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CREDIT OPINION
9 February 2024

Update

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RATINGS

Azzurra Aeroporti S.p.A.

Domicile	Italy
Long Term Rating	Ba1
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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Azzurra Aeroporti S.p.A.

Update to Credit analysis

Summary

Azzurra Aeroporti S.p.A. (Azzurra, Ba1 stable) is the holding company for Aéroports de la Côte d'Azur (ACA, Baa2 stable), which operates the Nice, Cannes Mandelieu and Golfe de Saint-Tropez airports.

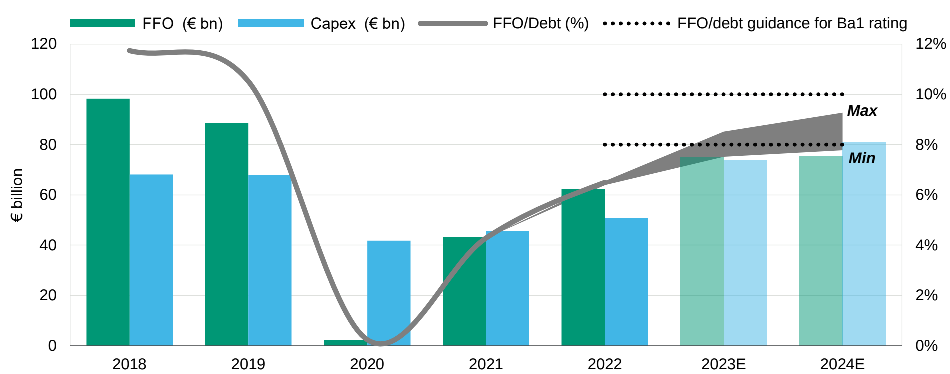
The credit quality of the Azzurra group is underpinned by (1) the strong business profile of Nice airport, the largest regional airport In France and an important gateway to the Côte d'Azur; (2) the limited competition from other airports and modes of transport; (3) predominantly origin and destination (O&D) traffic, with a high proportion of domestic and European passengers; and (4) a diversified carrier base with no significant exposure to weak airlines. These strengths are partially offset by (1) the lack of transparency in ACA's regulatory framework; and (2) the highly-leveraged financial profile of the Azzurra group, with limited headroom to Azzurra's debt default covenants.

Nice airport saw a solid recovery in traffic in 2023, with volumes reaching 98% of pre-pandemic levels. While we anticipate continued passenger growth, the pace is likely to slow due to a subdued macroeconomic environment and decelerating demand across Europe. Overall, we expect ACA's operating performance will continue to support credit metrics in 2024.

Exhibit 1

We expect Azzurra group's credit metrics to gradually improve on the back of traffic recovery

Funds from operations (FFO)/debt and capital expenditure (capex) evolution



Financial figures are based on 'Adjusted' financial data and reflect the total consolidated debt of the Azzurra group. The estimates represent Moody's forward view, not the view of the issuer.

Source: Company, Moody's Investors Service

Azzurra does not have full access to ACA's cash flow because of the presence of minority shareholders. In addition, the holding company creditors' claims are subordinated given their position in the capital structure. However, the credit quality of Azzurra recognises the features embedded in the debt documentation, which provide some creditor protection and limit Azzurra's ability to upstream cash to its shareholders subject to leverage tests, allowing for some de-linkage from the credit quality of Mundys S.p.A. (Mundys, Ba1 stable), a majority shareholder of Azzurra.

Credit strengths

» France's busiest airport outside of Paris and an important gateway to the Côte d'Azur

» Strong catchment area with limited competition

» High proportion of domestic and European travelers with a significant component of leisure traffic

» Diversified carrier base, with no significant exposure to weak airlines

Credit challenges

» Traffic remains vulnerable to softening macroeconomic conditions and cost of living pressures

» Lack of transparency in the regulatory framework

» Highly-leveraged financial profile of the Azzurra group

» Significant presence of minority shareholders at ACA

Rating outlook

The stable outlook reflects our expectation that Azzurra's financial metrics will continue to improve, such that funds from operations (FFO)/debt ratio will be above 8%, on a sustained basis. The stable outlook also reflects our expectation that the group will maintain a solid liquidity position.

Factors that could lead to an upgrade

ACA's and Azzurra's ratings could be upgraded in the scenario of a stronger-than-expected traffic growth and a favourable operating environment, such that the group's consolidated FFO/debt ratio were to remain persistently above 10%, while ACA maintained a stronger underlying financial profile with a limited amount of debt and solid liquidity.

Factors that could lead to a downgrade

ACA's and Azzurra's ratings could be downgraded if (1) the group's consolidated financial profile weakens, such that Azzurra's FFO/debt remains significantly below 8%; (2) ACA is not able to obtain yearly tariff increases to restore its profitability over the coming years; (3) there is a risk of covenant breaches within the group without adequate mitigating measures in place; or (4) the group's liquidity deteriorates.

Profile

Azzurra Aeroporti S.p.A. (Azzurra) is the majority shareholder of Aéroports de la Côte d'Azur (ACA), with a 64% stake. ACA operates the Nice and Cannes Mandelieu airports, under a concession expiring on 31 December 2044, and Aéroport du Golfe de Saint-Tropez, which is held freehold. With 14.2 million passengers in 2023, ACA is the second-largest airport group in France, after Aéroports de Paris.

Azzurra is owned by a consortium comprising Mundys S.p.A. (Ba1 stable; 52.7%), Aeroporti di Roma S.p.A. (Baa2 stable; 7.8%), EDF Invest (19.4%) — the unlisted investment arm of Electricité de France's (Baa1 stable) Dedicated Assets — and the Principality of Monaco (20.1%). The company acquired 64% of ACA's shares in November 2016 as part of the privatisation process.

