MOODY'S INVESTORS SERVICE

CREDIT OPINION
3 July 2020

Update

Rate this Research

RATINGS

Royal Schiphol Group N.V.

Domicile	Amsterdam, Netherlands
Long Term Rating	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Negative

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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Royal Schiphol Group N.V.

Update following A1 ratings affirmation, negative outlook

Summary

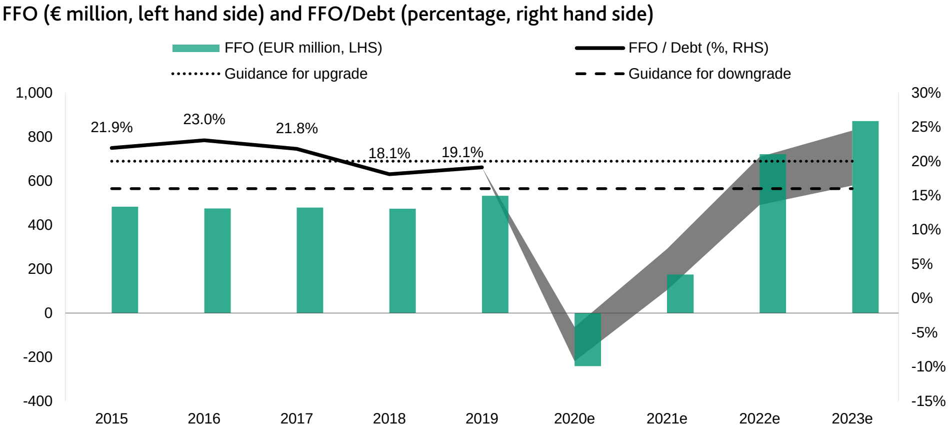
The credit profile of Royal Schiphol Group N.V. (A1 negative) positively reflects (1) the strong business profile of the group, recognising its ownership of Amsterdam Airport Schiphol, the third-largest in Europe by passenger numbers, and other airports in the Netherlands, (2) a supportive regulatory framework which provides visibility on airport charges until 2021, (3) a strong financial profile, which we expect will show some resilience ahead of a sharp decline in revenues expected in 2020 on the back of the coronavirus outbreak, (4) a relatively prudent financial policy, and (5) the uplift to the standalone credit profile (Baseline Credit Assessment, or BCA, of a3) reflecting the likelihood of extraordinary support being provided by the majority owner, the Government of the Netherlands (Aaa stable), in the event that this were ever to be required to avoid a default.

However, the credit profile also reflects the following challenges: (1) significant loss of cash flows expected from travel restrictions related to the coronavirus outbreak and uncertainties as to the timing and level of passenger recovery (2) Royal Schiphol Group's fairly high exposure to transfer traffic and reliance on Air France-KLM, a French Dutch airline group, (3) the operational and legal constraints that currently limit Air Transport Movements (ATMs) at Amsterdam Airport Schiphol to 500,000 per year until 2020 and the uncertainties around the magnitude of any adjustment to this cap after 2020, although the decline in passenger traffic will take some pressure off for some time.

Exhibit 1

Passenger traffic recovery expected to bring Royal Schiphol Group's credit metrics back to pre-coronavirus levels by 2022-2023

FFO (€ million, left hand side) and FFO/Debt (percentage, right hand side)



Source: Company, Moody's Investors Service

Credit Strengths

- Ownership of Amsterdam Airport Schiphol, one of Europe's major airports
- Supportive regulatory framework
- Strong financial profile, expected to show some resilience ahead of a sharp decline in revenues caused by the coronavirus outbreak
- Likelihood of support from the Government of the Netherlands, should it become necessary

Credit Challenges

- Material loss of cash flows expected on the back of travel restrictions related to the coronavirus outbreak
- Fairly high exposure to transfer traffic and reliance on Air France-KLM
- Sizeable capital expenditure program, although likely to be delayed
- Constrained growth due to cap on ATMs

Rating Outlook

The negative outlook reflects the material uncertainties regarding the prospects of a recovery in air passenger traffic and the weakening credit quality of Royal Schiphol Group's carrier base.

Factors that Could Lead to an Upgrade

Given the negative outlook, upward pressure on Royal Schiphol Group's ratings is unlikely in the near term. The outlook on Royal Schiphol Group's ratings could move to stable in the scenario of a sustainable improvement in the operating environment and traffic recovery such that the company's Funds from Operations (FFO)/Debt ratio would be expected to remain solidly in the high-teens in percentage terms.

Factors that Could Lead to a Downgrade

Conversely, Royal Schiphol Group's ratings could come under downwards pressure if it appeared likely that the FFO / Debt ratio would remain below the mid-teens in percentage terms. This could result from an extension of travel restrictions or the loss of a significant portion of traffic due to airlines failure.

