4.0	3.6	3.0

Based on NCR estimates and company data. e—estimate. FFO—funds from operations. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

OBOS Eiendom is a Norway-based property manager, focusing on commercial properties primarily in the Oslo area. As of 31 Dec. 2022, the portfolio comprised 67 wholly owned investment properties valued at NOK 16.1bn. Retail and office properties accounted for two-thirds of rental income.

OBOS Eiendom was founded in 1952 by residential developer OBOS BBL, which remains its sole owner. The company was established to develop and own commercial properties in areas where OBOS BBL developed residential properties. The business concept was, and still is, to increase the attractiveness of OBOS BBL's residential areas.

BUSINESS RISK ASSESSMENT

Business risk assessment 'bb+'

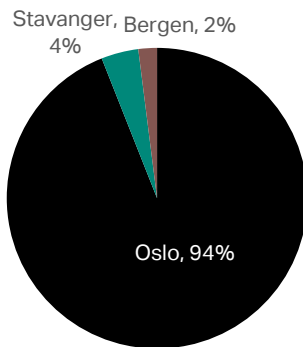
Our business risk assessment reflects OBOS Eiendom's relatively small and concentrated property portfolio, and the current challenges in the retail property subsector. Despite the limited portfolio size, we believe that the company's market position is supported by its close ties with its parent, OBOS BBL. Our assessment is underpinned by the generally attractive locations of the company's properties, a long average remaining lease term, and the strong fundamentals of the Oslo area, which accounts for almost all of OBOS Eiendom's rental income. Our assessment is constrained by OBOS Eiendom's concentrated project development pipeline, which has speculative elements.

Mixed property portfolio supported by the strength of the Oslo area

Operating environment 'bb+'

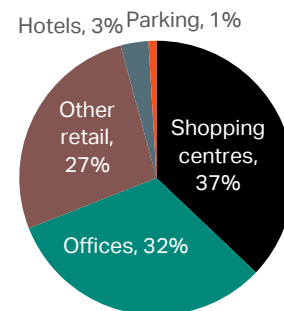
As of 31 Dec. 2022, 94% of OBOS Eiendom's rental income came from properties in the Oslo area, with the remainder coming from properties in Stavanger and Bergen. We take a favourable view of the company's primary focus on the strong Oslo area, which has low unemployment and population growth exceeding the national average.

Figure 2. OBOS Eiendom rental value by area, 31 Dec. 2022



Source: company.

Figure 3. OBOS Eiendom rental value by property type, 31 Dec. 2022



Source: company.

OBOS Eiendom's portfolio contains a mix of commercial properties, with a predominance of retail and office premises. Most of the company's retail exposure comes from its seven shopping malls, six of which are located in the Oslo area. The overall retail segment, including OBOS Eiendom's shopping malls, was greatly affected by the COVID-19 pandemic, which significantly reduced footfall and led to a strong increase in e-commerce. While we expect this trend to continue, OBOS Eiendom's shopping malls has recovered since, and we expect shopping malls in favourable locations to continue to attract customers.

