



---

# Prozess, Methodik & Monitoring von Unternehmensratings

DIRK-Roundtable Fixed Income

# Agenda

1. Überblick über Moody's
2. Bedeutung & Rolle von Ratings
3. Der Rating-Prozess
4. Bereinigung von Jahresabschlusszahlen
5. Industriesektoren, Rating-Methodik und Peer-Vergleich

# 1

## Moody's im Überblick

# MOODY'S

## MOODY'S INVESTORS SERVICE

68% von Moody's Gesamtumsatz: \$2,265mm

### Rating & Research

- » Unternehmen
- » Finanzinstitute
- » Strukturierte Finanzierungen
- » Projektfinanzierung
- » Öffentliche Schuldner

## MOODY'S ANALYTICS

32% von Moody's Gesamtumsatz : \$1,068mm

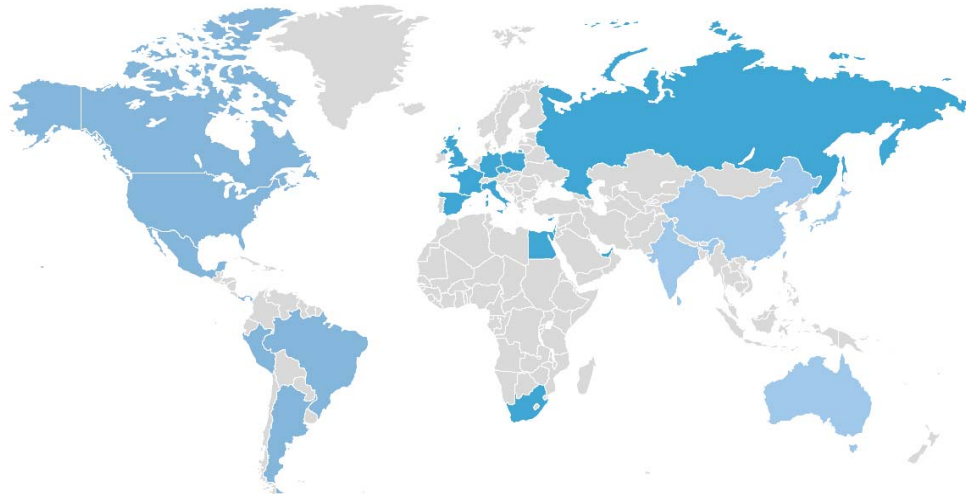
### Scoring

- » Gesamtwirtschaftliche Analysen
- » Instrumente zur Bewertung des regulatorischen und ökonomischen Eigenkapitals
- » Vertrieb von Research
- » Schulungen

# Moody's Investors Service

Dank einer Vielzahl von Methodiken liefert Moody's eine Branchenspezifische Ratinganalyse

## Weltweite Marktabdeckung



- » Bewertet Unternehmen in über 120 Ländern weltweit
- » 11,000 Industrie Unternehmen
- » 21,000 Public Finance Emittenten
- » 72,000 Strukturierte Finanzierungen
- » Offices in über 25 Länder
- » Über 350 Corporate Finance Analysten weltweit

### Americas Offices

USA  
Kanada  
Argentinien  
Brasilien

Mexico  
Panama\*  
Peru\*

### EMEA Offices

Ägypten\*  
Deutschland  
Frankreich  
Italien

Israel\*  
Polen  
Russland\*  
Spanien

Südafrika  
Tschechien  
UK

VAE  
Zypern

### Asia-Pac Offices

Australien  
China\*  
Hong Kong  
Indien\*

Japan  
Korea\*  
Singapur  
Sri Lanka

***Moody's verfügt über fundierte Kenntnisse in den verschiedensten Industriesektoren, welche eine Schlüsselrolle in der Ratinganalyse darstellt.***

\*Ländern in denen verbundene Unternehmen von Moody's Investors Service angesiedelt sind

# 2

## Bedeutung & Rolle von Ratings

# Welche Bedeutung haben Ratings?

- 1 Ratings geben Auskunft über Kreditrisiken (Ausfallwahrscheinlichkeit und Verlusthöhe)
- 2 Genaues, stabiles Maß des relativen Kreditrisikos
- 3 Niedrige (absolute) Ratings weit vor tatsächlichen Ausfällen
- 4 Ratingeinschätzung über den gesamten Konjunkturzyklus hinweg

**Ratings treffen keine Aussage über sonstige Marktrisiken, wie Liquiditätsrisiken**

# Die Rolle von Ratings

## Befriedigung von Bedürfnissen des Marktes

- Fundierte Analysen
- Symbole zu Einschätzung
- Vergleichbarkeit durch breite Markt- und Branchenabdeckung
- Öffentlich zugängliche Einschätzungen

## Einheitliche Sprache der Finanzmärkte

- Einfach zu verstehende Bezugsgröße
- Förderung des Dialogs und der Debatte
- Transparenz & Informationsfluss
- Steigerung der Marktintegrität und -effizienz

