FitchRatings

Public Finance
Government-Related Entities
Germany

Hamburger Hochbahn AG

The affirmation of Hamburger Hochbahn AG's (HOCHBAHN) ratings reflects its legal status, which Fitch Ratings views as tantamount to a guarantee. This results in rating equalisation with the State of Hamburg (AAA), as Fitch considers HOCHBAHN to be a government-related entity (GRE) of the state and looks through its direct owner, Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV).

We assess HOCHBAHN's Standalone Credit Profile (SCP) at 'bbb' and view extraordinary support from the state as being 'Extremely Likely'. In the absence of the single factor that leads to equalisation, this would result in the company being rated one notch below the state.

Key Rating Drivers

Support Score Assessment – 'Extremely Likely': We believe that extraordinary support from the State of Hamburg is 'Extremely Likely' in case of need, reflecting a score of 40 out of 60 under our GRE criteria.

Responsibility to Support: Fitch assessed both factors related to responsibility to support as 'Very Strong', reflecting the tighter control from its sponsor and the support mechanisms from the State of Hamburg, including the profit-and-loss transfer agreement, investment grants and access to the liquidity of the State of Hamburg through a cash polling agreement with HGV.

Incentive to Support: We assessed both factors related to the incentive to support as 'Strong'. This reflects HOCHBAHN's provision of essential public transport services for the regional economy, which is difficult to substitute in the medium term, its key role in achieving the State of Hamburg's sustainability and climate goals, and the contagion risk for other GREs if it were to default on its debt.

Standalone Credit Profile – 'bbb': The Standalone Credit Profile (SCP) results from the combination of a risk profile assessed as 'Stronger' and financial profile assessed in the middle of the 'bb' category, with net adjusted debt/EBITDA averaging about 16.2x under Fitch's rating case, which covers 2026-2030.

Risk Profile – 'Stronger': HOCHBAHN's operating revenue is stable and largely protected from competition due to its direct service contract, which is further supported by rising passenger numbers. Fare adjustments for cost changes are typically compensated and unlikely to significantly affect demand. Operating costs, supply and volume risks are fully passed through under a profit-and-loss transfer agreement, with annual subsidies covering a significant portion of expenses. Cost volatility is low, and investment planning is robust, minimising execution risk.

Financial Profile – 'bb': We expect leverage (net adjusted debt/EBITDA) to remain high and average 16.2x in 2026-2030, driven by high investment needs. This will be supported by an increase in earnings due to high demand and new transport services from the network expansion. Half the network expansion costs will be covered by investment grants through the state and Federal Republic of Germany.

Additional Rating Factors

The equalisation of HOCHBAHN's ratings with the State of Hamburg's reflect our view that its legal status is tantamount to a guarantee. This is supported by a profit-and-loss transfer agreement with HGV, cash pooling access at the group level, and direct long-term service agreements with the State of Hamburg. As a result, there are no restrictions on support from State of Hamburg through HGV.

Ratings

Foreign Currency	
Long-Term IDR	AAA
Short-Term IDR	F1+
Local Currency	
Long-Term IDR	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
Debt Ratings	
Senior Unsecured Debt - Long-Term Rating	AAA

Issuer Profile Summary

HOCHBAHN provides local transportation services via metro lines and buses, serving 1.85 million people in Hamburg and 3.5 million people in the metropolitan region. Its service area covers 755 square kilometres (Hamburg) and 8,616 square kilometres (metropolitan region).

Financial Data Summary

(EURm)	2025	2030rc
Net adjusted debt/ EBITDA (x)	14.4	15.9
EBITDA/gross interest coverage (x)	3.7	2.8
Operating revenue	1,133	1,290
EBITDA	143	205
Net adjusted debt	2,050	3,267
Total assets	2,676	-

rc: Fitch's rating-case scenario
Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Climate Vulnerability Signal

2035 Climate Vulnerability Signal	41
Transition (Climate.VSt)	30
Physical (Climate.VSp)	33

Applicable Criteria

Government-Related Entities Rating Criteria (July 2025)

Public Policy Revenue-Supported Entities Rating Criteria (July 2026)

Related Research

Fitch Affirms Hamburger Hochbahn AG at 'AAA'; Outlook Stable (July 2025)

European Mass Transit Entities – Peer Credit Analysis (March 2026)

State of Hamburg (November 2025)

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Rating Synopsis

Hamburger Hochbahn AG Rating Derivation

Summary	
Government LT IDR	AAA
GRE Standalone Credit Profile (SCP)	bbb
Support category	Extremely likely
Notching expression	Top down -1
Single equalisation factor	Yes
GRE LT IDR	AAA

