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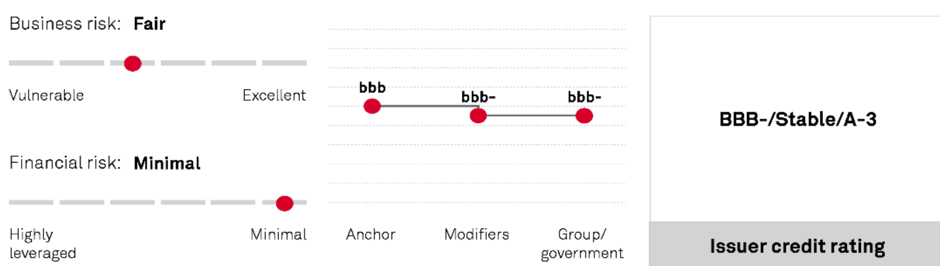
Metsa Board Corp.

March 7, 2022

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths	Key risks
Leading market positions in folding boxboards and white kraftliner.	Cyclical and capital-intensive nature of pulp and paper industry.
Vertical integration into pulp and energy, limiting exposure to input cost volatility.	Financial policy allows for additional leverage.
Premium positioning.	Rating capped by credit quality of parent Metsä Group.
	Concentrated asset base, product portfolio, and geographical exposure.

Metsä Board Corp. performed above our expectations in 2021, benefitting from a favorable market environment. Sales increased by 10.3% compared with 2020, fueled by higher deliveries and higher selling prices for both folding boxboard (deliveries up by 6.0%) and white kraftliner (6.8%). After the pandemic-related slump in 2020, 2021 saw demand rebound strongly, supported by solid worldwide economic growth. The higher prices also partially compensated for the higher input costs Metsä Board had to face, particularly those related to energy, chemicals, and logistics. Weak results in 2020 meant that Metsä Fibre paid no dividend, causing the S&P Global Ratings-adjusted EBITDA margin to decline by 200 basis points to 15.6% in 2021. This was still significantly higher than our previous forecast of just 14.0%-14.5%.

We anticipate that Metsä Board will maintain its strong operational performance in 2022, despite persistent cost inflation. The company should need shorter maintenance stops in 2022 than in 2021, supporting slightly higher volumes. We therefore forecast that sales will increase by 3.5%-4.5% as the tight supply and demand balance in the market fuels further price increases. Metsä Board's folding boxboard and white kraftliner products benefit from highly supportive long-term trends, such as the transition to plastic-free packaging, increased e commerce, and the urbanization and growth of the middle class in developing countries. We expect our adjusted EBITDA margins to significantly increase to 19.3%-19.8%, largely because it will receive a dividend of about €60 million from Metsä Fibre, which saw exceptionally strong performance amid record high pulp prices in 2021. In our view, Metsä Board's ability to mitigate cost inflation is positive. In particular, it generates almost half of its power consumption, helping to limit the impact of higher electricity prices. Metsä Board has a direct share in the nuclear power plants operated by Teollisuuden Voima Oyj (TVO) through its shareholding in Pohjolan Voima Oy (PVO), from which it buys electricity at cost.

Capital expenditure (capex) will peak in 2022, which will weigh on free operating cash flow (FOCF). We expect capex will increase to €300 million in 2022 from €213.5 million in 2021; this represents almost 14% of sales. Much of this investment will go to the folding boxboard capacity expansion project in Husum, which has reached peak intensity and will add 200,000 tonnes to the group's annual production capacity. The expansion of the facility is expected to boost production from 2024. In addition, a second project, the Kemi paperboard development program, will add 40,000 tonnes to the group's annual production capacity for white kraftliner. It is expected to come online in 2023. Finally, Metsä Board's Husum pulp mill renewal will finish this year and is expected to come online in September. In the mid-to-long term, we consider that these projects will have a positive effect, lowering the marginal cost of production and yielding higher profitability for Metsä Board. Nevertheless, in 2022, we anticipate the effect on FOCF will be to cause it to decline to €55 million-€65 million from about €115 million in 2021.

