Lyon Metropolis

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

The affirmation of Lyon Metropolis's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) reflects Fitch Ratings' unchanged assessment of Lyon Metropolis's Standalone Credit Profile (SCP) at 'aa'. This reflects its overall financial performance being aligned with our expectations. The IDRs are capped by France's sovereign rating (A+/Stable).

Lyon Metropolis's Long-Term IDR had been downgraded to 'A+' from 'AA-' on 19 September 2025 following a similar action on the French state.

Key Rating Drivers

Standalone Credit Profile – 'aa': Lyon Metropolis's SCP reflects the combination of a 'High Midrange' risk profile and financial profile assessed in the middle of the 'aa' category with a payback ratio (net adjusted debt/operating balance) between 7x and 7.5x in 2028-2029 in our rating case.

Risk Profile – 'High Midrange': Fitch assesses Lyon Metropolis's risk profile at 'High Midrange', reflecting a combination of 'Stronger' and 'Midrange' assessments. The 'High Midrange' risk profile reflects Fitch's view of a lower risk than international peers that Lyon Metropolis's ability to cover debt service by its operating balance may weaken unexpectedly over the forecast horizon (2025-2029) due to lower revenue, higher expenditure, or an unexpected rise in liabilities, debt or debt service requirements.

Revenue Framework: Lyon Metropolis has robust and diversified revenue sources. These comprise a mix of tax items linked to GDP growth (especially VAT; 29% of 2024 operating revenue), stable tax items based on the fiscal value of properties (such as the corporate property tax, CFE; 9%) and state transfers (34%). Fitch believes that revenue flexibility is moderate, mainly based on its fiscal flexibility on CFE proceeds.

In 2025, Lyon Metropolis has used its fiscal levy by increasing its CFE rate to 30.14% in 2025 from 28.62% in 2024 but also property transfer duties' rate to 5% from 4.5% (excluding first-time buyers) as authorised by the 2025 Finance Law.

Expenditure Framework: Much of Lyon Metropolis's expenditure depends on national government decisions, notably for social spending, which constrains its ability to control spending. In particular, social benefits (12% of opex in 2024), a countercyclical item that tends to grow when unemployment rises. Lyon Metropolis's operating expenditure is fairly rigid, and most of its flexibility is linked to its ability to adjust capex in case of need.

Financial Profile – 'aa' Category: In Fitch's rating-case scenario, Lyon Metropolis's payback ratio reaches slightly below 7.5x in 2029 (2024: 5.4x). Debt service coverage (Fitch's synthetic calculation) remains above 1.5x in 2025-2029 in our scenario, while the fiscal debt burden is close to 55% on average in 2025-2029.

We expect net adjusted debt to be broadly stable over the scenario, easing to around EUR1.5 billion from EUR1.6 billion. This reflects the metropolis's planned capex moderation from 2027, with investment projected at EUR460 million a year between 2025 and 2029 from EUR615 million over 2020-2024.

Ratings Cap: The ratings are capped by those of France. No other factor affects the rating.

Ratings

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1+

Local Currency

Long-Term IDR	A+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Debt Ratings

Senior Unsecured Debt - Long-Term Rating	A+
Senior Unsecured Debt - Short-Term Rating	F1+

Issuer Profile Summary

Lyon Metropolis is a local government comprising 58 member municipalities. It has special status as it encompasses both the competencies of a metropolis, such as transportation or economic development, and those of a department, including social spending and middle schools.

Financial Data Summary

(EURm)	2024	2029rc
Payback ratio (x)	5.4	7.3
Synthetic coverage (x)	2.2	1.6
Fiscal debt burden (%)	57.1	51.0
Net adjusted debt	1,615	1,513
Operating balance	300	207
Operating revenue	2,828	2,965
Debt service	186	275
Mortgage-style debt annuity	135	132

rc: Fitch's rating-case scenario
Source: Fitch Ratings, Fitch Solutions, Lyon Metropolis

Applicable Criteria

International Local and Regional Governments Rating Criteria (August 2024)

Related Research

France Downgrade Had Widespread Impact on Agency, Subnational Ratings (October 2025)

Fitch Downgrades 16 French LRGs to 'A+' on Sovereign Rating Action, Outlooks Stable (September 2025)

French Municipalities - Peer Review 2023 (March 2023)

