

Rating object	Rating information	
<b>Autoroutes du Sud de la France S.A.</b>  Creditreform ID: 2000000657 Incorporation: 1957 Based in: Rueil-Malmaison Main (Industry): Motorway concessions CEO: Pierry Coppey  <u>Rating objects:</u> Long-term Corporate Issuer Rating: Autoroutes du Sud de la France S.A. Long-term Local Currency (LT LC) Senior Unsecured Issues	Corporate Issuer Rating: <b>A- / stable</b>	Type: Update Unsolicited Public rating
	LT LC Senior Unsecured Issues: <b>A- / stable</b>	Other: <b>n.r.</b>
	Rating date: 01 March 2023 Monitoring until: withdrawal of the rating Rating methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" 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

Autoroutes du Sud de la France S.A. – hereinafter also referred to as the "Company", is a French motorway concessionaire and the parent company of the ASF Group – hereinafter also referred to as "ASF" or "the Group". ASF has 3,201 km under management and is comprised of ASF (2,730 km of motorways) and Escota S.A. (471 km of motorways). ASF holds concessions from the French state for a defined period: The ASF Concession Agreement will expire in 2036, the Escota Concession will expire in 2032 and the Puymorens concession agreement will expire in 2037. The Group is a fully-owned subsidiary of the VINCI Group (A- / stable as of 01.03.2023), and is part of VINCI Autoroutes S.A.

During the business year 2022, the Group recovered further, generating total revenues of EUR of EUR 4,678 million (2021: EUR 4,352 million), EBITDA of EUR 3,159 million (2021: EUR 2,968 million), EBIT of EUR 2,340 million (2021: EUR 2,161 million) and a net profit of EUR 1,691 million (2021: EUR 1,463 million).

### Rating result

The current rating attests Autoroutes du Sud de la France S.A. a high level of creditworthiness with a low risk of default. The upgrade to A- is based on the Group's strong financial profile with strong deleveraging capabilities, the further recovery from COVID-19, and the upgrade of the unsolicited corporate issuer rating of VINCI S.A. Due to the absence of mobility restrictions during the business year 2022 and ongoing strong economic development, average daily traffic (ADT) has completely recovered and even surpassed pre-pandemic levels.

Additionally, the remaining term on the concession contracts are 9 and 13 years, respectively, and as far as we can assess, the Group has fulfilled all of its obligations under the concession contract. Hence, we do not see any immediate risk of revocation. The high dividend pay-out ratio remains a constraining factor in the rating assessment, as it puts a limit on the Group's deleveraging capacity.

The unsolicited corporate issuer rating is currently constrained by its parent company VINCI S.A. (A- / stable as of 01.03.2023), as we believe that it holds significant influence over its strategic, operational and financial alignment. Geo-political tensions increased significantly during 2022 with the invasion of Ukraine and economic sanctions back and forth between the EU and the Russian Federation. We currently believe the direct effect on ASF or VINCI Group to be limited,

as neither has a large material interest in either of those countries that could affect the rating. Nevertheless, fuel prices have risen significantly over the past year, which could hamper traffic development.

### Outlook

The one-year outlook for the unsolicited corporate issuer rating of ASF is **stable**. This assessment is based on the Group's strong operating development over the past year, as well as the upgrade of VINCI S.A.'s unsolicited corporate issuer rating and its stable outlook. A change in the unsolicited corporate issuer rating of VINCI S.A. would most likely also result in a change for the unsolicited corporate issuer rating of Autoroutes du Sud de la France S.A.

