

Elopak ASA

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB-' long-term issuer rating on Norway-based carton packaging producer and distributor Elopak ASA reflects the company's solid position in the European carton packaging market, geographic diversity and its diverse customer base. It also reflects the company's improved credit metrics and moderate financial leverage. In addition, our assessment of the operating environment is positive, reflecting increasing demand for sustainable products and a likely transition to carton packaging from plastic.

The rating is constrained by Elopak's relatively small size in relation to its main peers, Tetra Pak and SIG Group AG (SIG). This is reflected by the company's relatively small share of the aseptic carton packaging market, which accounts for the bulk of the wider market for carton packaging of liquid products. The rating is also constrained by the cyclical nature of the raw materials market, though this is partly offset by contract stipulations and pricing mechanisms.

STABLE OUTLOOK

The outlook is stable, reflecting our expectations that Elopak will maintain its current market position in Europe while growing in the US and new markets. In addition, it reflects our belief that Elopak will maintain stable operating margins and be committed to the company's medium-term leverage target of 2.0x (excluding off-balance-sheet financing). The outlook also takes into account the sustainability aspects of and growing potential for carton packaging of liquids.

POTENTIAL POSITIVE RATING DRIVERS

- Net debt/EBITDA sustainably below 2.0x or EBITDA/net interest sustainably above 13x; and
- improved operating efficiency, reflected in an EBITDA margin sustainably above 15% over time.
- A noticeable shift towards the use of carton packaging and an increasing share of the liquid packaging market.

POTENTIAL NEGATIVE RATING DRIVERS

- Net debt/EBITDA above 3.0x and funds from operations/net debt below 20% over a protracted period.
- Increased substitution risk from alternative packaging solutions or loss of key customers.
- Increased risk appetite, indicated by higher dividend pay-outs or a more aggressive acquisition strategy.

Figure 1. Key credit metrics, 2020–2026e

EURm	2020	2021	2022	2023	2024e	2025e	2026e
Revenues	914	940	1,024	1,132	1,240	1,351	1,473
EBITDA	115	119	116	161	175	188	212
EBITDA margin (%)	12.6	12.7	11.3	14.2	14.1	13.9	14.4
FFO	93	93	95	123	133	144	165
Net debt	371	303	448	393	475	479	472
Total assets	749	783	956	963	1,119	1,133	1,156
Net debt/EBITDA (x)	3.2	2.5	3.9	2.4	2.7	2.5	2.2
EBITDA/net interest (x)	12.1	12.2	14.0	7.3	7.1	7.2	8.8
FFO/net debt (%)	25.0	30.7	21.3	31.3	27.9	30.0	35.0
FOCF/net debt (%)	16.8	13.7	-1.8	28.2	-3.2	13.1	13.9

Source: NCR estimates and company data. e–estimate. FFO–funds from operations. FOCF–free operating cash flow. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Elopak is a Norway-based carton packaging manufacturer and distributor. Since its establishment in 1957 as a licensee of Pure-Pak, the company has been majority-owned by family-owned investment holding company Ferd AS. Following the company's IPO in July 2021, Ferd AS's ownership was reduced to 60%, but it is still the controlling owner. With operations in more than 70 countries, 2,700 employees and manufacturing facilities in 11, the company produces and distributes about 14bn items of carton packaging per year. In addition to the production and distribution of carton packaging, Elopak manufactures aseptic filling machinery, sells and distributes new machinery for packaging fresh products from partners, and provides service and maintenance support.

BUSINESS RISK ASSESSMENT

Business risk
assessment 'bbb-'

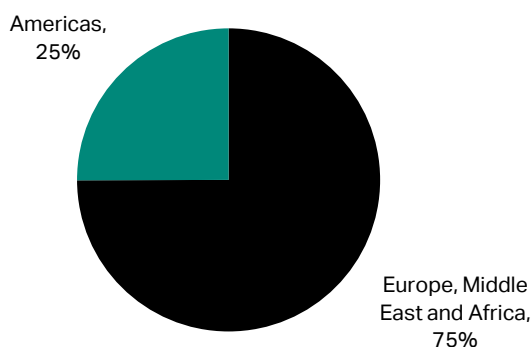
Our business risk assessment reflects Elopak's solid market position in a sector that benefits from general economic conditions and global megatrends such as the reduction in emissions and energy use, and environmentally sound waste management. It also reflects the diversity of the company's revenue streams and customer base. Although Elopak is smaller than its closest industry peers, we expect it to maintain stable operating margins on the basis of its ability to pass on most changes in commodity raw material costs, which are subject to volatility.

