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CREDIT OPINION
11 May 2021

Update

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RATINGS

Enexis Holding N.V.

Domicile	's-Hertogenbosch, Netherlands
Long Term Rating	Aa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Camille Zwisler, CFA +33.1.5330.3347
Analyst
camille.zwisler@moodys.com

Laura Braeckman +33.1.5330.3362
Associate Analyst
laura.braeckman@moodys.com

Andrew Blease +33.1.5330.3372
Associate Managing Director
andrew.blease@moodys.com

Enexis Holding N.V.

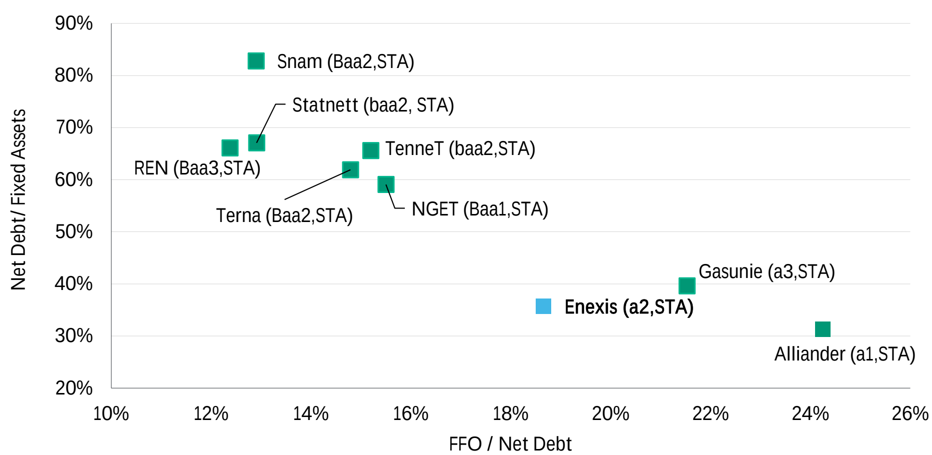
Update to credit analysis

Summary

The credit quality of Enexis Holding N.V. (Enexis, Aa3 stable) is underpinned by (1) the low-risk business profile of its domestic electricity and gas distribution network operations, which generate more than 90% of earnings and cash flow; (2) a well-defined and transparent regulatory framework; and (3) the company's balanced financial profile, with relatively modest leverage for the sector, and robust liquidity.

The company has historically maintained a strong financial profile, but we expect a modest decline in the medium term because of a further decline in regulatory allowed returns and growing capital spending, primarily related to facilitating the delivery of the Netherlands' (Aaa stable) ambitious energy transition objectives. Nevertheless, the company's financial metrics will remain strong compared with those of other European networks until the end of the current regulatory period.

Exhibit 1
Modest leverage compared with that of its European peers supports strong standalone credit quality



Note: 2020 financial metrics for Enexis and Alliander were negatively impacted by one-off transmission grid charges which will be recovered in 2022. Ratings are the standalone credit quality, expressed as assigned final rating or Baseline Credit Assessment where applicable. NGET = National Grid Electricity Transmission.
Source: Moody's Investors Service

The Aa3 rating incorporates a two-notch uplift from Enexis' standalone credit quality, reflecting the likelihood of extraordinary financial support being provided by its owners — the largest of which is the Province of Noord-Brabant, holding around 31% of Enexis' shares — if needed.

Credit strengths

» Low business risk of monopoly distribution network activities, with limited contribution from unregulated businesses

» Stable and transparent regulatory regime

» Modest leverage, compared with that of the wider peer group

» Expectation of strong support from local government shareholders, given the essentiality of assets

Credit challenges

» Reductions in allowed returns have reduced financial flexibility

» Increasing capital spending requirements support the country's energy transition

» Stranded asset risk faced by gas networks in the context of energy transition, although the regulator is considering options to alleviate its impact

» Continued low interest rate environment could lead to a further reduction in allowed return in the next regulatory period (2022-26), depressing cash flow-based metrics

Rating outlook

The stable outlook reflects our expectation that Enexis will continue to derive most of its revenue and cash flow from low-risk regulated activities and maintain a financial profile in line with our minimum guidance for the current rating.

