

Rating object	Rating information	
<b>Atlantia S.p.A.</b>  Creditreform ID: 03731380261 Incorporation: 2003 Based in: Rome, Italy (Main) Industry: Management of toll motorways and airports General Manager: Giancarlo Guenzi  <u>Rating objects:</u> Long-term Corporate Issuer Rating: Atlantia S.p.A. Long-term Local Currency (LT, LC) Senior Unsecured Issues	SME / Corporate Issuer Rating: <b>BBB / WATCH NEW</b>	Type: Update unsolicited
	LT Senior Unsecured Issues, LC: <b>BBB-/ WATCH NEW</b>	Other: <b>n.r.</b>
	Rating Date: 26.09.2019 Monitoring until: Rating is withdrawn Initial rating: www.creditreform-rating.de Rating Methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" CRA "Rating criteria and definitions" Rating history: www.creditreform-rating.de	

## Abstract

### Content

Abstract.....	1
Relevant rating factors .....	2
Business development and outlook..	4
Structural Risk .....	6
Business Risk.....	7
Financial Risks .....	8
Issue Rating .....	9
Financial Ratio Analysis .....	11
Appendix.....	12

### Company

Atlantia, S.p.A. and its subsidiaries – hereinafter referred to as the Group, Atlantia or the Company has a history that originally dates back to the 1950’s (then Autostrade Concessioni e Costruzioni S.p.A.) and was privatized in 1999. Now in 2019, following the acquisition of Abertis the Group is the largest toll motorway operator in the world with over 14,000 km of toll motorway under management in 23 countries. Furthermore, the Group operates two Italian airports (Fiuminico and Ciampino), and three airports in France: in Nice, Cannes-Mandelieu and Saint-Tropez. Other activities of the Group relate to electronic toll systems, motorway and airport infrastructure engineering services, construction and maintenance.

During the business year 2018, the Group managed to generate revenues of EUR 6,344 million (2017: 5,405 million), EBITDA<sup>1</sup> of EUR 3,621 million (2017: EUR 3,679 million), and an EAT of EUR 1,083 million (2017: 1,432million).

### Rating result

The current rating attests Atlantia S.p.A. a highly satisfactory level of creditworthiness, which represents a low-to-medium default risk.

The main positive factors contributing to the rating are the Group’s business risk profile based on long-term concessions, which generate stable and strong cash flows. Italy is still the Group’s most important market with approximately 42% of EBITDA in 2018. However, following the acquisition of Abertis, the Group increased its scope and geographical diversification and reduced its exposure to the ASPI concession. Putting downward pressure on the rating are the Group’s increased financial leverage due to the increased borrowings used to finance the acquisition and following the consolidation of Abertis. Additionally, the acquisition of Abertis reduced the average residual lifetime of the Group’s concessions. Any material consequences that follow out

<sup>1</sup> Unless otherwise specified, the figures used in this report are CRA adjusted and might deviate from the reported figures of Atlantia S.p.A.

of the investigation that has been put into place by the authorities with regard to the collapse of the Polcevera bridge might have a direct impact on the rating result and might result in a downgrade of the rating.

### Outlook

The Group's outlook is replaced by a WATCH NEW. This rating supplement results out of the situation at its subsidiary Autostrade per l'Italia S.p.A with the current investigation that is in place following the collapse of the Polcevera bridge. The outcome of the investigation and the possible consequences remain to be seen. A revocation of ASPI's main-concession remains a possibility.

### Relevant rating factors

Table 1: Financials of Atlantia Group | Source: Atlantia S.p.A. Annual report 2018, standardized by CRA

Atlantia S.p.A. Selected key figures of the financial statement analysis Basis: Annual accounts of 31.12. (IFRS, Group)	CRA Standardized figures <sup>2</sup>	
	2017	2018
Sales (million EUR)	5,405	6,344
EBITDA (million EUR)	3,679	3,621
EBIT (million EUR)	2,590	2,256
EAT (million EUR)	1,432	1,083
Total assets (million EUR)	36,654	67,584
Equity ratio (%)	28.96	11.07
Capital lock-up period (days)	107	123
Short-term capital lock-up (%)	56	96
Net Debt/ EBITDA adj. (Factor)	6.29	14.62
Ratio of interest expenses to debt (%)	3.54	1.90
Return on Investment (%)	5.36	2.71

