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CREDIT OPINION
26 October 2021

Update

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RATINGS

Canal de Isabel II, S.A.

Domicile	Madrid, Spain
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Canal de Isabel II, S.A.

Annual update

Summary

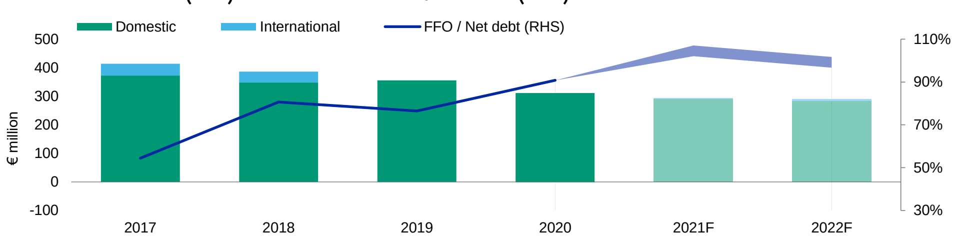
The credit profile of Canal de Isabel II, S.A. (Canal, Baa1 stable) is supported by (1) the company´s low business risk as the monopoly provider of essential water and wastewater services in the region of Madrid; (2) a supportive regulatory regime, which is codified in the regional legislation, and a 50-year concession agreement; (3) the long track record of an adequate recovery of operating and capital spending; and (4) the company´s modest financial leverage.

Canal's credit profile also reflects (1) the credit quality and strong linkages with the Comunidad Autonoma de Madrid (Baa1 stable), which besides the possibility of extraordinary support, could also translate into additional operational, regulatory or political pressure and (2) lower profitability, at least over the next eighteen months, due to our expectation of extended tariff freezes and higher operating costs. However, the anticipated earnings reduction is considered absorbable in the context of the company´s very strong financial metrics and liquidity position.

Governance considerations are also incorporated into the company´s credit quality, and more particulary the baseline credit assessment (BCA) of baa1 also reflects a track record of detrimental M&A activity and lengthy legal investigations involving Canals former management in Colombia and Spain. Although Canal benefits from some geographic diversification, its international businesses are exposed to local political and regulatory risk.

Exhibit 1

Canal's business is expected to remain mainly focused in Spain and sustain strong metrics
EBITDA in € millions (LHS) and evolution of FFO/Net debt (RHS)



Note: Figures presented are based on reported financial data. Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer. The lower contribution from international business mainly reflects the deconsolidation of Triple A from Canal ´s consolidated financial statements effective from October 2018. FFO stands for funds from operations.
Source: Canal's consolidated annual reports, Moody's Investors Service

Given its majority ownership by the Comunidad Autonoma de Madrid, Canal is considered a government-related issuer (GRI) under our methodology. However, given the BCA is currently positioned at the same rating level of its majority owner, we do not assign any rating uplift for the possibility of extraordinary government support.

Credit strengths

» Low business risk, underpinned by its status as the monopoly provider of water and wastewater services in the region of Madrid

» Low leverage and a stable investment programme support the maintenance of strong financial metrics

» Supportive regulatory regime

Credit challenges

» Canal is exposed to the macroeconomic environment, although it provides services to one of the most affluent regions in Spain

» Potential exposure to political interference given the strong oversight from the Comunidad Autonoma de Madrid in relation to tariff decisions, business strategies and investment plans

» Expectation of lower profitability in the medium-term due to tariff freezes and higher operating costs

Rating outlook

Canal's rating is currently capped at the rating level of its owner the Comunidad Autonoma de Madrid. Furthermore, a one notch downgrade in the BCA is unlikely to result in a downgrade of Canal's rating. Consequently, the rating outlook is stable, reflecting the stable outlook on the Comunidad Autonoma de Madrid.

Factors that could lead to an upgrade

Canal's rating could face upward pressure if the Comunidad Autonoma de Madrid is upgraded, provided that (1) Canal's financial profile remains strong and in line with its current financial metrics; (2) the company´s governance risk is not considered as having a discernible negative impact on the rating.

Factors that could lead to a downgrade

Any deterioration in the ratings or outlook of the Comunidad Autonoma de Madrid would likely result in a corresponding adjustment of Canal's rating and/or outlook.

