MOODY'S
INVESTORS SERVICE

CREDIT OPINION
20 April 2018

Update

Rate this Research

**RATINGS**

**Enexis Holding N.V.**

| | |
|---|---|
| Domicile | Rosmalen, Netherlands |
| Long Term Rating | Aa3 |
| Type | LT Issuer Rating - Dom Curr |
| Outlook | Stable |

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

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# Enexis Holding N.V.

Regular update following FY17 annual reporting

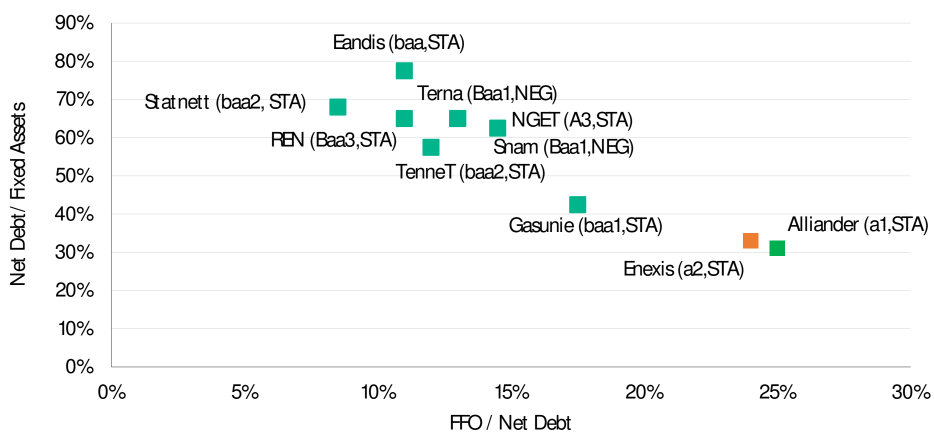
## Summary

The credit quality of Enexis Holding N.V. (Enexis, Aa3 stable) is underpinned by (1) the low-risk business profile of its domestic electricity and gas distribution network operations, which generate more than 90% of earnings and cash flows; (2) a well-defined and transparent regulatory framework; and (3) the company's balanced financial profile, with relatively modest leverage for the sector and solid liquidity position.

The company has historically maintained a strong financial profile but we anticipate a modest decline in the medium term, because of lower returns and growing investments, primarily related to the roll-out of the smart meter programme. Nevertheless, financial metrics will remain strong in the context of peers (see Exhibit 1).

Exhibit 1

**Modest leverage compared with European peers supports strong stand-alone credit quality**




Note: (1) Financial metrics used represent middle point of Moody's forward view estimates as published in latest credit opinions and ratings are the stand-alone credit quality (expressed as assigned final rating or baseline credit assessment where applicable); (2) NGET - National Grid Electricity Transmission plc
*Source: Moody's*

The Aa3 rating incorporates a two-notch uplift from Enexis's stand-alone credit quality, reflecting the likelihood of extraordinary financial support being provided by its owners - the largest of which is the Province of Noord-Brabant holding around 31% of Enexis's shares - if this were ever required.

## Credit Strengths

» Low business risk of monopoly distribution network activities, with limited contribution from unregulated businesses

» Stable and transparent regulatory regime

» Modest leverage compared with the wider peer group

» Moderate capital expenditure requirements, albeit increasing

» Potential support from local government shareholders given essentiality of assets

## Credit Challenges

» Falling regulatory returns in the current low interest-rate environment reduce financial flexibility

## Rating Outlook

The stable outlook reflects our expectation that Enexis will continue to derive most of its revenues and cash flows from low-risk regulated activities and maintain a financial profile in line with our minimum guidance for the current rating.

## Factors that Could Lead to an Upgrade

An upgrade of the final rating is considered unlikely at this time, taking into account the expected modest weakening in Enexis's financial profile as a result of (1) the latest regulatory determination with decreasing allowed returns; and (2) the ongoing capital requirements with additional smart metering investments.

