

# Peabody Trust

Fitch Ratings considers Peabody Trust (Peabody) to be a government-related entity (GRE) of the UK (AA-/Stable). Fitch has 'Strong Expectations' that the state would provide support to Peabody. Combined with a Standalone Credit Profile (SCP) assessed at 'a-', which is three notches below the sovereign, this leads to a one-notch uplift for the Issuer Default Rating (IDR) to 'A'.

The revision of the Outlook to Negative reflects Peabody's weak financial performance in the financial year ending 31 March 2025 (FY25), with leverage ratios above previous expectations. We continue to expect some improvement in financial metrics through the rating case, but this is tempered by the higher historical leverage and anticipated lower capital revenue.

## Key Rating Drivers

**Support Score Assessment – 'Strong Expectations':** This reflects our 'Strong Expectations' of exceptional support in the event of Peabody being in financial distress. This is reflected in a score of 20 points (of a maximum of 60) under our *Government-Related Entities Rating Criteria*.

**Responsibility to Support – 'Strong':** We assess both responsibility-to-support factors – decision-making and oversight, and precedents of support – as 'Strong'. This assessment is supported by the sector being highly regulated, with a history of regulator intervention to prevent default. Central and local governments provide ongoing support to the social housing sector through grants to renovate or build homes and maintain existing ones to the required standard.

**Incentives to Support – 'Strong':** Fitch assesses one incentive-to-support factor – preservation of government policy role – as 'Strong', considering that social housing is a key public service and a default by Peabody would not cause short-term disruption to services, but it could affect the sector in the medium term by limiting the availability of funding for maintenance capex and new investment.

We assess contagion risk as 'Not Applicable', considering a default would have little impact on cost of debt for the sponsor. However, limiting access to markets for the sector could have a profound impact on continued provision of service and delivery of a public policy mission.

**Standalone Credit Profile – 'a-':** Peabody's SCP reflects the combination of a 'Stronger' risk profile and a financial profile that we assess in the 'bbb' category. Peabody has had weaker performance historically, with net debt/EBITDA peaking in FY25 at about 17x. Fitch does not see this as representative of Peabody's underlying financial health, with leverage ratios expected to improve towards 11x by FY30. We expect net debt to remain at about GBP4.9 billion until FY30.

## Ratings

### Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1+

### Local Currency

Long-Term IDR	A
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	A
Senior Secured Debt - Long-Term Rating	A

## Issuer Profile Summary

Peabody is one of the largest providers of social housing in the UK, with about 109,000 units owned and managed. It operates predominantly in London and has a core number of assets in counties to the north and the south of the capital.

## Financial Data Summary

(GBPm)	2025	2030 <sup>rc</sup>
Net adjusted debt/EBITDA (x)	17.3	10.5
EBITDA/gross interest coverage (x)	1.2	2.2
Operating revenue	1,011	1,185
EBITDA	296	465
Net adjusted debt	5,129	4,891
Total assets	13,515	-

rc: Fitch's rating-case scenario

Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## Applicable Criteria

[Public Policy Revenue-Supported Entities Rating Criteria \(January 2024\)](#)

[Government-Related Entities Rating Criteria \(July 2025\)](#)

## Related Research

[UK Spending Review Is Credit Positive for English Social Housing Providers \(June 2025\)](#)

[English Social Housing – Peer Credit Analysis \(March 2025\)](#)

[English Social Housing Scorecard 2025 \(March 2025\)](#)

