

Rating object	Rating information	
VINCI S.A. Creditreform ID: 552037806 Incorporation: July 1, 1908 Based in: Nanterre Cedex, France Main (Industry): Concession, Contracting Group CEO: Xavier Huillard <u>Rating objects:</u> Long-term Corporate Issuer Rating: VINCI S.A. Long-term Local Currency (LT LC) Senior Unsecured Issues	Corporate Issuer Rating: A- / stable	Type: Initial rating Unsolicited Public rating
	LT LC Senior Unsecured Issues: A- / stable	Other: n.r.
	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: www.creditreform-rating.de	

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Analysts

Rudger van Mook
Lead Analyst
R.vanMook@creditreform-rating.de

Artur Kapica
Co-Analyst
A.Kapica@creditreform-rating.de

Neuss, Germany

Summary

Company

VINCI S.A. – hereinafter also referred to as “the Company” is the parent Company of the VINCI Group – hereinafter also referred to as “VINCI” or “the Group” -. VINCI is a France based concession and contracting Group with activities ranging from construction and engineering to developing and operating concessions in (energy) infrastructure. At the end of 2022, the Group had approximately 270,000 employees and consisted out of approximately 4,000 different business units in over 120 different countries. Its businesses segments consist of the Concession businesses (Vinci Autoroutes, VINCI Airports, Other Concessions), the Energy business (VINCI Energies, Cobra IS), the Construction business (VINCI Construction) and real estate (VINCI Immobilier).

During the business year 2022 VINCI S.A. recorded consolidated revenues of EUR 62,265 million (2021: EUR 49,982 million), EBITDA of EUR 10,302 million (2021: EUR 7,686 million), EBIT of EUR 6,689 million (2021: EUR 4,467 million) and net earnings of EUR 4,416 million (2021: EUR 2,195 million).

Rating result

The current unsolicited corporate issuer rating attest VINCI S.A. a high level of creditworthiness. The upgrade to **A-** is primarily based on the Group’s sound financial profile, as well as its large scale and high degree of geographical diversification, which mitigates the impact of local downturns. Additionally, the upgrade reflects the strong rebound in the Concession business, which surpassed pre-pandemic levels in terms of revenues and operating profit. Particularly VINCI Airports improved its operating development during the business years as passenger numbers further recovered after the disappearance of COVID-19 related measures. Furthermore, all other businesses showed strong operating development over the past year and are having a strong outlook for the business year 2023. With the normalization of road traffic and air passengers in the Concession business, as well as with ongoing improving performance in the other segments, VINCI has shown strong operating cash-flow with which it should be able to stabilize and improve its financial profile.

The Group continues to be largely dependent on its Concession business as a driver of operating profit and cash-flow generation. During the business year, the Concession business was responsible for approximately 61% of EBITDA, despite the fact that the Concession business only generated approximately 15% of revenues during the business year. The residual 39% of operating profit is predominantly generated by the Construction and Energy businesses. The Construction and Energy business offer value to the Group in terms of operating profit, but also offer many synergies to each other as well as the concession business. Due to the synergies between business lines, VINCI is able to create value by offering more services and winning new projects. The Group is pursuing a strategy of further diversification and internationalization in the concession business as well as the other businesses.

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.

Outlook

The one-year outlook for the unsolicited corporate issuer rating is **stable**. This outlook reflects our expectation of a slight improvement against the business year 2022. We expect that the concession business will be more or less performing in line with levels of 2022, except for VINCI Airports where we expect a further recovery in passenger numbers and operating results. Furthermore we expect further growth in VINCI Energies, Cobra IS and VINCI Construction as their order book has seen a significant increase to EUR 57.3 billion (2021: EUR 52.7 billion), as well as our expectation of further growth driven by the energy transition, and innovation trends.

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

+Equity

+Net total debt / EBITDA adj. (Factor)

+Return on investment

-Operating margin continues under pre-COVID-19 levels

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

Relevant rating factors

Table 1: Financials | Source: VINCI S.A. Annual Report 2022, standardized by CRA

VINCI S.A. Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS, etc.)	CRA standardized figures ¹	
	2021	2022
Sales (million EUR)	49,982	62,265
EBITDA (million EUR)	7,686	10,302
EBIT (million EUR)	4,467	6,689
EAT (million EUR)	2,195	4,416
EAT after transfer (million EUR)	2,597	4,259
Total assets (million EUR)	92,000	102,429
Equity ratio (%)	20.85	23.44
Capital lock-up period (days)	87.83	76.72
Short-term capital lock-up (%)	48.25	45.90
Net total debt / EBITDA adj. (Factor)	8.03	6.42
Ratio of interest expenses to total debt (%)	1.03	1.02
Return on investment (%)	3.13	4.87

