Viterra Limited

Ratings

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	BBB-	Positive	Affirmed 4 Oct 2022
Long-Term IDR	BBB-	Positive	Affirmed 4 Oct 2022

Click here for full list of ratings

The recent revision of the Outlook on Viterra Limited's Issuer Default Rating (IDR) to Positive from Stable reflects Fitch's confidence that Viterra will sustain over the medium term some of the increased profits it achieved over 2021-2022 and its scope for swift deleveraging after the completion of its acquisition of Gavilon in October 2022.

Viterra's EBITDA performance in 2021 and 2022 has been exceptional, which we do not expect to repeat. However, network expansion, enhanced vertical integration, increased efficiency of its infrastructure, continuing favourable demand trends for agricultural commodities, and the Gavilon contribution should allow EBITDA to stabilise from 2023 at higher levels compared with 2020. We believe over 2023-2024 this should provide further capacity to maintain leverage at levels that are consistent with a 'BBB' IDR.

Successful integration of Gavilon, as well as management's continuing commitment to maintain a conservative financial policy would support an upgrade to 'BBB'.

Key Rating Drivers

Peak in Commodity Price Cycle: Like its peers, Viterra has benefited since 2H20 from high agricultural commodity prices, which have almost doubled its sales but also led to large cash outflows, due to an increase in working capital. With the majority of the working-capital impact driven by inventory-value increases, this has only had a limited impact on Fitch's readily marketable inventories (RMI)-adjusted net leverage, which improved sharply in 2021, due to strong EBITDA. We view some of the profits achieved in the current time of exceptionally high and volatile prices for agricultural commodities as sustainable.

Strong Performance: Strong and highly volatile prices led to a material increase of EBITDA in 2021 and in 1H22. Viterra has enjoyed benefits from geographically diversified sourcing and from its integrated supply chain, which includes its own chartering fleet, despite disrupted operations in the Black Sea region and drought in Canada in 1H22. Fitch-adjusted EBITDA jumped to USD1.9 billion in last 12 months to June 2022 from USD956 million in 2020 and an average USD550 million over 2017-2019. This performance was supported by a combination of exceptional events that we do not expect to repeat in our-through-the cycle approach.

EBITDA to Normalise: We expect annual Fitch-adjusted EBITDA to stabilise at a minimum of USD1.3 billion-USD1.4 billion, including Gavilon's contribution from 2023. This is aided by a USD150 million structural improvement from 2019 levels, due to a cost-efficiency programme and capacity expansion. Additionally, the quality of earnings will benefit from higher geographical diversification due to entry into the US market.

Strong Control over Value Chain: Viterra's efficient and integrated network of own storage, handling, shipping and processing assets in major world regions of agriculture production and export supports sustainable profitability in an industry that is characterised by low manufacturing added value and thin margins. We view its strategy of investing in regions with agricultural growth prospects to enhance its traded volumes and network of assets as appropriate. Moreover, due to its diversification by sourcing region, Viterra is able to supply without interruptions despite trade restrictions or weather

Applicable Criteria

Corporate Rating Criteria (October 2021)

Corporates Recovery Ratings and Instrument Ratings Criteria (April 2021)

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events, which typically require traders of agricultural commodities to quickly shift their sales and procurement across countries.

Strong Position in Growing Commodities: Viterra is a leading global trader in grains (wheat, corn, barley), oilseeds (soy, rapeseed, sunflower), meal and oils. This is complemented by sugar, pulses and cotton. The OECD/ FAO Agricultural Outlook projects continued growth in global seaborne trade of grains and oilseeds of around 1% per year over 2022-2032. However, revenue in this sector can be volatile, with shortages of commodity availability, weather events or trade disruption causing major price swings.

Revenue Composition Constrains Profits: Unlike its larger peers Cargill, Archer Daniels Midland (ADM), Bunge and Olam, Viterra chooses to focus on upstream sourcing and processing, and to only very selectively diversify into downstream production. Its main downstream operations consist of flour milling and sugar production in Brazil (under 10% of 2020 EBITDA). This strategy will continue to constrain level of profit margins and expose profits to volatility, but we view benefits in minimising capex requirement and limiting operational complexity. Overall, as agricultural commodity prices normalise, we expect Fitch-adjusted EBITDA and funds from operations (FFO) margins to be around 2%-3% and 1.5%-2.5%, respectively, which are consistent with an investment-grade rating in the sector.

