

Austevoll Seafood 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 Austevoll Seafood ASA reflects the company's strong linkage to Lerøy Seafood Group ASA through a 52.7% ownership stake. Lerøy has a strong market position in the profitable salmon farming industry and has diversified into wildcatch fishing. Austevoll's creditworthiness is supported by the breadth of the operations of its holdings in pelagic fishery companies which are fully integrated seafood producers with significant processing and distribution capabilities. The rating also reflects the company's moderate financial leverage and strong cash flow.

The rating is constrained by the seafood sector's historical earnings volatility due to unstable prices as a result of variable supply and the fact that salmon farmers are effectively price takers, particularly in recurring periods of oversupply. It is also constrained by environmental and disease-related challenges, with the industry particularly impacted by high costs for treating sea lice and winter wounds. We lower the issuer rating by one notch from our indicative credit assessment to reflect the fact that Austevoll, as a holding company, obtains its cash flows almost exclusively from group contributions and dividends from subsidiaries and joint ventures (JVs).

STABLE OUTLOOK

The outlook is stable, reflecting our view that growing demand for seafood and low salmon supply growth will support global prices over the next three years. We anticipate global salmon prices and demand for fishmeal and fish oil will remain strong over our forecast period through 2026. We also expect Austevoll's operating subsidiaries to continue to generate strong operating cash flows although we believe that Lerøy's capacity to pay dividends will be subdued by a recently introduced "resource rent" tax on sea-based salmon and trout production.

POTENTIAL POSITIVE RATING DRIVERS

- An increase in Lerøy's creditworthiness, improving Austevoll's ability to repay debt.
- Lower financial leverage at JVs.

POTENTIAL NEGATIVE RATING DRIVERS

- A decline in Lerøy or other subsidiaries' creditworthiness, or reduced dividends from subsidiaries.
- Increased financial leverage leading to NCR-adjusted net debt/EBITDA above 2x and EBITDA/net interest below 10x over a protracted period.
- Loss of control of Lerøy.

Figure 1. Key credit metrics, 2020-2026e

NOKm	2020	2021	2022	2023	2024e	2025e	2026e
Revenues	22,435	26,571	31,169	33,731	36,429	38,615	40,546
EBITDA	2,317	3,069	3,900	3,103	4,076	4,687	4,879
EBITDA margin (%)	17.8	19.6	21.0	16.2	19.5	21.1	21.1
FFO	1,844	2,624	3,158	2,283	2,989	3,296	3,448
Net debt	3,860	3,543	4,342	5,376	4,742	5,561	5,584
Total assets	39,741	43,781	48,062	52,990	54,638	55,422	57,086
Net debt/EBITDA (x)	1.7	1.2	1.1	1.7	1.2	1.2	1.1
EBITDA/net interest (x)	11.8	17.0	18.0	9.5	10.0	12.3	12.8
FFO/net debt (%)	47.8	74.1	72.7	42.5	63.0	59.3	61.7
FOCF/net debt (%)	26.2	56.7	16.9	4.3	28.2	28.2	27.8

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

ISSUER PROFILE

Austevoll traces its roots back to Austevoll Havfiske AS, a company established in 1981 by the Møgster family, which remains Austevoll's majority owner. The company has built significant seafood operations in the North Atlantic and along the Pacific coast of South America. These include pelagic fishing operations in South America, processing facilities in Europe and South America, and sales operations in Asia.

Austevoll owns 52.7% of Lerøy, one of the world's largest Atlantic salmon and trout farmers, covering the entire value chain including breeding, rearing to smolt, production of fish for human consumption and other consumer products, harvesting, processing, sales and distribution.

Austevoll is a significant player within the pelagic and whitefish wildcatch sectors, and a major producer of fishmeal, fish oil and products for human consumption derived from its own catch and the purchase of wildcatch produce from third parties. Its operating subsidiaries include Austral Group S.A.A. (Austral) in Peru (90.1% ownership), Foodcorp Chile S.A. (Foodcorp) (100%), Norway-based Br. Birkeland Farming AS (55.2%) and Br. Birkeland AS (42.9%), and Pelagia Holding AS (Pelagia), a 50% pelagic fishery JV with Kvefi AS.

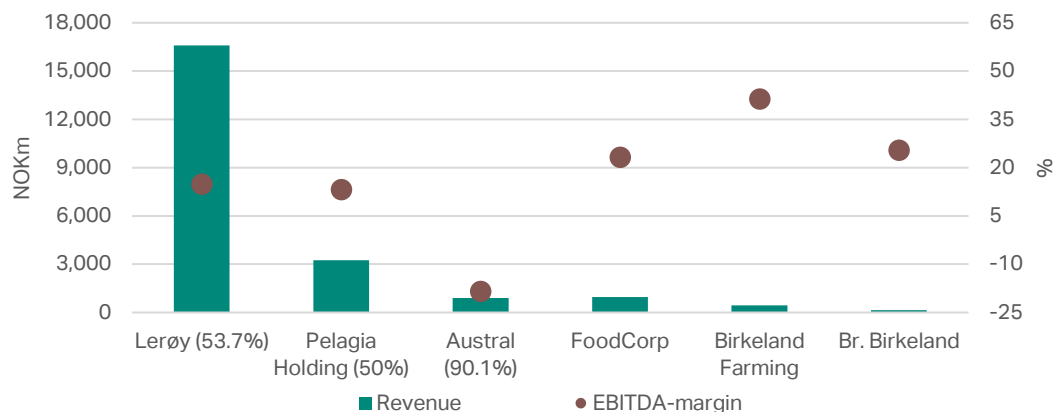
BUSINESS RISK ASSESSMENT

Business risk
assessment 'bbb-'

