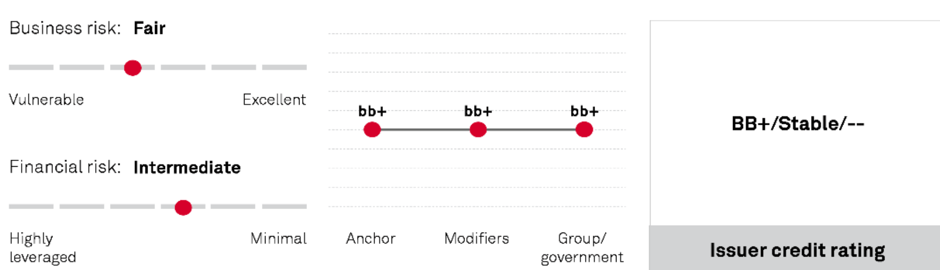
Update: Maxima Grupe, UAB

June 29, 2022

Ratings Score Snapshot



PRIMARY CONTACT

Lukas Brockmann
Frankfurt
49-6933999220
lukas.brockmann
@spglobal.com

SECONDARY CONTACT

Mickael Vidal
Paris
33-14-420-6658
mickael.vidal
@spglobal.com

Credit Highlights

Overview

Key strengths	Key risks
Leading market position in the Baltics thanks to a competitive price position and high brand awareness.	Modest size and high geographical concentration in the Baltics, the home market.
Successful expansion in Poland after the acquisition of Emperia Holding S.A. in 2018, with over 800 stores in the country, up from 570 in 2018, representing 24% of group sales in 2021.	Increasing competition in the Baltics, as evident from Lidl's entry into Estonia and Latvia in the past few years.
Good store format diversity, a partly owned store network, and a high share of private-label sales.	The potential for EBITDA margins to come under pressure from the highly inflationary environment and COVID-19 normalization effects.

The proposed refinancing of Maxima Grupe, UAB's (Maxima's) €300 million senior secured bond will extend the maturity date and improve the group's liquidity, albeit with higher interest expenses weighing on operating cash flow. On June 27, 2022, Maxima announced its intention to refinance its €300 million senior unsecured bond due September 2023. The refinancing will extend the maturity date and reduce Maxima's refinancing risk for the coming few years. In addition, it will improve our assessment of liquidity sources to uses to more than 1.2x for the next 24 and 36 months in the absence of available bilateral facilities maturing in more than one year. Due to the current market uncertainties and the interest rate rises announced by global central banks, we expect pricing to be higher than the fixed 3.25% coupon for the current bond issued in September 2018. We forecast a coupon range of 5%-6%, which leads to an increase in annual interest expenses of €5 million-€7 million. The impact of this increase on Maxima's funds from operations (FFO) generation is limited, representing 1%-3% of S&P Global Ratings-adjusted FFO after taxes in 2021. Maxima has short-term debt maturities of €50 million-€100 million each year. The unrestricted cash balance of €172 million and positive free operating cash flow (FOCF) of more than €150 million per year are sufficient to fund these upcoming maturities. In a severely adverse scenario, we would expect the parent, Vilniaus Prekyba (VP), to support Maxima.

Maxima has a strong market position in the Baltics and an increasing e-commerce share. With a market share of approximately 25.8% in the Baltic states, Maxima is a leading player in food retail, which we perceive as niche and less competitive than other retail markets. With Maxima's low price position, high brand awareness, and strong diversity by store format, it has offset some of the initial impact from Lidl's entry into the Lithuanian market in 2016. Over time, Maxima's market share in Lithuania has stabilized at 31%-32%, down from 34% in 2017. Lidl recently entered Estonia and Latvia, and we expect a negative impact on Maxima Grupe's EBITDA of around €5 million-€10 million due to the increased competition over the next 12-24 months. In 2017, Maxima acquired the e-commerce brand Barbora, which achieved €155 million in e-commerce revenue in 2021, resulting in €45 million commission. The group estimates its e-commerce market share to be around 75% in Lithuania and above 55% in Estonia and Latvia. Due to Maxima's significant growth in its existing markets and entry into the Polish market in 2021, the e-commerce segment remains EBITDA negative.

