Ceska telekomunikacni infrastruktura a.s. (CETIN)

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	BBB	Stable	Affirmed 27 November 2017

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Financial Summary

(CZKm)	Dec 2015	Dec 2016	Dec 2017F	Dec 2018F
Gross Revenue	19,579	20,890	20,780	20,915
Operating EBITDA Margin (%)	40.6	37.3	37.1	37.0
FFO Margin (%)	36.4	33.7	31.9	32.6
FFO Fixed Charge Coverage (x)	8.7	5.7	6.9	7.2
FFO Adjusted Net Leverage (x)	4.4	4.0	3.6	3.4

Source: Fitch

The ratings reflect CETIN's ownership of the telecoms infrastructure in the Czech Republic, which includes local loop access, core networks and mobile telecommunications towers. CETIN wholesales its products and services under long-term contracts that guarantee minimum revenue and provide cash flow visibility. These factors reduce the company's business risk profile compared with other fully integrated telecoms operators and underpin a strong cash-generative business model. Funds from operations (FFO)-adjusted net leverage is expected to have declined from 4.0x at end-2016 to 3.6x at end-2017, still comfortably within the limits for a 'BBB' rating.

Key Rating Drivers

National Infrastructure, Reduced Regulation: CETIN was created following the voluntary structural separation of the company from O2 Czech Republic (O2) in 2015. The company owns and operates the incumbent national telecoms infrastructure in the Czech Republic, which it wholesales to all parties on an equal footing. The structural separation and neutral wholesale-based business model enable CETIN to benefit from a lower regulatory burden than other EU-based incumbent operators.

Limited Alternative Infrastructure: Outside of Prague and Brno, mobile network access is provided through a 50:50 network-sharing agreement with T-Mobile, enabling both parties to efficiently deliver faster mobile network speeds with better coverage. The only alternative mobile infrastructure on a truly national scale is operated by Vodafone Czech Republic. In fixed access, the largest available alternative is cable operator UPC, covering around 33% of households. There are also numerous local Wi-Fi operators that fragment the broadband market. This leaves limited alternative wholesale infrastructures to CETIN with an equal depth of coverage and capacity.

Cash Flow Visibility and Generation: CETIN's most material contracts with O2, T-Mobile and other operators are based on long-term durations with guaranteed base line revenue commitments. These commitments come with service and capex obligations for CETIN, but provide the company with revenue, opex and capex visibility and the capacity to generate strong EBITDA margins (around 64% excluding international transit). As a result of these agreements, CETIN is able to increase the stability and visibility of cash flows and reduce operational risk.

Manageable Customer Concentration Risk: Around 80% of CETIN's EBITDA is derived from O2 based on long-term agreements. The high dependence of sales on one party creates customer concentration risk. Fitch incorporates a low weighting to this risk in the rating due to O2's strong market position and high switching costs arising from financial and operational factors. Fitch estimates O2 has mobile subscriber market share of around 34% and a fixed-line market share of 57%. O2's agreement with CETIN is on a "take or pay" basis and lasts for an initial seven-year term. This makes O2's business case for alternative suppliers or own network investments prohibitive in all but niche areas.

Deleveraging on Track: Fitch expects FFO-adjusted net leverage to have declined to 3.6x (corresponding to net debt/EBITDA of around 2.8x) at end-2017 from 4.0x at end-2016. Fitch had originally expected CETIN to reach this level in 2019. The reduction in leverage is driven by a combination of strong free cash flow (FCF) generation with a pre-dividend FCF margin of 15%-16% and an expected low dividend payout ratio in 2017 of around 10% of pre-dividend FCF. The resumption of normative dividend payments in subsequent years is likely to keep FFO-adjusted net leverage broadly stable.

Retained Flexibility Key: CETIN has a measured financial policy, which provides some financial flexibility for managing operational risks. We see the flexibility and current leverage headroom within the rating as important elements as the company expands the breadth and depth of its higher-speed broadband network. The network investment is an essential factor in maintaining the competiveness of its fixed-line network infrastructure, in our opinion, and is an area where CETIN has some vulnerability to the market shares of its wholesale customers.

