S&P Global
Ratings

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Jernhusen

July 7, 2025

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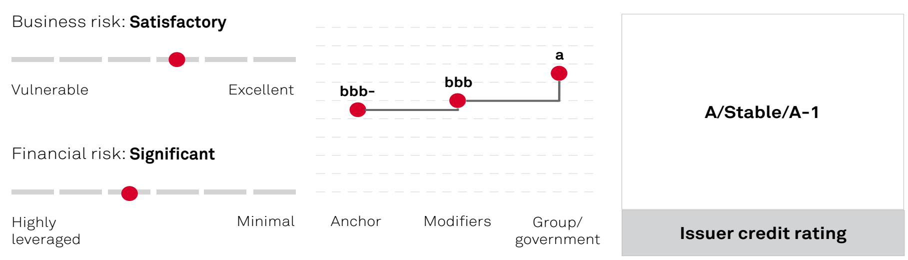
This report does not constitute a rating action.

Ratings Score Snapshot



Credit Highlights

Overview

Key strengths	Key risks
Niche real estate company focused on owning, developing, and managing railway-related properties worth about Swedish krona (SEK) 25 billion (about €2.3 billion) as of March 31, 2025.	Relatively small, although growing, and concentrated portfolio with no international geographic diversity compared with other rated real-estate companies.
High-quality property portfolio, with 80% of assets in prime locations in Sweden's main three growth centers of Stockholm, Gothenburg, and Malmö.	Important development pipeline in the next two years, which will temporarily weigh on leverage ratios.
Ownership of unique assets such as Stockholm's central station and train depots close to major cities.	Average debt maturity of 3.4 years as of end-March 2025, which remains lower compared to similar rated peers, but has started to improve in light of longer-term debt issuances to finance development projects and should remain at over 3.0 years.
Consistent and committed support from the Swedish government through 100% ownership.	

Jernhusen's ongoing sizable development pipeline in the coming 24 months will put pressure on its leverage metrics. Last year it started several ambitious and substantial development, extension, and renovation projects including the Hagalund depot in Stockholm, and Park Central and the Grand Central Station in Gothenburg. These projects carry a capital expenditure (capex) investment of close to SEK6.0 billion, of which we expect the remaining SEK3.7 billion will be spent in 2025 and 2026. The projects are estimated to complete at year-end 2026 and are being carried out in addition to smaller projects and existing asset maintenance. So far, SEK2.3 billion has been invested in these development projects (as of end-March 2025) and we anticipate Jernhusen's overall capex will be SEK7.3 billion over 2025-2027, which will be mostly debt-funded. Although we view these projects positively in terms of improving portfolio scale and quality, they will weigh on the company's leverage metrics until completion at the end of 2026, especially for fiscal 2026 (ending December) before the new assets start to generate rental income.

Jernhusen's credit metrics remain commensurate with the rating, although we might see a temporary breach in 2026. The additional debt raised to finance the capex pipeline will affect its leverage and interest coverage ratios. We anticipate S&P Global Ratings-adjusted debt to EBITDA will gradually increase toward 12.3x in 2025 and close to 13.0x in 2026, the downside threshold for the rating, before normalizing at 12.0x-12.5x when some of the newly delivered assets start to generate cash flow. This is still materially higher than the 10.2x reported at year-end 2024, but we expect it will ultimately stay below our 13.0x downside threshold.

We forecast S&P Global Ratings-adjusted debt to debt plus equity to deteriorate to 54%-55% over 2025-2026, from 49.7% in 2024 and 47.4% in 2023. We don't anticipate this ratio will return to historical levels in the medium term because there are no material mitigants, such as large-scale disposals or equity injections, to alleviate the additional debt burden. However, there is some flexibility in dividend payments should Jernhusen breach its loan-to-value target of 40%-50%, lowered from 45%-55% in April 2024 (corresponding to 41%-51% adjusted debt to debt plus equity). We also note that Jernhusen has typically outperformed our base case. As such, our forecast assumes limited dividend payments in 2026 and 2027 but we understand that the company has the flexibility to lower capex to preserve some headroom. We also expect to see a decrease in EBITDA interest coverage, to 3.0x-3.5x by 2025-2026 from 4.2x in 2024 but still above our 3.0x downside threshold for the rating. Considering the tightening headroom under the rating thresholds, we will monitor the evolution of its credit metrics very closely for any potential deviation from our base case.

