S&P Global
Ratings

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# Danfoss A/S

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## Table Of Contents

# Danfoss A/S

## Credit Highlights

| Issuer Credit Rating |
| --- |
| BBB/Watch Neg/A-2 |

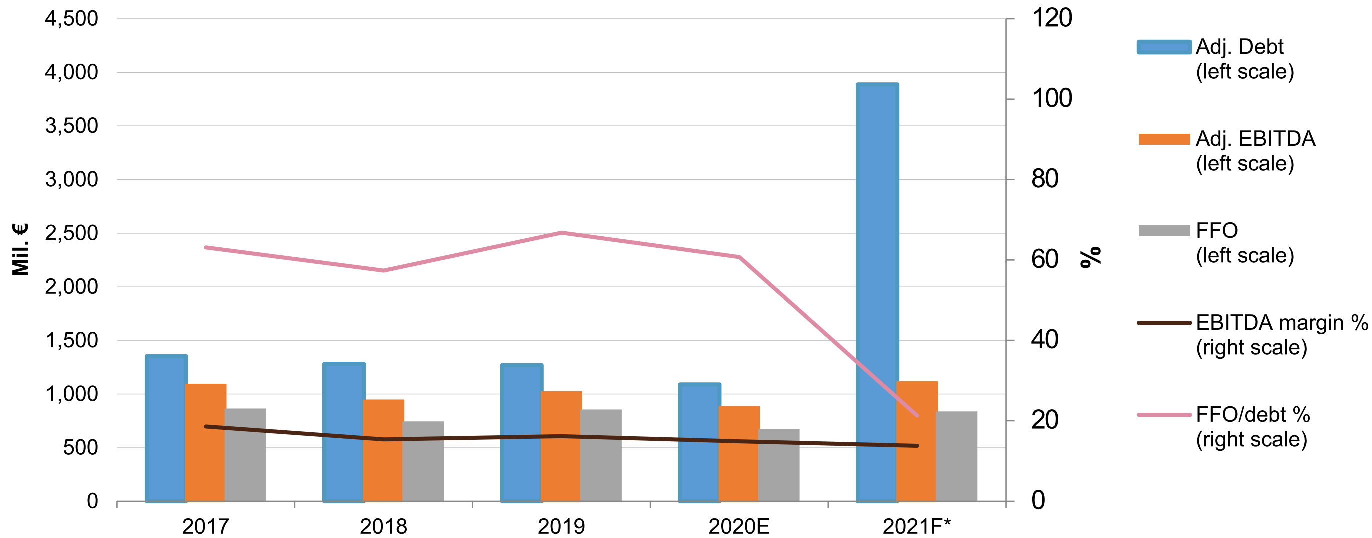
### Overview

| Key strengths | Key risks |
| --- | --- |
| Prominent market positions, holding No. 1 or No. 2 positions in end markets where it operates. | Financial flexibility will be eroded by the recently announced $3.3 billion acquisition of Eaton's hydraulics business, absent equity or equity-like instruments to protect the balance sheet. |
| Good degree of customer, end- market, and geographic diversity, with 37% of sales from Western Europe, 25% from North America, 22% from Asia-Pacific, and 16% from the rest of the world. | Cyclical demand pattern, characterized by low visibility and pricing competition that could harm the company's profitability, while limited service or aftermarket sales in contrast to peers restrict earnings stability. |
| Well-positioned within segments that have good growth prospects over the next few years, such as electrification, environmental solutions, and food supply. | Prospective weaker earnings performance in 2020 as demand and profitability fall due to the COVID-19 pandemic, with EBITDA margin slightly below 15% from 16.2% in 2019. |
| Defensive liquidity management strategy, with a policy to maintain undrawn committed lines above €400 million, and a commitment to maintain a 'BBB' rating. | Credit metrics affected by COVID-19, with management taking measures to curtail spending. |

***Danfoss A/S's operating performance will weaken in 2020 due to the effects of COVID-19, leading to weaker credit metrics compared with 2019.*** S&P Global Ratings expects the current recessionary environment, spurred by the COVID-19 pandemic, to weigh on demand for Danfoss' products, resulting in a revenue decline of about 6% in 2020. Lower volumes will translate into narrower EBITDA margin in the 14.5%-15.0% range this year, compared with 16.2% in 2019. Softer earnings performance will lead to some deterioration in credit metrics, with funds from operations (FFO) to debt falling to about 60% in 2020, from 67% at year-end 2019 thanks to measures to limit operating costs, capital expenditure (capex), and distributions to shareholders, limited now only to the minority holders for 2020 and 2021. In our view, organic demand will stabilize over 2021, which, coupled with contributions from the acquisition of Eaton's hydraulics business, will drive growth.