Key Indicators

Royal Schiphol Group N.V.

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
(FFO + Interest Expense) / Interest Expense	6.7x	6.8x	7.0x	7.2x	7.4x
FFO / Debt	21.9%	23.0%	21.8%	18.1%	19.1%
Debt Service Coverage Ratio	6.3x	7.2x	7.4x	7.0x	8.6x
RCF / Debt	15.6%	13.9%	15.0%	12.4%	14.9%

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

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Profile

Royal Schiphol Group N.V. is a holding company of a group that owns and operates Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Lelystad Airport, and 51% of Eindhoven Airport, which together comprise most of the airport capacity in the Netherlands. In addition, Royal Schiphol Group has minority investments in a number of overseas airports. The largest of the Dutch airports, Amsterdam Schiphol Airport, is the third-largest airport in Europe by passenger numbers. Royal Schiphol Group is currently 70% owned by the Government of Netherlands (Aaa stable), 20% by the Municipality of Amsterdam, 2% by the Municipality of Rotterdam, and 8% by Groupe ADP (ADP). Royal Schiphol Group has a cross-shareholding and an industrial cooperation agreement with ADP.

Detailed Credit Considerations

Travel restrictions caused by the coronavirus outbreak are expected to drive a material deterioration in Royal Schiphol Group's operating performance in 2020 and 2021

The rapid spread of the coronavirus outbreak, severe global economic shock, low oil prices, and asset price volatility are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented. The airport sector has been one of the sectors most significantly affected by the shock given its sensitivity to consumer demand and sentiment.

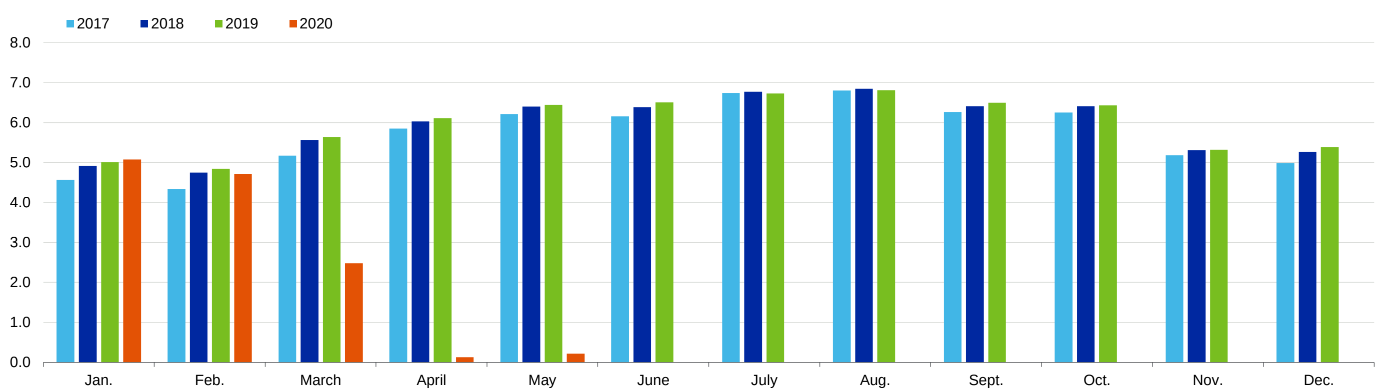
Royal Schiphol Group's traffic has been severely impacted by the introduction of travel restrictions with a very limited number of flights permitted since mid-March this year. With restrictions gradually easing and airlines planning to commence or ramp up capacity during the summer season, we expect flight activity will gradually resume in the second half of 2020 and continue to increase in 2021 although the degree of passenger traffic recovery will vary across European airports depending on the airport location, its airline mix and type of traffic served. Domestic flights will recover earlier, with a slower return for international and long haul flights. In this regards Royal Schiphol Group's traffic recovery could be slower due to a relatively higher proportion of long-haul flights (accounting for around 30% of total flights) compared to European peers.

Operating under a well-developed regulated framework, Royal Schiphol Group will benefit from a revenue compensation mechanism which for any given year settles any difference between actual traffic volume and the planned volume through a revenue allowance to be added to airport charges evenly through a three year period starting with a two year lag. We estimate that this mechanism will represent an increase in revenues between 10% and 15% of total revenues p.a in the period 2022-2025. Notwithstanding this mechanism and the company's on-going efforts to reduce operating and capital expenditures, we expect Royal Schiphol Group's operating performance will show a marked deterioration in 2020 and to a lesser extent in 2021, before normalizing in 2022.

