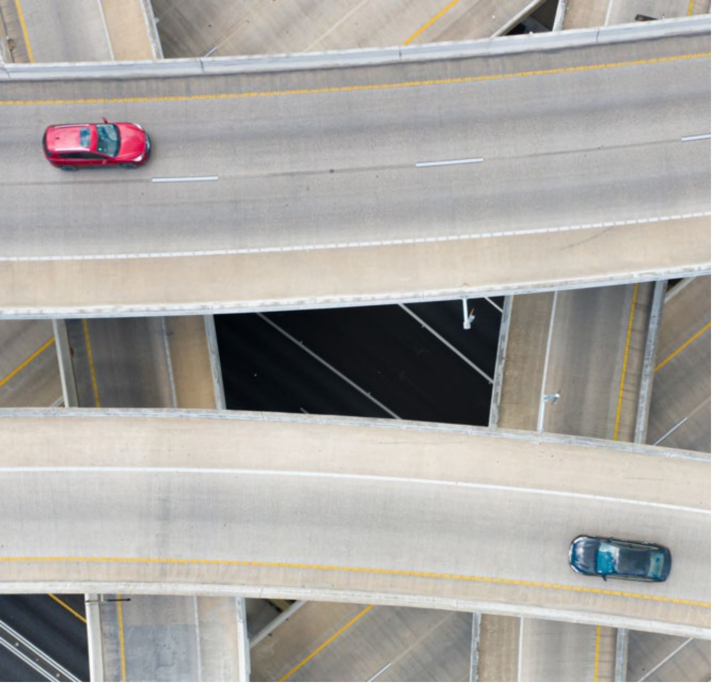

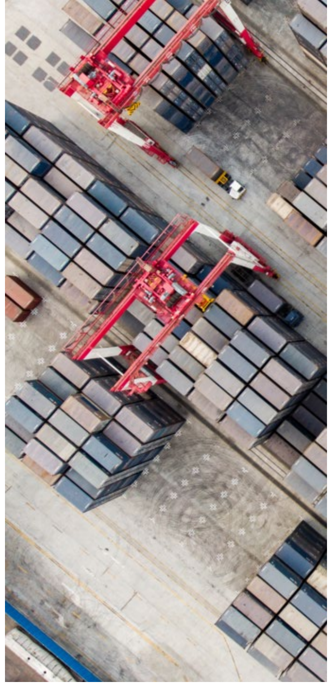

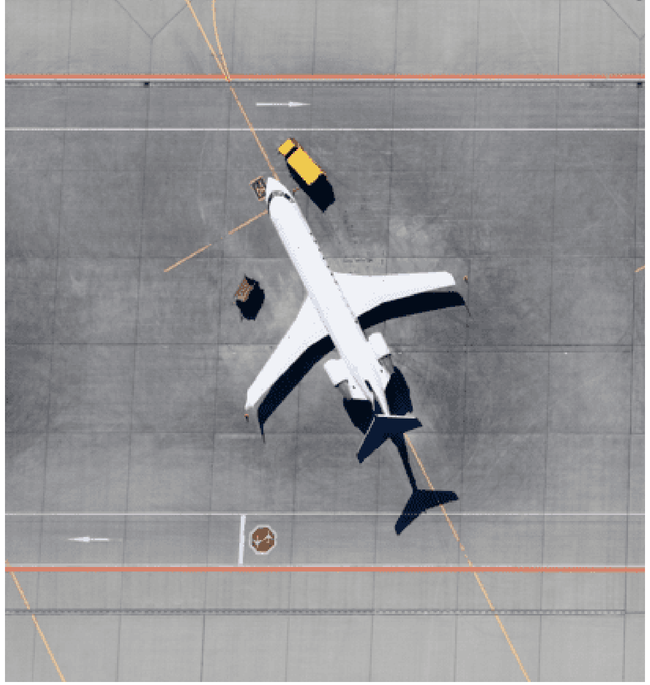

EMEA Infrastructure: Handbook

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Abhijay Malviya,
Research Contributor

Jan. 16, 2024

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This report does not constitute a rating action

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1. Portfolio Overview

2. EMEA Sub-Sector Outlooks

3. Corporate Credits

S&P Global Ratings-adjusted figures unless stated otherwise. Source: S&P Global Ratings.

Credit Conditions | Top Risks

Adapting to new realities in 2024

Top European risks	Risk level	Risk trend
Escalating geopolitical conflicts could disrupt supply chains, trigger extreme flight to quality/risk aversion, lead to excessive volatility, and freeze up some financial markets.	High	Worsening
Tighter financing conditions will test financial vulnerabilities, particularly for companies needing to refinance and who are generating minimal FOCF where interest coverage ratios are falling below 2x.	High	Unchanged
Recession due to a multifaceted crisis including high rates, elevated energy prices, weaker business and consumer confidence, rising unemployment, and high public debt reducing fiscal headroom.	High	Unchanged
Real estate downturn heightens risk of spillovers to the broader economy as financing costs remain elevated over an extended period.	Elevated	Unchanged
China's structural economic slowdown amplifies potential spillovers from international trade tensions.	Moderate	Unchanged

Structural risks		
Heightened disruption from physical and transition issues linked to **climate change.**	Elevated	Worsening
Mounting **cyber attacks** due to geopolitical tensions.	Elevated	Worsening

Risk levels may be classified as moderate, elevated, high, or very high, and are evaluated by considering both the likelihood and systematic impact of an event occurring over the next one to two years. Typically, these risks are not factored into our base-case rating assumptions unless the risk level is very high. **Risk trends** reflect our current view on whether the risk level could increase or decrease over the next year. FOCF—Free operating cash flow. Source: "Credit Conditions Europe Q1 2024: Adapting to new realities," Nov 28, 2023.

Moderate Traffic Growth Despite Affordability Risks

Industry Credit Outlook 2024 | Global Infrastructure Transportation

Strong operational performance

The majority of infrastructure issuers will continue to carry inflation into their tariffs.

Pent-up travel demand outweighs affordability risks.

Fixed long-term debt will mitigate the impact of higher interest rates.

Key assumptions for 2024

- Continued revenue growth led by inflation-linked tariff increases.
- Limited demand impact despite low economic growth.
- Pressure on free cash flow from high real interest rates and increased financing costs.

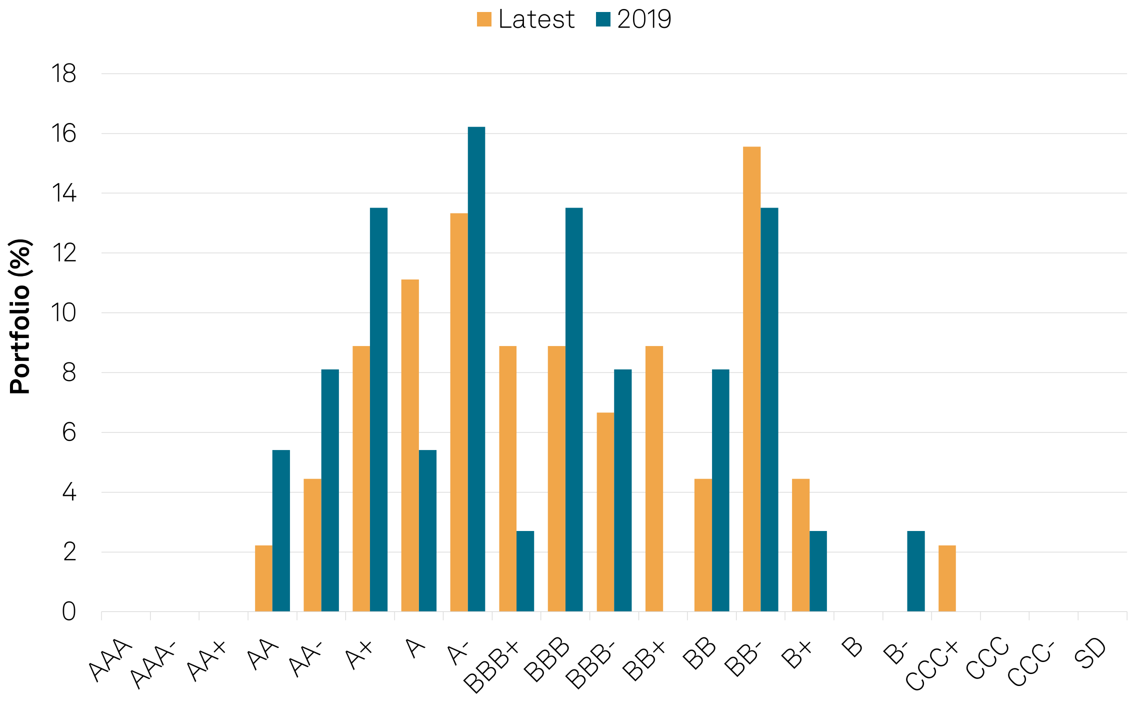
Key risks around the baseline

- Recession and affordability risks could test mobility.
- An escalation of the current conflicts could weigh on global trade, commodity prices, and travel.
- Hike in real interest rates and credit spreads.

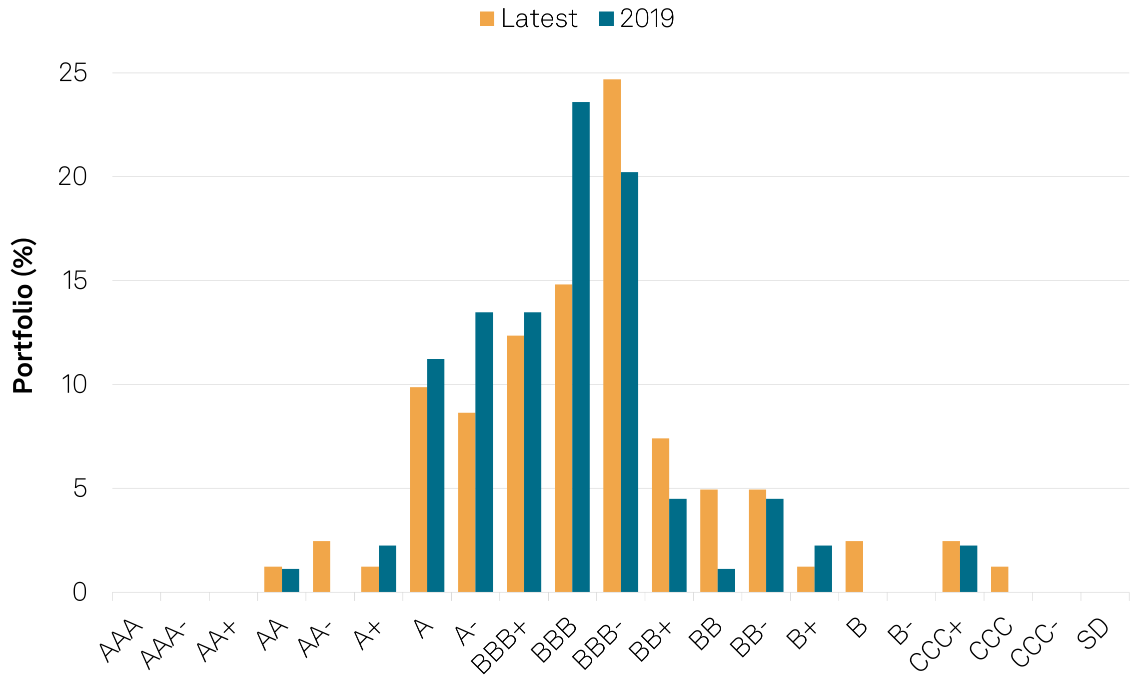
Credit Quality Has Marginally Declined

EMEA Infrastructure rating distributions

Corporate portfolio rating distribution



Project finance portfolio rating distribution



- 65% of the portfolio is rated investment grade (above ‘BBB-’), compared with 73% share in 2019.

- 75% of the portfolio is rated investment grade (above ‘BBB-’), compared with 85% in 2019.

Note: All ratings. Excludes the benefit from full credit insurance. Source: S&P Global Ratings.

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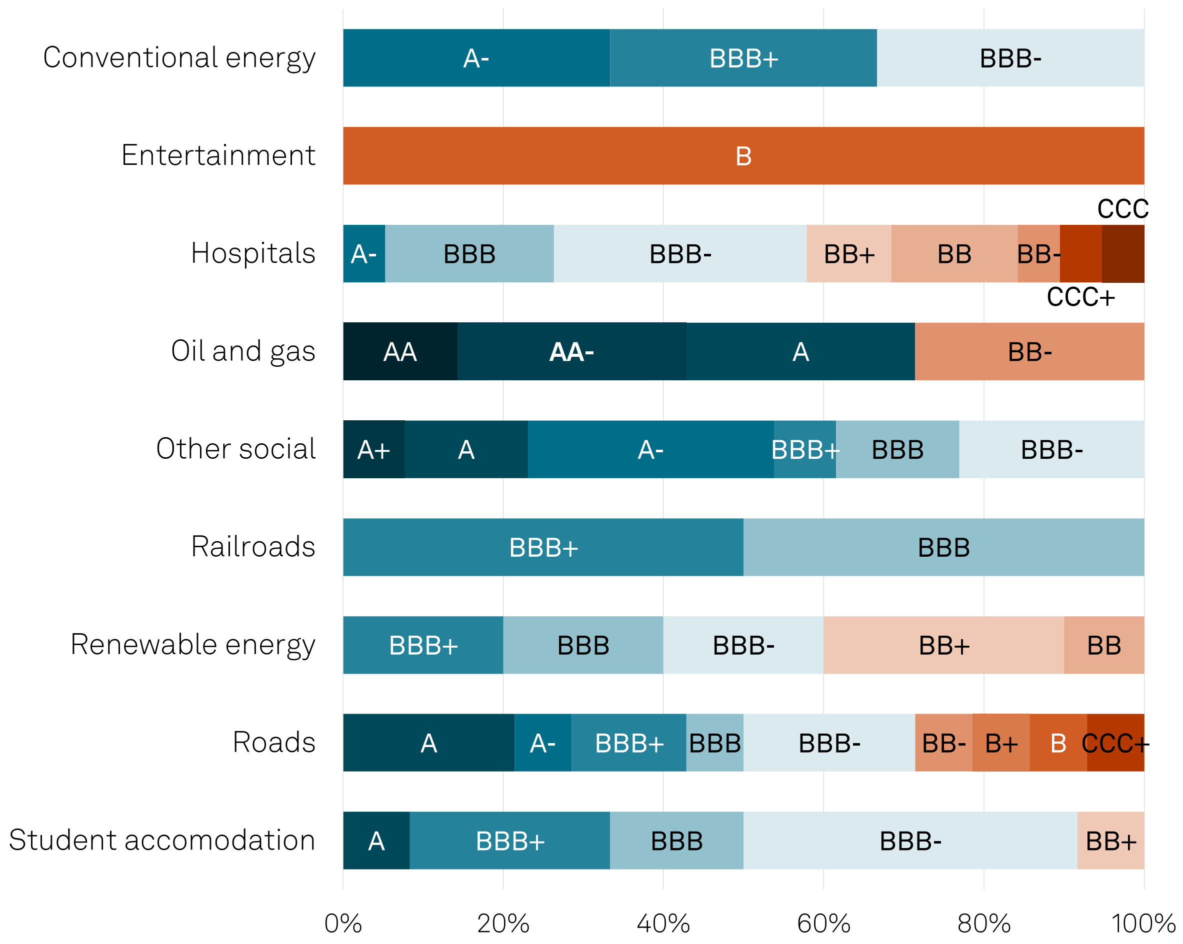
Portfolio Of Credits Are Mostly Investment-Grade

EMEA infrastructure rating by sectors

Corporates

Project finance



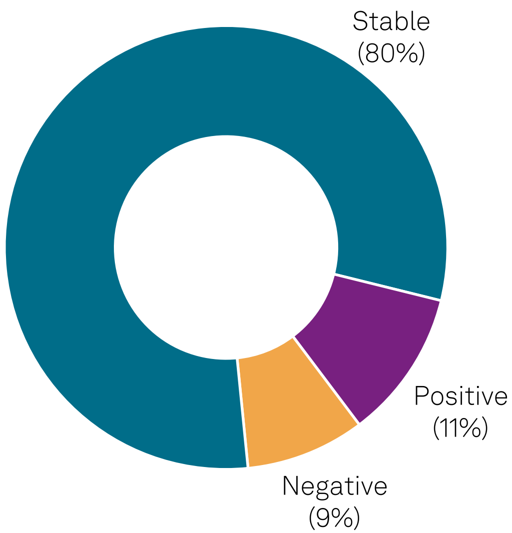
Note: Public ratings only. Excludes the benefit from full credit insurance. Source: S&P Global Ratings.

S&P Global Ratings

Corporates | Majority Of Companies Have Stable Outlooks

EMEA corporate rating outlooks

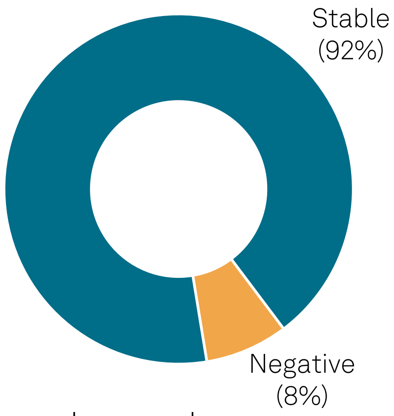
Corporate portfolio outlook



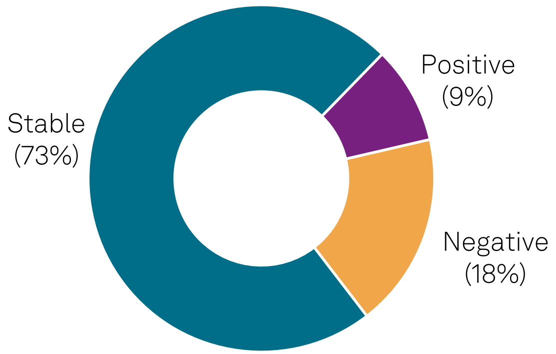
- The majority of credit outlooks are now stable, signalling relatively improved credit conditions from last year.
- Both the rail and airport sectors continue to have some negative outlooks.

Sector highlights

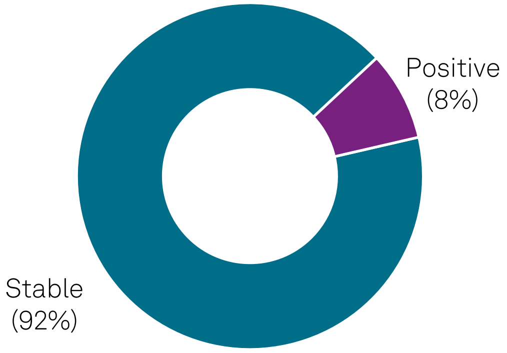
Airports



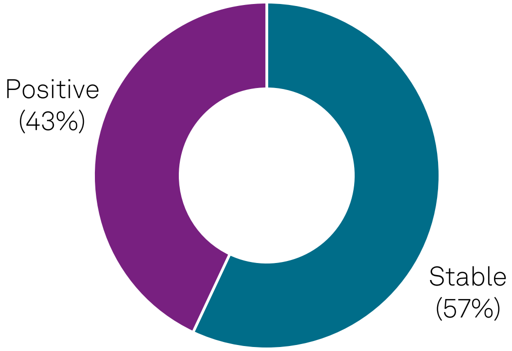
Rail



Toll roads and car parks



Ports

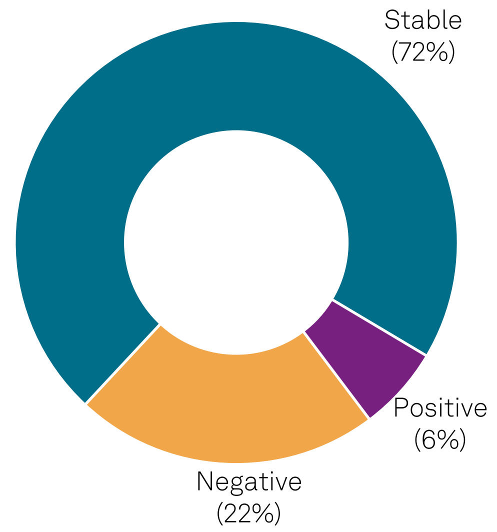


Note: All ratings. Source: S&P Global Ratings.

Project Finance | Renewables Weigh On Overall Outlook

EMEA project finance rating outlooks

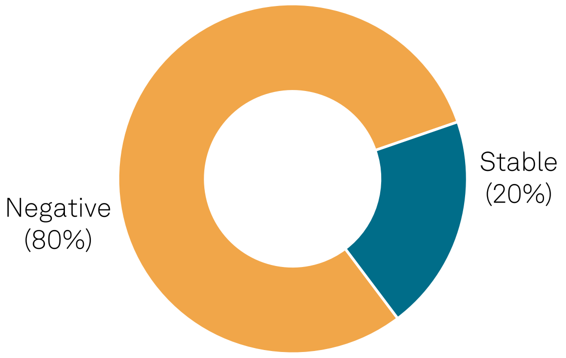
Project finance portfolio outlook



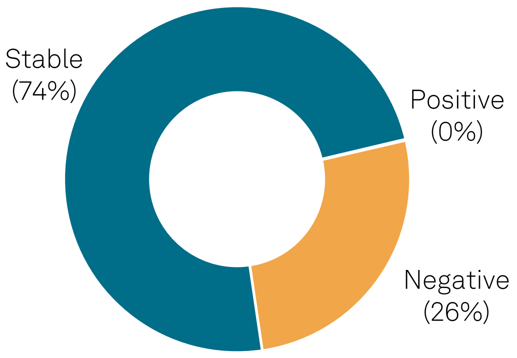
- The majority of outlooks are stable.
- Negative outlooks are mostly concentrated in Spanish renewables, U.K student accommodation, and U.K hospitals.

Sector highlights

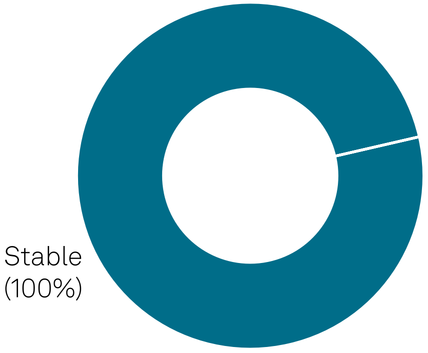
Renewable energy



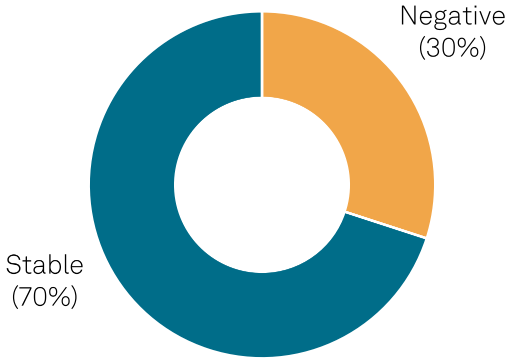
Hospitals



Roads



Student accommodation

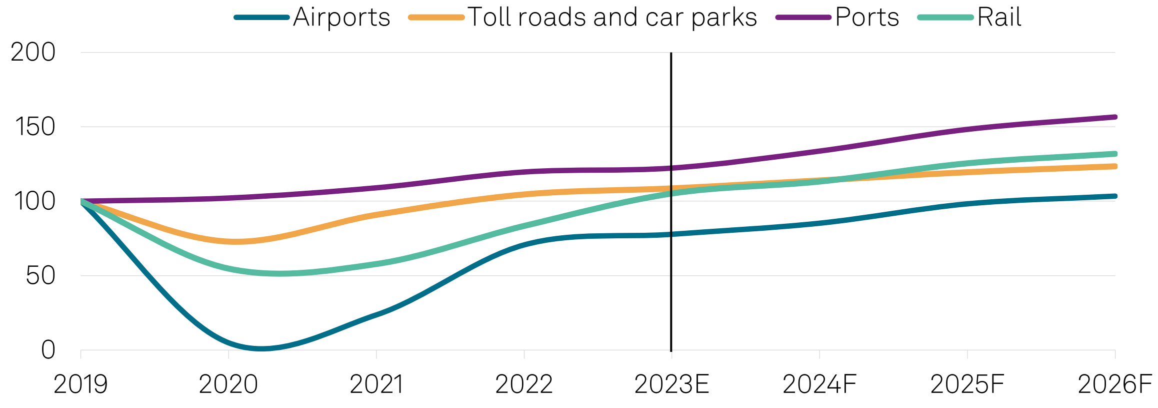


Note: All ratings. Source: S&P Global Ratings.

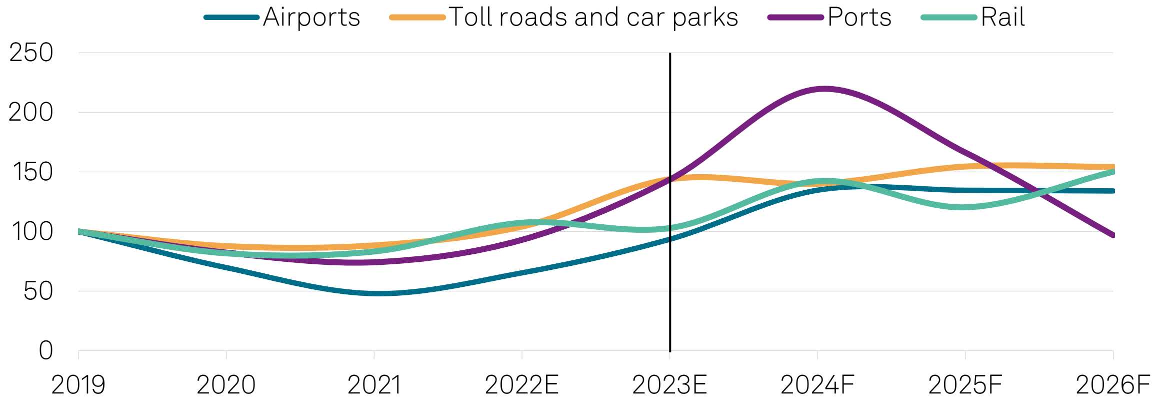
Corporates | Pandemic's Aftermath Continues To Shape Credit Profiles

EMEA post-COVID-19 corporate sector trends (2019 = base)

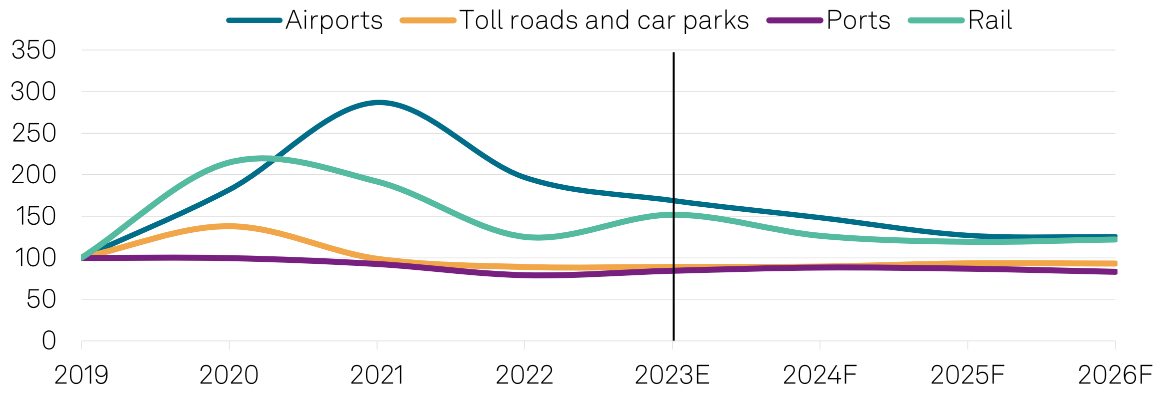
Median adjusted EBITDA



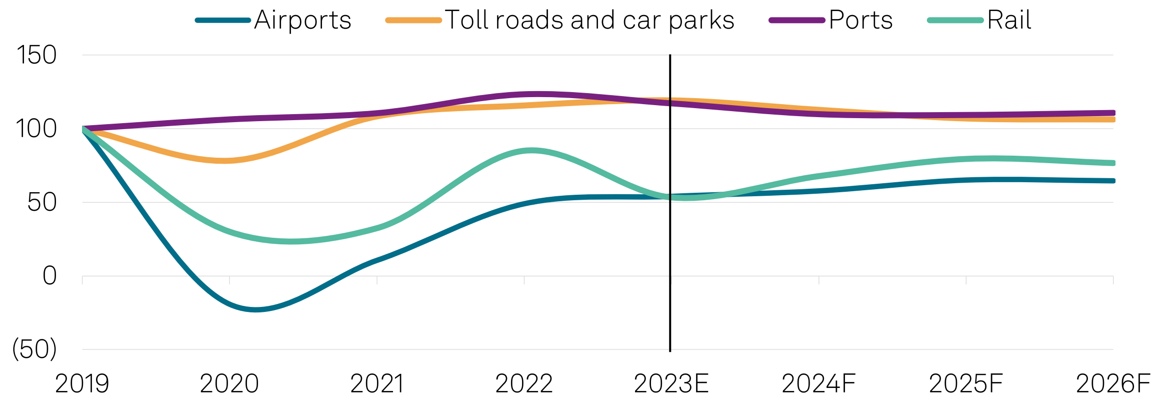
Median capex



Median debt/EBITDA



Median FFO/debt

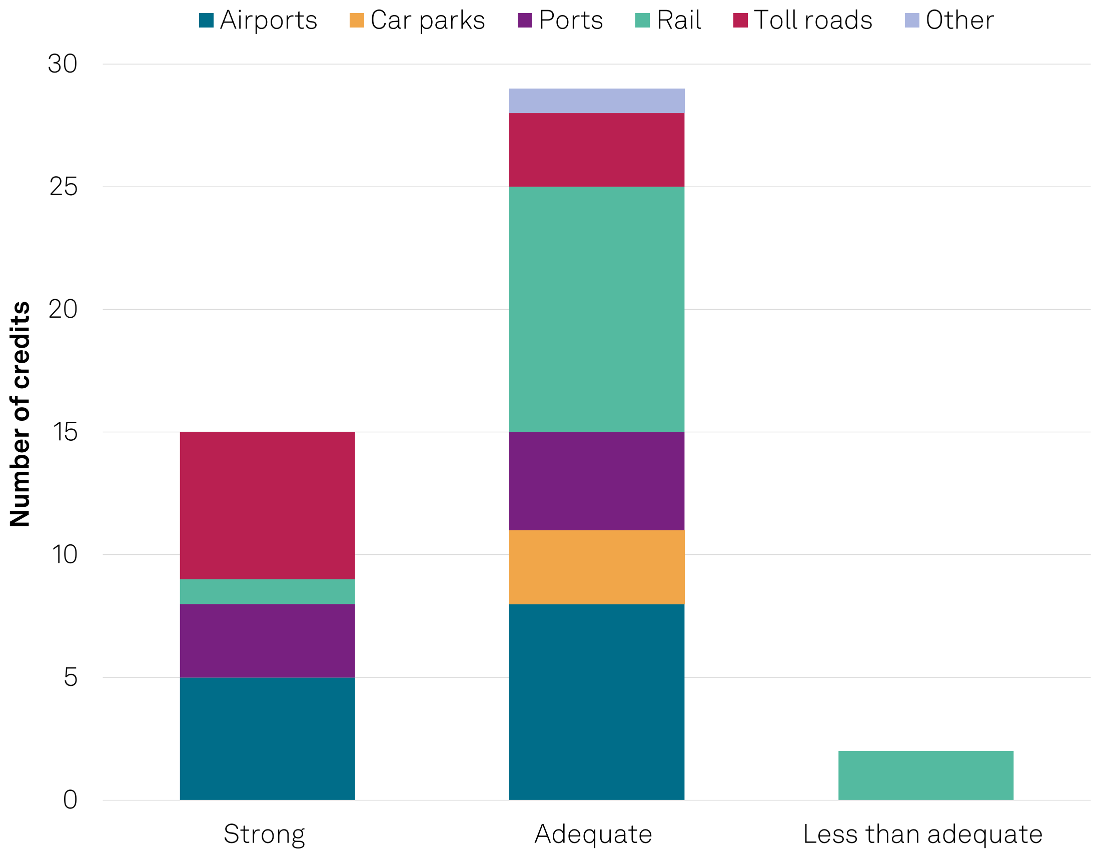


Note: All ratings. Capex--Capital expenditure. E--Estimate. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Corporates | Liquidity Remains Solid Overall

