Investment Holding Companies Rating Methodology

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This document provides an overview of the approach taken by EthiFinance Ratings (EFR) when assigning long-term ratings to investment holding companies.

With this updated methodology, we present further refinements and clarifications in order to provide additional transparency and clarity regarding our methodology. Among other areas, this update gives further details on the following items:

- The scorecard is disclosed and explained throughout the methodology.
- We revised our geographic diversification grid.
- We made some minor editorial changes in order to give further details on our methodology and we provide examples for how some specific cases are treated under this methodology.

We also introduced the notion of 'ratings under review'.

These refinements are not expected to result in material changes to any of EFR's existing corporate ratings.

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1 Framework and rating scale

1.1 Investment holding companies rating

This methodology covers investment holding companies. We define an investment holding company as a legal entity with the primary purpose of owning a portfolio of investments, generally composed of equity stakes in companies which are typically not related to one another. In that sense, it is different from a conglomerate, which is a company with stakes in a number companies acting with a defined global strategy, synergies, and financial links, which are characteristic of consolidated groups.

The purpose of a holding entity can vary, for example family wealth management or to be a platform for financial investments.

1.2 Instrument rating

EthiFinance Ratings may also assign instrument ratings. Instrument debt ratings reflect our assessment of the credit quality of the corporate debt instrument. These ratings can be assigned for both short-term and long-term debt instruments.

Our long-term instrument ratings are assigned to long-term debt instruments and derive from the issuer's corporate rating and its recovery rate in a hypothetical default scenario, as well as case-by-case factors which are covered by the following methodology:

https://files.qivalio.net/documents/compliance/QIVALIO-Recovery-and-instrument-rating-methodology-External_28Oct20.pdf

Our short-term instrument ratings are assigned to short-term debt instruments such as commercial paper and other instruments with a maturity of between 0 and 15 months. Our short-term ratings derive from the issuer's corporate rating, its liquidity profile, and our assessment of its credit metrics expected evolution. Short-term ratings are covered under this methodology:

https://files.qivalio.net/documents/compliance/short-term-methodology-04March2022.pdf

1.3 Rating scale

Our ratings are split using the following grid:

INVESTMENT GRADE CATEGORY	AAA	Highest credit quality and extremely low business and financial risks.
	AA+ AA AA-	Very large scale and very high level of diversification, very low-risk business (proven resilience through economic crisis), very high FCF and very low leverage ratio.
	A+ A A-	Large scale and high level of diversification, low-risk business (proven resilience through economic cycles), high FCF and very low leverage ratio.
	BBB+ BBB BBB-	Large scale and high level of diversification, low-risk business (proven resilience through economic cycles), positive FCF and / or low leverage ratio.
SUB-INVESTMENT GRADE CATEGORY	BB+ BB BB-	Medium / low risk business (stable and predictable cash flows), positive FCF and / or low leverage ratio.
	B+ B B-	High-risk business, negative FCF and / or high leverage ratio.
	CCC+ CCC CCC-	Very high leverage ratio, negative FCF, weak liquidity and / or restructuring / probable default.
	CC	Out-of-court consensual restructuring.
	C	In-court restructuring without failure to fulfill financial obligations.
	D	Missed payments on interest or principal (post-grace period), or in-court restructuring with a failure to fulfill financial obligations, or liquidation.

2 Investment holding companies rating methodology

2.1 Methodological approach and scorecard

Our methodology is primarily based on the investment holding's financial accounts (i.e. accounts of the holding company or a group of holding entities, not consolidated accounts) in order to have a pure holding view. An investment holding's consolidated accounts may indeed provide a distorted view of the economic and legal situation. In addition, the debt issued by the entities in which the investment holding has an equity stake is typically without any recourse to the investment holding entity, or any guarantee given by the investment holding entity.

Ratings assigned by EthiFinance Ratings are based on the analysis of both qualitative factors (business risk profile, investment strategy etc) and quantitative factors (historical and projected credit metrics, liquidity etc). More specifically, a rating is the weighted average of an issuer's business risk profile and its financial risk profile as reflected by the following scorecard.

