

SalMar 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 credit rating on Norway-based salmon farmer SalMar ASA reflects the company's strong profitability and moderate financial leverage. SalMar has had an active role in restructuring the Norwegian salmon industry, generating significant synergies and effectively cementing its position as the world's second-largest salmon farmer.

The rating is constrained by the seafood sector's historical earnings volatility, driven by unstable prices resulting from variable supply. Environmental and disease-related challenges, including higher costs for sea lice treatment, also weigh on the sector. These factors have contributed to volatile EBITDA margins and prompted investment in new farming technology. Additionally, the sector faces political risk due to its profitability and perceived environmental impact, while demand may be negatively affected by increased US tariffs.

THE OUTLOOK IS STABLE

The outlook is stable, reflecting our view that limited supply growth will support global salmon prices over the next three years. We expect vaccines and new technology to positively impact biological costs. Average prices are projected at around NOK 85/kg during this period, assuming a stable EUR/NOK exchange rate, though with significant seasonality. The outlook is based on expectations of improved margins to a level around 30% and a decline in net interest-bearing debt over the forecast horizon.

POTENTIAL POSITIVE RATING DRIVERS

- Proven ability to maintain EBITDA margin above 30% for a protracted period; and
- Funds from operations FFO/net debt above 45% for a protracted period.
- Lower cost levels achieved by sustainable improvements in biological performance.

POTENTIAL NEGATIVE RATING DRIVERS

- Increasing biological problems, such as disease and sea lice.
- EBITDA margin below 20% for a protracted period.
- FFO to debt below 30% for a prolonged period.

Figure 1. Key credit metrics, 2022–2028e

NOKm	2022	2023	2024	2025	2026e	2027e	2028e
Revenues	20,158	28,219	26,426	27,394	32,051	34,615	37,038
EBITDA	5,591	9,145	7,176	5,982	9,392	10,519	11,261
EBITDA margin (%)	27.7	32.4	27.2	21.8	29.3	30.4	30.4
FFO	4,275	3,385	4,809	3,746	6,137	6,999	7,547
Net debt	8,432	16,065	19,694	23,687	19,437	17,535	16,430
Total assets	62,501	53,331	54,432	57,946	58,317	59,298	60,554
Net debt/EBITDA (x)	1.5	1.8	2.7	4.0	2.0	1.7	1.5
EBITDA/net interest (x)	15.4	7.5	5.6	3.6	8.3	11.1	13.2
FFO/net debt (%)	50.7	21.1	24.4	15.8	31.6	39.9	45.9
FOCF/net debt (%)	12.0	5.4	5.2	7.4	22.9	28.6	27.4

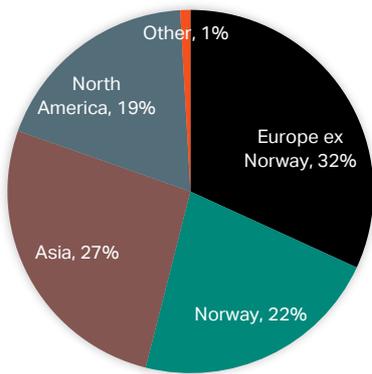
Source: company and NCR. e=estimate. FFO=funds from operations. FOCF=free operating cash flow. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

SalMar is the world's second-largest Atlantic salmon farmer, with operations in central and northern Norway. It also owns 52% of Iceland's largest salmon farmer, Icelandic Salmon AS and 50% of UK salmon farmer Scottish Sea Farms Ltd. through a joint venture with Lerøy Seafood Group ASA. SalMar sends a significantly higher proportion of its harvested volumes for secondary processing (filleting, portioning, slicing, marinating and coating) than its peers, before shipping to customers in Europe, Asia and North America, but also sells whole fresh fish and frozen fish.

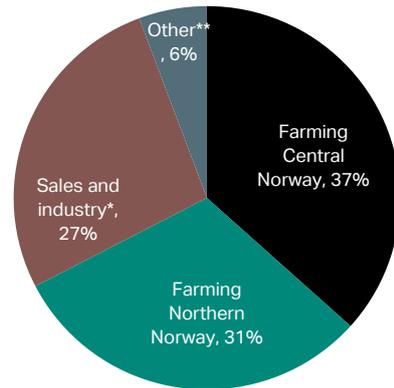
SalMar was founded in 1991 by former CEO and current chairman Gustav Witzøe, who remains the largest shareholder through the investment company Kverva Industrier AS (Kverva). SalMar is listed on the Oslo Stock Exchange and the remaining owners are financial investors.

