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CREDIT OPINION
13 October 2023

Update

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RATINGS

Royal Schiphol Group N.V.

Domicile	Amsterdam, Netherlands
Long Term Rating	A2
Type	Senior Unsecured - Fgn Curr
Outlook	Stable

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

Contacts

Marco Wang +44.20.7772.1048
Ratings Associate
marco.wang@moodys.com

Olga Kravets, CFA +33.153.303.444
AVP-Analyst
olga.kravets@moodys.com

Neil Griffiths-Lambeth +44.20.7772.5543
Associate Managing Director
neil.griffiths-lambeth@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Royal Schiphol Group N.V.

Annual update

Summary

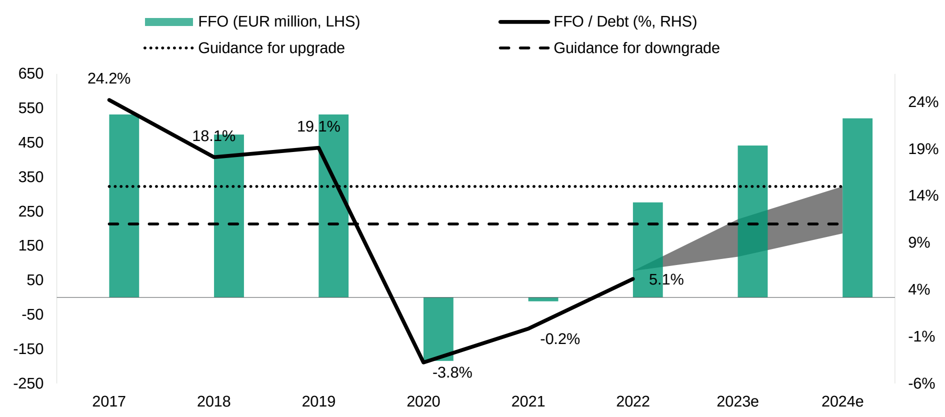
The credit profile of Royal Schiphol Group N.V. (RSG, A2 stable) positively reflects (1) the strong business profile of the group, recognising its ownership of Amsterdam Airport Schiphol (Schiphol Airport), the fourth largest in Europe by passenger numbers, and other airports in the Netherlands; (2) a regulatory framework that provides visibility into airport charges until end of 2024 and a revenue compensation mechanism; (3) a recovering financial profile and a relatively prudent financial policy; and (4) the uplift to the standalone credit profile (Baseline Credit Assessment, or BCA, of baa1) 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.

The credit profile of RSG also reflects the following challenges: (1) the constraining impact on traffic recovery to pre-pandemic levels of the Government initiative to reduce the Air Transport Movements (ATMs) cap at Schiphol Airport and the uncertain airline response, (2) the high exposure to transfer traffic and reliance on Air France-KLM Group, a French-Dutch airline group; (3) the need to increase capital investment in maintenance and renovations; and (4) inflationary pressure.

Exhibit 1

RSG's credit metrics continue to recover

Funds from operations (FFO) (€ million, left-hand side) and FFO/debt (percentage, right-hand side)



Source: Company and Moody's Investors Service

Credit strengths

» Ownership of Schiphol Airport, one of Europe's major airports

» Supportive regulatory framework

» Recovering financial profile and a balanced financial policy

» Adequate liquidity, with sufficient available resources to cover all funding needs over the next 12-18 months, large committed facilities and flexibility under its capital spending programme

Credit challenges

» Expected reduction in future traffic because of the new government regulation to reduce the ATM cap and the uncertainties around how key airlines may review their route networks

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

» Need to increase capital investment in maintenance and renovations

» Increasing inflationary pressure

Rating outlook

The stable rating outlook reflects our expectation that the company's credit metrics will recover to a level commensurate with a Baseline Credit Assessment (BCA) of baa1/A2 rating over the next 12-18 months, namely Funds from operations (FFO)/debt at least in the low-teen percentages. This compares with FFO/debt of -0.2% in 2021 and 5.1% in 2022.

While RSG faces a number of headwinds, the company is likely to manage its financial profile in accordance with the above-mentioned parameters.

Factors that could lead to an upgrade

Although unlikely because of the current macroeconomic conditions, there could be upward rating pressure in the scenario of a sustainable improvement in the operating environment and stronger-than-expected traffic recovery such that the company's FFO/debt would remain solidly above the mid-teen percentages.

Factors that could lead to a downgrade

Conversely, RSG's ratings could come under further downward pressure if it appears likely that FFO/debt would remain persistently below the low-teen percentages.

Key indicators

Exhibit 2

Royal Schiphol Group N.V.

