

Société Anonyme de Gestion de Stocks de Sécurité

September 16, 2026

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Crucial role as the operator stockpiling France's strategic, refined petroleum product reserves.	A downgrade of France would lead to similar action on SAGESS under our criteria for rating government-related entities (GRES).
Integral link with the French government, as Société Anonyme de Gestion de Stocks de Sécurité's (SAGESS, A+/Stable/A-1) objectives are integrated and aligned with those of the minister of energy and defense.	Funding needs based on market price, therefore subject to potential volatility.
Agreement with the Professional Committee of Strategic Petroleum Reserves (CPSSP), a public consortium that guarantees full cost coverage and limits operational risks.	Limited asset diversification, given the nature of its business.

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S&P Global Ratings believes there is an almost certain likelihood that SAGESS will receive extraordinary support from the French government if the company faces financial distress. We believe the government will support SAGESS if the company's losses exceed its capital base. However, we consider this scenario unlikely given the CPSSP guarantees the company full cost coverage.

SAGESS stockpiles oil and refined petroleum products under a government-approved agreement with the CPSSP. France is a member of the International Energy Agency (IEA). As part of the IEA, it must maintain minimum stocks of different groups of oil products. According to the EU's 2009 directive, oil operators in the EU must ensure the supply of strategic oil reserves equivalent to 29.5% of the consumption they recorded the year before. Oil operators in France can delegate this obligation to the CPSSP, which, in turn, uses SAGESS to manage the obligation. Only approved oil operators may hold SAGESS' shares, and the share capital must be in line with the market share of each operator the year before.

Outlook

The stable outlook on SAGESS mirrors that on France. We believe that SAGESS will retain its critical role for and integral link with the French government, and, therefore, expect the ratings to move in line with those on the sovereign.

Downside scenario

We would lower the ratings on SAGESS following similar action on France or if we perceived a weakening of the entity's link with or role for the French government. For example, this could occur if we observed the French government's commitment to international rules regarding oil stock management has weakened, or if there are changes in the regulatory framework, such as the CPSSP guaranteeing SAGESS full cost coverage.

Upside scenario

We would raise the ratings on SAGESS if we took a similar action on France and the likelihood of extraordinary government support for the entity remained almost certain.

Rationale

We equalize our ratings on SAGESS with those on [France](#) (unsolicited; A+/Stable/A-1). In our view, there is an almost certain likelihood that the French government would provide timely and sufficient extraordinary support to SAGESS during financial distress. Furthermore, we believe the French government's limited contingent liabilities and consistently supportive stance does not constrain its capacity and willingness to support SAGESS in a timely manner. We consider the government's propensity to support GREs to be almost certain.

We factor into our assessment of SAGESS our view on its:

- **Critical role for France:** SAGESS supports the country's energy security and fulfills its legal and strategic obligation to stockpile strategic oil and refined petroleum product reserves, according to IEA, European, and national requirements. In our opinion, SAGESS' strategic mission to maintain energy security and independence ensures it enjoys strong state support and its function cannot be undertaken by any private operators. This criticality was recently underscored by the IEA in response to surging oil prices, driven by the conflict involving Iran and shipping disruptions in the Strait of Hormuz.
- **Integral link with France:** SAGESS is integrated into the government's energy and defense policy and, through its agreement with the CPSSP, subject to indirect state supervision. It benefits from a special legal status, including specific tax privileges, and operates under a regime that mandates full coverage of costs. Its objective is indirectly mandated by a national obligation. Importantly, SAGESS' debt is consolidated into government debt.

SAGESS' role is to constitute and maintain strategic reserves of crude oil and refined petroleum products. This objective originates from a convention with the CPSSP, signed in 1993 and revised in 2022, and approved by the French government and the minister of ecological transition.

As of July 1, 2026, national stock requirements remained stable at 15.95 million tons (mt), versus 15.87 mt a year earlier. SAGESS, which manages 78% of those stocks, plans to sell 246,000 tons and acquire 255,000 tons of oil products in 2026 to rebalance its stock composition and continue meeting the reserve requirements.

Since 2000, the consumption of refined petroleum products in France has largely been on a declining trend due to improved energy efficiency and the rising use of alternative energy

sources. However, oil operators have increasingly delegated to SAGESS the management of their strategic oil stocks over the past 10 years.

As a result, the stockpiles managed by SAGESS have tripled over the past 30 years. SAGESS accounted for 78% of France's strategic oil stocks as of the end of July 2026, compared with 23% in 1995. France's Energy-Climate Act (2019) originally set a target to stop selling new gasoline and diesel cars by 2040, but this has been accelerated to 2035 in line with EU regulations, albeit with a caveat of a 10% flexibility added by the EU in March 2025.