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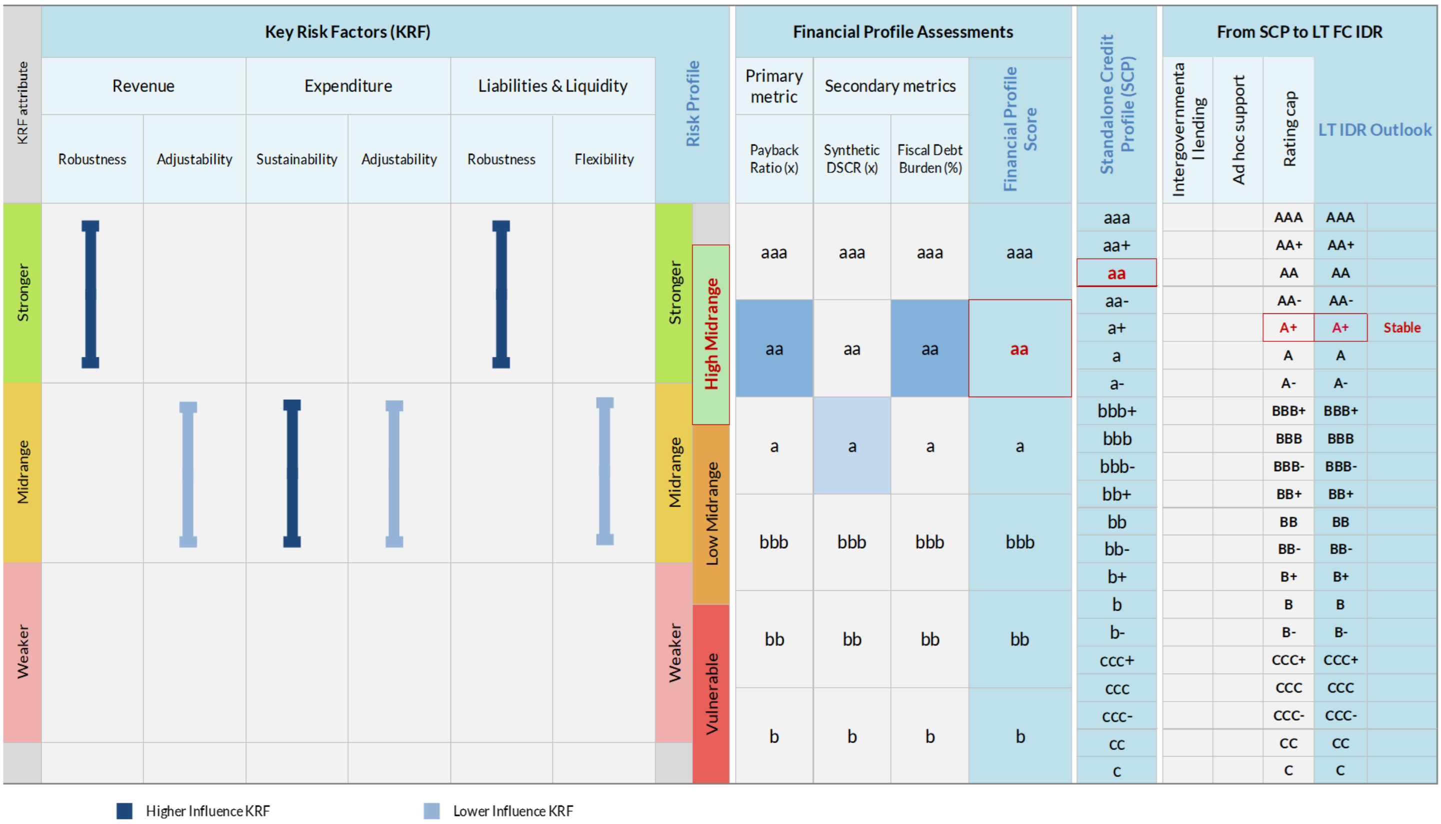
Rating Synopsis

Lyon Metropolis LT IDR Derivation Summary



Source: Fitch Ratings

The six key risk factors, combined according to their relative importance, collectively represent the risk profile of the local and regional government (LRG). Our risk profile and financial profile assessments, which measure the LRG's debt burden and debt service requirements amid a reasonable economic or financial downturn over the rating horizon, are combined in an SCP. This, together with some additional factors not captured in the SCP, such as extraordinary support or rating cap, produces the IDR.

Rating Sensitivities

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

Positive rating action on the sovereign would lead to similar rating action on Lyon Metropolis, all else unchanged.

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

A deterioration of the payback ratio to above 10.5x on a sustained basis in our rating-case scenario could lead to a downgrade. Negative rating action on the sovereign would lead to similar rating action on Lyon Metropolis, all else unchanged.

Issuer Profile

Lyon Metropolis has held special status since 2015 as it encompasses both the competencies of a metropolis, such as transportation and economic development, and those of a department, including social spending. It comprises 58 municipalities. Fitch classifies it as a 'Type B' LRG, meaning that it is required to cover debt service from cash flow annually.

Lyon Metropolis is one of the wealthiest in France with a large services sector, including financial services. The population is close to 1.4 million and grew by an annual average of 0.6% in 2016-2021, above the national average (0.4%). The unemployment rate is slightly lower than rest of the country (6.7% versus 7.3% in 1Q25), but the poverty rate is higher (16.9% versus 14.9% in 2021), which puts pressure on social spending.