Adequate Cash-Generation Capability: In times of growth in traded volumes or price increase of commodities, Viterra's free cash flow (FCF) generation is constrained by working-capital absorption. However, if we exclude these movements in working capital, which can be volatile but have limited impact on RMI-adjusted leverage, we believe Viterra has the ability to generate healthy FCF. This is supported by a conservative approach to capex and M&A and a financial policy that pursues a conservative leverage and historically has included freezing dividends when trading performance weakened.

Moderate, Improving Leverage: We project the Gavilon acquisition will lead to an increase of RMI-adjusted FFO net leverage, which we forecast to temporarily increase to around 2.0x in 2022 from 1.0x in 2021. From 2023 onwards, despite our expectation of lower EBITDA as commodity prices and volatility abate, we project that leverage could remain sustainably at or below 2.0x, which may support an upgrade. This assumes that management will maintain their conservative approach to investments and dividend distribution.

Financial Summary

Viterra Limited				
(USDm)	**Dec 2020**	**Dec 2021**	**Dec 2022F**	**Dec 2023F**
Gross Revenue	28,114	40,667	45,954	45,035
Operating EBITDA (Before Income From Associates)	956	1,646	1,802	1,656
Operating EBITDA Margin (%)	3.4	4.0	3.9	3.7
Free Cash Flow Margin (%)	-1.9	-3.5	-3.7	3.0
RMI-Adjusted Net Debt with Equity Credit/Operating EBITDA (x)	2.7	1.1	1.7	1.3

F – Forecast.
Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Given its size and ranking as a global commodity trader, as well as breadth of operations and traded commodities Viterra has many similarities with peer Bunge Limited (BBB/Stable). Both have strong asset bases but Viterra is smaller in absolute EBITDA. The main operational difference between Viterra and Bunge are the latter's wider exposure to downstream commodities activities, with a presence in bottled oil and vegetable fats. This contributes to Bunge's FFO margin of 3.5% versus Viterra's 1.5% historically.

Conversely, Viterra enjoys a slightly lower reliance on a single category of commodities (oilseeds) and wider geographic diversification. Bunge made good progress over 2019-2021 to simplify its asset portfolio and align its business with its oilseeds core operations and to improve returns on invested capital. A portion of asset-sale proceeds was used for debt reduction and Fitch expects it will remain fairly conservative in its capital allocation, all of which supported its upgrade to 'BBB' in October 2021. Consistently conservative balance sheet management by Viterra following the Gavilon acquisition could support an upgrade of its rating to the same level of Bunge's.

Compared with global industry leaders Cargill Inc. and ADM, which are both rated 'A'/Stable, Viterra has smaller scale and less diversification, both by geography and business. This leads to both lower FFO and FCF margins. Finally, ADM and Cargill operate with lower leverage. At the other end of the rating scale, Fitch rates Kernel Holding S.A. (CC) and Aragvi Holding International Limited (B/Positive), which are smaller in size and trade sunflower oil and grains in the Black Sea region. Both Aragvi and Kernel before the conflict between Russia and Ukraine had stronger profitability but reliance on one sourcing region constrains their ratings.

We rate both France-based sugar-producing cooperative Tereos SCA and Andre Maggi Participacoes S.A. (Amaggi), an integrated agribusiness company based in Brazil, at 'BB'/Stable. Both companies have an asset-heavy business, which enables them to have a higher EBITDA margin than Viterra. However, their ratings are constrained by limited geographic (Amaggi) or commodity diversification (Tereos) as well as, compared with Viterra, smaller size and higher RMI-adjusted FFO net leverage of around 3.5x.