Figure 2. Revenue by area, 2025



Source: company.

Figure 3. Revenue by segment, 2025



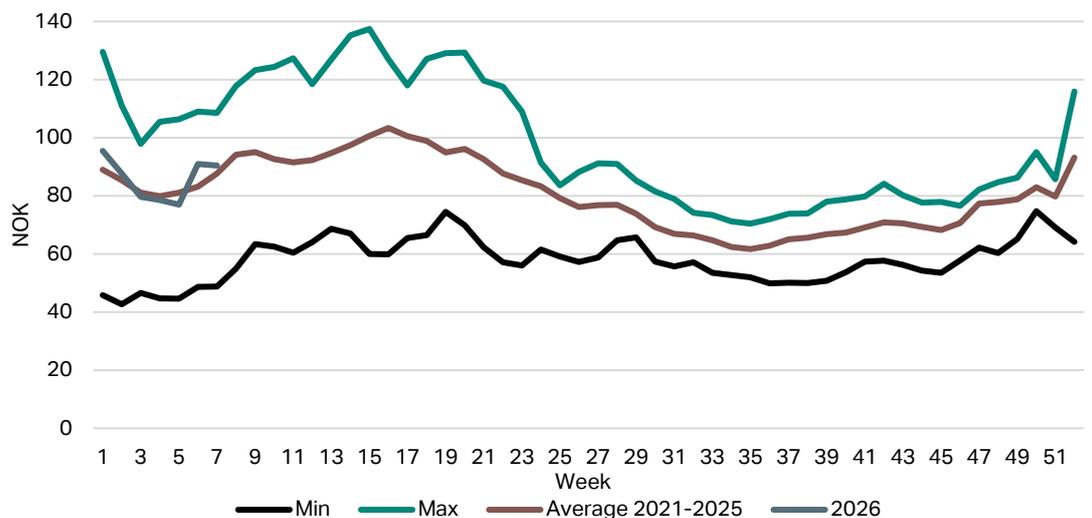
Source: company.*Eliminations are deducted from Sales and industry revenues. **Icelandic Salmon and SalMar Ocean.

BUSINESS RISK ASSESSMENT

Low supply growth the coming three-year period

We expect Norwegian farmed salmon prices to rise by 12% to NOK 84/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.

Figure 4. Salmon prices 2021-2026



Source: SISALMON/NASDAQ (average superior Oslo).

SalMar's farming operations are mostly located along the coast of central and northern Norway. These areas have historically had fewer biological problems than most other salmon farming regions, which we see as positive. However, SalMar faced increased biological challenges in 2023 and 2024, and we see the geographic concentration of its farming operations as a risk factor. The company's biological situation and health of its fish have improved, mainly due to more efficient vaccine against winter wound. Investments in new technology (e.g. laser against sea lice, submergible pens and ocean farming) is also contributing to reduced biological costs. Nevertheless, the sector faces political risk due to its profitability and perceived environmental impact.

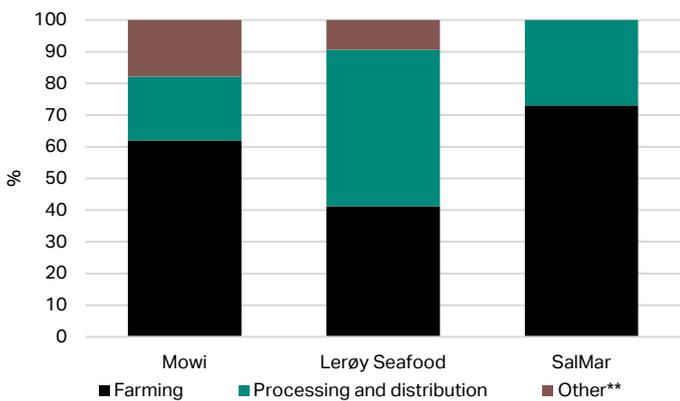
We expect increased investment in to satisfy environmental requirements and improve salmon welfare (in particular, the sea lice problem) will trigger further consolidation in the sector as farmers seek synergies to offset increasing costs.

