

22 September 2023 – Neuss, Germany

Rating Action / Update:

Creditreform Rating has confirmed the unsolicited corporate issuer rating of Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft at AA+ / stable

Creditreform Rating (CRA) has confirmed the unsolicited, public corporate issuer rating of Autobahnen-Schnellstraßen-Finanzierungs-Aktiengesellschaft – here also referred to as ASFINAG or the Company – as well as the unsolicited corporate issue rating of long-term local currency senior unsecured notes issued by ASFINAG, at **AA+**. The outlook remains **stable**. Additionally, CRA has set the initial unsolicited short-term rating for ASFINAG to **L1**.

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Current relevant factors for the rating

The following considerations were of specific relevance for the rating assessment:

- + Fully owned by the Republic of Austria
 - + Ownership structure, as well as the relationship between the state and ASFINAG, defined by law and contract; close cooperation with the Ministry of Transport, Innovation and Technology
 - + Guarantee by the Republic of Austria for the majority of ASFINAG's financial liabilities
 - + Excellent access to capital markets, and low financing costs
 - + Very high social, political and strategic systemic importance in the national and European context
 - + Fundamentally robust and stable business model with a dominant market position in Austria
 - + Solid and stable results of our financial ratio analysis
-
- High degree of uncertainty with regard to further macroeconomic development
 - High net debt leverage and capital intensity
 - Trend of diminishing adjusted profitability ratios
 - Currently high construction costs for new facilities and maintenance

ESG factors are factors related to environment, social issues and governance. For more information, please see the section "Regulatory requirements". CRA generally takes ESG relevant factors into account when assessing the rating object and discloses them when they have a significant influence on the creditworthiness of the rating object which could lead to a change in the rating result or the outlook.

ESG-criteria:

CRA generally takes ESG factors (environment, social and governance) into account within its rating decisions. In the case of ASFINAG we have not identified any ESG factors with significant influence.

The transport sector is responsible for almost a quarter of European greenhouse gas (GHG) emissions, and is the only sector that has increased its emissions since 1990. Emissions from the transport sector have thus increased in relative importance. In this context, the intensity of GHG from passenger car transport per passenger kilometer (pkm) is significantly higher than for any other mode of transport. After air freight, truck transport causes the highest CO₂ emissions in freight transport. We therefore assume that further legislative measures will be taken at the national and European levels to make road transport more environmentally and climate-friendly. As a road transport network operator, we see ASFINAG, in cooperation with its owner, as having a particular responsibility in this regard.

Table 1: Average GHG emissions of motorized transport modes, EU-27 in 2018 | Source: Fraunhofer ISI and CE Delft, 2020

Average GHG emissions					
gCO ₂ e per pkm	Passenger flight	Passenger car	Buses and coaches	Sea traveler	Passenger train
Passenger transport	126	143	80	61	33
gCO ₂ e per tkm	Air freight	Truck	Inland waterways	Sea transport	Rail freight
Freight transport	834	137	33	7	24

One of the goals of the European Green Deal is a 90% reduction in transport-related greenhouse gas emissions by 2050. To achieve this goal, the European Commission published the Sustainable and Smart Mobility Strategy on December 9, 2020. The strategy includes the following milestones which also affect road transport:

- At least 30 million zero-emission vehicles will be on Europe's roads by 2030, and automated mobility will be introduced on a large scale.
- By 2050, almost all cars, vans, buses and new trucks will be emission-free.
- The multimodal Trans-European Transport Network (TEN-T) equipped for sustainable and intelligent transport with high-speed connectivity is operational for the entire network.

From a rating point of view, therefore, the CO₂e emissions caused by the use of ASFINAG's infrastructure are of particular importance with regard to possible significant ESG factors. In order to promote low-emission mobility, a distinction has been made since 2017 in the toll rates for all vehicles over > 3.5 t according to emission class, in addition to vehicle class. External costs for noise and pollutant emissions are added to the infrastructure tariffs. These are paid to the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK). Tariffs for vehicles > 3.5 t with hydrogen or e-drive are 25% of the normal tariff. According to the company, the mileage in this area is currently still marginal.