Austevoll is exposed to variable catch and harvest conditions, which are major drivers of price volatility. The company benefits from increasing global demand for fish in general and Omega-3 rich salmon in particular. While the industry is largely regulated with some barriers to entry created by quotas and the investments needed to build capacity, individual companies can be categorised as price takers. Environmental factors are an issue for Austevoll's fishing fleet operations and impact our assessment of the operating environment.

We focus on the business of the wider group operations and remain aware that Austevoll has similar direct exposure to pelagic fishery as it does to salmon via Lerøy (after minority interests).

Figure 2. Proportionally adjusted revenues and EBITDA-margin by subsidiary (including JV), 2023*



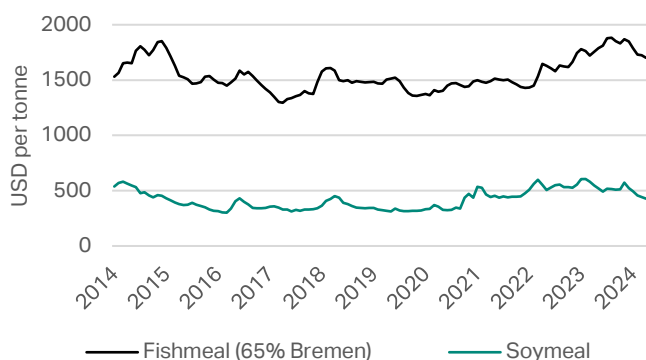
Source: company. *Proportionally adjusted for minority stakes and JVs.

Market conditions strong, but volatility likely

Operating environment
'bb'

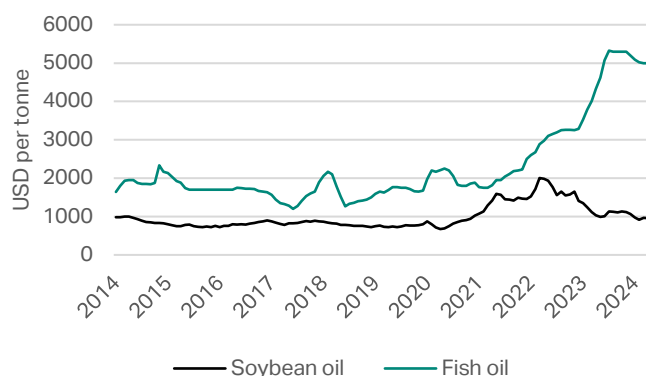
In 2023, Lerøy contributed 87% of Austevoll's revenues and 90% of EBITDA after adjustments for minorities (but excluding JVs). Austevoll also has a small salmon farming operation through Br. Birkeland Farming. Norway's resource rent tax on salmon farming is negatively impacting cash flows to Austevoll. Uncertainty about the impact of the tax has led to reduced and delayed investments in the industry in general. However, future investment decisions might not be significantly impacted, given that such investments are fully deductible.

Figure 3. European fishmeal and soymeal prices, 2014–April 2024



Source: company and Kontali.

Figure 4. European fish oil and soybean oil prices, 2014–April 2024



Source: company and Kontali.

A growing middle class in developing countries and increasing preference for healthy food worldwide are increasing demand for fish. However, a significant share of the fishmeal produced by Austevoll's South American operations is sold to China and used as feed in pork production and aquaculture. Vegetable meal and oil can be used as substitutes in feedstuffs but generate less growth in fish and, in the case of salmon, lower Omega-3 content. The whitefish catch and, we believe, about one-third of the pelagic catch in the North Atlantic (mackerel and herring) as well as a significant proportion of the Chilean jack mackerel harvest are utilised for human consumption, at significantly higher margins than fish used for meal and oil.

The largest pelagic fish source for Austevoll is, however, Peruvian anchoveta, which is almost exclusively used for production of meal and high-quality oil. These stocks have been well managed by the Peruvian government over the past two decades and constitute a highly sustainable resource. Quotas are set on the basis of observable biomass based on research by regular cruises. Variability in observed biomass is particularly affected by fluctuations in sea temperatures caused by irregular periodic complex weather conditions (El Niño and La Niña). High temperatures caused by an El Niño event had negative effect on quotas and volumes in 2023. This in turn impacted prices positively, particularly for fish oil. Temperature levels and quotas have normalised in 2024.