Factors that could lead to an upgrade

An upgrade of the final rating is considered unlikely at this time, taking into account the expected modest weakening in Enexis' financial profile as a result of decreasing allowed returns during the current regulatory period and the increase in capital spending requirements intended to facilitate the delivery of the country's ambitious energy transition objectives.

Factors that could lead to a downgrade

A rating downgrade could be triggered if Enexis fails to maintain the following minimum credit metrics: funds from operations (FFO)/net debt in the mid-to-high teens and net debt/fixed assets no higher than the low 50s, both in percentage terms.

The Aa3 rating could also be subject to downward pressure if our view of the credit profile of the municipalities and provinces owning Enexis or our assessment of extraordinary support weakens.

Key indicators

Exhibit 2

Enexis Holding N.V.

	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020	2021 proj.
FFO Interest Coverage	8.2x	10.0x	9.9x	11.7x	13.0x	14.9x
Net Debt / Fixed Assets	32.5%	32.5%	32.3%	34.2%	35.7%	36.2%
FFO / Net Debt	26.0%	24.8%	25.0%	22.3%	18.7%	18.7%
RCF / Net Debt	21.0%	20.2%	20.6%	17.7%	15.1%	17.0%

Note: 2020 financial metrics were negatively impacted by one-off transmission grid charges which will be recovered in 2022
All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's projections (proj.) reflect Moody's view, not the view of the issuer
Source: Moody's Financial Metrics™ and Moody's Investors Service

Profile

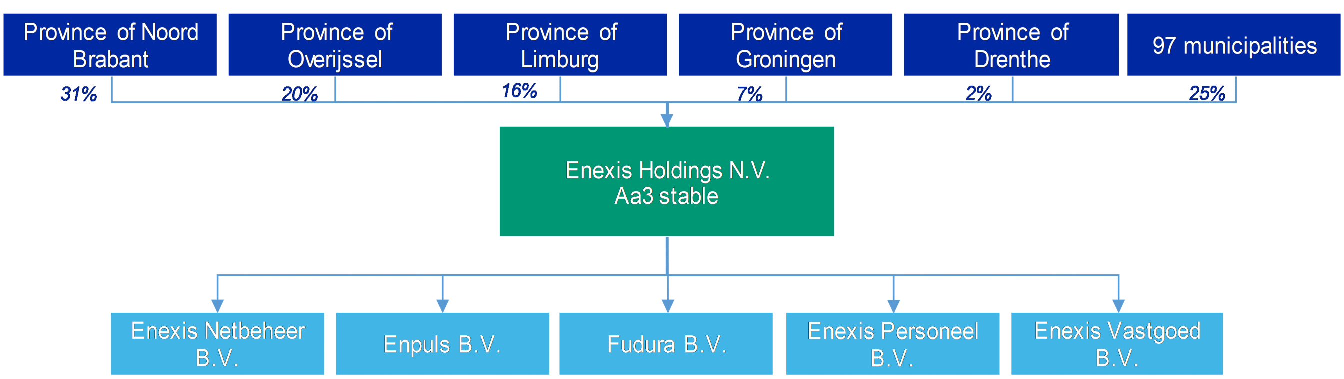
Enexis Holding N.V. (Enexis) is a holding company of Enexis Netbeheer B.V. (previously Enexis B.V.), which provides the regulated activities of owning and managing the gas and electricity distribution networks in several Dutch regions, covering around 31% of the country. The group's regulated activities generate more than 95% of revenue and represent around 90% of the group assets. The Enexis group is one of the three largest electricity and gas distribution network operators in the Netherlands, responsible for the maintenance, management and development of the medium-voltage electricity and gas distribution grids. It operates around 142,200 kilometres (km) of electricity cables and 46,300 km of gas pipelines, delivering electricity to around 2.9 million customers and gas to 2.3 million customers.

Enexis is also the holding company for non-regulated entities including Enpuls B.V., which focuses on innovation in relation to energy transition; Fudura B.V., which provides non-regulated energy management solutions; and two subsidiaries (Enexis Personeel B.V. and Enexis Vastgoed B.V.) that support the group in human resources and property management.

Enexis is owned by the five Dutch provinces (together owning 75.6%; Noord-Brabant (31%), Overijssel (20%), Limburg (16%), Groningen (7%) and Drenthe (2%)) and 88 municipalities (24.4%) of its service area.

