



Comunicato Stampa

MOODY'S MODIFICA A POSITIVE L'OUTLOOK SUI RATING DI ATLANTIA, AUTOSTRADE PER L'ITALIA E AEROPORTI DI ROMA

Roma, 7 giugno 2021 – L'agenzia di rating Moody's, a valle dell'approvazione da parte dell'Assemblea degli azionisti di Atlantia della proposta del Consiglio di Amministrazione per la cessione dell'intera quota in Autostrade per l'Italia ha modificato a positive l'outlook sui rating di Atlantia, Autostrade per l'Italia e di Aeroporti di Roma.

In allegato la nota completa dell'agenzia di rating.

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Rating Action: Moody's changes Atlantia's, Autostrade per l'Italia's and Aeroporti di Roma's outlooks to positive

07 Jun 2021

Madrid, June 07, 2021 -- Moody's Investors Service (Moody's) has today affirmed the Ba2 long-term corporate family rating (CFR), the Ba3 senior unsecured rating and the (P)Ba3 rating of the senior unsecured euro medium-term note (EMTN) programme of Atlantia S.p.A. (Atlantia). Moody's also affirmed the Ba3 senior unsecured ratings and the (P)Ba3 senior unsecured EMTN programme rating of Autostrade per l'Italia S.p.A. (ASPI). Concurrently, Moody's affirmed the Baa3 senior unsecured and underlying senior secured ratings and the (P)Baa3 senior unsecured EMTN programme rating of Aeroporti di Roma S.p.A. (ADR). Moody's has changed the outlook on all three entities to positive.

A full list of affected ratings is provided towards the end of this press release.

RATINGS RATIONALE

The change in Atlantia's and ASPI's outlooks to positive from developing reflects acceptance by Atlantia's shareholders of the binding offer made by the consortium comprised of CDP Equity SpA (the investment arm of Cassa Depositi e Prestiti S.p.A., Baa3 stable), The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCS for the purchase of Atlantia's entire 88.06% stake in ASPI. This is a step forward towards a final resolution of the long-standing dispute between ASPI, Atlantia and the Italian government, started after the collapse of the Polcevera viaduct, over alleged serious breaches of ASPI's concession contract. It reduces significantly the probability of a more confrontational stance from the government and the likelihood of a revocation of ASPI's concession.

The incident resulted in legal investigations and very significant political and regulatory pressures on ASPI and Atlantia. The government has approved a new regulatory framework for Italian motorway concessions, resulting in a tariffs freeze on ASPI's network and delays in the approval of its economic and financial plan. In addition, ASPI had to incur additional costs related to the reconstruction of the bridge and it will be subject to added costs related to the settlement agreement and higher maintenance requirements. Discussions between Atlantia, ASPI and the Italian government about the future of ASPI's concession have been difficult and -- at times -- tense; and the termination of ASPI's concession agreement has appeared a significant risk.

After several months of negotiations, in July 2020, Atlantia, ASPI and the government reached a preliminary agreement, which includes the requirements for a settlement of the dispute as well as the conditions regarding the future corporate structure of ASPI. While there are still specific points that will need to be finalised before the government formally withdraws its allegations against ASPI, Moody's believes that the sale of Atlantia's stake in ASPI, following the favourable opinion of shareholders on 31 May 2021, could accelerate the process and increase the probability to finalise the settlement agreement by the end of year, reducing significantly the political pressure and downside risks for ASPI and Atlantia.

Nevertheless, the sale of Atlantia's stake in ASPI is subject to a number of conditions precedents, such as the formal approval of ASPI's economic and financial plan, the addendum to ASPI's concession contract and the agreement of certain creditors to amend the debt documentation to lift the financial guarantees and change ownership clauses. Hence, some execution risks still remain.

Moreover, at Atlantia holding company level there are some uncertainties regarding the use of the proceeds from the sale of ASPI's stake, the future capital structure of Atlantia group and, more broadly, its future investment and dividend policy. Clarity on the above points will be necessary to assess credit quality once the contractual linkages between Atlantia and ASPI have been removed.

