MOODY'S INVESTORS SERVICE

CREDIT OPINION
12 August 2019

Update

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RATINGS

Fluvius System Operator CVBA

Domicile	Belgium
Long Term Rating	A3
Type	LT Issuer Rating - Dom 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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Fluvius System Operator CVBA

Update following outlook change to stable

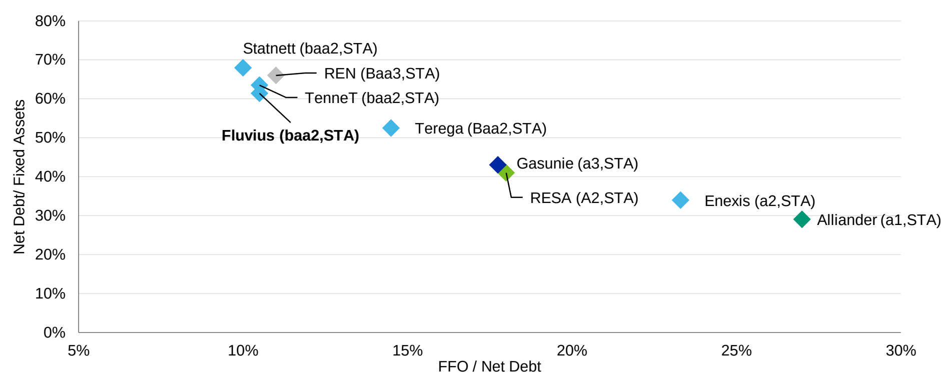
Summary

The robust credit quality of Fluvius System Operator CVBA (Fluvius, A3 stable) reflects that of the 11 intermunicipal utility companies, which own the company and severally guarantee its liabilities. The regulated electricity and gas distribution network operations of the DSOs in the Flemish region of Belgium, have a low business risk, supported by a regulatory framework that is supportive and transparent, although relatively new and untested in the context of European regulated network peers, following the transition of tariff-setting responsibilities from the national to regional regulators in 2014.

The outlook for Fluvius was changed from positive to stable, reflecting our expectation that the cash flow-based metrics for the Fluvius Economic Group will revert to a level commensurate with the guidance for the current rating, as a result of a decrease in tariffs implemented by the regulator until the end of the current regulatory period to 2020, combined with a material step-up in capital spending from 2019 and relatively high dividends.

Exhibit 1

Fluvius' key metrics are expected to stay in line with those of its network peers with similar credit quality



All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations, reflecting Moody's 12-18-month forward view.
Source: Moody's Investors Service

THIS REPORT WAS REPUBLISHED ON 13 AUGUST 2019 WITH A CORRECTED CONTACT LIST

In assessing Fluvius' overall credit risk, we also take into account the fact that the Community of Flanders (Aa2 stable) holds a strong interest in maintaining a solid financial standing for the DSOs, given their essential role in the Flemish economy.

Credit strengths

» A strong link with the Community of Flanders through the provision of essential energy network services

» Strong underlying business-risk profile from operation of monopoly network assets

» Transparent and supportive regulatory framework, but relatively short track record, with the tariff responsibility transferred from the national to regional regulators in 2014

» Conclusion of merger with lower-geared Infrax bolstered the group's financial profile with net debt/fixed assets expected to remain around 60%

Credit challenges

» An adverse allocation of regulatory balances and an accelerated recovery in green and cogeneration certificates in previous years, which will lead to lower projected earnings than expected in 2019-20

» A material step-up in capital spending and a continuing high dividend payout, which will weigh on financial flexibility

» An exposure to higher-risk activities outside of core regulated energy network businesses, although it will remain limited to 10% of group earnings

Rating outlook

The outlook is stable, reflecting our expectation that financial metrics will remain commensurate with the guidance for the current rating, that is, net debt /fixed assets below the high 70s in percentage terms and funds from operations (FFO)/net debt above 10% until the end of the current regulatory period ending December 2020.

Factors that could lead to an upgrade

The ratings could be upgraded if leverage, calculated as net debt/fixed assets, appears likely to remain comfortably below 70% and FFO/net debt at least in the low teens in percentage terms, on a sustained basis.

Factors that could lead to a downgrade

We could downgrade the ratings if the financial metrics of the Fluvius Economic Group weakened such that consolidated net debt/ fixed assets was likely to remain above 80% and FFO / net debt below high-single digits in percentage terms.

The ratings may also come under downward pressure if we assessed that there is a lower probability of support from the Community of Flanders or if its rating was downgraded.

