Globe Trade Centre S.A.
Poland, Real Estate

Corporate profile

Globe Trade Centre (GTC) is a real estate investor and developer focusing on Poland and capital cities in Central and Eastern Europe. GTC actively manages a real estate portfolio of commercial buildings providing office and retail space (45 commercial buildings with nearly 715,000 sq m) in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. GTC is listed on the Warsaw Stock Exchange, included in the mWIG40 index and inward listed on the Johannesburg Stock Exchange.

Key metrics

			Scope estimates	
Scope credit ratios	**2018**	**2019**	**2020E**	**2021E**
Scope-adjusted EBITDA interest cover (x)	3.4x	3.7x	3.1x	3.1x
Scope-adjusted debt (SaD)/SaEBITDA (x)	10.8x	9.7x	10.6x	10.8x
Scope-adjusted loan/value ratio (%)	46%	46%	46%	47%

Rating rationale

Scope assigns an initial issuer rating of BBB- to Globe Trade Centre S.A. and its subsidiary GTC Real Estate Development Hungary Zrt.

The rating is driven by GTC's market positioning in Central Eastern (CEE) and Southeastern Europe (SEE). The company benefits from a well located, relatively young property portfolio, which helps to attract blue-chip tenants, keeping occupancy high and supporting both stable cash flow and credit metrics.

The rating is constrained by ongoing re-letting risk given the company's short weighted average unexpired lease term (WAULT), amplified by its strong exposure to the retail segment. We forecast that tenant demand will weaken in this segment, impairing the fair value of GTC's retail portfolio. The latter has led to limited headroom under bank loan covenants, which poses a continuous threat in the current market environment.

Outlook and rating-change drivers

The Outlook for GTC is Stable and reflects our view that the company's portfolio will continue to grow profitably, with the impact of Covid-19 on cash generation addressed by reduced capital expenditure and the suspension of dividends. As a consequence, we assume broadly stable credit metrics going forward, with a Scope-adjusted loan/value ratio around 50% and Scope-adjusted EBITDA interest cover of above 3x.

A positive action would require the company to reduce leverage, as measured by its Scope-adjusted loan/value ratio, to around 40% on a sustained basis, also affording more headroom under the bank loan covenants for its retail properties. This could happen if GTC manages to increase rental cash flow despite the muting effect of Covid-19, thus enlarging its financial headroom to repay debt and support stable or increasing portfolio value.

A negative rating action is possible if either the company's Scope-adjusted loan/value ratio increases to around 55% on a sustained basis or the limited headroom under its bank loan covenants is lost and breaches cannot be waived or remedied. This could be triggered by an increase in leverage, caused, for instance, by a further drop in the portfolio value of GTC's assets.

Ratings & Outlook

Corporate ratings	BBB-/Stable
Senior unsecured rating	BBB-

Analyst

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Related Methodologies

Corporate Rating Methodology, February 2020

Rating Methodology European Real Estate Corporates January 2020

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Rating drivers

Positive rating drivers	Negative rating drivers
• Medium sized real estate company. Size supports visibility on investment and letting markets across CEE and SEE • Portfolio well distributed across CEE and SEE, although this also entails exposure to more volatile economies • Strong profitability: Scope-adjusted EBITDA margin of around 80% driven by economies of scale and low vacancy • Development exposure benefits from relatively high pre-letting rates • Relatively strong Scope-adjusted EBITDA interest cover anticipated to remain above 3x, despite impact of Covid-19 on the company's cash generation • Stable leverage with Scope-adjusted loan/value ratio of 45%-50% supports access to external financing	• Focus on second-tier investment markets • Healthy tenant demand likely to weaken for retail portfolio • Relatively low WAULT leads to ongoing re-letting risk especially with tenant demand likely to change • Fairly high tenant concentration, partially mitigated by tenant credit quality which is, on average, investment grade • Cash generation burdened by impact of Covid-19 on rental income, balanced by reduced capex and suspension of dividends • Limited headroom under bank loan covenants poses a continuous threat in current market environment

Rating-change drivers

Positive rating-change drivers	Negative rating-change drivers
• Scope-adjusted loan/value ratio of around 40% on a sustained basis	• Scope-adjusted loan/value ratio around 55% on a sustained basis or covenant breaches on bank loans that cannot be waived or remedied