Maxima's significant expansion in Poland improves its geographical diversification. After acquiring Emperia in 2018, the group operated 604 stores in Poland at the end of 2019. Since then, on average, it has opened 80 stores per year, and now operates 806 stores. The share of Maxima's total retail revenue increased to 24% in 2021 from 20% in 2019, reflecting the group's significant growth and increased diversification. Maxima's market position is limited, with a share of 2.1% in 2021. Going forward, we expect 40-60 store openings per year, with the EBITDA margin remaining above 7.0% (7.2% in 2021).

Maxima's trading is below our expectations due to inflation and its expansion outside the Baltics. In 2021, the group generated reported revenue of €4.5 billion, up from €4.2 billion the previous year, reflecting revenue growth of 6.1% (3.2% on a like-for-like basis). At the same time, S&P Global Ratings-adjusted EBITDA dropped to €361.6 million from €385.5 million, leading to a 100 basis-point decline in Maxima's EBITDA margin to 8.1%, compared to our expectation of 8.6%-8.8%. The decrease mainly resulted from increased staff costs in all regions; growth of the loss-making e-commerce business; and expansion in Poland and Bulgaria, where Maxima has lower margins than in the Baltics. In addition, as of Jan. 1, 2021, a retail tax was introduced in Poland that has had an adverse impact on the margin. In 2022, we expect reported revenue growth of around 5%-9%, supported by 1%-3% like-for-like growth, new store openings, and high inflation in Maxima's key markets. We expect the margin to drop temporarily to about 7.4%-7.8% in 2022 due to inflationary expenses and Lidl's entry into Latvia and Estonia, but anticipate a recovery to around 8.0% by 2023, which is still below the 8.2% before the COVID-19 pandemic.

Maxima's credit quality is closely associated with that of its parent company, VP. Maxima is part of a wider, more diversified group, but remains the principal asset within it. Historically, Maxima's dividends to VP have partly funded VP's diversification and expansion into new businesses. This has enabled VP to grow its EBITDA base largely through self-funded investments, translating into more robust debt to EBITDA of about 2.0x-2.5x. In our view, this gives VP a cushion in case of operating setbacks affecting Maxima's credit metrics. We would expect the group to adopt a more conservative financial policy to preserve Maxima's credit metrics and its long-term investment capacities.

Outlook

The stable outlook reflects our expectations that Maxima will maintain its leading market position in the Baltics despite intensifying competition; soundly execute its planned store expansion in Poland and Bulgaria; and see normalizing demand for food following the end of lockdowns, resulting in 4%-8% sales growth and adjusted EBITDA margins stabilizing at about 8% from 2023. The outlook also takes into account Maxima's prudent dividend distributions, funded with FOCF, and our expectation of adjusted FFO to debt of more than 30% and adjusted debt to EBITDA of about 2.5x-3.0x over the next 12-18 months. In addition, we expect stronger credit metrics and deleveraging at VP, with debt to EBITDA of 2.0x-2.5x, supported by continued adherence to a more conservative financial policy.

Downside scenario

We could lower the ratings on Maxima if:

- The group significantly underperforms our base case, including a material decline in operating performance, with diminishing profitability because of intensifying market competition, or a weaker macroeconomic environment in the Baltics or Poland weighing on margins and cash flows;
- Maxima's or VP's financial policies become less prudent, either due to increased dividends or large-scale, debt-funded acquisitions that keep leverage at about 3.0x or above and FFO to debt below 30% at either Maxima or the wider group; or
- Maxima's or VP's liquidity deteriorates, or Maxima does not address the senior unsecured bond refinancing in a timely manner.

