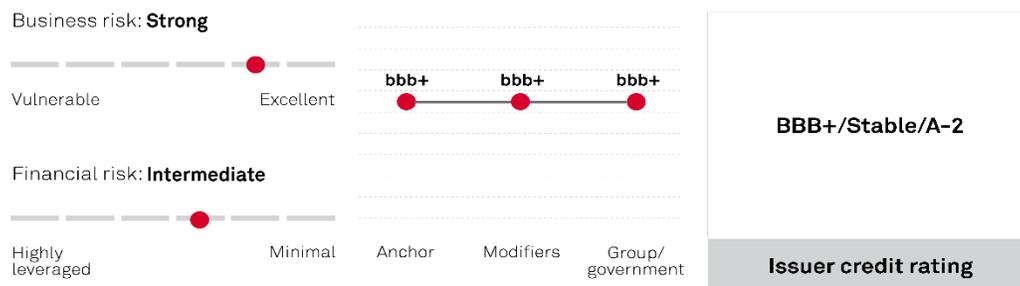


Sodexo S.A.

March 22, 2024

Ratings Score Snapshot



Primary contact

Solene Van Eetvelde
Paris
33-14-420-6684
solene.van.eetvelde
@spglobal.com

Secondary contact

Guillaume Colomer
Milan
393402116723
guillaume.colomer
@spglobal.com

Credit Highlights

Overview

Key strengths

Leading market provider of catering and facility management services with a global footprint and strong brand recognition.

Increasing client retention rates contribute to revenue visibility.

Track record of relatively low financial leverage and strong recurring free operating cash flow (FOCF), due to limited capital intensity and working capital requirements.

Key risks

The move to a hybrid working environment may create durably lower demand and volumes in some market segments compared with pre-pandemic levels.

Exposure to fluctuations in food, commodity, and oil prices, as well as wage increases, although with some ability to pass through cost inflation.

Competitive and fragmented industry with limited pricing flexibility and modest operating margins.

Sodexo S.A.'s positive trading momentum will continue throughout 2024 and 2025. Sodexo reported organic growth of 8.2% in the first quarter of fiscal year 2024 (ending Aug. 31), with more than half of the growth coming from price increases. We forecast organic growth of about 8% for the full year, slowing down in 2025 but remaining in the mid- to high-single-digit range. Continued pricing effects, because food and wage cost inflation remains high in some geographies, support growth. Stable client retention, higher volumes as more people return to the office, some new business wins, and cross-selling of catering and facility management services will also foster growth. We project a moderate EBITDA margin increase of 20 basis points (bps)-30 bps per year, underpinned by abating cost inflation, efficiencies, and cost control.

We forecast that Sodexo will generate solid FOCF of €700 million-€800 million per year. The company's limited capital expenditure (capex) intensity, approximately 2.5% of revenues, and low working capital requirements, support solid FOCF. We forecast a gradual increase in capex to bolster client wins and retention, in line with management's guidance.

Our view of Sodexo's financial policy underpins the rating. Sodexo's debt to EBITDA increased after the spinoff of its benefits and rewards subsidiary Pluxee N.V. We forecast that the company will use all these cash flows to fund acquisitions and dividends. Nevertheless, we anticipate a gradual deleveraging to 2.5x in fiscal 2024 and 2.3x in fiscal 2025, underpinned by EBITDA growth. In our view Sodexo's track record of clear financial policy and its commitment to maintaining a net leverage of 1.0x-2.0x, corresponding to adjusted debt to EBITDA of 1.5x-2.5x after the spinoff, supports its credit quality.

Outlook

The stable outlook reflects our expectation that Sodexo will continue to deliver solid organic growth and cash flows in the next 12-24 months, thereby maintaining S&P Global Ratings-adjusted debt to EBITDA comfortably below 3.0x and funds from operations (FFO) to debt above 30%.

