S&P Global
Ratings

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Summary:

Novomatic AG

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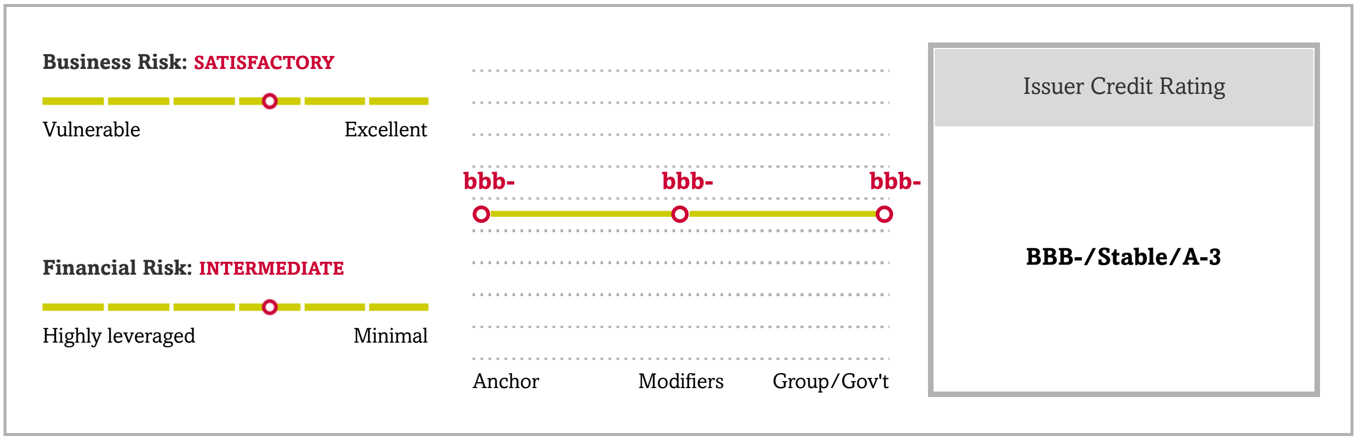
Novomatic AG



Credit Highlights

Overview

Key Strengths	Key Risks
The largest European manufacturer of slot/Amusement with Prizes (AWP) machines and vertically integrated with significant gaming operations (60% of revenues in H1 2018).	Exposure to constant changes in gaming regulation in key markets, with a recent increasing trend to reduce the number of AWPs notably in Germany and Italy.
Less leveraged than global peers like International Game technology PLC (IGT) and Scientific Games with S&P Global Ratings-adjusted debt to EBITDA of about 2.7x for the trailing 12 months ended June 30, 2018.	Highly competitive operating markets, exposing the company to potential price erosion, resulting in relatively lower EBITDA margins compared to other machine manufacturers.
Novomatic is relatively less dependent on the replacement cycles of gaming devices in arcades/casinos because about 20%-25% of total EBITDA is generated from contractual rental and management service agreements.	Limited revenue contribution from the North American market.
Substantial scale provides it with the ability to continually invest in its R&D function in order maintain its competitive edge.	

Lower leverage compared with peers despite meaningful acquisitions.

In a low-interest-rate environment, many gaming operators have undertaken significant debt-financed acquisitions. Despite completing several material acquisitions in the last 2.5 years, Novomatic's leverage remained low at 2.7x for the trailing 12 months ended June 30, 2018. Management's current focus is to integrate and find synergies from these acquisitions and use free operating cash flows (FOCF) to reduce leverage. This compares favorably to gaming technology peers IGT and Scientific Games, with S&P Global Ratings-adjusted leverage of 4.6x and 7.4x for the same period.

Substantial scale to support R&D required to maintain competitive advantage.

