S&P Global Ratings

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Electricity Supply Board

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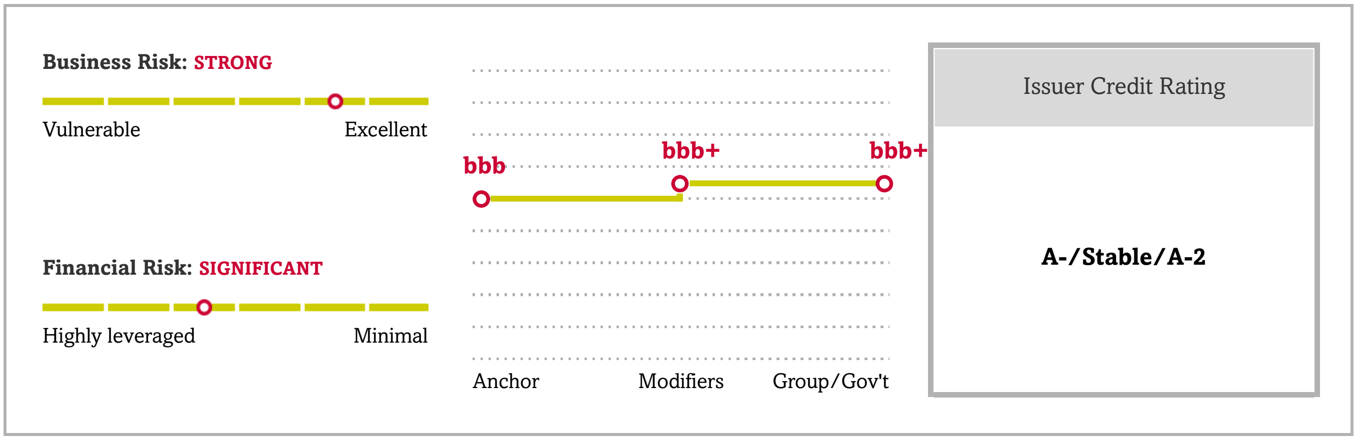
Electricity Supply Board



Credit Highlights

Key Strengths	Key Risks
Strong market position in the energy market in the Republic of Ireland.	Increased pressure on the generation and supply margins in 2018.
Stable and predictable regulated networks that generate more than two-thirds of EBITDA.	Increasing regulatory-reset risk scheduled for 2020.
Flexible financial policy.	Gradual shift in the energy-generation mix toward renewables.
Moderate support from the Irish government.	

State-owned utility Electricity Supply Board (ESB) has a strong position in Ireland's energy market. ESB is a diversified, vertically integrated utility, operating right across the Irish electricity market: from generation, through transmission and distribution, to customer supply.

Regulated networks generate the majority of ESB's EBITDA. ESB has a monopoly position as the electricity-asset owner of the transmission and distribution system for the Republic of Ireland (ROI) and Northern Ireland (NI). It also holds the license as operator of the electricity distribution system in both jurisdictions, through the ownership of its ring-fenced subsidiaries, ESB Networks DAC (ROI) and NIE Networks (NI). In our view, ESB benefits from moderate support from the Irish government, which owns 95% of the company.

Low-risk regulated network operations support a significant proportion of stable and predictable cash flows. More than two-thirds of ESB's cash flow comes from regulated activities with a strong assessment of the regulatory advantage.

ESB receives moderate support from the Irish government. In our view, ESB benefits from moderate support from the Irish government, which currently owns 95% of the company. ESB is the dominant Irish power generator and the monopoly power distributor.

ESB faces an increasing regulatory-reset risk, with the next review in Ireland scheduled for 2020. Regulatory periods are reviewed every five years in Ireland for the electricity sector (since 2001) and gas sector (since 2002). The current regulatory period for the electricity sector (PR4) started in January 2016, and will end on Dec. 31, 2020.

The Integrated Single Electricity Market (I-SEM) has weighed on generation and supply margins. The implementation of the I-SEM market in October 2018 has led to lower volumes and margins on average received by ESB. This coincided with lower plant running and downward pressure on energy markets. As a result, reported EBITDA for generation and trading declined to €230 million in 2018, compared with €377 million in 2017.

Outlook: Stable

The stable outlook on ESB reflects that on Ireland. It also stems from our expectation that ESB will be able to maintain funds from operations (FFO) to debt above 17%, based on its regulated network's stable contribution, and despite the sizable capital expenditure (capex) required for the transformation of its generation portfolio.

Downside scenario

We could lower the rating on ESB if we took a similar action on Ireland. If earnings became more volatile or if the group's profitability weakened, we could revise down ESB's stand-alone credit profile (SACP). This could stem from lower returns from the regulated network businesses--reflecting underperformance against regulatory allowances--or lack of recovery in the generation business.