The management of horse mackerel fishery along the Chilean coast has also improved in the past decade. Quotas have increased steadily in this period but are still at only about 30% of the levels recorded early in 2001-2010. North Atlantic pelagic fishery has been relatively well managed until recently. However, the EU and the UK have been unable to agree on distribution of quotas. This has resulted in suspension of Marine Stewardship Council (MSC) certification for Norwegian early spawn herring and blue whiting since 2021. Blue whiting has subsequently been included in a "Fishery Improvement Project" sponsored by the World Wildlife Fund with the aim of regaining MSC certification. Certification of haddock and cod caught within 12 nautical miles of the Norwegian coast was also suspended in 2021 but was reinstated by the MSC in 2023. Haddock and cod caught beyond the 12 nautical mile limit both have MSC certification.

Group has leading market position in global salmon farming industry

Market position 'bbb'

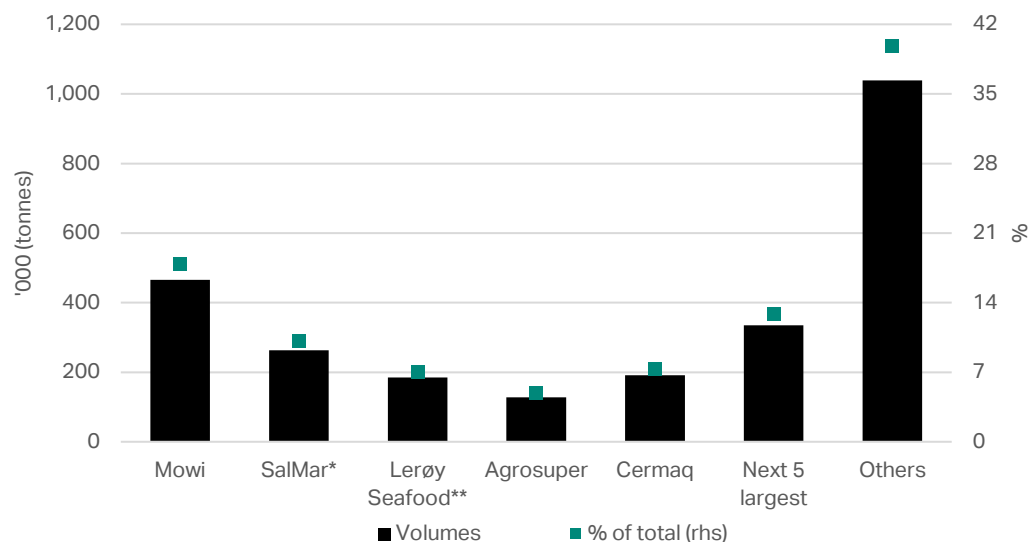
Lerøy is the leading distributor of seafood to the Norwegian market and supplies key grocery markets elsewhere in Europe. Like other seafood distributors, the company is trying to build brand awareness, but with little effect on the bottom line. Including 50% of the output of UK-based JV Scottish Sea Farms Ltd., Lerøy is the fourth-largest salmon farmer globally with about 7% of global salmon harvesting volumes. However, the company is dwarfed by Mowi ASA, the largest producer in the industry, which accounts for about 18% of global salmon harvesting volumes.

Austral has about 7% of the Central and Northern Peruvian anchoveta quota and is consequently the fifth-largest operator in the region, while Foodcorp has 8.6% of the horse mackerel quota in Chile, where it is the sixth-largest player. Pelagia is the largest processor of North Atlantic pelagic fish with a share of about 34% of the pelagic raw material market in recent years and, as such, qualifies as a global market leader in the processing of pelagic fish.

In addition Lerøy Havfisk has licences to fish just above 10% of the total Norwegian cod quotas in the zone north of 62 degrees latitude, corresponding to around 30% of the total quota allocated to the trawler fleet.

Limitations on the number of licences and investments required in production facilities and working capital act as barriers to entry to the salmon farming industry, while in pelagic and whitefish fishing, the quota system is the main barrier to entry. New entrants need to make significant investments to establish catch and processing capacity, while existing players and new entrants alike have to satisfy increasing environmental requirements. Such barriers support our view that Austevoll's operating subsidiaries will maintain their market position.

Figure 5. Largest global salmon and trout farmers, 2022



Source: Mowi (Salmon farming industry handbook 2023). *Includes NTS, NRS and 50% of Scottish Seafood. **Includes 50% of Scottish Seafood.

Austevoll ranks among the world's largest seafood companies

Austevoll is among the world's largest seafood groups and is geographically diverse in terms of production and sales. Due to its pelagic fishing operations, the company is somewhat larger and more diverse than Lerøy, which is by itself a major, fully integrated seafood producer.

The fishing operations sell fish for human consumption and also supply the fish and animal feed industries. Austevoll is fully integrated in the pelagic value chain and lacks only feed production capability to be considered fully integrated in the value chain for farmed salmon. The company's various business areas have different levels of diversity, but all face price and earnings volatility, driven mainly by variations in supply but also by shifting demand.