GRE Key Risk Factors and Support Score	
Responsibility to support	20
Decision making and oversight	Very Strong
Precedents of support	Very Strong
Incentives to support	20
Preservation of government policy role	Strong
Contagion risk	Strong
Support score	40 (max 60)

Standalone Credit Profile	
Risk profile	Stronger
Revenue risk	Stronger
Expenditure risk	Stronger
Liabilities and liquidity risk	Stronger
Financial profile	bb
Qualitative factors adjustments	Neutral
GRE SCP	bbb

Stylized Notching Guideline Table

Distance \ Support score	>=45	35-42.5	30-32.5	20-25	15	12.5	<=10
-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
-11	-1	-2	-4	+5	+3	+1	S-A
-12	-1	-3	-4	+5	+3	+1	S-A
-13	-2	-3	-5	+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

Rating Sensitivities

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

A weakening of the legal status leading to reduced confidence on the government guarantee and loosening links between HOCHBAHN and its sponsor, including a perceived dilution of support, could lead to a downgrade of the ratings to one notch below the State of Hamburg's ratings.

Negative rating action on the State of Hamburg would be mirrored in HOCHBAHN's ratings, assuming that their links were unchanged.

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

The rating is at the highest level on Fitch's rating scale and cannot be upgraded.

Issuer Profile

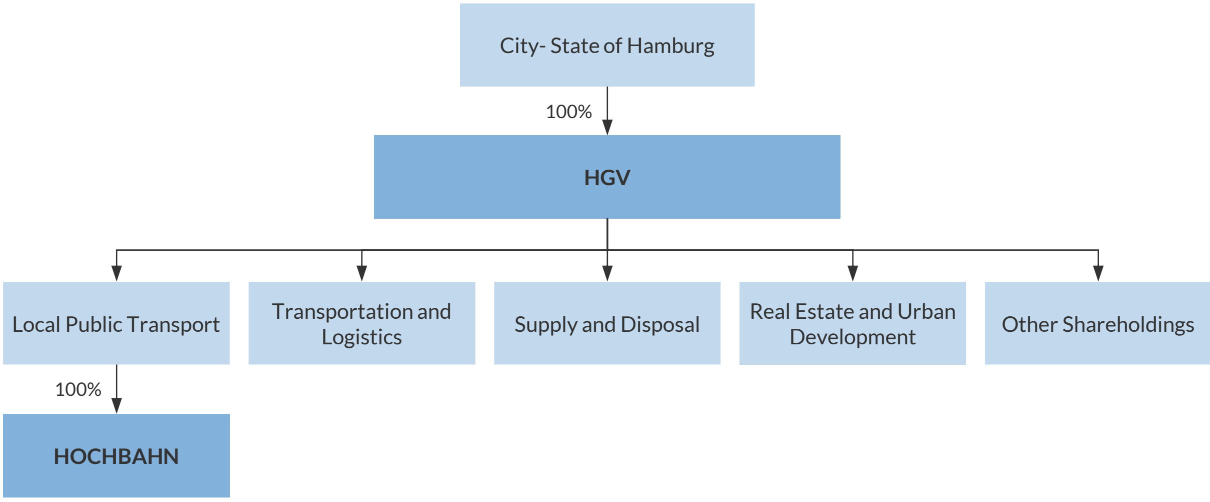
HOCHBAHN, established in 1911 as a stock-holding corporation under German law, is wholly owned by the city-state of Hamburg through the city's wholly owned intermediate holding company, HGV. HOCHBAHN is also a key member of the Hamburg Public Transport Association (Hamburger Verkehrsverbund; hvv) and, as such, is one of Germany's leading local public transport operators.

Transport association hvv, founded on 29 November 1965, covers Hamburg and neighbouring areas in the German States of Schleswig-Holstein and Lower Saxony (both 'AAA'/Stable). Transportation services are provided by 29 companies, such as HOCHBAHN, S-Bahn Hamburg AG, DB Regio und Start Unterelbe GmbH, VHH, and HADAG. hvv is owned by its local and regional governments responsible for providing public transport in the service area. It is 85.5% owned by the State of Hamburg, 3% by Schleswig-Holstein and 2% by Lower Saxony, while the remainder is owned by counties in the neighbouring areas of Hamburg.