General rating factors

- + Global and integrated Group and market leader in many countries
- + Diversified concession portfolio with a long average maturity
- + Good access to financial markets
- + Diversified and international business model
- + Resilience of the business model concessions
- + Complete value chain in contracting and energy business
- + Long-term strategy based on the synergies between concession and other businesses
- Increased risks on macro-economic development, oil prices and climate change
- Very low flexibility to raise prices on concession contracts
- Highly competitive markets and low margin in the construction and energy segment
- Potential revocation of concession contracts or not being able to extend the existing concession portfolio

Current rating factors

- + VINCI Autoroutes revenues and operating profit surpassing pre-pandemic levels
- + VINCI Airports showing a significant rebound, with revenues surpassing pre-pandemic levels
- + Strong operating development of VINCI Construction and VINCI Energies
- + Successful integration of Cobra IS
- + Strong cash-flow generation
- + Well filled order book at VINCI Construction, VINCI Energies and Cobra IS

¹ 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.

- VINCI Airports still under pre-pandemic level in terms of passengers and results on the basis of a constant scope
- Share buy-back program, putting pressure on cash-flow
- Covenants broken on financial contracts of London Gatwick airport due to consequences of COVID-19 pandemic in December 2021 and June 2022; Investors waived the breach

Prospective rating factors

- + Further diversification and internationalization in country with a low risk profile; particularly in Concessions
- + Profitable organic growth with the realization of further synergies
- + Improvement of financial profile; improvement of financial key ratios
- + Profitable growth in every business line

- Escalation of Ukraine-Russia war or further escalation in trade war with Russia
- Significant rise in oil prices
- A global or European recession
- Deterioration of financial profile; deterioration of financial key ratios

ESG-factors

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the case of Vinci S.A. we have not identified any ESG factor with significant influence.

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 a 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](#).

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 or positive effect (+), or a weakening or 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-

In our best-case scenario for one year, we assume a rating of A-. This scenario reflects the well-filled order book of VINCI Construction, Energies and Cobra IS, and assumes a slight increase in traffic at VINCI Autoroutes, as well as a further rebound to pre-pandemic levels in terms of passengers for VINCI Airports. However, as the current upgrade already reflects our expectation of a positive operating development we believe that it is unlikely that the unsolicited corporate issuer rating of VINCI S.A. will be upgraded again within the time frame of one year.

Worst-case scenario: BBB+

In our worst-case scenario for one year, we assume a rating of BBB+. This scenario reflects an increase in the Group's indebtedness. The increase in indebtedness, leading to higher leverage, stems from the need to externally finance its capital expenditure due to a significant slump in cash-flow generation as a result of lower traffic and passenger development in the concession business following a recession and soaring fuel prices.

Business development and outlook

During the business year 2022 VINCI S.A. recorded consolidated revenues of EUR 62,265 million (2021: EUR 49,982 million), EBITDA of EUR 10,302 million (2021: EUR 7,686 million), EBIT of EUR 6,689 million (2021: EUR 4,467 million) and net earnings of EUR 4,416 million (2021: EUR 2,195 million). The jump in revenue was the result of strong performance across all businesses. The main driver of growth was the integration and consolidation of Cobra IS, which was responsible for 45% of growth in terms of revenues. Cobra IS was consolidated from the start of the business year. The residual growth came from the other business segments. In total approximately half of revenue growth was realised by changes in scope, and the other half by organic growth, as well as changes due to FX changes.

The Concession segment showed a strong increase in comparison to the prior year, as 2022 was the first year since the start of the COVID-19 pandemic with no widespread mobility restrictions or other COVID-19 related measures that negatively affected its business. VINCI Airports particularly showed a strong increase and more than doubled its revenues, surpassing 2021, but remained 9% lower on a constant scope. Despite a strong increase in revenues, the amount of passengers on a constant basis in comparison to 2019 remained down by approximately 28%. VINCI Autoroutes continued to show an increase and surpassed pre-pandemic levels in terms of ADT by 1.7% and in terms of revenues by 7.3%.

VINCI Energies' growth was mainly driven by megatrends in energy and digital transitions, as well as 31 acquisitions during the year, which boosted revenues by EUR 260 million. On a full year basis revenues of these acquisitions will represent approximately EUR 745 million. VINCI Construction also continued to show strong performance. Especially in the Major Projects Division, the Group made progress with contracts won previously, and the Specialty Networks division also showed strong momentum.