### Relevant rating factors

Table 1: Financials | Source: Autoroutes du Sud de la France S.A. Annual Report 2022, standardized by CRA

Autoroutes du Sud de la France S.A. (Group) Selected key figures for the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS, etc.)	CRA standardized figures <sup>1</sup>	
	2021	2022
Sales (million EUR)	4,352	4,678
EBITDA (million EUR)	2,968	3,159
EBIT (million EUR)	2,161	2,340
EAT (million EUR)	1,463	1,691
EAT after transfer (million EUR)	1,462	1,690
Total assets (million EUR)	12,479	11,735
Equity ratio (%)	11.22	13.48
Capital lock-up period (days)	13.74	15.85
Short-term capital lock-up (%)	56.43	35.22
Net total debt / EBITDA adj. (Factor)	3.45	2.98
Ratio of interest expenses to total debt (%)	1.00	1.10
Return on investment (%)	12.61	14.92

### General rating factors

- + Largest motorway concessionaire in France
- + Long-term concession contracts
- + High deleveraging capacities
- + Part of VINCI Group, a global leader in the concessions and construction sector
- + Very good access to financial markets
  
- Limited pricing flexibility on toll tariffs
- Limited operational and financial flexibility due to the terms of the concession agreements
- High dividend pay-out ratio
- Concession contracts have a defined period and will expire in 2032, 2036 and 2037
- Dependence on macro-economic developments, oil prices and possibly restrictive governmental measures

<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.

### Reference:

The relevant rating factors (key drivers) mentioned in this section are predominantly based on internal analyses, evaluations from the rating process, 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 sections "Regulatory requirements" and "Rules on the presentation of credit ratings and rating outlooks".

### Excerpts from the financial key figures analysis 2022:

- + Sales, EBITDA, EBIT, EAT
- + Return on investment
- + Equity ratio
- + Net total debt / EBITDA adj.

- Ratio of interest expenses to total deb

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

### Current rating factors

- + ADT level exceeding pre-pandemic levels
- + Significant tariff increases from February 2023 onwards
- + Decrease in (net) indebtedness
- Marked increase in fuel prices
- Ongoing high economic uncertainty with regard to the war in Ukraine and related sanctions

### Prospective rating factors

- + Upgrade of VINCI'S corporate rating
- + Solid growth in France and continuing strong growth in Spain
- + Further toll increases; higher margins
- + Further improved operating performance based on network improvements
- Increasing fuel prices
- Reinstatement of travel restrictions
- Large scale escalation in the war in Ukraine, trade conflict with the Russian Federation with negative impacts on economic development and other related matters
- Large-scale strikes, blocking motorways

### ESG-factors

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the case of Autoroutes du Sud de la France S.A., we have not identified any ESG factor with significant influence. Because ASF does not have its own ESG policy we derive the influence from ESG factors on the rating from the unsolicited corporate issuer rating of VINCI S.A.

VINCI has set clear targets to reduce its carbon emissions and to improve its gender balance. With regard to its emissions, it targets a 40% reduction in its scope 1 and 2 emissions, a 20% scope 3 emissions by 2030, and has already reported an 13% reduction in CO2 emissions against 2018 (excluding the impact of acquisitions). More than half of the rest areas along its motorways are already equipped with electric vehicle charging stations. The Group has also made progress regarding the gender balance. VINCI was able to increase its percentage of female management staff from 18.5% in 2016 to 22.2% in 2022. The Group strives to increase that percentage to 30% by the end of 2030. Overall, we identify VINCI as having a well-developed ESG strategy with clear targets, but do not identify any ESG factors which have a significant influence on the unsolicited corporate issuer rating of VINCI S.A.

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](#).

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

**Prospective rating factors** are factors and possible events which, according to the analysts as of the date of the rating, would most likely have a stabilizing, positive effect (+), or a weakening, negative effect (-) on future ratings if they occurred. This is not an exhaustive 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 environment, social issues and governance. For more information, please see the section "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: A-**

We assume an unsolicited corporate issuer rating of A- in our best-case scenario for one year. In this scenario, we assume continued strong development of ADT, slightly surpassing 2022 levels, with continued strong profit margins and further deleveraging. However, as the unsolicited corporate issuer rating of ASF is constrained by the unsolicited corporate issuer rating of its parent company VINCI S.A, it is unlikely that ASF will be upgraded within the time horizon of one year as the best-case scenario for VINCI S.A. is currently also limited to A-.

