

Rating object	Rating information	
<b>SNCF S.A.</b>  Creditreform ID: 400974433 Incorporation: 1 January 2020 (as a société anonyme) Based in: Saint Denis, France Main (Industry): Management of railway, passenger and freight transport CEO: Jean-Pierre Farandou  <u>Rating objects:</u> Long-term Corporate Issuer Rating: SNCF S.A. Long-term Local Currency (LT LC) Senior Unsecured Issues	Corporate Issuer Rating: <b>AA- / negative</b>	Type: Update unsolicited
	LT LC Senior Unsecured Issues: <b>AA- / negative</b>	Other: <b>n.r.</b>
	Rating date: 07 May 2020 Monitoring until: withdrawal of the rating Rating methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" CRA "Government Related Companies" CRA "Rating Criteria and Definitions" Rating history: <a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	

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## Summary

### Company

The SNCF-Group is the French railway operator and a world leader in passenger transport and merchandise logistics. SNCF operates approximately 30.000 km of track, moves five million passengers per day by rail in France, and employs approximately 275.000 staff.

As of 1 January 2020, the organizational structure and legal form of the SNCF-Group was adjusted following the implementation of the French railway pact. The Group, formerly comprising three ÉPICs (Établissements Public à caractère Industriel et Commercial), changed into a Group consisting of five limited liability companies (SNCF S.A., SNCF Réseau S.A, SNCF Gares & Connexions S.A., SNCF Voyageurs S.A., and SNCF Fret S.A.). As part of this reorganization ÉPIC SNCF Mobilités transferred all its assets rights and obligations (except for one liability that is not transferred) attached to its operating activities (passenger station management, passenger transport activities and freight rail transport activities) via a net carrying amount contribution to other wholly owned subsidiaries of the SNCF Group. Subsequently ÉPIC SNCF Mobilités acquired all the rights and obligations at the net carrying amount of ÉPIC SNCF. The Company now continues to operate as the holding company for the SNCF Group and oversees the implementation of the long-term strategic objectives and financial management for the Group. During this process, ÉPIC SNCF Mobilités was renamed to SNCF S.A.

During the business year 2019 the Group generated EUR 35,120 million (2018: EUR 33,311 million), EBITDA of EUR 5,739 million (2018: EUR 5,064 million), EBIT of EUR 1,793 million (2018: EUR 2,234 million) and EAT of EUR -801 million (2018: EUR 141 million).

### Rating result

The current rating of AA- attests SNCF S.A. a very high level of creditworthiness, which represents a low default risk.

The primary rating driver for this unsolicited corporate issuer rating is the Company's high degree of systemic relevance for France and close relationship with the French government. Despite the loss of its ÉPIC status, we continue to assume a very high willingness on the part of the French government to financially support SNCF S.A. in a crisis scenario. Their close relationship is evidenced by its ownership, the high percentage of revenue generated by the French government, and the debt relief mechanism, which was implemented by the French government for

SNCF Réseau S.A. The current sovereign rating for the French republic is AA with stable outlook (05.06.2019).

The distance of one notch between the unsolicited corporate issuer rating and the sovereign rating of the French republic stems from the weak financial key-figures, the liberalization of the French passenger rail market and its degree of international activities, which slightly lower the French systemic relevance of the Group as a whole. The debt relief mechanism that was implemented as of 1 January 2020 significantly improved the leverage of SNCF and has a positive influence on the rating result.

### Outlook

The one year outlook for the unsolicited corporate issuer rating of SNCF S.A is negative. We expect a significant decline in revenues and earnings in all segments of the Company in 2020 following the lockdown measures implemented by the French government as a reaction on the COVID-19 pandemic. Additionally, we expect an economic downturn for the French and global economy, which will also hamper the Group's earnings development.