Table 2: Revenues and operating earnings from ordinary activities of VINCI's business segments. Source: report on the financial statements of VINCI 2020, 2021 and 2022

In EUR million	Revenues			EBIT		
December 31	2019	2021	2022	2019	2021	2022
VINCI Autoroutes	5,593	5,550	6,003	2,967	2,841	3,127
VINCI Airports	2,631	1,188	2,679	1,016	-206	983
Other Concessions	319	309	479	6	48	62
Concessions Total	8,544	7,049	9,162	3,989	2,683	4,171
VINCI Energies	13,749	15,097	16,748	827	985	1,142
Cobra IS			5,520			411
VINCI Construction	25,051	26,282	29,252	826	968	1,100
Immobilier and holding companies	1,320	1,611	1,523	92	85	79
Eliminations	-695	-639	-530			
Total	48,053	49,396	61,675	5,734	4,723	6,824

The operating profit grew significantly and was mostly driven by the Concession segment, as well as by the integration of Cobra IS. The Concession segment contributed by approximately 70% to EBIT growth, as well as the consolidation of Cobra IS, which accounted for approximately 20% of EBIT growth during the business year. The Concession segment's EBIT growth was particularly driven by VINCI Airports, which returned to profitability, but remained slightly under pre-pandemic performance. VINCI Energies and VINCI Construction were responsible for the remaining growth of the Group. The higher operating profit resulted in a higher net profit. Net profit rose to EUR 4,416 million (2021: EUR 2,195 million).

In December 2022 VINCI acquired a 29.99% stake in the Mexican airport operator OMA. OMA has a concession to operate 13 different airports in Mexico until 2048. VINCI will be the largest shareholder and owns all of the preferred shares. The acquisition costed approximately USD 1.17 billion. Passenger traffic reached 23.3 million, surpassing pre-pandemic levels and adjusted EBITDA was PS 7,088 million (EUR 341 million), which both surpassed 2021 and 2019 figures with an adjusted EBITDA margin of 76.3%. The acquisition costed approximately USD 1.17 billion and has been fully consolidated since the acquisition date in December.

The Group reported an improvement in its operating margin to 10.74% (2021: 8.94%) during the business year. However, despite higher operating profit, the operating margin remained lower than 2019 levels. This is mainly explained by the integration of Cobra IS, which has a comparably lower profit margin than the concession business. Also, the slightly lower operating profit in comparison to 2019 at VINCI Airports due to the comparably lower passenger numbers also had a negative effect on the profit margin.

For the business year 2023 we expect that the Group will show a slight improvement against the 2022 business year. The integration of the OMA, as well as the acquisitions in VINCI Energies will make a full year contribution, improving the Group's operating profit generation. Additionally, we anticipate a small increase in the concession business as we expect ADT levels in line with the prior business year, whilst we anticipate a further rebound in passenger numbers for VINCI Airports as they continued to be lower on a constant basis in comparison to prior the pandemic. Furthermore we expect further growth in VINCI Energies, Cobra IS and VINCI Construction as their order book has seen a significant increase to EUR 57.3 billion (2021: EUR 52.7 billion), as well as expected growth driven by the energy transition.

Structural risk

VINCI S.A. is the parent Company of the VINCI Group and is headquartered in Nanterre cedex, France. The Group's activities range from construction and engineering, to developing and managing concessions. VINCI separated its organisational structure into four segments; Concessions, Energy, Construction and Real estate.

In the Group's Concession segment, VINCI Concession holds and manages a concession portfolio for motorways, airports, stadiums, railway infrastructure and other public amenities. This business segment is divided into several different companies. VINCI Autoroutes manages approximately 4,443 km of motorways in France. VINCI Airport manages 65 different airports in 12 different countries, and Other concessions, which manages concessions of foreign Motorways, 4 Stadiums in France and Railway infrastructure. The Group strategy in the Concession segment is to diversify and internationalise its portfolio and to renew its existing concessions. Its existing portfolio is relatively well diversified, and its maturity profile well distributed.

The Energy segment differentiates between VINCI Energies and Cobra IS. VINCI Energies is an electrical engineering and installation company, which offers services with respect to optimizing energy usage, the development and optimisation of energy infrastructure, industrial plants and buildings. VINCI Energies exists out of 1,900 business units and separates its business in four different pillars; Infrastructure (energies and transport), Industry, Building solutions and Information & Communication Technology.