Downside scenario

We could lower our rating if Sodexo's FFO to debt dropped below 30% on a prolonged basis or leverage surpassed 3x. This could happen if:

- Sodexo experienced an operational disruption that resulted in materially lower-than-anticipated EBITDA or cash generation;
- The company made significant debt-funded acquisitions or undertook more shareholder-friendly actions; or
- The debt held at Bellon S.A. materially increased, since Bellon relies on dividends received from Sodexo and Pluxee to service its debt.

Upside scenario

We could raise our rating if Sodexo strengthened its credit metrics, achieving FFO to debt above 40% and debt to EBITDA approaching 2x on a sustained basis, alongside a firm financial policy commitment to sustain these credit metrics.

Our Base-Case Scenario

Assumptions

- GDP growth of 1.2% in 2024 and 1.8% in 2025 in Europe, and about 1.5% per year in the U.S.
- Consumer price index inflation slowing to 3.1% in 2024 and 2.2% in 2025 in Europe, and staying at 2.0%-2.5% in the U.S.
- A revenue increase of about 4% in fiscal 2024 for Sodexo standalone, with about 8% organic growth partly offset by asset disposals (including the home care business) and a negative currency effect. Revenue growth of 6%-7% in fiscal 2025. We expect Sodexo will continue to make bolt-on acquisitions adding one to two percentage points of growth per year.
- A moderate improvement in the S&P Global Ratings-adjusted EBITDA margin of 20 bps-30 bps per year, to 6.5% in fiscal 2024 and 6.8% in fiscal 2025, underpinned by volume growth, abating cost inflation, and operating efficiencies.
- Gross capex to sales of 2.4%-2.5% of revenue, in line with management's guidance.
- A modest working capital outflow of about €50 million per year.
- Dividend distributions of €350 million-€450 million per year, based on the company's policy to distribute 50% of the prior year's net income.
- Bolt-on mergers and acquisitions of about €150 million in fiscal 2024, increasing to €300 million in fiscal 2025.

Key metrics

Sodexo S.A.--Forecast summary

Period ending	Aug-31-2020	Aug-31-2021	Aug-31-2022	Aug-31-2023§	Aug-31-2024	Aug-31-2025	Aug-31-2026	Aug-31-2027
(Mil. EUR)	2020a	2021a	2022a	2023a	2024e	2025f	2026f	2027f
Revenue	19,321	17,428	21,125	23,736	23,609	25,170	26,723	28,139
Gross profit	3,093	2,981	3,514	4,241	3,395	3,694	3,965	4,218
EBITDA (reported)	952	958	1,578	1,305	1,479	1,651	1,796	1,935
Plus: Operating lease adjustment (OLA) rent	--	--	--	--	--	--	--	--
Plus/(less): Other	36	26	(11)	495	66	54	54	54
EBITDA	988	984	1,567	1,800	1,545	1,705	1,850	1,989
Less: Cash interest paid	(166)	(83)	(71)	(97)	(98)	(110)	(139)	(170)
Less: Cash taxes paid	(202)	(145)	(200)	(219)	(214)	(258)	(295)	(316)
Plus/(less): Other	--	--	--	--	--	--	--	--
Funds from operations (FFO)	620	756	1,296	1,484	1,233	1,337	1,416	1,502
EBIT	(118)	349	1,041	1,313	1,042	1,174	1,291	1,404
Interest expense	150	112	110	179	97	109	139	170
Cash flow from operations (CFO)	632	982	1,035	1,476	1,196	1,311	1,390	1,476
Capital expenditure (capex)	398	296	345	453	472	503	534	563
Free operating cash flow (FOCF)	234	686	690	1,023	724	808	856	913
Dividends	435	14	299	358	454	340	388	420
Share repurchases (reported)	39	11	13	57	--	--	--	--