## Relevant rating factors

Table 1: Financials I Source: SNCF S.A. Annual Report 2019, standardized by CRA

SNCF S.A. Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS)	CRA standardized figures <sup>1</sup>	
	2018	2019
Sales (million EUR)	33,311	35,120
EBITDA (million EUR)	5,064	5,739
EBIT (million EUR)	2,234	1,793
EAT (million EUR)	214	-774
EAT after transfer (million EUR)	141	-801
Total assets (million EUR)	85,133	91,418
Equity ratio (%)	-13.19	-13.67
Capital lock-up period (days)	70.24	70.36
Short-term capital lock-up (%)	41.43	42.70
Net total debt / EBITDA adj. (Factor)	21.92	17.20
Ratio of interest expenses to total debt (%)	1.51	1.79
Return on investment (%)	1.94	1.18

### General rating factors

- + Government related Group (Fully owned by the French government) and assumed high probability of extraordinary government support in the event of financial distress
- + Strategic importance for the French republic
- + Ongoing contributions from the French state and transport authorities
- + High entry barriers
- + World leader in urban mass transit and logistics with a presence in more than 120 countries

### Excerpts from the financial key figures analysis 2019:

+EBITDA adj.

- Equity ratio
- Ratio of interest expenses to total debt
- EBIT, EAT
- Net total debt / EBITDA ad.
- Return on investment

### Reference:

The relevant rating factors (key drivers) mentioned in this section, are predominantly based on internal analyses and evaluations of the rating process and the derived valuations of the analysts participating in the rating and, if applicable, other rating committee members. The fundamental external sources used, are specified in the section "Regulatory requirements" and "Rules on the presentation of credit ratings and rating outlooks".

**General rating factors** summarize the key issues that – according to the analysts as per the date of the rating – have a significant or long-term impact on the rating, positive (+) as well as negative (-).

<sup>1</sup> For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, when calculating the analytical equity ratio, deferred tax assets, goodwill (entirely or partly), and internally generated intangible assets are subtracted from the original equity, whilst deferred tax liabilities are added. Net total debt considers all balance sheet liabilities. Therefore, the key financial figures shown often deviate from the original values of the company.

- + Low Co2 output compared to other modes of travel
- Capital intensive business with very high fixed costs and ongoing capital investments
- Dependent on investment grants to complete its investments
- Liberalization of passenger rail transport

#### Current rating factors

- + Improved leverage following the EUR 35 billion debt relief for SNCF Réseau, of which EUR 25 billion as of January 2020.
- + Strong operating performance during the business year 2019
- Strikes in 2019 and 2018 in France negatively affecting financial performance
- The COVID-19 pandemic is currently significantly reducing passenger and freight transport
- Ongoing high levels of uncertainty and risk associated with the pandemic

#### Prospective rating factors

- + An upgrade in the sovereign rating of the republic of France
- + Further internationalization, digitalization or modernisation
- + The assumption of debt or further debt relief by the French government
- A downgrade in the sovereign rating of the republic of France
- A clear increase in the Group's investment program, adversely affecting cash-flows
- Ongoing reduction in passenger and freight traffic due to the COVID-19 pandemic

#### ESG-factors

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the case of SNCF S.A. we have identified ESG factors with significant influence on the following categories, of which their influences are described in the chapters listed below.

(E) The business model makes a significant contribution to the reduction of CO2 emissions in the transportation of goods and people and, in our opinion, will continue to play an important role in the European transport policy in the future.

Please Note: We do not currently see the negative effects from the COVID-19 pandemic as an ESG factor, but as a short-term external shock with considerable effects on the French, European and global economy. The effects are therefore taken into account in the present rating, but are not shown as an ESG factor. In the medium to long term, ESG-relevant aspects can arise from this. A general valid description of Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found here: [https://www.creditreform-rating.de/pub/media/global/page\\_document/The\\_Impact\\_of\\_ESG\\_Factors\\_on\\_Credit\\_Ratings.pdf](https://www.creditreform-rating.de/pub/media/global/page_document/The_Impact_of_ESG_Factors_on_Credit_Ratings.pdf)

**Current rating factors** are the key factors that have, in addition to the underlying rating factors, an impact on the current rating.