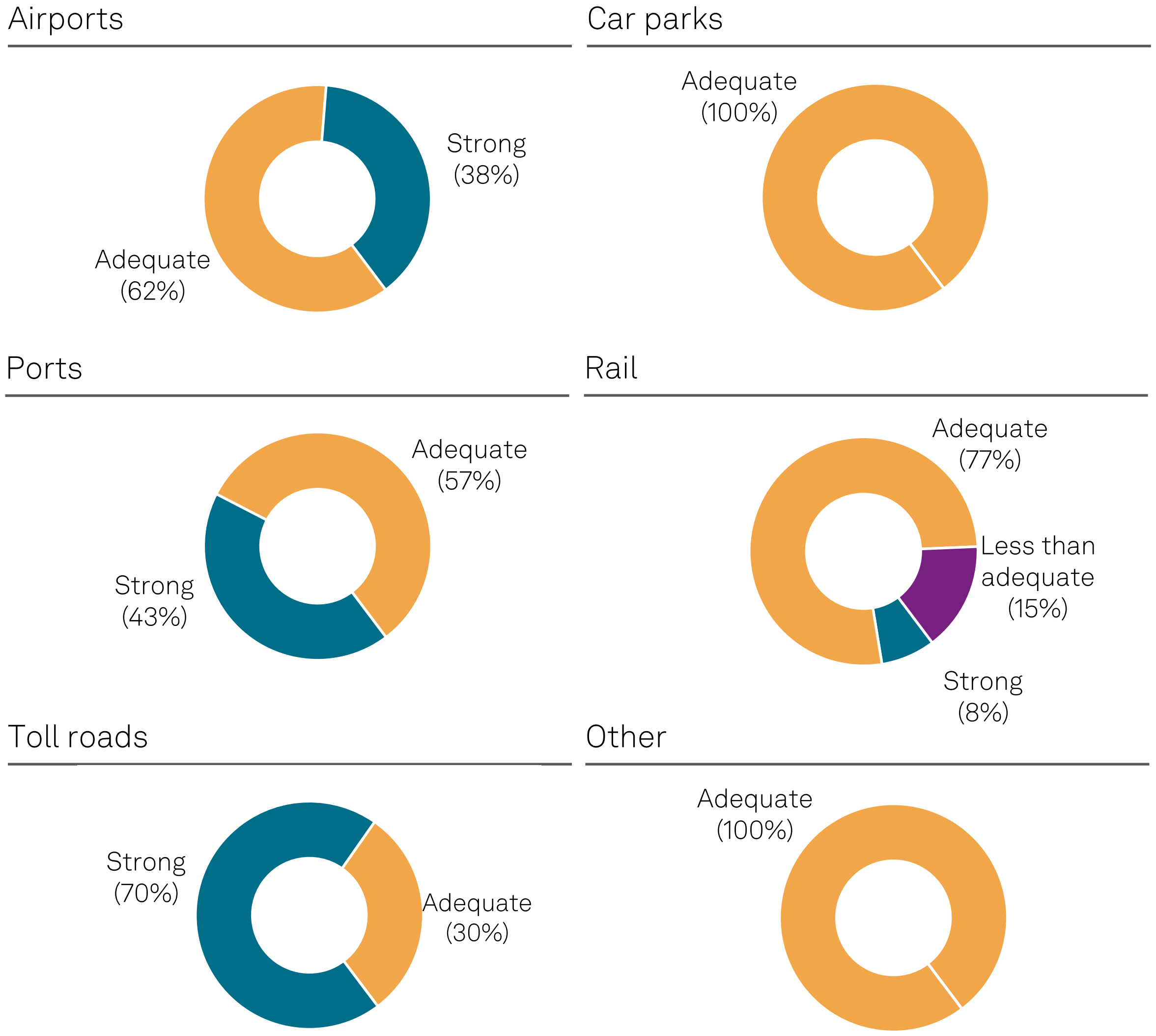
EMEA distribution of liquidity assessments

Corporate portfolio liquidity assessment distribution



Note: All ratings. Source: S&P Global Ratings.

Sector highlights



Related Research

Macro related

- Global Credit Outlook 2024: New Risks, New Playbook, Dec. 05, 2023
- Global Macro Update: 2024 Is All About The Landing, Nov. 29, 2023
- Economic Outlook Eurozone Q1 2024: Headed For A Soft Landing, Nov. 27, 2023
- Global Financing Conditions: Stubborn Rates Portend Slower Issuance Growth In 2023 And 2024, Oct. 26, 2023

Infrastructure related

- Industry Credit Outlook 2024: Infrastructure Transportation, Jan. 9, 2024
- Europe's Power Push: Can Project Finance Help Fund Interconnections?, Nov. 16, 2023
- Project Finance Social Infrastructure Remains A Consistent Sector, Oct. 25, 2023
- Proposed Tax Tests French Infrastructure Regulatory Framework, Oct. 16, 2023
- U.K. Project Finance Should Withstand Crumbling Concrete, Sept. 28, 2023
- Spain's Revised Renewable Energy Parameters Confirm Reduced Subsidies, Sept. 21, 2023
- Renewable Energy Funding in 2023: A "Capital Transition" Unleashed, Sept. 14, 2023
- Industry Top Trends Update Europe: Transportation, July 18, 2023
- Global Project Finance Issuers, Strongest To Weakest, June 12, 2023
- U.K. Purpose-Built Student Accommodation Can Ride Out Risks, June 6, 2023
- EU's Proposed Energy Market Redesign Mitigates Merchant Risks And Accelerates Renewables, April 3, 2023
- Issuer Ranking: EMEA Transportation Infrastructure Companies, March 3, 2023

1. Portfolio Overview

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3. Corporate Credits

S&P Global Ratings-adjusted figures unless stated otherwise. Source: S&P Global Ratings.

Airports | Moderate Traffic Growth Under Normalized Demand Prospects

Opportunity	Uncertainty	Risk

2024-2025

Opportunity	Increasing capacity deployment by airlines should support demand growth
Opportunity	Supportive tariffs, depending on assets, and good access to capital markets
Uncertainty	Economic pressures could weight on consumer spending amid high air fares, despite current demand resilience
Uncertainty	Business travel recovery is still lower than leisure for both long and short-haul flights
Risk	High interest rates and backlog of investments delay deleveraging paths
Risk	Escalation of geopolitical tensions could lead to further inflation, spike in oil prices, and weakening travel demand

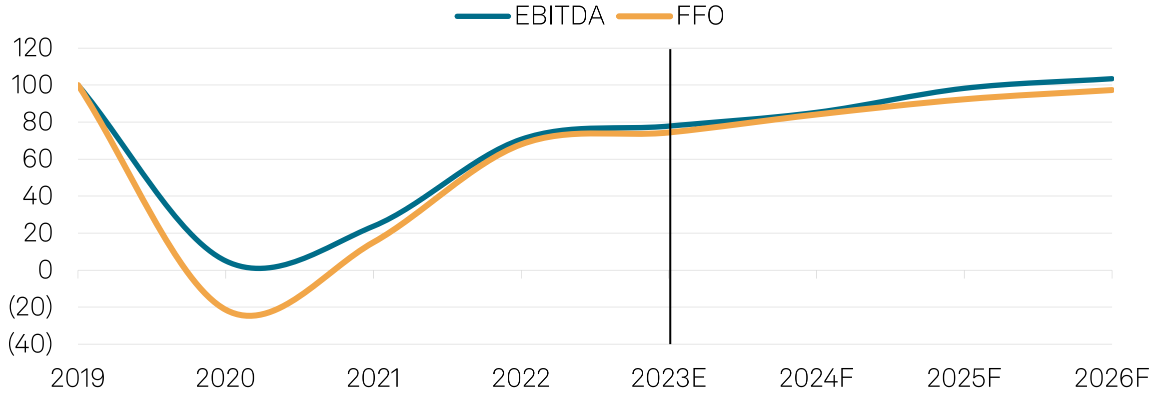
2026 onward (long-term)

Opportunity	Long-haul flights remain more resilient to mobility transition (no alternatives on long distance)
Opportunity	Cleaner technology developments to reduce greenhouse gas emissions
Uncertainty	Increasing needs of investments to modernize or expand existing infrastructure
Uncertainty	Regulatory frameworks evolution to cope with more challenging macroeconomic conditions
Risk	Mobility transition and decarbonization targets can result in regulatory headwind, for example reducing short-haul flights (i.e. France) and aircraft movements (i.e. Schiphol)
Risk	Environmental factors and budgetary pressures can also hinder investments, especially expansionary projects

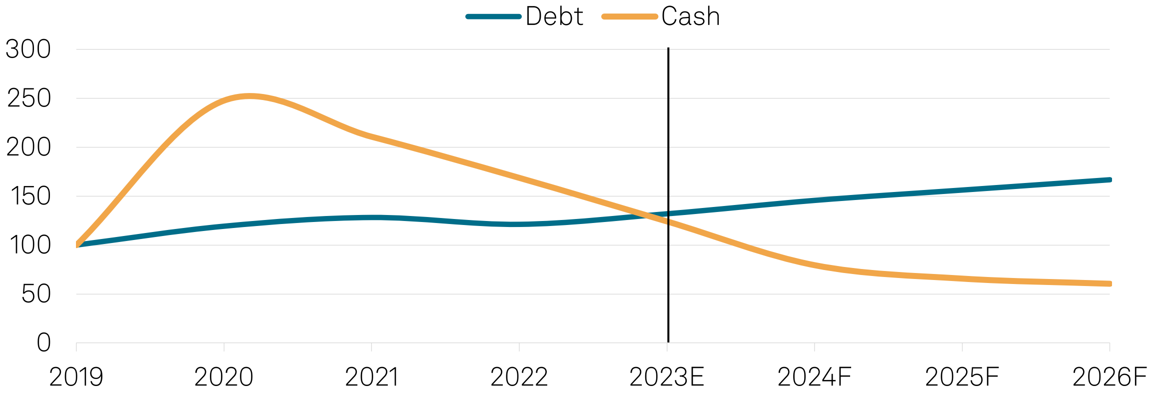
Airports

Post-COVID-19 corporate sector trends (2019 = base)

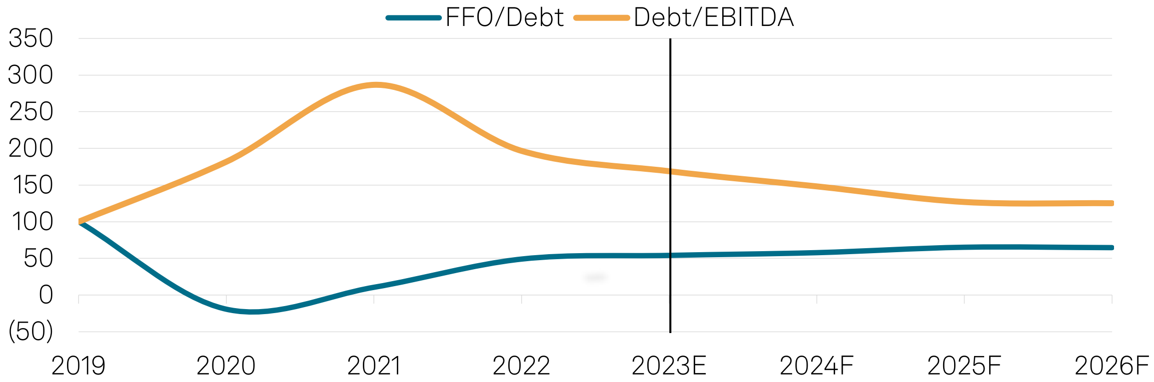
Median EBITDA and FFO



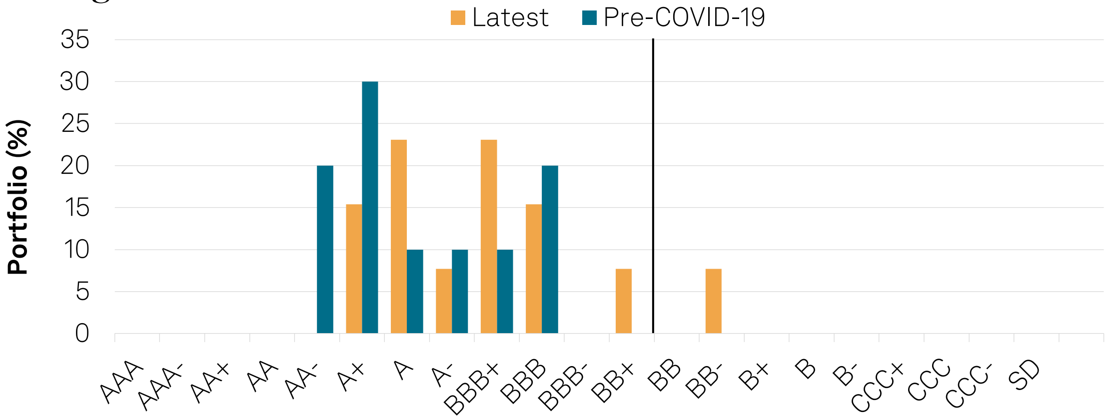
Median debt and cash



Median FFO/debt and debt/EBITDA



Rating distribution



Note: All ratings. E--Estimate. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Ports | Diversification Could Mitigate Headwinds

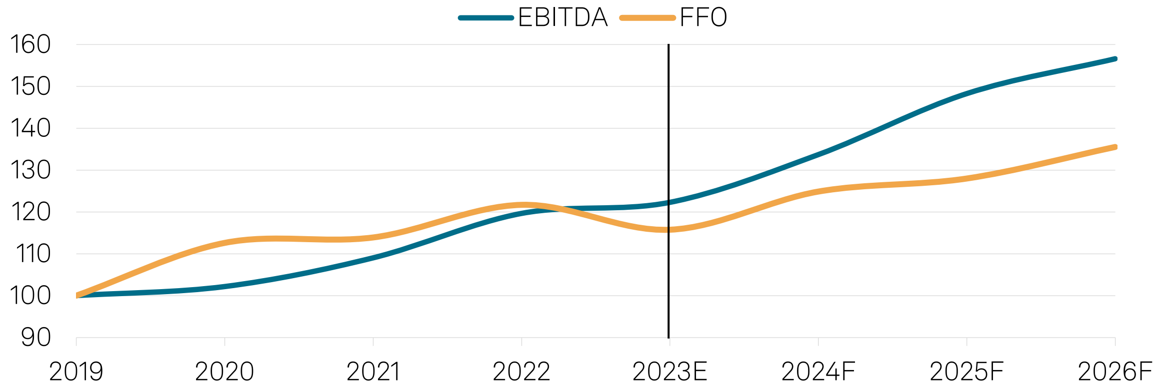
Opportunity	Uncertainty	Risk

	2024-2025		2026 onward (long-term)
Opportunity	Volumes to increase marginally, if at all, over 2024, despite normalized freight rates	Opportunity	Long-term worldwide economical growth to increase trade
Opportunity	Sufficient credit buffers and good financing access	Opportunity	Trade diversification will allow ports to have better competitive position
Uncertainty	Trade tensions due to geopolitical conflicts	Uncertainty	Large oversupply in the container shipping market
Uncertainty	Lower inventory stocking due to consumption deceleration	Uncertainty	Alliance consolidation trends
Risk	High fuel prices and inflation may affect profitability	Risk	Reconfiguration of supply chains due to geopolitical tensions and trade wars
Risk	Logistics service dynamics bring earnings volatility	Risk	Impact of climate change and extreme weather events

Ports

Post-COVID-19 corporate sector trends (2019 = base)

Median EBITDA and FFO



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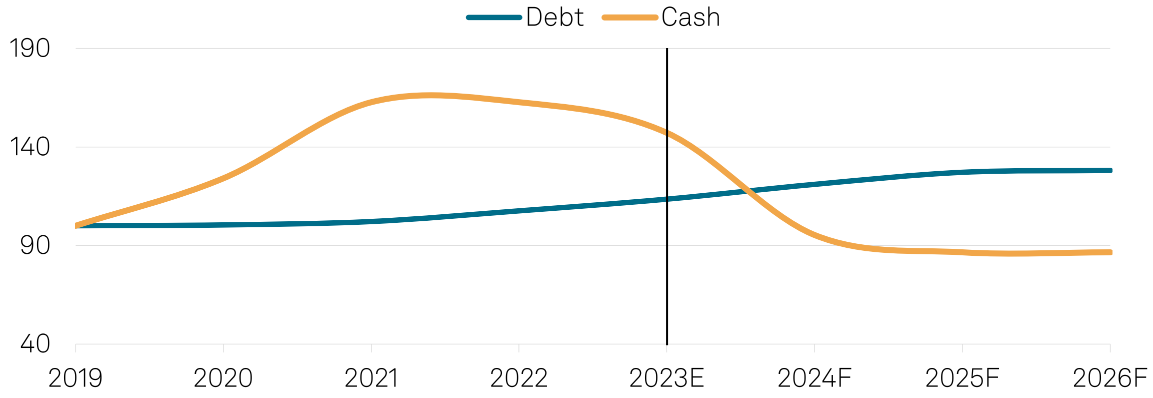

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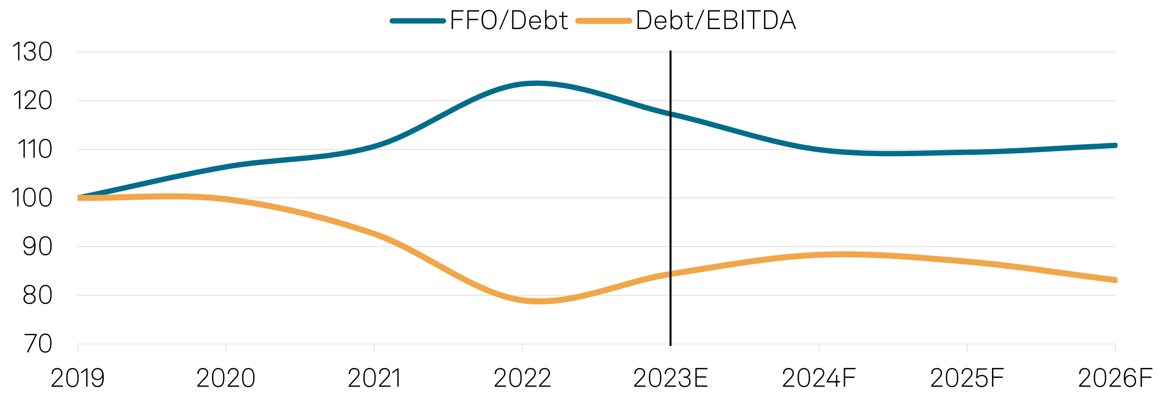
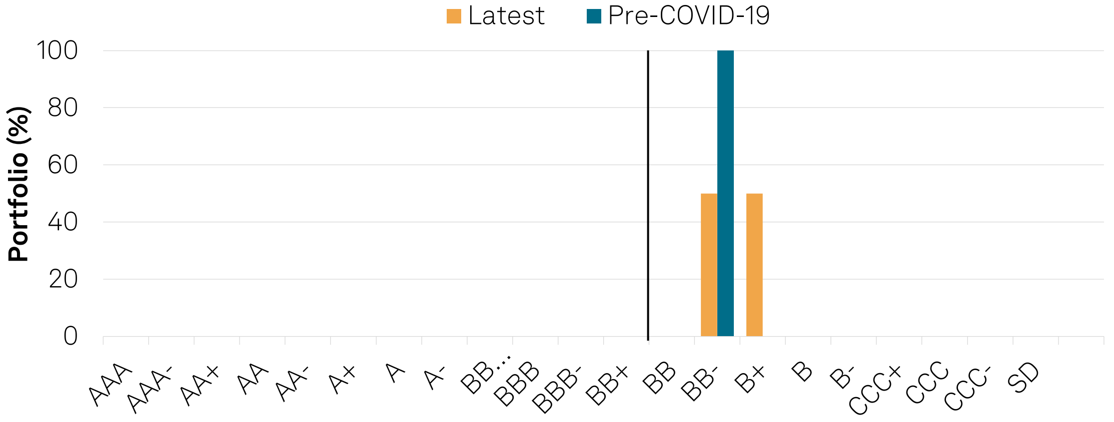


Rating distribution



Note: Public ratings only. E--Estimate. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Railways | Large Investments Favoured By The Mobility Transition

Opportunity	Uncertainty	Risk

2024-2025

Opportunity	Mobility transition and decarbonization targets in Western Europe
Opportunity	Government support as a critical social service
Uncertainty	Structural changes on commuting and business travels
Uncertainty	Companies focusing on core countries and businesses
Risk	Investments on the rise while credit metrics are still under pressure
Risk	Pressure in operating margins due to inflation (staff + energy/electricity)

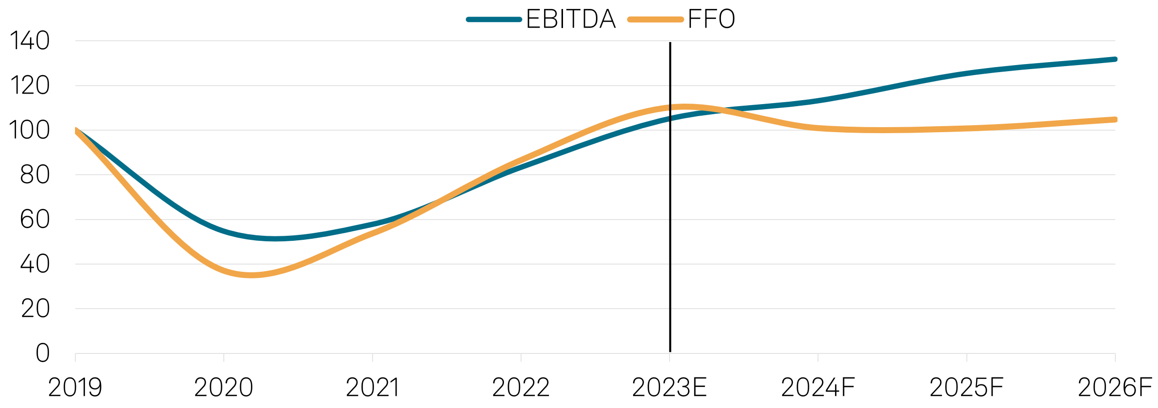
2026 onward (long-term)

Opportunity	Mobility transition and decarbonization targets
Opportunity	Government support as a critical social service
Uncertainty	Mixed impact on rail operators from market liberalization
Uncertainty	European and national infrastructure plans
Risk	Investments and financing costs
Risk	Rail operators are among the largest electricity users in their respective countries

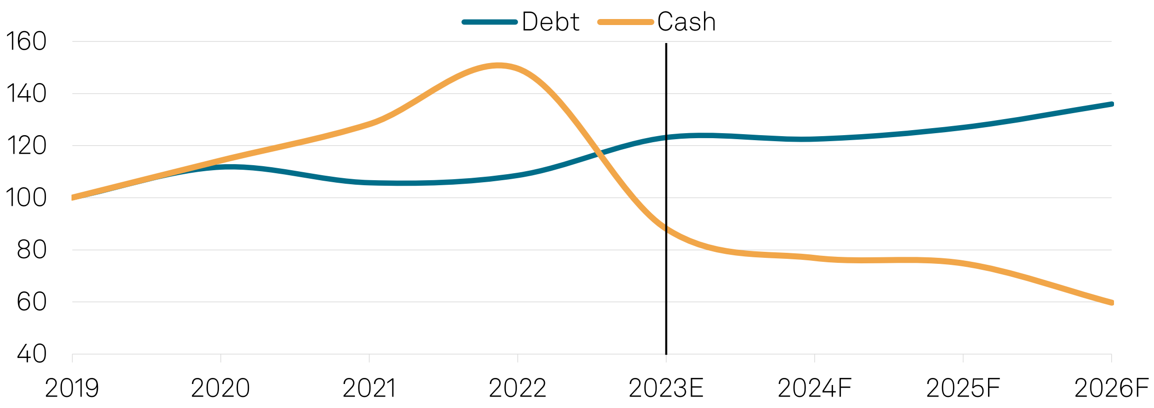
Railways

Post-COVID-19 corporate sector trends (2019 = base)

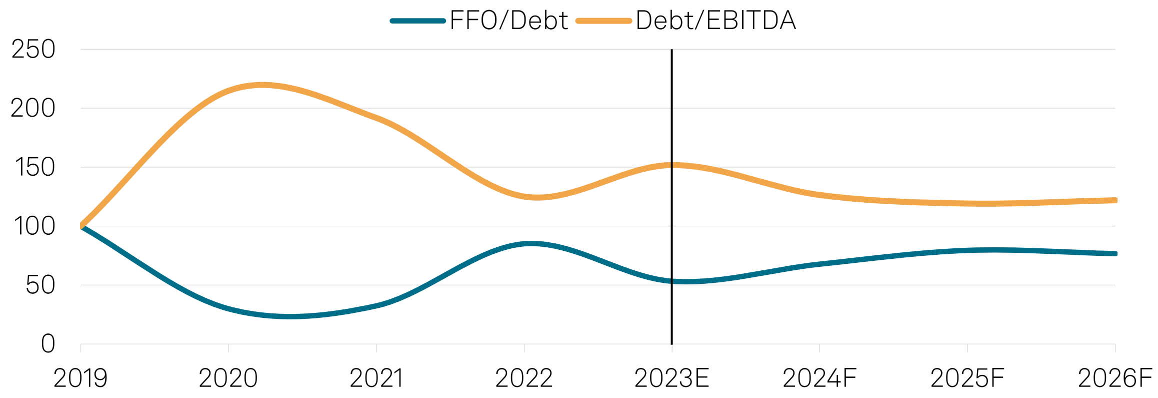
Median EBITDA and FFO



Median debt and cash



Median FFO/debt and debt/EBITDA



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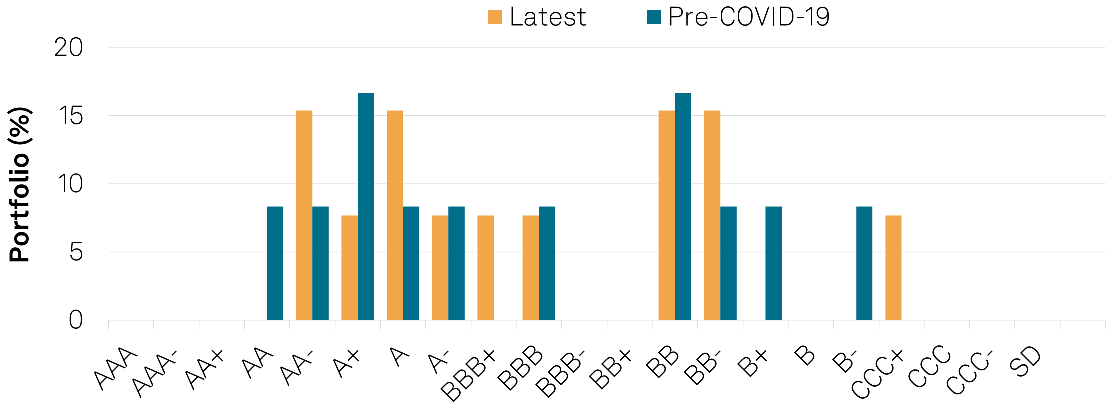


Note: All ratings. E--Estimate. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Roads | Solid Performance To Be Tested By Traffic Resiliency

Opportunity	Uncertainty	Risk

2024-2025

Opportunity	Inflation-linked tariff-setting mechanisms
Opportunity	Strong profitability and liquidity levels
Uncertainty	Social pressure on affordability if high inflation persists
Uncertainty	Increase in financing costs
Risk	Macroeconomic prospects
Risk	Rise in capital expenditure costs because of inflation and supply chain risks

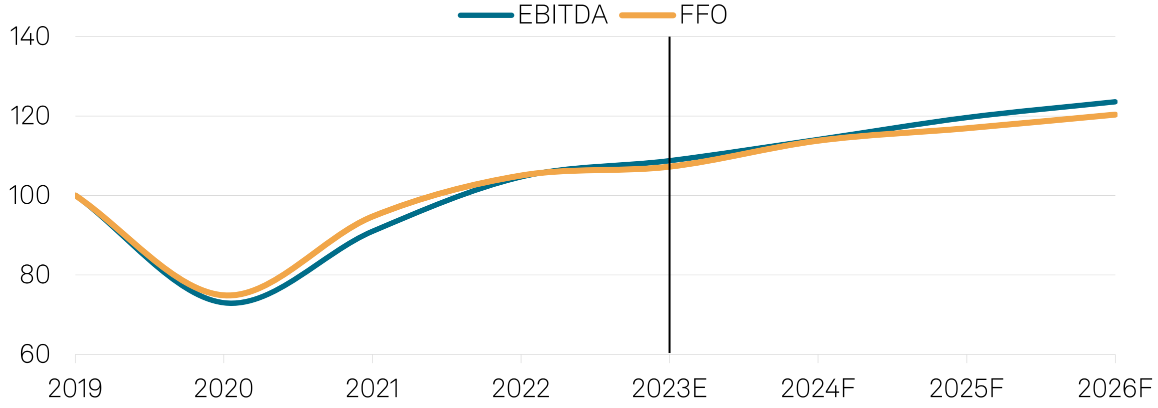
2026 onward (long-term)

Opportunity	Electrification of light vehicles could support attractiveness of toll roads
Uncertainty	Concession extensions uncertainty
Uncertainty	Investments and financing costs
Risk	Mobility transition could shift long-haul cargo transportation away from heavy vehicles
Risk	Approaching concessions' maturity

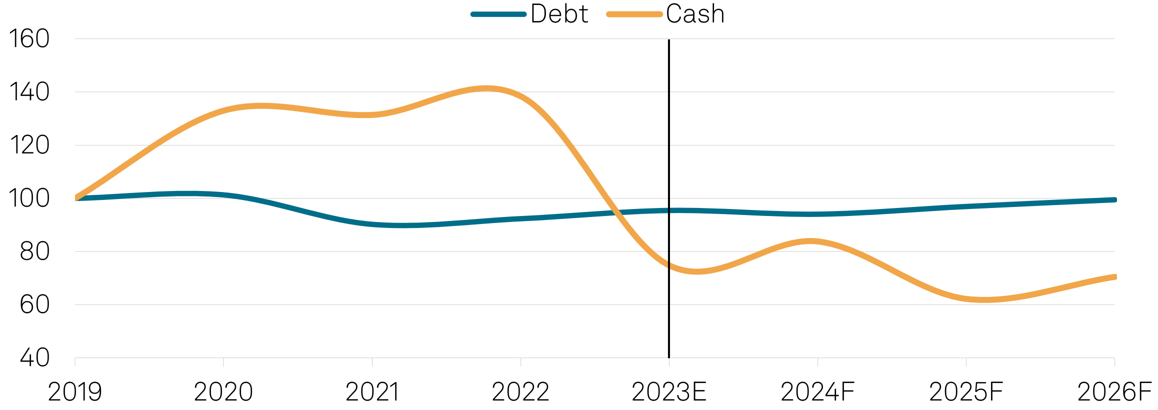
Roads And Car Parks

Post-COVID-19 corporate sector trends (2019 = base)

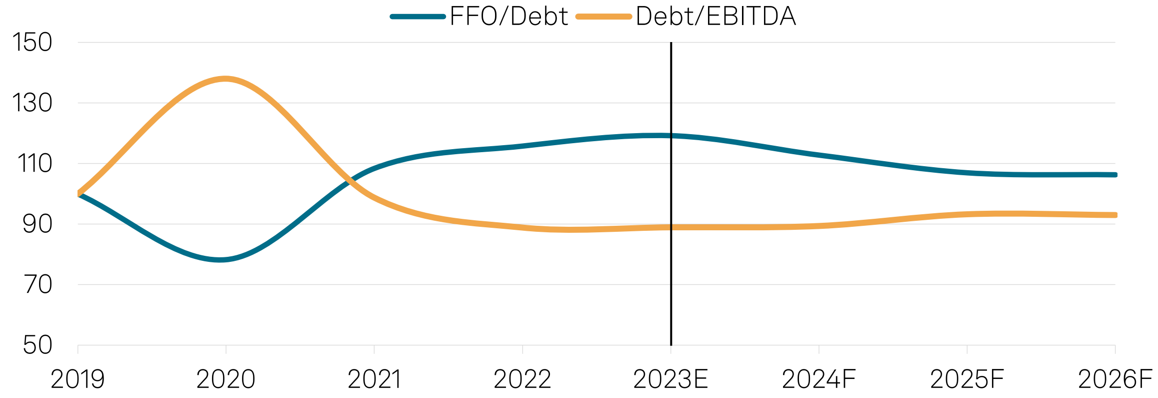
Median EBITDA and FFO



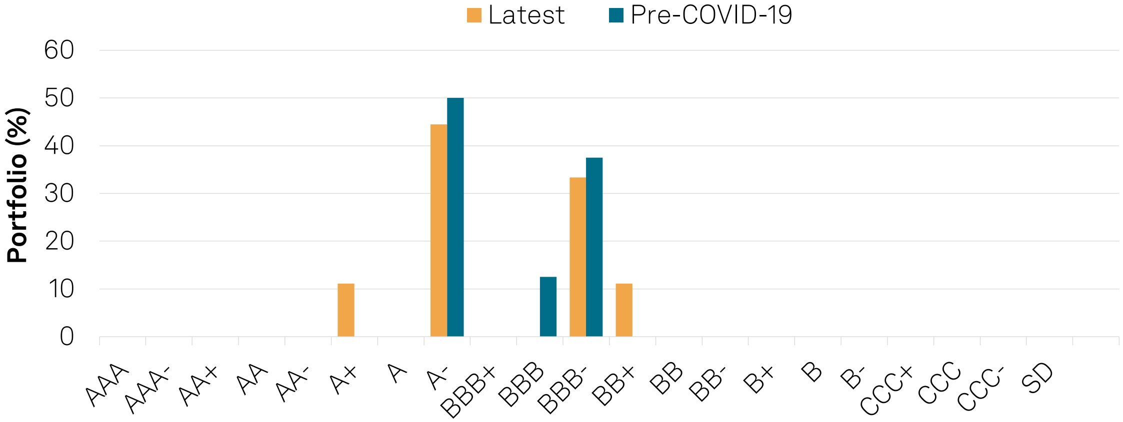
Median debt and cash



Median FFO/debt and debt/EBITDA



Rating distribution



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S&P Global Ratings

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Abertis Infraestructuras SA

Issuer Credit Rating: BBB-/Stable/A-3

Analyst: Gonzalo Cantabrana

Company description

- Spain-based holding company operating about 8,000 km of toll roads in 16 European, American, and Asian countries. No.1 toll road operator in Spain and No.3 operator in France through subsidiaries HIT and Sanef, respectively.
- 2021 EBITDA by region: 39% France, 14% Mexico, 12% Spain, 12% Chile, 10% Brazil, 7% Italy, 6% U.S., 2% rest of world. 2022 EBITDA by sector: 100% toll road concessions.