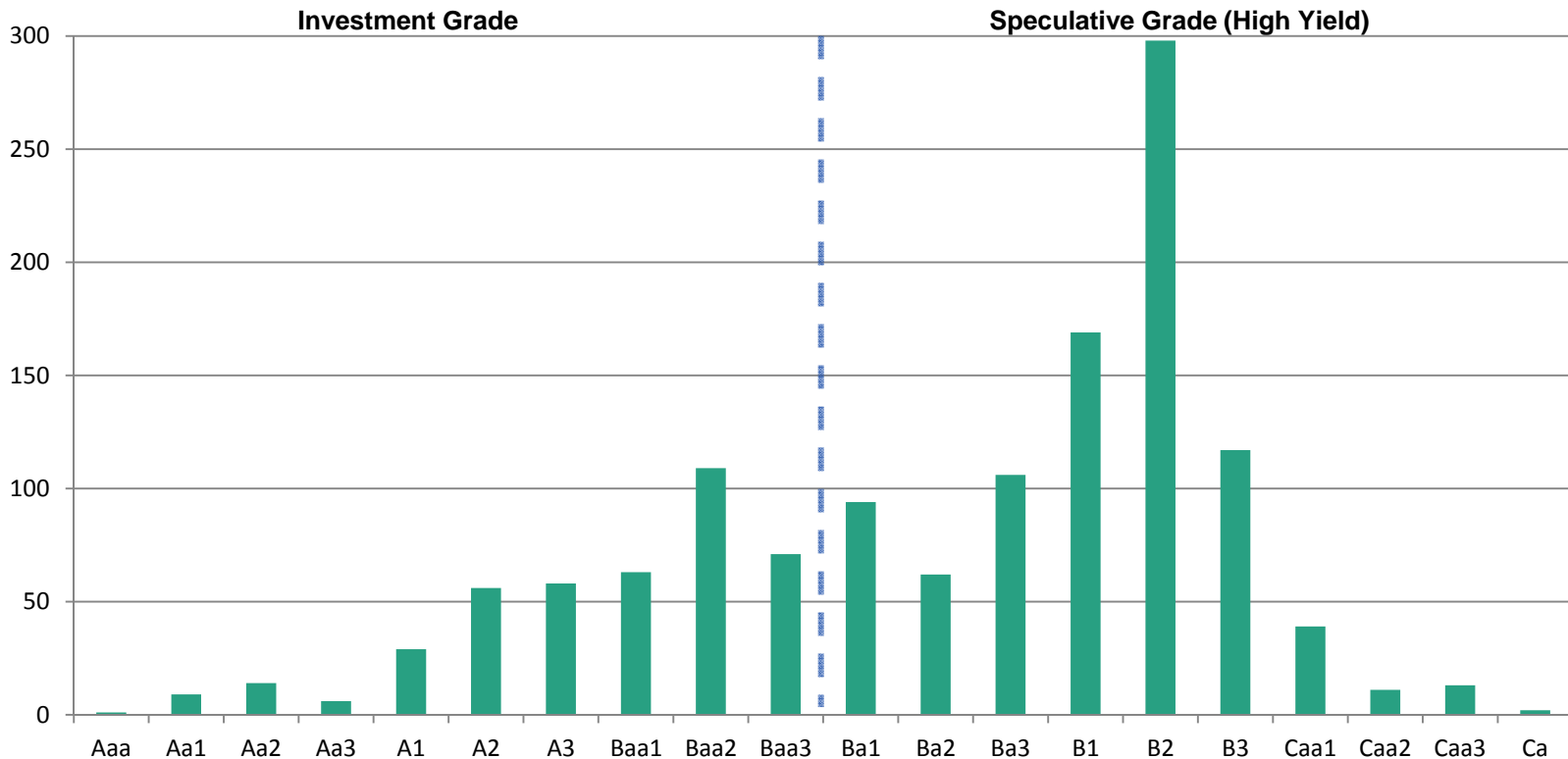
## Ratings helfen Marktteilnehmern

- Fundiertere Anlageentscheidungen zu Kreditrisiken zu treffen
- Erleichtern Emittenten den Zugang zum Kapitalmarkt



# Verteilung von Ratings in EMEA

Unternehmens-Ratings eher im Hochzinsbereich konzentriert



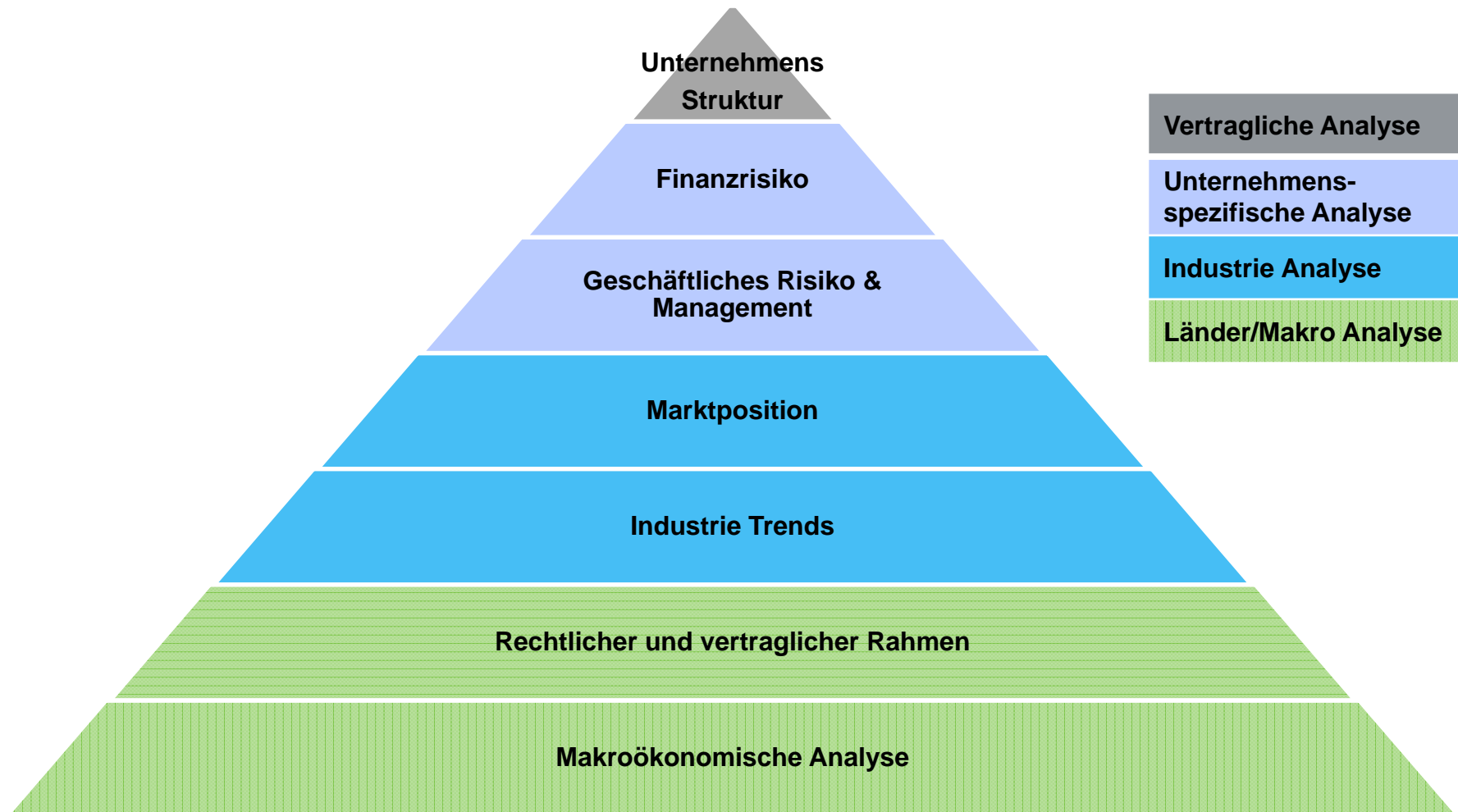
Quelle: Moody's Investors Service – 30 Juli 2015