Sodexo S.A.--Forecast summary

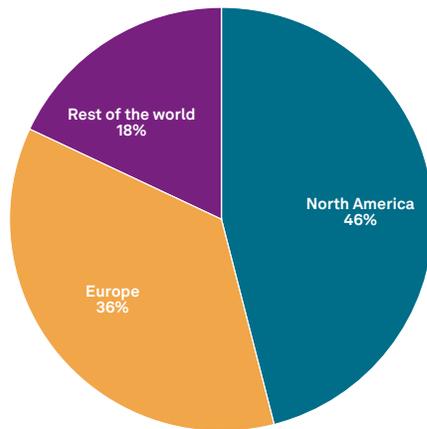
Discretionary cash flow (DCF)	(240)	661	378	608	269	468	468	493
Debt (reported)	5,002	6,091	5,717	5,557	4,757	4,757	4,760	4,760
Plus: Lease liabilities debt	1,357	939	943	831	856	882	908	935
Plus: Pension and other postretirement debt	191	192	(14)	71	71	71	71	71
Less: Accessible cash and liquid investments	(2,360)	(3,828)	(3,522)	(3,489)	(1,817)	(1,776)	(1,732)	(1,704)
Plus/(less): Other	1	14	137	177	59	59	59	59
Debt	4,191	3,408	3,261	3,147	3,926	3,993	4,066	4,122
Equity	2,774	3,176	4,425	4,749	4,825	5,306	5,803	6,328
FOCF (adjusted for lease capex)	234	522	588	933	496	574	615	665
Interest expense (reported)	146	109	108	159	97	109	139	170
Capex (reported)	398	296	345	338	472	503	534	563
Cash and short-term investments (reported)	3,130	4,601	4,482	2,025	1,947	1,906	1,862	1,834
Adjusted ratios								
Debt/EBITDA (x)	4.2	3.5	2.1	1.7	2.5	2.3	2.2	2.1
FFO/debt (%)	14.8	22.2	39.7	47.2	31.4	33.5	34.8	36.4
FFO cash interest coverage (x)	4.7	10.1	19.3	16.3	13.6	13.2	11.2	9.8
EBITDA interest coverage (x)	6.6	8.8	14.2	10.1	15.9	15.6	13.3	11.7
CFO/debt (%)	15.1	28.8	31.7	46.9	30.5	32.8	34.2	35.8
FOCF/debt (%)	5.6	20.1	21.2	32.5	18.4	20.2	21.0	22.2
DCF/debt (%)	(5.7)	19.4	11.6	19.3	6.9	11.7	11.5	12.0
Lease capex-adjusted FOCF/debt (%)	5.6	15.3	18.0	29.6	12.6	14.4	15.1	16.1
Annual revenue growth (%)	(12.0)	(9.8)	21.2	12.4	(0.5)	6.6	6.2	5.3
Gross margin (%)	16.0	17.1	16.6	17.9	14.4	14.7	14.8	15.0
EBITDA margin (%)	5.1	5.6	7.4	7.6	6.5	6.8	6.9	7.1
Return on capital (%)	(1.7)	5.2	14.6	16.9	12.5	13.0	13.5	13.8
Return on total assets (%)	(0.7)	1.9	5.2	5.6	4.5	5.7	6.1	6.5
EBITDA/cash interest (x)	6.0	11.9	22.1	18.6	15.8	15.6	13.3	11.7
EBIT interest coverage (x)	(0.8)	3.1	9.5	7.3	10.7	10.7	9.3	8.3
Debt/debt and equity (%)	60.2	51.8	42.4	39.9	44.9	42.9	41.2	39.4
Debt fixed-charge coverage (x)	6.6	8.8	14.2	10.1	15.9	15.6	13.3	11.7
Debt/debt and undepreciated equity (%)	60.2	51.8	42.4	39.9	44.9	42.9	41.2	39.4

All figures are adjusted by S&P Global Ratings, unless stated as reported. \$2023a includes Pluxee's earnings and cash flows. a--Actual. e--Estimate. f--Forecast. EUR--euro.

Company Description

Sodexo is one of the world's largest service providers. It offers more than 100 services, including those related to catering, reception, maintenance, cleaning, and facilities and equipment management. We note that Sodexo disposed of its home care business in October 2023.