CETIN has a long-term policy to manage leverage below 3.5x net debt-to-EBITDA based on its definition of the metric, with gradual reduction towards a target of 2.5x after 2020. The company's dividend policy is based on a net income payout ratio of up to 100%.

Standalone Rating: CETIN is 100% owned by PPF Group N.V., which also owns 83.3% of O2. CETIN's rating is based on its standalone credit profile and is not affected by its parent or its holdings in other entities. This reflects contractual debt terms such as CETIN having no cross defaults or guarantees to any other part of the PPF group. PPF views CETIN as a long-term strategic investment. PPF plays an advisory role in areas such as corporate funding, procurement and real estate. It holds minimal debt at the holding company level and has no obligation to provide bailout support for any of its subsidiaries.

Key Operating Risks Unlikely: Fitch has considered four main operational events that could have an impact on CETIN's credit profile, and concluded that they either have a low risk of occurrence or a manageable impact over the next five years. These are: the build-out of alternative infrastructures; a sustained increase in capex for network investments; a material loss of broadband market share by O2; and no contractual agreement between O2 and CETIN after the initial seven-year term. These risks form the basis of some of the rating sensitivities below.

Rating Derivation Relative to Peers

Rating Derivation versus Peers	
Peer Comparison	CETIN has a hybrid credit profile due to its focus on wholesale infrastructure provision. The combination of a lower regulatory burden, reduced exposure to retail competition and long-term underlying contracts with minimum revenue streams is unique and reduces the company's operating risks compared with typical, fully integrated telecom operators such as Royal KPN N.V. (BBB/Stable), TDC A/S (BBB−/Stable) or BT Group Plc (BBB+/Stable). This is reflected in CETIN's higher leverage thresholds for any given rating band. CETIN's operating risk is, however, higher than that of mobile tower operators such as Cellnex Telecom S.A. (BBB−/Negative), in our opinion. Mobile tower operators benefit from higher cash flow visibility and stability as a result of longer-term contracts, minimal technology obsolescence risk, greater visibility of capex investment returns, higher price indexation and, in many cases, energy cost pass-through. In comparison, CETIN's business model benefits from higher barriers to entry as its fixed-line network would be more costly to replicate, but overall, CETIN bears commercial risk for its investments in fixed-line infrastructure that is more similar to fully integrated telecom operators.
Parent/Subsidiary Linkage	No parent/subsidiary linkage is applicable.
Country Ceiling	No Country Ceiling constraint was in effect for these ratings.
Operating Environment	No operating environment influence was in effect for these ratings.
Other Factors	n.a.

Source: Fitch

Rating Sensitivities

Future Developments That May, Individually or Collectively, Lead to Positive Rating Action

- Greater EBITDA diversification in its wholesale customer base and significant growth in broadband market share of CETIN's fibre and xDSL lines;
- Improved visibility of long-term cash flow generation driven by a material increase of committed revenue; and
- FFO-adjusted net leverage falling sustainably below 3.5x.

Future Developments That May, Individually or Collectively, Lead to Negative Rating Action

- A material and sustained decline in EBITDA or FCF driven by pressure in core national business segments;
- A deterioration in the credit quality of O2 Czech Republic driven by a material loss in market share particularly but not solely in the broadband segment;
- A roll-out of alternative network infrastructures that results in a loss of CETIN's market share of fibre and xDSL lines;
- A change in the financial policy of CETIN that results in reduced financial flexibility, higher long-term leverage targets or contractual debt obligations to other parts of the PPF group. Lower financial disclosure at PPF group; and
- FFO-adjusted net leverage trending above 4.0x on a sustained basis.

Liquidity and Debt Structure

Comfortable Liquidity: CETIN had CZK366 million of unrestricted cash on its balance sheet at end-1H17. The company generates strong FCF and at end-1H17 had a committed undrawn revolving credit facility (RCF) of CZK500 million and an uncommitted undrawn RCF of CZK125 million. CETIN refinanced its debt in 2016, improving its debt maturity profile.