**Hohe Zahl der Ratings der Kategorie B ist auf Sponsor-Finanzierungen zurückzuführen**

# 3

## Der Rating-Prozess

# Grundlegende Elemente eines Moody's Ratings



# Ratingprozess – vereinfachte Darstellung

## Geschäftsrisiko

Niedrig

Mittel

Hoch

- » Ein Geschäftsmodell mit geringem operativen Risiko und vorhersehbaren, stabilen Cashflows kann schwächere Finanzkennzahlen besser ausgleichen als ein riskantes Geschäftsmodell für die gleiche Ratingkategorie.

+

## Finanzielles Risiko

- » Kennzahlenanalyse über einen typischerweise 2-3-jährigen Zeithorizont mit Stresstest
- » Bereinigung der Jahresabschlusszahlen

=

## RATING

- » Gegenüberstellung von Finanzparametern und operativen Risiken mit Ratingkategorien
- » Ratings sind in die Zukunft gerichtet und basieren auf den heutigen und erwarteten Geschäfts- und finanziellen Risiken, welche durch die Unternehmensstrategie beeinflusst werden

# Monitoring eines Ratings



# Teilnehmer | Rating Committee

## Analytisches Team

Lead Analyst

Back Up Analyst

Associate

## RC Vorsitzender

Managing Director

or

Senior Vice President  
Senior Credit Officer  
(Enhanced)

## Weitere Teilnehmer

Globale/Regionale Mitglieder  
des analytischen Teams

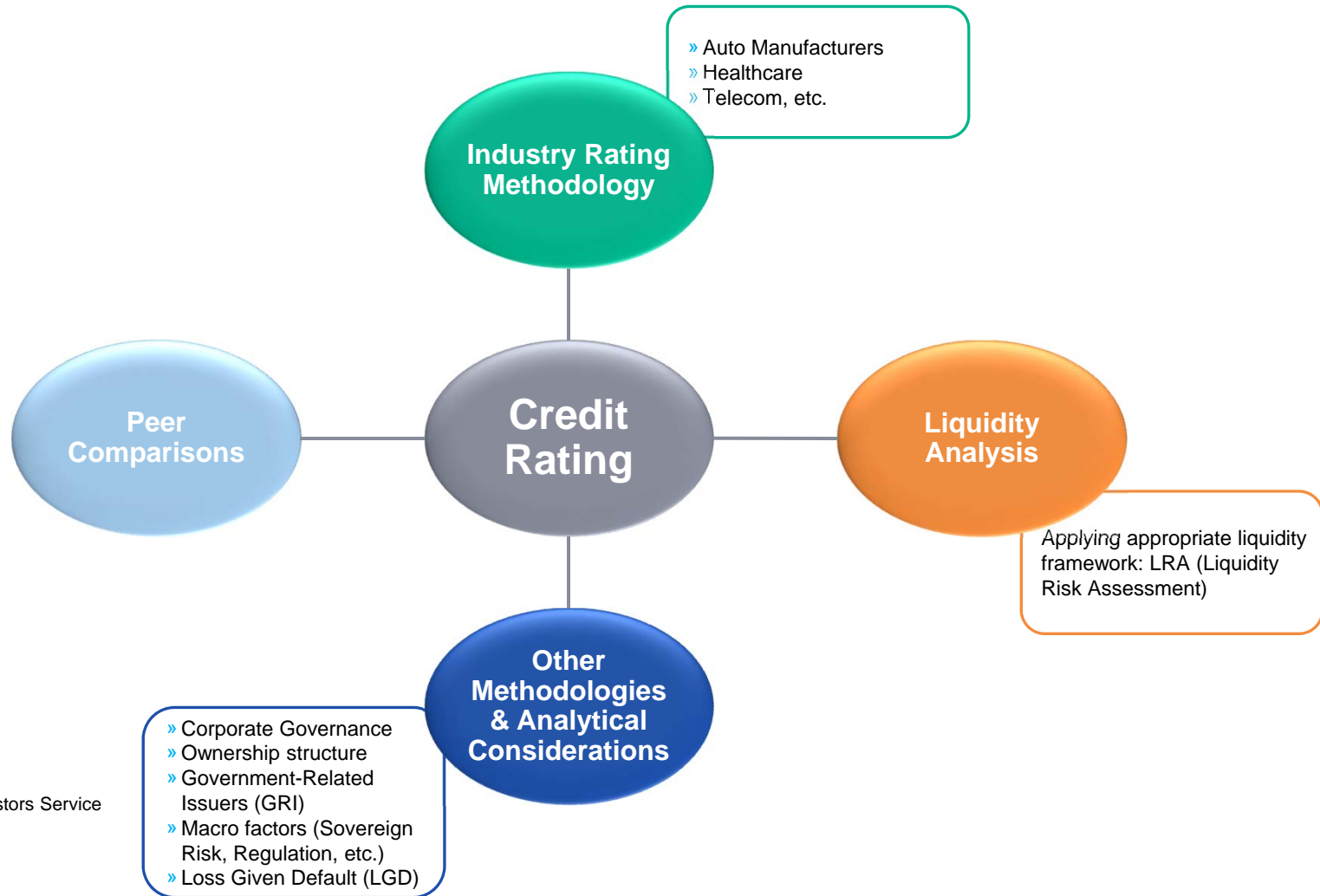
Analysten aus anderen  
Sektoren

Spezialisten – Accounting/  
Governance/Operational  
Risk/Legal Analysts

Senior Management (e.g.  
Franchise Credits, Senior RC)