Detailed credit considerations

Major airport in southern France serving as an important gateway to the Côte d'Azur with limited competition

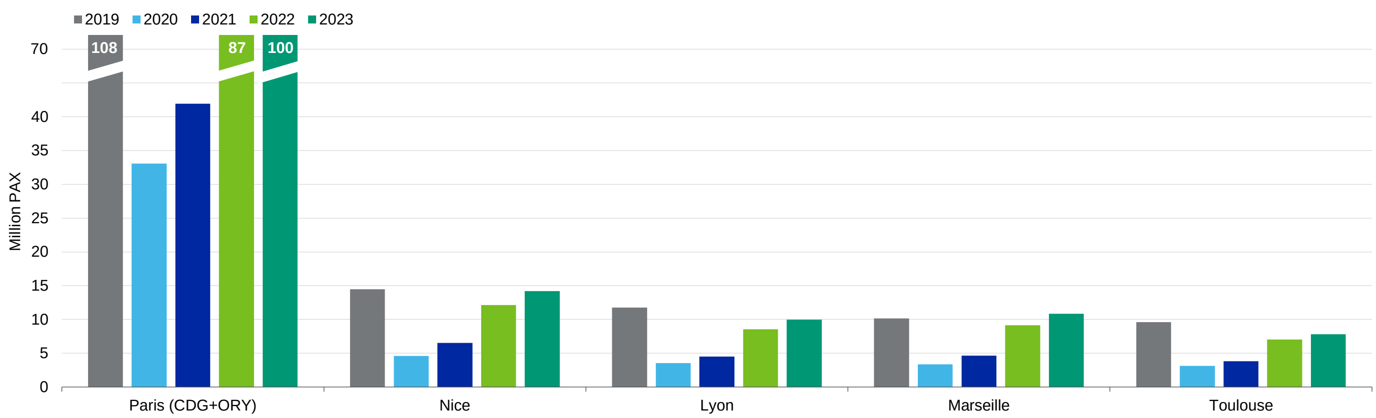
ACA's main asset is Nice airport, located 5.9 kilometres southwest of downtown Nice, which is France's premier tourist destination after Paris and a gateway to the Côte d'Azur. Because of its proximity and helicopter services to Monaco, Nice airport also serves as Monaco's airport.

The Nice metropolitan area is the second-largest region in the Provence-Alpes-Côte d'Azur region, which is in turn the third most important region in France economically. The region houses several business and technology parks. Together with an international conference centre, the art festivals held in Cannes and regular visits year-round from wealthy individuals (including to nearby Monte Carlo, Monaco and the adjoining Italian Riviera), Nice airport attracts a relatively diversified traffic mix.

The strong market position is reflected in the level of traffic passing through Nice airport every year. With around 14.2 million passengers in 2023, Nice is one of France's busiest airports and the largest regional airport in the country.

Exhibit 2

Nice airport is the largest regional airport in France
Evolution of passengers (PAX) in million



Source: Company, Moody's Investors Service

ACA faces limited competition from other airports or modes of transport. Air travel is the most convenient way to travel to the Mediterranean coast given the long surface journey. Whilst Marseille airport is within a two-hour drive, it is smaller and serves a somewhat different profile of customer. There is currently no high-speed train connection between Nice and Paris (it takes around six hours to reach Paris by train), and a high-speed connection with Marseille is not planned before 2040.

Better-than-average recovery in traffic following the end of travel restrictions, but growth trends will slow down

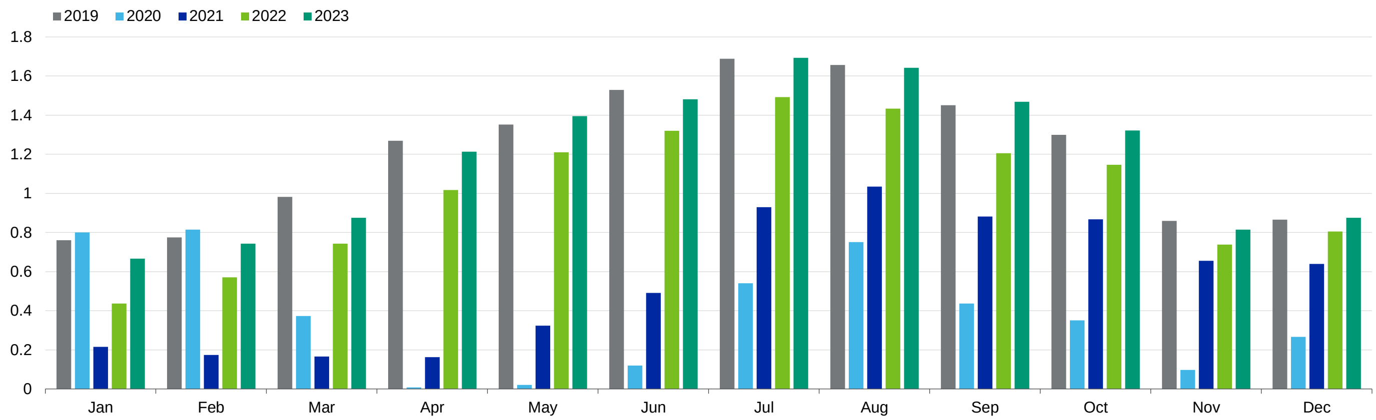
Like other European airports, ACA has been severely impacted by the COVID-19 pandemic and the associated travel restrictions. Passenger volumes dropped to 4.6 million in 2020 (68% below 2019 level) and 6.5 million in 2021 (43% below 2019 level).

ACA's traffic started to pick up during the second quarter of 2022, driven by the gradual lifting of travel restrictions and strong pent-up travel demand. In 2022, passenger volumes recovered to 84% of 2019 levels. In 2023, traffic continued to rebound strongly and total passengers at Nice airport reached around 14.2 million, increasing by almost 18% versus 2022, to just 2% below 2019 levels. This improvement was underpinned by the attractiveness of Nice as a prime tourist destination in Europe, the increased routes and capacity offered by the airlines and the strong growth of long-haul traffic.