Exhibit 3

Simplified organisational structure of the Enexis group



Endinet Groep B.V., which was acquired in January 2016, was legally dissolved in 2019 after being fully integrated into Enexis.
Sources: Enexis and Moody's Investors Service

Detailed credit considerations

Low business risk, underpinned by regulated cash flow

Enexis' core business activities relate to low-risk monopoly network operation. These activities generate predictable cash flow over the medium to long term and provide good visibility into future funding requirements.

Less than 10% of Enexis' revenue is derived from other utility services. These non-regulated businesses are complementary to the core activities and include the Fudura energy services brand.

Established regulatory framework, but returns continue to decline in real terms; gas networks may collect higher cash flow over 2022-26

The Dutch regulatory framework, applied since 2000 and 2001 for electricity and gas networks, respectively, allows the country's distribution network companies to earn a return on their regulated asset base and provides allowances for costs adjusted for Consumer Price Index inflation and an efficiency incentive factor. The regulation incorporates incentives determined using a "yardstick" mechanism, which defines the cost efficiency and quality factors based on industry averages and encourages network companies to improve profitability by outperforming the sector. This approach is typical among regulatory regimes in Europe, and we believe that the application by the Dutch regulator, the Authority for Consumers and Markets (ACM), has been transparent and consistent to date.

Current regulatory period (2017-21)

The current regulatory period for both electricity and gas distribution runs from January 2017 to December 2021. The Method Decisions, the ACM's final determination, were published in September 2016 and originally included a gradual reduction in the allowed return (weighted average cost of capital [WACC]) to 3.0% from 4.3% (both pretax, real) by 2021. Following successful appeals from Distribution System Operators (DSOs), new Method Decisions were published in January 2019, with the average WACC unchanged over the period but starting and finishing 20 basis points higher and lower, respectively. The Dutch network operators appealed the decision to lower the 2021 WACC and the appeal body College van Beroep voor het bedrijfsleven (CBb), ruled in December 2019 that the 2021 WACC in the original Method Decision should apply[1].

Exhibit 4
Allowed return for Dutch network operators shows a declining trend

WACC - Dutch DSOs	2008-2010	2011-2013	2014-2016	2017	2018	2019	2020	2021
risk free rate	4.00%	3.95%	2.50%	2.27%	2.03%	1.80%	1.56%	1.33%
risk premium	0.80%	1.50%	1.20%	0.91%	0.88%	0.86%	0.83%	0.81%
transaction costs	0.00%	0.00%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Nominal Cost of Debt	**4.80%**	**5.45%**	**3.85%**	**3.32%**	**3.06%**	**2.81%**	**2.55%**	**2.29%**
nominal risk free rate for CoE	4.00%	3.95%	2.50%	1.28%	1.28%	1.28%	1.28%	1.28%
market risk premium	5.00%	5.00%	5.00%	5.05%	5.05%	5.05%	5.05%	5.05%
asset beta	0.41	0.42	0.35	0.44	0.43	0.43	0.42	0.42
equity beta	0.86	0.81	0.61	0.77	0.76	0.76	0.75	0.74
Nominal Cost of Equity	**8.30%**	**8.00%**	**5.55%**	**5.18%**	**5.14%**	**5.10%**	**5.06%**	**5.02%**
gearing assumption	60%	55%	50%	50%	50%	50%	50%	50%
tax rate	25.5%	25.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Nominal WACC pre-tax	**7.3%**	**7.8%**	**5.63%**	**5.11%**	**4.96%**	**4.80%**	**4.65%**	**4.49%**
inflation	1.75%	1.55%	2.00%	0.90%	1.03%	1.16%	1.29%	1.42%
Real WACC pre-tax	**5.5%**	**6.2%**	**3.6%**	**4.21%**	**3.93%**	**3.64%**	**3.36%**	**3.0%**

(1) The WACC for 2021 corresponds to the original Method Decisions published in 2016, following the CBb ruling of December 2019. (2) The calculation for 2017-20 corresponds to a straight-line extrapolation between the 2016 WACC (Amended Method Decisions) and the 2021 WACC (Original Method Decisions).
Sources: ACM and Moody's Investors Service

The reduction in allowed returns is less material than for the 2014-16 regulatory period, during which it fell to 3.6% from 6.2% (both pretax, real) in linear steps. Enexis has demonstrated its ability to operate within the bounds of the regulatory return allowance and to fund comfortably within the cost of debt assumed by the regulator. We expect Enexis' cost of external debt to remain within the allowed cost for the period, supported by ongoing refinancing and new funding for its investment programme.