Financial overview[1]

				Scope estimates	
Scope credit ratios	**2018**	**2019**	**Q2 2020[2]**	**2020E**	**2021E**
Scope-adjusted EBITDA/interest cover (x)	3.4x	3.7x	3.2x	3.1x	3.1x
Scope-adjusted debt/Scope-adjusted EBITDA (x)	10.8x	9.7x	9.7x	10.6x	10.8x
Scope-adjusted loan/value ratio (%)	46%	46%	48%	46%	47%
Scope-adjusted EBITDA in EUR m	**2018**	**2019**	**Q2 2020[2]**	**2020E**	**2021E**
EBITDA	96	111	113	99	105
Operating lease payments in respective year	0	0	0	0	0
Other	0	0	0	0	0
Scope-adjusted EBITDA	**96**	**111**	**113**	**99**	**105**
Scope-adjusted funds from operations in EUR m	**2018**	**2019**	**Q2 2020[2]**	**2020E**	**2021E**
Scope-adjusted EBITDA	96	111	113	99	105
less: cash interest as per cash flow statement	-28	-30	-35	-32	-33
less: pension interest	0	0	0	0	0
less: interest component, operating leases	0	0	0	0	0
less: cash tax paid as per cash flow statement	-8	-6	-8	-3	-11
add: dividends received	0	0	0	0	0
Change in provisions	-1	-3	0	-1	0
Scope-adjusted funds from operations (SaFFO)	**59**	**72**	**70**	**62**	**60**
Scope-adjusted debt in EUR m	**2018**	**2019**	**Q2 2020[2]**	**2020E**	**2021E**
Reported gross financial debt	1,115	1,252	1,228	1,275	1,275
add: derivatives (net)	6	6	11	11	11
less: cash, cash equivalents (accessible)	-80	-180	-142	-243	-152
add: pension adjustment	0	0	0	0	0
add: operating lease obligations	0	0	0	0	0
Scope-adjusted debt (SaD)	**1,041**	**1,079**	**1,097**	**1,043**	**1,133**

[1] All numbers are rounded
[2] 12 months ending June 2020 for cash flow-related metrics

Business risk profile: BBB-

Industry risk: BB

Industry risk for GTC is modest, as the company is exposed to the highly cyclical real estate industry (its main segments comprising the development, leasing and management of office and retail buildings).

Credit outlook stable for 2020

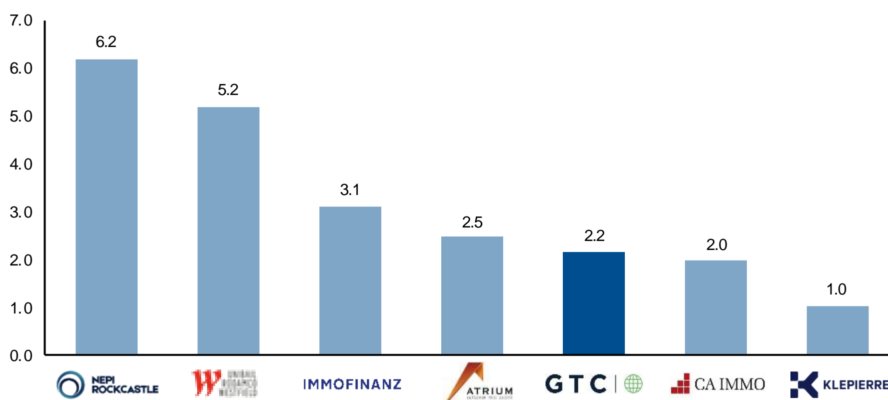
The credit outlook for the European real estate sector in 2020 is stable, though the retail sector remains a weak spot as it faces a multi-layered Covid-19 crisis, which may have only a modest impact on credit quality in the short term. However, the consequences will be more severe if a future recovery falters.

For more information, refer to our corporate outlook for real estate (click here).