The SACP could also come under pressure if the group's debt increased without a simultaneous increase in FFO generation. This could be caused by an unexpected increase in capex, a debt-financed acquisition, or higher-than-anticipated dividend payouts. At the current sovereign rating level, if we revised down the SACP by one notch, we would also lower the rating on ESB by one notch according to our government-related entity (GRE) methodology.

Upside scenario

We cap our ratings on ESB at the sovereign rating because the Irish government owns 95% of ESB, and a significant proportion of the group's earnings are regulated in, and originate from, Ireland. If we raised the rating on Ireland by one notch, the rating on ESB would not change, all else being equal.

We are unlikely to revise ESB's SACP upward over our three-year rating horizon, mainly because of the group's forecasted metrics due to its sizable and partly debt-financed capex program.

Our Base-Case Scenario

Full-year results for 2018

ESB's 2018 results were below our expectations. A combination of factors affected its generation activity and led to about 39% (€147 million) reduction in adjusted EBITDA, to €1.2 billion. The following factors affected results:

- Reduced running of I-SEM plants that led to lower volumes and spreads on average. Most of ESB's power stations secured contracts in the first I-SEM capacity auction, but some small and old thermal units did not.
- Unplanned outages at Moneypoint. All three main coal-fired turbines at the ESB's Moneypoint power station have been out of action for a number of months in the fourth quarter of 2018 and into early 2019. We understand that by April 2019, all three were already back online. Moneypoint is one of Ireland's largest generating stations with a total generation capacity of 915 megawatts (MW)--more than 20% of the installed capacity in Ireland.

- Lower spreads in Carrington offset by higher winds.

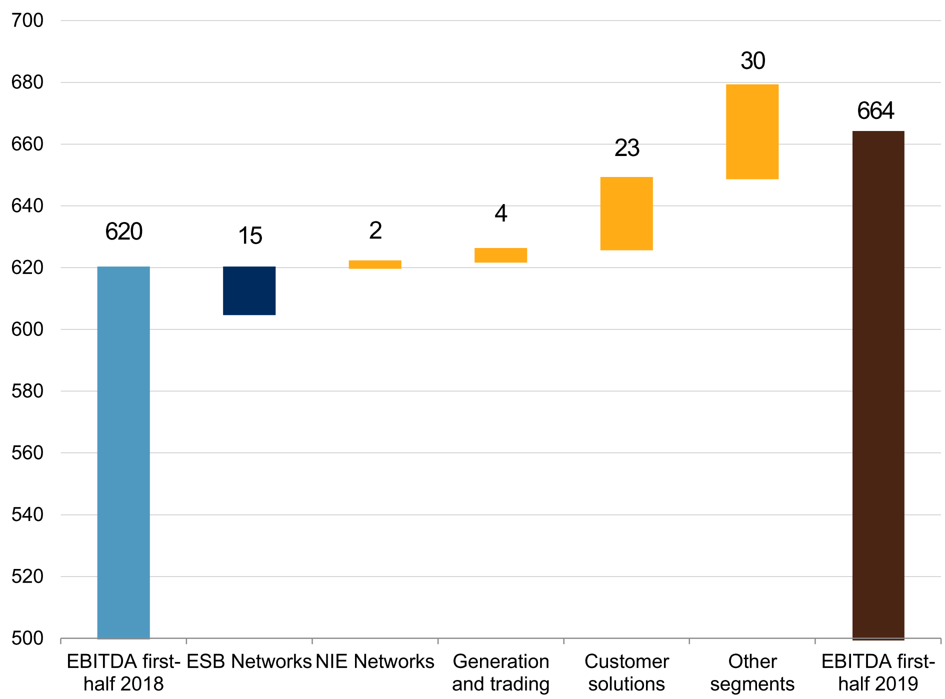
Although ESB substantially reduced dividend distribution in 2018 (€35 million compared with €116 million in 2017), this has not been enough to compensate for the EBITDA reduction, leading FFO to debt to decline to 15.6%. We view this performance as a one-off, and expect FFO to debt for 2019 to be above 17%.

Half-year results for 2019

ESB's performance in the first half of 2019 was in line with our expectations. Reported EBITDA increased by 7% and reached €664 million in the first half of 2019, from €620 million in the first half of 2018 (see chart 1).

Chart 1

Electricity Supply Board--EBITDA Evolution: First-Half 2019 Versus First-Half 2018



Source: Company data. H1--First half of the year.