	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22
(FFO + Interest Expense) / Interest Expense	7.2x	7.4x	-1.0x	0.9x	4.5x
FFO / Debt	18.1%	19.1%	-3.8%	-0.2%	5.1%
Debt Service Coverage Ratio	7.0x	8.6x	-0.8x	0.7x	3.5x
RCF / Debt	12.4%	14.9%	-3.8%	-0.2%	5.1%

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. For definitions of Moody's most common ratio terms, please see the accompanying User's Guide.
Source: Moody's Financial Metrics

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

Profile

Royal Schiphol Group N.V. (RSG) is a holding company of a group that owns and operates Schiphol Airport, Rotterdam The Hague Airport, Lelystad Airport, 51% of Eindhoven Airport and since June 2023 also 40% of the Maastricht Aachen Airport, which together comprise most of the airport capacity in the Netherlands. In addition, RSG has minority investments in a number of overseas airports. The largest of the Dutch airports, Schiphol Airport, is the fourth-largest airport in Europe by passenger numbers. RSG is currently 70% owned by the Government of the Netherlands (Aaa stable), 20% by the Municipality of Amsterdam, 2% by the Municipality of Rotterdam and 8% by the company's treasury following the unwinding of ADP cross-shareholding. RSG had a cross-shareholding and an industrial cooperation agreement with Groupe ADP that expired on 30 November 2021 and was unwound in December 2022.

Detailed credit considerations

Ownership of one of Europe's major airports

RSG has been designated as the operator of Schiphol Airport, the fourth-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, RSG 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 RSG, particularly Schiphol Airport, are regulated in a number of areas, including noise and environment, aviation operations, capacity, safety and airport charges.

In addition to serving Amsterdam — a major trading centre and the capital city of an advanced European country — RSG owns Rotterdam The Hague Airport, has majority ownership of Eindhoven Airport and since June 2023 also it also owns 40% of the Maastricht Aachen Airport. As a result, RSG has a virtual monopoly of the international airports in the Netherlands. In addition, Schiphol Airport is the fouth-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, because of 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.

Prospects for full traffic recovery are undermined by the government regulation to reduce the ATM cap

Like other European airports, Schiphol Airport was severely impacted by the COVID-19 pandemic and the associated travel restrictions. Passenger volumes fell to 20.9 million in 2020 (71% below 2019 level) and 25.5 million in 2021 (64% below 2019 level). Traffic started to pick up more strongly last year as global travel restrictions eased. In 2022, Schiphol's traffic amounted to 52.5 million passengers, 27% below 2019 volumes. The increase in traffic was driven primarily by strong leisure demand – both domestic and international. In the eight months to August 2023, Schiphol's volumes reached 40.7 million, which represents 85% of 2019 traffic over the same period. This compares with a 91% recovery rate reported by our rated European airports in the first half of this year. (See Airports – Europe: Passenger volumes will continue to rise this summer, but regional differences persist, July 2023).

In 2022, Schiphol Airport struggled to provide sufficient operational capacity to meet full demand at peak times, which limited passenger flows throughout the summer months. Staff shortages, primarily affecting security screening capacity, severely hampered service delivery and forced the company to introduce daily limits on the number of departing passenger during the peak periods. These daily limits were occasionally imposed up until May 2023, but were fully suspended during summer months this year.

In June 2022, the Dutch Cabinet announced its intention to reduce permitted ATMs at Schiphol Airport to 440,000 from the current 500,000 ATM cap in order to reduce noise pollution. In accordance with EU regulation, the Dutch government had to go through the "balanced approach" procedure, which includes consultation with stakeholders in order to introduce such a change. Following the consultation process, the government reassessed the measures and in the end proposed to reduce the maximum number of ATMs to 452,000 (instead of 440,00 before). This proposal was submitted to the European Commission (EC) in September 2023.

