Nordic Credit Rating

CORPORATE

Norway
11 Apr. 2025

Kongsberg Gruppen ASA

Full Rating Report

LONG-TERM RATING

A-

OUTLOOK

Positive

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'A-' long-term issuer credit rating on Kongsberg Gruppen ASA, a Norway-based defence and maritime technology supplier, is supported by the company's leading position in its niche markets, strong cash position and cash flows, and low financial gearing. Positively, the company is well positioned to benefit from currently strong global demand for defence products, which combined with sound maritime profitability has led to rapidly increasing earnings and cash flows. In addition, we raise our indicative credit assessment by one notch to reflect our view that the company represents a strategic investment for the Norwegian government, which is likely to provide support, if needed.

The rating is constrained by Kongsberg Gruppen's small size in comparison with its global peers. Although investors have been traditionally cautious about funding the defence industry, the Russian war on Ukraine and pressure on NATO countries to improve defence spending have caused an increasing number of investors to rethink their position. Despite this, geopolitical and economic uncertainty is high, which could negatively affect the company's maritime customers and partly offset the impact of improved investor sentiment on the defence segment.

POSITIVE OUTLOOK

The outlook is positive, reflecting improving investor sentiment toward the defence industry. Negatively, the current international economic turmoil, volatile oil prices and increased risk of recession, could adversely affect Kongsberg's maritime segment, which is more cyclical than the defence business. However, we expect new regulations and energy requirements to drive demand for the company's green maritime technology. We also expect demand to remain high for defence products and advanced technologies, which should support the company's strong credit metrics.

POTENTIAL POSITIVE RATING DRIVERS

- Reduced impact of negative economic conditions on the maritime segment due to lingering trade turmoil.
- Improved demand for green maritime products.
- Further evidence of positive investor sentiment toward defence companies.

DRIVERS FOR A STABLE OUTLOOK

- Reduced government support or increased investor aversion to defence-related funding.
- Worsening economic conditions affecting the maritime segment, leading to an EBITDA margin of below 12% on a protracted basis.
- Increased financial leverage leading to net debt/EBITDA above 1.0x over a protracted period.

Figure 1. Key credit metrics, 2021–2027e

NOKm	2021	2022	2023	2024	2025e	2026e	2027e
Revenues	27,449	31,803	40,617	48,872	54,737	60,210	67,436
EBITDA	3,929	4,397	5,724	7,743	8,055	8,904	10,698
EBITDA margin (%)	14.3	13.8	14.1	15.8	14.7	14.8	15.9
FFO	3,314	3,314	4,709	6,082	6,323	7,012	8,390
Net debt	-2,135	1,655	305	-7,991	-2,474	-287	-2.885
Total assets	39,310	43,225	53,222	69,414	68,492	70,160	78,211
Net debt/EBITDA (x)	-0.5	0.4	0.1	-1.0	-0.3	0.0	-0.3
EBITDA/net interest (x)	24.0	24.8	26.1	46.4	32.4	44.7	53.8
FFO/net debt (%)	-155.2	200.2	1542.1	-76.1	n.m.	n.m.	n.m.
FOCF/net debt (%)	-186.7	-32.6	1213.4	-135.0	n.m.	n.m.	n.m.

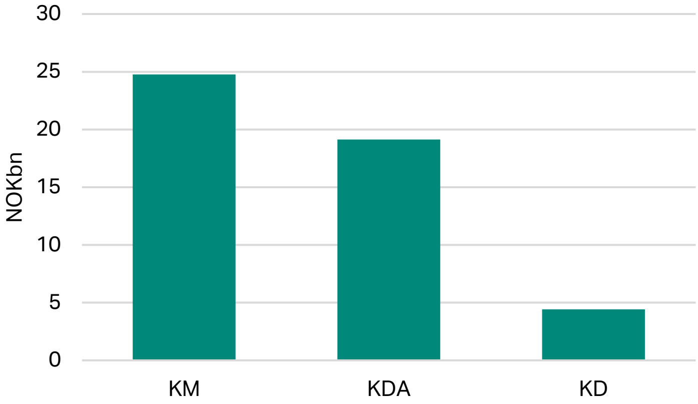
Source: company and NCR. e–estimate. FFO–funds from operations. FOCF–free operating cash flow. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Kongsberg Gruppen provides high-tech systems and solutions to customers operating primarily in the shipping, energy, fisheries, defence, aerospace and space industries. The company has four operating segments: Kongsberg Maritime (KM) provides high tech products and systems for a large range of ocean-related activities; Kongsberg Defence & Aerospace (KDA) supplies advanced technology to customers in the defence, monitoring, space, and air traffic control businesses; and Kongsberg Digital is a small, high-growth business which supplies maritime training simulators and digitisation solutions to the energy sector, among others. Kongsberg Discovery (KD), which was formed in 2023, was earlier part of KM. It develops technology for sustainable management of marine resources by fisheries, marine research units, and other maritime operators.