Upside scenario

Although it is unlikely over the next 12 months, given our understanding of management's financial policy, we could raise the ratings following a stronger operating performance than we expect at both Maxima and the overall VP group. This would include:

- Adjusted debt to EBITDA falling below 2.0x for Maxima and VP;
- Maxima's FOCF substantially exceeding its actual dividend payments, resulting in debt reduction; and
- The maintenance of solid liquidity.

We would also need to see a financial policy commitment from Maxima and its parent to sustain these credit metrics.

Our Base-Case Scenario

Assumptions

- An expansion in real GDP in Lithuania and Latvia of 3.0%-3.3% in 2022 and 2023, after a recovery of 5.2% in Lithuania and 4.7% in Latvia in 2021.
- An expansion in real GDP in Poland of 3.3%-3.6% in 2021 and 2.8%-3.1% in 2022, after 5.7% in 2021.
- Inflation of above 5% in Maxima's markets in 2022.
- An increase in revenue of about 5%-9% in 2022 and 5%-6% in 2023, reflecting strong store expansion in Poland and Bulgaria, along with about 1%-3% sales growth on a like-for-like store basis.
- A contraction in the adjusted EBITDA margins to 7.4%-7.8% in 2022 from 8.1% in 2021 due to inflationary pressure, slower store expansion, growth in Maxima's margin-dilutive Barbora online delivery business, and a shift in consumer spending toward leisure pursuits after COVID-19 restrictions lifted in the first quarter of 2022. In 2023, we expect margins to recover to around 8.0%, similar to pre-pandemic levels (2019: 8.2%), reflecting price competition from Lidl in the Baltics, and an increasing share of weaker margins in Poland.
- Annual working capital inflows of about €20 million in 2021 and neutral working capital from 2022.

- Capital expenditure (capex) of €120 million-€150 million in 2021 and €140 million-€170 million in 2023, given the accelerating store expansion in Poland. This incorporates about €50 million-€80 million of maintenance capex a year and substantial expansion capex.
- Annual dividends of €80 million-€110 million in 2022-2023, in line with the group's policy to pay out 50%-70% of last year's net income.
- No material acquisitions.

Key metrics

Maxima UAB--Key Metrics*

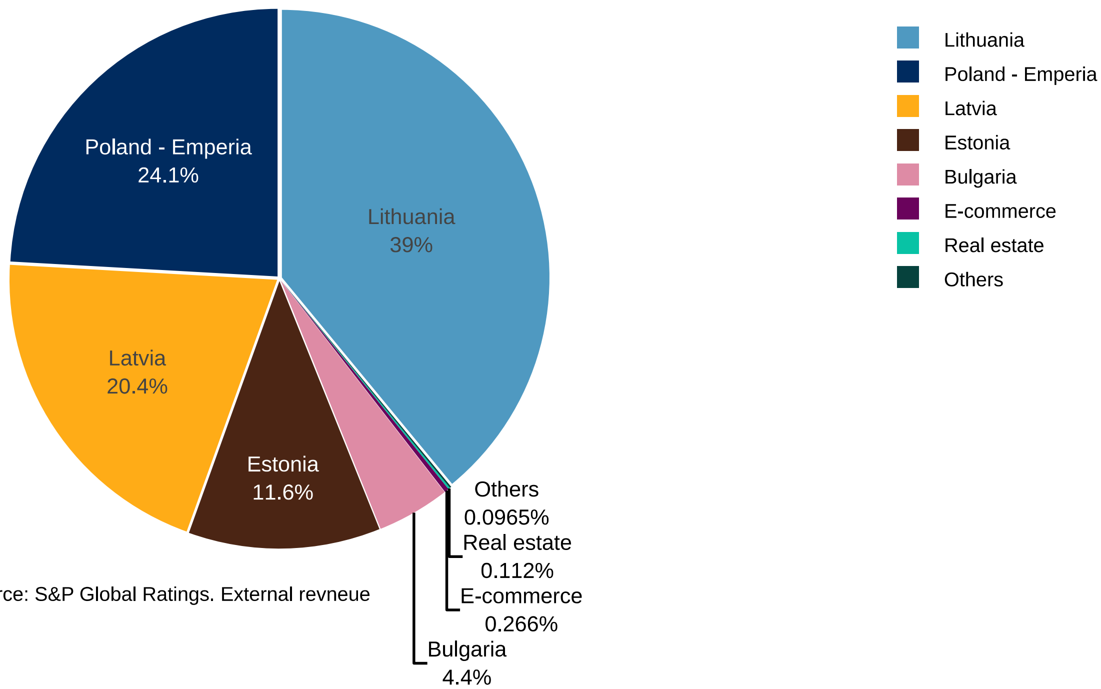
Mil. $	2020a	2021a	2022f	2023f	2024f
Revenue	4226	4485	4700-4900	4900-5100	5000-5200
Revenue growth (%)	5.8	6.1	5-9	5-6	4-5
EBITDA	386	362	350-380	370-410	390-420
EBITDA margin (%)	9.1	8.1	7.4-7.8	7.7-8.1	7.8-8.2
Funds from operations (FFO)	327	302	280-310	300-330	320-350
Capital expenditure	99.8	105.7	120-150	140-170	140-170
Free operating cash flow (FOCF)	178	219	150-180	160-190	170-200
Dividends	87	106	95	90-100	100-110
Debt	1095	1016	975-1075	950-1100	950-1100
Debt to EBITDA (x)	2.8	2.8	2.6-3.1	2.5-3.0	2.5-2.8
FFO to debt (%)	30	30	30-32	30-32	30-32
FOCF to debt (%)	16	22	18-20	15-20	15-20