## Factors that Could Lead to a Downgrade

A rating downgrade could be triggered by Enexis failing to maintain the following minimum credit metrics on a sustainable basis: funds from operations (FFO)/net debt in the mid to high teens, and net debt/fixed assets no higher than the low fifties, both in percentage terms.

The Aa3 rating could also be subject to downward pressure if our view of the credit profile of the municipalities and provinces owning Enexis or our assessment of extraordinary support changes.

## Key Indicators

Exhibit 2

**Financial profile remains robust for current rating despite slight weakening in cash flows following lower allowed returns**

| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| FFO Interest Coverage | 5.8x | 7.8x | 6.4x | 8.2x | 9.6x |
| Net Debt / Fixed Assets | 30.6% | 28.7% | 28.3% | 33.1% | 33.4% |
| FFO / Net Debt | 31.9% | 33.8% | 31.4% | 25.5% | 24.3% |
| RCF / Net Debt | 25.5% | 26.8% | 23.9% | 20.6% | 19.9% |

Note: All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
*Source: Moody's Financial Metrics* TM

## Profile

Enexis Holding N.V. is a holding company of Enexis Netbeheer B.V. (previously Enexis B.V.) and Endinet Groep B.V., which own and manage the gas and electricity distribution networks in several Dutch regions, covering around 31% of the country. Enexis Netbeheer B.V. and Endinet Groep B.V. generate more than 95% of the group's revenue and represent 99% of group assets and liabilities. The Enexis group is one of the three largest electricity and gas network operators in the Netherlands responsible for the maintenance, management and development of the medium-voltage electricity and gas distribution grids. It operates around 139,100 km of electricity cables and 46,400 km of gas pipelines, delivering electricity to approximately 2.8 million customers and gas to 2.3 million customers.

Enexis is fully owned by Dutch provinces and municipalities, with the largest owners being the provinces of Noord Brabant (31%), Overijssel (20%), Limburg (16%), Groningen (7%) and Drenthe (2%). The remaining 25% stake is owned by 100 municipalities where Enexis provides its network services.

## Detailed Credit Considerations

### Low business risk underpinned by regulated cash flows

Enexis's core business activities relate to low-risk monopoly network operation. These activities generate predictable cash flows over the medium to long term and provide good visibility on future funding requirements.

Less than 10% of Enexis's revenues are derived from other utility services. These non-regulated businesses are complementary to the core activities and include the Fudura energy services brand.

### Established regulatory framework but returns continue to decline

The Dutch regulatory framework, applied since 2000 and 2001 for electricity and gas networks, respectively, allows the country's distribution network companies to earn a return on their regulated asset base (RAB), and provides allowances for costs adjusted for consumer price index (CPI) inflation and an efficiency incentive factor. The regulation incorporates incentives determined using a "yardstick" mechanism, which defines the cost efficiency and quality factors based on industry averages and encourages network companies to improve profitability by outperforming the sector. This approach is typical amongst regulatory regimes in Europe and we consider that the application by the Dutch regulator, the Authority for Consumers and Markets (ACM), has been transparent and consistent to date.

The current price control period for both electricity and gas distribution runs from January 2017 to December 2021. In September 2016, ACM published its final determination for the period, which includes a gradual reduction in the allowed return to 3.0% (pre-tax, real) by 2021 from 4.0% at the start of the current regulatory period in 2017.