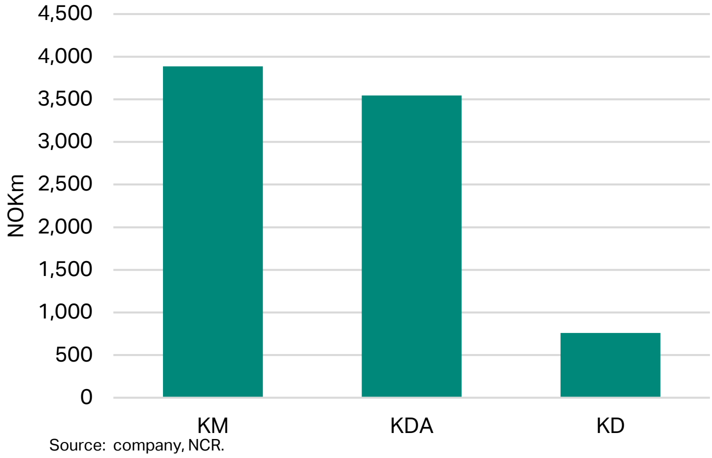
Kongsberg Gruppen has its roots in Kongsberg Våpenfabrikk, a defence company founded in 1814. Initially owned by the Norwegian government, it was partly privatised in 1993, when it was listed on the Oslo Stock Exchange. The government still holds a majority stake.

Figure 2. Revenues by major business segment, 2024



Source: company, NCR.

Figure 3. EBITDA by major business segment, 2024



Source: company, NCR.

BUSINESS RISK ASSESSMENT

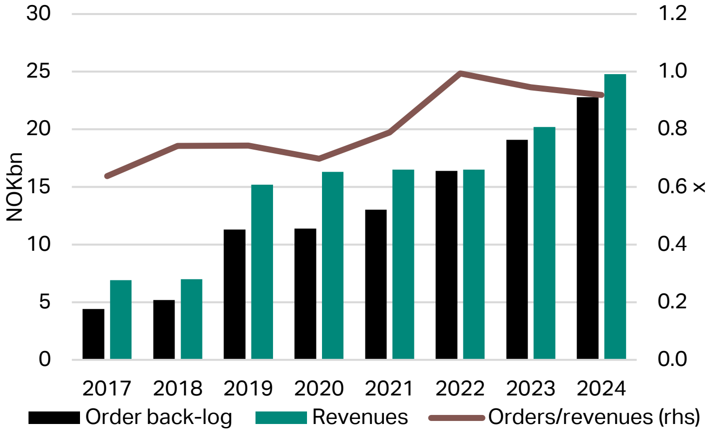
Business risk

Kongsberg Gruppen's two largest business segments have different drivers, which we view separately. In recent years, KM has been negatively affected by weak demand for oil, leisure cruises and maritime newbuilds. However, it recovered in 2023 and 2024 due to strong aftermarket activity and upgrades to aging vessels to meet emissions requirements. KDA is growing due to higher global spending on defence and upgrades of weapons platforms. We expect KM and KDA's margins to remain solid. KD, which provides world-leading technology to fisheries, marine research units, and companies monitoring deep-sea infrastructure, has seen strong growth and is highly profitable. Kongsberg Digital, a small niche business, has grown quickly and became EBITDA-positive in 2024.

Geopolitical tension creates strong growth opportunities

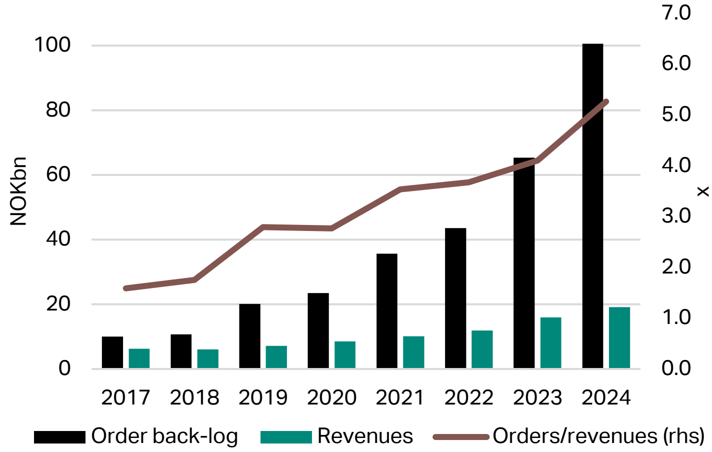
KM accounted for 51% of company revenues in 2024 and has seen a pick-up in orders and revenues following cyclically weak demand from its shipping and oil services customers. While the newbuild market, which historically accounted for about half of the segment's revenues, has been weak since 2016, the services and support market has grown. KM's markets have been negatively impacted by increased regulatory and investor focus on environmental issues. To this end, KM offers green technology products and services that enable customers to acquire environmental shipping credentials. These technologies help KM to sustain a relatively strong order back-log and we expect them to remain the segment's main growth drivers. Strong demand for environmental upgrades has led to stretched yard capacity but aging vessels drive substantial aftermarket sales and upgrades.

Figure 4. KM revenues and order back-log, 2017-2024



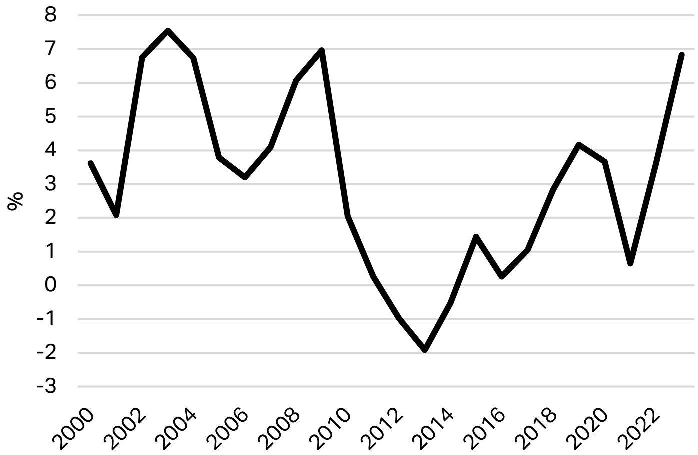
Source: company, NCR.