Assumptions

Our base-case assumptions for 2019-2021 are:

- Real GDP growth rate for Ireland of 3.8% in 2019, 3.0% in 2020, and 3.0% in 2021.
- Continued regulatory visibility and high predictability of earnings from ESB's Ireland-based network operations as well as its subsidiary, NIE.
- Recovery in profitability with EBITDA margin of about 35%-37%. Moneypoint fully available as of April 2019.
- Annual capex around €1 billion-€1.1 billion over 2019-2021, with two-thirds invested in regulated networks.
- Dividend payouts of 40% of net income in 2019 and beyond.
- Exposure of nonregulated activities to competition and merchant risk (although ESB has been able to retain its market share).
- No major impact on the Irish electricity market from the U.K.'s vote to leave the EU.

Based on these assumptions, we arrive at the following S&P Global Ratings-adjusted credit measures over 2019-2021:

- EBITDA increasing to €1.3 billion-€1.4 billion over 2019-2021 from €1.2 billion in 2018.
- Debt increasing to more than €6.0 billion in 2021 from €5.7 billion in 2018.
- FFO to debt of 18%-19% over 2019-2021 on average from 15.6% in 2018.
- Debt to EBITDA gradually declining to 4.3x in 2021 from 4.7x in 2018.

Key Metrics

	2018a	2019e	2020e	2021e
EBITDA (bil. €)	1.20	1.3-1.4	1.3-1.4	1.3-1.4
Debt (bil. €)	5.7	5.9-6.1	5.8-6.0	6.0-6.2
Dividends (mil. €)	35	50-70	100-110	100-120
Capex (mil. €)	907	1,050-1,150	1,000-1,100	1,050-1,150
FFO to debt (%)	15.6	17.5-18.5	18.5-19.5	18.0-19.0
Debt to EBITDA (x)	4.7	4.4-4.6	4.2-4.4	4.2-4.4

Note: Figures are S&P Global Ratings adjusted. FFO--Funds from operations. a--Actual. e--Estimate.

Company Description

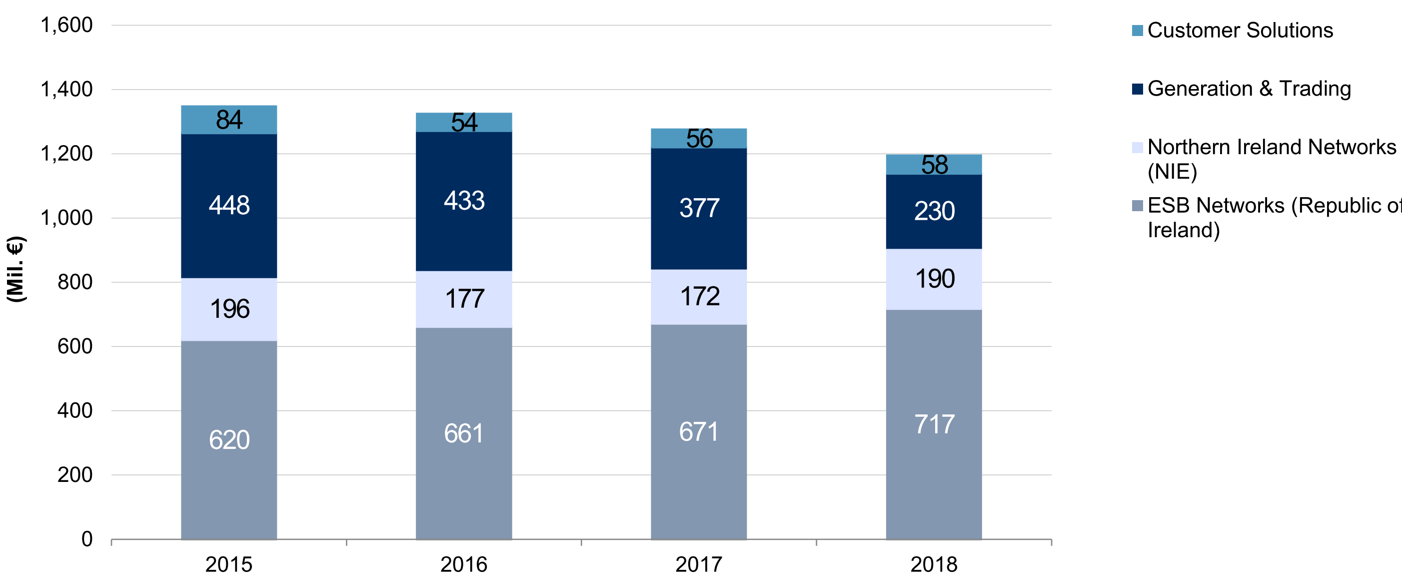
ESB was established in 1927 and is 95% owned by the government of the Republic of Ireland. During 2018, ESB achieved an adjusted EBITDA of roughly €1.20 billion. ESB is an integrated utility predominantly operating in the

Republic of Ireland and Northern Ireland. It has a leading market position across the island. ESB's activities span power generation, the transmission and distribution of electricity, and power supply.