Global packaging industry benefits from increasing environmental focus

Operating environment
'bbb-'

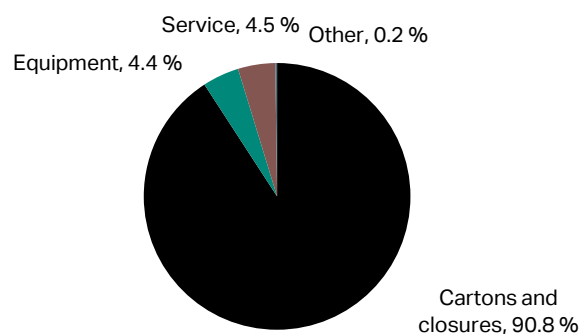
The global carton packaging industry is characterised by relatively stable overall demand, with consumption correlated with general economic conditions and levels of urbanisation. However, the commodity-based inputs, such as paperboard, aluminium foil, and energy are highly cyclical. The industry is fragmented, and economies of scale are important to ensure resource availability and sustainable profit margins, while catering to multinational clients. Barriers to entry exist in the form of stringent health and safety requirements and sustainable access to raw materials. Another industry characteristic is that operators typically develop strong long-term customer relationships, often based on extensive customer investments in filling machinery and the time-consuming process of replacing these systems.

Figure 2. Sales by geographic region, 2023



Source: company.

Figure 3. Sales by segment, 2023



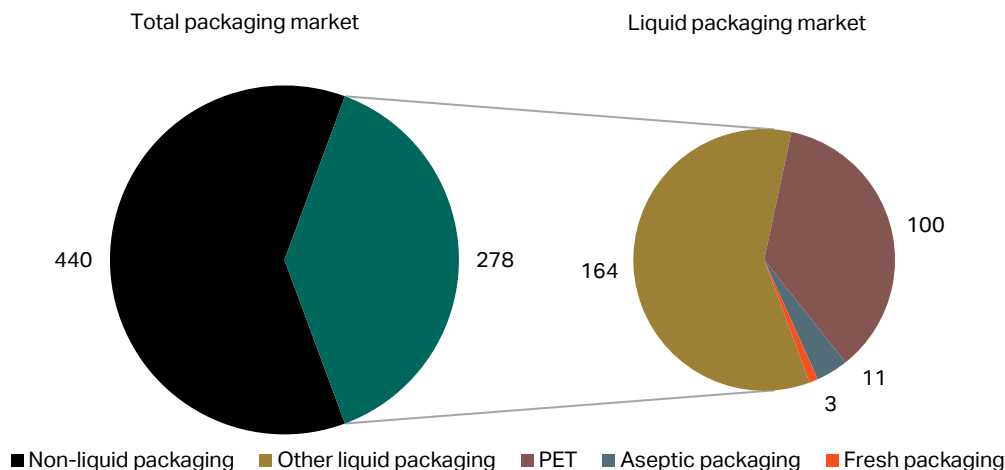
Source: company.

Elopak operates within the packaging market for liquid products, which represents approximately 40% of the total global packaging market. Recent years have been subject to high input prices, supply chain disruptions and inflationary pressure adversely affecting consumption. However, Elopak's operations are largely concentrated on fresh dairy and aseptic milk and juice, for which demand has proven to be less price sensitive. Packaging producers and distributors have largely been able to pass on costs and maintain operating margins. Elopak's largest shares of revenue come from fresh packaging products, which account for 76%, while 20% comes from aseptic packaging products, which have a longer shelf life. While the aseptic market is larger and more concentrated, the fresh market has lower barriers to entry, although with some patents. Margins also tend to be higher in the aseptic market.

We expect the overall liquid packaging market to continue growing on the basis of underlying economic fundamentals. In the liquid packaging sector, polyethylene terephthalate (PET) packaging has historically gained market share at the expense of carton packaging. This has been driven by

growth in emerging markets, which tend to favour plastic, and the increasing market share of bottled water. However, we note the increasing global focus on environmental issues such as emissions reduction, waste management and recycling, and believe that carton packaging could become the preferred choice, resulting in increasing market share for carton packaging companies.

Figure 4. Global packaging market 2020, EURbn



Source: company, Metsä Board, Roland Berger.

This expected shift to carton packaging away from plastic packaging could also be driven by regulatory initiatives such as the EU's Single-Use Plastics Directive and Packaging and Packaging Waste Directive.

