S&P Global
Ratings

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Aroundtown S.A.

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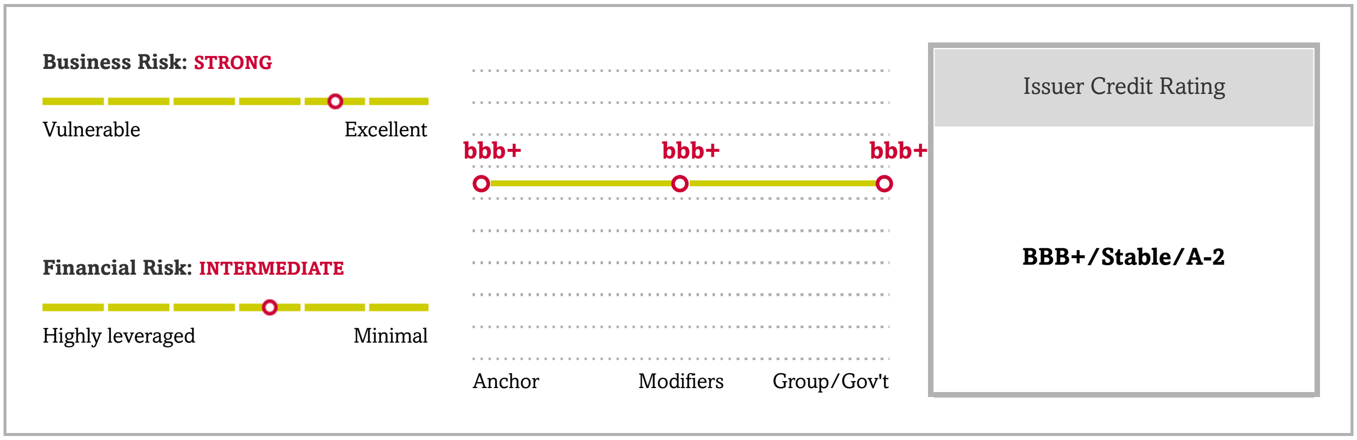
Aroundtown S.A.



Credit Highlights

Overview

Key strengths	Key risks
Focus on the main German metropolitan areas and midsize cities with favorable market fundamentals.	Moderate leverage, with the S&P Global Ratings-adjusted debt-to-debt-plus-equity ratio expected to remain at about 47%.
Large portfolio of about €21 billion spread across several segments, including offices, hotels, and residential properties.	Concentration of the majority of the portfolio on a single economy, Germany, but expansion into the Netherlands.
Strong track record developing its portfolio and generating positive like-for-like rental growth.	About 85% of the portfolio is commercial properties (office, hotels, logistics, and retail), which have proven to be less resilient than residential assets.
Good tenant diversity, with the top 10 tenants accounting for 22% of annual rents, well spread across industries and a long weighted average lease maturity of 8.4 years for commercial assets.	The commercial and residential portfolio had a vacancy rate of about 7.0%-8.0% as of September 2019--relatively high compared with rated investment-grade peers.
Access to diversified funding sources, with low average cost of debt of 1.7% and a long average debt maturity profile of 7.4 years.	

Aroundtown continues to expand and diversify its portfolio. Taking into consideration its 39% stake in Grand City Properties S.A. (BBB+/Stable/A-2), Aroundtown has expanded its portfolio by about 25% over the nine months to September 2019, through accretive acquisitions. S&P Global Ratings expects that the company will remain acquisitive in the next few years and its portfolio could reach a value above €25 billion by 2022.

Merger with TLG Immobilien AG will improve Aroundtown's scale and diversity while maintaining the existing quality in its portfolio and exposure to robust markets, but the final structure has yet to be determined. The company announced on Nov. 19, 2019, that it has reached a binding business combination agreement with TLG, in which key terms were announced. At this time, there is still uncertainty on the final acceptance ratio, board and management composition, and combined capital structure. We are therefore not able to make an assessment on the full implications of the transaction for Aroundtown. However, we understand that the company will maintain its current financial policy after the transaction. As of now, we continue to assess Aroundtown without TLG Immobilien AG.

Despite expected continuing growth, we forecast Aroundtown's credit metrics will remain relatively stable. We assume that capital expenditure (capex) and acquisitions will be funded through cash flow generation and a funding mix in line with its existing financial policy. We forecast S&P Global Ratings-adjusted ratio of debt-to-debt-plus-equity will remain at about 46%-47% in the next 12 to 24 months. The company's long average debt maturity profile (7.4 years) and its low cost of debt (1.7% as of Sept. 30, 2019) with 96% being fixed rate or hedged, positions it well for any medium-term interest rate increases. This will also support maintaining a healthy EBITDA interest coverage ratio at about 4x.

