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INVESTORS SERVICE

CREDIT OPINION
12 January 2024

Update

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RATINGS

**Telkom SA SOC Limited**

| | |
|---|---|
| Domicile | Pretoria, South Africa |
| Long Term Rating | Ba2 |
| Type | LT Corporate Family Ratings |
| 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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# Telkom SA SOC Limited

## Update following affirmation of Ba2 rating and downgrade of NSR to Aa2.za

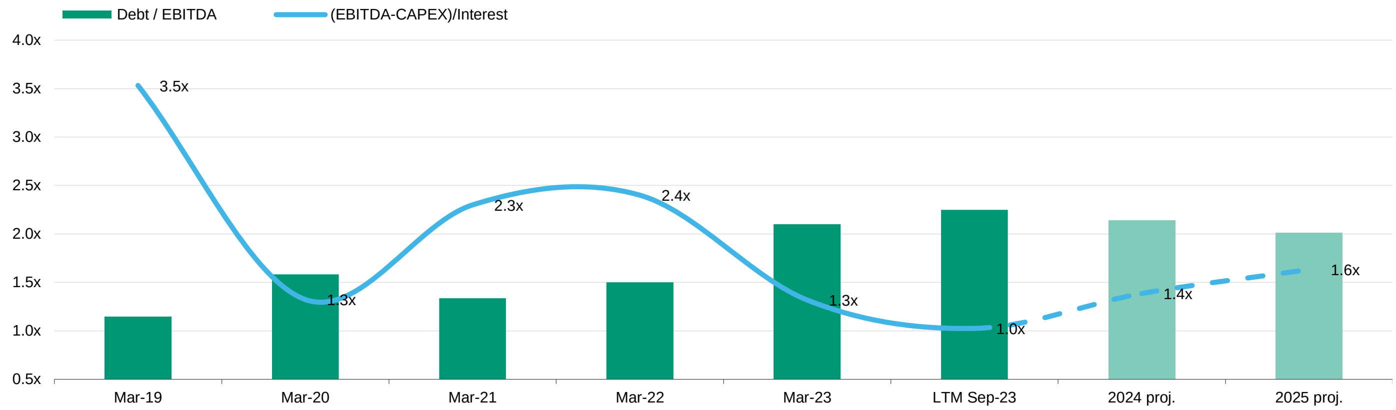
## Summary

On 19 December, we affirmed Telkom SA SOC Limited's (Telkom) Ba2 corporate family rating and downgraded its national scale rating (NSR) to Aa2.za from Aa1.za; the outlook has remained stable. The action reflects our expectation that after weakening over the past 18 months, Telkom's credit metrics will recover over the next 12-18 months to levels that remain adequate for the company's Ba2 rating. At the same time, the downgrade of the NSR reflects our view that Telkom's rating is now weakly positioned at the Ba2 rating level, particularly compared to other Ba2-rated South African companies.

The rating continues to reflect our view of the fundamental credit quality of Telkom, represented by its Baseline Credit Assessment (BCA) of ba2, combined with our assumptions of high default dependence with- and low support from the South African government. We classify Telkom as a government related issuer (GRI) because it is 40.5% owned by the Government of South Africa (Ba2 stable). Telkom derives all of its revenue from South Africa and therefore its credit standing is strongly correlated to the economic and regulatory environment in the country. The low growth environment and intense competition between mobile network operators is a growth constraint to Telkom.

Telkom's BCA of ba2 is supported by (1) the company's leading market position in South Africa's fixed-line business and operator of the largest fibre network in the country; and (2) adequate financial policies with moderate, albeit weakening debt/ EBITDA leverage of 2.2x for the September 2023 LTM period. The rating is constrained by (1) operational concentration in South Africa and exposure to the country's economic, social, political, legal and regulatory environment; (2) the company's position as the third largest operator in a highly competitive South African mobile market; and (3) low growth prospects with continued, albeit slowing decline of fixed line business and mature mobile market.