Navigator Peer Comparison

Issuer		Business profile						Financial profile		
	IDR/Outlook	Operating Environment	Management and Corporate Governance	Operational Scale	Risk Management	Asset Structure	Diversification	Profitability	Financial Structure	Financial Flexibility
Cargill Incorporated	A/Sta	aa-	a-	a	a-	a	a	a-	a	a
Archer Daniels Midland Company	A/Sta	aa-	a	a	a	a	a	a-	a	a
Bunge Limited	BBB-/Sta	aa-	bbb+	bbb+	a-	bbb+	bbb	bbb	bbb	a-
Viterra Limited	BBB-/Pos	aa-	bbb-	bbb-	a	a	bbb+	bb+	bbb-	bbb
Andre Maggi Participacoes S.A.	BB/Sta	bbb-	bb+	bb	bb+	bbb	bb+	bbb-	bb	bb+
Tereos SCA	BB/Sta	a+	bb+	bb	bbb	bbb+	bb+	bb+	bb-	bb+
Aragvi Holding International Limited	B/Pos	b+	bb+	b	b+	bbb+	b	bb	bb	bb
Kernel Holding S.A.	CC/	b	bbb-	b+	bb+	a	bb+	bbb-	bbb-	ccc
Source: Fitch Ratings.					Importance	Higher	Moderate	Low er		

Rating Sensitivities

Factors that could, individually or collectively, lead to upgrade:

- RMI-adjusted FFO net leverage falling below 2.2x or RMI-adjusted net debt/ EBITDA falling below 2.0x, supported by a conservative financial policy
- FFO margin growing above 2.5% as a result of further improvement of operational efficiency or successful expansion of operations
- Annual FCF (excluding working-capital movements related to RMI) growing above USD350 million

Factors that could, individually or collectively, lead to a revision of the Outlook to Stable:

- RMI-adjusted FFO net leverage above 2.2x or RMI-adjusted net debt/ EBITDA above 2.0x on a sustained basis due to a structural reduction in EBITDA or an adverse change in financial policy
- RMI-adjusted EBITDA to interest paid below 5x on a sustained basis

Factors that could, individually or collectively, lead to downgrade:

- RMI-adjusted FFO net leverage rising above 2.8x or RMI-adjusted net debt/ EBITDA rising above 2.5x due to a shift in financial policy or protracted weakening in trading performance
- FFO margin failing to remain above 2% as a result of inefficient operations
- Reduced financial flexibility, including access to committed bank lines and annual FCF (excluding working-capital movements related to RMI) dropping below USD100 million on a sustained basis
- RMI-adjusted EBITDA to interest paid below 4x on a sustained basis

Liquidity and Debt Structure

Adequate Liquidity: At end-June 2022, Viterra's cash of USD1.1 billion, trade receivables of USD1.9 billion and Fitch-estimated RMI of USD5.6 billion were less than short-term liabilities of USD9.9 billion, resulting in an internal liquidity ratio of 0.9x. Although its internal liquidity ratio is lower than 1x, our liquidity assessment is supported by Viterra's access to external funding. In particular, it has an USD1 billion three-year revolving credit facility (RCF) with two 12-month extension options at the lender's discretion, an USD4.1 billion one-year RCF with a one-year borrower's term-out option (to May 2024), plus a one-year extension option at the lender's discretion. In September 2022, the company added a USD2.5 billion, three-year revolving facility for its U.S. operations.

No Notching for Notes: The notes are rated in line with Viterra's IDR of 'BBB-', despite the presence of some secured debt in its capital structure. We estimate that prior-ranking debt is insufficient to indicate a material possibility of subordination and lower recoveries for unsecured notes. We also assume that the proportion of prior-ranking debt will not increase materially over 2022-2025.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This 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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

Liquidity and Debt Maturities

USD Million	31-Dec-19	31-Dec-20	31-Dec-21	30-Jun-22
Sources	**4,686**	**5,343**	**8,150**	**8,706**
Fitch-Adjusted RMI	3,177	3,688	6,005	5,687
Readily Available Cash	184	327	473	1,084
Trade Receivables	1,325	1,328	1,672	1,935
Uses	**5,373**	**8,982**	**9,549**	**9,940**
Current Liabilities	5,373	8,982	9,549	9,940
Internal Liquidity Ratio	**0.9**	**0.6**	**0.9**	**0.9**