European leader in carton packaging for fresh products, but lacking in scale globally

The global carton packaging market is dominated by just a few companies, of which privately owned competitor Tetra Pak is by far the largest, with a focus on aseptic carton packaging and packaging for fresh products (see Figure 5). Elopak has a leading position in the European market for carton packaging for fresh products, having focused on this sector since the start of its Pure-Pak licence agreement in 1957. However, the aseptic carton market is much larger than the market for carton packaging of fresh products; aseptic cartons offer a long shelf life of 6–12 months, compared with a shorter shelf life of up to three months for fresh products. We expect this to remain the case. Unlike Asian markets, which prefer products with a longer shelf life, Elopak's existing markets in Europe and the US prefer fresh food packaging. We expect this to support Elopak's market traction in Europe and the US.

Elopak's strong market position enables it to enter into long-term sourcing contracts for inputs such as paperboard at competitive prices. Such contracts have ensured stability through the volatile price fluctuations seen in recent years. Elopak's market position is supported by its strong Pure-Pak brand name, which accounts for a significant part of the company's revenue. However, in the larger, higher-growth, aseptic carton market, Elopak remains a small player. In a bid to capture market share, Elopak introduced Roll Fed carton packaging in 2014. Roll Fed packaging can be used on a large share of units of installed Tetra Pak filling machinery worldwide, as well as those installed by Elopak. Elopak has the fourth-largest revenues in its peer group, but remains much smaller than Tetra Pak. The latest data available shows that Elopak had a 5% market share in 2020, compared with Tetra Pak's 68% (see Figure 5).

Market position 'bbb-'

Figure 5. Elopak peers' market share, carton packaging, 2020

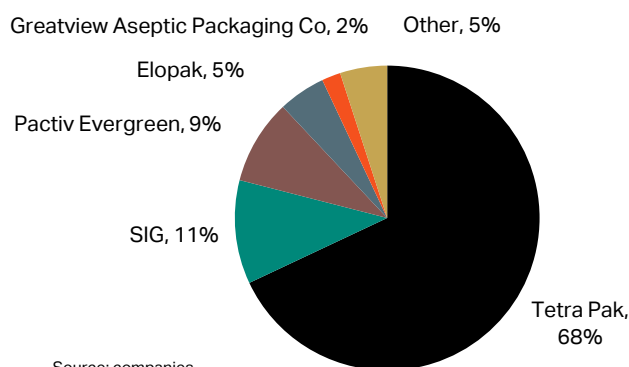
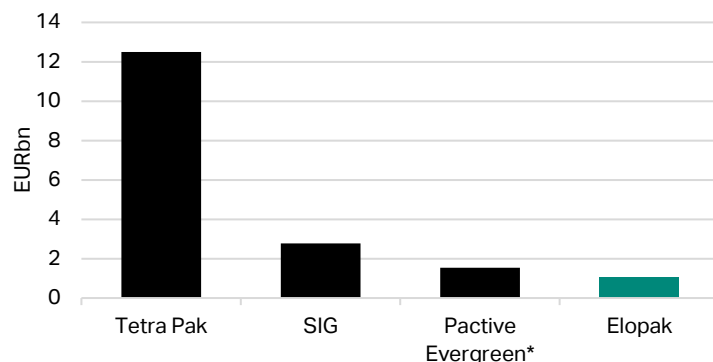


Figure 6. Elopak peers' revenues, 2022



Elopak has identified five areas where it plans to pursue growth: packaging for fresh products in the Americas; driving market share in aseptic markets; growth in the Middle East and North Africa; plastic to carton conversion globally; and margin optimisation. We believe that the company's current market position will support these growth strategies. Elopak's acquisition of Naturepak Beverage Packaging, a leading provider of liquid cartons and packaging in the Middle East and North Africa, and its expansion into the Indian market through its joint venture GLS Elopak in 2022, have rapidly increased Elopak's regional footprint, diversified revenues and the customer base, and built market position. Elopak aims to be among the top three players in India by 2030. There have also been some regulatory developments in India, including a 2022 ban on selected single-use plastic items, which further support the shift to more sustainable packaging.

The new plant in the US (Little Rock, Arkansas), where production is expected to begin in the first half of 2025, further supports growth and market position. The company also aims to continue to foster the shift from plastic to carton packaging, not only in food and beverage packaging, but also in non-food packaging for products such as detergents. We believe Elopak will at least maintain its market position. In addition, we expect the global packaging market to grow, and this could offer additional growth prospects even if its market position remains stable.

Machinery sales and support bolster client relationships

Elopak's market position is supported by its long-term relationships with clients, to which it supplies packaging machinery. The company produces its own aseptic filling machinery and has introduced new module-based machinery to lower transaction costs with the aim of increasing sales and market position. Due to the significant upfront investments required for machinery, customers tend to remain loyal to the distributor. Machinery is either sold or leased to clients, supporting subsequent sales of compatible carton packaging for an average of 15 years. Contracts are often entered into on a shorter-term basis, but clients typically renegotiate prior to expiry.