The regulator also imposes a series of cost-efficiency targets on the networks, which, combined with the allowed return, determine the so-called X-factor, currently set at 2.13% for electricity and 1.54% for gas annually for Enexis (previously around 5% and 7%, respectively). While base costs were reset on the basis of average efficient costs in the 2013-15 period, resulting in an increase in the overall revenue allowance for 2017-21, the forward-looking operating efficiency targets embedded in the X-factor may still prove difficult.

Next regulatory period 2022-2026

On 19 April 2021, the ACM has published its draft Method Decisions for electricity and gas distribution networks operators in the Netherlands for the 2022-26 regulatory period. For both electricity and gas distribution, the regulator proposes a reduction in allowed returns of around 180 basis points in real terms between 2021 and 2022, mostly reflecting the low interest rate environment. However, from 2022 the regulator proposes that it will recalculate the allowed return based on actual rates so that networks operators will be able to recover any difference with a two-year delay. The allowed return proposed in the draft determination corresponds to 1.2% in 2022 and 1.0% in 2026 (both in real terms) compared to 3.0% in real terms in 2021. For electricity distribution networks, the transmission grid charges which had been increased in 2020 are included in the cost allowance.

In its draft determination, the ACM proposes to differentiate the remuneration of electricity and gas distribution networks in order to reflects its expectation of a decrease in consumption of gas and hence an allocation of gas networks costs that puts more of the costs on current consumers versus future consumers for the 2022-26 regulatory period. These proposed changes include: (1) moving to a nominal return on assets from a real return; (2) accelerating depreciation of the regulated asset base (RAB) by a factor of 1.2; and (3) allowing the gas distribution network to recover the actual costs of removal of gas network, if these costs occur, via subsequent calculation and a recovery after two years. These proposed methodology changes follow the same logic as those introduced in the final determination for Gas Transport Services (GTS, the Dutch transmission network owned by N.V. Nederlandse Gasunie A1 stable) for which the regulator has applied a 3.1-3.0% nominal allowed return and accelerated depreciation by a factor of 1.3x over the 2022-26 period.

We estimate that the proposed methodology changes for gas distribution will generate additional EBITDA of €60-80 million per year or €45-60 million of FFO per year for Enexis over 2022-26. The ultimate credit impact of the proposed changes will depend on how Enexis will use the additional cash allowance.

Environmental considerations: National energy transition plan increases capital spending and brings challenges for the next regulatory period

The Netherlands has committed to ambitious climate change targets for 2020, including a 16% reduction in greenhouse gas emissions, compared with the 2005 levels, and 14% of gross final energy consumption from renewable energy. Progress has been slow and the Netherlands shows the largest gap between actual and planned renewable energy development in the European Union, with an actual share of renewables of 7.4% for 2018, compared with an indicative trajectory of 9.9%.

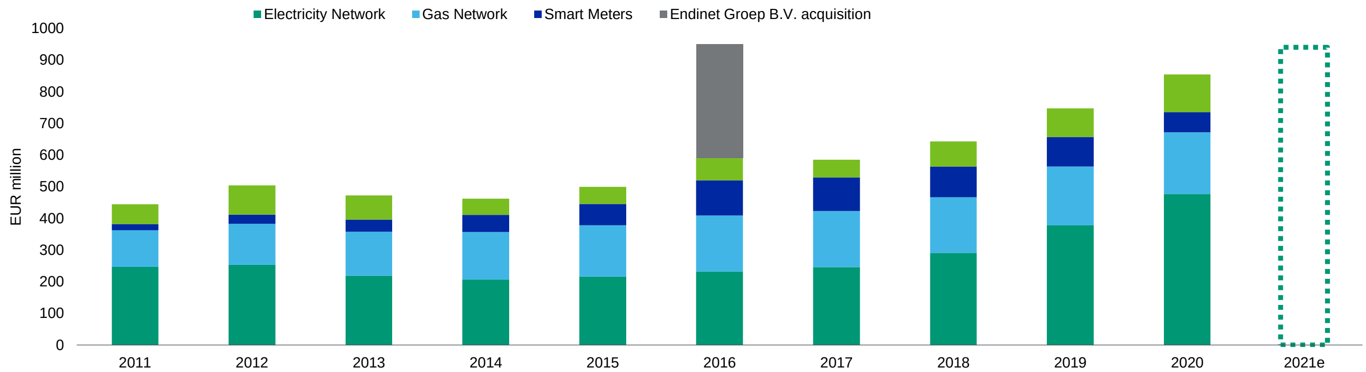
In June 2019, the Dutch Government adopted the Dutch Climate Agreement which commits the Netherlands to (1) a 49% reduction in CO_2 emissions (relative to 1990 levels) and the generation of 70% of electricity by renewable energy sources by 2030; and (2) a 95% reduction in CO_2 emissions (relative to 1990 levels) and the generation of all electricity carbon neutrally by 2050 .