Jernhusen's liquidity and funding profiles will remain sound over the next 12-24 months, in our view. The company has a reasonable liquidity buffer with sources exceeding uses comfortable above 1.2x as of June 30, 2025. Jernhusen depends on shorter-term funding to repay debt and has repayments of SEK3.0 billion for the next 12 months, of which about SEK1.9 billion is related to commercial paper. We understand the company intends to roll over existing maturities because it can tap the market at favorable prices. Nevertheless, Jernhusen has SEK1.0 billion of cash and cash equivalents, SEK4.5 billion available under its committed undrawn backup facility, and additional available funding of SEK3.0 billion under its commercial paper program, MTM program, and overdraft facility. This, in our view, mitigates its average debt maturity of 3.4 years, which is somewhat shorter than that of other rated peers, although it has improved over the past year (compared to 2.8 years at the end of 2023). Jernhusen's ownership structure and the Swedish government's track record of supporting the government-related entity (GRE) sector also strongly limits any liquidity risk. We understand that the weighted average debt maturity will remain at about three years or better due to longer term debt issuances to fund the capex pipeline.

Jernhusen's existing portfolio remains resilient and its operating performance is robust. Vacancies decreased to 5.4% at end-March 2025 from 6.1% at end-December 2024 thanks to reduced vacancies at stations, offices, and hotels to 7.1%, from 8.4% in the previous quarter, while vacancies for logistics assets remain low at 3.3% (3.5% at end-December 2024). The overall weighted average lease term (WALT) was 4.6 years at end-March 2025 but we expect it to increase to above 5.0 over the medium term due to the signing of very long leases (20 years and more) for some depots and the delivery of assets under development.

Outlook

Our stable outlook signifies that we expect Jernhusen's properties will continue to benefit from favorable demand trends for rail travel and the company will retain access to the financial markets to cover its refinancing needs. We expect some deterioration in credit ratios due to the high debt-funded capex pipeline, although they will remain commensurate with our rating thresholds.

Downside scenario

We could lower the rating if Jernhusen's operating performance falters due to subdued footfall at railway stations, tenants renegotiating rent reductions in the current inflationary environment, or if bankruptcies or vacancies increase. We could also lower the rating if Jernhusen's financial risk increases, for example, due to higher debt-funded capex than we currently forecast.

Specifically, we could downgrade the company if its:

- Adjusted debt to debt plus equity increases toward 55% on a sustainable basis;
- Debt to EBITDA increases to above 13x, or its liquidity cushion decreases over the next 12-24 months; or
- Interest coverage ratio falls well below 3x for a prolonged period.

A negative rating action could also stem from a liquidity shortage, for example, due to higher-than-anticipated capex needs or the late refinancing of upcoming debt maturities.

In addition, we could lower the ratings if we consider that the likelihood of government support for Jernhusen has weakened. This could, for example, result from partial privatization of the company, although we consider this highly unlikely.

Upside scenario

We could raise the rating if we believe Jernhusen's financial risk tolerance has decreased, allowing it to maintain debt to debt plus equity of less than 40% on a sustainable basis. We view this as unlikely in the next two years given Jernhusen's ambitious investment plan, and our view that this would only follow a shift in the company's financial policy.

Our Base-Case Scenario

Assumptions
• We expect Sweden's GDP to grow 1.3% in 2025 and 2.5% in 2026 after mild growth of 1.0% in 2024, while its CPI should grow by 2.5% in 2025 and 1.9% in 2026, after 2.0% in 2024.