Under a public passenger transport directive, Hamburg designated HOCHBAHN as the provider of its public transport services in 2009. The mandate was renewed on 27 November 2019 for metro and bus services, with terms of 22.5 and 10 years, respectively. HOCHBAHN runs four metro lines and 119 bus lines. It serves 1.2 million passengers daily and accounts for half of all local public transport services within hvv's coverage area.

HOCHBAHN plays an essential public policy role in meeting the growing demand for public transport in the Hamburg metropolitan region and supporting the city's 2030 climate goals. The city aims to provide public transport access within five minutes for all residents, a key element of its mobility transformation and climate goals. This would raise the modal share of public transport to 30% by 2030 and could double its bus services. The city also targets a fully emission-free bus fleet by 2030.

Hamburger Hochbahn AG – Organisational Chart



Source: Fitch Ratings, HOCHBAHN

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	Very Strong	Strong	Strong	40 (max 60)	Extremely Likely

Source: Fitch Ratings

Decision Making and Oversight

Fitch's assessment reflects the City and State of Hamburg's full ownership through HGV, ensuring tight control of HOCHBAHN's operations, investments and funding as the largest local public transport provider with a monopolistic share within the city of Hamburg. Under regulation (EC) No. 1370/2007 for public transport services, Hamburg exercises control over HOCHBAHN as if it were part of its own administrative unit.

HOCHBAHN's management board comprises four members appointed by the supervisory board. Half of the supervisory board's 16 members represent Hamburg, including delegates from HGV and the city's finance department. Fitch believes this structure ensures tighter oversight and control over HOCHBAHN.

HGV, which Fitch views as an intermediate holding company of Hamburg, holds a large part of Hamburg's GREs and shareholdings, including HOCHBAHN as the city's primary public transport provider. HOCHBAHN's financial figures are consolidated in HGV's group accounts. Fitch sees HGV as the organisational unit for HOCHBAHN, but the State of Hamburg is ultimately liable. HOCHBAHN also manages the local network infrastructure and therefore plays a strategic role in Hamburg's local transportation and environmental planning policy.

Precedents of Support

HOCHBAHN serves as Hamburg's main public transport provider, ensuring mobility across the city, including remote areas, and delivering essential public services (Daseinsvorsorge), such as operating unprofitable routes. A tangible sign of support is the profit-and-loss transfer agreement between HOCHBAHN and Hamburg through HGV that provides annual deficit compensation (Fehlbetragsausgleich). This ensures HOCHBAHN receives consistent support from its owner to cover its losses.

The company regularly receives investment grants. It plans to invest about EUR3.8 billion between 2026 and 2030, half of which we expect to be covered by grants. HOCHBAHN also benefits from cash pooling at the group level, enabling access to liquidity directly from HGV rather than relying on external credit lines, ensuring it has sufficient liquidity.

HOCHBAHN's transport services are not subject to EU competition rules and there are no restrictions on government support due to the direct award of a service contract by the State of Hamburg on 27 November 2019. In 2014, Hamburg prompted HOCHBAHN and VHH – both wholly owned by the city through its holding company HGV – to meet the criteria for the direct award of the service contract under EU Regulation No. 1370/2007. Both companies complied with the regulation. The relevant passenger transport act protects HOCHBAHN from competition for the duration of the contract. As a result, public transport in Hamburg is provided by consolidated, city-owned entities under exclusive arrangements for public services, fully compliant with state-aid rules and EU competition law.

HOCHBAHN is the main public transport operator with an 86.5% market share by revenue collected within Hamburg's territory, while VHH holds only 13.5% market share by revenue and runs mainly buses in the outskirts and surrounding areas.

It would be possible for HOCHBAHN to face bankruptcy under commercial law, but this is very unlikely due to state's control and the profit-and-loss transfer agreement. In case of bankruptcy, the agreement would need to be terminated and based on German equity law, HGV would have to provide security to HOCHBAHN's creditors. We therefore view liquidation as very unlikely and expect strong support before default.

Preservation of Government Policy Role

A financial default would have serious political and social repercussions for Hamburg. As the city's main transport provider with a monopolistic share, HOCHBAHN also owns key transport infrastructure, including service networks, and has a crucial role in advancing Hamburg's climate objectives by 2030.

The transport services benefit from agreements ensuring operational continuity, underpinning the state's commitment to maintain these services. Fitch therefore believes it would be very difficult to substitute HOCHBAHN in the medium term with a private operator. We expect that Hamburg would take all necessary measures to prevent HOCHBAHN's bankruptcy, opting to support the company and facilitate a restructuring if needed.