- ESB is the monopoly owner of the transmission and distribution grids in the Republic of Ireland and Northern Ireland.
- NIE is a wholly owned subsidiary of ESB. It is the only electricity transmission asset owner and the electricity distribution network owner and operator in Northern Ireland.
- Generation of electricity in the Republic of Ireland and the U.K. ESB has 38% of electricity generation market share in the all-island. Out of the total energy production of ESB in 2018 (17.6 terawatt hours; TWh), 72% of it was in the I-SEM market, with the remaining 28% in the U.K. In terms of installed capacity, 75% of it sits in the I-SEM market, with the remaining 25% in the U.K.
- Supply of electricity, gas and energy services to the business and residential markets in the Republic of Ireland and Northern Ireland. ESB had in 2018 a market share of 33% in the Irish electricity supply market, with a 1.25 million customers. The activity in the gas supply remains limited today.

Chart 2

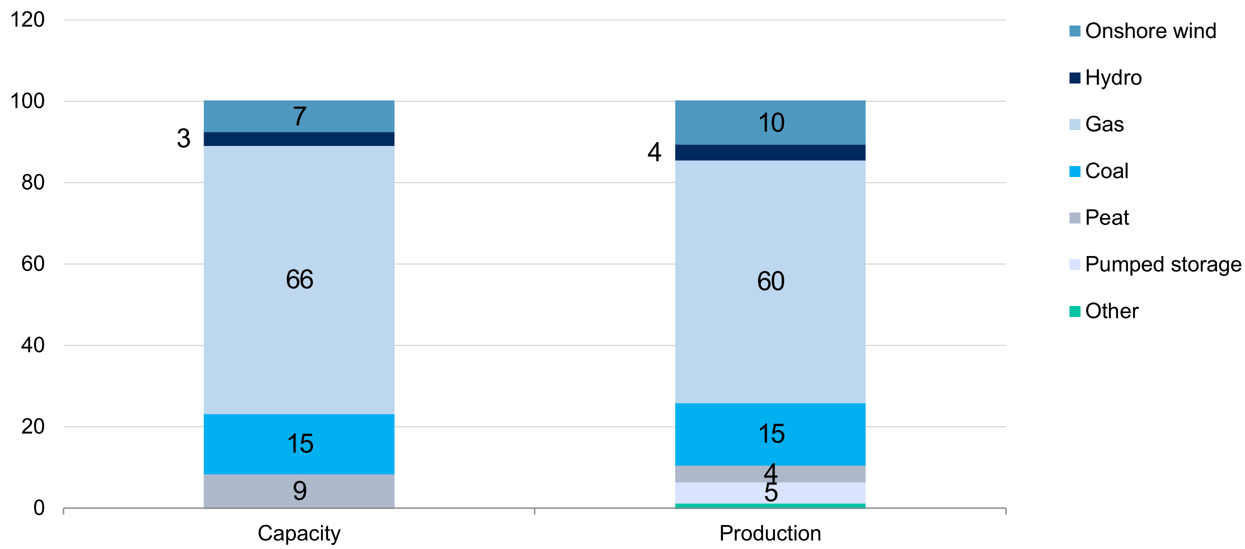
Electricity Supply Board--2018 EBITDA By Business



Source: Company data.

Chart 3

Electricity Supply Board--Breakdown Of Generation Capacity And Production By Technology



Source: Company data.

Business Risk: Strong

The stable and predictable cash flows from its low-risk regulated electricity transmission and distribution network operations underpin ESB's business risk profile. These cash flows contributed almost 77% of consolidated EBITDA in 2018 and 67% in 2017. This contribution is typically higher than peers' contribution from stable and predictable regulated network activities at the same business risk levels.

We consider that regulatory frameworks for electricity and gas transmission and distribution networks in Ireland exhibit the following supportive characteristics consistent with a strong regulatory advantage:

- Use of system tariffs are set over a five-year period (and reset annually for electricity networks) based on the regulator's allowed operating costs, recovery of allowed capital investment over their asset lifetimes, and an allowed return on the regulatory network asset base.
- The regulator has the flexibility to adjust the weighted-average cost of capital (WACC) in the middle of the regulatory period; for example, in response to economic developments.
- The regulator benefits from a solid track record of stability over successive five-year regulatory periods, with well-defined conditions. This provides companies with good visibility on their financial performance.

The regulatory reset risk in ESB's network activities in Northern Ireland is increasing slightly because the new regulatory period is due to start in January 2021. The current electricity price review period (PR4) started in January 2016, and will end in December 2020. For further information on the Irish regulatory framework, see "Why We See The Republic of Ireland's Electricity And Gas Regulatory Framework As Supportive," published May 8, 2018.