The company's top 10 clients generated 26% of sales volumes in 2023. These clients were both European and American, reducing revenue concentration risk. Elopak's proprietary Pure-Pak carton packaging can be filled only on machinery distributed by the company. However, we note that the risk of losing a client at the end of a contract period increases with the age of the respective machinery. Revenues are further diversified through joint ventures and licensing agreements. Nippon Paper Industries Co. Ltd has a licence agreement to distribute Pure-Pak cartons in Japan, while Nampak Products Ltd has a licence agreement to distribute them in several African countries such as South Africa, Namibia and Sudan. Elopak is also represented through joint ventures in Mexico, the Dominican Republic, Kenya and India.

Size and diversification
'bb+'

Figure 7. Revenues by country, 2023

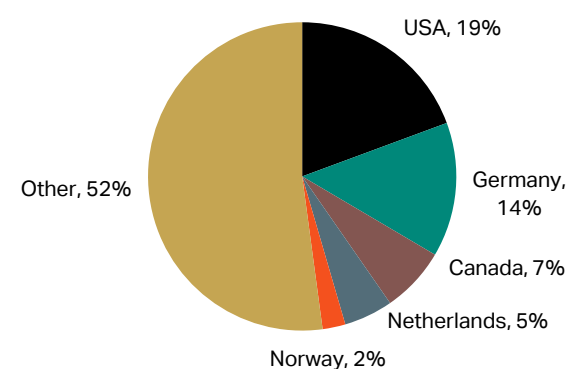
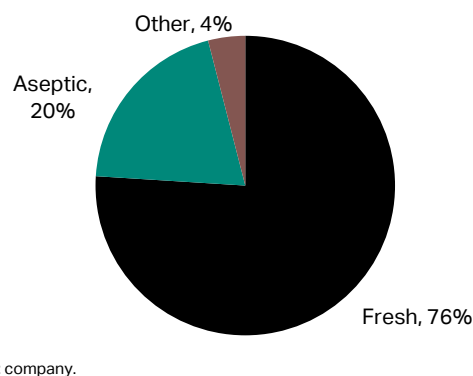


Figure 8. Revenues by end-markets, 2023



Elopak is dependent on raw materials sourced from third parties. It sources paperboard from two suppliers in Europe, Stora Enso Oyj of Finland and BillerudKorsnäs AB of Sweden, and two in North America, market leader Pactiv Evergreen Inc. and Nippon Paper Industries Co. Ltd., to cover production at its 11 global facilities. The company has demonstrated resilience to market fluctuations, such as the recent rapid increase in raw materials, but reliance on third-party inputs remains an area of risk.

Margins in line with medium-term targets

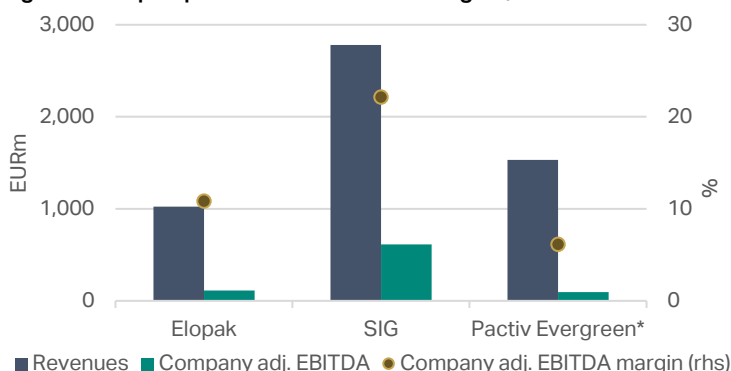
Although the input factors in Elopak's production operations are cyclical and volatile, the company offsets some volatility risk by entering into multi-year CPI-linked fixed price contracts for raw board in the European market. This practice, as well as other hedging activities, has effectively reduced its sensitivity to the rapidly increasing prices seen in recent years. We also expect most additional costs to be absorbed by customers, keeping operating margins relatively stable. In the Americas, Elopak's revenues are linked to raw-material price indexes, effectively hedging against price increases.

The EBITDA margin decreased somewhat in 2022, due to inflationary pressure and supply chain delays, coupled with a sizeable loss of business (including the sale of its Russian operation, which generated EBITDA of EUR 8–10m annually), but positive market dynamics have led to an increase in margins at year-end 2023. Raw material prices have stabilised and the positive EBITDA trend is being driven by price increases and continued growth in the Americas, such as volume growth from onboarding new customers and organic growth within the customer base. Positive development in new markets with stable volumes in the Middle East and North Africa, along with Roll Fed volume growth in India, have also had a positive impact. We expect competition to keep margins in check and that the company's EBITDA margin will remain on a level with its mid-term targets of 14–15%.