**Chart 1**

**S&P Global Ratings' Forecast Credit Metrics Development For Danfoss**




*2021 figures include the effects of Eaton's hydraulics business. FFO--funds from operations. E--Estimate. F--Forecast. Source: S&P Global Ratings.



***The announced acquisition of Eaton's hydraulics business will further constrain financial flexibility.*** The company recently announced the planned acquisition of a material part of Eaton's hydraulics business, for $3.3 billion. We expect the transaction to have its cash effect on Jan. 1, 2021, according to our model. The acquisition will enhance Danfoss' scale and product diversity but it will temporarily dilute EBITDA margin, which we see falling to about 14% for 2021 after a weak 2020 affected by COVID-19. Currently, the company is evaluating permanent funding for the transaction. Although bridge financing is in place, it wants to secure final financing including some equity contribution to adhere with its public financial policy of a 'BBB' rating. Absent such measures, we believe the company's S&P Global Ratings-adjusted FFO to debt would likely be well below 25% and 30% in 2021 and 2022 respectively, which would not be commensurate with the current 'BBB' rating.

The company's efforts in cost control and scaling back capex, among other initiatives, will offer some support to cash flow generation and liquidity amid the COVID-19 pandemic.

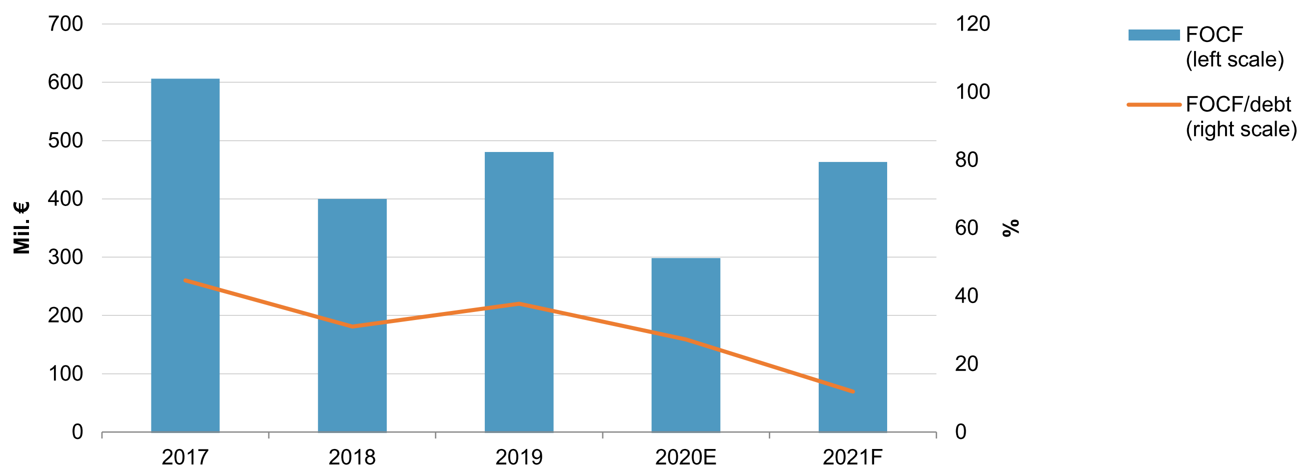
In its response to the challenging operating environment, the company has enacted several measures to preserve margins, including cost controls and voluntary pay cuts at the executive management level. Additionally, the group has encouraged staff to take time off without pay and has used local coronavirus-relieve programs for a good portion of its white collar workers.

