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CREDIT OPINION
28 September 2022

Update

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EssilorLuxottica

Update following A2 rating affirmation

Summary

EssilorLuxottica's A2 rating reflects its position as the global leader in the corrective lens and eyewear market, significantly ahead of its competitors, supported by strong brands and innovation capabilities, as well as its wide range of product offerings and vertical integration. The group's sales concentration in the eye care and eyewear business is mitigated by the favorable long-term dynamics of the industry.

Following the temporary deterioration in 2020 caused by the pandemic-driven business disruption and the debt raised for the acquisition of GrandVision, EssilorLuxottica's credit metrics have improved over the last 18 months on the back of solid operating performance. But worsening macroeconomic conditions, including rising cost inflation and diminishing consumer sentiment, may strain the company's margin in 2023. Notwithstanding this difficult outlook, we expect the company's operating profit and cash generation to remain solid, backed by the materialisation of synergies from the integration of Essilor, Luxottica and GrandVision. Therefore, we expect the company's leverage to remain between 2.0x and 2.5x over the next one to two years, which positions the rating comfortably at the current A2 level.

RATINGS

EssilorLuxottica

Domicile	France
Long Term Rating	A2
Type	LT Issuer Rating - 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.

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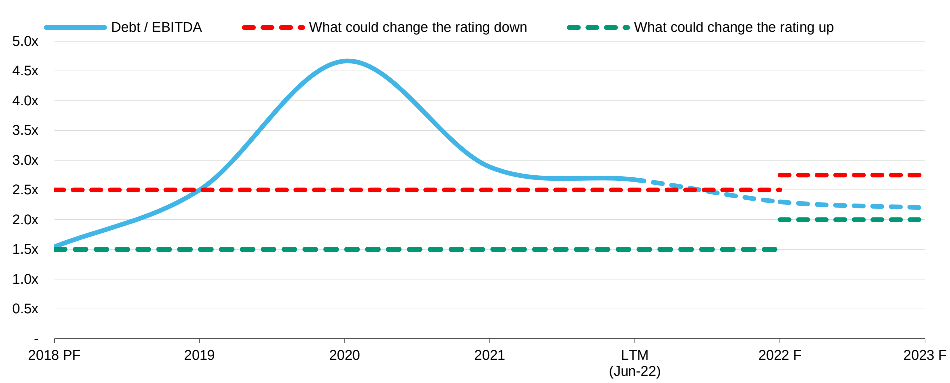
Exhibit 1

We expect EssilorLuxottica's leverage to reduce in the next 1 to 2 years



2018PF includes the 12-month contribution of Essilor and Luxottica. The forecasts (F) are our opinion and do not represent the views of the issuer. We recently relaxed the leverage threshold for the company in the A2 category, reflecting the improved business profile and competitive position following the successful integration of Essilor, Luxottica and GrandVision
Source: Moody's Investors Service

Credit strengths

» Large scale and leading global positions in the corrective lens and eyewear sectors

» Vertical integration, covering all segments in the eye care and eyewear sectors

» Strong innovation capabilities

» Strengthened European retail network and more balanced geographic diversification following the GrandVision acquisition

» Track record of solid operational performance and cash flow generation

Credit challenges

» Some exposure to macroeconomic conditions and consumer sentiment, because of the discretionary nature of some of its products

» Cost inflation, which may strain margins

» Active acquisition strategy, which could weaken the group's financial profile

Rating outlook

The stable outlook on the rating reflects our expectation that EssilorLuxottica's leverage, measured as Moody's-adjusted debt/EBITDA, will remain below 2.5x over the next one to two years, on the back of continued solid operating performance and the successful integration of Essilor, Luxottica and GrandVision.