At the end of 2021 VINCI acquired Cobra IS. The acquisition covered most of the ACS industrial services division, 9 greenfield concession projects under development or construction and the renewable energy project development platform. The integration of Cobra IS into the VINCI Group offers multiple synergies due to the nature of its business activities as Cobra IS disposes over expertise in delivering turnkey EPC projects in the energy sector and also in developing renewable energy concession. Additionally it supplements VINCI's existing geographical footprint due to its strong presence in the Iberian Peninsula and Latin America.

In 2021 VINCI restructured the business division VINCI Construction. Eurovia fused with VINCI Construction to form a global leader in building and civil engineering. VINCI Construction is organised into three pillars; Major Projects, Specialty Networks and Proximity networks and consists of 1,350 different business units and mainly focusses itself on the construction of buildings, civil works, roads and earth and rail works and water infrastructure.

We believe the structural risk for the VINCI Group is low. We have not identified any core risk associated with either the structural or the organizational framework of VINCI, except that the Group has a high level of complexity, which, in addition to the number of companies in the Group, also results from international business and business units. Generally speaking, the biggest risk would be the termination or expiry of concessions. However, the Group has been successful in extending the average maturity profile as well as further diversifying the Group's concession portfolio. Additionally, the corporate strategy of VINCI S.A. entails integration risks and the risk of non-realization of expected gains and synergies by the new acquisitions.

Business risk

VINCI's business model encompasses its three core businesses; concessions, energy and construction. The three core businesses offer many synergies to each other, especially in terms of operation cycles, capital intensity and expertise. Due to the synergies between business lines, VINCI is able to create value by offering more services and winning new projects.

In the concession business, the focus is placed mostly on transport infrastructure, such as motorways and airports. The Group, however, also operates other public amenities and has a large and diversified concession portfolio. Its strategy is mainly based on further diversification of its concession portfolio and extending the average time to maturity of the concessions. In terms of new projects, the Group mainly focusses on greenfield opportunities, which offer synergies with the contracting and energy business. With the acquisition of Cobra IS, the Group also wants to emphasize the development of energy concessions.

The concession grantor, usually a government, generally assigns all responsibility for designing, financing, building (or upgrading) and operating the object of the concession to the concessionaire. These tasks require significant amounts of initial capital investments and often have a term of multiple decades. This leads to the relatively high risk as erroneous estimates may potentially lead to significant deviations in planned cash-flows (i.e. significant construction delays, cost overruns, regulatory obstacles). For the design and construction phase, VINCI can use the synergies of its Group companies in the construction, or concession segment in terms of expertise in planning, construction, and operating. During the term of the concession agreement, the grantor remains the owner of the assets; the concessionaire only has the right to operate the concession assets. The main risks of the operation of these concession assets predominantly is the performance, in terms of traffic, passenger numbers for example for motorways and airport concessions. These factors are generally exposed to economic activity and development, but are also prone to societal and regulatory changes; as the Group witnessed during the COVID-19 pandemic with (international) travel restrictions.

In the construction and energy businesses, the focus predominantly lies on large-scale projects, such as the design construction and operation of (energy) infrastructure, buildings, and structures, as well as improving (energy) efficiency in industrial plants, buildings and the development of greenfield energy concessions. The Energy and construction segments (including Cobra IS) generally work under fixed-term contracts covering periods of a few weeks to several years. These contracts generally underlie the same design and construction risks as the greenfield concessions, as erroneous estimations in design and general cost estimates, might lead to significant cost overruns, or regulatory problems. These risks are partially offset by VINCI's longstanding experience, as well as the high degree of diversification in terms of projects.

With the integration of Cobra IS into the Group, VINCI is aiming for global leadership in engineering works and services in the energy sector, as well as to broaden its concession portfolio. The integration improved VINCI's diversification profile, as Cobra IS has significant market positions in the Iberian Peninsula and in Latin America. The business year 2022 was the first year that VINCI generated more international revenues than in France. During the business year 45.3% of revenues were generated in France, 32.6% in Europe (excl. France) and 22% outside of Europe.

The business profile of the Group is low to intermediate. The activities of the Group are well diversified, geographically as well as in terms of business lines and scale. In terms of operating profit the Group is fairly dependent on the concession business. . With approximately 61 percent of operating profit coming from the concession business, despite the fact that less than 15% of Group revenues account for the concession business. The residual 39% of operating profit is

predominantly generated by the construction and energy businesses. The concession business is, in our opinion, also fairly well diversified with a rising number of different concessions. However, it should be noted that VINCI Autoroutes, which manages motorway concessions in France, is responsible for a little under three quarters of the operating profit of the concession business. With the expansion of the Construction and Energy business, as well as with the integration of Cobra IS, VINCI would like to achieve more synergies between its segments, particularly between the Concession and other segments.

