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CREDIT OPINION
11 April 2022

Update

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RATINGS

Allianderr N.V.

Domicile	Arnhem, Netherlands
Long Term Rating	Aa3
Type	LT Issuer Rating
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

Stefanie Voelz +44.20.7772.5555
VP-Sr Credit Officer
stefanie.voelz@moodys.com

Yanis Sallami +33.1.5330.3435
Associate Analyst
yanis.sallami@moodys.com

Andrew Blease +33.1.5330.3372
Associate Managing Director
andrew.blease@moodys.com

Alliander N.V.

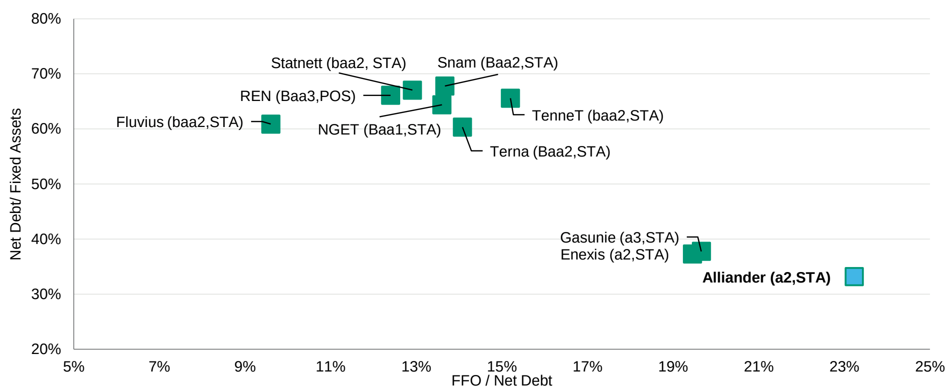
Regular update following FY 2021 annual results publication

Summary

The credit quality of Alliander N.V. (Alliander, Aa3 stable) is underpinned by (1) its low business risk as the monopoly provider of electricity and gas distribution network services within its service area; (2) stable and predictable cash flows, generated under a well-established and transparent regulatory framework; and (3) its strong financial profile, with very modest leverage (as measured by net debt/fixed assets) compared to other European networks.

Over the new regulatory period 2022-26, we expect a decline in the currently strong financial metrics because of falling regulatory allowed returns and growing capital spending, primarily related to facilitating the delivery of the Netherlands' (Aaa stable) ambitious energy transition objectives.

Exhibit 1
Very modest leverage, compared to other European networks, supports strong stand-alone credit quality



Metrics are as at Dec 2020, except NGET at March 2021 and Alliander, Enexis, Gasunie and TenneT at Dec 2021. Rating are stand-alone credit quality, expresses as assigned rating or Baseline Credit Assessment, where applicable. NGET - National Grid Electricity Transmission.
Source: Moody's Investors Service

Alliander's Aa3 rating incorporates a two-notch uplift from its stand-alone credit quality, defined as a baseline credit quality (BCA) of a2, reflecting the strong probability of extraordinary financial support being provided its owners, the largest of which is the Province of Gelderland with a 45% shareholding, if this was ever needed.

Credit strengths

» Low business risk of monopoly distribution network activities, with limited contribution from unregulated businesses

» Stable and transparent regulatory regime

» Modest leverage (as measured by net debt/fixed assets) compared with the wider peer group

» Expectation of strong support from local government shareholders, given the essentiality of assets and the key role the company will play in facilitating the energy transition in its service area

Credit challenges

» Reduction in allowed returns reduces financial flexibility

» Increased capital spending requirements to support the country's energy transition will increase leverage and may weaken the business risk profile if it results in material growth in unregulated activities, e.g. heating networks

» Stranded asset risk faced by gas networks in the context of the energy transition now largely mitigated by regulatory decisions to advance cash flows to ensure full recovery of investment over the remaining useful life

Rating outlook

The stable outlook reflects our expectation that Alliander will continue to derive most of its revenue and cash flow from low-risk regulated activities and maintain a financial profile in line with our minimum guidance for the current rating as outlined below.

Factors that could lead to an upgrade

A rating upgrade is considered unlikely at this time, taking into account the expected weakening in Alliander's financial profile as a result of decreasing allowed returns and the growing investment requirements in the context of the country's ambitious energy transition objectives.

Factors that could lead to a downgrade

A rating downgrade could be triggered if Alliander fails to maintain minimum credit metrics for its rating, with a deterioration of financial metrics, such as funds from operations (FFO)/net debt persistently below 16% and net debt/fixed assets materially above 50%.