Factors that could lead to an upgrade

Upward pressure on the A2 rating could develop if EssilorLuxottica:

» successfully executes its integration plan, including GrandVision

» commits to a higher rating and lower leverage, such that its Moody's-adjusted gross debt/EBITDA declines comfortably below 2.0x on a sustained basis

» improves its retained cash flow (RCF)/net debt above 35%

Factors that could lead to a downgrade

Downward rating pressure could develop if the company's:

» performance weakens sharply

» RCF/net debt declines below 25%

» Moody's-adjusted gross debt/EBITDA remains above 2.75x for a prolonged period

Key indicators

Exhibit 2
EssilorLuxottica

	12/31/2018 (1)	2018 PF (2)	2019	2020	2021	LTM (Jun-22)	2022(F)	2023(F)
Total Sales (EUR Billion)	10.8	16.2	17.4	14.4	19.8	23.0	23.9	24.8
EBIT Margin %	13.7%	16.7%	11.5%	3.9%	12.6%	12.9%	13.6%	12.7%
Debt / EBITDA	2.9x	1.5x	2.5x	4.7x	2.9x	2.7x	2.3x	2.2x
RCF / Net Debt	27.5%	56.5%	40.6%	44.2%	34.6%	36.4%	43.1%	39.4%
EBIT / Interest Expense	8.1x	13.5x	10.7x	3.7x	16.5x	17.7x	19.8x	18.4x

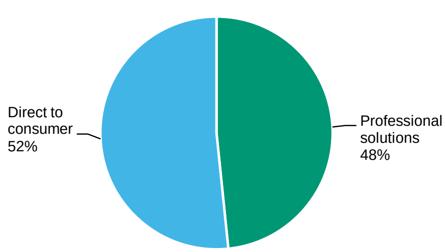
(1) The 2018 consolidated financial statements reflect the acquisition of Essilor by Luxottica (reverse acquisition); therefore, the figures represent 12 months of Luxottica's and three months of Essilor's contribution. (2) Pro forma figures include the 12-month contributions of Essilor and Luxottica. (3) The forecasts (F) are our opinion and do not represent the views of the issuer. All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for nonfinancial corporations.
Source: Moody's Financial Metrics™

Profile

Headquartered in France, EssilorLuxottica is a global leader in the design, manufacturing and distribution of ophthalmic lenses, frames and eyewear. The group was created as a result of the integration of Essilor and Luxottica in 2018. EssilorLuxottica designs, manufactures and markets a wide range of lenses to improve and protect eyesight, as well as sunglasses and optical frames. It also develops and markets equipment, instruments and services for eye care professionals, and has leading positions in the eye care and eyewear retail market. EssilorLuxottica sells its products in more than 150 countries and has a network of more than 50 production facilities and more than 560 prescription lens laboratories.

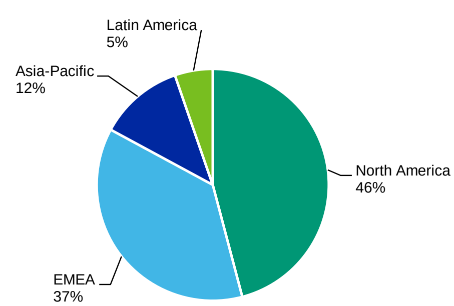
EssilorLuxottica is a publicly traded company listed on the Euronext Paris market. Its main shareholder is Delfin — the holding company of the Del Vecchio family — with a 32.1% share as of end-2021. In 2021, EssilorLuxottica generated around €19.8 billion in revenue and close to €5 billion in EBITDA (Moody's-adjusted), and had more than 180,000 employees.

Exhibit 3
EssilorLuxottica is diversified across different distribution channels
Revenue breakdown by operating segment, 2021



Revenue breakdown is based on reported comparable revenue, which include the contribution of GrandVision as if the combination with EssilorLuxottica happened at the beginning of the year.
Source: EssilorLuxottica's 2021 annual report

Exhibit 4
EssilorLuxottica has a global presence
Revenue breakdown by geography, 2021



Revenue breakdown is based on reported comparable revenue, which include the contribution of GrandVision as if the combination with EssilorLuxottica happened at the beginning of the year.
Source: EssilorLuxottica's 2021 annual report

Detailed credit considerations

Global leader in corrective lenses, frames and eyewear, with a strong distribution network

EssilorLuxottica benefits from its long-standing position as the global leader in the corrective lens and eyewear sectors, as well as its status as the most integrated group in the optical market. Its leading position and geographic spread give it an unparalleled scale within the corrective lenses and eyewear markets. The company is the number one group by a large distance to its main competitors Hoya

Corporation and Carl Zeiss Vision in the optical instruments market, and Safilo S.p.A., Marcolin S.p.A. (B3 stable) and De Rigo S.p.A. in the eyewear and prescription frames market.