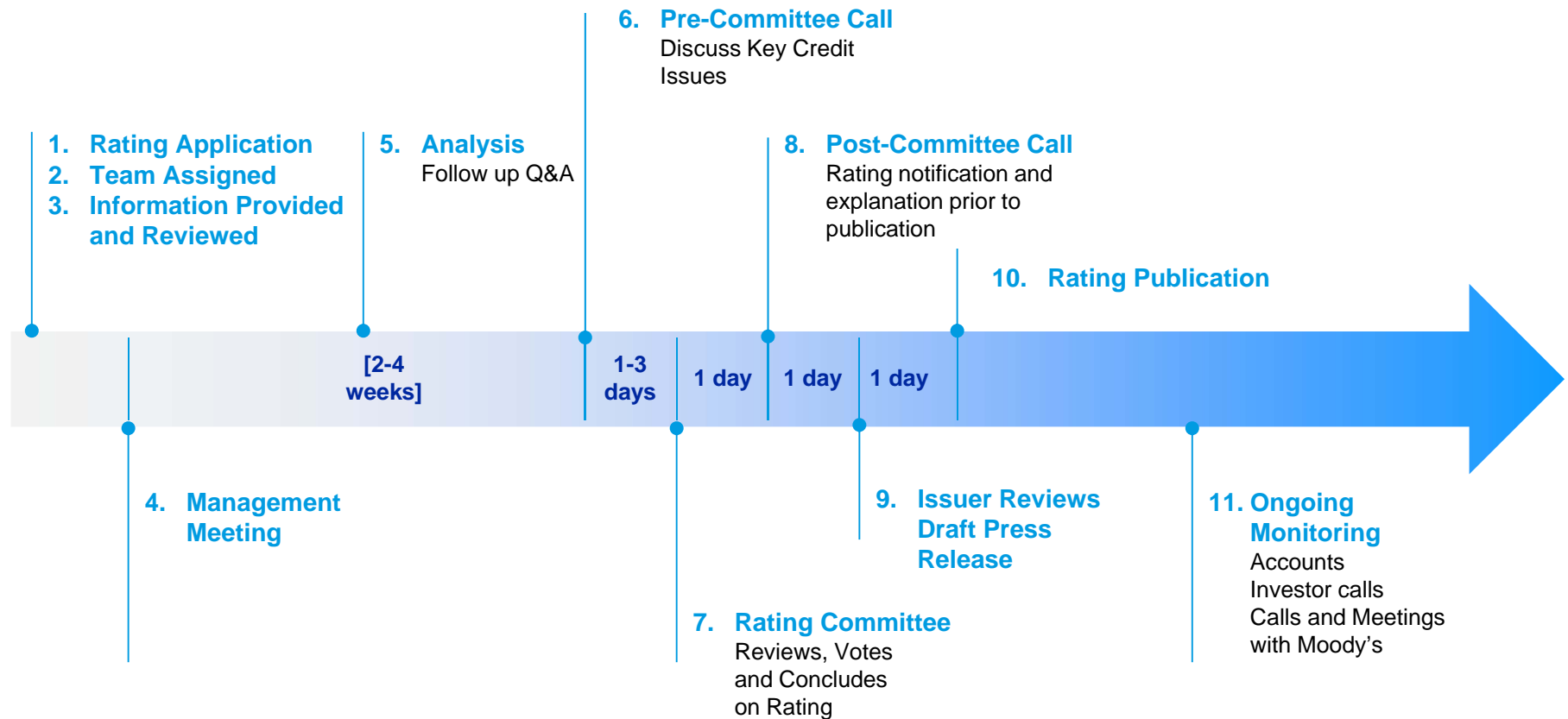
Credit Policy

# Kernthemen einer Diskussion im Ratingkomitee



Source: Moody's Investors Service

# Prozess und Informationsfluss bei neuen Ratings





# 4

## Bereinigung von Jahresabschlusszahlen

# Ansatz zur Bereinigung von Jahresabschlusszahlen

Moody's bereinigt Finanzkennzahlen um eine bessere Vergleichbarkeit zu erstellen und um die realen wirtschaftlichen Gegebenheiten widerzuspiegeln.



