

Credit strengths

- Favourable fundamental conditions for real estate companies in Sweden.
- Relatively large size of the group with properties valued at SEK 138bn.
- Good geographical diversification within Sweden.
- Broad funding base.
- All five owners are well known listed Swedish property companies.

Key credit factors owners

Q3 2017	Property value (SEKm)	Loan to Value	Interest coverage (x)
Fabege (Q3)	55,509	44%	3.1
Wihlborgs (Q3)	36,928	55%	3.4
Diös (Q3)	19,260	58%	5.5
Platzer (Q3)	14,533	57%	3.6
Catena (Q2)	11,506	58%	4.0
Total	137,736	51%	3.9

Source: SEB , company reports

Properties in the secured property pool as of 30 September 2017

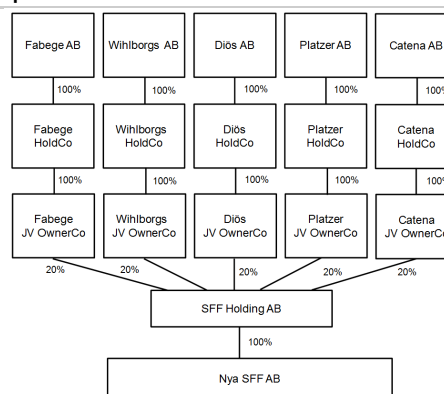
Lender	Area	Property name
Catena	Stockholm	Drivremmen 1
Catena	Eskilstuna	Ekeby 2:2
Catena	Örebro	Mosås 4:66
Catena	Stockholm	Nattskaftet 11
Catena	Buriöv	Sunnanå 12:51
Catena	Hallsberg	Terminalen 1
Diös	Luleå	Braxen 1
Diös	Skellefteå	Hjorten 5
Diös	Skellefteå	Lekatten 9
Diös	Gävle	Norr 19:4
Diös	Gävle	Norr 23:5
Diös	Gävle	Norr 40:3
Diös	Sundsvall	Rätten 1
Diös	Luleå	Siken 7
Diös	Skellefteå	Sirius 25
Diös	Umeå	Skarpskytten 3
Diös	Skellefteå	Stejner 5
Diös	Lulå	Stören 17
Fabege	Stockholm	Båtturen 2
Fabege	Stockholm	Bocken 52
Fabege	Solna	Farao 17
Fabege	Stockholm	Gefingen 13
Fabege	Stockholm	Hägern Mindre 7
Fabege	Stockholm	Korhoppet 1
Fabege	Solna	Nattalanälaren 8
Fabege	Stockholm	Nattskaftet 11
Platzer	Göteborg	Gårda 3:12
Platzer	Göteborg	Gårda 3:14
Platzer	Göteborg	Gullbergsvass 5:26
Wihlborgs	Malmö	Bronsdolken 25
Wihlborgs	Malmö	Bronsdolken 3
Wihlborgs	Helsingborg	Floretten 4
Wihlborgs	Malmö	Flygledaren 9
Wihlborgs	Malmö	Forskaren 1
Wihlborgs	Malmö	Forskaren 4
Wihlborgs	Helsingborg	Hillerbarden 1
Wihlborgs	Helsingborg	Kniven2
Wihlborgs	Malmö	Kolga 4
Wihlborgs	Malmö	Kranen 8
Wihlborgs	Helsingborg	Kroksabeln 11
Wihlborgs	Malmö	Neptun 6
Wihlborgs	Malmö	Sankt Jörgen 21
Wihlborgs	Malmö	Skrovat 3
Wihlborgs	Malmö	Skrovat 6
Wihlborgs	Buriöv	Sunnanå 12:27
Wihlborgs	Lund	Syret 3
Wihlborgs	Malmö	Våktaren 3

Source: SEB and Bloomberg

Credit concerns

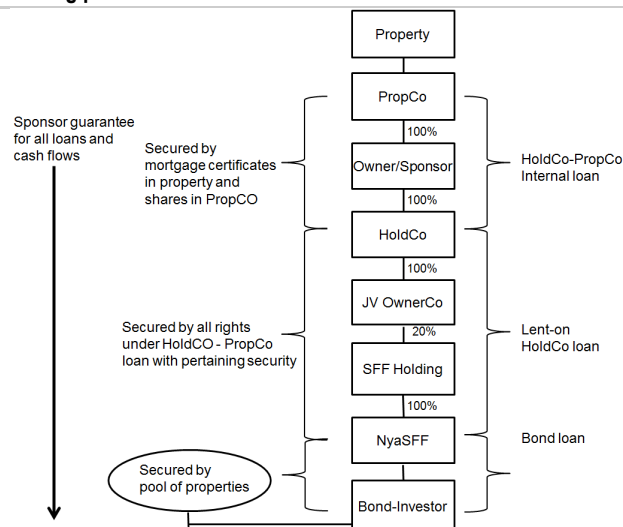
- High leverage of the group and owners.
- Large exposure to cyclical office properties.
- Low diversification from an international perspective.
- High exposure to a downturn in Swedish economy.
- Legal and structural risks attached to the SPV structure.