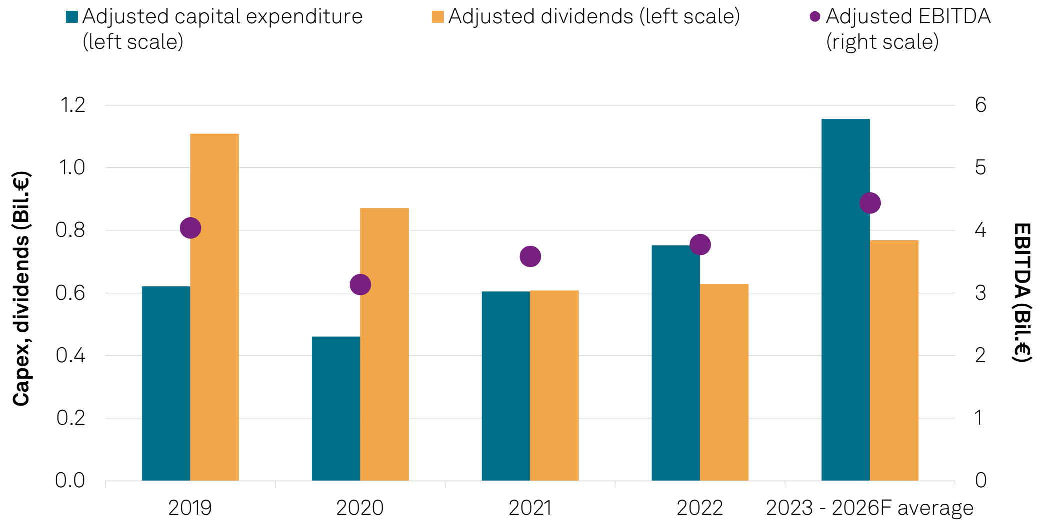
Rating drivers

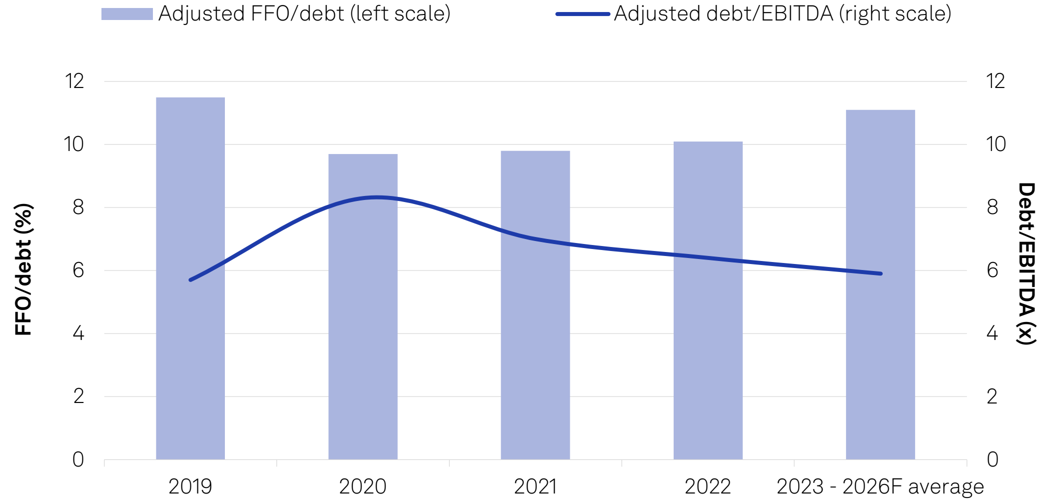
- We expect Abertis' credits metrics to maintain some rating headroom supported by inflation-linked tariffs and moderate but resilient traffic growth.
- Some of Abertis' most cash-generative toll road concessions are due to expire over the coming decade, notably 2026 and 2031. Deleveraging will be critical to sustaining the rating, in our opinion.
- Increasing reliance on dividend distributions from overseas countries to serve future debt at holding company level.
- In terms of interest rate exposure, 79% of the debt at the group level is fixed, with the remainder floating.
- Expectation that shareholders Atlantia and ACS/Hochtief will support Abertis's current rating and maintain a supportive financial policy.

Outlook: Stable

- Deleveraging is insufficient or too back-loaded, in our view, to ensure FFO to debt above 11% after key concession maturities in 2031-2033.
- Acquisitions weaken credit metrics, slowing the deleveraging ahead of maturities.
- Large acquisitions increase exposure to higher regulatory, country, or currency risk.
- Changes in governance deemed negative.

- Seeing that the 'BBB' threshold of 15% FFO/debt is unlikely to be met, we see limited rating upside given the need to invest to maintain strong asset quality, cash flow, and the deleveraging plan.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Aeroporti di Roma SpA

Issuer Credit Rating: BBB/Stable/A-2

Analysts: Francesco Gargiulo

Company description

- Owned by Italian holding company Mundys (99.4%), to which the rating is linked.
- Largest operator of Italian airports, with exclusive concession for both Rome-based airports, Fiumicino and Ciampino, until June 30, 2046.
- 2021/2019 EBITDA: €294 million/€583 million. 2022/2019 passengers: 32.8 million/49.4 million.

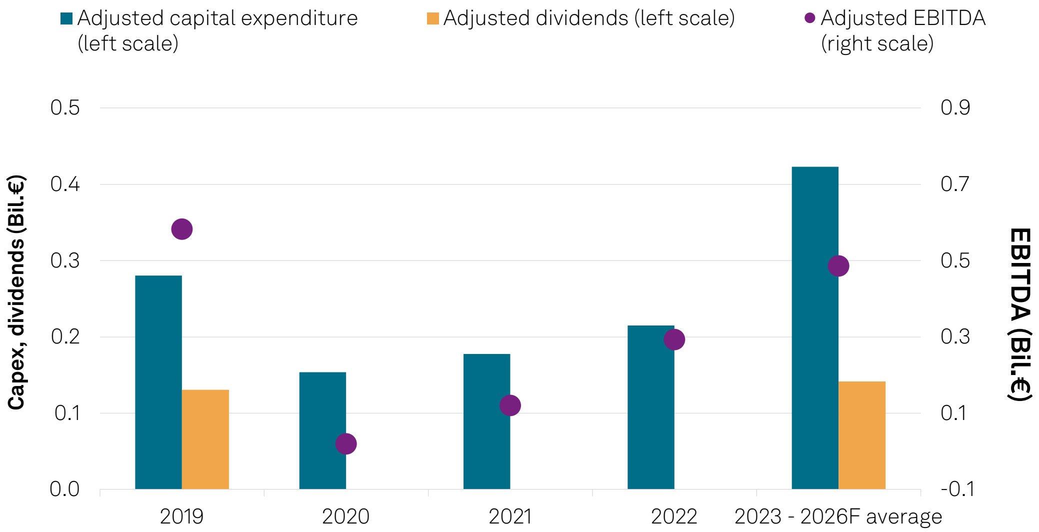
Rating drivers

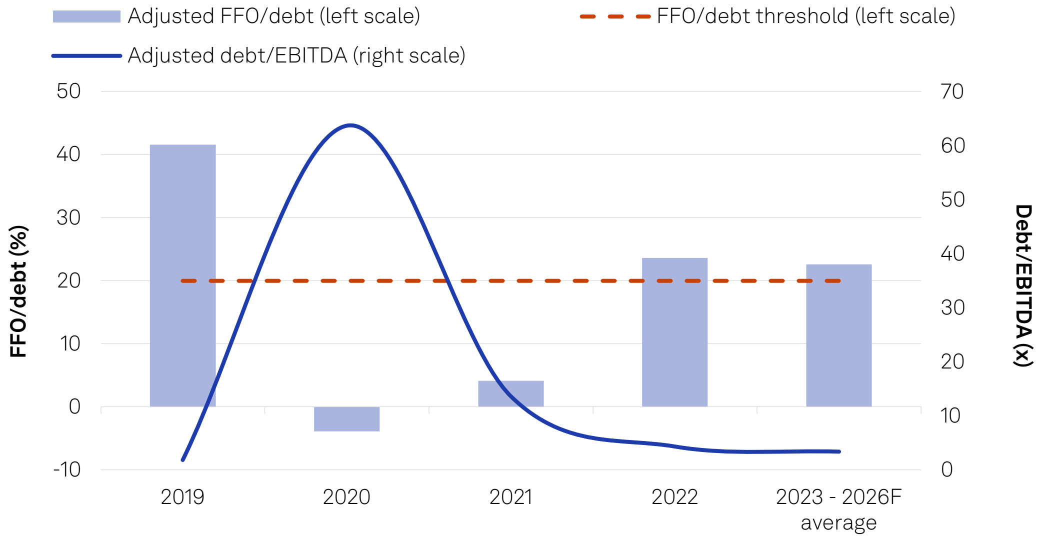
- We believe the planned increase in ITA Airways' fleet--to about 90 aircrafts expected by the end of 2023, from around 70 as of December 2022--will be supportive of traffic recovery, especially on the transfer segment.
- We wait to have more visibility over the strategic implication for Fiumicino airport coming from the acquisition of a 41% stake in ITA Airways by Deutsche Lufthansa AG (BBB-/Stable/A-3).
- A supportive regulatory framework that allows for compensation if traffic declines. While we don't expect tariff increases in real terms over 2024-2027, we look forward to the approval of the next regulatory period to assess if the revision of the pre-tax real weighted average cost of capital ratio to 5.83% will lead to any tariff increase in the future.
- We continue to rate the company two notches above Mundys ('BB+') as the regulatory framework protects the airport operator from negative shareholder intervention.

Outlook: Stable

- Downside would be triggered by a negative rating action on Mundys.

- Upside would be triggered by a positive action on Mundys.
- For the company to be rated higher than the long-term sovereign credit rating on Italy (BBB/Stable), it would need to pass our liquidity stress test, including a hypothetical sovereign default.





Note: Financials as of July 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

APRR SA

Issuer Credit Rating: A-/Stable/A-2

Analyst: Filip Paprocki, CFA

Company description

- Second-largest rated toll road operator in France, after Autoroutes du Sud de la France, and the fourth largest in Europe by network size.
- The network includes 2,318 km of concessions that expire in 2035-2036, with the addition of RCEA, a 48-year, 88 km concession, in 2023.
- Concession revenue breakdown as of financial year 2022: 74% APRR, 25% AREA, 1% A79.

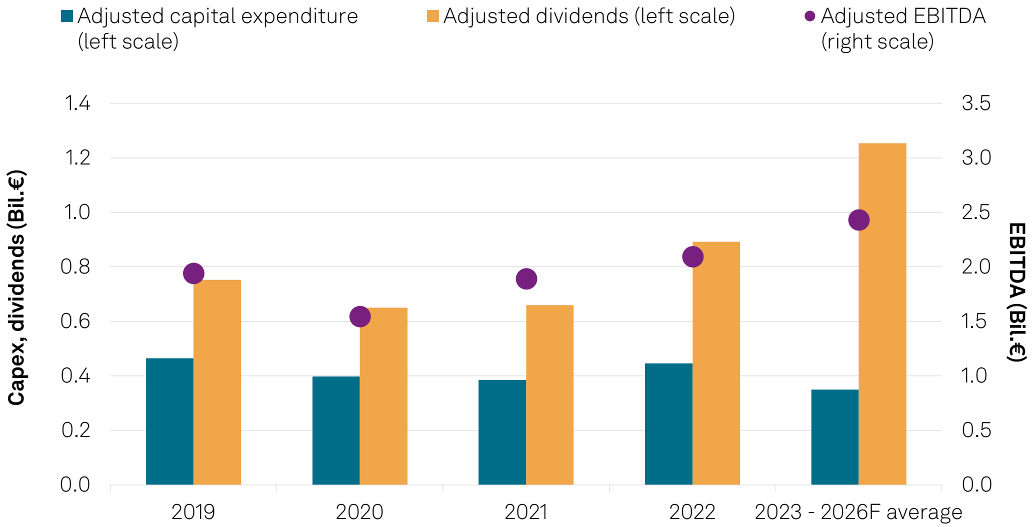
Rating drivers

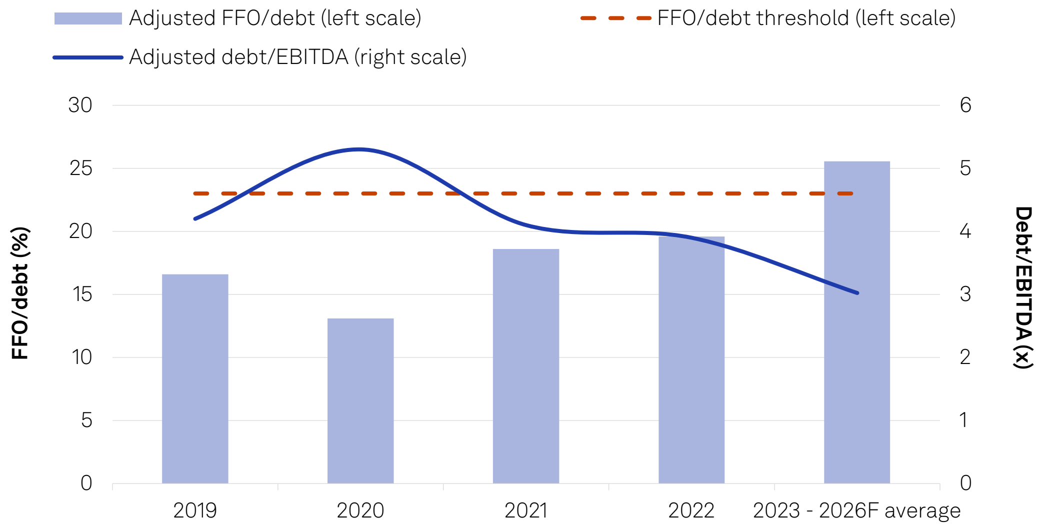
- Following a robust traffic recovery in 2022 and good momentum of traffic growth carried over to 2023, we expect traffic to remain largely flat over the next 24 months, reflecting weakening demand and an economic slowdown in France.
- We expect the successfully refinanced bullet maturities to spread the repayment profile of outstanding gross debt.
- We are closely monitoring the potential introduction of new tax on French long-distance infrastructure operators that might limit financial headroom for the company.

Outlook: Stable

- We could lower the rating if the company's deleveraging path was materially curbed by a more aggressive financial policy (for example if dividends were higher than anticipated or additional capital expenditure was not adequately compensated).

- An upgrade over the next two years is unlikely under our base case, due to gradual deleveraging and the expiration of the main concession in 2035.
- That said, an upgrade could result from sustainable and faster-than-anticipated gross debt reduction.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Aeroports de Paris SA

Issuer Credit Rating: A/Negative/--

Analyst: Solene Letullier

Company description

- Owns and operates Paris' international airports (CDG, Orly, and Le Bourget).
- Controlling stakes in TAV Airports (46%)--15 airports including five in Turkey, and AIG (51%) contributed to 17% and 4% of the company's EBITDA at the end of June 2023, respectively. Minority stakes in Santiago del Chile (45%), GAL (45.7% in the new GIL), and Zagreb airports (35.8%).
- ADP is 50.6% owned by the French government. Other shareholders include VINCI S.A. (8%), Credit Agricole Assurances (7.8%), with institutional investors mostly holding the remainder.

Rating drivers

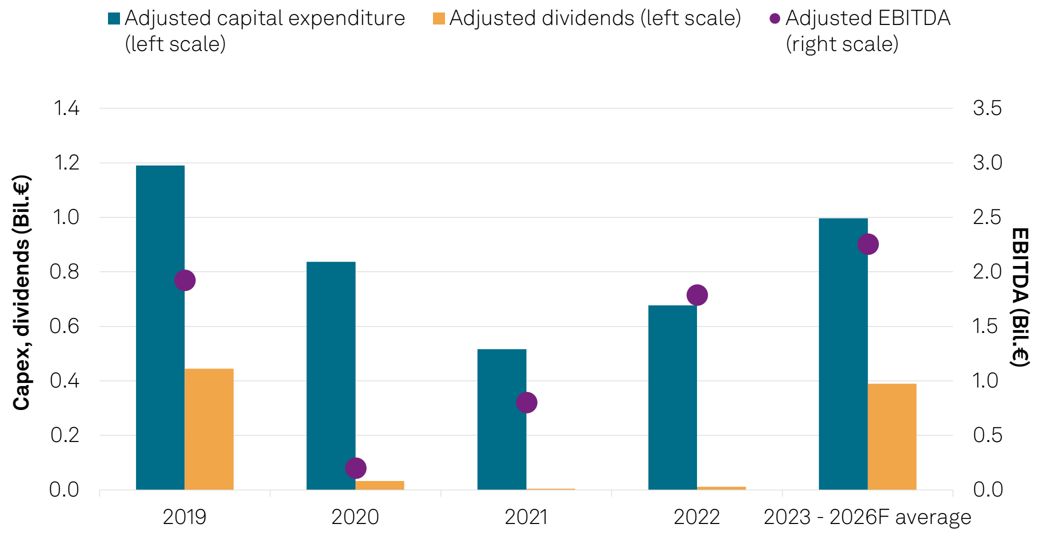
- FFO/debt of about 16%, on average over 2023-2025, despite higher cost pressure from planned staff cost increases in 2023 and materially higher energy costs.
- Effective cost management, with a reduction in annual capex to €500 million-€550 million in 2021-2022, from €1 billion before the pandemic, and structural cost savings (allowing a return to 2019 reported EBITDA by 2024) to mitigate the pandemic-related traffic decline.
- Acquisitive strategy, with growing exposure to riskier countries that could weaken our view of the company's business fundamentals or delay its deleveraging.
- Limited long-term visibility on charges and investment plans following the termination of the Economic Regulating Agreement in May 2020.
- Ownership by the French government (50.6% stake) results in a one-notch uplift, reflecting the company's status as essential infrastructure and its importance to the French economy.

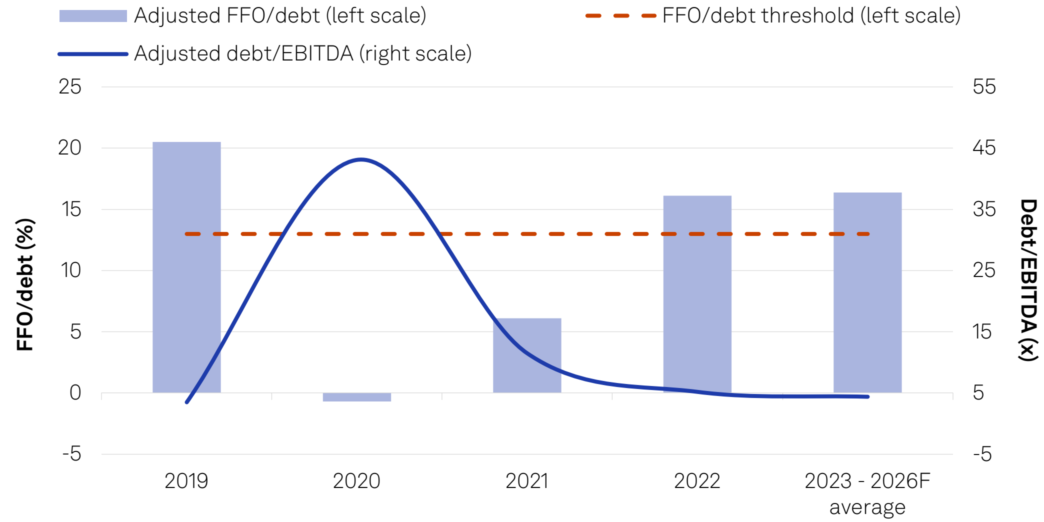
Outlook: Negative

We could lower the rating if:

- We lowered the sovereign rating on France by one notch or if we revised down our assessment of the likelihood of extraordinary state support;
- FFO/debt fell below 13%;
- We saw increased exposure to country or currency risks over time, including if we changed our view of the new GIL as an equity investment.

- We could revise the outlook to stable if we were to do the same to the outlook on France and the company maintains FFO to debt solidly above 13%.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Autoroutes du Sud de la France SA

Issuer Credit Rating: A-/Stable/A-2

Analyst: Solene Letullier

Company description

- Largest toll road operator in France in terms of network size, the second-largest in Europe (behind Autostrade per l'Italia SpA), and the third largest worldwide.
- Operates a network of 3,200 km of toll roads under two concession contracts. The company's main contract covering 2,730 km expires in April 2036, while the 471 km Escota contract expires in February 2032.
- Core subsidiary of Vinci SA (45% of total EBITDA in 2022--with Cofiroute SA).

Rating drivers

- FFO/debt of about 37% on average over 2023-2026, despite higher cost of debt and expected slower traffic growth.
- Long operating history and solid cash flow generation, backed by supportive concession agreements with an inflation-linked tariff-setting mechanism and manageable capex.
- Above-average profitability for the wider toll road sector, in line with French motorway operators, with an S&P Global Ratings-adjusted EBITDA margin of 75.6% in 2022.
- Long-term uncertainty over the renewal of its finite life of concessions coming to maturity in 2036 (ASF) and 2032 (Escota).
- We expect the company will maintain a prudent financial policy and continue to gradually deleverage with the approaching of concession maturity (from €7.9 billion of gross debt as of Dec. 31, 2022).

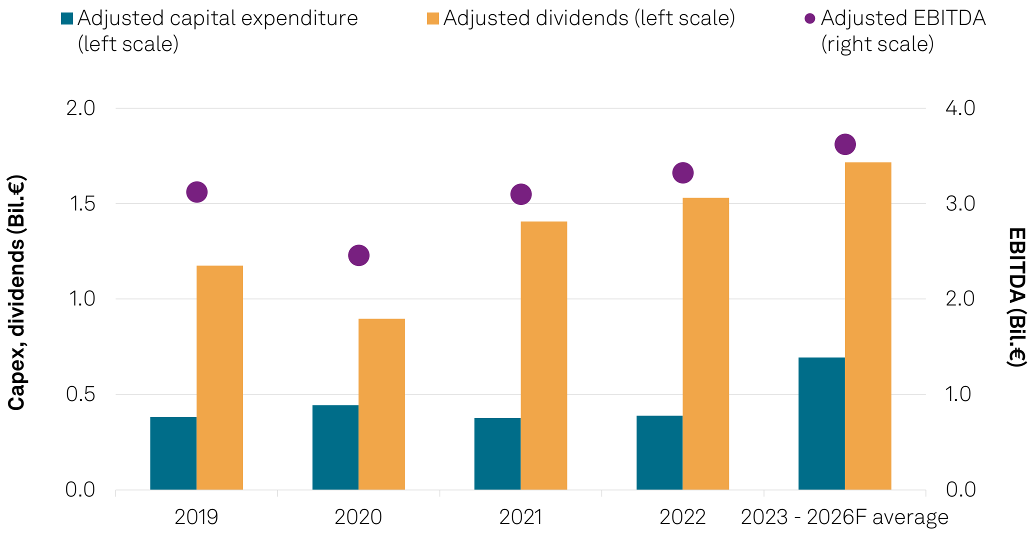
Outlook: Stable

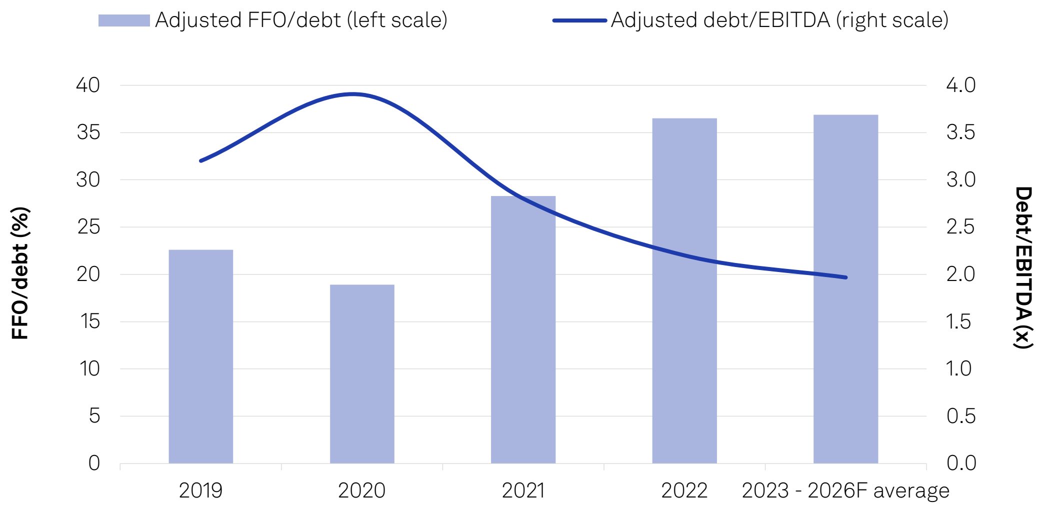
We would lower the rating if:

- We took a similar rating action on parent Vinci;
- Vinci's adjusted FFO to debt fell to less than 20%, possibly due to a decline in cash flow generation or a material increase to riskier jurisdictions and regulatory frameworks not compensated by stronger credit metrics.

We could raise the rating if:

- We took a similar rating action on Vinci;
- We saw better visibility over the company's ability to preserve the strengths of the business in light of French toll road concessions maturities in 2034-2036, while maintaining adjusted FFO to debt above 30%.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Autostrade per L'Italia SpA

Issuer Credit Rating: BBB-/Stable/A-3

Analysts: Francesco Gargiulo

Company description

- Rome-headquartered company operates the largest toll road networks in Europe (2,855 km, or 50% of Italy's total) under a concession ending in December 2038.
- It also owns stakes in smaller Italian motorway concessionaires, and provides engineering, research, design, and administrative services.
- Since Mundy's disposal in May 2022, the company has been controlled by Holding Reti Autostradali SpA (HRA)--a consortium of Cassa Depositi e Prestiti Equity SpA (45% indirect stake), Blackstone Infrastructure Partners (21.6%), and funds managed by Macquarie Asset Management (21.6%).