In recent years, the consumption of refined petroleum products has been stable, and we see no imminent risk of a sudden decline. Given France's continued efforts to reduce oil consumption, we believe SAGESS might be able to sell part of its oil stocks while maintaining its reserves target, and therefore reduce its funding needs.

Since 2020, multiple external shocks have pressured SAGESS' stockpiles. These include the COVID-19 pandemic, the Russian invasion of Ukraine, and widespread strikes in France. In 2023, protests related to pension reform affected 16% of SAGESS' stocks; in response, SAGESS lent approximately 421,000 cubic meters of oil to 23 private operators, resulting in €126.6 million in outstanding loans at year-end, all guaranteed by the CECGS and remunerated, with administrative costs reimbursed.

Geopolitical instability in the Middle East, specifically related to the Strait of Hormuz, has led to substantial fluctuations in global oil prices, which have climbed from pre-conflict levels of \$70/barrel to a recent high of \$144/barrel. However, SAGESS has maintained operational resilience amid the volatility. The company's strategic reserves remain largely intact, as the French Directorate General for Energy and Climate has not issued significant mandates for their release (only 1.5% of the stock has been released). This ensures SAGESS remains insulated from immediate market shocks. That said, the disruption highlighted SAGESS' strategic role in France's energy security framework.

SAGESS operates under a regime that fully covers costs. On a monthly basis, the CPSSP reimburses SAGESS' expenses on storage (almost 80% of total costs), financing, operations, administration, and other areas, in line with its agreement with the company. Therefore, the CPSSP makes guaranteed payments that cover all of SAGESS expenses. This was tested in 2012-2013, when SAGESS had to settle a one-off tax payment on oil stocks, although it is exempt from corporate income tax, according to French law. SAGESS funded the payment through an increase in fees paid by oil operators to the CPSSP. As a result, SAGESS' results are either balanced or positive. Its net income has been marginally positive over the past decade, benefitting from continuous increases in oil prices. Thanks to capital gains realized on oil stocks sold and the timing of market sales, SAGESS' net income reached €98.1 million in 2025. The company distributed the revenue, increasing dividends to shareholders.

Most of SAGESS' financing needs and inflows are related to the acquisition of oil-related products, and therefore its funding needs also depend on price fluctuations. SAGESS' debt totaled €4.2 billion as of year-end 2025, unchanged from the year before, and it is included in the government's debt perimeter. In early 2026, SAGESS issued a 7-year €500 million bond under its €3 billion Euro medium-term note program to refinance its outstanding, negotiable European commercial papers. It has a €500 million bond due in October 2027. SAGESS' spread versus French government bonds, Obligations assimilables du Trésor (OATs), has consistently reduced in the past few years. It reached 18 basis points following an issuance in February as the company's market presence continued to expand. SAGESS can also rely on its €1.4 billion commercial paper program, which has just been renewed, and a revolving credit facility of €1 billion.

Importantly, the existing framework allows SAGESS to be compensated by the CPSSP for any potential losses related to the sale of oil stocks in the event of a persistent drop in oil prices. Additionally, if severe disruption in financial markets creates refinancing risks for SAGESS given its outstanding bonds or commercial papers, we understand the French government would authorize SAGESS to sell up to 10% of its stocks.

Also, if SAGESS is forced to sell or loan its reserves due to the agreement with the central government and the CPSSP, it would be entitled to receive a price at least equal to the book value of the reserves sold, and, in any case, the payment received would be set at an amount that would make it possible to fully compensate SAGESS for the stock loaned, interests, and ancillary costs. We would expect such authorization to occur within a day, because adequate mechanisms and procedures are in place. That said, these processes have never been tested.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Methodology For Linking Long-Term And Short](#), April 7, 2017
- [General Criteria: Rating Government](#), March 25, 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [France](#), June 1, 2026
- [EU Strategic Oil Reserve Managers To Participate In Largest-Ever Stockpile Release](#), March 13, 2026
- [French Government-Related Entities Ratings Lowered To 'A+/A-1' After Similar Action On France; Outlooks Stable](#), Oct. 21, 2025

Ratings Detail (as of September 16, 2026)*

Societe Anonyme de Gestion de Stocks de Securite	
Issuer Credit Rating	A+/Stable/A-1
Commercial Paper	
Local Currency	A-1
Senior Unsecured	A+
Issuer Credit Ratings History	
21-Oct-2025	A+/Stable/A-1
04-Mar-2025	AA-/Negative/A-1+
04-Jun-2024	AA-/Stable/A-1+
06-Dec-2022	AA/Negative/A-1+

*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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