Delivering these targets will require a significant acceleration of the energy transition across many areas that would result in material incremental capital spending for Enexis in the 2020s, including new connections for local renewable generation (primarily solar and onshore wind), reinforcing the grid to cope with the growth in electric vehicles and heat transition. Enexis has reported that, combined with the shortage of a skilled labour force, a shortage of grid capacity has led to some delay in connecting renewables to the grid.

The company's work package, which corresponds to long-term investments in its networks and smart meters and includes some operational costs, amounted to €882 million in 2020. This translated into €854 million total gross capital spending in 2020 and we forecast gross capital expenditure in excess of €940 million in 2021. As a result of the increase in capital spending need, Enexis's shareholders have provided additional funding through a €500 million convertible hybrid shareholder loan in 2020.

Exhibit 5

Enexis' capital spending will continue to increase in 2021 to support the country's energy transition



Note: The 2021 forecast corresponds to the company's estimate of around 10% increase in capex between 2020 and 2021
Sources: Enexis and Moody's Investors Service

Regulator considers options to mitigate stranded asset risk for the gas network

As illustrated by the cancellation of the requirement to provide compulsory gas connections to new residential areas, the Netherlands is moving away from natural gas towards more sustainable sources of energy, which raises the risk of stranded assets for gas networks. The ACM is considering its impact on gas networks' allowed revenue and has proposed several methodology changes in its draft Method Decisions for the regulatory period 2022-26 (see above). In parallel, the ACM is conducting analyses on the alternative uses of the gas network, such as green gas and hydrogen.

The country is contemplating developing its district heating infrastructure. While the activity does not benefit from a similar regulatory framework as electric or gas networks, some Dutch network operators such as Enexis could decide to have a role in its operation.

Modest leverage, compared with peers, supports strong standalone credit quality

Like its closest peer Alliander N.V. (Aa2 stable), Enexis exhibits a strong financial profile with modest financial leverage compared with the wider European peer group of energy network companies. We expect Enexis' metrics to weaken in 2021 with the reduction in allowed returns (itself a reflection of the continued low interest rate environment) and increasing investment requirements to support delivery of the country's energy transition.

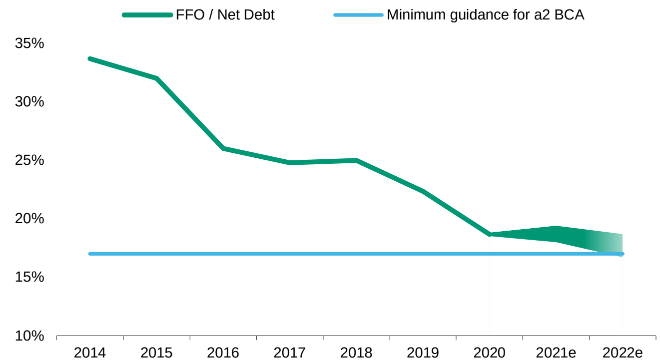
Financial metrics in 2020 have been negatively affected by the increase in transmission tariffs for the high-voltage grid in 2020 which has resulted in a €63 million increase in procurement costs paid by Enexis to Tennet Holding B.V. (A3 stable). While these costs will be recovered by Enexis with a two-year lag, the increase in costs has resulted in a decrease of around 2 percentage points of FFO / net debt in 2020.