Figure 5. KDA revenues and order back-log, 2017–2024



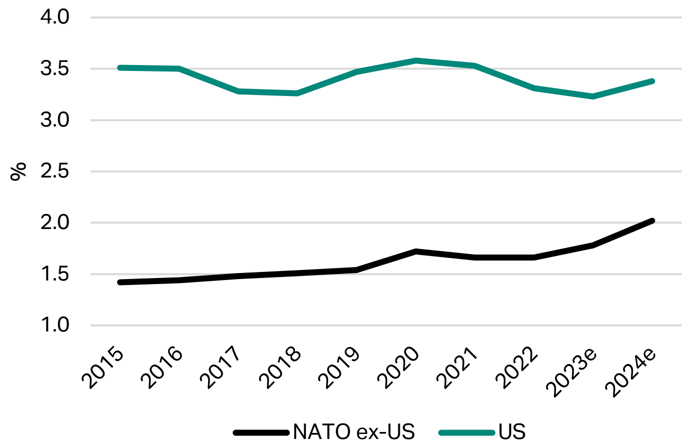
Source: company, NCR.

Figure 6. Annual real growth in world defence spending, 2000–2023



Source: Stockholm International Peace Research Institute.

Figure 7. Defence expenditure* by NATO countries, 2015–2024e



Source: NATO. *As proportion of GDP.

KDA, the second-largest segment, is growing rapidly. The segment characteristically engages in long-term projects in a market that relies on government defence spending. The average compound annual growth rate in world defence spending has been around 3% over the past 20 years but has been relatively volatile within that period, with current geopolitical conditions pointing to higher rather than lower defence spending over the longer term. The Russian invasion of Ukraine has spurred recent orders for KDA, whose sales grew by a strong 23% in 2024, in line with accelerated defence investment across Europe.

The US has been pressuring other NATO countries to increase defence spending to at least 3% of GDP annually. European NATO members are increasing their defence outlays and the gap between US and non-US spending is closing (see Figure 7).

KDA expects demand for technologically advanced weapons systems to remain strong. The segment's order back-log increased by a strong 54% in 2024 and at NOK 100bn is now equal to five times annual revenue.

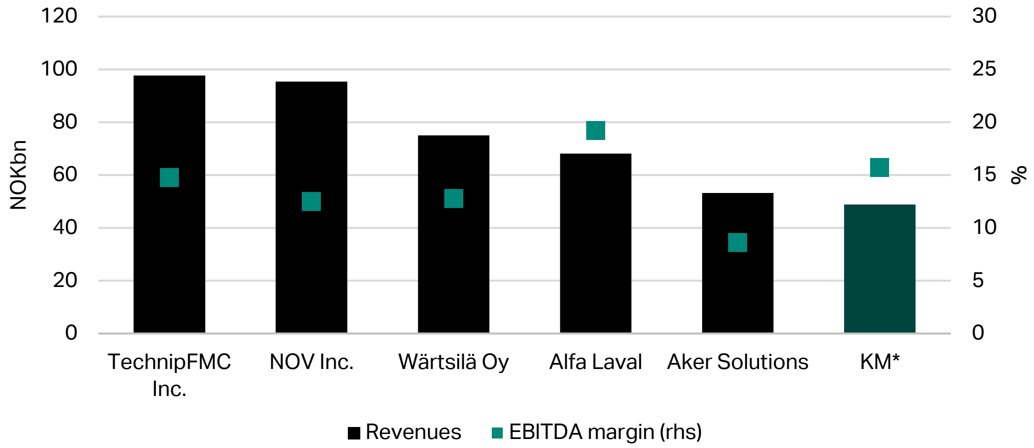
Focus on technology drives leadership position

Market position

Kongsberg Gruppen is a medium-sized operator in the maritime technology market and a relatively small player in the defence and aerospace sector. The company is a leader in high-end technology and a major player in its niche markets, with the ability to upgrade its products continually to meet customer requirements.

KM's market position improved after the acquisition of Rolls-Royce Commercial Marine in 2019, which effectively doubled business volumes and the segment has increased its market share through a broader offering of products and services. Due to the global scope of the maritime sector, the main competitors are major international companies that provide global service and support networks.