Second largest farmer of Atlantic salmon

SalMar is the second-largest Atlantic salmon farmer globally and in Norway. The company's harvested volumes in Norway totalled 271,800 tonnes in 2025 (19% of total domestic volumes). SalMar estimates it will harvest 275,000 tonnes in 2026. In addition, Icelandic Salmon (52% owned by SalMar) expects to increase harvesting from 12,700 tonnes in 2025 to 21,000 tonnes, and Scottish Sea Farms from 32,000 tonnes to 43,000 tonnes. SalMar's projected 2026 volumes represent about 12% of total expected annual harvesting by global Atlantic salmon farmers (including 100% of Scottish Sea Farms' harvesting).

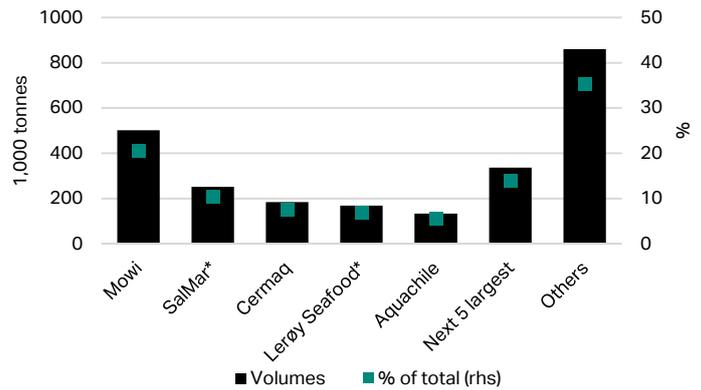
We believe that biomass restrictions imposed by licences and the large investments needed to scale up production act as major barriers to entry into the industry.

Figure 5. Breakdown of revenues Norwegian salmon farmers, 2025



Source: company. *Eliminations subtracted from processing and distribution revenues. **Other: Mowi: Feed, Lerøy: Wildcatch, Bakkafrøst: Fish meal, oil & feed.

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



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

SalMar is fully integrated, and salmon are processed at a primary and secondary processing plant in central Norway (InnovaMar and Vikenco) and a secondary processing plant in northern Norway (InnovaNor), the largest in northern Norway. Secondary processing adds little value to the bottom line due to the fragmented and competitive nature of the international processing industry, but increases flexibility in production and offers some protection against low prices. It also reduces the company's environmental footprint by decreasing the volumes transported to end-customers by 30-40%.

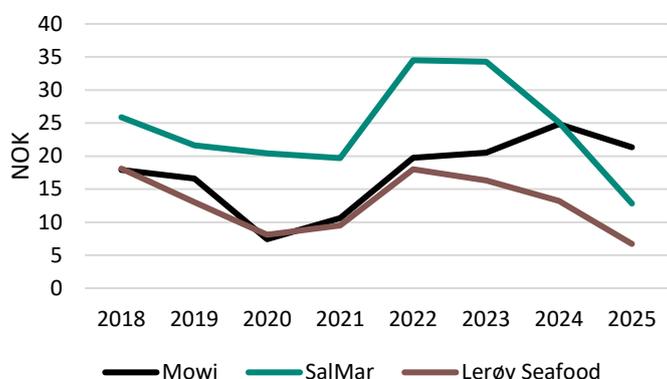
Temporary margin weakness

SalMar's strong operational focus and high biological quality have enabled it to outperform its peers historically. Its strong run ended in 2025, though, due to beforementioned biological issues and low achieved prices.

About 35% of SalMar's projected 2026 volumes are covered by fixed-price contracts, 5pp higher than in 2025. We expect relatively strong price development through 2026, with future spot prices likely to exceed current forward prices. However, the company's high financial leverage warrants a more conservative strategy.