Exhibit 1
**We expect Telkom's credit metrics to recover again to adequate levels for its Ba2 rating**




[1] This represents Moody's forward view, not the view of the issuer; and unless noted in the text, does not incorporate significant acquisition and divestitures
*Source: Moody's Investors Service*

## Credit strengths

» Successfully completed transition towards integrated telecommunications business model to mitigate declining fixed voice revenue

» Leading market position in South Africa's fixed-line business, with the largest fibre network in South Africa based on fibre kilometres

## Credit challenges

» Geographic concentration in South Africa

» Continued, albeit slower decline of fixed line business

» Number 3 mobile operator in highly competitive and mature South African mobile market

» Weak interest coverage, when taking into account capex needs

## Rating outlook

The stable outlook reflects our expectation that Telkom's credit metrics will strengthen again over the next 12-18 months, and that in particular (EBITDA – capex)/ interest expense will trend towards 2.0x, while debt/ EBITDA will trend below 2.0x.

## Factors that could lead to an upgrade

We would consider an upgrade if operating performance sustainably improves, (EBITDA – capex)/ interest expense remains above 2.0x and debt/ EBITDA sustainably remains below 2.0x, both on a sustainable basis. An upgrade would also be conditional upon an upgrade of the sovereign rating of the Government of South Africa.

## Factors that could lead to a downgrade

We would consider a downgrade if (EBITDA – capex) / interest expense remains close to 1.0x for a prolonged period of time or debt/ EBITDA sustainably remains above 2.5x. Telkom's ratings are also likely to be downgraded in case of a downgrade of South Africa's sovereign ratings, although we will continue to monitor resilience of Telkom's credit profile against macro-economic shocks.

## Key indicators

Exhibit 2
**Key Indicators for Telkom SA SOC Limited[1][2][3]**

| In ZAR millions | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | LTM Sep-23 | FY 2024(f) | FY 2025(f) |
|---|---|---|---|---|---|---|---|---|
| Revenue | 41,774 | 43,043 | 43,222 | 42,756 | 43,138 | 43,666 | 43,901 | 44,790 |
| Debt / EBITDA | 1.1x | 1.6x | 1.3x | 1.5x | 2.1x | 2.2x | 2.1x | 2.0x |
| RCF / Debt | 50.9% | 39.6% | 59.9% | 58.4% | 41.0% | 40.6% | 36.2% | 38.5% |
| (EBITDA - CAPEX) / Interest Expense | 3.5x | 1.3x | 2.3x | 2.4x | 1.3x | 1.0x | 1.4x | 1.6x |

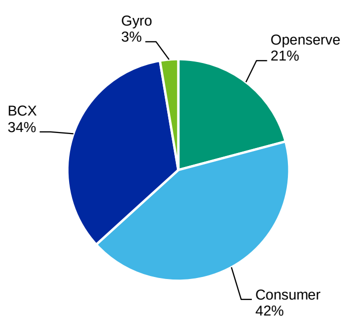
[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.
[2]Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
[3] Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
*Source: Moody's Investors Service*

## Profile

Telkom is the leading South African fixed-line operator, the third incumbent mobile operator and also a leading provider of information and communications technology services. The company controls around 690,000 fixed telephone access lines, most of which are connected to digital exchanges, and has 18 million active mobile subscribers in South Africa, making it the third largest mobile operator in the country by number of subscribers. As of 30 September 2023, the company had the largest national fibre network across South Africa. Telkom operates across four segments: Consumer (mobile, fixed-line and broadband), Business Connection Group (BCX, offering information and communication technology services, ICT), Openserve (wholesale connectivity), Swiftnet (masts and towers) and Gyro (property portfolio). The company has announced it is likely to complete the sale of Swiftnet in 2024.

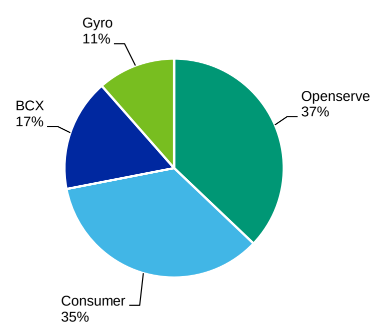
Telkom is listed on the Johannesburg Stock Exchange (JSE) and is 40.5% owned by the South African government, 13.5% by the Public Investment Corporation, a South African state-owned investment management company, and the remaining 46.0% is free float, as of 30 September 2023.