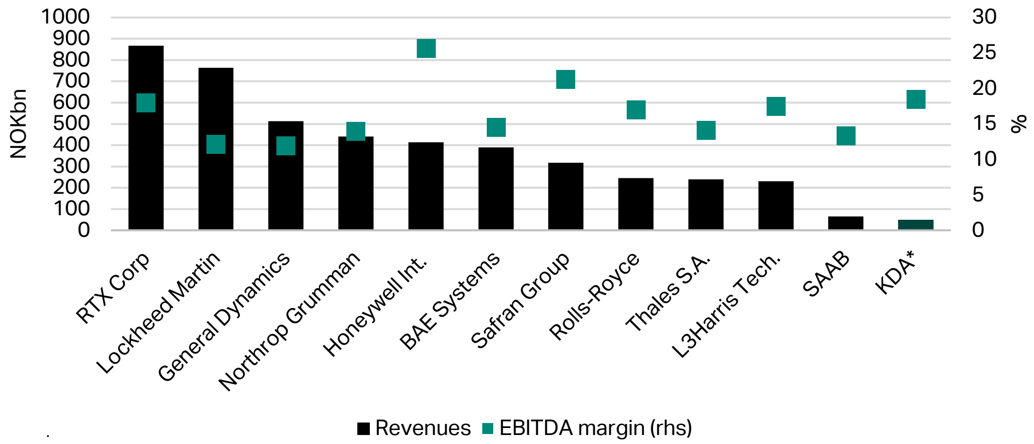
Figure 8. KM peer group revenues and EBITDA margins, 2024



Source: NCR. *Kongsberg Gruppen revenues, KM EBITDA margin.

We believe that KDA has a competitive advantage as part of a government-controlled company from a NATO country. Synergies between business units create cross-selling opportunities and greater scope for delivery, for example in competition for naval contracts. Significant barriers to entry exist in the defence and aerospace markets due to the advanced technologies involved and strict regulations restricting the export of weapons systems. KDA provides niche systems for weapons platforms as well as standalone systems and encounters limited competition when customers choose a particular defence capability. The segment can, however, encounter local competition in some countries, particularly in the market for remote-controlled weapons stations. KDA has partnerships with some major defence companies, for example a strategic cooperation agreement with Raytheon for the NASAMS air defence system and with ThyssenKrupp Marine Systems on submarine combat systems.

Figure 9. KDA peer group revenues and EBITDA margins, 2024



Source: NCR. *Kongsberg Gruppen revenues, KDA EBITDA margin.

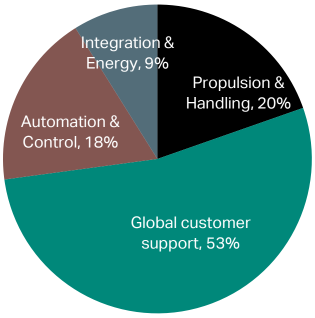
Niche player with global reach

Size and diversification

Kongsberg Gruppen is relatively small in comparison with major international competitors, particularly in the defence industry (see Figures 8 and 9). With four distinct business segments, it is more diverse than some of its peers, which tend to focus exclusively on defence or maritime equipment. In addition, the company also has significant product and service diversity within its business segments. A growing proportion of KM's revenues (currently just more than half) comes from support and aftermarket activity, which is relatively stable and which we view as an additional strength.

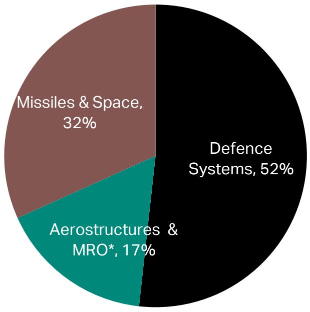
Kongsberg Gruppen is geographically diverse and operates in 40 countries. However, nearly one-fifth of group revenues are generated in Norway, mainly due to the country's large oil services and shipbuilding industries as well as the company's position as a developer of advanced weapons systems for the Norwegian Armed Forces. Defence contracts are generally signed with government-level clients, which reduces cyclicality. We note that more than 20% of revenues come from North America, primarily from defence-related sales. We expect these sales could be partly exempt from the new tariffs on US imports. Additionally, Kongsberg already has local production and is further expanding by constructing a missile plant in the US.

Figure 10. KM revenues by product area, 2024



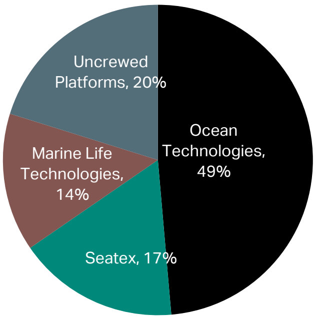
Source: company.

Figure 11. KDA revenues by product area, 2024



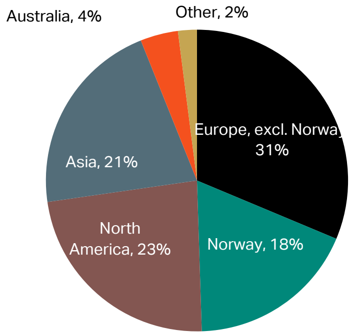
Source: company. MRO (Maintenance, Repair and Overhaul).

Figure 12. KD revenues by product area, 2024



Source: company.