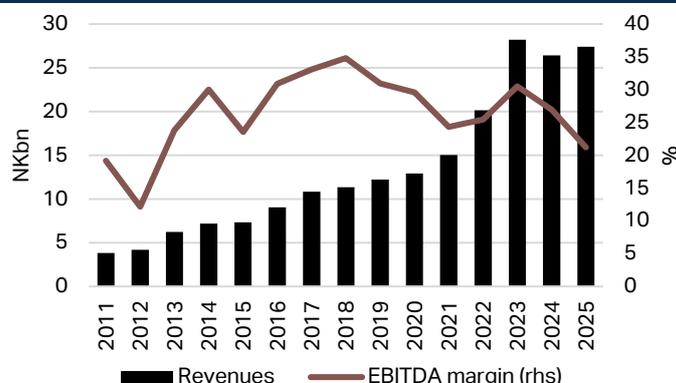
Feed accounts for more than 40% of operating costs. Prices for feed ingredients have declined significantly since their peak in 2023. Fish feed prices fell by 8% in 2024 and 14% in 2025 (Q4–Q4). We expect these trends to support lower operating costs for farmed salmon in 2026.

Figure 7. Large salmon farmers operational EBIT/kg Norwegian operations, 2018-2025



Source: company.

Figure 8. NCR-adjusted revenues and EBITDA margin, 20211-2025



Source: company.

FINANCIAL RISK ASSESSMENT

Successive increase in leverage

In our view, SalMar will maintain robust credit metrics due to its strong profitability and cash flows. Since the resource rent tax is based on EBITDA levels, we attribute significant weight to FFO-based credit metrics.

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

	2026e	2027e	2028e
Revenue growth (%)	17.0	8.0	7.0
EBITDA margin (%)	29.3	30.4	30.4
Average interest rate (%)	5.5	5.5	5.5
Change in working capital (NOKm)	-285	-397	-796
Capital expenditure (NOKm)	-1,406	-1,575	-2,250
Dividend payment (NOKm)	-1,354	-2,418	-2,701
Share repurchase (NOKm)	0	0	0
Net debt/EBITDA (x)	2.0	1.7	1.5
EBITDA/net interest (x)	8.3	11.1	13.2
FFO/net debt (%)	32.1	39.9	46.0
FOCF/net debt (%)	24.9	26.9	27.4

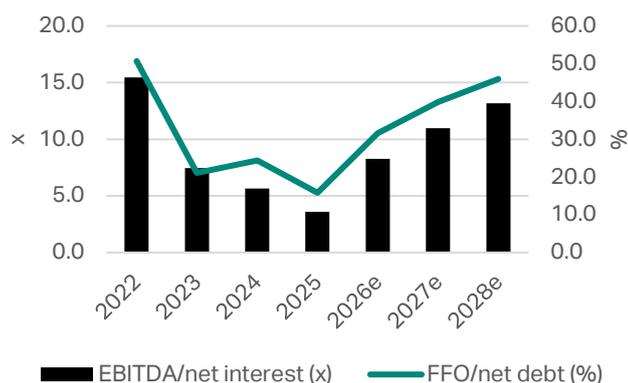
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

SalMar uses supply-chain financing to extend trade payable terms beyond that customary in the industry. We treat the proportion of trade payables above 90 days as debt and adjust interest expenses accordingly. We treat the production tax as ordinary tax (exclude it from EBITDA) since it is deductible from the resource rent tax. Moreover, we have adjusted for one-offs and dividends from associated companies and joint ventures.

The resource rent tax has constrained SalMar’s investment plans, including offshore farming, which is currently exempt but could become subject to the tax if profitable. Since 2019, SalMar has actively acquired smaller salmon farmers in Norway and Iceland. These transactions reflect the company’s growth strategy and a shift in its risk profile.

