

Mowi ASA

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'BBB+' long-term issuer rating on Norway-based salmon farmer Mowi ASA is underpinned by the company's moderate financial leverage as well as strong profitability and cash flow. It also reflects the company's strong market position as the world's largest salmon farmer and the only one with operations in all major global salmon farming regions. The rating also takes into account Mowi's fully vertically integrated operations, which help offset the impact of volatility in product and raw-material prices.

The rating is constrained by the seafood sector's historical earnings volatility due to unstable prices resulting from variable supply. It is also constrained by biological challenges, with the industry particularly affected by higher costs for sea lice treatment, which we expect will lead the sector to invest in new farming technology. These factors have also contributed to volatile EBITDA margins for Mowi in the past. In addition, the sector faces political risk due to its profitability and perceived environmental impact. This was exemplified by the Norwegian government's introduction of a 'resource rent' tax on aquaculture in 2023 and the ban on open-net pen salmon farming in British Columbia from 2029.

STABLE OUTLOOK

The outlook is stable, reflecting our view that low salmon supply growth will support global prices over the next three years. We assume an annual average salmon price of around EUR 7.5/kg (Oslo) during this period, albeit with strong seasonality. In addition, we believe that Mowi will keep adverse biological issues under control and that the recent cost inflation is slowing. We also expect the company to maintain a moderate debt level, with FFO/net debt above 40% from 2026.

POTENTIAL POSITIVE RATING DRIVERS

- Commitment to a low financial risk profile, with funds from operations (FFO) to net debt above 60%; and
- More stable supply, leading to reduced price uncertainty and improved margin stability.

POTENTIAL NEGATIVE RATING DRIVERS

- Higher financial leverage, leading to net FFO to net debt below 40% over a protracted period.
- Lower demand for Atlantic salmon.
- Persistent increase in biological issues such as disease and sea lice.

Figure 1. Key credit metrics, 2022–2028e

EURm	2022	2023	2024	2025	2026e	2027e	2028e
Revenues	4,941	5,506	5,604	5,720	6,578	7,104	7,602
EBITDA	1,451	1,450	1,306	1,176	1,579	1,776	1,900
EBITDA margin (%)	29.4	26.3	23.3	20.6	24.0	25.0	25.0
FFO	1,004	1,145	1,006	920	1,243	1,342	1,364
Net debt	2,244	2,293	2,412	3,196	3,018	2,910	2,810
Total assets	7,531	8,239	8,555	10,229	10,542	10,913	11,280
Net debt/EBITDA (x)	1.5	1.6	1.8	2.7	1.9	1.6	1.5
EBITDA/net interest (x)	28.7	13.6	9.1	9.0	11.4	12.8	13.1
FFO/net debt (%)	44.7	49.9	41.7	28.8	41.2	46.1	48.5
FOCF/net debt (%)	7.9	25.1	24.3	15.8	23.0	22.8	24.2

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

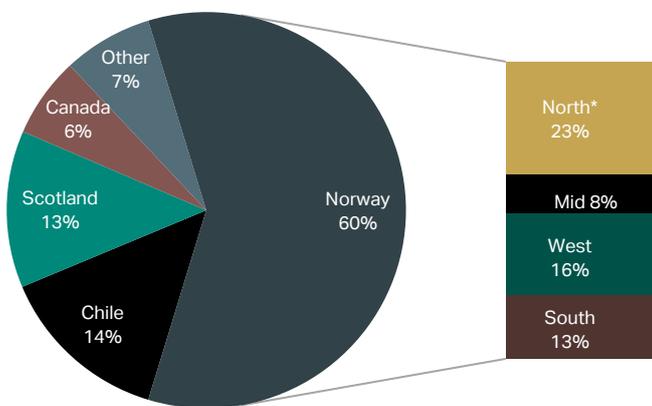
ISSUER PROFILE

Mowi is the world's largest salmon farmer with operations in all major global salmon farming regions and a worldwide sales reach. The company established its first stocking of salmon in 1964, making it an industry pioneer. In 2006, three large independent salmon farmers (Pan Fish, Marine Harvest (Mowi) and Fjord Seafood) merged to establish the Marine Harvest Group, which changed its name back to Mowi in 2018.