With regards to ASPI, Moody's note that there are still some uncertainties weighting on its credit profile. These include (1) future tariff evolution, operating expenses and investment requirements following the application of the new regulatory framework; (2) the final terms and conditions of the amended concession contract; (3) the new capital structure of ASPI, its financial policy and targeted financial leverage going forward; and (4) the final shareholder structure of ASPI after completion of the transaction. These are key elements that would allow for a reposition of ASPI's ratings once the settlement agreement is finalised, with a potential for a multi-notch

upgrade.

In the case of ADR's Baa3 rating, the change in outlook to positive from negative reflects the positive outlook of Atlantia. Over the last three years, ADR's rating has been constrained by that of Atlantia, even if the standalone nature of ADR's asset, its financing arrangements and some protections included in ADR's concession contract support a partial delinkage from the wider group. On a standalone basis, ADR entered the coronavirus crisis with a very strong financial profile but travel restrictions since February 2020 have resulted in severe traffic declines at Rome airports to the detriment of ADR's cash flow generation. Nevertheless, Moody's expects that ADR's credit metrics will gradually recover over the next two years, such that funds from operations (FFO)/debt ratio will be at least 15% by year-end 2023, which is more commensurate with a higher rating level.

Overall, the credit quality of Atlantia group continues to be supported by (1) its large size and focus on the toll road and airport sectors; (2) the strong fundamentals of the group's toll road network, which is diversified and comprises essential motorway links across several countries; (3) the reasonably established regulatory framework for its toll road operations, albeit exposed to high political pressures in Italy; and (4) a track record of relatively prudent financial policies. These factors are balanced by (1) the group's fairly complex structure, with minority shareholders and debt at intermediate holding companies; (2) the relatively shorter average concession life of the Abertis group; and (3) the significant amount of consolidated debt, albeit with a strong liquidity position.

ASPI's credit profile continues to be supported by (1) the essentiality of its toll road network, comprising more than 50% of the country motorway system; (2) the long term concession contract expiring in 2038; and (3) the resilient cash flow profile demonstrated in the past. These strengths are partially offset by (1) political interference in the regulatory environment and the uncertainties related to future toll levels; (2) ASPI's sizeable investment programme and increasing maintenance requirements; and (3) the downside risks linked to the consequences of the coronavirus pandemic, which has resulted in a significant reduction in traffic in 2020 and Q1 2021.

ADR's Baa3 rating is supported by (1) the strong fundamentals of its airports, representing the larger airport group in Italy and the seventh in Europe; (2) the strength of its service area and favourable competitive position, given that Rome is one of Europe's major capital cities; (3) the high proportion of origin and destination passengers, characterised by a significant component of European travellers and leisure traffic; (4) a relatively diversified carrier base, although with exposure to the national flagship carrier Alitalia; and (5) the company's moderate financial leverage and strong liquidity profile. However, ADR's fundamentals continue to be susceptible to downside risks linked to the consequences of the coronavirus pandemic, with highly uncertain recovery prospects.

LIQUIDITY AND DEBT COVENANTS

At the Atlantia holding company level the liquidity position is strong, underpinned by €0.8 billion of cash on balance sheet as of March 2021 and total undrawn committed facilities of €1.25 billion with a final maturity in July 2023. Atlantia holding company does not have any significant maturities until 2023. Therefore, Moody's expects that the company will have sufficient source of cash flows to cover all its cash requirements until at least the end of 2022.

ASPI's liquidity position is also strong, underpinned by €1.8 billion of cash on balance sheet as of March 2021 and total undrawn committed facilities of €750 million with a final maturity in July 2026. Debt maturities over the next 18 months amount to €1.4 billion. Hence, Moody's expects that the company will be able to cover upcoming debt repayments and other obligations with its available resources.

ADR's liquidity position is supported by around €0.6 billion of cash on balance sheet as of March 2021 and total undrawn committed facilities of €250 million with a final maturity in July 2023. More recently, in April 2021, ADR issued the first sustainability-linked bond for €500 million with maturity in 2031. The next upcoming significant debt maturity is GBP215 million Class A4 notes in 2023. Moody's expects that ADR's liquidity position and cash flow generation will be sufficient to cover its expenditures and debt service obligations until at least the end of 2022.