- 1.5% like-for-like revenue growth in 2025 and 1.0% in 2026 on the back of positive rent negotiations and indexation.
- Overall topline growth is expected to be 1.2% in 2025, 3.5% in 2026, and 17%-18% in 2027 as assets under development are progressively delivered while occupancy should remain broadly stable with stations at 92% and depots and cargo terminals at 97%.
- Stable EBITDA margin of 52.5% over the forecast period.
- Modest positive revaluations of up to 1% annually in 2025 and 2026 across the company's portfolio, driven by improving market conditions, decreasing interest rates, and renegotiated leases.
- Significantly higher capex of SEK2.6 billion in 2025 and SEK2.4 billion in 2026, with project deliveries toward the end of 2026, in line with company guidance.
- No acquisitions, but gradual disposals of residential zoning plans.
- Cash dividend distribution of SEK356 million in 2025. We assume flexibility in dividend payments in 2026, as we understand it will depend on progress on capex, leverage ratios, and compliance with financial policy.
- Overall cost of debt will gradually increase to 2.6%-2.7% over the next 24 months from 2.6% in 2024.

Key metrics

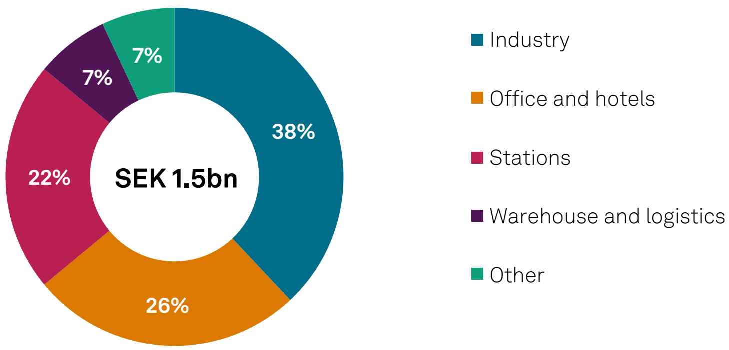
Period ending	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. SEK)	2023a	2024a	2025e	2026f	2027f
Revenue	1,827	1,906	1,928	1,995	2,337
EBITDA	979	1,002	1,012	1,047	1,227
Funds from operations (FFO)	792	761	709	690	853
Interest expense	208	239	303	357	374
Capital expenditure (capex)	1,158	1,837	2,600	2,400	2,100
Discretionary cash flow (DCF)	(910)	(476)	(2,239)	(1,705)	(1,243)
Debt	9,097	10,255	12,399	14,008	14,956
Equity	10,093	10,391	10,801	11,551	12,236
Adjusted ratios					
Debt/EBITDA (x)	9.3	10.2	12.3	12.5-13.5	12.2
EBITDA interest coverage (x)	4.7	4.2	3.3	2.8-3.2	3.3
Annual revenue growth (%)	11.5	4.3	1.2	3.5	17.2
EBITDA margin (%)	53.6	52.6	52.5	52.5	52.5
Debt/debt and equity (%)	47.4	49.7	53.4	54.8	55.0

Company Description

Jernhusen is a niche real estate company focusing on properties related to Sweden's railway system. It owns stations, depots, and cargo terminals, and develops commercial property around central stations. The Swedish government owns 100% of Jernhusen, which was founded in 2001 as a spin-off from the Swedish railway monopoly Statens Järnvägar (SJ). Jernhusen's purpose is to enable more people to travel by rail and thereby contribute to a more environmentally friendly transport system. As of March 31, 2025, its properties were valued at SEK24.6 billion and it had 523,000 square meters of rentable area.

Share of rental value by segment

As of March 31, 2025



Source: Jernhusen. S&P Global Ratings.