Contagion Risk

HOCHBAHN is recognised by market participants as a high-profile GRE, given its status and role. The company is extending its service area and converting its transport fleet to emission-free. This requires additional debt-funded investments and subsidies for Hamburg-backed investments.

A default by HOCHBAHN would not necessarily increase Hamburg's refinancing costs, but since HOCHBAHN is consolidated with Hamburg's other GREs under the HGV umbrella, we assume the borrowing capacity of other GREs would be significantly impaired. At the same time, our assessment is limited to 'Strong', as HOCHBAHN is not a reference issuer for Hamburg. The city has a record of well-established access to the capital markets with lower funding costs than the Bund.

HOCHBAHN also plays a central role in Hamburg's key initiative, Hamburg-Takt, which aims to shift from demand-driven to supply-driven public transport. The goal is to ensure that all residents can access public transport within five minutes and to reduce reliance on private vehicles. Hamburg plans to increase the public transport share to 30% by 2030 from 22% in 2017, which, according to HOCHBAHN, would require a 50% rise in annual passengers. Further, HOCHBAHN is crucial to achieving the city's climate targets, including converting its fleet to emission-free vehicles. It leads a government-supported project to pilot digital mobility solutions.

Other Support Factors Considerations

HOCHBAHN's rating equalisation with Hamburg reflects our view that its legal status is tantamount to a guarantee. This is based on the profit-and-loss transfer agreement ensuring annual deficit compensation by State of Hamburg through HGV, access to liquidity through cash pooling with HGV, and the exclusion of competition based on existing direct service agreements with Hamburg of 10 years (bus services) and 22.5 years (metro services) signed in 2019. Consequently, there are no restrictions on support from State of Hamburg through HGV.

Standalone Credit Profile Assessment

HOCHBAHN's 'bbb' SCP results from the combination of a risk profile assessed as 'Stronger' and financial profile assessed in the middle of the 'bb' category, with net adjusted debt/EBITDA averaging about 16.2x under our rating case in 2026-2030.

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

HOCHBAHN's 'Stronger' risk profile reflects the following combination of assessments:

Revenue Risk: Stronger

Most of HOCHBAHN's operating revenue stems from its public transportation fares (55% of operating revenue at end-2025), which are fairly stable as demand risk is largely offset by direct service contracts for its metro and bus lines services that are free from competition. This is further supported by increasing passenger levels and expected low demand volatility due to population growth and rising demand. This is also supported by HOCHBAHN's support for the city's climate goal targets, by implementing Hamburg-Takt to reduce car usage, and extension of services, including construction of the new metro line U5.

The contractual framework allows HOCHBAHN to adjust prices in response to changes in staff and maintenance costs. These adjustments are subject to political discussions, but the company is typically compensated for inflationary pressures. We do not expect fare changes to have a significant impact on demand.

Passenger numbers are projected to be robust, rising from 496.5 million in 2024 to around 551 million by 2029. This is supported by Hamburg's dynamic economy with the highest GDP per capita among German states (EUR90,208 at end-2025) and a population that the city expects to increase to two million by 2030 from 1.9 million in 2025.

Revenue Breakdown Excluding Non-Cash Items, 2025

	(EURm)	% of operating revenue
Revenue from mass transit	596	55
Revenue from rental income	25	2
Transfers from the government	316	29
Other operating revenue	149	14
Operating revenue	**1,086**	**100**
Interest revenue	8	-
Capital revenue	388	-
Memo: Non-cash operating revenue	47	-

Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Expenditure Risk: Stronger

Under the profit-and-loss transfer agreement with its owner, HOCHBAHN can fully pass through operating costs and supply and volume risks to HGV. Annual subsidies under the agreement covered about 34% of its opex at end-2025. HOCHBAHN has clearly identified cost drivers and faces low volatility in its major expense categories. Its investment planning has strong mechanisms for planning and funding, and investments benefit from well-documented construction plans with limited execution risk, ensuring asset longevity significantly beyond the company's debt maturity.

Staffing cost is the largest spending item but has a stable trajectory. It accounts for almost half of opex (2025: 51%), in line with the average opex share for the past five years. Service and maintenance costs accounted for another 40% of opex in 2024 (2024: 43%). Both items are predictable and not subject to larger fluctuations. We expect reduced cost pressures as HOCHBAHN's long-term strategy emphasises automated transport, which requires less staff, and the modernisation of its bus fleet to emission-free vehicles. The company expects these initiatives to decrease reliance on fuel prices and improve its ability to manage power costs.