Vertical integration offsets volatile raw material costs

Lerøy's margins in its main areas of operation have historically been close to its peer group average. While salmon farming is the most important contributor to Austevoll's unadjusted EBITDA, the pelagic business also has strong profitability (see Figure 6). In 2020, when the industry was negatively impacted by COVID-19, Austevoll reported stronger consolidated EBITDA margins than its large, international peers. We believe this was mostly because the company processes and sells its own catch. Consequently, its margins are mainly driven by realised prices and volumes, while margins on processing and distribution alone are primarily driven by added value created and by efficiency in production. By way of example, Pelagia, which does not operate its own fishing vessels, has lower margins than both Austral and Foodcorp.

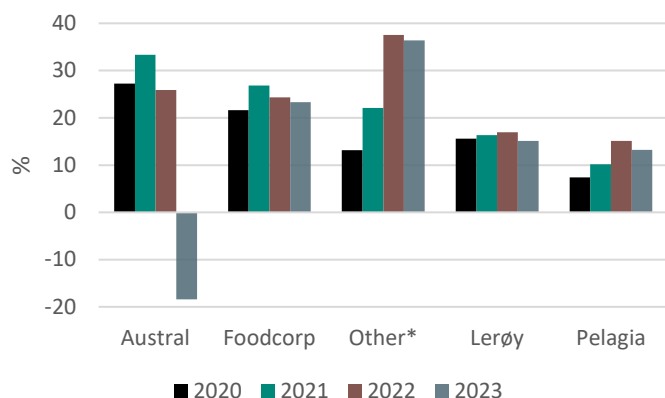
Austevoll's EBITDA margins have been volatile over the past decade, with the lowest level (10.5%) occurring in 2012 (see Figure 7). In 2023, margins fell due to biological issues (sting jelly fish and winter wounds) in Lerøy and to low catches in South America due to El Niño. We expect both business areas

Size and diversification
'a-'

Operating efficiency
'bbb'

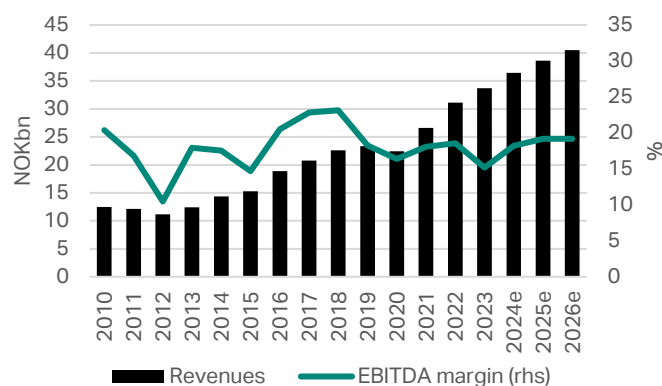
to improve from 2024 due to a normalisation of biological issues and water temperatures, even though increased supply of fishmeal and oil is likely to impact prices negatively. Overall, we expect a group level EBITDA margin of close to 20% (unadjusted) through 2025.

Figure 6. EBITDA margin by operating unit, 2020-2023



Source: company. *Br. Birkeland and Birkeland Farming a.o.

Figure 7. Revenues and EBITDA margin, 2010-2026e



Source: company.

FINANCIAL RISK ASSESSMENT

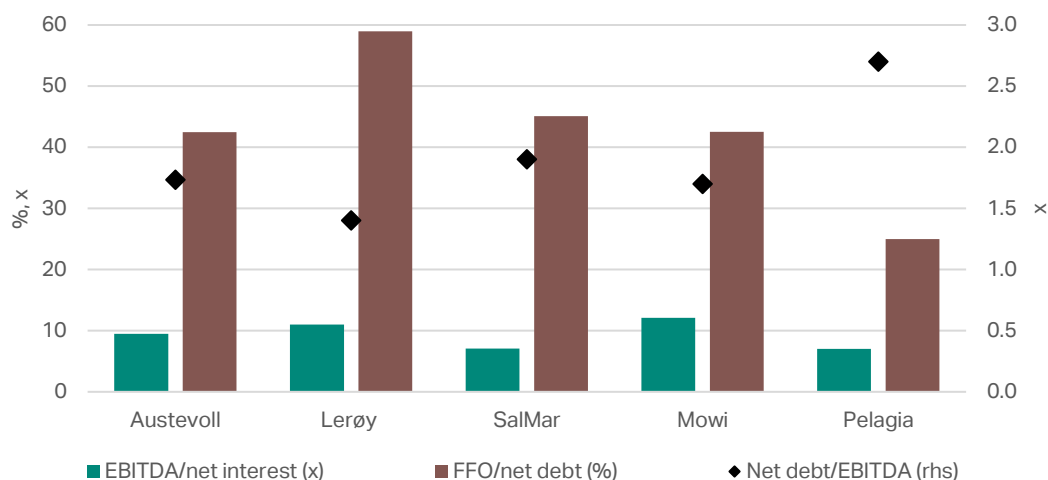
Financial risk assessment 'bbb+'
Ratio analysis 'a'

On a consolidated basis (after adjustments for minority interests in Lerøy), Austevoll's credit metrics are essentially in line with those of its major salmon farming peers but stronger than those of its large international and regional peers in the pelagic seafood sector. However, our assessment of the company's financial ratios is constrained by Pelagia's higher historical debt levels, even though we have not consolidated the JV (see Figure 8). We view the parent's risk appetite as greater than warranted by its credit metrics.

