



S&P Global downgrades Rikshem's long-term rating one notch to BBB+

The credit rating agency S&P Global today announced that they downgrade Rikshem's long-term rating one notch to BBB+ with stable outlook. Short-term rating A-2 and K-1 on S&P's Nordic scale are affirmed.

In February, S&P Global (S&P) announced that they had placed Rikshem on Credit Watch Negative due to Rikshem's updated ownership directives and new financial targets. Now, S&P has decided to apply their rating criteria "Key Credit Factors for the Real Estate Industry" instead of as previously "Methodology for Rating Public and Nonprofit Social Housing Providers" on Rikshem. As a consequence, the long-term rating is downgraded from A- to BBB+. At the same time, S&P affirms the rating A-2 for short-term financing and K-1 on S&P's Nordic scale.

Rikshem was started in 2010 and has had rating A- since 2013. Since then, the company has been continuously strengthened financially, while internal processes and regulations have been continuously improved. 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 further strengthening the portfolio's quality and long-term earning capacity.

For the owners, the Fourth Swedish National Pension Fund and AMF Pensionsförsäkring AB, Rikshem is a long-term holding. In connection with a review of the ownership directive that was communicated on February 14, 2020, the owners have decided to tighten the financial targets regarding equity ratio, loan-to-value ratio and interest coverage ratio. A new target for net debt/EBITDA has been introduced to limit 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.

For further information, please contact:

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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 19:40 CET on May 6, 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