

Aedifica's Proposed Acquisition Could Improve Its Scale And Strengthen Its Market Position

May 6, 2025

This report does not constitute a rating action.

STOCKHOLM (S&P Global Ratings) May 6, 2025--S&P Global Ratings today said Aedifica's (BBB/Stable/--) proposed all-share tender offer to acquire competitor Cofinimmo could result in a stronger market position at the transaction's close. The combined group would become the largest listed health care real estate investment company in Europe, almost doubling its portfolio size to €12.1 billion pro forma from €6.1 billion currently. We understand the offer is a proposal at this stage and expect Aedifica to discuss it with Cofinimmo's board of directors soon. If successful and in line with the proposed terms, we expect such an all-share acquisition to strengthen Aedifica's creditworthiness. We will reassess the ratings in the coming weeks as we get more certainty about the negotiations and transaction's timing.

On May 1, 2025, Aedifica announced it proposes an all-share tender offer to acquire Cofinimmo. We think Aedifica, in reaching a greater scale, would benefit from a higher cash flow base (€710 million contractual rents pro forma versus €355 million currently) and would become the largest listed health care REIT in Europe. We view most of Cofinimmo's €6.0 billion portfolio, with its 77% exposure to health care properties, 99.4% occupancy rate as of March 2025, and triple net lease structure with long duration (15 years on average), as complementing Aedifica's asset quality and positioning.

At the same time, we understand that under the proposed offer, the combined entity's financial policy would not change and that the company would continue targeting reported debt to assets at about 40%, with a maximum of 45%. As of Dec. 31, 2024, its adjusted debt to debt plus equity stood at 41.1%, while Cofinimmo's ratio stood at 41.5%.

Related Research

- Cofinimmo S.A./N.V, April 16, 2025
- [HYPERLINK](https://www.capitaliq.com/ciqdotnet/CreditResearch/SPResearch.aspx?ArtObjectId=101611583&ArtRevId=1)
"https://www.capitaliq.com/ciqdotnet/CreditResearch/SPResearch.aspx?ArtObjectId=101611583&ArtRevId=1"Industry Credit Outlook 2025: Real Estate, Jan. 14, 2025
- Aedifica N.V./S.A, Sept. 5, 2024

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