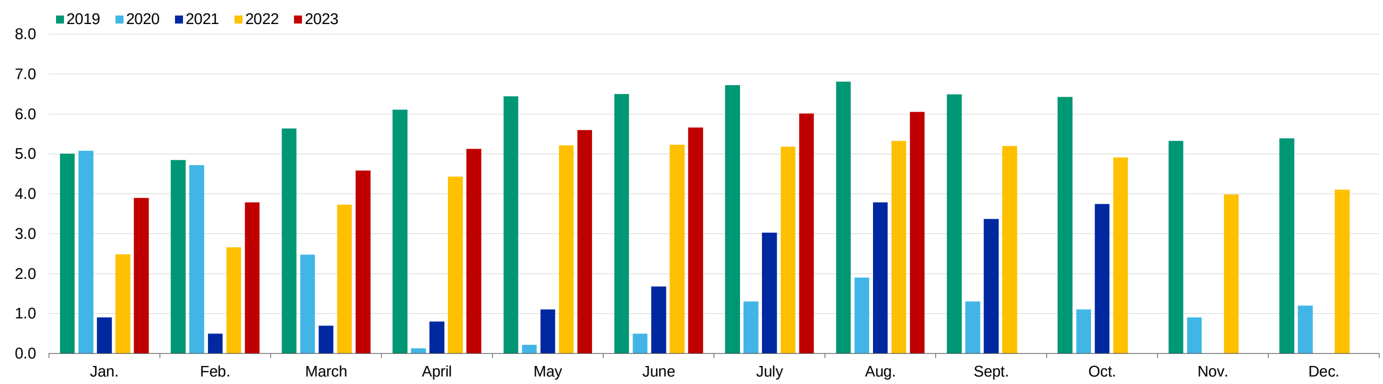
Given that the EC's review of the proposal may take up to 6 months, the earliest introduction of the new cap is expected by year-end 2024. Although the plan has been heavily criticised by the airlines, the government intends to proceed. Indeed, prior to the EC's approval, the government intends to cut the maximum number of ATMs to 460,000 from 1st of March 2024 in order to evaluate the impact of the new cap before it is passed into law.

Taking account of the planned measures, we assume that traffic will recover to 85% of the 2019 level by year-end 2023 and to 95% of the pre-pandemic level in 2024 under our central scenario. Risks remain, though, to the traffic recovery given weaker macroeconomic environment and cost of living pressures in Europe. Over the longer term, with the lower ATM cap in place, Schiphol will likely see shifts in service patterns and aircraft usage by the airlines to accommodate the lower maximum ATM levels.

In addition to the above, the government has also decided to further postpone opening of Lelystad Airport, which has been redeveloped on the assumption that part of the origin and destination traffic currently handled by Schiphol Airport will move there, creating room for additional transfer traffic at Amsterdam. Construction of the airport was completed in 2019, but necessary nature permits are still to be granted.

Exhibit 3

Passenger traffic continued to recover throughout 2023 after overcoming previous operational challenges



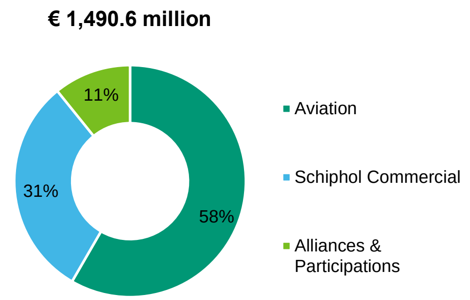
Source: Company and Moody's Investors Service

Regulatory framework remains supportive

Following the implementation of the Aviation Act in July 2006 and its further revision in 2017, 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.

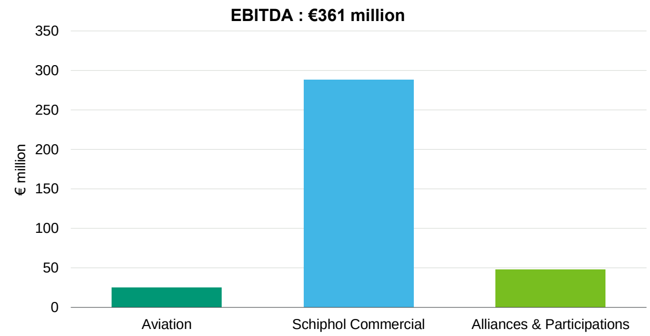
Under the dual-till principle, the non-aviation activities (consumer products and services, and real estate segments) at Schiphol Airport, as well as all other activities of RSG, including its other Dutch airport interests and international participations, are not subject to economic regulation. Overall, in 2022, non-aviation activities at Schiphol Airport generated 42% of revenue and 93% of EBITDA.

Exhibit 4
Royal Schiphol Group's 2022 revenue split by business segment



Net of intercompany revenue.
Source: Company and Moody's Investors Service

Exhibit 5
Royal Schiphol Group's 2022 EBITDA split by business segment

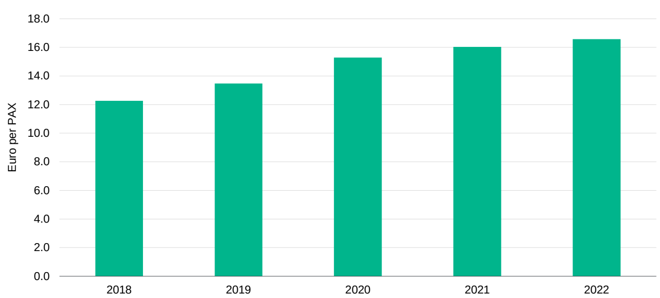


Source: Company and Moody's Investors Service

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 spending. 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 while maintaining good relationships with its customers.