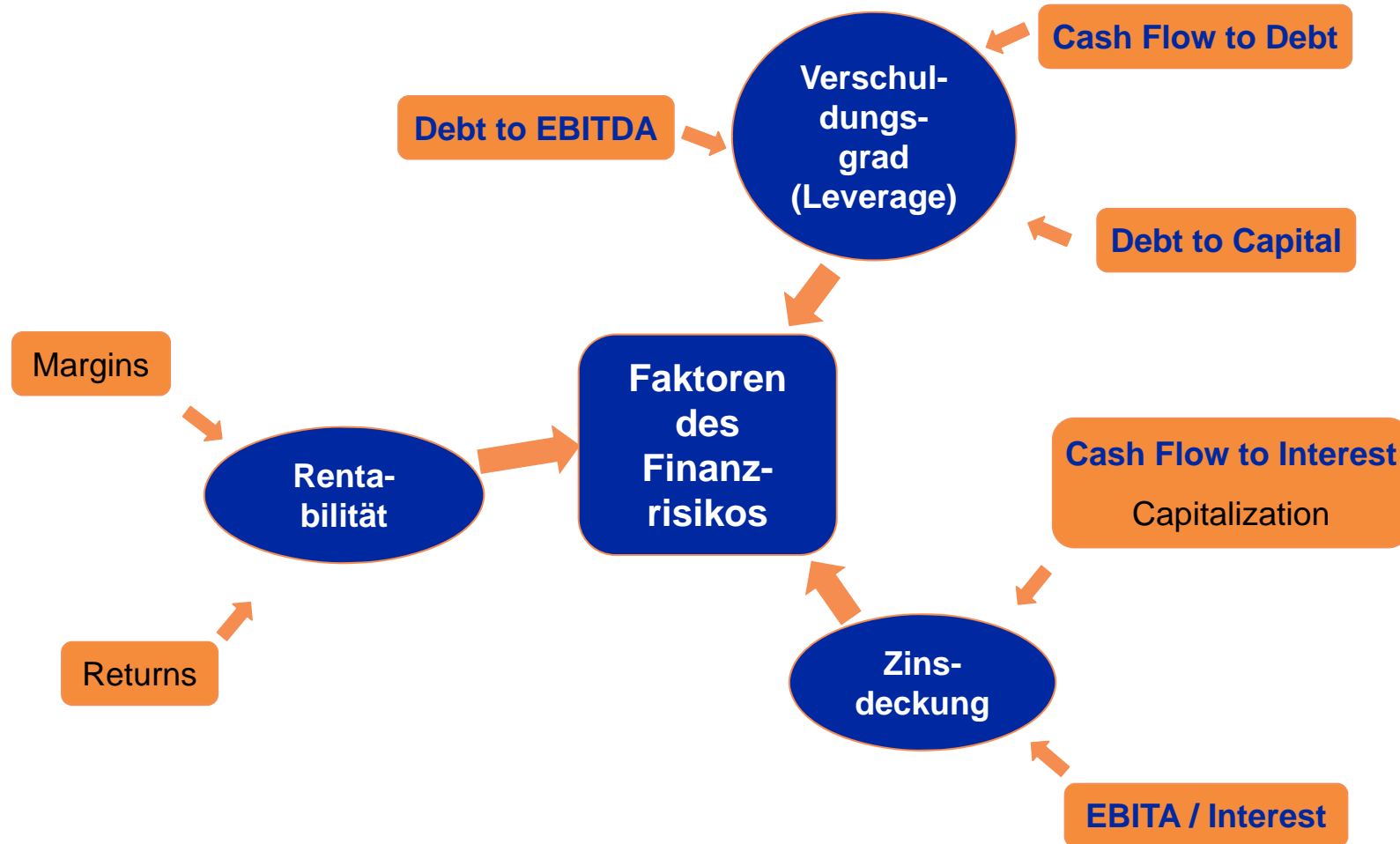
## Beispiel: Adjustierung der Finanzverschuldung am Fall von Continental AG (Baa1 / Stable)

<b>Debt Capitalization</b>	12/31/12	12/31/13	12/31/14	LTM (06/15)	
	Ba2/POS Outst. Bal	Baa3/STA Outst. Bal	Baa3/STA Outst. Bal	Baa3/STA Outst. Bal	
<b>Short Term Debt</b>	3,613	1,099	1,354	4,229	} Verschuldung aus Finanzbericht
<b>Long Term Debt</b>	4,641	5,539	5,077	2,775	
<b>Total Unadjusted Debt</b>	8,253	6,638	6,432	7,004	
<b>Standard and Analyst Adjustments</b>					
Pension Adjustments	2,370	2,217	3,241	3,241	} Adjustierung durch Moody's
Operating Lease Adjustments	533	591	761	761	
Hybrid Securities Adjustments					
Securitization Adjustments					
Analyst Adjustments	78	61	70	70	
<b>Total Adjusted Debt</b>	11,235	9,507	10,503	11,076	

Quelle: Moody's Financial Metrics

Adjustierungen können substantial sein und das Kreditprofil einer Firma beeinflussen