Strong operational cash flow supports credit metrics

Austevoll continues to invest in capacity and new technology, particularly in Lerøy, but still has strong credit metrics both in absolute terms and compared with those of most of its peers. We expect the company's financials to remain strong, even if salmon prices decline, given its historical ability to weather volatile spot prices with strong results and low financial gearing. Low gearing also makes the company relatively resistant to currently high interest rates. As noted above, our assessment of Austevoll's financial ratios is constrained by Pelagia's higher and volatile debt levels.

Figure 8. Peer group's adjusted credit metrics, 2023



Source: companies.

Because the resource rent tax on salmon farming is based on EBITDA, we attribute more weight to credit metrics based on FFO, which will be negatively affected by the increased tax level. We have excluded minority interests in Lerøy from all NCR-adjusted items to reflect Austevoll's share of the

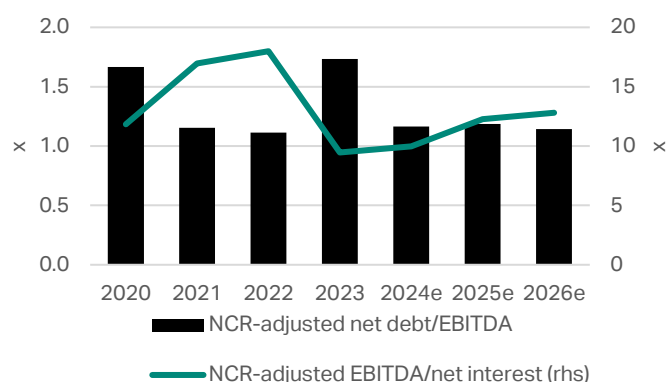
subsidiary's results, assets and obligations. Other significant adjustments include dividends from associated companies and JVs in EBITDA (see Figure 14). We have assumed that the proceeds from Br. Birkeland's sales of two fishing vessels in the second half of 2023 will be paid out as dividends to shareholders in 2025. The cash effect for Br. Birkeland, of which Austevoll owns 42.9%, is NOK 1.9b.

Figure 9. Key base-case forecast assumptions and credit metrics, 2024–2026e

	2024e	2025e	2026e
Revenue growth (%)	8.0	6.0	5.0
EBITDA margin (%)	19.5	21.1	21.1
Average interest rate (%)	6.5%	6.0%	6.0%
Capital expenditure (NOKm)	-2,300	-2,400	-2,500
Dividend payment (NOKm)	-1,559	-2,573	-1,905
Net debt/EBITDA (x)	1.2	1.2	1.1
EBITDA/net interest (x)	10.0	12.3	12.8
FFO/net debt (%)	63.0	59.3	61.7
FOCF/net debt (%)	28.2	28.2	27.8

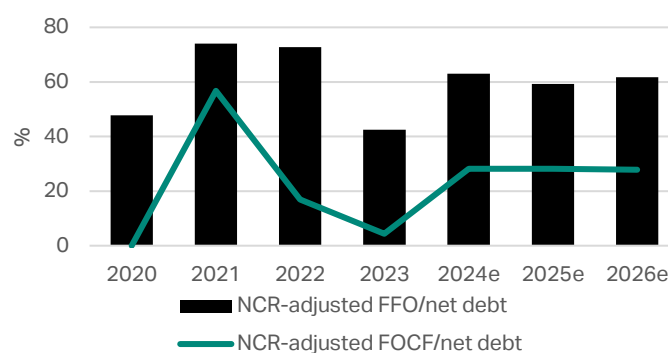
Source: company and NCR. e-estimate. All metrics adjusted in line with NCR methodology.

Figure 10. Net debt/EBITDA and EBITDA/net interest, 2020–2026e



Source: company and NCR. e-estimate.

Figure 11. FFO/net debt and FOCF/net debt, 2020–2026e



Source: company and NCR. e-estimate.

Reliance on dividends and margin volatility increase financial risk

We view Austevoll's risk appetite as greater than warranted by its current financial ratios. The company has a history of volatile credit metrics, largely due to price fluctuations but also due to the unpredictable cost base of Lerøy's farming operations.