On the other hand, the regulatory period in Northern Ireland runs from Oct. 1, 2017, to March 31, 2024. The current six-and-a-half-year price control period (RP6) in Northern Ireland follows the key principles of the regulatory frameworks applicable to U.K.-regulated utility businesses, which we assess as credit supportive. These strengths are partially offset by the most recent regulatory determination, which we see as tough and as having one of the lowest WACCs we have seen (3.18% vanilla). However, the price control includes an adjustment mechanism to WACC for new debt raised during RP6 to reference the market rate prevailing at the time of issue.

ESB also benefits from its leading market position in the Irish electricity generation market. ESB's well-balanced power generation and supply operations offset, to some extent, the risk stemming from competition and price volatility. We believe ESB is well positioned, with a significant proportion of its energy margin expected to continue benefiting from capacity payments and quasi-regulated regulatory supports.

We anticipate that the company will invest a capex program of €3.2 billion over the next three years--notable when compared with our expected EBITDA generation of about €4.0 billion in the same period. Approximately two-thirds of the investment program will be in regulated networks. Despite the large capex program putting a strain on the balance sheet, we consider it credit-positive over the medium term.

Brexit

Generally speaking, we do not expect the immediate implications of Brexit to be material to the stand-alone credit quality of ESB. SEM in Ireland is based on bilateral agreements between Ireland and the U.K., and therefore does not depend on European regulation. In addition, the regulatory authorities in Northern Ireland and the Republic of Ireland jointly reaffirmed their commitment to I-SEM, which maintains a single, harmonized, wholesale all-island market.

Additionally, we understand that ESB and subsidiary Northern Ireland Electricity Networks (NIE) conduct their business independently, both at an operational and financial level.

Peer comparison

Table 1

Electricity Supply Board--Peer Comparison

Industry Sector: Electric

	Electricity Supply Board	SSE PLC	Scottish Power Ltd.	EnBW Energie Baden-Wuerttemberg AG
Ratings as of Oct. 3, 2019	**A-/Stable/A-2**	**BBB+/Stable/A-2**	**BBB+/Stable/A-2**	**A-/Stable/A-2**
	--Fiscal year ended Dec. 31, 2018--	--Fiscal year ended March 31, 2019--	--Fiscal year ended Dec. 31, 2018--	--Fiscal year ended Dec. 31, 2018--
(Mil. €)				
Revenue	3,431.8	8,506.9	5,517.4	20,617.5
EBITDA	1,204.1	2,097.3	1,584.6	2,267.8
Funds from operations (FFO)	891.0	1,680.3	1,277.3	1,749.6

Table 1

Electricity Supply Board--Peer Comparison (cont.)				
Interest expense	271.8	496.9	234.1	426.4
Cash interest paid	262.8	367.1	225.3	247.5
Cash flow from operations	852.3	1,377.2	757.7	970.9
Capital expenditure	907.0	1,724.2	1,290.1	1,359.6
Free operating cash flow (FOCF)	(54.7)	(347.0)	(532.4)	(388.7)
Discretionary cash flow (DCF)	(94.5)	(1,142.3)	(973.4)	(739.4)
Cash and short-term investments	229.1	500.8	982.4	1,943.7
Debt	5,703.8	11,050.1	5,961.7	8,200.9
Equity	3,644.1	6,700.6	7,083.5	7,260.9
Adjusted ratios				
EBITDA margin (%)	35.1	24.7	28.7	11.0
Return on capital (%)	4.4	8.2	7.9	7.0
EBITDA interest coverage (x)	4.4	4.2	6.8	5.3
FFO cash interest coverage (x)	4.4	5.6	6.7	8.1
Debt/EBITDA (x)	4.7	5.3	3.8	3.6
FFO/debt (%)	15.6	15.2	21.4	21.3
Cash flow from operations/debt (%)	14.9	12.5	12.7	11.8
FOCF/debt (%)	(1.0)	(3.1)	(8.9)	(4.7)
DCF/debt (%)	(1.7)	(10.3)	(16.3)	(9.0)