Danfoss will also scale back capex to about €250 million in 2020, compared with €310 million in 2019. These efforts will help the company support cash generation, with free operating cash flow (FOCF) of about €300 million in 2020, compared with €479 million in 2019. Danfoss has also been proactive in securing better liquidity, and closed a new

€500 million revolving credit facility (RCF) in April 2020 with a two-year maturity, which will provide a timely liquidity cushion if needed. Additionally, the decision to suspend dividends for both 2020 and 2021 to its shareholders, and limit the cash out to minority shareholders to €35 million per year, is aimed at supporting the group's liquidity and leverage metrics. In 2021, the Eaton acquisition will contribute positively to FOCF generation but have a dilutive effect on FOCF to debt, primarily because of new acquisition debt factored into our forecasts.

**Chart 2**

**S&P Global Ratings' Forecast FOCF Generation For Danfoss**




E--Estimate. F--Forecast. FOCF--Free operating cash flow. Source: S&P Global Ratings.


## CreditWatch

The CreditWatch negative indicates that we could downgrade Danfoss by one notch if the company is unable to arrange equity or equity-like instruments to fund a material part of its planned $3.3 billion acquisition.

We aim to resolve the CreditWatch over about the next three months, once we get additional information on the company's funding strategy.

An adjusted FFO to debt at or above 25% by year-end 2021 and consistently above 30% by year-end 2022 is commensurate with the 'BBB' rating on Danfoss. Failure to meet these levels will likely result in a one-notch downgrade. Furthermore, any major and lasting effects from the COVID-19 pandemic that would lead us to believe that Danfoss' profit margins will not be at about 14% in 2020 would likely result in a downgrade, all else being equal.

## Our Base-Case Scenario

| Assumptions | Key Metrics |
| --- | --- |

- Given the uncertainty on Danfoss' plans around the permanent funding structure for the $3.3. billion acquisition, our current base-case assumption is a fully debt funded acquisition.
- Due to the COVID-19 pandemic, we have revised our global GDP growth projections and we now expect a 2.4% contraction in 2020, followed by rebound of 5.9% growth in 2021.
- The U.S. and eurozone to contract 5.2% and 7.3%, respectively in 2020 and China to have modest growth of 1.2%.
- The weaker economic backdrop underpins our forecast of a 6% revenue decline for Danfoss in 2020, followed by sharp revenue growth of 35% in 2021, spurred by the acquisition of Eaton's hydraulics business and improving organic demand.
- Lower volumes weigh on profitability with EBITDA margin contracting to slightly less than 15% in 2020 from 16.2% in 2019. Margins are expected to soften further in 2021, due to the dilutive effect from the Eaton acquisition, to slightly below 14%.
- No material swings in working capital over 2020-2021.
- Capex of about €250 million in 2020, increasing to €370 million in 2021.
- No acquisitions in 2020, with the $3.3 billion acquisition of Eaton's hydraulics business assumed to take place on Jan. 1, 2021.
- Dividends to minorities of €35 million for both 2020 and 2021.
- Some treasury share repurchases from shareholders amounting to €70 million in 2020.

| (Mil. €) | 2018A | 2019A | 2020E | 2021F |
|---|---|---|---|---|
| Revenue growth (%) | 4.7 | 3.1 | (6.0) | 35.0 |
| EBITDA margin (%) | 15.4 | 16.2 | <15 | <14 |
| FFO | 737 | 848 | About 650 | About 800 |
| FOCF | 398 | 479 | About 300 | About 450 |
| Debt to EBITDA (x) | 1.4 | 1.2 | About 1.2 | About 3.5 |
| FFO to debt (%) | 57.4 | 66.8 | 58-62 | 20-23 |

Note: All figures adjusted by S&P Global Ratings. A--Actual. E--Estimate. F--Forecast. FFO--Funds from operations. FOCF--Free operating cash flow.

## Base-case projections

***We expect EBITDA margins to weaken over the next two years, compared with historical levels.*** In 2020, we expect the COVID-19 induced slump in revenue to flow through to margins as well, resulting in EBITDA margin falling to 14.5%-15% compared with 16.2% in 2019. Even with an expected rebound in sales in 2021, our expectation is that margins will dilute further, driven by the inclusion of Eaton's lower-margin hydraulics business as well as related acquisition costs.

***Despite a slump in operating performance this year, we forecast Danfoss will continue generating positive FOCF.*** Amid the current recessionary environment, which is pressuring earnings, Danfoss' cost-saving efforts and possible deferrals of discretionary capex will support cash generation this year. This will result in lower, albeit positive, FOCF of about €300 million in 2020, compared with €479 million in 2019, increasing to about €450 million in 2021.

