FitchRatings

RATING ACTION COMMENTARY

Fitch Assigns Enexis 'AA-' Rating; Outlook Stable

Mon 22 Dec, 2025 - 07:05 ET

Fitch Ratings - Barcelona - 22 Dec 2025: Fitch Ratings has assigned Enexis Holding N.V. (Enexis) and Enexis Netbeheer B.V. Long-Term Issuer Default Ratings (IDRs) of 'AA-' with Stable Outlooks, and Long-Term senior unsecured ratings of 'AA'. We have also assigned Enexis a Short-Term IDR of 'F1+'. The standalone credit profile (SCP) is 'bbb+'.

The SCP reflects the supportive Dutch regulatory framework and the around 98% of regulated earnings, but also factors in the expected acceleration of investment. We forecast persistently negative free cash flows (FCF) and an increasing trend of funds from operations (FFO) net leverage and net debt to regulatory asset base (RAB), averaging 6.5x and 60%, respectively, over 2026-2030.

The rating takes into account 'Strong expectations' of government support under our Government-Related Entities Rating Criteria (GRE criteria), leading to a "bottom-up +4" rating construction from the 'bbb+' SCP, resulting in the 'AA-' Long-Term IDR.

KEY RATING DRIVERS

Stable Business Profile: Enexis is one of the largest distribution system operators (DSOs) in the Netherlands, with a market share of around 31%, operating in five provinces. Its business profile and cash flow visibility are supported by large share of regulated earnings. We expect Enexis' RAB to reach EUR18 billion by 2030 (from EUR9 billion), with an 80%/20% split for electricity and gas.

High Capex Planned; Negative FCF: Enexis will invest over EUR13 billion over 2026-2030, mostly focusing on expanding and reinforcing the electricity grid. This represents a significant increase in annual capex to above EUR2.2 billion from 2026, from EUR1.5 billion-1.7 billion in 2024-2025 and around EUR1 billion historically. We expect negative FCF of EUR1.5 billion a year on average over the forecast horizon.

This also factors in a cap of EUR100 million a year on dividends indexed to inflation from 2026, under the company's updated dividend policy. Our rating case does not incorporate equity injections from the Dutch state related to the existing framework agreement.

Rising Leverage and Gearing: We expect the high capex plan to result in increasing leverage. We forecast FFO net leverage at 6.5x on average over 2026-2030, with some annual volatility mainly explained by the weighted average cost of capital (WACC) true-up mechanism, from a lower level of 5.0x in 2025. We also expect net debt/RAB to increase gradually from 44% in 2025 to 66% by 2030, with an average of 60% over 2026-2030. We consider the financial profile commensurate with a 'bbb+' SCP. Enexis is committed to maintaining a minimum credit rating of 'A' (including GRE support).

Supportive Regulatory Environment: The Dutch regulatory environment is supportive of Enexis's credit profile, in our view. The Dutch regulator is independent and has a record of establishing fair remuneration through transparent tariff-setting. Electricity and gas distribution will transition to a cost-plus remuneration scheme in the upcoming 2027-2031 regulatory period, which ensures DSOs are adequately remunerated in a context of investment acceleration.

Cost-Plus Framework: The upcoming regulatory period is focused on incentivising investments in the grid, allowing for full recovery of completed investments. Both RAB and WACC will switch to nominal (from real in the existing framework), including a yearly adjustment of WACC to compensate for differences between forecast and actual risk-free rate with a two-year time lag. Work in progress is not included in the RAB calculation, to incentivise rapid implementation of investments. This could be penalising for the company should there be delays in ongoing investments during this capex super-cycle.

Strong Expectations of Support: Our assessment under the GRE criteria results in a score of 25, implying 'Strong expectations' of support, and bottom-up +4 notching from the 'bbb+' SCP. We assess Decision-making and Oversight as 'Strong', Precedents of Support as 'Very Strong', Preservation of Government Policy Role as 'Strong' and Contagion Risk as 'Not Strong Enough'.

Responsibility to Support: We assess Decision-making and Oversight as 'Strong' because existing shareholders (in particular the provinces of Noord-Brabant, Overijssel and Limburg) have aligned interests and involvement in the company's strategy and operations. The framework agreement between the Netherlands government (AAA/Stable) and the Dutch DSOs justifies the 'Very Strong' assessment for Precedents of Support. Past support from existing shareholders includes a EUR500 million convertible shareholder loan granted in 2020, a modest dividend policy and the retention of proceeds within the company following the sale of the non-regulated subsidiary Fudura.

Incentives to Support: We assess Preservation of Government Policy Role as 'Strong' as Enexis covers around 31% of the Dutch electricity and gas grid. We believe a financial default could cause disruptions related to the timely completion of the capex programme, which is key to supporting national energy targets. We see limited contagion risk, as we believe a default is unlikely to disrupt access to financing for the Dutch state and existing shareholders.

Enexis Netbeheer Equalised: The ratings of Enexis and Enexis Netbeheer are equalised under our Parent and Subsidiary Linkage Criteria as the latter accounts for 98% of the parent's consolidated revenues and assets, and we do not consider the regulatory requirements to maintain a credit rating of at least 'BBB' to limit the parent's access to Enexis Netbeheer. We believe government support would flow to the regulated entity.