Canal's BCA could face downward pressure if (1) the company's business risk profile were to increase significantly due to, for example, adverse regulatory developments or evidence of political interference; or (2) the company's financial risk profile were to deteriorate materially, such that FFO/Net Debt would stay consistently below 20%.

Key indicators

Exhibit 2

Canal de Isabel II, S.A.

	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21 F	Dec-22 F
FFO Interest Coverage	14.4x	14.7x	19.3x	16.7x	14.0x	13.9x
Debt / Capitalisation	28.6%	24.2%	23.6%	22.4%	21.4%	20.7%
FFO / Net Debt	54.4%	80.7%	76.8%	90.8%	107.8%	103.3%
RCF / Net Debt	35.5%	77.4%	21.2%	60.4%	67.3%	65.8%

Note: All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer. Ratios take into account the deconsolidation of Triple A starting from October 2018.
Periods are fiscal year-end unless indicated.
For definitions of Moody's most common ratio terms, please see the accompanying User's Guide.
Source: Moody's Financial Metrics™

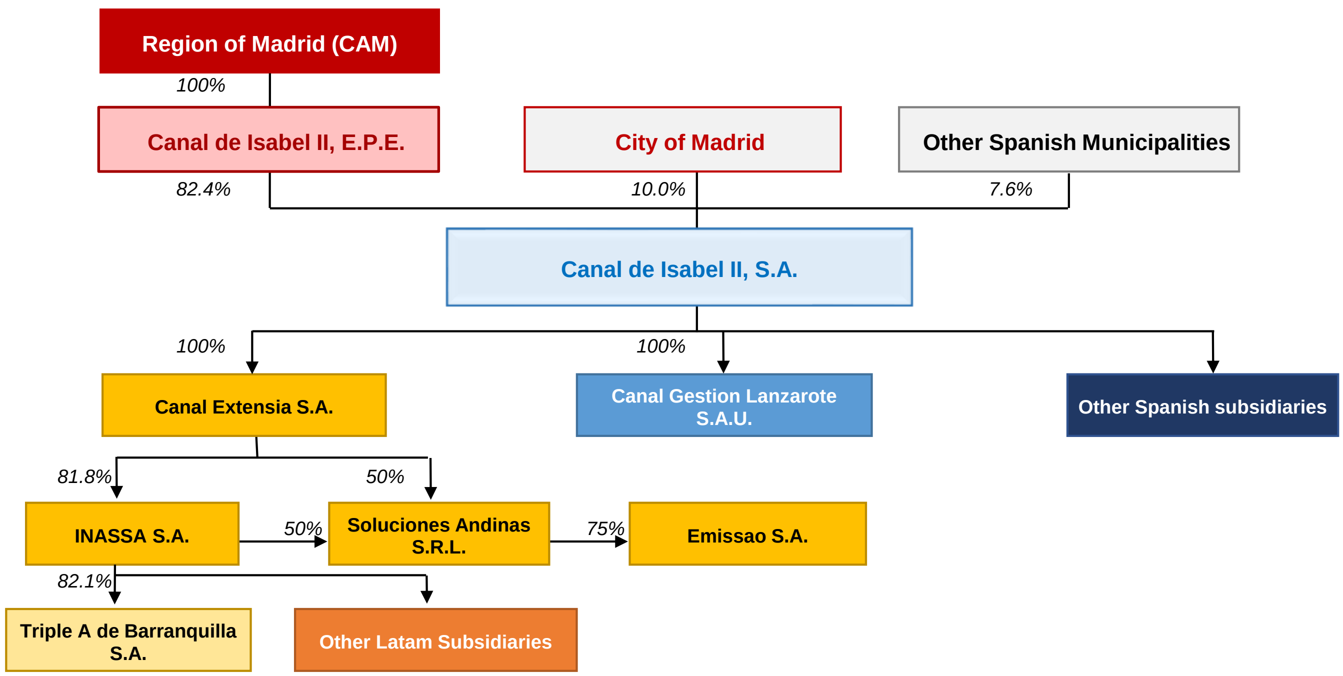
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Profile

Canal de Isabel II, S.A. is the monopoly provider of water collection, abstraction, supply, sanitation and other water and wastewater related services in the region of Madrid. The group is also responsible for the provision of integrated water services in the municipalities of Caceres (Extremadura) and Lanzarote (Canary Islands). Aside from the Spanish operations, which account for c. 96% of consolidated revenue and nearly 100% of EBITDA at the end of 2020, Canal provides water-related services, including metering and commercial management of water supply and treatment operations in Latin America, primarily in Colombia, Brazil, Ecuador and the Dominican Republic.