Exhibit 3

ACA's traffic continued to grow strongly in 2023

Monthly traffic for Nice airport, in million passengers



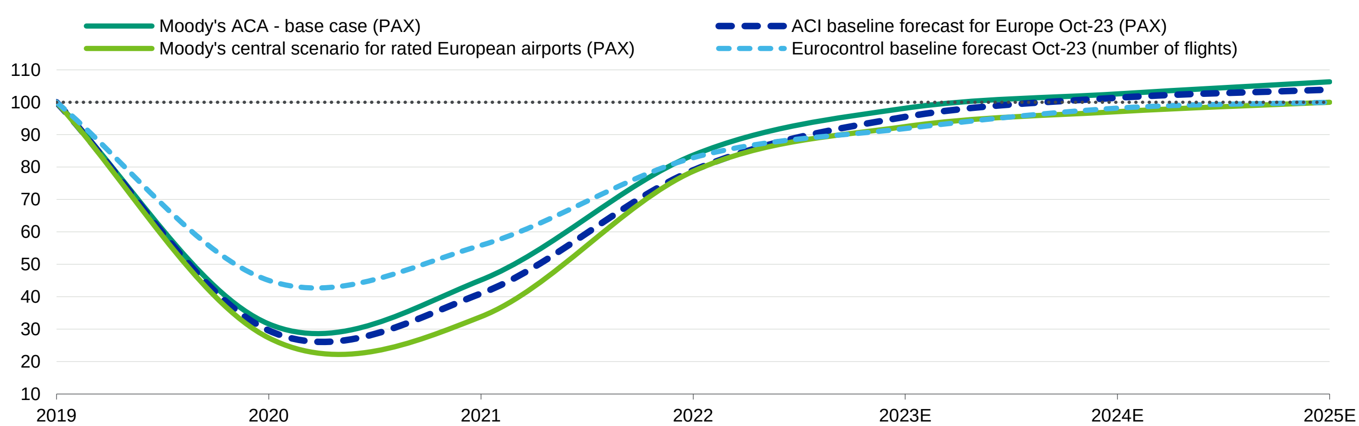
Source: Company, Moody's Investors Service

We expect passenger volumes to continue to grow, albeit at a significantly lower rate, given a base effect but also because higher interest rates, cost of living pressures and a loosening labour market continue to erode consumers' disposable income, which could restrain spending on leisure travel. Nonetheless, we anticipate that traffic will recover to pre-pandemic levels in 2024. Our assumed recovery rates are broadly aligned with those for our rated European airport sector as a whole, which recognises ACA's traffic mix and its carrier base (see 2024 Outlook - Stable as traffic growth moderates while capital spending intensifies, November 2023).

Exhibit 4

ACA's traffic recovery has been stronger than the average for EU airports

Passenger volumes (PAX), base 100 in 2019



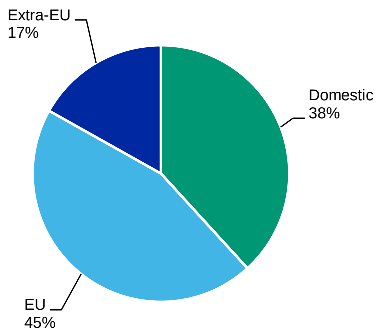
Moody's base case traffic scenario was last updated in November 2023, please see the 2024 Outlook - Stable as traffic growth moderates while capital spending intensifies for more details.
In the case of Eurocontrol, figures are based on the number of flights.
Source: Moody's Investors Service

High proportion of domestic and European travelers with a significant component of leisure traffic

Historically, traffic at ACA was mainly supported by an increase in the international component, with a high proportion of inbound traffic, given Nice's popularity as a travel destination. In 2019, international traffic accounted for over 65% of the total, with the majority of this coming from other European countries. However, during the pandemic, ACA benefitted from a high share of domestic passengers, which helped maintain its operations. This domestic traffic performed significantly better than international traffic, largely due to the restrictions and specific requirements imposed on cross-border travel during this period.

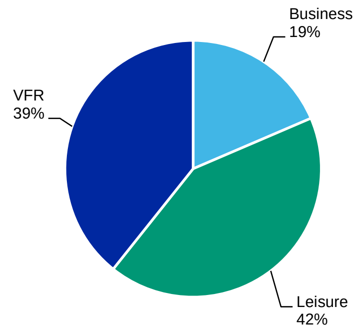
In light of the location of its airport assets, ACA's traffic profile has been characterised by a modest exposure to the business travel segment, which accounted for 19% of total traffic in 2022. Over recent years, leisure and visiting friends and relatives (VFR) traffic has grown faster than business travel, and we expect this trend to continue. The slower recovery of business travel is mostly driven by evolving work patterns, increased reliance on technology, and corporate emphasis on cost reduction and lower carbon footprint.

Exhibit 5
ACA benefits from a high proportion of domestic and EU traffic...
As of 2022



EU data includes the UK
Source: Company, Moody's Investors Service

Exhibit 6
... and a significant component of leisure traffic
As of 2022



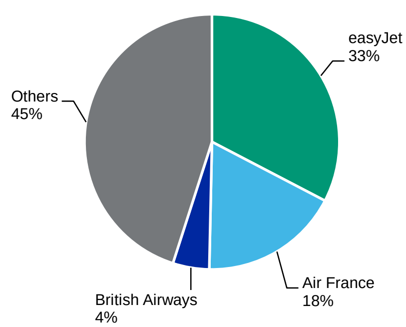
VFR corresponds to visiting friends or relatives
Source: Company, Moody's Investors Service

Origin and destination traffic supported by a well-diversified carrier base

Traffic at Nice airport is dominated by origin and destination (O&D) passengers, which represent virtually 100% of traffic. This high proportion of O&D traffic lends resilience to ACA's profile, as it tends to somewhat delink traffic evolution from the financial health or the business strategies of its carrier base.

The Nice airport has a diversified carrier mix. The airport's biggest carriers are easyJet and Air France, which accounted for 33% and 18% of passengers, respectively, in 2022. Air France's share has decreased over time because low-cost carriers took some of the market, and Air France decided to reduce its international and domestic routes in Nice airport. The third-largest airline is British Airways with a 4% market share.

Exhibit 7
ACA has a relatively diversified carrier base
Total traffic breakdown for 2022



Source: Company and Moody's Investors Service

Overall, ACA serve a fairly diversified carrier base, with the top 10 carriers capturing approximately 75% of total traffic as of December 2022.