**Worst-case scenario: BBB+**

In our worst-case scenario for one year, we assume a rating of BBB+. Due to current operating development, the current internal financing power and the structure of the financial statements, we see a downgrade to BBB+ based on ASF's performance as unlikely. It is worth noting that this scenario does not include significant escalation with regard to the current heightened geopolitical tensions related to the invasion of Ukraine by the Russian Federation and the imposed sanctions on the Russian Federation by the international community, or a reinstatement of significant travel restrictions.

However, a downgrade in the unsolicited corporate issuer rating of VINCI S.A. would also lead to a downgrade in the unsolicited corporate issuer rating of ASF due to the parent company's significant influence over its strategic, operational and financial alignment.

**Business development and outlook**

The business year 2022 was the first year since the start of the COVID-19 pandemic that was not affected by government imposed travel restrictions. This was the most significant factor in the further increase in average daily traffic, which rose by 6.1%, to 41,007 (2021: 38,655) and, as a result, exceeded pre-pandemic levels of 40,139 from 2019. This growth was also supported by continued economic growth in France. Offsetting factors that also played a role and limited growth were the fuel shortages from October until mid-November, as well as increased fuel prices during the business year. The average diesel price during the business year went up by 29.2% in comparison to the prior year.

The increase in ADT, as well as an increase in tariffs and rebates of 1.7%, led to an increase in toll revenues to EUR 4,254 million (2021: EUR 3,945 million). Revenues from tolls account for almost all the Group's revenues. In addition to toll revenues and other insignificant revenue sources, revenues derived from investment works accounted for EUR 333 million 2021: EUR 322 million). In total, ASF reported consolidated revenues of EUR 4,678 million (2021: EUR 4,352 million). The increased revenue generation also led to higher EBITDA and EBIT of EUR 3,159 (2021: EUR 2,968) and EUR 2,340 million (2021: EUR 2,161 million), respectively. The operating margin for 2022 stood at 50.02% (2021: 49.66%), which is on par with pre-pandemic levels.

Table 2: Comparison of operating performance in 2022, 2021 and 2019. Source: report on the consolidated financial statements of ASF of 2022, 2021 and 2020

December 31	2019	Δ 2022/19	2021	Δ 2021/20	2022	Δ 2022/21
Light vehicles (km travelled)	34,651	1.7%	32,979	24.5%	35,248	6.9%
Heavy vehicles (km travelled)	5,489	5.6%	5,676	10.3%	5,759	1.4%
Vehicle Total (km travelled)	40,139	2.2%	38,655	22.2%	41,007	6.1%
Revenues (EUR million)	4,462	4.8%	4,352	20.5%	4,678	7.5%
EBIT (EUR million)	2,241	4.4%	2,161	40.2%	2,340	8.3%

Net profit increased to EUR 1,691 million (2021: EUR 1,463 million). Both the cost of debt and the tax expense increased slightly. However, these factors are negated by higher operating profit, which led to the increase in net profit. The return on investment for the business year 2022 increased to 14.92% (2021: 12.61%). The Group's net profit also exceeded the net profit from the pre-pandemic year 2019, with ROI significantly higher than the years before the pandemic.

During 2022, ASF invested EUR 389 million (2021: EUR 378 million) in its road network, with the majority related to capacity improvements and widening of the motorways. EUR 232 million was invested in the ASF concession road network, and EUR 156 million in the road network of the Escota concession.

With the end of COVID-19 measures in France, performance has improved significantly. Despite increased fuel prices, indirectly relating to the war in Ukraine, the trade conflict between Russia and the European Union, and the generally high inflationary environment, the Group has performed well and exceeded pre-pandemic levels both in terms of ADT, revenue and (operating) profit. As of 1 February 2023, ASF increased their prices for the business year 2023, as agreed with the French government per the concession agreement and relevant amendments. ASF and Escotta both increased their tariffs by 4.823% and 4.683%, respectively.

Barring any unforeseen circumstances, we expect ADT to remain at the level reached in 2022. We therefore expect revenues in 2023 to increase, as the tariff system is directly linked to the French consumer price index excluding tobacco, but it remains to be seen if profit will develop proportionally as high inflationary pressure could increase the Group's cost base as well.