EthiFinance Ratings

		AAA	AA	A	BBB	BB	B	CCC
BUSINESS RISK PROFILE								
Investment policy								
Investment policy	10.0%	Very prudent clearly stated policy within a structured organisation. Very strong track record of execution.		Prudent policy with strong track record.	Adequate policy and track record.	Mildly agressive policy.	Limited disclosure on investment policy. Agressive policy with some issues on execution.	No investment policy disclosed at all. Very agressive policy, cyclical industries, management change, weak execution.
Portfolio of investments								
Diversification by value	5.0%	see Table 1						
Diversification by industry	5.0%	see Table 2						
Diversification by geography	5.0%	see Table 3						
Liquidity of assets	10.0%	P* > 80% with the majority of stakes below 20%.		70% < P ≤ 80% Majority of stakes below 35%.	60% < P ≤ 70% Majority of stakes below 35%.	50% < P ≤ 60% Majority of stakes below 35%.	40% < P ≤ 50%	P ≤ 40%
Credit quality of assets	15.0%	AA		A	BBB	BB	B	CCC
Total	**50.0%**							
FINANCIAL RISK PROFILE								
Financial policy								
Financial policy	10%	Very prudent clearly stated policy within a structured organisation. Very strong track record/adherence to it.		Prudent policy with strong track record/adherence to it.	Adequate policy and track record/adherence.	Mildly agressive policy.	Limited disclosure on financial policy and weak adherence to it. Agressive policy with reliance on debt.	No financial policy disclosed at all. Very agressive with high reliance on debt.
Leverage & coverage								
Interest coverage	10.0%	R > 6.0x		4.0x < R < 6.0x	3.0x < R < 4.0x	2.0x < R < 3.0x	1.0x < R < 2.0x	R < 1.0x
Loan to value	30.0%	0% < LTV < 20%		20% < LTV < 30%	30% < LTV < 40%	40% < LTV < 50%	50% < LTV < 70%	LTV > 70%
Total	**50.0%**							

* P = the proportion of listed companies within the portfolio

2.2 Rating factors: Business risk profile

The business risk profile is assessed with regard to the investment policy and the features of the investment portfolio. We assess the investment portfolio in terms of diversification by value, industry, and geography. We also take into consideration the liquidity of the assets in the portfolio and the respective business and financial strengths of each asset (i.e. the credit quality).

2.2.1 Investment policy

The investment policy relates to the guidelines that have been set, communicated, and followed (or not). These guidelines are in relation to the current portfolio (and past), and its evolution in terms of new investments and disposals.

Typically, we will see less risk in a policy of investing in a portfolio of listed, diversified and established businesses generating positive free cashflow with stable dividend payment rather than in concentrated high-growth, private businesses generating negative free cashflow with the need for frequent capital injection. Therefore, we review the stated investment policy (if any) and compare it to the existing portfolio to determine if the actual track record matches the policy. We also review the dynamics of the portfolio, including the actual rotation of the investments, and the value-creation approach (i.e. long-term growth of the business, turnaround of the company).

		AAA	AA	A	BBB	BB	B	CCC
Investment policy	10.0%		Very prudent clearly stated policy within a structured organisation. Very strong track record of execution.	Prudent policy with strong track record.	Adequate policy and track record.	Mildly agressive policy.	Limited disclosure on investment policy. Agressive policy with some issues on execution.	No investment policy disclosed at all. Very agressive policy, cyclical industries, management change, weak execution.

2.2.2 Portfolio of investments

The holding company's investment portfolio is the most important element in the determination of the credit rating. The purpose of the investment holding company is to build a portfolio of assets and to manage it. The assessment of the portfolio is a core part of the analysis process as the portfolio represents all the assets and the value of the rated entity.

The first step is to evaluate the value of each individual asset in the investment portfolio. Our valuation is based on the market value of listed investments and our estimate when the investments are not listed. Typically our assessment of unlisted investments will be based (by general order of interest) on third-party valuations (i.e. property valuation for real estate investment trust, third-party valuation realised for an equity-related transaction), peer multiples (from listed peers or recent M&A transactions), and net book value.

Then we assess the five following criteria:

Diversification by value: From the valuation of assets we can derive the portfolio diversification by asset value (i.e. the respective weight of each investment in the portfolio). For the calculation, we take into account if there is a large cash balance in the investment holding entity resulting from a rotation of the portfolio. If we believe that the cash is most likely to be reinvested, then we consider the cash as being part of the portfolio valuation - and therefore, not included to reduce the investment holding's debt

used to calculate the loan-to-value ratio. If the cash is not likely to be reinvested, we consider it outside of the portfolio value and include it in to reduce the investment holding's net debt.