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer:

- EBITDA in 2022-2023 boosted by high agricultural commodity prices and supply-chain disruptions, before stabilising at around EUR1.3 billion to 2025
- Continued absorption of working capital in 2022 in connection with high commodity prices and the Gavilon acquisition, followed by part normalisation in 2023 with release of working capital

- RMI at 75% of inventory for 2022-2025
- Cumulative capex of USD1.4 billion for 2022-2025
- No dividend payments in 2022-2023 and around USD450 million a year from 2024
- No material M&A in 2022-2025 besides the Gavilon acquisition, which was closed in October 2022

Financial Data

Viterra Limited						
(USDm)	Historical			Forecast		
	Dec 2019	Dec 2020	Dec 2021	Dec 2022F	Dec 2023F	Dec 2024F
Summary Income Statement						
Gross Revenue	24,856	28,114	40,667	45,954	45,035	44,134
Revenue Growth (%)	-6.1	13.1	44.7	13.0	-2.0	-2.0
Operating EBITDA (Before Income from Associates)	559	956	1,646	1,802	1,656	1,266
Operating EBITDA Margin (%)	2.2	3.4	4.0	3.9	3.7	2.9
Operating EBITDAR	869	1,218	1,646	1,802	1,656	1,266
Operating EBITDAR Margin (%)	3.5	4.3	4.0	3.9	3.7	2.9
Operating EBIT	303	649	1,334	1,478	1,328	936
Operating EBIT Margin (%)	1.2	2.3	3.3	3.2	2.9	2.1
Gross Interest Expense	-175	-141	-170	-411	-368	-354
Pretax Income (Including Associate Income/Loss)	126	527	1,206	1,072	964	587
Summary Balance Sheet						
Readily Available Cash and Equivalents	184	327	473	344	502	870
Total Debt with Equity Credit	5,639	6,340	8,082	10,764	9,596	9,533
Total Adjusted Debt with Equity Credit	8,124	8,460	8,104	10,786	9,618	9,555
Net Debt with Equity Credit	5,455	6,013	7,609	10,420	9,094	8,663
Summary Cash Flow Statement						
Operating EBITDA	559	956	1,646	1,802	1,656	1,266
Cash Interest Paid	-151	-153	-133	-411	-368	-354
Cash Tax	-115	-122	-194	-288	-265	-203
Dividends Received Less Dividends Paid to Minorities (Inflow/(Out)flow)	-1	2	10	7	7	7
Other Items Before FFO	9	8	15	5	5	5
Funds Flow from Operations	315	698	1,349	1,120	1,039	726
FFO Margin (%)	1.3	2.5	3.3	2.4	2.3	1.6
Change in Working Capital	-543	-960	-2,430	-2,523	663	524
Cash Flow from Operations (Fitch Defined)	-228	-262	-1,081	-1,403	1,702	1,251
Total Non-Operating/Nonrecurring Cash Flow	0	0	0			
Capex	-266	-272	-351			
Capital Intensity (Capex/Revenue) (%)	1.1	1.0	0.9			
Common Dividends	0	0	-300			
Free Cash Flow	-494	-534	-1,732			
Net Acquisitions and Divestitures	-103	-10	6			
Other Investing and Financing Cash Flow Items	-3	-10	43	-5	-5	-5
Net Debt Proceeds	604	697	1,831	2,682	-1,168	-63
Net Equity Proceeds	0	0	0	0	0	0
Total Change in Cash	4	143	148	-129	158	368
Leverage Ratios						
Total Net Debt with Equity Credit/Operating EBITDA (x)	9.8	6.3	4.6	5.8	5.5	6.8
RMI-Adjusted Net Debt with Equity Credit/Operating EBITDA (x)	4.6	2.7	1.1	1.7	1.3	1.7
Total Debt with Equity Credit/Operating EBITDA (x)	10.1	6.6	4.9	6.0	5.8	7.5
FFO Leverage (x)	12.5	7.5	5.5	7.1	6.9	8.9
FFO Net Leverage (x)	12.1	7.2	5.2	6.8	6.5	8.1
RMI-adjusted FFO Net Leverage (x)	5.9	3.0	1.2	2.0	1.6	2.0
Calculations for Forecast Publication						
Capex, Dividends, Acquisitions and Other Items Before FCF	-369	-282	-345	-1,403	-371	-815
Free Cash Flow After Acquisitions and Divestitures	-597	-544	-1,426	-2,806	1,331	436
Free Cash Flow Margin (After Net Acquisitions) (%)	-2.4	-1.9	-3.5	-6.1	3.0	1.0
Coverage Ratios						