With a reported EBITDA base of about €600 million, Novomatic's scale provides it with operating leverage to continually invest in R&D for new products and contents and introduce further innovation. Product and content introductions and innovation are a key competitive advantage in the gaming equipment space since operators demand popular titles and new technology innovations that resonate with customers. Over the last three years, Novomatic's development spend has averaged about €100 million each year, which represents about 5% of its revenues, albeit lower than the 6%-7% spent by global leaders IGT and Scientific Games.

Regulatory risk is an industrywide theme.

Novomatic's main challenges include regulation-driven reduction of AWP machines and the increase in gaming tax. Examples of supply restrictions include prohibition of gaming machines in Vienna; the German Interstate treaty that enforces minimum distance conditions and bans multi concessionaires; and the Italian government's decision in 2017 to reduce total AWPs by 35%. Awareness of social risks associated with gambling are driving governments in different countries to introduce regulation to reduce the supply of such machines in the market.

Outlook: Stable

Despite the temporary weakening of credit metrics we forecast for financial 2018, the stable outlook incorporates our view of management's commitment to reduce leverage over the next 12-24 months after two years of material acquisition and sustained high growth capital expenditure (capex). It also incorporates our view that Novomatic's diversified product offering and its leading position within its existing key operations will support an improvement of its S&P Global Ratings-adjusted debt to EBITDA toward 2.5x and maintain FOCF to debt above 15% in financial 2019.

Downside scenario

We could lower the ratings if S&P Global Ratings-adjusted FFO to debt falls materially below 30% in the next two years, or if FOCF to debt remains below 15% in 2019. This could stem from higher-than-expected effects on revenues or costs coming from new regulations in Germany and Italy, or on account of competitive pricing that causes the EBITDA margins to decline (compared to our base assumption that EBITDA margin will stabilise at about 24%-25%). Additional debt-financed acquisitions, or elevated capex and working capital investments beyond 2018, leading to material weakening of credit metrics, could also weigh on the rating.

Upside scenario

We consider the potential for rating upside to be remote at this time. Regulation-induced revenue decline in the gaming technology segment, limited contribution from online segments, and weak operating performance of the stand-alone Ainsworth business present material operating challenges in the next 12-24 months. However, we could raise the ratings if Novomatic were able to address these risks while improving EBITDA margins to around 30%, thereby supporting a stronger assessment of the business. We could also raise the ratings if FFO to debt reaches 45% and FOCF to debt recovers to 25% over the next two years.

Our Base-Case Scenario

Assumptions

- Real GDP growth in the eurozone of 2.0% in 2018 and 1.7% in 2019, with consumer price index inflation around 1.6% per year.
- The gaming industry to grow moderately above GDP because markets are not fully saturated. However, regulatory changes, such as those in Germany in 2017, will result in temporary negative growth in some regions.
- For 2018, we forecast an organic revenue decline (excluding Ainsworth) of about 2%-5% in Novomatic's gaming technology segment (40% of the group's revenue), after a 1% decline in 2017. We expect the decline to stem largely from regulation-led machine reduction in Germany and Italy, partly offset by price increases in Germany.
- Revenues from the gaming operations segment (60% of the group's revenue) will grow above the industry average, at about 4%-6% in 2018 compared with 6% in 2017. This growth is supported by strong growth in all regions particularly in Germany and Eastern European countries.
- Overall, we forecast total revenue growth of 10% in 2018 largely supported by the consolidation of Ainsworth Game Technology Limited, Australia (Ainsworth), accounting for about 7% of the total revenue growth, and a revenue increase of about 4% in 2019.
- We forecast S&P Global Ratings-adjusted EBITDA margin to dip below 24% in 2018 compared to 24.2% in 2017, due to one-off costs associated with the regulatory changes in Germany along with an increase in gaming tax rates. Consolidation of Ainsworth (which has higher margins than the gaming operations) offsets some of these negative effects. For 2019, we forecast a recovery in margins as the one-off costs associated with the regulatory changes reduce and the benefits of an increase in lease rental income (particularly from Germany) are more pronounced.
- Acquisitions of around €400 million in 2018 (out of which €320 million already spent on the Ainsworth acquisition), and €50 million-€100 million annually thereafter.