Outlook: Stable

The stable outlook reflects our view that Aroundtown's portfolio, including ongoing property acquisitions, should generate increasing recurring cash flows. Under our base-case scenario, we forecast positive annual like-for-like rental income growth of about 3%-4% for the next 12 to 24 months, based on like-for-like improvement in occupancy rates, as well as an increase in rents of existing lease contracts.

We forecast its debt-to-debt plus equity ratio will remain at approximately 47%-46%, EBITDA interest coverage at approximately 4x, and debt-to-EBITDA about 12x-13x.

Downside scenario

We could lower the rating if Aroundtown's debt-to-debt plus equity ratio increased to 50% or higher on a prolonged basis, or if the company substantially increased its acquisitions of turnaround properties, which would reduce the stability of cash flows. We believe this could occur if the company undertook large leveraged acquisitions, experienced markedly higher renovation capex, or if property yields rose due to falling investor demand or excessive new supply.

We would also view negatively an increase in vacancy rates in its commercial property portfolio to 10% or higher, including newly acquired assets.

Upside scenario

We would most likely raise the rating if Aroundtown's credit metrics were to improve as part of a more conservative financial policy, with S&P Global Ratings-adjusted debt-to-debt plus equity ratio coming close to 40% while maintaining a strong EBITDA interest coverage ratio comfortably at 4x or above and debt to EBITDA of below 13x.

A positive rating action would also require the company to maintain a portfolio with scale and diversification comparable with those of peers in a higher rating category, as well as high governance standards.

Our Base-Case Scenario

Assumptions

- Low annual real GDP growth in Germany of about 0.5% for the next two years with consumer price index growth of about 1.5%.

Key Metrics

	2018a	2019e	2020f
EBITDA int. cov. (x)	3.8	~4	~4
Debt/debt plus equity (%)	45.8	46-47	46-47

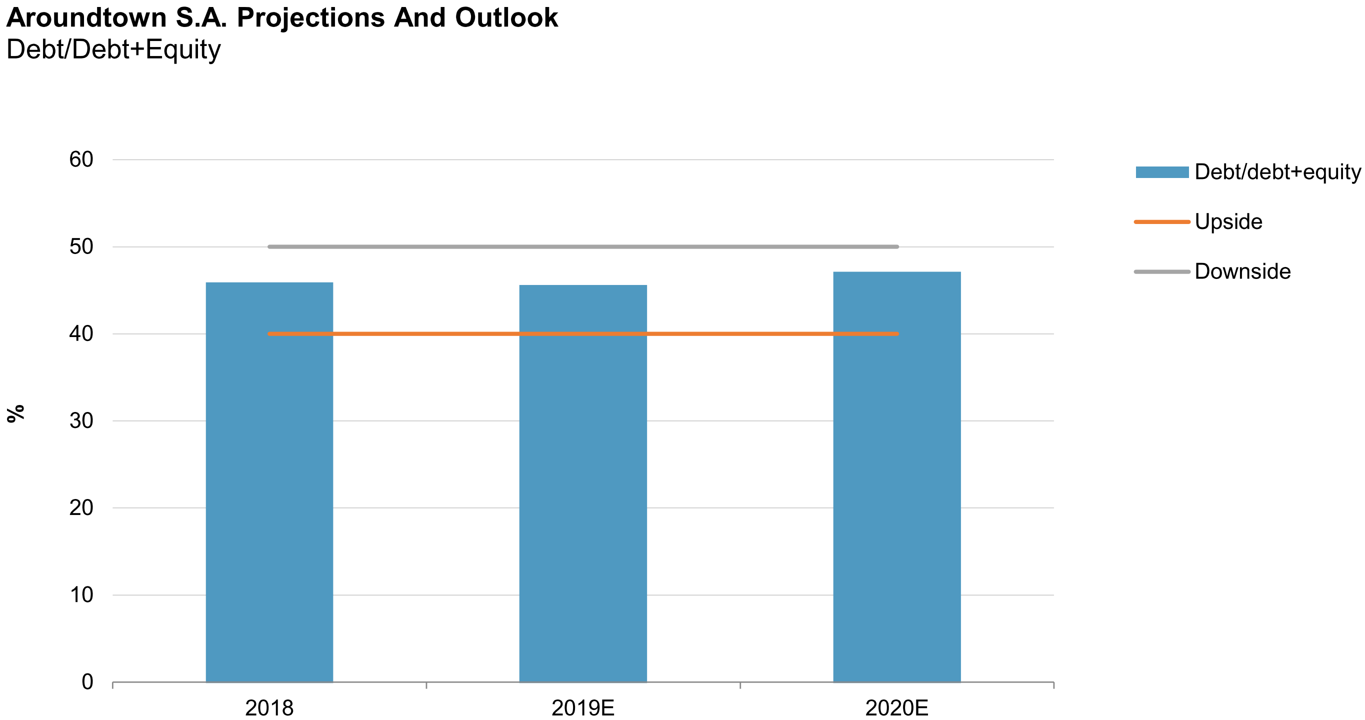
- Like-for-like rental income growth at about 4% in 2019 and 3%-4% in the coming two years, resulting from like-for-like improvement in occupancy rates and rent increases of existing contracts as well as new lettings.
- Overall occupancy levels to stay at about 92%-93% in the coming 12-24 months, as a consequence of the acquisition of above-average vacant assets.
- Like-for-like asset revaluation between 5% and 10% for 2019, taking into consideration €1.1 billion already achieved in the first nine months of 2019. For the following years, we assume asset revaluation gains of about 3%-5%, underpinned by the good fundamentals of the German market.
- Total capex of about €250 million-€300 million a year, mainly linked to repositioning activities and modernization projects in existing assets.
- Steady gross EBITDA margins (S&P Global Ratings-adjusted) of about 64%-65% in the next few years, due to a solid cost base.
- Portfolio value to reach about €21 billion-€22 billion by year-end 2019. We then expect net acquisitions of about €1.5 billion-€1 billion per year.
- Stable dividend policy, with cash distributions to shareholders following a payout policy of 65% of funds from operations (FFO).
- Our base case does not include the potential merger with TLG.