The Aa3 rating could also be subject to downward pressure if the credit quality of the municipalities and provinces owning Alliander were to significantly weaken or if our assessment of extraordinary support weakened.

Key indicators

Exhibit 2

Alliander's strong metrics is expected to deteriorate with growing investment needs amid falling returns

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22 E
FFO Interest Coverage	8.4x	9.4x	12.2x	12.7x	14.8x	15.5x	12x-16x
Net Debt / Fixed Assets	27.9%	29.8%	28.1%	29.5%	31.3%	33.2%	30%-35%
FFO / Net Debt	25.1%	24.5%	31.3%	28.4%	24.2%	22.4%	20%-25%
RCF / Net Debt	20.1%	19.1%	25.9%	21.5%	19.5%	19.0%	15%-20%

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. Moody's forecast (E) is Moody's opinion and does not represent the view of the issuer.
Source: Moody's Financial Metrics™

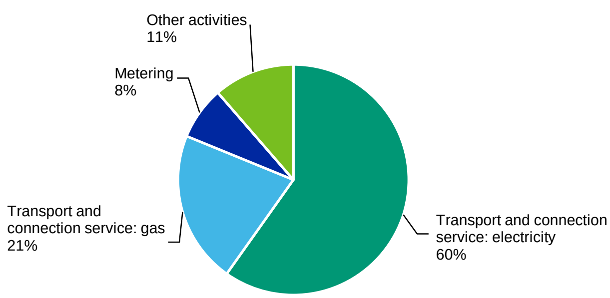
Profile

Alliander N.V. owns and manages low and medium voltage electricity and gas distribution networks in the Dutch provinces of Gelderland, Noord-Holland, Flevoland and large parts of, Friesland and Zuid-Holland. The company is the largest electricity and gas network operator in the Netherlands with approximately 3.2 million electricity and 2.5 million gas connections, covering around 35% of the Netherlands. The vast majority of Alliander's revenues come from its regulated activities (Liander network activities).

The company is fully owned by Dutch provinces and municipalities, with the largest stakes held by the provinces of Gelderland (44.68%), Friesland (12.65%) and Noord-Holland (9.16%), and the City of Amsterdam (9.16%). The remaining 24% share is owned by 72 small municipalities where Alliander provides its network services.

Exhibit 3

Revenue breakdown by segment (December 2021)

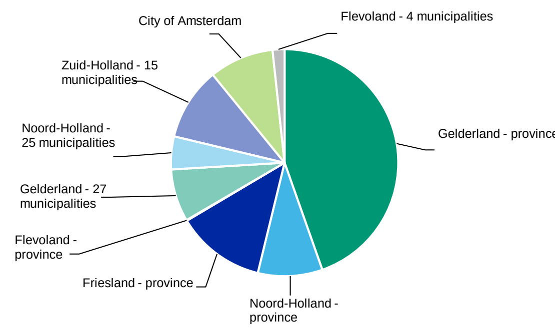


Source: Alliander, Moody's Investors Service

Exhibit 4

Dutch provinces own the majority of Alliander's shares

Breakdown in voting right



Source: Alliander, Moody's Investors Service

Detailed credit considerations

Low business risk, underpinned by regulated cash flow

Alliander's core business activities relate to low-risk monopoly network operations. These activities contribute over almost 90% of consolidated revenue and nearly all of operating profit, underpinning relative stable Alliander's revenues and provide relatively stable and predictable cash flow under a well-established and transparent regulatory framework.

Alliander's remaining revenue largely relates to services offered to customers with regulated network activities, such as network service, maintenance and operations for regulated monopolies, and are carried out through Qirion. Whilst these business are non-regulated they are strongly linked to Alliander's core business.

We expect the proportion of non-regulated cash flows to increase in the 2020s with the likely growth in heating networks to facilitate the energy transition (new heating systems will be needed for 1.5 million houses in the Netherlands by 2030 under the Climate Agreement, discussed below), absent a regulatory framework being put in place for these activities.

Established regulatory framework, but returns continue to decline in real terms; however, gas networks will collect higher cash flow over 2022-26

The Dutch regulatory framework, applied since 2000 and 2001 for electricity and gas networks, respectively, allows the country's distribution network companies to earn a return on their regulated asset base and provides allowances for costs adjusted for Consumer Price Index inflation and an efficiency incentive factor. The regulation incorporates incentives determined using a “yardstick” mechanism, which defines the cost efficiency and quality factors based on industry averages and encourages network companies to improve profitability by outperforming the sector. This approach is typical among regulatory regimes in Europe, and we believe that the application by the Dutch regulator, the Authority for Consumers and Markets (ACM), has been transparent and consistent to date.

