FitchRatings

Public Finance
Government-Related Entities
France

Societe nationale SNCF SA

The affirmation of Societe national SNCF SA's ratings reflects Fitch Ratings' unchanged view that it is a major agency of the French government (AA-/Negative) that is extremely likely to extend its support to the railway company, resulting in an overall support score of 35 points out of a maximum of 60 under our *Government-Related Entities (GRE) Rating Criteria*. This, combined with a Standalone Credit Profile (SCP) assessed at 'a-', leads to an equalisation of SNCF SA's ratings with those of the sovereign. The Negative Outlook reflects that on France.

Key Rating Drivers

Support Score Assessment – 'Extremely Likely': SNCF SA benefits from a score of 35 out of 60 under our GRE criteria due to a 'Very Strong' assessment in 'decision-making and oversight' and a 'Strong' assessment for all three other key rating drivers. EU regulation on state aid limits the support the operator can receive from the state.

Responsibility to Support: France exercises strong decision-making power over SNCF SA and has a direct control over its operations and financing by nominating most of its board and chief executive. The company's commercial activities receive state support, mostly through the large amount of contracted revenue. However, EU regulations on state aid limit support for the operator, as a material share of SNCF SA's business is now fully exposed to competition.

Incentive to Support: A default of an entity that is 100% state-owned and which carries out important public policy missions would be viewed as a clear lack of support from the state. Furthermore, Fitch believes there would be grave political repercussions following a default, as SNCF SA is central to the government's and the EU's push towards more sustainable mobility solutions, and is a company of national relevance in France.

Standalone Credit Profile – 'a-': SNCF SA's SCP at 'a-' reflects the combination of a 'Midrange' risk profile and of a financial profile assessed in the lower end of the 'aa' category.

Risk Profile – 'Midrange': We assess SNCF SA's risk profile at 'Midrange', reflecting the combination of 'Midrange' revenue risk and expenditure risk, and 'Stronger' liabilities and liquidity risk.

SNCF SA's demand is supported by its very strong position in its primary market of France, where it derives most of its revenue, and the ongoing transition towards green modes of transport. Fitch considers operating costs to reflect both limited volatility but also a limited degree of flexibility, notably on staff costs. The company's consolidated debt structure is sound with a fairly smooth debt repayment profile.

Financial Profile – 'aa': We assess SNCF SA's financial profile at the lower end of the 'aa' category, reflecting a leverage ratio close to 3x on average in 2028-2029 (2024: 1.9x). We also expect debt service coverage to average 0.7x over the scenario (bb category) and the gross interest coverage to be close to 7.5x in 2028-2029 (aa category).

Ratings

Foreign Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Negative
Long-Term Local-Currency IDR	Negative

Debt Ratings

Senior Unsecured Debt - Long-Term Rating	AA-
Senior Unsecured Debt - Short-Term Rating	F1+

Issuer Profile Summary

SNCF SA is the state-owned holding company and sole debt-issuing entity of the French national integrated railway group. It was created on 1 January 2020 to consolidate the infrastructure manager SNCF Reseau and the operator SNCF Mobilites.

Financial Data Summary

(EURm)	2024	2029rc
Net adjusted debt/EBITDA (x)	1.9	3.3
EBITDA/gross interest coverage (x)	15.6	6.8
Operating revenue	38,774	42,663
EBITDA	4,381	2,819
Net adjusted debt	8,384	9,279
Total assets	125,631	-

rc: Fitch's rating-case scenario
Source: Fitch Ratings, Fitch Solutions, SNCF SA

Applicable Criteria

Government-Related Entities Rating Criteria (July 2024)

Public Policy Revenue-Supported Entities Rating Criteria (January 2024)

Related Research

European Railways' Activity Is Strong but Investment Needs Are Growing (April 2025)

European Railways – Peer Credit Analysis (April 2025)

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Rating Synopsis

Societe nationale SNCF SA Rating Derivation

Summary	
Government LT IDR	AA-
GRE Standalone Credit Profile (SCP)	a-
Support category	Extremely likely
Notching expression	Equalised
Single equalisation factor	No
GRE LT IDR	AA-

GRE Key Risk Factors and Support Score	
Responsibility to support	15
Decision making and oversight	Very Strong
Precedents of support	Strong
Incentives to support	20
Preservation of government policy role	Strong
Contagion risk	Strong
Support score	35 (max 60)

Standalone Credit Profile	
Risk profile	Midrange
Revenue risk	Midrange
Expenditure risk	Midrange
Liabilities and liquidity risk	Midrange
Financial profile	aa
Qualitative factors adjustments	Neutral
GRE SCP	a-