	2018a	**2019e**	**2020f**
Debt/EBITDA	13.0	13-12	13-12

a--Actual. e--Estimate. f--Forecast.

Base-case projections

Chart 1



E--Estimate. Source: S&P Global Ratings.

Company Description

Aroundtown is the largest listed Germany-based commercial real estate company. It focuses on investing in rental-income-generating properties, mainly in Germany and the Netherlands.

Table 1

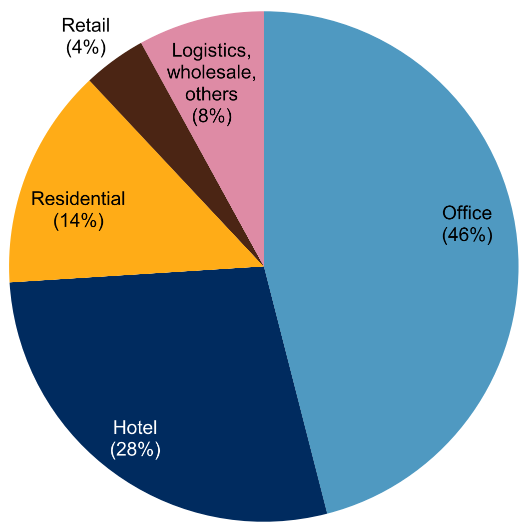
Aroundtown S.A. Portfolio Summary	
Segment focus	Office, hotels, residential
Total portfolio value (bil. €)	20.9 (including 39% stake in GCP)
Total gross leasable area (sqm)*	6,946,000
Average occupancy (%)*	92
Average lease maturity (years)*	8.4
Current average yield (%)*	4.80
Market capitalization (bil. €)§	9.49

*Aroundtown's commercial portfolio only. §Source: Bloomberg Oct. 12, 2019. Source: Company reports; Data as of Sept. 30, 2019.

On Sept. 30, 2019, the total portfolio size amounted to €21 billion, comprising office assets (46% of portfolio value), hotels (28%), residential (14%), logistics/other (8%), and retail (4%). The residential investments are carried out through Aroundtown's 39% holding in Grand City Properties S.A.

Chart 2

Aroundtown's Asset Diversity
Based on portfolio value as of September 2019

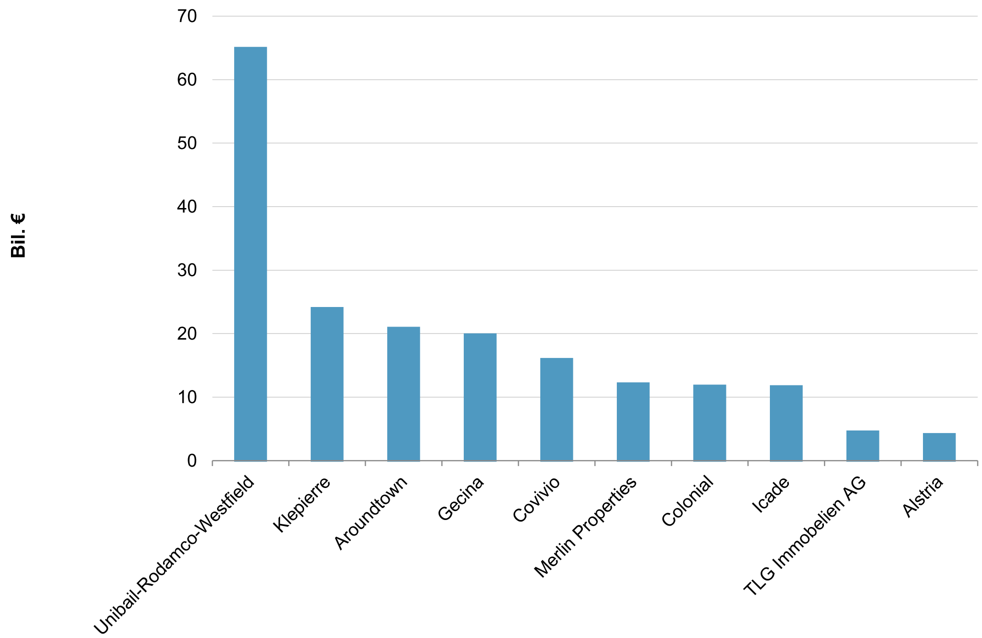


Source: Company report.