Salmon farming is the main contributor to the company's bottom line. Mowi is the largest salmon farmer in Norway and the UK and No. 2 in Canada. It is No. 4 in Chile, which remains the company's second-largest region of operation. The company has sales and marketing operations (including secondary processing) worldwide. Mowi is also a major producer of salmon feed, and its farming operations in Europe are consequently self-sufficient for feed.

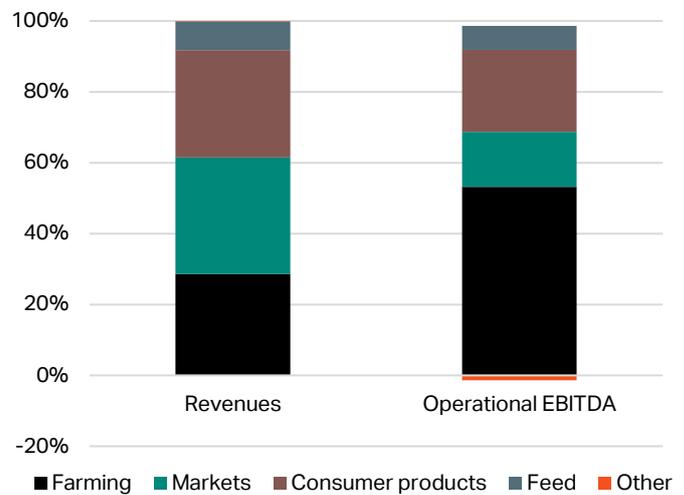
Mowi is listed on the Oslo Stock Exchange and its largest shareholder is John Fredriksen via Geveran Trading Co. Ltd. (14.4%). Other shareholders are mainly institutional.

Figure 2. Revenue by production region, 2025



Source: company. *Includes Nova Sea's Q4 harvesting.

Figure 3. Revenue by segment, 2025



Source: company.

BUSINESS RISK ASSESSMENT

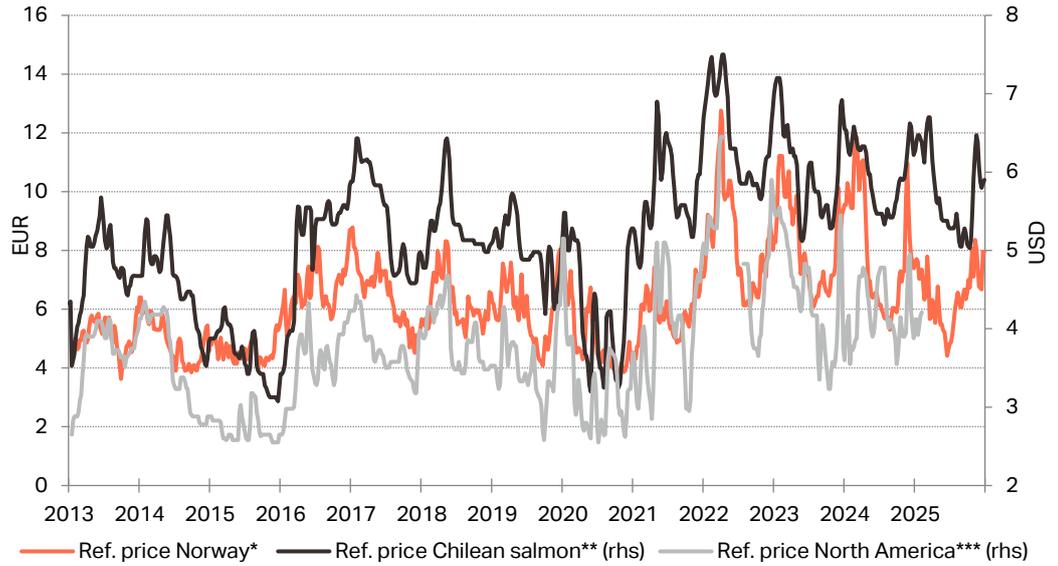
Historical price volatility, strong outlook

We expect Norwegian farmed salmon prices to rise by 12% to EUR 7.5/kg in 2026. This is driven by limited supply growth of around 1% in Norway and globally, which implies around zero growth the three next quarters. For 2027 and 2028, we project annual supply growth of approximately 2%, a level that has historically supported higher prices. However, we assume that average salmon prices will remain flat from 2026 to 2028, reflecting the risk that increased import tariffs could weaken demand and that the historical link between supply and prices may be diminishing. See also relevant research.