Key indicators

Exhibit 2
Fluvius System Operator CVBA

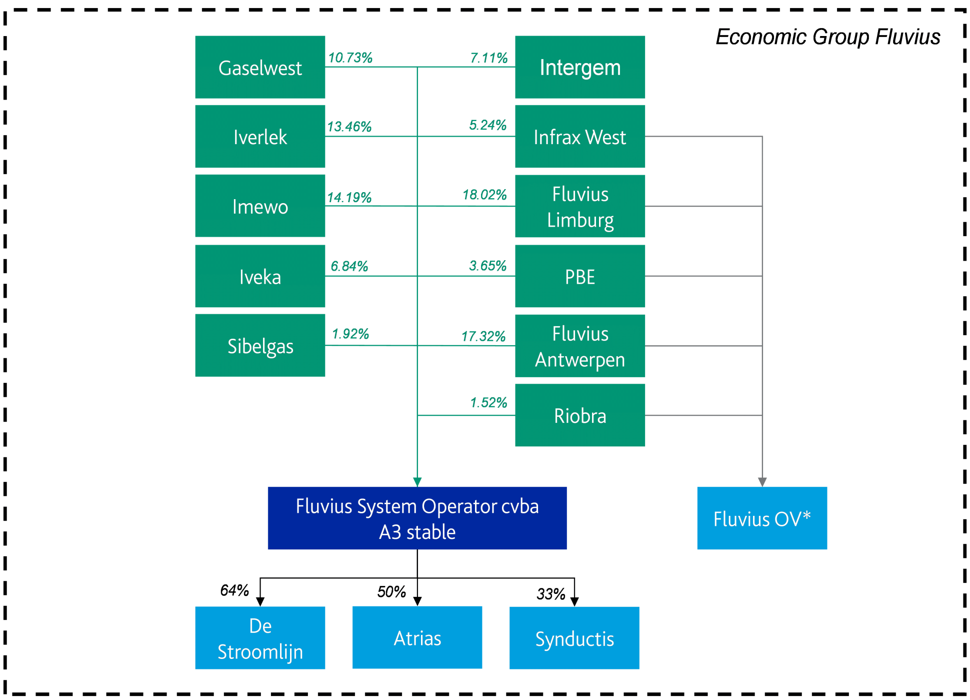
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	2019 proj.
FFO Interest Coverage	3.6x	3.0x	4.5x	6.4x	6.8x	4.6x
Net debt / Fixed Assets	80.7%	81.4%	77.6%	69.4%	57.2%	59.6%
FFO / Net Debt	8.3%	6.6%	11.6%	17.2%	16.9%	10.5%
RCF / Net Debt	5.3%	3.7%	8.9%	13.8%	12.8%	6.6%

Financial metrics for 2014-17 are for Eandis Economic Group, and metrics for 2018-19 are for Fluvius Economic Group, which combine the financial profiles of the operating company and its DSO owners.
All figures and ratios are calculated using Moody's estimates and standard adjustments. 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

Fluvius System Operator CVBA (ex Eandis System Operator CVBA) is a Belgian utility established in March 2006, which manages the regulated activities of the operating electricity and gas distribution networks in the Flemish Region in Belgium. Fluvius was formed through the merger of Eandis and Infrax in July 2018 and is 100% owned by the municipalities in the Flemish Region**.** Fluvius, together with its 11 utility shareholders, form the Fluvius Economic Group, which derives around 90% of its operating profit from the regulated energy distribution activities, with the remaining 10% derived predominantly from regulated sewage and contract-based cable televison network operations. The group also holds small district heating infrastructure in selected areas.

Exhibit 3
Simplified organisationa, structure of the Fluvius Economic Group



* Fluvius OV employs all ex-Infrax statutory employees since 1 April 2019
Several mergers among utility shareholders took place in April 2019: IMEA, Iveg and Integan formed Fluvius Antwerpen; Inter-aqua, Inter-energa and Inter-media formed Fluvius Limburg; and PBE and Intergas merged (PBE).
Source: Fluvius, Moody's Investors Service

Through the Flemish Energy Decree of 8 May 2009, and with the explicit permission of the Flemish region's electricity and gas distribution regulator, Fluvius has been appointed as the sole operator of the networks of its shareholder DSOs. Through the DSOs' articles of association, the company operates on a "cost" basis, whereby all costs incurred, including financing costs, are passed on to the DSOs, which also severally (in line with their respective ownership stakes) guarantee the debt raised by Fluvius.

Detailed credit considerations

Transparent regulatory framework, but limited track record

The federal state and each of the Belgian regions have established their own regulatory body for the electricity and gas market with complementary competencies, with the national regulator Commission for Electricity and Gas Regulation (CREG) principally responsible for tariff setting in respect of the DSOs and the regional regulators for licensing issues. As part of a decentralisation of powers from the federal to the regional governments, on 1 July 2014, the responsibility for setting electricity and gas distribution tariffs passed from the CREG to the regional regulators, that is, the VREG in the Flemish Region (see Exhibit 4).

To allow for the orderly transfer of tariff-setting responsibilities, the CREG had agreed with all DSOs, in April 2012, that tariffs for the regulatory period 2009-12 would be carried forward into 2013 and 2014 (including an option to extend into 2015 if necessary).

