

# RatingsDirect®

---

## in'li

**Primary Credit Analyst:**

Kathleen Allard, Paris + 33 14 420 6657; kathleen.allard@spglobal.com

**Secondary Contact:**

Marie-Aude Vialle, Paris (33) 6-1566-9056; marie-aude.vialle@spglobal.com

## Table Of Contents

---

Credit Highlights

Outlook

Our Base-Case Scenario

Company Description

Peer Comparison

Business Risk

Financial Risk

Liquidity

Covenant Analysis

Environmental, Social, And Governance

Group Influence

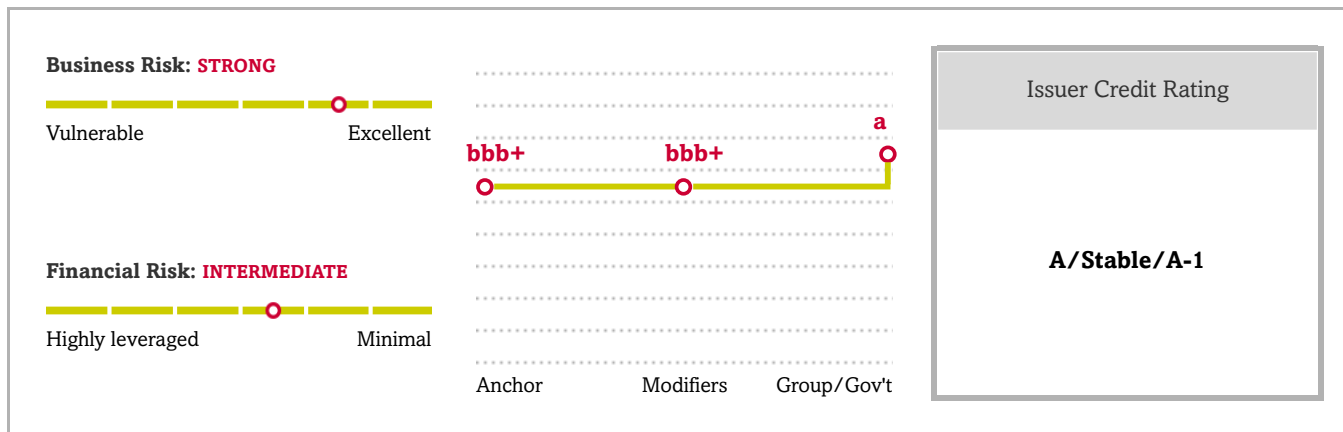
Issue Ratings - Subordination Risk Analysis

Ratings Score Snapshot

## Table Of Contents (cont.)

---

Related Criteria



## Credit Highlights

### Overview

Key strengths	Key risks
Large portfolio (€8.3 billion) of residential assets under the French intermediary housing scheme, located in undersupplied areas and with rents 15%-20% below market levels, for which demand is structurally particularly strong.	Development risk as part of the strategy to produce new intermediary housing in the Ile-de-France region, though limited to 5%-10% of the portfolio value per year.
Leader in the intermediary housing segment in the Ile-de-France region and good position in France overall (42,749 units owned and managed in Ile-de-France versus direct competitor CDC Habitat with less than 27,000 units in the region but more than 90,000 in France).	Concentration of assets in one property segment and one French region (residential in Ile-de-France).
Upside potential on rental income, as newly produced assets will enter the portfolio replacing older ones that are planned to be sold.	Relatively weak debt to EBITDA due to the low yield nature (average of 3.7%) of the business and the current development phase during which EBITDA generation is constrained by the construction progress.
Material headroom in credit ratios at the current rating level and financial policy for S&P Global Ratings-adjusted debt-to-debt-plus-equity ratio expected to remain below 25% in the next 24 months.	
Financial support from its parent, France's largest social housing group Action Logement Immobilier (ALI), notably through regular capital injections, and expected extraordinary support in case of need.	

*The company's performance has been preserved from the Covid-19 pandemic so far, thanks to the very safe nature of its assets, which benefit from high demand throughout economic cycles, given the undersupply of affordable housing in the Paris area.* Conditions for operating under the "intermediary housing" French scheme are i) locations in areas specifically defined by the government as undersupplied; ii) 15%-20% below-market rents. Therefore, unmet demand for this type of asset, estimated at around 250,000 households in Ile-de-France region, resists economic downturns, given the limited existing supply estimated at around 200,000 in Ile-de-France, for about 450,000 eligible households. In particular, we note that the company's overall collection rate remained relatively stable during the first half of the year and reached 98.5% by the end of June on a cumulated basis since the beginning of the year, compared with 98.7% in the past year. The vacancy rate also remained low at 3.1% at the end of June, versus 2.9% last year.