Mowi can offset the negative impact of Norway's resource rent tax on aquaculture (see relevant research) by increasing investment in other regions. The 2022 acquisition of a majority stake in Icelandic salmon farmer Arctic Fish Holding AS provides a platform for expansion in Iceland. In Chile, stronger regulations and supervision have improved the biological performance of the salmon farming industry, particularly regarding survival rates and costs. However, cost levels in Canada and the UK remain higher than in Norway, mainly due to more challenging biological conditions. Canada has announced a ban on open-net pen salmon farming in British Columbia from 2029. Despite this, Mowi identifies growth opportunities on Canada's Atlantic coast.

Mowi is the only fully integrated salmon farmer, operating from feed production to processing and sales. The company's global branding strategy supports higher margins on processed products compared with peers. Over time, this may help stabilise prices and reduce margin volatility.

Figure 4. Global salmon prices 2013-2026



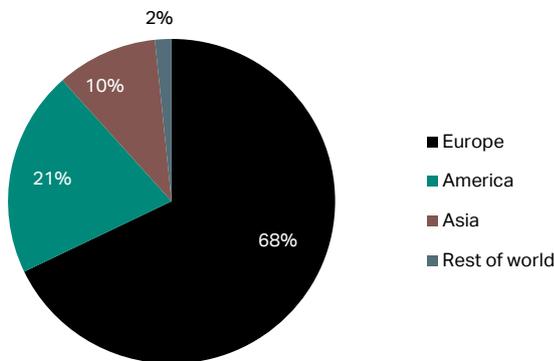
Source: Mowi. *NASDAQ superior Oslo, GWT/kg. **Urner Barry D-trim 3-4 lbs FOB Miami- *** East Coast USD (Urner Barry avg. superior GWE 10-12 lbs).

Global market leader

Mowi controlled 20% of the harvested salmon market in 2025. The Chilean and Norwegian farming industries are fragmented, with Mowi accounting for 11% and 22% of harvesting in these countries, respectively. In other European regions and Canada, where Mowi accounts for 49% and 29% of harvesting, respectively, the industries are more concentrated. Mowi has, effective 1 Jan. 2026, acquired Nova Sea, Norway's sixth-largest salmon farmer, representing approximately 3% of Norwegian salmon harvesting. We expect Mowi to expand organically at least in line with the market over the next few years, supported by better utilisation of licences, the acquisition of new licences, and growth in the UK and Canada.

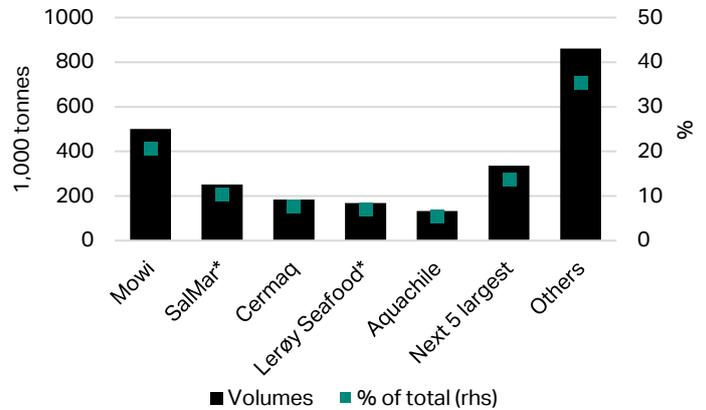
We believe that biomass restrictions imposed by licences and the large investment needed to scale up production represent major barriers to entry to salmon farming. We expect increased investment to satisfy legal requirements and improve salmon welfare (addressing the problem of sea lice, in particular) will trigger further consolidation in the sector as farmers seek synergies to offset rising costs.