Exhibit 3

### Allowed return for Dutch network operators shows declining trend

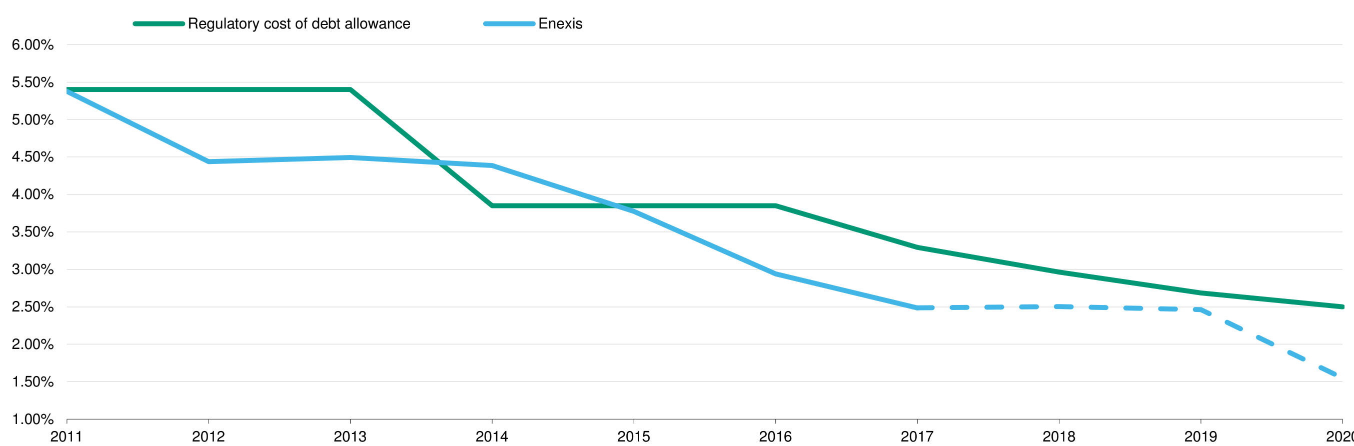
| WACC - Dutch DSOs | 2008-2010 | 2011-2013 | 2014-2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| risk free rate | 4.00% | 3.95% | 2.50% | 2.20% | 1.90% | 1.67% | 1.50% | 1.33% |
| risk premium | 0.80% | 1.50% | 1.20% | 0.95% | 0.91% | 0.87% | 0.86% | 0.81% |
| transaction costs | 0.00% | 0.00% | 0.15% | 0.15% | 0.15% | 0.15% | 0.15% | 0.15% |
| **Nominal Cost of Debt** | **4.80%** | **5.45%** | **3.85%** | **3.29%** | **2.96%** | **2.68%** | **2.50%** | **2.29%** |
| | | | | | | | | |
| nominal risk free rate for CoE | 4.00% | 3.95% | 2.50% | 1.28% | 1.28% | 1.28% | 1.28% | 1.28% |
| market risk premium | 5.00% | 5.00% | 5.00% | 5.05% | 5.05% | 5.05% | 5.05% | 5.05% |
| asset beta | 0.41 | 0.42 | 0.35 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 |
| equity beta | 0.86 | 0.81 | 0.61 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 |
| **Nominal Cost of Equity** | **8.30%** | **8.00%** | **5.55%** | **5.02%** | **5.02%** | **5.02%** | **5.02%** | **5.02%** |
| | | | | | | | | |
| gearing assumption | 60% | 55% | 50% | 50% | 50% | 50% | 50% | 50% |
| tax rate | 25.5% | 25.5% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |
| **Nominal WACC pre-tax** | **7.3%** | **7.8%** | **5.6%** | **5.0%** | **4.8%** | **4.7%** | **4.6%** | **4.5%** |
| | | | | | | | | |
| inflation | 1.75% | 1.55% | 2.00% | 0.90% | 1.03% | 1.16% | 1.29% | 1.42% |
| **Real WACC pre-tax** | **5.5%** | **6.2%** | **3.6%** | **4.1%** | **3.8%** | **3.5%** | **3.3%** | **3.0%** |

*Source: ACM, Moody's calculations*

The reduction in allowed returns is less material than for the 2014-16 regulatory period where it fell from 6.2% to 3.6% (both pre-tax, real) in gradual steps. Enexis has demonstrated its ability to operate within the bounds of the regulatory return allowance, and to fund comfortably within the cost of debt assumed by the regulator. We expect Enexis's cost of external debt to remain within the allowed cost for the period, supported by ongoing refinancing and new funding for its investment programme.

