MOODY'S INVESTORS SERVICE

CREDIT OPINION

19 April 2021

Update

Rate this Research

RATINGS

Deutsche Bahn AG

Domicile	Berlin, Germany
Long Term Rating	Aa1
Type	LT Issuer Rating - Dom Curr
Outlook	Negative

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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Deutsche Bahn AG

Update to credit analysis

Summary

Deutsche Bahn AG's (DB) Aa1 issuer rating combines its a2 Baseline Credit Assessment (BCA), and our assessment of a high likelihood of the company receiving extraordinary support from the Government of Germany (Aaa stable) in times of need. This assessment is based on the government's willingness and very strong ability to provide support to DB, given the sovereign's ample financial reserves, as reflected in its Aaa rating. Such an assessment results in a four-notch uplift to the company's final rating.

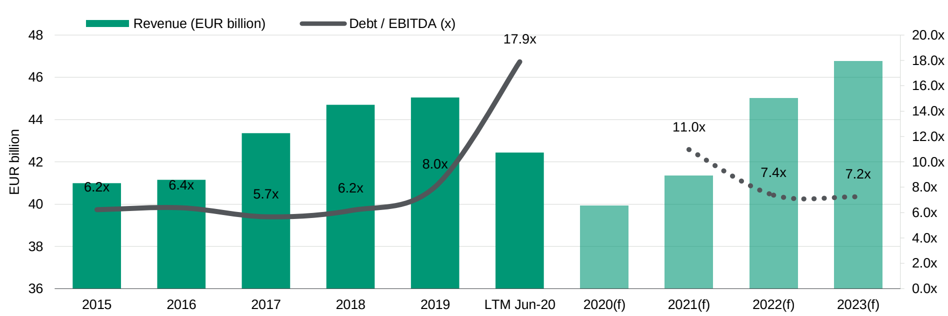
DB's BCA is weakly positioned at a2 because there is execution risk surrounding the company's ability to improve its leverage towards 6.5x and its EBITA margin to 5% from 2022. The BCA remains supported by the company's size, geographical diversification and leading global market position, and the stability and predictability of the legal framework for railway companies in Germany.

The A3 rating of the hybrid instrument is one notch lower than DB's a2 BCA and five notches lower than the company's Aa1 long-term issuer rating. This reflects certain features of the instrument, which is perpetual, deeply subordinated and allows DB to opt for coupon deferrals on a cumulative basis. Because of these characteristics, we believe that government support for this instrument may not be as strong or as timely as it would be for senior unsecured debt.

Exhibit 1

Leverage will remain high despite a €5.5 billion capital injection

Moody's-adjusted debt/EBITDA



All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) are our opinion and do not represent the views of the issuer. Periods are fiscal year-end unless indicated otherwise. 2020 figures are not significant as EBITDA is likely to be negative.

Source: Moody's Financial Metrics™

Credit strengths

» High probability of support from the Government of Germany

» Large scale and good degree of geographical and sector diversification

» Vertically integrated business model, including monopolistic railway infrastructure activities

» Solid business profile, supported by a predictable operating environment, given the reliability of the regulations and subsidies that the company receives

Credit challenges

» Severe traffic declines because of the disruptions caused by the coronavirus pandemic

» Continued pressure on profitability, primarily because of the pandemic-induced disruptions and structural difficulties

» Strained free cash flow (FCF) because of an intense capital spending programme

» High leverage for the current a2 BCA, which is likely to be above 7.0x in 2022

Rating outlook

The negative rating outlook reflects the significant uncertainty surrounding a recovery in DB's earnings and cash flow over the next few years and our expectation that it will be difficult for the company to reduce its leverage below 6.5x, a level more commensurate with its a2 BCA.

There is also some uncertainty surrounding the timing of the current €5 billion equity injection from the Government of Germany because of the still ongoing European Union (EU) approval process.

Factors that could lead to an upgrade

An upgrade is unlikely, given that DB's rating is one notch lower than the sovereign rating and we expect this gap to remain.