Peer Comparison

We consider Fastighets AB Balder, Citycon Oyj, and Willhem AB to be the most comparable companies to Jernhusen under our corporate real estate coverage. All companies have operations in the Nordic countries.

Jernhusen operates a relatively small portfolio and is constrained by its lower diversified foothold, operating exclusively in Sweden (48% in Stockholm). In comparison, both Balder and Citycon conduct larger operations across the Nordic countries.

That said, Jernhusen owns the largest railway-related properties in Sweden and being government-owned gives it an edge over its peers given that it's unlikely the company will face any major competition in its niche segment. Additionally, Jernhusen has a higher-quality cash flow stream, in our view, because of its resilient tenant base and longer WALT compared to most of its peers. Jernhusen also has lower leverage than all three peers, as indicated by its ratio of debt to EBITDA of 10.2x at year-end 2024, although this is temporarily increasing to a comparable level over the forecast period while its portfolio expands significantly. To reflect the company's stronger financial ratios relative to peers we include a positive comparable rating analysis modifier, which uplifts the stand-alone credit profile (SACP).

Our issuer credit rating on Jernhusen is higher than that of its peers largely due to it being a GRE, for which we apply a three-notch uplift to the SACP.

Jernhusen AB--Peer Comparisons

	Jernhusen AB	Fastighets AB Balder	Citycon Oyj	Willhem AB (publ)
Foreign currency issuer credit rating	A/Stable/A-1	BBB/Stable/--	BB+/Stable/B	A-/Stable/A-2
Local currency issuer credit rating	A/Stable/A-1	BBB/Stable/--	BB+/Stable/B	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-12-31
Revenue	1,906	12,876	2,460	3,015

Jernhusen AB--Peer Comparisons

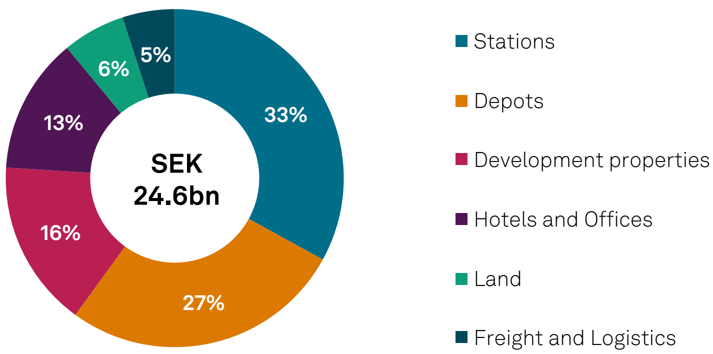
EBITDA	1,002	9,740	2,132	1,853
Funds from operations (FFO)	761	3,862	1,158	948
Interest expense	239.0	4720.0	1042.0	892.0
Operating cash flow (OCF)	1,718	5,859	1,258	956
Capital expenditure	1,837	2,887	558	809
Dividends paid	357.0	12.0	967.9	0.0
Cash and short-term investments	834	6,444	4,037	2,347
Debt	10,255	136,664	24,054	29,239
Equity	10,391	101,735	17,628	24,178
Valuation of investment property	24025.0	221261.0	41568.8	57766.0
Adjusted Ratios				
EBITDA margin (%)	52.6	75.6	86.7	61.5
EBITDA interest coverage (x)	4.2	2.1	2.0	2.1
FFO cash interest coverage (x)	4.2	1.7	2.2	2.0
Debt/EBITDA (x)	10.2	14.0	11.3	15.8
Debt/debt and equity (%)	49.7	57.3	57.7	54.7

Business Risk

Our assessment of Jernhusen’s satisfactory business risk profile is underpinned by its very high-quality asset portfolio comprising railway stations (60% of property value) and depots/cargo terminals (40%), with about 82% of the properties located in prime regions of Sweden's three main growth centers of Stockholm, Gothenburg, and Malmö. The portfolio value grew by 1% to SEK24.6 billion during the first quarter of 2025, supported by 0.4% like-for-like growth during the quarter on the back of yield stabilizing to 5.6% at the end of the quarter, consistent with that of year-end 2024 (+1.5% on valuations over that year). That said, in the quarter ending March 31, 2025, property income decreased by 4% compared to the same period in the previous year, primarily due to a slight decrease in land leases and management activities, along with the one-off impact of SEK13 million from an insurance claim recorded during the same period of the last year. The vacancy rate improved to around 5.4% as of March 31, 2025, down from 6.1% at the end of 2024 and 5.0% at end-March 2024, primarily due to the reclassification of properties as development properties.