Exhibit 4
Overview of Belgian energy distribution market and regulatory responsibilities

Source: Fluvius, Moody's Investors Service

While the regulatory approach, introduced by VREG in 2015, remains in its infancy, the tariff-setting principles follow well-established precedents from other European jurisdictions with a much longer regulatory track record. The final tariff methodology for the four-year regulatory period, starting 1 January 2017, was published in August 2016.

Tariffs are determined through a revenue-cap model (compared with cost-plus arrangements until 2014) and, in setting the revenue allowance, which drive annual tariffs, the VREG distinguishes among three cost categories: (1) noncontrollable (or exogenous) costs, which include transmission network fees, taxes or recovery of regulatory accounting balances, are passed on directly to consumers; (2) controllable (or endogenous) costs, which include typical revenue-building blocks, such as allowances for operating costs, depreciation of the regulated asset base and a return based on the weighted average cost of capital; and (3) other cost items, including fines or accounting measures.

The current regulatory period spans 2017-20, and compared with the 2015-16 transitory period, VREG decided to cut the allowed return by around 120 basis points, but in turn also allowed a more timely recovery of noncontrollable costs.

Exhibit 5

Weighted average cost of capital (WACC) will reduce in a low interest rate environment

	VREG (2015-16)	VREG Final Determination (2017-20)
Risk-free rate	3.30%	3.04%
Risk premium	1.20%	0.64%
Transaction fee	0.15%	0.15%
Cost of debt (historical)	4.65%	3.83%
Risk-free rate	2.00%	0.80%
Risk premium	1.20%	0.61%
Transaction fee	0.15%	0.15%
Cost of debt (new)	3.35%	1.56%
Historical : new debt ratio	60:40	65:35
Cost of debt (allowed)	**4.13%**	**3.04%**
Premium for ECB purchase		0.63%
Market risk premium	5.10%	5.01%
Asset Beta	0.33	0.38
Equity Beta	0.73	0.76
Equity risk premium	3.74%	3.79%
Cost of Equity (post-tax)	**5.74%**	**5.24%**
Cost of Equity (pre-tax)	**8.70%**	**7.94%**
Gearing	55%	60%
DSO tax rate until 31 Dec 2014	0%	
WACC (nominal, post-tax)	**4.85%**	**3.92%**
Tax rate from 1 Jan 2015	33.99%	33.99%
WACC (nominal, pre-tax)	**6.18%**	**5.00%**

The risk-free rate of embedded cost of debt is calculated on the 10-year average historical interest on 10-year German Bunds and Belgian OLO; while the risk-free rate of new debt reflects the two-year average of 10-year Bunds and OLO. Until December 2014, the DSOs were not subject to corporate tax; however, from 1 January 2015, a 33.99% tax rate applies. Accordingly, VREG determined that the 4.8% (nominal) WACC determined for 2015-16 will be post-tax, and the pretax WACC would be 6.1% (nominal).
In 2018, the corporate income tax rate was amended to 29.58%, as a result, the nominal pretax WACC was adapted at 4.9% for 2018.
Source: VREG

Regulator's decision on 2010-14 regulatory balances, recoveries of historical regulatory receivables and two consecutive years of under-recovery lead to regulatory liabilities

During the transition between national and regional regulators, cost allowances were not updated and Eandis accumulated tariff deficits of €450 million. Under-recovered revenue from 2008-09 (around €100 million) have been included within the agreed tariffs for 2015 and 2016, while the recovery of the 2010-14 deficits (around €350 million) was included in the tariffs for 2016-20. During 2015 and 2016, Eandis accumulated further regulatory receivables of around €260 million and €54 million, respectively, linked primarily with exogenous, that is, noncontrollable costs.

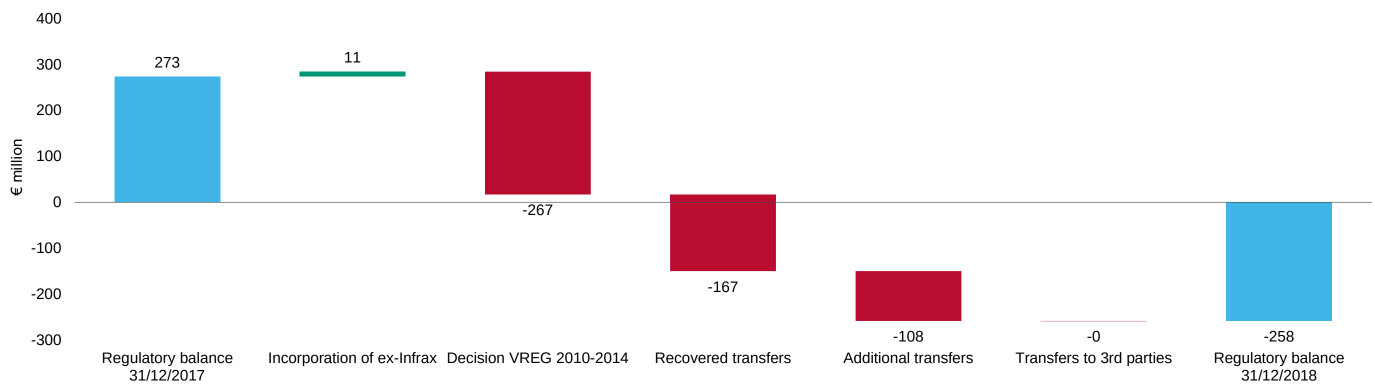
Following the final tariff methodology for the 2017-20 period, all outstanding regulatory receivables will be recoverable until 2020. In 2017, Fluvius recovered around €79 million of 2008-14 receivables and €166 million from outstanding 2015 balances. It also accrued negative balances of €69 million (which means an over-recovery in 2017). Therefore, overall outstanding regulatory balances reduced to around €273 million as of 31 December 2017, roughly in line with expectations.

