S&P Global Ratings

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Grand City Properties S.A.

Primary Credit Analyst:
Carlos Garcia Bayon, CFA, Madrid (34) 91-423-3195; carlos.garcia.bayon@spglobal.com

Secondary Contact:
Nicole Reinhardt, Frankfurt + 49 693 399 9303; nicole.reinhardt@spglobal.com

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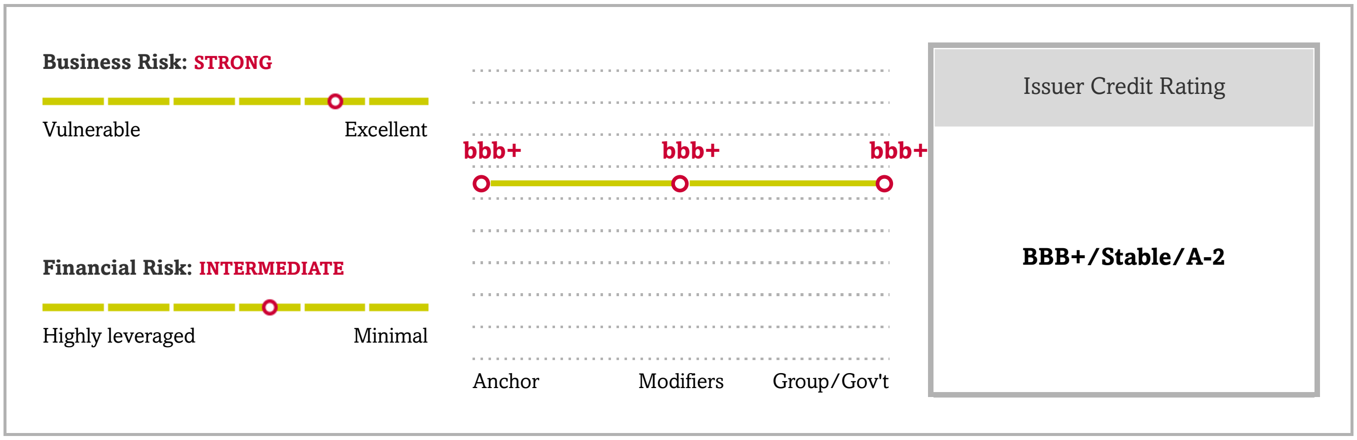
Grand City Properties S.A.



Credit Highlights

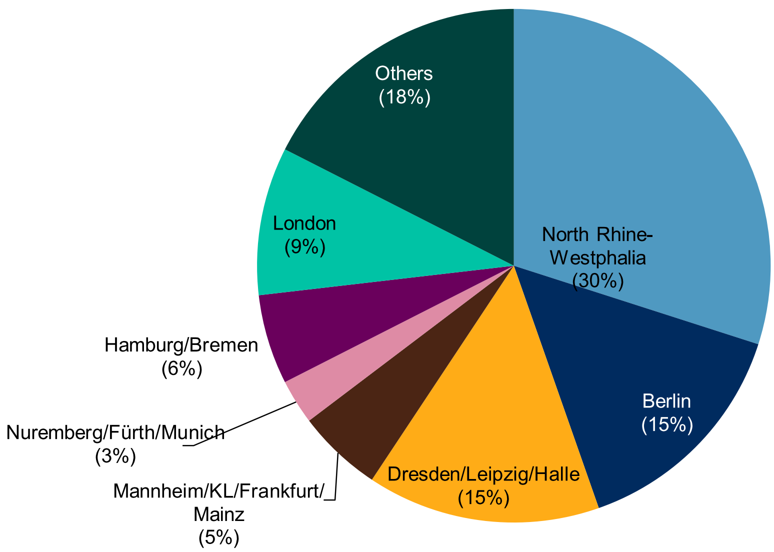
Overview

Key strengths	Key risks
Large portfolio of average-quality residential assets mainly located in or close to metropolitan German cites and in London.	Significant geographic dependence on one single economy, Germany.
Exposure to the regulated German residential segment, a very resilient asset class.	Social and political debate on rent affordability could lead to further regulation and tightening of rent controls, which could affect like-for-like rental growth.
Strong track record of like-for-like rental income growth, supported by a highly diversified asset and tenant base and long tenant stays.	Newly acquired assets provide rental reversionary potential but exhibit higher-than-average vacancies, thereby weighing on consolidated performance measures such as occupancy ratio and average rent.
Strong capacity to cover interest burden, with EBITDA interest coverage ratio well over 4x.	Relatively high ratio of debt to EBITDA of about 11x compared with other peers operating in a higher yield environment, for example in the U.S. residential segment.
Moderate leverage and financial policy, with debt to debt plus equity expected to remain below 45%.	