Figure 5. Revenues by geographic market, 2025



Source: company.

Figure 6. Large Atlantic salmon farmers, breakdown of harvesting*, 2024



Source: Mowi (Salmon farming industry handbook 2025). *Including Scottish Sea Farms (50%).

As well as being the largest salmon farming company, Mowi is also a major European food producer. It is fully vertically integrated, which offers some protection against salmon price and feed price

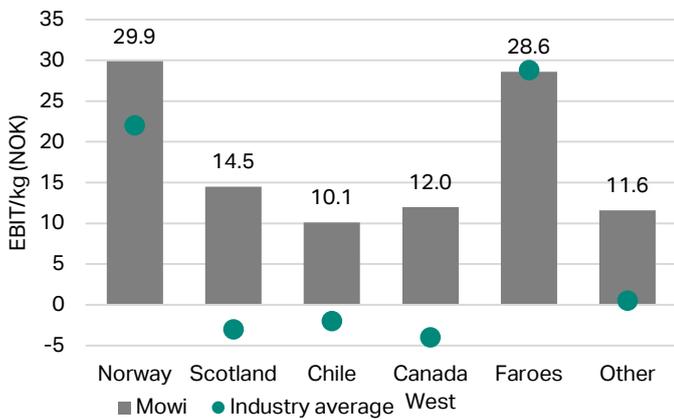
volatility. Mowi has greater geographic diversity than its peers, particularly in its farming operations. This is especially important, since biological issues can affect entire regions.

Cost leader in most regions

Comparison of operating margins among industry peers is affected by differences in business mix, regional exposure and currency effects. Mowi's relative position has improved in recent years. From 2022 to 2024, Mowi has been the cost leader in all farming regions except the Faroe Islands, where it ranks second. The company's Consumer Products division has achieved an average EBITDA margin of 4.4% over the past 10 years, exceeding that of its closest peers over the same period.

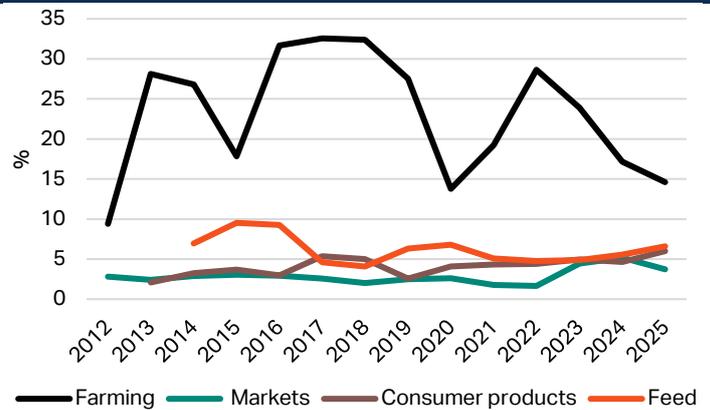
Mowi maintains a strong focus on operating expenses, with historical cost pressures in salmon farming largely offset by cost-cutting initiatives. Prices for feed ingredients have declined significantly since their peak in 2023. Fish feed prices fell by 8% in 2024 and 14% in 2025 (Q4-Q4). We expect these trends to support lower operating costs for farmed salmon in 2026. Mowi anticipates that its recently announced cooperation agreement with feed producer Skretting will result in at least EUR 55 million in annual feed production cost savings from 2027. Fish health and biology (including diseases and environmental factors) also remain key cost drivers. The biological situation in Norway and Scotland has improved significantly through 2025, partly due to extensive vaccination programmes against winter wounds.

Figure 7. Average EBIT per kg Mowi vs industry (2019-2024)



Source: company.

Figure 8. Mowi EBITDA margins per business area, 2012–2025



Source: company.