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## Rating Synopsis

### Peabody Trust Rating Derivation

Summary	Support score	Distance	Support score							Government LT IDR	GRE SCP	GRE LT IDR
			>=45	35-42.5	30-32.5	20-25	15	12.5	<=10			
Government LT IDR	AA-									AAA	aaa	AAA
GRE Standalone Credit Profile (SCP)	a-	SCP > IDR	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	S-A/Cap	AAA	aaa	AAA
Support category	Strong expectations	0	0	0	0	S-A	S-A	S-A	S-A	AA+	aa+	AA+
Notching expression	Bottom up +1	-1	0	0	0	+1/S-A	S-A	S-A	S-A	AA	aa	AA
Single equalisation factor	No	-2	0	0	0	+1	S-A	S-A	S-A	AA-	aa-	AA-
GRE LT IDR	A	-3	0	0	-1	+1	S-A	S-A	S-A	A+	a+	A+
		-4	0	-1	-2	+1	S-A	S-A	S-A	A	a	A
<b>GRE Key Risk Factors and Support Score</b>		-5	0	-1	-2	+2	+1	S-A	S-A	A-	a-	A-
Responsibility to support	10	-6	0	-1	-2	+3	+2	+1	S-A	BBB+	bbb+	BBB+
Decision making and oversight	Strong	-7	0	-1	-2	+4	+2	+1	S-A	BBB	bbb	BBB
Precedents of support	Strong	-8	0	-1	-2	+4	+3	+1	S-A	BBB-	bbb-	BBB-
Incentives to support	10	-9	0	-1	-2	+5	+3	+1	S-A	BB+	bb+	BB+
Preservation of government policy role	Strong	-10	0	-2	-3	+5	+3	+1	S-A	BB	bb	BB
Contagion risk	N/A									BB-	bb-	BB-
Support score	20 (max 60)									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
GRE SCP	a-									D	d	D

Stylized Notching Guideline Table: refer to GRE criteria for details

Standalone Credit Profile	Risk profile			Financial profile		
	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Risk profile	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Revenue risk	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Expenditure risk	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Liabilities and liquidity risk	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Financial profile	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Qualitative factors adjustments	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker
Suggested analytical outcome	Stronger	Midrange	Weaker	Stronger	Midrange	Weaker

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

## Rating Sensitivities

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

The Outlook could be revised to Stable if net debt/EBITDA moves structurally below 12x.

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

Inability of net debt/EBITDA to return to levels structurally below 12x on a sustained basis, or a multi-notch sovereign downgrade.

## Issuer Profile

Peabody is one of the largest providers of social housing in the UK and owns or manages more than 109,000 units. It operates mostly in London but has assets in counties to the north and south of the capital, as it is required to maintain a primary presence in the south-east. Peabody's assets are distributed widely, have a demographically diverse customer base, and with multiple opportunities for development and expansion.

Peabody was established in 1862 as the Peabody Trust. It has since grown both organically and through mergers, the latest of which was completed in 2022 between Peabody and Catalyst Housing Limited.

Peabody's structure is similar to that of other registered providers, with a parent entity overseeing asset owning registered providers, development entities, maintenance entities and specialist financing vehicles.

## Support Rating Factors

### Summary

Responsibility to support		Incentives to support		Support score	Support category
Decision making and oversight	Precedents of support	Preservation of government policy role	Contagion risk		
Strong	Strong	Strong	Not Strong Enough	20 (max 60)	Strong Expectations

Source: Fitch Ratings

### Decision Making and Oversight

Peabody is a private, not-for-profit social housing registered provider, so is not owned by the UK government. As a Community Benefit Society all surpluses are reinvested to provide social housing. We view the regulatory framework for English social housing as robust and that the Regulator of Social Housing (RSH) controls and strictly monitors registered providers.

### Precedents of Support

Peabody receives ongoing financial support through grants from Homes England and the Greater London Authority for social, affordable and shared-ownership development. This is to support additional subsidised housing or the regeneration of existing estates, rather than to finance debt or prevent default. Policy influence is supportive of the financial stability of registered providers, with very few entering financial difficulties and none reaching a default. Regulatory restrictions on government support are unlikely to prevent timely intervention in exceptional circumstances.

### Preservation of Government Policy Role

Social housing is a major public service. A Peabody default would have no immediate impact on service but over the medium term it could affect external financing upon which registered providers rely for maintenance capex and new investments. Other registered providers could act as substitutes were Peabody to default, but reduced access to financing and subsequently diminished financial resilience would lead to a decline in medium-term service provision.

### Contagion Risk

Default would have a minimal impact on the availability and cost of domestic financing for the UK. Fitch considers that if a default occurred, it would be treated as an isolated case of mismanagement or viability concerns. Consequently, this should not affect the sector at large. However, it could raise questions about the role of the regulator and sponsor.

## Standalone Credit Profile Assessment

Peabody's 'a-' SCP reflects the combination of a 'Stronger' risk profile, and a financial profile assessed in the 'bbb' category.

### Risk Profile Assessment

#### Summary

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

Source: Fitch Ratings

The 'Stronger' risk profile reflects the following combination of assessments.