### General rating factors

- + Solid business model, generating relatively stable cash flows
- + Largest toll road operator in the world
- + Geographically well-diversified
- + Mainly operates in countries with solid legal frameworks
- + High entry barriers, no competitors on the motorways operated
- + Good access to financial markets
- Capital intensive business with high ongoing capital investments required
- Transport infrastructure sector sensitive to country risks, economic developments, fuel prices and climatic conditions
- Political and regulatory risks

<sup>2</sup> For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, the analytical equity ratio, deferred tax assets, goodwill, and the development costs, which are included in the intangible assets are subtracted from the original equity. Deferred tax liabilities are added to the equity. With the calculation of Net Debt, all balance sheet liabilities are taken into account. As a result, the key financial figures shown often deviate from the original values of the Company.

Excerpts from the Financial Key  
Figures Analysis 2018

+ Increased Sales

- decreased EBITDA

- decreased Equity ratio

- increased Net Debt/EBITDA adj.

#### Note:

**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 (-).

**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.

Base-Case Scenario	BBB
Worst Case Scenario:	BBB-

**Note:**

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

#### Current rating factors

- + Increased geographical diversification
- + Increased diversification in concessions
- + Increased scope/ strengthened market position
- Increased share of EBITDA in emerging economies
- Increased regulatory and legal risk as a result of the investigation in the cause of the collapse of the Polcevera bridge
- Non-recurring costs related to the collapse of the Polcevera bridge
- Unfavorable currency translation effects effecting consolidated profit and loss figures
- Shorter residual lifetime of concessions

#### Prospective rating factors

- + Increased operating performance and stronger internal financing power
- + Decreasing leverage
- Negative consequences from litigations following the Polcevera bridge event.
- Risk of cash flow pressure on toll motorways if increase in fuel prices, new regulation on connected and electric vehicle, macroeconomic slowdown, etc.

#### Best-case-Scenario

In our best-case scenario for one year, we assume a rating of BBB. We believe that, with the Group's increased leverage, and the current situation at Autostrade per l'Italia, that an upgrade is unlikely in the short to middle term.

#### Worst-case-Scenario

In our worst-case scenario for one year, we assume a rating of BBB-. We assume a deterioration of the financial figures, which could be caused by a reduction in traffic, which in turn will be decreasing revenues, or by a further increase of debt. The possible consequences of the collapse of the Polcevera bridge have not been taken into account in this scenario and might result, should they occur, in a larger downgrade than described.

## Business development and outlook

On 29 October 2018, Atlantia S.p.A. completed the acquisition of Abertis Infraestructuras S.A., thereby integrating it into its scope of consolidation. Atlantia S.p.A. holds 50% plus one share of Abertis Holdco S.A., which in turn holds 98.7% of the share capital of Abertis Infraestructuras S.A. The total consideration paid for the share capital was EUR 16,520 million and was acquired from HOCHTIEF AG. In a separate transaction Atlantia acquired a 23.9% interest in Hochtief from ACS for the amount of EUR 2,400 million. Following the acquisition the Group consolidated Abertis for the last two months during 2018 and onwards.

During the 2018 business year, the Group generated revenues of EUR 6,916 million (2017: EUR 5,966 million), EBITDA adj. of EUR 3,768 million (2017: EUR 3,679 million), EBIT of EUR 2,243 million (2017: 2,578 million) and an EAT of EUR 1,083 (2017: 1,432 million).

The Italian motorways generated operating revenues of EUR 4,004 million (2017: 3,941 million) and an EBITDA of EUR 1,991 million (2017: 2,450 million). The increase in revenue was mainly due to a small increase in traffic (+0.2%, EUR 15 million) and toll increases (+1.51%, EUR 51 million,) partially offset due to an exemption of payment of road tolls in the Genoa area (-7 million). The Group's results were noticeably affected by costs incurred by the collapse of a section of the Polcevera bridge at 14 August, 2018, of which the concession is operated by Autostrade per l'Italia. The costs incurred by the Group during the year relating to this event totaled EUR 513 million, of which EUR 397 million allocated to provisions to cover the sum requested by the Special Commissioner for Genoa, and EUR 57 million in the form of provisions for risks and charges and EUR 48 million operating costs.