Property Portfolio market value by segment

As of March 31, 2025



Source: S&P Global Ratings.

We view positively that Jernhusen's sales are closely correlated with foot traffic through stations, positioning it more favorably than some other retail landlords whose sales are impacted by more discretionary consumer spending. This traffic is backed by a political agenda promoting greater use of railways for both passengers and freight transport. The Swedish Transport Administration forecasts a 44% rise in railway passenger traffic by 2045, compared to 2019, and we think Jernhusen will benefit, also from improving market conditions, because real estate close to railways will be in demand. About 49% of Jernhusen's total portfolio value--SEK12.0 billion--is comprised of 35 stations, with the construction of Park Central and Gothenburg Grand Central expected by end-2026. While challenging market conditions pose a risk to vacancies, the company's prime locations in Gothenburg should be reasonably immune. The rental income from these stations is primarily from offices, hotels, retail premises and restaurants, which exhibit relatively stable sales correlated to numbers of trains and passengers. Rental contracts typically include a base rent and a turnover-related add-on rent.

Jernhusen owns and operates 19 train depots in 14 locations and five intermodal terminals with a total value of SEK7.9 billion. The company's depot tenants are in majority government or municipalities owned entities (55% of rental income) while the rest is private maintenance companies, for whcih we view tenant risk as very low due to the likelihood of quick replacement in case of default. The WALT on depots and intermodal terminals stood at 4.7 years as of May 2025, with a sizeable portion of leases in the depot segment being long (20-25 years on average) and 50% of total leases in this segment is signed with a public entity (municipality or state), providing visibility and counterparty security. Jernhusen has successfully signed new long-term contracts of up to 25 years on ongoing depot projects in Hagalund in first-half 2025, supporting its lease maturities. Jernhusen's depot tenants are balanced between private maintenance companies and government-owned entities, we view tenant risk as very low because a defaulting tenant would most likely be replaced by another very quickly to avoid disruptions to the railway system. We also view as positive Jernhusen's ownership of railway depots close to main cities, given that these are essential infrastructure for the ongoing maintenance of trains.

Jernhusen has significant tenant concentration, with its top 10 tenants accounting for 46% of total rental income. Key tenants include SJ AB, EuroMaint, Scandic Hotell, Reitan, and Västtrafik; with the largest SJ AB contributing 12% of total rental income. The risk is mitigated by tenants in the public sector contributing 32% of the total rental income, enhancing cash-flow stability and visibility. The total remaining average contract period as of March 31, 2025, was 4.6 years, versus 4.8 years on Dec. 31, 2024.

We view Jernhusen's urban development business (about 10% of its portfolio value) as somewhat riskier than its core business due to its development activities, which expose it to construction cost fluctuations, ultimately weighing on project profitability. However, Jernhusen already owns the developable land plots, which are in good locations, and has a decade-long track record of development activities, which alleviates the risk, in our view.

Financial Risk

Our assessment of Jernhusen's financial risk profile is based on our expectation that the company will maintain credit metrics commensurate with the rating over coming 12-24 months, albeit with less headroom for leverage ratios.