How to Interpret the Forecast Presented

The forecast presented is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

FFO Interest Coverage (x)	3.0	5.5	11.1	3.7	3.8	3.0
RMI-Adjusted FFO Interest Coverage (x)	4.4	9.7	105	5.3	5.6	4.3
RMI-adjusted Operating EBITDA/Interest Paid	5.7	11.2	119	6.4	6.7	5.2
Operating EBITDA/Interest Paid (x)	3.7	6.3	12.5	4.4	4.5	3.6
Additional metrics						
CFO-Capex/Total Debt with Equity Credit (%)	-8.7	-8.4	-17.7	-15.7	13.9	9.3
CFO-Capex/Total Net Debt with Equity Credit (%)	-9.0	-8.8	-18.8	-16.2	14.6	10.2

Source: Fitch Ratings, Fitch Solutions.

Ratings Navigator

Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colours = Relative Importance		⇧	Positive
■	Higher Importance	⇩	Negative
■	Average Importance	⇳	Evolving
■	Lower Importance	□	Stable

FitchRatings

Viterra Limited

Corporates Ratings Navigator
Commodity Processing and Trading

Operating Environment

aa	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
aa-	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (e.g. rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'
b-			
ccc+			

Operational Scale

a-	Operational Scope	a	Highly efficient supply chain with superior ability to procure, trade, store, process and transport commodities on a global scale.
bbb+	Size (Annual EBITDA)	bb	$750 million
bbb			
bbb-			
bb+			

Asset Quality

aa-	Operational Structure	a	Majority of wholly owned subsidiaries.
a+	Asset Ownership	a	Asset-heavy business model.
a			
a-			
bbb+			

Profitability

bbb	FFO Margin	bbb	2%
bbb-	Op. EBITDA/Gross Profit (RMI-Adjusted)	a	80%
bb+	FCF Margin	b	Neutral to Negative FCF margin.
bb			
bb-			

Financial Flexibility

a-	Financial Discipline	bbb	Less conservative policy but generally applied consistently.
bbb+	Liquidity (RMI adjusted)	bbb	One-year liquidity ratio 1.0x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb	RMI-Adjusted FFO Interest Coverage	bbb	4.5x
bbb-	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.
bb+	RMI-Adjusted Op. EBITDA/Interest Paid	bbb	5.5x

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Management and Corporate Governance

bbb+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb-	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bb+	Financial Transparency	bb	Financial reporting is appropriate but with some failings (e.g. lack of interim or segment analysis)
bb			

Risk Management

aa-	Financial Risk Policy	a	Robust risk management policies.
a+	Market and Counterparty Access	a	Held in the highest regard by counterparties with market-leading terms of trade with unquestioned access to derivatives and funding throughout the cycle.
a	Balance Sheet Complexity	a	Average net derivative exposure over last three years less than 5% of working capital. Three-year average Level 3 valuation exposure <5% of working capital.
a-			
bbb+			

Diversification

a	Geographic	bbb	Moderate geographical diversification.
a-	Commodity	bbb	Moderate diversification by commodity.
bbb+			
bbb			
bbb-			

Financial Structure

bbb+	RMI, Total Debt With Equity Credit/Op. EBITDA	bbb	2.5x
bbb	RMI, Total Net Debt With Equity Credit/Op. EBITDA	bbb	2.0x
bbb-	RMI, FFO Net Leverage	bbb	2.5x
bb+	Total Debt With Equity Credit/(Cash + Working Capital)	b	> 1.0x
bb	(CFO-Capex)/Total Debt With Equity Credit	ccc	Flat to Negative