FINANCIAL RISK ASSESSMENT

Temporary weakness in credit metrics

Mowi has historically maintained moderate financial leverage, in line with other major industry operators. However, low salmon prices in 2025, driven by strong volume growth, are expected to pressure margins. Combined with the acquisition of Nova Sea, this has resulted in what we view as temporarily elevated leverage. Mowi targets net interest-bearing debt of EUR 2.7bn (excluding leases). While this is a long-term target, it is aligned with the company's current activity level (EBITDA). According to Mowi's calculations, net interest-bearing debt was EUR 2.65bn at 31 Dec. 2025.

Because the resource rent tax is based on EBITDA, we place greater emphasis on credit metrics derived from FFO, which will be negatively affected by the higher tax rate. Mowi estimates an effective resource rent tax rate of just under 10% across its Norwegian value chain. However, tax payments to date have been low. Legal challenges may arise regarding the implementation of deferred resource rent tax on biomass, the deductibility of historical production capacity acquisitions and internal transfer pricing.

Mowi has historically generated strong cash flow, and we believe its owners are focused on dividends. This has typically resulted in dividend payouts close to or exceeding net profit. Since 2020, the company's dividend policy has stated that the ordinary dividend should be at least 50% of earnings, with excess capital distributed as an extraordinary dividend.

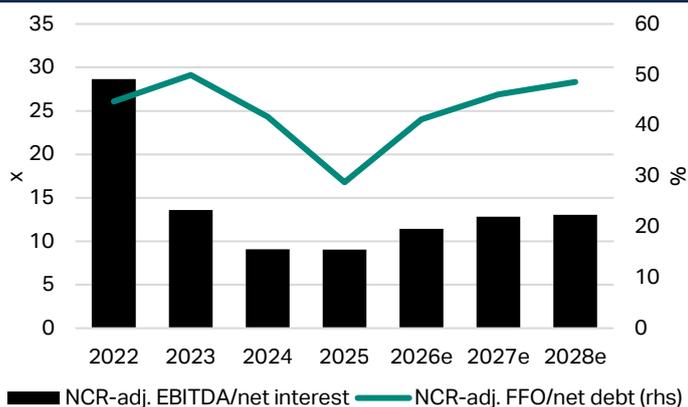
Mowi has strong relationships with major Nordic and European banks. The company is primarily financed by a EUR 2.6bn sustainability-linked revolving credit facility (RCF), maturing in June 2030, with EUR 965m undrawn at 31 Dec. 2025. Mowi is also financed by euro-denominated unsecured loans via a Schuldschein loan (EUR 150m) maturing in May 2026 and senior unsecured green bonds: (EUR 680m). Arctic Fish has obtained a EUR 170m senior secured facility.

Figure 9. Key base-case forecast assumptions and credit metrics, 2026e–2028e

	2026e	2027e	2028e
Revenue growth (%)	15.0	8.0	7.0
EBITDA margin (%)	24.0	25.0	25.0
Average interest rate (%)	3.7	3.7	4.0
Change in working capital (EURm)	-148	-258	-244
Capital expenditure (EURm)	-400	-420	-441
Dividend payment (EURm)	-316	-356	-380
Net debt/EBITDA (x)	1.9	1.6	1.5
EBITDA/net interest (x)	11.4	12.8	13.1
FFO/net debt (%)	41.2	46.1	48.5
FOCF/net debt (%)	23.0	22.8	24.2

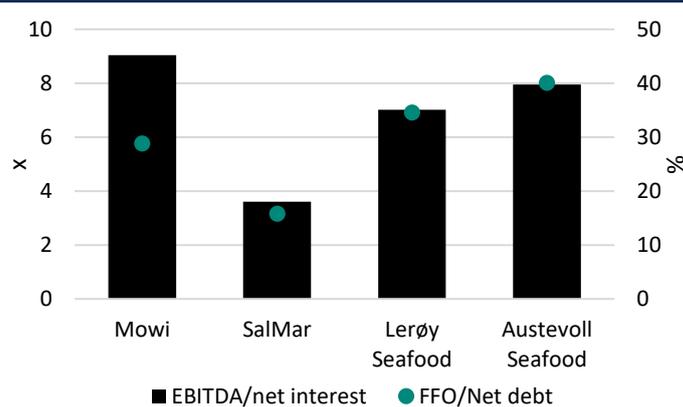
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 10. NCR-adjusted FFO/net debt and EBITDA/net interest, 2022–2028e



Source: company and NCR.