In September 2021, the ACM published its final Method Decisions for electricity and gas distribution network operators in the Netherlands for the 2022-26 regulatory period. Allowed returns fell by around 180 basis points in real terms (pre-tax) between 2021 (3.0%) and 2022 (1.15% for distribution network operators), mostly reflecting the low interest rate environment.

However, gas network operators will receive advanced cash flows because the regulator switched from real to nominal returns, with nominal returns in 2022 expected to be around 2.9%. Depreciation of gas network assets was accelerated (by a factor of 1.2x for the distribution companies, compared with 1.3x for the gas transmission network) because of the uncertainty around the remaining useful life of the gas network assets and the regulator also allowed recovery for network decommissioning costs (if these costs occur, via subsequent calculation and a recovery after two years).

For electricity distribution network operators, 50% of the forecast inflation will be added to the real return, while the regulated asset base will inflate with the remaining 50%, such that cash returns will likely amount to around 2.0% in 2022. In addition, the transmission grid charges which had been increased in 2020 are included in the cost allowance, with a catch up in FY 2022.

Exhibit 5

Allowed return for Dutch network operators shows a declining trend

WACC - Dutch DSOs	2008-10	2011-13	2014-16	2017	2021	2021 comparison with 2022-26 method	2022	2023	2024	2025	2026
risk-free rate	4.00%	3.95%	2.50%	2.27%	1.33%						
risk premium	0.80%	1.50%	1.20%	0.91%	0.81%						
Utiltiies Bond Index Interest						1.48%	1.26%	1.07%	0.95%	0.90%	0.89%
transaction costs	0.00%	0.00%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Nominal Cost of Debt	**4.80%**	**5.45%**	**3.85%**	**3.32%**	**2.29%**	1.63%	**1.41%**	**1.22%**	**1.10%**	**1.05%**	**1.04%**
nominal risk free rate for CoE	4.00%	3.95%	2.50%	1.28%	1.28%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
market risk premium	5.00%	5.00%	5.00%	5.05%	5.05%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
asset beta	0.41	0.52	0.35	0.44	0.42	0.39	0.39	0.39	0.39	0.39	0.39
equity beta	0.86	0.81	0.61	0.77	0.74	0.63	0.63	0.63	0.63	0.63	0.63
Nominal Cost of Equity (post tax)	**8.3%**	**8.0%**	**5.6%**	**5.2%**	**5.0%**	3.15%	**3.15%**	**3.15%**	**3.15%**	**3.15%**	**3.15%**
cost of equity (pre tax)	11.14%	10.74%	7.40%	6.91%	6.69%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
gearing assumption	60%	55%	50%	50%	50%	45%	45%	45%	45%	45%	45%
tax rate	26%	26%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Nominal WACC pre-tax	7.3%	7.8%	5.6%	5.1%	4.5%	3.04%	**2.94%**	**2.86%**	**2.80%**	**2.78%**	**2.77%**
inflation (adjusted)						0.8%	0.9%	0.9%	0.9%	0.9%	0.9%
Real plus WACC pre-tax						2.19%	**2.04%**	**1.95%**	**1.90%**	**1.88%**	**1.87%**
inflation	1.75%	1.55%	2.00%	0.90%	1.42%	1.67%	1.77%	1.77%	1.77%	1.77%	1.77%
Real WACC pre-tax	**5.5%**	**6.2%**	**3.6%**	**4.2%**	**3.0%**	1.35%	1.15%	1.07%	1.02%	0.99%	0.99%

(1) The WACC for 2021 corresponds to the original Method Decisions published in 2016, following the CBb ruling of December 2019. (2) Between 2017-20 it would reflect straight-line extrapolation between the 2016 WACC (Amended Method Decisions) and the 2021 WACC (Original Method Decisions). (3) 2022-26 reflects the Final Method Decisions from September 2021.