Credit-Relevant ESG Derivation

Viterra Limited has 10 ESG potential rating drivers
- Land use and ecological impacts; supply chain management - products
- Operational facilities and inventory exposure to extreme weather events
- Impact on communities where products are sourced
- Quality control of products traded; origin traceability to minimize spread of diseases in event of health scare
- Impact of labor negotiations and employee (dis)satisfaction
- Worker safety and accident prevention

Showing top 6 issues

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	10	issues	3
not a rating driver	3	issues	2
	1	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Viterra Limited

Corporates Ratings Navigator
Commodity Processing and Trading

Credit-Relevant ESG Derivation

Viterra Limited has 10 ESG potential rating drivers

- Viterra Limited has exposure to waste & impact management risk and supply chain management risk but this has very low impact on the rating.
- Viterra Limited has exposure to extreme weather events but this has very low impact on the rating.
- Viterra Limited has exposure to land rights/conflicts risk but this has very low impact on the rating.
- Viterra Limited has exposure to customer accountability risk but this has very low impact on the rating.
- Viterra Limited has exposure to labor relations & practices risk but this has very low impact on the rating.
- Viterra Limited has exposure to employee health & safety risk but this has very low impact on the rating.

Showing top 6 issues

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	10	issues	3
not a rating driver	3	issues	2
	1	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Emissions from processing	Profitability; Financial Structure; Financial Flexibility	5
Energy Management	2	Energy use in processing	Profitability; Financial Structure; Financial Flexibility	4
Water & Wastewater Management	2	Water usage in processing	Profitability; Financial Structure; Financial Flexibility	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Land use and ecological impacts; supply chain management - products	Profitability; Financial Structure; Financial Flexibility	2
Exposure to Environmental Impacts	3	Operational facilities and inventory exposure to extreme weather events	Profitability; Financial Structure; Financial Flexibility	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	3	Impact on communities where products are sourced	Profitability; Financial Structure; Financial Flexibility	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality control of products traded; origin traceability to minimize spread of diseases in event of health scare	Profitability; Financial Structure; Financial Flexibility	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	3	Worker safety and accident prevention	Profitability; Financial Structure; Financial Flexibility	2
Exposure to Social Impacts	1	n.a.	n.a.	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