Due to the importance of road traffic for overall traffic and its comparatively high emissions, we see ASFINAG in a central position to help implement the traffic turnaround in Austria. Should progress in this area be insufficient in the following years, we nevertheless consider ASFINAG's

Please note:

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

business model to be potentially suitable for deriving a negative implication for the rating with regard to the ESG factor Environmental.

A general valid description of Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found [here](#).

Rating result

The unsolicited corporate issuer rating of **AA+** attests to ASFINAG's very high creditworthiness, which is well above average compared with the economy as a whole. The rating is based on the fact that we see the Company as being close to the state, with a high degree of systemic importance. We assume that the owner, the Republic of Austria, is prepared to provide the Company with sufficient financial support, even in a crisis scenario. We arrive at this assumption partly based on the unconditional and irrevocable guarantees by the Republic of Austria for ASFINAG's bond liabilities under its EMTN program, which rank pari passu with all other loan and bond liabilities of the Republic of Austria arising from financial debt. These liabilities represent the majority of the Group's debt. The legal and contractual framework created (essentially ASFINAG Act, ASFINAG-Ermächtigungsgesetz Act, Fruchtgenussvertrag), with defined mutual rights and obligations, strengthens the bond between the Group and the state. ASFINAG shows a high ability to generate external financing. Based on the guarantee, the shareholder structure, and the social, economic and strategic importance of the company for the Republic of Austria, we equate ASFINAG's rating with the rating of the sovereign and owner. The unsolicited sovereign rating of the Republic of Austria published by Creditreform Rating AG is currently **AA+ / stable**. Based on the legal situation of the Republic of Austria, we consider changes in the shareholder structure and a resulting possible deterioration in creditworthiness to be unlikely in the foreseeable future, which also has a stabilizing effect on the rating.

Outlook

The one-year outlook for the rating is **stable**. This assessment is based on the generally robust business model and market position of ASFINAG and the creditworthiness of the Republic of Austria. The stable outlook is based on the premise that the sovereign rating is stable, and that the overall legal, political and economic situation will remain stable in the medium to long term, which provides the necessary framework for a stable rating development.

Best-case scenario: AA+

In the best-case scenario, we assume that traffic volumes will remain at a stable level over the year despite economic uncertainties. In the event of an upgrade of the Republic of Austria's unsolicited sovereign rating, an upgrade of ASFINAG's unsolicited corporate issuer rating would be probable predominantly due to the Group's close proximity to the state. However, we consider this scenario to be rather unlikely on an annual basis.

Worst-case scenario: AA

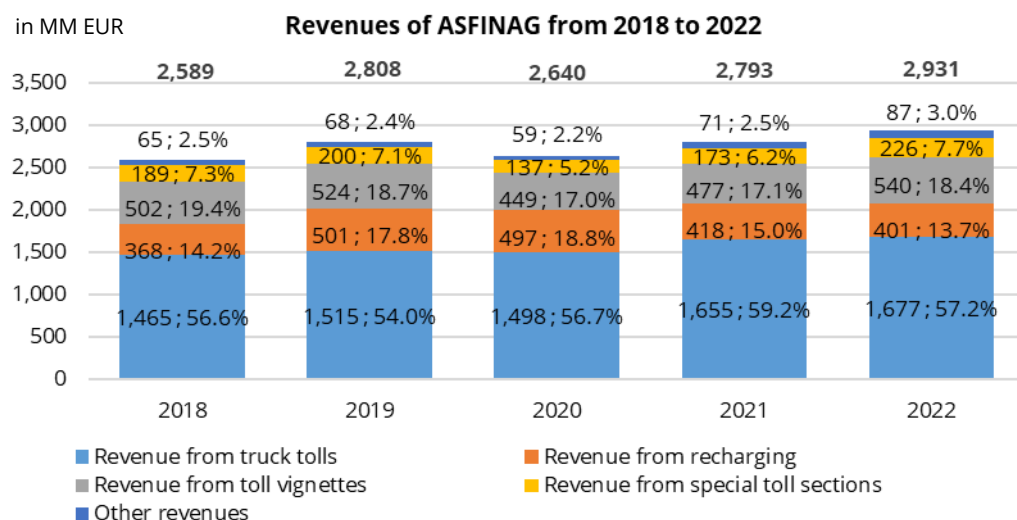
The worst-case scenario is characterized by an economic slump in the European economies, with a corresponding drop in traffic volumes on Austria's autobahns and expressways. This would result in a significant drop in revenue and earnings. In the short term, this would be offset by the assumed proximity to the state, which could initially result in a negative outlook. If the financial figures are expected to continue to deteriorate, a downgrade could result, as could a change in the CRA's assessment of the Company's proximity to the state, or a downgrade of the