The BCA could be upgraded if:

» DB's Moody's-adjusted debt/EBITDA remains well below 5.5x on a sustained basis

» its operating performance improves, reflected in a substantial and sustained improvement in its Moody's-adjusted EBITA margin

» its negative FCF decreases substantially

Factors that could lead to a downgrade

A downgrade of Germany's sovereign rating will result in a downgrade of DB's ratings.

In addition, we could downgrade DB's ratings if the likelihood of extraordinary support from the government decreases or if the BCA deteriorates further and is not adequately compensated by an evidence of stronger government support.

The BCA could be downgraded if:

» DB's Moody's-adjusted debt/EBITDA appears unlikely to improve towards 6.5x from 2022

» its EBITA margins fail to improve to around 5%

» the company's business profile weakens as a result of a change in its integrated business model

Key indicators

Exhibit 2
Deutsche Bahn AG

Deutsche Bahn AG

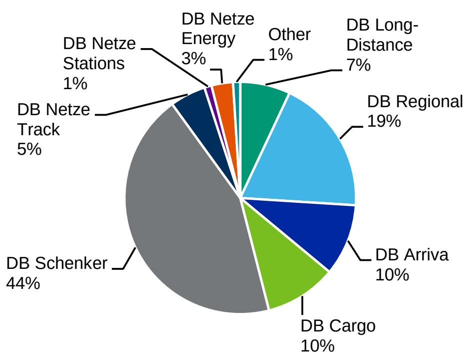
USD Billions	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	LTM (Jun-20)	Dec-20 (f)	Dec-21 (f)	Dec-22 (f)
Revenue	$45.5	$45.5	$49.0	$52.8	$50.4	$46.7	$43.93	$45.47	$49.53
EBITA Margin %	1.7%	2.7%	3.0%	3.1%	2.0%	-6.8%	-6.8%	1.1%	4.6%
EBITA / Average Assets	1.2%	1.8%	2.1%	2.2%	1.4%	-4.5%	-4.1%	0.7%	2.9%
Debt / Book Capitalization	69.0%	71.7%	68.8%	71.2%	71.6%	81.0%	68.3%	68.4%	66.8%
Debt / EBITDA	6.2x	6.4x	5.7x	6.2x	8.0x	17.9x	34.8x	11.0x	7.4x
FCF / Debt	-4.8%	-1.1%	-6.9%	-3.9%	-6.5%	-11.5%	-18.5%	-13.6%	-6.1%
RCF / Net Debt	20.8%	18.7%	20.8%	18.4%	15.2%	8.4%	-1.3%	5.9%	10.8%
(FFO + Interest Expense) / Interest E	7.5x	7.6x	7.9x	7.6x	8.4x	5.8x	1.3x	4.5x	6.8x

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) are our opinion and do not represent the views of the issuer. Periods are fiscal year-end unless indicated.
Source: Moody's Financial Metrics™

Profile

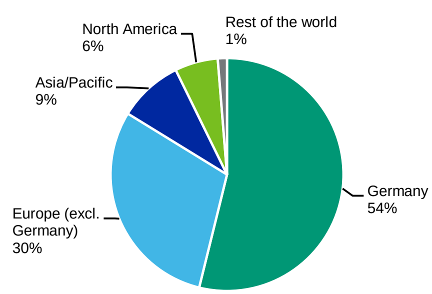
DB is a vertically integrated rail and logistics group that owns and operates the German national rail transportation network. DB is one of the largest rail and logistics companies in the world. In 2020, DB generated revenue of €39.9 billion and reported EBIT (after extraordinary items) of negative €2.9 billion. The company provides rail track infrastructure, and passenger and freight transportation services under its holding umbrella. DB holds leading market positions in most of the segments in which it operates. These segments include long-distance rail (7% of revenue), regional passenger rail in Germany (19%), mass-transit transportation services through its subsidiaries DB Arriva (10%) and DB Cargo (10%), logistic services through its subsidiary DB Schenker (44%), and railway stations and infrastructure management (10%).