Additional regulation and tightening of rent controls could affect Grand City Properties S.A.'s (GCP's) like-for-like rental growth. Social and political debates on rent affordability in Germany's metropolitan areas may increase regulation and reputation risk for residential landlords, including GCP. Strong rent and price increases over the past decade in Germany, particularly in metropolitan areas, have caused social and political debate about further regulation and the tightening of rent controls. S&P Global Ratings believes additional rent regulation could hinder like-for-like rental growth for GCP. In regards to the anticipated rent freeze regulation, applicable for Berlin landlords only and to be implemented at the beginning of 2020, we note that GCP's exposure to Berlin represents only 15% of total rent and 24% of total portfolio value. We estimate the company will be able to offset any negative impact on cash flow with its remaining exposure outside of Berlin. We remain cautious about any potential valuation impact in the next 12-24 months.

Chart 1

Geographic Diversity
Based on rents; as of September 2019



Source: Company report.

We expect the company will continue expanding its portfolio through acquisitions, however at a slower pace than before, in line with the asset quality and locations of the existing portfolio. Since December 2017, GCP has expanded its portfolio by about 25%. We expect the company will continue to develop its portfolio, but at a more moderate pace, adding assets located in German cities and regions with favorable demand-supply-trends. Yields have been compressing significantly in the past few years, and attractive opportunities have become rarer. The company also entered the London market (about 12% of the total portfolio value) but we expect GCP will remain focused on Germany.

We expect GCP's credit metrics will remain relatively stable in the coming years. We assume that capital expenditure (capex) and acquisitions will be funded through cash flow generation and a funding mix in line with its financial policy. We forecast that the company's S&P Global Ratings adjusted debt to debt plus equity will remain below 45% in the coming years, in line with the companyś financial policy. The companyś very long average debt maturity profile of 8.2 years, and its very low cost of debt (1.3% as of September 2019) with 94% being fixed rated or hedged, positions the company well for any medium-term interest rate increases. This also will support its healthy EBITDA interest coverage ratio of well over 4x.

Outlook: Stable

The stable outlook on GCP reflects our expectation that favorable economic and demographic trends in Germany should continue to support steady tenant demand for GCP's residential apartments over the next 24 months. We expect the company will maintain a prudent approach to its overall investment activities and quickly lease vacant spaces in its newly purchased assets.

Based on management's financial policy, we expect the company will use debt only moderately, such that debt to debt plus equity remains below 45%, debt to EBITDA at 11.0x-11.5x and its EBITDA interest coverage stays well over 4x.

Downside scenario

We could lower our ratings on GCP if it failed to maintain its debt-to-debt-plus-equity ratio below 45% as a result of large debt-financed acquisitions and an easing financial policy. We could also consider a downgrade if the company substantially increased its acquisitions of turnaround properties, resulting in lower free operating cash flow (FOCF) and higher vacancies, or if it experienced a decline in occupancy rates in its stabilized assets.

Upside scenario

We could raise the ratings if GCP's portfolio showed strong growth significantly above €10 billion without raising existing leverage. We would expect the new assets to be of at least the same quality of the existing ones, and that such growth would dilute GCP's exposure to turnaround assets that generally exhibit higher vacancy rates, allowing the group's average vacancy rate to fall below 5%.

We could also upgrade GCP if it continues to reduce its leverage, maintaining debt to debt plus equity at about 35% as part of a more conservative financial policy, while improving debt to EBITDA and maintaining a strong EBITDA interest coverage comfortably above 3.5x.

Our Base-Case Scenario

Assumptions

- Low annual real GDP growth in Germany of about 0.5% for the next two years, with unemployment rates remaining at about 3.5%.
- Like-for-like rental income growth of 3.5%-4.0% in 2019 and 2.0%-2.5% in the coming two years. Our forecast incorporates an overall softening in rental growth, following partial impact on its Berlin portfolio due to proposed new regulation.
- We believe the company could experience an annual negative cash flow impact of €3 million-€5 million in 2020-2021 following a potential downward rent adjustment due to the law's retroactive approach (back to June 2019), as well as the rent ceiling outlined by the Berlin Senate, with current rents currently at least 20% above the respective rent ceiling. This would assume that the majority of tenants would apply for the rent reduction, where applicable.
- Stable occupancy levels about 93% in the coming 12-24 months.
- Positive like-for-like increase in the overall portfolio's market valuation of about 4% in 2019 and 2.5%-3.0% per year in 2020-2021, on the back of rental growth, and solid demand for German residential assets in GCP's areas of operation.
- Total capex of €110 million-€130 million a year, mainly linked to repositioning activities and modernization projects in existing assets. Maintenance capex is expected to remain stable at €35 million-€40 million per year.
- Steady gross EBITDA margins (S&P Global Ratings-adjusted) of about 50%-52% in the next few years, due to a solid cost base.
- Portfolio value expected to reach about €8 billion by year-end 2019. We then expect annual net-acquisitions of €150 million-€200 million.
- Stable dividend policy, with cash distributions to shareholders following a payout policy of 65% of funds from operations.