Key Metrics

	2017A	2018E	2019E
Adjusted EBITDA margin	24.2%	23.5%-24.0%	24.0%-25.0%
Debt to EBITDA	2.3x	2.6x-2.8x	2.3x-2.5x
FOCF to Debt	N.M.	4%-6%	15%-17%
FFO to debt	31.2%	28%-30%	30%-35%

A--Actual. E--Estimate

- Capex of about €450 million in 2018, at the same elevated level as financial 2017, driven by required investments to comply with new regulations in Germany and expected to return to the more normal level of about €300 million per year thereafter.
- Dividends of €30 million-€50 million annually in 2018 and 2019, compared to €57 million in 2017.

Base-Case Projections

Recovery of credit metrics in 2019 following extraordinary cash outflows related to M&A and compliance-related investments.

The acquisition of Ainsworth and additional compliance-related capex in Germany will push Novomatic's key cash flow credit ratio (FOCF to debt of about 15%-20%) outside the range commensurate with the rating. Management has committed to focus on integrating the recent acquisitions and using the excess cash flow for debt repayment. We forecast the group has the potential to generate FOCF of about €200 million-€250 million in 2019 as capex reverts to a more sustainable about €300 million per year, after investing about €450 million in capex in FY2017 and FY2018.

Regulation will continue to weigh on the group's operation in Germany.

The number of Novomatic machines leased in Germany declined by about 10% to 102,195 as of Dec. 31, 2017, from 113,281 a year earlier. We expect this trend to continue, declining to about 90,000 machines by end-2018. The regulation also stipulates that from Nov. 11, 2018, all gaming machines must be equipped with personalized player card logins. Novomatic has therefore incurred additional one-off costs. It has accelerated its capex levels and working capital investments for the last two years as it prepares to replace about 90,000 machines by the scheduled deadline.

Additionally, online gambling in Germany has been fraught with regulatory uncertainty. In October 2017, following the Federal Administrative Court ruling, Novomatic ceased to provide content relating to online casino and poker games and terminated its relationship with business-to-business online customers for these segments. We consider the cash-flow effect from this decision to be material in 2018, as these businesses represent a high-margin segment of the group, and also benefitted from annual deferred consideration received for a company in this segment it had previously sold.

In light of these regulatory challenges, the group's strategy has been to increase its gaming operation activity, undertake numerous bolt-on acquisitions (including Casino Royal Group), and increase the number of self-operated machines. In first-half 2018, despite the headwinds, revenue contribution from Germany increased by €10 million to €360 million as the revenue decline from the gaming technology segment was more than offset by the growth in gaming operation segment. We forecast the overall revenue from Germany to be broadly flat for the next 18 months.

Company Description

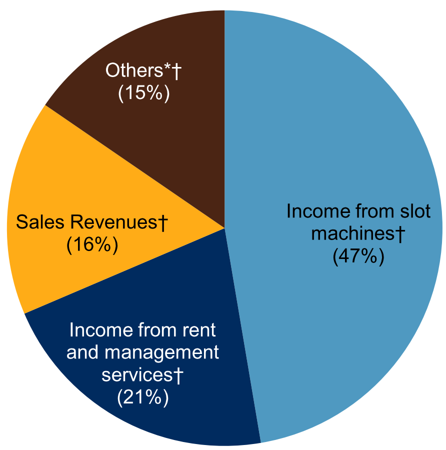
Novomatic operates in two segments, Gaming Technology (business-to-business segment) and Gaming Operations (business to consumer segment). The Gaming Technology segment engages in the production, sale, and rental of gaming and entertainment machines; and operation of online content for business customers. The Gaming Operations segment is involved in the operation of casinos and electronic gaming machine casinos, as well as the online B2C business; and the provision of sports and horse racing betting services.