Although the group reduced leverage to such a degree that its net debt was negative at year-end 2021, the rating remains constrained by Metsä Board's financial policy, which allows it to increase leverage again. Due to the group's solid operational performance in 2021, adjusted leverage decreased below 0x. Solid prospects in 2022 will allow the company to continue to finance its investments from internal cash flows and we forecast a very minor return to leverage, which is forecast at about 0.1x by year-end 2022. For 2023, we still predict that adjusted leverage levels will be close to zero--the significant decrease in capex will compensate for the eventual softening of Metsä Board's end markets. Nevertheless, the group's financial policy specifies a maximum net reported debt-to-comparable EBITDA ratio of 2.5x (corresponding to 2.5x-3.0x, as adjusted by S&P Global Ratings). It could reach this if it made further shareholder returns, paying dividends or executing share buybacks; or if it made additional large debt-funded investments. We do not anticipate that the group would utilize the full headroom given in its financial policy, but we still consider the risk that it could releverage above its current financial risk category. As a result, we apply a one-notch negative financial policy modifier; this results in a stand-alone credit profile of 'bbb-'.

Outlook

The stable outlook indicates that we expect Metsä Board's leading market positions in Europe to support our weighted-average adjusted leverage at below 2x over the next 24 months.

Downside scenario

We could lower the rating if we no longer anticipate that Metsä Board could maintain adjusted debt to EBITDA below 2.0x on a weighted-average basis over a sustained period. This could happen if Metsä Board's operational performance weakened, for example, due to a significant fall in paperboard prices, a material increase in wood prices, or operational issues that led to margin pressures.

Furthermore, we could downgrade Metsä Board if we revised Metsä Group's group credit profile to 'bb+' or lower.

Upside scenario

We view an upgrade as unlikely, since it would require Metsä Board to publicly commit to a more-conservative financial policy that includes a cap on adjusted debt to EBITDA of 1.5x. In addition, an upgrade would depend on adjusted funds from operations (FFO) to debt exceeding 60% on a sustainable basis.

We would not raise our rating on Metsä Board unless we had revised Metsä Group's group credit profile to 'bbb' or higher. This could occur if we saw only a low risk that leverage would increase from current levels--for example, through major new investments--and if our current assessment of the business risk profile remained unchanged.

Our Base-Case Scenario

Assumptions

- Real GDP growth in Europe of 4.1% in 2022 and 2.6% in 2023, 3.9% and 2.7% in North America, and 4.9% and 4.9% in Asia-Pacific.
- Revenue growth of about 3.5%-4.5% in 2022, primarily based on higher paperboard selling prices but also supported by marginally higher volumes. Lower revenue growth of 0.5%-1.5% in 2023 as longer maintenance stops reduce production, combined with less-favorable pricing because of softening demand and more capacity in the market.
- S&P Global Ratings-adjusted EBITDA margin to increase to 19.3%-19.8% in 2022 (from 16.8% in 2021), primarily because of an approximate €60 million dividend received from Metsä Fibre. Excluding the dividend received, we forecast stable margins as higher paperboard prices compensate for higher input costs (mainly energy, chemicals, and logistics). In 2023, we expect a slightly lower margin of 18.9%-19.4% as prices stabilize and the dividend from Metsä Fibre reduces to €50 million because of the expected slight decline in pulp prices in 2022.
- Capex of approximatively €300 million in 2022, reflecting peak investments related to the paperboard expansion projects and the final investments related to the Husum pulp mill first phase renewal project. Capex will then decrease to €250 million in 2023.
- Working capital outflows of €20 million in 2022 and 2023, driven by the sales increase.
- €60 million dividend from Metsä Fibre in 2022, decreasing to €50 million in 2023.