### Structural risk

Autoroutes du Sud de la France S.A. is a French motorway concessionaire and is the parent company of the ASF Group. The ASF Group consists of the parent Company ASF and its subsidiary Escota S.A. (99,5%), which also holds a motorway concession. In total, the Group has 3,207 km of French motorway under management through three different concessions: the ASF Concession Agreement (2,724 km of motorway), the Escota Concession agreement (471 km of motorway) and the Puymorens Concession Agreement (The Puymorens Tunnel, 5.5 km). These concessions have been granted for a defined period. The ASF concession will expire in 2036, the Escota concession in 2032 and the Puymorens concession agreement will expire in 2037.

Motorway concessions are bilateral agreements and are granted by the French state. The concessions specify how to construct, maintain and operate the motorways. The concession agreements also specify practises in terms of pricing, capital expenditure, development, financial tar-

gets and social and environmental policies. For unplanned investments or changes in agreements that are not covered in the existing concession, the French state and the concessionaire will start up discussions and then add an addendum to the concession contract. At the end of the term, the concession contract will either be prolonged or returned to the French state. The concession agreement relates to the Motorways, or Motorways sections including all land, structures and installations necessary for the construction, maintenance and operation of each motorway. During the concession term, the concessionaire has the exclusive right to operate and collect tolls over the assets in the concession.

In 2012, the French State instated a buy-out option in which it can exercise its right to buy back the concessions for reasons of public interest. In this case, the concessionaire will be entitled to compensation for the loss of the concession. From 2033 for the ASF concession and from 2027 for the Escota concession the French state will have the right to terminate the relevant concession agreements when the concession operator reaches a cap on return based on the cumulative evolution of their operating income since the privatisation of toll roads in 2006. Additionally, the state is entitled to revoke concessions due to a serious breach of the concessionaire's contractual obligations. In extreme cases, this may also entail little or no compensation.

ASF is indirectly fully owned by VINCI S.A. (A- / stable, as of 01.03.2023), which is the parent company of the VINCI Group. The direct parent Company of ASF is VINCI Autoroutes, which manages Motorway concessions in France. ASF does not currently intend to develop any further motorway concessions but is providing VINCI Autoroutes with its expertise in this regard in order to support new concession developments, which is in line with VINCI's overall strategy. The unsolicited corporate rating of the parent company VINCI S.A. is currently a constraining factor to the unsolicited corporate issuer rating of ASF, as VINCI holds significant influence on the operational, strategic and financial alignment of ASF.

We find the structural risk profile to be moderate. Generally speaking, the most significant risk for ASF would be the revocation of one of its concessions. However, we do not believe that there is currently any legitimate grounds to justify the revocation of a concession without any compensation, as ASF has not, to our knowledge, breached any significant contractual obligations. For the long term, the Group is exposed to structural risks with regard to the expiration of its concessions, which could lead to its losing the right to operate the motorways; however, as the first concession will expire in 2032, with the ASF concession expiring in 2036, we do not currently derive any negative credit effects, as there is still sufficient time to arrange for an extension. Residual structural risks are mainly based on its connection to the VINCI Group, as the influence VINCI exercises over ASF significantly determines its credit risk in the short and long term.

### Business risk

Almost all of ASF's revenues are generated by motorway tolls. As such, the Group is exposed to fluctuations in traffic levels, which are inextricably linked to the development of the French and — to a lesser extent — to the European economy. Higher GDP, as well as increased production and trade, signifies not only higher heavy vehicle traffic, such as trucks, but also light traffic on its motorways. Additionally, widespread mobility restrictions imposed by governmental actions also have become a reality, significantly impairing ADT development in 2020 and, to a lesser extent, in 2021. Additionally, general climatic conditions, and fuel prices also have shown to have an impact on average daily traffic; the significant increase in fuel prices in 2022, however, have not influenced traffic levels. Furthermore, the ASF-Group has shown that it is affected by the seasonal nature of traffic; traffic volumes are higher in the second half-year due to the summer period.