**Prospective rating factors** are factors and possible events that – according to the analysts as per the date of the rating – would most likely have a stabilizing or positive effect (+) and a weakening or negative effect (-) on future ratings, if they occurred. This is not a full list of possible future events with potential relevance for future ratings. Circumstances can arise that are not included in the list of prospective factors whose effects are impossible to assess at the time of the rating, either because these effects are uncertain or because the underlying events are deemed unlikely to occur.

**ESG factors** are factors related to the environment, social issues and, governance. For more information, please see the in "Regulatory requirements" CRA generally takes ESG relevant factors into account, when assessing the rating object and discloses them when they have a significant influence on the creditworthiness of the rating object, leading to a change in the rating result or the outlook.

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

**Best-case scenario: AA-**

In our Best-case-scenario for one year, we assume a rating of AA-. Given its systemic relevance for the French State, we assume support from the French State in the event of distress.

**Worst-case scenario: A+**

In our Worst-case-scenario for one year, we assume a rating of A+, linked to a downgrade of the sovereign rating of the French Republic or if CRA believes that the support of the French state has diminished. A downgrade could also occur if the financial ratios of the company are lastingly overstepped without any financial intervention from the French State.

**Business development and outlook**

During the business year 2019 the Group generated EUR 35,120 million (2018: EUR 33,311 million) an EBITDA of EUR 5,739 million (2018: EUR 5,064 million), EBIT of EUR 1,793 million (2018: EUR 2,234 million) and EAT of EUR -801 million (2018: EUR 141 million). Organically the Group managed to increase revenues by EUR 1,689 million (+5.1%). The increase in revenues was especially driven by SNCF Transilien & TER (+459 million; +6.0%) and Keolis (+ EUR 597 million; +10.1%). The Group's revenue and results in 2018 and 2019 were both negatively affected by the strikes in France. The effect of the strikes on revenue during 2019 was EUR -690 million, also negatively affecting EBITDA by EUR -614 million. The strikes in 2018 cut revenue by approximately EUR-890 million and EBITDA by EUR -770 million.

The Group's EBITDA increased year on year by EUR 675 million (+ 13%) to EUR 5,739 million (2018: EUR 5,064 million) and EBIT in 2019 was EUR 1,793 million (2018: 2,232 million). The changes in EBITDA and EBIT also result from the first time application of IFRS 16. Furthermore, the decrease in EBIT was caused by asset disposals and fair value remeasurements of previously held interest in 2018. The SNCF-Group's financial costs amounted to EUR -1,822 million (2018: EUR -1,411 million), an increase of EUR 418 million, mainly due to fair value changes (EUR 198 million) and in line with the adoption of IFRS 16 (EUR 145 million). The Group's income tax expense amounted to EUR 745 million (2018: EUR 609 million). This increase was mainly due to an impairment of deferred tax assets. The EAT 2019 came in at EUR -801 million (2018: EUR 141 million). Adjusted by all non-recurring events the Groups EAT would have been EUR -301 million, if adjusted by the strike too EUR 313 million.

The SNCF Group invested EUR 9,865 million (2018: EUR 8,868 million) during the 2019 business year. The increase in investment mainly involves SNCF Réseau (+ EUR 564 million) due to a rise in rail network development projects. Other increases are due to rolling stock purchases, mainly at Transilien, TER and Intercités. During the business year the SNCF-Group received investments grants of EUR 3.120 million (2018: EUR 2,413 million).

As of 1 January 2020, the Group underwent a structural change following the implementation of the French rail reform in which the three ÉPIC companies formed a group consisting out of five limited liability companies. The French rail reform provided for a debt relief mechanism for SNCF Réseau by the French government to enable it to improve its financial profile and cost structure. The French state will absorb EUR 35 billion of SNCF Réseau's in total, of which EUR 25 billion as of January 1, 2020 and the remaining amount of EUR 10 billion in 2022, in accordance with the French prime minister's announcements on May 25, 2018. The debt relief will reduce the financial cost for SNCF Réseau by approximately EUR 0.7 billion in 2020 and EUR 1 billion from 2022 onwards

The containment measures that were implemented due to the COVID-19 pandemic has significantly reduced the Group's service output and revenues. SNCF published on 3 April 2020, that TGV and Intercités' services have been reduced to around 10% and Transilien, TER and Keolis have reduced their output to 15-20% of normal levels, in agreement with their organizing authorities. Rail freight has also been impacted significantly running at approximately 65% of normal levels. Geodis' business also declined significantly during this time.

