

## CREDIT OPINION

14 February 2024

### Update



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### RATINGS

#### Deutsche Post AG

Domicile	Bonn, Germany
Long Term Rating	A2
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.

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## Deutsche Post AG

Update following A2 rating affirmation; stable outlook

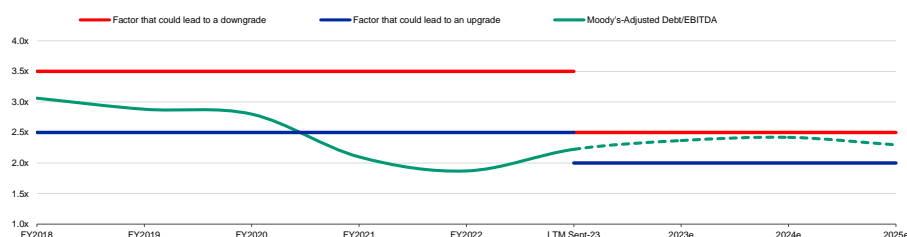
### Summary

On 13 February, we affirmed [Deutsche Post AG's](#) (DHL Group) A2 ratings after the German government development agency [Kreditanstalt fuer Wiederaufbau](#) (KfW, Aaa stable<sup>1</sup>) reduced its stake in DHL Group's capital to 16.5%. While we no longer consider DHL Group a government-related issuer (GRI), the company's solid underlying credit strength mitigates the impact of the relatively lower assumption of government support following the stake sale.

DHL Group's A2 rating reflects its large scale and global presence as the world's largest logistics company, with leading positions in a number of segments in which it operates. The rating also reflects our expectation that the company's cash flow generation and credit metrics will remain solid in the next 24 months, despite some deterioration from the record levels achieved in 2022. It also factors the challenges related to the structural decline in traditional mail services, and the demand and price volatility in the company's express, logistics and freight-forwarding businesses, as a well as the inherent low profitability of some of the group's divisions. We expect DHL Group's credit metrics to remain commensurate with the current rating, with its Moody's-adjusted debt/EBITDA remaining below 2.5x through 2025 (see exhibit 1).

Exhibit 1

#### Gross leverage will remain within the thresholds for the current rating level Moody's-adjusted gross leverage



All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's forecasts (f) or projections (proj.) are our opinion and do not represent the views of the issuer. Periods are financial year end unless otherwise indicated. Sources: Moody's Financial Metrics™ and Moody's Investors Service forecasts

## Credit strengths

- » Strong business profile and large scale, supported by the company's global leadership positions in express and logistics services, and its large German mail business
- » Solid financial profile
- » Conservative financial policy

## Credit challenges

- » Muted economic conditions, which impair volumes
- » Challenges in the company's domestic postal division stemming from the structural decline in the traditional mail business and wage cost inflation
- » Exposure to highly competitive mature markets and volatile market conditions in the logistics business
- » Increasing capital spending, which hampers cash generation

## Rating outlook

The stable outlook on the rating reflects our expectation that DHL Group's operating performance will remain solid, with its key credit metrics remaining commensurate with the current rating. In particular, we expect DHL Group's Moody's-adjusted debt/EBITDA to remain below 2.5x over the next 24 months and its operating margin at around 7%-8%. The stable outlook assumes that the company will maintain a conservative financial policy and solid liquidity at all times.

## Factors that could lead to an upgrade

Upward pressure on DHL Group's rating could develop if the company's performance remains solid, leading to a:

- » sustained, considerable expansion of its operating margin
- » rise in funds from operations (FFO)/debt above 40%
- » decline in Moody's-adjusted debt/EBITDA below 2.0x on a sustained basis

## Factors that could lead to a downgrade

DHL Group's rating could be downgraded in case:

- » its Moody's-adjusted debt/EBITDA rises above 2.5x
- » its FFO/debt deteriorates below 35% on a sustained basis
- » its operating margin profits declines from the current level of around 7%

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

## Key indicators

Exhibit 2

### Deutsche Post AG

EUR million	Dec-19	Dec-20	Dec-21	Dec-22	LTM Sept-23	2023 (E)	2024 (E)	2025 (E)
Revenue	63,341	66,716	81,747	94,436	84,186	81,549	82,142	85,441
Operating Margin	5.4%	7.3%	9.7%	9.0%	7.9%	7.8%	7.9%	8.3%
EBITA / Average Assets	7.1%	9.3%	13.6%	13.2%	7.5%	9.2%	9.2%	9.6%
Debt / EBITDA	2.9x	2.8x	2.1x	1.9x	2.2x	2.4x	2.4x	2.3x
FFO / Debt	27.7%	30.9%	40.8%	43.7%	34.2%	32.1%	32.0%	33.8%
EBIT / Interest Expense	4.8x	7.3x	12.8x	12.1x	9.7x	7.2x	7.8x	8.7x

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.