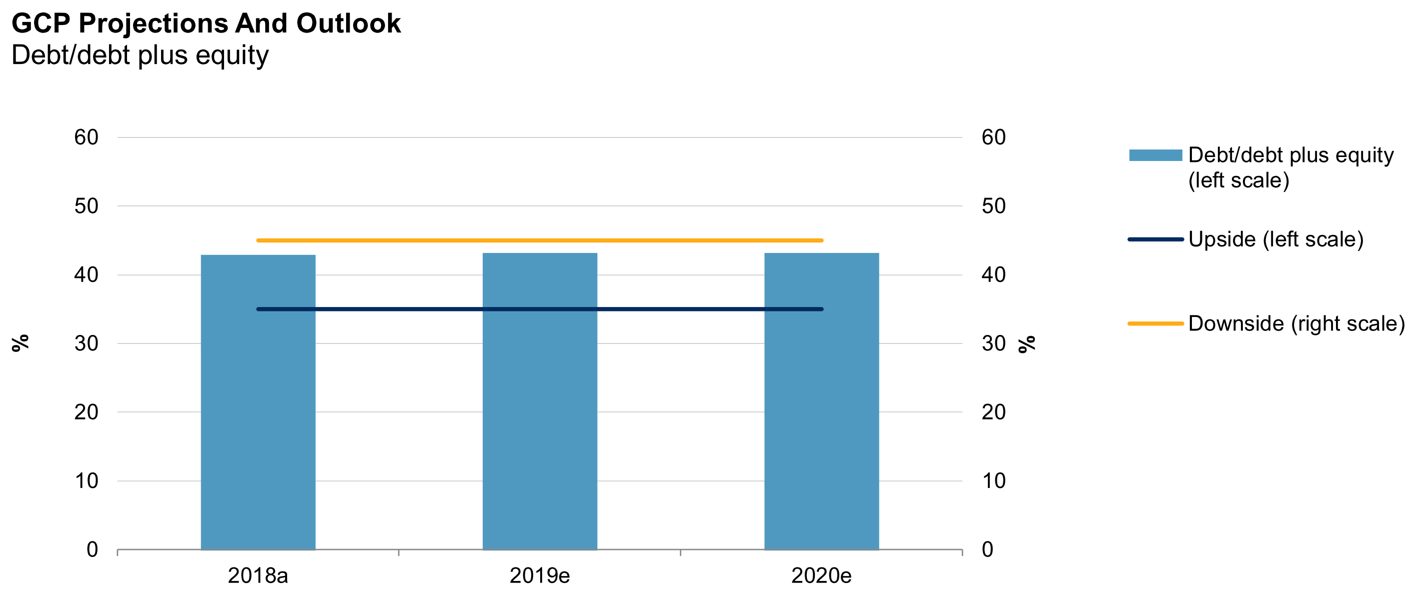
Key Metrics

	2018a	2019e	2020e
EBITDA interest coverage (x)	4.5	4.2-4.7	4.4-4.8
Debt-to-debt plus equity (%)	42.7	42.5-43.5	42.5-43.5
Debt-to-EBITDA (x)	11.2	11-11.5	11-11.5

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

Base-case projections

Chart 2



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

Company Description

GCP is a Luxembourg-incorporated property investment company, focusing on owning and managing properties, mainly in the German residential real estate market.

Table 1

Portfolio Summary	
Total Portfolio Value (Bil. €)	7.6
Total Units	76,091
Average Occupancy (%)	93.00
Rental Yield (%)	5.00
Overall Portfolio Quality	Average, in line with other German residential peers
Average rent per square meter (€)	6.6
Average total capex per square meter (€)	4.9 maintenance; 11 capex and 1.8 modernization

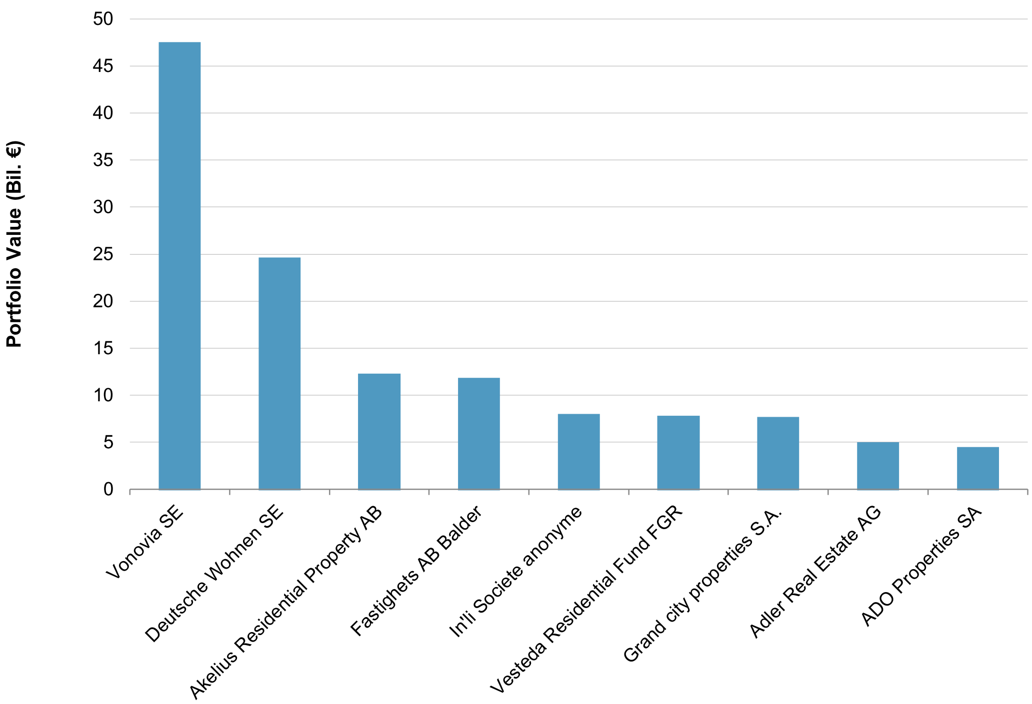
Note: Data as of Sept. 30, 2019.