Debt Maturities and Liquidity at FYE16

Liquidity Summary	Original	Original
	31 December 2015	31 December 2016
(CZKm)		
Total Cash & Cash Equivalents	656	378
Short-Term Investments		
Less: Not Readily Available Cash and Cash Equivalents	40	43
Fitch-defined Readily Available Cash and Cash Equivalents	616	335
Availability under Committed Lines of Credit	0	0
Total Liquidity	616	335
Plus: Fitch Forecasted 2017 FCF (post dividend)		2,385
Total Projected 2017 Liquidity		**2,720**
Liquidity Score		0.5
LTM EBITDA	7,941	7,785
LTM Free Cash Flow	3,898	-28,373

Source: Fitch, Inc., Company filings

Scheduled Debt Maturities	Original
(CZKm)	Date
2017	3,000
2018	
2019	
2020	
2021	16,888
Thereafter	4,866
Total Debt Maturities	24,754

Source: Fitch, company filings

Trends and Forecasts

Note: Including Fitch expectations
Source: Fitch

Definitions

Revenue Growth: Percentage growth in revenues since previous reporting period.
FFO Margin: FFO divided by Revenues.
FFO Adjusted Net Leverage: Total Debt with Equity Credit + Lease equivalent Debt + Other off Balance Sheet Debt - Readily Available Cash & Equivalents divided by Funds From Operations [FFO] + Gross Interest (Paid) - Interest Received + Preferred Dividends (Paid) + Operating Lease Expense for Capitalised Leased Assets.
FFO Fixed Charge Cover: FFO + Gross Interest paid minus interest received + Preferred Dividends paid + Operating Lease Expense for Capitalised Leased Assets divided by Gross Interest Paid + Preferred Dividends Paid + Operating Lease Expense for Capitalised Leased Assets.

Key Assumptions

Fitch's key assumptions within our rating case for the issuer include:

- Revenue (excluding international transit) declining by around 5% in 2017 and by an average of 1% thereafter until 2019;
- EBITDA margin (excluding international transit) improving to 64.5% in 2019 from 63.4% in 2016, reflecting operational efficiencies;
- International transit EBITDA margin remaining stable at 4.6%;
- A weighted average operating lease multiple of 7.5x in 2017 and 7.4x thereafter. This excludes short-term lease expenditure such as vehicles and represents a blended figure that implies a multiple of 8.0x for long-term leased assets such as property and 5.0x for telecoms connectivity;
- Capex of around 20% of total revenue in 2017, declining to 15% by 2019 (excluding international transit around 40% in 2017 and to around 32% by 2019); and
- Shareholder distribution after prioritisation of strategic investment in infrastructure, debt reduction and maintaining net debt-to- EBITDA (as defined by company) below 3.5x.