Figure 13. Geographic breakdown of revenues, 2024



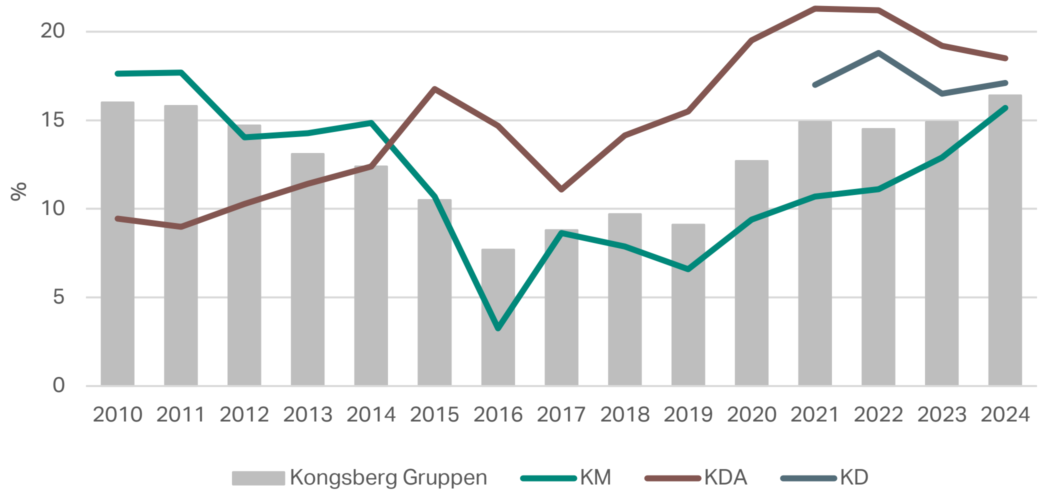
Source: company.

Synergies and improved market conditions drive margins sharply higher

Operating efficiency

KM has a relatively cyclical business operation, while KDA has low cyclicality but is more dependent on large contracts. Historically, the profitability of each segment has had little correlation (see Figure 14), which increases the company's general resilience to market uncertainty. Kongsberg Gruppen's last negative annual result was in 2000.

Figure 14. Unadjusted EBITDA margin by business segment, 2010-2024



Source: Company, NCR

KM's EBITDA margins trended negatively for much of the last decade but improved from 2019 due to synergies generated by the acquisition of Rolls-Royce Commercial Marine and improved market conditions. KDA's margins have been stronger, peaking at just above 21% in 2021. They have fallen since then due to an increased proportion of sales to the Norwegian Armed Forces at slightly lower margins than to other customers. In 2024, KM and KDA's margins were above the median of their respective industry peers (see figures 8 and 9). We expect KM's margins to come under pressure in the remainder of 2025. However, we expect KDA's margins to increase gradually due to new orders, bringing group margins to around 15% over the forecast period through 2007. Kongsberg Digital reversed earlier losses in H2 2024 and is expected to contribute positively to EBITDA.

We believe that Kongsberg Gruppen's earnings and cash flows will be supported by continued stable demand for KM's products and strong growth at KDA as the segment's large order book translates into sales. This in turn should create economies of scale. In addition, the relatively weak Norwegian krone has been an advantage in recent years with a large share of value creation and employee numbers located in Norway, compared with 20% of revenues. While domestic cost levels are comparatively high due to high wages, salaries for skilled engineers are relatively moderate. The labour market is more flexible than in most other European countries, which is an advantage when large contracts make activity levels volatile.

FINANCIAL RISK ASSESSMENT

Financial risk

Our financial risk assessment reflects Kongsberg Gruppen's strong operating cash flow, low gearing, and healthy cash position, which is partly due to contract prepayments. Risk appetite appears somewhat greater than warranted by the company's current credit metrics. The debt/EBITDA target has recently been revised to a soft cap at maximum 3x from a range of 0.5-2.5x and a policy target to remain investment grade. In addition, we expect the currently high dividend payout ratio to remain unchanged.

Strong credit metrics provide capital flexibility

Ratio analysis

We expect Kongsberg Gruppen to maintain strong growth, and forecast revenues of NOK 60bn in 2026 combined with sustained margins. This should generate strong cash flows and bolster the company's net cash position, providing it makes no major acquisitions. Prepayments of large defence contracts have boosted its cash position in 2024 and while we expect this to be partly reversed in 2025 and 2026, it should enable revenues to expand without increasing financial gearing significantly.

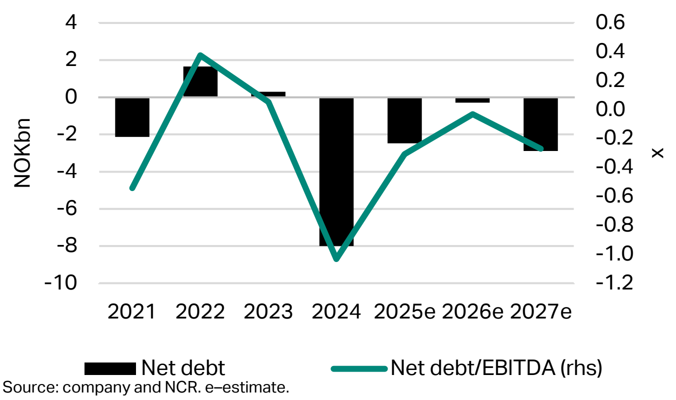
Historically, Kongsberg Gruppen's credit metrics have shown moderate volatility, despite a weakening in 2016, when oil prices declined significantly. They have in 2023 and 2024 improved strongly due to the strong cash flow from growing revenues as well as from pre-paid orders. We believe that the company's focus on green technology in the maritime segment will contribute to increased stability.

Figure 15. Key base-case forecast assumptions and credit metrics, 2025e–2027e

NOKm	2025e	2026e	2027e
Revenue growth (%)	12.0	10.0	12.0
EBITDA margin (%)	14.7	14.8	15.9
Average interest rate (%)	5	5	5
Capital spending (NOKm)	4,017	1,604	1,687
Dividend payment (NOKm)	3,870	3,900	3,900
Net debt/EBITDA (x)	-0.3	0.0	-0.3
EBITDA/net interest (x)	32.4	44.7	53.8
FFO/net debt (%)	n.m.	n.m.	n.m.
FOCF/net debt (%)	n.m.	n.m.	n.m.