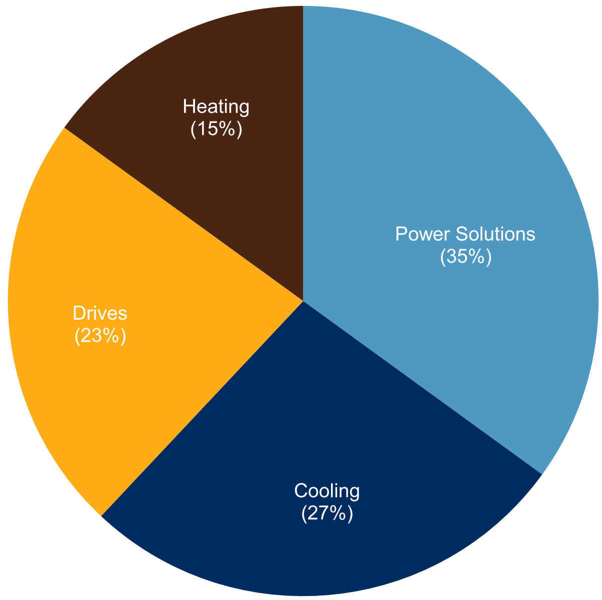
## Company Description

Danfoss is a leading producer of electrical and mechanical components in several industry segments including: power solutions, cooling, drives, and heating. With revenue of about €6.3 billion and S&P Global Ratings-adjusted EBITDA of about €1 billion in 2019, Danfoss is a midsize European capital goods company with operations in four segments:

- Danfoss Power Solutions: Hydraulic systems and electronic components. Cyclical end markets include agriculture, construction, and material handling, and specialty equipment. As of year-end 2019, power solutions division revenue was about €2.2 billion, representing 35% of total revenue.
- Danfoss Cooling: Components for the air conditioning and refrigeration industry. End markets include air conditioning and commercial and industrial refrigeration. As of year-end 2019, cooling division revenue was €1.7 billion, representing 27% of total revenue.
- Danfoss Drives: Development and production of low-voltage drives and power modules. End markets are diverse, comprising several industrial sectors, including heating, ventilation, air conditioning, mining, lifts and elevators, food and beverage, auto, and wind. As of year-end 2019, drives segment revenue was €1.5 billion, representing 23% of total revenue.
- Danfoss Heating: Heating components for residential and commercial heating and district energy for cities. End markets including heating, ventilation, and air-conditioning systems. As of year-end 2019, heating division revenue was about €0.9 billion, representing 15% of total revenue.

**Chart 3**

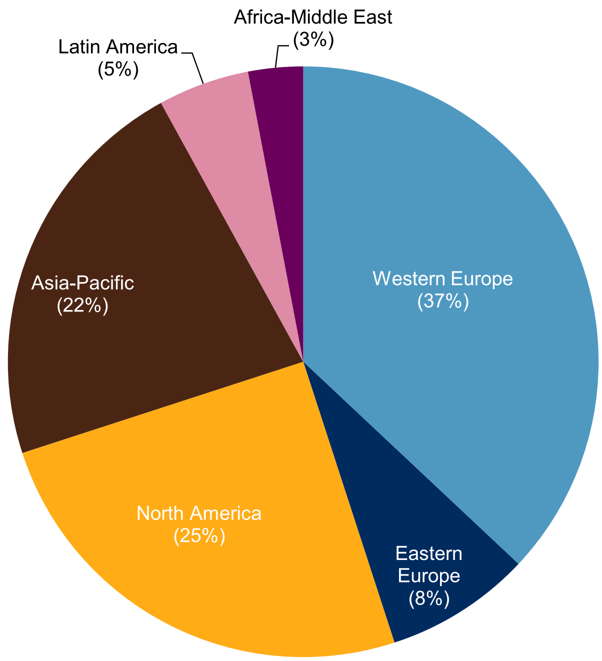
**Danfoss' Sales Split By Segment In 2019**




Source: S&P Global Ratings.

**Chart 4**

**Danfoss' Sales Split By Geographic Region In 2019**




Source: S&P Global Ratings.



Danfoss is a privately held company controlled by the Bitten and Mads Clausen Foundation. The foundation and the Clausen family hold 99.8% of the voting rights.