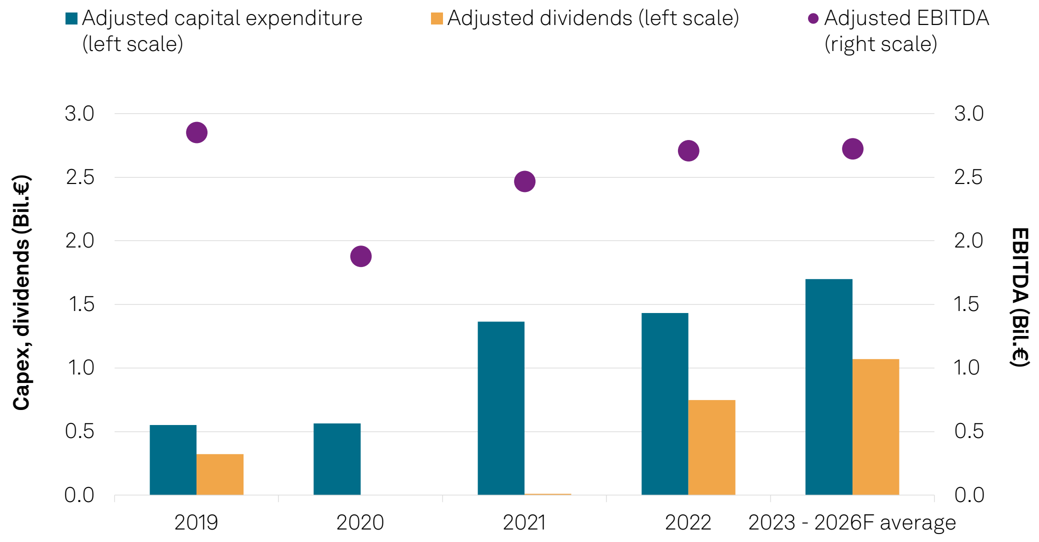
Rating drivers

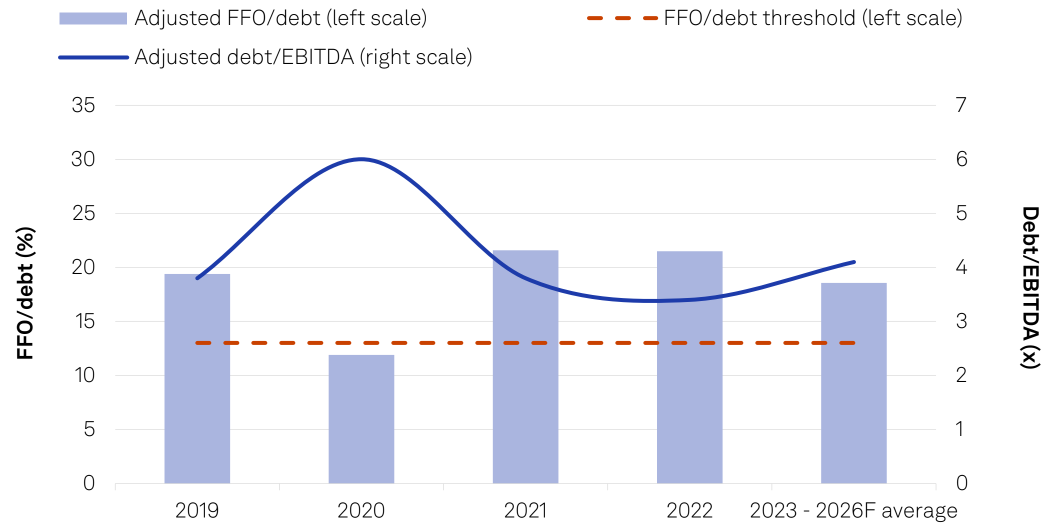
- The large investment plan agreed with grantor (€14.1 billion over 2020-2038) is progressing and we expect it to generate negative discretionary cash flows, despite solid FFO/debt metrics.
- Inflation doesn't pass through to the tariff annually, but its effect on capex is included in the regulated asset base. Tariff discounts are being applied, as per the settlement agreement with the grantor.
- New shareholders' financial policy is key to maintaining an investment-grade stand-alone credit profile (SACP).
- Solid traffic levels should support metrics, but a weaker economy could limit growth potential.

Outlook: Stable

- Negative rating action is unlikely during outlook horizon.
- That said, a downgrade to 'BB+' would require a three notch SACP revision to 'bb-'.
- We don't expect the deteriorating operating environment to lead to a downgrade, given the company's regulated-asset-base earning profile.

- We could raise the rating on the company if we raised the rating on Italy, given the assessment of high likelihood of support.
- That said, upside scenario is unlikely as it requires a longer track record on the execution of the investment plan and grantor tariff approval.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Avinor AS

Issuer Credit Rating: A/Stable/A-1

Analyst: Vinicius Ferreira

Company description

- The company owns and operates 43 of the 47 airports in Norway, in addition to three air traffic control centres and one remote control centre in the country.
- It is 100% owned by the Norwegian government, which is in turn represented by the Ministry of Transport.
- In the rolling 12 months ended Sept. 30, 2023, the company's total revenue was NOK11.6 billion, and S&P Global Ratings-adjusted EBITDA amounted to NOK3.6 billion.

Rating drivers

- We believe passenger numbers will range between 48.5 million and 50.0 million in 2023, with a gradual and sustainable recovery in the next few years, potentially reaching the pre-pandemic level of 54.0 million passengers by 2025.
- The company's proposed tariff increase of 15% for 2024, if accepted by the government, will be positive for its future cash flow, but is not sufficient to solve the group's return imbalances.
- Without further rate hikes, we forecast the company's cash flow generation will not be sufficient to manage its NOK12.5 billion investment plan until 2025.
- Nevertheless, we think the company will be able to sustain credit metrics commensurate with its current ratings.
- We continue to view a very high likelihood of extraordinary support from the Norwegian government.

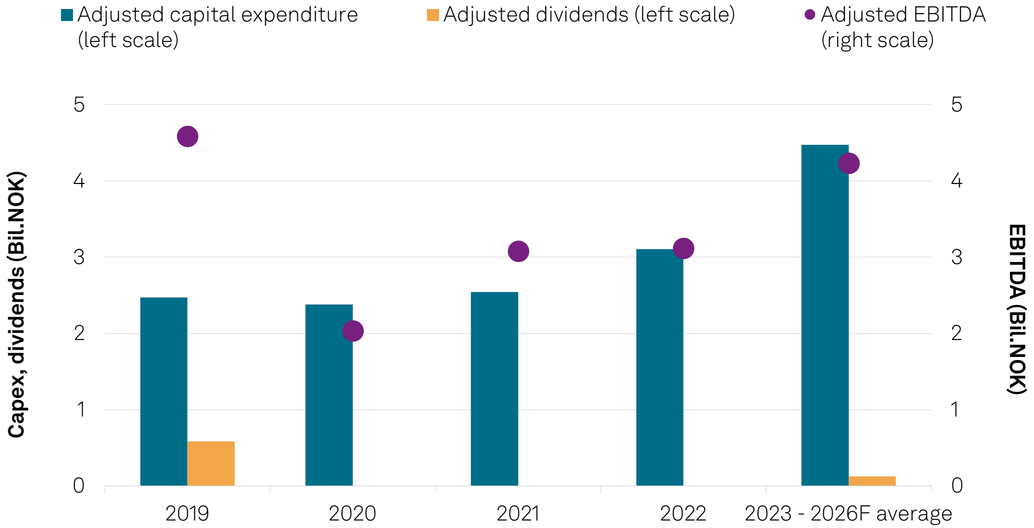
Outlook: Stable

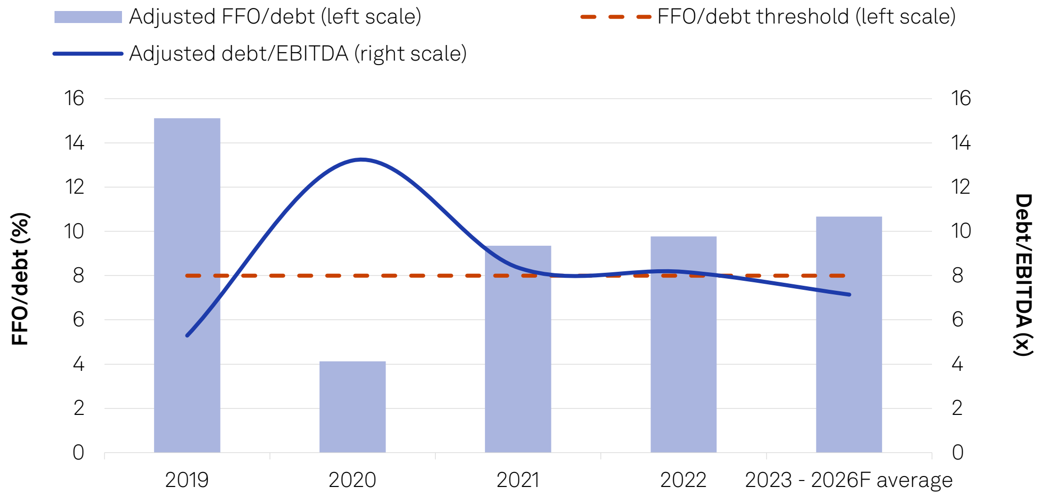
We could lower the rating if:

- Profitability levels decrease, due to higher costs, or lower aeronautical tariffs adjustment;
- Issuance of debt beyond our expectations;
- Lower likelihood of support from the Norwegian government.

We could raise the rating if:

- We saw above-inflation adjustments on aeronautical tariffs;
- The company reduced its debt burden to fund expansion investments.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. NOK--Norwegian Krone. Source: S&P Global Ratings.

Cofiroute SA

Issuer Credit Rating: A-/Stable/A-2

Analyst: Solene Letullier

Company description

- Third-largest rated toll road network operator in France, after sister company ASF and APRR S.A. (A-/Stable/A-2), and the fifth-largest rated toll road network operator in Europe.
- It operates a network of 1,111 kilometers of toll roads under two concession contracts.
- The main intercity network contract--covering 1,100 km--expires in 2034 (about 95% of total revenue in 2022), while the 11 km Duplex A86 contract expires in 2086.
- Core subsidiary of Vinci SA (45% of total EBITDA in 2022--with ASF SA).

Rating drivers

- FFO/debt of about 37% on average over 2023-2026, despite higher cost of debt and expected slower traffic growth.
- Long operating history and solid cash flow generation, backed by supportive concession agreements with an inflation-linked tariff-setting mechanism.
- Above-average profitability for the sector, in line with that of rated French toll road network operators, with an S&P Global Ratings-adjusted EBITDA margin of 78% in 2022.
- Long-term uncertainty over the renewal of its main concession (Intercity) coming to maturity in June 2034.
- We expect the company to continue to gradually deleverage considering the coming maturity (from €3.3 billion of gross debt as of Dec. 31, 2022).

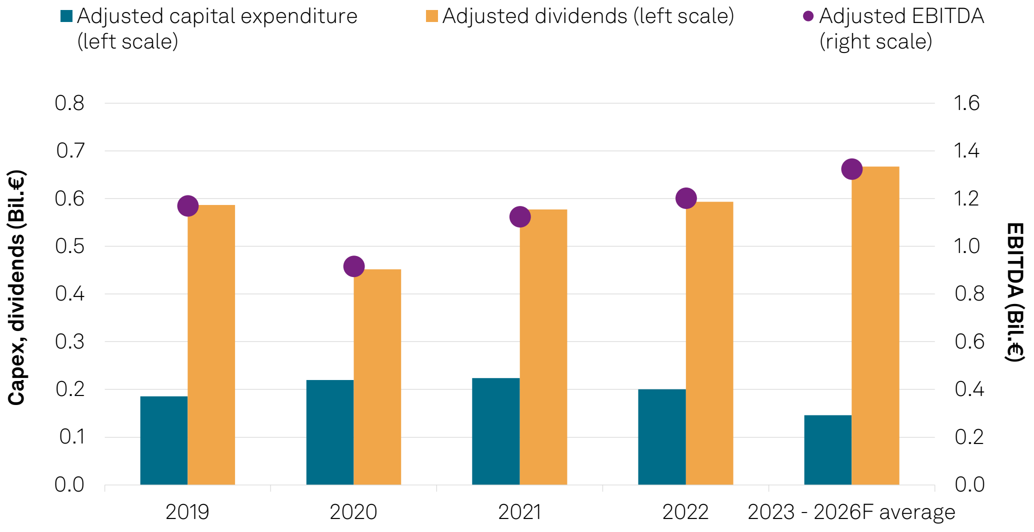
Outlook: Stable

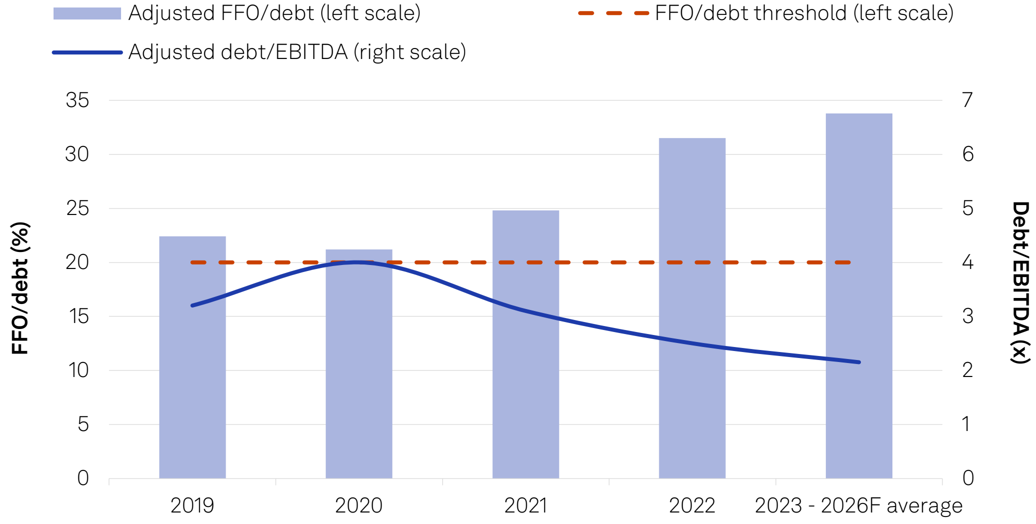
We could lower our rating if:

- We took a similar rating action on parent Vinci;
- Vinci's adjusted FFO to debt fell to less than 20%, possibly due to a decline in cash flow generation or a material increase to riskier jurisdictions and regulatory frameworks not compensated by stronger credit metrics.

We could raise our ratings if:

- We took a similar rating action on Vinci, which we could only consider if we had clear visibility over the company's ability to preserve the strengths of the business in light of French toll road concessions maturities in 2034-2036, while maintaining adjusted FFO to debt above 30%.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

ContourGlobal plc

Issuer Credit Rating: BB-/Stable/--

Analyst: Maria Jose Sombra Furnari

Company description

- Project developer that operates a diversified portfolio of contracted renewable and thermal generation units. The company operates about 130 power plants with a combined gross capacity of about 6,143 megawatts across 20 countries in South America, Africa, Europe, and the Caribbean. Recently acquired by KKR Infrastructure (KRR) in a $2.2 billion deal in late 2022.

Rating drivers

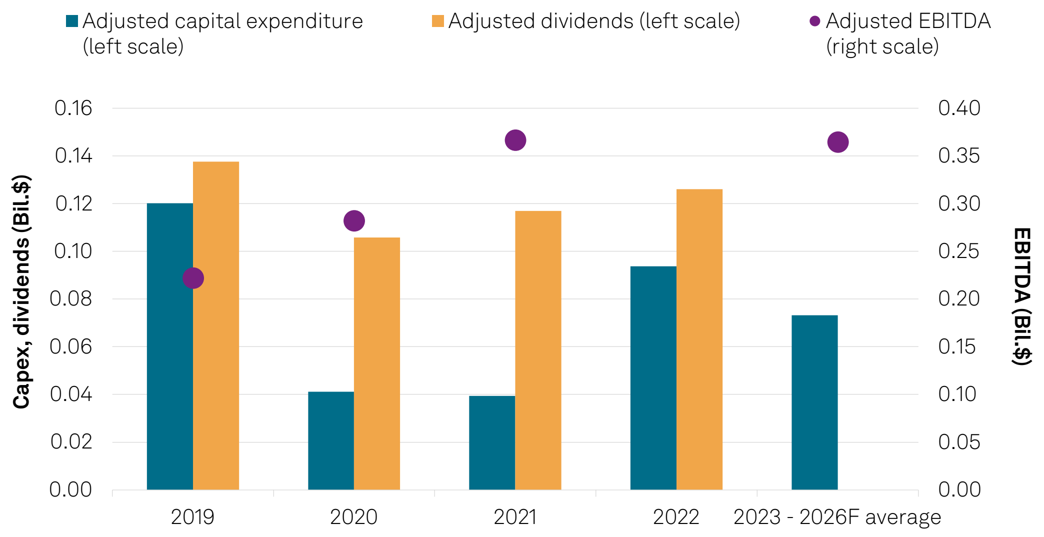
- ContourGlobal's acquisition by KKR resulted in additional leverage of close to $1.8 billion. That said, we expect $250 million of debt repayment and $750 million debt refinancing to partially offset the impact on its capital structure so it can remain consistent with our current rating.
- The proposed refinancing relies on increasing debt at the asset level with a targeted extraction of about $350 million-$450 million. This mechanism incrementally raises the risk of cash flow interruption from the operating assets and weakens the quality of distributions. Following completion of this debt pushdown, we see limited rating headroom.

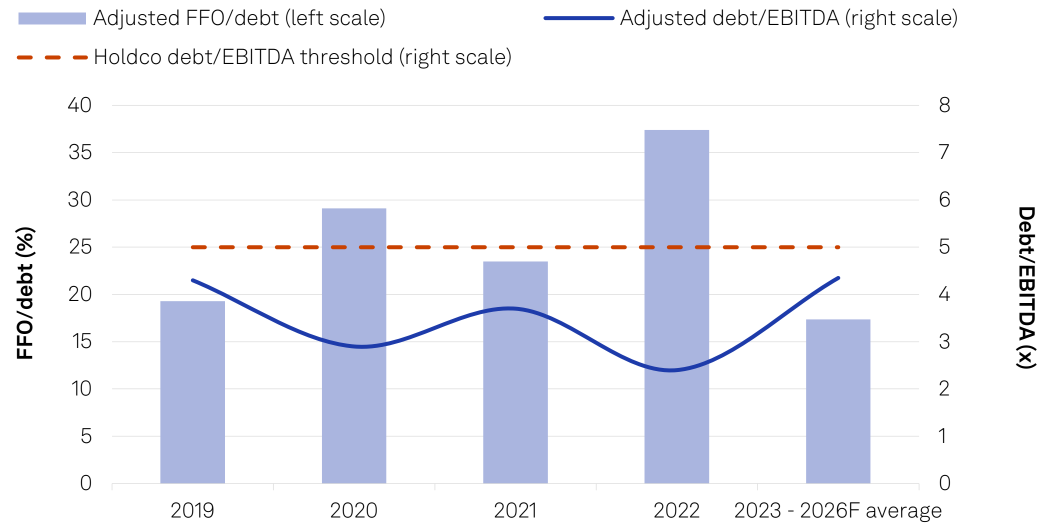
Outlook: Stable

We could downgrade CG by one notch if:

- Increase in debt at CGPH such debt to EBITDA increases above 5x and EBITDA interest coverage decline below 3x in the next two years;
- Liquidity pressures arise if it fails to refinance upcoming maturities in the next 12 months;
- Sustained exposure to merchant risk, or if we perceive an increasing risk or re-contracting considering the carbon-intensive nature of the assets
- Material falloff in distributions from the asset portfolio.
- KKR maximizes shareholder returns to the detriment of CG's credit quality.

- We see an upgrade in the short to medium term as unlikely.
- We could consider raising the rating if we see a material improvement on cash flow diversification in less risky countries, supported by long-term contracts that would lead us to improve our view of the company's business profile, or material improvement on credit metrics.





Note: Financials as of May 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

daa plc

Issuer Credit Rating: A-/Stable/A-2

Analysts: Diva Costa

Company description

- Irish operator of Dublin and Cork airports and all related activities, from retail to managing the airports´ and car parks.
- State-owned but financed and managed independently of the Irish government.
- Also owns and operates airport retail businesses in 14 countries and holds stakes in other airports, namely 20% in Dusseldorf airport and 11% in Paphos and Larnaca airports in Cyprus.

Rating drivers

- Passenger traffic has fully recovered to pre-pandemic levels, however Dublin airport is subject to a planning cap, which limits traffic at 32 million passengers per year.
- Large planned capex of €1.9 billion in 2023-2027 to increase capacity at Dublin airport will contain FFO to debt at about 17% on average in 2025-2027, which reduces rating upside but is still commensurate with the rating.
- Dublin airport charges, adjusted annually for actual inflation, will mitigate inflationary pressures and support EBITDA margins of about 30% over the next three years.
- The Irish government owns 100% of daa and we consider it offers a moderately high level of support.

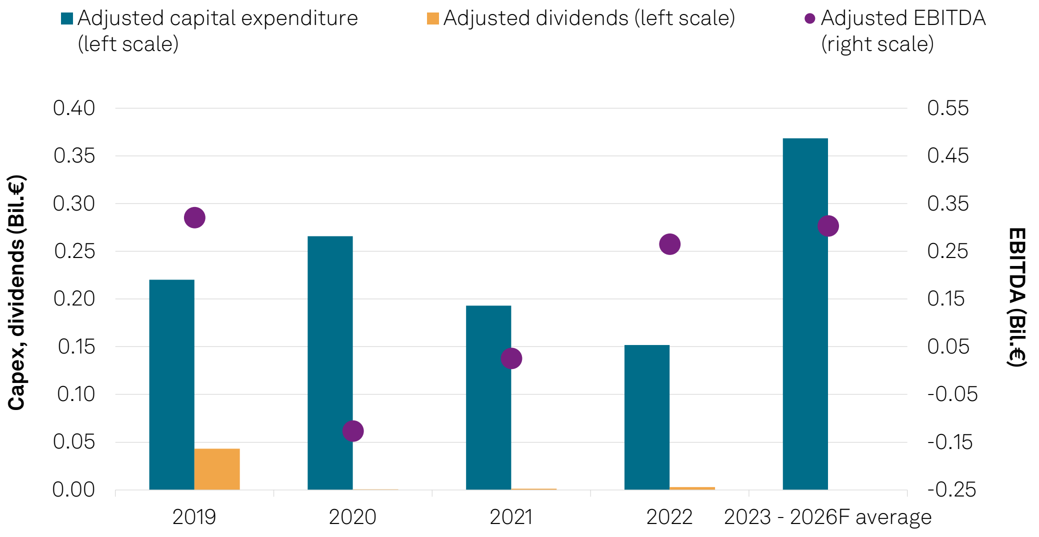
Outlook: Stable

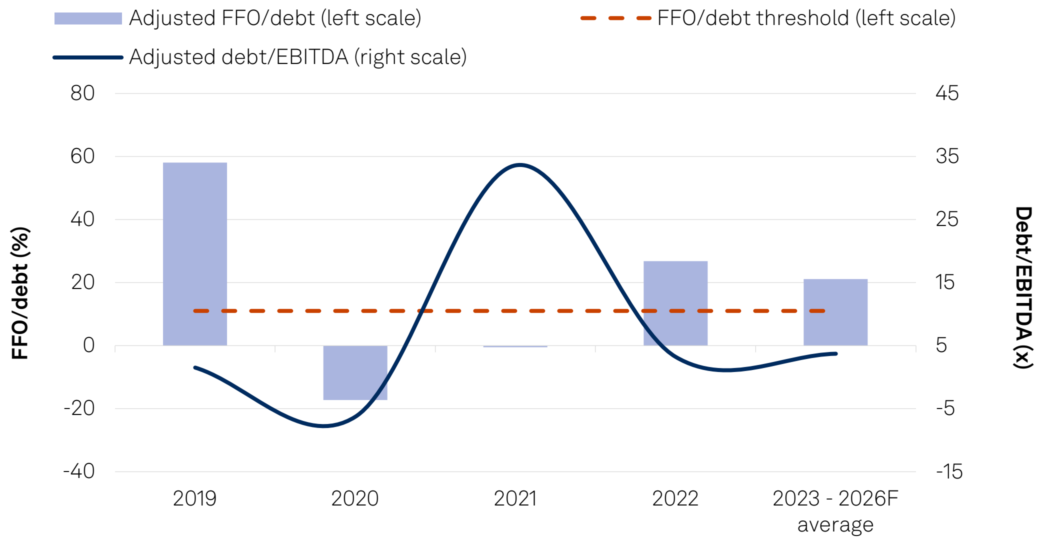
We could lower the rating if FFO/debt falls below 11% due to:

- Lower traffic or spend per passenger than we currently anticipate;
- Dividends resulting in a significant cash outflow for the company following the negotiation of the new dividend policy with the government;
- Inflation having a more pronounced impact on the costs or on the investment plan.

We could raise our rating if FFO/debt is sustainably maintained above 20% due to:

- Higher traffic or spend per passenger beyond what we currently anticipate;
- Operational and cost efficiencies are achieved;
- We see capacity growth at Dublin airport, ensured by the disciplined timely execution of capex, on budget.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Deutsche Bahn AG

Issuer Credit Rating: AA-/Stable/A-1+

Analyst: Solene Letullier

Company description

- Germany's integrated rail provider and the largest regional rail passenger transport company in Europe.
- H1 2023 breakdown: 30% of EBITDA from passenger transport services. 23% of EBITDA from infrastructure segment and the remainder coming from the more volatile transport and logistics segment via DB Schenker and DB Cargo (respectively generating around 45% and less than 1%).

Rating drivers

- Large planned investments in modernization and capacity expansion of its railway infrastructure and fleet, as well as higher financing costs, will weigh on FOCF and constrain deleveraging, with FFO to debt unlikely to return to 2019 levels (12%) over the next five years.
- Very strong ongoing and extraordinary government support given its strategic importance for the country and its central role in the German government's strong carbon reduction objectives.
- Temporarily weaker expected credit metrics in 2023, reflecting some prefinanced infrastructure measures, which should be compensated by the German government in 2024.
- Still high contribution from less stable logistics' operations at DB Schenker (43% of EBITDA in first-half 2023) but we expect a return to less than 30% of the group's total EBITDA by 2027, pending a potential disposal the group is contemplating.
- Effects on credit quality from potential disposal of logistics service subsidiary, DB Schenker, are unclear but proceeds could provide funds to mitigate the impact of large investment plans on financial leverage.

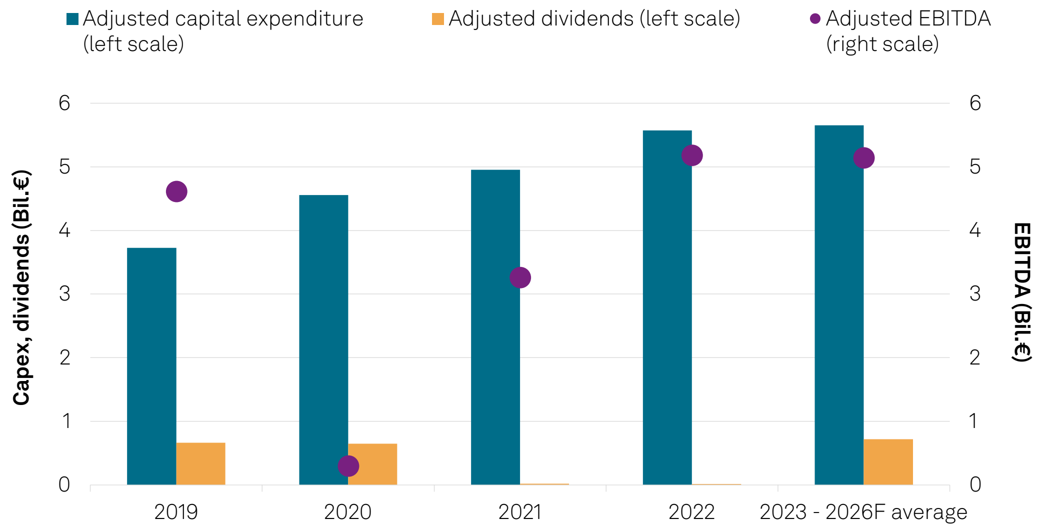
Outlook: Stable

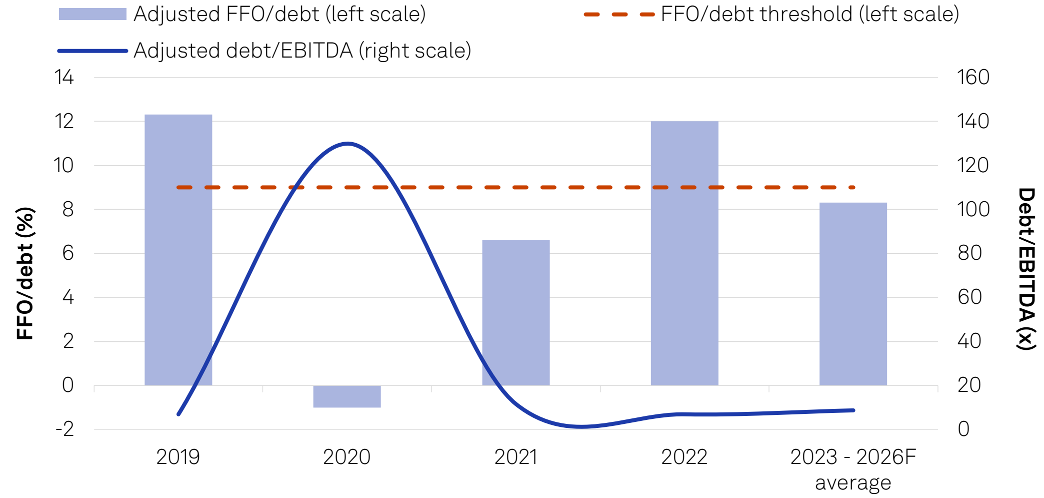
We could lower the rating to 'A+' if:

- We expect FFO to debt to drop below 9%;
- The company's corporate structure changes, such that infrastructure or passenger transport is no longer part of DB's operations, or if we believed that its link with or role for the federal government had weakened.

We could raise the long-term rating to 'AA' if:

- FFO to debt improves to 13% or higher;
- We revise up our assessment of extraordinary government support to extremely high from very high.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. FOCF--Free operating cash flow. Source: S&P Global Ratings

S&P Global Ratings

DARS dd

Issuer Credit Rating: A+/Stable/A-1

Analyst: Stefania Belisario

Company description

- Slovenia-based toll road operator DARS is the sole operator of the 624.9 km motorway network in the country, under a concession contract due 2060.
- It is 100% owned by the republic of Slovenia through the Slovenian Sovereign Holding.
- In 2022, the company (€494.5 million revenues and €383.8 million EBITDA) had already fully recovered its traffic to pre-pandemic levels both for light and heavy vehicles.