The company's goal, over time, is to pay out 20-40% of net profit (excluding fair value adjustments of biological assets) as dividends. The average payout ratio over the past 10 years has been 56% (median 33%). The board of directors is authorised to issue or repurchase up to 20m shares. Austevoll has a straightforward capital structure, consisting of ordinary equity with a single share class. Its funding consists of senior unsecured bonds, bank debt, and leasing. In June 2023, the parent company issued two bonds totalling NOK 800m. These mature in 2028 and 2030. We anticipate that dividends from Lerøy paid in respect of 2024 and subsequent years will be marginally higher than our previous expectations, due to a strong salmon market.

Financial covenant requirements for the parent company are measured at the consolidated level and stipulate a minimum book equity ratio of 30%. The book equity ratio as of 31 Dec. 2023 was 51%. Austevoll's financial policy allows increased financial gearing. We believe that the company will need to make substantial investments to keep abreast of advances in farming methods and technologies as well as to reduce CO₂ emissions from its fishing vessels.

Austevoll increased its ownership in Norway Pelagic Holding AS to 100% from 43.3% in 2013 and brought in Kverva Industrier AS as a partner when Pelagia was established in 2014. Pelagia has historically operated with substantially higher leverage than the rest of the Austevoll group, with net debt/EBITDA of 2.7x in 2023. However, proportional consolidation would have only a marginal

Risk appetite 'bbb'

negative effect on the group's credit metrics. Nonetheless, this higher financial gearing makes Pelagia's dividend capacity more sensitive to adverse economic conditions.

Most of Austevoll's operating revenues are denominated in foreign currencies, the largest being the euro and the US dollar. To minimise currency risk, the wider group uses forward contracts to hedge both net receivables and signed sales contracts denominated in foreign currency. We do not see currency risk as a significant factor, although changes, particularly in the EUR/NOK exchange rate, have a direct impact on revenues.

ADJUSTMENT FACTORS

Adjustment factors
negative

Adjustment factors are assessed as negative due to the structural subordination of Austevoll's cash flows from subsidiaries that the company uses to service its own debt. This is reflected in a one-notch downward revision of our indicative credit assessment (see Peer calibration below).

Liquidity

Liquidity adequate

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 focus on the holding company and believe it has strong relationship with banks and access to debt capital markets. We assess Austevoll's liquidity position as adequate. The company has a liquidity surplus of NOK 2.2bn, representing 3.5x uses, over the 12 months ending 31 Mar. 2025. We expect cash flow from operations to remain strong despite build-up of working capital due to price increases and growth in production. The company has good access to available credit facilities.

Figure 12. Liquidity analysis (stressed scenario) 1 Apr. 2024 – 31 Mar. 2025

Liquidity, next 12 months	Amount (NOKm)
Unrestricted cash and cash equivalents (100%)	1,035
Proceeds from borrowings	0
Dividends received	1,100
Unutilised credit facilities	1,022
Total sources	3,157
Repayment of borrowings	0
Dividends paid	912
Total uses	912
Sources/uses (x)	3.5
Sources-uses (NOKm)	2,245

Source: company and NCR.

Environmental, social and governance factors

ESG factors adequate

The main environmental, social and governance (ESG) issues that could affect our credit rating on Austevoll are factors that could contribute to loss of revenue, increased operational costs, increased capital spending, loss of value of assets, decreased access to funding, or loss of operating rights. In this context, we believe that the main credit risks are related to sustainable fishery, CO₂ emissions, fish health, and employee relations.

Fishery and fish farming are not yet incorporated into the EU Taxonomy because improvements in these industries are not seen as vital to reaching the EU's climate goals. However, Austevoll has implemented a disclosure in accordance with EU Taxonomy Regulation (2020/852) and supplementary delegated acts. Moreover, the company's food production is globally competitive, according to the UN's sustainability criteria. Nonetheless, Lerøy issued NOK 3bn in green bonds in 2021 and 2023. The

company has a green finance framework which seeks to reduce total Scope 1, 2 and 3 emissions by 46% by 2030 from 2019 as the base year.

Austevoll aims to increase the proportion of MSC certified wildcatch in its total catch. However, Norwegian early spawn herring and blue whiting (Pelagia) lost MSC certification as the coastal states that manage the stocks have been unable to agree on joint quotas.

The EU has accused Lerøy and five other Norwegian salmon farmers of exchanging sensitive information to reduce market uncertainty about spot sales. The companies deny any wrongdoing. An investigation is ongoing, and we expect no conclusion before 2025. An appeal could take a further five years. A penalty of up to 10% of revenues is possible, but is likely to be significantly lower on the basis of comparable cases. We have not factored any negative outcome into our financial analysis due to the uncertainty and long time-frame, and believe that the risk is sufficiently accounted for in our assessment of risk appetite. A similar investigation, initiated by US antitrust regulators, was closed in January 2023, with Lerøy paying a settlement of NOK 209m.