Exhibit 3

In March 2020, Schiphol Airport's passenger traffic has almost come to a halt

PAX million



Source: Company

Ownership of one of Europe's major airports

Royal Schiphol Group has been designated as the operator of Amsterdam Airport Schiphol (Schiphol Airport), the third largest airport in Europe by number of passengers, for an indefinite period of time, and owns its airport assets outright in perpetuity. Despite its ownership structure, Royal Schiphol Group is a financially independent commercial enterprise. Its legal status does not place any particular legal restrictions on what it can do and hence does not provide any particular protections from bankruptcy. At the same time, the airports operated by Royal Schiphol Group, particularly Schiphol Airport, are regulated in a number of areas, including noise and environment, aviation operations, capacity, safety and airport charges.

As well as serving Amsterdam - a major trading centre and capital city of an advanced European country - Royal Schiphol Group owns Rotterdam The Hague Airport and has majority ownership of Eindhoven Airport. As a result, Royal Schiphol Group has a virtual monopoly of the international airports in the Netherlands. In addition, Schiphol Airport is the third-largest airport by cargo volumes in Europe, a position underpinned by the Netherlands' role as a major distribution centre for non-European companies in the EU.

Schiphol Airport has a virtual monopoly on air travel originating and ending in the Netherlands. However, given the very good rail network in continental north-west Europe, the airport is exposed to rail travel competition for certain European travel destinations. The government's high-speed rail plans (to better connect the Netherlands to the high-speed rail networks of Belgium and Germany) are advancing and recently culminated in the opening of the London-Amsterdam direct service, which adds to the Amsterdam-Brussels service. With these high-speed train connections fully in place, the potential catchment area of Schiphol Airport will increase, but may also serve to increase competition on short haul routes and bring Schiphol into more direct competition with airports in Paris and Brussels.

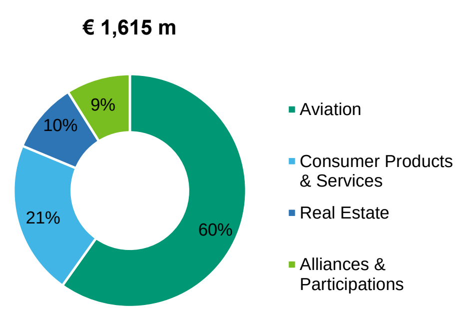
Regulatory framework remains supportive

Following the implementation of the Aviation Act in July 2006, Schiphol Airport is subject to a 'dual till' system of economic regulation, which allows Schiphol Airport to set aeronautical charges that cover all aviation related costs, including a regulated return on a defined aviation asset base.

Under the 'dual till' principle, the non-aviation activities (consumer products & services and real estate segments) at Schiphol Airport, as well as all other activities of Royal Schiphol Group, including its other Dutch airport interests, are not subject to economic regulation. Overall, in 2019, aviation activities at Schiphol Airport generated 60% of revenues and 29% of EBITDA.

Exhibit 4

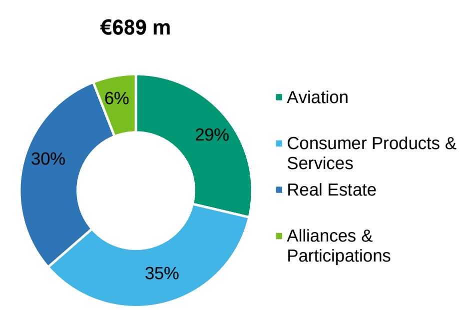
Royal Schiphol Group 2019 revenue split by business segment



Note: Net of intercompany revenue
Source: Company, Moody's Investors Service

Exhibit 5

Royal Schiphol Group 2019 EBITDA split by business segment

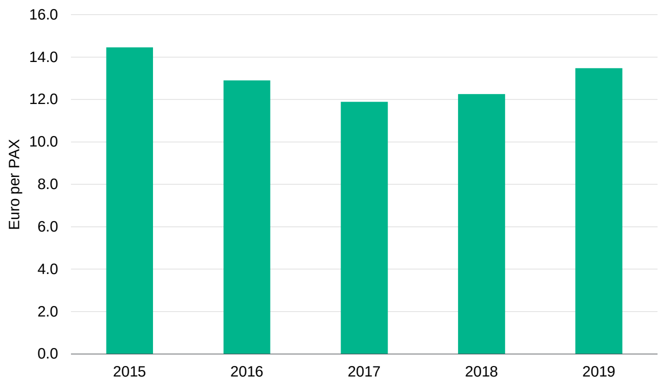


Source: Company, Moody's Investors Service

Until early 2019, charges applied at Schiphol Airport were set on an annual basis following a formal consultation with airlines during which the airport operator shared its projections of costs, traffic volume and capital expenditure. This process allowed Schiphol Airport to take into consideration the forward requirements of the users of the airport and to plan long term investment decisions. Under this framework, Schiphol Airport has been able to set charges that provide for a fair remuneration of invested capital, whilst keeping a good relationship with its customers.