[2] Periods are financial year end unless indicated. LTM = Last 12 months.

[3] Moody's forecasts (f) or projections (proj.) are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Investors Service

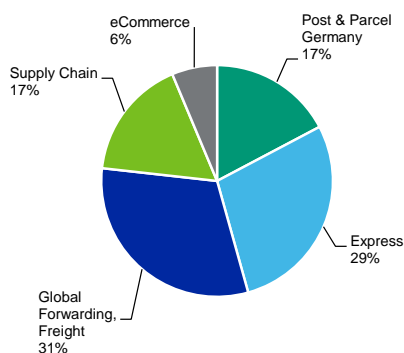
## Profile

Deutsche Post AG (DHL Group), headquartered in Bonn, Germany, is the incumbent postal operator in Germany and the world's largest logistics service provider, with total revenue of €94.4 billion in 2022 and operations in more than 220 countries and territories. The company operates under five different divisions: Post & Parcel Germany; Express; Global Forwarding, Freight; Supply Chain (SC); and eCommerce.

Around 16.5% of DHL Group's share capital is owned by KfW, Germany's largest public development bank, which serves the government's domestic and international public-policy objectives.

Exhibit 3

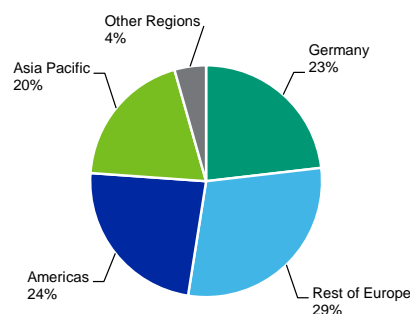
### DHL Group is well diversified, with a presence in different sectors 2022 revenue breakdown by division



Source: Company's accounts

Exhibit 4

### DHL Group has a global presence 2022 revenue breakdown by region



Source: Company's accounts

## Detailed credit considerations

### Strong business profile, supported by domestic and global leadership positions

With €94.4 billion of revenue in 2022, DHL Group is one of the world's largest mail, parcel and logistics operators, holding leading market positions in almost all the segments in which it operates. The group offers express delivery services in more than 220 countries through a fleet of more than 300 airplanes, with a strong focus on time-definite international (TDI) services. DHL Group is the global leader in the highly fragmented contract logistics market, with a share of around 6% according to the company's estimates, and holds number one or two positions globally in the air and ocean freight-forwarding sector. The group is the largest postal service provider in Europe. In 2022, it delivered around 48 million letters and 6.2 million parcels daily, holding a 62% market share in the mail communication market in Germany.

Because of its incumbent market position and established domestic mail network, the group's revenue mix is weighted towards Europe, in general, and Germany, in particular, which accounted for 52% of the group's revenue in 2022. However, DHL Group is one of the few

logistics companies that have a large scale and a comprehensive global network. Globalisation has led to growth in demand for express and logistics services and, as a result, a greater proportion of the group's revenue is now generated in emerging markets, especially in Asia-Pacific (19.5% in 2022).

### Softening macroeconomic conditions hurt volumes and strain margins

DHL Group's operating performance in 2023 deteriorated because of weakening macroeconomic conditions, normalisation of trade and supply chains, and cost inflation. However, sales and EBIT declined in 2023 after an exceptionally strong performance in 2022 when the company reported an all-time record EBIT of €8.4 billion (+5.4% from 2021) and cash flow from operations (CFO) of €11 billion (€10 billion in 2021).

We expect the group's revenue to decline by 13% in 2023 and to stabilise in 2024. The softness in revenue is primarily attributable to lower volumes in most of the company's businesses, especially those that are more exposed to business-to-business (B2B) activities, which are impaired by muted economic activity. In particular, the air and ocean freight-forwarding volumes declined by 14.7% and 8.2%, respectively, in the first nine months of 2023 (-9.3% and -7.4% in 2022), while in the express division, TDI shipments decreased by 4% (-5.5% in 2022). In addition, declining ocean and air freight rates weighed on revenue in the forwarding business. Lower disposable income for households, because of inflation and rising interest rates, also weighed on e-commerce, reducing parcel volumes in the group's parcel, e-commerce and express divisions. Notably, the supply chain division continued its positive growth, with sales increasing by 4.4% in the first nine months of 2023 (+11.8% in 2022), driven by continued new contract wins.