Financial Data

	Historical		Forecast		
(CZKm)	**Dec 2015**	**Dec 2016**	**Dec 2017F**	**Dec 2018F**	**Dec 2019F**
SUMMARY INCOME STATEMENT					
Gross Revenue	19,579	20,890	20,780	20,915	20,952
Revenue Growth (%)	0.3	6.7	-0.5	0.7	0.2
Operating EBITDA (Before Income From Associates)	7,941	7,785	7,703	7,744	7,666
Operating EBITDA Margin (%)	40.6	37.3	37.1	37.0	36.6
Operating EBITDAR	8,811	8,672	8,530	8,550	8,475
Operating EBITDAR Margin (%)	45.0	41.5	41.1	40.9	40.5
Operating EBIT	2,397	3,543	3,654	3,853	3,777
Operating EBIT Margin (%)	12.2	17.0	17.6	18.4	18.0
Gross Interest Expense	-180	-378	-304	-301	-301
Pre-Tax Income (Including Associate Income/Loss)	2,411	2,814	3,350	3,552	3,476
SUMMARY BALANCE SHEET					
Readily Available Cash and Equivalents	616	335	159	886	1,241
Total Debt With Equity Credit	28,931	24,754	21,754	21,754	21,754
Total Adjusted Debt With Equity Credit	35,369	31,407	27,919	27,745	27,759
Net Debt	28,315	24,419	21,595	20,868	20,513
SUMMARY CASH FLOW STATEMENT					
Operating EBITDA	7,941	7,785	7,703	7,744	7,666
Cash Interest Paid	-31	-481	-304	-301	-301
Cash Tax	-756	-776	-767	-629	-1,087
Dividends Received Less Dividends Paid to Minorities (Inflow/Outflow)	0	0	0	0	0
Other Items Before FFO	-35	-84	0	0	0
Funds Flow From Operations	7,119	7,037	6,632	6,814	6,278
Change in Working Capital	-520	357	68	-30	60
Cash Flow From Operations (Fitch Defined)	6,599	7,394	6,700	6,784	6,338
Total Non-Operating/Non-Recurring Cash Flow	0	0			