Socioeconomic Indicators

	Lyon Metropolis	Metropolitan France
Population, 2022 (m)	1.4	65.8
Population growth, 2016-2022 (%)	0.6	0.4
Median income, 2021 (EUR)	23,950	23,080
Poverty rate, 2021 (%)	16.9	14.9
Unemployment rate, 1Q25 (%)	6.7	7.3

Source: Fitch Ratings, national statistics, Lyon Metropolis

Risk Profile Assessment

Risk Profile: High Midrange

Fitch assesses Lyon Metropolis's risk profile at 'High Midrange', reflecting the combination of assessments:

Risk Profile Assessment

Revenue robustness	Revenue adjustability	Expenditure sustainability	Expenditure adjustability	Liabilities & liquidity robustness	Liabilities & liquidity flexibility	Implied operating environment score	Risk profile
Stronger	Midrange	Midrange	Midrange	Stronger	Midrange	aa	High Midrange

Source: Fitch Ratings

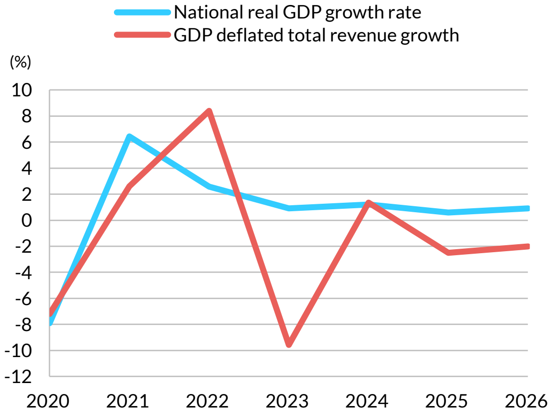
Revenue Robustness: Stronger

Lyon Metropolis benefits from stable revenue and solid growth prospects. Revenue comprises transfers from the state (30% of operating revenue in 2024) with moderate counterparty risk, and stable tax items with low volatility, including CFE (9%). Lyon Metropolis also receives a share of VAT collected nationally (25%) which has historically been resilient. Property transfer duties (9%) are the main source of volatility are they are link to the number of real-estate transactions. Following a cumulative decline of nearly 40% in 2023-2024, they started to recover in 2025, rising by close to 15%, supported by the recovery of the real estate market and a rate increase authorised by the 2025 Finance Law.

In 2024, Lyon Metropolis's operating revenue rose by nearly 2%, following a slight decline in 2023 driven by an almost 30% drop in property transfer duties. In 2024, the recovery of part of the transport levy collected by Sytral, the mobility organising authority in the area, and the introduction of the GEMAPI tax (for the management of aquatic environments and flood prevention) offset the further, though smaller, decline in property transfer duties, as well as the stabilisation of VAT receipts.

We expect average growth in operating revenue of around 1% a year between 2025 and 2029 in our rating-case scenario, driven by the increase in the CFE rate in 2025, the recovery in property transfer duties, dynamic VAT receipts from 2027 after two years without growth in 2025 and 2026, and an expansion of tax bases. However, the increase in operating revenue will be tempered by the decline in certain state transfers, including the DCRTP (Compensation Grant for the Business Tax Reform) to French LRGs in 2025, included in the 2025 Budget Law (EUR8 million less for Lyon Metropolis in 2025).

Real Total Revenue and GDP Growth



Source: Fitch Ratings, Lyon Metropolis

Revenue Breakdown, 2024

	Operating revenue (%)	Total revenue (%)
Property transfer duties	9.7	8.5
VAT	28.8	25.3
Other taxes	18.1	15.9
Transfers	33.9	29.7
Other operating revenue	9.5	8.3
Operating revenue	**100**	**87.7**
Interest revenue	-	0.5
Capital revenue	-	11.8
Total revenue	**-**	**100**

Source: Fitch Ratings, Fitch Solutions, Lyon Metropolis

Revenue Adjustability: Midrange

Lyon Metropolis's rate-setting power is limited to the CFE (9% of operating revenue in 2029). Increasing the CFE rate to the legal maximum (25% above its 2024 level) would have increased operating revenue by 2%. This would cover over 110% of the drop in operating revenue we could reasonably expect in an economic downturn (we estimate 2% of revenue). In 2025, the metropolis has increased its CFE rate by 6% to 30.14% from 28.62%. This use of fiscal levy should generate close to EUR15 million of additional revenue in 2025 (1% of operating revenue).

Lyon Metropolis's CFE rate remains far below the 53.12% ceiling for 2024 (2.5x the national average). However, the rate remains linked to the property tax even after the 2021 tax reform. For the purpose of our flexibility analysis, we then cap the fiscal leeway at 25% above the current rate for CFE.

In 2024, the metropolis implemented the GEMAPI tax, generating EUR6 million of additional revenue and received a part of the transport levy collected by Sytral, generating EUR22 million of additional income.