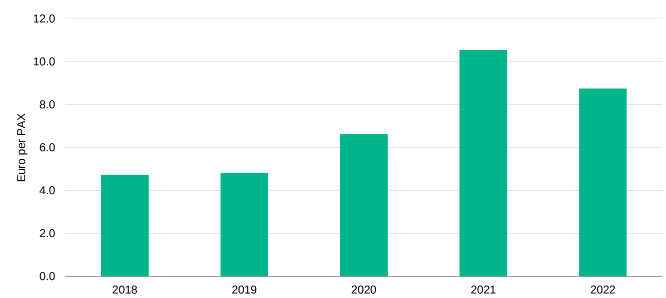
Since the introduction of the regulation in 2007, RSG has in certain years voluntarily refrained from applying the maximum permitted airport charges to further strengthen its competitive position. In practice, RSG has voluntarily accepted a lower return than the maximum allowable return in the past.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

Exhibit 6
Royal Schiphol Group's aeronautical yield per passenger



Aviation revenue net of intercompany revenue divided by passengers at Schiphol Airport.
Source: Company and Moody's Investors Service

Exhibit 7
Royal Schiphol Group's commercial yield per passenger



Commercial revenue net of intercompany revenue divided by passengers at Schiphol Airport.
Source: Company and Moody's Investors Service

Since 2017, the regulatory framework has changed with the 2019 tariffs set according to a revised framework. Under the adjusted framework, Schiphol Airport sets its charges for three-year periods. Consequently, the in-depth consultation with airlines aimed at determining airport charges now takes place every three years, although annual discussions are also held to present the development and benchmark of costs, charges and quality indicators, and to determine the settlements.

The main changes under this framework included adding an incentive mechanism whereby any savings for certain capital spending 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; an obligation to provide an annual update to airlines regarding the evolution of costs; a mandatory contribution, set by RSG's shareholders, from non-aviation activities to the aviation activities;

and 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 the actual traffic volume is different from the 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-mentioned factors, an increase in aeronautical tariffs of 10.7% was introduced for 2019, which was followed by further increases of 8.7% and 4.2% in 2020 and 2021, respectively.

In 2021, Schiphol Airport proposed new airport charges for airlines for the next regulatory period of 2022-24. The charges set by Schiphol Airport were meant to balance two important goals: helping the airport to maintain its strong competitive position as a high-value European airport and regenerating its financial health from the impact of the pandemic. Thus, the charges were set to increase by 9%, 12% and 12% for 2022, 2023 and 2024, respectively. These increases take into account the settlement of the airport charges for 2020, while the traffic-related losses incurred by the company in 2021 will be settled over 2024-26. The Dutch regulator has rejected formal complaints by airlines regarding the charges increase.

RSG has faced, and is likely to continue to face, upward cost pressure as a result of the higher inflationary environment, affecting staff, energy, maintenance and security costs among other things. The ability to recover such higher costs is limited during the current regulatory period to 2024 as annual cost increases are limited to 2% per annum. Nevertheless, the regulatory framework should provide for a rebasing of traffic volumes, and provide the company with the ability to recover economic and efficient costs pertaining to the aviation activities when the next aviation tariffs are set in accordance with the next regulatory period of 2025-2027, the consultation process for which will commence in September 2024.

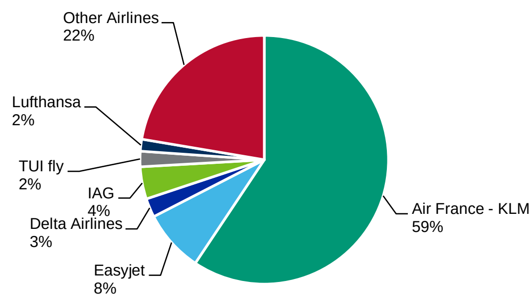
Fairly high exposure to transfer traffic and reliance on Air France-KLM

In addition to serving the air travel needs of the Netherlands, RSG 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 (36.7% of total passenger volume in 2022) of any European airport rated by us. Origin and destination traffic is more resilient than transfer traffic to airline failures, as it relies less on the individual airlines' route networks. 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 59% of Schiphol Airport's total ATMs in 2022, while more than 65% of all ATMs were handled by airlines in the SkyTeam alliance, many of which were 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 pandemic, weakening their financial position. Airlines required support from national governments to provide indirect or direct financial support. In particular, Air France-KLM Group has been supported by both French and Dutch governments. After a turbulent 2021, in 2022 Air France-KLM reported a net income of €0.7 billion and positive adjusted operating free cash flow of €1.9 billion on the back of positive EBITDA and strong ticket sales. In Q2 2023, Air France-KLM Group reported capacity at 92% compared to 2019 with load factor at 88%. With traffic recovering further despite inflationary pressure, the group expects to further recover its financial position.