Exhibit 3
**Revenue by business segment**
**September 2023 LTM**




Note: Includes revenue from external customers and intersegmental operating revenue, before intracompany eliminations
*Sources: Company information, Moody's Investors Service*

Exhibit 4
**EBITDA by business segment**
**September 2023 LTM**




Note: Based on company reported EBITDA, before intracompany eliminations and excluding other losses
*Sources: Company information, Moody's Investors Service*

## Detailed credit considerations

### Geographic concentration in South Africa, which has a weak economic environment and weighs on Telkom's performance

Telkom's revenue and EBITDA are exclusively generated in South Africa, which exposes the company to the economic, political, social, legal and regulatory environment of the country. Growth of the South African economy remains structurally weak. We expect growth of 0.9% for 2023 and medium term growth of only around 1.0-1.5% due to constraints from a malfunctioning labour market, decaying infrastructure and slow progress on economic and social reforms. Against this backdrop Telkom's performance has also been weak and we expect it will remain under pressure for the next 1-2 years.

In financial year 2023 (FY2023), ending March 2023, the company's Moody's adjusted EBITDA declined by 19% and did not recover in the six months that ended September 2023. The weak operating performance was to a large extent driven by factors related to the weak economic environment in South Africa. These included additional operating costs related to mitigating the effects of electricity outages (load shedding), such as diesel to power generators and additional roaming costs. The company also faced an increase in impairments of customer receivables in Telkom's BCX and Consumer segments as both companies and consumers are under increasing financial pressure.

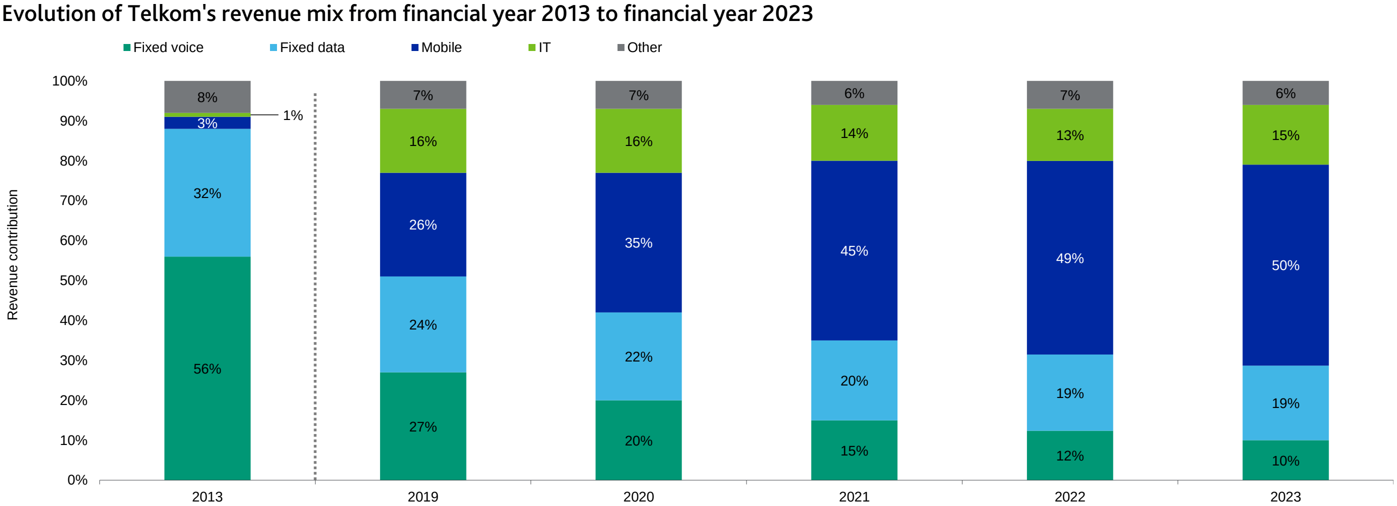
### Transition to integrated telecommunications business model, but decline of fixed services continues to be a drag on growth

Over time Telkom's business model has become increasingly diversified and integrated (see exhibit 5). To offset the steady decline in demand for fixed voice services, which used to be Telkom's main product, the company embarked on a turnaround strategy in 2013 to broaden its service offering. After completion of the strategic turnaround, Telkom remains the leader in fixed telephony and broadband in South Africa, but the company has also built out a sizeable mobile service offering in its consumer division and added enterprise services for businesses and public sector entities through the acquisition of BCX in 2015. Its ICT services include hosting, managed solutions, cloud and data center services. Telkom also has an infrastructure business, including its wholesale broadband network in the Openserve division, Gyro, its property investment and property services business and Swiftnet, its masts and towers portfolio that the company has announced it is looking to sell during 2024. The infrastructure businesses derive a substantial portion of their revenue from leasing network and tower capacity to other mobile operators and third party clients.