Exhibit 3
Revenue breakdown by segment
2020



Source: Company report

Exhibit 4
Revenue breakdown by region
2020



External revenue.
Source: Company report

Detailed credit considerations

Passenger and cargo volumes declined in 2020 because of the spread of the pandemic

Passenger numbers and cargo volumes have been hurt since the pandemic started in Germany in March 2020. Travel restrictions have significantly limited passenger traffic in Germany, which reduced by 80%-90% in April 2020 and started to recover in May 2020. The pace of recovery has slowed since August 2020, this development has been interrupted by a new shutdown in Germany since

November 2020. As some of the company's revenue is linked with volumes produced through contracts with local authorities rather than passenger numbers, the impact on DB's revenue is significantly lower (compared with that on passenger numbers). Lockdown measures and travel restrictions in Germany were less severe than those in other European countries in the second quarter of 2020, but the increase in infections in Germany led to a tightening of restrictions in Q4 2020 and Q1 2021. We expect travel volumes to only resume gradually and reach the 2019 levels by 2022, reflecting the ongoing lack of possibilities to move around to attend social gatherings and business meetings, commute and travel for leisure. Even after the pandemic ends, we expect increased levels of working from home, which may permanently affect business travel.

We also expect cargo rail traffic in Germany to gradually recover and reach the 2019 levels until the end of 2021 from a decline of around 8% in 2020, reflecting the slowdown in economic activity in the country and the rest of Europe, especially in industries such as automotive, steel and ore.

Low profitability and high leverage will remain key credit concerns

In line with our expectations, DB's revenue declined by 10% and EBIT decreased by €4.7 billion in 2020 from 2019, mainly as a result of the pandemic-induced reduction in passenger numbers. However, we expect DB's passenger and cargo traffic revenue, EBITDA and operating cash flow to continue to recover and reach the 2019 levels by 2022. The recovery will be driven by a gradual return to normal passenger and cargo traffic levels and the company's cost-saving programme, which aims to reduce costs by more than €4 billion by 2024. The company will need to address its structural profitability issues, such as the weak performance in its rail freight division (DB Cargo), the inflationary pressure on its cost structure and additional expenses for quality-improvement measures.

DB is likely to receive a government capital injection of up to €5 billion to compensate for the losses incurred because of the pandemic. Despite the government's support measures, we expect DB's funded debt to increase by at least €4 billion by 2024 as a result of the funding needs to mitigate the cash shortfall arising from the pandemic-induced disruptions and the government's decision to temporarily raise DB's debt ceiling to €32 billion in 2020 and to €35 billion in 2021.

While DB's EBITDA will only recover gradually, its debt will remain high because the company will need to finance its large capital spending programme in the coming years, in addition to the government grants. As a result, we expect the company's leverage to remain high at around 7.0x over the next 24 months and only start to improve to 6.5x thereafter.

High and increasing capital spending will strain FCF

We expect DB's FCF to be significantly negative over the next 24 months, much higher than the past levels, driven by reduced passenger numbers because of the pandemic and the ongoing high capital spending (averaging around €6 billion a year until 2024, after deducting investment grants). We also expect DB to delay the sale of its subsidiary Arriva as market conditions have deteriorated significantly amid the pandemic.

Vertically integrated business model is credit positive

DB's weak leverage and FCF coverage are largely driven by the company's vertically integrated business model and substantial investment needs in rail track infrastructure and rolling stock. This setup is unusual in the European rail operators market, where the infrastructure and rail operating businesses are mostly managed and run separately. We believe that the combination of the two businesses provides DB with an advantage, given the breadth of its operations. Therefore, DB can accommodate higher leverage in the a2 rating category than pure rail operators such as Ceske drahy, a.s. (Baa2 stable, BCA ba2). SNCF S.A. (Aa3 stable, BCA a3) is DB's closest peer following the integration of the infrastructure manager SNCF Réseau's (Aa2 stable) monopolistic activities on 1 January 2020. SNCF's lower BCA reflects its higher leverage and the risks related to the upcoming liberalisation of the passenger railway market in France.