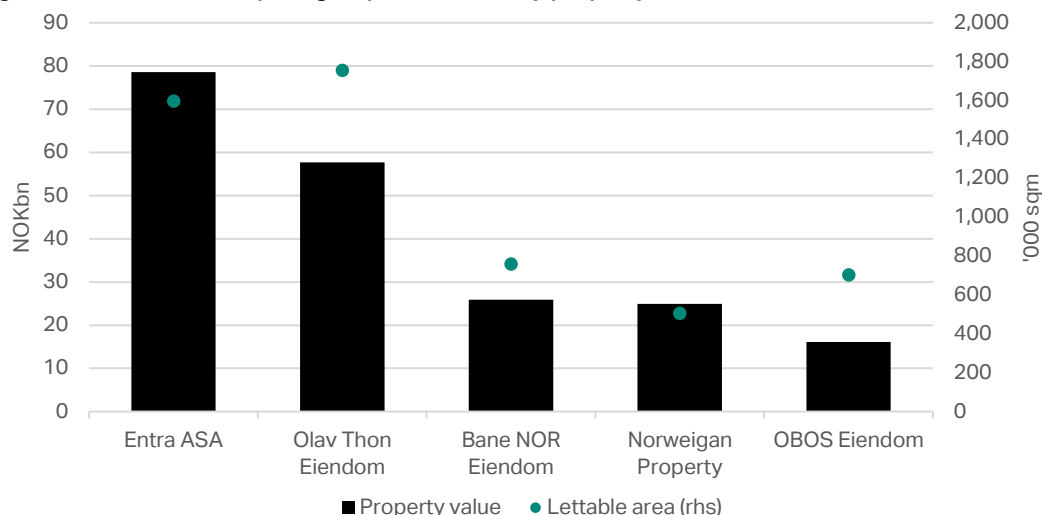
Office premises account for 32% of OBOS Eiendom's rental value. The office property market has been characterised by increased vacancies and rising rents since the onset of the COVID-19 pandemic when many began working from home. However, the office property market in Oslo saw a recovery in 2022 and we believe that the physical office will continue to play an important role, keeping the sector stable. Although we view these subsectors as relatively stable, we believe that a marked downturn in economic activity could have a considerable impact on them, possibly having an adverse effect on occupancy and profitability.

Market position, size and diversification 'bb'

Small property portfolio supported by the strong market position of the OBOS BBL group

OBOS Eiendom's NOK 16.1bn investment property portfolio defines the company as a small property manager by the standards of the Nordic region. However, in our view, the company's market position is supported by its close ties with its parent, OBOS BBL, which is one of the largest residential developers in the Nordic countries.

Figure 4. OBOS Eiendom peer group breakdown by property value and lettable area, 31 Dec. 2022



Source: companies.

Due to the small size of OBOS Eiendom's portfolio, concentrations are relatively high. The company's 10 largest tenants account for 45% of rental income, while the 10 largest properties account for 46%. Geographic concentration is also high, given that Oslo accounts for 94% of revenues. However, we believe that the risks related to this are mitigated by the strong fundamentals of the Oslo area.

We note that 8% of OBOS Eiendom's rental income comes from parent OBOS BBL. We do not see this as a major risk, as contracts are drawn up on an arm's length basis, although we acknowledge that potential issues at OBOS BBL would not only result in a weaker owner but also in the risk of losing rental income.

Figure 5. OBOS Eiendom tenant concentration, 31 Dec. 2022

Tenant	Type of tenant	Share of rental income
OBOS BBL (incl. subsidiaries)	Residential development	8.0%
Oslo Municipality	Municipality	7.9%
NorgesGruppen ASA	Grocery retail	6.9%
Oslo University Hospital	Health care	6.8%
Scandic	Hotel	3.7%
SKANLOG AS	Third-party logistics	3.3%
Coop	Grocery retail	2.5%
Nexans Norway AS	Cable and optical fibre	2.3%
ISS Facility Services AS	Facility management	2.0%
Norwegian Defence Estates Agency	Government agency	1.9%
Top 10 tenants	-	45.5%

Source: company.

Long contracts in locations close to residential areas

OBOS Eiendom's 67 wholly owned properties are primarily concentrated in the Oslo area, typically strategically located near areas where OBOS BBL has developed residential properties. In our view, the locations of the properties are generally favourable, with the commercial and residential properties mutually supporting each other's attractiveness. We believe that the company's inner-city

Portfolio assessment 'bbb'

properties could be divested and used as a buffer in tougher economic conditions if necessary. The company's four largest properties in terms of rental income are shopping malls located on the outskirts of Oslo. Despite continued headwinds for retail properties in general, we believe that these malls are in relatively attractive locations, which lowers the risk of reduced footfall and higher vacancies.