#### Revenue Risk: Stronger

Demand in the UK for social housing is high and sustained, and any change in the rents that registered providers charge is unlikely to materially affect demand, nor would it be affected by economic pressures. Social housing is counter-cyclical to the UK economy, meaning that demand strengthens in a downturn.

Peabody has flexibility over pricing from its non-social housing activity, which it uses to cross-subsidise the core business. We believe the regulatory framework will maintain compensation for services at a level that supports the solvency of the sector.

In 2024, there were more than 1.3 million households registered on local authority housing waiting lists in England, according to the government. In London, where Peabody predominately operates, the population is growing rapidly, and market rents are much higher than elsewhere in the country leading to exacerbated demand for below-market-rate rental properties.

Social rent increases are governed by the Rent Standard, with which the RSH expects registered providers to comply. The current standard applies from April 2026 to March 2035 and allows for annual increases capped at the Consumer Price Index (CPI) plus 1%, where CPI is assessed in the September prior to the increase. In November 2022, the government announced a 7% cap on social rent increases, to be applied from April 2023 for one year. We believe the cap still supported solvency in the sector and has limited impact on our 'Stronger' assessment of pricing.

Most of Peabody's revenue comes from social housing lettings with capped prices (80%), though there is some uncapped market activity. Market activity allows for greater pricing flexibility but is riskier. This limited uncapped market activity has a positive impact on our assessment of pricing, but could weaken our assessment of demand if the provider becomes reliant on it, as the demand risk is higher.

Peabody will focus future developments on mixed tenure schemes. This enables them to access grant funding to limit exposure and still sell a portion of the asset and realise market returns.

### Revenue Breakdown Excluding Non-Cash Items, 2025

	(GBPm)	% of operating revenue
Social housing lettings	814	80.6
Other social housing revenue	80	7.9
Market sale	54	5.3
Other non-social housing revenue	63	6.2
Other operating revenue	0	0
<b>Operating revenue</b>	<b>1,011</b>	<b>100</b>
Interest revenue	3	-
Capital revenue	259	-
Memo: Non-cash operating revenue	0	-

Source: Fitch Ratings, Fitch Solutions, Peabody Trust

### Expenditure Risk: Stronger

Peabody has clear cost drivers and low potential volatility in major items. The largest opex items are staff (27%) and maintenance costs (28%), which Peabody controls. It has no material supply constraints on labour or resources. Peabody, as with the rest of the sector, faces heavy cost pressures due to previously high inflation.

Peabody has a clear, documented capital-planning process, a phased approach to its development strategy, and it regularly monitors projects. It has limited required capex (building safety), and the timing and delivery of all other capex is flexible.

Peabody can curtail some discretionary expenditure or reduce spending on non-essential work. However, reducing repairs and maintenance work is not sustainable over the long term, and will likely increase costs. Fitch expects maintenance and major repair costs to remain a priority for Peabody as it continues to invest in its existing stock. We expect this trend to continue, for many registered providers, as economic conditions make it increasingly difficult to build homes and improve the existing stock.

### Expenditure Breakdown Excluding Non-Cash Items, 2025

	(GBPm)	% of operating expenditure
Staff costs	196	27
Planned maintenance costs	200	28
Service charge costs	104	15
Other operating expenditure	215	30
<b>Operating expenditure</b>	<b>715</b>	<b>100</b>
Interest expenditure	183	-
Capital expenditure	590	-

## Expenditure Breakdown Excluding Non-Cash Items, 2025

	(GBPm)	% of operating expenditure
Memo: Non-cash operating expenditure	174	-

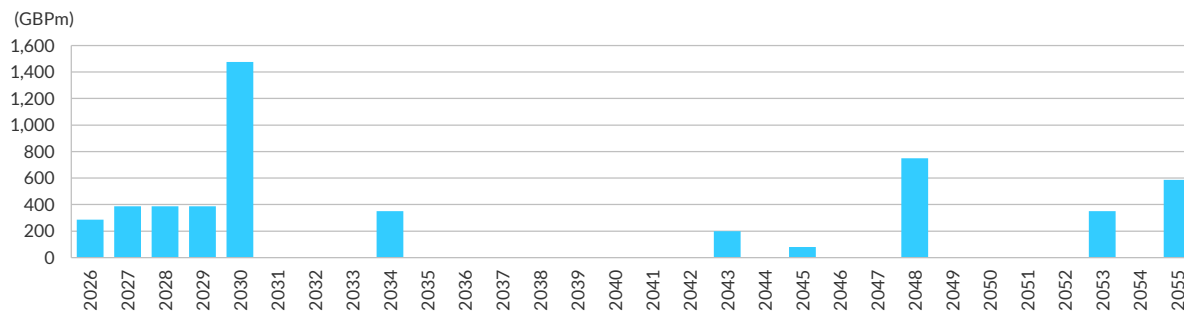
Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## Liabilities and Liquidity Risk: Stronger