The metropolis has a large, diversified corporation tax base. Fitch considers the ability of the local fiscal base to absorb a tax increase to be high compared with international peers.

The metropolis also has rate-setting power over the waste-removal tax, which since 2020 it has registered in the ancillary waste-management budget. Consequently, we do not take it into account in our calculation of tax flexibility.

Under the 2025 Finance Law, the government has allowed French departments to raise property transfer duties rate from 4.5% to 5% for three years (excluding first-time home buyers). This is neutral for our revenue adjustability assessment as the metropolis has decided to use its flexibility from May 2025, which is reflected in our rating-case scenario.

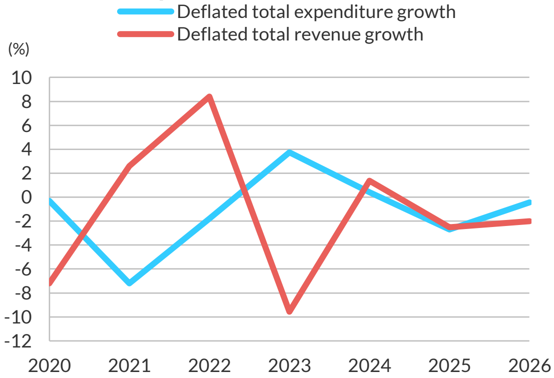
Expenditure Sustainability: Midrange

A large share of Lyon Metropolis's expenditure is social spending (37% of opex in 2025), which mainly depends on national decisions, constraining the department's capacity to control expenditure. This spending includes social benefits (12%), a counter-cyclical item that tends to grow when unemployment rises.

Lyon Metropolis exercises tight control over its spending. However, it increased by 2.5% on average a year between 2020 and 2024 (faster than operating revenue's growth of 0.8%) due to pressure related to inflation and a significant rise in social spending (higher beneficiaries and revaluation of benefits in line with inflation, decided by the central government). To maintain its expenditure sustainability, the metropolis aims to contain personnel cost growth and limit non-mandatory expenses.

The increase in opex resulting from higher contributions to the National Pension Fund decided by the 2025 Finance Law (EUR5.5 million of addition staff costs a year between 2025 and 2028) should be offset by tighter control of the payroll. In 2025, some retirements were not replaced and certain vacancies were not filled.

Real Total Expenditure and Revenue Growth



Source: Fitch Ratings, Lyon Metropolis

Expenditure Breakdown, 2024

	Operating expenditure (%)	Total expenditure (%)
Staff cost	18.2	14.4
Goods and services	10.8	8.6
Transfers	70.8	56.1
Other operating expenditure	0.1	0.1
Operating expenditure	**100**	**79.2**
Interest expenditure	-	1.4
Capital expenditure	-	19.4
Total expenditure	**-**	**100**

Note: Figures may not tally due to rounding.
Source: Fitch Ratings, Fitch Solutions, Lyon Metropolis

Expenditure Adjustability: Midrange

Lyon Metropolis's operating expenditure is fairly rigid, mainly comprising staffing costs (18% in 2024) and current transfers (71%). These include some mandatory transfers, such as to member municipalities, benefits for people on low incomes, the elderly and the disabled, social accommodation fees, and other transfers, such as to the transportation authority (Sytral). Staff costs are rigid as most of the metropolis's employees are civil servants.

The metropolis has greater flexibility over capex (19% of total spending in 2024), which can be postponed or reduced in case of need. We estimate the share of non-flexible items to be between 70% and 90% of total spending.

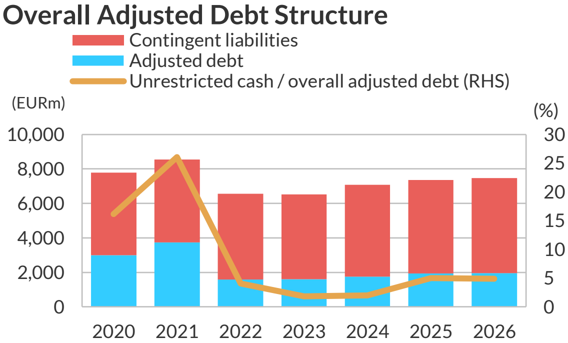
Fitch assesses the balanced-budget rule applying to French LRGs as a 'Midrange' attribute. French LRGs must cover operating spending with operating revenue, and have a good record of application. However, LRGs can increase their level of debt to finance investments.

Liabilities and Liquidity Robustness: Stronger

At end-2024, Lyon Metropolis's debt carried little risk: 55% was fixed-rate and 99% was considered risk-free by national regulators. Refinancing risk is low as debt service is structurally well covered by the operating balance (2024: 1.6x). The debt amortisation profile is otherwise fairly smooth. Off-balance-sheet liabilities (guarantees plus public-sector entities' debt) are large, as they represented 18x the operating balance in 2024. However, 84% relates to low-risk social housing providers and 12% to Sytral, for which we view the risk as limited as the company has strong debt ratios (leverage ratio of 1.5x in 2025).