*All figures adjusted by S&P Global Ratings. a--Actual. f--Forecast.

Company Description

Maxima is the leading food retailer in the Baltic countries, with a market share of about 25.8%. Operating since 1998, the group has grown rapidly in its home market and started to expand internationally, entering Bulgaria in 2011 and Poland in 2012. In 2021, Maxima generated more than €4.5 billion in sales, with about €366 million of reported EBITDA. Maxima is fully owned by VP--a holding company with other stakes in retail and real estate companies. Maxima is VP's most important asset, generating about 75% of its overall EBITDA in 2021.

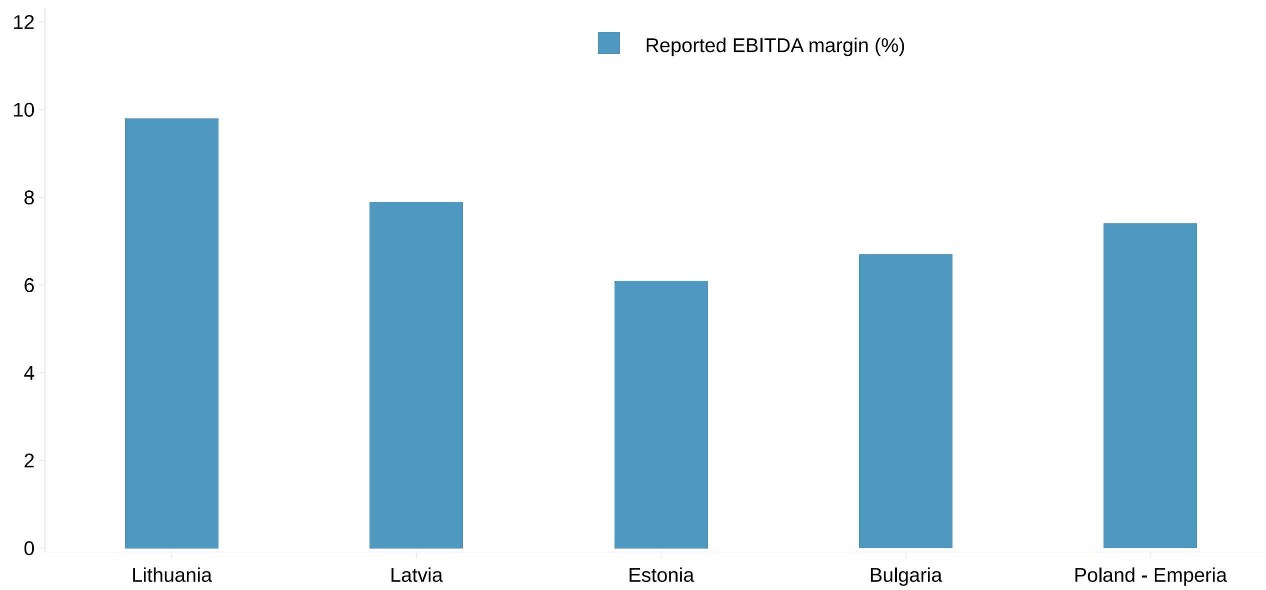
FY2021 Revenue Split by Segment



Source: S&P Global Ratings. External revneue

Reported EBIDTA Margin By Segment

Excluding real estate and e-commerce



Source: S&P Global Ratings.

Peer Comparison

Maxima's peers in the food retail sector include ELO, Tesco PLC, Sobeys Inc., and Albertsons Co. Inc. In this peer group, Maxima has the weakest business risk profile and is a relatively small player. Although Maxima's adjusted EBITDA margins are 1%-2% better than those of its peers, this could be broadly attributable to the rated peers having a higher share of online revenues than Maxima, and Maxima’s margin-accretive real estate segment. Moreover, we anticipate some degree of structural margin correction for Maxima as it increases the size of its online segment. Although Maxima is the leader in its market, its business risk profile is constrained, mainly by its limited geographical diversification and the size of the addressable market that it caters to compared to the markets of its peers. Although most of Maxima's peers have