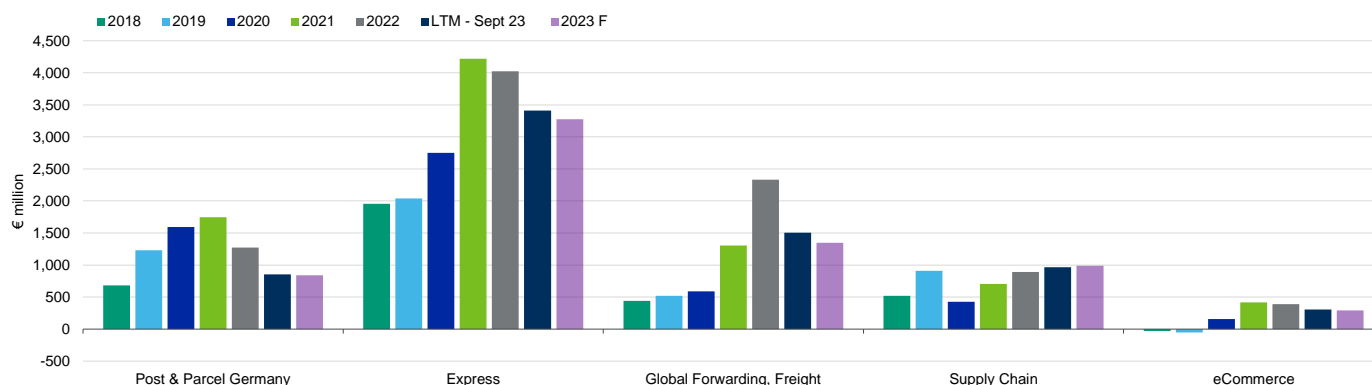
Following the results for the third quarter of 2023, DHL Group slightly revised its EBIT guidance for 2023 to €6.2 billion-€6.6 billion from the previous indication of €6.2 billion-€7 billion. Operating profit will be strained by the volume decline and by cost inflation, particularly on wages. In March 2023, the company signed an agreement with German unions on salary hikes through 2024 for the tariff employees of the parent company Deutsche Post AG. The agreement entails about €400 million in incremental costs in 2023. DHL Group will not be able to fully offset this increase in costs by hiking prices because the prices of a number of mail and parcel services are regulated.

We expect the company's EBIT to decline to €6.3 billion in 2023, the midpoint of the company's guidance, and to gradually improve towards €7 billion through 2025.

Exhibit 5

### We expect DHL Group's EBIT to decline in 2023, after two record years

Reported EBIT



Sources: Company's accounts and Moody's Investors Service forecasts

### Cash generation remains solid, despite temporary softness

DHL Group recently updated its guidance through 2025, incorporating the weaker macroeconomic scenario. The new guidance points to EBIT of €7 billion-€8 billion in 2025 (from the previous indication of more than €8 billion) and to cumulative free cash flow of €9 billion-€10 billion over 2023-25 (versus €9 billion-€11 billion previously).

The €7 billion EBIT that management indicated as the minimum target for 2025 is still significantly higher than the EBIT that DHL Group used to generate before 2020 (between €3.2 billion and €4.1 billion per year from 2016 to 2019). Similarly, we expect the