*We expect our S&P Global Ratings-adjusted debt-to-debt-plus-equity ratio to remain lower than the real estate industry average levels in the coming 24 months, but this is partly offset by a weak debt-to-EBITDA ratio.* in'li currently has significant headroom under its financial policy to maintain a loan-to-value ratio of 35%-40%, as it reported a ratio of

18.5% at the end of 2019 (in line with our S&P Global Ratings-adjusted debt-to-debt-plus-equity ratio). We expect this ratio to increase in the coming years, in line with the investment pace, but to remain below 25% by 2022. However, given the company's ongoing strategy to produce 33,600 intermediary housing units by 2023 (revised from 37,200 units expected before the COVID-19 outbreak), for which deliveries and resulting EBITDA generation occur approximately three years after the start of the construction sites--as well as because of the low yield nature of its assets (3.7% on average)--the company's debt to EBITDA is relatively weak, at 11.1x at end-2019. We also expect this ratio to increase to 11.5x-13.5x in 2020-2021.

***AXA IM - Real Assets will own 75% of the property development company created by in'li, Cronos, whose purpose is also to produce new intermediary housing.*** As part of its objective to increase the supply of intermediary homes in the Ile-de-France region, in'li created Cronos, a property development company in which it will maintain a minority stake (25%) while AXA IM – Real Assets will be the majority shareholder. Of the 33,600 housing units in'li intends to produce by 2023, 18,300 would be owned by in'li directly and 15,300 by property development companies such as Cronos. in'li intends to sell around 5,800 of its owned assets to the fund, to which 4,000 new assets under construction will be added. The closing of the transaction with AXA should occur by year-end 2020 or the beginning of 2021. Given that in'li will only be a minority shareholder of this fund, its statements will not be consolidated. However, we will integrate the cash dividends that may be received from the fund, as well as the sourcing fees that in'li will receive for managing these assets.

## Outlook: Stable

The stable outlook reflects our view that in'li's strong business model, under which the company rents out residential assets located in undersupplied areas at below-market rates, should enable the company to generate at least steady revenue in the next 24 months.

We also anticipate the company will maintain moderate leverage, in line with its current financial policy of keeping its reported loan-to-value ratio below 35%-40% over the long term.

Furthermore, we expect in'li to remain a strategically important subsidiary for ALI, and that ALI will maintain its current solid creditworthiness.

### Downside scenario

We could consider lowering the rating if we perceived any indication that ALI would provide in'li less financial support than we currently expect, or if we thought in'li's role within the group had weakened. Such developments would lead us to reassess in'li's status within the group, which could lead us to downgrade in'li.

We could also lower the rating if ALI's creditworthiness were to deteriorate. This could emerge, for example, due to pressure on the group's financial profile through materially deteriorating EBITDA margins, or to a lower quality of its financial disclosures.

Rating pressure could also come from any deterioration of in'li's stand-alone credit profile (SACP), which could result from higher-than-expected leverage or a change of business strategy. This scenario is currently unlikely, in our view.

### Upside scenario

Since we cap our rating on in'li by the parent's credit quality, upside potential for our rating on in'li is subject to seeing an improvement in ALI's credit quality. This would reflect a stronger view of ALI's financial profile--including structural deleveraging (with the debt burden structurally below 20x adjusted EBITDA). That said, we view this scenario as unlikely at this stage.

We could revise upward our SACP assessment for in'li if the company displayed a tighter financial policy. This could result from its adjusted debt-to-debt-plus-equity ratio remaining below 35% over the long term and debt to EBITDA staying below 7.5x.

## Our Base-Case Scenario

### Assumptions

- Like-for-like growth in rental income of about 1.5% in 2020 and closer to 2.0% in 2021 and 2022. This is around 0.5% above our forecast consumer price index in France over the coming years, which should be close to the Indice

de Référence des Loyers (IRL) index, including positive reversionary potential in the portfolio, which will be gradually filled with new assets. We also expect occupancy to remain stable at about 97%, reflecting the sustained demand for the types of assets that in'li holds.