Elopak's EBITDA margins are significantly lower than those of its closest peers and we expect this to continue. We note that SIG's operations differ significantly from Elopak's and that it has a greater focus on North Africa, Asia, and the Pacific region. It also uses machinery leasing agreements to a greater extent than Elopak, resulting in above-industry-average operating margins. We expect Tetra Pak to have higher margins due to its superior market position. Pactiv Evergreen Inc., which focuses largely on the Americas and distributes to Tetra Pak, SIG and Elopak, has somewhat lower margins than Elopak.

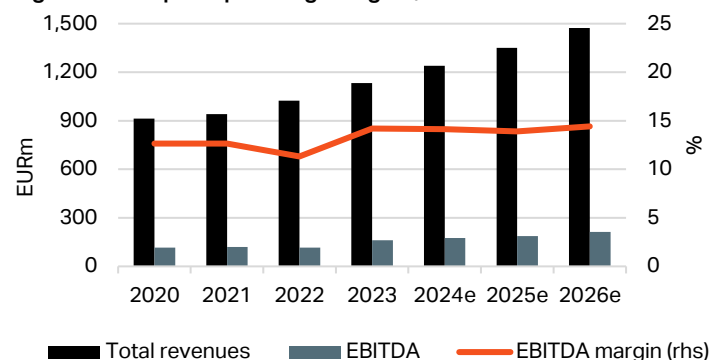
Operating efficiency
'bbb-'

Figure 9. Elopak peers' revenues and margins, 2022



Source: companies. *Beverage merchandising division.

Figure 10. Elopak operating margins, 2020–2026e



Source: NCR estimates and company data. e—estimate.

FINANCIAL RISK ASSESSMENT

Financial risk
assessment 'bbb-'

Our financial risk assessment reflects our expectations that Elopak will, over time, maintain its leverage ratio in line with its medium-term financial target. Our assessment also reflects the company's relatively stable operating margins and supportive trends in the wider packaging industry. In our view, the company's risk appetite is commensurate with our ratio analysis.

Decrease in leverage ratio following acquisitions

Ratio analysis 'bbb-'

Elopak's leverage has reverted to the same level as before the acquisitions of Naturepak and GLS and the sale of the Russian operation, due to strong cash flow generation and the repayment of debt. We expect the level of investment to increase over the next few years, and particularly in 2024 due to Elopak's new plant in the US. However, we also expect that stronger EBITDA, as growth investments come into production, will contribute to improved credit metrics in the longer term.

We include dividends from joint ventures in EBITDA. Our calculations of the company's net debt include factoring and reverse factoring (supply chain finance) where this increases payments beyond normal payment terms. We adjust cash holdings to reflect cash trapped in countries where the company has no centralised control of its cash holdings (a figure we put at about EUR 2.0m globally).

Figure 11. Base case forecast key assumptions and credit metrics, 2024–2026e

EURm	2024e	2025e	2026e
Revenue growth (%)	9.5	9.0	9.0
EBITDA margin (%)	14.1	13.9	14.4
Capital expenditure (EURm)	128	101	102
Dividend payment (% of net adjusted profit)	50	50	50
Net debt/EBITDA (x)	2.7	2.5	2.2
EBITDA/net interest (x)	7.1	7.2	8.8
FFO/net debt (%)	27.9	30.0	35.0
FOCF/net debt (%)	-3.2	13.1	13.9

Source: company and NCR estimates. e—estimate. FFO—funds from operations. FOCF—free operating cash flow. All metrics adjusted in line with NCR methodology.