Canal is ultimately owned 82.4% by the Comunidad Autonoma de Madrid, through the public entity Canal de Isabel II, E.P.E., 10% by the Madrid city council, and 7.6% by other municipalities and city councils in the region of Madrid.

Exhibit 3
Canal's simplified group structure



Note: Canal deconsolidated Triple A in October 2018. Hispanagua was merged through absorption in March 2021.
Source: Company, Moody's Investors Service

Detailed credit considerations

Low business risk profile underpinned by monopoly water and wastewater activities

Canal's credit quality is underpinned by its core monopoly water and wastewater operations, provided under a supportive regulatory regime in the region of Madrid. The Spanish regulatory framework for water services is not implemented through nationwide regulation but is based on regional law and contractual arrangements set out by the regional or municipal authorities.

Canal was established in June 2012 by the public entity Canal de Isabel II, E.P.E. (Ente Publico), a regional government-related body founded in 1851 and legally responsible for the provision of integrated water services to the population of Madrid. On the date of its incorporation, Canal and the Ente Publico entered into a 50-year framework agreement (or Contrato-Programa).

Under this agreement, Canal is responsible for the monopolistic provision of water collection, abstraction and treatment, wastewater treatment and water recycling in the region of Madrid, as well as distribution and sewage services in municipalities representing a majority of the region of Madrid's population. The Ente Publico retains ownership and legal rights and obligations derived from (1) concessions and authorisations granted in relation to public water and wastewater services; and (2) administrative powers in relation to water supply (including tariff settlement), water quality and environmental standards, as well as customer service standards. The

Ente Publico has oversight on strategic planning decisions for future requirements in relation to the security of water supply, and maintenance and investments needs. Given that the Ente Publico is also responsible for reviewing the company's performance against minimum standards and applying adequate penalties for potential failures, it acts as a quasi-regulator of Canal.

The framework agreement entitles Canal to sufficient tariffs to finance the provision of water services, aimed at covering its operating and financial expenses, depreciation, as well as adequate remuneration for its investments. The services provided under the framework agreement are the basis for more than 90% of Canal's ongoing cash flow generation and the historical track record shows that the company has been receiving adequate remuneration to cover its operating costs and investments.

Canal also operates and maintains the water and wastewater assets for some smaller Spanish municipalities under separate concession agreements that follow similar terms as set out in the Contrato-Programa and have a duration between 25 and 50 years.

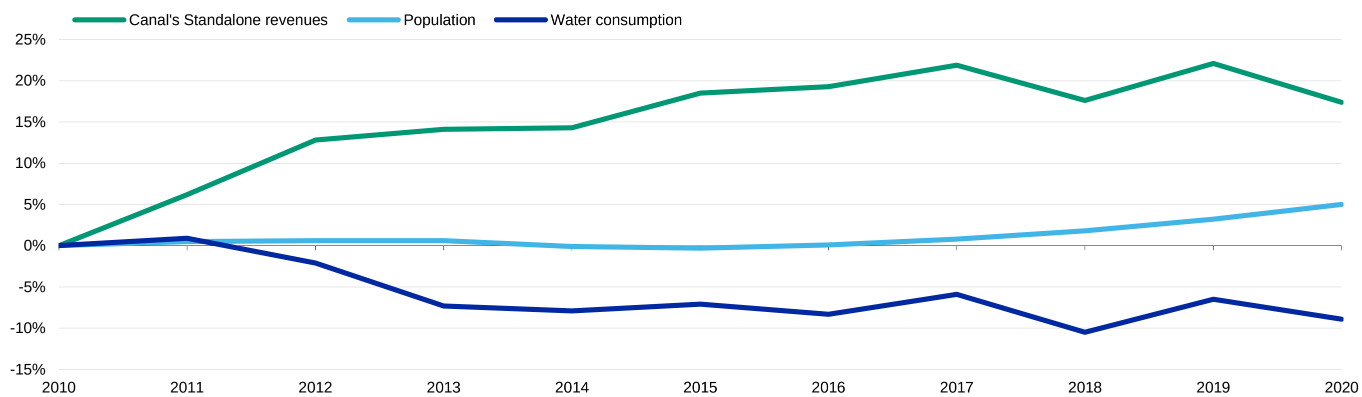
Solid operational performance in recent years...

