Creditreform Corporate Issuer / Issue Rating

Abertis Infraestructuras S.A.

Creditreform Rating

Rating object	Rating information	
Abertis Infraestructuras S.A. Creditreform ID: 39019 Incorporation: 1967 Based in: Barcelona, Spain Main (Industry): Toll roads infrastructure development CEO: Francisco José Aljaro Navarro	SME / Corporate Issuer Rating: **BBB- / stable**	Type: Update Unsolicited Public rating
	LT LC Senior Unsecured Issues,: **BBB- / stable**	Other: **n.r.**
Rating objects: Long-term Corporate Issuer Rating: Abertis Infraestructuras S.A. Long-term Local Currency (LT LC) Senior Unsecured Issues	Rating date: 03 May 2021 Monitoring until: withdrawal of the rating Rating methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" CRA "Rating Criteria and Definitions" Rating history: www.creditreform-rating.de	

Content

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Summary

Company

Abertis Infraestructuras S.A. – hereinafter also referred to as Abertis, or the Company – is a public company incorporated in 1967. It is a leading company in the area of infrastructure management servicing and mobility, and operates toll roads in 16 countries worldwide. With 8,700 km of roads under management, Abertis achieved revenues from toll road operations of EUR 4,054 million (2019: EUR 5,361 million), generated an EBITDA of EUR 2,386 million (2019: EUR 3,873 million), EBIT of EUR -40 million (2019: EUR 1,169 million), and an EAT of EUR -515 million (2019: EUR 323 million). The operating and financial performance of Abertis were negatively affected by mobility restrictions and other containment measures following the spread of the COVID-19 pandemic.

Rating result

The current rating attests Abertis Infraestructuras S.A. a highly satisfactory level of creditworthiness, representing a low-to-medium default risk.

The factors that contribute to the rating of Abertis are its scale and high degree of geographical diversification, based on a broad portfolio of long-term concession agreements, which generate relatively stable cash flows. Moreover, in 2020 the Company demonstrated its ability to replace expiring concessions, and continues to have good capital market access.

The downgrade of the unsolicited corporate issuer rating from BBB to BBB- is primarily based on the structured financial analysis for 2020, which showed a significant deterioration against the prior years. This deterioration was mainly caused by a reduction in the operating performance of the Company following the steep fall in average daily traffic (ADT). We believe that the ADT and operating profitability will recover once the restrictive measures are eased; however, as they have been in place from the start of the year in many of its key markets, we expect Abertis to continue to underperform against 2019 in 2021 and possibly also 2022, as it remains uncertain whether or not the Company's key markets will fully recover to pre-pandemic levels after easing of the restrictive measures.

Outlook

The one-year outlook was revised from negative to stable following the downgrade of the unsolicited corporate issuer rating. The further development of Abertis is entirely dependent on the further course of the pandemic. The restrictive measures implemented by governments have largely remained in place, and we therefore assume continued underperformance against pre-pandemic levels. However, as we have already incorporated our expectation for 2021 into our rating result, we believe that a further downgrade will not be necessary in the short term. It should be noted, however, that if the pandemic situation worsens, this could lead to a change in our assessment of the Company's outlook.

Reference:

The relevant rating factors (key drivers) mentioned in this section are predominantly based on internal analyses, evaluations of the rating process, the derived valuations of the analysts participating in the rating and, if applicable, other rating committee members. The fundamental external sources used are specified in the section "Regulatory requirements" and "Rules on the presentation of credit ratings and rating outlooks".

Excerpts from the financial key figures analysis 2020:
+Equity ratio

- EBITDA, EBIT, EAT
- Net total debt /EBITDA adj.
-Ratio of interest expenses to total debt
- Return on investment

Relevant rating factors

Table 1: Financials I Source: Abertis Infraestructuras S.A. Consolidated Annual Report 2020, standardized by CRA

Abertis Infraestructuras S.A. Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS, etc.)	CRA standardized figures[1]	
	2019	**2020**
Sales (million EUR)	5,750	4,324
EBITDA (million EUR)	3,859	2,386
EBIT (million EUR)	1,154	-40
EAT (million EUR)	323	-515
EAT after transfer (million EUR)	352	-392
Total assets (million EUR)	37,863	41,282
Equity ratio (%)	21.10	22.52
Capital lock-up period (days)	30.12	39.04
Short-term capital lock-up (%)	50.87	71.86
Net total debt / EBITDA adj. (Factor)	7.18	11.10
Ratio of interest expenses to total debt (%)	3.34	4.04
Return on investment (%)	2.78	0.58