Stylized Notching Guideline Table

Distance \ Support score	>=45	35-42.5	30-32.5	20-25	15	12.5	<=10
SCP > IDR	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap
0	0	0	0	S-A	S-A	S-A	S-A
-1	0	0	0	+1/S-A	S-A	S-A	S-A
-2	0	0	0	+1	S-A	S-A	S-A
-3	0	0	-1	+1	S-A	S-A	S-A
-4	0	-1	-2	+1	S-A	S-A	S-A
-5	0	-1	-2	+2	+1	S-A	S-A
-6	0	-1	-2	+3	+2	+1	S-A
-7	0	-1	-2	+4	+2	+1	S-A
-8	0	-1	-2	+4	+3	+1	S-A
-9	0	-1	-2	+5	+3	+1	S-A
-10	0	-2	-3	+5	+3	+1	S-A

Note: Refer to the GRE criteria for further details

Risk profile	Financial profile					
Stronger	aaa or aa	a	bbb	bb	b	
High Midrange	aaa	aa	a	bbb	bb	b
Midrange		aaa	aa	a	bbb	bb or below
Low Midrange			aaa	aa	a	bbb or below
Weaker				aaa	aa	a or below
Vulnerable					aaa	aa or below
Suggested analytical outcome	**aaa**	**aa**	**a**	**bbb**	**bb**	**b**

Government LT IDR	GRE SCP	GRE LT IDR
AAA	aaa	AAA
AA+	aa+	AA+
AA	aa	AA
AA-	aa-	AA-
A+	a+	A+
A	a	A
A-	a-	A-
BBB+	bbb+	BBB+
BBB	bbb	BBB
BBB-	bbb-	BBB-
BB+	bb+	BB+
BB	bb	BB
BB-	bb-	BB-
B+	b+	B+
B	b	B
B-	b-	B-
CCC+	ccc+	CCC+
CCC	ccc	CCC
CCC-	ccc-	CCC-
CC	cc	CC
C	c	C
RD	rd	RD
D	d	D

LT IDR – Long-Term Issuer Default Rating; GRE – Government-related entity
Source: Fitch Ratings

Fitch views SNCF SA as a GRE of France and equalises its ratings with those of the state. This results from the combination of support from the state, which we view as 'Extremely Likely', and an 'a-' SCP, three notches away from the sovereign's rating. The Negative Outlook reflects that of France.

Rating Sensitivities

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

A revision of France's Outlook to Stable would be reflected in SNCF SA's ratings, all else being equal.

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

A downgrade could result from a weakening of the links between the state and SNCF SA, or a weakening of the company's importance to the French state, which Fitch views as unlikely.

A downgrade of the sovereign would be reflected in SNCF SA's ratings.

A downgrade could also result from a deterioration in the SCP to 'bbb+'. This would mostly reflect net leverage that remains above 4x for SNCF SA's operator on a sustained basis. We continue to analyse the two underlying businesses separately due to the ban on cross-subsidising.

Issuer Profile

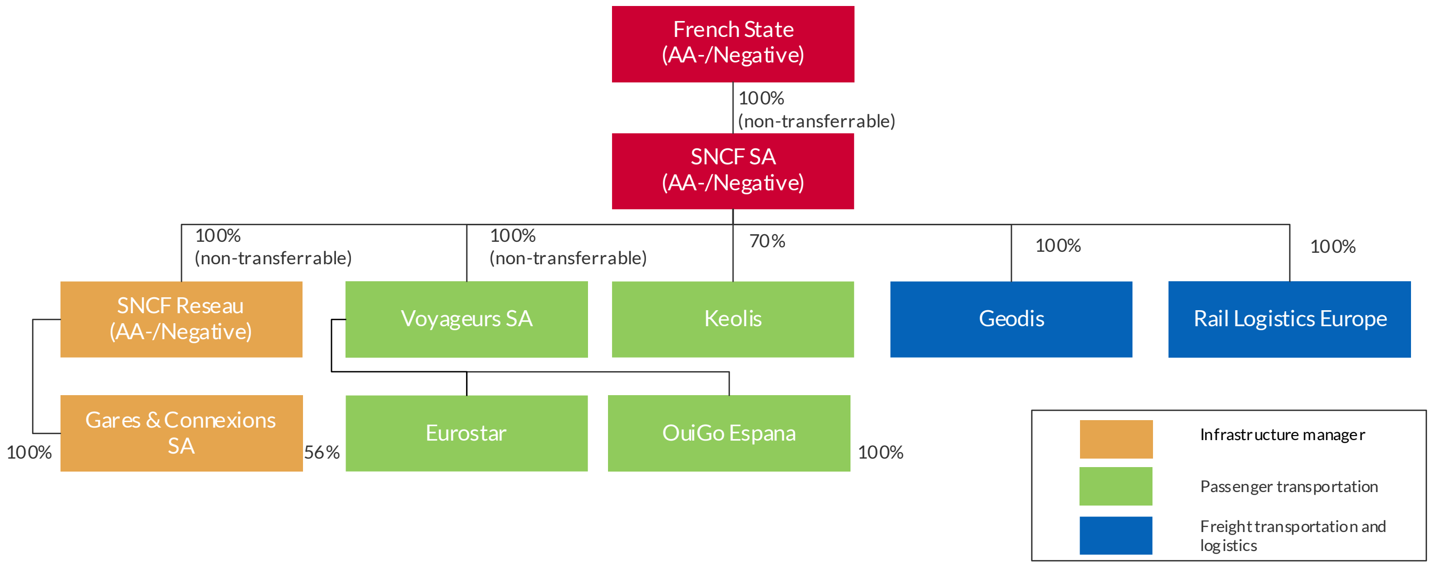
SNCF SA is the holding company and sole debt-issuing entity of the integrated French railway group. It was created on 1 January 2020 from the merger of EPIC SNCF and SNCF Mobilites EPIC, along with the transformation of EPIC SNCF Reseau into a subsidiary of SNCF SA. This reform is the outcome of the June 2018 law to prepare for the liberalisation of domestic passenger services which began in 2020 and to create a vertically integrated group, similar to Deutsche Bahn AG (AA+/Stable) in Germany and Ferrovie dello Stato Italiane S.p.A (FS, BBB/Positive) in Italy.