Despite a sustained reduction in water consumption in Spain over the last ten years, Canal was able to maintain a stable operating performance for its domestic activities. In particular, the company´s EBITDA grew, an average, 1% per annum between 2015 and 2019, mainly underpinned by cost efficiencies.

In addition, Canal´s water and wastewater services are primarily provided to households, which represent around 70%-80% of the company´s net sales from integrated water services and contribute to the stability of its revenues. This notwithstanding, reflecting the socio-economic characteristics of the region of Madrid, its exposure to industrial and commercial customers is higher than rated peers like Aguas de Valencia S.A. (Baa2 stable) and Aigues de Barcelona (Baa1 stable), providing a relative higher risk of revenue volatility and potential bad debts from business customers.

Exhibit 4

Despite a decline in water consumption and limited population growth in its core region of Madrid, Canal's revenue has been growing
Cumulative changes since 2010



Note: Major changes in revenue typically stem from a change in service provision, for example, operating and maintenance services provided under additional municipal wastewater concessions.
Source: Canal de Isabel II, National Statistical Institute for the region of Madrid, Moody's Investors Service

..but some exposure to the impact of coronavirus in the context of tariffs freeze and higher operating costs

Regulated water utilities generally have a low exposure to the effect of coronavirus. Broadly, this is also the case for Canal, in view of the essentiality of the services provided, the company´s large exposure to households activities and the regulatory protections against consumption volumes or collected revenue being lower than expected.

Nevertheless, the outbreak of the pandemic and the implementation of confinement measures in Spain from March to June 2020, [1] had a moderate impact on the company´s operating performance. In particular, in full-year 2020, Canal experienced a decline of 10.2% in EBITDA from its core Spanish activities compared to 2019 levels. The reduction was mainly driven by (1) a 20% decrease in water consumption from commercial and industrial customers over the period, only partially offset by a 2.9% growth in domestic consumption; (2) the implementation of a temporary COVID-19 social tariff scheme (around €4.5 million estimated EBITDA impact) and (3) higher operating expenses linked to increased supply and personnel costs.

We anticipate that the loss of revenue and EBITDA will not be recovered, at least over the next eighteen months, in consideration of (1) the lower water consumption from industrial and commercial customers which is predicted to continue through 2021-2022; (2) increasing operating costs, also linked to the implementation of Canal´s multiyear strategic plan (around €180 million annual capex expected in 2021-2022 versus €120-130 million yearly average in 2018-2020, net of grants) and (3) the uncertainty around the timing and extent of the regulatory catch-up protections with regards to tariffs.

On this last point, under the framework agreement Canal's revenue is linked to a fixed and variable tariff element, which is expected to be updated in line with inflation. In addition, Canal is entitled to propose tariff adjustments if there are specific conditions affecting its cost structure, for example, to cover a large investment requirement in a particular segment or to adjust the tariff to new social conditions, such as the reduction of the ratio of inhabitants per household. The annual tariff proposals are submitted by the company to the regional government for approval, and have to ensure the maintenance of the company's financial equilibrium as set out in the framework agreement. However, the application of the financial equilibrium mechanism in the Spanish water sector is largely untested and might be subject to delays or negotiations with local authorities and/or some political interference.