General aviation adds some diversification

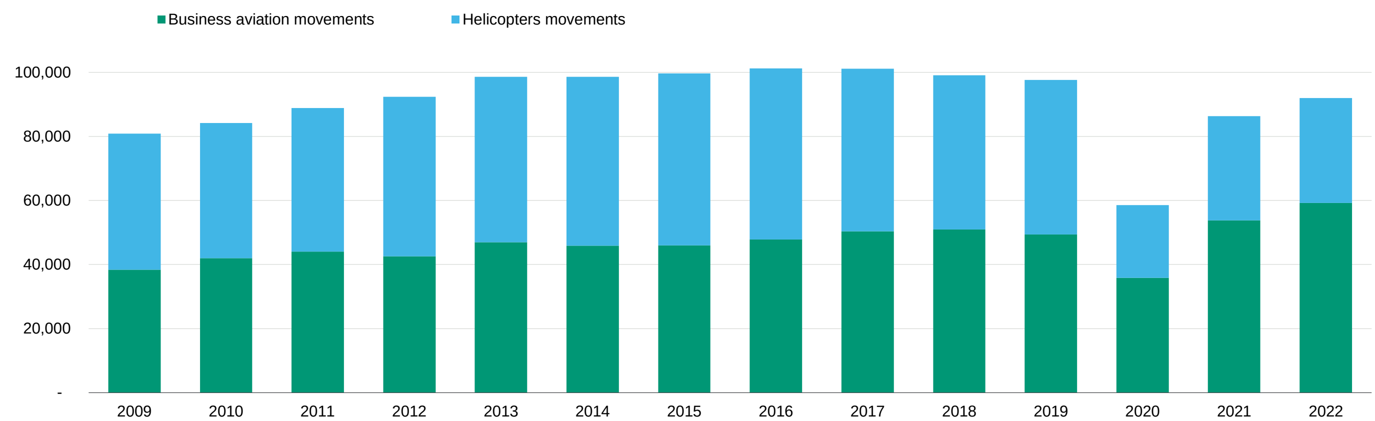
ACA is one of the world's major operators in the general aviation segment with more than 59,000 movements in 2022 (excluding helicopters) handled by the company's three airports — Nice, Cannes Mandelieu and Saint-Tropez.

General aviation traffic is subject to different trends compared with commercial flights. Volumes fell sharply during 2007-09 and have remained below the 2007 levels since then. Leading up to the pandemic, general aviation traffic was quite stable. In 2019, the economic performance of the general aviation sector improved, despite a 1.6% decline in traffic movements, because of an increase in the average aircraft tonnage and the increasing length of jet stays. In 2020 and through the pandemic, general aviation has been more resilient in terms of traffic declines than commercial aviation. In the first nine months of 2023, general aviation movements (excluding helicopters) were 11% higher than in the same period of 2019 because of a significant increase in short-to-medium range jet movements. Going forward, we expect general aviation traffic to stabilise around the levels seen in 2019.

Exhibit 8

General aviation traffic has been more resilient than commercial flight traffic

ACA's general aviation traffic movement evolution



General aviation movements data includes business general aviation and helicopter movements.
Sources: Company, Moody's Investors Service

Lack of transparency in the regulatory framework

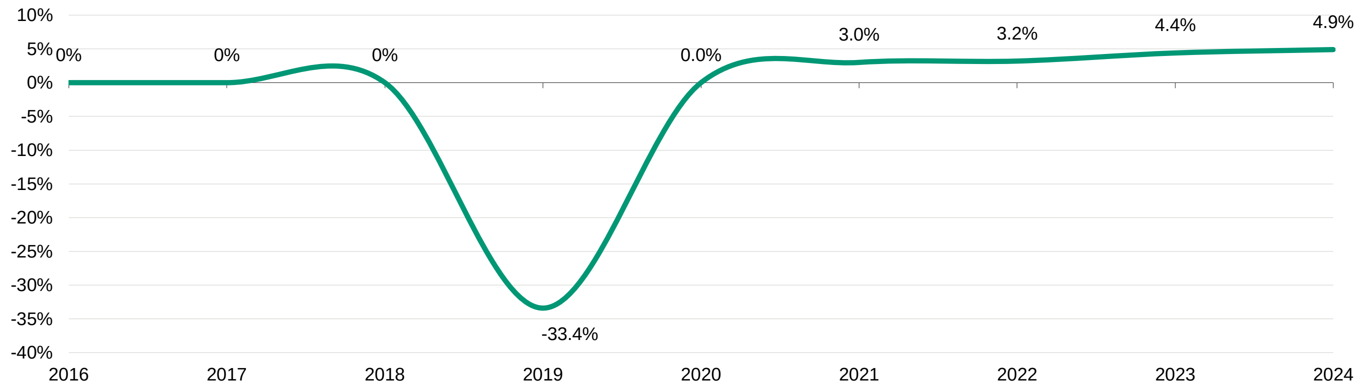
ACA is subject to a framework of economic regulation under a "dual till" model that provides for the split between aviation activities and commercial activities, where regulated tariffs are solely applicable for aviation activities. Retail and other commercial business are outside of the regulated perimeter.[1] Regulated aeronautical revenues represented close to 47% of the total in 2022.

The regulatory framework has been in place since July 2018, when the government via a ministerial decree defined the regulated perimeter for ACA, resulting in a change from a "single till" to the "dual till" model; and introduced an inflation-linked price cap formula until the end of the concession. Nevertheless, the regulator considered that the change to a "dual till" model should be implemented gradually and in line with a principle of a "moderate" evolution in aeronautical charges. As a result, ACA's aeronautical tariffs were reduced by 33.4% in 2019 and the company did not receive any tariff increases in 2020. Subsequently, ACA obtained average tariff increases of 3%, 3.2%, 4.4% and 4.9% for the period 2021-2024, respectively. However, such increases have been very modest in the context of a very difficult operating environment during the pandemic and a subsequent period of elevated inflation. At the moment, ACA has not been able to obtain any compensation related to COVID-19 losses and was not able to pass-through the significant increase is costs due to higher inflation.

Exhibit 9

ACA obtained moderate tariff increases over the last years

% change in average tariffs year-on-year



Source: Company, Moody's Investors Service

Overall, the regulatory environment for ACA has been less predictable and transparent than that in other European jurisdictions. This is because (1) ACA has to negotiate tariff proposals every year with the regulator and different stakeholders; and (2) the principle of moderation is not clearly defined in the regulation, but it is subject to different interpretations depending on the circumstances.