As of Sept. 30, 2019, its total portfolio value amounted to about €7.6 billion, consisting of 76,091 owned units located in densely populated areas, with a focus on the state of North Rhine-Westphalia (24% of portfolio value), Berlin (24%), and the cities of Dresden, Leipzig, and Halle (together 14%). The company has recently expanded its footprint to London, which now represents 12% of its portfolio value.

The company is listed on the MDAX on the Frankfurt stock exchange. The shareholder structure is composed by a freefloat of 61%. Aroundtown SA, through its subsidiary Edolaxia Group, owns the remaining 39% stake.

Chart 3

Gross Asset Value--Rated Residential Peers



Source: Company Latest Reports; *SEK to Euro: 0.093.

Business Risk: Strong

GCP's business risk profile is underpinned by its large income-producing asset portfolio of about €7.6 billion as of Sept. 30, 2019, generating stable and recurring cash flows across Germany. The company benefits from a broad geographic spread across densely populated regions, with good growth prospects in Germany. It focuses on mainly metropolitan areas with favorable macroeconomic fundamentals and strong demand for residential premises.

GCP's is present in regions with healthy rental growth prospects, such as North Rhine-Westphalia, which includes cities such as Cologne, Duisburg, and Dortmund; Berlin, and the cities of Dresden, Leipzig, and Halle. Demand continues to outpace supply of new property developments in GCP's core regions, further facilitating improvements in occupancy rates.

The company has expanded its operations to London, representing now 9% of the total annualized rent as of Sept. 30, 2019. Although the exposure is small compared with the overall portfolio size, we remain cautious on any potential rent and valuation impact from uncertainties of Brexit. In any case, we expect GCP will remain mainly a German player, but we note that the exposure to London could potentially increase up to 15% of total rent in the future.

We see the asset quality of most apartments in GCP's portfolio in line with the German average, reflecting that the company still has some exposure to lower quality premises, which points to GCP's previous acquisition strategy. Vacancy rates remain high compared with levels at other residential real estate companies that S&P Global Ratings rates, such as Vonovia SE (BBB+/Stable/A-2) or Deutsche Wohnen SE (A-/Negative/A-2). We acknowledge that this is related to GCP's acquisitive profile and value-added strategy in the past, which saw it constantly add above-average-vacancy assets to its portfolio.

GCP has limited exposure to development activities. Investments mainly relate to the maintenance and renovation of acquired premises. GCP's property portfolio now consists of about 76,100 owned units, and, like its residential property peers, it has very good asset and tenant diversity. In addition, GCP's assets are rented at below the market average, suggesting there is potential for upward adjustment when leases are renewed or properties re-let. We believe the residential asset class, especially in Germany, is more resilient than the retail or office segments, which are more cyclical and vulnerable to economic downturns.

That said, social and political debates on rent affordability in Germany's metropolitan areas may increase regulation and reputation risk for residential landlords, including GCP. We believe that any foreseeable impact in the coming years stemming from further regulation and the tightening of rent controls should be manageable for the company. GCP's exposure to Berlin, where a rent freeze proposal is likely to be implemented in 2020, represents only 15% of its total rent and 24% of total portfolio value as of Sept. 30, 2019, and any negative cash flow impact resulting from the regulation will likely be mitigated by the performance of its remaining portfolio outside of Berlin.

Table 2

S&P Global Ratings' Rated Companies With The Largest Exposure To Berlin Residential Property Market

Companies	Issuer credit rating	Total portfolio value (mil. €)	Exposure to Berlin by value (%)	Berlin like-for-like rental growth (%)	Berlin average rent per sqm in €
ADO Properties SA	BBB-/Negative/A-3	4,466.0	100.0	4.4	6.9
Deutsche Wohnen SE	A-/Negative/A-2	24,688.0	76.2	3.6	6.9
Akelius Residential Property AB	BBB/Stable/A-2	12,177.0	25.0	8.6	9.2
Grand City Properties S.A.	BBB+/Stable/A-2	7,599.0	24.0	3.5	8.2
Vonovia SE	BBB+/Stable/A-2	47,763.0	15.1	3.8	6.8
Covivio	BBB+/Stable/A-2	15,680.0	12.0	5.3	7.5
Adler Real Estate AG	BB/Stable/--	4,038.0	4.9	2.6	5.9

Note: Data is based on latest available information. *Portfolio units in German residential only. N/A--Not applicable.

