

Rating object	Rating information	
<p><b>Long-Term Local Currency Senior Unsecured Issues</b></p> <p>Type of issues: Long-term local currency senior unsecured issues                      Home Market: Euronext Paris                      Issuer: VINCI S.A.                      Guarantor: --</p>	<p>Corporate Issuer Rating:  <b>A- / stable</b></p> <p>LT LC Senior Unsecured Issues:  <b>A-</b></p> <p>Rating Date: 5 October 2018                      Monitoring until: withdrawal of the rating                      Publication Date: 15 October 2018                      Rating methodology: CRA „Corporate Issue Ratings“                      Rating history: www.creditreform-rating.de</p>	<p>Type:                      Initial rating                      Unsolicited</p> <p>Other:  <b>n.r.</b></p>

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## Transaction summary

Object of this rating are the long-term (“LT”) local currency (“LC”) senior unsecured issues (“Notes”) issued by VINCI S.A. (“VINCI”). The Notes have been issued within the framework of a Euro Medium Term Note Programme (“EMTN Programme”), of which the latest base prospectus is dated 2 July 2018. The Notes are unsecured and are issued in Series from time to time with different interest payments and maturities. The issues proceeds are applied to finance the general financing requirements of the issuer unless otherwise specified in the final terms of each Note.

The rating of A- attests a high level of credit quality of the LT LC senior unsecured issues of VINCI with a low investment risk.

In accordance with CRA methods, this unsolicited corporate issue rating is derived from VINCI S.A.’s unsolicited corporate issuer rating, which was first prepared on 12 April 2017 (initial rating). Information about the current unsolicited corporate issuer rating of VINCI and its rating reports are available on the website of Creditreform Rating AG.

## Issue rating details

### Issuer

The Group VINCI S.A. is a French concession and contracting group of 2,098 companies, employing 197,428 people in some 100 countries. The group offers a broad range of services such as designing, financing, building and operating infrastructure and facilities.

The large majority of the concessions of the Group are located in France (82% of revenues), 11% in Portugal and 7% in the rest of the world. The average concession length is 23 years. Two concessions contracts expired in 2018.

VINCI developed positively in 2017 with increased revenues amounting to EUR 40,876 million in (2016: EUR 38,547 million), of which 58.8% in France, 25.4% in Europe and 15.8% in the rest of the world. The Group improved its operating performances as EBITDA margin increased by 0.5% to 16.2% of revenues and achieved a net profit of EUR 2,747 million in 2017 (2016: EUR 2,505 million). The concession business accounts for 17.2% of revenues but 72.4% of EBITDA and 70.6% of operating income. On the contrary, the contracting business accounted for 81.6% of revenues, 25.1% of EBITDA and 27.3% of the EBIT.

The gross debt of VINCI as of 31 December 2017 was composed at 82% of bonds (2016: 74%), used quasi exclusively in the concessions’ business. Long-term debt increased by EUR 492 million in 2017 in comparison with 31 December 2016, mainly due to bond issues of Cofiroute, ASF

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(EMTN programme), Arcour, Aerodrom and VINCI. The average maturity of VINCI long-term financial debt is 5.7 years (2016:5 years). Net financial debt slightly increased in comparison with 2016, amounting to EUR 14,001 million (previous year: EUR 13,938 million).

The liquidity of the company is adequate with cash and cash equivalents covering 112% of short-term financial liabilities. In total, the Group disposes of EUR 10.8 bn available resources (2016: EUR 10.2 bn), including EUR 6 bn of available confirmed bank facilities expiring in May 2021.

The following table shows some key financials of VINCI for the last 2 years.

Table 1: Financials of VINCI | Source: VINCI annual report 2017, standardized by CRA

Financial ratios' extract Basis: consolidated annual statement per 31.12 (IFRS)	CRA standardized figures	
	2016	2017
Revenues	EUR 38,547 million	EUR 40,876 million
EBITDA	EUR 6,128 million	EUR 6,695 million
EBIT	EUR 4,125 million	EUR 4,567 million
EAT	EUR 2,505 million	EUR 2,747 million
Total assets adj.	EUR 63.647 million	EUR 65.248 million
Equity ratio adj.	23.0 %	23.9 %
Capital lock-up period	73.3 days	73.2 days
Short-term capital lock-up	46.4 %	45.8 %
Return on investment	5.1 %	5.2 %
Net debt / EBITDA adj.	6.8 x	6.4 x
Ratio of interest expenses to debt	1.5 %	1.3 %

Generally, we expect VINCI to further achieve strong operating performance and robust results in 2018. The positive business development trend of 2017 was confirmed in the first half-year 2018 with a revenues' increase by 6.7% (organically 2.8%) in comparison with H1-2017. Net financial debt has nevertheless increased by EUR 2.7 bn compared to 31 December 2017, reflecting the seasonal change in net working capital as well as investments of EUR 1.1 bn. We believe in the sustainability of the business model given its high geographical diversification and the possibility of synergies between its business lines. The long-term strategy of the group with a further internationalization and a focus on concession contracts with high margin is in our opinion plausible and may lead to increasing stable cash flows. A possible deterioration of the financials to finance this strategy should be recovered in the medium and long-term.