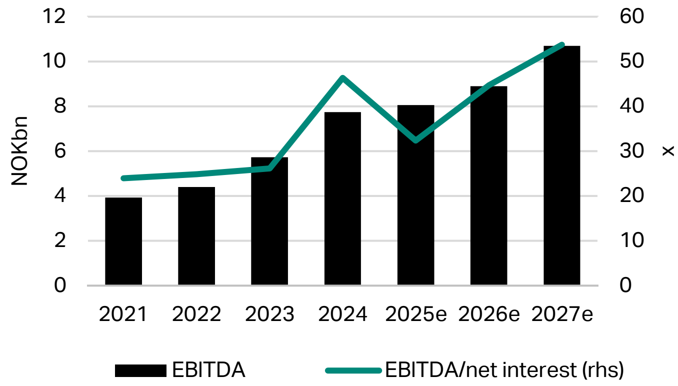
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 16. Net debt and net debt/EBITDA, 2021-2027e



Source: company and NCR. e–estimate.

Figure 17. EBITDA and EBITDA/net interest, 2021-2027e



Source: company data and NCR data. e–estimate.

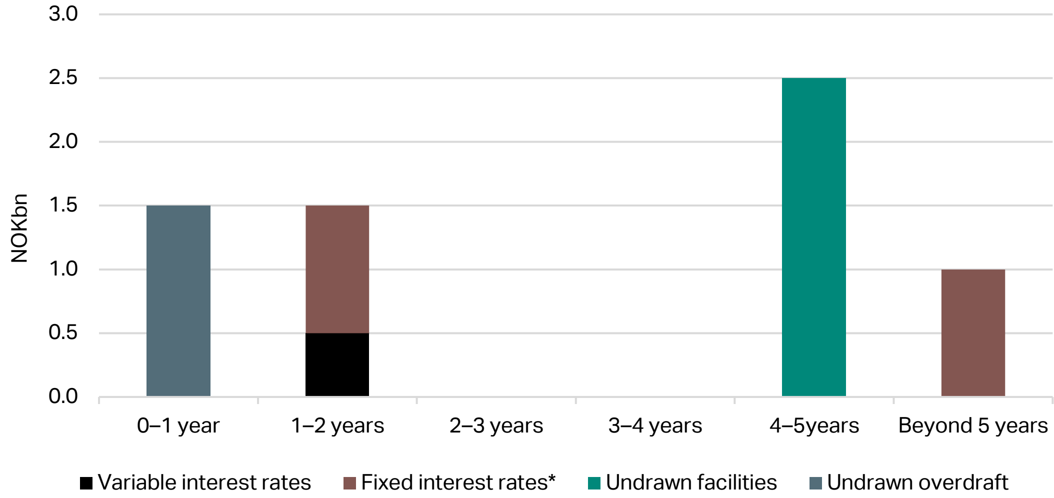
Financial strategy allows for dividends and growth initiatives

Risk appetite

Kongsberg Gruppen's strong cash position is partly due to a NOK 6bn increase in prepayments (as of end-2024). Prepayments reduce the need for interest-bearing debt to finance working capital and have a materially positive impact on the company's credit metrics. In addition, we expect material dividend payments, which increases financial risk, in our view, despite the strong financial metrics. The company seeks to pay an ordinary dividend per share that is either stable or grows year on year. In addition, Kongsberg Gruppen has paid extraordinary dividends and has bought back shares in line with internal policies when reported net debt/EBITDA (excluding leases) has fallen below the former 0.5–2.5x target range. We forecast that the ratio will remain at around zero due to continued high dividend payments.

Kongsberg Gruppen's financial leverage metrics are strong thanks to its notable cash flow generation and cash position. The company is funded by NOK 2.5bn in debt, partly with fixed interest rates (see Figure 18), and an undrawn NOK 2.5bn syndicated revolving credit facility maturing in 2029. The facility's covenants stipulate a net interest-bearing debt/EBITDA ratio of less than 4.75x (a level that could increase to 5.25x, but in no more than four individual or three consecutive quarters). The covenants are based on IFRS 16 and thus include leasing. The company also has an undrawn NOK 1.5bn overdraft facility that is rolled over annually.

Figure 18. Debt maturity profile



Source: company. *Before partial swaps to floating rates.

Kongsberg Gruppen has a history of acquisitions and disposals of businesses deemed to be non-core or sub-scale. In 2020, it sold underwater technology company Hydroid for an enterprise value of USD 350m. In 2019, it acquired Rolls-Royce's commercial marine business for an enterprise value of GBP 500m, financed by a NOK 5bn equity issue in 2018. In recent years, there have been some minor bolt-on acquisitions.

In 2023 and 2024 the company invested in building capacity to meet strong demand for KDA's defence products. In 2024, it opened a new missile factory in Kongsberg. Other projects include two missile factories in Australia and the US. Kongsberg Gruppen has capacity to engage in significant transactions without significantly stretching leverage.

We see customer credit risk as a possible issue for both KM and KD, as most of their customers operate in the highly cyclical energy and shipping businesses. Conversely, KDA acts mostly as a supplier or sub-supplier to governments whose ability to pay is virtually guaranteed. Contractual currency flows are hedged, while tenders can be currency hedged if final contracts are highly probable. The company's excess liquidity is placed with highly rated banks or investment grade money market funds.