Nevertheless, overall leverage will remain modest in the wider European context. We expect Enexis to maintain FFO/net debt in the high-teens in percentage terms and net debt/fixed assets below 40% in 2021. The robust financial metrics is also supported by a comparably modest dividend policy, with a maximum payout ratio of 50%, and an implicit commitment to shareholders to maintain an absolute dividend level of around €100 million on a best-efforts basis.

Exhibit 6

We expect a decline in cash flow because of lower returns ...

FFO/net debt against ratio guidance

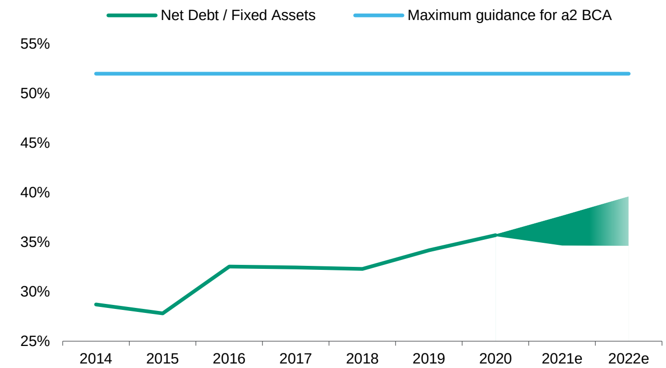


All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; Moody's projections represent Moody's forward view; not the view of the issuer; and unless noted in the text, do not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Exhibit 7

... but relatively stable net debt/fixed assets

Net debt/fixed assets against ratio guidance



All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; Moody's projections represent Moody's forward view, not the view of the issuer, and unless noted in the text, do not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Final rating incorporates two notches of rating uplift

Given its 100% ownership by Dutch provinces and municipalities, Enexis falls within the scope of our Government-Related Issuers rating methodology, published in February 2020.

Enexis' Aa3 rating incorporates a two-notch uplift from its standalone credit quality, expressed as a Baseline Credit Assessment of a2, reflecting the likelihood of extraordinary financial support being provided by its owners, if ever required, the largest of which is the Province of Noord-Brabant with around 31% shares. Although the ownership of Enexis is relatively fragmented among five provinces and 88 municipalities, our assumption of strong support reflects the importance of Enexis' network operations for the regional economy, the fact that the four largest provinces together hold around 75% of the company's shares and the strong governance framework in the Netherlands with oversight by the national government.

Our assessment of a very high level of default dependence reflects Enexis' significant exposure to the Dutch economy, as almost all of the company's revenue and cash flow are generated from domestic activities.

In addition, the Dutch government's ambitious decarbonisation agenda increases the strategic importance of Enexis to its owners as the central government increasingly sees municipalities as partners in the energy transition.

Low exposure to the impact from the coronavirus outbreak

Measures to counter the spread of the virus resulted in lower-than-expected electricity consumption in 2020, which resulted in network load (distribution volumes) and collected revenue being lower than expected. However, regulated networks benefit from regulatory protections against reduced consumption. In the case of Dutch DSOs, their exposure to volume risk is small because revenue is mostly based on capacity rather than volume.

Government restrictions, self-isolation and higher levels of staff sickness delayed the planned delivery of parts of network operators' investment programmes, such as smart meters connections for Enexis, which were rescheduled to be carried out in 2021.