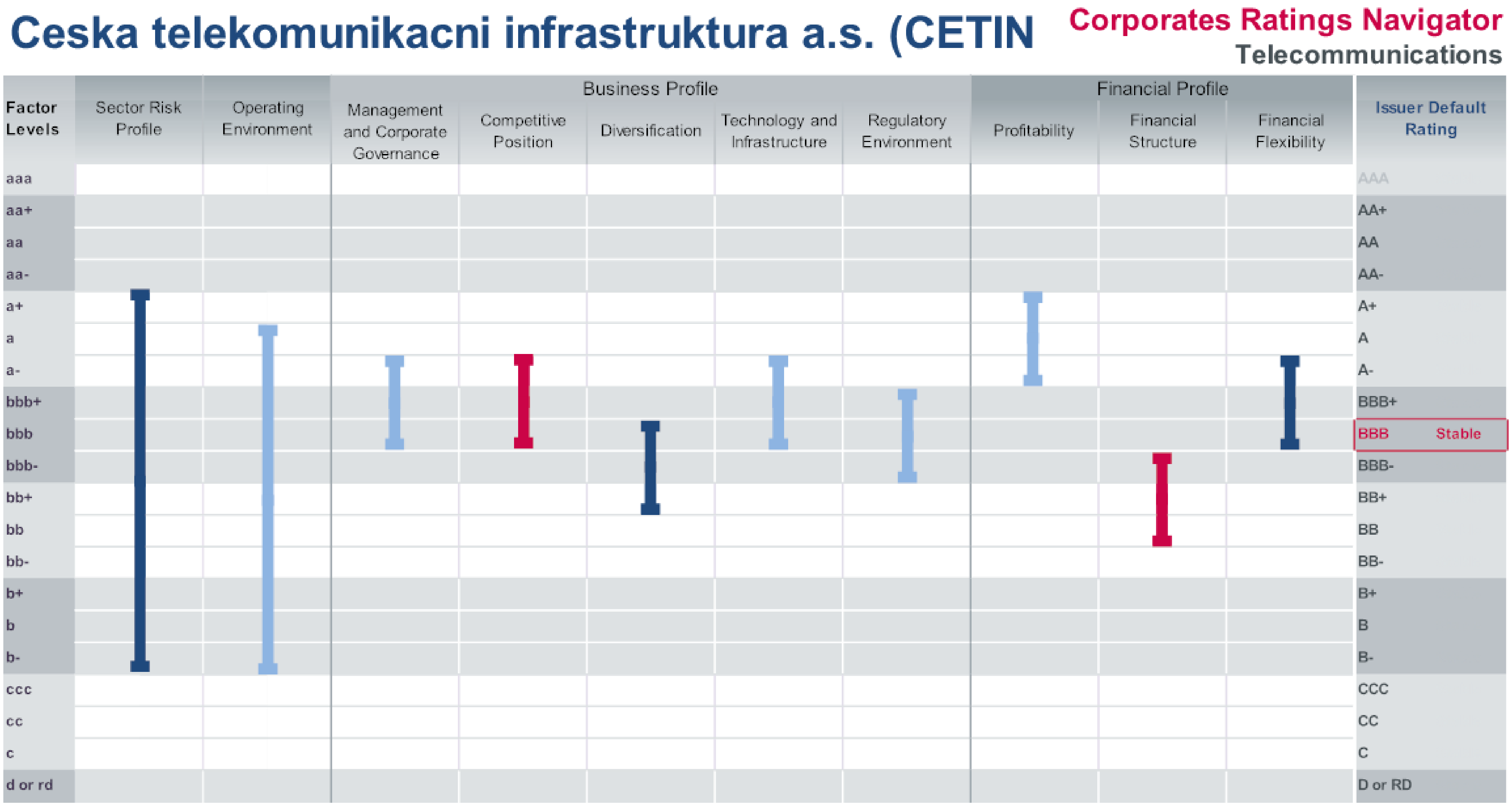
Capital Expenditure	-2,701	-3,471			
Capital Intensity (Capex/Revenue)	13.8	16.6			
Common Dividends	0	-32,296			
Net Acquisitions and Divestitures	134	71			
Other Investing and Financing Cash Flow Items	-32,213	-24	-232	0	0
Net Debt Proceeds	28,782	28,048	-3,000	0	0
Net Equity Proceeds	0	0	0	0	0
Total Change in Cash	601	-278	-176	727	355
DETAILED CASH FLOW STATEMENT					
FFO Margin (%)	36.4	33.7	31.9	32.6	30.0
Calculations for Forecast Publication					
Capex, Dividends, Acquisitions and Other Items Before FCF	-2,567	-35,696	-3,622	-6,056	-5,983
Free Cash Flow After Acquisitions and Divestitures	4,032	-28,302	3,078	727	355
Free Cash Flow Margin (After Net Acquisitions) (%)	20.6	-135.5	14.8	3.5	1.7
COVERAGE RATIOS					
FFO Interest Coverage (x)	223.3	14.4	22.8	23.6	21.9
FFO Fixed Charge Coverage (x)	8.7	5.7	6.9	7.2	6.7
Operating EBITDAR/Interest Paid + Rents (x)	9.8	6.3	7.5	7.7	7.6
Operating EBITDA/Interest Paid (x)	256.2	16.2	25.3	25.7	25.5
LEVERAGE RATIOS					
Total Adjusted Debt/Operating EBITDAR (x)	4.0	3.6	3.3	3.2	3.3
Total Adjusted Net Debt/Operating EBITDAR (x)	3.9	3.6	3.3	3.1	3.1
Total Debt With Equity Credit/Operating EBITDA (x)	3.6	3.2	2.8	2.8	2.8
FFO Adjusted Leverage (x)	4.5	4.0	3.6	3.5	3.8
FFO Adjusted Net Leverage (x)	4.5	4.0	3.6	3.4	3.6

Source: Fitch, company filings

How to Interpret the Forecast Presented

The forecast presented is based on the agency's internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch's forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch's own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch's own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch's own internal deliberations, where Fitch, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch may update the forecast in future reports but assumes no responsibility to do so.

Rating Navigator



FitchRatings

Ceska telekomunikacni infrastruktura a.s. (CETIN)

Corporates Ratings Navigator
Telecommunications

Operating Environment

a+	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
a	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc			

Management and Corporate Governance

a	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a-	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb+	Group Structure	aa	Transparent group structure.
bbb	Financial Transparency	a	High quality and timely financial reporting.
bbb-			

Competitive Position

a	Market Position	a	Very strong and sustainable market share in primary markets (> 30%).
a-	Competition	a	Primary markets characterized by low competitive intensity and/or high barriers to entry.
bbb+	Scale - EBITDAR	b	<$500 million
bbb			
bbb-			