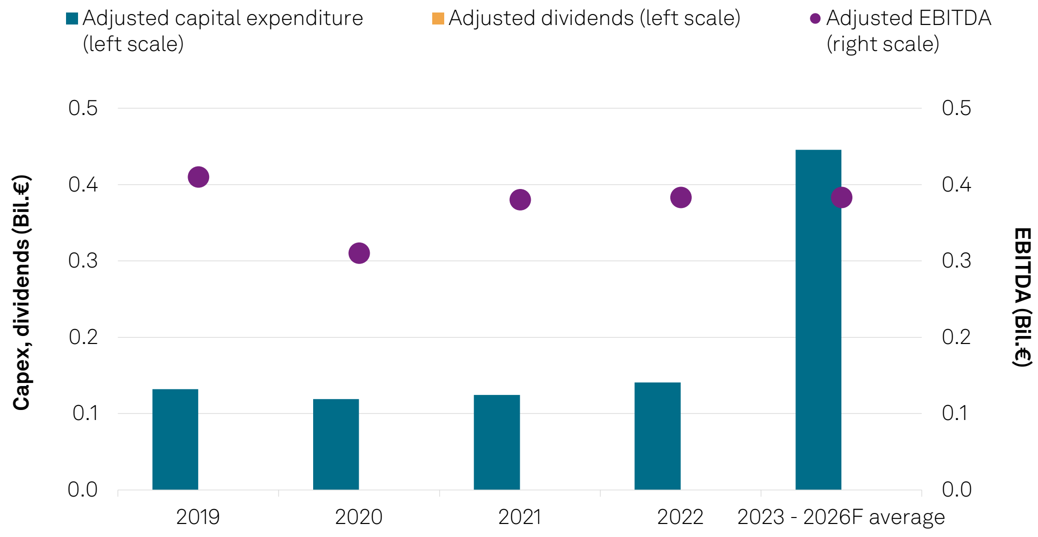
Rating drivers

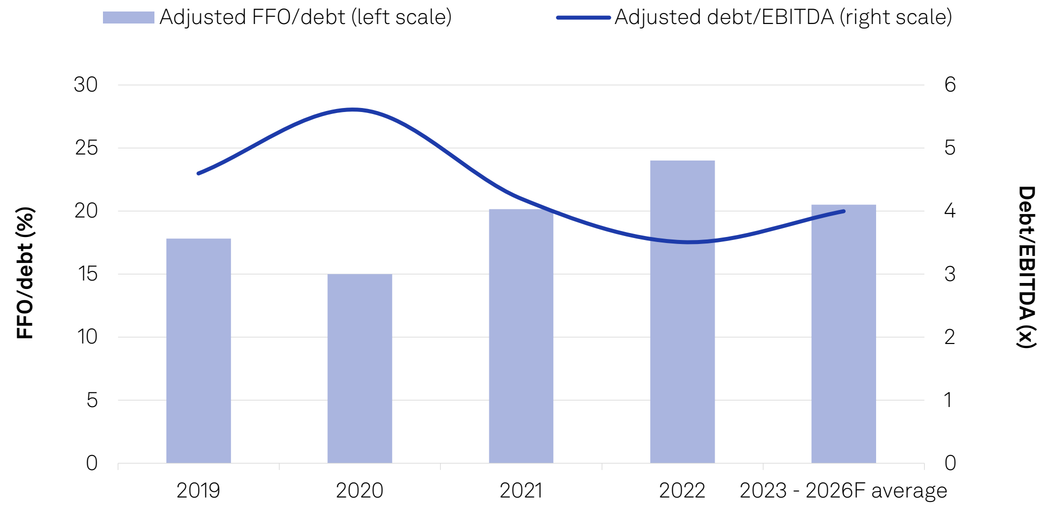
- Large investment plan ahead (€2.3 billion investment plan in 2023-2027), which will require additional debt.
- Since tariff increases are not applied in a timely fashion and not directly linked to inflation, we expect the current high inflationary environment to erode some profitability.
- Nevertheless, we expect FFO to debt to remain between 20%-24%, and debt to EBITDA at about 3.5x-4.0x in 2023-2025, with solid FFO cash interest coverage.
- Some financial obligations benefit from a state guarantee, which is available for financing about 50% of construction costs. The network is an essential pillar of Slovenian economy, reflected in an extremely high likelihood of extraordinary government support.

Outlook: Stable

- We could take a negative rating action if we take a negative rating action on Slovenia.
- Multiple notches of negative impact could occur if we observed a deterioration in the likelihood of extraordinary government support.
- It remains highly unlikely that a downgrade could occur from performance as its stand-alone credit profile would need to fall at least four notches to 'b+' to trigger a downgrade, all else being equal.

- An upgrade would depend on a positive action on Slovenia's sovereign rating.
- We could also raise the rating if we believed the likelihood of extraordinary government support had increased to almost certain.





Note: Financials as of July 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

EP BCo SA

Issuer Credit Rating: BB-/Stable/--

Analyst: Solene Letullier

Company description

- Nonoperating holding company of international port infrastructure operator Euroports.
- Operates a network of 50 terminals under long-term concessions across Europe and China and handles about 64 million tons of dry bulk, break bulk, liquids, and containerized goods.
- In addition to handling services, the company offers port-related value-added services, land transportation, and freight-forwarding services.
- Cycorp indirectly owns 53.4% of the company, Belgian sovereign wealth funds PMV and FPIM own the remaining stake, with 23.3% each.

Rating drivers

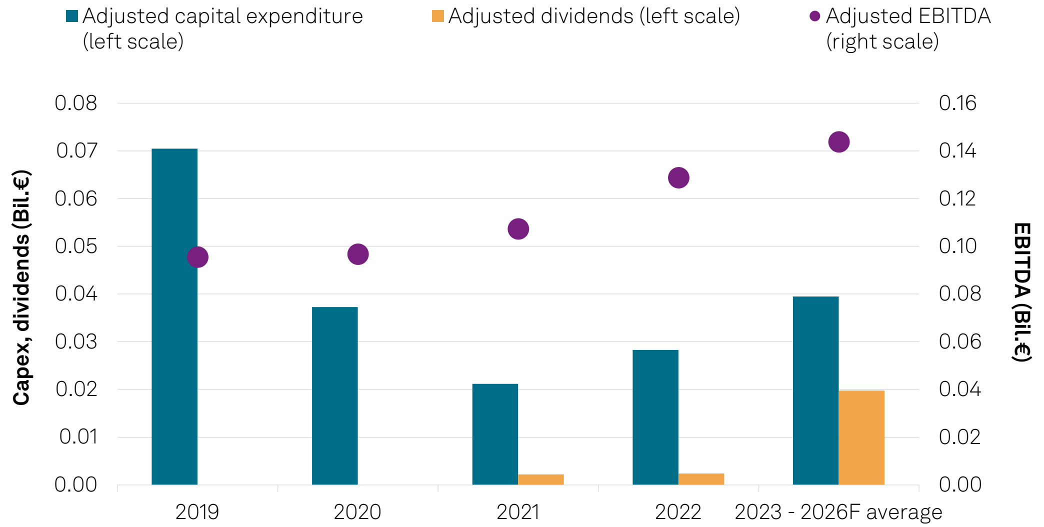
- We anticipate weighted average FFO to debt of at least 9%, and debt to EBITDA of 6.0x-6.5x over 2023-2025, fuelled by cash flow generation from business growth.
- Forest products, bulk agricultural commodities, and metal industries, which accounts for the company's largest exposure at 48% of 2022 revenues, will drive short term volume growth.
- Our rating reflects minority shareholders' active participation and the strong shareholder agreement that balances the decision-making process and limits the power of majority shareholders. We tend to see the latter as a highly complex group that could potentially increase the credit risk.

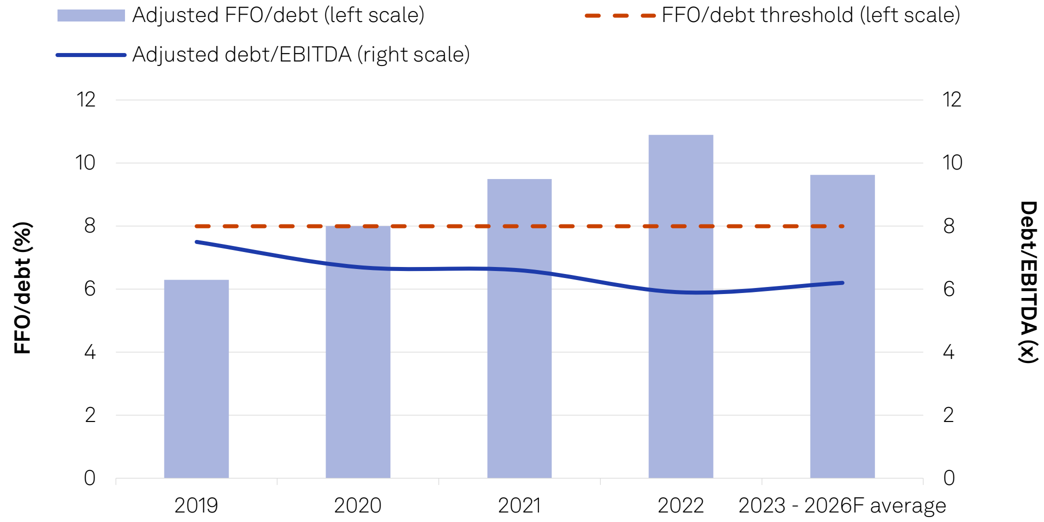
Outlook: Stable

We could lower the rating if:

- FFO to debt fell below 8% and debt/EBITDA rose above 6.5x on average over 2024-2026;
- Financial policy became unsupportive of deleveraging;
- We saw any change in governance that was not consistent with current credit quality, which is delinked from that of its parent Cycorp;
- The company was in breach of the springing leverage-based covenant.

- We could raise the rating if the company demonstrated FFO to debt consistently above 10%, and debt to EBITDA below 5.5x.





Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Ferrovie dello Stato Italiane SpA

Issuer Credit Rating: BBB/Stable/A-2

Analysts: Francesco Gargiulo

Company description

- The holding company of an Italian integrated rail and road group, fully-owned by the Ministry of Economy and Finance.
- Manages about 16,800 km of Italian railway infrastructure through subsidiary RFI, while its Trenitalia subsidiary is a national, regional, and passenger transportation group. Also manages a 32,000 km public road network in Italy following the consolidation of ANAS.
- 2022 revenue breakdown: 44% passengers services, 44% infrastructure services, 7% logistics, 6% urban and other services.

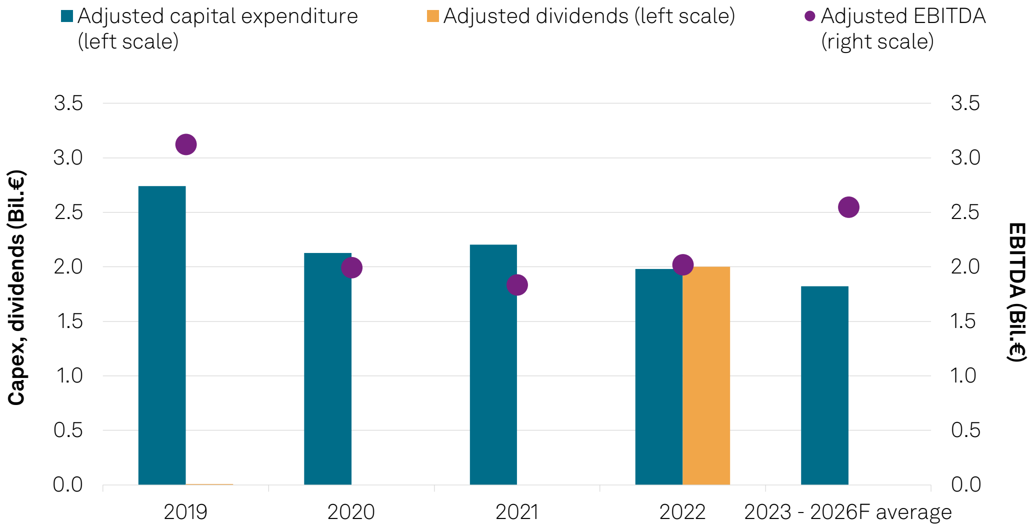
Rating drivers

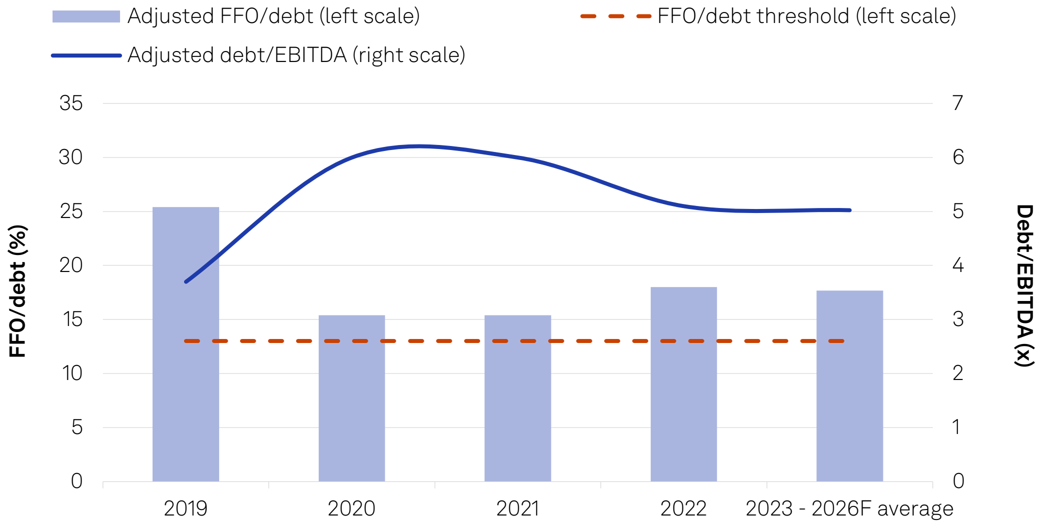
- Holds a key role in Italian passenger and freight mobility, as well as an integral role in government allocation of resources from the NextGenerationEU recovery plan.
- We expect domestic and international flows will boost both high speed and regional passenger volumes over 2023-2025, even though business traffic will continue to lag 2019 levels, in our view.
- FFO/debt to remain comfortably above the 13% threshold, supported by traffic recovery, despite the increase in workforce to support its investment plan.
- Despite the 'bbb+' stand-alone credit profile (SACP), we cap our rating at the sovereign rating 'BBB' because the company relies on public grants to finance most of its network investments and receives ongoing public revenues to support passenger services.

Outlook: Stable

- We could take a negative action if there is a similar rating action on Italy.
- We could lower the rating by one notch if we were to revise downward the SACP assessment by three notches to 'bb+' from 'bbb+'. We see this as unlikely in the coming year given solid credit metrics, but it could occur if liquidity headroom proves tight.

- We would raise the rating following similar action on Italy, all else being equal.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Flughafen Zurich AG

Issuer Credit Rating: A+/Stable/--

Analysts: Maria Jose Sombra Furnari

Company description

- Owns and operates Switzerland's largest airport (31.5 million passengers in 2019) under a license expiring in 2051.
- Well-diversified portfolio, with 45% of 2019 revenue generated from commercial, real estate, service activities, and international investments in Latin America. Signed a concession for Noida International Airport in Delhi, in 2020, that we expect to contribute to EBITDA by 2025.

Rating drivers

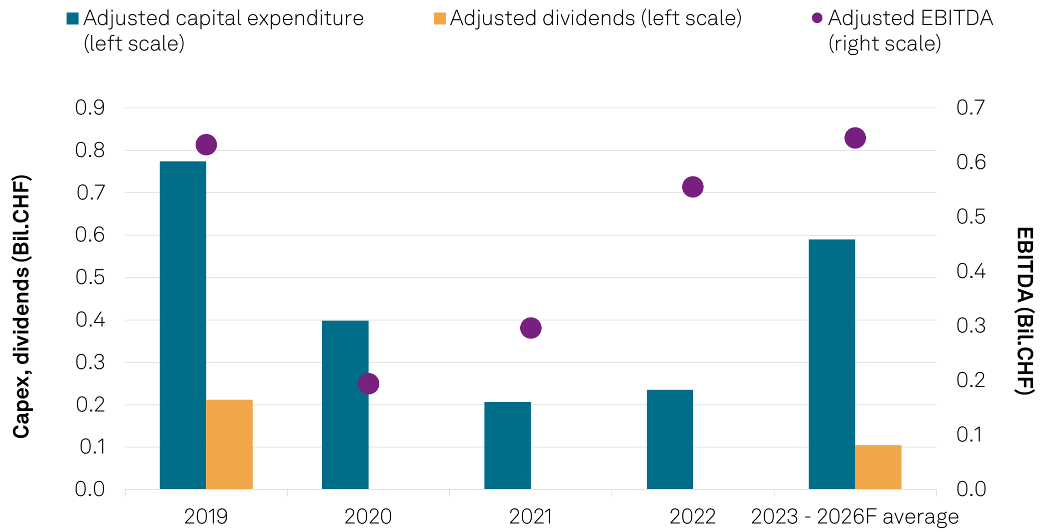
- We believe higher visibility on the passenger recovery path and the resulting positive impact on non-aviation business lines should increase earnings and cash flows, supporting the long-term sustainability of the credit metrics in line with the rating, notably adjusted FFO to debt comfortably above 30% over 2023-2025.
- We also think that the continuous cost discipline to manage both higher energy prices and the general inflationary effect on expenses should support a healthy EBITDA margin at around 55% over the next three years.
- We anticipate that committed investments in the Noida greenfield airport project in India will likely bring execution and financial challenges. This remains offset by the experienced management team and forecast credit metrics which provide rating headroom for potential cost overruns.

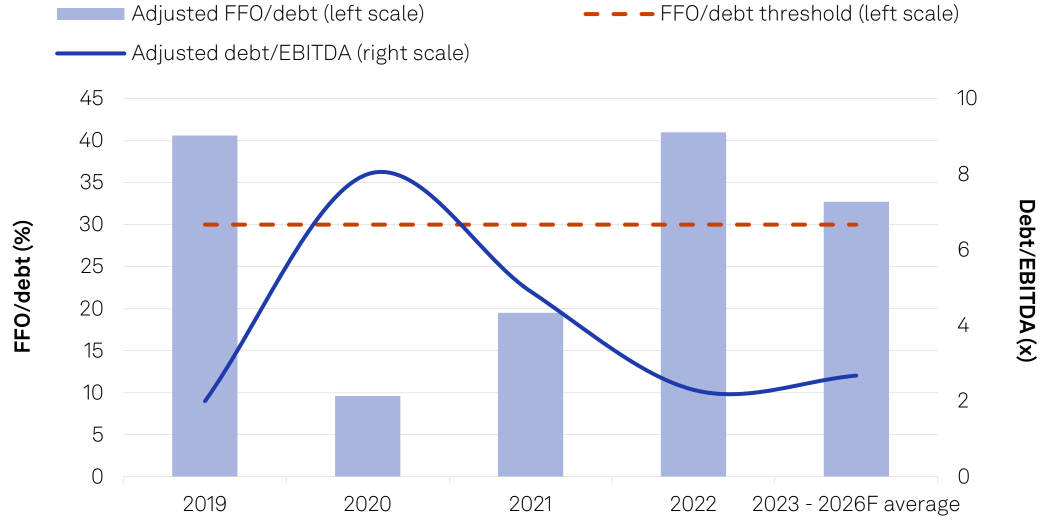
Outlook: Stable

We could lower the rating if:

- FFO to debt falls below 30%. This could happen in the short term if traffic volumes take significantly longer to recover, or FZAG's investments are greater than we assume in our base case.
- Tariff cuts in the next regulatory period starting in 2026 could meaningfully harm credit metrics.
- A one-notch downgrade of the Canton of Zurich may result in a similar action on FZAG.

- We could raise the rating by one notch if we expect FFO to debt to be consistently above 35% and FOCF to debt to be above 10%.





Note: Financials as of December 2023. Capex--Capital expenditure. CHF--Swiss Franc. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

S&P Global Ratings

Gatwick Funding Ltd

Senior Secured Issue Rating: BBB/Stable

Analyst: Vinicius Ferreira

Company description

- Second largest airport in the London area, which is the most affluent in the U.K. Its catchment area is large, covering 20 million people within a two-hour drive, or 30% of the U.K.'s population. The airport focuses on short-haul flights by premium- and low-cost airlines, with more than 180 routes, and offers more than 30 long-haul routes.
- Gatwick has two shareholders: Vinci S.A. (A-/Stable/A-2), which has owned a majority 50.01% stake since 2019; and a consortium of investors managed by Global Infrastructure Partners, which owns the remaining 49.99%.
- In the first six months of 2023, Gatwick reported revenue of £423.3 million, and EBITDA of £235.7 million.

Rating drivers

- We expect Gatwick's passenger volumes to gradually recover, reaching about 46.5 million (2019 level) in 2025.
- Traffic recovery will be supported by the restatement of the 80% slot rule from 2023 and the recovery of airline capacity.
- Other airlines operating at Gatwick are launching new flights to ensure that they use their slots.
- Profitability should recover due to the increase in aeronautical and commercial revenue as passenger numbers rise, combined with effective cost control by the airport.

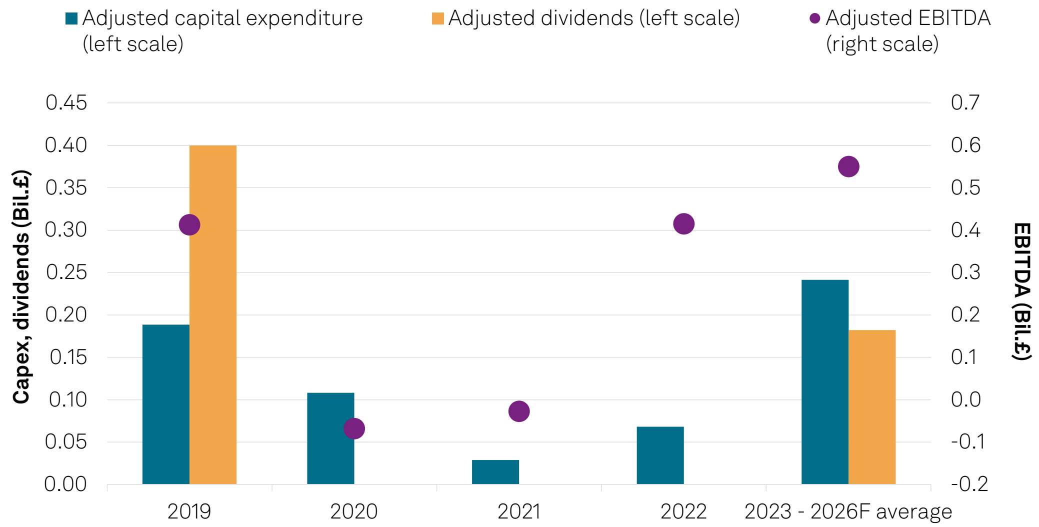
Outlook: Stable

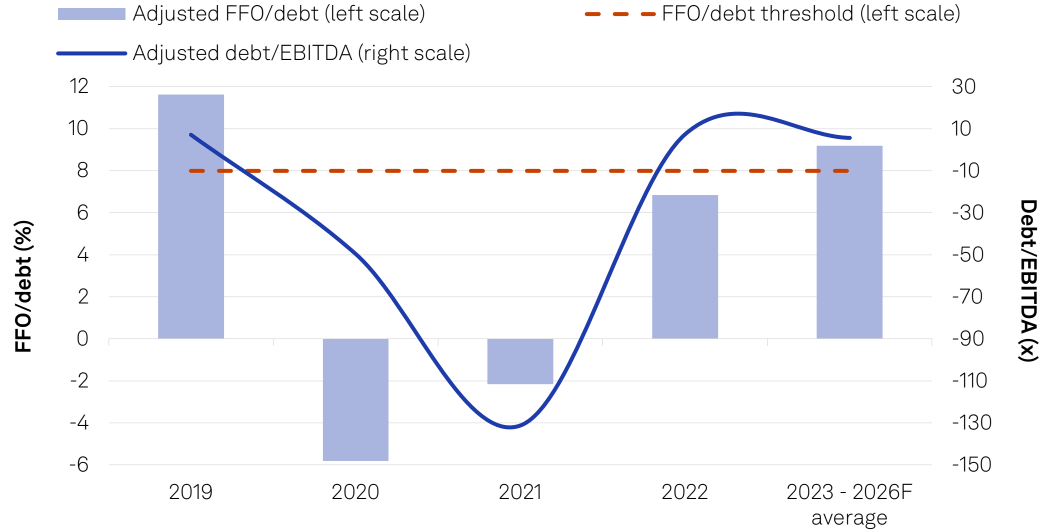
We could lower the rating if:

- In the short term, airlines choose to use their slots less than 80% of the time and lose them;
- The company fails to maintain control over its cost structure, especially given the short-term inflationary pressures;
- The CAA imposes a negative price adjustment rule from April 2025, when the next regulatory period starts.

We could raise the rating if:

- Passenger volumes recover more quickly, for example, if airlines' capacity deployment at Gatwick expands faster than anticipated;
- GFL further optimizes its cost structure while generating higher commercial revenue so that EBITDA margins are consistently above 60%.





Note: Financials as of October 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Georgian Railway JSC

Issuer Credit Rating: BB-/Stable/B

Analyst: Valeriia Kuznetsova

Company description

- Vertically integrated railroad company in Georgia that is directly owned by the state of Georgia. It is the country's largest employer (12,000 workers), has a network spanning about 1,443 km, and freight capacity of 27 million tons/year.
- Operates the shortest route from the Caspian Region to the Black Sea, meaning it serves mainly as a transit corridor.
- 2022 revenue breakdown: 71% freight transport, 18% logistics, 4% passenger transport, 7% other.

Rating drivers

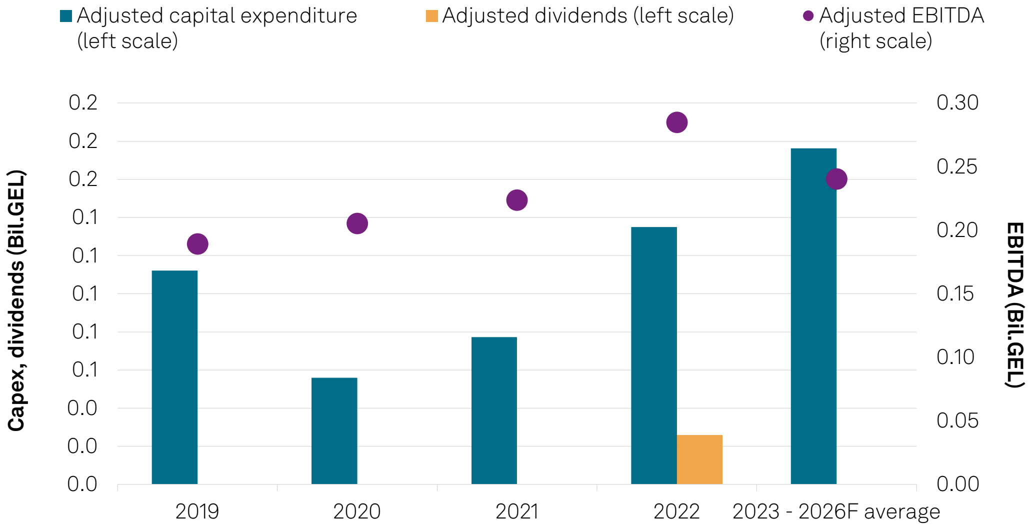
- We expect FFO/debt comfortably above 8% over the next two years, supported by robust operating performance and lower cost of debt.
- Maintaining credit metrics will depend on revenue growth, cost control, and the foreign exchange trajectory.
- Very high likelihood of extraordinary support from Georgian government underpins the rating.

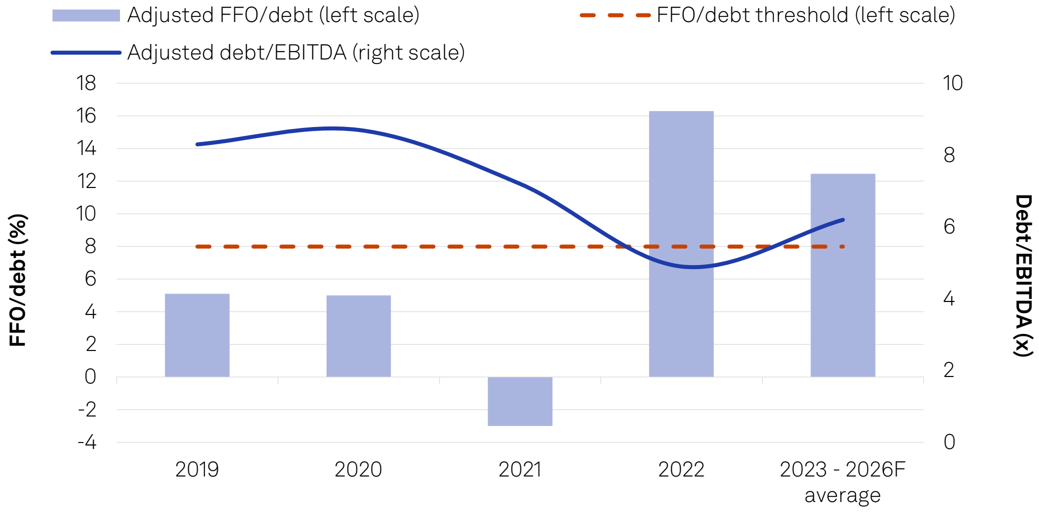
Outlook: Stable

We could lower the rating if:

- Operating performance and leverage ratios are weaker than expected, with FFO/debt below 8%;
- The liquidity position materially deteriorates;
- We lowered the rating on the sovereign, leading to a negative action on the company, absent of expected operating and leverage improvements.

- Upgrade in the short-term is unlikely given the current combination of the sovereign rating and the company's stand-alond credit profile (SACP).
- We could raise the SACP if adjusted debt/EBITDA falls comfortably below 5x and FFO/debt rises comfortably above 12%, both on a sustainable basis, while FOCF is at least neutral and liquidity remains solid.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. GEL--Georgian Lari. Source: S&P Global Ratings.

S&P Global Ratings

Getlink SE

Issuer Credit Rating: BB-/Positive/--

Analyst: Solene Letullier

Company description

- Ultimate parent of France Manche SA and Channel Tunnel Group Ltd., which operate the undersea tunnel between the U.K. and France, Eurotunnel, under a 100-year concession.
- Eurotunnel is a ring-fenced group within Getlink and generated 67% of EBITDA (post provision for ElecLink's profit sharing) in 2022. It also owns Europorte SAS, a rail freight operating company, which contributes about 3% of EBITDA.
- ElecLink, the power interconnector between the U.K. and France, started commercial operations in May 2022 (circa 30% of EBITDA in 2022) diversifying dividend flow to Getlink and alleviating its high leverage.

Rating drivers

- Stable long-term concession operations of Eurotunnel will continue to strengthen in 2023-2024, despite being exposed to potential headwinds from the volatile macroeconomic situation.
- FFO to debt should remain above 12% in 2023-2024, supported by stronger, albeit more volatile, cash flow generation from ElecLink.
- We don't expect ElecLink to contribute more than 30%-35% of Getlink's total EBITDA on a sustainable basis and assume it will decrease and stabilize by 2025 at about 10%-20% of total EBITDA.
- We expect the improved FOCF at Getlink will keep net leverage within the range of 4x-5x over 2023-2024, despite higher capex and pending increased visibility on the group's targeted dividend payout.

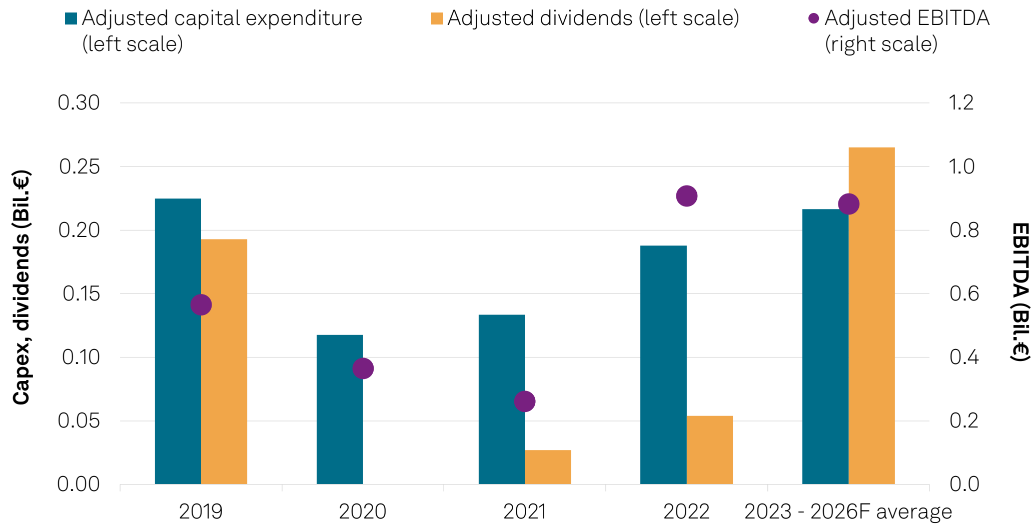
Outlook: Positive

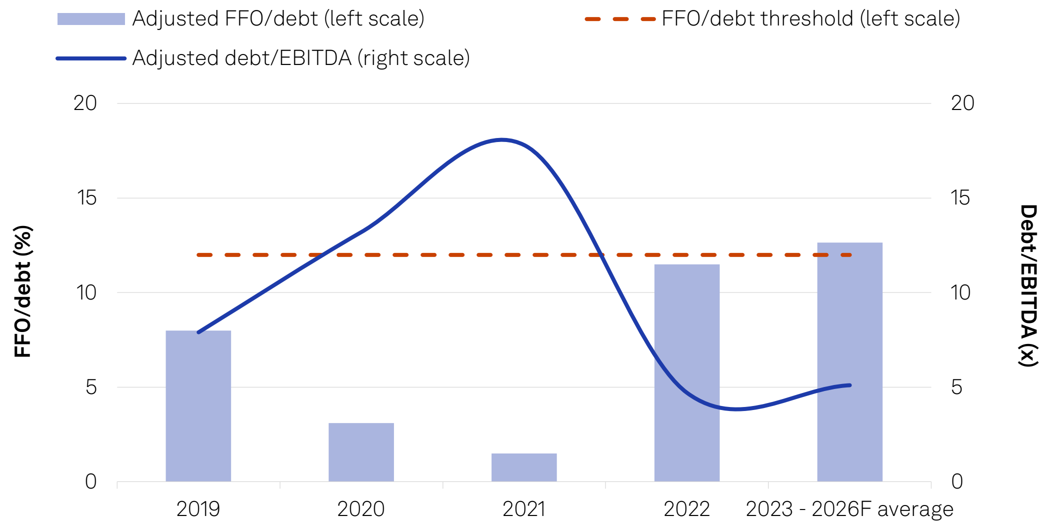
We could lower the rating if:

- FFO to debt is not maintained solidly above 12%;
- ElecLink's contribution to the company remains substantial in the longer term, which could weaken our view of its cash flow stability, not mitigated by further leverage reduction.