Figure 12. Net debt/EBITDA and EBITDA/net interest, 2020–2026e

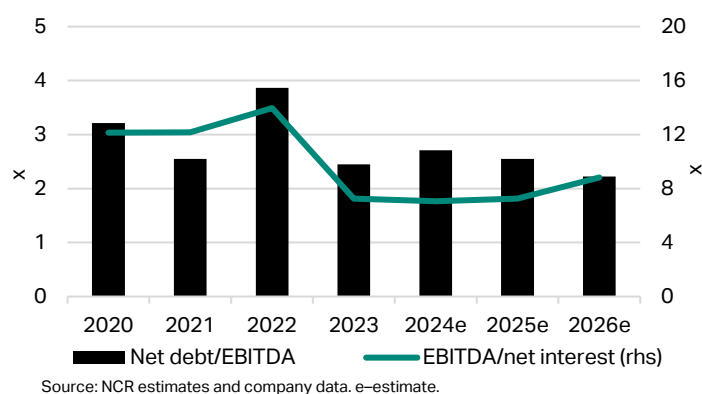
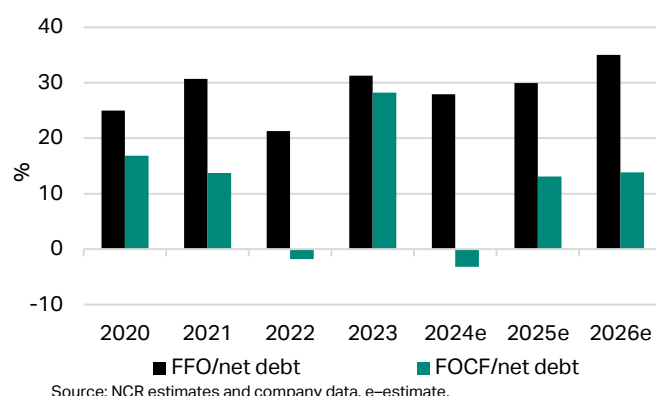


Figure 13. FFO/net debt and FOCF/net debt, 2020–2026e



Moderate mid-term leverage target

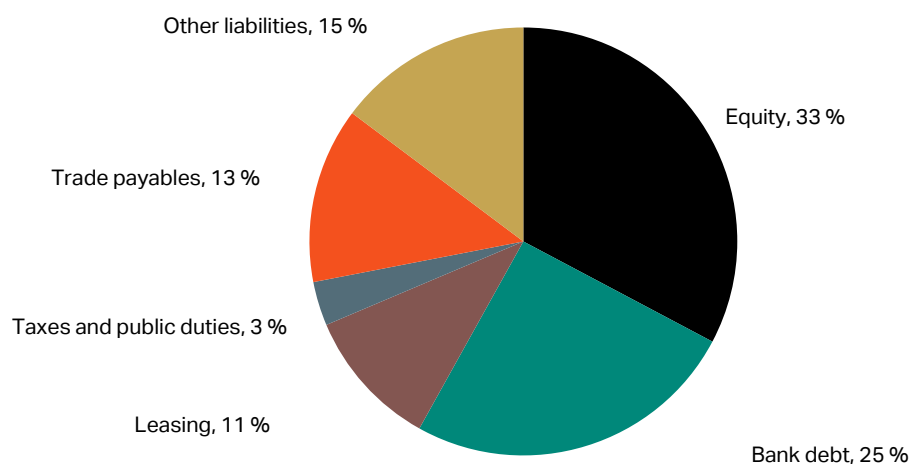
Risk appetite 'bbb-'

We view Elopak's risk appetite as commensurate with our assessment of the company's financial ratios. We expect the company to continue its acquisitive strategy, but also expect a generally prudent approach to future acquisitions. We believe Elopak will increase its capital investments over the next few years. The company targets net debt/EBITDA of 2.0x over time (1.9x as of 31 Dec. 2023, excluding off-balance-sheet financing), and we expect the company to exceed that level somewhat in 2024 and 2025.

The company is largely funded by equity, bank debt and factoring. Its bank debt consists of a multicurrency revolving credit facility (RCF), and other available overdraft facilities, both governed centrally at the parent level. The RCF, originally a five-year facility, matures in May 2025 and is with a consortium of Nordic and other European banks. The current narrow financing structure is offset by the diversity of banks in the consortium and the flexible terms of the RCF, which, we believe, will support refinancing solutions. Elopak uses interest hedging to reduce interest rate fluctuation risk. As of year-end 2023, Elopak had around EUR 130m in interest rate swaps with an average duration of about three years.

Elopak's balance sheet structure is relatively straightforward. By year-end 2023, Elopak delivered on all 3–5 year targets set out in the 2021 IPO, including the leverage target of 2.0x, EBITDA target of 14–15% and organic revenue growth of 2–3% per annum. Elopak aims to pay dividends of 50–60% of adjusted net profit and the proposed dividend payout for 2023 is EUR 34m. We would expect the company to forgo dividend payments if its financial position requires it. We expect no significant share buy-backs.

Figure 14. Balance sheet composition, 2023



ADJUSTMENT FACTORS

Adjustment factors
neutral

Adjustment factors are assessed as neutral and have no effect on our standalone credit assessment.

Liquidity adequate

Liquidity

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We typically expect a company with an investment grade rating ('BBB-' or above) to cover its liquidity needs, with limited need for external funding over the coming 12 months. We assess Elopak's liquidity position as adequate. Projected net sources of liquidity outweigh net uses by 1.6x in 2024.