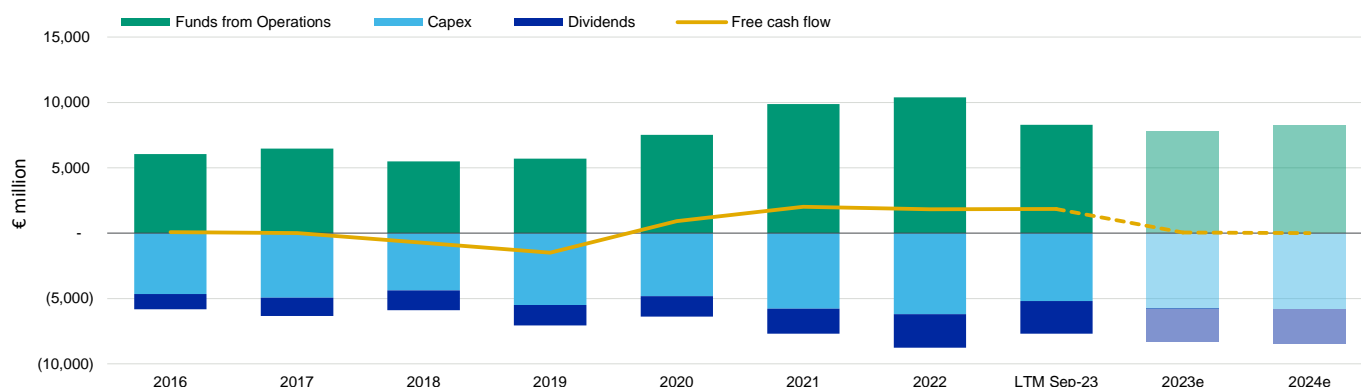
group's CFO to remain at or above €8.5 billion per year through 2025, down from the record €10.6 billion level of 2022, but still significantly higher than pre-2020 levels.

This indicates that the group has structurally shifted to a higher level of profit and cash generation capacity. This is because of the successful turnaround of the freight-forwarding business; continued growth in the supply-chain solutions division, backed by new contract wins; and the boost from e-commerce, which supports both the e-commerce and express divisions.

Exhibit 6

### FCF would turn slightly negative because of the earnings pressure in the next 12-18 months

#### Moody's-adjusted FCF



Sources: Moody's Financial Metrics™ and Moody's Investors Service forecasts

### Credit metrics remain commensurate to the rating

We expect DHL Group's credit metrics to remain solid, with its Moody's-adjusted debt/EBITDA remaining below 2.5x through 2025, assuming continued bolt-on acquisitions. In particular, leverage was 2.2x as of September 2023, slightly worse than 1.9x in 2022, but still commensurate with the current rating.

The rating is also supported by DHL Group's conservative financial policy. The company's dividend policy entails the distribution of 40%-60% of net profit. After the completion of a €1 billion share buyback in 2021, the company announced a new €3 billion buyback through 2024, of which €1.8 billion has been already executed as of September 2023. This share buyback is commensurate with the healthy cash flow in the last two years.

The company is also targeting strategic acquisitions to accelerate growth in the logistics business and, in March 2022, it completed the acquisition of the ocean freight forwarder J.F. Hillebrand Group for €1.45 billion. We expect the company to continue to pursue small bolt-on acquisitions in the next 24 months, but we do not assume any large and transformational M&A.

### Government support has weakened following the reduction in its shareholding

After the German government's indirect ownership decreased to around 16.5% in February 2024, we no longer consider DHL Group a GRI, because we define a GRI an entity with full or partial government ownership or control, generally 20% or more. However, KfW remains the largest shareholder in the company, and despite the relatively lower assumption of government support following the stake sale, DHL Group's A2 rating continues to factor some benefits associated with indirect government ownership. This is because of DHL Group's social, economic and political significance to Germany in light of its size, both in terms of revenue (given its status as one of the largest German corporates) and number of local employees.

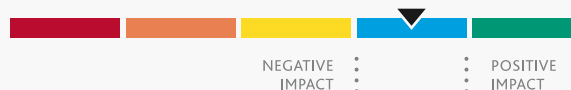
## ESG considerations

### Deutsche Post AG's ESG credit impact score is CIS-2

Exhibit 7

#### ESG credit impact score

# CIS-2



ESG considerations do not have a material impact on the current rating.

Source: Moody's Investors Service

DHL Group's **CIS-2** indicates that ESG considerations are not material to the rating. The company's has highly negative exposure to environmental risks, mainly related to carbon transition, and moderately negative exposure to social risks, stemming from labour conditions in the logistics business. These risks are mitigated by the company's solid market position, pricing power and financial flexibility. DHL Group has a prudent financial policy and good governance as a listed entity.

Exhibit 8

#### ESG issuer profile scores

ENVIRONMENTAL

## E-4



SOCIAL

## S-3



GOVERNANCE

## G-2



Source: Moody's Investors Service

### Environmental

**E-4.** DHL Group is exposed to carbon transition because the company is a large consumer of fossil fuels for both its large air fleet in the Express division, as well as its trucks and commercial vehicles in the postal and parcel businesses, which also exposes to waste and pollution risk because of other air pollutant emissions. DHL Group has set specific milestones towards reducing its environmental footprint and plans to reduce its annual GHG emissions to below 29 million tons by 2030 and achieve net-zero emission by 2050.