In April 2018, the VREG formulated a proposal to allocate the balances of the manageable costs for 2010-14 to the tariff (that is, the end customer). Following a public consultation, the VREG decided the size and destination of the regulatory balances: all noncontrollable costs are to be returned to the tariff, controllable costs for 2010-11 will be allocated 50% to the DSO and 50% to the tariff, while all controllable costs for 2012-14 will be allocated to the tariff. Fluvius appealed the decision but the Brussels Court of Appeal ruled in favour of the VREG in February 2019.

As a result, Fluvius recorded a loss of €267 million in 2018 and will not be able to recover the sums in their entirety as it had planned. This allocation has resulted in a cut in tariffs for 2019 and 2020, which represents a decrease in the annual allowed revenue of €137 million for Fluvius.

Following the allocation of the 2010-14 balance, the recovery of some receivables during the year and the regulatory deficits accumulated in 2018, Fluvius recorded a regulatory liability on its balance sheet as of 31 December 2018 (see Exhibit 6).

Exhibit 6
Evolution of regulatory transfers and balances during 2018



Sources: Fluvius, Moody's Investors Service

Accelerated cash inflows from green and cogeneration certificates temporarily boosted metrics

Fluvius held a sizeable portion of renewable energy and cogeneration certificates, which the company is obliged to buy from generators but was subsequently unable to sell in a timely manner because of insufficient demand from energy suppliers. An amendment to the Energy Act in 2016 introduced a surcharge on user tariffs to allow recovery of the costs for unsold certificates over 2017-21. The moneys collected from the surcharge are being used by the Flemish Energy Authority to purchase the DSOs' outstanding renewable certificates at a maximum amount of €15 million per year for each DSO.

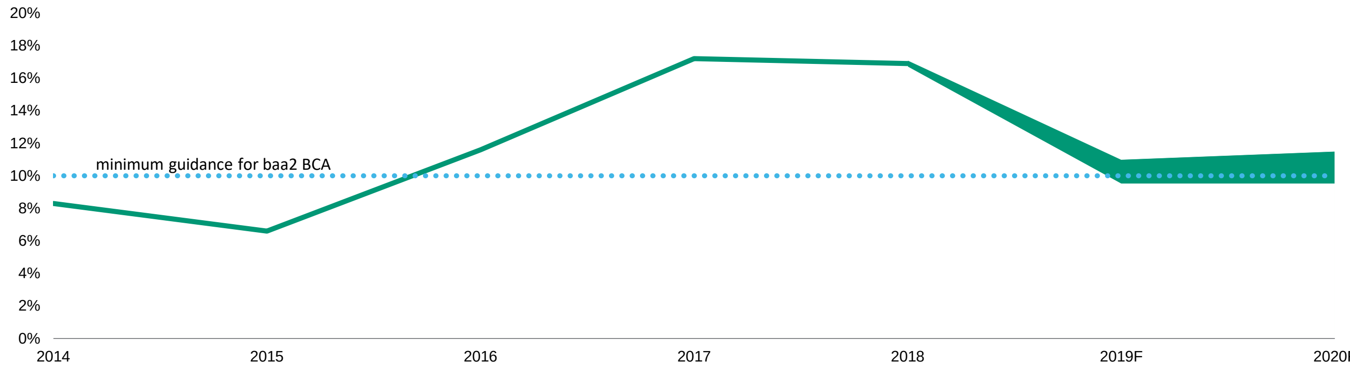
However, the overall recovery of green certificates in 2017 and 2018 surpassed our previous expectations, because an agreement at the European level allowed a larger number of these certificates to be bought. The sales were also bolstered by increased green certificate requirements for energy suppliers and, together with ongoing auctions, most of the historical balances were redeemed at year-end 2018.