The integrated business model has allowed Telkom to successfully diversify its income streams away from the declining fixed line voice business and positions the company well as a convergent telecom operator. Convergent offerings allow the company to serve a wider range of customers and to provide bundled packages with opportunities to upsell and increase customer loyalty.

Nevertheless, revenue growth has been slow over the past four years, at an average rate of just 0.8% per year from FY2019 to FY2023, for the six months ending September 2023, revenue increased 2.5% from the same period a year earlier. Moody's adjusted EBITDA is 24% lower for LTM September 2023 than it was in March 2019. This slow revenue growth and decline in profitability is driven by the combination of continued decline of Telkom's fixed voice service, some cyclicality in the BCX business and a highly competitive and relatively mature mobile market in South Africa that makes it difficult to grow this business faster than the fixed voice business is declining.

Exhibit 5
**Evolution of Telkom's revenue mix from financial year 2013 to financial year 2023**




*Sources: Telkom, Moody's Investors Service*

### After rapid growth of mobile business, future growth prospects are lower in the competitive and mature South African mobile market

The mobile business, comprising both voice and data services, has become Telkom's primary revenue driver and accounted for 52% of group operating revenue of continuing operations for the six months that ended in September 2023. Telkom's mobile business has in the past grown rapidly, from 1.8 million subscribers in March 2014, generating around ZAR350 million in revenue to 18.3 million subscribers and ZAR22.0 billion of revenue for the twelve months ending September 2023. Telkom was able to generate this rapid growth despite competition from three larger, more established mobile operators Vodacom (majority owned by Vodafone Group plc, Baa2 stable), MTN Group Limited (Ba2 stable) and Cell C. Telkom overtook Cell C in terms of subscriber numbers in 2020, becoming the third largest mobile operator in South Africa.

Telkom's market share however still significantly lags behind the 31% market share of the second largest operator MTN and its profitability is also significantly lower at a mobile business EBITDA margin of 22% for the six months ending September 2023 against margins generally around 40% for MTN's and Vodacom's South African operations. We expect growth of the mobile segment in South Africa will slow over the next years as the mobile market is mature, as indicated by a penetration rate of 167% as of 2022 according to the World Bank, meaning there are 167 mobile subscriptions for every 100 residents, which is amongst the highest levels in the world.

Over the six months to September 2023, subscriber growth slowed to 1.5% against the same period a year earlier and was also accompanied by a 3.7% decline in average revenue per user (ARPU) despite Telkom's push to increase the share of post-paid subscribers, which have significantly higher ARPU and lower churn than pre-paid users. The reduction in ARPU was caused by a combination of high competition and lower disposable income of South African consumers due to higher interest rates and inflation and high unemployment.

### Focus on cost savings and network commercialization

For profitability to improve, efficiencies and cost savings are crucial. Telkom is focussed on streamlining and has significantly reduced its workforce in recent years. The company has conducted another restructuring program during FY2023 that it expects will yield annual cost savings of around ZAR1 billion.

In the September 2023 LTM period Telkom's EBITDA margin dropped to 22.0% from 27.8% in FY2022, 18 months earlier. This drop in profitability was driven by a combination of operating diesel generators as a back-up to the electricity network in times of load-shedding, increased roaming costs to make up for parts of the network that went down during load-shedding, increased impairments of customer receivables, as well as weaker mobile margins, due to a continued decline in ARPU and the company's focus on expanding its post-paid customer base, which in turn increased the upfront cost of acquiring handsets. We expect that as a result of the cost saving measures and a normalization of the upfront expenses from the expansion of the post-paid book, Telkom's EBITDA will recover to around ZAR11 billion over the next 2 years.

