



ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

EthiFinance Ratings affirms Coface SA's unsolicited rating at A+ with a Stable outlook.

The affirmation of the rating is based on the entity's demonstrated ability to maintain a leading competitive position in the global credit insurance market, high geographic diversification, solid recurring earnings generation, and capitalization and solvency levels that continue to rank among the main supporting factors of the group's credit profile.

The entity maintains a well-established commercial franchise, supported by a broad international presence, a high customer retention capacity, and an extensive credit information base, factors that constitute significant barriers to entry in a highly specialized sector. During 2025, the retention rate reached 92,9%, reinforcing revenue stability and the quality of the company's competitive positioning.

The rating is also supported by the strength of its solvency profile. The estimated Solvency II ratio stood at around 197% at year-end 2025, remaining well above regulatory requirements and the internal targets defined by the entity. We consider that these levels provide adequate capacity to absorb potential deterioration arising from the economic environment or further increases in claims.

The entity also continues to show an adequate capacity to generate earnings. Although technical indicators showed a less favorable performance during the year, the group maintained profitability levels compatible with the assigned rating category, supported by the resilience of its revenues and the soundness of its business model.

On the other hand, the rating continues to be constrained by the group's high concentration in the credit insurance business, an activity that continues to represent the majority of consolidated revenues, as well as by exposure to emerging markets that is higher than that observed among some international peers.

In addition, during 2025, certain technical profitability indicators normalized. The net combined ratio increased to 73,1% from 65,5% in 2024, while the loss ratio stood at 40,3% compared with 35,2% in the previous year. However, we consider that this performance mainly reflects the normalization of the credit cycle after several exceptionally favorable years and does not reflect a structural deterioration in underwriting capacity or in the quality of the risks assumed by the entity.

The quantitative assessment shows a slight deterioration compared with the previous review. This movement is explained both by the less favorable performance of certain technical and profitability indicators and by the methodological impact stemming from the downgrade of the French sovereign rating from AA- to A+, a variable incorporated into our analysis. Nevertheless, this deterioration remains compatible with the A+ category and does not alter our overall assessment of the entity's credit profile.

Company Description

Coface SA is one of the world's leading groups specializing in trade credit insurance, business information services, debt collection, factoring, and credit risk management solutions.

Founded in 1946 and headquartered in Bois-Colombes (France), the entity operates through a broad international network with a presence in more than 100 countries and approximately 5.200 employees.

The group serves nearly 100.000 customers worldwide through a combination of credit insurance (90% revenues), business information, debt collection, factoring, and commercial risk management solutions. Its activity is supported by an extensive corporate database and advanced risk analysis capabilities, elements that constitute one of the entity's main differentiating assets within the sector.

During 2025, the entity recorded total revenues of EUR 1.847 million. The net combined ratio stood at 73,1%, while the estimated Solvency II ratio reached approximately 197%. In addition, the customer retention rate remained at very high levels, reaching 92,9%.

Fundamentals

Operating Environment

The global credit insurance sector in which Coface SA operates has distinctive characteristics compared with other insurance lines, as it is closely linked to the development of international trade, business activity, and corporate insolvency levels. As a result, it is an activity that is sensitive to the economic cycle, although supported by high barriers to entry arising from the need to have extensive credit databases, specialized underwriting capabilities, advanced risk monitoring systems, and a broad international business network.

During 2025, the macroeconomic environment continued to be characterized by moderate global economic growth, weaker international trade, and a gradual increase in corporate insolvencies in numerous developed markets. This context began to feed through to the technical results of credit insurers through a progressive normalization of claims levels observed in previous years.

Despite this less favorable scenario, the sector continues to benefit from growing corporate interest in instruments that provide protection against non-payment risk and in commercial credit analysis solutions. The economic and geopolitical volatility recorded in recent years has reinforced the strategic importance of the risk transfer and management tools offered by specialized companies such as Coface, supporting the structural stability of demand.

From a regulatory perspective, the activity also continues to operate under a solid prudential framework, supported mainly by the Solvency II regime for European operations. We consider that these regulatory standards contribute positively to the financial stability of the sector by requiring adequate levels of capitalization and risk management.

The assessment of the operating environment also incorporates the methodological impact arising from the downgrade of France's sovereign rating from AA- to A+. Nevertheless, this element has a limited effect on the overall assessment of this factor and does not alter the positive view of the environment in which the entity operates.

Business Profile

Coface SA maintains a prominent position within the global credit insurance market and continues to rank among the leading international operators specialized in this activity. The group operates through a broad international platform with a presence in more than 100 countries and a base of approximately 100.000 customers, circumstances that allow it to benefit from high geographic and business diversification compared with operators with a more concentrated presence.