The event with the Polcevera bridge is currently being investigated by the government and it remains unclear what the exact consequences will be. On 20 December 2018, Autostrade per l'Italia received a letter from the ministry of infrastructure and transport (MIT) where the MIT gives the company 120 days, which was later postponed to 3 May, to provide further information and explanation regarding the Polcevera event and the control systems used to monitor the state of the infrastructure. On 3 May Autostrade per l'Italia expressed its belief that it has acted properly and reiterated its objections with regard to the procedure initiated. The investigation is pending and the Group remains subject to increased regulatory and legal risk.

The segment "overseas motorways", without Abertis, generated revenues of EUR 626 million (2017: EUR 648 million), and an EBITDA of EUR 457 million (2017: EUR 480 million). Both revenue and EBITDA declined mainly due to unfavorable currency movements against the Euro. Adjusted by currency effects revenue and EBITDA were up EUR 37 million and EUR 16 million respectively.

Italian airports generated revenues of EUR 935 million (2017: EUR 894 million) and an EBITDA of EUR 580 million (2017: EUR 548 million). The increase was mainly due to the increase in traffic. The overseas airports generated revenues of EUR 305 million (2017: EUR 281 million), both due to an increase in traffic as well as non-aviation revenue (Parking, retail etc.). The segment other activities generated operating revenues of EUR 654 million (2017: EUR 739 million) and an EBITDA of EUR 120 million (2017: EUR 165 million).

In March 2018 the Atlantia group purchased 100% of the share capital of AERO I Global & International for EUR 1,056 million. Aero I Global & International holds 15.49% of GetLink SE, which holds the concession, expiring in 2086, to operate the undersea link between France and the United Kingdom with three tunnels and two terminals, Europorte (a rail business) and the future electricity interconnection between France and the UK.

The Group consolidated Abertis Infraestructuras S.A. from November 2018 onwards. During the last two months of the financial year, Abertis contributed EUR 827 million to revenues and EUR 550 million to EBITDA in 2018. The table below depicts the (pro-forma) situation if Abertis' results would have been consolidated for the full year. The results of Atlantia are adjusted by the contribution of the Abertis group for the last two months of 2018.

Table 2: The development of Business of Atlantia S.p.A.. Source: Consolidated annual accounts 2018

in million. EUR	Abertis 2018	Atlantia 2018	Pro Forma 2018 Atlantia (Incl. pro-forma adjustments)
Toll revenue	5,050	4,238	9,288
Aviation revenue		834	834
Other operating revenue	205	1,017	1,222
Total operating revenue	5,255	6,089	11,344
EBITDA	3,549	3,218	6,767

On the third of October Abertis disclosed that it had closed the sale of its 89.7% shareholding in Hispasat to Red Eléctrica Corporación. The stake in Hispasat was sold for a total consideration of EUR 933 million. Following the sale of its interests in Cellnex and Hispasat, the Abertis Group is now only active in the toll motorway segment, which is in line with its strategy.

During the first six months of 2019 the Group generated revenues in total of EUR 5,604 million (H1 2018 pro-forma: EUR 5,425 million). Adjusted by consolidation effects, the Group's revenue increased by 4% (EUR 109 million). The reported EBITDA amounted to EUR 3,552 million (H1 2018 pro-forma: EUR 3,500 million). The Group reported a like-for-like increase in EBITDA of 1.4% in comparison with the same period of the prior year.

