



S&P Global places Rikshem on Credit Watch Negative

The credit rating agency S&P Global today announced that they are placing Rikshem on Credit Watch Negative due to Rikshem's updated ownership directives and new financial targets.

Rikshem was established in 2010 and has had A- rating since 2013. Since then, the company has been continuously strengthened financially, while internal processes and regulations have been continuously improved. In connection with a review of the ownership directive that was communicated on February 14, 2020, the owners, the Fourth Swedish National Pension Fund and AMF Pensionsförsäkring AB, have decided to tighten the financial targets regarding equity ratio, loan-to-value ratio and interest coverage ratio. In connection with the revision, a new target for net debt/EBITDA has been introduced in order to limit the debt in relation to the company's earnings. The owners also established a dividend policy according to which any future dividend is limited in terms of amount and conditional on the financial targets being met. Even after a dividend, the company would be financially stronger than before.

In recent years, Rikshem has continuously strengthened the management of the company and reduced the financial risk. The key ratios regarding equity and loan-to-value ratio have been strengthened and the financial risk has been managed, among other things, by extending debt and interest fixing duration. After a period of strong growth, mainly through acquisitions, the company has now entered a phase where the acquisition rate is lower and investment operations are shifting their focus towards continuously strengthening the portfolio's quality and long-term earning capacity. For the owners, Rikshem is a long-term holding. The company's strategy remains firm and the new financial targets and dividend policy communicated on February 14, 2020 remain.

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This is information that Rikshem AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 19:25 CET on March 2, 2020

Rikshem is one of Sweden's largest private property companies. We own, develop and manage residential properties and properties for public use in selected municipalities in Sweden, where we offer safe, pleasant and flexible housing in attractive locations. Rikshem aims to be a long-term partner for municipalities and is owned by the Fourth Swedish National Pension Fund and AMF Pensionsförsäkring AB. Read more at rikshem.se.

www.rikshem.se