Source: ACM, Moody's Investors Service

We estimate that the methodology changes will generate an additional EBITDA of €120-130 million or FFO of €90-100 million for Alliander over 2022-26. The higher FFO could improve FFO/net debt by ca. 2.5%-points. However, the Dutch equity return is also among the lowest across the European frameworks, largely linked to a shorter-term focus on determining the risk-free rate.[1] In December 2021, Alliander and its Dutch network peers jointly appealed the ACM determination to the Trade and Industry Appeals Tribunal (CBb), stating that the method decision "takes insufficient account of the energy transition", "nor is compensation given for new, possibly very high, costs of congestion management."

National energy transition plan increases need for investment

The Netherlands has committed to ambitious climate change targets, but progress has been slow to date. The country's total emissions make up 5.2% of the EU total and have decreased by 13.4% since 2005, below the EU-wide emissions reduction of 19% in the same period. Its carbon intensity also reduced at a lower rate than the EU-wide average, with a 29% reduction between 2005-19 for the Dutch economy. The share of renewable energy sources reached 8.8% in 2019, with a 27% target for 2030.[2]

In June 2019, the Dutch Government adopted the Dutch Climate Agreement which commits the Netherlands to (1) a 49% reduction in CO2 emissions (relative to 1990 levels) and the generation of 70% of electricity by renewable energy sources by 2030; and (2) a 95% reduction in CO2 emissions (relative to 1990 levels) and the generation of all electricity carbon neutrally by 2050.

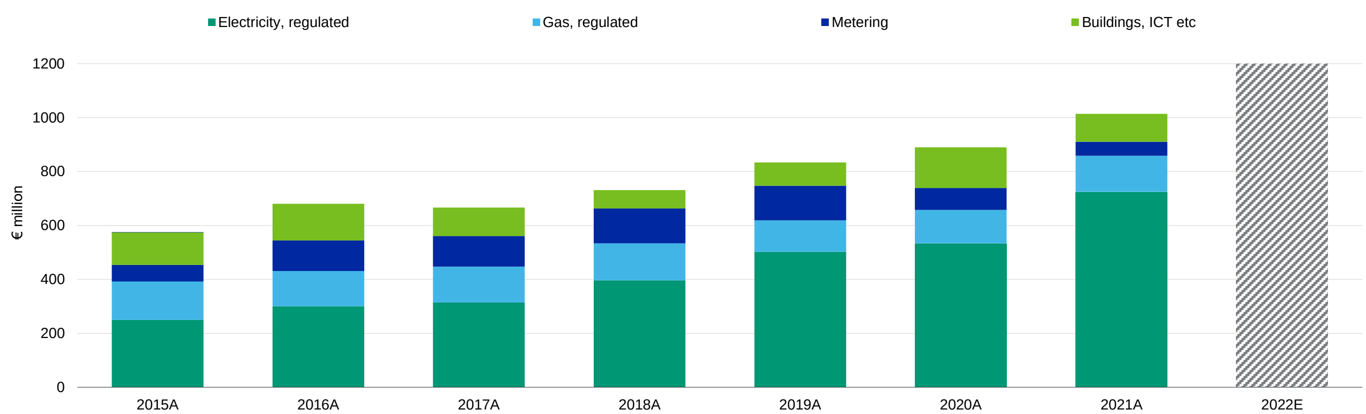
Compared with the progress to date, delivering these targets will require a significant acceleration of the energy transition across many areas that would result in material incremental capital spending for Alliander in the 2020s, including new connections for local renewable generation (primarily solar and onshore wind), reinforcing the grid to cope with the growth in electric vehicles and heat transition. Alliander has reported that the main challenge is to keep up with the pace of the energy transition. There is already a material shortage of qualified engineers in the sector and the shortage of grid capacity has led to some delay in connecting renewables to the grid.

Consequently, we expect the energy transition will result in further material increases in Alliander's capital investment programme which has grown appreciably since 2015, from around €570 million per annum (gross of customer contributions) to around €1.0 billion in 2021. This includes the smart meter roll-out between 2015-20 and increased demand for new connections of decentalised generation to the electricity grid.

Due to the expected increase in capital spending as part of the ongoing energy transition, Alliander has raised funds from its shareholders through a €600 million reverse convertible hybrid shareholder loan, closed in December 2021.

Exhibit 6

Alliander's gross capital spending will continue to increase to support the country's energy transition



The 2021 forecast corresponds to Alliander's guidance that gross investments will amount to more than € 1 billion in 2022.
Source: Alliander, Moody's Investors Service

As illustrated by the cancellation of the requirement to provide compulsory gas connections to new residential areas, the Netherlands is moving away from natural gas towards more sustainable sources of energy, which raises the risk of stranded assets for gas networks. Reflecting this, the ACM included several methodology changes on allowed revenue, as discussed above. In parallel, the ACM is conducting analyses on the alternative uses of the gas network, such as green gas and hydrogen.