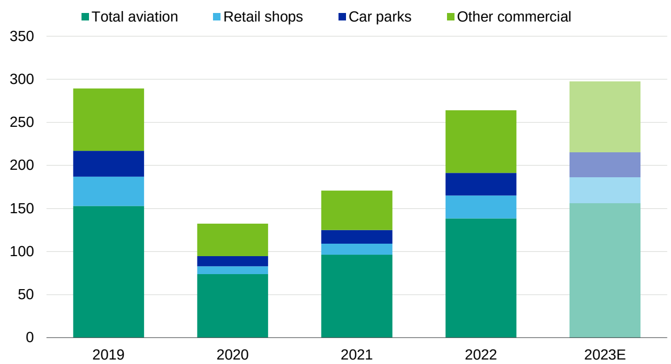
Moreover, concession businesses in France have been recently subject to heightened political pressure. In September 2023, in the proposed 2024 Budget Law, the government introduced a new tax framework for long-distance transport infrastructure operators, that also impacts ACA. This new tax is set at 4.6% of revenue in excess of €120 million, on top of the safety and security tax revenue. The law was ratified by the Parliament at the end of 2023. We anticipate that this new tax will have moderate negative impact for ACA and Azzurra, leading to an additional charge of about €5 million in 2024. The proposal has been met with resistance from toll roads and airport operators and it may lead to legal challenges or lengthy discussions with the regulator around the need of further tariff increases in the future.

Profitability was impacted by the significant increase in costs

ACA's revenue was severely affected by lower traffic volumes during the pandemic. The downturn was particularly pronounced in the retail and car park segments, which suffered more acutely as traffic dwindled. In 2022, all the segments reported an increase in revenue on the back of growing passenger volumes, but performance varied. While total aviation revenue was around 10% below pre-pandemic levels, retail revenues were still 20% below and parking revenues around 13% below 2019 levels. The commercial segment, which includes retail, parking, car rentals and real estate, accounted for around 48% of ACA's revenue in 2022.

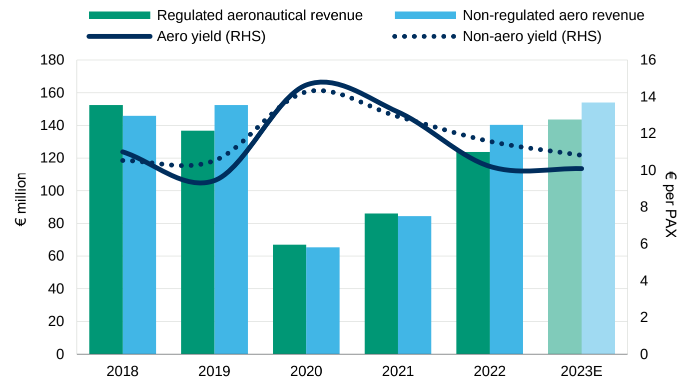
For 2023, we anticipate a rise in total revenues by around 12%-13%. This is driven by the continued traffic rebound, higher aeronautical charges, and the stabilisation of aeronautical and non-aeronautical yields at around the same levels than in 2018-2019 period.

Exhibit 10
Commercial revenue accounts for almost 50% of total
Total revenue breakdown, in € million



Total aviation revenue includes commercial aviation, general aviation (regulated and non-regulated) and airport tax revenue.
Source: Company, Moody's Investors Service

Exhibit 11
Non-aeronautical yields per passenger will estabilised close to 2019 levels
Evolution of revenue (LHS) and yields (RHS)

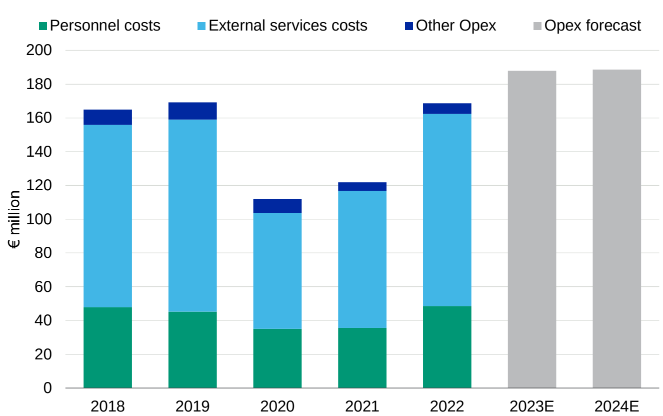


Regulated aeronautical revenue includes commercial aviation revenue, regulated general aviation in Nice and Cannes, and airport tax revenue
Source: Company, Moody's Investors Service

However, as traffic recovered also costs increased. In 2022, ACA's operating costs reached 2019 levels. This was driven mainly by the airport returning to full infrastructure utilisation, with the reopening of Terminal 1, and the high inflationary environment, which led to a rise in personnel costs and energy prices. We estimate that ACA's total operating cost increased further in 2023 by around 10%, as passenger volumes reached levels close to pre-pandemic.

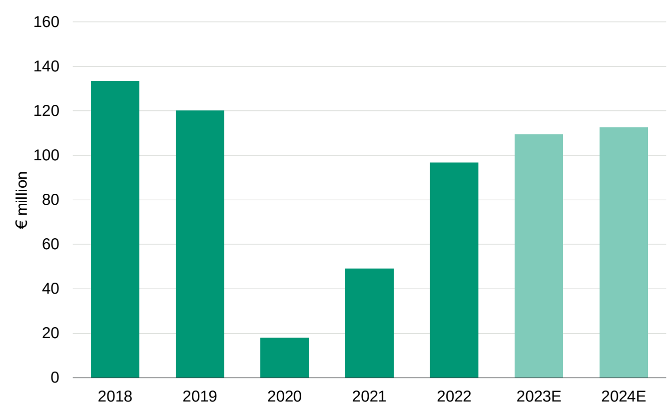
Higher costs had a negative impact on ACA's profitability. Overall, EBITDA in 2022 was still almost 20% below 2019 and we do not expect the company's EBITDA to reach pre-pandemic levels by the end of this year.