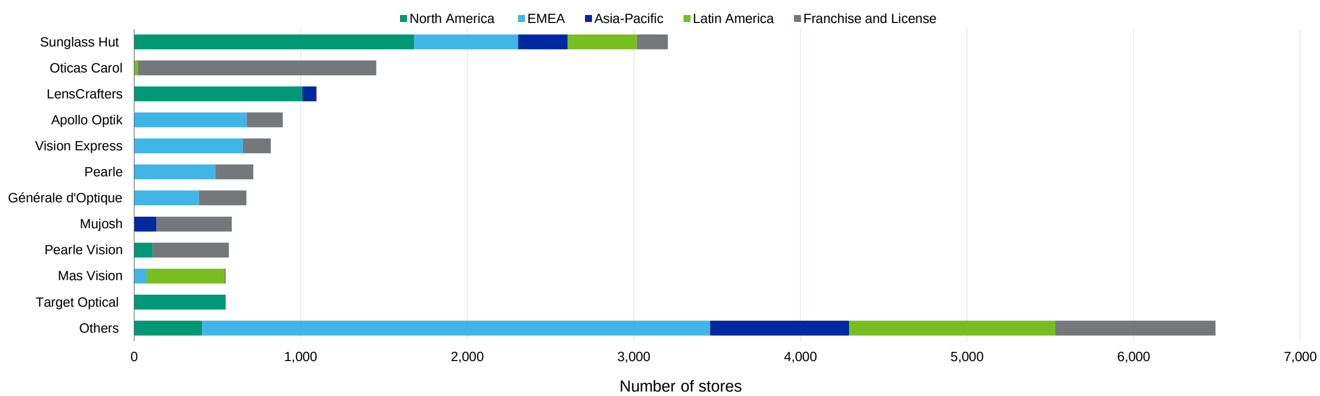
EssilorLuxottica has strong positions in the value-added lens segments, such as photochromic and progressive lenses, with its leading brands Transitions and Varilux. Its leadership position is intricately related to the group's strategic focus on research and development, which has historically represented 1.5%-2.0% of its sales. In the eyewear segment, EssilorLuxottica holds a large portfolio of brands spanning the medium range to the premium end of the market and comprising both proprietary brands, such as Ray-Ban, Oakley and Persol, and more than 20 licensed brands, including Prada, Armani, Chanel, Burberry and Ralph Lauren.

In addition to selling its products through the wholesale channel, the group is vertically integrated into retail distribution. The group comprised a network of around 13,200 directly owned stores and 4,700 franchised stores globally as of year-end 2021, operating under different international brands, such as LensCrafters and Sunglass Hut, or local banners, such as GMO and Salmoiraghi & Viganò. The retail division distributes both EssilorLuxottica's products and third parties' eyewear, lenses and other ophthalmic products. In addition, the group operates e-commerce websites, which complement its retail and wholesale network sales.

Exhibit 5

Strong portfolio of retail brands with a large geographic presence

Number of retail stores



Source: EssilorLuxottica's H1 2022 interim report

Cash flow generation to remain solid despite increasing challenges

We expect EssilorLuxottica's operating performance to remain solid over the next 18 months, despite increasing challenges from muted macroeconomic conditions. The group has a solid track record of sound operating performance even during economic downturns, supported by its well-diversified geographic footprint and innovation capabilities. Following the decline in revenue and profit because of the pandemic in 2020, EssilorLuxottica's operating performance fully recovered in 2021. The company was back on its trajectory of sales growth (8% organic growth compared with the pre-crisis 2019 level), and its margin improvement and operating profit in 2021 exceeded the pre-crisis 2019 levels.