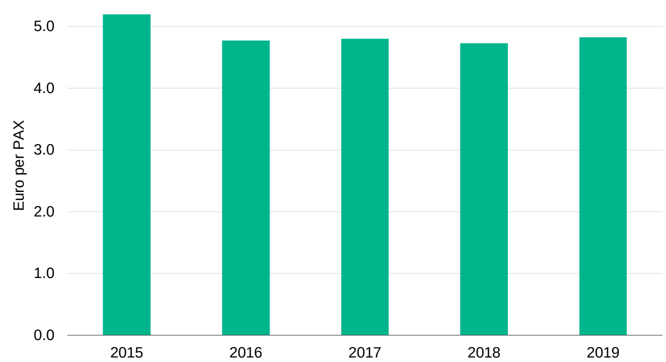
Since the introduction of the regulation in 2007, Royal Schiphol Group has in certain years voluntarily refrained from applying the maximum permitted airport charges in order to further strengthen its competitive position. In practice, Royal Schiphol Group has voluntarily accepted a lower return than the maximum allowable return in the past. This arrangement has been termed a hybrid dual-till system, because it allows for voluntary subsidisation of regulated activities from non-aviation activities.

Exhibit 6
Royal Schiphol Group aeronautical yield per passenger



Note: Aviation revenue net of intercompany revenue divided by passengers at Amsterdam Schiphol Airport
Source: Company, Moody's Investors Service

Exhibit 7
Royal Schiphol Group commercial yield per passenger



Note: Consumer Products & Services revenue net of intercompany revenue divided by passengers at Amsterdam Schiphol Airport
Source: Company Moody's Investors Service

The regulatory framework has however recently changed, with the 2019 tariffs (applicable from April) being the first to be set according to the new framework. Under the adjusted framework, Schiphol Airport will set its charges for three-year periods. Consequently, the in-depth consultation with airlines aimed at determining airport charges will now take place every three years, although annual discussions will also be held to present the development and benchmark of costs, charges and quality indicators, and to determine the settlements.

The main changes under the new framework include (1) adding an incentive mechanism whereby any savings for certain capital expenditure projects versus budgeted levels will be shared on a 50/50 basis between the airport and the airlines, whereas any overspend in excess of 5% will be borne completely by Schiphol Airport for a number of years; (2) an obligation to provide an annual update to airlines regarding the evolution of costs; (3) a mandatory contribution, set by Royal Schiphol Group's shareholders, from non-aviation activities to the aviation till to replace the current system of voluntary contributions; and (4) the requirement to benchmark Schiphol Airport's charges and quality of services to those of a peer group of European and Middle Eastern airports. To counterbalance the risks associated with setting charges for a longer period, charges will be allowed to deviate from agreed levels if (1) unplanned security measures need to be implemented; or (2) actual traffic volume is different from planned volume in any one year, in which case the difference will be reflected in the revenue allowance for the three subsequent years.

As a result of the above, an increase in aeronautical tariffs of, on average, 10.7% was announced for 2019, which will be followed by further increases of 8.7% and 4.2% in 2020 and 2021, respectively. The relatively significant revision of aeronautical tariffs will contribute to supporting Royal Schiphol Group's financial profile, somewhat offsetting the negative impact from sharp declines in passenger traffic on the back of travel restrictions.

Fairly high exposure to transfer traffic and reliance on Air France-KLM

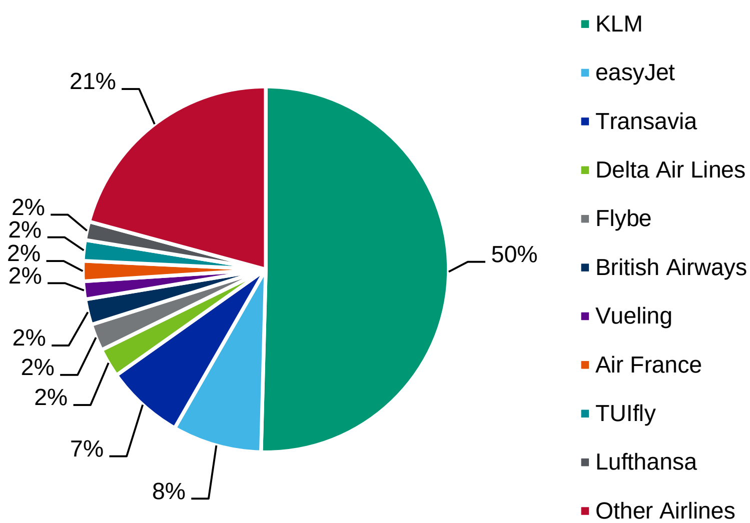
In addition to serving the air travel needs of the Netherlands, Royal Schiphol Group benefits from Schiphol Airport's position as one of Europe's main hubs for intercontinental flights. In fact, Schiphol Airport has the highest proportion of transfer and transit traffic (36% of total passenger volume in 2019) of any European airport rated by Moody's. Origin and destination traffic is more resilient than transfer traffic to airline failures, as it is much less reliant on the individual airlines route network. In the event of an airline failure, other airlines tend to pick up this traffic. Transfer and transit traffic, on the other hand, is more likely to be permanently lost if the airline using the airport as a hub ceases operations.