Figure 13. ESG considerations

Issue	Risks	Mitigating efforts	Results
Fish health	Loss of revenue through early harvesting or mortality. Increased costs due to treatment. Reduced revenue due to lower volume growth. Diseases could affect consumer perception of salmon.	Investments in sea lice shielding technology. Medical treatments such as baths and through feed. Vaccination. Aims to use zero antibiotics, but emphasis on fish welfare in line with legislation. Target survival rate of 94.5% at sea.	Lerøy reported 0.18 fully grown lice per fish in 2023, unchanged from 2022 and well below regulatory requirements. Antibiotic use has been zero for the past three years. Survival rates of 91.5% at sea were recorded in 2023. These levels are acceptable but not best in class.
Sustainable fisheries	Overfishing leading to loss of quotas and/or lower catch. Negative publicity could lower overall demand for Austevoll's products	Tightly regulated operations. Increase the proportion of wildcatch certified by the MSC. Work to reduce ghost fishing due to lost, but still active fishing gear.	In 2023, 89.6% of the volume of raw materials from own wild catch, as well as raw materials purchased from third parties, was from certified fish species.
CO ₂ emissions	Any increase in related regulation and taxation could reduce operating efficiency and access to funding. Regulatory requirements could increase capital spending significantly.	Lerøy's climate target (approved by the Science Based Targets initiative) aims to reduce emissions by 46% from 2019 to 2030.	Austevoll's total Scope 1 and 2 emissions were down by 7% in 2023 from 2022, largely due to lower quotas and catch volumes
Corporate governance	Substantial penalties if, for example, found to have engaged in anti-competitive practices.	Code of conduct and guidelines for corporate social responsibility. Ethics test for employees.	Ongoing EU investigation. NOK 209m in settlement costs in US anti-competitive case in 2022 (Lerøy).

Source: company.

Peer calibration

We lower the long-term issuer rating on Austevoll from our indicative credit assessment to reflect its status as a holding company with cash flows almost exclusively derived from group contributions and dividends from subsidiaries and JVs. We note that Austevoll's debtholders are structurally subordinate to holders of debt in Lerøy, the largest subsidiary. While Lerøy has significant minority interests, we believe that Austevoll has material control of the board of directors given its 52.7% ownership stake and therefore a decisive influence on Lerøy's dividends. However, we note that Austevoll did not contribute to Lerøy's NOK 2.2bn share issue in 2016, effectively reducing its ownership to its current level from 62.6% previously.

Peer calibration
negative

Ownership neutral

OWNERSHIP ANALYSIS

Austevoll is controlled by the Møgster family through Laco AS. Family member Arne Møgster is the company's CEO. We see the Møgsters as industrial owners, but view their ownership as neutral as we are not certain that Laco would contribute capital if Austevoll Seafood were to face an event of financial distress.

Figure 14. Austevoll ownership structure, 4 May 2023

Owner	Share of votes and capital
Laco AS	55.6%
State Street Bank and Trust Co.*	2.1%
Pareto Aksje Norge	1.9%
J.P. Morgan SE.*	1.7%
OM Holding	1.5%
Folketrygdfondet	1.5%
Bank of New York Mellon*	1.1%
SIX SIS AG*	1.1%
State Street Bank and Trust Co.*	1.0%
JPMorgan Chase Bank NA, London*	0.9%
Top 10 owners	68.2%
Treasury shares	0.4%
Other	31.4%

Source: company. *Nominee accounts.

ISSUE RATINGS

Austevoll is financed primarily through senior unsecured bonds, credit facilities and equity. We expect gross secured debt/EBITDA to remain below 2x over our forecast period (1.6x as of 31 Dec. 2023). Accordingly, we rate the company's long-term senior unsecured obligations 'BBB-', at the same level as the issuer rating, reflecting the flat debtor hierarchy.

SHORT-TERM RATING

The 'N3' short-term rating reflects the company's liquidity profile relative to the 'BBB-' long-term issuer rating. The company's committed sources to uses stood at 3.5x according to our liquidity analysis for the 12 months ending 31 Mar. 2025, which we see as indicative of an adequate 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.

RELEVANT RESEARCH

- (i) [Lerøy Seafood issuer page](#)
- (ii) [Norwegian farmed salmon prices likely to remain strong](#) 8 Mar. 2024.
- (iii) [Norway salmon farms face sharp tax hike](#), 29 Mar. 2023.