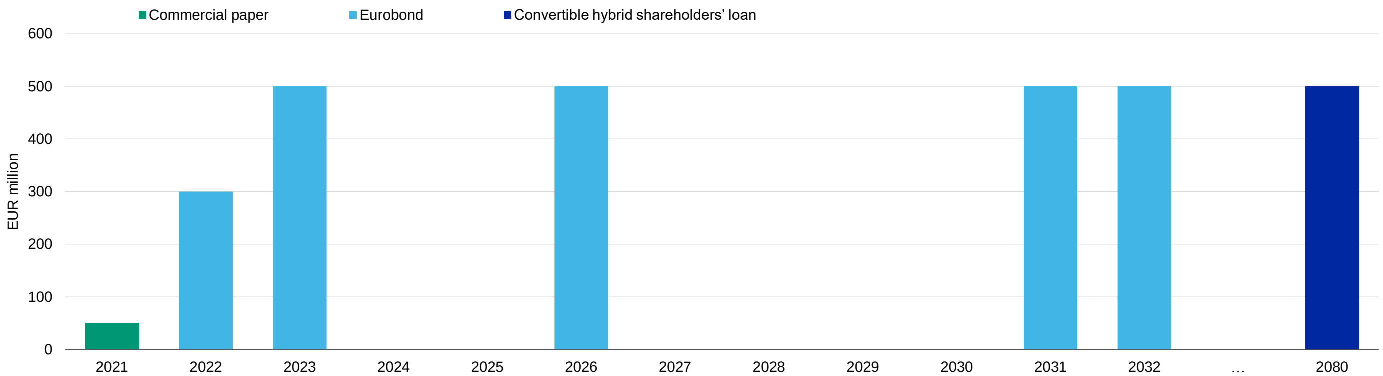
Liquidity analysis

Enexis' liquidity is supported by the strong and predictable cash flow generated from its regulated network activities, a cash and cash equivalent balance of €47 million as of 31 December 2020, access to a €850 million committed revolving credit facility (RCF) of which €164 million mature in December 2024 and €686 million mature in December 2025. At 31 December 2020, all facilities were fully undrawn.

Exhibit 8

Enexis' debt maturities are well distributed

As of 31 December 2020



Sources: Enexis and Moody's Investors Service

Methodology and scorecard

Enexis is rated in accordance with the rating methodologies for Regulated Electric and Gas Networks, published in March 2017, and Government-Related Issuers, published in February 2020.

Exhibit 9

Rating factors

Enexis Holding N.V.

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 12/31/2020		Moody's 12-18 Month Forward View As of May 2021 [3]	
Factor 1 : Regulatory Environment and Asset Ownership Model (40%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Regime	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Ability and Timeliness)	A	A	A	A
d) Revenue Risk	Aa	Aa	Aa	Aa
Factor 2 : Scale and Complexity of Capital Program (10%)				
a) Scale and Complexity of Capital Program	Baa	Baa	Baa	Baa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	A	A	A	A
Factor 4 : Leverage and Coverage (40%)				
a) FFO Interest Coverage (3 Year Avg)	11.3x	Aaa	15x - 17x	Aaa
b) Net Debt / Fixed Assets (3 Year Avg)	34.1%	Aa	35%-38%	Aa
c) FFO / Net Debt (3 Year Avg)	21.8%	A	17% - 19%	A
d) RCF / Net Debt (3 Year Avg)	17.6%	A	15%-17%	A
Rating:				
Indicated Rating from Grid Factors 1-4		A1		A1
Rating Lift	**0**	**0**	**0**	**0**
a) Scorecard-indicated outcome		A1		A1
b) Actual Baseline Credit Assessment				a2
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				a2
b) Government Local Currency Rating				n/a
c) Default Dependence				Very High
d) Support				Strong
e) Final Rating Outcome				Aa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2020;
[3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Ratings

Exhibit 10

Category	Moody's Rating
ENEXIS HOLDING N.V.	
Outlook	Stable
Issuer Rating -Dom Curr	Aa3
Senior Unsecured -Dom Curr	Aa3
ST Issuer Rating -Dom Curr	P-1

Source: Moody's Investors Service

Appendix

Exhibit 11
Peer comparison

(in EUR million)	Enexis Holding N.V. Aa3 Stable (BCA a2) FYE Dec-18	FYE Dec-19	FYE Dec-20	Alliander N.V. Aa2 Stable (BCA a1) FYE Dec-18	FYE Dec-19	FYE Dec-20	Fingrid Oyj A1 Stable (BCA a2) FYE Dec-18	FYE Dec-19	FYE Dec-20	N.V. Nederlandse Gasunie A1 Stable (BCA a3) FYE Dec-18	FYE Dec-19	FYE Dec-20	TenneT Holding B.V. A3 Stable (BCA baa2) FYE Dec-18	FYE Dec-19	FYE Dec-20
Revenue	1,445	1,491	1,516	1,920	1,930	2,009	853	789	682	1,251	1,278	1,372	4,269	4,422	5,025
EBITDA	760	737	650	753	755	706	300	241	223	777	899	909	1,675	2,007	2,378
Total Assets	7,807	8,258	8,749	8,455	8,791	9,422	2,134	2,144	2,305	9,991	10,118	10,376	21,304	22,964	26,795
Total Debt	2,395	2,696	2,976	2,156	2,376	2,805	1,085	1,120	1,175	3,841	3,821	3,629	10,114	11,006	14,480
Net Debt	2,364	2,634	2,929	2,017	2,224	2,508	1,000	1,037	1,049	3,814	3,775	3,611	10,106	10,803	14,003
FFO / Net Debt	25.0%	22.3%	18.7%	31.3%	28.4%	24.2%	24.2%	18.6%	16.6%	16.8%	20.9%	21.5%	12.4%	15.0%	15.2%
RCF / Net Debt	20.6%	17.7%	15.1%	25.9%	21.5%	19.5%	6.9%	2.0%	2.5%	10.0%	14.9%	13.5%	10.0%	13.4%	13.9%
(FFO + Interest Expense) / Interest Expense	9.9x	11.7x	13.0x	12.2x	12.7x	14.8x	15.0x	14.1x	14.1x	8.7x	9.0x	10.8x	6.8x	8.4x	10.1x
Net Debt / EBITDA	3.1x	3.6x	4.5x	2.7x	2.9x	3.6x	3.3x	4.3x	4.7x	4.9x	4.2x	4.0x	6.0x	5.4x	5.9x