sovereign. However, with the current stable outlook for the sovereign's unsolicited rating, we consider the risk to be low for the year as a whole.

Business development and outlook

In fiscal year 2022, sales increased by a further 4.9% year-on-year to EUR 2,931 million. After revenue from truck tolls recovered in 2021 from the decline in 2020, they increased again slightly by 1.3% compared to the previous year. However, the recovery of passenger car traffic to pre-pandemic levels was decisive for the increase in total revenues. Revenues from toll vignettes increased by 13.2% and revenues from special toll sections by 30.6%. Revenues from recharging, which do not affect profit or loss and are charged to the federal government as construction costs, fell again in 2022 to EUR 401 million due to lower construction activity.

Figure 1: Revenue by segment | Source: ASFINAG Jahresfinanzbericht 2022, presentation: CRA | Percentages refer to share of total revenues



The cost of materials and services purchased increased by 6.9% to EUR 1,200.6 million, resulting in gross profit of EUR 1,734.9 million (previous year: EUR 1,672.7 million). Looking at toll revenue, without taking into account revenue from recharging, the gross profit ratio continued to decline in 2022.

Table 2: Business development of ASFINAG | Source: Jahresfinanzbericht 2022, reported information

ASFINAG				
In million EUR	2021	2022	Δ	Δ %
Sales	2,793.24	2,930.62	137.38	4.9%
EBITDA	1,353.45	1,424.86	41.41	5.3%
EBIT	1,188.02	1,331.75	143.73	12.1%
EBT	1,006.61	1,140.74	134.13	13.3%
EAT	754.98	850.51	95.53	12.7%

Other operating income increased by EUR 38.4 million to EUR 131.4 million, mainly due to higher income from fines (EUR +32.2 million). Other expenses increased by approximately EUR 18.9 million to EUR 207.0 million, mainly due to higher expenses for maintenance & operating costs, and commissions & other selling expenses. Depreciation and amortization decreased significantly year-on-year from EUR 165.4 million to EUR 93.1 million in 2022, which was impacted by extraordinary impairment losses on construction projects in the previous year. Personnel expenses increased by 4.6% to EUR 234.4 million. The operating result thus improved by EUR 143.7 million to EUR 1,331.8 million. After a financial result of EUR -191.0 million (previous year: EUR -181.4 million), EBT amounted to EUR 1,140.7 million (previous year: EUR 1,006.6 million) and EAT to EUR 850.5 million (previous year: EUR 755.0 million). ASFINAG has thus reached its pre-pandemic level of 2019 again in terms of the annual result.

Table 3: Financials of ASFINAG | Source: ASFINAG Jahresfinanzbericht 2022, standardized by CRA

ASFINAG Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31 Dec. (IFRS, Group)	CRA standardized figures ¹	
	2021	2022
Sales (million EUR)	2,793.24	2,930.62
EBITDA (million EUR)	1,353.45	1,424.86
EBIT (million EUR)	1,188.02	1,331.75
EAT (million EUR)	754.98	850.51
EAT after transfer (million EUR)	754.98	850.51
Total assets (million EUR)	18,358.88	18,668.71
Equity ratio (%)	40.66	43.45
Capital lock-up period (days)	56.57	52.25
Short-term capital lock-up (%)	44.39	8.20
Net total debt / EBITDA adj. (factor)	7.95	7.39
Ratio of interest expenses to total debt (%)	1.76	1.85
Return on Investment (%)	5.10	5.58