Solid business profile, supported by a predictable operating environment

We consider the operating environment in Germany stable and supportive of DB's credit quality. Germany has set the pace for the liberalisation of the rail sector. For this purpose, the government has put in place a stable legal framework that entails a constitutional obligation on its part to provide functional rail infrastructure, which implies that it will sustain most of the investments in infrastructure; the budgeting of funds for regional transportation according to the German regionalisation act; and the existence of a performance and financing agreement between DB and the federal government for the existing rail infrastructure, with well-defined quality levels.

As a result of the opening of the German rail sector to competition, DB's market shares in both passenger transport and rail freight have been declining gradually. However, this decline has been offset by an increase in the absolute number of passengers and is, therefore, manageable. Moreover, DB’s business profile is supported by the company's large size and broad diversification in terms of both business segment (rail and bus passenger transport, rail freight, logistics and rail infrastructure) and geography.

DB’s business profile is also underpinned by its leading market positions. DB is the market leader in the European rail freight business and is the second-largest passenger railway operator in Europe after SNCF SA. In addition, DB is one of the leading groups in European land transport, air freight, ocean freight and contract logistics.

Increased importance of DB to achieve the government's CO_2 reduction targets in the transportation sector in Germany

We expect the Government of Germany to continue to provide timely support to DB if the viability of the German rail infrastructure and operation is at risk because of the company's strategic role in guaranteeing a public rail service across German and as one of the key drivers of the government's climate action plan (Climate Action Programme 2030) aimed at reducing pollution in the transportation sector. The government has also established a track record of ongoing and extraordinary support for DB, reflected by the planned capital injection of up to €5 billion to compensate for the company's losses because of the pandemic. This capital support is in addition to the €1 billion annual capital injection (equity and investment grants) that the government will make over 2020-30, and other indirect measures such as VAT reductions for long-distance rail services since 1 January 2020 and surcharges on domestic air travel aimed at promoting the increased utilisation of rail transport in Germany. The €5 billion capital injection is under scrutiny by the EU Commission, and we expect DB to obtain clearance for this within the next six months.

We expect the Government of Germany to continue to provide timely support to DB if the viability of the German rail infrastructure and operation is at risk, because of the company's strategic role in guaranteeing a public rail service across Germany.

Because of DB's 100% ownership by the Government of Germany, we apply our Government-Related Issuers rating methodology to the company. Therefore, DB’s rating reflects a combination of the following inputs:

» The a2 BCA

» The Aaa domestic-currency rating of the Federal Republic of Germany

» The high default dependence between DB and the government

» The high probability of support from the government

Our assessment of the high default dependence between DB and the Government of Germany reflects Germany's status as a key hub of European rail traffic, and the strong integration of railway infrastructure into the international economy and trade flow. These factors are balanced by DB’s geographical diversification, mainly through its international logistics and freight-forwarding activities; and its rail freight activities in the neighbouring European rail markets.

Our expectation that the government will provide DB with a high level of support in case of need is based on the constitutional requirement that the government remains the owner of the rail infrastructure in the country and is responsible for ensuring the functionality of the rail infrastructure; DB’s 100% state ownership; the strategic importance of a functioning, well-funded rail infrastructure for Germany’s economy; an overall strong political consensus regarding the public role of DB and the importance of its activities for the German economy; and DB’s dominant role as a regional transport provider, in addition to its de facto monopoly in the long-distance passenger rail segment.

ESG considerations

We take into consideration the impact of environmental, social and governance (ESG) factors when assessing companies' credit quality. In the case of DB, the main ESG-related drivers are the following:

Environmental

» The shift to greener forms of transport supports DB's volume growth. Passenger railways tend to be environmentally clean and highly energy efficient. With more than 90% of rail operations electrified in Germany as of December 2020, rail transport produces lower emissions than alternative means of transport such as air, bus or car. Passenger railway volumes will be driven by the increasing awareness among travellers and the governments' or local authorities' incentives to choose public transportation. However, DB's ongoing efforts to reduce its environmental impact will continue to strain the company's cash flow.