Fitch continues to rate SNCF Reseau (AA-/Negative), which has historical debt that remains on SNCF SA's balance sheet.

As of 1 January 2025, Fret SNCF was officially discontinued. This is the culmination of a long process that has been ongoing since 2023. The French state was suspected by the EU to have illegally subsidised Fret SNCF between 2005 and 2019, despite the sector having been opened to free market competition since 2006. The subsidies are estimated to have amounted to EUR5 billion, leaving the group with two options: to repay (which would have led to the bankruptcy of the subsidiary) or discontinue its activities.

The second option was chosen. This led to the sale of some of the subsidiary's most profitable contracts to other operators (around 20% of its turnover) and the creation of the two new entities replacing Fret SNCF: Hexafret and Technis. The final stage should occur in 2025-2026 and involves the sale of a minority stake in Rail Logistics Europe.

French Railway Group's Organisation Chart



Source: Fitch Ratings, SNCF SA, as of 31 December 2024

Support Rating Factors

Summary

Responsibility to support		Incentives to support			
Decision making and oversight	Precedents of support	Preservation of government policy role	Contagion risk	Support score	Support category
Very Strong	Strong	Strong	Strong	35 (max 60)	Extremely Likely

Source: Fitch Ratings

Decision Making and Oversight

SNCF SA is 100% owned by the state, which exercises strong decision-making power and has direct control over its operating and financing activities by nominating eight members of the board, as well as the chief executive officer. The remaining four board members are nominated by employee representatives. The state's oversight of the company's activities is also robust by virtue of the board of directors as well as the Ministries of Transport and Finance.

The state sets clear financial goals for the company, regularly reviews its financials, regulates its operations and can also have a large impact on activities with specific regulations and legislations. In 2023, for example, the state capped price increases on high-speed rail at 5% to protect consumers from inflation.

SNCF SA is subject to state control through the National Court of Audit (Cour des Comptes) and its activities are regulated nationwide by the Autorite de Regulation des Transports (ART). It is required to provide the Agence des Participations de l'Etat (APE) – the agency of the Ministry of Finance that manages state participations – an annual business report.

The legal provision preventing the state from selling its shares is supportive of SNCF SA's ratings, according to Fitch.

Precedents of Support

The French state has a strong record of supporting its agencies and main public companies. This was especially the case for SNCF SA, which benefited from very strong support, including EUR35 billion of debt relief in 2020-2022 and a EUR4.1 billion capital injection during the Covid-19 pandemic. However, these measures were applied to SNCF Reseau only and not the operator, in compliance with EU regulation 91/440 prohibiting cross-financing between the two entities. Support for the operator is possible under this law, as public transport is a ‘service of general interest’, but it remains subject to conditions, capping our assessment at ‘Strong’.

Under EU Regulation, “services of general interest” may receive financial compensation to cover the costs triggered by their public service missions and there have been precedents in France where the state has provided exceptional support to such entities.

SNCF SA’s private-law status means that in the event of dissolution, there would not be an automatic transfer of liabilities to the French state, unlike under its former EPIC status.

Preservation of Government Policy Role

While substitutes could take its place under the EU competition law, it would likely be imperfect, as SNCF SA provides rail transportation on a number of loss-making lines that have not attracted big interest from other railway companies, according to Fitch. As such, a default would likely severely disrupt rail transportation across France, a vital economic activity. We also believe there would be grave political repercussions on a default of SNCF SA. The company is central to the push by the government and the EU towards more sustainable mobility, as well as a major employer with national recognition.