The Group's competition consists of alternative road networks and other modes of transport, mainly the rail network and air travel. In our opinion, the most important current competition comes from (potential) alternative road networks. Approximately three quarters of motorways in France are managed by a concessionaire. This translates to approximately 9,000 km of Motorway. There are four main players in motorway concessions in France, of which ASF is the largest, with 3,207 km of motorway under management. The other parties include Cofiroute, with 1,111 km under management. Cofiroute is, like ASF, a VINCI Subsidiary and is part of VINCI Autoroutes. The other two concessionaires are the APRR Group, with 2,318 km of motorway under management, and Sanef Group with 1,781 km under management. Sanef Group is a subsidiary of the Abertis Group (BBB- / stable).

Other modes of transport, such as rail transport and air travel, also compete with the Group in terms of passengers. Currently, rail transport is high on the political agenda of the French and European governments. The French government currently aims to double rail freight within the next ten years. The European Commission is also setting targets, although less ambitious than those of the French government, which signifies that the political environment is focused on efforts to make rail traffic more attractive in terms of competitiveness, which may have a negative impact on the Group in terms of average daily traffic.

The tariff system stipulated in the concession agreements regulates the tariffs charged for motorway tolls and is valid for the duration of the concession agreement. It is possible, however, to adjust tariffs by means of amendments. These contractual addendums are often implemented for additional works, or if operating conditions have changes drastically. In the ASF and Escota concession agreements, the tariff increases are linked to the consumer price index<sup>2</sup>. This greatly limits pricing flexibility, which could have a detrimental effect on the Group, as increases in relevant costs could potentially outpace inflation, thus impairing ASF's margins.

We see the business risk profile of the Group as low. Despite high fixed costs and significant fluctuations in average daily traffic over recent years, predominantly due to the COVID-19 pandemic, the Group managed to maintain high profitability, as it is usually able to generate large profit margins. Increasing pricing to compensate for lower traffic levels or higher costs is not an option due to limitations stipulated in the concession agreement. However, based on the Group's strong profit margins, we believe that this risk factor is manageable. Other modes of transport, such as rail traffic, are gaining in popularity for a number of reasons, but do not currently pose a significant threat to the Group. They could, however, potentially have an adverse effect on ADT if the current trends continue.

## Financial risk

For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis.

At the base of ASF's financial profile is its equity ratio of 13.48% (2021: 11.22%) which, although relatively low, has increased slightly over recent years. This is largely caused by a decreasing balance sheet total due to the diminishing time to maturity for ASF's intangible concession assets, which are amortizing over time, as well as due to small increases in equity based on retained earnings. The potential increases in equity are limited due to ASF's rather aggressive dividend policy, which distributes almost all of its earnings to its shareholders. This significantly limits the ability for the equity ratio to recover.

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<sup>2</sup> French consumer price index excluding tobacco

During the year, ASF repaid a net amount of approximately EUR 1,577 million, thus reducing its indebtedness to EUR 7,907 million (2021: EUR 9,484 million). The maturity profile of its indebtedness is well distributed. The Group may refinance some of the maturing indebtedness, but would theoretically not need to, as generally speaking not much more than EUR 1.5 billion to EUR 1.0 billion of indebtedness matures. Therefore, with cash flow after investments of EUR 2,176 million (2021: EUR 2,046 million) during the business year, ASF has sufficient headroom for the repayment of indebtedness and the distribution of dividends. The significant decline in indebtedness also resulted in an improvement in structural key financial figures relating to internal financing power and indebtedness such as Net Total debt / EBITDA adj, which dropped to 2.98 (2021: 3.45), and EBIT interest coverage, which also significantly improved to 21.01 (2021: 19.49) due to both the higher EBITDA and operating profit, as well as to reduced indebtedness. It is important for the Group to continue to reduce indebtedness, at least at the rate of decline of its balance sheet. If not, this may have a detrimental effect on the Group's capital structure due to the amortization of the intangible concession assets.