Aroundtown is incorporated in Luxembourg and listed at the Prime Standard on the Frankfurt Stock Exchange. On Sept 30, 2019, the largest shareholders were TLG Immobilien AG (15%) and Aroundtown's founder Yakir Gabay, through Avisco Group Plc, with a 12% stake. The remaining 73% is free float.

Chart 3

Gross Asset Value Of Commercial Continental REITs
Latest data available



REIT--Real estate investment trust. Source: Company reports.

Business Risk: Strong

Aroundtown's portfolio benefits from a large scale and scope. It is diversified across multiple property types, including commercial (86% of portfolio value) and residential assets (14%), worth €21 billion as of September 2019. We take into account Aroundtown's partial consolidation of its 39% holding of Grand City Properties (76,091 residential units mainly in Germany with a total value of €7.6 billion on Sept. 30, 2019). In recent years, the group's portfolio value has increased substantially through acquisitions and improvements to properties. The group's total portfolio comprises more than 500 commercial assets and over 150 hotels (totaling more than 6.9 million square meters). The company also acquired in 2019 a minority stake in Globalworth Real Estate Investments Ltd. (BBB-/Stable/--), an office landlord focused in Romania and Poland; as of Sept. 30, 2019, the stake stood at 22%.

Aroundtown's sizable commercial portfolio is well diversified across asset types and regions across Germany, mainly in or close to metropolitan areas. We consider the areas of Aroundtown's greatest exposure--namely Berlin (19% of its portfolio value), North Rhine-Westphalia (10%), Frankfurt (10%), and Munich (13%)--to have healthy economic fundamentals, including low unemployment and solid supply and demand characteristics. The company has some exposure to the Netherlands (13% of portfolio) located in the Randstad area, consisting primarily of the three-largest

Dutch cities (Amsterdam, Rotterdam, and Utrecht).

Our assessment is further supported by the portfolio's long lease structure, with a current weighted-average lease term (WALT) of 8.4 years in its commercial portfolio. Aroundtown's WALT in its office assets is 4.5 years and it is longer in its hotel assets at 14.8 years. Although residential leases are shorter, the average residential tenancy is very long at more than 10 years.

The commercial and hotel tenant base is relatively strong and diverse across industries, with more than 3,000 tenants. The largest tenant continues to be Metro AG (BBB-/Stable/A-3), accounting for around 5% of total annual rental income. There is no further tenant dependency, with the 10-largest commercial and hotel tenants representing only about 22% of total rental income.

We take into account Aroundtown's strong operating track record with continuous like-for-like rental income growth of about 4%, supported by increasing occupancy rates of existing premises and rental increases for in-place contracts and new leases. However, compared with peers at a similar rating level overall vacancy rates for Aroundtown's commercial portfolio remain relatively high at 8% in September 2019, , mainly resulting from new acquisitions and its repositioning strategy.

Our assessment also considers the concentration of Aroundtown to one single economy (Germany 71%, Netherlands 13%), compared with peers that are more geographically diversified. We also believe that the commercial properties are less resilient than residential assets, especially in regulated markets, such as Germany. We also remain cautious about anticipated low economic growth for Germany on the back of weak external demand, and any potential delayed impact on the commercial real estate sector in Germany.

Peer comparison

Table 2

Peer Comparison: Operating Statistics

Companies	Gecina	Klepierre S.A.	Aroundtown S.A.	Covivio	Icade S.A.	TLG Immobilien AG
Ratings	A-/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Watch Pos/--
Portfolio value (bil. €)	19.895	20.4	20.9	15.3	11.7	4.6
% of development	8.2%	6.6%	6.0%	26.1%	7.7%	<5%
Average rent (per sqm/month) estimated (€)	NA	8.93	10.2	7.3	17.64	10.67
Weighted average unexpired lease term (years)	5.8	N.A.	Office: 4.5; hotel: 14.8; retail: 6.2; logistics 6.1	7.1	Office: 4.8; health care: 7.6	6
Occupancy (%)	94.6	97	92	98.1	91.8	96.9

Table 2

Peer Comparison: Operating Statistics (cont.)