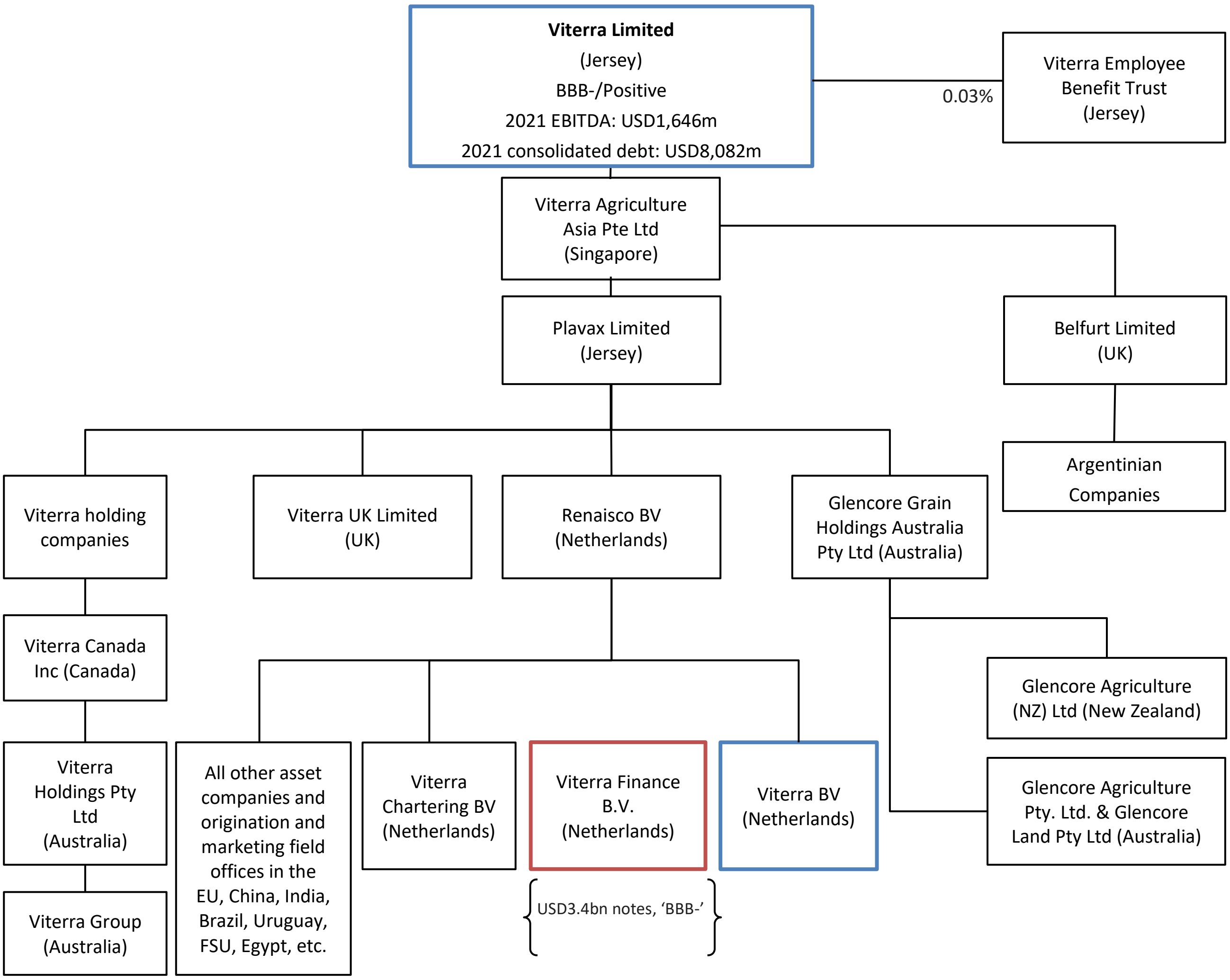
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Note: red outline = borrower; blue outline = guarantor for senior unsecured notes.
Source: Fitch Ratings, Fitch Solutions, Viterra Limited, as of June 2022

Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Gross Revenue	Operating EBITDA (Before Income From Associates)	Operating EBITDA Margin (%)	Free Cash Flow Margin (%)	Total Net Debt with Equity Credit/Operating EBITDA (x)
Viterra Limited	BBB-						
	BBB-	2021	40,667	1,646	4.0	-3.5	4.6
		2020	28,114	956	3.4	-1.9	6.3
		2019	24,856	559	2.2	-2.0	9.8
Archer Daniels Midland Company	A						

	A	2021	85,249	4,217	4.9	4.6	2.4
	A	2020	64,355	3,031	4.7	0.6	3.4
	A	2019	64,656	2,787	4.3	1.1	3.2
Bunge Limited	BBB						
	BBB	2021	59,152	2,614	4.4	2.8	2.6
	BBB-	2020	41,404	1,987	4.8	-5.6	4.2
	BBB-	2019	41,140	1,571	3.8	-0.9	3.8
Tereos SCA	BB						
	BB-	2022	5,086	655	12.9	3.9	3.7
	BB-	2021	4,317	435	10.1	1.0	5.9
	BB-	2020	4,492	356	7.9	-3.3	7.2
Andre Maggi Participacoes S.A.	BB						
	BB	2021	7,085	453	6.4	-2.0	4.6
		2020	4,565	461	10.1	-2.2	3.5
		2019	4,765	302	6.3	-0.2	5.1
Kernel Holding S.A.	CC						
	BB-	2021	5,647	716	12.7	3.6	0.8
	BB-	2020	4,107	436	10.6	0.8	1.6
	B+	2019	3,992	336	8.4	-0.4	2.1
Aragvi Holding International Limited	B						
	B	2021	1,357	135	9.9	-7.2	4.6
	B	2020	815	94	11.5	-9.5	4.4
	B(EXP)	2019	552	74	13.3	-16.0	4.7

Source: Fitch Ratings, Fitch Solutions.