The company has estimated a decrease in rental income by up to €3 million per annum in case the new regulation in Berlin is approved and implemented in 2020, and all applicable tenants apply for a rent-reduction by the end of the year. This would account for less than 1% of the total portfolio annualized net rent as of Sept. 30 2019, and shows the benefits of GCP's well diversified portfolio across Germany.

Peer comparison

Table 3

Grand City Properties S.A.--Peer Comparison

Industry sector: Real estate investment trust or company

	Deutsche Wohnen SE	Grand City Properties S.A.	Vesteda Residential Fund FGR	Vonovia SE	Akelius Residential Property AB
Ratings as of Nov. 28, 2019	A-/Negative/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Stable/A-2
	--Fiscal year ended Dec. 31, 2018--				
(Mil. €)					
Revenue	920.8	545.0	281.0	1,958.1	482.0
EBITDA	619.8	275.5	186.0	1,293.6	236.0
Funds from operations (FFO)	433.6	176.5	162.9	801.6	85.5
Interest expense	124.3	61.1	30.1	379.6	154.5
Cash flow from operations	471.8	153.8	164.9	841.2	97.5
Capital expenditure	313.5	81.9	185.0	1,279.7	349.0
Free operating cash flow (FOCF)	158.3	71.8	(20.1)	(438.5)	(251.5)
Dividends paid	200.1	79.4	415.0	437.3	834.5
Discretionary cash flow (DCF)	(41.8)	(7.5)	(435.1)	(875.8)	(1,086)
Cash and short-term investments	332.8	760.0	10.9	490.5	13.0
Debt	8,930.7	3,084.8	1,729.8	20,800.5	6,048.0
Equity	11,908.1	4,142.0	5,517.0	19,514.1	5,327.0
Debt and equity	20,838.8	7,226.8	7,246.8	40,314.6	11,375.0
Valuation of investment property	24,291.8	7,227.3	7,281.0	43,596.8	12,340.0
Adjusted ratios					
Annual revenue growth (%)	6.5	10.1	13.8	13.9	2.8
EBITDA margin (%)	67.3	50.6*	66.2	66.1	49.0*
EBITDA interest coverage (x)	5.0	4.5	6.2	3.4	1.5
FFO cash interest coverage (x)	4.9	3.5	8.0	3.5	1.6
Debt/EBITDA (x)	14.4	11.2	9.3	16.1	25.6
FFO/debt (%)	4.9	5.7	9.4	3.9	1.4
Debt/debt and equity (%)	42.9	42.7	23.9	51.6	53.2

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

Financial Risk: Intermediate

Our assessment of GCP's financial risk profile reflects the company's prudent financial policy of maintaining its debt-to-debt-plus-equity ratio at or below 45% on a sustainable basis.