As of 31 Dec. 2022, the average remaining lease term in OBOS Eiendom's portfolio was 4.6 years, which is relatively long given the property mix. For the 10 largest contracts, the figure was about five years. Contract maturities are relatively well spread, with maturities in no single year exceeding 20% of rental income.

Figure 6. OBOS Eiendom lease maturity profile, 31 Dec. 2022



Source: company.

OBOS Eiendom's portfolio of development projects is dominated by its development of Construction City, a new office area specifically for tenants within the construction and real estate sectors. OBOS Eiendom's total budgeted investments are NOK 4.8bn, which highlights the substantial scale of the project. It is located close to one of OBOS BBL's largest residential development projects, comprising some 3,000 homes, which underlines the close ties between the two companies. OBOS Eiendom's development projects typically target 50% pre-letting before construction starts. However, construction can begin sooner in some cases. For example, the Oslo K development project, which was completed in 2021, had a pre-let rate of close to 0% at construction start. We view these speculative elements as negative in our business risk assessment. However, we believe risk is mitigated by construction at fixed prices.

Figure 7. OBOS Eiendom larger projects in progress, 31 Dec. 2022

Project	Location	Property type	Occup. rate	Lettable area (sqm)	Invested (NOKm)	Total investment (NOKm)	Estimated completion
Construction City	Ulven, Oslo	Office	59%	103,000	1,763	4,758	Q4/25
Ulven B1 & D1A Garasje	Ulven, Oslo	Car Park	100%	12,358	105	199	Q3/24
Ulven B1 Kontor	Ulven, Oslo	Office	73%	11,200	175	532	Q4/24
Total	-	-	-	126,558	2,043	5,489	-

Source: company.

Besides OBOS Eiendom's in-house management and project properties, the company has property exposures through several joint ventures with a total book value of NOK 740m as of end-2022. The company's larger joint ventures often own income-generating properties with future development potential. We take a neutral view of OBOS Eiendom's joint-venture exposures in our overall assessment.

Operating efficiency
'bbb'

Relatively strong EBITDA margin affected by joint-venture dividends and for-sale projects

Over the past four years, OBOS Eiendom's NCR-adjusted EBITDA margin has fluctuated between 62% and 76%. This volatility is due to dividends received from joint ventures and associate companies, as well as profits from for-sale projects. Adjusted for these irregular EBITDA contributions, the margin was 64–68% between 2019 and 2022. Over our forecast period through 2025, we expect the NCR-adjusted EBITDA margin to remain steady at around 64%, excluding dividends received and profits from for-sale projects.

Historically, OBOS Eiendom's occupancy rate has remained stable at above 95%. However, occupancy decreased to 92.6% in the second half of 2021 and further to 88.9% in the first quarter of 2022, following the outbreak of COVID-19 and the completion of the Oslo K development project in which material vacancies affected the overall occupancy rate. Nonetheless, occupancy increased to 90.3% in the first quarter of 2023, and we expect it to continue to increase towards historical levels over our forecast period as projects are finalised.

Figure 8. OBOS Eiendom revenues, net operating income, EBITDA, and margins, 2019–2025e