Jernhusen's high capex initiatives over the next two years, which we expect will be fully debt funded, although partially covered by cash-flows over time, will weigh on its S&P Global Ratings-adjusted debt to debt plus equity, bringing it to 54%-55% in 2025-2026, close to our downside threshold of 55%, from 49.7% at year-end 2024. The company has the flexibility to suspend dividend payments in 2026 and 2027 to support its liquidity position and avoid breaching its reported financial policy. The positive impact of market improvements and positive property revaluations in the investment portfolio, which we conservatively estimate at 1% in our base-case scenario, would alleviate some of the pressure, although rating headroom will be limited. We include Jernhusen’s short-term financial investments in our accessible cash calculation and net them against the company's debt, as the investments are composed of short-duration municipal bonds and similar instruments. This has had a beneficial effect on the company’s debt-to-debt-plus-equity and debt-to-EBITDA ratios of up to 1% and up to 0.5x, respectively, depending on the period.

We expect the debt to EBITDA ratio will temporarily increase to 12.0x-12.5x in 2025 and 12.5x-13.5x in 2026, and EBITDA interest coverage of 2.8x-3.2x, on the back of high capex for portfolio investments over the next two years. That said, we foresee a recovery in ratios from 2027 as portfolio investments start generating cash flow from end-2026, which will help revenues and EBITDA and strengthen our credit metrics. We forecast the interest coverage ratio to weaken to 2.8x-3.2x over the next two years, noting our 3.0x rating threshold.

Overall, Jernhusen's financial ratios remain mildly sensitive to changes in interest rates and yield requirements, given its high reliance on commercial paper as a funding source, mitigated by the large proportion of fixed-rate and hedged debt. The company's cost of debt has increased to 2.5% as of March 31, 2025, and we expect it will trend upward over the next two years to 2.6%-2.7%. Its debt maturity profile is relatively short dated at 3.4 years as of March 2025, albeit improved from 2.8 years the year before; however, this is largely offset by Jernhusen's access to unutilised credit facilities of SEK4.7 billion and its strong cash position. We also understand that the weighted average debt maturity should remain at about 3.0 years or better on account of future debt issuances to fund the development pipeline.

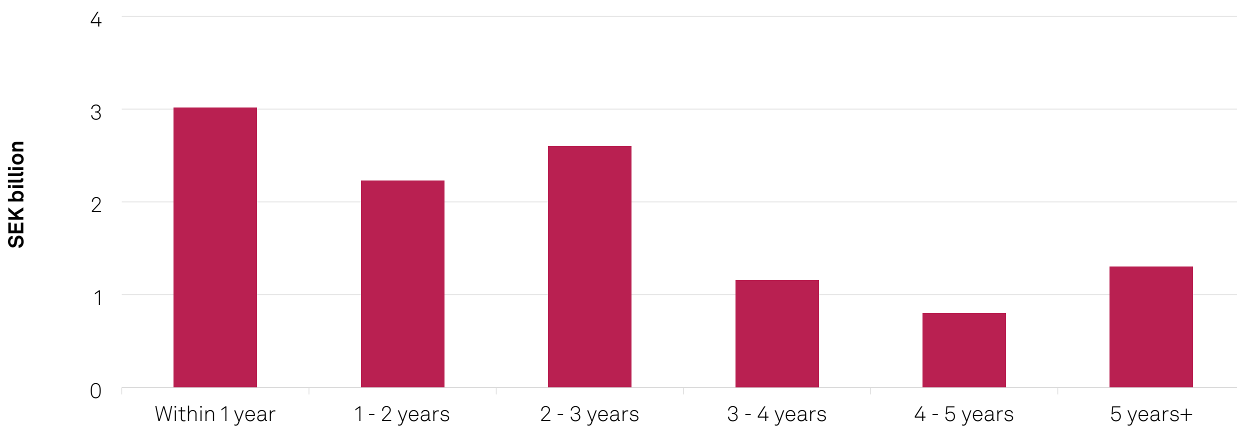
We view positively Jernhusen's ambitious green financing initiatives, and it having achieved 100% green financing on its outstanding bonds at end-March 2025.