## Business Risk

Danfoss' business risk profile is underpinned by its leading market positions for electrical and mechanical components in a number of industry segments. The company has a primary market position in all the niches in which it operates, being either the market leader or among the top two solution providers. Danfoss has a presence in more than 100 countries worldwide, making its business geographically well diversified. This in turn supports the company's business resilience at low points of the business cycle.

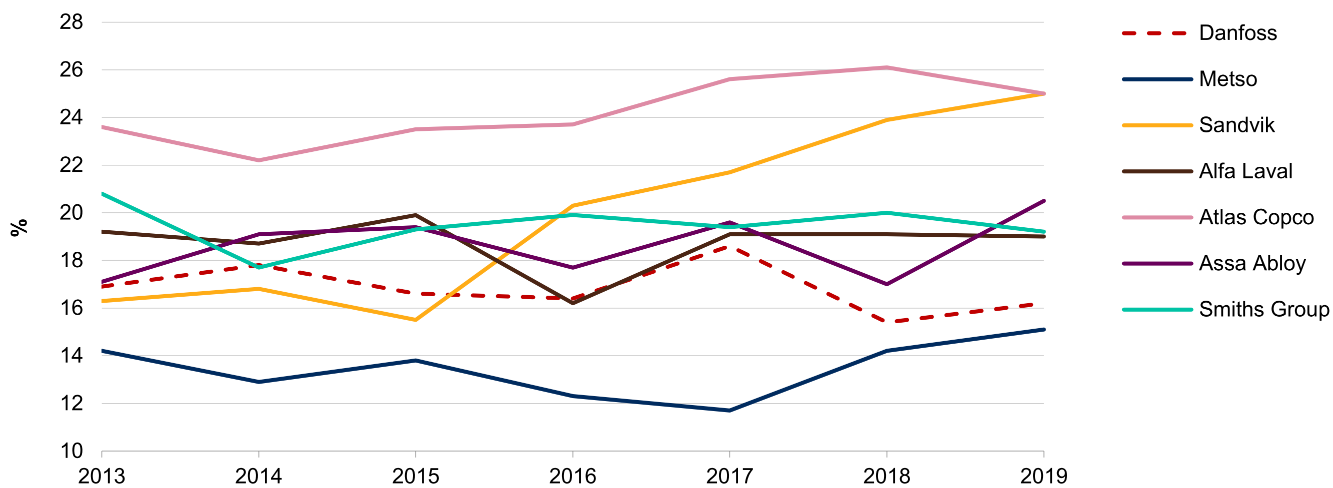
The company's acquisition of Eaton's hydraulics business will be broadly neutral for our business risk assessment. On the one hand, it will increase Danfoss' size such that it will become the largest operator globally within hydraulic systems, which complements its prominent market share in the cooling, heating, and drives divisions covering other sectors. On the other hand, the acquired business has previously been less profitable, with margins below Danfoss'. Pro forma the acquisition, about 50% of sales will be derived from the power solutions business, which will increase company's industrial exposure--a segment we deem more volatile.

Danfoss also has good customer and end-market diversity, which we expect will provide some stability to earnings over time as it is not exclusively exposed to one market. Some of the company's key end markets include agriculture, construction, specialty mobile machines, the energy sector, food and beverage, renewables, auto, and district energy solutions. Despite this end-market diversity, Danfoss remains vulnerable to cyclical demand in a number of its segments, especially power solutions--which significantly declined in the 2008-2009 global financial crisis--with demand dependent on fairly cyclical end markets. At the time of the last major economic recession in 2008-2009, S&P Global Ratings-adjusted EBITDA margin hit a low point of 8.4%.

In terms of profitability, Danfoss is positioned at the upper end of the 11%-18% range that we view as average for the capital goods industry and its margins are comparable with its peer group. In 2019, the company's adjusted EBITDA margin improved to 16.2% from 15.4% the previous year due to implementation of increased pricing and cost-saving initiatives. We expect some margin pressure stemming from COVID-19-related effects on sales in 2020, and the inclusion of the lower-margin acquisition alongside some integration costs in 2021.

**Chart 5**

**Adjusted EBITDA Margin: Danfoss And Selected Peers 2013-2019**




Source: S&P Global Ratings.