We do not expect the SNCF Group to experience any liquidity shortages in the near or medium term. The ongoing uncertainty that results from the COVID-19 pandemic do form a threat to the Company's operating performance. Due to the close relationship between the SNCF-Group and the French government, that also continues to exist after the changes to the Groups structure, we believe that it is likely that, the French government will provide the necessary financial support for SNCF if necessary.

### Structural risk

Following France's railway reform act of June 2018 the SNCF-Group changed its legal structure as of 1 January 2020. The three ÉPIC'S (ÉPIC SNCF, SNCF Mobilités ÉPIC and SNCF Réseau ÉPIC) were reorganized into five limited liability companies. (SNCF S.A., SNCF Réseau S.A, SNCF Gares & Connexions S.A., SNCF Voyageurs S.A., and SNCF Fret S.A.). SNCF S.A. is the parent company and function as the Group holding, which takes care of the Group's long-term-strategic and financial management. SNCF S.A. was created by EPIC SNCF Mobilités, which transferred all of its operating activities and rolling stock to SNCF Voyageurs S.A. and subsequently merged with, and absorbed ÉPIC SNCF, after which ÉPIC SNCF was dissolved.

SNCF S.A. is a public limited liability company with public capital and is fully owned by the French government. The shares are non-transferrable to ensure that the government retains full ownership and control over the Group. The main strategic subsidiaries of the Group in France (SNCF Réseau S.A. and SNCF Voyageurs S.A) are also public limited liability companies with public capital are fully owned by SNCF S.A. and their shares are also non-transferrable.

The operating activities are held by the subsidiaries. SNCF Réseau S.A continues to maintain, upgrade and manage the French railway network, serving both passenger and freight rail operators. In the course of this reorganization the Group's stations manager "SNCF Gares & Connexions S.A." was transferred from SNCF Mobilités S.A. to SNCF Réseau S.A.

The newly founded SNCF Voyageurs S.A. provides passenger transport activities in and outside of France via its subsidiaries Voyages SNCF, TER, Transilien and Meteriel. It provides both commuter mobility and long distance travel. In the course of this reorganization SNCF Voyageurs S.A. also took over the participations in Thalys ( 62% ) and Eurostar ( 55% ).

Further subsidiaries of SNCF S.A. are the largest freight operator in France; SNCF Fret S.A (100%), SNCF Geodis (100%) both logistics provider and Keolis (70%) which provides passenger transport services. SNCF Geodis and Keolis were formerly subsidiaries of SNCF Mobilités, but are now directly owned by the Group's parent company SNCF S.A.

The change in legal structure as stipulated by the railway reform act has not significantly changed our assessment of the SNCF-Group as a government related entity. As SNCF S.A. is still fully owned by the French government, and its shares are non-transferrable, as are the shares of SNCF Réseau S.A and SNCF Voyageurs S.A., which are fully owned by SNCF S.A. we continue to see the SNCF-Group as closely related to the French government.

## Business risk

SNCF S.A. is fundamentally dependent on transport demand, both passenger and freight. Passenger demand has been rising over recent years. However, due to the current pandemic, the transport demand both in passenger and freight transport have significantly declined. It is difficult to assess how the COVID-19 crisis will evolve, but the measures imposed by governments are currently significantly reducing the operating performance of the company.

The SNCF-Group has a monopoly position for a large portion of its passenger transport activity. The French railway pact, which was completed and clarified by decree 2019-552 of 3 June, 2019 also provides the opening of the national passenger rail transport market to competition (liberalization). As of 3 December 2019, the French state and regional authorities may launch call for tenders to select a rail operator for the regulated rail transport. This affects TER, Intercités and Transilien. The long-distance travel (Voyages SNCF) will open its market for competition from 2020. Some rail operators (Thello, Trainitalia and Flixtain) have already expressed their interest in accessing the French market. Some of the Group's other subsidiaries already had to deal with a competitive environment (Geodis, Keolis, Fret, Eurostar and Thalys).