The results of our financial ratio analysis remain at a solid level for fiscal year 2022 and show a high degree of stability over the years. The analytical equity ratio improved from 40.7% in 2021 to 43.5% in 2022. Net total debt / EBITDA adj. decreased from 8.0x to a factor of 7.4x which, however, still represents a high level of debt. The development of the profitability figures, such as the adjusted gross profit margin and the operating return on sales, adjusted for the position of sales and expenses for recharging not recognized in profit or loss, has declined over the years and remains to be critically observed. However, we do not consider this to be critical for the rating assessment at this point in time.

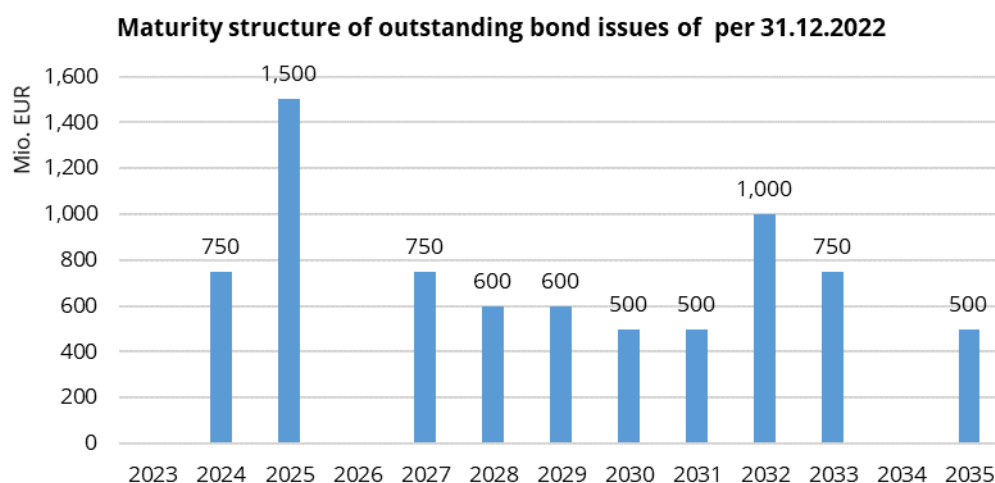
For the fiscal year 2023, ASFINAG expects toll revenues of EUR 2,517 million (2022: EUR 2,530 million) and net profit of approximately EUR 762 million (2022: EUR 851 million). The Company has taken into account the statutory valorization of 2.8%, but has not assumed any increase in traffic. A volume of EUR 1,437 million (2022: EUR 1,135 million) is planned for the construction

¹ For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, when calculating the analytical equity ratio, deferred tax assets, goodwill (entirely or partly), and internally-generated intangible assets are subtracted from the original equity, whilst deferred tax liabilities are added. Net total debt takes all balance sheet liabilities into account. Therefore, the key financial figures shown often deviate from the original values of the company.

program in 2023 (investments in new construction and refurbishment) and an annual volume of roughly EUR 1,500 million for the following years. Reported net debt is expected to amount to EUR 10,616 million at the end of 2023.

The main share of financial liabilities consists of bonds guaranteed by the Republic of Austria, which ASFINAG issued under the Euro Medium Term Note Program (EMTN Program). In 2022, a bond maturing with EUR 1,000 million was partially refinanced with a new issue of EUR 600 million. In 2023 there are no maturing bonds. A bond of EUR 750 million will not mature until 2024 and a bond of EUR 1,500 million will not mature until 2025. The maturity structure can therefore be described as predominantly balanced. In addition, the Company has excellent access to the capital market.

Figure 2: Maturity structure of outstanding bonds | Source: ASFINAG Jahresfinanzbericht 2022



Our liquidity assessment of ASFINAG can be described as good, due to the legal requirements that oblige the Austrian state to maintain liquidity despite the results of our quantitative liquidity analysis, which are in need of improvement.