In this context, at the end of 2016 the regional government of Madrid decided to freeze tariffs until the end of 2019. The decision was prompted by the fact that tariffs had been stable during periods of negative inflation and Canal should be able to maintain the financial equilibrium even if its revenue slightly declines over a few years. More recently, the tariff freeze was extended until the end of 2021 to alleviate the consequences of the coronavirus outbreak on the local economy and maintain the price of Canal´s water tariffs below Spain´s national average. We believe that the tariff freeze could be further extended through 2022. If confirmed, this will slow down the recovery of Canal´s earnings post pandemic. However, the overall earnings reduction will be absorbable in the context of the company´s very strong financial metrics and liquidity position (see following sections).

More broadly, given that Canal's tariffs are set in the regional budget and approved by the regional government, the lack of an independent and transparent regulatory framework exposes Canal to political interference.

The risk of an early redemption of the bonds has been removed

On 13 January 2020, the bondholders of Canal decided to exclude Triple A from the definition of relevant subsidiary under the terms and conditions of the €500 million senior unsecured bonds due in February 2025 (the Bonds). The decision removed the previous uncertainty around the timing and extent of a possible demand for early redemption of the Bonds which derived from an event of default covenant triggered under the initial terms and conditions.

Previously, we had highlighted the lack of committed liquidity sufficient to repay the entirety of the Bonds in case of a full acceleration from the bondholders, which contributed to our decision to downgrade Canal´s ratings in June 2019. The audited 2019 financial statements approved by the company´s board on 29 June 2020 confirmed the permanent removal of the risk of early repayment via a reclassification of the Bonds to non-current financial liability, in line with international accounting standards. Such confirmation, together with the maintenance of a strong financial profile and low leverage, led to our decision to upgrade the ratings and the BCA of the company in September 2020, changing the outlook from positive to stable.

Debt deleveraging continues to sustain the company´s financial metrics

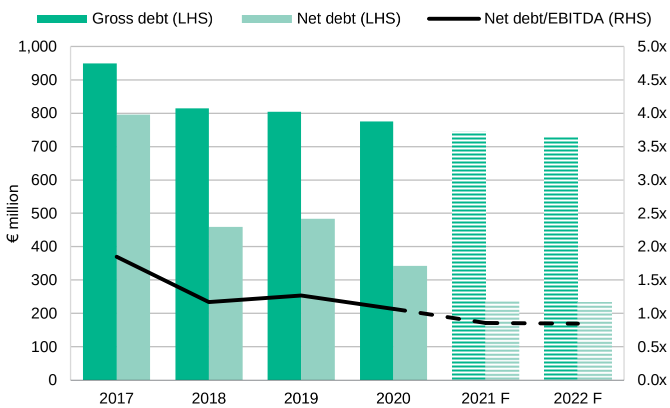
While Canal was created as a standalone company in June 2012, we recognise the long track record of the Ente Publico, which has been providing water and wastewater services to the region of Madrid under a legal agreement since 1984. There is an overlap in board representation among Canal, the Ente Publico and the Comunidad Autonoma de Madrid, which translates into a high level of oversight by the regional government in relation to Canal's operating budget, financial position, issuance of additional debt and capital investments.

Every year, the Budget Law of the Comunidad Autonoma de Madrid sets the maximum level of long-term financial indebtedness that the company is allowed to carry. For 2021, the regional budget does not contemplate any additional indebtedness for Canal. The company's current financial policy restricts its financial leverage to €1.2 billion of net debt in absolute terms and net debt/EBITDA not exceeding 4.0x. Any future investment or growth activities would have to be carried out in line with the above financial policy and we expect Canal to remain comfortably below this threshold (at around 1.5x) at least until the end of 2022 (see Exhibit 5 below).

When Canal was established, the board of directors agreed to a dividend policy based on a payout ratio of 50%-80% of its net income. The dividends are typically distributed in December based on the company's expected financial performance of the year, and any difference with respect to the actual results is distributed in the second quarter of the following year. Canal´s average dividend payout was historically around 65%. We note that during 2018 dividends were retained in view of the late approval of the 2017 accounts (January 2019) and the uncertainties related to the legal proceedings involving Triple A. The delayed dividends were eventually distributed during 2019 and starting from 2020, Canal returned to its historical dividend payout (around €104 million were distributed). We anticipate regular dividend distributions also for 2021 and throughout the following years.