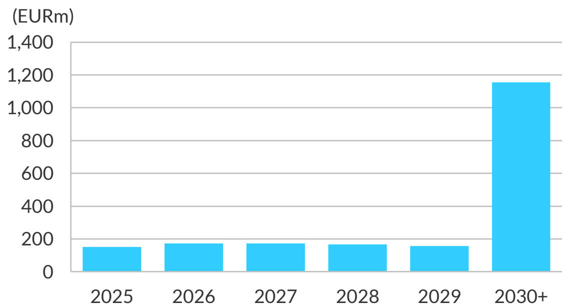
Fitch believes the rules governing the debt management of French LRGs are robust, including a transparent classification of the risk associated with the financial products held (Gissler Charter) and limiting the amount of debt guaranteed (Galland ratios).

Overall Adjusted Debt Structure



Source: Fitch Ratings, Lyon Metropolis

Debt Maturity Profile



Source: Fitch Ratings, Lyon Metropolis

Liabilities and Liquidity Flexibility: Midrange

French LRGs benefit from a framework for emergency liquidity support including cash-pooling with the state, with the former depositing liquidity at the national treasury. LRGs can benefit from transfers of tax proceeds in advance from the state in case of a liquidity shortfall. The 'A+' counterparty risk of this mechanism drives our assessment of the rating factor. The metropolis has also access to institutional lenders, especially the Caisse des Depots et Consignations (A+/Stable), and commercial banks rated in the 'A' category.

The metropolis has a commercial paper programme (Neu CP), the ceiling of which was increased to EUR2 billion in 2021. The metropolis has gradually reduced its use of this programme due to its sufficient level of cash. It only used EUR10 million in 2024.

As a shareholder and member of Agence France Locale S.A. (A+/Stable), an entity dedicated to the funding of French local authorities, Lyon Metropolis also has access to long-term financing.

Debt Analysis

	2024
Fixed rate (% of direct debt)	55
Issued debt (% of direct debt)	27
Apparent cost of debt (%)	2.59
Weighted average life of debt (years)	8.2

Source: Fitch Ratings, Lyon Metropolis

Liquidity

(EURm)	2024
Total cash, liquid deposits and sinking funds	140
Restricted cash	0
Cash available for debt service	140
Undrawn committed credit lines	0

Source: Fitch Ratings, Lyon Metropolis

Financial Profile Assessment

Financial Profile: aa category

Financial Profile Score Summary

	Primary metric	Secondary metrics	
	Payback ratio (x)	Coverage (x)	Fiscal debt burden (%)
aaa	X ≤ 5	X >= 4	X ≤ 50
aa	5 < X ≤ 9	2 ≤ X < 4	50 < X ≤ 100
a	9 < X ≤ 13	1.5 ≤ X < 2	100 < X ≤ 150
bbb	13 < X ≤ 18	1.2 ≤ X < 1.5	150 < X ≤ 200
bb	18 < X ≤ 25	1 ≤ X < 1.2	200 < X ≤ 250
b	X > 25	X < 1	X > 250

Note: Yellow highlights show metric ranges applicable to the issuer.
Source: Fitch Ratings

Our rating case is for Lyon Metropolis's payback ratio (net adjusted debt/operating balance) to be between 7x and 7.5x in 2028-2029 (2024: 5.5x), the coverage ratio (operating balance/debt service; Fitch's synthetic calculation) to be above 1.5x between 2025 and 2029 and the fiscal debt burden (net adjusted debt/operating revenue) to be close to 55%.

A resilient operating balance between 2025 and 2029

After a 45% drop in 2023, Lyon Metropolis's operating balance increased by 5% in 2024 driven by the implementation of the GEMAPI tax and the recovery of a portion of the transport levy (together close to EUR30 million of additional revenue). Opex growth soften in 2024 after a surge of 8% in 2023 in the context of high inflation and of pressure on social spending.

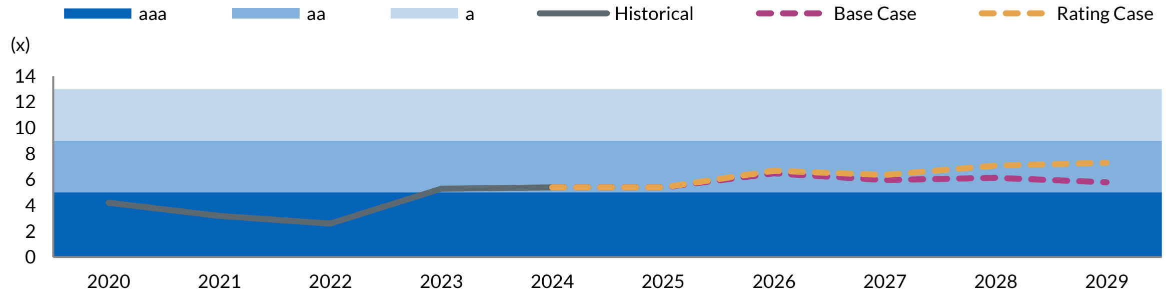
For 2025, despite a recovery in property transfer duties, we expect Lyon Metropolis's operating balance to slightly decline resulting from the freeze in VAT proceeds growth and the implementation of then new equalisation scheme under the 2025 finance law. This consists of a maximum of a 2% levy on the LRGs' operating revenue in 2025 to create a reserve fund (measure with no impact on the operating balance at end-2029, as it is limited to 2025 and includes a 90% reimbursement over three years between 2026 and 2028).