Debt maturities

As of March 31, 2025, average debt maturity stood at 3.4 years (3.3 years at year-end 2024).

Jernhusen's debt maturity

As of March 31, 2025



Source: Jernhusen. S&P Global Ratings.

Comparable Ratings Analysis

Our rating incorporates the company's relatively robust position in our significant financial risk profile category. Although Jernhusen's strong EBITDA interest coverage of 4x-6x historically has diminished, in line with peers, the company retains very strong market access and among the best spreads, which insures a contained cost of funding. In addition, our positive comparison reflects Jernhusen's strong market position within the depots segment, with a large share of government-related tenants enabling stable cash flow through very long leases (20 years and more). As a result, we include a one-notch positive adjustment to our stand-alone credit assessment for comparable rating analysis.

Jernhusen AB--Financial Summary

Period ending	**Dec-31-2019**	**Dec-31-2020**	**Dec-31-2021**	**Dec-31-2022**	**Dec-31-2023**	**Dec-31-2024**
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	SEK	SEK	SEK	SEK	SEK	SEK
Revenues	1,622	1,446	1,514	1,639	1,827	1,906
EBITDA	793	658	718	880	979	1,002
Funds from operations (FFO)	658	526	594	760	792	761
Interest expense	141	139	125	134	208	239
Operating cash flow (OCF)	284	715	558	305	680	1,718
Capital expenditure	480	440	482	833	1,158	1,837
Dividends paid	700	219	169	390	432	357
Cash and short-term investments	212	634	1,082	384	448	834
Debt	8,288	8,026	7,987	8,339	9,097	10,255
Common equity	8,094	8,013	9,477	10,755	10,093	10,391
Valuation of investment property	17,922	17,974	19,574	21,289	21,967	24,025
Adjusted ratios						
EBITDA margin (%)	48.9	45.5	47.4	53.7	53.6	52.6
EBITDA interest coverage (x)	5.6	4.7	5.7	6.6	4.7	4.2

Jernhusen AB--Financial Summary

Debt/EBITDA (x)	10.5	12.2	11.1	9.5	9.3	10.2
Debt/debt and equity (%)	50.6	50.0	45.7	43.7	47.4	49.7

Reconciliation Of Jernhusen AB Reported Amounts With S&P Global Adjusted Amounts (Mil. SEK)

	Debt	Shareholder	Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2024										
Company reported amounts	10,902		10,391	1,906	1,002	1,323	239	1,002	1,718	357	1,837
Cash interest paid	-		-	-	-	-	-	(241)	-	-	-
Lease liabilities	436		-	-	-	-	-	-	-	-	-
Accessible cash and liquid investments	(1,083)		-	-	-	-	-	-	-	-	-
Nonoperating income (expense)	-		-	-	-	41	-	-	-	-	-
Total adjustments	(647)		-	-	-	41	-	(241)	-	-	-
S&P Global Ratings adjusted	**Debt**		**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	10,255		10,391	1,906	1,002	1,364	239	761	1,718	357	1,837

Liquidity

We assess Jernhusen's liquidity as adequate, based on our estimate that the company's liquidity sources will likely cover uses by about 1.2x in the 12 months from March 31, 2025. We view as positive that Jernhusen's long-dated committed bank lines, currently maturing beyond March 2026, cover its SEK3 billion commercial paper program in full and that the company faces limited debt maturities in the next 12 months. We note that Jernhusen has had satisfactory access to credit markets for more than 10 years, and access to its medium-term note program since 2013. In addition, Jernhusen has relationships with large Swedish banks with strong credit quality.

Principal liquidity sources

- SEK883 million in available unrestricted cash.
- A SEK4.5 billion revolving credit facility maturing beyond 12 months.
- Our estimate of funds from operations of SEK710 million.

Principal liquidity uses

- SEK3.0 billion of contractual debt amortization payments, including debt maturities and SEK1.9 billion of commercial papers.
- SEK261 million of dividends in 2024 and none thereafter.
- Capex of about SEK2.4 billion.