Positive momentum continued in 2022, with sales growing by 9.1% at constant exchange rates and on a like-for-like basis (that is, including GrandVision). Adjusted operating margin reached 18.4% in H1 2022, up 100 basis points from the pro forma H1 2021 figure.

The company recently confirmed its outlook guidance for a mid-single-digit annual revenue growth over 2022-26 and an improvement in its adjusted operating profit margin towards 19%-20% in 2026 from 16.1% pro-forma in 2021. However, in our view, worsening macroeconomic conditions may limit operating improvement in the next 1 to 2 years because a deterioration in consumer sentiment could weigh on sales, while rising cost inflation will strain margins.

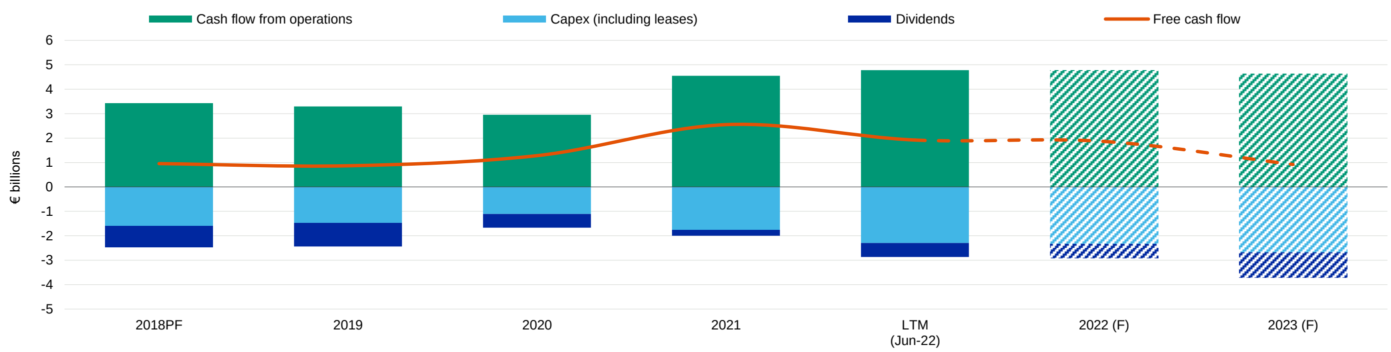
Notwithstanding this difficult outlook, we expect the company's operating performance to remain solid in the next 1 to 2 years, supported by the materialisation of synergies from the integration of Essilor, Luxottica and GrandVision. In particular, GrandVision's sales should benefit from revenue synergies and the improved price mix. In addition, continued efficiency gains in the industrial operations will offset the effect of cost inflation, especially on wages. As a result, we forecast that EssilorLuxottica's Moody's-adjusted

EBITDA will be around €6 billion per year and its annual cash flow from operations (CFO) will be in a range of around €4.6 billion-€4.8 billion through 2024. This solid cash generation should provide the group with sufficient financial capacity to continue to invest in organic growth and bolt-on acquisitions.

Exhibit 6

We expect EssilorLuxottica's cash flow generation to remain solid through 2023

Moody's-adjusted free cash flow



2018 figures reflect our estimates of Essilor's and Luxottica's cash flow on a full-year pro forma basis. The forecasts (F) are our opinion and do not represent the views of the issuer.
Source: Moody's Financial Metrics™

Credit metrics will continue to improve

We expect EssilorLuxottica's credit ratios to continue to improve over the next 1 to 2 years on the back of solid cash flow generation. The company's leverage increased in 2020 because of the additional debt raised for the acquisition of GrandVision and the temporary disruption in operating performance caused by the pandemic. However, in the last 18 months, the company has reduced leverage, supported by a solid operating performance. In particular, EssilorLuxottica's Moody's-adjusted debt/EBITDA improved to 2.7x in June 2022 (from the peak of 4.7x in 2020) and we forecast the company's leverage will remain below 2.5x over the next 1 to 2 years, which comfortably positions the rating at the current A2 level.