Exhibit 4

### Regulatory allowance for cost of debt 2017-2021 and Enexis's average cost of debt (Moody's estimate)




Note: Moody's estimate includes Enexis's refinancing needs and new funding required to support the increase in investments at current interest rate curves; Moody's estimate assumes refinancing of existing shareholder loans in 2019 with senior unsecured debt
*Source: ACM, Enexis annual reports and Moody's estimate*

The regulator also imposes a series of cost efficiency targets on the networks, which combined with the allowed return determine the so-called `X-factor', currently set at 2.13% for electricity and 1.54% for gas annually for Enexis (previously around 5% and 7%

respectively). While base costs were reset on the basis of average efficient costs in the period 2013-2015, resulting in an increase in the overall revenue allowance for 2017-21, the forward-looking operating efficiency targets embedded in the X-factor may still prove challenging.

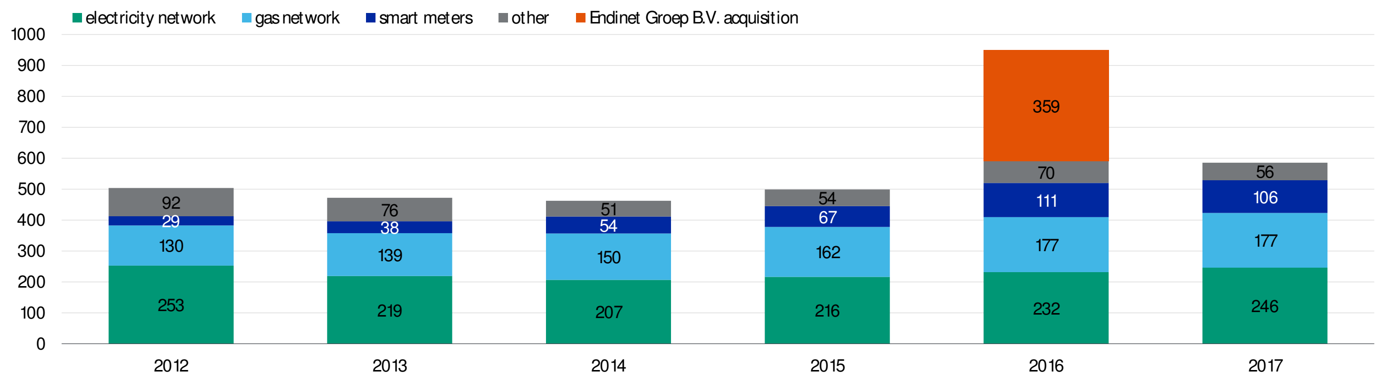
### Moderate capital expenditure requirements post asset swap transaction

We expect Enexis's capital expenditure requirements to gradually increase over the current regulatory period, reflecting the roll out of smart meters, with overall investments (gross of customer contributions) of around €600 million p.a., compared to historic levels of ca. €450-500 million p.a. However, the company's investment plan does not present a particular challenge in terms of scale or growth ambitions.

Exhibit 5

**Moderate capex requirements support financial metrics**

**Gross capital expenditure excluding customer contributions (in € millions)**




*Source: Enexis*

Total investment in 2016 were considerably higher than the annual average due to an asset swap payment (see Exhibit 5) made to its peer Alliander N.V. (Alliander, Aa2 stable), as part of which Enexis transferred its networks in the Friesland province and the Noordoostpolder area, in exchange for Alliander's network in the Eindhoven and Southeast Brabant region (operated by Endinet). This is part of the Dutch government's wider policy to arrange network operations along provincial borders.