- Disposals of around €1 billion over 2020-2021. A large part of these will be a block sale to the property development company Cronos, created by in'li, and in which AXA will own a 75% stake.
- Maintenance capital expenditure (capex) of €55 million-€65 million.
- Development capex of €550 million-€600 million in 2020, and €750 million-€800 million in 2021, as part of in'li's strategy to produce about 33,600 new dwellings by 2023, of which 18,300 will be owned by in'li. We understand the development plan will be phased in to match the pace of the company's completed disposals.
- No asset revaluation factored in.
- Annual capital increases from ALI of €50 million-€70 million, as part of the five-year agreement with the French government ("Convention quinquennale"). We assume these injections could be higher at some point since ALI announced an additional €9 billion investment plan, of which €1 billion would be allocated to intermediary housing, but in the absence of clarity regarding the allocation, we exclude this plan from our assumptions.
- Limited annual dividends of less than €20 million.

## Key Metrics

in'li--Key Metrics*					
	--Fiscal year ended December 31--				
	2018a	2019a	2020e	2021f	2022f
EBITDA (mil. €)	137.8	139.7	145 - 150	145 - 155	160 - 180
EBITDA margin (%)	39.1	36.1	36 - 38	37 - 39	39 - 41
Debt (mil. €)	1,291.1	1,545.2	1900 - 2000	1700 - 1900	2000 - 2200
Debt to EBITDA (x)	9.4	11.1	12.5 - 13.5	11.0 - 12.0	11.5 - 12.5
EBITDA interest coverage (x)	5.3	4.5	3.7 - 4.2	3.7 - 4.2	3.3 - 4.0
Debt to debt plus Equity (%)	16.2	18.5	20 - 25	18 - 22	20 - 25

e--Estimate. f--Forecast. \*All figures adjusted by S&P Global Ratings. Insert here footnotes highlighting the key debt adjustments. a--Actual.

## Company Description

France-based in'li owns a portfolio worth €8.3 billion (appraisers' valuation is conservatively based on block rather than unit sales) comprising residential assets almost solely located in the greater Paris region (Ile-de-France). in'li's assets are in the intermediary market segment (logement intermédiaire), defined under French law since 2014, and reserved for households with specific tranches of income. Against a favorable tax regime, French intermediary housing providers offer housing to middle-income households, that is, those with too high an income to access highly-subsidised French social housing, but too low to afford free-market rents, especially in high-demand and congested areas such as the greater Paris region. Most of the assets in in'li's portfolio were built before the French law regarding intermediary housing, and therefore do not have the legal status, but they are managed under the same criteria.

in'li is a 99.28%-owned subsidiary of the Action Logement group via ALI, a key player in France's social housing sector. ALI manages about 20% of the French social housing park. We view in'li as a strategically important subsidiary of ALI.

## Peer Comparison

Table 1

in'li--Peer Comparison				
Industry sector: Real estate investment trust or company				
	in'li	Deutsche Wohnen SE	Vesteda Residential Fund FGR	Grand City Properties S.A.
Ratings as of Sept. 24, 2020	A/Stable/A-1	A-/Negative/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2
--Fiscal year ended Dec. 31, 2019--				
<b>(Mil. €)</b>				
Revenue	387.2	1,107.9	329.0	560.3
EBITDA	139.7	715.2	224.0	297.7
Funds from operations (FFO)	139.7	496.4	184.0	218.1
Interest expense	31.1	165.7	40.0	61.5
Cash flow from operations	92.3	454.4	196.0	183.5
Capital expenditure	494.3	366.7	192.0	83.1
Free operating cash flow (FOCF)	(402.0)	87.7	4.0	100.4
Dividends paid	8.1	230.5	344.0	105.0
Discretionary cash flow (DCF)	(410.1)	(236.1)	(340.0)	(4.7)
Cash and short-term investments	475.3	685.6	2.9	1,062.8
Debt	1,545.2	9,569.8	1,942.1	3,272.5
Equity	6,797.8	13,107.3	6,022.0	4,441.6
Debt and equity	8,342.9	22,677.1	7,964.1	7,714.1
<b>Adjusted ratios</b>				
Annual revenue growth (%)	10.0	20.3	17.1	2.8
EBITDA margin (%)	36.1	64.6	68.1	53.1
Return on capital (%)	0.7	3.2	2.9	3.9
EBITDA interest coverage (x)	4.5	4.3	5.6	4.8
Debt/EBITDA (x)	11.1	13.4	8.7	11.0
FFO/debt (%)	9.0	5.2	9.5	6.7
Debt/debt and equity (%)	18.5	42.2	24.4	42.4