The Italian airline carrier Alitalia, is currently in financial difficulty. The Italian State will, through Ferrovie dello Stato Italiane, which is the Italian state owned holding Company that manages and operates the Italian railway network, participate in Alitalia, together with Delta Airlines. On July 11, 2019 the Board of Directors of Atlantia mandated its former CEO, Giovanni Castellucci, to investigate all aspects of the new Alitalia business plan, including the sustainability, effectiveness, the new shareholding structure and the management team as well as the necessary measures for a lasting and effective re-launch of the airline. The deadline (if maintained) to rescue Alitalia is 15 October. Recently, Atlantia has expressed serious doubts and concerns about the effectiveness of the rescue plan carried out by Ferrovie dello Stato and Delta Airlines.

On 17 September 2019, the Group announced that the Group's CEO, Giovanni Castellucci, resigned. The Board of Directors accepted Mr. Castellucci's resignation. Until a new CEO will be appointed, the Group transferred the executive power to a committee made up from five directors and also appointed the Group's CFO, Giancarlo Guenzi, as the Company's General manager. Tiziano Ceccarani replaced Giancarlo Guenzi as the Group's CFO.

Adjusted by non-recurring effects, the Group developed positively from an operational perspective. Unfavorable currency movements, and the incident with the Polcevera bridge affected the Group's earnings negatively. The Polcevera bridge event is currently still under investigation and Atlantia is therefore subject to increased regulatory and legal risk. The possible outcome remains to be seen.

## Structural Risk

Atlantia S.p.A. is a public limited holding company in Italy, listed on the Italian exchange (Borsa Italiana). Following the acquisition of Abertis Infraestructuras S.A. (BBB / WATCH UNW), the Atlantia Group became the largest global toll motorway manager and currently has, via its subsidiaries Autostrade per l'Italia (BBB / WATCH NEW), AB Concessões S.A., Grupo Costanera, Stalexport Autostrade Malopolska and Abertis Infraestructuras S.A approximately 14.000 km of toll motorway under management. Atlantia also operates five airports, of which two Roman airports (Fiumicino and Ciampino) via its subsidiary Aeroporti di Roma S.p.A. (BBB / WATCH NEW), and three French airports in the Côte d'Azur (Cannes, Nice and Saint-Tropez) via its subsidiary Aéroports de la Côte d'Azur.

Other business already operated by Atlantia are Telepass, Electronic Transaction Consultants Pavimental and Spea Engineering, which mainly provide electronic tolling and infrastructure design, construction and maintenance services for transport infrastructure. Other significant investments are shareholdings in Aeroporto di Bologna (29,38%), and Getlink (15,49%), which holds the concession to operate the undersea link between France and the United Kingdom. Following the acquisition of the Abertis group, the Group incorporated the activities of Abertis Mobility services (Emovis and Eurotoll).

The event with the Polcevera bridge puts further downwards pressure on the rating. The event is being investigated, and the consequences are still to be determined. The Autostrade per l'Italia concession remains the Group's most important concession and generated revenues of EUR 3,662 million for ASPI during the business year 2018. Revocation of the license remains one of the possibilities and might have a strong negative impact on the Group's financials.

The structure of the Group significantly changed following the joint acquisition of 98.7% of the share capital of Abertis Infraestructuras S.A. Within the framework of the shareholder agreement, the acquiring parties established the holding company Abertis Holdco S.A., which holds 98.7% of the share capital of Abertis Infraestructuras. Atlantia S.p.A. holds 50% plus one share, of, 30% is held by ACS and 20% minus one share is held by Hochtief. The governance of Abertis is regulated by a long-term shareholder agreement signed by ACS, Hochtief and Atlantia. Atlantia has the majority of the shares, which give it a controlling position. The Atlantia group has control over the Group because it has a majority of shares. However, ACS, as the second largest shareholder has additional rights, which allows it to veto far-reaching decisions such as acquisitions or divestments, the strategic commercial behavior, investment decisions and financing or pre-financing of projects. Additionally, as part of the deal the Group acquired 23.86% of the share capital of Hochtief AG. The investment in Hochtief AG is currently held as an at-equity investment and therefore does not have a direct significant impact on the scope of consolidation.

Following the acquisition of Abertis the Group's concession base increased significantly. In total, the Atlantia group holds 52 concessions, as of 31 December 2018. The unweighted average remaining life time of the concessions decreased from approximately 16 years to 13 years due to the shorter average remaining lifetime of the concession portfolio of Abertis.