In 2017, Novomatic reported annual device sales of 28,720 but a much higher rental base of about 191,000 devices. Alongside this, Novomatic operated about 65,105 devices through its gaming operation segment.

The group is effectively controlled by Prof. Johann F. Graf (founder of the group) through an investment holding company, Novo Invest Gmbh. The owners of the group explored an initial public offering plan in 2017, which it eventually decided to put on hold.

Chart 1

Novomatic Revenues By Business Unit



Source: Novomatic H1 '18 results. *Others include betting revenues (about 5% of total revenues), ebusiness income (5%) and sundries.) † Gaming Technology segment is comprised of income from rent and management services, sales revenues, some parts of ebusiness income and sundries). Gaming Operations include Income from slot machines, betting revenues, and some segment of ebusiness income.

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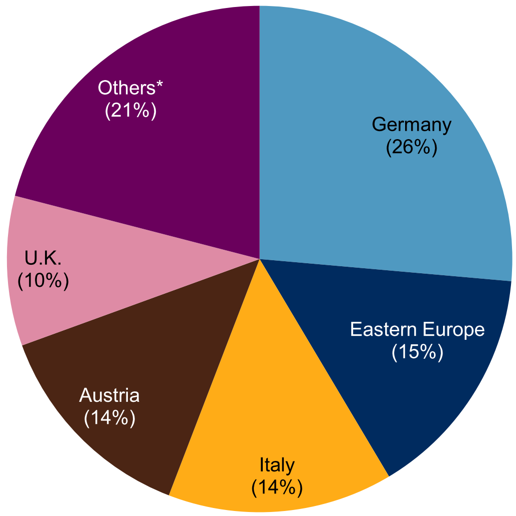
Chart 2

Novomatic Revenues By Geography



Source: Novomatic H1 '18 results * Others include Spain (about 5% of total revenues), Ainsworth (7%), Online (4%) and Other markets (5%).
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Business Risk: Satisfactory

Novomatic is a leading gaming technology company, with clear No. 1 positions in Austria and Germany and top-three positions in the U.K., Spain, and Italy. We see this gaming segment as having relatively supportive credit characteristics, due to higher barriers to entry compared with the operation of gaming machines. The second main segment--machines and arcades--complements the technology segment because Novomatic can quickly adapt products relative to market trends and from direct customer feedback.

While the underlying regulatory risk for both these segments is similar, their business-to-business operations offer some revenue visibility in the medium term and protection from the event risks of some short-term change in player preferences.

Germany is Novomatic's largest end-market with about 26% revenue contribution. This market has faced a significant regulatory disruption over the last 18 months. The effects of the Interstate Treaty (July 2017) have been negative for the industry but not as bad as initially thought. Some German states provided exemptions (via hardship exemptions or active tolerance) to operators to continue operating the affected arcades until a future date.

Regulatory risk affects all operators but we believe that market leaders within a specific market--with sufficient financial flexibility--are better positioned to address these risks relative to marginal players. In the longer term, market leaders will benefit from a "last man standing" scenario. Additionally, we note that industry consolidation is increasing in the face of regulatory pressures, as players seek critical mass. Given Novomatic's size, scale, and its leading positions in its key European markets, it is a natural consolidator and has undertaken bolt-on acquisitions over the last two years.

Also, the group's strategy has been to increase its gaming operation activity, undertake numerous bolt-on acquisitions (including Casino Royal Group), and increase the number of self-operated machines.

Novomatic's online segment represents less than 5% of overall group revenues. This segment presents a diversification opportunity, but it is relatively uncertain how online gaming will cannibalize traditional casinos and gaming facilities within the European market. There are also concerns about whether Novomatic will be able to compete against the current leading online gaming companies such as GVC plc, who have gained a significant market share through access to multiple brand names, products, and owning the underlying technology platform for all products. On the other hand, digital gaming has lower barriers to entry compared with Novomatic's traditional land-based gaming segments.