We consider that one of the entity's main competitive strengths lies in its credit risk analysis and management capabilities. Over recent decades, Coface has developed an extensive business information and credit monitoring network, constituting one of the group's main differentiating assets and a relevant barrier to entry in a highly specialized sector. This analytical capacity enables the entity to maintain adequate underwriting quality and dynamic management of insured exposures, aspects that are particularly relevant in an economic environment characterized by a progressive increase in corporate insolvencies.

The strength of the commercial franchise was again reflected during 2025 through high customer retention levels. Specifically, the retention rate reached 92,9%, slightly above the previous year and close to historical highs. EthiFinance Ratings views this performance positively, as it demonstrates the entity's ability to maintain recurring and stable commercial relationships even in a more demanding economic environment. This indicator also evidences the quality of the services provided and the strategic relevance that risk management and credit insurance solutions continue to have for its customers.

Commercial performance during the year also showed adequate resilience. Despite the slowdown observed in certain markets and a more moderate development of insurance activity, the entity managed to sustain its revenues, supported both by high customer loyalty and the acquisition of new business. As a result, total revenues remained practically stable and reached EUR 1.847 million during 2025.

Another aspect we view favorably is the progressive development of activities complementary to the traditional insurance business. During 2025, the Business Information business continued to show positive performance, recording growth of 18,8%, partly supported by the integration of Cedar Rose. These activities are less sensitive to the insurance cycle and contribute to increasing the group's revenue diversification, which we consider positive from a credit perspective. Nevertheless, their weight within overall activity remains limited and still does not significantly modify the entity's business structure.

From a governance perspective, we consider that the group maintains a consolidated corporate structure and extensive experience in credit risk management. Coface's track record across different economic cycles demonstrates adequate underwriting discipline, prudent reinsurance management, and a proven ability to adapt its commercial and risk strategy to changing economic contexts. We also positively assess the strategy developed in recent years, focused on strengthening complementary business information activities and services related to commercial risk.

On the other hand, the business profile continues to be limited by the high concentration of revenues in the credit insurance business (90% of revenues). Despite the efforts made to diversify revenue sources, this activity continues to represent the majority of the group's consolidated business, maintaining relatively high exposure to the evolution of economic activity, international trade, and the frequency of corporate insolvencies. In addition, exposure to emerging markets remains higher than that observed among some comparable competitors, an aspect that adds some potential volatility to the business profile.

Overall, EthiFinance Ratings maintains an A assessment for Coface SA's Business Profile. This assessment is mainly supported by its global leadership position within a specialized market, its high geographic diversification, the strength of its commercial franchise, high customer retention, and its differentiated risk analysis capabilities. These factors adequately offset the limitations arising from the high concentration in credit insurance and exposure to emerging markets, remaining consistent with the currently assigned rating category

Financial Profile

EthiFinance Ratings maintains an AA- assessment for Coface SA's Financial Profile. The assessment continues to be supported by the group's high capital strength, recurring earnings generation, and resilience demonstrated across different economic cycles. Nevertheless, during 2025, technical and profitability indicators showed a less favorable performance, reflecting a progressive normalization of the global credit risk environment.

The main change observed during the year occurred in technical profitability. The net combined ratio increased to 73,1%, compared with 65,5% in 2024, while the loss ratio stood at 40,3% compared with 35,2% in the previous year. In addition, the expense ratio increased to 32,8%, from 30,2% in 2024. This performance was mainly linked to a higher frequency of corporate defaults and an increase in operating costs associated with business development and investments made by the entity.

Despite this deterioration, we consider that the levels reached remain solid for an entity specializing in credit insurance. The combined ratio remains clearly below the maximum limit threshold for the rating assigned and continues to reflect adequate underwriting discipline, appropriate risk selection, and prudent management of the reinsurance program. In our opinion, the performance observed during 2025 mainly reflects a normalization of claims experience after several exceptionally favorable years and does not, for the time being, constitute evidence of a structural deterioration in the quality of the risks assumed by the entity.

Revenue generation capacity continued to show high resilience. Total revenues reached EUR 1.847 million during 2025, remaining practically stable compared with the previous year despite a weaker economic environment and less favorable pricing trends. This stability reflects the group's commercial strength and its ability to maintain its activity even in less dynamic contexts for international trade.

The group's profitability also showed some moderation compared with the exceptionally high levels observed in previous years. The decline in operating income was mainly driven by the increase in the claims burden and higher operating costs. Nevertheless, the entity continued to generate profits on a recurring basis and maintained profitability levels that we consider adequate for the assigned rating category. In addition, ROE decreased to 10,05% at year-end although it still remained at favourable levels.

Capitalization continues to constitute one of the main supporting factors for the rating. The estimated Solvency II ratio reached approximately 197% at year-end 2025, remaining practically stable compared with the 196% recorded one year earlier. EthiFinance Ratings views this performance very positively, as it confirms the entity's ability to maintain a solvency position significantly above regulatory requirements even in a year characterized by lower technical profitability. The stability observed in solvency levels also demonstrates adequate internal capital generation capacity and provides a broad margin to absorb potential adverse scenarios arising from further increases in claims, macroeconomic deterioration, or episodes of financial volatility. We consider that this aspect continues to represent one of the main differentiating elements of Coface SA's financial profile compared with other operators in the sector.