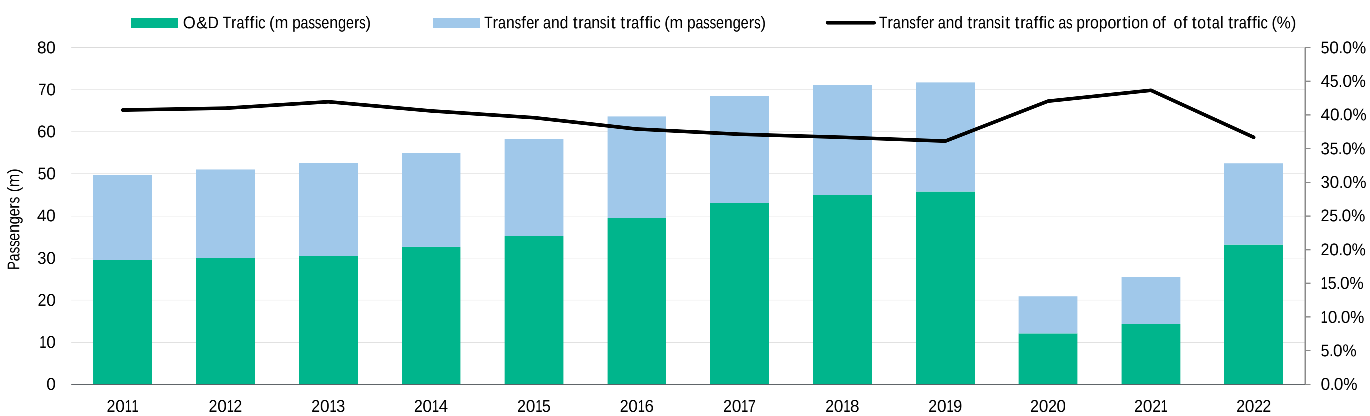
Exhibit 8
ATMs by airline at Schiphol Airport in 2022



Source: Company and Moody's Investors Service

Historically, passenger traffic growth at Schiphol has been particularly robust, with +6%, +9.2%, +7.7% and +3.7% year-on-year growth reported in 2015, 2016, 2017 and 2018, respectively, and 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%, on the back of reaching maximum allowed ATM cap of 500,000 and the discontinuation of some airlines including Jet Airways and WOW. After severe traffic disruptions over 2020-21, traffic volumes recovered in 2022 and reached 73% of the pre-pandemic level. Going forward, we expect that the reduced ATMs cap will likely to make Schiphol Airport less attractive to transfer passengers; however, uncertainties remain around how key airlines may review their route networks and manage their ATM slots.

Exhibit 9
The proportion of transfer and transit traffic remains high
Origin and destination, and transfer and transit passengers (million, LHS); and transfer and transit passengers as a proportion of total passengers (%, RHS)



Source: Company and Moody's Investors Service

Sizeable capital spending programme to be resumed

Over the last 10 years, RSG has targeted its investment efforts towards 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 the current service standards. On the back of the sharp decline in passenger traffic over 2020-21, the company scaled down its capital spending over that period and announced adjustments in the construction schedule. This year, given that passenger volumes are likely to exceed 60 million passengers this year, RSG plans to scale up its capital spending to pre-pandemic levels. Although the airport is technically capable of accommodating volumes in excess of maximum terminal capacity, this would be at the expense of service standards and passenger experience.

Before the pandemic, RSG 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 was 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. While the construction of the new pier goes ahead as planned, there is no decision yet on new terminal project which (if it goes ahead) 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.

For 2024-2027, RSG has announced its plans to invest three billion euros into maintenance and upgrade of the airport facilities in order to improve service standards and passenger experience, which will come under pressure as passenger volumes continue to recover. In particular, the airport infrastructure such as Pier C, the baggage basement, climate-control systems, walkways, aircraft stands and taxiways are due to undergo major maintenance.

Schiphol Airport's runway capacity continues to face environmental constraints. 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. To mitigate capacity constraints, RSG has the ability to incentivise the reallocation of some flights, particularly origin and destination leisure flights, from Schiphol Airport to other Dutch airports, including to Lelystad Airport. Given that there is no decision yet regarding the opening of the Lelystad Airport and the Dutch government decision to reduce the limit of annual flight numbers at Schiphol Airport from the current cap of 500,000 ATMs, Schiphol Airport is likely to be constrained over the medium term, with the cap on ATMs being only mitigated by the use of larger aircrafts and higher aircraft load factors. Because RSG has some flexibility to adjust its capital spending plan to lower traffic if needed, its terminal expansion programme might be revised further to accommodate lower ATM cap.