some degree of geographical concentration--with Tesco and ELO largely concentrated in the U.K. and France, respectively, and Sobeys Inc. and Albertsons based mainly in Canada and America, respectively--the addressable market for these peers is significantly larger than the Baltics where Maxima operates.

Maxima Grupe UAB--Peer Comparison

Industry Sector: Supermarkets

	Maxima Grupe UAB	ELO	Tesco PLC	Sobeys Inc.	Albertsons Cos. Inc.
Ratings as of June 15, 2022	BB+/Stable/--	BBB-/Stable/A-3	BBB-/Stable/A-3	BBB-/Stable/--	BB/Stable/--
Fiscal year ended	Dec. 31, 2021	Dec. 31, 2021	Feb. 27, 2021	44,316	Feb. 26, 2022
(Mil. €)					
Revenue	4,484.8	31,088.0	65,782.0	19,074.2	63,808.4
EBITDA	361.6	1,809.0	4,556.8	1,387.8	4,566.8
Funds from operations (FFO)	301.9	1,356.0	3,588.8	1,066.5	3,462.8
Interest expense	38.8	262.0	842.5	203.4	879.8
Cash interest paid	37.3	280.0	782.7	194.7	890.1
Cash flow from operations	324.7	1,277.0	400.5	1,044.7	3,584.0
Capital expenditure	105.7	814.0	1,373.1	444.4	1,426.0
Free operating cash flow (FOCF)	219.0	463.0	(972.6)	600.3	2,158.0
Discretionary cash flow (DCF)	113.0	(295.0)	(7,791.1)	463.3	1,947.8
Cash and short-term investments	219.0	2,927.0	3,356.3	600.9	2,575.9
Debt	1,015.5	3,803.1	16,343.1	4,346.9	15,612.0
Equity	414.9	6,454.0	11,744.8	2,459.6	2,684.7
Adjusted ratios					
EDITDA margin (%)	8.1	5.8	6.9	7.3	7.2
Return on capital (%)	13.0	6.6	8.7	13.0	12.9
EDITDA interest coverage (x)	9.3	6.9	5.4	6.8	5.2
FFO cash interest coverage (x)	9.1	5.8	5.6	6.5	4.9
Debt/EBITDA (x)	2.8	2.1	3.6	3.1	3.4
FFO/debt (%)	29.7	35.7	22.0	24.5	22.2
Cash flow from operations/debt (%)	32.0	33.6	2.5	24.0	23.0
FOCF/debt (%)	21.6	12.2	(6.0)	13.8	13.8
DCF/debt (%)	11.1	(7.8)	(47.7)	10.7	12.5