The country is also contemplating developing its district heating infrastructure. While these activities are currently not regulated, some Dutch network operators such as Alliander could decide to have a role in its operations.

Very modest leverage, compared with peers, supports strong standalone credit quality

Like its closest peer Enexis Holding N.V. (Aa3 stable), Alliander exhibits a strong financial profile with very modest financial leverage compared with the wider European peer group of energy network companies (see Exhibit 1). Over the coming years, we expect Alliander's financial profile to weaken, with the reduction in allowed returns (itself a reflection of the continued low interest rate environment) and increasing investment requirements to support delivery of the country's energy transition.

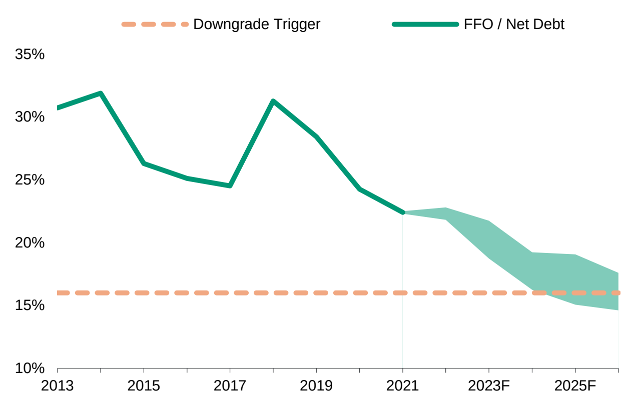
Financial metrics in 2020 have been negatively affected by the €63 million one-off increase in transmission grid costs from TenneT TSO B.V.'s (TenneT, the national electricity transmission system operator owned by TenneT Holding B.V., A3 stable). However, these costs will be recovered by Alliander with a two-year lag and boost FFO/net debt in 2022.

Nevertheless, overall leverage will remain modest in the wider European context. Due to higher transmission grid costs, we forecast Alliander will maintain FFO / Net Debt above 16% and Net Debt / Fixed Assets below below 50% through 2026.

Exhibit 7

We expect cash-flow based metrics to weaken due to lower allowed returns and higher capital expenditure...

FFO / net debt against ratio guidance for the a2 BCA

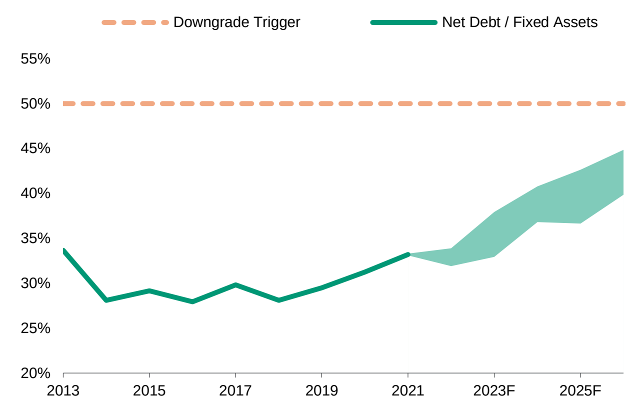


Moody's forecasts represent our opinion and not the view of the issuer.
Source: Moody's Investors Service

Exhibit 8

... but Alliander will maintain modest gearing

Net debt / Fixed assets against ratio guidance for the a2 BCA



Moody's forecasts represent our opinion and not the view of the issuer.
Source: Moody's Investors Service

On 31 May 2021, Alliander amended its financial policy through the loosening of some of its minimum financial targets. In particular, the company's minimum requirement for the FFO / net debt metric (as defined by the company) was changed to 15% from 20% and the company's minimum credit rating level to be maintained was changed to a solid A final rating from a solid A rating on a stand-alone basis (i.e. the latter does not take into account the benefit of implied support from its owners, the equivalent concept to Moody's BCA). We consider that the change in financial policy reflects that the company will be less likely to put in place measures to counteract the effect of the decrease in allowed returns and increasing capex on financial metrics. Nevertheless, the overall financial profile will continue to be supported by a prudent dividend policy, with a payout ratio of around 45%.

Final rating incorporates two notches of rating uplift

Given its 100% ownership by Dutch provinces and municipalities, Alliander falls within the scope of our Government-Related Issuers rating methodology, published in February 2020.