Medium size supports visibility on investment and letting markets across CEE and SEE

GTC is a medium sized real estate company focused on CEE and SEE. With Scope-adjusted total assets of EUR 2.3bn as at end-June 2020 (EUR 2.2bn in gross asset value), it is among the larger peers in the region and benefits from some visibility on capital markets (listed on the Warsaw Stock Exchange and inward listed on the Johannesburg Stock Exchange). Moderate visibility will support GTC's operations going forward as it provides access to external financing, and thus the firepower to buy or develop revenue-generating assets. These, in turn, will support the company's strategy to expand its portfolio in Poland and in the capital cities of selected CEE and SEE countries.

Figure 1: GTC and competitors by gross asset value (EUR bn) in CEE as at Q2 2020



Sources: Public information, Scope

As of 31 December 2019, GTC manages completed commercial properties with a combined gross leasable area of approximately 747,000 sq m, including 41 office buildings and five shopping malls. With its focus on capital cities in CEE and SEE, GTC benefits from decent visibility on these markets, especially as its portfolio predominately comprises relatively new properties (weighted economic age of nine years).

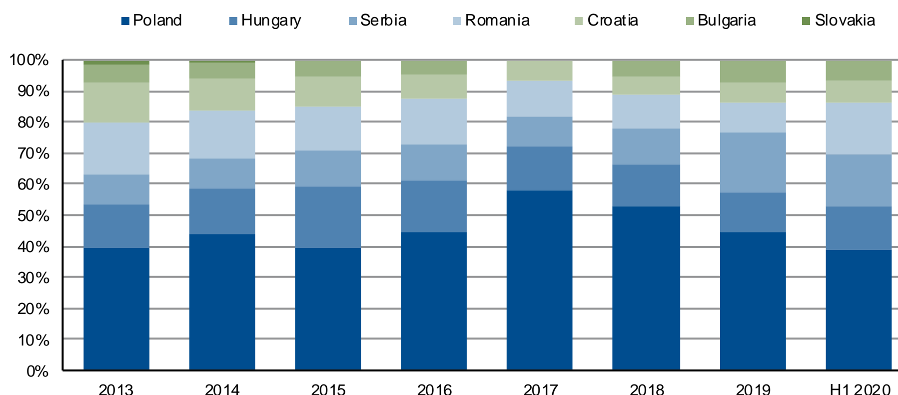
GTC Hungary has Scope-adjusted total assets of EUR 0.4bn as at end-June 2020 and currently operates an office portfolio of five properties with a gross leasable area of 118,000 sq m. We believe the market visibility of GTC Hungary will improve going forward based on its focus on Budapest, namely the Váci Corridor[3] – where it is one of the main players – and following execution on its development pipeline (102,000 sq m) by YE 2023. The first property 'The Pillar'[4] should be delivered in Q4 2021.

[3] The Váci Corridor is the largest office submarket in Budapest with 31% of the city's class A stock. The main driver of demand in this submarket used to be shared service center and business process outsourcing operations. However, demand has recently shifted to high-profile tenants from the banking and the IT sectors.
[4] Pre-letting rate of 100% of office space (Exxon Mobile)

Portfolio distribution across CEE and SEE entails exposure to more volatile economies

GTC's portfolio is well distributed across CEE (57% of gross asset value as at end-June 2020) and SEE (43%) with a focus on Poland (41%), the company's domestic market. Thus, performance will hinge on Poland's macroeconomic environment. Macroeconomic factors will drive consumer spending on, for instance, leisure and non-essential retail, affecting GTC's two shopping malls as well as tenant demand for its 15 office properties. The rest of the portfolio is distributed across five other countries: Serbia (20%), Romania (9%), Hungary (13%), Bulgaria (7%) and Croatia (7%). As such, GTC benefits from different demand patterns in the countries to which it is exposed. However, the volatility of economic development in GTC's markets is higher than in EU-28 markets (except Poland). On the one hand, these markets benefit from faster growing economies, outpacing more mature markets in Europe. On the other hand, they have a higher amplitude of downswings, e.g. during the great financial crisis. Nonetheless, GTC's relatively good foothold in the capital cities of SEE and CEE countries enables it to attract high-profile, blue-chip tenants.