Sodexo's revenue breakdown by geography in 2023



Source: Company disclosures
Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

Sodexo operates in 45 countries, with more than 430,000 employees, making it one of the largest private employers worldwide. The company reported revenue of €22.6 billion in fiscal 2023 (excluding Pluxee).

Sodexo is listed on the CAC NEXT 20, CAC 40 ESG, FTSE4Good, and Dow Jones Sustainability Indices. Its largest shareholder is the Bellon family, with 42.8% of equity and 57.9% of voting rights as of Aug. 31, 2023.

Peer Comparison

We see Compass Group PLC's business profile as somewhat stronger than that of Sodexo, considering its larger revenue base and higher margin, supported by its strong group purchasing organization. Both companies have a greater footprint and geographic diversity than Elior Group S.A., which partly explains their better resilience to the current challenging macroeconomic environment.

Sodexo S.A.--Peer Comparisons

	Sodexo S.A.	Compass Group PLC	Elior Group S.A.
Foreign currency issuer credit rating	BBB+/Stable/A-2	A/Stable/A-1	B/Negative/--
Local currency issuer credit rating	BBB+/Stable/A-2	A/Stable/A-1	B/Negative/--
Period	Annual	Annual	Annual
Period ending	2023-08-31§	2023-09-30	2023-09-30
Mil.	EUR	EUR	EUR
Revenue	23,736	35,775	5,223
EBITDA	1,800	3,323	167
Funds from operations (FFO)	1,484	2,618	92
Interest	179	60	83
Cash interest paid	97	196	73

Sodexo S.A.--Peer Comparisons

Operating cash flow (OCF)	1,476	2,508	17
Capital expenditure	453	1,027	83
Free operating cash flow (FOCF)	1,023	1,480	(66)
Discretionary cash flow (DCF)	608	(363)	(66)
Cash and short-term investments	3,489	972	45
Gross available cash	3,489	972	45
Debt	3,147	4,901	1,668
Equity	4,749	5,951	846
EBITDA margin (%)	7.6	9.3	3.2
Return on capital (%)	16.9	21.7	(0.2)
EBITDA interest coverage (x)	10.1	55.4	2.0
FFO cash interest coverage (x)	16.3	14.4	2.3
Debt/EBITDA (x)	1.7	1.5	10.0
FFO/debt (%)	47.2	53.4	5.5
OCF/debt (%)	46.9	51.2	1.0
FOCF/debt (%)	32.5	30.2	(4.0)
DCF/debt (%)	19.3	(7.4)	(4.0)

§2023a includes Pluxee's earnings and cash flows.

Business Risk

In our view, Sodexo's sustained leading market position, strong brand recognition, diversified client base, and broad geographical coverage underpin its business risk profile.

Sodexo completed the spin-off of its benefits and rewards services business, Pluxee, in early 2024. In our view, this has somewhat weakened the company's business profile, considering the business diversity, growth prospects, margin, and cash flow enhancement that Pluxee brought to Sodexo. However, with revenue of €22.6 billion in fiscal 2023 (excluding Pluxee), Sodexo remains one of the largest and most prominent food and facility services companies globally, holding top market positions in several European countries and augmented by a strong presence in North America (46% of group revenue in fiscal 2023). Food services contribute about 64% to its revenues (compared with 60% in fiscal 2022) and facilities management services about 36% (compared with 40% in fiscal 2022). Cross-selling these services supports client retention. Sodexo continues to make strategic acquisitions to support its dynamic offering and adapt to new ways of working, including Frontline Food services and VendEdge.

Sodexo's client base enhances its earnings diversity, with more than 27,000 sites and 500,000 clients through its food and facilities management business. None of Sodexo's contracts account for more than 2% of its total sales and no supplier represents more than 2% of its total raw material purchases. The company's client retention rate has improved to about 95.2% in fiscal 2023 and will remain a key focus for the company.