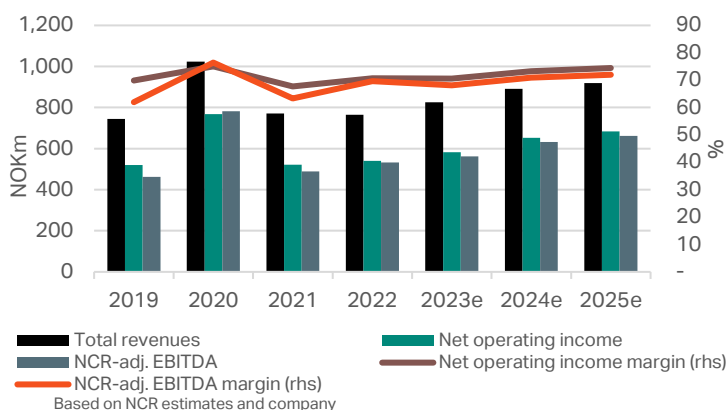
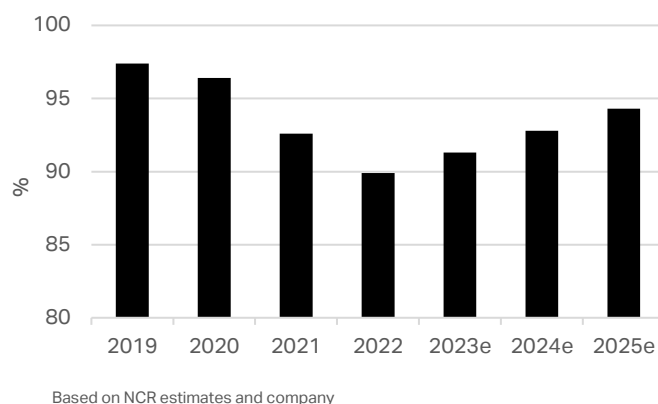


Figure 9. OBOS Eiendom occupancy rate, 2019–2025e



FINANCIAL RISK ASSESSMENT

Financial risk
assessment 'bb+'

Our financial risk assessment weighs OBOS Eiendom's historically strong financial risk profile against our expectations that the company's key credit metrics will weaken as it makes substantial investments in its project development pipeline. We view OBOS Eiendom's financial risk appetite as commensurate with parent OBOS BBL.

Key credit metrics likely to weaken

Ratio analysis 'bb'

Over the past few years, OBOS Eiendom has maintained a net loan-to-value (LTV) ratio of around 40%. We expect the company's key credit metrics to weaken as it invests some NOK 3bn in its Construction City development project over the next few years. However, our forecast figures assume NOK 1.5bn of divestments, mitigating the impact. The Construction City project is due to be completed in 2025 and we expect the company's metrics to improve as the project either starts generating rental income or is divested upon completion. Over our forecast period, we expect the company's net interest coverage to be adversely affected by rising market interest rates.

In our base-case forecast of OBOS Eiendom's future performance, we assume:

- revenue growth of 8% in 2023, 8% in 2024, and 3% in 2025;
- an EBITDA margin of 68% in 2023, 71% in 2024, and 72% in 2025;
- rising market interest rates, resulting in an average interest rate on external debt of 4.1% in 2023, 4.3% in 2024, and 4.3% in 2025;
- capital spending of NOK 1.3bn in 2023, NOK 1.3bn in 2024, and NOK 900m in 2025;
- property divestments of NOK 500m per year through 2025;
- dividends of 50% of the previous year's after-tax profit through 2025; and
- valuation changes in investment properties of minus 5% in 2023, minus 3% in 2024, and 0% in 2025.

On the basis of these assumptions, we estimate the following metrics for 2023-2025:

- NCR-adjusted net LTV of 42-45%;
- NCR-adjusted EBITDA/net interest of 1.8x; and
- NCR-adjusted net debt/EBITDA of 11.5-12x.

Our adjustment for capitalised interest reflects interest on loans from other OBOS companies. Despite these interest amounts being capitalised as additional debt, we include them in our net interest calculation due to our expectation that they will eventually result in cash outflows.