# Welche Kennzahlen sind von Interesse und Warum...

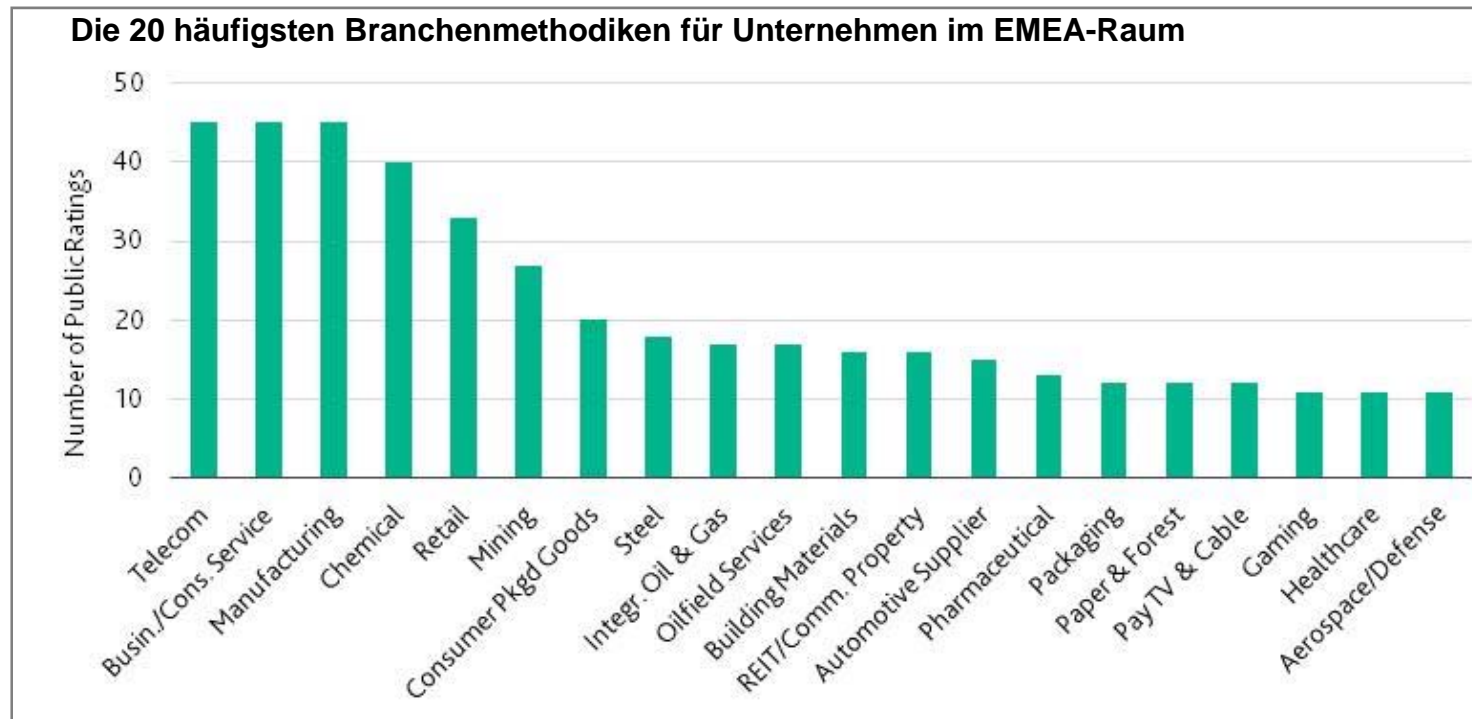


# 5

## Industriesektoren, Rating-Methodik und Peer-Vergleich

# Analytischer Rahmen für Moody's-Ratings

Methodiken sind vereinfachte Rahmenwerke zur Erhöhung der Transparenz und nicht dazu gedacht, die gesamte Ratinganalyse darzustellen

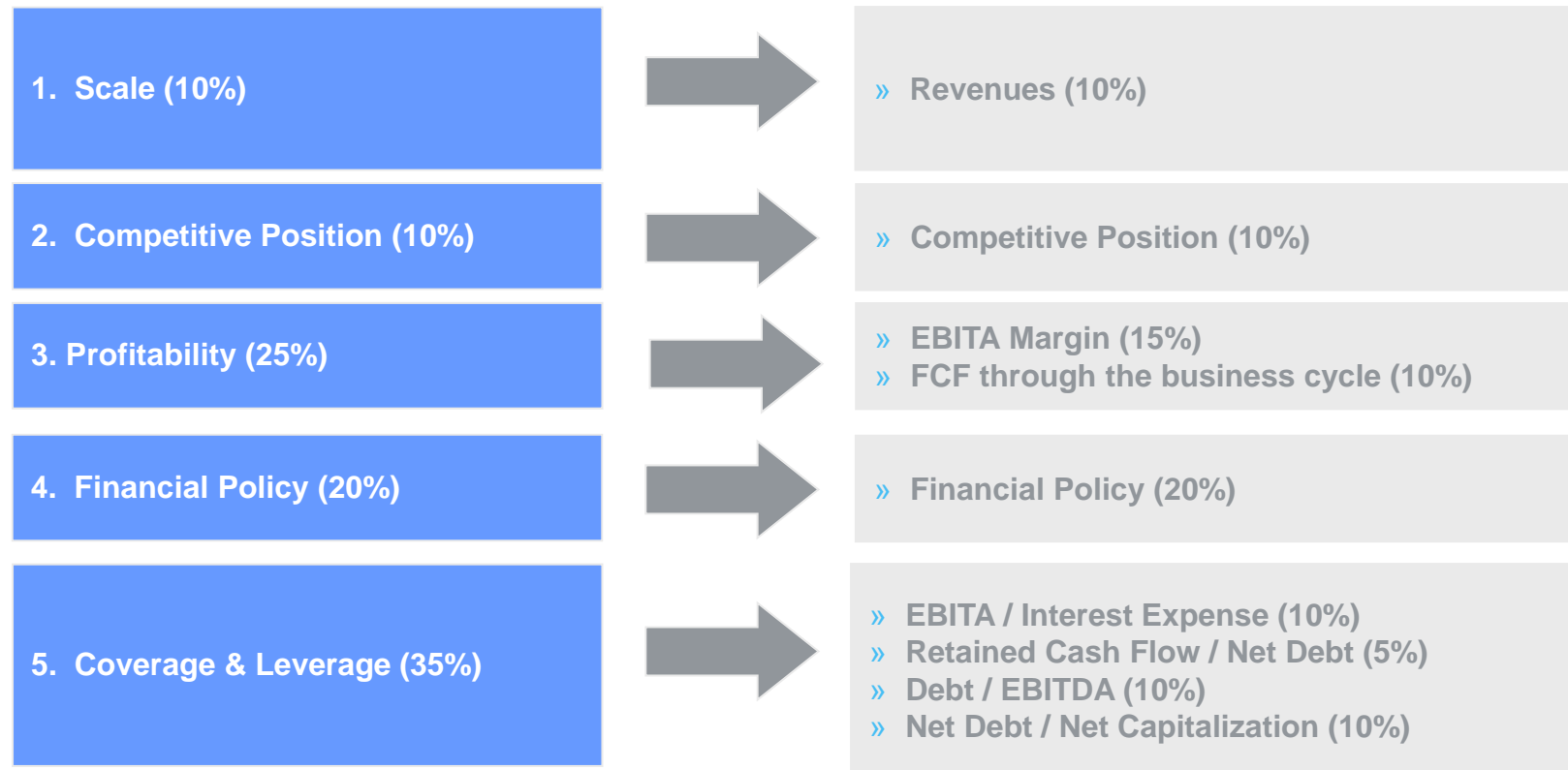


Quelle: Moody's Investors Service

Sie ermöglichen einen maßgeschneiderten Ansatz unter Berücksichtigung branchenspezifischer Besonderheiten.