Business Risk

Maxima has maintained its leading position in the Baltics despite the increase in pressure from Lidl's arrival in Lithuania in 2016. In our view, this is thanks to Maxima's competitive price position and high brand awareness. However, the Baltics market has evolved over the past three years, witnessing greater competition since Lidl’s entry, and we understand that Maxima is losing market share.

The group's market share in its home country of Lithuania stabilized at around 31%-32% in 2021, down from 34% in 2019. With Lidl's entry into Latvia and Estonia, we anticipate some market-share loss for Maxima in these countries as well. That said, we anticipate that the regions' like-for-like revenue growth will remain in the range of 1%-2% over the next year, mainly driven by food inflation. Maxima enhanced its footprint in Poland in 2018 with the acquisition of Emperia. With competition intensifying in the Baltics following Lidl's entry, the group's diversification into Poland is positive considering the market's overall size and growth potential.

We believe that the resilience and relative predictability of the food retail industry, as well as Maxima's modest exposure to foreign-exchange risk--particularly in comparison with other Eastern European peers, thanks to the Baltics' adoption of the euro--provides the group with some visibility on revenue and earnings. Although inflation is at its highest levels in decades, we consider food retail as nondiscretionary and less cyclical than other sectors. This leads us to assume that Maxima's operating performance should remain relatively stable. However, if the inflationary trend persists, we anticipate that this will start damaging consumer confidence, and we could see volatility in Maxima's revenue growth and margins.

Maxima also benefits from a resilient operating model. In particular, we note the meaningful sales contribution from private labels of about 20%, which is in line with that of Maxima's Western European peers, as well as its diverse store formats. The group has been focusing on smaller stores as consumer preferences shift toward convenience stores. Both factors, in our view, support margins and help Maxima maintain its strong competitive advantage over peers. We understand that the group has a local sourcing strategy that provides it with fairly good bargaining power despite its limited size.

We believe that Maxima benefits from a partly owned real estate network, with property, plant, and equipment (excluding right-of-use assets) of around €750 million as of December 2021. Although online commission still represents a small part of Maxima's revenue, at around 1% of sales, we believe that the group is well positioned in the online space, since it faces little competition and already has a dedicated online offering through the Barbora website. We anticipate that the contribution from Maxima's e-commerce segment will gradually increase to 2%-4% of total sales in the next two years, with breakeven EBITDA.

Our view of Maxima's business risk profile is constrained by the group's small size, scale, and EBITDA base compared to other food retailers we rate, as well as its substantial geographical concentration in the Baltics. These factors tend to limit the group's bargaining power with suppliers, and its relatively narrow EBITDA base means less flexibility to adapt to potential disruptions, either from competition or unforeseen operating events, without hurting the credit ratios. Additionally, the group's revenue concentration exposes it to potential macroeconomic headwinds in the Baltics, although this is not part of our base case. Maxima has made positive strides toward diversifying away from the Baltics and toward Poland, Bulgaria, and e-commerce, with store retail revenue from the Baltics representing about 70% of total retail revenue in 2021, down from about 75% in 2019.

Financial Risk

Maxima's adjusted debt leverage as of year-end 2021 stood at 2.8x, which was largely in line with our base case, although deleveraging remains constrained owing to high capex and continued dividend distributions. This is also evident from the fact that most of the revenue growth in the past two years came from store additions. Due to sizable discretionary spending on dividends and planned investments, we see Maxima's credit metrics at the weaker end of our ranges for the rating in 2022.