Companies	Gecina	Klepierre S.A.	Aroundtown S.A.	Covivio	Icade S.A.	TLG Immobilien AG
Geographic diversity	Paris and Paris region 91%, others 9%	Italy 17%, France-Belgium 37%, Scandinavian 15.4%, Iberia 12%, CE & other 9.5%, Netherlands 6%, Germany 3.6%	Germany 71%, Netherlands 13%, U.K. and other 6%	France 43%, Germany 30%, Italy 21%, U.K. 3%, Spain 2%, others 2%	Greater Paris region 92%, rest of France 8%	Germany 100%
Asset diversity	Office 80%, residential 15%, student housing 2%, others 3%	Retail 100%	Residential 14%, office 46%, hotels 28%, retail 4%, logistics/wholesale/others 8%	Offices 57%, residential 26%, hotels 15%, nonstrategic <2%	Office 63.7%, health care 36.3%	Office 59%, retail 32%, hotel 9%

N.A.--Not available. Source: Company reports.

Table 3

Aroundtown S.A. -- Peer Comparison

Industry Sector: Real Estate Investment Trust Or Company

	Gecina	Klepierre S.A.	Aroundtown S.A.	Covivio	Icade S.A.	TLG Immobilien AG
Ratings as of Dec. 12, 2019	A-/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Watch Pos/--
	--Fiscal year ended Dec. 31, 2018--					
(Mil. €)						
Revenue	665.2	1,347.1	958.3	584.7	1,775.3	196.7
EBITDA	535.8	1,055.6	616.7	487.3	608.4	167.6
Funds from operations (FFO)	401.7	848.9	411.3	378.6	483.7	135.1
Interest expense	117.6	167.4	161.3	120.5	110.3	30.3
Cash flow from operations	454.9	845.7	416.8	568.2	371.2	130.0
Capital expenditure	387.8	328.6	184.4	748.2	525.4	33.4
Free operating cash flow (FOCF)	67.2	517.1	232.4	(180.0)	(154.2)	96.7
Dividends paid	281.8	689.8	225.7	337.0	380.4	84.6
Discretionary cash flow (DCF)	(214.6)	(322.1)	6.7	(532.7)	(550.0)	12.0
Cash and short-term investments	31.7	304.5	1,599.5	901.0	634.6	153.9
Debt	7,621.8	9,007.0	8,036.4	6,978.0	5,726.5	1,455.7
Equity	11,751.2	12,893.2	9,501.4	7,561.0	7,899.7	2,157.2
Debt and equity	19,373.1	21,900.2	17,537.8	14,539.0	13,626.2	3,613.0
Valuation of investment property	16,604.0	21,935.1	17,023.2	15,295.0	13,397.1	4,100.6
Adjusted ratios						
Annual revenue growth (%)	18.3	1.1	34.3	(0.7)	9.3	27.0
EBITDA margin (%)	80.6	78.4	64.3*	83.3	34.3	85.2

Table 3

Aroundtown S.A. -- Peer Comparison (cont.)

Industry Sector: Real Estate Investment Trust Or Company

	Gecina	Klepierre S.A.	Aroundtown S.A.	Covivio	Icade S.A.	TLG Immobilien AG
EBITDA interest coverage (x)	4.6	6.3	3.8	4.0	5.5	5.5
FFO cash interest coverage (x)	4.2	5.6	4.0	4.5	5.8	5.4
Debt/EBITDA (x)	14.2	8.5	13.0	14.3	9.4	8.7
FFO/debt (%)	5.3	9.4	5.1	5.4	8.4	9.3
Debt/debt and equity (%)	39.3	41.1	45.8	48.0	42.0	40.3

*Margin is based on gross revenues, unlike other peers where top line is net

Financial Risk: Intermediate

Aroundtown has moderate leverage, with a debt-to-debt-plus-equity ratio expected to remain at about 46%-47% for the next two years (44.7% as of Sept. 30, 2019).