With growth of the mobile business expected to slow down, Telkom is focussing on cementing its leadership in broadband/ fixed data, which contributes to revenue across its Consumer, BCX and Openserve divisions and which accounts for most of the EBITDA generated by the Openserve division. Openserve accounted for 39% of Telkom's EBITDA for the September 2023 LTM period and therefore already constitutes a substantial part of the company's profitability.

Telkom has the largest fibre and broadband network across South Africa and continued investment in the network is one of Telkom's key priorities, accounting for 38% of total investments during the six months ending September 2023. During this period, the company increased homes passed with fibre by 21% to 1.2 million compared to a year earlier and increased the number of homes connected by 22% to 543,000. Telkom sees particular demand growth from other carriers for use of its strong backhaul capacity. As Telkom continues its investments in the network and mobile customers' demand for speed and data consumption increases, we expect that demand from other mobile carriers for Telkom's network will continue to grow strongly. At the same time the decline in demand for fixed voice services will level off as the contribution to Telkom's revenues has already reduced substantially. The combination of growth in fixed data and slower decline of fixed voice should over the next 2-3 years lead to a stabilization and eventual growth of revenue and EBITDA from Openserve.

Telkom is in the process of selling its Swiftnet mast and towers portfolio. The company announced it was close to agreeing a deal on the disposal and expects to close the transaction before the end of 2024. As of September 2023, Swiftnet is classified as a business held for sale in Telkom's financial accounts. Telkom is already commercializing its tower portfolio with an average colocation rate of 1.55x, meaning it is renting out space on a significant number of its towers to other mobile network operators or other third parties. While below the international target norm of 2x, the colocation rate is in line with pan-African and emerging markets independent tower company IHS Holding Limited (B3 stable) and an adequate ratio for a tower portfolio in growth stage.

Over the longer term Telkom is also considering selling a minority stake in its Openserve business and for this purpose completed an operational separation of the business from the rest of Telkom during FY2023.

### Despite prudent financial policies, credit metrics have weakened

Telkom has prudent financial policies with target net leverage of 1.5x to 1.9x and a good track record of adhering to this leverage target over time. For the September 2023 LTM period net leverage stood at 1.8x. This is in line with Moody's adjusted leverage of 2.2x, which we view as adequate for Telkom.

Nonetheless, over the past 18 months, from March 2022 to September 2023, the company's Moody's adjusted debt has increased by 25%, mainly to fund negative free cash flow over the same period of time. Combined with rising interest rates that have increased the company's weighted average cost of debt, including leases, to 8.5% for the September 2023 LTM from 7.15% as of March 2022, this has led to a 54% increase in interest expense and a weakening of the (EBITDA – capex) / interest expense ratio to 1.0x as of September 2023 LTM, down from 2.4x 18 months earlier. An (EBITDA – capex) / interest ratio below 2x is weak for Telkom's Ba2 rating and only partially mitigated by the adequate leverage of 2.2x.

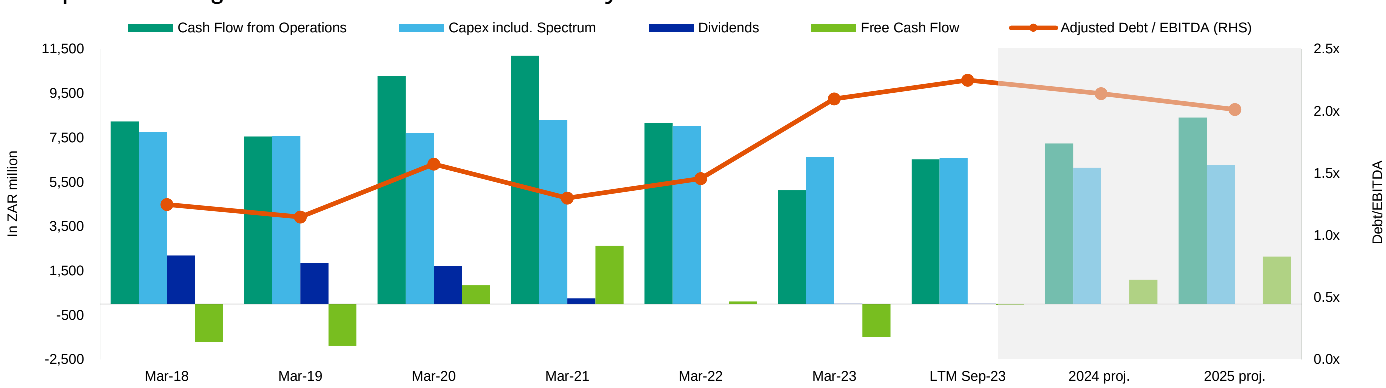
We expect that Telkom's interest coverage after capex will improve over the next 2 years towards 2x and therefore consider the Ba2 rating to remain adequate. We expect that this will be possible through a recovery of EBITDA and a decline in debt and interest expense because the company has announced it will use some of the proceeds from the planned disposal of Swiftnet to reduce debt.