ADR's debt documentation includes two financial covenants -- net debt/EBITDA of 4.25x and interest cover ratio of 3x -- tested semi-annually on a historical basis. In July 2020, ADR received all the approvals to waive its financial covenants until and including the test date falling June 2021. More recently, the company has received the confirmation of additional extensions of the waivers from its banking partners until at least

December 2021. While this has negated covenant breaches in the short term, there is a probability that ADR will require additional extension of waivers beyond June 2022 in some of its financing agreements. The current Baa3 rating assumes that the group will take actions in order to avoid any debt acceleration.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Upgrade pressure on ASPI's ratings could develop if (1) the economic and financial plan of ASPI is formally approved, providing visibility over future tariff evolution, maintenance and investment requirements; (2) the company and the government sign the addendum of ASPI's concession contract to incorporate the new rules around penalties and compensation under a termination scenario; and (3) it appears that there is a high likelihood that the government will formally approve the settlement agreement and withdraw its allegations over serious breaches of ASPI's concession contract.

An upgrade of Atlantia's ratings could materialise once (1) there is a high likelihood that the government will formally approve the settlement agreement; and (2) there is greater clarity on the implications of the sale of the ASPI stake for the group's capital structure and credit metrics, in addition to visibility around the future investments of the group.

An upgrade of ADR's ratings could occur following an upgrade of Atlantia's ratings, providing that (1) the company's liquidity position remains solid; and (2) there is high likelihood that ADR's financial profile will gradually improve on the back of traffic recovery over the coming three years.

Downward pressure on Atlantia's and ASPI's ratings could develop in case (1) the settlement agreement with the government would not be completed; or (2) the government takes detrimental actions against the group, including the start the revocation process of ASPI's concession.

Downward pressure on ADR's ratings could materialise in case of negative pressures on Atlantia's consolidated credit quality. In addition, negative pressure on ADR's rating would also result from (1) an increased likelihood that the coronavirus pandemic will have a more pronounced and permanent detrimental impact on traffic, weakening the company's financial profile such that FFO/debt ratio would remain below 10% on a sustainable basis; (2) an increased risk of extended covenant breaches, without the corresponding remedial actions; or (3) a significant deterioration of the group's liquidity profile.

PRINCIPAL METHODOLOGY

The principal methodology used in rating Atlantia S.p.A. and Autostrade per l'Italia S.p.A. was Privately Managed Toll Roads Methodology published in December 2020 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1244932. The principal methodology used in rating Aeroporti di Roma S.p.A. was Privately Managed Airports and Related Issuers published in September 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1092224. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

LIST OF AFFECTED RATINGS

Issuer: Atlantia S.p.A.

Affirmations:

....LT Corporate Family Rating, Affirmed Ba2

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Ba3

....Senior Unsecured Regular Bond/Debenture, Affirmed Ba3

Outlook Actions:

....Outlook, Changed To Positive From Developing

Issuer: Autostrade per l'Italia S.p.A.

Affirmations:

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Ba3

....BACKED Senior Unsecured Regular Bond/Debenture, Affirmed Ba3

....Senior Unsecured Regular Bond/Debenture, Affirmed Ba3

Outlook Actions:

....Outlook, Changed To Positive From Developing

Issuer: Aeroporti di Roma S.p.A

Affirmations:

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Baa3

....Underlying Senior Secured Regular Bond/Debenture, Affirmed Baa3

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa3

Outlook Actions:

....Outlook, Changed To Positive From Negative

Atlantia S.p.A. is the holding company for a group active in the infrastructure sector. Its main subsidiaries include Autostrade per l'Italia S.p.A., Abertis Infraestructuras S.A., Aeroporti di Roma S.p.A. and Azzurra Aeroporti S.r.l. (holding company for Aéroports de la Côte d'Azur).

Autostrade per l'Italia S.p.A. is the country's largest operator of tolled motorways, which together with its subsidiaries, manages a network of 3,020 km of motorways under long-term concession agreements granted by the Italian government.

Aeroporti di Roma S.p.A. is the concessionaire for the two airports serving the city of Rome (Fiumicino and Ciampino) which recorded 49.4 million passengers in 2019 and 11.4 million passengers in 2020.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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