We take comfort from Maxima's resilient adjusted FOCF to debt of 18%-20% in 2022 and 2023, which demonstrates high cash generation and a robust ability to withstand operating setbacks. We understand that management intends to maintain an efficient balance sheet at Maxima, with no real deleveraging below the levels we anticipate on a sustainable basis. However, management also intends to maintain a supportive financial policy framework, and there is management and shareholder commitment to maintain leverage broadly within our expectations for the rating.

Maxima Grupe UAB--Adjusted Financial Summary

Industry Sector: Supermarkets

	--Fiscal year ended Dec. 31--			
	2021	2020	2019	2018
(Mil. €)				
Revenue	4,485	4,226	3,993	3,451
EBITDA	362	386	328	300
Funds from operations (FFO)	302	327	274	244
Interest expense	39	35	32	38
Cash interest paid	37	33	32	35
Cash flow from operations	325	277	303	240
Capital expenditure	106	100	127	81
Free operating cash flow (FOCF)	219	178	176	159
Discretionary cash flow (DCF)	113	91	94	69
Cash and short-term investments	219	184	273	222
Gross available cash	219	184	273	222
Debt	1,015	1,095	1,050	932
Equity	415	387	342	293
Adjusted ratios				
EBITDA margin (%)	8.1	9.1	8.2	8.7
Return on capital (%)	13.0	15.4	13.3	17.1
EBITDA interest coverage (x)	9.3	11.1	10.1	7.9
FFO cash interest coverage (x)	9.1	10.8	9.6	8.0
Debt/EBITDA (x)	2.8	2.8	3.2	3.1
FFO/debt (%)	29.7	29.9	26.1	26.2
Cash flow from operations/debt (%)	32.0	25.3	28.8	25.8
FOCF/debt (%)	21.6	16.2	16.8	17.1
DCF/debt (%)	11.1	8.3	8.9	7.4

Maxima Grupe UAB--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts

--Fiscal year ended Dec. 31, 2021--					
Maxima Grupe UAB reported amounts (mil. €)					
	Debt	**EBITDA**	**Operating income**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**
Reported	504	364	192	362	362
S&P Global Ratings' adjustments					
Cash taxes paid	--	--	--	(22)	--
Cash interest paid	--	--	--	(37)	--
Reported lease liabilities	683	--	--	--	--
Accessible cash and liquid investments	(172)	--	--	--	--
Nonoperating income (expense)	--	--	1	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	(37)
EBITDA: Gain/(loss) on disposals of PP&E	--	(2)	(2)	--	--
EBITDA: Business divestments	4	(0)	(0)	--	--
Total adjustments	4	(3)	(2)	(60)	(37)
S&P Global Ratings' adjusted amounts					
	Debt	**EBITDA**	**EBIT**	**Funds from operations**	**Cash flow from operations**
Adjusted	1,015	362	190	302	325

Liquidity

We assess Maxima's liquidity as adequate. This reflects our calculation that Maxima's sources of liquidity will exceed its uses by just above 1.2x over the next 12 months, and our expectation that sources would cover uses even if EBITDA declined by 15%. Our assessment is further underscored by management's strong commitment to maintain sound liquidity of at least €100 million. In addition, the proposed refinancing of Maxima's €300 million unsecured bond maturing in September 2023 leads to an improvement in our assessment of liquidity sources to uses to further above 1.2x over the next 24 months.

Principal liquidity sources

We estimate that Maxima's liquidity sources for the 12 months from Jan. 1, 2022, include:

- Unrestricted cash and liquid investments of about €172 million;
- Our forecast of cash FFO of €200 million-€220 million; and
- A working capital inflow of about €10 million-€20 million.

Principal liquidity uses

We estimate that liquidity uses for 12 months from Jan. 1, 2022, include:

- Debt repayments of about €50 million-€100 million;
- Seasonal working capital requirements of about €50 million;
- Annual maintenance capex of €70 million-€100 million; and
- Dividends to VP of €90 million-€100 million.