Weakened financial profile likely to show resilience on the back of supportive regulatory framework

RSG's debt level increased during the pandemic to €5.4 billion as of year-end 2021 from €2.8 billion in 2019. In April 2021, RSG issued two senior unsecured bonds with a total value of €1 billion under the Euro Medium Term Note (EMTN) programme to secure sufficient access to liquidity to repay the upcoming debt maturities, to fund investments and to cope with the impact of the pandemic on the financial performance of the group. However, in May-June 2023, RSG has paid down 380 million euros of debt with its accumulated cash.

The existing regulatory framework provides visibility into airport charges until March 2025 and a revenue compensation mechanism that will allow the company to recover its traffic-related losses incurred during the pandemic, although with a time lag. The current tariff period provides for an increase in aeronautical tariffs of 9% in 2022, and 12% annually in 2023 and 2024. The increase in applied aeronautical tariffs, together with the regulatory revenue allowance resulting from differences in traffic volumes, will contribute to supporting RSG's credit profile, at a time when the company faces uncertainties over future traffic patterns.

The company's industrial cooperation and cross-shareholding with ADP expired in November 2021 and was fully unwound in December 2022. In particular, RSG has sold 8% of the shares in the ADP and bought back the 8% of its shares that are now classified as treasury shares.

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

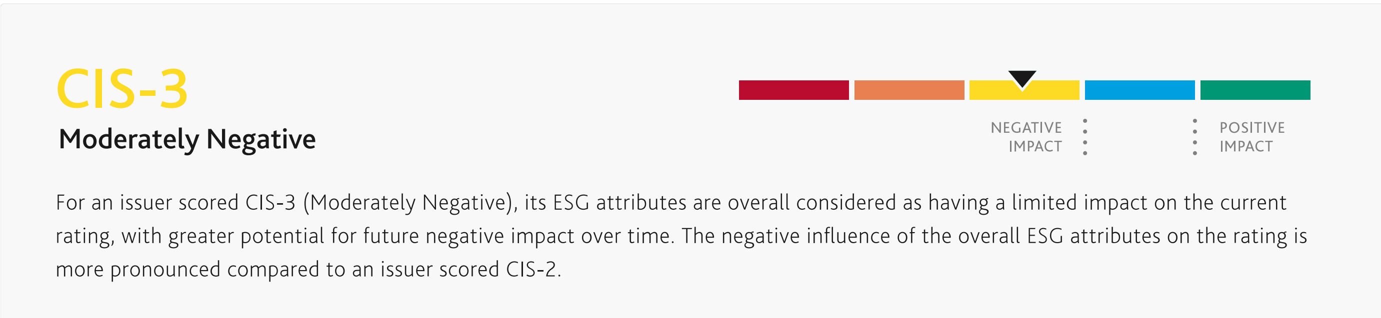
RSG's rating incorporates an uplift for potential government support to its standalone credit quality, which is reflected in a BCA of baa1. The uplift to the BCA, currently two notches, reflects the Aaa stable local-currency rating of the Government of the Netherlands; our assessment of a moderate likelihood of support for the group from the government, should it become necessary; and our assessment of a moderate default dependence (that is, a degree of exposure to common drivers of credit quality) between the government and the group.

RSG has 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

Royal Schiphol Group N.V.'s ESG Credit Impact Score is Moderately Negative CIS-3

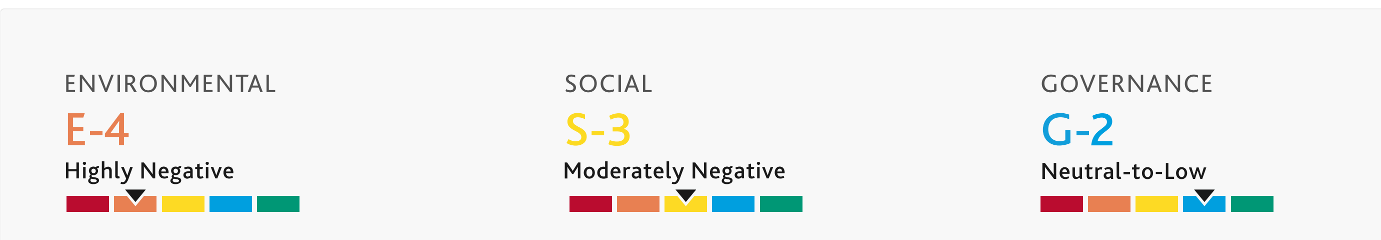
Exhibit 10
ESG Credit Impact Score



Source: Moody's Investors Service

RSG's ESG Credit Impact Score is moderately negative (CIS-3), indicating that its ESG attributes are overall considered as having a limited impact on its current rating, with greater potential for future negative impact over time. The CIS-3 reflects highly negative exposure to environmental risks, moderately negative exposure to social risks and neutral-to-low exposure to governance risks.