Table 1

Novomatic AG -- Peer Comparison

Industry Sector: Gaming				
	Novomatic AG	**International Game Technology**	**Scientific Games Corp.**	**Aristocrat Leisure Ltd.**
Business Risk Profile	Satisfactory	Strong	Satisfactory	Fair
Financial Risk Profile	Intermediate		Highly Leveraged	Modest
Rating as of Sep. 25, 2018	BBB-/Stable/A-3	BB+/Stable/--	B/Stable/--	BB+/Stable/--
	--Fiscal year ended Dec. 31, 2017--			**--Fiscal year ended Sep. 30, 2017--**
(Mil. €)				
Revenues	2,527.3	4,112.8	2,567.8	1,628.2
EBITDA	610.4	1,436.5	1,002.0	709.9
Funds from operations (FFO)	438.2	870.8	466.2	533.5
Net income from cont. oper.	83.1	(889.8)	(201.8)	328.5
Cash flow from operations	421.1	610.5	443.9	518.4
Capital expenditures	446.4	577.8	244.6	119.3
Free operating cash flow	(25.3)	32.8	199.3	399.1
Discretionary cash flow	(82.8)	(144.7)	199.3	276.2
Cash and short-term investments	925.1	880.5	656.9	367.3
Debt	1,405.5	6,946.4	7,405.4	615.0
Equity	1,328.9	2,258.2	(1,687.9)	892.8
Adjusted ratios				
EBITDA margin (%)	24.2	34.8	39.0	43.6
Return on capital (%)	7.7	7.1	6.3	34.7
EBITDA interest coverage (x)	10.4	3.6	1.9	15.2

Table 1

Novomatic AG -- Peer Comparison (cont.)

Industry Sector: Gaming

	Novomatic AG	International Game Technology	Scientific Games Corp.	Aristocrat Leisure Ltd.
FFO cash int. cov. (X)	9.6	3.6	2.0	16.8
Debt/EBITDA (x)	2.3	4.8	7.4	0.9
FFO/debt (%)	31.2	12.5	6.3	86.7
Cash flow from operations/debt (%)	30.0	8.8	6.0	84.3
Free operating cash flow/debt (%)	(1.8)	0.4	2.7	64.9
Discretionary cash flow/debt (%)	(5.9)	(2.1)	2.7	44.9

With its strong European presence, Novomatic is comparable with other leading global slot machine manufacturers. Novomatic has no presence in the U.S.--the largest slot machine market in the world--except via its stake in Ainsworth. Competitors IGT and Scientific Games have strong positions in the U.S. and a higher revenue contribution from the lottery segment, which we consider to be more stable compared to other segments in the gaming industry. Novomatic generates about 50% of its revenue from the operation of gaming halls and electronic gaming machines. This segment caters to the retail customer directly and has lower reported EBITDA margin of about 15%-18%, which results in an overall lower margin for the group. Neither of the abovementioned peers has this particular service offering, which partly explains their relatively better margins. They do have an interactive segment that caters the retail segment and is mainly online and covers social gaming. Typically, business-to-business segments tend to generate higher margins for slot manufacturers. In our view, pricing power for the three peers is higher because they operate primarily in the slot machine segment, whereas Novomatic focuses on AWP (which have lower payouts). On the other hand, Novomatic is relatively less reliant on the replacement cycle of gaming machines, which is a key risk for its peers.

Furthermore, Novomatic's EBITDA margins have weakened over the last few years due to increased regulatory costs associated with new regulations and pricing pressures, particularly in the gaming technology segment. As a result, we now consider the group's business profile to be relatively weaker than IGT and Scientific Games.