As a result of the cancellation of the mechanism allowing extra payouts for the recovery of certificates, the balance of receivables as of year-end 2018 was €115 million. In the future, the costs for green and cogeneration certificates will still be recoverable through the grid tariff. No significant build-up of certificates is expected in the future because the number of certificates bought by the DSOs more or less equals the number of certificates they can sell on the market.

Lower tariff will lead to weaker cash flow-based metrics until 2020, while sustained low interest rates could lead to further cuts from 2021

On 4 October 2018, the VREG decided on the 2019 allowed revenue for electricity and gas DSOs as part of their periodic network rates review according to the tariff methodology for 2017-20. The allowed revenue has dropped 7.95% for electricity and 6.63% for gas, mainly reflecting the aforementioned allocation of 2010-14 regulatory balances, which should similarly affect 2020 tariffs. This, together with the end of exceptional accelerated recovery in previous years, will lead to a weakening in the cash flow-based metrics to around 10% FFO/net debt from 16.9% in 2018 and 17.2% in 2017 (see Exhibit 7).

Exhibit 7
Historical and projected FFO/net debt for Fluvius Economic Group



Financial metrics for 2014-17 are for Eandis Economic Group, and metrics for 2018-20 are for Fluvius Economic Group, which combine the financial profiles of the operating company and its DSO owners.
All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Sources: Fluvius, Moody's Investors Service

While the regulator has not started its consultation process for the next regulatory period for electricity and gas distribution, the low-yield environment as well as recent regulatory determinations in other European countries (see Regulated electric and gas networks - EMEA: 2019 outlook stable reflecting predictable regulation, but low allowed returns persist, published on 21 November 2018) could signal further cuts to the allowed return for Fluvius starting 2021. The public consultation should start in the spring of 2020, with the VREG publishing its final determination in July 2020 to be applied from 1 January 2021. With an estimated regulated asset base (RAB) of €9.9 billion as of year-end 2018, a 50-basis point cut in allowed return would lead to an around €50 million decrease in EBITDA (about 3.5% of 2018 EBITDA).

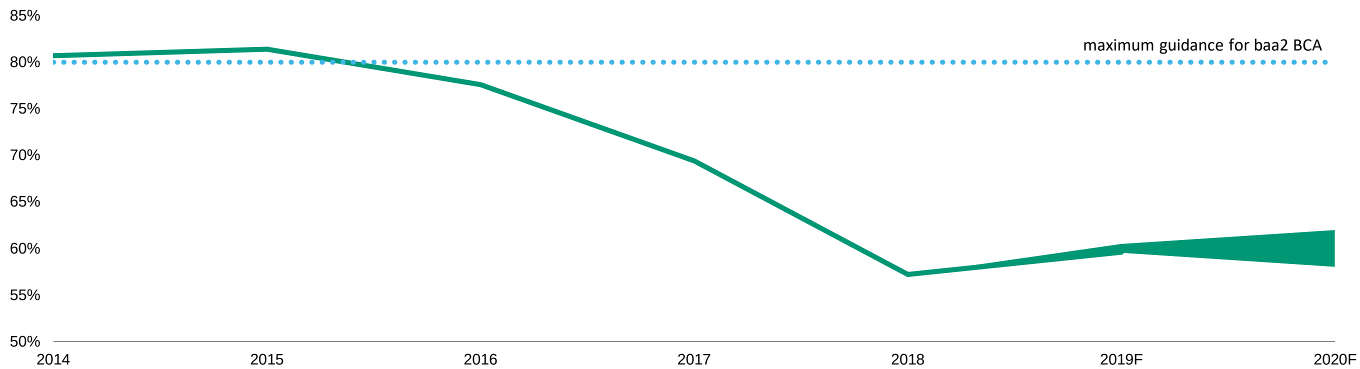
Regulatory recoveries and merger with lower-geared Infrax improved the financial profile

Since the 2014 debt-funded exit of Electrabel as a shareholder, Eandis' credit quality has been constrained by relatively high gearing, with net debt/RAB (RAB is roughly equivalent to fixed assets) close to 80%, and FFO/net debt in the high-single digits in percentage terms.

Following the accelerated recovery of green certificates in 2017 and 2018, financial metrics of the Fluvius Economic Group improved significantly. In addition, the DSOs that owned Infrax have historically had a much stronger credit quality than Eandis' owners. For example, the Infrax Economic Group reported leverage, measured as net debt/fixed assets, of around 30%-35% for the four years before the merger. The merger participated to the reduction of Fluvius' leverage as illustrated by its net debt/fixed assets of 57.2% as of 31 December 2018.

Exhibit 8

Regulatory recoveries and merger with Infrax have led to a significant improvement in Fluvius' financial profile
Historical and projected net debt/fixed assets



Financial metrics for 2014-17 are for Eandis Economic Group, and metrics for 2018-20 are for Fluvius Economic Group, which combine the financial profiles of the operating company and its DSO owners.
All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Sources: Fluvius, Moody's Investors Service

We expect the Fluvius Economic Group to maintain an average gearing in line with the regulatory assumption of 60:40 debt/equity, which will most likely be met through an increase in the gearing of ex-Infrax DSOs at that level.