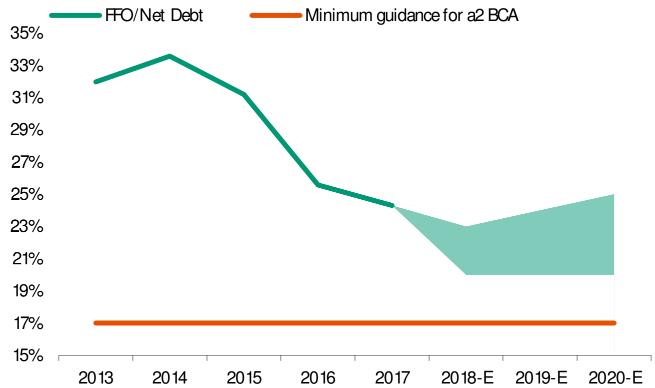
Endinet's business serves a larger number of customers (108,000 electricity and 398,000 gas connections) than Enexis's assets transferred to Alliander (combined 79,000 electricity and 223,000 gas connections). Therefore, Enexis compensated Alliander by paying €359 million.

### Modest leverage compared with peers supports strong stand-alone credit quality

Like its closest peer Alliander, Enexis exhibits a strong financial profile with modest financial leverage compared with the wider European peer group of energy network companies. Over the next three to four years, we expect that Enexis's metrics will weaken with (1) the reduction in allowed returns (itself a reflection of the lower interest rate environment); and (2) slightly increased investment requirements from the roll out of smart meters.

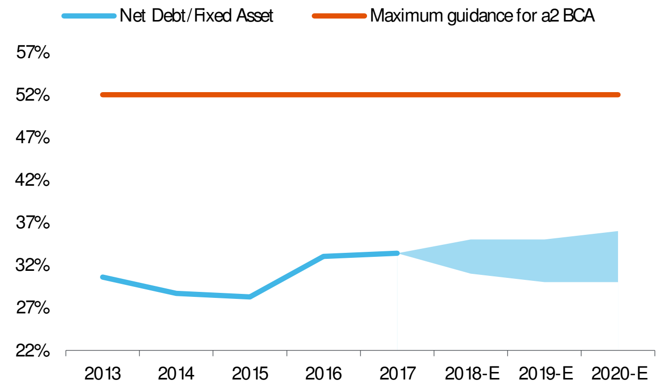
Nevertheless, overall leverage will remain modest in the wider European context. We forecast Enexis will maintain FFO/net debt in the low- to mid-twenties in percentage terms and net debt/fixed assets below 40% until the end of the regulatory period. The robust financial profile is also supported by a comparably modest dividend policy, with a payout ratio of around 50%, and an implicit commitment to shareholders to maintain an absolute dividend level of around €100 million on a best efforts basis.

Exhibit 6
**Moody's forecast declining cash flows due to lower returns...**
**FFO/Net Debt against guidance**




Note: [1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; [2] As of 12/31/2017; [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 TM, Moody's forecast incorporating draft regulatory proposals*

Exhibit 7
**... but relatively stable RAB-gearing**
**Net Debt/Fixed Assets against guidance**




Note: [1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; [2] As of 12/31/2017; [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 TM, Moody's forecast incorporating draft regulatory proposals*

## Liquidity Analysis

Enexis's liquidity position is supported by (1) strong cash flow generation from its regulated monopoly network activities; (2) approximately €56 million cash and liquid deposits as of December 2017 (net off negative cash pooling balances); and (3) an undrawn €600 million revolving credit facility maturing in June 2020 (with €545 million available until June 2021). In December 2016, Enexis also established a €1.0 billion commercial paper programme, which the company uses for short-term liquidity needs and to take advantage of the currently favourable interest rates.

Enexis's repayment profile is manageable with its last outstanding shareholder loan of €350 million maturing in 2019 and a €500 million bond maturing in 2020.

## Rating Methodology and Scorecard Factors

The principal methodology used in assessing Enexis's stand-alone credit quality, i.e. prior to incorporating the benefit of its ownership structure, is Moody's rating methodology for regulated electric and gas networks, published in March 2017.