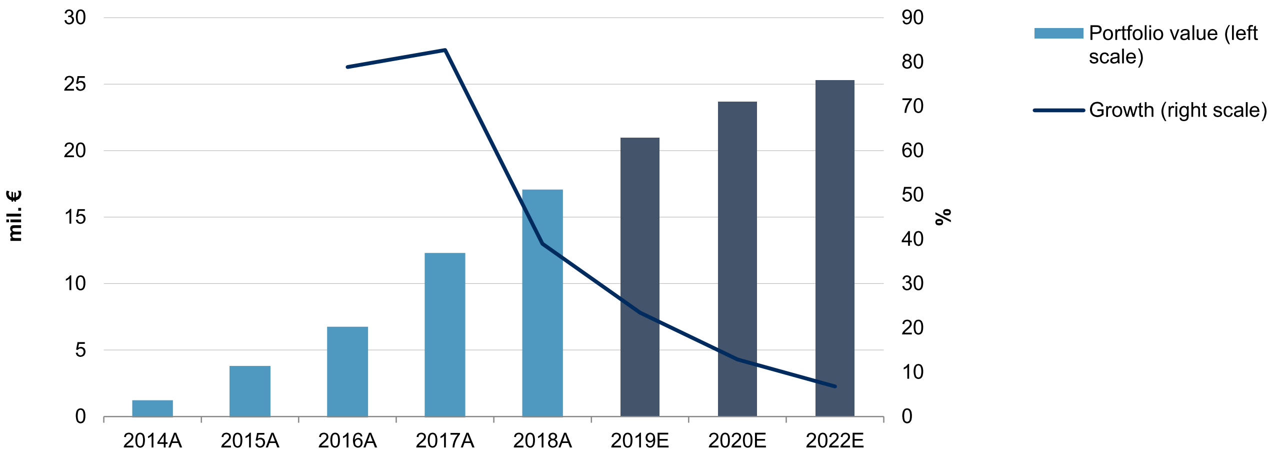
Table 4

Aroundtown S.A. Capital Structure And Liquidity, Sept. 30, 2019	
Average interest cost (%)	1.7
Weighted average debt maturity (years)	7.4
Average fixed debt (including hedge, %)	96
Composition of debt (secured, %)	4

We expect Aroundtown to continue to expand its portfolio through accretive acquisitions. That said, we do not project any material deterioration in credit metrics as we expect acquisitions to be funded through a mix of free cash flow and debt-funding, in line with its existing financial policy.

Chart 4

Aroundtown S.A. Portfolio Value And Growth

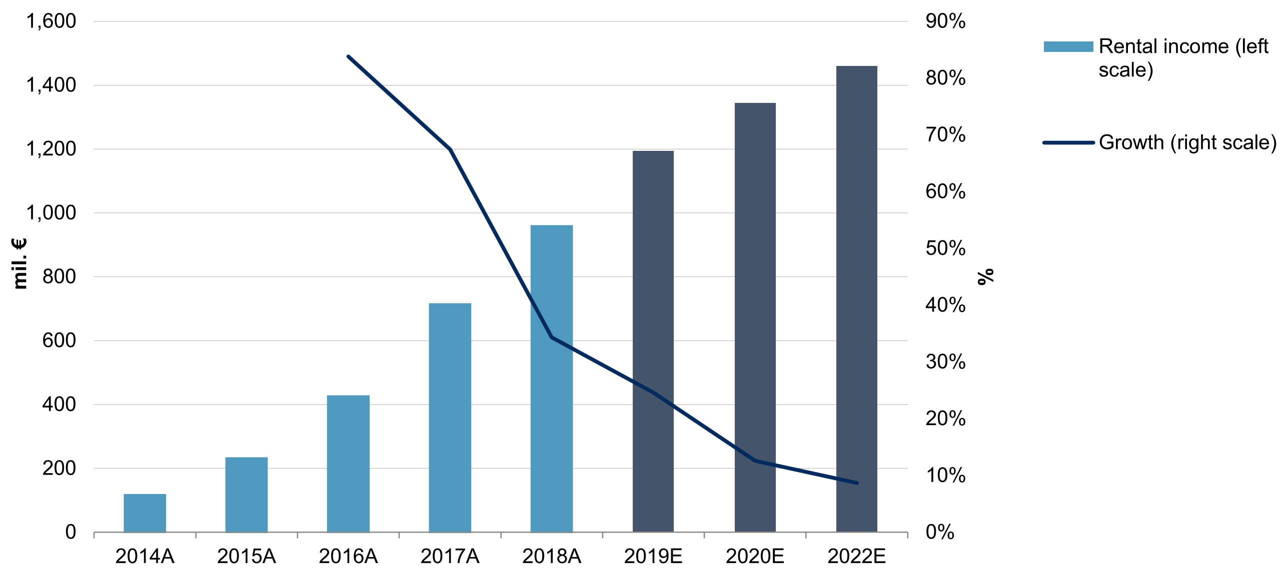


Note: Including 39% stake in GCP. A-Actual. E-Estimate. Source: Company data.

Our base-case scenario also assumes annual like-for-like rental growth for the next couple of years of about 3%-4%, resulting from improvement in occupancy rates and rent increases. Sustained rental growth, a stable cost base and Aroundtown's low weighted average cost of debt (1.7% as of September 2019) should allow the company to maintain robust EBITDA interest cover of about 4x in the coming years (it was 3.8x for the 12 months to Sept. 30, 2019).

Chart 5

Aroundtown S.A. Rental Income And Growth



Note: including 39% stake in GCP. A--Actual. E--Estimate. Source: Company data.

We forecast Aroundtown's debt-to-EBITDA will remain between 13x and 12x in the next 24 months. The significant recent acquisitions and the low yield environment in Germany influence the company's credit ratio. That said, in the longer term we expect this ratio to improve, since the company's growth will be more moderate than in the past.

Aroundtown has a long average debt maturity profile of 7.4 years and low cost of debt of only 1.7% as of Sept. 30, 2019. The company has well-diversified funding sources and has a very good track record in accessing both equity and debt capital markets in the past couple of years. We believe that a potential interest-rate rise would have a limited impact on the company's credit metrics in the medium term, thanks to the company's highly fixed or hedged debt structure (96%).

