

# Methodological Assumptions OUTLOOK

## Methodology

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Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook, if circumstances warrant such an action. In order to evaluate the outlook, inside the issuing rating procedure, there are some indicators that analyst use:

- Corporate strategy evaluation
- Financial statement perspective
- Evolution of macroeconomic framework

### Corporate strategy evaluation

The corporate strategy allows to the analyst knows where are the goals that the management has establish and the main actions and task selected in order to achieve them. In that sense the analyst could have a view of which would probably be the profile and financial situation of the company in the short term. With this information analyst have to valuate if the strategy will improve or deteriorate the company's risk profile.

### Financial statement perspective

Using the trend associated to the main financial statement and elaborating financial projection of balance sheet and cash flow the analyst can evaluate the financial evolution of the company and how this evolution.

### Evolution of macroeconomic framework

The macroeconomic evolution and economic cycle of all countries where the company operates have a significant influence. Additionally is also relevant for company's risk profile estimation of changes in national laws and regulations or political movement.

This document updates the previous version while preserving its original methodological assumptions; therefore, all existing ratings remain unchanged.