## Peer comparison

**Table 1**

| Danfoss A/S--Peer Comparison | | | | | |
|---|---|---|---|---|---|
| **Industry sector: Capital goods/diversified** | | | | | |
| | **Danfoss A/S** | **Sandvik AB** | **Alfa Laval AB** | **Assa Abloy AB** | **Metso Corp.** |
| Ratings as of June 7, 2020 | BBB/Watch Neg/A-2 | A-/Stable/A-2 | BBB+/Negative/-- | A-/Negative/A-2 | BBB-/Watch Neg/A-3 |
| **(Mil. €)** | **--Fiscal year ended Dec. 31, 2019--** | | | | |
| Revenue | 6,285.0 | 9,847.8 | 4,437.2 | 8,969.3 | 3,636.0 |

**Table 1**

| Danfoss A/S--Peer Comparison (cont.) | | | | | |
|---|---|---|---|---|---|
| EBITDA | 1,017.0 | 2,463.7 | 842.3 | 1,702.4 | 529.0 |
| Funds from operations (FFO) | 848.0 | 1,995.2 | 634.1 | 1,248.6 | 359.0 |
| Interest expense | 33.0 | 149.3 | 33.1 | 83.1 | 35.0 |
| Cash interest paid | 29.0 | 125.3 | 26.8 | 84.4 | 32.0 |
| Cash flow from operations | 789.0 | 1,737.5 | 482.9 | 1,208.1 | 90.0 |
| Capital expenditure | 310.0 | 448.0 | 127.5 | 175.7 | 107.0 |
| Free operating cash flow (FOCF) | 479.0 | 1,289.5 | 355.3 | 1,032.4 | (17) |
| Discretionary cash flow (DCF) | 258.0 | 780.1 | 155.3 | 659.5 | (197) |
| Cash and short-term investments | 110.0 | 1,617.1 | 616.9 | 47.4 | 57.0 |
| Debt | 1,269.0 | 896.8 | 1,250.7 | 3,229.4 | 906.8 |
| Equity | 2,933.0 | 5,874.8 | 2,646.8 | 5,642.6 | 2,729.0 |
| **Adjusted ratios** | | | | | |
| EBITDA margin (%) | 16.2 | 25.0 | 19.0 | 19.0 | 14.5 |
| Return on capital (%) | 16.9 | 29.3 | 18.4 | 16.4 | 15.9 |
| EBITDA interest coverage (x) | 30.8 | 16.5 | 25.4 | 20.5 | 15.1 |
| FFO cash interest coverage (x) | 30.2 | 16.9 | 24.7 | 15.8 | 12.2 |
| Debt/EBITDA (x) | 1.2 | 0.4 | 1.5 | 1.9 | 1.7 |
| FFO/debt (%) | 66.8 | 222.5 | 50.7 | 38.7 | 39.6 |
| Cash flow from operations/debt (%) | 62.2 | 193.7 | 38.6 | 37.4 | 9.9 |
| FOCF/debt (%) | 37.7 | 143.8 | 28.4 | 32.0 | (1.9) |
| DCF/debt (%) | 20.3 | 87.0 | 12.4 | 20.4 | (21.7) |

## Financial Risk

Danfoss' financial risk profile is underpinned by its demonstrated track record of cash generation and its comfortably high FFO to debt within its rating category. We expect FFO to debt will be at around 60% in 2020. However, there is no credit metrics headroom considering the sizeable $3.3 billion upcoming acquisition of Eaton's hydraulics business, which we assume will close in Jan. 1, 2021.

Danfoss continues to invest heavily in its development plan, with outlays averaging about 5% of revenue. We think the company will be able to fund these with internally generated cash, given its track record of delivering sustainably robust adjusted FOCF.

We consider Danfoss' access to equity as limited, owing to its status as a privately held company. This is somewhat balanced by shareholder remuneration levels--with dividend payouts to Danfoss' shareholders of no more than 30% of net income in addition to minority dividends--that are lower than most of Danfoss' public Scandinavian peers'.

As of year-end 2019, Danfoss had adjusted debt of €1.3 billion; its reported debt was €975 million. Our main adjustments to reported debt are €194 million for leases, €144 million for pensions, and €51 million for contingent liabilities mainly related to put options on the acquisitions. We deducted from those adjustments €98 million of cash that we consider to be accessible.