A default on its financial obligations – triggering an increase in financing costs – would lead to a postponement or reduction in its investment programme, which has been rising, as the state is increasingly using SNCF SA as a proxy vehicle to tackle climate change.

The state also relies on SNCF SA, which has more than 290,000 employees in France alone, as a countercyclical investment vehicle, as a major source of employment and as an affordable means of transport.

Contagion Risk

SNCF SA is a large issuer and high-profile entity for the French state. We believe there would be a contagion risk on the financing and cost of debt of other large French agencies if SNCF SA were to default, as it would be seen as a lack of support from the state for these entities.

SNCF SA is very active in domestic and international capital markets through its EUR15 billion Euro Medium-Term Notes (EMTN) programme, its EUR5 billion European Commercial Paper (ECP) programme and its EUR3 billion French CP (NeuCP) programme.

Standalone Credit Profile Assessment

Fitch considers two main subdivisions when assessing SNCF SA’s SCP and derives it from what we consider to be the weakest link: SNCF Reseau (the infrastructure manager) and the activities that are majority exposed to competition (the operator).

As such, we assess SNCF SA’s SCP at the lower of that of the operator (a-) and that of the infrastructure manager SNCF Reseau (a-) to capture the European ban on cross-subsidising.

Both entities have the same SCP, so we analyse the credit profile of SNCF SA’s commercial activities (the operator), due to its weaker link with the state compared with SNCF Reseau.

The ‘a-’ SCP for the operator reflects the combination of a ‘Midrange’ risk profile and a financial profile assessed in the lower end of the ‘aa’ category, with a forecasted leverage ratio close to 3.3x in 2029 (2024: 1.9x). We also expect debt service coverage to average 0.7x over the scenario (‘bb’ category) and the gross interest coverage to be close to 7x in 2028-2029 (‘aa’ category).

SNCF SA’s operator reflects the following factors.

Risk Profile Assessment

Summary

Revenue risk	Expenditure risk	Liabilities and liquidity risk	Operating environment score	Risk profile
Midrange	Midrange	Midrange	aa	**Midrange**

Source: Fitch Ratings

Fitch assesses SNCF SA's risk profile at 'Midrange', reflecting the combination of assessments:

Revenue Risk: Midrange

SNCF SA's demand is supported by its very strong position in its primary market, where it derives most revenue, and the transition towards green modes of transport. Our assessment also reflects the correlation of passenger and freight demand with the economic cycle, which might suffer from the ongoing trade disputes. SNCF SA's pricing flexibility is moderate, mainly due to the elasticity of demand for rail, which has many transport substitutes. We also expect increased competition from EU law to put pressure on prices over the long term, but this is mitigated by the fact that 33% of SNCF SA's revenue comes from activities outside of France.

In 2024, the share of SNCF SA's operating revenue from commercial activities linked to passenger travel further increased to 69% (2022: 67%), of which 25% was from regional mobility services under public service contracts (PSCs) with French local governments (Transilien and TER). High-speed rail continues to be a strong contributor to turnover, being up about 20% from its pre-Covid level, but its growth has begun to normalise as prices stabilise and capacity remains limited due to the delay in the delivery of the latest TGV-M (Train Grande Vitesse – the name of France's high-speed trains). We expect the expansion of high-speed rail to pick back up as the more efficient and higher capacity TGV-M begin operating at a large scale by 2027-2028.

Freight revenue continued to fall by about 2% from 2023, as prices normalise from their post-pandemic surge and on the back of lower demand due to ongoing trade disputes. Despite this, freight revenue remains 29% above its pre-Covid level and remains a major income source for the group (33% of operating revenue in 2024).

SNCF SA has flexibility in setting its prices, but most PSCs have state-imposed tariffs. As the PSCs expire, the regions will have to publicly tender, and these contracts may become a less certain source of revenue. So far, SNCF SA has secured most of the tenders that have taken place in France. The opening to competition also enabled SNCF to start investing in other markets in the European Union, with a notably strong and expanding market share in Spain and plans to further develop its activities in Italy in the coming years.

Pricing flexibility is greater on high-speed rail, but the state can still intervene in exceptional circumstances. In 2023, the French government capped high-speed train tickets' price increases at 5%, despite higher inflation and strong demand, showcasing the control it has over the company's price-setting capabilities.