Exhibit 12
Costs will increase as passenger volumes rise...
Projected operating expenditure, in € million



Source: Company, Moody's Investors Service

Exhibit 13
...leading to a more muted EBITDA growth
Projected EBITDA, in € million



Source: Company, Moody's Investors Service

Investments are likely to increase limiting ACA's ability to deleverage

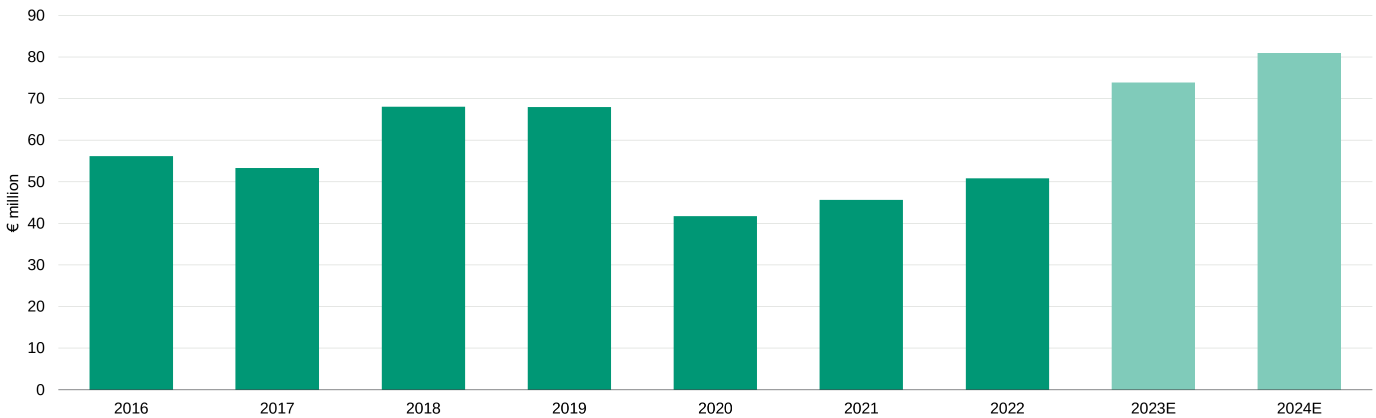
Similarly to many other European airports, ACA scaled down its investments during the pandemic. The company's capital expenditure amounted to less than €140 million over the three-year period from 2020 to 2022. The actual spend was significantly lower than planned before the pandemic as all the major growth projects were paused and certain other investments have been deferred.

While ACA's maintenance requirements are relatively modest, amounting to some €20 million a year, its investments will increase in the medium term. In particular, ACA is focused on the expansion of Nice airport's Terminal 2 to increase total capacity to 18 million passengers from the current 14 million. Construction work started at the end of 2022 and the company has progressed as planned, with the project likely to be completed in 2025-26. Overall, we estimate that investments will be around €70-€80 million per year in 2023 and 2024.

Exhibit 14

ACA's investments are ramping-up

Projected capital spending



Source: Company, Moody's Investors Service

The capital expenditure programme, if implemented as planned, in conjunction with moderate tariff increases and moderate dividend distributions, will lead to negative free cash flows. This will limit ACA's ability to further deleverage over the coming years.

Highly leveraged financial profile of Azzurra group

At the operating company level, ACA has demonstrated a strong financial profile with relatively limited amount of debt, which is around €300 million. By the end of 2024, we project ACA's FFO/debt to surpass 30% and DSCR to exceed 5.5x, bolstered by the ongoing traffic recovery and robust operating performance.

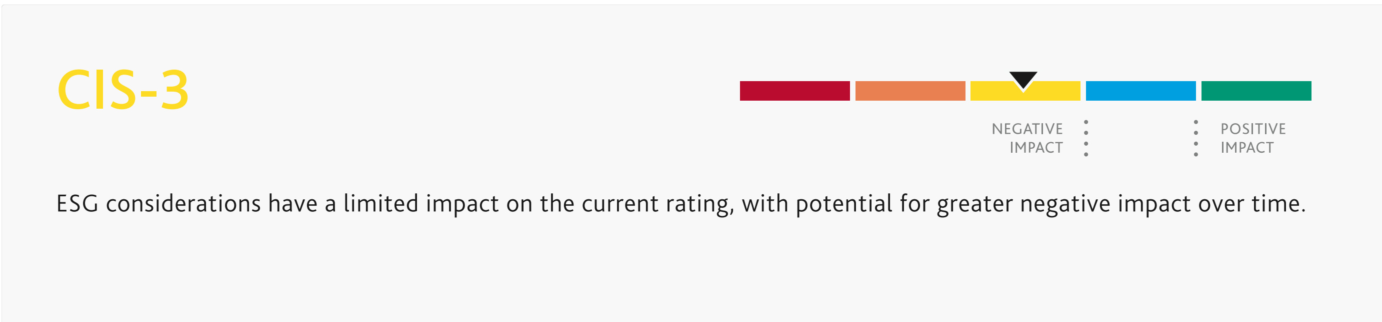
However, the additional debt of around €660 million at Azzurra, reduces the group's flexibility to deal with downside scenarios. The consolidated gross debt of the group is anticipated to remain at around €960 million over the next couple of years. Therefore, we project that Azzurra's consolidated FFO/debt will stabilise at approximately 8%-9%, with a DSCR of around 1.8x by year-end 2024.

Azzurra's debt documentation includes a step-down net debt/EBITDA financial covenant, which reduces progressively from 7.5x in 2023 to 6.75x in 2027. Given the actual traffic recovery and estimated EBITDA generation in 2023 and 2024, we expect the company to have limited headroom against its default covenant. In this context, our current credit assessment takes into account the shareholders' commitment to provide timely and adequate support to Azzurra in order to avoid any financial covenant breach.

ESG considerations

Azzurra Aeroporti S.p.A.'s ESG credit impact score is CIS-3

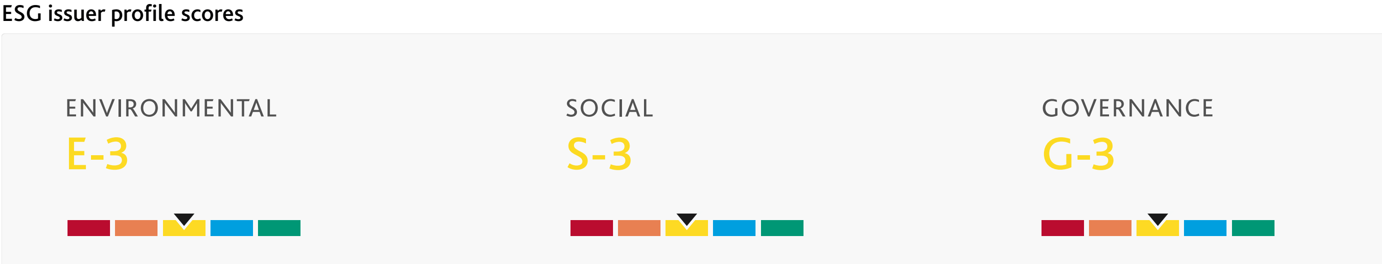
Exhibit 15
ESG credit impact score



Source: Moody's Investors Service

The ESG Credit Impact Score for Azzurra Aeroporti S.p.A. (Azzurra) is moderately negative (**CIS-3**), reflecting the limited credit impact to date, but the potential for some ESG attributes to pressure the rating over time. The credit risks are longer term in nature, although policy responses may gradually impact the company. Its score reflects moderately negative environmental, social and governance risks.