Lyon Metropolis's operating balance should remain above EUR205 million in our rating case, supported by a rebound in property transfer duties from a recovering real-estate market and the rate increase authorised by the 2025 Finance Law, dynamic fiscal bases and a renewed rise in VAT proceeds from 2027. We expect VAT proceeds to be stable in 2026. On the expenditure side, after two years of pressure from inflation and a sharp increase in social spending, we expect growth to ease, driven by more moderate social outlays and tight payroll control, despite higher pension fund contributions.

Near Stable Debt Due to a More Contained Investment Programme from 2027

We expect Lyon Metropolis to maintain a high level of investment until 2026 before a decline from 2027. This will finance projects relative to active mobility, urban planning, the production of affordable housing, energy renovation of buildings, the decarbonization of industrial companies, and the construction of middle schools. Consequently, we anticipate a slight reduction in net debt from 2027 to around EUR1.5 billion in 2029 from EUR1.6 billion in 2024.

Payback Ratio - Fitch's Base and Rating Case Scenarios



Source: Fitch Ratings, Lyon Metropolis

Scenario Assumptions Summary

Assumptions	2020-2024 average	2025-2029 average	
		Base case	Rating case
Operating revenue growth (%)	0.0	1.1	1.0
Tax revenue growth (%)	-0.5	2.4	2.1
Current transfers received growth (%)	2.3	-0.8	-0.8
Operating expenditure growth (%)	2.5	1.6	1.8
Net capital expenditure (EURm)	-303	-180	-180
Apparent cost of debt (%)	1.8	3.2	3.2

Outcomes	2024	2029	
		Base case	Rating case
Payback ratio (x)	5.4	5.8	7.3
Synthetic coverage ratio (x)	2.2	2.0	1.6
Fiscal debt burden (%)	57.1	47.7	51.0

Source: Fitch Ratings, Lyon Metropolis

SCP Positioning and Peer Comparison

Analytical Outcome Guidance

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 (SCP)	aaa	aa	a	bbb	bb	b

Source: Fitch Ratings

National Peers

Lyon Metropolis has the same 'High Midrange' risk profile as other French municipalities. Individual key risk factor assessments differ only for 'Expenditure Sustainability' where Fitch assesses it at 'Stronger' for four municipalities and at 'Midrange' for Lyon Metropolis.

The metropolis is responsible for social spending, unlike other French municipalities. This includes social accommodation fees and subsidies, and in particular benefits for those on low incomes, which are a counter-cyclical item that tends to grow when unemployment rises. Social benefits represented 12% of Lyon Metropolis's operating spending in 2024, below the average of French departments (close to 16% in 2024).

Lyon Metropolis's SCP of 'aa' is the same as that of Strasbourg Eurometropole which has a payback ratio close to 7.5x in 2029 in our rating case. The SCPs of the City of Strasbourg and Aix-Marseille-Provence Metropolis (both 'aa-') reflect weaker debt ratios, with higher payback.

International Peers

Lyon Metropolis has the same 'High Midrange' risk profile as City of Barcelona (A/Stable). However, Barcelona's Long-Term IDRs are lower ('A') due to the rating of Spain (A/Stable), despite stronger debt metrics ('aaa' SCP).

	Risk profile	Financial profile score	SCP	Long-Term IDR/Outlook
Lyon Metropolis	High Midrange	aa	aa	A+/Stable
Aix-Marseille-Provence Metropolis	High Midrange	aa	aa-	A+/Stable
Strasbourg, Eurometropole	High Midrange	aa	aa	A+/Stable
City of Strasbourg	High Midrange	aa	aa-	A+/Stable
Department of Val d'Oise	High Midrange	aa	aa-	A+/Stable
City of Barcelona	High Midrange	aaa	aaa	A/Stable

Source: Fitch Ratings, Lyon Metropolis

Long Term Rating Derivation

From SCP to LT FC IDR : Factors Beyond the SCP

		Support					
SCP	Sovereign LT FC IDR	Intergovern. financing	Ad hoc support	Floor	Rating cap	Leeway above sovereign (notches)	LT FC IDR
aa	A+	-	-	-	A+	-	A+

Source: Fitch Ratings, Lyon Metropolis

Lyon Metropolis's IDRs are capped by those of the sovereign. French LRGs may not be rated above the state as they are subject to sovereign influence that may lead to unilateral changes in funding or responsibilities.