Exhibit 11
ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

RSG's credit exposure to environmental risks is highly negative (E-4 issuer profile score), reflecting its highly-negative exposure to noise pollution and moderately-negative exposure to physical climate and carbon transition risks. In order to reduce noise pollution, the Dutch government proposed to reduce the current cap on air traffic movements (ATMs) from 500.000 to 460.000 per year starting from March 2024 and further down to 452.000 from late 2024. These noise limits restrict the ability of RSG to maintain or increase passenger and cargo traffic growth rates over the mid-term.

Furthermore, evolving decarbonisation policies in the EU to achieve net-zero target by 2050 may further increase operating costs for airlines and affect the demand for air travel. In line with these policies, a Sustainable Aviation Fuel (SAF) incentive is included in the airport charges for all RSG airports that aims to promote transition to green fuels in aviation. The airport's elevation level is slightly below the sea level and it is located in close proximity to the sea that increases the risk of being flooded. The risk is, however, mitigated by the fact the airport is protected by primary and regional flood defenses that both meet the Netherlands' most stringent flood safety criteria. Our E-4 score incorporates also neutral to low exposure to water management and natural capital. RSG aims to achieve zero-carbon and zero-waste operations by 2030 and currently maintains the Airport Carbon Accreditation (ACA) as a carbon-neutral airport (level 4+) that implies airport's commitment to compensate for their own scope 1 and 2 emissions and partly offset scope 3 emissions.

Social

RSG has moderately negative (S-3) exposure to social risks related to demographic and societal trends of reducing personal carbon footprints. There is a risk that such trend may lead to lower travel volumes or higher costs that may affect air travel. While the lack of viable alternatives for long-haul travel is a mitigating factor, RSG 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. While staff costs represent a fairly large part of the airport's largely fixed cost base, we currently assume that any staff related operational issues are temporary.

Governance

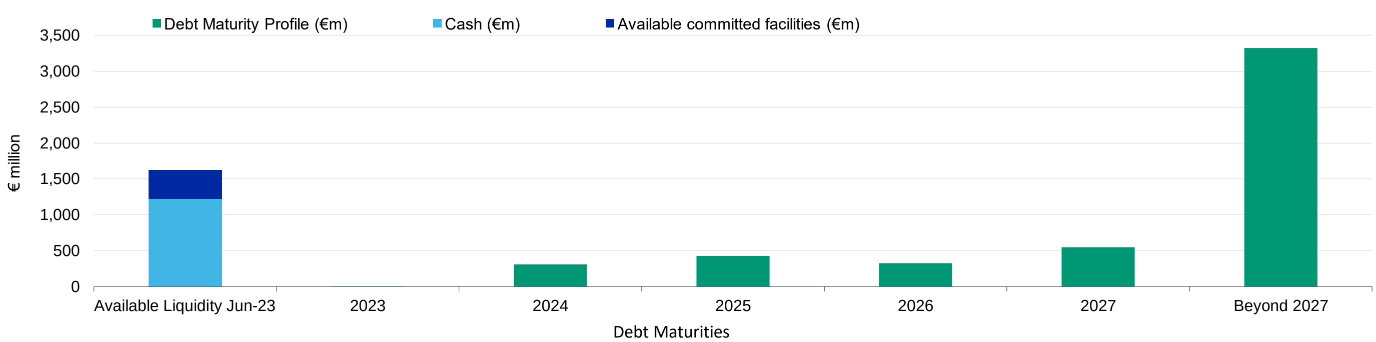
RSG's neutral-to-low governance risk (G-2 issuer profile score) reflects the company's cautious financial risk management strategy, organizational structure, transparent compliance and reporting policy, management credibility and board structure. The high government's share in the company's ownership structure is mitigated by non-interventionist government's approach to the airport's operations.

Liquidity analysis

Royal Schiphol Group's liquidity is good. The company's primary sources of committed liquidity are cash and equivalents of €1.22 billion (as of 30 June 2023); and undrawn committed credit facilities of around €500 million, consisting of €400 million of facilities maturing in 2027 and €100 million maturing in 2026. In addition, Royal Schiphol Group holds two bilateral uncommitted facility of €150 million. Furthermore, Eindhoven Airport has two facilities in place of a total of €105 million available (undrawn as of end 2022) to refinance the future capital spending and to provide sufficient liquidity. In May-June 2023, RSG has executed a cash tender offer on three of its outstanding EMTN notes resulting into a 380 million euros repayment of debt. The company will not face any major maturities on its debt up until 2024, when the EIB and KfW loans become due. Starting from 2025, RSG will face a number of maturities of EMTN bonds. We expect the company to be able to cover upcoming debt maturities and other commitments with its available resources or to access capital markets for further refinancing.