## Business Risk: Strong

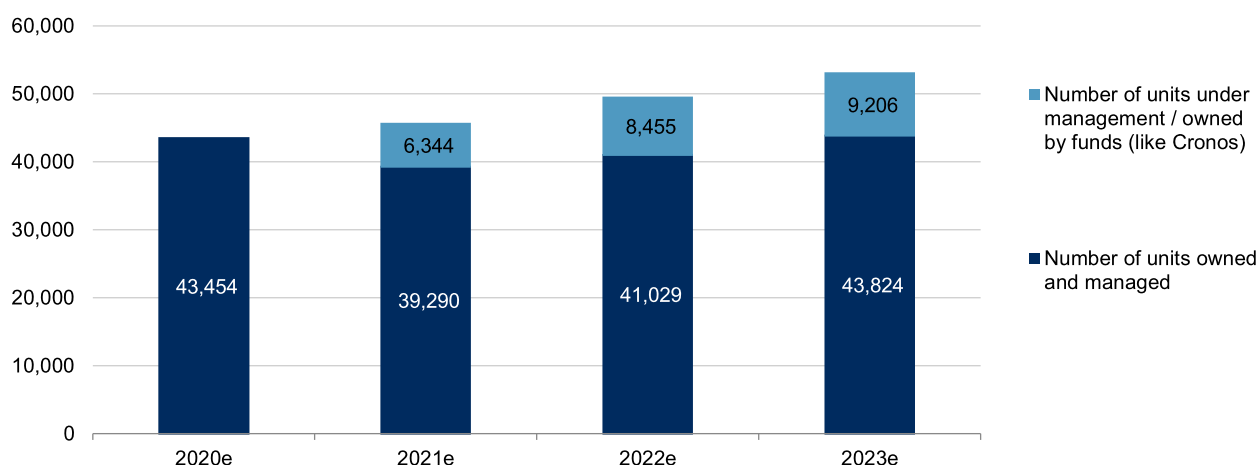
Our assessment of in'li's business risk profile is underpinned by its strong business model, under which the company rents residential assets in undersupplied areas at below-market rents. As defined by law, intermediary housing players' assets need to be in areas the French government specifically defines as being undersupplied. The shortage is most significant in zones defined as "Zone A bis,"--comprising Paris city--and "Zone A"--comprising the outskirts of Paris.

More than 98% of in'li's portfolio is concentrated in these two zones. Another requirement for intermediary housing is to offer rents at 15%-20% below market level. According to the Institut d'Aménagement et d'Urbanisme, demand in Ile-de-France should remain particularly high, as about 450,000 households are eligible in terms of income, while the existing supply is only of around 200,000 housing units. As a result, we expect in'li's occupancy level to remain stable at around 97%, providing robust predictability of future cash-flow generation. in'li is already the largest player in the Ile-de-France intermediary housing market, with a large portfolio of 42,749 units, worth a total of €8.3 billion. This compares with CDC Habitat, the largest player in France, with more than 90,000 units in the country, but less than 27,000 units in Ile-de-France.

To pursue the aims of intermediary housing, in'li plans to cover about 50% of Ile-de-France's unmet needs by producing 80,000 new intermediary housing units in the region over the next 10 years. More precisely, the company intends to produce 33,600 housing units by 2023, of which 18,300 would be owned by in'li and 15,300 by investment funds in which in'li would maintain a minority stake (25%). in'li already created the fund Cronos, in partnership with AXA Real Assets, which will own 75%.