Telkom has not paid a dividend in the past 5 years and does not plan to resume paying one while free cash flow generation remains negative. We expect that also once dividends are resumed, the company will remain prudent when allocating cash flow between shareholder returns, investments and adhering to its leverage target.

Telkom also has the option to be more prudent in its capital spending over the next 12 months and we expect it will reduce spending to around 14% to 15% of revenue.

Exhibit 6

**We expect cash flow generation to recover over the next 1-2 years**




[1] Cash flow from operations shown excluding dividend payments

[2] 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 Investors Service*

### South African government support and dependence assumptions result in no rating uplift

Moody's default dependence assessment reflects the degree of correlation of a government-related issuer, such as Telkom, and its supporting government to being jointly susceptible to adverse circumstances that simultaneously move them closer to default. The “high” default dependence assumption reflects our view that both the South African government and Telkom's performance are highly correlated to the general business cycle in South Africa. In addition, it factors the moderate link between the government and Telkom, given the firm's partial privatisation during the past decade. Despite its 40.5% stake in Telkom, the South African government has no board representation, which limits its influence over the strategic direction of the company.

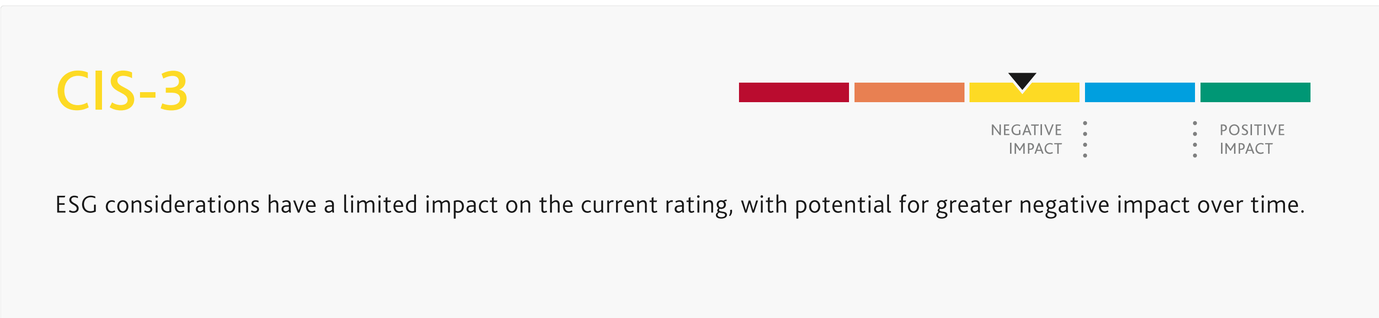
The “low” support assessment reflects the fact that the company is run independently with no interventionist tendencies from the government. We also do not view Telkom to be a strategic entity for the government.

Our default dependence and support assumptions lead to no uplift to the BCA of ba2, which is in line with the rating of the Government of South Africa.

## ESG considerations

### Telkom SA SOC Limited's ESG credit impact score is CIS-3

Exhibit 7
**ESG credit impact score**




*Source: Moody's Investors Service*

Telkom's **CIS-3** indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time especially through exposure to social and governance risks. Social risks that Telkom is exposed to mainly comprise of exposure to labour unions, changing societal trends in using mobile communication and the risk of data breaches. Governance risks Telkom is exposed to mainly comprise its 40.5% ownership by the government of South Africa and risk of interference, as well as its adequate but weakened credit metrics.