We proportionately consolidate the financials of 39%-owned Grand City Properties, since we think this better reflects the two companies' business and financial ties, and we believe Aroundtown's long-term strategy is to remain a major shareholder in Grand City Properties. Despite this, we currently do not align our ratings on Aroundtown with those on Grand City Properties. We acknowledge that Grand City Properties has established a track record of operating as an independent listed company. We may reassess the relationship between the two companies if Aroundtown were to gain majority control of Grand City Properties.

Financial summary

Table 5

Aroundtown S.A. -- Financial Summary

Industry Sector: Real Estate Investment Trust Or Company

	--12 months ended--				
(Mil. €)	**Sept. 30, 2019**	**June 30, 2019**	**March 30, 2019**	**Dec. 31, 2018**	**Sept. 30, 2018**
Revenue	285.3	267.5	260.3	262.0	245.0
EBITDA	191.3	179.6	175.9	166.3	160.1
Funds from operations (FFO)	107.3	142.8	81.4	95.7	97.0
Interest expense	49.1	46.6	45.1	46.2	40.1
Cash flow from operations	168.1	136.7	65.2	106.4	140.3
Capital expenditure	(9.0)	7.0	69.1	103.6	37.1
Dividends paid	209.4	0.0	0.0	225.6	0.1
Cash and short-term investments	3,137.8	2,415.0	2,116.4	1,599.5	1,389.4
Debt	9,840.2	9,354.6	8,689.9	8,036.4	8,119.8
Equity	12,159.0	10,815.8	9,975.4	9,501.4	8,747.2
Debt and equity	21,999.3	20,170.4	18,665.3	17,537.8	16,867.1
Valuation of investment property	21,104.2	19,156.4	17,866.2	17,023.2	16,125.5
Adjusted ratios					
Revenue growth, past 12 months (%)	26.6	24.2	30.4	35.2	23.0
EBITDA margin (%)*	66.3	65.9	65.2	64.4	63.9
Return on capital (%)	4.8	5.2	5.1	5.0	4.5
EBITDA interest coverage (x)	3.8	3.8	3.8	3.8	4.2
Debt/EBITDA (x)	13.8	13.7	13.3	13.0	14.9
FFO/debt (%)	4.3	4.5	4.5	4.8	4.1
Debt/debt and equity (%)	44.7	46.4	46.6	45.8	48.1

*Margin for Aroundtown is based on gross revenues.

Liquidity: Strong

We assess Aroundtown's liquidity as strong because we forecast that the fund's liquidity sources will exceed its funding needs by at least 1.5x over the next 12 months and by more than 1x over the following 12 months.

The company benefits from the absence of large debt maturities in the near future, and enjoys a high cash balance and a significant portion of liquid available assets.

Principal Liquidity Sources	**Principal Liquidity Uses**
From Sept. 30, 2019: • About €3,137.8 million of cash and liquid market investments. • Undrawn backup facilities for an amount of €325	From Sept. 30, 2019: • About €18.3 million of short-term debt maturities, including regular debt amortization; • Our forecast of €250 million of capex for property,

million.

- Our forecast of about €540 million-€560 million in cash FFO for the next 12 months.
- Signed asset disposals for a value about €210 million.

plant, and equipment (PP&E) and property investment, of which most is not committed;

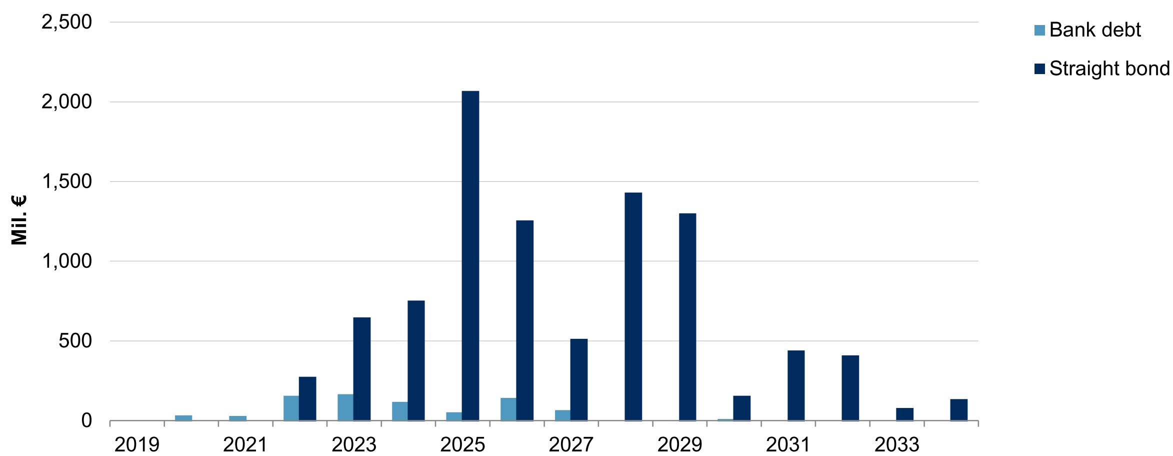
- About €500 million in signed acquisitions; and
- Around €280 million-€300 million of planned dividend distribution (including perpetual notes), conservatively assumed as full cash payment.