**Chart 1**

**Evolution Of In'li Portfolio, With Assets Owned And Some Only Under Management**



e--Estimate. Source: S&P Global Ratings.  
 Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

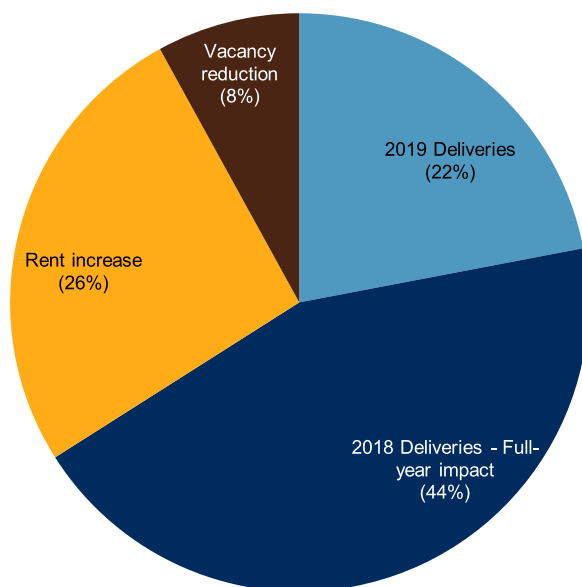
As the production for in'li's portfolio will be partly funded by asset rotation, its total number of housing units will increase to about 44,000 by 2023 from 42,749 units as of end-2019. About 25% of the units will be new constructions. We see the social purpose of in'li's business model as a clear competitive advantage, given the increasing social demand for higher purchasing power in France. At the same time, this upcoming portfolio reshuffle should enable the company to benefit from significant upside in rental income generation, since the rent level for new housing assets entering in'li's portfolio will likely be much higher than that on existing assets, with average market rents increasing at a rate well above inflation over the past decade. in'li already aims to increase its portfolio's average rent from a current



€10.5 per square meter (/sqm) to €11/sqm in the next two years. In Paris city, where in'li currently has 26.4% of its portfolio value, the portfolio average rent is currently €12.8/ sqm, translating into a 98% upside potential compared with the current market level (€25.3/sqm).

## Chart 2

### Rising Rental Revenues In 2019 Versus 2018



Source: S&P Global Ratings.

Of in'li's progressive investment plan, 80%--which totals €3.9 billion over the next five years--will be project acquisitions under the French VEFA legal framework ("Vente en l'Etat Futur d'Achèvement", or forward-sale contract), which sets payment schedules throughout the construction phase and protects buyers by means of a final completion guarantee, limiting the development risk borne by the company. We also note that in'li benefits from advantageous acquisition prices, partly due to the favorable tax regime for intermediary housing providers, and because block acquisitions allow the company to negotiate discounts when compared with individual units transactions.

We acknowledge these future large investments may create some development risk, especially for the remaining 20% of the development pipeline that will be realized in "Maitrise d'Ouvrage Directe," under which in'li directly supervises the construction process as a property developer. That said, the investment capex would likely be limited to 5%-10% of the total portfolio value per year.

Due to the low rents and yields intrinsic to the intermediary housing segment, and the high proportion of

non-recoverable costs, in'li's expected EBITDA margins of below 50% in the coming two years compare negatively with those of rated real estate peers. However, margins should improve thereafter thanks to the company's portfolio rejuvenation strategy, which should result in higher average rents (currently at a low €10.5/sqm per month) and lower maintenance needs. Moreover, compared with some of its peers with the same business risk assessment, such as Vonovia, in'li's portfolio is smaller and more geographically concentrated, focused primarily on the Ile-de-France region. Therefore, we view in'li's business risk profile at the lower end of our strong business risk category.

## Financial Risk: Intermediate

Our view of in'li financial risk profile reflects the company's prudent and public financial policy to maintain a loan-to-value ratio below 35%-40%, and our expectations of EBITDA-interest-coverage of 3.5x-4.2x over the next 24 months. The company's S&P Global Ratings-adjusted debt to debt plus equity (fair value adjusted) was 18.5% at end-2019, in line with its reported loan-to-value, and we expect it to remain below 25% over the next 24 months, which is very low compared with the average in the industry (35%-50%). That said, in'li's core strategy is to produce 33,600 new housing units by 2023. These will be partly funded (about two thirds) by additional debt, as well as capital injections from its parent Action Logement group, and progressive disposals of mature or noncore assets. We understand that this will result in a gradual increase of in'li's debt-to-debt-plus-equity ratio to 20%-25% in the coming three years. This would still compare positively with most of the company's peers within the same financial risk profile category.

We anticipate that EBITDA interest coverage will stabilize at 3.5x-4.0x, which is commensurate with our intermediate financial risk assessment.