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 12
Debt adjustment breakdown

(in EUR million)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20
As Reported Total Debt	2,269	2,276	2,487	2,303	2,696	2,976
Pensions	0	0	0	0	0	0
Leases	116	132	84	92		
Moody's Adjusted Total Debt	2,385	2,408	2,571	2,395	2,696	2,976
Cash & Cash Equivalents	(657)	(198)	(286)	(31)	(62)	(47)
Moody's Adjusted Net Debt	1,728	2,210	2,285	2,364	2,634	2,929

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 13
Select historical financials as adjusted by Moody's

(in EUR million)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20
INCOME STATEMENT						
Revenue	1,353.0	1,376.0	1,398.0	1,445.0	1,491.0	1,516.0
EBITDA	729.6	728.0	725.0	760.0	737.0	650.0
EBITDA margin %	53.9%	52.9%	51.9%	52.6%	49.4%	42.9%
EBIT	418.6	371.6	362.0	391.5	358.0	244.0
EBIT margin %	31%	27%	26%	27%	24%	16%
Amortization	27.0	31.0	29.0	24.0	26.0	32.0
BALANCE SHEET						
Net Property Plant and Equipment	6,217.0	6,791.0	7,040.0	7,318.0	7,704.0	8,204.5
Total Assets	7,195.0	7,416.0	7,752.0	7,807.0	8,258.0	8,748.5
Total Debt	2,385.0	2,408.0	2,571.0	2,395.0	2,696.0	2,976.0
Cash & Cash Equivalents	657.0	198.0	286.0	31.0	62.0	47.0
Net Debt	1,728.0	2,210.0	2,285.0	2,364.0	2,634.0	2,929.0
Total Liabilities	3,588.0	3,712.0	3,944.0	3,783.0	4,146.0	4,634.4
CASH FLOW						
Funds from Operations (FFO)	554.0	574.4	566.0	590.5	588.0	546.5
Cash Flow From Operations (CFO)	560.0	556.4	575.0	616.5	542.0	609.5
Dividends	133.0	111.0	104.0	103.0	122.0	105.0
Retained Cash Flow (RCF)	421.0	463.4	462.0	487.5	466.0	441.5
Capital Expenditures	(469.0)	(550.4)	(532.0)	(580.5)	(669.0)	(771.5)
Free Cash Flow (FCF)	(42.0)	(105.0)	(61.0)	(67.0)	(249.0)	(267.0)
LEVERAGE						
(FFO + Interest Expense) / Interest Expense	6.5x	8.2x	10.0x	9.9x	11.7x	13.0x
Net Debt / EBITDA	2.4x	3.0x	3.2x	3.1x	3.6x	4.5x
FFO / Net Debt	32.1%	26.0%	24.8%	25.0%	22.3%	18.7%
RCF / Net Debt	24.4%	21.0%	20.2%	20.6%	17.7%	15.1%
FCF / Net Debt	-2.4%	-4.8%	-2.7%	-2.8%	-9.5%	-9.1%

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Endnotes

1 CBb Method decisions 2017-2021 WACC - Reformation in peius, published 03 December 2019.

REPORT NUMBER 1271425

CLIENT SERVICES

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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