Schiphol Airport is the main hub of KLM, an airline of the Air France-KLM group and integrated in the SkyTeam alliance. Together, Air France and KLM flights accounted for around 50% of Schiphol Airport's total ATMs in 2019, whilst more than 60% of all ATMs were handled by airlines in the SkyTeam alliance, many of which under code sharing agreements.

European airlines, including Air France and KLM have been severely affected by the travel restrictions and sensitivity to consumer demand and sentiment caused by the coronavirus outbreak, weakening their financial position. Our base case assumptions are that air passenger demand will remain severely depressed in 2021, will not see a substantial recovery before 2023, with health concerns, changes in corporate travel policies, potential restrictions on international arrivals, and lower discretionary spending because of weaker GDP and higher unemployment constraining air passenger demand into 2022.

We also anticipate that the airline industry will require continued and further support from regulators, national governments and labour representatives to alleviate pressures on slot allocations, provide indirect or direct financial support and manage airlines' cost bases. In may Air France announced it was granted a €7 billion funding backed by the Government of France while in June KLM announced a similar financial support package backed by the Dutch State for an amount of €3.4 billion.

Exhibit 8
Air transport movements by airline at Amsterdam Schiphol in 2019



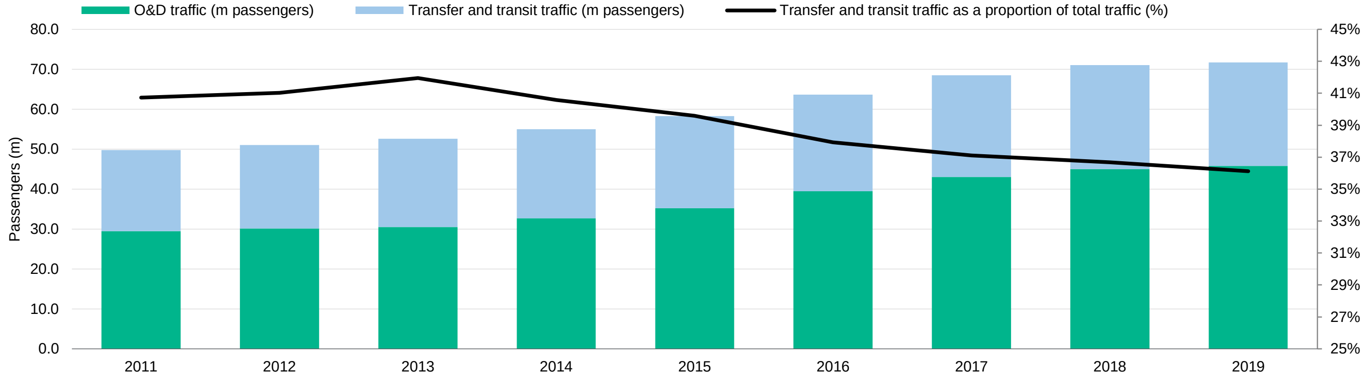
Source: Company, Moody's Investors Service

Historically Schiphol Airport has experienced relatively low volatility of passenger traffic growth when compared with other airports rated by Moody's. In common with most European airports, the passenger numbers fell in 2009 (-8.1%), but traffic volumes began to recover in 2010 and have since grown faster than at competing hubs in Western Europe. Passenger traffic growth has been particularly robust in recent years up to 2018 : +6%, +9.2%, +7.7% and +3.7% in 2015, 2016, 2017 and 2018, respectively, with origin and destination traffic growing even faster (+7%, + 7.8%, +12.2% and +9.1%) reflecting a boost to inbound tourism and a generally more buoyant macroeconomic environment. In 2019 Schiphol Airport reported an increase in passenger numbers of only 0.9%, negatively impacted by the discontinuation of some airlines including Jet Airways and WOW.