These strengths are tempered by the corporate segment's cyclical revenue and Sodexo's exposure to fluctuations in food and commodity prices and salary inflation in emerging countries, with contracted cost-pass-through clauses that may take time to enforce.

The highly fragmented structure of the food and facility services management industry further constrains Sodexo's business risk profile, as low barriers to entry and strong competition limit pricing flexibility. Economic uncertainty could increase the cyclical nature of revenue, particularly in the corporate segment. In addition, catering services providers need to adapt to increased

working from home and changes in consumer habits, which could test their competitive edge and operating efficiency. This transformation implies a reorganization of kitchens and supply chains, which could require additional costs and investments.

Financial Risk

Our assessment of Sodexos' financial risk profile reflects its track record of relatively low financial leverage and strong recurring free operating cash flow.

We forecast an adjusted debt to EBITDA of 2.0x-2.5x in the next two years and adjusted FFO to debt above 30%. We also forecast strong FOCF of €700 million-€800 million per year, underpinned by the company's limited capex intensity and working capital requirements. We anticipate internally generated cash will be used for dividends and bolt-on acquisitions, consistent with Sodexo's net leverage target of 1.0x-2.0x, corresponding to adjusted debt to EBITDA of 1.5x-2.5x.

Sodexo S.A.--Financial Summary

Period ending	Aug-31-2018	Aug-31-2019	Aug-31-2020	Aug-31-2021	Aug-31-2022	Aug-31-2023 [§]
Reporting period	2018a	2019a	2020a	2021a	2022a	2023a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	20,407	21,954	19,321	17,428	21,125	23,736
EBITDA	1,500	1,631	988	984	1,567	1,800
Funds from operations (FFO)	1,224	1,256	620	756	1,296	1,484
Interest expense	148	169	150	112	110	179
Cash interest paid	148	171	166	83	71	97
Operating cash flow (OCF)	1,230	1,392	632	982	1,035	1,476
Capital expenditure	329	400	398	296	345	453
Free operating cash flow (FOCF)	901	992	234	686	690	1,023
Discretionary cash flow (DCF)	106	559	(240)	661	378	608
Cash and short-term investments	2,093	2,223	2,360	3,828	3,522	3,489
Gross available cash	2,093	2,223	2,360	3,828	3,522	3,489
Debt	3,196	2,811	4,191	3,408	3,261	3,147
Common equity	3,328	4,498	2,774	3,176	4,425	4,749
Adjusted ratios						
EBITDA margin (%)	7.4	7.4	5.1	5.6	7.4	7.6
Return on capital (%)	17.4	16.6	(1.7)	5.2	14.6	16.9
EBITDA interest coverage (x)	10.2	9.6	6.6	8.8	14.2	10.1
FFO cash interest coverage (x)	9.3	8.3	4.7	10.1	19.3	16.3
Debt/EBITDA (x)	2.1	1.7	4.2	3.5	2.1	1.7
FFO/debt (%)	38.3	44.7	14.8	22.2	39.7	47.2
OCF/debt (%)	38.5	49.5	15.1	28.8	31.7	46.9
FOCF/debt (%)	28.2	35.3	5.6	20.1	21.2	32.5
DCF/debt (%)	3.3	19.9	(5.7)	19.4	11.6	19.3

[§]2023a includes Pluxee's earnings and cash flows.

Reconciliation Of Sodexo S.A. Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