Figure 2: Geographical distribution by gross asset value (Q2 2020)



Sources: GTC, Scope

High tenant concentration, mitigated by investment-grade credit quality on average

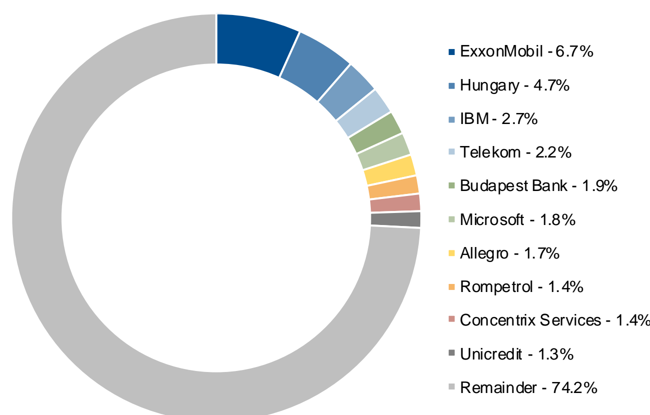
GTC has a relatively high tenant concentration with its top three tenants accounting for 14% of rental income as at end-June 2020 (top 10: 26%). High tenant concentration makes GTC vulnerable to single tenant defaults or bad payment behaviour. It is, however, partially mitigated by the good credit quality of tenants (75% of top 10 tenants and more than one quarter of overall tenants are investment grade rated, blue-chip and government/supra-national tenants). This limits the impact of single tenant defaults on the company's cash flows, as illustrated by bad debt impairments of below 30bp of gross rental income for the last couple of years.

Change in tenant demand

However, GTC has significant exposure to retail tenants (35% of rental income as at end-June 2020) leaving cash flows vulnerable to the ongoing transformation of the European retail industry (see also Adapt or Disappear: E-commerce Transforms European Retail). The recent lockdown across Europe, with governments, national authorities and companies implementing rigorous measures following the spread of Covid-19, especially impacts landlords with exposure to retail properties. We see collection rates (GTC: 91% for the first six months to end-June) under pressure as tenants stop rental payments or enter rental negotiation. Furthermore, the pandemic will accelerate the transformation of Europe's retail landscape, with demand for retail space falling faster and e-commerce receiving an extra boost, as consumers increasingly turn to online offers (see also How the Rise of E-commerce Impacts Real Estate). As such we foresee negative like-for-like rental growth as well as fair value depreciation within the next couple of years, impairing GTC's cash flow

generation and leverage, limiting headroom under existing covenants[5]. We also expect employers' behaviour to change as the biggest ever remote-working experiment –prompted by the Covid-19 pandemic – proves largely successful. Companies may consequently adjust their real estate needs downwards in the medium term. We expect a gentle dip in demand for office space rather than a sharp drop, since companies will still need prestigious, high-quality buildings to promote their image and retain workers.

Figure 3: Top tenants by net rental income as at Q2 2020



Sources: GTC, Scope

Tenant concentration is much more pronounced for GTC Hungary, for which the top three tenants account for 77% of rental revenue as at end-June 2020 (top ten: 90%). However, GTC Hungary's tenant portfolio is almost entirely of investment grade quality, sharply decreasing the likelihood of single tenant defaults. Furthermore, the company aims to reduce tenant concentration following the executed disposal of the Spiral office building (a single tenant that accounts for 18% of GTC's rental income) in Q4 2020 and its replacement with a multi-tenant, category A office building in a capital city of CEE.

Development exposure benefits from relatively high pre-letting rates

GTC's development pipeline consists of eleven properties (gross development volume of EUR 835m as at end-June 2020). Most developments are focused on Hungary (34%) and Poland (26%) with the remainder spread across the other jurisdictions in which the company operates. As at end-June 2020 three developments are under construction – one in Hungary – with an outstanding investment volume of EUR 59m up to delivery at the end of this year or Q4 2021 financed by committed loan facilities. Associated risk is largely mitigated by pre-letting rates averaging 79% as at end-June 2020, with high quality tenants including ExxonMobil and Commerzbank AG. Further execution on the company's development pipeline is: i) dependent on achieving pre-letting rates of at least 30%; and ii) subject to 60% cost coverage by committed financing according to the management, thus limiting associated development risk.