Financial Risk: Intermediate

Novomatic has been acquisitive over the last three years, seeking to reposition its business ahead of the enforcement of the German Interstate Treaty in July 2017. With an annual acquisition spend of about €200 million in 2016 and 2017, it completed another significant acquisition in 2018 when it bought a 52% stake in Ainsworth for about €320 million. These acquisitions were primarily funded by debt and the reported net debt (without deducting any restricted cash) increased from approximately €620 million as of Dec. 31, 2015, to about €1,100 million by end-2017. S&P Global Ratings-adjusted leverage deteriorated from 1.4x in 2015 to 2.7x for the 12 months ended June 30, 2018. However, management has committed to focus on integrating the recent acquisitions and reduce leverage. Therefore, we anticipate the group will use its operating cash flow to pay off its debt, and leverage to improve toward 2.0x by 2020.

Due to the capital-intensive nature of the gaming technology segment, we forecast annual group capex of about €250 million-€300 million. After accounting for normalized capex, in our view the business has the potential to generate FOCF of about €200 million annually. However, FOCF was negative in the last two years, as additional capex was required in preparation for the replacement of about 90,000 units in Germany, to be compliant with the new technical rule coming to effect from Nov. 11, 2018.

The group's dividend payment has averaged about €50 million over the last five years (excluding €161 million paid in 2015). In light of the commitment to reduce leverage, we do not expect any special dividend and anticipate an annual cash dividend of €30 million-€50 million.

Financial summary

Table 2

Novomatic AG -- Financial Summary					
Industry Sector: Gaming					
	--Fiscal year ended Dec. 31--				
	2017	**2016**	**2015**	**2014**	**2013**
Rating history	BBB-/Stable/A-3	BBB/Stable/A-2	BBB/Stable/A-2	-/-/-	-/-/-
(Mil. €)					
Revenues	2,527.3	2,274.0	2,086.3	1,977.6	1,684.1
EBITDA	610.4	601.6	605.2	647.7	504.7
Funds from operations (FFO)	438.2	473.8	460.5	498.6	368.7
Net income from continuing operations	83.1	148.9	216.2	272.0	62.9
Cash flow from operations	421.1	434.1	410.6	452.2	426.2
Capital expenditures	446.4	415.3	308.0	251.9	264.4
Free operating cash flow	(25.3)	18.8	102.6	200.3	161.8
Discretionary cash flow	(82.8)	(32.0)	(58.7)	158.7	110.0
Cash and short-term investments	925.1	909.1	617.7	656.2	453.7
Debt	1,405.5	1,093.6	835.6	552.1	652.9
Equity	1,328.9	1,376.2	1,224.9	1,171.6	952.4
Adjusted ratios					
EBITDA margin (%)	24.2	26.5	29.0	32.8	30.0
Return on capital (%)	7.7	10.5	15.7	22.2	10.5
EBITDA interest coverage (x)	10.4	11.7	13.3	12.8	9.6
FFO cash int. cov. (x)	9.6	13.5	10.8	15.1	10.7
Debt/EBITDA (x)	2.3	1.8	1.4	0.9	1.3
FFO/debt (%)	31.2	43.3	55.1	90.3	56.5
Cash flow from operations/debt (%)	30.0	39.7	49.1	81.9	65.3
Free operating cash flow/debt (%)	(1.8)	1.7	12.3	36.3	24.8
Discretionary cash flow/debt (%)	(5.9)	(2.9)	(7.0)	28.7	16.8

Liquidity: Strong

We view Novomatic's liquidity as strong. We estimate that liquidity sources will likely cover liquidity needs by about 1.7x over the next 12 months. Although the group's significant on-balance-sheet cash, availability of credit lines, and sound cash flows support our liquidity assessment, our view is constrained by significant planned capex and the risk of cash outflows related to additional mergers or acquisitions. We also see Novomatic as having well-established and solid relationships with banks, as well as a generally high standing in the credit markets.

Principal Liquidity Sources (for the 12 months from June 30, 2018)

- About €310 million in cash and equivalents, less cash trapped in gaming machines;
- Availability of about €600 million under its €1 billion revolving credit facilities maturing 2023; and
- FFO of about €480 million-€500 million.