Fitch believes the metropolis has good governance, which is reflected in tight expenditure control and prudent debt management. The considerations related to governance are reflected in our 'Stronger' assessment of expenditure robustness and liability and liquidity robustness, and our rating-case assumptions related to the evolution of opex.

Short Term Rating Derivation

The 'F1+' Short-Term IDR reflects 'Stronger' liabilities and liquidity robustness, 'Midrange' liabilities and liquidity flexibility, and liquidity coverage above 1.8x in 2025 and 2026 under our rating case.

Transaction and Securities

Lyon Metropolis's EUR1.5 billion EMTN programme and EUR2 billion Neu CP programme ratings are in line with its Long- and Short-Term IDRs.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' – ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision.

For more information on our ESG Relevance Scores, visit www.fitchratings.com/site/esg.

Appendix A: Financial Data

Lyon Metropolis

(EURm)	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance										
Taxes	1,540	1,573	1,681	1,603	1,601	1,653	1,660	1,715	1,739	1,778
Transfers received	835	893	886	909	959	926	924	923	922	921
Fees, fines and other operating revenue	204	210	238	259	268	246	251	256	261	266
Operating revenue	2,579	2,676	2,806	2,771	2,828	2,824	2,835	2,894	2,921	2,965
Operating expenditure	-2,166	-2,199	-2,296	-2,490	-2,528	-2,531	-2,597	-2,651	-2,706	-2,758
Operating balance	413	477	509	281	300	293	238	243	215	207
Interest revenue	18	27	20	20	17	19	19	19	19	19
Interest expenditure	-29	-29	-28	-39	-46	-46	-56	-60	-61	-64
Current balance	401	ct475	502	262	271	266	200	202	173	162
Capital revenue	204	211	441	320	380	361	338	246	246	246
Capital expenditure	-781	-574	-521	-579	-619	-588	-550	-400	-400	-400
Capital balance	-577	-363	-80	-259	-238	-227	-212	-154	-154	-154
Total revenue	2,800	2,913	3,267	3,111	3,225	3,204	3,191	3,159	3,186	3,230
Total expenditure	-2,976	-2,801	-2,845	-3,108	-3,192	-3,165	-3,203	-3,111	-3,168	-3,222
Surplus (deficit) before net financing	-176	112	422	3	33	39	-12	48	19	8
New direct debt borrowing	491	65	66	142	381	344	206	159	191	203
Direct debt repayment	-156	-235	-200	-136	-140	-156	-194	-207	-209	-211
Net direct debt movement	335	-170	-134	6	241	188	12	-48	-19	-8
Overall results	159	-58	287	9	274	227	0	0	0	0
Debt and liquidity										
Short-term debt	1,000	1,936	0	0	0	0	0	0	0	0
Long-term debt	1,878	1,702	1,483	1,484	1,641	1,832	1,847	1,802	1,786	1,777
Intergovernmental debt										
Direct debt	2,878	3,638	1,483	1,484	1,641	1,832	1,847	1,802	1,786	1,777
Other Fitch-classified debt	111	101	99	117	114	111	107	105	102	103
Adjusted debt	2,989	3,739	1,582	1,600	1,755	1,943	1,954	1,907	1,888	1,880
Guarantees issued (excluding adjusted debt portion)	4,041	4,109	4,253	4,266	4,696	4,790	4,886	4,983	5,083	5,185
Majority-owned GRE debt and other contingent liabilities	755	701	722	663	626	626	626	626	626	626
Overall adjusted debt	7,785	8,549	6,556	6,529	7,077	7,359	7,466	7,517	7,598	7,691
Total cash, liquid deposits, and sinking funds	1,258	2,226	265	119	140	367	367	367	367	367
Restricted cash										
Unrestricted cash	1,258	2,226	265	119	140	367	367	367	367	367
Net adjusted debt	1,731	1,512	1,317	1,481	1,615	1,576	1,587	1,540	1,521	1,513
Net overall debt	6,527	6,322	6,292	6,410	6,937	6,992	7,099	7,150	7,231	7,324
Enhanced net adjusted debt	1,731	1,512	1,317	1,481	1,615	1,576	1,587	1,540	1,521	1,513
Enhanced net overall debt	6,527	6,322	6,292	6,410	6,937	6,992	7,099	7,150	7,231	7,324
Memo:										
Debt in foreign currency/direct debt (%)	0	0	0	0	0	-	-	-	-	-
Issued debt/direct debt (%)	38	63	20	20	30	-	-	-	-	-
Floating interest rate debt/direct debt (%)	100	100	100	100	100	-	-	-	-	-