## Financial summary

**Table 2**

**Danfoss A/S--Financial Summary**

**Industry sector: Capital goods/diversified**

| | --Fiscal year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(Mil. €)** | **2019** | **2018** | **2017** | **2016** | **2015** |
| Revenue | 6,285.0 | 6,098.0 | 5,827.0 | 39,247.0 | 38,031.0 |
| EBITDA | 1,017.0 | 939.0 | 1,086.5 | 6,435.5 | 6,314.0 |
| Funds from operations (FFO) | 848.0 | 737.0 | 855.6 | 5,231.5 | 4,889.7 |
| Interest expense | 33.0 | 46.0 | 81.9 | 388.0 | 403.3 |
| Cash interest paid | 29.0 | 45.0 | 80.9 | 349.0 | 361.3 |
| Cash flow from operations | 789.0 | 708.0 | 906.6 | 5,459.5 | 4,982.7 |
| Capital expenditure | 310.0 | 310.0 | 302.0 | 1,762.0 | 1,300.0 |
| Free operating cash flow (FOCF) | 479.0 | 398.0 | 604.6 | 3,697.5 | 3,682.7 |
| Discretionary cash flow (DCF) | 258.0 | 36.0 | 454.6 | 2,739.5 | 2,629.7 |
| Cash and short-term investments | 110.0 | 50.0 | 29.0 | 509.0 | 319.0 |
| Gross available cash | 110.0 | 50.0 | 29.0 | 509.0 | 319.0 |
| Debt | 1,269.0 | 1,283.3 | 1,355.2 | 11,868.2 | 11,644.2 |
| Equity | 2,933.0 | 2,654.0 | 2,569.0 | 17,286.0 | 15,424.0 |
| **Adjusted ratios** | | | | | |
| EBITDA margin (%) | 16.2 | 15.4 | 18.6 | 16.4 | 16.6 |
| Return on capital (%) | 16.9 | 15.9 | 4.1 | 15.6 | 15.5 |
| EBITDA interest coverage (x) | 30.8 | 20.4 | 13.3 | 16.6 | 15.7 |
| FFO cash interest coverage (x) | 30.2 | 17.4 | 11.6 | 16.0 | 14.5 |
| Debt/EBITDA (x) | 1.2 | 1.4 | 1.2 | 1.8 | 1.8 |
| FFO/debt (%) | 66.8 | 57.4 | 63.1 | 44.1 | 42.0 |
| Cash flow from operations/debt (%) | 62.2 | 55.2 | 66.9 | 46.0 | 42.8 |
| FOCF/debt (%) | 37.7 | 31.0 | 44.6 | 31.2 | 31.6 |
| DCF/debt (%) | 20.3 | 2.8 | 33.5 | 23.1 | 22.6 |

# Liquidity

At the time of the CreditWatch placement, the short-term rating is 'A-2'. We also assessed Danfoss' liquidity as strong. We expect sources of liquidity to exceed uses by 3.0x over the 12 months starting April 1, 2020, and 3.9x the following 24 months. Given that the acquisition from Eaton has been entirely pre-funded, with in-place bridge financing fully covering the acquisition price, we have excluded the transaction from our liquidity analysis. We understand that the majority of the financing package is bridge-to-bond, which would need to be refinanced 24 months after closing. However, the company is seeking to fund a material part of it with equity-like instruments or securities attracting at least some level of equity content.

Our liquidity assessment is constrained by lack of commitment to maintain an exceptional liquidity assessment over time. Additionally, given the increased debt on the balance sheet, we believe that it does not have the flexibility to absorb severe macroeconomic shocks without refinancing in the medium term. Moreover, Danfoss has less frequent access to capital markets compared with other rated peers due to its private ownership. On the positive side, we note that the company recently signed a new €500 million RCF to create an additional liquidity cushion, which we have included in our liquidity assessment. The company also enjoys a covenant-free capital structure.