However, these factors are partly offset by the company's relatively high debt to EBITDA, at 11.1x end of 2019 and expected to increase to 12.5x-13.5x in 2020. This is because i) the company's core strategy is to produce new dwellings, and the construction period lasts around three years, resulting in EBITDA generation lagging debt usage; and ii) the intermediary housing segment has naturally low rents and yields.

## Financial summary

**Table 2**

<b>in'li--Financial Summary</b>		
<b>Industry sector: Real estate investment trust or company</b>		
	<b>--Fiscal year ended Dec. 31--</b>	
	<b>2019</b>	<b>2018</b>
<b>(Mil. €)</b>		
Revenue	387.2	352.0
EBITDA	139.7	137.8
Funds from operations (FFO)	139.7	137.8
Interest expense	31.1	25.9
Cash flow from operations	92.3	107.9
Capital expenditure	494.3	343.4
Free operating cash flow (FOCF)	(402.0)	(235.6)

**Table 2****in'li--Financial Summary (cont.)****Industry sector: Real estate investment trust or company**

	<b>--Fiscal year ended Dec. 31--</b>	
	<b>2019</b>	<b>2018</b>
Dividends paid	8.1	3.2
Discretionary cash flow (DCF)	(410.1)	(238.7)
Cash and short-term investments	475.3	0.0
Debt	1,545.2	1,291.1
Equity	6,797.8	6,673.2
Debt and equity	8,342.9	7,964.4
<b>Adjusted ratios</b>		
Annual revenue growth (%)	10.0	3.4
EBITDA margin (%)	36.1	39.1
Return on capital (%)	0.7	1.0
EBITDA interest coverage (x)	4.5	5.3
Debt/EBITDA (x)	11.1	9.4
FFO/debt (%)	9.0	10.7
Debt/debt and equity (%)	18.5	16.2

**Reconciliation****Table 3****in'li--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €)****--Fiscal year ended Dec. 31, 2019--**

<b>in'li reported amounts</b>				
	<b>Debt</b>	<b>Shareholders' equity</b>	<b>EBITDA</b>	<b>Operating income</b>
Reported	2,016.0	1,796.8	135.4	50.3
<b>S&amp;P Global Ratings' adjustments</b>				
Postretirement benefit obligations/deferred compensation	4.4	--	--	--
Accessible cash and liquid investments	(475.3)	--	--	--
Nonoperating income (expense)	--	--	--	0.9
Equity: Fair value adjustments	--	5,001.0	--	--
EBITDA: Other	--	--	4.3	4.3
Total adjustments	(470.8)	5,001.0	4.3	5.1
<b>S&amp;P Global Ratings' adjusted amounts</b>				
	<b>Debt</b>	<b>Equity</b>	<b>EBITDA</b>	<b>EBIT</b>
Adjusted	1,545.2	6,797.8	139.7	55.5

## Liquidity: Strong

We assess in'li's liquidity as strong. We anticipate that liquidity sources will likely cover uses by more than 1.5x for the 12 months started July 1, 2020, and by more than 1.0x over the 24 months from the same date. We also anticipate that the company can absorb high-impact, low-probability events without refinancing, that it will maintain solid relationships with banks, and a generally prudent risk management. The short-term issuer credit rating is 'A-1'.

Principal Liquidity Sources	Principal Liquidity Uses
<ul style="list-style-type: none"> <li>• €365 million of cash and liquid investments;</li> <li>• €1,050 million of undrawn bank lines;</li> <li>• Our estimate of about €100 million cash funds from operations;</li> <li>• A €70 million capital injection from ALI; and</li> <li>• More than €800 million of proceeds from contracted asset sales.</li> </ul>	<ul style="list-style-type: none"> <li>• About €70 million of debt maturities for the next 12 months;</li> <li>• €700 million-€750 million of committed development capex, as part of the strategy to produce new housing;</li> <li>• €55 million-€65 million maintenance capex; and</li> <li>• €10 million-€15 million dividends.</li> </ul>

### Debt maturities

in'li's average debt maturity is more than eight years.

## Covenant Analysis

### Compliance expectations

The syndicated €800 million loan's documentation contain the following covenants:

- Loan-to-value below 65%, while the company reported 18.5% at the end of 2019;
- Interest coverage ratio above 1.5x, while the company reported 4.5x at the end-2019;
- Secured debt ratio (debt secured by mortgage divided by the total real estate portfolio value) below 30%, while the company had 11% at end-2019. This ratio is also the covenant in the bond's documentation;
- Portfolio value above €2.5 billion, while the company's portfolio value was €8.3 billion at end-2019.