Exhibit 9

The proportion of transfer and transit traffic has decreased but remains high

Origin and destination and transfer and transit passengers (million, LHS) and transfer and transit passenger as a proportion of total passengers (%, RHS)



Source: Company, Moody's Investors Service

Sizable capital expenditure program which is now likely to be delayed

Over the last 10 years, Royal Schiphol Group has targeted its investment efforts to achieve a more efficient use of existing terminal facilities. For example, certain processes, such as the transfer baggage system or security checks, have been streamlined and optimised, and there has been a strong focus on improving the quality of service by introducing new concepts and services.

Although these investments have enhanced the passenger experience, and, in the case of the central security facility, have improved passenger flows within the terminal, they were not primarily designed to increase capacity. After several years of very robust traffic growth, Schiphol Airport handled 71.7 million passengers in 2019, well in excess of the then estimated maximum terminal capacity of 60 million passengers at current service standards. Although the airport is technically capable of accommodating volumes in excess of this figure, this would be at the expense of service standards and passenger experience, which will come under pressure as passenger volumes grow. Worsening service standards would make the airport less attractive to transfer passengers, which could lead to a shift of demand to other less congested airports.

In 2016, the company decided to build a temporary departure hall to cater for the increased number of origin and destination passengers travelling to/from Schengen destinations. The new temporary facility was opened in early 2017 and added c. 2 million departing passengers to Schiphol Airport's terminal capacity, therefore providing some relief to the capacity constraint at the airport.

In order to address the pressure that continued growth in traffic demand would cause on its facilities Royal Schiphol Group has developed a master plan as a modular investment programme, spread over the period to 2026 aimed at expanding airport capacity, in particular terminal and pier capacity. The main component of the master plan is the development of “Area A”, the phased construction of new terminal facilities, including the construction of a new pier followed by the phased delivery of a new terminal building. As it stands the programme was expected to arise annual capital expenditure to around €800 million on average over the period to 2022.

However the sharp decline in passenger traffic caused by the coronavirus outbreak and uncertainties over the scope and timing of a recovery will likely result in delays in the delivery of the projects. In April the company announced adjustments in the construction schedule. While construction of the new pier will go ahead as planned, the new terminal project will be executed in several phases with a completion date to be determined at a later stage depending on the recovery of the aviation sector. At the same time the company is opportunistically bringing forward a number of maintenance works which by nature can cause disturbance to passengers and disruption to traffic flows.

Schiphol Airport's runway capacity continues to face environmental constraints although the recent drop in passenger traffic has largely taken pressure off the issue. While the existing runway system of Schiphol Airport has the physical capacity to handle around 600,000 ATMs a year - well in excess of the total number of ATMs handled in 2019 (496,826) - Schiphol Airport is subject to noise regulations that place a limit on the number of ATMs a year. An agreement reached under the Alders framework allows for a lower total number of operations per year (500,000 ATMs per year, compared with a cap of 510,000 ATMs agreed in 2010), in exchange for a more intensive utilisation of the runways during peak times (the restriction on the concurrent use of 4 runways has been significantly eased). The agreement is expected to be renegotiated before its term, but there are uncertainties around the magnitude of any adjustment to the ATMs cap after 2020.

Strong financial profile, expected to show some resilience ahead of a sharp decline in revenues caused by the coronavirus outbreak

Royal Schiphol Group's leverage increased in 2008 to finance the payment of a €500 million special dividend and the net investment of €168 million in Groupe ADP shares. Since then, Royal Schiphol Group key credit metrics have markedly improved as debt levels have been kept fairly stable whilst cash generation has grown. Some of this improvement in leverage metrics was, however, temporary as it reflected higher than expected traffic growth, which triggered a regulatory claw-back mechanism that was partly responsible for the 6.8%, 11.6% and 7.1% decreases in aeronautical charges applied in 2015, 2016 and 2017, respectively. However, increases in aeronautical charges resumed in 2018 and 2019 (+5.4% and +10.7%, respectively), reflecting increasing investments, the constraints on growth and the new regulatory settlement.

Aeronautical charges are expected to continue to increase as capital expenditures at Royal Schiphol Group continued to grow to EUR 859 million in 2019 compared to EUR 561 million in 2018. The regulatory settlement provides for an increase in aeronautical tariffs of, on average, 8.7% and 4.2% in 2020 and 2021, respectively. The increase in applied aeronautical tariffs together with the regulatory revenue allowance resulting from differences in traffic volumes will contribute to supporting Royal Schiphol Group's credit profile, at a time when the company faces sharp decline in passenger traffic and revenues.