» DB is already experiencing the consequences of climate change. Record temperatures and fiercer storms strain the company's punctuality and the viability of its rail tracks, leading to potential disruptions and higher capital spending.

Social

» We regard the pandemic as a social risk. The passenger railway sector in Germany has been significantly hurt by the shock caused by the pandemic, given its sensitivity to consumer demand and sentiment.

» Social risks also stem from the company's high exposure to human capital, with 322,768 employees as of December 2020 and a high number of unionised employees. Passenger railways are highly exposed to the risk of collective bargaining and industrial actions. Strikes can have both reputational and financial consequences. No major strike action has been recorded in Germany in recent years. We understand that, in light of the pandemic, a moderate tariff increase was agreed upon and signed with the Railway and Transport Workers' Union in mid September 2020, including a wage increase of 1.5% as of 1 January 2022 and a term until February 2023. Discussions are ongoing with the second major union (the German Train Drivers' Union).

Governance

» DB's corporate governance structure is in line with the German law and articles of association. The supervisory board consists of 20 members and, consistent with the German Codetermination Act (MitBestiG), includes equal numbers of shareholders and employee representatives with an additional vote for the chairman in case of a draw. Despite the company's high leverage, DB's financial policy is relatively balanced with a track record of support from the Government of Germany.

Liquidity analysis

We expect DB to maintain good liquidity over the next 12 months, supported by its cash position of €3.4 billion as of 31 December 2020; its fully available €3 billion commercial paper programme as of 31 December 2020; its €5 billion committed credit lines, of which €2.9 billion was drawn as of 31 December 2020; its recovering cash flow from operations, which we expect to be €3.5 billion in 2021; and the planned capital injections of about €6 billion from the government expected within the next six months.

DB's major cash needs in 2021 include its high capital spending, which we estimate at roughly €6 billion (including leasing), net of grants from the Government of Germany and more than €2 billion in debt maturities (excluding bank).

We also expect DB to maintain its excellent access to the capital markets.

Methodology and scorecard

DB's BCA of a2 is three notches higher than the historical scorecard-indicated outcome of our Passenger Railways and Bus Companies Methodology, published in January 2021. The BCA is four notches above the forward-looking scorecard-indicated outcome. The deviations in both grids outcomes from the actual BCA of a2 reflect our expectation that DB will recover to a leverage of around 6.5x and EBITA margin around only from 2022, which is not captured in the current forward looking view.

Exhibit 5
Rating factors
Deutsche Bahn AG

Passenger Railways and Bus Companies Industry Scorecard [1][2]	Current LTM 6/30/2020		Moody's 12-18 Month Forward View As of 3/31/2021 [3]	
Factor 1 : Scale (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$46.9	Aaa	$45.5	Aaa
Factor 2 : Business Profile (25%)				
a) Stability of Operating Environment	Aaa	Aaa	Aaa	Aaa
b) Market Characteristics	Aaa	Aaa	Aaa	Aaa
c) Competitive Environment	Aa	Aa	Aa	Aa
Factor 3 : Profitability and Efficiency (10%)				
a) EBIT Margin	-7.3%	Ca	0.5%	Ca
Factor 4 : Leverage and Coverage (35%)				
a) Debt / EBITDA	17.9x	Ca	11x	Ca
b) RCF / Net Debt	8.4%	Ba	5.9%	B
c) (FFO + Interest) / Interest	5.8x	A	4.5x	A
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa3
b) Actual Rating Assigned				(P)Aa1
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	a2			
b) Government Local Currency Rating	Aaa Stable			
c) Default Dependence	High			
d) Support	High			
e) Actual Rating Assigned	Aa1 Neg			