Financial risk

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.

Over the past years, the Group's balance sheet total has grown fast and was mainly driven by its investments and acquisitions made, as well as an increasing need for working capital. At the end of 2022 the balance sheet total grew to EUR 102,429 million (2021: EUR 92,000 million). The growth was mainly driven by the consolidation of Cobra IS at the end of 2021 and the Mexican Airport operator OMA in 2022, as well as further smaller acquisitions.

The Group's equity was affected by several opposing effects. The Group's total comprehensive income was the main positive factor, as well as the changes in the scope of consolidation mainly due to the acquisitions mentioned above. This was partially offset by the distribution of dividends, and a share buy-back. Additionally, due to changes in our adjustments made in equity, particularly changes in passive deferred taxes, as well as in goodwill, our adjusted equity increased further to EUR 24,008 million (2021: EUR 19,180 million). Due to the increase in equity, the equity ratio increased to 23.44% (2021: 20.85%).

VINCI has a share buy-back program in place, for a period of 18 months with a maximum purchase amount of EUR 4 billion at a maximum price of EUR 140 million. During the business year, VINCI acquired shares on the market for a total of EUR 1,094 million. The program somewhat limits the development of the rating as it has a negative effect on cash-flow and, as mentioned above, decreases the Group's equity. VINCI's dividend policy is modest with a pay-out ratio of 53.5% in 2022, which is a decent basis for growth.

The Group's cash flow from operations increased significantly to EUR 9,387 million (2021: EUR 7,806 million) due to the strong operating performance across all business segments and stood higher than in 2019. Particularly the strong rebound in concessions, driven by VINCI Airports, as well as the integration of Cobra IS were the driving factor of the increase in operating cash-flow.

Operating investments made, as well as growth investments in concessions and public-private partnerships during the year amounted to approximately 2,438 million (2021: EUR 1,892 million). The Group's FCF, including the repayment of lease liabilities stood at EUR 5,433 million (EUR 5,282 million), which did not include the acquisitions made during the year. When reflecting the Group's acquisitions of EUR 2,677 million (2021: EUR 4,916 million) throughout the year, which mainly related to the stake in the Mexican airport operator OMA and smaller acquisitions made by VINCI Energies the FCF after acquisitions stood at EUR 2,757 million (2021: EUR 366 million).

At the end of the business year the Group reduced its outstanding indebtedness slightly to EUR 29,997 million (2021: EUR 30,738 million), of which EUR 19,067 (2021: EUR 20,761 million) directly related to the concession business. The maturity profile for long-term indebtedness is well distributed, with annual repayments always lower than EUR 3,000 million and an average maturity

of 7.1 years for the concession business and 6.5 years for the Holdings and other divisions. We believe that VINCI should have no issues with the debt repayments over the coming years as its FCF before acquisitions should theoretically be sufficient to fully repay all outstanding indebtedness whilst continuing with the distribution of dividends. However, as M&A activities are part of the Group's strategy, we believe that additional capital indebtedness might be acquired to finance these activities.

The Group has several covenants in its financial contracts. The main financial covenants relate to the financial indebtedness obtained by London Gatwick airport, which is subject to covenants for a total amount of Pound Sterling 2.9 billion. For the covenants relating to financial indebtedness of London Gatwick airport, waivers and amendments were obtained. A waiver in relation to the financial ratios interest coverage and debt ratio on December 2021 and June 2022. At the end of the business year the ratios were again maintained. Additionally, an amendment to the method for calculation the debt ratio until June 2024 was agreed upon. These waivers and amendments were mainly necessary due to the COVID-19 pandemic and the unfavorable effects it had on air traffic. Given the exceptional circumstances that were affecting air travel, most lenders accepted the Company's request to temporarily waive compliance with financial covenants. However it should be noted that potential breaches in covenants, even when caused by extraordinary situations, put negative pressure on our rating assessment and increased the Group's financial risk profile.

As of the end of 2022 VINCI's liquidity was strong with a total liquidity of EUR 19.7 billion (2021: EUR 17.0 billion), consisting out of EUR 9.2 billion net cash managed and EUR 10.5 billion of unused confirmed bank credit facility.