- Additional funding available of about SEK2.9 billion under the commercial paper program, MTM program, and overdraft facility.

Covenant Analysis

Compliance expectations

Jernhusen is subject to no covenants on its debt lines.

Environmental, Social, And Governance

Environmental, social, and governance factors are an overall neutral consideration in our credit rating analysis of Jernhusen. We believe that the company is advanced in term of certification of its buildings. Currently all its train stations and office buildings held long term are classified according to the Building Research Establishment Environmental Assessment Method (BREEAM) or Leadership in Energy and Environmental Design (LEED) standards, the majority in the "very good" category. The company aims to reduce the energy consumption of its properties (in kilowatt-hours per square meter) by 50% by 2030 (base year 2008).

Jernhusen has developed a roadmap detailing its commitment and path to achieving climate neutrality in all aspects of its business, including existing assets and its development pipeline, to be climate neutral by 2045 and to reduce its carbon footprint by 50% by 2030, from 2020 figures. Following the implementation of a new system for monitoring and handling sustainability-related data in 2023, the company can now calculate its impact on the climate more accurately. Previously, scope 3 covered the company's climate impact on project activities but now, with access to new cost data, other aspects of the business, such as media and information technology, can be incorporated.

At the end of 2024, Jernhusen achieved its objective of 100% green financing, with 100% of its debt portfolio comprising green bonds, green loans, and green corporate certificates. Moreover, since the launch of a green framework in 2022, which is in line with the EU Taxonomy and aims to increase the company's ambition to work toward achieving climate neutrality, 82% of Jernhusen's properties have met the taxonomy-compliant requirements.

Government Influence

Jernhusen is 100% owned by the Swedish government and managed by the Ministry of Enterprise; we therefore classify it as a GRE. We consider that there is a high likelihood of government support for Jernhusen from Sweden (AAA/Stable/A-1+), and therefore apply three notches uplift to our assessment of the company's 'bbb' SACP. Our assessment of government support is based on our view of Jernhusen's:

- Important role for the Swedish government due to its unique real estate holdings, which are essential for the Swedish railway network. We believe that Jernhusen plays an important role in meeting political objectives relating to public transport. Although we think that part of Jernhusen's activities could be managed by private real estate companies, we view it as highly unlikely that the large central stations (such as those in Stockholm, Gothenburg, and

Malmö) and depots would be sold to private owners, due to their vital functions in the railway system; and

- Very strong link with the Swedish government, which is actively involved in defining the company's strategy, appoints its board, and has a long-term commitment to the company. We view it as unlikely that the government would consider privatizing Jernhusen given that it owns critical real estate assets tied to the Swedish railway sector. In addition, an ownership clause in the company's debt documentation stipulates that the government should own 100% of Jernhusen. The Swedish government has a track record of supporting the GRE sector, and any unremedied financial distress at the company would pose significant reputation risk for the government.

Rating Component Scores

Foreign currency issuer credit rating	**A/Stable/A-1**
Local currency issuer credit rating	**A/Stable/A-1**
Business risk	**Satisfactory**
Country risk	Very Low
Industry risk	Low
Competitive position	Satisfactory
Financial risk	**Significant**
Cash flow/leverage	Significant
Anchor	**bbb-**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	**bbb**

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | Industrials: Key Credit Factors For The Real Estate Industry, Feb. 26, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014

- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Swedish Real Estate: The End of the Slump Could Soon Be in Sight, Feb. 29, 2024
- Tear Sheet: Jernhusen AB, June 9, 2023

Ratings Detail (as of July 04, 2025)*	
Jernhusen AB	
Issuer Credit Rating	A/Stable/A-1
Issuer Credit Ratings History	
27-Sep-2021	A/Stable/A-1
30-Jun-2020	A/Negative/A-1
29-Aug-2017	A/Stable/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.