With regard to liquidity, the entity maintains a comfortable position, supported by an investment portfolio of high credit quality, adequate asset diversification, and recurring operating cash flow generation. In addition, the stability of the business model and access to various funding sources reinforce the group's financial flexibility.

Key Financial Metrics

MAIN FIGURES	Annual					
<i>Thousands of euros</i>	2020	2021	2022	2023	2024	2025
Gross premiums written	1,273,767	1,462,424	1,666,489	1,694,189	1,618,841	1,595,823
Net premium written	1,204,334	1,312,637	1,515,662	1,559,063	1,512,923	1,498,657
Operating income	154,225	316,039	357,244	362,924	409,229	332,489
Net income	82,900	223,817	240,443	240,502	261,067	222,009
Assets	7,552,805	8,039,006	7,586,264	7,898,282	8,084,134	8,089,971
Cash	400,969	362,441	553,786	495,558	507,831	501,458
Cash / Assets	5.3%	4.5%	7.30%	6.27%	6.28%	6.20%
Financial Investments	2,896,314	3,115,154	2,902,405	2,367,309	2,712,569	2,709,412
Financial Investments / Assets	38.35%	38.75%	38.26%	29.97%	33.55%	33.49%
Liabilities	5,554,229	5,897,655	5,565,394	5,845,347	5,888,358	5,874,692
Borrowings	389,810	390,553	534,280	831,743	598,700	599,412
Total shareholder's equity	1,998,576	2,141,351	2,020,870	2,052,935	2,195,776	2,215,279
Regulatory Capital Ratio	205.00%	196.00%	201.00%	199.00%	198.00%	197.00%
ROA	1.10%	2.78%	3.17%	3.04%	3.23%	2.74%
ROE	4.15%	10.45%	11.91%	11.72%	11.89%	10.05%
Combined ratio	79.80%	64.60%	67.60%	64.30%	65.50%	73.10%
Net earned premiums to equity	60.26%	61.30%	75.00%	75.94%	68.90%	67.65%

Outlook

The Stable outlook reflects EthiFinance Ratings' expectation that Coface SA will maintain, over the next 12-18 months, a solid competitive position within the global credit insurance market, solvency levels significantly above regulatory requirements, and an adequate capacity to generate earnings, even in an environment characterized by a progressive normalization of corporate claims. The outlook also incorporates our view that the less favorable performance observed in certain technical indicators during 2025 is mainly due to cyclical factors associated with the increase in corporate insolvencies and the normalization of the credit cycle after several exceptionally favorable years for the sector. In this regard, we do not consider that the increase in the combined ratio and loss ratio currently reflects a structural deterioration in underwriting capacity, competitive positioning, or the quality of the risks assumed by the entity. The outlook is also supported by the strength of the group's commercial franchise, evidenced by high customer retention levels, broad geographic diversification, and the maintenance of a leadership position within the credit insurance market. In addition, we positively assess the gradual development of complementary activities, especially in the Business Information segment, which continue to contribute to improving business diversification and reinforcing potential long-term revenue stability. Finally, the Stable outlook incorporates our expectation that the entity will continue to maintain a very robust solvency position. The estimated Solvency II ratio stood at around 197% at year-end 2025, a level that provides a broad absorption margin against potential adverse scenarios and constitutes one of the main supporting factors for the rating.

Sensitivity Analysis

Positive Factors Over the Long Term (↑)

The rating could be upgraded if the entity continues to make progress in diversifying its business model, progressively reducing its dependence on credit insurance and increasing the weight of complementary activities such as Business Information. From a financial standpoint, a rating upgrade would be more likely in a scenario in which the combined ratio again approached levels close to 60%-65%, profitability remained sustainably at double-digit levels, and solvency remained clearly above 190%. In addition, a further reduction in financial leverage toward levels below 23%, a threshold already identified in previous reviews as a potential positive factor for the rating, would strengthen the entity's credit profile.

Negative Factors Over the Long Term (↓)

The rating could be downgraded in a scenario of sustained deterioration in technical profitability and earnings generation capacity. In particular, a persistent increase in the combined ratio above the levels observed in 2025 (75%), accompanied by a loss ratio significantly above 40,3%, would constitute a relevant factor of negative pressure on the financial profile. In addition, a material reduction in the Solvency II ratio from the current 197%, a significant increase in financial leverage, or a loss of competitive strength reflected in lower customer retention rates could negatively affect the entity's credit quality.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Insurance Rating Methodology : https://files.qivalio.net/documents/methodologies/CRA_163_V2_Insurance_Rating_Methodology.pdf
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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