Despite not having a public leverage target or dividend policy, the company is committed to a prudent financial policy, as illustrated by the decision to postpone the dividend payment during the pandemic and to pay a scrip dividend in 2020-21 as a cash preservation measure. The group has a track record of supplementing organic growth with acquisitions. Following the acquisition of GrandVision, we deem the likelihood of large, transformative deals to be low. However, we expect the group to continue its strategy of pursuing bolt-on acquisitions. While our base case assumes an average annual spending of around €250 million in acquisitions, the company's sound operating cash flow generation would leave capacity to finance acquisitions up to €500 million-€600 million per year. However, larger acquisitions could exert pressure on credit metrics.

Revenue concentrated in the eyewear market, despite wide customer and geographic diversifications

EssilorLuxottica's revenue remains concentrated in the eyewear market, although this is mitigated by the favorable long-term market trend. The company expects the eye care and eyewear industry to grow at a low-to-mid single digit annual rate over-the-cycle for the foreseeable future, driven by favorable underlying demographics, including the aging population in mature markets, increasing population and improving personal spending power in emerging markets; and premiumization, for example, because of the increasing penetration of value-added lenses, such as photochromic or progressive lenses. However, the company remains exposed to the softening economic environment because of the discretionary nature of some its products, namely sunglasses, and the shift in consumer preferences away from more expensive glasses during economic downturns.

The underpenetration of retail chains as opposed to independent optical stores in a number of markets also offers consolidation opportunities. However, the market remains fragmented, and competitive pressure may increase over time if EssilorLuxottica's competitors make breakthrough innovations, although this risk is mitigated by the group's strong innovation track record.

The company's product concentration is mitigated by its wide customer and geographic diversifications. Following the acquisition of GrandVision, EssilorLuxottica's geographic footprint is more balanced because of the reduced exposure to North America, which accounted for 46% of revenue in 2021 on a pro forma basis. Moreover, EssilorLuxottica is less exposed to license renewal risk than other eyewear manufacturers because the sales of eyewear are generated mainly by proprietary brands, with the largest license agreement (with the Prada group) representing less than 2% of consolidated revenue.

The risks related to product substitution are limited in the foreseeable future. Contact lenses are increasingly able to address more complex vision impairments. However, the prevailing share of prescription glasses in the developing world and the fact that a portion of the population still finds it difficult to wear contact lenses mitigate substitution risks. Similarly, the high cost of refractive surgery and intraocular lenses makes them marginal competitors to EssilorLuxottica's lens business.

ESG considerations

EssilorLuxottica's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 7
ESG Credit Impact Score

CIS-2
Neutral-to-Low

NEGATIVE IMPACT | POSITIVE IMPACT

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

EssilorLuxottica's ESG Credit Impact Score is Neutral-to-Low (**CIS-2**). The company's exposure to environmental and social risks have a limited impact on the current rating, with greater potential for future negative impact. These risks are mitigated by the company's solid market position and pricing power. The company's moderate governance practices positions in line with average of the consumer goods sector, with the exposure being overall neutral.

Exhibit 8
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-3	G-2
Moderately Negative	Moderately Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental

EssilorLuxottica's exposure to environmental risks has a moderately negative impact on the credit rating (**E-3**). The company has neutral to low exposure to physical climate risk, waste and pollution, natural capital and water management, which are not material in differentiating credit quality. The moderately negative exposure to carbon transition reflects the environmental footprint related to the logistic of its large retail activities, as well as of its manufacturing activities. However, the company's solid market position allows it to pass higher costs stemming from potentially more stringent regulations (for example, carbon taxes) to consumers.