Figure 11. Peer group NCR-adjusted FFO/net debt and EBITDA/net interest, 2025



Source: company and NCR.

Figure 12. Financial covenants, policies and reported metrics*

Metric	Common loan covenants	Financial policy/targets	Reported 31 Dec. 2025
Equity ratio (%)	≥35%	n.a.	47.1%
Net interest bearing debt	n.a.	<2,700m	2,654

Source: company. *Excluding IFRS 16 effects.

ADJUSTMENT FACTORS

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

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 Mowi's liquidity position as strong. The company has a strong cash position and we forecast cash flow will outweigh its committed financial obligations by 5.5x over the next 12 months.

Figure 13. Liquidity analysis (stressed scenario) 31 Dec. 2025–31 Dec. 2026

Liquidity, next 12 months	Amount (EURm)
Cash and cash equivalents (100%)	278
Proceeds from borrowings	0
Adjusted FFO (75%)	932
Unutilised credit facilities	965
Total sources	2,175
Repayment of borrowings	150
Committed capital spending	95
Working capital	148
Total uses	393
Sources/uses (x)	5.5
Sources-uses (EURm)	1,782

Source: company and NCR.

OWNERSHIP ANALYSIS

Mowi's largest shareholder, Geveran Trading Co. Ltd., is controlled by shipping magnate John Fredriksen. His daughter, Kathrine Fredriksen, is a Mowi board member. Most of the other shareholders are institutional investors. The company's shares are listed on the Oslo Stock Exchange. The company has only one class of share, with each carrying a single vote. We expect Mowi to maintain good access to the equity market in normal circumstances.

Figure 14. Ownership structure, 31 Dec. 2025

Owner	Share of capital/votes
Geveran Trading Company	15.0%
Folketrygdfondet	10.0%
BlackRock	5.7%
DNB Asset Management	3.8%
Vanguard Group	3.7%
Top 5 owners	38.2%
Other	61.8%

Source: company.

ISSUE RATINGS

Figure 15. Instrument rating

Seniority	Issue rating and rationale
Senior unsecured issue rating	BBB+; gross secured debt/EBITDA expected below 2.0x over a protracted period.

Issue ratings are assigned in accordance with our Corporate Rating Methodology. In cases where two alternatives for issue ratings are possible, the rating is assigned based on our forward-looking view of an issuers' capital structure, typically over the next 12-18 months.

Figure 16. Calculation of gross secured debt/EBITDA

	Last twelve months ending 31 Dec. 2025
Gross secured debt (EURm)	170
NCR-adjusted EBITDA (EURm)	1,176
Gross secured debt/EBITDA (x)	0.1

Source: company and NCR.

SHORT-TERM RATING

Figure 17. Short-term issuer rating

Short-term issuers rating	Rationale
N2	Strong for the long-term rating due to committed sources to uses of liquidity above 2x.

Short-term are mapped to the long-term issuer rating, in accordance with our Rating Principles. In cases where two alternatives for short-term ratings are possible, the short-term rating is assigned based on liquidity being strong, adequate, or weak, as applicable. See definitions in the methodology.

ENVIROMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout the analysis, when they are material to our credit assessment of Mowi.

Figure 18. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Local community relations and land-use acceptance	Positives are local employment and taxes. Negatives are local pollution and escapes (conflict with salmon river owners)	Operating efficiency (-) Market position (+) Operating efficiency (-)
Direct impact on biodiversity and climate due to largescale harvesting	Failure to manage biodiversity and regeneration risks regulatory intervention, reputational damage, and potential loss of harvesting rights.	Operating environment (-) Operating efficiency (-) Financial risk (-)
Green-bond framework	Diversity of funding sources, access to additional markets/investors.	Risk appetite (+)
Biological and weather-related risk	Diseases, seal lice and unpredictable weather events, such as major storms, leading to damages and escapes.	Operating efficiency (-) Financial risk (-)

Source: company and NCR. See [ESG factors in corporate ratings](#). *Defined on a 5-step scale ranging from double minus (--) to double plus (++) with (-) representing the most negative impact and (++) the most positive.