The shareholder structure of the Group per 31.12.2018 is composed of 30.25% of Sintonia (Edizione), Government of Singapore Investment Corporation (8,14%), Fondazione Cassa di Risparmio di Torino (5,06%), Lazard Asset Management (5,02%), HSBC Holdings (4,95%), treasury shares (0,95%) and the remainder (45.63%) are freefloat on the Italian stock exchange.

The structural risk profile of the Group is currently increased because of increased regulatory and legal risk due to the possible consequences that might follow from the collapse of the Polcevera bridge. A revocation of the main concession remains a possibility. The Group further diversified its concession base by expanding its concessions from 20 to 52. As a result, the Group reduces its dependency on larger concessions (i.e. the concession of ASPI). It is to be noted that the unweighted average remaining lifetime decreased following the integration of Abertis into the consolidated annual accounts of Atlantia.

### Business Risk

Atlantia operates in two sectors: toll motorways and airports under concession. In addition, the company offers services around the construction, maintenance and operation of toll motorways and airport infrastructure. Both businesses go accompanied with several business risks, such as general economic development, climate conditions, fuel price development, and political changes.

The acquisition of Abertis improved the Group's geographical diversification. The Group added new markets in the toll motorway segment such as Argentina, France, Puerto-Rico and Spain, and strengthened its position in other, already existing markets, such as Brazil, Chile, India and Italy.

Table 3: Separate and consolidated results per country. Source: Consolidated annual accounts 2018

Atlantia S.p.A.				
Reported EBITDA 2018 In million EUR	Abertis	Atlantia	Combined	Relative
Italy	235	1,991	2,226	33.0%
Poland		69	69	1.0%
France	1,200		1,200	17.8%
Spain	1,172		1,172	17.4%
Chile	420	229	649	9.6%
Brazil	293	163	456	6.8%
Argentina	124		124	1.8%
Puerto Rico	92		92	1.4%
RoW toll road	35		35	0.5%
Italian Airports		580	580	8.6%
Overseas airports		139	139	2.0%
Other activities		51		
Pro-Forma adjustments	-21	-4		
Total	3,549	3,218	6,767	100.0%

The acquisition of Abertis significantly reduced the Group's exposure to the Italian toll road market. Before the acquisition the Group generated approximately 63% of EBITDA on the Italian toll-roads, which according to the pro-forma figures of Atlantia will be reduced to approximately 33%. The new markets the Group added increased its scope and its diversification and as a result reduced its business risk profile.

Atlantia is subject to currency risk and increased its currency exposure to south American currencies by adding new markets in Argentina, Puerto Rico, and India, as well as adding new

market share in Brazil, and Chile. The Group has particular exposure to the Brazilian Real, the Argentine Peso, Chilean Peso, the US Dollar and the Indian Rupee. The Group reduces currency exposure by natural hedging strategies and tries to hedge any residual currency risk. The business risk of the Group is low to intermediate. The Group's main risk is the revocation or non-prolongation of concessions. This risk is decreased by the integration of Abertis into its scope of consolidation which increased the amount of concessions and the global presence of the Group, thereby lowering Atlantia's exposure to any one concession. The shorter lifetime of the Abertis' concessions have a dampening effect on the rating.

### Financial Risks

For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. Contrary to our normal practice, we deducted the goodwill shown on the balance sheet from equity only by 50%, suggesting a certain recoverability of goodwill. The following descriptions and indicators are based primarily on these adjustments.

Following the integration of Abertis into its scope of consolidation, the financial structure of the Group was impacted significantly. The Group continues to be capital intensive, with a capital intensity ratio of 82,51% (2017: 76,45%). The Group's equity ratio declined to 11.07% (2017: 28.96%). This mainly was the result of the recognition of goodwill following the integration of Abertis, which we deducted for 50% from the equity, as well as of the increased level of borrowings.