Revenue Breakdown Excluding Non-Cash Items, 2024 (Operator)

	(EURm)	% of operating revenue
Passengers (proximity fares)	9,116	24
Passengers (proximity subsidies)	7,919	20
Passengers (high-speed trains)	9,777	25
Freight	12,862	33
Other net operating revenue	-900	-2
Operating revenue	**38,774**	**100**
Interest revenue		-
Capital revenue	3,522	-
Memo: Non-cash operating revenue	0	-

Source: Fitch Ratings, Fitch Solutions, SNCF SA

Expenditure Risk: Midrange

The assessment of operating costs reflects the limited volatility and flexibility of the main cost items of the operator, especially staff costs (43% of opex in 2024) and access charges paid to SNCF Reseau for track usage (17%). Other costs are mainly energy, payments to subcontractors and external purchases. Capex offers some flexibility but represented a limited share of spending (about 10% of spending in 2024 for the operator).

Track access charges have increased by close to 8% in 2024, as the charge is adjusted to inflation with a time lag of about two years. As such, the access charge is now increasing for the 2022-2023 inflation. We expect access charges to continue to rise at a rapid rate until 2027. For 2024, the growth has been counterbalanced by a 16% fall in energy prices and a stabilisation in the operator's external purchases.

Investment planning shows stronger features, reflecting the lack of any real constraint regarding resources. SNCF SA remains well positioned in France to attract new talent, and the company benefits from its relationship with one of the largest train manufacturers, Alstom SA, which will start providing the new TGV-M model from 2026. These models should both prove more energy efficient and increase capacity by around 20% compared to the TGVs currently in use.

SNCF SA's consolidated gross capex should rise to EUR12 billion in coming years, with 60%-70% borne by the infrastructure manager SNCF Reseau, leaving around EUR4 billion for the operator (EUR4.3 billion in 2024). Capex offers flexibility but represented only a limited share of spending.

Expenditure Breakdown Excluding Non-Cash Items, 2024 (Operator)

	(EURm)	% of operating expenditure
Staff costs	14,678	43
Goods & services and maintenance costs	12,415	36
Access charges	5,992	17
Other operating expenditure	1,308	4
Operating expenditure	**34,393**	**100**
Interest expenditure	281	-
Capital expenditure	4,274	-
Memo: Non-cash operating expenditure	0	-

Source: Fitch Ratings, Fitch Solutions, Societe nationale SNCF SA

Liabilities and Liquidity Risk: Midrange

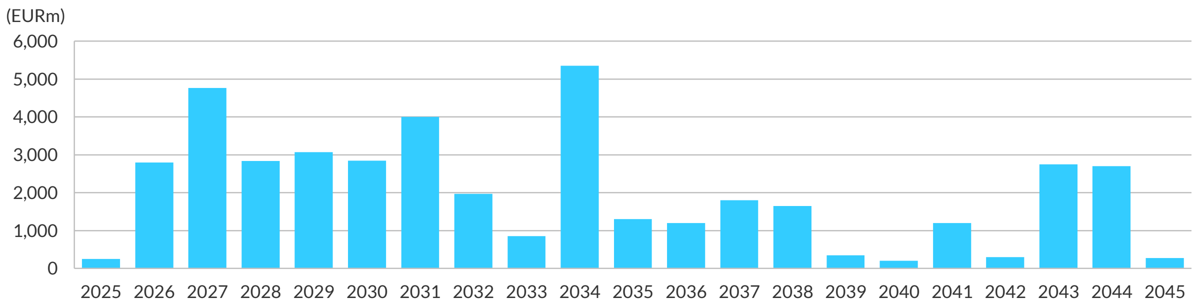
Fitch considers SNCF SA's consolidated debt structure to be sound with a fairly smooth debt repayment profile and only a few repayment peaks. Most of its debt is fixed rate (92%), denominated in local currency (99% in euros post-swaps) with a weighted-average life of around eight years. The company has robust access to liquidity, in capital markets and through commercial banks (that are typically rated in the A category).

The high share of fixed-rate debt has limited the increase in its interest expense (2% apparent cost of debt at end 2024). SNCF SA also benefits from various hedging mechanisms to reduce exposure to either interest rate or foreign exchange. This led to large interest revenue in 2023 (EUR847 million) but normalised in 2024, to EUR112 million, as inflation came down. The company also benefits from access to developed financial markets, with a very solid national framework and comparability to French agencies.

Last year's issuance reached EUR1.6 billion, close to its EUR1.9 billion in 2023. SNCF SA has had larger refinancing requirements over the past couple of years and will continue to have EUR2billion-3 billion to refinance until 2030.

SNCF SA's consolidated debt sits mostly on SNCF Reseau's balance sheet (about 78% of the group's total debt at end-2024). The entity benefitted from a EUR35 billion debt relief from the state (EUR25 billion in 2020 and a further EUR10 billion in 2022) in the form of a receivable that repays annually around two-thirds of SNCF Reseau's interest and principal debt repayments. Net of the CDP, the operator accounted for around 40% of the group's debt. All debt is issued at group level and then split between SNCF Reseau and the operator based on needs.