The indicated rating from the regulated networks methodology grid is Aa3/A1, slightly higher than the company's stand-alone credit quality, reflected in an a2 baseline credit assessment (BCA). The grid-indicated rating, particularly for the historical average credit metrics benefits from the very strong past financial profile. Over the next 12-18 months, we expect Enexis to continue to exhibit a solid financial profile, but modestly weakening over the regulatory period as a result of declining allowed returns.

Exhibit 8
### Enexis Holding N.V. - Rating Grid

| Regulated Electric and Gas Networks Industry Grid [1][2] | Current FY 12/31/2017 | | Moody's 12-18 Month Forward View As of 3/16/2018 [3] | |
|---|---|---|---|---|
| **Factor 1 : Regulatory Environment and Asset Ownership Model (40%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Stability and Predictability of Regulatory Regime | | Aa | | Aa |
| b) Asset Ownership Model | | Aa | | Aa |
| c) Cost and Investment Recovery (Ability and Timeliness) | | A | | A |
| d) Revenue Risk | | Aa | | Aa |
| **Factor 2 : Scale and Complexity of Capital Program (10%)** | | | | |
| a) Scale and Complexity of Capital Program | | Baa | | Baa |
| **Factor 3 : Financial Policy (10%)** | | | | |
| a) Financial Policy | | A | | A |
| **Factor 4 : Leverage and Coverage (40%)** | | | | |
| a) FFO Interest Coverage (3 Year Avg) | 7.8x | Aaa | 7x - 9x | Aaa |
| b) Net Debt / Fixed Assets (3 Year Avg) | 31.7% | Aa | 31% - 34% | Aa |
| c) FFO / Net Debt (3 Year Avg) | 26.7% | Aa | 22% - 25% | A |
| d) RCF / Net Debt (3 Year Avg) | 21.2% | Aa | 18% - 21% | A |
| **Rating:** | | | | |
| Indicated Rating from Grid Factors 1-4 | | Aa3 | | A1 |
| **Rating Lift** | | **0** | | **0** |
| a) Indicated Rating from Grid | | Aa3 | | A1 |
| b) Actual Rating Assigned | | | | Aa3 |
| | | | | |
| Government-Related Issuer | | | | **Factor** |
| a) Baseline Credit Assessment | | | | a2 |
| b) Government Local Currency Rating | | | | n/a |
| c) Default Dependence | | | | Very High |
| d) Support | | | | Strong |
| e) Final Rating Outcome | | | | Aa3 |

Note: [1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; [2] As of 12/31/2017; [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 TM*

Enexis is fully owned by Dutch regional and local governments, with public ownership of the networks required by current legislation. Therefore, in assessing Enexis's credit quality, we apply our rating methodology for government-related issuers, published in August 2017.

Enexis Aa3 rating incorporates a two-notch uplift from its stand-alone credit quality, expressed as a BCA of a2, reflecting the likelihood of extraordinary financial support being provided by its owners, the largest of which is the Province of Noord-Brabant with around 31%. Although ownership of Enexis is relatively fragmented among five provinces and 100 municipalities, our assumption of strong support reflects (1) the importance of Enexis's network operations for the regional economy; (2) the fact the four largest provinces together hold close to 75% of the company's shares; and (3) the strong governance framework in the Netherlands with oversight by the national government.

Our assessment of a very high level of dependence (i.e. the degree of exposure to common drivers of credit quality) between Enexis and its local government shareholders reflects our expectation that Enexis, like its owners, will continue to derive all of its revenues from domestic sources.