# Branchenmethodik: Global Automotive Supplier

## Moody's Global Automotive Supplier Methodology



# Forward Looking Methodology Grid für Continental AG

Continental AG

Automotive Supplier Industry Grid [1][2]	Current LTM 3/31/2015		[3]Moody's 12-18 Month Forward ViewAs of 6/30/2015	
Factor 1 : Scale (10%)	Measure	Score	Measure	Score
a) Revenue (USD Billion)	\$45.3	Aa	\$50	Aa
Factor 2 : Competitive Position (10%)				
a) Competitive Position	Aa	Aa	Aa	Aa
Factor 3 : Profitability and Cash Flow (25%)				
a) EBITA Margin	11.3%	Baa	11.5% - 12%	Baa
b) FCF Through the Business Cycle	A	A	A	A
Factor 4 : Financial Policy (20%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Factor 5 : Coverage and Leverage (35%)				
a) EBITA / Interest	11.2x	Aa	11x - 13x	Aa
b) Retained Cash Flow / Net Debt	45.2%	A	50% - 55%	A
c) Debt / EBITDA	2.0x	Baa	1.7x - 1.8x	Baa
d) Capital Structure: Net Debt / Net Capitalization	41.0%	Ba	37% - 40%	Ba
Rating:				
a) Indicated Rating from Grid		A3		A3
b) Actual Rating Assigned				Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 3/31/2015(L); Source: Moody's Financial Metrics [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.

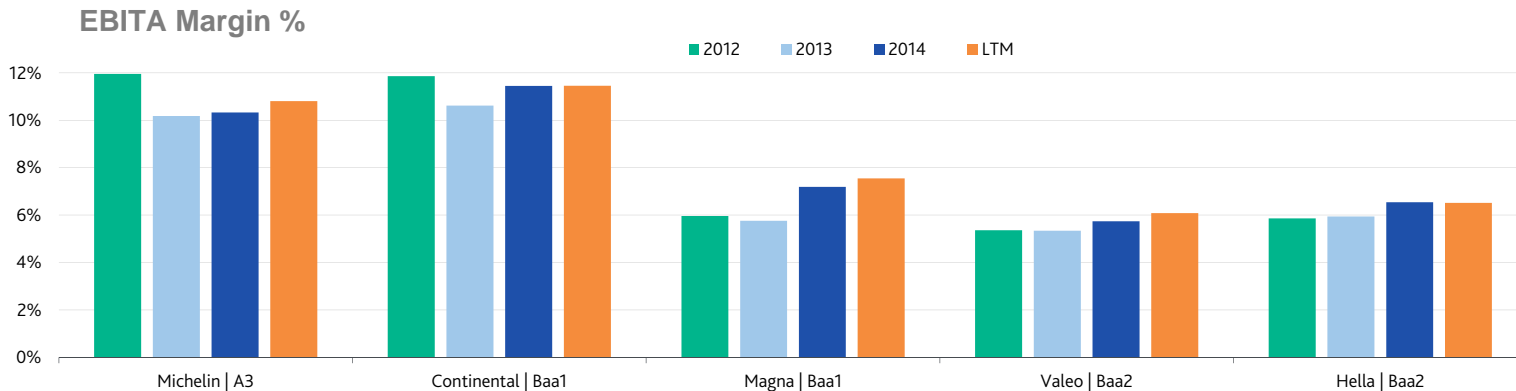
Quelle: Moody's Investors Service

**Methodik-Grid stellt einen Startpunkt für das Rating dar. Rating-Komitee-Teilnehmer evaluieren und diskutieren weitere Faktoren, welche das Rating beeinflussen.**

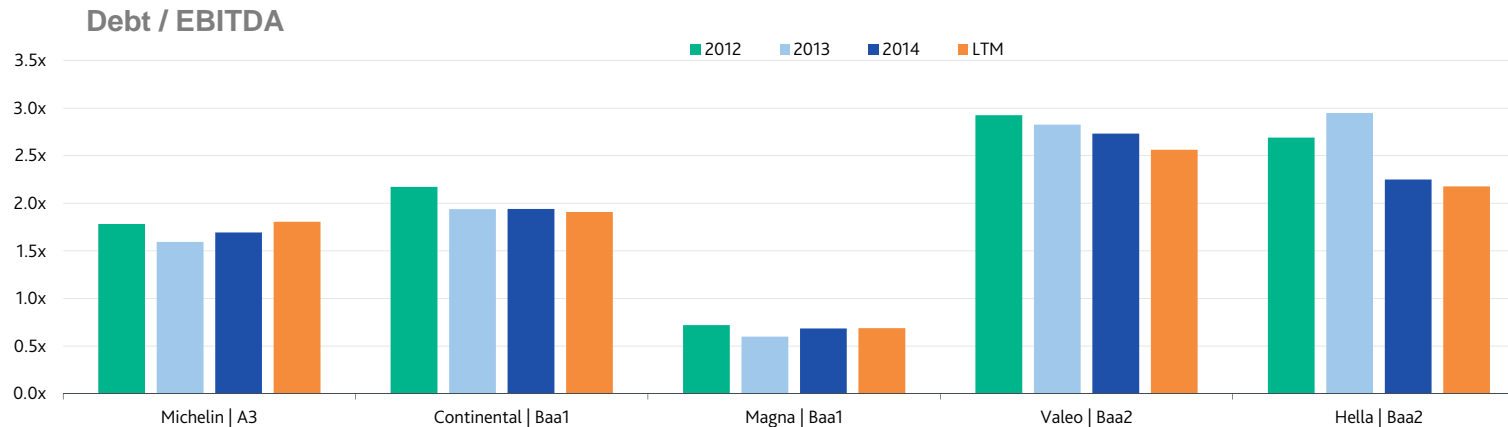
**Ein Faktor für die Differenz zwischen Grid und erteiltem Rating ist die Unsicherheit, welche aus Schäfflers 46% Beteiligung an Continental resultiert.**