### Social

**S-3.** DHL Group's social risks mainly relate to health and safety and human capital considerations. These risks mainly regard working conditions in the logistics sector, such as long working hours and low salaries in some countries. The company is one of the world's largest employers in the sector, with around 600,000 employees, and is committed to maintaining high standards with regard to employees' working conditions. Demographics and societal trend risk are moderately negative, as final customers may pressure the company for more sustainable parcel delivery models.

### Governance

**G-2.** DHL Group's IPS reflects the company's prudent financial policy, as well as its strong track record in executing its growth strategy. The company's adopts good governance practices. The German government, through KfW, is its largest shareholder.

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.

## Liquidity analysis

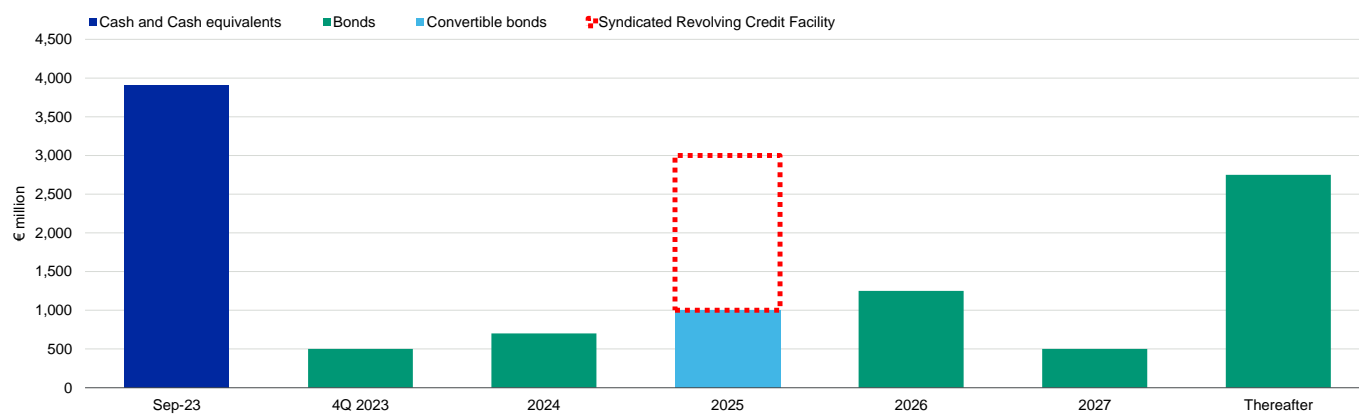
DHL Group maintains excellent liquidity, underpinned by €3.9 billion of cash and financial assets on balance sheet as of September 2023, full availability under its €2 billion syndicated revolving credit facility and solid operating cash flow of around €8.5 billion in 2024. This liquidity will comfortably cover the company's estimated capital spending of close to €6 billion per year, including lease payments; estimated dividend payout of around €2.4 billion; the remaining €1 billion of the €3 billion share buyback programme in 2024; and €1.7 billion of debt maturities over the next 18 months, including a convertible bond.

DHL Group has a comfortable amortisation profile, with no significant debt repayments in any given year. The company's revolving credit facility is not subject to financial covenants and has a final maturity in 2025.

Exhibit 9

### DHL Group has no significant debt repayments in any year

#### Debt maturity profile



Source: Company's accounts

## Methodology and scorecard

DHL Group's A2 rating is one notch lower than the A1 scorecard-indicated outcome according to our [Surface Transportation and Logistics](#) rating methodology, published in December 2021. The one-notch difference reflects the cyclical nature of the business, which remains exposed to macroeconomic downturns, and considers the financial policy of the company.