Alliander's Aa3 rating incorporates a two-notch uplift from its stand-alone credit quality, expressed as a baseline credit assessment (BCA) of a2, reflecting a strong probability of extraordinary financial support being provided by its owners, if ever required, the largest of which is the Province of Gelderland with around 45%. Although ownership of Alliander is relatively fragmented among 76 provinces and municipalities, our assumption of strong support reflects (1) the importance of Alliander’s network operations for the regional economy; (2) the fact that the four largest provinces together hold 76% of the company’s shares; and (3) the strong governance framework in the Netherlands with oversight by the national government.

Our assessment of very high default dependence reflects Alliander's significant exposure to the Dutch economy, as almost all of the company's revenues and cash flows are generated from domestic activities.

In addition, the Dutch government's ambitious decarbonisation agenda increases the strategic importance of Alliander to its owners, as the central government increasingly sees municipalities as partners in the energy transition. In this context, we note the Dutch government's intention to "provide sufficient capital for network operators" to facilitate the national decabonisation strategy. Although the exact form of potential additional support remains unclear, it is possible that new central government funds will be provided if necessary, as outlined by the Ministry of Economy earlier this year.

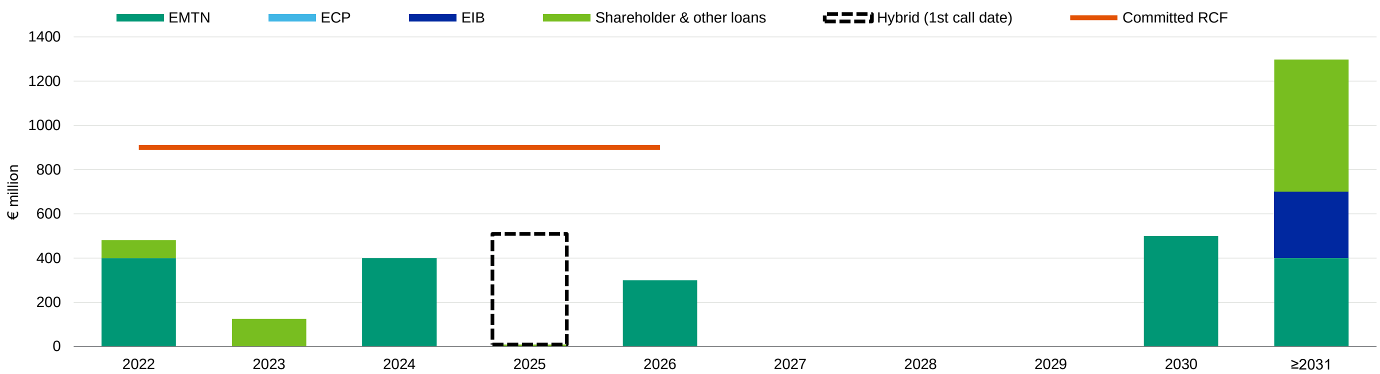
Liquidity analysis

We assess Alliander's liquidity position as strong. Alliander's principal sources of liquidity include (1) the strong and predictable cash flow generated from its regulated network activities (around €884 million over January - December 2022 we estimate); (2) its sizeable cash and cash equivalents balance, €624 million as of 31 December 2021; and (3) its committed €900 million revolving credit facility, fully undrawn as of 31 December 2021, maturing in December 2026. We believe these sources will be sufficient to cover the company's liquidity needs over the next 12-18 months. Alliander benefits from a well spread debt maturity profile, reducing refinancing risk reducing refinancing risk (see Exhibit 9).

Exhibit 9

Alliander has a well-spread debt maturity profile with most expensive embedded debt all maturing by 2024

Repayment schedule of interest-bearing debt at 31 December 2021



Note: Excludes €123 million in lease obligations

Source: Alliander, Moody's Investors Service

Alliander has exposure to contingent liabilities represented by three cross-border leasing (CBL) arrangements, but the associated liquidity risk has significantly reduced after the company terminated two contracts in December 2021. As a result, in the case of an unscheduled early termination of the remaining contract, Alliander's total exposure (maximum strip risk) was only US$21.5 million as of December 2021.