Table 1: Diversification by value

Diversification by VALUE	0%-10%	10%-20%	20%-30%	30%-40%	40%-50%	50%-60%	60%-70%	70%-80%	80%-90%	90%-100%	Size of top 3
0%-10%	AAA	AAA	AA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
10%-20%	n.a.	AA	A	A	BBB	BBB	n.a.	n.a.	n.a.	n.a.	
20%-30%	n.a.	n.a.	A	BBB	BBB	BB	BB	BB	B	n.a.	
30%-40%	n.a.	n.a.	n.a.	BBB	BB	BB	BB	B	CCC	CCC	
40%-50%	n.a.	n.a.	n.a.	n.a.	BB	BB	B	CCC	CCC	CCC	
50%-60%	n.a.	n.a.	n.a.	n.a.	n.a.	B	CCC	CCC	CCC	CCC	
60%-70%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	CCC	CCC	CCC	CCC	
70%-80%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	CCC	CCC	CCC	
80%-90%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	CCC	CCC	
90%-100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	CCC	
Size of top 1											

Typically, we prefer a large diversification by asset value as this underlines a low concentration of value in the portfolio. As a result, a material negative change in the value of a single investment would have only a limited adverse impact on the portfolio's total value. This also reduces the likelihood of the investment holding company having to provide financial support to an investment.

Diversification by industry: Based on the individual valuation of each of the portfolio investments, we assess the diversification by industry, by aggregating the valuation of each investment in individual industries. We view a broadly equal-weight split of a portfolio across a large number of industries as positive. We also analyse the correlation between industries, i.e. if they react in a similar way in the event of market changes or if they tend to offset each other. The specific industries are also analysed to assess their underlying earnings and dividend capacity.

Table 2: Diversification by industry

Diversification by INDUSTRY	>= 10	9	8	7	6	5	4	3	2	1	Nb industry
0%-10%	AAA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
10%-20%	AA	AA	AA	A	A	A	n.a.	n.a.	n.a.	n.a.	
20%-30%	AA	AA	A	A	BBB	BBB	BBB	n.a.	n.a.	n.a.	
30%-40%	A	A	BBB	BBB	BB	BB	BB	B	n.a.	n.a.	
40%-50%	BBB	BBB	BB	BB	B	B	B	B	n.a.	n.a.	
50%-60%	BB	BB	BB	B	B	B	B	B	B	n.a.	
60%-70%	B	B	B	B	B	B	B	B	CCC	n.a.	
70%-80%	B	B	B	B	B	CCC	CCC	CCC	CCC	n.a.	
80%-90%	CCC	CCC	CCC	CCC	CCC	CCC	CCC	CCC	CCC	n.a.	
90%-100%	CCC	CCC	CCC	CCC	CCC	CCC	CCC	CCC	CCC	CCC	
Size of top 1											

Diversification by geography: The approach is similar to the diversification by industry, aggregating individual valuation into geographies. We take into account the absolute size of the geographic area as well as the degree of correlation between the areas.

Table 3: Diversification by geography

Geographical diversification. Presence in geographical areas / concentration per geographical area	4 geographical areas	3 geographical areas	2 geographical areas	1 geographical area
25% ≤ Largest geographical area < 30%	AAA	AA+	n.a.	n.a.
30% ≤ Largest geographical area < 40%	AA	AA-	n.a.	n.a.
40% ≤ Largest geographical area < 60%	A	BBB+	BB+	B+
60% ≤ Largest geographical area < 80%	n.a.	BB+	BB-	B
80% ≤ Largest geographical area ≤ 100%	n.a.	n.a.	B	B-

Note 1: To be present in a geographical area is to have at least 15% of total asset value from that area. The four geographical areas are Americas, Africa & Middle-East, Asia-Pacific, and Europe & Russia.

Note 2: If Africa/Middle-East is > 30% of total asset value, automatic two-notches below the grid because of increased political and economic risks.

Note 3: Diversification in countries within one geographical area, or cities within one country, can entail up to two notches up or down with respect to the grid.