General rating factors

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

+ Solid business model, generating relatively stable cash flows in normal market conditions
+ Market leader in toll road operations in Brazil, Chile and Spain
+ Geographically well-diversified outside of Spain
+ Well-distributed and long remaining average term to expiry on concession portfolio
+ Present in countries with solid legal frameworks
+ High entry barriers

– Transport Infrastructure sector sensitive to country risks, macro-economic development, fuel prices and climatic conditions
– Market conditions can be largely influenced by governments
– No flexibility with regard to tariffs
– High ongoing investments required

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

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

Prospective rating factors are factors and possible events which – according to the analysts on the date of the rating – would most likely have a stabilizing, positive effect (+), or a weakening, negative effect (-) on future ratings if they occurred. This is not an exhaustive list of possible future events with potential relevance for future ratings. Circumstances can arise that are not included in the list of prospective factors, whose effects are impossible to assess at the time of the rating, either because these effects are uncertain or because the underlying events are deemed unlikely to occur.

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

Current rating factors

+ Abertis closed a deal with Red de Carreteras de Occidente and Elisabeth River Crossings which will replace EBITDA of expired concessions
+ Demonstrated strong capital market access in 2020 and 2021

– Reduced profitability following the effects of the COVID-19 pandemic
– High ongoing uncertainty with regard to the further course of the pandemic
– Proposal to distribute dividend over the 2020 business year despite a negative EAT
– Spanish Acesa, Invicat and Brazilian Sol concession will expire in 2021

Prospective rating factors

+ Lower dividend distributions / Change in dividend distribution policy
+ Further improved operating performance and portfolio diversification based on synergies through further international acquisitions
+ Increased operating performance

– Integration risks linked to new acquisitions
– Increase of the share of activities in emerging markets
– Decreased operating performance
– Deterioration of financial key ratio analysis

ESG-factors

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

With regard to ESG we have not identified any factors that have a material impact on the Company's rating result. Abertis works to reduce its carbon footprint, mitigate climate change and minimize the environmental impact of its activities. However, we have not been able to identify any clear cut long-term target settings with regard to environmental impact and co2 reductions which we see negatively.

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.

Please note:

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

Best-case scenario: BBB-

In our best-case scenario for one year, we assume a rating of BBB-. This is based on our assumption that the Company will continue to underperform against the 2019 business year, as the current containment measures and mobility restrictions have remained in place in many of the Company's key markets. We therefore believe it to be unlikely that the rating will be upgraded within the time horizon of one year.

Worst-case scenario: BB+

In our worst-case scenario for one year, we assume a rating of BB+. This could be the case if the current restrictive measures in many of its markets remain in place for a considerable amount of time, or if the pandemic situation in general should worsen. This in turn could lead to a deterioration of the Company's financial key figures and the internal financing power of the Company.

Business development and outlook

During the business year of 2020 the Company's revenues from toll road operations fell by 24.4% to EUR 4,054 million (2019: EUR 5,361 million). The Company generated an EBITDA of EUR 2,386 million (2019: EUR 3,859 million), EBIT of EUR -40 million (2019: EUR 1,154 million), and an EAT of EUR -515 million (2019: EUR 323 million).