HOCHBAHN's investment plan has some flexibility and targets EUR3.7 billion in spending between 2026-2030. The focus is on extending the U4 metro line and constructing the U5 line. These are the most capital-intensive projects, together accounting for an average of 50% of HOCHBAHN's total capex, and will be fully funded by the State of Hamburg and the Federal Republic of Germany. Additional investments include the procurement of subway vehicles, the bus fleet modernisation, and electrification of bus service points.

Expenditure Breakdown Excluding Non-Cash Items, 2025

	(EURm)	% of operating expenditure
Staff costs	478	51
Goods & services and maintenance costs	379	40
Other operating expenditure	86	9
Operating expenditure	**943**	**100**
Interest expenditure	44	-
Capital expenditure	939	-
Memo: Non-cash operating expenditure	142	-

Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Liabilities and Liquidity Risk: Stronger

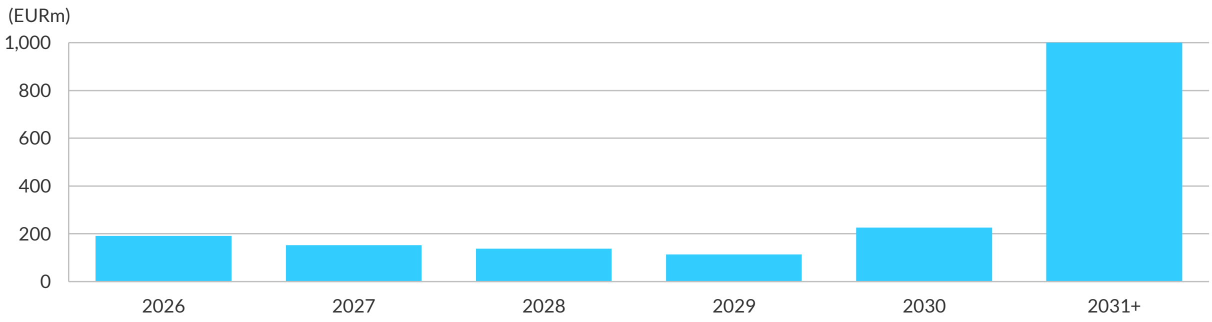
Fitch sees limited risk in HOCHBAHN's debt structure. The debt profile is amortising with a weighted average maturity profile of 6.6 years at end-2025. Fitch-adjusted debt was EUR2,111 million at end-2025, up from EUR1,756 million at end-2024, driven by funding needs for planned investments. HOCHBAHN's funding is diversified; at end-2025, 52% of its debt comprised green bonds and the remainder were bank loans.

HOCHBAHN is not exposed to FX risk or floating interest rate risk and has almost no off-balance-sheet risks. Refinancing risk is mitigated by access to cash pooling at the group level based on the agreement with HGV. The company is eligible for liquidity support and can request short-term liquidity, if needed.

To diversify its funding mix and extend its debt maturity profile, HOCHBAHN issued its first green bond of EUR500 million in 2021, maturing in 2031. It issued additional green bond tranches with maturities of 10 and 12 years in 2024.

HOCHBAHN has a low level of liquidity, with unrestricted cash amounting to just EUR88 million at end-2025 (end-2024: EUR61 million). A large amount of its annual debt maturities is uncovered, with available credit lines amounting to only EUR97.6 million. However, we believe this low level of liquidity is not a risk, as it has access to Hamburg's liquidity via cash pooling with HGV.

Debt Repayment Profile (as of end-2025)



Source: Fitch Ratings, Hamburger Hochbahn AG

Debt and Liquidity Analysis

	End-2025
Total debt (EURm)	2,111
Cash and liquidity available for debt service (EURm)	61
Undrawn committed credit lines (EURm)	98
Debt in foreign currency (% of total debt)	0.0
Debt at floating interest rates (% of total debt)	0.0
Short-term debt (% of total debt)	9.1
Issued debt (% of total debt)	52.1
Apparent cost of debt (%)	2.0
Weighted average life of debt (years)	6.6

Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Financial Profile Assessment

Our rating case is for HOCHBAHN's leverage (net adjusted debt/EBITDA) to remain high and average 16.2x in 2026-2030 (2025: 14.4x), while debt service coverage will stay low at 0.7x (0.8x), in line with the sector average. Gross interest coverage will slightly decline to about 2.8x from 3.7x. We expect leverage to remain contained, as half of the planned investments will be subsidised by the city and the central government, in line with its climate goals and transport initiatives to support and modernise the mobility transition and increase service capabilities.