PEER ANALYSIS

We consider the Dutch regulatory framework broadly as supportive as the German one, although the detailed mechanisms may differ. We assess Enexis' debt capacity as lower than that of Amprion GmbH (BBB+/Stable) and E.ON SE (BBB+/Stable). Amprion is larger and operates the transmission network, which we see as less risky than distribution. E.ON has significantly larger size and is diversified across markets, although this is partly offset through its supply business. We consider Enexis' debt capacity better than that of regional DSO e-netz Suedhessen AG (BBB+/Stable), which also operates electricity and gas networks, but is significantly smaller.

Enexis' debt capacity is broadly comparable with Italgas S.p.A. (BBB+/Stable). Italgas operates a gas distribution network under a well-established regulatory framework, but with a longer record and greater transparency. This is offset by its exposure to Greek regulation, which we see as less mature, and the gas business, which we view as riskier.

REN - Redes Energeticas Nacionais, SGPS, S.A. (BBB/Stable) is the Portuguese transmission system operator for electricity and gas and is also one of the country's gas DSOs. We see Portuguese regulation as weaker than that of other European peers, due to lower revenue visibility and fully nominal inputs, without the inclusion of work-in-progress. It is smaller than Enexis. We therefore grant a higher debt capacity to Enexis.

Another peer is Czech Gas Networks Investments S.a r.l. (BBB+/Stable). We see regulation in Czech Republic as supportive, but the company operates only the gas DSO and is smaller than Enexis. We therefore see Enexis' debt capacity as higher.

FITCH'S KEY RATING-CASE ASSUMPTIONS

Fitch's Key Assumptions Within Our Rating Case for the Issuer

- WACC of 5.5%-5.8% in the new regulatory period 2027-2031

- EBITDA of around EUR940 million on average a year in 2025-2026 and increasing from EUR1.6 billion in 2027 to EUR1.9 billion in 2030

- Dividend payout ratio of 50% capped at EUR100 million and indexed to inflation under management policy

- Average capex of EUR2.5 billion annually over 2026-2030

- Cost of new debt at around 3.7% for 2026-2030

- Shareholder loan treated as equity

RATING SENSITIVITIES

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- FFO net leverage above 6.8x, net debt/RAB above 65% on a sustained basis and FFO interest coverage falling below 4.0x would be negative for Enexis' SCP and Long-Term IDR.

- Adverse changes to the regulatory framework or an inadequate remuneration of investments would be negative for Enexis' SCP and Long-Term IDR.

- Weaker links between Enexis and its existing shareholders and the Dutch State would be rating negative

- Worsening of the weighted average of the credit profile of the shareholders, including the Dutch state, provided the links are unchanged, would be negative for the Long-Term IDR.

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- FFO net leverage below 6.1x and net debt/RAB below 57% on a sustained basis would be positive for Enexis' SCP but not its Long-Term IDR.

- Stronger links between Enexis and its existing shareholders and the Dutch state would be rating positive.

LIQUIDITY AND DEBT STRUCTURE

As of June-2025, the company had EUR363 million available cash. It also had access to diverse credit lines totalling around EUR1.9 billion. This includes EUR1 billion committed syndicated revolving credit facility maturing in October 2030 and two committed loan facilities with the European Investment Bank totalling EUR590 million, which can be used in 2026 and 2027.

The company also signed three bilateral facilities of EUR100 million each in September 2025. This compares with Fitch-expected negative FCF of EUR1.6 million and a EUR500 million debt maturity in 2026. Enexis has a good access to the capital markets and its liquidity policy is to cover cash outflows 12 months forward with committed and available sources of liquidity.

ISSUER PROFILE

Enexis is a Dutch gas distribution system operator (DSO) with around 31% of market share and a RAB value of around EUR9 billion. Enexis operates in the five provinces of Groningen, Drenthe, Overjissel, Limburg and Noord-Brabant.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

This rating is linked to the Dutch sovereign rating and the ratings of the main three provinces that own the company.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING		
Enexis Holding N.V.	LT IDR	AA- Rating Outlook Stable	New Rating
	ST IDR	F1+	New Rating
senior unsecured	LT	AA	New Rating
Enexis Netbeheer B.V.	LT IDR	AA- Rating Outlook Stable	New Rating
senior unsecured	LT	AA	New Rating

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Manuel Meneses Pereira, CFA
Associate Director
Primary Rating Analyst
+34 93 492 9511
manuel.menesespereira@fitchratings.com
Fitch Ratings Ireland Spanish Branch, Sucursal en España
Av. Diagonal 601 Planta 4 Barcelona 08028

Yeshvir Singh
Senior Director
Secondary Rating Analyst

+44 20 3530 1810
yeshvir.singh@fitchratings.com

Antonio Totaro
Senior Director
Committee Chairperson
+39 02 9475 8280
antonio.totaro@fitchratings.com

MEDIA CONTACTS

Pilar Perez
Barcelona
+34 93 323 8414
pilar.perez@fitchratings.com

Tahmina Pinnington-Mannan
London
+44 20 3530 1128
tahmina.pinnington-mannan@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Country-Specific Treatment of Recovery Ratings Criteria (pub. 03 Mar 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 02 Aug 2024) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria (pub. 27 Jun 2025)

Corporate Rating Criteria (pub. 27 Jun 2025) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 27 Jun 2025)

Government-Related Entities Rating Criteria (pub. 18 Jul 2025)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Enexis Holding N.V.	-
Enexis Netbeheer B.V.	-

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch’s website.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s Regulatory Affairs page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.