Liquidity of assets: The liquidity of an asset will be higher for a listed entity. It can also depend on the cyclical phase of the industry, or the country of the asset and possible related legal restrictions. The place of listing and the amount of security traded are also important drivers. A non-controlling stake in a listed company can be easier to sell compared to full ownership. As such, the table below indicates the categories for the liquidity of assets based on the proportion (P) of listed companies within the portfolio.

		AAA AA	A	BBB	BB	B	CCC
Liquidity of assets	10.0%	P > 80% with the majority of stakes below 20%.	70% < P ≤ 80% Majority of stakes below 35%.	60% < P ≤ 70% Majority of stakes below 35%.	50% < P ≤ 60% Majority of stakes below 35%.	40% < P ≤ 50%	P ≤ 40%

Credit quality of assets: The financial strength relates to the respective credit quality. The average credit quality is calculated based on the value of each asset, not on the dividend stream of the portfolio of assets. We will typically assess the credit quality of assets representing individually more than 10% of the portfolio of assets' value. We evaluate the credit quality of the individual asset using our corporate rating grid assessment as reference. A low credit quality will likely result in a higher volatility of the equity value of the investment and can lead to challenges regarding access to the capital markets. An asset with a low credit quality can also be less resilient in the event of a downturn in its business.

		AAA	AA	A	BBB	BB	B	CCC
Credit quality of assets	15.0%		AA	A	BBB	BB	B	CCC

2.3 Rating factors: Financial risk profile

The financial risk profile is dependent on the financial policy and the leverage and coverage ratios. We specifically analyse the investment holding entity on a standalone basis (or group of holding entities), not on a consolidated basis with the investment portfolio. Therefore, our assessment is based on the investment holding company's individual financial statements, unless some of the investment portfolio debt has been granted a guarantee from the holding, which is rather unusual. Nevertheless, the investment holding company's financial statements perimeter can incorporate several holding entities forming the investment holding group (i.e. holding A, owning sub-holdings B, C, and D, used for the purposes of holding investment stakes; in this case, the holding's perimeter is A, consolidated with B, C, and D).

2.3.1 Financial policy

The financial policy relates to the financial situation of the investment holding company. We assess the financing structure of past investments and what is intended for future

investments. A conservative approach will have a large proportion put on the equity funding while a more aggressive approach will choose higher debt funding resulting in higher interest expenses and debt load. The adherence to a set policy can be evaluated with regard to the actual financial profile (from the loan-to-value ratio) and an understanding of the historical evolution (i.e. a high loan-to-value ratio can result either from a drop in the investments' value or aggressive financing from day one).

		AAA AA	A	BBB	BB	B	CCC
Financial policy	10%	Very prudent clearly stated policy within a structured organisation. Very strong track record/adherence to it.	Prudent policy with strong track record/adherence to it.	Adequate policy and track record/adherence.	Mildly agressive policy.	Limited disclosure on financial policy and weak adherence to it. Agressive policy with reliance on debt.	No financial policy disclosed at all. Very agressive with high reliance on debt.

2.3.2 Leverage ratios

In contrast to a typical leverage of a corporate entity (usually EFR-adjusted net debt/EFR-adjusted EBITDA or a gearing ratio), we assess an investment holding company's leverage as its net debt divided by the value of the investment portfolio. The investment holding company's net debt is calculated on an unconsolidated basis (to exclude portfolio investments which are consolidated) unless a guarantee is provided by the investment holding entity for the debt (which is unusual). The value of the investment portfolio is the addition of the valuation of each investment (sum of the parts). As we indicated before, valuation is derived from the market value when the investment is a listed company and primarily from third-party valuation or a peer multiple when the investment is private. Book value can also be considered, in the event of a lack of comparable elements or for specific reasons.

We attribute the highest weight to the leverage criteria as it is a key driver of the holding company's ability to either raise financing or pay off its debt if needed. It is also an indicator of the magnitude of asset value volatility that a rated entity could withstand.

Better ratings are assigned to companies with a low LTV ratio whereas companies with a high LTV ratio have lower ratings.