Fitch expects EBITDA to rise by EUR205 million (from EUR143 million in 2025), driven by anticipated average annual passenger volume growth of 2.1%. This reflects the robust local economy, new transport services from network expansion and innovative mobility platforms, such as the hvv switch. The increase should help offset operating expenses, with staff and maintenance costs largely managed and material costs benefiting from reduced reliance on fuel prices as automated transport grows. Overhead costs remain not covered, and we expect them to be offset by transfers. We expect HOCHBAHN's adjusted net debt to increase to EUR3.2 billion by 2030 (2025: EUR2.1 billion), considering the high spending needs reflected in its medium-term investment plan.

Financial Profile Guidance Table

		Secondary metrics		
	Primary metric 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

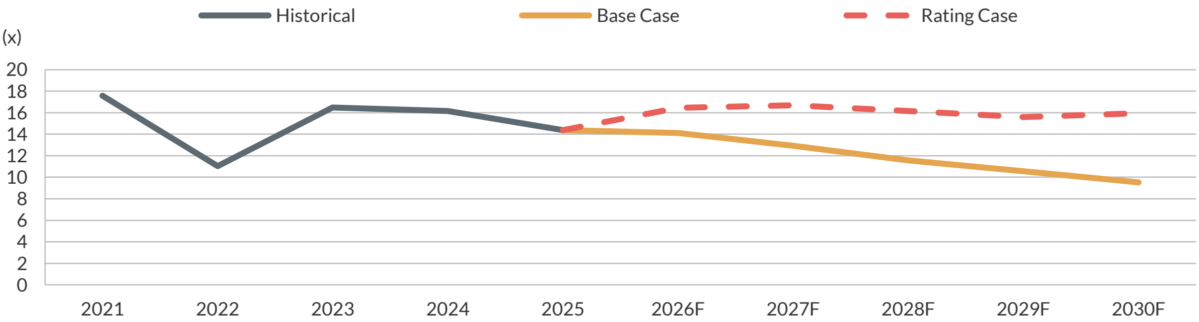
Fitch's Base and Rating Cases – Main Assumptions and Outcomes

Assumptions	2021-2025 average	2026-2030 average Base case	2026-2030 average Rating case
Operating revenue growth (%)	9.0	4.0	3.5
Transfers from public sector growth (%)	22.8	9.2	9.2
Operating expenditure growth (%)	8.6	2.2	2.8
Net capital expenditure (EURm)	-306	-276	-364
Apparent cost of debt, 2025 (%)	2.0	2.2	2.3

Outcomes	2025	2030 Base case	2030 Rating case
EBITDA (EURm)	143	274	205
CFADS (EURm)	143	274	205
Net adjusted debt (EURm)	2,050	2,607	3,267
Net adjusted debt/EBITDA (x)	14.4	9.5	15.9
Net adjusted debt/CFADS (x)	14	10	16

Note: Historical and scenario data exclude non-cash items.
Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

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



Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

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

HOCHBAHN's SCP is not affected by any asymmetric risk. Fitch considers the company's management and governance practices to be in line with the sector's standards, characterised by high involvement and control from the state over management's strategy, investments and funding. We believe HOCHBAHN has good management and governance, a strong regulatory framework and good information quality, making related risks neutral to the rating.

The debt structure is sound. At end-2025, 100% of the reported debt was fixed rate. The average maturity was close to seven years and the debt amortisation schedule is relatively smooth until 2031, when the EUR500 million green bond will need to be refinanced, for which the entity has a sinking fund in place. HOCHBAHN is not exposed to FX risk.

Short-Term Rating Derivation

HOCHBAHN's Short-Term Issuer Default Rating (IDR) of 'F1+' is consistent with its Long-Term IDR of 'AAA'.

Debt Ratings

The senior unsecured rating of 'AAA' is at the same level as HOCHBAHN's Long-Term IDR.

Peer Analysis

Peer Comparison

	Risk profile	Financial profile	SCP	Support category	Notching expression	Single equalisation factor	Long-Term IDR/Outlook	National Rating
Hamburger Hochbahn AG	Stronger	bb	bbb	Extremely Likely	Equalised	Yes	AAA/Stable	n.a.
Azienda Trasporti Milanesi SpA	Midrange	aa	a	Extremely Likely	Constrained	No	BBB+/Stable	n.a.
Ile-de-France Mobilites	Stronger	bbb	a-	Extremely Likely	Equalised	No	A+/Stable	n.a.
Gdanskie Autobusy i Tramwaje Sp. z o.o.	Midrange	bbb	bb+	Extremely Likely	Top-down - 1	No	BBB+/Stable	AA+(pol)
Transport for London	Stronger	bbb	a+	Extremely Likely	Equalised	No	AA-/Stable	n.a.