- Annual dividends of about €155 million in 2022, decreasing to about €135 million in 2023. Our dividend assumption includes dividends to be paid to Norra Skog for its ownership in the Husum pulp mill.
- No acquisitions and about €10 million from the divestment of its participation in Hango Stevedoring to Euroports.

Key metrics

Metsa Board Corp.--Key Metrics*

Mil. €	2019a	2020a	2021a	2022f	2023f
Revenue	1,931	1,890	2,084	2,100-2,200	2,150-2,250
Revenue growth (%)	(0.6)	(2.2)	10.3	3.5-4.5	0.5-1.5
EBITDA	282	332	324	420-430	415-425
EBITDA margin (%)	14.6	17.6	15.6	19.3-19.8	18.9-19.4
Funds from operations (FFO)	247	275	278	370-380	355-365
Capital expenditure	94	154	210	295-305	245-255
Free operating cash flow (FOCF)	106	154	116	55-65	85-95
Dividends	103	85	92	150-160	130-140
Debt	319	246	0	20-30	70-90
Debt to EBITDA (x)	1.1	0.7	0	0-0.5	0-0.5
FFO to debt (%)	78	112	N/A	1,300-1,500	400-500
FOCF to debt (%)	33	63	N/A	200-250	100-150

*All figures adjusted by S&P Global Ratings. Among other adjustments, our adjusted measure of EBITDA includes dividends received from Metsä Fibre and excludes its share of results from associated companies (mainly Metsä Fibre). a--Actual. e--Estimate. f--Forecast. N/A--Not applicable.

Company Description

Metsä Board is a Finland-based paperboard and pulp producer. The group produces folding boxboards (57% of sales), white kraftliners (25%), and market pulp (13%). Other operations account for the remaining 5%. Its paperboards are ultimately used in packaging applications in the consumer goods, retail, and food service industries.

The group generated €2.1 billion sales in 2021. Around 70% of these related to EMEA, with the remainder from the Americas (22%) and Asia-Pacific (8%). The group has eight mills (in Finland and Sweden) and approximately 2,370 employees. The company is listed on the Nasdaq Helsinki.

Peer Comparison

Metsä Board's closest rated peers include Holmen AB (BBB+/Stable/A-2), Svenska Cellulosa AB SCA (SCA; BBB/Stable/A-2), and UPM-Kymmene Corp. (UPM; BBB/Stable/A-2).

Holmen has similar EBITDA margins but higher product diversification. The latter is offset by its exposure to the structurally declining printing paper segment.

SCA is larger and has stronger EBITDA margins due to a very efficient asset base. In 2021, it also benefitted from its exit from the publication paper segment and its very long pulp position.

UPM is much larger and much more diversified in terms of products and geographies, but has similar EBITDA margins. However, it also still has a large exposure to the declining communication papers segment.

Metsa Board Corp.--Peer Comparisons

	Metsa Board Corp.	Holmen AB	Svenska Cellulosa AB SCA	UPM-Kymmene Corp.
Foreign currency issuer credit rating	BBB-/Stable/A-3	BBB+/Stable/A-2	BBB/Stable/A-2	BBB/Stable/A-2
Local currency issuer credit rating	BBB-/Stable/A-3	BBB+/Stable/A-2	BBB/Stable/A-2	BBB/Stable/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2021-12-31	2020-12-31	2020-12-31	2021-12-31
Mil.	EUR	EUR	EUR	EUR
Revenue	2,084	1,753	1,832	9,814
EBITDA	324	301	320	1,833
Funds from operations (FFO)	278	240	303	1,523
Interest	11	4	13	59
Cash interest paid	15	4	13	35
Operating cash flow (OCF)	326	244	367	1,241
Capital expenditure	210	116	263	1,512
Free operating cash flow (FOCF)	116	128	103	(271)
Discretionary cash flow (DCF)	24	72	103	(976)
Cash and short-term investments	524	34	127	1,560
Gross available cash	524	34	127	1,560
Debt	0	452	849	1,570
Equity	1,846	4,232	7,183	11,106
EBITDA margin (%)	15.6	17.1	17.5	18.7
Return on capital (%)	20.0	4.1	1.3	11.4
EBITDA interest coverage (x)	29.7	70.2	25.5	31.1
FFO cash interest coverage (x)	19.3	58.3	23.9	44.5