# Peer Vergleich - Automotive Supplier



Quelle: Moody's Financial Metrics



Quelle: Moody's Financial Metrics

**Neben verschiedenen Finanzkennzahlen fokussiert sich der Peer-Vergleich auf den Unterschied von Unternehmensprofil, Produktportfolio, Marktposition, geografische Diversifizierung, ...**

**Matthias Hellstern**

Managing Director, Corporate Finance Group

Moody's Deutschland GmbH

[Matthias.Hellstern@moodys.com](mailto:Matthias.Hellstern@moodys.com)



# Anhang

# EMEA Industry Sector Outlook (ISO)



ISO reflect Moody's expectations for the fundamental business conditions in the industry over the next 12-18 months

\* Indicate Moody's Global industry outlook. All other Outlooks are EMEA specific

# Moody's Rating Scale – Long Term

MEANING		
INVESTMENT GRADE	Aaa	Obligations rated AAA are judged to be of the highest quality, with minimal credit risk.
	Aa1	Obligations rated AA are judged to be of high quality and are subject to very low credit risk.
	Aa2	
	Aa3	
	A1	Obligations rated A are considered upper-medium grade and are subject to low credit risk.
	A2	
	A3	
	Baa1	Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may process certain speculative characteristics.
	Baa2	
Baa3		
SPECULATIVE GRADE	Ba1	Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.
	Ba2	
	Ba3	
	B1	Obligations rated B are considered speculative and are subject to high credit risk.
	B2	
	B3	
	Caa1	Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.
	Caa2	
	Caa3	
	Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C	Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.	

# Moody's Long-Term Ratings – An Overview

## Long-Term Rating

- » An opinion, assigned to issuers or obligations with a maturity of a year or more
  - Reflects likelihood of default; and
  - The expected financial loss in the event of default

## Outlook

- » An opinion regarding the likely rating direction over the medium term
- » Generally assigned at issuer level

### Investment Grade

#### Issuer Rating

- » An opinion on the ability of an issuer to honour its senior unsecured debt and debt-like obligations

## Components of the Investment Grade Rating

### Obligation or Instrument Rating

long-term rating assigned to a company or issuer's obligation

### Speculative Grade

#### CFR – Corporate Family Rating

- » An opinion, assigned to a corporate family as if it had a
  - Single class of debt; and
  - Single consolidated structure
- » Does not reference an obligation

## Components of the Speculative Grade Rating

### Obligation or Instrument Rating

long-term rating assigned to a family entity's obligation

### PDR – Probability of Default Rating

likelihood that a family entity will default on an obligation

### LGD – Loss Given Default Assessment

expected loss, given a default, of a family entity's obligation

# Moody's Research and Data

Providing the debt industry with in-depth analysis and opinions that focus on the long-term

## Moody's Publications for the New Issuer

**Moody's INVESTORS SERVICE**  
Rating Action: **Moody's assigns B3 CFR to Chromaflo; outlook stable**  
Global Credit Research - 07 Nov 2013  
First-time rating assignment

**Moody's INVESTORS SERVICE**  
Credit Opinion: **Chromaflo Acquisition Company LP**  
Global Credit Research - 20 Nov 2014  
Ohio, United States

**Moody's INVESTORS SERVICE**  
NEW ISSUER REPORT  
Lodha Developers Private Limited  
India  
November 26, 2014

**Table of Contents:**

SUMMARY	1
CORPORATE PROFILE	2
RATING RATIONALE	3
RATING OUTLOOK	3
WHAT COULD CHANGE THE RATING UP	3
WHAT COULD CHANGE THE RATING DOWN	3
RATING DRIVERS	4
KEY RATING CONSIDERATIONS	4
STRUCTURAL CONSIDERATIONS	9
LIQUIDITY	10

**Summary**

On 24 November, we assigned a provisional (P)B3 corporate family rating (CFR) to Lodha Developers Private Limited (LDPL). We also assigned a provisional (P)B3 rating to the proposed bonds. The outlook on the ratings is stable. The CFR is provisional and contingent on the company successfully completing the bond issuance as planned.

**Largest real estate developer in India with dominant market position in Mumbai.** LDPL is the largest real estate developer in India in terms of the value of sales, area sold and size of its land bank. In Mumbai, it has the largest market share among all developers and its sales exceed the combined total of its next four competitors.

### Press Release

Issued announcements for

- » New and subsequent public rating actions
- » Credit outlook changes.

### Credit Opinion

- » A detailed, forward-looking, explanation of the rating rationale and opinion.
- » Updated annually at a minimum.

### New Issuer Report

- » Provides investors with a detailed analysis of a first-time issuer

## Additional Moody's Research and Data

- » Issuer Financial Data – When not confidential, an issuers' financial data and Moody's-adjustments used by Moody's.
- » Issuer Comment – What today's news means for the credit profile of a company when it means no rating or outlook change.
- » Issuer & Sector In-Depth – Timely, forward-looking discussion of important credit issues affecting a specific issuer or sector.
- » Industry Outlook – Our detailed view of the fundamental business conditions for an industry over the next 12-18 months.
- » Moody's Credit Outlook – News and analysis; credit implications of current events

# Additional Moody's Research and Data

Providing the debt industry with in-depth analysis and opinions that focus on the long-term

## Moody's Publications for the New Issuer



### Issuer Comment

- » What today's news means for the credit profile of a company when it means no rating or outlook change.



### Issuer & Sector In-Depth

- » Timely, forward-looking discussion of important credit issues affecting a specific issuer or sector.



### Industry Outlook

- » Our detailed view of the fundamental business conditions for an industry over the next 12-18 months.



### Moody's Credit Outlook

- » News and analysis covering the credit implications of current events



© 2015 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.