The steep decline in revenues was primarily a result of the containment measures and travel restrictions imposed worldwide, causing the Company's average daily traffic (ADT) to fall by 21.4% on average. The relative fall in revenues from operations was higher than the fall in ADT because the Company's key markets experienced an above-average reduction in ADT (30.8% in Spain and 24.6% in France) due to longer-lasting and more restrictive measures in Europe. Further factors that had an impact on the Company's revenues from toll road operations were the expiry of the Aumar concession (EUR – 337 million) and unfavourable currency developments in its foreign markets against the Euro (EUR – 279 million), which was partially offset by the consolidation of Red de Carreteras de Occidente (RCO) into the financial statements. Due to the fall in revenues, Abertis has taken measures to reduce its costs during the year. This, and the currency depreciations against the EUR resulted in lower staff fees and other operating expenses. However, as the largest part of the Company's costs are fixed (fixed asset intensity: 82.74%), it was unable to sufficiently reduce its operating costs, resulting in a disproportionate reduction in EBITDA and EBIT of -38% and -103% respectively. EAT dropped further to EUR -515 million due to an increase in a financial costs. This was mainly caused by an impairment of EUR 148 million on the IFRIC 12 financial asset due to expected credit losses of GCO and Ausol as a result of of the worsening macroeconomic situation in Argentina, higher interest costs due to the consolidation of RCO, and the impact of the bond repurchase in 2020, and was partially offset by the sale of the 19.67% interest in Alis S.A. for EUR 152 million, giving rise to a EUR 34 million gross gain.

During the business year, the Company invested a total of EUR 2,594 million, of which EUR 1,521 million is attributable to the 53.12% interest in RCO and EUR 585 million to the 55.20% interest in Elisabeth River Crossings (ERC). Additionally, Abertis invested EUR 397 million in capacity expansions of the toll roads in Brazil (EUR 174 million) and in France (EUR 132 million). Operating investments amounted to EUR 91 million.

The investment in RCO contributed to the annual result for 8 months with EUR 230 million of revenues and EBITDA of EUR 184 million. The investment in ERC did not contribute to the earnings of the Company in 2020, as the deal was closed at 30 December 2020. Both investments were also significantly affected by the COVID-19 crisis.

During the 2020 business year, Abertis issued approximately EUR 4 billion in bonds in capital markets, and issued a hybrid bond of EUR 1,250 million. Again in January, the Company issued another hybrid bond of EUR 750 million, demonstrating strong capital market access despite current market conditions. The Company plans to pay out a dividend of approximately EUR 600 million in 2021 and 2022, and issues hybrid bonds to provide some financial headroom to retain its current financial structure. We see it as negative that the board of directors proposed to pay a dividend of EUR 602 million over the 2020 business year despite the negative annual result.

The further development of the Company is currently uncertain, as many of the mobility restrictions and other containment measures implemented by governments remain largely in place, vaccination campaigns are slower than expected, and new mutations could potentially lead to longer restrictive measures, which in turn will keep ADT down. We believe, however, that if these measures are lifted, traffic levels will show significant recovery. For the business year 2021, we believe that there will continue to be an underperformance against 2019, as the first 4 months of the year have already been affected by the restrictive conditions.

Structural risk

Abertis Infraestructuras S.A. is an international toll road operator headquartered in Barcelona, Spain, and is the parent Company of the Arbertis Group, which holds the interest in the underlying subsidiaries. The subsidiaries in turn hold the concessions of the Group.

The Company's major shareholder is Abertis Holdco S.A., which is the holding company that holds 98.7% of the share capital of Abertis Infraestructuras S.A. It was established during the acquisition of Abertis Infraestructuras S.A. in 2018 by Atlantia S.p.A. (50% plus one share), Actividades de Construcción y Servicisios S.A. (ACS) (30%), and Hochtief AG (20% minus one share).

The governance of the Company is arranged by a shareholders' agreement between Atlantia, Hochtief and ACS, which outlines the rights and obligations the companies have with regard to the governance of Abertis. The Atlantia Company has control over the Company because it has a majority share (50% + 1 share); however, ACS, as the second largest shareholder, has additional rights, which allows it to veto far-reaching decisions such as acquisitions or divestments, strategic commercial behavior, and investment decisions. The Board of directors consists of two members appointed by ACS/Hochtief and two members appointed by Atlantia. The fifth member is Francisco José Aljaro Navarro, the CEO of the Company.

During the business year 2020 the Company acquired a majority share in Red de Carreteras de Occidente of 53.12%. The Company operates five concessions in Mexico, which manage a total of 876 km through 5 concessions. Based on RCO's pre-pandemic performance (from 2018), we expect the Company to contribute approximately EUR 411 million to revenue and EUR 375 million to EBITDA annually. Additionally, Abertis completed the transaction of a 55.20% interest in Elisabeth River Crossings on 30 December 2020. This concession is located in the USA, provides an essential connection across the Elisabeth River, and is an important link in the regional road network in linking Portsmouth and Norfolk, Virginia. Both Companies are fully consolidated into the consolidated financial statements of Abertis. Based on figures from 2019, we expect that ERC will contribute approximately EUR 95 million to revenues and EUR 60 million to EBITDA annually. We see the takeover of RCO and ERC as positive, as it increases the Company's geographical diversification and average concession term, and almost completely offsets the impact of the expiry of the Aumar concession.