We believe that the financial risk profile for the VINCI Group is low to intermediate. Our assessment is based on the Group's operating cash-flow generation, which is sufficient to cover its ordinary investments, as well as to meet its financial obligations in relation to its maturing indebtedness. Additionally, with the rebound in the concession business and strong performance in the other businesses the Group's financial profile has largely recovered, with even stronger cash-flow generation than before the pandemic. Additionally, the covenant breach at London Gatwick airport are resolved.

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 VINCI 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 12 July 2022. 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 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 VINCI S.A. with an unsolicited corporate issue rating of **A-**. The outlook is also **stable**. In con-

sideration of our corporate issue rating methodology, the rating is based on the unsolicited corporate issuer rating of VINCI 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
VINCI S.A. (Issuer)	1 March 2023	A- / stable
Long-term Local Currency (LT LC) Senior Unsecured Issues of VINCI S.A.	1 March 2023	A- / stable

Table 4: Overview of 2023 Euro Medium Term Note Program | Source: VINCI S.A. Base Prospectus dated 12 July 2022

Overview 2023 EMTN Program			
Volume	EUR 12,000,000,000	Maturity	Depending on the respective bond
Issuer	VINCI 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 that will be issued by VINCI S.A. and that have similar conditions to the current EMTN program, denominated in Euro and which are 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. 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 issue classes or programs (such as the Commercial Paper Program) 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 5: Financial key ratios | Source: VINCI S.A. consolidated annual report 2022, structured by CRA

Asset Structure	2019	2020	2021	2022
Fixed asset intensity (%)	63.19	60.77	60.33	58.92
Asset turnover	0.63	0.52	0.57	0.64
Asset coverage ratio (%)	77.30	80.06	76.24	76.60
Liquid funds to total assets (%)	9.72	13.86	12.03	12.28
Capital Structure				
Equity ratio (%)	23.01	23.01	20.85	23.44
Short-term-debt ratio (%)	39.06	39.15	45.21	46.91
Long-term-debt ratio (%)	25.83	25.65	25.15	21.70
Capital lock-up period (in days)	66.12	73.75	87.83	76.72
Trade-accounts-payable ratio (%)	10.39	10.46	13.07	12.78
Short-term capital lock-up (%)	40.89	44.66	48.25	45.90
Gearing	2.92	2.74	3.22	2.74
Leverage	4.33	4.35	4.57	4.50
Financial Stability				
Cash flow margin (%)	14.36	8.13	10.62	12.05
Cash flow ROI (%)	8.24	4.21	5.77	7.32
Total debt / EBITDA adj.	7.45	10.89	9.47	7.64
Net total debt / EBITDA adj.	6.51	8.93	8.03	6.42
ROCE (%)	14.31	7.46	11.79	16.47
Total debt repayment period	5.32	16.08	7.53	6.97
Profitability				
Gross profit margin (%)	67.66	67.20	67.58	65.34
EBIT interest coverage	8.66	4.13	5.98	8.38
EBITDA interest coverage	13.25	8.78	10.29	12.91
Ratio of personnel costs to total costs (%)	24.28	26.50	24.98	24.06
Ratio of material costs to total costs (%)	32.34	32.80	32.42	34.66
Cost income ratio (%)	88.29	93.63	91.13	89.34
Ratio of interest expenses to total debt (%)	1.01	1.04	1.03	1.02
Return on investment (%)	4.74	1.93	3.13	4.87
Return on equity (%)	19.02	5.20	11.34	20.45
Net profit margin (%)	6.99	2.31	4.39	7.09
Operating margin (%)	11.78	6.41	8.94	10.74
Liquidity				
Cash ratio (%)	24.88	35.42	26.60	26.18
Quick ratio (%)	85.60	90.79	81.66	82.09
Current ratio (%)	94.25	100.20	87.74	87.57

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 VINCI 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 VINCI S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	05.10.2018	15.10.2018	19.08.2019	A- / stable

Regulatory requirements

The rating² 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 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
Corporate Ratings	2.4	July 2022
Non-financial Corporate Issue Ratings	1.0	October 2016
Rating Criteria and Definitions	1.3	January 2018

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

² 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.

The rating was carried out by the following analysts:

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

Contact information

Creditreform Rating AG

Europadamm 2-6
D-41460 Neuss

Phone: +49 (0) 2131 / 109-626
Telefax: +49 (0) 2131 / 109-627

E-Mail: info@creditreform-rating.de
Web: www.creditreform-rating.de

CEO: Dr. Michael Munsch
Chairman of the Board: Michael Bruns

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