		AAA AA	A	BBB	BB	B	CCC
Loan to value	30.0%	0% < LTV < 20%	20% < LTV < 30%	30% < LTV < 40%	40% < LTV < 50%	50% < LTV < 70%	LTV > 70%

2.3.3 Interest coverage ratio

The funding structure is analysed with regard to the fixed charge coverage of the investment holding and its liquidity profile. The interest coverage can be defined as funds from operations (FFO) relative to interest.

We calculate FFO before interest expenses. It typically consists of dividends, management fees, interest income (often intercompany loan interest income). For the calculation of the ratio, we add dividends paid by the investment holding to interest expenses if they arise from a need for dividends by the investment holding company's shareholders (i.e. when the parent company has debt resulting in the need for a recurrent stream of dividend to be paid by the rated entity). We also evaluate if there is an outsized part of the dividend stream paid by a particular investment in the portfolio.

		AAA AA	A	BBB	BB	B	CCC
Interest coverage	10.0%	R > 6.0x	4.0x < R < 6.0x	3.0x < R < 4.0x	2.0x < R < 3.0x	1.0x < R < 2.0x	R < 1.0x

3 Specific considerations

After having assessed the business risk profile and the financial risk profile of an issuer, EthiFinance Ratings looks at certain key rating factors the presence of which could cap the final rating at a lower level than that resulting from the risk profile assessments.

This is because such rating factors are either seen as necessary for the company to survive on a going-concern basis, are key to monitor the performance of the issuer (transparency), or expose the issuer to material event risks which are tougher to quantify through a grid and thus cannot be factored in otherwise (country risk, some ESG risks). This denotching applied to the rating originally envisaged can be as many as three notches, although it is more usually one or two notches.

3.1.1 Transparency

EthiFinance Ratings measures the degree of transparency of an issuer based on the quality of the information and the level of details provided to investors, including quarterly financial statements, market data, KPIs, operational and financial guidance etc. Listed companies tend to score higher on this metric relative to privately-owned companies. Transparency is measured by EthiFinance Ratings on a scale of '0' to '5'.

Transparency is key for investors to monitor the operating and financial performance of an issuer. Whilst a high level of transparency may not raise a rating, a material lack of sufficient transparency may cause us to cap a rating at a level lower than normally envisaged to capture the risks associated with poor disclosure, including that of unforeseen events arising. Ultimately, an extremely low level of transparency may not be commensurate with the ability to maintain a public rating, and could cause us to withdraw such a rating (if it is the Rating Committee's decision).

3.1.2 Liquidity

Liquidity is key for an issuer to operate both in good times and even more importantly in times of stress. EthiFinance Ratings applies a liquidity assessment as an overlay to the initial rating. As a consequence, the absence of sufficient liquidity as defined below may cause an issuer's rating to be lower than that resulting from the combination of its business and financial risk profiles.

EthiFinance Ratings' liquidity analysis results in a score of 0, 1, 2 or 3, based on the result of a combination of both quantitative and qualitative analysis as illustrated by the table below.

		Liquidity analysis stressed scenario			
		3 years	2 years	1 year	0 year
Refinancing profile	Very high financial profile / Virtually no issues expected to refinance	3	3	3	1
	Medium financial profile / Refinancing not expected to be an issue but may depend on the conditions in financial markets at the time of refinancing	3	2	2	1
	Low financial profile / refinancing not guaranteed	3	2	1	0

3.1.2.1 The quantitative driver: liquidity analysis - stressed scenario

The quantitative analysis is a measure of how long an issuer can finance its operations assuming that access to both equity and debt capital markets is closed. It is measured on a scale of '0' to '3' years, and one on the refinancing profile:

- 0 year: the issuer has insufficient liquidity to face its debt obligations in the coming years, and/or may run out of liquidity due to cash burn;
- 1 year: the issuer can meet its debt obligations for the coming year;
- 2 years: the issuer can meet its debt obligations for the coming two years;
- 3 years: the issuer can meet its debt obligations for at least the coming three years.

The liquidity analysis is based on EthiFinance Ratings' own forward-looking covenant computations and financial forecasts which enable us to assess the balance between an issuer's projected sources and uses of funds.