# Appendix

Exhibit 9
## Peer Comparison

| | Enexis Holding N.V. | | | Alliander N.V. | | | Fingrid Oyj | | | N.V. Nederlandse Gasunie | | | TenneT Holding B.V. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Aa3 | | | Aa2 | | | A1 | | | A2 | | | A3 | | |
| EUR Millions | FY15 | FY16 | FY17 | FY15 | FY16 | FY17 | FY15 | FY16 | FY17 | FY15 | FY16 | LTM FY17 | FY15 | FY16 | FY17 |
| Revenue | 1,353.0 | 1,376.0 | 1,380.0 | 1,540.0 | 1,584.0 | 1,697.0 | 600.2 | 586.1 | 672.0 | 1,631.0 | 1,547.8 | 1,473.1 | 2,844.0 | 2,843.0 | 3,976.0 |
| EBITDA | 729.6 | 728.0 | 718.0 | 634.0 | 559.0 | 658.0 | 275.5 | 261.3 | 273.8 | 1,121.9 | 1,074.6 | 1,009.3 | 943.0 | 959.0 | 1,537.0 |
| Total debt | 2,417.3 | 2,444.0 | 2,647.0 | 2,028.0 | 1,916.0 | 2,165.7 | 1,165.3 | 1,134.4 | 1,110.1 | 4,677.6 | 4,263.8 | 3,816.3 | 5,151.0 | 8,083.0 | 8,776.0 |
| Net debt | 1,760.3 | 2,246.0 | 2,361.0 | 1,914.0 | 1,853.0 | 2,065.7 | 1,049.0 | 1,054.7 | 1,026.3 | 4,612.9 | 4,025.4 | 3,784.0 | 5,148.0 | 7,926.0 | 8,721.0 |
| Fixed Assets | 6,215.9 | 6,790.2 | 7,078.6 | 6,565.0 | 6,633.0 | 6,924.7 | 1,697.1 | 1,714.8 | 1,702.2 | 9,199.2 | 8,740.5 | 8,700.7 | 12,196.0 | 13,461.0 | 14,870.0 |
| FFO Interest Coverage | 6.4x | 8.1x | 9.6x | 7.7x | 8.4x | 9.7x | 8.3x | 8.2x | 10.5x | 7.2x | 7.5x | 9.3x | 5.2x | 5.3x | 6.9x |
| Net Debt / Fixed Assets | 28.3% | 33.1% | 33.4% | 29.2% | 27.9% | 29.8% | 61.8% | 61.5% | 60.3% | 50.1% | 46.1% | 43.5% | 42.2% | 58.9% | 58.6% |
| FFO / Net Debt | 31.4% | 25.5% | 24.3% | 26.3% | 25.1% | 25.5% | 21.1% | 19.2% | 21.0% | 19.5% | 20.7% | 21.0% | 13.7% | 9.8% | 13.5% |
| RCF / Net Debt | 23.9% | 20.6% | 19.9% | 19.4% | 20.1% | 20.1% | 14.9% | 10.7% | 11.5% | 11.7% | 12.5% | 18.1% | 10.9% | 6.3% | 9.3% |

*Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.*

Exhibit 10
## Debt Adjustment Breakdown

| EUR Millions | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|---|
| **As reported Debt** | **2,361.3** | **1,831.5** | **1,773.7** | **2,269.0** | **2,276.0** | **2,487.0** |
| Pensions | 31.5 | 32.0 | 34.4 | 32.3 | 36.0 | 36.0 |
| Operating Leases | 117.6 | 132.0 | 122.8 | 116.0 | 132.0 | 124.0 |
| **Moody's - Adjusted Debt** | **2,510.4** | **1,995.5** | **1,930.9** | **2,417.3** | **2,444.0** | **2,647.0** |
| Cash and Cash Equivalents | -663.6 | -200.0 | -206.3 | -657.0 | -198.0 | -286.0 |
| **Moody's - Adjusted Net Debt** | **1,846.8** | **1,795.5** | **1,724.6** | **1,760.3** | **2,246.0** | **2,361.0** |

*Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.*

Exhibit 11

Enexis Holding N.V.