Figure 10. NCR's adjustments to OBOS Eiendom's credit metrics, 2019–2025e

NOKm	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	459	713	470	479	527	597	625
Dividends received from JVs*	3	69	19	53	36	36	36
NCR-adj. EBITDA	462	782	489	533	563	633	661
Net interest	-164	-124	-98	-171	-289	-335	-356
Capitalised interest	-14	-20	-43	-18	-18	-18	-18
Dividends reported as interest income	0	0	-5	0	0	0	0
NCR-adj. net interest	-179	-143	-145	-188	-307	-353	-374
NCR-adj. EBITDA	462	782	489	533	563	633	661
NCR-adj. net interest	-179	-143	-145	-188	-307	-353	-374
Current tax	-18	-12	-15	-96	19	-14	-56
NCR-adj. FFO	265	627	328	248	275	266	231
Investment property	11,699	13,072	14,374	16,081	16,058	16,385	16,788
Project property	1,619	840	688	64	64	64	64
Assets classified as held for sale	1,623	300	0	0	0	0	0
NCR-adj. investment property	14,941	14,212	15,061	16,145	16,122	16,449	16,852
Cash and cash equivalents	60	224	108	122	525	770	814
NCR-adj. cash and equivalents	60	224	108	122	525	770	814
Gross interest-bearing debt	5,544	5,843	6,278	6,635	7,341	8,071	8,433
Liabilities related to assets held for sale	163	37	0	0	0	0	0
NCR-adj. cash and equivalents	-60	-224	-108	-122	-525	-770	-814
NCR-adj. net debt	5,647	5,657	6,169	6,514	6,816	7,300	7,620

Based on NCR estimates and company data. e–estimate. JV–joint venture. *Joint ventures and associate companies.

Figure 11. OBOS Eiendom NCR-adj. investment properties, net debt, and net LTV, 2019–2025e

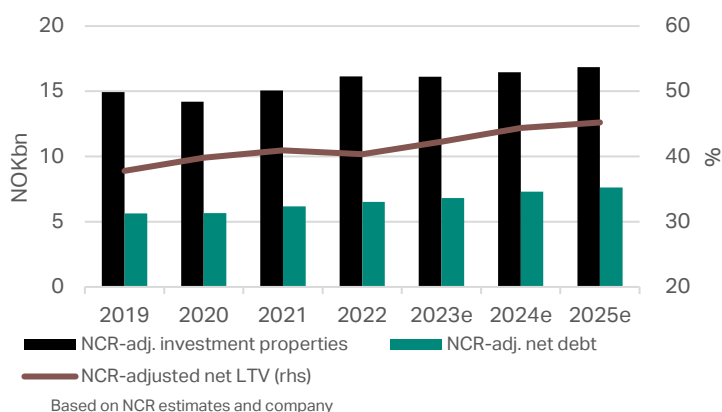
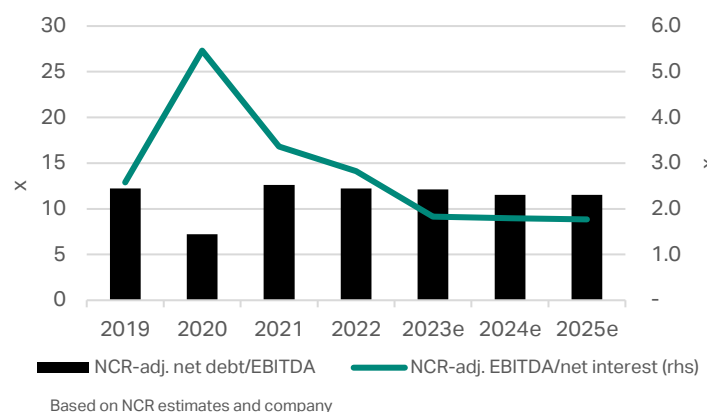


Figure 12. OBOS Eiendom NCR-adj. net debt/EBITDA and EBITDA/net interest, 2019–2025e



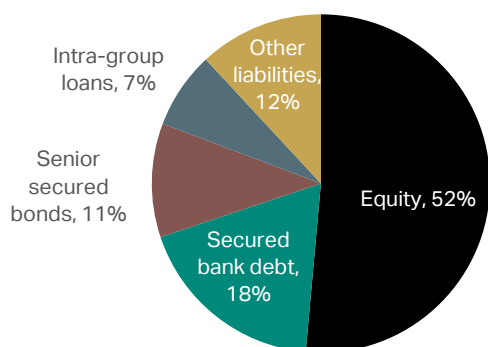
Risk appetite dictated by the parent company