Regarding the business development and outlook of the issuer, we refer to the report on the unsolicited corporate issuer rating of VINCI S.A. as of 12 April 2017 (currently A- / stable) and the information published by the Group since then. The company faces specific structural risks, business risks and financial risks that are described in detail in the rating report. The report can be found on the website of CRA. As mentioned above, the rating is monitored on an ongoing basis.

### Rating object

The rating objects of this issue rating are exclusively the in euro denominated long-term senior unsecured issues, issued by VINCI S.A. and which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB.

The Notes have been issued within the framework of the EMTN Programme, of which the latest base prospectus is dated 2 July 2018. The current EMTN Programme amounts to maximum EUR 6 bn. The Notes issued under the EMTN Programme benefit from a negative pledge provision and cross-default mechanism. Early redemption at the option of the issuer and/or noteholders is possible for tax reason, following a change of control, loss of concession, squeeze out option make-whole redemption and residual maturity call option.

## Rating result

We assign a rating of A- to the long-term local currency senior unsecured debt securities issued by VINCI. The decision is derived from the corporate issuer rating and its outlook.

The following tables gives overviews of the ratings attributed by CRA as well as of the current EMTN Programme.

Table 2: Summary of CRA ratings | Source: CRA

Rating objects	Detail information	
	Date	Rating
VINCI S.A.	12.04.2017	A- / stable
Autoroute du Sud de la France S.A.	12.04.2017	A- / stable
Long-term LC senior unsecured issues of VINCI S.A.	05.10.2018	A-
Long-term LC senior unsecured issues of Autoroute du Sud de la France S.A.	05.10.2018	A-
Other	--	n.r.

Table 3: Overview of 2018 EMTN Programme | Source: VINCI prospectus dated 2 July 2018

Overview 2018 EMTN Programme			
Programme Volume	EUR 6,000,000,000	Maturity	Depending on the respective Notes
Issuer	VINCI S.A.	Coupon	Depending on the respective Notes
Arranger	Natixis	Currency	Depending on the respective Notes
Credit Enhancement	--	ISIN	Depending on the respective Notes

At the time of the rating, the following EUR-Notes are rated by Creditreform Rating AG:

Table 4: Unsolicited ratings of VINCI's long-term LC senior unsecured issues | Source: VINCI

ISIN	EUR	Issue date	Maturity	Unsolicited rating
FR0011182922	75,000,000	18.01.2012	18.01.2019	A-
FR0011225127	750,000,000	30.03.2012	30.03.2020	A-
FR0012315570	250,000,000	14.11.2014	17.11.2021	A-

All future LT LC senior unsecured Notes denominated in euro and included in the list of ECB-eligible marketable assets, which will be issued by VINCI under the current EMTN Programme, will, until further notice, receive the same ratings than the current LT LC senior unsecured issues. Notes issued under the Programme in another currency than euro or other types of debt instruments have not been rated by CRA so far. The current ratings and information can be seen on the website of Creditreform Rating AG.

Best-case scenario: A-  
 Worst-case scenario: BBB+

### Best-case scenario

In our best-case scenario for one year, we assume a rating of A-. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating report on the unsolicited corporate issuer rating of VINCI as of 12 April 2017 (A- / stable).

### Worst-case scenario

In our worst-case scenario for one year, we assume a rating of BBB+. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating report on the unsolicited corporate issuer rating of VINCI as of 12 April 2017 (A- / stable).

#### 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.

## Appendix

### Rating history

Corporate issuer VINCI | Source: CRA

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	12.04.2017	24.04.2017	Withdrawal of the rating	A- / stable

LT LC senior unsecured issues issued by VINCI | Source: CRA

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	05.10.2018	12.10.2018	Withdrawal of the rating	A-

### Regulatory and legal disclosures

The present rating 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 quantitative analysis is primarily based on the last annual report of the issuer, the base prospectuses and on press releases of the company. The information and documents meet the requirements and are in accordance with the published Creditreform Rating AG's rating methodology.

The rating was conducted on the basis of Creditreform Rating's "Corporate Issue Ratings" methodology. A complete description of Creditreform Rating's rating methodologies is published on the following internet page: [www.creditreform-rating.de](http://www.creditreform-rating.de).

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodology. A complete description of Creditreform Rating's rating methodologies and Creditreform'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 Marie Watelet (m.watelet@creditreform-rating.de) and Christian Konieczny (c.konieczny@creditreform-rating.de), both located in Neuss, Germany. A management meeting did not take place.

The rating was presented to the rating committee on 5 October 2018. The company examined the rating report prior to publication and was given at least one full working day to appeal the rating committee's decision and to provide additional information. The rating decision was not amended following this examination.

The rating will be monitored until CRA removes the rating and sets it to non-rated (n.r.).

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

Please note:

This report exists in an English version only. This is the only binding version.

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To prepare this credit rating, CRA 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

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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'

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”.

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