Figure 15. NCR's adjustments to credit metrics, 2020–2026e

NOKm	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	3,675	4,810	5,781	5,127	6,630	7,414	7,785
Other non-EBITDA income/expenses	-11	-62	20	-43	-46	0	0
Settlement costs, Lerøy	0	0	209	0	0	0	0
Dividends from JVs and associates	130	114	131	228	132	244	244
Minorities, Lerøy	-1,477	-1,793	-2,241	-2,209	-2,639	-2,970	-3,149
NCR-adj. EBITDA	2,317	3,069	3,900	3,103	4,076	4,687	4,879
Net interest	-214	-199	-244	-398	-526	-484	-482
Financial costs from leasing	-81	-84	-108	-130	-130	-130	-130
Minorities, Lerøy	99	102	135	200	247	232	231
NCR-adj. net interest	-196	-181	-217	-328	-409	-382	-381
NCR-adj. EBITDA	2,317	3,069	3,900	3,103	4,076	4,687	4,879
NCR-adj. net interest	-196	-181	-217	-328	-409	-382	-381
Current taxes	-491	-447	-775	-775	-1,081	-1,716	-1,824
Minorities, Lerøy	214	183	249	283	403	707	773
NCR-adj. FFO	1,844	2,624	3,158	2,283	2,989	3,296	3,448
Changes in working capital	1,844	2,624	3,158	2,283	2,989	3,296	3,448
Capital spending	-89	438	-1,818	-1,029	-467	-591	-680
Capitalised development expenses	-1,529	-1,338	-1,834	-1,968	-2,300	-2,400	-2,500
Minorities, Lerøy	785	287	1,229	947	1,114	1,264	1,285
NCR-adj. FOCF	1,011	2,010	735	233	1,336	1,570	1,553
Cash and cash equivalents	4,463	5,329	4,340	5,475	6,476	5,700	5,668
Minority interest sale of assets					-480	-480	-480
Restricted cash	-178	-188	-187	-151	-151	-151	-151
Minorities, Lerøy	-1,328	-1,923	-1,504	-1,986	-2,139	-2,182	-2,173
NCR-adj. cash and equivalents	2,957	3,218	2,649	3,338	3,706	2,887	2,864
Gross debt	7,723	7,978	8,231	10,973	10,973	10,973	10,973
Leasing liabilities	2,656	2,949	2,753	2,657	2,657	2,657	2,657
Retirement benefit obligations	8	11	13	4	4	4	4
Minorities, Lerøy	-3,570	-4,178	-4,351	-5,176	-5,442	-5,442	-5,442
NCR-adj. total debt	6,817	6,760	6,991	8,714	8,448	8,448	8,448
NCR-adj. cash and equivalents	-2,957	-3,218	-2,649	-3,338	-3,706	-2,887	-2,864
NCR-adj. net debt	3,860	3,543	4,342	5,376	4,742	5,561	5,584

Source: company.

Figure 16. Key financial data, 2020-2023

NOKm	2020	2021	2022	2023
INCOME STATEMENT				
Total revenue	22,435	26,571	31,169	33,731
Cost of goods sold	-13,079	-14,109	-16,294	-18,739
Sales, general & admin. expenses	-5,681	-7,652	-9,094	-9,865
EBITDA	3,675	4,810	5,781	5,127
Depreciation and amortisation	-1,519	-1,579	-1,731	-1,909
Other non-financial items	-951	1,101	1,190	-65
Net financial items	-178	44	188	-308
Pre-tax profit	1,027	4,376	5,428	2,845
Total taxes	-204	-939	-1,142	-2,501
Net profit	823	3,437	4,286	344
BALANCE SHEET				
Property, plant and equipment	8,378	9,281	10,257	11,098
Intangible assets and goodwill	11,468	11,679	11,847	12,002
Interest in associates and JVs	2,527	3,002	3,382	3,572
Other non-current assets	3,370	3,348	3,648	3,537
Non-current assets	25,743	27,310	29,134	30,209
Cash and cash equivalents	4,463	5,329	4,340	5,475
Other current assets	9,535	11,142	14,588	17,306
Total current assets	13,998	16,471	18,928	22,781
Total assets	39,741	43,781	48,062	52,990
Total equity	22,991	25,187	28,162	27,042
Long-term borrowings	5,651	6,663	5,968	8,850
Other long-term liabilities	5,479	5,960	6,053	8,332
Non-current liabilities	11,130	12,623	12,021	17,182
Short-term borrowings	2,072	1,315	2,263	2,123
Other short-term liabilities	3,548	4,656	5,616	6,643
Current liabilities	5,620	5,971	7,879	8,766
Total equity and liabilities	39,741	43,781	48,062	52,990
CASH FLOW STATEMENT				
Pre-tax profit	1,027	4,376	5,428	2,845
Adjustment for items not in cash flow	2,006	-179	-415	1,386
Changes in working capital	-89	438	-1,818	-1,029
Operating cash flow	2,944	4,635	3,195	3,202
Cash flow from investment activities	-1,403	-1,650	-1,675	-1,520
Cash flow from financing activities	-1,326	-2,128	-2,547	-551
Cash and cash equivalents at start of year	4,251	4,463	5,329	4,340
Cash flow for year	212	866	-989	1,135
Cash and cash equivalents at end of year	4,463	5,329	4,340	5,475

Source: company.

Figure 17. Austevoll Seafood rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bb
Market position	10.0%	bbb
Size and diversification	10.0%	a-
Operating efficiency	10.0%	bbb
Business risk assessment	50.0%	bbb-
Ratio analysis		a
Risk appetite		bbb
Financial risk assessment	50.0%	bbb+
Indicative credit assessment		bbb
Liquidity		Adequate
ESG		Adequate
Peer calibration		-1 notch
Stand-alone credit assessment		bbb-
Support analysis		Neutral
Issuer rating		BBB-
Outlook		Stable
Short-term rating		N3

Figure 18. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB-

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