The Group is highly dependent on the French government. During the business year 2019 the government and local authorities accounted for EUR 16.216 million (46%) of the Group's revenues, mainly through operating agreements. Additionally, the Group receives operating and investment grants. Especially SNCF Réseau, the railway operator of France, is dependent on the French state, as the Group's gross profit does not cover its investments and financial expenses.

The state and SNCF Réseau always draw up a ten-year agreement (performance contract) to determine the operational, commercial and financial objectives for the next years. The current performance contract dates from 2017 and incorporates EUR 46 billion of investments to modernize and renew the railway network. Under the Decree 2019-552 of 3 June 2019 a ten-year agreement for SNCF Réseau will be drawn up and will be signed in 2020. Every three years an update is to be conducted. It is planned that the investment amount for SNCF Réseau will increase by approximately EUR 200 million from 2022 onwards

Due to the Group's dominant position in France and its close relationship with the French government (as evidenced by the percentage of revenues, its ownership and the governmental grants), we assess the business risk profile for SNCF S.A. as low. However, because of the liberalization of the passenger-rail-transport sector in France increased the Group's business risk profile and we expect that it will negatively affect future business for the Group. Additionally, the refusal of the transport regulatory authority to approve tariffs could also lead to an adverse effect for the Group's earnings.

## Financial risk

For the purposes of its financial ratio analysis, Creditreform Rating AG (CRA) adjusted the original values in the financial statements. Contrary to our normal practice, we deducted the goodwill shown on the balance sheet from the equity by 50%, suggesting a certain recoverability of the goodwill.

The consolidated capital structure of SNCF S.A. contained some weaknesses. The equity ratio was negative at -13.67% (2018: -13.19%) and the net total debt/EBITDA adj. stood at 17.20 (2018: 21.92). The Group's internal financing power and ability to deleverage is limited and is heavily burdened by SNCF Réseau, which accounted for EUR 51.9 billion of the Group's total EUR 60.3 billion net debt.

SNCF Réseau is governed by a golden rule, which should keep its indebtedness in control. The golden rule stipulates that when net debt / gross profit ratio exceeds 18, investment projects will be funded by the state, local authorities or any other party, if it is not exceeded the projects will be subject to financial assistance of the French state, local authorities or any other party. In September 2016 the government adopted an amendment to deviate from this golden rule for the financing of the "Charles deGaulle Express" connection. As of 31.12.2019 the golden rule stood at 26.84.

The new railway pact stipulates that the golden rule must stay below 6 as of January 2027. In order to comply with this new regulation the French rail reform provided for debt relief of EUR 35 billion, of which EUR 25 billion as of 1 January 2020 and EUR 10 billion in 2022. Additionally, SNCF Réseau will adopt a debt reduction strategy starting 2024. This is also to be realized by a change in the financing policy of the SNCF-Group. SNCF S.A. will become the sole issuer for the entire Group and will replace the programs of ÉPIC SNCF Mobilités and ÉPIC SNCF Réseau. SNCF Réseau will for operational purposes keep its EMTN program until July 2020, which will then also be terminated. The existing debt will remain on the level of SNCF Réseau

The Group's liquidity was sufficient as of 31.12.2019. The Group had a current ratio of 96.97% (2018: 97.78%). Cash and cash equivalents amounted to EUR 7,8 billion. On 3 April 2020, the Group announced that it still had a liquidity position of approximately EUR 7 billion, of which EUR 3.7 billion cash and EUR 3.5 billion revolving credit facility. Additionally, the Group disposes over short term paper programs amounting up to EUR 8 billion, of which only 12.7% has been used.

The SNCF-Group generated a free cash flow of EUR -2.3 billion (2018: EUR -2.6 billion). Without SNCF Réseau the Group has a positive free cash flow. The debt relief of EUR 35 billion will reduce the financial cost for SNCF Réseau by approximately EUR 0.7 billion in 2020 and EUR 1 billion from 2022 onwards, thereby significantly improving the free cash flow generation of the Group which is targeting a balanced free cash flow by 2022.