Social

EssilorLuxottica's exposure to social risks has a moderately negative impact on the credit rating (**S-3**). The company has moderately negative exposure to health and safety, and customer relations, because the ophthalmic lens sector has some features similar to other health products and could therefore be exposed to changes in regulation concerning prices and the reimbursement system. It also reflects the risks related to privacy and legal issues linked to the use of customer data in its retail business. EssilorLuxottica has neutral-to-low exposure to demographic and societal trends reflecting, on the one hand, the challenges to its retail business stemming from changes in customer behavior, notably the shift to online. By contrast, demand for optical lenses could benefit from the aging population with an increased need for visual impairment corrections.

Governance

EssilorLuxottica's exposure to governance considerations positions it in line with average of the consumer goods sector, with the exposure being overall neutral (**G-2**). The company has a solid track record of prudent financial policy. In 2021, the group switched from its previous dual-management structure to a fully integrated management team, thus resolving some corporate governance issues that emerged following the combination of Essilor and Luxottica in 2018. EssilorLuxottica adheres to some best governance practices, including the presence of independent directors on the board, which mitigates some moderate risks stemming from the company's concentrated ownership, with Delfin (the holding company of Luxottica's founder, Del Vecchio) holding roughly 32% of the capital. Moderate exposure to compliance and reporting reflects the risks of potential legal proceedings and fines, as the company is exposed to high scrutiny from local regulators because of its dominant position in some markets. For example, in 2021 the company has been fined €125 million in France for alleged anticompetitive behaviors, although EssilorLuxottica appealed the decision and a final ruling is still pending.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on www.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.

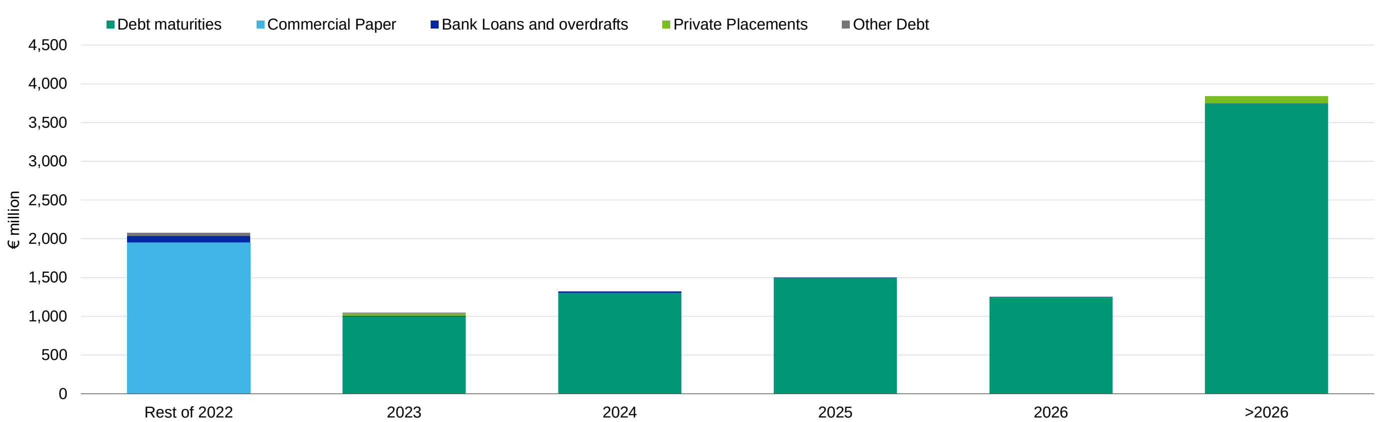
Liquidity analysis

EssilorLuxottica continues to have excellent liquidity, supported by €3.7 billion of cash as of 30 June 2022 and its access to €2.3 billion worth of undrawn bank facilities (€1.75 billion under a syndicated revolving credit facility maturing in 2026 and the rest under several bilateral facilities). None of these facilities have a financial covenant.

We expect the existing sources of liquidity, together with our expectation of €4.6 billion-€4.8 billion of cash flow from operations (CFO) per year through 2024, to be sufficient to cover the around €2.3 billion-€2.4 billion of capital spending per year (including leases), €1 billion of dividend payments in 2023 and €3 billion of debt maturities (including €2 billion of commercial paper) through year-end 2023.