Peabody's debt totalled about GBP5.2 billion at end-FY25. It operates in a developed financial market with full access to banks, debt capital markets and private placements. About three-quarters of debt is fixed rate, limiting exposure to capital market fluctuations. Peabody has a strong debt profile with smooth and long-term repayment (weighted-average life of debt is over six years) with little short-term debt. There are no off-balance-sheet risks.

The sector has general access to finance, with institutional investors and banks widely available. At end-FY25, Peabody had GBP1,010 million undrawn accessible credit lines (end-FY24: GBP1,198 million), with about GBP900 million from committed revolving credit facilities. It also held about GBP106 million in cash, providing adequate liquidity to support its medium-term business plan.

## Debt Repayment Profile (As of End-2025)



Source: Fitch Ratings, Peabody Trust. Note: Issuer has some facilities that mature beyond 2055.

## Debt and Liquidity Analysis

	End-2025
Total debt (GBPm)	5,235
Cash and liquidity available for debt service (GBPm)	106
Undrawn committed credit lines (GBPm)	1,010
Debt at floating interest rates (% total debt)	25
Short-term debt (% of total debt)	6.4
Issued debt (% of total debt)	45.2
Apparent cost of debt (%)	4.8
Weighted average life of debt (years)	12.2

Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## Financial Profile Assessment

We expect Peabody's performance to improve from FY26, after net debt/EBITDA peaked in FY25 at about 17x due to completion delays on a development. We do not view this as representative of Peabody's underlying financial strength and expect leverage ratios to improve to below 12x by FY30.

Fitch expects net debt to remain at about GBP5 billion by FY30, with strategic disposals enabling reinvestment in existing assets. An expected improvement in EBITDA over the next five years will result in improved net debt/EBITDA, which we expect to average about GBP414 million. This will reflect social rents increasing in line with CPI + 1% and costs being managed through the larger merged group and lower inflation than in recent years. We also expect a reduction in non-recurring remediation costs, which have weighed on margins historically.

## Financial Profile Guidance Table

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

Note: Yellow highlights show metric ranges applicable to Issuer  
Source: Fitch Ratings

## Fitch's Base and Rating Cases - Main Assumptions and Outcomes

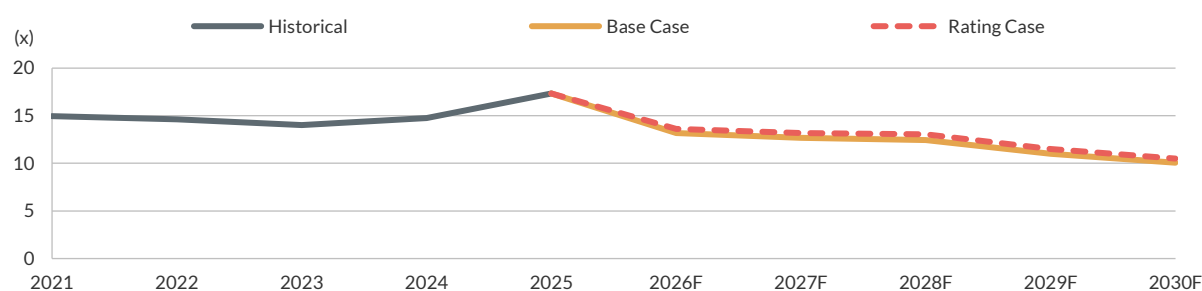
Assumptions	2021 - 2025 historical average	2026 - 2030 average	
		Base case	Rating case
Operating revenue growth (%)	1.6	3.3	3.2
Operating expenditure growth (%)	2.6	-0.1	0.1
Net capital expenditure (GBPm)	-378	-148	-148
Apparent cost of debt, 2025 (%)	4.8	4.3	4.3

Outcomes	2025	2030	
		Base case	Rating case
EBITDA (GBPm)	296	479	465
Net adjusted debt (GBPm)	5,129	4,821	4,891
Net adjusted debt / EBITDA (x)	17.3	10.1	10.5

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

## Net Adjusted Debt/EBITDA - Fitch's Base and Rating Case Scenarios



Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## 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

We assess all asymmetric risk attributes as 'Neutral' due to a strong regulatory framework, transparent reporting of information and a risk-averse debt structure.