rc - rating case
Source: Fitch Ratings, Lyon Metropolis

Appendix B: Financial Ratios

Lyon Metropolis

	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance ratios (%)										
Operating balance/operating revenue	16.0	17.8	18.2	10.1	10.6	10.4	8.4	8.4	7.4	7.0
Current balance/current revenue	15.4	17.6	17.8	9.4	9.5	9.3	7.0	6.9	5.9	5.4
Operating revenue annual growth	-4.7	3.7	4.9	-1.2	2.1	-0.1	0.4	2.1	1.0	1.5
Operating expenditure annual growth	-2.8	1.5	4.4	8.4	1.5	0.1	2.6	2.1	2.1	1.9
Surplus (deficit) before net financing/total revenue	-6.3	3.9	12.9	0.1	1.0	1.2	-0.4	1.5	0.6	0.3
Surplus (deficit) before net financing/GDP										
Total revenue annual growth	-4.5	4.0	12.1	-4.8	3.7	-0.6	-0.4	-1.0	0.9	1.4
Total expenditure annual growth	2.6	-5.9	1.6	9.2	2.7	-0.9	1.2	-2.9	1.8	1.7
Debt ratios										
Primary metrics (x)										
Payback ratio (net adjusted debt/operating balance)	4.2	3.2	2.6	5.3	5.4	5.4	6.7	6.3	7.1	7.3
Enhanced payback ratio	4.2	3.2	2.6	5.3	5.4	5.4	6.7	6.3	7.1	7.3
Overall payback ratio	15.8	13.3	12.4	22.8	23.1	23.9	29.9	29.4	33.6	35.3
Enhanced overall payback ratio	15.8	13.3	12.4	22.8	23.1	23.9	29.9	29.4	33.6	35.3
Secondary metrics										
Fiscal debt burden (net debt/operating revenue) (%)	67.1	56.5	46.9	53.5	57.1	55.8	56.0	53.2	52.1	51.0
Synthetic debt service coverage ratio (x)	3.2	4.4	5.3	2.3	2.2	2.3	1.8	1.8	1.6	1.6
Actual debt service coverage ratio (x)	2.2	1.8	2.2	1.6	1.6	1.4	0.9	0.9	0.8	0.8
Other debt ratios										
Liquidity coverage ratio (x)	2.8	6.6	12.0	3.1	2.3	2.1	2.4	2.3	2.2	2.1
Direct debt maturing in one year/total direct debt (%)	39.2	59.5	8.7	9.7	9.5	0.0	0.0	0.0	0.0	0.0
Direct debt (annual % change)	77.1	26.4	-59.2	0.0	10.6	11.6	0.8	-2.4	-0.9	-0.5
Apparent cost of direct debt (interest paid/direct debt) (%)	1.3	0.9	1.1	2.6	3.0	2.7	3.1	3.3	3.4	3.6
Revenue ratios (%)										
Tax revenue/total revenue	55.0	54.0	51.5	51.5	49.6	51.6	52.0	54.3	54.6	55.1
Current transfers received/total revenue	29.8	30.6	27.1	29.2	29.7	28.9	29.0	29.2	28.9	28.5
Interest revenue/total revenue	0.6	0.9	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6
Capital revenue/total revenue	7.3	7.2	13.5	10.3	11.8	11.3	10.6	7.8	7.7	7.6
Expenditure ratios (%)										
Staff expenditure/total expenditure	13.0	14.1	14.6	14.1	14.4	-	-	-	-	-
Current transfers made/total expenditure	52.6	56.6	57.8	56.6	56.1	-	-	-	-	-
Interest expenditure/total expenditure	1.0	1.0	1.0	1.3	1.4	1.5	1.8	1.9	1.9	2.0
Capital expenditure/total expenditure	26.2	20.5	18.3	18.6	19.4	18.6	17.2	12.9	12.6	12.4

rc - rating case
Source: Fitch Ratings, Lyon Metropolis

Appendix C: Data Adjustments

Net Adjusted Debt Calculations

Fitch's adjusted debt includes Lyon Metropolis's long-term debt (EUR1.6 billion at end-2024) and quasi direct debt (EUR113.5 million at end-2024 including the public-private partnership debt (EUR35 million) and the fire brigade debt (EUR79 million)). Net adjusted debt corresponds to the difference between adjusted debt and the year-end available cash that Fitch views as unrestricted (EUR140 million).

Specific Adjustments

Fitch's analysis is based on Lyon Metropolis's main budget. At end-2024, the metropolis has four ancillary budgets covering water management, waste water management, waste management and urban heating. Their combined level of debt was EUR182.2 million.

These ancillary budgets are not consolidated in our analysis as they benefit from dedicated revenue, which cannot be used to repay the debt of Lyon Metropolis's main budget. Their debt ratios are also better than that of the main budget and Fitch does not believe that they represent an additional risk for the metropolis.

By contrast, the fire brigade's accounts are consolidated with the metropolis's main budget as they are mainly financed through a transfer from the metropolis's main budget (EUR130 million in 2024).

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