Ownership structure



Source: SEB and SFF

Lending process



Source: SEB and SFF

Profit & loss statement

(SEKm)	2014	2015	2016	2017E	2018E	2019E
Total revenues	0	0	0	0	0	0
Total expenses	-1	-4	-6	-6	-6	-6
EBITDA	-1	-4	-6	-6	-6	-6
Depreciation	0	0	0	0	0	0
Intangibles amortisation	0	0	0	0	0	0
EBIT	-1	-4	-6	-6	-6	-6
Net interest expenses	0	3	4	8	6	5
Value changes	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0
Reported pre-tax profit	-1	-2	-2	2	0	-1
Minority interests	0	0	0	0	0	0
Total taxes	0	0	0	0	0	0
Net profit	-1	-2	-2	2	0	-1
EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT margin (%)	0.0	0.0	0.0	0.0	0.0	0.0
Tax rate (%)	0.0	0.0	0.0	0.0	0.0	0.0
Growth rates y-o-y (%)						
Total revenues	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	n.a.	(340.0)	(36.4)	0.0	0.0	0.0
EBIT	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	0.0	0.0	0.0	0.0	0.0	0.0

Cash flow

(SEKm)	2014	2015	2016	2017E	2018E	2019E
FFO	-1	-2	-2	2	0	-1
Changes in working capital	0	-3	-62	2,000	0	0
Operating cash flow	-1	-5	-64	2,002	0	-1
Net capital expenditures	0	0	0	0	0	0
Free operating cash flow	-1	-5	-64	2,002	0	-1
Dividend paid	0	0	0	0	0	0
Acquisitions, divestments net	0	-3,738	-1,708	-3,000	0	0
Pre-financing cash flow	-1	-3,743	-1,772	-998	0	-1
Net loan proceeds	0	3,528	1,626	1,000	0	0
Share issue	0	389	309	0	0	0
Other	0	0	0	0	0	0
Net change in cash	-1	174	163	2	0	-1
Capex/sales (%)	0.0	0.0	0.0	0.0	0.0	0.0

Balance sheet

(SEKm)	2014	2015	2016	2017E	2018E	2019E
Cash and liquid assets	0	176	320	322	321	321
Other current assets	0	3,754	6,665	6,000	6,000	6,000
Long-term financial assets	0	0	0	3,000	3,000	3,000
Fixed tangible assets	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
Total assets	0	3,930	6,985	9,322	9,321	9,321
Interest bearing debt	0	3,528	6,260	7,260	7,260	7,260
Other liabilities	0	10	25	1,360	1,360	1,360
Minority interests	0	0	0	0	0	0
Shareholders' equity	0	392	700	702	701	701
Total liabilities and equity	0	3,930	6,985	9,322	9,321	9,321
Net debt (m)	0	3,352	5,940	6,938	6,939	6,939
Net debt/equity (%)	0.0	855.1	848.6	988.4	989.2	990.0
Equity/total assets (%)	0.0	10.0	10.0	7.5	7.5	7.5
Net debt/EBITDA (x)	0.0	(761.8)	(990.0)	(1,156.3)	(1,156.4)	(1,156.5)
EBITDA Interest cover		(0.3)	(0.3)	(0.2)	(0.2)	(0.2)

Main shareholders

Name	(%)	Votes	Capital	Management		Company information	
				Title	Name	Contact	
Fabege AB	20.0	20.0	20.0	COB	Peter Andersson	Internet	www.svenskfastighetsfinansiering.se
Wihlborgs AB	20.0	20.0	20.0	CEO	Claes Helgstrand	Phone number	+46 (0)8 508 906 14
Catena AB	20.0	20.0	20.0	CFO	Claes Helgstrand		

Company description: Svensk FastighetsFinansiering AB (SFF) is a funding vehicle created to provide its owners with cost efficient funding by issuing secured debt through a SEK 12bn Medium Term Note (MTN) programme. The five owners, Fabege, Wihlborgs, Diös, Platzer and Catena, are all Swedish, listed property companies within or closely related to the Paulsson sphere. Erik Paulsson with family, are one of Sweden's better known industrialists and a major player within the Swedish property sector through the holding company Backahill. The five owner companies are among the leaders within office and logistic properties in the Stockholm, Gothenburg, Öresund regions and Northern Sweden respectively. The combined market cap of the five owners is SEK 63bn and market value of the properties SEK 138bn.

Please note: The data in several tables and charts in this document have been adjusted in line with common practice in the field of credit research. This mainly refers to adjustments of operating leases, pensions, derivatives and other contingent liabilities. For a detailed breakdown of the adjustments, please contact the author of this report.

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Recommendation History

Instrument	Recommendation	Date
NYSVFI 20 Apr 2020 1.420	Marketweight	7 Oct 2016
NYSVFI 20 nov 2017 3mS + 75	Marketweight	7 Oct 2016
NYSVFI 31 May 2018 3mS + 95	Marketweight	7 Oct 2016
NYSVFI 7 Sep 2018 3mS + 85	Marketweight	7 Oct 2016
NYSVFI 9 Mar 2020 3mS + 100	Marketweight	7 Oct 2016
NYSVFI 9 mar 2018 3mS + 75	Marketweight	7 Oct 2016
NYSVFI 9 mar 2018 3mS .858	Marketweight	7 Oct 2016

Recommendation changes by SEB Credit Research Analysts in the subject company over the past 12 months. If no recommendation changes were made in that period, the most recent change is stated.

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