Principal Liquidity Uses (for the same period)

- Short-term debt and maturing long-term debt of about €270 million;
- Changes in working capital and intra-year working capital swings of €100 million;
- Capex of around €400 million;
- Acquisitions of €50 million; and
- Dividends of €30 million.

Under our base case, we estimate the group to have headroom of above 30% under its 3.75x leverage covenant and minimum 20% equity-ratio covenant for the next 24 months.

Ratings Score Snapshot

Issuer Credit Rating

BBB-/Stable/A-3

Business risk: Satisfactory

- **Country risk:** Low
- **Industry risk:** Intermediate
- **Competitive position:** Satisfactory

Financial risk: Intermediate

- **Cash flow/Leverage:** Intermediate

Anchor: bbb-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)

- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Issue Ratings--Subordination Risk Analysis

Capital structure

Novomatic's capital structure consists of around €1.9 billion of senior unsecured debt, mostly represented by bonds and bank debt, issued mainly at the parent level. Priority debt, which includes finance leases, and debt of the Ainsworth operating subsidiary, constitutes around 6% of consolidated group's debt.

Analytical conclusions

We rate the debt issued by Novomatic at 'BBB-', the same level as the issuer credit rating, as no significant elements of subordination risk are present in the capital structure.

Reconciliation

Table 3

Reconciliation Of Novomatic AG Reported Amounts With S&P Global Ratings Adjusted Amounts (Mil. €)

	--Fiscal year ended Dec. 31, 2017--						
Novomatic AG reported amounts							
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**
Reported	1,901.0	1,237.5	586.8	209.8	40.8	586.8	424.4
S&P Global Ratings adjustments							
Interest expense (reported)	--	--	--	--	--	(40.8)	--
Interest income (reported)	--	--	--	--	--	9.6	--
Current tax expense (reported)	--	--	--	--	--	-123	--
Operating leases	254.8	--	66.3	16.6	16.6	49.7	49.7
Postretirement benefit obligations/deferred compensation	55.6	--	0.4	0.4	1.4	-1	-1
Surplus cash	(805.9)	--	--	--	--	--	--
Non-operating income (expense)	--	--	--	25.2	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	-52
Non-controlling Interest/Minority interest	--	91.4	--	--	--	--	--
EBITDA - Gain/(Loss) on disposals of PP&E	--	--	(15.3)	(15.3)	--	(15.3)	--
EBITDA - Foreign Exchange gain/(loss)	--	--	19.1	19.1	--	19.1	--

Table 3

Reconciliation Of Novomatic AG Reported Amounts With S&P Global Ratings Adjusted Amounts (Mil. €) (cont.)							
EBITDA - Exclude income from sale of companies	--	--	(46.9)	(46.9)	--	(46.9)	--
Total adjustments	(495.5)	91.4	23.6	(0.9)	18.0	(148.6)	(3.3)
S&P Global Ratings adjusted amounts							
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**
Adjusted	1,405.5	1,328.9	610.4	208.9	58.8	438.2	421.1

Material adjustments include our operating lease adjustment relating largely to real estate rented under various lease terms. This adjustment is subject to change as IFRS-16 (accounting standard for leases) is adopted from next year and we continue to monitor the impact of this disclosure on the group's overall credit fundamentals.

We also exclude the amount of income received from sale of companies from group's EBITDA as it is akin to a deferred consideration received for a business it had already sold. This adjustment will be not material in future years as this non-operating income will diminish because Novomatic decided to cease selling content relating to online casino and poker games to other operators to be regulatory compliant.

Related Criteria

- 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 Leisure And Sports Industry, March 5, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, 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 And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Consolidation Helps European Gaming Companies Ride Out Regulatory Changes, Sept. 12, 2018

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	**bbb/bbb-**	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

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