Exhibit 5

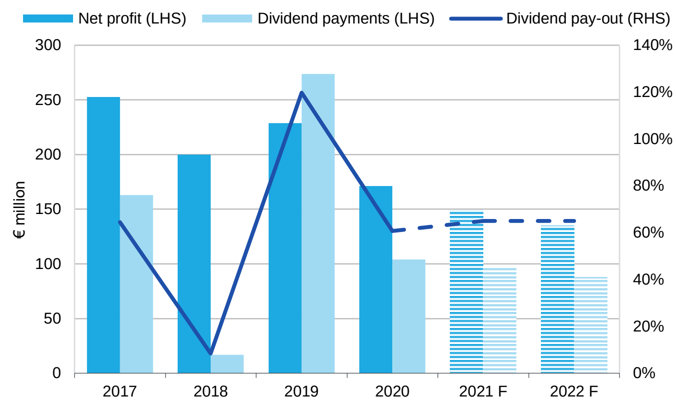
A sustained reduction in financial leverage...
In € millions



Note: Figures presented are based on Canal's reported financial data. Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer.
Source: Canal's consolidated annual reports, Moody's Investors Service

Exhibit 6

...was partly offset by higher distributions during 2019



Note: Figures presented are based on Canal's reported financial data. Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer. Dividend payout may be subject to fluctuations given year mismatches between declaration and distribution of dividends.
Source: Canal's consolidated annual reports, Moody's Investors Service

The historical financial performance of Canal has been stable and the company has maintained strong operating margins. Also as a consequence of the gradual deleveraging, Canal´s funds from operations/net debt ratio significantly increased to above the mid fifties in percentage terms starting from December 2017. Despite the slight decrease in the annual volumes of water invoiced in 2020 and the extension of the freeze of the applicable service tariffs through the end of 2022, we expect the company to maintain a stable financial performance with FFO/Net Debt ratio to remain comfortably above 40% for at least the next eighteen months.

ESG considerations

Governance: History of legal investigations and signals of aggressive financial policy have negative impact

Governance considerations incorporated into the rating, and more particularly the BCA, continue to reflect a past record of M&A activity which has resulted in a significant negative impact on the company and a history of lengthy legal investigations involving Canal ´s former management in Colombia and Spain. This was also evidenced by the lost control of Triple A de Barranquilla (Triple A), Canal´s main Latin America subsidiary (accounting for around 10% of consolidated EBITDA), in October 2018 following the announcement of the precautionary seizure of its shares in the company by the Colombian authorities. In April 2019 the General Prosecutor of Colombia decided to proceed with the request to finalize the seizure which to date is still effective.

Furthermore, in the past, the company's solid financial profile has been challenged by a financial policy that has not emphasized the importance of certainty in terms of the company's liquidity position. Nevertheless, the removal of the technical event of default on the Bonds in February 2020 was positive.

The majority of Canal´s board members are designated by the Comunidad Autonoma de Madrid and the board will always need to operate within the framework of local politics, which are also involved in the annual setting of tariffs.

The current credit profile does not incorporate any uplift from the standalone assessment

Given Canal is majority owned by the Comunidad Autonoma de Madrid, the company falls under our rating methodology for Government-Related Issuers (GRI), published in February 2020. However, the current Baa1 rating does not incorporate any uplift from Canal´s standalone credit profile, expressed as a BCA of baa1. More broadly, our assessment of the company under the GRI methodology incorporates an assessment of (1) high level of default dependence and (4) high likelihood of extraordinary support from the Comunidad Autonoma de Madrid, if this were required.