Exhibit 9

EssilorLuxottica's debt maturity profile



Sources: Company's annual report and FactSet

Methodology and scorecard

The principal methodology used in rating EssilorLuxottica was our Consumer Durables rating methodology, published in September 2021.

We have recently raised the score for "Competitive position" from A to Aa to reflect the improved business profile and competitive position that EssilorLuxxottica has achieved overtime thanks to the successful merger of Essilor and Luxottica and the subsequent integration of GrandVision. The scorecard-indicated outcome based on our 12-18-month forward view is A1, one notch above the current rating. The current rating reflects some uncertainties over the next 18 months outlook because of muted economic conditions which could temporarily slowdown deleveraging. The rating also incorporates some M&A risk.

Exhibit 10
Rating factors
EssilorLuxottica

Consumer Durables Industry Scorecard [1][2]	Current LTM 6/30/2022		Moody's 12-18 Month Forward View As of September 2022 [3]	
Factor 1 : Scale (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Total Sales (USD Billion)	$26.0	Aa	$23.7 - $24.7	Aa
Factor 2 : Business Profile (25%)				
a) Competitive Position	A	A	Aa	Aa
b) Brand Strength	A	A	A	A
Factor 3 : Profitability (5%)				
a) EBIT Margin	12.9%	Ba	12.7% - 13.6%	Baa
Factor 4 : Leverage and Coverage (35%)				
a) Debt / EBITDA	2.7x	Baa	2.2x - 2.3x	Baa
b) RCF / Net Debt	36.4%	A	39.4% - 43.1%	A
c) EBIT / Interest Expense	17.7x	Aa	18.4x - 19.8x	Aaa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	A	A	A	A
Rating:				
a) Scorecard-Indicated Outcome		A2		A1
b) Actual Rating Assigned				A2

(1) All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for non-financial corporations. (2) As of 06/30/2022. (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 11

Category	Moody's Rating
ESSILORLUXOTTICA	
Outlook	Stable
Issuer Rating	A2
Senior Unsecured -Dom Curr	A2
Commercial Paper	P-1
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Investors Service

Appendix

Exhibit 12
Peer comparison
EssilorLuxottica

	EssilorLuxottica A2 Stable			LVMH A1 Stable			Estee Lauder A1 Stable			Marcolin S.p.A. B3 Stable			Iris HoldCo (Rodenstock) B3 Stable		
(in USD million)	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Jun-20	FYE Jun-21	FYE Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-19	FYE Dec-20	FYE Dec-21
Revenue	$16,468	$23,450	$25,993	$50,962	$75,976	$81,521	$14,294	$16,215	$17,737	$388	$539	$566	$503	$458	$558
EBITDA	$3,102	$5,878	$6,595	$14,476	$26,221	$27,735	$3,402	$5,802	$4,605	$1	$46	$45	$101	$84	$135
Total Debt	$15,571	$16,311	$16,326	$60,176	$55,594	$52,596	$9,408	$8,639	$7,863	$500	$429	$391	$732	$800	$1,024
Cash & Cash Equivalents	$10,624	$3,745	$3,915	$25,346	$12,015	$10,869	$5,022	$4,958	$3,957	$64	$260	$227	$41	$90	$65
EBIT margin %	3.9%	12.6%	12.9%	17.2%	26.4%	26.7%	15.6%	29.4%	19.7%	-7.8%	2.6%	2.9%	11.0%	8.9%	19.2%
EBIT / Interest Expense	3.7x	16.5x	17.7x	20.0x	65.8x	71.2x	9.5x	20.1x	15.3x	-1.3x	0.4x	0.7x	1.3x	1.0x	2.1x
Debt / EBITDA	4.7x	2.9x	2.7x	3.9x	2.2x	2.0x	2.8x	1.5x	1.7x	348.9x	9.7x	9.4x	7.2x	8.9x	7.6x
RCF / Net Debt	44.2%	34.6%	36.4%	29.9%	34.9%	36.5%	53.3%	74.1%	80.7%	-1.0%	9.2%	11.1%	10.8%	7.3%	6.1%
FFO / Debt	18.5%	28.3%	31.3%	22.7%	35.4%	39.6%	30.3%	40.4%	50.9%	-0.5%	3.9%	4.9%	10.3%	6.5%	5.8%