Fitch Adjusted Financials

Fitch Financial Adjustments

(USD Millions)	Notes and Formulas	Reported Values	Sum of Adjustments	Lease Treatment	Other Adjustments	Adjusted Values
31/12/2021						
Income Statement Summary						
Revenue		40,667				40,667
Operating EBITDAR		2,144	-498	-498		1,646
Operating EBITDAR After Associates and Minorities	(a)	2,154	-498	-498		1,656
Operating Lease Expense	(b)	0				0
Operating EBITDA	(c)	2,144	-498	-498		1,646
Operating EBITDA After Associates and Minorities	(d) = (a-b)	2,154	-498	-498		1,656
Operating EBIT	(e)	1,370	-36	-36		1,334

Debt and Cash Summary						
Total Debt with Equity Credit	(f)	8,953	-871	-903	32	8,082
Lease-Equivalent Debt	(g)	0				0
Other Off-Balance-Sheet Debt	(h)	22				22
Total Adjusted Debt with Equity Credit	(i) = (f+g+h)	8,975	-871	-903	32	8,104
Readily Available Cash and Equivalents	(j)	475	-2			473
Not Readily Available Cash and Equivalents		0	2			2
Readily Marketable Inventory (RMI)	(q)	8,189	-2,184		-2,184	6,005
Cash Flow Summary						
Operating EBITDA After Associates and Minorities	(d) = (a-b)	2,154	-498	-498		1,656
Preferred Dividends (Paid)	(k)	0				0
Interest Received	(l)	5				5
Interest (Paid)	(m)	-169	36	36		-133
Interest (Paid) on RMI	(r)	0	-120			-120
Cash Tax (Paid)		-194				-194
Other Items Before FFO		15				15
Funds from Operations (FFO)	(n)	1,811	-462	-462		1,349
Change in Working Capital (Fitch-Defined)		-2,423	-7		-7	-2,430
Cash Flow from Operations (CFO)	(o)	-612	-469	-462	-7	-1,081
Non-Operating/Nonrecurring Cash Flow		0				0
Capital (Expenditures)	(p)	-351				-351
Common Dividends (Paid)		-300				-300
Free Cash Flow (FCF)		-1,263	-469	-462	-7	-1,732
Gross Leverage (x)						
RMI-Adjusted Total Debt/Operating EBITDA	(i-g-q)/(d+r)	0.4				1.4
RMI-Adjusted FFO Leverage	(i-g-q)/(n-m+r-l-k)	0.4				1.5
FFO Leverage	(i-g)/(n-m-l-k)	4.5				5.5
Total Debt with Equity Credit/Operating EBITDA[a]	(i-g)/d	4.2				4.9
(CFO-Capex)/Total Debt with Equity Credit (%)	(o+p)/(i-g)	-10.7%				-17.7%
Net Leverage (x)						
RMI-Adjusted Net Debt/Operating EBITDA	(i-g-q-j)/(d+r)	0.1				1.1
RMI-Adjusted FFO Net Leverage	(i-g-q-j)/(n-m+r-l-k)	0.2				1.2
FFO Net Leverage	(i-g-j)/(n-m-l-k)	4.3				5.2
Total Net Debt with Equity Credit/Operating EBITDA[a]	(i-g-j)/d	3.9				4.6
(CFO-Capex)/Total Net Debt with Equity Credit (%)	(o+p)/(i-g-j)	-11.3%				-18.8%
Coverage (x)						
RMI-adjusted Operating EBITDA/Interest Paid	(d-r)/(-m+r)	12.7				119.0
Operating EBITDA/Interest Paid[a]	d/(-m)	12.7				12.5
RMI-Adjusted FFO Interest Coverage	(n-l-m-k+r)/(-m+r-k)	11.7				105.2
FFO Interest Coverage	(n-l-m-k)/(-m-k)	11.7				11.1

[a]EBITDA/R after dividends to associates and minorities.

Source: Fitch Ratings, Fitch Solutions, Company filings.

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