Financial year	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Aug-31-2023										
Company reported amounts	5,557	4,542	22,637	1,305	847	159	1,800	908	358	338
Cash taxes paid	-	-	-	-	-	-	(123)	-	-	-
Cash interest paid	-	-	-	-	-	-	(85)	-	-	-
Lease liabilities	831	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/deferred compensation	71	-	-	1	1	-	-	-	-	-
Accessible cash and liquid investments	(3,489)	-	-	-	-	-	-	-	-	-
Share-based compensation expense	-	-	-	45	-	-	-	-	-	-
Dividends from equity investments	-	-	-	8	-	-	-	-	-	-
Deconsolid./consolid.	41	195	1,099	431	353	20	(108)	568	-	115
Income (expense) of unconsolid. cos.	-	-	-	(9)	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	93	-	-	-	-	-
Noncontrolling/minority interest	-	12	-	-	-	-	-	-	-	-
Debt: Guarantees	59	-	-	-	-	-	-	-	-	-
Debt: other	77	-	-	-	-	-	-	-	-	-
EBITDA: Business divestments	-	-	-	7	7	-	-	-	-	-
EBITDA: other	-	-	-	12	12	-	-	-	-	-
Total adjustments	(2,410)	207	1,099	495	466	20	(316)	568	-	115
S&P Global Ratings adjusted	Debt	Equity	Revenue	EBITDA	EBIT	Interest expense	Funds from Operations	Operating cash flow	Dividends	Capital expenditure
	3,147	4,749	23,736	1,800	1,313	179	1,484	1,476	358	453

Liquidity

The short-term issuer credit rating on Sodexo is 'A-2'. We assess Sodexo's liquidity as strong. We forecast that liquidity sources will cover uses by comfortably more than 1.5x over the next 24 months, supported by the group's significant cash balances and availability under its revolving credit facilities (RCFs). The company's strong standing in both domestic and overseas financial markets, solid banking relationships, and a track record of maintaining significant liquidity cushions support our liquidity assessment.

Principal liquidity sources

1. Cash, cash equivalents, and short-term investments of about €2 billion as of Aug. 31, 2023;
2. Unused RCF of about €1.3 billion; and
3. €645 million cash received from Pluxee upon spinoff.

Principal liquidity uses

4. Seasonal working capital requirements of about €500 million;
5. Minimal additional net investment in working capital of about €50 million;
6. Capex of €450 million-€500 million per year;
7. Dividends of €350 million-€450 million per year; and
8. Repayment of maturing debt of about €800 million in fiscal 2024, including €300 million notes redeemed in November, and €700 million in fiscal 2025.

Covenant Analysis

Compliance expectations

The company is not bound by financial covenants.

Environmental, Social, And Governance

We have seen a strong recovery in revenue and cash flow as the effects of pandemic-related restrictions have subsided and the demand for catering services in sporting and other venues has resumed. Nonetheless, we believe the sector will remain moderately sensitive to health and safety issues. Hence, we consider social factors as negative in our credit rating analysis.

Governance factors are a positive consideration. Our view of senior management's deep expertise in managing global operations, a strong track record in strategic execution, and adherence to a consistent financial policy underpins this.

Issue Ratings--Subordination Risk Analysis

Capital structure

Sodexo's capital structure consists of €3.6 billion of senior unsecured debt issued at the parent level and approximately €1.1 billion of senior unsecured debt issued by its U.S. subsidiary Sodexo Inc.

Analytical conclusions

We rate Sodexo's debt in line with the 'BBB+' long-term issuer credit rating, given that all of its debt is unsecured and there are no elements of significant subordination risk in its capital structure.

Rating Component Scores

Foreign currency issuer credit rating	BBB+/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2
Business risk	Strong
Country risk	Low
Industry risk	Intermediate
Competitive position	Strong
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	bbb+
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Positive (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb+

Related Criteria

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

Sodexo S.A.

- Sodexo S.A. Affirmed At 'BBB+/A-2' Following Completion of Pluxee Spinoff; Outlook Stable, Feb. 2, 2024

Ratings Detail (as of March 22, 2024)*

Sodexo S.A.

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
<i>Local Currency</i>	A-2
Senior Unsecured	BBB+

Issuer Credit Ratings History

06-Jul-2022	BBB+/Stable/A-2
07-Apr-2021	BBB+/Negative/A-2
25-Mar-2020	A-/Negative/A-1

Related Entities

Sodexo Finance DAC

Issuer Credit Rating	BBB+/Stable/A-2
----------------------	-----------------

Sodexo Inc.

Issuer Credit Rating	BBB+/Stable/A-2
----------------------	-----------------

*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.

Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.