Financial Risk: Significant

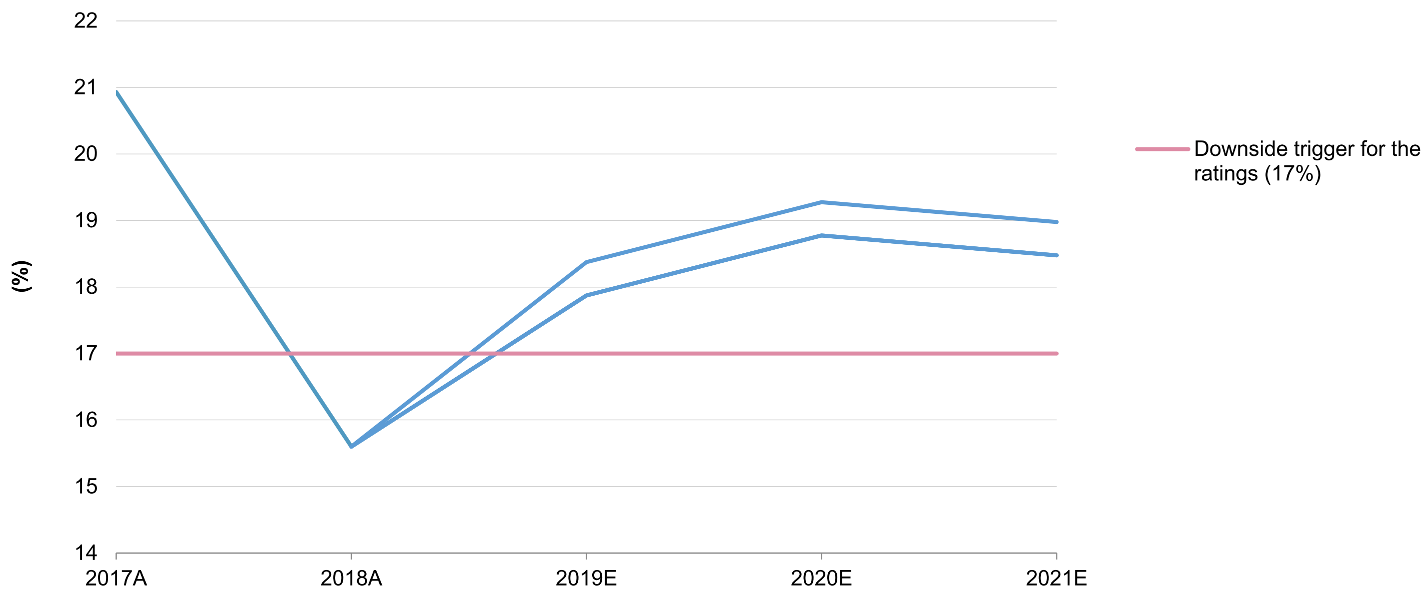
ESB's financial risk profile reflects our view that the group will still generate gradually increasing FFO over the medium term, mainly because of sizable investments in networks driven by network reinforcement for increased renewables. As explained above, our base case is that, due to ESB's diversified power plant portfolio mix, its focus on taking advantage of additional revenue opportunities, cost efficiency, and investment in low carbon and renewable generation, the effect should be manageable at group level.

In our view, the weak results in 2018 that led to our FFO to debt of 15.6% was a one-off, caused by a combination of different factors (see the section "Full-year results for 2018"). Under our forecast we expect FFO to remain above 17% (see chart 4) and range between 18%-19%.

We expect ESB to increase capex over the next few years, mostly for extending and upgrading the networks, and shifting the energy generation mix toward renewables and away from fossil fuels such as coal. Capex includes €3.0 billion-€3.2 billion over the next three years--notable when compared with our expected EBITDA generation of about €4.0 billion in the same period. Despite the large capex program putting a strain on the balance sheet, we consider it credit-positive over the medium term.

Chart 4

Evolution of S&P Global Ratings-Adjusted Funds From Operations/Debt For ESB
Forecast provided through a range



Note: As adjusted by S&P Global Ratings. A--Actual. E--Estimate. Source: S&P Global Ratings.

Financial summary

Table 2

Electricity Supply Board--Financial Summary					
Industry Sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
(Mil. €)					
Revenue	3,431.8	3,229.0	3,211.8	3,335.4	3,258.0
EBITDA	1,204.1	1,331.4	1,354.7	1,370.6	1,319.7
Funds from operations (FFO)	891.0	1,100.7	1,107.0	1,058.1	1,014.3
Interest expense	271.8	279.9	300.4	334.3	319.0
Cash interest paid	262.8	212.9	219.7	261.6	240.3
Cash flow from operations	852.3	928.9	1,020.3	865.2	973.3
Capital expenditure	907.0	788.5	760.6	773.0	896.7
Free operating cash flow (FOCF)	(54.7)	140.4	259.6	92.2	76.6

Table 2

Electricity Supply Board--Financial Summary (cont.)