Risk appetite 'bbb-'

The financial risk appetite of the company is driven by the strategy and financial policies set at the group level. OBOS Eiendom finances its operations through common equity, secured bank debt, senior secured bonds and intra-group loans from its parent, OBOS BBL. As of 31 Dec. 2022, the average maturity of OBOS Eiendom's debt was 2.6 years, while 12% of debt was set to mature in the next 12 months. At the same time, the company's average fixed-interest period was 5.2 years, with 35% of

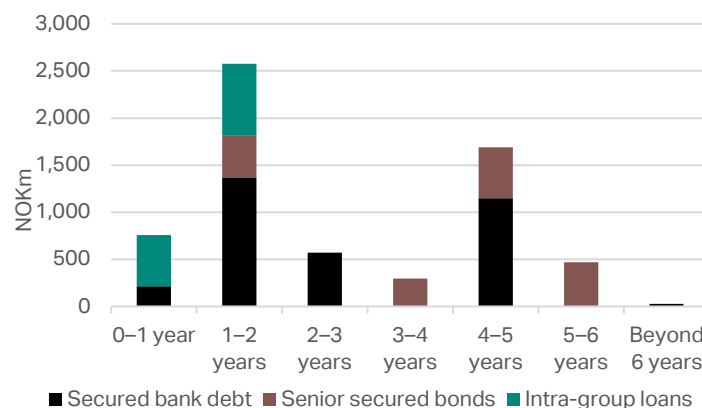
interest at fixed rates. In our view, both the company's fixed-interest periods and debt maturity profile are relatively strong, although we view the concentration of debt maturities in single years as negative.

Figure 13. OBOS Eiendom funding profile, 31 Dec. 2022



Source: company.

Figure 14. OBOS Eiendom debt maturity profile, 31 Dec. 2022



Source: company. *Unutilised credit facilities related to outstanding commercial paper.

OBOS Eiendom's parent company OBOS BBL is structured as a member association, and consequently has no procedures set out for injecting equity if needed. We believe that OBOS BBL would support OBOS Eiendom in times of financial distress (see Ownership section below). However, due to OBOS BBL's limited ability to restore its own financial ratios through equity injections, if these ratios were to fall below target, we believe that a distressed situation for the parent company could also have a material impact on OBOS Eiendom. Positively, these risks are mitigated by substantial unrealised gains in OBOS BBL's land bank, equity investments and subsidiaries, in addition to a generally strong liquidity position at the parent.

OBOS Eiendom's interest-bearing debt is mainly governed by the overarching financial policy targets of OBOS BBL, which stipulate that LTV for the group must remain below 40% and interest coverage above 3x. Consequently, OBOS Eiendom could, in fact, have significantly weaker credit metrics without breaching policy levels. However, we deem this unlikely, and view OBOS Eiendom's risk appetite as commensurate with that of OBOS BBL due to the overall prudent financial risk profile within the group.

The company's dividend policy stipulates that it should maintain an annual dividend amounting to 50% of the previous year's after-tax profit. In 2023, we expect dividends of NOK 248m, corresponding to 50% of after-tax profit for 2022.

Figure 15. OBOS Eiendom financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Dec. 2022
Equity ratio	≥20%	-	32.6%
Gross LTV	<70-75%	-	40.3%*
Interest coverage ratio	>1.5x	-	2.8x*
Average fixed-interest period	-	2-5 years	5.2 years

Source: company. *Unadjusted, calculated by NCR.

ADJUSTMENT FACTORS

Adjustment factors neutral

Adjustment factors are assessed as neutral and have no effect on the rating.

Liquidity

Liquidity adequate

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We typically expect an investment grade company to cover all liquidity needs over the coming 12 months.