We view positively the underrepresentation of retail developments (one quarter of gross development volume) as we foresee a decline in demand for shopping centre space going forward. The ongoing transformation of the retail landscape, especially in western Europe, Poland and Croatia, which have equally high shopping centre densities, is anticipated to lead to cannibalism among shopping centres, leaving those alive with a good tenant mix and a successful positioning as entertainment hubs and desirable shopping destinations.

[5] As at end-June 2020 debt service coverage ratio covenants for two loans (EUR 188m) have been waived by banks. Debt service coverage ratio and loan/value ratio covenants for Galeria Północna (EUR 187m) have also been breached with the loan becoming due immediately. On 9 September 2020, GTC reached an agreement with the financing bank (Bank Pekao SA) to heal the covenant breach including a prepayment in the amount of EUR 9.5m and a prepayment of up to EUR 3m (the exact amount depending on the performance of certain actions by the creditor) to be made within 12 months.

Focus on second-tier investment markets

GTC's properties are predominately located in second and third-tier investment markets, excluding Warsaw (17% of portfolio value as at end-June 2020), which is considered first tier. Even if the capital city markets (Zagreb, Sofia, Budapest, Bucharest, Belgrade) have gained more momentum over the last few years, investment volume has not reached EUR 1bn for most of them (excluding Budapest where annual investment hit EUR 1.7bn in 2019). Thus, the liquidity of GTC's portfolio is relatively limited. If the economy cools and/or interest rates rise, investors are likely to focus on tier-one markets and safe havens like London, Paris or the seven major German cities. This could eventually lead to substantial downward pressure on property values (excluding Warsaw), an increase in leverage, the reduced availability of external financing, and limited recovery expectations for debt investors.

Healthy tenant demand likely to weaken for the company's retail portfolio

However, even if investor demand is volatile, tenant demand has been strong for GTC's portfolio, with occupancy of around 95% (as at end-June 2020: 94%) in the last couple of years. Downside pressure stems from the company's retail portfolio, for which occupancy dropped by 4 percentage points in the six months to end-June 2020. This was particularly driven by the impact of Covid-19 lockdowns on tenants' credit quality as well as adjustments to their space needs. We anticipate further downside pressure on the company's occupancy rates going forward (see also Commercial real estate in Europe: retailing-exposed segment faces tough months ahead; UK in focus). Fiscal support for tenants is likely to wind down from Q3 on, after which the full economic impact will become apparent. A combination of lease renegotiations and an increase in vacancies will probably lead to a like-for-like EUR 20m decline in GTC's rental cash flow (including service charge prepayments) for the full year with some further impairments spilling over into 2021.

Risk regarding future occupancy levels is amplified by the relatively short WAULT of three years as at end-June 2020, which exposes GTC to ongoing re-letting risk, especially in light of muted demand.

Relatively low WAULT leads to ongoing re-letting risk

However, going forward we expect GTC to be relatively well positioned to successful re-let vacant space. This is because most of its portfolio is highly attractive to tenants, with properties either: i) recently built (economic age of around nine years) and mostly located in the central business district (offices) or ii) benefitting from relatively little competition (retail, excluding Warsaw) and mostly located in residential areas.

Strong profitability with Scope-adjusted EBITDA margin of around 80%

Profitability has improved greatly, with the discontinuation of residential development activity (finalised in 2018) leading to a Scope-adjusted margin above 75% since 2016 (last twelve months to end-June 2020: 90%). The recent increase to close to 90% was driven by cost optimisation measures in response to Covid-19 lockdowns, including a reduction in non-critical operating expenses and a decrease in provisions for share based payments (corporate expenses down by 50% YoY). We anticipate the sharp reduction in operating expenditures to fade in 2021, with the Scope-adjusted EBITDA margin normalising to around 80%, a level we view as sustainable. Comparatively high profitability is driven by a relatively lean organisational setup.