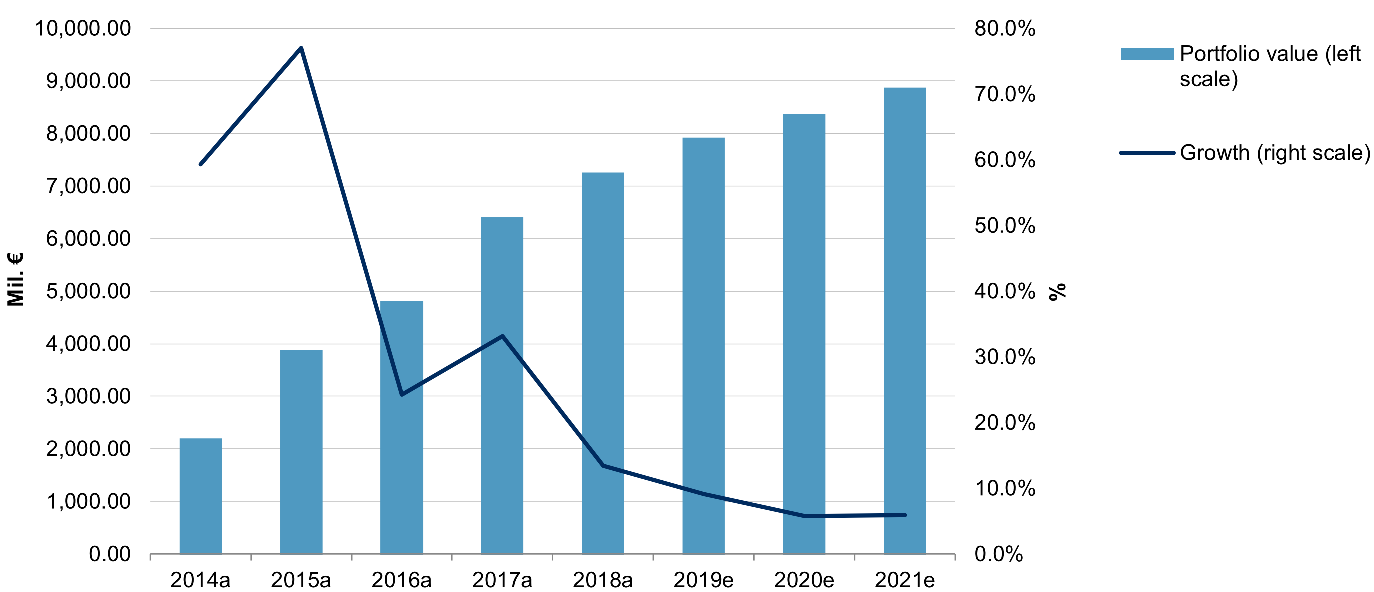
Table 4

Grand City Properties S.A.--Capital Structure And Liquidity	
	Sep-19
Average Interest Cost (%)	1.3%
Weighted Average Debt Maturity (years)	8.2
Average Fixed Debt (including hedge, %)	94%
Composition of Debt (Secured, %)	14%

We expect GCP will continue to expand its portfolio through accretive acquisitions funded through cash flow generation and a funding mix in line with its financial policy. Consequently, we forecast that our adjusted debt-to-debt-plus equity ratio for the company will remain about 43% (42.5% as of Sept. 30, 2019) in the next two years.

Chart 4

GCP Portfolio Value And Growth

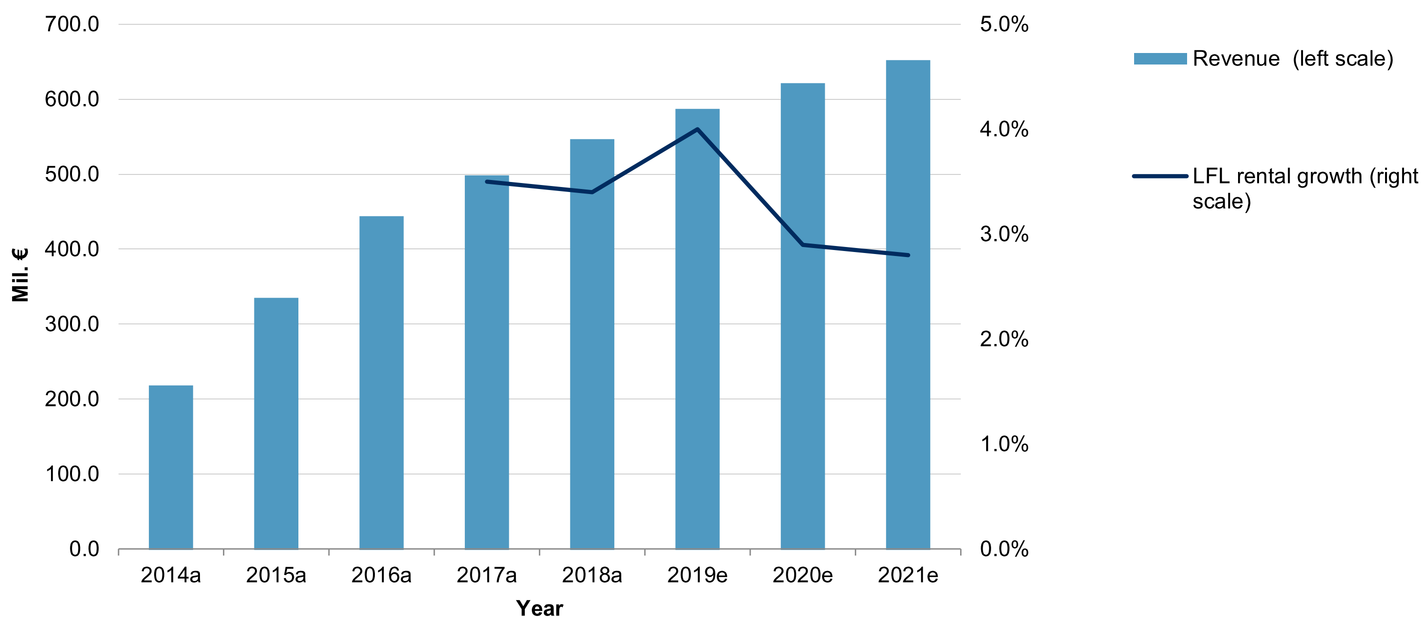


A--Actual. E--Estimate. Source: Company report.

Our base-case scenario also assumes annual like-for-like rental growth for the next couple of years of about 2.0%-2.5%, including any anticipated impact on rents in the Berlin portfolio following the proposed rent freeze. Sustained rental growth, a stable cost base, and GCPś low weighted average cost of debt (1.3% as of September 2019) should allow the company to maintain a robust EBITDA interest cover of 4.2x-4.8x (4.7x in the 12 months to Sept. 30, 2019) in the coming years.