Exhibit 10

### Rating factors Deutsche Post AG

Surface Transportation and Logistics Industry Grid [1][2]			Current LTM 9/30/2023		Moody's 12-18 Month Forward View As of Feb 2024 [3]	
Factor 1 : Scale (15%)	Measure	Score			Measure	Score
a) Revenue (USD Billion)	\$89.9	Aaa			\$88.1 - \$88.7	Aaa
Factor 2 : Business Profile (20%)						
a) Business Profile	Aa	Aa			A	A
Factor 3 : Profitability & Efficiency (10%)						
a) Operating Margin %	7.9%	Ba			7.9% - 8.3%	Ba
b) EBITA / Average Assets	10.0%	Ba			9.2% - 9.6%	Ba
Factor 4 : Leverage & Coverage (40%)						
a) Debt / EBITDA	2.2x	A			2.4x - 2.3X	A
b) FFO / Debt	34.2%	A			32% - 33.8%	A
c) EBIT / Interest Expense	9.7x	A			7.8x - 8.7X	A
Factor 5 : Financial Policy (15%)						
a) Financial Policy	A	A			A	A
Rating:						
a) Scorecard-Indicated Outcome		A1				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 9/30/2023. [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
<b>DEUTSCHE POST AG</b>	
Outlook	Stable
Issuer Rating	A2
Senior Unsecured -Dom Curr	A2
ST Issuer Rating	P-1

Source: Moody's Investors Service



## Appendix

Exhibit 12

### Moody's-adjusted debt reconciliation for Deutsche Post AG

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Sep-23
<b>As Reported Total Debt</b>	<b>16,462</b>	<b>16,974</b>	<b>19,098</b>	<b>19,897</b>	<b>21,818</b>	<b>22,312</b>
Pensions	2,735	3,199	4,973	4,185	1,936	1,936
Securitization	420	365	255	90	15	15
<b>Moody's Adjusted Total Debt</b>	<b>19,617</b>	<b>20,538</b>	<b>24,326</b>	<b>24,172</b>	<b>23,769</b>	<b>24,263</b>

[1] All figures are calculated using Moody's estimates and standard adjustments.

[2] Periods are financial year end unless indicated. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 13

### Moody's-adjusted EBITDA reconciliation for Deutsche Post AG

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Sep-23
<b>As Reported EBITDA</b>	<b>6,507</b>	<b>7,859</b>	<b>8,635</b>	<b>11,698</b>	<b>12,687</b>	<b>10,912</b>
Unusual Items - Income Statement	(3)	(446)	0	0	0	0
Pensions	(103)	(286)	(11)	0	(2)	(2)
<b>Moody's Adjusted EBITDA</b>	<b>6,401</b>	<b>7,127</b>	<b>8,624</b>	<b>11,698</b>	<b>12,685</b>	<b>10,910</b>

[1] All figures are calculated using Moody's estimates and standard adjustments.

[2] Periods are financial year end unless indicated. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 14

### Peer comparison

	Deutsche Post AG A2 Stable			United Parcel Service, Inc. A2 Stable			DSV A/S A3 Stable			FedEx Corporation Baa2 Stable			InPost S.A. Ba2 Stable		
(in USD million)	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE May-21	FYE May-22	LTM Nov-23	FYE Dec-21	FYE Dec-22	LTM Jun-23
Revenue	96,720	99,529	89,852	97,287	100,338	93,074	29,003	33,386	23,721	83,959	93,512	87,945	1,188	1,590	1,783
Operating Profit	9,401	8,930	7,086	12,880	13,184	9,962	2,571	3,559	2,644	6,315	6,728	5,913	240	212	253
EBITDA	13,841	13,369	11,644	16,407	17,123	14,337	3,237	4,350	3,615	12,354	13,532	13,054	399	452	520
Total Debt	27,488	25,367	25,688	31,247	27,393	29,306	6,018	6,092	6,182	38,809	40,485	40,281	1,498	1,527	1,643
Cash & Cash Equivalents	1,849	1,957	2,065	10,255	5,602	4,311	1,141	1,203	968	7,087	6,897	6,729	122	99	124
EBIT / Interest Expense	12.8x	12.1x	9.7x	11.9x	12.3x	9.4x	17.4x	18.2x	13.6x	4.4x	5.3x	4.3x	7.7x	3.5x	3.5x
Debt / EBITDA	2.1x	1.9x	2.2x	1.9x	1.6x	2.0x	1.9x	1.4x	1.7x	3.1x	3.0x	3.1x	3.9x	3.3x	2.9x
RCF / Net Debt	35.3%	35.6%	26.0%	61.0%	45.6%	28.2%	45.1%	65.0%	40.5%	43.0%	43.8%	39.9%	20.7%	22.2%	25.6%
FCF / Debt	8.3%	7.7%	7.6%	22.9%	14.9%	0.4%	16.2%	45.8%	30.6%	9.0%	5.4%	7.4%	-2.3%	-3.9%	-0.4%
Operating Margin %	9.7%	9.0%	7.9%	13.2%	13.1%	10.7%	8.9%	10.7%	11.1%	7.5%	7.2%	6.7%	20.2%	13.3%	14.2%
EBITA / Average Assets	13.6%	13.2%	10.0%	20.2%	19.7%	15.4%	12.7%	16.1%	12.4%	8.0%	8.3%	7.1%	20.6%	14.4%	16.1%
FFO / Debt	40.8%	43.7%	34.2%	52.0%	55.0%	42.2%	38.9%	55.3%	37.5%	36.9%	38.3%	36.2%	19.0%	20.8%	23.7%