Industry Sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
(Mil. €)					
Discretionary cash flow (DCF)	(94.5)	19.0	173.1	(180.6)	(207.2)
Cash and short-term investments	229.1	380.4	363.6	133.9	143.7
Gross available cash	229.1	380.4	363.6	133.9	143.7
Debt	5,703.8	5,258.5	5,450.5	5,897.3	5,622.3
Equity	3,644.1	3,712.5	3,923.7	3,858.6	3,889.0
Adjusted ratios					
EBITDA margin (%)	35.1	41.2	42.2	41.1	40.5
Return on capital (%)	4.4	5.9	6.4	5.6	5.9
EBITDA interest coverage (x)	4.4	4.8	4.5	4.1	4.1
FFO cash interest coverage (x)	4.4	6.2	6.0	5.0	5.2
Debt/EBITDA (x)	4.7	3.9	4.0	4.3	4.3
FFO/debt (%)	15.6	20.9	20.3	17.9	18.0
Cash flow from operations/debt (%)	14.9	17.7	18.7	14.7	17.3
FOCF/debt (%)	(1.0)	2.7	4.8	1.6	1.4
DCF/debt (%)	(1.7)	0.4	3.2	(3.1)	(3.7)

N.M.--Not meaningful

Liquidity: Adequate

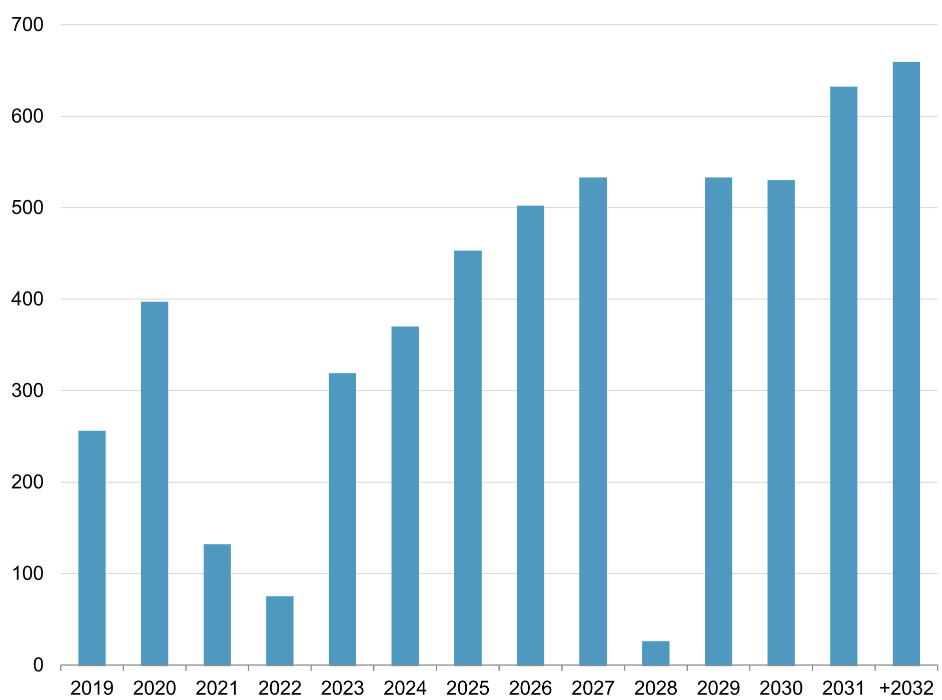
We assess ESB's liquidity position as adequate, reflecting our view that ESB's liquidity resources will exceed its funding needs by 1.4x in the next 12 months and by more than 1.0x in the next 24 months. The group's ongoing and proactive liquidity and debt management, solid relationships with banks, and ample, proven access to capital markets, even under dire market conditions, further support our assessment.

Principal Liquidity Sources	Principal Liquidity Uses
Principal liquidity sources for the 12 months from June 30, 2019 include: • Available cash balance of about €744 million; • An undrawn committed credit facility of about €1.44 billion maturing in January 2022; and • Annual FFO of about €1.17 billion.	Principal liquidity uses for the same period include: • Capex of about €1.1 billion; • Debt maturities of about €610 million in the next 12 months; • Dividend payments of about €83 million in the next 12 months; and • Some working capital outflows of about €180 million in the next 12 months.

Debt maturities

Chart 6

Electricity Supply Board--Long-Term Debt Maturities



Source: Company data.

Environmental, Social, And Governance

Out of the energy produced by ESB in 2018, 60% was produced through gas plants and 15% with coal plants, leading to a carbon intensity of 454 grams of carbon dioxide per megawatt-hour. We expect ESB's carbon intestate to decline gradually over the next decade following the company's strategy of transitioning its thermal-based generation to clean energy sources; particularly following the expected end of coal generation at Moneypoint in 2025.

ESB has a relevant position in Ireland due to its role as distribution system operator. The company has a long track record of successfully managing the networks' operations. Although ESB owns the transmission grid, its operations are conducted by Eirgrid.