Chart 5

GCP Revenue And LFL Rental Growth



A--Actual. E--Estimate. Source: Company Report; LFL growth for 2014-2016 is not available.

GCP's capital structure benefits from a long average debt maturity profile of 8.2 years and well-diversified funding sources, which include mortgage debt, convertible and straight bonds, perpetual notes, and straight common equity. The company has also demonstrated a very good track record in accessing both equity and debt capital markets in the last couple of years.

Partly offsetting these strengths is the company's somewhat weaker cash flow generation, mainly due to the low yield profile of the company's assets compared with other residential peers operating in a higher yielding environment (U.S.) or other commercial landlords. This translates into a debt-to-EBITDA ratio expected to remain at about 11x.

Financial summary

Table 5

Grand City Properties S.A.--Financial Summary

Industry sector: Real estate investment trust or company

Rolling 12 months	September 2019	June 2019	March 2019	December 2018	September 2018
(Mil. €)					
Revenue	559.7	554.6	551.4	545.0	531.5
EBITDA	292.3	286.2	280.1	275.5	273.9
Funds from operations (FFO)	184.6	178.5	164.7	176.6	184.2
Interest expense	62.3	61.9	62.5	61.1	58.8
Cash flow from operations	151.5	150.1	137.1	153.8	155.7
Capital expenditure	83.6	79.5	84.2	81.9	74.6
Free operating cash flow (FOCF)	67.9	70.6	52.9	71.9	81.1
Dividends paid	107.3	79.4	79.4	79.4	79.4
Discretionary cash flow (DCF)	-39.3	-8.8	-26.5	-7.5	1.8
Cash and short-term investments	1061.9	768.6	563.6	760.0	906.9
Debt	3205.5	3200.2	3249.4	3084.8	3071.1
Equity	4333.1	4197.0	4218.7	4142.0	3954.1
Debt and equity	7538.6	7397.2	7468.1	7226.8	7025.2
Valuation of investment property	7583.3	7574.9	7478.3	7227.3	7130.0
Adjusted ratios					
Revenue growth, past 12 months (%)	5.3	6.0	8.4	10.1	10.1
EBITDA margin (%)	52.2	51.6	50.8	50.6	51.5
EBITDA interest coverage (x)	4.7	4.6	4.5	4.5	4.7
FFO cash interest coverage (x)	3.4	3.3	2.9	3.5	3.8
Debt/EBITDA (x)	11.0	11.2	11.6	11.2	11.2
FFO/debt (%)	5.8	5.6	5.1	5.7	6.0
Debt/debt and equity (%)	42.5	43.3	43.5	42.7	43.7

Margin for GCP is based on gross revenue.

Liquidity: Strong

We assess GCP'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.

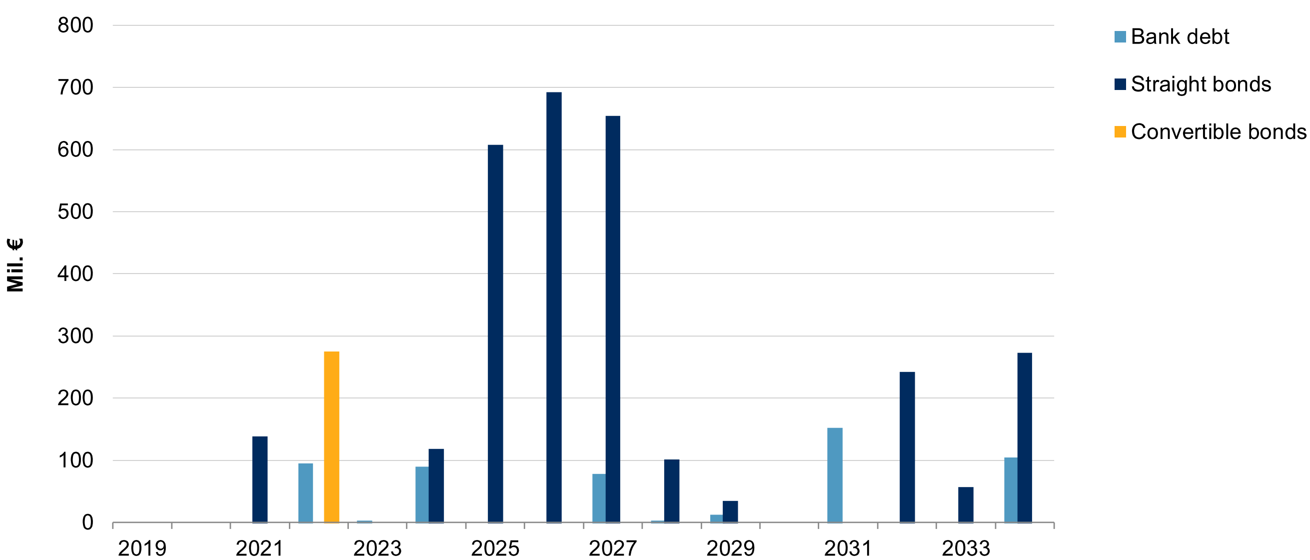
The company benefits from the absence of large debt maturities in the short term. With the exception of its convertible bond (€274 million outstanding as of Sept. 30, 2019) maturing in 2022, there are no significant maturities until 2025. In addition, GCP enjoys very high cash balances.

