

## CREDIT OPINION

7 June 2023

Update



### RATINGS

#### Autobahnen-Und Schnellstrassen Finanzierungs

Domicile	Austria
Long Term Rating	Aa1
Type	Senior Unsecured - 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.

### Contacts

Harald Sperlein +49.69.70730.906  
 VP-Senior Analyst  
 harald.sperlein@moodys.com

Stefan Ritzka +49.69.707.30947  
 Associate Analyst  
 stefan.ritzka@moodys.com

Massimo Visconti, +39.02.9148.1124  
 MBA  
 VP-Sr Credit Officer/Manager  
 massimo.visconti@moodys.com

# Autobahnen- und Schnellstrassen-Finanzierungs-Aktiengesellschaft (Austria)

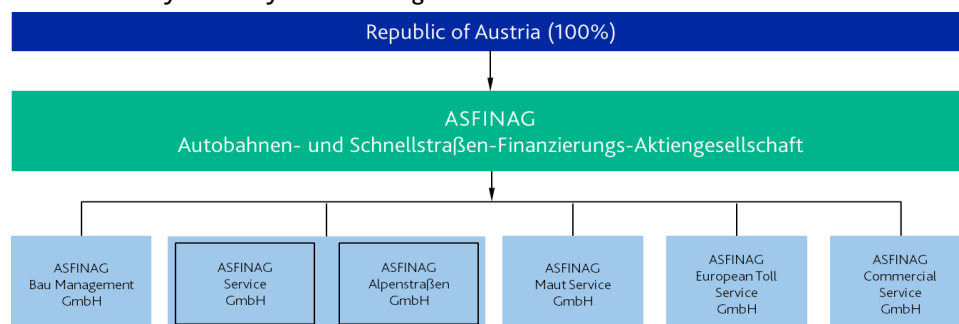
Update to credit analysis

## Summary

The credit profile of [Autobahnen- und Schnellstrassen-Finanzierungs-Aktiengesellschaft](#) (ASFINAG, Aa1 stable) reflects the full, explicit, direct, unconditional and irrevocable guarantee for its debt from the [Government of Austria](#) (Aa1 stable). Therefore, we rate ASFINAG's sovereign-guaranteed euro medium-term notes (EMTN) and its EMTN programme at the same level as the Austrian sovereign rating.

Exhibit 1

### ASFINAG is fully owned by the Austrian government



Source: ASFINAG

## Credit strengths

- » Guaranteed debt and full ownership by the Austrian government
- » Role as the implementer of the government's expressway network plans, ministry representation on the supervisory board and budget control

## Credit challenges

- » Relatively high leverage
- » Low revenue and expenditure flexibility

## Rating outlook

The stable rating outlook on ASFINAG's debt and EMTN programme reflects the outlook on the rating of its guarantor, the Austrian government.

## Factors that could lead to an upgrade

The rating on ASFINAG's backed senior unsecured debt and EMTN programme would be upgraded if the Austrian sovereign rating is upgraded.

## Factors that could lead to a downgrade

The rating on ASFINAG's backed senior unsecured debt and EMTN programme would be downgraded if the Austrian sovereign rating is downgraded. Any weakening of the government guarantee would also lead to a rating downgrade.

## Key indicators

Exhibit 2

### Autobahnen- und Schnellstrassen-Finanzierungs-Aktiengesellschaft

	2018	2019	2020	2021	2022	2023E	2024E
Earnings Before Interest and Taxes (EUR millions)	1,358	1,392	1,193	1,188	1,332	1,189	1,185
Operating Margin (%)	52.91	50.26	46.13	46.80	46.46	47.28	45.92
EBIT / Interest Payable	5.1x	5.6x	5.5x	6.2x	6.8x	6.2x	6.3x
Financial Debt / EBITDA	7.1x	6.7x	7.9x	7.3x	6.6x	7.3x	7.4x
Financial Debt / Equity	1.7x	1.5x	1.4x	1.3x	1.1x	1.1x	1.0x
Liquidity (Current Assets % Current Liabilities)	25.40	16.60	36.91	26.81	43.79	19.58	15.43

Figures for 2023 and 2024 are estimated values.

Sources: Company and Moody's Investors Service

## Detailed credit considerations

We rate ASFINAG's sovereign-guaranteed EMTN programme and notes at the same level as the Austrian sovereign rating. The EMTN programme benefits from a full, explicit, direct, unconditional and irrevocable guarantee from the Austrian government.

### Guaranteed debt and full ownership by the Austrian government

The unconditional and irrevocable guarantee provided by the Austrian government to ASFINAG's €12 billion EMTN programme enables the company to seek funding under favourable conditions on the capital markets. The EMTN programme is sufficient to fully cover the company's foreseeable funding needs.

ASFINAG is 100% owned by the Austrian government. As of year-end 2022, it was a holding company of six operating companies and had 3,069 employees. We do not expect any changes in the company's ownership structure over the next five years. The motorway system is an integral part of the state infrastructure, thus there is no political plan to privatise the company in the foreseeable future.

In 2007, the state took two major steps that have financially benefited ASFINAG, reflecting the ongoing support for the company. The government signed a contract (usufruct agreement) with the company to form a basis for the activities of the company and allowing it to discount depreciation that would otherwise have been necessary following the implementation of the new IFRS accounting rule. In addition, the government introduced legislation stipulating that ASFINAG's toll revenue must correlate with the annual consumer price index from 2008 onwards.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

### Role as implementer of the government's expressway network plans, government supervision and budget control

The company is responsible for planning, financing, building and maintaining the Austrian motorway and high-speed road network, which is 2,249 kilometres long as of January 2023. It is also in charge of road safety and traffic management. Because the company is responsible for implementing projects under the long-term infrastructure plan of the ministry in charge of transport affairs (i.e., the Ministry of Climate, Environment, Energy, Mobility, Innovation and Technology), the ministry is required to allocate sufficient funds to ASFINAG.