Covenant Analysis

Requirements

While there are no maintenance covenants, Maxima has to comply with incurrence-of-debt covenants stipulating a fixed-charge coverage ratio of below 2x and a group-defined net leverage ratio of below 4.25x.

Compliance expectations

We expect that Maxima will maintain sufficient headroom above that level of leverage over the next 24 months.

Environmental, Social, And Governance

ESG credit indicators: E-2; S-2; G-3

ESG Credit Indicators

Environmental	Social	Governance
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
- N/A	- N/A	- Other governance factors

N/A--Not applicable. 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 Indicator Definitions And Applications, " published Oct. 13, 2021.

Governance factors are a moderately negative consideration in our credit rating analysis of Maxima due to a greater number of senior management changes than the industry average. Although we generally associate frequent changes with the risk of strategic and operational missteps, we note that Maxima's operating performance has improved since the current CEO took office in October 2020. Moreover, the majority of the leaving personnel have remained part of the group in different positions.

Group Influence

Maxima is part of a wider group, VP, whose main consolidated asset is Maxima. VP also consolidates a fairly geographically diversified pharmacy business, Euroapotheca, and a real estate business, Akropolis (BB+/Stable), essentially operating in the Baltics. Both these entities are positive contributors to the group's overall profitability. Deleveraging should be faster at the VP level owing to the multiple cash-generative businesses it owns and the fact that it does not pay material dividends to its holding company, translating into a rapid buildup of cash. Furthermore, we understand that VP sticks to a prudent financial policy and intends to keep run-rate reported leverage below 1.5x.

Since Maxima contributes the bulk of the overall group's revenue and earnings, and since we consider Maxima to be the largest business of the ultimate shareholder, Mr. Nerijus Numa, we believe that it is a core entity to the wider group. We also understand that there is no plan to partially list Maxima and that the main shareholders intend to keep clear control of it.

Finally, we note that VP pays a very modest dividend to the private entities held by Mr. Numa, Euroapotheca and Akropolis. We assess the wider group credit profile (GCP) at 'bb+', which is driven by and consistent with our assessment of Maxima's stand-alone credit profile (SACP) of 'bb+'. Hence, our rating on Maxima is in line with its SACP and the GCP.

Issue Ratings--Subordination Risk Analysis

Capital structure

Maxima's capital structure comprises about €504 million of financial debt, of which €300 million is a senior unsecured bond issued in October 2018 and maturing in September 2023. The group is in the process of refinancing this maturing bond. In addition, the group still has about €160 million of secured and unsecured debt at subsidiaries.

Analytical conclusions

The 'BB+' issue rating on the proposed senior unsecured €300 million bond is in line with the long-term issuer credit rating on Maxima. The issue rating reflects the moderate amount of priority-ranking liabilities in the capital structure. These liabilities comprise secured debt and unsecured debt, both at the group and subsidiary levels. We estimate the priority debt ratio at about 32%, which is below our 50% threshold, supporting our view that there are no significant elements of subordination risk in the capital structure.

Rating Component Scores

Foreign currency issuer credit rating	**BB+/Stable/--**
Local currency issuer credit rating	**BB+/Stable/--**
Business risk	**Fair**
Country risk	Intermediate
Industry risk	Intermediate
Competitive position	Fair
Financial risk	**Intermediate**
Cash flow/leverage	Intermediate
Anchor	**bb+**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Fair (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**bb+**

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, 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

Related Research

- European Retailers: Forced To Raise Prices While Wary Of Consumers Cutting Back Spending, June 9, 2022

Ratings Detail (as of June 29, 2022)*

Maxima Grupe UAB	
Issuer Credit Rating	BB+/Stable/--
Senior Unsecured	BB+
Issuer Credit Ratings History	
21-Oct-2021	BB+/Stable/--
28-Oct-2020	BB+/Negative/--
12-Oct-2018	BB+/Stable/--
Related Entities	
Akropolis Group UAB	
Issuer Credit Rating	BB+/Stable/--
Senior Unsecured	BB+

*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.