We could raise the rating if:

- FFO to debt is maintained sustainably above 12% supported by the strengthening of Eurotunnel's performance;
- We see a positive operational track record at ElecLink and better clarity over the supportiveness of financial policy, including planned dividends beyond 2023.





Note: Financials as of April 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Havenbedrijf Rotterdam NV

Issuer Credit Rating: --/--/A-1+

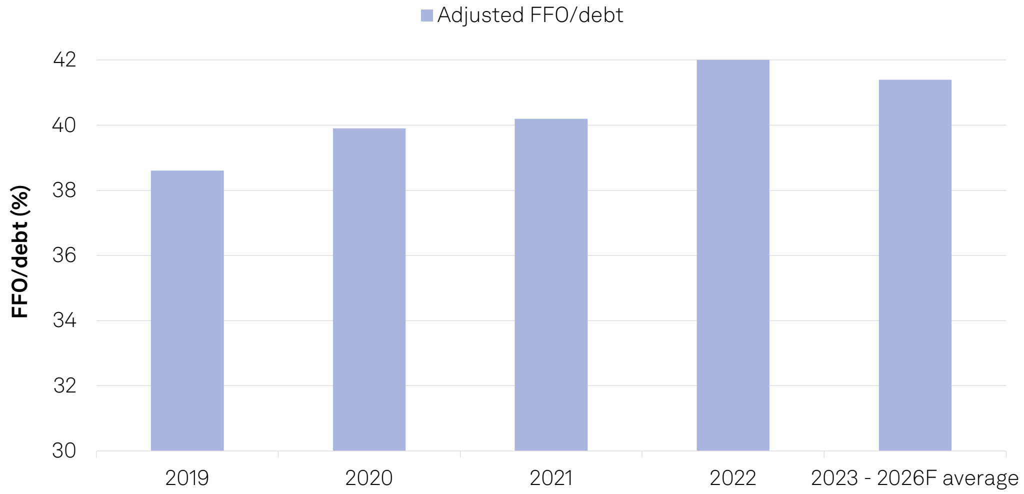
Analyst: Livia Vilela

Company description

- Port of Rotterdam is the largest port in Europe. As a major international hub, it is considered the gateway to Europe, given its 500 deep sea, short sea, and feeder connections to more than 1,000 ports worldwide.
- In 2022,the port handled 467 million tons of cargo and generated €825 million in revenue and €543 million of EBITDA, supported by the company's business model as a landlord port, which means that it owns and manages the port's infrastructure, including the waterways and land.
- The port is 70.8% owned by the city of Rotterdam, and, since 2006, has been 29.2% owned by the Dutch government

Rating drivers

- We expect macroeconomic and geopolitical risks will weigh on global trade in 2024, preventing a recovery of the port's subdued throughput in 2023, which was worse than our expectations.
- Nevertheless, we anticipate that the company's high flexibility in spending and strong free operating cash flow, reflected in the port's above-average EBITDA margin, will help it withstand unfavourable market conditions.
- Initiatives like the widening of the Yangtze Canal to allow two-way traffic for ultra large container vessels to Maasvlakte 2 port complex or developing CO2 capture, transport, and storage services under Porthos are essential to protect the port's competitiveness.
- We expect the authority to sustain a financial position appropriate for the rating, which should allow it to achieve investment opportunities and maintain operating activities in the event of unexpected negative developments.



Note: Financials as of December 2023. F--Forecast. FFO--Funds from operations Source: S&P Global Ratings.

Heathrow Funding Ltd

Issue Rating: Class A wrapped: AA/Stable; Class A: BBB+/Stable; Class B: BBB+/Stable

Analyst: Vinicius Ferreira

Company description

- Wholly owned subsidiary of Heathrow (SP) Ltd., a debt-issuing vehicle in the ring-fenced financing group. This group also includes the operating company Heathrow Airport Ltd. (HAL) that owns and operates Heathrow airport. HAL is the borrower of the debt issued through Heathrow.
- In the first nine months of 2023, it reported revenues of £2.7 billion and EBITDA of £1.7 million, while its cash position was £1.8 billion--more than its debt maturities of £953 million in the following 12 months.

Rating drivers

- Civil Aviation Authority (CAA) ruling to lower the charge cap for Heathrow will translate into lower profitability in the latter part of the H7 regulatory period (2022-2026), in our opinion.
- Despite upcoming challenges in H7, including tougher regulations and potentially less flexibility for nonessential spending such as dividends, we think Heathrow will maintain good access to global capital markets.
- The company's consistent passenger recovery at its terminals will partially offset the effect of lower charges.
- However, currently high inflation and interest rates, as well as more expensive ticket prices, may negatively affect consumers' discretionary spending, such as on travel.

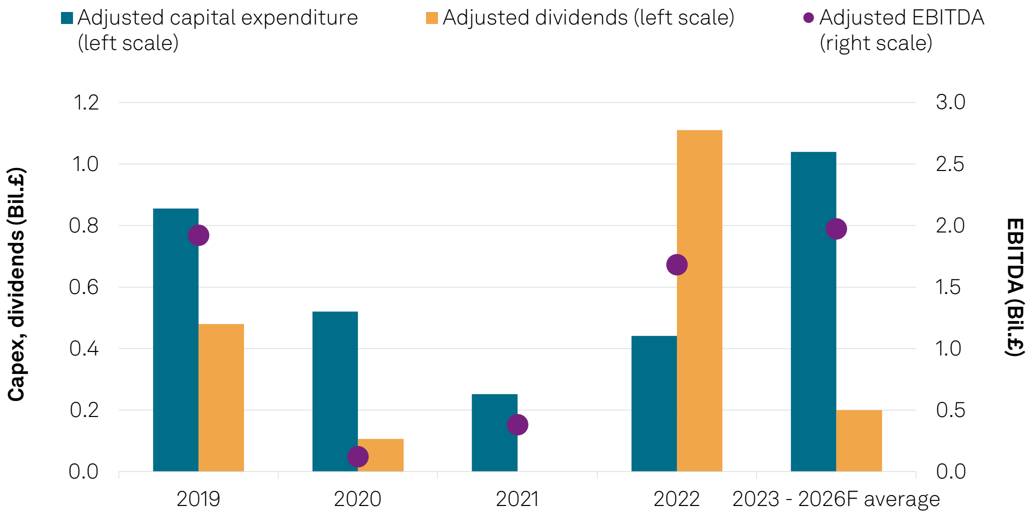
Outlook: Stable

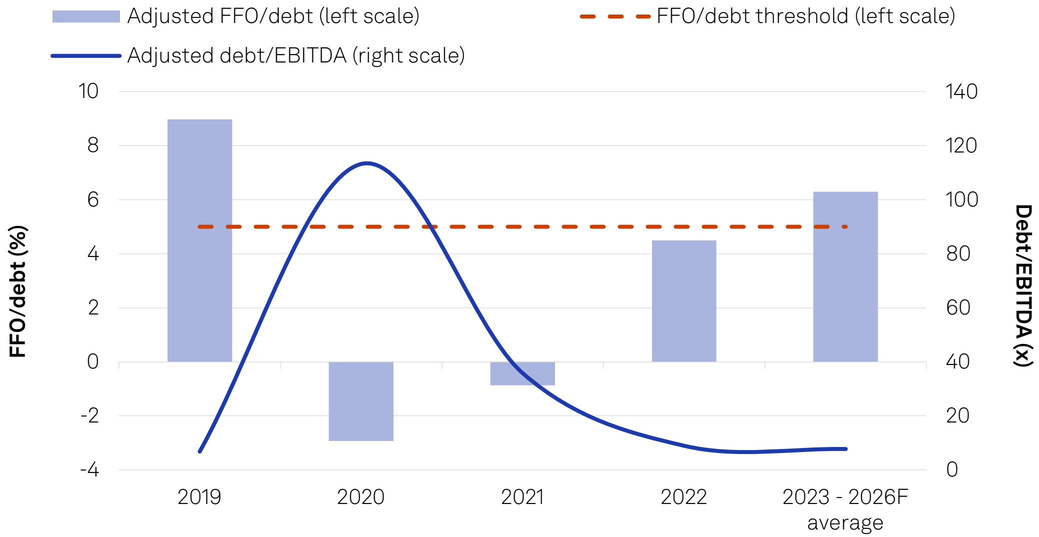
We could lower the rating if:

- There are significant cash outflows from the ring-fenced structure, in addition to the interest payments relating to the debentures with Heathrow Finance PLC, resulting in a less supportive financial policy;
- Inflation fails to return to a long-term average of 2.0% and Heathrow is not able to mitigate the negative effects of this.

We could raise the rating if:

- Heathrow achieved and maintained FFO to senior debt consistently above 8.0% and FFO to junior debt above 6.0% from 2024;
- Heathrow increased its commercial revenues and reduced its operating expenses to be in line with, or more efficient than, the CAA anticipated in its final decisions.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Holding d'Infrastructures de Transport S.A.S.

Issuer Credit Rating: BBB-/Stable/A-3

Analyst: Diva Costa

Company description

- Holding company of the French toll road operator Sanef, the third-largest toll road operator in France with 1,785 km of network as of Dec. 31, 2022.
- Abertis Infraestructuras is the sole shareholder following the progressive buyout of minority stakes in 2017.
- Sanef's main concession covers about 1,406 km of toll roads in north and east of France and expires in December 2031. Sanef also has a concession to operate 397 km in northwest France through its SAPN subsidiary until August 2033.

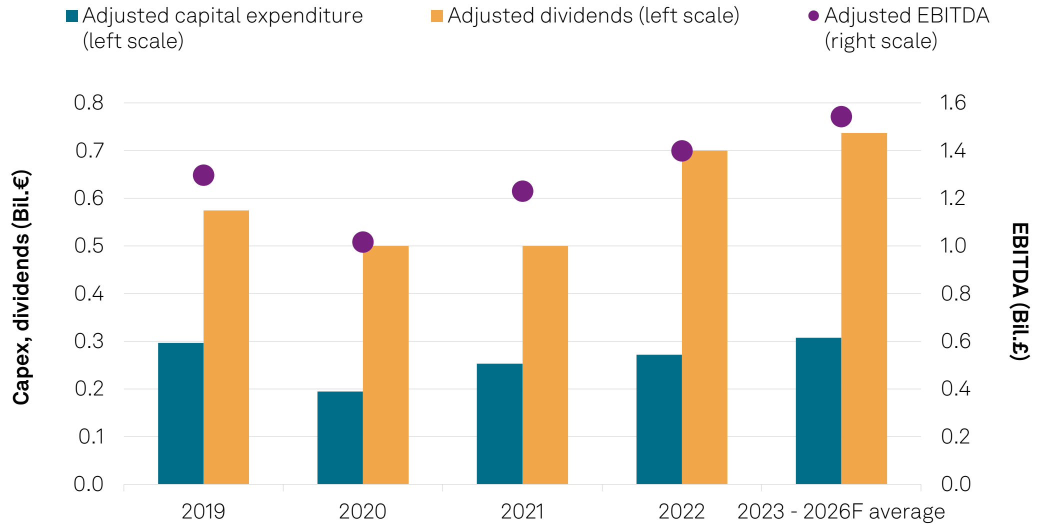
Rating drivers

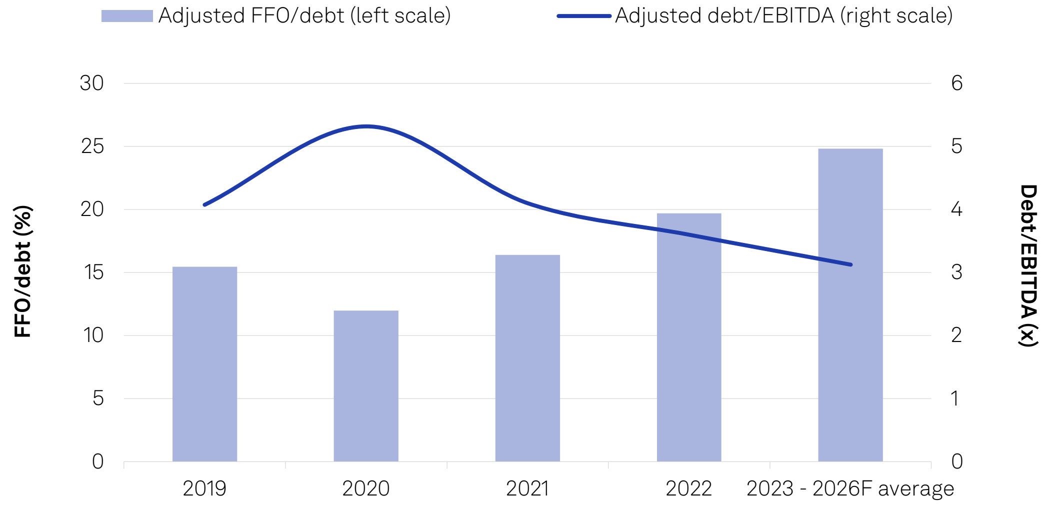
- After the issuance of a €500 million bond in January 2023, we expect HIT, together with Sanef, will start repaying gross debt when the next maturities come due in 2025-2026. This is five to six years before the maturity of Sanef (the main concession), in December 2031.
- We continue to believe HIT and Sanef will prudently manage their cash positions to meet debt repayments at concession end; reflected in strong liquidity buffers, flexible dividend distribution, and limited capex.
- We anticipate high adjusted FFO/debt over 2023-2026, benefitting from inflation-linked tolls (close to 4.5% in 2023) and fixed cost of debt.

Outlook: Stable

- We would lower our ratings on HIT and Sanef if we took a similar rating action on Abertis.
- We could revise downward the stand-alone credit profile (SACP) for HIT and Sanef if we see the companies further delaying debt repayment beyond 2026 or the deleveraging path becomes materially curbed by a more aggressive financial policy--for example if dividends were higher than anticipated, or if additional capex not adequately compensated.

- We could raise our ratings on HIT and Sanef if we took a similar rating action on Abertis.
- We are unlikely to revise upward the SACP for HIT and Sanef over the next 12-24 months due to the concentration of debt maturities in the tail of Sanef concession.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Indigo Group SA

Issuer Credit Rating: BBB/Stable/--

Analyst: Solene Letullier

Company description

- Manages more than 1.4 million parking spaces in nine countries worldwide, although France remains the core market contributing to 60% of EBITDA in 2023.
- The business model focuses on off-street concession-type parking (particularly in France, Spain, and Belgium) that generates strong profitability and it has an average remaining term of 27.1 years (on a stand-alone basis, excluding Parkia).
- Enters emerging markets via short-term, low-demand-risk contracts that require little investment but also generate low margins.

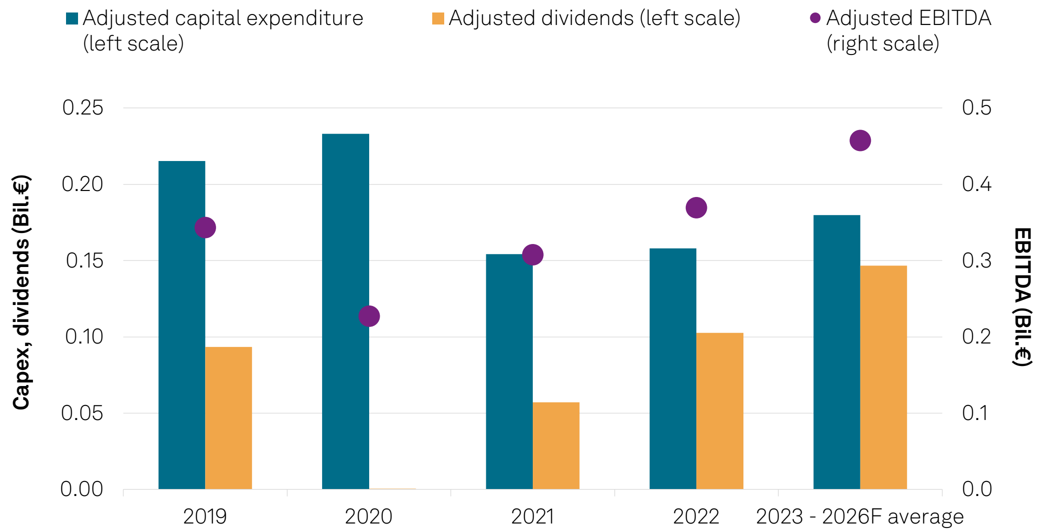
Rating drivers

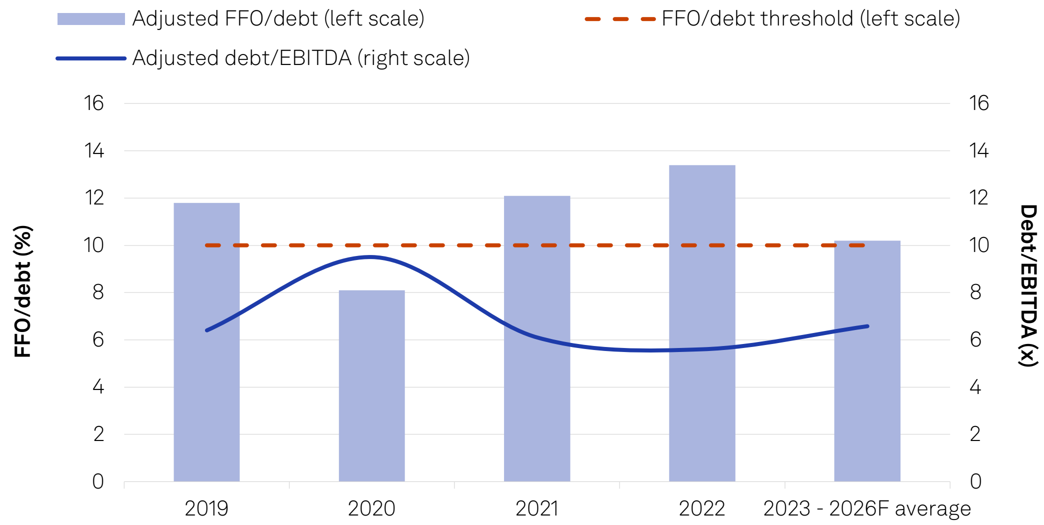
- The higher debt stemming from Parkia's acquisition (announced on July 31, 2023) is mitigated by our expectation that Indigo will generate stronger-than-anticipated cash flow over 2023-2025, while Parkia's strong portfolio focused on inflation-linked tariffs under long-term concessions is a positive.
- We also expect the company will continue to adjust capex and shareholder returns to recover rating headroom over the medium term.
- FFO to debt should improve to 10%-11% and debt to EBITDA to 6.0x-6.5x over 2024-2025, following a temporary deterioration this year, reflecting our assumption of only one month of EBITDA contribution from Parkia and the timing of the equity injection committed by the sponsors scheduled in 2024.

Outlook: Stable

- We could lower the rating if, in our view, Indigo is unable to deleverage post the Parkia acquisition, with FFO to debt remaining close to 10% and debt to EBITDA remaining near 6.5x over 2024-2025.

- We see a positive rating action as unlikely given Indigo's reduced headroom under our updated base case, its high leverage and its large growth capex plan.
- We would need the company to commit to a material reduction in debt to EBITDA, backed by a predictable financial policy, translating in FFO to debt sustainably above 13%.





Note: Financials as of October 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Kazakhstan Temir Zholy

Issuer Credit Rating: BB/Stable/--

Analyst: Valeriia Kuznetsova

Company description

- The company is a 100% state-owned monopoly railroad company in Kazakhstan that owns and operates the national railway system and related infrastructure.
- It enjoys a dominant market position including about half of Kazakhstan's freight (excluding pipeline transportation) and over 80% of its railway passenger revenue.
- 2022 revenue breakdown: 87% freight, 6% passenger, 3% state subsidies, 4% other.

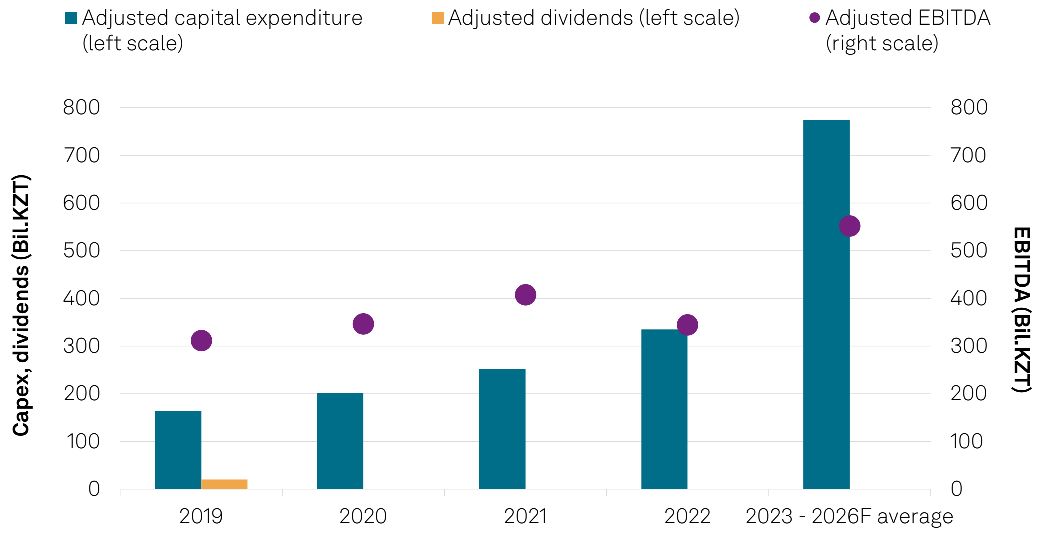
Rating drivers

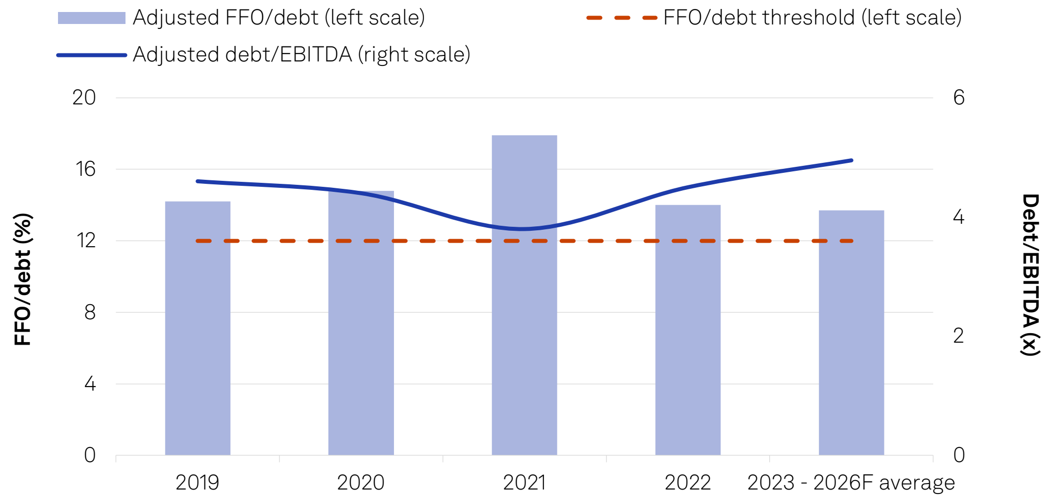
- Very high likelihood of extraordinary state support underpins the rating.
- We assume that sizable cash balances and expected credit metric headroom will balance high capex needs, moderate fluctuations in cargo mix and volumes, and potentially rising dividend payouts.
- Our base case envisages that the company will maintain FFO to debt comfortably above 12% and at least less than adequate liquidity.
- Rating is underpinned by our expectations of modest cargo turnover growth, annual tariff increases, and the company's cautious approach to refinancing maturing debt.

Outlook: Stable

- A one-notch downgrade of Kazakhstan could lead to a downgrade.
- We could also lower the rating if liquidity reduced substantially or if FFO/debt fell below 12% due to weaker-than-expected operating performance, reduced state support, or tenge devaluation.

- A one-notch upgrade of the sovereign could also lead us to take a positive rating action on the company.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. KTZ--Kazakhstani Tenge. Source: S&P Global Ratings.

MEIF 5 Arena Holdings SLU

Issuer Credit Rating: BB-/Positive/--

Analyst: Diva Costa

Company description

- MEIF 5, owned by Macquarie Infrastructure and Real Estate Assets, is the nonoperating holdco of Empark, a car park operator with about 324,100 spaces on the Iberian Peninsula.
- Focused on off-street parking (90% of EBITDA in 2022) through a portfolio of long-term concessions and privately owned carparks, with an average 26.6 years to expiry.
- Also operates on-street, short-term parking contracts (10% of EBITDA in 2022).

Rating drivers

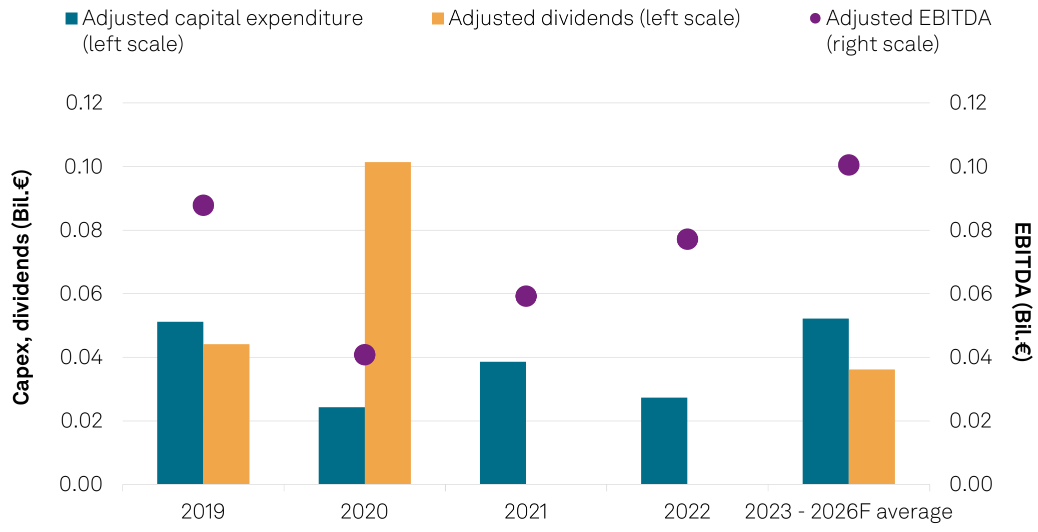
- Strong operational performance has continued during 2023, mainly due to higher tariffs of close to 6% in off-street parking, volume recovery, and the company's digitalization strategy.
- In our view, the company will be able to deliver debt to EBITDA comfortably below 8.0x in 2023-2025, from 8.39x in 2022.
- Deleveraging hinges on prudent financial policy and calibration of shareholder distributions to accommodate expansion.
- Expansion strategy over the coming years will further support revenue and EBITDA growth and will offset upcoming contract maturities.

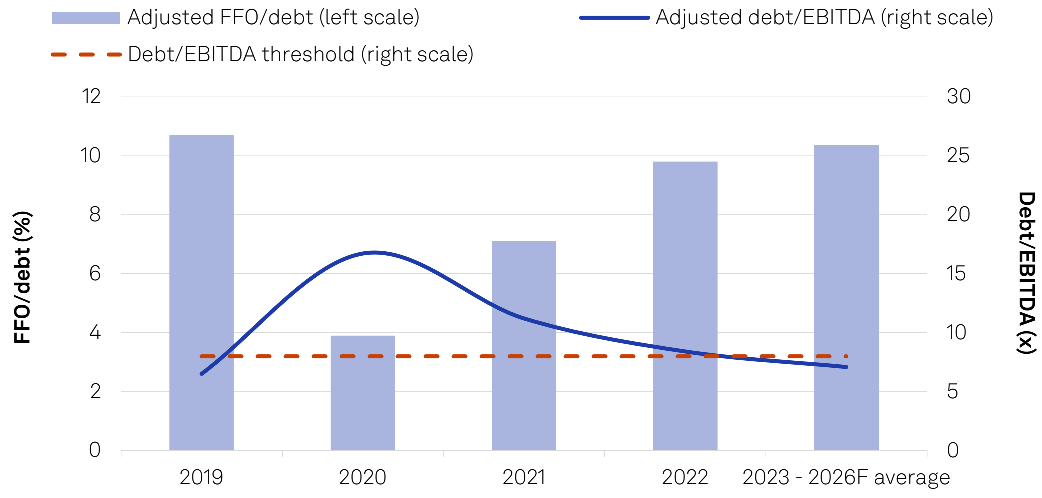
Outlook: Positive

We could revise our outlook to stable if expect debt/EBITDA in the 7.0x-8.0x range together with FFO to debt between 8% and 10% due to:

- Volumes decline or costs increase more than we anticipate;
- A failure to achieve EBITDA growth from the acquisitions included in our base case;
- Shareholder distributions leading to a slower leverage reduction, not balancing growth;
- Liquidity position deterioration beyond our expectations.

- We could upgrade the ratings if debt to EBITDA remains below 7.0x over our forecast horizon, together with FFO to debt sustainably and comfortably above 10% due to volume and tariff increases, good cost controls, and prudent shareholder distributions to accommodate the company's growth strategy.





Note: Financials as of June 2023. Adjusted dividends show interest and principal repayments on the shareholder loan. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Mersin International Port

Issuer Credit Rating: B+/Positive/--

Analyst: Maria Jose Sombra Furnari

Company description

- Mersin International Port (MIP) operates the Port of Mersin, in southern Turkiye, under a concession maturing in May 2043.
- Mersin is the Turkiye's largest container port and handled 2 million TEU and 8.7 million metric tons of cargo in 2022. Its capacity is 2.6 million TEU and 10 million metric tons per year.