ESG considerations

ALLIANDER N.V.'s ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 10
ESG Credit Impact Score

CIS-2
Neutral-to-Low

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

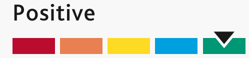
Alliander's ESG Credit Impact score is neutral-to-low (**CIS-2**), indicating that its ESG attributes have a neutral-to-low impact on the current rating. Alliander's **CIS-2** reflects moderately negative exposure to environmental and social risks, mitigated by the positive influence of governance considerations, and our expectation that its shareholders would provide support to the company, if this were to become necessary.

Exhibit 11
ESG Issuer Profile Scores

ENVIRONMENTAL
E-3
Moderately Negative

SOCIAL
S-3
Moderately Negative

GOVERNANCE
G-1
Positive



Source: Moody's Investors Service

Environmental

Alliander's environmental risk is moderately negative (**E-3** issuer profile score) as its electric and gas network assets have a moderately negative exposure to physical climate risk due to rising sea levels and, with regard to gas, carbon transition risk. Alliander generates c. 90% of its revenues from its regulated electric and gas distribution network activities with a substantial, although decreasing, share from gas (around one third of the company's regulated asset base). This is balanced by neutral-to-low risk exposure from water management, waste and pollution of air and soil, and natural capital.

Social

We assess Alliander's social risk as moderately negative (**S-3** issuer profile score), reflecting the exposure of its regulated activities in the Netherlands to the risk that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention, similar to other regulated electric and gas networks operators. Alliander also has moderately negative exposure to public safety risk, as a gas leak or explosion, although unlikely, could have a significant negative impact on the company's reputation and financial situation. Alliander has moderately negative exposure to human capital risk as it has reported difficulties finding skilled labour. These risks are balanced by neutral-to-low risks to health and safety and customer relationships.

Governance

Alliander has a positive exposure to governance considerations (G-1 issuer profile score). While relatively concentrated ownership, as is the case for Alliander, reduces board independence and can affect governance negatively, the risk is mitigated by the company's track record of a prudent financial policy, resulting in very modest leverage compared to other European networks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Methodology and scorecard

Alliander is rated in accordance with the rating methodologies for Regulated Electric and Gas Networks, published in March 2017, and Government-Related Issuers, published in February 2020.

Exhibit 12

Rating factors

Alliander N.V.

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 31/12/2021		Moody's 12-18 Month Forward View As of April 2022 [3]	
Factor 1 : Regulatory Environment and Asset Ownership Model (40%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Regime	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Ability and Timeliness)	A	A	A	A
d) Revenue Risk	Aa	Aa	Aa	Aa
Factor 2 : Scale and Complexity of Capital Program (10%)				
a) Scale and Complexity of Capital Program	Baa	Baa	Baa	Baa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	A	A	A	A
Factor 4 : Leverage and Coverage (40%)				
a) FFO Interest Coverage (3 Year Avg)	14.2x	Aaa	12x-16x	Aaa
b) Net Debt / Fixed Assets (3 Year Avg)	31.4%	Aa	30% - 35%	Aa
c) FFO / Net Debt (3 Year Avg)	24.8%	A	20% - 25%	A
d) RCF / Net Debt (3 Year Avg)	19.9%	A	15% - 20%	A
Rating:				
a) Scorecard-indicated Outcome from Grid		A1		A1
b) Actual BCA Assigned				a2
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				a2
b) Government Local Currency Rating				n/a
c) Default Dependence				Very High
d) Support				Strong
e) Final Rating Outcome				Aa3

Note: [1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; [2] As of 31 December 2021; [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 TM

Ratings

Exhibit 13

Category	Moody's Rating
ALLIANDER N.V.	
Outlook	Stable
Issuer Rating	Aa3
Senior Unsecured -Dom Curr	Aa3
Jr Subordinate -Dom Curr	A3
ST Issuer Rating	P-1

Source: Moody's Investors Service

Appendix

Exhibit 14

Selected peer comparison

Alliander N.V.