Debt Repayment Profile (as of End-2024)



Source: Fitch Ratings, Societe nationale SNCF SA

Debt and Liquidity Analysis (Consolidated)

	End-2024
Total debt (EURm)	63,788
Other Fitch-classified debt (EURm)	4,534
Adjusted debt (EURm)	68,322
Cash and liquidity available for debt service (EURm)	39,618
Undrawn committed credit lines (EURm)	3,500
Debt in foreign currency (% of total debt)	0.4
Debt at floating interest rates (% total debt)	7.9
Short-term debt (% of total debt)	8.1
Issued debt (% of total debt)	82.6
Apparent cost of debt net of CDP (%)	2.0
Weighted average life of debt (years)	7.8

Source: Fitch Ratings, Fitch Solutions, SNCF SA

Financial Profile Assessment

In our rating-case scenario, we expect the operator to exhibit a leverage ratio (net adjusted debt/EBITDA) close to 3.3x in 2029 (2024: 1.9x). We also expect the debt service coverage to average 0.7x and the gross interest coverage to be close to 7x in 2028-2029.

EBITDA rose slightly to an all-time high of EUR4.4 billion, despite falling freight revenue. This was driven by a continued strong performance in passenger transportation, which helped outweigh rising access charges. Fitch expects the operator's EBITDA to remain strong, averaging EUR3 billion a year. Demand is expected to stay strong, but freight revenue is likely to be reduced due to trade disputes. Furthermore, the delay in TGV-M deliveries has limited the rise in passengers, which are at or close to maximum capacity on a number of its most profitable train lines.

As a consequence, capex should be higher than historically, as SNCF SA has rising needs to increase capacity and maintain a high level of service in the face of increasing competition. We expect the dividend paid out by SNCF SA to come down to EUR1.4 billion in 2025 after a record EUR1.7 billion in 2024. This dividend paid from the group to the state through the profitable operator is then fully reinvested in SNCF Reseau to modernise the network. Due to high investment needs, we expect this dividend to remain above EUR1 billion.

Fitch expects the operator's net adjusted debt to rise slightly, reaching EUR14.8 billion in 2029 (EUR13.9 billion in 2024), driven by larger investment requirements and high dividend payouts.

Societe Nationale SNCF SA (Operator)

(EURm)	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Operating revenue	38,774	38,822	39,647	40,638	41,654	42,663
Operating expenditure	-34,393	-35,366	-36,676	-37,709	-38,771	-39,844
EBITDA	4,381	3,456	2,972	2,929	2,883	2,819
EBITDA/operating revenue (%)	11.3	8.9	7.5	7.2	6.9	6.6
Financial balance	-281	-347	-353	-368	-392	-415
Net capital expenditure	-752	-1,402	-1,496	-1,583	-1,672	-1,762
Net adjusted debt	8,384	8,227	8,418	8,640	8,920	9,279
Net adjusted debt/EBITDA (x)	**1.9**	**2.4**	**2.8**	**2.9**	**3.1**	**3.3**

rc - Fitch's rating-case scenario: a through-the-cycle scenario that incorporates a combination of revenue, cost or financial risk stresses.
Source: Fitch Ratings, Fitch Solutions, SNCF SA

Financial Profile Guidance Table

	Primary metric	Secondary metrics		
	Leverage ratio (x)	Debt service coverage ratio (x)	Gross Interest coverage ratio (x)	Liquidity coverage ratio (x)
aaa	X ≤ 0	X ≥ 3	X ≥ 10	X ≥ 5
aa	**0 < X ≤ 4**	2 ≤ X < 3	**6 ≤ X < 10**	3 ≤ X < 5
a	4 < X ≤ 8	1.4 ≤ X < 2	4 ≤ X < 6	**1.8 ≤ X < 3**
bbb	8 < X ≤ 12	1 ≤ X < 1.4	2 ≤ X < 4	1.2 ≤ X < 1.8
bb	12 < X ≤ 18	**0.6 ≤ X < 1**	1 ≤ X < 2	0.8 ≤ X < 1.2
b	X > 18	X < 0.6	X < 1	X < 0.8

Note: Yellow highlights show metric ranges applicable to the issuer.
Source: Fitch Ratings