Metsa Board Corp.--Peer Comparisons

Debt/EBITDA (x)	0.0	1.5	2.7	0.9
FFO/debt (%)	NM	53.0	35.7	97.0
OCF/debt (%)	NM	54.0	43.2	79.0
FOCF/debt (%)	NM	28.4	12.2	(17.3)
DCF/debt (%)	NM	15.9	12.2	(62.2)

Business Risk

Our business risk assessment reflects Metsä Board's leading positions in fresh fiber boards, its premium positioning, and its vertical integration into pulp. The group is the leading producer of white kraftliners and folding boxboards in Europe and has market shares in excess of 30% in both. Metsä Board is vertically integrated into pulp via its 24.9% stake in Metsä Fibre and its own pulp production. In 2021, the group had close to 500,000 tonnes of excess pulp.

Our assessment also reflects its relatively small size and narrow product and geographical scope compared with larger forest and paper groups such as Mondi Group and UPM. The group's production units are concentrated in Finland and Sweden.

In 2021, the group's adjusted EBITDA margins decreased compared with 2020 because of the absence of dividends from Metsä Fibre. Our adjusted EBITDA margin calculation excludes Metsä Board's share of Metsä Fibre's income and includes the dividends received. The latter had a weak performance in 2020, given the low pulp prices. As a result of the record high pulp prices in 2021, which we expect to remain high, in the near future, we anticipate significant dividends from Metsä Fibre over 2022 and 2023, amounting to €50 million-€60 million.

Metsä Board is massively investing in its Husum pulp mill and in capacity expansion projects in Husum (folding boxboard) and Kemi (white kraftliner), which will reduce operating costs, benefitting efficiency.

Financial Risk

Our assessment of Metsa Board's financial risk profile is based on its very low leverage and high current capex. Adjusted leverage declined below 0.0x in 2021 from 0.7x in 2020. We expect it will remain below 0.5x through year-end 2023. Capex is predicted to be €300 million in 2022 and €250 million in 2023, most of which will go to pay for the first phase of the pulp mill renovation in Husum and capacity expansion projects in Husum (folding boxboard) and Kemi (white kraftliner). Nevertheless, given the group's very strong operational performance, we estimate that Metsä Board will finance these investments entirely from internally generated cash flows. We anticipate that higher investment spending will put some pressure on FOCF generation, limiting it to €55 million-€65 million in 2022, increasing to €85 million-€95 million in 2023. We do not anticipate any acquisitions as the company is focused on organic growth.

When calculating our adjusted credit ratios, we remove the results of the associated company (€114 million share in 2021) from reported EBITDA and add the dividends received from Metsä Fibre (that said, no dividend was paid in 2021). We estimate that dividends from Metsä Fibre will amount to €50 million-€60 million in 2022 and 2023, based on higher pulp prices compared with 2020. Other adjustments to EBITDA are less material and are highlighted in the financial reconciliation table below.

When calculating our adjusted credit ratios, we also include in our adjusted debt as of Dec. 31, 2021, around €15 million of leases and minimal adjustments for pension liabilities. Our debt calculations are net of the company's cash balances.

We estimate adjusted debt to EBITDA at 0.1x at year-end 2022 and expect this ratio to stay below 0.5x by year-end 2023.