We assess OBOS Eiendom's liquidity as adequate, despite funding uses exceeding sources by NOK 1.2bn over the 12 months ending 31 Dec. 2023. In our view, liquidity risk is mitigated by the company's strong

ties with OBOS BBL, which manages liquidity for the wider group. We see the funding deficit as justifiable, given that group-wide liquidity is managed by a central treasury department.

We estimate the following primary funding sources for the 12 months ending 31 Dec. 2023, totalling NOK 799m

- NOK 122m in cash and cash equivalents as of 31 Dec. 2022;
- NOK 206m in FFO, corresponding to 75% of the estimated NCR-adjusted FFO over the period; and
- NOK 471m in proceeds from borrowings since 31 Dec. 2022.

We estimate the following uses of funds for the 12 months ending 31 Dec. 2023, totalling NOK 2bn:

- NOK 759m in maturing debt; and
- NOK 1.2bn in committed capital spending.

Environmental, social and governance factors

ESG factors adequate

OBOS Eiendom's environmental, social, and governance (ESG) risks and opportunities are incorporated into our view of the company's overall business and financial risk. While ESG efforts are more pronounced in other OBOS BBL group members, especially in terms of their social focus, we view the parent's overall ESG efforts as favourable for OBOS Eiendom. For more details on our ESG assessment of OBOS BBL, see our rating report on the company's [NCR issuer page](#).

The main ESG issues that could affect our overall assessment of OBOS Eiendom are factors that could contribute to loss of revenues, increased costs, higher capital spending or a deterioration in financing opportunities (see Figure 16).

Figure 16. OBOS Eiendom ESG considerations

Issue	Risk	Mitigating efforts	Result
CO ₂ emissions	Increased costs due to regulatory and/or taxation changes.	Has measured all Scope 1-3 emissions since 2021. Targets reducing CO ₂ emissions from new construction by 45% by 2026. Targets carbon-neutral in-house operations, including carbon offsets (group-wide targets).	In 2022, total emissions were 5,297 tonnes of CO ₂ equivalent, of which 12% was Scope 1 & 2 (internal) and 89% Scope 3.
Impact of climate change on operations	Loss of revenues or increased capital spending.	Evaluation of impact on properties.	Group is reporting according to Task Force on Climate Related Financial Disclosure. OBOS Eiendom reports EU Taxonomy alignment of 14%.
Increased environmental focus on financial markets	Adverse effect on financing opportunities or higher financing costs due to slow transition to lower carbon dependence.	Property certification. Energy efficiency. Overall sustainability focus. Started assessment of biodiversity impact in 2021 in anticipation of future investor demand (group-wide).	93% of projects are environmentally certified. 1/3 of properties are energy class 'A', the highest rating, while the remainder are class 'B'.

Source: company. See [ESG factors in corporate ratings](#).

OWNERSHIP ANALYSIS

Ownership positive

We add one notch of support to our standalone credit assessment to reflect OBOS Eiendom's close ties with its parent, residential developer OBOS BBL, which has been the sole owner of the company since its foundation in 1952. We consider OBOS Eiendom a 'vital' component of the OBOS BBL group, due to a strong parent-subsidiary link resulting from a long history of integration and a shared name. We believe that OBOS BBL would support OBOS Eiendom at times of financial distress, although OBOS

BBL's status as a member association means it has limited capacity to inject equity into the subsidiary if needed. In line with our methodology, we align the long-term issuer rating on OBOS Eiendom with our 'BBB-' long-term rating on OBOS BBL.

ISSUE RATINGS

As of 31 Dec. 2022, OBOS Eiendom had four outstanding senior secured bonds. In line with our methodology, we rate the company's secured instruments in line with the 'BBB-' long-term issuer rating. The company currently has no outstanding senior unsecured bonds.

METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 24 May 2022.
- (iii) [Group and Government Support Rating Methodology](#), 18 Feb. 2022.