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

Exhibit 13
Moody's-adjusted debt breakdown
EssilorLuxottica

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	LTM Jun-22
As Reported Total Debt	**5,702**	**9,415**	**11,895**	**13,016**	**14,187**
Pensions	459	555	484	485	485
Non-Standard Public Adjustments	2,026	392	347	842	944
Moody's Adjusted Total Debt	**8,187**	**10,362**	**12,726**	**14,343**	**15,616**

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

Exhibit 14
Moody's-adjusted EBITDA breakdown
EssilorLuxottica

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	LTM Jun-22
As Reported EBITDA	**2,639**	**3,853**	**2,609**	**4,802**	**5,681**
Unusual Items - Income Statement	165	286	103	186	186
Pensions	6	1	6	(20)	(20)
Non-Standard Public Adjustments	0	2	0	0	0
Moody's Adjusted EBITDA	**2,810**	**4,142**	**2,718**	**4,968**	**5,847**

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

Exhibit 15

Select historical and projected Moody's-adjusted financial data

EssilorLuxottica

(in EUR million)	Dec-19	Dec-20	Dec-21	LTM (Jun-22)	Dec-22 (F)	Dec-23 (F)
INCOME STATEMENT						
Revenue	17,390	14,429	19,820	23,046	23,872	24,803
EBITDA	4,142	2,718	4,968	5,847	6,032	6,016
EBIT	1,994	563	2,507	2,964	3,235	3,142
Interest Expense	186	154	152	167	163	170
BALANCE SHEET						
Cash & Cash Equivalents	4,836	8,683	3,293	3,745	3,449	3,088
Total Liabilities	17,753	20,050	24,242	25,571	23,834	23,322
Total Debt	10,362	12,726	14,343	15,616	13,905	13,375
CASH FLOW						
Capital Expenditures	(1,474)	(1,111)	(1,752)	(2,295)	(2,339)	(2,679)
Cash from Investing Activities	(2,263)	(941)	(8,782)	(10,185)	(3,189)	(2,929)
Dividends	959	562	243	570	575	1,032
Retained Cash Flow (RCF)	2,243	1,789	3,822	4,320	4,502	4,048
RCF / Debt	21.6%	14.1%	26.6%	27.7%	32.4%	30.3%
Free Cash Flow (FCF)	866	1,280	2,550	1,919	1,863	920
FCF / Debt	8.4%	10.1%	17.8%	12.3%	13.4%	6.9%
PROFITABILITY						
% Change in Sales (YoY)	60.5%	-17.0%	37.4%	35.8%	20.4%	3.9%
EBIT margin %	11.5%	3.9%	12.6%	12.9%	13.6%	12.7%
EBITA margin %	17.5%	11.0%	18.3%	18.5%	18.8%	17.8%
EBITDA margin %	23.8%	18.8%	25.1%	25.4%	25.3%	24.3%
INTEREST COVERAGE						
EBITA / Interest Expense	10.7x	3.7x	16.5x	17.7x	27.5x	25.9x
EBITDA / Interest Expense	22.2x	17.7x	32.8x	35.0x	37.0x	35.3x
LEVERAGE						
Debt / EBITDA	2.5x	4.7x	2.9x	2.7x	2.3x	2.2x
Net Debt / EBITDA	1.3x	1.5x	2.2x	2.0x	1.7x	1.7x
Debt / (EBITDA - CAPEX)	3.9x	7.9x	4.5x	4.4x	3.8x	4.0x

The forecasts (F) are our opinion and do not represent the views of the issuer. All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for nonfinancial corporations.
Source: Moody's Financial Metrics™

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