Liquidity analysis

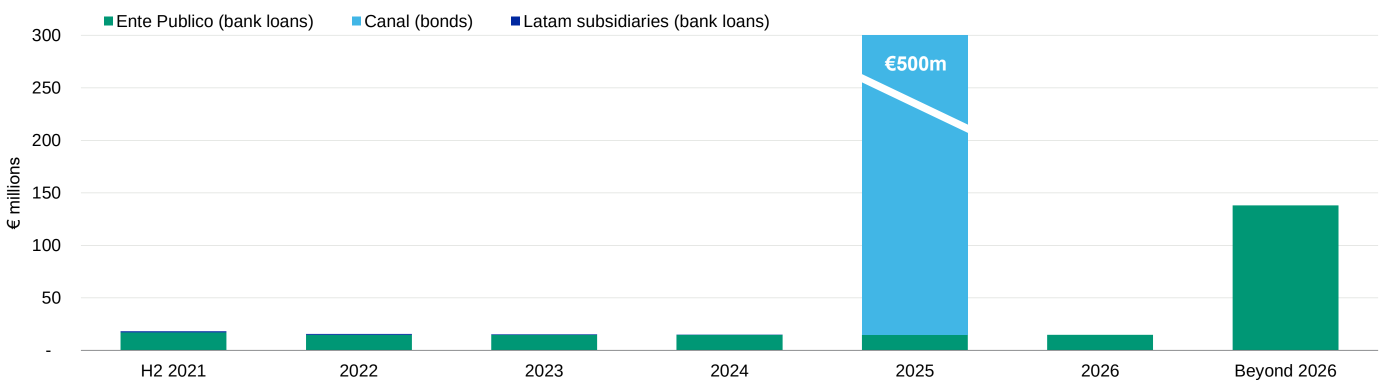
Canal exhibits a very strong liquidity profile. As of 30 June 2021, the company holds around €604 million of available liquidity. This amount comprises circa €472 million of cash and cash equivalents and €132 million of committed and available bilateral 364-day liquidity facilities.

Besides the €500 million bond maturing in 2025, which represents 68% of Canal´s debt, Canal´s remaining maturities are fairly evenly distributed. Around 32% of the existing debt relates to intercompany debt provided by the Ente Publico funded via bank loans. The little residual debt of the group is allocated in the subsidiaries operating in Latin America.

Exhibit 7

Canal's debt maturity profile as of June 2021

In € millions



Source: Canal's consolidated annual reports, Moody's Investors Service

Methodology and scorecard

Canal's rating is based on our Regulated Water Utilities rating methodology, published in June 2018 and the Government-Related Issuers methodology, published in February 2020. As illustrated above, the current rating does not incorporate any uplift to Canal´s standalone credit quality (or BCA) for potential support.

Please see the Rating Methodologies page on www.moody.com for a copy of these methodologies.

Exhibit 8

Canal's Rating Factors

Regulated Water Utilities Industry Grid [1][2]	Current FY 12/31/2020		Moody's 12-18 Month Forward View As of October 2021 [3]	
Factor 1 : Business Profile(50%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Environment	Baa	Baa	Baa	Baa
b) Asset Ownership Model	Baa	Baa	Baa	Baa
c) Cost and Investment Recovery (Sufficiency & Timeliness)	Baa	Baa	Baa	Baa
d) Revenue Risk	A	A	A	A
e) Scale and Complexity of Capital Programme & Asset Condition Risk	A	A	A	A
Factor 2 : Financial Policy (10%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Factor 3 : Leverage and Coverage (40%)				
a) FFO Interest Coverage (3 Year Avg)	16.6x	Aaa	14x - 16x	Aaa
b) Debt / Capitalisation (3 Year Avg)	23.4%	Aaa	21% - 23%	Aaa
c) FFO / Net Debt (3 Year Avg)	81.9%	Aaa	94% - 98%	Aaa
d) RCF / Net Debt (3 Year Avg)	52.5%	Aaa	56% - 60%	Aaa
Rating:				
a) Scorecard-Indicated Outcome from Factors 1-3		A2		A2
b) Actual Rating Assigned				Baa1
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				baa1
b) Government Local Currency Rating				Baa1
c) Default Dependence				High
d) Support				High

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 31/12/2020.
[3] This represents Moody's forward view and not the view of the issuer; and unless noted in the text, does not incorporate any significant acquisitions or divestitures.
Source: Moody's Financial Metrics™

Ratings

Exhibit 9

Category	Moody's Rating
CANAL DE ISABEL II, S.A.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
Senior Unsecured -Dom Curr	Baa1