Sources of funds considered by EthiFinance Ratings include unrestricted cash, undrawn committed credit facilities with expiry > 1 year and FFO (post-working capital). EthiFinance Ratings typically excludes from its assessment restricted cash, the minimum level of cash required to run the business (when available, alternatively we may use the historically lowest quarterly cash level exhibited or a percentage of turnover), uncommitted credit facilities, and asset disposals (if already agreed upon). EthiFinance Ratings also factors in new debt issued at the time of the analysis.

Uses of funds considered by EthiFinance Ratings include capex, acquisitions already agreed upon, dividends, and debt maturities.

The liquidity score is adjusted for the potential impact of a covenant breach.

Until Q3 in a fiscal year; the liquidity score captures the remaining quarters left during that year as well as the two following fiscal years. In Q3, the starting point of the assessment shifts to the beginning of the following fiscal year and captures the three fiscal years thereafter.

The qualitative analysis reflects the issuer's refinancing profile, which is its ability to refinance its debt based on its financial profile, among other things. The refinancing profile assessment is divided into three possible outcomes: i) Very high financial profile / Virtually no issues expected to refinance, ii) Medium financial profile / Refinancing not expected to be an issue but may depend on the conditions in financial markets at the time of refinancing, and iii) Low financial profile / refinancing not guaranteed.

3.1.2.2 The qualitative driver: the refinancing profile

By introducing the notion of refinancing profile, EthiFinance Ratings values companies which have a very strong financial profile and virtually no issues to refinance their debt by assigning them a score of 3/3, independently from the liquidity analysis under a stressed scenario, with the exclusion of a score of '0 year', which EthiFinance Ratings believes is not commensurate with a very strong financial profile. Conversely, companies which have a very weak financial profile and therefore no refinancing guaranteed are basically assessed through the stressed scenario only.

3.1.3 Country risk

Whilst the absence of country risk does not contribute to a better rating than indicated by the scorecard, the presence of an issuer in an unstable operating environment is likely to weigh negatively on its rating, and could cause the rating to be lower than if the issuer had similar operations in a more stable environment – such as an OECD country.

Risks concerned include among others political risk (risk of civil war, riots, etc.), risk of expropriation/nationalization, regulatory risk, fiscal risk, environmental risk, currency control, as well as safety issues. EthiFinance Ratings uses a number of measures to track country risk; including the ratings of French credit insurer Coface.

Generally, the corporate rating will be capped to the rating of the country in which the rated corporate operates, which reflects the fact that a company's credit risk is a function of its country of operation risk. Additionally, as we describe in more detail in our recovery analysis, a recovery rate is capped by the country of operation of a company in order to take into account the creditor-friendliness, or otherwise, of jurisdictions and enforceability of security in the event of a default.

3.1.4 Other considerations

Other specific considerations may relate to potential M&A operations which may not have been analysed through the financial risk profile. Likewise, financially stressed companies may not always be easily identified through standard credit metrics, which may justify additional denotching. Another significant consideration may relate to ESG criteria. The way EthiFinance Ratings factors in ESG considerations is described in the following document:

https://files.qivalio.net/documents/compliance/QIVALIO-ESG-Considerations.pdf

While ESG factors are usually captured through the scorecard, EthiFinance Ratings may sometimes factor in one criterion outside of the scorecard. For instance, the social risk associated with the status of couriers for food delivery companies cannot be fully captured through the scorecard. However, it is of such a nature as to increase the credit risk, thereby leading to a manual adjustment of the scorecard.

4 Ratings under review

When an event of such nature that it could change the rating of a company occurs, but EthiFinance Ratings lacks information or needs further analysis to review its rating, thereby preventing an immediate reaction, EthiFinance Ratings may decide to put the rating under review. The label 'under review' is a temporary classification by which EthiFinance Ratings may inform stakeholders of a potential upcoming rating action. When a rating is put under review, the current rating remains valid until the next rating action. Ratings can be under review for upgrade, downgrade, or in some rare cases, uncertain. Unlike outlooks, ratings under review will usually result in a rating action from one to 2 months after the review has been announced, but may sometimes last longer when EthiFinance Ratings is expecting further guidance and information in order to assign its ratings. Events which usually trigger such reviews are mergers, acquisitions, disposals of a significant part of a company, significant unforeseen change in the financial situation of a company or its operating environment. Ratings under review may result in an upgrade, a downgrade or no change at all for the rating, based on work performed by EthiFinance Ratings' analysts.