Faced with a sharp decline in passenger traffic caused by the coronavirus outbreak, Royal Schiphol Group took several steps to protect its cash flows and its credit profile including the scaling back of its operations, the closure of four out of its seven piers and reduction of its annual capital expenditures. While those measures will help mitigate the negative impact from the sharp decline in passenger traffic they will not be sufficient to fully compensate the loss in revenues should travel restrictions be more prolonged.

Likelihood of support from the Government of the Netherlands, should it become necessary

Royal Schiphol Group's rating incorporates an uplift for potential government support to its standalone credit quality, which we express as a BCA of a3. The uplift to the BCA, currently two notches, reflects (1) the Aaa stable local currency rating of the Government of the Netherlands, (2) our assessment of a moderate likelihood of support for the group from the government, should it become necessary, and (3) our assessment of a moderate default dependence (i.e. degree of exposure to common drivers of credit quality) between the government and the group.

We regard Royal Schiphol Group as being of high importance to the Government and the role of the Netherlands as a major international trading destination and centre of logistics in Europe. We also recognise the Government's direct 70% ownership and economic interest in Royal Schiphol Group.

ESG considerations

The rapid and widening spread of the coronavirus (COVID-19) outbreak, the deteriorating global economic outlook, falling oil prices and asset price declines are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented. The airport sector is among the most significantly affected by the shock given its exposure to travel restrictions and sensitivity to consumer demand and sentiment.

We regard the coronavirus outbreak as a social risk under its ESG framework, given the substantial implications for public health and safety that lead to severe restrictions to air travel, cancellation of airline routes and closing of borders, as well as enhanced health and safety standards and regulation potentially resulting in additional compliance expenses and potential non-compliance costs in the form of fines.

Liquidity Analysis

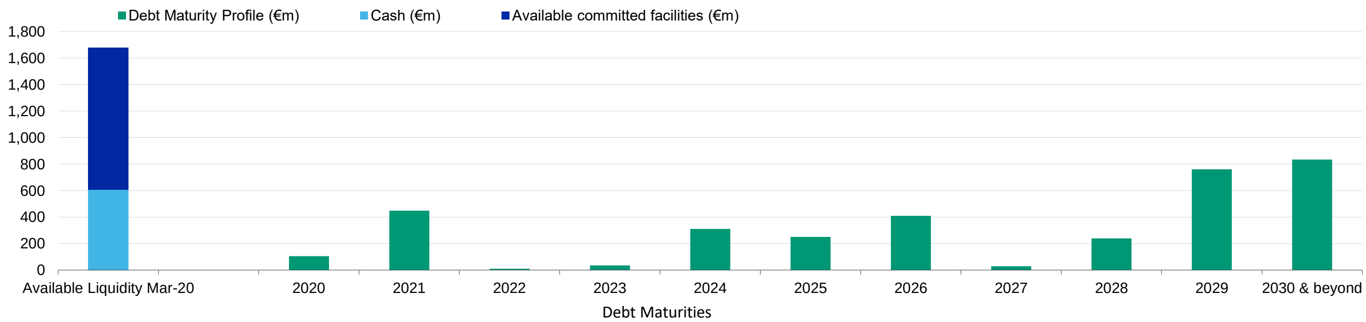
We consider Royal Schiphol Group's liquidity profile to be good. The company's primary sources of committed liquidity are (1) cash and equivalents of €609 million as of mid-May 2020, (2) undrawn committed credit facilities of around €800 million maturing in 2021 through 2023 in addition to around €175 million of available credit facilities with the European Investment Bank (EIB), €95 million of available credit facilities with KfW-IPEX Bank and a €60 million revolving credit facility available for Eindhoven Airport. Following the debt repayment of around €100 million in June 2020 the company faces around €450 million in debt maturity in 2021. We expect that the company will be able to meet all debt maturities and other obligations from available resources taking into account the company's steps in reducing operating and capital expenditures. We also assume that Royal Schiphol Group will maintain unrestricted access to capital markets, noting in that regard that at the beginning of April the company issued a 9- year tenor €750 million bond under its EMTN programme in order to fund future investments and strengthen its liquidity position.

Royal Schiphol Group's debt with the EIB contains a financial covenant based on an own funds/total assets ratios against which the company currently has significant headroom and so is not expected to be in breach for the foreseeable future.

Exhibit 10

Royal Schiphol Group debt maturity profile (€ million)

As of March 2020



Source: Company, Moody's Investors Service

Rating Methodology and Scorecard Factors

Royal Schiphol Group's rating reflects our assessment of the company's business profile and financial performance in line with our Privately Managed Airports and Related Issuers rating methodology, published in September 2017 and Moody's Government-Related Issuers rating methodology, published in February 2020.