Exhibit 16
ESG issuer profile scores



Source: Moody's Investors Service

Environmental

Azzurra's environmental risks are moderately negative (**E-3**) because of carbon transition and physical climate risks. Evolving decarbonisation policies and regulations in the EU may increase operating costs for airlines and affect the demand for air travel. Further, the desire by some corporations to reduce their carbon footprints may lead to reduced travel, although business travel represents a relatively modest segment for Nice airport. To mitigate its exposure to carbon transition risks, in the medium-term the airport operator will assess a range of green initiatives with the target to achieve carbon neutrality by 20XX. As a single asset, the Nice airport faces physical climate risk from its location near sea level. The company has a moderate exposure to noise pollution, given the airports' location close to urbanized areas, while exposure to water management and natural capital risks is neutral-to-low.

Social

Azzurra has moderately negative (**S-3**) exposure to social risk mainly driven by demographic and societal policies moving to reduce carbon emissions. There is a risk, common to all European airports, that such policies may lead to lower travel volumes or higher costs, or it could also lead to adverse political interventions. While the lack of viable alternatives for long-haul travel is a mitigating factor, Azzurra is exposed to global trends. These risks are balanced by neutral-to-low risks to customer relations, human capital, health and safety and responsible production.

Governance

Azzurra's governance risk is moderately negative (**G-3**) reflecting its levered capital structure and limited flexibility to absorb negative shocks. The group is also exposed to moderately negative risks related to board structure and policies, given its concentrated ownership by private investors that could increase risk tolerance in the future. However, these risks are moderated by neutral-to-low risks related to management credibility and track record, organizational structure, and compliance and reporting.

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

As of September 2023, the group's combined liquidity was around €131 million, composed of €112 million of cash at the ACA level and €19 million of cash at Azzurra.

Following the signing of the new €360 million term loan facility, in November 2023, that will be used to refinance the €360 million notes maturing in May 2024, the next significant debt repayment of the group is in 2027 when its €300 million bond matures. ACA's and Azzurra's average maturity is 7.5 and 4.5 years, respectively. The interest rate risk is low as most of the group's debt is fixed rate or hedged through derivative contracts.

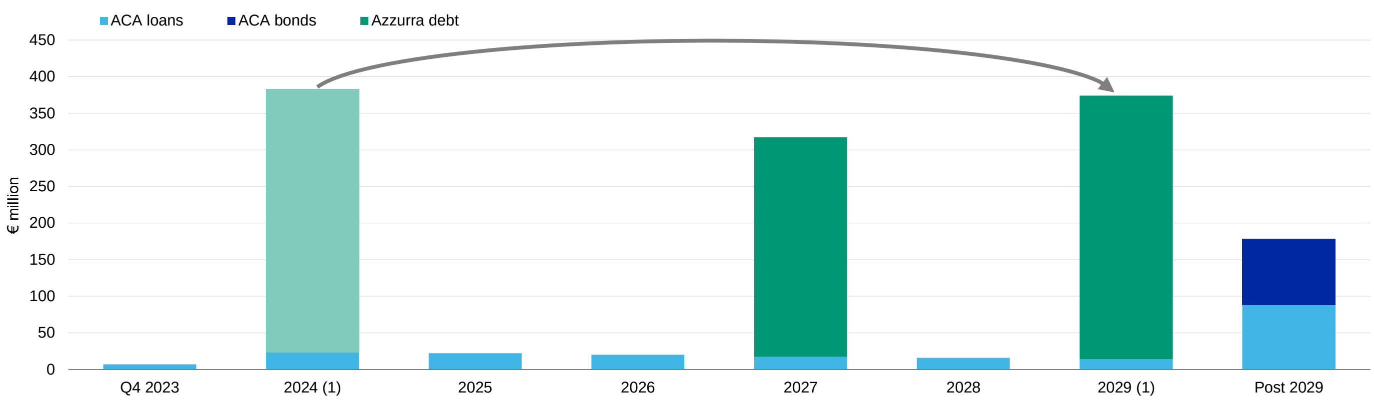
Because there are no restrictions on distributions in ACA's debt documentation, we expect dividends from ACA to provide sufficient coverage of the debt service charges of Azzurra. In addition, Azzurra is required under the terms of its notes to maintain a letter of credit from an investment-grade counterparty equal to the next six months' worth of interest payments.

Overall, we expect Azzurra's cash position and cash flow to be sufficient to cover its expenditure and debt service obligations over at least the next 18 months.

Exhibit 17

Azzurra group's major debt repayments are related to the notes due 2027 and new loan due 2029

Debt maturity profile, as of September 2023



(1) In November 2023, Azzurra signed a new €360 million senior secured term loan facility, expiring in May 2027, with extension options up to January 2029. The proceeds will be used to repay the €360 million notes maturing in May 2024.
Source: Company information and Moody's Investors Service

ACA's debt documentation includes a set of financial covenants, which were waived during the pandemic. The waiver agreement was not extended beyond June 2022 as financial ratios returned within the required covenant levels thereafter.

Azzurra's debt documentation includes two financial covenants -- a minimum interest cover ratio which increases progressively from 1.15x in 2023 to 1.30x in 2027 and a maximum net debt/EBITDA ratio which reduces progressively from 7.5x in 2023 to 6.75x in 2027, tested as of end-June and end-December on a historical basis. Should the actual traffic growth and EBITDA generation this year be less than our current expectation, there is a risk of Azzurra breaching its covenant level in December 2024.

The current credit assessment assumes that the group will take all necessary actions in order to avoid any debt acceleration. Our assessment of Azzurra is also underpinned by our expectation that shareholders will provide adequate and timely support to the group in case of liquidity stress.