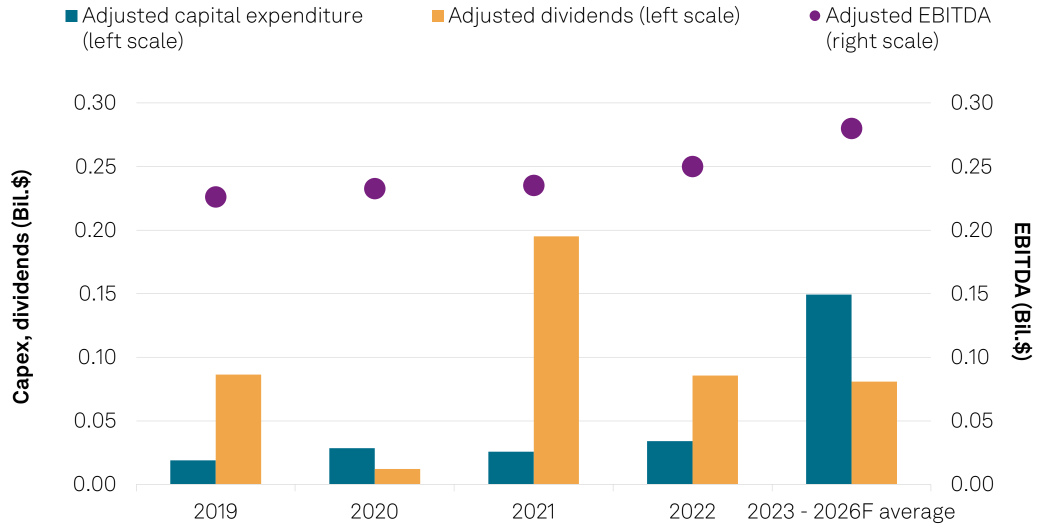
Rating drivers

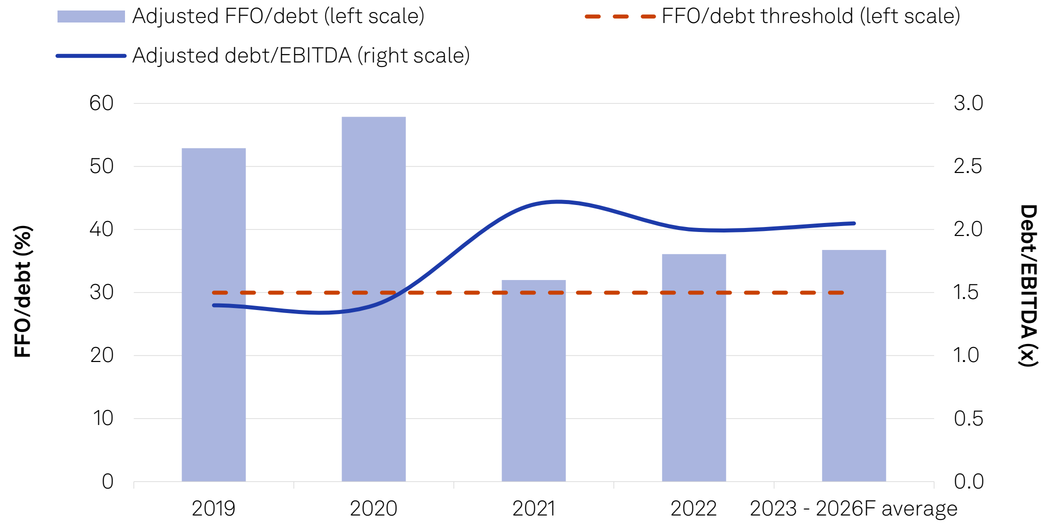
- We rate the company one notch above the sovereign rating at 'B+' because it passes a potential sovereign stress test while the stand-alone credit profile (SACP) remains 'bbb-'. That said, we cap the rating at the level of our T&C assessment on Turkiye at 'B+', since its cash flows are fully generated by the port's operations in the country and collected in onshore accounts before preserving it in offshore accounts.
- We expect credit metrics to have limited cushion at the 'bbb-' SACP level during the execution of the expansionary plan over 2024-2026, mitigated to an extent by the company's flexible dividends and supportive financial policy.
- Proven business and financial resiliency support our expectation that EBITDA margins will remain above the industry average. The company has managed to report an EBITDA margin of 60%-70% over the last 10 years, despite several external challenges.

Outlook: Positive

- We could revise the outlook back to stable if we revise the sovereign outlook.

- All else being equal, we could raise the ratings by one notch if we revise up our T&C assessment on Türkiye.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Mundys SpA

Issuer Credit Rating: BB+/Stable/B

Analyst: Vinicius Ferreira

Company description

- Italy-based holding company of a global infrastructure network.
- Holds 50% of global toll road operator Abertis (about 80% of reported EBITDA in 2022), 99.4% of Italian airport operator AdR (about 7% of reported EBITDA in 2022), a number of overseas motorways in Brazil, Chile, and Poland, and Aéroports de la Côte d'Azur Group in France. Mundys also owns 51% of Telepass and 100% of Yunex Traffic (together, about 3% of reported EBITDA in 2022). The company's minority interests include a 15.5% stake in Getlink, which operates and manages the Eurotunnel between France and the U.K., and a 29% stake in Aeroporto di Bologna.
- The company is owned by Edizione (57%), BIP (37.8%), and Fondazione CRT (5.2%).

Rating drivers

- We expect the company will maintain FFO to debt at 11%-12% in 2023-2024, based on proportionate consolidation of its largest subsidiary Abertis (50% plus one stake owned), which represented about 80% of reported EBITDA in 2022.
- In our view, rating upside would hinge on Mundys' investment and financial policy, with shareholders' potential support.
- We believe that despite its majority stake, Edizione cannot direct Mundys' strategy and use of cash given that the shareholders agreement requires BIP's agreement on key reserved matters.

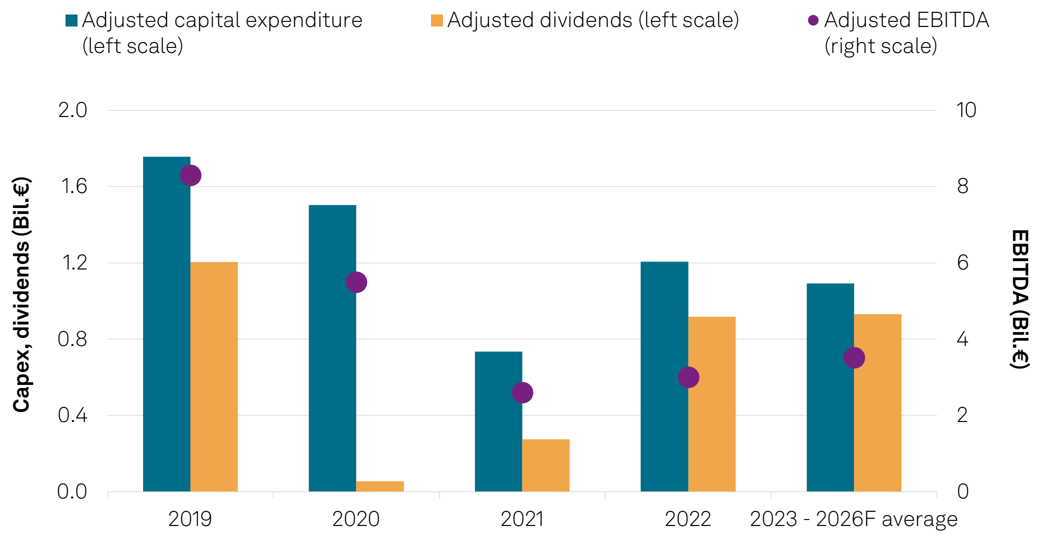
Outlook: Stable

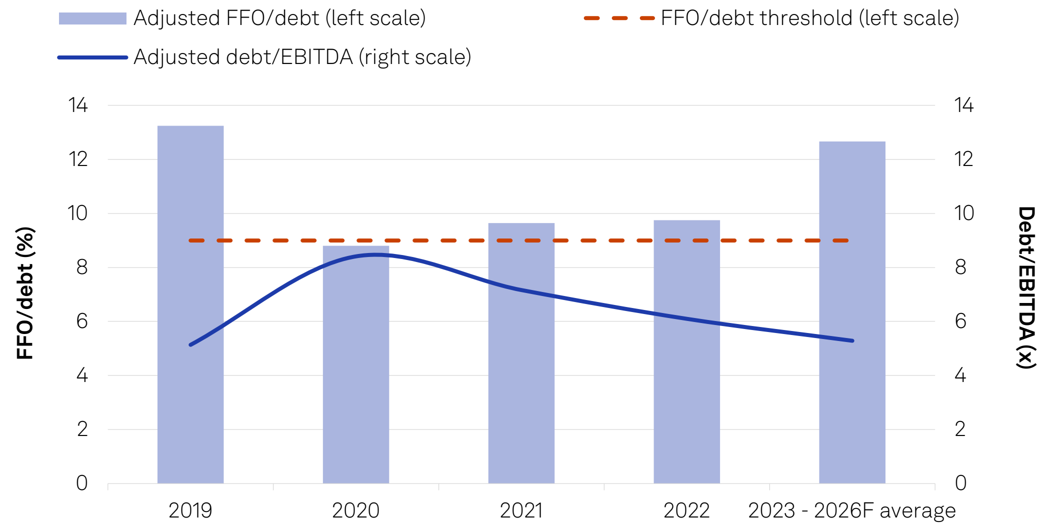
We could lower the rating if:

- Mundys was not able to maintain FFO to debt comfortably above 9%;
- We saw changes in the shareholders agreement or a material reduction in BIP's shareholding. We could in such a situation consider Edizione as the sole controlling shareholder.

We could raise the rating if:

- The company strengthens its FFO to debt to 13% or we believe the investment strategy, supported by its shareholders, strengthens our view of its business risk profile;
- We saw Mundys' business plan and the calibration of dividend distributions and potential equity support by Edizione and BIP in case of acquisitions.





Note: Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

S&P Global Ratings

NATS (En Route) plc

Issuer Credit Rating: A+/Stable/--

Analyst: Maria Jose Sombra Furnari

Company description

- Sole provider of air traffic control services 'en route' in U.K. airspace, the eastern part of the North Atlantic, and to helicopter operations over specified areas of the North Sea. Air traffic services generates 95% of NERL's revenue. The rest comes from Ministry of Defence, North Sea Helicopters, and other intercompany services.

Rating drivers

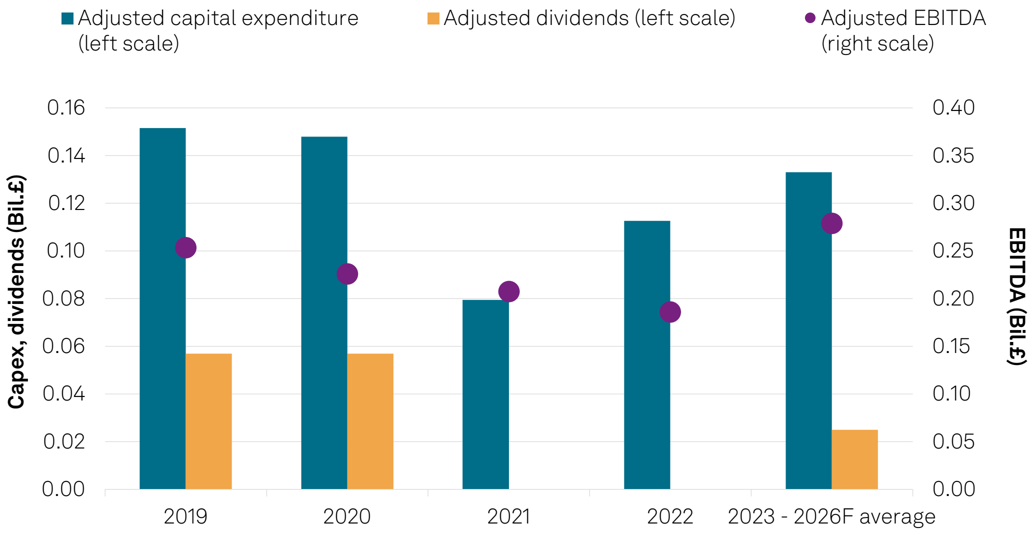
- We expect the company's financial risk profile to improve over the five-year price control period (NR23) started Jan. 1, 2023, on the back of a 24% increase in charges in real terms, largely due to the recovery of revenue since the pandemic and stronger air traffic, with volumes expected to reach 92%-95% (2019 levels) at March 2024.
- We believe the company will continue its prudent liability management, thereby enabling it to restore and sustain its credit metrics, notably, a weighted average FFO to debt ratio of 29% over the next three years despite macroeconomic pressure in the U.K. and Europe.

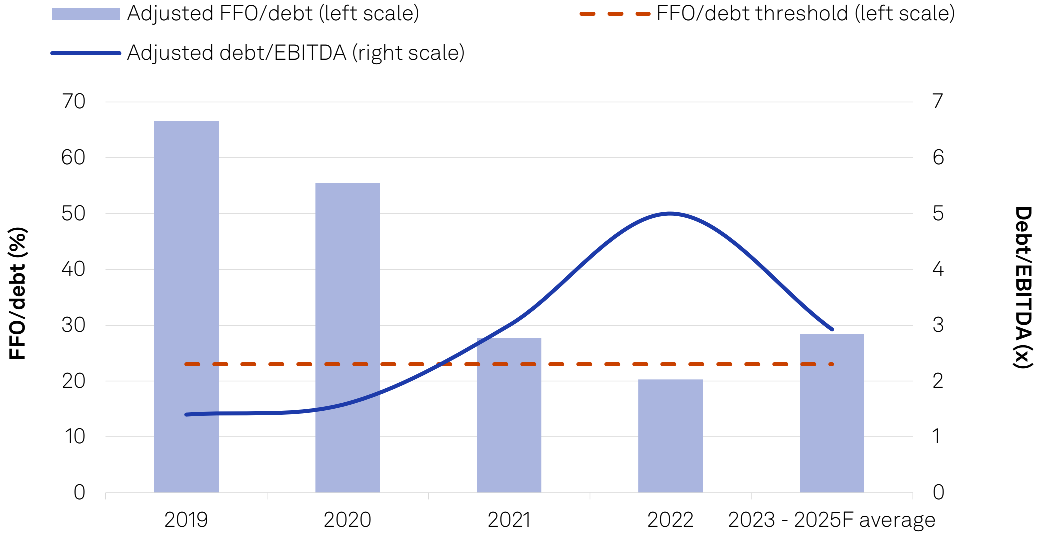
Outlook: Stable

We could take a negative rating action if:

- The outcome of CAA's independent review results in a materially negative impact on NERL's business or prevents the company from keeping FFO to debt above 23%
- The final decision on NR23 were to be substantially different from the provisional decision, severely hampering the company's credit metrics.

- We could take a positive rating action over the next 12 months, contingent on further visibility on potential implications from the company's major incident review and the CAA's final decision on NR23.
- We could raise our rating if FFO to debt is maintained consistently above 30% and operating performance remains strong under revised service targets, despite traffic volatility and the implementation of updates to airspace technology and systems.





Note: Financials as of October 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

NS Groep NV

Issuer Credit Rating: A/Stable/--

Analysts: Francesco Gargiulo

Company description

- State-owned operator of the Netherland's main rail concession, including main network (HRN), HSL South Services, and a 125 km high-speed rail line to the Belgian border.
- Also operates public transport franchises in Germany through its Abellio subsidiary.

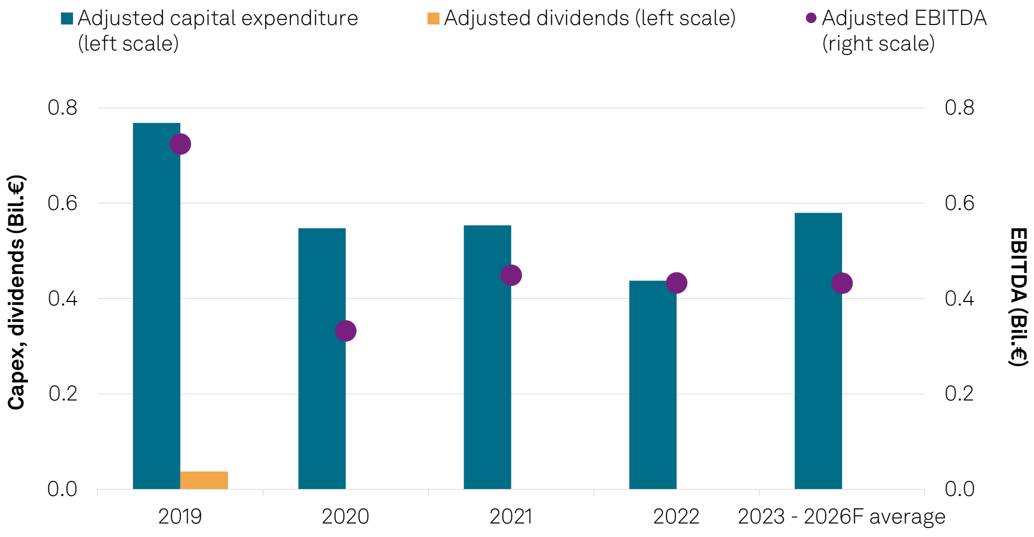
Rating drivers

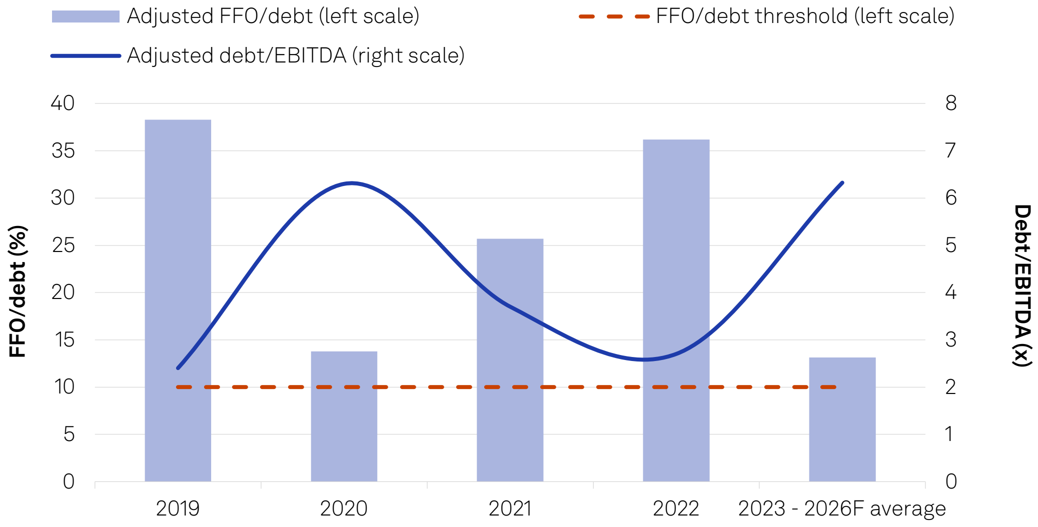
- We expect NS Groep to sign the new concession on the Dutch Main Rail Network by December 2023, with the new contract running from 2025 to the end of 2033.
- As traffic still lags behind pre-pandemic levels and with the availability allowance being extended to 2023 only, we anticipate terms and conditions of the new concession will be key in preserving profitability levels and sustainable credit metrics.
- Despite the higher inflationary environment and increase in capital spending, we believe credit metrics over the next three years will be supported by traffic recovery (which we estimate to reach about 95% of 2019 levels in 2024), favourable contract structures that allow the pass-through of inflation, and full hedging on energy prices until 2024.
- We believe that the completion of the restructuring process of Abellio Germany will be supportive of the company's profitability.

Outlook: Stable

- We could lower the rating if FFO/debt falls below 10% on a sustainable basis.
- This could happen if traffic volume recovers slowly, due to poor cost base management, or due to a weaker likelihood of state support.

- We see limited upside over the coming 12-24 months.
- We could raise the rating if passenger train volumes recover materially faster than we expect, resulting in greater operating environment certainty.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Q-Park Holding I BV

Issuer Credit Rating: BB-/Stable/--

Analyst: Solene Letullier

Company description

- Car park infrastructure owner and operator, with a presence across seven Western European countries, with over 3,400 parking facilities and more than 677,000 parking spaces.
- The company focuses on off-street parking--about 93% of gross margins--under different contract structures including ownership, concession, and long-term leases.
- Additionally, it manages facilities for fixed and variable fees through on-street management contracts, generating about 7% of gross margin.
- Owned by KKR Infrastructure (54%) and four other co-investors: Schroders Aida, EDF Invest, PensionDanmark, and the J. Safra Group.

Rating drivers

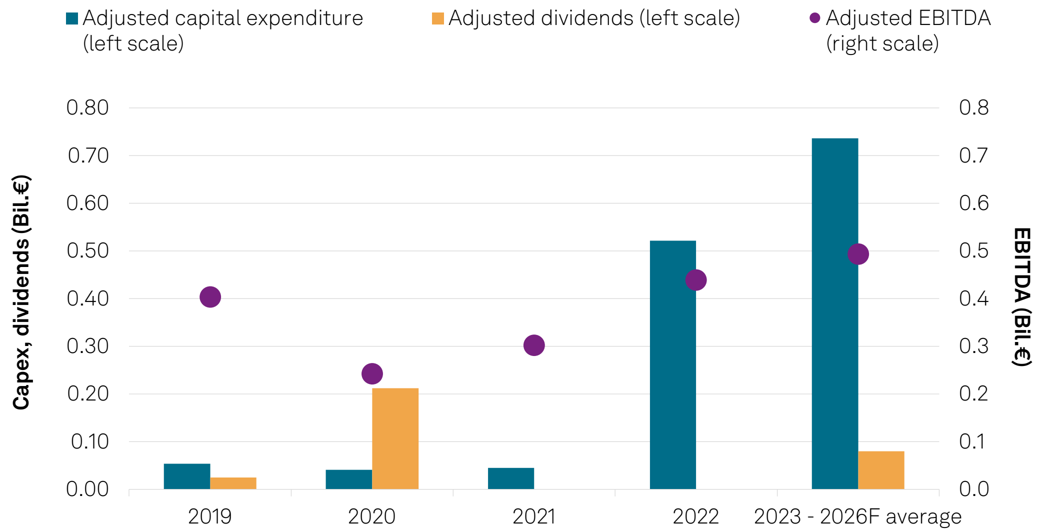
- Debt/EBITDA will improve and stabilize at 8.5x-9.0x over 2023-2025, driven by pricing efforts.
- Adjusted debt will remain high over 2023-2025, reflecting high leases, growth investments, and the potential restart of dividends from 2024.
- The company will continue to manage its dividend payments to support leverage commensurate with its financial target of 7.0x (translating to adjusted debt to EBITDA of 9.0x).
- We assume FFO to debt will decline to about 5.0%-6.0% considering higher interest expenses relating to the €400 million floating rate notes and €515 million notes maturing in 2025.

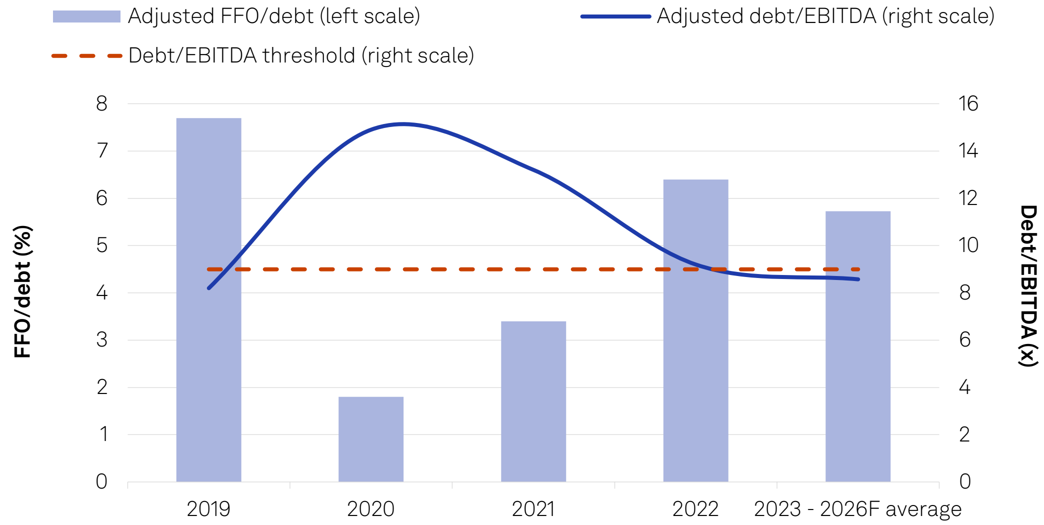
Outlook: Stable

We could lower the rating by one notch if:

- Adjusted debt to EBITDA remains above 9.0x.
- The company has not made significant progress under the refinancing of the upcoming debt maturities by first-quarter 2024.
- Q-Park increases its exposure to asset-light business, shortening the maturity of the existing portfolio and weakening our assessment of its business model.

- We see a positive rating action as unlikely given the relatively high leverage, as measured by the company's debt to EBITDA, and our expectations that dividends will restart.
- We could take a positive rating action if the company delivers and commits to a material leverage reduction, translating in adjusted debt to EBITDA of about 7.5x while maintaining FFO to debt above 7.0%.





Note: Financials as of January 2024. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

Royal Schiphol Group NV

Issuer Credit Rating: A/Stable/A-1

Analysts: Solene Letullier

Company description

- Owns and operates the largest of the Dutch airports, Amsterdam Airport Schiphol, which is one of Air France-KLM's two major hubs.
- 69.8% owned by the state of the Netherlands, 20% by the Municipality of Amsterdam, 2% by the Municipality of Rotterdam, with the remaining 8% being treasury shares.
- Also owns and operates Lelystad Airport and Rotterdam Airport and holds a 51% stake in Eindhoven Airport.

Rating drivers

- FFO to debt should increase to about 11% on average over 2023-2024.
- Focus on deleveraging including voluntary debt repayment dividend postponement will mitigate the effects of high inflation and large planned capital investments.
- Significantly higher expected tariffs for the next regulatory period (2025-2027) could result in a temporary spike in FFO to debt in 2025, before declining from 2026.
- We do not consider the higher expected charges will weaken the company’s competitive position relative to its rated peers but assume lower traffic growth than other European hubs.
- Capacity constraints weigh on the long-term earnings profile as we expect the capacity cap to 440,000 ATMs from 500,000 ATMs per year to be implemented from late 2024.
- We continue to believe that the company benefits from a moderately high likelihood of extraordinary government support if needed.

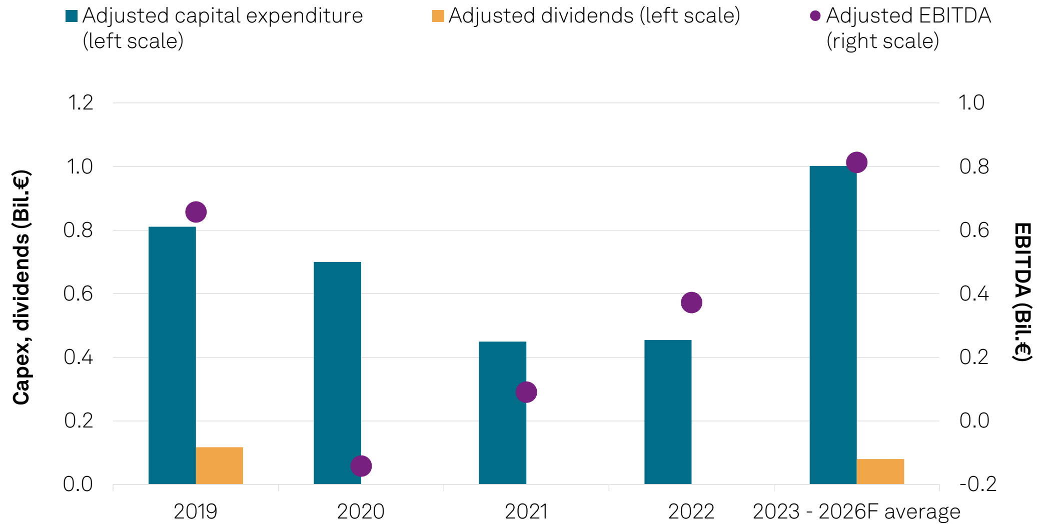
Outlook: Stable

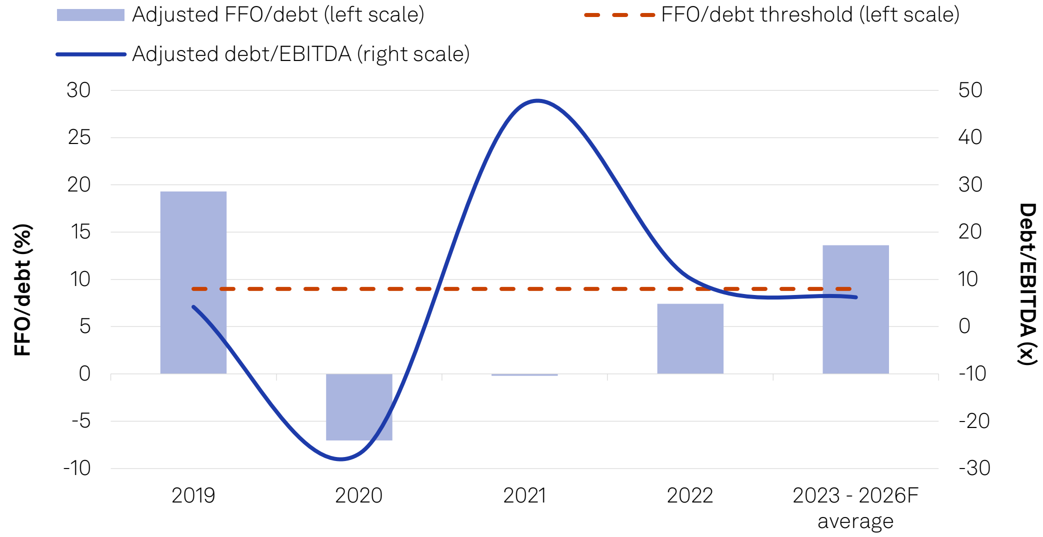
We could lower the rating by one notch if:

- Schiphol cannot maintain FFO to debt above 9%.
- The quality of the company's earnings profile weakens further due a material deterioration in its competitive position amid further environmental or other regulations.

We could take a positive rating action over the next 12 months if:

- We saw further visibility on final charges approved for the next regulatory period (2025-2027);
- The company's performance and financial policy actions demonstrate it can maintain FFO to debt above 12% on a sustainable basis.





Financials as of November 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

SNCB SA

Issuer Credit Rating: A/Stable/A-1

Analyst: Louis Portail

Company description

- Belgian government-owned railway operator providing predominantly domestic passenger transport services (88% of transport revenue in 2019) and international passenger transportation via minority stakes in subsidiaries such as high-speed train operator Thalys/THI FACTORY (connecting Paris, Brussels, Amsterdam, and Cologne), which merged with Eurostar in April 2022, providing the company with an 18.5% stake in Eurostar Group.