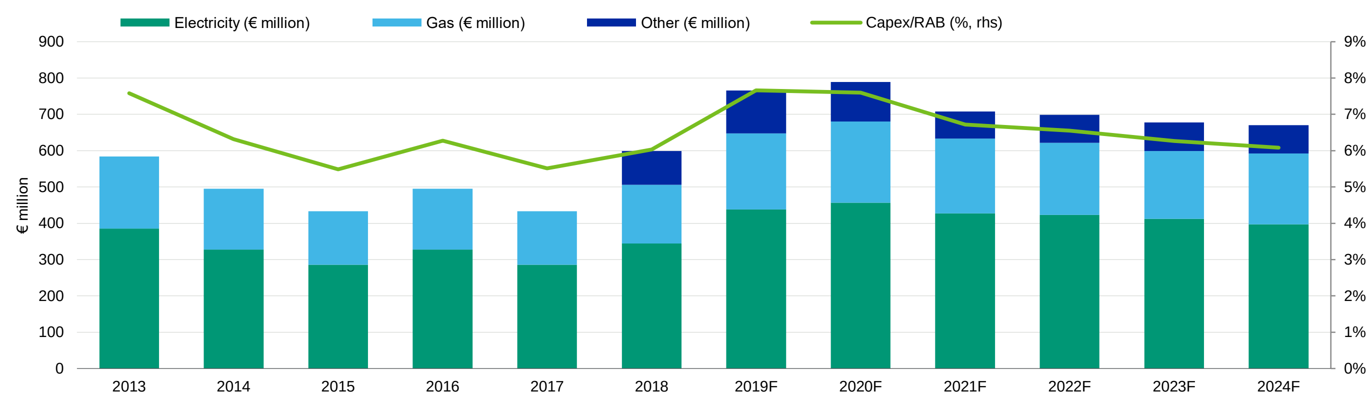
A material step-up in capital spending and high dividend payout will weigh on the financial flexibility

The company forecasts a material increase in its future capital spending of around €700-750 million per year. This compares with our previous expectation of around €400 million-€500 million of capital spending per year for 2018-22. This increase in capital spending takes place in the context of the region's energy transition, which includes a significant investment in smart meters for a total of €1.6 billion over the next 15 years.

Most of Fluvius' investments will be in its regulated electric and gas distribution networks businesses, which will increase the company's RAB (including smart meters).

Exhibit 9

Fluvius' capital spending will increase significantly to accompany the energy transition



Data for 2014-17 are for Eandis Economic Group, and metrics for 2018-20 are for Fluvius Economic Group, which combine the financial profiles of the operating company and its DSO owners.
Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Sources: Fluvius, Moody's Investors Service

The VREG plans to introduce a quality factor into the revenue formula to reflect asset performance and customer service and ensure that companies do not deliberately postpone investment spending to the detriment of asset quality. During 2017-20, companies will report their performances against certain measures, with a quality factor to incentivise the above-average performance to be included in the next regulatory period from 2021.

Final ratings incorporate two notches of rating uplift

The DSOs which comprise the Fluvius Economic Group and act as guarantors of Fluvius's debt are owned by most of the municipalities in the Flemish Region. Consequently, Fluvius and the Fluvius Economic Group fall within the scope of our Government-Related Issuers rating methodology, published in June 2018.

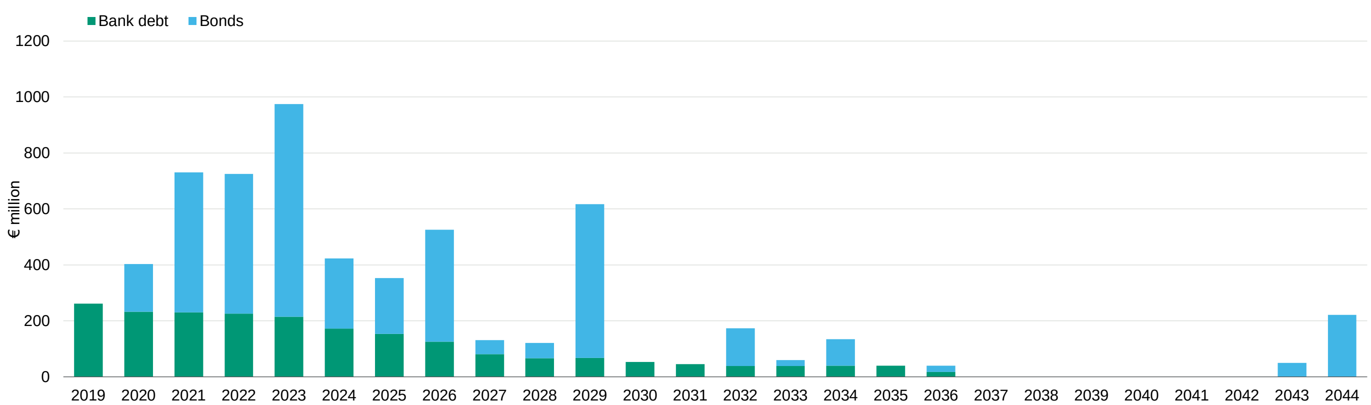
The final A3 rating incorporates two notches of uplift from the Fluvius Economic Group's standalone credit quality, expressed as a Baseline Credit Assessment of baa2, taking into account (1) the credit quality of the Community of Flanders; (2) our assessment that there is a strong probability of the Community providing support to the DSOs and/or its shareholding municipalities if either were in financial distress; and (3) a high level of default dependence (that is, the degree of exposure to common drivers of credit quality) because of the entirely domestic operations of the Fluvius Economic Group and its close association with its owners and the region.