As of Sept. 30, 2019, Aroundtown is compliant with financial covenants in its debt documentation. We estimate headroom for the next quarters is significant, at 30% or more.

Debt maturities

Chart 6

Aroundtown S.A. Debt Maturities
As of September 2019



Source: Company reports.

Environmental, Social, And Governance

We believe that Aroundtown has exposure to environmental, social, and governance (ESG) factors comparable with that of the broader industry. The company has embedded ESG into its strategy, although there are limited assets in its portfolio with green building certification. Nearly all properties were existing buildings at the time of the purchase and that explains the low level of certification. That said, Aroundtown constantly deploys modernization capex in its portfolio to keep high environmental standards. The company has also set up internally the goal of reducing its total CO_2 emissions by 40% by 2030. Aroundtown has an indirect exposure to residential assets in Germany through its 39% stake in Grand City Properties. We believe that social pressures on rent increases could potentially affect the performance of these assets, but we consider that the impact on Aroundtown's overall performance would be limited.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Sept. 30, 2019, 80% of Aroundtown's assets, by rent, were unencumbered, and the reported capital structure was composed of:

- Equity, including perpetual notes (57%);
- Bonds (39%); and
- Bank debt (4%).

Analytical conclusions

As of Sept. 30, 2019, Aroundtown's ratio of secured debt to total assets was about 4%, well below our 40% threshold for notching the issue rating. This is why we equalize the ratings on the senior unsecured debt with our 'BBB+' issuer rating.

Regarding its outstanding subordinated hybrids, we assign an intermediate equity content (50% equity; 50% debt) and notch the issue rating down by two notches to 'BBB-', one notch for subordination and one for deferability.

Reconciliation

Table 6

Reconciliation Of Aroundtown S.A. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €)

	--12 months ended Sept. 30, 2019--									
Aroundtown S.A. reported amounts										
	Debt	**Shareholders' equity**	**Revenue**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Dividends**	**Capita expenditu**
	10,047.7	11,807.2	858.0	797.7	2,260.3	139.0	713.1	582.9	435.1	138
S&P Global Ratings' adjustments										
Cash taxes paid	--	--	--	--	--	--	(52.8)	--	--	
Cash taxes paid: Other	--	--	--	--	--	--	--	--	--	
Cash interest paid	--	--	--	--	--	--	(150)	--	--	
Reported lease liabilities	100.5	--	--	--	--	--	--	--	--	
Intermediate hybrids reported as equity	1,255.0	(1,255)	--	--	--	27.1	(22.1)	(22.1)	(22.1)	
Accessible cash and liquid investments	(2,824.0)	--	--	--	--	--	--	--	--	
Share-based compensation expense	--	--	--	3.9	--	--	--	--	--	
Deconsolidation/consolidation	1,261.0	379.9	217.1	111.4	109.9	20.8	(49.3)	65.7	--	32
Income (expense) of unconsolidated companies	--	--	--	(301.7)	--	--	--	--	--	
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	(150)	--	
Noncontrolling interest/minority interest	--	1,226.9	--	--	--	--	--	--	--	
EBITDA: Gain/(loss) on disposals of PP&E	--	--	--	(76.8)	(76.8)	--	--	--	--	
EBITDA: Other	--	--	--	178.6	178.6	--	--	--	--	
Depreciation and amortization: Asset valuation gains/(losses)	--	--	--	--	(1,459.6)	--	--	--	--	
Funds from operations: Other	--	--	--	--	--	--	(11.7)	--	--	
Dividends: Other	--	--	--	--	--	--	--	--	22.0	
Total adjustments	(207.5)	351.8	217.1	(84.6)	(1,247.9)	47.9	(285.9)	(106.4)	(0.1)	32
S&P Global Ratings' adjusted amounts										
	Debt	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Dividends**	**Capita expenditu**
	9,840.2	12,159.0	1,075.1	713.1	1,012.4	186.9	427.2	476.5	435.0	170

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/A-2

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Low
- **Competitive position:** Strong

Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: bbb+

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Criteria | Corporates | Industrials: Key Credit Factors For The Real Estate Industry, Feb. 26, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	**a-/bbb+**	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of December 13, 2019)*

Aroundtown S.A.	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Issuer Credit Ratings History	
07-Dec-2017	BBB+/Stable/A-2
21-Dec-2016	BBB/Stable/A-2
16-Jun-2016	BBB/Stable/--
08-Dec-2015	BBB-/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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