ADJUSTMENT FACTORS

Adjustment factors are assessed as neutral and have no effect on the rating.

Liquidity

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 Kongsberg Gruppen's liquidity position as adequate given net sources/uses of NOK13.7bn for the 12 months to Dec. 31, 2025.

Figure 19. Liquidity analysis (stressed scenario), 2025

Liquidity, next 12 months	Amount (NOKm)
Cash and cash equivalents (100%)	14,293
Proceeds from borrowings	0
Adjusted FFO (75%)	4,818
Unutilised credit facilities	4,000
Total sources	**23,036**

Repayment of borrowings	0
Committed capital spending	-1,935
Working capital change	-3,511
Dividends paid	-3,870
Total uses	**9,319**
Sources/uses (x)	**2.5**
Sources-uses (NOKm)	**13,720**

Source: company and NCR.

Environmental, social and governance factors

ESG factors

The main ESG considerations likely to affect our credit rating on Kongsberg Gruppen 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 assess issues such as KM's non-green customer base, regulatory risk, compliance issues, CO_2 emissions, and negative investor sentiment facing KDA. Kongsberg Gruppen's environmental efforts augment the company's overall competitive position, due to its focus on energy optimisation tools and its commitment to the UN-led Science Based Targets initiative.

Despite improving investor sentiment, we maintain an adjustment to our standalone credit assessment to reflect prospective investor reluctance to provide funding due to ethical concerns about the defence industry. We note that the Russian invasion of Ukraine and demands from the US that NATO members increase defence spending has increased national investment needs. This improving sentiment is contributing to our positive outlook on Kongsberg's rating.

We note that investor sentiment could, however, weaken again if, for example, global conflicts abate. In addition, issues such as unethical use of the company's products or illegal weapons sales in secondary markets could increase the possibility of sanctions, increased regulation, and loss of clients and/or operating rights. In this respect, we do not take the government's ownership into account.

Figure 20. ESG considerations

Issue	Risk	Mitigating factors	Result
KM's non-green customer base	Oil services and shipping could be negatively affected by transition away from fossil fuels, negatively affecting revenue base.	Focus on products which help the shipping industry to reduce emissions and acquire green credentials.	KM's order back-log is increasing.
Smaller investor base for defence companies	Reduced access to or more costly funding.	The Norwegian government's role as majority owner.	Increasing number of funds and banks changing their allocation policies to include defence.
Regulatory risk	Weapon sales to regimes under sanction could affect revenues or result in financial penalties or loss of operating rights.	KDA is compliant with UN conventions and is not engaged in the production of cluster bombs, nuclear weapons or land mines.	No major regulatory risk in recent years.

Breach of export regulations	Breach of US weapons export regulations in particular could prove extremely costly and lead to loss of contracts.	Monitoring of and strict adherence to current export regulations and internal code of ethics and business conduct. Majority owner has focus on compliance.	No breaches since a 1987 restructuring.
CO_2 emissions	Any increase in related regulation and taxation could reduce operating efficiency and access to funding.	Incorporated sustainability and climate into corporate strategy and targets reducing greenhouse gas emissions by 55% by 2030. Is encouraging suppliers to adopt science-based targets by 2027 and reduce Scope 3 emissions by 25% by 2030 (from 2019).	Scope 1 and 2 emissions down by 58% from 2019-levels in 2024. 33% of suppliers committed to SBTI scope 3 targets. A 69% decrease in relative emissions by employees from travel.

Source: company. See ESG factors in corporate ratings.

OWNERSHIP ANALYSIS

Ownership

Kongsberg Gruppen is majority owned by the Norwegian government, which we reflect with a one-notch uplift in our long-term issuer rating. We view the company as of 'strategic interest' to the government, which maintains a 'controlling ownership' stake under our definition. The rationale for government ownership is to maintain a leading technology and industrial company and defence industry supplier with head office functions in Norway. At the same time, the government seeks the highest possible return over time. The government's willingness and ability to support the company's strategy was underlined when it contributed NOK 2.5bn of a total NOK 5bn in new equity to fund the purchase of Rolls-Royce Commercial Marine in 2019. This was not a distressed situation.

We believe that the government will continue to attach importance to a secure national defence industry and that it is likely to support Kongsberg Gruppen in an event of distress. We also believe that in an event of bankruptcy, the state would retain ownership of the defence technology which the company develops on behalf of the Norwegian Armed Forces. However, situations could arise in which it is deemed politically imprudent to support the company. Accordingly, we cap the likelihood of government support at one notch.

Figure 21. Ownership structure, 31 Mar. 2025

OWNER	Share of capital and votes
Kingdom of Norway	50.0%
Government Pension Fund of Norway	5.5%
Must Invest A/S	2.5%
State Street Bank and Trust Co.	1.5%
Citibank, N.A.	1.4%
Top 5 owners	60.9%
Other	39.1%

Source: company.

ISSUE RATINGS

At end-2024, unsecured debt accounted for 100% of total outstanding debt and we expect gross secured debt to EBITDA to remain below 2x. Kongsberg Gruppen's long-term senior unsecured bonds are rated 'A-', the same level as the long-term issuer, reflecting the company's relatively flat debtor hierarchy.

SHORT-TERM RATING

The 'N2' short-term rating reflects Kongsberg Gruppen's liquidity profile relative to the 'A-' long-term issuer rating. According to our liquidity analysis, the company's committed sources to uses is 2.5x, 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.