Principal Liquidity Sources	Principal Liquidity Uses
• About €1063.2 million of cash and liquid market investments. • Our forecast of €210 million-€190 million in cash FFO for the next 12 months. • Signed asset disposals for a value about €210 million.	• About €15.2 million of short-term debt maturities, including regular debt amortization; • Our forecast of €110 million-€130 million of capex for property, plant, and equipment, and property investment, of which most of it is not committed; • About €200 million in signed acquisitions; and • About €172 million of planned dividend distribution (including perpetual notes), conservatively assumed as full cash payment.

Debt maturities

Chart 6

Debt Maturity
As of September 2019



Source: Company report.

Financial Covenants

GCP has several covenants under its bond and bank loan documentation.

The straight bonds and convertible bonds are unsecured and have the following covenants:

- Limitation of debt: Total debt/assets of less than or equal to 60%.
- Limitation on secured debt: Secured debt/total assets of less than or equal to 45%.
- Interest coverage ratio: Adjusted EBITDA/net cash interest of greater than or equal to 2.0x.
- Maintenance of unencumbered assets: Unencumbered assets/unsecured net debt of greater than or equal to 125%.

GCP was in compliance with all its covenants as of Sept. 30, 2019.

We expect GCP will maintain significant headroom (more than 30%) under the financial maintenance covenants in its various debt agreements.

Issue Ratings - Subordination Risk Analysis

Lenders benefit from a high pool of unencumbered assets, which represent 80% of the total portfolio value as of Sept. 30, 2019. GCP's proportion of secured debt is limited and its ratio of secured debt to total assets stood at 5% on the same date. Therefore, we continue to align the ratings on the senior unsecured debt with our 'BBB+' issuer credit rating.

We assign an intermediate equity content to GCP's outstanding subordinated hybrid instruments. The issue rating of 'BBB-' is two notches below the company's issuer rating, one notch for subordination and one for deferability.

GCPś short-term issuer rating is 'A-2'.

Reconciliation

Table 6

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

	--Fiscal year ended Sep. 30, 2019--									
Grand City Properties S.A. reported amounts										
	Debt	**Shareholders' equity**	**Revenue**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Dividends**	**Capital expenditure**
Reported	3,698.0	4,417.3	559.7	307.0	704.8	45.8	292.3	241.6	107.2	83.6
S&P Global Ratings' adjustments										
Cash taxes paid	--	--	--	--	--	--	(29.2)	--	--	--
Cash taxes paid: Other	--	--	--	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	--	(75.8)	--	--	--
Cash interest paid: Other	--	--	--	--	--	--	11.5	--	--	--

Table 6

Reconciliation Of Grand City Properties S.A. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €) (cont.)

Reported lease liabilities	44.4	--	--	--	--	--	--	--	--	--
Intermediate hybrids reported as equity	525.0	(525.0)	--	--	--	16.5	(14.3)	(14.3)	(14.3)	--
Accessible cash and liquid investments	(1,061.9)	--	--	--	--	--	--	--	--	--
Share-based compensation expense	--	--	--	1.8	--	--	--	--	--	--
Income (expense) of unconsolidated companies	--	--	--	(0.3)	--	--	--	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	(75.8)	--	--
Noncontrolling interest/minority interest	--	440.8	--	--	--	--	--	--	--	--
EBITDA: Gain/(loss) on disposals of PP&E	--	--	--	(16.2)	(16.2)	--	--	--	--	--
Depreciation and amortization: Asset valuation gains/(losses)	--	--	--	--	(401.5)	--	--	--	--	--
Dividends: Other	--	--	--	--	--	--	--	--	14.3	--
Total adjustments	(492.5)	(84.2)	0.0	(14.7)	(417.8)	16.5	(107.7)	(90.0)	0.1	0.0
S&P Global Ratings' adjusted amounts										
	Debt	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Dividends**	**Capital expenditure**
Adjusted	3,205.5	4,333.1	559.7	292.3	287.0	62.3	184.6	151.5	107.3	83.6

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
- 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
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, 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
- Criteria | Insurance | General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Business And Financial Risk Matrix

	Financial Risk Profile					
Business 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 5, 2019)*

Grand City Properties S.A.	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Subordinated	BBB-
Issuer Credit Ratings History	
21-Dec-2016	BBB+/Stable/A-2
23-Nov-2016	BBB+/Stable/--
13-Jun-2016	BBB/Positive/--
24-Jul-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.