| Principal Liquidity Sources | Principal Liquidity Uses |
| --- | --- |
| • Cash and cash equivalents of €6.5 million at the parent as of March 31, 2020;<br>• About €1.4 billion available under several long-term committed credit lines, over the next 12 months. Our conservative assumption is that this will decrease to about €1.2 billion in the following 24 months, but we expect the company will extend the upcoming maturities well in advance.<br>• Cash FFO (lease adjusted) of €570 million-€590 million in the next 12 months; increasing to about €800 million over the following 24 months.<br>• Shareholder support of about €70 million in 2020 due to a treasury share repurchase. | • Manageable debt maturities of €25 million for the next 12 months, increasing by about €61 million over the following 24 months.<br>• Intrayear working capital swings of up to €300 million and working capital absorption of about €30 million in 2020 and €10 million for the following 24 months.<br>• Capex of roughly €280 million over the following 12 months, increasing to more than €380 million for the next 24 months.<br>• Minority shareholders' distributions of €35 million per year. |

### Debt maturities

As of Dec. 31 2019:

- 2019--€39 million
- 2020-2024--€651 million
- After 2024--€325 million

## Issue Ratings - Subordination Risk Analysis

### Capital structure

- Danfoss' consolidated unadjusted debt at Dec. 31, 2019, was €975 million, of which about 7% comprises mortgage loans that we see as secured.
- We note that only a residual part of the unsecured debt (about €24 million) is held at the subsidiary level.

### Analytical conclusions

We rate Danfoss' notes 'BBB', the same as the issuer credit rating, because there are no significant elements of subordination risk present in the capital structure.

## Reconciliation

**Table 3**

**Danfoss A/S--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts**

| | --Fiscal year ended Dec. 31, 2019-- | | | | | |
|---|---|---|---|---|---|---|
| **Danfoss A/S reported amounts (mil. €)** | | | | | | |
| | **Debt** | **Shareholders' equity** | **EBITDA** | **Operating income** | **Interest expense** | **S&P Global Ratings' adjusted EBITDA** |
| | 975.0 | 2,835.0 | 1,023.0 | 695.0 | 30.0 | 1,017.0 |
| **S&P Global Ratings' adjustments** | | | | | | |
| Cash taxes paid | -- | -- | -- | -- | -- | (140) |
| Cash interest paid | -- | -- | -- | -- | -- | (29) |
| Reported lease liabilities | 194.0 | -- | -- | -- | -- | -- |
| Postretirement benefit obligations/deferred compensation | 144.0 | -- | (1) | (1) | 3.0 | -- |
| Accessible cash and liquid investments | (98.0) | -- | -- | -- | -- | -- |
| Capitalized development costs | -- | -- | -- | 1.0 | -- | -- |
| Dividends received from equity investments | -- | -- | 1.0 | -- | -- | -- |
| Income (expense) of unconsolidated companies | -- | -- | 4.0 | -- | -- | -- |
| Nonoperating income (expense) | -- | -- | -- | 4.0 | -- | -- |
| Noncontrolling interest/minority interest | -- | 98.0 | -- | -- | -- | -- |
| Debt: contingent considerations | 51.0 | -- | -- | -- | -- | -- |
| Debt: other | 3.0 | -- | -- | -- | -- | -- |
| EBITDA: gain/(loss) on disposals of PP&E | -- | -- | (1) | (1) | -- | -- |
| EBITDA: other | -- | -- | (9) | (9) | -- | -- |
| Total adjustments | 294.0 | 98.0 | (6.0) | (6.0) | 3.0 | (169.0) |
| **S&P Global Ratings' adjusted amounts** | | | | | | |
| | **Debt** | **Equity** | **EBITDA** | **EBIT** | **Interest expense** | **FFO** |
| | 1,269.0 | 2,933.0 | 1,017.0 | 689.0 | 33.0 | 848.0 |

FFO--Funds from operations. PP&E--Property, plant, and equipment

## Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018

- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Capital Goods Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

## Related Research

- Danfoss 'BBB/A-2' Ratings On CreditWatch Negative On Balance Sheet Concerns And Margin Decline Related To COVID-19, March 25, 2020

| Ratings Detail (As Of June 11, 2020)* | |
|---|---|
| **Danfoss A/S** | |
| Issuer Credit Rating | BBB/Watch Neg/A-2 |
| Senior Unsecured | BBB/Watch Neg |
| **Issuer Credit Ratings History** | |
| 25-Mar-2020 | BBB/Watch Neg/A-2 |
| 23-Jan-2020 | BBB/Negative/A-2 |
| 10-Nov-2014 | BBB/Stable/A-2 |

*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.

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