The increase in borrowings in comparison to 31.12.2017, which amounted to EUR 28,576 million, primarily reflects the first time consolidation effects of Abertis and borrowings to finance the acquisition and the financing of the Abertis transaction. The net debt of the Group as of 31 December 2018 amounted to EUR 37,931 million (2017: EUR 9,496 million) and EUR 38,569 million as of 30 June 2019. Because of this and due to the deduction of 50% of the goodwill, the Group's leverage increased to 5.76 (2017: 3.66). The weighted average maturity at the end of 2018 was 5 years and 10 months.

The Group's financial key ratios for 2018 are negatively impacted by the consolidation of Abertis from November 2018 onwards. The key financial ratios relating to profitability and financial strength are much weaker due to the in comparison low revenues, EBITDA and EAT. The Group realized a net debt/EBITDA adj. of 14.62 (2017: 6.29) and a ROI of 2.71% (2017: 5.36%). Our full-year consolidation scenario analysis of Abertis shows a clear improvement against the actual figures of 2018, however, due to the higher leverage still a deterioration in comparison with the 2017 figures. The Group continues to have strong internal financing power, from which it is able to finance its ongoing investments (excl. M&A) which amounted to EUR 1.125 million (2017: EUR 1,722 million)

The Group's liquidity position is strong. As of 31 December 2018 the Group had a current ratio of 1.16 (2017: 1.57) and disposed as of 30.06.2019 over an overall liquidity position of EUR 13,284 million including cash and cash equivalents (EUR 3,707 million), undrawn facilities (EUR 8,765 million) and term deposits (EUR 812 million). With the Group's liquidity position as it is in combination with the Group's strong cash flow generation we do not see any short-term risks that could result in upcoming liquidity problems.

The financial risk profile of the Group worsened following the integration of Abertis. The Group however, continues to have strong internal financing power but is impacted by the increase in leverage due to the consolidation of Abertis and the borrowings used to finance the transaction.



## 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 Atlantia S.p.A., 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 issues have been issued under the EMTN programme with their latest prospectus from 16 November 2017 and with a supplement dating from 18 May 2018.

The current EMTN Programme amounts to a maximum of EUR 10 billion. The notes issued under the EMTN Programme benefit from a negative pledge provision and cross-default mechanism. Early redemption at the option of the noteholders is possible for tax reasons, following the occurrence of a material asset sale event, which would lead to a rating downgrade by the relevant rating agencies<sup>3</sup>.

### Corporate issue rating result

The notes rated under this programme have a (structural) subordinated status to all indebtedness of its subsidiaries. The issuer's subsidiaries have no obligation to pay any of the obligations out of this programme. Both Autostrade per l'Italia (ASPI) and Aeroporti di Roma (AdR) have their own EMTN programme and have as of 30.06.2019 notes accounting on their sub-consolidated financial statements for EUR 7,500 million and EUR 1,100 million respectively. The rating of the LT LC SU issues are therefore rated one notched under the corporate issuer rating of Atlantia S.p.A.

### Overview

Table 4: Overview of CRA Ratings | Source: CRA

Rating Category	Details	
	Date	Rating
Atlantia S.p.A. (Issuer)	26.09.2019	<b>BBB / WATCH NEW</b>
Long-term Local Currency (LT, LC) Senior Unsecured Issues	26.09.2019	<b>BBB- / WATCH NEW</b>
Other	--	n.r.

Table 5: Overview of 2019 Euro Medium Note Programme | Source: EMTN Base prospectus Atlantia S.p.A.

Overview 2019 EMTN Programme			
Volume	EUR 10,000,000,000	Maturity	Depending on the respective bond
Issuer / Guarantor	Atlantia S.p.A.	Coupon	Depending on the respective bond
Arranger	Goldman Sachs International Mediobanca – Banca di Credito Finanziario S.p.A.	Currency	Depending on the respective bond
Credit Enhancement	--	ISIN	Depending on the respective bond

<sup>3</sup> Standard & Poor's Credit Market Services Europe Limited; Moody's Investors Service Ltd; Fitch Italia S.p.A

All future LT LC senior unsecured notes that will be issued by Atlantia S.p.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 and issues that do not denominate in euro will not be assessed. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

