

Research Update:

# French Real Estate Company in'li Assigned 'A-1' Short-Term Rating

March 5, 2020

## Rating Action Overview

France-based real estate company in'li owns a portfolio worth €7.9 billion as of end-2018, comprising residential assets in the intermediary housing segment located solely in the greater Paris region.

We are assigning our 'A-1' short-term issuer credit rating to in'li.

The 'A' long-term issuer credit rating and stable outlook on in'li are unchanged.

## Rating Action Rationale

We base our 'A-1' short-term rating on our 'A' long-term rating on in'li.

We expect the company will maintain strong liquidity over the next 12 months. We anticipate that liquidity sources will likely cover uses by more than 1.5x for the next 12 months started Jan. 1, 2020, and by more than 1.0x over the 24 months from the same date.

We estimate the company's principal liquidity sources for the 12 months started Jan. 1, 2020, as follows:

- €472 million of cash and liquid investments;
- €1,114 million of undrawn bank lines, including an €800 million revolving credit facility maturing in 2022 and a €250 million credit facility with the European Investment Bank maturing in 2049.
- Our estimate of €65 million-€70 million cash funds from operations;
- A €70 million capital injection from parent ALL; and
- €10 million-€15 million of proceeds from contracted asset sales.

We estimate the company's principal liquidity uses for the same period as:

- About €69 million of debt maturities for the next 12 months;
- €380 million-€390 million of committed investments, as part of the strategy to produce new

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housing; and

- About €14 million dividends.

### Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

### Ratings List

#### New Rating

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in'li

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Issuer Credit Rating --/--/A-1

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceld/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceld/504352) Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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