Exhibit 8
**ESG issuer profile scores**


*Source: Moody's Investors Service*

### Environmental

The company's exposure to environmental risks is low and in line with the overall industry. Telkom is mostly focussed on energy efficient projects to reduce energy consumption.

### Social

Telkom faces some social risks as it is exposed to well entrenched labour unions with rigid employee regulations and changing demographic and societal trends towards the use of telecom related technology. This is partially mitigated by Telkom's good track record over the past few years in reducing its overall work force, in particular in its declining fixed voice business and of successfully growing mobile voice and data businesses to offset declining fixed voice revenues. Data security and data privacy issues are prominent in the sector. Telecommunications providers exchange large amounts of data, and a breach could cause legal, regulatory or reputation issues. In addition, a breach could result in increased operational costs to mitigate cyberattacks and reduce exposure to the loss of private data. Electromagnetic radiation (for example, from mobile antennas or mobile handsets) has repeatedly been said to be potentially harmful to the environment and health. While the need for higher mobile data speeds will increase electromagnetic radiation, we do not see it as a significant environmental risk for global telecommunication providers, given the existing regulatory radiation limits and ongoing technology improvements.

### Governance

Telkom faces some governance risks as the government of South Africa is the largest shareholder with 40.5% ownership. The risk of government interference is low as the government has no board representation and has no track record of active interference in the company's management. Telkom has adequate financial policies, however specifically interest coverage, as measured by (EBITDA-capex)/ interest expense has significantly weakened since the beginning of financial year 2023.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Liquidity analysis

Telkom has adequate liquidity. As of 30 September 2023, the company's internal liquidity sources included ZAR3.4 billion of cash and around ZAR12.0 billion of operating cash flow, which we project the company to generate through March 2025. In addition, Telkom had available facilities of ZAR5.7 billion. While we note ZAR4.6 billion of these are reviewed annually, Telkom has a good track record of rolling facilities over at the time of review. Together, this should be sufficient to cover the company's capital spending (including lease payments) and debt maturities of ZAR2.7 billion through March 2025. Disposal proceeds from Swiftnet would provide an additional liquidity source. Some of Telkom's facilities include financial covenants, including interest cover and net leverage, which the company will be able to meet comfortably.

## Rating methodology and scorecard factors

The principal methodology used in rating the company was our Telecommunications Service Providers rating methodology published in September 2022. The scorecard indicated outcome of Ba2 is in line with the assigned rating of Ba2.

Exhibit 9

**Rating factors**

**Telkom SA SOC Limited**

| Telecommunications Service Providers Industry Scorecard [1][2] | Current LTM 9/30/2023 | | Moody's 12-18 Month Forward View As of 12/13/2023 [3] | |
|---|---|---|---|---|
| **Factor 1 : Scale (10%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Revenue (USD Billion) | $2.4 | B | $2.4 - $2.5 | B |
| **Factor 2 : Business Profile (25%)** | | | | |
| a) Competitive Position | Ba | Ba | Ba | Ba |
| b) Market Share | Ba | Ba | Ba | Ba |
| **Factor 3 : Profitability and Efficiency (10%)** | | | | |
| a) Revenue and Margin Sustainability | B | B | B | B |
| **Factor 4 : Leverage and Coverage (40%)** | | | | |
| a) Debt / EBITDA | 2.2x | Baa | 2x - 2.1x | Baa |
| b) RCF / Net Debt | 48.2% | Baa | 36.2% - 38.5% | Baa |
| c) (EBITDA - CAPEX) / Interest Expense | 1.0x | B | 1.4x - 1.6x | B |
| **Factor 5 : Financial Policy (15%)** | | | | |
| a) Financial Policy | Ba | Ba | Ba | Ba |
| **Rating:** | | | | |
| a) Scorecard-Indicated Outcome | | Ba2 | | Ba2 |
| b) Actual Rating Assigned | | | | Ba2 |

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations
[2] As of 12/13/2023(L); Source: Moody's Financial Metrics™
[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 Investors Service*