APPENDIX

Figure 19. NCR's adjustments to financials, 2022–2028e

EURm	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	1,395	1,389	1,204	1,485	1,579	1,776	1,900
NCR-adj. EBITDA	1,451	1,450	1,306	1,176	1,579	1,776	1,900
Net interest	-38	-92	-118	-102	-110	-110	-117
NCR-adj. net interest	-51	-107	-144	-130	-138	-138	-146
Current tax	-396	-198	-157	-126	-198	-296	-390
NCR-adj. FFO	1,004	1,145	1,006	920	1,243	1,342	1,364
Changes in working capital	-491	-174	-44	-38	-148	-258	-244
Capital spending	-335	-396	-374	-376	-400	-420	-441
NCR-adj. FOCF	177	575	587	506	694	664	680
Cash and cash equivalents	171	288	277	278	456	564	664
NCR-adj. cash and equivalents	163	274	263	267	445	553	652
Gross interest-bearing debt	1,937	2,093	2,157	2,940	2,940	2,940	2,940
Leasing liabilities	463	474	518	523	523	523	523
NCR-adj. net debt	2,244	2,293	2,412	3,196	3,018	2,910	2,810

Source: company and NCR. e-estimate.

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) [Structural constraints driving salmon prices](#), 19 Mar. 2026.

Figure 20. Mowi key financial data, 2022–2025

EURm	FY	FY	FY	FY
Period-end	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025
INCOME STATEMENT				
Revenue	4,940.8	5,505.7	5,603.8	5,720.2
EBITDA	1,394.5	1,389.2	1,204.4	1,484.8
EBIT	1,053.8	981.0	758.6	960.5
Net interest expense	-37.9	-92.3	-118.0	-101.7
Pre-tax profit	1,000.9	898.7	631.7	833.8
Net profit	785.4	439.5	474.8	708.0
BALANCE SHEET				
Property, plant and equipment	1,711.0	1,883.9	1,983.5	2,470.6
Intangible assets and goodwill	1,595.4	1,614.5	1,631.9	2,715.9
Other non-current assets	736.2	761.1	827.1	732.2
Total non-current assets	4,042.6	4,259.5	4,442.5	5,918.7
Cash and equivalents	170.9	288.4	276.7	278.0
Other current assets	3,317.8	3,691.2	3,835.5	4,031.8
Total assets	7,531.3	8,239.1	8,554.7	10,228.5
Total equity	3,687.1	3,754.7	4,005.6	4,565.4
Gross debt	1,937.4	2,093.1	2,157.3	2,940.0
Other liabilities	1,906.8	2,289.3	2,391.7	2,723.1
Total equity and other liabilities	7,531.3	8,137.1	8,554.6	10,228.5
CASH FLOW STATEMENT				
Pre-tax profit	1,000.9	898.7	631.7	833.8
Cash flow before changes in working capital	1,136.3	1,165.7	960.7	907.7
Changes in working capital	-491.4	-173.5	-44.2	-37.5
Operating cash flow	644.9	992.2	916.5	870.2
Capital expenditure	-335.2	-396.3	-374.2	-376.2
Other investing activities	-134.2	-17.3	42.1	-428.4
Cash from investing activities	-469.4	-413.6	-332.1	-804.6
Dividends	-380.6	-326.1	-293.5	-297.2
Share repurchases	-	-	-	-
Other financing activities	280.6	-132.1	-304.8	234.8
Cash from financing activities	-100.0	-458.2	-598.3	-62.4
Cash and equivalents beginning of year	94.9	170.9	288.4	276.7
Cash flow for year	76.0	117.7	-11.7	3.2
Cash and equivalents at end of year	170.9	288.4	276.7	278.0

Source: company. FY–full year.

Figure 21. Mowi 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		Neutral
Stand-alone credit assessment		bbb+
Support analysis		Neutral
Issuer rating		BBB+
Outlook		Stable
Short-term rating		N2

Figure 22. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+

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