Although Metsä Board's publicly communicated financial leverage tolerance allows for an increase in reported leverage to 2.5x (2.5x-3.0x on an adjusted basis), we do not anticipate that it will fully utilize this additional headroom. Nevertheless, we still apply a one-notch negative financial policy modifier to account for the risk that it could releverage above its current minimal financial risk profile.

Metsa Board Corp.--Financial Summary

Period ending	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019	Dec-31-2020	Dec-31-2021
Reporting period	2016a	2017a	2018a	2019a	2020a	2021a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	1,720	1,849	1,944	1,932	1,890	2,084
EBITDA	211	263	244	282	332	324
Funds from operations (FFO)	163	217	210	247	275	278
Interest expense	26	35	19	15	11	11
Cash interest paid	23	36	18	16	12	15
Operating cash flow (OCF)	80	239	154	201	308	326
Capital expenditure	134	65	68	94	154	210
Free operating cash flow (FOCF)	(54)	175	87	106	154	116
Discretionary cash flow (DCF)	(114)	107	12	3	68	24
Cash and short-term investments	221	215	110	134	214	524
Gross available cash	221	215	110	134	214	524
Debt	484	380	355	319	246	0
Common equity	1,053	1,167	1,323	1,338	1,384	1,846
Adjusted ratios						
EBITDA margin (%)	12.3	14.3	12.5	14.6	17.6	15.6
Return on capital (%)	8.6	12.5	14.7	10.1	13.0	20.0
EBITDA interest coverage (x)	8.0	7.6	12.7	18.5	29.4	29.7
FFO cash interest coverage (x)	8.1	7.0	12.6	16.2	24.7	19.3
Debt/EBITDA (x)	2.3	1.4	1.5	1.1	0.7	0.0
FFO/debt (%)	33.6	57.2	59.1	77.7	112.1	NM
OCF/debt (%)	16.5	63.0	43.4	62.9	125.2	NM
FOCF/debt (%)	(11.1)	46.0	24.4	33.3	62.5	NM
DCF/debt (%)	(23.6)	28.2	3.4	1.0	27.8	NM

Reconciliation Of Metsa Board Corp. Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2021									
Company reported amounts	431	1,699	2,084	466	376	7	324	330	92	214
Cash taxes paid	-	-	-	-	-	-	(31)	-	-	-
Cash interest paid	-	-	-	-	-	-	(11)	-	-	-
Lease liabilities	16	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/ deferred compensation	1	-	-	(0)	(0)	0	-	-	-	-
Accessible cash and liquid investments	(524)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	0	0	4	(4)	(4)	-	(4)
Share-based compensation expense	-	-	-	1	-	-	-	-	-	-
Asset-retirement obligations	2	-	-	0	0	0	-	-	-	-
Income (expense) of unconsolid. cos.	-	-	-	(114)	-	-	-	-	-	-
Noncontrolling/ minority interest	-	146	-	-	-	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	-	(28)	(28)	-	-	-	-	-
Total adjustments	(505)	146	0	(142)	(28)	4	(46)	(4)	0	(4)
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**

Reconciliation Of Metsa Board Corp. Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
	0	1,846	2,084	324	347	11	278	326	92	210

Liquidity

We assess Metsä Board's liquidity as strong and believe that the company's liquidity sources will comfortably cover liquidity uses by over 1.5x in the 12 months from Jan. 1, 2022, and over 1.0x in the subsequent 12 months. The company has a long-dated debt maturity profile, access to numerous funding sources, well-established relationship with banks, and a satisfactory standing in the credit markets.

Principal liquidity sources

- About €524 million cash and cash equivalents as of Dec. 31, 2021. This includes around €221 million of short-term deposits with Metsä Group Treasury, under a cash-pooling arrangement. We understand that Metsä Board has access to these funds at short notice.
- Fully available €200 million revolving credit facility (RCF; maturing in 2027).
- Available committed bank loan facilities of €192 million (maturing 2028-2030).
- Access to loans from pension funds of about €200 million.
- Expected cash FFO of about €310 million-€320 million in 2022.