	Alliander N.V. Aa3 Stable			Enexis Holding N.V. Aa3 Stable			Fingrid Oyj A1 Stable			N.V. Nederlandse Gasunie A1 Stable			Gas Networks Ireland A2 Stable		
(in EUR million)	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-18	FYE Dec-19	FYE Dec-20
Revenue	1,930	2,009	2,120	1,491	1,516	1,634	789	682	1,091	1,278	1,372	1,386	487	470	447
EBITDA	755	706	775	737	650	752	241	223	235	899	909	794	307	291	274
Total Debt	2,376	2,805	3,482	2,696	2,976	3,389	1,120	1,175	1,158	3,821	3,629	3,462	1,353	1,266	1,173
Net Debt	2,224	2,508	2,859	2,634	2,929	3,182	1,037	1,049	939	3,775	3,611	3,424	1,236	1,164	1,077
Net Property Plant and Equipment	7,539	8,024	8,621	7,810	8,205	8,526	1,675	1,732	1,812	8,758	9,115	9,068	2,572	2,547	2,499
FFO Interest Coverage	12.7x	14.8x	15.5x	11.7x	13.0x	15.1x	14.1x	14.1x	18.0x	9.0x	10.8x	11.1x	12.1x	13.5x	13.0x
Net Debt / Fixed Assets	29.5%	31.3%	33.2%	33.7%	35.7%	37.3%	61.9%	60.6%	51.8%	43.1%	39.6%	37.8%	48.1%	45.7%	43.1%
FFO / Net Debt	28.4%	24.2%	22.4%	22.3%	18.7%	19.5%	18.6%	16.6%	22.9%	20.9%	21.5%	19.7%	20.3%	20.8%	21.5%
RCF / Net Debt	21.5%	19.5%	19.0%	17.7%	15.1%	17.1%	2.0%	2.5%	8.5%	14.9%	13.5%	12.0%	16.3%	16.1%	17.1%

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

Exhibit 15

Moody's adjusted debt breakdown

Alliander N.V.

(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Total Debt	1,934.0	1,955.0	2,288.0	2,704.0	3,234.0
Leases	132	110	0	0	0
Hybrid Securities	248	248	248	248	248
Non-Standard Adjustments	(148)	(156)	(160)	(147)	0
Moody's Adjusted Total Debt	2,165.7	2,156.2	2,375.5	2,804.5	3,481.5
Cash & Cash Equivalents	(100)	(139)	(152)	(297)	(623)
Moody's Adjusted Net Debt	2,065.7	2,017.2	2,223.5	2,507.5	2,858.5

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

Exhibit 16

Moody's adjusted funds from operations (FFO) breakdown

Alliander N.V.

(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Funds from Operations (FFO)	496	630	652	621	645
Leases	19	18	0	0	0
Hybrid Securities	(8)	(5)	(4)	(4)	(4)
Alignment FFO	0	(12)	(16)	(9)	(1)
Moody's Adjusted Funds from Operations (FFO)	507	631	632	608	640

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

Exhibit 17

Selected Moody's adjusted historical financials

Alliander N.V.

(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
INCOME STATEMENT					
Revenue	1,797	1,920	1,930	2,009	2,120
% Change in Sales (YoY)	13.4%	6.8%	0.5%	4.1%	5.5%
EBITDA	658	753	755	706	775
EBITDA margin %	36.6%	39.2%	39.1%	35.1%	36.6%
Interest Expense	60	56	54	44	44
Net income	195	250	254	220	238
BALANCE SHEET					
Net Property Plant and Equipment	6,925	7,182	7,539	8,024	8,621
Total Assets	8,201	8,455	8,791	9,422	10,209
Total Debt	2,166	2,156	2,376	2,805	3,482
Cash & Cash Equivalents	100	139	152	297	623
Net Debt	2,066	2,017	2,224	2,508	2,859
Total Liabilities	4,507	4,573	4,815	5,342	5,987
Total Equity	3,694	3,882	3,977	4,081	4,223
CASH FLOW					
Funds from Operations (FFO)	507	631	632	608	640
Cash Flow From Operations (CFO)	465	651	634	630	660
Dividends	112	108	154	118	98
Retained Cash Flow (RCF)	395	523	478	490	542
Capital Expenditures	(589)	(623)	(730)	(737)	(1,087)
Free Cash Flow (FCF)	(236)	(80)	(250)	(225)	(525)
INTEREST COVERAGE					
(FFO + Interest Expense) / Interest Expense	9.4x	12.2x	12.7x	14.8x	15.5x
LEVERAGE					
FFO / Net Debt	24.5%	31.3%	28.4%	24.2%	22.4%
RCF / Net Debt	19.1%	25.9%	21.5%	19.5%	19.0%
Net Debt / Fixed Assets	29.8%	28.1%	29.5%	31.3%	33.2%

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

Endnotes

1 Please see 'Regulated Electric & Gas Networks – Europe: 2022 outlook stable, with limited changes to key regulatory parameters', published in January 2022.

2 https://uca.edu/politicalscience/files/2022/01/Climate-Action-in-the-Netherlands-European-Parliament-September-2021.pdf

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