Diversification

bbb+	Service Platform Diversification	a	Operates several service platforms in primary markets.
bbb	Geographic Diversification	bb	Limited geographic diversification.
bbb-			
bb+			
bb			

Technology and Infrastructure

a	Ownership of Network	a	Owns almost all of its infrastructure.
a-	Network and Service Quality	bbb	Solid network coverage and capacity, using some up-to-date technology, with average service quality.
bbb+			
bbb			
bbb-			

Regulatory Environment

a-	Regulatory Risk	bbb	Moderate.
bbb+			
bbb			
bbb-			
bb+			

Profitability

aa-	Volatility of Cash Flow	a	Lower volatility and better visibility of cash flow than industry average.
a+	EBITDAR Margin	a	35%
a	FFO Margin	a	30%
a-			
bbb+			

Financial Structure

bbb	Lease Adjusted FFO Gross Leverage	bb	4.3x
bbb-	Lease Adjusted FFO Net Leverage	bb	4.0x
bb+	Net Debt/(CFO - Capex)	bbb	8.0x
bb	Total Adjusted Debt/Operating	bbb	3.0x
bb-			

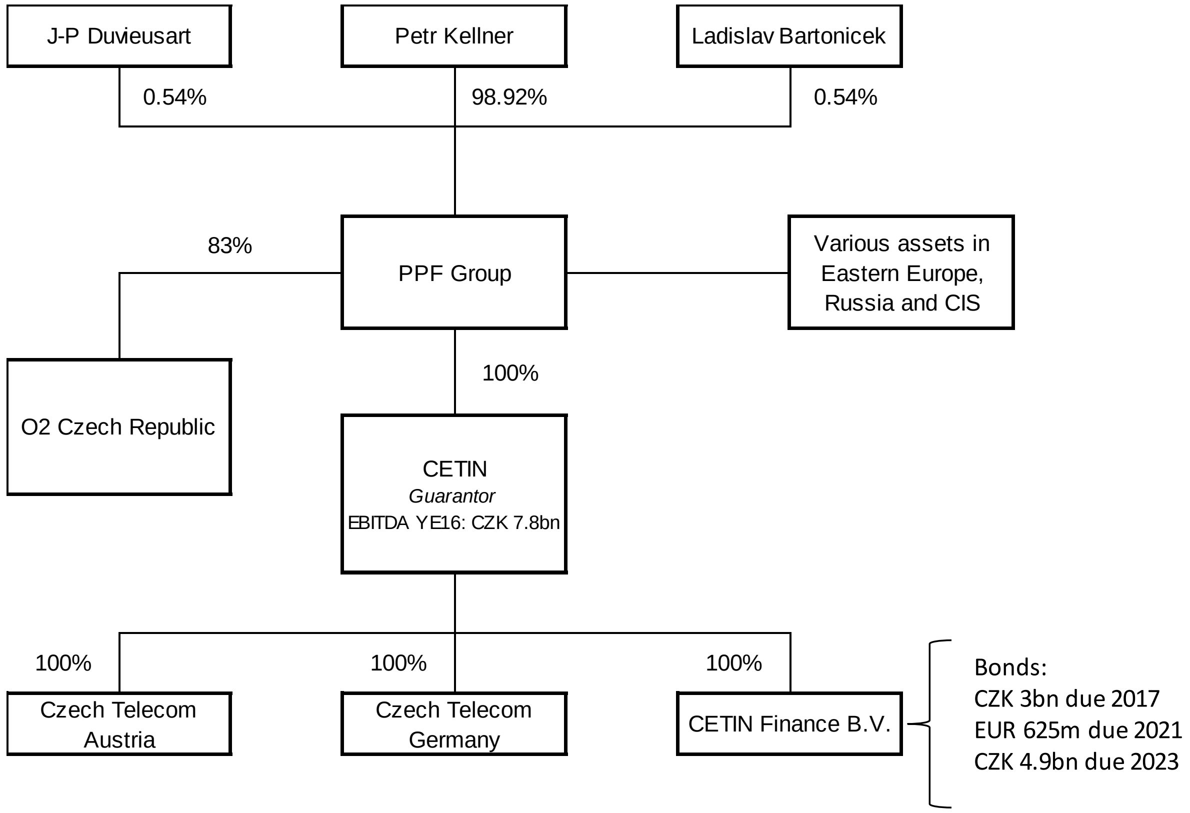
Financial Flexibility

a	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a-	Liquidity	bbb	One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb+	FFO Fixed Charge Cover	a	6.0x
bbb	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well-matched.
bbb-			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Navigator Version: RN 1.42.2.0