Figure 17. OBOS Eiendom key financial data, 2018–2022

NOKm	FY	FY	FY	FY	FY
Period-end	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
INCOME STATEMENT					
Rental income	745	709	642	650	709
Other income	33	37	381	121	56
Total costs from operations	-203	-225	-255	-249	-224
Net operating income	575	521	768	522	541
Administrative expenses	-61	-62	-55	-52	-62
Administrative expenses, project portfolio	-	-	-	-	-
EBITDA	515	459	713	470	479
Share of profit in associated companies and joint ventures	150	96	162	88	45
Interest expenses	-195	-164	-124	-98	-171
Interest income	-	-	-	-	-
Interest expenses, shareholder loans	-	-	-	-	-
Financial costs from leasing	-	-	-	-	-
Other financial costs	-	-	-	-	-
Changes in investment property	472	678	541	768	691
Gain (loss) on financial assets held at fair value	15	-1	-2	-	-
Disposals of investment properties	-	-	-	-	-
Gain (loss) on derivatives	10	-12	-77	69	186
Depreciation and amortisation	-40	-33	-37	-37	-45
Restructuring activities	-	-	-	-	-
Income (expense) on discontinued operations	-	-	-	-	-
Pre-tax profit	927	1,022	1,177	1,261	1,185
Current taxes	-15	-18	-12	-15	-96
Deferred taxes	-75	-93	-32	-200	-47
Net profit	838	911	1,132	1,045	1,043
BALANCE SHEET					
Investment property	11,485	11,699	13,072	14,374	16,081
Other non-current assets	3,244	2,484	1,730	1,770	1,221
Total non-current assets	14,730	14,182	14,802	16,143	17,301
Cash and cash equivalents	3	6	13	8	122
Other current assets	1,389	1,742	747	430	681
Total current assets	1,392	1,748	760	439	802
Total assets	16,122	15,930	15,562	16,582	18,104
Total equity	8,436	7,583	7,404	8,272	9,315
Non-current borrowings	5,334	4,631	3,763	5,542	5,357
Non-current borrowings, shareholder loans	-	-	-	-	-
Deferred tax liabilities	1,232	1,250	1,363	1,557	1,694
Other non-current liabilities	34	23	35	52	35
Total non-current liabilities	6,601	5,903	5,160	7,151	7,086
Total current liabilities	1,085	2,444	2,998	1,160	1,706
Total equity and liabilities	16,122	15,930	15,562	16,582	18,106
CASH FLOW STATEMENT					
Pre-tax profit	927	1,022	1,177	1,261	1,185
... of which changes in investment property	472	678	541	768	691
Depreciation and amortisation	40	33	37	37	45
Tax paid	-28	-15	-16	-23	-16
Adjustment for items not in cash flow	-619	-541	-512	-1,065	-391
Cash flow from operating activities before changes in working capital	320	499	685	210	823
Changes in working capital	-91	-435	-630	22	47
Cash flow from operating activities	229	63	55	232	871
Cash flow from investment activities	-55	953	943	-459	-558
Cash flow from financing activities	-185	-1,014	-992	222	-199
Cash and cash equivalents at beginning of period	14	3	6	13	8
Cash flow for period	-11	3	7	-5	113
Cash and cash equivalents at end of period	3	6	13	8	122

Source: company. FY–full year.

Figure 18. OBOS Eiendom rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb+
Market position, size and diversification	12.5%	bb
Portfolio assessment	12.5%	bbb-
Operating efficiency	5.0%	bbb
Business risk assessment	50.0%	bb+
Ratio analysis		bb
Risk appetite		bbb-
Financial risk assessment	50.0%	bb+
Indicative credit assessment		bb+
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		bb+
Support analysis		+1 notch
Issuer rating		BBB-
Outlook		Stable
Short-term rating		N3

Figure 19. Capital structure ratings

Seniority	Rating
Senior secured	BBB-

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