Principal liquidity uses

- About €11.3 million of debt repayments.
- Capex of about €300 million.
- Dividend (including capital distribution) of about €150 million-€160 million, including the dividends to be paid to Norra Skog.
- Working capital outflows of about €20 million, in addition to intrayear working capital needs of around €20 million.
- About €10 million from the divestment of Hango Stevedoring to Euroports.

Covenant Analysis

Compliance expectations

We expect Metsä Board to comfortably comply with its covenant over the two-year forecast horizon.

Requirements

The facility agreement of the €150 million term loan and the €200 million RCF specifies a maximum net gearing ratio of 100%, tested on a quarterly basis.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

Environmental factors are an overall neutral consideration in our credit rating analysis of Metsä Board Corp. A pure-play paperboard producer, it is part of a group whose parent's owners has extensive forest assets. Metsä Board owns a 24.9% stake in Metsä Fibre, which is a producer of pulp, sawn timber, biochemicals, and bioenergy. It does not own forest assets itself. Environmental trends have benefited Metsä Board because it produces sustainable paper packaging that is progressively replacing plastic. Pollution risks stem from its use of chemicals to produce some types of paperboard, but there have been no polluting incidents.

Group Influence

Given Metsä Board's close integration with its parent Metsä Group, we consider that Metsä Board cannot be rated higher than our assessment of the creditworthiness of Metsä Group--currently 'bbb-'. We assess Metsä Board as a highly strategic subsidiary of Metsä Group, which in turn is a subsidiary of Metsaliitto Cooperative. This is because:

- Metsä Group is unlikely to sell Metsä Board in the near term, in our view, given that it provides forward integration in the forest and paper products value chain;
- Metsä Group's senior management has a track record and long-term commitment of support for Metsä Board;
- Metsä Board accounts for about 35% of group sales; and
- Metsä Board's reputation, brand, name, and treasury management are closely tied to those of Metsä Group.

We assess Metsä Group's group credit profile (GCP) as 'bbb-'. This is supported by the very low consolidated leverage, modest growth prospects among its paperboard and pulp segments, and strong product diversification. However, we think that these strengths are offset by exposure to cyclical and volatile pulp and sawn timber segments, tissue operations with below-average profitability, and the fact that there are large minority shareholders across the Metsä Group structure, which somewhat distorts the consolidated financials.

The GCP is further constrained by the large investment plans of Metsä Fibre in Kemi and Rauma, Metsä Board in Husum, and Metsä Tissue in Äänekoski, which we expect to lead to somewhat increased leverage on the group level in the medium term.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Dec. 31, 2021, Metsä Board's debt comprised €250 million of a senior unsecured bond due in 2027, a €150 million senior unsecured syndicated term loan due 2025, and €33 million of bilateral bank loans due 2028, all of them issued by Metsä Board Oyj.

Analytical conclusions

The €250 million senior unsecured fixed-rate notes due 2027 issued by Metsä Board Corp. are rated 'BBB-', the same as the issuer credit rating, as no sources of significant subordination have been identified.

Rating Component Scores

Foreign currency issuer credit rating	**BBB-/Stable/A-3**
Local currency issuer credit rating	**BBB-/Stable/A-3**
Business risk	**Fair**
Country risk	Low
Industry risk	Moderately High
Competitive position	Fair
Financial risk	**Minimal**
Cash flow/leverage	Minimal
Anchor	**bbb**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Negative (-1 notch)
Liquidity	Strong (no impact)
Management and governance	Satisfactory (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**bbb-**

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of March 07, 2022)*

Metsa Board Corp.	
Issuer Credit Rating	BBB-/Stable/A-3
Senior Unsecured	BBB-
Issuer Credit Ratings History	
28-Feb-2018	BBB-/Stable/A-3
24-Feb-2016	BB+/Positive/B
18-Feb-2015	BB/Stable/B

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.