Structural considerations

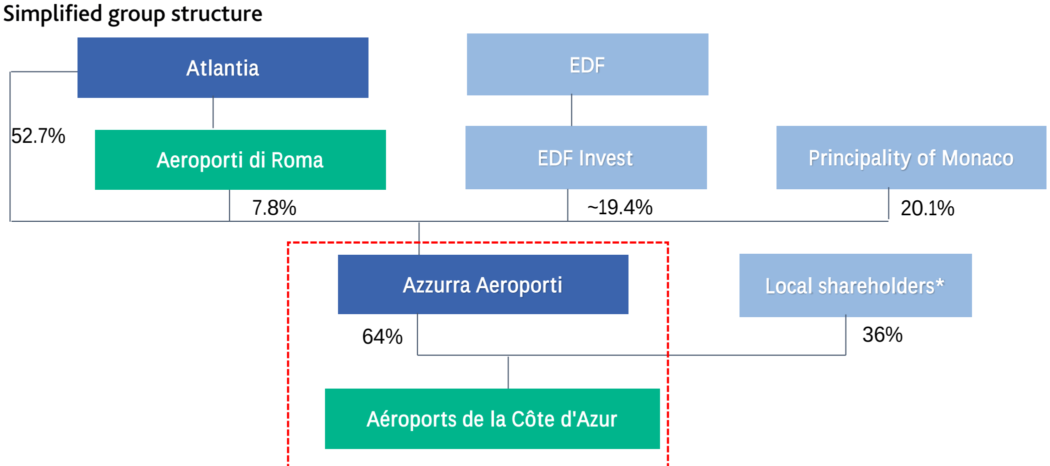
Azzurra's only asset is its 64% ownership stake in ACA. The company is thus reliant on distributions from ACA to meet its debt obligations. We, therefore, include Azzurra's debt in evaluating ACA's financial position. ACA's debt is provided on a senior unsecured basis and it accounts for around 30% of Azzurra group's total debt.

Following the signing of the new €360 million term loan facility, debt raised by Azzurra will comprise €300 million of senior secured notes maturing in 2027 and €360 million senior secured term loan, expiring in May 2027, with extension options up to January 2029. The terms of the notes and term loan include an element of creditor protection such as restrictions on business activities and additional debt, a six-month interest-only debt service reserve guarantee, restrictions on distributions with lock-up ratio tests (the interest cover ratio increasing from 1.25x as of December 2023 to 1.4x in 2026 at the Azzurra level, and consolidated net debt/EBITDA decreasing from 6.5x as of December 2023 to 6x in 2026), and a cash sweep mechanism. Azzurra's creditors are provided with certain security, including a pledge over the shares of Azzurra and the company's interest in ACA.

The Ba1 rating of Azzurra's notes is in line with Azzurra's Ba1 corporate family rating (CFR) given most of the group's debt is located at the Azzurra level. The CFR assigned to Azzurra consolidates the legal and financial obligations of the group, and reflects the structural features of Azzurra's debt structure. Azzurra's probability of default rating of Ba2-PD is one notch below the CFR, reflecting a low family-wide loss given default, in line with our standard assumptions for infrastructure and utility companies. Accordingly, our loss given default estimate for the rated notes is LGD3.

ACA's rating is two notches above Azzurra's CFR, reflecting its stronger underlying financial profile with a limited amount of debt at the operating company, ACA's proximity to the group's cash flow compared with Azzurra, and our expectation that ACA's shareholders will continue to maintain a prudent financial policy and target the strengthening of the business over the long term.

Exhibit 18
Simplified group structure



* 25% Nice Côte d'Azur Chamber of Commerce and Industry, 8% Caisse des Dépôts & Consignations, 1% Provence-Alpes-Côte d'Azur region, 1% Metropolis of Nice Côte d'Azur and 1% Alpes Maritimes.
Source: Moody's Investors Service

Methodology and scorecard

Azzurra is rated in accordance with our methodology for Privately Managed Airports and Related Issuers, published in November 2023.

Exhibit 19

Rating factors

Consolidated Azzurra-ACA group

Privately Managed Airports and Related Issuers Industry [1][2]	Current FY 31/12/2022		Moody's 12-18 Month Forward View As of January 2024 [3]	
Factor 1: Concession and Regulatory Frameworks (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Ability to Increase Tariffs	Ba	Ba	Ba	Ba
b) Nature of Ownership / Control	Baa	Baa	Baa	Baa
Factor 2: Market Position (15%)				
a) Size of Service Area	A	A	A	A
b) Economic Strength & Diversity of Service Area	Baa	Baa	Baa	Baa
c) Competition for Travel	A	A	A	A
Factor 3: Service Offering (15%)				
a) Passenger Mix	Aaa	Aaa	Aaa	Aaa
b) Stability of traffic performance	Baa	Baa	Baa	Baa
c) Carrier Base	A	A	A	A
Factor 4: Capacity and Capital (5%)				
a) Ability to accommodate expected traffic growth	A	A	A	A
Factor 5: Financial Policy (10%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Factor 6: Leverage and Coverage (40%)				
a) (FFO + Cash Interest Expense) / (Cash Interest Expense)	2.8x	Baa	3x - 4x	Baa
b) FFO / Debt	6.5%	Ba	8% - 9%	Baa
c) Moody's Debt Service Coverage Ratio	1.7x	B	1.8x - 1.9x	B
d) RCF / Debt	5.0%	Ba	6% - 7%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notch Adjustment		Ba1		Ba1
Notch Lift		0.5		0.5
a) Scorecard-Indicated Outcome		Ba1		Baa3
b) Actual Rating Assigned				**Ba1**

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of December 2022. Quantitative factor metrics reflect the consolidated financial ratios of the Azzurra group.
[3] Forward-looking quantitative factor metrics ranges are based on our views for the following 12-18 months. 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 20

Category	Moody's Rating
AZZURRA AEROPORTI S.P.A.	
Outlook	Stable
Corporate Family Rating	Ba1
Senior Secured -Dom Curr	Ba1
PARENT: MUNDYS S.P.A.	
Outlook	Stable
Corporate Family Rating	Ba1
Senior Unsecured -Dom Curr	Ba2
AEROPORTS DE LA COTE D'AZUR	
Outlook	Stable
Issuer Rating -Dom Curr	Baa2

Senior Unsecured -Dom Curr	Baa2

Source: Moody's Investors Service

Endnotes

1 Differently from other dual till models, ACA's car parking activities are subject to a regulated return.

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