Financial risk profile: BB+

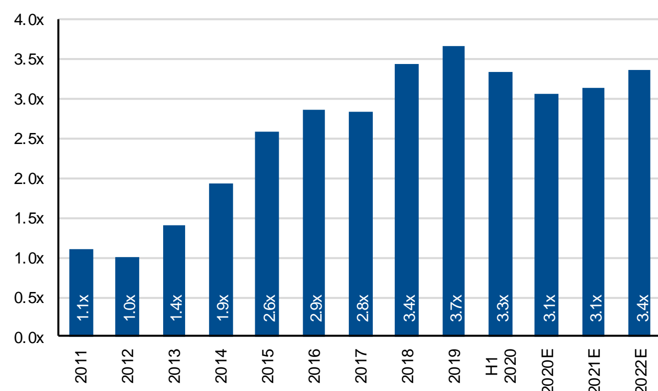
Cash generation burdened by Covid-19 impact on rental income

Cash generation from operations is stable and has improved significantly from 2016 on. Improvements have been driven by: i) the end of residential development activity in 2018; and ii) portfolio growth achieved via execution on the company's commercial development pipeline (develop-to-hold) and property acquisitions. The latter has led to negative Scope-adjusted free operating cash flow since 2015, which was financed externally pushing Scope-adjusted debt (SaD) to EUR 1,079m as at YE 2019.

Cash generation for 2020 and 2021 is likely to be impaired given the impact of Covid-19 on tenant payment behavior. However, collection rates from the company's retail portfolio are high, at 91% for the first six months to end-June 2020, and compare favourably to industry collection rates of 70% to 90% (see also Commercial real estate: the retail challenge Outlook for sub-segment remains negative).

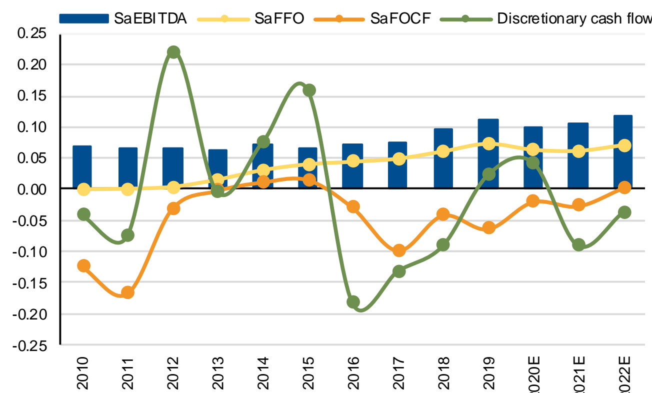
To preserve cash, the company will retain dividends for 2019 (to be paid in 2020) and we assume no major dividend will be paid for 2020 either. GTC has also scaled back its development pipeline, with only EUR 63m in capital expenditure committed as at end-June 2020. However, we believe cash generation with cash flow from operations (we forecast EUR 180m for the 30 months from end-June 2020 and 2022) as well as available cash (EUR 142m as at end-June 2020) will cover most of the anticipated EUR 200m in capital expenditure for the development pipeline during that period. However, the company seeks for external financing up to a level of 60% loan-to-cost. We forecast that SaD will increase by around EUR 100m to EUR 1.2bn as at YE 2022.

Figure 4: Scope-adjusted EBITDA interest cover (x)



Sources: GTC, Scope estimates

Figure 5: Cash flows (EUR bn)



Sources: GTC, Scope estimates; 'Sa' = Scope-adjusted

Scope-adjusted EBITDA interest cover anticipated to remain above 3x

Scope-adjusted EBITDA interest cover has improved continuously in recent years. It has stood above 3x since FY 2018 (last twelve months to end-June 2020: 3.2x), thanks to: i) a strong reduction in the weighted average cost of debt down to 2.6% as at end-June 2020 from 5.0% as at YE 2010; and ii) improved cash generation from GTC's operations. We believe Scope-adjusted EBITDA interest cover will remain above 3x going forward despite the impact of Covid-19 on operations in 2020 and 2021 and the anticipated slight increase (+25bp YoY) in interest rates for newly issued debt. This is mainly driven by our assumption that the interest rate for the planned HUF 36bn (EUR 100m) bond will be significantly below the weighted average cost of debt and that the cost of debt maturing in the next 30 months to YE 2022 will be above average (2.8% as at end-June 2020).

