

## Press Release

19 December 2023

### S&P lowers Investment Grade Rating to 'BBB-' for Heimstaden Bostad, Assigns Negative Outlook

S&P Global Ratings lowers Heimstaden's subsidiary, Heimstaden Bostad's, long-term issuer credit rating to 'BBB-' from 'BBB' and assigns Negative Outlook.

S&P attributed the one-notch downgrade to forecasted declines in their interest coverage ratio (ICR) as they stated that "forecasts won't maintain EBITDA interest coverage of above 1.8x over the next 12-24 months".

Despite the downgrade, S&P states in their upside scenario that the outlook would be resolved if the "ICR remains close to 1.8x, Debt / Debt Plus Equity remains at or below 60%, and refinancing conditions are favourable, or equity is injected by shareholders".

*"We are determined to restore our 'BBB' rating. Our robust base case, recognised by S&P, is supported by eight consecutive quarters of improved NOI. By continuing to handle our debt maturities well in advance and maintain a strong liquidity position, being supported by privatisation sales surpassing expectations, we are confident that we will return to a stable outlook. There should be no doubt that Heimstaden Bostad remains an investment grade entity."* says Deputy CEO Christian Fladeland.

*"We are fully committed to sustaining an investment grade rating. The unanimous dedication of our Board ensures a return to compliance with our financial policy, with the goal of reclaiming the 'BBB' rating",* says Helge Leiro Baastad, Board Chairperson at Heimstaden Bostad.

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#### Contact:

Christian Dreyer, CCO  
Malin Lethenström, Head of IR

+47 90 72 49 99  
+44 77 48 05 58 21

[media@heimstaden.com](mailto:media@heimstaden.com)  
[ir@heimstaden.com](mailto:ir@heimstaden.com)

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Heimstaden is a leading European residential real estate manager and investor with around 163,000 homes across nine countries with a property value of SEK 347 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Care, Dare and Share – we fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Heimstaden is listed on Nasdaq First North Growth Market. Read more at [www.heimstaden.com](http://www.heimstaden.com). Certified Adviser is Erik Penser Bank aktiebolag.