The close link between the company and the Austrian government is further demonstrated by the government's supervision and involvement in the company's operations. The government is represented on ASFINAG's supervisory board through representatives of the ministry. The government is responsible for approving the company's budget and reviewing its quarterly reports, including the status of its debt. The Austrian Parliament sets the ceiling for the amount of guaranteed debt that the company can raise annually.

### Relatively high leverage

ASFINAG's balance sheet is progressively growing because of its peculiar financing mechanism. As of year-end 2022, the group's financial debt decreased slightly to €9.4 billion, with the outstanding debt largely consisting of drawdowns of the government-backed €12 billion EMTN programme. Similar to last year, the interest-rate risk is limited, because nearly all debt is fixed-rate and of longer maturities, while a foreign-exchange swap contract to euro is in place with the OeBFA (the Austrian Treasury) as counterparty to avoid foreign-currency risk. The company has no long-term debt maturities in 2023. Long-term debt of nearly €1 billion in 2024 and €1.5 billion in 2025 will mature, with refinancing needed at least in part. We expect this to be well manageable because of excellent capital market access.

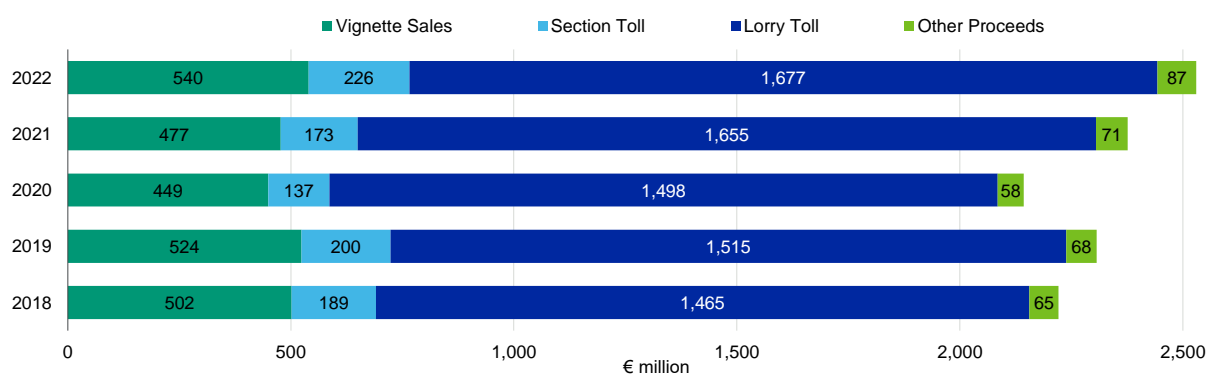
### Low revenue and expenditure flexibility

The company can propose new toll charges, but the central government must approve the changes. Over the last few years, revenue has grown steadily because of economic growth, an increase in traffic and the indexation of toll prices.

In 2022, with a 6% increase from the year prior, ASFINAG recorded the highest revenue collection yet at slightly over €2,500 million (see Exhibit 3). Traffic levels and revenue in 2023 are likely to be similar to those in 2022. In 2024, a 5% hike in the price of vignettes due to the EU Directive 2019/771 (WKRL) is likely to kick in.

Exhibit 3

#### ASFINAG's revenue in 2022 was the highest in the past 10 years



Sources: Company and Moody's Investors Service

ASFINAG has the right to collect tolls, or road use charges, but it does not own the infrastructure, in accordance with the terms of the usufruct contract. Since 1997, it has been able to charge fees and tolls from vignettes for the use of roads. From 2004, its powers were further enhanced to allow it to charge tolls for lorries based on distance.

The company's most recent plan shows that investments will peak in 2025 because of shifts in initial timelines and a bigger construction programme, equivalent to a total of €1.6 billion. A considerable portion of the investment is earmarked for improving the

project quality to address environmental issues (including the development of charging infrastructure), introducing noise reduction measures and for overall maintenance works.

## ESG considerations

### How environmental, social and governance (ESG) risks inform our credit analysis of ASFINAG

We take into account the effect of ESG factors when assessing sub-sovereign issuers' economic and financial strength. In the case of ASFINAG, the significance of ESG factors to the credit profile is as follows:

Environmental risks are not significant to ASFINAG's rating. There are several natural hazards (like avalanche, earthquake, flood, landslide, stone or wind damage) that could mean environmental risk for the road network and infrastructure, nevertheless, these risks are not significant to the rating because of the company's strategic role and the support of the federal government.

Social risks are not material to the rating because of the company's support and guarantee from the Austrian government, which would manage any potential social issues such as the need for extension of the road network.

Governance risks are material to ASFINAG's rating. The company is responsible for implementing the government's plans. However, the governance framework is intrinsically intertwined with the supporting government, which exerts decision-making power and strong oversight of the entity.

Further details are provided in the "Detailed credit considerations" section above. Our approach to ESG is explained in our cross-sector methodology [General Principles for Assessing Environmental, Social and Governance Risks Methodology](#).

## Rating methodology

We rate ASFINAG's backed senior unsecured debt and EMTN programme at the same level as its guarantor, the Austrian government, because of the full, explicit, direct, unconditional and irrevocable guarantee from the central government. For details about our rating approach, please refer to the [Guarantees, Letters of Credit and Other Forms of Credit Substitution Methodology](#), published in July 2022.

## Ratings

Exhibit 4

Category	Moody's Rating
<b>AUTOBAHNEN-UND SCHNELLSTRASSEN FINANZIERUNGS</b>	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	Aa1

Source: Moody's Investors Service

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody.com](http://www.moody.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1366876