Figure 22. NCR's adjustments to financials, 2021–2027e

NOKm	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	4,087	4,601	6,037	8,028	8,484	9,333	11,127
Dividends from JVs and associates	147	201	170	184	185	185	185
Capitalised development costs	-214	-305	-403	-369	-514	-514	-514
Other EBITDA adjustments	-91	-100	-80	-100	-100	-100	-100
NCR-adj. EBITDA	3,929	4,397	5,724	7,743	8,055	8,904	10,698
Net interest	-32	-49	-83	-19	-100	-50	-50
Financial costs from leasing	-132	-128	-136	-148	-149	-149	-149
NCR-adj. net interest	-164	-177	-219	-167	-249	-199	-199
NCR-adj. EBITDA	3,929	4,397	5,724	7,743	8,055	8,904	10,698
NCR-adj. net interest	-164	-177	-219	-167	-249	-199	-199
Current tax	-451	-906	-796	-1,494	-1,482	-1,693	-2,108
NCR-adj. FFO	3,314	3,314	4,709	6,082	6,324	7,012	8,391
Changes in working capital	1,249	-3,081	976	6,581	-3,511	-3,270	282
Capital spending	-791	-1,078	-2,383	-2,246	-4,017	-1,604	-1,687
Capitalised development costs	214	305	403	369	514	514	514
NCR-adj. FOCF	3,986	-540	3,705	10,786	-690	2,652	7,499
Cash and cash equivalents	8,118	3,932	5,975	14,293	8,892	6,813	9,554
Other cash adjustments	-549	-636	-812	-977	-1,095	-1,204	-1,349
NCR-adj. cash and equivalents	7,569	3,296	5,163	13,316	7,798	5,609	8,206
Gross interest-bearing debt	2,450	2,453	3,000	2,500	2,500	2,500	2,500
Leasing liabilities	1,880	1,945	1,890	2,188	2,188	2,188	2,188
Pension liabilities	1,104	553	578	637	637	637	637
NCR-adj. total debt	5,434	4,951	5,468	5,325	5,325	5,325	5,325
NCR-adj. cash and equivalents	-7,569	-3,296	-5,163	-13,316	-7,798	-5,609	-8,206
NCR-adj. net debt	-2,135	1,655	305	-7,991	-2,473	-284	-2,881

Source: company and NCR. e–estimate. JVs–joint ventures.

Figure 23. Kongsberg Gruppen key financial data, 2021–2024

NOKm	FY	FY	FY	FY
Period-end	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024
INCOME STATEMENT				
Revenue	27,449	31,803	40,617	48,872
EBITDA	4,087	4,601	6,037	8,028
EBIT	2,863	3,309	4,600	6,507
Net interest expense	-32	-49	-83	-19
Pre-tax profit	2,922	3,496	4,675	6,584
Net profit	**2,290**	**2,809**	**3,715**	**5,144**
BALANCE SHEET				
Property, plant and equipment	3,901	4,107	5,588	6,804
Intangible assets and goodwill	5,039	5,781	5,952	5,957
Other non-current assets	5,746	6,432	6,799	7,479
Total non-current assets	**14,686**	**16,320**	**18,339**	**20,240**
Cash and equivalents	8,118	3,932	5,975	14,293
Other current assets	16,506	22,973	28,908	34,881
Total assets	**39,310**	**43,225**	**53,222**	**69,414**
Total equity	13,618	13,744	16,465	19,269
Gross debt	2,450	2,453	3,000	2,500
Other liabilities	23,242	27,028	33,757	47,645
Total equity and other liabilities	**39,310**	**43,225**	**53,222**	**69,414**
CASH FLOW STATEMENT				
Pre-tax profit	2,922	3,496	4,675	6,584
Cash flow before changes in working capital	3,721	4,187	4,849	7,163
Changes in working capital	1,249	-3,081	976	6,581
Operating cash flow	**4,970**	**1,106**	**5,825**	**13,744**
Capital expenditure	-791	-1,078	-2,383	-2,246
Other investing activities	-23	-265	1,232	484
Cash from investing activities	**-814**	**-1,343**	**-1,151**	**-1,762**
Dividends	-1,425	-2,715	-2,115	-2,463
Share repurchases	-317	-483	-267	–
Other financing activities	-1,632	-804	-377	-1,399
Cash from financing activities	**-3,374**	**-4,002**	**-2,759**	**-3,862**
Cash and equivalents beginning of year	7,420	8,118	3,932	5,975
Cash flow for year	**697**	**-4,185**	**2,043**	**8,318**
Cash and equivalents at end of year	8,118	3,932	5,975	14,293

Source: company. FY–full year.

Figure 24. Kongsberg Gruppen rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bbb
Market position	10.0%	bbb+
Size and diversification	10.0%	bbb
Operating efficiency	10.0%	bbb+
Business risk assessment	50.0%	bbb
Ratio analysis		aa
Risk appetite		a-
Financial risk assessment	50.0%	a+
Indicative credit assessment		**a-**
Liquidity		Adequate
ESG		Negative
Peer calibration		Neutral
Stand-alone credit assessment		**bbb+**
Support analysis		+1 notch
Issuer rating		**A-**
Outlook		Positive
Short-term rating		**N2**

Figure 25. Capital structure ratings

Seniority	Rating
Senior unsecured	A-

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