Source: Moody's Investors Service

Appendix

Exhibit 10

Peer comparison table

	Canal de Isabel II, S.A. Baa1 Stable			Aigues de Barcelona Baa1 Stable			Aguas de Valencia S.A. Baa2 Stable		
(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-17	FYE Dec-18	FYE Dec-19
Revenue	1,076	985	917	420	425	396	311	324	341
EBITDA	416	367	301	81	80	53	86	86	92
Total Debt	864	814	776	200	201	203	189	180	265
Cash & Cash Equivalents	355	321	433	75	94	97	77	75	75
EBITDA margin %	38.6%	37.3%	32.9%	19.3%	18.7%	13.5%	27.6%	26.4%	27.0%
(FFO + Interest Expense) / Interest Expense	14.7x	19.3x	16.7x	14.9x	14.5x	10.2x	25.7x	24.8x	19.8x
Net Debt / EBITDA	1.2x	1.3x	1.1x	1.5x	1.3x	2.0x	1.3x	1.2x	2.1x
FFO / Net Debt	80.7%	76.8%	90.8%	54.8%	61.9%	44.2%	64.7%	66.3%	38.1%
RCF / Net Debt	77.4%	21.2%	60.4%	34.2%	42.6%	25.3%	36.5%	32.9%	12.8%

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end
Source: Moody's Financial Metrics™

Exhibit 11

Canal de Isabel II, S.A.
Moody's-adjusted debt breakdown

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20
As Reported Total Debt	1,113	961	815	805	776
Leases	47	50	46	0	0
Non-Standard Public Adjustments	3	3	4	9	0
Moody's Adjusted Total Debt	1,163	1,014	864	814	776
Cash & Cash Equivalents	(98)	(153)	(355)	(321)	(433)
Moody's Adjusted Net Debt	1,066	861	509	493	342

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end.
Source: Moody's Financial Metrics™

Exhibit 12

Canal de Isabel II, S.A.
Moody's-adjusted EBITDA breakdown

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20
As Reported EBITDA	420	431	393	381	320
Unusual Items - Income Statement	1	3	23	3	0
Leases	16	17	15	0	0
Non-Standard Public Adjustments	(15)	(15)	(15)	(17)	(19)
Interest Expense - Discounting	(0)	(0)	(0)	(0)	0
Moody's Adjusted EBITDA	421	435	416	367	301

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end.
Source: Moody's Financial Metrics™

Exhibit 13
Canal de Isabel II, S.A
Selected Moody's-adjusted financial data

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20
INCOME STATEMENT					
Revenue	1,104	1,146	1,076	985	917
EBITDA	421	435	416	367	301
EBITDA margin %	38.1%	38.0%	38.6%	37.3%	32.9%
EBIT	295	306	289	255	186
EBIT margin %	26.7%	26.7%	26.9%	25.9%	20.3%
Interest Expense	38	35	30	21	20
BALANCE SHEET					
Cash & Cash Equivalents	98	153	355	321	433
Total Assets	5,138	5,129	5,134	5,034	5,065
Total Debt	1,163	1,014	864	814	776
CASH FLOW					
Funds from Operations (FFO)	424	469	411	378	311
FFO / Net Debt	39.8%	54.4%	80.7%	76.8%	90.8%
Capital Expenditures	(142)	(115)	(74)	(54)	(44)
Dividends	206	163	17	274	104
Retained Cash Flow (RCF)	218	306	394	104	207
RCF / Net Debt	20.4%	35.5%	77.4%	21.2%	60.4%
Free Cash Flow (FCF)	65	186	295	11	143
FCF / Net Debt	6.1%	21.6%	58.0%	2.3%	41.8%
INTEREST COVERAGE					
EBITDA / Interest Expense	11.1x	12.4x	13.9x	17.8x	15.2x
(FFO + Interest Expense) / Interest Expense	12.2x	14.4x	14.7x	19.3x	16.7x
LEVERAGE					
Debt / EBITDA	2.8x	2.3x	2.1x	2.2x	2.6x
Net Debt / EBITDA	2.5x	2.0x	1.2x	1.3x	1.1x
Debt / Book Capitalization	32.4%	28.6%	24.2%	23.6%	22.4%

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end.
Source: Moody's Financial Metrics[TM]

Endnotes

1 Royal Decree 463/2020 of 14 March declaring the state of alarm for the management of the health crisis situation caused by COVID-19.

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