Simplified Group Structure Diagram



As at end-1H17
Source: CETIN, Fitch

Peer Financial Summary

Company	Date	Rating	Gross Revenue (EURm)	Operating EBITDA Margin (%)	FFO Margin (%)	FFO Fixed Charge Coverage (x)	FFO Adjusted Net Leverage (x)
Ceska telekomunikacni infrastruktura a.s. (CETIN)	2016	BBB	773	37.3	33.7	5.7	4.0
	2015		724	40.6	36.4	8.7	4.4
Royal KPN N.V.	2016	BBB	6,806	35.7	29.1	3.8	3.0
	2015	BBB-	7,008	34.5	27.1	3.6	3.1
TDC A/S	2016	BBB-	2,829	40.4	30.9	4.3	3.7
	2015	BBB-	2,950	43.3	33.6	4.1	3.8
BT Group plc	2017	BBB+	28,053	31.7	23.7	5.3	2.1
	2016	BBB+	23,882	34.2	24.1	5.5	2.4
Cellnex Telecom S.A.	2016	BBB-	705	41.2	36.1	3.0	6.3
	2015	BBB-	612	38.4	34.3	2.7	5.5

Source: Fitch

Reconciliation of Key Financial Metrics

(CZK Millions, As reported)	31 Dec 2016
Income Statement Summary	
Operating EBITDA	7,785
+ Recurring Dividends Paid to Non-controlling Interest	0
+ Recurring Dividends Received from Associates	0
+ Additional Analyst Adjustment for Recurring I/S Minorities and Associates	0
= Operating EBITDA After Associates and Minorities (k)	**7,785**
+ Operating Lease Expense Treated as Capitalised (h)	**887**
= Operating EBITDAR after Associates and Minorities (j)	**8,672**
Debt & Cash Summary	
Total Debt with Equity Credit (l)	**24,754**
+ Lease-Equivalent Debt	6,653
+ Other Off-Balance-Sheet Debt	0
= Total Adjusted Debt with Equity Credit (a)	**31,407**
Readily Available Cash [Fitch-Defined]	335
+ Readily Available Marketable Securities [Fitch-Defined]	0
= Readily Available Cash & Equivalents (o)	**335**
Total Adjusted Net Debt (b)	**31,072**
Cash-Flow Summary	
Preferred Dividends (Paid) (f)	**0**
Interest Received	593
+ Interest (Paid) (d)	**-481**
= Net Finance Charge (e)	**112**
Funds From Operations [FFO] (c)	**7,037**
+ Change in Working Capital [Fitch-Defined]	357
= Cash Flow from Operations [CFO] (n)	**7,394**
Capital Expenditures (m)	**-3,471**
Multiple applied to Capitalised Leases	**7.5**
Gross Leverage	
Total Adjusted Debt / Op. EBITDAR* [x] (a/j)	**3.6**
FFO Adjusted Gross Leverage [x] (a/(c-e+h-f))	**4.0**
Total Adjusted Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Debt With Equity Credit / Op. EBITDA* [x] (l/k)	**3.2**
Net Leverage	
Total Adjusted Net Debt / Op. EBITDAR* [x] (b/j)	**3.6**
FFO Adjusted Net Leverage [x] (b/(c-e+h-f))	**4.0**
Total Adjusted Net Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Net Debt / (CFO - Capex) [x] ((l-o)/(n+m))	**6.2**
Coverage	
Op. EBITDAR / (Interest Paid + Lease Expense)* [x] (j/-d+h)	**6.3**
Op. EBITDA / Interest Paid* [x] (k/(-d))	**16.2**
FFO Fixed Charge Cover [x] ((c-e+h-f)/(-d+h-f))	**5.7**
(FFO - Net Finance Charge + Capit. Leases - Pref. Div Paid) / (Gross Int. Paid + Capit. Leases - Pref. Div. Paid)	
FFO Gross Interest Coverage [x] ((c-e-f)/(-d-f))	**14.4**
(FFO - Net Finance Charge - Pref. Div Paid) / (Gross Int. Paid - Pref. Div. Paid)	