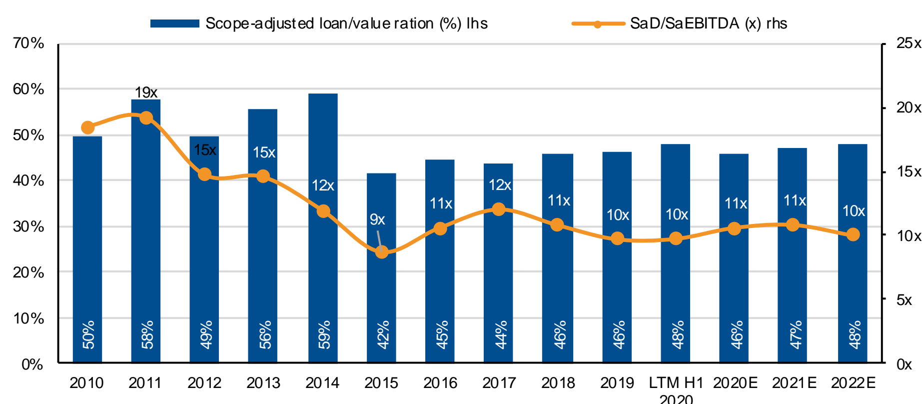
Stable leverage (Scope-adjusted loan/value ratio of 45%-50%) supports access to external financing

GTC's leverage as measured by its Scope-adjusted loan/value ratio has ranged between 45% to 50% (end-June 2020: 48%) since the successful restructuring of the company's liability side in 2015. The stable Scope-adjusted loan/value ratio is a consequence of: i) the company's cash generative business[6]; and ii) the EUR 140m capital increase in 2015, which provided sufficient funding to broaden GTC's asset base via net expansion capex of around EUR 670m from 2015 to end-June 2020 with only limited external financing (SaD up by EUR 250m since YE 2014). Concurrently, GTC benefited from positive market sentiment that led to fair value improvements of EUR 250m (net) for the same period.

[6] Scope-adjusted cash flow from operations amounted to EUR 310m between 2015 and end-June 2020.

Following the Covid-19 shock we believe yields for retail properties will widen further, due to weak market fundamentals for retail properties (especially a revision of rental growth prospects) and a stronger differentiation between prime and secondary assets. Based on the relatively good asset quality of GTC's portfolio, we expect yields to widen by 25bp per annum for retail (flat yields assumed for offices). The impact of widening yields on GTC's portfolio value is likely to be partially offset by ongoing positive operating cash flow, which will limit external financing needs to finance the targeted portfolio expansion via developments and property acquisitions. As a consequence, we believe the Scope-adjusted loan/value ratio will remain below 50% going forward in line with the company's financial policy.

Figure 6: Leverage



Sources: GTC, Scope estimates

Cash flows from commercial real estate are partially linked to changes in general demand. Therefore, our financial risk assessment of companies active in this segment also includes leverage, as measured by Scope-adjusted debt to Scope-adjusted EBITDA (SaD/SaEBITDA), which provides good visibility on leverage independent of changes in market value driven by shifts in capitalisation rates. As such, we view positively GTC's past ability to keep SaD/SaEBITDA stable at between 11x and 12x, which indicates that the fair value growth of its properties is well balanced between yield compression and rent increases.

Limited headroom under bank loan covenants

We view negatively the company's consistently stretched liquidity due to its relatively low weighted average debt maturity of four to five years (end-June 2020: 3.6 years) as well as negative Scope-adjusted free operating cash flow due to portfolio expansion in the last couple of years.

Position	2020E		2021E	
Unrestricted cash (t-1)	EUR	180m	EUR	245m
Open committed credit lines (t-1)	EUR	0m	EUR	0m
Free operating cash flow	EUR	-21m	EUR	-27m
Short-term debt (t-1)	EUR	225m	EUR	139m
Coverage		**0.7x**		**1.5x**

We believe that liquidity is generally a manageable risk. However, we see the risk of covenant breaches for GTC's bank loans, as limited headroom for debt service coverage ratio or loan/value covenants[7] could force the company to repay or refinance a significant part of its debt[8] if the impact of Covid-19 proves more pronounced than we anticipated.