(1) All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
(2) As of 30/06/2020.
(3) This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Ratings

Exhibit 6

Category	Moody's Rating
DEUTSCHE BAHN AG	
Outlook	Negative
Issuer Rating -Dom Curr	Aa1
Senior Unsecured MTN	(P)Aa1
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1
DEUTSCHE BAHN FINANCE GMBH	
Outlook	Negative
Senior Unsecured	Aa1

Bkd Subordinate -Dom Curr	A3
Bkd Commercial Paper -Dom Curr	P-1
Bkd Other Short Term -Dom Curr	(P)P-1

Source: Moody's Investors Service

Appendix

Exhibit 7

Peer comparison

	Deutsche Bahn AG (P)Aa1 Negative			SNCF S.A. Aa3 Stable			Ceske drahy, a.s. Baa2 Stable		
(in USD millions)	FYE Dec-18	FYE Dec-19	LTM Jun-20	FYE Dec-18	FYE Dec-19	LTM Jun-20	FYE Dec-18	FYE Dec-19	LTM Jun-20
Revenue	$52,784	$50,424	$46,925	$39,337	$39,317	$34,714	$1,801	$1,773	$1,599
EBITDA	$6,517	$4,952	$2,366	$6,522	$6,483	$3,668	$449	$399	$344
EBITA Margin	3.1%	2.0%	-6.8%	6.7%	6.4%	-1.0%	6.0%	5.3%	3.0%
EBITA / Avg. Assets	2.2%	1.4%	-4.5%	3.3%	2.4%	-0.3%	2.6%	2.3%	1.1%
FFO + Int Exp / Int Exp	7.6x	8.4x	5.8x	2.8x	3.0x	1.6x	7.4x	7.3x	3.7x
Total Debt/Capital	71.2%	71.6%	81.0%	110.7%	113.6%	86.1%	46.6%	48.9%	52.9%
Debt / EBITDA	6.2x	8.0x	17.9x	13.4x	13.3x	25.0x	3.7x	4.6x	5.6x
FCF / Debt	-3.9%	-6.5%	-11.5%	-4.9%	-4.4%	-6.0%	-3.7%	-7.3%	-9.8%
RCF / Net Debt	18.4%	15.2%	8.4%	4.5%	4.6%	1.6%	24.6%	22.2%	13.2%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Exhibit 8

Moody's-adjusted debt breakdown
Deutsche Bahn AG

(in USD Millions)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	LTM Ending Jun-20
As Reported Debt	**24,363.4**	**23,711.9**	**26,508.8**	**26,571.3**	**32,207.8**	**35,279.4**
Pensions	4,006.3	4,769.6	4,731.1	5,513.4	6,009.9	6,013.4
Operating Leases	4,360.1	5,313.4	6,376.2	6,179.8	0.0	0.0
Hybrid Securities	0.0	0.0	0.0	0.0	1,120.8	1,126.0
Securitizations	156.4	340.7	450.3	599.0	590.4	590.8
Moody's-Adjusted Debt	**32,886.2**	**34,135.5**	**38,066.5**	**38,863.5**	**39,928.9**	**43,009.5**

Source: Moody's Financial Metrics™

Exhibit 9

Moody's-adjusted EBITDA breakdown
Deutsche Bahn AG

(in USD Millions)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	LTM Ending Jun-20
As Reported EBITDA	**4,870.8**	**5,018.9**	**5,165.7**	**5,348.3**	**5,659.1**	**2,960.0**
Pensions	-94.4	-106.2	9.0	13.0	29.1	28.7
Operating Leases	1,485.4	1,571.1	1,999.9	2,128.0	0.0	0.0
Interest Expense – Discounting	-56.6	-55.3	0.0	0.0	0.0	0.0
Unusual	-785.0	-777.8	-840.6	-957.7	-750.1	-641.3
Non-Standard Adjustments	-24.4	-36.5	-15.8	-14.2	13.4	18.8
Moody's-Adjusted EBITDA	**5,395.8**	**5,614.1**	**6,318.2**	**6,517.4**	**4,951.6**	**2,366.2**