## Ratings

Exhibit 10

| Category | Moody's Rating |
|---|---|
| **TELKOM SA SOC LIMITED** | |
| Outlook | Stable |
| Corporate Family Rating | Ba2 |
| NSR Corporate Family Rating | Aa2.za |

*Source: Moody's Investors Service*

# Appendix

Exhibit 11

**Moody's-Adjusted Debt Reconciliation for Telkom SA SOC Limited[1][2]**

| (in ZAR Millions) | FYE Mar-19 | FYE Mar-20 | FYE Mar-21 | FYE Mar-22 | FYE Mar-23 | LTM Ending Sep-23 |
|---|---|---|---|---|---|---|
| **As Reported Debt** | **10,241** | **16,782** | **15,839** | **17,306** | **20,245** | **21,582** |
| Pensions | 752 | 0 | 255 | 0 | 0 | 0 |
| Operating Leases | 3,546 | 0 | 0 | 0 | 0 | 0 |
| **Moody's-Adjusted Debt** | **14,539** | **16,782** | **16,094** | **17,306** | **20,245** | **21,582** |

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
*Source: Moody's Financial Metrics TM*

Exhibit 12

**Moody's-Adjusted EBITDA Reconciliation for Telkom SA SOC Limited[1][2]**

| (in ZAR Millions) | FYE Mar-19 | FYE Mar-20 | FYE Mar-21 | FYE Mar-22 | FYE Mar-23 | LTM Ending Sep-23 |
|---|---|---|---|---|---|---|
| **As Reported EBITDA** | **10,706** | **9,391** | **11,614** | **11,885** | **8,611** | **8,560** |
| Pensions | 87 | 37 | 35 | -8 | -31 | -31 |
| Operating Leases | 1,182 | 0 | 0 | 0 | 0 | 0 |
| Unusual | 700 | 1,187 | 395 | 0 | 1,065 | 1,065 |
| **Moody's-Adjusted EBITDA** | **12,675** | **10,615** | **12,044** | **11,877** | **9,645** | **9,594** |

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
*Source: Moody's Financial Metrics TM*

Exhibit 13

**Peer comparison[1][2]**

| | Telkom SA SOC Limited Ba2 Stable | | | MTN Group Limited Ba2 Stable | | | Millicom International Cellu Ba1 RUR-DNG | | |
|---|---|---|---|---|---|---|---|---|---|
| (in USD millions) | FYE Mar-22 | FYE Mar-23 | LTM Sep-23 | FYE Dec-21 | FYE Dec-22 | LTM Jun-23 | FYE Dec-21 | FYE Dec-22 | LTM Sep-23 |
| Revenue | $2,884 | $2,548 | $2,406 | $12,304 | $12,700 | $12,564 | $4,261 | $5,624 | $5,567 |
| EBITDA | $801 | $570 | $529 | $5,584 | $5,601 | $5,414 | $1,670 | $2,225 | $2,195 |
| Total Debt | $1,184 | $1,141 | $1,146 | $8,071 | $8,248 | $7,738 | $8,912 | $7,820 | $7,741 |
| Cash & Cash Equiv. | $222 | $196 | $181 | $2,474 | $2,607 | $2,001 | $895 | $1,039 | $811 |
| EBITDA Margin % | 27.8% | 22.4% | 22.0% | 45.4% | 44.1% | 43.1% | 39.2% | 39.6% | 39.4% |
| (EBITDA - CAPEX) / Interest Expense | 2.4x | 1.3x | 1.0x | 3.1x | 2.6x | 2.7x | 1.5x | 1.8x | 1.6x |
| Debt / EBITDA | 1.5x | 2.1x | 2.2x | 1.6x | 1.5x | 1.5x | 5.3x | 3.5x | 3.5x |
| FCF / Debt | -5.5% | -12.7% | -5.7% | 18.7% | 4.6% | 7.4% | -0.5% | 0.8% | 1.2% |
| RCF / Debt | 58.4% | 41.0% | 40.6% | 44.8% | 39.5% | 41.1% | 12.0% | 18.8% | 18.6% |

[1] All figures & ratios calculated using Moody's estimates & standard adjustments.
[2] FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.Source: Moody's Financial MetricsTM
*Source: Moody's Financial Metrics TM*

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