The liquidity position of ASF was good at the end of 2022. As the Group had EUR 764 million (2021: EUR 844 million) in cash and cash equivalents. In addition, the Group has an internal revolving credit facility of EUR 2.5 billion with its parent company VINCI Autoroutes. The liquidity position and credit facility would be sufficient to meet all of the Group's current liabilities. In addition, the Group has a strong underlying cash flow and good access to capital markets.

The financial risk profile of the Group is low, based on the Group's very strong internal financing power and strong cash flow generation. ASF has sufficient headroom for debt repayments without having to resort to refinancing measures, which is partially offset by ASF's aggressive dividend pay-out ratio, which limits its deleveraging capacities. We expect the equity level to continue to increase, as equity will most likely remain relatively stable, whereas the Group's balance sheet will continue to decrease over time. The Company's liquidity situation is strong due to strong cash generation capacity, but is also partially dependent on VINCI-Group credit facilities for its liquidity. Its financial risk profile is strongly affected by its ties to the VINCI Group, which holds significant influence over the Company's financial alignment.

#### Issue rating details

The rating objects of this issue rating are exclusively the long-term senior unsecured issues, denominated in euro and issued by Autoroutes du Sud de la France S.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 notes have been issued within the framework of the Euro Medium Term Note (EMTN) program, of which the latest base prospectus dates from 19 July 2022. This EMTN program amounts to EUR 14 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 obligations of the issuer. Additionally, the notes benefit from a negative pledge provision, a change of control clause and a cross default mechanism.

#### Corporate issue rating result

We have provided the EUR-denominated, unsubordinated and unsecured debt securities issued by Autoroutes du Sud de la France S.A. with an unsolicited corporate issue rating of **A-**. The outlook is also **stable**. In consideration of our corporate issue rating methodology, the rating is based on the unsolicited corporate issuer rating of Autoroutes du Sud de la France S.A.. The terms and conditions did not give rise to the application of an extraordinary notching to the unsolicited corporate issuer rating.



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

**Overview**

Table 3: Overview of Creditreform Rating AG Ratings | Source: CRA

Rating objects	Details	
	Date	Rating
Autoroute du Sud de la France S.A. (Issuer)	1 March 2023	A- / stable
Long-term Local Currency (LT LC) Senior Unsecured Issues of Autoroute du Sud de la France S.A.	1 March 2023	A- / stable

Table 4: Overview of 2023 Euro Medium Term Note Program | Source: ASF Base Prospectus dated 19 July 2022

Overview 2023 EMTN Program			
Volume	EUR 14,000,000,000	Maturity	Depending on the respective bond
Issuer	Autoroutes du Sud de la France S.A.	Coupon	Depending on the respective bond
Arranger	Natixis	Currency	Depending on the respective bond
Credit enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured Notes issued by Autoroutes du Sud de la France and with similar conditions to the current EMTN program, 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 program. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG. Notes issued under the program in any currency other than euro, or other types of debt instruments, have not yet been rated by Creditreform Rating AG. For the time being, other emission classes or programs and issues that do not denominate in euro will not be assessed.

## Financial ratio analysis

Table 5: Financial key ratios | Source: Autoroutes du Sud de la France S.A. annual report 2022, structured by CRA