Overall, we see no core structural risks for Abertis Infraestructuras S.A. Further planned internationalization via concessions acquisitions entails integration risks and the risk of non-realization of expected gains and synergies. We do not currently see any substantial core risks arising from the change in shareholder structure. We believe that Atlantia's controlling position is limited due to the built-in veto rights for ACS. A change in our assessment of this relationship to the Atlantia Company could have an impact on the Company's rating result. The acquisition of the interests in RCO and ERC align well with the Company's long-term business strategy of further internationalization, and show the Company's ability to replace expired concessions.

Business risk

Abertis' main business activities encompass services in the construction, maintenance and operation of the toll roads that it operates via 36 different concession contracts. As of 31.12.2020 the Company had approximately 8,700 km of toll roads under management in 16 different countries worldwide. The Company is market leader in Brazil, Chile and Spain, but also has a significant presence in France, Italy and Puerto Rico. Other countries where the Company is present are Argentina, India, Colombia, Ireland, Mexico, UK, USA and Canada. With its acquired interests in RCO and ERC during the business year, the Company added two new markets to its portfolio (Mexico and U.S.A.). The Company pursues a strategy that is based on achieving international growth to reduce exposure to its domestic market in Spain, which currently generates approximately 27% of its EBITDA (2019: 34% of EBITDA). It is worth noting that the Company's key markets – France and Spain – together generate approximately 64% (2019: 68%) of the Company's EBITDA.

The Company's concession portfolio is geographically well-diversified, which reduces the Company's business exposure. This was evidenced during the COVID-19 pandemic, with the European markets showing a larger decline in ADT (Spain – 30.8%, France -24-6%, Italy -27.8%) than its other markets, such as Brazil (-7.5%), Mexico (-12.0%) or India (-15.5%).

The Company currently holds 36 different concession contracts with a well-distributed maturity profile. During the business year 2021, three concessions (Acesa, Sol and Invicat) will expire, as well as one in 2022 (Elqui). We believe that Abertis has once again demonstrated its ability to replace expiring concessions with its acquisition of the interests in RCO and ERC.

Abertis owns assets and generates a large part of its revenues outside of the EU, which exposes it to foreign exchange risks. As of 31.12.2020, the Company generated 32.5% of its revenues outside of the EU, with particular exposure to the Brazilian Real, the Chilean Peso, the Argentinean Peso, the Mexican Peso, the U.S. Dollar, and the Indian Rupee. The Company reduces currency exposure by natural hedging strategies and tries to hedge any residual currency risk.

We see the Company as having a solid business risk profile. Based on long-term concession agreements, Abertis generates relatively stable cash flows and has a geographically well-diversified portfolio. In line with its strategy, the Company focusses on further international diversification. Based on the market position of the Company and the importance of the services it offers, we see good chances for Abertis to manage its portfolio rotation in the future, something, it also demonstrated during the last business year.

Financial risk

Following the acquisition of Abertis Infraestructuras S.A. in 2018 (acquired by Atlantia S.p.A., Actividades de Construcción y Servicios SA and Hochtief S.A), it was decided to simplify the structure created during the acquisition. In the course of this event, our rating object Abertis Infraestructuras S.A. distributed a non-cash dividend of EUR 9,963 million to Abertis Holdco S.A., and subsequently assumed its debt in roughly the same amount. Additionally, the Company performed a revaluation on its assets and liabilities in the course of a purchase price allocation

(PPA) process. These events significantly affected the Company's fair value of its assets, equity (including goodwill that is being subtracted by 50%) and liabilities, and led to an increase in the Company's balance sheet and cost structure (depreciation). We believe that the balance sheet of Abertis Infraestructuras S.A. now depicts a more complete picture of the situation after the restructuring process of its previous structure created during the acquisition in 2018. It is worth noting, however, that our rating object was only able to retain its financial profile in 2019 due to the revaluation of its assets, and that without this it would have had a negative equity ratio.