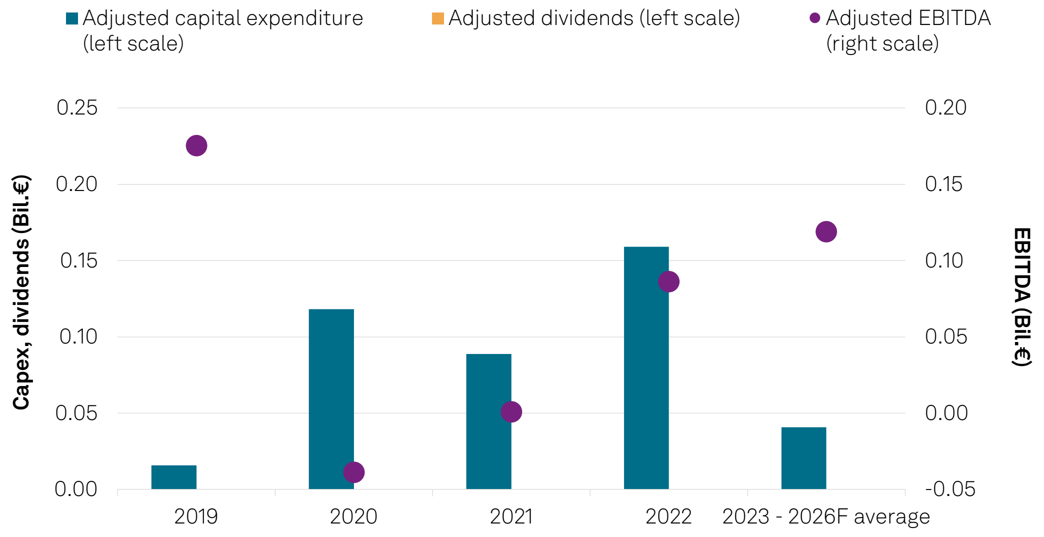
Rating drivers

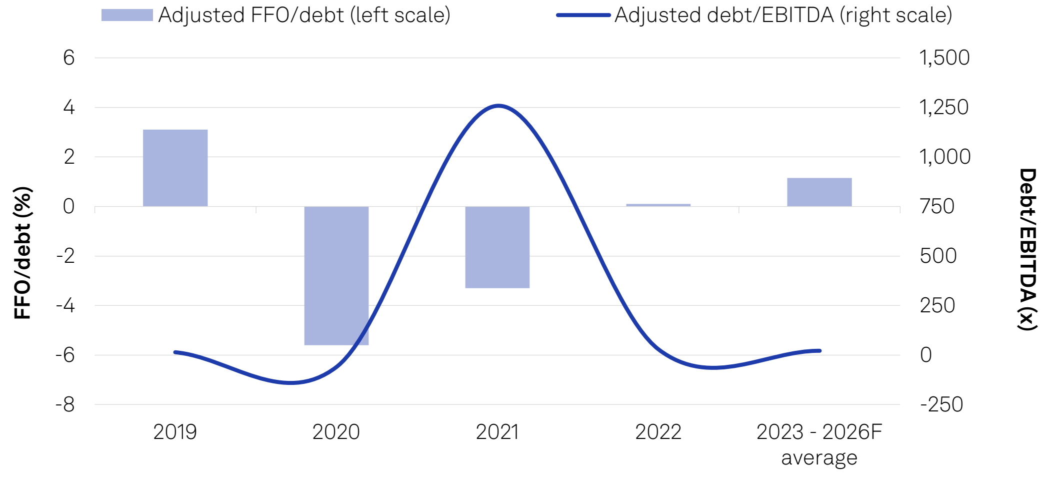
- We expect the company will continue to benefit from an extremely high likelihood of extraordinary support from the Belgian government.
- We believe the company will maintain adequate liquidity based on its access to capital markets and banks, debt funding from the European Company for the Financing of Railroad Rolling Stock (EUROFIMA), and access to a €1.138 billion state guarantee for debt servicing.

Outlook: Stable

- We could revise the stand-alone credit profile (SACP) down by one notch to 'b-' if we see the company failing to generate positive FFO to debt under the new contract, despite ongoing government support. This would not affect the rating, however, all else equal.
- We could lower the rating by multiple notches if we believe the company's link with or role for the state has weakened.
- We could downgrade the rating by multiple notches if we revise down the SACP by two notches to 'ccc+', which we see as unlikely given the company’s access to liquidity and our view of an extremely high likelihood of support.

- We view a positive rating action as unlikely over the forecast horizon unless we raise the sovereign rating on Belgium.
- Absent changes in the sovereign rating or our view of the extremely high likelihood of support, a positive rating action would require an upward revision of the SACP by two notches, to 'bb-', which we see as unlikely, considering the company's large amount of debt.
- Nevertheless, we could revise the SACP by one notch to 'b+' if the company demonstrates it can generate sustainably positive cash flows, leading to FFO to debt consistently above 4%.





Note: Financials as of November 2023. Pending visibility on new multi-year management contract to be approved in 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Société Nationale SNCF SA

Issuer Credit Rating: AA-/Negative/A-1

Analyst: Solene Letullier

Company description

- State owned holding company of French integrated rail and transportation services provider SNCF Group.
- Incumbent provider of passenger rail services through 100%-owned subsidiary SNCF Voyageurs (34% of total 2022 EBITDA), and the monopolistic rail infrastructure and train station manager in France through 100%-owned subsidiary SNCF Réseau (34%, including its subsidiary SNCF Gares & Connexions).
- Also owns rail freight and logistics operations through Geodis, SNCF Fret and logistics subsidiaries (21%), and mass-transit transportation activities through Keolis (9%).

Rating drivers

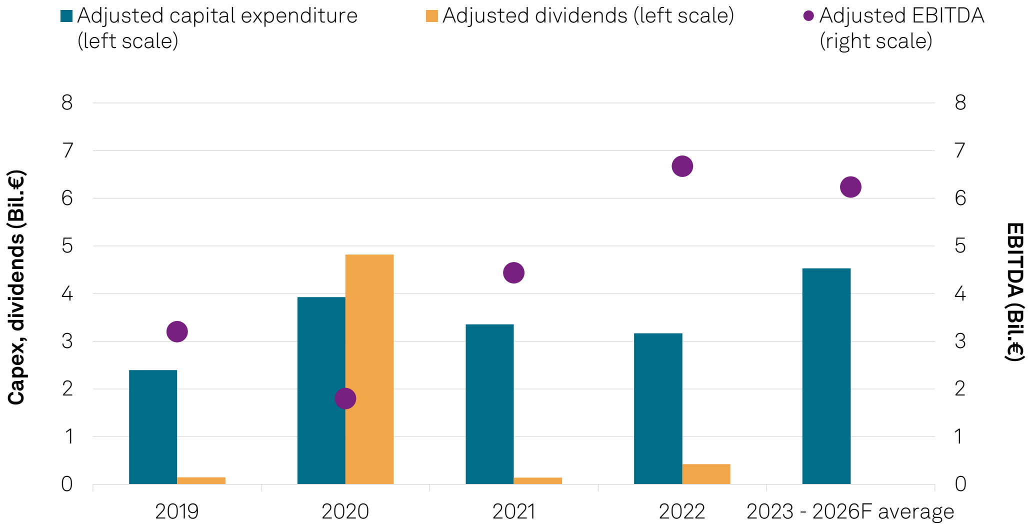
- Despite cost pressures and higher capex, the company will likely sustain FFO/debt at about 10% on average over 2023-2025, despite large planned investments.
- We anticipate greater visibility on deleveraging progress thanks to the company's new medium-term financial targets to be set with the state by the end of financially year 2023.
- Competition may erode some of the company’s market share over the medium term, especially in regional services, as many of its contracts with regions are maturing in 2025.
- Its key role for France's energy transition will likely mean an upside from the state's plans to accelerate the shift to rail from cars and planes and support its climate transition goals.

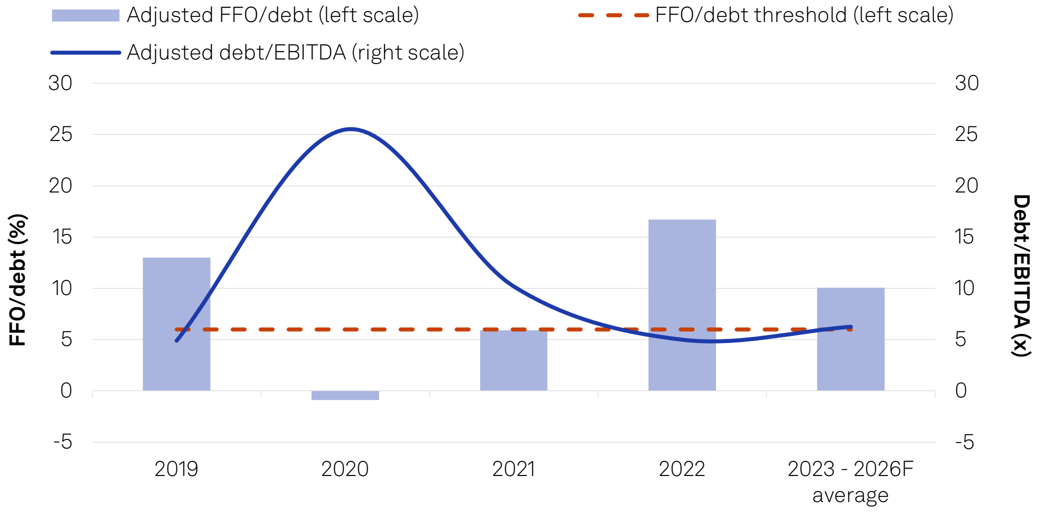
Outlook: Negative

We could lower the rating if:

- We saw a negative rating action on France;
- SNCF Group's link with, or role for the state, weakens;
- We revise down the SACP to 'bb’, which could happen if the company cannot maintain FFO to debt well above 6% over 2023-2025 or if it significantly changes its business mix, all else equal.

- We currently see a positive rating action as highly unlikely, since it would depend on an upgrade of the sovereign or a higher assessment of the likelihood of extraordinary support.





Note: Financials as of June 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

TAV Havalimanlari Holding A.S.

Issuer Credit Rating: BB-/Stable/--

Analyst: Stefania Belisario

Company description

- Operate five airports in Turkiye (50% stake in Antalya, Ankara, Izmir, and Bodrum), Almaty airport in Kazakhstan, and several assets in Georgia, Macedonia, and Tunisia.
- The company (€1.2 billion revenues and €475 million S&P Global Ratings-adjusted EBITDA in 2022, which includes Antalya proportionate consolidation), is 46% owned by Aeroports de Paris. The rest is free float.
- Airport services (i.e. ground handling and commercial areas) generated 15% of adjusted EBITDA in 2022.

Rating drivers

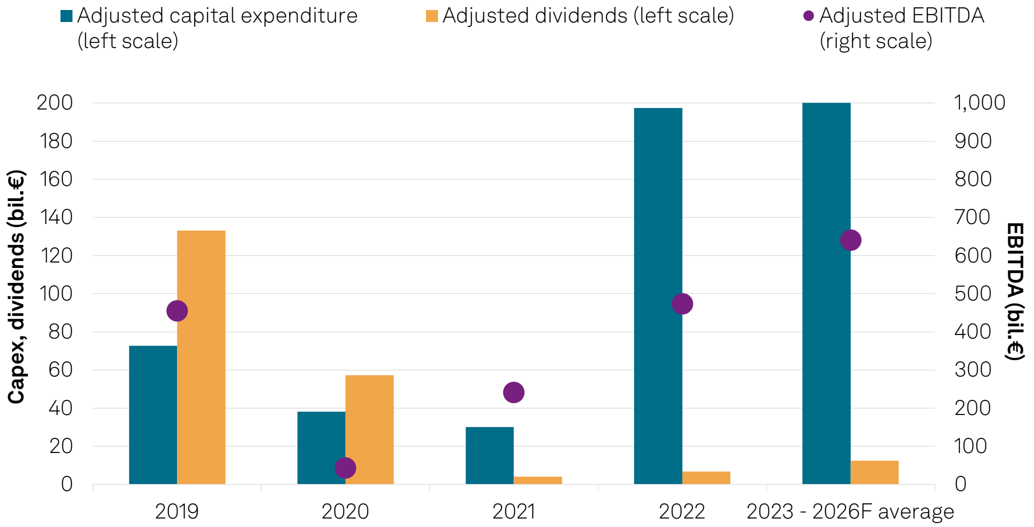
- Diversified asset portfolio (60% of EBITDA from Turkiye in 2022) with mostly long-tail concessions. Tourism supports traffic, although remains exposed to seasonality and geopolitical considerations.
- Acquisitive strategy and debt-funded capex weigh on the company's financial metrics, with deleveraging expected from 2025.
- It is a cornerstone of ADP international strategy, and we believe it benefits from ADP support.
- Significant share of hard currency revenues and international operations mitigate foreign exchange risk, leading us to rate it up to two notches above the T&C on Turkiye, excluding extraordinary support from ADP.
- We see the company's notes as structurally subordinated to high-priority liabilities at operating subsidiaries.

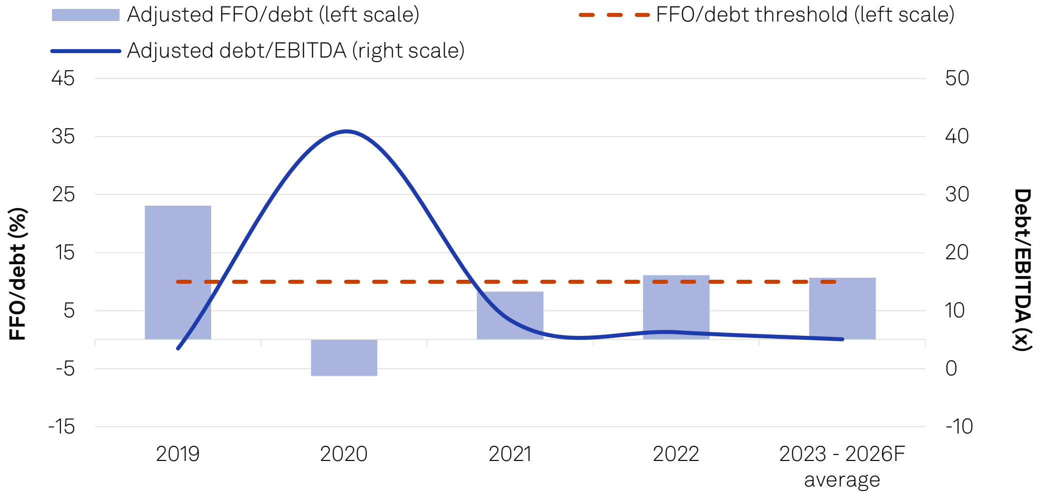
Outlook: Stable

We could lower the rating if:

- The company no longer passes our sovereign and T&C stress scenario on Turkiye;
- We believe that the company cannot maintain its 'bb-' stand-alone credit profile (SACP), notably if it cannot recover adjusted FFO to debt toward 10% by 2025.

- We could raise the rating if the SACP strengthens to 'bb', combined with a T&C assessment of at least 'B+'. For the SACP to improve to 'bb' we would expect gradual deleveraging, with FFO to debt remaining above 13% on a sustainable basis and timely refinancing of Antalya's project finance bridge.





Note: Financials as of December 2023. Capex--Capital expenditure. F--Forecast. FFO--Funds from operations.
Source: S&P Global Ratings.

S&P Global Ratings

Ukrainian Railway JSC

Issuer Credit Rating: CCC+/Negative/--

Analyst: Valeriia Kuznetsova

Company description

- Fully state-owned monopoly rail infrastructure manager and rail passenger transport provider in Ukraine, and the sovereign's largest rail freight transporter, though without a monopoly in this segment.
- On Dec. 5, 2022, the company proposed to defer all payments by 24 months to its 2024 and 2026 Eurobond holders. These holders constitute almost 80% of the company's debt.

Rating drivers

- In the beginning of 2023, the company completed its eurobond restructuring (approximately 80% of its debt as of December 2022) with the deferral of its debt service by 24 months.
- Despite liquidity relief, uncertainty remains on whether the debt restructuring will provide ample time for the company to turn around its operations on the back of the ongoing war.
- S&P Global Ratings acknowledges a high degree of uncertainty about the extent, outcome, and consequences of the war between Russia and Ukraine.

Outlook: Negative

- The negative outlook reflects our view that the effects of the war on the company's operations and liquidity may weaken its ability to stay current on its debt. We continue to monitor the risk of further damage to UR's assets resulting from the war.
- We could lower the rating in the event of increased default risk in the next 12 months. This could occur if the operating environment remains challenging and uncertain because of the war, reducing the company's ability to generate cash flows to repay its financial obligations.

- We see ratings upside as unlikely over the next 12 months. However, we could revise the outlook to stable if we saw a recovery in cash flow generation and a sustainable liquidity position on the back of an improved security environment in Ukraine.

Vinci SA

Issuer Credit Rating: A-/Stable/A-2

Analyst: Stefania Belisario

Company description

- France-based largest transport infrastructure player in Europe, with activities spanning infrastructure concessions (toll roads and airports), construction, and energy contracting services.
- EBITDA of about €10.2 billion in 2022, including €6.2 billion from its concessions arm.
- Increasing diversification outside France, with about 55% of revenues generated from international sales in 2022.

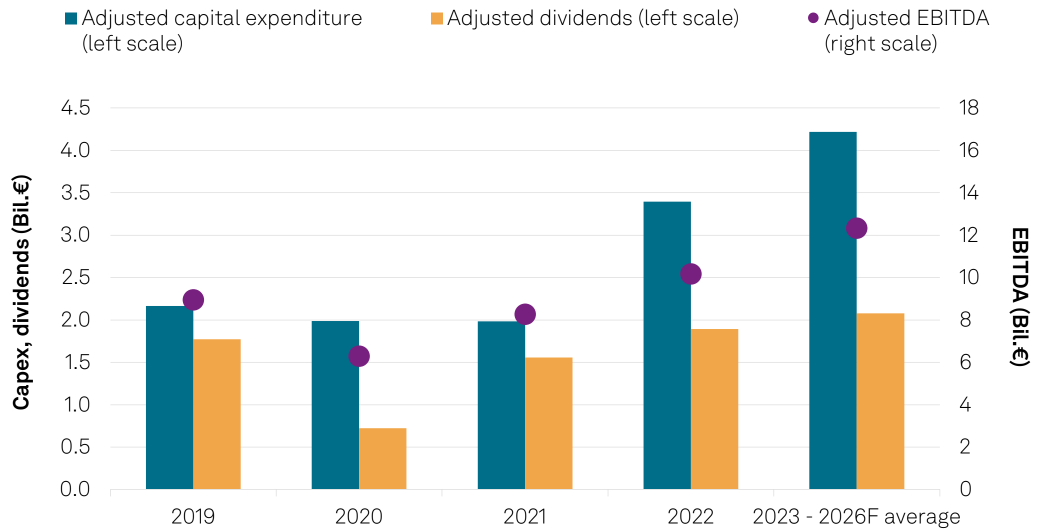
Rating drivers

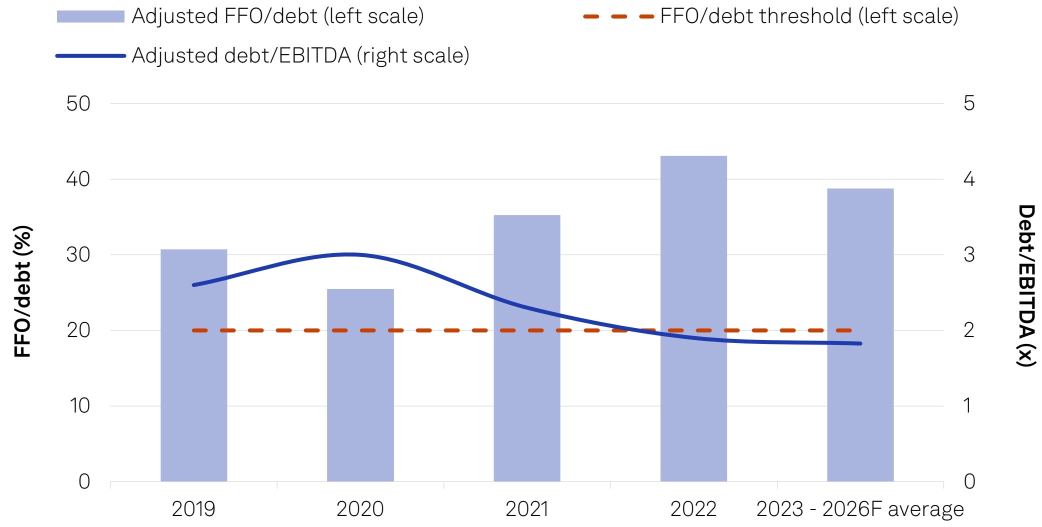
- Majority of cash flows stemming from mature transportation infrastructure assets (about 55%-60% of total EBITDA), including profitable French toll road concessions which mature in 2034 and 2036 (about 40% of total EBITDA).
- Significant rating headroom supports the company's acquisitive strategy.
- Despite the contracting business being more competitive and inherently more exposed to earnings volatility over economic cycles, margins remain solid.
- The company benefits from the positive momentum in the energy transition, also supported by the acquisition of Cobra IS from ACS in 2021.
- We continue to treat Gatwick as an equity affiliate due to the ring-fenced nature of the asset and the stronger influence of minority shareholders.

Outlook: Stable

- Downside on the rating is unlikely at this stage, considering the considerable headroom accumulated in the company's financial metrics for the current rating level.
- We could take a negative rating action if adjusted FFO/debt falls below 20%.

- Despite headroom in its credit metrics, we are unlikely to take a positive rating action, given the company's acquisitive strategy.
- We could consider a positive rating action if we had visibility over the company's ability to preserve the strengths of the business in light of French toll road concessions maturities in 2034-2036, while maintaining adjusted FFO to debt above 30%.





Note: Financials as of November 2023. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

VR-Yhtymä Oyj

Issuer Credit Rating: A+/Stable/--

Analysts: Francesco Gargiulo

Company description

- National rail transport operator in Finland that is 100% owned by the Finnish government, and currently operates a monopoly in the long-distance passenger rail segment.
- Also operates in freight rail under the name VR Transpoint, where its market share is above 95%, even after the sector was opened to competition in 2007.

Rating drivers

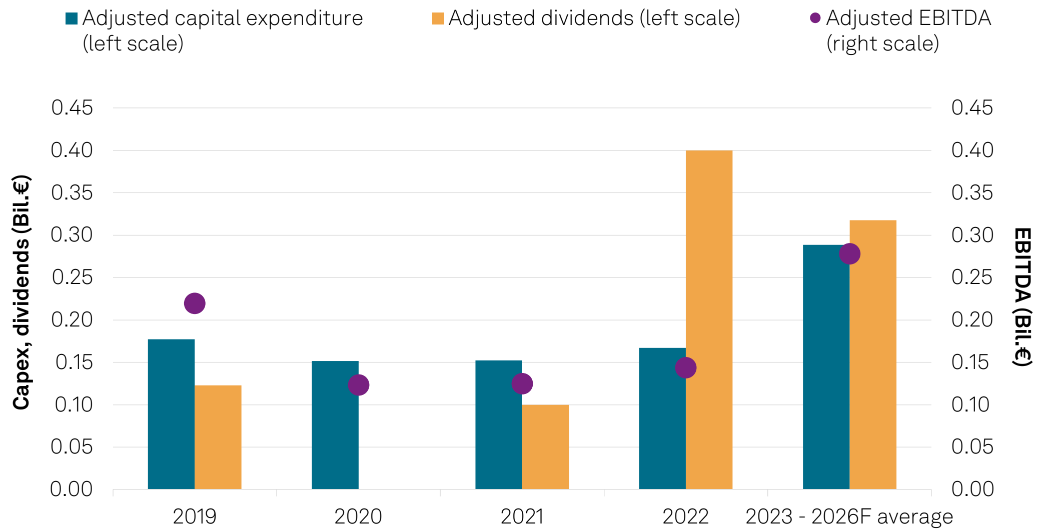
- Due to inflationary pressures, and uncertainty over the company's ability to increase long-distance rail fares and maintain passenger volumes, margins may not recover as quickly as previously anticipated.
- We expect the company's flexible balance sheet to provide a buffer against demand and inflationary pressures, with high flexibility in spending and dividends providing options to maintain leverage in line with the current credit profile.
- Favourable contract structures in commuter rail, bus, freight, and Swedish operations will also mitigate the increasing cost environment.
- Increased exposure to more volatile, non-passenger rail services could lower earnings quality.
- High likelihood of support from the Finnish government if needed.

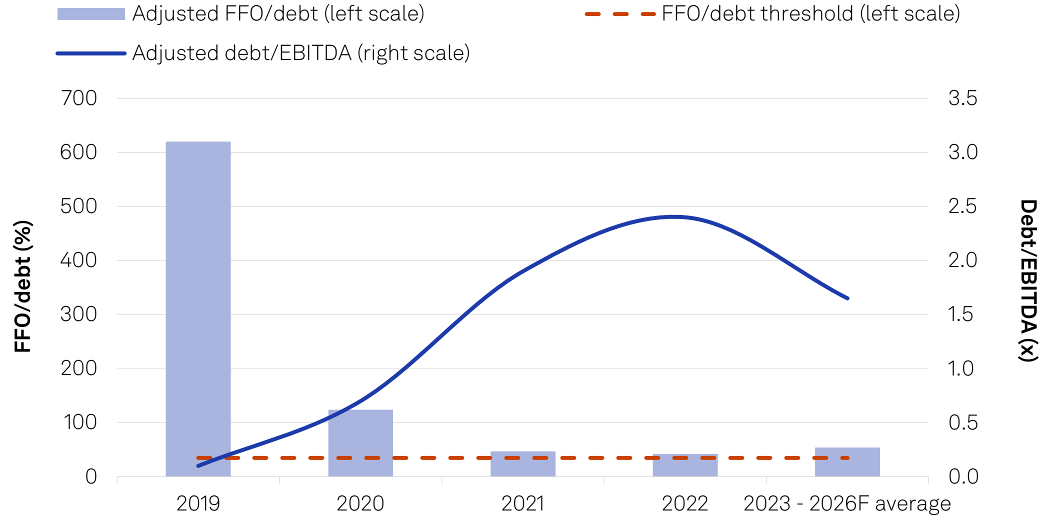
Outlook: Stable

We could lower the rating if:

- FFO/debt deteriorates below 35%;
- Financial flexibility deteriorates, due to an obligation to pay dividends / or inability to defer spending;
- Earnings from more volatile non passenger rail services exceed one-third of total earnings.

- Currently we see an upgrade as unlikely.
- We could raise the SACP if the company demonstrates the ability to maintain its competitive position despite the liberalization of rail passenger services, and bus operations remain less than one-third of total earnings.





Note: Financials as of December 2023. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

Vygruppen AS

Issuer Credit Rating: A-/Stable/A-2

Analysts: Francesco Gargiulo

Company description

- Norway-based, state-owned provider of passenger and freight transportation services.
- Until the pandemic, the company derived about 50% of its earnings from its railway business in Norway, and the remainder from tourism and bus businesses in Norway and Sweden.

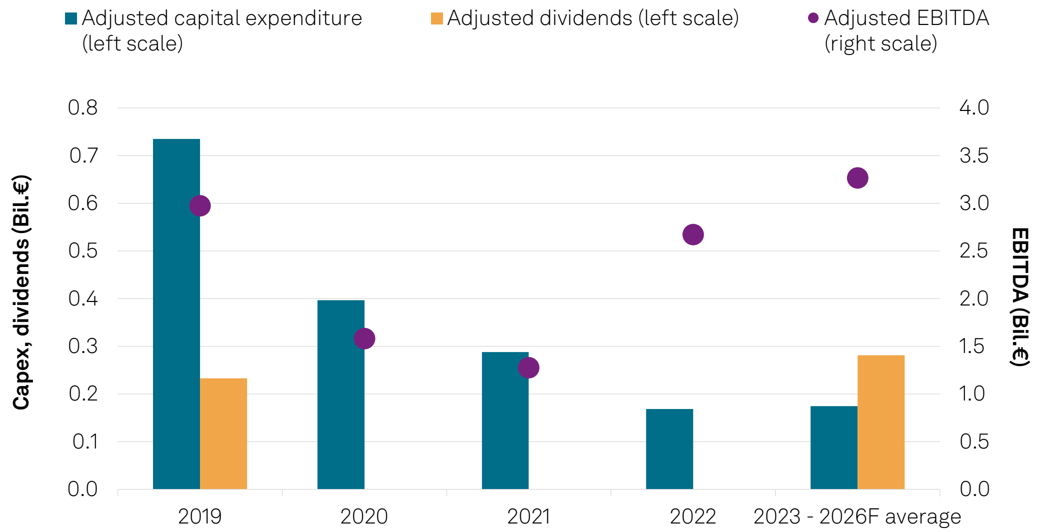
Rating drivers

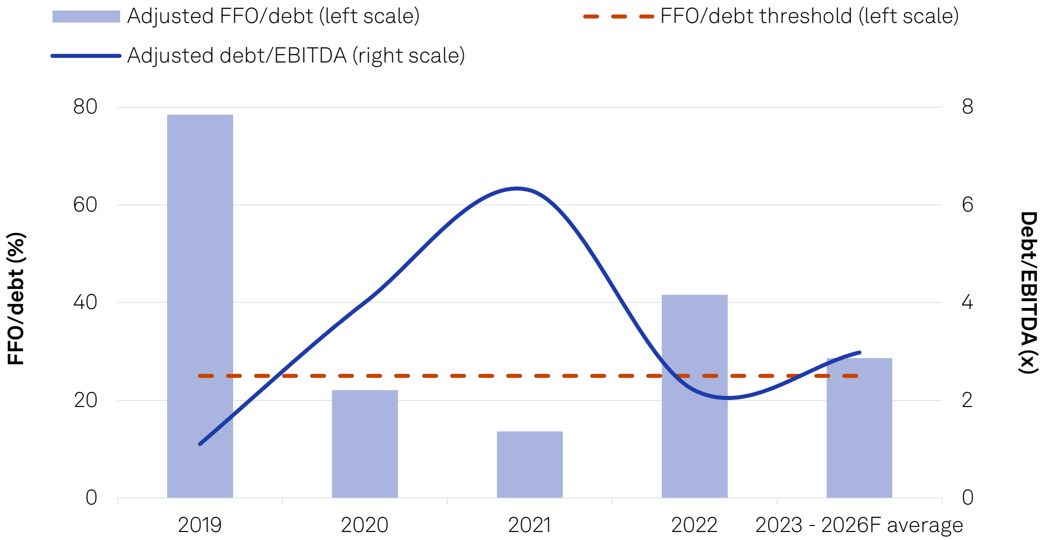
- In June 2023, the Norwegian Railway Directorate awarded both EN1 and EN2 contracts to the company until 2033.
- New EN1 and EN2 contracts envisage supportive regulatory framework with mitigating mechanism against downside risk on train turnover and with the directorate covering any increase in capex and bearing the price risk for energy costs.
- As result of the award of EN1 and EN2, we expect train operations, which we consider to be more stable and profitable than bus services, will continue to drive about 65% of EBITDA.
- In our view, solid traffic and flexibility in tariff setting mechanisms will be supportive of its credit metrics, with cash-flow generation mitigating higher lease debt and dividend distribution.
- The decision of the directorate to award both contracts confirms our view of a high likelihood that the Norwegian Government would provide extraordinary support if required.

Outlook: Stable

- We could lower the rating by one notch if the company cannot maintain FFO to debt sustainably above 25%. This could happen, for instance, if margins are weaker than anticipated or if lease-funded capex for its bus and train business lines are materially higher than expected.

- We could raise the rating if the company is able to maintain FFO to debt sustainably above 35%. This could happen if, for instance, lease obligations are lower than expected or margins and cash flow generation under the new contracts are materially higher than expected.





Note: Financials as of September 2023. F--Forecast. FFO--Funds from operations. Source: S&P Global Ratings.

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