## Environmental, Social, And Governance

We believe in'li's operating strategy has a positive social impact on the community and is more supportive of its credit profile based on social factors. Its mission is to provide housing to middle-income households (with income too high to access social housing but too low to afford living in free market apartments). in'li's assets fall under the "intermediary housing" scheme ("logement intermédiaire" in French) created by a governmental decree in 2014 to offer reduced rents in areas where housing supply is low and therefore rents are too high for middle-income households. To this end, the company acquires assets in development at a subsidized price and rents them for about 15%-20% below prevailing market levels. This position supports our view of in'li's strong competitive position, as we view it as particularly beneficial to the French population, especially in the current context of an immense housing shortage in the Paris area. From an environmental perspective, given its project to produce 80,000 new intermediary housing in the Paris region over the next 10 years, in'li will heavily invest in new residential assets, which benefit from much better energy performance than old buildings. The renewal of part of the company's portfolio will therefore improve its energy performance, even if we note that greenfield development results in high land use.

## Group Influence

We continue regarding in'li as a strategically important subsidiary of Action Logement group via ALI). This underpins our assessment that the group would likely provide financial support to in'li in case of need. We believe ALI is highly unlikely to sell in'li. This is because we understand that, given the nature of in'li's operations, it plays an important role in meeting one of Action Logement group's key objectives of providing affordable housing solutions for employees across France's most economically dynamic region. We also recognize Action Logement group's commitment to provide in'li with sizable capital injections and long-term, subsidized loans over the coming years, under the terms of Action Logement group's 2018-2022 contract with the French government that aims to correct a market failure in the provision of affordable housing, reflecting significant sector undersupply.

In our view, ALI's multiyear financial planning and strategy should structurally sustain a strong financial profile over the coming years. We also believe that ALI will maintain adequate transparency.

As France's largest social housing group, ALI is a non-asset-holding company that controls 58 social housing providers (SHPs). It is active in traditional social housing activities and manages over 950,000 social housing units across France (or over 17% of France's total). ALI owns 99.28% of in'li, the largest of its five companies that provide intermediary housing for middle-income households. In our assessment of ALI's credit quality, we consider, among other factors, the low-risk nature of its social housing assets in all French regions, where demand is particularly high, explaining overall low vacancy.

That said, we believe that in'li, unlike ALI, would likely not receive any exceptional government support. We would expect the French government to provide exceptional support to ALI's social housing activities if needed (on top of ongoing support mechanisms available to all French SHPs), but that ALI's intermediary housing activities (such as in'li)

would not benefit from such extraordinary government support. This is because intermediary housing is a competitive sector with private players. As such, our assessment of ALI's group support to in'li incorporates only ALI's intrinsic credit quality, without factoring in extraordinary government support.

## Issue Ratings - Subordination Risk Analysis

### Capital structure

As of Dec. 31, 2019, in'li's capital structure comprises bank and bond debt with 53% of total debt being unsecured.

### Analytical conclusions

We rate in'li's senior unsecured bond of €500 million in line with the issuer credit rating. This is because the proportion of the company's secured debt that could create structural subordination for senior unsecured debtholders is about 11% while our threshold for notching issue ratings downward from issuer credit ratings is 40%.

## Ratings Score Snapshot

### Issuer Credit Rating

A/Stable/A-1

### Business risk: Strong

- **Country risk:** Low
- **Industry risk:** Low
- **Competitive position:** Strong

### Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: bbb+

### Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Fair (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bbb+

- **Entity status within group:** Strategically important (+2 notches from SACP)

## Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

### Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
<b>Strong</b>	aa/aa-	a+/a	<b>a-/bbb+</b>	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

### Ratings Detail (As Of October 6, 2020)\*

#### in'li

Issuer Credit Rating A/Stable/A-1

Commercial Paper

*Local Currency*

A-1

Senior Unsecured

A

#### Issuer Credit Ratings History

05-Mar-2020

A/Stable/A-1

31-Jan-2020

A/Stable/--

14-Nov-2019

A-/Stable/--

22-May-2019

BBB+/Positive/--

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

**Additional Contact:**

Industrial Ratings Europe; Corporate\_Admin\_London@spglobal.com



Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.