* EBITDA/R after Dividends to Associates and Minorities
Source: Fitch based on company reports

Fitch Adjustment Reconciliation

(CZK Millions, As reported)	Reported Values 31 Dec 16	Sum of Fitch Adjustments	Cash Adjustment	Other Adjustment	Adjusted Values
Income Statement Summary					
Revenue	20,890	0			20,890
Operating EBITDAR	8,672	0			8,672
Operating EBITDAR after Associates and Minorities	8,672	0			8,672
Operating Lease Expense	887	0			887
Operating EBITDA	7,785	0			7,785
Operating EBITDA after Associates and Minorities	7,785	0			7,785
Operating EBIT	3,543	0			3,543
Debt & Cash Summary					
Total Debt With Equity Credit	24,629	125		125	24,754
Total Adjusted Debt With Equity Credit	31,282	125		125	31,407
Lease-Equivalent Debt	6,653	0			6,653
Other Off-Balance Sheet Debt	0	0			0
Readily Available Cash & Equivalents	335	0			335
Not Readily Available Cash & Equivalents	0	43	43		43
Cash-Flow Summary					
Preferred Dividends (Paid)	0	0			0
Interest Received	593	0			593
Interest (Paid)	-481	0			-481
Funds From Operations [FFO]	7,017	20		20	7,037
Change in Working Capital [Fitch-Defined]	357	0			357
Cash Flow from Operations [CFO]	7,374	20		20	7,394
Non-Operating/Non-Recurring Cash Flow	0	0			0
Capital (Expenditures)	-3,471	0			-3,471
Common Dividends (Paid)	-32,296	0			-32,296
Free Cash Flow [FCF]	-28,393	20		20	-28,373
Gross Leverage					
Total Adjusted Debt / Op. EBITDAR* [x]	3.6				3.6
FFO Adjusted Leverage [x]	4.0				4.0
Total Debt With Equity Credit / Op. EBITDA* [x]	3.2				3.2
Net Leverage					
Total Adjusted Net Debt / Op. EBITDAR* [x]	3.6				3.6
FFO Adjusted Net Leverage [x]	4.0				4.0
Total Net Debt / (CFO - Capex) [x]	6.2				6.2
Coverage					
Op. EBITDAR / (Interest Paid + Lease Expense)* [x]	6.3				6.3
Op. EBITDA / Interest Paid* [x]	16.2				16.2
FFO Fixed Charge Coverage [x]	5.7				5.7
FFO Interest Coverage [x]	14.4				14.4

*EBITDA/R after Dividends to Associates and Minorities

Source: Fitch, based on company reports

Full List of Ratings

	Rating	Outlook	Last Rating Action
Ceska telekomunikacni infrastructura a.s (CETIN)			
Long-Term IDR	BBB	Stable	Affirmed 27 November 2017
CETIN Finance B.V.			
Senior unsecured notes	BBB		Affirmed 27 November 2017

Related Research & Criteria

Corporate Rating Criteria (August 2017)
Exposure Draft: Corporate Rating Criteria (December 2017)
Country-Specific Treatment of Recovery Ratings (October 2016)
Non-Financial Corporates Notching and Recovery Ratings Criteria (June 2017)
Parent and Subsidiary Rating Linkage (August 2016)
Exposure Draft: Sector Navigators (December 2017)

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