## Short-Term Rating Derivation

The Short-Term IDR is the higher of two possible outcomes, 'F1+', as a result of the 'A' Long-Term IDR and strong liquidity metrics.

## Debt Ratings

The senior secured debt rating is in line with the Long-Term IDR. This rating has been applied to all existing senior secured issuances and Peabody's GBP1 billion EMTN programme, including those issued by SPVs Peabody Capital No 2 plc, Peabody Capital plc and TCHG Capital plc.

## Peer Analysis

### Peer Comparison

	Risk Profile	Financial Profile	SCP	Support Category	Notching Expression	Long-Term IDR/Outlook
Peabody Trust	Stronger	bbb	a-	Strong Expectations	Bottom up + 1	A/Negative
Clarion Housing Group Limited	Stronger	bbb	a	Strong Expectations	Bottom up + 1	A+/Negative
London & Quadrant Housing Trust	Stronger	bb	bbb+	Strong Expectations	Bottom up + 1	A-/Stable
Southern Housing	Stronger	bb	bbb+	Strong Expectations	Bottom up + 1	A-/Stable
Notting Hill Genesis	Stronger	bb	bbb+	Strong Expectations	Bottom up + 1	A-/Stable
Metropolitan Thames Valley Housing Group	Stronger	bb	bbb+	Strong Expectations	Bottom up + 1	A-/Stable
Hyde Housing Association Limited	Stronger	bbb	a-	Strong Expectations	Bottom up + 1	A/Stable

Source: Fitch Ratings

We consider Peabody's closest peers Clarion Housing Group Limited (Clarion) and London & Quadrant Trust, both of which have a significant presence in London, with similar challenges relating to fire safety measures.

All three registered providers own and manage more than 100,000 units and maintain robust development. L&Q has been slightly more affected by building safety costs, leading to several years' peaking leverage ratios, whereas Clarion has a much more stable outlook.

L&Q expects to deleverage through non-core asset divestment, reduction in development and building safety costs as their programme completes. Clarion and Peabody expect to continue developing at a moderate level for their size, managing building safety risk consistently and focusing on core assets and affordable development.

## ESG Considerations

The highest level of ESG credit relevance is a score of '3' – 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 our ESG Relevance Scores, visit [www.fitchratings.com/site/esg](http://www.fitchratings.com/site/esg).

## Appendix A: Financial Data

## Peabody Trust

(GBPm)	2021	2022	2023	2024	2025
<b>Income statement</b>					
Operating revenue	911	942	1,097	972	1,011
Operating expenditure	-730	-777	-926	-818	-889
Interest revenue	0	0	1	4	3
Interest expenditure	-122	-122	-139	-176	-183
Other non-operating items	84	297	1,932	76	103
Taxation	0	-19	7	-1	2
Profit (loss) after tax	144	321	1,972	57	47
Memo: Transfers and grants from public sector	0	0	0	0	0
<b>Balance sheet summary</b>					
Long-term assets	10,933	11,655	11,949	12,487	12,789
Stakes (equity investment)	0	0	0	0	0
Stock	532	570	469	428	462
Trade debtors	96	106	145	132	158
Other current assets	0	0	0	0	0
Total cash, liquid investments, sinking funds	287	223	142	133	106
Total assets	11,847	12,553	12,705	13,180	13,515
Long-term liabilities	6,279	6,693	6,654	7,040	7,117
Trade creditors	18	26	20	23	35
Other short-term liabilities	567	478	487	512	708
Charter capital	0	0	0	0	0
Reserves and retained earnings	4,983	5,356	5,544	5,605	5,655
Minority interests	0	0	0	0	0
Liabilities and equity	11,847	12,553	12,705	13,180	13,515
Net equity	4,983	5,356	5,544	5,605	5,655
<b>Debt statement</b>					
Short-term debt	246	106	108	155	336
Long-term debt	4,695	4,508	4,430	4,680	4,899
Total debt	4,941	4,614	4,538	4,835	5,235
Other Fitch-classified debt	0	0	0	0	0
Adjusted debt	4,941	4,614	4,538	4,835	5,235
Unrestricted cash, liquid investments, sinking funds	287	223	142	133	106
Net adjusted debt	4,654	4,391	4,396	4,702	5,129
<b>EBITDA reconciliation</b>					
Operating balance	181	165	171	154	122
+ Depreciation	130	135	143	142	174
+ Provision and impairments	0	0	0	23	0
+/- Other non-cash operating expenditures/revenues	0	0	0	0	0
= EBITDA	312	301	314	319	296

Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## Appendix B: Financial Ratios

### Peabody Trust

	2021	2022	2023	2024	2025
<b>Income statement ratios (%)</b>					
Operating revenue annual growth	-2.3	3.4	16.4	-11.4	4.0
Operating expenditure annual growth	-2.2	6.5	19.2	-11.7	8.7
EBITDA/operating revenue	34.2	31.9	28.6	32.8	29.3
Personnel costs/operating expenditure	29.6	29.0	24.5	28.6	27.4
Total transfers from public sector/operating revenue and ad-hoc transfers	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet ratios (%)</b>					
Current assets/adjusted debt	18.5	19.5	16.7	14.3	13.9
Current assets/total assets	7.7	7.2	6.0	5.3	5.4
Total assets/adjusted debt	239.8	272.1	280.0	272.6	258.2
Return on equity	2.9	6.0	35.6	1.0	0.8
Return on assets	1.2	2.6	15.5	0.4	0.4
<b>Debt and liquidity ratios</b>					
Net adjusted debt/EBITDA (x)	14.9	14.6	14.0	14.7	17.3
EBITDA/debt service coverage (x)	1.8	0.8	1.1	0.9	0.7
EBITDA/gross interest coverage (x)	2.4	2.2	1.7	1.4	1.2
Liquidity coverage ratio (x)	1.6	0.7	0.8	5.2	3.4
Net adjusted debt/operating revenue (%)	510.9	466.1	400.7	483.7	507.3
Net adjusted debt/equity (%)	93.4	82.0	79.3	83.9	90.7
Debt in foreign currency/total debt (%)	0.0	0.0	0.0	0.0	0.0
Debt at floating interest rates/total debt (%)	25.7	23.3	23.3	31.8	34.7
Short-term debt/total debt (%)	5.0	2.3	2.4	3.2	6.4
Issued debt/total debt (%)	12.2	27.8	50.3	41.7	45.2
Government-related debt/total debt (%)	0.0	0.0	0.0	0.0	0.0

Source: Fitch Ratings, Fitch Solutions, Peabody Trust

## Appendix C: Fitch's Rating-Case Scenario

### Peabody Trust

(GBPm)	2026rc	2027rc	2028rc	2029rc	2030rc
<b>Cash-adjusted income statement</b>					
Operating revenue	1,158	1,185	1,241	1,222	1,185
Operating revenue annual growth (%)	14.5	2.4	4.7	-1.5	-3.0
Operating expenditure	-765	-779	-837	-782	-720
Operating expenditure annual growth (%)	7.0	1.8	7.5	-6.5	-8.0
EBITDA	393	406	404	440	465
Interest revenue	3	2	2	2	2
Interest expenditure	-242	-241	-231	-217	-208
Financial balance	-239	-239	-229	-215	-206
Net capital expenditure	-370	-177	-87	-17	-90
Capital injection and other cash-items	0	0	0	0	0
Dividend paid	0	0	0	0	0
Other cash-items (net)	0	0	0	0	0
Net debt movement	222	-31	-111	-221	-161
Change in cash	5	-42	-23	-13	8
<b>Debt and liquidity</b>					
Adjusted debt	5,457	5,426	5,315	5,094	4,933
Memo: Non-cash movement in adjusted debt	0	0	0	0	0
Unrestricted cash	111	69	46	33	42
Net adjusted debt	5,345	5,356	5,268	5,060	4,891
<b>Financial and liquidity ratios</b>					
Net adjusted debt / EBITDA (x)	13.6	13.2	13.0	11.5	10.5
EBITDA/debt service coverage (x)	0.7	1.1	1.1	0.7	1.7
EBITDA/gross interest coverage (x)	1.6	1.7	1.7	2.0	2.2
Liquidity coverage ratio (x)	1.9	3.0	2.9	1.7	3.9

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, Peabody Trust

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