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

Exhibit 12
Royal Schiphol Group's debt maturity profile (€ million)
As of June 2023



Source: Company and Moody's Investors Service

Methodology and scorecard

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 our [Government-Related Issuers] rating methodology, published in February 2020.

Exhibit 13

Rating factors

Royal Schiphol Group N.V.

Privately Managed Airports and Related Issuers Industry Grid [1][2]	Current FY 12/31/2022		Moody's Forward View of next 12-18 months As of October 2023 [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	Ba	Ba	Ba	Ba
Factor 5: Financial Policy (10%)				
a) Financial Policy	A	A	Baa	Baa
Factor 6: Leverage and Coverage (40%)				
a) (FFO + Cash Interest Expense) / (Cash Interest Expense)	4.5x	A	8.0x - 11.0x	Aa/Aaa
b) FFO / Debt	5.1%	B	11% - 15%	Baa/A
c) Moody's Debt Service Coverage Ratio	3.5x	Baa	6x - 8x	Aa/Aaa
d) RCF / Debt	5.1%	Ba	11% - 15%	A
Rating:				
Indicated Rating from Grid Factors 1-6		Baa3		A3/A2
Rating Lift	-	-	-	-
a) Indicated Rating from Grid		Baa3		A3/A2
b) Actual Rating Assigned				A2
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	baa1			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Moderate			
d) Support	Moderate			
e) Final Rating Outcome	A2, Stable			

[1] All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 31/12/2022. [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 14

Category	Moody's Rating
ROYAL SCHIPHOL GROUP N.V.	
Outlook	Stable
Bkd Senior Unsecured	A2
SCHIPHOL NEDERLAND B.V.	
Outlook	Stable
Bkd Sr Unsec MTN -Dom Curr	(P)A2

Source: Moody's Investors Service

Appendix

Exhibit 15

Peer comparison

	Royal Schiphol Group N.V. A2 Stable			Heathrow Finance plc Ba2 Stable			Aeroporti di Roma S.p.A. Baa2 Negative		
	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE
(in EUR million)	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22
Revenue	688	816	1,491	1,321	1,412	3,422	372	633	808
EBITDA	(124)	345	452	263	490	2,070	(25)	47	231
EBITDA margin %	-18.0%	42.2%	30.3%	19.9%	34.7%	60.5%	-6.8%	7.5%	28.6%
Funds from Operations (FFO)	(184)	(11)	277	(346)	(345)	473	(17)	128	252
Total Debt	4,895	5,434	5,386	21,771	22,250	21,978	2,398	2,284	2,271
(FFO + Interest Expense) / Interest Expense	-1.0x	0.9x	4.5x	0.5x	0.6x	1.3x	0.7x	3.5x	5.7x
FFO / Debt	-3.8%	-0.2%	5.1%	-1.6%	-1.6%	2.1%	-0.7%	5.6%	11.1%
RCF / Debt	-3.8%	-0.2%	5.1%	-2.1%	-1.6%	1.5%	-0.7%	5.6%	11.1%
Debt Service Coverage Ratio	-0.8x	0.7x	3.5x	0.3x	0.4x	1.6x	0.3x	1.6x	2.5x

All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 16

Adjusted debt breakdown

Royal Schiphol Group N.V.

		FYE	FYE	FYE	FYE	FYE
(in EUR million)		Dec-18	Dec-19	Dec-20	Dec-21	Dec-22
As Reported Total Debt		2,622	2,785	4,866	5,407	5,365
	Pensions	26	32	30	27	21
	Leases	3	0	0	0	0
	Non-Standard Adjustments	(38)	(33)	0	0	0
Moody's Adjusted Total Debt		2,613	2,784	4,895	5,434	5,386

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

Exhibit 17

Adjusted FFO breakdown

Royal Schiphol Group N.V.

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22
As Reported Funds from Operations (FFO)	491	536	(159)	(25)	267
Leases	0	0	0	0	0
Capitalized Interest	0	(7)	(10)	(8)	(8)
Alignment FFO	(18)	4	(15)	20	17
Cash Flow Presentation	0	0	0	1	1
Moody's Adjusted Funds from Operations (FFO)	473	532	(184)	(11)	277

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

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Contacts

Olga Kravets, CFA +33.153.303.444
AVP-Analyst
olga.kravets@moodys.com

Neil Griffiths-Lambeth +44.20.7772.5543
Associate Managing Director
neil.griffiths-lambeth@moodys.com

Marco Wang +44.20.7772.1048
Ratings Associate
marco.wang@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
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