As of 31.12.2020 the balance sheet total increased to a total value of EUR 41,282 million (2019: EUR 37,863 million), mainly due to the consolidation of RCO and ERC into the Company's financial statements. The equity of the Company increased to EUR 9,295 million (2019: EUR 7,990 million, which represents an equity ratio of 22.52% (2019: 21.10%). The equity ratio remained relatively stable despite negative comprehensive income (EUR - 969 million), dividend payments over 2019 (EUR – 911 million), and was more than offset due to an increase in non-controlling interests following the consolidation of RCO and ERC (EUR 1,435 million) and the issuance of a perpetual bond[2], which was allocated to equity for 50%. The gross outstanding borrowings of the Company as of 31.12.2020 increased to 29.764 million (2019: EUR 26,366 million) and was, together with the steep decline in EBITDA, responsible for the increase in net total debt / EBITDA adj. to 11.14 (2019: 7.02). The borrowings mainly increased due to the consolidation of RCO and ERC, and the allocation of 50% of the perpetual bonds to borrowings. At the end of the business year the maturity profile of the Company increased to 6.28 years (2019: 5.6 years) and remains well-diversified.

The cash flow from operations was affected by the negative annual result, but was mostly offset by lower income taxes paid (received) during 2020, which resulted in a slightly lower cash flow from operations of EUR 2,426 million (2019: EUR 2,642 million). The cash flow after investments amounted to EUR 142 million (2019: EUR 2,393 million), and decreased significantly in comparison with the prior year following the acquisition of the interests in RCO and ERC. The cash flow from financing was slightly positive with EUR 349 million (2019: EUR -2,468 million), which then resulted in an increased cash and equivalents position of EUR 3,102 million (2019: EUR 2,645 million). Additionally, it had EUR 5,121 million (2019: EUR 5,270 million) in undrawn credit facilities and loans, which altogether should be sufficient to meet its short-term obligations.

The overall structured financial analysis for 2020 showed a significant deterioration against the prior years. This is primarily rooted in reduced profitability following the negative effects of the COVID-19 pandemic and should be seen in perspective, as we do assume that operating profitability will recover when the restrictive measures have been eased. However, as the measures have been in place for a long time in 2021 and there remains a great deal of uncertainty, we also expect underperformance against 2019 in the current business year. Even though Abertis' financial profile has deteriorated, we continue to see its financial profile as sound, and the Company continues to show strong capital market access, which provides access to liquidity. We do, however, view it as negative that the Company continues to distribute dividends despite its negative annual result.

[2] Perpetual bonds with a maturity date of longer than 5 years will be 100% allocated to equity, with a maturity date between 1 and 5 years for 50% to equity and 50% to liabilities, and maturity date shorter than 1 year 100% to liabilities. As of 31.1.2020 the perpetual bonds has a time to maturity of between 1 and 5 years and is therefore allocated to equity for 50%.

Issue rating

Issue rating details

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

The notes have been issued under the current EMTN program, with its latest prospectus dating from 18 March 2020. This EMTN program amounts to EUR 12.000 million. The notes under the EMTN program constitute direct, general, unconditional, unsubordinated and unsecured obligations. The terms and conditions of these notes under this EMTN program contain a negative pledge provision and a cross-default clause. A change of control clause is not provided in the terms and conditions.

Corporate issue rating result

We have provided the debt securities issued by Abertis Infraestructuras S.A. with a rating of BBB-. The rating is based primarily on the corporate rating of Abertis Infraestructuras S.A.

Other types of debt instruments or issues denominated in other currencies have not been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform rating AG.

Table 2: Overview of CRA Ratings I Source: CRA

Rating objects	Details	
	Date	Rating
Abertis Infraestructuras S.A.	03 May 2021	BBB- / stable
LT LC SU Issues of Abertis Infraestructuras S.A.	03 May 2021	BBB- / stable

Table 3: Overview of 2021 Euro Medium Note Programme I Source: Base Prospectus Abertis Infraestructuras S.A.