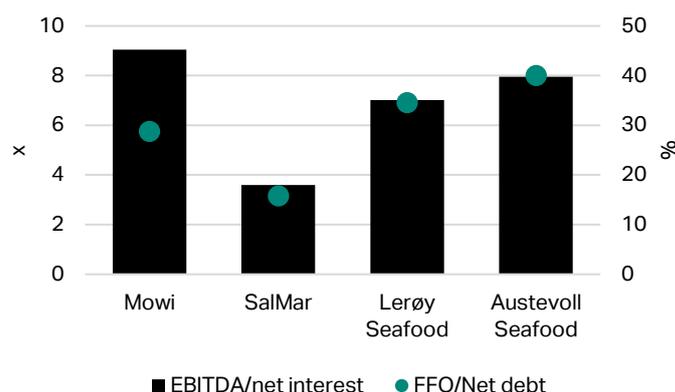
From a credit perspective, we take a negative view of SalMar’s shareholder remuneration as the company has paid 0.86x its earnings in dividends (exclusive the e.o. dividend related to sale of Frøy) over the past four years. We understand, though, that the company’s focus is on cash flow.

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



Source: company and NCR. e—estimate. *Negative EBITDA in 2023 results in non-meaningful key credit metrics.

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



Source: company and NCR.

SalMar has diversified funding consisting of rolling credit facilities (NOK 10bn of which NOK 8.9bn undrawn), overdraft facilities (NOK 2bn of which NOK 1.2bn undrawn), green bonds and commercial papers. See also the liquidity analysis below.

SalMar has ample covenant headroom but is not compliant with its internal target range of net debt to EBITDA of 1.0–2.5x.

Figure 12. Financial covenants, policies and reported metrics*

Metric	Common loan covenants	Financial policy/targets	Reported 31 Dec. 2025
Net debt/EBITDA (x)	n.a.	1.0-2.5x	3.5x
Equity ratio (%)	≥30%	n.a.	34.8%
Interest coverage ratio (x)	≥3.0x	n.a.	5.5x

Source: company. *Excluding IFRS 16 effects.

ADJUSTMENT FACTORS

Adjustment factors are assessed as neutral and have no effect on the long-term issuer rating.

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.

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

Liquidity, next 12 months	Amount (NOKm)
Cash and cash equivalents (100%)	759
Proceeds from borrowings	0
Adjusted FFO (75%)	4,603
Unutilised credit facilities	8,916
Total sources	14,278
Repayment of borrowings (certificate loans maturing 15 Sep. 2026)	1,500
Committed capital spending	900
Total uses	2,400
Sources/uses (x)	5.9
Sources-uses (NOKm)	11,878

Source: company and NCR.

We assess SalMar's liquidity position as strong. The company's cash position and unutilised credit facilities outweigh its committed financial obligations by 11.9bn over the next 12 months. Thus, we also believe that the company has sufficient liquidity to repay the NOK 3.5bn bond which expires 21 Jan. 2027.

OWNERSHIP ANALYSIS

We view SalMar's ownership structure as supportive of the company's low-risk strategy and solid financial position. Kverva, currently the largest shareholder, is a family office controlled by SalMar founder Gustav Witzøe. Typically, we do not regard companies owned by private individuals as parts of a group structure.

Figure 14. Ownership structure, 22 Feb. 2026

Owner	Share of capital/votes
Kverva Industrier AS	44.2%
Folketrygdfondet	4.6%
State Street Bank and Trust Co.	2.0%
Wilsgård Sea Service AS	1.3%
Citibank, N.A.	1.1%
Top 5 owners	53.2%
Treasury shares	0.0%
Other	46.8%

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

Figure 16. Calculation of gross secured debt/EBITDA

	2025
Gross secured debt (NOKm)	1,573
NCR-adjusted EBITDA (NOKm)	5,982
Gross secured debt/EBITDA (x)	0.3

Source: company and NCR.

SHORT-TERM RATING

Figure 17. Short-term issuer rating

Short-term issuers rating	Rationale
N3	In line with our definition for the 'BBB' long-term rating level

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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

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

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 constraints on harvesting rights over time.	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