The indebtedness of the Group is very high, mainly caused by its business model and the investment program of SNCF Réseau. The debt relief will significantly improve SNCF Réseau's and the Group's financial position. In addition the more stringent golden rule will limit the Group's future indebtedness and constrain the debt levels at an acceptable level. Overall, and despite its high level of debt we assess the finance risk profile as moderate to low because of the government related aspects.

## Issue rating

### Issue rating details

The rating objects of this issue rating are exclusively the long-term senior unsecured issues, denominated in euro, issued by SNCF S.A. and which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB. The notes have been issued under the EMTN program with its latest prospectus of 15 March 2020. This EMTN program amounts to EUR 12 billion. The notes under the EMTN program are senior unsecured, and rank at least pari passu among themselves and with all other present and future unsecured and unsubordinated obligations of the issuer. Additionally, the notes benefit from a negative pledge provision.

We have provided the debt securities issued by SNCF S.A. with a rating of AA- with negative outlook. The rating is based on the corporate rating of SNCF S.A. Other types of debt instruments or issues denominated in other currencies of the issuer have not been rated by CRA. For a list of

all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

#### Result corporate issue rating

We derive the rating of the in euro denominated bonds of the issuers from the corporate issuer rating of Company. The ratings of the issues is/are therefore set equal to the corporate rating of the issuer. The rating result is AA- with negative outlook. For the issue ratings we have applied our rating methodology for corporate issues.

#### Overview

Table 2: Overview of CRA Ratings | Source: CRA

Rating category	Details	
	Date	Rating
SNCF S.A. (Issuer)	07.05.2020	AA- / negative
Long-term Local Currency (LC) Senior Unsecured Issues	07.05.2020	AA- / negative
Other	--	n.r.

Table 3: Overview of 2020 Euro Medium Note Programme | Source: Base Prospectus dated 15.03.2020

Overview 2020 EMTN Programme			
Volume	EUR 12,000,000,000	Maturity	Depending on the respective bond
Issuer / Guarantor	SNCF S.A.	Coupon	Depending on the respective bond
Arranger	HSBC France	Currency	Depending on the respective bond
Credit enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured Notes that will be issued by SNCF S.A. and that have similar conditions to the current EMTN programme, denominated in Euro and included in the list of ECB-eligible marketable assets will, until further notice, receive the same ratings as the current LT LC senior unsecured Notes issued under the EMTN programme. Notes issued under the programme in any currency other than euro, or other types of debt instruments, have not yet been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG. For the time being, other emission classes or programmes (such as the Commercial Paper Programme) and issues that do not denominate in euro will not be assessed.

## Financial ratio analysis

Table 4: Financial key ratios | Source: SNCF S.A. annual report 2019, structured by CRA

Asset Structure	2017	2018	2019
Fixed asset intensity (%)	71.87	72.84	73.68
Asset turnover	0.42	0.40	0.40
Asset coverage ratio (%)	-16.10	-12.60	-13.48
Liquid funds to total assets (%)	12.17	9.63	8.48
Capital Structure			
Equity ratio (%)	-15.94	-13.19	-13.67
Short-term-debt ratio (%)	27.19	27.78	27.15
Long-term-debt ratio (%)	4.37	4.01	3.74
Capital lock-up period (in days)	63.75	70.24	70.36
Trade-accounts-payable ratio (%)	7.12	7.53	7.41
Short-term capital lock-up (%)	40.95	41.34	42.70
Gearing	-6.51	-7.85	-7.69
Leverage	-5.79	-6.88	-7.44
Financial Stability			
Cash flow margin (%)	8.73	5.03	8.39
Cash flow ROI (%)	3.56	1.97	3.22
Total debt / EBITDA adj.	19.95	23.96	18.59
Net total debt / EBITDA adj.	17.85	21.92	17.20
ROCE (%)	5.86	3.12	3.43
Total debt repayment period	39.45	61.49	22.22
Profitability			
Gross profit margin (%)	58.61	57.84	61.10
EBIT interest coverage	1.89	1.54	0.97
EBITDA interest coverage	3.58	3.37	3.09
Ratio of personnel costs to total costs (%)	42.26	42.58	41.50
Ratio of material costs to total costs (%)	41.39	42.16	38.90
Cost income ratio (%)	91.91	93.59	94.94
Ratio of interest expenses to total debt (%)	1.55	1.51	1.79
Return on investment (%)	3.66	1.94	1.18
Return on equity (%)	-11.12	-1.76	--
Net profit margin (%)	4.58	0.64	-2.20
Operating margin (%)	8.35	6.71	5.11
Liquidity			
Cash ratio (%)	44.78	34.67	31.25
Quick ratio (%)	98.02	92.70	91.49
Current ratio (%)	103.45	97.78	96.97