The Community of Flanders (1) is ultimately responsible for the organisation of the electricity and gas market and for the distribution of energy with in the Flemish Region, which is considered a public service; and (2) would be indirectly affected by any difficulties (including financial problems) experienced by the entities entrusted with this task. Consequently, the Community of Flanders is deemed to be the supporting entity for the purposes of the Government Related Issuers rating methodology.

Liquidity analysis

Following the strong cash flow generation in recent years on the back of regulatory receivable recoveries, Fluvius' liquidity position is currently strong. However, the decrease in allowed revenue, combined with the increase in capital spending and a high dividend payout, will require a continuous access to capital markets.

Exhibit 10
Debt maturity profile for Fluvius Economic Group



Sources: Fluvius, Moody's Investors Service

Aside from ongoing cash flow generated from the utilities' monopoly network activities, the economic group's primary sources of committed liquidity are revolving credit facilities in an aggregate amount of €450 million (€200 million of which is committed until December 2020 and the rest renewed annually). These were undrawn as of 31 December 2018.

In addition, Eandis' €522 million commercial paper programme was turned into a €500 million commercial paper programme for Fluvius in the first quarter of 2019. No amounts were outstanding as of 31 December 2018 on Eandis' programme.

Rating methodology and scorecard factors

Fluvius is rated in accordance with the rating methodologies for Regulated Electric and Gas Networks, published in March 2017 and Government-Related Issuers, published in June 2018.

Exhibit 11

Rating factors

Fluvius System Operator CVBA

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 12/31/2018		Moody's 12-18 Month Forward View As of July 2019 [3]	
Factor 1 : Regulatory Environment and Asset Ownership Model (40%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Regime	A	A	A	A
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Ability and Timeliness)	A	A	A	A
d) Revenue Risk	A	A	A	A
Factor 2 : Scale and Complexity of Capital Program (10%)				
a) Scale and Complexity of Capital Program	A	A	A	A
Factor 3 : Financial Policy (10%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Factor 4 : Leverage and Coverage (40%)				
a) FFO Interest Coverage (3 Year Avg)	5.9x	Aa	4x - 4.5x	A
b) Net Debt / Fixed Assets (3 Year Avg)	66.7%	Baa	60%	Baa
c) FFO / Net Debt (3 Year Avg)	15.2%	Baa	10% - 12%	Baa
d) RCF / Net Debt (3 Year Avg)	11.8%	Baa	5.5% - 7.5%	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual BCA				baa2
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				baa2
b) Government Local Currency Rating				Aa2 STA
c) Default Dependence				Strong
d) Support				High
e) Final Rating Outcome				A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2018.
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate any significant acquisitions or divestitures.
Historical metrics are based on three-year average including metrics for Eandis Economic Group for 2016 and 2017 and Fluvius Economic Group for 2018 (which included the contribution of Eandis for 12 months and of Infrax for 6 months)
Source: Moody's Financial Metrics™

Ratings

Exhibit 12

Category	Moody's Rating
FLUVIUS SYSTEM OPERATOR CVBA	
Outlook	Stable
Bkd Issuer Rating -Dom Curr	A3
Bkd Senior Unsecured -Dom Curr	A3