Group Influence

We assess ESB's group credit profile at 'bbb+', based on the consolidated cash flows and debt at the level of ESB. We view NIE as a core group entity because its activities are aligned with the group's strategic focus on regulated networks. Even though we assess NIE's SACP at 'a-', we do not think that regulatory or other protections are sufficient to insulate its credit quality from that of its parent. Accordingly, we rate NIE at the level of the group credit profile.

Government Influence

We base our ratings on ESB on its SACP, which we continue to assess at 'bbb+', reflecting ESB's strong business risk profile and significant financial risk profile. In accordance with our criteria for GREs, we base our view of a moderately high likelihood of extraordinary government support on our assessment of ESB's:

- Important role as the monopoly owner of the national electricity transmission grid and the owner and operator of the electricity distribution network. The group has a leading position in the Irish energy market; and
- Strong link with the Irish government, based on our view that the government will remain a majority shareholder and has no plans to privatize or divest a minority stake. ESB is 95% state-owned; the remainder is held through an employee share-ownership plan. Although ESB has an independent management team which makes autonomous business decisions, the government has a strong influence on the group's strategy and business plan.

Issue Ratings - Subordination Risk Analysis

Capital structure

ESB's group capital structure consists of €5.4 billion as of June 30, 2019, the vast majority unsecured. All of ESB's debt is raised via ESB Finance DAC (financing vehicle), apart from NIE debt (currently €820 million bonds), which is raised by NIE Finance. As a result, structural subordination is fairly limited, at 15% under our calculations.

Analytical conclusions

ESB's debt is rated 'A-', the same level as the issuer credit rating, because no significant elements of subordination risk are present in the capital structure.

Reconciliation

Table 3

Reconciliation Of Electricity Supply Board Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €)

	--Fiscal year ended Dec. 31, 2018--						
Electricity Supply Board reported amounts							
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**
	5143.967	3649.972	1222.351	315.422	177.673	1204.096	840.518
S&P Global Ratings' adjustments							
Cash taxes paid	--	--	--	--	--	(50.31)	--
Cash taxes paid: Other	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	(214.00)	--
Cash interest paid: Other	--	--	--	--	--	(40.50)	--
Operating leases	103.3824917	--	16.399	8.282107474	8.282107474	(8.28)	8.116892526
Postretirement benefit obligations/deferred compensation	437.773	--	6.632	6.632	17.434	--	--
Accessible cash and liquid investments	(229.07)	--	--	--	--	--	--
Capitalized interest	--	--	--	--	25.372	--	--
Asset retirement obligations	247.79825	--	--	--	2.469	--	--
Nonoperating income (expense)	--	--	--	(10.35)	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	3.678
Noncontrolling interest/minority interest	--	(5.91)	--	--	--	--	--
EBITDA: Gain/(loss) on disposals of PP&E	--	--	(8.62)	(8.62)	--	--	--
EBITDA: Business divestments	--	--	(4.67)	(4.67)	--	--	--
EBITDA: Other	--	--	(28.00)	(28.00)	--	--	--
Depreciation and amortization: Impairment charges/(reversals)	--	--	--	127.533	--	--	--
Interest expense: Other	--	--	--	--	40.54	--	--
Total adjustments	559.8807417	(5.91)	(18.26)	90.81610747	94.09710747	(313.09)	11.79489253

Table 3

Reconciliation Of Electricity Supply Board Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €) (cont.)

S&P Global Ratings' adjusted amounts

	Debt	Equity	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations
	5703.847742	3644.059	1204.096	406.2381075	271.7701075	891.0048925	852.3128925

PP&E--Plant, property and equipment.

Ratings Score Snapshot

Issuer Credit Rating

A-/Stable/A-2

Business risk: Strong

- **Country risk:** Low
- **Industry risk:** Low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/leverage:** Significant

Anchor: bbb

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : bbb+

- **Likelihood of government support:** Moderately high (+1 notch from SACP)

Related Criteria

- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Northern Ireland Electricity Networks Limited, June 27, 2019
- Ireland-Based Electricity Supply Board Affirmed At 'A-' Despite 2018 Results Being Below Expectations; Outlook Stable, May 24, 2019

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	**bbb**	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of November 14, 2019)*

Electricity Supply Board	
Issuer Credit Rating	A-/Stable/A-2
Issuer Credit Ratings History	
09-Jun-2015	A-/Stable/A-2
13-Feb-2013	BBB+/Stable/A-2
17-Jan-2012	BBB+/Negative/A-2

Ratings Detail (As Of November 14, 2019)*(cont.)	
Related Entities	
Northern Ireland Electricity Networks Ltd.	
Issuer Credit Rating	BBB+/Stable/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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