Figure 15. Liquidity analysis (stressed scenario) 31 Dec. 2023–31 Dec. 2024

Liquidity, next 12 months	AMOUNT (EURM)
Cash and cash equivalents (100%)	11
Adjusted FFO (75%)	100
Unutilised credit facilities	175
Total sources	286
Repayment of borrowings	19
Committed capital expenditure	128
Dividend payment	34
Total uses	182
Sources/uses (x)	1.6
Sources - uses (EURm)	104

Source: company and NCR estimates. FFO=funds from operations.

Environmental, social and governance factors

ESG factors adequate

The main environmental, social and governance (ESG) issues that could affect our credit rating on Elopak are factors that could contribute to loss of revenue, increased operational costs, increased capital spending, loss of value of assets and decreased access to funding. We note the company's strong sustainability profile in an industry that aims to leverage megatrends related to increased environmental focus.

We assess increasing demand from investors, consumers and other stakeholders for sustainable packaging solutions as positive for the overall business risk profile. We believe the main credit risks are related to alternative usage of raw materials that could significantly affect access to and/or the costs of vital inputs in Elopak's value chain. Health and safety risk is also a concern, especially in areas such as food safety and the use of filling machinery. Rapidly changing legislation governing sustainability could significantly increase capital expenditure or result in substandard products and erode market share if the company cannot adapt to new regulations.

Elopak has sustainability targets approved by the UN's Science-Based Targets initiative and the World Resource Institute, which align with the aims of the Paris Agreement.

Figure 16. Elopak ESG considerations

Issue	Risk	Mitigating efforts	Result
Health and safety	Loss of reputation, customers, revenue and brand recognition.	Zero-harm philosophy regarding health and safety, training, and use of certification to document safety.	Reduction in serious accidents by 19% in 2020–2022. No reports of issues with food safety.
CO ₂	New regulations and increased taxation could reduce operating efficiency. Regulatory requirements could increase capital spending.	Sustainability is a core industry philosophy. The company aims for high levels of recycling and reductions in emissions. Targeting 100% renewable materials by 2030 and carbon-neutral products.	20% reduction in Scope 1 and 2 GHG emissions and 7% reduction in Scope 3 GHG emissions in 2022. Elopak has been carbon neutral since 2016.
Waste and waste management	New regulations could reduce operating efficiency and increase capital spending. Increased consumer focus on waste.	Strong focus on recycling. Targeting 50% recycling of fresh milk cartons in Europe by 2025 and 100% renewable or recycled content in all beverage containers by 2030.	99% of Elopak's carton production waste is recycled. In Europe, 84% of materials used are renewable or recycled and 30% of milk cartons are renewable.
Changing weather patterns or sharp increase in demand for wood	Loss of access to raw materials, sharp price increases affecting margins, deteriorating market position.	Long-term relations with suppliers, contracts for several years at a time. Diversification of suppliers.	Stable input and relatively stable costs.

Source: company. See [ESG factors in corporate ratings](#).

OWNERSHIP ANALYSIS

Ownership neutral

Since its IPO in 2021, Elopak remains majority owned by family-owned investment holding company Ferd AS. We expect Ferd AS to remain a long-term owner, and we note that Ferd AS has supported Elopak financially in the past. We do not typically regard family-owned firms as parent companies in a group structure.

Figure 17. Ownership structure, 2023

Owner	Share of capital and votes
Ferd AS	60.0%
Mizuho Trust & Banking (Lux.) S.A.	5.8%
Folketrygdfondet	3.8%
Pareto Aksje Norge Verdipapirfond	2.8%
The Bank of New York Mellon	2.7%
The Northern Trust Comp.	2.5%
Brown Brothers Harriman	1.7%
JP Morgan SE	1.3%
Bank Pictet & Cie	1.1%
BNP Paribas	1.1%
Other	21.5%
Total	100%

Source: company.

ISSUE RATINGS

Elopak is largely financed through the RCF (unsecured but containing negative pledges), cash and factoring. We anticipate that the capital structure will remain flat, with no subordination risk for debtholders. We expect senior unsecured bonds to be issued by the company to be rated in line with the 'BBB-' long-term issuer rating.

SHORT-TERM RATING

The 'N3' short-term rating reflects the company's liquidity profile relative to its long-term issuer rating of 'BBB-'. The company's committed funding sources to uses stood at 1.6x according to our liquidity analysis, which we regard as indicative of a strong liquidity profile for the long-term issuer rating.

METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 14 Feb. 2024.
- (iii) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.

Figure 18. NCR's adjustments to Elopak credit metrics, 2020–2026e

EURm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	123	111	110	164	174	189	214
Dividends from JV		5		2	7	4	4
Capitalised development expenses	-2	-3	-3	-5	-5	-5	-5
Other EBITDA adjustments	-5	7	9				
NCR-adj. EBITDA	115	119	116	161	175	188	212
Net interest	-5	-6	3	-15	-18	-20	-20
Financial costs from leases	-5	-4	-4	-7	-7	-6	-4
Other interest adjustments			-8				
NCR-adj. net interest	-10	-10	-8	-22	-25	-26	-24
NCR-adj. EBITDA	115	119	116	161	175	188	212
NCR-adj. net interest	-10	-10	-8	-22	-25	-26	-24
Current tax	-13	-16	-12	-16	-18	-18	-23
NCR-adj. FFO	93	93	95	123	133	144	165
Changes in working capital	4	-15	-70	27	-25	15	-3
Capital spending	-44	-37	-42	-41	-128	-101	-102
Capitalised development expenses	2	3	3	5	5	5	5
Other cash flow from operations	8	-2	5	-4			
NCR-adj. FOCF	62	42	-8	111	-15	63	65
Cash and cash equivalents	6	24	26	13	77	71	56
Restricted cash	-2	-2	-2	-2	-2	-2	-2
NCR-adj. cash and equivalents	5	23	24	11	75	69	54
Gross interest-bearing debt	229	184	326	244	377	377	377
Long-term lease liabilities	69	62	74	78	78	66	44
Short-term lease liabilities	19	18	17	23	35	45	45
Retirement benefit obligations	3	3	3	3	3	3	3
Adjustments due to factoring	38	40	38	40	40	40	40
Adjustments due to reversed factoring	19	19	16	17	17	17	17
NCR-adj. total debt	376	326	472	405	550	548	526
NCR-adj. cash and equivalents	-5	-23	-24	-11	-75	-69	-54
NCR-adj. net debt	371	303	448	393	475	479	472

Source: NCR estimates and company data. e–estimate. FFO–funds from operations. FOCF–free operating cash flow.

Figure 19. Elopak key financial data, 2020–2023

EURm	2020	2021	2022	2023
INCOME STATEMENT				
Revenue	914	940	1,024	1,132
Cost of goods sold	-577	-608	-681	-720
Selling, general & admin. expenses	-214	-222	-232	-248
EBITDA	123	111	110	164
Depreciation and amortisation	-52	-56	-62	-60
Other non-financial items	0	0	-7	-1
Net financial items	-11	-9	5	-18
Pre-tax profit	60	45	46	85
Total taxes	-12	-16	-12	-16
After-tax adjustments	0	0	-24	-1
Net profit	48	29	11	68
BALANCE SHEET				
Property, plant and equipment	188	186	202	203
Intangible assets and goodwill	114	109	176	168
Interest in associates and joint ventures	27	28	35	38
Other non-current assets	107	98	119	124
Total non-current assets	436	421	532	533
Cash and cash equivalents	6	24	26	13
Other current assets	306	338	399	416
Total current assets	313	363	425	429
Total assets	749	783	956	963
Total equity	185	269	268	315
Long-term interest-bearing liabilities	213	169	304	224
Other long-term liabilities	90	79	95	100
Total non-current liabilities	303	249	399	324
Short-term interest-bearing liabilities	16	14	22	19
Other short-term liabilities	245	251	267	304
Total current liabilities	261	265	289	323
Total equity and liabilities	749	783	956	963
CASH FLOW STATEMENT				
Pre-tax profit	60	45	46	85
Adjustments for items not in cash flow	39	38	48	45
Changes in working capital	4	-15	-70	27
Operating cash flow	103	68	25	157
Cash flow from investing activities	-36	-26	-126	-32
Cash flow from financing activities	-74	-31	103	-137
Cash and cash equivalents at start of the year	20	11	24	26
Cash flow for the year	-9	13	2	-12
Cash and cash equivalents at end of the year	11	24	26	13

Source: company.

Figure 20. Elopak rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bbb-
Market position	10.0%	bbb-
Size and diversification	10.0%	bb+
Operating efficiency	10.0%	bbb-
Business risk assessment	50.0%	bbb-
Ratio analysis		bbb-
Risk appetite		bbb-
Financial risk assessment	50.0%	bbb-
Indicative credit assessment		bbb-
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		bbb-
Support analysis		Neutral
Issuer rating		BBB-
Outlook		Stable
Short-term rating		N3

Figure 21. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB-

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