Exhibit 11

Royal Schiphol Group N.V. - Rating Factors Grid

Privately Managed Airports and Related Issuers Industry Grid [1][2]	Current FY 12/31/2019		Moody's Forward View of 2022e-2023e As of April 2020 [3]	
Factor 1: Concession and Regulatory Frameworks (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Ability to Increase Tariffs	Baa	Baa	Baa	Baa
b) Nature of Ownership / Control	Aaa	Aaa	Aaa	Aaa
Factor 2: Market Position (15%)				
a) Size of Service Area	Aaa	Aaa	Aaa	Aaa
b) Economic Strength & Diversity of Service Area	Aaa	Aaa	Aaa	Aaa
c) Competition for Travel	Aa	Aa	Aa	Aa
Factor 3: Service Offering (15%)				
a) Passenger Mix	Baa	Baa	Baa	Baa
b) Stability of traffic performance	Baa	Baa	Baa	Baa
c) Carrier Base	Ba	Ba	Ba	Ba
Factor 4: Capacity and Capital (5%)				
a) Ability to accommodate expected traffic growth	Baa	Baa	Baa	Baa
Factor 5: Financial Policy (10%)				
a) Financial Policy	A	A	A	A
Factor 6: Leverage and Coverage (40%)				
a) (FFO + Cash Interest Expense) / (Cash Interest Expense)	7.4x	Aa	7.0x - 9.0x	Aa
b) FFO / Debt	19.1%	A	17% - 20%	A
c) Moody’s Debt Service Coverage Ratio	8.6x	Aaa	7.0x - 9.0x	Aa/Aaa
d) RCF / Debt	14.9%	A	15% - 17%	A/Aa
Rating:				
Indicated Rating from Grid Factors 1-6		A2		A2
Rating Lift	**-**	**-**	**-**	**-**
a) Indicated Rating from Grid				A2
b) Actual Rating Assigned				A1
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	a3			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Moderate			
d) Support	Moderate			
e) Final Rating Outcome	A1, Negative			

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 31/12/2019. [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™

Ratings

Exhibit 12

Category	Moody's Rating
ROYAL SCHIPHOL GROUP N.V.	
Outlook	Negative
Bkd Senior Unsecured	A1
SCHIPHOL NEDERLAND B.V.	
Outlook	Negative
Bkd Sr Unsec MTN -Dom Curr	(P)A1

Source: Moody's Investors Service

Appendix

Exhibit 13

Peer Comparison Table

	Royal Schiphol Group N.V. A1 Negative			Aeroporti di Roma S.p.A. Baa3 Negative			Heathrow Finance plc Ba1 Negative		
(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-16	FYE Dec-17	FYE Dec-18
Revenue	1,458	1,509	1,615	1,153	993	1,031	3,437	3,290	3,357
EBITDA	539	522	559	463	483	513	2,078	2,035	2,124
EBITDA margin %	37.0%	34.6%	34.6%	40.2%	48.7%	49.8%	60.5%	61.9%	63.3%
Funds from Operations (FFO)	479	473	532	406	373	436	1,155	1,023	1,156
Total Debt	2,198	2,613	2,784	1,020	1,471	1,468	16,418	16,514	16,789
(FFO + Interest Expense) / Interest Expense	7.0x	7.2x	7.4x	11.2x	9.9x	10.6x	2.3x	2.0x	2.3x
FFO / Debt	21.8%	18.1%	19.1%	39.8%	25.3%	29.7%	6.8%	6.1%	6.8%
RCF / Debt	15.0%	12.4%	14.9%	20.0%	8.0%	12.7%	2.3%	3.8%	3.5%
Debt Service Coverage Ratio	7.4x	7.0x	8.6x	7.1x	4.7x	5.7x	1.9x	1.8x	1.9x

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 14

Royal Schiphol Group N.V. - Adjusted Debt breakdown

(in EUR million)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19
As Reported Total Debt	2,185	2,067	2,159	2,622	2,785
Pensions	23	24	24	26	32
Leases	10	8	32	3	0
Non-Standard Public Adjustments	(14)	(39)	(18)	(38)	(33)
Moody's Adjusted Total Debt	2,204	2,060	2,198	2,613	2,784

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

Exhibit 15

Royal Schiphol Group N.V. - Adjusted FFO breakdown

(in EUR million)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19
As Reported Funds from Operations (FFO)	482	471	467	491	536
Leases	1	1	4	0	0
Capitalized Interest	(6)	0	0	0	(7)
Alignment FFO	(0)	3	8	(18)	4
Non-Standard Public Adjustments	6	0	0	0	0
Moody's Adjusted Funds from Operations (FFO)	483	475	479	473	532

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

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