Source: Moody's Financial Metrics™

Exhibit 10

Selected historical and projected Moody's-adjusted financial data

Deutsche Bahn AG

(in USD million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	LTM Jun-20	FYE Dec-20 (f)	FYE Dec-21 (f)
INCOME STATEMENT							
Revenue	45,535	48,985	52,784	50,424	46,925	43,926	45,474
EBITDA	5,614	6,318	6,517	4,952	2,366	1,374	4,161
EBIT	996	1,235	1,409	823	(3,443)	(2,890)	238
Interest Expense	1,017	1,069	1,081	823	826	777	830
BALANCE SHEET							
Cash & Cash Equivalents	4,694	4,079	4,051	4,482	4,151	5,028	4,418
Total Debt	34,136	38,066	38,863	39,929	43,009	39,238	42,066
Total Liabilities	51,906	57,696	58,326	59,022	63,252	56,699	59,196
Average Assets	67,046	68,093	69,618	71,946	71,133	73,113	74,876
Book Capitalization	49,663	50,666	52,515	54,629	52,019	57,465	61,474
CASH FLOW							
Capital Expenditures	(4,679)	(6,030)	(6,252)	(5,766)	(6,320)	(6,116)	(7,612)
Cash from Investing Activities	(4,335)	(5,706)	(5,808)	(5,288)	(5,924)	(6,116)	(7,612)
Cash Dividends	(863)	(612)	(463)	(662)	(656)	(650)	(650)
Retained Cash Flow (RCF)	5,750	6,472	6,153	5,276	3,197	(461)	2,218
RCF / Debt	16.2%	18.6%	16.5%	13.5%	7.6%	-1.2%	5.3%
Free Cash Flow (FCF)	(409)	(2,418)	(1,444)	(2,531)	(4,864)	(7,256)	(5,728)
FCF / Debt	-1.1%	-6.9%	-3.9%	-6.5%	-11.5%	-18.5%	-13.6%
RCF / Net Debt	18.7%	20.8%	18.4%	15.2%	8.4%	-1.3%	5.9%
PROFITABILITY							
% Change in Sales	0.4%	5.3%	3.2%	0.8%	4.0%	-11.5%	3.6%
SG&A % of Sales	37.3%	36.8%	37.1%	40.3%	43.1%	45.5%	45.6%
EBIT margin %	2.2%	2.5%	2.7%	1.6%	-7.3%	-7.4%	0.5%
EBITDA margin %	12.3%	12.9%	12.3%	9.8%	5.0%	2.6%	8.4%
EBITA / Average Assets	1.8%	2.1%	2.2%	1.4%	-4.5%	-4.1%	0.7%
INTEREST COVERAGE							
EBIT / Interest Expense	1.0x	1.2x	1.3x	1.0x	-4.2x	-4.2x	0.3x
EBITDA / Interest Expense	5.5x	5.9x	6.0x	6.0x	2.9x	1.5x	4.6x
(EBITDA-CAPEX) / Interest Expense	0.9x	0.1x	-0.2x	-1.1x	-4.8x	-6.4x	-4.6x
(FFO + Interest Expense) / Interest Expense	7.6x	7.9x	7.6x	8.4x	5.8x	1.3x	4.5x
LEVERAGE							
Debt / EBITDA	6.4x	5.7x	6.2x	8.0x	17.9x	34.8x	11.0x
Debt / (EBITDA-CAPEX)	39.5x	287.3x	-206.4x	-43.4x	-10.6x	-7.9x	-11.1x
Avg. Assets / Avg. Equity	4.7x	4.7x	4.6x	4.8x	4.6x	4.4x	4.1x
Debt / Book Capitalization	71.7%	68.8%	71.2%	71.6%	81.0%	68.3%	68.4%

FYE = Financial Year-End. LTM = Last Twelve Months. RUR = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.*

Source: Moody's Financial Metrics™

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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