[7] As at end-June 2020 debt service coverage ratio covenants for two loans (EUR 188m) have been waived by banks. Debt service coverage ratio and loan/value ratio covenants for Galeria Północna (EUR 187m) have also been breached with the loan becoming due immediately. On 9 September 2020, GTC reached an agreement

Long-term and short-term debt ratings

Senior unsecured debt: BBB-

GTC has EUR 90m in capital market debt outstanding as at end-June 2020. GTC Real Estate Development Hungary Zrt. plans to issue a HUF 36bn (approx. EUR 100m) bond under the MNB Bond Funding for Growth Scheme guaranteed by GTC S.A. Proceeds are earmarked to refinance property loans (LEED/Breeam certified properties) in order to reduce overall interest cost (at least 50% of total proceeds) and to finance acquisitions as well as redevelopment and the construction of LEED/Breeam certified assets. The bond's tenor is 10 years with 10% of its face value subject to amortisation following seven, eight and nine years after its issuance. The senior unsecured bond as well as all future debt of GTC Real Estate Development Hungary Zrt. will be irrevocably and unconditionally guaranteed by Globe Trade Centre S.A.

The issuer's unencumbered asset ratio stands at 581% prior to the bond issuance (estimated at above 200% following the bond issuance), providing sufficient collateral to bondholders.

with the financing bank (Bank Pekao SA) to heal the covenant breach including a prepayment in the amount of EUR 9.5m and a prepayment of up to EUR 3m (the exact amount depending on the performance of certain actions by the creditor) to be made within 12 months.

[8] EUR 423m of bank debt with loan/value covenant headroom of below 5% as at end-June 2020

Appendix I: Peer comparison (as at last reporting date)

	Globe Trade Centre S.A.	Klövern AB	Inmobiliaria Colonial SOCIMI S.A.	Merlin Properties SOCIMI S.A.	WingHolding ZRT
	BBB-/Stable/--	BBB-/Stable/--	--/--/--*	--/--/--*	B+/Stable/--
Last reporting date	30 June 2020	31 December 2019	31 December 2019	31 December 2019	31 December 2019
Business risk profile					
Scope-adjusted total assets (EUR m)	2,290	6,014	12,285	13,051	1,500.0
Portfolio yield	6.9%[9]	5.4%	2.8%	4.0%	6.8%
Gross lettable area (million sq m)	746	2,549	1,614.4	3.3	0.6
No. of residential units	na	na	na	1.2	0.4
No. of countries active in	6	3	2	2	3
Top 3 tenants (%)	14%	11%	9%	22%	34%
Top 10 tenants (%)	26%	19%	24%	33%	44%
Office (share by net rental income)	65%	76%	83%	46%	85%
Retail (share by NRI)	35%	13%	9%	24%	10%
Residential (share by NRI)	na	na	na	na	na
Hotels (share by NRI)	na	na	na	na	na
Logistics (share by NRI)	na	11%	5%	10%	5%
Others (share by NRI)	na	na	3%	19%	0%
Property location	'B'	'A'	'A'	'A'	'B'
EPRA occupancy rate (%)	94%	90%	97%	95%	88%
WAULT (years)	3.0	3.6	4.0	5.6	5.7
Tenant sales growth (%)	na	na	na	na	na
Like-for-like rent growth (%)	-16%	na	4.0%	5.2%	na
Occupancy cost ratio (%)	na	na	na	na	na
SaEBITDA margin[10]	90%	63%	79%	19%	37%
EPRA cost ratio (incl. vacancy)[11]	na	na	20%	18%	na
EPRA cost ratio (excl. vacancy)[12]	na	na	19%	na	na
Financial risk profile					
SaEBITDA interest cover (x)[11]	3.2x	2.5x	3.2x	3.7x	4.6x
Scope-adjusted loan/value ratio (%)	48%	55%	38%	41%	63%
SaD/SaEBITDA (x)[11]	9.7x	14.8x	16.7x	13.2x	13.9x
Weighted average cost of debt (%)	2.6%	2.3%	1.6%	2.1%	2.4%
Unencumbered asset ratio (%)	581%	247%	289%	na	220%
Weighted average maturity (years)	3.6	4.1	4.9	6.4	na

* Subscription ratings available on ScopeOne

Sources: Public information, Scope

[9] As at end-December 2019
[10] For the last 12 months to the reporting date
[11] As at end-December 2019

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