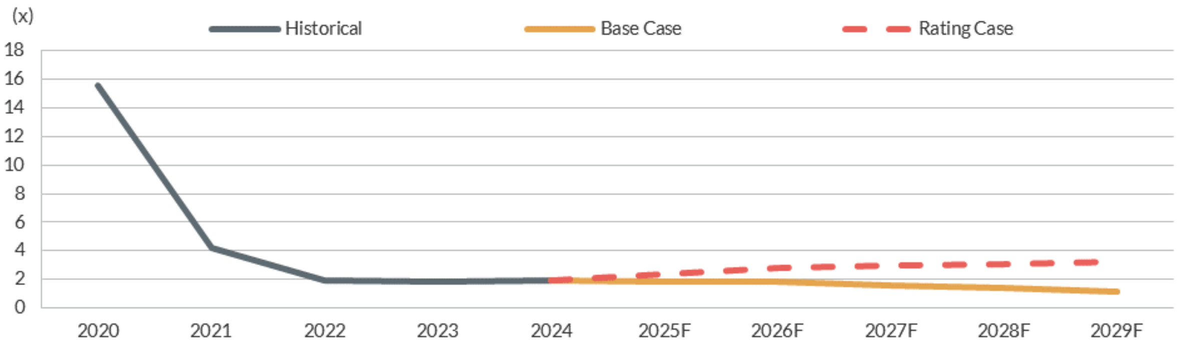
Fitch's Base and Rating Cases for the Operator – Main Assumptions and Outcomes

Assumptions	2020-2024 average	2025-2029 average Base case	2025-2029 average Rating case
Operating revenue growth (%)	3.5	2.3	1.9
Transfers from public sector growth (%)	4.5	1.1	1.1
Operating expenditure growth (%)	3.5	2.7	3.0
Net capital expenditure (average per year, EURm)	-311	-1,539	-1,583
Apparent cost of debt, 2024 (%)	1.9	2.7	2.7

Outcomes	2024	2029 Base case	2029 Rating case
EBITDA (EURm)	4,381	4,212	2,819
Net adjusted debt (EURm)	8,384	4,816	9,279
Net adjusted debt/EBITDA (x)	1.9	1.1	3.3

Note: Historical and scenario data exclude non-cash items
Source: Fitch Ratings, Fitch Solutions, SNCF SA

Net Adjusted Debt/EBITDA - Fitch's Base and Rating Case Scenarios - SNCF SA Operator



Source: Fitch Ratings, Fitch Solutions, SNCF SA

Additional Risk Factor Considerations

Asymmetric Risk Considerations

Management and governance	Accounting policies, reporting and transparency	Country risk and legal regime	Asymmetric risk impact (Notches)
Neutral	Neutral	Neutral	No

Source: Fitch Ratings

Debt Ratings

We rate SNCF SA's senior unsecured debt in line with its IDRs.

Peer Analysis

Peer Comparison

	Risk profile	Financial profile	SCP	Support category	Notching expression	Single equalisation factor	Long-Term IDR
SNCF SA	Midrange	aa	a-	Extremely Likely	Equalised	No	AA-/Negative
SNCF Reseau	High Midrange	a	a-	Virtually Certain	Equalised	No	AA-/Negative
Deutsche Bahn AG	Midrange	a	bbb+	Extremely Likely	Top-down - 1	No	AA+/Stable
Ferrovie dello Stato Italiane S.p.A	Midrange	a	bbb	Extremely Likely	Equalised	No	BBB/Positive
PKP Intercity S.A.	Midrange	bbb	bb+	Extremely Likely	Top-down - 1	No	BBB+/Positive
SR Co., Ltd.	High Midrange	a	a	Strong Expectations	Bottom up + 1	No	A+/Stable

Source: Fitch Ratings

SNCF SA's closest peers are the two other European integrated railway groups: Deutsche Bahn and FS. The latter's rating is the same as Italy's (BBB/Positive) due to its SCP being constrained at 'bbb' by the sovereign's IDR, while Deutsche Bahn benefits from a higher IDR thanks to Germany's stronger rating (AAA/Stable) and its top-down-minus-one rating approach. We take the same deconsolidation approach for FS and Deutsche Bahn. The Positive Outlook on FS and the Negative Outlook on SNCF SA reflect those of their respective sovereigns.

SNCF SA's SCP sits one notch above its main peer, Deutsche Bahn, mostly due to the French operator's strong profitability, especially its high-speed rail services. Deutsche Bahn's ratios have been under more stress, notably due to higher investment requirements.

The ratings of the infrastructure managers, SNCF Reseau and ADIF- Alta Velocidad (A-/Positive) are equalised with their respective sovereign based on their proximity to the state: they have a legal monopoly and, therefore, EU state aid regulations do not apply. They act almost directly on behalf of governments that decide on network expansion.

Financial Adjustments

Net Adjusted Debt Reconciliation (Consolidated)

(EURm)	End-2024
Reported net debt	24,780
- Net financial instruments at fair value	-610
+ Lease liabilities	+4,534
Fitch's adjusted net debt	28,112

Source: Fitch Ratings, SNCF SA

We do not consider fair-value hedging derivatives in our net debt calculations, as we do not view them as debt, but we incorporate the lease liabilities on SNCF SA's consolidated balance sheet.