## Financial Ratio Analysis

Table 6: Financial key ratios | Source: Atlantia S.p.A., Consolidated financial statements 2018 structured by CRA

<b>Asset Structure</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Fixed asset intensity (%)	81.66	76.45	82.51
Asset turnover	0.19	0.15	0.12
Asset coverage ratio (%)	74.81	89.09	49.86
Liquid funds to total assets (%)	9.55	15.35	7.45
<b>Capital Structure</b>			
Equity ratio (%)	25.63	28.96	11.07
Short-term-debt ratio (%)	18.52	14.83	14.76
Long-term-debt ratio (%)	35.46	39.14	30.07
Capital lock-up period (in days)	97.49	106.81	123.05
Trade-accounts-payable ratio (%)	4.66	4.32	3.16
Short-term capital lock-up (%)	63.57	56.37	95.87
Gearing	2.53	1.92	7.36
Leverage	4.21	3.66	5.76
<b>Financial Stability</b>			
Cash flow margin (%)	26.66	32.10	46.29
Cash flow ROI (%)	4.65	4.73	4.35
Total debt / EBITDA adj.	9.27	8.02	15.96
Net total debt / EBITDA adj.	8.08	6.29	14.62
ROCE (%)	9.10	9.93	7.27
Total debt repayment period	5.31	47.19	3.08
<b>Profitability</b>			
Gross profit margin (%)	70.00	70.60	70.84
EBIT interest coverage	2.55	2.81	1.98
EBITDA interest coverage	3.59	3.99	3.18
Ratio of personnel costs to total costs (%)	14.63	18.30	17.12
Ratio of material costs to total costs (%)	30.00	29.40	29.16
Cost income ratio (%)	65.34	62.34	71.08
Ratio of interest expenses to total debt (%)	3.48	3.54	1.90
Return on investment (%)	5.26	5.36	2.71
Return on equity (%)	15.79	14.55	11.97
Net profit margin (%)	20.04	26.49	17.07
Operating margin (%)	37.75	47.92	35.57
<b>Liquidity</b>			
Cash ratio (%)	51.60	103.48	50.45
Quick ratio (%)	96.29	156.95	116.24
Current ratio (%)	99.05	158.84	118.52

## Appendix

### Rating history

The complete rating history is available under:

<https://www.creditreform-rating.de/de/ratings/published-ratings/>

Table 7: Corporate Issuer rating of Atlantia S.p.A.

Event	Rating date	Publication date	Monitoring period	Result
Update	26 September 2019	<a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	Withdrawal of the rating	BBB / WATCH NEW
Initial rating	24 July 2017	<a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	23 July 2017	BBB / Stable

Table 8: LT LC Senior Unsecured issues issued by Atlantia S.p.A.

Event	Rating date	Publication date	Monitoring period	Result
Update	26 September 2019	<a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	Withdrawal of the rating	BBB- / WATCH NEW
Initial Rating	19 October 2018	<a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	25 September 2019	BBB- / WATCH NEW

### Regulatory requirements

The present rating<sup>4</sup> is an unsolicited rating. Creditreform Rating AG was not commissioned by the Issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The rating was conducted based on Creditreform Rating AG's "Corporate Ratings" methodology, the "Non-Financial Corporate Issue Rating" methodology, as well as on the "Rating Criteria and Definitions".

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies. A complete description of Creditreform Rating AG's rating methodologies and Creditreform Rating AG's basic document "Rating Criteria and Definitions" is published on the following internet page:

[www.creditreform-rating.de/en/regulatory-requirements/](http://www.creditreform-rating.de/en/regulatory-requirements/)

This rating was carried out by analysts Rudger van Mook ([r.vanmook@creditreform-rating.de](mailto:r.vanmook@creditreform-rating.de)) and Elena Damijan ([e.damijan@creditreform-rating.de](mailto:e.damijan@creditreform-rating.de)), both located in Neuss, Germany. A management meeting did not take place.

On 26 September 2019, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 30 September 2019. There has not been a subsequent change to the rating.

<sup>4</sup> In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

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1. Annual report
2. Website
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