Asset Structure	2019	2020	2021	2022
Fixed asset intensity (%)	85.92	87.65	85.16	86.93
Asset turnover	0.34	0.28	0.35	0.39
Asset coverage ratio (%)	61.68	13.09	14.02	16.22
Liquid funds to total assets (%)	4.66	2.12	6.76	6.51
Capital Structure				
Equity ratio (%)	9.48	10.73	11.22	13.48
Short-term-debt ratio (%)	16.86	11.22	25.37	20.73
Long-term-debt ratio (%)	43.52	0.74	0.71	0.62
Capital lock-up period (in days)	10.02	11.87	13.74	15.85
Trade-accounts-payable ratio (%)	0.91	0.93	1.31	1.73
Short-term capital lock-up (%)	37.30	21.77	56.43	35.22
Gearing	9.06	8.12	7.31	5.94
Leverage	11.13	9.91	9.11	8.12
Financial Stability				
Cash flow margin (%)	45.77	47.12	51.95	53.19
Cash flow ROI (%)	15.23	13.50	18.12	21.20
Total debt / EBITDA adj.	4.14	4.85	3.74	3.22
Net total debt / EBITDA adj.	3.93	4.74	3.45	2.98
ROCE (%)	19.52	14.11	21.49	29.95
Total debt repayment period	5.58	7.29	4.14	2.34
Profitability				
Gross profit margin (%)	93.91	92.87	93.50	93.32
EBIT interest coverage	11.84	11.33	19.49	21.01
EBITDA interest coverage	15.83	17.09	26.76	28.36
Ratio of personnel costs to total costs (%)	6.78	7.93	6.74	6.13
Ratio of material costs to total costs (%)	6.09	7.13	6.50	6.68
Cost income ratio (%)	51.03	57.97	51.04	50.58
Ratio of interest expenses to total debt (%)	1.56	1.21	1.00	1.10
Return on investment (%)	11.39	8.61	12.61	14.92
Return on equity (%)	111.90	72.58	106.25	113.41
Net profit margin (%)	29.98	26.36	33.62	36.15
Operating margin (%)	50.21	42.67	49.66	50.02
Liquidity				
Cash ratio (%)	27.64	18.88	26.67	31.42
Quick ratio (%)	57.30	63.33	48.51	58.10
Current ratio (%)	83.51	110.10	58.49	63.06

## Appendix

### Rating history

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

Table 6: Corporate Issuer Rating of Autoroutes du Sud de la France S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	12.04.2017	24.04.2017	19.08.2019	A- / stable

Table 7: LT LC Senior Unsecured Issues issued by Autoroutes du Sud de la France S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	05.10.2018	05.10.2018	19.08.2019	A- / stable

### Regulatory requirements

The rating<sup>3</sup> was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

The present rating is, in the regulatory sense, an unsolicited rating, that is public. 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 submitted 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
<a href="#">Corporate Ratings</a>	2.4	July 2022
<a href="#">Non-financial Corporate Issue Ratings</a>	1.0	October 2016
<a href="#">Rating Criteria and Definitions</a>	1.3	January 2018

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

The rating was carried out by the following analysts:

<sup>3</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.

Name	Function	Mail-Address
Rudger van Mook	Lead-analyst	R.vanMook@creditreform-rating.de
Artur Kapica	Analyst	A.Kapica@creditreform-rating.de

The rating was approved by the following person (person approving credit ratings, PAC):

Name	Function	Mail-Address
Philip Michaelis	PAC	P.Michaelis@creditreform-rating.de

On 1 March 2023, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 2 March 2023. 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.

In 2011, Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on this registration, Creditreform Rating AG is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

#### ESG-factors

You can find out whether ESG factors were relevant to the rating in the upper section of this rating report "Relevant rating factors".

A general valid description for 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](#).

#### Conflict of interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, Creditreform Rating AG will disclose all ancillary services in the credit rating report at this point:

No ancillary services in the regulatory sense were carried out for this rating object.

#### Rules on the presentation of credit ratings and rating outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee Policy", all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, Creditreform Rating AG has used following substantially material sources:

Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

### Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating
2. Documents on issues / instruments

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the Creditreform Rating AG website. Furthermore, Creditreform Rating AG considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The Basic Data Information Card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the Basic Data Information Card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within the Basic Data Information Card.

In accordance with Article 11 (2) EU-Regulation (EC) No 1060/2009, a registered or certified credit rating agency shall make available, in a central repository established by ESMA, information on its historical performance data including the rating transition frequency and information about credit ratings issued in the past and on their changes. Requested data are available at the [ESMA website](#).

An explanatory statement of the meaning of Creditreform Rating AG's default rates are available in the credit rating methodologies disclosed on the website.

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Creditreform Rating AG

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