NOKm	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	5,134	8,608	6,914	5,240	9,359	10,454	11,186
Non-EBITDA COGS	85	208	125	90			
Dividends from joint ventures and associates	3	18	21	214	33	65	75
Production tax	85	208	241	307			
Restructuring and legal costs	284	103	-125	131			
NCR-adj. EBITDA	5,591	9,145	7,176	5,982	9,392	10,519	11,261
Net interest	-336	-1,070	-1,100	-1,303	-1,020	-831	-741
Financial costs from leasing		-102	-120	-114	-114	-114	-114
Value adjustment Wilsgård				-190			
Supply chain finance	-26	-54	-51	-58			
NCR-adj. net interest	-362	-1,226	-1,271	-1,665	-1,134	-945	-855
NCR-adj. EBITDA	5,591	9,145	7,176	5,982	9,392	10,519	11,261
NCR-adj. net interest	-362	-1,226	-1,271	-1,665	-1,134	-945	-855
Current taxes	-954	-4,534	-1,096	-571	-2,120	-2,575	-2,858
NCR-adj. FFO	4,275	3,385	4,809	3,746	6,137	6,999	7,547
NCR-adj. FFO	4,275	3,385	4,809	3,746	6,137	6,999	7,547
Changes in working capital	-806	-170	-1,197	-58	-285	-397	-796
Capital expenditures	-2,455	-2,353	-2,582	-1,935	-1,406	-1,575	-2,250
NCR-adj. FOCF	1,014	862	1,030	1,753	4,446	5,018	4,500
Cash and cash equivalents	2,713	785	518	759	713	1,198	882
Adjustment cash and equivalents, restricted	-430	-120	-180				
NCR-adj. cash and equivalents	2,283	665	338	759	713	1,198	882
Gross debt	21,792	13,892	17,318	21,606	16,606	15,106	13,606
Leasing liabilities	1,425	1,846	1,694	1,702	2,502	2,502	2,502
Debt adjustment*	-13,338						
Supply chain finance	836	992	1,020	1,138	1,042	1,125	1,204
NCR-adj. total debt	10,715	16,730	20,032	24,446	20,150	18,733	17,312
NCR-adj. cash and equivalents	-2,283	-665	-338	-759	-713	-1,198	-882
NCR-adj. net debt	8,432	16,065	19,694	23,687	19,437	17,535	16,430

Source: company and NCR. e—estimate. *We adjust debt in 2022 to the average of Q3 2022 and Q4 2022 to reflect the takeover of NTS and NRS, which took effect in November 2022. This gives more relevant credit metrics.

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](#), 10 Mar. 2026.

Figure 20. SalMar key financial data, 2022–2025

NOKm	FY	FY	FY	FY
Period-end	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025
INCOME STATEMENT				
Revenue	20,158	28,219	26,426	27,394
EBITDA	5,134	8,608	6,914	5,240
EBIT	4,738	8,509	5,292	2,916
Net interest expense	-336	-1,070	-1,100	-1,303
Pre-tax profit	4,562	7,280	4,200	1,691
Net profit	3,608	2,746	3,104	1,121
BALANCE SHEET				
Property, plant and equipment	11,131	12,371	12,458	13,025
Intangible assets and goodwill	18,291	18,685	19,493	22,410
Other non-current assets	4,133	4,477	4,558	3,762
Total non-current assets	33,555	35,533	36,509	39,197
Cash and equivalents	2,713	785	518	759
Other current assets	26,234	17,013	17,405	17,990
Total assets	62,501	53,331	54,432	57,946
Total equity	24,155	23,079	20,240	20,148
Gross debt	21,792	13,892	17,318	21,606
Other liabilities	16,554	16,360	16,875	16,191
Total equity and other liabilities	62,501	53,331	54,433	57,945
CASH FLOW STATEMENT				
Pre-tax profit	4,562	7,280	4,200	1,691
Cash flow before changes in working capital	5,029	9,146	6,578	3,249
Changes in working capital	-806	-170	-1,197	-58
Operating cash flow	4,223	8,976	5,381	3,191
Capital expenditure	-2,455	-2,353	-2,582	-1,935
Other investing activities	-4,051	3,373	-528	-2
Cash from investing activities	-6,506	1,020	-3,110	-1,937
Dividends	-2,405	-2,748	-4,683	-3,024
Share repurchases	-	-	-	-50
Other financing activities	6,446	-9,466	2,141	2,082
Cash from financing activities	4,041	-12,214	-2,542	-992
Cash and equivalents beginning of year	902	2,713	785	518
Cash flow for year	1,765	-2,225	-267	241
Cash and equivalents at end of year	2,713	785	518	759

Source: company. FY–full year.

Figure 21. SalMar 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%	a-
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 22. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB

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