Based on its business model, financial ratios and future prospects, and in particular its proximity to the state, we consider the Group to be solidly positioned to cope with a possible economic downturn and the resulting temporary decline in revenues and earnings, especially in truck traffic, which is important for ASFINAG. A correspondingly subdued business performance with effects on the stand-alone profile of the Company would therefore probably be compensated in the short term by its sovereign proximity in the unsolicited corporate issuer rating.

Further ratings

Based on the long-term issuer rating and taking into account our liquidity analysis, the short-term rating of ASFINAG has been set at **L1** (standard mapping), which corresponds to an exceptionally high liquidity assessment for one year.

The rating objects of the issue rating are exclusively long-term senior unsecured issues, denominated in euro, issued by ASFINAG, which are included in the list of ECB-eligible marketable assets.

ASFINAG is the issuer of the notes under the Guaranteed Euro Medium Term Note Programme, guaranteed by the Republic of Austria, with the last basis prospectus of 02.09.2022. We have provided the long-term local currency senior unsecured notes issued by ASFINAG with an unsolicited corporate issuer rating of **AA+ / stable**.

Long-term local currency senior unsecured notes issued by ASFINAG, which have similar conditions to the current EMTN programme, denominated in euro and are included in the list of ECB-eligible marketable assets, generally receive the same rating as the current LT LC senior unsecured notes issued under the EMTN programme. Notes issued in any currency other than euro, or other types of debt instruments, have not yet been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Table 4: Overview of CRA Ratings | Source: CRA

Rating Category	Details	
	Date of rating committee	Rating
ASFINAG	22.09.2023	AA+ / stable / L1
Long-term Local Currency (LC) Senior Unsecured Issues issued by ASFINAG	22.09.2023	AA+ / stable
Other	--	n.r.

Appendix

Rating history

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

Table 5: Corporate Issuer Rating of ASFINAG

Event	Rating created	Publication date	Result
Initial rating	19.07.2018	09.08.2018	AA+ / stable

Table 6: LT LC Senior Unsecured Issues issued by ASFINAG

Event	Rating created	Publication date	Result
Initial rating	19.07.2018	09.08.2018	AA+

Table 7: Short-term issuer ratings of ASFINAG

Event	Rating created	Publication date	Result
Initial rating	22.09.2023	www.creditreform-rating.de	L1

Regulatory requirements

The rating² was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

The present rating is, in the regulatory sense, an unsolicited rating that is public. The analysis was carried out on a voluntary basis by Creditreform Rating AG, which was not commissioned by the Issuer or any other third party to prepare the present rating.

The rating is based on the analysis of published information and on internal evaluation methods for the assessment of companies and issues. The rating object was informed of the intention of creating or updating an unsolicited rating before the rating was determined.

The rating object participated in the creation of the rating as follows:

With Rated Entity or Related Third Party Participation	No
With access to Internal Documents	No
With Access to Management	No

A management meeting did not take place within the framework of the rating process.

The documents and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies.

² In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

The rating was conducted based on the following rating methodologies and the basic document.

Rating methodology	Version number	Date
Corporate Ratings	2.4	July 2022
Corporate Short-Term Ratings	1.0	June 2023
Government-related Companies	1.1	May 2023
Non-financial Corporate Issue Ratings	1.0	October 2016
Rating Criteria and Definitions	1.3	January 2018

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

The rating was carried out by the following analysts:

Name	Function	Mail-Address
Tim Winkens	Lead-analyst	T.Winkens@creditreform-rating.de
Holger Becker	Analyst	H.Becker@creditreform-rating.de

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

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

On 22 September 2023, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 22 September 2023. There has not been a subsequent change to the rating.

The rating will be monitored until Creditreform Rating AG withdraws the rating. The rating can be adjusted as part of the monitoring, if crucial assessment parameters change.

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

ESG-factors

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

A general valid description for Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found [here](#).

Conflict of interests

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

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

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

Rules on the presentation of credit ratings and rating outlooks

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

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

Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

Corporate issue rating:

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

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

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

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

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

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

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

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

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

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

Disclaimer

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct, which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

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