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.

The energy transition policies will have a positive impact on demand for SNCF SA, which we take into account in our revenue defensibility assessment.

Appendix A: Financial Data

Societe nationale SNCF SA – Consolidated Activities

(EURm)	2020	2021	2022	2023	2024
Income statement					
Operating revenue	29,975	34,752	41,449	41,760	43,354
Operating expenditure	-28,040	-30,410	-34,835	-35,325	-36,399
Interest revenue	236	180	277	847	112
Interest expenditure	-1,126	-932	-624	-777	-695
Other non-operating items	236	180	277	847	112
Taxation	-4	-158	-314	-108	-137
Profit (loss) after tax	-3,449	767	2,516	1,409	1,654
Memo: transfers and grants from public sector					
Balance sheet summary					
Long-term assets	69,843	69,555	69,776	71,855	73,140
Stock	1,288	1,385	1,504	1,755	2,094
Trade debtors	9,924	9,649	10,349	10,932	10,428
Other current assets	2,629	321	812	347	342
Total cash, liquid investments and sinking funds	44,256	43,803	50,587	45,356	39,618
Total assets	127,949	124,722	133,037	130,255	125,631
Long-term liabilities					
Trade creditors	17,343	17,025	17,674	19,784	19,319
Other short-term liabilities	10,573	9,780	10,280	9,947	6,348
Charter capital	1,000	1,000	1,000	1,000	1,000
Reserves and retained earnings	11,691	13,644	26,548	26,552	26,404
Minority interests	4	40	75	77	18
Liabilities and equity	127,949	124,722	133,037	130,255	125,631
Debt statement					
Short-term debt	7,765	8,765	9,211	8,738	5,183
Long-term debt	72,273	70,305	65,310	60,349	58,605
Total debt	80,038	79,070	74,520	69,087	63,788
Other Fitch-classified debt	4,015	3,579	4,124	4,392	4,534
Adjusted debt	84,053	82,649	78,644	73,479	68,322
Unrestricted cash, liquid investments and sinking funds	44,256	43,803	50,587	45,356	39,618
Net adjusted debt	39,797	38,846	28,057	28,123	28,704
EBITDA reconciliation					
Operating balance	-2,205	612	2,490	2,326	2,319
+ Depreciation	4,012	3,822	4,169	4,080	4,346
+ Provision and impairments	128	-92	-45	29	290
+/- Other non-cash operating expenditures/revenues	0	0	0	0	0
= EBITDA	1,935	4,342	6,614	6,435	6,955

Source: Fitch Ratings, Fitch Solutions, SNCF SA

Appendix B: Financial Ratios

Societe nationale SNCF SA – Consolidated Activities

	2020	2021	2022	2023	2024
Income statement ratios					
Operating revenue annual growth (%)	-14.7	15.9	19.3	0.8	3.8
Operating expenditure annual growth (%)	-5.0	8.5	14.6	1.4	3.0
EBITDA/operating revenue (%)	6.5	12.5	16.0	15.4	16.0
Personnel costs/operating expenditure (%)	50.2	48.1	45.1	47.0	49.3
Balance sheet ratios					
Current assets/adjusted debt (%)	69.1	66.7	80.4	79.5	76.800
Current assets/total assets (%)	45.4	44.2	47.6	44.8	41.5
Total assets/adjusted debt (%)	152.2	150.9	169.2	177.3	183.900
Return on equity (%)	-27.2	5.0	8.6	5.1	6.0
Return on assets (%)	-2.7	0.6	1.8	1.1	1.3
Debt and liquidity ratios					
Net adjusted debt/EBITDA (x)	20.6	8.9	4.2	4.4	4.1
EBITDA/debt service coverage (x)	0.2	0.5	0.7	0.6	0.7
EBITDA/gross interest coverage (x)	1.4	3.9	7.3	4.0	10.0
Liquidity coverage ratio (x)	1.8	5.4	4.9	5.0	5.2
Net adjusted debt/operating revenue (%)	132.7	111.8	67.7	67.3	66.2
Net adjusted debt/equity (%)	313.5	265.2	101.8	102.0	104.7
Debt in foreign currency/total debt (%)	1.0	1.1	1.0	1.1	0.4
Debt at floating interest rates/total debt (%)	11.2	9.6	8.3	7.2	7.9
Short-term debt/total debt (%)	9.7	11.1	12.4	12.6	8.1
Issued debt/total debt (%)	82.3	83.6	82.6	82.2	82.6

Source: Fitch Ratings, Fitch Solutions, SNCF SA

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.