Selected historical financials as adjusted by Moody's

| EUR Millions | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | |
| Revenue | 1,367.0 | 1,385.7 | 1,399.5 | 1,353.0 | 1,376.0 | 1,380.0 |
| EBIT | 447.9 | 460.9 | 445.7 | 418.6 | 371.6 | 364.4 |
| EBITDA | 727.4 | 757.9 | 769.2 | 729.6 | 728.0 | 718.0 |
| Interest expense | 101.9 | 120.3 | 86.2 | 102.1 | 80.5 | 67.0 |
| **BALANCE SHEET** | | | | | | |
| Total Debt | 2,510.4 | 1,995.5 | 1,930.9 | 2,417.3 | 2,444.0 | 2,647.0 |
| Net Debt | 1,846.8 | 1,795.5 | 1,724.6 | 1,760.3 | 2,246.0 | 2,361.0 |
| Total Liabilities | 3,895.8 | 3,026.4 | 3,023.1 | 3,587.7 | 3,711.8 | 3,983.7 |
| Fixed Assets | 5,665.7 | 5,859.6 | 6,007.4 | 6,215.9 | 6,790.2 | 7,078.6 |
| Total Assets | 7,139.3 | 6,395.1 | 6,539.8 | 7,193.9 | 7,415.2 | 7,790.6 |
| **CASH FLOW** | | | | | | |
| Funds from operations (FFO) | 586.8 | 572.9 | 582.5 | 552.9 | 573.6 | 574.2 |
| Cash Flow From Operations (CFO) | 563.9 | 513.9 | 605.1 | 558.9 | 555.6 | 582.2 |
| Cash Dividends - Common | -114.7 | -114.5 | -119.5 | -133.0 | -111.0 | -104.0 |
| Retained Cash Flow (RCF) | 472.1 | 458.4 | 463.0 | 419.9 | 462.6 | 470.2 |
| Capital Expenditures | -440.3 | -425.2 | -423.1 | -467.9 | -549.6 | -539.2 |
| Free Cash Flow (FCF) | 8.9 | -25.8 | 62.5 | -42.0 | -105.0 | -61.0 |
| FFO / Net Debt | 31.8% | 31.9% | 33.8% | 31.4% | 25.5% | 24.3% |
| RCF / Net Debt | 25.6% | 25.5% | 26.8% | 23.9% | 20.6% | 19.9% |
| FCF / Net Debt | 0.5% | -1.4% | 3.6% | -2.4% | -4.7% | -2.6% |
| **PROFITABILITY** | | | | | | |
| EBIT Margin % | 32.8% | 33.3% | 31.8% | 30.9% | 27.0% | 26.4% |
| EBITDA Margin % | 53.2% | 54.7% | 55.0% | 53.9% | 52.9% | 52.0% |
| **INTEREST COVERAGE** | | | | | | |
| FFO Interest Coverage | 6.8x | 5.8x | 7.8x | 6.4x | 8.1x | 9.6x |
| **LEVERAGE** | | | | | | |
| Debt / EBITDA | 3.5x | 2.6x | 2.5x | 3.3x | 3.4x | 3.7x |
| Net Debt / EBITDA | 2.5x | 2.4x | 2.2x | 2.4x | 3.1x | 3.3x |
| Debt / Book Capitalization | 42.4% | 35.9% | 34.2% | 38.9% | 38.0% | 39.2% |
| Net Debt / Fixed Assets | 32.6% | 30.6% | 28.7% | 28.3% | 33.1% | 33.4% |

*Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.*

## Ratings

Exhibit 12

| Category | Moody's Rating |
|---|---|
| **ENEXIS HOLDING N.V.** | |
| Outlook | Stable |
| Issuer Rating -Dom Curr | Aa3 |
| Senior Unsecured -Dom Curr | Aa3 |
| ST Issuer Rating -Dom Curr | P-1 |

*Source: Moody's Investors Service*

REPORT NUMBER 1115235

MOODY'S INVESTORS SERVICE