Source: Fitch Ratings

Fitch views HOCHBAHN as a GRE of the State of Hamburg and looks through its direct owner HGV to the state as sponsor. We believe extraordinary support from Hamburg is 'Extremely likely'. This would lead to the company being rated one notch below the state, as its SCP is eight notches below Hamburg's 'AAA' IDR. However, HOCHBAHN's IDR is equalised with that of Hamburg as its legal status is tantamount to a guarantee, irrespective of its GRE assessment.

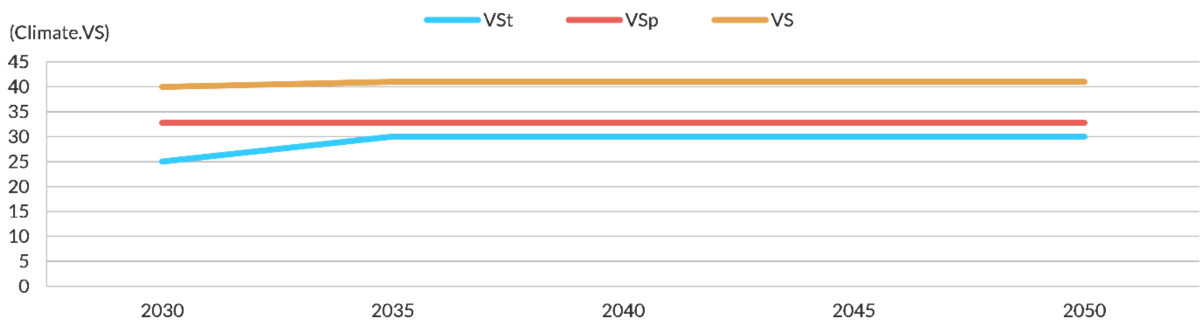
HOCHBAHN's ratings benefits from its legal status tantamount to a guarantee, its monopolistic position and a solid revenue framework, all of which supports the rating approach difference from the peers. Its closest peers are, Ille-de-France Mobilites (IDM) and Transport for London (TfL), whose ratings are equalised with the supporting government ratings based on the 'Extreme Likely' expectations of government support. HOCHBAHN's SCP of 'bbb' benefits from a 'Stronger' risk profile, like that of IDM and TfL, and higher than Azienda Trasporti Milanesi SpA ' Midrange', reflecting difference in counterparty risk and operating environment. HOCHBAHN's financial profile of 'bb' is lower compared with its peers, driven by higher leverage and mainly reflecting their different investment programmes and business structures.

Climate Vulnerability Signals

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's GRE Rating Criteria.

The Climate.VS for 2035 is 41 out of 100. This reflects a VSp of 33 and a VSt of 30.

Climate Vulnerability Signals



Source: Fitch Ratings

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.

Appendix A: Financial Data

Hamburger Hochbahn AG					
(EURm)	**2021**	**2022**	**2023**	**2024**	**2025**
Income statement					
Operating revenue	776	869	984	1,072	1,133
Operating expenditure	-762	-846	-977	-1,060	-1,085
Interest revenue	0	0	9	9	8
Interest expenditure	-20	-13	-23	-30	-44
Other non-operating items	7	1	9	10	-10
Taxation	-1	-2	-1	-1	-1
Profit (loss) after tax	0	9	0	0	0
Memo: Transfers and grants from public sector	151	162	295	287	316
Balance sheet summary					
Long-term assets	1,648	2,045	1,848	1,844	2,271
Stakes (equity investment)	0	0	0	136	136
Stock	33	54	40	44	48
Trade debtors	370	239	158	214	159
Other current assets	20	25	6	3	3
Total cash, liquid investments, sinking funds	17	9	82	131	61
Total assets	2,088	2,372	2,134	2,373	2,676
Long-term liabilities	1,636	1,799	1,585	1,804	2,113
Trade creditors	269	336	227	237	184
Other short-term liabilities	15	160	155	164	212
Charter capital	167	162	89	89	89
Reserves and retained earnings	0	-87	79	79	79
Minority interests	0	2	0	0	0
Liabilities and equity	2,088	2,372	2,134	2,373	2,676
Net equity	168	77	167	167	167
Debt statement					
Short-term debt	0	136	130	137	192
Long-term debt	1,455	1,213	1,411	1,619	1,919
Total debt	1,455	1,349	1,541	1,756	2,111
Other Fitch-classified debt	0	0	0	0	0
Adjusted debt	1,455	1,349	1,541	1,756	2,111
Unrestricted cash, liquid investments, sinking funds	17	9	82	131	61
Net adjusted debt	1,438	1,340	1,458	1,625	2,050
EBITDA reconciliation					
Operating balance	14	23	7	12	48
+ Depreciation	101	140	123	132	142
+ Provision and impairments	0	0	0	0	0
+/- Other non-cash operating expenditures/revenue	-33	-41	-41	-43	-47
= EBITDA	82	122	89	101	143

Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Appendix B: Financial Ratios

Hamburger Hochbahn AG

	2021	2022	2023	2024	2025
Income statement ratios (%)					
Operating revenue annual growth	5.7	12.0	13.2	9.0	5.7
Operating expenditure annual growth	6.3	11.0	15.5	8.5	2.3
EBITDA/operating revenue	11.0	14.7	9.4	9.8	13.1
Personnel costs/operating expenditure	50.0	58.2	48.3	48.9	50.7
Total transfers from public sector/operating revenue and ad-hoc transfers	20.3	19.6	31.3	27.9	29.1
Balance sheet ratios (%)					
Current assets/adjusted debt	30.2	24.2	18.6	22.3	12.8
Current assets/total assets	21.1	13.8	13.4	16.5	10.1
Total assets/adjusted debt	143.5	175.8	138.5	135.1	126.8
Return on equity	0.1	11.2	0.0	0.0	0.0
Return on assets	0.0	0.4	0.0	0.0	0.0
Debt and liquidity ratios					
Net adjusted debt/EBITDA (x)	17.6	11.0	16.5	16.2	14.4
EBITDA/debt service coverage (x)	4.0	9.1	0.6	0.7	0.8
EBITDA/gross interest coverage (x)	4.0	9.1	8.3	4.3	3.7
Liquidity coverage ratio (x)	4.6	1.9	0.1	0.6	0.8
Net adjusted debt/operating revenue (%)	185.3	154.2	148.2	151.5	181.0
Net adjusted debt/equity (%)	858.8	1,777.2	871.2	970.7	1,224.9
Debt in foreign currency/total debt (%)	0.0	0.0	0.0	0.0	0.0
Debt at floating interest rates/total debt (%)	0.0	0.0	0.0	0.0	0.0
Short-term debt/total debt (%)	0.0	10.1	8.4	7.8	9.1
Issued debt/total debt (%)	34.4	37.1	52.5	54.8	52.1
Government-related debt/total debt (%)	0.0	0.0	0.0	0.0	0.0

Source: Fitch Ratings, Fitch Solutions, Hamburger Hochbahn AG

Appendix C: Fitch's Rating-Case Scenario

Hamburger Hochbahn AG

(EURm)	2026rc	2027rc	2028rc	2029rc	2030rc
Cash-adjusted income statement					
Operating revenue	1,187	1,182	1,231	1,244	1,290
Operating revenue annual growth (%)	9.3	-0.4	4.2	1.0	3.7
Operating expenditure	-1,029	-1,019	-1,052	-1,050	-1,085
Operating expenditure annual growth (%)	9.1	-1.0	3.3	-0.3	3.4
EBITDA	158	163	179	195	205
Interest revenue	4	2	4	6	8
Interest expenditure	-49	-59	-67	-74	-73
Financial balance	-45	-58	-63	-68	-65
Net capital expenditure	-659	-234	-287	-270	-369
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	501	126	170	141	230
Change in cash	-44	-2	0	-2	1
Debt and liquidity					
Adjusted debt	2,612	2,739	2,909	3,050	3,280
Memo: Non-cash movement in adjusted debt	0	0	0	0	0
Unrestricted cash	16	14	14	12	13
Net adjusted debt	2,596	2,724	2,895	3,038	3,267
Financial and liquidity ratios (x)					
Net adjusted debt/EBITDA	16.5	16.7	16.1	15.6	15.9
EBITDA/debt service coverage	0.7	0.7	0.7	0.7	0.8
EBITDA/gross interest coverage	3.2	2.7	2.7	2.6	2.8
Liquidity coverage ratio	0.7	0.1	0.1	0.1	0.0

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, Hamburger Hochbahn AG

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.