Overview 2019 EMTN Programme			
Volume	EUR 12,000,000,000	Maturity	Depending on the respective bond
Issuer / Guarantor	Abertis Infraestructuras S.A.	Coupon	Depending on the respective bond
Arranger	BNP Paribas J.P. Morgan	Currency	Depending on the respective bond
Credit enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured notes issued by Abertis Infraestructuras S.A. and which have similar conditions to the current EMTN program, denominated in euro and included in the list of ECB-eligible marketable assets will, until further notice, receive the same ratings as the current LT LC senior unsecured notes issued under the EMTN program. Notes issued under the program in any currency other than euro, as well as 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. For the time being, other emission classes, or programs and issues that do not denominate in euro, will not be assessed. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Financial ratio analysis

Table 4: Financial key ratios |Source: Abertis Infraestructuras consolidated annual report 2020, structured by CRA

Asset Structure	2017	2018	2019	2020
Fixed asset intensity (%)	72.11	66.38	80.48	82.74
Asset turnover	0.21	0.21	0.18	0.11
Asset coverage ratio (%)	69.70	76.38	72.70	75.00
Liquid funds to total assets (%)	9.16	10.63	6.99	7.51
Capital Structure				
Equity ratio (%)	12.77	17.95	21.10	22.52
Short-term-debt ratio (%)	14.45	15.21	10.21	9.91
Long-term-debt ratio (%)	37.48	32.75	37.41	39.54
Capital lock-up period (in days)	33.77	27.30	30.12	39.04
Trade-accounts-payable ratio (%)	2.02	1.62	1.25	1.12
Short-term capital lock-up (%)	51.41	56.15	50.87	71.86
Gearing	6.11	3.98	3.41	3.11
Leverage	6.01	6.53	5.04	4.58
Financial Stability				
Cash flow margin (%)	38.55	53.34	51.03	46.91
Cash flow ROI (%)	8.44	11.57	7.78	4.93
Total debt / EBITDA adj.	6.70	5.67	7.87	12.29
Net total debt / EBITDA adj.	6.00	4.94	7.18	11.10
ROCE (%)	10.64	12.64	3.44	0.50
Total debt repayment period	18.70	11.20	4.60	11.87
Profitability				
Gross profit margin (%)	88.39	91.18	91.28	91.68
EBIT interest coverage	1.99	2.38	1.16	-0.03
EBITDA interest coverage	3.35	3.78	3.87	1.85
Ratio of personnel costs to total costs (%)	10.84	10.41	9.75	11.15
Ratio of material costs to total costs (%)	11.85	9.01	9.04	8.66
Cost income ratio (%)	67.32	62.35	81.72	101.22
Ratio of interest expenses to total debt (%)	4.45	4.66	3.34	4.04
Return on investment (%)	6.85	10.15	2.78	0.58
Return on equity (%)	21.89	45.57	5.12	-5.96
Net profit margin (%)	17.00	32.85	5.60	-11.86
Operating margin (%)	35.26	42.01	20.00	-0.93
Liquidity				
Cash ratio (%)	63.39	69.84	68.42	75.83
Quick ratio (%)	147.66	162.69	127.56	117.25
Current ratio (%)	193.02	220.97	191.15	174.15

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 Abertis Infraestructuras S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	14.06.2017	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Table 6: LT LC Senior Unsecured Issues issued by Abertis Infraestructuras S.A.

Event	Rating created	Publication date	Monitoring until	Result
Initial rating	24.08.2018	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / Watch UNW

Regulatory requirements

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

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

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

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

Unsolicited Corporate Issuer / Issue Rating	
With rated entity or related third party participation	No
With access to internal documents	No
With access to management	No

[3] 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.

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

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

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

Rating methodology	Version number	Date
Corporate Ratings	2.3	29.05.2019
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	Email-Address
Rudger van Mook	Lead analyst	R.vanMook@creditreform-rating.de
Christina Sauerwein	Analyst	C.Sauerwein@creditreform-rating.de

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

Name	Function	Email-Address
Philipp Beckmann	PAC	P.Beckmann@creditreform-rating.de

On 3 May 2021, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 4 May 2021. 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

Whether ESG factors were relevant to the rating can be seen in the above 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.

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:

<u>Corporate issuer rating:</u>

1. Annual report

2. Website

3. Internet research

<u>Corporate issue rating:</u>

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.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

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