Source: Moody's Investors Service

Appendix

Exhibit 13

Peer comparison

Numbers presented for the Fluvius Economic Group

	Fluvius Economic Group A3 Stable			Terega SA Baa2 Stable			2i Rete Gas S.p.A. Baa2 Stable			RESA S.A. A2 Stable		
(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-15	FYE Dec-16	FYE Dec-17
Revenue	2,454	2,652	2,944	467	471	476	585	591	674	272	264	281
EBITDA	1,046	1,274	1,435	312	314	292	405	425	481	125	121	129
Total Assets	8,978	8,667	14,328	1,800	1,832	1,940	3,412	4,165	4,800	1,419	1,467	1,484
Total Debt	6,093	5,516	6,444	1,401	1,416	1,466	2,233	2,886	3,380	281	576	568
Net Debt	6,091	5,484	6,423	1,352	1,398	1,451	2,050	2,070	2,693	281	533	531
FFO / Net Debt	11.6%	17.2%	16.9%	15.3%	15.5%	14.2%	14.6%	14.2%	13.5%	33.6%	16.7%	17.9%
RCF / Net Debt	8.9%	13.8%	12.8%	9.4%	10.0%	8.6%	10.4%	10.1%	10.3%	31.1%	7.7%	12.9%
(FFO + Interest Expense) / Interest Expense	4.5x	6.4x	6.9x	5.6x	5.9x	5.6x	7.0x	4.9x	7.1x	14.3x	9.0x	11.8x
Net Debt / EBITDA	5.8x	4.3x	4.5x	4.3x	4.5x	5.0x	5.1x	4.9x	5.6x	2.2x	4.4x	4.1x

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last 12 Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade, BCA = Baseline Credit Assessment.
Source: Moody's Financial Metrics™

Exhibit 14

Debt adjustment breakdown

Numbers presented for the Fluvius Economic Group

(in EUR million)	FYE Dec-13	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18
As Reported Total Debt	4,968.3	6,049.7	6,161.2	6,011.1	5,446.6	6,123.6
Pensions	190.5	187.9	174.1	38.5	25.5	265.3
Leases	46.9	47.2	43.8	43.3	43.1	55.1
Non-Standard Public Adjustments	16.6	13.1	11.1	0.5	0.3	0.3
Moody's Adjusted Total Debt	5,222.3	6,297.8	6,390.2	6,093.3	5,515.6	6,444.4
Cash & Cash Equivalents	(5.0)	(8.9)	(3.7)	(2.7)	(31.4)	(21.7)
Moody's Adjusted Net Debt	5,217.2	6,288.9	6,386.5	6,090.6	5,484.1	6,422.7

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

Exhibit 15

Fluvius System Operator CVBA - Selected Moody's-adjusted historical financials

Numbers presented for the Fluvius Economic Group

(in EUR million)	FYE Dec-13	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18
INCOME STATEMENT						
Revenue	2,212.8	2,148.6	2,315.7	2,454.3	2,651.9	2,943.7
EBITDA	842.9	674.5	777.6	1,046.0	1,273.8	1,434.8
EBIT	548.7	376.0	474.8	753.6	983.2	1,077.4
Interest Expense	197.4	202.6	210.7	201.9	173.3	186.1
BALANCE SHEET						
Total Debt	5,222.3	6,297.8	6,390.2	6,093.3	5,515.6	6,444.4
Net Debt	5,217.2	6,288.9	6,386.5	6,090.6	5,484.1	6,422.7
Total Liabilities	6,087.9	7,578.0	7,766.5	7,565.1	6,727.3	8,467.9
Net Property Plant and Equipment	7,660.8	7,792.8	7,844.3	7,847.3	7,902.2	11,237.4
Total Assets	8,629.0	9,649.8	9,003.6	8,977.8	8,666.6	14,327.6
CASH FLOW						
Funds from Operations (FFO)	584.7	520.1	422.7	709.1	942.9	1,087.8
Cash Flow From Operations (CFO)	460.0	(325.1)	1,293.6	770.3	1,207.4	1,066.2
Dividends	232.8	190.2	185.6	165.8	185.4	266.6
Retained Cash Flow (RCF)	351.9	329.9	237.0	543.4	757.5	821.2
Capital Expenditures	(530.6)	(464.7)	(401.0)	(344.8)	(396.2)	(521.9)
Free Cash Flow (FCF)	(303.3)	(980.0)	706.9	259.7	625.8	277.7
FFO / Net Debt	11.2%	8.3%	6.6%	11.6%	17.2%	16.9%
RCF / Net Debt	6.7%	5.2%	3.7%	8.9%	13.8%	12.8%
FCF / Net Debt	-5.8%	-15.6%	11.1%	4.3%	11.4%	4.1%
PROFITABILITY						
EBIT margin %	24.8%	17.5%	20.5%	30.7%	37.1%	36.6%
EBITDA margin %	38.1%	31.4%	33.6%	42.6%	48.0%	48.7%
INTEREST COVERAGE						
FFO Interest Coverage	4.0x	3.6x	3.0x	4.5x	6.4x	6.9x
LEVERAGE						
Debt / EBITDA	6.2x	9.3x	8.2x	5.8x	4.3x	4.5x
Net Debt / EBITDA	6.2x	9.3x	8.2x	5.8x	4.3x	4.5x
Debt / Book Capitalization	67.6%	72.8%	80.6%	77.9%	71.6%	50.6%
Net Debt / Fixed Assets	68.1%	80.7%	81.4%	77.6%	69.4%	57.2%

All figures are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated. LTM = Last 12 Months.

Source: Moody's Financial Metrics™

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