## Appendix

### Rating history

The rating history is available under <https://www.creditreform-rating.de/de/ratings/published-ratings/>.

Table 5: Corporate Issuer Rating of SNCF S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	01.02.2017	10.02.2017	23.04.2017	AA- / stable

Table 6: Corporate Issuer Rating of SNCF S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	08.10.2018	16.10.2018	06.05.2020	AA-

### Regulatory requirements

The present rating is an unsolicited rating in the regulatory sense. The analysis was carried out on a voluntary basis by Creditreform Rating AG, which was not commissioned by the Issuer or any other third party to prepare the present rating.

The rating is based on the analysis of published information and on internal evaluation methods for the assessment of companies and issues. The rating object was informed of the intention of creating or updating an unsolicited rating before the rating was determined.

The rating object participated in the creation of the rating as follows:

Unsolicited Corporate Issuer / Issue Rating	
With rated entity or related third party participation	No
With access to internal documents	No
With access to management	No

A management meeting did not take place within the framework of the rating process.

The documents and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies.

The rating was conducted based on the following rating methodologies and the basic document.

Rating methodology	Version number	Date	Website
Corporate Ratings	2.3	29.05.2019	<a href="https://www.creditreform-rating.de/pub/media/global/page_document/Rating_Methodology_Corporate_Ratings_2.3.pdf">https://www.creditreform-rating.de/pub/media/global/page_document/Rating_Methodology_Corporate_Ratings_2.3.pdf</a>
Government-related Companies	1.0	19.04.2017	<a href="https://www.creditreform-rating.de/pub/media/global/page_document/Rating_Methodology_Government-Related_Companies.pdf">https://www.creditreform-rating.de/pub/media/global/page_document/Rating_Methodology_Government-Related_Companies.pdf</a>
Non-financial Corporate Issue Ratings	1.0	October 2016	<a href="https://www.creditreform-rating.de/pub/media/global/page_document/Rating%20Methodology%20Non-Financial%20Corporate%20Issue%20Ratings.pdf">https://www.creditreform-rating.de/pub/media/global/page_document/Rating%20Methodology%20Non-Financial%20Corporate%20Issue%20Ratings.pdf</a>
Rating Criteria and Definitions	1.3	January 2018	<a href="https://www.creditreform-rating.de/pub/media/global/page_document/CRAG_Rating_Criteria_and_Definitions_v1_3_01-2018.pdf">https://www.creditreform-rating.de/pub/media/global/page_document/CRAG_Rating_Criteria_and_Definitions_v1_3_01-2018.pdf</a>

The documents contain a description of the rating categories and a definition of default.

The rating was carried out by the following analysts:

Name	Function	Email-Address
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The rating was approved by the following person (person approving credit ratings, PAC):

Name	Function	Email-Address
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On 7 May 2020, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 8 May 2020. There has not been a subsequent change to the rating.

The rating will be monitored until Creditreform Rating AG withdraws the rating. The rating can be adjusted as part of the monitoring, if crucial assessment parameters change.

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1. Annual report
2. Website
3. Internet research

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1. Corporate issuer rating incl. information used for the corporate issuer rating
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