Source: Moody's Financial Metrics™

Exhibit 15

## Overview of key metrics for Deutsche Post AG

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE 2023F	FYE 2024F	FYE 2025F
<b>INCOME STATEMENT</b>									
Revenue	61,550	63,341	66,716	81,747	94,436	84,186	81,549	82,142	85,441
EBITDA	6,401	7,127	8,624	11,698	12,685	10,910	10,242	10,642	11,428
EBIT	3,125	3,487	4,794	7,930	8,508	6,545	6,328	6,507	7,068
<b>BALANCE SHEET</b>									
Cash & Cash Equivalents	2,040	1,808	3,234	1,626	1,834	1,950	919	1,168	2,235
Total Debt	19,617	20,538	24,326	24,172	23,769	24,263	24,248	25,749	26,250
<b>CASH FLOW</b>									
Capital Expenditures	(4,371)	(5,506)	(4,816)	(5,787)	(6,195)	(5,194)	(5,748)	(5,798)	(5,919)
Dividends	1,533	1,569	1,579	1,898	2,571	2,489	2,593	2,662	2,366
Funds From Operations (FFO)	5,494	5,696	7,516	9,863	10,383	8,289	7,789	8,240	8,882
FFO / Debt	28.0%	27.7%	30.9%	40.8%	43.7%	34.2%	32.1%	32.0%	33.8%
Retained Cash Flow (RCF)	3,961	4,127	5,937	7,965	7,812	5,800	5,196	5,578	6,516
RCF / Debt	20.2%	20.1%	24.4%	33.0%	32.9%	23.9%	21.4%	21.7%	24.8%
RCF / Net Debt	22.5%	22.0%	28.2%	35.3%	35.6%	26.0%	22.3%	22.7%	27.1%
Free Cash Flow (FCF)	(735)	(1,497)	925	2,014	1,820	1,840	46	(0)	817
FCF / Debt	-3.8%	-7.3%	3.8%	8.3%	7.7%	7.6%	0.2%	0.0%	3.1%
<b>PROFITABILITY</b>									
% Change in Sales (YoY)	1.8%	2.9%	5.3%	22.5%	15.5%	-10.9%	-3.1%	0.7%	4.0%
Operating Margin %	5.0%	5.4%	7.3%	9.7%	9.0%	7.9%	7.8%	7.9%	8.3%
EBIT Margin %	5.1%	5.5%	7.2%	9.7%	9.0%	7.8%	7.8%	7.9%	8.3%
EBITDA Margin %	10.4%	11.3%	12.9%	14.3%	13.4%	13.0%	12.6%	13.0%	13.4%
<b>INTEREST COVERAGE</b>									
EBIT / Interest Expense	5.4x	4.8x	7.3x	12.8x	12.1x	9.7x	7.2x	7.8x	8.7x
EBITDA / Interest Expense	11.1x	9.9x	13.2x	18.8x	18.0x	16.1x	11.6x	12.7x	14.1x
(EBITDA - CAPEX) / Interest Expense	3.5x	2.3x	5.8x	9.5x	9.2x	8.4x	5.1x	5.8x	6.8x
<b>LEVERAGE</b>									
Debt / EBITDA	3.1x	2.9x	2.8x	2.1x	1.9x	2.2x	2.4x	2.4x	2.3x
Net Debt / EBITDA	2.7x	2.6x	2.4x	1.9x	1.7x	2.0x	2.1x	2.1x	1.9x

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Sources: Moody's Financial Metrics™ and Moody's Investors Service forecasts

## Endnotes

<sup>1</sup> The rating shown is KfW's backed senior unsecured debt and deposit ratings.

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